



Mastek

Investor Presentation

Performance Overview: Q4 FY'20

14 June 2020

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

- Financial performance
 - Quarterly - Q4'FY20
 - Full Year - FY'20
- Mastek & Evosys
- Operational performance
- Business Updates
- Annexures
 1. Mastek Organic Performance
 2. Evosys Group Insight
- Questions & answers



Financial performance



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Highlights of the Quarter

- Mastek UK ranked as “**29th fastest-growing** Indian companies in UK” in CII-GT India Meets Britain 2020 tracker report. This evidences strong presence of Mastek in UK
- Evosys UK has been recognized and ranked at the impressive **4th position** in the same tracker report, reaffirming the value of our investment
- Evosys positioned in the Niche Players Quadrant of Gartner 2020 Magic Quadrant for Oracle Cloud Applications Services, Worldwide™
- Mastek recognized as ‘IT Vendor of the Year’ at the UK IT Industry Awards
- Mastek Arabia FZ LLC acquired the Middle East business of Evolutionary Systems Arabia FZ LLC and its identified overseas subsidiaries effective March 2020
- Trans American Information Systems Private Limited (‘TAISPL’), a wholly owned subsidiary of Mastek Limited, has taken control of Evolutionary Systems Private Limited (‘ESPL’) and its identified overseas subsidiaries effective February 2020
- First deal with multi-million £ order book landed in UK under joint bid between Evosys and Mastek. It reinforced our investment and joint go to market strategy

Financial Summary Q4 FY'20

Key Performance Metrics (Figures in Rs Crore)

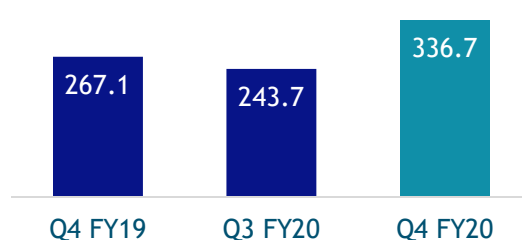
Particulars	Metrics	Q4FY20	Q3FY20	QoQ Growth	Q4FY19	YoY Growth
Revenue (In Rs Crore)	Total Income from operations*	336.7	243.7	38.2%	267.1	26.0%
	Other Income	17.5	9.5	83.3%	6.9	152.5%
	Total Income	354.2	253.2	39.9%	274.0	29.2%
Margins (In Rs Crore)	Op. EBITDA	58.2	33.6	73.1%	35.3	65.0%
	Total EBITDA	75.7	43.2	75.3%	42.2	79.4%
	PBT	49.3	32.0	54.0%	37.3	32.1%
	PAT	38.9	26.0	49.7%	27.4	42.2%
Margin (%)	Op. EBITDA	17.3%	13.8%	350 bps	13.2%	410 bps
	Total EBITDA	21.4%	17.1%	430 bps	15.4%	600 bps
	PBT	13.9%	12.6%	130 bps	13.6%	30 bps
	PAT	11.0%	10.3%	70 bps	10.0%	100 bps
EPS (Rs)	Basic	14.0	10.8		11.5	
	Diluted	13.3	10.2		10.9	

*Total income from operation includes income from operations of Evosys amounting to Rs 87 crore. ESPL and its identified overseas subsidiaries have been consolidated effective from February 2020 and Evosys Middle East business and its subsidiaries have been consolidated effective from March 2020

Financial Performance Q4 FY'20 - Consolidated

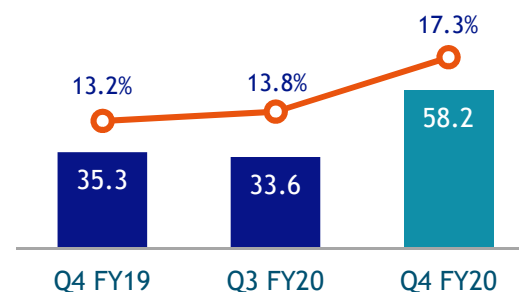
Comparison: Quarter-on-Quarter (Figures in Rs Crore)

Operating Revenue



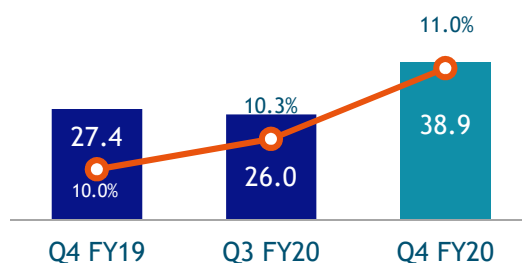
↑ 38.2% Q-o-Q
 ↑ 36.1% Q-o-Q (CC)
 ↑ 26.0% Y-o-Y
 ↑ 23.4% Y-o-Y (CC)

Operating EBITDA & Margin (%)



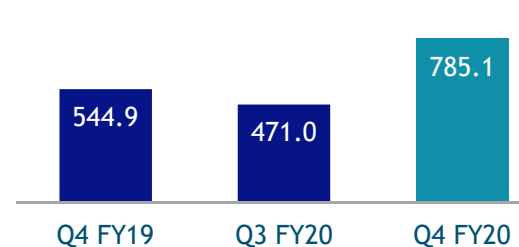
↑ 73.1% Q-o-Q
 ↑ 65.0% Y-o-Y

PAT & Margin (%)



↑ 49.7% Q-o-Q
 ↑ 42.2% Y-o-Y

12 Months Order Backlog



↑ 66.7% Q-o-Q
 ↑ 61.5% Q-o-Q (CC)
 ↑ 44.1% Y-o-Y
 ↑ 34.9% Y-o-Y (CC)

Financial Summary FY'20

Key Performance Metrics (Figures in Rs Crore)

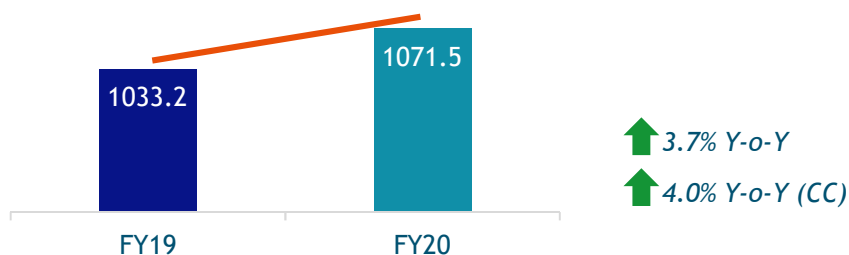
Particulars	Metrics	FY20	FY19	YoY Growth
Revenue (In Rs Crore)	Total Income from operations*	1,071.5	1,033.2	3.7%
	Other Income	41.3	24.8	66.7%
	Total Income	1,112.8	1,058.0	5.2%
Margins (In Rs Crore)	Op. EBITDA	155.4	131.5	18.1%
	Total EBITDA	196.7	156.3	25.8%
	PBT	144.1	133.4	8.0%
	PAT	113.8	101.5	12.2%
Margin (%)	Op. EBITDA	14.5%	12.7%	180 bps
	Total EBITDA	17.7%	14.8%	290 bps
	PBT	12.9%	12.6%	30 bps
	PAT	10.2%	9.6%	64 bps
EPS (Rs)	Basic	45.2	42.6	
	Diluted	42.9	40.3	

*Total income from operation includes income from operations of Evosys amounting to Rs 87 crore. ESPL and its identified overseas subsidiaries have been consolidated effective from February 2020 and Evosys Middle East business and its subsidiaries have been consolidated effective from March 2020

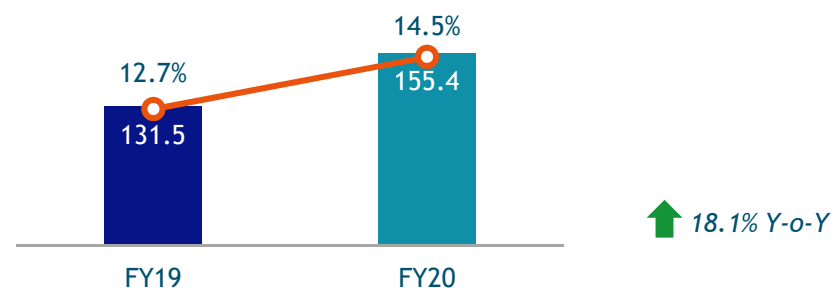
Financial Performance FY'20 - Consolidated

Comparison: Year - on - Year (Figures in Rs Crore)

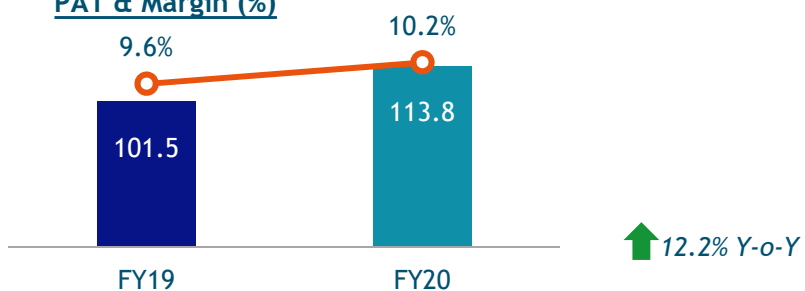
Operating Revenue



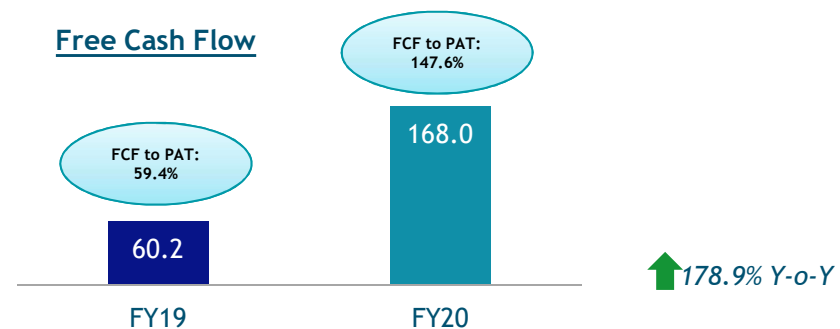
Operating EBITDA & Margin (%)



PAT & Margin (%)



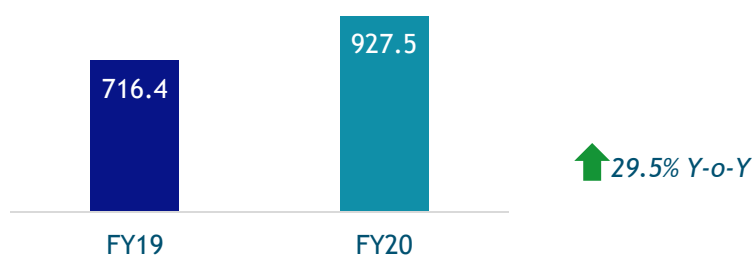
Free Cash Flow



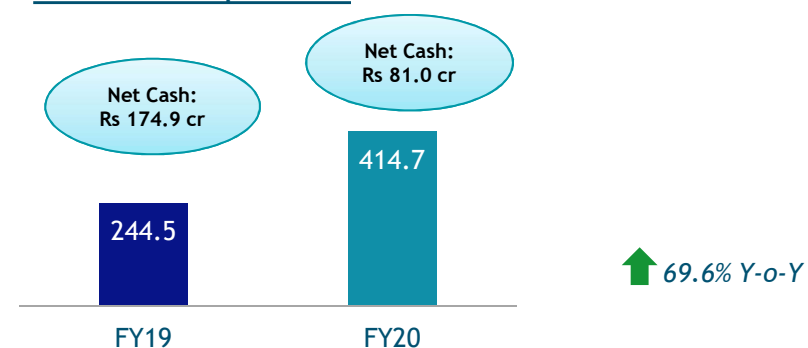
Balance Sheet Metrics FY'20 - Consolidated

Comparison: Year - on - Year (Figures in Rs Crore)

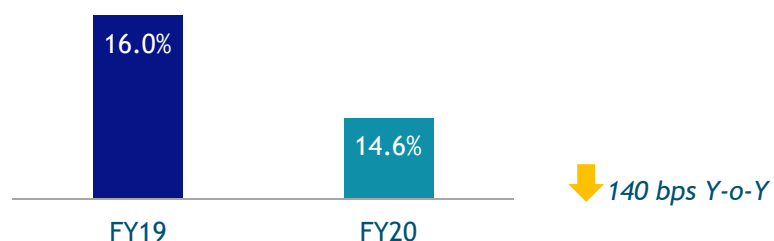
Total Net worth*



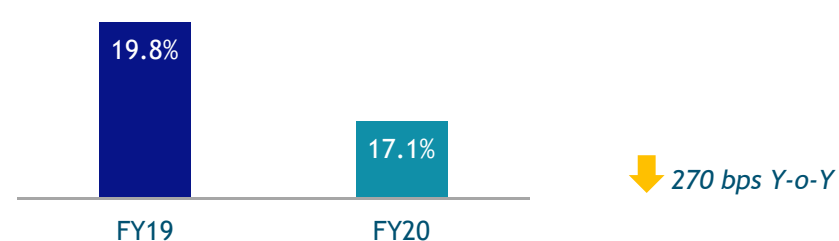
Cash & Cash Equivalent*



Return on Equity**



Return on Capital Employed**



* FY20 includes Evosys numbers

Return on Equity = PAT/Average Network; Return on Capital Employed = EBIT/Average Capital Employed
The reduction to ROE and ROCE is due to inclusion of partial profitability of acquired entity during the year





Mastek & Evosys

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Gartner Magic Quadrant (2019-2020 Comparison)

2019*

2020*



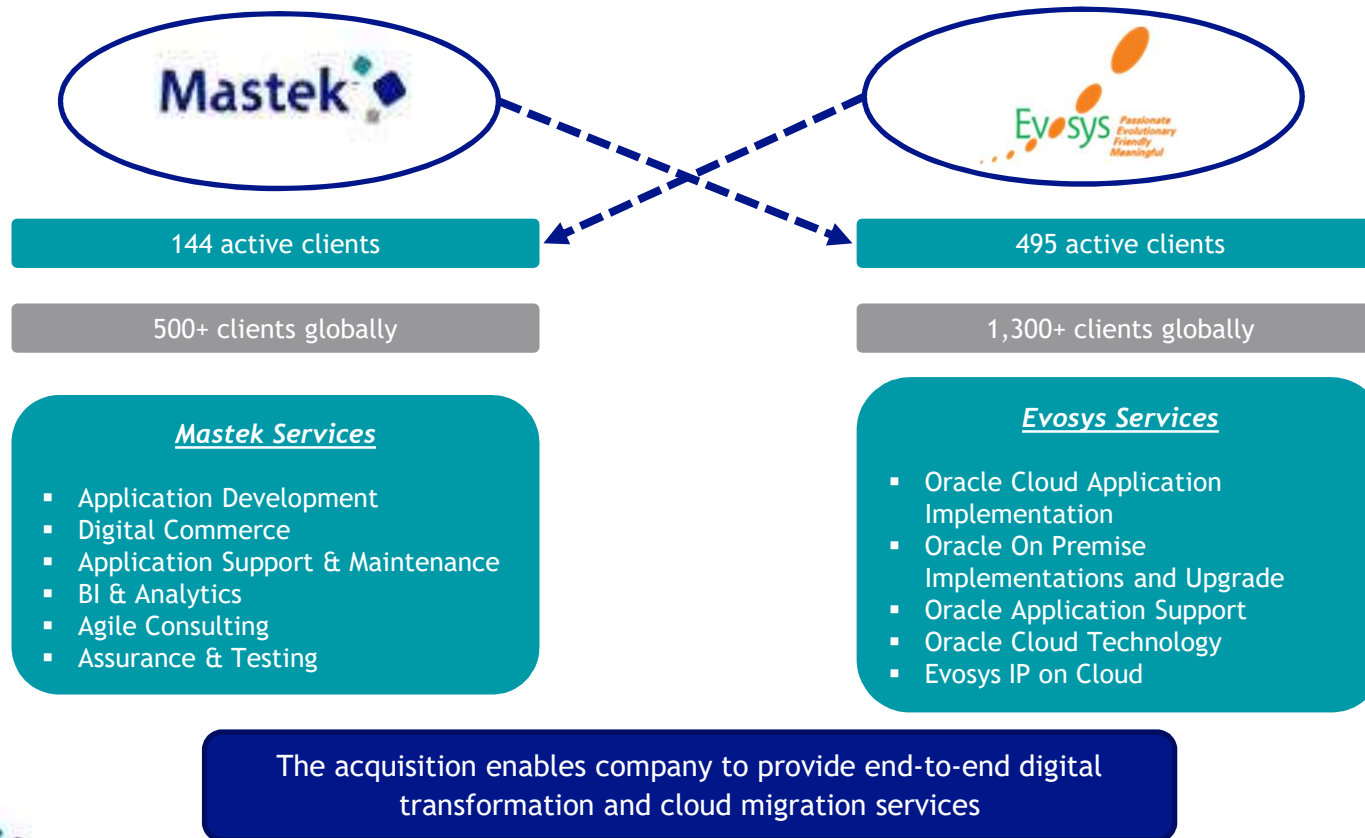
* Magic Quadrant for Oracle Cloud Application Services; Source: Gartner



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- Improvement in ranking of Evosys year on year
- \$ 20 Billion+ in services & implementation revenue opportunity around Oracle annually
- Existing players in 'Leaders' quadrant bag majority of the transformational opportunity using their integrated offerings in Digital Transformation & Cloud Migration services
- Combined capability of Mastek & Evosys creates a new organization which can provide end to end services and tap into this huge market.

Opportunity: Cross-sell and Co-sell





Operational performance



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Operating Metrics Q4 FY'20

Strengthening our business

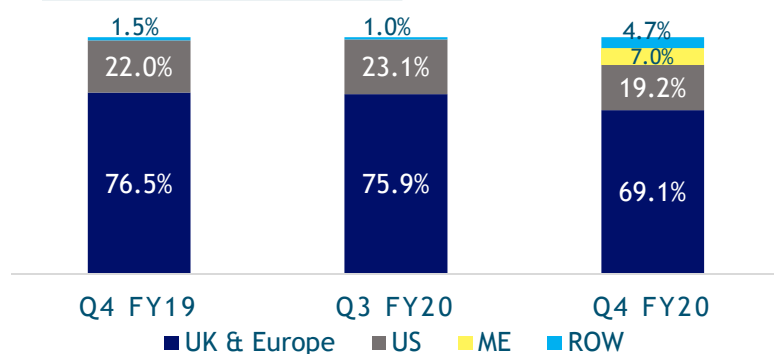
Particulars	Metrics	Q4FY20		Q3FY20	Q4FY19
		Consolidated	Mastek Organic		
Client Base	New Clients Added	24	11	9	7
	Active Client (immediately preceding 12 months)	436	144	143	157
	Top 5	35.8%	48.2%	43.3%	41.7%
	Top 10	50.9%	68.6%	63.4%	58.8%
Employee Base	Total Employee	3,404	1,904	1,880	2,069
	- Offshore	2,229	1,148	1,155	1,264
	- Onsite	1,175	756	725	805
	- Diversity (Women employees)	25.1%	28.3%	28.5%	27.1%
	LTM attrition	23.2%	25.3%	24.9%	17.9%
DSO	Days	81	69	71	72
FX Hedges for next 12 months	Value (In Mn) - GBP	10.3	10.3	8.2	7.5
	Average rate/ Rs	96.9	96.9	96.1	95.9
	Value (In Mn) - USD	3.4	3.0	1.5	NA
	Average rate/ Rs	74.3	74.5	73.0	NA

- **Dividend:** Declared second interim dividend of Rs 5/- per share in Q4 FY'20, along with first interim dividend of Rs 3/- per share. Total Dividend for the year works out to Rs 8/- per share which works to 160%.

Revenue Analysis Q4 FY'20 - Consolidated

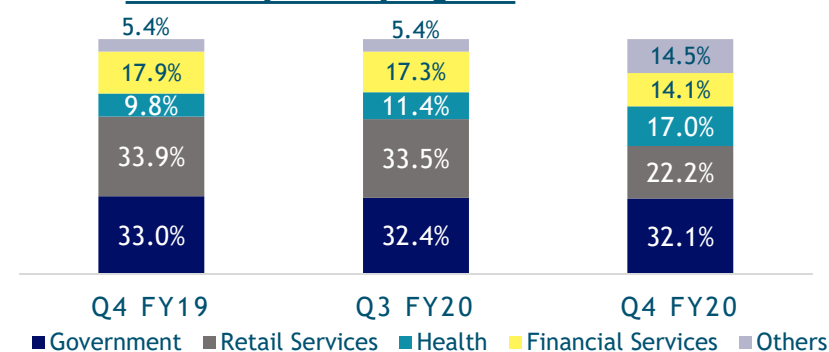
Balancing our portfolio

Revenue by Market Region*

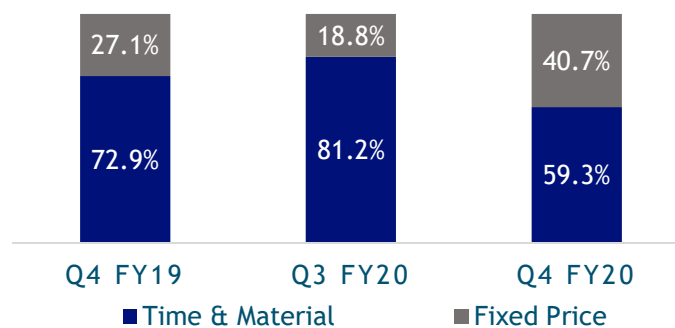


* ROW includes India, Singapore, Malaysia and Australia

Revenue by Industry Segment



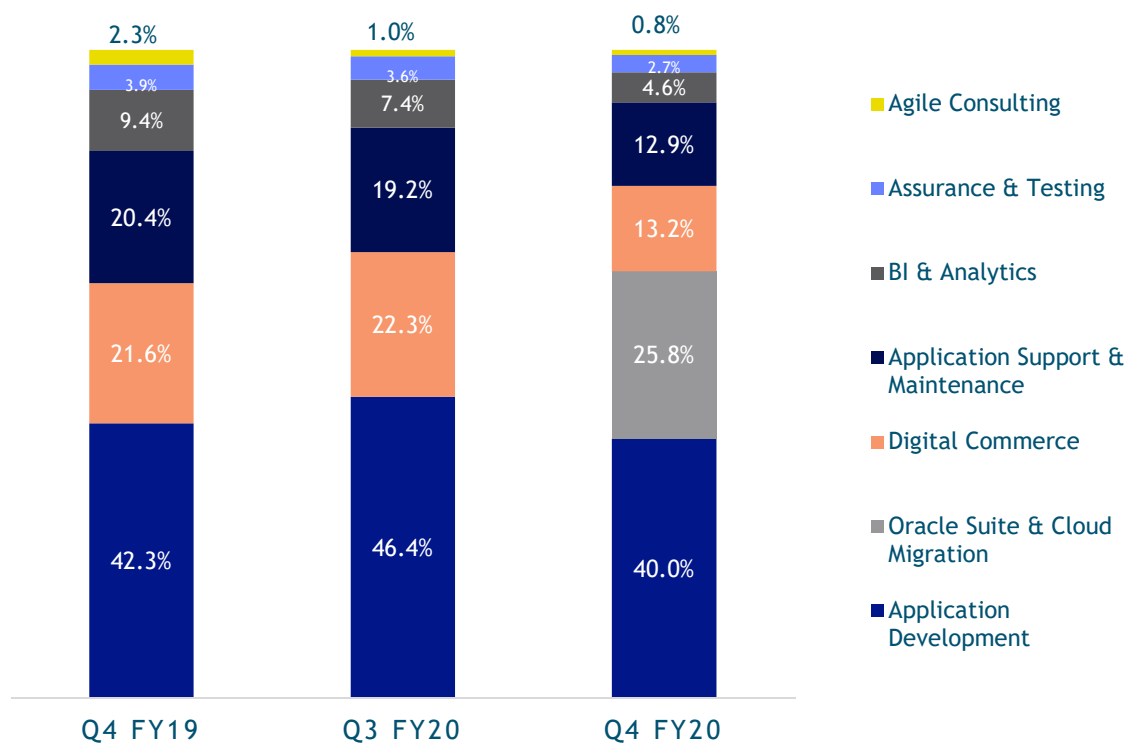
Revenue by Contract Type



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Revenue Analysis Q4 FY'20 - Consolidated

Revenue by Service line





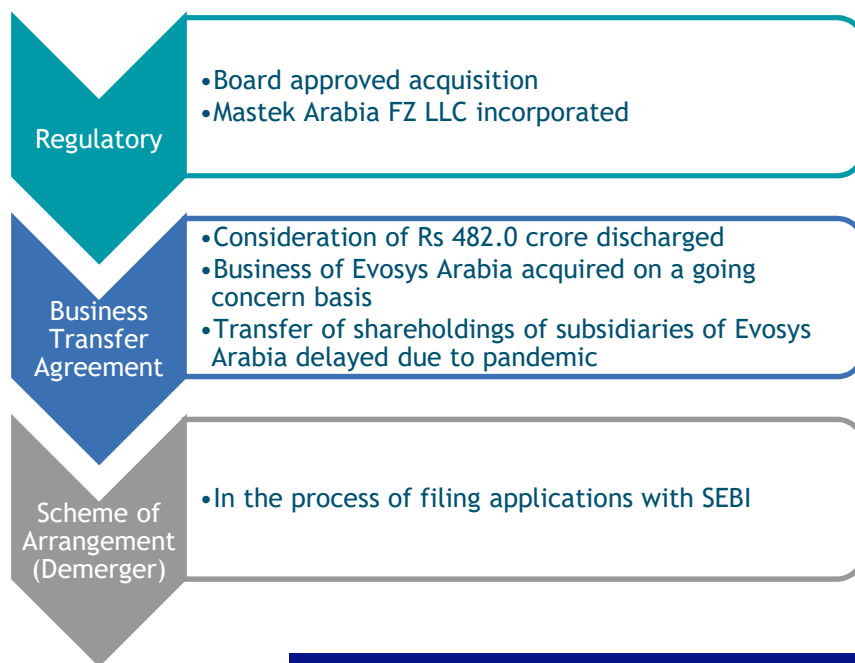
Business Updates

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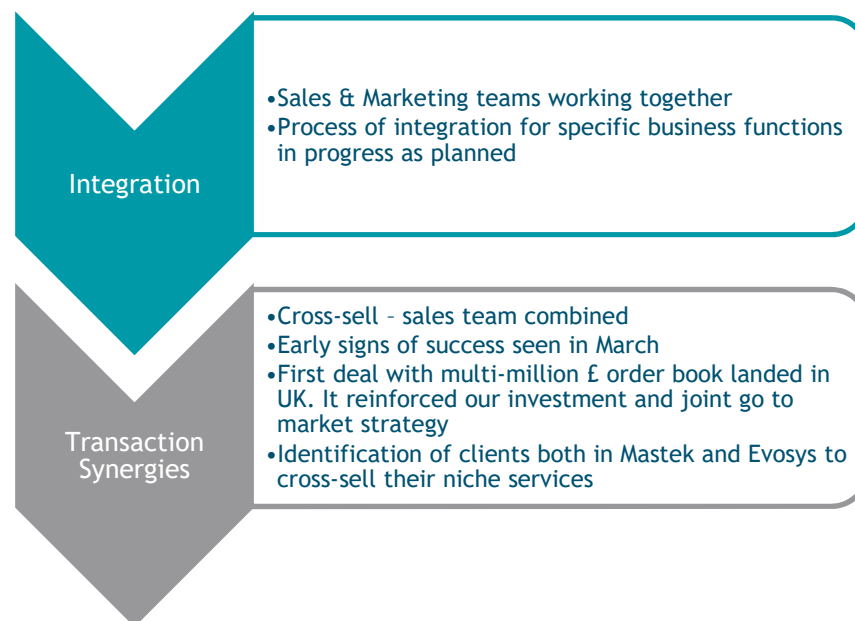
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Evosys Acquisition Update

Announcement on 8th February 2020



Post Closing



Scheme of arrangement (Demerger) expected to close by December 2020

Covid Updates

COVID-19

People

- 100% employees moved to work from home across geographies
- IT infrastructure arranged in short period of time to enable uninterrupted delivery of services to our customers
- Desktop delivered with secured environment to employees residence to abide by customer security requirement

Immediate Reaction

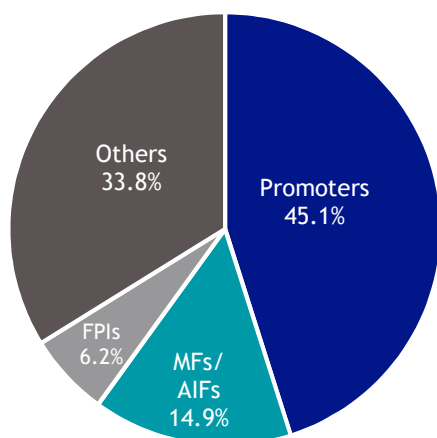
- UK Public sector engagements have been resilient and pipeline is robust. However, Decision making for new deals is shifted to Q2 and Q3 of FY 2020-21
- Retail and Financial sectors reacted immediately with reduction in the business; clamp on discretionary spend was the immediate reaction which led to delay in deal closures and revenue impact in short term
- US geography witnessed delay in deal closures which impacted both revenue and order backlog
- Project Go-live delayed as customers occupied with remote working arrangements for their workforce
- Few customers in Private sectors requested for extended payment terms and price discount

Current Scenario

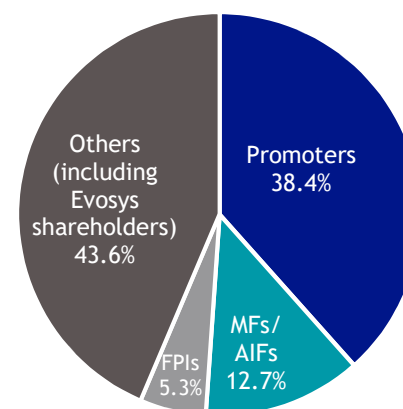
- Ongoing engagements in Public sectors are going steady and protecting revenue for the group; decision on new pipeline expected to close in Q2/ Q3 of FY 20-21
- Customers in Private sectors are evaluating and discussing offshoring of work to drive cost efficiency
- Customers in UK and US started discussing new IT projects to drive efficiency, customer connect and new operating model
- Evosys continue to win new logos across multiple geography. Customers are accepting GO LIVES as planned under 'New normal'

Shareholding Pattern of Mastek Limited

Q4'FY20 (As on 31 March 2020)



Post approval of Scheme of Arrangement



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Thank you

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Annexure - 1

Performance of Mastek Organic

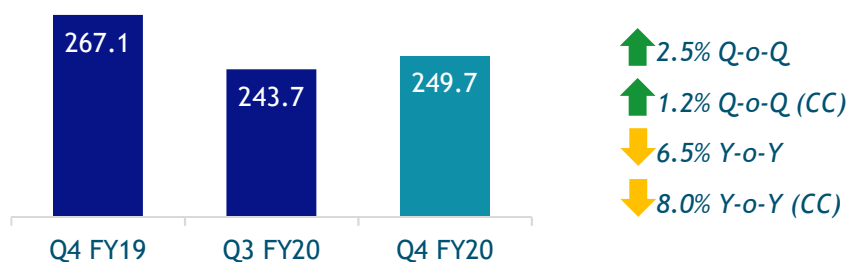
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Financial Performance Q4 and FY'20 - Mastek Organic

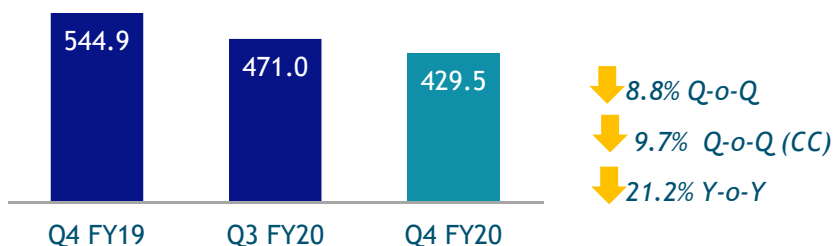
Comparison: Quarter-on-Quarter and Year-on-Year (Figures in Rs Crore)

Operating Revenue

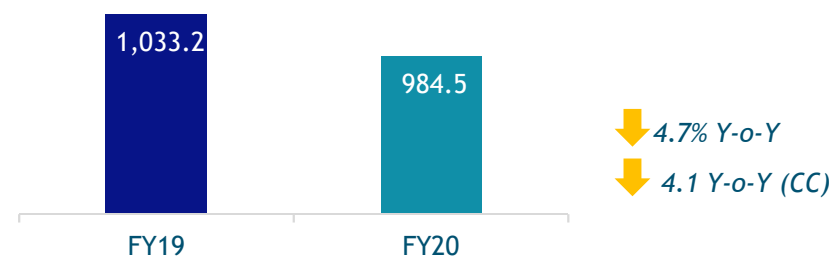


UK grew by 6.9% Q-o-Q and US de-grew by 18.5% Q-o-Q in constant currency

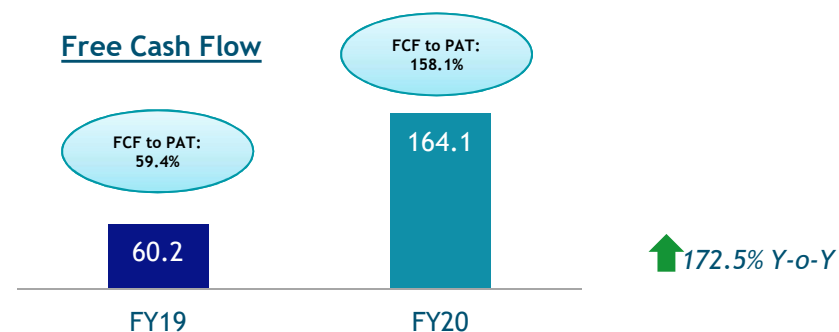
12 Months Order Backlog



Operating Revenue



Free Cash Flow





Annexure - 2

Insights into Evosys Group

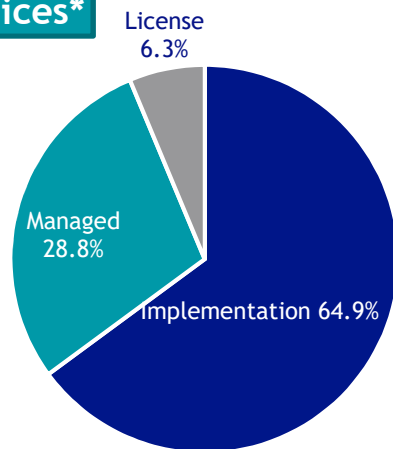
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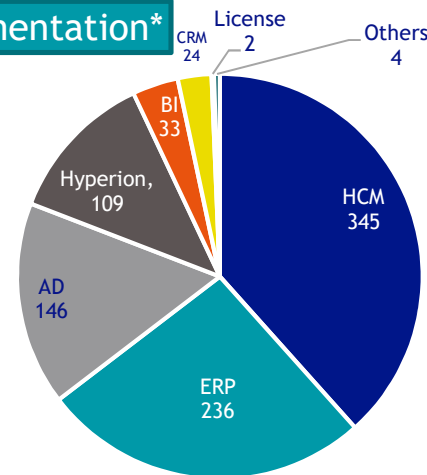
Business Overview

- Founded in 2006 by Umang Nahata and Rakesh Raman
- Leading & fastest-growing “Oracle Platinum Cloud Premier Partner”
- Has proven expertise in implementation of all Oracle solutions including ERP, HCM, SCM, BI and other EBS suites
- Headquarter in Ahmedabad; strong presence in APAC, EMEA, USA, Europe, Africa & ANZ
- Share of Oracle ERP on cloud has increased to 67.6% in FY20 vs 30.3% in FY17

Services*



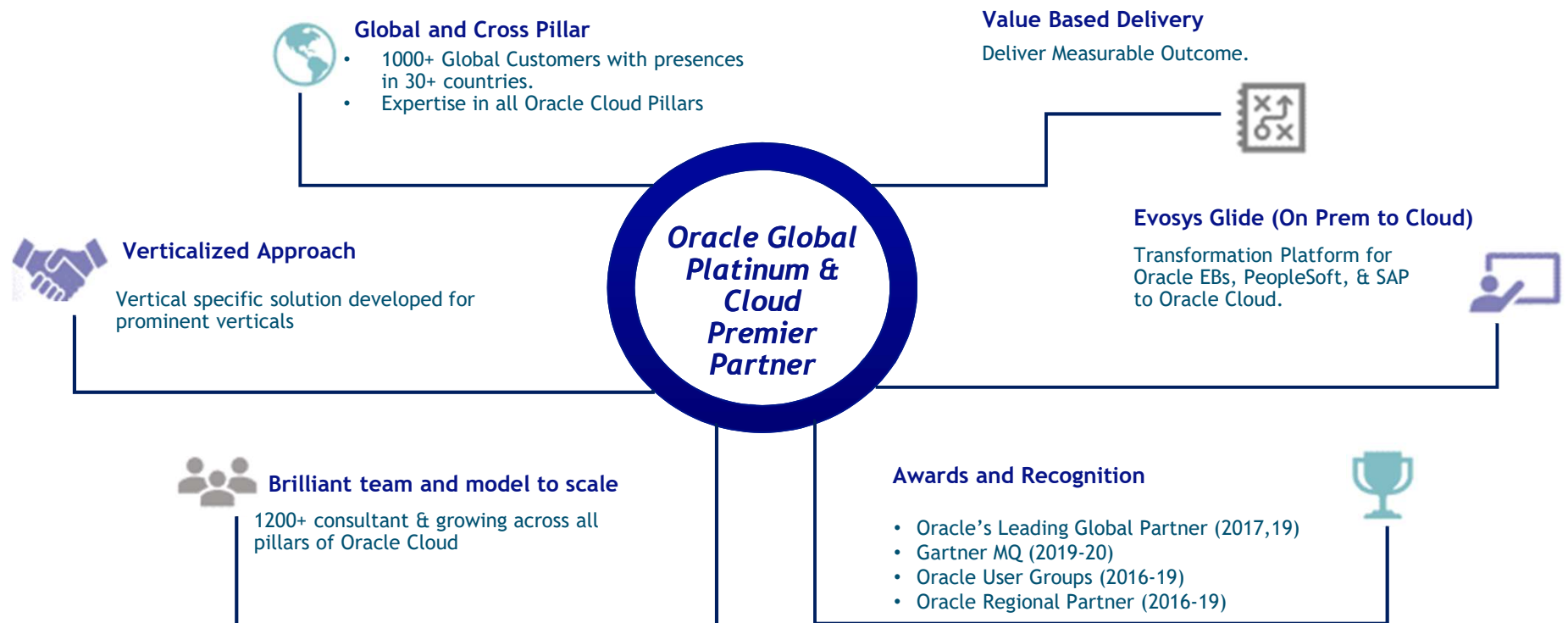
Total Implementation*



495 active customers globally in FY20



One of the Top SI for Oracle Cloud Applications



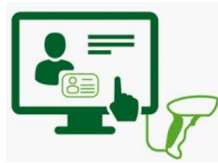
Evosys Services and Practices

Services	Practice	Top Industries
<ul style="list-style-type: none">• Oracle Cloud Application Implementation<ul style="list-style-type: none">– ERP HCM SCM EPM CX PAAS• Oracle On Premise Implementations and Upgrade• Oracle Application Support<ul style="list-style-type: none">– Cloud Application– On-Premise Application• Oracle Cloud Technology<ul style="list-style-type: none">– OCI PAAS OAC IOT Chat-Bot• Evosys IP on Cloud<ul style="list-style-type: none">– Evo Workforce Scheduler– Evosys HC Analytics and Micro Costing– Evosys Warehouse 360– Evosys Property Management	<ul style="list-style-type: none">• Enterprise Resource Planning• Supply Chain Management• Human Capital Management• Enterprise Performance Management• Customer Experience• Technology	<ul style="list-style-type: none">• Public Sector• Healthcare• Financial Services• Engineering and Construction• Professional Services• Industrial Manufacturing• Retail• Education and Research

Our ERP, SCM Extensions/Solutions



Evo Bank Facility Management



Point of Sales System Solution



Catch Weight Sales Solution



Evo Subcontract Management



Evo Van Sales Solution



Evo Mobile Supply Chain Solution



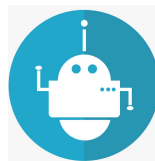
SMART Desk- Service Request Mgmt.



Online Freight Calculation



Multi-dimensional Reporting



Regression & Data Migration Tool - RPA



Live Sales Dashboard



Material Request Solution - Construction



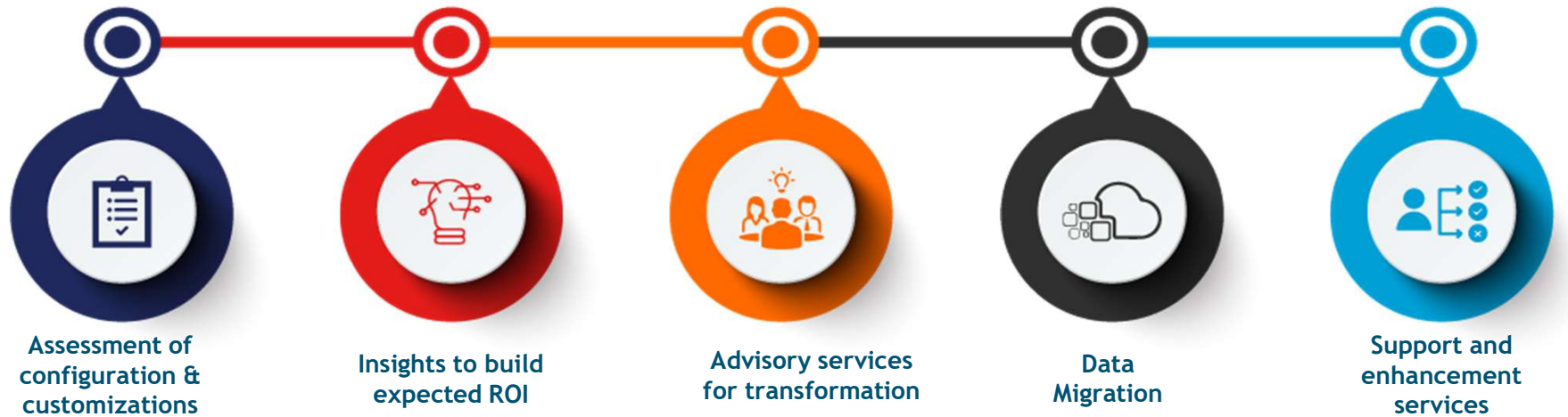
Prebuild Accelerators for On Premise to Cloud Transformation



GlideEBS 
79 clients

GlideSAP 
5 clients

GlidePS 
6 clients



Accelerators



Awards and Recognition

2019

- 01 Global HCM Development Partner of the Year Award: Oracle MBX 2019- USA
- 02 Oracle Excellence Awards FY19: Specialized Partner of the Year : ERPM Cloud - EMEA
- 03 Outstanding Innovation SaaS Contribution 2019: Oracle PaaS Partner Community Award
- 04 Specialized Partner of the year 2019 – Kenya & East Africa
- 05 Oracle Open World 2019: Global Partner of the Year: HCM Cloud
- 06 Oracle Open World 2019: EMEA Partner of the Year: HCM Cloud
- 07 Oracle Open World 2019: APAC Partner of the Year: ERP Cloud
- 08 ASEAN Partner of the Year ERP 2019

2018

- 01 Customer Advocacy Partner of the Year Award 2018 - UK
- 02 Specialized Partner of the Year: Customer Advocacy 2018 - EMEA
- 03 OPN Cloud Excellence in Customer Satisfaction 2018 - EMEA
- 04 SaaS Partner Appreciation Award 2018 - SAGE
- 05 SaaS Partner Appreciation Award, Oracle FY18 Partner of the Year Awards - Philippines
- 06 ERP Cloud Partner of the Year Award 2018 - Singapore
- 07 OPN Cloud Excellence in Customer Satisfaction 2018 - APAC

2017

- 01 Specialized Partner of the Year: ERP Cloud Award - Global
- 02 Specialized Partner of the Year: ERP Cloud- EMEA
- 03 Mid Market SaaS Oracle Partner of the Year Award - ASEAN
- 04 Oracle Cloud ERP Partner of the Year Award – UK & Ireland
- 05 ERPM Cloud Partner of the Year Award – Gulf & Saudi Arabia



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Questions & Answers

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