

# Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

## Shareholder report

Fourth quarter and Year ended March 31, 2020

April 30, 2020

Dear Shareholder,

At the outset, trust you and all your loved ones are safe and in good health.

Financial Year 19-20 has been an exciting year at Mindtree. Our client first approach has resulted in robust revenue growth and highest ever deal signings for Mindtree. Our relentless focus in operational excellence has helped us further expand our margins in Q4.

During the current pandemic situation, leadership team at Mindtree and all Mindtree Minds did a commendable job in navigating through the crisis. I am extremely proud of all the Mindtree Minds, our partners and our suppliers, all coming together for the cause of human life and wellbeing. This collaboration helped us to deliver on our commitments to all our stakeholders.

For the quarter, our revenue is USD 278.4M with 1.9% growth in constant currency and 1.2% in dollar terms. For the full year, our revenue is USD 1.1B with growth of 9.4% in constant currency and 8.7% in dollar terms. Our continued effort towards margin expansion are yielding good results. Our EBITDA margin for the quarter is at 17.1% and for full year it is 14.0%. We signed contracts worth USD 393 M in Q4 and USD 1.2 B for the full year, thus underlying our strong transformational capabilities.

We thank you for your continued support and encouragement.

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



**Senthil Kumar**  
Chief Financial Officer



**Key financial highlights:**

***Quarter ended March 31, 2020***

- In USD:
  - Revenue at \$278.4 million (growth of 1.2% q-o-q / 6.3% y-o-y)
  - Net profit at \$28.2 million (growth of 1.8% q-o-q/ on y-o-y basis flat)
  
- In INR:
  - Revenue at ₹20,505 million (growth of 4.3% q-o-q / 11.5% y-o-y)
  - Net profit at ₹2,062 million (growth of 4.7% q-o-q / 3.9% y-o-y)

***Year ended March 31, 2020***

- In USD terms:
  - Revenue at \$1088.8 million (growth of 8.7%)
  - Net profit at \$88.5 million (decline of 17.7%)
  
- In Rupee terms:
  - Revenue at ₹ 77,643 million (growth of 10.6%)
  - Net profit at ₹ 6,309 million (decline of 16.3%)

**Other highlights:**

- Clients:
  - 307 active clients as of March 31, 2020
  - \$10 million clients grew by 1, total 23
  
- People:
  - 21,991 Mindtree Minds as of March 31, 2020
  - Trailing 12 months attrition is 17.4%

- BOTs\*:
  - Automation is playing a significant role in modernizing our technology service delivery, enhancing both efficiency and speed-to-results for our clients. We are proud to report our BOTs strength that autonomously work along-side our Mindtree Minds, enabling our team to do more and accomplish larger goals
  - We have 764 BOTs employed as of March 31, 2020

*\*Software that acts autonomously, free from any interference, human or otherwise, to perform a significant task which will otherwise be performed by a human*

- Q4 deal wins with leading global clients:

#### New Clients:

- For one of the leading providers of supplemental and life insurance products in North America, Mindtree has been chosen as a strategic partner in a multi-year deal to enhance client experience through digital transformation services for their clients
- For a travel technology leader, Mindtree has been chosen to manage the outsourced product development covering the large portfolio of airlines, hotels, travel agencies and airports
- For a leading manufacture in outdoor maintenance and gardening equipment, Mindtree has been awarded a multi-year application development and maintenance services contract as part of the DevOps Transformation Journey. As part of the deal, Mindtree would also help the client to migrate Data Center from a 3rd party provider to client's own Data Center

#### Existing Clients:

- Mindtree won the strategic annuity deal with an existing leading real estate services company to implement end to end digitally enabled technology services and help them embark on digital transformational journey. This deal is strategic not only from a size perspective but also encompasses multi service offerings cutting across IT life cycle. The same was announced as one of our recent press releases
- Mindtree to provide application development, testing and support services for a niche technology player that specializes in benefits administration

- Recognition:
  - Mindtree has been recognized as a Market Leader in Digital Business Solutions in US by Information Services Group (ISG), a leading global technology research and advisory firm.
  - Mindtree has been recognized by ISG as an Archetype Leader in Digital Transformation for capabilities in Continuous Testing, AGILE Development, Digital Business dedication and vision and future investment.
  - Mindtree has been recognized for 'Excellence in Learning Technology' and 'Excellence in Diversity & Inclusion' by Business World HR excellence awards 2020
  
- Announcements
  - The Board of Directors have recommended a final dividend of 100% (Rs 10 per equity share of par value Rs 10 each) for the financial year ended March 31, 2020 which is subject to the approval of shareholders at the Annual General Meeting



Extract of the audited consolidated financial results for the quarter and year ended March 31, 2020

Particulars	Rs in million, except per share data				
	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from operations	20,505	19,653	18,394	77,643	70,215
Other income, net	183	348	290	756	893
<b>Total income</b>	<b>20,688</b>	<b>20,001</b>	<b>18,684</b>	<b>78,399</b>	<b>71,108</b>
<b>Expenses</b>					
Employee benefits expense	12,933	12,535	11,504	50,647	44,212
Finance costs (refer note 6)	128	133	-	529	29
Depreciation and amortisation expense (refer note 6)	679	699	428	2,754	1,641
Other expenses (refer note 8)	4,335	4,055	4,087	16,181	15,358
<b>Total expenses</b>	<b>18,075</b>	<b>17,422</b>	<b>16,019</b>	<b>70,111</b>	<b>61,240</b>
<b>Profit before tax</b>	<b>2,613</b>	<b>2,579</b>	<b>2,665</b>	<b>8,288</b>	<b>9,868</b>
Tax expense					
Current tax (refer note 9)	725	662	712	2,333	2,456
Deferred tax	(174)	(53)	(31)	(354)	(129)
<b>Net profit for the period</b>	<b>2,062</b>	<b>1,970</b>	<b>1,984</b>	<b>6,309</b>	<b>7,541</b>
Other comprehensive income:					
A. (i) Items that will not be reclassified to profit or loss	(37)	7	(7)	(109)	(86)
(ii) Income tax relating to items that will not be reclassified to profit or loss	9	(2)	2	26	21
B. (i) Items that will be reclassified to profit or loss	(3,189)	110	-	(3,128)	262
(ii) Income tax relating to items that will be reclassified to profit or loss	1,114	(38)	-	1,093	-
<b>Total other comprehensive income (loss)</b>	<b>(2,103)</b>	<b>77</b>	<b>(5)</b>	<b>(2,118)</b>	<b>197</b>
<b>Total comprehensive income (loss) for the period</b>	<b>(41)</b>	<b>2,047</b>	<b>1,979</b>	<b>4,191</b>	<b>7,738</b>
Paid up equity share capital (face value Rs. 10/- each)	1,646	1,646	1,642	1,646	1,642
Reserves	29,922	29,933	31,419	29,922	31,419
Earnings per share (EPS) (refer note 10):					
Basic EPS (Rs.)	12.53	11.97	12.08	38.35	45.94
Diluted EPS (Rs.)	12.52	11.96	12.05	38.33	45.85

Particulars	Rs in million				
	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
<b>Segment revenue</b>					
Retail, CPG and Manufacturing	4,164	4,048	4,076	16,439	15,660
Banking, Financial Services and Insurance	4,195	4,195	4,015	16,479	15,472
High Technology and Media	8,816	8,139	7,290	31,793	27,586
Travel and Hospitality	3,330	3,271	3,013	12,932	11,497
<b>Total</b>	<b>20,505</b>	<b>19,653</b>	<b>18,394</b>	<b>77,643</b>	<b>70,215</b>
<b>Segment results</b>					
Retail, CPG and Manufacturing	865	740	674	2,844	2,579
Banking, Financial Services and Insurance	716	627	184	2,001	628
High Technology and Media	1,529	1,317	1,560	4,754	5,810
Travel and Hospitality	402	379	385	1,299	1,628
<b>Total</b>	<b>3,512</b>	<b>3,063</b>	<b>2,803</b>	<b>10,898</b>	<b>10,645</b>
<b>Unallocable</b>					
Expenses	954	699	428	2,837	1,641
Finance costs	128	133	-	529	29
Other income	183	348	290	756	893
<b>Profit before tax</b>	<b>2,613</b>	<b>2,579</b>	<b>2,665</b>	<b>8,288</b>	<b>9,868</b>

**Key Financial Metrics & Ratios**

₹ million)	Q4 FY2019	Q3 FY2020	Q4 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	18,394	19,653	20,505	4.3%	11.5%
EBITDA	2,803	3,063	3,512	14.7%	25.3%
Net Profit	1,984	1,970	2,062	4.7%	3.9%
Diluted EPS (Rs.)	12.05	11.96	12.52	4.7%	3.9%

(\$ million)	Q4 FY2019	Q3 FY2020	Q4 FY2020	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	262.0	275.2	278.4	1.2%	6.3%
EBITDA	39.9	43.0	47.7	10.9%	19.5%
Net Profit	28.2	27.7	28.2	1.8%	0.0%

Key Ratios	Q4 FY2019	Q3 FY2020	Q4 FY2020
EBITDA Margin (%)	15.2%	15.6%	17.1%
Effective Tax Rate (%)	25.6%	23.6%	21.0%
Net Profit Margin (%)	10.8%	10.0%	10.1%
ROCE (%)	32.9%	29.6%	29.4%
DSO (Days)	70	66	66

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](http://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](mailto: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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