Tech Mahindra Q3 Revenue Up 5.1% QoQ

Technology

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Strong Q3 New Deal Wins at US $ 1.23 Bn

Acquires majority stake in Cerium

Mumbai - January 31st, 2020: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering services today announced the audited consolidated financial results for its third quarter ended December 31st, 2019.

Financial highlights for the quarter (₹)

- Revenue at ₹ 9,655 crore; up 6.4% QoQ
- EBITDA at ₹ 1,563 crore; up 4.2% QoQ;
- Margins at 16.2%; down 30bps QoQ
- Profit after tax (PAT) at ₹ 1,146 crore; up 2.0% QoQ
- Earnings per share (EPS) was at ₹ 13.13

Financial highlights for the quarter (USD)

- Revenue at USD 1,353.0 mn; up 5.1% QoQ

- Revenue growth at 4.3% in constant currency terms

- Digital revenues grew 10.6% QoQ, at 41% of Revenues
- EBITDA at USD 219.0 mn; up 3.4% QoQ
- Consolidated PAT at USD 160.6 mn, up 1.3% QoQ

Other Highlights

- Total headcount at 130,839; down 683 QoQ

CP Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra, said, *"This is a quarter of strong growth across our Communications and Enterprise businesses. We continue to win marquee deals and are well poised to capitalize on new market opportunities with technology shifts like 5G, which continues to be a key focus area in the year ahead."*

Manoj Bhat, Chief Financial Officer, Tech Mahindra, said, *"We have witnessed substantial operational and financial metrics improvement with healthy cash flow generation this quarter. We continue to invest in emerging technologies and streamline delivery as we ready ourselves for the next phase of growth."*

Key Wins:

- Tech Mahindra has signed a multi-year Managed Services deal with a global financial services leader in Insurance and Annuities. The

engagement includes Managing Applications, Cloud and IT Infrastructure across multiple geographies, while improving efficiencies through Automation and Artificial Intelligence-based operations.

- Engaged by a logistics service company in UK as a technology modernization partner digitizing their massive operational landscape.
- Selected by an APAC telco to enable Digital Operations by driving Automation, Artificial Intelligence and Machine Learning initiatives and simplification of application stack.
- Engaged by one of the world's leading player in sustainable and innovative fiber solutions to extend IT and Infra Managed Services for its recent acquisitions.
- Selected by a US multinational conglomerate to develop SAP Cloud platform based applications across its businesses.
- Signed a deal with a leading US based telco to enhance customer experience for wireless customers.
- Engaged by an American Healthcare Provider for IT modernization and infrastructure managed services.
- Enhanced engagement with Leading US based Telco in core mobility solutions.
- Engaged by a Global Financial Services Technology Company for its Network service modernization and management.
- Signed a deal with a leading Australian bank for Digital transformation and rationalization of their technology stack.

Acquisition:

Tech Mahindra announced the acquisition of 70% stake in Bangalore headquartered Cerium Systems. Cerium will boost the company's Engineering

Services practice in VLSI (Very Large Scale Integration) and Embedded Software.

Vivek Agarwal, Head of Corporate Development and Portfolio Companies, Tech Mahindra, said, *"We continue to invest in niche digital assets complementing our service offerings. Cerium provides cutting edge solutions with a strong foothold in global semiconductor industry."*

Business Highlights

- Tech Mahindra has launched 5G-enabled Solution to Build Wireless and Secure 'Factory of the Future', in line with the industry 4.0 goals.
- Tech Mahindra has collaborated with InMobi to Offer Industry's First Video Advertising Solution for telecom providers, media and entertainment companies.
- Tech Mahindra has collaborated with Quantoz, Netherlands-based innovative Blockchain technology application incubator to offer Blockchain-as-a-Service for secure digital payments.
- Tech Mahindra has signed a Memorandum of Understanding with Business Finland for research and development in 5G and 6G.
- Tech Mahindra has signed a Memorandum of Understanding with Government of Bangladesh to foster growth of digital startup ecosystem in the country,
- Tech Mahindra collaborates with Atidot, an Israel based InsurTech to offer Artificial Intelligence enabled solution for Life Insurance companies.
- Tech Mahindra has set up its first development center in Timișoara, Romania to focus on networks transformation for key clients in Europe

by leveraging 5G technology and state-ofthe-art frameworks.

- Tech Mahindra has signed a Memorandum of Understanding (MoU) with College of Engineering and Technology (CET), Bhubaneswar to set up a Center of Excellence (CoE) based on Artificial Intelligence.
- Tech Mahindra announced a partnership with Mahindra TEQO (Technology, Quality and Operations), the newly formed renewable energy asset management company, to create digital solutions for the global renewable energy industry.
- Tech Mahindra has entered into a global strategic alliance with Celonis, a leader in Process Excellence software, to drive enterprise performance.

Awards and Recognitions:

- Tech Mahindra has been recognized amongst "Most Valuable Digital Transformation Companies in 2019" by a global business magazine, CIOLook
- Tech Mahindra's CEO, CP Gurnani wins the Business today's Best CEO award in IT & ITES, 2019 for the third consecutive year.
- Tech Mahindra's CSR arm, TMF received ASSOCHAM Skilling India Awards 2018.
- .Tech Mahindra has emerged as a runner up in the "Digital Solution of the Year" category at the Express I.T Awards organized by Financial Express.
- Tech Mahindra's Business Process Arm Recognized as a 'Leader' in NelsonHall 2019 NEAT Evaluation for Customer Experience Services in Retail and Consumer Packaged Goods (CPG) industry.
- Tech Mahindra received IDC insight award for its Facial Recognition System

- Tech Mahindra, Middle East Africa (MEA) has been awarded the 2019 Middle Eastern Managed Infrastructure Services Company of the Year by Frost & Sullivan.

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 125,700+ professionals across 90 countries, helping 941 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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For Further Queries:

Kaustubh Vaidya

Head - Investor Relations

Phone: +91 98208 91860

Email: kaustubh.vaidya@techmahindra.com

Kavya Bagga

Investor Relations

Phone: +91 70660 07951

Email: kavya.bagga@techmahindra.com

investor.relations@techmahindra.com

Tuhina Pandey

Head – Corporate Communications & Public Affairs

Phone: +91 98204 97890

Email: tuhina.pandey@TechMahindra.com

Abhilasha Gupta

Corporate Communications & Public Affairs

Phone: +91 9717946080

Email: abhilasha.gupta@TechMahindra.com

Media.relations@techmahindra.com

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Audited consolidated financial results for the quarter ended Dec 31, 2019 drawn under IND AS

Consolidated Income Statement

Particulars	**Quarter Ending**		
	Dec-19	**Sep-18**	**Dec-18**
Revenue	**96,546**	**90,699**	**89,437**
Cost of Services	67,312	63,893	59,845
Gross Profit	**29,234**	**26,806**	**29,592**
SG&A	13,601	11,797	11,797
EBITDA	**15,633**	**15,009**	**17,226**

Other Income	3,496	2,163	806
Interest Expense	550	383	358
Depreciation & Amortization	3,848	3,415	2,836
Share of profit / (loss) from associate	5	3	(132)
Profit before Tax	**14,736**	**13,377**	**14,706**
Provision for taxes	3,629	2,265	2,638
Minority Interest	352	127	(39)
Profit after tax	**11,459**	**11,239**	**12,029**
EPS (₹/ share)			
Basic	13.13	12.88	13.55
Diluted	13.03	12.78	13.45

Tags :

Earnings Q3 FY 20