



## Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Third quarter ended December 31, 2017

January 22, 2018

*Welcome to possible*

Dear Shareholder,

We are happy to share that we closed Q3 with revenues of US \$214.3 million, which is an industry leading q-o-q growth of 3.9%. This has been our best Q3 since 2011 despite the seasonality associated with this quarter. Our 'Execute Smart' approach continues to bear fruit and contributed to a robust quarter on all fronts. By delivering fast time-to-market solutions, we have created even further competitive advantage for our clients. These strong results also reflect our ongoing leadership in Digital, and our unique ability to be the core Digital anchor-partner for our customers in their Digital transformation journey.

We have also made significant improvement in our profitability, Our EBITDA margins on a consolidated basis is at 15.1% as compared to 11.6% in Q2. We will continue our focus on operational efficiencies through our 'Execute Smart' approach.

The Board of Directors at its meeting held on January 17, 2018 have recommended an interim dividend of 20% (₹ 2 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 Ramanan  
**CEO and Managing Director**



Jagannathan Chakravarthi  
**CFO**

Bangalore  
January 22, 2018

**Key financial highlights - *Quarter ended December 31, 2017***

- In USD:
  - Revenue at \$214.3 million (growth of 3.9% q-o-q / 11.5% y-o-y)
  - Net profit at \$22 million (growth of 13.8% q-o-q / 44.1% y-o-y)
  
- In INR:
  - Revenue at ₹ 13,777 million (growth of 3.5% q-o-q / 6.4% y-o-y)
  - Net profit at ₹ 1,415 million (growth of 13.4% q-o-q / 37.2% y-o-y)

**Other highlights:**

- Clients:
  - 344 active clients as of December 31, 2017
  
- People:
  - 17,200 Mindtree Minds as of December 31, 2017
  - Trailing 12 months attrition is 12.6%
  
- Multi-year and multi-million dollar wins with leading global clients:
  - Providing digital transformation, quality assurance and technology operations services for a leading Industry association in the education sector
  - Providing managed services for a leading technology company
  - Anchor Digital partner for an enterprise-wide transformation initiative for a large beauty care company
  - Implementing ShotClasses, Mindtree's employee-training and micro-learning platform, for a leading consumer goods company
  - Migrating SAP ERP and BI solutions to SAP HANA for a large commercial vehicle retailer in the US

- Awards and Recognition:
  - Mindtree named a “Rising Star” in Public Cloud Infrastructure Consulting and Implementation Services, Public Cloud Infrastructure Managed Services and Public Cloud SAP Services by Information Services Group (ISG)
  - Mindtree's SAP Practice wins the SAP Gold Quality Award in United Kingdom for workforce planning using SAP Business Planning & Consolidation suite
  - Mindtree positioned as a leader in the Zinnov Zones for Product Engineering Services 2017
  - Mindtree named among the Large System Integrators for Agile and DevOps services by Gartner

**Extract of the audited consolidated financial results for the quarter and nine months ended December 31, 2017**

Particulars	Rs in million, except per share data					
	Quarter ended			Nine months ended		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
Revenue from operations	13,777	13,316	12,953	39,988	39,183	52,364
Other income, net (Refer note 6)	59	598	144	1,311	512	553
<b>Total income</b>	<b>13,836</b>	<b>13,914</b>	<b>13,097</b>	<b>41,299</b>	<b>39,695</b>	<b>52,917</b>
<b>Expenses</b>						
Employee benefits expense	8,946	9,001	8,533	26,340	25,425	34,125
Finance costs	46	25	46	111	144	191
Depreciation and amortisation expense	419	454	459	1,332	1,390	1,858
Other expenses	2,757	2,774	2,680	8,598	8,446	11,194
<b>Total expenses</b>	<b>12,168</b>	<b>12,254</b>	<b>11,718</b>	<b>36,381</b>	<b>35,405</b>	<b>47,368</b>
<b>Profit before tax</b>	<b>1,668</b>	<b>1,660</b>	<b>1,379</b>	<b>4,918</b>	<b>4,290</b>	<b>5,549</b>
Tax expense (Refer note 2):						
Current tax	158	455	335	998	1,178	1,577
Deferred tax	95	(42)	13	41	(102)	(214)
<b>Net profit for the period</b>	<b>1,415</b>	<b>1,247</b>	<b>1,031</b>	<b>3,879</b>	<b>3,214</b>	<b>4,186</b>
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	7	(32)	5	(19)	(18)	(14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	6	-	4	4	3
B. Items that will be reclassified to profit or loss	(59)	32	(46)	88	(373)	(610)
<b>Total other comprehensive income</b>	<b>(53)</b>	<b>6</b>	<b>(41)</b>	<b>73</b>	<b>(387)</b>	<b>(621)</b>
<b>Total comprehensive income for the period</b>	<b>1,362</b>	<b>1,253</b>	<b>990</b>	<b>3,952</b>	<b>2,827</b>	<b>3,565</b>
Paid up equity share capital (face value Rs. 10/- each)	1,639	1,639	1,680	1,639	1,680	1,680
Reserves	24,241	23,569	24,162	24,241	24,162	24,091
Earnings per share:						
Basic EPS (Rs.)	8.63	7.46	6.14	23.31	19.15	24.93
Diluted EPS (Rs.)	8.61	7.44	6.13	23.26	19.11	24.89

Particulars	Rs in million	
	As at	
	December 31, 2017	March 31, 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,244	3,809
Capital work in progress	326	192
Goodwill	4,505	4,470
Other intangible assets	1,598	1,941
Financial assets		
Investments	58	58
Loans	724	667
Other financial assets	-	209
Deferred tax assets (net)	456	624
Other non-current assets	1,595	1,326
	<b>12,506</b>	<b>13,296</b>
<b>Current assets</b>		
Financial assets		
Investments	7,484	5,869
Trade receivables	10,373	8,962
Cash and cash equivalents	1,217	2,508
Loans	39	12
Other financial assets	2,773	2,225
Other current assets	811	1,034
	<b>22,697</b>	<b>20,610</b>
<b>TOTAL ASSETS</b>	<b>35,203</b>	<b>33,906</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,639	1,680
Other equity	24,241	24,091
	<b>25,880</b>	<b>25,771</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	9	13
Other financial liabilities	-	230
Other non current liabilities	86	71
	<b>95</b>	<b>314</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	2,491	978
Trade payables	1,494	1,651
Other financial liabilities	2,057	2,638
Other current liabilities	1,787	1,126
Provisions	1,159	1,105
Current tax liabilities (net)	240	323
	<b>9,228</b>	<b>7,821</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>35,203</b>	<b>33,906</b>

**Key Financial Metrics & Ratios**

₹ million)	Q3	Q2	Q3	Growth (%)	
	FY2017	FY2018	FY2018	Q-o-Q	Y-o-Y
Revenue	12,953	13,316	13,777	3.5%	6.4%
EBITDA	1,740	1,541	2,074	34.6%	19.2%
Net Profit	1,031	1,247	1,415	13.4%	37.2%
Diluted EPS (Rs.)	6.13	7.44	8.61	15.6%	40.4%

(\$ million)	Q3	Q2	Q3	Growth (%)	
	FY2017	FY2018	FY2018	Q-o-Q	Y-o-Y
Revenue	192.2	206.2	214.3	3.9%	11.5%
EBITDA	25.8	23.9	32.3	35.0%	25.0%
Net Profit	15.3	19.3	22.0	13.8%	44.1%

Key Ratios	Q3	Q2	Q3
	FY2017	FY2018	FY2018
EBITDA Margin (%)	13.4%	11.6%	15.1%
Effective Tax Rate (%)	25.3%	24.8%	15.2%
Net Profit Margin (%)	8.0%	9.4%	10.3%
ROCE (%)	22.2%	24.1%	24.4%
DSO (Days)	71	64	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](http://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](mailto: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.

Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore-560059; CIN: L72200KA1999PLC025564; Phone: + 91 80 6706 4000; Fax: +91 80 6706 4100; E-mail: [info@mindtree.com](mailto:info@mindtree.com)/[investors@mindtree.com](mailto:investors@mindtree.com); Website: [www.mindtree.com](http://www.mindtree.com)