



Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Second quarter ended September 30, 2017

October 31, 2017

Welcome to possible

Dear Shareholder,

We reported a q-o-q growth of 3% in dollar terms in Q2, signifying a steady growth trajectory in an evolving market place. Our ability to address shifting customer expectations through our innate capabilities in Digital as well as traditional services have driven great business outcomes for our clients. This quarter also has given us a good head start in our journey to improve margins. Operational efficiency and cost control measures have clearly started to yield positive results.

Some of the other highlights in the quarter were:

- We successfully concluded the buyback program. Approximately 32 Mn equity shares which is 7.7 times the announced quantum of buy back equity shares were tendered for the buyback. 4.224 Mn equity shares of ₹10 each on a proportionate basis, at a price of ₹ 625 per equity share were bought back for an aggregate consideration of ₹ 2,640 Mn. The buyback program will continue to be evaluated as one of our future capital allocation strategies.
- We have received the required approvals from RBI (Reserve Bank of India) for transfer of business and net assets of Bluefin (our subsidiary) to Mindtree. Consequently our reported standalone financials include Bluefin and accordingly prior period numbers have been restated.
- The Board of Directors at its meeting held on October 25, 2017 have recommended an interim dividend of 20% (₹ 2 per equity share of par value ₹ 10 each) and a special dividend of 20% (₹ 2 per equity share of par value ₹ 10 each) on completion of ten years of Initial Public Offering (IPO).

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
October 31, 2017

Key financial highlights - Quarter ended September 30, 2017

- In USD:
 - Revenue at \$206.2 million (growth of 3.0% q-o-q / 6.9% y-o-y)
 - Net profit at \$19.3 million (growth of 2.5% q-o-q / 36.8% y-o-y)

- In INR:
 - Revenue at ₹ 13,316 million (growth of 3.3% q-o-q / 2.8% y-o-y)
 - Net profit at ₹ 1,247 million (growth of 2.5% q-o-q / 31.6% y-o-y)

Other highlights:

- Clients:
 - 327 active clients as of September 30, 2017
 - \$5 million clients grow by 5 for a total of 38
 - \$1 million clients grow by 1 for a total of 114

- People:
 - 16,910 Mindtree Minds as of September 30, 2017
 - Trailing 12 months attrition is 13%

- Multi-year and multi-million dollar wins with leading global clients:
 - Providing Managed Infrastructure, Devops and Cloud Operations for a large technology company
 - Providing engineering services to a business unit of a large communications company
 - Providing testing services for a major airline in the US
 - Providing cloud migration services for a large hospitality company in the US
 - Providing Salesforce solution to enhance rider engagement for a global iconic motorcycle brand. This was a joint win with our subsidiary Magnet 360
 - Assisting a FTSE Top 20 company and also a long standing client of Bluefin in their business critical financial integration leveraging a global delivery model

- Awards and Recognition:
 - Mindtree named as a leader in Continuous Testing Services in the Digital space by Forrester Research Inc
 - Mindtree positioned as leader in Application Testing Services by ISG
 - Mindtree named as a 'Rising Star' for Application Development Services by ISG

Extract of the audited consolidated financial results for the quarter and six months ended September 30, 2017

Particulars	Rs in million, except per share data					
	Quarter ended			Six months ended		Year ended
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	March 31, 2017
Revenue from operations	13,316	12,895	12,954	26,211	26,230	52,364
Other income (Refer note 4)	598	654	170	1,252	368	553
Total income	13,914	13,549	13,124	27,463	26,598	52,917
Expenses						
Employee benefits expense	9,001	8,393	8,526	17,394	16,892	34,125
Finance costs	25	40	47	65	98	191
Depreciation and amortisation expense	454	459	463	913	931	1,858
Other expenses	2,774	3,067	2,807	5,841	5,766	11,194
Total expenses	12,254	11,959	11,843	24,213	23,687	47,368
Profit before tax	1,660	1,590	1,281	3,250	2,911	5,549
Tax expense:						
Current tax	455	385	371	840	843	1,577
Deferred tax	(42)	(12)	(38)	(54)	(115)	(214)
Net profit for the period	1,247	1,217	948	2,464	2,183	4,186
Other comprehensive income:						
A. (i) Items that will not be reclassified to profit or loss	(32)	6	(23)	(26)	(23)	(14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	6	(1)	4	5	4	3
B. Items that will be reclassified to profit or loss	32	115	(222)	147	(327)	(610)
Total other comprehensive income	6	120	(241)	126	(346)	(621)
Total comprehensive income for the period	1,253	1,337	707	2,590	1,837	3,565
Paid up equity share capital (face value Rs. 10/- each)	1,639	1,681	1,680	1,639	1,680	1,680
Reserves	23,569	25,475	23,761	23,569	23,761	24,091
Earnings per share:						
Basic EPS (Rs.)	7.46	7.24	5.65	14.70	13.01	24.93
Diluted EPS (Rs.)	7.44	7.23	5.64	14.67	12.98	24.89

Particulars	Rs in million	
	As at	
	September 30, 2017	March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	3,379	3,809
Capital work in progress	298	192
Goodwill	4,544	4,470
Other intangible assets	1,719	1,941
Financial assets		
Investments	58	58
Loans	692	667
Other financial assets	-	209
Deferred tax assets (net)	567	624
Other non-current assets	1,426	1,326
	12,683	13,296
Current assets		
Financial assets		
Investments	6,330	5,869
Trade receivables	9,229	8,962
Cash and cash equivalents	1,595	2,508
Loans	15	12
Other financial assets	3,307	2,225
Other current assets	934	1,034
	21,410	20,610
TOTAL ASSETS	34,093	33,906
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,639	1,680
Other equity	23,569	24,091
	25,208	25,771
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	9	13
Other financial liabilities	-	230
Other non current liabilities	86	71
	95	314
Current liabilities		
Financial liabilities		
Borrowings	2,474	978
Trade payables	1,518	1,651
Other financial liabilities	1,807	2,638
Other current liabilities	1,350	1,126
Provisions	1,244	1,105
Current tax liabilities (net)	397	323
	8,790	7,821
	8,885	8,135
TOTAL EQUITY AND LIABILITIES	34,093	33,906

Key Financial Metrics & Ratios

₹ million)	Q2	Q1	Q2	Growth (%)	
	FY2017	FY2018	FY2018	Q-o-Q	Y-o-Y
Revenue	12,954	12,895	13,316	3.3%	2.8%
EBITDA	1,621	1,435	1,541	7.4%	(4.9)%
Net Profit	948	1,217	1,247	2.5%	31.6%
Diluted EPS (Rs.)	5.64	7.23	7.44	2.9%	31.9%

(\$ million)	Q2	Q1	Q2	Growth (%)	
	FY2017	FY2018	FY2018	Q-o-Q	Y-o-Y
Revenue	193.0	200.1	206.2	3.0%	6.9%
EBITDA	24.1	22.3	23.9	7.3%	(1.0)%
Net Profit	14.1	18.9	19.3	2.5%	36.8%

Key Ratios	Q2	Q1	Q2
	FY2017	FY2018	FY2018
EBITDA Margin (%)	12.5%	11.1%	11.6%
Effective Tax Rate (%)	25.9%	23.5%	24.8%
Net Profit Margin (%)	7.3%	9.4%	9.4%
ROCE (%)	20.9%	23.8%	24.1%
DSO (Days)	66	57	64

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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