Tech Mahindra Q3'24 Revenue at Rs 13,101 crores; up 1.8% QoQ

Mumbai – January 24th, 2024: 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, 2023.

Financial highlights for the quarter (USD)

- Revenue at USD 1,573 mn; up 1.1% QoQ, down 5.7% YoY
    - Revenue up by 1.1% QoQ, declined by 5.4% YoY in constant currency terms
- EBITDA at USD 138 mn; up 6.4% QoQ, down 47.1% YoY; Margin at 8.8%, up 40 bps QoQ
- Profit after tax (PAT) at USD 61 mn; up 3.0 % QoQ, down 61.0 % YoY
- Free cash flow at $ 228 mn

Financial highlights for the quarter (₹)

- Revenue at ₹ 13,101 crores; up 1.8% QoQ, down 4.6% YoY
- EBITDA at ₹ 1,146 crores; up 6.9% QoQ, down 46.5% YoY
- Consolidated PAT at ₹ 510 crores; up 3.4% QoQ, down 60.6% YoY
- Earnings per share (EPS) at ₹ 5.8

Other Highlights

- Total headcount at 146,250 down 4,354 QoQ
- Cash and Cash Equivalent at INR 7,012 cr as of December 31, 2023

Mohit Joshi, Managing Director & Chief Executive Officer, Tech Mahindra, said,

"The quarter was a mixed outcome, with growth in the Manufacturing and Healthcare segments but muted spending in areas like Communications, BFSI, and Hi-tech. While this dichotomy in the markets will take its own time to settle, we are focusing internally on realigning under the new structure and strengthening the foundations of our organisation."

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

"This year has given us the opportunity to step back and review our portfolio. We are confident that these actions will help us correct our course and deliver value in the long term. We are encouraged by the robust cash conversions this year, and we hope to continue this rigor in other operational areas as well."

Key Wins

- Tech Mahindra was selected as a strategic IT and Transformation partner by a prominent Life and Annuities provider in North America. This is a large multi-pillar comprehensive transformation engagement that includes modernisation of the core through Cloud Migration, Applications, Infra and CSRM Managed Services, Service Management Transformation and End User Computing.

- Tech Mahindra was selected as a prime services partner by a US based Telco operator. Tech Mahindra will be responsible for Transformative Design, Development, Management and Support services for the tech stack across Digital, Infrastructure, Field Services, B/OSS Service Design/ Service Delivery, Data Management services in support of customer's Enterprise and Consumer lines of business.

- Tech Mahindra was selected as a top strategic partner by a Fortune 500 company in the Travel, Logistics & Hospitality space. The portfolio transformation deal includes scope of work across ADMS, Enterprise applications, Cloud, Next Gen- D&A, AI/ML as well as Digital (Design) with the customer benefitting from synergies and transform to a product organisation, drive digital transformation, hyper automation (GenAI driven development), and asset lite models through cloud adoption.

- Tech Mahindra was selected by one of the largest banks in Asia for a comprehensive Digital Banking CX deployment. The CX deployment features several cutting-edge technologies such as voice and chat bots, Omni channel CRM, sentiment/speech and text analytics, amongst others.

Business Highlights

- Tech Mahindra announced the appointment of Richard Lobo as the Chief People Officer (CPO). Richard brings on board over two decades of diverse experience leading the transformation of the people function across organisations. As a seasoned HR leader, Richard specialises in strategically aligning talent within organisations to create a people advantage for businesses. Prior to this, Richard was the Executive Vice President and HR Head for Infosys Ltd. He has served as a director on the Boards of Infosys Consulting and Infosys China.

- Tech Mahindra announced the appointment of Peeyush Dubey as the Chief Marketing Officer (CMO). With nearly 25 years of experience in marketing communications, digital marketing, and B2B marketing, Peeyush brings a wealth of experience in strategic leadership and marketing within the tech industry. Prior to this, Peeyush held the role of Chief Marketing Officer at MathCo. He has also served as Executive Vice President and CMO at LTI and contributed significantly to companies like Mindtree and Infosys in various leadership capacities.

- Tech Mahindra launched a new business unit Navixus™, within Tech Mahindra Business Process Services (BPS). Navixus™ combines strengths of Tech Mahindra's Business Process Services and recently acquired, Eventus Solutions Group, enabling customers to navigate digital crossroads. Navixus™ offers a value-accretive suite of expanded and enhanced capabilities, including consulting, operational excellence, intelligent automation, generative AI, CX technologies, Contact Centre as a Service (CCaaS), advanced analytics and managed services, guiding customers from optimization to transformation and assisting businesses in addressing the challenges arising from heightened customer expectations, omnichannel interactions, budget constraints, and inefficient processes.

- Tech Mahindra announced the launch of Populii, a crowdsourcing platform that enables gig workers to collaborate with leading organisations through micro jobs requiring human-in-the-loop services. The platform will create flexible work opportunities for the gig workforce while equipping businesses with reliable data from trained and qualified candidates to build competitive AI algorithms.

- Tech Mahindra announced the launch of 'Vision amplifAIer' solution under TechM amplifAI0->∞ suit of AI offerings and solutions. The solution will amplify the computer vision related use cases for enterprises. It will provide end-to-end life cycle management of computer vision (CV) projects, with emphasis on de-skilling the whole process. Tech Mahindra's Vision amplifAIer will reduce turnaround time by allowing techno-functional workforce to develop CV use cases without having data science skills by providing pre-built models and generative AI-led capability to create synthetic data, reuse existing models to be repurposed for new use case with power of transfer learning.

- Tech Mahindra announced a collaboration with Amazon Web Services (AWS) to build a sports cloud platform. The collaboration will offer a comprehensive digital platform to sports organisations, offering use cases related to content and community engagement, customer data management and audience segmentation, and sports analytics, while delivering immersive stadium-to-home fan experiences by leveraging augmented reality and virtual reality (AR/ VR), and metaverse gamification.

Awards and Recognitions

- Tech Mahindra was the only Indian IT company to make it to Dow Jones Sustainability Indices 2023, part of the DJSI World Index for the 9th consecutive year.

- Retained a 100 Percentile with a S&P Global ESG Score of 86 in Dow Jones Sustainability Index 2023, placing Tech Mahindra in the category of Top 1% S&P Global ESG Score. The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to their peers within the same industry classification.

- Tech Mahindra was recognized among the Top 100 Corporate Startup Stars (CSS) in 2023 by ICC (International Chamber of Commerce) and Mind the Bridge.

- Tech Mahindra was certified as a Great Place to Work for October 2023 to October 2024 by the Great Place to Work® Institute.

- Tech Mahindra was recognised as India's Most Sustainable Business of the Year 2023 at BW Sustainable World Conclave and Awards 2023.

- Tech Mahindra was recognised amongst the 'Progressive Places to Work – 2023' by ET Edge.

- Tech Mahindra was recognised amongst the 'Top 50 Companies with Great Managers' in India 2023 by People Business.

- Received Gold Sustainability rating in EcoVadis sustainability assessment placing Tech Mahindra in the top 5% of all rated companies across industries in EcoVadis' database over the previous 12 months.

- Tech Mahindra was included in Sustainalytics top ESG rated companies list receiving the badges of "ESG INDUSTRY TOP RATED" and "ESG REGIONAL TOP RATED" 2023.

Analyst Ratings & Recognitions

- Tech Mahindra recognised as a Leader in Digital Factory/Manufacturing Solutions for North America and Europe region by ISG Manufacturing Industry Services and Solutions 2023 rankings.

- Tech Mahindra recognised as a Leader in Manufacturing Supply Chain and Procurement Services for North America by ISG Manufacturing Industry Services and Solutions 2023 rankings.

- Tech Mahindra recognised as a Major Player in Worldwide Smart Manufacturing Asset Management Service Providers 2023-2024 Vendor Assessment, Worldwide Smart Manufacturing Quality Management Service Providers 2023–2024 Vendor Assessment, Worldwide Smart Manufacturing Production Management Service Providers 2023–2024 Vendor Assessment, Worldwide Smart Manufacturing Strategy Service Providers 2023-2024 Vendor Assessment by IDC in the IDC MarketScape rankings.

- Tech Mahindra recognised as a Leader in Intelligent Enterprise Automation and Artificial Intelligence for IT Operations (AIOps) for U.S by ISG Intelligent Automation Services and Solutions 2023 rankings.

- Tech Mahindra recognised as Challengers in Cybersecurity Consulting Services In Asia Pacific, Q4 2023 in The Forrester Wave™ report by Forrester.

- Tech Mahindra recognised as a Leader in Telecom Intelligent Business Process Services (BPS), Telecom Managed and Next-Gen IT Services (ITS), and Media and Entertainment Managed and Next-Gen IT Services (ITS) for North America region by ISG Telecom, Media & Entertainment Services 2023 rankings.

- Tech Mahindra recognised as a Major Contender in Cloud Services in Insurance by Everest in their PEAK Matrix® Assessment 2023.

- Tech Mahindra recognised as a Leader in Insurance ITO Services for Europe by ISG Insurance Services 2023.

- Tech Mahindra recognised as a Major Player in Asia/Pacific Cloud Professional Services 2023–2024 Vendor Assessment by IDC in their IDC MarketScape rankings.

- Tech Mahindra recognised as a Leader in Consulting & Transformation Services Midmarket and Managed Services for Midmarket for the Nordics, U.S, and U.K region by ISG Multi Public Cloud Services 2023 rankings.

- Tech Mahindra recognised as a Major Player in Worldwide Software Engineering Services 2023 Vendor Assessment by by IDC in their IDC MarketScape rankings.

- Tech Mahindra recognised as a Leader in Data Science Services - Large Market, Data Engineering Services - Large Market, and Data Management Services - Large Market for the U.S and Europe region by ISG Analytics Services 2023 rankings.

- Tech Mahindra recognised as a Leader in GCC Oracle Application Implementation Services 2023–2024 Vendor Assessment by IDC in their IDC MarketScape rankings.

- Tech Mahindra placed in the Leadership Zone in Overall Ratings 2023, Digital Engineering Services Ratings 2023, Data & AI Engineering Services Ratings 2023, Experience Engineering Ratings 2023, Industry 4.0 Ratings 2023, Hyperscalers Services Ratings 2023, US Ratings 2023, Europe Ratings 2023, Automotive Ratings 2023, Software Platform Engineering Ratings 2023, Enterprise Software Ratings 2023, Consumer Software Ratings 2023, Aerospace Ratings 2023, Industrial Ratings 2023, Telehealth Ratings 2023, Telecommunication Ratings 2023, and Semiconductor Ratings 2023 by Zinnov in their ER&D Services ratings.

- Tech Mahindra recognised as a Leader for Provider - Digital Transformation Services for the U.S and U.K region by ISG Healthcare Digital Services 2023 rankings.

- Tech Mahindra recognised as Horizon 2 - Enterprise Innovator in Life Sciences Service Provider by HFS Horizons.

- Tech Mahindra recognised as Market Leader in Retail and CPG Service Providers by HFS Horizons.

- Tech Mahindra recognised as a Leader in Global - OCM Platforms by ISG Organizational Change Management (OCM) Platforms and Tools rankings.

- Tech Mahindra recognised as a Leader in Blockchain Services 2023-2024 by Avasant.

About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates, and society to Rise for a more equal world, future readiness, and value creation. It is a USD 6.5+ billion organization with 146,000+ professionals across 90 countries helping 1250+ 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 first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognises global companies that are actively leading the charge to create a climate and nature-positive future. It is the fastest growing brand globally in 'brand value rank' and among the top 7 IT brands globally in brand strength with AA+ rating. With its NXT.NOW™ 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. It aims at delivering tomorrow's experiences today and believes that the 'Future is Now'.

Tech Mahindra is 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.
Connect with us on www.techmahindra.com

Our Social Media Channels

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Consolidated financial for the third quarter ended December 31, 2023 drawn under Ind AS

P&L in INR Mn	Q3 FY24	Q2 FY24	Q3 FY23
Revenue	**131,013**	**128,639**	**137,346**
Cost of Services	99,649	99,752	97,937
Gross Profit	**31,365**	**28,887**	**39,409**
SG&A	19,900	18,164	17,969
EBITDA	**11,464**	**10,723**	**21,440**
Other Income	875	2,642	2,472
Interest Expense	1,165	975	1,129
Depreciation & Amortization	4,434	4,657	4,981
Impairment of Goodwill and non current assets	-	1,495	-
Share of profit / (loss) from associate	48	(85)	(90)
Profit before Tax	**6,788**	**6,153**	**17,712**
Provision for taxes	1,551	1,100	4,859
Minority Interest	133	114	(113)
Profit after Tax	**5,104**	**4,939**	**12,966**
EPS (₹ / share)			
Basic	**5.8**	**5.6**	**14.7**
Diluted	**5.8**	**5.6**	**14.6**