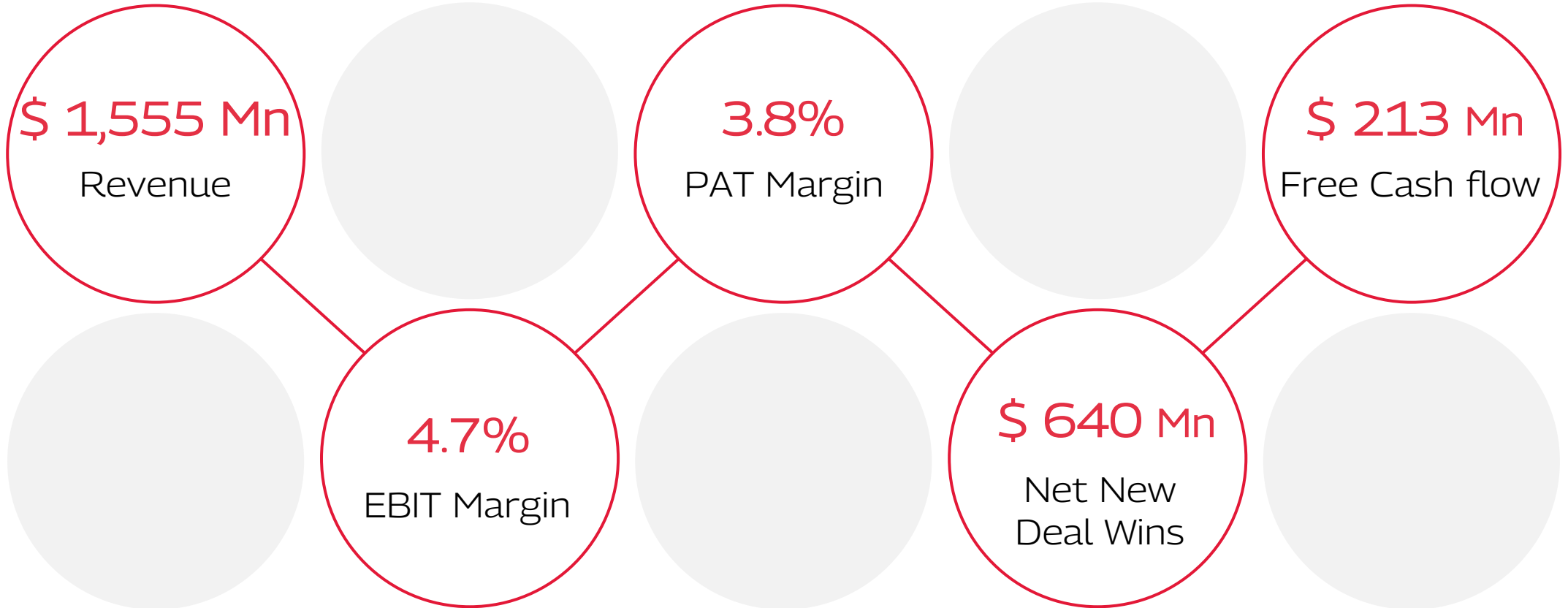


# Earnings Presentation

## Q2 FY24

September 2023

# Q2 FY24 Snapshot



# Q2 FY24 Snapshot

## FINANCIAL

↓ Revenue  
-2.8%  
(-2.4% cc)

↓ EBIT %  
-200 bps

↓ PAT %  
-140 bps

## OPERATIONAL

↑ Headcount  
150,604  
(+2,307)

↓ IT LTM attrition  
11.4%  
(down 140 bps)

↓ Utilization  
(incl trainees)  
86.1%  
(down 100 bps)

↓ Active Customers  
1,252  
(down by 3)

## SEGMENT

↓ CME  
-4.9%

↓ Enterprise  
-1.6%

↓ IT  
-2.5%

↓ BPS  
-0.7%

## GEOGRAPHY

↑ Americas  
0.7%

↓ Europe  
-6.8%

↓ ROW  
-6.4%

# Management Commentary



CP Gurnani  
CEO, Tech Mahindra



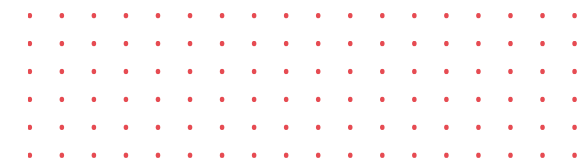
*The year is being characterized by a very challenging demand environment and prolonged macro uncertainties. We have doubled down on our strategy of working closely with our clients as they reprioritize their resources and help them simplify. As a result of that, we do see uptick in deal wins versus last quarter. We will continue to align our domain expertise to help our customers win in the marketplace in the near term as well.*



# Vertical Performance Q2 FY24



VERTICALS	Communications , Media & Entertainment	Manufacturing	Banking, Financial Services & Insurance	Technology	Retail, Transport & Logistics	Others
% SHARE	<b>37.0%</b>	<b>17.8%</b>	<b>16.1%</b>	<b>11.0%</b>	<b>8.2%</b>	<b>10.0%</b>
% QoQ	-4.9%	2.2%	-3.0%	-0.5%	0.7%	-8.4%
% YoY	-11.5%	5.7%	-6.3%	2.8%	-4.6%	-2.8%



# Deal-Win Performance

Total **TCV Q2 FY24**: \$ 640 Mn

Select **Deals**:



Selected by one of the largest US based global e-commerce giant to **modernize their customer experience services** in APAC and Europe.



Partnered with a leading EU based Fintech to deliver modern platforms for banks to **innovate, streamline and digitize their business processes while reducing cost overheads**



Selected as a **partner to transform the OSS stack** for an EU based telco. Tech Mahindra to deploy the entire ServiceNow + IQGEO solution, shut down the legacy stack & migrate all functionalities to the new stack

# Strategic Highlights



## ORGANISATIONAL RESTRUCTURE

- Organization structure **simplified and streamlined with key client markets** to foster deeper client intimacy and verticalized domain expertise
- **Focus on top accounts** to drive growth and prominence across buying centers
- **Delivery Service Lines consolidated and centralized** to enable efficiencies, superior customer experience and drive at-scale modernization with agility and innovation
- **Maximize synergy potential** and value capture from portfolio and parent group companies



## KEY APPOINTMENTS

- Tech Mahindra announced the **appointment of Atul Soneja as the Chief Operating Officer (COO)** effective 7th August 2023. With over **28 years of experience as a technology executive**, Atul is a proven leader known for deep strategic expertise, building a culture of success, and driving business transformation through focused execution in challenging and competitive markets.
- Tech Mahindra appoints **Head of BFSI-Americas**
- Tech Mahindra appoints **Head of BFSI-Europe and Head of Strategic Initiatives**

# Strategic Highlights: Generative AI



**50+** prebuilt  
uses cases



**50+** qualified  
opportunities



**7+** AI & Advanced  
Analytics **Labs**



**10000+** Associates trained

## Generative AI at Tech Mahindra - EEE Paradigm



### Effectiveness

Enterprise Search | QA

### Enterprise Knowledge Search

HR | Sales | Service | R&D | Legal  
| Field



### Efficiency

Improved developer  
productivity Pair Programming

### AI Pair Program Evangelization Code Migration

Codex | CoPilot



### Experience

Conversational AI

**Data Driven approach to infuse  
Generative AI** into existing and  
new Conversational AI flows



# Other Highlights



## COLLABORATIONS

- Tech Mahindra has partnered with IFS, the global cloud enterprise software company, making **Tech Mahindra the exclusive distributor of IFS technology in India, including the IFS Cloud platform**
- Tech Mahindra has partnered **with Google to launch Generative AI Powered Email** under Tech Mahindra's TechM amplifAI0->∞ suite of AI offerings
- Tech Mahindra has partnered with Anyverse, a hyperspectral synthetic data generation platform. The partnership will focus on **advanced driver assistance systems (ADAS), in-cabin systems, and autonomous vehicle (AV) applications.**



## OTHER HIGHLIGHTS

Tech Mahindra **inaugurated a local innovation center in Espoo, Finland.** The new center will accommodate a diverse workforce increasing the in-country headcount in collaboration with the local ecosystem. Further to the commitment in 2022 to set up a Makers Lab, the **newly opened center will also facilitate innovation in collaboration with new and existing customers** in the region. The team will work on new and emerging technologies such as Quantum computing, Generative AI and Metaverse. The Makers Lab will also **plug into the local startup ecosystem and universities** to provide new opportunities in R&D across customer industries.

# ESG & People Highlights



## STRENGTH & ATTRITION

Our employee strength is at **150,604**

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LTM attrition reduced to **11.4%**



## AWARDS

Won **10 Gold Awards** for DEI, talent acquisition, talent management, human resources, L&D and future of work at the **Brandon Hall Group HCM Excellence Awards™ 2023**

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**Only Indian Company to be featured in the top 100 Sustainable companies** listed in Sustainability Magazine

# Management Commentary



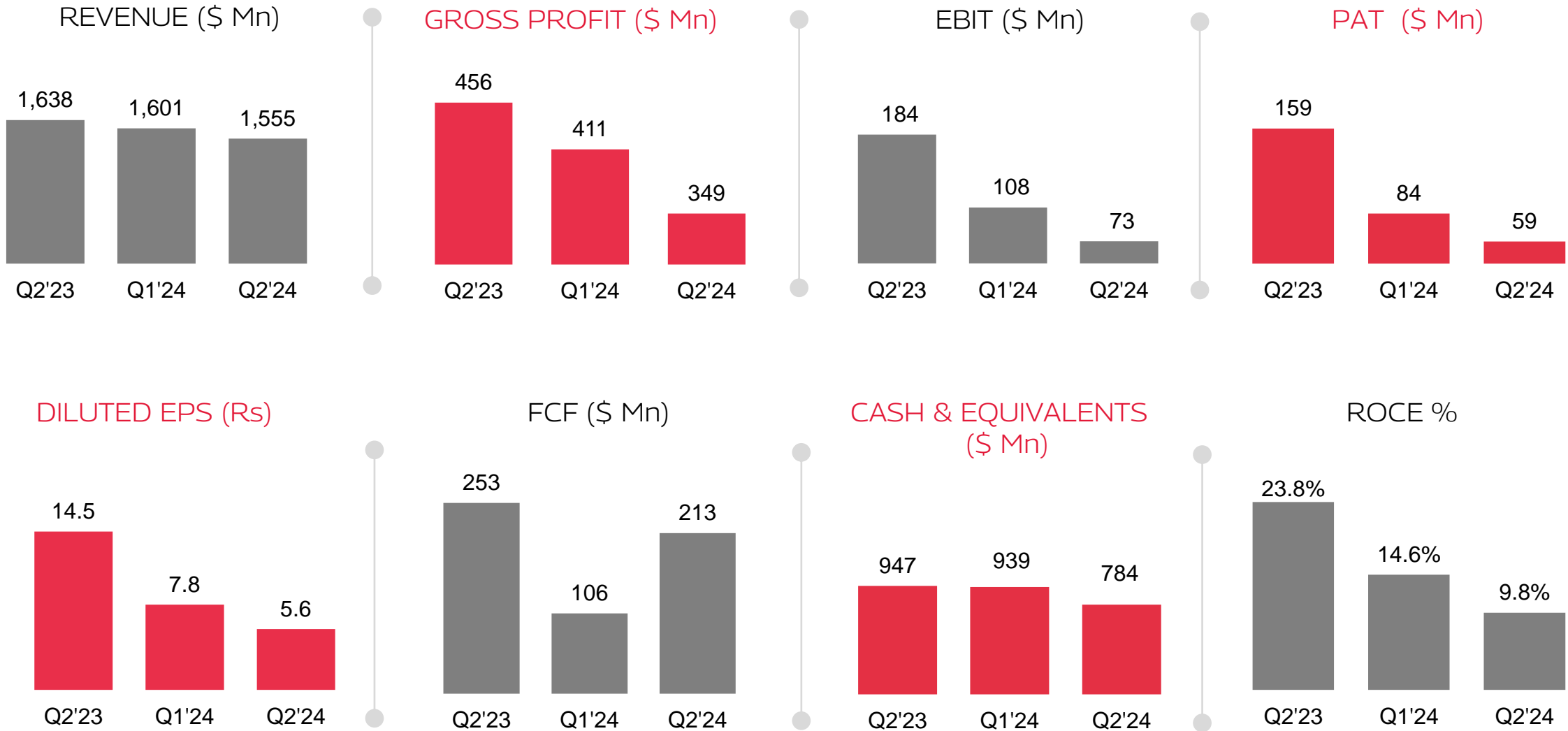
Rohit Anand  
CFO, Tech Mahindra



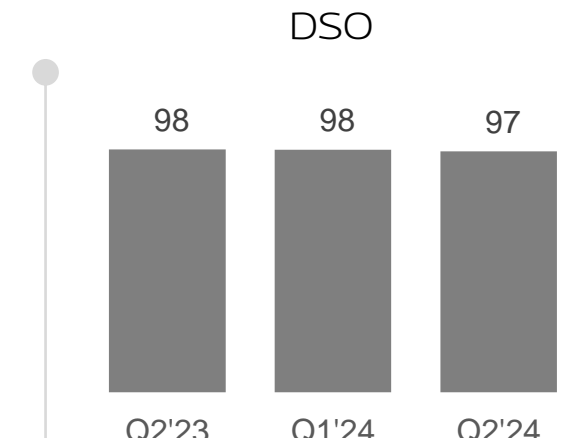
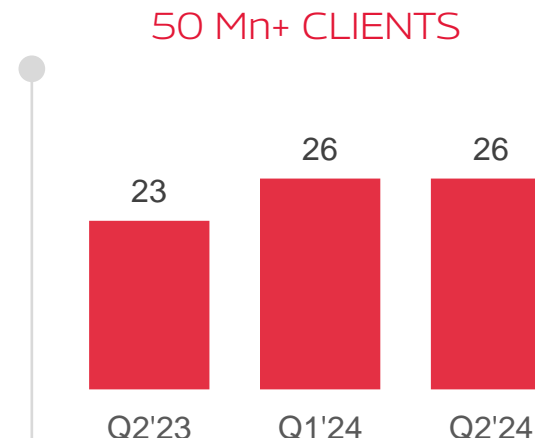
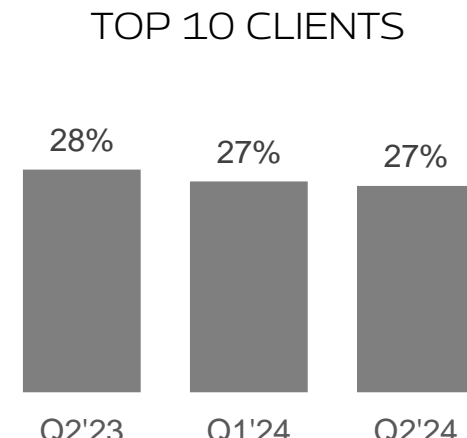
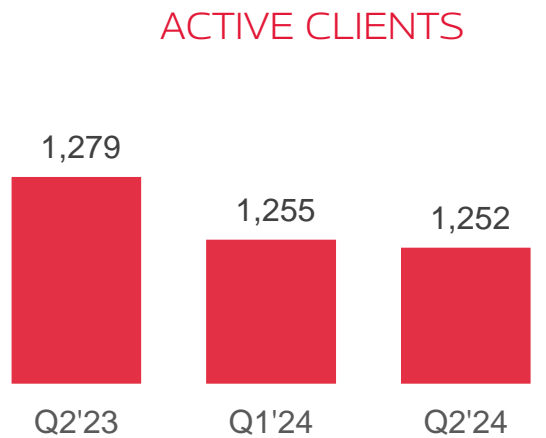
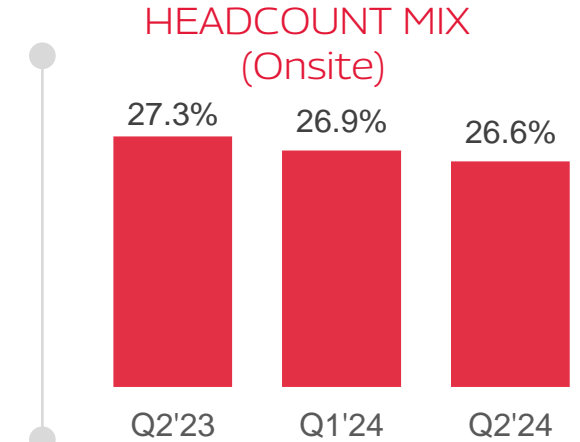
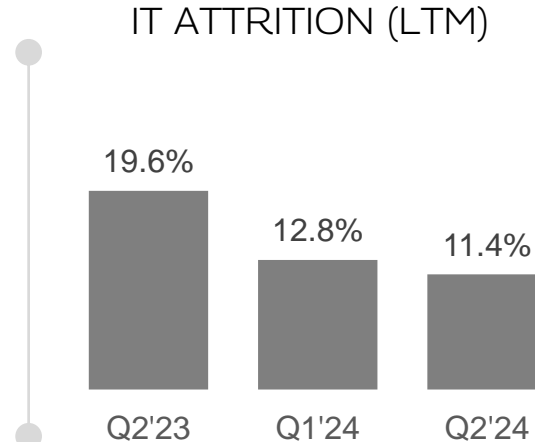
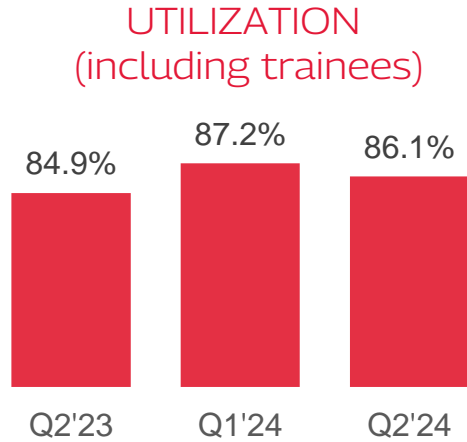
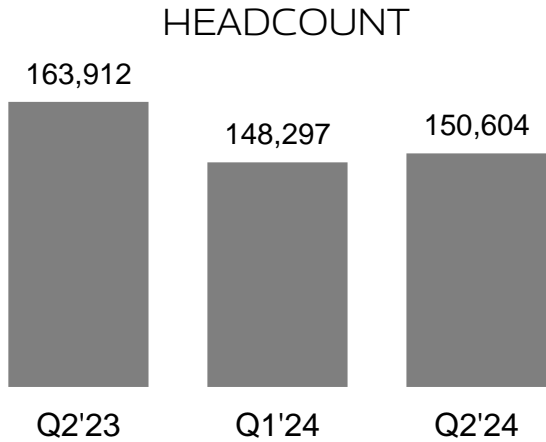
*We have taken actions to reduce the exposure to non-core areas of business. These actions will, over time, help us improve our financial performance and enable long term sustainable growth. A consistent dividend payout reinforces our commitment towards creating value for our shareholders*



# Financial Snapshot Q2 FY24



# Operational Snapshot Q2 FY24





# Other Financial Highlights



## CASH CONVERSION

Free cash flow at \$ 213 Mn

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DSO @ 97 days



## TREASURY

Hedge book at \$ 2,536 Mn compared to \$ 2,702 Mn in Q1 FY24

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USD/INR Q2 FY24 average exchange rate at 82.70



## OTHERS

Tax rate at 17.9 % in Q2 FY24, compared to 27.6 % in Q1 FY24

# Capital Allocation



## CAPITAL RETURN

- Interim Dividend of **Rs 12 per share**
- Payout Ratio for H1FY24 is **99% of PAT**

# Financial Summary Q2 FY24

in \$ Mn	Q2'24	QoQ	YoY
Revenue	<b>1,555</b>	<b>-2.8%</b>	<b>-5.1%</b>
EBIT	<b>73</b>	<b>-32.6%</b>	<b>-60.3%</b>
<i>EBIT %</i>	4.7%		
Other Income	<b>32</b>	<b>36.6%</b>	<b>-12.0%</b>
Miscellaneous + Interest Income	32		
Exchange Gain/(Loss)	0		
Impairment Costs	<b>18</b>		
Profit Before Tax	<b>74</b>	<b>-37.2%</b>	<b>-63.9%</b>
Provision for tax	13		
Profit After Tax	<b>59</b>	<b>-29.3%</b>	<b>-62.5%</b>
<i>PAT %</i>	3.8%		
EPS (Basic) in Rs	5.59		
EPS (Diluted) in Rs	5.57		



**TECH**

**mahindra**