

Tech Mahindra FY20 Revenue Up 4.3%

FY20 Net New Deal Wins at USD 3.7 Bn

Mumbai - April 30th, 2020: [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its fourth quarter and year ended March 31, 2020.

Financial highlights for the Year (USD)

- Revenue at USD 5,181.9 mn; up 4.3% YoY
 - Revenue growth up 5.6% YoY, in constant currency terms
- EBITDA at USD 803.4 mn; down 11.3% YoY
- Consolidated PAT at USD 566.8 mn, down 7.8% YoY
 - PAT (excluding impairment) at USD 595.6 Mn; PAT margin of 11.5%, down 90 bps YoY
- Free Cash flow for FY20 at US\$ ~523 mn

Financial highlights for the year (₹)

- Revenue at ₹ 36,868 crore; up 6.1% YoY
- EBITDA at ₹ 5,726 crore; down 9.6% YoY;
 - EBITDA margin at 15.5%; down 270bps
- Profit after tax (PAT) at ₹ 4,033 crore; down 6.2% YoY
 - PAT (excluding impairment) at ₹ 4,251 crore
- Earnings per share (EPS) was at ₹ 45.9 for the year ended March 31, 2020
- The Board has proposed a Final Dividend of ₹ 5/- per share (100%) on the FV of ₹ 5 in addition to the Interim Dividend of ₹ 10/- per share declared earlier
- Free Cash flow for FY20 at ₹ 3,735 Crore

Financial highlights for the quarter (USD)

- Revenue at USD 1,294.6 mn; down 4.3% QoQ

- Revenue degrowth at 3.3% in constant currency terms
- Digital revenues grew 2.0% QoQ, at 44% of Revenues
- EBITDA at USD 182.7 mn; down 16.5% QoQ
- Consolidated PAT at USD 109.0 mn, down 32.1% QoQ;
 - PAT (excluding impairment) at USD 137.7 mn

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,490 crore; down 1.7% QoQ
- EBITDA at ₹ 1,348 crore; down 13.8% QoQ;
 - Margins at 14.2%; down 200bps QoQ
- Profit after tax (PAT) at ₹ 804 crore; down 29.9% QoQ
 - PAT (excluding impairment) at ₹ 1021 crore
- Earnings per share (EPS) was at ₹ 9.14

Other Highlights

- Total headcount at 125,236; up 4154 YoY
- Active Clients stood at 973 in Q4'20, up by 35 YoY
- Cash Conversion to PAT for FY20 was 92.2%
- Cash and Cash Equivalent at USD 1,164 Mn as of March 31, 2020

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said, “COVID-19 has brought an unprecedented change in business model for the IT industry. Ensuring wellness of employees and contribution to society while maintaining business continuity under all circumstances continues to be our priority. While the demand traction seen through the first three quarters of Fiscal 19-20 has reversed in Q4, we expect that the focus on Digital Transformation, Remote Working, and Network Modernization will recover in the medium term. The company has shown a strong growth for Fiscal 20 and we remain committed to deliver sustainable solutions to our customers enabling them to adopt to New Normal.”

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said, “Q4 has been a quarter where some of our metrics were impacted by the environmental challenges. Efficient operations, cost optimization and delivery automation will be the key focus areas going into the next year. Our strong balance-sheet combined with a focus on cash conservation will help us tide over the volatility in near term, as we look to emerge stronger and leaner to capture opportunities ahead.”

Key Wins:

- Tech Mahindra has been selected by a global leader in sustainable and innovative fiber solutions as a managed services partner to modernize its technology stack accelerating future growth strategy.
- Engaged by a leading Australian Telco to transform their business operations and drive automation to enhance the end customers experience.
- Tech Mahindra has been engaged by a leading UK telco for enriching its user experience leveraging company's unique transformation approach and automation capabilities.
- Selected by one of the world's leading innovator in material science as a managed services partner for innovation led transformation leveraging end user computing techniques.
- Selected by a top life insurance company in Australia as a Technology partner for Infrastructure, Security and Digital Workplace Services to enhance operational efficiency through technology transformation.
- Chosen by a South African government agency for provision of SAP digital transformation, end-to-end solution and managed support services leveraging Tech Mahindra's digital offerings.
- Engaged by a premier central government authority as a system integrator for the design, development, implementation and maintenance of the ERP Solutions for its internal users.
- Selected by one of the largest Australian building and construction materials company to accelerate their business transformation through implementation of ERP systems across their multiple lines of business.
- A Swiss multinational pharma selected Tech Mahindra as an agile development partner for transformation projects in Pharma Development Informatics.
- Tech Mahindra won a deal with UK's leading telecom service provider to provide end-to-end managed services for IT Solution Design and Architecture function.
- Engaged by one of the largest insurance company in India as a transformation partner for modernization of centralized IT application system.
- Selected by an Indian engineering and construction organization for implementation of SAP HANA as part of its digital transformation agenda.

Business Highlights

- Tech Mahindra conveyed solidarity in the global fight against COVID-19 through announcement of a temporary tweak in its brand logo. The new logo is in line with Tech Mahindra's commitment towards ensuring well-being of its associates, clients and customers.
- Tech Mahindra has launched a dedicated Google Cloud Center of Excellence (COE) to drive digital transformation of enterprises globally.
- Tech Mahindra inaugurated its new delivery center in the Warangal city of Telangana to digitally transform Warangal and other tier-II cities within the state leveraging new age technologies like Artificial Intelligence and Blockchain.
- Honeywell and Tech Mahindra teamed up to build "Factories of the Future", leveraging industry-leading digital technologies.
- Tech Mahindra and Defence PSU (Public Sector Undertaking) Bharat Electronics Limited (BEL) have collaborated to design and build cutting edge Digital Solutions for Aerospace and Defense.
- Tech Mahindra has collaborated with Virsec, a US based cybersecurity company to provide first-of-its-kind cybersecurity solutions to protect applications from the inside at the memory level in real-time.
- Tech Mahindra has launched T-Block Accelerator, the inaugural accelerator program for the Telangana Blockchain District in partnership with Government of Telangana and IBC Media, an innovation management company.
- Tech Mahindra has entered into a partnership with Innoveo, a Zurich based leading technology software provider digital transformation to enhance customer experience globally in Insurance, Banking and Wealth Management.

Awards and Recognitions:

- Tech Mahindra received the Bronze Class distinction in the RobecoSAM 2020 Sustainability Yearbook for its excellent sustainability performance. Tech Mahindra is ranked at 6th in the world IT services & Internet Software and Services segment.
- Tech Mahindra emerged as the winner of the "COMPANY OF THE YEAR – IT" at the second edition of CNBC-AWAAZ CEO Awards.

- Tech Mahindra has been recognized as the winner of Golden Peacock HR Excellence Award for the year 2019.
- Tech Mahindra has been recognized as a 'Leader' in the Everest Group Automotive Engineering Services PEAK Matrix® Assessment for the year 2019.
- Tech Mahindra received The Economic Times Innovation Awards by Economic Times in the "People Innovation" category.
- Tech Mahindra has won the Economic Times BFSI InnoTribe Award for its Blockchain based VIN Tracking Solution.
- Tech Mahindra has been recognized as a global leader on climate change for four years in a row. Tech Mahindra is one of the only four Indian companies to secure a position in the Climate Disclosure Project (CDP) Global Supplier A List in 2019 for engaging with its suppliers on climate change.
- Tech Mahindra has been recognized as a leader in the Zinnov Zones 2019 Engineering R&D (ER&D) Services Report.
- Tech Mahindra's diversity and inclusion initiatives have been recognised by Bloomberg. Tech Mahindra is amongst the only three Indian companies to be included in the Bloomberg 2020 Gender-Equality Index (GEI).

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. We are a USD 5.2 billion company with 125,200+ professionals across 90 countries, helping 973 global customers including Fortune 500 companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to our stakeholders. Tech Mahindra is the highest ranked Non-U.S. company in the Forbes Global Digital 100 list (2018) and in the Forbes Fab 50 companies in Asia (2018).

We are part of the USD 21 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

Connect with us on www.techmahindra.com || Our Social Media Channels



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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited (“the Company” or “TechM”) are forward-looking statements. These statements by their nature involve risks and uncertainties that could cause Company’s actual results differ materially from such forward-looking statements. The Company, from time to time, makes written and oral forward-looking statements based on information available with the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Audited consolidated financial for the quarter and year ended March 31, 2020 drawn under IND AS

Consolidated Income Statement

Particulars	Quarter Ending			Year Ending	
	Mar-20	Dec-19	Mar-19	Mar-20	Mar-19
Revenue	94,902	96,546	88,923	3,68,677	3,47,421
Cost of Services	66,896	67,312	59,482	2,59,743	2,33,590
Gross Profit	28,006	29,234	29,441	1,08,934	113,831
SG&A	14,528	13,601	13,054	51,673	50,462
EBITDA	13,478	15,633	16,387	57,261	63,369
Other Income	2,852	3,496	1,671	11,924	5,342
Interest Expense	532	550	281	1,919	1,332
Depreciation & Amortization	3,982	3,848	2,704	14,458	11,292
Impairment of Goodwill and non current assets	2175			2175	
Share of profit / (loss) from associate	15	5	(272)	(55)	(655)
Profit before Tax	9,656	14,736	14,801	50,578	55,432
Provision for taxes	2,392	3,629	3,535	11,604	12,544
Minority Interest	(775)	(352)	(59)	(1,356)	(88)
Profit after Tax	8,039	11,459	11,325	40,330	42,976
EPS (₹ / share)					
Basic	9.21	13.13	12.77	46.21	48.47
Diluted	9.14	13.03	12.58	45.85	47.72