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November 8, 2019

To
The National Stock Exchange of India Limited
BSE Limited
Mumbai, India

Dear Sir/Madam,

Sub: Subex Limited “The Company”- Investor Presentation Q2 FY 20 Earnings call November 11, 2019

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Investor presentation for Q2 of FY 20, which will be presented by the Company at the Earnings Call scheduled to be held at 4.30 PM (IST) on Monday, November 11, 2019.

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

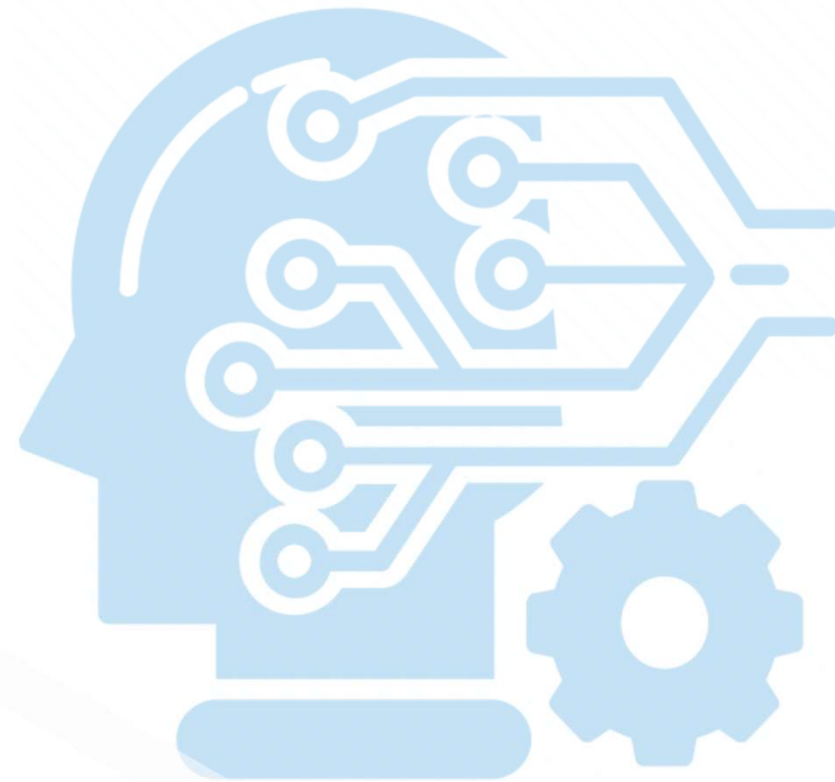
Registered Address: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103,
India



Subex Limited

Investor Presentation – Q2FY20

November 8, 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



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 H1FY20

REVENUE



₹ 1,646 Mn

↑ 0.4%

EBITDA



₹ 332 Mn

Margin

20.1%

PAT

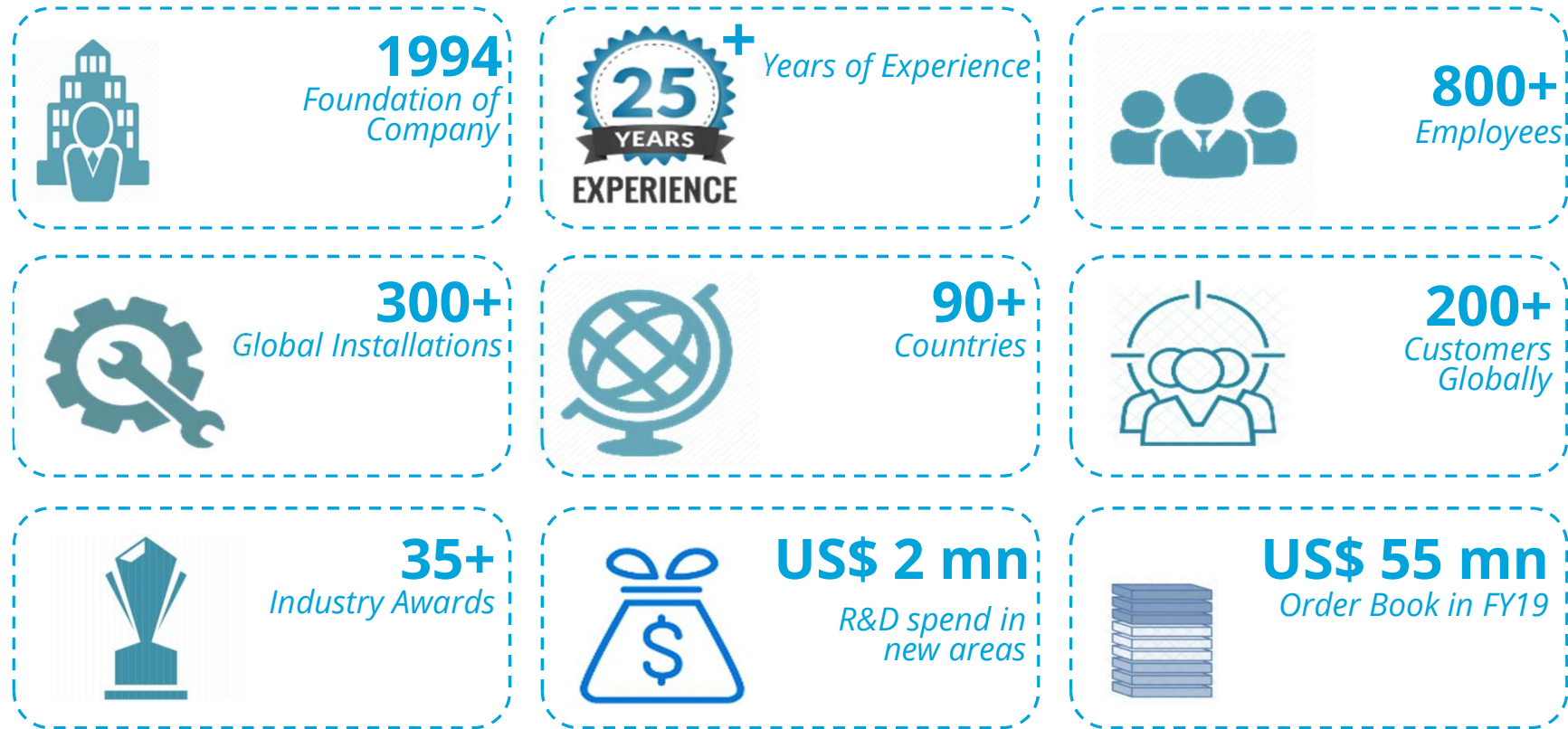


₹ 116 Mn

↑ 13.1%



Subex Today



Vision Statement

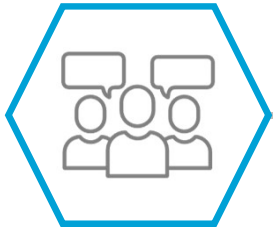
PURPOSE

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



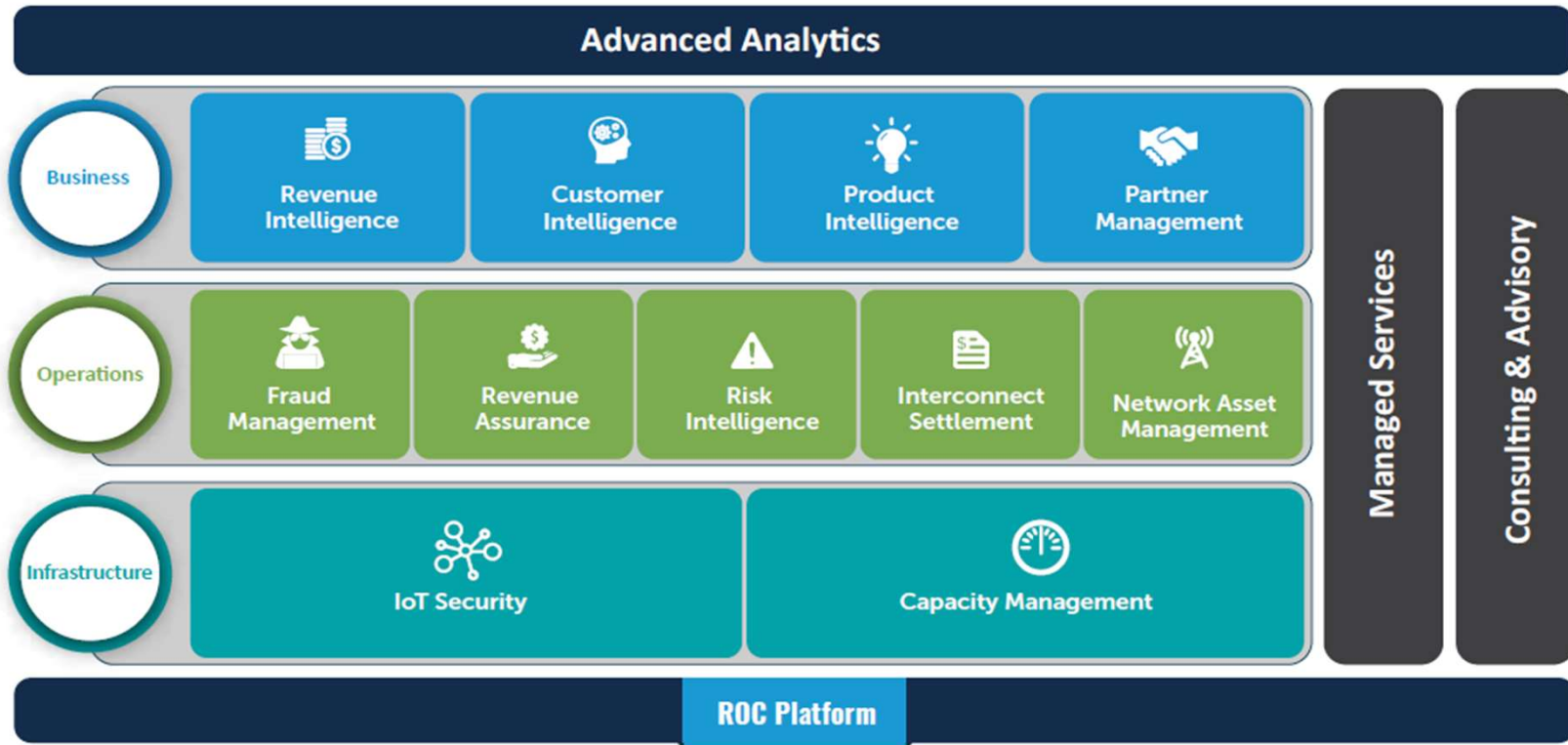
BE OPEN. BE FAIR.



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

Digital Disruption

Unforeseen Risks:

- Cross Industry Competiton
- Unknown-Unknowns



Customer Preferences:

- Instant gratification
 - Personalization
 - Unforgiving
 - Influential



Business Models:

- SaaS
- Crowdfunding
- Mobile-first
- Symbiotic



What does this mean?



New Products and Services



Increase in partners

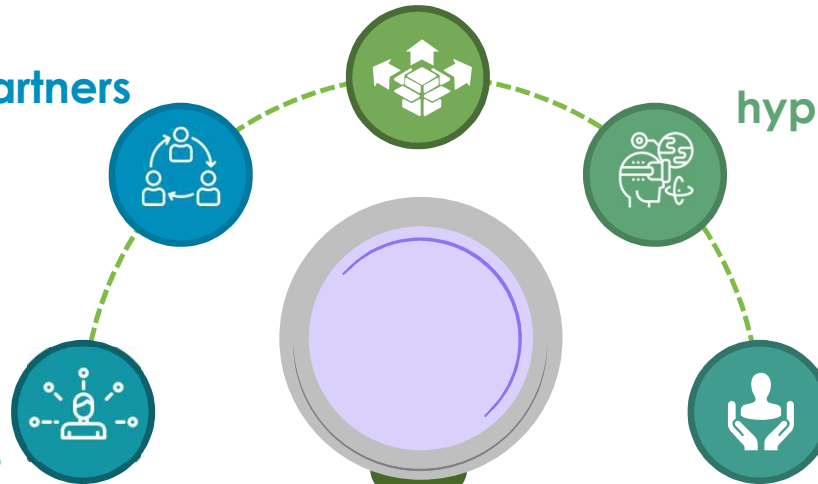
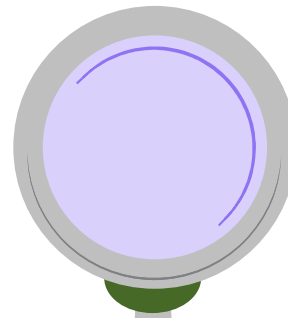
Leverage the hyperconnected world



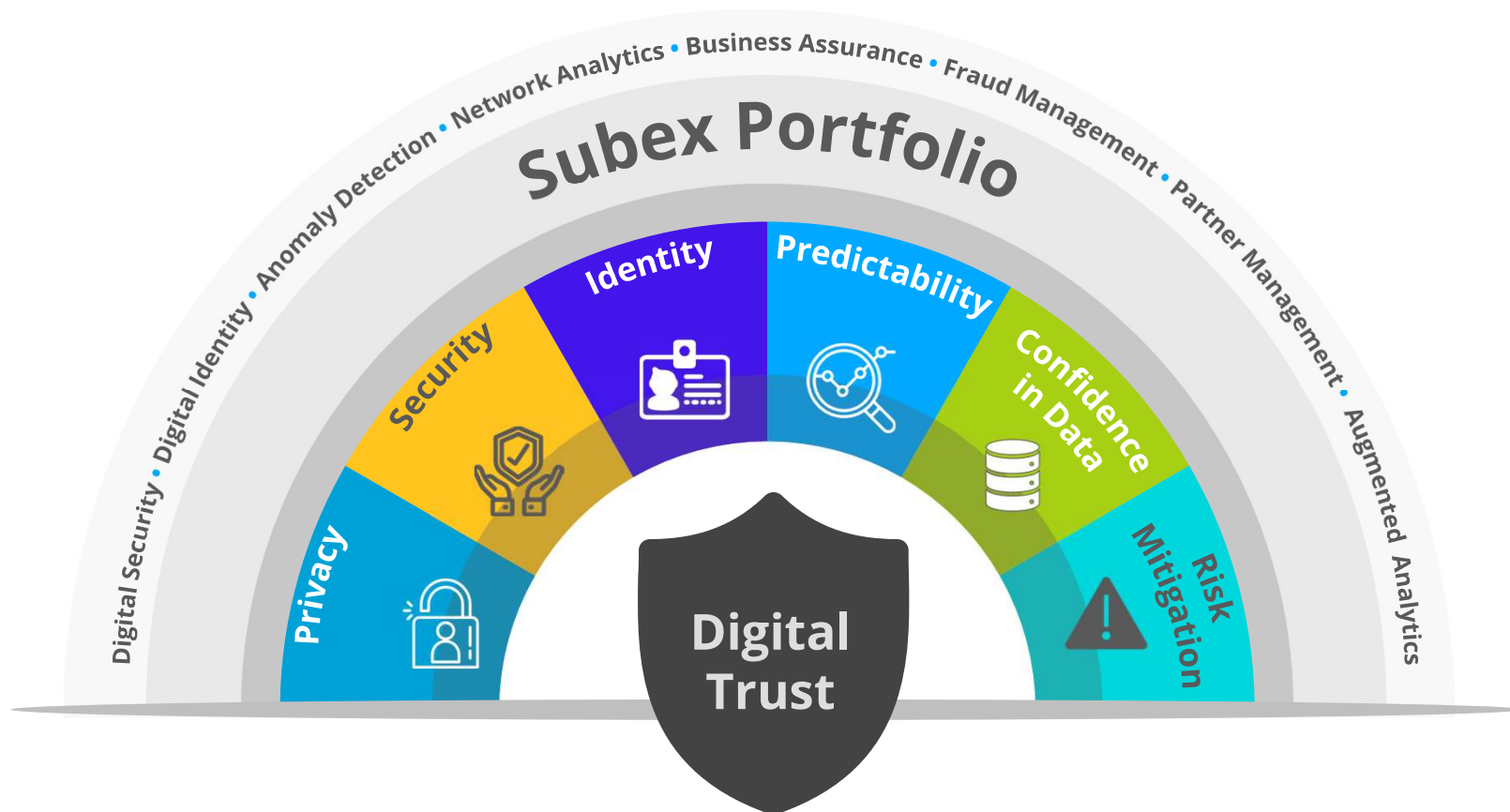
Renewed focus on customer experience



Need for data-driven decisions



Subex – Partner for Digital Trust





Strategy & Investment Rationale

Focus Areas



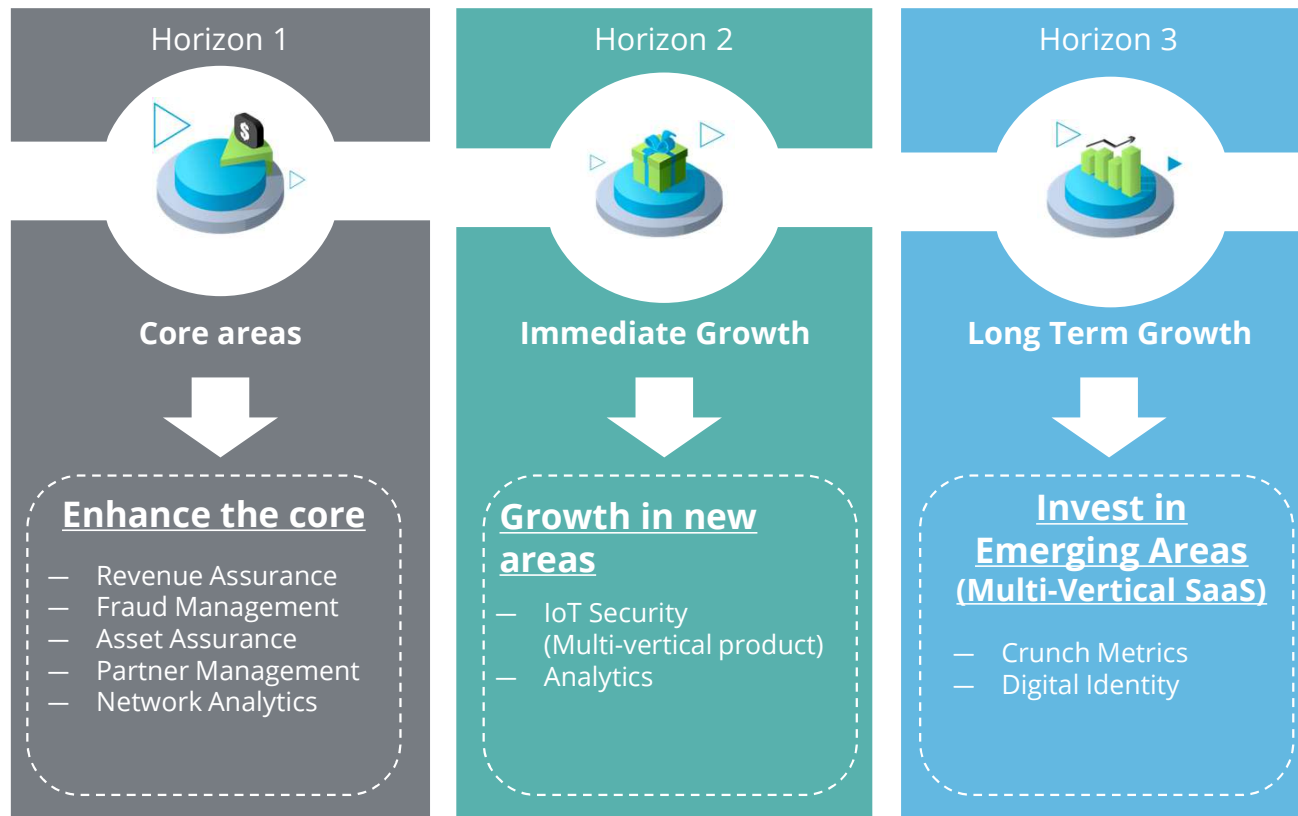
Vibrant Subex



Revenue Growth



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

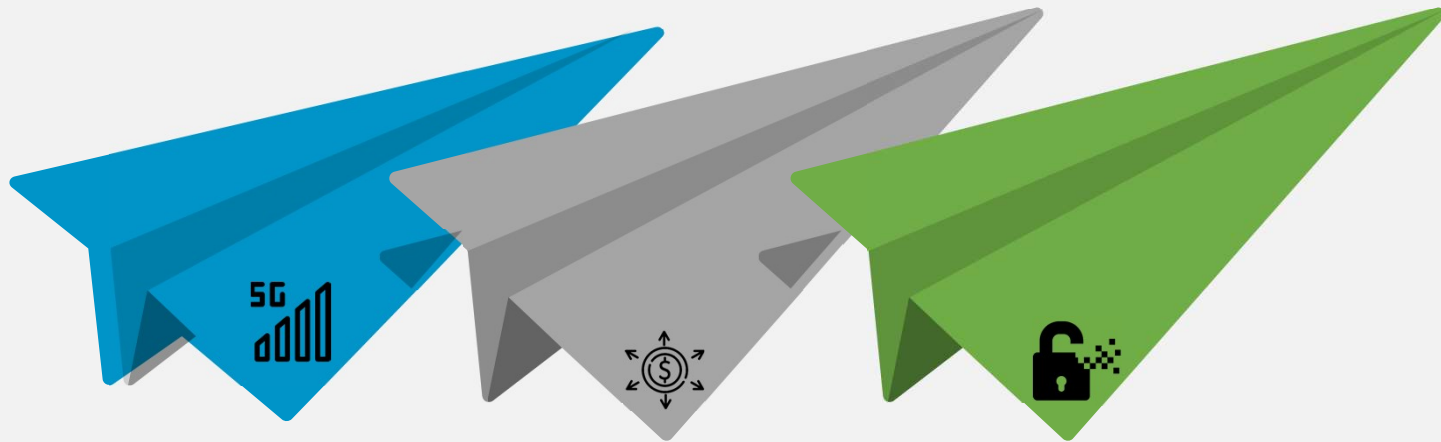
- From Incubation to Scaling
- Product Enhancement and Markets Expansion



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



Increasing Focus
on **5G** and **MEC**

Telcos expanding
**Enterprise
Business**

Growing Importance
Towards **Digital
Security**

Investment Rationale

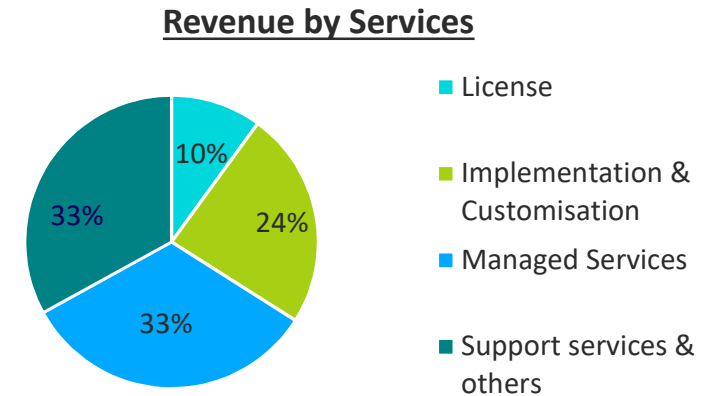
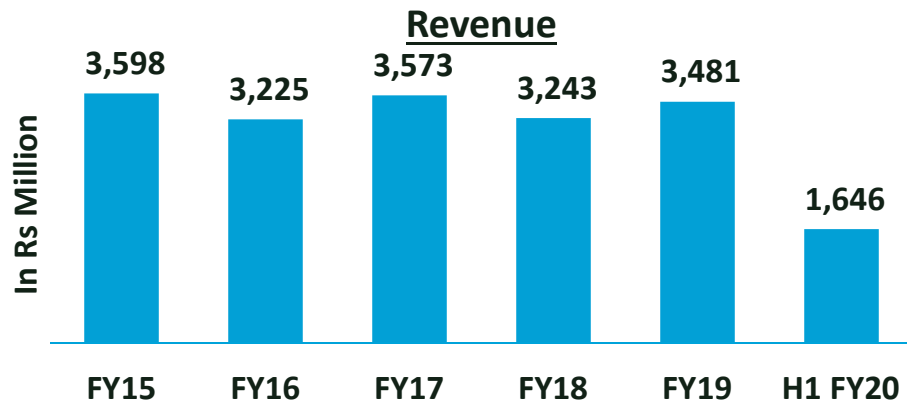
- Leader in Digital Trust space and help businesses thrive by leveraging Digital Trust as a competitive advantage
- Making strong inroads in the multi vertical IoT Security space; IoT Security Market is expected to touch US\$ 4.5 billion by 2022
- Incubating virtual startups within the organization to 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



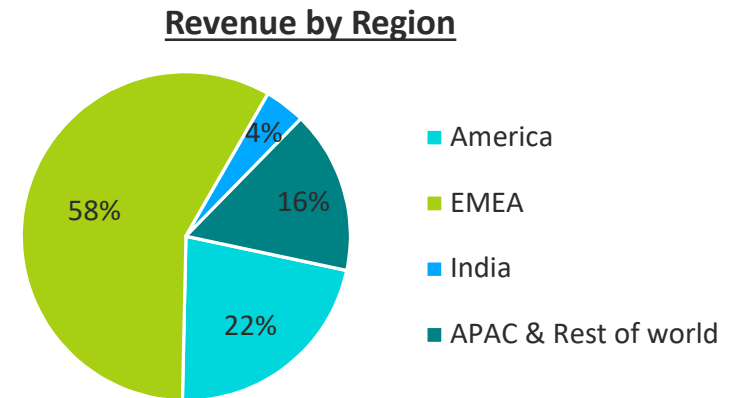
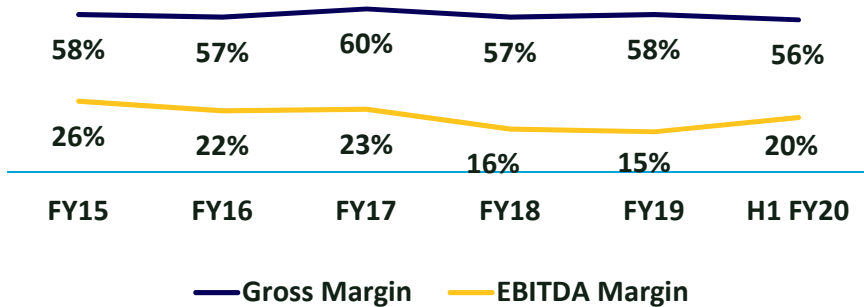


Financial Performance

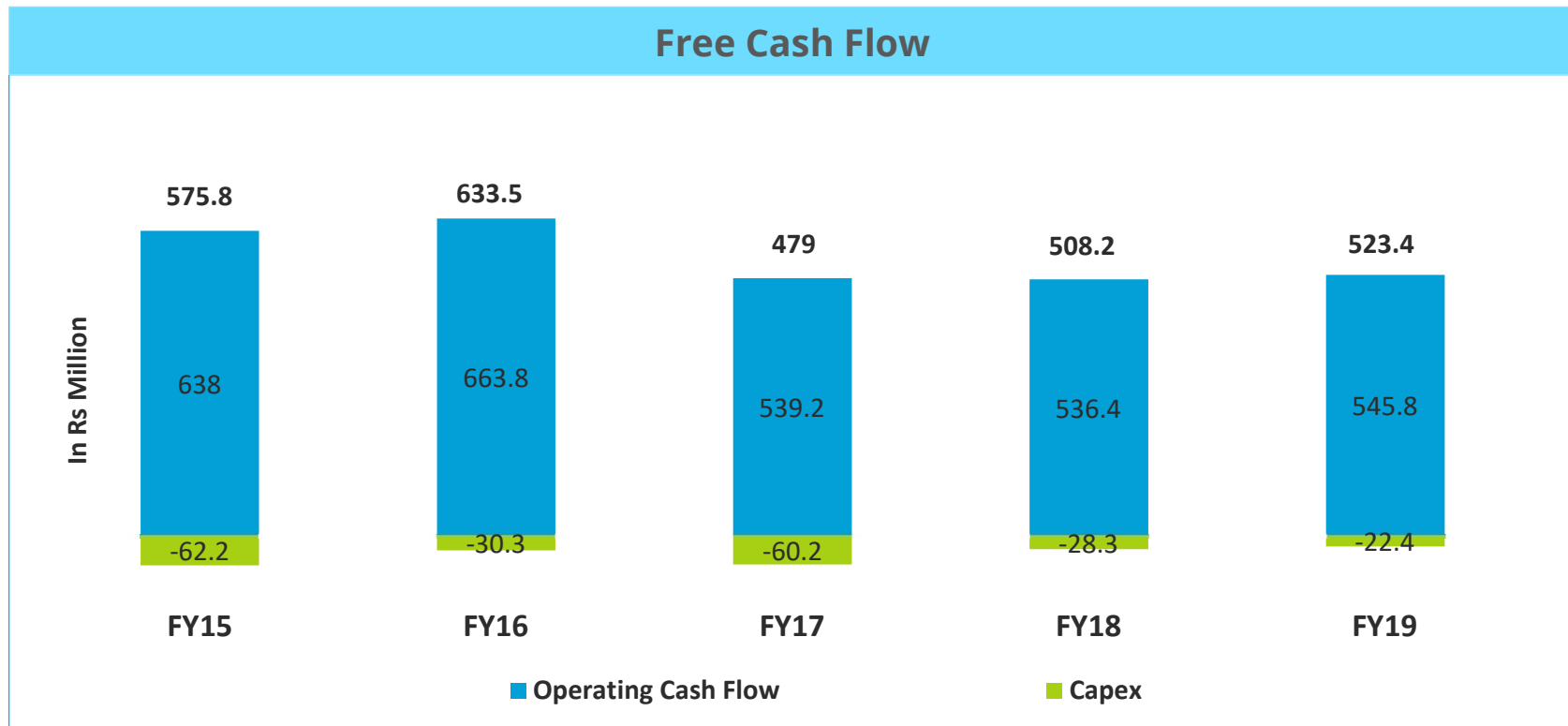
Financial Summary



Gross Margin (%) and EBITDA Margin (%)



Free Cash Flow Overview



Financial Performance – FY19

Amount in Rs
Million

Particulars	Consolidated				
	FY 19 2018-19	FY 18 2017-18	FY 17 2016-17	FY 16 2015-16	H1 FY20
Income					
Revenue from operations	3,481	3,243	3,573	3,225	1,646
Other income	10	14	115	18	18
Total income	3,491	3,257	3,689	3,243	1,664
Expenses					
Employee benefits expense	1,911	1,747	1,587	1,603	875
Finance costs	22	78	204	615	29
Depreciation and amortisation expense	48	52	50	43	75
Exchange fluctuation (gain)/ loss, net	(17)	165	(70)	52	(55)
Other expenses	1,057	988	1,165	899	440
Total expenses	3,021	3,030	2,936	3,212	1,364
Profit before exceptional items and tax expense	471	228	753	31	300
Exceptional items	-	117	(1,089)	(647)	-
Net profit before tax expense	471	344	(336)	(616)	300
Tax expense	219	137	96	127	184
Total tax expense	219	137	96	127	184
Net profit for the period/ year	252	207	(432)	(743)	116





Quarterly & Half Yearly Updates

Financial Highlights – Q2FY20

- ❑ Revenue stood at Rs 857Million, increased by 9% as against Rs 880.6 Million in Q2FY19.
- ❑ EBITDA (ex-forex) stood at Rs 180Million, as against Rs 123.6 Million in Q2FY19 increased by 46%.
- ❑ EBITDA margin improved by 700bps to 21% on YoY basis.
- ❑ PAT stood at Rs 63Million, remains flat.
- ❑ PAT margin stood at 7.4% as against 7.2% in Q2FY19, increased by 20 bps YoY.
- ❑ EPS at Rs 0.12 as against Rs 0.11 in Q2FY19.

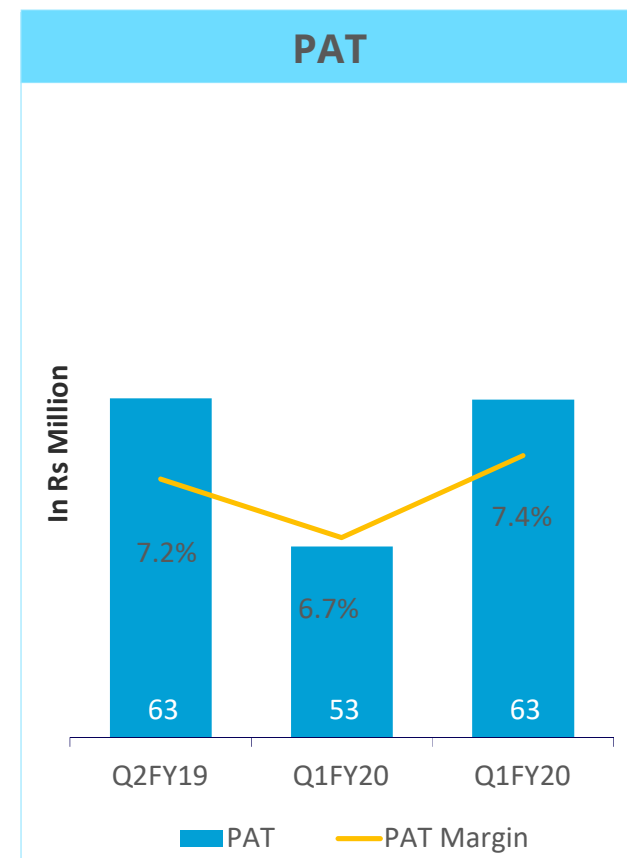
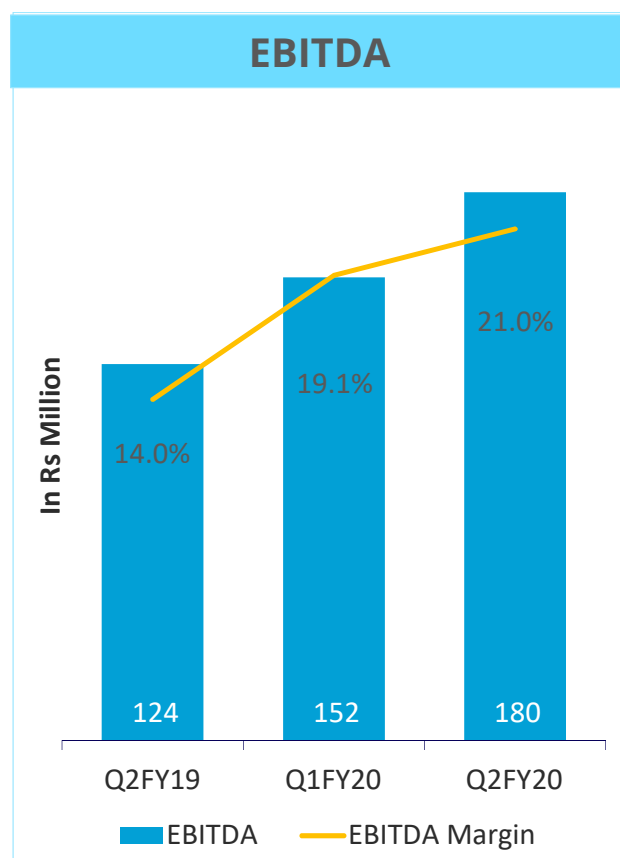
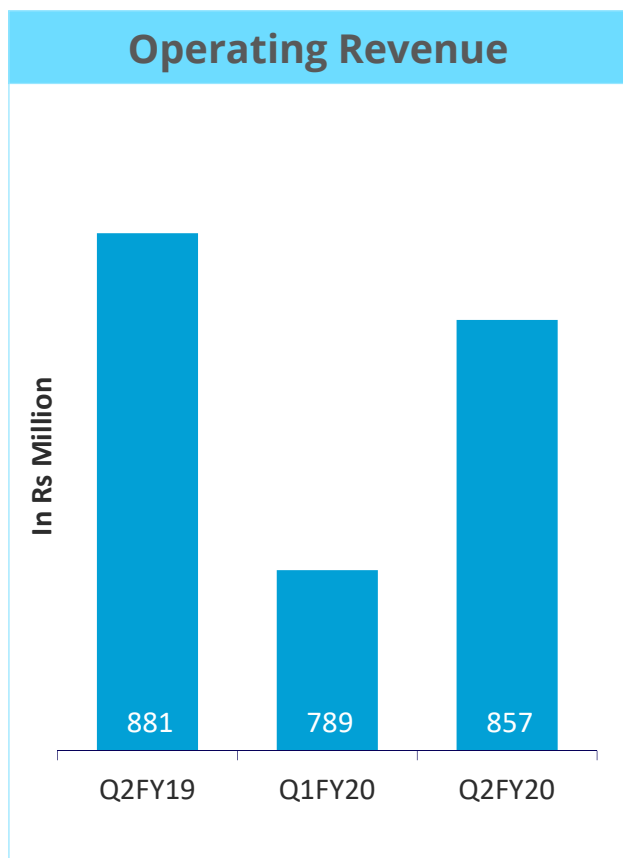


Financial Highlights – H1FY20

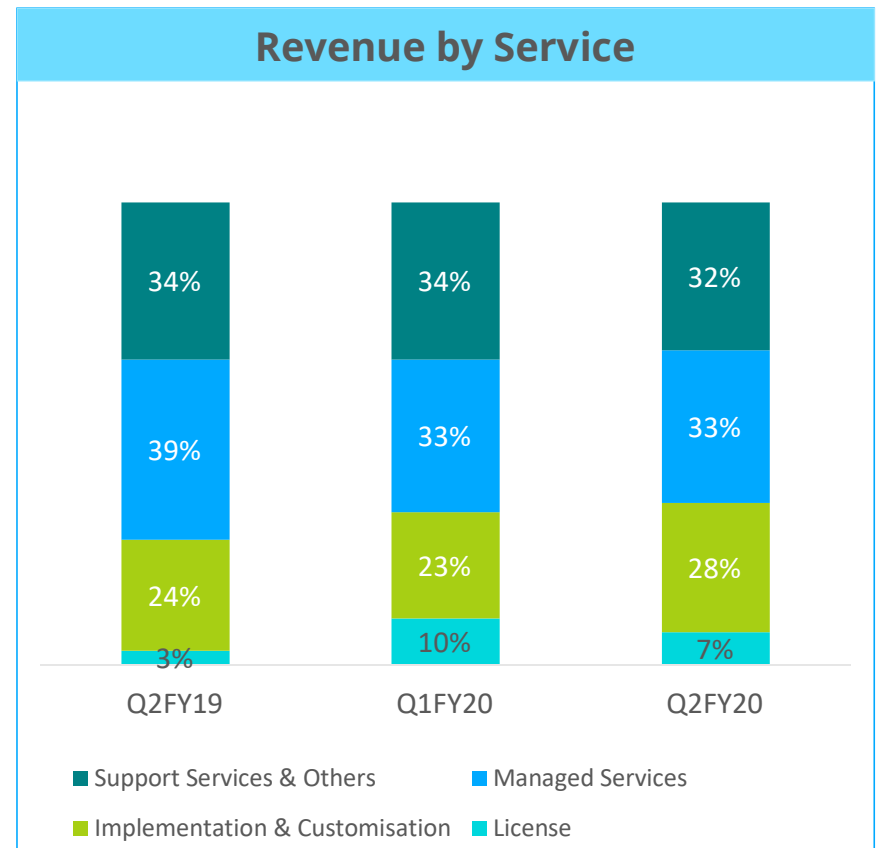
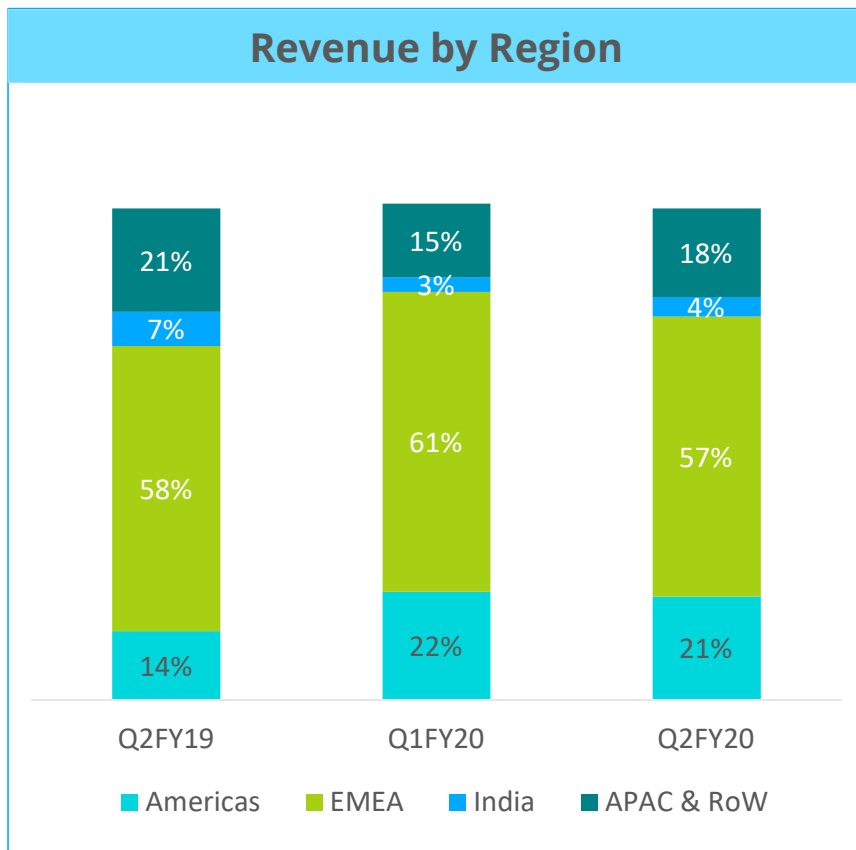
- ❑ Revenue stood at Rs 1,646Million as against Rs 1,640 Million in H1FY19, increased by 0.40%.
- ❑ EBITDA (ex-forex) was at Rs 332Million as against Rs 168.4 Million during H1FY19, increased by 97% on Y-o-Y basis.
- ❑ PAT stood at Rs 116Million as against Rs 103 Million in H1FY19, reflecting an increase of 13% on Y-o-Y basis.
- ❑ Total cash, cash equivalents and free cash flow stood at Rs 611Million and Rs 294Million respectively.



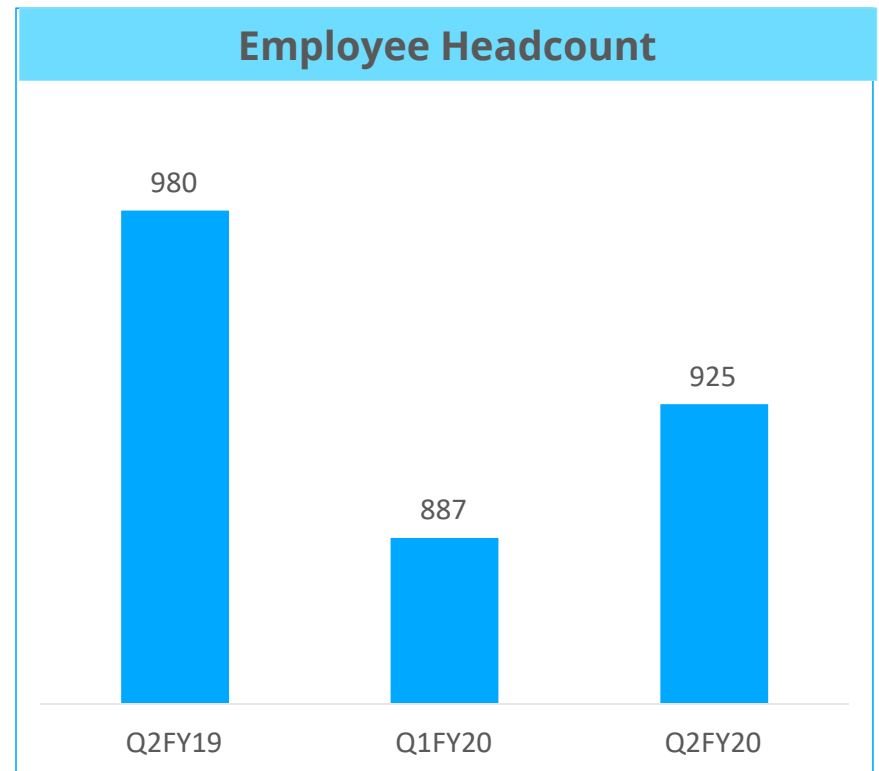
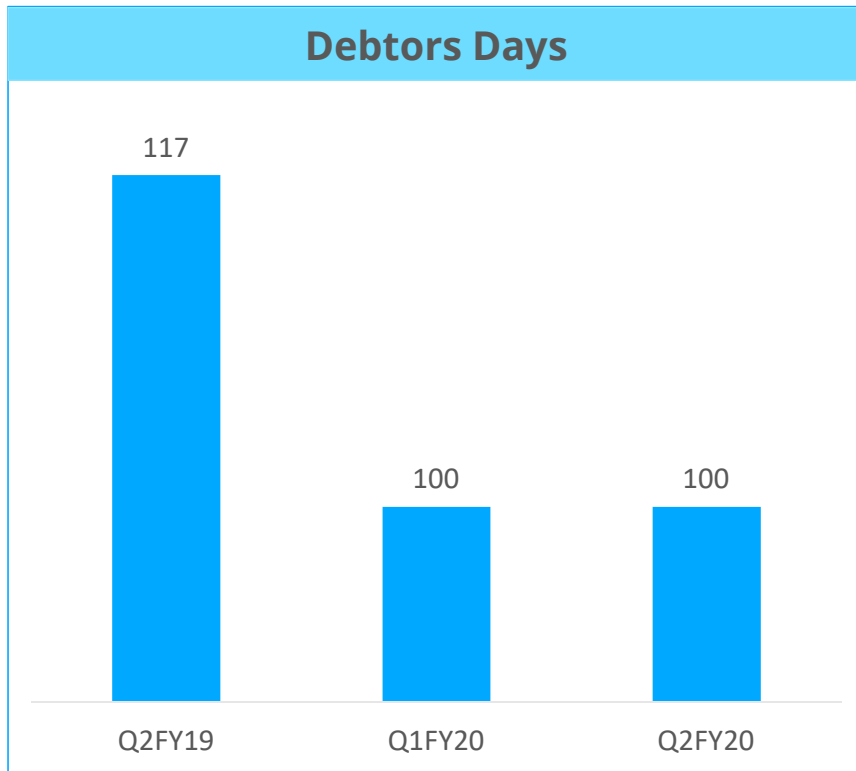
Financial Summary – Q2FY20



Revenue Metrics – Q2FY20



Operating Metrics – Q2FY20



Financial Performance – Q2FY20

Amount in
Rs Million

Particulars	Consolidated							
	Q2 FY20	Q1 FY20	Q2 FY19	Q-o-Q	Y-o-Y	H1 FY20	H1 FY19	Y-o-Y
	2019-20	2019-20	2018-19	Growth %	Growth %	2019-20	2018-19	Growth %
Income	-							
Revenue from operations	857	789	881	9%	-3%	1,646	1,640	0%
Other income	14	4	2	250%	724%	18	3	429%
Total income	871	793	882	10%	-1%	1,664	1,643	1%
Expenses								
Employee benefits expense	444	431	485	3%	-9%	875	936	-6%
Finance costs	14	15	5	-7%	204%	29	11	169%
Depreciation and amortisation expense	38	37	12	3%	211%	75	23	228%
Exchange fluctuation (gain)/ loss, net	(29)	(26)	(28)	12%	2%	(55)	(81)	-32%
Other expenses	233	207	272	13%	-14%	440	536	-18%
Total expenses	700	664	746	5%	-6%	1,364	1,424	-4%
Net profit before tax expense	171	129	137	33%	25%	300	219	37%
Tax Expenses	108	76	74	42%	47%	184	117	58%
Total tax expense	108	76	74	42%	47%	184	117	58%
Net profit for the period/ year	63	53	63	19%	0%	116	103	13%



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.

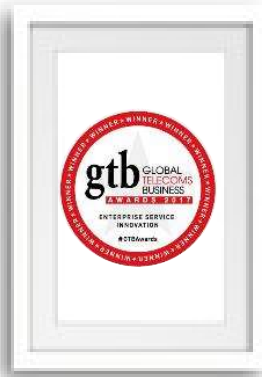


Bhavna Singh
General Counsel

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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