



Investor Presentation

FY18 Q1: Performance Overview

Group Chief Executive Officer: John Owen
Group Chief Financial Officer: Abhishek Singh

Date: 19th July, 2017

Agenda



1 | **Quarter Highlights**

2 | Financial Performance

3 | Operating Highlights

Performance Highlights

FY18 Q1: Quarter-on-Quarter basis

❑ Financial performance of current quarter and comparative periods are as per INDAS

❑ **Revenue:**

- ✓ Total income was Rs 188.0 crore vs Rs 183.4 crore, up 2.5% on Q-o-Q basis
- ✓ Operating Income of Rs 185.5 crore vs Rs 180.4 crore, up 2.9% Q-o-Q in rupee terms
- ✓ Constant currency revenue growth of 5.3% on Q-o-Q basis

❑ **Profit:**

- ✓ EBITDA was Rs 24.8 crore vs Rs 21.0 crore, up 18.1% Q-o-Q basis
- ✓ EBITDA Margin of 13.2% in Q1FY18 as against 11.5% in Q4FY17; EBITDA Margin expansion of 170 bps
- ✓ Net Profit stood at Rs 14.7 crore vs Rs 10.5 crore, up 39.9% on Q-o-Q basis
- ✓ Net Profit Margin of 7.8% in Q1FY18 as against 5.7% in Q4FY17

❑ **Cash Balance:**

- ✓ Cash, cash equivalents & fair value of Mutual Funds of Rs 150.4 crore as on 30th June, 2017 as against Rs 153.0 crore as on 31st March, 2017

❑ **Order Backlog:**

- ✓ 12M Backlog was Rs 344.6 crore (£41.1mn), as on 30th June, 2017 as compared to Rs 333.2 crore (£41.2mn) as on 31st Mar, 2017, growth of 3% in rupee terms

Performance Highlights



FY18 Q1: Year-on-Year basis

□ Revenue:

- ✓ Total income was Rs 188.0 crore vs Rs 133.0 crore, up 41.4% Y-o-Y
- ✓ Operating Income of Rs 185.5 crore vs Rs 129.2 crore, up 43.6% Y-o-Y in rupee terms
- ✓ Constant currency revenue growth of 65.2% on Y-o-Y basis

□ Profit:

- ✓ EBITDA was Rs 24.8 crore vs Rs 9.8 crore, up 154.1% Y-o-Y basis
- ✓ EBITDA Margin of 13.2% in Q1FY18 as against 7.3% in Q1FY17
- ✓ Net Profit stood at Rs 14.7 crore vs Rs 2.3 crore in Q1FY17
- ✓ Net Profit Margin of 7.8% in Q1FY18 as against 1.8% in Q1FY17

Operating Highlights



FY18 Q1

☐ Client:

- ✓ Added 12 new logos
- ✓ Total active client 161 (LTM)
- ✓ Top 5 Client revenue 41.3%
- ✓ Top 10 Client revenue 53.8%

☐ Employee:

- ✓ Total Employee 1,684 (offshore: 1,143; onsite: 541) as on 30th June, 2017 as against 1,577 (offshore: 1,045; onsite: 532) as on 31st March, 2017

☐ **DSO** stood at 72 days as on 30th June, 2017 as against 57 days as on 31st March, 2017

☐ **FX Hedges for next 12 months** GBP 11.0mn @ Rs 96.92/-

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Key Financials



FY18 Q1

Particulars	Metrics	Q1 FY18	Q4 FY17	QoQ Growth	Q1 FY17	YoY Growth
Revenue (INR Cr)	Total Income from operations	185.5	180.4	2.9%	129.2	43.6%
	Other Income	2.5	3.0	-17.9%	3.8	-35.3%
	Total Income	188.0	183.4	2.5%	133.0	41.4%
Margins (INR Cr)	EBITDA	24.8	21.0	18.1%	9.8	154.1%
	PBT	18.4	11.0	66.8%	6.6	179.2%
	PAT	14.7	10.5	39.9%	2.3	526.5%
Margin (%)	EBITDA	13.2%	11.5%		7.3%	
	PBT	9.8%	6.0%		4.9%	
	PAT	7.8%	5.7%		1.8%	
EPS (INR)	Basic	6.3	4.5		1.0	
	Diluted	5.9	4.3		1.0	

*Financial performance of current quarter and comparative periods are as per INDAS

PAT Walk



IGAAP to IND AS – FY17 Q4

Particulars (INR Cr)	Q4 FY17
PAT as per IGAAP	14.5
Business Combination*	(1.6)
Employee Benefit Expense**	(2.7)
Deferred Tax	0.4
Others	(0.1)
PAT as per IND AS	10.5

***Business combination:**

- Under IND AS, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. This has resulted in the recognition of intangible assets and consequent amortisation of such intangibles in the statement of profit and loss.
- Under IND AS, fair value of contingent consideration is estimated on the date of acquisition and liability is created with a corresponding adjustment to Goodwill. At each Balance Sheet date, contingent consideration is fair valued and any movement, not qualifying as a measurement period adjustment, is recognised through Profit & Loss account.

****Employee Benefit Expense:**

- Under IND AS, actuarial gains and losses from Gratuity is classified under OCI. Under previous GAAP, it was recorded under Profit & Loss account.
- Under IND AS, ESOP cost is recognised on Grant date fair value and amortised over vesting period. Under previous GAAP, ESOP was valued using Intrinsic value method where Mastek had no significant cost as Options were predominately granted with an exercise price equal to market price on the date of grant.

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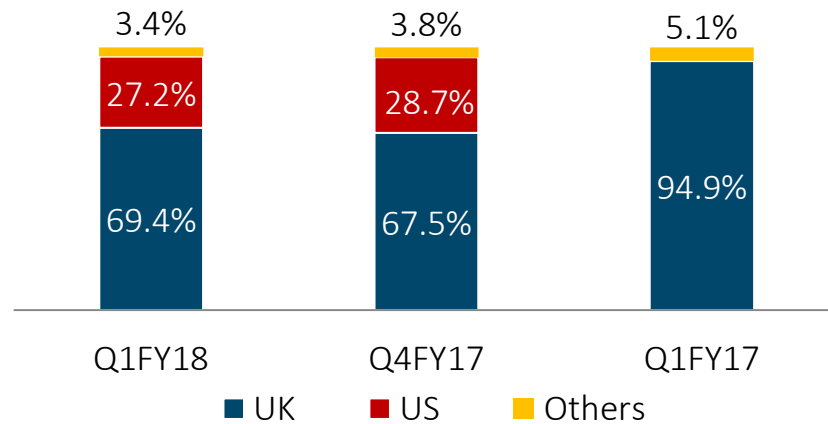
3 | **Operating Highlights**

Revenue Analysis

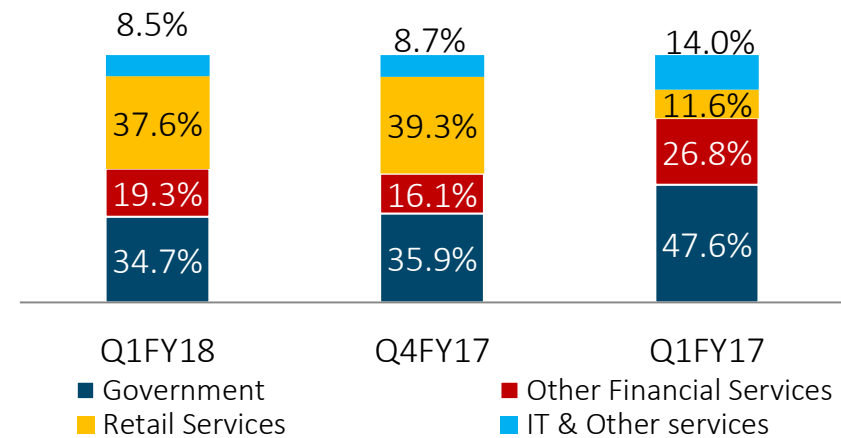


FY18 Q1

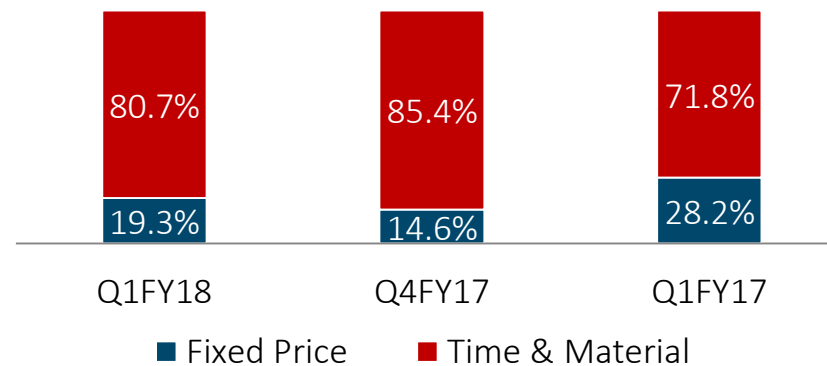
Revenue by Region



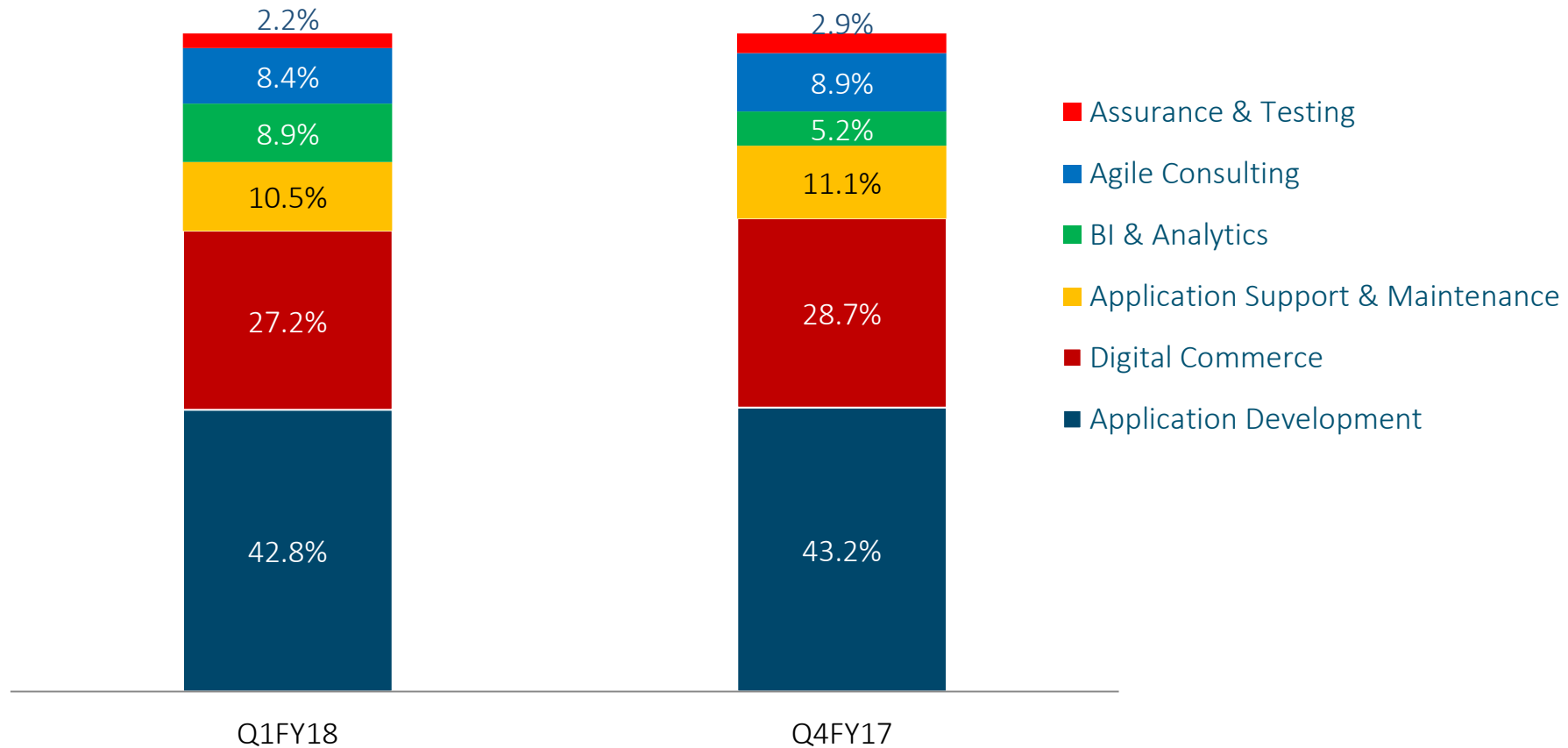
Revenue by Industry



Revenue by Type



Revenue By Services Line





THANK YOU

About Mastek

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