Tech Mahindra Q4’23 revenue up 19.4% YoY

Technology

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Pune – April 27th, 2023: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business re-engineering services today announced the audited consolidated financial results for its quarter and year ended March 31st, 2023.

Financial highlights for the Year (USD)

- Revenue at USD 6,607 mn; up 10.1% YoY
- EBITDA at USD 990 mn; down 8.0% YoY;
- Margins at 15.1%; down 290bps YoY
- Profit after tax (PAT) at USD 595 mn; down 20.3% YoY
- Free cash flow at $ 497 mn, conversion to PAT at 84%

Financial highlights for the year ₹

- Revenue at ₹ 53,290 crores; up 19.4% YoY
- EBITDA at ₹ 8,029 crores; up 0.1% YoY;
- Margin at 15.1%; down 290 bps YoY
- Profit after tax (PAT) at ₹ 4,832 crores; down 13.2% YoY
- Earnings per share (EPS) was at ₹ 54.57

- The Board has recommended a Final Dividend of ₹ 32/- per share, taking Total Dividend for FY23 to ₹ 50/- per share.
- Free Cash flow of ₹ 4,002 Crore

Financial highlights for the quarter (USD)

- Revenue at USD 1,668 mn; flat QoQ, up 3.7% YoY
- Revenue growth at 0.3% QoQ in constant currency terms
- EBITDA at USD 245 mn; down 5.7% QoQ, down 11.0% YoY, Margin at 14.7%; down 90bps QoQ
- Profit after tax (PAT) at USD 136 mn; down 13.7% QoQ, down 31.6% YoY
- Free cash flow at USD 142 mn, conversion to PAT at 104%

Financial highlights for the quarter ₹

- Revenue at INR 13,718 cr; down 0.1% QoQ, up 13.2% YoY
- EBITDA at INR 2,021 cr; down 5.7% QoQ, down 3.2% YoY
- Consolidated PAT at INR 1,118 cr; down 13.8% QoQ, down 25.8% YoY
- Earnings per share (EPS) was at INR 12.62

Other Highlights

- Total headcount at 152,400 down 4,668 QoQ
- Cash and Cash Equivalent at INR 7,435 cr as of March 31, 2023

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

"As we step into FY'24, we see the increasing need for businesses to stay agile by leveraging next generation technologies. We are strongly focused on helping our customers stay competitively dominant and relevant in the era

of fast evolving market conditions by helping them adapt to leaner and sustainable business models"

Rohit Anand, Chief Financial Officer, Tech Mahindra, said,

"Our strategy of prudence and operational excellence helped us through the uncertainties of FY'23. We continue to return cash to shareholders through a consistent dividend policy. We move into the next fiscal, with sharper focus on productivity improvements, cash & value creation for our stakeholders"

Key Wins

- Tech Mahindra was selected as a digital infrastructure partner by a large not-for-profit Enterprise Health System in America to provide solutions designed to manage IT Infrastructure including critical areas such as Server Management, Network Services, and Disaster Recovery among others.
- Tech Mahindra was chosen by a leading American wireless network operator as a digital support partner to provide application maintenance and SRE Operations Support Services for 200+ Digital applications.
- Tech Mahindra was selected as a strategic delivery partner by a major financial services customer in Australia and New Zealand for several transformational projects involving modernization of the legacy data systems, as well as decoupling banking data assets from the core business. They will leverage Tech Mahindra's expertise in data consulting and utilize its proprietary data accelerators, to support the program.
- Tech Mahindra was selected as a long-term strategic partner by an African power transmission provider to manage an integrated end-to-end ERP & GIS Systems providing coverage across critical functionalities like Audit & Risk management, Asset tracking among others.

- Tech Mahindra was selected by a large telecommunications operator in America to improve their customer experience which includes objectives of channel containment, contact shed among others. This deal leverages Tech Mahindra's strengths of network services and experience design services to deliver enhanced outcomes for the customer.
- Chosen as a strategic partner by a large development & construction company in Europe, to modernize their IT architecture and manage their end-to-end operations for a greater focus on customer centricity and measurable business growth.

Business Highlights

- Tech Mahindra and Retalon have partnered to jointly provide full spectrum of digital solutions for retail and consumer packaged goods (CPG) Industry. The partnership will offer a unified common analytic platform that will enable organizations to gain better customer insights, improve decision-making, and enhance operational efficiency through end-to-end planning, inventory management, supply chain network strategy, pricing, and promotion optimization.
- Tech Mahindra and Microsoft join hands to bring "Network Cloudification as a Service" and AIOps to telecom operators for their 5G Core networks. The 5G core network transformation will help telecom operators to develop 5G core use cases and meet their customers' growing technological requirements such as Augmented Reality (AR), Virtual Reality (VR), IoT (Internet of Things), and edge computing.
- Tech Mahindra established a Google Cloud Delivery Center in Guadalajara, Mexico. The center will be dedicated to Google Cloud-centric solutions that enable customers to modernize infrastructure and manage workloads with differentiated accelerators, Cloud Native and Open-Source technologies. The partnership will leverage the expertise of both organizations in the domains, including the Google Cloud Platform on Anthos, Data and

Analytics, Artificial Intelligence (AI), Machine Learning (ML), and will empower customers across the Americas to accelerate cloud adoption.

- Tech Mahindra was recognized as the fastest growing brand globally in 'Brand Value Rank' by Brand Finance amongst the top 25 IT services brands. The organization's brand value has registered a robust growth of 66% since the beginning of the pandemic, with its value rising by 15% to USD 3.5 billion in 2022, listed among the Top 7 brands globally in brand strength with AA+ rating.
- Tech Mahindra has launched an innovative remote network monitoring and smart device assurance platform called SANDSTORM. The platform will empower telcos and enterprises to access any device "remotely" and use Tech Mahindra's automation platform to test & deploy applications and devices, for end customers. It will also help understand how apps are interacting with the actual network across diverse geographies in real-time delivering deep insights into device lower-layer information mapped to applications.
- Tech Mahindra strengthened partnership with Microsoft to deliver Azure Operator Nexus solutions. The partnership will empower telecom operators and enterprises to build, host and operate Long-term Evolution (LTE)s and 5G networks by using virtualized/containerized network functions leveraging Azure Operator Nexus. It will further leverage a fully cloud-native and blueprinted 5G core, running on Azure Operator Nexus that will enable telecom operators to provide enhanced and customized user experiences.
- Tech Mahindra had launched AceFin™ a cognitive AI based BPaaS solution to assist CFOs in driving profitability and growth while minimizing risks. The solution integrates data sources from various IT systems ensuring "Single Source of Truth" that enables timely decision making and maintenance of best-in-class standards in the finance function. AceFin™ will support CFOs in tracking company-wide financial and productivity metrics across business units and geographies. The solution will enable area-specific deep

dives and drilldowns into any business area or process.

- Tech Mahindra Join Forces with Red Hat to Deliver 5G Core on Hybrid and Multi Cloud Leveraging netOps.ai. This partnership will deliver customized solutions to help telcos move critical 5G and multi-access edge computing (MEC) workloads to hybrid cloud using Red Hat OpenShift Service on AWS and Tech Mahindra's hyper-automation platform netOps.ai.

Awards and Recognitions

- Tech Mahindra recognized in the Burgundy Private Hurun India 500 list for 2022 and is one of the Top 10 Women Employers for 2022.
- Tech Mahindra has been ranked amongst the top 1% of organizations in the global IT Services segment in S&P Global's Sustainability Yearbook. The Yearbook aims to distinguish individual companies, within their industries, that have demonstrated strengths in corporate sustainability in areas such as improved processes and policies, audits and assessments, human resources programs, social engagements, transitioning to net zero, water stewardship projects, adopting circular economy practices, investing in innovation and green technologies and solutions.
- Gold recognition for 'Excellence in cultivating a culture of trust and high performance' in the ET Human Capital Awards. Tech Mahindra was evaluated on parameters such as creativity and innovation, contribution to business performance, sustainability, measurable impact, and implemented strategies
- ET BFSI recognized Tech Mahindra under the category - Best IT Software Solution Provider of the Year for Uni-verse.
- Tech Mahindra has been named a winner of the ASEAN – India Business Award 2023 (we have won in the "Business Excellence" category) organized by FICCI jointly with the ASEAN-India Business Council and the High Commission of India in Malaysia.

- Tech Mahindra has been awarded "Best Metaverse Development Enterprise of the year" by Entrepreneur India during its Web3 Summit.
- Tech Mahindra recognized as one of the Best Organizations for Women in 2023 by The Economic Times in the 3rd edition of The Economic Times Best Organizations for Women Conclave. In the Conclave, organizations with a commitment to diversity and inclusion were honored.

About Tech Mahindra

Tech Mahindra offers innovative and customer-centric digital experiences, enabling enterprises, associates, and the society to Rise for a more equal world, future readiness, and value creation. It is a USD 6+ billion organization with 157,000+ professionals across 90 countries helping 1290 global customers, including Fortune 500 companies. It is focused on leveraging next-generation technologies including 5G, Metaverse, Blockchain, Quantum Computing, Cybersecurity, Artificial Intelligence, and more, to enable end-to-end digital transformation for global customers. It is the only Indian company in the world to receive HRH The Prince of Wales' Terra Carta Seal for its commitment to creating a sustainable future. It is the fastest growing brand globally in 'brand value rank' and amongst the top 7 IT brands globally in brand strength with AA+ rating. With the NXT.NOW™ framework, Tech Mahindra aims to enhance 'Human Centric Experience' for its ecosystem and drive collaborative disruption with synergies arising from a robust portfolio of companies. Tech Mahindra aims at delivering tomorrow's experiences today and believes that the 'Future is Now'.

Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. It enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and is the world's largest tractor company by volume. It has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate. The Mahindra Group has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living, with a goal to drive positive change in the lives of communities and stakeholders to enable them to Rise.

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Disclaimer

Certain statements in this release concerning the future prospects of Tech Mahindra Limited ("the Company" or "TechM") are forward-looking statements. These statements by 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.

Consolidated financial for the Fourth quarter and year ended March 31, 2023 drawn under Ind AS

P&L in INR Mn	Q4FY23	03 FY23	04 FY22		FY 23	FY 22
Revenue	137,182	137,346	121,163		532,902	446,460
Cost of Services	97,484	97,937	85603		381,197	309,720
Gross Profit	39,698	39,409	35,560		151,705	136,740
SG&A	19,493	17,969	14676		71,417	56,540
EBITDA	20,205	21,440	20,884		80,288	80,200
Other Income	3055	2,472	3,198		9,650	11,123
Interest Expense	934	1,129	552		3,256	1,626
Depreciation & Amortization	4902	4,981	4842		19,567	15,204

P&L in INR Mn	Q4FY23	03 FY23	04 FY22		FY 23	FY 22
Impairment of Goodwill and non current assets	2126				2,370	
Share Of profit / (loss) from associate	(50)	(90)	45		(290)	28
Profit before T ax	15,248	17,712	18,732		64,455	74,521
Provision for taxes	3999	4859	3280		15,885	18,220
Minority Interest	73	(113)	(396)		257	(640)
Profit after Tax	11,176	12966	15056		48,313	55,661
EPS (Share)						
Basic	12.7	147	17.1		54.8	63.3

P&L in INR Mn	Q4FY23	03 FY23	04 FY22		FY 23	FY 22
Diluted	12.6	14.6	169		54.6	62.8

Tags :

M&M | Tech Mahindra | Q4 | CP Gurnani | Rohit Anand