

SQS – the world's leading specialist in software quality



sqs.com

SQS India BFSI Limited Earnings Presentation – Q3 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 9MFY17 Review

- Operating revenue increased by 5.5% to Rs 2,024 million during the 9m period under review, compared to Rs 1,919 million in the corresponding period of the previous year.
- Total income was Rs 2,030 million for the 9m period ended December 31, 2016 as compared to Rs 1,927 million in the corresponding period of the previous year, up by 5.3%.
- EBITDA stood at Rs 394 million with the margin at 19.5% during the 9m period under review, compared to Rs 377 million (margin at 19.6%) during the corresponding 9m period of previous year, up by 4.7%.
- Net profit stood at Rs 188 million for the 9m period ended December 31, 2016 as compared to Rs 263 million in the corresponding period of the previous year; a drop of 28.7% over the corresponding period previous year, due to loss on account of exchange fluctuations of Rs 66 million , compared to exchange gain of Rs 54 million in the previous year for same period.
- Basic EPS stood at Rs 17.6 compared to Rs 24.9 in the previous year for same period.

Consolidated Q3 FY17 Y-o-Y Review

- Q3 FY17 operating revenue was Rs 609 million compared to Rs 671 million during the previous year same quarter.
- Total income was Rs 610 million compared to Rs 672 million during the previous year same quarter; drop of 9%.
- Company reported EBITDA of Rs 99 million compared to Rs 132 million during the corresponding quarter in the previous year.
- EBITDA Margin stood at 16.2% for Q3 FY17 compared to 19.7% in Q3 FY16.
- Profit after tax stood at Rs 38 million in Q3FY17 compared to Rs 74 million during the previous year same quarter. Loss on account of exchange fluctuations was at Rs 24 million, compared to exchange loss of Rs 7 million in the previous year for same period.
- Basic EPS was at Rs 3.6 compared to Rs 6.9 for Q3 FY16.

Consolidated Financial Summary

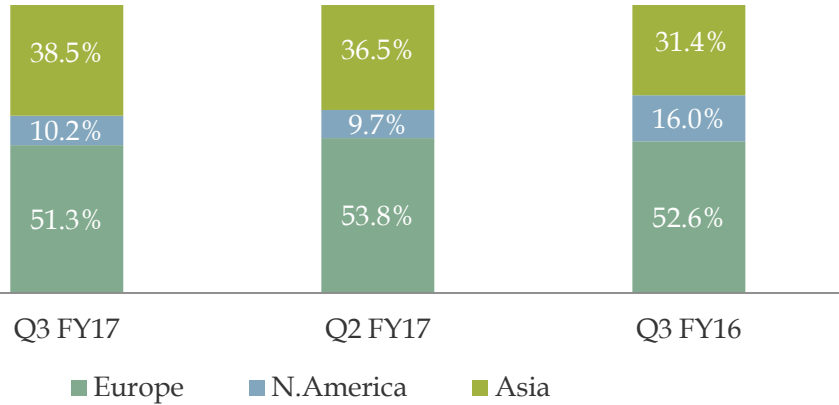


Particulars	Metrics	31-Dec-16	30-Sep-16	QoQ Growth	31-Dec-15	YoY Growth	31-Dec-16	31-Dec-15	YoY Growth
		Q3 FY17	Q2 FY17		Q3 FY16		9M FY17	9M FY16	
Revenue	Total Revenue (INR M)	609.9	685.1	-11.0%	672.3	-9.3%	2,029.8	1,927.1	5.3%
	Net Revenue (INR M)	609.4	683.5	-10.8%	671.1	-9.2%	2,024.2	1,919.2	5.5%
Profit	EBITDA (INR M)	98.7	133.7	-26.2%	132.2	-25.3%	394.4	376.6	4.7%
	<i>PBT Before Forex Gain/Loss(INR M)</i>	84.3	121.6	-30.6%	122.3	-31.0%	360.9	349.7	3.2%
	PBT (INR M)	60.1	91.6	-34.4%	115.5	-48.0%	295.1	403.6	-26.9%
	PAT (INR M)	38.2	58.8	-35.0%	73.8	-48.3%	187.5	262.9	-28.7%
Margin	EBITDA	16.2%	19.6%		19.7%		19.5%	19.6%	
	<i>PBT Before Forex Gain/Loss</i>	13.8%	17.7%		18.2%		17.8%	18.1%	
	PBT	9.9%	13.4%		17.2%		14.5%	20.9%	
	PAT	6.3%	8.6%		11.0%		9.2%	13.6%	
EPS	Basic (Rs.)	3.6	5.5	-35.1%	6.9	-48.4%	17.6	24.9	-29.3%
	Diluted (Rs.)	3.6	5.5	-35.1%	6.9	-48.2%	17.5	24.7	-29.0%
ShareHolding	Promoters (%)	53.9%	53.9%		54.2%		53.9%	54.2%	
	Public (%)	46.1%	46.1%		45.8%		46.1%	45.8%	

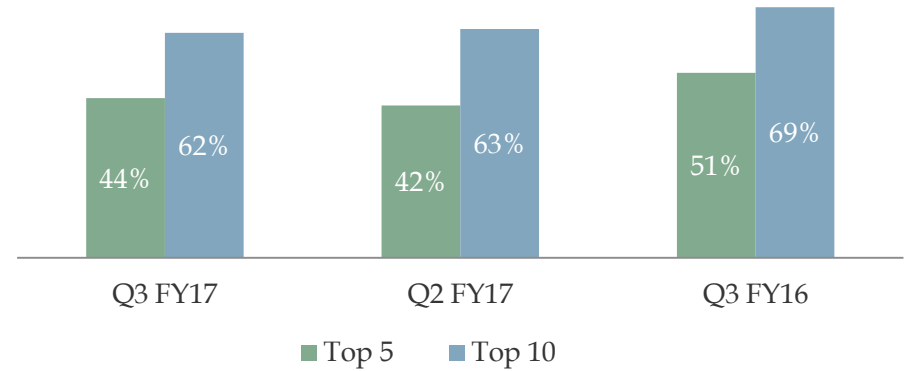
Operating Metrics



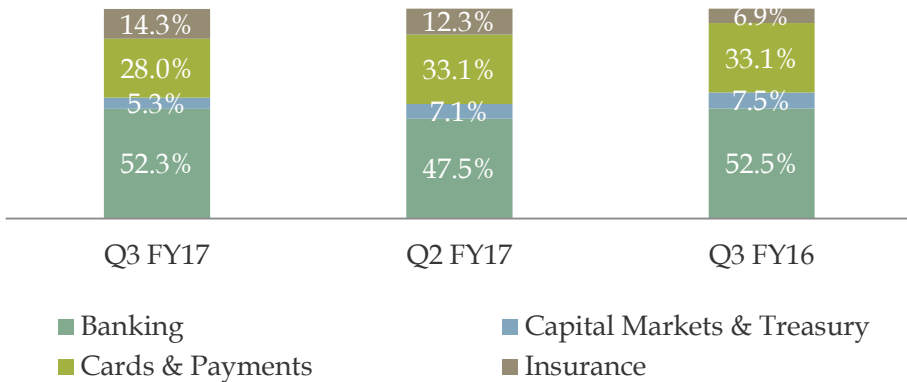
Revenue by Region



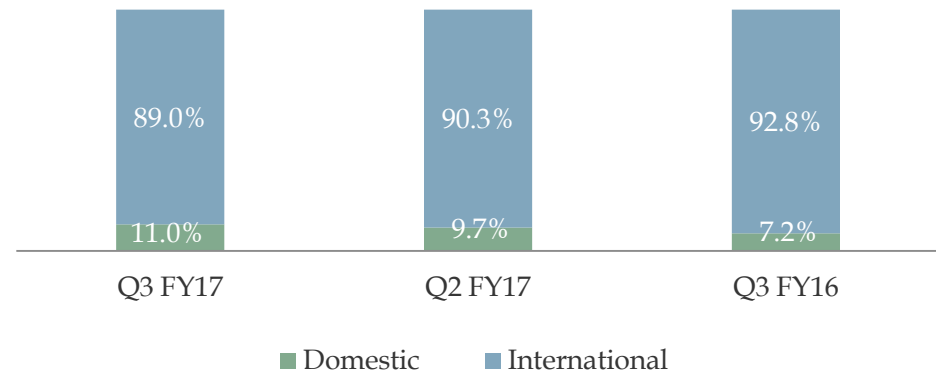
Client Concentration



Revenue by Practice



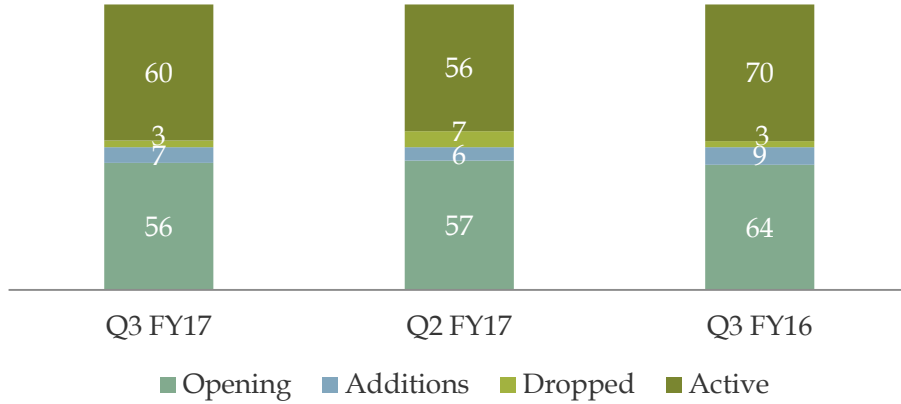
Revenue Distribution



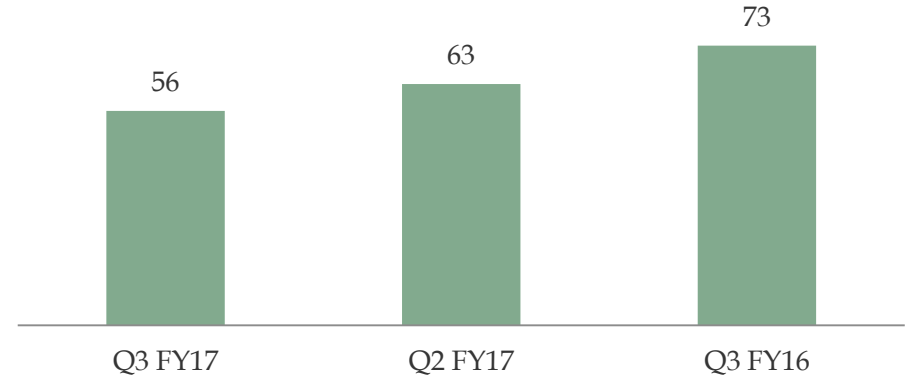
Operating Metrics



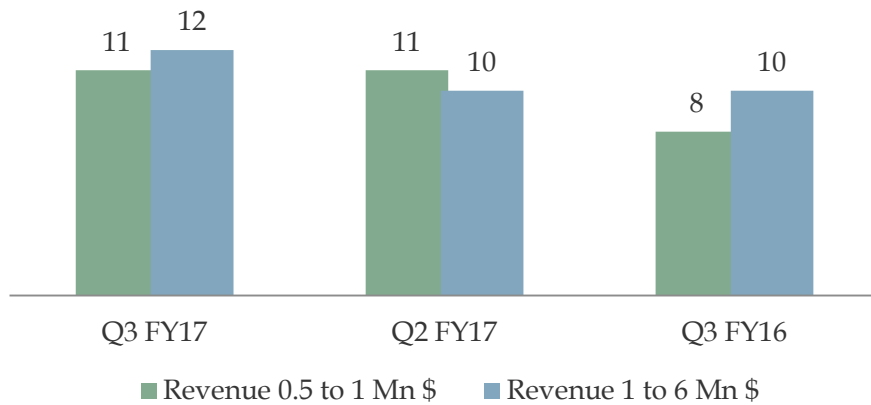
Clients Details



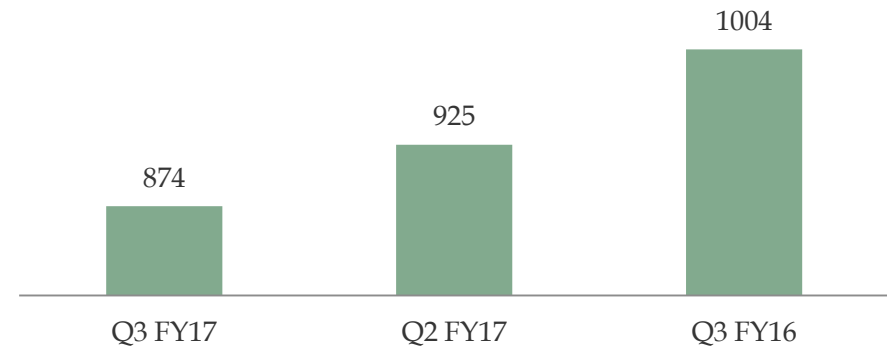
Debtors Days



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)	31-Dec-16	30-Sep-16	QoQ Growth	31-Dec-15	YoY Growth	31-Dec-16	31-Dec-15	YoY Growth
		Q3 FY17	Q2 FY17		Q3 FY16		9M FY17	9M FY16	
	Net Sales / Income from Operation								
1	Income	609.4	683.5	-11%	671.1	-9%	2,024.2	1,919.2	5%
2	Expenditure								
(a)	Employee Cost	390.9	410.2	-5%	433.1	-10%	1,238.5	1,234.2	0%
(b)	Depreciation	14.3	13.3	8%	10.7	34%	37.9	32.6	16%
(c)	Other Expenditure	119.8	139.7	-14%	105.8	13%	391.2	308.4	27%
(d)	Total Expenditure	525.1	563.1	-7%	549.6	-4%	1,667.7	1,575.2	6%
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	84.4	120.4	-30%	121.5	-31%	356.5	344.0	4%
4	Other Income	0.4	1.5	-71%	1.2	-63%	5.6	7.9	-29%
5	Profit before Interest and Exceptional Items (3+4)	84.8	121.9	-30%	122.7	-31%	362.2	351.9	3%
6	Interest	0.5	0.4		0.5		1.3	2.2	
7	Exchange Gain/(loss)	(24.2)	(30.0)		(6.8)		(65.8)	53.9	
8	Profit after Interest but before Exceptional Items (5-6)	60.1	91.6	-34%	115.5	-48%	295.1	403.6	-27%
8	Exceptional Items							-	
9	Profit(+)/ Loss (-) from Ordinary Activities before Tax (7+8)	60.1	91.6	-34%	115.5	-48%	295.1	403.6	-27%
10	Tax Expenses	21.9	32.8	-33%	41.7	-47%	107.5	140.7	-24%
11	Net Profit(+)/ Loss (-) from Ordinary Activities after Tax (9-10)	38.2	58.8	-35%	73.8	-48%	187.5	262.9	-29%
12	Extraordinary Items (net of tax expense Rs.)								
13	Net Profit(+)/ Loss (-) for the Period (11-12)	38.2	58.8	-35%	73.8	-48%	187.5	262.9	-29%
14	Paid-up Equity Share Capital of Rs10/- each	106.7	106.7		106.2		106.7	106.2	
15	Reserves Excluding Revaluation Reserve								
16	Earnings Per Share (EPS) in Rs.								
(a)	Basic and diluted EPS before Extraordinary items (not annualize)	3.58	5.51	-35%	6.94	-48%	17.58	24.87	-29%
(b)	Basic and diluted EPS after Extraordinary items (not annualized)	3.57	5.49	-35%	6.89	-48%	17.52	24.68	-29%



For more information, please contact:

Vaidyanathan N
SQS India BFSI Ltd.
vaidyanathan.n@sqs.com

Diwakar Pingle
Christensen IR
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

© SQS India BFSI Ltd, All Rights reserved