

A businessman in a dark suit is pointing with his right hand at a whiteboard. The whiteboard has several white arrows pointing upwards, some with small drawings of buildings and a sun. The text '100%' is written in orange on the whiteboard. The background is a light gray gradient.

exciting times...
infinite possibilities...

Analyst Earnings Call

Q1 FY 2014-15

Safe Harbour Statement

Certain statements in this Fact Sheet 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, 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, the success of the companies in which the company has made strategic investments, 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 does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Overview

Our Revenue

FY 2014 : US\$ 287M | INR 1733 Crores
5 Year Revenue CAGR: 29%

Our Presence

16 Offices | 7 Delivery Centers

Bangalore, Boston, Chennai, Hyderabad, New Delhi, Rockville, Chicago

Our Customers

73 Active Customers,
Long Standing Relationships with Fortune 100,
500 & 1000 Companies

Our People

5079 Employees worldwide, 3378 in India

Awards & Recognition



Nasscom Ranks
Infinite as TOP20 IT Player
in India



Forbes Ranks Infinite in
Asia200 Best under
a Billion



DQ IDC IT BEST 2010
Infinite Ranked 5th
Best Employer



Mobile Merit Awards –
Runner Up



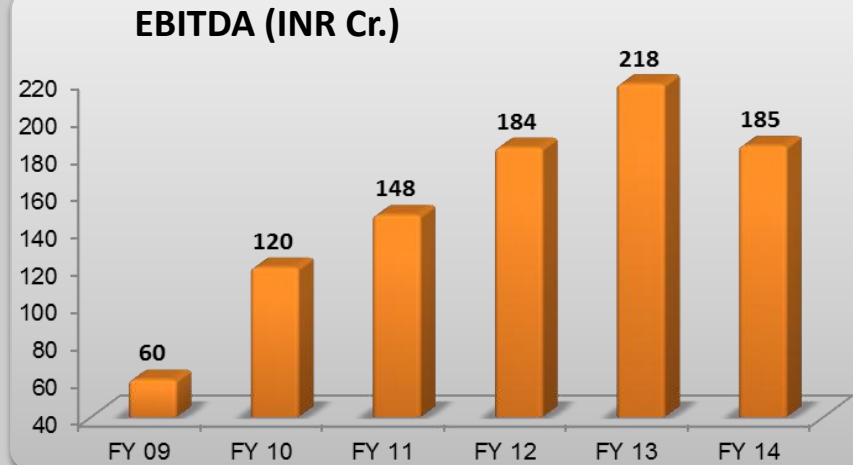
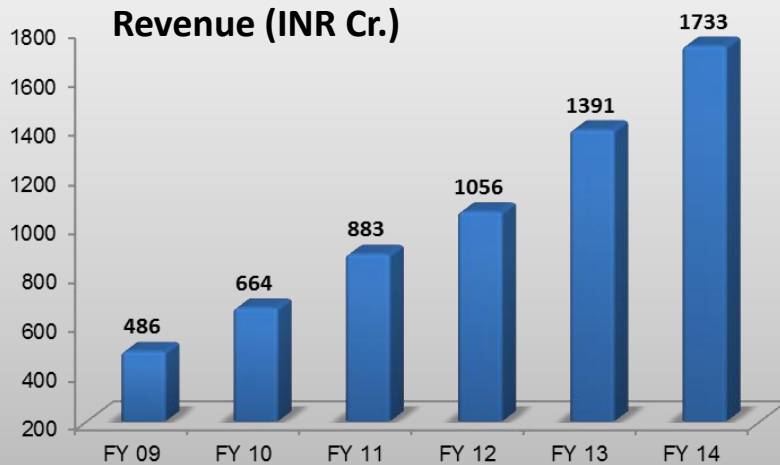
Hot
Companies &
Technologies
Award
Finalist 2012



CTIA Emerging
Technology Award
Finalist 2012

Infinite Performance – INR Cr.

EBITDA



Consistent Revenue & Margin Growth:

5 Year CAGR (Since end-FY 09):

Revenue CAGR:	28.75%
EBITDA CAGR:	26.26%

Infinite Focus

Verticals

- Telecom
- Healthcare
- Energy & Utilities
- Media & Content
- Banking & Finance

Services

- **IT Services**
Applications Services
IT Infrastructure Services
- **Product Engineering Solutions**
- **Mobility & Messaging Solutions & Platforms**

Niche Expertise

- **Enterprise Analytics**
- **Enterprise Mobility Solutions**
- **Broadband Networking**
- **SoA – Service Oriented Architecture**
- **Quality Assurance**
- **Healthcare Platform**
- **Agile Development**
- **iTaaS – Cloud based platform for Tech Support**

Flexible Engagement Models

Infinite Differentiators

- **Our Global Structure** – Local Partner to Global Clients
India Organization | US Organization
- **Long-Standing Relationships** with Fortune 500 clients
- **Mission Critical Services Partner** with Complex Project Experience
- **Deep Domain Expertise** – Niche Area Expertise
- **Flexible Engagement Models** – Revenue Share, Risk Reward
- **Diversified Portfolio of Offerings** – Non-Conventional Services
- **Best-in-our-Class** – Mid Sized player with Large Complex Project Experience for Fortune 100 and 500 clients

Infinite Centers of Excellence Eco System

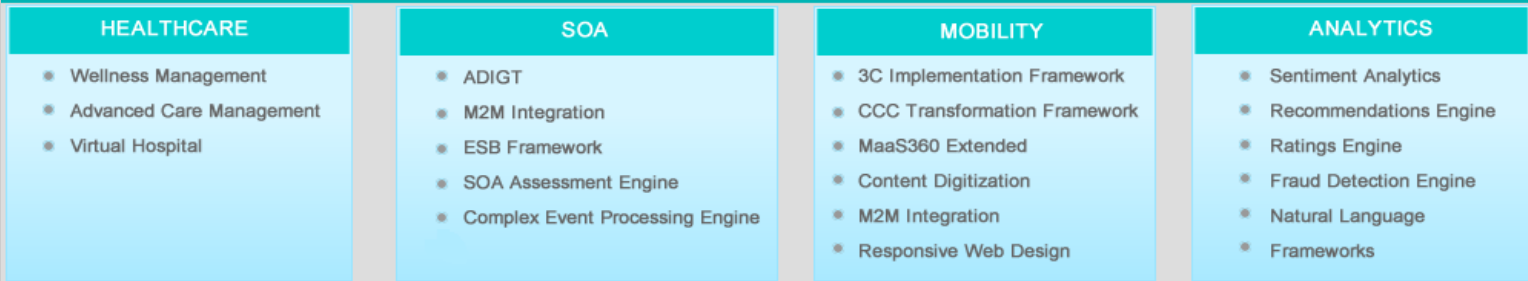
CHANNELS



ACCESS & MANAGEMENT



INFINITE FRAMEWORKS



TECHNOLOGY

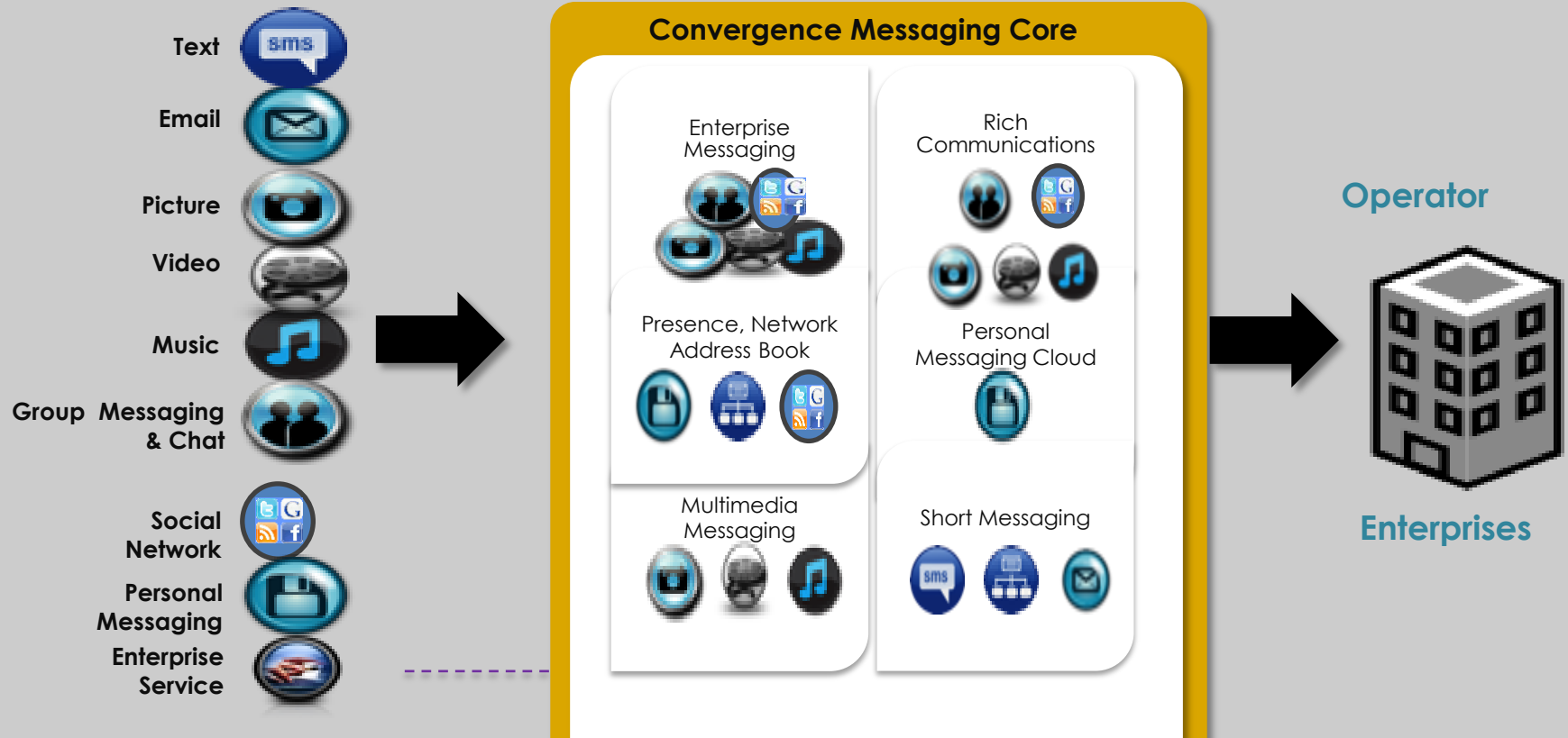


QUALITY ASSURANCE



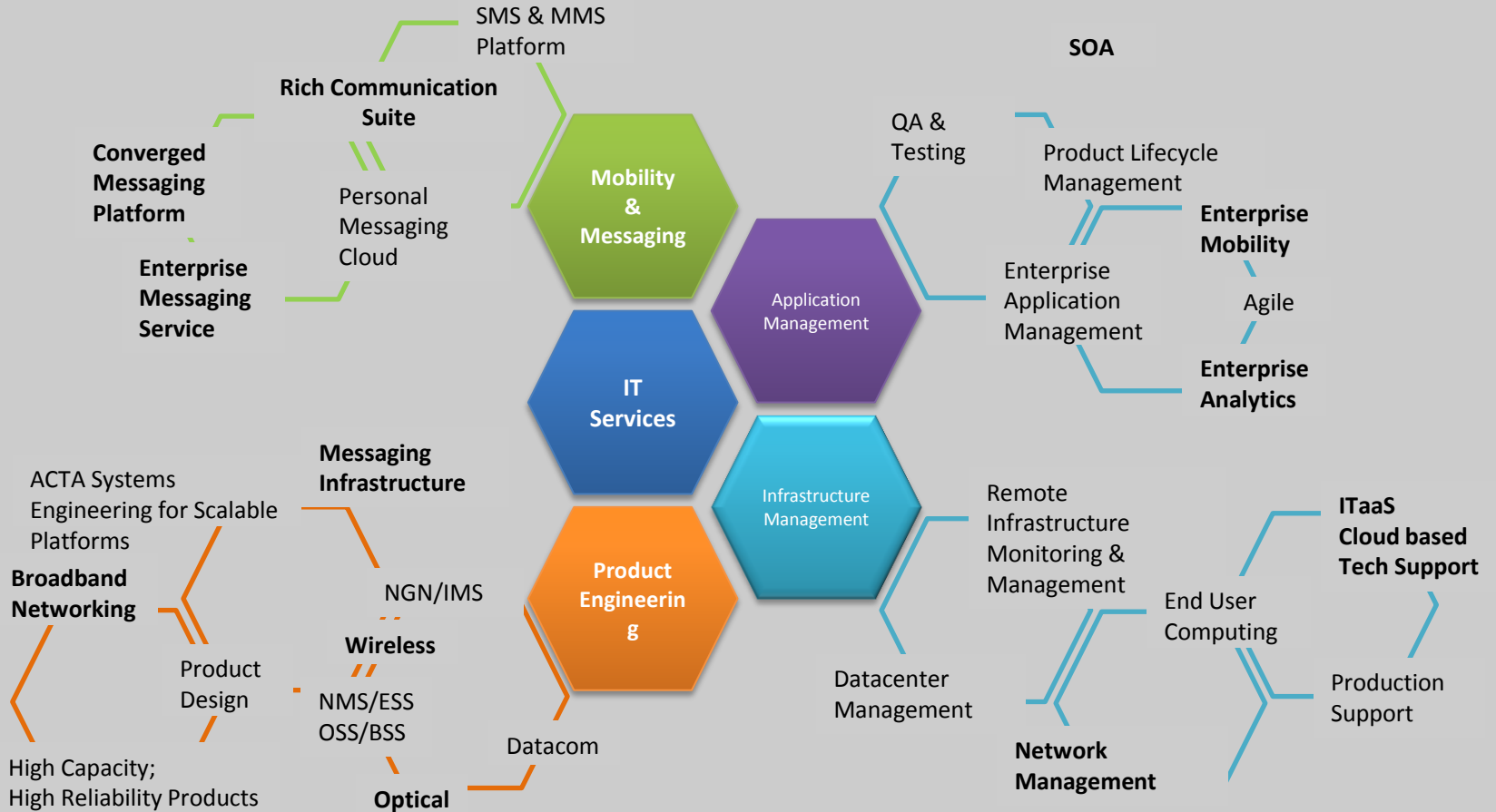
AGILE





Innovative and cutting edge products and services supporting the needs of next-generation communication, social media and cloud messaging.

Investing in next-gen offerings



Executive Summary

Earnings in INR Terms

- Revenue at INR 389 Crore (Down 3.4% y-on-y; Down q-on-q 3.7%)
- Operating Margin (EBITDA) INR 47.3 Crore (Up 13.1% y-on-y; Up 30.7% q-on-q).
- PAT INR 26.8 Crore (Up 9.24% y-on-y; Up 83.4% q-on-q).

Earnings in USD Terms

- Revenue at USD 65 M. (Down 9.6% y-on-y; Down 0.5% q-on-q).
- Operating Margin (EBITDA) at USD 7.9 M. (Up 6% y-on-y; Up 35% q-on-q).
- PAT Margin at USD 4.5 M. (Up 2% y-on-y; Up 90% q-on-q).

Global Employee Headcount at 5079

- India Headcount up at 3378 | Outside India at 1701
- 197 Net Additions

Cash & Cash equivalents at INR 110 Cr.

- Cash Per Share at INR 27.22
- Hedges outstanding:
 - As at 30th June, 2014: USD 2.50 Mn.
 - As at 11th August, 2014: USD 2.00 Mn.

7 Client Additions including:

US Based Telecom Service Provider; Global Retail Giant; APAC Based bank; Technology Consulting Giant; Indian arm of European retail bank; APAC based government service organization



Financial Details

Q1 FY 2014-15

Financial Overview

Q1, FY 2014-15	Actual	Q-on-Q Growth	Y-on-Y Growth
Revenue (USD)	65M	-0.5%	-9.6%
Revenue (INR)	389Cr	-3.7%	-3.4%
Operating Margin (USD)	8M	+35.0%	+5.9%
Operating Margin (INR)	47.3Cr	+30.7%	+13.1%
PAT (USD)	4.5M	+89.4%	+2.3%
PAT (INR)	26.8Cr	+83.4%	+9.2%
DSO (W/O Unbilled Revenue and Pass-through Debtors)	73 Days		
DSO (Incl. Unbilled Revenue but excl. Pass-through Debtors & Unbilled Rev.)	127 Days		

Financial Overview

- Revenue Share Engagements at 21.0% of total Revenue for Q1, FY 15 as against 16.5% for FY 14.
 - IT Services Dependence Reduced to 66.1% in Q1 FY 15 (as against 72.1% for FY 2014).
 - Non-conventional business revenue share (Mobility and Messaging & Product Engineering) rises to 34% for Q1 FY 15 (as against 28% for FY 14).
-
- US Revenue decreases to 86.8% for Q1 FY 2015 (as against 89.3% in FY 14).
-
- Total Cash & Equivalents at INR 109.30 Crore.
-
- **Global Employee head-count stood at 5079 Employees with the India head-count at 3378.**
 - **Attrition steady at 17% for Q1 FY 15**

Financial Overview

- Effective Tax Rate for the Q1, FY 15 is 21.0%.
- Cash per share at INR 27.22 in Q1 FY 15.
- Earnings Per Share for Q1 FY 15 at INR 6.7.
- Net worth stood at INR 689.85 Cr for Q1 FY 15 (against INR 676.3 Cr at the end of FY 14)

FX - Hedge

\$ Million

Forward Contracts as on 30th June '14

2.50

Forward Contracts as on 11th Aug '14

2.00

Contracts for

Rs 55.45

Total

FY 2014 – 15

2.50

2.50

Total

2.50

2.50

Less: Utilised from 1st July '14 to 11th Aug '14

0.50

Forward Contract as on 11th Aug '14

2.00

DSO

- The Company does some business in USA which is “Pass Through” in nature where some vendors need to route their business with one of our customers through us, these vendors carry all the risk and liabilities for this business. This business is not core to our activities and carries a very low margin. As a result of this we recognize only the margin from such business as our revenue but the consequent Debtors and Creditors are reflected in our Balance Sheet. Consequently DSO as calculated from our financials is not a true reflection of the efficiency of our receivables, as it does not include the corresponding pass through revenue. The DSO so calculated is reflected in “A” below.
- In “B” below the “pass through “revenue is added to the revenue and the DSO is calculated – This is the DSO of our Total Business.
- “C” below reflects our DSO from our Core business; i.e. both pass through revenue as well as the corresponding debtors have been removed. The DSO so calculated includes the Unbilled Receivables pertaining to our core business and it is this number which we use to measure the efficiency of realizations.

			FY10	FY 11	FY 12	FY 13	FY 14	Q1 FY 15
A	DSO as it appear in financials	=(Debtors + Unbilled Receivables as in Balance Sheet) / Sales in financials)	155	137	135	126	125	151
B	DSO of Total Business (Including Pass Thru)	=(Debtors + Unbilled Receivables as in Balance Sheet) / Sales in financials+ Pass thru revenue)	105	91	91	93	99	114
C	DSO of Core Business (Excluding Pass Thru)	=(Debtors + Unbilled Receivables as in Balance Sheet) only of core business, ie excluding pass thru Debtors and Unbilled Receivables / Sales as in the financials)	117	102	98	109	106	127

DSO Considering only Receivables		Q1 FY 15
A	Total - Only Receivables considered i.e.w/o Unbilled Receivables	73
B	Core (excluding both revenue and debtors of pass-through)	76
C	Financials (including debtors but excl. revenue from pass-through)	97

Key Financial Ratios

In %, except for share data

	FY 15 Q1	FY 14	FY 13	FY 12
Gross Margin	32.20%	29.71%	33.50%	38.30%
SG & A to Revenue	20.03%	19.00%	17.80%	20.90%
EBITDA Margin	12.17%	10.71%	15.70%	17.40%
EBIT Margin	8.54%	6.47%	11.40%	15.00%
PBT to Revenue	8.74%	6.69%	11.70%	15.20%
PAT to Revenue	6.90%	5.18%	9.40%	11.40%
EPS - Basic in INR *	6.66	21.73	30.72	28.05

* Based on weighted average number of shares in the period

Balance Sheet

In INR Cr.

	FY 15 Q1	FY 14 Q4	FY 13
Sources of funds			
Equity share capital	40.15	40.44	42.56
Reserves	649.70	635.86	553.70
Borrowings *	50.87	62.33	85.86
Deferred Tax liabilities	35.87	34.93	31.13
Long Term Liabilities and Provisions	3.66	3.46	3.23
Current Liabilities and Provisions	525.31	539.17	480.31
Total Sources of Funds	1305.56	1316.19	1196.79
Application of funds			
Fixed Assets - Net (including goodwill)	304.11	324.35	315.39
Deferred Tax Assets	11.90	6.94	11.82
Non Current Investments	1.35	1.35	1.22
Current Investments (Short Term Mutual Funds)	-	0.00	6.71
Long Term Loans and Advances	32.84	28.63	23.20
Current Assets	846.06	842.69	673.36
Cash and Cash Equivalent	109.30	112.23	165.09
Total Uses of Funds	1305.56	1316.19	1196.79
Cash, Mutual Funds less Book Overdraft	109.30	112.23	171.81

* For FY15 Q1: borrowings consist of Rs 49.09 Crores (\$8.17 mi) from bank for working capital & Rs 1.49 Crores (\$0.25 mi) finance lease for hardware & Rs 0.29 Crores (\$ 0.05 mi) for finance lease of vehicles, working capital loan and finance lease for hardware w.r.t to our US subsidiaries.

Cash Flow Statement

In INR Cr.

	FY 15 Q1	FY 14	FY 13	FY 12
Pre-Tax Profit	33.98	115.94	162.45	160.68
Depreciation	13.18	56.53	43.31	32.85
Other Adjustments	(0.79)	(3.78)	(4.38)	(6.87)
Change in Working capital	(23.14)	(85.51)	(58.52)	(41.00)
Taxes Paid	(10.90)	(40.31)	(36.14)	(24.13)
Operating Cash Inflow	12.33	42.87	106.72	121.53
Capital Expenditure	(3.11)	(36.66)	(79.36)	(48.04)
Free Cash Flow	9.22	6.21	27.36	73.49
Changes in Investments	-	6.72	3.37	5.67
Interest Received / (Paid)	2.57	2.34	6.02	5.47
Debt Raised/(Repaid)	(11.45)	(34.43)	23.73	13.00
Capital Raised/(Repaid)	(3.53)	(22.87)	-	(16.30)
Dividend and Dividend Tax paid	-	(24.04)	(51.94)	(19.82)
Net change in cash	(3.19)	(66.07)	8.54	61.51
Effect of Exchange Difference on translation of foreign currency	0.26	13.21	5.95	5.63
Opening Cash	112.23	165.09	150.60	83.45
Closing Cash	109.30	112.23	165.09	150.59

A yellow sticky note is pinned to a light gray background with two gold pushpins at the top edge. The note is slightly tilted and has a soft shadow.

**Thank
You...**

www.infinite.com