



# Investor Presentation

## Subex Limited

January 2022



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## Disclaimer

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**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





# Company Overview



# Snapshot

## Nature of Business

- Pioneer in enabling Digital Trust for businesses globally
- Focus on six tenets of Digital Trust like privacy, security, risk mitigation, identity and intelligence to enable trust across people, processes & systems

## Management

- Managed by handpicked professionals from a cross-section of the industry
- Supported by an experienced second in line management team

## Products

- Revenue Assurance
- Network Analytics
- Fraud Management
- Identity Analytics
- Partner Ecosystem Management
- IoT Security
- Analytics Center of Trust
- Anomaly Detection
- Augmented Analytics

*Subex's evolution as a product company has always reflected our ability to foresee an emerging need or a trend, and then build capabilities to help our customers address the inherent challenges that come with that trend.*

# Quarterly highlights

## Financial Performance Q3FY22

### REVENUE



₹ 877 Mn

↑ **1.7%**

### EBITDA



₹ 80 Mn

Margin  
**9.1%**

### PROFIT AFTER TAX



₹ 21 Mn

## Foundations for a growth trajectory

1

Significant wins on **Sectrio**, our security business

2

Doubling of usage and customer addition of **IDcentral**

3

First implementation of **HyperSense** completed

# Subex Today



**1994**

Foundation of Company



**25+**

Years of experience



**1000+**

Employees



**300+**

Global Installations



**90+**

Countries



**200+**

Customers Globally



**35+**

Industry Awards



**US\$ 3.1mn**

R&D spend in new  
areas in FY21



**US\$ 106.47mn**

Total Contracted Backlog as on  
31<sup>st</sup> Dec'21: of above next 12Months  
Backlog US\$ 37.76 mn

# Key Clients

## EMEA



## ASIA



## AMERICAS



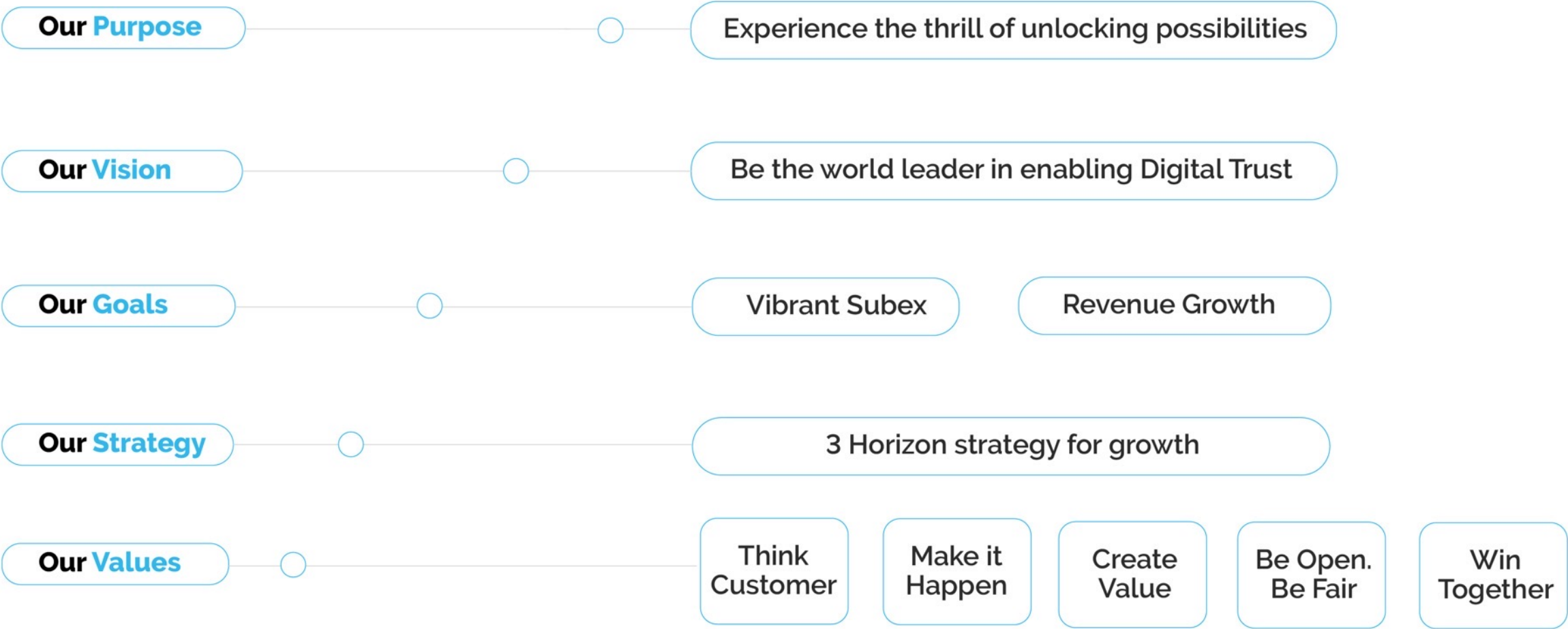
200+

Global customers

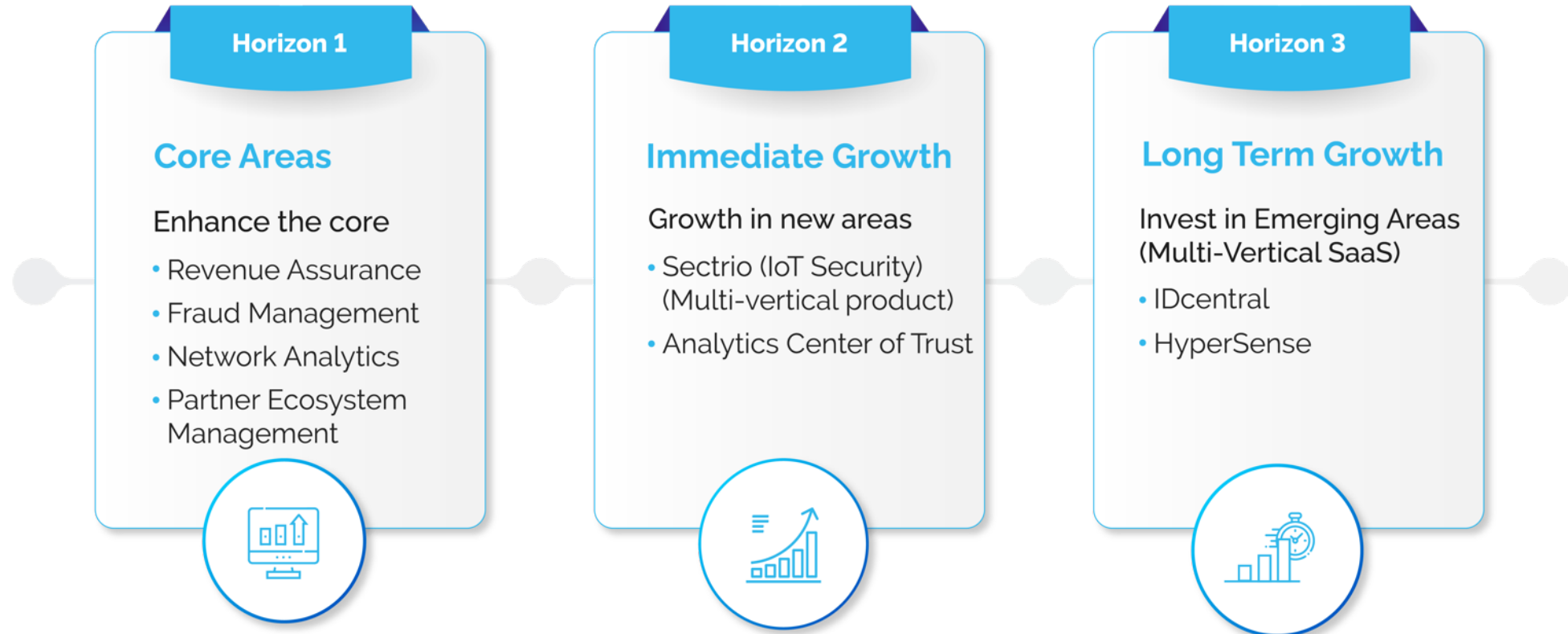
300+ Installations

90+ Countries

# Our Strategic Framework



# 3 Horizon Strategy for Growth



Successful execution of strategy will create substantial value for all stakeholders

# About Subex

## Vision:

World leader in enabling Digital Trust



**25+**

Years in the Industry



**90+**

Countries



**300+**

Installations



**1000+**

Employees



**35+**

Industry Awards

## Digital Trust



# Our Portfolio



## **HyperSense**

End-to-end augmented analytics platform



## **Business Assurance**

Move from assurance to creating impact



## **Fraud and Security**

Combat traditional and new-age frauds



## **Network Analytics**

Empower your network to ensure business excellence



## **Partner Ecosystem Mgmt.**

Leverage partnerships for digital success



## **Advanced Analytics**

Make your data do more for you



## **IoT Security**

Secure your credibility, revenue and brand



## **Identity Analytics**

Leverage data for identity verification



## **Anomaly Detection**

Act on hidden trends before they impact

# Analytics Market Size



# Advantages of HyperSense Platform

05

## Elastic and Scalable

Cloud-native and SaaS-based solution. Support on Premise, Cloud and Hybrid deployments

04

## Streaming Data Analytics

Support hot, warm, and cold data analytics and its ability to react in real-time.

03

## Fully composable

Achieve modularity and plug-and-play capabilities via APIs, files, databases, and streaming options.

02

## Unified single platform

Harness the full potential of the business through automated cohesive platform consisting of next-gen data analytics capabilities.

01

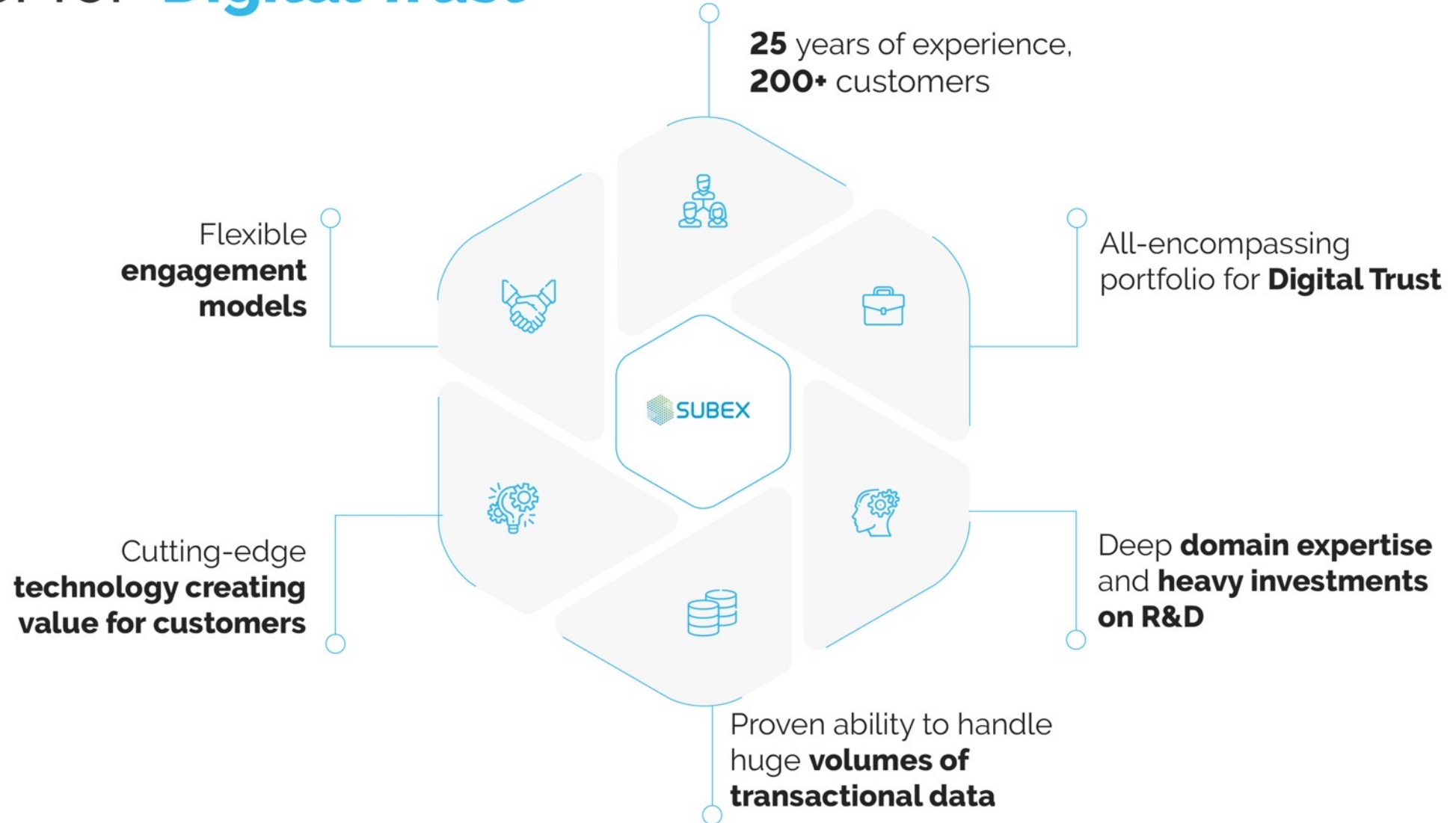
## No-code AI

Widens accessibility to AI and data science to anyone in the organization with codeless AI

# Investment Rationale

- Leader in Digital Trust space and helping businesses thrive by leveraging Digital Trust as a competitive advantage
- Making strong inroads in a multi-vertical converged OT/IoT/IT security space
- Incubating virtual startups within the organization to diversify into new areas and verticals
- Sticky Revenue Model – about 60% of revenue is annuity / recurring and >98% customer retention
- Investing heavily in newer areas like Digital Trust and AI/ML, Augmented Analytics and Deep learning-based anomaly detection
- With launch of HyperSense and progress on IoT-Security and IDcentral company transitioning towards a Platform based SaaS business model
- Passionate and committed team of Subexians with a clear focus to put the company on growth track

# Why **Subex** is the preferred partner for **Digital Trust**





# Quarterly Financial Performance



## Financial Highlights – Q3 FY22 and 9M FY22

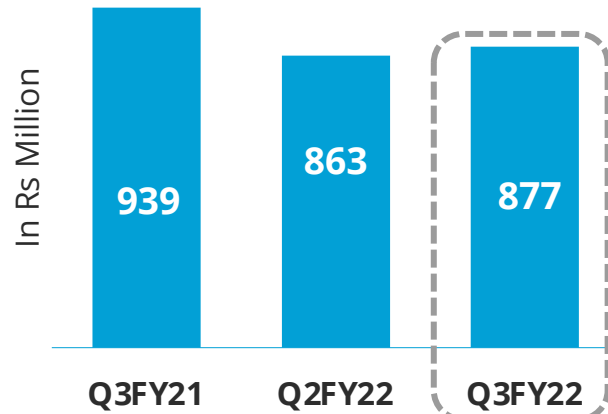
- Q3FY22 Operating Revenue at Rs 877.4 Million, up 1.7% Q-o-Q
- 9M FY22 Operating Revenue at Rs 2,546.4 Million
- Q3 FY22 EBITDA at Rs 80.3 Million; EBITDA margin 9.15%
- 9M FY22 EBITDA at Rs 341.3 Million; EBITDA margin 13.4%
- Q3FY22 PBT at Rs 53.2 Million; PAT at Rs 20.8 Million.
- 9MFY22, PBT at Rs 334.8 Million; PAT at Rs 203.8 Million
- Q3 FY22 EPS was at Rs 0.04 as against Rs 0.09 in Q2FY22 and Rs 0.16 in Q3FY21
- 9M FY22 EPS was at Rs 0.37 as against Rs 0.67 in 9M FY21.

## Other Information

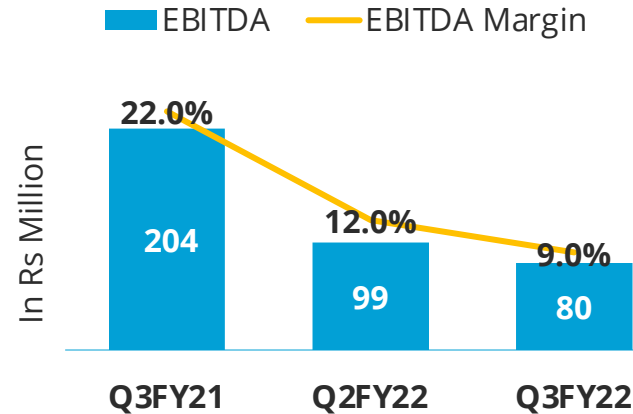
- DSO stood at 84 days
- As on 31st December 2021, total contracted backlog is US\$ 106.47 Million; out of this the next 12 months backlog is US\$ 37.76 Million
- Cash & cash equivalents is Rs 1,204 Million and Operating cash flow at Rs 17 Million (excluding Capex of Rs 51 Million)

# Financial Summary and operating Metrics – Q3FY22

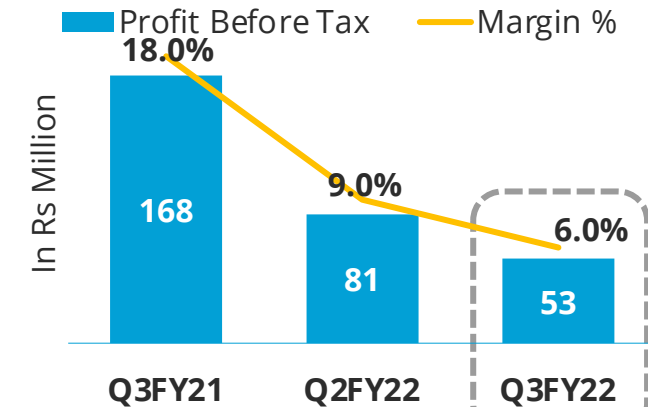
## Operating Revenue



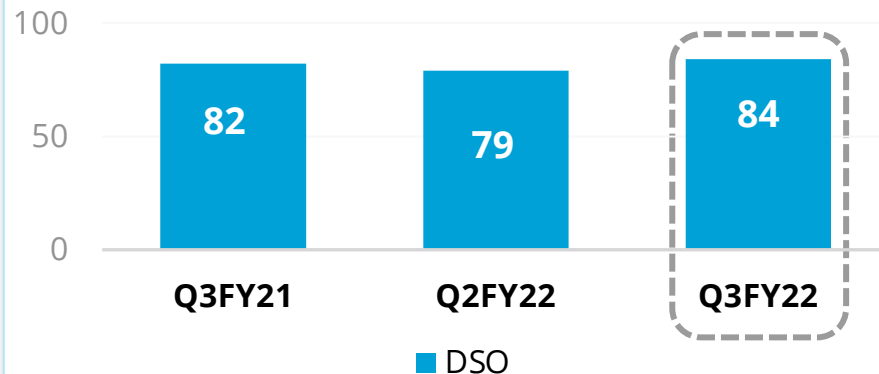
## EBITDA



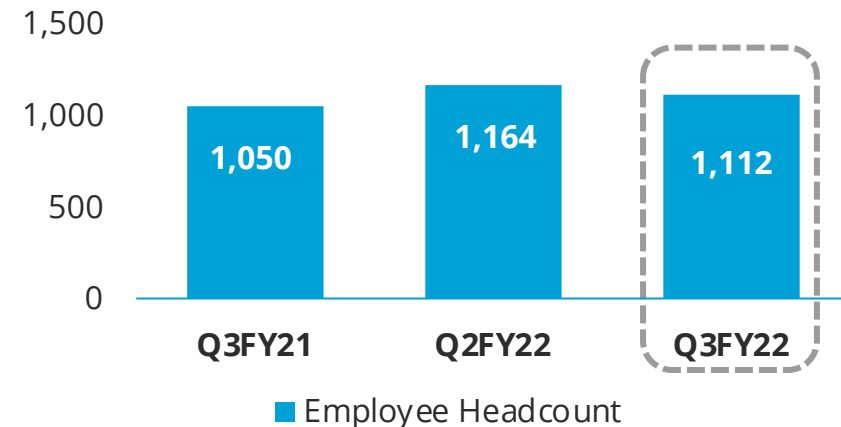
## Profit Before Tax



## DSO

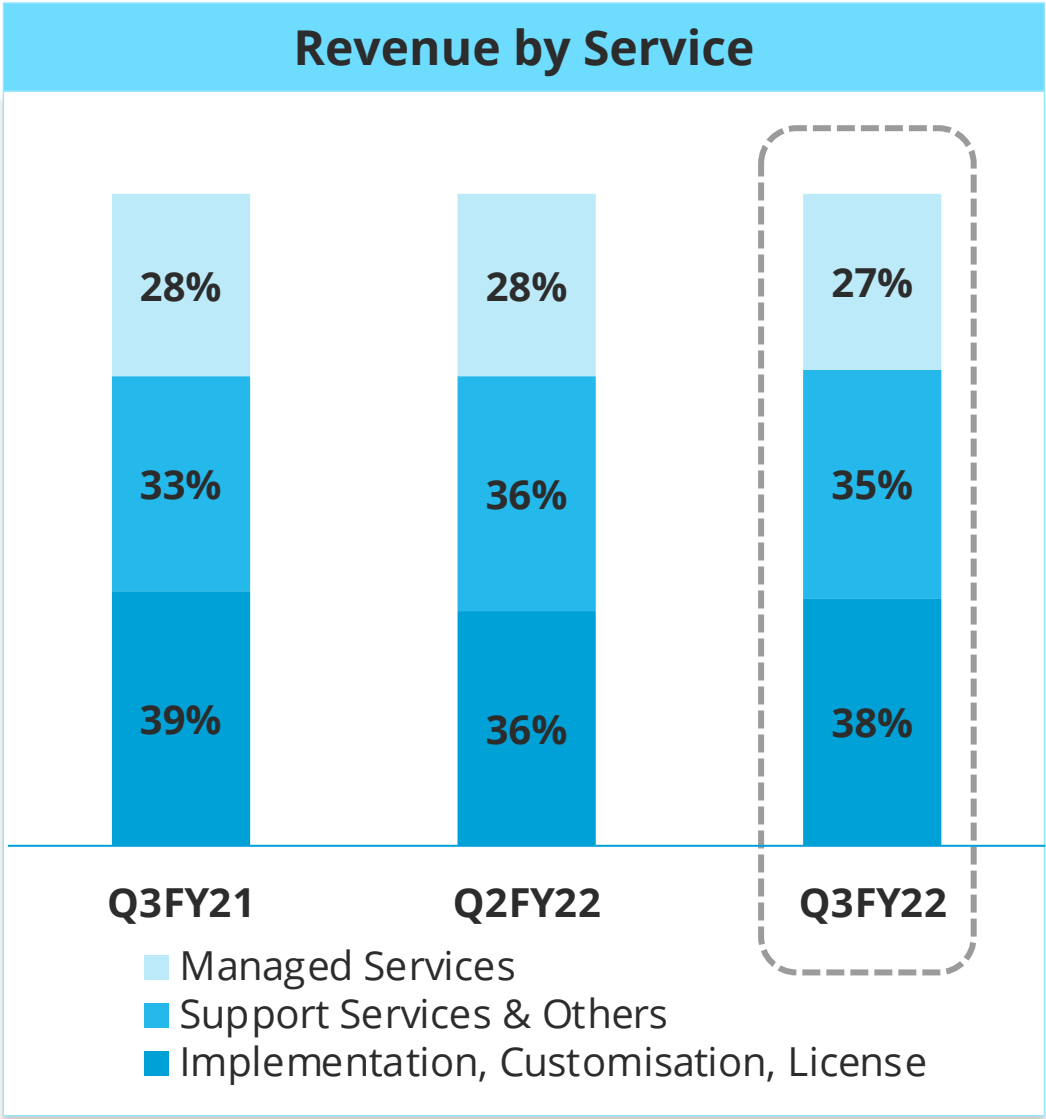
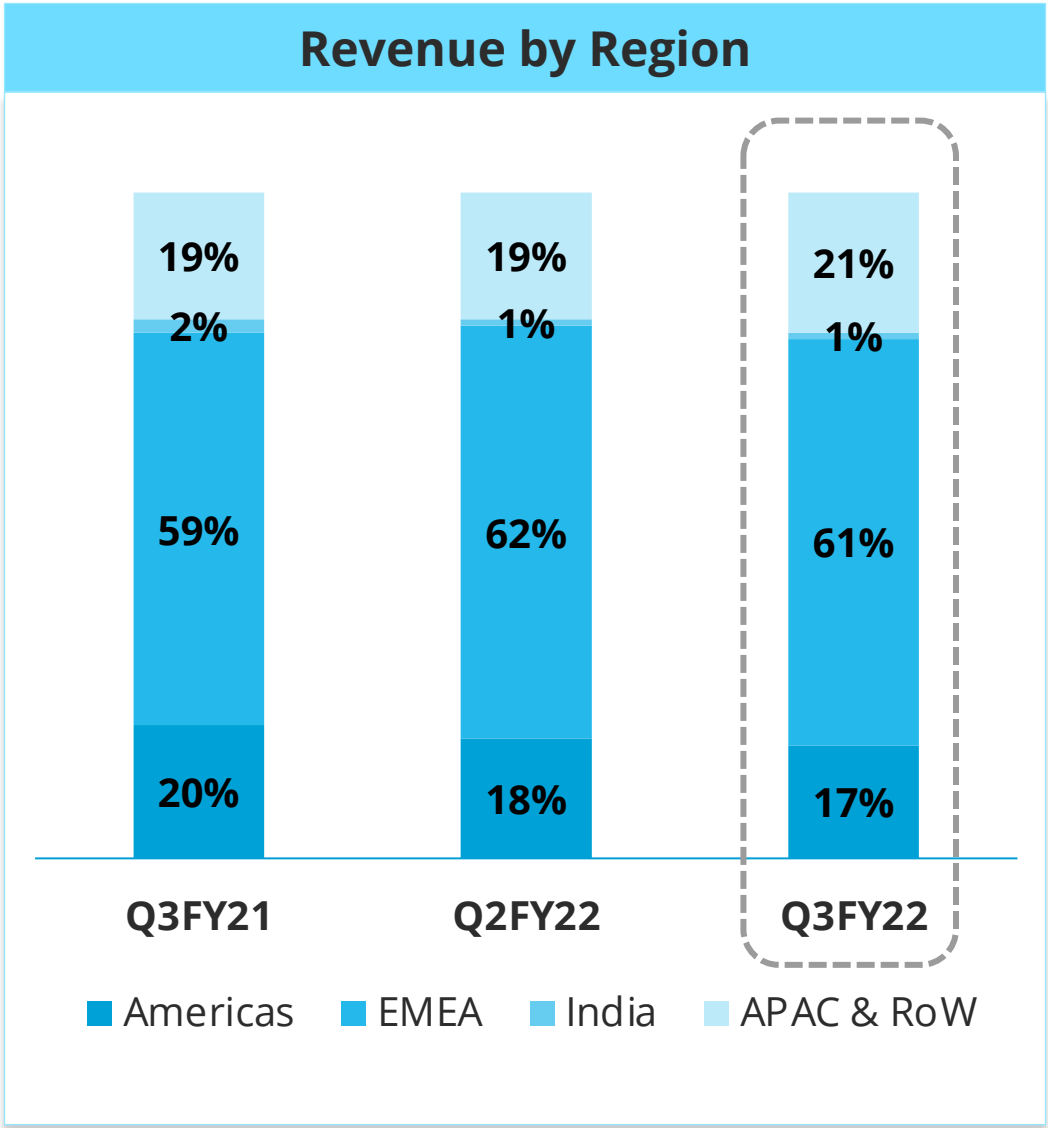


## Employee Headcount



\*Debtors Days is calculated based on 12 months trailing revenue

# Revenue Metrics – Q3FY22



# Consolidated Financial Performance – Q3FY22

Particulars (All Figures in Rs Million)	Q3 FY22 31-Dec-21	Q2 FY22 30-Sep-21	Q-o-Q Growth %	Q3 FY21 31-Dec-20	Y-o-Y Growth %	9M FY22 31-Dec-21	9M FY21 31-Dec-20	Y-o-Y Growth %
<b>Income</b>								
Revenue from operations	877.4	863.0	1.7%	938.8	-6.5%	2546.4	2758.7	-7.7%
Other income	6.9	9.7		10.6		83.7	30.2	
<b>Total income</b>	<b>884.3</b>	<b>872.7</b>	1.3%	<b>949.4</b>	-6.9%	<b>2630.1</b>	<b>2788.9</b>	<b>-5.7%</b>
Employee benefits expense	548.8	544.2		525.6		1603.7	1470.3	
Other expenses	248.3	219.8		209.7		601.4	534.9	
<b>EBITDA</b>	<b>80.3</b>	<b>99.0</b>	-18.9%	<b>203.5</b>	-60.5%	<b>341.3</b>	<b>753.5</b>	<b>-54.7%</b>
<b>EBITDA Margin %</b>	<b>9.2%</b>	<b>11.5%</b>		<b>21.7%</b>		<b>13.4%</b>	<b>27.3%</b>	
Depreciation	25.2	24.6		42.4		74.0	115.5	
Finance Cost	8.8	3.3		3.8		16.2	25.1	
<b>Profit before exceptional items &amp; tax</b>	<b>53.2</b>	<b>80.8</b>	-34.2%	<b>167.9</b>	-68.3%	<b>334.8</b>	<b>643.1</b>	-47.9%
Exceptional items	0.0	0.0		0.0		0.0	28.7	
<b>Profit before tax</b>	<b>53.2</b>	<b>80.8</b>	-34.2%	<b>167.9</b>	-68.3%	<b>334.8</b>	<b>671.8</b>	<b>-50.2%</b>
Tax Expenses	32.4	32.6		80.8		131.0	310.6	
<b>Net Profit / (Loss)</b>	<b>20.8</b>	<b>48.2</b>	-56.8%	<b>87.1</b>	-76.1%	<b>203.8</b>	<b>361.2</b>	-43.6%

# Consolidated Annual P&L - Subex

Particulars	FY21	FY20	FY 19	FY 18	FY 17
(All Figures in Rs Million)	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
<b>Income</b>					
Revenue from operations	3720.30	3649.80	3481.20	3243.20	3573.30
Other income	47.40	56.30	10.10	14.00	115.40
<b>Total income</b>	<b>3767.70</b>	<b>3706.10</b>	<b>3491.30</b>	<b>3257.20</b>	<b>3688.70</b>
Employee benefits expense	1972.00	1745.40	1910.50	1747.10	1587.10
Other expenses	763.30	962.60	1051.00	1186.70	1135.50
<b>EBITDA</b>	<b>985.00</b>	<b>941.80</b>	<b>519.70</b>	<b>309.40</b>	<b>850.70</b>
<b>EBITDA Margin %</b>	<b>26.5%</b>	<b>25.8%</b>	<b>14.9%</b>	<b>9.5%</b>	<b>23.8%</b>
Depreciation	137.80	150.80	48.30	51.70	49.50
Finance Cost	29.60	47.70	10.70	44.20	163.80
<b>Profit before tax and exceptional items</b>	<b>865.00</b>	<b>799.60</b>	<b>470.80</b>	<b>227.50</b>	<b>752.80</b>
<b>Exceptional items</b>	28.70	-3176.60	<b>0.00</b>	116.60	-1089.00
<b>Profit Before Tax</b>	<b>893.70</b>	<b>-2377.00</b>	<b>470.80</b>	<b>344.10</b>	<b>-336.20</b>
Tax Expenses	376.50	314.50	218.60	137.30	96.10
<b>Net Profit / (Loss)</b>	<b>517.20</b>	<b>-2691.50</b>	<b>252.20</b>	<b>206.80</b>	<b>-432.30</b>



# Recent Updates



# Customer testimonials



“ In Subex, we found an innovator that was receptive to our needs, and they came up with the right solutions to address 'stc Kuwait-specific' issues through their decades of expertise and technological prowess. ”



“ Building trust across our operations is important for us at MTN Eswatini. Thanks to the Subex's solutions and their team for rich insights that are enabling us to make decisions faster, keeping us at the forefront of change ”



“ With the Subex partnership, we have adapted successfully to the competitive business landscape, unlocked new monetization avenues with the latest technology services, and provided a superior customer experience. ”



“ Subex's signalling security solution not only helped us succeed in reducing spoofed calls, which were leading to less income and, more importantly, impacting customer's experience, but we also use the tool to determine if an ongoing call campaign is genuine or not. ”

# Awards and recognition



MEASUREMENTS OF TRUST IN AI ENVIRONMENT



5G DIGITAL MARKETPLACE - PHASE II



WINNERS

Innovation in Artificial Intelligence



# SUBEX USER CONFERENCE 2021

One of the largest virtual events hosted by a technology company focused on Telco & AI

Speakers from:

**750+ Delegates | 500+ Industry representatives | 150+ Telcos**



**User Conference 2021**  
25<sup>th</sup> - 28<sup>th</sup> October 2021

# Contribution to Industry Forums



Collaboration with multiple operators and visionaries on various important topics such as Signalling Security, and AI/ML for Fraud Management



Industry's first survey focused on Digital Trust, bringing together revenue assurance, fraud and cybersecurity professionals



Senior leadership from North America driving the activities of CFCFA, including the renowned Fraud Loss Survey.



## Catalyst Programs

Spearheading Innovation with TM Forum through multiple award-winning catalyst projects:

- Measurement of trust in AI ecosystem project with Dialog Axiata and Ncell Axiata
- 5G Digital Marketplace with Verizon and Colt

## Collaboration

- Margin Assurance and Asset Assurance Guidebook



Webinar on Device Fraud Detection & Prevention with BT

# Media Coverage

**tele.net**

Trust to Transform: Building superior telecom digital services



Shankar Roddam, Chief Operating Officer,  
Subex

**ENR**

**Council Post: STAR Framework for  
Measuring AI Trust – Safety,  
Transparency, Accountability and  
Responsibility**

BY SURESH CHINTADA

**Forbes**

## Addressing AI's Biggest Problem: Trust

*Suresh Chintada, CTO of Subex. Subex helps businesses embrace  
disruptive changes in the business landscape and succeed with digital  
trust.*

**IndustryWired**

## Making AI explainable, for trustworth products

"Trust what you see, not what you hear."

Humans are wired to question facts and seek corroboration several times over. Developers of machine learning algorithms will testify to this methodical approach, of testing and re-testing until models deliver the right outcomes.

In an age where AI is the favourite buzzword of technology enthusiasts, reports about its failures are cause for concern. VentureBeat claims that only 13% of AI projects make it into business production. IDC finds that 23% of organizations report that half of their AI projects fail.

In praise of augmented analytics for enterprise AI in  
telecom

**telecoms.com**

*Telecoms.com periodically invites expert third parties to share their views on the industry's most pressing issues. In this piece Suresh Chintada, CTO at Subex, explains why enterprise AI and augmented analytics are important technological trends for telecoms.*

# Recent Analyst Mentions



## Gartner

10 Must-Have Capabilities for CSP Partner Ecosystems for Composable Products - Sample Vendor of Partner Ecosystem Management (PEM) solutions

## GlobalData.

HyperSense: An Overview

## JUNIPER<sup>®</sup> RESEARCH

Data & Financial Clearing: Emerging Trends, Key Opportunities & Market Forecasts 2021-2022 – Subex Partner Ecosystem Management

## OMDIA

Technology Analysis - Partner ecosystem management solutions

## Appledore RESEARCH

Subex Capacity Management - AI-led, proactive, network forecasting

## Gartner

Emerging Technologies and Trends Impact Radar for Artificial Intelligence in Telecom report - Sample Provider for Augmented Analytics





# Leadership Team



# Board of Directors



## Anil Singhvi

**Chairman, Non-Executive,  
Non-Independent Director**

Anil is the Chairman of ICAN Investments Advisors Pvt Ltd. Prior to ICAN Investments, he was advisor to the Reliance ADA Group. He has over 30 years of experience in the corporate sector, of which 22 years were with Ambuja Cements Ltd, where he rose from Manager to Managing Director and CEO.



## Nisha Dutt

**Independent Director**

Nisha is a member on the board of Decodem Technologies. She has more than 15 years of experience in consulting across mainstream and development projects in over a dozen countries. She has a keen understanding of markets and consumer behavior at the base of the pyramid, and works on addressing a range of challenges for clients across inclusive business divisions, international foundations and development finance institutions.



## George Zacharias

**Independent Director**

George has over 30 years of diverse and successful work experience. He is a graduate from Nagpur University with a B.Tech in Chemical Engineering and has a PG Diploma in Business Management from XLRI, Jamshedpur. He has worked at Grindwell Norton, Madura Coats Threads, Madura Garments, Sify and Yahoo! India. He was also the co-founder and CEO of 7Strata Inc and Chief Strategy Officer, Mindtree. He has been on the Board of Internet Companies including CricInfo and Refco-Sify Securities. He is presently an Independent Director on the Board of Matrimony.com.

# Board of Directors



## Poornima Prabhu

**Independent Director**

Poornima is Legal Head at Lodha Ventures Holdings Private Limited. She has rich experience in corporate law, including mergers and acquisitions, divestment and litigation settlement. Earlier, she was a Counsel at J. Sagar Associates, a law firm. She has also worked with Khaitan & Co., another leading law firm.



## Vinod Kumar

**CEO & Managing Director**

Vinod is responsible for leading the strategic direction for the company and driving its execution by fostering the right culture of leadership and talent development. Prior to becoming the CEO and Managing Director, Vinod served as a COO of Subex where he spearheaded several initiatives that helped the company engage with its customer as a long-term strategic partner. These initiatives, in turn, helped Subex emerge as a global leader in Revenue Management space.



## Shankar Roddam

**Chief Operating Officer & Whole-Time Director**

Shankar is the Chief Operating Officer, responsible for Sales, Marketing, Engineering and Delivery. He is a management professional with close to two and half decades of experience in Telecommunications, Cloud and PaaS. He holds a Management degree from IMDR Pune, with a specialization in Sales & Marketing with a minor in Systems. He is an undergrad in Electronics Telecommunications Engineering and is a graduate in Triple Mathematics.

# Management Team



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**Suresh Chintada**

**Chief Technology Officer**

Suresh is the CTO of Subex, and brings with him a wide ranging leadership, managerial and technical experience of over 27 years. Prior to Subex, he was worked with companies like Motorola, ARRIS and CommScope, where he built and scaled large global software engineering, professional services and technical support services operations, serving Industry verticals like cable, telecom, mobile and wireless networking. Suresh holds a Bachelor's and Master's Degree in Electronics & Communications Engineering from Osmania University and Post Graduate Diploma in software enterprise management, from IIM, Bangalore.

# Management Team



**Sumit Agarwal**  
Chief Financial Officer

Sumit is a seasoned Finance leader having nearly 2 decades of experience in Corporate Finance, Finance Control & Strategy in Healthcare, Education, IT and BPO industries. He has also spent 8 yrs+ as a leader in managing the start-ups and providing thought leadership and facilitating the agile mindset shift. He was previously associated as a CFO with Lead School, a leading EdTech Company, and now a Unicorn, and has participated in a journey of exponential ~10X revenue growth.



**Asha Subramanian**  
Chief Human Resources Office

As a senior HR leader, Asha is passionate about promoting a people-first, healthy and creative work environment through trust-building and open communication. With extensive experience across many facets of HR, including, but not limited to HR Business Partnering, Leadership Development, Employee Engagement, Performance Metrics, Talent Acquisition, Employer Branding and creating executable HR Strategies, she has helped organizations evangelize their people goals with equal emphasis on employees and external talent. She joins us from Goibibo.



**Rohit Maheshwari**  
Head of Strategy & Products

Rohit is responsible for delivering business growth using innovation and product strategy. He leverages his expertise in artificial intelligence (AI), analytics and digital services to contribute to Subex's solutions and enables its clients to build new offerings, drive business growth and deliver great customer experience. Before joining Subex, Rohit worked with companies like Crompton Greaves and Kirloskar Electric Company. He is a graduate in electrical and electronics engineering from University of Mysore.

# Management Team



**Kiran Zachariah**

**Head of IoT security**

Kiran is a leader in the field of IoT Security Solutions. He is responsible for building and strengthening Subex's presence in IoT Security by driving revenue growth, setting and executing the strategic and technology direction of IoT Security business, building the current team to capitalize on Subex's investment in IoT space. He has over 17 years of telecom experience in security, network analytics, machine learning. He also heads Procurement & IT function of Subex.



**Suraj Balachandran**

**Head of Sales – EMEA & APAC**

Suraj is responsible for strategy and direction of Subex's sales organisation in EMEA & APAC. With 23 years of experience in global ICT industry, he relentlessly focus on forging long term association with customers. In his current role, he works with the Regional Vice Presidents to help them exceed their business goals, by providing effective guidance & executive coverage. Suraj has been previously associated with Jamcracker Inc., Critical Path Inc., and Crompton Greaves Ltd. in sales leadership positions and is a graduate from the Indian Institute of Management, Kozhikode.



**Bhavna Singh**

**General Counsel**

Bhavna heads the company's legal functions. Bhavna has over 20 years of legal experience across major IT corporations like Accenture, Wipro and Sun Microsystems, as well as consulting firms like PwC. She has held senior positions in Contracting and Compliance, with rich experience in Software Products and Technology law.



# Thank you

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