Tech Mahindra Q2 Revenue Up 4.8% QoQ

Technology

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Q2 new Deal wins at record high of ~US$ 1.49 Bn

Mumbai - November 5th, 2019: 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 30th, 2019.

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,070 crore; up 4.8% QoQ
- EBITDA at ₹ 1,501 crore; up 14.2% QoQ;
  - Margins at 16.5%; up 130 bps QoQ
- Profit after tax (PAT) at ₹ 1,124 crore; up 17.2% QoQ
- Earnings per share (EPS) was at ₹ 12.88

Financial highlights for the quarter (USD)

- Revenue at USD 1,287.2 mn; up 3.2% QoQ
  - Revenue growth at 4.1% in constant currency terms

- Digital revenues grew 11.8% QoQ, at 39.0% of Revenues

- EBITDA at USD 211.8 mn; up 11.5% QoQ
- Consolidated PAT at USD 158.6 mn, up 14.3% QoQ

Other Highlights

- Total headcount at 131,522; up 5,749 QoQ

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said, *"We are thankful to our customers for believing in our capabilities despite a tough demand environment. Our consistent large deal wins is a testimony of our differentiation in the marketplace. We are confident of our growth outlook for both Communications and Enterprise businesses. 'Digital' continues to be a strong growth driver, as we help our customers in their transformation journey."*

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said, *"We have witnessed a broad based growth across geographies and across our customers. We continue to focus on margin improvement while transitioning some of the large deals in a volatile macro economic environment."*

Key Wins

- Signed a multi-year agreement with AT&T to expand strategic collaboration accelerating AT&T's IT Network Transformation, shared services modernization and movement to the cloud.
- Engaged with an American managed-cloud computing company to enhance customer experience and operational efficiencies through

technology transformation.

- Selected by one of the largest healthcare organization based in the US as their infrastructure managed services partner to drive transformation of IT operations deploying AI ML based Automation.
- Selected by a leading European telecom provider for Network Operations transformation and NOC (Network Operations Center) managed services.
- Selected by an Australian superannuation firm as a strategic partner for a multi-year digital engagement for Salesforce implementation, analytics, cyber-security and application modernization.
- Signed a deal with Asia Pacific based regulator to digitally transform its operations and drive business agility.
- Engaged with tier-1 US telecom provider for RAN (Radio Access Network) engineering services and Network Assurance, addressing gaps in OEM (Orignal Equipment Manufacturer) support model and ensure smooth network buildout for 5G.
- Engaged by a leading European fashion retailer to enrich its digital customer experience in multiple markets globally.
- Selected by a leading global financial services firm for modernizing its Data Visualization and Analytics platform leveraging Tech Mahindra's data analytics tools and frameworks.
- Signed a deal with a leading Chinese module maker for quality assurance and customer experience.
- Engaged with a leading fertilizer company to improve productivity through plant digitization driving operational efficiencies.
- Selected by one of the largest banks in Israel to implement core banking solutions transforming the legacy systems for its capital

market business.

- Engaged by a leading auto component manufacturer in China to implement device management system for a program to develop cellular Vehicle-to-Everything products and services.

Acquisitions:

Tech Mahindra today announced the acquisition of BORN Group, an integrated agency headquartered in the US, to bolster capabilities in Commerce and Customer Experience (CX). Born Group offers end-to-end digital engagement, such as strategy consulting, content creation, digital production, eCommerce and CMS (Content Management System) implementations and data driven UX (User Experience). Tech Mahindra will acquire 100% of Born Group for total consideration of upto USD 95 Mn.

Vivek Agarwal, Head of Corporate Development and Portfolio Companies, Tech Mahindra, said, *"Digital continues to be the central theme of our acquisition strategy at Tech Mahindra. The acquisition of Born Group will assert our leadership in the rapidly growing electronic and mobile commerce segment globally, and equip us to deliver enhanced user experience to our customers globally."*

Business Highlights

- Tech Mahindra announced an extended collaboration with Keysight, a leading technology company to accelerate adoption of 5G devices globally.

- Tech Mahindra and BlockApps, the leading enterprise blockchain platform provider enter into a partnership to accelerate the adoption of blockchain business networks globally.
- Tech Mahindra has collaborated with Qualcomm Technologies, Inc. a subsidiary of Qualcomm Incorporated to offer smart city solutions globally.
- Tech Mahindra has partnered with Mahindra Logistics (MLL) for introducing and operating Electric Vehicles (EV) for employee transportation.
- Tech Mahindra and Adjoint, a global leader in innovative financial technology announced industry's first Blockchain solution for secure enterprise financial management and insurance services across locations to create a seamless and reliable customer experience.
- Tech Mahindra announced the setting up of a media innovation lab in Manchester, United Kingdom, to develop next generation technology-enabled solutions to provide qualitative content to end customers and monetize the value of content faster.
- Tech Mahindra, University of California Santa Cruz Silicon Valley Extension and Intel Capital Collaborate to Drive Artificial Intelligence-led Innovation
- Tech Mahindra announced a strategic partnership with SSH.com - one of the most trusted brands in cyber security, to deploy cutting edge cybersecurity solutions to secure access control for enterprises.

Awards and Recognitions:

- Tech Mahindra recognized as a winner for "Technology Excellence for Blockchain" and 'Close Contender for Technology Excellence in Emerging Technology (IoT) in the NASSCOM Technology Award and

Conclave 2019.

- Tech Mahindra recognized as a 'Leader' in the Everest Group Software Product Engineering Services PEAK Matric Assessment for the year 2019.
- Tech Mahindra recognized as a winner in IoT Innovation Conclave 2019, organized by Express Computer, in partnership with Messe Munchen India for Innovative use of IoT by enterprise.
- Tech Mahindra re-emerged as a leader in Sustainability, being one amongst only 3 companies from India to make it to DJSI World Index.
- Tech Mahindra ranked among the top 6 companies of the world in the “TSV” IT services and internet software and services segment.
- Tech Mahindra awarded highest 'Gold CSR Rating-2019' by EcoVadis with 94 percentile.
- Tech Mahindra featured in the list of 12 Indian companies in the DJSI Emerging Markets category in 2019.
- Tech Mahindra is part of FTSE4Good Index Series 2019, demonstrating strong and leadership position in (ESG) parameters of sustainability.
- Tech Mahindra won "Best Futuristic Business Transformation Solution" award in Middle East and Africa, organized by the GEC Media Group.
- Tech Mahindra won the CSR Times 2019 award in ‘Skill Development’ category.
- Tech Mahindra won the award in diversity and HR technology at Asia’s Best Employer Brand award.
- Tech Mahindra’s CSR arm, TMF awarded with a Gold in "Excellence in CSR" for the category "Best Corporate-Nonprofit Partnership" at the 8th ACEF Asian Leaders Forum.

- Tech Mahindra acknowledged for future ready practices in 'HR Technology' and 'Rewards and Recognition' by Job Buzz.

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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Audited consolidated financial results for the quarter ended Sep 30, 2019 drawn under IND AS

Consolidated Income Statement

Particulars	**Quarter Ending**		
	Sep-19	**June-18**	**Sep-18**
Revenue	**90,699**	**86,530**	**86,298**
Cost of Services	63,893	61,642	56,923
Gross Profit	**26,806**	**24,888**	**29,375**
SG&A	11,797	11,747	13,188
EBITDA	**15,009**	**13,141**	**16,187**
Other Income	2,163	3,413	1,751

Interest Expense	383	454	388
Depreciation & Amortization	3,415	3,213	2,944
Share of profit / (loss) from associate	3	(78)	(133)
Profit before Tax	**13,377**	**12,809**	**14,473**
Provision for taxes	2,265	3,318	3,914
Minority Interest	127	102	84
Profit after tax	**11,239**	**9,593**	**10,643**
EPS (₹/ share)			
Basic	12.88	10.98	11.99
Diluted	12.78	10.89	11.93

Tags :

Results revenue