

November 10, 2020

To
BSE Limited
The National Stock Exchange of India Limited

Dear Sir/Madam,

Sub: Subex Limited “The Company”- Investor Presentation on November 10, 2020

As per Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the Investor presentation for Q2 of FY 21, which will be presented by the Company at the Earnings Call scheduled to be held today at 4.00 PM (IST).

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

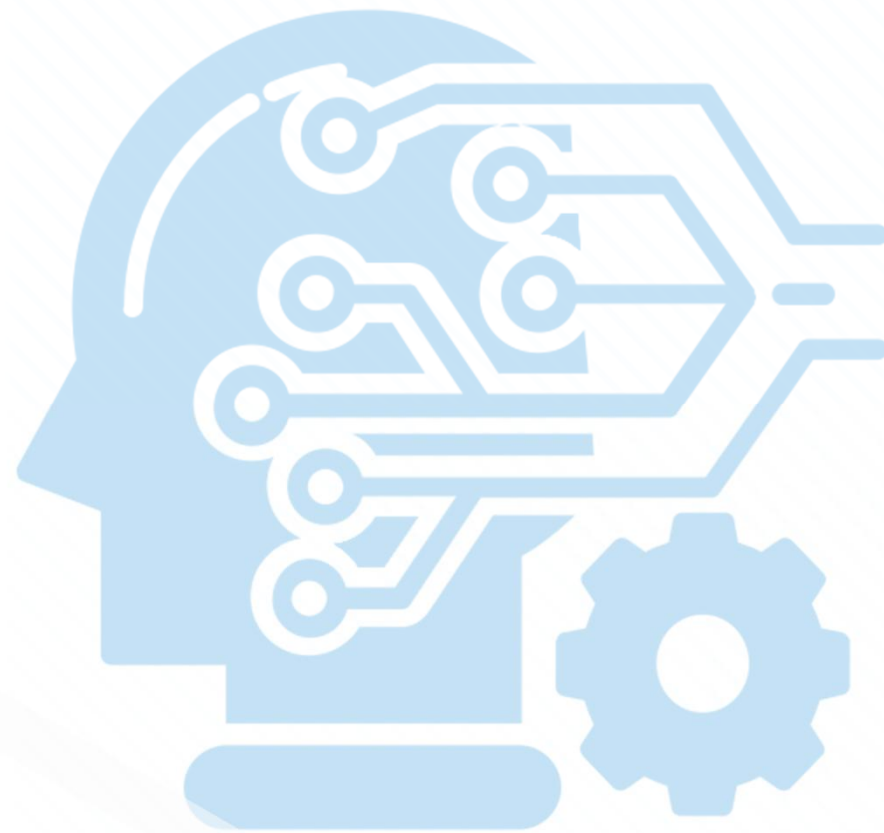
Registered Address: RMZ Ecoworld, Outer Ring Road, Devarabisanahalli, Bangalore - 560103, India



Subex Limited

Investor Presentation – Q2FY21

November 10, 2020





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
- Investment Rationale
- Quarterly Financial Performance
- Awards & Recognitions





Company Overview

Snapshot

Nature of Business

- Pioneer in enabling Digital Trust for businesses globally
- Focus on six tenets of Digital Trust like privacy, security, risk mitigation, identity and intelligence to enable trust across people, processes & systems

Management

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

Products

- Revenue Assurance
- Network Analytics
- Fraud Management
- Identity Analytics
- Partner Ecosystem Management
- IOT Security
- Analytics Center of Trust
- Anomaly Detection

Financial Performance H1FY21

REVENUE



₹ 1,820 Mn

↑ 10.6%

EBITDA



₹ 550 Mn

Margin
30.2%

Profit After Tax



₹ 274 Mn

↑ 136.7%

Subex Today



1994
*Foundation of
Company*



25⁺
Years of Experience



1000+
Employees



300+
Global Installations



90+
Countries



200+
*Customers
Globally*



35+
Industry Awards



US\$ 3.1mn
*R&D spend in
new areas*



US\$ 44 mn
Order Book in FY20

Vision Statement

PURPOSE

Unlocking Possibilities

VISION

To be the Global Leader in Digital Trust

OUR VALUES



THINK CUSTOMER



MAKE IT HAPPEN



CREATE VALUE

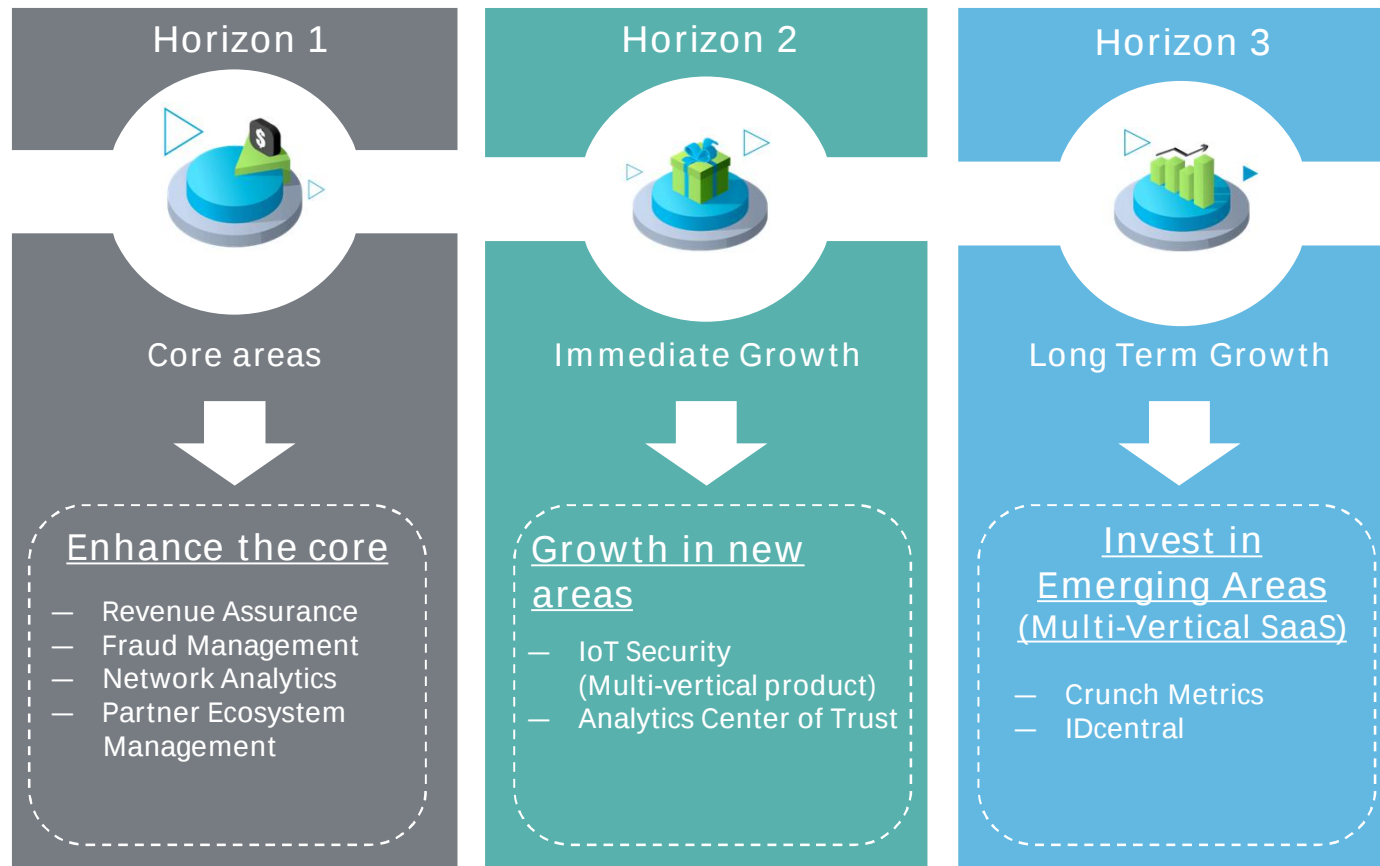


BE OPEN. BE FAIR.



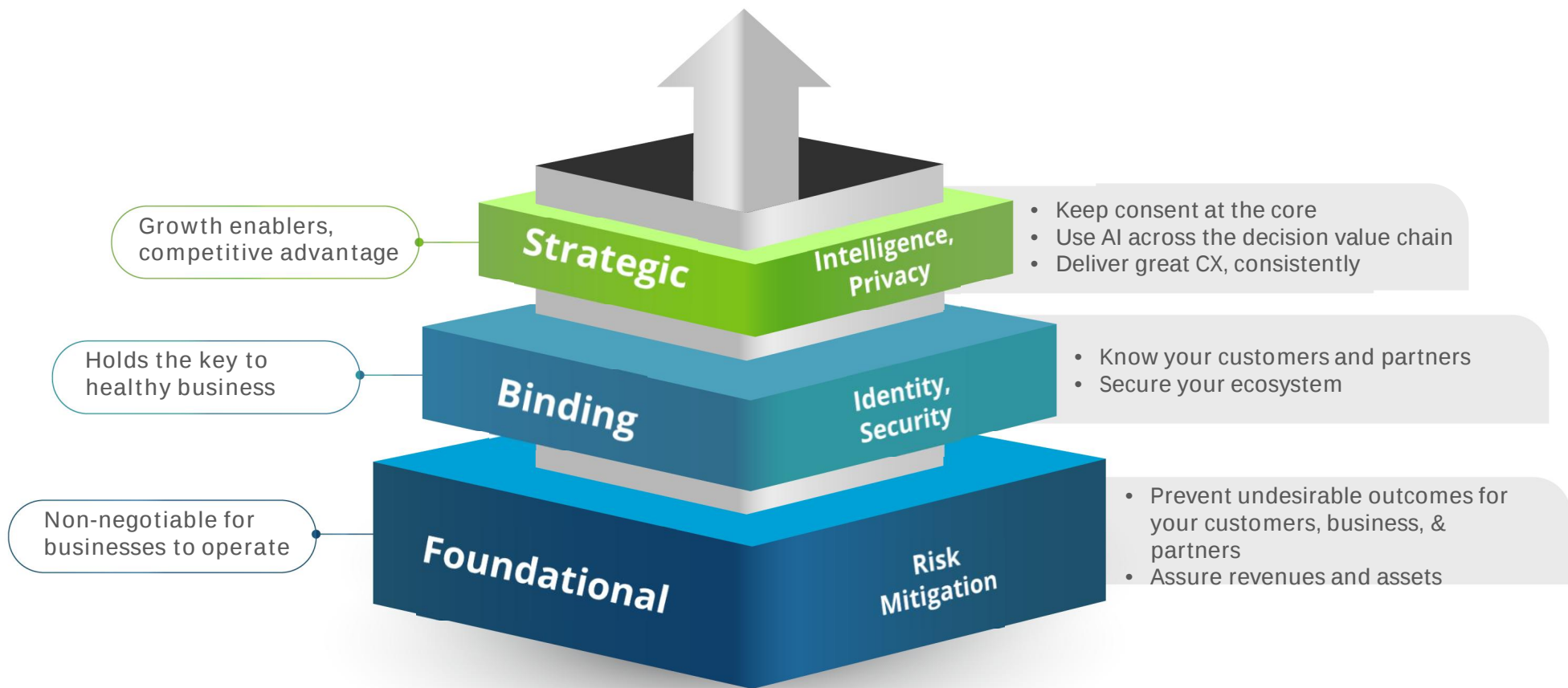
WIN TOGETHER

3 Horizon Strategy for Growth



Successful execution of strategy will create substantial value for all stakeholders

Subex – Partner for Digital Trust



Investment Rationale

- ❑ Leader in Digital Trust space and helping 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 – about 60% of revenue is annuity / recurring and >98% customer retention
- ❑ Investing heavily in newer areas like Digital Trust and AI/ML, Deep learning-based anomaly detection
- ❑ Passionate and committed team led by CEO Vinod Kumar with clear focus to put the company on growth track
- ❑ Operating cash flow of Rs 49 crore for H1FY21
- ❑ Capital reduction process got completed and new Subex shares with face value of Rs 5/- have been listed; Trading commenced w.e.f. 5th November 2020
- ❑ Market capitalization of Rs 1,000 crore (approx. US\$ 0.15 bn)



Quarterly Financial Performance

Financial Highlights – Q2FY21

- ❑ Operating Revenue was at Rs 932.9 Million, up 5.2 % Q-o-Q and up 8.9% Y-o-Y
- ❑ EBITDA (ex-forex) was at Rs 297.8 Million and EBITDA (ex-forex) margin stood at 31.9%.
- ❑ EBITDA was at Rs 254.0 Million and EBITDA margin stood at 27.2%.
- ❑ Profit before tax was at Rs 245.9 Million, down 4.7% Q-o-Q and up 43.7% Y-o-Y
- ❑ Profit after Tax was at Rs 122.5 Million, down 19.2% Q-o-Q and up 94.4% Y-o-Y
- ❑ EPS was at Rs 0.23 as against Rs 0.28 in Q1FY21 and Rs 0.12 in Q2FY20

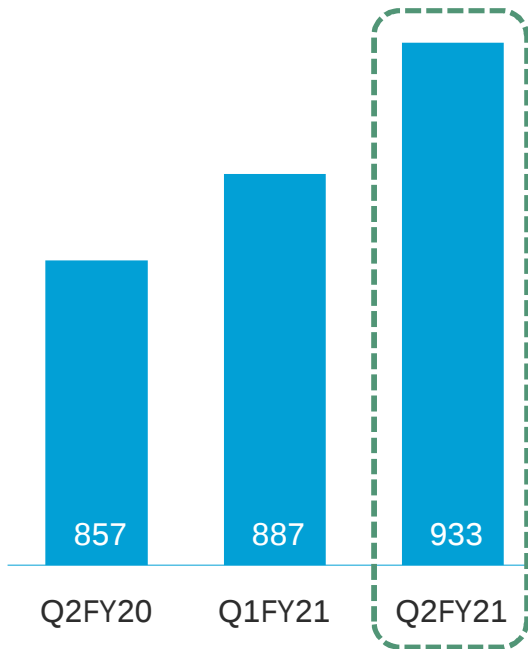
Financial Highlights – H1FY21

- ❑ Operating Revenue was at Rs 1,820 Million, up 10.6% Y-o-Y
- ❑ EBITDA (ex-forex) was at Rs 574.9 Million and EBITDA (ex-forex) margin stood at 31.6%.
- ❑ EBITDA was at Rs 550 Million and EBITDA margin stood at 30.2%.
- ❑ Profit before tax was at Rs 503.9 Million, up 67.8% Y-o-Y
- ❑ Profit after Tax was at Rs 274.1 Million, up 136.7% Y-o-Y
- ❑ EPS was at Rs 0.51 as against Rs 0.21 H1FY20
- ❑ Total cash, cash equivalents and free cash flow stood at Rs 1,376.5 Million and Rs 470.6 Million respectively

Financial Summary – Q2FY21

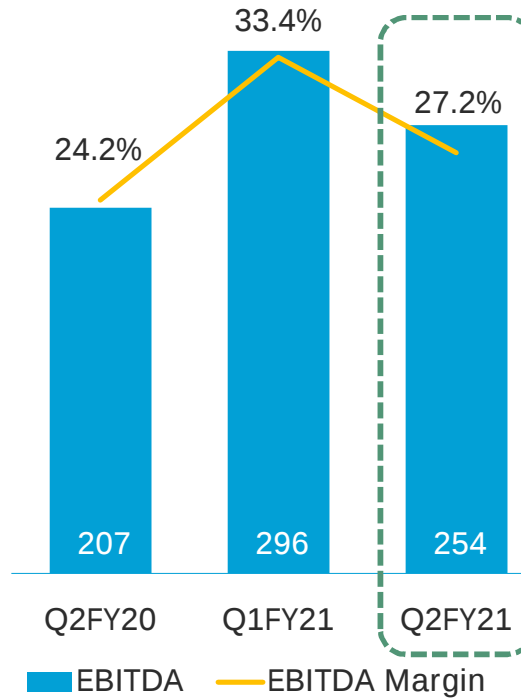
Operating Revenue

In Rs Million



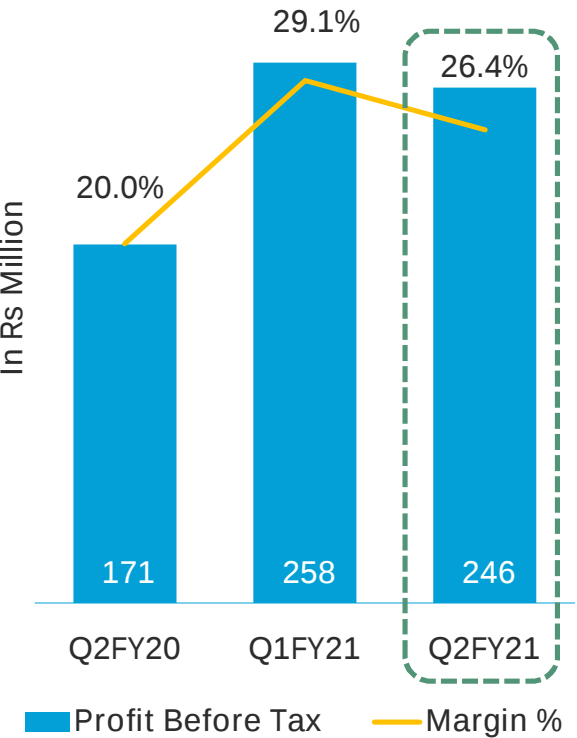
EBITDA

In Rs Million

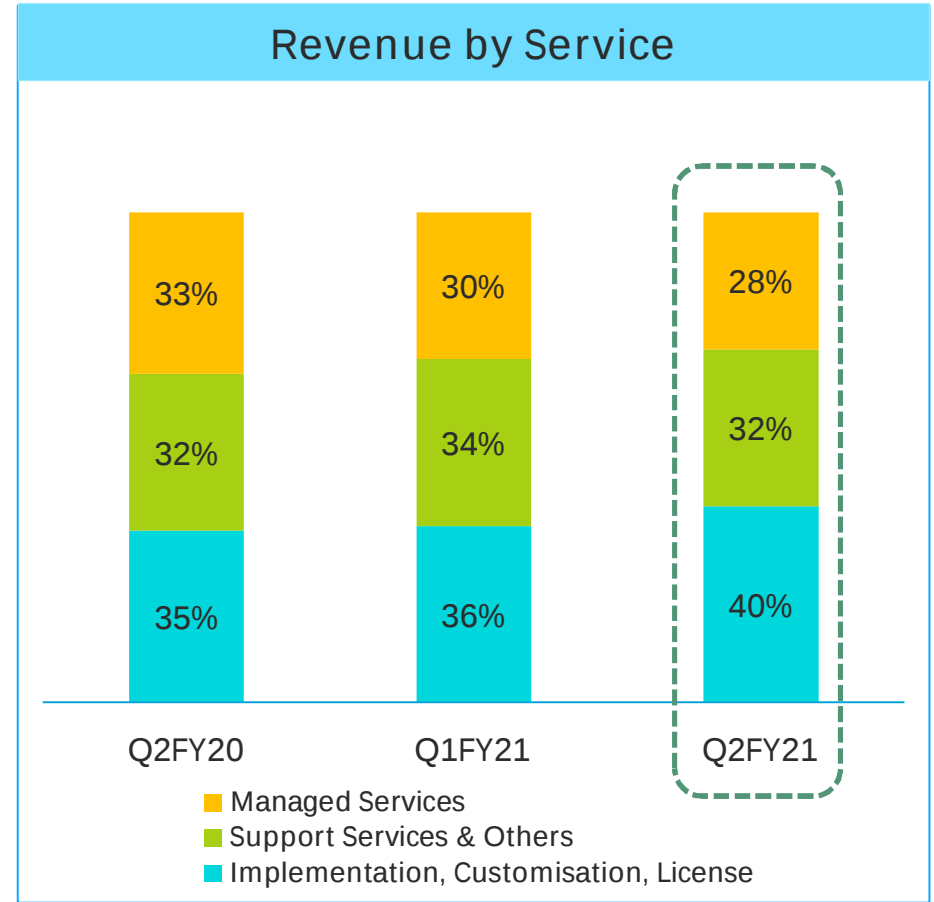
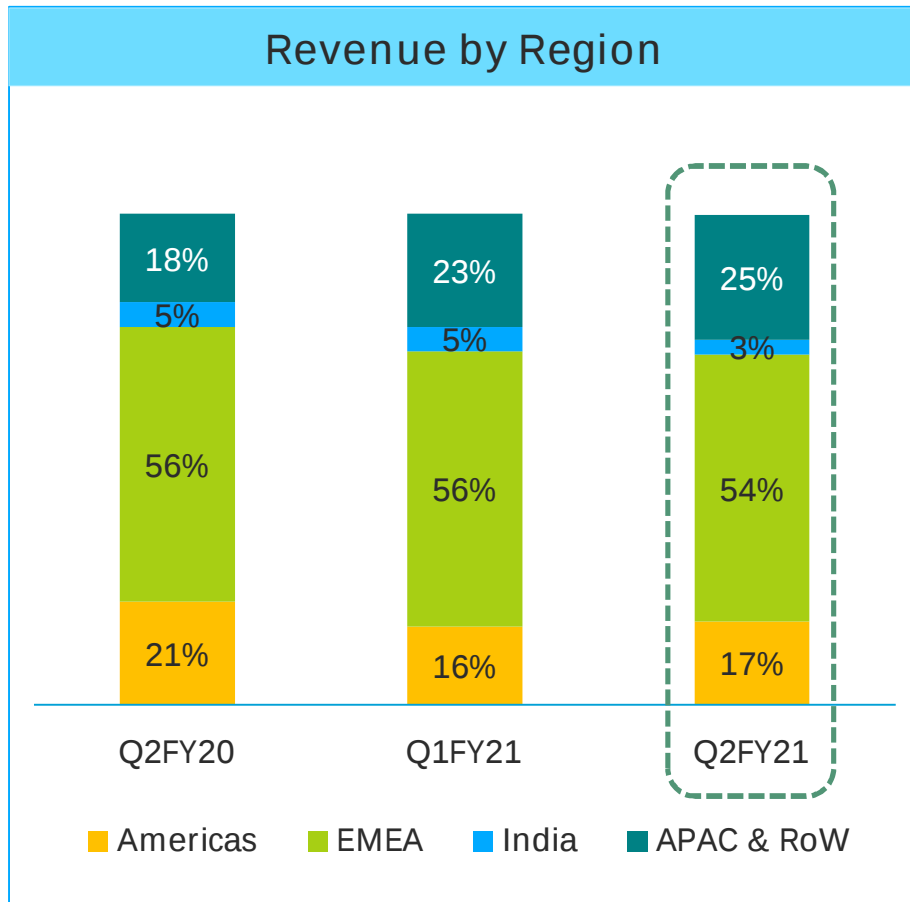


Profit Before Tax

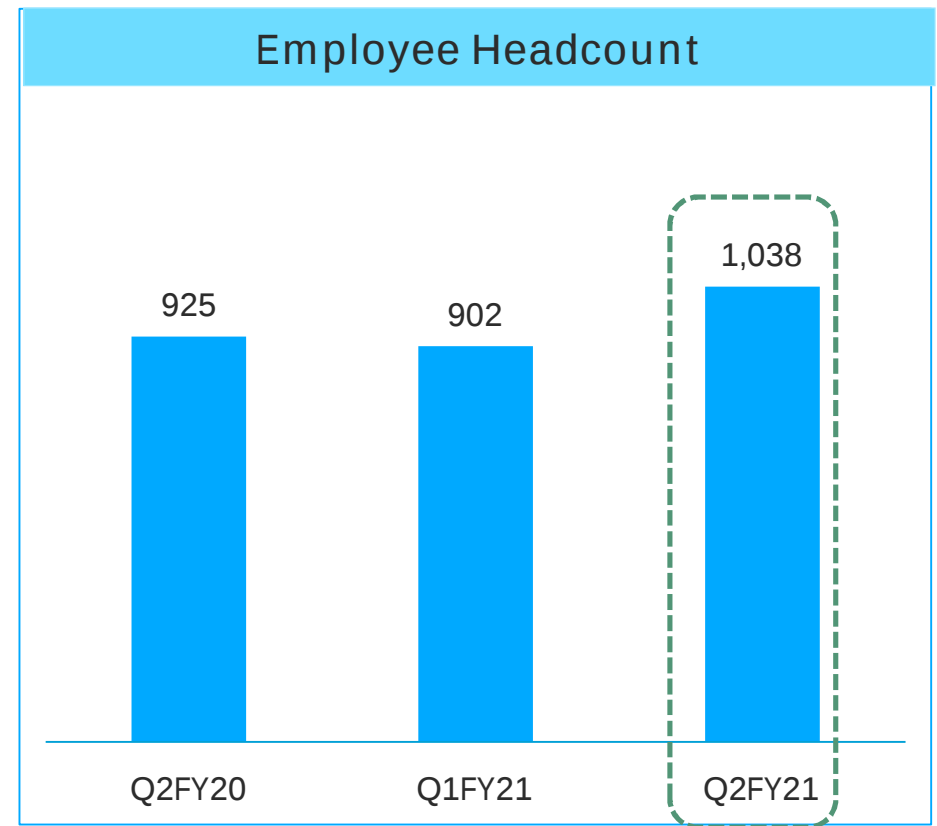
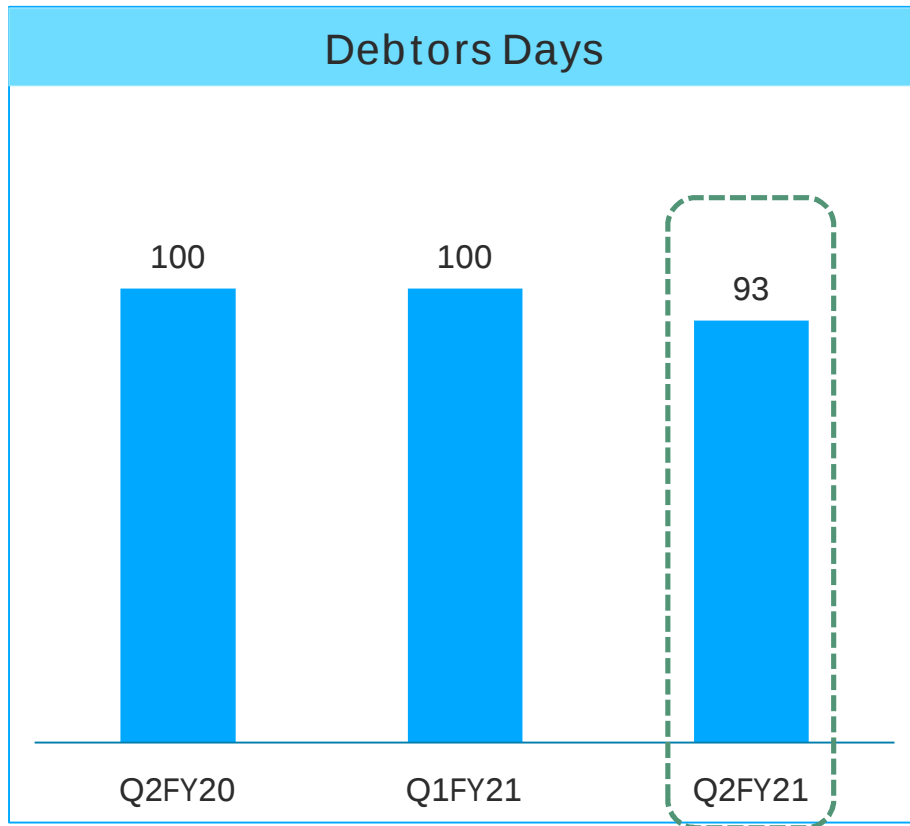
In Rs Million



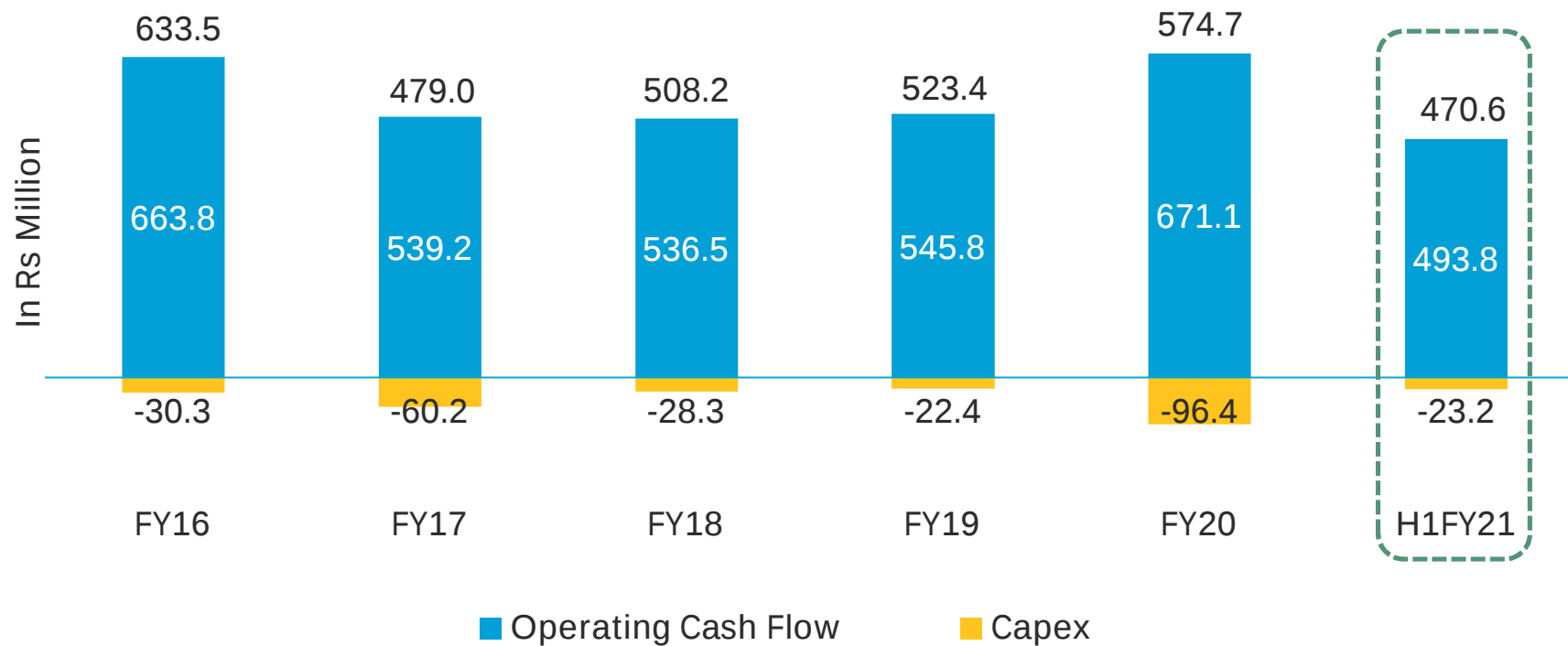
Revenue Metrics – Q2FY21



Operating Metrics – Q2FY21



Free Cash Flow Overview



Consolidated Financial Performance –Q2FY21

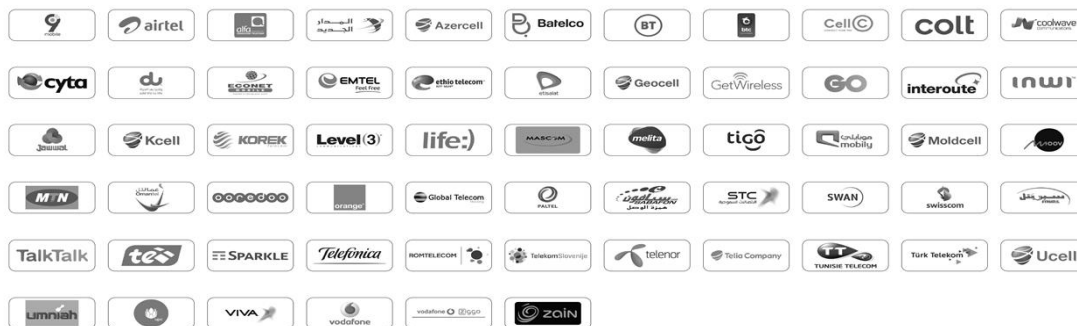
Particulars (All Figures in Rs Million)	Q2 FY21 30-Sep-20	Q1 FY21 30-Jun-20	Q-o-Q Growth %	Q2 FY20 30-Sep-19	Y-o-Y Growth %	H1 FY21 30-Sep-20	H1 FY20 30-Sep-19	Y-o-Y Growth %
Income								
Revenue from operations	932.9	887.0	5.2%	856.7	8.9%	1,819.9	1,646.2	10.6%
Other income	10.0	9.6		14.0		19.6	17.6	
Total income	942.9	896.6	5.2%	870.7	8.3%	1,839.5	1,663.8	10.6%
Employee benefits expense	489.0	455.7		443.7		944.7	874.6	
Other expenses	146.1	154.2		235.2		300.3	444.8	
EBITDA (ex-forex)	297.8	277.1	7.5%	177.8	67.5%	574.9	326.8	75.9%
EBITDA Margin (ex-forex) %	31.9%	31.2%	68bps	20.8%	1117bps	31.6%	19.9%	1174bps
Exchange fluctuation (gain)/ loss, net	43.8	(18.9)		(29.2)		24.9	(55.1)	
EBITDA	254.0	296.0	(14.2%)	207.0	22.7%	550.0	381.9	44.0%
EBITDA Margin %	27.2%	33.4%	(614bps)	24.2%	306bps	30.2%	23.2%	702bps
Depreciation	36.5	36.6		37.8		73.1	74.9	
Finance Cost	10.3	11.0		12.1		21.3	24.3	
Profit before exceptional items & tax	217.2	258.0	(15.8%)	171.1	26.9%	475.2	300.3	58.2%
Exceptional items	28.7	-		-		28.7	-	
Profit before tax	245.9	258.0	(4.7%)	171.1	43.7%	503.9	300.3	67.8%
Tax Expenses	123.4	106.4		108.1		229.8	184.5	
Net Profit / (Loss)	122.5	151.6	(19.2%)	63.0	94.4%	274.1	115.8	136.7%

Consolidated Annual Financial Performance

Particulars (All Figures in Rs Million)	FY20 31-Mar-20	FY 19 31-Mar-19	FY 18 31-Mar-18	FY 17 31-Mar-17	FY 16 31-Mar-16
Income					
Revenue from operations	3,649.8	3,481.2	3,243.2	3,573.3	3,224.6
Other income	56.3	10.1	14.0	115.4	18.3
Total income	3,706.1	3,491.3	3,257.2	3,688.7	3,242.9
Employee benefits expense	1,745.4	1,910.5	1,747.1	1,587.1	1,603.4
Other expenses	1,051.3	1,068.1	1,021.7	1,205.3	938.2
Exchange fluctuation (gain)/ loss, net	(88.7)	(17.1)	165.0	(69.8)	51.5
EBITDA	941.8	519.7	309.4	850.7	631.5
<i>EBITDA Margin %</i>	<i>25.8%</i>	<i>14.9%</i>	<i>9.5%</i>	<i>23.8%</i>	<i>19.6%</i>
Depreciation	150.8	48.3	51.7	49.5	42.7
Finance Cost	47.7	10.7	44.2	163.8	575.7
Profit before tax and exceptional items	799.6	470.8	227.5	752.8	31.4
Exceptional items	(3176.6)	0.0	116.6	(1,089.0)	(646.9)
Profit Before Tax	(2,377.0)	470.8	344.1	(336.2)	(615.5)
Tax Expenses	314.5	218.6	137.3	96.1	127.3
Net Profit / (Loss)	(2,691.5)	252.2	206.8	(432.3)	(742.8)

Key Clients

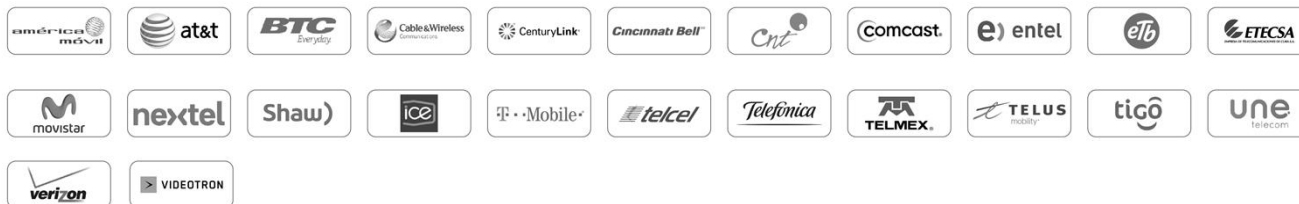
EMEA



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 & Whole-Time Director

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.



Suresh Chintada

Chief Technology Officer

Suresh is the CTO of Subex, and brings with him a wide ranging leadership, managerial and technical experience of over 27 years. Prior to Subex, he was worked with companies like Motorola, ARRIS and CommScope, where he built and scaled large global software engineering, professional services and technical support services operations, serving Industry verticals like cable, telecom, mobile and wireless networking. Suresh holds a Bachelor's and Master's Degree in Electronics & Communications Engineering from Osmania University and Post Graduate Diploma in software enterprise management, from IIM, Bangalore.

Executive Management Team



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.



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

Executive Management Team



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.

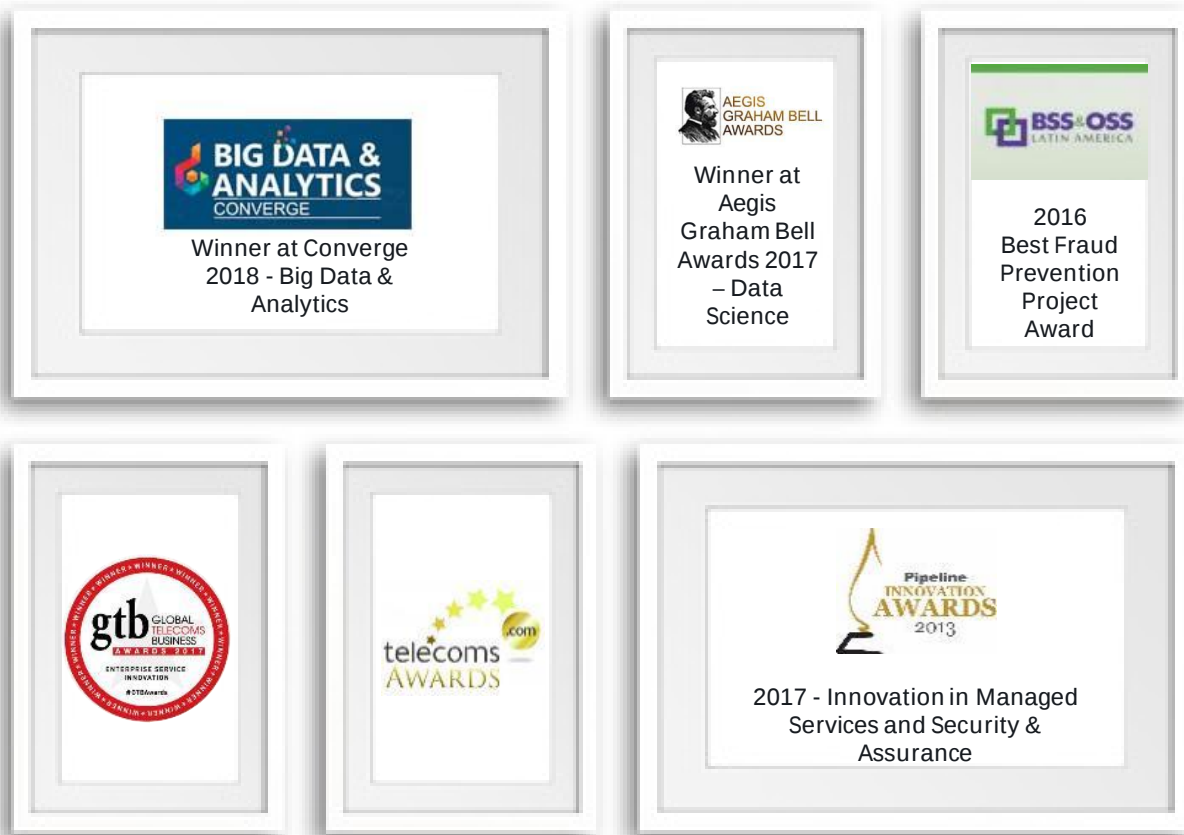


Bhavna Singh

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

investorrelations@subex.com | +91 806659 8700

dpingle@christensenir.com | +91 02242150210