

Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

Fourth quarter ended March 31, 2022

April 20, 2022

Dear Shareholder,

We are pleased with our industry-leading profitable growth in FY22. Our ability to deliver solid business outcomes even during times of momentous change, uncertainty and disruption validates our vision, strategy and capabilities.

For the quarter, our revenues were \$383.8 million, sequentially up 5.2% in constant currency and 4.8% in dollar terms. This is the fifth consecutive quarter of 5% plus sequential growth in constant currency.

For the full year, revenues grew 31.1% in dollar terms. Revenue in INR grew by 32.1% and we achieved the milestone of crossing INR 100 billion in revenue. We are proud to have delivered EBITDA margin of 20.9% and PAT margin of 15.7%, our highest in a decade. Our commitment to creating value for shareholders is reaffirmed by an EPS of ₹100.2, our highest-ever adjusted for bonuses, and a full year dividend of ₹37 per share, the highest in our history. The passion of our teams and the trust of our customers will help our endeavor to continue delivering profitable industry-leading growth in the coming year as well.

The Board of Directors have recommended a final dividend of 270% (₹27 per equity share of par value ₹10 each) for the financial year ended March 31, 2022 which is subject to the approval of shareholders at the Annual General Meeting.

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 March 31, 2022

- In USD:
 - Revenue was \$383.8 million (growth of 4.8% q-o-q / 33.2% y-o-y)
 - Net profit was \$62.7 million (growth of 7.6% q-o-q / 44.8% y-o-y)
- In INR:
 - Revenue was ₹28,974 million (growth of 5.4% q-o-q / 37.4 % y-o-y)
 - Net profit was ₹4,731 million (growth of 8.1% q-o-q / 49.1 % y-o-y)

Year ended March 31, 2022

- In USD:
 - Revenue was \$1,410.8 million (growth of 31.1%)
 - Net profit was \$221.6 million (growth of 47.7%)
- In INR:
 - Revenue was ₹105,253 million (growth of 32.1%)
 - Net profit was ₹16,529 million (growth of 48.8%)

Other Q4FY22 highlights:

- Clients:
 - 276 active clients as of March 31, 2022
 - \$5 million+ clients increased by 4, total 56
 - \$20 million+ clients increased by 5, total 14
- People:
 - 35,071 professionals as of March 31, 2022
 - Trailing 12 months attrition was 23.8%

- Some key deals won in Q4 FY22:
 - A U.S.-based global leader in design software and services chose Mindtree as its strategic partner to provide product support to enhance customer experience and optimize costs.
 - A Dutch multinational company awarded Mindtree a managed support services contract for digital marketing, ecommerce, DataOps, and IoT services.
 - A leading U.S.-based managed healthcare and insurance company selected Mindtree as a preferred partner for digital transformation and modernization work.
 - A leading multinational cards and payments provider selected Mindtree to consult and create a roadmap for its journey to the public cloud for transforming its highly sophisticated operations portfolio and enabling it for the hybrid and multi-cloud environment. This engagement includes defining the target operating model, processes, tools, and skills.
 - A leading U.S. flagship airline signed a multiyear contract with Mindtree. As part of the contract, Mindtree will support core airline systems, including commercial, operations and enterprise IT, through business verification testing services.

- Recognitions:
 - Named a Leader in Everest Group's Duck Creek Services PEAK Matrix® Assessment 2022.
 - Included in the FTSE4Good Emerging Markets Index series.
 - Recognized as a global Supplier Engagement Leader by CDP, a global non-profit that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
 - Recognized as the 2022 ServiceNow Americas Emerging Service Provider Partner of the Year.
 - Won the Platinum Vision Award for the company's FY21 sustainability report at the League of American Communications Professionals' Annual Report Competition for 2020-21.
 - Won the Silver Shield for Excellence in Integrated Reporting in the Service Sector category at the ICAI (Institute of Chartered Accountants of India) Sustainability Reporting Awards 2020-21.



Extract of the audited consolidated financial results for the quarter and year ended March 31, 2022

₹ in millions, except per share data)

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from operations	28,974	27,500	21,093	105,253	79,678
Other income, net	899	708	389	3,073	1,517
Total income	29,873	28,208	21,482	108,326	81,195
Expenses					
Employee benefits expense	17,503	16,458	13,123	63,278	51,132
Sub-contractor charges	2,764	2,689	1,673	10,788	5,730
Finance costs	121	127	114	502	504
Depreciation and amortisation expenses	596	632	713	2,420	2,596
Other expenses	2,624	2,432	1,671	9,231	6,249
Total expenses	23,608	22,338	17,294	86,219	66,211
Profit before tax	6,265	5,870	4,188	22,107	14,984
Tax expense					
Current tax	1,298	1,612	1,139	5,546	4,214
Deferred tax	236	(117)	(124)	32	(335)
Net profit for the period	4,731	4,375	3,173	16,529	11,105
Other comprehensive income:					
A. (i) Items that will not be reclassified to profit or loss	42	(4)	45	107	(117)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(9)	1	(10)	(24)	28
B. (i) Items that will be reclassified to profit or loss	(405)	982	389	1,373	5,206
(ii) Income tax relating to items that will be reclassified to profit or loss	141	(343)	(136)	(480)	(1,819)
Total other comprehensive income / (loss)	(231)	636	288	976	3,298
Total comprehensive income for the period	4,500	5,011	3,461	17,505	14,403
Paid up equity share capital (face value Rs.10 each)	1,648	1,648	1,647	1,648	1,647
Reserves	53,091	48,457	41,543	53,091	41,543
Earnings per share (EPS) (refer note 7):					
Basic EPS (Rs.)	28.71	26.55	19.26	100.31	67.44
Diluted EPS (Rs.)	28.66	26.50	19.25	100.25	67.41

AUDITED SEGMENT REVENUE AND RESULTS

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Segment revenue					
Retail, CPG and Manufacturing	6,560	6,674	4,659	24,859	16,956
Banking, Financial Services and Insurance	5,261	4,805	3,875	18,764	15,632
Communications, Media and Technology	12,546	11,857	9,660	45,818	36,937
Travel, Transportation and Hospitality	4,178	3,804	2,679	14,524	9,317
Healthcare	429	360	220	1,288	836
Total	28,974	27,500	21,093	105,253	79,678
Segment results					
Retail, CPG and Manufacturing	1,005	1,090	917	3,785	3,628
Banking, Financial Services and Insurance	883	932	763	3,638	3,310
Communications, Media and Technology	3,293	2,979	2,404	11,276	8,454
Travel, Transportation and Hospitality	907	867	479	3,122	905
Healthcare	(5)	53	63	135	270
Total	6,083	5,921	4,626	21,956	16,567
Unallocable					
Expenses	596	632	713	2,420	2,596
Finance costs	121	127	114	502	504
Other income	899	708	389	3,073	1,517
Profit before tax	6,265	5,870	4,188	22,107	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 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.

Quarterly Key Financial Metrics & Ratios

₹ million)	Q4 FY21	Q3 FY22	Q4 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	21,093	27,500	28,974	5.4%	37.4%
EBITDA	4,626	5,921	6,083	2.7%	31.5%
EBIT	3,913	5,289	5,487	3.7%	40.2%
PAT	3,173	4,375	4,731	8.1%	49.1%
Diluted EPS (Rs.)	19.25	26.50	28.66	8.2%	48.9%

(\$ million)	Q4 FY21	Q3 FY22	Q4 FY22	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	288.2	366.4	383.8	4.8%	33.2%
EBITDA	63.2	78.9	80.6	2.1%	27.6%
EBIT	53.5	70.5	72.7	3.2%	36.0%
PAT	43.3	58.3	62.7	7.6%	44.8%

Cash Flow (₹ million)	Q4 FY21	Q3 FY22	Q4 FY22
Free Cash flow	3,168	4,595	5,029
Cash and Investments	28,057	30,723	36,012

Key Ratios

Key Ratios	Q4 FY21	Q3 FY22	Q4 FY22
EBITDA Margin (%)	21.9%	21.5%	21.0%
EBIT Margin (%)	18.6%	19.2%	18.9%
Effective Tax Rate (%)	24.3%	25.5%	24.5%
PAT Margin (%)	15.0%	15.9%	16.3%
ROCE (%)	36.7%	44.5%	44.0%
ROE(%)	30.6%	36.2%	36.1%
DSO (Days)	60	64	60

Effective Tax Rate = Tax / PBT

ROCE = PBIT / Average Capital Employed. ROCE is annualized

Full Year Key Financial Metrics & Ratios

(₹ million)	FY21	FY22	Growth (%)
Revenue	79,678	105,253	32.1%
EBITDA	16,567	21,956	32.5%
EBIT	13,971	19,536	39.8%
PAT	11,105	16,529	48.8%
Diluted EPS (Rs.)	67.41	100.25	48.7%

(\$ million)	FY21	FY22	Growth (%)
Revenue	1,076.5	1,410.8	31.1%
EBITDA	223.8	294.3	31.5%
EBIT	188.8	261.9	38.7%
PAT	150.0	221.6	47.7%

Key Ratios	FY21	FY22
EBITDA Margin (%)	20.8%	20.9%
EBIT Margin (%)	17.5%	18.6%
Effective Tax Rate (%)	25.9%	25.2%
PAT Margin (%)	13.9%	15.7%
ROCE (%)	36.1%	41.5%
ROE (%)	29.7%	33.8%

Total Contract Value signed(TCV) (USD M)	FY21	FY22
Overall TCV	1382	1612

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.

Mindtree Limited, Global Village, RVCE Post, Mysore Road, Bangalore-560059
 CIN: L72200KA1999PLC025564; Phone: + 91 80 6706 4000; Fax: +91 80 6706 4100;
 E-mail: info@mindtree.com/ investors@mindtree.com; Website: www.mindtree.com