



Q2FY18 Total Income at Rs 204 crore; up by 59.1% Y-o-Y basis

- **12 month Order Backlog up 30.7% Q-o-Q to Rs 450.4 crore**
- **Added 13 new clients during the quarter**
- **Declares Interim Dividend of 40%**

Clarification Note

With respect to the financial results for the second quarter ended 30th September, 2017 (Q2FY18) for Mastek Limited, please note that the Company has transitioned to Indian Accounting Standard (IND AS) with effect from April 1, 2017. Accordingly, the impact of transition has been provided in the opening reserves as at 1st April, 2016 and figures for the year ended March 31, 2017 and quarter and half year ended September, 2016 have been restated accordingly. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of IND AS 34, Interim Financial Reporting.

Mumbai, India – 26th October 2017: Mastek, a global IT player and a trusted partner in complex digital & agile transformation programs in the Government, Retail and Financial Services worldwide, announced today its financial results for the **second quarter and half year of FY18**.

Review of financial performance for the quarter ended 30th September, 2017

On a quarter-on-quarter basis:

- Total income was Rs 204.1 crore during the quarter under review as compared to Rs 188.0 crore during the previous quarter, growth of 8.5% on Q-o-Q basis.
- The operating income was Rs 198.5 crore during the quarter under review as compared to Rs 185.5 crore during the previous quarter, reflecting a growth of 7.0% in rupee terms and an increase of 5.9% in constant currency terms.
- The Company reported an EBITDA of Rs 29.3 crore (14.4% of total income) in Q2FY18 as compared to Rs 24.8 crore (13.2% of total income) in Q1FY18, growth of 18.1% on Q-o-Q basis; EBITDA Margin expansion of 117 bps.
- Net profit stood at Rs 17.5 crore in Q2FY18 as against Rs 14.7 crore in Q1FY18, up by 19.3% on Q-o-Q basis.



On year-on-year basis:

- Total income was Rs 204.1 crore during the quarter under review as compared to Rs 128.2 crore during the corresponding quarter of previous year, growth of 59.1% in rupee terms.
- The operating revenue was Rs 198.5 crore during the quarter under review as compared to Rs 125.9 crore during the corresponding quarter of previous year reflecting a growth of 57.7% in rupee terms and an increase of 70.4% in constant currency terms.
- The company reported an EBITDA of Rs 29.3 crore (14.4% of total income) in Q2FY18 compared to an EBITDA Rs 13.9 crore (10.9% of total income) in Q2FY17, growth of 110.3% on Y-o-Y basis.
- Net profit stood at Rs 17.5 crore in Q2FY18 as against Rs 7.3 crore in corresponding quarter of previous year, growth of 138.6% on Y-o-Y basis.

For the half year ended 30th September, 2017

- Total income was Rs 392.1 crore during the half year period under review as compared to Rs 261.2 crore during the corresponding period in the previous year, reflecting an increase of 50.1% in rupee terms.
- The operating revenue was Rs 384.0 crore for the half year ended 30th September, 2017 as compared to Rs 255.1 crore in the corresponding period of previous year reflecting a growth of 50.6% in rupee terms and an increase of 68.3% in constant currency terms.
- The company reported an EBITDA of Rs 54.2 crore (13.8% of total income) as compared to an EBITDA of Rs 23.7 crore (9.1% of total income) during the corresponding period in the previous year, reflecting a growth of 128.4% on Y-o-Y basis.
- Net profit stood at Rs 32.2 crore for H1FY18 as compared to Rs 9.7 crore in H1FY17 reflecting a growth of 232.5% on Y-o-Y basis.

Operating highlights

- **New accounts billed during the quarter:** The Company added 13 new clients in Q2FY18. Total client count as of 30th September, 2017 was 167 (LTM).
- **12m Order Backlog:** Mastek's 12-month order backlog was Rs 450.4 crore (£ 51.5mn), as on 30th September, 2017 as compared to Rs 344.6 crore (£ 41.1mn) at the end of Jun'17, reflecting a growth of 30.7% Q-o-Q in rupee terms and up 25.3% in constant currency.
- **Employees:** As on 30th September, 2017, the company had a total of 1,767 employees, of which 1,169 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 30th June, 2017 was 1,684.
- **Interim Dividend:** The company has declared an interim dividend of 40% i.e Rs 2/- per share
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stand at Rs 159.5 crore as on 30th September, 2017 as compared to Rs 150.4 crore at the end of 30th June, 2017.

Commenting on the results, Mr. John Owen, Group CEO, Mastek, said: "Q2 results represents our 4th consecutive quarter of growth and second quarter of implementing our Vision 2020 strategy - to make Mastek a leader in Digital Transformation. I am pleased to report another strong performance in revenue growth, improved profitability and continued high levels of customer satisfaction. The fundamentals of our business continue to perform well, measured by good growth momentum in our 12-months order backlog, increasing pipeline, increased headcount and we continue to secure new clients to our portfolio, who all trust Mastek to deliver their digital agenda."

Mr. Abhishek Singh, Group CFO, Mastek, said: "The quarter ended was inline with our expectations. We have continued to deliver consistent financial performance during the quarter after incorporating the wage hikes. Our revenue grew by 59%, EBITDA up 110% and PAT up 139% on YoY basis. We are seeing good built up in our UK government business and US Digital Commerce business. We aspire to maintain the growth momentum going forward."

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government, retail and financial services organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK and Asia Pacific regions. Incorporated in 1982, Mastek has been at the forefront of technology and has made significant investments in creating intellectual property, which along with proven methodologies and processes, increase IT value generation to its customers through onsite and offshore deliveries. For more information and past results & conference call transcripts, please visit our web site www.mastek.com (and/or the Investors section at <http://www.mastek.com/investors.html>). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: <http://www.mastek.com/investors/corporate-governance.html>.

Investor / Analyst contact:

Asha Gupta

Christensen IR

+91-22-4215-0210

agupta@christensenir.com

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.