

February 02, 2021

To  
BSE Limited  
The National Stock Exchange of India Limited

Dear Sir/Madam,

**Sub: Subex Limited “The Company”- Investor Presentation on February 02, 2021**

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Investor presentation for Q3 of FY 21, which will be presented by the Company at the Earnings Call scheduled to be held today at 11.00 AM (IST).

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

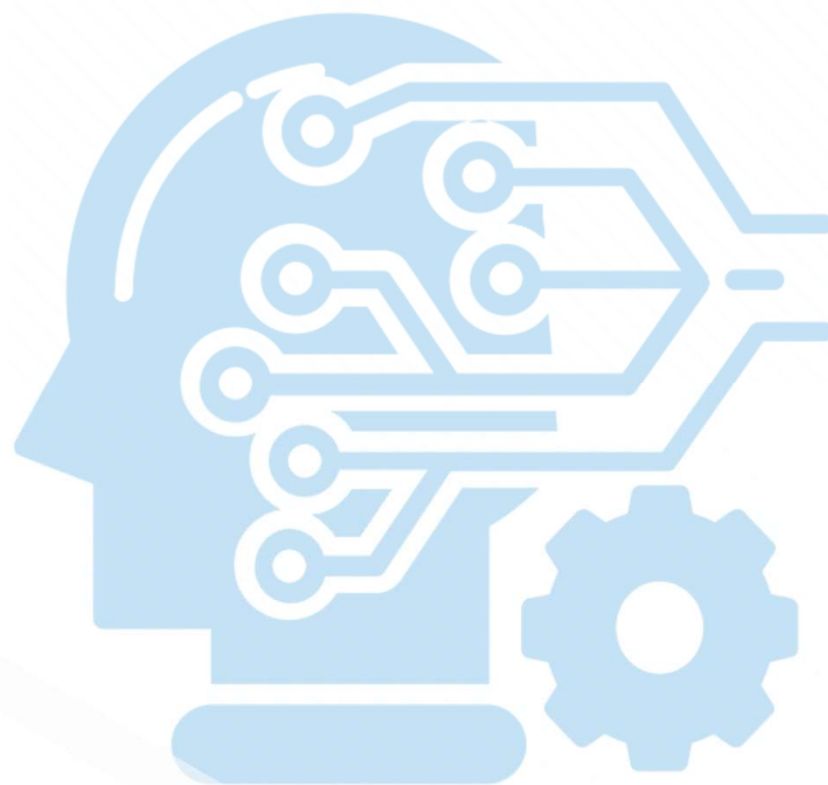
Registered Address : Pritech Park - SEZ, Block-09, 4th Floor B Wing  
Survey No. 51 to 64/4, Outer Ring Road, Bellandur Village, Varthur Hobli, Bengaluru - 560 103. India



# Subex Limited

**Investor Presentation – Q3FY21**

**2<sup>nd</sup> February 2021**





## 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

- 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

## Financial Performance 9MFY21

### REVENUE



₹ 2,758.7 Mn

↑ 6%

### EBITDA



₹ 753.5 Mn

Margin  
**27.3%**

### Profit After Tax (excluding exceptional items)



₹ 332.5 Mn

↑ 101%

# Subex Today



# Vision Statement

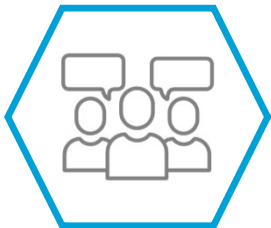
## PURPOSE

Unlocking Possibilities

## VISION

To be the Global Leader in Digital Trust

## OUR VALUES



THINK CUSTOMER



MAKE IT HAPPEN



CREATE VALUE



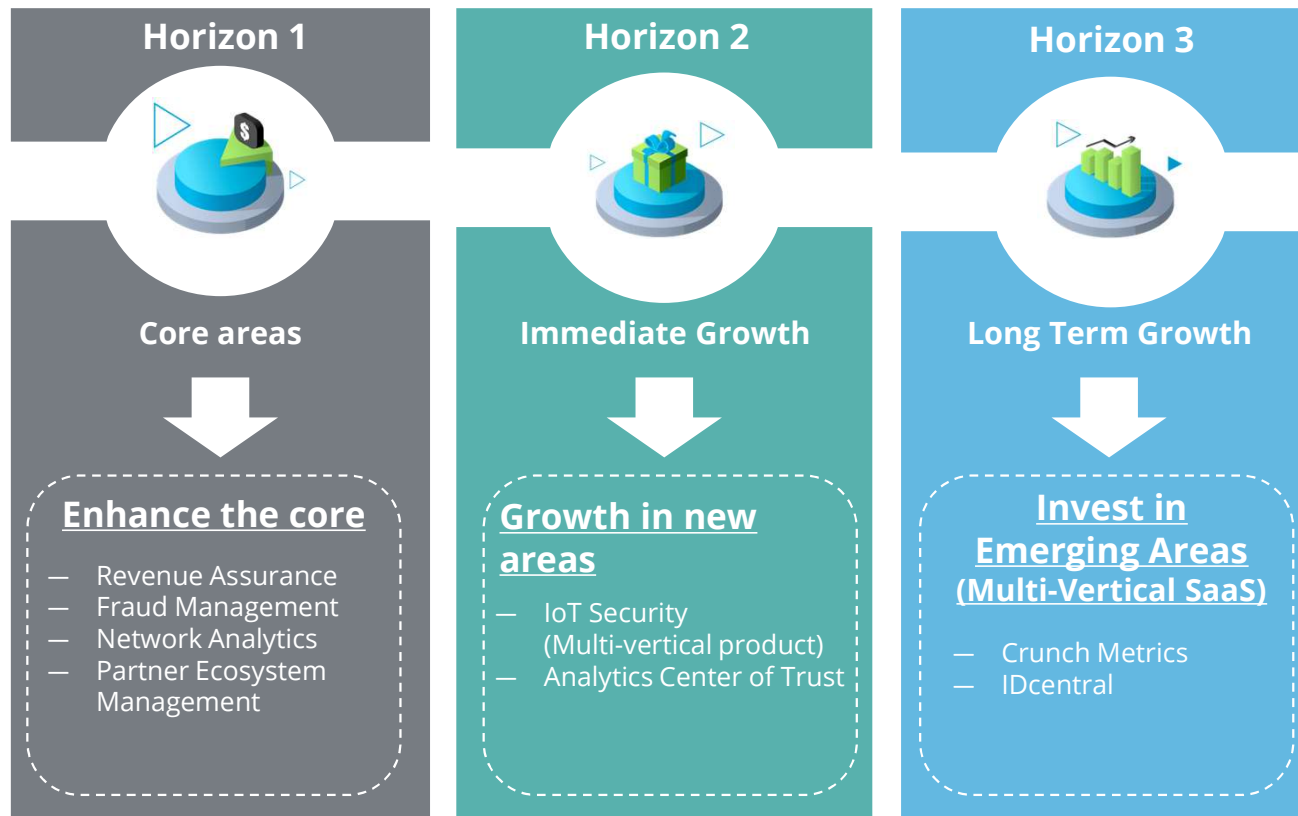
BE OPEN. BE FAIR.



WIN TOGETHER

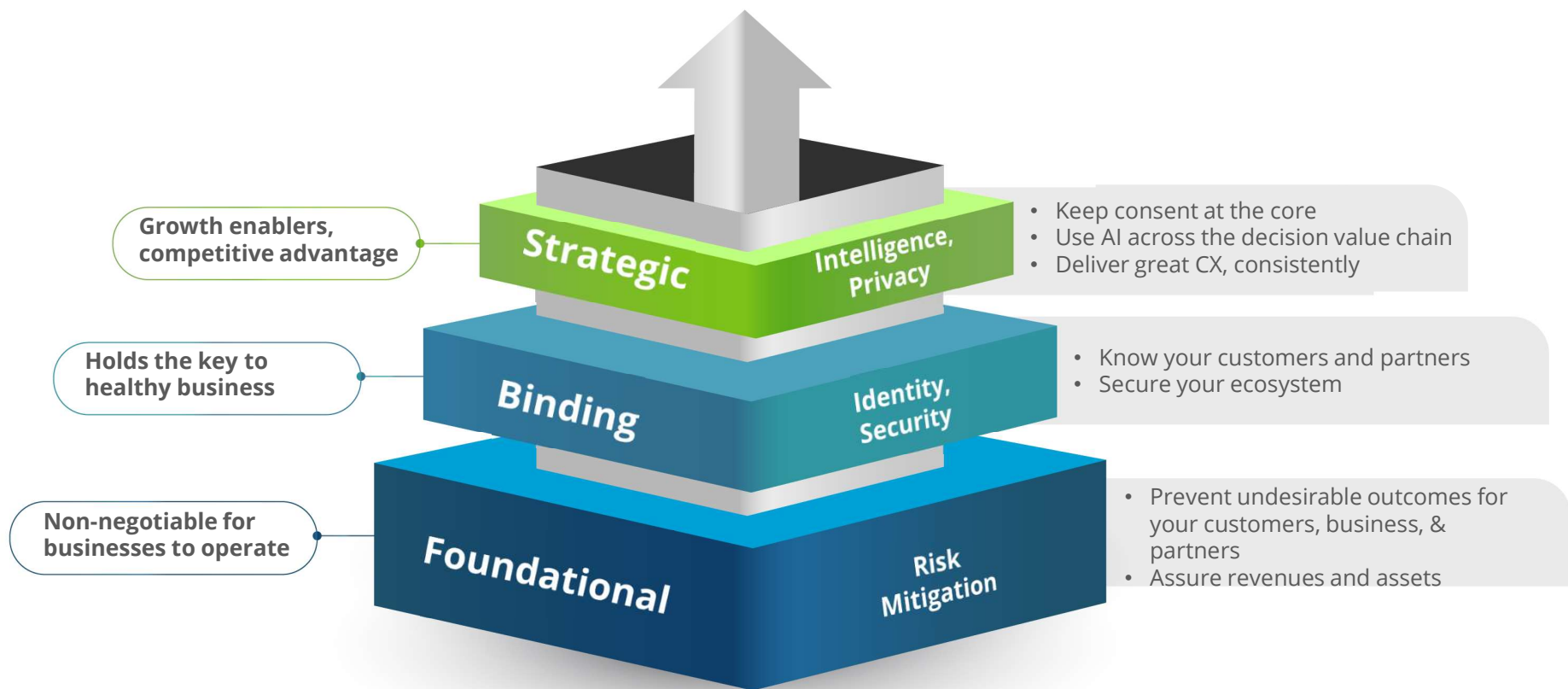


# 3 Horizon Strategy for Growth



**Successful execution of strategy will create substantial value for all stakeholders**

# Subex – Partner for Digital Trust



# Investment Rationale

- ❑ Leader in Digital Trust space and helping 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 – about 60% of revenue is annuity / recurring and >98% customer retention
- ❑ Investing heavily in newer areas like Digital Trust and AI/ML, Deep learning-based anomaly detection
- ❑ Passionate and committed team led by CEO Vinod Kumar with clear focus to put the company on growth track



# Quarterly Financial Performance

# Financial Highlights – Q3FY21

- ❑ Operating Revenue was at Rs 938.8 Million, up 0.6% Q-o-Q and down 2.3% Y-o-Y
- ❑ EBITDA was at Rs 203.5 Million and EBITDA margin stood at 21.7%
- ❑ Profit before exceptional items & tax was at Rs 167.9 Million, down 22.7% Q-o-Q and up 25.0% Y-o-Y
- ❑ Profit after tax (excluding exceptional items) was at Rs 87.1 Million, down 7.1% Q-o-Q and up 76.3% Y-o-Y
- ❑ EPS was at Rs 0.16 as against Rs 0.23 in Q2FY21 and Rs (5.77) in Q3FY20
- ❑ Declared interim dividend of Rs 0.50/- per equity share (10%) on face value Rs 5 each for FY21

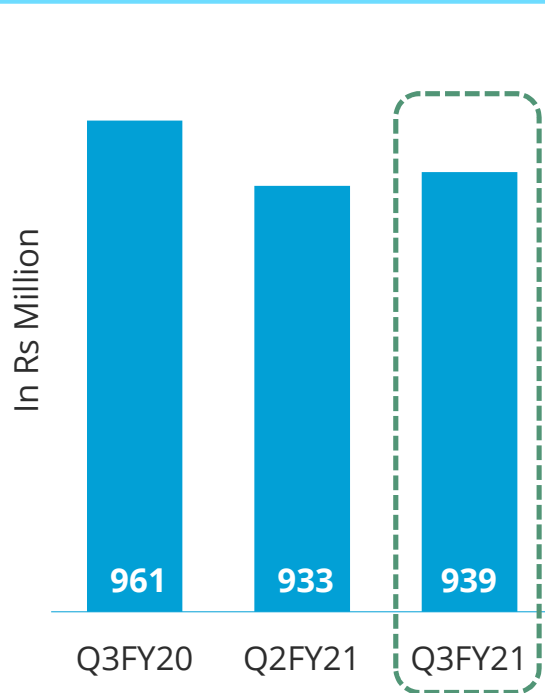


## Financial Highlights – 9MFY21

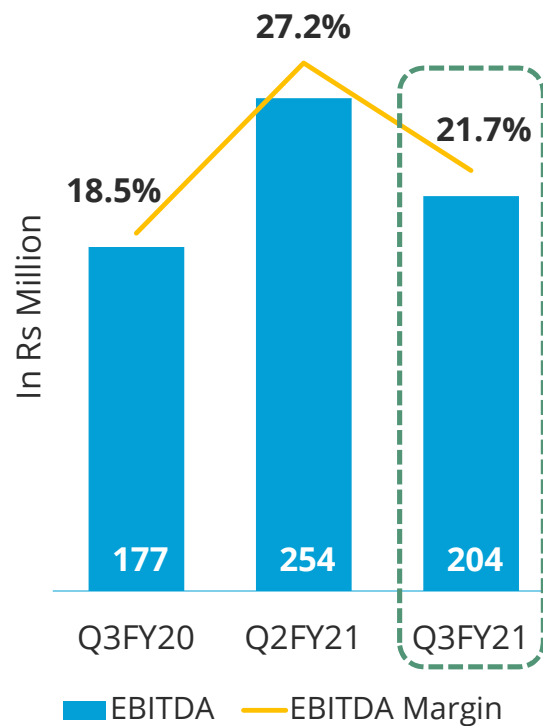
- ❑ Operating Revenue was at Rs 2,758.7 Million, up 5.8% Y-o-Y
- ❑ EBITDA was at Rs 753.5 Million and EBITDA margin stood at 27.3%
- ❑ Profit before exceptional items & tax was at Rs 643.1 Million, up 48.0% Y-o-Y
- ❑ Profit after tax (excluding exceptional items) was at Rs 332.5 Million, up 101.0% Y-o-Y
- ❑ EPS was at Rs 0.67 as against Rs (5.51) 9MFY20
- ❑ Total cash, cash equivalents and free cash flow stood at Rs 1,655.4 Million and Rs 780.7 Million respectively

# Financial Summary – Q3FY21

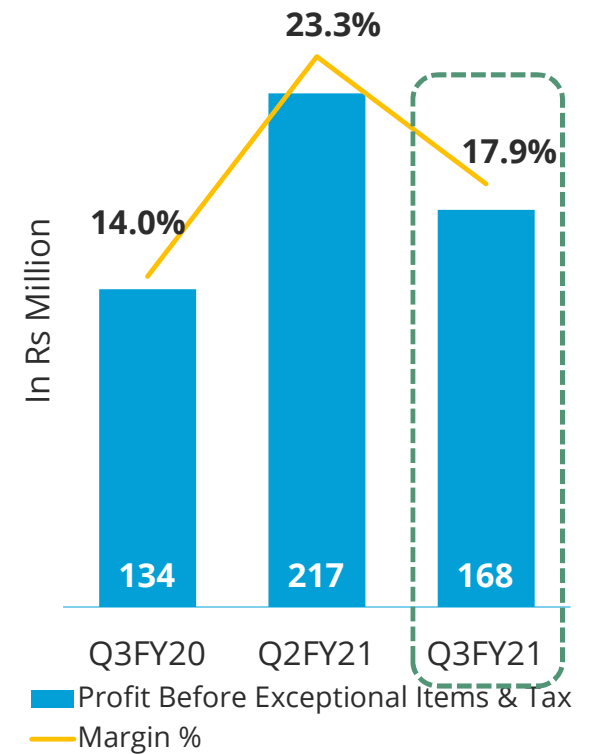
## Operating Revenue



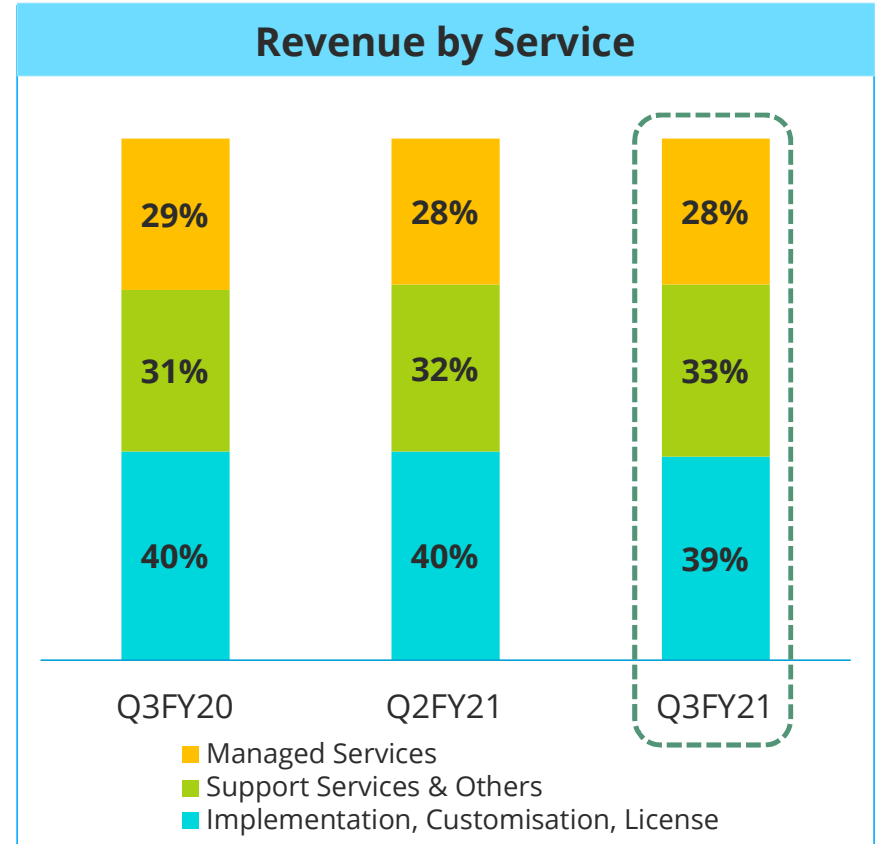
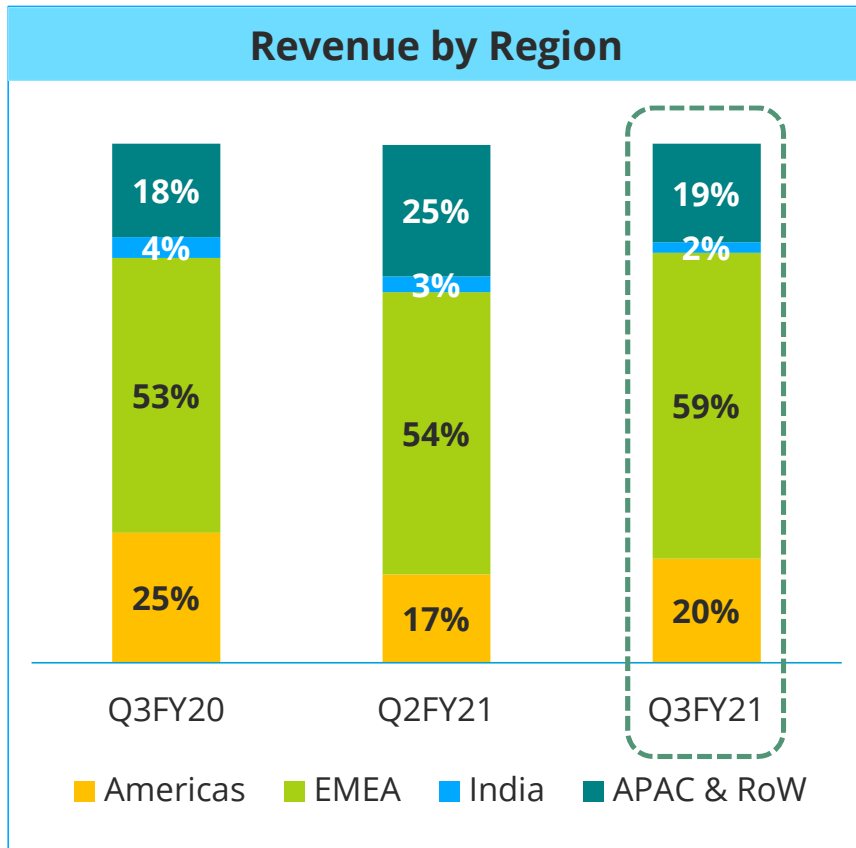
## EBITDA



## Profit Before Exceptional Items & Tax

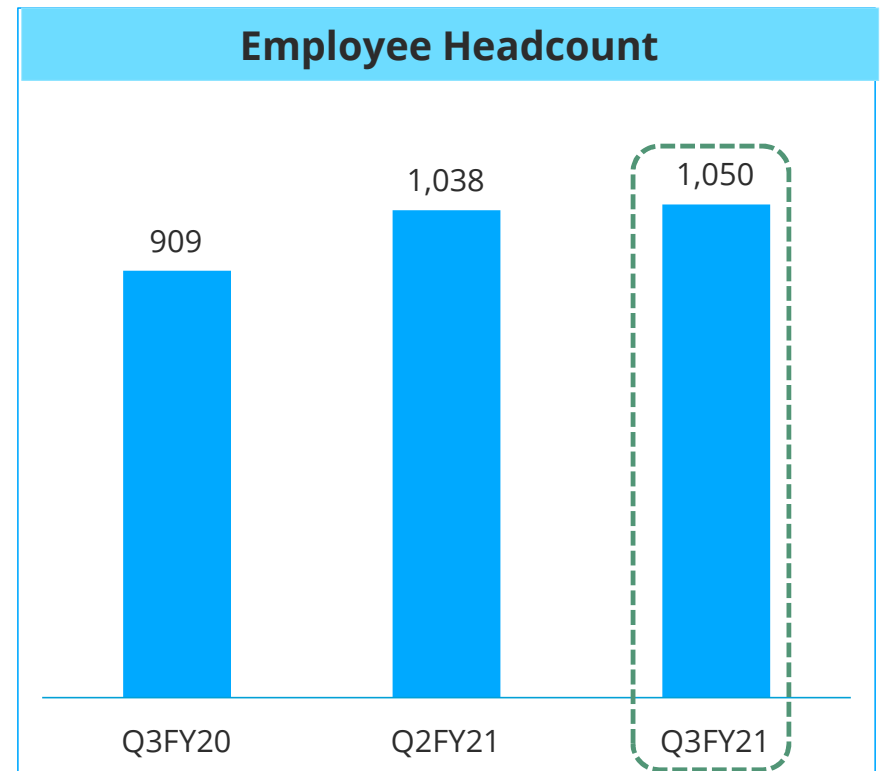
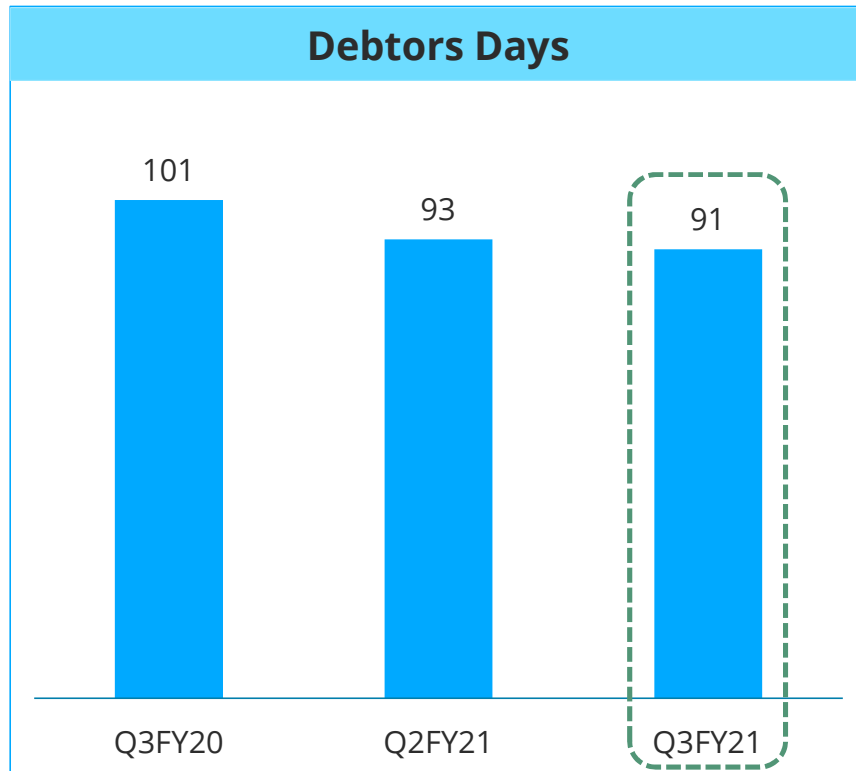


# Revenue Metrics – Q3FY21

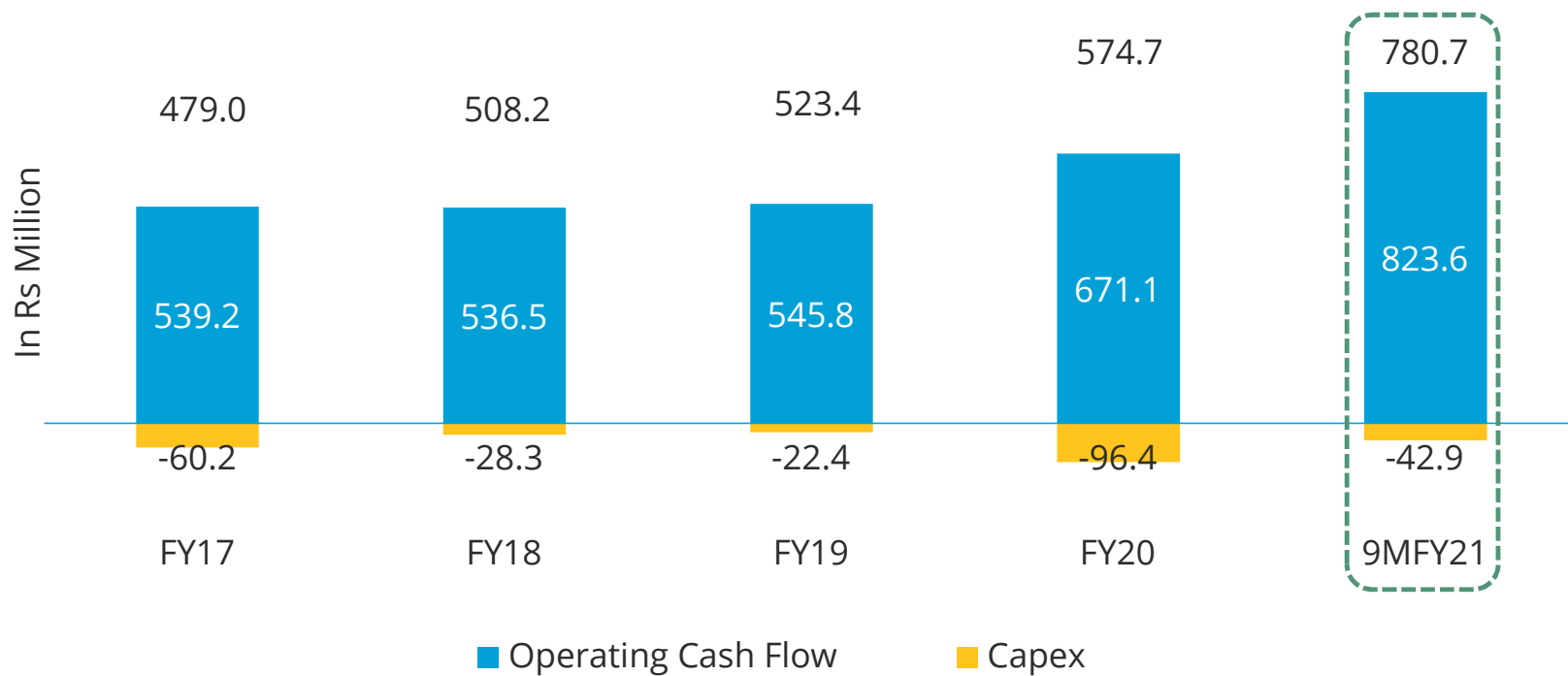




# Operating Metrics – Q3FY21



# Free Cash Flow Overview



# Consolidated Financial Performance – Q3FY21

| Particulars<br>(All Figures in Rs Million)       | Q3 FY21<br>31-Dec-20 | Q2 FY21<br>30-Sep-20 | Q-o-Q<br>Growth % | Q3 FY20<br>31-Dec-19 | Y-o-Y<br>Growth % | 9M FY21<br>31-Dec-20 | 9M FY20<br>31-Dec-19 | Y-o-Y<br>Growth % |
|--|----------------------|----------------------|-------------------|----------------------|-------------------|----------------------|----------------------|-------------------|
| <b>Income</b>                                    |                      |                      |                   |                      |                   |                      |                      |                   |
| Revenue from operations                          | 938.8                | 932.9                | 0.6%              | 960.9                | (2.3%)            | 2,758.7              | 2,607.1              | 5.8%              |
| Other income                                     | 10.6                 | 10.0                 |                   | 5.2                  |                   | 30.2                 | 22.8                 |                   |
| <b>Total income</b>                              | <b>949.4</b>         | <b>942.9</b>         | <b>0.7%</b>       | <b>966.1</b>         | <b>(1.7%)</b>     | <b>2,788.9</b>       | <b>2,629.9</b>       | <b>6.0%</b>       |
| Employee benefits expense                        | 525.6                | 489.0                |                   | 455.6                |                   | 1,470.3              | 1,330.2              |                   |
| Other expenses                                   | 164.8                | 146.1                |                   | 276.8                |                   | 465.1                | 721.6                |                   |
| Exchange fluctuation (gain)/ loss, net           | 44.9                 | 43.8                 |                   | 51.2                 |                   | 69.8                 | (3.9)                |                   |
| <b>EBITDA</b>                                    | <b>203.5</b>         | <b>254.0</b>         | <b>(19.9%)</b>    | <b>177.3</b>         | <b>14.8%</b>      | <b>753.5</b>         | <b>559.2</b>         | <b>34.7%</b>      |
| <b>EBITDA Margin %</b>                           | <b>21.7%</b>         | <b>27.2%</b>         | <b>(555bps)</b>   | <b>18.5%</b>         | <b>323bps</b>     | <b>27.3%</b>         | <b>21.4%</b>         | <b>586bps</b>     |
| Depreciation                                     | 42.4                 | 36.5                 |                   | 36.7                 |                   | 115.5                | 111.6                |                   |
| Finance Cost                                     | 3.8                  | 10.3                 |                   | 11.5                 |                   | 25.1                 | 35.8                 |                   |
| <b>Profit before exceptional items &amp; tax</b> | <b>167.9</b>         | <b>217.2</b>         | <b>(22.7%)</b>    | <b>134.3</b>         | <b>25.0%</b>      | <b>643.1</b>         | <b>434.6</b>         | <b>48.0%</b>      |
| Exceptional items                                | 0.0                  | 28.7                 |                   | (3,176.6)            |                   | 28.7                 | (3176.6)             |                   |
| <b>Profit before tax</b>                         | <b>167.9</b>         | <b>245.9</b>         | <b>(31.7%)</b>    | <b>(3042.3)</b>      | <b>105.5%</b>     | <b>671.8</b>         | <b>(2742.0)</b>      | <b>124.5%</b>     |
| Tax Expenses                                     | 80.8                 | 123.4                |                   | 84.9                 |                   | 310.6                | 269.3                |                   |
| <b>Net Profit / (Loss)</b>                       | <b>87.1</b>          | <b>122.5</b>         | <b>(28.9%)</b>    | <b>(3127.2)</b>      | <b>102.8%</b>     | <b>361.2</b>         | <b>(3011.3)</b>      | <b>112.0%</b>     |

# Consolidated Annual Financial Performance

| Particulars<br>(All Figures in Rs Million)     | FY20<br>31-Mar-20 | FY 19<br>31-Mar-19 | FY 18<br>31-Mar-18 | FY 17<br>31-Mar-17 |
|--|-------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                                  |                   |                    |                    |                    |
| Revenue from operations                        | 3,649.8           | 3,481.2            | 3,243.2            | 3,573.3            |
| Other income                                   | 56.3              | 10.1               | 14.0               | 115.4              |
| <b>Total income</b>                            | <b>3,706.1</b>    | <b>3,491.3</b>     | <b>3,257.2</b>     | <b>3,688.7</b>     |
| Employee benefits expense                      | 1,745.4           | 1,910.5            | 1,747.1            | 1,587.1            |
| Other expenses                                 | 1,051.3           | 1,068.1            | 1,021.7            | 1,205.3            |
| Exchange fluctuation (gain)/ loss, net         | (88.7)            | (17.1)             | 165.0              | (69.8)             |
| <b>EBITDA</b>                                  | <b>941.8</b>      | <b>519.7</b>       | <b>309.4</b>       | <b>850.7</b>       |
| <b>EBITDA Margin %</b>                         | <b>25.8%</b>      | <b>14.9%</b>       | <b>9.5%</b>        | <b>23.8%</b>       |
| Depreciation                                   | 150.8             | 48.3               | 51.7               | 49.5               |
| Finance Cost                                   | 47.7              | 10.7               | 44.2               | 163.8              |
| <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>Exceptional items</b>                       | (3176.6)          | <b>0.0</b>         | 116.6              | (1,089.0)          |
| <b>Profit Before Tax</b>                       | <b>(2,377.0)</b>  | <b>470.8</b>       | <b>344.1</b>       | <b>(336.2)</b>     |
| Tax Expenses                                   | 314.5             | 218.6              | 137.3              | 96.1               |
| <b>Net Profit / (Loss)</b>                     | <b>(2,691.5)</b>  | <b>252.2</b>       | <b>206.8</b>       | <b>(432.3)</b>     |

# Key Clients

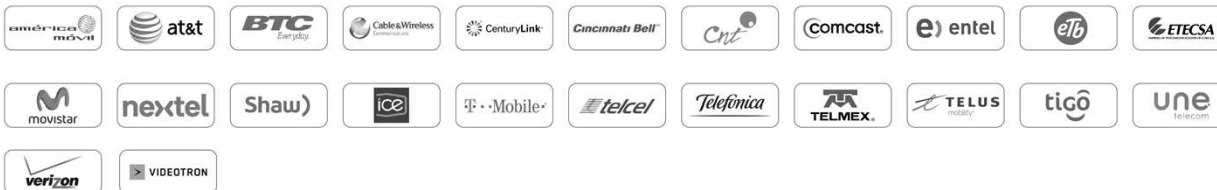
## EMEA



## 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 & Whole-Time Director*

Shankar is the Chief Operating Officer, responsible for Sales, Marketing, Engineering and Delivery. He is 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.



**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.

# Executive Management Team



**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.



**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

# Executive 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.



# Awards & Recognition



35+

Industry  
recognized  
awards



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# Thank You

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[investorrelations@subex.com](mailto:investorrelations@subex.com) | +91 803745 1377

[dpingle@christensenir.com](mailto:dpingle@christensenir.com) | +91 02242150210