



# Analytical Review of Q3-2015 Results



# Disclaimer



**“Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”**

## Key Highlights – Q3 2015



- Consolidated revenue Rs. 143.01 crores (US\$ 21.93 mn). QoQ growth of 2.65% excluding impact of divestment of Indus Business.
- EBITDA Rs. 16.97 crores (US\$ 2.60 mn).
- Profit After Tax Rs. 52.00 crores (US\$ 8.14 mn). Profit After Tax includes gain of Rs. 43.35 crores (US\$ 6.82 mn) on divestment of Indus Business Division.
- Share Holder Funds : Rs. 220.20 crores or \$ 33.57 mn.
- Cash and bank balances Rs. 92.22 crores or \$ 14.06 mn.

- Telecom and Digital Media is the largest industry vertical contributing 29.06% of revenues.
- 150 plus key customers including 20 customers having annual revenue above US\$ one million on Run Rate Basis.
- Added 5 key customers during the quarter.
- Completed divestment of Indus Product Business.
- Completed acquisition of an IT telecom business from a leading European telecommunication company effective October 1, 2015.
- Q3 Revenue and EBITDA was impacted by divestment of Indus Business, investment in analytics and mobility for future growth along with delay in start of certain projects.
- Declared third interim dividend of Re. 0.25 per share (25% of par value of Re 1/-).

# Financial Performance - Contribution Analysis – Q3 2015



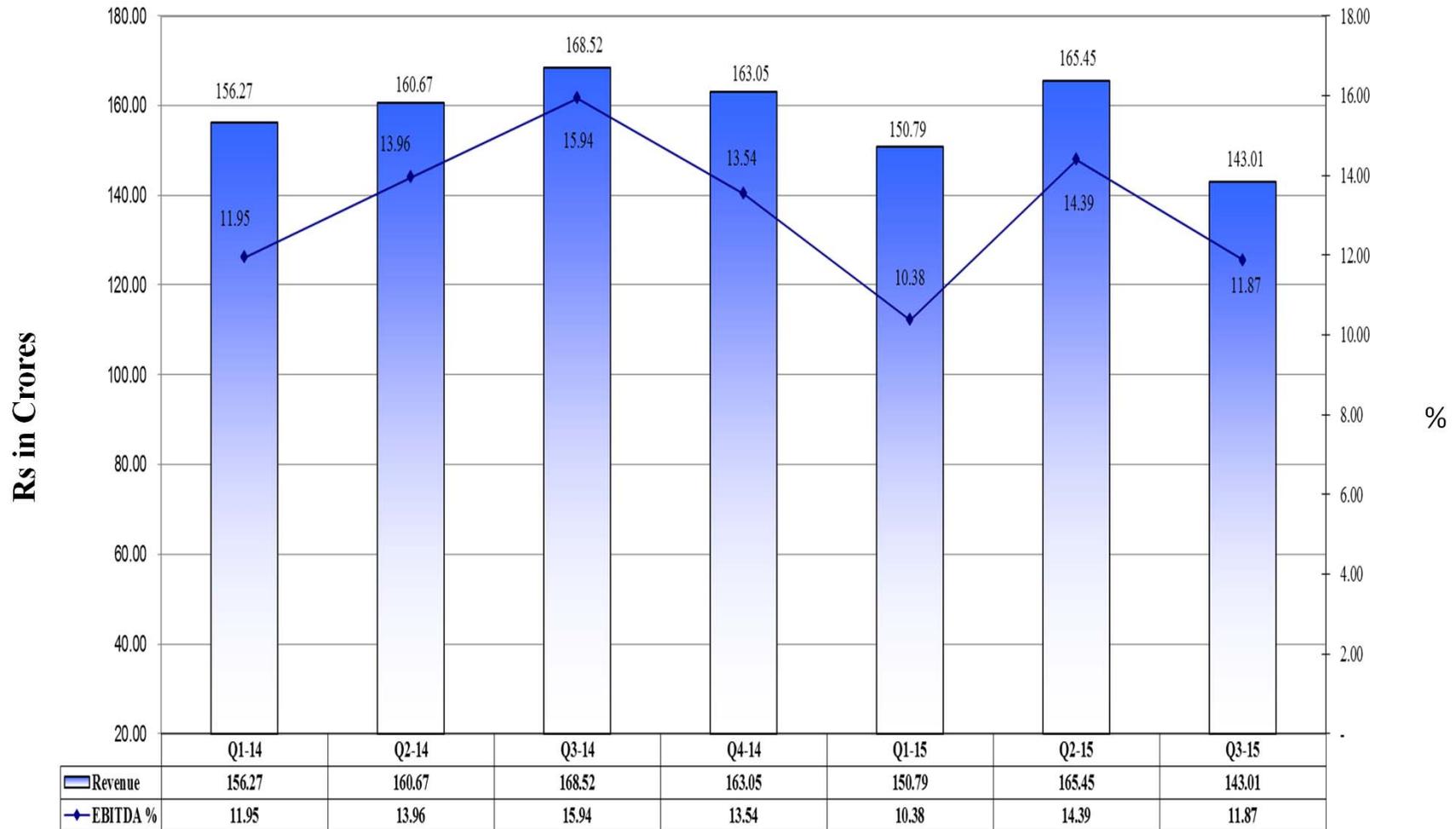
(Figures in mn, except per share data)

	Q3 2015		Q3 2014		Q2 2015	
	INR	US\$	INR	US\$	INR	US\$
<b>Revenues</b>	<b>1,430.09</b>	<b>21.93</b>	<b>1,685.15</b>	<b>27.81</b>	<b>1,654.53</b>	<b>26.10</b>
Cost of revenues	929.06	14.25	1,047.14	17.28	1,058.84	16.70
<b>Gross margin</b>	<b>501.03</b>	<b>7.68</b>	<b>638.01</b>	<b>10.53</b>	<b>595.69</b>	<b>9.40</b>
	<i>35.03%</i>		<i>37.86%</i>		<i>36.00%</i>	
<b>SG &amp; A Expenses</b>	<b>331.33</b>	<b>5.08</b>	<b>369.36</b>	<b>6.10</b>	<b>357.55</b>	<b>5.63</b>
	<i>23.17%</i>		<i>21.92%</i>		<i>21.61%</i>	
<b>EBITDA</b>	<b>169.70</b>	<b>2.60</b>	<b>268.65</b>	<b>4.43</b>	<b>238.14</b>	<b>3.77</b>
	<i>11.87%</i>		<i>15.94%</i>		<i>14.39%</i>	
Depreciation and amortization	26.88	0.41	28.48	0.47	34.45	0.54
<b>Income from operations before exceptional items</b>	<b>142.82</b>	<b>2.19</b>	<b>240.17</b>	<b>3.96</b>	<b>203.69</b>	<b>3.23</b>
Exceptional items	566.14	8.91	26.08	0.43	-	-
<b>Income from operations</b>	<b>708.96</b>	<b>11.10</b>	<b>266.25</b>	<b>4.39</b>	<b>203.69</b>	<b>3.23</b>
Interest expense	(0.29)	(0.01)	(0.26)	(0.00)	(0.27)	(0.01)
Other income (net)	23.12	0.36	14.60	0.24	19.59	0.31
<b>Income before income tax</b>	<b>731.79</b>	<b>11.45</b>	<b>280.60</b>	<b>4.63</b>	<b>223.01</b>	<b>3.53</b>
Income tax provision	211.83	3.31	98.50	1.63	79.56	1.26
<b>Net earnings</b>	<b>519.96</b>	<b>8.14</b>	<b>182.10</b>	<b>3.00</b>	<b>143.45</b>	<b>2.27</b>
<b>Earnings per share (Face value of Re. 1/- each)</b>						
Basic	<b>4.10</b>	<b>0.06</b>	<b>1.43</b>	<b>0.02</b>	<b>1.13</b>	<b>0.02</b>
Diluted	<b>4.10</b>	<b>0.06</b>	<b>1.43</b>	<b>0.02</b>	<b>1.13</b>	<b>0.02</b>

## Movement in Gross Margin % Q3-15 Vs Q2-15

Gross Margin % in Q2-15	36.00
Impact of rupee depreciation	0.42
Impact of increase in utilization	0.40
Impact of increase in retirement provisions and other COGS	(1.79)
Gross Margin % in Q3-15	35.03

# Revenues and Margins, Historical Trend



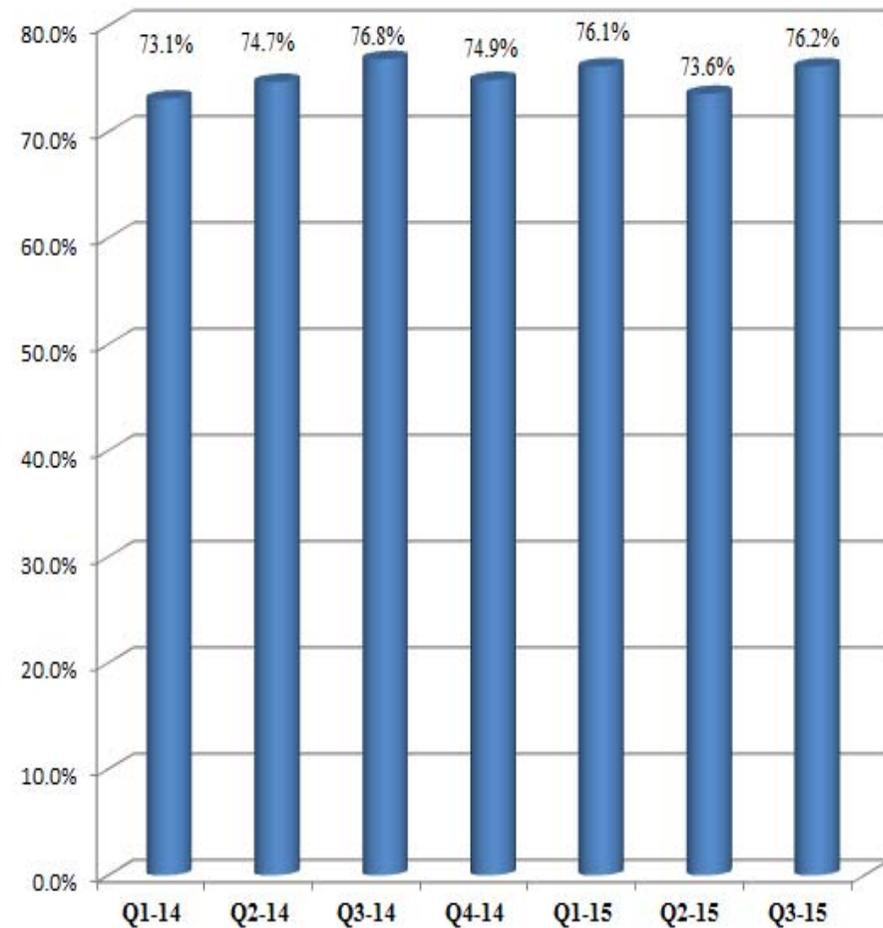
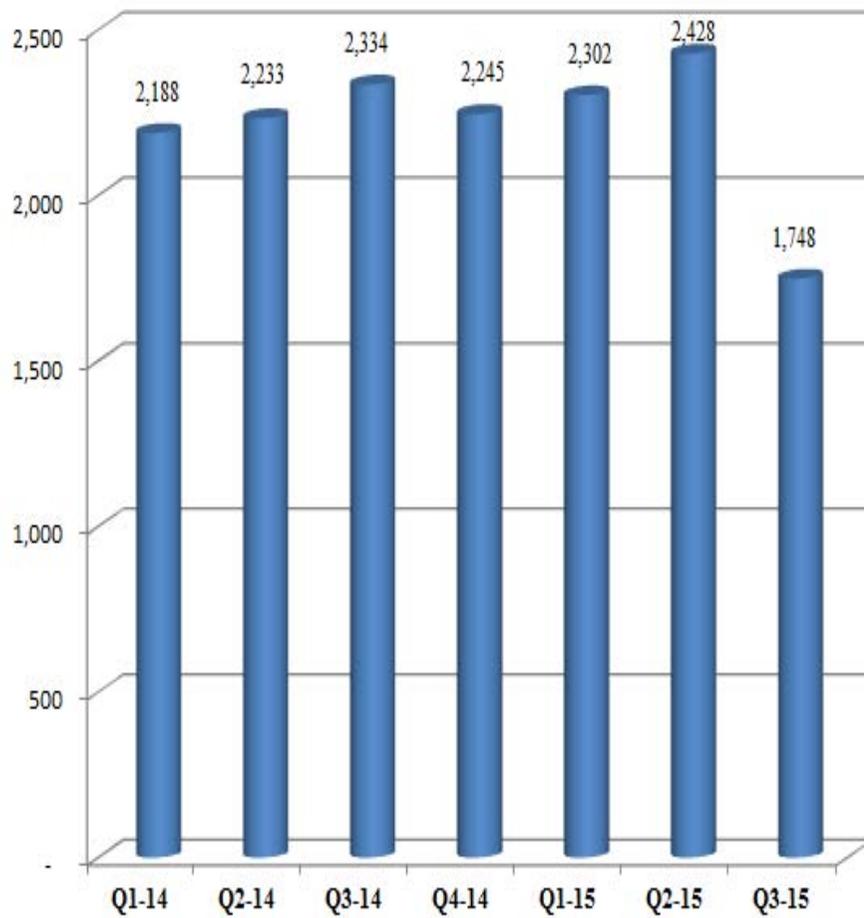
# Consolidated Key Balance Sheet Data



Rupees in Crores except "DSO"

	As at June 30, 2015	As at June 30, 2015
Share Holders' Funds	220.20	171.33
Receivables	88.74	108.13
Receivables in days "DSO" for the quarter (including unbilled)	54	52
Cash & Bank	92.22	116.77
Fixed Assets	30.40	37.05

# Billable Head Count and Utilization

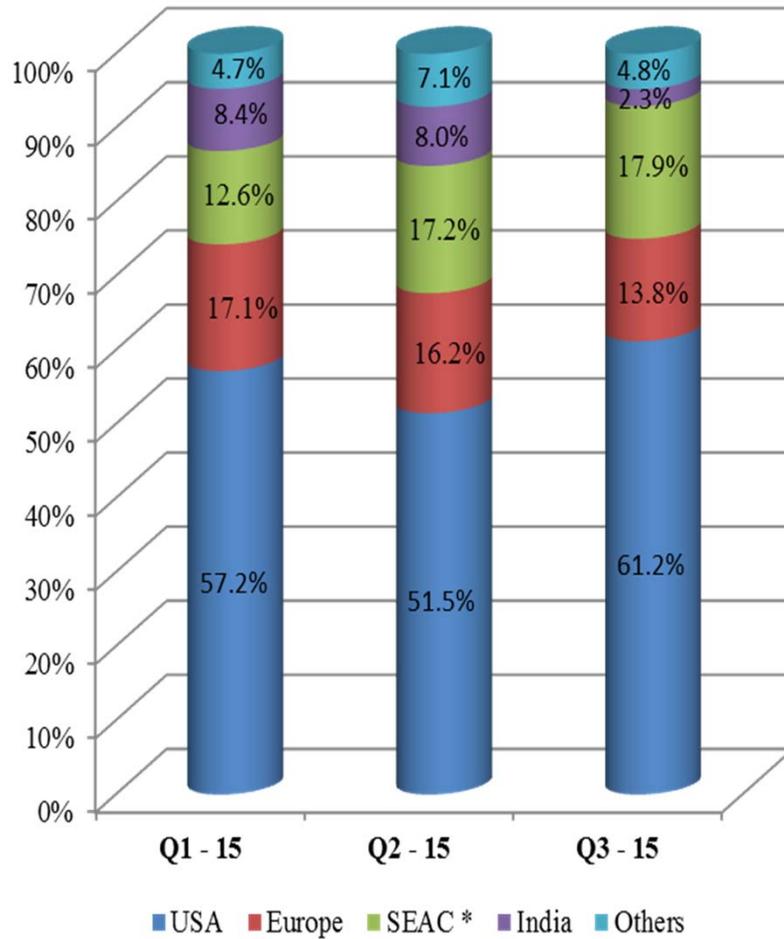


Q2 includes 755 associates pertaining to Indus Business Unit

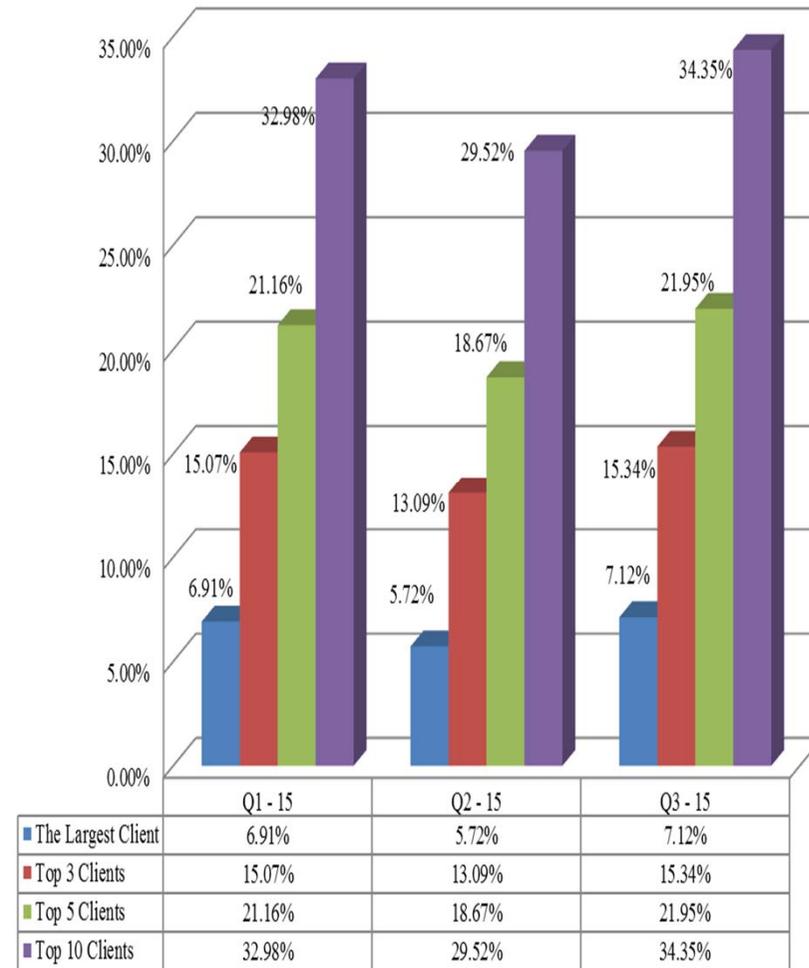
# Quarterly Revenue Break-Down



## By Geography



## Client Concentration



\* South East Asian Countries

- Focus on core IT services business which is driving most of the profitability.
- Recent business acquisitions in Singapore and Europe will strengthen our ERP and Telecom practice and deepen our customer base in South East Asia and Europe.
- Strategy for growth:
  - Deepen the partnership with clients to strategize their IT needs through industry specific innovative services and solutions;
  - Expanding offerings horizontally with mobility and analytics;
  - Invest in innovation around people, processes and technologies;
  - Invest in branding and marketing efforts for highlighting our strengths in key verticals.



**Nand Sardana**  
Chief Financial Officer  
Tel # 0120 – 4303506  
Fax # 0120 – 4082699  
Email: [nand.sardana@rsystems.com](mailto:nand.sardana@rsystems.com)

**Kumar Gaurav**  
GM Finance & Accounts  
Tel # 0120 - 4082650  
Fax # 0120 – 4082699  
Email: [kumar.gaurav@rsystems.com](mailto:kumar.gaurav@rsystems.com)

**Ashish Thakur**  
Company Secretary & Compliance Officer  
Tel # 0120 - 4082633  
Fax # 0120 – 4082699  
Email: [ashish.thakur@rsystems.com](mailto:ashish.thakur@rsystems.com)

**Thank You  
For Your Support**