R SYSTEMS
Caring - Innovating - Transforming

R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2008 & ISO 27001:2005 Company]
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Regd. Off.: B-104A, Greater Kailash-1, New Delhi - 110 048

REF: SECT/03/2019/03 March 05, 2019

To, The Managing Director **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol – RSYSTEMS	To, The General Manager **BSE Limited** Department of Corporate Services, Rotunda Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code - 532735

Dear Sir/ Madam,

SUB: <u>SUBMISSION OF PRESENTATION MADE TO ANALYSTS/ INVESTORS</u>

This is with reference to our intimation dated March 01, 2019 regarding Investors/ Analysts call of the R Systems International Limited ("the Company") on Tuesday, March 05, 2019.

In this regard, as per Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed presentation made to Analysts/ Investors on March 05, 2019 on the financial results for the quarter and year ended December 31, 2018.

The presentation is also available on the website of the Company i.e. www.rsystems.com.

This is for your information and records.

Thanking you,

Yours faithfully,

For R Systems International Limited

Dubey

Bhasker Dubey
(Company Secretary and Compliance Officer)

R SYSTEMS INTERNATIONAL LTD. ★

Analytical Review – Q4 & Year 2018 Results

ISO 9001:2015 27001:2013 CMMIDEV/5 PCMM/5

// Disclaimer

"Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements."

// Key Highlights Q4 2018

Revenue

₹ 192.45 Cr (US$ 26.84 mn)

QoQ Increase	YoY Increase
3.25% (0.48% in US$)	23.75% (11.77% in US$)

EBITDA

₹ 18.24 Cr (US$ 2.57 mn)

Profit After Taxes

₹ 26.00 Cr (US$ 3.74 mn)

Earnings Per Share

₹ 2.11

Key Wins

6

Share Holder Funds

₹ 322.90 Cr

or

$ 46.28 mn

Cash and Bank Balances

₹ 199.84 Cr

or

$ 28.64 mn

// Key Highlights Year 2018

Revenue

₹ 699.89 Cr (US$ 102.47 mn)

YoY Increase

18.10%
(12.59% in US$)

EBITDA

₹ 57.73 Cr (US$ 8.46 mn)

Profit After Taxes

₹ 51.04 Cr (US$ 7.48 mn)

Earnings Per Share

₹ 4.14

Key Wins

18

Associates Added

400

// Key Highlights (Continues...)

- Reported Record INR Revenue of ~ 700 Cr. in Year-2018.
- Telecom and Digital Media contributed ~ 25% share of revenues.
- Serving 21 million dollar plus customers on run rate basis.
- Added 18 key wins during the year.
- Net Addition of 400 associates over the year 2018.
- Margins improved due to revenue growth, discipline in execution along with rupee depreciation.

// Financial Performance – Contribution Analysis – Q4 2018

(Figures in mn)

Particulars	Q4 2018		Q4 2017		Q3 2018	
	INR	US$	INR	US$	INR	US$
Revenues	**1,924.53**	**26.84**	**1,555.23**	**24.01**	**1,863.95**	**26.71**
Cost of revenues	1,269.06	17.68	1,082.37	16.71	1,225.97	17.54
Gross margin	**655.47**	**9.16**	**472.86**	**7.30**	**637.98**	**9.17**
	34.06%		*30.40%*		*34.23%*	
SG & A Expenses	473.06	6.59	376.91	5.82	432.30	6.17
	24.58%		*24.23%*		*23.19%*	
EBITDA	**182.41**	**2.57**	**95.95**	**1.48**	**205.68**	**3.00**
	9.48%		*6.17%*		*11.03%*	
Depreciation and amortization	34.53	0.48	34.61	0.53	34.44	0.49
Income from operations	**147.88**	**2.09**	**61.34**	**0.95**	**171.24**	**2.51**
Interest expense	(0.58)	(0.01)	(0.13)	(0.01)	(0.71)	(0.01)
Other income (net)	177.17	2.59	48.93	0.75	(16.24)	(0.25)
Income before income tax	**324.47**	**4.67**	**110.14**	**1.69**	**154.29**	**2.25**
Income tax provision	64.51	0.93	39.01	0.60	28.92	0.42
Net earnings	**259.96**	**3.74**	**71.13**	**1.09**	**125.37**	**1.83**

// Revenue & Gross Margins Analysis – Q4 2018

REVENUES

3.25 %
Increase in Revenue Resulted from:

Rupee depreciation primarily against USD

2.19%

Volume Impact

1.06%

GROSS MARGIN

(0.17) %
Decrease in Gross Margin Resulted from:

Impact of Lesser billable days

(0.72)%

Impact due to rupee depreciation

0.55%

// Financial Performance – Contribution Analysis – Year 2018

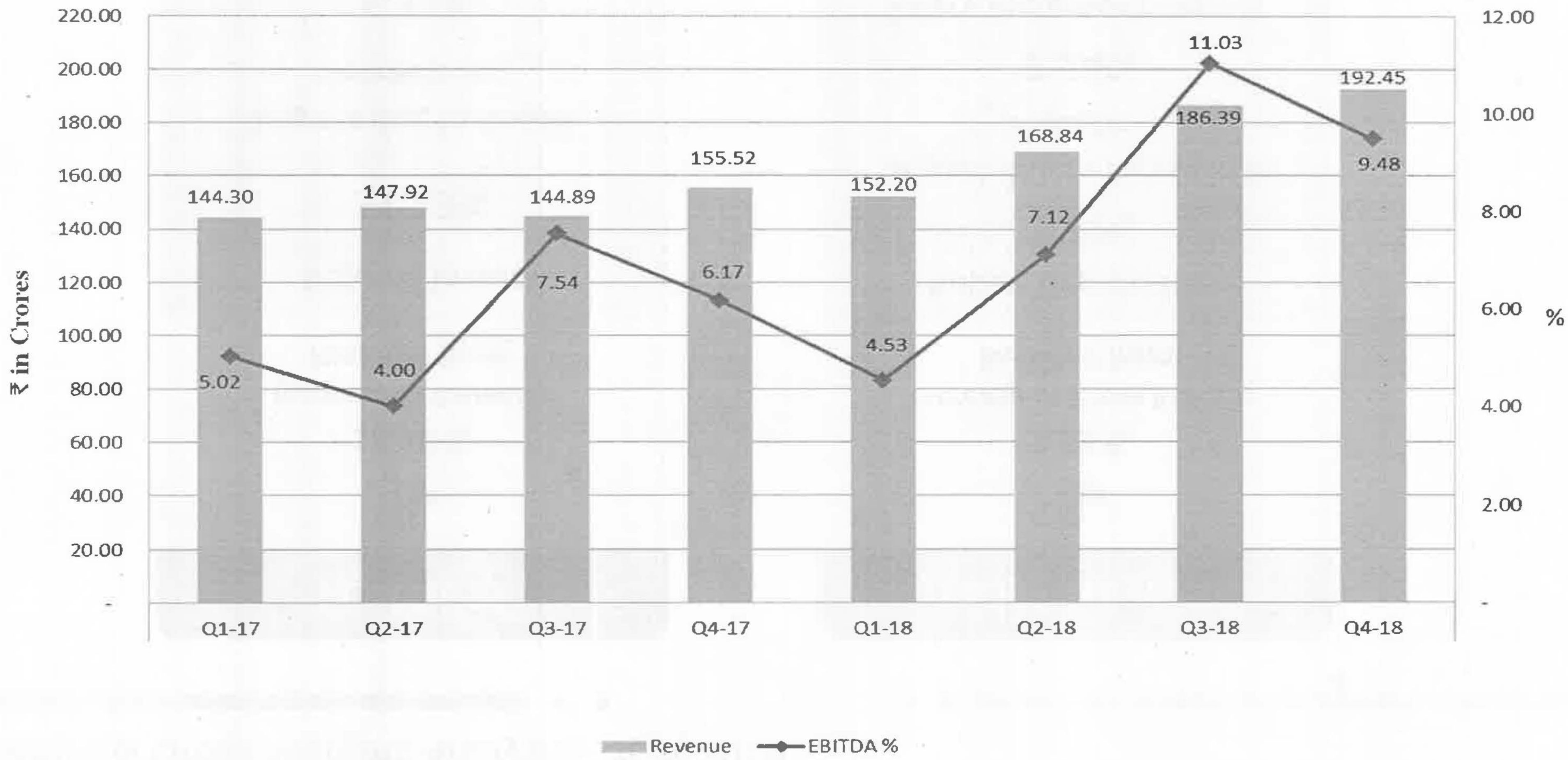
(Figures in mn)

Particulars	Year 2018		Year 2017	
	INR	US$	INR	US$
Revenue	**6,998.89**	**102.47**	**5,926.38**	**91.01**
Cost of revenue	4,702.17	68.84	4,137.23	63.53
Gross margin	**2,296.72**	**33.63**	**1,789.15**	**27.48**
	32.82%		*30.19%*	
SG & A Expenses	1,719.46	25.17	1,452.35	22.31
	24.57%		*24.51%*	
EBITDA	**577.26**	**8.46**	**336.80**	**5.17**
	8.25%		*5.68%*	
Depreciation and amortization	135.48	1.98	134.80	2.07
Income from operations	**441.78**	**6.48**	**202.00**	**3.10**
Interest expense	(2.65)	(0.04)	(3.98)	(0.05)
Other income (net)	187.69	2.74	155.42	2.38
Income before income tax	**626.82**	**9.19**	**353.44**	**5.43**
Income tax provision	116.37	1.70	128.10	1.97
Net earnings	**510.45**	**7.48**	**225.34**	**3.46**

// Revenue & Gross Margins Analysis – Year 2018

REVENUES	GROSS MARGIN
18.10 %	**2.63 %**
Increase in Revenue Resulted from:	**Increase in Gross Margin Resulted from:**
Volume Impact	Rupee Depreciation
11.73%	**2.74%**
Impact due to Rupee depreciation	Impact due to increase in utilization
6.37%	**2.24%**
	Salary Increment Impact
	(2.35)%

// Big Picture – Revenue & EBITDA %age

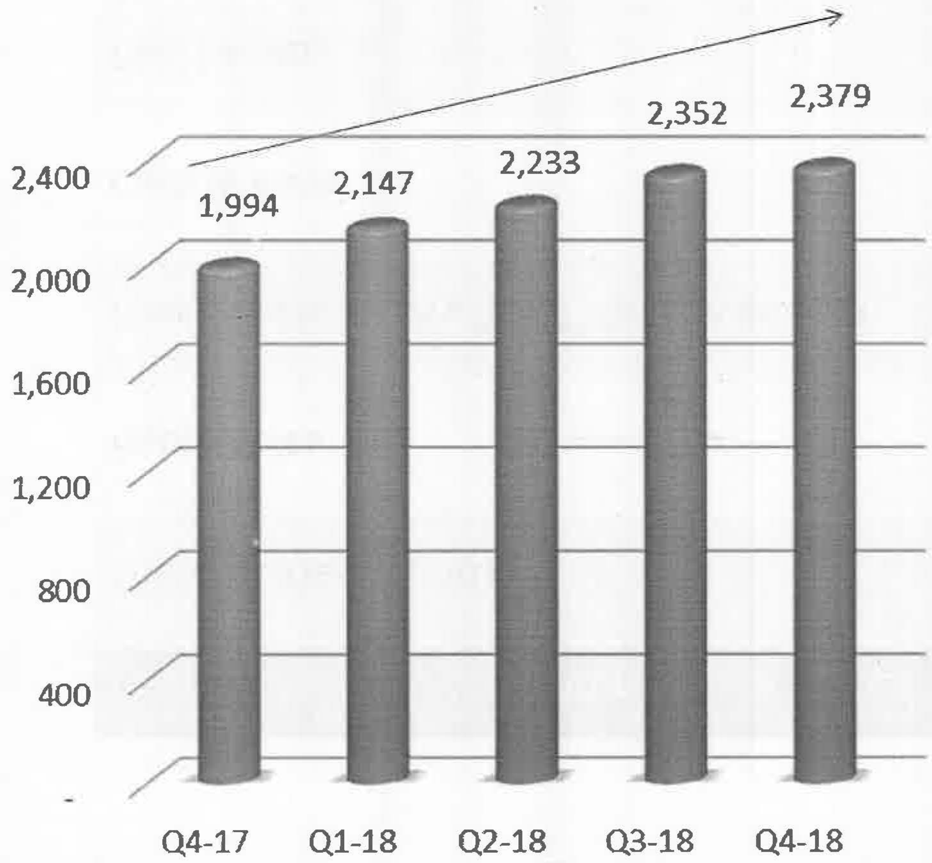


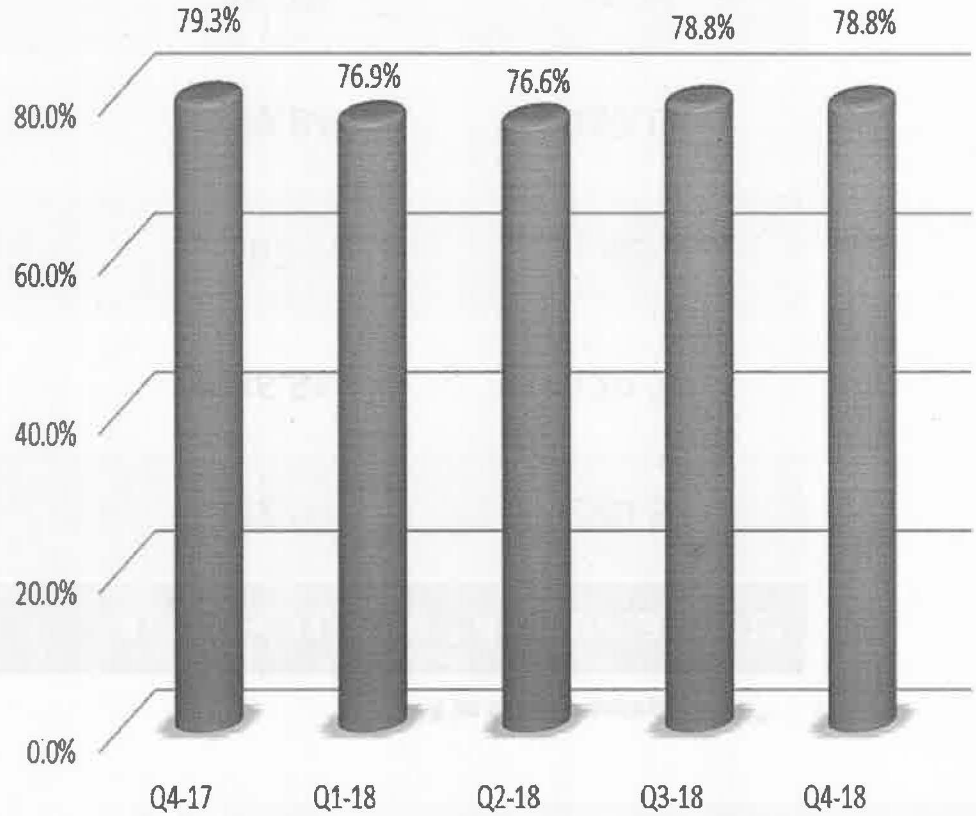
Consolidated Key Balance Sheet Data

₹ in Crores except "DSO"

Particulars	As at Dec 31, 2018	As at Dec 31, 2017
Share Holders' Funds	322.90	270.87
Receivables	136.55	120.76
Receivables in days "DSO" for the quarter	67	68
Cash & Bank	199.84	162.68
Fixed Assets	35.07	35.38

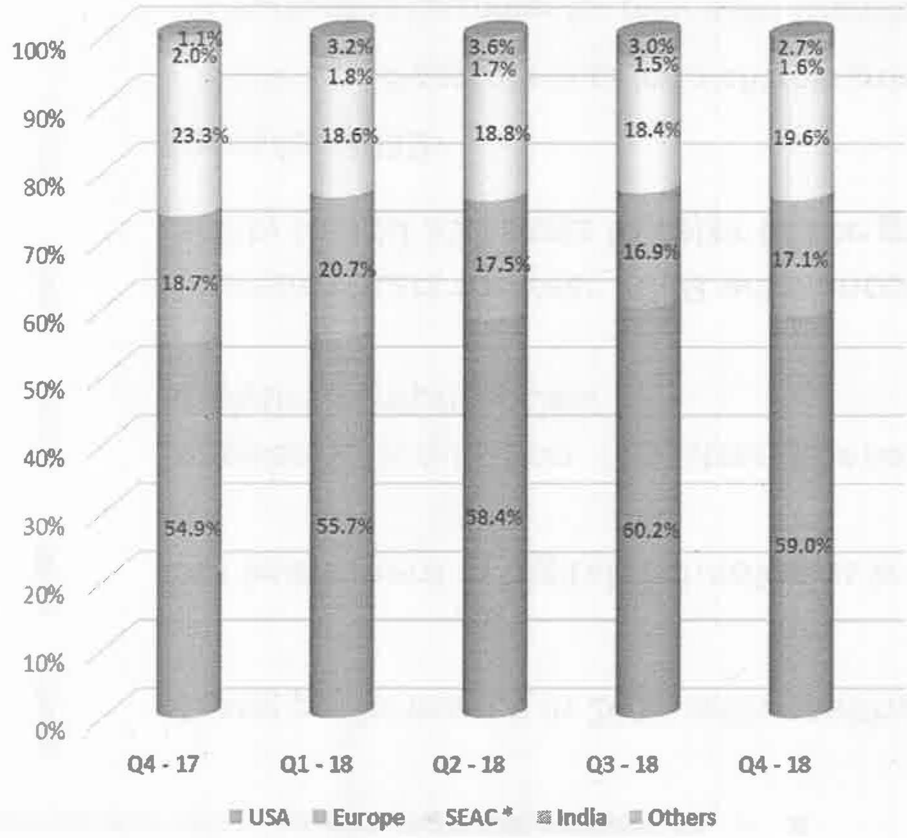
// Billable Head Counts and Utilization





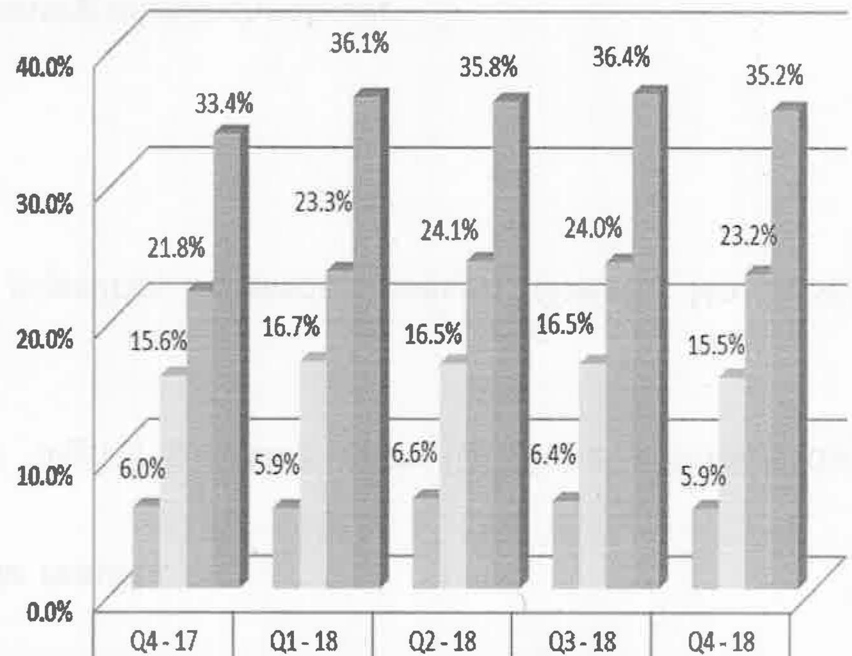
// Revenue Breakdown

By Geography



* South East Asian Countries

Client Concentration



	Q4 - 17	Q1 - 18	Q2 - 18	Q3 - 18	Q4 - 18
The Largest Client	6.0%	5.9%	6.6%	6.4%	5.9%
Top 3 Clients	15.6%	16.7%	16.5%	16.5%	15.5%
Top 5 Clients	21.8%	23.3%	24.1%	24.0%	23.2%
Top 10 Clients	33.4%	36.1%	35.8%	36.4%	35.2%

// Summing Up and Looking Ahead

Strong performance in 2018 with healthy revenue growth and margin improvement.

Our investment in digital technologies is yielding visible results.

Innovizant acquisition has strengthened R Systems' digital practice with its niche advance data analytics competencies.

Promising start for Year 2019 with encouraging sales pipeline. Expanded present Greater Noida SEZ facility to add 350 seats to cater to the growth.

Focus for 2019:

- Leverage digital offerings for profitable growth
- Partnering Customer for their digital transformation using cutting edge technologies
- Maintain discipline in execution to enhance margins
- Strong balance sheet to invest for future growth

// Contact Information

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Thank You
for your Support