Tech Mahindra Q2’21 EBITDA Up 30.9%

Technology

Author : mahindraadmin Category : Technology Published : 10/23/2020

EBITDA Margins at 18.2%

Mumbai - October 23rd , 2020: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its second quarter ended September 30, 2020.

Financial highlights for the quarter (?)

- Revenue at ? 9,372 crore; up 2.9% QoQ, up 3.3% YoY
- EBITDA at ? 1,703 crore; up 30.9% QoQ;
    - Margins at 18.2%; up 390bps QoQ
- Profit after tax (PAT) at ? 1065 crore; up 9.5% QoQ
- Earnings per share (EPS) was at ? 12.11
- The Board has proposed a special dividend of ? 15/- per share (300%)

Financial highlights for the quarter (USD)

- Revenue at USD 1,265.4 mn; up 4.8% QoQ, down 1.7% YoY

    - Revenue growth at 2.9% QoQ in constant currency terms
- EBITDA at USD 230.0 mn; up 33.4% QoQ
- Consolidated PAT at USD 143.7 mn, up 11.5% QoQ;
- Free cash flow at $ 235.7 mn, conversion to PAT at 164.0%

Other Highlights

- Total headcount at 124,258, up 842 QoQ
- Active Clients stood at 988 in Q2'21, up by 7 QoQ
- Cash and Cash Equivalent at USD 1,564 mn as of Sep 30, 2020 20

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said, *Our Repair, Rally and Rise strategy has helped the company to emerge stronger, as we journey towards a post Covid world. We are witnessing demand revival across multiple segments, as customers have accelerated their pace of digital transformation. Our focus on creating Human Centered Experiences will enable us to capture increased spends on consumerization, as businesses try to stay relevant in the current environment.*

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said, *Strong execution on both revenue growth and operational metrics has helped to improve our performance on all fronts. Our cash conversion continues to be robust and we remain committed towards creating value for our shareholders through effective capital return.*

Key Wins

- Won a multi-year deal with an American technology company for software engineering services.
- Tech Mahindra has been selected as a strategic partner for managed IT, security and network services by ASIAN telco.
- Engaged by European pharma company as a development partner for transformation projects in Pharma Informatics.
- Tech Mahindra won a multi-year deal with an Asian communications service provider (CSP) for IT managed services.
- Won a managed services deal from a large telco in Southeast Asia for operational transformation.
- Engaged by a leading Chemicals and Fertilizers manufacturing company for SAP S4HANA implementation.
- Engaged by a large Australian Communications Service Provider (CSP) for data and analytics services to support planning and decision making for field service control tower.
- A power utility company has selected Tech Mahindra for end to end system integration of green field ERP implementation.
- Selected by one of the largest public sector banks in India for creating core banking infrastructure across multiple locations.

Acquisitons

Tech Mahindra announced the strategic acquisition of Momenton, a digital enterprise technology firm, offering consultancy and implementation services, and Tenzing Limited, a technology consulting company. Tech Mahindra has acquired 100% equity in both the organizations, and together they will enable digital capabilities, modern cloud-based architecture and

transformation for customers in the ANZ (Australia and New Zealand), specifically in Financial Services.

Vivek Agarwal, Head Corporate Development & Global Head for Healthcare and Financial Services, Tech Mahindra, said, *The acquisition of Momenton and Tenzing Ltd, are in line with our strategy to strengthen our digital capabilities, and offer our clients end-to-end transformation services. This will significantly enhance our local presence in the markets, and the combination will create significant synergies and help in bringing next generation solutions to customers enabling them to run better, change faster and grow greater. We welcome the team of Momenton and Tenzing Ltd into the Tech Mahindra family, and look forward to creating and delivering enhanced customer experiences for our customers.*

Business Highlights

- Tech Mahindra has partnered with VitalTech to offer digital technologies to healthcare providers as part of Tech Mahindra's broader Virtual Health portfolio.
- Tech Mahindra, has launched Mhealthy, a solution to enable workforce and community safety against COVID-19.
- Tech Mahindra and Rakuten Mobile have collaborated to bring Rakuten Communications Platform to global customers. This partnership will enable Tech Mahindra to drive innovation in the telecom space, provide enhanced customer experience and lead the transformation in mobile network technology from the forefront.

- Tech Mahindra and Smart Energy Water (SEW) a global energy and water cloud platform provider have entered into a global partnership to accelerate digital transformation for energy and water utility industry.
- Tech Mahindra has collaborated with Amazon Web Services (AWS) to build solutions based on blockchain technology
- Tech Mahindra has collaborated with NITI Aayog's Women Entrepreneurship Platform (WEP) to support women entrepreneurs across the country. Tech Mahindra will provide mentorship, co-create solutions leveraging new age technologies and support in developing a go-to-market strategy.
- Tech Mahindra has launched a dedicated 'Microsoft Business Unit' to accelerate the digital transformation journey of enterprises globally by focusing on developing enterprise cloud solutions leveraging Microsoft platforms and technologies.
- Tech Mahindra has launched its intelligent cloud operations and subscription management platform, iCOPS, for global enterprises which will help simplify and streamline their cloud operations.
- Tech Mahindra has entered into a global strategic partnership with CyQureX, a leading provider of advanced Cyber Security solutions world-wide, with a view to offer world class cyber security solutions to support clients through successful digital transformation.
- Tech Mahindra has designed a first-of-its-kind digital transformation course approved by All India Council of Technical Education (AICTE) in a partnership with Jawaharlal Nehru Engineering College (JNEC), under Mahatma Gandhi Mission (MGM) University. The two year post graduate programme is aimed at addressing the industry-academia skill-gap in new-age technologies including digitalisation, mobility, artificial intelligence and machine learning among others.

- Tech Mahindra has launched a new digital platform, branded as 'Blockchain based Contracts and Rights Management System' (bCRMS) for the global media and entertainment industry to enable production houses and content creators to track revenue, royalty payments, manage rights and address content piracy leveraging IBM blockchain.

Awards and Recognitions

- Tech Mahindra's Mhealthy won ETHealth Award for Best Technology Solution for COVID-19.
- Tech Mahindra has been recognized as a Leader in Gartner's September 2020 Magic Quadrant for IT Services for Communication Service Providers, Worldwide.
- Tech Mahindra has featured amongst the Top 10 "Best Companies for Women in India (BCWI)" by Avtar and Working Mother for the third year in a row
- Tech Mahindra received FICCI CSR Awards 2020 in skill development and livelihood category for the SMART program.
- Received CSR Health Impact Awards 2020 in COVID protection project category for Flush the Virus.
- Tech Mahindra has been ranked among India's 50 Best Workplaces for Women – 2020, by the Great Place to Work® Institute.
- Tech Mahindra won ASSOCHAM Innovators' Excellence Awards 2020 in innovation in CSR Initiatives Category for Mobile Science Lab.
- Tech Mahindra has been recognized amongst 'India's Top 20 Companies for Sustainability and CSR 2020' by The Economic Times and Futurescape 7th Responsible Business Rankings during ETSDG Impact Summit 2020.

- Tech Mahindra has been recognised as a leader by Sustainalytics with 99 percentile, and an overall ESG Score of 84.
- Tech Mahindra has been rated BBB by MSCI (Morgan Stanley Capital International) with an ESG quality score of 7.5.
- Tech Mahindra has been recognised for its 'In the Future' campaign curated in partnership with The Trust – The Wall Street Journal (WSJ) and Barron's Group at the corporate influencer at World Media Awards 2020.

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 124,250+ professionals across 90 countries, helping 988 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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