

# Investor Presentation

13<sup>th</sup> August 2021

# DATAMATICS

**Datamatics Global Services Limited**

BSE: 532528 | NSE: DATAMATICS | ISIN: INE365B01017 | CIN: L72200MH1987PLC045205

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Investment Rationale

**03.** Financial  
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**04.** Quarterly  
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# Executive Summary

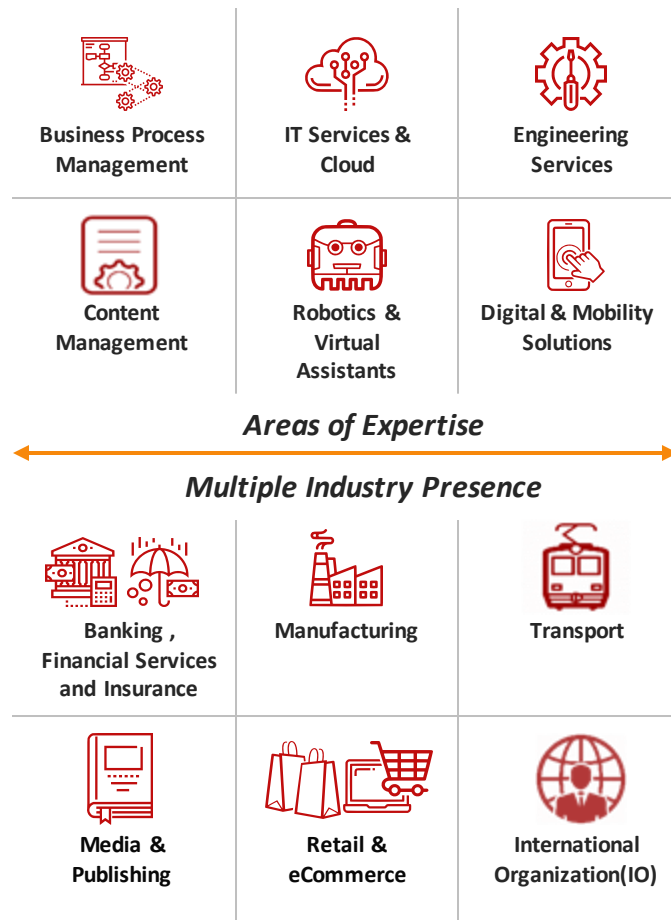


## Nature of Business

- Global Technology, BPM and Digital Solutions company that builds intelligent solutions for data-driven businesses to enhance their productivity and customer experience
- Headquartered in Mumbai, have strong presence in USA, Europe, Asia Pacific
- Global Delivery Centers in 4 regions
- 200+ significant customers

## Management

- Managed by strong, robust, experienced and stable management team



## Q1FY22 Highlights

- Revenue at ₹ 2,877.5 Mn**
  - ✓ Up 1.6% QoQ and 3.8% YoY
  - ✓ Without Cignex, up 1.6% QoQ and 21.6% YoY
- EBITDA at ₹ 414.2 Mn**
  - ✓ Down 1.0% QoQ and up 45.0% YoY
  - ✓ Without Cignex, down 1.0% QoQ and up 85.5% YoY
- EBITDA Margin**
  - ✓ 14.4% as compared to 10.3% in Q1FY21
  - ✓ Without Cignex, 14.4% as compared to 9.4% in Q1FY21
- PAT at ₹ 395.9 Mn**
  - ✓ Up 38.1% QoQ and 193.1% YoY
  - ✓ Without Cignex, up 38.1% QoQ and 266.6% YoY
- Added 7 new significant customers in Q1FY22**
- Declared an Interim Dividend of ₹ 2.50 per Equity Share i.e. 50% on Equity Shares of ₹ 5.00 each for the financial year 2021-22**

# Key Milestones



<b>1975</b>	Datamatics incorporated	<b>2003</b>	Acquired Saztec USA	<b>2016</b>	Opened new delivery centre in USA
<b>1983</b>	India's 1 <sup>st</sup> offshore development centre for Wang Labs, USA	<b>2003</b>	Acquired Corpay for Accounts Payable solutions USA	<b>2017</b>	Acquired TechJini, boutique mobile & web technology provider India
<b>1989</b>	1 <sup>st</sup> to develop & export S/W via satellite to Bell Labs	<b>2003</b>	BUPA on boarded as customer	<b>2018</b>	Acquired RJGlobus Solutions, voice & text based customer service provider
		<b>2004</b>	IPO	<b>2019</b>	Gartner Peer Insights Customer choice for TruBot
		<b>2006</b>	JV with Cybercom	<b>2020</b>	Launched TruBot 4.0
		<b>2007</b>	Launch of iPM & iQ	<b>2021</b>	Divested stake in Cignex

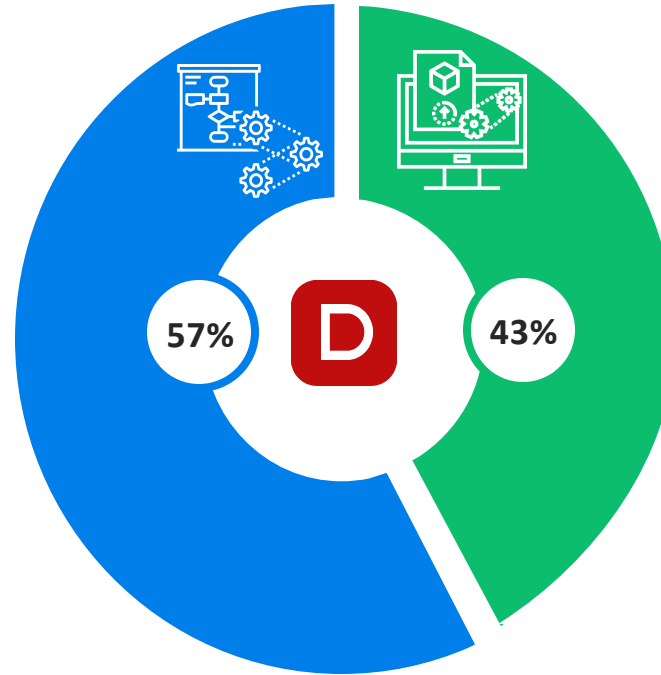


<b>1992</b>	India's 1 <sup>st</sup> e-publishing co
<b>1998</b>	1 <sup>st</sup> in India & 2nd in the world to obtain ISO 9002 certification in e-publishing
<b>1999</b>	Most innovative S/W product awarded by the Prime Minister of India

<b>2011</b>	Launched DataLabs
<b>2011</b>	Acquired Cignex, open source ECM (USA)
<b>2013</b>	Acquired PMG, publishing service provider (India)
<b>2014</b>	Launched own RPA product – TruBot
<b>2015</b>	Acquired TruBI from MAIA Intelligence (India)



**Business Process  
Management  
(BPM)**  
*Smart Processes*



**Information  
Technology (IT)**  
*Smart Systems*

## DATAMATICS IP

TruCap<sup>+</sup>

TruBot

iPM

TruBI

TruFare

*Note: The above split does not include Cignex Datamatics revenue as the same has been divested effective January 01, 2021*

## Offerings

- Enterprise Modernisation
- Cloud Services
- Digital Experiences & Consulting
- Enterprise Content Management
- Hyperautomation Services
- Enterprise Solutions
- Automated Fare Collection

## Opportunity

- Worldwide IT spending is forecasted to total US\$ 4.2 trillion in 2021, a growth of 8.6% from 2020 and is anticipated to touch US\$ 4.4 trillion, moderating a growth to 5.3% in 2022 (Source: Gartner July 2021, Spending Forecast Release)
- The highest growth is expected to come from Devices (14.0%), Enterprise Software (13.2%) and IT Services (9.8%) in 2021 as enterprises are shifting their focus to invest in tools that support innovation, anywhere operations and employee productivity & trust (as per Gartner)
- Global Cloud computing industry is expected to grow from US\$ 371.4 billion in 2020 to US\$ 832.1 billion by 2025, at a CAGR of 17.5%. Increased automation and agility is expected to drive the cloud computing growth. (Source: Research and Markets Report)
- Global AFC market is expected to grow from US\$ 6,639.1 mn in 2019 to US\$ 12,753.8 mn by 2027, at a CAGR of 11.6%. (Source: Allied Market Research Report)
- The pandemic has accelerated digital transformation plans across industries in a new normal world

## Metrics



**43%**

*Revenue Contribution*



**6.1%**

*EBITDA Margin*



**10.7%**

*EBITDA Margin without considering investment in products*

# Business Process Management (BPM)



## Offerings

- Finance & Accounting
- Customer Management
- Banking Process Management
- Insurance Process Management
- Publishing
- Retail /e-Commerce
- BPaaS

## Opportunity

- The global BPM market is expected to total US\$ 254 billion in 2021, a growth of 4.5% from 2020 and is anticipated to grow at 7.6% in 2022 to US\$ 273 billion (Source: Everest Group & Nasscom)
- Segments expected to witness the highest volume of new work in the next five years include industry-vertical-oriented BPM, enterprise back-office BPM and contact center
- Technology will assume center stage in BPM, especially through platform-based services
- Industry experts opine that BPM industry is witnessing multi-year technology upgrade cycle in 3 key stages - a large-scale shift to cloud; building of applications in cloud native world; and collaboration between IT service vendors and customers to build new technology solutions
- United States continues to remain biggest market for BPM
- Datamatics is seeing specific opportunities in the process automation and dynamic content management areas

## Metrics



**57%**  
*Revenue Contribution*



**20.7%**  
*EBITDA Margin*



# Intelligent Automation Platform



## Offerings

- Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents.
- The Intelligent Automation Platform combines the capabilities of Datamatics TruBot Robotic Process Automation (RPA) and TruCap+ Intelligent Document Processing (IDP) products along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics DataLabs.

TruBot

TruCap+

TruAI

## Opportunity

- The market for process-agnostic software enabling hyperautomation is projected to reach \$25bn in 2021 and is forecasted to grow at a CAGR of 18.8% over the period 2020-2025, thereby amounting to over \$46 Billion by end of 2025.
- **RPA software market** is growing at healthy double digit rates as per various analyst estimates. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) that include machine learning (ML), natural language processing (NLP) algorithms and intelligent document processing (IDP).
- **IDP software market** is projected to grow at 55%-65% CAGR thereby amounting to USD 1.85-1.95 Billion by 2022, driven by strong demand for automation.

## Highlights

**FORRESTER**

Datamatics TruBot recognized as a Strong Performer in Forrester Wave for RPA 2021

Everest Group  
**PEAK**<sup>TM</sup>  
MATRIX

Datamatics recognized as a Major Contender and Star Performer in the Intelligent Document Processing (IDP) –Everest PEAK Matrix® Assessment 2021

## Highly Rated by Customers Globally

 Gartner  
peerinsights. **4.6 / 5**

 **4.7 / 5**

 **8.1 / 10**

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# Strategy & Outlook for the Future



Strengthen US footprint



Account Penetration & Focus on larger deals



Strengthen Partners & Reseller Channel



Invest in Automation to improve productivity



Digital Solutions - Focus on Intelligent Automation – Robotics, Intelligent Document Processing



AFC opportunity – Focus on India and US geographies

# Investment Rationale: Business



A globally diverse Digital Solutions, Technology and Business Process Management company

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Developed own products to strengthen its offerings such as TruCap+ in Intelligent Document Processing (IDP), TruBot in Robotic Process Automation (RPA), iPM Workflow & TruBI in Analytics, TruAI for Artificial intelligence and TruFare in Automated Fare Collection (AFC)

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Has a strong presence in the AFC space and has executed over 30+ marquee projects across the globe including New York, London, Hong Kong and Dubai; strong pipeline in India & USA. Only company in India to have a highly evolved AFC, smart gates and contactless gates service offerings

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Has a strong R&D centre - DataLabs focusing on the new age technology areas such as AI & Cognitive Science, RPA and Augmented & Virtual Reality

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Debt free Company with healthy margins & financials

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# Q1 FY22 – Consolidated Profit and Loss

## (Financials excluding Cignex Datamatics divested in Q4FY21)



Particulars (₹ in Mn)	Q1 FY22	Q1 FY21	YoY %	Q4 FY21	QoQ %
<b>Revenue from Operations</b>	<b>2,877.5</b>	<b>2,265.9</b>	<b>21.6%</b>	<b>2,832.9</b>	<b>1.6%</b>
Purchase of Products and Licenses	2.4	24.6		11.3	
Employee Benefits Expenses	1,933.8	1,700.5		1,788.8	
Other Expenses	527.1	442.1		614.4	
<b>EBITDA</b>	<b>414.2</b>	<b>223.3</b>	<b>85.5%</b>	<b>418.5</b>	<b>(1.0%)</b>
<b>EBITDA Margin %</b>	<b>14.4%</b>	<b>9.4%</b>	<b>496bps</b>	<b>14.8%</b>	<b>(38bps)</b>
Depreciation/Amortization	80.8	92.2		93.6	
Finance Costs	6.5	20.6		7.5	
Other Income	40.4	24.6		44.6	
Share of Net Profits of Associates and JVs	(0.3)	1.8		(2.9)	
<b>Profit before exceptional item and tax</b>	<b>367.0</b>	<b>136.9</b>	<b>168.1%</b>	<b>359.1</b>	<b>2.2%</b>
<b>Profit before exceptional item and tax Margin %</b>	<b>12.8%</b>	<b>5.8%</b>	<b>697bps</b>	<b>12.7%</b>	<b>7bps</b>
Exceptional Item	101.7	-		(13.4)	
<b>PBT</b>	<b>468.7</b>	<b>136.9</b>	<b>242.4%</b>	<b>345.7</b>	<b>35.6%</b>
<b>PBT Margin %</b>	<b>16.3%</b>	<b>7.1%</b>	<b>1050bps</b>	<b>12.2%</b>	<b>408bps</b>
Tax Expense	74.7	39.7		58.8	
% Tax Rate	15.9%	29.0%		17.0%	
<b>PAT</b>	<b>393.9</b>	<b>97.1</b>	<b>180.3%</b>	<b>286.9</b>	<b>37.3%</b>
<b>PAT Margin %</b>	<b>13.7%</b>	<b>4.1%</b>	<b>862bps</b>	<b>10.1%</b>	<b>356bps</b>
Non-Controlling Interest	(2.0)	(10.8)		0.3	
<b>PAT (Non Controlling Interest)</b>	<b>395.9</b>	<b>108.0</b>	<b>266.6%</b>	<b>286.6</b>	<b>38.1%</b>
<b>EPS (Diluted) (Rs)</b>	<b>6.72</b>	<b>1.83</b>	<b>266.6%</b>	<b>4.86</b>	<b>38.1%</b>

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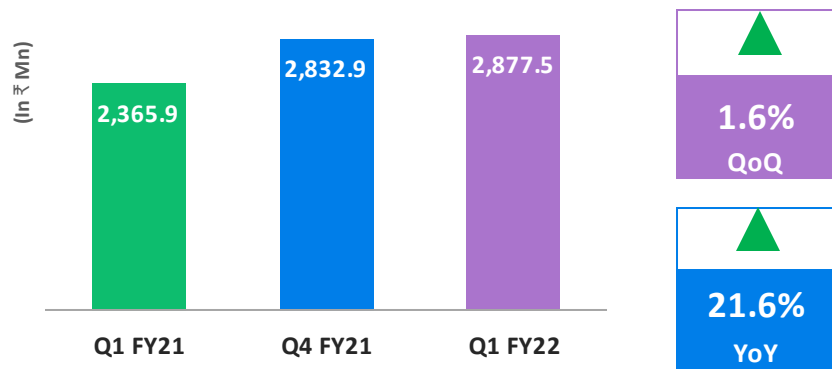
- Datamatics added 7 new customers in Q1FY22.
- Datamatics recognized in the 2021 Gartner Market Guide for Finance and Accounting Business Process Outsourcing.
- Datamatics wins IMC Digital Technology Award for its Digital Workplace solution for UTI Asset Management Company (AMC).
- Datamatics awarded as the Best Service Provider at ICICI Prudential Annual TATVA Award 2021. Datamatics has been winning this recognition from the customer consistently for past five years.
- Dr. Lalit Kanodia, Founder and Chairman Datamatics Group, bestowed with the IMC Lifetime Achievement Award.
- Due to second wave of COVID-19 Datamatics stepped up its CSR initiatives. Datamatics, through an NGO Suraj Hope Foundation, contributed for oxygen concentrator plant to Rotary Club of Delhi Premier. Datamatics also donated mobile toilets and bathrooms for the rehabilitation center of COVID-19 patients at Puducherry. The handover was done to the honorable Chief Minister, Shri N. Rangaswamy of Puducherry.

# Q1 FY22 – Key Result Highlights

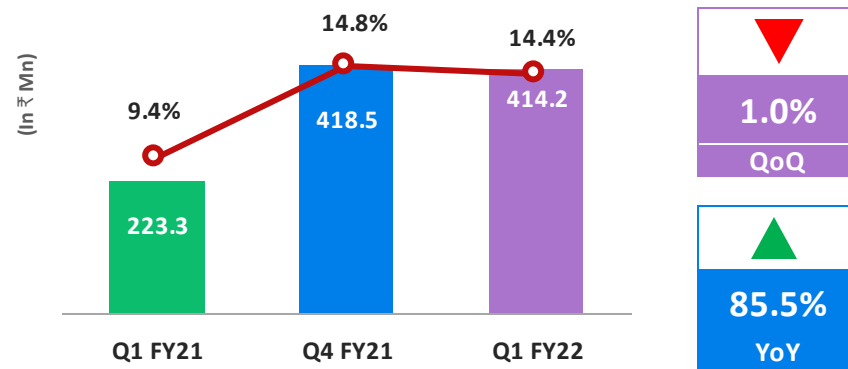
(Financials excluding Cignex Datamatics divested in Q4FY21)



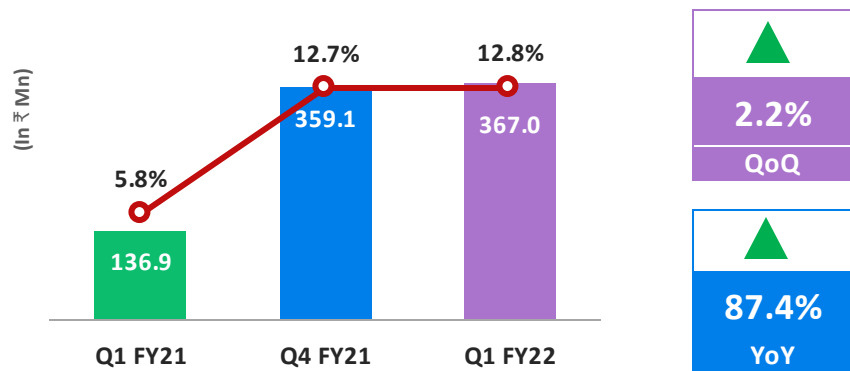
## Operating Revenues



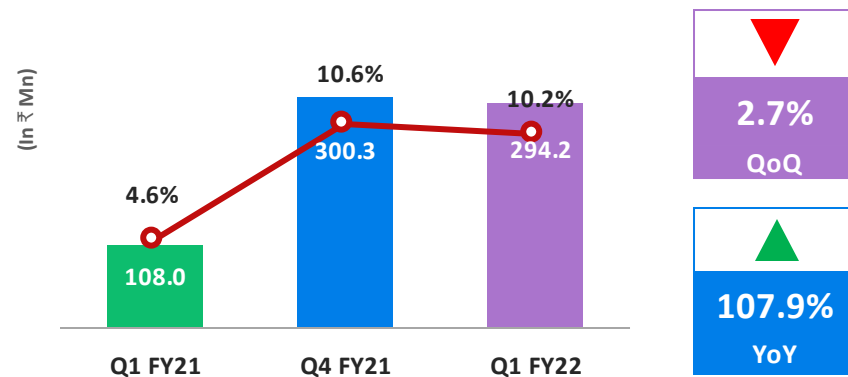
## EBITDA & EBITDA %



## Adjusted PBT & PBT\* %



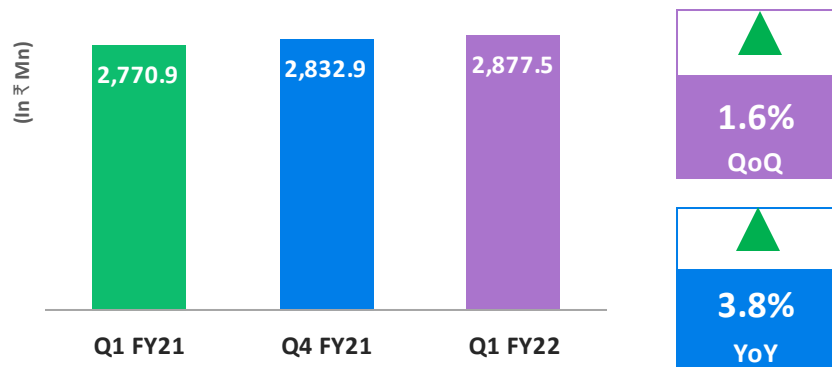
## PAT before NCI & PAT before NCI %



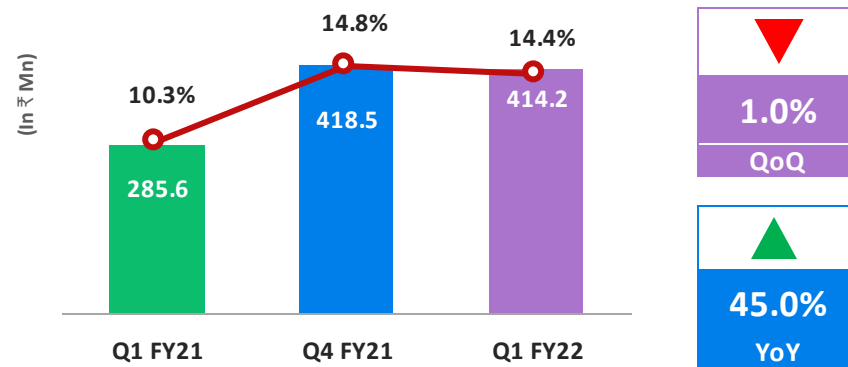
# Q1 FY22 – Key Result Highlights



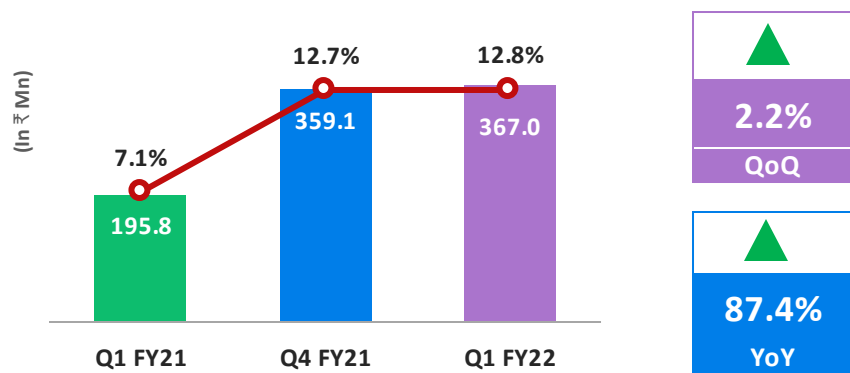
## Operating Revenues



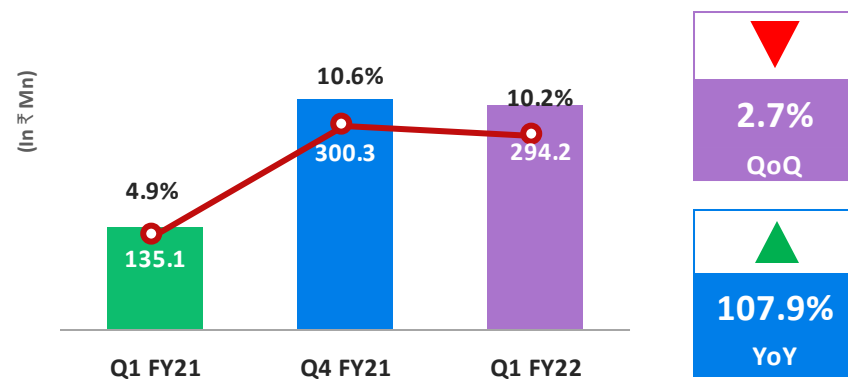
## EBITDA & EBITDA %



## Adjusted PBT & PBT\* %



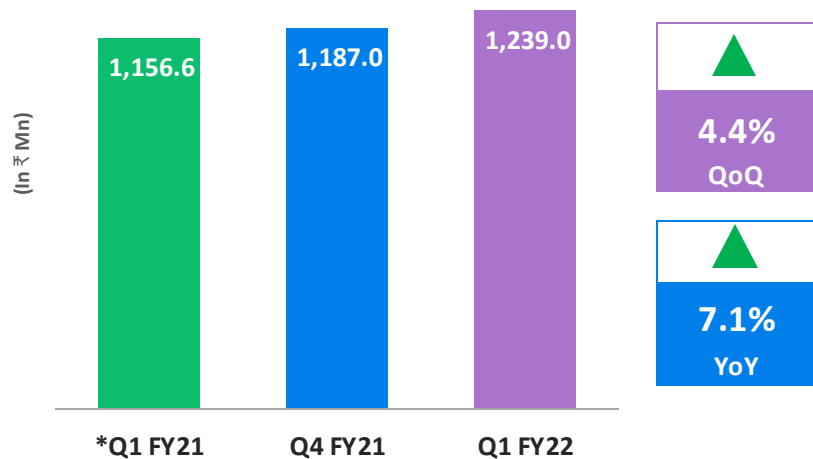
## PAT before NCI & PAT before NCI %



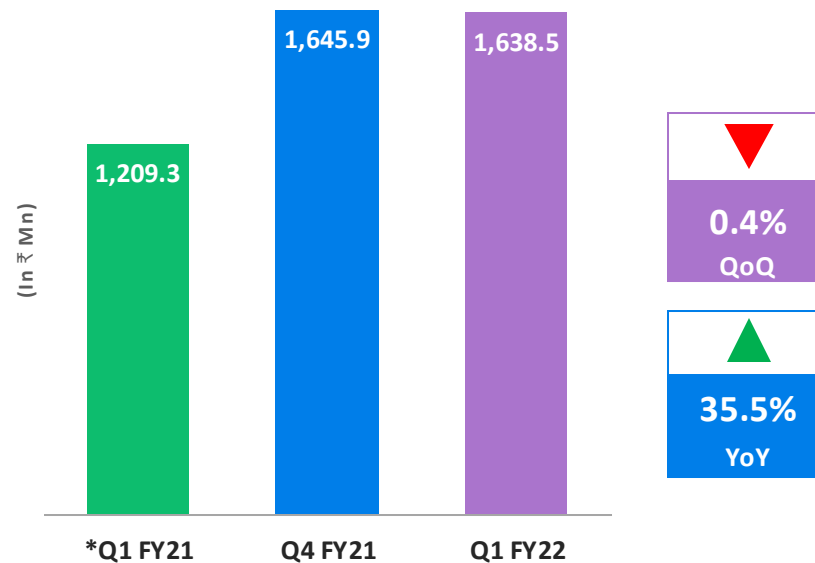
# Q1 FY22 – Revenue Segment Analysis



## IT Services Revenues – Q1 FY22



## BPM Revenues – Q1 FY22

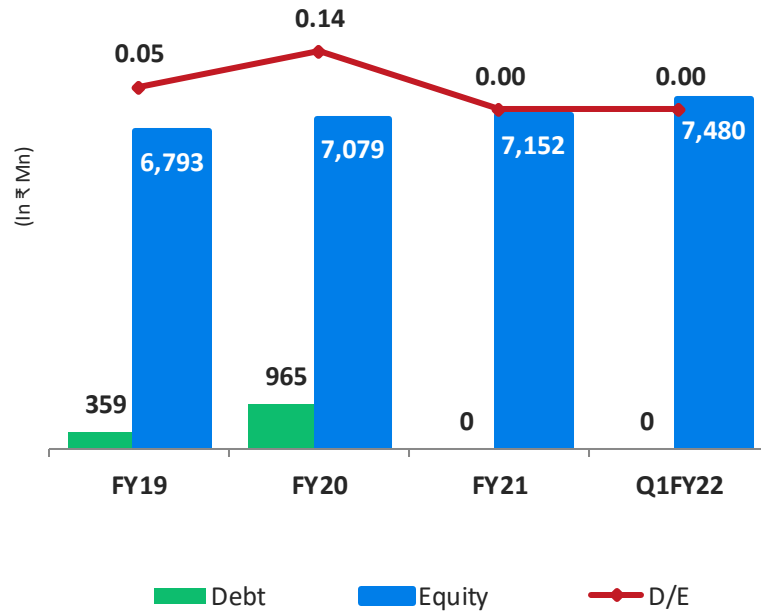


*\*Q1FY21 figures are excluding Cignex*

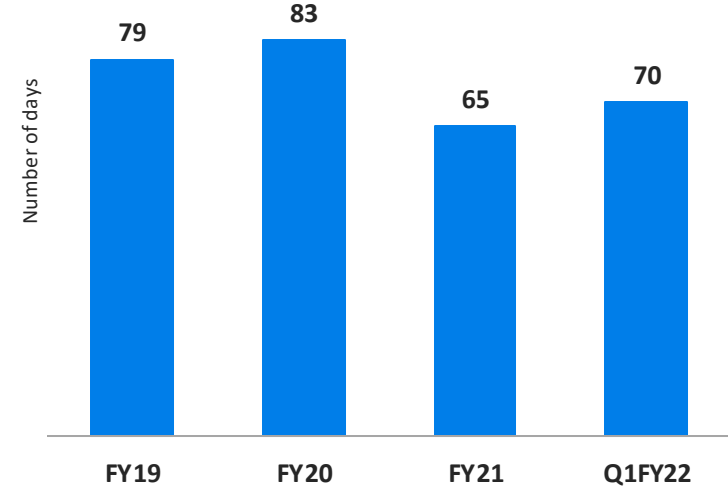
# Healthy Balance Sheet Position



## Leverage Analysis



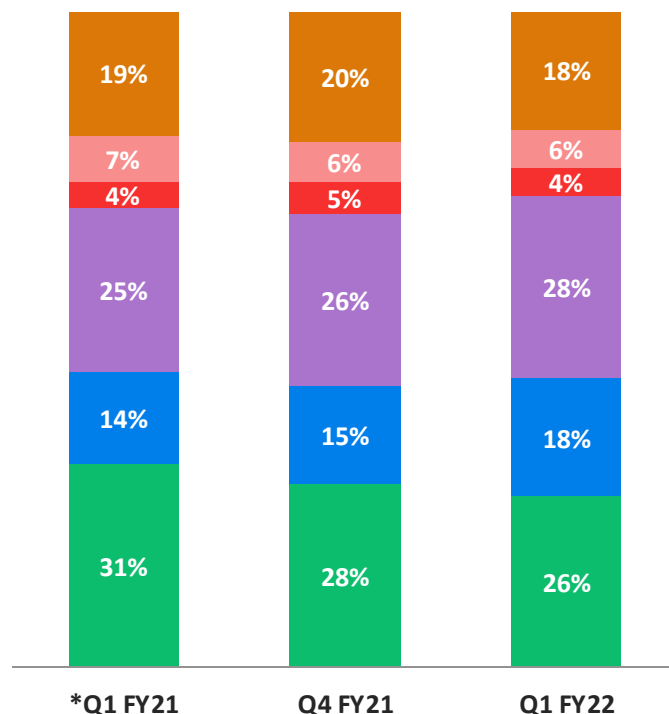
## Days Sales Outstanding (DSO)



# Q1 FY22 – Revenue Segment Analysis

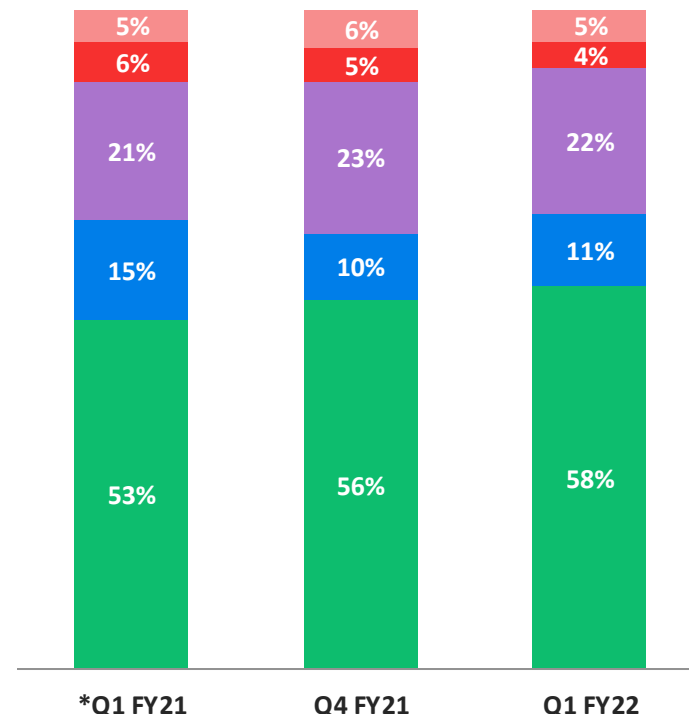


## Revenue by Industry



Others  
Manufacturing  
Technology & Consulting  
E-Commerce  
Publishing  
BFSI

## Revenue by Geography



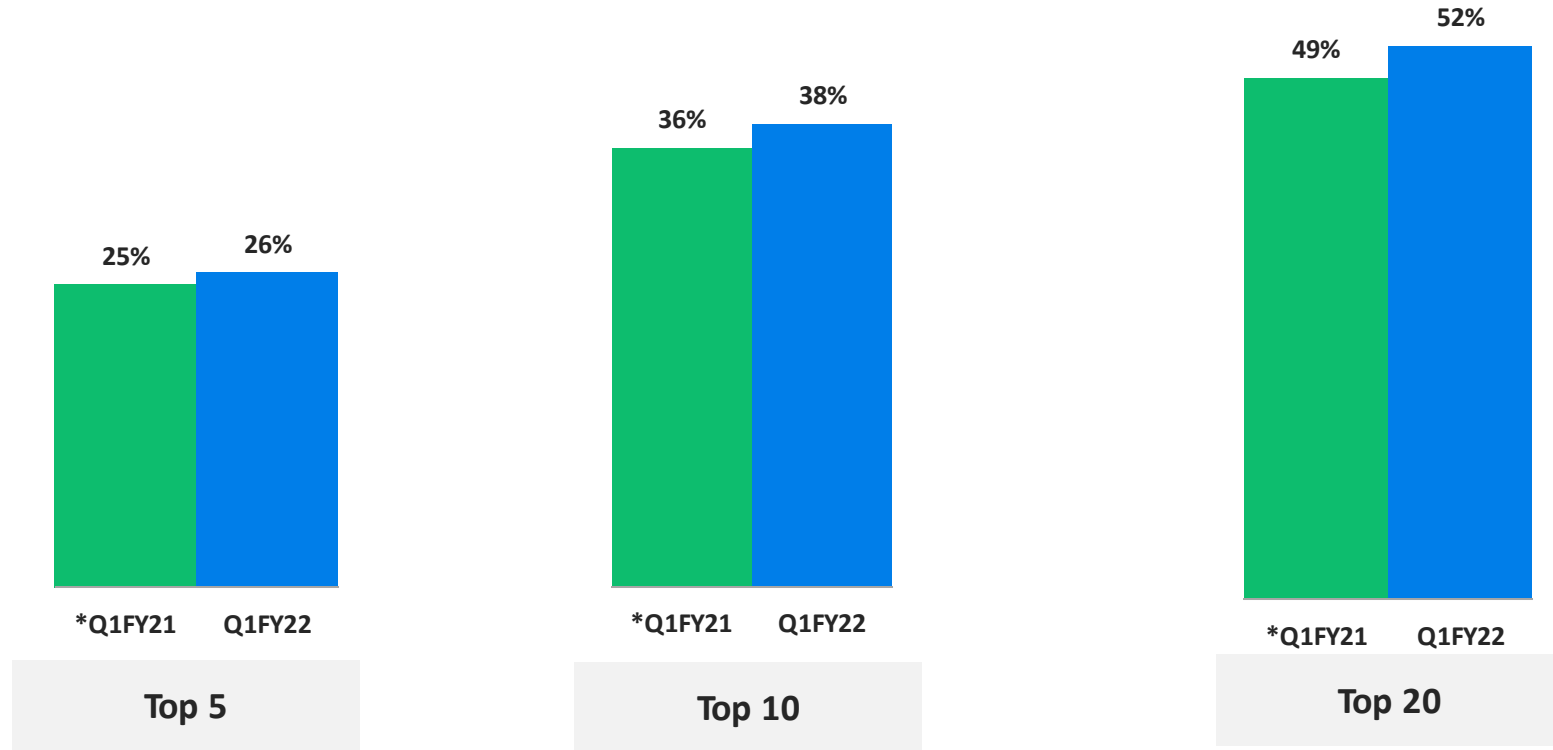
US UK India Europe ROW

*\*Q1FY21 figures are excluding Cignex*

# Q1 FY22 – Client Concentration



Client concentration maintained at a comfortable level



*\*Q1FY21 figures are excluding Cignex*

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# Key Analyst Coverage



**FORRESTER®**

Datamatics TruBot recognized as a Strong Performer in Forrester Wave for RPA 2021

**Gartner**

Datamatics recognized in the Gartner Market Guide for Finance and Accounting Business Process Outsourcing Service Providers 2021

 **IDC**

Datamatics recognized as a Major Player in the IDC MarketScape: Asia/Pacific Intelligent Automation Services 2021 Vendor Assessment

Everest Group  
**PEAK™**  
MATRIX

Datamatics recognized as a Major Contender and Star Performer in the Intelligent Document Processing (IDP) –Everest PEAK Matrix® Assessment 2021

**CELENT**

Celent recognizes Datamatics in What Vendors See For The Future of Robotic Process Automation in Insurance 2021

 **NelsonHall**

Datamatics recognized as Innovators in the NelsonHall NEAT Intelligent Automation Services in Banking 2021

 **IDC**

Datamatics recognized as a Major Player in IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services 2021

 **Quadrant**  
Knowledge Solutions

Datamatics recognized as Technology Leaders in the Quadrant Knowledge Solutions SPARK Matrix: Robotic Process Automation, 2021

 **HFS Research**

Datamatics recognized in HFS Market Analysis: RPA Software Products— Asia Pacific 2021

 **451 Research**

Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research

Everest Group  
**PEAK™**  
MATRIX

Datamatics leaps out of the Aspirants category to become a Major Contender in the Everest Group- Robotic Process Automation (RPA) Peak Matrix 2020

**OMDIA**

Brought to you by Informa Tech

Datamatics recognized in the Omdia Universe – Selecting a Robotic Process Automation (RPA) Provider 2020-21

# Recognition: Awards



Datamatics named as 'Leader' in the IAOP 2021 Global Outsourcing 100 List of the world's best outsourcing providers

Datamatics wins IMC Digital Technology Award 2020 for its Digital Workplace solution

TruBot won Bronze Stevie Award at the American Business Awards 2021

Datamatics awarded as the Best Service Provider at ICICI Prudential Annual TATVA Award 2021

Datamatics recognized at UN Global Compact Network India Innovative Practices Award "Women at Work" 2020

TruCap+ won People's Choice Stevie Award 2020 for 'Favourite New Products'

Datamatics won the CRN Excellence Awards 2020 in the Enterprise Mobility & Virtual Reality category

Datamatics won Rail Analysis India Award 2020 & 2019 for Automated Fare Collection technology



Datamatics awarded as Best Diversity & Inclusion Award for Gender Diversity and Empowerment at Best Diversity and Inclusion Practices of Asia Seminar and Awards 2020

Datamatics won Market Research Society of India (MRSI) Golden Key Award 2020 for 'BMC COVID-19 Helpline Initiative'

**Mr. Sandeep Mantri**

*Chief Financial Officer*

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond DGS’ control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of DGS.

In particular, such statements should not be regarded as a projection of future performance of DGS. It should be noted that the actual performance or achievements of DGS may vary significantly from such statements.