

May 11, 2020

To  
BSE Limited  
The National Stock Exchange of India Limited

Dear Sir/Madam,

**Sub: Subex Limited “The Company”- Investor Presentation on May 12, 2020**

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Investor presentation for Q4 of FY 20, which will be presented by the Company at the Earnings Call scheduled to be held at 4.00 PM (IST) on Tuesday, May 12, 2020.

Kindly broadcast the same on your website.

Thanking you.

**Yours truly,  
For Subex Limited**



**G V Krishnakanth  
Company Secretary & Compliance Officer**

**Subex Limited**

CIN - L85110KA1994PLC016663

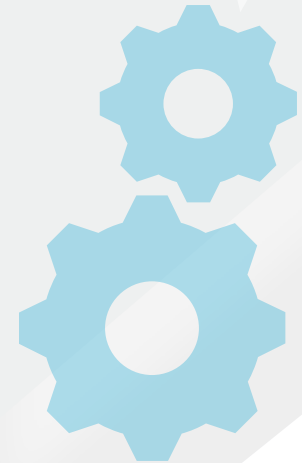
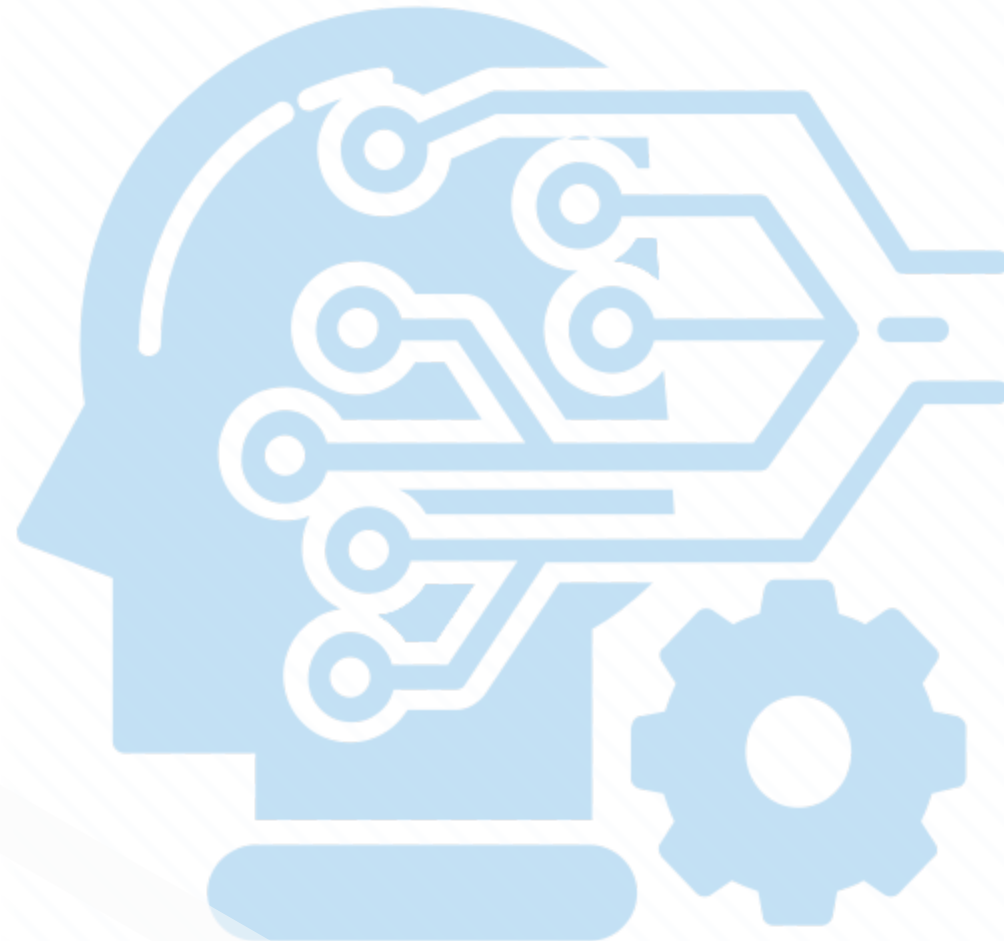
Registered Address: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103, India



# Subex Limited

**Investor Presentation – Q4FY20**

May 11, 2020



# 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

# Agenda

- Company Overview
- Investment Rationale
- Quarterly Financial Performance
- Awards & Recognitions





# Company Overview

# Snapshot

## Nature of Business

- Leading telecom analytics solution provider
- Pioneer in enabling Digital Trust for businesses globally
- Focus on privacy, security, risk mitigation, predictability and confidence in data

## Management

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

## Products

- Revenue Management
- Network Management
- Partner Management
- IOT Security

## Financial Performance FY20

### REVENUE



₹ 3,649.8 Mn

↑ 5%

Margin  
**23.6%**

### EBITDA (ex-forex)



₹ 861.8 Mn

### Profit (Before Tax & Exceptional Item)



₹ 799.6 Mn

↑ 70%

# Subex Today



**1994**  
*Foundation of  
Company*



*Years of Experience*



**800+**  
*Employees*



**300+**  
*Global Installations*



**90+**  
*Countries*



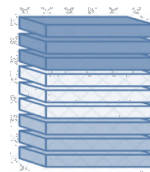
**200+**  
*Customers  
Globally*



**35+**  
*Industry Awards*



**US\$ 3.1mn**  
*R&D spend in  
new areas*



**US\$ 44 mn**  
*Order Book in FY20*

# Vision Statement

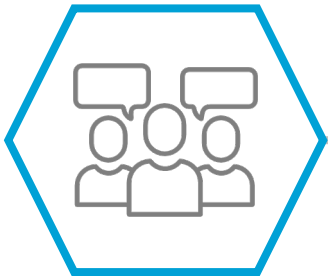
## PURPOSE

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.

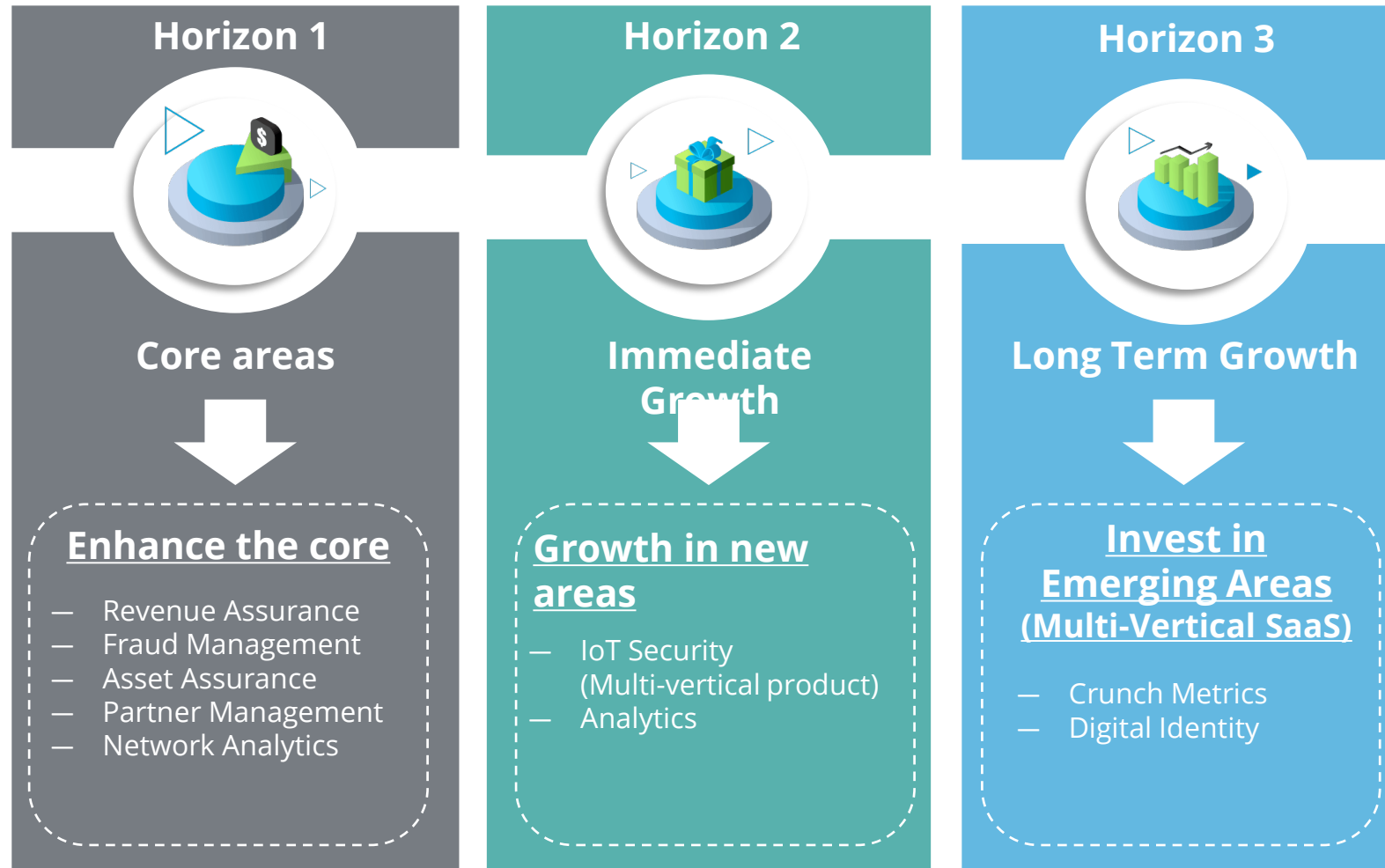


WIN TOGETHER

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

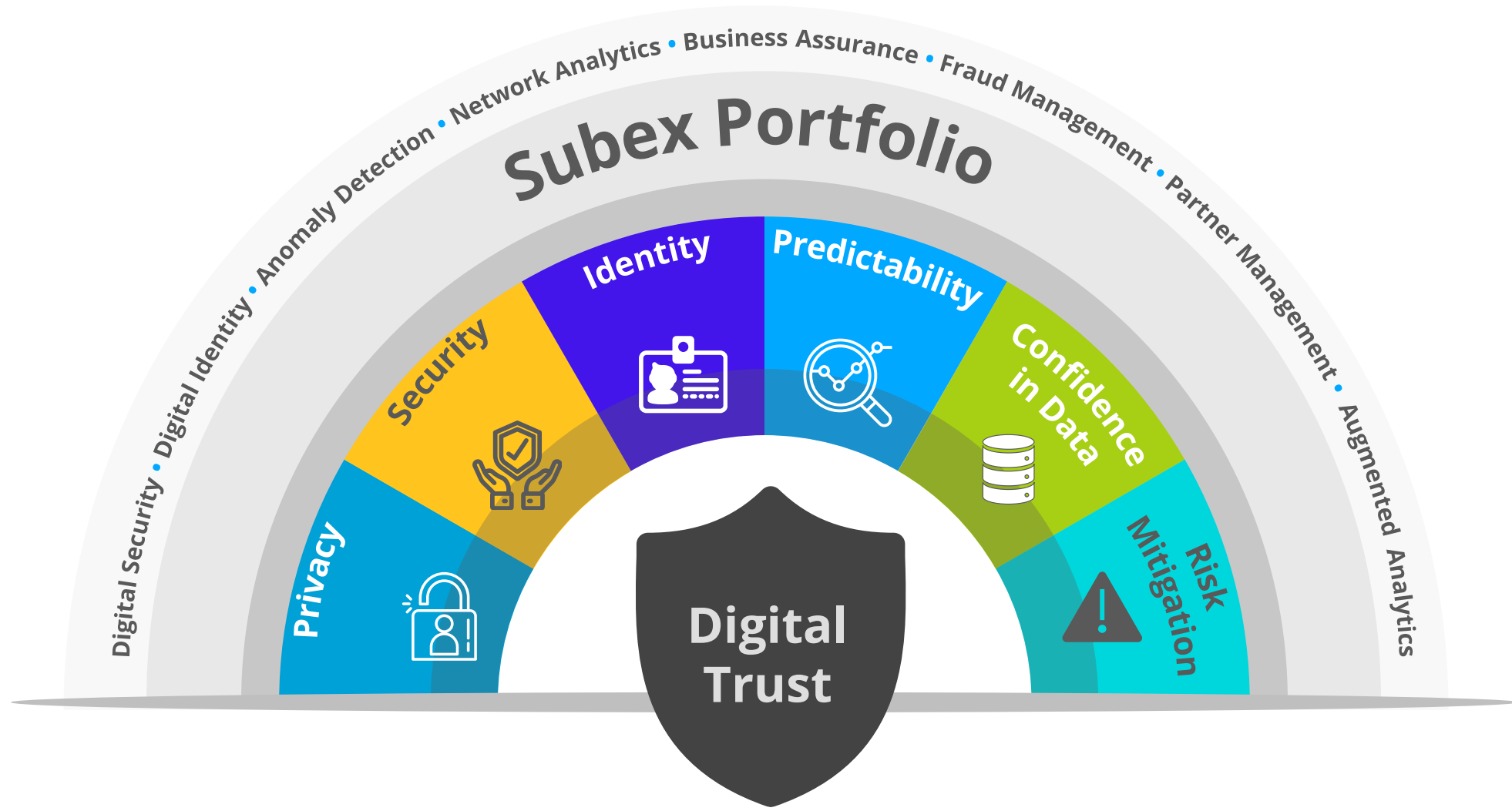


# 3 Horizon Strategy for Growth



Successful execution of strategy will create substantial value for all stakeholders

# Subex – Partner for Digital Trust



# Investment Rationale

- ❑ Leader in Digital Trust space and help businesses thrive by leveraging Digital Trust as a competitive advantage
- ❑ Making strong inroads in the multi vertical IoT Security space; IoT Security Market is expected to touch US\$ 4.5 billion by 2022
- ❑ Incubating virtual startups within the organization to diversify into new areas and verticals
- ❑ Sticky Revenue Model with long client relationship
- ❑ Investing heavily in newer areas like Digital Trust and AI/ML, Deep learning-based anomaly detection
- ❑ Passionate and committed team led by new CEO Vinod Kumar with clear focus to put the company on growth track
- ❑ Zero debt with operating cash flow of Rs 67.1 Crore for FY20



# Quarterly Financial Performance

# Financial Highlights – Q4FY20

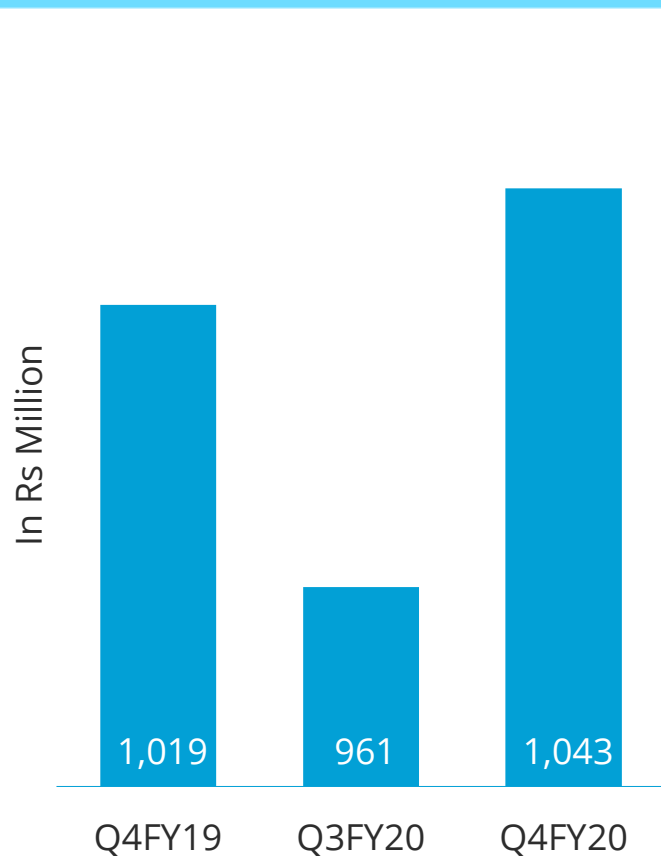
- ❑ Operating Revenue was at Rs 1,042.7 Million, up 8.5% Q-o-Q and up 2.4% Y-o-Y
- ❑ EBITDA (ex-forex) was at Rs 299.8 Million, up 30.2% Q-o-Q and up 11.3% Y-o-Y
- ❑ EBITDA margin stood at 28.8%, up 480 bps Q-o-Q and up 240 bps Y-o-Y
- ❑ Profit before tax & exceptional items was at Rs 365.0 Million, up 172% Q-o-Q and up 80% Y-o-Y
- ❑ Profit after Tax was at Rs 319.9 Million as against Rs 49 Million (excluding exceptional item) in Q3FY20 and Rs 129.0 Million in Q4FY19
- ❑ EPS was at Rs 0.59 for the quarter

# Financial Highlights – FY20

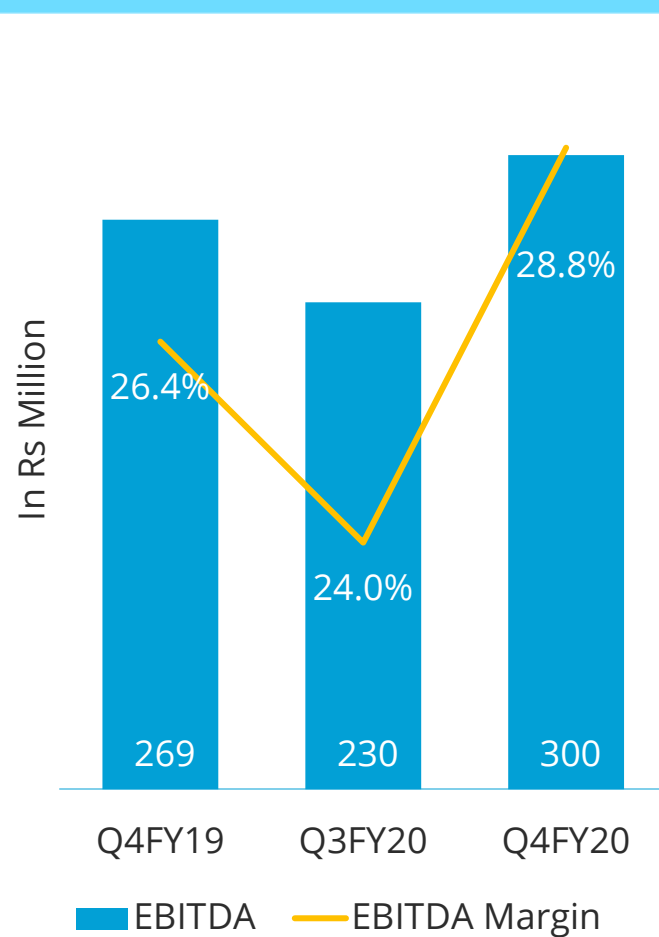
- ❑ Operating Revenue was at Rs 3,649.8 Million, up 4.8% Y-o-Y
- ❑ EBITDA (ex-forex) was at Rs 861.8 Million, up 67.8% Y-o-Y
- ❑ EBITDA margin stood at 23.6%, up 886 bps Y-o-Y
- ❑ Profit before tax & exceptional items was at Rs 799.6 Million, up 69.8% Y-o-Y
- ❑ Profit after Tax (excluding exceptional items) was at Rs 485.1 Million as against Rs 252.2 Million in FY19
- ❑ EPS was at Rs (4.94) for FY20
- ❑ Total cash, cash equivalents and Free Cash Flow stood at Rs 904.3 Million and Rs 574.7 Million, respectively

# Financial Summary – Q4FY20

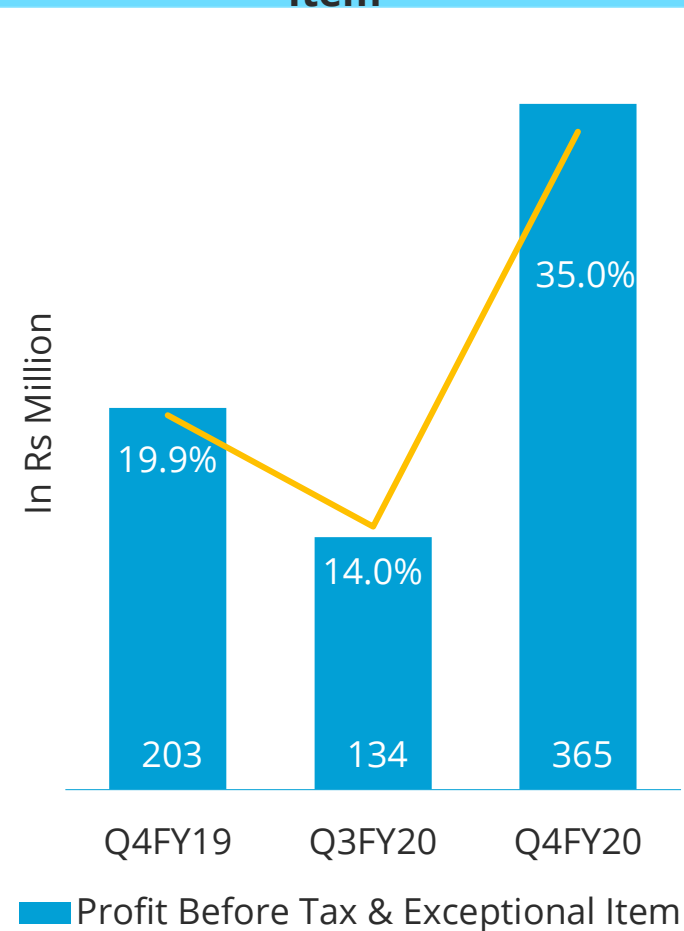
## Operating Revenue



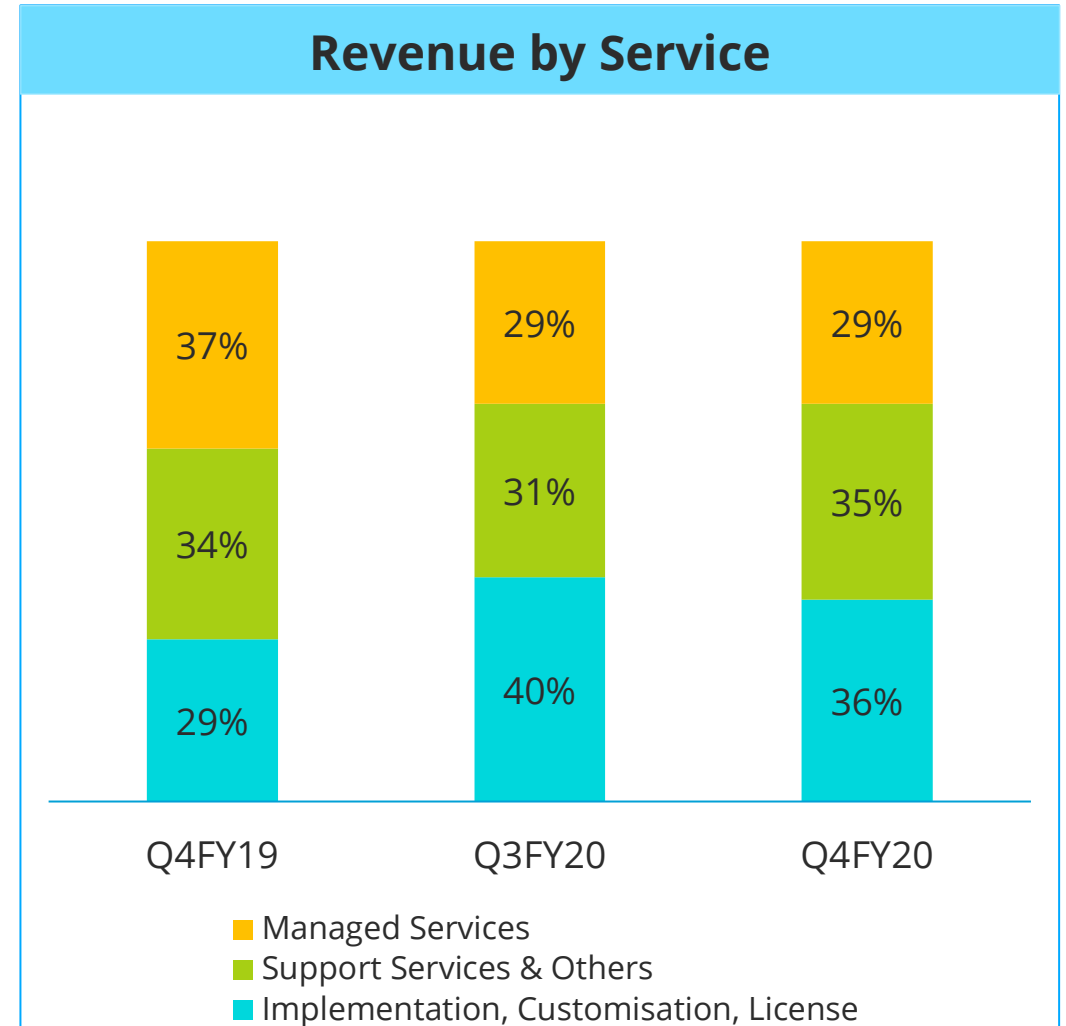
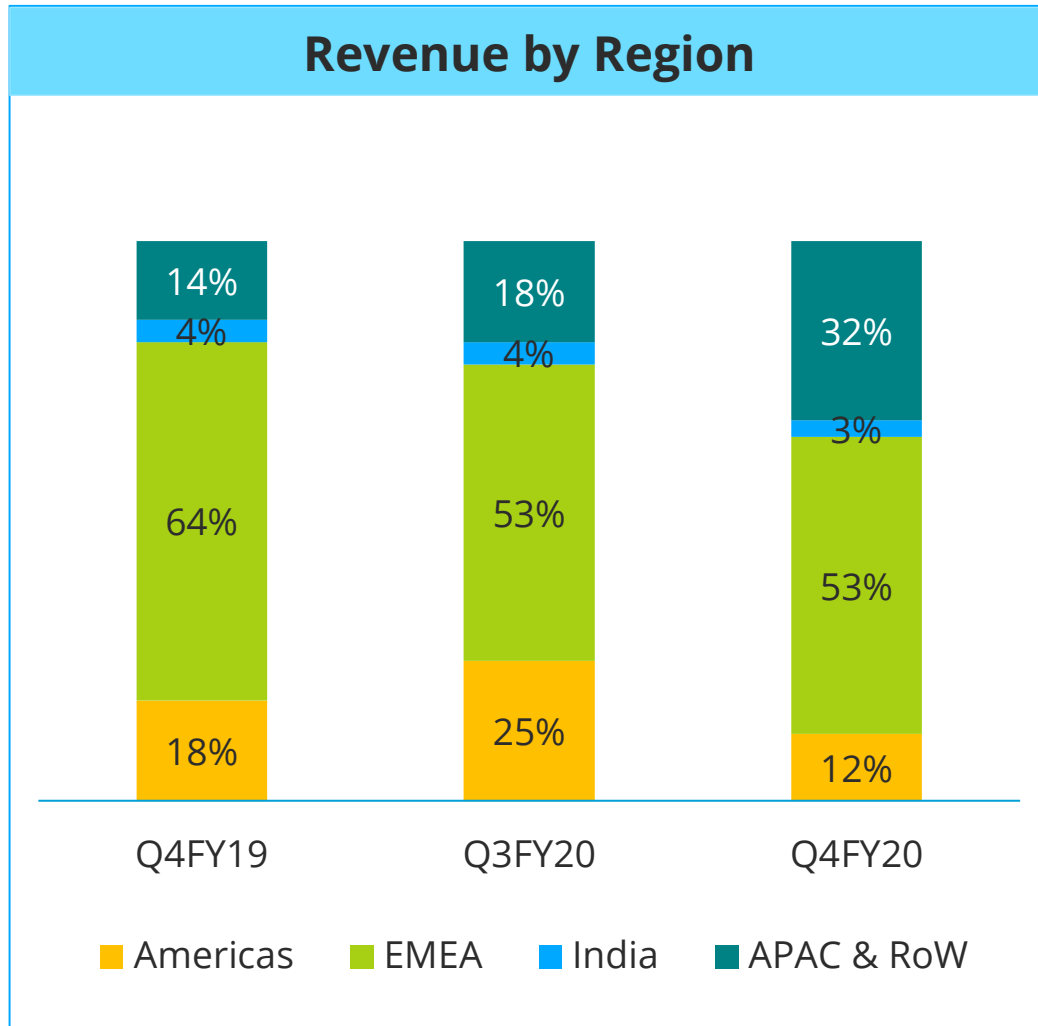
## EBITDA



## Profit Before Tax & Exceptional Item

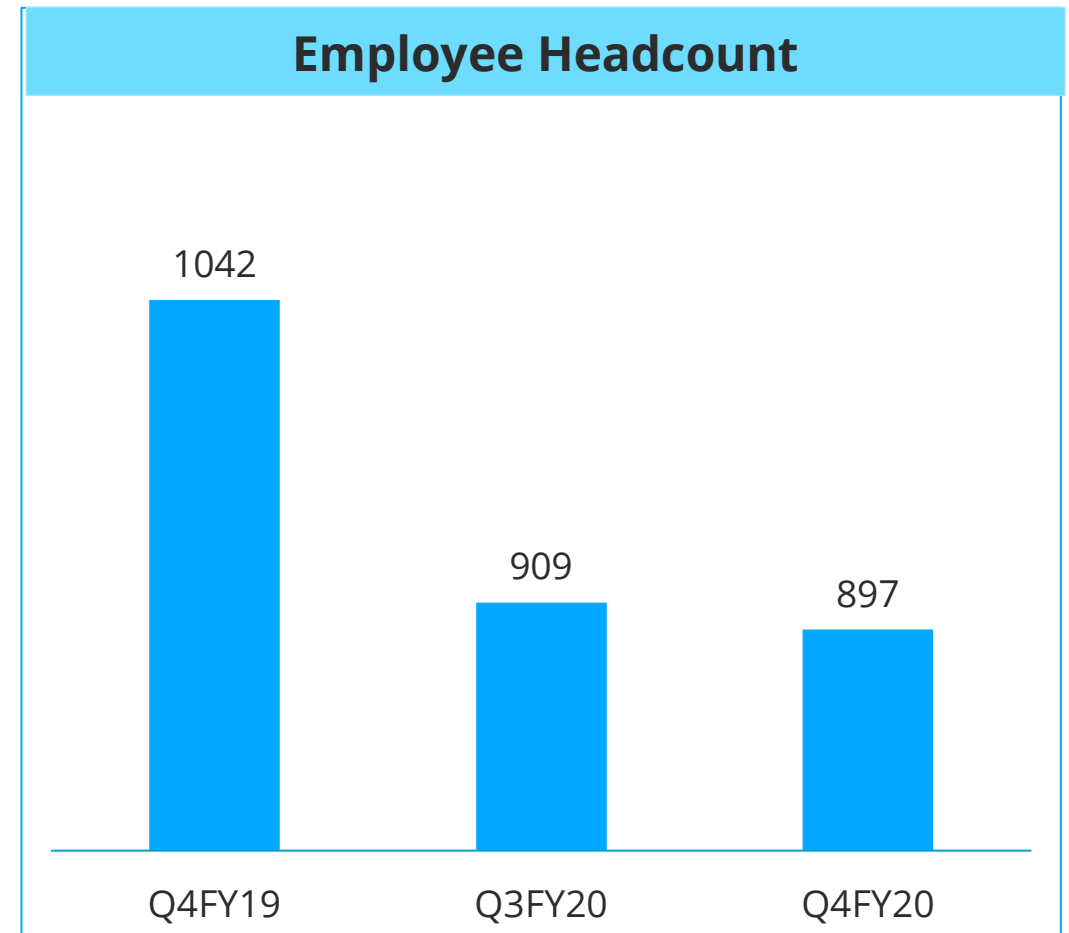
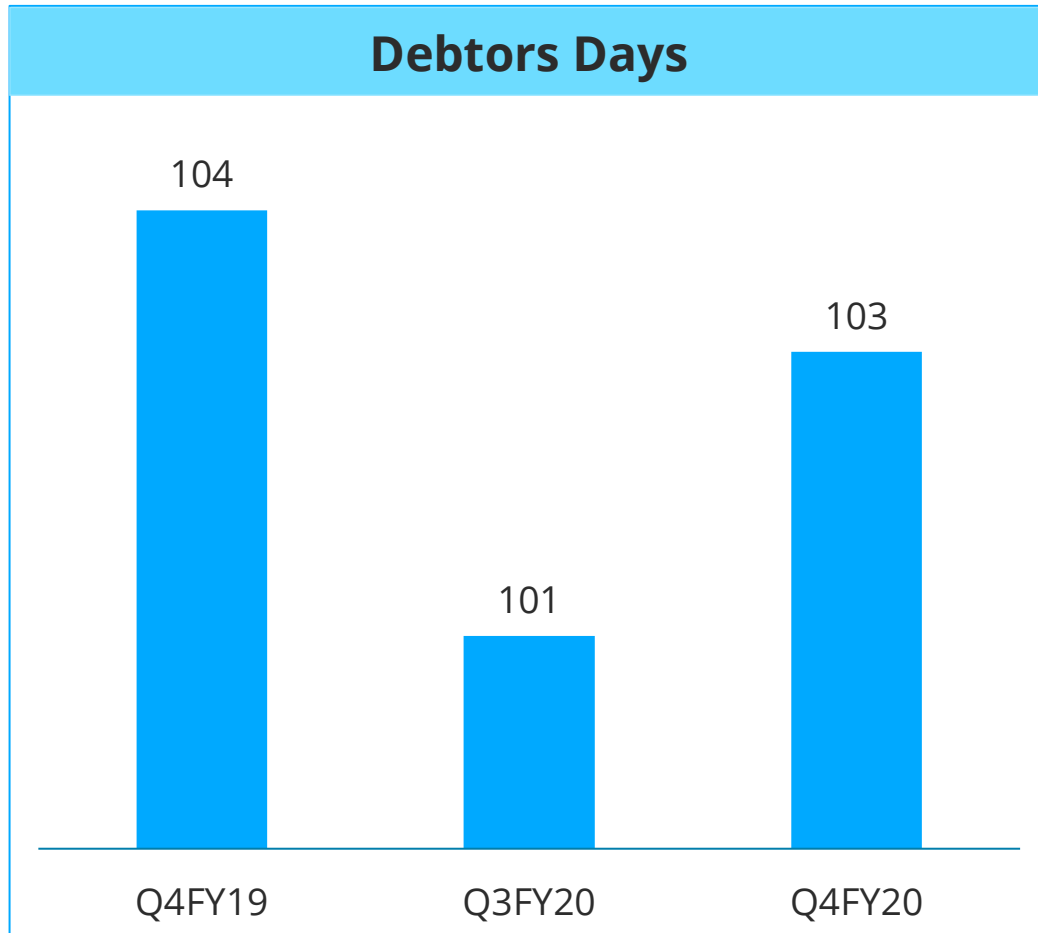


# Revenue Metrics – Q4FY20

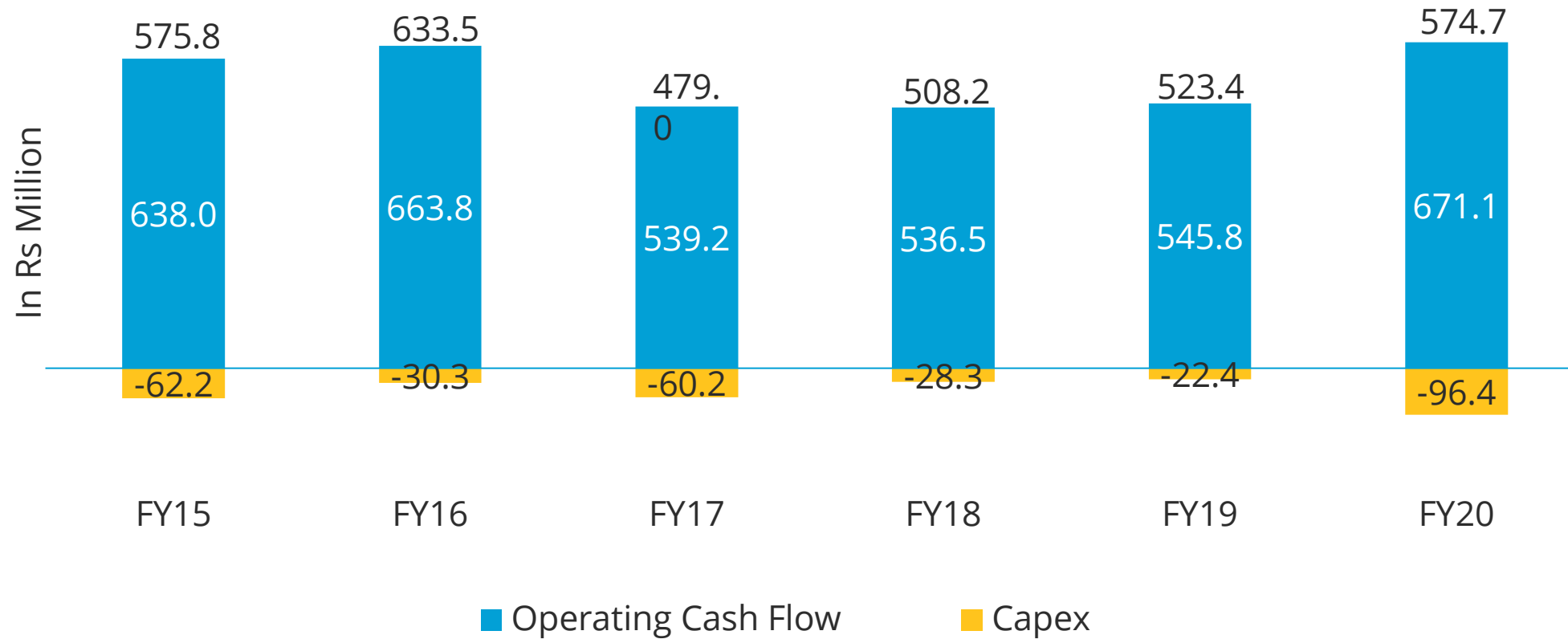




# Operating Metrics – Q4FY20



# Free Cash Flow Overview



# Consolidated Financial Performance – Q4FY20

Particulars (All Figures in Rs Million)	Q4 FY20 31-Mar-20	Q3 FY20 31-Dec-19	Q-o-Q Growth %	Q4 FY19 31-Mar-19	Y-o-Y Growth %
<b>Income</b>					
Revenue from operations	1,042.7	960.9	9%	1,018.7	2%
Other income	33.5	5.2		4.0	
<b>Total income</b>	<b>1,076.2</b>	<b>966.1</b>	<b>11%</b>	<b>1,022.7</b>	<b>5%</b>
Employee benefits expense	415.2	455.6		487.5	
Other expenses	327.7	275.0		261.8	
<b>EBITDA (ex-forex)</b>	<b>299.8</b>	<b>230.3</b>	<b>30%</b>	<b>269.4</b>	<b>11%</b>
<b>EBITDA Margin %</b>	<b>28.8%</b>	<b>24.0%</b>	<b>480 bps</b>	<b>26.4%</b>	<b>240 bps</b>
Depreciation	39.2	36.7		13.8	
Finance Cost	13.9	13.3		5.4	
Exchange fluctuation (gain)/ loss, net	(84.8)	51.2		51.2	
<b>Profit before tax and exceptional items</b>	<b>365.0</b>	<b>134.3</b>	<b>172%</b>	<b>203.0</b>	<b>80%</b>
<b>Exceptional items</b>	<b>0.0</b>	<b>(3,176.6)</b>		<b>0.0</b>	
<b>Profit Before Tax</b>	<b>365.0</b>	<b>(3,042.3)</b>		<b>203.0</b>	
Tax Expenses	45.1	84.9		74.0	
<b>Net Profit / (Loss)</b>	<b>319.9</b>	<b>(3,127.2)</b>	<b>NA</b>	<b>129.0</b>	<b>148%</b>

# Consolidated Financial Performance – FY20

Particulars (All Figures in Rs Million)	FY20 31-Mar-20	FY 19 31-Mar-19	FY 18 31-Mar-18	FY 17 31-Mar-17	FY 16 31-Mar-16
<b>Income</b>					
Revenue from operations	3,649.8	3,481.2	3,243.2	3,573.3	3,224.6
Other income	56.3	10.1	14.0	115.4	18.3
<b>Total income</b>	<b>3,706.1</b>	<b>3,491.3</b>	<b>3,257.2</b>	<b>3,688.7</b>	<b>3,242.9</b>
Employee benefits expense	1,745.4	1,910.5	1,747.1	1,587.1	1,603.4
Other expenses	1,042.6	1,057.2	988.4	1,165.1	898.7
<b>EBITDA (ex-forex)</b>	<b>861.8</b>	<b>513.5</b>	<b>507.7</b>	<b>821.1</b>	<b>722.5</b>
<b>EBITDA Margin %</b>	<b>23.6%</b>	<b>14.8%</b>	<b>15.7%</b>	<b>23.0%</b>	<b>22.4%</b>
Depreciation	150.8	48.3	51.7	49.5	42.7
Finance Cost	56.4	21.6	77.5	204.0	615.2
Exchange fluctuation (gain)/ loss, net	(88.7)	(17.1)	165.0	(69.8)	51.5
<b>Profit before tax and exceptional items</b>	<b>799.6</b>	<b>470.8</b>	<b>227.5</b>	<b>752.8</b>	<b>31.4</b>
<b>Exceptional items</b>	<b>(3,176.6)</b>	<b>0.0</b>	<b>116.6</b>	<b>(1,089.0)</b>	<b>(646.9)</b>
<b>Profit before tax</b>	<b>(2,377.0)</b>	<b>470.8</b>	<b>344.1</b>	<b>(336.2)</b>	<b>(615.5)</b>
Tax Expenses	314.5	218.6	137.3	96.1	127.3
<b>Net Profit / (Loss)</b>	<b>(2,691.5)</b>	<b>252.2</b>	<b>206.8</b>	<b>(432.3)</b>	<b>(742.8)</b>

# Key Clients

## EMEA



## Asia



## Americas



**200+**  
Global customers

300+ Installation in  
90+ Countries

# Executive Management Team



**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*

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 minor in Systems. He is an undergrad in Electronics Telecommunications Engineering and is a graduate in Triple Mathematics.



**Venkatraman GS**

*Chief Financial Officer*

Venkatraman GS is the Chief Financial Officer of Subex and has over 20+ years of industry experience, across all facets of Finance function. He is a B.Com graduate with Honours and holds an MBA degree in Finance. Prior to his current role, he was the Finance Controller for Mindtree. He has worked with large companies like Accenture, Wipro and Pepsi in the past and has experience in the areas of Enterprise Risk Management, Project Financials, Financial Reporting, Business Planning and Management Reporting.



**Mohan Sitharam**

*Chief Human Resources Officer*

Mohan manages human capital and human resources (HR) functions at Subex. He has nearly two decades of HR experience at Mindtree, HCL, Mphasis, and ANZ. Mohan has rich experience in change management, leadership development, mergers and acquisitions, public listing, global employment norms, and employer branding. He holds both Senior Professional in HR (SPHR) and Global Professional in HR (GPHR) certifications from the HR Certification Institute, Virginia, US.

# Executive Management Team



**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



**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.

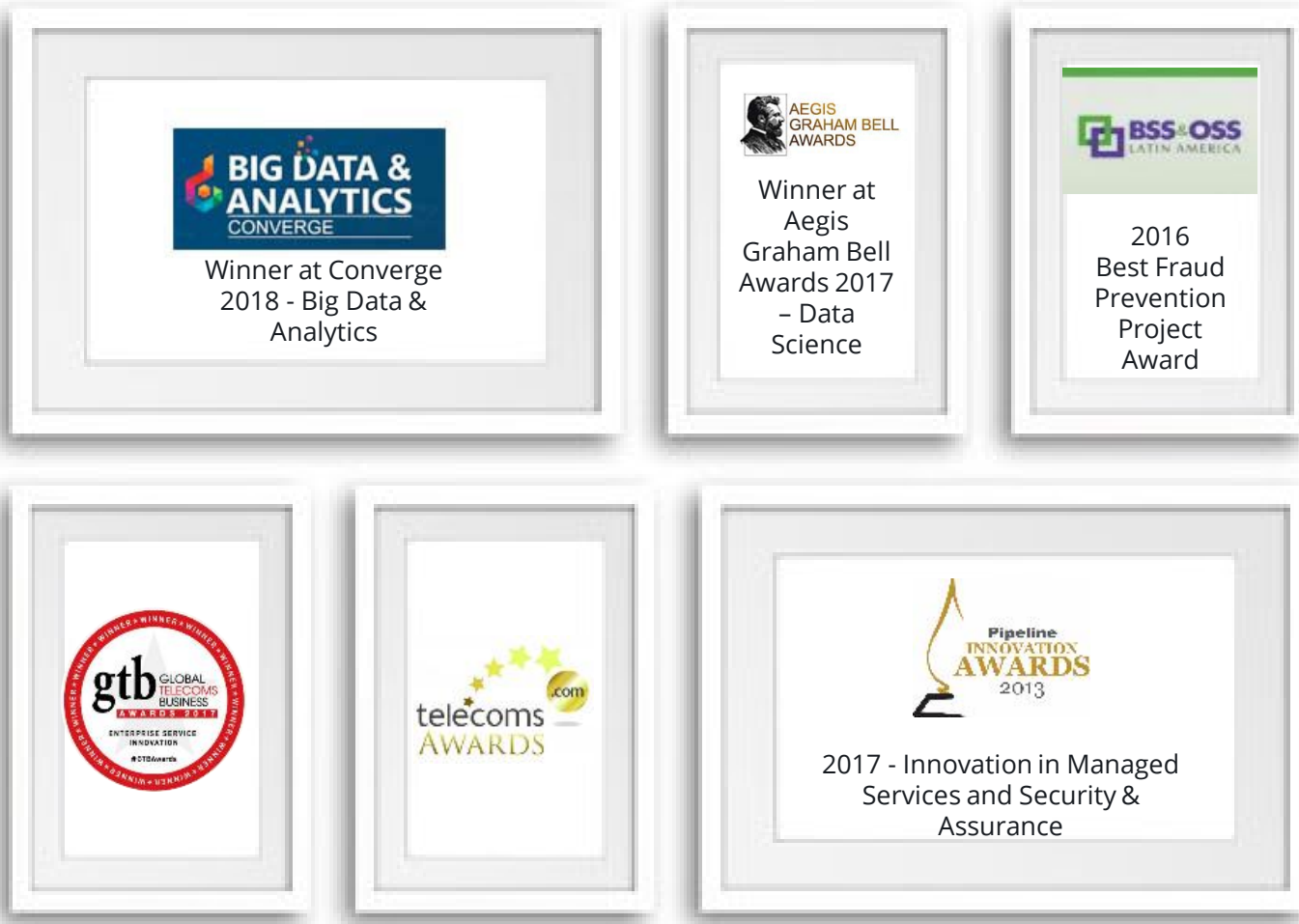


**Bhavna Singh**

*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.

# Awards & Recognition



35+

Industry  
recognized  
awards





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# Thank You

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