Tech Mahindra FY21 Revenues up 2.7% FY21 EBITDA margins at 18.1%

Technology

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Pune – April 26th, 2021: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its fourth quarter and year ended March 31, 2021.

Financial highlights for the Year (USD)

- Revenue at USD 5,111.1 mn; down 1.4% YoY
- EBITDA at USD 925.6 mn; up 15.2% YoY;
    - Margins at 18.1%; up 260bps YoY
- Profit after tax (PAT) at USD 597.8 mn; up 5.5% YoY
- Free cash flow at $ 965 mn, conversion to PAT at 162%

Financial highlights for the year (?)

- Revenue at ? 37,855 crores; up 2.7% YoY
- EBITDA at ? 6,847 crores; up 19.6% YoY;
    - Margins at 18.1%; up 260bps YoY

- Profit after tax (PAT) at ? 4,428 crores; up 9.8% YoY
- Earnings per share (EPS) was at ? 50.19
- The Board has proposed a Final Dividend of ? 15/- per share (300%) and a Special Dividend of ? 15/- per share (300%) on the FV of ? 5 in addition to the Special Dividend of ? 15 /- per share declared earlier.
    - Total Dividend declared for FY21 is of ? 45/- per share (900%)
- Free Cash flow of ? 7,169 Crore

Financial highlights for the quarter (USD)

- Revenue at USD 1329.6 mn; up 1.6% QoQ, up 2.7% YoY
    - Revenue growth at 0.7% QoQ in constant currency terms
- EBITDA at USD 266.1 mn; up 3.5% QoQ, up 45.6% YoY
    - Margins at 20.0%; up 40bps QoQ
- Profit after tax (PAT) at USD 147.7 mn; down 16.9% QoQ, up 35.5% YoY
- Free cash flow at $ 187 mn, conversion to PAT at 127%

Financial highlights for the quarter (?)

- Revenue at ? 9,730 crores; up 0.9% QoQ, up 2.5% YoY
- EBITDA at ? 1,948 crores; up 2.8% QoQ, up 44.5% YoY
- Consolidated PAT at ? 1,081 crores; down 17.4% QoQ, up 34.6% YoY
- Earnings per share (EPS) was at ? 12.26

Other Highlights

- Total headcount at 121,054, down 847 QoQ
- Cash and Cash Equivalent at USD 1780.9 mn as of March 31, 2021

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said, *"Our continued focus on cutting-edge technologies has expanded client engagement with large deal wins this quarter. We are witnessing a strong demand acceleration and are committed towards delivering a next-level human-centered experience of the future, Now. The health and wellness of our associates and community at large, continues to be our prime focus, as we navigate through this pandemic together."*

Milind Kulkarni, Chief Financial Officer, Tech Mahindra, said, *"We have witnessed substantial margin improvement and cash flow generation this year. Our focus on delivery transformation will continue, as we increasingly witness a structural shift towards digital to adapt to the new normal. We are positioned uniquely to gain from this shift, while improving our financial and operating metrics going forward."*

Acquisitions

Tech Mahindra also announced the acquisition of Eventus Solutions Group, a consulting and technology service company, headquartered in the US, to bolster consulting capabilities in Customer Experience (CX) and customer management space. Eventus Solutions Group offers end-to-end customer engagement solutions, such as strategy consulting, cloud-based tools and automation services and managed services. The acquisition will enable Tech Mahindra to build an industry leading consulting practice and move up the value chain in the BPS business.

Vivek Agarwal, President – BFSI, HLS and Corporate Development, said, "Enhancing Customer Experience continues to be one of the central themes of our acquisition strategy at Tech Mahindra. The acquisition of Eventus Solutions Group will offer significant differentiation to in the rapidly growing consulting business and will enable us to drive cross-sell and downstream revenue."

Key Wins

- Tech Mahindra has won a digital transformation deal with Telefonica Germany to deliver faster product launches and provide a more 'human centered' experience to its customers in the mass market segment.
- Tech Mahindra has been chosen by a European headquartered Food & Beverage chain to digitally transform its core operations, enhance customer experience and help develop new lines of business.
- Selected by a global leading Hyperscaler and Technology company for customer experience management and support.
- Tech Mahindra has been engaged by one of the leading American network equipment providers as a cloud transformation partner.
- Tech Mahindra has been selected by one of the major Middle Eastern Communication provider as a managed service partner for Digital Transformation of Application, Infra and Security Operations Centre.
- Won a deal with a European transportation and Equipment manufacturer for digital product engineering services.
- Tech Mahindra has been selected by a Middle Eastern government authority for digital services using next-generation AI Ops frameworks & tools to enhance customer experience and technology transformation.

- Selected by a global manufacturing conglomerate, featuring in Fortune 500 as a strategic IT and engineering partner.
- Engaged by a European departmental stores and e-retailer for end to end Information and communications technology (ICT) transformation.

Business Highlights

- Tech Mahindra has achieved SAP expertise on Google cloud, demonstrating success in building customer solutions by leveraging Google Cloud Platform (GCP).
- Tech Mahindra has launched 'CLOUDEFENDER' – a new cloud-based attack mitigation service, powered by Radware, a leading provider of cyber security and application delivery solutions.
- Tech Mahindra has achieved System and Organization Control (SOC) 2 type 2 attestation for BPS and IT services reinforcing Tech Mahindra's commitment towards safeguarding customer's security, privacy, availability and confidentiality across all services globally.
- Tech Mahindra has partnered with ThoughtSpot, the leader in search and AI-driven analytics to offer scalable and AI-Driven analytics for business insights.
- Tech Mahindra and Celonis, the global leader in Execution Management Systems (EMS) have launched frictionless contact center BPO transformation solution.
- Tech Mahindra has deployed Crime and Criminal Tracking Network & Systems for Himachal Pradesh Police.
- Tech Mahindra has launched first-of-its-kind phygital (physical and digital) Global Chess League. Viswanathan Anand, five-time World Chess Champion and Indian Chess Grandmaster will mentor, partner, advise and help shape the league.

- Tech Mahindra and RSA Scandinavia, one of the largest general insurer in the Nordics have partnered to accelerate digital transformation in Banking and Insurance domain.
- Makers Lab, the research and development arm of Tech Mahindra collaborated with the College of Military Engineering (CME), Pune to address challenges in the field of defence through technological innovations.

Awards and Recognitions

- Tech Mahindra has been featured in Fortune India 500 most valuable firms.
- Tech Mahindra has been ranked amongst Top 15 'IT Services Brand' globally by Brand Finance in 2021.
- Tech Mahindra featured amongst Forbes Top 50 Organisations in Blockchain for 2021.
- TechM has been declared as 'Dream Company to work for' by World HRD Congress.
- Tech Mahindra's CSR arm has received CII Award for its CSR & COVID Relief Initiatives for 2020-2021.
- Tech Mahindra has been recognised as a leader in Gartner 2021 Magic Quadrant for Customer Service BPO.
- Tech Mahindra featured in the list of Forbes America's Best Management Consulting Firms 2021.
- TechM has been included in the Carbon Disclosure Project (CDP) Supplier Engagement Leader board 2020.
- TechM is the only Indian company recognised amongst the '2021 Global 100 Most Sustainable Corporations' by Corporate Knights

- TechM got awarded with Gold rating with 94 percentile by EcoVadis.
- TechM received the Bronze Class distinction for its excellent sustainability performance and included in the 'S&P Global 2021 edition of The Sustainability Yearbook.
- TMF has been rewarded Mahatma Award 2020 for Social Good by Aditya Birla Group.
- TMF has been awarded for CSR project 'COVID-19 Relief Project' for Supporting the Society in Emergency and Rehabilitation by India CSR.

About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates and society to Rise. We are a USD 5.2 billion organisation with 121,900+ professionals across 90 countries, helping 997 global customers, including Fortune 500 companies. We are focused on leveraging next-generation technologies, including 5G, Blockchain, Cybersecurity, Artificial Intelligence, and more, to enable end to end digital transformation for global customers. Tech Mahindra is one of the fastest-growing brands and amongst the top 15 IT service providers globally. Tech Mahindra has consistently emerged as a leader in sustainability and is recognised amongst the '2021 Global 100 Most sustainable corporations in the World' by Corporate Knights. With the NXT.NOW framework, Tech Mahindra aims to enhance 'Human Centric Experience' for our ecosystem and drive collaborative disruption with synergies from a robust portfolio of companies. We aim at delivering tomorrow's experiences today and believe

that the 'Future is Now'.

We are part of the Mahindra Group, a USD 19.4 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It enjoys a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company by volume. It also enjoys a strong presence in renewable energy, agribusiness, logistics and real estate development. Headquartered in India, Mahindra employs over 2,56,000 people across 100 countries.

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