



Mastek

Investor Presentation
Performance Overview: Q2 FY'20

17th October 2019

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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. 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 Q2 FY'20

Comparison: Quarter-on- Quarter

- **Revenue:**
 - Total income of Rs 252.7 crore, flat on Q-o-Q basis
 - Operating income of Rs 243.6 crore vs Rs 247.5 crore, down (1.6%) Q-o-Q in rupee terms and flat in constant currency terms
- **Profit:**
 - Operating EBITDA of Rs 28.7 crore (11.8% of op. income) vs Rs 32.9 crore (13.3% of op. income)
 - Total EBITDA of Rs 37.8 crore (14.9% of total income) vs Rs 38.0 crore (15.0% of total income)
 - Net Profit stood at Rs 24.6 crore vs Rs 24.2 crore in Q1FY20, up 1.7% on Q-o-Q basis
 - Net Profit Margin of 9.7% in Q2FY20 vs 9.6% in Q1FY20
- **Cash & Cash Equivalent:**
 - Total cash, cash equivalents and fair value of Mutual Funds stood at Rs 265.5 crore as on 30th Sept'19 as compared Rs 247.0 crore as on 30th Jun'19
- **Order Backlog:**
 - 12M Backlog was Rs 626.5 crore (£ 71.8 mn) as on 30th Sep'19 as compared to Rs 602.7 crore (£ 68.8m) in Q1FY20; growth of 3.9% Q-o-Q and constant currency growth of 3.5%

Financial Performance Q2 FY'20

Comparison: Year-on-Year

- **Revenue:**
 - Total income of Rs 252.7 crore vs Rs 265.8 crore, down (4.9%) Y-o-Y
 - Operating income of Rs 243.6 crore vs Rs 257.1 crore, down (5.2%) Y-o-Y in rupee terms
 - Constant currency revenue de-growth of (2.3%) on Y-o-Y basis
- **Profit:**
 - Operating EBITDA of Rs 28.7 crore (11.8% of op. income) vs Rs 31.3 crore (12.2% of op. income)
 - Total EBITDA of Rs 37.8 crore (14.9% of total income) vs Rs 40.0 crore (15.1% of total income)
 - Net Profit stood at Rs 24.6 crore vs Rs 25.1 crore in Q2FY19; down (1.9%) Y-o-Y basis
 - Net Profit Margin of 9.7% in Q2FY20 vs 9.4% in Q2FY19
- **Cash & Cash Equivalent:**
 - Total cash, cash equivalents and fair value of Mutual Funds stood at Rs 265.5 crore as on 30th Sept'19 as compared to Rs 191.2 crore at the end of 30th Sept'18
- **Order Backlog:**
 - 12M Backlog was Rs 626.5 crore (£ 71.8 mn) as on 30th Sept'19 as compared to Rs 599.2 crore (£ 63.3mn) in Q2FY19, up 4.6% in rupee terms

Financial Performance H1 FY'20

Comparison: Year-on-Year

- **Revenue:**
 - Total income of Rs 505.4 crore vs Rs 512.9 crore, down (1.5%) Y-o-Y
 - Operating income of Rs 491.1 crore vs Rs 501.1 crore, down by (2.0%) Y-o-Y in rupee terms
 - Constant currency revenue de-growth of (0.3%) on Y-o-Y basis
- **Profit:**
 - Operating EBITDA of Rs 61.5 crore (12.5% of op. income) vs Rs 62.3 crore (12.4% of op. income)
 - Total EBITDA of Rs 75.8 crore (15.0% of total income) vs Rs 74.1 crore (14.4% of total income)
 - Net Profit stood at Rs 48.9 crore vs Rs 47.6 crore in H1FY19; up 2.7% Y-o-Y basis
 - Net Profit Margin of 9.7% in H1FY20 vs 9.3% in H1FY19
- **Dividend:**
 - Declared an interim dividend of 60% i.e. Rs 3.0/- per share

Financial Summary Q2 FY'20

Key Performance Metrics

Particulars	Metrics	Q2FY20	Q1FY20	QoQ Growth	Q2FY19	YoY Growth	H1FY20	H1FY19	YoY Growth
Revenue (INR Cr)	Total Income from operations	243.6	247.5	-1.6%	257.1	-5.2%	491.1	501.1	-2.0%
	Other Income	9.1	5.1	77.7%	8.7	4.8%	14.3	11.8	20.5%
	Total Income	252.7	252.7	0.0%	265.8	-4.9%	505.4	512.9	-1.5%
Margins (INR Cr)	Op. EBITDA	28.7	32.9	-12.8%	31.3	-8.5%	61.5	62.3	-1.2%
	EBITDA	37.8	38.0	-0.6%	40.0	-5.6%	75.8	74.1	2.3%
	PBT	31.3	31.5	-0.6%	32.8	-4.7%	62.7	61.7	1.7%
	PAT	24.6	24.2	1.7%	25.1	-1.9%	48.9	47.6	2.7%
Margin (%)	Op. EBITDA	11.8%	13.3%		12.2%		12.5%	12.4%	
	EBITDA	14.9%	15.0%		15.1%		15.0%	14.4%	
	PBT	12.4%	12.5%		12.3%		12.4%	12.0%	
	PAT	9.7%	9.6%		9.4%		9.7%	9.3%	
EPS (INR)	Basic	10.3	10.1		10.6		20.4	20.0	
	Diluted	9.7	9.6		9.9		19.3	18.8	



Operational performance



Operating Metrics Q2 FY'20

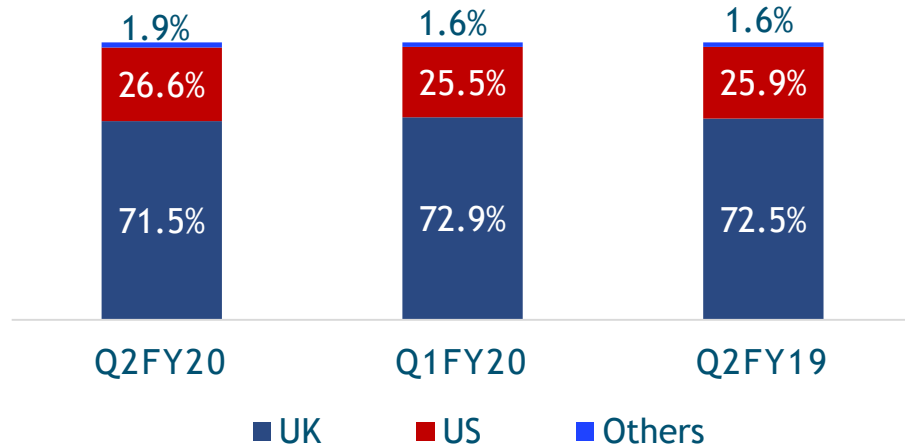
Strengthening our business

- **Client Base:**
 - Added 11 new logos
 - Total active client 144 (LTM)
 - Top 5 Client revenue 40.0%
 - Top 10 Client revenue 57.0%
- **Employee Base:**
 - Total Employee 1,937 (offshore: 1,171; onsite: 766) as on 30th Sept'19 as against 2,035 (offshore: 1,257; onsite: 778) as on 30th Jun'19
 - Diversity: Women employees: 27.8% as on 30th Sept'19 as against 27.6% as on 30th Jun'19
 - LTM attrition: 24.1% for Q2FY20 as against 20.4% in Q1FY20
- **DSO** stood at 78 days as on 30th Sept'19 as against 76 days as on 30th Jun'19
- **FX Hedges for next 12 months** GBP 7.2 mn @ Rs 96.4

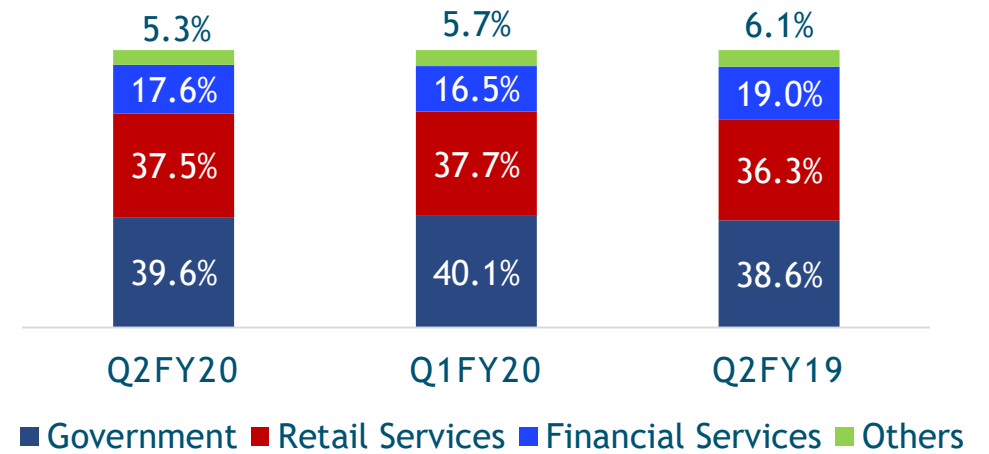
Revenue Analysis Q2 FY'20

Balancing our portfolio

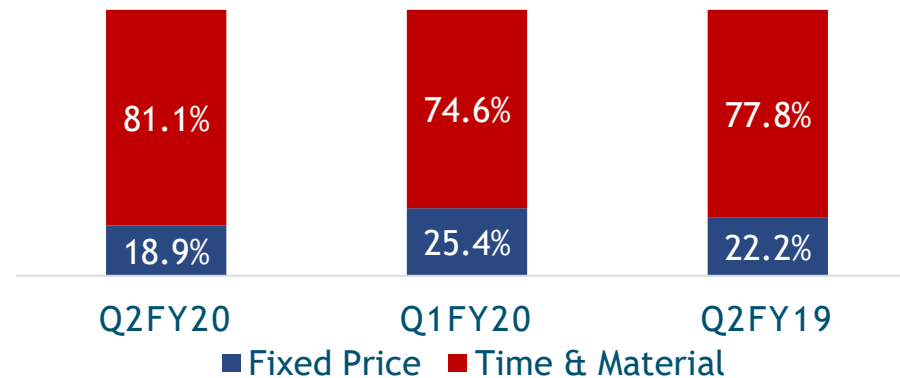
Revenue by Market Region



Revenue by Industry Segment

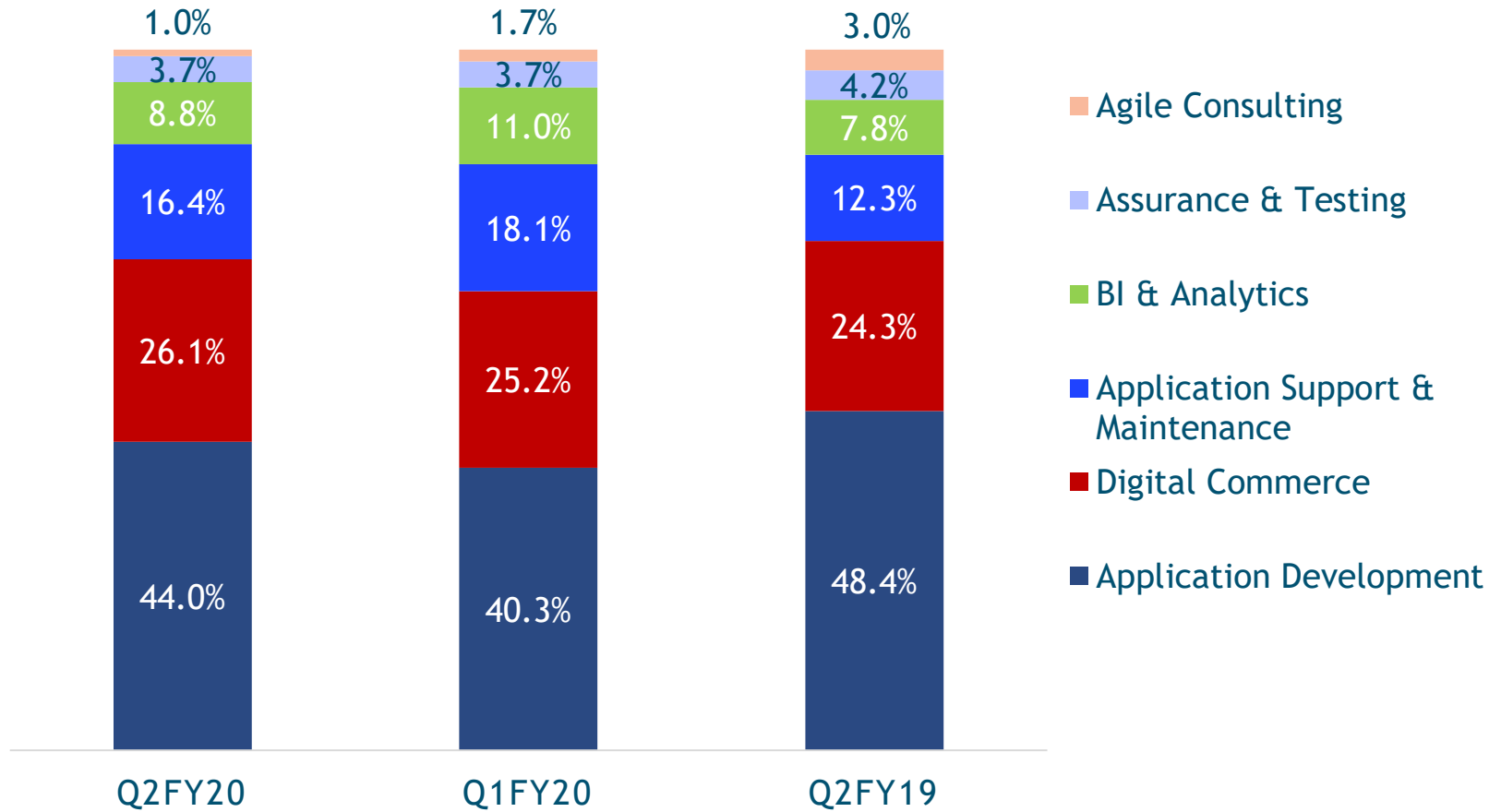


Revenue by Contract Type



Revenue Analysis Q2 FY'20

Revenue by Service line





Question & answers



Thank you