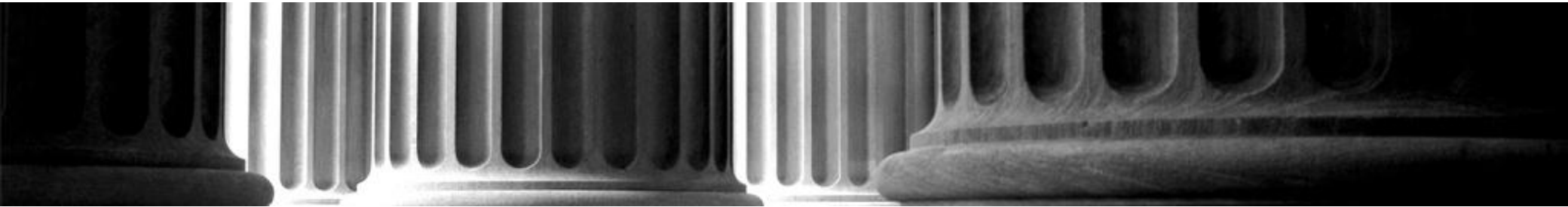




# **Polaris Financial Technology Limited**

## **Services Business**



**Earnings Announcement - Third Quarter FY 13-14**  
**January 29, 2014**

# Disclaimer



Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to manage growth, intense competition among Indian and overseas IT services companies, various factors which may affect our cost advantage, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Polaris FT has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. Polaris FT may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

# Services Business – The Right-Sized Partner for Differentiated Services

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- We build, maintain, expand and extend Financial Technology infrastructure for banks, financial institutions and insurance companies, using the most efficient technologies, methodologies as well as pre-built solutions
- For over two decades, we have delivered value for our clients, helping them unravel the complexities of rampant innovation, global ambitions, disparate legacy technology, dynamically evolving regulations and the often contradictory demands of Run-the-business and Change-the-business
- With design thinking as a strong differentiator, Polaris leverages deep domain expertise to reduce complexity and drive sustainable productivity gains through innovation, in the areas of Customer experience, Operations, Performance, Analytics, Risk Management, Integration and Security
- The differentiated offerings include High Productive Outsourcing covering Application Development & testing, Optimized Production Support comprising Maintenance and Infrastructure Management Services, Exotic System Integrator, partnering with 3<sup>rd</sup> party products and Verticalized Horizontals, such as Testing for Capital Markets



- **Revenue** stands at **INR 497 Cr**; **12% YoY Growth**
- **Operating Margin** stood at **31%** - - **INR 156 Cr**
- **EBITDA Margin** stood at **18%** -- **INR 89 Cr**
- **Profit** stood at **INR 80 Cr**
- **155** Active Clients
- **2** new client wins during the quarter

# Services Business – Q3 FY14 Financials



INR Cr	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Revenue (USD)	80.18	81.25	80.47	82.17
Revenue	497.03	504.25	450.32	444.93
Software Dev Exp	340.74	336.62	310.86	294.03
SDE%	68.6%	66.8%	69.0%	66.1%
Gross Margin	156.29	167.64	139.47	150.89
Gross Margin%	31.4%	33.2%	31.0%	33.9%
S&M Costs	46.21	45.98	40.49	39.89
G&A Costs	20.73	20.65	18.36	16.58
EBITDA	89.35	101.00	80.61	94.42
EBITDA%	18.0%	20.0%	17.9%	21.2%
R&D Costs	0.99	6.40	6.99	5.81
Dep & Fin charges	8.33	8.80	8.74	8.65
Profit	80.03	85.80	64.88	79.96

# Services Business – Balanced Geographic Distribution



Revenue by Geography	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Americas	<b>56.2%</b>	54.4%	53.2% *	51.9% *
Europe	<b>20.3%</b>	20.6%	20.9% *	23.2% *
India	<b>6.0%</b>	6.3%	6.1% *	6.6% *
Rest of World	<b>17.4%</b>	18.7%	19.8% *	18.3% *

# Services Business – Strong Vertical Specialization



Revenue by Verticals	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Retail Banking	<b>13.5%</b>	15.4%	16.6% *	20.1% *
Corporate Banking	<b>21.9%</b>	21.4%	29.0% *	29.7% *
Treasury & Capital Markets	<b>51.9%</b>	49.8%	41.8% *	39.1% *
Insurance & others	<b>12.7%</b>	13.4%	12.6% *	11.1% *

Revenue by	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
Fixed Bid	<b>34.1%</b>	32.9%	32.3% *	31.1% *
Time & Material	<b>65.9%</b>	67.1%	67.7% *	68.9% *

\*Metrics reported for Q313 & Q114 are from consolidated business

# Services Business – Revenue Distribution



Break up of Revenues	Q3 FY14	Q2 FY14	Q1 FY14	Q3 FY13
App Main	41.5%	40.7%	39.3% *	36.5% *
App Dev	39.1%	39.9%	39.5% *	39.2% *
Testing	17.5%	17.2%	18.3% *	22.4% *
Others	1.9%	2.2%	2.9% *	1.9% *

Onsite Offshore Ratio - By Efforts	Q3 FY14	Q2 FY14	Q1 FY14
Onsite	21%	22%	21%
Offshore	79%	78%	79%

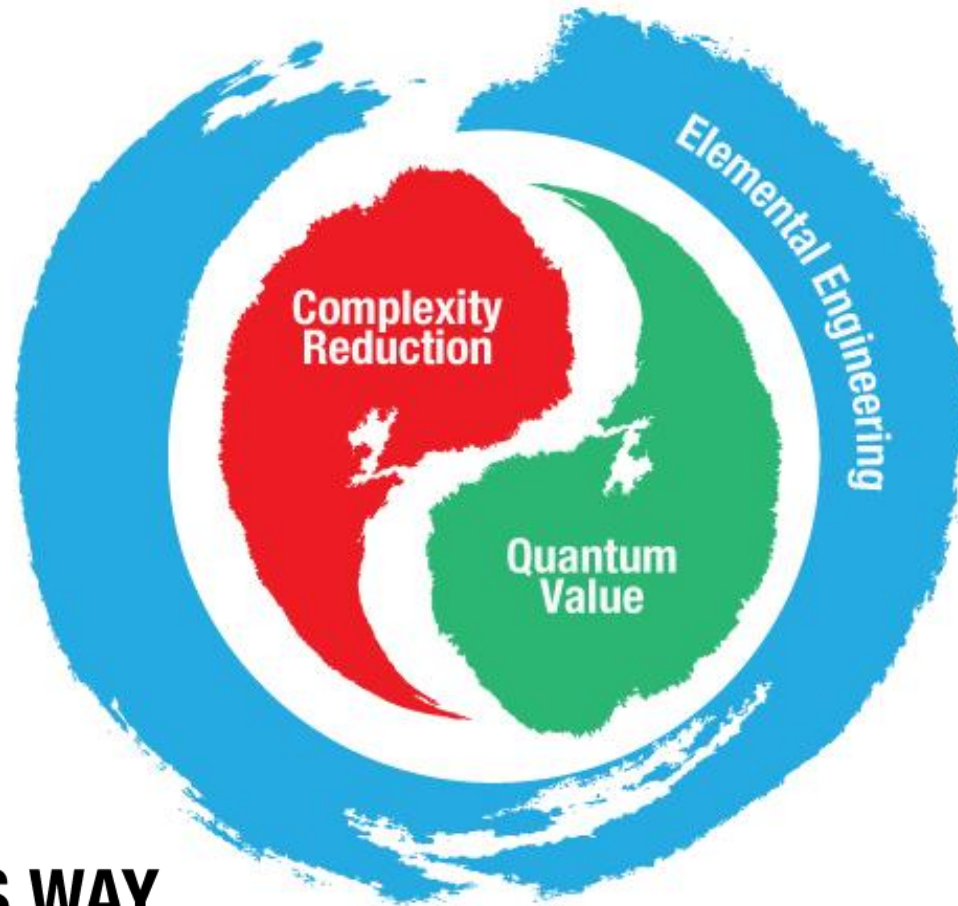
DSO Days	Billed	61	54
	Unbilled	40	44
	Total	101	98

Capacity Utilization	81.6%	82.6%
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\*Metrics reported for Q313 & Q114 are from consolidated business



- 12% YoY growth in revenues
- Balanced distribution across Americas, Europe and Asia Pacific
- Strong traction for Verticalized services
- Customer centric organization structure with dedicated SBU's for Strategic Accounts



## **THE POLARIS WAY...** High Performance FT

# Thank You

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For Investor related info, please contact:

**G. Sunanthy Devi**

**Polaris Financial Technology Ltd.**

**Mob: +91 8939933564**

**Email: [sunanthy.g@polarisFT.com](mailto:sunanthy.g@polarisFT.com)**