



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2017

July 25, 2017

Welcome to possible



Dear Shareholder,

We are happy to share that we have begun the financial year on a good note with revenues crossing \$200 Mn this quarter. This accomplishment reflects Mindtree's resilience in a dynamic global environment, and that we are well-poised to address the changing IT landscape. We continue to maintain steady momentum with a strong pipeline and multi-year, multi-million dollar wins. Our digital contract closures in this quarter has been the best so far at \$108 Mn. This demonstrates our leadership in Digital, which is allowing us to compete successfully in large opportunities.

The other significant highlight is that our cash flow management has been strong that led to strong EBITDA to operating cash flow conversion at 132.6% and to free cash flow at 108.8%. We have achieved the best ever Days Sales Outstanding (DSO) of 57 days.

We are mindful that our operating margins have declined mainly due to visa cost, currency impact & muted performance of our subsidiaries. Driving profitability continues to be our focus and we will update you as we progress.

We thank you for your continued support and encouragement.

Key highlights and summary financial results of the quarter are provided in the next section.

Warm regards,

A handwritten signature in black ink that reads "Rostow Ramanan".

Rostow Ramanan
CEO and Managing Director

A handwritten signature in black ink that reads "Jagannathan Chakravarthi".

Jagannathan Chakravarthi
CFO

Bangalore
July 25, 2017

Key financial highlights**Quarter ended June 30, 2017**

- In USD:
 - Revenue at \$200.1 million (growth of 2.3% q-o-q / 0.6% y-o-y, constant currency growth of 1.2% q-o-q).
 - Net profit at \$18.9 million (growth of 30.8% q-o-q / 2% y-o-y)

- In Rupees:
 - Revenue at ₹ 12,895 million (decline of 2.2% q-o-q / 2.9% y-o-y)
 - Net profit at ₹ 1,217 million (growth of 25.2% q-o-q / decline of 1.5% y-o-y)

Other highlights:

- Clients:
 - 336 active clients as of June 30, 2017
 - \$5 million clients grow by 3 for a total of 33
 - \$1 million clients grow by 2 for a total of 113

- People:
 - 16,561 Mindtree Minds as of June 30, 2017
 - Trailing 12 months attrition is 14%

- Multi-year and multi-million dollar wins with leading global clients:
 - Building end-to-end digital transformational capability for a leading outsourcing and technology services provider in the travel industry
 - Providing managed services across multiple platforms for a leading semiconductor company
 - Implementing Duck Creek products for policy, billing and claims systems for a large property and casualty insurance company

Extract of the audited consolidated financial results for the first quarter ended June 30, 2017

Particulars	<i>Rs in million, except per share data</i>			
	Quarter ended		Year ended	
	June 30, 2017	March 31, 2017	June 30, 2016	March 31, 2017
Revenue from operations	12,895	13,181	13,276	52,364
Other income (Refer note 4)	654	133	198	553
Total income	13,549	13,314	13,474	52,917
Expenses				
Employee benefits expense	8,393	8,700	8,366	34,125
Finance costs	40	47	51	191
Depreciation and amortisation expense	459	468	468	1,858
Other expenses	3,067	2,840	2,959	11,194
Total expenses	11,959	12,055	11,844	47,368
Profit before tax	1,590	1,259	1,630	5,549
Tax expense:				
Current tax	385	399	472	1,577
Deferred tax	(12)	(112)	(77)	(214)
Net profit for the period	1,217	972	1,235	4,186
Other comprehensive income:				
A (i) Items that will not be reclassified to profit or loss	6	4	-	(14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	(1)	-	3
B (i) Items that will be reclassified to profit or loss	115	(237)	(105)	(610)
Total other comprehensive income	120	(234)	(105)	(621)
Total comprehensive income for the period	1,337	738	1,130	3,565
Paid up equity share capital (face value Rs. 10/- each)	1,681	1,680	1,678	1,680
Reserves	25,475	24,091	23,625	24,091
Earnings per share:				
Basic EPS (Rs.)	7.24	5.78	7.36	24.93
Diluted EPS (Rs.)	7.23	5.77	7.35	24.89

Particulars	<i>Rs in million</i>	
	As at	
	June 30, 2017	March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	3,620	3,809
Capital work in progress	219	192
Goodwill	4,525	4,470
Other intangible assets	1,839	1,941
Financial assets		
Investments	58	58
Loans	671	667
Other financial assets	-	209
Deferred tax assets (net)	616	624
Other non-current assets	1,288	1,326
	12,836	13,296
Current assets		
Financial assets		
Investments	7,652	5,869
Trade receivables	8,076	8,962
Cash and cash equivalents	1,951	2,508
Loans	13	12
Other financial assets	2,722	2,225
Other current assets	921	1,034
	21,335	20,610
TOTAL ASSETS	34,171	33,906
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,681	1,680
Other equity	25,475	24,091
	27,156	25,771
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	9	13
Other financial liabilities	35	230
Other non current liabilities	74	71
	118	314
Current liabilities		
Financial liabilities		
Borrowings	986	978
Trade payables	1,462	1,651
Other financial liabilities	1,778	2,638
Other current liabilities	1,134	1,126
Provisions	1,148	1,105
Current tax liabilities (net)	389	323
	6,897	7,821
	7,015	8,135
TOTAL EQUITY AND LIABILITIES	34,171	33,906

Key Financial Metrics & Ratios

(₹ million)	Q1	Q4	Q1	Growth (%)	
	FY2017	FY2017	FY2018	Q-o-Q	Y-o-Y
Revenue	13,276	13,181	12,895	(2.2)%	(2.9)%
EBITDA	1,951	1,869	1,435	(23.2)%	(26.4)%
Net Profit	1,235	972	1,217	25.2%	(1.5)%

(\$ million)	Q1	Q4	Q1	Growth (%)	
	FY2017	FY2017	FY2018	Q-o-Q	Y-o-Y
Revenue	199.0	195.6	200.1	2.3%	0.6%
EBITDA	29.2	27.7	22.3	(19.7)%	(23.9)%
Net Profit	18.5	14.4	18.9	30.8%	2.0%

Key Ratios	Q1	Q4	Q1
	FY2017	FY2017	FY2018
EBITDA Margin (%)	14.7%	14.2%	11.1%
Effective Tax Rate (%)	24.3%	22.8%	23.5%
Net Profit Margin (%)	9.3%	7.4%	9.4%
ROCE (%)	26.9%	19.8%	23.8%
DSO (Days)	65	65	57
EPS (Diluted)	₹ 7.35	₹ 5.77	₹ 7.23

Effective Tax Rate(%) = Tax / PBT

ROCE(%) = EBIT / Average Capital Employed. ROCE is Annualized

Note:

This report along with more information on our quarterly results is also available in the investors section of our website (www.mindtree.com). This report is for information purposes. Investors should rely on their own analysis while taking investment decisions and not rely on this report alone.

In the spirit of sensitivity towards the environment we are circulating this over email to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant.

For more information, please contact investors@mindtree.com

Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

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