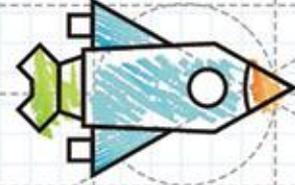
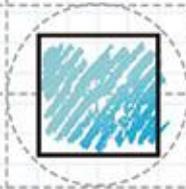


# PERSISTENT SYSTEMS LIMITED

## Quarter ending December 31, 2016

January 21, 2017

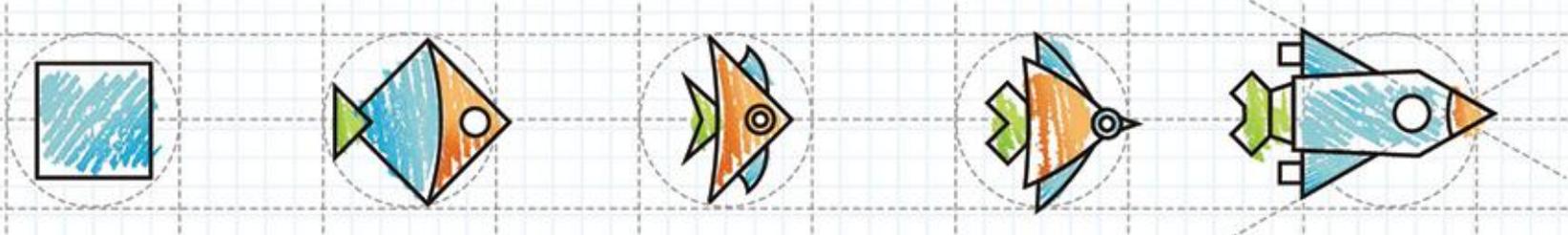


# Forward-looking and Cautionary Statements



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.

# Key Highlights





# Financial Performance

## Q3 FY17

- USD Revenue grew by 4.6% QoQ and 22.7% YoY to US\$ 110.03 Million
- INR Revenue grew by 5.9% QoQ and 25.9% YoY to ₹ 7,455.35 Million
- EBIDTA grew by 7.1% QoQ and 6.9% YoY to ₹ 1,186.55 Million
- Profit before Tax (PBT) grew by 13.5% QoQ and 9.1% YoY to ₹ 1,117.79 Million
- Profit after Tax (PAT) grew by 11.4% QoQ and 5.7% YoY to ₹ 818.91 Million

## YTD Dec. 2016

- USD Revenue grew by 27.4% to US\$ 319.97 Million
- INR Revenue grew by 31.6% to ₹ 21,513.31 Million
- EBIDTA grew by 8.2% to ₹ 3,351.85 Million
- Profit before Tax (PBT) grew by 4.8% to ₹ 3,070.23 Million
- Profit after Tax (PAT) grew by 5.6% to ₹ 2,286.70 Million

# Key Highlights



## Management Changes:

- Dr. Anant Jhingran has resigned from his position as an Independent Director of the Company in order to focus on other professional commitments. His resignation is effective 03 November 2016
- Rajesh Ramchandani has joined Accelerite as the General Manager for Cloud Services and Platforms

## Dividend:

- The Board of Directors declared an Interim dividend of INR 6.00 per share as against INR 5.00 per share for the corresponding period last year.

# Awards and Recognitions during Q3FY17



- Recognized as 'Salesforce Platinum Consulting Partner', a reflection of our growing strength and market success
- Named by IBM as the 'Worldwide Watson Internet of Things Innovative Business Partner of the Year' at the IBM World of Watson 2016 Business Partner Awards
- Project engagement with Biocomplexity Institute of Virginia Tech wins the prestigious Constellation Research Super Nova award in the 'Data to Decisions' category, and forms the basis of a case study and report highlighting the role and value of collaborating with Persistent on this ambitious and innovative project
- Cited as a Leader among BPM Service Providers in 'The Forrester Wave™: BPM Service Providers, Q4 2016' report
- Positioned in the leadership zone of Zinnov Zones 2016 – Product Engineering Services for the categories of 'Enterprise Software' and 'Consumer Software'

# Sequential Q3 FY17 Vs. Q2 FY17



Particulars	Q3FY17	Q2FY17	Change QoQ	Exps / Sales %	
				Q3FY17	Q2FY17
<b>Revenue (\$ M)</b>					
Services	78.75	75.92	3.7%		
IP Led	31.28	29.26	6.9%		
<b>Revenue (\$ M)</b>	<b>110.03</b>	<b>105.18</b>	<b>4.6%</b>		
Avg. Exchange Rate Rs. /US\$	67.76	66.93	1.2%		
<b>Revenue (Rs. M)</b>	<b>7,455.35</b>	<b>7,040.19</b>	<b>5.9%</b>		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	4,473.78	4,258.41	5.1%	60.0%	60.5%
Purchase / Royalty	108.07	131.27	-17.7%	1.4%	1.9%
Project related Travel Expenses	169.17	148.83	13.7%	2.3%	2.1%
Total Direct costs	4,751.02	4,538.51	4.7%	63.7%	64.5%
<b>Gross Profit</b>	<b>2,704.33</b>	<b>2,501.68</b>	<b>8.1%</b>	<b>36.3%</b>	<b>35.5%</b>
Sales & Marketing Exps	685.25	694.66	-1.4%	9.2%	9.9%
Admin. & Other Exps	714.58	627.99	13.8%	9.6%	8.9%
Doubtful Debt Provision	80.01	54.94	45.6%	1.1%	0.8%
CSR Activities	37.94	16.30	132.8%	0.5%	0.2%
Total SGA	1,517.78	1,393.89	8.9%	20.4%	19.8%
<b>EBITDA</b>	<b>1,186.55</b>	<b>1,107.79</b>	<b>7.1%</b>	<b>15.9%</b>	<b>15.7%</b>
Depreciation	143.19	139.26	2.8%	1.9%	2.0%
Amortization	243.34	227.45	7.0%	3.3%	3.2%
<b>EBIT</b>	<b>800.02</b>	<b>741.08</b>	<b>8.0%</b>	<b>10.7%</b>	<b>10.5%</b>
Other Income / (Loss)	143.33	202.54	-29.2%	1.9%	2.9%
Exchange Gain/(Loss)	174.44	40.82	327.3%	2.3%	0.6%
<b>PBT</b>	<b>1,117.79</b>	<b>984.44</b>	<b>13.5%</b>	<b>15.0%</b>	<b>14.0%</b>
Tax	298.88	249.51	19.8%	4.0%	3.5%
<b>PAT</b>	<b>818.91</b>	<b>734.93</b>	<b>11.4%</b>	<b>11.0%</b>	<b>10.4%</b>

# YoY comparison Q3 FY17 Vs. Q3 FY16



Particulars	Q3FY17	Q3 FY16	Change YoY	Exps / Sales %	
				Q3FY17	Q3 FY16
<b>Revenue (\$ M)</b>					
Services	78.75	71.62	10.0%		
IP Led	31.28	18.03	73.5%		
<b>Revenue (\$ M)</b>	<b>110.03</b>	<b>89.65</b>	<b>22.7%</b>		
Avg. Exchange Rate Rs. /US\$	67.76	66.04	2.6%		
<b>Revenue (Rs. M)</b>	<b>7,455.35</b>	<b>5,920.74</b>	<b>25.9%</b>		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	4,473.78	3,323.69	34.6%	60.0%	56.1%
Purchase / Royalty	108.07	123.17	-12.3%	1.4%	2.1%
Project related Travel Expenses	169.17	175.53	-3.6%	2.3%	3.0%
Total Direct costs	4,751.02	3,622.39	31.2%	63.7%	61.2%
<b>Gross Profit</b>	<b>2,704.33</b>	<b>2,298.35</b>	<b>17.7%</b>	<b>36.3%</b>	<b>38.8%</b>
Sales & Marketing Exps	685.25	575.62	19.0%	9.2%	9.7%
Admin. & Other Exps	714.58	584.90	22.2%	9.6%	9.9%
Doubtful Debt Provision	80.01	4.82	1560.0%	1.1%	0.1%
CSR Activities	37.94	22.56	68.2%	0.5%	0.4%
Total SGA	1,517.78	1,187.90	27.8%	20.4%	20.1%
<b>EBITDA</b>	<b>1,186.55</b>	<b>1,110.45</b>	<b>6.9%</b>	<b>15.9%</b>	<b>18.8%</b>
Depreciation	143.19	150.14	-4.6%	1.9%	2.5%
Amortization	243.34	96.33	152.6%	3.3%	1.6%
<b>EBIT</b>	<b>800.02</b>	<b>863.98</b>	<b>-7.4%</b>	<b>10.7%</b>	<b>14.6%</b>
Other Income / (Loss)	143.33	118.51	20.9%	1.9%	2.0%
Exchange Gain/(Loss)	174.44	41.95	315.8%	2.3%	0.7%
<b>PBT</b>	<b>1,117.79</b>	<b>1,024.44</b>	<b>9.1%</b>	<b>15.0%</b>	<b>17.3%</b>
Tax	298.88	249.55	19.8%	4.0%	4.2%
<b>PAT</b>	<b>818.91</b>	<b>774.89</b>	<b>5.7%</b>	<b>11.0%</b>	<b>13.1%</b>

# YTD performance comparison for nine months



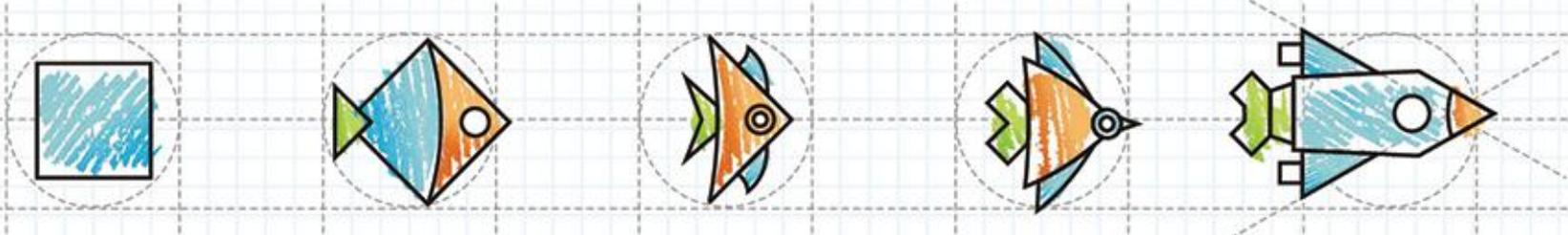
Particulars	YTD	YTD	Change YoY	Exps / Sales %	
	Dec.2016	Dec.2015		YTD Dec.2016	YTD Dec.2015
<b>Revenue (\$ M)</b>					
Services	229.94	205.26	12.0%		
IP Led	90.03	45.95	95.9%		
<b>Revenue (\$ M)</b>	<b>319.97</b>	<b>251.21</b>	<b>27.4%</b>		
Avg. Exchange Rate Rs. /US\$	67.24	65.09	3.3%		
<b>Revenue (Rs. M)</b>	<b>21,513.31</b>	<b>16,352.21</b>	<b>31.6%</b>		
Cost of Revenue		Rs. M			
Employee Related Expenses	12,987.52	9,143.46	42.0%	60.4%	55.9%
Purchase / Royalty	314.67	306.91	2.5%	1.5%	1.9%
Project related Travel Expenses	571.86	500.96	14.2%	2.7%	3.1%
Total Direct costs	13,874.05	9,951.33	39.4%	64.5%	60.9%
<b>Gross Profit</b>	<b>7,639.26</b>	<b>6,400.88</b>	<b>19.3%</b>	<b>35.5%</b>	<b>39.1%</b>
Sales & Marketing Exps	1,984.39	1,622.96	22.3%	9.2%	9.9%
Admin. & Other Exps	2,089.26	1,589.91	31.4%	9.7%	9.7%
Doubtful Debt Provision	154.93	32.45	377.4%	0.7%	0.2%
CSR Activities	58.83	58.52	0.5%	0.3%	0.4%
Total SGA	4,287.41	3,303.84	29.8%	19.9%	20.2%
<b>EBITDA</b>	<b>3,351.85</b>	<b>3,097.04</b>	<b>8.2%</b>	<b>15.6%</b>	<b>18.9%</b>
Depreciation	430.28	424.20	1.4%	2.0%	2.6%
Amortization	665.77	285.04	133.6%	3.1%	1.7%
<b>EBIT</b>	<b>2,255.80</b>	<b>2,387.80</b>	<b>-5.5%</b>	<b>10.5%</b>	<b>14.6%</b>
Other Income / (Loss)	518.31	358.33	44.6%	2.4%	2.2%
Exchange Gain/(Loss)	296.12	182.24	62.5%	1.4%	1.1%
<b>PBT</b>	<b>3,070.23</b>	<b>2,928.37</b>	<b>4.8%</b>	<b>14.3%</b>	<b>17.9%</b>
Tax	783.53	762.83	2.7%	3.6%	4.7%
<b>PAT</b>	<b>2,286.70</b>	<b>2,165.54</b>	<b>5.6%</b>	<b>10.6%</b>	<b>13.2%</b>

# Consolidated Balance Sheet



Particulars	As at December 31, 2016	As on March 31, 2016	As at December 31, 2015
<b>Assets</b>			
PPE and Intangible assets	5,824.19	4,636.50	4,280.02
Non-Current Assets	508.70	912.79	452.47
Cash and Investments	8,967.37	8,692.70	9,102.09
Other Current Assets	8,034.46	7,005.03	6,049.65
<b>Total</b>	<b>23,334.72</b>	<b>21,247.02</b>	<b>19,884.23</b>
<b>Equity and Liabilities</b>			
Equity	18,865.35	16,626.25	16,532.50
Non-Current Liabilities	181.17	151.32	142.93
Current Liabilities	4,288.20	4,469.45	3,208.80
<b>Total</b>	<b>23,334.72</b>	<b>21,247.02</b>	<b>19,884.23</b>

# Fact Sheet



# Fact Sheet



Revenue	Nos./%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Revenue USD M	110.03	105.18	104.76	100.43	89.65	351.65	308.54
	%, q-o-q/ y-o-y growth	4.6%	0.4%	4.3%	12.0%	8.1%	14.0%	12.6%
	Revenue INR M	7,455.35	7,040.19	7,017.77	6,771.10	5,920.74	23,123.31	18,912.52
	%, q-o-q / y-o-y	5.9%	0.3%	3.6%	14.4%	9.1%	22.3%	13.3%

Business Offerings: Revenue Mix	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Services	71.6%	72.2%	71.8%	71.8%	79.9%	78.9%	80.9%
	IP Led	28.4%	27.8%	28.2%	28.2%	20.1%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segments: Revenue Mix	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Services	43.9%	46.6%	47.6%				
	Digital	16.9%	15.2%	14.2%				
	Alliance	30.6%	29.4%	30.0%				
	accelerite	8.6%	8.8%	8.2%				
	Total	100.0%	100.0%	100.0%				

# Fact Sheet



Geography: Revenue Mix	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	North America	86.6%	85.4%	87.0%	86.1%	85.3%	85.5%	85.5%
	Europe	5.3%	6.1%	5.2%	6.7%	6.3%	6.5%	6.7%
	India	5.5%	5.6%	5.4%	6.2%	7.4%	6.7%	5.9%
	ROW	2.6%	2.9%	2.4%	1.0%	1.0%	1.3%	1.9%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Industry Classification	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	ISV	42.5%	44.4%	45.4%	45.8%	51.3%	52.4%	58.6%
	Enterprise	29.1%	27.8%	26.4%	26.0%	28.6%	26.5%	22.3%
	IP Led	28.4%	27.8%	28.2%	28.2%	20.1%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Global Delivery Centers: India: IP Led Revenue Mix	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Global Delivery Centers	26.7%	26.3%	26.3%	26.3%	29.8%	28.0%	24.8%
	India	44.9%	45.9%	45.5%	45.5%	50.1%	50.9%	56.1%
	IP Led	28.4%	27.8%	28.2%	28.2%	20.1%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Fact Sheet



Clients billed	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Services	315	314	340	319	337	451	383
	IP Led	339	335	338	353	291	539	498

Includes one time clients with overlap across business offerings

Revenue Concentration	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Top 1	29.5%	28.4%	29.0%	25.4%	17.4%	19.9%	18.4%
	Top 5	46.0%	44.3%	44.7%	40.8%	34.3%	36.6%	35.8%
	Top 10	54.6%	52.8%	52.7%	49.6%	44.1%	45.5%	45.2%

Client Engagement Size	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Large > \$ 3Mn	15	15	15	18	19	18	14
	Medium > \$1Mn, < \$ 3Mn	50	51	50	42	44	42	48

DSO	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Days	70	66	63	62	69	62	64

# Fact Sheet



Yield	USD / PPM	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
		5,020	4,677	4,705	4,849	4,428	4,448	4,144

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

Linear Revenue per billed PM	USD / PPM	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
Global Delivery Centers		15,704	16,101	15,437	14,574	14,717	14,891	14,952
India		4,257	4,288	4,325	4,275	4,217	4,223	4,222

Attrition Rate	%	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
(TTM basis)		15.8%	15.9%	16.7%	16.4%	17.1%	16.4%	15.5%

People Numbers	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
Technical		8,562	8,612	8,698	8,618	8,334	8,618	7,861
Sales & Marketing		200	207	204	201	203	201	224
Others		467	486	487	445	429	445	421
Total		9,229	9,305	9,389	9,264	8,966	9,264	8,506

# Fact Sheet



Efforts and Utilization Mix – Linear	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	Billable Person Months	17,077	17,474	17,030	16,631	16,718	65,553	64,248
	- Global Delivery Centers	2,109	2,048	2,121	2,108	2,097	7,682	5,754
	- India	14,968	15,426	14,909	14,523	14,621	57,871	58,493
	Billed Person Months	13,478	12,966	12,816	12,504	12,457	48,950	46,094
	- Global Delivery Centers	1,867	1,720	1,786	1,811	1,817	6,623	5,113
	- India	11,610	11,246	11,030	10,693	10,640	42,327	40,981
	Utilization:							
	- Linear (Blended)	78.9%	74.2%	75.3%	75.2%	74.5%	74.7%	71.7%
	- Global Delivery Centers	88.5%	84.0%	84.2%	85.9%	86.6%	86.2%	88.9%
- India	77.6%	72.9%	74.0%	73.6%	72.8%	73.1%	70.1%	

IP Led	Nos.	Q3FY17	Q2FY17	Q1FY17	Q4FY16	Q3FY16	FY16	FY15
	IP Led Person Months	4,843	5,015	5,235	4,082	3,526	13,509	10,207



Thank You

