



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2018

July 25, 2018

Welcome to possible



Dear Shareholder,

I am happy to share that we have started the financial year on a strong footing with a stellar quarter. Our Q1 revenues is \$241.5 Mn, which is a growth of 6.8% q-o-q; 20.7%% y-o-y; on a constant currency basis we grew by 8.2% q-o-q. We added about \$15 Mn in revenues this quarter making it the best incremental growth since the last 11 quarters.

We have seen an all-round good performance across our verticals. This is a clear reflection of our strategy which is resonating well with our customers. Our focused investment in digital continue to yield the desired results. This quarter saw strong contract signings at \$306 Mn. Our deal closures, pipeline and win ratios continue to remain steady.

We would also like to share another highlight for this quarter. Enterprises have started to think of technologies beyond digital such as Artificial Intelligence (AI), Cognitive technologies and Quantum computing. These technologies are important research areas in Academic circles. In order to get benefits from these research, we have collaborated with world renowned Stanford University to create an endowed faculty to focus on Artificial Intelligence (AI). We will continue to make such investments as needed during the course of the year.

I 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 blue ink that reads "Rostow".

Rostow Ravanan
CEO and Managing Director



Bangalore
July 25, 2018

Key financial highlights

Quarter ended June 30, 2018

- In USD:
 - Revenue at \$241.5 million (growth of 6.8% q-o-q / 20.7% y-o-y)
Constant Currency growth of 8.2% q-o-q
 - Net profit at \$23.3 million (decline of 17.2% q-o-q/ growth of 23.5% y-o-y)

- In INR:
 - Revenue at ₹ 16,395 million (growth of 12% q-o-q / 27.1% y-o-y)
 - Net profit at ₹ 1,582 million (decline of 13.2% q-o-q / growth of 30% y-o-y)

Other highlights:

- Clients:
 - 339 active clients as of June 30, 2018
 - \$10 million clients grow by 2, total of 19
 - \$5 million clients grow by 1, total of 39

- People:
 - 18,990 Mindtree Minds as of June 30, 2018
 - Trailing 12 months attrition is 12.2%

- BOTs*:
 - Automation is playing a significant role in modernizing our technology service delivery, enhancing both efficiency and speed-to-results for our clients. We are proud to report our BOTs strength that autonomously work along-side our Mindtree Minds, enabling our team to do more and accomplish larger goals.
 - We have 406 BOTs employed as of June 30, 2018

**Software that acts autonomously, free from any interference, human or otherwise, to perform a significant task which will otherwise be performed by a human*

- Multi-year and multi-million dollar wins with leading global clients:
 - Implementing SAP's business planning and consolidation suite for the world's largest auto manufacturer
 - Implementing financial reporting solution powered by SAP HANA for a FTSE Top 20 company, this is the largest deal in Bluefin's history
 - Providing salesforce solution for a global home appliances company to streamline their sales process
 - Providing cloud migration services for a government authority in the Middle East

- Recognition:
 - Won two awards at the 2018 ISG Paragon Awards™ Americas
 - Recognized as a leader in ISG SAP HANA Services Quadrant Study
 - Named a leader in 'Zinnov Zones' in the sectors of Broadcasting, Education & Publishing
 - Recognized in the IR Magazine Awards 2018 for excellence in Investor Relations

Extract of the audited consolidated financial results for the quarter ended June 30, 2018
Rs in million, except per share data

Particulars	Quarter ended			Year ended
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
Revenue from operations	16,395	14,640	12,895	54,628
Other income, net (Refer note 6)	279	591	654	1,902
Total income	16,674	15,231	13,549	56,530
Expenses				
Employee benefits expense	10,395	9,301	8,393	35,641
Finance costs	28	58	40	169
Depreciation and amortisation expense	400	383	459	1,715
Other expenses	3,690	2,984	3,067	11,582
Total expenses	14,513	12,726	11,959	49,107
Profit before tax	2,161	2,505	1,590	7,423
Tax expense				
Current tax	647	557	385	1,555
Deferred tax	(68)	126	(12)	167
Net profit for the period	1,582	1,822	1,217	5,701
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	(45)	(4)	6	(23)
(ii) Income tax relating to items that will not be reclassified to profit or loss	11	1	(1)	5
B. Items that will be reclassified to profit or loss	121	58	115	146
Total other comprehensive income	87	55	120	128
Total comprehensive income for the period	1,669	1,877	1,337	5,829
Paid up equity share capital (face value Rs. 10/- each)	1,640	1,639	1,681	1,639
Reserves	27,067	25,775	25,475	25,775
Earnings per share:				
Basic EPS (Rs.)	9.65	11.12	7.24	34.39
Diluted EPS (Rs.)	9.62	11.08	7.23	34.28

Rs in million

Particulars	As at	
	June 30, 2018	March 31, 2018
ASSETS		
Non-current assets		
Property, plant and equipment	3,424	3,509
Capital work in progress	197	92
Goodwill	4,626	4,539
Other intangible assets	1,458	1,520
Financial assets		
Investments	58	58
Loans	752	751
Deferred tax assets (net)	327	318
Other non-current assets	1,559	1,547
	12,401	12,334
Current assets		
Financial assets		
Investments	6,187	7,206
Trade receivables	12,115	10,155
Cash and cash equivalents	1,790	3,289
Loans	17	17
Other financial assets	2,628	3,081
Other current assets	1,849	1,283
	24,586	25,031
TOTAL ASSETS	36,987	37,365
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,640	1,639
Other equity	27,067	25,775
	28,707	27,414
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	5	9
Other non current liabilities	79	85
	84	94
Current liabilities		
Financial liabilities		
Borrowings	1,000	3,000
Trade payables	2,179	1,710
Other financial liabilities	1,516	1,812
Other current liabilities	1,594	1,802
Provisions	1,367	1,218
Current tax liabilities (net)	540	315
	8,196	9,857
	8,280	9,951
TOTAL EQUITY AND LIABILITIES	36,987	37,365

Key Financial Metrics & Ratios

₹ million)	Q1	Q4	Q1	Growth (%)	
	FY2018	FY2018	FY2019	Q-o-Q	Y-o-Y
Revenue	12,895	14,640	16,395	12.0%	27.1%
EBITDA	1,435	2,355	2,310	(1.9)%	61.0%
Net Profit	1,217	1,822	1,582	(13.2)%	30.0%
Diluted EPS (Rs.)	7.23	11.08	9.62	(13.2)%	33.1%

(\$ million)	Q1	Q4	Q1	Growth (%)	
	FY2018	FY2018	FY2019	Q-o-Q	Y-o-Y
Revenue	200.1	226.2	241.5	6.8%	20.7%
EBITDA	22.3	36.4	34.0	(6.5)%	52.9%
Net Profit	18.9	28.2	23.3	(17.2)%	23.5%

Key Ratios	Q1	Q4	Q1
	FY2018	FY2018	FY2019
EBITDA Margin (%)	11.1%	16.1%	14.1%
Effective Tax Rate (%)	23.5%	27.3%	26.8%
Net Profit Margin (%)	9.4%	12.4%	9.6%
ROCE (%)	23.8%	34.9%	29.1%
DSO (Days)	57	67	67

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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