



# Subex Limited

Earnings Call presentation (Q4FY19)

May 13, 2019



# Forward looking statement

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, fluctuations in earnings, our ability to successfully integrate acquisitions, competition in our areas of business, client concentration, liability for damages in our contracts, withdrawal of tax incentives, political instability, unauthorized use of our intellectual property and general economic conditions affecting our industry



# FY19 Highlights

- Vision to be the global leader in **Digital Trust** across multiple domain
- Vision converted to **3 Horizon Strategy** for execution
- Brought in new talents and realigned the team around growth strategy
- **Restructured** the delivery organization to have a single team to serve every customer
- Launched **CrunchMetrics**
- Won multiple multi million deals on fraud leading with **AI/ML**



# FY19 Financial Highlights

- FY19 **Revenue at INR 3,481 Million** as against INR 3,243 million in FY18, up by 7.3%.
- EBITDA (ex-forex) for the year at **INR 514 Million** as against INR 508 Million in FY18, up by 1.1%.
- New business acquisition **increased by 30%** over last year.
- **Contracted bookings of \$5M** during the very first year of operation of Horizon2

# Vision Statement

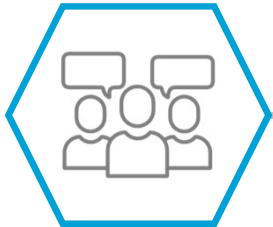
## PURPOSE

Experience the thrill of unlocking possibilities

## VISION

Unlocking possibilities by being the World Leader in digital trust

## OUR VALUES



THINK CUSTOMER



MAKE IT HAPPEN



DELIVER VALUE



BE OPEN. BE FAIR.



WIN TOGETHER

Largest & most trusted player in digital trust as measured by number of devices, users and amount of data transactions



# Focus Areas



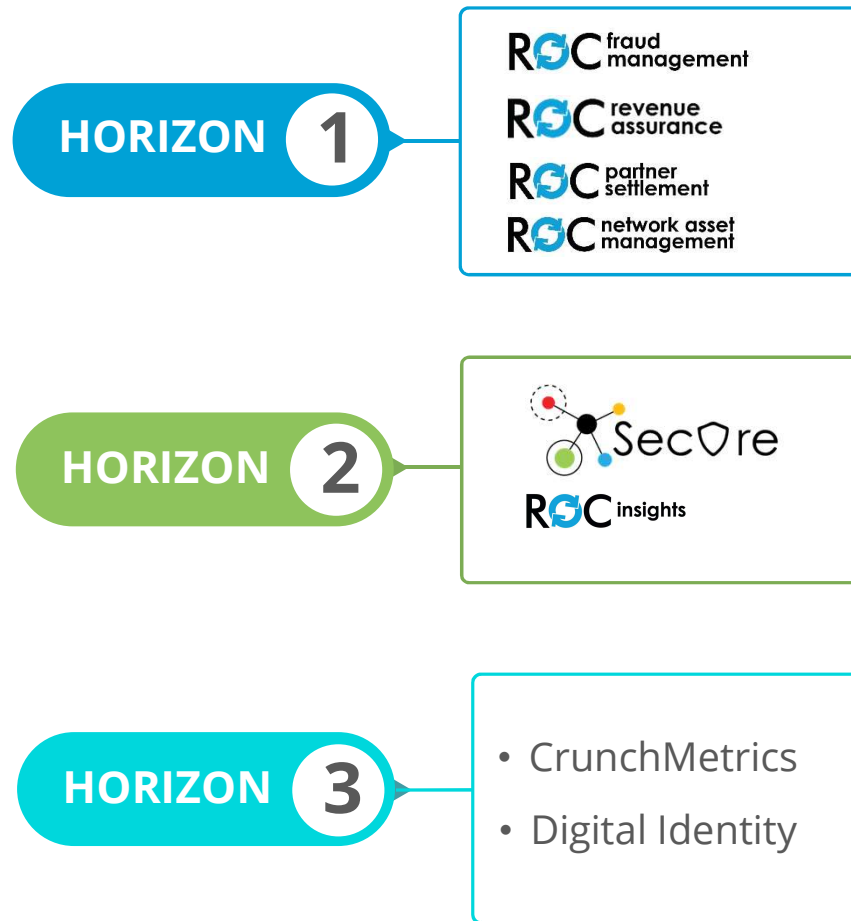
Vibrant Subex



Revenue Growth



# 3 Horizon strategy



# FY19 Financial Performance - Consolidated

Amount in Rs  
Lakhs

Sl. No	Particulars	Consolidated			
		FY 19	FY 18	FY 17	FY 16
		2018-19	2017-18	2016-17	2015-16
	<b>Income</b>				
1	Revenue from operations	34,812	32,432	35,733	32,246
2	Other income	101	140	1,154	182
<b>3</b>	<b>Total income (1+2)</b>	<b>34,913</b>	<b>32,572</b>	<b>36,887</b>	<b>32,428</b>
	<b>Expenses</b>				
	Employee benefits expense	19,105	17,471	15,871	16,034
	Finance costs	216	775	2,040	6,152
	Depreciation and amortisation expense	483	517	495	427
	Exchange fluctuation (gain)/ loss, net	(171)	1,650	(698)	515
	Other expenses	10,572	9,884	11,651	8,987
<b>4</b>	<b>Total expenses</b>	<b>30,205</b>	<b>30,297</b>	<b>29,359</b>	<b>32,115</b>
<b>5</b>	<b>Profit before exceptional items and tax expense (3-4)</b>	<b>4,708</b>	<b>2,275</b>	<b>7,528</b>	<b>313</b>
6	Exceptional items	-	1,166	(10,890)	(6,469)
<b>7</b>	<b>Net profit before tax expense (5+6)</b>	<b>4,708</b>	<b>3,441</b>	<b>(3,362)</b>	<b>(6,156)</b>
8	Tax expense	2,186	1,373	961	1,273
	<b>Total tax expense</b>	<b>2,186</b>	<b>1,373</b>	<b>961</b>	<b>1,273</b>
<b>9</b>	<b>Net profit for the period/ year (7-8)</b>	<b>2,522</b>	<b>2,068</b>	<b>(4,323)</b>	<b>(7,429)</b>





# FY19 Financial Performance Consolidated- Ratios

Metric	FY 19	FY 18	FY 17	FY 16
	2018-19	2017-18	2016-17	2015-16
<b>Gross Margin</b>	57.7%	56.7%	60.2%	57.1%
<b>EBITDA Margin (ex-forex)</b>	14.8%	15.7%	23.0%	22.4%
<b>PAT Margin</b>	7.2%	6.4%	-12.1%	-23.0%



# FY19 – Service wise revenue

*Amount in Rs Lakhs*

Service wise revenue	FY 19	FY 18	FY 17	FY 16
Sale of license	3,443	3,193	4,488	2,873
Sale of hardware and software	-	-	283	244
Implementation and customisation	8,215	7,504	8,656	6,510
Managed services	12,429	10,870	10,913	11,334
Support services & others	10,725	10,865	11,393	11,284
<b>Total</b>	<b>34,812</b>	<b>32,432</b>	<b>35,733</b>	<b>32,246</b>



# FY19 – Region wise revenue

*Amount in Rs Lakhs*

Region wise Revenue	FY 19	FY 18	FY 17	FY 16
Americas	5,603	5,322	6,555	6,568
EMEA	21,077	19,076	20,392	18,017
India	2,286	2,656	2,835	2,014
APAC and Rest of world	5,846	5,378	5,951	5,647
<b>Total</b>	<b>34,812</b>	<b>32,432</b>	<b>35,733</b>	<b>32,246</b>



# FY19 Financial Performance - Standalone

Amount in Rs  
Lakhs

		Standalone			
Sl. No	Particulars	FY 19	FY 18	FY 17	FY 16
		2018-19	2017-18	2016-17	2015-16
	<b>Income</b>				
1	Revenue from operations	1,916	17,993	32,441	29,582
2	Share of Profit from LLP	165	635	-	-
3	Other income	10	66	1,253	296
<b>4</b>	<b>Total income (1+2+3)</b>	<b>2,091</b>	<b>18,694</b>	<b>33,694</b>	<b>29,878</b>
	<b>Expenses</b>				
	Employee benefits expense	739	6,248	8,537	7,875
	Finance costs	4	547	1,505	5,102
	Depreciation and amortisation expense	625	703	273	263
	Marketing and allied service charges	513	6,712	11,713	11,605
	Exchange fluctuation (gain)/ loss, net	39	311	713	697
	Share of Loss from LLP	1,765	598	-	-
	Other expenses	861	3,775	6,791	4,419
<b>5</b>	<b>Total expenses</b>	<b>4,546</b>	<b>18,894</b>	<b>29,532</b>	<b>29,961</b>
<b>6</b>	<b>Profit before exceptional items and tax expense (4-5)</b>	<b>(2,455)</b>	<b>(200)</b>	<b>4,162</b>	<b>(83)</b>
7	Exceptional items	-	389	(4,591)	(20,381)
<b>8</b>	<b>Net profit before tax expense (6+7)</b>	<b>(2,455)</b>	<b>189</b>	<b>(429)</b>	<b>(20,464)</b>
	Tax expense	(2)	157	254	534
<b>9</b>	<b>Total tax expense</b>	<b>(2)</b>	<b>157</b>	<b>254</b>	<b>534</b>
<b>10</b>	<b>Net profit for the period/ year (8-9)</b>	<b>(2,453)</b>	<b>32</b>	<b>(683)</b>	<b>(20,998)</b>



# FY20 Plan - Focus on execution of growth strategy

## HORIZON 1

- **Protect** – Leverage Product / Domain
- **Grab** – Aggressive replacement by leveraging partners
- **Grow** – Leverage Consulting capabilities. Go “Deep and Wide”

## HORIZON 2

- From Incubation to Scaling
- Product Enhancement and Markets Expansion



## HORIZON 3

- **CrunchMetrics**
  - Establish presence in eCom & FinTech
  - Strengthen product for multi-vertical
- **Digital Identity**
  - Launch and establish as a key player in this space

# Summary

- Vision to be the global leader in Digital Trust across multiple domains
- FY19 Revenue at INR 3481.2
- FY19 EBITDA at INR 514
- New Business Booking increased by 30% over that of FY18
- Organization restructured keeping customers at the center to enhance value delivery
- The focus of FY20 will be on execution of growth strategy.
- Hope to continue the growth momentum in FY20



# Thank you

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