

Tech Mahindra reports industry leading growth in Q3 Revenue at USD 1,116 mn; up 4.1% QoQ PAT at USD 126 mn; up 30.8% QoQ

Mumbai, January 30, 2017: Tech Mahindra Ltd., a specialist in digital transformation, consulting and business reengineering today announced the audited consolidated financial results for its third quarter ended December 31, 2016.

Financial highlights for the quarter (₹)

- Revenue at ₹ 7,558 crore; up 12.8% YoY; up 5.4% QoQ
- EBITDA at ₹ 1,187 crore; margins up ~80 bps QoQ at 15.7%
- Consolidated PAT at ₹ 856 crore; margins at 11.3%
- Earnings per Share (EPS) was ₹ 9.79 for the quarter ended December 31, 2016

Financial highlights for the quarter (USD)

- Revenue at USD 1,116.1 mn; up 10.0% YoY and 4.1% QoQ
- Constant currency growth of 12.0% YoY and 5.4% QoQ
- EBITDA at USD 175.0 mn; up 2.5% YoY and up 9.2% QoQ
- Consolidated PAT at USD 126.3 mn, up 11.4% YoY and up 30.8% QoQ

Other Highlights

- Total headcount at 117,095; adds 4,209 professionals during the quarter
- Software headcount stood at 80,858; BPO at 29,372
- Cash and Cash equivalent of ₹ 4,951 crore as of December 31, 2016
- Added cash of ₹ 950 crore during the quarter
- The Active Client count stood at 837 in Q3, adds 12 active clients QoQ

*“The strong deal wins and business momentum during the quarter reaffirm that we are on the right track to capitalize on the opportunities from the global digital transformation, and see measurable benefits from that,” said **Vineet Nayyar, Vice Chairman, Tech Mahindra.***

C P Gurnani, Managing Director & Chief Executive Officer, Tech Mahindra said. *“Our differentiated offerings focused on the five pillars of our DAVID strategy – Digitalization, Automation, Verticalization, Innovation and Disruption, position us as a strong partner of choice for global businesses.”*

Experiences that matter, and it's in our DNA

The whole world is on the brink of another revolution, this time it is led by the theme of 'connectedness' that has been amplified by the proliferation of smart devices, smart technologies and smart thinking, which is impacting consumers as well as businesses alike. 'Connectedness' is the core strength of Tech Mahindra, whether it is through the company's dominant position in areas like IoT, machine learning and cognitive computing, backed by early investment in the communications space.

As the boundaries between the physical and digital worlds are getting blurred and the world is becoming increasingly connected with amalgamation of connected devices and solutions, Tech Mahindra has refreshed its brand philosophy, to align with the changing needs. Accordingly, the brand focus has been aligned to the changing need, with a new brand tagline – **Connected World. Connected Experiences.** *“Going forward, we will have the theme of Connected Experience ingrained in every proposal, every conversation and client opportunity we pursue, with the launch of our revamped brand philosophy,”* said Gurnani.

Code to Connect (C2C)

While with the new brand tagline is a testament of our positioning as a ‘Connected Experience’ provider, we also feel that as a responsible corporate, it’s our duty to contribute in our own way to provide the right kind of experience to the citizens by helping create a better world for future. With this objective, Tech Mahindra is going to launch a multi-city global codathon campaign called ‘Code2Connect’ which aims at providing city councils with technology platforms, products and solutions that will help in making cities address their current and potential issues. The issues may range from air pollution to vehicular traffic to water scarcity to power distribution among others. Starting from Delhi, ‘Code2Connect’ will be launched across 17 cities across the world in partnership with City Councils, the Governments, NGOs and relevant authorities.

DAVID at Work

DAVID - Digitalization, Automation, Verticalization, Innovation and Disruption is going to drive the way we approach the changing technology landscape and thus influencing the customers’ technology buying decisions. We introduced our DAVID theme towards end of last year and since then we are seeing good traction to this strategy. In a nutshell, DAVID has the key ingredients which makes us future-ready, agile and receptive.

Key Wins

Digital transformation: A leading Asia Pacific Bank selected Tech Mahindra to roll out a multi-year and multi-million dollar digital transformational project as the bank is looking at enhancing its customer experience across omni- channel platforms. The project encompasses implementation of Customer Relationship Management (CRM) Solution, Analytics, Security services, Networks, etc. by setting up a private cloud and enabling the bank to improve in cross- selling and cross- servicing across its group.

Improved Experience: A large telco in the Asia Pacific region has awarded a multi-million dollar, multi-year project to improve its Customer Experience. Deal mandates Tech Mahindra to help it ensure high service assurance quality and provide an optimal subscriber experience to subscribers.

Optimizing efficiency through Automation: A large retailer in Nordic region has selected Tech Mahindra as a digital services partner awarding an end-to-end managed services deal. Scope of work includes helping the retailer optimize its existing IT infrastructure through automation and consolidation while augmenting end-customer experience through digital solutions.

Consolidation & Automation: Has been selected by a communication service provider in ASEAN to help it consolidation, automation and improved efficiency in the telco's enterprise- wide testing services.

Digital and Cloud: A Leading Agricultural Cooperative Company in Northern Europe has selected Tech Mahindra for transforming its IT infrastructure management services including managing its SAP landscape, providing security services and setting up a private cloud.

Disruption: A leading wealth management Services Company in Asia has engaged Tech Mahindra to help it with IT Infrastructure management which will be executed under "as-a-service model" and thus enabling customer optimize its costs.

Cloud migration: A leading business conglomerate in ASEAN has awarded Tech Mahindra with a mandate to implement a cloud- based Oracle ERP services. As a digital transformation partner, Tech Mahindra will help modernize its legacy systems and provide seamless solution across group companies delivering cost and time efficiencies'.

Cost optimization: A leading OEM in the US has awarded Tech Mahindra a contract for device testing with an aim of optimizing its costs

Business Highlights

- Tech Mahindra was recognized as a global leader for its actions and strategies in response to climate change; was awarded a position on the Climate A List by Climate Disclosure Project (CDP), an international not-for-profit which drives sustainable economies.
- Ranked as one of the Top 3 companies in India and one of the Top 20 companies in Asia in the Channel NewsAsia Sustainability Ranking for Asia's top businesses
- Positioned in the Leadership Zone in the Zinnov Zones 2016 – Internet of Things (IoT) Technology Services report
- Tech Mahindra launched its Virtual Network Function (VNF) Exchange, along with a number of leading new age providers of Software Defined Networks (SDN) and Network Functions Virtualization (NFV) products
- Tech Mahindra Ltd. announced the launch of the Connected Service Experience Solution, which will enable the manufacturing industry to integrate connected devices with end-to-end business processes; the solution was built on Pegasystems' Pega® 7 Platform
- C P Gurnani was recognized as the Best CEO in IT/ITes Category by Business Today
- Tech Mahindra joins hands with UC Berkley, Advance Energy Center, Canada and AP's Eastern Power Distribution Company to offer its Microgrid as a Service platform to create sustainable energy business model

Connect with us on www.techmahindra.com || Our Social Media Channels

For Further Queries:

| | |
|--|---|
| Vikas Jadhav Head - Investor Relations Email: vikas.jadhav@techmahindra.com investor.relations@techmahindra.com Sanket Shah Phone: +91 20 42252776 | Bibhu Ranjan Mishra Head - Media Relations & PR Phone: +91 95382 00338 Email: bibhuranjan.mishra@techmahindra.com Shalini Singh Global Media Relations & PR |
|--|---|

Email: sanket.Hshah@techmahindra.com

Email: Shalini.singh7@techmahindra.com

Audited consolidated financial results for the quarter ended September 30, 2016 drawn under IND AS

Consolidated Income Statement (Mn)

| Particulars | Quarter Ending | | |
|---|----------------|---------------|---------------|
| | Dec-16 | Sept-16 | Dec-15 |
| Revenue | 75,575 | 71,674 | 67,011 |
| Cost of Services | 52,352 | 49,717 | 46,069 |
| Gross Profit | 23,223 | 21,957 | 20,942 |
| SG&A | 11,358 | 11,256 | 9,662 |
| EBITDA | 11,865 | 10,701 | 11,280 |
| Other Income | 1,552 | 1,387 | 619 |
| Interest Expense | 349 | 345 | 246 |
| Depreciation & Amortization | 2,480 | 2,447 | 1,727 |
| Profit before Tax | 10,590 | 9,294 | 9,925 |
| Provision for taxes | 2,141 | 2,860 | 2,329 |
| Minority Interest | 111 | 13 | (83) |
| Share of profit / (loss) from associate | 2 | (2) | (1) |
| Profit after tax | 8,560 | 6,447 | 7,513 |
| EPS () – including exceptional items | | | |
| Basic | 9.79 | 7.38 | 8.67 |
| Diluted | 9.63 | 7.25 | 8.46 |

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 the 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.