Tech Mahindra Q1 Revenue up 13% YoY

Technology

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EBITDA up 45% and PAT up 12% YoY

USD Revenue grew 0.3% QoQ, in CC terms

Mumbai, July 30, 2018: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering today announced the audited consolidated financial results for its first quarter ended June 30, 2018.

Financial highlights for the quarter (₹)

- Revenue at ₹ 8,276 crore; up 12.8% YoY, up 2.8% QoQ
- EBITDA at ₹ 1,357 crore; margins up 370 bps YoY at 16.4%, down 3.9% QoQ
- Consolidated PAT at ₹ 898 crore; up 12.4% YoY; down 26.5% QoQ
- Earnings per Share (EPS) was ₹ 10.12 for the quarter ended June 30, 2018

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- Revenue at USD 1,224.1 mn; up 7.5% YoY and down 1.6% QoQ
    - Revenue growth up 0.3% in Constant Currency terms
- EBITDA at USD 199.6 mn; up 37.8% YoY and down 8.1% QoQ
- Consolidated PAT at USD 131.8 mn, up 6.5% YoY and down 29.9% QoQ

Other Highlights

- Total headcount at 113,552, up 745 QoQ
    - Software headcount stood at 72,462; BPO at 34,700
- Cash and Cash equivalent of ₹ 8,413 crore as of June 30, 2018
- The Active Client count stood at 926 in Q1, adds 13 active clients QoQ

C P Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra said. “The overall business growth trajectory for the FY 19 is on track. While business seasonality has affected the current quarter, our Run Change Grow Strategy with strong focus on digital transformation is keeping the business buoyant. The changing demand landscape for next generation technologies is going to fuel the digital business further."

CP Gurnani added: “I would like to thank Vineet Nayyar for his leadership, guidance and immense contribution towards Tech Mahindra's journey as a global digital transformation leader for over a decade. Although Vineet has decided to retire, he will continue to be our guiding force" He added “I would also like to welcome on – board our new Chief People Officer Harshvendra Soin"

Manoj Bhat, CFO, Tech Mahindra said. "We will continue to focus on our journey of margin improvement in FY19; while the global macros, including currency, continue to be volatile, we are working with a multipronged approach of enhancing operational efficiencies, embracing new-age delivery, reskilling and increasing value per employee".

Key Wins

- Selected by a Tier 1 US Telco, for implementation of Robotic Process Automation. Tech Mahindra will help bring in efficiencies, enhance customer experience and deliver value added pricing.
- A leading global medical technology company has selected Tech Mahindra for its IT Infrastructure outsourcing; Tech Mahindra will ensure multi country high service assurance quality and harmonize infra services using its global delivery model
- Chosen by a leading European Telco for its Business Support Services (BSS) Transformational program. Scope encompasses enhanced customer experience through transformed CRM, automation of services and driving cost optimization
- Chosen by a leading Asian energy giant for Commissioning, Integration, Implementation and support of IT Infrastructure for SAP S4HANA.
- Selected by an Asian Capital Metro, for implementation of smart solution projects and help integrate Master System for implementation of intelligent solutions under the smart city mission.
- Won a deal in transformation of Next Gen Business Support System (BSS) and from a leading Global Telco
- Won from a leading North American Media House deal for Digitalization of its Legacy ERP Stack. Tech Mahindra will be responsible for

implementation and managed services of the New Gen ERP Cloud and help the customer move to the digital age, enabling it to implement new COTS products, aligning best practices and realign its processes which would result in enhanced customer experience and cost optimization.

- Won an End to End Digital transformational deal in home mortgages, from a leading North American Bank.
- Selected by a leading African Bank for its Core Banking Transformation.
- Selected by a global e-commerce giant for their Customer Experience and Support services.
- Chosen by a world leading personal care Company to globally transform its Supply chain planning and execution process services leveraging SAP technology. Tech Mahindra will help improve customer service and enhance delivery performance
- Selected by a leading Telco in UK for Customer Experience Management. Tech Mahindra to lead Next-gen Transformation through cost transformation, automation and system rationalization

Business Highlights

- Tech Mahindra set up R&D arm 'Makers Lab' at Adastral Park campus co-located with BT Opens office in Salford. Makers Lab will focus on major technologies such as Artificial Intelligence (AI), Machine Learning (ML) and quantum computing to make citizen services and experiences simpler and easier especially in the communications space
- Tech Mahindra set up its R&D arm 'Makers Lab' in Plano, Dallas, US and Munich Germany. Makers Lab development work is focused on next gen technologies such as Artificial Intelligence (AI), Machine Learning, Robotics, Internet of Things (IoT), Augmented Reality/ Virtual Reality, 5G – Network of the future. Tech Mahindra now has seven R&D centers

globally.

- Receives the prestigious AICRA STEM Awards for Excellence in Automation. Tech Mahindra was adjudged winner on the basis of rigorous assessment on varied parameters like objective and strategy behind the digital tools, innovative usage to meet social and business challenges, originality of the idea, revenue generation, captured market share among others
- Deploys Country's First Cyber Security Operations Centre in Andhra Pradesh. The state-of-the-art Cyber Security Operations Centre inaugurated today is equipped with traditional SOC and predictive threat analytics capabilities. The security coverage extends to all central and state government entities.
- Tech Mahindra and Silicon Valley-based Balbix in a Strategic Partnership launch the World's First AI-Powered Predictive Cyber Risk Platform. Tech Mahindra's intelligent security operations center (iSOC) offering can now predict and proactively avoid cyber-breaches by continuously monitoring IT inventories for hundreds of breach risk factors and take appropriate mitigating steps.

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 113,550+ professionals across 90 countries, helping over 926 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 amongst the Fab 50 companies in Asia (Forbes 2016 list).

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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Audited consolidated financial results for the quarter ended June 30, 2018 drawn under IND AS

Consolidated Income Statement

Particulars	Quarter Ending		
	June-18	March-18	June-17
Revenue	82,763	80,545	73,361
Cost of Services	57,340	54,885	52,818
Gross Profit	25,423	25,660	20,543
SG&A	11,541	11,541	11,196
EBITDA	13,569	14,119	9,347
Other Income	1,114	4,513	4,107

Interest Expense	305	527	370
Depreciation & Amortization	2,808	2,986	2,468
Profit before Tax	11,452	15,119	10,616
Provision for taxes	2,457	2,810	2,698
Minority Interest	(16)	(88)	68
Share of profit / (loss) from associate	(118)	0.2	0.2
Profit after tax	8,979	12,221	7,986
EPS (₹)			
Basic	10.12	13.84	9.10
Diluted	10.07	13.72	8.98

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