



PERSISTENT
Partners in Innovation

Persistent Systems Limited

Quarter ending September 30, 2015

October 25, 2015

Forward-looking and Cautionary Statements



Certain statements in this Presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, our revenues highly dependent on customers located in the United States, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, concentration of major operations of the Company in one city, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



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Key Highlights

Key Highlights –Q2 FY 16 Performance

- Revenue was USD 82.96 Million with growth of 5.5% QoQ and 8.7% YoY
- Revenue was Rs. 5,427M with growth of 8.5% QoQ and 16.9% YoY
- EBITDA was Rs. 1,018 Million with growth of 5.0% QoQ and 6.4% YoY
- Profit before Tax (PBT) was Rs. 964 Million with growth of 2.5% QoQ
- Profit after Tax (PAT) was Rs. 718 Million with growth of 6.9% QoQ

Key Highlights

- Accelerite launched Aepona to strengthen its Telecom service and expand into the growing field of Internet of Things after completing the acquisition of Aepona Holdings Limited.
- Hosted Pune's first and biggest hackathon titled, 'Digital Pune Hackathon 2015' in association with i4C and over 25 government bodies to explore unique and disruptive digital technology innovations for solving the challenges of Pune city.
- Persistent's expertise in digital and social along with its Location product was used for "Kumbh Mela" 2015 security arrangements.
- Persistent celebrated the 10th anniversary of its presence in Goa.

Recognition and Awards:

- Won the prestigious Dataquest Business Technology 2015 Award in Mobility for Bling
- Awarded the CIO 100 Award by IDG group, for the third consecutive year
- Won the "Chief Learning Officer of the Year" and "Best Corporate University" awards from Tata Institute of Social Sciences (TISS) LeapVault

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Financial Performance

Sequential Q2 FY16 Vs. Q1 FY16



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Particulars	Q2FY16	Q1FY16	Change	Exps / Sales %	
			QoQ	Q2FY16	Q1FY16
Revenue (\$ M)					
Services	69.52	64.13	8.4%		
IP Led	13.44	14.48	-7.2%		
Revenue (\$ M)	82.96	78.61	5.5%		
Avg. Exchange Rate Rs /US\$	65.42	63.66	2.8%		
Revenue (Rs. M)	5,427.31	5,004.16	8.5%		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	3,063.01	2,756.76	11.1%	56.4%	55.1%
Purchase / Royalty	110.51	73.23	50.9%	2.0%	1.5%
Project related Travel Expenses	140.22	185.21	-24.3%	2.6%	3.7%
Total Direct costs	3,313.74	3,015.20	9.9%	61.1%	60.3%
Gross Profit	2,113.57	1,988.96	6.3%	38.9%	39.7%
Sales & Marketing Expenses	537.58	509.76	5.5%	9.9%	10.2%
Admin. & Other Expenses	519.96	485.05	7.2%	9.6%	9.7%
Doubtful Debt Provision	20.91	6.72	211.2%	0.4%	0.1%
CSR Activities	17.61	18.35	-4.0%	0.3%	0.4%
Total SGA	1,096.06	1,019.88	7.5%	20.2%	20.4%
EBIDTA	1,017.51	969.08	5.0%	18.7%	19.4%
Depreciation	141.30	132.76	6.4%	2.6%	2.7%
Amortization	94.75	93.96	0.8%	1.7%	1.9%
EBIT	781.46	742.36	5.3%	14.4%	14.8%
Other Income / (Loss)	111.46	128.36	-13.2%	2.1%	2.6%
Exchange Gain/(Loss)	70.91	69.38	2.2%	1.3%	1.4%
PBT	963.83	940.10	2.5%	17.8%	18.8%
Tax	245.34	267.94	-8.4%	4.5%	5.4%
PAT	718.49	672.16	6.9%	13.2%	13.4%

Y-o-Y comparison Q2 FY16 Vs. Q2 FY15



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Particulars	Q2FY16	Q2 FY15	Change	Exps / Sales %	
			YoY	Q2FY16	Q2 FY15
Revenue (\$ M)					
Services	69.52	61.40	13.2%		
IP Led	13.44	14.92	-9.9%		
Revenue (\$ M)	82.96	76.32	8.7%		
Avg. Exchange Rate Rs /US\$	65.42	60.82	7.6%		
Revenue (Rs. M)	5,427.31	4,641.74	16.9%		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	3,063.01	2,563.86	19.5%	56.4%	55.2%
Purchase/ Royalty	110.51	93.04	18.8%	2.0%	2.0%
Project related Travel Expenses	140.22	119.12	17.7%	2.6%	2.6%
Total Direct costs	3,313.74	2,776.02	19.4%	61.1%	59.8%
Gross Profit	2,113.57	1,865.72	13.3%	38.9%	40.2%
Sales & Marketing Expenses	537.58	417.50	28.8%	9.9%	9.0%
Admin. & Other Expenses	519.96	449.41	15.7%	9.6%	9.7%
Doubtful Debt Provision	20.91	28.60	-26.9%	0.4%	0.6%
CSR Activities	17.61	13.48	30.6%	0.3%	0.3%
Total SGA	1,096.06	908.99	20.6%	20.2%	19.6%
EBIDTA	1,017.51	956.73	6.4%	18.7%	20.6%
Depreciation	141.30	119.33	18.4%	2.6%	2.6%
Amortization	94.75	117.87	-19.6%	1.7%	2.5%
EBIT	781.46	719.53	8.6%	14.4%	15.5%
Other Income / (Loss)	111.46	118.82	-6.2%	2.1%	2.6%
Exchange Gain/(Loss)	70.91	155.42	-54.4%	1.3%	3.3%
PBT	963.83	993.77	-3.0%	17.8%	21.4%
Tax	245.34	280.62	-12.6%	4.5%	6.0%
PAT	718.49	713.15	0.7%	13.2%	15.4%

Y-o-Y comparison H1 FY16 Vs. H1 FY15



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Particulars	H1FY16	H1FY15	Change	Exps / Sales %	
			QoQ	H1FY16	H1FY15
Revenue (\$ M)					
Services	133.65	119.55	11.8%		
IP Led	27.92	29.43	-5.1%		
Revenue (\$ M)	161.57	148.98	8.5%		
Avg. Exchange Rate Rs /US\$	64.56	60.35	7.0%		
Revenue (Rs. M)	10,431.47	8,991.61	16.0%		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	5,819.77	4,925.19	18.2%	55.8%	54.8%
Purchase / Royalty	183.74	157.88	16.4%	1.8%	1.8%
Project related Travel Expenses	325.43	299.31	8.7%	3.1%	3.3%
Total Direct costs	6,328.94	5,382.38	17.6%	60.7%	59.9%
Gross Profit	4,102.53	3,609.23	13.7%	39.3%	40.1%
Sales & Marketing Expenses	1,047.34	806.34	29.9%	10.0%	9.0%
Admin. & Other Expenses	1,005.01	868.14	15.8%	9.6%	9.7%
Doubtful Debt Provision	27.63	0.42	6478.6%	0.3%	0.0%
CSR Activities	35.96	28.62	25.6%	0.3%	0.3%
Total SGA	2,115.94	1,703.52	24.2%	20.3%	18.9%
EBIDTA	1,986.59	1,905.71	4.2%	19.0%	21.2%
Depreciation	274.06	231.69	18.3%	2.6%	2.6%
Amortization	188.71	233.10	-19.0%	1.8%	2.6%
EBIT	1,523.82	1,440.92	5.8%	14.6%	16.0%
Other Income / (Loss)	239.82	218.34	9.8%	2.3%	2.4%
Exchange Gain/(Loss)	140.29	288.66	-51.4%	1.3%	3.2%
PBT	1,903.93	1,947.92	-2.3%	18.3%	21.7%
Tax	513.28	546.73	-6.1%	4.9%	6.1%
PAT	1,390.65	1,401.19	-0.8%	13.3%	15.6%

Consolidated Balance Sheet



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Particulars	As on September 30, 2015	As on March 31, 2015	As on September 30, 2014
Equity and Liabilities			
Equity Share Capital	800.00	800.00	400.00
Reserves and Surplus	14,613.07	13,255.29	13,084.64
Non-current liabilities	135.17	142.17	148.49
Current liabilities	2,635.77	3,548.67	2,777.35
Total Sources of Funds	18,184.01	17,746.13	16,410.48
Assets			
Fixed Assets	4,292.07	4,116.49	4,313.76
Deferred Tax Asset (Net)	441.46	312.93	263.38
Long Term loans & advances	112.41	123.21	127.81
Current Assets	5,361.35	5,028.58	4,773.05
Cash & Investments	7,976.72	8,164.92	6,932.48
Total application of Funds	18,184.01	17,746.13	16,410.48

Key Financials Ratios: Q2 FY16



Ratios %	Q2 FY16	Q1 FY16	Change QoQ	Q2 FY15	Change YoY
Gross Margin	38.9%	39.7%	-0.8%	40.2%	-1.3%
S&M to Revenue	9.9%	10.2%	-0.3%	9.0%	0.9%
G&A to Revenue	10.3%	10.2%	0.1%	10.6%	-0.3%
Total S G & A to Revenue	20.2%	20.4%	-0.2%	19.6%	0.6%
EBIDTA Margin	18.7%	19.4%	-0.7%	20.6%	-1.9%
EBIT Margin	14.4%	14.8%	-0.4%	15.5%	-1.1%
Profit before Tax	17.8%	18.8%	-1.0%	21.4%	-3.6%
Profit after Tax	13.2%	13.4%	-0.2%	15.4%	-2.2%
EPS - Basic, Before Prior Period, INR	9.01	8.45		9.05	
EPS - Diluted, Before Prior Period, INR	8.98	8.40		8.91	

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Fact Sheet

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Revenue	Nos./%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Revenue from Operations, USD M	82.96	78.61	80.03	79.52	76.32	308.54	274.06
	% , q-o-q/ y-o-y growth	5.5%	-1.8%	0.6%	4.2%	5.0%	12.6%	15.2%
	Revenue from Operations, INR M	5,427.31	5,004.16	4,974.53	4,946.38	4,641.74	18,912.52	16,691.53
	% , q-o-q / y-o-y	8.5%	0.6%	0.6%	6.6%	6.7%	13.3%	28.9%

Business Offerings: Revenue Mix	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Services	83.8%	81.6%	81.9%	81.0%	80.4%	80.9%	82.0%
	IP Led	16.2%	18.4%	18.1%	19.0%	19.6%	19.1%	18.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segments : Revenue Mix	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Telecom	13.2%	14.9%	16.3%	16.0%	16.7%	16.8%	17.8%
	Infrastructure and Systems	54.7%	54.2%	54.5%	55.3%	56.0%	55.1%	69.7%
	Life Sciences	14.4%	14.3%	14.3%	13.6%	13.4%	13.6%	12.5%
	Financial Services ¹	17.7%	16.6%	14.9%	15.1%	13.9%	14.5%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Financial Services segment disclosure started from FY15.

Fact Sheet (Contd...)



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Geography: Revenue Mix	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	North Americas	86.2%	84.4%	85.4%	84.7%	86.1%	85.5%	85.1%
	Europe	6.8%	6.3%	6.8%	7.1%	6.3%	6.7%	5.4%
	ROW	7.0%	9.3%	7.8%	8.2%	7.6%	7.8%	9.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Industry Classification ²	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	ISV	57.2%	57.0%	57.8%	57.9%	58.3%	58.6%	
	Enterprise	26.6%	24.6%	24.1%	23.1%	22.1%	22.3%	
	IP Led	16.2%	18.4%	18.1%	19.0%	19.6%	19.1%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

² Industry Classification disclosure started from FY15.

Onsite: Offshore: IP Led Revenue Mix	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Onsite	29.5%	26.8%	26.2%	25.1%	24.5%	24.8%	20.9%
	Offshore	54.3%	54.8%	55.7%	55.9%	55.9%	56.1%	61.1%
	IP Led	16.2%	18.4%	18.1%	19.0%	19.6%	19.1%	18.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Fact Sheet (Contd...)



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Repeat Business	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
			86.2%	88.7%	85.6%	84.1%	83.6%	85.0%

Clients billed ³	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Services	311	277	268	273	281	383	365
	IP Led	299	310	326	349	376	498	550

³ includes one time clients with overlap across business offerings

Revenue Concentration	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Top 1	17.6%	18.1%	16.5%	17.5%	19.0%	18.4%	21.2%
	Top 5	35.4%	36.0%	34.1%	35.0%	36.1%	35.8%	37.1%
	Top 10	44.7%	45.6%	43.2%	44.2%	45.0%	45.2%	47.0%

Client Engagement Size	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Large > \$ 3Mn	17	15	14	14	14	14	15
	Medium > \$ 1Mn, < \$ 3Mn	46	52	48	41	41	48	36

Fact Sheet (Contd...)



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Yield ⁴	USD / PPM	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
			4,346	4,134	4,272	4,264	4,123	4,144

⁴ Yield is computed as a ratio of revenue to billable person months excluding employees under training.

Billing Rates ⁵	USD / PPM	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Onsite - Linear	15,075	15,321	15,159	14,862	14,864	14,952	14,416
	Offshore - Linear	4,251	4,146	4,199	4,201	4,271	4,222	4,178

⁵ Billing rates exclude IP Led revenue and are calculated on Services revenue including contractual reimbursable portion.

Attrition Rate	%	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	(TTM basis)		17.1%	16.4%	15.5%	14.7%	14.1%	15.5%

People Numbers	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Technical	7,905	7,810	7,861	7,664	7,447	7,861	7,349
	Sales & Business Development	208	216	224	208	212	224	150
	Others	432	428	421	424	408	421	358
	Total	8,545	8,454	8,506	8,296	8,067	8,506	7,857

DSO	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Days		68	67	64	65	65	64

Fact Sheet (Contd...)



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Efforts Mix - Linear	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	Billable Person Months	16,066	16,138	16,063	16,031	16,015	64,248	62,091
	- Onsite	1,854	1,623	1,551	1,518	1,403	5,754	4,585
	- Offshore	14,212	14,515	14,512	14,513	14,612	58,493	57,506
	Billed Person Months	12,226	11,764	11,999	11,916	11,254	46,094	44,033
	- Onsite	1,621	1,374	1,383	1,343	1,259	5,113	3,980
	- Offshore	10,605	10,390	10,616	10,573	9,995	40,981	40,053
	Linear Utilization (Blended)	76.1%	72.9%	74.7%	74.3%	70.3%	71.7%	70.9%
	Onsite Utilization %	87.4%	84.7%	89.2%	88.5%	89.7%	88.9%	86.8%
Offshore Utilization%	74.6%	71.6%	73.2%	72.9%	68.4%	70.1%	69.7%	

IP Led	Nos.	Q2FY 16	Q1FY 16	Q4FY 15	Q3FY 15	Q2FY 15	FY 15	FY 14
	IP Led Person Months	3,021	2,880	2,672	2,620	2,496	10,207	9,148

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Thank you