



**Mastek Q1 FY14 Total Income at Rs. 227 crore;  
up 2.5% YoY**

- **12 month Order Backlog at Rs 560 crore, up 17% QoQ**
- **Overall Cash Position Swells to Rs. 281 crore, up 77% QoQ**

Mumbai, India – 19<sup>th</sup> July 2013: Mastek, an IT solutions player with global operations providing new technology and IP-led enterprise solutions with a focus on the Insurance and Government verticals worldwide, announced its financial results for the first quarter ended 30<sup>th</sup> June, 2013 today.

**Review of financial performance for the first quarter ended 30<sup>th</sup> June, 2013**

On a quarter-on-quarter basis:

- Operating revenue was Rs 222.3 crore during the quarter under review as compared to Rs 229.5 crore during the sequential previous quarter reflecting a decrease of 3.2% in rupee terms and 6.6% in constant currency dollar terms. The drop in revenue was primarily in the UK with the successful completion of one project and the anticipated ramp down in another project totalling to Rs 12 crore.
- Total income was Rs 227.3 crore during the quarter under review as compared to Rs 232.9 crore during the sequential previous quarter.
- The Company reported EBITDA of Rs 18.6 crore (8.2% of total income) compared to Rs 26.6 crore (11.4% of total income). The drop in the EBITDA margins was due to the above mentioned drop in UK revenues, higher product development expenditure and mandated provision for receivables greater than 180 days.
- Net profit stood at Rs 7.1 crore in Q1FY14 as against Rs 20.3 crore in the previous quarter ended March 2013. This includes additional tax provision during the quarter for tax on dividend received from a foreign subsidiary and deferred tax charge as compared to negative tax in the previous quarter.
- The product development spends during the quarter was Rs 11.6 crore as compared to Rs 10.1 crore in Q3FY13.

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Note (i): All references to Mastek's financial results in this release pertain to the company's consolidated operations.

Note (ii): Mastek has changed its fiscal year end to 31<sup>st</sup> March effective FY2012-13.

Note (iii): Rs 1 crore (cr.) = Rs 10 million (mn.).



On a Year-on-Year basis:

- The operating revenue was Rs 222.3 crore during the quarter under review as compared to Rs 213.6 crore during the corresponding quarter of previous year, an increase of 4.0% in rupee terms.
- Total income was Rs 227.3 crore during the quarter under review as compared to Rs 221.9 crore during the corresponding quarter of previous year, an increase of 2.5% in rupee terms.
- The company posted an EBITDA of Rs 18.6 crore (8.2% of total income) compared to an EBITDA of Rs 31.3 crore (14.1% of total income) compared to the same period last year.
- Net profit stood at Rs 7.1 crore in Q1FY14 as against a profit of Rs 22.3 crore in corresponding quarter of previous year.
- The product development spends during the quarter was Rs 11.6 crore as compared to Rs 10.3 crore in the same period last year.

### Operating highlights

- **New accounts billed during the quarter:** The Company added 4 new clients during Q1FY14. Total client count as on 30<sup>th</sup> June, 2013 was 117 (LTM).
- **12m order backlog:** Mastek's 12-month order backlog was Rs 560 crore (\$94.5 mn) as on 30<sup>th</sup> June 2013 and in constant currency stood at Rs 511 crore as compared to Rs 478 crore at the end of Q3FY13, reflecting a growth of 17.2% qoq in rupee terms (6.9% qoq growth in constant currency).
- **Employees:** As on 30<sup>th</sup> June 2013, the company had a total of 3,271 employees, of which 2,479 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 31<sup>st</sup> March 2013 was 3,214.
- **Billable utilization:** The Company's billable utilization stood at 80.0% during the quarter under review as compared to 81.4% in Q3FY13.
- **Cash & Cash Equivalent:** The Company has seen substantial improvement in its cash position with total cash/cash equivalent increasing to Rs 281 crore as on 30<sup>th</sup> June, 2013 as compared to Rs 159.0 crore at the end of 31<sup>st</sup> March, 2013. The cash balance included advance monies received from customers of approx Rs.79 crore

**Commenting on the results, Mr. Sudhakar Ram, Group CEO & Managing Director, Mastek, said:** "While the quarter was muted due to the anticipated drop in the revenues in UK, the momentum for the Company for the full year remains strong. We have seen a substantial improvement in our order backlog position and this gives us the confidence that the revenue will follow through in the rest of the quarters."

**Mr. Farid Kazani, Group CFO and Finance Director, Mastek, said:** "The highlight of the quarter was the strong improvement in cash position to Rs 281 crore. The EBIDTA margins remain healthy although the quarter has been impacted by higher product development expenditure and provisioning for overdue receivables. We remain confident that margins going forward will improve on the back of improvement in sales traction and operational efficiency measures."

#### **About Mastek**

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to insurance, government, and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates across North America, Europe, and Asia Pacific regions. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. For more information and past results & conference call transcripts, please visit our web site [www.mastek.com](http://www.mastek.com) (and/or the Investors section at <http://www.mastek.com/investors.html>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <http://www.mastek.com/investors/corporate-governance.html>.

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Shareholders may also contact Mastek via email at [Investor\\_grievances@mastek.com](mailto:Investor_grievances@mastek.com), which has been specifically created for the redressal of investor grievances. You may also contact the Investor Relations team by email at [investor.relations@mastek.com](mailto:investor.relations@mastek.com).

*Note: Except for the historical information and discussion contained herein, statements included in this release may constitute forward looking statements. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those that be projected by these forward looking statements. These risks and uncertainties include, but not limited to such factors as competition, growth, pricing environment, recruitment and retention, technology, wage inflation, law and regulatory policies etc. Such risks and uncertainties are detailed in the Annual Report of the company which is available on the website [www.mastek.com](http://www.mastek.com). Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.*