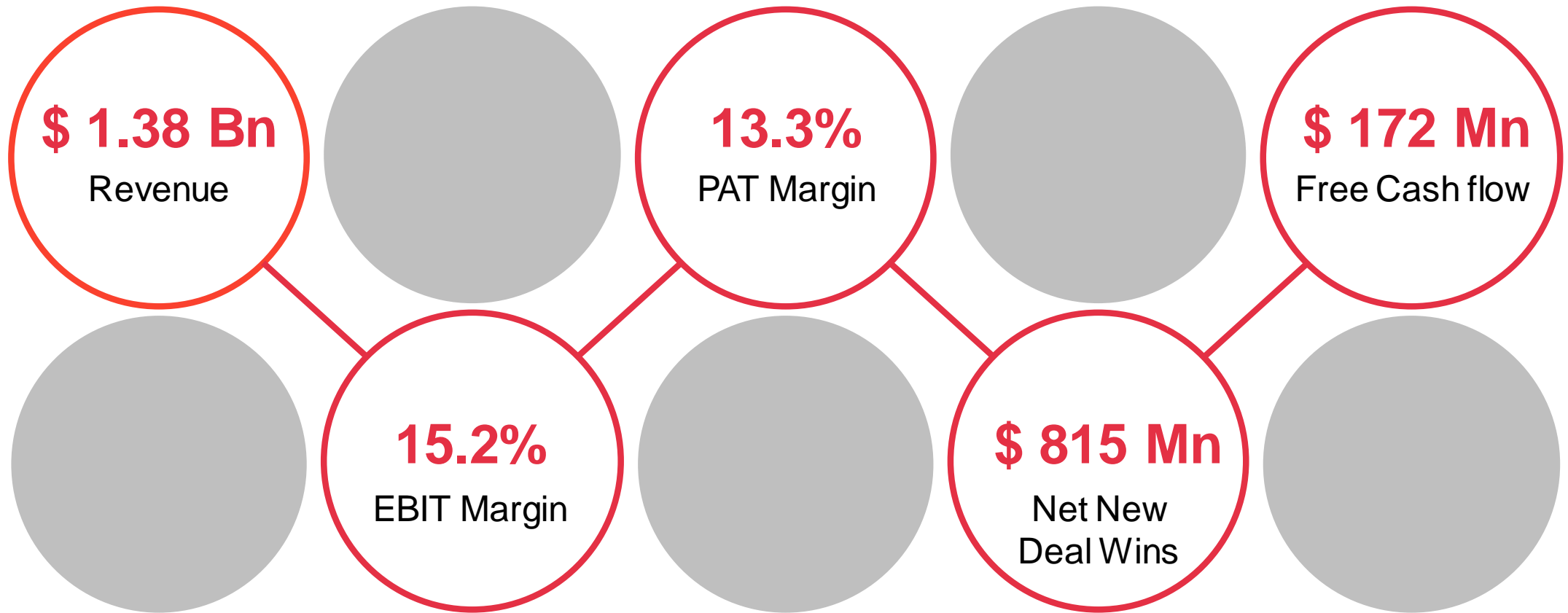


- EARNINGS PRESENTATION ● ● ● ● ● ● ● ● ● ● ● ● ● ●
- Q1 FY22 ● ● ● ● ● ● ● ● ● ● ● ● ● ●
- July 2021 ● ● ● ● ● ● ● ● ● ● ● ● ● ●

# Q1'22 Snapshot



# Business Highlights



## FINANCIAL

Revenue  
↑ 4.1%

EBIT %  
↓ 130 bps

PAT %  
↑ 220 bps

FCF to PAT %  
94%



## OPERATIONAL

Headcount  
126,263  
(+5209)

IT LTM attrition  
↓ 17.2%  
(up 3.9 pp)

Utilization (incl trainees)  
↑ 88.0%  
(60 bps)

Active Customers  
↑ 1058  
(up by 51)



## SEGMENT

CME  
↑ 3.2%

Enterprise  
↑ 4.7%

IT Services  
↑ 3.2%

BPS  
↑ 11.0%



## GEOGRAPHY

Americas  
↑ 6.8%

Europe  
↑ 6.6%

ROW  
↓ -2.7%

*All trends are QoQ*

# Management Commentary

CP Gurnani  
CEO, Tech Mahindra



We have witnessed an all rounded performance this quarter with **growth across our key markets and industry sectors**. We continue to see strong **traction in large deal wins** as we are helping our customers in integrated digital transformation. Our focus on **key technology pillars** wrapped around experience-led approach with TechM Nxt.Now will help us to capitalize on the **strong demand momentum**.

# Business Update

- ✓ Large Deal traction continuing with **largest Healthcare & BPS deal**
- ✓ **Communications** back on strong growth trajectory
- ✓ **Manufacturing, Hi-tech** driving growth

## Strategy

### ESG

- ✓ **Integrated Annual Report** launched for FY21
- ✓ **Carbon Neutral** roadmap by 2030
- ✓ Launched **vaccination drives** for employees and partner ecosystem



- ✓ **Engineering, network modernisation**  
Capex spends back
- ✓ Enterprise Engineering & product Development with **hyperscalers**
- ✓ **Cloud, data, CX, AI** key tech enablers

## Customers

### Operations

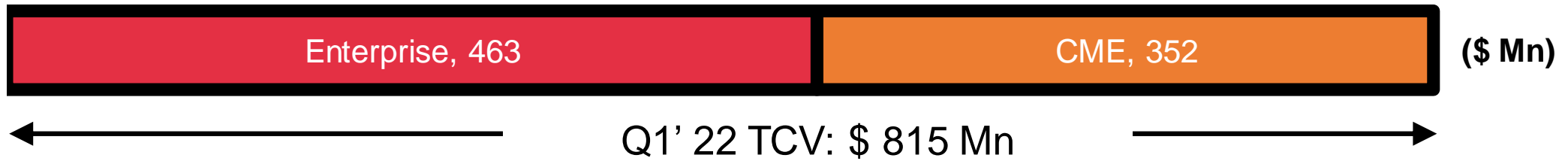
- ✓ **Offshoring & Utilization** improvement continues
- ✓ **Wage Hikes** rolled out in Q1

# Vertical Performance: Q1'22



VERTICALS	Communications, media & entertainment	Manufacturing	Technology	Banking, financial services & insurance	Retail, transport & logistics	Others
% SHARE	40.0%	16.5%	8.8%	16.4%	7.7%	10.6%
% QoQ	+3.2%	+4.5%	+8.1%	+3.7%	+3.2%	+4.8%
% YoY	+12.6%	+12.2%	+22.7%	+19.7%	+16.4%	+11.1%

# Net New Deal Wins



Won a deal with a leading UK telecom company for **end to end customer experience** for both consumer and enterprise businesses.

Engaged by one of the largest private healthcare systems in US as a **managed service partner for technology transformation.**

Won a **strategic digital assurance deal** with an American technology company.

Chosen by a Tier 1 US Telco in the data and analytics space for **data platform modernization and cloud migration.**

# Strategic Highlights



## COLLABORATIONS

Announced a partnership with the **International Chess Federation** for **creating the Global Chess League together**. The competition will be established as a first-of-its-kind “phygital” (physical and digital) league.

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Extended support to **Mission Oxygen**, an initiative by Democracy People Foundation, to **ensure last mile delivery of oxygen supply** across India. The partnership will strive to ensure that hospitals, nursing homes and medical care facilities, especially in tier-2 cities, get immediate access to oxygen.



## SOLUTIONS

Launched **ServiceNow Business Unit** to accelerate digital transformation for customers globally, focused on delivering innovative industry solutions for key verticals.

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Launched **‘Stablecoin-As-A-Service’** blockchain solution for global banks and financial institutions in partnership with **Quantoz**, Netherlands-based innovative Blockchain technology application incubator, specialized in building and implementing Blockchain-based solutions.



# People Updates

Won the **'Golden Peacock HR Excellence Award'** for the year 2020 in the IT sector

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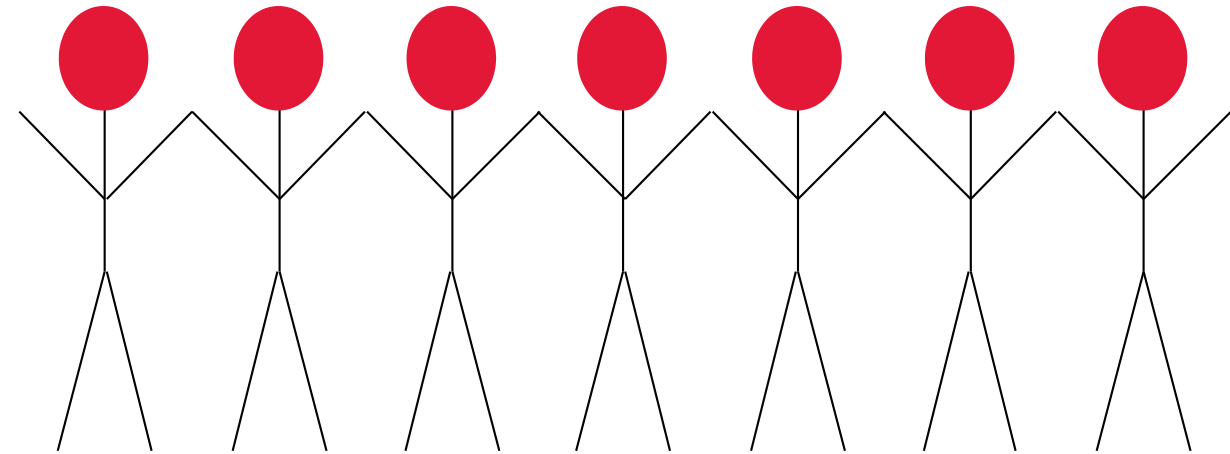
Launched the **Harvard Manager Mentor (HMM) SPARK platform** giving associates access to 21,000+ learning assets

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**Resolve to Rise** employee engagement campaign helped associates rally in response to the second wave of the **COVID-19 pandemic**

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**COVID-19 response** includes **Support Fund** for relief programs, dedicated **Helpdesk** for emergencies, **COVID care Centers** at all 5 major locations, as well as **mortality policy** providing support to families of deceased associates



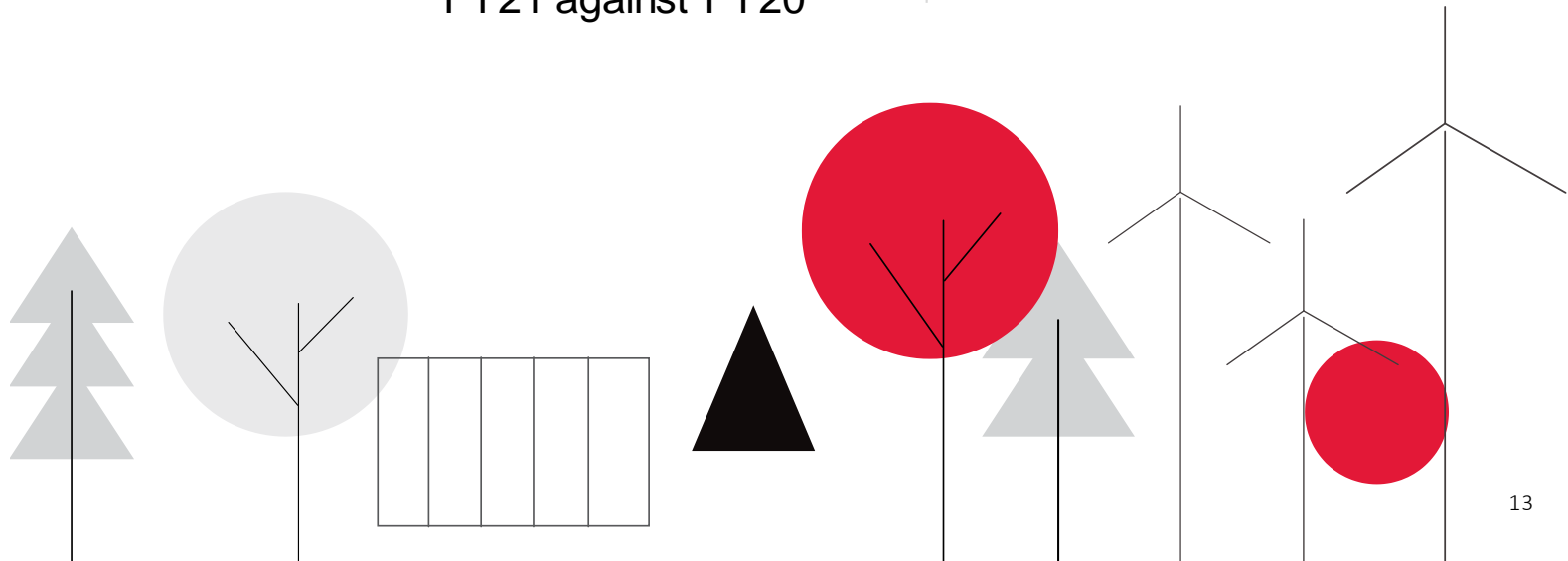
# ESG Focus: Sustainability

Joined **1.5°C Supply Chain Leaders** by **Exponential Roadmap Initiative** (ERI) to reduce GHG emissions across value chain in line with the 1.5°C ambition

Roadmap to become **carbon neutral by 2030** based on our science-based targets to reduce Scope 1 and Scope 2

Increased Renewable Energy from **1.77%** (in baseline year FY16) to **21.20%** in FY21  
Reduced Scope 1+2 emissions by **31%** in FY21 against FY20

Only Indian company on the **CLEAN CARBON200** list for the year 2021



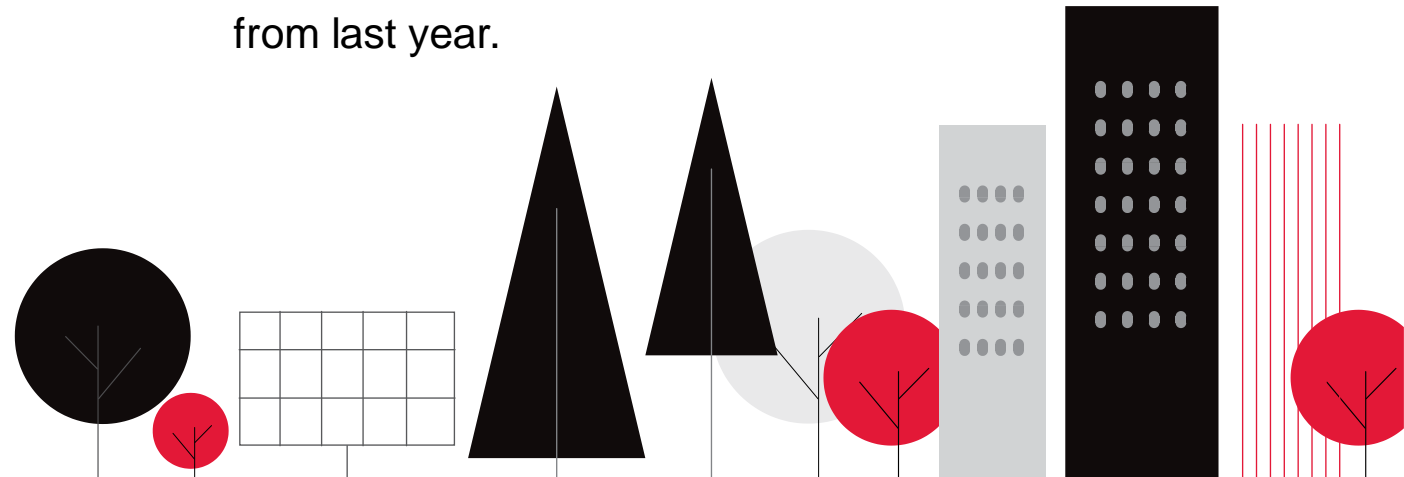
# ESG Focus: Social

Tech Mahindra Foundation has **touched over 25 lakh lives** through its **COVID relief programs** since March 2020.

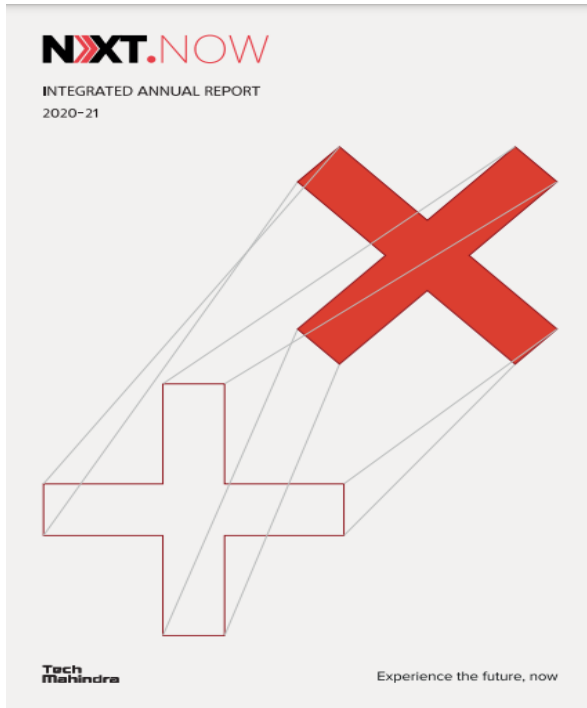
Initiated **vaccination drives** across all the locations **to complete both doses of vaccinations** for employees and partner ecosystem.

Tech Mahindra Foundation distributed close to **1,162 laptops and tablets to children with disabilities** in its ARISE+ partner schools from last year.

Tech Mahindra Foundation through its **549 COVID relief programs** reached out to **17 different states** in the country in FY21-till date.



# ESG Focus: Launched Integrated Annual Report



Link to the IAR: <https://insights.techmahindra.com/investors/annual-report-20-21.pdf>

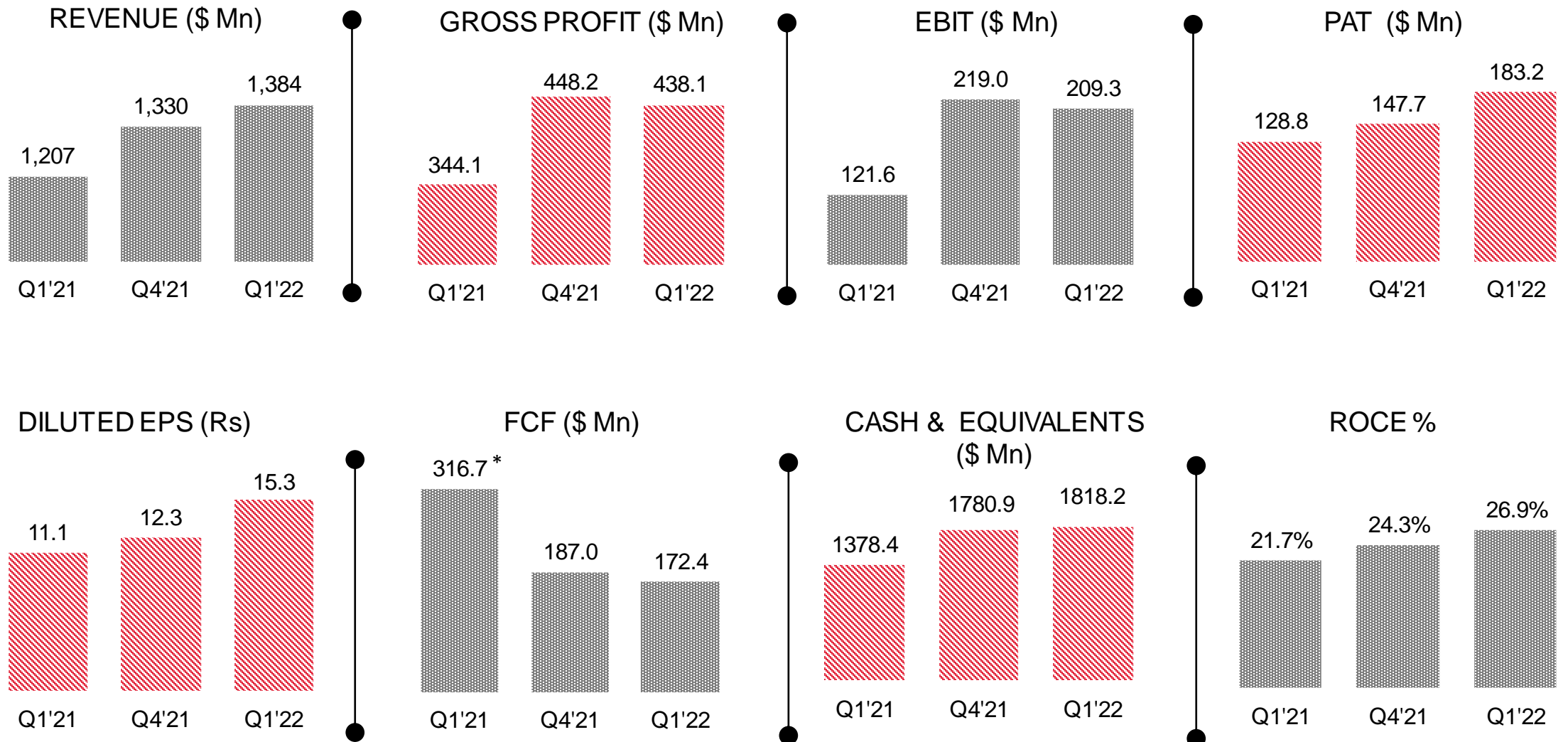
# Management Commentary

Milind Kulkarni  
CFO, Tech Mahindra



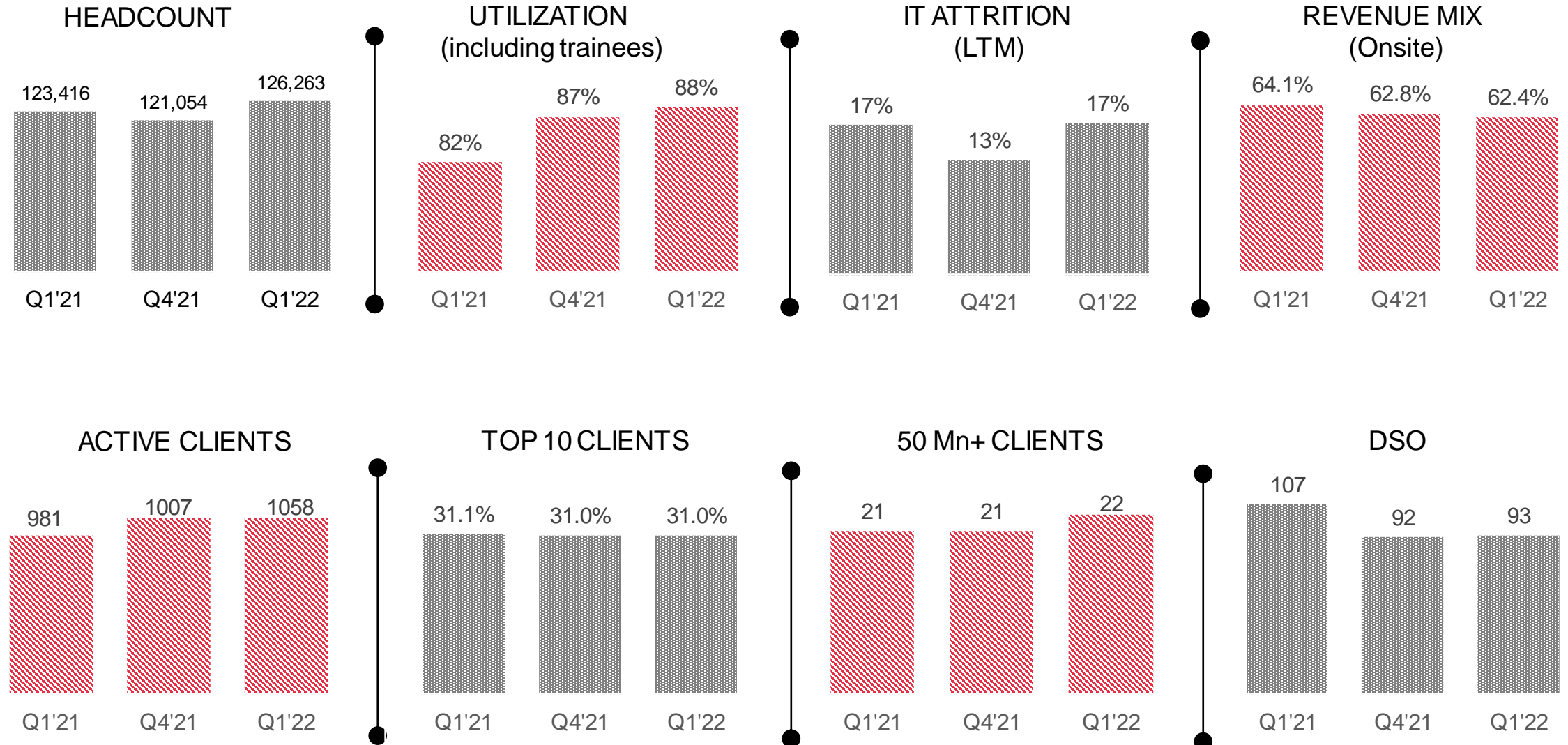
We continue to build on our profitability journey and have reported **highest ever quarterly Revenue and Profit After Tax** this quarter. Delivery Excellence will be a cornerstone in improving our operational and financial metrics, as we look to **capitalize on the incremental digital spends** over the course of the year.

# Financial Snapshot: Q1'22



\*Includes one-off

# Operational Snapshot: Q1'22



# Other financial highlights



## CASH CONVERSION

- ✓ Free cash flow at \$ 172 Mn, conversion to PAT at 94 %
- ✓ DSO @ 93 days compared to 92 days in Q4 FY21



## TREASURY

- ✓ Hedge book at \$ 2.22 Bn compared to \$ 2.01 Bn in Q4 FY21
- ✓ USD / INR Q1 FY22 average exchange rate at 73.67, depreciation of 0.7% QoQ and appreciation of 2.3% YoY.



## OTHERS

- ✓ Tax rate at 23.9% in Q1 FY22, compared to 32.4% in Q4 FY21 because of one-timers.



# Capital Allocation



## MERGERS & ACQUISITIONS

- Tech Mahindra to acquire Brainscale Inc. for a consideration of upto \$ 28.8 Mn including earnouts. Brainscale is a Cloud focused asset having expertise in Cloud Consulting, Enablement, Application Development and Data Analytics.
- The acquisition will bolster Tech Mahindra's consulting capabilities in the Cloud transformation space and will enable Tech Mahindra to drive growth of Cloud related IT services in the North American market.
- Transaction is subject to regulatory approvals.

# Financial Summary: Q1'22

in \$ Mn	Q1'22	QoQ	YoY
<b>Revenue</b>	<b>1383.6</b>	4.1%	14.6%
<b>EBIT</b>	<b>209.3</b>	-4.4%	72.2%
<i>EBIT %</i>	15.2%		
<b>Other Income</b>	<b>38.8</b>	776.2%	-29.5%
Miscellaneous + Interest Income	24.3		
Exchange Gain/(Loss)	14.5		
<b>Profit Before Tax</b>	<b>243.0</b>	15.2%	42.9%
Provision for tax	58.1		
<b>Profit After Tax</b>	<b>183.2</b>	24.1%	42.2%
<i>PAT %</i>	13.3%		
<b>EPS (Basic) in Rs</b>	<b>15.4</b>	24.8%	38.7%
<b>EPS (Diluted) in Rs</b>	<b>15.3</b>	25.0%	38.4%

Tech  
Mahindra