

Tech Mahindra Q3 revenue up 17% YoY EBITDA improves 30 bps QoQ

Mumbai – February 1, 2016: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business re-engineering today announced the audited consolidated financial results for its third quarter ended December 31, 2015

Financial highlights for the quarter (₹)

- Revenue at ₹ 6,701 crore; up 16.5% YoY and 1.3% QoQ
- EBITDA at ₹ 1,136 crore; down 2.9% YoY and up 3.2% QoQ
- Consolidated PAT at ₹ 759 crore, down 5.7% YoY and 3.4% QoQ
- Earnings per Share (EPS) was ₹ 7.89 for the quarter ended December 31, 2015

Financial highlights for the quarter (USD)

- Revenue at USD 1,015 mn; up 9.8% YoY and 0.4% QoQ
 - In Constant Currency terms revenue up 13.7% YoY and 1.2% QoQ
- EBITDA at USD 172 mn; up 2.5% QoQ. Margins at 16.9% up 30 bps QoQ
- Consolidated PAT at USD 115 mn, down 3.7% QoQ

Other Highlights

- Total headcount at 107,137; adds 1,902 professionals during the quarter
 - Software headcount stood at 71,892; BPO at 28,279
- Cash and Cash equivalent at ₹ 4,940 crore as of December 31, 2015; a sequential increase of Rs 1,448 crores
- The Active Client count stood at 801 in Q3

Vineet Nayyar, Vice Chairman, Tech Mahindra, said, *"We are on track towards gradual recovery resonated by our margin improvement over the last two quarters. We continue to focus on strengthening our core and leveraging it to build further traction in our business. "*

C P Gurnani, Managing Director & CEO, Tech Mahindra said, *"We continue to drive growth in a seasonally weak quarter, through offerings that are echoing well with the market, which holds potential to deliver long term opportunities. We are enabling digital transformations for customers in the areas of IoT, Automation, Machine Learning and Artificial Intelligence. The challenge facing the industry now is to understand the full potential of digital technology and help customers make the best of it at the earliest. We believe we are well-positioned to serve those interests."*

Key Wins:

- Selected by a leading African utility company with 4 million subscribers, for its green field ERP and digital transformational project. Tech Mahindra will deploy robust analytics & IOT Technologies to optimize energy demand, enhance customer engagement and improve operating metrics to help reduce energy losses.
- Tech Mahindra is partnering with a global leader in Information Management, Cloud and Mobile; to transform the workplace for a leading US Healthcare provider.
- A large European foods company has chosen Tech Mahindra for its Business Intelligence (BI) transformation, involving design to support of its BI technologies in a managed services mode. TechM will help bring in scalability in new BI technologies and cost efficiencies.
- Selected by a leading US Telco for a large Cloud Product Development deal. TechM will help customer to improve its market leadership position.

- Chosen by a leading UK Communication services provider as a strategic partner for its entire ICT application development, enabling higher efficiencies and reduced time to market.
- A leading global appliance major selected Tech Mahindra to provide engineering and design services for white goods.
- Chosen by a leading UK financial services company as a Network and Infrastructure Transformation partner
- Won a testing services deal from a large Communication Service Provider from APAC region.
- A leading a leading European car manufacturer selected Tech Mahindra for it Test factory services which involves support in all areas of testing, including Design, analysis, management, execution and automation.
- Selected as a strategic partner by a wealth management major in Australia to provide managed infrastructure services.
- Won a managed services deal from a Global European Telco

Business Highlights:

- Tech Mahindra launches AQT™, the future of automation AQT™ Framework impacts process, quality, user experience, time-to-market and cost-to-deliver. The AQT™ (Automation, Quality, Time) framework is powered by technologies based on Robotic Process Automation (RPA) and Artificial Intelligence (AI). Tech Mahindra applies the principles of AQT™ in its projects, platforms and products across its service lines

- Tech Mahindra takes Grameen Koota Live with Temanos T24, Boosting Delivery of Financial Services to Low-Income Households. With a modern core banking structure that affords higher levels of automation and flexibility, Grameen Koota can now achieve its mission to reach a larger client base.
- Mahindra Group's Saral Rozgar enters International Market for Blue-collar and Entry Level Employment. Saral Rozgar is a unique integrated mobile job marketplace that helps blue-collar and entry level job seekers to connect with mainstream employers anywhere in India in an affordable manner. The service leverages cutting edge omni-channel digital platform and delivers job opportunities in their chosen language. With current subscriber base of 06 million+, Company aims of reaching a subscriber base of 100 million over the next 5 years
- Tech Mahindra Limited and Mahindra & Mahindra have jointly entered into an agreement with Pincar S.r.l., to purchase a controlling stake in Pininfarina S.p.A., an iconic Italian brand in automotive and industrial design. Pininfarina's legendary brand status will allow Tech Mahindra powerful access to relationships the iconic designer has nurtured with the best in the world over its 85-year history, including with Ferrari, Alfa Romeo, Maserati and Peugeot.

Awards and Recognitions:

- Tech Mahindra has achieved a perfect score of 100 and has been placed first in the prestigious CDP Climate Disclosure Leadership Index. CDP works with investors, companies and governments on behalf of 822 investors with assets worth US\$95 trillion to drive an environmental disclosure and action plan that will deliver a sustainable economy, prevent climate change and protect natural resources.
- Tech Mahindra won the Golden Peacock Risk Management Awards for the year 2015.

- Tech Mahindra won the Internet of Things Awards 2015 – A Smart City Initiative awarded by Total Telecom at the World Communication Awards Ceremony in London, 2015.
- Tech Mahindra won the Deloitte Technology Fast 50 India 2015 Program and was ranked 23rd in the 2015 Annual Ranking of the fastest growing technology companies in India.
- Winner of IT Express Innovation Awards in the Innovation Category (Large Enterprises)
- Tech Mahindra won the Annual HR Awards 2015 at the Society for Human Resource Management (SHRM), bagging top honors in 3 categories and runner up in the 4th category.

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 4.0 billion company with 107,100+ professionals across 90 countries, helping over 800 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 2014 List.

We are part of the USD 16.9 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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<p>Vikas Jadhav Investor Relations Phone: +91 20 42252839 Email: vikas.jadhav@techmahindra.com investor.relations@techmahindra.com</p>	<p>Richa Shah Global Media Relations Phone: +91 40 30675493 Email: richa.shah@techmahindra.com</p>
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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 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

Audited consolidated financial results for the quarter ended December 31, 2015 drawn under India GAAP

Consolidated Income Statement

(₹ Mn)

Particulars	Quarter Ending		
	Dec-15	Sep-15	Dec-14
Revenue	67,011	66,155	57,517
Cost of Services	46,066	44,957	37,557
Gross Profit	20,946	21,198	19,960
SG&A	9,587	10,188	8,260
Operating Profit	11,359	11,010	11,700
Other Income	639	1,658	190
Interest Expense	244	173	137
Depreciation	1,736	1,974	1,441
Profit before Tax	10,017	10,522	10,311
Provision for taxes	2,327	2,604	2,512
Minority Interest	(97)	(65)	(31)
Share of profit / loss from associate	(1)	3	285
Profit after tax	7,592	7,856	8,053
EPS (₹) – including exceptional items *			
Basic	7.89	8.17	33.69
Diluted	7.71	7.98	32.76

* EPS for Q2FY16 & Q3FY16 is post issue of bonus shares in 1:1 ratio and split of one share of ₹ 10 into 2 shares of ₹ 5 each