

# Financial Performance– Q1FY20

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July 23, 2019



# Agenda

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- Financial Highlights
- Business Update
- Financial Statements
  - Income Statement
  - Balance Sheet
- Business Analysis
- Shareholding Pattern



# Financial Highlights – Q1FY20

## Consolidated Revenues at INR 9,627 Mn

- Up 16.7% YoY, Down 1.0% QoQ
- Up 19.9% YoY, Up 3.0% QoQ excl GIS business
- Constant currency organic revenue growth excl GIS business is 4.0%

## Operating profits at INR 1,388 Mn

- Up 6.3% YoY, Down 18.6% QoQ
- Operating Margins at 14.4%, Down 142 bps YoY and 313 bps QoQ
- Operating Margins excluding non recurring cost is 17.1% (Excl GIS business)

## Net Profits at INR 876 Mn

- Up 2.0% YoY, Down 17.0% QoQ
- Net Profit excluding non recurring cost at 1,006 Mn, Up 17.3% YoY, Down 12.0% QoQ

## Order Intake at \$175 Mn

- \$395 Mn of firm business executable over next 12 months

# Business Highlights for Q1FY20

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- **Travel, Transportation & Hospitality(TTH) up 3.3% QoQ, Contributes 28.3% (LQ 27.1%)**
  - Growth in major accounts in US
  - 2 New logos added
- **Insurance up 4.3% QoQ, Contributes 29.1% (LQ 27.7%)**
  - Higher revenues in NITL
  - 2 New accounts added
- **BFS up 0.8% QoQ, Contributes 16.4% (LQ 16.2%)**
  - Higher revenue in customers in EMEA and APAC
  - 2 New accounts added
- **Others Vertical down 11.0% QoQ, Contribute 26.6% (LQ 29.0%)**
  - GIS revenues decline on account of sale of GIS Business
  - 5 New accounts added

# Consolidated Income Statement – Continuing Business (Excl. GIS)

Particulars (INR Mn)	Q1FY20 (Reported)	Q1FY20 (Adjusted)	Q4FY19 (Reported)	Q4FY19 (Adjusted)	QoQ% (Reported)	QoQ% (Adjusted)	Q1FY19	YoY% (Reported)	YoY% (Adjusted)
<b>Gross Revenues</b>	<b>9,597</b>	<b>9,597</b>	<b>9,319</b>	<b>9,319</b>	<b>3.0%</b>	<b>3.0%</b>	<b>8,005</b>	<b>19.9%</b>	<b>19.9%</b>
Direct Costs	6,348	6,348	6,110	6,087	3.9%	4.3%	5,301	19.7%	19.7%
<b>Gross Profit</b>	<b>3,249</b>	<b>3,249</b>	<b>3,209</b>	<b>3,233</b>	<b>1.2%</b>	<b>0.5%</b>	<b>2,704</b>	<b>20.2%</b>	<b>20.2%</b>
GM%	33.9%	33.9%	34.4%	34.7%	-58 Bps	-83 Bps	33.8%	8 Bps	8 Bps
Selling / General And Administration	1,843	1,608	1,624	1,591	13.5%	1.1%	1,417	30.0%	13.4%
<b>SG&amp;A to Revenue %</b>	<b>19.2%</b>	<b>16.8%</b>	<b>17.4%</b>	<b>17.1%</b>	<b>178 Bps</b>	<b>-32 Bps</b>	<b>17.7%</b>	<b>150 Bps</b>	<b>-95 Bps</b>
<b>EBITDA</b>	<b>1,406</b>	<b>1,641</b>	<b>1,585</b>	<b>1,642</b>	<b>-11.3%</b>	<b>0.0%</b>	<b>1,286</b>	<b>9.3%</b>	<b>27.6%</b>
EBITDA%	14.7%	17.1%	17.0%	17.6%	-236 Bps	-51 Bps	16.1%	-142 Bps	103 Bps
Depreciation and Amortization	401	401	298	298	34.4%	34.4%	307	30.6%	30.6%
Other Income (net)	171	75	45	45	274.9%	63.9%	206	-17.3%	-63.8%
<b>Profit Before Tax (Before exceptional items)</b>	<b>1,176</b>	<b>1,315</b>	<b>1,332</b>	<b>1,389</b>	<b>-11.8%</b>	<b>-5.3%</b>	<b>1,185</b>	<b>-0.8%</b>	<b>10.9%</b>
PBT % (Before exceptional items)	12.3%	13.7%	14.3%	14.9%	-205 Bps	-120 Bps	14.8%	-256 Bps	-111 Bps
Exceptional items	(57)	-	56	-	-201.8%	NA	-	NA	NA
<b>Profit Before Tax</b>	<b>1,233</b>	<b>1,315</b>	<b>1,276</b>	<b>1,389</b>	<b>-3.4%</b>	<b>-5.3%</b>	<b>1,185</b>	<b>4.0%</b>	<b>10.9%</b>
PBT %	12.8%	13.7%	13.7%	14.9%	-85 Bps	-120 Bps	14.8%	-196 Bps	-111 Bps
Provision for Tax	318	269	223	243	42.6%	10.9%	300	6.0%	-10.4%
Minority Interest	24	24	34	34	-28.5%	-28.5%	45	-46.2%	-46.2%
<b>Profit After Tax (after Minority Int.)</b>	<b>890</b>	<b>1,021</b>	<b>1,020</b>	<b>1,112</b>	<b>-12.7%</b>	<b>-8.2%</b>	<b>840</b>	<b>6.0%</b>	<b>21.6%</b>
PAT%	9.3%	10.6%	10.9%	11.9%	-166 Bps	-129 Bps	10.5%	-122 Bps	15 Bps
<b>EPS - INR</b>									
Basic	14.4	16.5	16.6	18.1	-13.0%	-8.5%	13.7	5.3%	20.8%

- NTL Signed a definitive agreement for the sale of entire 88.99% stake in GIS business on April 6, 2019 and hence from FY20, the business will be monitored excluding GIS.

# Consolidated Quarterly Income Statement

Particulars (INR Mn)	Q1FY20 (Reported)	Q1FY20 (Adjusted)	Q4FY19 (Reported)	Q4FY19 (Adjusted)	QoQ% (Reported)	QoQ% (Adjusted)	Q1FY19	YoY% (Reported)	YoY% (Adjusted)
<b>Gross Revenues</b>	<b>9,627</b>	<b>9,627</b>	<b>9,722</b>	<b>9,722</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>8,249</b>	<b>16.7%</b>	<b>16.7%</b>
Direct Cost	6,374	6,374	6,293	6,270	1.3%	1.7%	5,437	17.2%	17.2%
<b>Gross Profit</b>	<b>3,253</b>	<b>3,253</b>	<b>3,428</b>	<b>3,452</b>	<b>-5.1%</b>	<b>-5.8%</b>	<b>2,811</b>	<b>15.7%</b>	<b>15.7%</b>
GM%	33.8%	33.8%	35.3%	35.5%	-148 Bps	-172 Bps	34.1%	-30 Bps	-30 Bps
Selling / General And Administration	1,864	1,629	1,722	1,689	8.3%	-3.6%	1,505	23.9%	8.3%
<b>SG&amp;A to Revenue %</b>	<b>19.4%</b>	<b>16.9%</b>	<b>17.7%</b>	<b>17.4%</b>	<b>165 Bps</b>	<b>-45 Bps</b>	<b>18.2%</b>	<b>112 Bps</b>	<b>-132 Bps</b>
<b>EBITDA</b>	<b>1,388</b>	<b>1,623</b>	<b>1,706</b>	<b>1,763</b>	<b>-18.6%</b>	<b>-7.9%</b>	<b>1,306</b>	<b>6.3%</b>	<b>24.3%</b>
EBITDA%	14.4%	16.9%	17.6%	18.1%	-313 Bps	-127 Bps	15.8%	-142 Bps	103 Bps
Depreciation and Amortization	401	401	303	303	32.3%	32.3%	312	28.5%	28.5%
Other Income (net)	172	76	47	47	261.6%	59.4%	209	-17.9%	-63.8%
<b>Profit Before Tax (Before exceptional items)</b>	<b>1,159</b>	<b>1,298</b>	<b>1,451</b>	<b>1,507</b>	<b>-20.1%</b>	<b>-13.9%</b>	<b>1,203</b>	<b>-3.7%</b>	<b>7.9%</b>
PBT % (Before exceptional items)	12.0%	13.5%	14.9%	15.5%	-288 Bps	-202 Bps	14.6%	-255 Bps	-110 Bps
Exceptional items	(57)	-	56	-	-201.8%	NA	-	NA	NA
<b>Profit Before Tax</b>	<b>1,216</b>	<b>1,298</b>	<b>1,395</b>	<b>1,507</b>	<b>-12.8%</b>	<b>-13.9%</b>	<b>1,203</b>	<b>1.1%</b>	<b>7.9%</b>
PBT %	12.6%	13.5%	14.3%	15.5%	-171 Bps	-202 Bps	14.6%	-196 Bps	-110 Bps
Provision for Tax	318	269	296	320	7.6%	-15.7%	300	6.2%	-10.1%
Minority Interest	22	22	44	44	-49.7%	-49.7%	46	-51.4%	-51.4%
<b>Profit After Tax (after Minority Int.)</b>	<b>876</b>	<b>1,006</b>	<b>1,055</b>	<b>1,143</b>	<b>-17.0%</b>	<b>-12.0%</b>	<b>858</b>	<b>2.0%</b>	<b>17.3%</b>
PAT%	9.1%	10.5%	10.8%	11.8%	-175 Bps	-130 Bps	10.4%	-131 Bps	5 Bps
<b>EPS - INR</b>									
Basic	14.2	16.3	17.1	18.6	-17.0%	-12.0%	14.0	1.9%	17.1%

- Exceptional items include reversal of provision made for FBT (FY15-FY18) & GST (FY16) in Incessant Australia and India due to recovery made from Incessant sellers
- Adjusted figures are excluding non-recurring expenses (Ex-Gratia Payouts and M&A related Legal and Professional charges)

# Balance Sheet

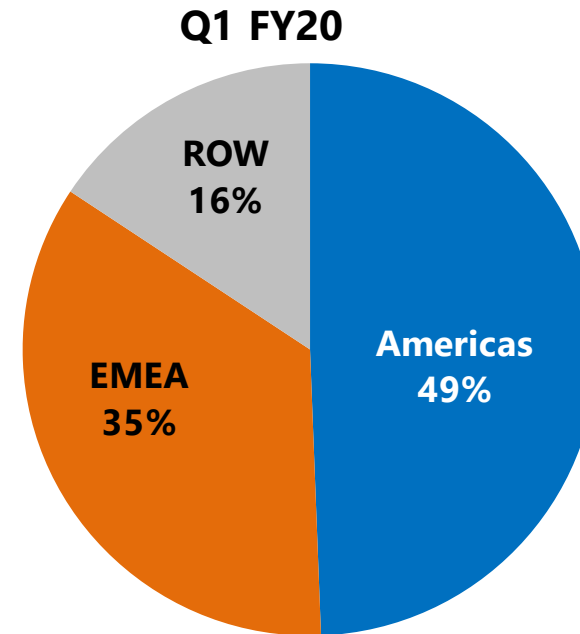
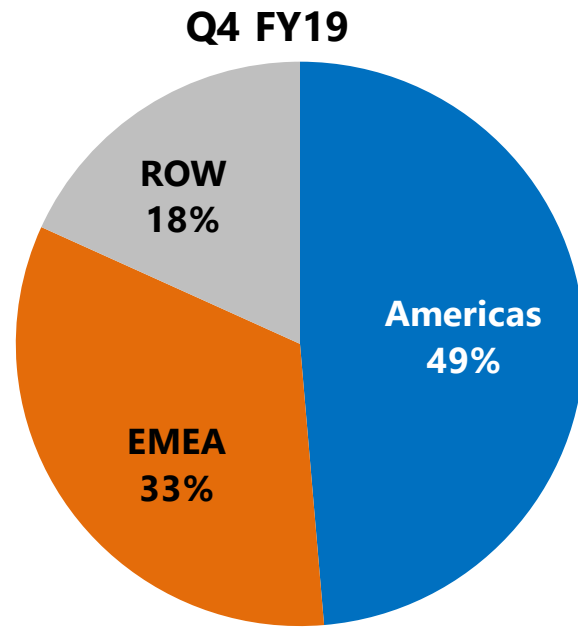
				INR Mn.			
Particulars	As at June 30 2019	As at Mar 31 2019	As at June 30 2018	Particulars	As at June 30 2019	As at Mar 31 2019	As at June 30 2018
Equity	618	618	615	Fixed Assets	5,088	4,223	4,420
Reserves & Surplus	20,897	20,105	17,568	Capital Work in Progress	50	14	23
<b>NET Worth</b>	<b>21,515</b>	<b>20,723</b>	<b>18,183</b>	Intangible Assets	6,863	3,996	4,362
Borrowings	123	134	208	<b>Current Assets</b>			
Deferred Tax Liability	679	395	444	Cash and Cash Equivalent	7,296	9,758	6,849
Minority Interest	-	75	192	Debtors	7,041	6,189	6,363
				Other Current Assets	3,131	3,428	2,490
				Current Liabilities	(6,456)	(5,453)	(4,967)
				Future Acquisition Liability	(1,902)	(1,954)	(1,778)
				Deferred Tax Assets	1,206	1,126	1,264
	<b>22,317</b>	<b>21,327</b>	<b>19,027</b>		<b>22,317</b>	<b>21,327</b>	<b>19,027</b>

- Reserves and Surplus up INR 792 Mn over LQ.

- Cash and Bank Balances down by INR 2,462 Mn over LQ
- DSO – 67 days (LQ 62 days).
- Capex during the Qtr – INR 339 Mn

# Geography Mix

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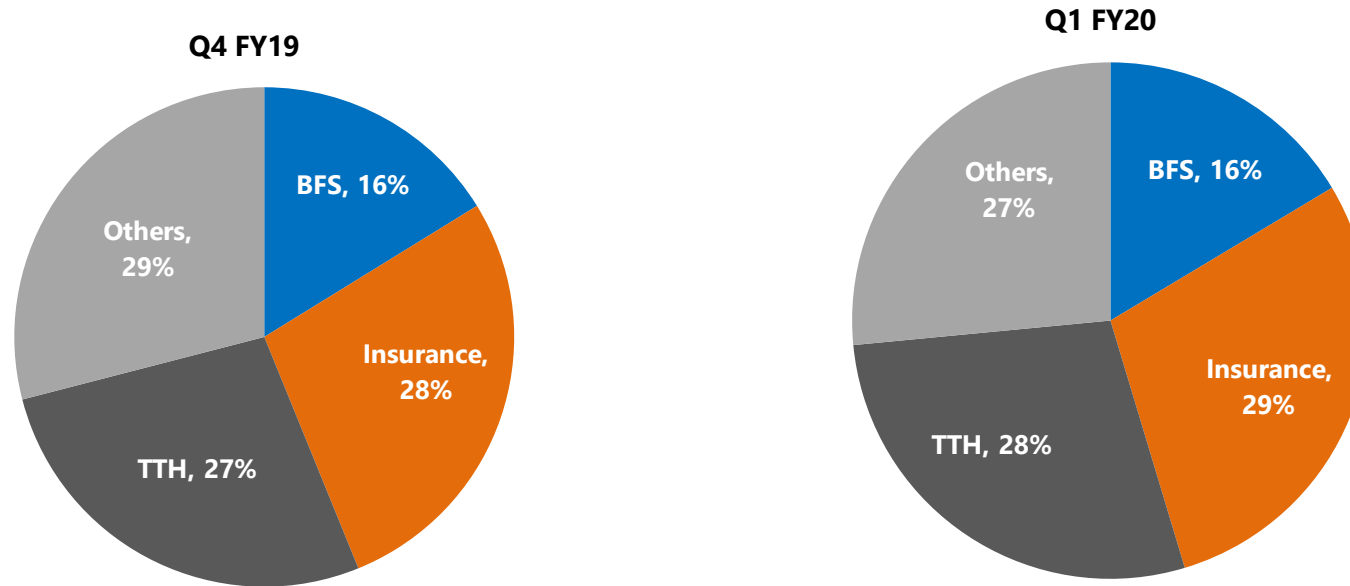
## Q1FY20:

- Growth in EMEA due to higher revenues in NITL and acquisition of Wishworks
- Growth in Americas due to growth in TTH and Insurance verticals
- ROW decline due to divestment of GIS business



# Vertical Mix

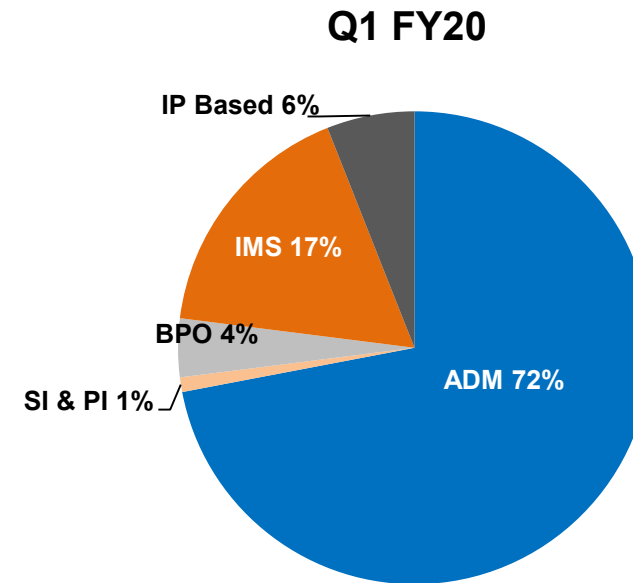
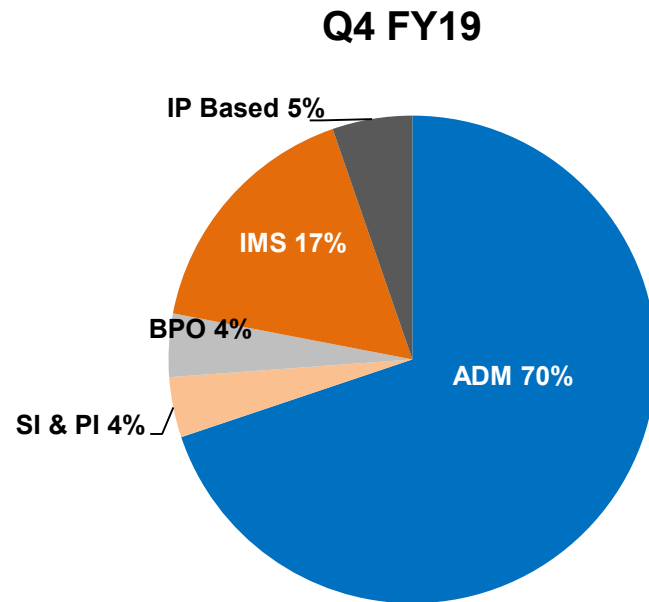
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## Q1FY20:

- Growth in TTH due to continued ramp up in top accounts in US and EMEA
- Growth in BFS on account of higher revenue in EMEA and APAC
- Growth in Insurance on account of increase in NITL revenue
- Revenues from Others segment declined on divestment of GIS business

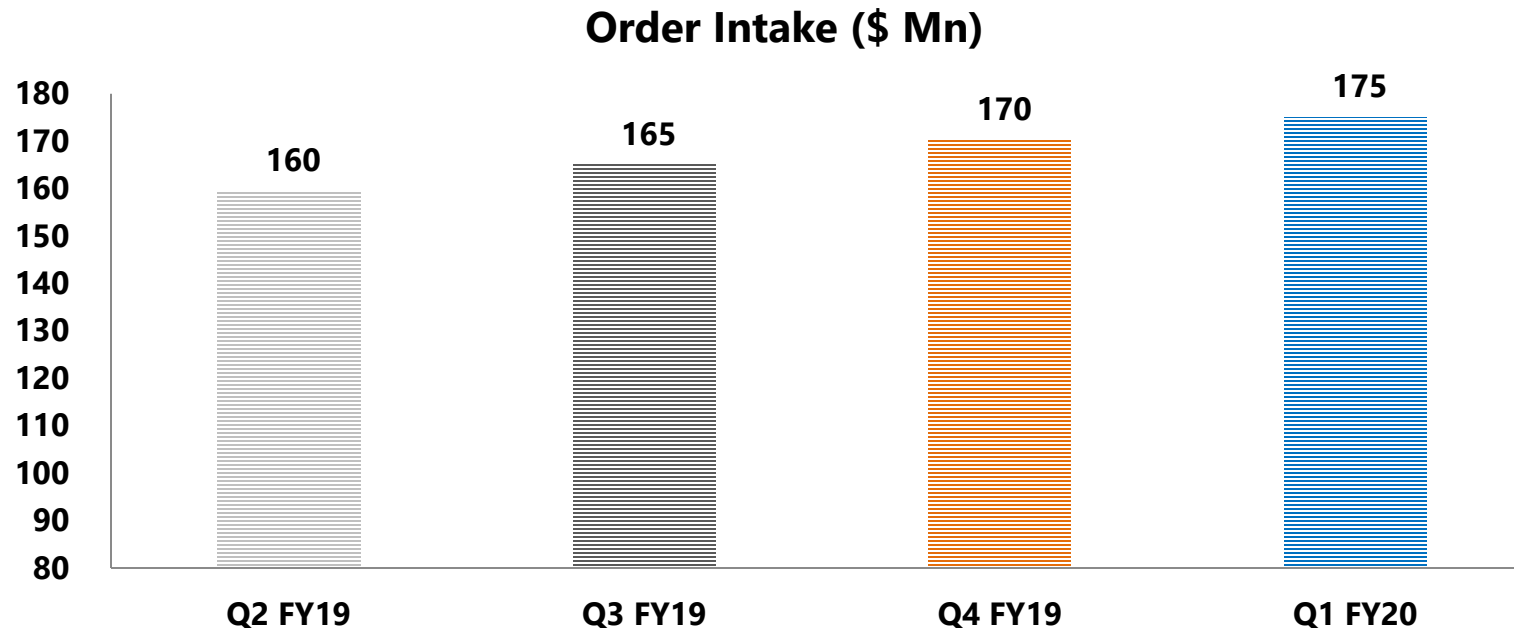
# Service Mix



## Q1FY20:

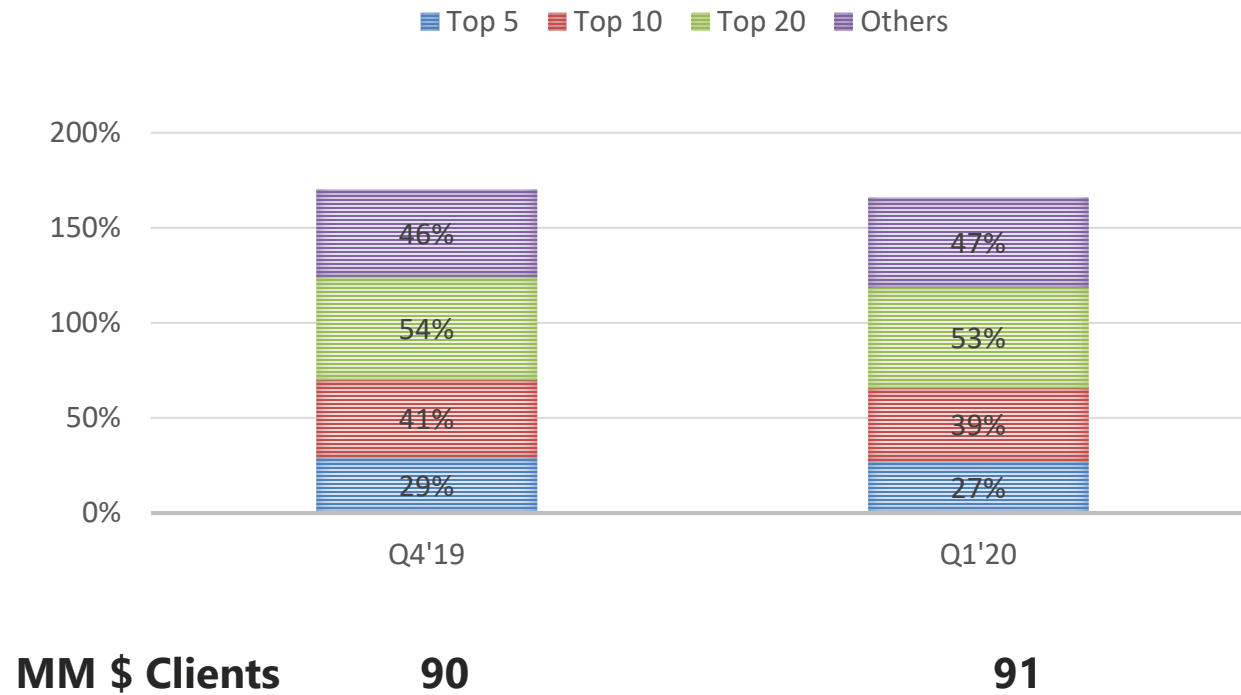
- Digital revenues at 34%, reflecting sequential growth of 12% and YoY growth of 46%
- Growth in ADM due to growth in major verticals (Insurance & T&T)
- Decline in SI&PI on account of sale of GIS business

# Order Intake

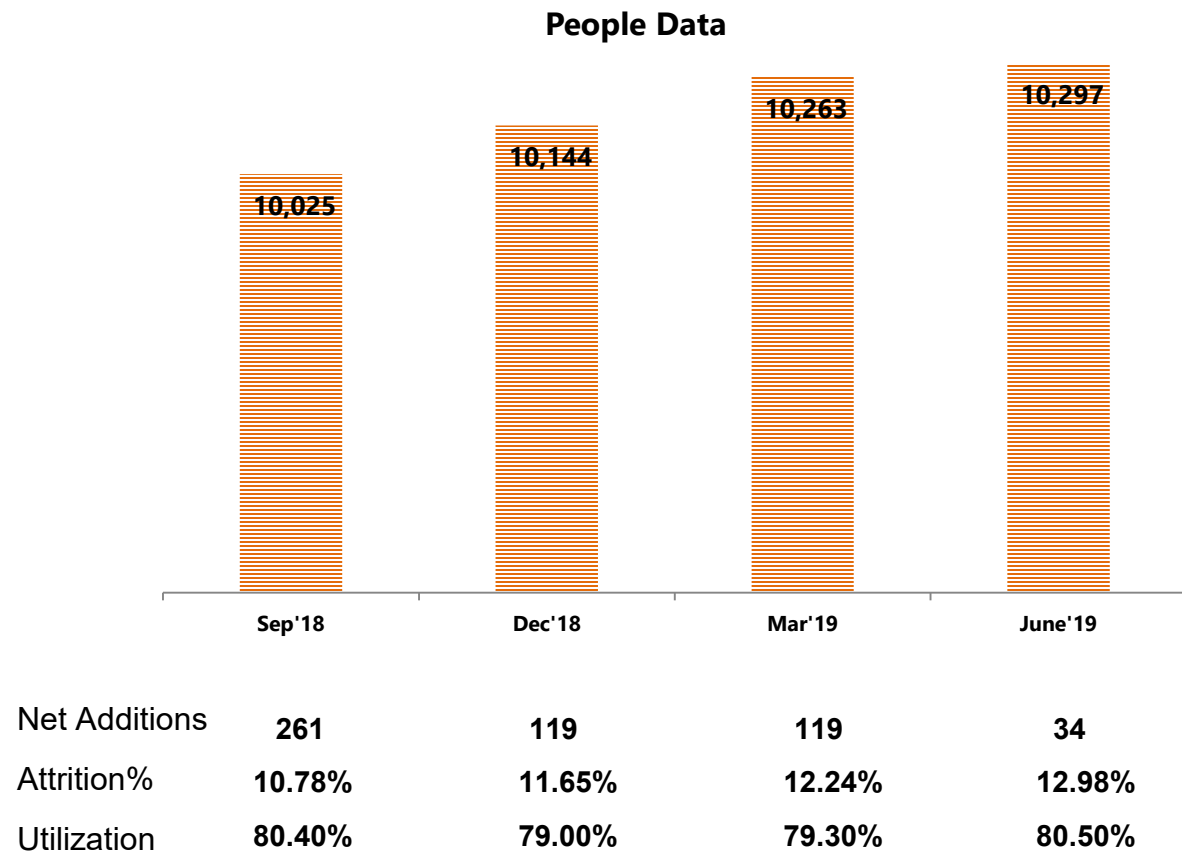


- 11 new customers added: 5 in US, 4 in EMEA and 2 in ROW
- \$175 Mn order intake in the quarter leading to \$ 395 Mn of firm business executable over next 12 months
- Geographical breakdown of order intake – US (100 Mn), EMEA (58 Mn), ROW (17 Mn)

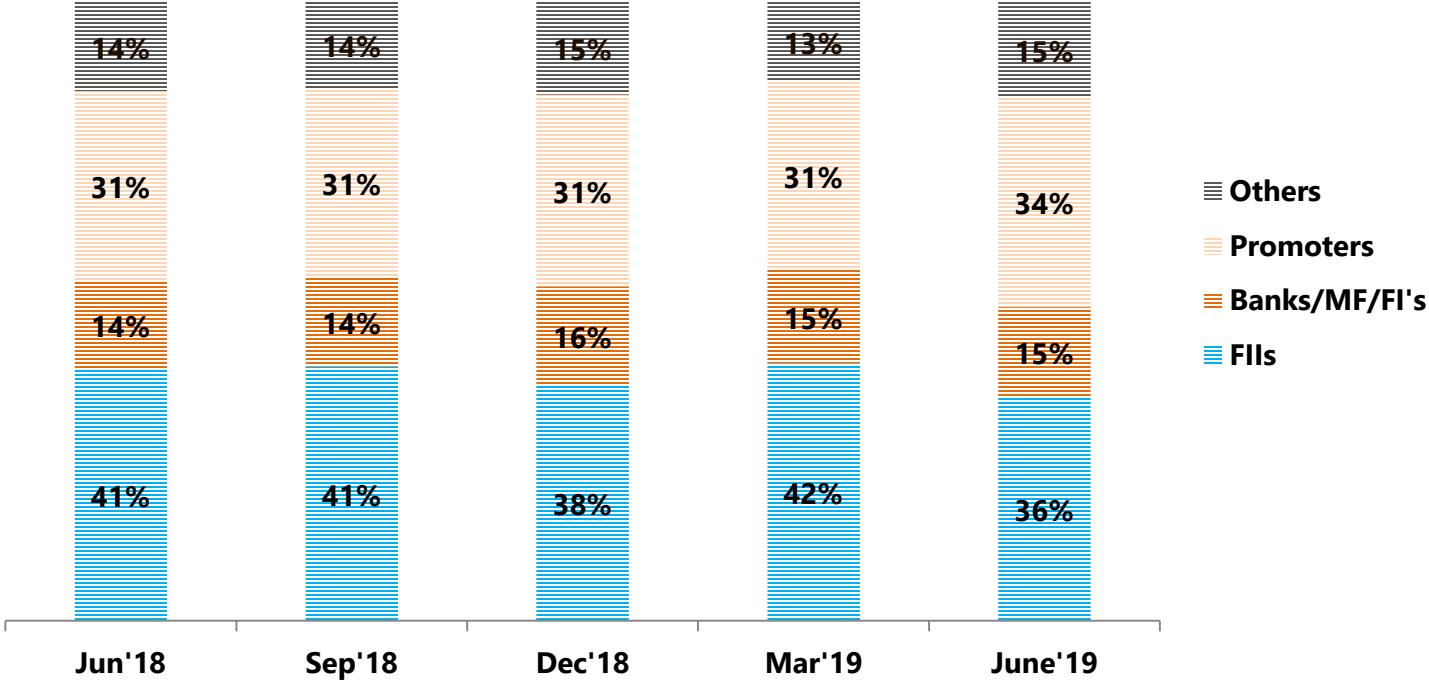
# Top Client Mix



# People Resources



# Shareholding Pattern



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