

# Syntel Investor Overview

Second Quarter 2018



# Safe Harbor

***This presentation may include forward-looking statements, including those with respect to the future level of business for Syntel, Inc. These statements are necessarily subject to risk and uncertainty. Actual results could differ materially from those projected in these forward-looking statements as a result of certain risk factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 or from other factors not currently anticipated.***

# Syntel Fast Facts

## COMPANY PROFILE

- Founded in 1980, NASDAQ listed since 1997
- Headquartered in Troy, Michigan
- Certified Minority-owned business (MBE)

## GLOBAL PRESENCE

### Global Development Centers

Memphis, TN  
Nashville, TN  
Phoenix, AZ  
Glasgow, UK  
Krakow, Poland



Chennai, India  
Gurugram, India  
Hyderabad, India  
Mumbai, India  
Pune, India  
Manila, Philippines

## SIZE AND SCALE

Market Cap: **\$2.7 billion**  
(approx. as of 6/30/2018)

**23,476** Employees (2Q 2018)

**22,036** Billable Professionals (2Q 2018)

## FINANCIAL STRENGTH

**\$966.2 Million** Revenue (TTM)

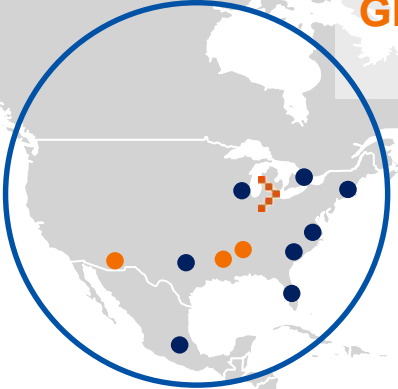
**22.8%** GAAP Operating margin  
(2Q 2018)

**\$188 Million** Free Cash Flow (TTM)

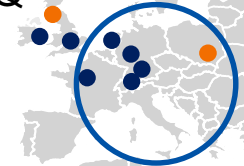
# Global Locations

Global Headquarters  
Regional Office  
Development Center

- ### North America
- Boston, MA
  - Cary, NC
  - Chicago, IL
  - Irving, TX
  - Memphis, TN**
  - Miami, FL
  - Nashville, TN**
  - New York, NY
  - Phoenix, AZ**
  - Troy, MI**
  - Toronto, ON
  - Mexico City, Mexico



- ### UK/Ireland
- Dublin, Ireland
  - Glasgow, Scotland**
  - London, UK HQ



- ### Europe
- Paris (France)
  - Frankfurt, Stuttgart (Germany)
  - Amsterdam (Netherlands)
  - Krakow (Poland)**
  - Baar (Switzerland)

- ### India
- Chennai**
  - Gurugram**
  - Hyderabad**
  - Mumbai**
  - Pune**



- ### Asia/ROW
- Hong Kong
  - Manila, Philippines**
  - Singapore
  - Port Louis, Mauritius
  - Sydney, Australia

30 locations worldwide – 11 Development Centers, 19 Offices



# Business Model aligned to Clients' Business Challenges

## Value Proposition

SKILLED  
RESOURCES



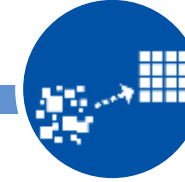
TECHNOLOGY  
SOLUTIONS



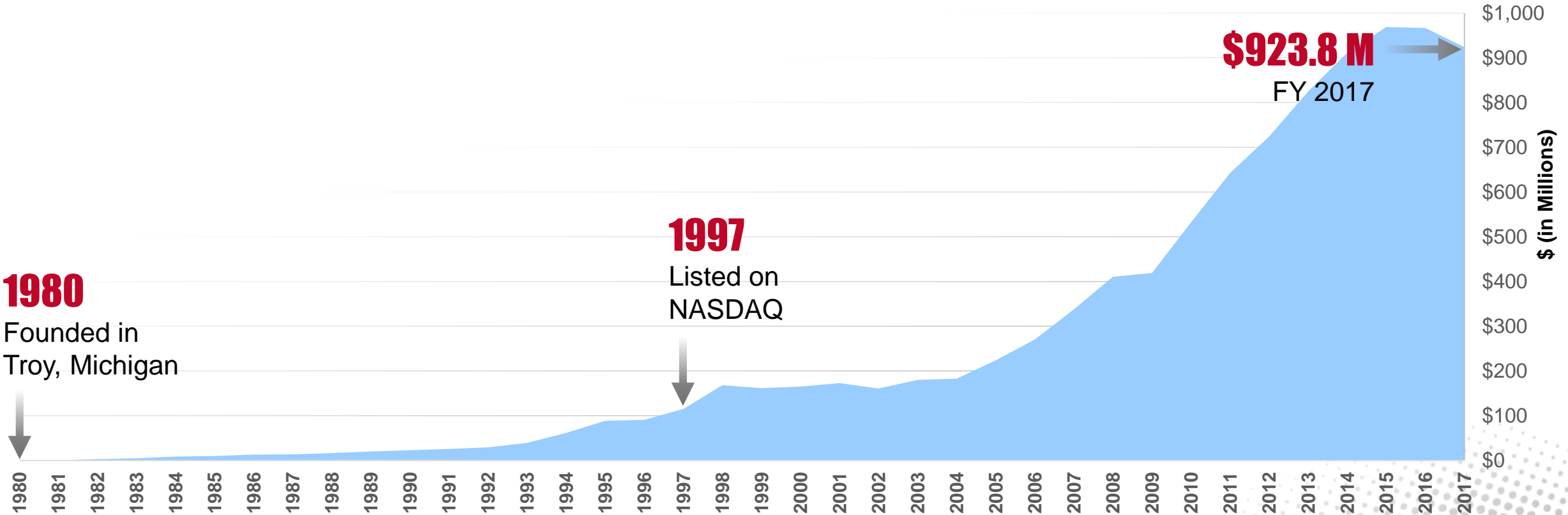
BUSINESS  
OUTCOMES



EVOLVE THE CORE →  
GO DIGITAL TO ACHIEVE MORE



**1980**  
Founded in  
Troy, Michigan



# Evolve the Core: Go Digital to Achieve More – Our Differentiators



## WHY SYNTEL?

- **Deep Capabilities in Core** Application Development, Testing & Management
- **Disrupting Core Services** using **Intelligent Automation Platform** 
- **Factory Delivery Model** (for Development, Testing, Migration and Support) using **Scaled Distributed Agile**
- **New Age Digital Capabilities**
- **Right Sized, Flexible Partner** with Deep **Domain Expertise** in Focus Verticals
- **Customer for Life**



# Continued Investment in Our People

- *Client Partners*
- *Domain Experts and Practice Leadership*
- *Delivery Excellence*
- *Diversified Talent Base*

- *“Best-in-Class” Approach*
- *Syntel X.0: Innovative Career Transformation*
- *Leadership Development*
- *Improve Scalability*



- *Digital Service Offerings*
- *Strong Industry Capabilities*
- *Next-Generation Automation*
- *Building Quality, Breadth and Value*

- *Digital Capability Enhancement*
- *Deep Domain Build*
- *Client Partner Mentoring*
- *Syntel University : On demand Learning*
- *Global Campus Program*

# Financial Highlights



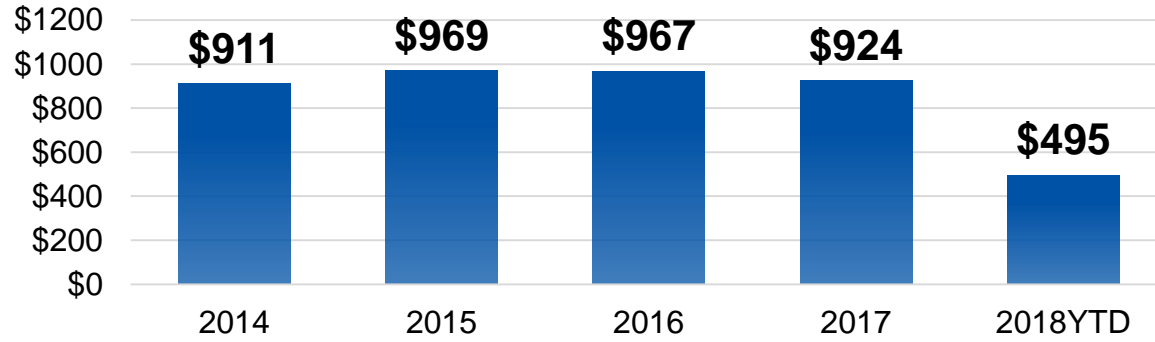




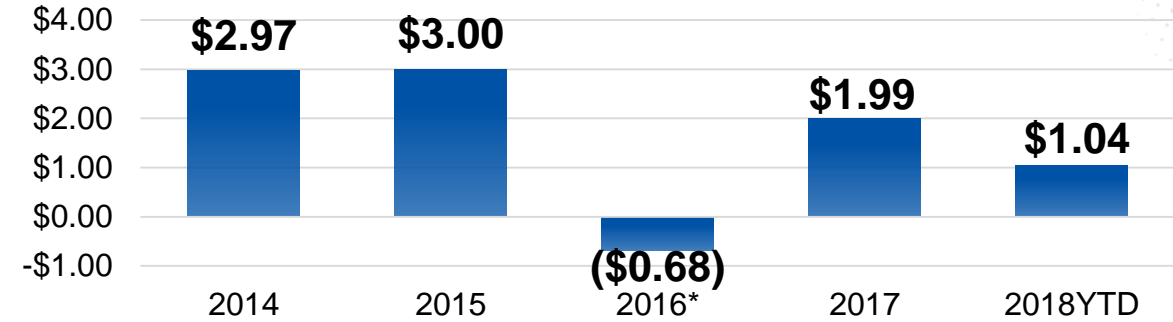
# Long-Term Track Record of Profitable, Organic Growth



## REVENUE (\$M)



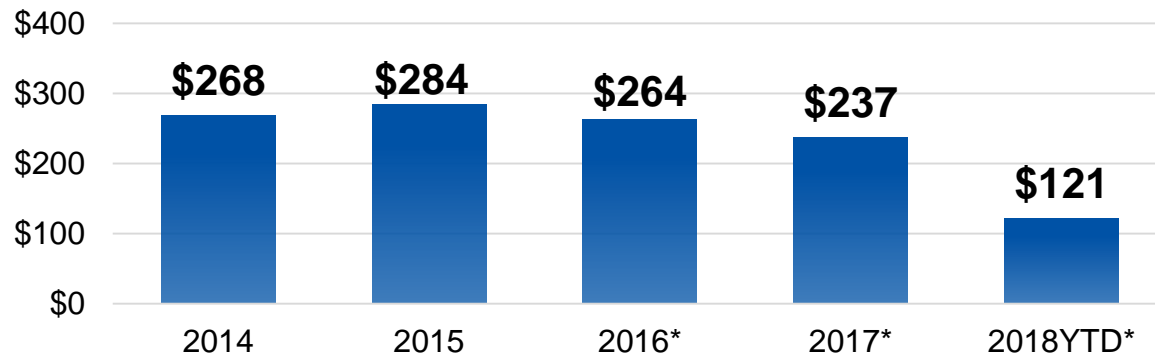
## EARNINGS PER SHARE\*



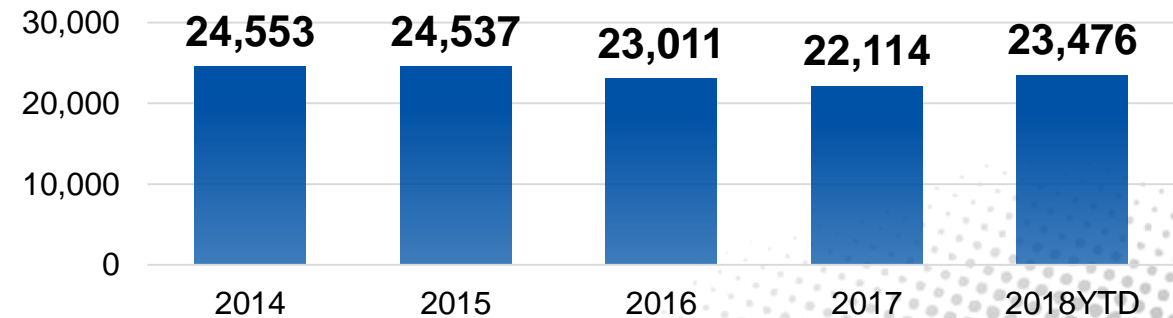
\*2016 EPS includes \$3.21/share one-time tax expense related to one-time cash repatriation in Q3



## OPERATING INCOME (\$M)\*



## GLOBAL HEADCOUNT



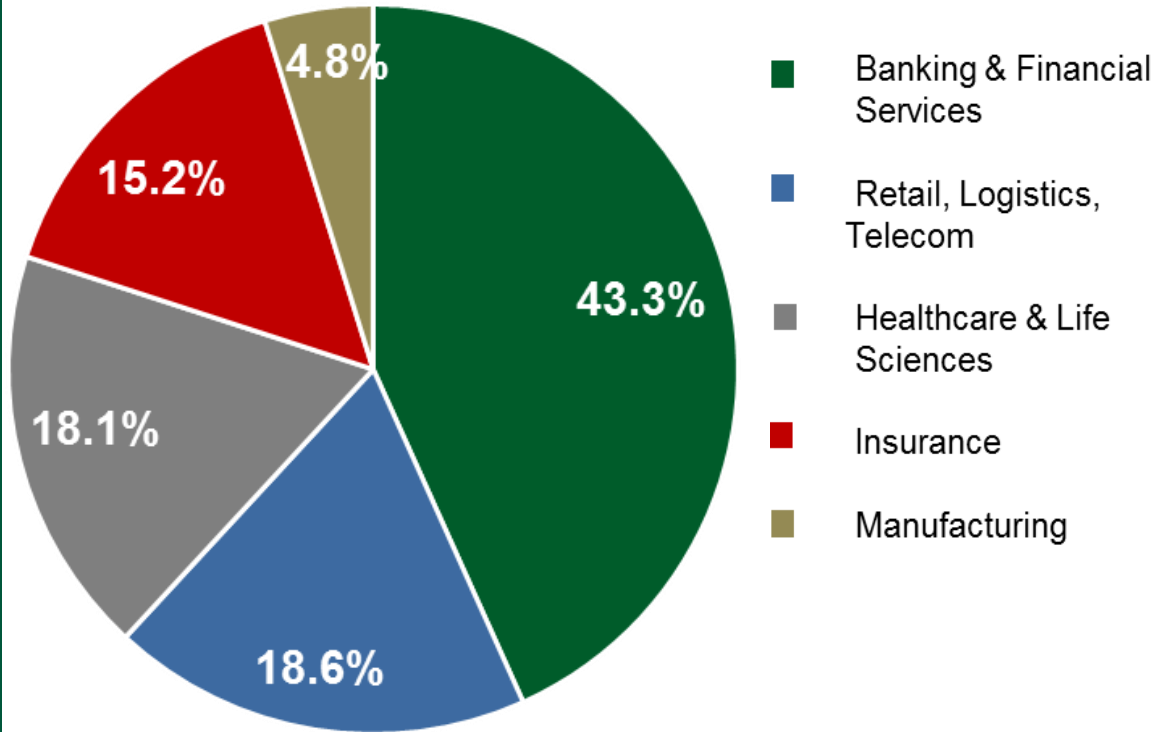
\*2016-2018 YTD has been adjusted for ASU 2017-07 'Non-Service component of post-retirement benefit service cost'



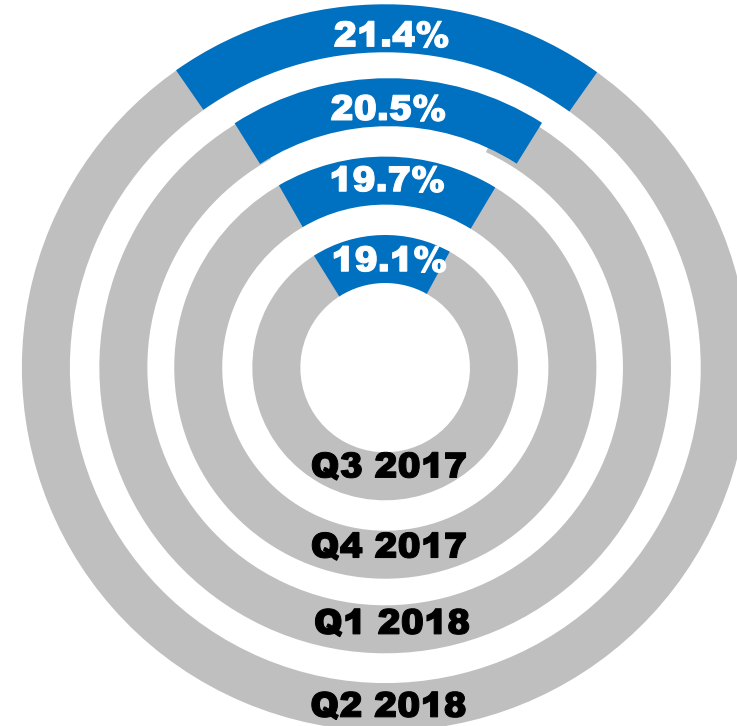
# Q2 2018 Revenue Profile (as of 6/30/18)



## INDUSTRY SEGMENTS



## DIGITAL SERVICES



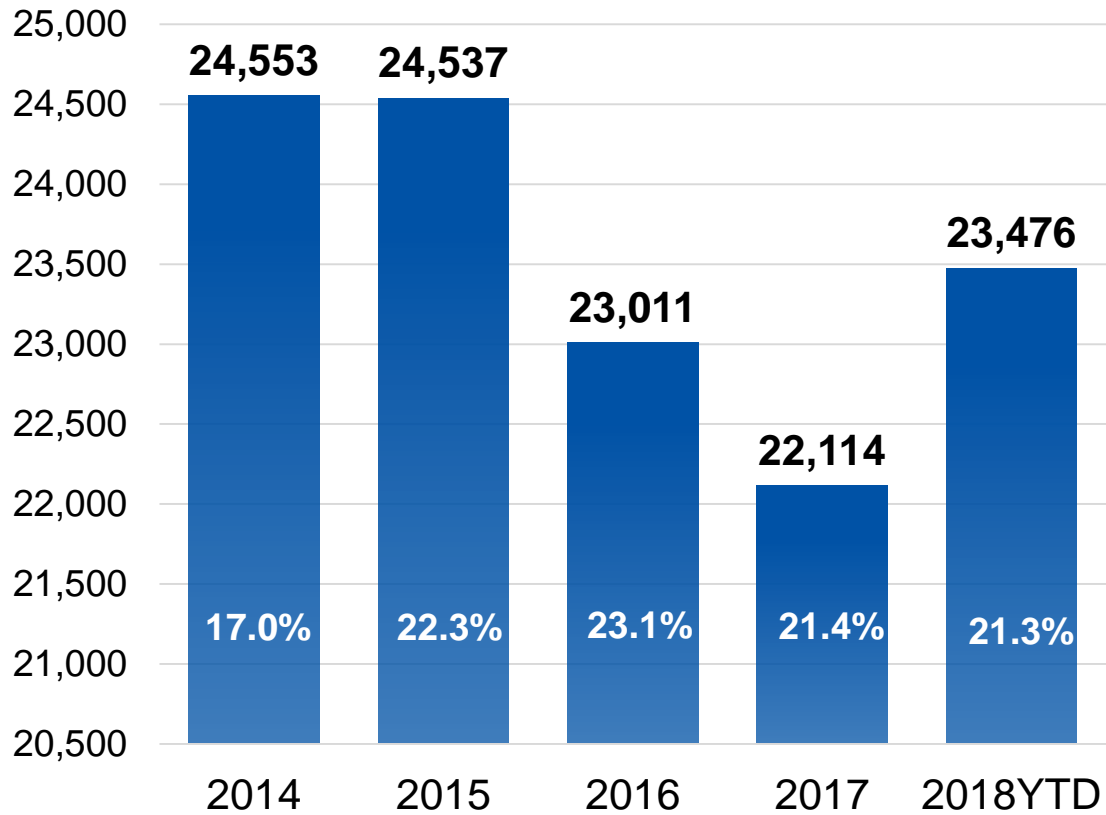
(as a % of quarterly revenue)

Vertically Diversified, Rising Digital Services

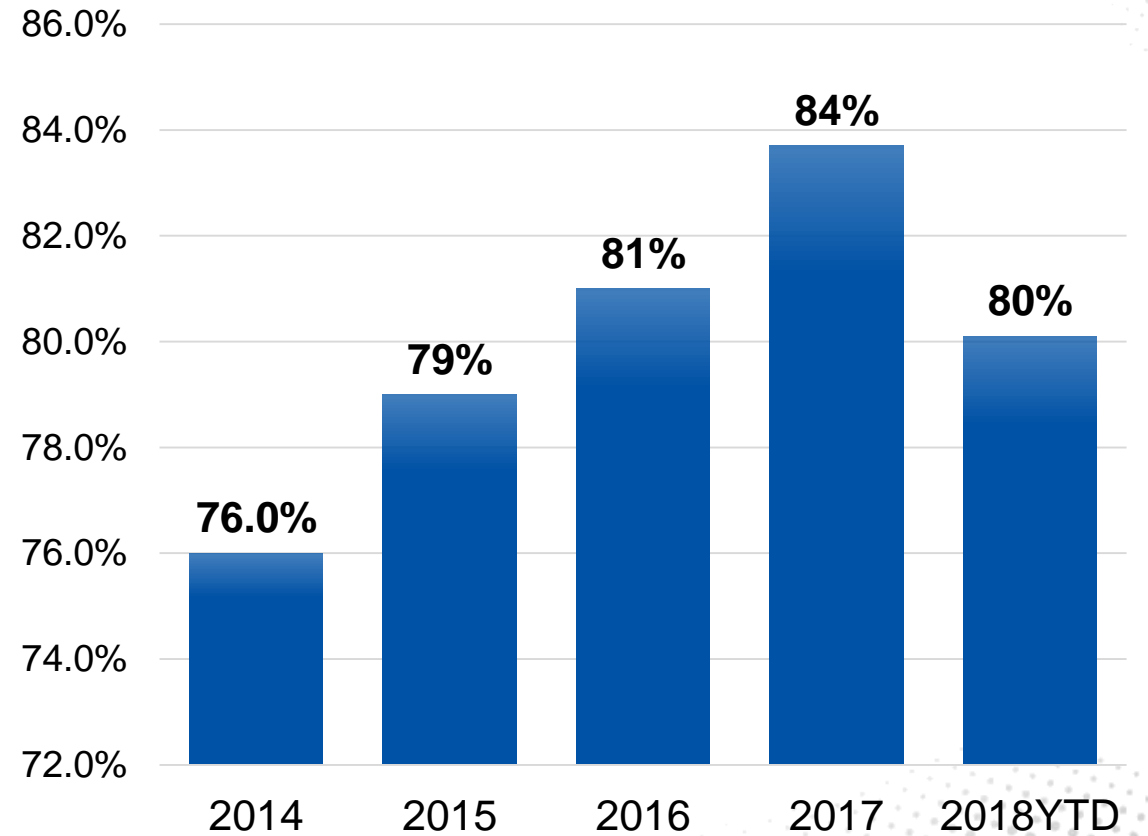
# Headcount Metrics (as of 6/30/18)



## GLOBAL HEADCOUNT & ATTRITION



## GLOBAL UTILIZATION





# Q2 2018 Financial Performance

|                            | 2Q18    | 1Q18    | Q/Q    | 2017    | 2016     |
|----------------------------|---------|---------|--------|---------|----------|
| <b>Revenue (\$M)</b>       | \$249.7 | \$245.3 | +1.8%  | \$923.8 | \$966.6  |
| <b>Y-o-Y growth</b>        | +10.1%  | +8.6%   | +1.5%  | -4.4%   | -0.2%    |
| <b>GM %<sup>1</sup></b>    | 33.9%   | 37.2%   | -3.3%  | 38.1%   | 38.5%    |
| <b>SG&amp;A %</b>          | 11.1%   | 11.0%   | +0.1%  | 12.5%   | 11.2%    |
| <b>OM %<sup>1</sup></b>    | 22.8%   | 26.2%   | -3.4%  | 25.7%   | 27.3%    |
| <b>Tax %<sup>2,3</sup></b> | 26.5%   | 26.5%   | Unch   | 26.3%   | 121.0%   |
| <b>EPS<sup>2,3</sup></b>   | \$0.49  | \$0.55  | -10.9% | \$1.99  | (\$0.68) |

<sup>1</sup> GM % & OM % have been adjusted for ASU 2017-07'Non-Service component of post-retirement benefit service cost'.

<sup>2</sup> During Q4 2017, following the enactment of the Tax Cuts and Jobs Act, Syntel had one-time impact of approximately \$9 million in tax provisions, of which approximately \$8 million was related to a repatriation of cash and \$1 million was due to an adjustment of deferred tax assets. The combined impact of these provisions reduced Q4 17 and CY 17 EPS by \$0.11 per share.

<sup>3</sup> During Q3 16, Syntel recognized a one-time tax of approx. \$271 million or \$3.21 per share, net of foreign tax credits, upon the repatriation of \$1.24 billion of cash held by its foreign subsidiaries; this one-time tax resulted in a loss per share in Q3 16 and in CY 16.



**THANK YOU!**