

PRESS RELEASE

Tech Mahindra reports 29% increase in PAT, Board recommends dividend of Rs 28 per share

Bengaluru – April 25th, 2024: [Tech Mahindra](#) (NSE: TECHM), a leading global provider of technology consulting and digital solutions to enterprises across industries announced the audited consolidated financial results for its quarter and year ended March 31st, 2024.

Financial highlights for the quarter (USD)

- Revenue at USD 1,548 mn; down 1.6% QoQ, down 7.2% YoY
 - Revenue declined by 0.8% QoQ, by 6.4% YoY in constant currency terms
- EBITDA at USD 169 mn; up 22.9% QoQ, down 31.1% YoY; Margin at 10.9%, up 220 bps QoQ
- Profit after tax (PAT) at USD 79 mn; up 29.5% QoQ, down 41.5% YoY
- Free cash flow at USD 129 mn

Financial highlights for the quarter (₹)

- Revenue at ₹ 12,871 crores; down 1.8% QoQ, down 6.2% YoY
- EBITDA at ₹ 1,408 crores; up 22.8% QoQ, down 30.3% YoY
- Consolidated PAT at ₹ 661 crores; up 29.5% QoQ, down 40.9% YoY
- Earnings per share (EPS) at ₹ 7.45

Financial highlights for the year (USD)

- Revenue at USD 6,277 mn; down 5.0% YoY
 - Revenue declined by 4.7% YoY in constant currency terms
- EBITDA at USD 599 mn; down 39.5% YoY; Margin at 9.6%, down 550 bps YoY
- Profit after tax (PAT) at USD 284 mn; down 52.2% YoY
- Free cash flow at USD 676 mn

Financial highlights for the year (₹)

- Revenue at ₹ 51,996 crores; down 2.4% YoY

PRESS RELEASE

- EBITDA at ₹ 4,965 crores; down 38.2% YoY
- Consolidated PAT at ₹ 2,358 crores; down 51.2% YoY
- Earnings per share (EPS) at ₹ 26.58

Other Highlights

- Total headcount at 145,455 down 795 QoQ;
- Cash and Cash Equivalent at INR 7,912 cr as of March 31, 2024



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

“As we step into FY’25, we look forward to improvement in clients spending, which fuels our optimism for a better revenue performance ahead. Our unique ability to enable customers with transformative scale at unparalleled speed, differentiates us from competitors. FY’24 posed its fair share of challenges for the IT services sector; yet, amidst the global economic uncertainties, we continue to observe a notable push towards digital adoption.”

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

“With another quarter of robust cash generation, we have reported improvement in deal wins and operating margins in Q4FY’24, which has enabled consistent dividend distribution. We are confident that our actions will lead to steady earnings growth in the coming years. We will continue to focus on operational excellence and cost savings to deliver superior shareholder returns.”



Key Wins

- Tech Mahindra was selected by a Sweden headquartered global Fintech bank to provide customer experience and support services for its clients across Europe, the Americas, and the ANZ region. This deal also resulted in Tech Mahindra establishing a new delivery centre in the region, further expanding the company’s footprint in the fast-growing Nordic market.
- Tech Mahindra was selected by an Australian telecommunications company to transform its business processes across multiple service lines, including customer operations and experience, complex enterprise operations, back office and support operations, through the deployment of intelligent automation and new-age customer experience technologies.
- Tech Mahindra was selected by a European global marine and energy tech manufacturing organization to deliver Infrastructure and Cloud Services. Tech Mahindra will provide Digital Workplace Services & DaaS for the customers’ global workforce, End User Services, SIAM, Service Desk and ICT Production Services, and Cloud Excellence Services.

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Business Highlights

- Tech Mahindra and Indosat Ooredoo Hutchison (Indosat or IOH) signed a Memorandum of Understanding (MoU) to build 'Garuda,' a Large Language Model (LLM) to preserve Bahasa Indonesia, the official and national language of Indonesia and its dialects. Garuda will be built on the principles of Tech Mahindra's indigenous LLM 'Project Indus', a foundational model designed to converse in a multitude of Indic languages and dialects. The partnership will create multiple use cases and enable Indosat's customers to leverage various applications, including customer support, experience, and content creation across industries.
- Tech Mahindra signed a strategic partnership with Etihad Etisalat (Mobily), a leading TMT company in Saudi Arabia, to deliver best-in-class loyalty programs for its individual and business customers. Focused on elevating customer loyalty programs, the partnership will deploy Comviva's GenAI-powered next-generation MobiLytix™ Rewards to revamp Mobily's Neqaty loyalty program. The partnership will also provide gamification, digital marketing technology, and advanced business analytics to execute high-impact loyalty marketing programs for Mobily's customers.
- Tech Mahindra and Pegatron, a global leader in technology and electronics manufacturing, signed a Memorandum of Understanding (MoU) to develop private 5G solutions for global enterprises. The partnership will explore mutually beneficial opportunities in the fast-growing private 5G space, positioning it as a catalyst for business growth, by leveraging the purpose-built private 5G product portfolio marketed under Pegatron's 5G business unit, combined with Tech Mahindra's proven expertise in large-scale 5G transformations.
- Tech Mahindra announced the opening of a Synergy Lounge in collaboration with IBM to accelerate digital adoption for enterprises in the APAC region. Located at Tech Mahindra's campus in Singapore, the Lounge will assist enterprises in operationalizing and deriving value from next-gen technologies, including AI, Intelligent Automation, Hybrid Cloud, 5G, Edge Computing, Cybersecurity, among others. The Lounge will be open to enterprises worldwide to explore joint solutions, test prototypes and proof of value (PoV) designed to drive innovation across industries.
- Tech Mahindra announced a strategic partnership with Competera, a US headquartered pioneer in AI-powered pricing technologies company that enables retailers to set and maintain optimal pricing in real-time. The partnership will provide retailers with swift and efficient deployment of price optimization solutions using Competera's AI pricing platform combined with Tech Mahindra's comprehensive end-to-end business engineering services, including consulting, integration, customization, and product support, empowering them to increase bottom-line metrics and foster brand loyalty.
- Tech Mahindra announced the launch of i.Riskman, an ESG risk assessment platform designed to identify, assess, and manage climate-related risks. i.Riskman is a centralized platform for enterprise risk management that offers an automated risk register as a point of reference for the risk management committee and the board. It is designed to be flexible, agile, and scalable, adapting to evolving and expanding risks. Additionally, the platform will empower customers with real-time analysis, access to the latest climate models, advanced data visualization, and analytics.

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- Tech Mahindra announced a strategic partnership with TOTSCo to design, build and operate a message-exchange platform for the UK telecom industry. The platform built with a state-of-the-art cloud-native architecture ensures security, robustness, and scalability, allowing consumers to seamlessly switch telecom service providers and take advantage of the range of available services. TOTSCo Hub will utilize Comviva's BlueMarble Business Support System (BSS) platform and WSO2's API Management and Integration software for Communication Provider (CP) Management. This partnership will support the management of the platform which will facilitate easy integration of delivery and operations teams across multiple domains such as business, IT, infrastructure, and security.
- Tech Mahindra signed a strategic partnership with Proximus, Belgium's leading digital services and communications solutions provider to jointly design and build a technology platform, 'Tech Hub' that will provide next-generation connectivity offerings for business-to-consumer (B2C), business-to-business (B2B), and business-to-business-to-any (B2B2X) segments. With the new platform, consumers and businesses will be able to explore, purchase, and activate the services from Proximus as well as their partner ecosystem with self-service options and take advantage of the range of next-generation digital offerings.

Awards and Recognitions

- Tech Mahindra was recognized amongst the 'Best Organizations for Women 2024' by ET NOW.
- Tech Mahindra was listed in the CDP Supplier Engagement Leaderboard 2023 and recognized as the only Indian Company to have received the 'A' score for Transparency, in both, Climate Change and Water Security by CDP.
- Tech Mahindra is the only Indian IT company to be included in the top 5% of global sustainable companies and a member of S&P Global Yearbook 2024 for the 9th consecutive year.
- Tech Mahindra was recognized as 'ESG Champion of India 2024' in the Software & IT Services sector by Dun & Bradstreet.
- Tech Mahindra was classified as a "Low Risk" entity and included in Morningstar Sustainalytics 2024 Top ESG rated companies list.

Analyst Ratings & Recognitions

- Tech Mahindra won the most number of Standouts in the 2023 ISG Case Study Research.
- Tech Mahindra recognized as a Leader in the Retail IT Services PEAK Matrix® Assessment 2024 by Everest.
- Tech Mahindra recognized as a Leader in the Procurement Services 2024 - Global - Direct Procurement Enablement and Modernization Services quadrant by ISG.
- Tech Mahindra recognized as a Leader in NelsonHall CX Services Transformation 2024 NEAT (Overall), quadrant by Nelson Hall.
- Tech Mahindra recognized by HFS Research as a Market Leader in HFS Horizons: Customer Experience Service Providers, 2024 report.

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About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 145,000+ professionals across 70+ countries helping 1100+ clients, TechM provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design services, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, in recognition of actively leading the charge to create a climate and nature-positive future.

Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies. For more information on how TechM can partner with you to meet your scale at speed imperatives, please visit <https://techmahindra.com>

Our Social Media Channels    

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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 Statement for the Fourth quarter and Year ended March 31, 2024 drawn under Ind AS

P&L in INR Mn	Q4 FY24	Q3 FY24	Q4 FY23	FY 24	FY 23
Revenue	128,713	131,013	137,182	519,955	532,902
Cost of Services	93,941	99,648	97,484	391,147	381,197
Gross Profit	34,772	31,365	39,698	128,808	151,705
SG&A	20,694	19,900	19,493	79,163	71,417
EBITDA	14,078	11,465	20,205	49,645	80,288
Other Income	3,735	875	3,055	9,169	9,650
Interest Expense	585	1,165	934	3,922	3,256
Depreciation & Amortization	4,614	4,434	4,902	18,171	19,567
Impairment of Goodwill and non current assets	3,087	0	2,126	4,582	2,370
Share of profit / (loss) from associate	64	48	(50)	105	(290)
Profit before Tax	9,591	6,788	15,249	32,244	64,455
Provision for taxes	2,949	1,551	3,999	8,276	15,885
Minority Interest	32	133	73	390	257
Profit after Tax	6,610	5,104	11,177	23,578	48,313
EPS (₹ / share)					
Basic	7.5	5.8	12.7	26.7	54.8
Diluted	7.5	5.8	12.6	26.6	54.5