



Press Release | Q2FY23

Q2FY23 revenue at Rs 625.3 crore, up by 20.4% on Y-o-Y basis (CC)

- **MST Solutions acquisition concluded, growing synergy momentum in Americas**
- **12 months order backlog grew by 35.4% Y-o-Y in constant currency**

Mumbai, India 20 October, 2022: Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **Second quarter and Half year of FY23** ended on 30th September 2022.

Commenting on the Q2FY23 results, Hiral Chandrana, Global Chief Executive Officer, Mastek, said: “We are pleased to report revenue growth of 20.4% on year-on-year basis (CC) in Q2FY23 and continued to deepen our market presence with customer & industry recognition across geographies. MST Solutions, our recent acquisition, is off to a terrific start strengthening our US Geo business, we see significant potential in the growing Salesforce Customer 360 ecosystem particularly in Healthcare and State & Local Government industries. In the UK Public Sector, we have been shortlisted in 3 large frameworks (including Data Services & Analytics) which sets a strong foundation for future growth. Currency impact, delayed decisions and macro uncertainty is an industry concern, however, we are making progress on our strategic priorities and our attrition is trending down last 3 quarters. We would like to thank all our stakeholders for their commitment as we continue to deliver differentiated solutions in digital engineering & cloud transformation programs.”

Arun Agarwal, Global Chief Financial Officer, Mastek, said: “We reported revenue growth of 10.7% quarter-on-quarter in constant currency led by positive momentum in our existing business and acquisition of MST during the quarter. We delivered an operating EBITDA of 17.2% during the quarter despite impact of currency movement, salary increments across geographies and continued investments in sales and capabilities. While we are watchful of macro-environment situation, we are confident that our strategic priorities and execution rigor, position us well to achieve our Vision 2025.”

Review of the Consolidated Financial Performance for Quarter ended 30th September 2022:

Figures in Rs Crore	Q2FY23	Q1FY23	Q-o-Q Growth	Q2FY22	Y-o-Y Growth
Total Income	632.2	596.0	6.1%	541.6	16.7%
Revenue from Operations	625.3	570.3	9.7% 10.7% (CC)	533.9	17.1% 20.4% (CC)
Operating EBITDA	107.4	109.2	(1.7)%	112.8	(4.8)%
% of Op. Income	17.2%	19.2%	(198) bps	21.1%	(395) bps
Net Profit	86.2	84.4	2.2%	81.5	5.7%
Net Profit %	13.6%	14.2%	(52) bps	15.1%	(142) bps
EPS (Rs) – Diluted	25.8	25.1		26.9	

Figures in Rs Crore	H1FY23	H1FY22	Y-o-Y Growth
Total Income	1,228.2	1,062.8	15.6%
Revenue from Operations	1,195.6	1,050.4	13.8% 17.0% (CC)
Operating EBITDA	216.6	225.6	(4.0)%
% of Op. Income	18.1%	21.5%	(336) bps
Net Profit	170.6	161.7	5.5%
Net Profit %	13.9%	15.2%	(133) bps
EPS (Rs) – Diluted	51.0	53.4	

Operating Highlights

- **New accounts added during the quarter:** The Company added 20 new clients in Q2FY23. Total active clients during Q2FY23 was 449 as compared to 402 in Q1FY23.
- **12 months Order Backlog:** 12 months order backlog was Rs 1,522.0 crore (\$187.1 mn) as on 30th September, 2022 as compared to Rs 1,509.3 crore (\$191.1 mn) in Q1FY23, reflecting a growth of 0.8% in rupee terms and 3.4% in constant currency terms on Q-o-Q basis and Rs 1,154.3 crore (\$155.5 mn) in Q2FY22, reflecting a growth of 31.9% in rupee terms and 35.4% in constant currency terms on Y-o-Y basis.
- **Employees:** As on 30th September, 2022, the company had a total of 5,810 employees, of which 4,283 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 30th June, 2022 was 5,553.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 351.6 crore as on 30th September, 2022 as compared to Rs 664.6 crore at the end of

30th June, 2022. The reduction in cash balance reflects payment made for acquisition of MST Solutions and dividend payout during the quarter.

Key wins for the quarter

During the quarter, we continued to experience momentum in winning deals as illustrated below:

- Mastek will support NHS Digital to improve and migrate their legacy services to a 'Data Processing Service' whilst closing data centres and establishing new data pipelines and analytic tools in a cloud platform..
- Mastek will provide the UK's 4th largest retailer with procurement planning capability for the future state of the retailer's supply chain by centralising the settings in one system and enable decommissioning current legacy systems and processes - leading to lower total cost of ownership and faster speed to value.
- Mastek as a strategic partner to UK based local Council, will provide Enterprise Architecture for application rationalization & testing as a service, drawing upon the wider digital capabilities as a single package and ultimately providing 'Digital Partner for Life' experience.
- Mastek (MST) has won a new logo in US Higher Education vertical with its Salesforce expertise. It is part of Dev Support & Strategy Blueprint 2022. This win demonstrates beginning of several large-scale transformation projects with this education giant. Mastek is chosen as a Strategic Technology Partner for a US based manufacturing company, to accelerate programs critical to their business transformation. This deal empowers client's business through BI & Reporting and provides various operational reports including sales and 360 view of supplier's performance.
- Mastek has signed a 3-year Managed Services deal with one of the US based largest luggage manufacturer, to support their Oracle Cloud HCM Applications.
- Mastek will implement Oracle Cloud Applications Suite, for one of the largest manpower, environmental and talent solutions providers in UAE, as a part of its digital transformation program to enhance customer and employee experience, automate processes and improve operational efficiencies.

Key Achievements

Won Major UK Government Multi Year Frameworks Procured By The Crown Commercial Service

- **G-Cloud 13 Framework RM1557 and DOS 5 Framework RM1043.7:** Mastek has been awarded a place on the G-Cloud 13 and DOS 5 frameworks. G-Cloud 13 Supports Cloud Solutions including Migration, Set-up, Security, training and operating Cloud based platforms. Latest cloud based innovation including Oracle (Evosys), Digital Commerce and Salesforce Capabilities is made available. DOS 5 supports digital commissioning of public services
- **Technology Services 3 RM6100:** A four year agreement with 240+ suppliers, Mastek will be able to provide end-to-end services including Technology Strategy & Service Design, Transition & Transformation, End User Support, IT operations and Technology Estate Service Management and Technical Management, Application & Data Management, Major Service Transformation Programmes. *In mid-year review with CCS, Mastek is #2 ranking supplier amongst top 15 (Summer'2022).*
- **Data and Analytics Framework:** This agreement is designed to support the creation of intelligent data and analytics functions across the UK public sector. In total 29 seats have been awarded on this heavily competed Framework where Mastek will be able to provide advanced analytics and cognitive solutions, data risking, data management and acquisition, platform services reporting & dashboards and search & discovery services

Awards & Recognitions:

During the quarter, Mastek and its Subsidiaries received awards and recognitions conferred by reputable organizations. Some of them are:

- **Recognition by Constellation** - Mastek has been recognized in the latest Constellation ShortList™ for Digital Transformation Services (DTX).
- **Avasant Radarview** - Recognized as Disruptor in Avasant's RadarView for Oracle Cloud ERP Services (2022-2023).
- **ISG's the Booming 15** - Recognized in ISG's Booming 15 – Americas – Q3 2022.

About Mastek

Mastek (NSE: MASTEK; BSE: 523704), is a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner that delivers Innovative Solutions and Business Outcomes for clients in Healthcare & Life Sciences, Retail, Manufacturing, Financial Services, Government/Public Sector, etc. We enable customer success and decomplex digital by partnering with enterprises to unlock the power of data, modernize applications to the cloud, and accelerate digital advantage for all stakeholders. We are the only Oracle Cloud implementation and consultancy partner to have successfully moved 1300+ clients to cloud. Customers Trust Mastek to deliver Business Value with Velocity and we operate in 40+ countries including the UK, Americas, Europe, Middle East & APAC with ~6000 employees. MST Solutions, a Mastek company, is a Summit level Salesforce consulting partner trusted by several Fortune 1000 enterprise clients. For more details, please visit our website www.mastek.com.

For past results & conference call transcripts, please visit our web site at <https://www.mastek.com/investors/>. Updated disclosures regarding corporate governance may also be accessed at <https://www.mastek.com/investors-corporate-governance/>.

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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.

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. Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.

Thank You



Trust. Value. Velocity.