Tech Mahindra Q1’21 PAT Up 20.9%

Technology

Author : mahindraadmin Category : Technology Published : 7/27/2020

Mumbai - July 27th, 2020: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its first quarter ended June 30, 2020.

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,106 crore; down 4.0% QoQ, up 5.2% YoY
- EBITDA at ₹ 1,301 crore; down 3.5% QoQ;
- Margins at 14.3%; up 10bps QoQ
- Profit after tax (PAT) at ₹ 972 crore; up 20.9% QoQ
- Earnings per share (EPS) was at ₹ 11.07

Financial highlights for the quarter (USD)

- Revenue at USD 1,207.5 mn; down 6.7% QoQ, down 3.2% YoY
- Revenue degrowth at 6.3% QoQ and 1.8% YoY in constant currency terms
- EBITDA at USD 172.4 mn; down 5.7% QoQ

- Consolidated PAT at USD 128.8 mn, up 18.2% QoQ;
- Free cash flow at $ 316.7 mn, conversion to PAT at 245.9%

Other Highlights

- Total headcount at 123,416; down 1,820 QoQ
- Active Clients stood at 981 in Q1'21, up by 8 QoQ
- Cash and Cash Equivalent at USD 1,378.4 mn as of June 30, 2020 2020

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

Our customer centric approach and continued focus on keeping our associates safe and connected has helped us to navigate through these challenging times successfully. We are witnessing a wave of new age technologies being adopted by the customers as businesses across the globe are actively pursuing digital transformation. We are well positioned to capture such spends and our endeavor is to be back on the growth path amid increased signs of demand normalization.

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said,

Despite demand uncertainty and volume reduction, we have been able to demonstrate operational resilience through cost optimization. Cash conversion has been strong, while we aim to improve profitability margins as demand normalizes.

Key Wins

- Engaged by one of the largest healthcare provider in the US as a managed service partner for IT operations

- A leading Communications Service Provider (CSP) based in UK has selected Tech Mahindra to enhance its operational systems leveraging next-gen Data and Analytics
- Tech Mahindra won a deal with a global leader in sustainable and innovative fibre solutions to provide end-to-end managed services for plant Infrastructure across the organization
- Engaged by a leading US telecom provider for cloud migration and application support
- Engaged by a leading North American security and VPN (Virtual Private Network) solution provider to enhance its customer experience globally leveraging Artificial Intelligence and Machine Learning
- Signed a deal with a network service provider in Japan for implementation and support of the digital billing support system (BSS)
- Engaged by a South African administrative division for SAP support and application maintenance
- Tech Mahindra has been selected by a leading American telecom player as an Automation partner for AIOps implementation and platform development.
- Tech Mahindra won a deal with a new age Electric Vehicle Manufacturer for complete vehicle engineering leveraging its strong domain expertise
- Signed a multi- year deal with by an Asian public sector bank for Infrastructure implementation and support

Business Highlights

- Tech Mahindra and IBM have collaborated to help businesses transform their operations and accelerate their hybrid cloud strategies. Tech Mahindra will help clients migrate core business applications to the IBM public cloud using IBM Cloud Paks.

- Tech Mahindra and ChampTrax Technologies, a Canadian sports startup have collaborated to develop a solution to create stadium like-experience at home for global sports fans.
- Tech Mahindra and Openet, a leader in the supply of digital business support system (BSS) solutions, have entered into a global strategic partnership to enable digital transformation for customers globally by leveraging 5G and cloud technologies.
- Tech Mahindra has signed a joint declaration with UN Global Compact urging governments to align their COVID-19 recovery efforts with the latest climate science.
- Tech Mahindra launched mPAC 3.0 (Managed Platform for Adaptive Cloud), next-generation cloud management platform for enterprises globally. This will assist enterprises to transform their businesses by accelerating their time to market and ensuring cost optimization across verticals.
- Tech Mahindra and Lucideus, a global leader in cyber risk quantification solutions have entered into a strategic collaboration to conduct annual cybersecurity risk assessment, aimed at bringing the most advanced cyber risk quantification solutions to customers globally ,and transform the way businesses monitor cybersecurity currently.

Awards and Recognitions

- Tech Mahindra recognized by Great Place to Work® institute:
- Ranked 21st among India's 100 'Best Companies to Work For 2020'.
- Amongst the 'Best in Mega Employer' (organizations with more than 50,000 employees)
- Amongst one of the five 'Best Companies in Career Management'

- Recognized as a Leader on ESG issues in Sustainalytics, with an ESG rating of 99 percentile, and ranked 3rd out of 244 Software and service companies of the world

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 5.2 billion company with 123,400+ professionals across 90 countries, helping 981 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 has been recognised amongst India's 50 best companies to work for in 2020 by the Great Place to Work® Institute.

We are part of the USD 21 billion Mahindra Group that employs more than 240,000 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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For Further Queries:

Kaustubh Vaidya

Head – Investor Relations

Phone: +91 98208 91860

Email:kaustubh.vaidya@techmahindra.com

Abhilasha Gupta

Head - Corporate Communications & Public Affairs

Phone: +91 97179 46080

Email:Abhilasha.Gupta@TechMahindra.com

Kavya Bagga

Investor Relations

Phone: +91 70660 07951

Email: kavya.bagga@techmahindra.com,

investor.relations@techmahindra.com

Kanika Vats

Corporate Communications & Public Affairs:

Phone: +91 98993 21495

Email:kanika.vats@techmahindra.com, Media.relations@techmahindra.com

Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited ("the Company" or "TechM") are forward-looking statements. These statements b y 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 for the quarter ended June 30, 2020 drawn under Ind AS

Particulars	**Quarter Ending**		
	Q1 FY21	**Q4 FY20**	**Q1 FY20**
Revenue from operations	**91,063**	**94,902**	**86,530**
Cost of Services	65,105	66,896	61,642
Gross Profit	**25,958**	**28,006**	**24,888**
SG&A	12,953	14,528	11,747
EBITDA	**13,005**	**13,478**	**13,141**
Other Income	4,161	2,852	3,413
Interest Expense	503	532	454

Depreciation & Amortization	3,832	3,928	3,213
Impairment of Goodwill and non current assets	-	2175	-
Share of profit / (loss) from associate	1	15	(78)
Profit before Tax	**12,832**	**9,656**	**12,809**
Provision for taxes	3,276	2,392	3,318
Minority Interest	167	775	102
Profit after tax	**9,723**	**8,039**	**9,593**
EPS (₹/ share)			
Basic	11.13	9.21	10.98
Diluted	11.07	9.14	10.89

Tags :

Q1 Financial Result