



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Third quarter ended December 31, 2018

January 21, 2019

Welcome to possible

Dear Shareholder,

We are happy to share that we have continued the growth momentum in Q3 with revenues crossing quarter billion dollar mark at \$251.5 Mn, which is a good y-o-y growth of 17.4% and 2.1% on q-o-q. Clearly this is a reflection of the fact our strategy on run and grow offerings is resonating well with clients who continue to choose us as their preferred technology partner to drive efficiency and enhance business value.

Operationally, Our EBITDA margin has improved to 15.9% due to continued focus on driving operational efficiencies. We have further improved our cash conversions with EBITDA to operating cash flow at 101.1% and EBITDA to free cash flow at 86.7%

The board of directors at its meeting held on January 16, 2019 have recommended an interim dividend of 30% (₹ 3 per equity share of par value ₹ 10 each)

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,



Rostow Ravanan
CEO and Managing Director



Pradip Menon
CFO



Bangalore
January 21, 2019

Key financial highlights

Quarter ended December 31, 2018

- In USD:
 - Revenue at \$ 251.5 million (growth of 2.1% q-o-q / 17.4% y-o-y)
Constant Currency growth of 2.4% q-o-q
 - Net profit at \$ 26.9 million (decline of 7.5% q-o-q / growth of 22.2% y-o-y)

- In INR:
 - Revenue at ₹ 17,872 million (growth of 1.8% q-o-q / 29.7% y-o-y)
 - Net profit at ₹ 1,912 million (decline of 7.3% q-o-q / growth of 35.1% y-o-y)

Other highlights:

- Clients:
 - 340 active clients as of December 31, 2018
 - \$1 million clients grow by 5, total of 116

- People:
 - 19,908 Mindtree Minds as of December 31, 2018
 - Trailing 12 months attrition is 13.4%

- 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 518 BOTs employed as of December 31st, 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:
 - Providing testing services under managed services model for a leading low cost Canadian airline
 - Expanding its foot print within an existing customer, Mindtree to provide digital services for a large American airline
 - Providing application management and support services for SAP suite of applications for a specialized manufacturing company in Europe
 - Providing digital transformational services for a leading insurance company in the Middle East
- Recognition:
 - Recognized as an IoT Technology Services Leader in the Zinnov Zones 2018 IoT Technology and Services report
 - Recognized as a leader in Engineering R&D services in the Zinnov Zones 2018 ER&D Services report
 - Recognized as Rising Star US and Global in the ISG Provider Lens™ Cloud Transformation/ Operation Services & XaaS Quadrant report
 - Recognized as a Leader in the Zinnov Zones 2018 Digital Services in Travel & Hospitality report

Extract of the audited consolidated financial results for the quarter and nine months ended December 31, 2018

Rs in million, except per share data

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
Revenue from operations	17,872	17,554	13,777	51,821	39,988	54,628
Other income, net (Refer note 8)	(200)	524	59	603	1,311	1,902
Total income	17,672	18,078	13,836	52,424	41,299	56,530
Expenses						
Employee benefits expense	11,142	11,171	8,946	32,708	26,340	35,641
Finance costs	-	1	46	29	111	169
Depreciation and amortisation expense	410	403	419	1,213	1,332	1,715
Other expenses	3,897	3,684	2,757	11,271	8,588	11,582
Total expenses	15,449	15,259	12,168	45,221	36,381	49,107
Profit before tax	2,223	2,819	1,668	7,203	4,918	7,423
Tax expense						
Current tax (Refer note 9)	263	834	158	1,744	998	1,555
Deferred tax	48	(78)	95	(98)	41	167
Net profit for the period	1,912	2,063	1,415	5,557	3,879	5,701
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	(31)	(3)	7	(79)	(19)	(23)
(ii) Income tax relating to items that will not be reclassified to profit or loss	8	-	(1)	19	4	5
B. Items that will be reclassified to profit or loss	2	139	(59)	262	88	146
Total other comprehensive income	(21)	136	(53)	202	73	128
Total comprehensive income for the period	1,891	2,199	1,362	5,759	3,952	5,829
Paid up equity share capital (face value Rs. 10/- each)	1,642	1,642	1,639	1,642	1,639	1,639
Reserves	30,008	28,690	24,241	30,008	24,241	25,775
Earnings per share:						
Basic EPS (Rs.)	11.64	12.57	8.63	33.87	23.31	34.39
Diluted EPS (Rs.)	11.62	12.55	8.61	33.80	23.26	34.28

AUDITED SEGMENT WISE REVENUE AND RESULTS

Rs in million

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
Segment revenue						
Retail, CPG and Manufacturing	3,984	3,818	3,210	11,584	9,252	12,689
Banking, Financial Services and Insurance	3,878	3,924	3,413	11,457	9,936	13,255
High Technology and Media	7,034	6,892	5,049	20,296	14,911	20,467
Travel and Hospitality	2,976	2,920	2,105	8,484	5,889	8,217
Total	17,872	17,554	13,777	51,821	39,988	54,628
Segment results						
Retail, CPG and Manufacturing	712	578	553	1,905	1,108	1,663
Banking, Financial Services and Insurance	101	222	390	444	917	1,245
High Technology and Media	1,577	1,409	853	4,250	2,384	3,441
Travel and Hospitality	443	490	278	1,243	641	1,056
Total	2,833	2,699	2,074	7,842	5,050	7,405
Unallocable						
Expenses	410	403	419	1,213	1,332	1,715
Finance costs	-	1	46	29	111	169
Other income	(200)	524	59	603	1,311	1,902
Profit before tax	2,223	2,819	1,668	7,203	4,918	7,423

Key Financial Metrics & Ratios

Particulars	Q3	Q2	Q3	Growth (%)	
	FY2018	FY2019	FY2019	Q-o-Q	Y-o-Y
Revenue	13,777	17,554	17,872	1.8%	29.7%
EBITDA	2,074	2,699	2,833	5.0%	36.6%
Net Profit	1,415	2,063	1,912	(7.3)%	35.1%
Diluted EPS (Rs.)	8.61	12.55	11.62	(7.4)%	35.0%

Particulars	Q3	Q2	Q3	Growth (%)	
	FY2018	FY2019	FY2019	Q-o-Q	Y-o-Y
Revenue	214.3	246.4	251.5	2.1%	17.4%
EBITDA	32.3	38.0	39.9	5.1%	23.7%
Net Profit	22.0	29.1	26.9	(7.5)%	22.2%

Key Ratios	Q3	Q2	Q3
	FY2018	FY2019	FY2019
EBITDA Margin (%)	15.1%	15.4%	15.9%
Effective Tax Rate (%)	15.2%	26.8%	13.8%
Net Profit Margin (%)	10.3%	11.8%	10.7%
ROCE (%)	24.4%	37.6%	28.7%
DSO (Days)	71	68	71

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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