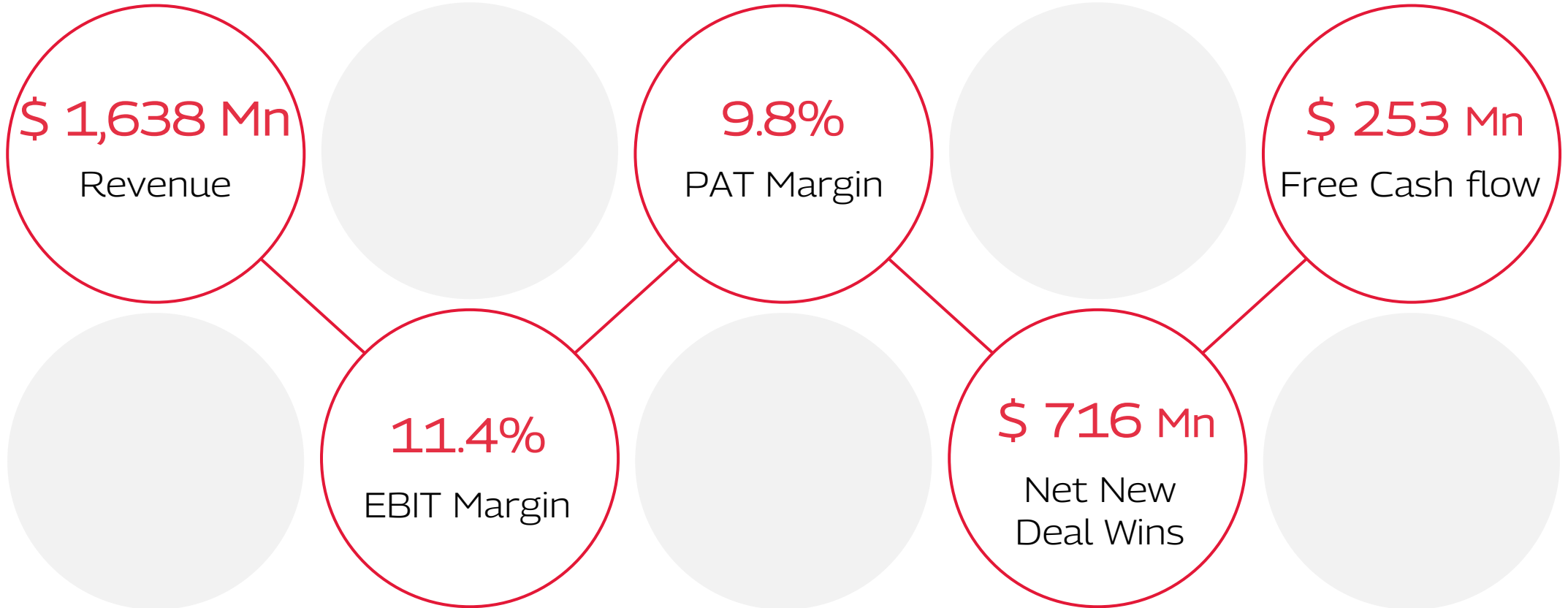


# Earnings Presentation

Q2FY23

November 2022

# Q2 FY23 Snapshot



# Q2 FY23 Snapshot

## FINANCIAL



Revenue  
0.3%  
(+2.9% cc)



EBIT %  
40 bps  
(+70 bps cc)



PAT %  
90 bps



FCF to PAT %  
159%

## OPERATIONAL



Headcount  
163,912  
(+5,877)



IT LTM attrition  
19.6%  
(down 260 bps)



Utilization  
(inc trainees)  
84.9%  
(up 206 bps)



Active Customers  
1,279  
(up by 17)

## SEGMENT



CME  
+3.1% CC  
(-1.3%)



Enterprise  
+2.8% CC  
(+1.5%)



IT  
+2.4% CC  
(-0.3%)



BPS  
+7.9% CC  
(+4.6%)

## GEOGRAPHY



Americas  
+2.4% CC  
(+2.6%)



Europe  
+3.6% CC  
(-3.5%)



ROW  
+3.4% CC  
(-0.2%)

# Management Commentary



CP Gurnani  
CEO, Tech Mahindra



“We continue to focus on being resilient and agile to ensure long-term value for our people, customers, partners, and the society at large. While market conditions evolve and supply-side challenges continue, we will strengthen our differentiated offerings to help customers in their transformation journey through our integrated & new-age solutions”



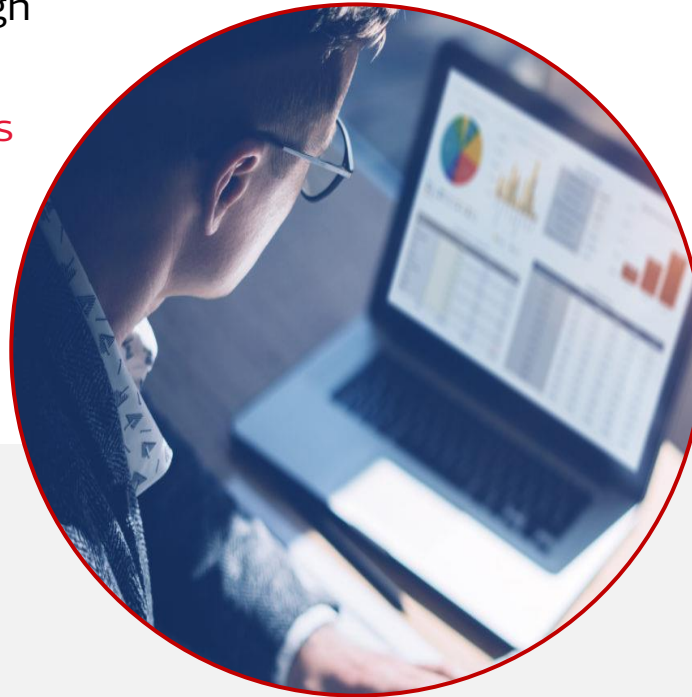
# Business Update

- ✓ Focus on **improving profitability** through **operational rigor**
- ✓ Growth in CME on the back of **5G deals**

## Strategy

### ESG

- ✓ Included in the **FTSE4Good Index 2022**
- ✓ Recognized by Dun & Bradstreet India as the **Top Performer** in the ESG Performance









- ✓ Robust demand for **transformation projects**
- ✓ Reaping benefits of **synergy** with integrated offerings

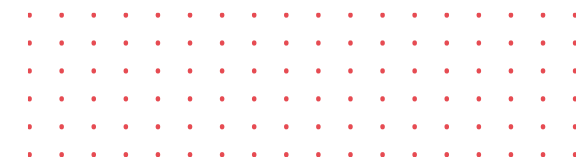
## Customers

### Operations

- ✓ Utilization increased to **85%**
- ✓ Strong workforce of 163,912 after net additions of **5,877** led by BPS
- ✓ LTM attrition moderated to **19.6%**

# Vertical Performance

VERTICALS	 Communications, Media & Entertainment	 Banking, Financial Services & Insurance	 Manufacturing	 Technology	 Retail, Transport & Logistics	 Others
% SHARE	<b>39.7%</b>	<b>16.3%</b>	<b>16.0%</b>	<b>10.1%</b>	<b>8.1%</b>	<b>9.8%</b>
% QoQ	-1.3%	-2.0%	+5.1%	+4.5%	+3.4%	-2.7%
% YoY	+10.3%	+11.0%	+11.1%	+25.5%	+16.4%	0%



# Deal-Win Performance

Total **TCV Q2** FY23: \$ 716Mn

Select **Deals**:



Won a strategic deal with one of the largest players in wealth management & superannuation space for assisting in its **Core System Transformation and multi-year RUN services** on the new digital platform



Selected for a multi-year by a leading communications service provider in Europe to **migrate its B2B legacy Monitoring solution to a new-age digital solution**



Won a deal with one of world's largest growing ERP solutions companies to provide **digital product engineering, support & consulting services**



Chosen by one of the largest omni-channel solutions provider based in Europe, for a multi-year deal to assist in the **cloud migration**, while delivering **Networks and Security transformation**

# Strategic Highlights



## COLLABORATIONS

Tech Mahindra partners with Google to **launch Street View in India**. Partnership will leverage Tech Mahindra's 'Gullyfy' project aiding GIS processes from data creation, resourcing, insights generation to the actual collection of street-level imagery.

Tech Mahindra partners with a large bank to launch **Metaverse Lounge "Uni-Verse"** to deliver a complete interactive and immersive experience across banking services to its Gen Z customers.

Tada Cognitive Solutions, a next-gen digital twin-enabled supply-chain software provider partners with Tech Mahindra to **build real-time end-to-end visibility across the entire supply chain network** with more than 4X faster control tower implementations.



## OTHER HIGHLIGHTS

Tech Mahindra launches **YANTR.AI, a transformational cognitive AI solution to simplify field services** which will further strengthen Tech Mahindra's BPaaS portfolio and provide end-to-end visibility, actionable insights, and recommendations to enterprises

Tech Mahindra launches **end-to-end ESG portfolio to help businesses achieve their sustainability goals**. By enabling businesses to configure, launch, analyze, manage sustainability targets, and help them achieve ESG goals through tailor-made solutions for their distinct needs



# People Highlights



## STRENGTH & ATTRITION

LTM attrition reduced to **19.6%** from 22.2% last quarter.

Net additions of **5,877** led by BPS



## AWARDS

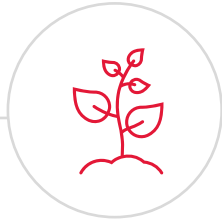
Tech Mahindra won 10 Gold, 4 Silver and 1 Bronze across Brandon Hall **HCM Excellence Awards 2022** and Stevie Awards for Great Employers



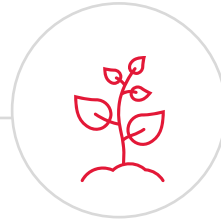
## DIVERSITY

Improved Gender diversity from 34.4% to **34.9%**

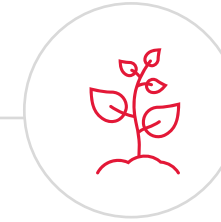
# ESG Highlights: Sustainability



New **renewable energy** facility with a capacity of 1.5 Mega Watts at Noida Campus



Included in the **FTSE4Good Index 2022**



Recognized by Dun & Bradstreet India as the **Top Performer in the ESG** Performance in the Software and BPM sector at India's Top 500 companies' event

# ESG Highlights: Social



**Teacher beneficiaries of our SHIKSHAANTAR program** received the **National Teacher Award from the President of India** at an event held at Vigyan Bhawan, Delhi.



Tech Mahindra won the **CSR Universe Social Impact Awards 2022 in the category of impact through social project for Differently abled (ARISE+) Program**



**MOU signed between TMF and Jamia Hamdard University (JHU), Delhi.** Partnership will help students across all the Healthcare Academies after completing their diploma exams will be entitled to get admissions for JHU degree programs as lateral entrants

# Management Commentary



Rohit Anand  
CFO, Tech Mahindra

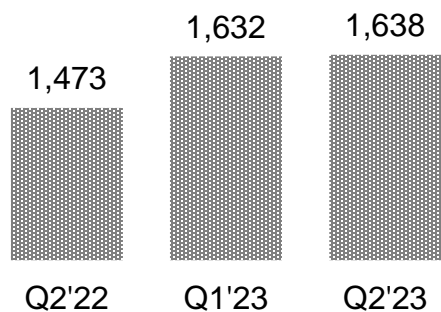


“We have taken several targeted measures to achieve operational efficiencies and ensure long term sustainable growth. While we continue to address the dynamic market, we will remain focused on creating value for our stakeholders, through continued operational rigor, robust cash generation and prudent capital allocation. Additionally, we have also announced a special dividend of Rs 18 per share, in line with our capital allocation policy.”

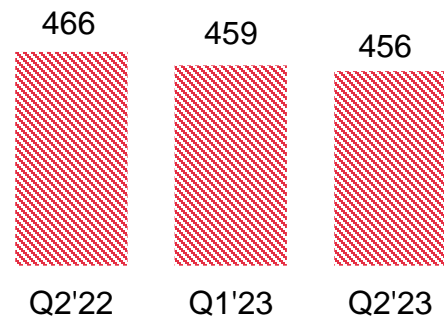


# Financial Snapshot

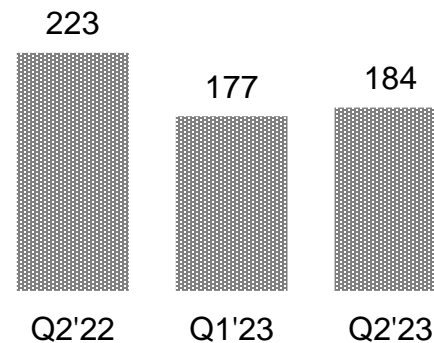
REVENUE (\$ Mn)



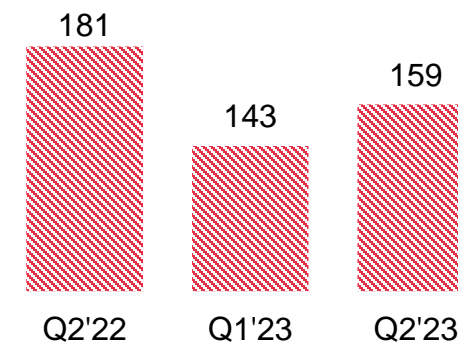
GROSS PROFIT (\$ Mn)



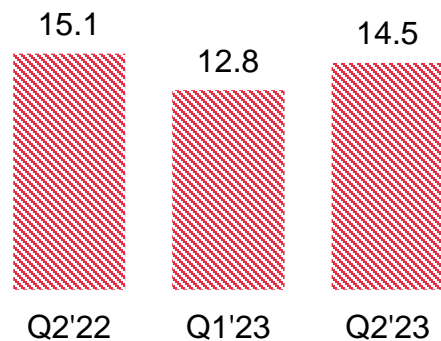
EBIT (\$ Mn)



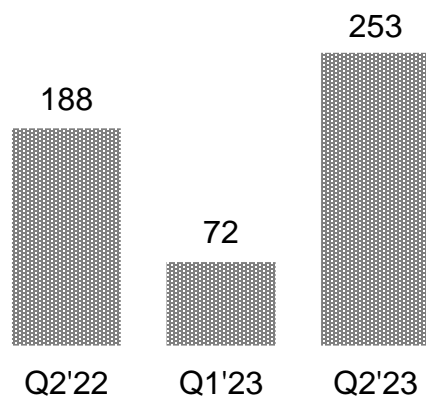
PAT (\$ Mn)



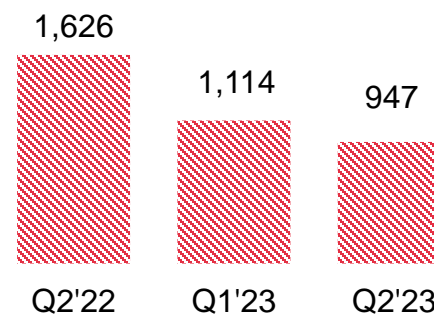
DILUTED EPS (Rs)



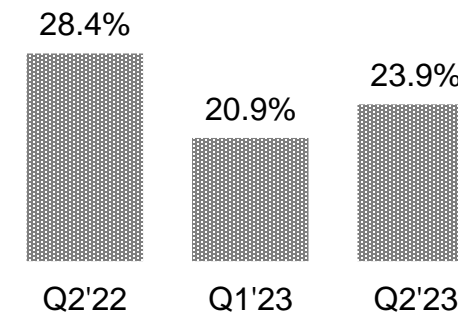
FCF (\$ Mn)



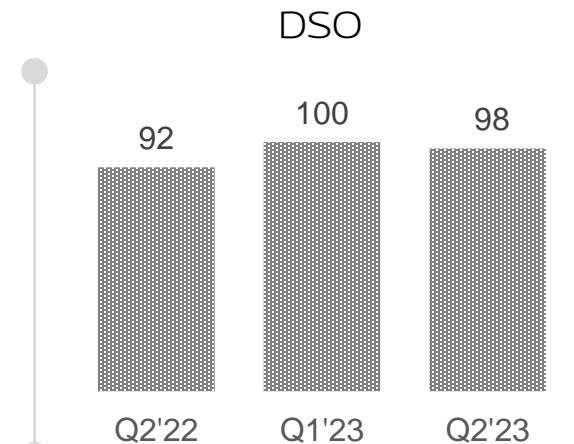
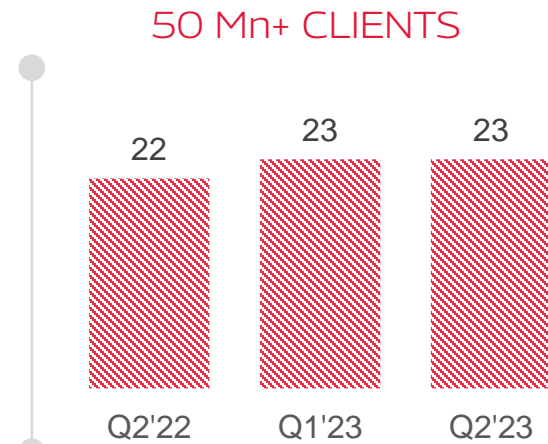
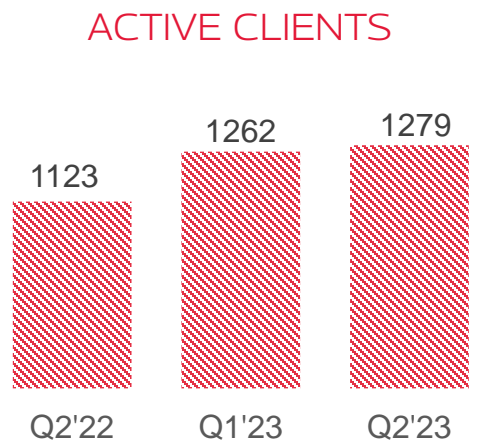
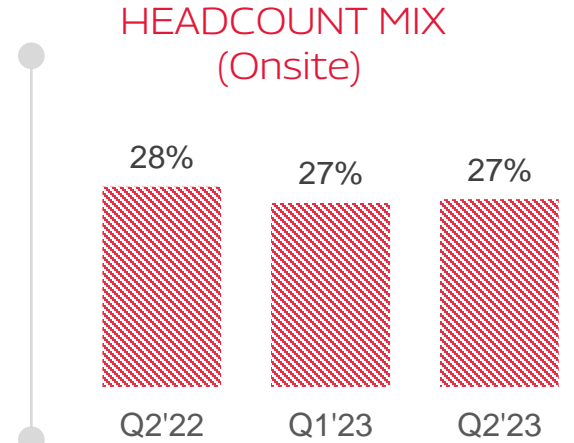
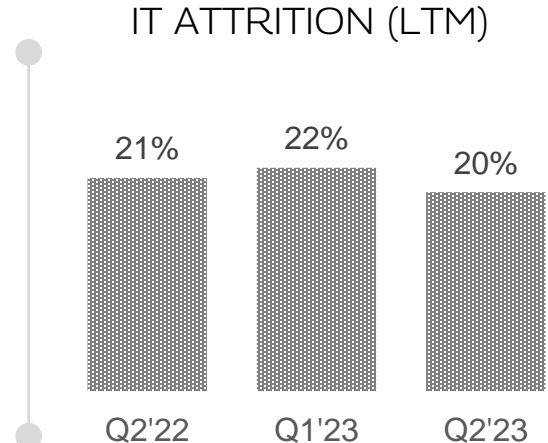
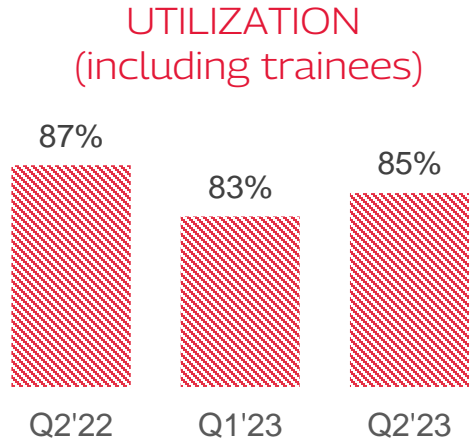
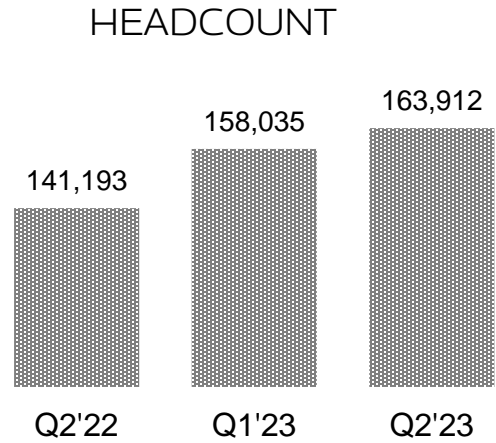
CASH & EQUIVALENTS (\$ Mn)



ROCE %



# Operational Snapshot



# Capital Allocation



## CAPITAL RETURN

Board approves Special  
Dividend of Rs 18/ Share



# Other Financial Highlights



## CASH CONVERSION

Free cash flow at \$ 253 Mn,  
conversion to PAT at 159%

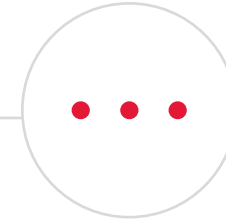
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DSO @ 98 days in Q2 FY23  
compared to 100 days in Q1 FY23,  
largely driven by better collections



## TREASURY

Hedge book at \$ 2,392 Mn  
compared to \$ 2,275 Mn in Q1  
FY23



## OTHERS

Tax rate at 21.9% in Q2 FY23,  
compared to 22.8% in Q1 FY23



# Financial Summary

in \$ Mn	Q2'23	QoQ	YoY
Revenue	1638	0.3%	11.2%
EBIT	184	3.9%	-17.6%
<i>EBIT %</i>	11.4%		
Other Income	36	131.0%	-4.8%
Miscellaneous + Interest Income	20		
Exchange Gain/(Loss)	16		
Profit Before Tax	206	9.5%	-19.9%
Provision for tax	45		
Profit After Tax	159	11.2%	-12.3%
<i>PAT %</i>	9.8%		
EPS (Basic) in Rs	15		
EPS (Diluted) in Rs	15		