

Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2021

July 16, 2021

Dear Shareholder,

Trust you and your loved ones are safe and in good health.

We are pleased to report a strong start to FY22, delivering our fourth consecutive quarter of solid growth in Q1 despite unprecedented times.

We reported broad-based growth across all service lines and industry segments. For the quarter, revenues were \$310.5 million, up 7.7% sequentially and 22.6% year-over-year. EBITDA margin was 20.3%. PAT came in at \$46.5 million. As a result, EPS was ₹20.8, up 8.2% sequentially and 61.1% year over year.

Our orderbook of half-a-billion US dollars is the highest ever in our history. We saw our highest ever quarterly net headcount addition and ended the quarter with more than 27,000 Mindtree Minds. We are all set to further ramp up hiring to meet the growing demands for our services.

Such a strong start to the fiscal year affirms that the disciplined execution of our strategy, the resilience of our business model, and focused investments in strengthening our capabilities and partnerships are resonating well with our clients. Our pipeline continues to be strong, positioning us well to deliver industry-leading double digit profitable growth this year. Please read on for the key highlights and a summary of our financial results for the quarter.

We would like to take this opportunity to thank you for your support and continued trust, and wish you the very best.

Warm regards,



Debashis Chatterjee
Chief Executive Officer and Managing Director



Vinit Teredesai
Chief Financial Officer



Key financial highlights:

Quarter ended June 30, 2021

- In USD:
 - Revenue was \$310.5 million (growth of 7.7% q-o-q / 22.6% y-o-y)
 - Net profit was \$46.5 million (growth of 7.5% q-o-q / 64.7% y-o-y)
- In INR:
 - Revenue was ₹22,917 million (growth of 8.6% q-o-q / 20.1% y-o-y)
 - Net profit was ₹3,434 million (growth of 8.2% q-o-q / 61.2% y-o-y)

Other highlights:

- Clients:
 - 260 active clients as of June 30, 2021
 - \$5 million+ clients grew by 3, total 47
 - \$10 million+ clients grew by 5, total 25
 - \$20 million+ clients grew by 1, total 8
- People:
 - 27,256 Mindtree Minds as of June 30, 2021
 - Trailing 12 months attrition is 13.7%
- Q1 deal wins with leading global clients:
 - One of the world's leading investment managers has selected Mindtree as a strategic partner for a multi-year managed services engagement to drive innovation and differentiated experiences by modernizing and transforming its IT infrastructure and application portfolio, while enabling multiple strategic business and technology change initiatives.
 - A global travel management company has chosen Mindtree for a multi-year, end-to-end, large-scale AWS cloud migration and cloud operations program to drive its new business and product strategy.
 - A global leader in automobile manufacturing has chosen Mindtree as a multi-year strategic partner to transform its applications ecosystem.
 - A multinational technology leader has entered into a long-term agreement with Mindtree for cloud and infrastructure support services.
 - A global high-tech industrial conglomerate has partnered with Mindtree to enable digital selling and an omnichannel customer experience.
 - A world leader in steel wire-based products has partnered with Mindtree for a multi-year digital transformation program, where Mindtree will deliver digital commerce platforms globally with a data-first approach to enable digital revenue acceleration and enhanced customer experience.

- Recognitions:
 - Mindtree was ranked second for client satisfaction in the 2021 UK IT Sourcing Study, conducted by Whitelane Research in collaboration with PA Consulting. Mindtree's overall satisfaction score of 80% was well above the industry average of 72%.
 - Mindtree was named a Major Contender by Everest Group in its 'Application and Digital Services in Banking PEAK Matrix® Assessment 2021: Global Focus' report.
 - Mindtree was named among 40 customer analytics service providers in Forrester's 'Now Tech: Customer Analytics Service Providers, Q2 2021' report. Customer analytics service providers help clients transform data into analytical insight to optimize decisions and improve customer experience (Source: Now Tech: Customer Analytics Service Providers, Q2 2021).
 - Mindtree was recognized with the [2021 ISG Digital Case Study Awards™](#) for best-in-class digital transformation work with enterprise customers. Mindtree was one of the companies to have four or more standout case studies.
 - Mindtree was among the top 5 companies with the highest ESG (Environmental, Social and Governance) scores in an evaluation by CRISIL Ltd. that analyzed three annual reporting cycles of 225 companies across 18 sectors in India through fiscal 2020.
 - EcoVadis awarded Mindtree a Silver rating in this year's sustainability assessment, placing Mindtree among the top 25% of the more than 75,000 companies it assessed.

Extract of the audited consolidated financial results for the quarter ended June 30, 2021 (₹ in millions, except per share data)

Particulars	Quarter ended		Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Revenue from operations	22,917	21,093	19,088	79,678
Other income, net	718	389	406	1,517
Total income	23,635	21,482	19,494	81,195
Expenses				
Employee benefits expense	13,673	13,123	12,776	51,132
Finance costs	129	114	131	504
Depreciation and amortisation expenses	582	713	597	2,596
Other expenses	4,599	3,344	3,092	11,979
Total expenses	18,983	17,294	16,596	66,211
Profit before tax	4,652	4,188	2,898	14,984
Tax expense				
Current tax	1,249	1,139	727	4,214
Deferred tax	(31)	(124)	41	(335)
Net profit for the period	3,434	3,173	2,130	11,105
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	28	45	(14)	(117)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(6)	(10)	3	28
B. (i) Items that will be reclassified to profit or loss	(80)	389	1,391	5,206
(ii) Income tax relating to items that will be reclassified to profit or loss	28	(136)	(486)	(1,819)
Total other comprehensive income/(loss)	(30)	288	894	3,298
Total comprehensive income for the period	3,404	3,461	3,024	14,403
Paid up equity share capital (face value Rs.10 each)	1,647	1,647	1,646	1,647
Reserves	44,983	41,543	32,973	41,543
Earnings per share (EPS) (refer note 6):				
Basic EPS (Rs.)	20.85	19.26	12.94	67.44
Diluted EPS (Rs.)	20.83	19.25	12.93	67.41

AUDITED SEGMENT REVENUE AND RESULTS

Particulars	Quarter ended		Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
Segment revenue				
Retail, CPG and Manufacturing	5,059	4,659	3,887	16,956
Banking, Financial Services and Insurance	4,162	3,875	3,879	15,632
Communications, Media and Technology	10,420	9,660	8,990	36,937
Travel, Transportation and Hospitality	3,053	2,679	2,121	9,317
Healthcare	223	220	211	836
Total	22,917	21,093	19,088	79,678
Segment results				
Retail, CPG and Manufacturing	550	917	799	3,628
Banking, Financial Services and Insurance	902	763	793	3,310
Communications, Media and Technology	2,550	2,404	1,846	8,454
Travel, Transportation and Hospitality	582	478	(38)	905
Healthcare	61	64	78	270
Total	4,645	4,626	3,478	16,567
Unallocable				
Expenses	582	713	855	2,596
Finance costs	129	114	131	504
Other income	718	389	406	1,517
Profit before tax	4,652	4,188	2,898	14,984

Notes on segment information
Principal segments

The Group is structured into five industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), Communications, Media

and Technology (CMT), Travel, Transportation and Hospitality (TTH) (erstwhile Travel and Hospitality - TH) and Healthcare (HCARE). With effect from April 1, 2021, the Group has expanded its foray into Healthcare industry and has revisited the classification of existing customers. This has resulted in HCARE being introduced as a new segment and expanding the TTH segment to include customers who were involved directly or indirectly with the real estate sector. Accordingly, the Group has regrouped certain customers between the segments and the comparative numbers have been restated to give effect to such change. The Group has presented its

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)	Q1 FY21	Q4 FY21	Q1 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	19,088	21,093	22,917	8.6%	20.1%
EBITDA	3,478	4,626	4,645	0.4%	33.6%
EBIT	2,881	3,913	4,063	3.8%	41.0%
PAT	2,130	3,173	3,434	8.2%	61.2%
Diluted EPS (Rs.)	12.93	19.25	20.83	8.2%	61.1%

(\$ million)	Q1 FY21	Q4 FY21	Q1 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	253.2	288.2	310.5	7.7%	22.6%
EBITDA	46.1	63.2	62.9	(0.3)%	36.4%
EBIT	38.2	53.5	55.1	3.0%	44.0%
PAT	28.3	43.3	46.5	7.5%	64.7%

Cash Flow (₹ million)	Q1 FY21	Q4 FY21	Q1 FY22
Free Cash flow	5,986	3,168	973
Cash and Investments	18,665	28,057	29,025

Key Ratios	Q1 FY21	Q4 FY21	Q1 FY22
EBITDA Margin (%)	18.2%	21.9%	20.3%
EBIT Margin (%)	15.1%	18.6%	17.7%
Effective Tax Rate (%)	26.5%	24.3%	26.2%
PAT Margin (%)	11.2%	15.0%	15.0%
ROCE (%)	31.1%	36.7%	37.9%
ROE (%)	25.8%	30.6%	30.6%
DSO (Days)	67	60	57

Effective Tax Rate = Tax / PBT

ROCE = PBIT / 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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