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Press Release | Q1FY24

Q1FY24 revenue at Rs 725.3 crore, up by 27.2% Y-o-Y

- Signed definitive agreement to acquire BizAnalytica, LLC - a data cloud & modernization specialist
- Operating EBITDA at 17.5% of revenue
- 12 months order backlog grew by 16.9% Y-o-Y

Mumbai, India 19th July 2023: Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **First quarter of FY24** ended on 30th June 2023.

Commenting on the Q1FY24 results, Hiral Chandrana, Chief Executive Officer, Mastek, said:

“We reported revenue growth of 20.2% Y-o-Y in constant currency driven by demand for Digital Engineering, Experience, and Cloud Transformation services and disciplined execution. Despite macroeconomic challenges, we maintained growth momentum and deeper engagement with our strategic clients. We are excited about opportunities in Data Cloud and Generative AI space and pleased to welcome the BizAnalytica team to the Mastek family. We are thankful to our customers, employees, and shareholders for their continued trust in Mastek.”

Arun Agarwal, Chief Financial Officer, Mastek, said: *“Despite uncertain market conditions, we continued to demonstrate resilience and adaptability, maintaining stable growth and margins. During the quarter, we reported revenue of Rs 725.3 crore, a growth of 2.3% Q-o-Q in reported currency. We continued to prioritize financial discipline and operational efficiency to drive sustainable growth, resulting in an operating EBITDA margin of 17.5%. Mastek’s capability in data cloud has been strengthened with the acquisition of BizAnalytica, and we are optimistic about our prospects to drive shareholder value for the remaining FY24 and beyond.”*

Review of the Consolidated Financial Performance for the Quarter ended 30th June 2023:

Figures in \$mn	Q1FY24	Q4FY23	Q-o-Q Growth	Q1FY23	Y-o-Y Growth
Revenue from Operations	\$88.1	\$86.3	2.2%	\$73.6	19.7%

Figures in Rs Crore	Q1FY24	Q4FY23	Q-o-Q Growth	Q1FY23	Y-o-Y Growth
Total Income	727.6	708.8	2.7%	596.0	22.1%
Revenue from Operations	725.3	709.2	2.3% 0.4% (CC)	570.3	27.2% 20.2% (CC)
Operating EBITDA	127.0	125.5	1.2%	109.2	16.3%
% of Op. Income	17.5%	17.7%	(19)bps	19.2%	(164)bps
Net Profit*	73.5	72.6	1.3%	84.4	(12.8)%
Net Profit %	10.1%	10.2%	(14)bps	14.2%	(405)bps
EPS (Rs) – Diluted	22.7	23.5		25.1	

*Note: Net Profit includes impact of 1.1% due to Purchase Price Allocation (PPA) amortization

Operating Highlights

- **New accounts added during the quarter:** The Company added 22 new clients in Q1FY24. Total active clients during Q1FY24 was 436 as compared to 464 in Q4FY23.
- **12 months Order Backlog:** 12 months order backlog was Rs 1,763.9 crore (\$215.0mn) as on 30th June, 2023 as compared to 1,509.3 crores (\$191.1 mn) in Q1FY23, reflecting growth of 16.9% in rupee terms and 9.7% in constant currency terms on Y-o-Y basis and Rs 1,794.1 crore (\$218.3mn) in Q4FY23, reflecting a decline of 1.7% in rupee terms and decline of 2.6% in constant currency terms on Q-o-Q basis.
- **Employees:** As on 30th June, 2023, the company had a total of 5,592 employees, of which 4,006 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 31st March, 2023 was 5,622. Last twelve months attrition at 20.4% in Q1FY24 in comparison with 21.0% in Q4FY23.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 220.2 crore as on 30th June, 2023 as compared to Rs 270.0 crore at the end of 31st March, 2023.

Acquisition Update

The Company's Wholly Owned First Level Step-down Subsidiary i.e., Mastek Inc. at its meeting held on July 18, 2023, approved to sign the definitive Membership Interest Purchase Agreement to acquire the 100% Membership Interest of BizAnalytica, LLC.

BizAnalytica, LLC is based in Londonderry, New Hampshire, USA, offering a full range of professional data services, including architectural design, systems integration, data migration, automation, managed services, and analytics. BizAnalytica's expertise in the modern data stack positions Mastek favorably to leverage the immense market potential in the area of Data Cloud and Modernization which is expected to significantly increase with adoption of Generative AI.

Key wins for the quarter

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

- Mastek has been chosen to be the delivery partner for Central government department under two separate deals: Digital Identity programme – deliver seamless SSO and login process to users; and Application Support Service as a Service (ASSaaS) – deliver specialist technical support to all hosted applications
- Mastek is actively involved in overall digital transformation of US based Healthcare customer through multiple engagements including Medicare Advantage Migration to Salesforce, Portal improvements, and proposing future state architecture on Mulesoft which will eventually impact the organizations tech stack
- Mastek is offering implementation and bulk services under partnership with Oracle (OCS), for a US based operator of retirement homes to meet their organizational requirements, business goals, and leverage economic opportunities
- Mastek will implement Oracle Fusion HCM to cater large volume of employees for a Middle East based healthcare customer by automizing the HR processes including self-services, annual appraisals, seamless recruitment & onboarding, time management, and Payroll processing etc.
- Mastek was awarded a multi-year contract for Global Cloud Enhancement Services – Oracle ERP Cloud by a Finnish consumer packaging company to enable the customer to scale up their services

- Mastek will implement Oracle HCM Cloud modules for a US-based cybersecurity organization, offering a global solution to deliver better operational efficiency, increased productivity, and global excellence across all people processes
- Mastek signed a 3 year Datawarehousing and Analytics Managed services deal with a US based leading manufacturer of pop culture products to provide 24x7 support and implement Data & Analytics Platform to enable actionable insights for various business functions

Awards & Recognitions:

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

- **Everest Group's PEAK Matrix® Assessment:** Mastek was featured as Aspirant in Healthcare Data and Analytics Services PEAK Matrix® Assessment, as well as Microsoft Dynamics 365 Services PEAK Matrix® Assessment 2023
- **IDC MarketScape:** Mastek was featured as a 'Major Player' in IDC MarketScape on Asia Pacific Oracle Application Implementation Services 2023
- **ISG Booming 15:** Mastek 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™
- **Recognized in Avasant's Radarview Salesforce Services 2023:** Mastek has been acknowledged as a "Challenger" in Avasant's Radarview Salesforce Services 2023, reflecting its competitive position in the Salesforce services industry and highlighting the commitment to deliver quality solutions

Generative AI – Strategic win:

Mastek has won a strategic Generative AI program with an **industrial manufacturing company** in the US that will dramatically reduce time to query replacement & obsolete parts providing significant savings to the client and reduction of manual work/errors.

About Mastek

Mastek (NSE: MASTEK; BSE: 523704), is a turnkey and trusted digital engineering and Cloud transformation partner that delivers Innovative solutions and business outcomes for clients in Healthcare & Life Sciences, Retail, Manufacturing, Financial Services, Government/Public Sector, etc. It enables customer success and decomplex digital for enterprises by enabling them to unlock the power of data, modernize applications to the Cloud, and accelerate digital advantage. A preferred Oracle partner with a strong pool of 2000+ Oracle experts and 100+ industry-specific solutions. Mastek's ~6000 strong workforce operates out of 40+ countries (in the UK, Americas, Europe, Middle East, and APAC) to deliver business value with velocity. 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 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. Mastek Ltd. undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof.

Thank You



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