

For Immediate Release

Q2FY19 Total Income at Rs 265.8 crore; up by 30.2% Y-o-Y basis

- **Mastek UK won 2 awards at DevOps Industry under its marquee brand IndigoBlue**
- **Y-o-Y Revenue grew 21.6% in constant currency**
- **Recommends Interim Dividend of 70%**

Mumbai, India – 25th Oct 2018: Mastek, a global IT player and a trusted partner in complex digital & agile transformation programs in the Government and Global Enterprises worldwide, announced today its financial results for the **second quarter of FY19**.

Review of financial performance for the quarter ended 30th Sep, 2018

On year-on-year basis:

- Total income was Rs 265.8 crore during the quarter under review as compared to Rs 204.1 crore during the corresponding quarter of previous year, growth of 30.2% in rupee terms.
- The operating income was Rs 257.1 crore during the quarter under review as compared to Rs 198.5 crore during the corresponding quarter of previous year, reflecting a growth of 29.5% in rupee terms and an increase of 21.6% in constant currency terms.
- The company reported an Operating EBITDA of Rs 31.3 crore (12.2% of Op. income) in Q2FY19 as compared to Rs 23.7 crore (12.0% of Op. income) in Q2FY18, growth of 31.9% on Y-o-Y basis.
- The company reported Total EBITDA of Rs 40.0 crore (15.1% of total income) in Q2FY19 as compared to Rs 29.3 crore (14.4% of total income) in Q2FY18, growth of 36.4% on Y-o-Y basis.
- Net profit stood at Rs 25.1 crore in Q2FY19 as compared to Rs 17.5 crore during the corresponding quarter of previous year, growth of 43.5% on Y-o-Y basis.

On a quarter-on-quarter basis:

- Total income was Rs 265.8 crore during the quarter under review as compared to Rs 247.2 crore during the previous quarter, growth of 7.5% on Q-o-Q basis.
 - The operating income was Rs 257.1 crore during the quarter under review as compared to Rs 244.0 crore during the previous quarter, reflecting a growth of 5.3% in rupee terms and an increase of 4.3% in constant currency terms.
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- The Company reported an Operating EBITDA of Rs 31.3 crore (12.2% of Op. income) in Q2FY19 as compared to Rs 30.9 crore (12.7% of Op. income) in Q1FY19, an increase of 1.2% on Q-o-Q basis.
- The Company reported Total EBITDA of Rs 40.0 crore (15.1% of total income) in Q2FY19 as compared to Rs 34.1 crore (13.8% of total income) in Q1FY19, an increase of 17.5% on Q-o-Q basis.
- Net profit stood at Rs 25.1 crore in Q2FY19 as compared to Rs 22.5 crore in Q1FY19, a growth of 11.8% on Q-o-Q basis.

For the half year ended 30th September, 2018

- Total income was Rs 512.9 crore during the half year period under review as compared to Rs 392.1 crore during the corresponding period of previous year, reflecting a growth of 30.8% on Y-o-Y basis.
- The operating income was Rs 501.1 crore during the half year period under review as compared to Rs 384.0 crore during the corresponding period of previous year, reflecting a growth of 30.5% in rupee terms and an increase of 22.6% in constant currency terms.
- The company reported an Operating EBITDA of Rs 62.3 crore (12.4% of Op. income) during the half year period under review as compared to Rs 46.1 crore (12.0% of Op. income) during the corresponding period of previous year, growth of 35.0% on Y-o-Y basis.
- The company reported Total EBITDA of Rs 74.1 crore (14.4% of total income) during the half year period under review as compared to Rs 54.2 crore (13.8% of total income) during the corresponding period of previous year, growth of 36.7% on Y-o-Y basis.
- Net profit stood at Rs 47.6 crore during the half year period under review as compared to Rs 32.2 crore during the corresponding period of previous year, a growth of 47.9% on Y-o-Y basis.

Operating highlights

- **New accounts billed during the quarter:** The Company added 9 new clients in Q2FY19. Total client count as of 30th Sep, 2018 was 162 (LTM).
- **12 month Order Backlog:** Mastek's 12 month order backlog was Rs 599.2 crore (£ 63.3mn), as on 30th Sep, 2018 as compared to Rs 504.1 crore (£ 56.0mn) at the end of Q1FY19, reflecting a growth of 18.9% Q-o-Q in rupee terms and an increase of 13.0% Q-o-Q in constant currency.
- **Employees:** As on 30th Sep, 2018, the company had a total of 2,104 employees, of which 1,317 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 30th Jun, 2018 was 2,097.

- **Dividend:** The Board of Directors have recommended an interim dividend of 70% (Rs 3.50 per share) at the meeting held on 25th Oct, 2018.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 191.2 crore as on 30th Sep, 2018 as compared to Rs 200.3 crore at the end of 30th Jun, 2018.
- **Merger update:** During the quarter Mastek's wholly owned subsidiary - Mastek (UK) Limited entered into an arrangement with its wholly owned subsidiary-IndigoBlue Consulting Limited, U.K. ("IBCL") to merge (transfer of business, assets and liabilities) IBCL into Mastek (UK) Limited with effect from 30th June, 2018.
- **Awards:** Mastek UK won 2 awards at DevOps Industry under its marquee brand IndigoBlue on 17th October, 2018 (**Best Overall DevOps Project – Public Sector** and **DevOps Manager of the Year**)

Commenting on the results, Mr. John Owen, Group CEO, Mastek, said: *“This is our 10th consecutive quarter of strong revenue growth and the fundamentals across our overall business remain solid to deliver our goal to become a leader in Enterprise Digital Transformation, which is a further positive evidence that our strategy of Vision 2020 is on right path. Digital Transformation continues to have a dramatic economic and social impact on established companies, business models and user expectation which creates huge opportunities for a new type of services supplier, like Mastek. The fundamentals for Mastek remain solid and we continue to remain focused on the disciplined execution of Vision 2020 as we build consistency and predictability into our business.”*

He further added: *“Finally, at our core, we are a customer and people centric business and I therefore must acknowledge and thank the loyal support and trust of our customers and the dedicated professionalism and commitment of every Mastekeer. Thank you, it is a pleasure and privileged to serve you.”*

Mr. Abhishek Singh, Group CFO, Mastek, said: *“Mastek has delivered another quarter of growth in revenue & profits, maintaining its consistent financial performance. Our revenues grew by 5.3% QoQ and PAT grew by 11.8% which is an evidence of our solid fundamentals and disciplined execution. Order backlog grew by 18.9% on the back of new client addition as well increase in wallet share with existing customers. We won award for ‘Best Overall DevOps Project’ at DevOps Industry awards which is further testament of our delivery credentials. We continue to make investments in capabilities across geographies to leverage the opportunities in Digital space.”*

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK 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 (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, 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.

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. Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.