



Analyst Earnings Call

Q2 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.



Investor Presentation
Quarter Ended on 30th Sept 2014

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

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

Our People

5325 Employees worldwide, 3485 in India

Awards & Recognition



Nasscom Ranks
Infinite as TOP20 IT Player
in India



DQ IDC IT BEST 2010
Infinite Ranked 5th
Best Employer



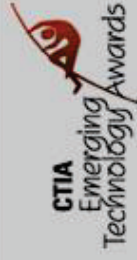
Forbes Ranks Infinite in
Asia200 Best under
a Billion



Mobile Merit Awards –
Runner Up



Hot
Companies &
Technologies
Award
Finalist 2012

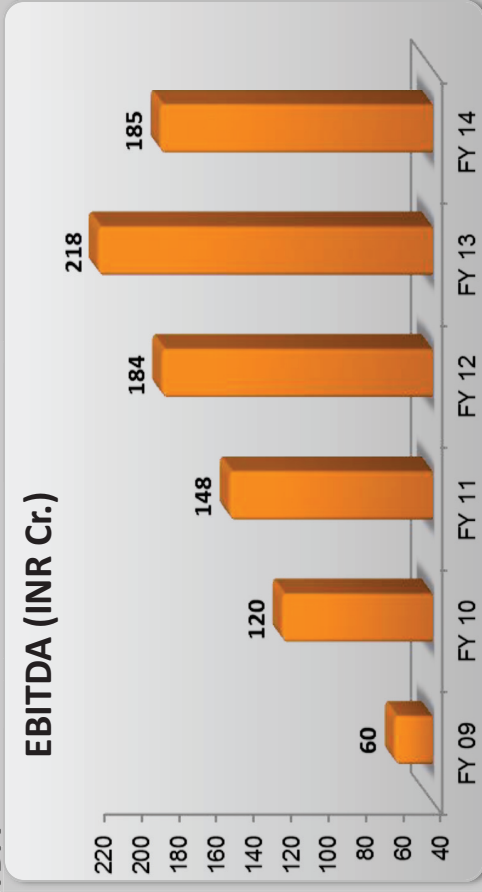
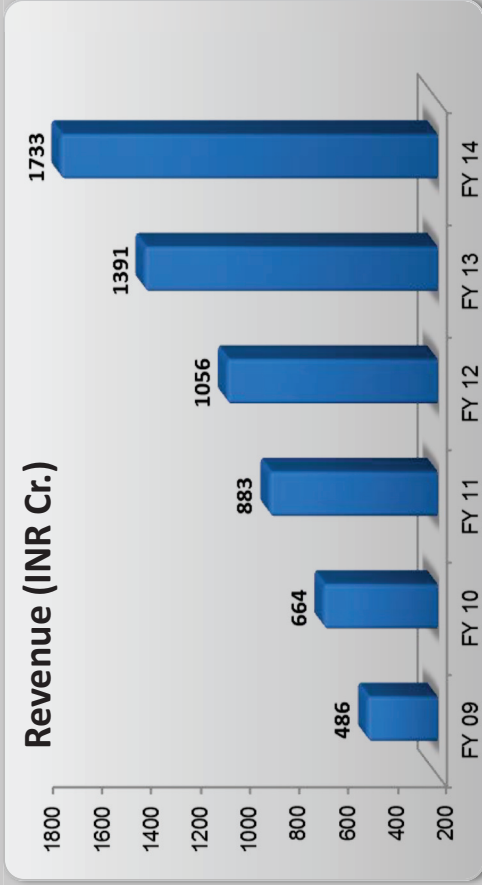


CTIA Emerging
Technology Award
Finalist 2012



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



Investor Presentation
Quarter Ended on 30th Sept 2014

PLATFORMS & FRAMEWORKS

Infinite Centers of Excellence Eco System

CHANNELS

| | | | | | | | |
|-----------|--------------|---------|-----------------|---------------|--------------|------------------|-----------------------|
| Computers | Smart Phones | Tablets | mHealth Devices | Health Kiosks | Medical Home | Health Utilities | Remote Health Monitor |
|-----------|--------------|---------|-----------------|---------------|--------------|------------------|-----------------------|

ACCESS & MANAGEMENT

| | | | |
|---------------|----------------------|---------------|--------------------|
| GSM | CDMA | RWD / AWD | MDM |
| Satellite N/W | Cloud Infrastructure | LTE / 3G / 2G | Data Visualization |

INFINITE FRAMEWORKS

| HEALTHCARE | SOA | MOBILITY | ANALYTICS |
|---|---|---|--|
| <ul style="list-style-type: none"> Wellness Management Advanced Care Management Virtual Hospital | <ul style="list-style-type: none"> ADIGT M2M Integration ESB Framework SOA Assessment Engine Complex Event Processing Engine | <ul style="list-style-type: none"> 3C Implementation Framework CCC Transformation Framework MaaS360 Extended Content Digitization M2M Integration Responsive Web Design | <ul style="list-style-type: none"> Sentiment Analytics Recommendations Engine Ratings Engine Fraud Detection Engine Natural Language Frameworks |

TECHNOLOGY

| SOA | ANALYTICS | MOBILITY |
|--|--|--|
| <ul style="list-style-type: none"> Business Process Orch. Enterprise Service Bus (ESB) Service Modeling Business Activity Monitoring | <ul style="list-style-type: none"> Big Data / Hadoop Clusters Predictive Analytics Data Warehouse & Marts Complex Event Processing | <ul style="list-style-type: none"> IBM Worklight Phone Gap Xamarin Kony One MaaS360 |

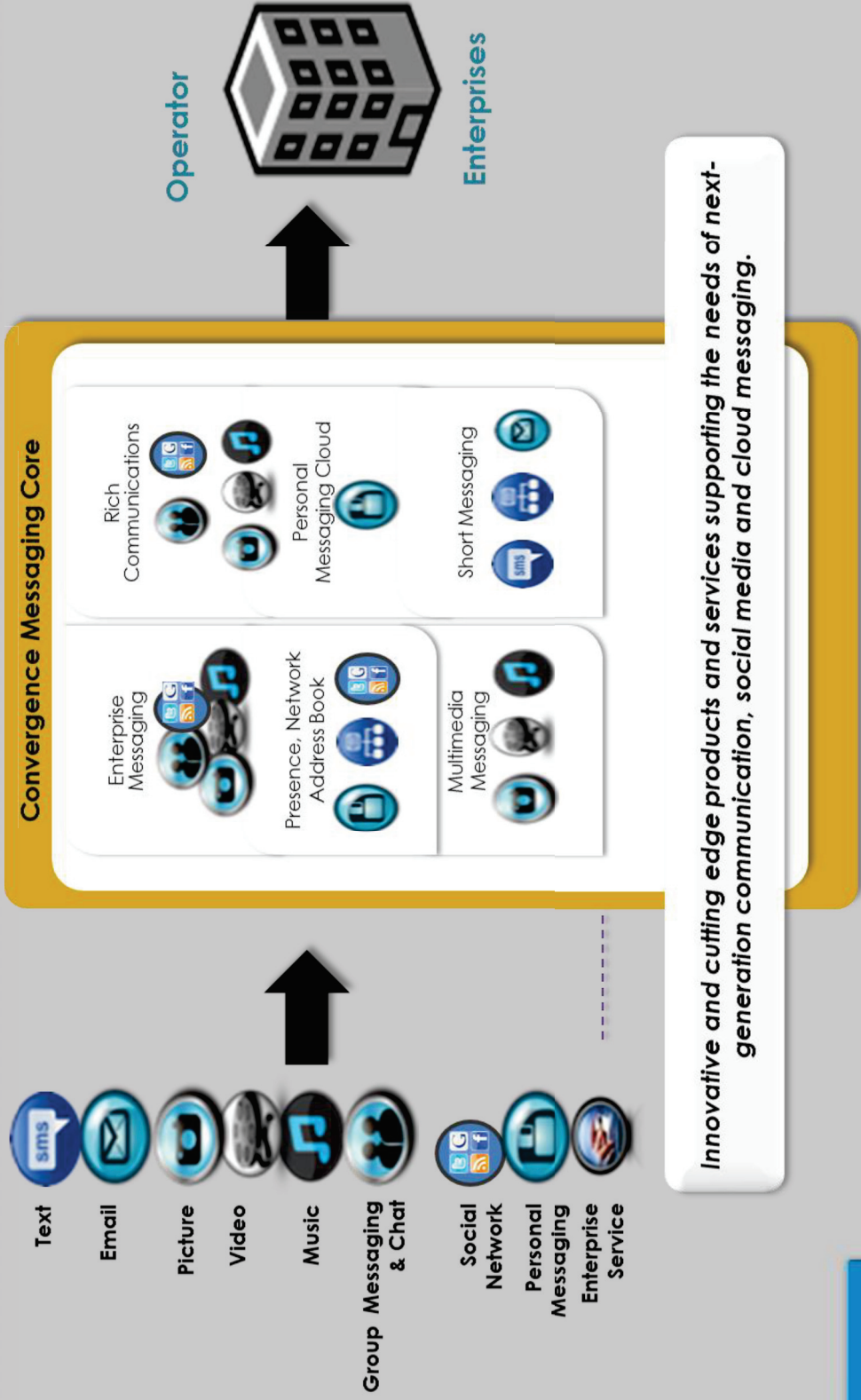
QUALITY ASSURANCE

| |
|--|
| <ul style="list-style-type: none"> Continuous Integration Test Automation Security Testing Performance Testing Social Media, Analytics, Cloud, (SMAC) Testing Mobility Testing |
|--|

AGILE

| |
|--|
| <ul style="list-style-type: none"> Infinite's Kabanzi Framework Agile Assessment Tools Agile Consulting |
|--|

CONVERGENCE PLATFORMS

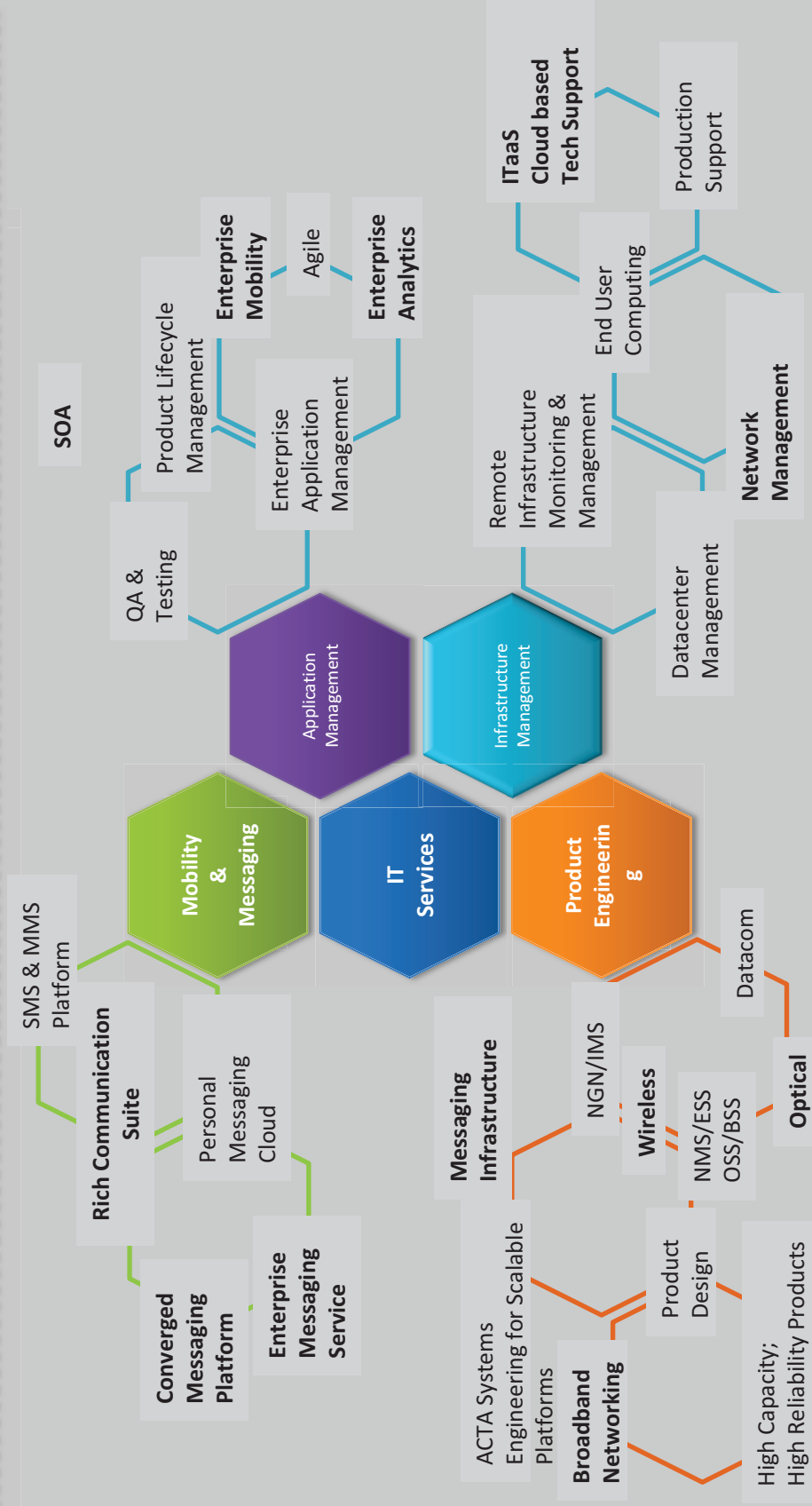


Innovative and cutting edge products and services supporting the needs of next-generation communication, social media and cloud messaging.



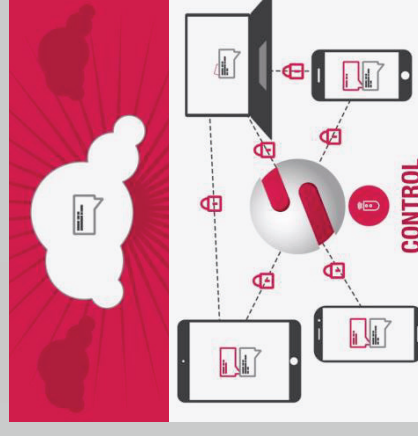
Investor Presentation
Quarter Ended on 30th Sept 2014

INVESTING IN NEXT GEN OFFERINGS



NETSFERE™ ENTERPRISE MOBILITY

Infinite Launches NetSfere – Enterprise Mobility Product



- **Highly Secure Encryption**
- **Feature Rich Solutions**
- **High Customizability**
- **Robust Message Delivery**
- **Offline Collaboration Capability**
- **Cloud Storage**

Addressing an increasing need for seamless global enterprise collaboration, mandated by an increasingly demanding and dynamic business environment Infinite's NetSfere™ Enterprise Mobility product is a scalable, cloud-based enterprise messaging solution that is highly secure, feature rich as well as centrally managed and controlled.

It provides communications through a 256 bit-per-second algorithm that enables device-to-device encryption, along with central control of end-user policies and privileges to ensure highly secure business communications. Infinite's solution allows for centralized control of end-user policies and privileges ensuring a simple, secure solution across multiple devices assisting enterprises in controlling global communications.



EXECUTIVE SUMMARY

- **Earnings in INR Terms**
 - Revenue at INR 438 Crore (Down 8.2% y-on-y; Up 12.6% q-on-q)
 - Operating Margin (EBITDA) INR 45.2 Crore (Down 15.2% y-on-y; Down 4.3% q-on-q).
 - PAT INR 27.4 Crore (Up 4.6% y-on-y; Up 2.2% q-on-q).
- **Earnings in USD Terms**
 - Revenue at USD 72.3 M. (Down 5.9% y-on-y; Up 11.1% q-on-q).
 - Operating Margin (EBITDA) at USD 7.5 M. (Down 13% y-on-y; Down 5.6% q-on-q).
 - PAT Margin at USD 4.53 M. (Up 7.3% y-on-y; Up 1% q-on-q).
- **Global Employee Headcount at 5325**
 - India Headcount up at 3485 | Outside India at 1840
 - 246 Net Additions
- **Cash & Cash equivalents at INR 124.5 Cr.**
 - Cash Per Share at INR 31
 - Hedges outstanding:
 - As at 30th September, 2014: USD 1.0 Mn.
 - As at 13th November, 2014: USD 0.5 Mn.

BUSINESS UPDATES

- **8 New Client Additions including:**
 - Germany based Global Automobile Business Solutions Company
 - Europe based Global Insurance Giant
 - US Based Telecommunications Network Services Company
 - US Based Internet Security Solutions Company
 - China Based Systems Integration Services Provider
 - Japan Based Precision Machineries and Instruments Manufacturer
 - APAC Based Diversified Business Company
 - APAC Based Multidisciplinary University
- **Infinite Launches NetSfere™ - a Cloud-based, Feature-rich, Highly Secure and Centrally Customizable Enterprise Messaging Solution for Enterprises**



Investor Presentation



Financial Details

Q2 FY 2014-15



Financial Overview

| Q2, FY 2014-15 | Actual | Q-on-Q Growth | Y-on-Y Growth |
|---|-----------------|---------------|---------------|
| Revenue (USD) | 72.3M | +11.1% | -5.9% |
| Revenue (INR) | 437.74Cr | +12.6% | -8.2% |
| Operating Margin (USD) | 7.5M | -5.6% | -13.0% |
| Operating Margin (INR) | 45.2Cr | -4.3% | -15.2% |
| PAT (USD) | 4.53M | +1.0% | +7.3% |
| PAT (INR) | 27.43Cr | +2.2% | +4.6% |
| DSO (W/O Unbilled Revenue and Pass-through Debtors) | 74 Days | | |
| DSO (Incl. Unbilled Revenue but excl. Pass-through Debtors & Unbilled Rev.) | 116 Days | | |

Financial Overview

- Revenue Share Engagements at 19.3% of total Revenue for H1, FY 15 as against 16.5% for FY 14.
- IT Services Dependence Reduced to 69.0% in H1 FY 15 (as against 72.1% for FY 14).
- Non-conventional business revenue share (Mobility and Messaging & Product Engineering) rises to 31.0% for H1 FY 15 (as against 27.9% for FY 14).
- US Revenue decreases to 87.4% for H1 FY 2015 (as against 89.3% in FY 14).
- Total Cash & Equivalents at INR 124.5 Crore at the end of H1, FY 15 (as against 109 Cr. at the end of Q1, FY 15).
- **Global Employee head-count stood at 5325 Employees with the India head-count at 3485.**
- **Attrition steady at 18% for Q2 FY 15**

Financial Overview

- Effective Tax Rate for the Q2, FY 15 is 21.3%.
- Cash per share at INR 31.0 at the end of Q2 FY 15.
- Earnings Per Share for Q2 FY 15 at INR 6.83.
- Net worth stood at INR 727.0 Cr at the end of Q2 FY 15 (against INR 689.9 Cr at the end of Q1, FY 15)

FX - Hedge

\$ Million

Forward Contracts as on 30th Sept '14

1.0

Forward Contracts as on 13th Nov '14

0.5

Contracts for

Rs 55.45 Total

FY 2014 – 15

1.0

1.0

Total

1.0

1.0

Less: Utilised from 1st Oct '14 to 13th Nov '14

0.5

0.5

Forward Contract as on 13th Nov '14

0.5

0.5

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 | Q2 FY 15 | |
|---|---|-------|-------|-------|-------|-------------|-------------|----|
| A DSO as it appear in financials | 155 | 137 | 135 | 126 | 125 | 151 | 133 | |
| | =(Debtors + Unbilled Receivables as in Balance Sheet) / Sales in financials | | | | | | | |
| B DSO of Total Business (Including Pass Thru) | 105 | 91 | 91 | 93 | 99 | 114 | 116 | |
| | =(Debtors + Unbilled Receivables as in Balance Sheet) / Sales in financials+ Pass thru revenue | | | | | | | |
| C DSO of Core Business (Excluding Pass Thru) | 117 | 102 | 98 | 109 | 106 | 127 | 116 | |
| | =(Debtors + Unbilled Receivables as in Balance Sheet) only of core business, ie excluding pass thru Debtors and Unbilled Receivables / Sales as in the financials | | | | | | | |
| DSO Considering only Receivables | | | | | | | | |
| A Total - Only Receivables considered i.e.w/o Unbilled Receivables | | | | | | | | 74 |
| B Core (excluding both revenue and debtors of pass-through) | | | | | | | | 71 |
| C Financials (including debtors but excl. revenue from pass-through) | | | | | | | | 85 |

Key Financial Ratios

In %, except for share data

| | FY 15 Q2 | FY 15 Q1 | FY 14 | FY 13 | FY 12 |
|----------------------|----------|----------|--------|--------|--------|
| Gross Margin | 28.50% | 32.20% | 29.71% | 33.50% | 38.30% |
| SG & A to Revenue | 18.17% | 20.03% | 19.00% | 17.80% | 20.90% |
| EBITDA Margin | 10.33% | 12.17% | 10.71% | 15.70% | 17.40% |
| EBIT Margin | 7.74% | 8.54% | 6.47% | 11.40% | 15.00% |
| PBT to Revenue | 7.96% | 8.74% | 6.69% | 11.70% | 15.20% |
| PAT to Revenue | 6.27% | 6.90% | 5.18% | 9.40% | 11.40% |
| EPS - Basic in INR * | 6.83 | 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 Q2 | FY 15 Q1 | FY 14 Q4 | FY 13 |
|---|----------------|----------------|----------------|----------------|
| Sources of funds | | | | |
| Equity share capital | 40.16 | 40.15 | 40.44 | 42.56 |
| Reserves | 686.88 | 649.70 | 635.86 | 553.70 |
| Borrowings * | 63.66 | 50.87 | 62.33 | 85.86 |
| Deferred Tax liabilities | 33.25 | 35.87 | 34.93 | 31.13 |
| Long Term Liabilities and Provisions | 4.36 | 3.66 | 3.46 | 3.23 |
| Current Liabilities and Provisions | 516.89 | 525.31 | 539.17 | 480.31 |
| Total Sources of Funds | 1345.20 | 1305.56 | 1316.19 | 1196.79 |
| Application of funds | | | | |
| Fixed Assets - Net (including goodwill) | 303.49 | 304.11 | 324.35 | 315.39 |
| Deferred Tax Assets | 19.58 | 11.90 | 6.94 | 11.82 |
| Non Current Investments | 1.39 | 1.35 | 1.35 | 1.22 |
| Current Investments (Short Term Mutual Funds) | - | - | - | 6.71 |
| Long Term Loans and Advances | 42.69 | 32.84 | 28.63 | 23.20 |
| Current Assets | 853.58 | 846.06 | 842.69 | 673.36 |
| Cash and Cash Equivalents | 124.47 | 109.30 | 112.23 | 165.09 |
| Total Uses of Funds | 1345.20 | 1305.56 | 1316.19 | 1196.79 |
| Cash, Mutual Funds less Book Overdraft | 124.47 | 109.30 | 112.23 | 171.81 |

* For Q2 FY 2014-15: borrowings consist of Rs 62.64 Crores (\$10.17 mi) from Bank for Working Capital and Rs 0.77 Crores (\$0.12 mi) Finance Lease for Hardware and Rs 0.25 Crores (\$0.04 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 Q2 | FY 15 Q1 | FY 14 | FY 13 | FY 12 |
|--|---------------|---------------|----------------|---------------|---------------|
| Pre-Tax Profit | 34.82 | 33.98 | 115.94 | 162.45 | 160.68 |
| Depreciation | 12.97 | 13.18 | 56.53 | 43.31 | 32.85 |
| Other Adjustments | (0.36) | (0.79) | (3.78) | (4.38) | (6.87) |
| Change in Working capital | (22.82) | (23.14) | (85.51) | (58.52) | (41.00) |
| Taxes Paid | (8.27) | (10.90) | (40.31) | (36.14) | (24.13) |
| Operating Cash Inflow | 16.34 | 12.33 | 42.87 | 106.72 | 121.53 |
| Capital Expenditure | (3.92) | (3.11) | (36.66) | (79.36) | (48.04) |
| Free Cash Flow | 12.42 | 9.22 | 6.21 | 27.36 | 73.49 |
| Changes in Investments | - | - | 6.72 | 3.37 | 5.67 |
| Interest Received / (Paid) | 0.47 | 2.57 | 2.34 | 6.02 | 5.47 |
| Debt Raised/(Repaid) | 11.52 | (11.45) | (34.43) | 23.73 | 13.00 |
| Capital Raised/(Repaid) | 0.06 | (3.53) | (22.87) | - | (16.30) |
| Dividend and Dividend Tax paid | (9.50) | - | (24.04) | (51.94) | (19.82) |
| Net change in cash | 14.97 | (3.19) | (66.07) | 8.54 | 61.51 |
| Effect of Exchange Difference on translation of foreign currency | 0.20 | 0.26 | 13.21 | 5.95 | 5.63 |
| Opening Cash | 109.30 | 112.23 | 165.09 | 150.60 | 83.45 |
| Closing Cash | 124.47 | 109.30 | 112.23 | 165.09 | 150.59 |



Investor Presentation
Quarter Ended on 30th Sept 2014



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