



Management Discussion and Analysis

Industry Overview

IT Services

Global technology spending grew at a slower pace of 4.4% year-over-year in the calendar year ended December 31, 2023, with enterprise software and IT services being the primary drivers of growth and degrowth seen in hardware and devices according to the Strategic Review 2024 published by NASSCOM (the 'NASSCOM Report'). Digital transformation and infrastructure modernization continue to be a global priority, with a particular focus on cloud and cybersecurity. We expect that increased interest and adoption of technologies such as automation, intelligent applications, and AI including responsible AI, GenAI-enabled virtual assistants, Edge computing, 5G, and industrial IoT will create opportunities for the services industry.

Global IT service providers are equipped to support enterprises across various industries to overcome the current challenges, with a wide range of offerings for digital transformation cutting across consulting, application development, maintenance and support, R&D, technology infrastructure and business process services. We expect the IT services industry to accelerate and drive decisions in fiscal year 2025 based on investments made by clients in key areas such as AI, GenAI implementation,

cost optimization, operational excellence, digital transformation, vendor consolidation, productivity improvement, customer experience programs, innovation in products and services, talent management, future of workplace and workforce, and ESG initiatives.

According to the NASSCOM Report, revenue for the Indian IT services' sector is expected to witness growth of 2% year-over-year in fiscal year 2024, led by infrastructure management and networking services in distributed environments, cloud-based software testing services, and consulting services. It is expected that there will be an increase in foundational spend across cloud, IT modernization, digital customer experience, and digital engineering projects.

According to the NASSCOM Report, AI-related activities have witnessed a significant uptick with 2.7x growth in activities related to industry collaborations and partnerships, product/service launches and enterprise GenAI strategies. We expect that GenAI will be a key priority for IT service providers, with the legal and regulatory landscape expected to evolve rapidly, setting the stage for greater adoption in the second half of calendar year 2024 and into 2025. Governments across the world are expected to implement regulations which prioritize data protection, breach detection and containment, and responsible use of AI.



The NASSCOM Report estimates that the engineering services ('ER&D') will grow at 7.4% year-over-year. With digital imperatives and the resurgence of AI, ER&D maintains its concentration on digital engineering, leading to development of new products and service categories. Data analytics capabilities are enabling constant reinvention of services and aiding the launch of personalized products. Digital testing, virtual twins and increasing reliance on software and coding have led to reduced costs and accelerated timelines for R&D and entering the market.

Enterprises continue to prioritize cost takeout and operational excellence initiatives, with spending expected to gradually improve in fiscal year 2025. Enterprises are also prioritizing sustainability and resilience, aiming to globalise their operations to take advantage of cost arbitrage, greater access to talent, and faster innovation. The Financial Services, Hi-Tech and Telecom sectors continue to be soft with the Healthcare and Automotive sectors being bright spots. Consumer goods and Manufacturing sector clients are investing cautiously due to cost takeouts and weak consumer spending.

We believe focus on ESG parameters is now a key business imperative driving innovation, efficiency and lowering risks. Enterprises expect providers to not only meet the global standards on ESG, but also help them make progress on their ESG goals across key focuses such as climate change, diversity and inclusion, corporate governance and cybersecurity.

IT Products

According to the NASSCOM Report, the domestic market in India for hardware is estimated to be \$17.7 billion in fiscal year 2024, compared to \$17.4 billion in fiscal year 2023, and overall revenue for the hardware industry is expected to be \$18.2 billion in fiscal year 2024.



Business Overview

Celebrating over 75 years of innovation, Wipro is a purpose-driven, global technology services and consulting firm with over 230,000 employees across six continents helping our customers, colleagues and communities thrive in an ever-changing world.

We are recognized globally for our strong commitment to sustainability. We nurture inclusivity as an intrinsic part of our culture. Our deep resolve to improve the communities we live and work in, is appreciated by our customers, investors, analysts, and employees.

We aspire to be a 'value orchestrator' to our clients – an end-to-end digital transformation partner that delivers personalized outcomes through holistic solutions. To achieve this, we proactively conceptualize, orchestrate and seamlessly deploy value by bringing together domain knowledge, technologies, partners and hyperscalers to solve complex problems for our clients.

Leveraging our holistic portfolio of capabilities in consulting, design, engineering and operations, and our ability to navigate vertically and horizontally across ecosystems, we help clients realize their boldest ambitions and build future-ready, sustainable businesses.

Our focus is to maximize business outcomes by converging themes across industry domains, products, services, and partners as we develop and deliver tailored business solutions for our clients. This combined with operational excellence, automation, higher productivity and integration of consulting and technology practices strengthens our ability to deliver industry solutions effectively and at scale. We are focused towards building long-term relationships with customers and tightly aligned visions and outcomes structured through a highly governed and co-managed engagement process.

Our IT Services segment provides a range of IT and IT-enabled services which include digital strategy advisory, customer-centric design, consulting, custom application design, development, re-engineering and maintenance, systems integration, package implementation, global infrastructure services, analytics services, business process services, research and development and hardware and software design to leading enterprises worldwide.



Our IT Products segment provides a range of third-party IT products, which allows us to offer comprehensive IT system integration services. These products include computing, platforms and storage, networking solutions, enterprise information security and software products, including databases and operating systems. We provide IT products as a complement to our IT services offerings rather than sell standalone IT products, and our focus continues to be on consulting and digital engagements, with a more selective approach in bidding for system integration engagements.

Our Business Strategy

OUR VISION IS TO

- Be a trusted partner to our clients in their transformation journey and enable them in achieving leadership in their respective industries;
- Orchestrate value for our clients as part of their transformation journey through sector focused 'AI Powered Business Solutions', 'Digital' and 'Technology' capabilities, cutting edge innovation, leveraging our strategic ecosystem partnerships and our world class talent; and
- Stay resolute in our commitment to the environment, societies and communities in which we live and work.

OUR AMBITION AND ASPIRATION

Our ambition is to be a true global leader in our industry, one that is fast-growing, dynamic, and innovative, is constantly reinventing itself and is attracting the best talent from different industries.

We are focused on realizing our ambition and delivering outcomes through our strategy, combined with a rigorous focus on its execution. Our strategy is defined in the context of our five strategic priorities: accelerate growth, strengthen clients and partnerships, lead with business solutions, building talent at scale and a simplified operating model.

1 Accelerate Growth – Focus and Scale

We have prioritized specific sectors in the chosen geographies/markets, and we will accelerate efforts to drive market leadership in these areas.

The Americas, Europe and APMEA continue to be large and key focus markets.

Our choice of sectors in a market is being driven by both market attractiveness and by Wipro's competitive positioning and strengths.

Mergers and acquisitions are an integral part of our business strategy because acquisitions help us leapfrog in strategic areas and capture high-demand high-potential market opportunities. Our goal is to fast-track capability building in emerging areas and accelerate our access and footprint in identified markets. With a strong post-merger integration focus, we are committed to driving synergies and effectively integrating acquisitions. In the last few years, we have closed several acquisitions in the US, Europe, Latin America, Australia, and India, including our acquisition of a majority equity interest in Aggne during the fiscal year 2024. These acquisitions have strengthened our local presence, enhanced our capabilities, and significantly improved our positioning in key markets and segments.





2 Strengthen Clients and Partnerships

We have three anchors for our growth. First, our portfolio of large clients; second, winning large deals; and third, accelerating growth through our partnerships and Wipro Ventures.

We are accelerating growth by strongly aligning our organization around our key customers and investing early on the next set of large customers in the priority sectors that we have identified. Each of them has a Global Account Executive (“GAE”) – a senior leader representing and taking the best of Wipro to the customer. GAEs are supported by a team of industry and technology specialists and delivery leaders, who are located close to customers to grow these accounts.

We are significantly focusing on large deal origination by leveraging our relationships with advisors, partners and other ecosystem stakeholders. We continue to drive rigor and focus in winning large deals by investing in capabilities of dedicated pursuit teams in our units and backed by our investments and focus on differentiated solutions, propositions and commercial constructs.

In fiscal year 2024, our top five and top ten IT Services customers grew 0.1% and 0.7% year-over-year, respectively. Our large deal total contract value (i.e., deals greater than or equal to \$30 million in total contract value) in fiscal year 2024 was \$4.6 billion, which grew 17.4% on a year-over-year basis.

Wipro continues to be recognized as a premiere and valued strategic partner by today’s technology leaders that are part of our Ecosystems and Partnerships. We are committed to co-investing, co-innovating, and co-creating with partners to drive demand and engage with hyperscaler, industry leading platforms and AI companies and researchers such as Amazon Web Services (“AWS”), Microsoft, Google, Salesforce, SAP, ServiceNow and NVIDIA to deliver leading-edge solutions and business value for our clients. Our Cloud, GenAI and transformative innovation is being done collaboratively with our partners at our global Wipro FullStride Cloud Studios, Innovations Centers, Workplace Experience Centers and @now studio with ServiceNow, our Wipro HPE GenAI Customer Experience Center in Bengaluru, our Wipro Google Cloud Innovation Arena in Bengaluru and our Wipro AWS Launch Pad co-innovation centers in Toronto, Canada and São Paulo, Brazil. Together with



our partners, we are delivering business value for clients across cloud-led transformation, AI, machine learning (‘ML’), industry cloud and context-specific solutions and cloud-native architectures to address their most complex business challenges.

In keeping with our charter to invest in early- and mid-stage companies, we invested in select emerging GenAI/AI startups that are building leading-edge solutions and mid-stage companies that are exhibiting good growth. As of March 31, 2024, Wipro Ventures manages 26 active investments. In addition to direct equity investments in emerging startups, Wipro Ventures has invested in 10 enterprise-focused venture funds – B Capital, Boldstart Ventures, Gliot Capital Partners, GTM Fund, Nexus Venture Partners, Pi Ventures, Sorenson Ventures, SYN Ventures, TLV Partners and Work-Bench Ventures.

3 Lead with Business Solutions

We are focused on building and multiplying business solutions with a consulting led, AI-powered approach that solves business and technology problems for our clients with industry specific and cross industry solutions.

With decades of experience as a sustainability leader, we are helping clients achieve ESG ambitions through our portfolio of offerings in ESG strategy, assessment and governance, impact tracking, Net Zero operations, green IT and technology, and sustainable products and services, among others.



Lastly, we have also identified and are investing in emerging areas that will drive the technology-driven opportunities in the coming decade through Lab45, Wipro's innovation lab. With a focus on areas like the talent cloud, brand of trust and autonomic systems, Lab45 provides strategic guidance in futuristic technologies and develops technological solutions by scaling new and existing platforms such as our talent cloud platform, Topcoder, which provides us access to the 'largest tech gig workforce' of over 2 million members.

4 Building Talent at Scale

We have a contemporary and diverse senior leadership team across markets, global business lines and functions. Our leadership team has a good mix of lateral hires, and internally promoted high-performing leaders. Throughout our organizational transformation, we have continued to reinforce the spirit and values of our company.

We have an ambitious program to hire the right talent with diverse backgrounds and skills covering deep domain, consulting, design, market making, functional and technology expertise. We are growing our existing talent by upskilling and reskilling them in client relevant areas by investing on digital learning platforms that enable 'anytime, anywhere' learning, social and community learning, mentoring networks and talent champions. We are expanding Topcoder Talent Cloud to enable enterprises access to top talent across the world anytime and anywhere and, in turn, provide the talent with a world of options.

We continue to invest in building world class talent with capabilities aligned to business solutions in areas such as front-end, consulting, architecture, domain, and cutting-edge technologies such as AI, GenAI, data sciences, cybersecurity, engineering and niche areas such as 5G and quantum computing. We are also working with our hyperscaler partners such as AWS, Microsoft, Google and key technology players such as Salesforce, SAP, ServiceNow to enable skilling through certifications and hands-on learning on their platforms.

We have created leadership development programs across business, technology and functions with dedicated mentors for succession planning, and function rotation for better business understanding.

We are committed to significantly improving gender and ethnic diversity in our leadership ranks. In the last 24 months, we have increased the number of women leaders from 12.4% to 18.7%.

We are relentlessly driving a cultural transformation to build an organization that is bold, that drives a high-performance mindset, and nurtures diverse ideas and teams. Our Five Habits fuel this transformation and provide the foundation for who we are, how we act and how we grow.

We are elevating our employee experience to build belonging, connectedness and pride in being a part of Wipro, significantly reinforcing our ability to attract, nurture and retain diverse and high quality talent.



5 Simplified Operating Model

Our operating model is anchored in sectors and markets. Our four SMUs (Americas 1, Americas 2, Europe and APMEA) are the primary axis for our go-to-market strategy.

- The Americas 1 and Americas 2 SMUs are structured by sectors; and
- The Europe and APMEA SMUs are structured by countries, with dedicated focus on identified sectors.

To capitalize on emerging opportunities, and better align with our clients' evolving needs, we have organized our capabilities across four GBLs. Delivery, capabilities, solutions, and horizontal specialists are owned by GBLs. The four GBLs are:

- **Wipro FullStride Cloud**
- **Wipro Enterprise Futuring**
- **Wipro Engineering Edge**
- **Wipro Consulting**

Our GBL model enables focused growth in our priority markets, combines global expertise with local geo-focus in building capabilities, and ensures dedicated sales presence, led by proximity to clients.

A key element of our operating model is driving delivery excellence through workforce transformation, program management and the new ways of working enabled by a global and distributed working model which follows agile and no-shore methods, leveraging our AI, GenAI and automation assets to focus on problem discovery, customer intimacy, and constant learning. We are also investing significantly in building a world class talent pool of account delivery executives, who bring One Wipro execution focus to our programs and lead the integrated and transformational deals as our clients' trusted advisors.

We have launched an ambitious internal transformation program that aims to bring ease of doing business and improve employees experiences and business performances. It is focused on simplifying and transforming our core and critical internal processes like talent supply chain, key processes in corporate functions, and our IT systems to better support and enable our business with agility.

