

## TechM Q4 profit rises 34.5% YoY; announces dividend of Rs 30 per share



[Tech Mahindra](#) on Monday reported a 34.51 per cent year-on-year (YoY) rise in consolidated net profit at Rs 1,081.4 crore for the March quarter of the financial year 2020-21 (FY21) as against Rs 803.9 crore posted in the corresponding quarter last year.

On a sequential basis, the figure was down 17.4 per cent from Rs 1,309.8 crore.

The March quarter revenue stood at Rs 9,729.9 crore, up 2.5 per cent YoY and 0.85 per cent quarter-on-quarter (QoQ). The IT major had posted a revenue of Rs 9,490.2 crore in the same period year-ago and Rs 9,647.1 crore in the December quarter of FY21.

In dollar terms, revenue came in at \$1,329.6 million, up 2.7 per cent YoY while it grew 1.6 per cent QoQ. The revenue growth came in at 0.7 per cent in constant currency (CC) terms.

[Tech Mahindra](#) missed brokerages' profit expectations although met projections on the revenue front.

The profit after tax (PAT) during the quarter under review was expected to vault between 52-59 per cent year-on-year (YoY), as per analysts. Although, the same was likely to decline on a sequential basis. Most brokerages expected the IT major to clock a 2-4 per cent YoY rise in March quarter revenue (rupee terms). Meanwhile, in dollar terms, the figure was expected to grow between 3-4 per cent.

“Our continued focus on cutting-edge technologies has expanded client engagement with large deal wins this quarter. We are witnessing a strong demand acceleration and are committed towards delivering a next-level human-centered experience of the future, Now. The health and wellness of our associates and community at large, continues to be our prime focus, as we navigate through this pandemic together,” said CP Gurnani, Managing Director and Chief Executive Officer at Tech Mahindra.

Earnings before interest and tax (Ebit) during the fourth quarter rose by 68.9 per cent to Rs 1,603.7 crore as against Rs 949.6 crore in the same quarter in the year-ago period. On a QoQ basis, the figure was up 4.3 per cent.

Ebit margins, meanwhile, stood at 16.5 per cent for the quarter ended March 2021 as against 15.9 per cent in the December quarter and 10 per cent in the March 2020 quarter.

The board also recommended a dividend of Rs 30 per share, including a special dividend of Rs 15 per share, for FY21, subject to approval by the members of the company. The same, if approved, will be paid by August 11, 2021, the company said.

During the quarter under review, Tech Mahindra saw an attrition rate at 13 per cent in comparison to 12 per cent reported in the previous quarter of FY21.

Ahead of the results, the company's stock closed 1.3 per cent higher at Rs 963 on the BS

Revenue by Industry %	Q4 FY21	Q3 FY21	Q4 FY20	QoQ	YoY
Communications	39.6%	39.7%	40.8%	1.4%	-0.2%
Manufacturing	16.3%	16.3%	17.7%	1.9%	-5.2%
Technology,Media & Entertainment	9.3%	9.4%	7.4%	0.5%	27.8%
Banking,Financial services & Insurance	16.5%	16.0%	15.3%	4.9%	10.3%
Retail, Transport & Logistics	7.5%	7.9%	7.3%	-3.2%	6.2%
Others	10.8%	10.8%	11.5%	1.6%	-3.4%

  

Revenue by Geography %	Q4 FY21	Q3 FY21	Q4 FY20	QoQ	YoY
Americas	45.5%	46.8%	47.7%	-1.3%	-2.1%
Europe	26.5%	26.4%	26.5%	2.0%	2.7%
Rest of world	28.0%	26.8%	25.8%	6.2%	11.5%

Source: Tech Mahindra

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