

MPS

Financial Performance
Q2 FY 18

Platforms and services for content creation,
production, and distribution

Metrics		FY18 Q2	FY17 Q2	Q-o-Q	FY18 YTD	FY17 YTD	Y-o-Y
Revenue	Revenue on Constant Currency (INR Lacs)	7,105	7,615	-7%	14,223	13,597	5%
	FX Gain/Loss adjusted revenue (INR Lacs)	6,916	7,518	-8%	13,686	13,762	-1%
	Reported Revenue (INR Lacs)	6,867	7,517	-9%	13,557	13,706	-1%
Profit	EBITDA (INR Lacs)	2,456	2,368	4%	4,583	4,520	1%
	PBT (INR Lacs)	2,647	3,095	-14%	5,268	5,423	-3%
	PAT (INR Lacs)	1,704	2,040	-16%	3,749	3,685	2%
Margin	EBITDA (%)	35.5%	31.5%		33.5%	32.8%	
	PBT (%)	38.3%	41.2%		38.5%	39.4%	
	PAT (%)	24.6%	27.1%		27.4%	26.8%	
Headcount	At the end of each reporting period in Nos.	2,513	2,983	-16%	2,513	2,983	-16%
EPS	Basic and Diluted EPS (INR)	9.15	10.95		20.13	19.79	

Analysis (FX Gain/Loss Adjusted Revenue)

- Revenue suppressed by INR 2.4 Crores and INR 6.7 Crores for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.
- Additionally, Revenue suppressed by INR 3.5 crore in Q2 FY 18 against Q2 FY 17 due to upfront discounts for a large project in Journals.
- mag+ revenue for Q2 FY 18 was INR 3.5 Crores against INR 6.0 Crores Q2 FY 17. Unhealthy revenue has been removed.
- EBITDA margin suppressed by 2.1% and 3.1% for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.

Notes

- Constant currency revenue numbers are calculated as per FEDAI exchange rates.
- Profit and Margins are on FX Gain/Loss adjusted revenue.
- Previous period numbers are reinstated as per IndAS.

Metrics		FY18 Q2		FY17 Q2		FY18 YTD		FY17 YTD	
		Content Solutions	Platform Solutions	Content Solutions	Platform Solutions	Content Solutions	Platform Solutions	Content Solutions	Platform Solutions
Revenue	Revenue on Constant Currency (INR Lacs)	5,808	1,297	5,980	1,635	11,379	2,844	11,449	2,148
	FX Gain/Loss adjusted revenue (INR Lacs)	5,653	1,263	5,904	1,614	10,949	2,737	11,587	2,174
	Reported Revenue (INR Lacs)	5,613	1,254	5,903	1,614	10,846	2,711	11,540	2,166
Margin	EBITDA (%)	34.7%	39.1%	33.2%	25.5%	32.9%	35.7%	33.9%	27.4%
	PBT (%)	32.3%	34.0%	31.4%	22.6%	30.4%	30.0%	32.1%	24.9%
	PAT (%)	18.0%	23.0%	16.8%	10.6%	17.5%	26.5%	19.3%	13.6%
Headcount	At the end of each reporting period in Nos.	2,320	193	2,754	229	2,320	193	2,754	229

Content Solutions

- Revenue suppressed by INR 2.0 Crores and INR 5.4 Crores for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.
- Additionally, Revenue suppressed by INR 3.5 crore in Q2 FY 18 against Q2 FY 17 due to upfront discounts for a large project in Journals.
- EBITDA margin suppressed by 2.3% and 3.1% for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.

Platform Solutions

- Revenue suppressed by INR 0.4 Crores and INR 1.3 Crores for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.
- mag+ revenue for Q2 FY 18 was INR 3.5 Crores against INR 6.0 Crores Q2 FY 17. Unhealthy revenue has been removed.
- EBITDA margin suppressed by 2.1% and 3.0% for Q2 FY18 and YTD FY18 respectively, due to unfavorable exchange rate movement.

Notes

- Constant currency revenue numbers are calculated as per FEDAI exchange rates.
- Profit and Margins are on FX Gain/Loss adjusted revenue.
- Previous period numbers are reinstated as per IndAS.

Content Solutions

- Phase 1 of large Journals project where MPS is the sole vendor partner on track. Volume ramp to start in H2 and true benefits to be realized in FY 19.
- Expansion of large account base from 10 to 15.
- New opportunities for this business from the platform solutions business.
 - ✧ Creative and production services for enterprise customers that work with mag+.
 - ✧ Additionally, MPS now has a richer identity in the STM and Academic market due to the acquisition of THINK and is now on more RFP lists for content solutions in this market.

Platform Solutions

- Some gap in Q2 FY 18 against last year due to delay in projects from H1 to H2 at client end.
- mag+: Several new customers, growth in services, and largest customer has renewed multi-year Agreement on favorable terms.
- THINK: Two new customers signed and largest customer has extended agreement.
- Strategic Development: THINK has been integrated with modules of DigiCore - ScholarStor and MPS Insight; and now offered as a platform suite (www.mps-think.com).
- DigiCore
 - ✧ ScholarStor is now entering expansion phase. Already displaced market leader with one of their prestigious customers <https://rcni.com/rcni-partners-mps-to-launch-new-journals-platform>
 - ✧ MPSTrak: Phase 1 of large project with European STM publisher delivered. Phase 2 to be delivered in 2018. Additional opportunities for THINK platform suite expected.
 - ✧ DigiEdit/DigiComp: Ramp up phase for one of the world's largest STM publishers to begin in Q4 and true benefits to be realized in FY 19.

Cash and Cash equivalents

- Total Cash and Cash equivalents as on 30-Sep-17 is INR 266 Crores and INR 223 Crores as on 31-Mar-17; zero debt.

CSR Update

- Total Spending for Q2 FY 2017-18 INR 49 Lacs.

IIMPACT

- Area Covered: Girls Education
- Project Name: MPS Limited Girls Education Project
- Total Learning Centres being Supported: 100

Vedanta Cultural Foundation

- Area Covered: Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects.

Computer Education

- Imparting free computer education to under privileged students.

SAMBANDH

- Area Covered: MENTAL HEALTH
- Pilot Project at Gurgaon

Prem Charitable Trust

- Area Covered: Care Centers for Physically Challenged Children.

REACH

- Area Covered: Providing education to students with learning disabilities across all ages.

Metrics		FY18 Q2	FY17 Q2	FY18 YTD	FY17 YTD
Currency Contribution (%)	USD	73%	76%	74%	73%
	GBP	24%	21%	23%	24%
	EURO	2%	2%	2%	2%
	Others	1%	1%	1%	1%
Geographic Concentration	North America	56%	55%	57%	55%
	UK/Europe	40%	42%	39%	42%
	Rest of the World	4%	3%	4%	3%
Debtors	DSO	64	69	64	69
Client Concentration	Client Billed	365	531	498	549
	Top 5 contribution	58%	61%	56%	62%
	Top 10 contribution	74%	76%	72%	79%
	Top 15 contribution	81%	82%	80%	86%

* As MPS is growing, our customer base is diversifying due to growth in larger accounts and addition of smaller customers through our platform business. Our core customer base has now expanded to 15 large accounts.



Particulars	As at 30-Sep-17 (UnAudited)	As at 31-Mar-17 (Audited)	% of Change
Equity			
Equity Share Capital	1,862	1,862	0%
Other Equity	36,722	32,928	12%
Total Equity	38,584	34,790	11%
Application of Funds			
Non-current Assets (net)	5,974	6,623	-10%
Current Assets (net)	32,610	28,167	16%
Total Application of Funds	38,584	34,790	11%

Non-current Assets (net) reduced mainly due to refund of service tax input tax credit received INR 10 Crores during FY18.

Cost of Acquisition of group of Assets (THINK) INR 4.3 Crores from Digital River, Inc. during the current period is netted off under Non-current Assets (net)

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Thank You