

## Earnings Release for the Quarter ended September 30, 2016

**Chennai, India – Thursday, November 03, 2016:** TAKE Solutions Ltd. [BSE: 532890 | NSE: TAKE], a leading global business technology company with domain expertise in Life Sciences (LS) and Supply Chain Management (SCM), today reported its consolidated financial results for the quarter ended September 30, 2016.

### FINANCIAL PERFORMANCE

Particulars	Figures in	Q2 FY17	Change (%)		H1 FY17	H1 FY16	Change (%)
			Q-o-Q	Y-o-Y			Y-o-Y
Revenue	INR Mn	<b>3,283</b>	3.4%	35.9%	<b>6,460</b>	<b>4,703</b>	37.4%
	USD Mn	<b>49.0</b>	3.3%	31.7%	<b>96.4</b>	<b>73.2</b>	31.7%
EBITDA	INR Mn	<b>665</b>	8.9%	30.3%	<b>1,276</b>	<b>992</b>	28.7%
Margin	%	<b>20.3%</b>	103bps	-87bps	<b>19.8%</b>	<b>21.1%</b>	-133bps
Net Profit	INR Mn	<b>327</b>	3.9%	30.4%	<b>641</b>	<b>645</b>	-0.7%
Margin	%	<b>9.9%</b>	0.1%	-0.4%	<b>9.9%</b>	<b>13.7%</b>	-380bps
Diluted EPS	INR	<b>2.47</b>	-4.6%	19.9%	<b>4.85</b>	<b>5.32</b>	-8.8%

### HIGHLIGHTS

- Revenue grew 3.3% in USD and 3.4% in INR q-o-q
- Life Sciences continue to drive growth; Revenue increased 6.6% q-o-q and 50.9% y-o-y
- Profitability of the organic business continues to improve
  - Adjusted EBITDA Margin improved 183 bps y-o-y and 52 bps q-o-q to 23.0%
- Reported EBITDA Margin also improved 103 bps q-o-q
- Ecron Acunova (EA) reported EBITDA Margin of 3.0%, better than expected
- Added 10 new clients, predominantly across the US and Asia
- Won a 'Special Commendation' for Excellence in Corporate Governance at Golden Peacock Awards
- Commenced Strategic Initiative, "Project Pinnacle" to turbo charge growth
- Announced interim dividend of INR 0.30/- per equity share

## MANAGEMENT COMMENTS

**Srinivasan H.R., Vice-Chairman and Managing Director, TAKE Solutions** said, "We are very pleased with our performance during the quarter ended September 30, 2016. The performance was as per our expectation and we are all set to meet our organic revenue growth guidance of 20-22% for the full year FY17. We are also happy to share that the exercise by the global consulting firm, which has been engaged to achieve \$500 mn revenue in next 4-5 yrs has been complete and the firm has presented its observations and recommendations to the Board. Our continued emphasis on innovation and proven track record of customer satisfaction is powering our outperformance and sets us up for a long runway of growth into the future." **He further added**, "Recently we achieved a major milestone in TAKE's journey of over 15 years. We won a '**Special Commendation**' for **Excellence in Corporate Governance at Golden Peacock Awards** held by The Institute of Directors (IOD), India in London. This award is a recognition of TAKE's culture, which emphasis on continued improvement and maintaining high standards of corporate governance."

**Ram Yeleswarapu, President and CEO, said**, "During the Quarter, our order book grew significantly on the back of orders from new and existing clients. In keeping with the industry trends of going digital, we have successfully enabled the shift towards digital for few large pharma customers, by automating data extraction, ingestion, analysis, and delivery of insights from numerous data channels. We continued to strengthen and build strategic partnerships with the major players in the market, which is opening new avenues of growth opportunities." **He further added**, "To talk about few achievements of the quarter gone by, a significant milestone was achieved during the quarter for a large pharma customer where TAKE successfully completed a yearlong project of complex global data migration for Biostatistics and Trial Operations. We have secured additional support work for validation phase of this engagement. We are encouraged by the increased focus on late phase studies and registries and believe that our expertise in conducting these types of studies is quite in line with the industry trends being observed."

### Organic Performance

---

#### Q2 FY17

- Organic Life Sciences business grew 7.6% q-o-q and 30.7% y-o-y.
- Revenue, excluding EA, grew 3.5% q-o-q and 20.5% y-o-y primarily due to continued good performance by Life Sciences business
- Adjusted EBITDA margin improved to 23.0% on the back of better performance by Life Sciences business
- Since Q1 FY15, organic Life Sciences revenue has grown at a CQGR of 9.6%

### Reported Performance

---

#### Q2 FY17

- Reported revenue grew 3.4% q-o-q and 35.9% y-o-y to INR 3,283 mn

- EBITDA increased 8.9% q-o-q and 30.3% y-o-y resulting in improved margin q-o-q to 20.3%
- During the quarter, the company incurred expenses totaling INR 15 mn regarding the strategic initiative. The company will further incur expenses in regards to these initiatives for next 3 quarters.
- Exceeding our expectations, EA achieved EBITDA margin of 3.0% in Q2 FY17 on the back of better cost management and higher revenue
  - Q2 revenue was INR 370 mn; up 2.7% q-o-q.

#### H1 FY17

- Revenue grew 37.4% y-o-y to INR 6,460 mn
- Life Sciences business grew and 52% y-o-y while SCM revenue declined marginally
- EBITDA increased 28.7% y-o-y
- EBITDA margin was 19.8% due to lower margins of EA and strategic initiatives costs. Excluding EA and initiative costs, EBITDA margin improved to 22.7% compared to 21.1%.
- H1 FY17 net profit was INR 641 mn compared to INR 645 mn in H1 FY16. In H1 FY16, there was a one-time capital gain of INR 180 mn on account of divestment of stake in a subsidiary.

## STRATEGIC INITIATIVE

---

The Company has engaged a top global consulting firm to device its medium and long term strategy. The objective is to achieve a revenue of USD 500 Mn by FY 21. The key highlights of this exercise require:

- Examining Life Science's R&D landscape and TAKE's relative position.
- To assess key initiatives that will take place in the landscape and technologies that will have disruptive impact.
- Engage with TAKE's customers and evaluate the current value proposition, strengths and weaknesses of the company.
- Assess the current management structures and process; device new ones for explosive growth.
- Examine opportunities for suitable inorganic play.

This initiative will lead to short term spike for operating costs for the next 3 – 4 quarters. The key items of this would entail

- Consulting fees
- Creation of capacity –
  - Man power
  - Infrastructure
- Advisory fees associated with specific tasks

We expect an adverse impact on EBITDA margins by about 2.5 – 3% for the next 3 quarters. This push will result in accelerated growth rates for the LS business.

## BUSINESS HIGHLIGHTS

### CLIENTS AND PROJECTS WIN

- During the quarter, we added a total of 10 new customers, predominantly across the US and Asia.
- Existing customers reinforced their commitment by awarding 22 different projects/renewals across the clinical, regulatory, and medical/safety functional areas.
- A total of 23 new Generics/bio-similars projects has enabled a significant jump to the order book position. Pipeline is quite robust and comprises of a very healthy mix of opportunities spread across geographies and service lines.
- A new QMS/CAPA deal from a large South East Asian pharmaceutical giant further fortified our relationship with Sparta Systems and our success with implementation and support of the Trackwise software in the APAC region has now led to a global agreement which was signed during the quarter.

### ALLIANCE AND PARTNERSHIPS

- We successfully added 2 more partnerships to our list of strategic partners, one in Business Process Management and the other in Structured Content Authoring. We believe that leveraging BPM will allow us to create comprehensive, work flow enabled solutions for the regulated industry with faster roll outs, richer functionality and being conducive for change.

### AWARDS & RECOGNITION

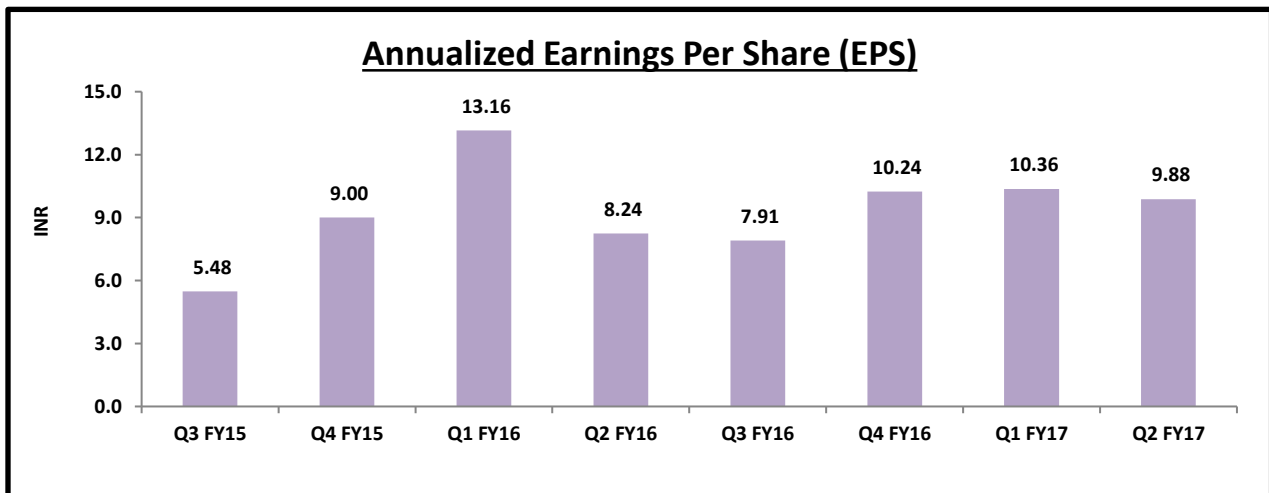
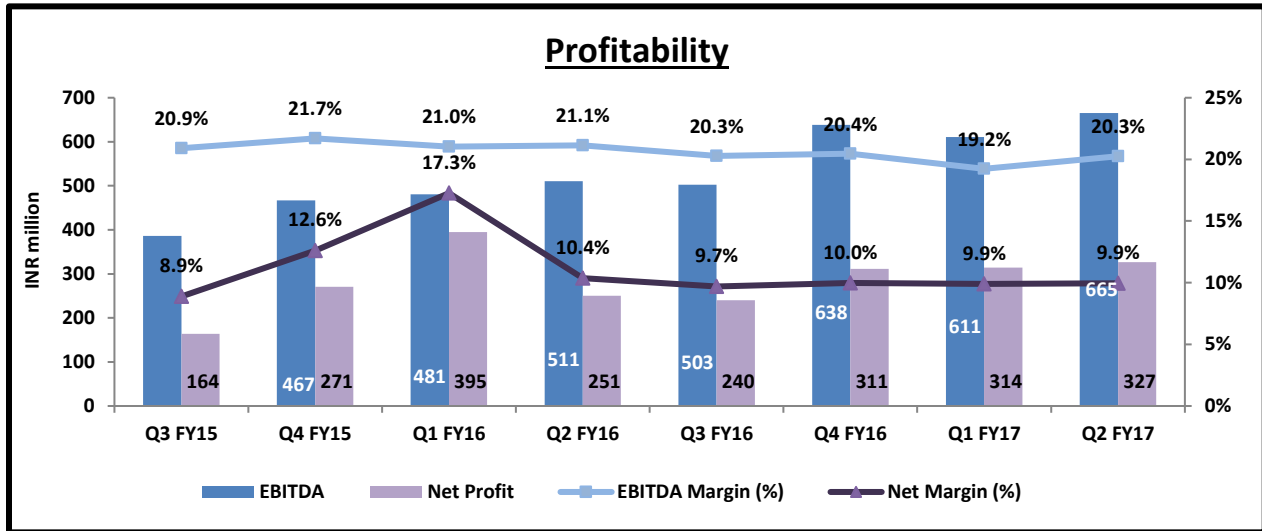
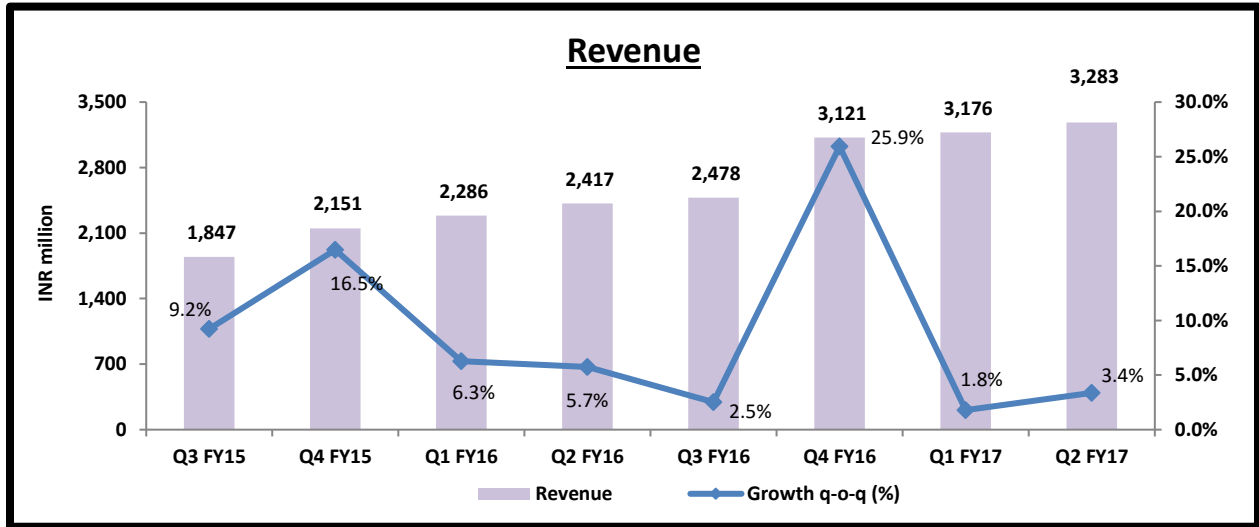
- TAKE is conferred with a ***'Special Commendation' for Excellence in Corporate Governance at Golden Peacock Awards*** held by The Institute of Directors (IOD), India. TAKE was honoured with the recognition by the Awards Jury under the Chairmanship of Justice M. N. Venkatachaliah, former Chief Justice, Supreme Court of India, from amongst several multi-nationals.

The Special Commendation Certificate was presented at the "Golden Peacock Awards Nite" at IOD's London Global Meet on Corporate Governance and Sustainability in the presence of a distinguished gathering of business leaders.

### THOUGHT LEADERSHIP FORUMS

- We attended a number of marketing events and authored and published several white papers along with delivering webinars across a range of topics.
- The PhUSE SDE in NJ, the DIA Global Labeling event in Washington D.C., RAPS regulatory convergence in CA, Swiss Biotech Day, Basel, Nordic Life Sciences Day, Stockholm are just a representative sample of the numerous events that we were a part of.

## QUARTERLY GROWTH TRENDS



## OPERATING METRICS

Revenue			
	Q2 FY17	Q1 FY17	Q2 FY16
<b>INR Million</b>	<b>3,283</b>	<b>3,176</b>	<b>2,417</b>
Y-o-Y growth (%)	35.9%		
Q-o-Q growth (%)	3.4%		
<b>USD Million</b>	<b>49.0</b>	<b>47.4</b>	<b>37.2</b>
Y-o-Y growth (%)	31.7%		
Q-o-Q growth (%)	3.3%		

Revenue by Vertical			
%	Q2 FY17	Q1 FY17	Q2 FY16
SCM	17.7%	19.0%	25.2%
LS	79.3%	76.9%	71.4%
Others	3.0%	4.1%	3.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Revenue by Geography			
%	Q2 FY17	Q1 FY17	Q2 FY16
US	79.7%	81.2%	71.6%
Asia	12.8%	11.2%	21.2%
RoW*	7.5%	7.6%	7.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Rest of World

Revenue Concentration			
%	Q2 FY17	Q1 FY17	Q2 FY16
Top 10 Clients	36.3%	35.7%	34.9%

Order Book			
USD MN	Q2 FY17	Q1 FY17	Q2 FY16
LS	101.4	94.8	61.2
SCM	12.7	13.3	18.3
<b>Total</b>	<b>114.1</b>	<b>108.0</b>	<b>79.5</b>

<b>Balance Sheet Summary (As on)</b>			
	<b>30-Sep-16</b>	<b>30-Jun-16</b>	<b>30-Sep-15</b>
Book Value per share (INR)	68.9	58.9	53.1
Net Worth (INR Mn)	9,017	7,066	6,370
Debt (INR Mn)	2,451	3,595	2,217
Cash & Cash Equivalents (INR Mn)	1,750	1,371	1,414
Net Debt / (Cash)	701	2,224	802
DSO	99	98	99
Net D/E (x)	0.1	0.3	0.1

<b>Dollar Rates</b>			
	<b>Q2 FY17</b>	<b>Q1 FY17</b>	<b>Q2 FY16</b>
Period Average Rate	67.06	67.01	65.01
Period Closing Rate	66.78	67.61	66.30

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2016**

	Quarter ended			Year ended	
	30-Sep-16	30-June-16	30-Sep-15	31-Mar-16	31-Mar-15
<i>(Figures in INR mn, except EPS)</i>					
<b>Net Sales/Income from Operations</b>	<b>3,283</b>	<b>3,176</b>	<b>2,417</b>	<b>10,301</b>	<b>7,304</b>
Other Income	29	18	2	208	82
<b>Total Revenue</b>	<b>3,312</b>	<b>3,195</b>	<b>2,419</b>	<b>10,509</b>	<b>7,386</b>
<b>Expenses</b>					
Cost of Sales	1,917	1,859	1,345	5,753	4,093
Other Expenses	701	706	561	2,416	1,717
	<b>2,618</b>	<b>2,565</b>	<b>1,906</b>	<b>8,168</b>	<b>5,810</b>
<b>Profit Before Interest, Amortization, Depreciation &amp; Tax</b>	<b>694</b>	<b>629</b>	<b>513</b>	<b>2,340</b>	<b>1,577</b>
Product Development Expenses Written off	142	120	124	495	393
Depreciation	85	82	60	248	203
<b>Profit before Interest &amp; Tax</b>	<b>467</b>	<b>428</b>	<b>328</b>	<b>1,597</b>	<b>981</b>
Finance Charges	59	65	37	148	127
<b>Profit before Tax</b>	<b>408</b>	<b>363</b>	<b>291</b>	<b>1,450</b>	<b>854</b>
Tax	73	50	29	201	54
<b>Profit before Minority interest</b>	<b>335</b>	<b>313</b>	<b>262</b>	<b>1,249</b>	<b>800</b>
Minority interest	8	(2)	11	52	100
<b>Net Profit</b>	<b>327</b>	<b>314</b>	<b>251</b>	<b>1,197</b>	<b>699</b>
<b>Basic Earnings Per Share (INR)</b>	<b>2.49</b>	<b>2.62</b>	<b>2.09</b>	<b>9.97</b>	<b>5.83</b>
<b>Diluted Earnings Per Share (INR)</b>	<b>2.47</b>	<b>2.59</b>	<b>2.06</b>	<b>9.85</b>	<b>5.82</b>



## EARNINGS CONFERENCE CALL

TAKE would like to invite you for the earnings call on November 03, 2016 at 4:00 pm (IST).

### Represented by

- Srinivasan H.R., Vice Chairman and Managing Director
- D.V. Ravi, Director
- Ram Yeleswarapu, President and CEO
- Shobana NS, Chief Finance Officer

The teleconference will be moderated by **Sagar Rastogi, Technology Analyst**, Institutional Equities, Ambit Capital.

### Conference Call Details

**Time: 4:00 pm (IST) | Date: November 03, 2016**

Please dial the below number at least 5-10 minutes prior to the conference schedule to ensure that you are connected to the call in time.			
Primary Number India:	<b>+91 22 3938 1078</b>	Toll Free Number:	USA: <b>1 866 746 2133</b>
Secondary Number India:	<b>+91 22 6746 5878</b>		UK: <b>0 808 101 1573</b>
<b>The numbers listed above are universally accessible from all networks and all countries.</b>			Singapore: <b>800 101 2045</b>
Local Access Number	<b>6000 1221</b>		Hong Kong: <b>800 964 448</b>
	Available in - Delhi, Bangalore, Chennai, Hyderabad, Kolkata		
	Accessible from all major carriers except BSNL/MTNL		
	<b>3940 3977</b>		
	Available in - Gurgaon (NCR), Bangalore, Kolkata, Cochin, Pune, Lucknow, Ahmedabad, Chandigarh		
	Accessible from all carriers.		

## About TAKE Solutions

TAKE Solutions, is a globally recognized knowledge intensive technology player, delivering comprehensive and niche solutions for enterprises across diverse sectors for over 15 years, with key expertise in Life Sciences (LS) and Supply Chain Management (SCM). In the LS domain, TAKE offers IP-based software and extensive knowledge-based solutions to enable efficient clinical, regulatory, safety and content management. In SCM, TAKE's product suite includes distinct technology with embedded IP that spans enterprise mobility, trading partner collaboration, and material tracking. TAKE encompasses specialized lines of businesses under distinct brands such as Navitas – an IP driven Life Sciences solutions company, Ecron Acunova – a specialized provider of Clinical Services to both Pharma & Biotech companies, Intelent – an expert in Life Sciences Big Data, TAKE Supply Chain & TAKE MEA – flexible, accessible, mobile Supply Chain software solution providers, APA Engineering – an International e-Sourcing and Engineering services company, TAKE Innovations – an incubator to facilitate IP Creation and TAKE Enterprise Services Inc. – a specialist provider of technology-driven business solutions and software services.

TAKE's significant recognitions include a patent win from the United States Patent and Trademark Office (USPTO) for its 'Method for Optimizing Clinical Data Standardization', a 'Leader' certification in Drug Safety Services & Life Sciences R&D IT Outsourcing from IDC, recognition as the 'Dream Employer of the Year' at the World HRD Congress and the title of 'Most Admired Brand –IT' from the Asian Customer Engagement Forum. With its global headquarters in Chennai, India, TAKE has a proven track record of delivering world-class solutions to more than 400 customers worldwide, including 9 of the top 10 global Pharma companies. For more information, please visit [www.takesolutions.com](http://www.takesolutions.com).

### Disclaimer:

Certain statements in this release concerning our future growth prospects are forward- looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT including factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in SCM & Life Sciences, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. TAKE does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

**For more details, please contact:**

**Sachin Garg**

HP: +91 – 44 – 6611 0700

[sachingarg@takesolutions.com](mailto:sachingarg@takesolutions.com) / [investorrelations@takesolutions.com](mailto:investorrelations@takesolutions.com)