



# Mastek

Investor Presentation

Performance Overview: Q3 FY'20

28<sup>th</sup> January 2020

Presented by:

John Owen | Group CEO

Abhishek Singh | Group CFO

# Disclaimer

This presentation contains certain forward-looking statements concerning our future growth prospects which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but not limited to factors such 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.

# Agenda

- Financial performance
- Operational performance
- Questions & answers



# Financial performance



# Financial Performance Q3 FY'20

## Comparison: Quarter-on- Quarter

- **Revenue:**
  - Total income of Rs 253.2 crore vs Rs 252.7 crore, flat Q-o-Q basis
  - Operating income of Rs 243.7 crore vs Rs 243.6 crore, flat Q-o-Q in rupee terms
  - Constant Currency revenue decrease of (4.1%) on Q-o-Q basis
- **Profit:**
  - Operating EBITDA of Rs 33.6 crore (13.8% of op. income) vs Rs 30.6 crore (12.6% of op. income)
  - Total EBITDA of Rs 43.2 crore (17.1% of total income) vs Rs 39.8 crore (15.7% of total income)
  - Net Profit stood at Rs 26.0 crore vs Rs 24.6 crore in Q2FY20, up 5.6% on Q-o-Q basis
  - Net Profit Margin of 10.3% vs 9.7% in Q2FY20
- **Cash & Cash Equivalent:**
  - Cash & Investments stood at Rs 435.6 crore vs Rs 265.5 crore as on 30<sup>th</sup> Sept'19
    - Organic Cash grew from Rs 265.5 crore to Rs 322.6 crore after paying TAISTech earnout and dividend
    - Rs 113 crore received from sale of 2 Mn shares of Majesco USA
- **Order Backlog:**
  - 12M Backlog was Rs 471.0 crore (£ 50.0m) as on 31<sup>st</sup> Dec'19 as compared to Rs 626.5 crore (£ 71.8 mn) in Q2FY20; a decrease of (24.8%) Q-o-Q and (28.9%) in constant currency terms.

# Financial Performance Q3 FY'20

## Comparison: Year-on-Year

- **Revenue:**
  - Total income of Rs 253.2 crore vs Rs 271.0 crore, a decrease of (6.6%) Y-o-Y
  - Operating income of Rs 243.7 crore vs Rs 265.0 crore, a decrease of (8.0%) Y-o-Y in rupee terms
  - Constant currency revenue decrease of (7.4%) on Y-o-Y basis
- **Profit:**
  - Operating EBITDA of Rs 33.6 crore (13.8% of op. income) vs Rs 34.0 crore (12.8% of op. income)
  - Total EBITDA of Rs 43.2 crore (17.1% of total income) vs Rs 40.0 crore (14.8% of total income)
  - Net Profit stood at Rs 26.0 crore vs Rs 26.5 crore in Q3FY19, a decrease of (1.9%) on Y-o-Y basis
  - Net Profit Margin of 10.3% in Q3FY20 vs 9.8% in Q3FY19
- **Cash & Cash Equivalent:**
  - Total cash, cash equivalents and fair value of Mutual Funds stood at Rs 435.6 crore as on 31<sup>st</sup> Dec'19 as compared to Rs 207.3 crore at the end of 31<sup>st</sup> Dec'18
- **Order Backlog:**
  - 12M Backlog was Rs 471.0 crore (£ 50.0 m) as on 31<sup>st</sup> Dec'19 as compared to Rs 517.3 crore (£ 58.1 m) in Q3FY19, a decrease of (8.9%) in rupee terms

# Financial Performance 9M FY'20

## Comparison: Year-on-Year

- **Revenue:**
  - Total income of Rs 758.6 crore vs Rs 784.0 crore, a decrease of (3.2%) Y-o-Y basis
  - Operating income of Rs 734.8 crore vs Rs 766.1 crore, a decrease of (4.1%) Y-o-Y in rupee terms
  - Constant currency revenue decrease of (2.7%) Y-o-Y basis
- **Profit:**
  - Operating EBITDA of Rs 97.2 crore (13.2% of op. income) vs Rs 96.3 crore (12.6% of op. income)
  - Total EBITDA of Rs 121.0 crore (15.9% of total income) vs Rs 114.1 crore (14.6% of total income)
  - Net Profit stood at Rs 74.9 crore in 9M FY20 vs Rs 74.1 crore in 9M FY19, up 1.1% Y-o-Y basis
  - Net Profit Margin of 9.9% in 9M FY20 vs 9.4% in 9M FY19

# Financial Summary Q3 FY'20

## Key Performance Metrics

Particulars	Metrics	Q3FY20	Q2FY20	QoQ Growth	Q3FY19	YoY Growth	9MFY20	9MFY19	YoY Growth
Revenue (INR Cr)	Total Income from operations	243.7	243.6	0.0%	265.0	-8.0%	734.8	766.1	-4.1%
	Other Income	9.5	9.1	4.7%	6.0	58.5%	23.8	17.8	33.3%
	<b>Total Income</b>	<b>253.2</b>	<b>252.7</b>	<b>0.2%</b>	<b>271.0</b>	<b>-6.6%</b>	<b>758.6</b>	<b>784.0</b>	<b>-3.2%</b>
Margins (INR Cr)	Op. EBITDA	33.6	30.6	9.8%	34.0	-1.1%	97.2	96.3	0.9%
	EBITDA	43.2	39.8	8.6%	40.0	7.9%	121.0	114.1	6.0%
	PBT	32.0	31.3	2.4%	34.4	-6.8%	94.8	96.0	-1.3%
	PAT	26.0	24.6	5.6%	26.5	-1.9%	74.9	74.1	1.1%
Margin (%)	Op. EBITDA	13.8%	12.6%		12.8%		13.2%	12.6%	
	EBITDA	17.1%	15.7%		14.8%		15.9%	14.6%	
	PBT	12.6%	12.4%		12.7%		12.5%	12.3%	
	PAT	10.3%	9.7%		9.8%		9.9%	9.4%	
EPS (INR)	Basic	10.8	10.3		11.1		31.2	31.1	
	Diluted	10.2	9.7		10.5		29.5	29.4	





# Operational performance



# Operating Metrics Q3 FY'20

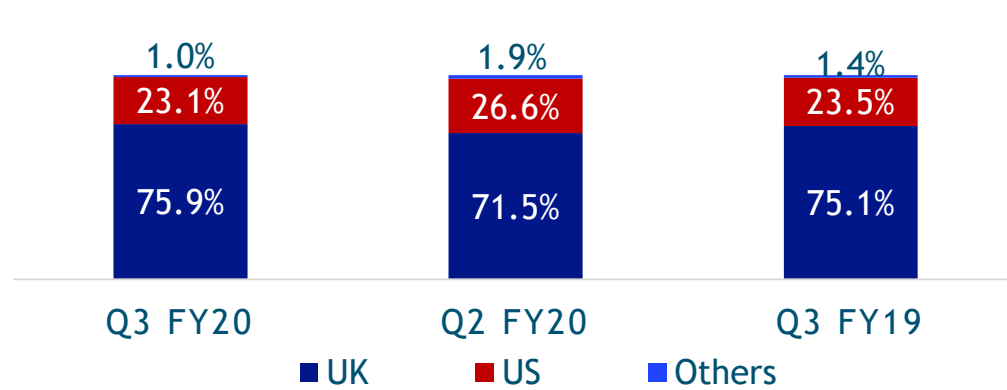
## Strengthening our business

- **Client Base:**
  - Added 9 new logos
  - Total active client 143 (LTM)
  - Top 5 Client revenue 43.3%
  - Top 10 Client revenue 63.4%
- **Employee Base:**
  - Total Employee 1,880 (offshore: 1,155; onsite: 725) as on 31<sup>st</sup> Dec'19 as against 1,937 (offshore: 1,171; onsite: 766) as on 30<sup>th</sup> Sept'19
  - Diversity: Women employees: 28.5% as on 31<sup>st</sup> Dec'19 as against 27.8% as on 30<sup>th</sup> Sept'19
  - LTM attrition: 24.9% for Q3FY20 as against 24.1% for Q2FY20
- **DSO** stood at 71 days as on 31<sup>st</sup> Dec'19 as against 78 days as on 30<sup>th</sup> Sept'19
- **FX Hedges for next 12 months** GBP 8.2 mn @ Rs 96.1/-

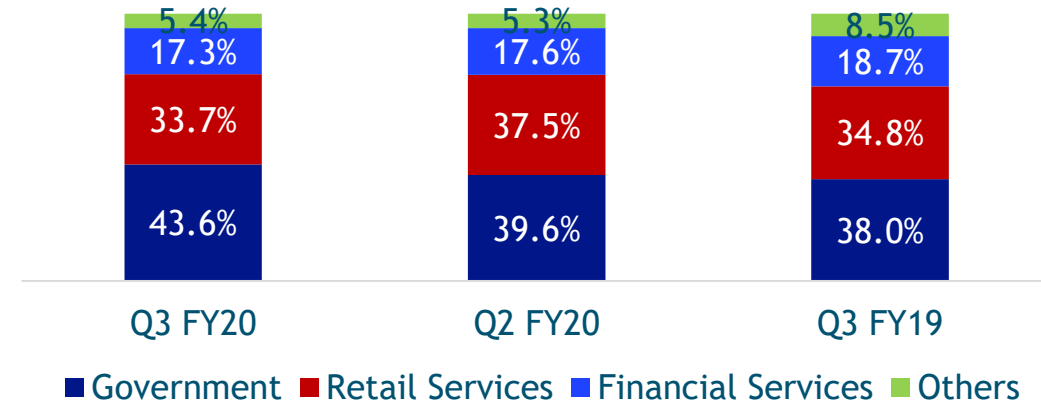
# Revenue Analysis Q3 FY'20

## Balancing our portfolio

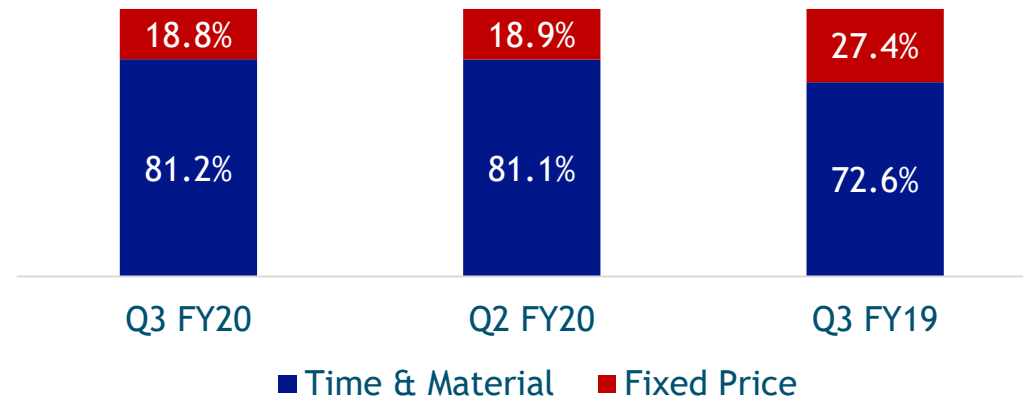
Revenue by Market Region



Revenue by Industry Segment

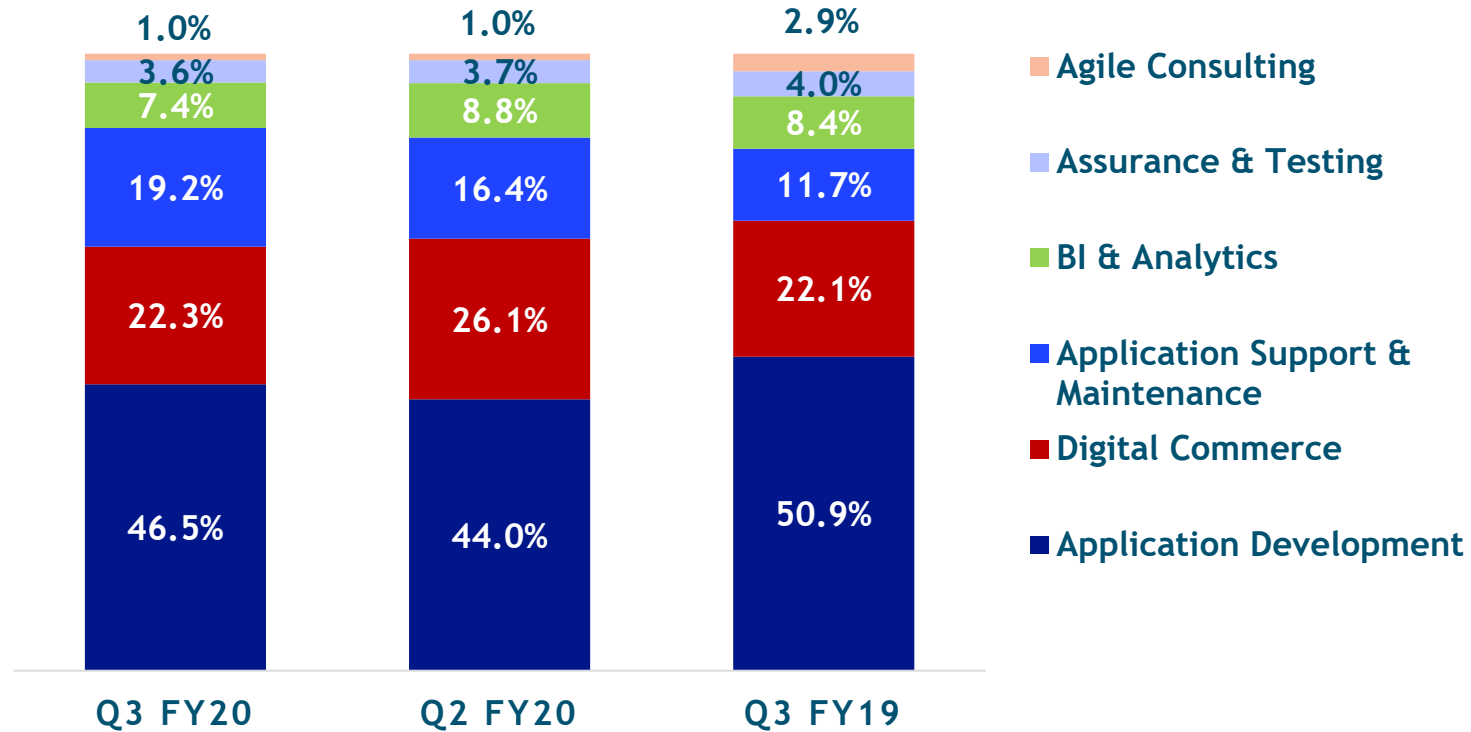


Revenue by Contract Type



# Revenue Analysis Q3 FY'20

## Revenue by Service line





# Question & answers



Thank you