



Press Release | Q1'FY20

## Q1FY20 Total Income at Rs 252.7 crore

- Operating EBITDA margin at 13.3%
- Added 9 new clients during the quarter
- 12M Order Backlog grew by 10.6% QoQ

**Mumbai, India – 22<sup>nd</sup> July 2019:** 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 **first quarter of FY20**.

### Review of financial performance for the quarter ended 30<sup>th</sup> June, 2019

On year-on-year basis:

- Total income was Rs 252.7 crore during the quarter under review as compared to Rs 247.2 crore during the corresponding quarter of previous year, growth of 2.2% in rupee terms.
- The operating income was Rs 247.5 crore during the quarter under review as compared to Rs 244.0 crore during the corresponding quarter of previous year, reflecting a growth of 1.4% in rupee terms and an increase of 1.9% in constant currency terms.
- The company reported an operating EBITDA of Rs 32.9 crore (13.3% of op. income) in Q1FY20 as compared to Rs 30.9 crore (12.7% of op. income) in Q1FY19, growth of 6.3% on Y-o-Y basis.
- The company reported total EBITDA of Rs 38.0 crore (15.0% of total income) in Q1FY20 as compared to Rs 34.1 crore (13.8% of total income) in Q1FY19, growth of 11.6% on Y-o-Y basis.
- Net profit stood at Rs 24.2 crore in Q1FY20 as compared to Rs 22.5 crore during the corresponding quarter of previous year, growth of 7.8% on Y-o-Y basis.

On a quarter-on-quarter basis:

- Total income was Rs 252.7 crore during the quarter under review as compared to Rs 274.0 crore during the previous quarter.
- The operating income was Rs 247.5 crore during the quarter under review as compared to Rs 267.1 crore during the previous quarter.
- The Company reported an operating EBITDA of Rs 32.9 crore (13.3% of op. income) in Q1FY20 as compared to Rs 35.3 crore (13.2% of op. income) in Q4FY19.

- The Company reported total EBITDA of Rs 38.0 crore, (15.0% of total income) in Q1FY20 as compared to Rs 42.2 crore (15.4% of total income) in Q4FY19.
- Net profit stood at Rs 24.2 crore in Q1FY20 as compared to Rs 27.4 crore in Q4FY19.

### Operating highlights

- **New accounts billed during the quarter:** The Company added 9 new clients in Q1FY20. Total client count as of 30<sup>th</sup> June, 2019 was 154 (LTM) as compared to 157 (LTM) in Q4FY19.
- **12 month Order Backlog:** Mastek's 12 month order backlog was Rs 602.7 crore (£ 68.8 m), as on 30<sup>th</sup> June, 2019 as compared to Rs 544.9 crore (£ 60.2 m) in Q4FY19; growth of 10.6% Q-o-Q and constant currency growth of 13.4%.
- **Employees:** As on 30<sup>th</sup> June, 2019, the company had a total of 2,035 employees, of which 1,257 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 31<sup>st</sup> Mar, 2019 was 2,069.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 247.0 crore as on 30<sup>th</sup> June, 2019 as compared to Rs 244.5 crore at the end of 31<sup>st</sup> Mar, 2019.

**Commenting on the results, Mr. John Owen, Group CEO, Mastek, said:** “Last quarter, we flagged the challenges we anticipated by Brexit uncertainty from our core UK market, which generates around 75% of our global revenue. In this context, Q1 was in line with our reduced expectations. Unfortunately, Brexit uncertainty remains and will continue to dampen UK market conditions. We see this impact in a slowing of discretionary spend and delayed decision making. Demand from UK Government continues to remain strong and robust and we continue to grow quarter on quarter, however clients from the private sector are focusing more on stabilizing their business models, adjusting their spending plans to accommodate all scenarios which has consequently, resulted in a slowdown. We are seeing encouraging growth from our US market however, this is insufficient to off-set the UK in the short-term. The fundamentals for Mastek remain solid and we continue to remain focused on executing our Vision 2020 strategy which will give us an accelerated growth platform beyond FY20. We are confident that Mastek is well positioned strategically in its core markets to capitalize on these future growth opportunities. I take this opportunity to thank the loyal support and trust of our customers and the dedicated and committed team at Mastek who serve them with exceptional pride and honour.”

**Mr. Abhishek Singh, Group CFO, Mastek, said:** “Under Vision 2020, we have always taken a disciplined and balanced approach of managing our cost structure and this programme has helped us to maintain steady margins despite softer revenue, which is critical once our growth rates return. We acted quickly and decisively to protect our quality of earnings when we saw our growth plans come under pressure in April, as a result of UK uncertainty on Brexit timelines and deal structure. The highlight for the quarter is the new logo addition in our US business supporting the growth experienced in the current

quarter. Our robust 12 months order backlog gives us confidence in delivering growth in coming quarters.”

### 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).

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