

Persistent Systems Limited

Quarter ending June 30, 2016

July 23, 2016

Forward-looking and Cautionary Statements



PERSISTENT

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, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, our revenues highly dependent on customers located in the United States, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, concentration of major operations of the Company in one city, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Stock Exchanges and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Key Highlights

Q1FY17 Performance



- USD Revenue grew by 33.3% YoY and 4.3% QoQ to US\$ 104.76 Million
- INR Revenue grew by 40.2% YoY and 3.6% QoQ to ₹ 7,017.77 Million
- EBIDTA grew by 9.1% YoY and dipped by 1.5% QoQ to ₹ 1,057.51 Million
- Profit before Tax (PBT) grew by 3.0% YoY and dipped by 5.8% QoQ to ₹ 968.00 Million
- Profit after Tax (PAT) grew by 9.0% YoY and dipped by 9.3% QoQ to ₹ 732.86 Million

Awards and Recognitions during Q1FY17



- Won India's Coding Power House award at Code Gladiator, third year in a row.
- Zinnov Management Consulting includes Persistent in leadership zone across all categories in Zinnov Zones for Digital Services report.
- Oracle recognizes Persistent as its North America Partner of the Year in Security
- Appian names Persistent North American Partner of the Year and recognizes us for the "Best Use of Mobile" in Appian App Market Awards
- Ovum ranks Persistent for strongest overall capabilities in Distributed Agile Delivery of Services

Sequential Q1 FY17 Vs. Q4 FY16



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Particulars	Q1FY17 (as per Ind AS)	Q4FY16 (as per IGAAP)	Change QoQ	Exps / Sales % Q1FY17	Q4FY16
Revenue (\$ M)					
Services	75.27	72.11	4.4%		
IP Led	29.49	28.32	4.1%		
Revenue (\$ M)	104.76	100.43	4.3%		
Avg. Exchange Rate ₹ /US\$	66.99	67.42	-0.6%		
Revenue (₹ M)	7,017.77	6,771.10	3.6%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	4,255.33	4,028.30	5.6%	60.6%	59.5%
Purchase / Royalty	75.33	111.66	-32.5%	1.1%	1.6%
Project related Travel Expenses	253.86	213.51	18.9%	3.6%	3.2%
Total Direct costs	4,584.52	4,353.47	5.3%	65.3%	64.3%
Gross Profit	2,433.25	2,417.63	0.6%	34.7%	35.7%
Sales & Marketing Exps	604.48	617.73	-2.1%	8.6%	9.1%
Admin. & Other Exps	746.69	732.69	1.9%	10.6%	10.8%
Doubtful Debt Provision	19.98	(23.54)	184.9%	0.3%	-0.3%
CSR Activities	4.59	16.73	-72.6%	0.1%	0.2%
Total SGA	1,375.74	1,343.61	2.4%	19.6%	19.8%
EBIDTA	1,057.51	1,074.02	-1.5%	15.1%	15.9%
Depreciation	147.83	144.33	2.4%	2.1%	2.1%
Amortization	194.98	111.59	74.7%	2.8%	1.6%
EBIT	714.70	818.10	-12.6%	10.2%	12.1%
Other Income / (Loss)	172.44	245.53	-29.8%	2.5%	3.6%
Exchange Gain/(Loss)	80.86	(35.73)	326.3%	1.2%	-0.5%
PBT	968.00	1,027.90	-5.8%	13.8%	15.2%
Tax	235.14	219.83	7.0%	3.4%	3.2%
PAT	732.86	808.07	-9.3%	10.4%	11.9%

YoY comparison Q1 FY17 Vs. Q1 FY16



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Particulars	Q1FY17 (as per Ind AS)	Q1 FY16 (as per IGAAP)	Change QoQ	Exps / Sales % Q1FY17	Q1 FY16
Revenue (\$ M)					
Services	75.27	64.13	17.4%		
IP Led	29.49	14.48	103.7%		
Revenue (\$ M)	104.76	78.61	33.3%		
Avg. Exchange Rate ₹ /US\$	66.99	63.66	5.2%		
Revenue (₹ M)	7,017.77	5,004.16	40.2%		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	4,255.33	2,756.76	54.4%	60.6%	55.1%
Purchase / Royalty	75.33	73.23	2.9%	1.1%	1.5%
Project related Travel Expenses	253.86	185.21	37.1%	3.6%	3.7%
Total Direct costs	4,584.52	3,015.20	52.0%	65.3%	60.3%
Gross Profit	2,433.25	1,988.96	22.3%	34.7%	39.7%
Sales & Marketing Exps	604.48	509.76	18.6%	8.6%	10.2%
Admin. & Other Exps	746.69	485.05	53.9%	10.6%	9.7%
Doubtful Debt Provision	19.98	6.72	197.3%	0.3%	0.1%
CSR Activities	4.59	18.35	-75.0%	0.1%	0.4%
Total SGA	1,375.74	1,019.88	34.9%	19.6%	20.4%
EBIDTA	1,057.51	969.08	9.1%	15.1%	19.4%
Depreciation	147.83	132.76	11.4%	2.1%	2.7%
Amortization	194.98	93.96	107.5%	2.8%	1.9%
EBIT	714.70	742.36	-3.7%	10.2%	14.8%
Other Income / (Loss)	172.44	128.36	34.3%	2.5%	2.6%
Exchange Gain/(Loss)	80.86	69.38	16.5%	1.2%	1.4%
PBT	968.00	940.10	3.0%	13.8%	18.8%
Tax	235.14	267.94	-12.2%	3.4%	5.4%
PAT	732.86	672.16	9.0%	10.4%	13.4%

Consolidated Balance Sheet



₹ Million **PERSISTENT**

Particulars	As on June 30, 2016	As on March 31, 2016	As on June 30, 2015
Assets			
PPE and Intangible assets	5,905.11	4,636.50	4,102.15
Non-Current Assets	472.96	912.79	470.44
Cash and Investments	7,764.77	8,692.70	8,689.02
Other Current Assets	7,130.69	7,005.03	5,054.91
Total	21,273.53	21,247.02	18,316.52
Equity & Liabilities			
Equity	17,393.20	16,626.25	15,358.32
Non-Current Liabilities	161.46	151.32	140.35
Current Liabilities	3,718.87	4,469.45	2,817.85
Total	21,273.53	21,247.02	18,316.52

Fact Sheet

Fact Sheet



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Revenue	Nos./%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Revenue USD M	104.76	100.43	89.65	82.96	78.61	351.65	308.54
	%, q-o-q/ y-o-y growth	4.3%	12.0%	8.1%	5.5%	-1.8%	14.0%	12.6%
	Revenue INR M	7,017.77	6,771.10	5,920.74	5,427.31	5,004.16	23,123.31	18,912.52
	%, q-o-q / y-o-y	3.6%	14.4%	9.1%	8.5%	0.6%	22.3%	13.3%
Business Offerings: Revenue Mix	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Services	71.8%	71.8%	79.9%	83.8%	81.6%	78.9%	80.9%
	IP Led	28.2%	28.2%	20.1%	16.2%	18.4%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Segments: Revenue Mix	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Services	47.6%						
	Digital	14.2%						
	Alliance	30.0%						
	accelerite	8.2%						
	Total	100.0%						

Segment information is aligned as per change in organization structure w.e.f. April 01, 2016

Fact Sheet



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Geography: Revenue Mix	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	North America	87.0%	86.1%	85.3%	86.2%	84.4%	85.5%	85.5%
	Europe	5.2%	6.7%	6.3%	6.8%	6.3%	6.5%	6.7%
	India	5.4%	6.2%	7.4%	5.6%	7.6%	6.7%	5.9%
	ROW	2.4%	1.0%	1.0%	1.4%	1.7%	1.3%	1.9%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Industry Classification	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	ISV	45.4%	45.8%	51.3%	57.2%	57.0%	52.4%	58.6%
	Enterprise	26.4%	26.0%	28.6%	26.6%	24.6%	26.5%	22.3%
	IP Led	28.2%	28.2%	20.1%	16.2%	18.4%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Global Delivery Centers: India: IP Led Revenue Mix	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Global Delivery Centers	26.3%	26.3%	29.8%	29.5%	26.8%	28.0%	24.8%
	India	45.5%	45.5%	50.1%	54.3%	54.8%	50.9%	56.1%
	IP Led	28.2%	28.2%	20.1%	16.2%	18.4%	21.1%	19.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Fact Sheet



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Clients billed	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Services	340	319	337	311	277	451	383
	IP Led	338	353	291	299	310	539	498

Includes one time clients with overlap across business offerings

Revenue Concentration	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Top 1	29.0%	25.4%	17.4%	17.6%	18.1%	19.9%	18.4%
	Top 5	44.7%	40.8%	34.3%	35.4%	36.0%	36.6%	35.8%
	Top 10	52.7%	49.6%	44.1%	44.7%	45.6%	45.5%	45.2%

Client Engagement Size	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Large > \$ 3Mn	15	18	19	17	15	18	14
	Medium > \$ 1Mn, < \$ 3Mn	50	42	44	46	52	42	48

DSO	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Days	63	62	69	68	67	62	64

Fact Sheet



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Yield	USD / PPM	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
		4,705	4,849	4,428	4,346	4,134	4,448	4,144

Yield is computed as a ratio of revenue to billable person months excluding employees under training.

Linear Revenue per billed PM	USD / PPM	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
Global Delivery Centers		15,437	14,574	14,717	15,075	15,321	14,891	14,952
India		4,325	4,275	4,217	4,251	4,146	4,223	4,222

Calculated only on Services revenue including contractual reimbursable portion.

Attrition Rate	%	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
(TTM basis)		16.7%	16.4%	17.1%	17.1%	16.4%	16.4%	15.5%

People Numbers	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
Technical		8,698	8,618	8,334	7,905	7,810	8,618	7,861
Sales & Marketing		204	201	203	208	216	2,011	224
Others		487	445	429	432	428	445	421
Total		9,389	9,264	8,966	8,545	8,454	9,264	8,506

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Efforts and Utilization Mix - Linear	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	Billable Person Months	17,030	16,631	16,718	16,066	16,138	65,553	64,248
	- Global Delivery Centers	2,121	2,108	2,097	1,854	1,623	7,682	5,754
	- India	14,909	14,523	14,621	14,212	14,515	57,871	58,493
	Billed Person Months	12,816	12,504	12,457	12,226	11,764	48,950	46,094
	- Global Delivery Centers	1,786	1,811	1,817	1,621	1,374	6,623	5,113
	- India	11,030	10,693	10,640	10,605	10,390	42,327	40,981
	Utilization:							
	- Linear (Blended)	75.3%	75.2%	74.5%	76.1%	72.9%	74.7%	71.7%
	- Global Delivery Centers	84.2%	85.9%	86.6%	87.4%	84.7%	86.2%	88.9%
	- India	74.0%	73.6%	72.8%	74.6%	71.6%	73.1%	70.1%
IP Led	Nos.	Q1FY17	Q4FY16	Q3FY16	Q2FY16	Q1FY16	FY16	FY15
	IP Led Person Months	5,235	4,082	3,526	3,021	2,880	13,509	10,207

Thank You