

August 13, 2019

To
BSE Limited
The National Stock Exchange of India Limited

Dear Sir/Madam,

Sub: Subex Limited “The Company”-Investor presentation Q1 FY20 for Earnings Call on August 14, 2019

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Investor presentation for Q1 of FY 20, which will be presented by the Company at the Earnings Call scheduled to be held at 4.30 PM (IST) on Wednesday, August 14, 2019.

Kindly broadcast the same on your website on August 13, 2019.

Thanking you.

**Yours truly,
For Subex Limited**



**G V Krishnakanth
Company Secretary & Compliance Officer**

Subex Limited

CIN - L85110KA1994PLC016663

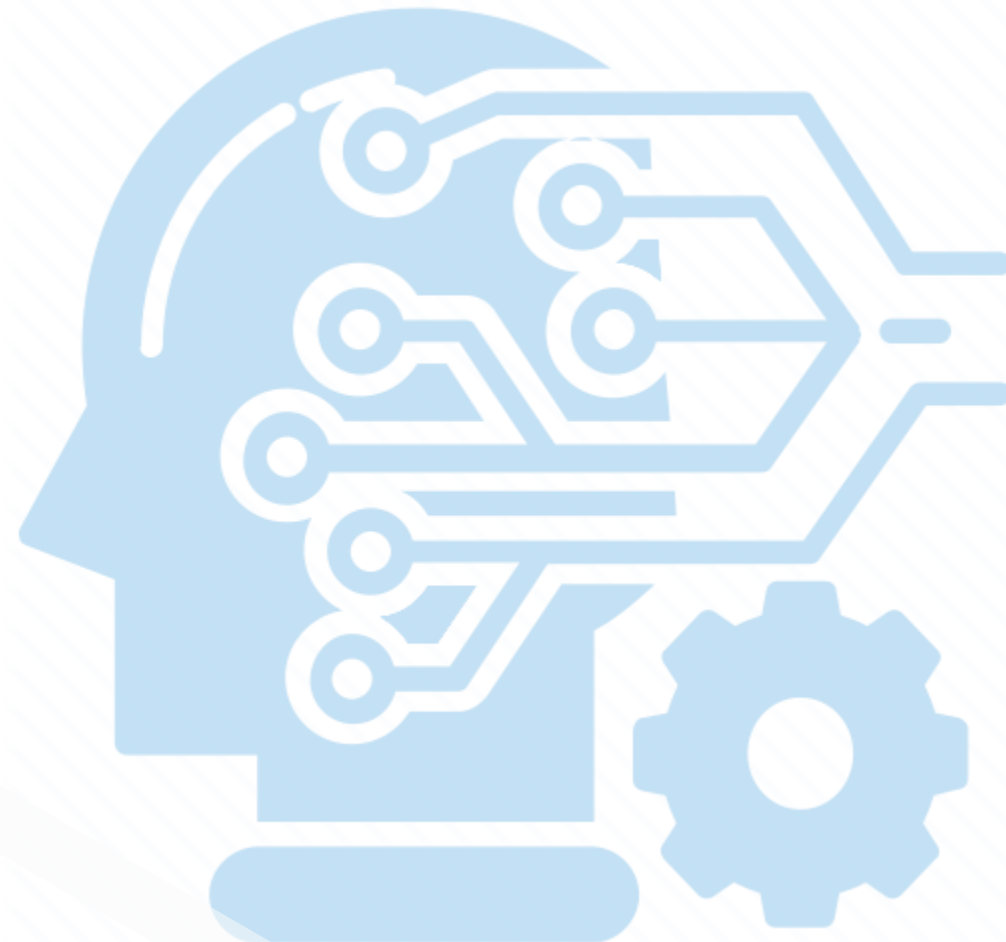
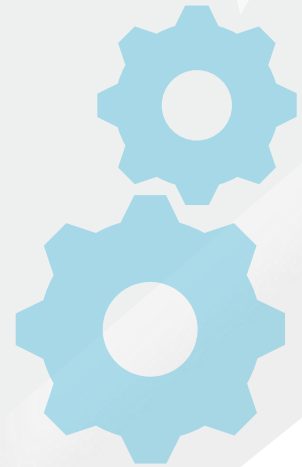
Registered Address: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103, India



Subex Limited

Investor Presentation – Q1FY20

August 13, 2019



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
- Strategy & Investment Rationale
- Financial Performance
- Quarterly Updates
- Awards & Recognitions





Company Overview

Snapshot

Nature of Business

- Leading telecom analytics solution provider
- Pioneer in enabling Digital Trust for businesses globally
- Focus on privacy, security, risk mitigation, predictability and confidence in data

Management

- Managed by handpicked professionals from a cross-section of the industry
- Supported by an experienced second in line management team

Products

- Revenue Management
- Network Management
- Partner Management
- IOT Security

Financial Performance FY19

REVENUE



₹ 3,481 Mn

↑ 7.3%

EBITDA



₹ 514 Mn

Margin

14.8%

PAT



₹ 252 Mn

↑ 21.7%

Subex Today



1994
Foundation of Company



Years of Experience



800+
Employees



300+
Global Installations



90+
Countries



200+
Customers Globally



35+
Industry Awards



US\$ 2 mn
R&D spend in new areas



US\$ 55 mn
Order Book in FY19

Vision Statement

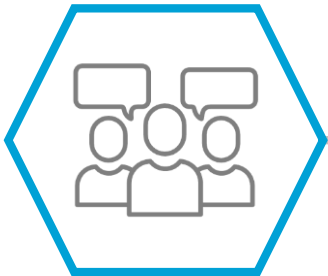
PURPOSE

Experience the thrill of unlocking possibilities

VISION

Unlocking possibilities by being the World Leader in digital trust

OUR VALUES



THINK CUSTOMER



MAKE IT HAPPEN



DELIVER VALUE



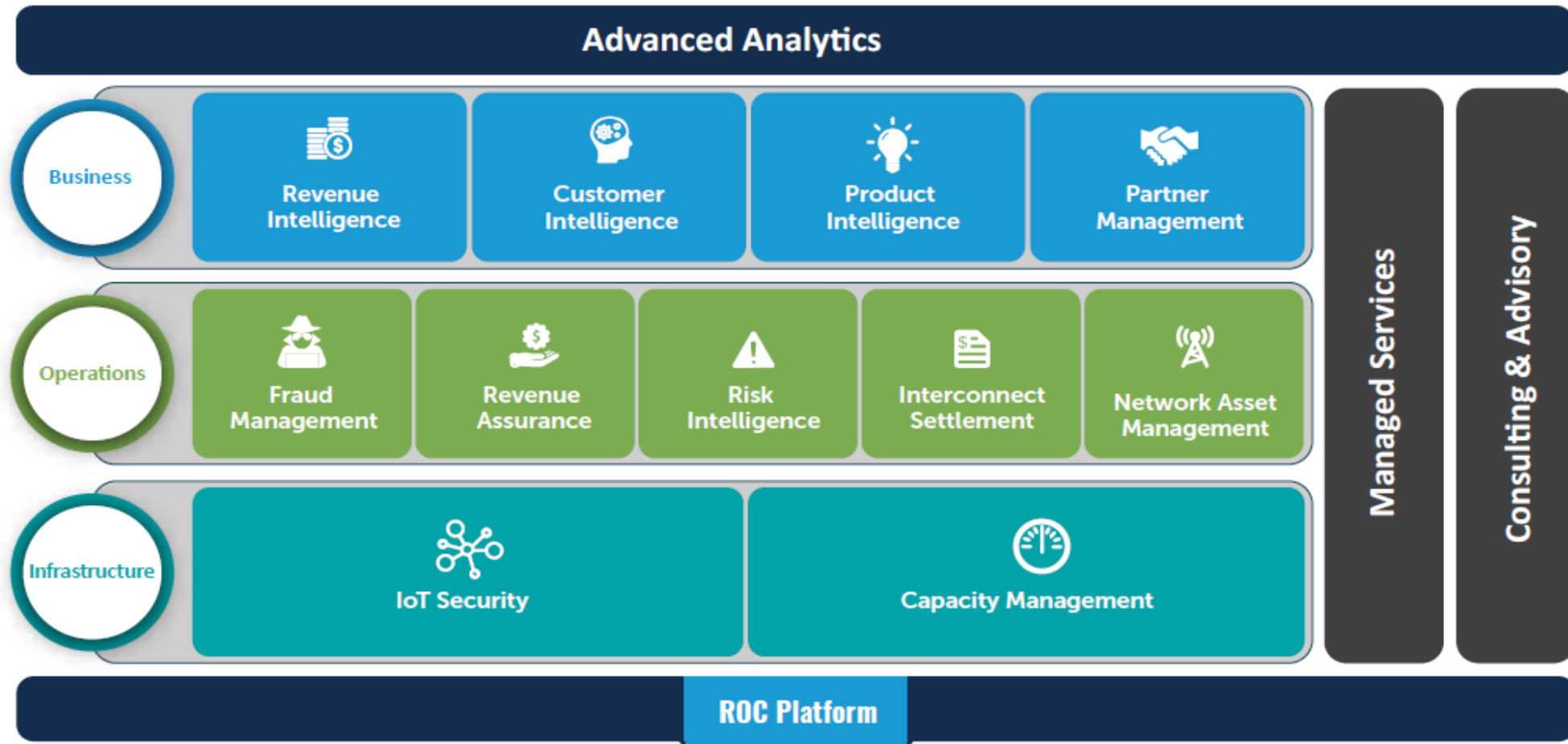
BE OPEN. BE FAIR.



WIN TOGETHER

Largest & most trusted player in digital trust as measured by number of devices, users and amount of data transactions

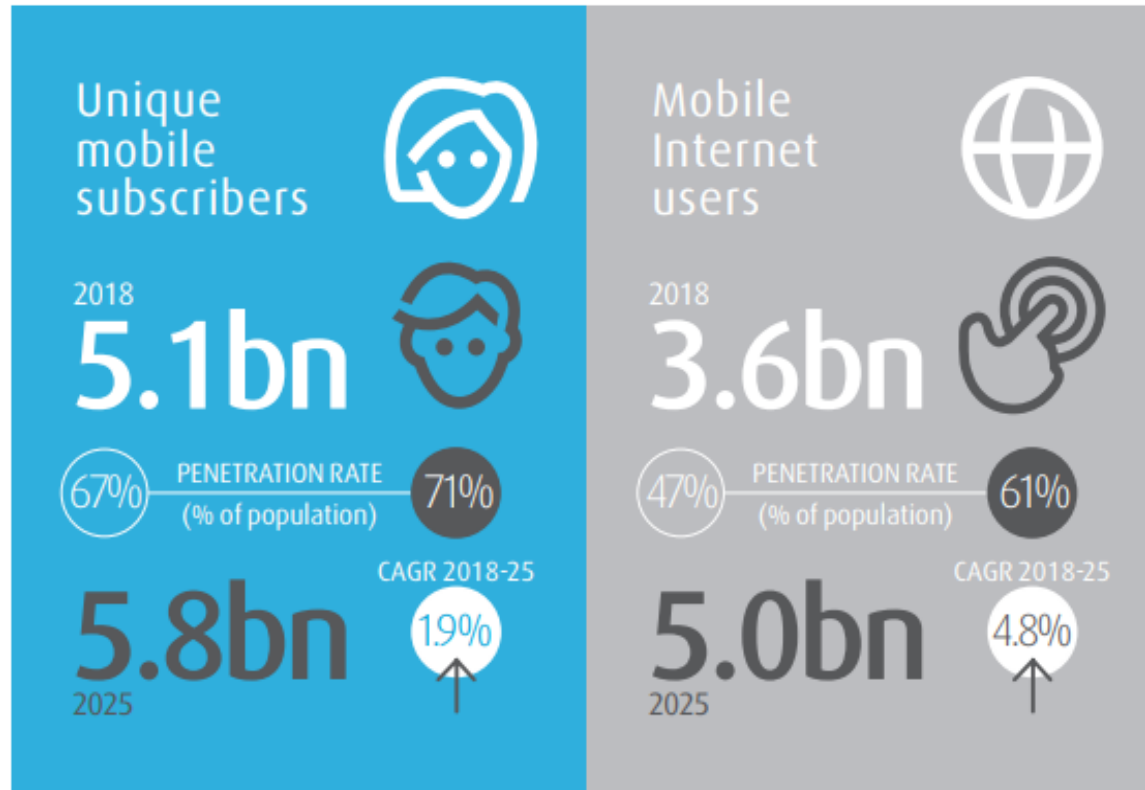
What we do?



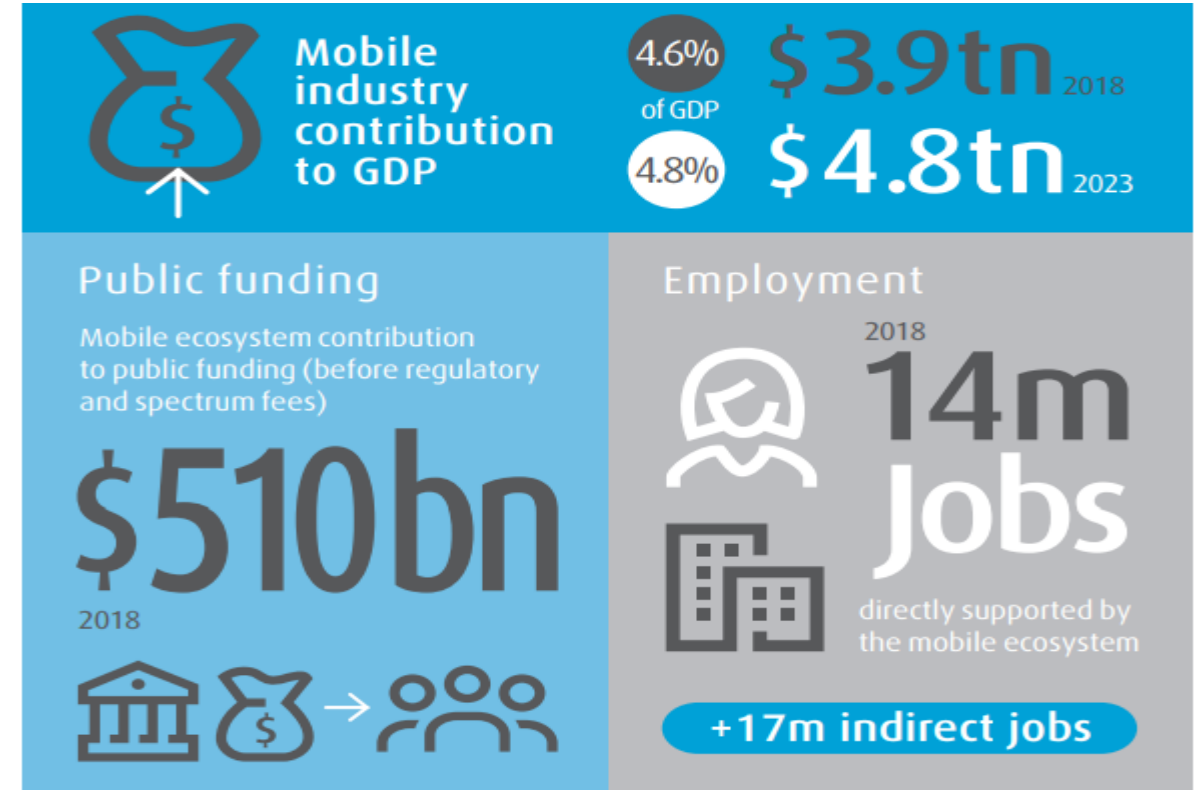
- By leveraging data which is gathered across networks, customers, and systems coupled with its domain knowledge and the capabilities of its core solutions, Subex helps CSPs to drive new business models, enhance customer experience and optimize enterprises

Communication Service Providers (CSPs) Industry

A major share of CSP industry is focused on the mobile market and Subex will focus on the mobile market as well as the other interconnected areas that make up the ecosystem



Source: GSMA Report 2019

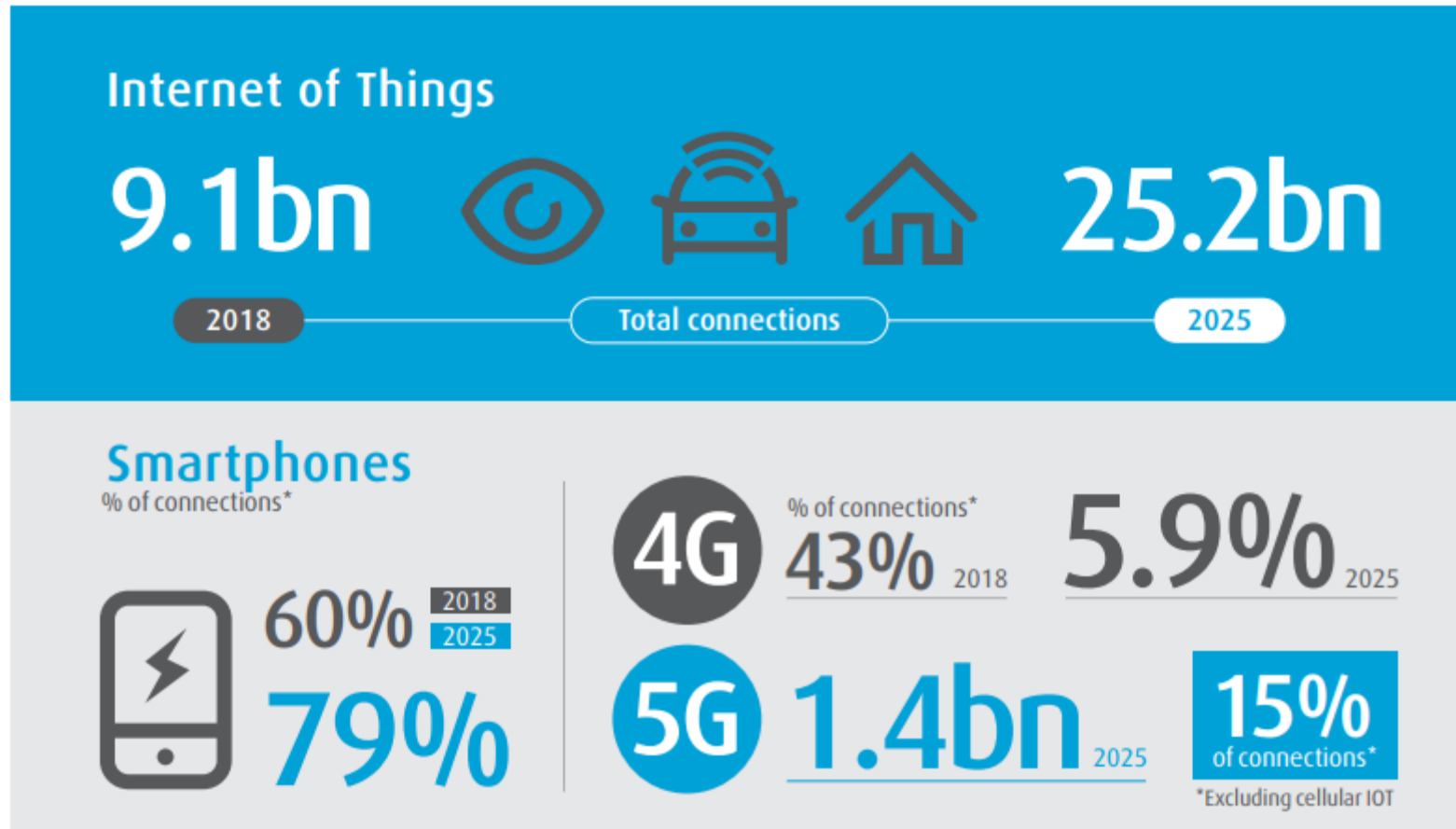


Source: GSMA Report 2019

As per GSMA report, by 2023 mobile's contribution will reach \$4.8 trillion as countries around the globe are increasingly benefit from the improvements in productivity and efficiency brought by increased take-up of mobile services

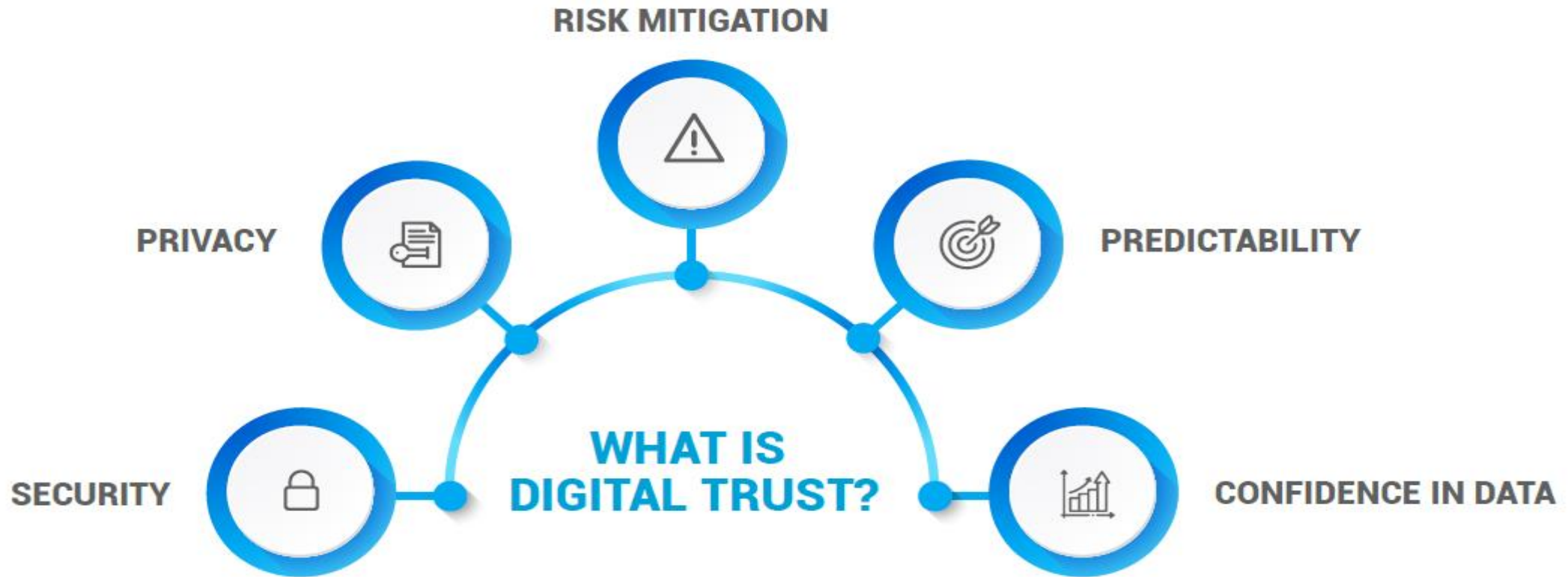
Internet of Things (IoT) will be Omnipresent

The number of IoT connections (cellular and non-cellular) is expected to triple worldwide between 2018 and 2025 to reach 25 billion



As 4G-5G connections would give significant opportunities for telcos to offer digital services, there is a very good opportunity for Subex to offer its risk and security portfolio for these services

Subex – Partner for Digital Trust



- Subex is now at the forefront of enabling Digital Trust for the telco ecosystem
- It helps businesses thrive by leveraging Digital Trust as a competitive advantage.



Strategy & Investment Rationale

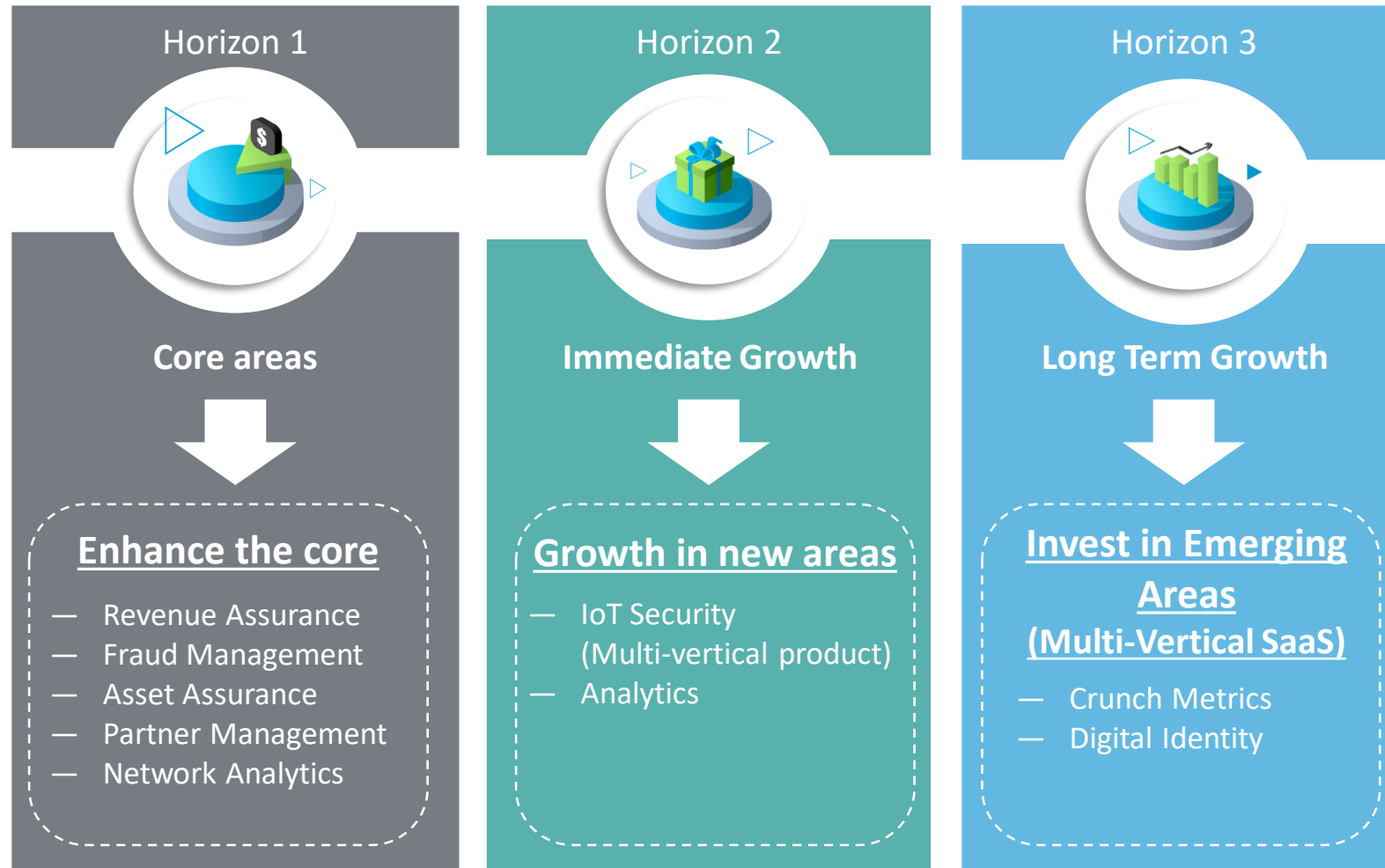
Focus Areas



Vibrant Subex



3 Horizon Strategy for Growth



Successful execution of strategy will create substantial value for all stakeholders

FY20 Plan - Focus on execution of growth strategy

HORIZON 1

- **Protect** – Leverage Product / Domain
- **Grab** – Aggressive replacement by leveraging partners
- **Grow** – Leverage Consulting capabilities. Go “Deep and Wide”

HORIZON 2

- From Incubation to Scaling
- Product Enhancement and Markets Expansion



HORIZON 3

- **CrunchMetrics**
 - Establish presence in eCom & FinTech
 - Strengthen product for multi-vertical
- **Digital Identity**
 - Launch and establish as a key player in this space

Growth Drivers

Horizon 2 and 3

- Allow Subex to adopt subscription - based revenue model

Digital trust

- Emerging pillar of digital economy

Growth Drivers

Growth in Digital Security Market

5G and its opening up of the economy across several spheres

Investment Rationale

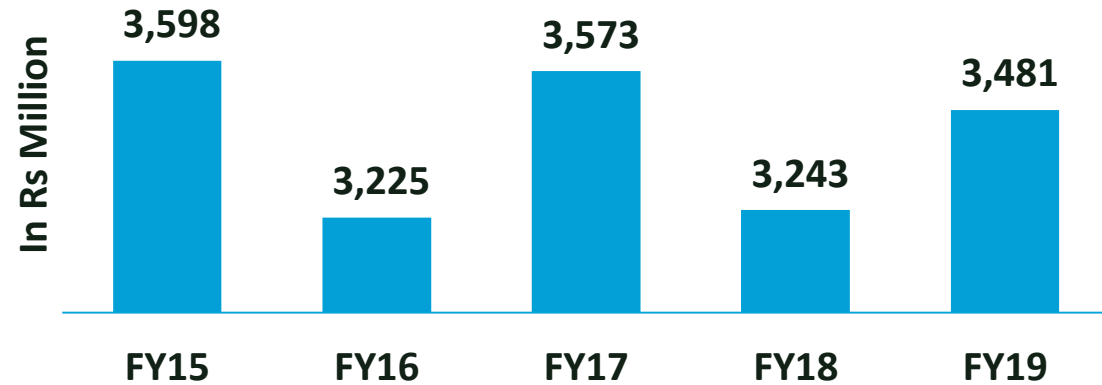
- ❑ Leader in Digital Trust space and help businesses thrive by leveraging Digital Trust as a competitive advantage
- ❑ Making strong inroads in the multi vertical IoT Security space; IoT Security Market is expected to touch US\$ 4.5 billion by 2022
- ❑ Incubating virtual startups within the organization to diversify into new areas and verticals
- ❑ Sticky Revenue Model with long client relationship
- ❑ Investing heavily in newer areas like Digital Trust and AI/ML, Deep learning based anomaly detection
- ❑ Passionate and committed team led by new CEO Vinod Kumar with clear focus to put the company on growth track
- ❑ Zero debt with operating cash flow of Rs 55 Crore
- ❑ New initiatives expected to impact revenue growth starting FY20



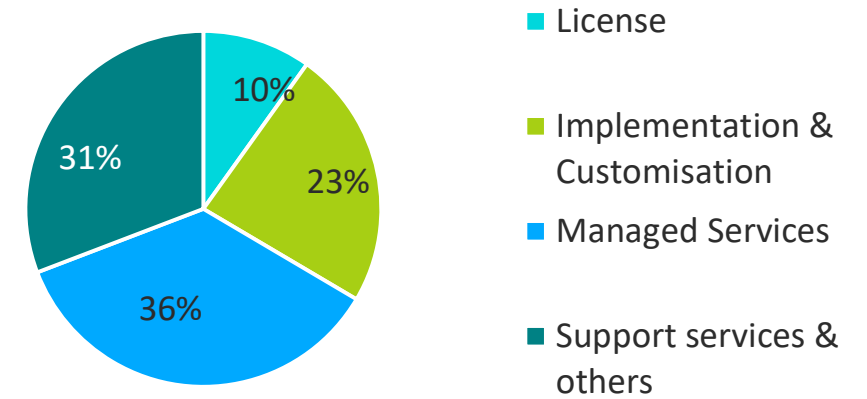
Financial Performance

Financial Summary

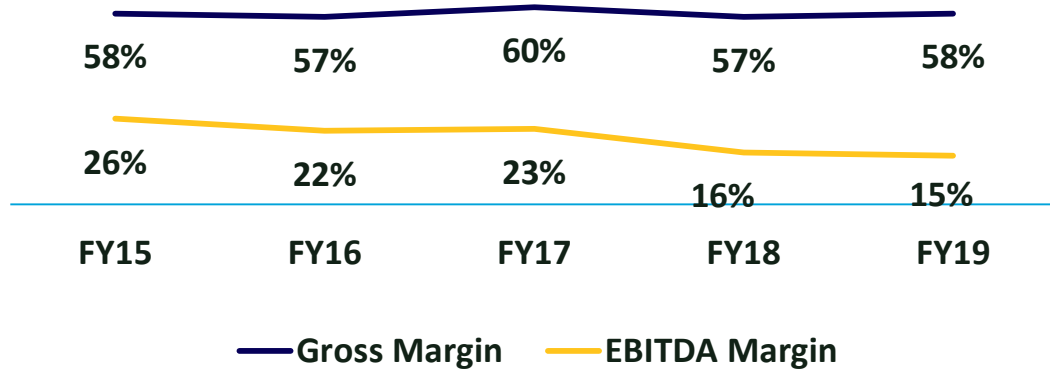
Revenue



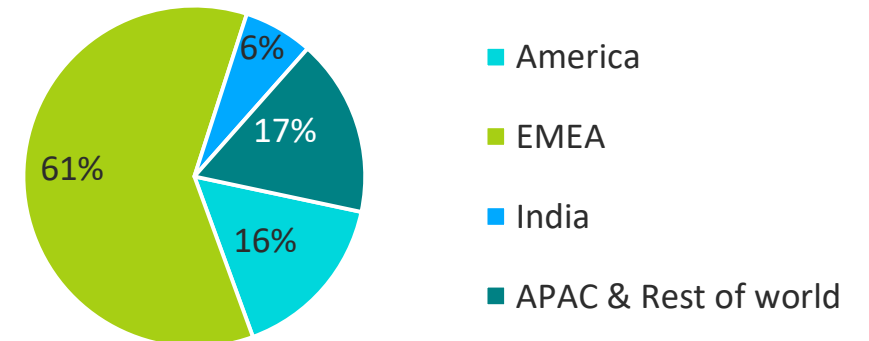
Revenue by Services



Gross Margin (%) and EBITDA Margin (%)



Revenue by Region



Financial Performance – FY19

*Amount in Rs
Million*

Particulars	Consolidated			
	FY 19	FY 18	FY 17	FY 16
	2018-19	2017-18	2016-17	2015-16
Income				
Revenue from operations	3,481	3,243	3,573	3,225
Other income	10	14	115	18
Total income	3,491	3,257	3,689	3,243
Expenses				
Employee benefits expense	1,911	1,747	1,587	1,603
Finance costs	22	78	204	615
Depreciation and amortisation expense	48	52	50	43
Exchange fluctuation (gain)/ loss, net	(17)	165	(70)	52
Other expenses	1,057	988	1,165	899
Total expenses	30,21	3,030	2,936	3,212
Profit before exceptional items and tax expense	471	228	753	31
Exceptional items	-	117	(1,089)	(647)
Net profit before tax expense	471	344	(336)	(616)
Tax expense	219	137	96	127
Total tax expense	219	137	96	127
Net profit for the period/ year	252	207	(432)	(743)

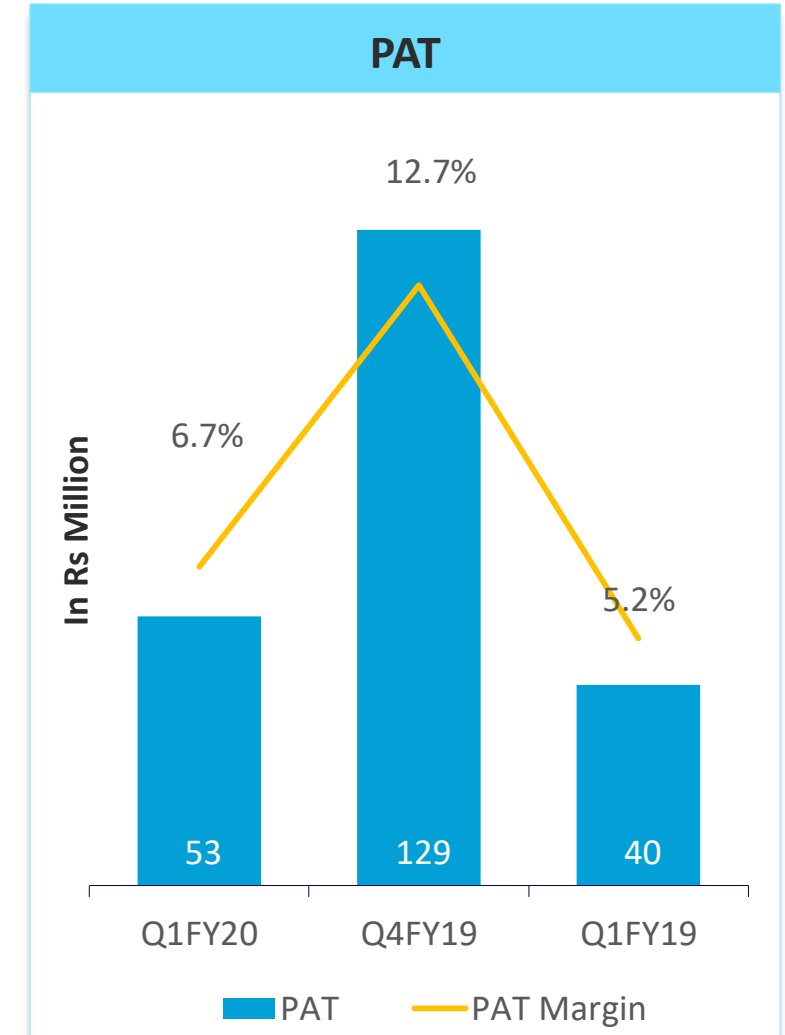
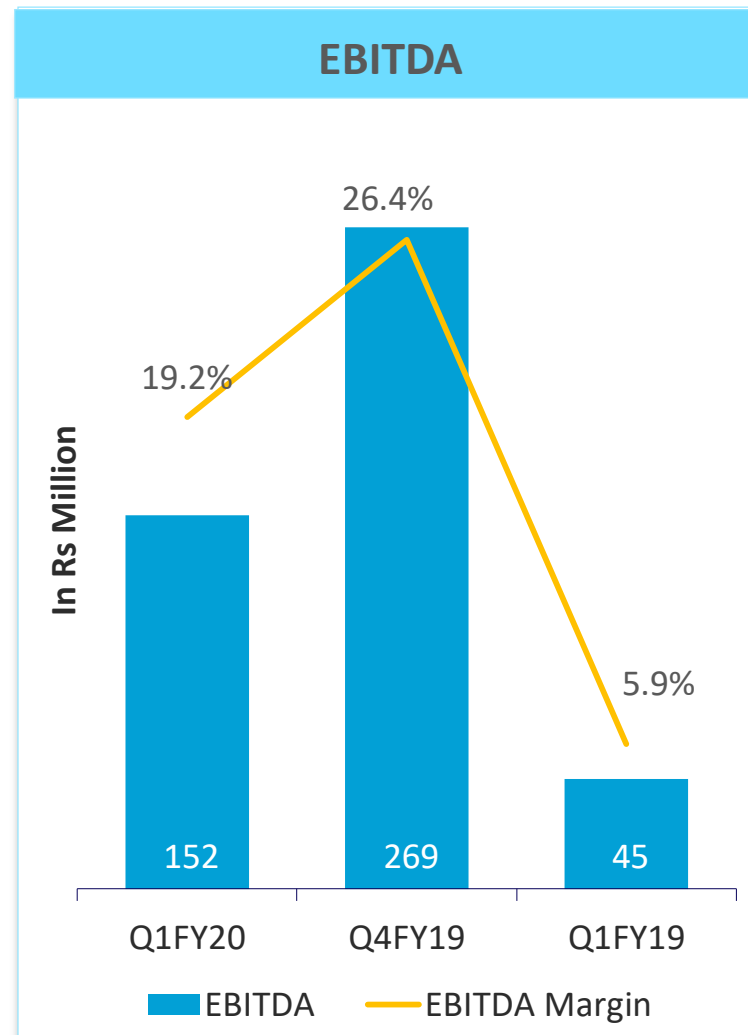
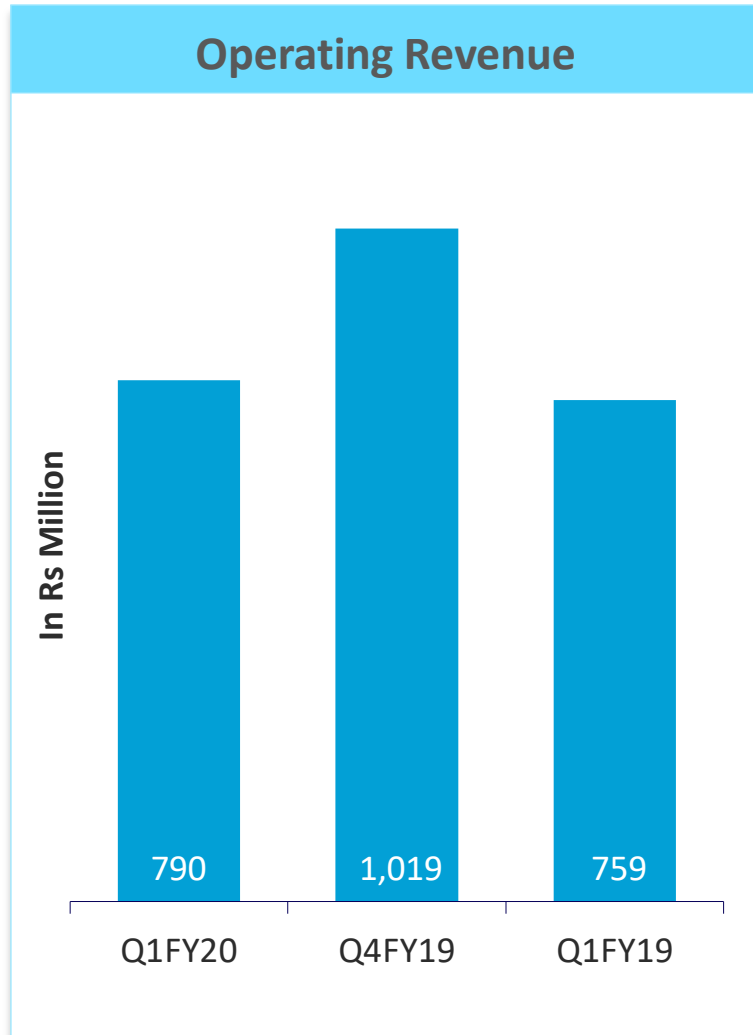


Quarterly Updates

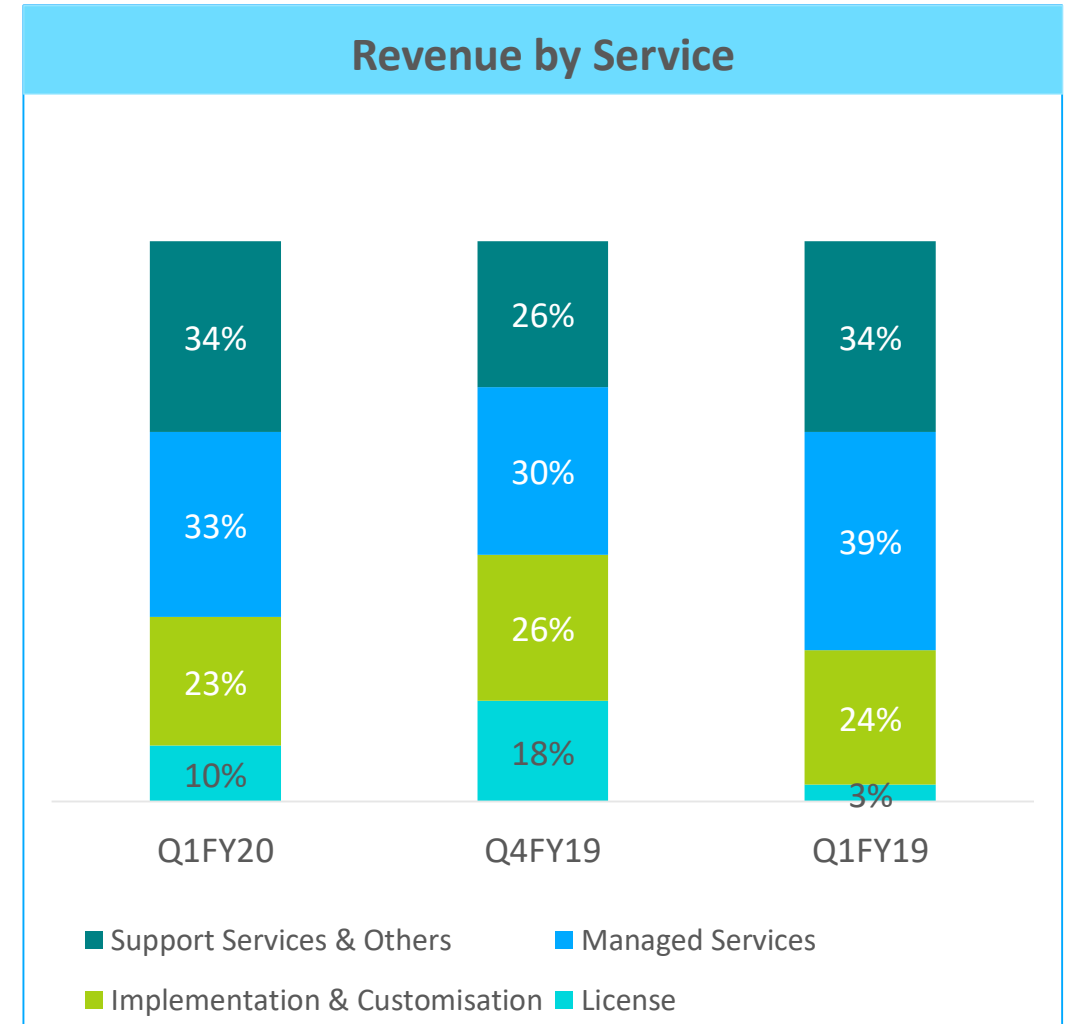
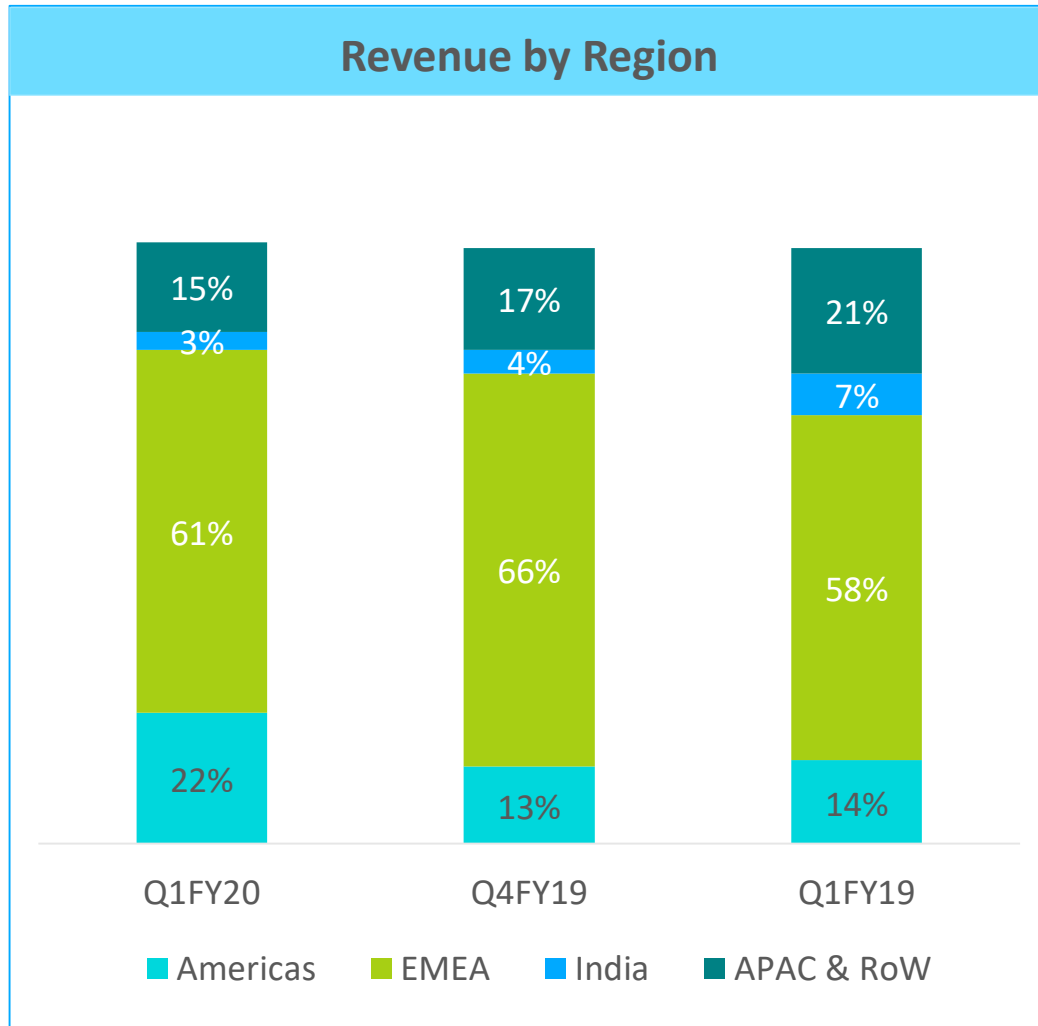
Financial Highlights – Q1FY20

- Q1FY20 Revenue stood at Rs 790 Million as against Rs 759 Million in Q1FY19, up by 4%.
- EBITDA (ex-forex) was at Rs 152 Million, up by 238% on Y-o-Y basis.
- PAT was at Rs 53 Million, up by 33% on Y-o-Y basis.

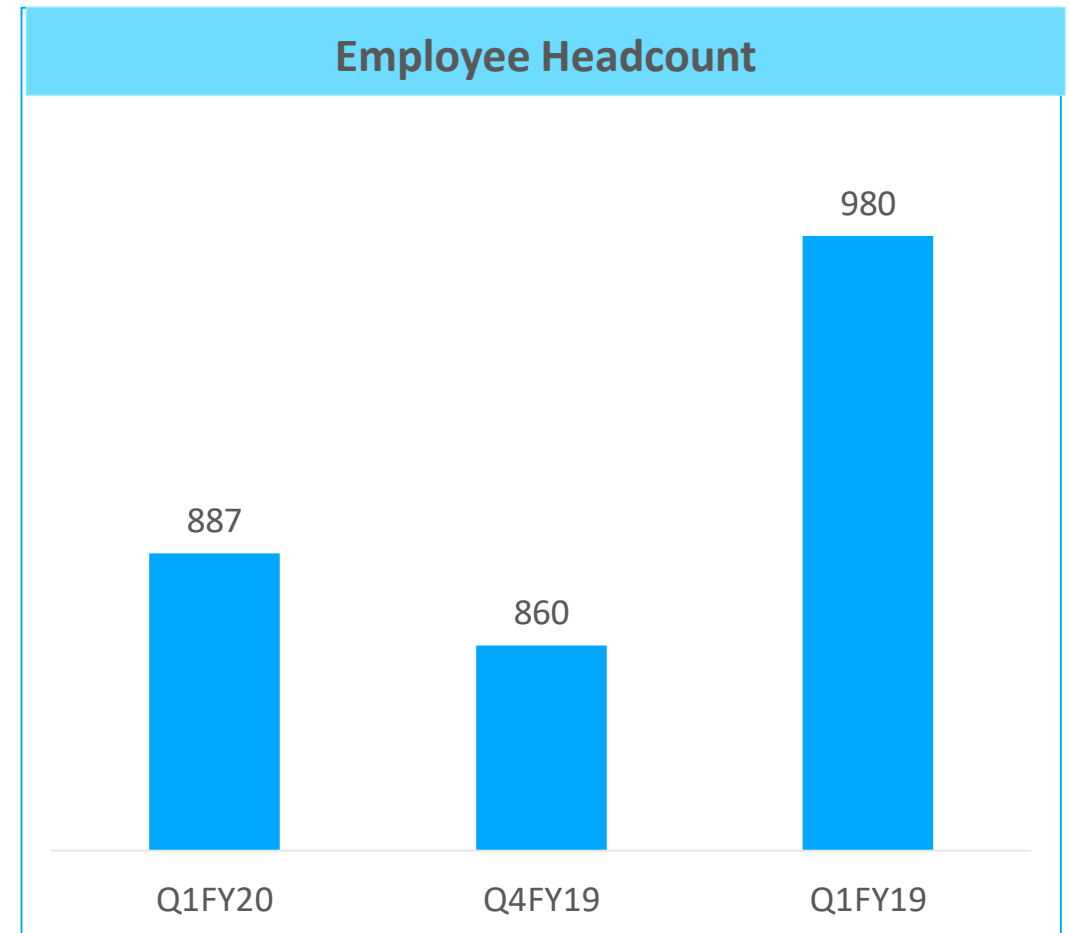
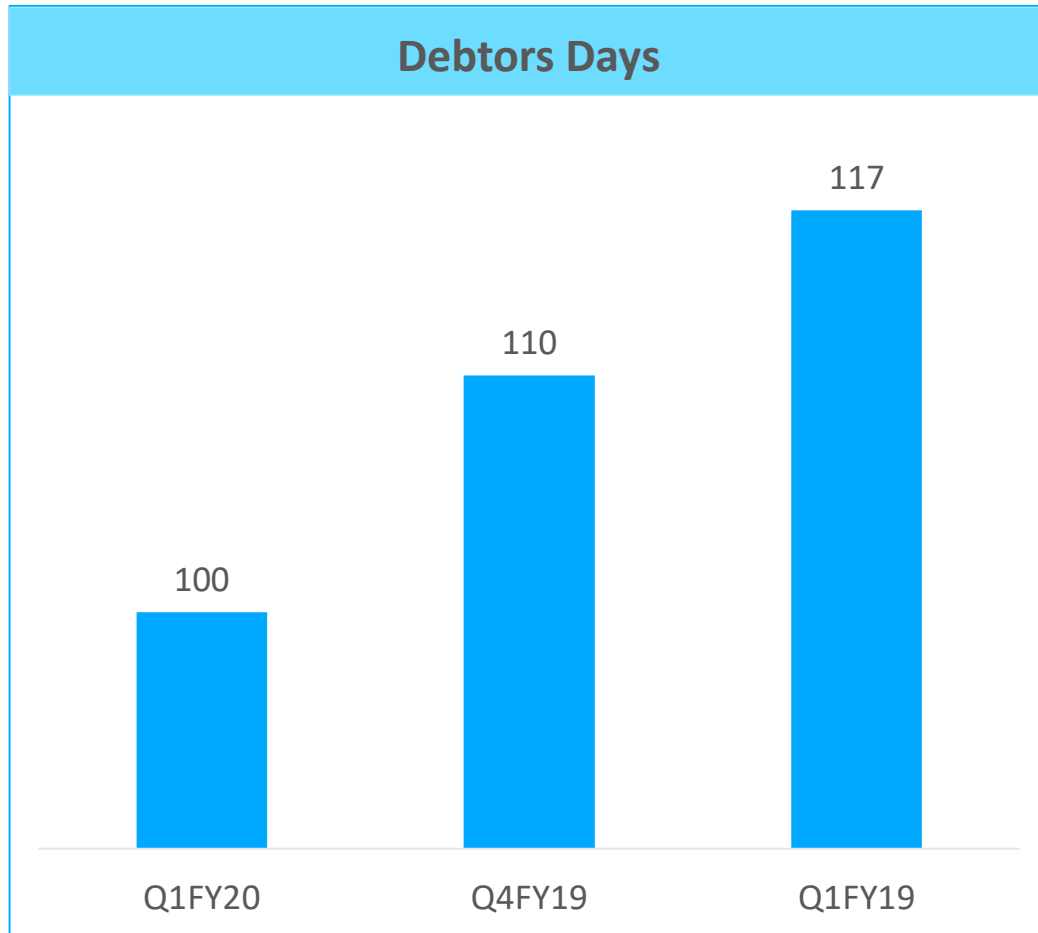
Financial Summary – Q1FY20



Revenue Metrics – Q1FY20



Operating Metrics – Q1FY20



Financial Performance – Q1FY20

**Amount in Rs
Million**

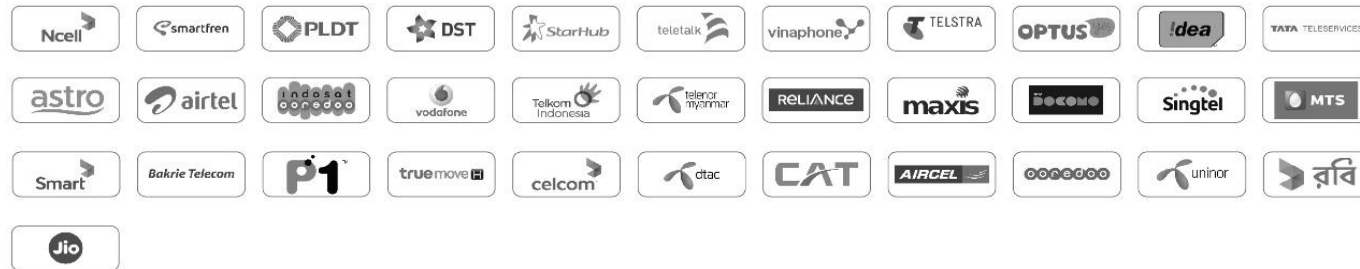
Particulars	Consolidated				
	Q1FY20	Q4FY19	Q1FY19	Q-o-Q	Y-o-Y
	2019-20	2018-19	2018-19	Growth %	Growth %
Income					
Revenue from operations	790	1,019	759	(22%)	4%
Other income	4	4	2	-	100%
Total income	793	1,023	761		
Expenses					
Employee benefits expense	431	488	451	(12%)	(4%)
Finance costs	15	5	6	200%	150%
Depreciation and amortisation expense	37	14	11	164%	236%
Exchange fluctuation (gain)/ loss, net	(26)	51	(53)	151%	(51%)
Other expenses	207	262	264	(21%)	(22%)
Total expenses	664	820	678		
Net profit before tax expense	129	203	82	(36%)	57%
Tax expense	76	74	43	3%	77%
Total tax expense	76	74	43		
Net profit for the period/ year	53	129	40	(59%)	33%

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

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.



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.

Executive Management Team



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



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.

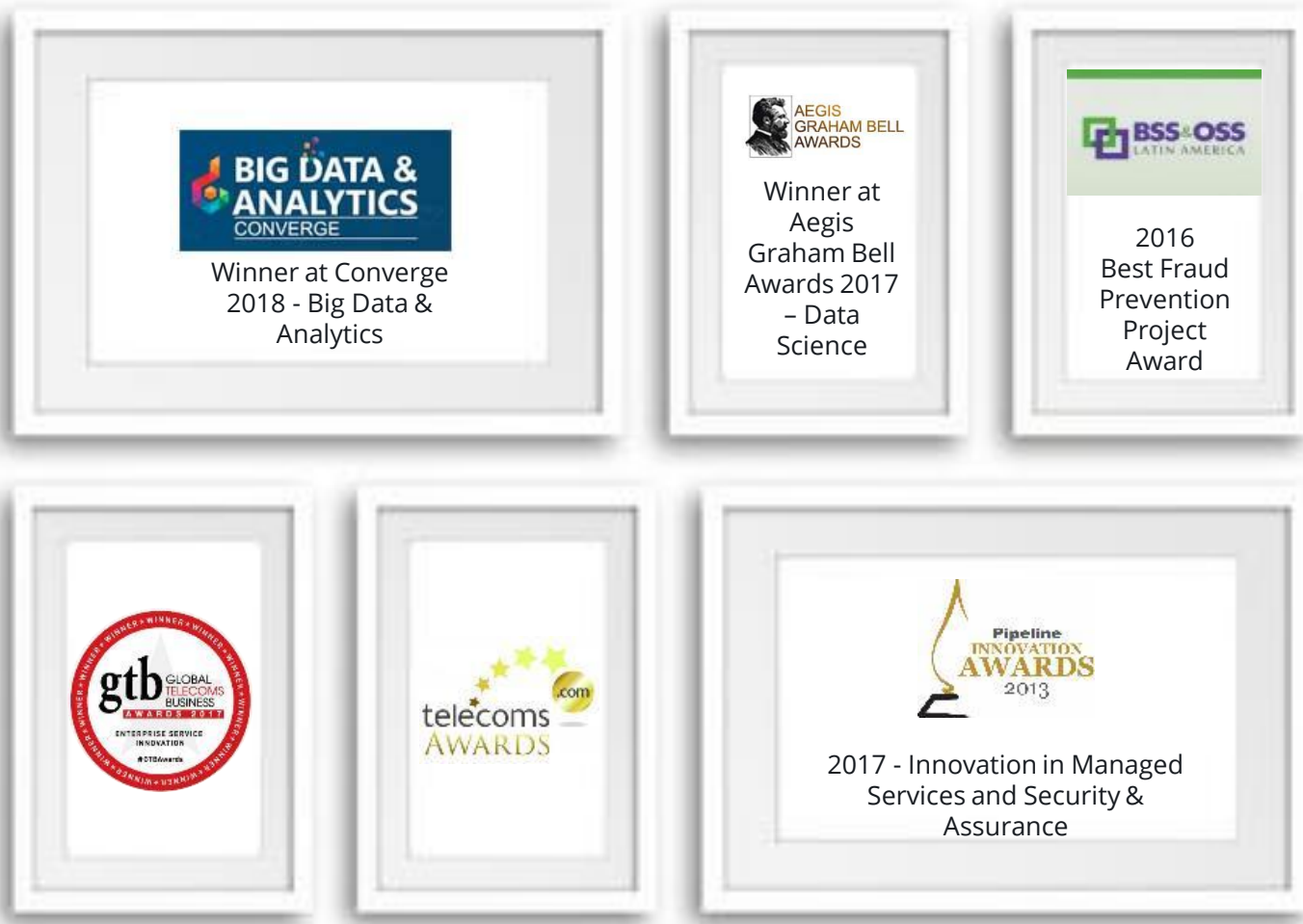


Bhavna Singh

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



Thank You

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