

Mastek

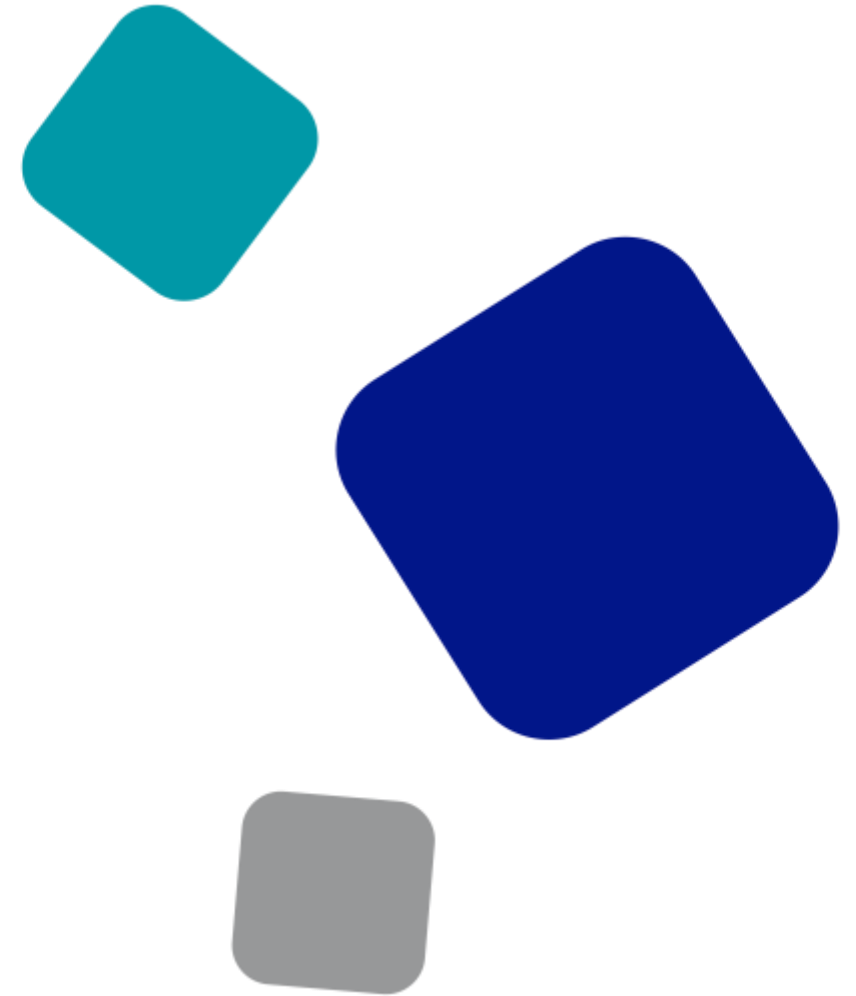
Investor Presentation Performance Overview: Q2'19

25th Oct, 2018

Presented by:

John Owen | Group CEO

Abhishek Singh | Group CFO



Disclaimer



This presentation contains certain forward-looking statements concerning our future growth prospects which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. These risks and uncertainties include, but not limited to factors such 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.

Agenda

Topics for Discussion

1 | **Financial Performance**

2 | Operational Performance

3 | Awards and Accolades

4 | Questions & Answers

Financial Performance Q2 FY'19



Comparison: Year-on-Year

☐ Revenue: Consistent growth

- ✓ Total income of Rs 265.8 crore vs Rs 204.1 crore, up 30.2% Y-o-Y
- ✓ Operating income of Rs 257.1 crore vs Rs 198.5 crore, up 29.5% Y-o-Y in rupee terms
- ✓ Constant currency revenue growth of 21.6% on Y-o-Y basis

☐ Profit: Growth in Earnings; Improvement in Quality of Earnings

- ✓ Operating EBITDA Rs 31.3 crore (12.2% of Op. income) vs Rs 23.7 crore (12.0% of Op. income)
- ✓ Total EBITDA stood at Rs 40.0 crore (15.1% of total income) in Q2FY19 vs Rs 29.3 crore (14.4% of total income) in Q2FY18
- ✓ Net Profit stood at Rs 25.1 crore vs Rs 17.5 crore in Q2FY18; up 43.5% Y-o-Y basis
- ✓ Net Profit Margin of 9.4% in Q2FY19 vs 8.6% in Q2FY18

☐ Cash & Cash Equivalent:

- ✓ Total cash, cash equivalents and fair value of Mutual Funds stood at Rs 191.2 crore as on 30th Sep, 2018 as compared to Rs 153.0 crore at the end of 30th Sep, 2018.

☐ Order Backlog:

- ✓ 12M Backlog was Rs 599.2 crore (£ 63.3mn) as on 30th Sep, 2018 as compared to Rs 450.4 crore (£ 51.5mn) in Q2FY18, up 33.0% in rupee terms

Financial Performance Q2 FY'19



Comparison: Quarter-on-Quarter

☐ Revenue: Consistent growth

- ✓ Total income of Rs 265.8 crore vs Rs 247.2 crore, up 7.5% on Q-o-Q basis
- ✓ Operating income of Rs 257.1 crore vs Rs 244.0 crore, up 5.3% Q-o-Q in rupee terms
- ✓ Constant currency revenue growth of 4.3% on Q-o-Q basis

☐ Profit: Growth in Earnings

- ✓ Operating EBITDA of Rs 31.3 crore (12.2% of Op. income) vs Rs 30.9 crore (12.7% of Op. income) in Q1FY19
- ✓ Total EBITDA stood at Rs. 40.0 crore (15.1% of total income) in Q2FY19 vs Rs 34.1 crore (13.8% of total income) in Q1FY19, up 17.5% on Q-o-Q basis
- ✓ Net Profit stood at Rs 25.1 crore vs Rs 22.5 crore in Q1FY19, up by 11.8% on Q-o-Q basis
- ✓ Net Profit Margin of 9.4% in Q2FY19 vs 9.1% in Q1FY19

☐ Cash & Cash Equivalent:

- ✓ Total cash, cash equivalents and fair value of Mutual Funds stood at Rs 191.2 crore as on 30th Sep, 2018 as compared to Rs 200.3 crore at the end of 30th Jun, 2018

☐ Order Backlog:

- ✓ 12M Backlog was Rs 599.2 crore (£ 63.3mn) as on 30th Sep, 2018 as compared to Rs 504.1 crore (£ 56.0mn) in Q1FY19, increase of 18.9% in rupee terms and 13.0% in constant currency

Financial Performance H1 FY'19



Comparison: Year-on-Year

□ Revenue:

- ✓ Total income of Rs 512.9 crore vs Rs 392.1 crore, up 30.8% Y-o-Y basis
- ✓ Operating income of Rs 501.1 crore vs Rs 384.0 crore, up 30.5% Y-o-Y in rupee terms
- ✓ Constant currency revenue growth of 22.6% on Y-o-Y basis

□ Profit:

- ✓ Operating EBITDA of Rs 62.3 crore (12.4% of Op. income) vs Rs 46.1 crore (12.0% of Op. income), up 35.0% Y-o-Y basis
- ✓ Total EBITDA of Rs 74.1 crore (14.4% of total income) in H1FY19 vs Rs 54.2 crore (13.8% of total income) in H1FY18
- ✓ Net Profit stood at Rs 47.6 crore vs Rs 32.2 crore in H1FY18; up 47.9% Y-o-Y basis
- ✓ Net Profit Margin of 9.3% in H1FY19 vs 8.2% in H1FY18

□ Dividend:

- ✓ Declared an interim dividend of 70% i.e Rs 3.5/- per share

Financial Summary Q2 FY'19



Key Performance Metrics

Particulars	Metrics	Q2FY19	Q1FY19	QoQ Growth	Q2FY18	YoY Growth	H1FY19	H1FY18	YoY Growth
Revenue (INR Cr)	Total Income from operations	257.1	244.0	5.3%	198.5	29.5%	501.1	384.0	30.5%
	Other Income	8.7	3.1	178.0%	5.6	55.4%	11.8	8.1	47.0%
	Total Income	265.8	247.2	7.5%	204.1	30.2%	512.9	392.1	30.8%
Margins (INR Cr)	Op. EBITDA	31.3	30.9	1.2%	23.7	31.9%	62.3	46.1	35.0%
	EBITDA	40.0	34.1	17.5%	29.3	36.4%	74.1	54.2	36.7%
	PBT	32.8	28.9	13.6%	22.8	43.9%	61.7	41.2	49.8%
	PAT	25.1	22.5	11.7%	17.5	43.5%	47.6	32.2	47.9%
Margin (%)	Op. EBITDA	12.2%	12.7%		12.0%		12.4%	12.0%	
	EBITDA	15.1%	13.8%		14.4%		14.4%	13.8%	
	PBT	12.3%	11.8%		11.2%		12.0%	10.5%	
	PAT	9.4%	9.1%		8.6%		9.3%	8.2%	
EPS (INR)	Basic	10.6	9.5		7.5		20.0	13.7	
	Diluted	9.9	8.9		7.0		18.8	13.0	

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Operating Metrics Q2 FY'19



Strengthening our business

❑ Client Base:

- ✓ Added 9 new logos
- ✓ Total active client 162 (LTM)
- ✓ Top 5 Client revenue 41.5%
- ✓ Top 10 Client revenue 56.6%

❑ Employee Base:

- ✓ Total Employee 2,104 (offshore: 1,317; onsite: 787) as on 30th Sep, 2018 as against 2,097 (offshore: 1,353; onsite: 744) as on 30th Jun, 2018

❑ **DSO** stood at 76 days as on 30th Sep, 2018 as against 61 days as on 30th Jun, 2018

❑ **FX Hedges for next 12 months** GBP 9.1mn @ Rs 92.9/-

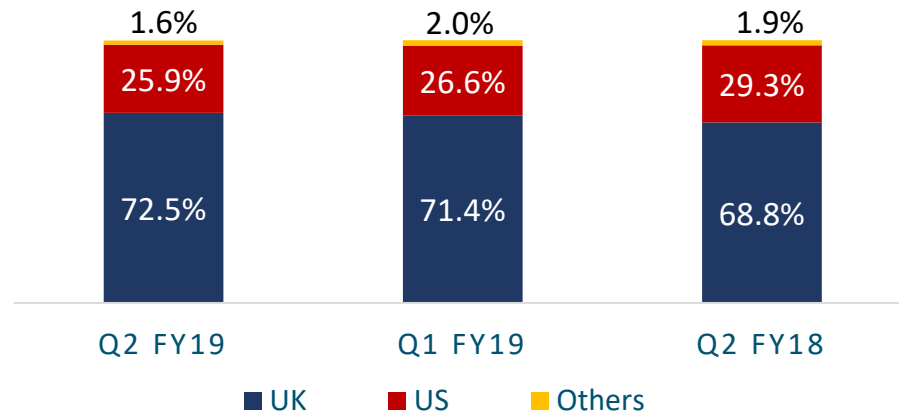
❑ **Recommended interim dividend** of 70% (Rs 3.50 per share)

Revenue Analysis Q2 FY'19

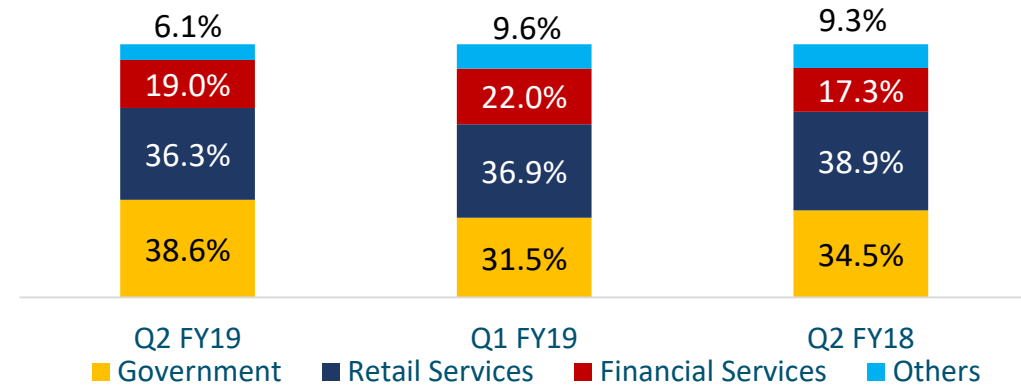


Balancing our portfolio

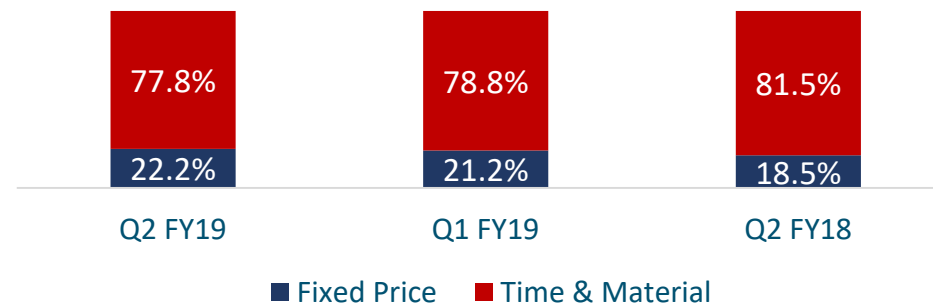
Revenue by Market Region



Revenue by Industry Segment



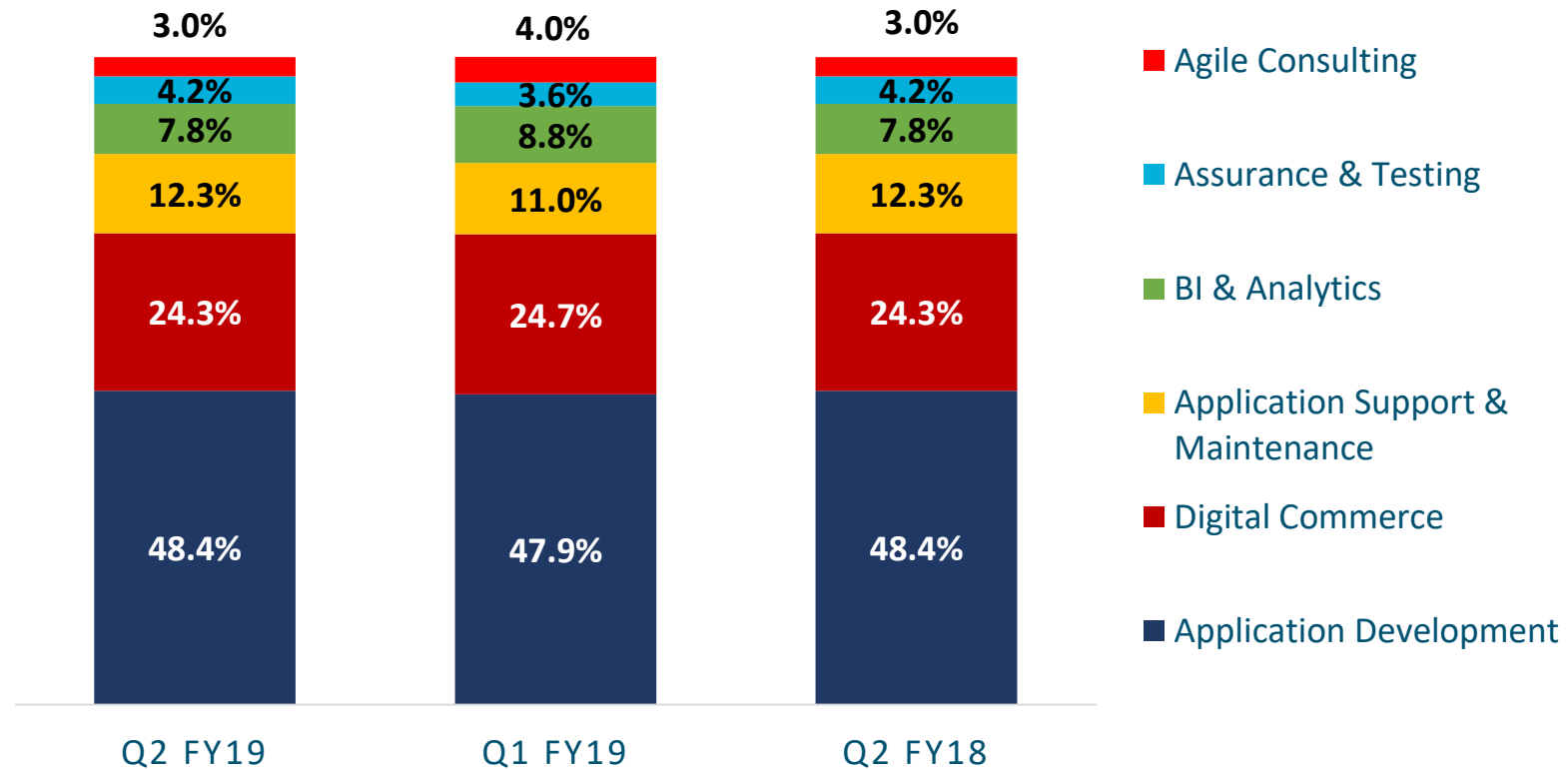
Revenue by Contract Type



Revenue Analysis Q2 FY'19



Revenue By Service Line



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Awards and Accolades



Mastek UK won 2 awards at Dev Ops Industry under its marquee brand IndigoBlue

- ✓ **Best Overall DevOps Project – Public Sector:** Metropolitan Police and IndigoBlue
- ✓ **DevOps Manager of the Year:** Brett Delle Grazie

The award for ***Best Overall DevOps Project – Public Sector*** recognizes the achievements of the Metropolitan Police, supported by Indigo Blue DevOps and Agile experts, in establishing a resilient, robust, scalable and inexpensive infrastructure in a context of maximum security, with a strong commitment to industry standards and best practice.

The award for ***DevOps Manager of the Year*** recognizes the accomplishments of Indigo Blue's Senior DevOps Consultant, Brett Delle Grazie, in guiding, supporting and leading the technological and cultural change required for DevOps to be established sustainably at the Ministry of Justice (MOJ) in the last year

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Thank You

About Mastek

Mastek is a publicly held (NSE: MASTEK; BSE: 523704) leading IT player with global operations providing enterprise solutions to government and enterprise organizations worldwide. With its principal offshore delivery facility based at Mumbai, India, Mastek operates in the UK, USA and Indian market 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 www.mastek.com/investors). Updated disclosures regarding corporate governance may also be accessed in the web site's Investors section at: www.mastek.com/investors/corporate-governance

