



Trust. Value. Velocity.

Press Release | Q4FY23

## Q4FY23 revenue at Rs 709 crore, up by 22.0% Y-o-Y

- Operating revenue up by 7.7% Q-o-Q in rupee terms
- PAT at Rs 72.6 crore; up 8.2% Q-o-Q
- 12 months order backlog grew by 22.1% Y-o-Y
- Proposed Final Dividend of 240%

**Mumbai, India 19<sup>th</sup> April 2023:** Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **Fourth Quarter and Full year** ended on 31<sup>st</sup> March 2023.

**Commenting on the FY23 results, Hiral Chandrana, Global Chief Executive Officer, Mastek, said:** “We are pleased to report a sequential revenue growth of 7.8% Q-o-Q in USD, and 5.3% Q-o-Q in Constant Currency in Q4, fueled by strong in-quarter execution and demand for Digital Engineering, Experience, and Cloud Transformation services. Despite macro uncertainty, our pipeline and order backlog across markets continues to grow, account mining is yielding results, and we added 28 new clients in the quarter. We were able to further reduce our attrition to 21.0% on LTM basis, 700 bps reduction from a year ago. We are thankful to our customers and employees for their continued trust & commitment to Mastek.”

**Arun Agarwal, Global Chief Financial Officer, Mastek, said:** “We are glad to conclude FY23 with revenue growth of 18.5% Y-o-Y in constant currency and continued positive deal momentum. For the full year FY23 we were able to maintain an operating EBITDA margin at 17.8% driven by our cost-optimization focus while funding for the growth. Our 12-months order backlog stood at Rs 1,794 crore, an increase of 17.2% on Y-oY in constant currency. We are confident that efforts to strengthen our leadership team, disciplined execution and strategic priorities, positions us well to navigate successfully through the current macroeconomic environment.”

**Review of the Consolidated Financial Performance for the Quarter ended 31<sup>st</sup> March 2023:**

Figures in Rs Crore	Q4FY23	Q3FY23	Q-o-Q Growth	Q4FY22	Y-o-Y Growth
Total Income	708.8	664.7	6.6%	599.5	18.2%
Revenue from Operations	709.2	658.7	7.7% 5.3% (CC)	581.5	22.0% 19.7% (CC)
Operating EBITDA	125.5	113.7	10.4%	120.7	4.0%
% of Op. Income	17.7%	17.3%	44 bps	20.8%	(305) bps
Net Profit	72.6	67.1	8.2%	88.2	(17.7)%
Net Profit %	10.2%	10.1%	14 bps	14.7%	(448) bps
EPS (Rs) – Diluted	23.5	20.9		26.1	

Figures in Rs Crore	FY23	FY22	Y-o-Y Growth
Total Income	2,601.7	2,219.9	17.2%
Revenue from Operations	2,563.4	2,183.8	17.4% 18.5% (CC)
Operating EBITDA	455.9	462.5	(1.4)%
% of Op. Income	17.8%	21.2%	(340) bps
Net Profit	310.3	333.4	(6.9)%
Net Profit %	11.9%	15.0%	(309) bps
EPS (Rs) – Diluted	95.5	103.8	

**Operating Highlights**

- **New accounts added during the quarter:** The Company added 28 new clients in Q4FY23. Total active clients during Q4FY23 was 464 as compared to 444 in Q3FY23.
- **12 months Order Backlog:** 12 months order backlog was Rs 1,794.1 crore (\$218.3mn) as on 31<sup>st</sup> March, 2023 as compared to Rs 1,705.8 crore (\$206.2 mn) in Q3FY23, reflecting a growth of 5.2% in rupee terms and 4.1% in constant currency terms on Q-o-Q basis and Rs 1,469.1 crore (\$193.8 mn) in Q4FY22, reflecting growth of 22.1% in rupee terms and 17.2% in constant currency terms on Y-o-Y basis.
- **Employees:** As on 31<sup>st</sup> March, 2023, the company had a total of 5,622 employees, of which 4,036 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 31<sup>st</sup> December, 2022 was 5,687. Last twelve months attrition at 21.0% in Q4FY23 in comparison with 23.3% in Q3FY23.

- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 270.0 crore as on 31<sup>st</sup> March, 2023 as compared to Rs 324.9 crore at the end of 31<sup>st</sup> December, 2022. We completed second tranche buyout of CCPS during the quarter.
- **Dividend:** The Board of Directors have proposed final dividend of 240% (Rs 12 per share) at the meeting held on 19<sup>th</sup> April, 2023.

### Key wins for the quarter

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

- Mastek will create and operate the Biometric Resident Permit (BRP) services which ensures legal Immigrants into the UK enabling them to reside and operate formally and also supporting the country to handle the surging volume of immigration which includes 500K students coming into the UK every year
- Mastek as a partner preferred for a local authority of London will deliver back-office transformation programme across finance, capital projects, procurement, planning & budgeting and human resources via Oracle Cloud to increase forecasting accuracy, shorten reporting cycles, simplify decision-making, and better manage risk and compliance that will help the customer in simplifying siloed processes and future services
- Mastek will provide tailored Oracle Cloud support & flexible service to America's largest township addressing most demanding application challenges, armed with best practice methodologies by optimizing technical, staff, and security operations with configurable service options tailored to organizational needs
- Mastek is selected as a partner for Oracle Cloud Transformation Program by a local authority in Queensland, Australia to address the risks associated with current operating environment of customer by creating a Future State iVolve Solution Architecture to provide a modern, integrated and future-proof solution Architecture
- Mastek is selected by an Australian multi-utility joint venture company to implement Oracle ERP Cloud through 5 years managed services contract, and 9 years of Mastek Warehouse 360 contract which will enable the customer to leverage a contemporary system supported by a fit-for-purpose Target Operating Model, promote best practices to achieve efficiencies and cost saving benefits & uplift Financial Management capabilities to support current and future business needs

- Mastek will execute the largest implementation of Warehouse 360 globally involving extensive implementation of 29 Oracle Cloud modules for a worldwide manufacturer of pressure sensitive film products to accelerate decision making through ERP integrated into manufacturing and supply chain systems
- Mastek as a strategic vendor partner signed a SOW to support four project tracks, including Salesforce Merchant Force, Infrastructure, Cloud Operations, and FS Application development for a New York based multinational corporation specializing in payment card services
- Mastek won the opportunity for supporting Oracle On-premises E-business suite for Finance, SCM and HCM including upgrade for the current E-Business suite of a Territory Eye specialist hospital based in KSA and operated by the Health Ministry

### Awards & Recognitions:

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

- **Great Place to Work Certification:** Mastek was officially certified as a Great Place to Work in India and the UK with high ratings on multiple parameters
- **CMMI Level 5 Dev 2.0:** Mastek was rated at Maturity Level 5 CMMI Dev 2.0 in India and the UK for its Digital business, the highest maturity level of ISACA's Capability Maturity Model Integration (CMMI)<sup>®</sup>
- **Dow Jones Sustainability Indices (DJSI):** Mastek was named to the 2022 Dow Jones Sustainability Indices (DJSI) recognizing among global sustainability leaders through the S&P Global Corporate Sustainability Assessment (CSA)
- **ISG Digital Case Study:** Mastek was awarded by ISG with the 2022 ISG Digital Case Study Awards<sup>™</sup> for 'Standout' in Healthcare & Life Sciences industry for a Salesforce customer
- **Strategic Partnership with Netail:** Mastek announced Strategic Partnership with Netail to bring AI-led Digital Transformation to the Retail & Consumer Industry
- **ISG Booming 15:** Mastek was named in ISG Top 15 Sourcing Standout Globally under 'Booming 15' category based on annual contract value (ACV) won over the last 12 months, according to the 1Q 2023 Global ISG Index<sup>™</sup>

## 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 ~5700 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](http://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/>.

## Investor / Analyst contact:

Asha Gupta Investor Relation Practice, E&Y LLP <a href="mailto:Asha.Gupta@in.ey.com">Asha.Gupta@in.ey.com</a>	Rajat Kedia Investor Relations, Mastek <a href="mailto:Rajat.Kedia@mastek.com">Rajat.Kedia@mastek.com</a>
---	---

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 are 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.*

**Thank You**



Trust. Value. Velocity.