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Press Release | Q2FY24

Q2FY24 revenue at Rs 765.5 crore, up by 22.4% Y-o-Y

- Operating revenue up by 13.5% Y-o-Y in CC terms
- 12 months order backlog grew by 22.3% Y-o-Y in rupee terms
- BizAnalytica acquisition completed in August 2023

Mumbai, India 19th October 2023: Mastek, a Turnkey & Trusted Digital Engineering & Cloud Transformation Partner, announced today its financial results for the **Second quarter and Half year of FY24** ended on 30th September 2023.

Commenting on the Q2FY24 results, Hiral Chandrana, Chief Executive Officer, Mastek, said:

“We are glad to report revenue growth of 13.5% Y-o-Y in constant currency fueled by organic growth in the US and demand for digital & cloud services. Our 12-month order backlog was US\$ 224.2 mn, a growth of 19.8% Y-o-Y in dollar terms, with a robust Order Book from UK. Mastek was recognized by Everest Group as Top 5 Global SI’s in Oracle Cloud Applications. We rewarded employees for their contributions and have implemented companywide salary increments during the quarter. We successfully completed the acquisition of BizAnalytica, accelerating our presence in Data Cloud and the fast-evolving Generative AI space.”

Arun Agarwal, Chief Financial Officer, Mastek, said: *“We reported revenue of Rs 766 crore for the quarter, a growth of 4.4% on a Q-o-Q basis in constant currency driven by momentum in our existing business and integration of BizAnalytica. Despite challenges such as delayed deal closures, we were able to maintain a growth trajectory in order book. We delivered an operating EBITDA margin of 16.1% in Q2FY24 after incorporating salary hikes across the organization. We are cautious about prevailing macroeconomic conditions, however, our resilient business model, strong pipeline, and improved utilization are encouraging as we execute in H2FY24.”*

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

Figures in \$mn	Q2FY24	Q1FY24	Q-o-Q Growth	Q2FY23	Y-o-Y Growth
Revenue from Operations	\$92.6	\$88.1	5.1%	\$78.1	18.5%

Figures in Rs Crore	Q2FY24	Q1FY24	Q-o-Q Growth	Q2FY23	Y-o-Y Growth
Total Income	770.4	727.6	5.9%	632.2	21.9%
Revenue from Operations	765.5	725.3	5.6% 4.4% (CC)	625.3	22.4% 13.5% (CC)
Operating EBITDA	123.0	127.0	(3.1%)	107.4	14.6%
% of Op. Income	16.1%	17.5%	(144bps)	17.2%	(110bps)
Net Profit	65.3	73.5	(11.2%)	86.2 [^]	(24.3%)
Net Profit %	8.5%	10.1%	(163bps)	13.6% [^]	(516bps)
EPS (Rs) – Diluted	20.3	22.7		25.8	

Note:

1. BizAnalytica integrated from August 2023. Revenue consolidated during the quarter was Rs 20.8 Crore (\$2.5mn).
2. Adjusted PAT for Q2FY24 was 10.2% vs 11.0% in Q1FY24, if normalized for Purchase Price Allocation (PPA) amortization from MST and BizAnalytica acquisition, fair valuation of earn out and one time acquisition cost

Figures in Rs Crores	H1FY24	H1FY23	Y-o-Y Growth
Total Income	1,498.0	1,228.2	22.0%
Revenue from Operations	1,490.8	1,195.6	24.7%
Operating EBITDA	250.0	216.6	15.4%
% of Op. Income	16.8%	18.1%	(135)bps
Net Profit	138.8	170.6 [^]	(18.6%)
Net Profit %	9.3%	13.9% [^]	(462)bps
EPS (Rs) – Diluted	43.0	51.0	

[^]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 29 new clients in Q2FY24. Total active clients during Q2FY24 was 441 as compared to 436 in Q1FY24.
- **12 months Order Backlog:** 12 months order backlog was Rs 1,861.8 crore (\$224.2 mn) as on 30th September, 2023 as compared to Rs 1,522.0 crore (\$187.1 mn) in Q2FY23, reflecting growth of 22.3% in rupee terms and 13.4% in constant currency terms on Y-o-Y basis and Rs 1,763.9 crore (\$215.0mn) in Q1FY24, reflecting a growth of 5.6% in rupee terms and growth of 6.2% in constant currency terms on Q-o-Q basis.

- **Employees:** As on 30th September, 2023, the company had a total of 5,598 employees, of which 3,978 employees were based offshore in India while the rest were at various onsite locations. Employee count at the end of 30th June, 2023 was 5,592. Last twelve months attrition at 19.1% in Q2FY24 in comparison with 20.4% in Q1FY24.
- **Cash Balance:** The total cash, cash equivalents and fair value of Mutual Funds stood at Rs 311.9 crore as on 30th September, 2023 as compared to Rs 220.2 crore at the end of 30th June, 2023.

Key wins for the quarter

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

- Mastek's pivotal role in the single sign-on flagship digital program, a cornerstone initiative of the **UK government**, showcases our unwavering commitment to trust and efficiency. Through our Technical Support Desk, users attain swift, secure access to over 300 government departments with around 190 accounts accessed via 44 different sign-in routes through a unified online account. This underscores Mastek's determination to drive profound digital transformation, firmly establishing us as a reliable government services partner.
- Mastek's partnership with a **healthcare** company highlights our commitment to revolutionize healthcare operations. By implementing Oracle Cloud solutions, we empower one of the largest healthcare platforms in the **UAE and Oman**, enhancing performance and enabling swift, informed decisions. This collaboration mirrors our dedication to delivering substantial value and driving rapid digital transformation.
- Mastek's alliance with a **US based airport hospitality** customer emphasizes our commitment to reshaping the airport hospitality landscape. Through the integration of a comprehensive ERP system comprising 26 Oracle Cloud modules, we're crafting seamless, technology-enhanced spaces. This initiative aims to elevate the customer experience within airports, showcasing our dedication to providing innovative solutions and amplifying customer satisfaction.
- Mastek's partnership with the Customer, a **European** government organization managing national forest estate, signifies our unwavering commitment to modernizing **government** operations. By delivering cloud solutions and implementation services, we're replacing legacy Finance, Purchase to Pay, and Business Planning systems. This transformation ensures a real-time, comprehensive view of profit and loss, enhancing efficiency and

transparency across all functions. Our initiative speaks to our determination to deliver cutting-edge solutions and drive transformative change in public sector organizations.

- Mastek's involvement with a leading **bank** in **Southeast Asia** exemplifies our resolve to revolutionize banking experiences. Through the implementation of Microsoft Dynamics 365 CRM with advanced GenAI/Open AI features, we're transforming front and mid offices and enable contextual email responses, intelligent customer segmentation, and optimized marketing engagement enhance sales, customer service, and marketing workflows. This initiative underscores our determination to drive innovation and deliver unparalleled value in the banking sector.
- Mastek's collaboration with a **UK** based Customer, an **international port** signifies our determination for operational excellence. Implementing Oracle ERP, SCM, and HCM Cloud, along with tailored solutions, drives transformative change in the UK's busiest international ferry port. This initiative emphasizes our commitment to adopting end-to-end best practices and enhancing operational efficiency.
- Mastek's integral role in healthcare digital transformation for the Customer, a **US** based **health insurance** organization exemplifies our determination to drive healthcare innovation. Recently, we successfully closed significant deals, including Member Preferences and Lead Management upgrades, alongside providing Salesforce and Mulesoft Architecture services. These accomplishments underscore our focus on enhancing customer experiences, streamlining operations, and reinforcing our standing as a trusted partner in the healthcare sector.
- Mastek's collaboration a prominent **healthcare** group in the **US**, centers on enhancing data-driven insights. Our work involves creating advanced data pipelines in Databricks, ensuring seamless data acquisition and real-time dashboard capabilities. This partnership highlights our commitment to delivering impactful solutions, reinforcing Mastek's position as a trusted healthcare technology partner.
- Mastek is currently developing a Unified Data Platform for a prominent **US based investment management firm**. Built on Snowflake using HVR-DBT, this platform centralizes market value and exposure data for portfolios, commencing with equities and expanding to other asset classes. This initiative underscores our commitment to innovative data solutions, enhancing Mastek's reputation as a trusted partner in investment management.

Awards & Recognitions:

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

- **Everest Group:** Mastek has been recognized by Everest Group as one of the global Top Five Oracle Cloud Applications Service (OCA) Providers in its “Services Enterprise Pulse 2023” report and named as a Major Contender in its “Oracle Cloud Applications Services PEAK Matrix® Assessment 2023”
- **TechMarketView's report on UK Central Government SITS:** Mastek was listed as “Suppliers on the Rise” threatening to unseat the leading players, in TechMarketView's report providing view of the UK Central Government Software and IT Services (SITS) market from a market and supplier perspective for 2022
- **ISG Paragon Awards 2023, North America:** Mastek was recognized for implementing a new Salesforce architecture that decomplex the Arizona Department of Forestry and Fire Management (ADFFM) digital and data models and supported the organization's Healthy Forest Initiative (HFI)
- **ERP Today HR Innovation Awards:** Enterprise Workforce Scheduler (EWS) was acknowledged by ERP Today HR Innovation Awards underscoring Mastek's dedication to innovation and excellence in the Oracle Cloud HCM and Oracle ERP segments, and its impact delivered on industries like Healthcare and Public Sector

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/>.

Investor / Analyst contact:

Asha Gupta Investor Relation Practice, E&Y LLP Asha.Gupta@in.ey.com	Rajat Kedia Investor Relations, Mastek Rajat.Kedia@mastek.com
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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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