

FINANCIAL PERFORMANCE UPDATE

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Agenda

Investor Focus

- 2018 ISAT Survey Feedback
- Growth in Market Capital
- Continuous Improvement in Investor Returns

Financial Performance

- Year gone by
- Historical Performance
- Key Performance Metrics

Focus Areas

The background is a blue-tinted image. In the center, a pair of hands is shown holding a document. The document features a bar chart with several vertical bars of varying heights. To the left of the hands, a modern building with a grid-like facade is visible. The overall scene suggests a professional or financial context, such as a meeting or a presentation.

INVESTOR FOCUS

2018 ISAT Survey Feedback

Business Strategy (42%)**

Strategy Index	FY 14	FY 15	FY 16	FY 18
	4.72	5.22	4.98	5.19

High client concentration; Diversification into adjacent industries, Clarity on DLM

Business Performance (25%)

Performance Index	FY 14	FY 15	FY 16	FY 18
	4.58	5.25	4.84	5.35 ↑

Improved growth, margins & free cash flow

Leadership (14%)

Leadership Index	FY 14	FY 15	FY 16	FY 18
	5.29	5.47	5.49	5.67

Conservative & realistic guidance; Communication post acquisitions on progress

Financial Returns (11%)

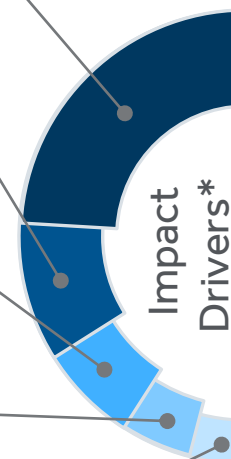
Returns Index	FY 14	FY 15	FY 16	FY 18
	4.68	4.94	4.40	4.99 ↑

Higher valuations & CAGR

Communication (8%)

Communication Index	FY 14	FY 15	FY 16	FY 18
	5.61	5.81	5.75	5.88

Quality of disclosures, Access to management & Communication



- Highest ever ISAT score of 5.33
- Strongest in communication and Leadership
- Higher score than FY16 in all parameters

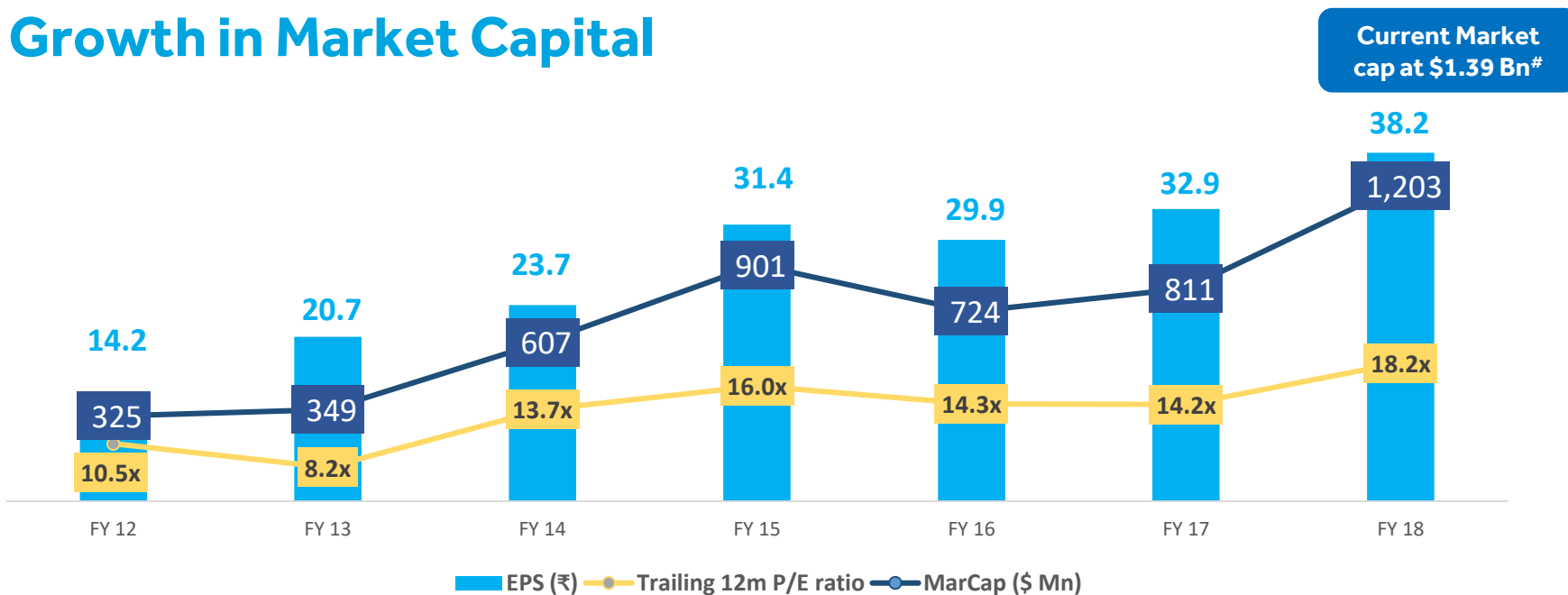
ISAT Index	FY 14	FY 15	FY 16	FY 18
	4.83 [#]	5.28 [#]	5.02	5.33

** (%) denotes the impact on RoI derived using Regression Analysis

* Key drivers of RoI – derived importance

[#] Indices for FY 14 & 15 recalculated using the weights from FY 16 & 18

Growth in Market Capital



Market cap has grown ~4x from FY 12 levels
Analyst "Buy + Hold" at 100%
P/E of 18.2x ; Aspire to be best-in-class

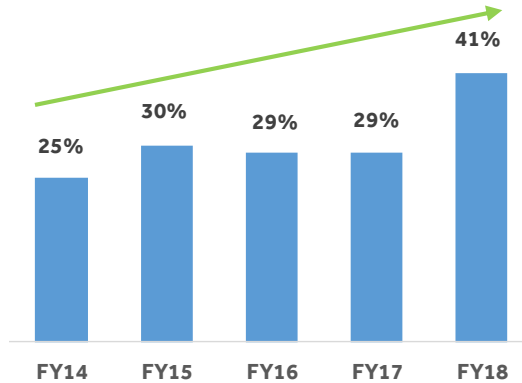
EPS for FY 16, FY 17 and FY18E are normalised. With one off events. EPS for FY 16, FY 17 and FY18 is ₹28.9, ₹30.5 and ₹36.01 respectively.

* Market capitalization is computed on share price on the last trading day of the financial year

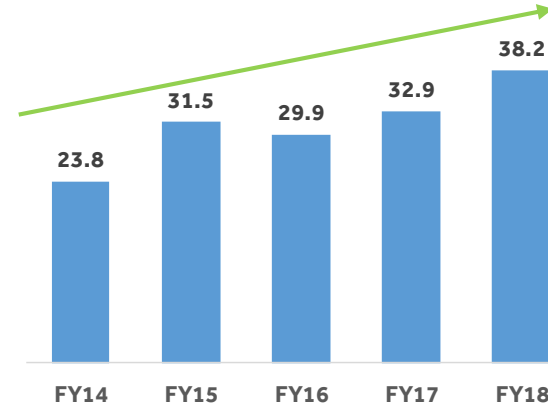
[#]As on 03rd May, 2018

Continuous Improvement in Investor Returns

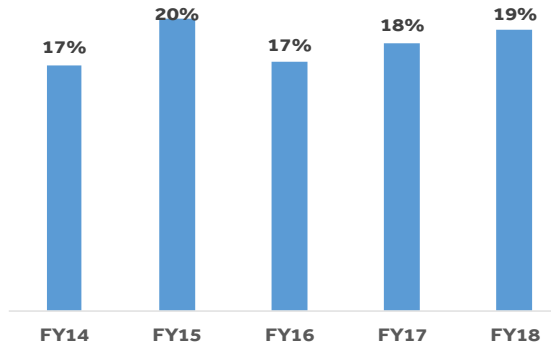
Dividend Payout Ratio (Post Tax)¹



Earnings Per Share²



Return on Equity



- Increased Dividend Payout Ratio
- Highest RoE in last three years

¹-23% and 24% on reported basis for FY13 and FY14 respectively due to one time tax exemption against dividend received from subsidiaries

²excludes impact of one-offs; FY17 dividend payout ratio of 29% excludes special dividend announced on occasion of 25 years completion

The background is a solid blue color with a faint, semi-transparent image of a person in a business suit sitting at a desk. On the desk, there are several documents, a laptop, and a bar chart. The overall theme is professional and financial.

FINANCIAL PERFORMANCE

Year Gone By

STRONG AND
WELL ROUNDED
PERFORMANCE



Revenue

12.9% ↑

\$537.9M
FY 17



\$607.4M
FY 18

(INR 36,065 M)

(INR 39,175 M)



Optg profit

13.3% ↑

₹4,848M
FY 17



₹5,492M
FY 18

(\$85.2M)



Cash

Highest ever

₹9,706M
FY 17



₹10,937M
FY 18
(\$168M)



RoCE

240 bps ↑

21.3%
FY 17



23.7%
FY 18



Net profit*

16.1% ↑

₹3,699M
FY 17

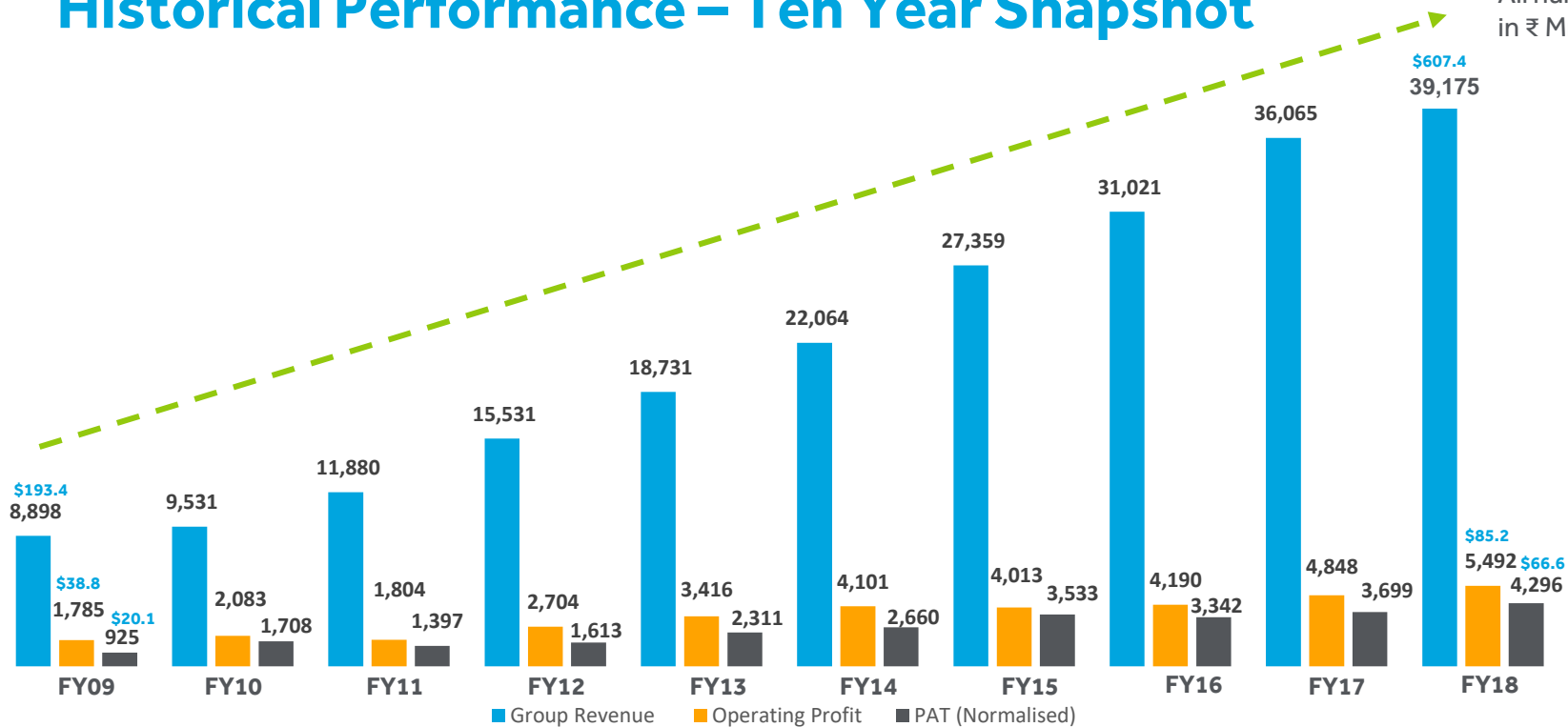


₹4,296M
FY 18
(\$66.6M)

*excluding exceptional items

Historical Performance – Ten Year Snapshot

All numbers in ₹ Mn



Revenue (₹) 19.2%

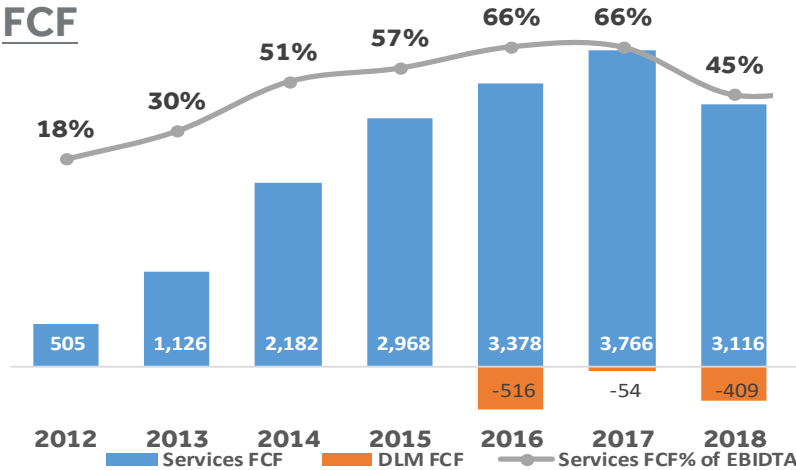
Operating Profit 16.2%

**10 Year
CAGR***

PAT 17.5%

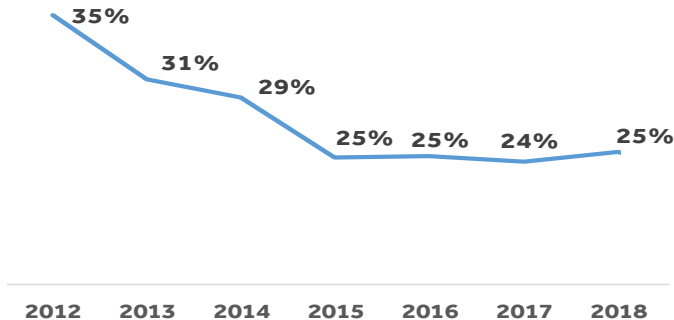
Key Performance Metrics (1/2)

FCF



- FCF increased ~5x times since 2012 driven largely by DSO, tax, SEZ improvement & capex optimisation
- Confident of substantial improvement in DLM FCF towards breakeven
- With double digit growth (higher than industry) & DSO reduced to optimum levels over last 6 years, Services FCF conversion will be 40%-50%

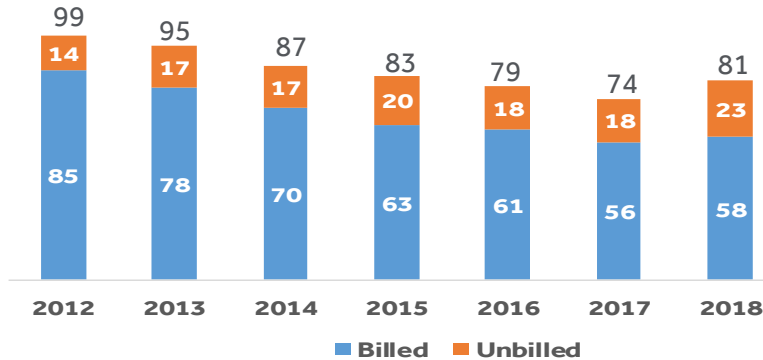
Tax rate



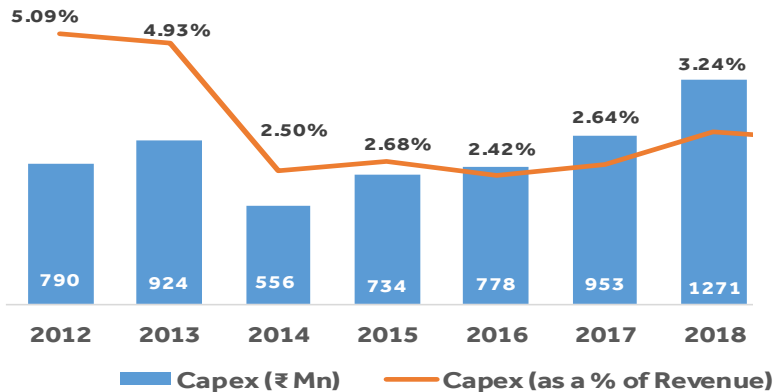
- Tax rate* reduction 13% (FY12-FY19E); From Nil to >60% headcount in SEZ
- Driven largely by SEZ & other initiatives

Key Performance Metrics (2/2)

DSO



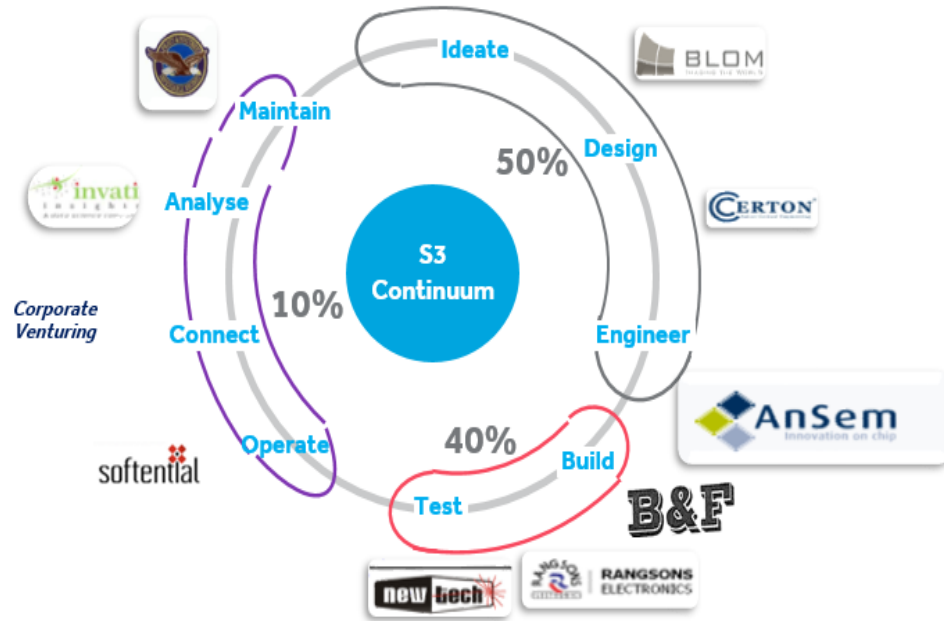
Capex



- DSO significantly reduced by ~ 20 days in last 6 years and expected to reduce further
- Focus on collection efficiency, factoring, reduction of WIP and lowering cash cycle
- Industry-best DSO
- Capex Spend reduced from the range of 4%-5% to 2%-3% of revenue in last 6 years which is better than most of the peers.
- Focus on Capex optimization and leasing strategy

Investments and RoCE

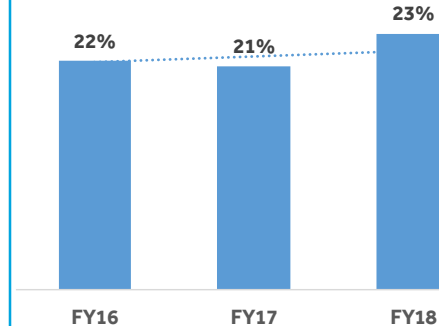
Investments in last 3-4 years*



Confident of long term returns, better performance in current year and enhanced prudence based on learnings

*% reflects average customer spend across value chain in Engineering and Network engg & operations

RoCE in last 3 years

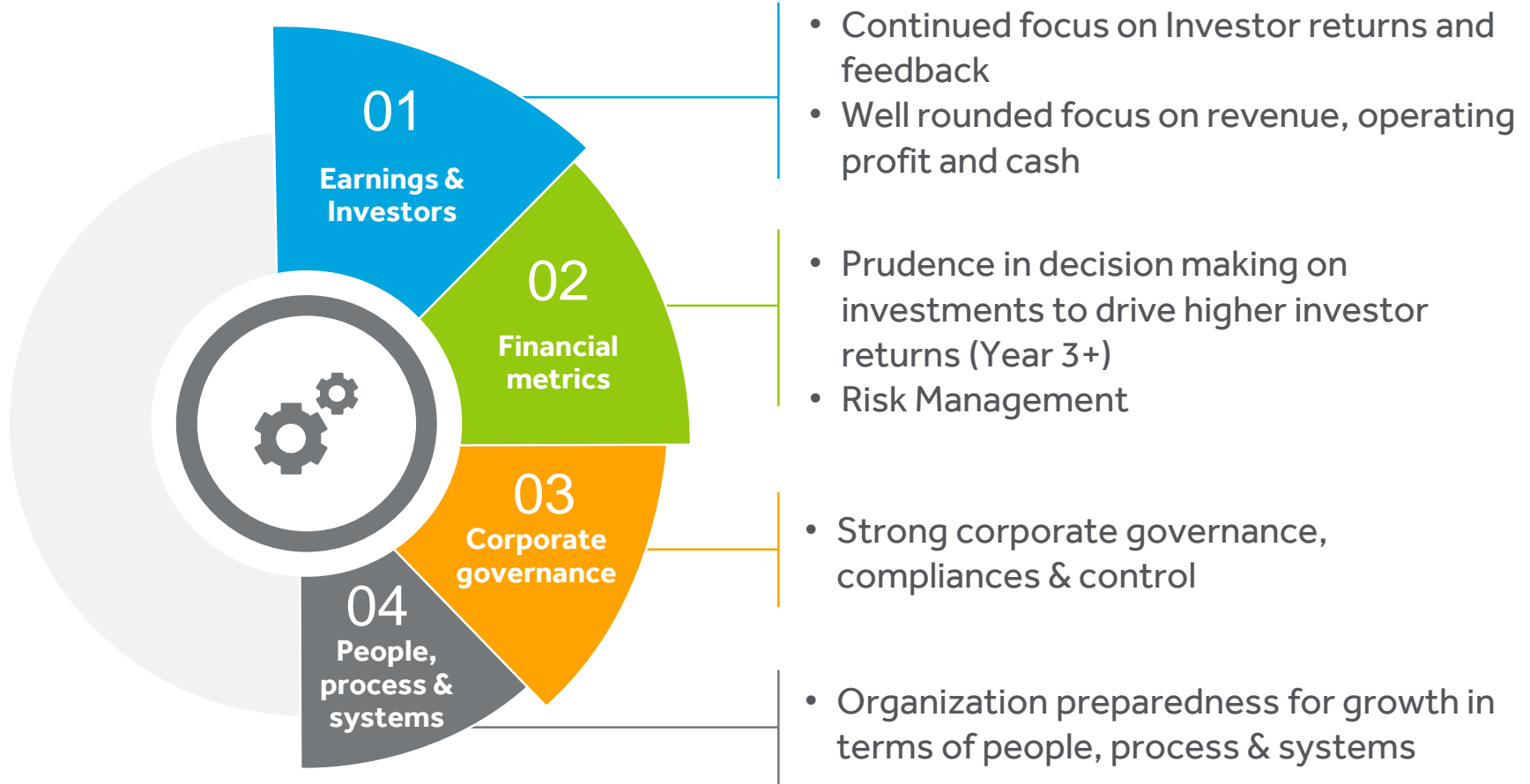


RoCE as important metric on investment decisions with focus to improve towards 25%



FOCUS AREAS

Focus Areas



THANK YOU