Tech Mahindra FY19 Revenue up 12.9%, EBITDA up 34.6% YoY

Technology

Author : mahindraadmin Category : Technology Published : 5/21/2019

Board recommends dividend of ₹ 14/- per share

Mumbai - May 21, 2019: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering today announced the audited consolidated financial results for its fourth quarter and year ended March 31, 2019

Financial highlights for the Year (USD)

- Revenue at USD 4,970.5 mn; up 4.2% YoY
  - Revenue growth up 5.8% YoY, in constant currency terms
  - Revenue from digital services grew 41% YoY
- EBITDA at USD 905.9 mn; up 24.3% YoY
- Consolidated PAT at USD 614.6 mn, up 4.5% YoY
- Free Cash flow for FY19 at USD 534.5 mn

Financial highlights for the year (₹)

- Revenue at ₹ 34,742 crore; up 12.9% YoY
- EBITDA at ₹ 6,337 crore; up 34.6% YoY;
  - Margins at 18.2%; up 290 bps YoY
- Profit after tax (PAT) at ₹ 4,298 crore; up 13.1% YoY
- Earnings per share (EPS) was at ₹ 48.5 for the year ended March 31, 2019
- The Board has proposed a dividend of ₹ 14 /- per share on the FV of ₹ 5 (280%).
- Free Cash flow for FY19 at ₹ 3,708 Crore

Financial highlights for the quarter (USD)

- Revenue at USD 1,267.5 mn; up 1.9% YoY
- EBITDA at USD 234.8 mn; up 8.1% YoY
- Consolidated PAT at USD 162.3 mn, down 13.7% YoY

Other Highlights

- Total headcount at 121,082; up 8,275 annually;
  - BPO headcount at 43,081
- Cash conversion to PAT at 107% for Q4'19 and 87% for FY'19
- Cash and Cash equivalent of USD 1,401 mn as of March 31, 2019
- The Active Clients count stood at 938 in Q4'19, up by 3 QoQ

C P Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra said, *"We had a satisfactory year, characterized by significant margin improvements, a growing digital portfolio and considerable increase in deal wins.*

While our Enterprise business has performed satisfactorily during the year, we are encouraged by the revival of the Communications business. Our continued investments into our partner ecosystem for building a unique portfolio of 5G offerings will enable us to address the Networks of the Future opportunity."

Manoj Bhat, Chief Financial Officer, Tech Mahindra said, *"It has been a year of overall operational performance improvement on various fronts, leading to a significant expansion in EBITDA margin year on year. We initiated our maiden share buyback program on the back of a healthy cash conversion during the year, with a view to returning enhanced value to our shareholders."*

Key Wins

- Selected by one of the world's top technology players in Asia as an automation partner to digitally transform and enhance its process efficiency and IT solutions through smart and intelligent operations.
- TechM has been selected by a leading Aircraft Manufacturer for full aircraft cabin design and engineering for all its programs
- Engaged by a Government Agency in the Middle Eastern region as a strategic partner to support their digitization initiatives
- TechM has been selected by a Tier 1 American Telco to design, build, maintain and support their real-time analytics platform, leveraging Tech Mahindra's agile delivery model.
- Signed a deal with a Department of an African Government for SAP S/4 HANA Implementation across different units.
- TechM has won a deal with a leading network equipment provider. TechM will be responsible for end to end management of their cloud

engineering services.

- Engaged by a UK-based multi-national banking and financial services organization as a strategic partner for transformation journey of its Malaysian operations
- Signed a deal with a leading semiconductor manufacturer in the US. TechM is required to design, build and manage the IT Infrastructure (Towers – hosting, networking, workspace, IT security and service management) and applications environments and services for the customer over the next four years.
- Selected by a leading cloud platform company as the managed services partner for the management, maintenance, support, and operations of the infrastructure.
- TechM has won a deal with one of the largest Telcos in the Caribbean region for a greenfield transformation project, leveraging Tech Mahindra's knowledge of best practices and processes.
- Selected by a US headquartered largest wellness platform serving 35 Mn customers across 130 countries as a strategic consulting and transformation partner.
- Engaged by one of the largest courier and local package delivery service provider as a managed services partner for its infrastructure services.

Business Highlights

- Tech Mahindra and University of Nebraska at Omaha (UNO) collaborate to create a FutureReady Workforce in the Midwestern U.S., armed with the latest digital capabilities and indemand skills.
- Tech Mahindra will enter into a unique partnership with U.S. Based Orbic to co- design and cocreate a 5G device portfolio including a

Smartphone, Tablet, Hotspot and Home Router in India and the U.S., for the global markets.

- Tech Mahindra has joined the TBCASoft to promote the Cross-Carrier Blockchain Platform for telecom carriers.
- University of Sydney partners with Tech Mahindra's research arm, Makers Lab to co-create Next Gen Technology Solutions to tackle issues set out by industry, community and government organizations.
- Tech Mahindra Launches "netOps.ai" its Network Automation and Managed Services Framework based on CI/CD (Continuous Integration / Continuous Deployment) principles to accelerate 5G Network adoption by automating all the key network life cycle stages.

Awards and Recognitions:

- Tech Mahindra has been recognized as a gold winner for being the Most Innovative Cybersecurity Company for GDPR compliant offering – PDPAAS - Privacy and Data Protection as a Service at the Cybersecurity Excellence Awards 2019.
- Tech Mahindra won Best Crisis and Reputation Communication of the Year 2019 at 1st edition of Corporate Communication PR Summit & Awards organized by Kamikaze B2B Media.
- TechMNxt Communication campaign emerged as a winner in the Best Campaign in Enterprise (B2B) category at the Economic Times Kaleido Awards 2019.
- Tech Mahindra has been selected as Brand of the Decade 2019 by BARC Asia, a media research and rating agency. The parameters for judging included - Trust, Image, Sustainability, Goodwill, Positioning, Recall, Growth, Reach, Innovation.

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. We are a USD 4.9 billion company with 121,000+ professionals across 90 countries, helping 938 global customers including Fortune 500 companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to our stakeholders. Tech Mahindra is the highest ranked Non-U.S. company in the Forbes Global Digital 100 list (2018) and in the Forbes Fab 50 companies in Asia (2018).

We are part of the USD 21 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

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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.

Audited consolidated financial results for the quarter and year ended March 31, 2019 drawn under India AS

Consolidated Income Statement

Particulars	**Quarter Ending**			**Year Ending**	
	Mar-19	**Dec-18**	**Mar-18**	**Mar-19**	**Mar-18**
Revenue	**88,923**	**89,437**	**80,545**	**3,47,421**	**3,07,729**
Cost of Services	59,482	59,845	54,886	2,33,590	2,15,300
Gross Profit	**29,441**	**29,592**	**25,659**	**113,831**	**92,429**
SG&A	13,054	12,366	11,540	50,462	45,333
EBITDA	**16,387**	**17,226**	**14,119**	**63,369**	**47,096**
Other Income	1,671	806	4,513	5,342	14,165

Interest Expense	281	358	527	1,332	1,624
Depreciation & Amortization	2,704	2,836	2,986	11,292	10,850
Share of profit / (loss) from associate	(272)	(132)	0	(655)	1
Profit before Tax	**14,801**	**14,706**	**15,118**	**55,432**	**48,788**
Provision for taxes	3,535	2,638	2,810	12,544	10,926
Minority Interest	59	(39)	(88)	88	136
Profit after tax	**11,325**	**12,029**	**12,220**	**42,976**	**37,998**
EPS (₹/ share)					
Basic	12.77	13.55	13.84	48.47	43.02
Diluted	12.58	13.45	13.72	47.72	42.66

Tags :

Financial release | Tech Mahindra | Mahindra Awards