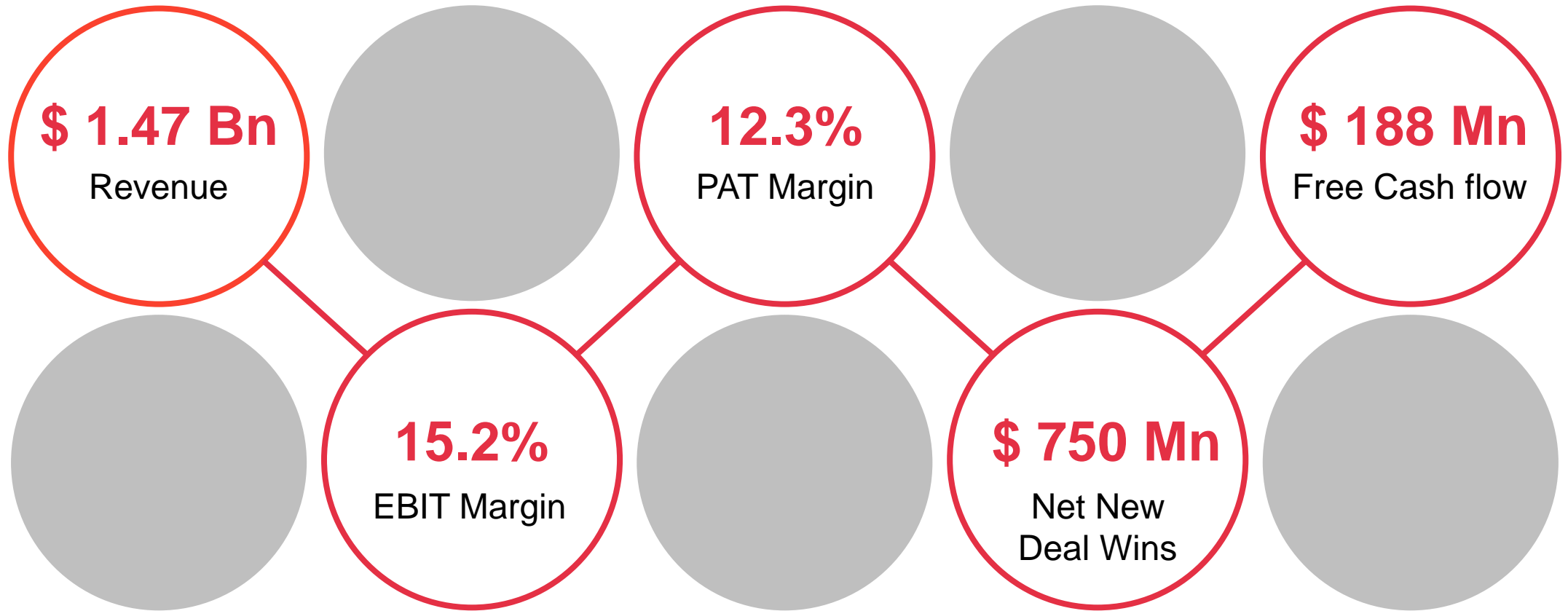


- EARNINGS PRESENTATION ● ● ● ● ● ● ● ● ● ● ● ● ● ●
- Q2 FY22 ● ● ● ● ● ● ● ● ● ● ● ● ● ●
- October 2021 ● ● ● ● ● ● ● ● ● ● ● ● ● ●

# Q2'22 Snapshot



# Business Highlights



## FINANCIAL

Revenue  
↑ 6.4%

EBIT %  
↓ 0%

PAT %  
↓ 100 bps

FCF to PAT %  
↑ 104%



## OPERATIONAL

Headcount  
↑ 141,193  
(+14,930)

IT LTM attrition  
↓ 21.2%  
(up 4pp)

Utilization (incl trainees)  
↓ 86.9%  
(down 110 bps)

Active Customers  
↑ 1123  
(up by 65)



## SEGMENT

CME  
↑ 6.7%

Enterprise  
↑ 6.3%

IT Services  
↑ 5.9%

BPS  
↑ 10.2%



## GEOGRAPHY

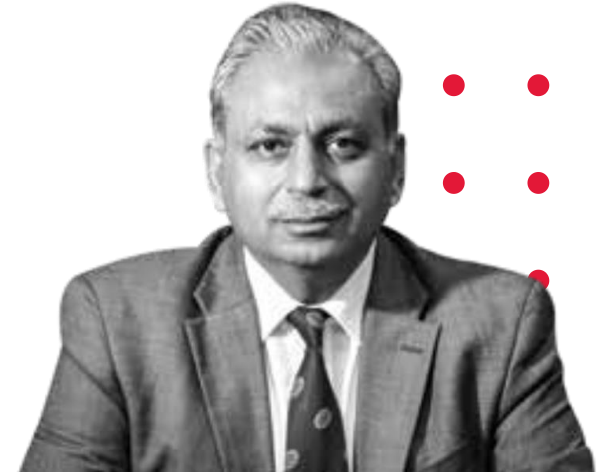
Americas  
↑ 8.9%

Europe  
↑ 1.6%

ROW  
↑ 7.0%

*All trends are QoQ*

# Management Commentary



CP Gurnani  
CEO, Tech Mahindra



As we record our highest sequential growth in a decade, we remain committed to deliver **long-term sustainable and profitable growth** for the company. We have witnessed strong traction across all key markets as we invest in our digital capabilities through strategic partnerships. We continue to accelerate our **clients' digital journey** by creating Human Centric Experiences, helping them gear up for tomorrow, today



# Business Update

- ✓ Continuing pace of **large deal wins**
- ✓ **Communications** growth led by 5G
- ✓ **BFSI, Hi-tech, HLS** continue to grow at strong pace

## Strategy

### ESG

- ✓ Third party KPMG assurance for **GHG (Scope 1+2+3) emissions**
- ✓ Constituent of the **FTSE4Good Index Series 2021**
- ✓ Listed among **2021 Best Workplaces in Asia**



- ✓ **5G Led Spending** picking up
- ✓ Growth led by **Digital Engineering, Cloud, D&A**
- ✓ **Tech Transformation** key enabler

## Customers

### Operations

- ✓ **14,900+ associates** hired in Q2
- ✓ **Offshoring** improvement continues
- ✓ **DSO reduction** by one day

# Vertical Performance: Q2'22



VERTICALS	Communications, media & entertainment	Manufacturing	Technology	Banking, financial services & insurance	Retail, transport & logistics	Others
% SHARE	40.1%	16.0%	9.0%	16.3%	7.8%	10.9%
% QoQ	+6.7%	+3.0%	+8.4%	+6.0%	+7.7%	+9.1%
% YoY	+16.1%	+14.1%	+16.6%	+15.9%	+17.6%	+20.6%

# Net New Deal Wins



Won a multi-year strategic deal with a fortune 500 company in personal care for **transforming its global applications and digitizing the core**

Chosen by a US telco to be a part of its transformation journey to provide **modernization and cloud migration services for its targeted applications.**

Selected by an Asian technology giant for multi pillar deal including **managed services, IT stack refresh, new age architecture adoption; business process re-engineering.**

Chosen by a top Fortune 100 company in retail healthcare space to **design, build & migrate Virtual Apps & Desktops platform in Cloud**

# Strategic Highlights



## COLLABORATIONS

Tech Mahindra has partnered with Loughborough University, the world's best university for sport, to **drive innovation in the sports industry** via adoption of emerging next-generation technologies.

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Announced MSSP (Managed Security Services Provider) partnerships with California-based Palo Alto Networks, a global leader in cybersecurity for **creation of specialized Industry solutions and IP**, leveraging the best of breed Palo Alto Networks solutions covering all major security solutions towers.



## OTHER HIGHLIGHTS

Tech Mahindra has launched a dedicated **Google Cloud Business Unit** to accelerate cloud adoption for enterprises globally.

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Tech Mahindra announces a '**Cloud Advisory Board**' with 30 Enterprises and Industry Advisors. The Advisory board will work on **accelerating cloud transformation** and build robust roadmap for business agility and competitive edge for enterprises.



# People Updates

**14,900+ associates hired**, highest ever for the company in a single quarter

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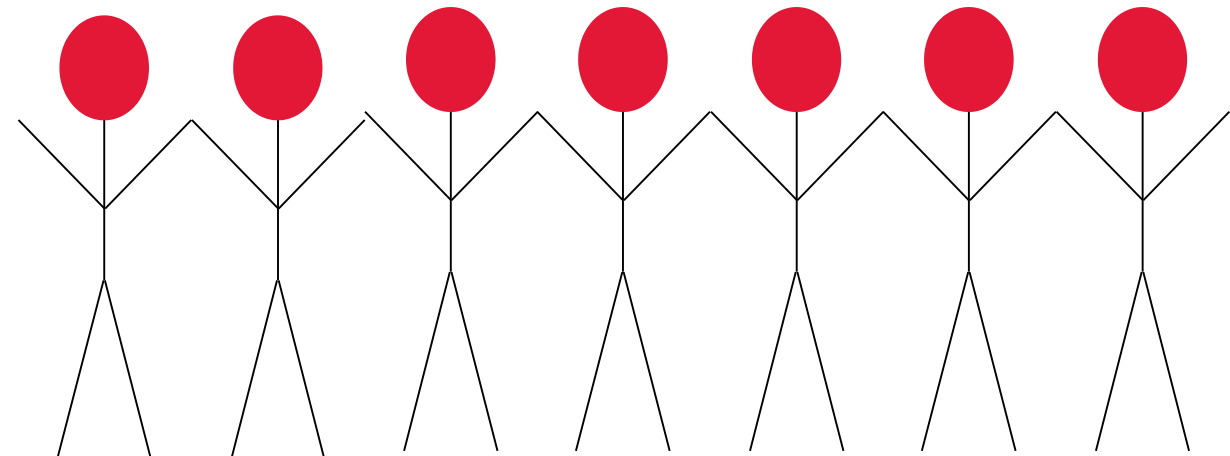
Won the **'Stevie Awards for Great Employer'** and **'Brandon Hall HCM Excellence Awards'** for the year 2021

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**Mental wellbeing of associates & employee engagement through virtual connects** was a priority during & post the Covid Wave 2 – Wellness 101 Challenge launched in June, over 20 Ambulances were distributed in various cities and multiple Wellness Awareness Programs were conducted

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Tech Mahindra has been listed among **2021 Best Workplaces in Asia** by Great Place to Work®.

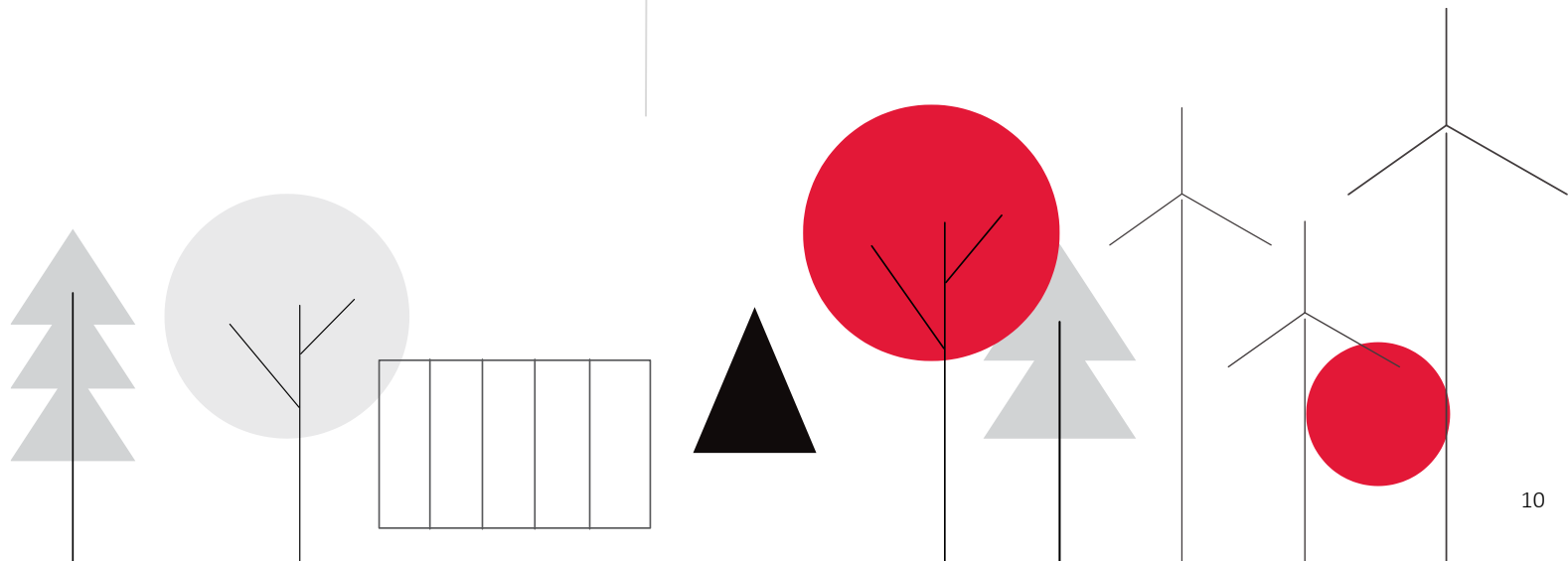


# ESG Focus: Sustainability

Recognized among the top 15 companies for Sustainability and CSR in **Futurescape 8th Sustainability Index**

Signed **G20 Business letter strengthening NDCs (Nationally Determined Contributions)** in line with halving global emissions by 2030, and committing to achieve net-zero emissions no later than 2050

Submitted **Science Based targets aligned to 1.5 degree Celsius** for verification, validation, and approval (currently approved for 2 degree Celsius)

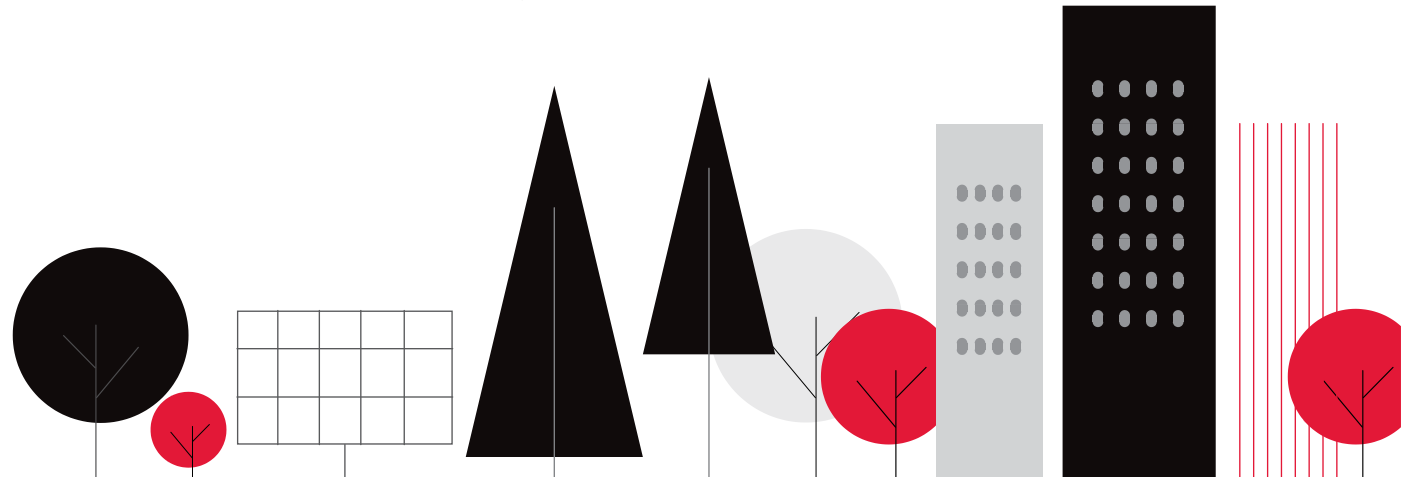


# ESG Focus: Social

Tech Mahindra Foundation has served the nation through **571 COVID relief projects till date.**

Helped install **10 oxygen plants & donated 20 fully equipped ambulances to 20 charitable hospitals** catering to the **under-served communities**

Launched **new initiative “YuWaaz”** a forum to integrate youth’s perspective into re-designing some of the TMF programs.



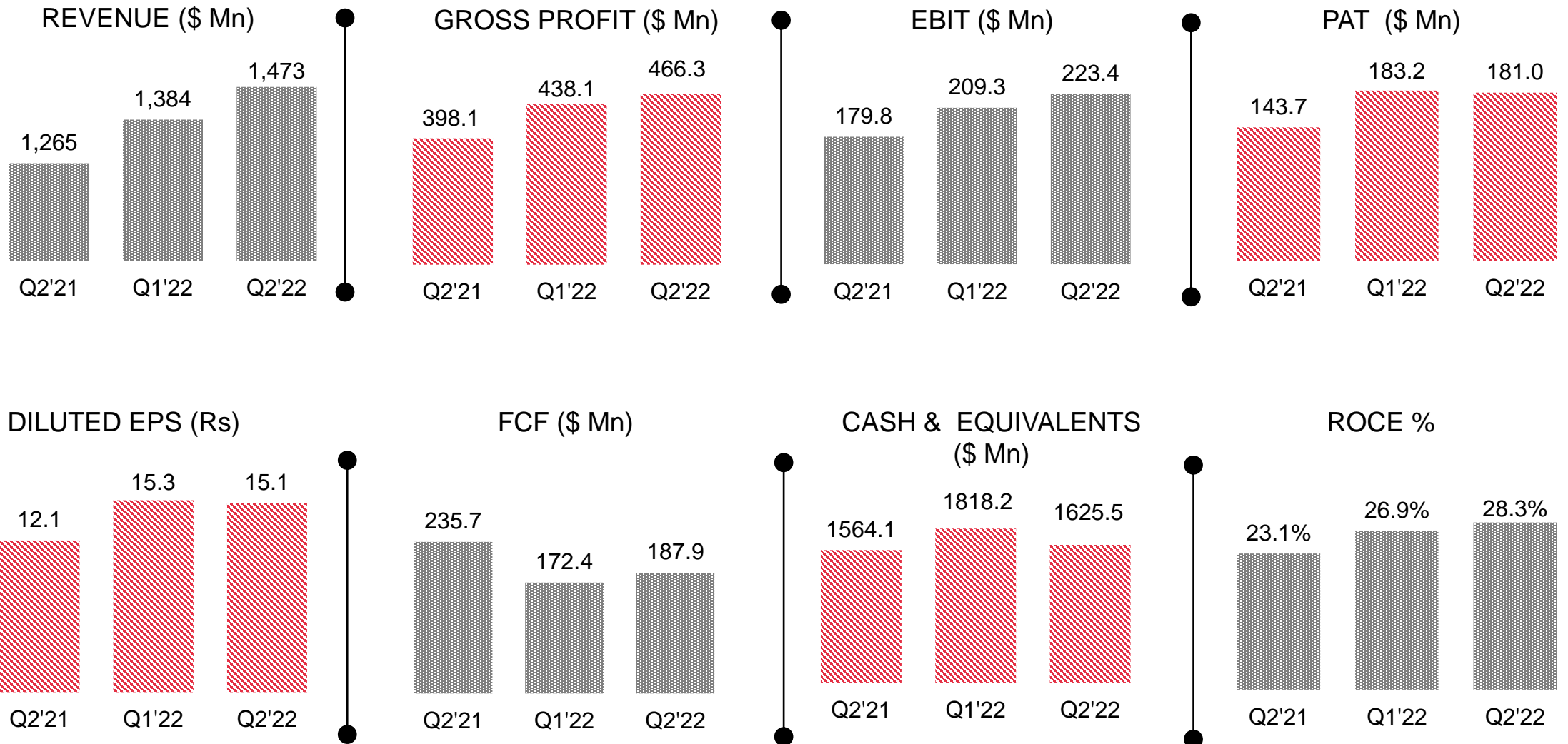
# Management Commentary

Milind Kulkarni  
CFO, Tech Mahindra



Our strong execution has ensured that we **maintain our profitability margins while accelerating growth momentum**. We remain committed on the operational excellence journey we have boarded and continue to create value to shareholders through efficient capital return

# Financial Snapshot: Q2'22



# Operational Snapshot: Q2'22



# Other financial highlights



## CASH CONVERSION

- ✓ Free cash flow at \$ 188 Mn, conversion to PAT at 104%
- ✓ DSO @ 92 days compared to 93 days in Q1 FY22



## TREASURY

- ✓ Hedge book at \$ 2.39 Bn compared to \$ 2.22 Bn in Q1 FY22
- ✓ USD / INR Q2 FY22 average exchange rate at 73.88, depreciation of 0.3% QoQ and appreciation of 0.2% YoY.



## OTHERS

- ✓ Tax rate at 29.4% in Q2 FY22, compared to 23.9% in Q1 FY22

# Capital Allocation

## CAPITAL RETURN

- Announced special dividend of ₹ 15 / Share

## MERGERS & ACQUISITIONS

- Tech Mahindra to acquire **Lodestone**, a leading digital engineering quality assurance provider for new age digital companies.
- The acquisition will bolster Tech Mahindra's digital engineering capabilities to effectively utilize data strategy and address machine learning challenges.
- Transaction is subject to regulatory approvals.





# Financial Summary: Q2'22

in \$ Mn	Q2'22	QoQ	YoY
<b>Revenue</b>	<b>1472.6</b>	<b>6.4%</b>	<b>16.4%</b>
<b>EBIT</b>	<b>223.4</b>	<b>6.7%</b>	<b>24.2%</b>
<i>EBIT %</i>	<i>15.2%</i>		
<b>Other Income</b>	<b>38.1</b>	<b>-2.0%</b>	<b>143.2%</b>
Miscellaneous + Interest Income	21.8		
Exchange Gain/(Loss)	16.3		
<b>Profit Before Tax</b>	<b>256.6</b>	<b>5.6%</b>	<b>34.9%</b>
Provision for tax	75.3		
<b>Profit After Tax</b>	<b>181.0</b>	<b>-1.2%</b>	<b>26.0%</b>
<i>PAT %</i>	<i>12.3%</i>		
<b>EPS (Basic) in Rs</b>	<b>15.25</b>	<b>-1.2%</b>	<b>25.2%</b>
<b>EPS (Diluted) in Rs</b>	<b>15.14</b>	<b>-0.4%</b>	<b>25.0%</b>

Tech  
Mahindra