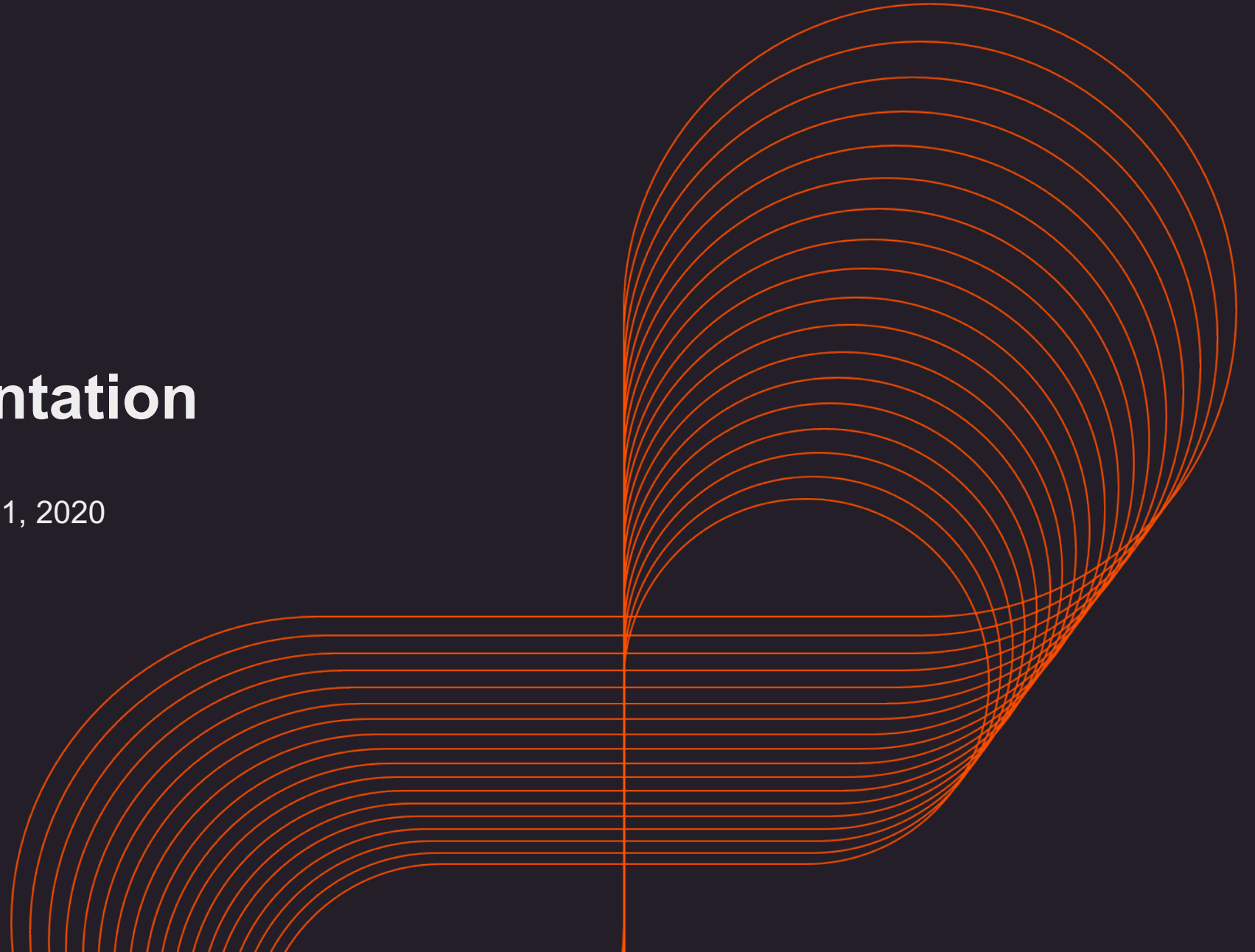




# Analyst Presentation

Quarter ended on December 31, 2020

January 28, 2021





# We are Persistent.

We are a trusted global solutions partner, delivering digital business acceleration, enterprise modernization and next-gen product engineering.

**30+ years of leadership** in software engineering and digital transformation.

**Highest customer experience scores** of any company in IT industry, as rated by ISG.

**Boutique mindset** focused on enterprise clients moving their digital presence to the cloud.

**Diverse, open and innovative** business partner ecosystem for maximum adaptability.

**1990**

Founded

**\$540M**

Trailing 12 Months Revenue

**350+**

Clients Annually

**12,000+**

Employees

**16**

Countries

We are working with our clients to address four core imperatives as they accelerate their digital business

# Imagine

Design and deliver new digital experiences, revenue streams and business models to meet rising customer expectations and accelerate your growth.

## What we do

- \ Design Thinking
- \ Application Portfolio Rationalization
- \ Technology Advisory Consulting
- \ CX Transformation
- \ Data Platform Strategy

# Engineer

Streamline your software engineering to drive greater efficiency and enable resiliency across your products and platforms.

- \ Next-Generation Product & Platform Development
- \ Product Sustenance & Support
- \ Enterprise & Data Integration
- \ Agile Transformation

# Modernize

Reinvent your applications, infrastructure and processes for greater agility by taking full advantage of automation, AI and cloud.

- \ Data Stack Modernization
- \ Intelligent Business Automation
- \ Cloud Platform & Infrastructure
- \ Salesforce Cloud Implementation
- \ Application Modernization

# Manage

Maintain and optimize the heartbeat of your operations, systems and product development to reduce costs and facilitate growth.

- \ Cloud & Infrastructure Managed Services
- \ Application Management & Sustenance
- \ Engineering Managed Services
- \ Global Technology Center

# Our Industry and Service Line Expertise



# Financial Highlights

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## Financial Highlights for Q3FY21

USD Revenue

**\$146.15M**

**+7.4%**  
QoQ

**+12.9%**  
YoY

INR Revenue

**₹10,754M**

**+6.7%**  
QoQ

**+16.5%**  
YoY

INR EBITDA

**₹1,825M**

@17% Revenue

**+10.1%**  
QoQ

**+47.8%**  
YoY

INR PAT

**₹1,209M**

@11.2% Revenue

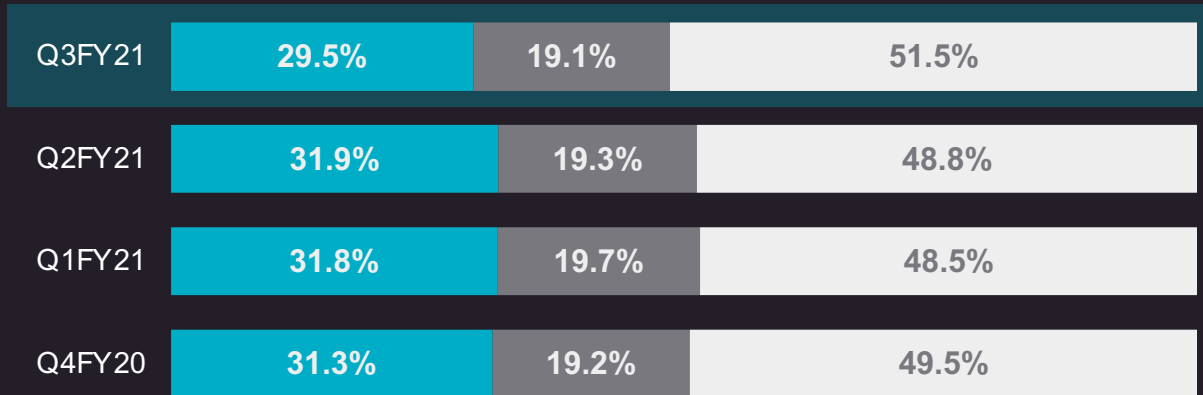
**+18.6%**  
QoQ

**+37.5%**  
YoY

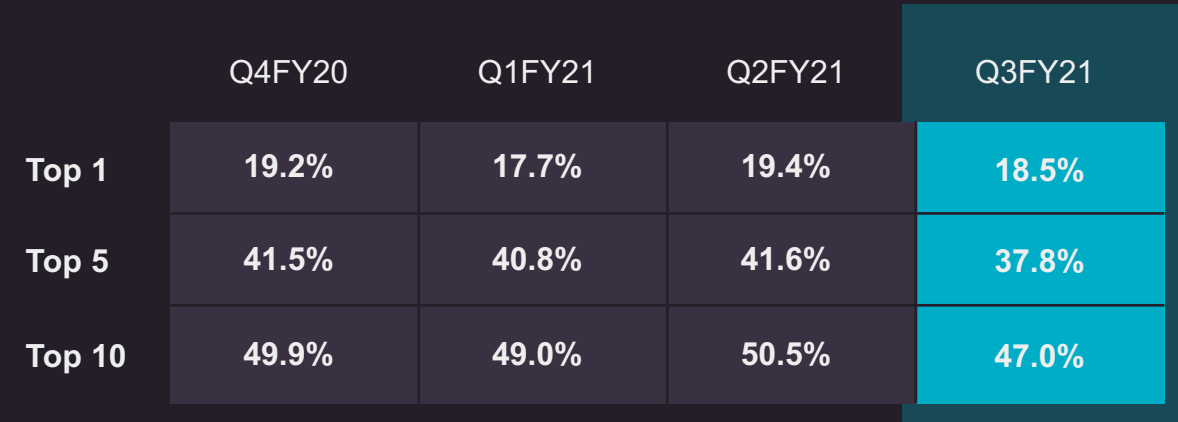
## Highlights for the Quarter

### Industry Revenue Mix

■ BFSI ■ HCLS ■ Tech. Cos. & Emerging Verticals

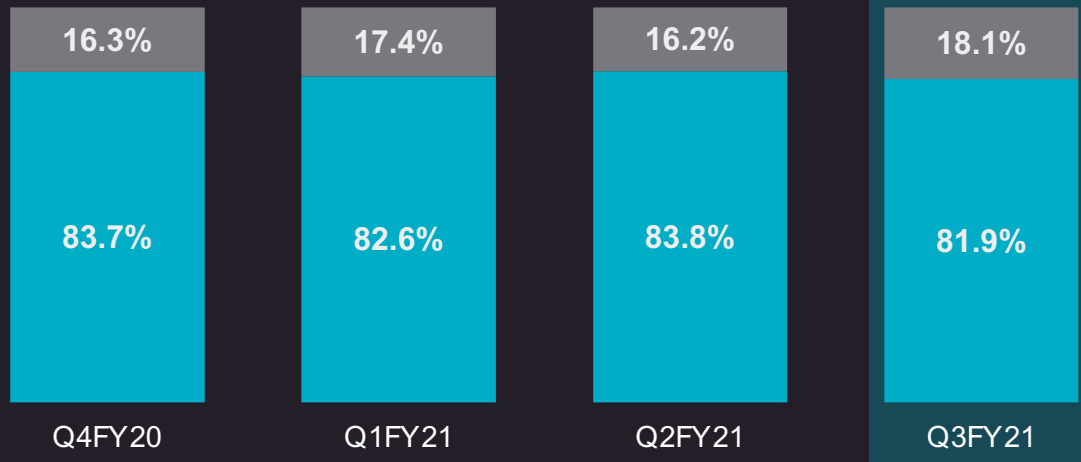


### Client Concentration



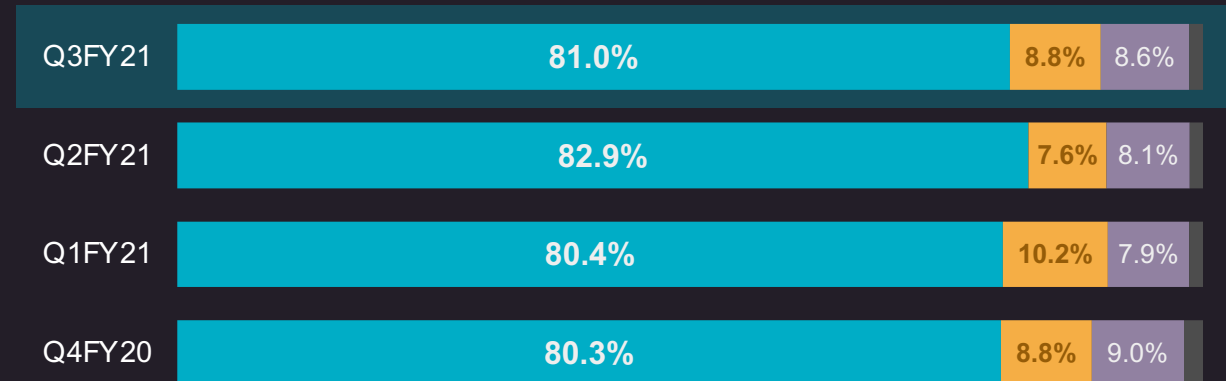
### Business Offerings Revenue Mix

■ IP Led ■ Services



### Geography Revenue Mix

■ North America ■ Europe ■ India ■ ROW





## Notable News & Achievements

A decorative graphic consisting of a thin orange line. It starts as a horizontal line from the left edge, crosses the text, and then turns 90 degrees clockwise to form a vertical line extending to the bottom. A large orange circle is positioned in the upper right quadrant, with its left edge touching the vertical line and its top edge near the top of the frame.



# Banking, Financial Services and Insurance

Delivering **engineering solutions** as a preferred partner for regulatory compliance, customer due diligence, data quality and test automation for a global banking giant.

**Building and enhancing** enterprise data hub to provide agility and customer centricity for a major global fixed income investment firm based in the US.

**Modernizing** retail lending journey by building Salesforce-based loan origination system for private sector bank based in Mumbai.

**Developing and implementing** lending and deposit services built on Mambu, OutSystems and AWS for bespoke UK bank, targeting small and medium enterprises.

**Modernizing** entity lifecycle management application, enabling financial managers to analyze deal data and streamline valuation approval process, for a US-based, global investment firm.



# Healthcare and Life Sciences

**Designing and implementing** digital front door solution including web and mobile applications to deepen patient engagement throughout lifecycle for a major US-based medical center.

**Developing and modernizing** a broad suite of client solutions including payor, provider and patient applications using AI/ML for a global healthcare software company.

**Designing and implementing** central care platform built on Salesforce Health Cloud for a leading solution provider specializing in chronic kidney diseases.



# Software & Hi-Tech

**Engineering carrier-grade VOIP** for next gen and 5G communications service provider clients for a leading monitoring, assurance and analytics manufacturer for IP-based networks.

**Providing engineering and IT business solutions** as a preferred partner for a leading-edge cloud and voice solutions company.

**Modernizing** collaboration by customizing and supporting applications, which are integrated with Oracle Identity and Lifecycle Management solution, for a SaaS and cloud-based remote work tools provider.

**Developing and porting** applications to a new **hybrid cloud** infrastructure for a major oil and gas exploration services company.



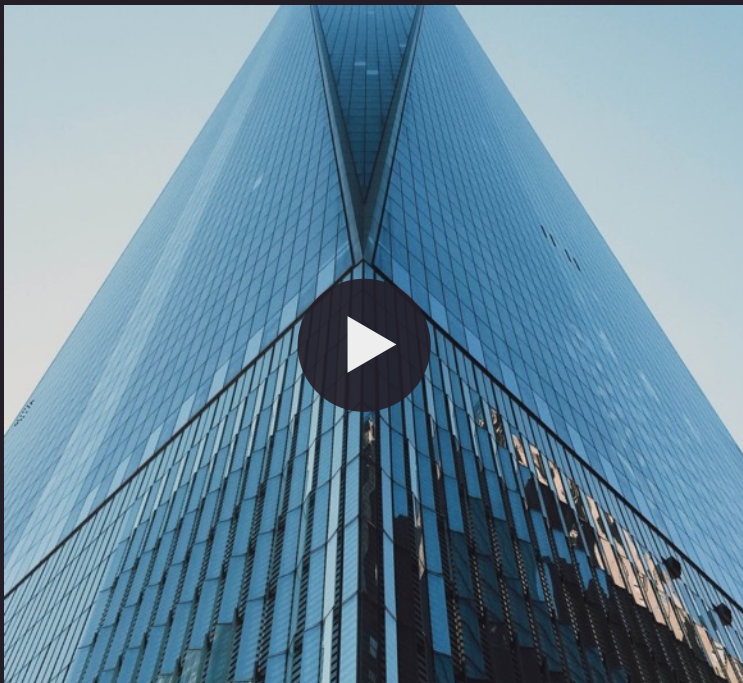
## Featured client stories

# Intuit®



### Journey to Cloud Accelerates Speed to Innovation

ice Mortgage  
Technology™



### ICE Mortgage Technology's (formerly Ellie Mae) Data Monetization Journey on AWS

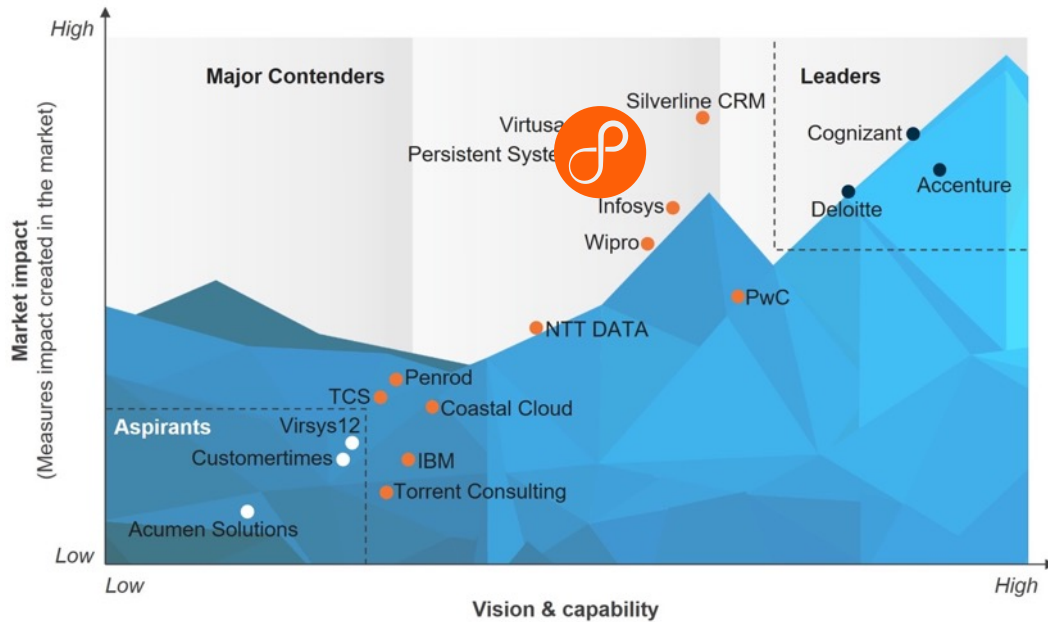
Cambridge  
Consultants



### Designing a lifesaving ventilator using IBM Doors Next

## IT analyst and advisor recognition

### Everest Group PEAK Matrix: Major Contender in Salesforce HCLS Services



*“Persistent have built deep healthcare expertise in delivering Salesforce services and is effectively leveraging it to build an edge over its competitors.”*

### zinnov ZONES ER&D Zones (Dec 2020) placed as leader in 7 categories



*“Persistent continues to maintain its leadership position across fast changing sectors which are undergoing major transformations.... established itself as a leader in the complex construction of digital mosaics, utilizing the best of cloud-based technologies and partners.”*

# Continued accolades from ISG following the 2020 Star of Excellence Award



## ISG Booming 15

Persistent was recognized as a Top 15 Service Provider in 2020 ISG Index™ for the **fourth consecutive quarter**.

Next-Gen Application Development & Maintenance Services  
Leader

**ISG** Provider Lens™

Archetype Study



## ISG Star of Excellence Overall Award 2020 Winner

Based on feedback of 100+ of our clients, ISG recognized Persistent as the leader for Customer Excellence across our core service delivery and exceptional culture alignment with our clients' organizations.

[Learn more](#)



**ISG Star of Excellence**  
BFSI  
2020 Winner



**ISG Star of Excellence**  
Healthcare and Life Sciences  
2020 Winner



**ISG Star of Excellence**  
North America Region  
2020 Winner



**ISG Star of Excellence**  
APAC Region  
2020 Winner



## Partner Ecosystem Highlights



### **Won the Saviynt Rising Star Award for 2020**

Persistent was recognized for helping clients improve their customer experience and prevent unauthorized access to applications and services using next generation identity governance solutions.

[Learn More](#)



### **AWS Financial Services Competency Status**

This recognition adds to our recent achievements of AWS Data & Analytics Competency, AWS SaaS Competency, AWS DevOps Competency, and AWS IoT Competency designations as well as being an AWS Lambda Service Delivery Partner.

[Learn More](#)



### **Approved Salesforce Interaction Studio Partner**

As true multi-cloud experts, Persistent now enhances Salesforce Interaction Studio for not only marketing related use cases, but also for sales and commerce across the entire customer lifecycle — from acquisition to retention.

[Learn More](#)

## Other News

# Forbes

## Press Feature: BFSI

The Latest Data Says Americans Aren't Coming Back To The Bank. What Does That Mean For Digital Banking?

[Learn More](#)



## Press Feature: HCLS

Schwarzenegger, DeVito, and Why Digital Twins Need Some Heavy Lifting in Healthcare.

[Learn More](#)

# Forbes

## Press Feature: Cloud

The Refactoring X-Factor Behind Software Modernization.

[Learn More](#)



## The Cancer Genome Atlas

A joint initiative between TCGA, Persistent Systems, Prashanti Cancer Care Mission, IISER Pune, CSIR-IGIB, ICR-UK and DBT — Welcome Trust India Alliance.

[Learn More](#)



## J.A.D.E. CoE

Persistent and IIT Bombay associate with Gem and Jewellery Skill Council of India to launch J.A.D.E to integrate technology with jewellery industry.

[Learn More](#)



Persistent

## Corporate Development

Charles Owen joined us as Chief Corporate Development Officer.

[Learn More](#)



## Financial Details — Q3FY21

A decorative orange line graphic that starts as a horizontal line from the left edge, crosses the text, and then curves upwards and to the right, ending in a large circular loop.

## Sequential Q3FY21 vs Q2FY21

Particulars	Q3FY21	Q2 FY21	Change QoQ	Exps / Sales % Q3 FY21	Exps / Sales % Q2 FY21
<b>Revenue (\$ M)</b>					
Services	119.68	113.99	5.0%		
IP Led	26.47	22.10	19.8%		
<b>Revenue (\$ M)</b>	<b>146.15</b>	<b>136.09</b>	<b>7.4%</b>		
Avg. Exchange Rate ₹ /US\$	73.58	74.05	-0.6%		
<b>Revenue (₹ M)</b>	<b>10,753.98</b>	<b>10,077.47</b>	<b>6.7%</b>		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	6,686.49	6,428.81	4.0%	62.2%	63.8%
Purchase / Royalty	354.24	115.55	206.6%	3.3%	1.1%
Project related Travel Expenses	23.48	32.26	-27.2%	0.2%	0.3%
Total Direct costs	7,064.21	6,576.62	7.4%	65.7%	65.3%
<b>Gross Profit</b>	<b>3,689.77</b>	<b>3,500.85</b>	<b>5.4%</b>	<b>34.3%</b>	<b>34.7%</b>
Sales & Marketing Exps	948.97	901.26	5.3%	8.8%	8.9%
Admin. & Other Exps	869.58	817.78	6.3%	8.1%	8.1%
Doubtful Debt Provision	11.27	52.52	-78.5%	0.1%	0.5%
CSR Activities	35.17	71.57	-50.9%	0.3%	0.7%
Total SGA	1,864.99	1,843.13	1.2%	17.3%	18.3%
<b>EBITDA</b>	<b>1,824.78</b>	<b>1,657.72</b>	<b>10.1%</b>	<b>17.0%</b>	<b>16.4%</b>
Depreciation	117.22	115.08	1.9%	1.1%	1.1%
Amortization	343.83	324.71	5.9%	3.2%	3.2%
<b>EBIT</b>	<b>1,363.73</b>	<b>1,217.93</b>	<b>12.0%</b>	<b>12.7%</b>	<b>12.1%</b>
Other Income / (Loss)	288.11	207.77	38.7%	2.7%	2.1%
Exchange Gain / (Loss)	(1.74)	(50.59)	-96.6%	0.0%	-0.5%
<b>PBT</b>	<b>1,650.10</b>	<b>1,375.11</b>	<b>20.0%</b>	<b>15.3%</b>	<b>13.6%</b>
Tax	440.86	355.25	24.1%	4.1%	3.5%
<b>PAT</b>	<b>1,209.24</b>	<b>1,019.86</b>	<b>18.6%</b>	<b>11.2%</b>	<b>10.1%</b>

## YoY comparison Q3FY21 vs Q3FY20

Particulars	Q3FY21	Q3 FY20	Change YoY	Exps / Sales % Q3 FY21	Exps / Sales % Q3 FY20
<b>Revenue (\$ M)</b>					
Services	119.68	102.02	17.3%		
IP Led	26.47	27.41	-3.4%		
<b>Revenue (\$ M)</b>	<b>146.15</b>	<b>129.43</b>	<b>12.9%</b>		
Avg. Exchange Rate ₹ /US\$	73.58	71.29	3.2%		
<b>Revenue (₹ M)</b>	<b>10,753.98</b>	<b>9,227.29</b>	<b>16.5%</b>		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	6,686.49	5,675.33	17.8%	62.2%	61.5%
Purchase / Royalty	354.24	349.89	1.2%	3.3%	3.8%
Project related Travel Expenses	23.48	132.21	-82.2%	0.2%	1.4%
Total Direct costs	7,064.21	6,157.43	14.7%	65.7%	66.7%
<b>Gross Profit</b>	<b>3,689.77</b>	<b>3,069.86</b>	<b>20.2%</b>	<b>34.3%</b>	<b>33.3%</b>
Sales & Marketing Exps	948.97	957.93	-0.9%	8.8%	10.4%
Admin. & Other Exps	869.58	843.43	3.1%	8.1%	9.1%
Doubtful Debt Provision	11.27	15.35	-26.6%	0.1%	0.2%
CSR Activities	35.17	18.84	86.7%	0.3%	0.2%
Total SGA	1,864.99	1,835.55	1.6%	17.3%	19.9%
<b>EBITDA</b>	<b>1,824.78</b>	<b>1,234.31</b>	<b>47.8%</b>	<b>17.0%</b>	<b>13.4%</b>
Depreciation	117.22	116.24	0.8%	1.1%	1.3%
Amortization	343.83	312.06	10.2%	3.2%	3.4%
<b>EBIT</b>	<b>1,363.73</b>	<b>806.01</b>	<b>69.2%</b>	<b>12.7%</b>	<b>8.7%</b>
Other Income / (Loss)	288.11	231.64	24.4%	2.7%	2.5%
Exchange Gain / (Loss)	(1.74)	102.10	-101.7%	0.0%	1.1%
<b>PBT</b>	<b>1,650.10</b>	<b>1,139.75</b>	<b>44.8%</b>	<b>15.3%</b>	<b>12.4%</b>
Tax	440.86	260.49	69.2%	4.1%	2.8%
<b>PAT</b>	<b>1,209.24</b>	<b>879.26</b>	<b>37.5%</b>	<b>11.2%</b>	<b>9.5%</b>

## YTD comparison Dec 20 vs Dec 19

Particulars	YTD Dec 20	YTD Dec 19	Change YoY	Exps / Sales % YTD Dec 20	Exps / Sales % YTD Dec 19
<b>Revenue (\$ M)</b>					
Services	341.91	293.14	16.6%		
IP Led	71.35	81.42	-12.4%		
<b>Revenue (\$ M)</b>	<b>413.26</b>	<b>374.56</b>	<b>10.3%</b>		
Avg. Exchange Rate ₹ /US\$	74.40	70.47	5.6%		
<b>Revenue (₹ M)</b>	<b>30,745.30</b>	<b>26,394.43</b>	<b>16.5%</b>		
Cost of Revenue	₹ M	₹ M			
Employee Related Expenses	19,294.70	16,103.43	19.8%	62.8%	61.0%
Purchase / Royalty	862.13	818.12	5.4%	2.8%	3.1%
Project related Travel Expenses	130.37	443.15	-70.6%	0.4%	1.7%
Total Direct costs	20,287.20	17,364.70	16.8%	66.0%	65.8%
<b>Gross Profit</b>	<b>10,458.10</b>	<b>9,029.73</b>	<b>15.8%</b>	<b>34.0%</b>	<b>34.2%</b>
Sales & Marketing Exps	2,712.03	2,692.76	0.7%	8.8%	10.2%
Admin. & Other Exps	2,480.15	2,582.55	-4.0%	8.1%	9.8%
Doubtful Debt Provision	116.89	45.08	159.3%	0.4%	0.2%
CSR Activities	202.17	56.65	256.9%	0.7%	0.2%
Total SGA	5,511.24	5,377.04	2.5%	17.9%	20.4%
<b>EBITDA</b>	<b>4,946.86</b>	<b>3,652.69</b>	<b>35.4%</b>	<b>16.1%</b>	<b>13.8%</b>
Depreciation	342.10	342.21	0.0%	1.1%	1.3%
Amortization	994.35	897.16	10.8%	3.2%	3.4%
<b>EBIT</b>	<b>3,610.41</b>	<b>2,413.32</b>	<b>49.6%</b>	<b>11.7%</b>	<b>9.1%</b>
Other Income / (Loss)	775.20	659.82	17.5%	2.5%	2.5%
Exchange Gain / (Loss)	(139.96)	319.85	-143.8%	-0.5%	1.2%
<b>PBT</b>	<b>4,245.65</b>	<b>3,392.99</b>	<b>25.1%</b>	<b>13.8%</b>	<b>12.9%</b>
Tax	1,116.47	828.31	34.8%	3.6%	3.1%
<b>PAT</b>	<b>3,129.18</b>	<b>2,564.68</b>	<b>22.0%</b>	<b>10.2%</b>	<b>9.7%</b>

## Balance sheet

Particulars (₹ M)	As on December 31, 2020	As on March 31, 2020	As on December 31, 2019
Assets			
PPE and Intangible assets	4,534.20	4,618.66	4,732.49
Non-Current Assets	1,547.66	1,491.80	1,220.67
Cash and Investments	19,036.72	14,716.85	13,674.53
Other Current Assets	10,541.24	10,094.38	9,581.93
<b>Total</b>	<b>35,659.82</b>	<b>30,921.69</b>	<b>29,209.62</b>
Equity and Liabilities			
Equity	27,413.25	23,857.55	23,855.74
Non-Current Liabilities	1,109.95	582.37	606.39
Current Liabilities	7,136.62	6,481.77	4,747.49
<b>Total</b>	<b>35,659.82</b>	<b>30,921.69</b>	<b>29,209.62</b>



# Fact Sheet — Q3FY21

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## Fact Sheet

Revenue	Description / Nos. / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Revenue from Operations, USD M	146.15	136.09	131.02	127.05	129.43	501.61	480.97
	% QoQ / YoY growth	7.4%	3.9%	3.1%	-1.8%	3.1%	4.3%	2.2%
	Revenue from Operations, INR M	10,753.98	10,077.47	9,913.85	9,263.65	9227.29	35,658.08	33,659.41
	% QoQ / YoY growth	6.7%	1.7%	7.0%	0.4%	4.3%	5.9%	11.0%

Business Offerings Revenue Mix	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Services	81.9%	83.8%	82.6%	83.7%	78.8%	79.6%	75.1%
	IP Led	18.1%	16.2%	17.4%	16.3%	21.2%	20.4%	24.9%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Segment Revenue Mix	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	BFSI	29.5%	31.9%	31.8%	31.3%	30.5%	29.5%	25.3%
	Healthcare & Life Science	19.1%	19.3%	19.7%	19.2%	18.9%	18.9%	18.4%
	Tech. Cos. & Emerging Verticals	51.4%	48.8%	48.5%	49.5%	50.6%	51.6%	56.3%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Fact Sheet

Revenue Mix by Business Units	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Technology Services	76.3%	77.3%	77.1%	77.8%	73.3%	73.8%	71.0%
	Alliance	23.7%	22.7%	22.9%	22.2%	26.7%	26.2%	29.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Accelerite has been merged with Technology Services from Q1FY21. Prior period numbers have been regrouped accordingly.

Geography Revenue Mix	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	North America	81.1%	82.9%	80.4%	80.2%	80.1%	81.0%	81.7%
	Europe	8.8%	7.6%	10.2%	8.8%	10.6%	9.5%	8.8%
	India	8.6%	8.1%	7.9%	9.0%	7.4%	7.4%	7.0%
	ROW	1.5%	1.4%	1.5%	2.0%	1.9%	2.1%	2.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue Concentration	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Top 1	18.5%	19.4%	17.7%	19.2%	21.5%	22.0%	24.0%
	Top 5	37.8%	41.6%	40.8%	41.5%	42.3%	43.2%	42.4%
	Top 10	47.0%	50.5%	49.0%	49.9%	51.1%	51.7%	51.8%

## Fact Sheet

Revenue by Delivery Centers	Description / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Global Development Centers	30.5%	33.1%	33.7%	33.0%	31.5%	31.5%	30.5%
	India	51.4%	50.7%	48.9%	50.7%	47.3%	48.1%	44.6%
	IP Led	18.1%	16.2%	17.4%	16.3%	21.2%	20.4%	24.9%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Client Billed	Nos.	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Services	530	487	508	501	483	653	586
	IP Led	142	135	140	151	154	257	287

Includes clients brought on through CAPIOT acquisition.

DSO	Nos.	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Days	57	63	69	65	68	65	63

Client Engagement Size	Nos.	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Large > USD 5M	17	16	15	11	10	11	10
	Medium > USD 1M, < USD 5M	65	63	63	61	65	61	67

Re-categorized large clients to more than \$5M and medium clients from \$1M to \$5M. Prior period numbers are aligned accordingly.

## Fact Sheet

People Numbers	Nos.	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Technical	11,533	10,001	10,027	9,835	9,729	9,835	9,185
	Sales and Business Development	277	268	274	263	266	263	273
	Others	628	551	528	534	537	534	504
	Total	12,438	10,820	10,829	10,632	10,532	10,632	9,962

Linear Revenue Per Billed PM*	USD / Per Person Month*	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Global Delivery Centres	16,790	16,993	17,036	17,276	16,761	16,987	16,299
	India	4,204	4,304	4,308	4,427	4,420	4,428	4,371

\*Revenue per billed PM excludes IP-led revenue and is calculated on total revenue including contractual reimbursable portion.

Attrition Rate	%	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	TTM Basis	10.3%	10.6%	12.7%	14.3%	14.9%	14.3%	16.7%

IP Led	Nos.	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	IP Led Person Months	3,606	3,893	4,031	4,317	4,325	17,954	18,826

## Fact Sheet

Efforts and Utilization Mix - Linear	Description / Nos. / %	Q3FY21	Q2FY21	Q1FY21	Q4FY20	Q3FY20	FY20	FY19
	Billable Person Months	25,342	23,006	22,246	21,580	20,419	81,287	71,563
	- Global Delivery Centers	3,104	3,086	3,060	2,872	2,893	11,202	10,703
	- India	22,238	19,920	19,186	18,708	17,526	70,085	60,860
	Billed Person Months	20,530	18,680	17,461	16,975	16,295	63,820	58,037
	- Global Delivery Centers	2,651	2,647	2,595	2,425	2,430	9,305	9,007
	- India	17,879	16,033	14,866	14,550	13,865	54,516	49,030
	Linear Utilization							
	- Blended	81.0%	81.2%	78.5%	78.7%	79.8%	78.5%	81.1%
	- Global Delivery Centers	85.4%	85.8%	84.8%	84.4%	84.0%	83.1%	84.2%
	- India	80.4%	80.5%	77.5%	77.8%	79.1%	77.8%	80.6%



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