

Transforming the World Through Quality



sqs.com



SQS India BFSI Investors' Presentation

September 2017

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We have a proud history in software quality assurance



Founded 35 years ago, the **SQS mission** is to **Transform The World Through Quality**.
Our consultancy-led solutions will shape and drive results by:



Delivering Quality in Software –
in products, systems, processes and
networks



Managing Risk and Compliance –
in an increasingly complex digital world



Driving Innovation and Agility –
in rapidly evolving digital organisations



Assuring Quality in Digital Businesses –
by addressing client needs on an industrial
scale

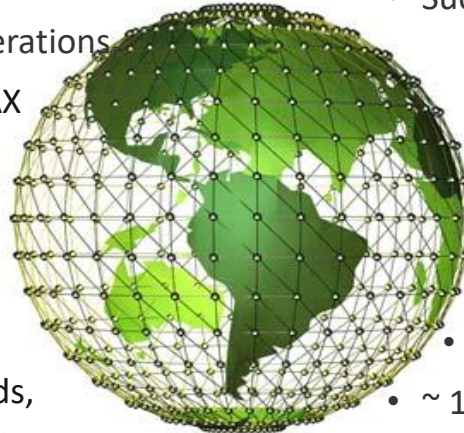


The Global Specialist in Financial Services Testing



SQS

- SQS is the leading global specialist in end-to-end quality services.
- 35 Years of successful consultancy operations
- Customer base includes half of the DAX 30, nearly a third of the STOXX 50 and 20 per cent of the FTSE 100 companies
- Offices in Germany, UK, US, Australia, Austria, Egypt, Finland, France, India, Ireland, Italy, Malaysia, the Netherlands, Norway, Singapore, South Africa, Sweden, Switzerland and UAE
- 10,000+ completed projects
- ~ 4400 People



SQS BFSI

- 100% Financial Services focus
 - Successful track record of over 15 years
 - 150+ customers in APAC, USA, UK and Middle East
 - Offices in key Financial Centers: New York, London, Singapore, Brussels, Dubai, Hong Kong, Mumbai and Sydney
 - Strong multi-country experience
 - ~ 1000 People, 25% from Financial Industry
- Over 14M person hours of track record in Financial Services testing
- ISO 9001:2015 and ISO 27001:2013 certified, SSAE 16/ISAE 3402 and PCI:DSS compliant

Benefits

Local Presence, Pedigree in Quality Testing, Strong Experience in Banking, with Global Delivery and Multi-Country Project Experience

Key Highlights



Revenue

Q1 FY 18 Revenue up by + 6%
(7% on Constant currency)
compared to Q4 FY 17

Group Revenue

Group revenue increased to \$ 1.7m
(18.9%) from \$1.6 m (18.8%)
for Q4 FY 17

Client Focus

Average revenue per client grew
from **INR 34.2 m to INR 41.9 m**
(annualized).

Profit Before Tax (PBT)

PBT for the quarter ended at
INR 141 m compared to **INR 68 m**
in Q4 FY 17

Industrialised Managed Service (iMS)



Deliver faster



Provide certainty



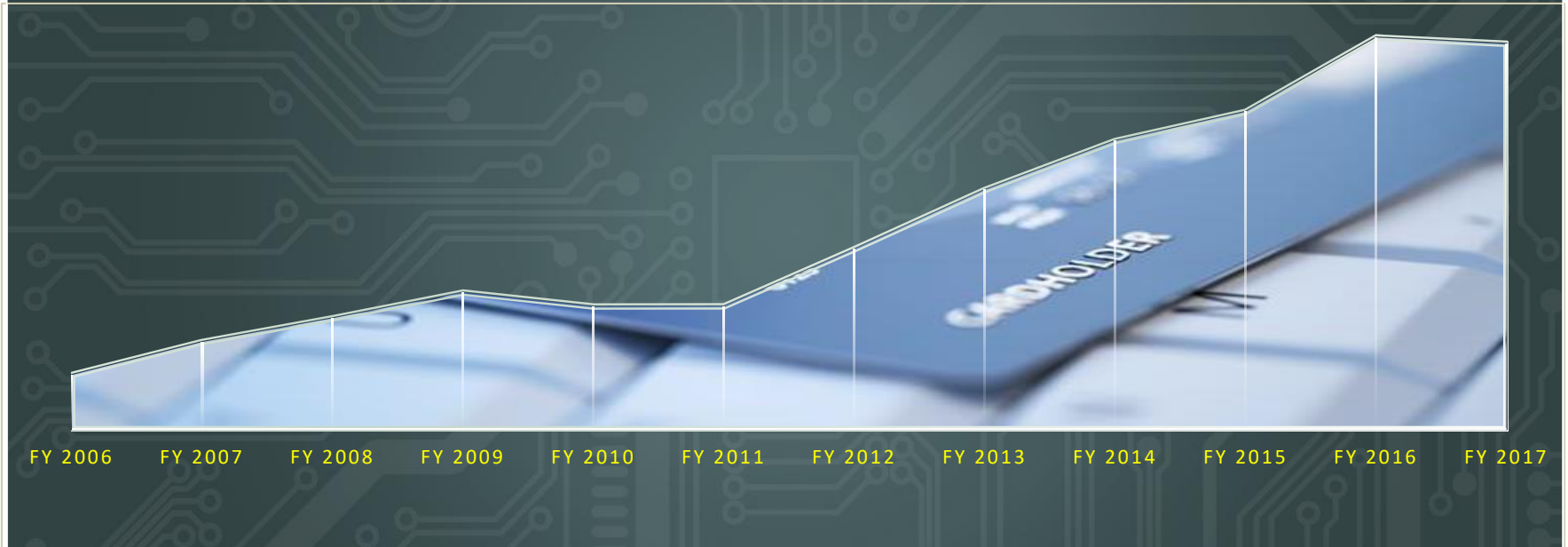
Reduce costs



Improve customer satisfaction

- Leverage iMS to measure efficiencies and Quality
- Improve integration of systems to avoid redundancies





Financials

Revenue increase of 5.6% in Q1 FY 18



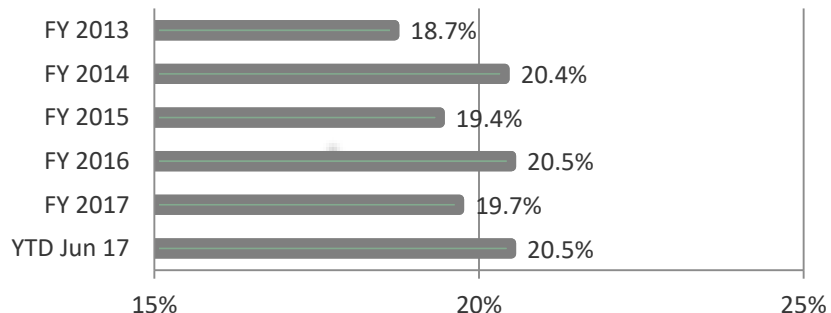
in ₹ m	Qtr 1 FY 18	Qtr 4 FY 17	Change	Main developments
Revenue INR m	607.4	575.3	5.6%	Improved revenue from Europe and US
Revenue \$ m	9.4	8.7	8.7%	
EBIDTA	124.2	119.4	4.0%	3rd party onsite deployment
PBT Before FX Gain / Loss	113.0	105.7	6.8%	
PAT	90.1	44.6	101.9%	Exchange gain Rs. 28 Mn vs loss of Rs. 37 m in Q4 FY17
Net Cash Position	997	890	107 m	DSO at 66 days from 57 days in Mar 31, 2017

Key metrics



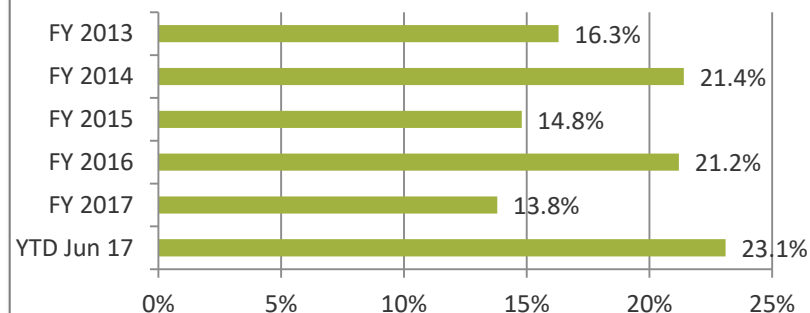
EBITDA

(in % of revenue)



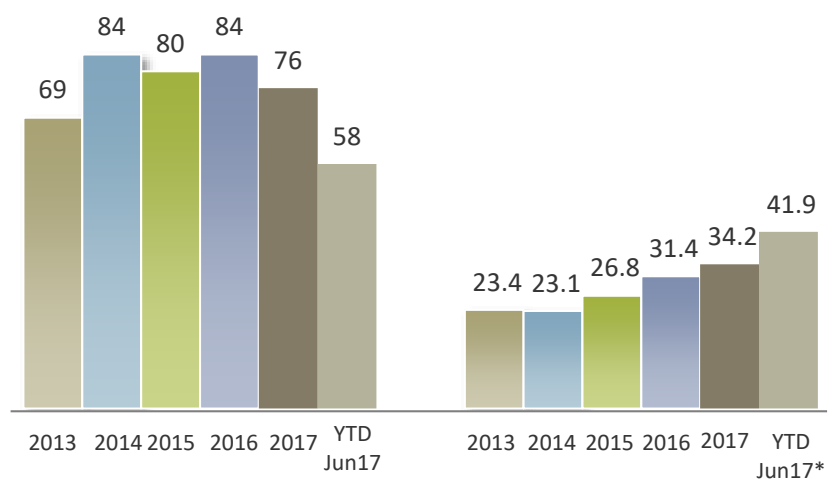
PBT

(in % of revenue)



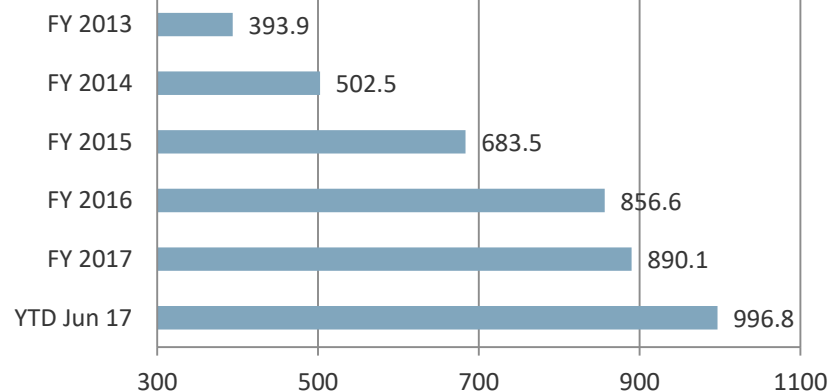
Number of clients / Average revenue

(in INR mn)



Cash balance

(in INR mn)



* - YTD Jun 17 FY18 Revenue Annualized.

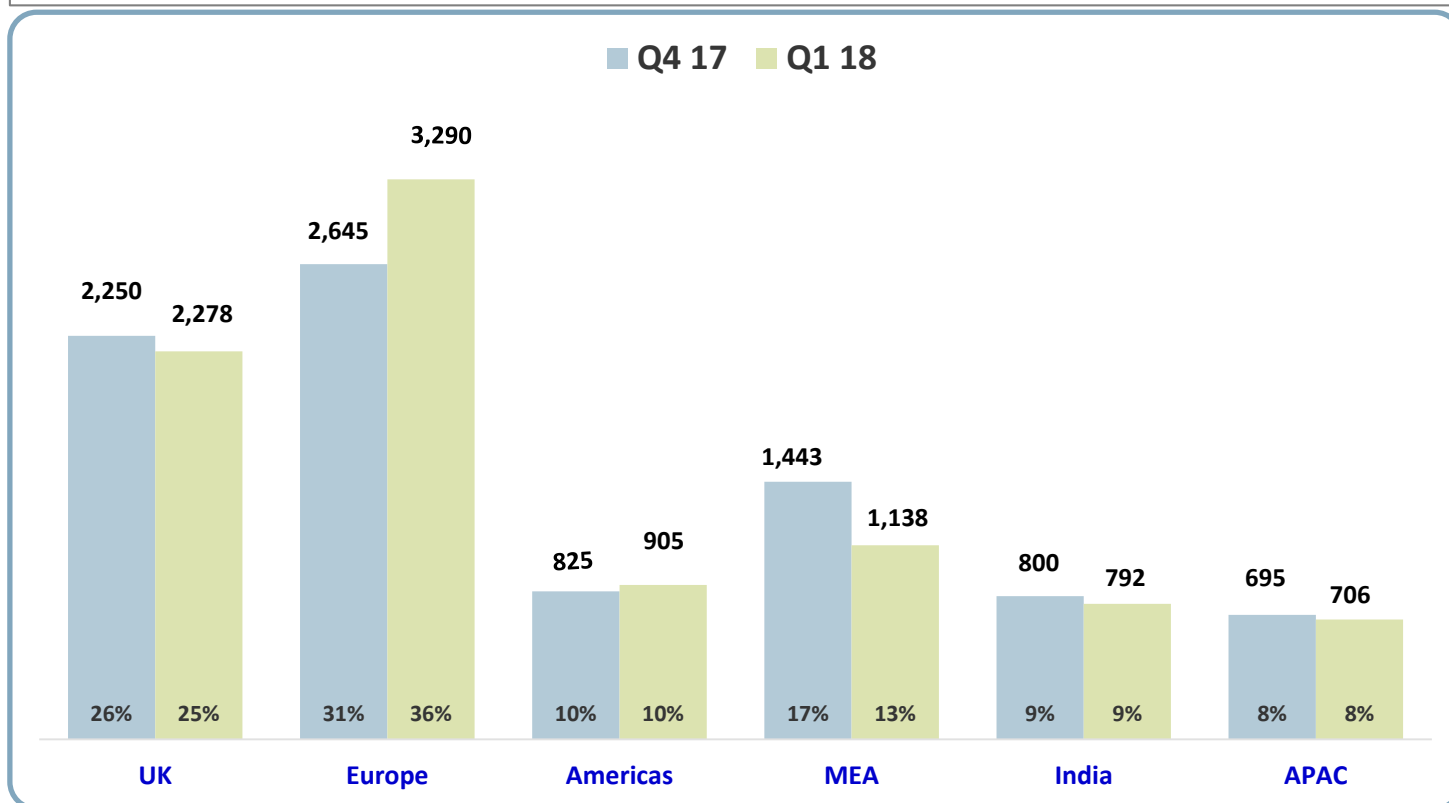
Revenue split



in US\$ '000

Q1 FY-2018 Revenue

Revenue by geographies : Q4 – 17 Vs Q1 - 18



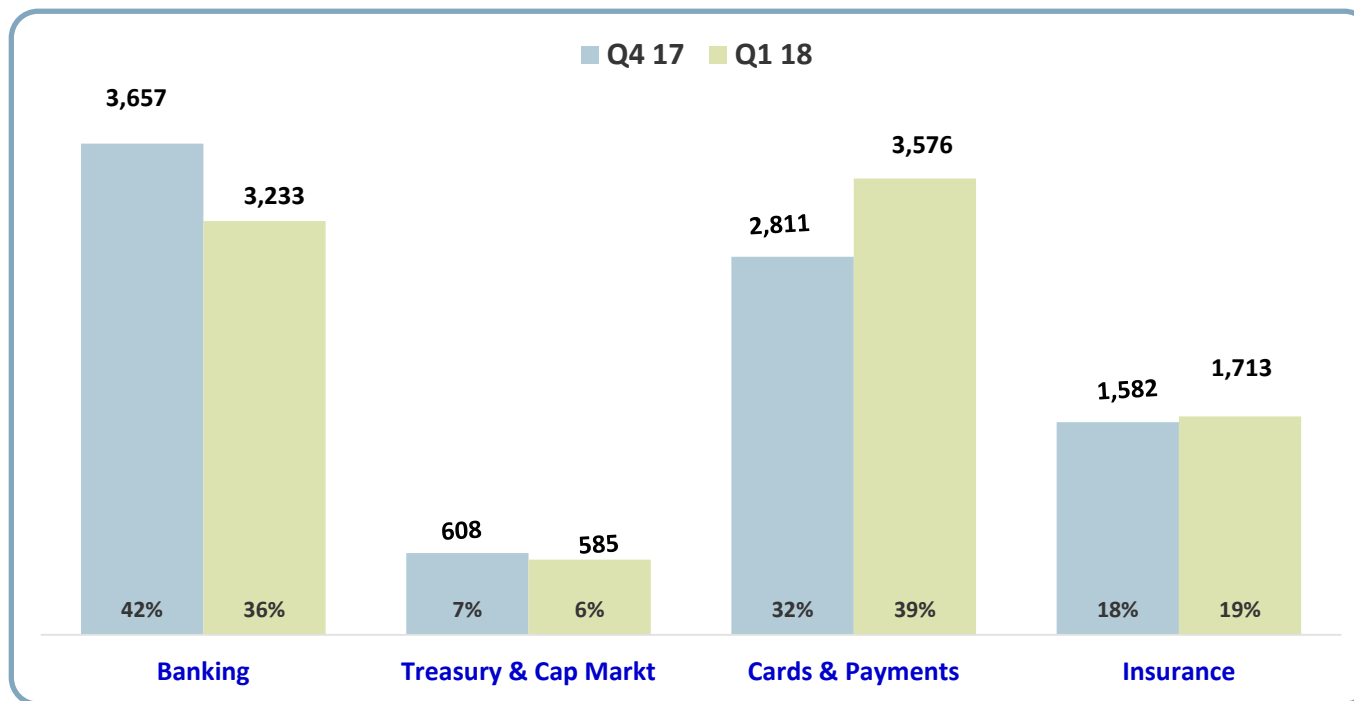
Revenue split



in US\$ '000

Q1 FY-2018 Revenue

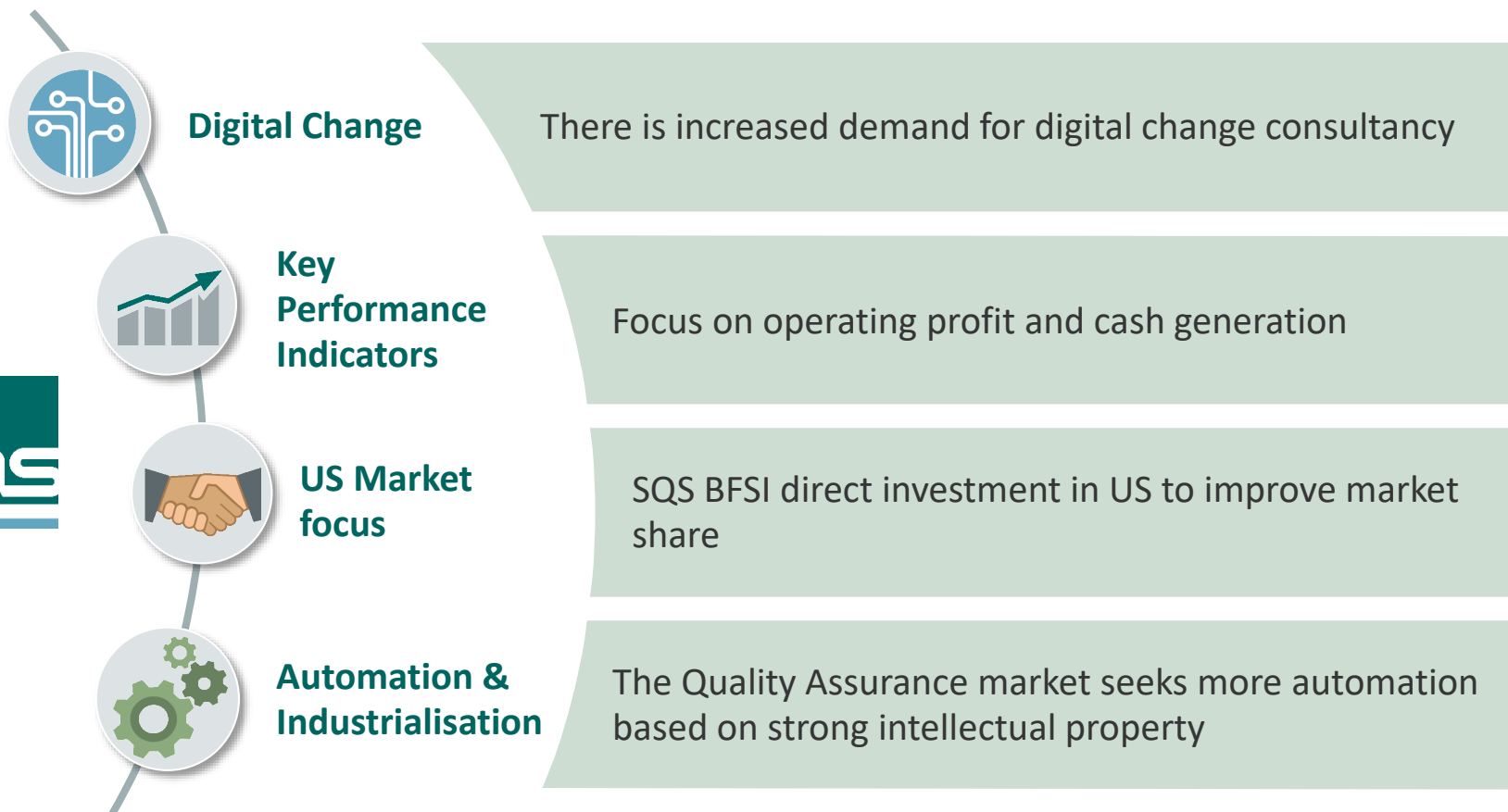
Revenue by practice : Q4 – 17 Vs Q1 - 18





Summary and Outlook

Growth potential driven by digital consulting and automation





Thank you for your attention