

PRESS RELEASE

Tech Mahindra Q3'23 Revenue up 19.9% YoY

Mumbai – January 30th, 2023: [Tech Mahindra](#) Ltd., a specialist in digital transformation, consulting and business re-engineering services today announced the audited consolidated financial results for its quarter ended December 31st, 2022.

Financial highlights for the quarter (USD)

- Revenue at USD 1,668 mn; up 1.8% QoQ and up 8.8% YoY
 - Revenue growth 0.2% QoQ in constant currency terms
- EBITDA at USD 260 mn; up 6.0% QoQ, down 5.9% YoY
 - EBITDA margin at 15.6%, up 50 bps
- Profit after tax (PAT) at USD 157 mn; down 1.0% QoQ and down 14.4% YoY
- Free cash flow at USD 31 mn, conversion to PAT at 20.0%.

Financial highlights for the quarter (₹)

- Revenue at ₹ 13,735 crores; up 4.6% QoQ and up 19.9% YoY
- EBITDA at ₹ 2,144 crores; up 8.1% QoQ, up 4.1% YoY
- Consolidated PAT at ₹ 1,297 crores; up 0.9% QoQ and down 5.3% YoY

Other Highlights

- Total headcount at 157,068, down 4.2% QoQ
- Cash and Cash Equivalent at USD 780 mn as of December 31st, 2022

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CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said,

“We are witnessing moderation in growth given the tough macro economic environment. We will continue to work with our customers to pre-empt their technological requirements and identify new demand drivers, especially for digital services.”

Rohit Anand, Chief Financial Officer, Tech Mahindra, said,

“Our numbers reflect resilience as we continue to work on the expansion of operating margin. I am confident that our strategy of client centricity & agility combined with delivery led transformation will help us create value for our customers and stakeholders alike.”



Key Wins

- Tech Mahindra has been chosen as the strategic partner for building “OSS of Future”, an end-to-end OSS transformation including application development & cloudification, by one of world’s largest multinational telecommunications service providers.
- Tech Mahindra has signed a multi-year partnership with a digital wellness and health technology company to support and transform back-office medical operations, capturing and delivering quality health information across the digital landscape.
- Tech Mahindra has won a strategic deal with one of largest American multinational conglomerates to provide Cloud engineering and cross functional services including wing to wing data center management.
- Tech Mahindra has been chosen by a South-East Asian statutory authority to develop and maintain a fully integrated, end-to-end Conveyancing platform to digitize the country’s property related transactions leveraging it’s ESRM and Cloud capabilities.
- Tech Mahindra has won a large deal with an American multinational media and information conglomerate to support application development for Cloud migration and automation.
- Tech Mahindra has been selected as the digital transformation partner for a Swedish manufacturer of specialty oils to modernize enterprise IT architecture and establish efficient work processes across business, deliver transparency across value chain and harness the power of next-generation platforms.

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Business Highlights

- Tech Mahindra announced an innovative partnership with Swimming Australia to deliver technology support across all facets. As the Official Technology Partner, Tech Mahindra will help enhance high performance, participation, fan engagement, and administration.
- Tech Mahindra partners with Airtel to deploy captive private network at Mahindra's Chakan manufacturing facility, making it India's first 5G enabled Auto manufacturing plant under Tech Mahindra's '5G for Enterprise' program.
- Tech Mahindra launches Cloud BlazeTech, an integrated-sector-agnostic platform to maximize business value for cloud-powered enterprises globally. With Integrated cloud migration, cloud-native operation & self-healing governance model, the platform supports bi-modal infrastructure transformation. It also has integrations with hyperscalers' hybrid cloud platforms which can help enterprises achieve 25-30% cost savings and 30% improvement in migration time.
- Tech Mahindra partners with Mindtickle, a global leader in sales enablement and training technology to enhance sales effectiveness. The collaboration will provide clients with a unified, tech-enabled platform easing end-to-end sales enablement challenges.
- Tech Mahindra and Basis Technologies partner to accelerate delivery of Smart Utility Solutions in Europe and US. The strategic partnership will focus on streamlining business processes and operations significantly through its customer-centric services, dynamic work allocation, Business Process Exception Management (BPEM) closure control and smart one-office capability reducing Meter-to-Cash (M2C) errors and boost back-office efficiency.
- Tech Mahindra partners with Foxconn-initiated MIH Consortium to offer sustainable automotive engineering solutions. MIH is an open EV alliance that promotes collaboration in the mobility industry, and its partnership with Tech Mahindra will focus on developing sustainable mobility solutions by building the next generation of Electric Vehicles, autonomous driving solutions, and mobility service applications on a software defined car architecture.
- Tech Mahindra announced a strategic partnership with Altice Labs, an innovation center of Altice Group, to co-create, innovate, and jointly offer end-to-end solutions in BSS-OSS, connectivity, fiber, & 5G powered by advance data-driven analytics, AI-led digital and cloud native solutions.
- Tech Mahindra announced a strategic partnership with SoftTech, to provide customized solutions for end-to-end digital transformation of businesses in construction and infrastructure industry. The partnership will enable customers to streamline business operations, boost efficiency, and improve customer experience by leveraging leading-edge technologies like AI/ML, Building Information Modelling, Digital Twins, AR-VR-MR, Construction Wearables, Robotics, Metaverse, and IoT.

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Awards and Recognitions

- Tech Mahindra retained leadership position in the in the “TSV IT services & Internet Software and Services” segment of Dow Jones Sustainability Index (DJSI) 2022 with highest score of 89 and a 100 percentile as of Dec 2022
- Tech Mahindra was awarded ‘A’ rating in MSCI ESG ratings 2022
- TechM amplifAI0->∞ was awarded “Cool Product or Service of the Year in Business 2022” at the 12th Annual 2022 Business Excellence Awards by Globee® Business Awards
- Tech Mahindra MEA was recognized for its ground-breaking products/services in the E-commerce and New Technology Digital Marketplace Solutions space at GITEX
- Tech Mahindra received the “Company with Great Managers” award for 2022
- Tech Mahindra was recognized as one of the “Best Brands of 2022” by The Economic Times
- Tech Mahindra received the “Mahatma Award 2022 for Social Good & Impact – Decent Work and Economic Growth” for its SMART Program
- Tech Mahindra was recognized in the Burgundy Private Hurun India 500 list for 2022 as one of the “Top 10 Women Employers for 2022”
- Tech Mahindra won the ATF Awards 2022 for the “Best Assistive Technology CSR Initiative of the Year” under the Enablers category for its successful ARISE+ Program. It had also won the 8th CSR Impact Awards in the Special Category (Large) for ARISE+ Program
- Tech Mahindra won the “Best Healthcare Skilling Institute” by the CII Western Region
- Tech Mahindra won the “State Best Employer Award for Empowerment of Persons with Disabilities (PwDs)” by the Government of Telangana

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About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates and the society to Rise for a more equal world, future readiness, and value creation. It is a USD 6+ billion organization with 157,000+ professionals across 90 countries helping 1290 global customers, including Fortune 500 companies. It is focused on leveraging next-generation technologies including 5G, Metaverse, Blockchain, Quantum Computing, Cybersecurity, Artificial Intelligence, and more, to enable end-to-end digital transformation for global customers. It is the only Indian company in the world to receive the HRH The Prince of Wales' Terra Carta Seal for its commitment to creating a sustainable future. It is the fastest growing brand globally in 'brand value rank' and amongst the top 7 IT brands globally in brand strength with AA+ rating. With the NXT.NOWTM framework, Tech Mahindra aims to enhance 'Human Centric Experience' for its ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. Tech Mahindra aims at delivering tomorrow's experiences today and believes that the 'Future is Now'.

Tech Mahindra is the part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate. The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

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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 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.

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Consolidated financial for the Third quarter ended December 31, 2022 drawn under Ind AS

P&L in INR Mn	Q3 FY23	Q2 FY23	Q3 FY22
Revenue	137,346	131,295	114,508
Cost of Services	97,937	94,614	80,088
Gross Profit	39,409	36,681	34,420
SG&A	17,969	16,840	13,819
EBITDA	21,440	19,841	20,600
Other Income	2,472	2,902	2,231
Interest Expense	1,129	790	339
Depreciation & Amortization	4,981	4,917	3,621
Impairment of Goodwill and non current assets	-		
Share of profit / (loss) from associate	(90)	(153)	(7)
Profit before Tax	17,712	16,639	18,864
Provision for taxes	4,859	3,647	5,082
Minority Interest	113	(138)	(97)
Profit after Tax	12,966	12,854	13,685
EPS (₹ / share)			
Basic	15	15	16
Diluted	15	15	15