

Softential, Inc. acquisition

Analyst Call



March 18, 2014

We deliver Global Engineering Solutions. **Efficiently.**

Quick Facts



Founder(s) / Incorporation	Srinivas Tipirneni 2000, Privately Held
Headquarters	Herndon, VA
People	~140 FTEs
Core Competence	Business/IT Service Management, Service Assurance
Industry Focus	Telecom, Enterprise, Public Sector
Financials (FY = Jan – Dec)	Revenues: \$17 Million EBITDA : >25%
Client Concentration	Top 5 customers contribute 55% of revenues Top 10 customers contribute 75% of revenues

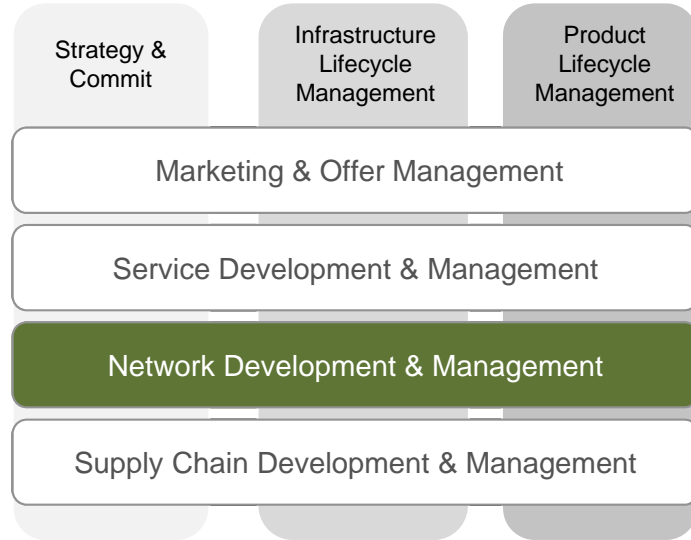
Softential supports Communication Service Providers, Cable/Multi-System Operators and Enterprise customers in the areas of Business Service Management and Service Assurance

Softential designs, implements and manages systems and applications that allow customers to reliably monitor and control the performance of their communication networks and business services in real time through “single pane of glass” dashboards

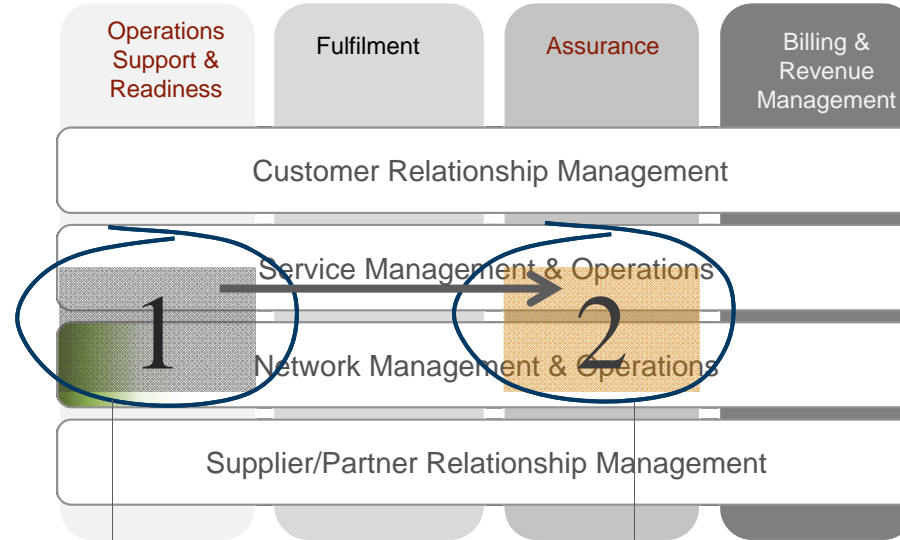
Softential is an attractive fit to our Telecom strategy



Infrastructure



Operations



1 Acquire expertise and referenceable customers around IT/Business Service Management for CSPs, MSOs and Enterprise markets

2 Leverage Plan/Build/Run model to additionally deliver Managed NOC services to existing and new clients across all Infotech Geos

\$17M / CY13

(standalone)

Maintain Margin >25%

\$30M / CY16

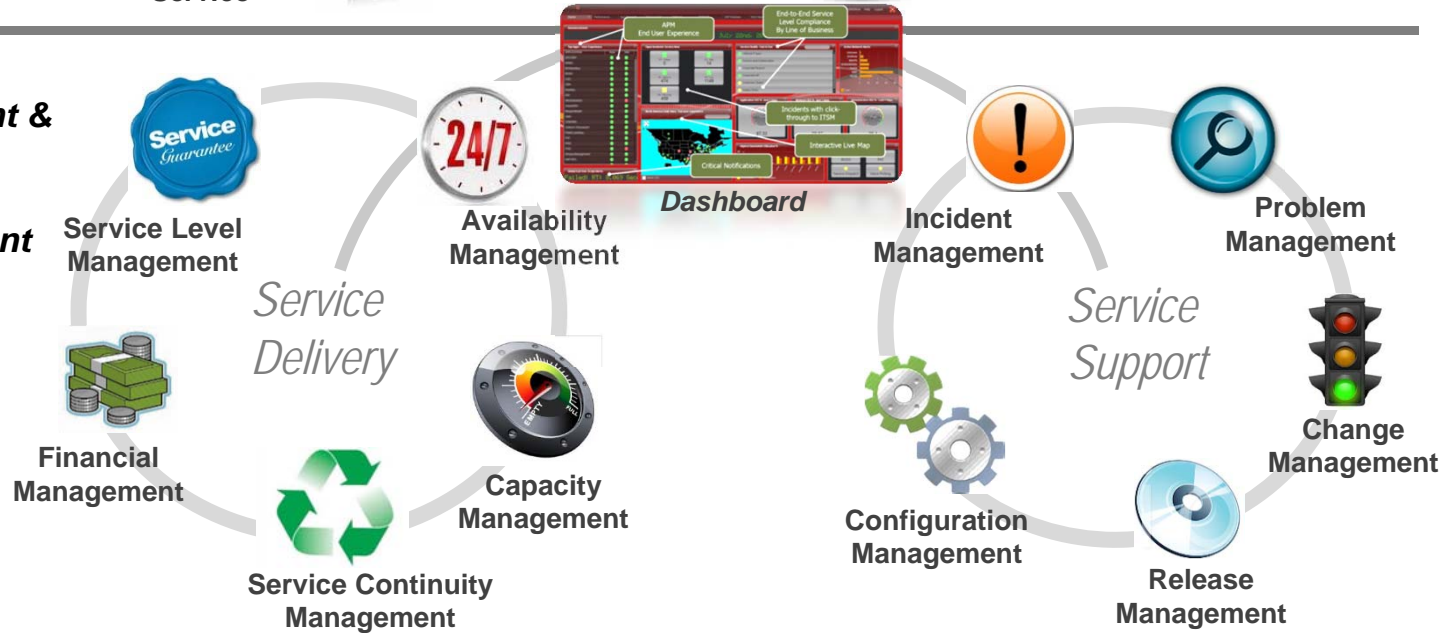
(with synergies)

What Softential Does

Business Services



Service Management & Service Assurance + Network Management



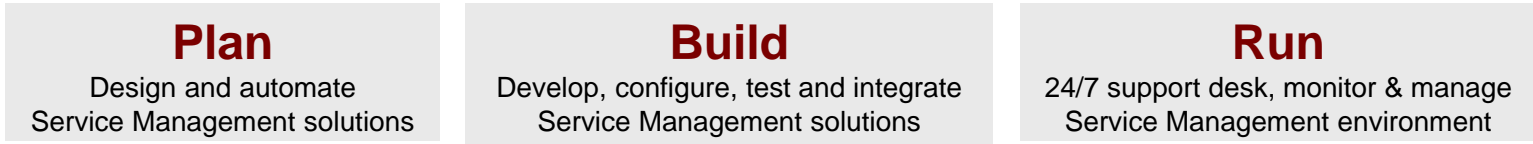
Technology



Network & IT Infrastructure



Softential Services



Key Customers & Partners



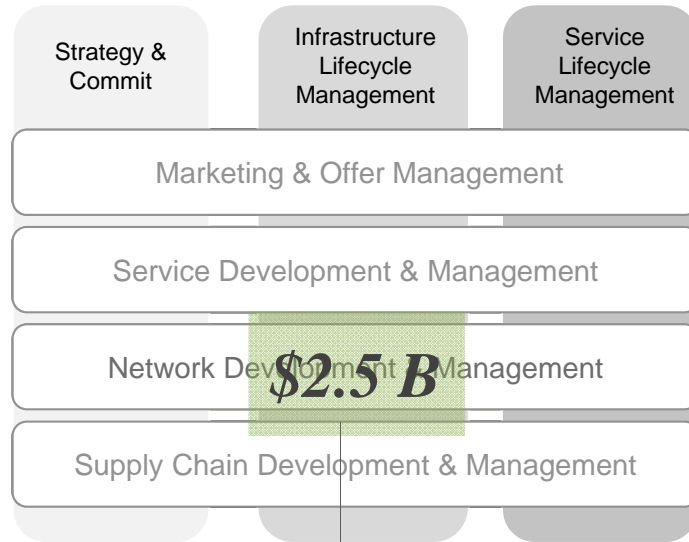
“ We’ve used Application Management Services from several companies and what separates Softential is the quality of the team. The Softential AMS team outperformed all the others in managing and enhancing our solution environments. Exceptional technical skills, fast learners, and extremely responsive. Softential is the only AMS team that we’ve considered as a true extension of our in-house team.”

Director, Fortune 500 company

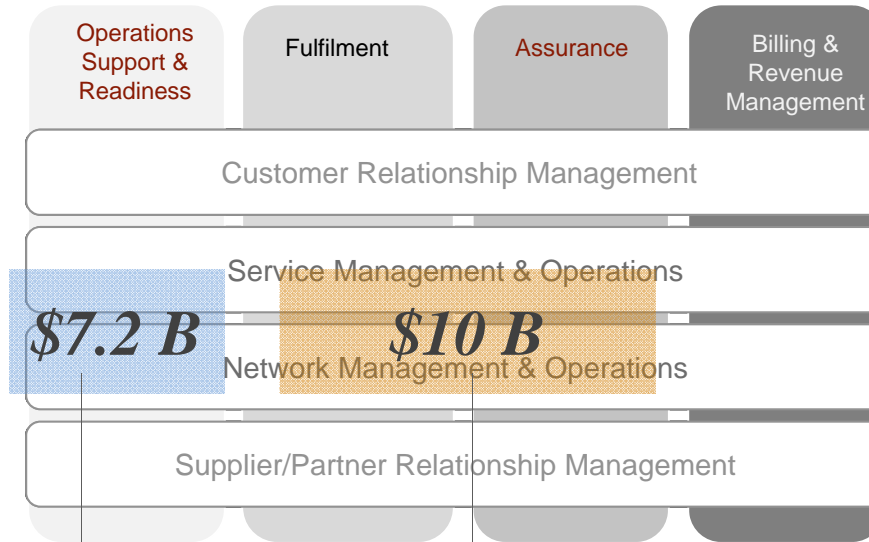
Softential broadens our addressable market space



Infrastructure



Operations



Network Engineering
Now (Infotech)

Plan/Build
Now

Run/Operate
Now/next 2-3 years

Plan

Design and automate Service Management solutions

Build

Develop, configure, test and integrate Service Management solutions

Run

24/7 support desk, monitor & manage Service Management environment



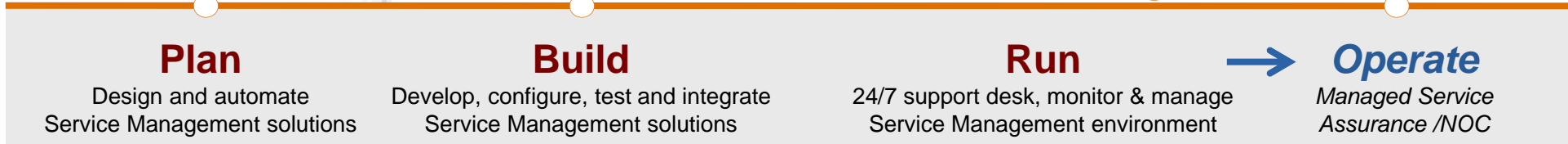
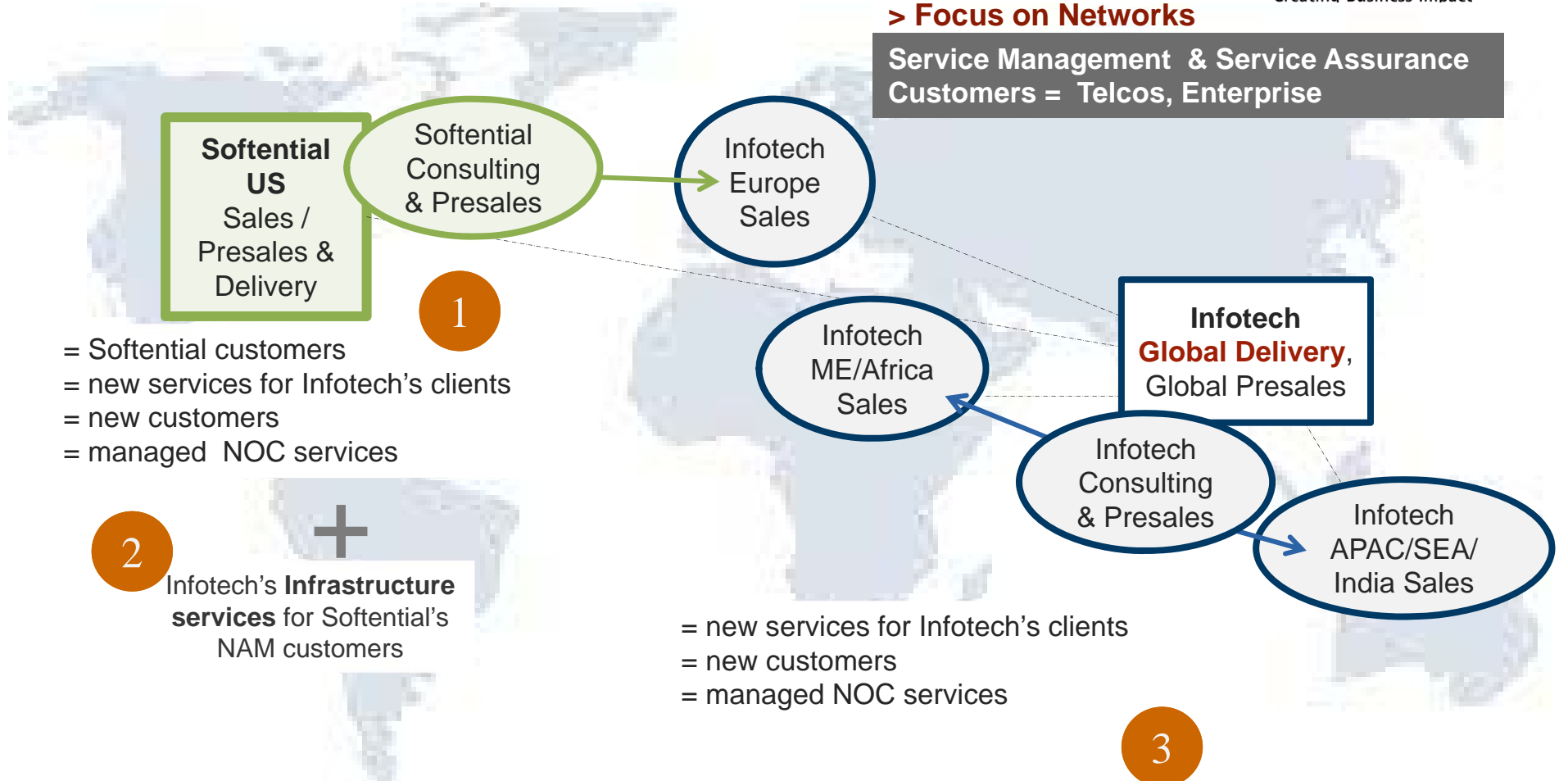
Operate

Managed Service Assurance /NOC

We can leverage multiple synergies

> Focus on Networks

Service Management & Service Assurance
Customers = Telcos, Enterprise



Some aspects of the transaction



Implementing Best Practices

- **Enhanced scope of due diligence** from customer and operational perspectives
- Identified and involved **Integration Team** very early in the transaction

Payment Structure

- **Revenue Multiple of 1.1x** upfront plus performance based earn-out in first year
- Capital structure: **1:1 debt vs equity**

Financial Benefits

- Acquisition is **EPS accretive**
- **ROE and ROCE improve by >0.5% basis points** on a consolidated basis

Summarizing Softential's value



- Softential's domain expertise and referenceable track record gives us **strong play in the Service Management/Service Assurance** space across **multiple industry verticals**
- Softential's consulting skills and global delivery model will support **geography expansion** (all revenues currently from US), **new service propositions and new client** acquisition including cross-selling into Infotech's key accounts
- Opportunity to **expand into NOC/SOC Managed Services** to support long-term, annuity business

- By leveraging synergies, Infotech is **targeting significant growth from Telecom Operate/Service Assurance business over next 3 years**
- Softential acquisition will be **earnings accretive** and have **positive impact on other financial parameters**

**NYC Softential SmartBoard
ITSM Dashboard**



Q & A



www.infotech-enterprises.com

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