

Press Release

Tech Mahindra Q1 PAT at ₹ 750 crore; up 20.5% YoY

Revenue at ₹ 6,921 crore; up 10% YoY

Mumbai - August 1, 2016: 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, 2016.

Financial highlights for the quarter (₹)

- Revenue at ₹ 6,921 crore; up 10.0% YoY
- Operating profit (EBITDA) at ₹ 1,029 crore; up 13.7% YoY
- Consolidated PAT at ₹ 750 crore, up 20.5% YoY
- Earnings per Share (EPS) was ₹ 8.59 for the quarter ended June 30, 2016

Financial highlights for the quarter (USD)

- Revenue at USD 1,031.5 mn; up 4.3% YoY and 0.9% QoQ
- Operating profit (EBITDA) at USD 153.4 mn; up 7.9% YoY and down 10.4% QoQ
- Consolidated PAT at USD 111.5 mn, up 14.0% YoY and down 12.8% QoQ

Other Highlights

- Total headcount at 107,216; adds 1,784 professionals during the quarter
 - Software headcount stood at 73,590; BPO at 27,326
- Cash and Cash equivalent of ₹ 5,747 crore as of June 30, 2016
- The Active Client count stood at 818 in Q1

Vineet Nayar, Vice Chairman, Tech Mahindra, said *"We have had a steady quarter inspite of the seasonal weakness in our mobility business. We look forward to continuing our journey of improving the profitability of our business"*

C P Gurnani, Managing Director & CEO, Tech Mahindra said. *“Our business has done well on several parameters like large client growth, digital wins and strong cash flows. Automation and Delivery Excellence are two key focus areas for the year going forward”*

Key Wins:

- Engaged by a leading North American bank for its Digital Transformation journey toward modernization of Testing Platforms to enable world-class quality standards in the changing product and application environments. Tech Mahindra will redefine the Bank’s Testing operating model to provide Next-gen Testing approach “QA as a Service”, thus helping it increase its efficiency and effectiveness through automation, industry best practices, etc.
- Won an End-to-End Managed services deal from a leading Asia Pacific retailer leveraging our automation tool set AQT. Tech Mahindra will manage the entire IT Landscape and help improve Customer’s IT maturity and run IT operations at a sustainable cost.
- Chosen by a leading European Telco to deliver End-to-End Managed services. Tech Mahindra will assist the client in run-grow and transform their service stack with Automation (leveraging our AQT framework), Cutting-edge Tools, enabling them to migrate from legacy to digital and Process Improvement initiatives in addition to the operations and service support across IT layer. The deal will help achieve bring in cost efficiency through Opex optimization across the value chain.
- Selected by a US based Fortune 50 global conglomerate for strategic consolidation across End-to-End Technology pillars. TechM will help structure transformation using automation, Devops, and support for global operations, enabling the Client achieve cost and operational efficiencies’

- Won a deal in End-to-End application delivery services for Operation Support Systems (OSS) from a leading UK based Telco
- Engaged by a leading European Telco to provide Program Management, Project Management and Business Analysis expertise helping streamline services across technology units and reduce resolution time.
- A leading US global technology enabler, selected Tech Mahindra to provide Medical Record Retrieval services to be delivered out of Philippines and enhance its customer experience
- Chosen by a leading Asia Pacific insurer for Project Management and Development
- Selected by a large European fashion retailer for implementation of Warehouse Management system. Tech Mahindra will help the retailer in its internationalization and support the growing digital needs
- Won a Testing services deal from a large European communication Service Provider.

Business Highlights:

- Augmented Digital Portfolio with acquisition of leading Digital Change Agents[®]: The BIO Agency UK. Bio specializes in digital transformation and innovation, helping organisations change the way they engage with their customers.

- Entered into an agreement to acquire Target Group, one of the leading processing platform companies in the UK. The acquisition strengthens Tech Mahindra's BFSI practice by access to IP and a platform which helps automate end-to-end processes in the lending, investments and insurance market.
- Launched FEEDS - Fresh Produce End to End Digital Supply Chain, a revolutionary initiative that manages the food supply chain and enables companies to transport farm grown produce and deliver it as fresh as if it were grown locally. FEEDS enables business collaboration, maintains product quality and freshness while providing a 15-20% reduction in losses and wastes
- Launched its 17th Delivery Center in Cincinnati Blue Ash Area, US to primarily serve its customers with export control services within the Aerospace & Defence Sector. The center will primarily be leveraged to provide Engineering, Big Data and Analytics services to a large conglomerate in the region and also other customers in the US, it would also help in building partnerships with local schools / talent.
- Partnered with ArisGlobal® to provide the life sciences industry with a complete end-to-end solution that will not only address the regulatory compliance requirement IDMP (Identification of Medicinal Products) brings, but also provide a solution which would enable companies to ensure compliance, improve efficiencies and assure the safety of their products.

Awards and Recognitions:

- Tech Mahindra won Frost & Sullivan India ICT Awards 2016 for IT Service Provider of the Year – Transportation Vertical
- Tech Mahindra's MoboMoney wins 'Industry Choice Awards' at the prestigious CMA 2016

- Tech Mahindra BSG won Golden Peacock Business Excellence Award - 2016 for outstanding Business Excellence Practices
- Tech Mahindra Performance Engineering (TMPE) won IT EUROPA Award 2016
- Tech Mahindra Global Test Factory won the prestigious Paragon Award in Excellence Category
- Tech Mahindra Won 12th Indo American Corporate Excellence Award

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 4 billion company with 107,200+ professionals across 90 countries, helping over 818 global customers including Fortune 500 companies. Our innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value to our stakeholders. Tech Mahindra is also amongst the Fab 50 companies in Asia as per the Forbes 2015 List.

We are part of the USD 17.8 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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Audited consolidated financial results for the quarter ended June 30, 2016 drawn under IND AS

Consolidated Income Statement

(₹ Mn)

Particulars	Quarter Ending		
	June-16	March-16	June-15
Revenue	69,209	68,837	62,938
Cost of Services	48,807	47,803	44,431
Gross Profit	20,402	21,034	18,508
SG&A	10,112	9,524	9,458
Operating Profit (EBITDA)	10,291	11,510	9,050
Other Income	2,458	1,603	1,244
Interest Expense	274	340	215
Depreciation	2,019	2,174	1,724
Profit before Tax	10,433	10,612	8,366
Provision for taxes	2,468	1,806	2,142
Minority Interest	(464)	(225)	1
Share of profit / (loss) from associate	(23)	13	11
Profit after tax	7,501	8,581	6,225
EPS (₹) – including exceptional items			
Basic	8.59	9.89	7.20
Diluted	8.44	9.67	7.02

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 the 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