

SQS – the world's leading specialist in software quality



[sqs.com](http://sqs.com)

# SQS India BFSI Limited Earnings Presentation – Q2 FY17

# Safe Harbor



This presentation has been prepared by SQS India BFSI solely to provide information about the Company.

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. None of the Company nor any of its respective affiliates, advisers or representatives, shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

The information contained in this presentation is only current as of its date. The Company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements", including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company's business, its competitive environment, information technology and political, economic, legal and social conditions in India.

Please note that this presentation is based on the publicly available information on SQS India BFSI including but not limited to Company's website and Annual Reports.

This communication is for general information purposes only, without regard to specific objectives, financial situations and needs of any particular person. Please note that investments in securities are subject to risks including loss of principal amount.

This presentation does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

# Particulars

---



- Performance Review
- Consolidated Financial Summary
- Operating Metrics
- Consolidated Quarterly P & L

## Consolidated Q2 FY17 Y-o-Y Review

- Q2 FY17 Operating revenue was Rs 684 million compared to Rs 666 million during the previous year same quarter.
- Total income was Rs 685 million compared to Rs 668 million during the previous year same quarter; growth of 2.6%.
- Company reported EBITDA of Rs 134 million compared to Rs 144 million during the corresponding quarter in the previous year.
- EBITDA Margin stood at 19.6% for Q2 FY17 compared to 21.6% in Q2 FY16.
- Profit after tax stood at Rs 59 million in Q2 FY17 compared to Rs 102 million during the previous year same quarter, reflecting a forex losses of Rs 30 million compared to forex gain of Rs 23 million for the same period previous year.
- Basic EPS decreased by 43% at Rs 5.5 compared to Rs 9.7 for Q2 FY16.

## Consolidated H1 FY17 Review

- Operating revenue increased by 13.4% to Rs 1,415 million during the half year under review, compared to Rs 1,248 million during the corresponding first half of previous year.
- Total income was Rs 1,420 million for the H1 FY17 as compared to Rs 1,255 million during the corresponding first half of previous year.
- EBITDA stood at Rs 296 million for H1 FY17 as compared to Rs 244 million during the same period last year.
- EBITDA Margin stood at 20.9% for H1 FY17 compared to 19.6% in H1 FY16.
- Profits After Tax decreased by 21.1% to Rs 149 million in H1 FY17 as compared to Rs 189 million in corresponding first half of previous year, due to loss on account of exchange fluctuations of Rs 42 million, compared to exchange gain of Rs 61 million in H1 FY16.
- Basic EPS stood at Rs 14.0 as against Rs 17.9 in H1 FY16, a decrease of 21.9% over the first half of previous year.

# Consolidated Financial Summary

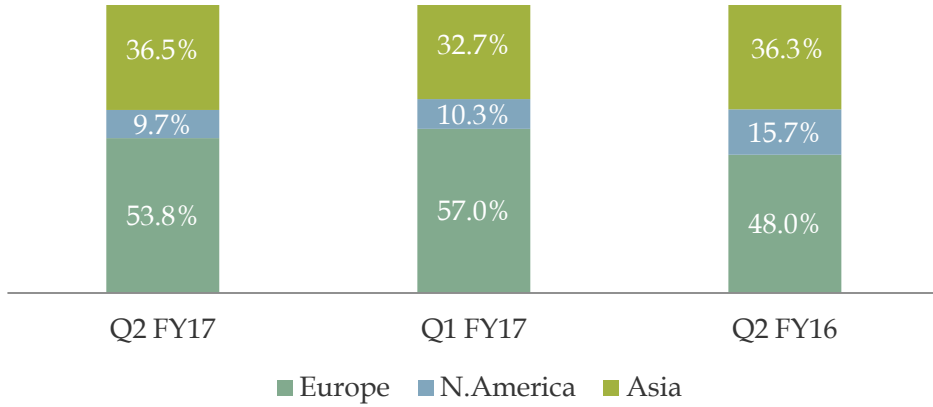


| Particulars  | Metrics                                  | 30-Sep-16 | 30-Jun-16 | QoQ Growth | 30-Sep-15 | YoY Growth | 30-Sep-16 | 30-Sep-15 | YoY Growth |
|--------------|--|-----------|-----------|------------|-----------|------------|-----------|-----------|------------|
|              |  | Q2 FY17   | Q1 FY17   |            | Q2 FY16   |            | H1 FY17   | H1 FY16   |            |
| Revenue      | Total Revenue (INR M)                    | 685.1     | 734.9     | -6.8%      | 667.8     | 2.6%       | 1,419.9   | 1,254.8   | 13.2%      |
|              | Net Revenue (INR M)                      | 683.5     | 731.2     | -6.5%      | 665.6     | 2.7%       | 1,414.7   | 1,248.1   | 13.4%      |
| Profit       | EBITDA (INR M)                           | 133.7     | 162.1     | -17.5%     | 143.8     | -7.0%      | 296.0     | 244.1     | 21.3%      |
|              | <i>PBT Before Forex Gain/Loss(INR M)</i> | 121.6     | 155.0     | -21.6%     | 134.8     | -9.8%      | 276.9     | 227.1     | 21.9%      |
|              | PBT (INR M)                              | 91.6      | 143.0     | -35.9%     | 157.7     | -41.9%     | 234.9     | 288.2     | -18.5%     |
|              | PAT (INR M)                              | 58.8      | 90.2      | -34.8%     | 102.3     | -42.5%     | 149.3     | 189.3     | -21.1%     |
| Margin       | EBITDA                                   | 19.6%     | 22.2%     |            | 21.6%     |            | 20.9%     | 19.6%     |            |
|              | <i>PBT Before Forex Gain/Loss</i>        | 17.7%     | 21.1%     |            | 20.2%     |            | 19.5%     | 18.1%     |            |
|              | PBT                                      | 13.4%     | 19.5%     |            | 23.6%     |            | 16.5%     | 23.0%     |            |
|              | PAT                                      | 8.6%      | 12.3%     |            | 15.3%     |            | 10.5%     | 15.1%     |            |
| EPS          | Basic (Rs.)                              | 5.5       | 8.5       | -35.1%     | 9.7       | -43.1%     | 14.0      | 17.9      | -21.9%     |
|              | Diluted (Rs.)                            | 5.5       | 8.5       | -35.1%     | 9.6       | -42.6%     | 14.0      | 17.7      | -21.2%     |
| ShareHolding | Promoters (%)                            | 53.9%     | 54.0%     |            | 54.5%     |            | 53.9%     | 54.5%     |            |
|              | Public (%)                               | 46.1%     | 46.0%     |            | 45.5%     |            | 46.1%     | 45.5%     |            |

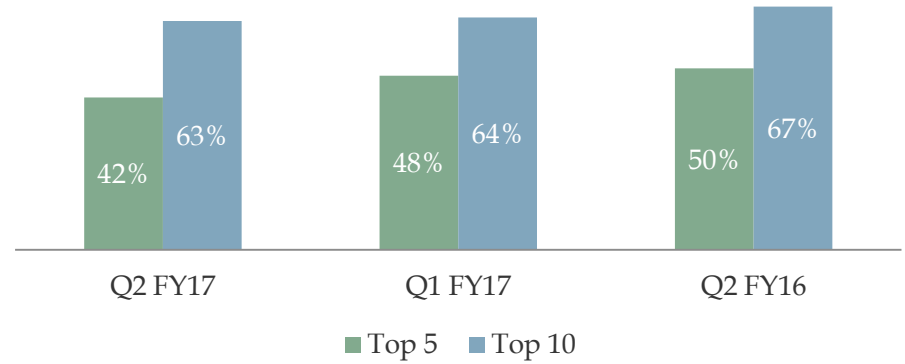
# Operating Metrics



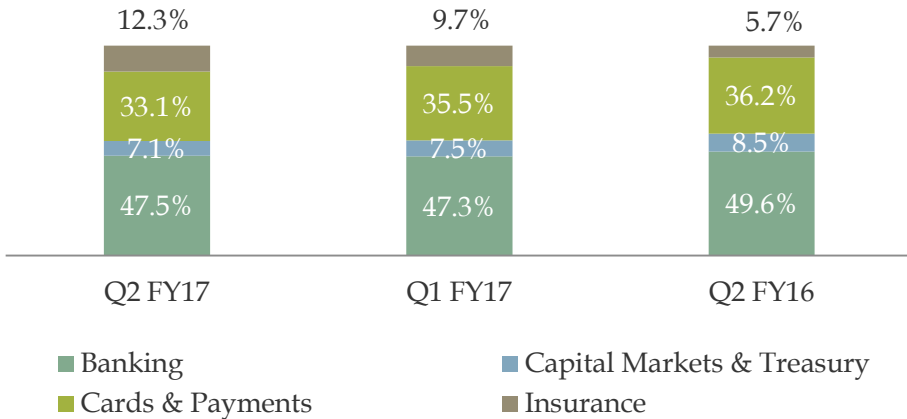
## Revenue by Region



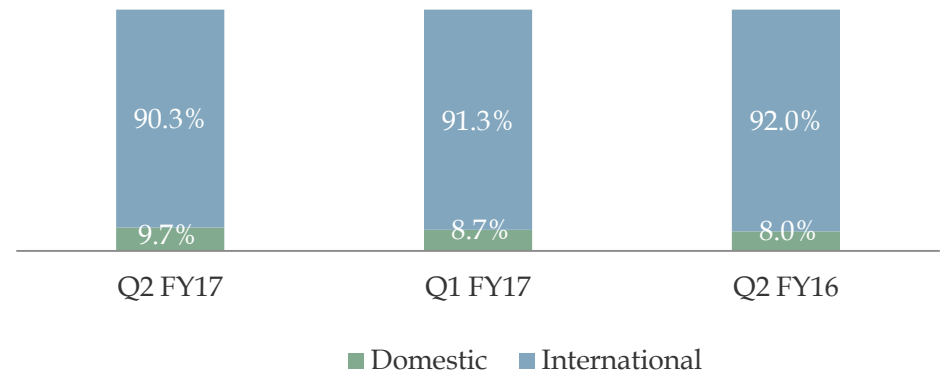
## Client Concentration



## Revenue by Practice



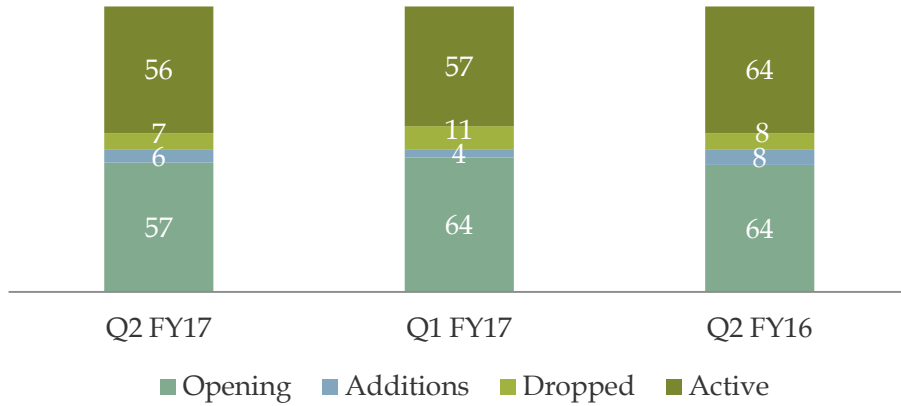
## Revenue Distribution



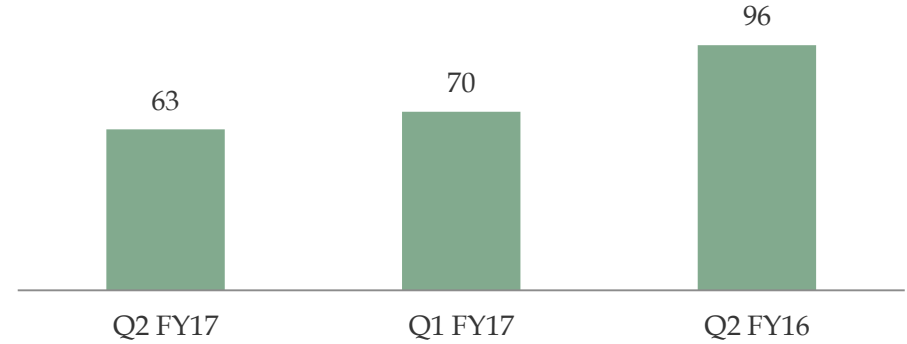
# Operating Metrics



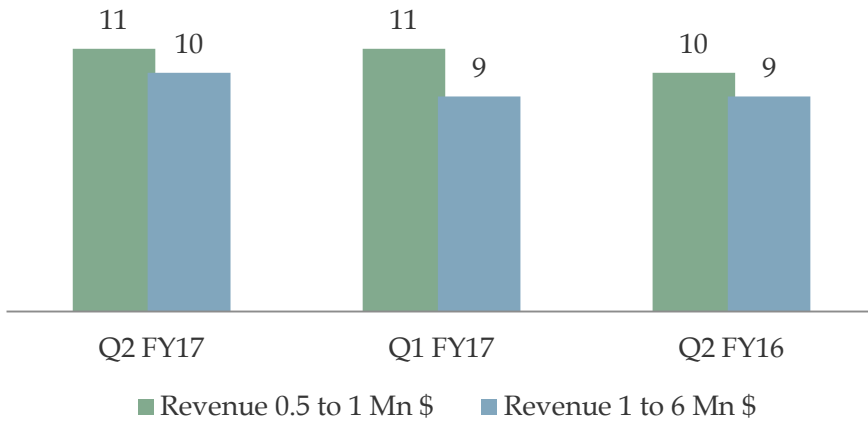
## Clients Details



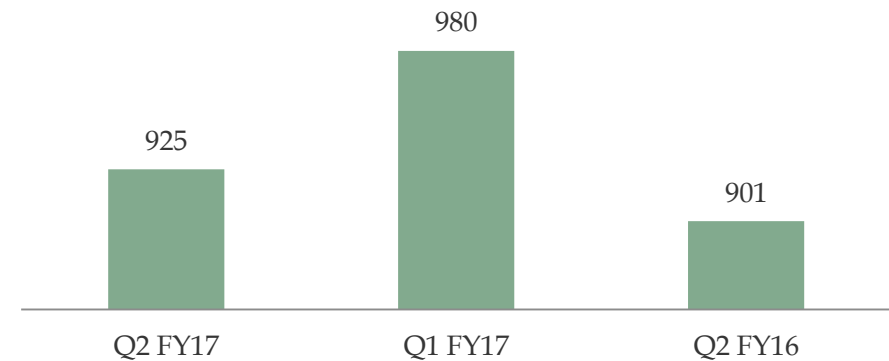
## Debtors Days



## Customer Profile (12m Rolling)



## Employee Details



# Consolidated Quarterly P & L



| Sr No. | Consolidated Unaudited Financial Statements for the Quarter ended (All figures in INR Million except EPS) | 30-Sep-16 | 30-Jun-16 | QoQ Growth | 30-Sep-15 | YoY Growth | 30-Sep-16 | 30-Sep-15 | YoY Growth |
|--------|---|-----------|-----------|------------|-----------|------------|-----------|-----------|------------|
|        |   | Q2 FY17   | Q1 FY17   |            | Q2 FY16   |            | H1 FY17   | H1 FY16   |            |
|        | <b>Net Sales / Income from Operation</b>  |           |           |            |           |            |           |           |            |
| 1      | <b>Income</b>   | 683.5     | 731.2     | -7%        | 665.6     | 3%         | 1,414.7   | 1,248.1   | 13%        |
| 2      | <b>Expenditure</b>  |           |           |            |           |            |           |           |            |
| (a)    | Employee Cost   | 410.2     | 437.5     | -6%        | 418.4     | -2%        | 847.7     | 800.5     | 6%         |
| (b)    | Depreciation  | 13.3      | 10.3      | 29%        | 10.8      | 23%        | 23.5      | 22.0      | 7%         |
| (c)    | Other Expenditure   | 139.7     | 131.6     | 6%         | 103.4     | 35%        | 271.1     | 203.5     | 33%        |
| (d)    | <b>Total Expenditure</b>  | 563.1     | 579.4     | -3%        | 532.6     | 6%         | 1,142.3   | 1,026.0   | 11%        |
| 3      | <b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>                 | 120.4     | 151.9     | -21%       | 133.0     | -9%        | 272.5     | 222.1     | 23%        |
| 4      | Other Income  | 1.5       | 3.6       | -57%       | 2.2       | -30%       | 5.2       | 6.7       | -23%       |
| 5      | <b>Profit before Interest and Exceptional Items (3+4)</b>   | 121.9     | 155.5     | -22%       | 135.2     | -10%       | 277.7     | 228.8     | 21%        |
| 6      | Interest  | 0.4       | 0.5       |            | 0.4       |            | 0.8       | 1.7       |            |
| 7      | Exchange Gain/(loss)  | (30.0)    | (12.0)    |            | 22.9      |            | (42.0)    | 61.1      |            |
| 8      | <b>Profit after Interest but before Exceptional Items (5-6)</b>   | 91.6      | 143.0     | -36%       | 157.7     | -42%       | 234.9     | 288.2     | -18%       |
| 8      | Exceptional Items   |           |           |            |           |            |           | -         |            |
| 9      | <b>Profit(+)/ Loss (-) from Ordinary Activities before Tax (7+8)</b>                                      | 91.6      | 143.0     | -36%       | 157.7     | -42%       | 234.9     | 288.2     | -18%       |
| 10     | Tax Expenses  | 32.8      | 52.8      | -38%       | 55.4      | -41%       | 85.6      | 99.0      | -14%       |
| 11     | <b>Net Profit(+)/ Loss (-) from Ordinary Activities after Tax (9-10)</b>                                  | 58.8      | 90.2      | -35%       | 102.3     | -43%       | 149.3     | 189.3     | -21%       |
| 12     | Extraordinary Items (net of tax expense Rs.)  |           |           |            |           |            |           |           |            |
| 13     | <b>Net Profit(+)/ Loss (-) for the Period (11-12)</b>   | 58.8      | 90.2      | -35%       | 102.3     | -43%       | 149.3     | 189.3     | -21%       |
| 14     | Paid-up Equity Share Capital of Rs10/- each   | 106.7     | 106.6     |            | 105.6     |            | 106.7     | 105.6     |            |
| 15     | Reserves Excluding Revaluation Reserve  |           |           |            |           |            |           |           |            |
| 16     | Earnings Per Share (EPS) in Rs.   |           |           |            |           |            |           |           |            |
| (a)    | Basic and diluted EPS before Extraordinary items (not annualize)  | 5.51      | 8.49      | -35%       | 9.69      | -43%       | 14.00     | 17.93     | -22%       |
| (b)    | Basic and diluted EPS after Extraordinary items (not annualized)  | 5.49      | 8.46      | -35%       | 9.57      | -43%       | 13.96     | 17.71     | -21%       |





---

*For more information, please contact:*

**Vaidyanathan N**  
**SQS India BFSI Ltd.**  
[vaidyanathan.n@sqs.com](mailto:vaidyanathan.n@sqs.com)

**Diwakar Pingle**  
*Christensen IR*  
[dpingle@christensenir.com](mailto:dpingle@christensenir.com)

**India Chennai**  
**Registered Office/ Mailing address**  
SQS India BFSI Limited  
6A, sixth floor, Prince Infocity II,  
No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR),  
Kandanchavadi, Chennai - 600 096.  
Tel : +91 44 4392 3200  
Fax : +91 44 4392 3258  
CIN No. L64202TN1998PLC066604  
[www.sqs-bfsi.com](http://www.sqs-bfsi.com)

© SQS India BFSI Ltd, All Rights reserved