

Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Fourth quarter ended March 31, 2021

April 21, 2021

Dear Shareholder,

Trust you and your loved ones are safe and doing well.

As we end Q4 FY 2020-21, we are fully aware that the year presented unprecedented challenges that none of us could have ever anticipated. However, all of us have risen to the occasion and demonstrated extreme resilience and adaptability.

We are pleased to announce that it was another strong quarter, driven by significant traction in our client portfolio globally. Continuing our sequential growth momentum, in Q4 we delivered USD revenue growth of 5.2%, making it our second consecutive quarter of 5%+ growth. The quarterly revenue of USD 288.2M is also the highest-ever revenue recorded for a quarter. The EBITDA for the quarter stood at 21.9%, post completion of wage hikes across the organization effective Jan 1, 2021.

For the year FY 2020-21, the revenue is at USD 1,076.5M and EBITDA is at 20.8%, which is a 680-basis points improvement from last year. We ended the year with a healthy order book of nearly USD 1.4B, representing YoY growth of 12.3%.

As we enter FY22, we remain very excited about the momentum we have, the positive impact we are making for our clients, and our future-ready talent base. We aspire to deliver double-digit growth in FY22, along with 20%+ EBITDA margins and creating long-term value for our stakeholders.

The Board of Directors have recommended a final dividend of 175% (₹17.5 per equity share of par value ₹10 each) for the financial year ended March 31, 2021 which is subject to the approval of shareholders at the Annual General Meeting.

Key highlights and summary financial results of the quarter are provided in the next section.

Warm regards,



Debashis Chatterjee
Chief Executive Officer and Managing Director



Vinit Teredesai
Chief Financial Officer



Key financial highlights:

Quarter ended March 31, 2021

- In USD:
 - Revenue at \$288.2 million (growth of 5.2% q-o-q / 3.5% y-o-y)
 - Net profit at \$43.3 million (decline of 1.9% q-o-q / growth of 53.4% y-o-y)
- In INR:
 - Revenue at ₹21,093 million (growth of 4.2% q-o-q / 2.9% y-o-y)
 - Net profit at ₹3,173 million (decline of 2.8% q-o-q / growth of 53.9% y-o-y)

Year ended March 31, 2021

- In USD:
 - Revenue at \$1,076.5 million (decline of 1.1%)
 - Net profit at \$150.0 million (growth of 69.6%)
- In INR:
 - Revenue at ₹ 79,678 million (growth of 2.6%)
 - Net profit at ₹ 11,105 million (growth of 76.0%)

Other highlights:

- Clients:
 - 270 active clients as of March 31, 2021
 - \$5 million clients grew by 1, total 44
- People:
 - 23,814 Mindtree Minds as of March 31, 2021
 - Trailing 12 months attrition is 12.1%

- Q4 deal wins with leading global clients:
 - Mindtree partnered with one of the leading electronic retailers to realize their omni-channel vision for their users
 - Mindtree signed a multiyear engagement with a global leader in design and manufacturing of household appliances to transform the online retail experiences of their users
 - For a Germany-based leader in building materials and construction systems company, Mindtree will be providing digital services and assisting in post-merger technology integration
 - Mindtree has been chosen as a strategic partner by a leading global travel software and technology company to modernize their passenger reservation platform and accelerate their cloud transformation journey
 - Mindtree has been selected by a leading bank to provide Salesforce transformation services across multiple geographies for their Asset Management division

- Recognition:
 - Everest Group, a leading consulting and research firm, recognized Mindtree as a “Major Contender” in its Software Product Engineering Services PEAK Matrix® Assessment 2021
 - Mindtree has been recognized by Information Services Group (ISG), a leading global technology research and advisory firm, as leader in 2021 ISG Provider Lens™ Salesforce Ecosystem Partners Reports US for Implementation, Integration and managed application services for Large Enterprises
 - Mindtree has been recognized by Information Services Group (ISG), a leading global technology research and advisory firm, as leader in 2021 ISG Provider Lens Mainframe Services & Solutions 2021 for Mainframe Transformation Services in US
 - Mindtree adjudged the winner of Golden Peacock National Award 2020 for Corporate Social Responsibility
 - Mindtree has been awarded the winner of BEST awards for demonstrating enterprise-wide success as a result of employee talent development by Association for Talent Development (ATD)
 - Mindtree has been conferred the second runner-up position in the ‘Best Employer for Women’ (large) category by Associated Chambers for Commerce and Industry of India (ASSOCHAM)
 - Mindtree has been recognized for ‘Workforce Planning and Staffing Solutions’ and ‘Organization Design’ at the People First ACE Awards 2020 presented by the National HRD network
 - Mindtree has been recognized and rewarded as a winner in ‘Excellence in Employee Welfare Initiative’ by BW Business World HR Excellence Award 2021

**Extract of the audited consolidated financial results for the quarter and year ended March 31, 2021 (₹ in millions, except per share data)**

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from operations	21,093	20,237	20,505	79,678	77,643
Other income, net	389	616	183	1,517	756
Total income	21,482	20,853	20,688	81,195	78,399
Expenses					
Employee benefits expense	13,123	12,610	12,933	51,132	50,647
Finance costs	114	127	128	504	529
Depreciation and amortisation expense	713	717	679	2,596	2,754
Other expenses	3,344	2,948	4,335	11,979	16,181
Total expenses	17,294	16,402	18,075	66,211	70,111
Profit before tax	4,188	4,451	2,613	14,984	8,288
Tax expense					
Current tax	1,139	1,386	725	4,214	2,333
Deferred tax	(124)	(200)	(174)	(335)	(354)
Net profit for the period	3,173	3,265	2,062	11,105	6,309
Other comprehensive income:					
A. (i) Items that will not be reclassified to profit or loss	45	(132)	(37)	(117)	(109)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(10)	31	9	28	26
B. (i) Items that will be reclassified to profit or loss	389	1,252	(3,189)	5,206	(3,128)
(ii) Income tax relating to items that will be reclassified to profit or loss	(136)	(437)	1,114	(1,819)	1,093
Total other comprehensive income/(loss)	288	714	(2,103)	3,298	(2,118)
Total comprehensive income/(loss) for the period	3,461	3,979	(41)	14,403	4,191
Paid up equity share capital (face value Rs.10/- each)	1,647	1,647	1,646	1,647	1,646
Reserves	41,543	38,048	29,922	41,543	29,922
Earnings per share (EPS) (refer note 6):					
Basic EPS (Rs.)	19.26	19.82	12.53	67.44	38.35
Diluted EPS (Rs.)	19.25	19.81	12.52	67.41	38.33

AUDITED SEGMENT REVENUE AND RESULTS

Particulars	Quarter ended			Year ended	
	March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
Segment revenue					
Retail, CPG and Manufacturing	4,719	4,381	4,164	17,166	16,439
Banking, Financial Services and Insurance	3,875	3,956	4,195	15,632	16,479
Communications, Media and Technology	10,412	10,089	8,816	39,835	31,793
Travel and Hospitality	2,087	1,811	3,330	7,045	12,932
Total	21,093	20,237	20,505	79,678	77,643
Segment results					
Retail, CPG and Manufacturing	923	1,051	865	3,684	2,844
Banking, Financial Services and Insurance	779	916	716	3,310	2,001
Communications, Media and Technology	2,472	2,395	1,529	8,891	4,754
Travel and Hospitality	452	317	402	682	1,299
Total	4,626	4,679	3,512	16,567	10,898
Unallocable					
Expenses	713	717	954	2,596	2,837
Finance costs	114	127	128	504	529
Other income	389	616	183	1,517	756
Profit before tax	4,188	4,451	2,613	14,984	8,288

Notes on segment information**Principal segments**

The Group is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Communications, Media and Technology (CMT) (erstwhile High Technology and Media - Hi-tech) and Travel and Hospitality (TH). Accordingly, the Group has presented its segment results under these business segments.

Segment assets and liabilities

Segregation of assets, liabilities, depreciation and other non-cash expenses into various business segments has not been carried out as the assets are used interchangeably between segments. Accordingly, no disclosure relating to segment assets and liabilities has been made.

Key Financial Metrics & Ratios

₹ million)	Q4 FY20	Q3 FY21	Q4 FY21	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	20,505	20,237	21,093	4.2%	2.9%
EBITDA	3,512	4,679	4,626	(1.1)%	31.7%
EBIT	2,833	3,962	3,913	(1.2)%	38.1%
PAT	2,062	3,265	3,173	(2.8)%	53.9%
Diluted EPS (Rs.)	12.52	19.81	19.25	(2.9)%	53.7%

(\$ million)	Q4 FY20	Q3 FY21	Q4 FY21	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	278.4	274.1	288.2	5.2%	3.5%
EBITDA	47.7	63.3	63.2	(0.2)%	32.3%
EBIT	38.5	53.6	53.5	(0.2)%	39.0%
PAT	28.2	44.2	43.3	(1.9)%	53.4%

Cash Flow (₹ million)	Q4 FY20	Q3 FY21	Q4 FY21
Free Cash flow	147	5,800	3,168
Cash and Investments	13,610	25,234	28,057

Key Ratios	Q4 FY20	Q3 FY21	Q4 FY21
EBITDA Margin (%)	17.1%	23.1%	21.9%
EBIT Margin (%)	13.8%	19.6%	18.6%
Effective Tax Rate (%)	21.0%	26.6%	24.3%
PAT Margin (%)	10.1%	16.1%	15.0%
ROCE (%)	29.4%	41.7%	36.7%
ROE (%)	26.2%	34.1%	30.6%
DSO (Days)	66	61	60

Effective Tax Rate = Tax / PBT

ROCE = EBIT / Average Capital Employed. ROCE is annualized

Note:

This report along with more information on our quarterly results is also available in the investors section of our website (www.mindtree.com). This report is for information purposes. Investors should rely on their own analysis while taking investment decisions and not rely on this report alone.

In the spirit of sensitivity towards the environment we are circulating this over email to shareholders who have updated their e-mail addresses with the depository participant. Please update your email addresses with your depository participant.

For more information, please contact investors@mindtree.com

Safe Harbor:

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. The conditions caused by the COVID-19 pandemic could decrease customer's technology spending, affecting demand for our services, delaying prospective customers' purchasing decisions, and impacting our ability to provide on-site consulting services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

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