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SQS India BFSI Limited
Earnings Presentation – Q4 and Full Year FY17

Safe Harbor



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Agenda



Performance Review

Consolidated Financial Summary

Operating Metrics

Business Outlook

Consolidated Quarterly P&L

Consolidated FY17 Y-o-Y Review



- The operating revenue was Rs 2,599 million for FY17 as compared to Rs 2,642 million in FY16; a drop of 1.6% in rupee terms and flat on a constant currency terms at US\$40.20 million compared to US\$40.17 million in FY16.
- Total income was Rs 2,606 million for FY17 ended March 31, 2017 as compared to Rs 2,651 million in FY16; a drop of 1.7%.
- Company reported EBITDA of Rs 512 million with the margin at 19.7% for FY17 as compared to Rs 541 million (margin at 20.5%) in FY16.
- Net profit stood at Rs 231 million for FY17 ended March 31, 2017 as compared to Rs 369 million in FY16; reflecting unrealised forex losses of 2.9%
- Basic EPS stood at Rs 21.61 as compared to Rs 34.85 for FY16.
- The Company's net cash position improved to Rs 890 million in FY17 as compared to Rs 857 million in FY16, demonstrating a strong cash conversion ratio of 123%.
- The Board is recommending a final dividend of Rs 20 per share for the year.

Consolidated Q4 FY17 Q-o-Q Review



- The operating revenue was Rs 575 million in Q4FY17 as compared to Rs 609 million during the previous quarter; a drop of 5.6%.
- Total income was Rs 576 million in Q4FY17 as compared to Rs 610 million during the previous quarter; a drop of 5.5%.
- EBITDA increased by 18.6% to Rs 117 million with the margin at 20.3% in Q4FY17 as compared to Rs 99 million (margin at 16.2%) during the previous quarter.
- Profit after tax stood at Rs 44 million in Q4FY17 as compared to Rs 38 million in Q3FY17.
- Basic EPS was at Rs 4.04 compared to Rs 3.58 for Q3FY17.

Consolidated Financial Summary

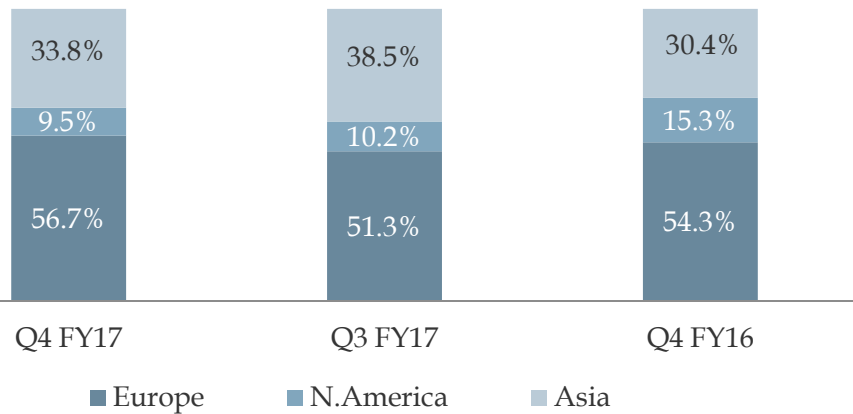


| Particulars | Metrics | 31-Mar-17 | 31-Dec-16 | QoQ Growth | 31-Mar-16 | YoY Growth | 31-Mar-17 | 31-Mar-16 | YoY Growth |
|--------------|--|-----------|-----------|------------|-----------|------------|-----------|-----------|------------|
| | | Q4 FY17 | Q3 FY17 | | Q4 FY16 | | FY17 | FY16 | |
| Revenue | Total Revenue (INR M) | 576.3 | 609.9 | -5.5% | 724.3 | -20.4% | 2,606.1 | 2,651.4 | -1.7% |
| | Net Revenue (INR M) | 575.3 | 609.4 | -5.6% | 722.4 | -20.4% | 2,599.5 | 2,641.6 | -1.6% |
| Profit | EBITDA (INR M) | 117.0 | 98.7 | 18.6% | 164.3 | -28.8% | 511.8 | 540.6 | -5.3% |
| | <i>PBT Before Forex Gain/Loss(INR M)</i> | 103.4 | 84.3 | 22.6% | 157.8 | -34.5% | 464.6 | 507.1 | -8.4% |
| | PBT (INR M) | 65.7 | 60.1 | 9.3% | 158.4 | -58.5% | 360.7 | 562.0 | -35.8% |
| | PAT (INR M) | 43.5 | 38.2 | 13.9% | 106.0 | -59.0% | 230.6 | 369.0 | -37.5% |
| Margin | EBITDA | 20.3% | 16.2% | | 22.7% | | 19.7% | 20.5% | |
| | <i>PBT Before Forex Gain/Loss</i> | 17.9% | 13.8% | | 21.8% | | 17.8% | 19.1% | |
| | PBT | 11.4% | 9.9% | | 21.9% | | 13.8% | 21.2% | |
| | PAT | 7.5% | 6.3% | | 14.6% | | 8.8% | 13.9% | |
| EPS | Basic (Rs.) | 4.0 | 3.6 | 12.7% | 10.0 | -59.5% | 21.6 | 34.8 | -38.0% |
| | Diluted (Rs.) | 4.0 | 3.6 | 12.8% | 9.9 | -59.4% | 21.6 | 34.6 | -37.7% |
| ShareHolding | Promoters (%) | 53.9% | 53.9% | | 54.1% | | 53.9% | 54.1% | |
| | Public (%) | 46.1% | 46.1% | | 45.9% | | 46.1% | 45.9% | |

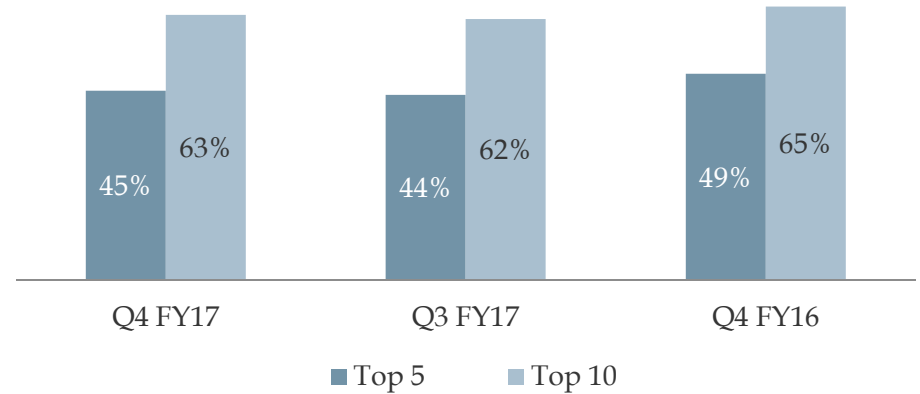
Operating Metrics



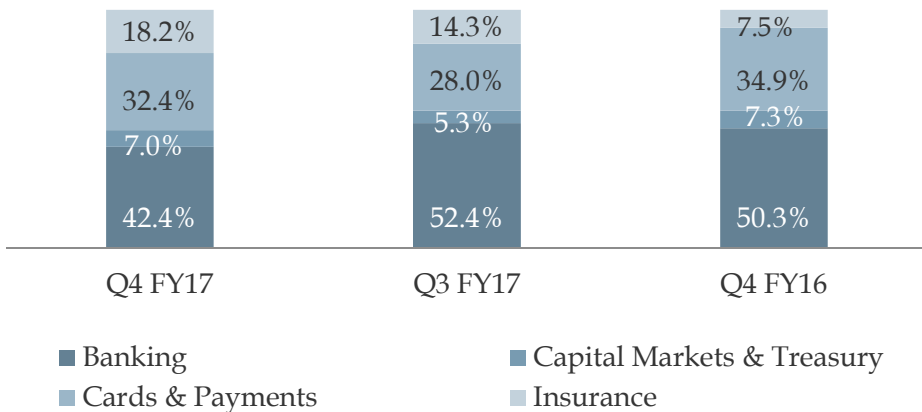
Revenue by Region



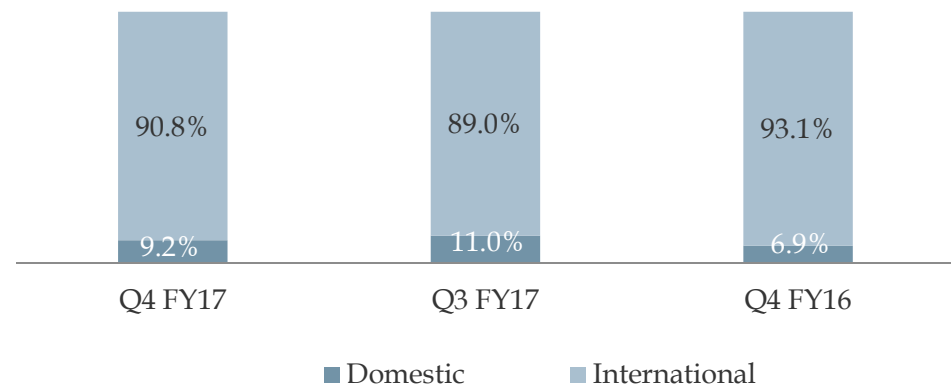
Client Concentration



Revenue by Practice



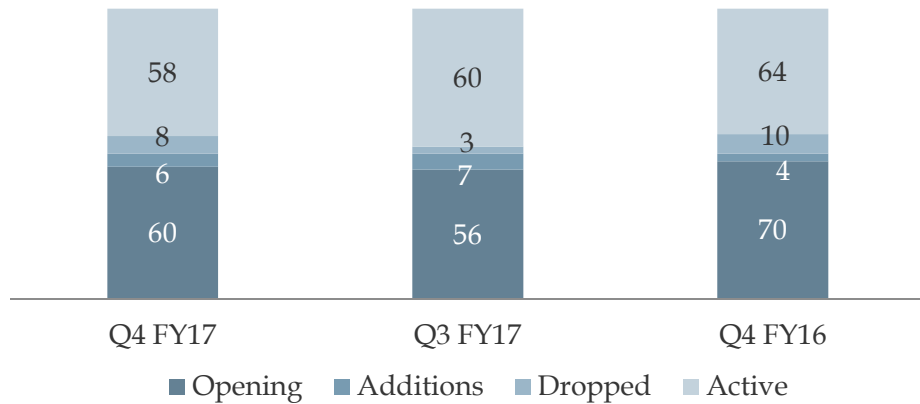
Revenue Distribution



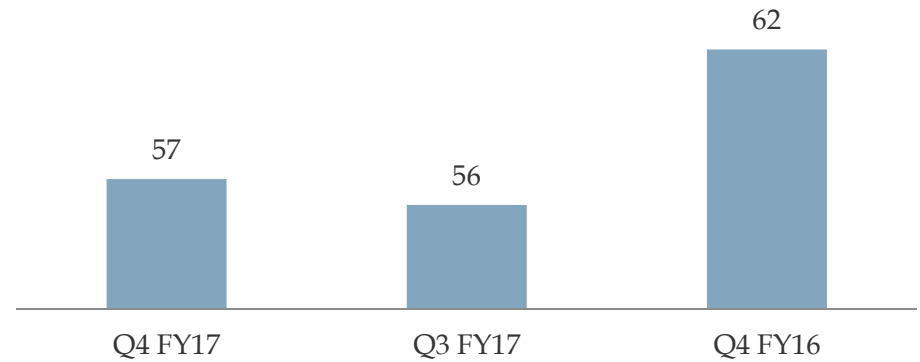
Operating Metrics



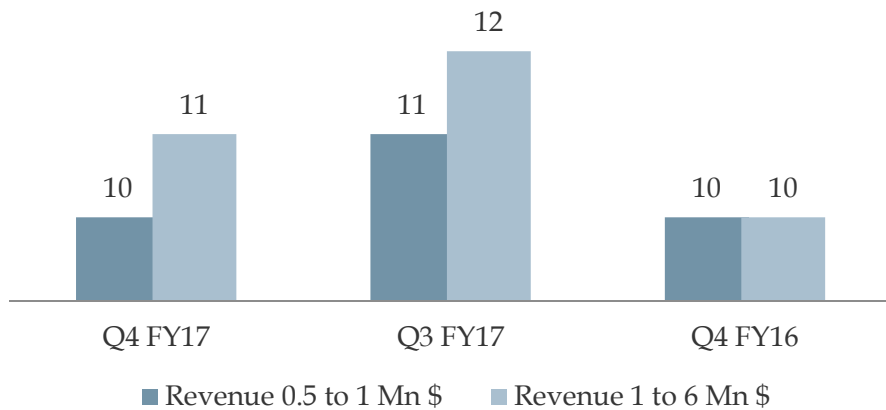
Clients Details



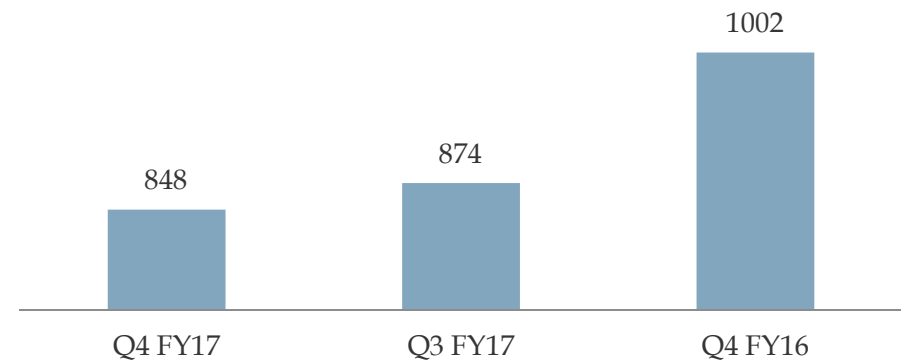
Debtors Days



Customer Profile (12m Rolling)



Employee Details



Current trading and strategic developments in line with expectations



Build out digital consulting
We expect increased demand from digital services, robotics and process automation



Expand US footprint organically
Capitalise on the huge market opportunity US has to offer



Grow industrialised delivery
SQS is the leading global specialist in industrialised quality assurance service delivery

Consolidated Quarterly P & L



| Sr No. | Consolidated Unaudited Financial Statements for the Quarter ended (All figures in INR Million except EPS) | 31-Mar-17 Q4 FY17 | 31-Dec-16 Q3 FY17 | QoQ Growth | 31-Mar-16 Q4 FY16 | YoY Growth | 31-Mar-17 FY17 | 31-Mar-16 FY16 | YoY Growth |
|--------|---|----------------------|----------------------|------------|----------------------|------------|-------------------|-------------------|------------|
| | Net Sales / Income from Operation | | | | | | | | |
| 1 | Income | 575.3 | 609.4 | -6% | 722.4 | -20% | 2,599.5 | 2,641.6 | -2% |
| 2 | Expenditure | | | | | | | | |
| (a) | Employee Cost | 353.5 | 390.9 | -10% | 442.0 | -20% | 1,592.0 | 1,675.7 | -5% |
| (b) | Depreciation | 14.1 | 14.3 | -2% | 7.9 | 79% | 52.0 | 40.5 | 28% |
| (c) | Other Expenditure | 104.8 | 119.8 | -13% | 116.0 | -10% | 495.6 | 425.3 | 17% |
| (d) | Total Expenditure | 472.3 | 525.0 | -10% | 565.9 | -17% | 2,139.6 | 2,141.6 | 0% |
| 3 | Profit from Operations before Other Income, Interest & Exceptional Items (1-2) | 103.0 | 84.4 | 22% | 156.5 | -34% | 459.8 | 500.1 | -8% |
| 4 | Other Income | 1.0 | 0.4 | 146% | 1.9 | -48% | 6.6 | 9.8 | -32% |
| 5 | Profit before Interest and Exceptional Items (3+4) | 104.0 | 84.8 | 23% | 158.4 | -34% | 466.5 | 509.8 | -9% |
| 6 | Interest | 0.6 | 0.5 | | 0.6 | | 1.8 | 2.7 | |
| 7 | Exchange Gain/(loss) | (37.7) | (24.2) | | 0.6 | | (103.9) | 54.9 | |
| 8 | Profit after Interest but before Exceptional Items (5-6) | 65.7 | 60.1 | 9% | 158.4 | -59% | 360.7 | 562.0 | -36% |
| 8 | Exceptional Items | | | | | | - | | |
| 9 | Profit(+)/ Loss (-) from Ordinary Activities before Tax (7+8) | 65.7 | 60.1 | 9% | 158.4 | -59% | 360.7 | 562.0 | -36% |
| 10 | Tax Expenses | 22.2 | 21.9 | 1% | 52.4 | -58% | 130.1 | 193.0 | -33% |
| 11 | Net Profit(+)/ Loss (-) from Ordinary Activities after Tax (9-10) | 43.5 | 38.2 | 14% | 106.0 | -59% | 230.6 | 369.0 | -38% |
| 12 | Extraordinary Items (net of tax expense Rs.) | | | | | | | | |
| 13 | Net Profit(+)/ Loss (-) for the Period (11-12) | 43.5 | 38.2 | 14% | 106.0 | -59% | 230.6 | 369.0 | -38% |
| 14 | Paid-up Equity Share Capital of Rs10/- each | 106.8 | 106.7 | | 106.4 | | 106.8 | 106.4 | |
| 15 | Reserves Excluding Revaluation Reserve | | | | | | | | |
| 16 | Earnings Per Share (EPS) in Rs. | | | | | | | | |
| (a) | Basic and diluted EPS before Extraordinary items (not annualize | 4.04 | 3.58 | 13% | 9.97 | -60% | 21.61 | 34.85 | -38% |
| (b) | Basic and diluted EPS after Extraordinary items (not annualize) | 4.03 | 3.57 | 13% | 9.91 | -59% | 21.56 | 34.62 | -38% |



sqs.com



India Chennai

Registered Office/ Mailing address

SQS India BFSI Limited
6A, sixth floor, Prince Infocity II,
No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR),
Kandanchavadi, Chennai - 600 096.
Tel : +91 44 4392 3200
Fax : +91 44 4392 3258
CIN No. L64202TN1998PLC066604
www.sqs-bfsi.com

For more information, please contact:

Vaidyanathan N

SQS India BFSI Ltd.

vaidyanathan.n@sqs.com

Diwakar Pingle

Christensen IR

dpingle@christensenir.com

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