

REF: SECT/08/2018/10

August 17, 2018

<p>To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051</p> <p>NSE Symbol – RSYSTEMS</p>	<p>To, The General Manager BSE Limited Department of Corporate Services, Rotunda Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001</p> <p>BSE Scrip Code - 532735</p>
---	---

Dear Sir/ Madam,

SUB: SUBMISSION OF PRESENTATION MADE TO ANALYSTS/ INVESTORS

This is with reference to our letter reference No. SECT/08/2018/07 dated August 14, 2018 regarding the intimation of the Investors/Analysts call of the R Systems International Limited (“the Company” to be held on Friday, August 17, 2018.

In this regard, as per Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Uniform Listing Agreement entered into by the Company, please find enclosed presentation made to Analysts/ Investors on the financial results for the quarter and half year ended on June 30, 2018.

The presentation is also available on the website of the Company i.e. www.rsystems.com.

This is for your information and records.

Thanking you,

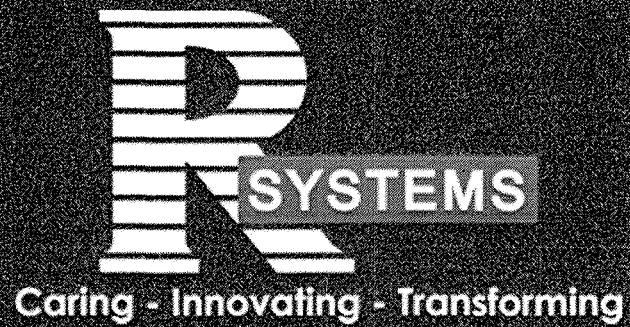
Yours faithfully,

For R Systems International Limited



Bhasker Dubey
(Company Secretary and Compliance Officer)





Analytical Review of Q2 2018 Results

Disclaimer



“Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”

Key Highlights – Q2 2018



- Revenue Rs. 168.84 crores (US\$ 25.28 mn). YoY increase 14.14% and QoQ Increase 10.93%.
- EBITDA Rs. 12.03 crores (US\$ 1.81 mn). EBITDA as % of revenue was 7.12% as against 4.00% in Q2, 2017 and 4.53 % in Q1, 2018.
- Profit After Tax Rs. 8.94 crores (US\$ 1.35 mn) compared to Rs. 5.10 crores (US\$ 0.80 mn) in Q2, 2017 and Rs. 3.85 crores (US\$ 0.60 mn) in Q1, 2018.
- Earnings per share of Re. 0.73 as against Re. 0.41 in Q2, 2017 and Re. 0.31 in Q1, 2018.
- Strong Balance Sheet with:
 - Share Holder Funds - Rs. 280.94 crores or \$ 41.03 mn.
 - Cash & bank balances - Rs. 160.04 crores or \$ 23.37 mn.

Key Highlights (Continues...)



- Telecom and Digital Media contributed ~ 25% share of revenues.
- Serving 22 million dollar plus customers on run rate basis.
- Added 8 key wins during the quarter including leading enterprises and niche technology start-ups to fuel their growth engine with our digital capabilities.
- Added 80 plus technical associates over the quarter and over 230 during H1 2018.
- Margins improved due to revenue growth resultant of enhanced focus on digital offerings coupled with rupee depreciation.

Financial Performance - Contribution Analysis – Q2 2018



(Figures in mn)

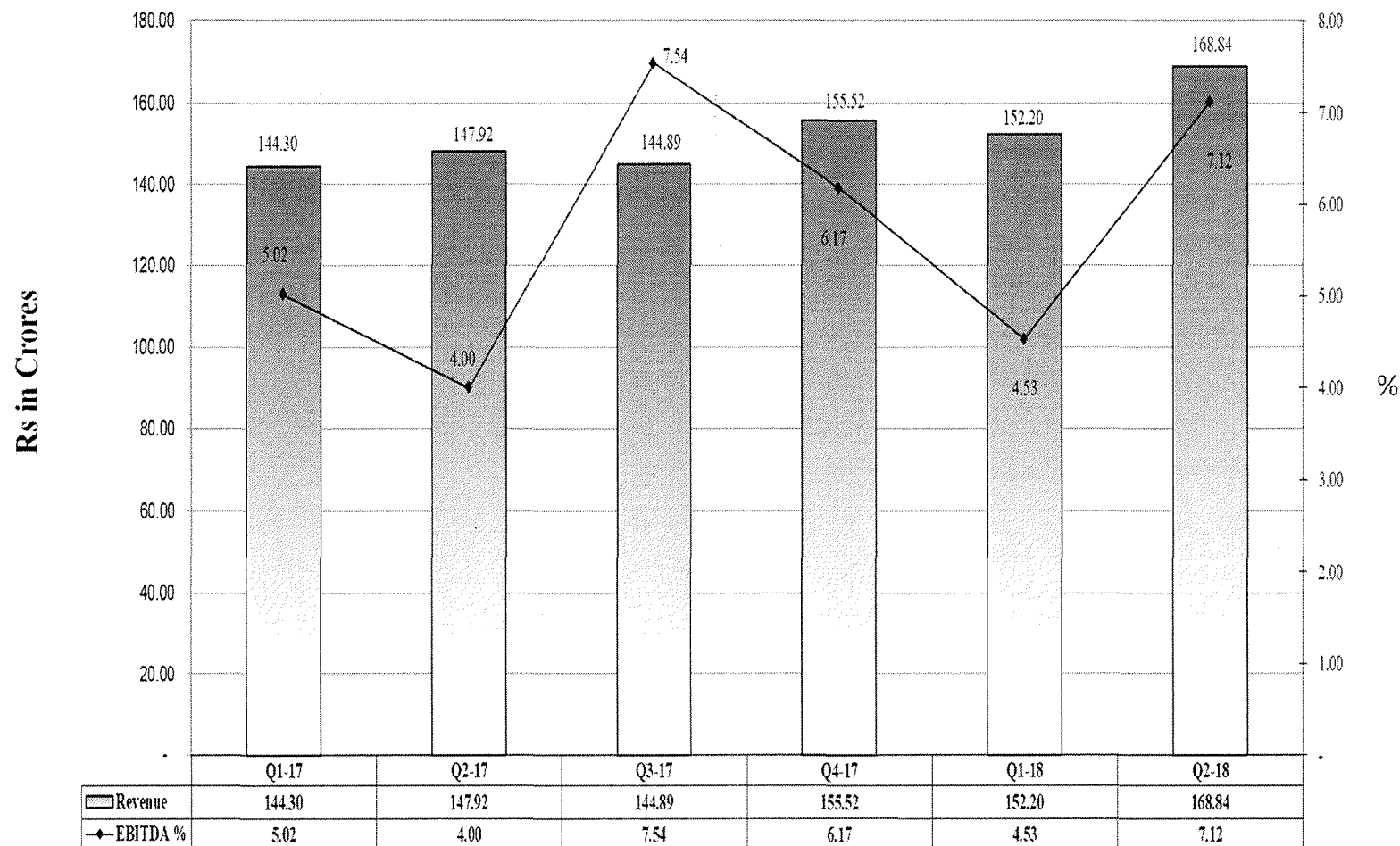
Particulars	Q2 2018		Q2 2017		Q1 2018	
	INR	US\$	INR	US\$	INR	US\$
Revenues	1,688.37	25.28	1,479.24	22.91	1,522.03	23.64
Cost of revenues	1,147.46	17.17	1,025.10	15.88	1,059.68	16.46
Gross margin	540.91	8.11	454.14	7.03	462.35	7.18
SG & A Expenses	32.04%		30.70%		30.38%	
	420.64	6.30	395.03	6.11	393.46	6.11
	24.91%		26.70%		25.85%	
EBITDA	120.27	1.81	59.11	0.92	68.89	1.07
Depreciation and amortization	7.12%		4.00%		4.53%	
	33.60	0.50	34.11	0.53	32.90	0.51
Income from operations	86.67	1.31	25.00	0.39	35.99	0.56
Interest expense	(0.63)	(0.01)	(0.76)	(0.01)	(0.72)	(0.01)
Other income (net)	9.77	0.14	38.06	0.60	19.80	0.31
Income before income tax	95.81	1.44	62.30	0.98	55.07	0.86
Income tax provision	6.38	0.09	11.25	0.18	16.56	0.26
Net earnings	89.43	1.35	51.05	0.80	38.51	0.60

Gross Margins Analysis Q2 - 2018



Movement in Gross Margin % Q2-18 Vs Q1-18	
Gross Margin % in Q1-18	30.38
Impact due to rupee depreciation	0.76
Impact of improved offshore utilization	0.48
Impact of one time gratuity limit increase in Q1	0.42
Gross Margin % in Q2-18	32.04

Revenues and Margins, Historical Trend



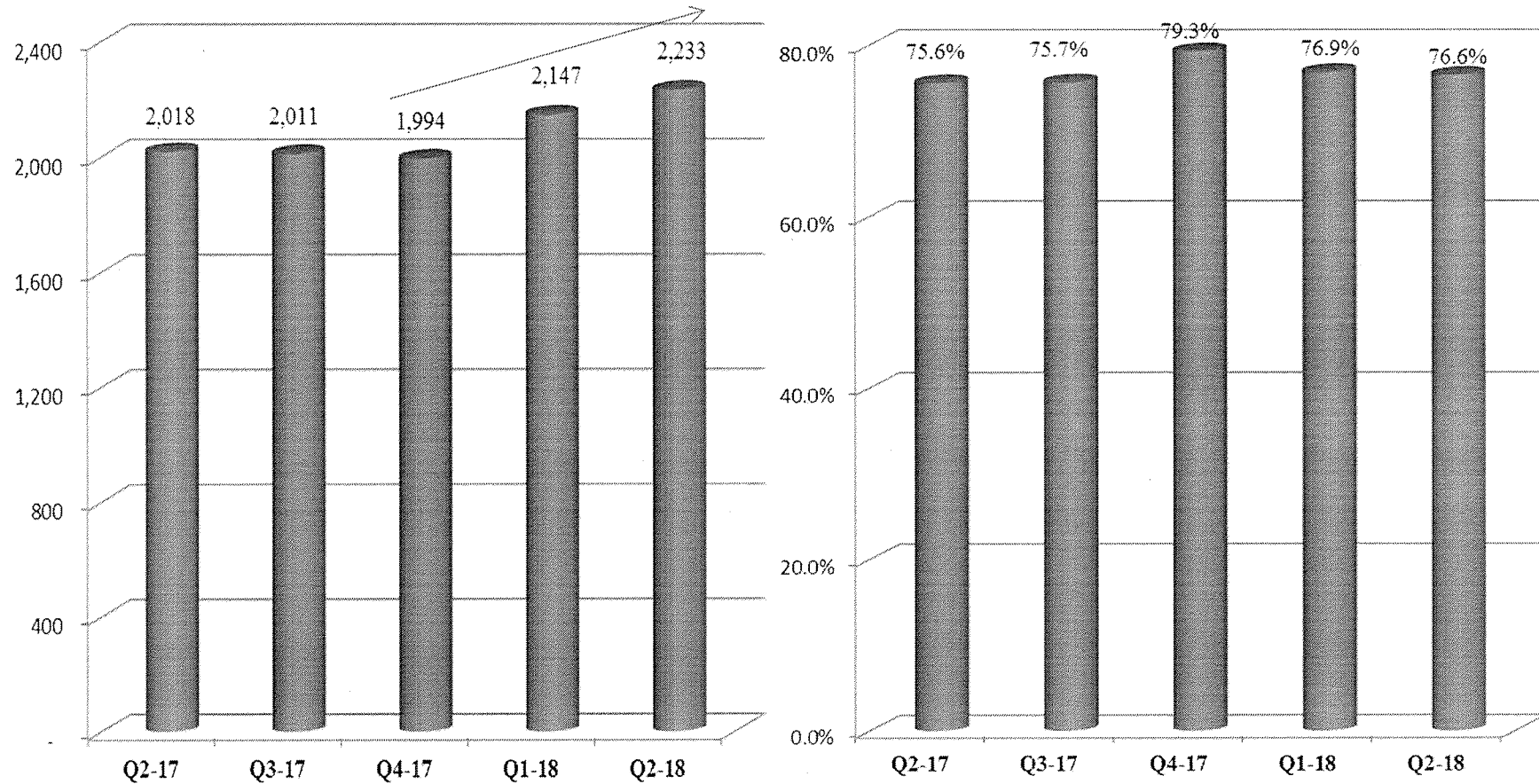
Consolidated Key Balance Sheet Data



Rupees in Crores except "DSO"

	As at Jun 30, 2018	As at Mar 31, 2018
Share Holders' Funds	280.94	277.67
Receivables	121.99	114.21
Receivables in days "DSO" for the quarter	65	72
Cash & Bank	160.04	171.86
Fixed Assets	35.17	35.14

Billable Head Count and Utilization

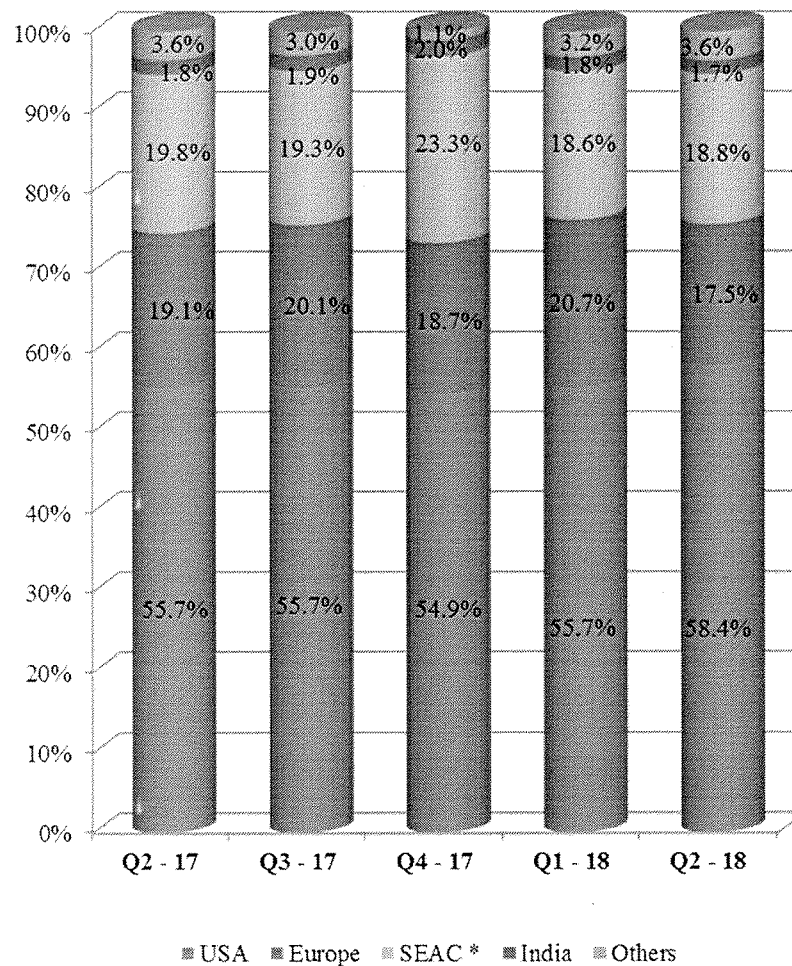


Added 239 technical count during H1- 2018

Yearly Revenue Break-Down

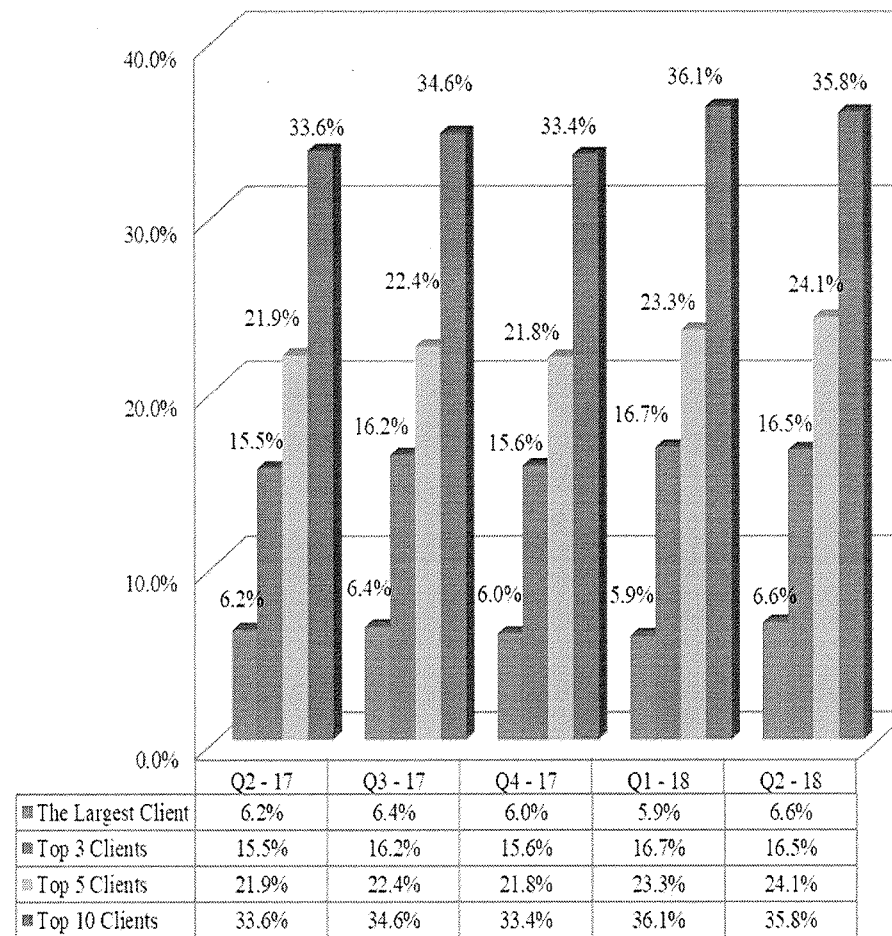


By Geography



* South East Asian Countries

Client Concentration



- Satisfactory H1 2018 where revenue grew 10% YoY.
- Our investment in digital is yielding visible results in terms of revenue growth and strong sales pipe line.
- Q2 witnessed margin improvement. Confident to improve it further by discipline in execution and continued growth momentum.
- Continued Focus for H2-2018:
 - Partnering with clients in building robust and agile solutions;
 - Strengthening offerings around digital technologies;
 - Software engineering to be the driver for profitable growth;
 - Strong balance sheet to invest for future growth.

Contact Information



Nand Sardana

Chief Financial Officer

Tel # 0120 – 4303506

Email: nand.sardana@rsystems.com

Kumar Gaurav

AVP Finance & Accounts

Tel # 0120 - 4082650

Email: kumar.gaurav@rsystems.com

Bhasker Dubey

Company Secretary & Compliance Officer

Tel # 0120 - 4082633

Email: bhasker.dubey@rsystems.com

Thank You
For Your Support