Q1 FY18 RESULTS PRESENTATION
September 2017
DISCUSSION SUMMARY

COMPANY OVERVIEW

Q1 FY18 RESULTS UPDATE
COMPANY OVERVIEW
BRIEF PROFILE

We are a Global Provider of Information Technology, Data Management, Business Process Management and Consulting services.

Cater to clients across America, Australia, Asia, Middle east & Europe through customized solutions.

660+ customers, some of which are Fortune 500 Companies.

We support clients in their digital transformation journey through Smart Processes, Smart Systems, Smart Devices and Smart Data.

9,000+ Employees Globally.

FY 2016-17 Summary

Revenues – Rs. 8,671 Mn (5-Yr CAGR 12%)
EBITDA – Rs. 808 Mn (5-Yr CAGR 14%)
Adj. PAT – Rs. 618 Mn (5-Yr CAGR 18%)
CATERING TO THE DIVERSE BUSINESS NEEDS OF CUSTOMERS THROUGH OUR GLOBAL PRESENCE
COMPANY OVERVIEW

KEY MILESTONES – THE MANY FIRSTS AT DATAMATICS

DATAMATICS WAS FIRST TO -

1984
- Introduce UNIX in India

1985
- Open an Offshore Development Center for Wangs Lab, USA

1989
- Launch an e-publishing company in India

1992
- Develop and export software via satellite to Bell Labs, USA

1997
- Assure 99.97% accuracy in Data Capture in India

1998
- Obtain an ISO 9002 certification in electronic publishing in India and 2nd in the world

1999
- Reach PCMM level II globally

2003
- Be globally certified at Level 5 both PCMM & SEI CMM

2004
- Get listed on BSE and NSE

2007
- Receive the International Asia Pacific Quality Award (APQA)

2010
- Develop the “Intelligent and Auto Categorization” (iCAT) tool for market research globally

2010
- Launch a Cloud based invoice processing unit in USA

2016
- Launch an AI based Text Analytics Solution in India
COMPANY OVERVIEW
WHY DATAMATICS?

WE SUPPORT OUR CLIENTS IN THE DATA TO INTELLIGENCE JOURNEY BY LEVERAGING LATEST TECHNOLOGY TO PROVIDE BUSINESS INSIGHTS

- Pioneer in RPA in India
- Only Company in India with own product along with other IPs in mobility, analytics, document management and cloud

- 40+ years of expertise in Information & Process Management
- Highly competent BI & Analytics platform

- Technology Partnerships with IBM, Microsoft, EMC², Sitecore, Kofax, Tableau

- Wide Service Offerings - Finance & Accounting, Mobility, BI & Analytics, Collaboration & Enterprise Portals, Engineering & Embedded Services, Enterprise Content Management

- Strong Domain Expertise across BFSI, Healthcare, Manufacturing, Market Research, Publishing, Retail & International Organizations

- Global footprint across America, Australia, Asia, Europe & Middle East
COMPANY OVERVIEW
‘DATA TO INTELLIGENCE’ – WIDE RANGE OF SMART SOLUTIONS

Automating business processes through Smart Platforms and Robotic Process Automation for improved business productivity

AI based systems for accelerated decision making and enhanced enterprise efficiency

Extracting business insights through Advanced Analytics and AI solutions

Empowering a connected workforce through mobile solutions and self-service kiosks for unmanned business operations
COMPANY OVERVIEW
‘DATA TO INTELLIGENCE’ – WIDE RANGE OF SMART SOLUTIONS

- Robotic Process Automation
- Finance & Accounting Solutions
- Enterprise Document Management
- Big Data & Data Lake
- Data Discovery & Visualization
- Genomics, AI, Machine Learning
- Enterprise Data Management
- Advanced Data & Text Analytics
- Business Process Management
- Health Claim Processing
- System Development & Cloud Migration
- Intelligent, Self learning Systems
- Enterprise Workflow Solutions
- Enterprise Content Management
- Enterprise Mobility
- Internet of Things
- Smart Device Solutions
- POS & ATM Solutions
- Automated Fare Collection
COMPETITIVE ADVANTAGE
EXPANDING OUR IN-HOUSE IP ASSETS BASE

**TruBot**
Enables information retrieval across multiple s/w platforms and two way transfer of information between any two systems without the use of an API

**iQ**
Path-breaking, intelligent information processing solution driven by Artificial Intelligence

**iPM**
Sophisticated web based workflow management framework to help enterprises optimize their financial operations

**iDART**
Smart document archival, retrieval and tracking solution

**Synapsis**
AI based platform that can ingeniously detect fraudulent transaction patterns

**nSights**
Point-and-click data visualization solution used to create highly interactive dashboards to drive timely, data based decisions

**Lexicon**
AI based text analytics platform that intelligently extracts large volumes of static as well as streaming data

**DARTENIUM**
High-productivity automation framework for web testing

**iBPM**
Service-oriented architecture (SOA) enabling easy integration and collaboration across various applications

**iMobile**
Mobility platform used to develop end-to-end mobile App & solutions

OUR PROPRIETARY PRODUCTS FOR CLIENTS’ DIGITAL TRANSFORMATION
Q1 FY18 RESULTS UPDATE
Q1 FY18 RESULTS

KEY HIGHLIGHTS

- Acquired a controlling stake in TechJini to further enhance our enterprise mobility offerings
- Ranked 12th in the Fortune India Next 500 List of 2017 in the Infotech Sector

- Automation and Artificial Intelligence continued to remain one of the key trends and the IT sector is expected to have an annual revenue growth (in constant currency) of 7-8%, this fiscal (NASSCOM)
- Datamatics is well positioned to benefit from clients across sectors by re-aligning its businesses and continue its focus on Data Management, Analytics, Smart Systems and Cognitive Systems

- Clocked a Revenue of Rs. 2,086 mn in the first quarter, which has marginally improved on a YoY basis
- Constant currency growth during the quarter was 4.4%

- EBITDA for the quarter stood at Rs. 191 mn with a margin of 9.1%
- Reported PAT was Rs. 161 mn with a healthy margin of 7.7%
Q1 FY18 RESULTS
KEY HIGHLIGHTS

Q1 FY18 YoY ANALYSIS

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>EBITDA &amp; EBITDA MARGIN %</th>
<th>PAT &amp; PAT MARGIN %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY17: 2,073</td>
<td>Q1 FY18: 2,086</td>
<td>Q1 FY17: 249</td>
</tr>
<tr>
<td>1% increase</td>
<td>12.0% decrease</td>
<td>-23% decrease</td>
</tr>
</tbody>
</table>

# PAT Before Minority Interest
Q1 FY18 RESULTS
REVENUE ANALYSIS

REVENUE BREAKUP – REGION WISE

Q1 FY18
- USA: 12%
- Europe: 16%
- India: 13%
- RoW: 5%

Q1 FY17
- USA: 14%
- Europe: 14%
- India: 13%
- RoW: 6%

REVENUE BREAKUP – INDUSTRY WISE

Q1 FY18
- BFSI: 35%
- Publishing: 6%
- Manufacturing: 11%
- Hospitality: 6%
- Others: 22%

Q1 FY17
- BFSI: 33%
- Publishing: 9%
- Manufacturing: 14%
- Hospitality: 22%
Q1 FY18 RESULTS
REVENUE ANALYSIS

CLIENTS REVENUE CONTRIBUTION

- Top 5
- Top 10
- Top 20

Q1 FY18
- Top 5: 21%
- Top 10: 35%
- Top 20: 52%

Q1 FY17
- Top 5: 21%
- Top 10: 33%
- Top 20: 46%
### Q1 FY18 RESULTS
#### CONSOLIDATED PROFIT & LOSS

<table>
<thead>
<tr>
<th>Particulars (Rs in Mn)</th>
<th>Q1 FY18</th>
<th>Q1 FY17</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>2,085.7</td>
<td>2,073.0</td>
<td>0.6%</td>
</tr>
<tr>
<td>Operational Expenses</td>
<td>14.5</td>
<td>24.4</td>
<td>-40.7%</td>
</tr>
<tr>
<td>Employee Benefits Expenses</td>
<td>1,288.9</td>
<td>1,238.6</td>
<td>4.1%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>591.7</td>
<td>560.9</td>
<td>5.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>190.7</td>
<td>249.2</td>
<td>-23.5%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>9.1%</td>
<td>12.0%</td>
<td>-288 bps</td>
</tr>
<tr>
<td>Depreciation/Amortization</td>
<td>43.4</td>
<td>64.5</td>
<td>-32.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>147.3</td>
<td>184.6</td>
<td>-20.2%</td>
</tr>
<tr>
<td>EBIT Margin %</td>
<td>7.1%</td>
<td>8.9%</td>
<td>-185 bps</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>6.1</td>
<td>17.1</td>
<td>-64.6%</td>
</tr>
<tr>
<td>Other Income (Incl. Fair Valuation Gain on Investments)</td>
<td>51.0</td>
<td>49.7</td>
<td>2.5%</td>
</tr>
<tr>
<td>Share of Net Profits of Associates and JVs</td>
<td>6.9</td>
<td>7.7</td>
<td>-9.8%</td>
</tr>
<tr>
<td>PBT</td>
<td>199.1</td>
<td>224.9</td>
<td>-11.5%</td>
</tr>
<tr>
<td>PBT Margin %</td>
<td>9.5%</td>
<td>10.8%</td>
<td>-130 bps</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>38.4</td>
<td>33.9</td>
<td>13.2%</td>
</tr>
<tr>
<td>% Tax Rate</td>
<td>19%</td>
<td>15%</td>
<td>419 bps</td>
</tr>
<tr>
<td>PAT</td>
<td>160.7</td>
<td>191.0</td>
<td>-15.8%</td>
</tr>
<tr>
<td>PAT Margin %</td>
<td>7.7%</td>
<td>9.2%</td>
<td>-151 bps</td>
</tr>
<tr>
<td>EPS (Basic) (Rs)</td>
<td>2.73</td>
<td>3.24</td>
<td>-15.7%</td>
</tr>
</tbody>
</table>
DISCLAIMER:

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