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Tech Mahindra Q1 PAT up 36% QoQ

Revenue at USD 1,138 mn; up 0.6% QoQ

Mumbai, July 31, 2017: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering today announced the audited consolidated financial results for its first quarter ended June 30, 2017.

Financial highlights for the quarter (₹)

- Revenue at ₹ 7,336 crore; up 6.0% YoY; down 2.1% QoQ
- EBITDA at ₹ 935 crore; margins up ~70 bps QoQ at 12.7%
- Consolidated PAT at ₹ 799 crore; up 6.6% YoY; up 35.8% QoQ
- Earnings per Share (EPS) was ₹ 9.1 for the quarter ended June 30, 2017

Financial highlights for the quarter (USD)

- Revenue at USD 1,138.1 mn; up 10.3% YoY and 0.6% QoQ
- EBITDA at USD 144.8 mn; down 5.6% YoY and up 5.9% QoQ
- Consolidated PAT at USD 123.8 mn, up 11.2% YoY and up 38.9% QoQ

Other Highlights

- Total headcount at 115,980
 - Software headcount stood at 78,996; BPO at 30,322
- Cash and Cash equivalent of ₹ 6,016 crore as of June 30, 2017
- The Active Client count stood at 864 in Q1, adds 21 active clients QoQ

“Our Q1 performance reflects that we are moving in the right direction. We continue to re-align and re-shape our business in line with the market demands,” said Vineet Nayyar, Vice Chairman, Tech Mahindra. “As we go along, we have to manage on multiple fronts – changing demand patterns, skill refresh and overall uncertainty in the geo-political environment. But as an industry, we are in a stage of maturity wherein we can convert these challenges into opportunities, and Tech Mahindra is doing just that” Vineet added



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C P Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra said. *“Despite all the headwinds in a seasonally weak quarter, I am quite happy that our Digital business is growing ahead of our expectations backed by solid execution, as we realign our focus from Run side of the business opportunities to Change and Grow. The key to navigate the digitized and automated world is through repurposing, reskilling and recalibration, and I am happy that we are doing that at a break-neck speed.”*

“Our performance during the quarter reaffirms the early success of our D.A.V.I.D strategy and the journey we have undertaken to become a leading Digital Transformation Company,” Gurnani added.

Key Wins led by DAVID strategy

Digitalization

- Selected by a leading North American Telco for Digital Transformation of its retail inventory. Tech Mahindra will conceptualize, design, develop, test and deploy a new System for the supply-chain platform, helping the customer minimize revenue loss and have better control.
- Selected by a leading Aerospace company to improve client’s competitiveness and optimize cost by harmonizing through digital transformation of its tools and processes
- A large North American Telco selected us to help them accelerate time-to-market and enhance operational efficiency with the implementation of SAP managed services deal.
- Chosen by a large telco in the Asia Pacific region to improve its customer experience by ensuring high service quality and providing an optimal experience to its subscribers
- Selected by a Large US Healthcare company for transitioning its virtual machine on a managed Desktop as a Service (DaaS) platform and optimize its total cost of outsourcing.



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Automation

- Selected by a leading Aerospace company to improve client's competitiveness and optimize cost by harmonizing through digital transformation of its tools and processes
- Won an IT Infrastructure outsourcing deal from a Middle East based public services company; as a digital service partner Tech Mahindra will help optimize its existing IT infrastructure through automation and consolidation

Verticalization

- A large chemical company in Europe selected Tech Mahindra for its technical infrastructure support services; Tech Mahindra will ensure high service assurance quality and harmonize infra services using global delivery model
- Chosen by a leading network virtualization solutions provider for providing product engineering services

Disruption

- Engaged by a leading Asia Pacific Insurer for an end-to-end IT Infrastructure outsourcing deal. Tech Mahindra will help optimize its existing IT infrastructure through automation and cloud first approach.
- Bagged a deal from one of world's leading e-commerce and cloud computing companies to provide technical concierge services and enhance customer experience.



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- Won a deal from a Asian Central Government to provide IT infrastructure and services to the Central and State Governments, taxpayers and other stakeholders on services related to a major tax reform

Business Highlights

- Listed A in the CDP's Carbon Disclosure Leadership Index 2016 – one of only 2 Indian companies
- Tech Mahindra won the 'Best use of Modern Technology in customer context' – IBM Watson and Google API based Chatbot : AskAri – Agent of the future' in MLC 's 1st Hackathon held in Melbourne on 30th and 31st March
- Tech Mahindra has been positioned in the category of "Star Performers" within the Everest Group IT Outsourcing in Global Banking – Service Provider Landscape with PEAK Matrix™ Assessment 2017
- Tech Mahindra has been positioned as "High Potentials" in HfS Emerging Market Guide: IBM Watson Services Blueprint
- Tech Mahindra has been positioned as a leader in the 2016 study of Zinnov Zones – Product Engineering Services (PES). The company has been placed in the Leadership zone across multiple industry verticals and Expansive & Established zone across horizontals.
- Figures in LinkedIn's list of Top 25 Companies in India 2017 for attracting talent
- Tech Mahindra BSG positioned as "Leader" twice in a row in Nelson Hall NEAT assessment for Customer Management Services(CMS) in Telecommunication
- TechM gets Digital Transformation service provider of the year-Telecom 2017 from Frost and Sullivan



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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 4.5 billion company with 115,850+ professionals across 90 countries, helping over 864 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 amongst the Fab 50 companies in Asia (Forbes 2016 list).

We are part of the USD 19 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.

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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 results for the quarter ended June 30, 2017 drawn under IND AS

Consolidated Income Statement

(₹ Mn)

Particulars	Quarter Ending		
	June-17	March-17	June-16
Revenue	73,361	74,950	69,209
Cost of Services	52,818	54,785	48,807
Gross Profit	20,543	20,166	20,402
SG&A	11,196	11,178	10,112
EBITDA	9,347	8,988	10,291
Other Income	4,107	2,378	2,458
Interest Expense	370	318	274
Depreciation & Amortization	2,468	2,835	2019
Profit before Tax	10,616	8,213	10,433
Provision for taxes	2,698	2,316	2,468
Minority Interest	69	(17)	(472)
Share of profit / (loss) from associate	-	0	(23)
Profit after tax	7,986	5,880	7,493
EPS (₹)			
Basic	9.10	6.72	8.59
Diluted	8.98	6.61	8.44