



Trust. Value. Velocity.

## Press Release | Q1FY23

## Q1FY23 revenue grew 13.4% on Y-o-Y basis in Constant Currency

- Q1FY23 Revenue grew to Rs 570.3 crores; up by 10.4% Y-o-Y
- 12 months order backlog grew by 28.2% Y-o-Y in rupee terms
- Added 33 new clients in the quarter
- Mastek acquires MST Solutions, a leader in Salesforce ecosystem

**Mumbai, India 20<sup>th</sup> July, 2022:** Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **First quarter of FY23** ended on 30<sup>th</sup> June 2022.

*Commenting on the Q1FY23 results, Hiral Chandrana, Global Chief Executive Officer, Mastek, said: “We reported constant currency revenue growth of 13.4% on year-on-year basis and continued to deliver business outcomes for our clients across digital engineering and cloud transformation engagements. It was a challenging quarter impacted by pause of a key program in a large account, currency impact, slower than expected ramp ups and delayed decision making on few deals. Having said that, our pipeline has grown, win ratios have improved, our focus on account mining and annuity business is yielding results. In line with our Vision 2025, we have acquired MST Solutions, a Summit level Salesforce Consulting partner with strong presence in Americas and marquee Fortune 1000 clients. We welcome the MST Solutions team to our family. We are confident about the fundamentals of our strategy and committed to driving differentiated growth as we continue to partner with clients to Decomplex Digital with Trust, Value and Velocity.”*

*Arun Agarwal, Global Chief Financial Officer, Mastek, said: “We reported operating margin of 19.2% during the quarter despite currency impact, continued investments and increase in hiring costs. We have undertaken several appropriate steps to scale supply and talent acquisition, the results of which would start reflecting in the coming quarters. Resilience of our business is demonstrated in 12-month order backlog of US\$ 191 mn as of 30th June, 2022 which grew by 31% Y-o-Y in constant currency. Acquisition of MST Solutions further enhances our integrated offerings across Digital Experience and transformation and strengthens our presence in US geography. Demand environment continues to be strong, and we are confident that our strategic priorities and execution rigor positions us well to achieve our Vision 2025.”*

## Review of the Consolidated Financial Performance for Quarter ended 30<sup>th</sup> June 2022:

Figures in Rs Crores	Q1FY23	Q4FY22	Q-o-Q Growth	Q1FY22	Y-o-Y Growth
Total Income	596.0	599.5	(0.6)%	521.2	14.4%
Revenue from Operations	570.3	581.5	(1.9)%	516.5	10.4%
Operating EBITDA	109.2	120.7	(9.5)%	112.8	(3.2)%
% of Op. Income	19.2%	20.8%	(160)bps	21.8%	(268)bps
Total EBITDA	135.0	138.6	(2.6)%	117.5	14.9%
% of Total Income	22.6%	23.1%	(48)bps	22.5%	11bps
Net Profit	84.4	88.2	(4.4)%	80.2	5.2%
Net Profit %	14.2%	14.7%	(56)bps	15.4%	(124)bps
EPS (Rs) – Diluted	25.1	26.1		26.4	

### Operating Highlights

- **New accounts added during the quarter:** The Company added 33 new clients in Q1FY23. Total active clients during Q1FY23 was 402 as compared to 450 in Q4FY22.
- **12 months Order Backlog:** 12 months order backlog was Rs 1,509.3 crores (\$191.1 mn) as on 30<sup>th</sup> June, 2022 as compared to Rs 1,469.1 crores (\$193.8 mn) in Q4FY22, reflecting a growth of 2.7% in rupee terms and 4.0% in constant currency terms on Q-o-Q basis and Rs 1,177.7 crores (\$158.4 mn) in Q1FY22, reflecting a growth of 28.2% in rupee terms and 31.1% in constant currency terms on Y-o-Y basis.
- **Employees:** As on 30<sup>th</sup> June, 2022, the company had a total of 5,553 employees, of which 4,208 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 31<sup>st</sup> March, 2022 was 4,977.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 664.6 crores as on 30<sup>th</sup> June, 2022 as compared to Rs 794.0 crores at the end of 31<sup>st</sup> March, 2022. Net Cash balance (after adjusting for debts) stood at Rs 490.0 crores as on 30<sup>th</sup> June, 2022 as compared to Rs 603.3 crores at the end of 31<sup>st</sup> March, 2022.

### Mastek Signs Definitive Agreement to Acquire MST Solutions

Mastek signed definitive agreement to acquire MST Solutions, an independent Salesforce consulting and system integration partner in the Americas region. The deal has been structured in two stages - MetaSoft Tech Solutions, LLC being acquired by Mastek Inc, a wholly-owned first level step-down subsidiary of Mastek Limited and Meta Soft Tech Systems

Pvt Limited being acquired by Mastek Limited. The upfront consideration for the deal is US\$ 80 mn and earnout would be between US\$ 0 to US\$ 35 mn, subject to earnout conditions. MST is a trusted partner to several Fortune 1000 and large enterprise clients. MST has built a strong reputation for themselves especially in the Healthcare, Public Sector and Manufacturing industry verticals.

### Key wins for the quarter

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

- Mastek has been selected in the preferred supplier list on the new Crown Commercial Service's Digital Specialists and Programmes (DSP) Framework RM6263 with an overall spend value of multi billion pounds over next 2-3 years. The purpose of this framework is for all UK government departments to source leadership and expertise in delivery of major Digital Programmes.
- Mastek to support one of the top University in UK to eradicate manual processes and disintegrated systems. The 'Digital Core' project to be implemented by Mastek will unify 41 disparate systems to bring better processes, information and control for the University.
- Provide Oracle implementation services to one of the technology enabled healthcare services provider based in the USA. In the quest to decomplex client's business budgeting and forecasting requirements, of their health care organisation, they have approached Mastek to implement Oracle planning, budgeting and cost allocations. The implementation is expected to place Mastek in an ideal position to be able to replace client's current financial system and become the core supplier of services to support the client moving forward.
- Mastek will be supporting 'Oracle Commerce' system of one of the fastest growing optical retailers in the United States, using Cloud Enhancement Services, to derive more value for the client. Our support services and advisory tools will help customer to measure and monitor the true business value & provide continuous improvement and agile service management
- Partnered with one of the existing client, a multinational lead-acid manufacturing company; to provide Cloud Enhancement Services (CES) which is a multi-year engagement. The scope of this contract will include enhancement services for Oracle Cloud ERP, SCM, EPM & CX, which will help client reap maximum benefits from continuous innovation.

- Mastek signed a multi-year managed services deal to provide services to Europe based leading home credit and consumer finance, which includes application support on AWS Cloud and on-premises infrastructure. Mastek's assistance is pivotal to the client in ensuring business continuity and ability to touch the lives of its one million plus customers.

### Awards & Accolades:

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

- **Gartner Recognition:** Evosys - A Mastek Company, for the 4th year in a row, is delighted to be recognized in the 2022 Gartner Magic Quadrant for Oracle Cloud Applications Services, Worldwide.
- **Fortune India 'Next 500' 2022** - Fortune has listed Mastek in its prestigious 'Next 500' list, a yearly ranking of top businesses. The only IT Company to be listed, Mastek recorded vociferous growth in total income during FY21 among other IT companies in 'The Next 500-Fortune India's' list of India's largest emerging companies.
- **Future Ready Organization** - Mastek has been featured in 'Economic Times Future-Ready Organizations 2022 - 23' list.
- **Lifetime Achievement Award** - Ashank Desai, MD and Vice Chairman of Mastek and co-founder of NASSCOM, was awarded the Dataquest 'Lifetime Achievement Award' at the prestigious 29th edition of ICT Business Awards, for his outstanding contribution to the IT industry.
- **The Economic Times CEOs Conclave** - Hiral Chandrana, Global CEO – Mastek Group has been recognized as an Inspiring CEO at the 2nd edition of "The Economic Times CEOs Conclave" with the theme "Stalwarts in Excellence: Redefining the Future", a special Initiative by ET Edge, a part of the Times of India Group.
- **Future Of L&D Summit & Awards** - Mastek's People Skills & Development (PS&D) team won the award for "L&D Excellence" at the 8th Edition of the "Future Of L&D Summit & Awards" on 2nd June 2022. Being a true catalyst that enables Mastek's varied business needs, the team has been efficiently providing proactive solutions and delighting clients.

### 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 business change programs by partnering with enterprises to unlock the power of data, modernize applications to the cloud, and accelerate digital advantage for all stakeholders. Customers Trust Mastek to deliver Business Value with Velocity and we operate in 40+ countries including the UK, Americas, Europe, Middle East,

APAC with ~5000 employees. Our mission is to de-complex Digital and make your business future-ready with an industry-first approach. Evosys, a Mastek company, is an Oracle Partner and a leading Oracle Cloud implementation and consultancy provider and has executed programs for 1,200+ Oracle Cloud 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/>.

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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 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**

