Tech Mahindra

INVESTOR PRESENTATION

2013


Aerospace


Automotive


Components


Defense

THE MAHINDRA GROUP

6 decades
of excellence

$16.7 bn
revenue

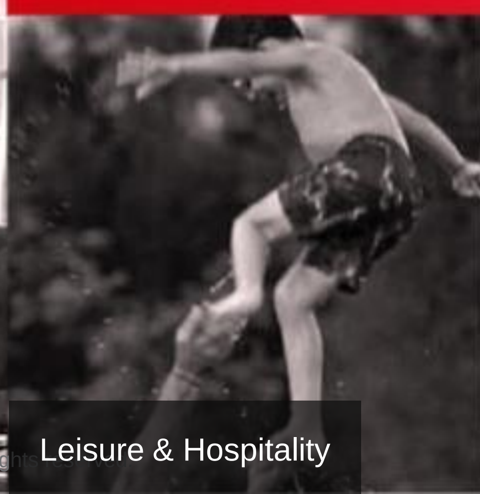
180,000
Associates

100+
Countries

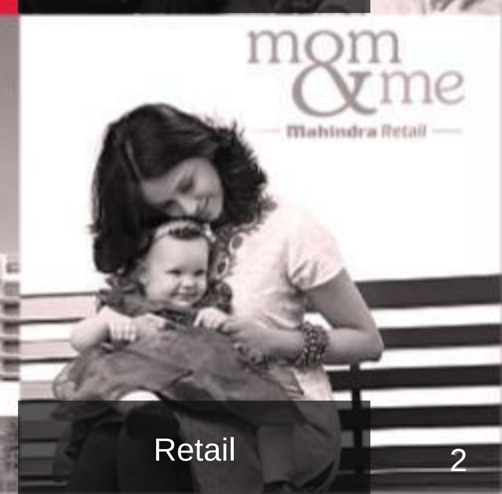

Farm Equipment


Financial Services


Information Technology


Leisure & Hospitality


Real Estate



Retail

RISE™

CORE PURPOSE
We will challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise™.

THE RISE TENETS

- ACCEPTING NO LIMITS
- ALTERNATIVE THINKING
- DRIVING POSITIVE CHANGE

CORE VALUES
Professionalism
Good Corporate Citizenship
Customer First
Quality Focus
Dignity of the Individual

RISE OF A NEW SERVICE LEADER

M Satyam merges with Tech Mahindra, becomes 5th biggest IT firm

PNS ■ NEW DELHI

IT services firm Tech Mahindra on Tues… tion of Mahindra Satyam's merger wi… fifth largest software services company w… lion.

The merged entity will be called Te… to almost double the turnover to $5 b… telecom, manufacturing, BFSI among… be the chairman of the combined en…

Today we have fulfilled the com… we acquired Satyam, to jointly bec… fied players leveraging technology… said in a statement.

Over the past 4 years we w… our teams worked…

TechM is now fifth biggest IT company

New Delhi: IT services firm Tech Mahindra on Tuesday announced completion of Mahindra Satyam's merger with itself to create nation's fifth largest software services company with a turnover of $2.7 billion.

The merged entity will be called Tech Mahindra which will aim to almost double the turnover to $5 billion by 2015 with focus on telecom, manufacturing, BFSI among others. Anand Mahindra will be the chairman of the combined entity. "Today we have fulfilled the commitm…

…tions," Mahindra said in a statement. "Over the past 4 years we worked through the statutory and legal issues, our teams worked closely on the ground to integrate processes, eliminate overlaps, leverage best practices and deliver enhanced value to all our shareholders," Tech Mahindra executive vice chairman Vineet Nayyar said at a press conference here.

The $16.2 billion Mahindra Group had in 2009 taken over Satyam Computers after a multi-billion dollar scam by its founding chairman B Ramalinga Raju was unearthed. Boards of Tech Mahindra and Mahindra Satyam approved the merger on March 21, 2012. After an approval from the Mumbai high court, the merger had bee…

TECH MAHINDRA

25 years	**$ 2.97 bn** Revenue*
87,000 Associates**	**46** Countries

* Revenue on LTM basis
** No of associates as on 31st December, 2013

OUR JOURNEY

2003 – 2008
LEADERSHIP IN TELECOM VERTICAL

- CAGR ~48%
- Global presence
- Long term relationship with marquee clients
- The initial public offer
- Landmark engagements :
  - Barcelona
  - Andes
  - US Tier 1 Telecom Leader

2009-2013

- SATYAM TURNAROUND
  - Acquire
  - Stabilize
  - Invest
  - Grow
- Non BT Growth 21%
- Service, Geo & Client Diversification
- Six Pillar Strategy
- Investment in emerging markets
- Client Mining
- Large Deals

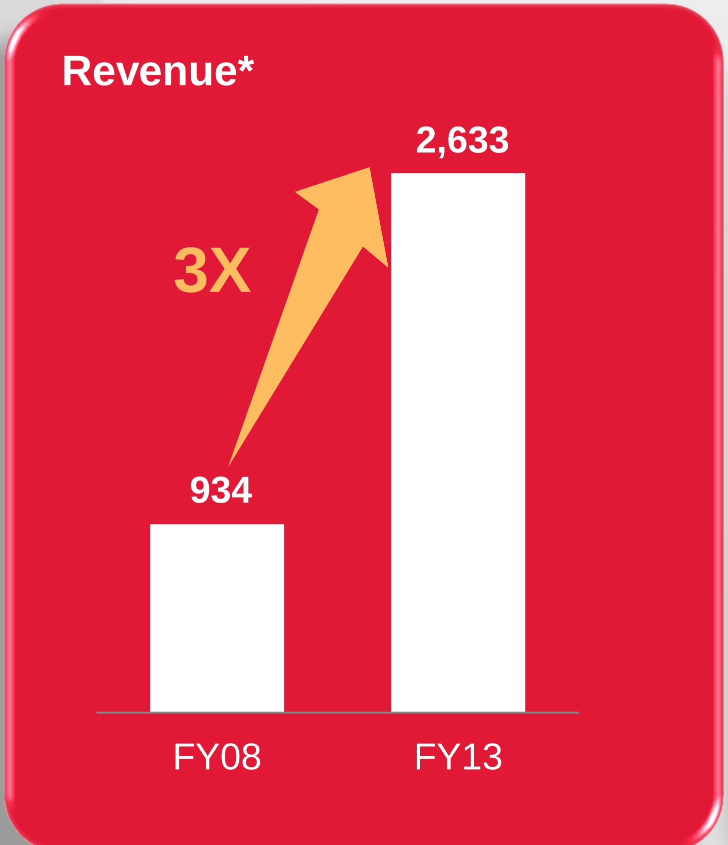
GOING AHEAD …

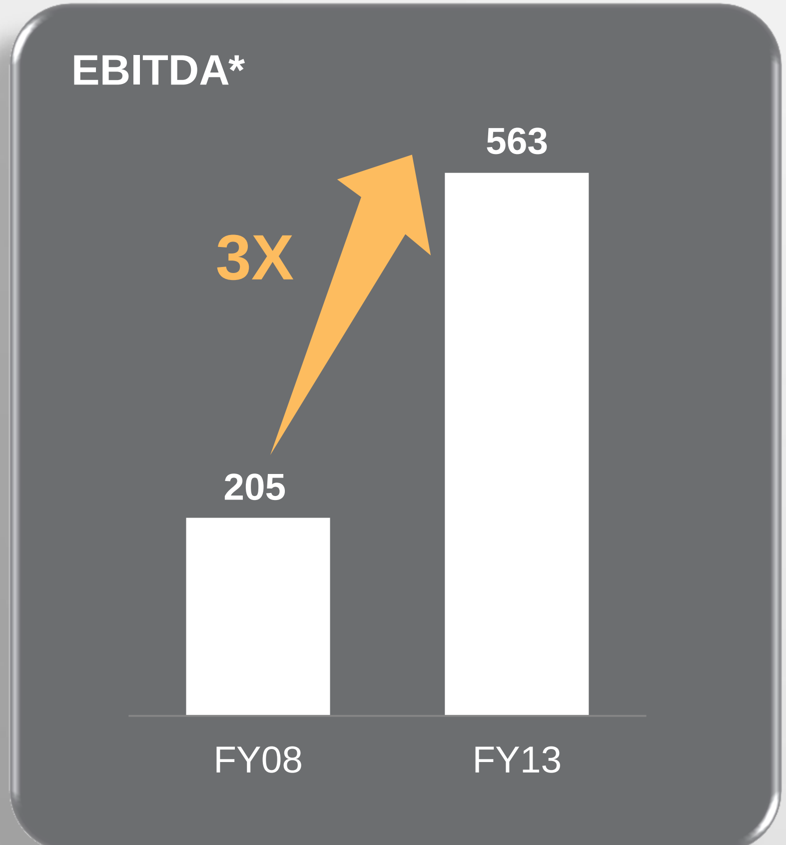
- Power of One
- Revenue & cost synergies
- Investment in Sales
- NMACS
- Mission 2015

The Last Five Years

$ Million

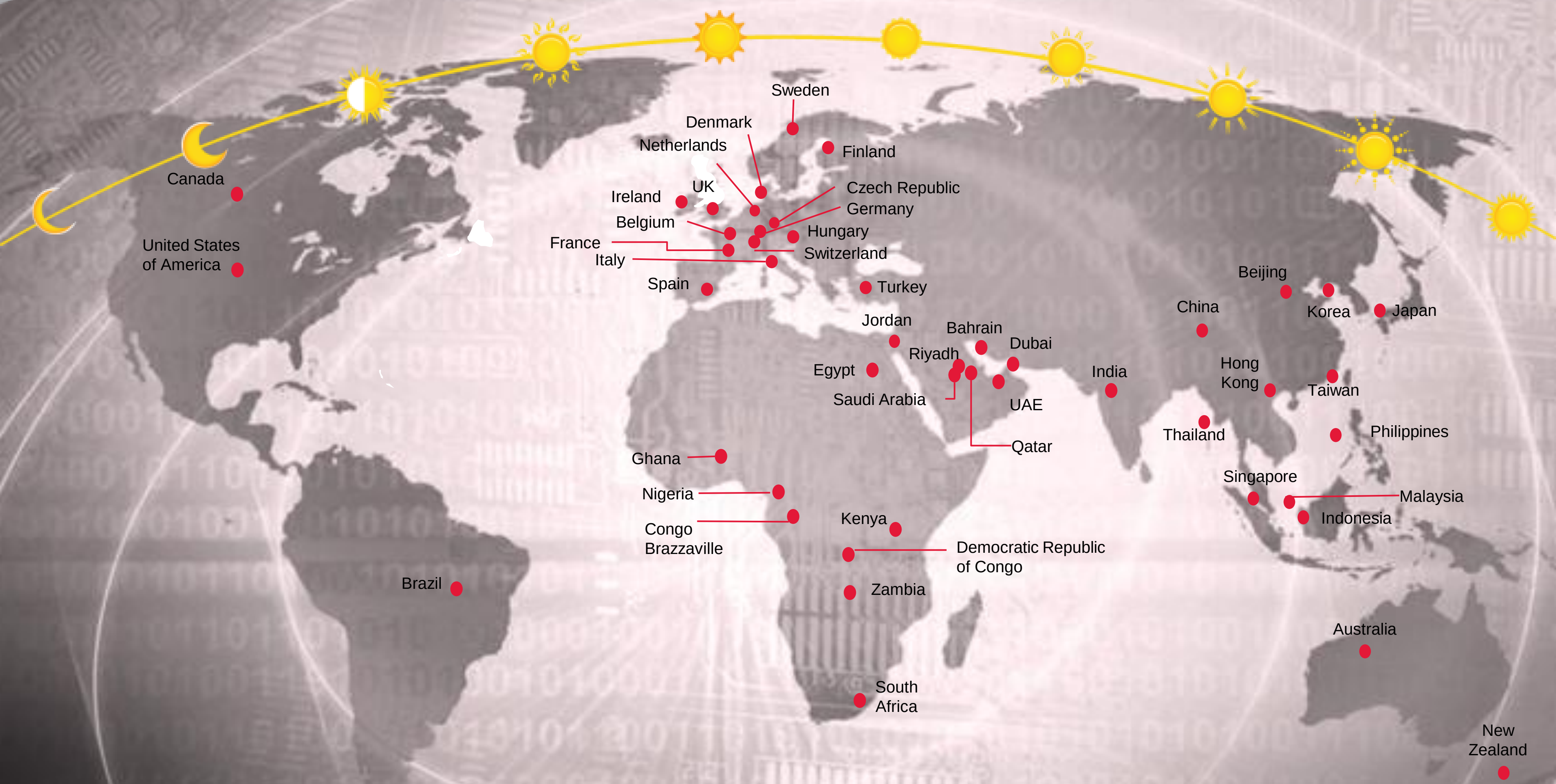
All figs in USD Million





* We have not obtained the audit opinion on merged entity's consolidated financial figures

OUR CONNECTED WORLD



Americas
47% share

Europe
31% share

Rest of the World
22% share

Revenue by geography % as of Q3FY14

Those who shape the industry are connected with us…

TELECOM SOLUTIONS


12 of Top 20 Wireless TSPs


11 of Fortune 500 global companies


5 of Top 5 TEMs


3 of Top 3 Telcos in Europe


5 of Top 5 TEMs

ENTERPRISE SOLUTIONS


4 of Top 5 in Communication Equipment


3 OF TOP 10 in Aerospace


5 OF TOP 10 in Automotive


4 OF TOP 10 in Banking


3 OF TOP 10 in Energy


3 OF TOP 5 in Foods

Our Executive Management Team

Vineet Nayyar
Executive Vice Chairman

C P Gurnani
Managing Director & Chief Executive Officer

Sujit Baksi
Chief Executive Officer (BSG)

Rakesh Soni
Chief Operating Officer (Enterprise)
Chief People Officer

Amitava Roy
Chief Operating Officer (Telecom)
Head Strategic Accounts

L Ravichandran
Chief Operating Officer (Telecom)
America & ROW

Milind Kulkarni
Chief Financial Officer

A S Murthy
Chief Technology Officer

Manish Mehta
Chief Vertical Solutions Officer

Mao Mohapatra
Chief Executive Officer (Mahindra Comviva)

Manish Vyas
Global Head (Telecom)

Manoj Chugh
Global Head (Enterprise)

Hari T
Chief Marketing Officer

RECOGNITION

ASSOCIATE

- Mahindra Satyam wins the prestigious ***'MOST ADMIRED KNOWLEDGE ENTERPRISE'*** (MAKE) Award
- - Knowledge Summit 2013
- Tech Mahindra wins second global award! The ***TOP 125 TRAINING AWARD***, 2013
- Mahindra Satyam has been awarded the ***'NHRD INSPIRE 2012'***

CUSTOMER

- CanvasM wins ***AEGIS GRAHAM BELL AWARD*** for Saral Rozgar in the category "Innovative Value Added Services"
- 'BPO Contract of the Year' and "India's Most ***CUSTOMER-RESPONSIVE*** BPO Company"
- ***AT&T SUPPLIER AWARD*** for outstanding performance & service
- ***SAP PINNACLE AWARD*** in the Ecosystem Expansion category

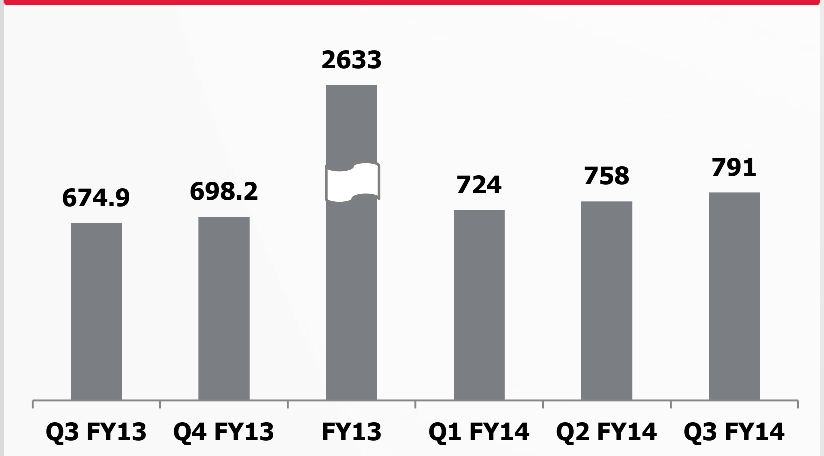
INVESTORS / SOCIETY

- ***"CORPORATION OF THE YEAR"*** award for 2012 by Greater Dallas Indo-American Chamber of Commerce
- ***TOP TELECOM SOFTWARE*** Company award at Cyber Media ICT Awards 2012
- Mahindra Satyam BSG wins the ***'BEST INDIAN ITES COMPANY'*** award from ITs AP
- Frost and Sullivan 2012 ***APAC BEST PRACTICES AWARD*** for "Excellence in growth"

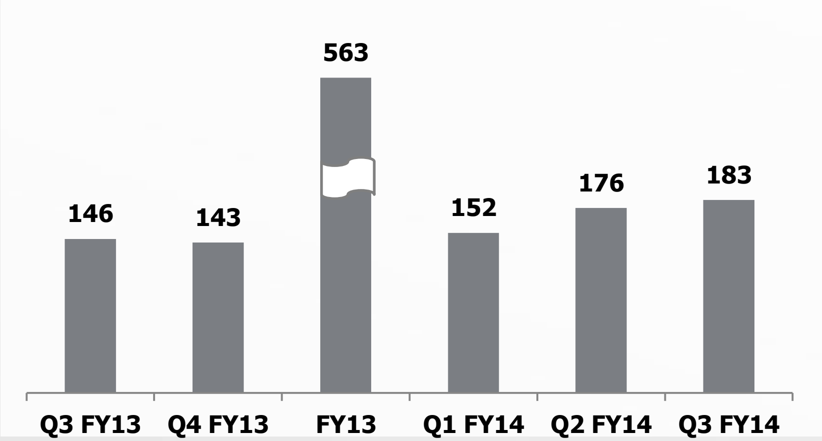
Financial snapshot*

$ Million

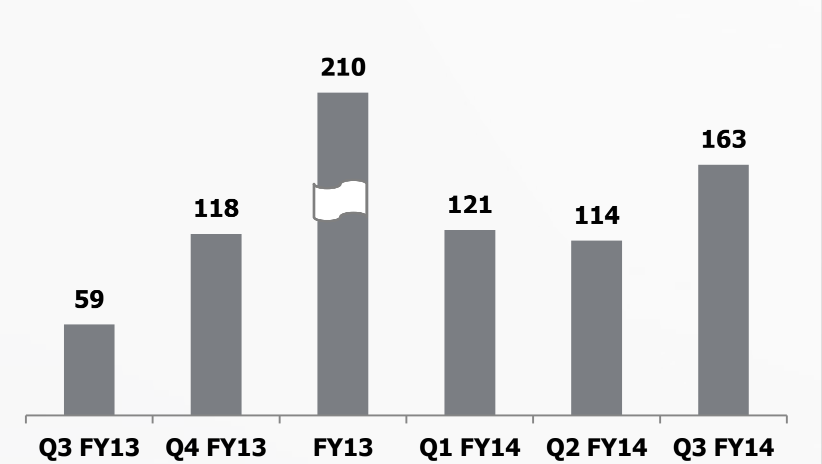
Revenue



EBIDTA



PAT



- 605 active clients in Q2FY14 vs 576 in Q2FY14
- Cash and cash equivalents at INR 3,459 crore as on 3[1st] December, 2013
- Hedge book position at GBP 211 @ INR 94.2 and US$ 771 @INR 59.5

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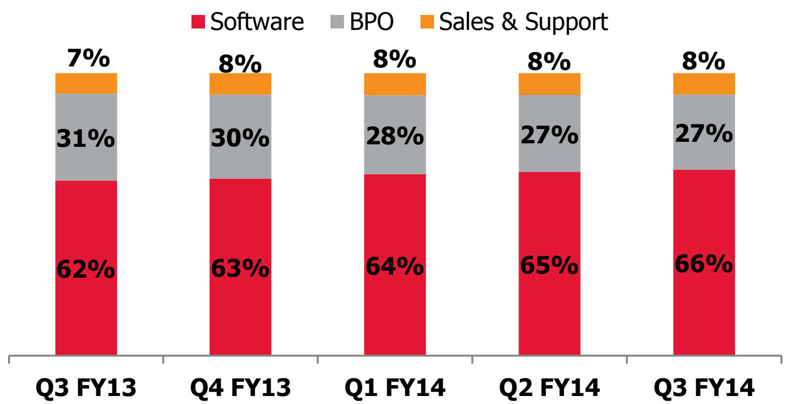
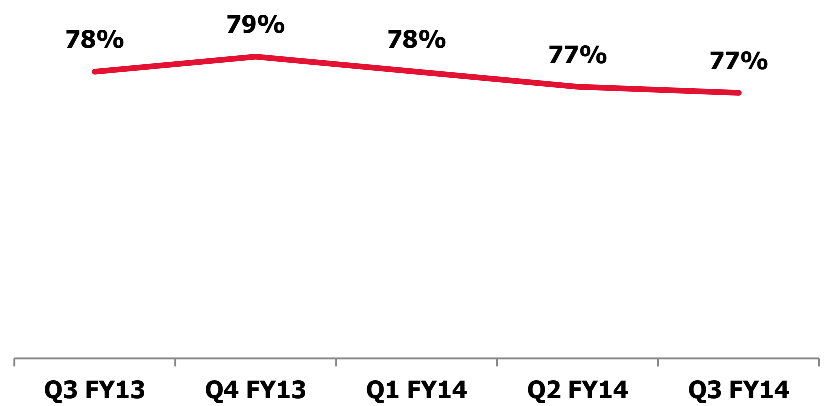
Key Metrics

Man- power breakup



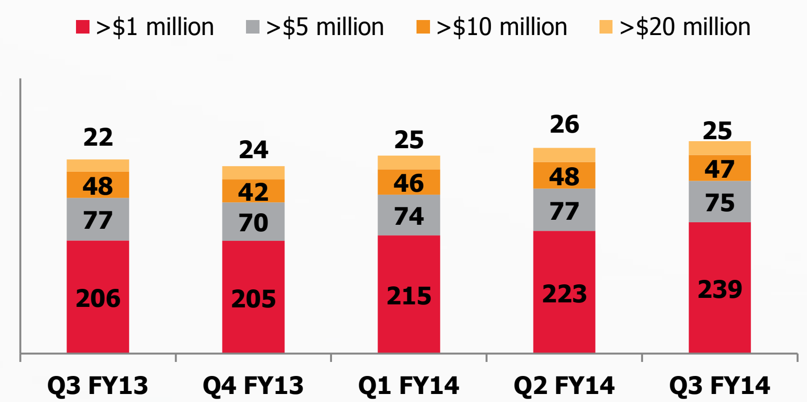
IT utilization % (Excluding trainees)



Revenue contributions

	Q3 FY13	Q4 FY13	Q1 FY14	Q2 FY14	Q3 FY14
Top 5 clients	39%	37%	37%	36%	37%
Top 10 clients	50%	50%	49%	48%	49%
Top 20 clients	62%	61%	60%	61%	61%

Revenue contributions



RECENT ACQUISITIONS

HGS – Hutchison Global Services

100% subsidiary of Hutchison Whampoa providing BPO services to Hutch group companies

Strengthening Telecom domain expertise

- End-to-End Customer Life Cycle Management
- Service Offering: Customer acquisition support; Contract management support; Business support services
- Expertise in customer support on all leading devices and operating systems

TechM's Rationale

- Strengthening our relation-ship with Hutchison group
- Hutchison clients commitment to procure services worth $ 845 Mn over 5 year period
- International voice and back office business presence for Australia, UK & Ireland business
- Adds International BPO business exposure to Tech M's portfolio

Commercial Terms

- 100% stock buy out , effective 4th September
- Valuation of $ 87 Mn, paid with a combination of Internal accruals and Debt
- Debt free, Cash ~ $ 20 Mn
- 11,500 + employees

Comviva

Tech M forays into Mobility Products via acquiring 51% (controlling stake) in Comviva

Enhancing the VAS practice

- Mobile VAS, Mobile Money and Mobile Payments space
- Will enable Canvas M to provide services on Comviva's IP under 3 key areas – Mobility, Device Testing and Enterprise Mobility
- Comviva has a cutting edge of VAS solutions to meet the dynamic needs of the Operator
- Opens market foray like Middle East, Africa and Latin America
- Especially strong presence in prepaid market such as Latin America and Africa

Commercial Terms

- 51% on a fully diluted basis
- Total Valuation of INR 260 crore ; Upfront payment INR 125 crore and balance to be paid subject to Comviva meeting pre determined targets
- Debt free, Cash - ~ INR 32 crore

vCustomer

Dion

vCustomer

- 1st acquisition for Mahindra Satyam since the Mahindra Group's takeover of Satyam in the year 2009
- Mahindra Satyam's BPO service to enter into other verticals such as Retail and Consumer Technology

Commercial Terms

- 100% acquisition
- Valuation of $ 27 Mn,

Dion

- Strategic stake in Dion
- Dion global solutions – a specialist provider for software products and solutions for Capital markets globally
  - Portfolio Management
  - Trading Settlement
  - Risk Management
  - Analytics
  - Treasury and Research Services
- Coverage of 660 + clients in more than 62 countries
- The proceeds from the investment under consideration will be utilized by Dion to further enhance its offerings and its geographic reach

Complex IT, Brazil

**MSAT will own a majority stake in Complex IT,
one-of-the largest SAP consulting provider, in Brazil**

Help expands its reach in Lat AM

- Developing solutions for the rapidly expanding Enterprise Solutions market within Brazil
- Will enable MSAT to expand market presence and offer a global delivery capability in Latin America
- Brazil is the second fastest growing geography globally for SAP AG
- As Brazil gears up to host FIFA 2014 and the Olympics in 2016, it would only provide an increased impetus to an already rapidly growing IT services market.
- Coverage of 120+ active clients with strong presence in SAP in Banking and Manufacturing Companies in Brazil.

Commercial Terms

- 51% ownership in the company
- Bought 51% in the company with $ 6.5 mn upfront payment
- Balance in form of earn-out's over next 18 month period for a maximum of $23 million (including $6.5 mn upfront payment)
- Debt free

Mahindra Engineering Services

Merger to consolidate offerings and leadership position in Engineering Services Space

Help boost Engineering Prowess

- Creation of one of the prominent players providing engineering services from India
- Strengths in Aerospace and Automotive verticals
- Tech Mahindra will gain access to key automotive clients across the globe
- Mahindra Engineering Services to benefit with larger global reach and deeper resource pool
- Strengthens existing services portfolio in Aerospace and Embedded Services segment
- Enhances presence in US and Germany

Commercial Terms

- Exchange ratio - 5 shares of Tech Mahindra (face value of INR 10) , for every 12 shares of Mahindra Engineering Services Limited (face value of INR 10)
- Issue of 0.426 crore new shares, increasing outstanding shares to 23.73 crore

POWER OF ONE

Our Brand Positioning

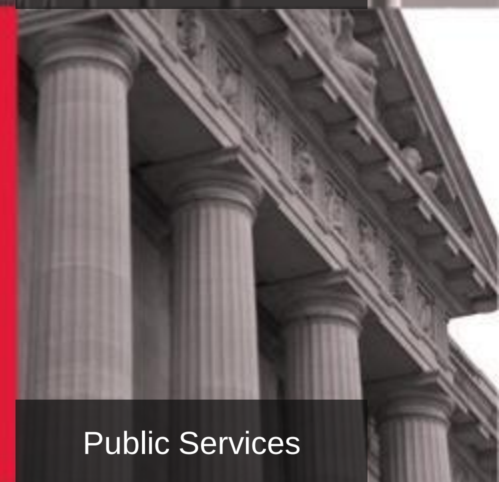
Connected World. Connected Solutions.

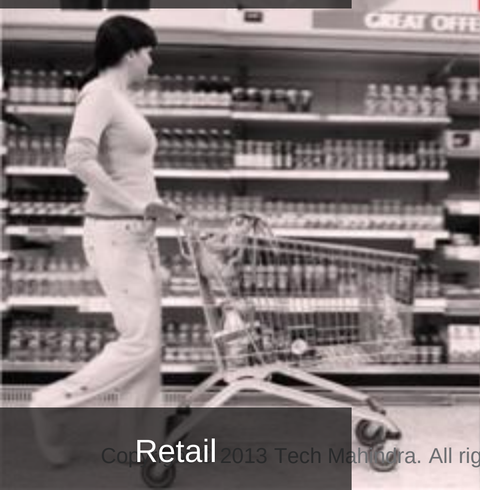
Our new positioning represents the new connected world, offering innovative and customer-centric services and solutions integrating technology with business, thereby enabling Enterprises, Associates and the Society to Rise™.

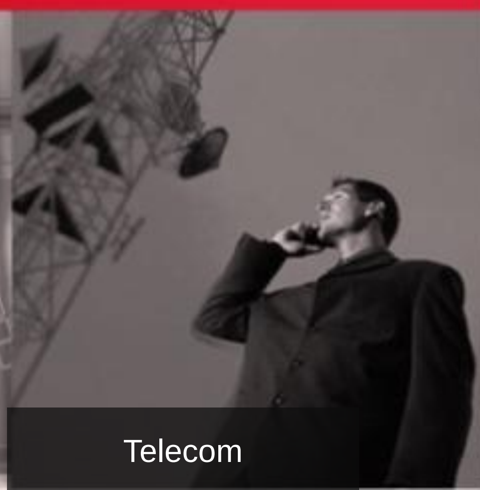

Navigating through
the world of
Connected Solutions

INDUSTRY CONNECTS

Leaders in Telecom & Enterprise Offerings	Consulting & Delivery
138 IPs & 5 Center of Excellence	The Mahindra Ecosystem







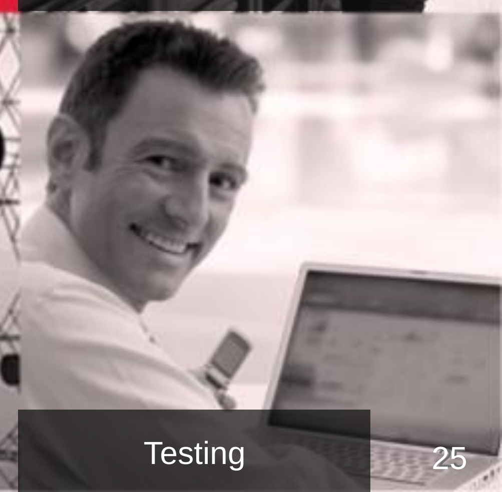
SERVICE CONNECTS

Enterprise & Telecom Service Specialist

Integrated Global Account Management

Innovative Engagement Models

Mature Processes & Methodologies



Our Connected & Differentiated Strategy

Growth

Leverage

- Existing Clients
- Existing Offerings
- Merger Synergies
- M^3 advantage

Enhance

- Joint Offerings
- Alliance & Partnerships

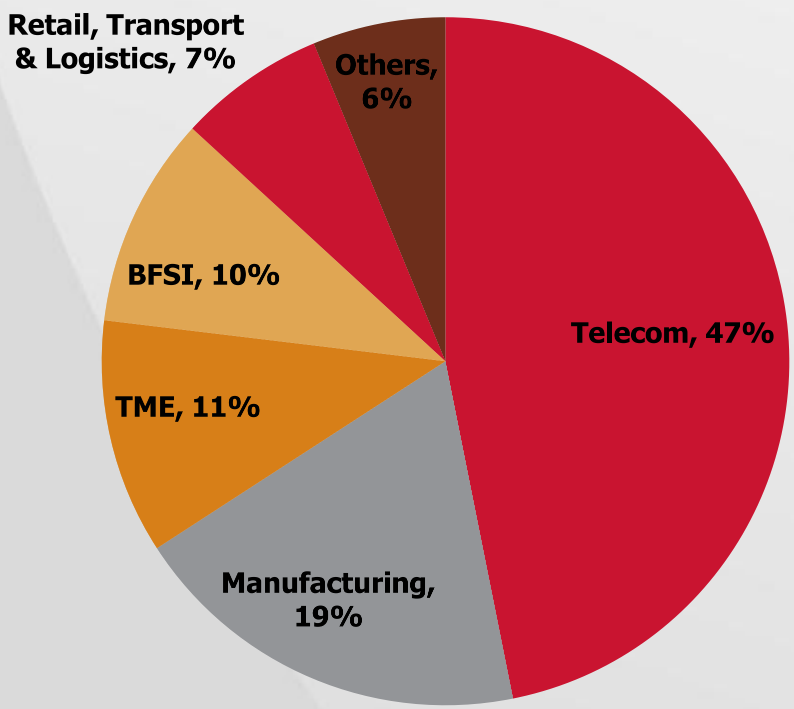
Acquire

- Inorganic
- New Logos

Innovate

- Customer Innovation
- Delivery Excellence
- Platform / Solution Sets
- NMACS

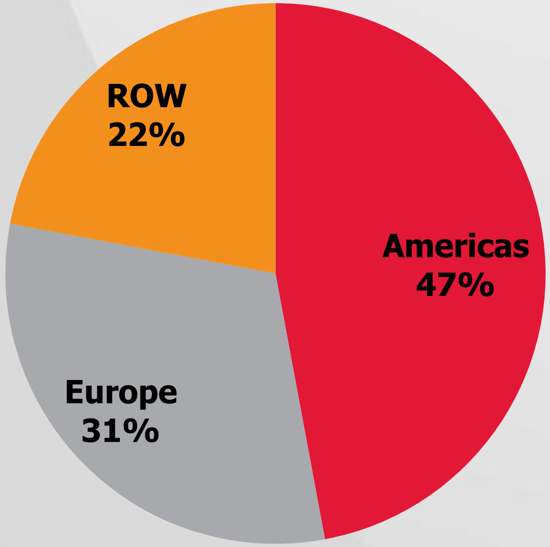
Deep capabilities across verticals



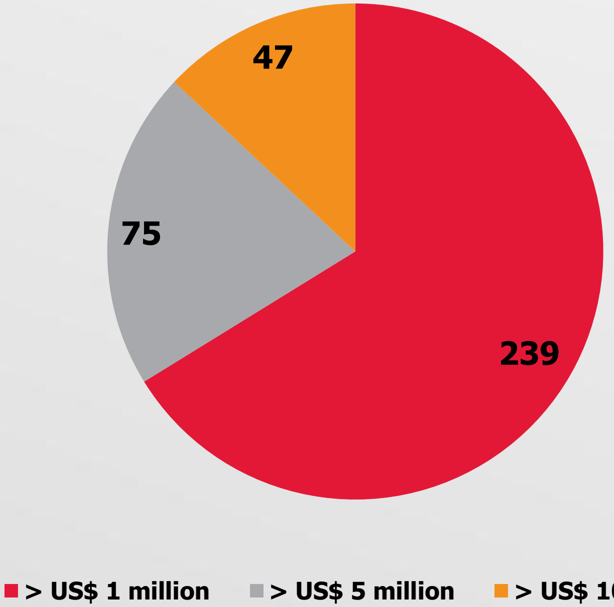
- 12 out of top 20 global wireless telecom service provides
- 4 out of top 10 retail banks
- 2 out of top 3 in cards
- 5 of top 10 in Motor Vehicle and Parts

De-risked business profile

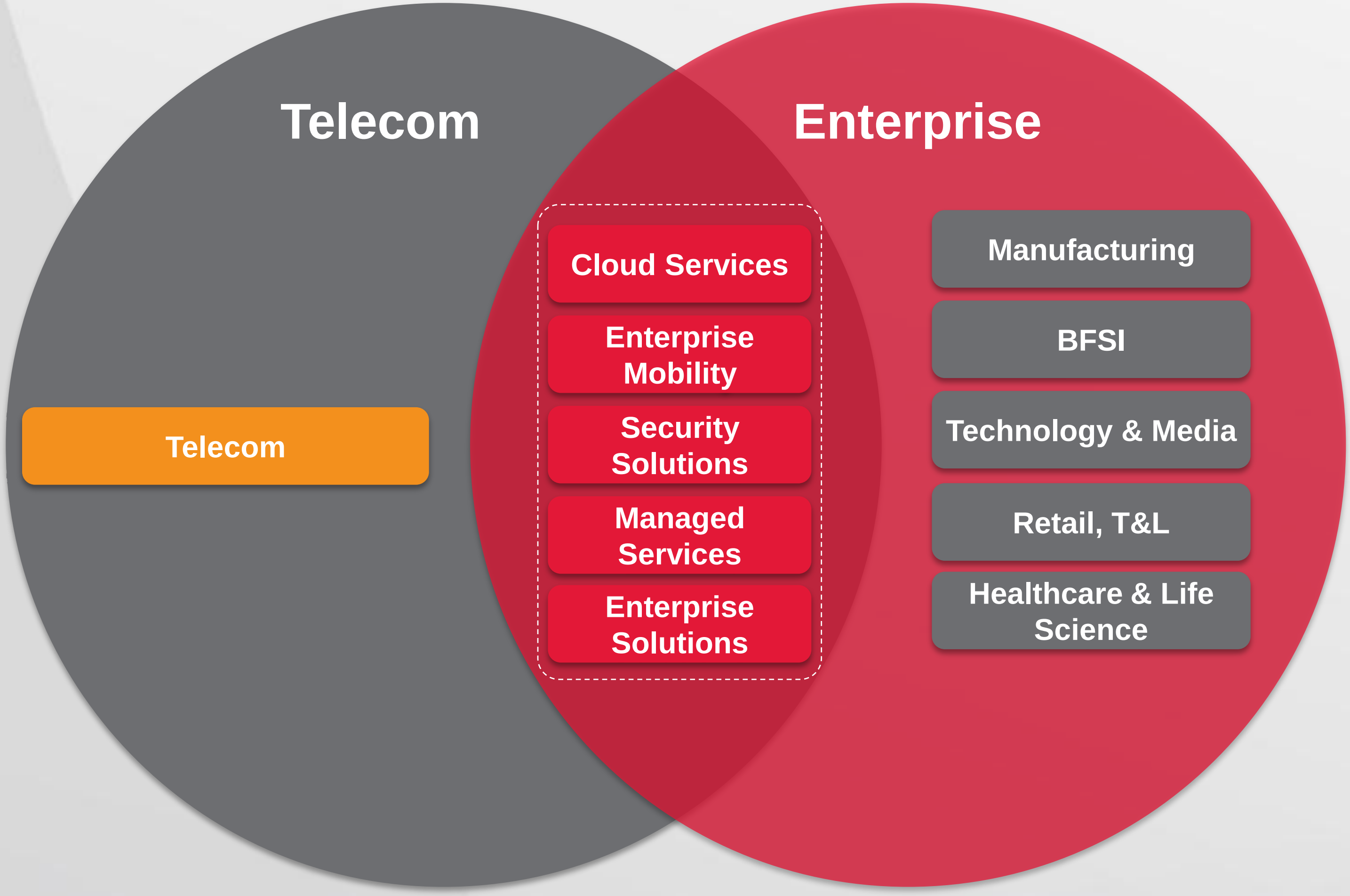
Well balanced geographic exposure



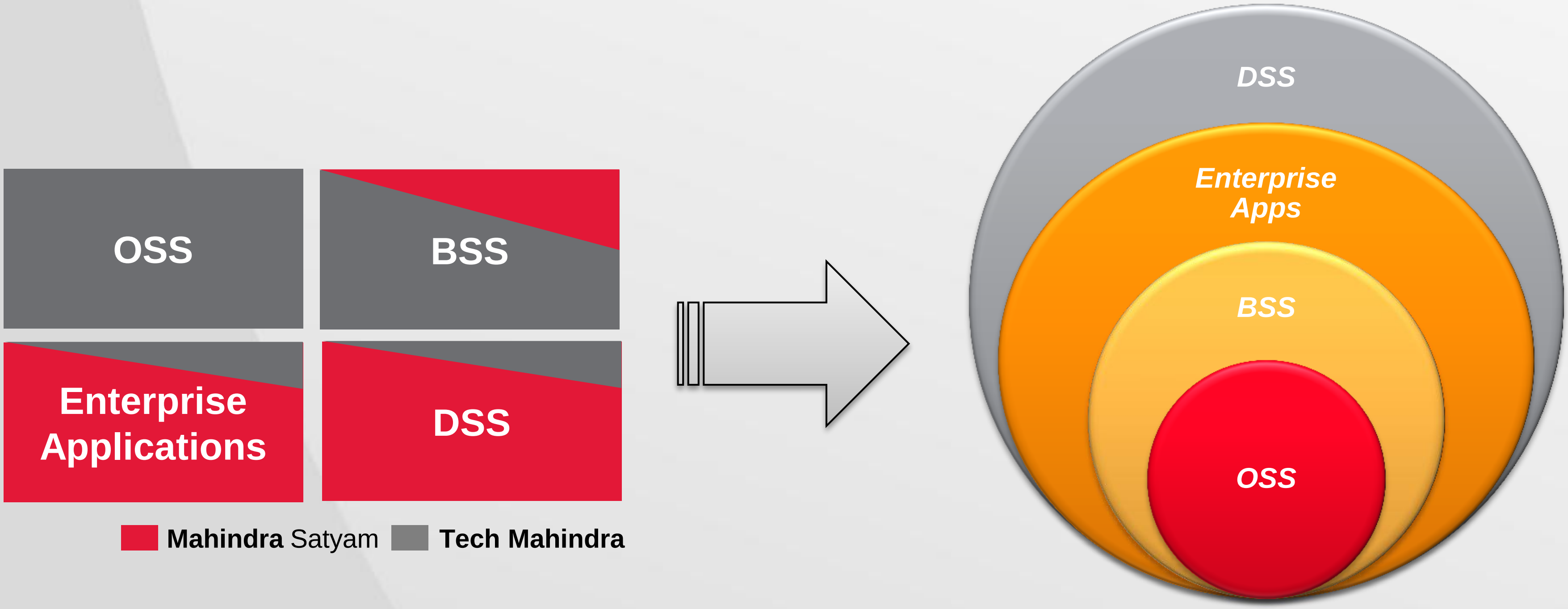
Significant client diversification



Cross-pollination of offerings



Synergy & Integration – EBS



MSat + TechM Journey in Last 4 Quarters in EBS Space

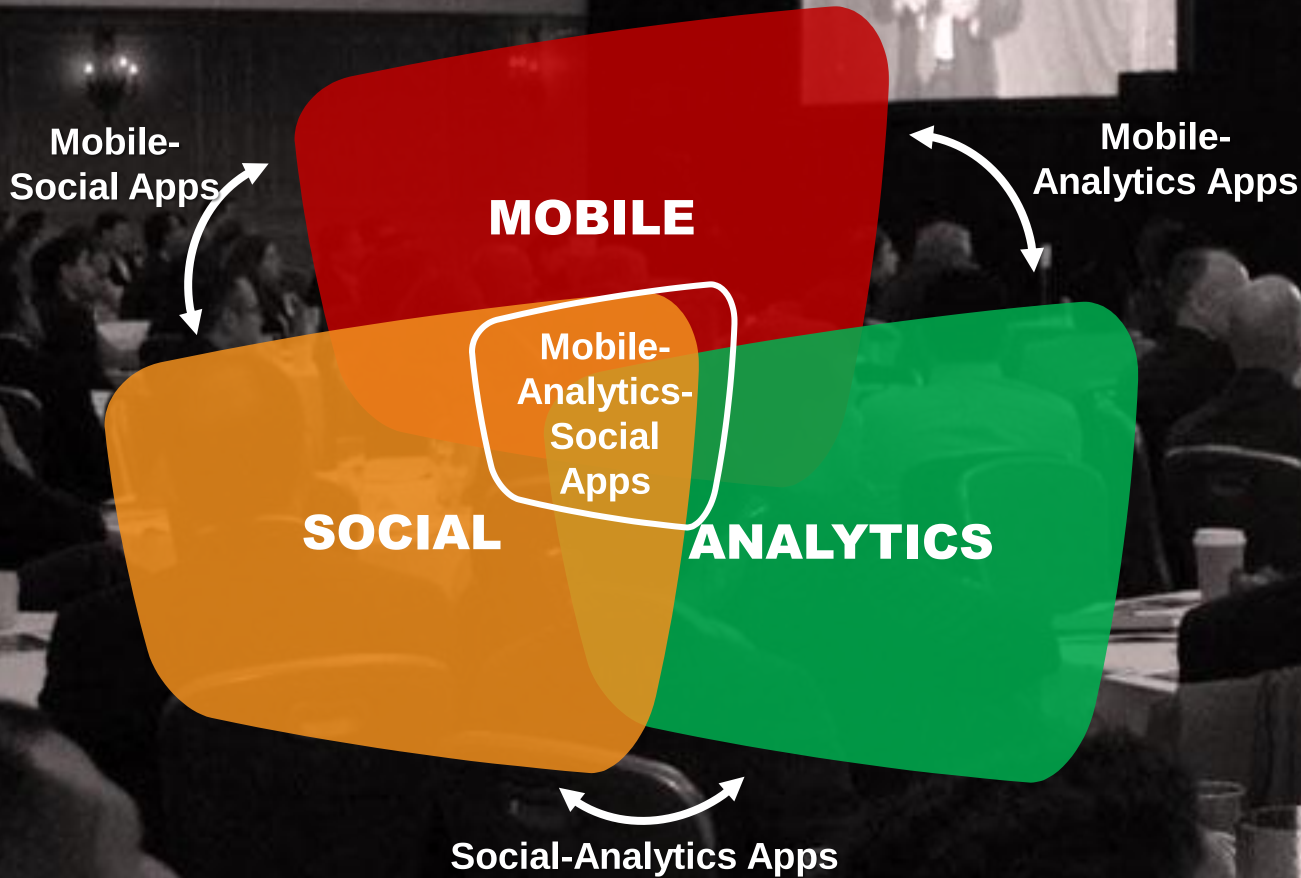
- 130+ TechM Customers Landscape
- 20+ Focused Account mining
- 20+ New wins for MSAT EBS

Focused GTM outlook in EBS Space

- Joint GTM Offering in EBS Space for Telco's
- Larger Landscape for account penetration & mining

BUILDING TOMORROW'S DIGITAL BUSINESSES

POWERED BY NMACS



Networks | Cloud | Security | Sensors

P&L Summary and Balance Sheet

Consolidated Summary P&L

P&L Summary (INR Mn)	Q3 FY13 #	Q2 FY14	Q3 FY14	QoQ Growth	YoY Growth
Revenue from services	36,683	47,715	48,985	**2.7%**	**33.5%**
Cost of services	22,761	28,826	30,012		
Gross Profit	13,923	18,889	18,974	**0.4%**	**36.3%**
SG&A	5,965	7,779	7,610		
Operating Profit	7,958	11,110	11,363	**2.3%**	**42.8%**
Other Income	1,308	380	(457)		
Interest Expense	204	241	236		
Depreciation	866	1,222	1,396		
Profit before Tax	8,197	10,028	9,274	**(7.5)%**	**13.1%**
Provision for taxes	1,931	2,840	264		
Non recurring/ Exceptional Items	(2,940)	-	1200		
Minority Interest	(109)	(4)	(111)		
Profit after Tax	3,215	7,184	10,099	**40.6%**	**214.1%**
EPS (In INR) - After Exceptional Items					
Basic	13.91	30.96	43.47		
Diluted	13.58	30.27	42.41		

 # Company has not obtained the audit opinion on the merged entity's consolidated financials for Q3FY13. However the basis and the Financials of Merged entity for FY13 have been uploaded on Company's website in the investor relations section

- **Q3 FY13 results include 19 days results of Comviva Technologies Limited which was acquired as a 47.02% subsidiary effective 12th Dec, 2012**
- **Q3 FY13 exceptional item includes INR 2,940 towards Aberdeen (UK) settlement.**
- **Q3 FY14 exceptional item represents write back of excess provision for contingencies provided in earlier years.**
- **Q3 FY14 tax provision includes reversal of INR 2,266 Mn provision no longer required, written back.**

Consolidated Summary P&L

P&L Summary (US$ Mn)	Q3 FY13 #	Q2 FY14	Q3 FY14	QoQ Growth	YoY Growth
Revenue from services	674.9	758.0	791.0	**4.4%**	**17.2%**
Cost of services	418.7	458.2	484.7		
Gross Profit	256.1	299.8	306.4	**2.2%**	**19.6%**
SG&A	109.7	124	122.9		
Operating Profit	146.4	175.9	183.5	**4.3%**	**25.3%**
Other Income	24.1	6.1	(7.4)		
Interest Expense	3.7	3.8	3.8		
Depreciation	15.9	19.5	22.5		
Profit before Tax	150.8	158.6	149.7	**-5.7%**	**-0.8%**
Provision for taxes	35.5	44.9	4.2		
Non recurring/ Exceptional Items	(54.1)	-	19.4		
Minority Interest	(2.0)	(0.0)	(1.8)		
Profit after Tax	59.2	113.7	163.1	**43.5%**	**175.7%**
EPS (In INR) – After Exceptional Items					
Basic	0.26	0.49	0.70		
Diluted	0.25	0.48	0.68		

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OUR MISSION 2015

2 — GROWTH

0 — OPERATIONS

1 — SHAREHOLDER VALUE

5 — LEADERSHIP

Thank you

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