November 11, 2019

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

Dear Sir/Madam,

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

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Updated 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
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 H1FY20
- **REVENUE**: ₹ 1,646 Mn (↑ 0.4%)
- **EBITDA**: ₹ 332 Mn (↑ 20.1%)
- **PAT**: ₹ 116 Mn (↑ 13.1%)
Subex Today

1994 Foundation of Company

25+ 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
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 Competition
- 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

Need for data-driven decisions

Leverage the hyperconnected world

Renewed focus on customer experience
Subex - Partner for Digital Trust
Strategy & Investment Rationale
Focus Areas

Vibrant Subex

Revenue Growth
3 Horizon Strategy for Growth

Horizon 1:
Core areas

Enhance the core
- Revenue Assurance
- Fraud Management
- Asset Assurance
- Partner Management
- Network Analytics

Horizon 2:
Immediate Growth

Growth in new areas
- IoT Security (Multi-vertical product)
- Analytics

Horizon 3:
Long Term Growth

Invest in Emerging Areas (Multi-Vertical SaaS)
- Crunch Metrics
- Digital Identity

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

Revenue by Services
- License: 10%
- Implementation & Customisation: 24%
- Managed Services: 33%
- Support services & others: 33%

Revenue by Region
- America: 58%
- EMEA: 16%
- India: 4%
- APAC & Rest of world: 22%

Revenue:
- FY15: 3,598
- FY16: 3,225
- FY17: 3,573
- FY18: 3,243
- FY19: 3,481
- H1 FY20: 1,646

Gross Margin and EBITDA Margin:
- FY15: Gross Margin 58%, EBITDA Margin 26%
- FY16: Gross Margin 57%, EBITDA Margin 22%
- FY17: Gross Margin 60%, EBITDA Margin 23%
- FY18: Gross Margin 57%, EBITDA Margin 16%
- FY19: Gross Margin 58%, EBITDA Margin 15%
- H1 FY20: Gross Margin 56%, EBITDA Margin 20%
Free Cash Flow Overview

Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>In Rs Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>638</td>
</tr>
<tr>
<td></td>
<td>-62.2</td>
</tr>
<tr>
<td>FY16</td>
<td>663.8</td>
</tr>
<tr>
<td></td>
<td>-30.3</td>
</tr>
<tr>
<td>FY17</td>
<td>539.2</td>
</tr>
<tr>
<td></td>
<td>-60.2</td>
</tr>
<tr>
<td>FY18</td>
<td>536.4</td>
</tr>
<tr>
<td></td>
<td>-28.3</td>
</tr>
<tr>
<td>FY19</td>
<td>545.8</td>
</tr>
<tr>
<td></td>
<td>-22.4</td>
</tr>
</tbody>
</table>

- Operating Cash Flow
- Capex
## Financial Performance - FY19

### Consolidated

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

Amount in Rs Million
Quarterly & Half Yearly Updates
Financial Highlights – Q2FY20

- Revenue stood at Rs 857 Million as against Rs 880.6 Million in Q2FY19, a decrease of 3% on YoY basis.
- EBITDA (ex-forex) stood at Rs 180 Million as against Rs 123.6 Million in Q2FY19, an increase of 46% on YoY basis.
- EBITDA margin improved by 700 bps to 21% on YoY basis.
- PAT stood at Rs 63 Million, 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 1,646 Million as against Rs 1,640 Million in H1FY19, increased by 0.4%.
- EBITDA (ex-forex) was at Rs 332 Million as against Rs 168.4 Million during H1FY19, increased by 97% on Y-o-Y basis.
- PAT stood at Rs 116 Million 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 611 Million and Rs 294 Million respectively.
Financial Summary – Q2FY20

**Operating Revenue**

- Q2FY19: 881
- Q1FY20: 789
- Q2FY20: 857

**EBITDA**

- Q2FY19: 124 (14.0%)
- Q1FY20: 152 (19.1%)
- Q2FY20: 180 (21.0%)

**PAT**

- Q2FY19: 63 (7.2%)
- Q1FY20: 53 (6.7%)
- Q2FY20: 63 (7.4%)
## Revenue Metrics - Q2FY20

### Revenue by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Q2FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>21%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>EMEA</td>
<td>58%</td>
<td>61%</td>
<td>57%</td>
</tr>
<tr>
<td>India</td>
<td>14%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>APAC &amp; RoW</td>
<td>7%</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

### Revenue by Service

<table>
<thead>
<tr>
<th>Service</th>
<th>Q2FY19</th>
<th>Q1FY20</th>
<th>Q2FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Services &amp; Others</td>
<td>34%</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>Managed Services</td>
<td>39%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Implementation &amp; Customisation</td>
<td>24%</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>License</td>
<td>3%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Operating Metrics - Q2FY20

Debtors Days

- Q2FY19: 117
- Q1FY20: 100
- Q2FY20: 100

Employee Headcount

- Q2FY19: 980
- Q1FY20: 887
- Q2FY20: 925
## Financial Performance - Q2FY20

### Consolidated

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q2 FY20</th>
<th>Q1 FY20</th>
<th>Q2 FY19</th>
<th>Q-o-Q</th>
<th>Y-o-Y</th>
<th>H1 FY20</th>
<th>H1 FY19</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from operations</td>
<td>857</td>
<td>789</td>
<td>881</td>
<td>9%</td>
<td>-3%</td>
<td>1,646</td>
<td>1,640</td>
<td>0.4%</td>
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<tr>
<td>Other income</td>
<td>14</td>
<td>4</td>
<td>2</td>
<td>250%</td>
<td>724%</td>
<td>18</td>
<td>3</td>
<td>429%</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>871</td>
<td>793</td>
<td>882</td>
<td>10%</td>
<td>-1%</td>
<td>1,664</td>
<td>1,643</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits expense</td>
<td>444</td>
<td>431</td>
<td>485</td>
<td>3%</td>
<td>-9%</td>
<td>875</td>
<td>936</td>
<td>-6%</td>
</tr>
<tr>
<td>Finance costs</td>
<td>14</td>
<td>15</td>
<td>5</td>
<td>-7%</td>
<td>204%</td>
<td>29</td>
<td>11</td>
<td>169%</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>38</td>
<td>37</td>
<td>12</td>
<td>3%</td>
<td>211%</td>
<td>75</td>
<td>23</td>
<td>228%</td>
</tr>
<tr>
<td>Exchange fluctuation (gain)/ loss, net</td>
<td>(29)</td>
<td>(26)</td>
<td>(28)</td>
<td>12%</td>
<td>2%</td>
<td>(55)</td>
<td>(81)</td>
<td>-32%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>233</td>
<td>207</td>
<td>272</td>
<td>13%</td>
<td>-14%</td>
<td>440</td>
<td>536</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>700</td>
<td>664</td>
<td>746</td>
<td>5%</td>
<td>-6%</td>
<td>1,364</td>
<td>1,424</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Net profit before tax expense</strong></td>
<td>171</td>
<td>129</td>
<td>137</td>
<td>33%</td>
<td>25%</td>
<td>300</td>
<td>219</td>
<td>37%</td>
</tr>
<tr>
<td>Tax Expenses</td>
<td>108</td>
<td>76</td>
<td>74</td>
<td>42%</td>
<td>47%</td>
<td>184</td>
<td>117</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Total tax expense</strong></td>
<td>108</td>
<td>76</td>
<td>74</td>
<td>42%</td>
<td>47%</td>
<td>184</td>
<td>117</td>
<td>58%</td>
</tr>
<tr>
<td><strong>Net profit for the period/ year</strong></td>
<td>63</td>
<td>53</td>
<td>63</td>
<td>19%</td>
<td>0%</td>
<td>116</td>
<td>103</td>
<td>13%</td>
</tr>
</tbody>
</table>
Key Clients

EMEA

Asia

Americas

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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dpingle@christensenir.com | +91 02242150210