

# Mindtree Limited

(NSE: MINDTREE, BSE: 532819)

## Shareholder report

First quarter ended June 30, 2020

July 20, 2020

Dear Shareholder,

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

We are happy to share that we closed Q1 FY 2020-21 with a healthy order book of USD 391M despite global headwinds due to the COVID-19 pandemic. Our unwavering focus on operational efficiencies has helped us post a healthy EBITDA of 18.2%.

On the delivery front, we succeeded in seamless transition for deals won in previous quarter as well as current quarter. For multiple crucial projects, we completed go-live as per the planned schedule. I thank our clients for collaborating on this effort as well as to the Mindtree teams to have made this happen.

For the quarter, our revenue is USD 253.2M. Travel, Transport and Hospitality (TTH) segment is the most impacted in today's pandemic situation leading to a sequential decline of 9% at the company level. Despite deep revenue impact, our profit after tax (PAT) improved to 11.2% compared to 10.1% in Q4. In absolute terms PAT is at USD 28.3M compared to USD 28.2M in Q4.

We recently concluded our 21<sup>st</sup> Annual General Meeting (AGM) virtually. We thank you for your participation, 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



**Vinit Teredesai**  
Chief Financial Officer



**Key financial highlights:**

**Quarter ended June 30, 2020**

- In USD:
  - Revenue at \$253.2 million (decline of 9.0% q-o-q / 4.1% y-o-y)
  - Net profit at \$28.3 million (growth of 0.1% q-o-q / 111.7% y-o-y)
  
- In INR:
  - Revenue at ₹19,088 million (decline of 6.9% q-o-q / growth of 4.1% y-o-y)
  - Net profit at ₹2,130 million (growth of 3.3% q-o-q / 129.8% y-o-y)

**Other highlights:**

- Clients:
  - 292 active clients as of June 30, 2020
  - 6 new clients added during the quarter
  
- People:
  - 21,955 Mindtree Minds as of June 30, 2020
  - Trailing 12 months attrition is 16.6%
  
- Q1 deal wins with leading global clients:

**New Clients:**

- For a leading manufacturer in outdoor maintenance and gardening equipment, Mindtree has been awarded a program to redefine the e-commerce journey by bringing direct-to-consumer channel using Salesforce commerce cloud and by deploying a new content management system, thereby opening a new revenue stream for the client organization
  
- Mindtree has been chosen as the strategic partner for the implementation of Salesforce based Digital Solutions and ServiceNow rollout for pioneer in retail tele-dentistry enterprise based in North America

- For a global travel technology leader, Mindtree has been chosen as a strategic implementation partner to accelerate their cloud transformation & modernization roadmap to create a new travel market place comprising of critical products and systems across their entire portfolio
- Mindtree has been chosen for development and testing services for a world leading healthcare manufacturing and distribution company based in North America

Existing Clients:

- Mindtree has been awarded a multi-year global infrastructure services engagement for a top multinational corporate travel and meetings management company to provide 24x7 remote infrastructure management, administration, monitoring and support services for their data centers across the enterprise



**Extract of the audited consolidated financial results for the quarter ended June 30, 2020**

Particulars	Rs in million, except per share data			
	Quarter ended		Year ended	
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
Revenue from operations	19,088	20,505	18,342	77,643
Other income, net	406	183	220	756
<b>Total income</b>	<b>19,494</b>	<b>20,688</b>	<b>18,562</b>	<b>78,399</b>
<b>Expenses</b>				
Employee benefits expense	12,776	12,933	12,532	50,647
Finance costs	131	128	130	529
Depreciation and amortisation expense	597	679	669	2,754
Other expenses	3,092	4,335	3,969	16,181
<b>Total expenses</b>	<b>16,596</b>	<b>18,075</b>	<b>17,300</b>	<b>70,111</b>
<b>Profit before tax</b>	<b>2,898</b>	<b>2,613</b>	<b>1,262</b>	<b>8,288</b>
Tax expense				
Current tax	727	725	354	2,333
Deferred tax	41	(174)	(19)	(354)
<b>Net profit for the period</b>	<b>2,130</b>	<b>2,062</b>	<b>927</b>	<b>6,309</b>
Other comprehensive income:				
A. (i) Items that will not be reclassified to profit or loss	(14)	(37)	(35)	(109)
(ii) Income tax relating to items that will not be reclassified to profit or loss	3	9	8	26
B. (i) Items that will be reclassified to profit or loss	1,391	(3,189)	-	(3,128)
(ii) Income tax relating to items that will be reclassified to profit or loss	(486)	1,114	-	1,093
<b>Total other comprehensive income/(loss)</b>	<b>894</b>	<b>(2,103)</b>	<b>(27)</b>	<b>(2,118)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>3,024</b>	<b>(41)</b>	<b>900</b>	<b>4,191</b>
Paid up equity share capital (face value Rs. 10/- each)	1,646	1,646	1,645	1,646
Reserves	32,973	29,922	31,888	29,922
Earnings per share (EPS) (refer note 7):				
Basic EPS (Rs.)	12.94	12.53	5.64	38.35
Diluted EPS (Rs.)	12.93	12.52	5.64	38.33

**AUDITED SEGMENT REVENUE AND RESULTS**

Particulars	Quarter ended			
	Quarter ended		Year ended	
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
<b>Segment revenue</b>				
Retail, CPG and Manufacturing	3,927	4,164	4,077	16,439
Banking, Financial Services and Insurance	3,879	4,195	3,953	16,479
Communications, Media and Technology	9,737	8,816	7,226	31,793
Travel and Hospitality	1,545	3,330	3,086	12,932
<b>Total</b>	<b>19,088</b>	<b>20,505</b>	<b>18,342</b>	<b>77,643</b>
<b>Segment results</b>				
Retail, CPG and Manufacturing	783	865	575	2,844
Banking, Financial Services and Insurance	785	716	190	2,001
Communications, Media and Technology	2,114	1,529	892	4,754
Travel and Hospitality	(204)	402	184	1,299
<b>Total</b>	<b>3,478</b>	<b>3,512</b>	<b>1,841</b>	<b>10,898</b>
<b>Unallocable</b>				
Expenses	855	954	669	2,837
Finance costs	131	128	130	529
Other income	406	183	220	756
<b>Profit before tax</b>	<b>2,898</b>	<b>2,613</b>	<b>1,262</b>	<b>8,288</b>



## Key Financial Metrics &amp; Ratios

₹ million)	Q1 FY2020	Q4 FY2020	Q1 FY2021	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	18,342	20,505	19,088	(6.9)%	4.1%
EBITDA	1,841	3,512	3,478	(1.0)%	88.9%
Net Profit	927	2,062	2,130	3.3%	129.8%
Diluted EPS (Rs.)	5.64	12.52	12.93	3.3%	129.3%

(\$ million)	Q1 FY2020	Q4 FY2020	Q1 FY2021	Growth (%)	
				Q-o-Q	Y-o-Y
Revenue	264.2	278.4	253.2	(9.0)%	(4.1)%
EBITDA	26.5	47.7	46.1	(3.3)%	74.0%
Net Profit	13.4	28.2	28.3	0.1%	111.7%

Key Ratios	Q1 FY2020	Q4 FY2020	Q1 FY2021
EBITDA Margin (%)	10.0%	17.1%	18.2%
Effective Tax Rate (%)	26.6%	21.0%	26.5%
Net Profit Margin (%)	5.1%	10.1%	11.2%
ROCE (%)	15.4%	29.4%	31.1%
DSO (Days)	66	66	67

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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