



## **Mastek Q1FY17 Total Income at Rs 133.6 crore**

- **11 new clients added during the quarter**
- **Order backlog stood at Rs 216.5 crore**

Mumbai, India – 15<sup>th</sup> July 2016: Mastek, the technology solution provider for digital transformation programs in the Government, Retail and Financial Services worldwide, announced today its financial results for the **first quarter of FY17**.

### **Review of financial performance for the quarter ended 30<sup>th</sup> June, 2016**

On a quarter-on-quarter basis:

- The operating income was Rs 130.1 crore during the quarter under review as compared to Rs 124.3 crore during the previous quarter reflecting an increase of 4.7% in rupee terms and an increase of 5.7% in constant currency terms.
- Total income was Rs 133.6 crore during the quarter under review as compared to Rs 127.6 crore during the previous quarter, up 4.7% on Q-o-Q basis.
- The Company reported EBITDA of Rs 10.8 crore (8.1% of total income) in Q1FY17 as compared to Rs 4.0 crore (3.1% of total income) in Q4FY16.
- Net profit stood at Rs 3.6 crore in Q1FY17 as against Rs 5.9 crore in Q4FY16, down by 38.9% on Q-o-Q basis. The growth was impacted mainly due to increase in tax expense during the quarter under review.

On year-on-year basis:

- The operating revenue was Rs 130.1 crore during the quarter under review as compared to Rs 133.3 crore during the corresponding quarter of previous year reflecting a drop of 2.5% in rupee terms and a fall of 1.3% in constant currency terms.
- Total income was Rs 133.6 crore during the quarter under review as compared to Rs 139.1 crore during the corresponding quarter of previous year an decrease of 3.9% in rupee terms.
- The company reported an EBITDA of Rs 10.8 crore (8.1% of total income) compared to an EBITDA of Rs 16.6 crore (11.9% of total income) compared to the same period last year.

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



- Net profit stood at Rs 3.6 crore in Q1FY17 as against a profit of Rs 4.4 crore in corresponding quarter of previous year.

## Operating highlights

- **New accounts billed during the quarter:** The Company added 11 new clients during Q1FY17. Total client count as of 30<sup>th</sup> June, 2016 was 92 (LTM).
- **12m Order Backlog:** Mastek's 12-month order backlog was Rs 216.5 crore as on 30<sup>th</sup> June, 2016 as compared to Rs 205.5 crore at the end of Q4FY16, reflecting an increase of 5.4% QoQ in rupee terms (an increase of 3.4% Q-o-Q in constant currency).
- **Employees:** As on 30<sup>th</sup> June, 2016, the company had a total of 1,302 employees, of which 924 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, 2016 was 1,298.
- **Billable utilization:** The Company's billable utilization stood at 80.2% in Q1FY17 as compared to 78.7% in Q4FY16.
- **Cash & Cash Equivalents:** The total cash & cash equivalent stands at Rs 139.5 crore as on 30<sup>th</sup> June, 2016 as compared to Rs 119.9 crore at the end of 31<sup>st</sup> March, 2016.
- **Update on Cashless Technologies:** Consequent to the Board's decision on 19<sup>th</sup> May, 2016, to defer the acquisition of Cashless Technologies India Pvt. Ltd. (CTIPL), Mr. Sudhakar Ram had decided to make the investment in his personal capacity, and offer Mastek 80 lac warrants at par, for Mastek's contribution in incubating the venture. The Mastek Board has accepted this offer and shall make an initial contribution of Rs. 80,000.

**Commenting on the results, Mr. Sudhakar Ram, Managing Director & Group CEO, Mastek, said:** "Q1FY17 results were in line with our expectations. Our topline grew 4.7% sequentially while the bottom line was impacted due to increase in one time tax expense. We have seen good growth momentum in terms of 12-months order backlog and 11 new clients additions during the quarter. Going forward we see an impact of Brexit on our topline, as 95% of our business comes from UK."

**Commenting on the results, Mr. Abhishek Singh, CFO Designate, Mastek, said:** "The highlight of the quarter was the strong improvement in cash position of Rs 139.5 crore. Our EBITDA margin was at 8.1% helped by growth in Financial services business. We are confident of improving our business performance in the quarters to come."

## 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](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.*