



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2018

October 24, 2018

Welcome to possible

Dear Shareholder,

After a great start to the financial year, we are happy to state that we have been able to continue the pace reasonably well in the second quarter. Our revenues were \$ 246.4 Mn, which is a good y-o-y growth of 19.5%, q-o-q growth of 2.0%. On a constant currency, we grew by 2.4 % q-o-q. Our deep expertise across Digital and Run landscapes are delivering competitive advantage for our clients. This focused approach in turn is fueling Mindtree's continued growth.

Operationally, our EBITDA margins remained flat on a constant currency and we continue to drive initiatives to improve margins. Our EBITDA to operating cash flow and free cash flow conversion were strong at 65.1% and 53.9% respectively.

The board of directors at its meeting held on October 17, 2018 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
October 24, 2018

Key financial highlights

Quarter ended September 30, 2018

- In USD:
 - Revenue at \$246.4 million (growth of 2.0% q-o-q / 19.5% y-o-y)
Constant Currency growth of 2.4% q-o-q
 - Net profit at \$29.1 million (growth of 24.9% q-o-q / 50.4% y-o-y)

- In INR:
 - Revenue at ₹ 17,554 million (growth of 7.1% q-o-q / 31.8% y-o-y)
 - Net profit at ₹ 2,063 million (growth of 30.4% q-o-q / 65.4% y-o-y)

Other highlights:

- Clients:
 - 341 active clients as of September 30, 2018
 - \$10 million clients grow by 2, total of 21
 - \$5 million clients grow by 5, total of 44

- People:
 - 19,402 Mindtree Minds as of September 30, 2018
 - Trailing 12 months attrition is 13.0%

- 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 484 BOTs employed as of September 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:
 - Expanding footprint within an existing customer, Mindtree is now a Digital transformation partner for a large multi-national company in the CPG industry across their marketing channels
 - Providing cloud operations under managed services model for a world leader in enterprise cloud data management
 - Transforming the core to derive rich customer insights and migrate to a cloud infrastructure leveraging Mindtree's consulting first approach for a reputed company in the hospitality industry
 - Establishing a data lake and setting up an analytics platform for one of the world's largest investment firms

- Recognition:
 - Recognized as a Leader in 2018 ISG Provider Lens™ SAP Cloud Platform services quadrant and a Rising Star in 2018 ISG Provider Lens™ SAP S/4HANA and SAP BW/4HANA quadrant
 - Recognized as an Innovator in Avasant's Intelligent Automation RadarView™ 2018 report
 - Recognized in The 2019 ISG Provider Lens™ Next-Gen Application Development & Maintenance (ADM) Services Quadrant Report as a Global Leader in Next-Gen ADM, Continuous Testing, and Agile Development

Extract of the audited consolidated financial results for the quarter and six months ended September 30, 2018

Particulars	Rs in million, except per share data					
	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
Revenue from operations	17,554	16,395	13,316	33,949	26,211	54,628
Other income, net (Refer note 7)	524	279	598	803	1,252	1,902
Total income	18,078	16,674	13,914	34,752	27,463	56,530
Expenses						
Employee benefits expense	11,171	10,395	9,001	21,566	17,394	35,641
Finance costs	1	28	25	29	65	169
Depreciation and amortisation expense	403	400	454	803	913	1,715
Other expenses	3,684	3,690	2,774	7,374	5,841	11,582
Total expenses	15,259	14,513	12,254	29,772	24,213	49,107
Profit before tax	2,819	2,161	1,660	4,980	3,250	7,423
Tax expense						
Current tax	834	647	455	1,481	840	1,555
Deferred tax	(78)	(68)	(42)	(146)	(54)	167
Net profit for the period	2,063	1,582	1,247	3,645	2,464	5,701
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	(3)	(45)	(32)	(48)	(26)	(23)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	11	6	11	5	5
B. Items that will be reclassified to profit or loss	139	121	32	260	147	146
Total other comprehensive income	136	87	6	223	126	128
Total comprehensive income for the period	2,199	1,669	1,253	3,868	2,590	5,829
Paid up equity share capital (face value Rs. 10/- each)	1,642	1,640	1,639	1,642	1,639	1,639
Reserves	28,690	27,067	23,569	28,690	23,569	25,775
Earnings per share:						
Basic EPS (Rs.)	12.57	9.65	7.46	22.22	14.70	34.39
Diluted EPS (Rs.)	12.55	9.62	7.44	22.18	14.67	34.28

AUDITED SEGMENT WISE REVENUE AND RESULTS

Particulars	Rs in million					
	Quarter ended			Six months ended		Year ended
	September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
Segment revenue						
Retail, CPG and Manufacturing	3,818	3,782	3,123	7,600	6,042	12,689
Banking, Financial Services and Insurance	3,924	3,655	3,288	7,579	6,523	13,255
High Technology and Media	6,892	6,370	4,971	13,262	9,862	20,467
Travel and Hospitality	2,920	2,588	1,934	5,508	3,784	8,217
Total	17,554	16,395	13,316	33,949	26,211	54,628
Segment results						
Retail, CPG and Manufacturing	578	615	366	1,193	555	1,663
Banking, Financial Services and Insurance	222	121	234	343	527	1,245
High Technology and Media	1,409	1,264	771	2,673	1,531	3,441
Travel and Hospitality	490	310	170	800	363	1,056
Total	2,699	2,310	1,541	5,009	2,976	7,405
Unallocable						
Expenses	403	400	454	803	913	1,715
Finance costs	1	28	25	29	65	169
Other income	524	279	598	803	1,252	1,902
Profit before tax	2,819	2,161	1,660	4,980	3,250	7,423

Key Financial Metrics & Ratios

	Q2	Q1	Q2	Growth (%)	
	FY2018	FY2019	FY2019	Q-o-Q	Y-o-Y
(₹ million)					
Revenue	13,316	16,395	17,554	7.1%	31.8%
EBITDA	1,541	2,310	2,699	16.8%	75.1%
Net Profit	1,247	1,582	2,063	30.4%	65.4%
Diluted EPS (Rs.)	7.44	9.62	12.55	30.4%	68.5%

	Q2	Q1	Q2	Growth (%)	
	FY2018	FY2019	FY2019	Q-o-Q	Y-o-Y
(\$ million)					
Revenue	206.2	241.5	246.4	2.0%	19.5%
EBITDA	23.9	34.0	38.0	11.6%	58.9%
Net Profit	19.3	23.3	29.1	24.9%	50.4%

Key Ratios	Q2	Q1	Q2
	FY2018	FY2019	FY2019
EBITDA Margin (%)	11.6%	14.1%	15.4%
Effective Tax Rate (%)	24.8%	26.8%	26.8%
Net Profit Margin (%)	9.4%	9.6%	11.8%
ROCE (%)	24.1%	29.1%	37.6%
DSO (Days)	64	67	68

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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