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Press Release | Q3FY24

## Q3FY24 revenue at Rs 784.3 crore, up by 19.1% Y-o-Y

- 12 months order backlog grew by 21.2% Y-o-Y in rupee terms
- Operating EBITDA at 17.0%, improved by 95bps Q-o-Q
- Recommends Interim Dividend of 140%

**Mumbai, India 18<sup>th</sup> January 2024:** Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **Third quarter and Nine Months of FY24** ended on 31<sup>st</sup> December 2023.

**Commenting on the Q3FY24 results, Hiral Chandrana, Chief Executive Officer, Mastek, said:**

*“We are pleased to report a steady quarter with revenue growth of 17.4% Y-o-Y in dollar terms. Our deal momentum is strong across geographies and our 12 months order book backlog grew 20.5% YOY in dollar terms, despite delayed client decisions. BizAnalytica acquisition is now completely integrated into the Mastek family as our Data Cloud business amplifying our pipeline in data modernization and AI related services. We continue to drive operating model transformation and disciplined account mining as we elevate our partner position with our strategic clients.”*

**Arun Agarwal, Chief Financial Officer, Mastek, said:** *“We reported revenue of Rs 784.3 crore, a growth of 2.4% on a Q-o-Q basis and 19.1% on Y-o-Y basis in INR terms, in a seasonally weak quarter for the industry. Our steadfast commitment to improving operating levers enabled us to expand operating EBITDA margin to 17.0% in Q3FY24. Our Board of Directors has proposed an interim dividend of 140% or Rs 7 per share. Our disciplined execution, strong pipeline and enhanced client engagement gives us confidence on sustained success as we approach the start of FY25.”*

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

Figures in \$mn	Q3FY24	Q2FY24	Q-o-Q Growth	Q3FY23	Y-o-Y Growth
Revenue from Operations	\$94.0	\$92.6	1.6%	\$80.1	17.4%

Figures in Rs Crore	Q3FY24	Q2FY24	Q-o-Q Growth	Q3FY23	Y-o-Y Growth
Total Income	787.6	770.4	2.2%	664.7	18.5%
Revenue from Operations	784.3	765.5	2.4%	658.7	19.1%
Operating EBITDA	133.5	123.0	8.5%	113.7	17.4%
% of Op. Income	17.0%	16.1%	95bps	17.3%	(24)bps
Net Profit	77.7	65.3	19.1%	67.1	15.8%
Net Profit %	9.9%	8.5%	139bps	10.1%	(23)bps
EPS (Rs) – Diluted	24.3	20.3		20.9	

### Note:

- Adjusted PAT for Q3FY24 was 11.2% vs 10.2% in Q2FY24, if normalized for PPA amortization from MST and BizAnalytica acquisition, fair valuation of earnout and one time acquisition cost
- Revenue consolidated for BizAnalytica during Q3FY24 was Rs 35.8 Crore (\$4.3mn)

Figures in Rs Crores	9MFY24	9MFY23	Y-o-Y Growth
Total Income	2,285.6	1,892.9	20.7%
Revenue from Operations	2,275.1	1,854.2	22.7%
Operating EBITDA	383.6	330.3	16.1%
% of Op. Income	16.9%	17.8%	(96)bps
Net Profit	216.6	237.7 <sup>^</sup>	(8.9)%
Net Profit %	9.5%	12.6% <sup>^</sup>	(308)bps
EPS (Rs) – Diluted	67.3	71.9	

<sup>^</sup>Includes profit on sale of investment property partially offset by expense relating to business combination of MST consummated during the period

## Operating Highlights

- New accounts added during the quarter:** The Company added 27 new clients in Q3FY24. Total active clients during Q3FY24 was 436 as compared to 441 in Q2FY24.
- 12 months Order Backlog:** 12 months order backlog was Rs 2,067.6 crore (\$248.5 mn) as on 31<sup>st</sup> December, 2023 as compared to Rs 1,705.8 crore (\$206.2 mn) in Q3FY23, reflecting growth of 21.2% in rupee terms and 16.5% in constant currency terms on Y-o-Y basis and Rs 1,861.8 crore (\$224.2 mn) in Q2FY24, reflecting a growth of 11.1% in rupee terms and growth of 8.5% in constant currency terms on Q-o-Q basis.
- Employees:** As on 31<sup>st</sup> December, 2023, the company had a total of 5,518 employees, of which 3,889 employees were based offshore in India while the rest were at various onsite

locations. Employee count at the end of 30<sup>th</sup> September, 2023 was 5,598. Last twelve months attrition at 20.0% in Q3FY24 in comparison with 19.1% in Q2FY24.

- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 403.7 crore as on 31<sup>st</sup> December, 2023 as compared to Rs 311.9 crore at the end of 30<sup>th</sup> September, 2023.
- **Dividend:** The Board of Directors have recommended an interim dividend of 140% (Rs 7 per share) at the meeting held on 18<sup>th</sup> January, 2024.

### Key wins for the quarter

- The **UK's Key National Security Department** enhances its Irregular Migration case-working technology services contract with Mastek. Driven by ministerial priorities for 2023 and 2024, Mastek will enable the Department to further implement key initiatives of the New Plan for Immigration. The Department will be able to make Asylum decisions faster and reduce existing backlogs.
- For a global **EU** based sustainable **packaging** manufacturer, Mastek won a strategic implementation in NA of Oracle Cloud ERP/SCM. This strategic initiative revolutionizes order-to-cash, procure-to-pay, and record-to-report processes, driving streamlined management, insightful reporting, and a significant enhancement in working capital.
- Mastek, will implement Salesforce for seamless Health Trio Member portal access via Single Sign-On for our prominent **US** based **Healthcare Insurance** Partner. Our solution integrates Broker Commissions into trustycare, establishing a definitive source of truth for all HRA data. This initiative reinforces our commitment to trust and excellence in healthcare services.
- Mastek, embarks on a 3-year journey with a **Middle Eastern healthcare** leading hospital chain, specializing in medical treatment, education, and research with 3,000+ beds. Providing ServiceNow implementation and support, we enhance ITSM and CSM platforms, introduce Integrated Risk Management (IRM), and develop a Social Hub Portal. This solution not only streamlines operations but ensures a reduced total cost of ownership, delivering substantial value to the customer.
- Mastek, a trusted ally, forges a transformative alliance with our **US** based Fortune 500 **Clinical Innovation** partner. Implementing Oracle Absences and Time & Labor solutions within Oracle HCM Cloud, this dynamic solution ensures precision in absence

management policies and establishes a singular source of truth for time-related data enterprise-wide. It's a significant stride towards operational excellence.

- Mastek, in a strategic collaboration with our **US** based Fortune 500 **financial services** client, employs Salesforce, Oracle, Big Data, and Data Engineering expertise for comprehensive application development. Our services extend to Enterprise Cloud and technology infrastructure support, ensuring data quality as a service, real-time availability, and robust support for Sales & Marketing teams. This initiative underscores our commitment to delivering impactful solutions with unwavering trust and excellence.
- Mastek spearheads a pivotal initiative with our **Saudi Arabian cement producer** client, shifting to Oracle Fusion ERP. This move enhances functionality, cloud deployment, and security—powered by Mastek Glide. Our Innovation Solution, utilizing real-time IoT data, optimizes processes, yielding a remarkable 1.5X improvement in turnaround time (TAT) and resource efficiency, underscoring our dedication to innovation and excellence.
- Mastek a trusted partner, for a member of one of the leading **universities** in the **UK**, received extension for an existing project originally signed in 2022 to transform the customer's entire back office operations (41 disparate systems) to **Oracle** Cloud. Through this extension Mastek will help in enhancing HR & payroll processes, streamlining finance and procurement systems, while providing better processes, information and control over HR and financial strategic plans for the customer.
- Mastek embarks on a transformative journey, implementing Databricks and Snowflake for our esteemed **US** based **healthcare** client. As a strategic partner, we guide their multi-year cloud strategy, aiming to elevate insights and execution capabilities. This collaborative effort is a pivotal step towards advancing the customer's journey in healthcare innovation and cures.

### Awards & Recognitions:

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

- **ISG:** Mastek was recognized as a 'Contender' in the ISG Provider Lens study Healthcare Digital Services 2023 for Provider Digital Transformation Services, and as a 'Product Challenger' and 'Market Challenger' in the ISG Provider Lens study Oracle Cloud and Technology Ecosystem 2023
- **AWS:** Mastek recognized as one of the Top 3 Finalists for AWS Rising Star Partner of the year @ AWS Re-invent 2023. Mastek had participated in 1st re-invent in 2022, progressed from 'Select' to 'Advanced' status
- **TechMarketView report on UK Defence:** Mastek mentioned as "Suppliers knocking on the door, growing strongly and threatening current leader positions" by the UK's TechMarketView. Positioned as a strong contender for further success in the defense market.
- **Nasscom Digital Skills Awards 2023:** Mastek was Deep Skills Disruptor at Nasscom's Digital Skills Awards 2023 in the category of Depth of Niche Technology Skilling. Mastek also received a special recognition from Nasscom for nurturing Digital talent

### About Mastek

Mastek (NSE: MASTEK; BSE: 523704), is an enterprise digital and cloud transformation partner that engineers excellence for customers in industries such as healthcare and life sciences, retail & consumer, manufacturing, financial services, and public sector across 40 countries, including the UK, US, Europe, the Middle East, and Asia Pacific. Mastek helps enterprises decomplex digital and delivers business outcomes with trust, value, and velocity across the spectrum of services including digital experience & engineering, cloud implementations, data, automation & AI, and cloud managed services. A preferred Oracle, Salesforce, Microsoft, AWS and Snowflake partner, Mastek has 6000+ employees and delivers right-fit solutions to both medium businesses and global Fortune 1000 clients. For more details, please visit our website [www.mastek.com](http://www.mastek.com)

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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).

*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**



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