Q2’21 Snapshot

- $1.27 Bn Revenue
- 11.4% PAT margin
- $235.7 Mn Free Cash flow
- 14.2% EBIT Margin
- $421 Mn Net New Deal Wins
Business Highlights

**FINANCIAL**
- Revenue: 2.9% (cc)
- EBIT %: 410 bps
- PAT %: 70 bps
- FCF to PAT %: 164.0%

**OPERATIONAL**
- Headcount: 124,258 (842)
- IT LTM attrition: 14% (3 pp)
- Utilization (incl trainees): 85% (3 pp)
- Active Customers: 988 (up by 7)

**SEGMENT**
- Communications: 3.2%
- Enterprise: 5.9%
- IT Services: 2.5%

**GEOGRAPHY**
- Americas: 2.7%
- Europe: 2.1%
- ROW: 11.7%

All trends are QoQ
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.
Business Update

- WFH - 99% for IT, 95% for BPS
- Mhealthy, Book My Seat and touchless experience for safer workplace

Employees

- Launched Mind@Ease, an online aggregator platform to provide various counselling services across the country
- Launched Gift a Career Initiative for upskilling the youth

Customers

- Supply-side issues normalized
- Re-imagining delivery models with unified service lines
- Transparent governance and performance tracking via Command Centre
- Customers willing to spend on transformation deals
- Cloud, Analytics, Customer Experience, Engineering Services, BPS showing positive momentum

Community

- Transparent governance and performance tracking via Command Centre

Operations
### Vertical Performance

<table>
<thead>
<tr>
<th>VERTICALS</th>
<th>Communications</th>
<th>Manufacturing</th>
<th>Technology, media &amp; entertainment</th>
<th>Banking, financial services &amp; insurance</th>
<th>Retail, transport &amp; logistics</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>% SHARE</td>
<td>39.3%</td>
<td>16.1%</td>
<td>9.8%</td>
<td>16.4%</td>
<td>7.5%</td>
<td>10.8%</td>
</tr>
<tr>
<td>% QoQ</td>
<td>+3.2%</td>
<td>+0.5%</td>
<td>+13.3%</td>
<td>+9.6%</td>
<td>+7.8%</td>
<td>+1.6%</td>
</tr>
<tr>
<td>% YoY</td>
<td>-5.8%</td>
<td>-12.0%</td>
<td>+18.4%</td>
<td>+24.7%</td>
<td>+5.5%</td>
<td>-17.2%</td>
</tr>
</tbody>
</table>
Net New Deal Wins

- **Enterprise, 214**
- **Communications, 208**

TCV: $421 Mn

- Won a multi-year deal with an American technology company for software engineering services.
- Selected as a strategic partner for managed IT, security and network services by Asian Communication Service Provider.
- Engaged by a leading Chemicals and Fertilizers manufacturing company for SAP S/4HANA implementation.
- Tech Mahindra won a multi-year deal with an Asian communications service provider for IT managed services.
SOLUTIONS LAUNCHED

Launched an intelligent cloud operations and subscription management platform, iCOPS, for global enterprises.

Launched a new digital platform, branded as ‘Blockchain based Contracts and Rights Management System’ (bCRMS) for the global media and entertainment industry.

Launched Mhealthy, a solution to enable workforce and community safety against COVID-19.

COLLABORATIONS

Collaborated with Rakuten Mobile to bring Rakuten Communications Platform to global customers to drive innovation in the telecom space.

Collaborated with Amazon Web Services (AWS) to build solutions based on blockchain technology.

Tech Mahindra has partnered with VitalTech to offer digital technologies to healthcare providers as part of Tech Mahindra’s broader Virtual Health portfolio.

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.

Strategic Highlights
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 Mahinda has been declared winners at the “2020 Stevie Awards for Great Employers” for our response to the COVID-19 pandemic. We won the Gold Stevie for our innovative use of HR Technology and the Bronze Stevie for being the most valuable employer.

Tech Mahindra has been ranked among India’s 50 Best Workplaces for Women – 2020, by the Great Place to Work® Institute.
ESG Focus: Sustainability

Recognised as a Leader by Sustainalytics, with 99 percentile and an overall ESG Score of 84

Rated BBB by MSCI (Morgan Stanley Capital International) with an ESG quality score of 7.5.

Tech Mahindra is at a Prime status on ISS ESG Corporate rating

GHG emissions assured by KPMG according to ISAE3410 standard.
## ESG Focus: Social

### COVID-19 RELIEF
- Food and essentials to **2.8 lakh** individuals.
- **1.7 lakh** cooked meals.
- Over **23,800** PPE Kits supplied to Hospitals & Security Forces.
- **1.6 lakh** masks distributed.

### EMPLOYABILITY
- Conducted 3 different conclaves for students with **visual impairment** in which **over 100 students** participated.

### GLOBAL PROGRAMS
- Launched the online counselling services platform named, **Mind@Ease** on World Mental Health Day, 10 October 2020.
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**.
Financial Snapshot

<table>
<thead>
<tr>
<th></th>
<th>Q2'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE ($ Mn)</strong></td>
<td>1,287</td>
<td>1,207</td>
<td>1,265</td>
</tr>
<tr>
<td><strong>GROSS PROFIT ($ Mn)</strong></td>
<td>379.4</td>
<td>344.1</td>
<td>398.1</td>
</tr>
<tr>
<td><strong>EBITDA ($ Mn)</strong></td>
<td>211.8</td>
<td>172.4</td>
<td>230.0</td>
</tr>
<tr>
<td><strong>PAT ($ Mn)</strong></td>
<td>158.6</td>
<td>128.8</td>
<td>143.7</td>
</tr>
<tr>
<td><strong>DILUTED EPS (Rs)</strong></td>
<td>12.8</td>
<td>11.1</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>FCF ($ Mn)</strong></td>
<td>72.4</td>
<td>316.7</td>
<td>235.7</td>
</tr>
<tr>
<td><strong>CASH &amp; EQUIVALENTS ($ Mn)</strong></td>
<td>1066.5</td>
<td>1378.4</td>
<td>1564.1</td>
</tr>
<tr>
<td><strong>ROCE %</strong></td>
<td>23.8%</td>
<td>21.7%</td>
<td>23.1%</td>
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</tbody>
</table>
Operational Snapshot

**HEADCOUNT**
- **Q2'20**: 131,522
- **Q1'21**: 123,416
- **Q2'21**: 124,258

**UTILIZATION (including trainees)**
- **Q2'20**: 82%
- **Q1'21**: 82%
- **Q2'21**: 85%

**ATTRITION**
- **Q2'20**: 21%
- **Q1'21**: 17%
- **Q2'21**: 14%

**REVENUE MIX (Onsite)**
- **Q2'20**: 65.4%
- **Q1'21**: 64.1%
- **Q2'21**: 63.0%

**ACTIVE CLIENTS**
- **Q2'20**: 946
- **Q1'21**: 981
- **Q2'21**: 988

**TOP 10% CLIENTS**
- **Q2'20**: 31.5%
- **Q1'21**: 31.1%
- **Q2'21**: 30.4%

**50 Mn+ CLIENTS**
- **Q2'20**: 22
- **Q1'21**: 21
- **Q2'21**: 21

**DSO**
- **Q2'20**: 114
- **Q1'21**: 107
- **Q2'21**: 97
Other financial highlights

CASH CONVERSION

- Free cash flow to PAT conversion at 164.0%.
- H1 half-yearly FCF at $552.4 Mn, compared to $522.6 Mn in FY20, aided by improved collections.
- DSO @ 97 days compared to 107 days in Q1 FY21, lowest in 15 quarters.

TREASURY

- Hedge book at $2.4 Bn compared to $2.3 Bn in Q1 FY21.
- USD / INR Q2 FY21 average exchange rate at 74.07, appreciation of 1.8% QoQ and depreciation of 5.3% YoY.

OTHERS

- Tax rate at 24.6% in Q2 FY21, similar to 25.5% in Q1 FY21.
Capital Allocation

**CAPITAL RETURN**

- Announced Special Dividend of ₹ 15 / Share.
- Over last 3 years Company has returned back cumulative cash of over USD 1 Bn through dividends and buyback.

**MERGERS & ACQUISITIONS**

- Tech Mahindra announced the acquisition of 100% stake in Auckland, New Zealand headquartered Tenzing and Melbourne, Australia headquartered Momenton.
- Tech Mahindra Limited and Sumitomo Corporation Japan have agreed to setup a 50:50 JV to provide Engineering Services to Automotive Sector
- All transactions are subject to customary regulatory approvals
## Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>Q2 FY 21</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,265.4</td>
<td>4.8%</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>179.8</td>
<td>47.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>EBIT %</strong></td>
<td>14.2%</td>
<td></td>
<td></td>
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<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous + Interest Income</td>
<td>20.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange Gain/(Loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>190.1</td>
<td>11.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Provision for tax</td>
<td>46.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>143.7</td>
<td>11.5%</td>
<td>-9.4%</td>
</tr>
<tr>
<td><strong>PAT %</strong></td>
<td>11.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EPS (Basic) in Rs</strong></td>
<td>12.18</td>
<td>9.4%</td>
<td>-5.4%</td>
</tr>
<tr>
<td><strong>EPS (Diluted) in Rs</strong></td>
<td>12.11</td>
<td>9.4%</td>
<td>-5.2%</td>
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