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Partners in Innovation

Persistent Systems Limited

Quarter ending March 31, 2015

April 21, 2015

Forward-looking and Cautionary Statements



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, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, our revenues highly dependent on customers located in the United States, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, concentration of major operations of the Company in one city, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



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Key Highlights

Key Highlights –Annual and Q4 FY 15 Performance

Annual Performance

- USD Revenue grows at 12.6% to USD 308.54 Million
- INR Revenue grows at 13.3% to INR 18,912.52 Million
- EBIDTA dips by 9.3% to INR 3,903.47 Million
- Profit before Tax (PBT) grows at 13.8% to INR 3,899.72 Million
- Profit after Tax (PAT) grows 16.6% INR 2,906.31 Million

Quarterly Performance

- USD Revenue grows at 0.6% QoQ to USD 80.03 Million
- INR Revenue grows at 0.6% QoQ to INR 4,974.53 Million,
- EBIDTA grows at 0.9% QoQ to INR 1,004.76 Million
- Profit before Tax (PBT) dips by 3.6% QoQ to INR 958.15 Million
- Profit after Tax (PAT) grows 2.1% QoQ to INR 760.50 Million

Key Highlights

- Established 'Research and Innovation Board' to identify new scientific projects, explore cutting-edge futuristic technologies and applications in its continuous pursuit to emerge as a global leader in technology. This six-member board is chaired by India's most renowned scientist, thought-leader and Padma Vibhushan recipient Dr. Raghunath Mashelkar, Ex- Director General, Council of Scientific & Industrial Research (CSIR)
- Collaborated with Lithium Technologies to help SANE Australia, a non-governmental organization (NGO), develop and launch its online communities to enable peer-to-peer support for both those experiencing mental illness and those who care for them. Also assisted Elance-oDesk, the global leader in online work to re-launch their new online user community, enabling improved user engagement for the company's customers – freelancers and businesses working together. Persistent is helping organizations around the world build great communities to achieve the "how" of their digital transformation
- Persistent Intranet, Pi – our own digitalizing of employee experience – received 'The Dataquest Business Technology' Award' for Analytics Category
- Won Computer Society of India Awards for Excellence in IT for "Beyond Search: Enabling Digital Transformation"

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Financial Performance

Sequential Q4 FY15 Vs. Q3 FY15



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Particulars	Q4FY15	Q3FY15	Change	Exps / Sales %	
			QoQ	Q4FY15	Q3FY15
<u>Revenue (USD M)</u>					
Services	65.54	64.42	1.7%		
IP Led	14.49	15.10	-4.0%		
Revenue (USD M)	80.03	79.52	0.6%		
Avg. Exchange Rate INR /USD	62.16	62.20	-0.1%		
Revenue (INR M)	4,974.53	4,946.38	0.6%		
Cost of Revenue	INR M	INR M			
Employee Related Expenses	2,758.20	2,739.08	0.7%	55.4%	55.4%
Purchase / Royalty	77.51	90.50	-14.4%	1.6%	1.8%
Project related Travel Expenses	139.08	129.79	7.2%	2.8%	2.6%
Total Direct costs	2,974.79	2,959.37	0.5%	59.8%	59.8%
Gross Profit	1,999.74	1,987.01	0.6%	40.2%	40.2%
Sales & Marketing Exps	493.11	465.33	6.0%	9.9%	9.4%
Admin. & Other Exps	474.07	481.60	-1.6%	9.5%	9.7%
Doubtful Debt Provision	14.27	28.80	-50.5%	0.3%	0.6%
CSR Activities	13.53	15.94	-15.1%	0.3%	0.3%
Total SGA	994.98	991.67	0.3%	20.0%	20.0%
EBIDTA	1,004.76	995.34	0.9%	20.2%	20.1%
Depreciation	125.81	126.55	-0.6%	2.5%	2.6%
Amortization	101.45	119.93	-15.4%	2.0%	2.4%
EBIT	777.50	748.86	3.8%	15.6%	15.1%
Other Income / (Loss)	130.06	114.87	13.2%	2.6%	2.3%
Exchange Gain/(Loss)	50.59	129.92	-61.1%	1.0%	2.6%
PBT	958.15	993.65	-3.6%	19.3%	20.1%
Tax	197.65	249.03	-20.6%	4.0%	5.0%
PAT	760.50	744.62	2.1%	15.3%	15.1%

Y-o-Y comparison Q4 FY15 Vs. Q4 FY14



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Particulars	Q4FY15	Q4 FY14	Change	Exps / Sales %	
			YoY	Q4FY15	Q4 FY14
Revenue (USD M)					
Services	65.54	58.38	12.3%		
IP Led	14.49	14.26	1.6%		
Revenue (USD M)	80.03	72.64	10.2%		
Avg. Exchange Rate INR /USD	62.16	61.50	1.1%		
Revenue (INR M)	4,974.53	4,467.37	11.4%		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	2,758.20	2,325.82	18.6%	55.4%	52.1%
Purchase	77.51	100.10	-22.6%	1.6%	2.2%
Project related Travel Expenses	139.08	127.84	8.8%	2.8%	2.9%
Total Direct costs	2,974.79	2,553.76	16.5%	59.8%	57.2%
Gross Profit	1,999.74	1,913.61	4.5%	40.2%	42.8%
Sales & Marketing Exps	493.11	341.53	44.4%	9.9%	7.6%
Admin. & Other Exps	474.07	355.90	33.2%	9.5%	8.0%
Doubtful Debt Provision	14.27	5.22	173.4%	0.3%	0.1%
CSR Activities	13.53	4.43	205.4%	0.3%	0.1%
Total SGA	994.98	707.08	40.7%	20.0%	15.8%
EBIDTA	1,004.76	1,206.53	-16.7%	20.2%	27.0%
Depreciation	125.81	109.11	15.3%	2.5%	2.4%
Amortization	101.45	155.15	-34.6%	2.0%	3.5%
EBIT	777.50	942.27	-17.5%	15.6%	21.1%
Other Income / (Loss)	130.06	67.57	92.5%	2.6%	1.5%
Exchange Gain/(Loss)	50.59	(86.57)	158.4%	1.0%	-1.9%
PBT	958.15	923.27	3.8%	19.3%	20.7%
Tax	197.65	251.28	-21.3%	4.0%	5.6%
PAT	760.50	671.99	13.2%	15.3%	15.1%

Comparison FY 2015 Vs FY 2014



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Particulars	FY 2015	FY 2014	Change	Exps / Sales %	
				FY 2015	FY 2014
<u>Revenue (USD M)</u>					
Services	249.48	224.73	11.0%		
IP Led	59.06	49.33	19.8%		
Revenue (USD M)	308.54	274.06	12.6%		
Avg. Exchange Rate INR /USD	61.30	60.90	0.6%		
Revenue (INR M)	18,912.52	16,691.53	13.3%		
Cost of Revenue	Rs. M	Rs. M			
Employee Related Expenses	10,422.47	8,636.22	20.7%	55.1%	51.7%
Purchase / Royalty	325.89	493.31	-33.9%	1.7%	3.0%
Project related Travel Expenses	568.18	387.51	46.6%	3.0%	2.3%
Total Direct costs	11,316.54	9,517.04	18.9%	59.8%	57.0%
Gross Profit	7,595.98	7,174.49	5.9%	40.2%	43.0%
Sales & Marketing Exps	1,764.78	1,394.15	26.6%	9.3%	8.4%
Admin. & Other Exps	1,826.15	1,375.64	32.7%	9.7%	8.2%
Doubtful Debt Provision	43.49	72.42	-39.9%	0.2%	0.4%
CSR Activities	58.09	29.50	96.9%	0.3%	0.2%
Total SGA	3,692.51	2,871.71	28.6%	19.5%	17.2%
EBIDTA	3,903.47	4,302.78	-9.3%	20.6%	25.8%
Depreciation	482.51	435.45	10.8%	2.6%	2.6%
Amortization	456.02	590.50	-22.8%	2.4%	3.5%
EBIT	2,964.94	3,276.83	-9.5%	15.7%	19.6%
Other Income / (Loss)	465.61	299.07	55.7%	2.5%	1.8%
Exchange Gain/(Loss)	469.17	(149.31)	414.2%	2.5%	-0.9%
PBT	3,899.72	3,426.59	13.8%	20.6%	20.5%
Tax	993.41	933.82	6.4%	5.3%	5.6%
PAT	2,906.31	2,492.77	16.6%	15.4%	14.9%

Consolidated Balance Sheet



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INR M

	As at March 31, 2015	As at March 31, 2014
Equity and Liabilities		
Equity Share Capital	800.00	400.00
Reserves & Surplus	13,255.29	11,823.44
Non-Current Liabilities	142.17	425.69
Current Liabilities	3,548.67	2,784.71
Total sources of Funds	17,746.13	15,433.84
Assets		
Fixed Assets	4,116.49	4,384.69
Deferred Tax asset (Net)	312.93	260.12
Long term loans & advances	113.84	137.97
Current Assets	5,037.95	4,340.49
Cash & Investments	8,164.92	6,310.57
Total application of Funds	17,746.13	15,433.84

Key Financials Ratios: Q4 FY15



Ratios, %	Q4 FY15	Q3 FY15	Change QoQ	Q4 FY14	Change YoY
Gross Margin	40.2%	40.2%	0.0%	42.8%	-2.6%
S&M to Revenue	9.9%	9.4%	0.5%	7.6%	2.3%
G&A to Revenue	10.1%	10.6%	-0.5%	8.2%	1.9%
Total S G&A to Revenue	20.0%	20.0%	0.0%	15.8%	4.2%
EBIDTA Margin	20.2%	20.1%	0.1%	27.0%	-6.8%
EBIT Margin	15.6%	15.1%	0.5%	21.1%	-5.5%
Profit before Tax	19.3%	20.1%	-0.8%	20.7%	-1.4%
Profit after Tax	15.3%	15.1%	0.2%	15.1%	0.2%
EPS - Basic, Before Prior Period, INR	9.59	9.43		8.59	
EPS - Diluted, Before Prior Period, INR	9.51	9.31		8.40	

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Fact Sheet

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Revenue	Nos./%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Revenue (USD M)	80.03	79.52	76.32	72.66	72.64	308.54	274.06
	% , q-o-q/ y-o-y growth	0.6%	4.2%	5.0%	0.0%	3.9%	12.6%	15.2%
	Revenue (INR M)	4,974.53	4,946.38	4,641.74	4,349.87	4,467.37	18,912.52	16,691.53
	% , q-o-q / y-o-y	0.6%	6.6%	6.7%	-2.6%	3.2%	13.3%	28.9%

Business Offerings: Revenue Mix	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Services	81.9%	81.0%	80.4%	80.0%	80.4%	80.9%	82.0%
	IP Led	18.1%	19.0%	19.6%	20.0%	19.6%	19.1%	18.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segments : Revenue Mix	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Telecom	16.3%	16.0%	16.7%	18.5%	15.3%	16.8%	17.8%
	Infrastructure and Systems	54.5%	55.3%	56.0%	54.6%	71.6%	55.1%	69.7%
	Life Sciences	14.3%	13.6%	13.4%	13.1%	13.1%	13.6%	12.5%
	Financial Services ¹	14.9%	15.1%	13.9%	13.8%		14.5%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Financial Services segment disclosure started from Q1FY 15.

Fact Sheet (Contd...)



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Geography: Revenue Mix	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	North Americas	85.4%	84.7%	86.1%	85.9%	85.4%	85.5%	85.1%
	Europe	6.8%	7.1%	6.3%	6.5%	6.1%	6.7%	5.4%
	ROW	7.8%	8.2%	7.6%	7.6%	8.5%	7.8%	9.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Industry Classification ²	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	ISV	57.8%	57.9%	58.3%	60.3%		58.6%	
	Enterprise	24.1%	23.1%	22.1%	19.7%		22.3%	
	IP Led	18.1%	19.0%	19.6%	20.0%		19.1%	
	Total	100.0%	100.0%	100.0%	100.0%		100.0%	

² Industry Classification disclosure started from Q4 FY 15.

Onsite: Offshore: IP Led Revenue Mix	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Onsite	26.2%	25.1%	24.5%	23.1%	21.4%	24.8%	20.9%
	Offshore	55.7%	55.9%	55.9%	56.9%	59.0%	56.1%	61.1%
	IP Led	18.1%	19.0%	19.6%	20.0%	19.6%	19.1%	18.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Fact Sheet (Contd...)



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Repeat Business	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
		85.6%	84.1%	83.6%	86.7%	85.2%	85.0%	83.3%

Clients billed ³	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Services	268	273	281	260	261	383	365
	IP Led	326	349	376	347	358	498	550

³ includes one time clients with overlap across business offerings

Revenue Concentration	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Top 1	16.5%	17.5%	19.0%	20.8%	21.1%	18.4%	21.2%
	Top 5	34.1%	35.0%	36.1%	38.7%	39.4%	35.8%	37.1%
	Top 10	43.2%	44.2%	45.0%	49.0%	48.5%	45.2%	47.0%

Client Engagement Size	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Large > USD 3Mn	14	14	14	14	15	14	15
	Medium > USD 1Mn, < USD 3Mn	48	41	41	38	36	48	36

Fact Sheet (Contd...)



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Yield ⁴	USD / PPM	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
			4,272	4,264	4,123	3,915	3,927	4,144

⁴ Yield is computed as a ratio of revenue to billable person months excluding employees under training.

Billing Rates ⁵	USD / PPM	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Onsite - Linear		15,159	14,862	14,864	14,905	14,355	14,952
Offshore - Linear		4,199	4,201	4,271	4,219	4,241	4,222	4,178

⁵ Billing rates exclude IP Led Revenue and are calculated on Services revenue including contractual reimbursable portion.

Attrition Rate	%	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	(TTM basis)		15.5%	14.7%	14.1%	14.0%	13.4%	15.5%

People Numbers	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Technical		7,861	7,664	7,447	7,271	7,349	7,861
Sales & Business Development		224	208	212	202	150	224	150
Others		421	424	408	403	358	421	358
Total		8,506	8,296	8,067	7,876	7,857	8,506	7,857

DSO	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Days		64	65	65	69	63	64

Fact Sheet (Contd...)



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Efforts Mix - Linear	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	Billable Person Months	16,063	16,031	16,015	16,139	16,155	64,248	62,091
	- Onsite	1,551	1,518	1,403	1,283	1,246	5,754	4,585
	- Offshore	14,512	14,513	14,612	14,856	14,909	58,493	57,506
	Billed Person Months	11,999	11,916	11,254	10,925	11,183	46,094	44,033
	- Onsite	1,383	1,343	1,259	1,128	1,083	5,113	3,980
	- Offshore	10,616	10,573	9,995	9,797	10,100	40,981	40,053
	Linear Utilization (Blended)	74.7%	74.3%	70.3%	67.7%	69.2%	71.7%	70.9%
	Onsite Utilization %	89.2%	88.5%	89.7%	88.0%	86.9%	88.9%	86.8%
Offshore Utilization%	73.2%	72.9%	68.4%	65.9%	67.7%	70.1%	69.7%	

IP Led	Nos.	Q4FY 15	Q3FY 15	Q2FY 15	Q1FY 15	Q4 FY 14	FY 15	FY 14
	IP Led Person Months	2,672	2,620	2,496	2,419	2,343	10,207	9,148

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Thank you