



Persistent

Analyst Presentation

Quarter ended September 30, 2019

November 4, 2019



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.

Financial Highlights for Q2FY20

- USD Revenue at US\$ 125.51 Million, growth of 4.9% QoQ and 6.2% YoY
- INR Revenue at ₹ 8,846.00 Million, growth of 6.3% QoQ and 5.9% YoY
- EBITDA ₹ 1,216.45 Million @ 13.8% of revenue, increase of 1.2% QoQ and decline of 15.3% YoY
- PAT ₹ 860.72 Million @ 9.7% of revenue, increase of 4.4% QoQ and decline of 2.3% YoY

Financial Highlights for H1FY20:

- USD Revenue at US\$ 245.13 Million, YoY growth of 1.4%
- INR Revenue at ₹ 17,167.14 Million, YoY growth of 2.8%
- EBITDA ₹ 2,418.38 Million @ 14.1% of revenue
- PAT ₹ 1,685.42 Million @ 9.8% of revenue

Sequential Q2 FY20 vs Q1 FY20

Particulars	Q2FY20	Q1FY20	Change QoQ	Exps / Sales %	
				Q2FY20	Q1FY20
<u>Revenue (\$ M)</u>					
Services	97.26	93.86	3.6%		
IP Led	28.25	25.76	9.7%		
Revenue (\$ M)	125.51	119.62	4.9%		
Avg. Exchange Rate ₹ /US\$	70.48	69.56	1.3%		
Revenue (₹ M)	8,846.00	8,321.14	6.3%		
Cost of Revenue	₹. M	₹ M			
Employee Related Expenses	5,366.91	5,061.19	6.0%	60.7%	60.8%
Purchase / Royalty	274.65	193.58	41.9%	3.1%	2.3%
Project related Travel Expenses	131.69	179.25	-26.5%	1.5%	2.2%
Total Direct costs	5,773.25	5,434.02	6.2%	65.3%	65.3%
Gross Profit	3,072.75	2,887.12	6.4%	34.7%	34.7%
Sales & Marketing Exps	969.59	765.24	26.7%	11.0%	9.2%
Admin. & Other Exps	845.41	893.71	-5.4%	9.6%	10.7%
Doubtful Debt Provision	22.50	7.23	211.2%	0.3%	0.1%
CSR Activities	18.80	19.01	-1.1%	0.2%	0.2%
Total SGA	1,856.30	1,685.19	10.2%	21.0%	20.3%
EBITDA	1,216.45	1,201.93	1.2%	13.8%	14.4%
Depreciation	115.91	110.06	5.3%	1.3%	1.3%
Amortization	308.99	276.11	11.9%	3.5%	3.3%
EBIT	791.55	815.76	-3.0%	8.9%	9.8%
Other Income / (Loss)	226.16	202.02	11.9%	2.6%	2.4%
Exchange Gain/(Loss)	137.92	79.83	72.8%	1.6%	1.0%
PBT	1,155.63	1,097.61	5.3%	13.1%	13.2%
Tax	294.91	272.91	8.1%	3.3%	3.3%
PAT	860.72	824.70	4.4%	9.7%	9.9%

YoY Comparison Q2 FY20 vs Q2 FY19

Particulars	Q2FY20	Q2 FY19	Change QoQ	Exps / Sales %	
				Q2FY20	Q2 FY19
<u>Revenue (\$ M)</u>					
Services	97.26	87.95	10.6%		
IP Led	28.25	30.28	-6.7%		
Revenue (\$ M)	125.51	118.23	6.2%		
Avg. Exchange Rate ₹ /US\$	70.48	70.67	-0.3%		
Revenue (₹ M)	8,846.00	8,355.57	5.9%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	5,366.91	5,040.40	6.5%	60.7%	60.3%
Purchase / Royalty	274.65	215.95	27.2%	3.1%	2.6%
Project related Travel Expenses	131.69	153.27	-14.1%	1.5%	1.8%
Total Direct costs	5,773.25	5,409.62	6.7%	65.3%	64.7%
Gross Profit	3,072.75	2,945.95	4.3%	34.7%	35.3%
Sales & Marketing Exps	969.59	741.07	30.8%	11.0%	8.9%
Admin. & Other Exps	845.41	743.32	13.7%	9.6%	8.9%
Doubtful Debt Provision	22.50	6.62	239.9%	0.3%	0.1%
CSR Activities	18.80	18.71	0.5%	0.2%	0.2%
Total SGA	1,856.30	1,509.72	22.8%	21.0%	18.1%
EBITDA	1,216.45	1,436.23	-15.3%	13.8%	17.2%
Depreciation	115.91	119.72	-3.2%	1.3%	1.4%
Amortization	308.99	278.86	10.8%	3.5%	3.3%
EBIT	791.55	1,037.65	-23.7%	8.9%	12.4%
Other Income / (Loss)	226.16	195.47	15.7%	2.6%	2.3%
Exchange Gain/(Loss)	137.92	35.67	286.7%	1.6%	0.4%
PBT	1,155.63	1,268.79	-8.9%	13.1%	15.2%
Tax	294.91	387.38	-23.9%	3.3%	4.6%
PAT	860.72	881.41	-2.3%	9.7%	10.5%

YoY half yearly comparison

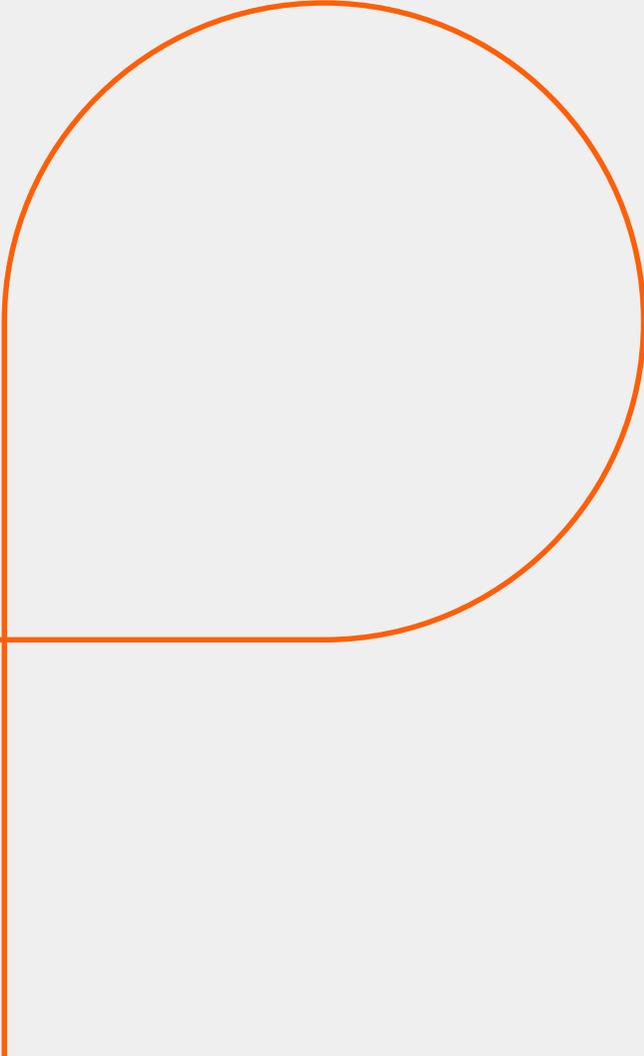
Particulars	H1 FY20	H1 FY19	Change %	Exps / Sales %	
				H1 FY20	H1 FY19
<u>Revenue (\$ M)</u>					
Services	191.12	177.74	7.5%		
IP Led	54.01	64.09	-15.7%		
Revenue (\$ M)	245.13	241.83	1.4%		
Avg. Exchange Rate ₹ /US\$	70.03	69.05	1.4%		
Revenue (₹ M)	17,167.14	16,698.38	2.8%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	10,428.10	9,801.19	6.4%	60.7%	58.7%
Purchase / Royalty	468.23	628.58	-25.5%	2.7%	3.8%
Project related Travel Expenses	310.94	352.67	-11.8%	1.8%	2.1%
Total Direct costs	11,207.27	10,782.44	3.9%	65.3%	64.6%
Gross Profit	5,959.87	5,915.94	0.7%	34.7%	35.4%
Sales & Marketing Exps	1,734.83	1,513.93	14.6%	10.1%	9.1%
Admin. & Other Exps	1,739.12	1,484.69	17.1%	10.1%	8.9%
Doubtful Debt Provision	29.73	43.94	-32.3%	0.2%	0.3%
CSR Activities	37.81	36.69	3.1%	0.2%	0.2%
Total SGA	3,541.49	3,079.25	15.0%	20.6%	18.4%
EBITDA	2,418.38	2,836.69	-14.7%	14.1%	17.0%
Depreciation	225.97	242.58	-7.0%	1.3%	1.5%
Amortization	585.10	556.81	5.1%	3.4%	3.3%
EBIT	1,607.31	2,037.30	-21.1%	9.4%	12.2%
Other Income / (Loss)	428.18	361.44	18.5%	2.5%	2.2%
Exchange Gain/(Loss)	217.75	56.30	286.8%	1.3%	0.3%
PBT	2,253.24	2,455.04	-8.2%	13.1%	14.7%
Tax	567.83	700.15	-18.9%	3.3%	4.2%
PAT	1,685.42	1,754.89	-4.0%	9.8%	10.5%

Balance Sheet

₹ Million

Particulars	As on September 30, 2019	As on March 31, 2019	As on September 30, 2018
Assets			
PPE and Intangible assets	5,021.79	4,323.53	5,011.28
Non-Current Assets	1,166.74	637.36	884.00
Cash and Investments	12,621.31	14,975.34	13,640.92
Other Current Assets	9,323.97	8,619.76	9,261.07
Total	28,133.81	28,555.99	28,797.27
Equity and Liabilities			
Equity	23,057.68	23,446.80	22,829.11
Non-Current Liabilities	683.09	188.74	170.57
Current Liabilities	4,262.19	4,920.45	5,797.59
Total	28,133.81	28,555.99	28,797.27

Fact Sheet – Q2FY20



Fact Sheet

	Description / Nos. / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
Revenue	Revenue from Operations, USD M	125.51	119.62	118.30	120.84	118.23	480.97	470.55
	% QoQ / YoY growth	4.9%	1.1%	-2.1%	2.2%	-4.3%	2.2%	9.7%
	Revenue from Operations, INR M	8,846.00	8,321.14	8,318.54	8,642.49	8,355.57	33,659.41	30,337.03
	% QoQ / YoY growth	6.3%	0.0%	-3.7%	3.4%	0.2%	11.0%	5.4%

	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
Business Offerings Revenue Mix	Services	77.5%	78.5%	78.4%	75.0%	74.4%	75.1%	74.4%
	IP Led	22.5%	21.5%	21.6%	25.0%	25.6%	24.9%	25.6%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
Segment Revenue Mix	Technology Services (Services)	45.2%	45.8%	44.6%	41.9%	43.0%	42.7%	43.8%
	Technology Services (Digital)	22.4%	22.7%	24.4%	22.9%	22.0%	22.7%	21.3%
	Alliance	28.1%	27.8%	24.8%	29.4%	29.5%	29.0%	27.6%
	Accelerite	4.3%	3.7%	6.2%	5.8%	5.5%	5.6%	7.3%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Fact Sheet

Industry Revenue Mix	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	BFSI	28.4%	27.7%	27.0%	25.7%	24.7%	25.3%	25.7%
	Healthcare & Life Science	18.4%	18.9%	19.6%	18.2%	18.2%	18.4%	16.8%
	Tech. Cos. & Emerging Verticals	53.2%	53.4%	53.4%	56.1%	57.1%	56.3%	57.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Geography Revenue Mix	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	North America	81.4%	82.5%	80.9%	83.7%	82.6%	81.7%	83.5%
	Europe	9.9%	8.5%	7.9%	7.6%	7.5%	8.8%	7.5%
	India	6.7%	6.7%	7.7%	6.8%	7.3%	7.0%	6.3%
	ROW	2.0%	2.3%	3.5%	1.9%	2.6%	2.5%	2.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Industry Classification	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	ISV	38.6%	40.6%	41.2%	39.8%	39.5%	39.8%	39.9%
	Enterprise	38.9%	37.9%	37.2%	35.2%	34.9%	35.3%	34.5%
	IP Led	22.5%	21.5%	21.6%	25.0%	25.6%	24.9%	25.6%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Fact Sheet

Revenue by Delivery Centers	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Global Development Centers	31.0%	30.5%	31.4%	29.9%	29.7%	30.5%	32.0%
	India	46.5%	48.0%	47.0%	45.1%	44.7%	44.6%	42.4%
	IP Led	22.5%	21.5%	21.6%	25.0%	25.6%	24.9%	25.6%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Client Billed	Nos.	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Services	470	429	420	437	433	586	569
	IP Led	156	167	185	192	178	287	387

Includes one-time clients with overlap across business offerings

Revenue Concentration	Description / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Top 1	23.7%	23.6%	20.2%	26.3%	25.7%	24.0%	25.9%
	Top 5	44.3%	44.6%	40.0%	45.0%	43.3%	42.4%	43.9%
	Top 10	53.4%	52.6%	50.2%	54.6%	52.4%	51.8%	53.5%

DSO	Nos.	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Days		64	65	63	61	63	63

Fact Sheet

Client Engagement Size	Nos.	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Large > USD 3M	20	22	20	20	18	20	18
	Medium > USD 1M, < USD 3M	56	56	57	56	56	57	53

Yield*	USD / Per Person Month	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
			5,134	4,953	5,082	5,386	5,329	5,321

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

Linear Revenue Per Billed PM*	USD / Per Person Month*	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Global Delivery Centres	17,155	16,742	16,846	16,204	15,787	16,299	16,267
	India	4,437	4,427	4,385	4,392	4,372	4,371	4,232

*Revenue per billed PM excludes IP Led revenue and calculated on total revenue including contractual reimbursable portion.

Attrition Rate	%	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	TTM Basis		15.7%	17.1%	16.7%	16.4%	15.4%	16.7%

IP Led	Nos.	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	IP Led Person Months		4,602	4,711	4,618	4,613	4,704	18,826

Fact Sheet

People Numbers	Nos.	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Technical	9,726	9,363	9,185	8,761	8,566	9,185	8,329
	Sales and Business Development	285	272	273	266	247	273	211
	Others	532	532	504	503	489	504	436
	Total	10,543	10,167	9,962	9,530	9,302	9,962	8,976

Efforts and Utilization Mix - Linear	Description / Nos. / %	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	FY19	FY18
	Billable Person Months	19,846	19,441	18,663	17,822	17,483	71,563	71,207
	- Global Delivery Centers	2,779	2,658	2,630	2,659	2,656	10,703	10,609
	- India	17,067	16,783	16,034	15,163	14,827	60,860	60,597
	Billed Person Months	15,409	15,141	14,879	14,635	14,318	58,037	56,405
	- Global Delivery Centers	2,271	2,179	2,206	2,232	2,221	9,007	9,255
	- India	13,138	12,962	12,674	12,403	12,097	49,030	47,151
	Linear Utilization							
	- Blended	77.6%	77.9%	79.7%	82.1%	81.9%	81.1%	79.2%
	- Global Delivery Centers	81.7%	82.0%	83.9%	83.9%	83.6%	84.2%	87.2%
- India	77.0%	77.2%	79.0%	81.8%	81.6%	80.6%	77.8%	



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Thank you!

