

# Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

Shareholder report

First quarter ended June 30, 2022

July 15, 2022

Dear Shareholder,

We are excited to report a strong start to FY23 with robust revenue growth, solid margin, and a record order book.

For the quarter, our revenues were USD 399.3 million, up 5.5% sequentially in constant currency and 4% in dollar terms. This was our sixth consecutive quarter of more than 5% growth in constant currency. Our EBITDA margin - a measure of our growth potential and profitability - came in at a healthy 21.1% while we continued to invest aggressively in our people and partnerships. PAT margin for the quarter was 15.1%, and the EPS was INR 28.6. Our order book, comprising a healthy mix of annuity and transformational deals, stood at USD 570 million, up 13.1% year-over-year. I am pleased to note that this marks the highest-ever TCV in our history. We closed the quarter with a global headcount of more than 37,400. We are proud of our dedicated teams who continue to exceed client expectations with passion and purpose.

Our industry-leading performance yet again speaks to the growing relevance of our value proposition, strong demand for our capabilities, and disciplined execution. A robust first quarter performance has reinforced our confidence in our ability to continue our growth momentum through the foreseeable future.

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, 2022**

- In USD:
  - Revenue was \$399.3 million (growth of 4.0% q-o-q / 28.6% y-o-y)
  - Net profit was \$60.3 million (decline of 3.8% q-o-q / growth of 29.7% y-o-y)
- In INR:
  - Revenue was ₹31,211 million (growth of 7.7% q-o-q / 36.2 % y-o-y)
  - Net profit was ₹4,716 million (decline of 0.3% q-o-q / growth of 37.3 % y-o-y)

**Other highlights:**

- Clients:
  - 274 active clients as of June 30, 2022
  - \$10 million+ clients increased by 3, total 35
  - \$20 million+ clients increased by 4, total 18
- People:
  - 37,455 professionals as of June 30, 2022
  - Trailing 12 months attrition was 24.5%
- Some key deals won in Q1 FY23:
  - A leading U.S.-based airline chose Mindtree as a preferred digital product development partner. As part of the multiyear deal, Mindtree will help the airline accelerate growth by transforming its core systems and digital channels.
  - A healthcare technology provider awarded a three-year digital transformation contract to Mindtree for business-critical application development and maintenance services.
  - A leading hyperscaler selected Mindtree for a multiyear managed services deal as part of which Mindtree will provide a wide range of technology and program management support to the company's digital stores worldwide.
  - A leading global specialty insurance and reinsurance company selected Mindtree as a preferred partner for a multiyear managed services program spanning cloud, IT infrastructure, and security.
  - A leading audio technology company chose Mindtree as a preferred partner for a multiyear managed services deal consisting of cloud, development, and testing services.
  - An Australian wealth management group selected Mindtree as a partner of choice for its core modernization and digital transformation program.

- Recognitions:
  - Recognized as a major contender by Everest Group in its Healthcare Payer Digital Services PEAK Matrix® Assessment 2022.
  - Named an Aspirant by Everest Group in its Sustainability Enablement Technology Services PEAK Matrix® Assessment 2022.
  - Achieved certification from the British Standards Institution (BSI) for seven ISO standards across 18 locations — including five new ones added this year — in the U.S., the UK, Poland, and India.
  - Topped CRISIL’s ESG evaluation of more than 575 companies in India across 53 sectors and accorded the “Leadership” position in CRISIL’s Sustainability Yearbook 2022.
  - Ranked among Asia-Pacific’s top ten companies on the FT-Nikkei-Statista Asia-Pacific Climate Leaders list for achieving the greatest reduction in greenhouse gas (GHG) emissions intensity over 2015-2020.
  - Recognized with BEST awards by the Association for Talent Development (ATD) for driving impact and solving business challenges through talent development practices.
  - Won the Golden Peacock Award for Risk Management 2021 for business excellence and maturity in enterprise risk management.
  - Won the BW People HR Diversity and Inclusion Award for outstanding D&I initiatives.



**Extract of the Audited Consolidated Financial Results for the Quarter ended June 30, 2022**

(₹ in millions, except per share data)

Particulars	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
Revenue from operations	31,211	28,974	22,917	1,05,253
Other income, net	395	899	718	3,073
<b>Total income</b>	<b>31,606</b>	<b>29,873</b>	<b>23,635</b>	<b>1,08,326</b>
<b>Expenses</b>				
Employee benefits expense	18,536	17,503	13,673	63,278
Sub-contractor charges	2,995	2,764	2,588	10,788
Finance costs	122	121	129	502
Depreciation and amortisation expenses	599	596	582	2,420
Other expenses	3,099	2,624	2,011	9,231
<b>Total expenses</b>	<b>25,351</b>	<b>23,608</b>	<b>18,983</b>	<b>86,219</b>
<b>Profit before tax</b>	<b>6,255</b>	<b>6,265</b>	<b>4,652</b>	<b>22,107</b>
Tax expense				
Current tax	1,668	1,298	1,249	5,546
Deferred tax	(129)	236	(31)	32
<b>Net profit for the period</b>	<b>4,716</b>	<b>4,731</b>	<b>3,434</b>	<b>16,529</b>
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	70	42	28	107
(ii) Income tax relating to items that will not be reclassified to profit or loss	(14)	(9)	(6)	(24)
B. (i) Items that will be reclassified to profit or loss	(3,212)	(405)	(80)	1,373
(ii) Income tax relating to items that will be reclassified to profit or loss	1,146	141	28	(480)
<b>Total other comprehensive income / (loss)</b>	<b>(2,010)</b>	<b>(231)</b>	<b>(30)</b>	<b>976</b>
<b>Total comprehensive income for the period</b>	<b>2,706</b>	<b>4,500</b>	<b>3,404</b>	<b>17,505</b>
Paid up equity share capital (face value Rs.10 each)	1,648	1,648	1,647	1,648
Reserves	55,888	53,091	44,983	53,091
Earnings per share (EPS) (refer note 6):				
Basic EPS (Rs.)	28.61	28.71	20.85	100.31
Diluted EPS (Rs.)	28.57	28.66	20.83	100.25
<b>AUDITED SEGMENT REVENUE AND RESULTS</b>				
	<i>Rs in million</i>			
Particulars	Quarter ended		Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
<b>Segment revenue</b>				
Retail, CPG and Manufacturing	6,195	6,560	5,059	24,859
Banking, Financial Services and Insurance	5,804	5,261	4,162	18,764
Communications, Media and Technology	13,759	12,546	10,420	45,818
Travel, Transportation and Hospitality	4,815	4,178	3,053	14,524
Healthcare	638	429	223	1,288
<b>Total</b>	<b>31,211</b>	<b>28,974</b>	<b>22,917</b>	<b>1,05,253</b>
<b>Segment results</b>				
Retail, CPG and Manufacturing	828	1,005	550	3,785
Banking, Financial Services and Insurance	1,045	883	902	3,638
Communications, Media and Technology	3,680	3,293	2,550	11,276
Travel, Transportation and Hospitality	982	907	582	3,122
Healthcare	46	(5)	61	135
<b>Total</b>	<b>6,581</b>	<b>6,083</b>	<b>4,645</b>	<b>21,956</b>
<b>Unallocable</b>				
Expenses	599	596	582	2,420
Finance costs	122	121	129	502
Other income	395	899	718	3,073
<b>Profit before tax</b>	<b>6,255</b>	<b>6,265</b>	<b>4,652</b>	<b>22,107</b>
<b>Notes on segment information</b>				
<b>Principal segments</b>				
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) and Healthcare (HCARE). The Group has presented its segment results under these business segments.				
<b>Segment assets and liabilities</b>				
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

₹ million	Q1 FY22	Q4 FY22	Q1 FY23	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	22,917	28,974	31,211	7.7%	36.2%
EBITDA	4,645	6,083	6,581	8.2%	41.7%
EBIT	4,063	5,487	5,982	9.0%	47.2%
PAT	3,434	4,731	4,716	(0.3)%	37.3%
Diluted EPS (Rs.)	20.8	28.7	28.6	(0.3)%	37.2%

(\$ million)	Q1 FY22	Q4 FY22	Q1 FY23	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	310.5	383.8	399.3	4.0%	28.6%
EBITDA	62.9	80.6	84.2	4.5%	33.8%
EBIT	55.1	72.7	76.5	5.2%	39.0%
PAT	46.5	62.7	60.3	(3.8)%	29.7%

Cash Flow (₹ million)	Q1 FY22	Q4 FY22	Q1 FY23
Free Cash flow	973	5,029	3,997
Cash and Investments	29,025	36,012	39,466

### Key Ratios

Key Ratios	Q1 FY22	Q4 FY22	Q1 FY23
EBITDA Margin (%)	20.3%	21.0%	21.1%
EBIT Margin (%)	17.7%	18.9%	19.2%
Effective Tax Rate (%)	26.2%	24.5%	24.6%
PAT Margin (%)	15.0%	16.3%	15.1%
ROCE (%)	37.9%	44.0%	41.3%
ROE (%)	30.6%	36.1%	33.6%
DSO (Days)	57	60	50

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](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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