



# Persistent Systems Limited

Quarter ended June 30, 2018

July 28, 2018

# 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 highlights



- USD Revenue at US\$ 123.60 Million, growth of 5.7% QoQ and 9.4% YoY
- INR Revenue at ₹ 8,342.81 Million, growth of 10.9% QoQ and 14.6% YoY
- EBITDA ₹ 1,400.46 Million @ 16.8% of revenue, growth of 26.1% QoQ and 34.2% YoY
- Profit after Tax (PAT) ₹ 873.48 Million @ 10.5% of revenue, increase of 18.5% QoQ and 16.3% YoY

# Business Updates



- Persistent Systems appraised at CMMI® Maturity Level 5
- Persistent Systems partners with Cazena, a Fully-Managed Big Data as a Service with built-in DevOps for analytics
- Co-organized the Hardware Edition of Smart India Hackathon 2018 which was inaugurated by Shri. Prakash Javadekar, Hon'ble Minister of Human Resource Development, Government of India and Chief Patron - Smart India Hackathon 2018
- Anand Deshpande voted among best CEOs of 2018 by Institutional Investor

# Sequential Q1 FY19 vs Q4 FY18

Particulars	Q1FY19	Q4FY18	Change QoQ	Exps / Sales %	
				Q1FY19	Q4FY18
Revenue (\$ M)					
Services	89.79	90.86	-1.2%		
IP Led	33.81	26.09	29.6%		
Revenue (\$ M)	123.60	116.95	5.7%		
Avg. Exchange Rate ₹ /US\$	67.50	64.35	4.9%		
Revenue (₹ M)	8,342.81	7,525.46	10.9%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	4,760.79	4,654.87	2.3%	57.1%	61.9%
Purchase / Royalty	412.63	86.47	377.2%	4.9%	1.1%
Project related Travel Expenses	199.40	176.65	12.9%	2.4%	2.3%
Total Direct costs	5,372.82	4,917.99	9.2%	64.4%	65.4%
Gross Profit	2,969.99	2,607.47	13.9%	35.6%	34.6%
Sales & Marketing Exps	772.86	695.23	11.2%	9.3%	9.2%
Admin. & Other Exps	741.37	769.85	-3.7%	8.9%	10.2%
Doubtful Debt Provision	37.32	10.06	271.0%	0.4%	0.1%
CSR Activities	17.98	21.70	-17.1%	0.2%	0.3%
Total SGA	1,569.53	1,496.84	4.9%	18.8%	19.9%
EBIDTA	1,400.46	1,110.63	26.1%	16.8%	14.8%
Depreciation	122.86	133.77	-8.2%	1.5%	1.8%
Amortization	277.95	287.12	-3.2%	3.3%	3.8%
EBIT	999.65	689.74	44.9%	12.0%	9.2%
Other Income / (Loss)	165.97	144.21	15.1%	2.0%	1.9%
Exchange Gain/(Loss)	20.63	149.54	-86.2%	0.2%	2.0%
PBT	1,186.25	983.49	20.6%	14.2%	13.1%
Tax	312.77	246.43	26.9%	3.7%	3.3%
PAT	873.48	737.06	18.5%	10.5%	9.8%

# YoY Comparison Q1 FY19 vs Q1 FY18

Particulars	Q1FY19	Q1FY18	Change QoQ	Exps / Sales %	
				Q1FY19	Q1FY18
Revenue (\$ M)					
Services	89.79	82.21	9.2%		
IP Led	33.81	30.76	9.9%		
Revenue (\$ M)	123.60	112.97	9.4%		
Avg. Exchange Rate ₹ /US\$	67.50	64.44	4.7%		
Revenue (₹ M)	8,342.81	7,280.15	14.6%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	4,760.79	4,476.98	6.3%	57.1%	61.5%
Purchase / Royalty	412.63	109.79	275.8%	4.9%	1.5%
Project related Travel Expenses	199.40	196.40	1.5%	2.4%	2.7%
Total Direct costs	5,372.82	4,783.17	12.3%	64.4%	65.7%
Gross Profit	2,969.99	2,496.98	18.9%	35.6%	34.3%
Sales & Marketing Exps	772.86	655.77	17.9%	9.3%	9.0%
Admin. & Other Exps	741.37	765.48	-3.1%	8.9%	10.5%
Doubtful Debt Provision	37.32	11.14	235.0%	0.4%	0.2%
CSR Activities	17.98	21.01	-14.4%	0.2%	0.3%
Total SGA	1,569.53	1,453.40	8.0%	18.8%	20.0%
EBIDTA	1,400.46	1,043.58	34.2%	16.8%	14.3%
Depreciation	122.86	132.76	-7.5%	1.5%	1.8%
Amortization	277.95	259.15	7.3%	3.3%	3.6%
EBIT	999.65	651.67	53.4%	12.0%	9.0%
Other Income / (Loss)	165.97	183.28	-9.4%	2.0%	2.5%
Exchange Gain/(Loss)	20.63	184.45	-88.8%	0.2%	2.5%
PBT	1,186.25	1,019.40	16.4%	14.2%	14.0%
Tax	312.77	268.51	16.5%	3.7%	3.7%
PAT	873.48	750.89	16.3%	10.5%	10.3%

# Consolidated Balance Sheet



₹ M

Particulars	As on June 30, 2018	As on June 30, 2017	As on March 31, 2018
Assets			
PPE and Intangible assets	5,001.13	5,466.86	5,173.88
Non-Current Assets	738.66	426.04	605.90
Cash and Investments	12,740.95	9,002.21	12,264.77
Other Current Assets	9,390.62	8,580.37	8,273.68
<b>Total</b>	<b>27,871.36</b>	<b>23,475.48</b>	<b>26,318.23</b>
Equity and Liabilities			
Equity	22,147.13	19,742.93	21,271.99
Non-Current Liabilities	168.91	186.61	176.30
Current Liabilities	5,555.32	3,545.94	4,869.94
<b>Total</b>	<b>27,871.36</b>	<b>23,475.48</b>	<b>26,318.23</b>



# Fact Sheet

# Fact Sheet

Revenue	Nos./%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Revenue from Operations, USD M	123.60	116.95	122.53	118.10	112.97	470.55	429.01
	% , q-o-q/ y-o-y growth	5.7%	-4.6%	3.8%	4.5%	3.6%	9.7%	22.0%
	Revenue from Operations, INR M	8,342.81	7,525.46	7,918.90	7,612.52	7,280.15	30,337.03	28,784.39
% , q-o-q / y-o-y	10.9%	-5.0%	4.0%	4.6%	0.1%	5.4%	24.5%	

  

Business Offerings: Revenue Mix	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Services	72.6%	77.7%	73.2%	74.0%	72.8%	74.4%	72.0%
	IP Led	27.4%	22.3%	26.8%	26.0%	27.2%	25.6%	28.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

  

Revenue Mix	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Services	41.5%	45.5%	41.9%	43.7%	44.5%	43.8%	45.5%
	Digital	21.4%	24.0%	22.0%	20.9%	18.0%	21.3%	16.3%
	Alliance	32.1%	24.3%	29.6%	27.3%	29.2%	27.6%	29.4%
	Accelerite	5.0%	6.2%	6.5%	8.1%	8.3%	7.3%	8.8%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Fact Sheet

Geography: Revenue Mix	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	North America	79.7%	80.9%	84.4%	83.4%	85.5%	83.5%	86.4%
	Europe	12.0%	8.2%	7.3%	8.5%	5.9%	7.5%	5.5%
	India	6.1%	7.9%	5.8%	5.6%	5.9%	6.3%	5.5%
	ROW	2.2%	3.0%	2.5%	2.5%	2.7%	2.7%	2.6%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Industry Classification	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	ISV	38.8%	40.6%	38.5%	39.9%	40.8%	39.9%	43.5%
	Enterprise	33.8%	37.1%	34.7%	34.1%	32.0%	34.5%	28.5%
	IP Led	27.4%	22.3%	26.8%	26.0%	27.2%	25.6%	28.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by delivery Centers	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Global Development Centers	31.1%	34.1%	32.1%	31.9%	29.9%	32.0%	26.8%
	India	41.5%	43.6%	41.1%	42.1%	42.9%	42.4%	45.2%
	IP Led	27.4%	22.3%	26.8%	26.0%	27.2%	25.6%	28.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

# Fact Sheet

Clients billed	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Services	438	426	431	419	303	569	462
	IP Led	181	177	268	277	306	387	465

Includes one time clients with overlap across business offerings

Revenue Concentration	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Top 1	23.8%	21.7%	28.0%	25.9%	27.9%	25.9%	28.3%
	Top 5	43.8%	40.9%	46.3%	43.8%	45.7%	43.9%	44.6%
	Top 10	53.7%	49.9%	55.3%	53.5%	55.2%	53.5%	53.1%

Client Engagement Size	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Large > \$ 3Mn	18	18	19	19	18	18	15
	Medium > \$ 1Mn, < \$ 3Mn	58	53	51	49	52	53	55

DSO	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Days	68	66	66	66	64	66	65

# Fact Sheet

Yield	USD / PPM	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
			5,497	5,225	5,355	5,096	4,966	5,160

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

Linear Revenue Per Billed Person Month	USD / PPM	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Global Delivery centers – Linear		16,360	16,662	16,314	16,023	16,037	16,267
India - Linear		4,333	4,349	4,220	4,148	4,212	4,232	4,278

Attrition Rate	%	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	(TTM basis)		14.8%	14.7%	14.7%	15.5%	15.5%	14.7%

People Numbers	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Technical		8,196	8,329	8,460	8,599	8,744	8,329
Sales & Business Development		237	211	206	208	210	211	193
Others		469	436	443	439	447	436	459
Total		8,902	8,976	9,109	9,246	9,401	8,976	9,460

# Fact Sheet

Efforts and Utilization Mix - Linear	Nos. / %	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	Billable Person Months	17,593	17,382	17,943	18,245	17,636	71,207	68,761
	- Global Delivery Centers	2,757	2,713	2,777	2,689	2,431	10,609	8,515
	- India	14,836	14,669	15,166	15,556	15,205	60,597	60,245
	Billed Person Months	14,205	14,119	14,335	14,340	13,611	56,405	52,626
	- Global Delivery Centers	2,348	2,391	2,413	2,346	2,104	9,255	7,280
	- India	11,857	11,728	11,922	11,994	11,507	47,151	45,346
	Utilization							
	- Linear (Blended)	80.7%	81.2%	79.9%	78.6%	77.2%	79.2%	76.5%
- Global Delivery Centers	85.2%	88.2%	86.9%	87.2%	86.6%	87.2%	85.5%	
- India	79.9%	79.9%	78.6%	77.1%	75.7%	77.8%	75.3%	

  

IP Led	Nos.	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY18	FY17
	IP Led Person Months	4,891	5,003	4,936	4,931	5,113	19,982	19,978



Thank You