



Mastek Q2FY17 Total Income at Rs 128.4 crore

- **PAT up 114% to Rs. 7.7 crore**
- **EBITDA margin improves by 267 bps to 10.7%**
- **Declares Interim Dividend of 20%**

Mumbai, India – 18th October 2016: Mastek, a global IT player and a trusted partner in complex digital & agile transformation programs in the Government, Retail and Financial Services worldwide, announced today its financial results for the **second quarter of FY17**.

Review of financial performance for the quarter ended 30th September, 2016

On a quarter-on-quarter basis:

- The operating income was Rs 125.9 crore during the quarter under review as compared to Rs 130.1 crore during the previous quarter reflecting a drop of 3.2% in rupee terms and an increase of 1.5% in constant currency terms.
- Total income was Rs 128.4 crore during the quarter under review as compared to Rs 133.6 crore during the previous quarter, down 3.9% on Q-o-Q basis.
- The Company reported EBITDA of Rs 13.8 crore (10.7% of total income) in Q2FY17 as compared to Rs 10.8 crore (8.1% of total income) in Q1FY17.
- Net profit stood at Rs 7.7 crore in Q2FY17 as against Rs 3.6 crore in Q1FY17, up by 113.7% on Q-o-Q basis. The growth was driven by the ongoing operational improvement initiatives, effective expense management and decrease in tax expense.

For the half year ended 30th September, 2016:

- The operating revenue was Rs 255.9 crore for the half year ended 30th September, 2016 compared to Rs 264.9 crore in the corresponding period of previous year reflecting a drop of 3.4% in rupee terms and a growth of 1.4% in constant currency terms.
- Total income was Rs 262.0 crore during the six month period under review as compared to Rs 276.1 crore during the corresponding period in the previous year a decrease of 5.1% in rupee terms.
- The company reported an EBITDA of Rs 24.6 crore (9.4% of total income) compared to an EBITDA of Rs 25.4 crore (9.2% of total income) to the same period last year.

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.).



- Profit Before Tax for the half year ended 30th September, 2016 was Rs 18.0 crore compared to Rs 15.8 crore in the corresponding period in the previous year reflecting an increase of 13.6% on Y-o-Y basis.
- Net profit stood at Rs 11.2 crore for H1FY17 as against a profit of Rs 7.1 crore in corresponding period in the previous year reflecting a growth of 58.4% in rupee terms.

Operating highlights

- **New accounts billed during the quarter:** The Company added 8 new clients in Q2FY17 and 19 new clients in H1FY17. Total client count as of 30th September, 2016 was 91 (LTM).
- **12m Order Backlog:** Mastek's 12-month order backlog was Rs 220.1 crore (£ 25.3 mn) as on 30th September, 2016 as compared to Rs 216.5 crore (£ 23.8 mn) at the end of Q1FY17, reflecting an increase of 1.6% QoQ in rupee terms (an increase of 6.4% Q-o-Q in constant currency).
- **Employees:** As on 30th September, 2016, the company had a total of 1,317 employees, of which 923 employees were based offshore in India while the rest were at various onsite locations outside India. Employee count at the end of 30th June, 2016 was 1,302.
- **Billable utilization:** The Company's billable utilization stood at 81.5% in Q2FY17 as compared to 80.2% in Q1FY17.
- **Interim Dividend:** The Company has declared an interim dividend of 20% i.e Rs 1/-per share.
- **Cash & Cash Equivalents:** The total cash & cash equivalent stands at Rs 138 crore as on 30th September, 2016 as compared to Rs 139.5 crore at the end of 30th June, 2016.

Commenting on the results, Mr. Sudhakar Ram, Managing Director & Group CEO, Mastek, said: "The quarter saw a marginal improvement in constant currency revenue which grew by 1.5% sequentially while our profitability, both at the EBITDA and PAT levels, went up substantially. The margin improvement was on account of operational efficiency measures which have been put in motion and we expect the margin momentum to continue in the forthcoming quarters."

He also added "The business outlook is stable and the company is well poised to be one of the leading providers of agile and digital transformation solutions in its chosen verticals."

Commenting on the results, Mr. Abhishek Singh, Group CFO, Mastek, said: "The financial performance was in line with our expectations. The margin improvement initiatives started in prior quarters have started to yield results. While we expect topline to be under pressure due to adverse movement in GBP, we expect the profitability momentum to continue in H2 FY17."

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.

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