

Investor Presentation

13th August 2019



DATAMATICS®
Data to Intelligence

Datamatics Global Services Limited

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

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Agenda

01. Company
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02. Strategy &
Investment Rationale

03. Financial
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04. Quarterly
Updates

05. Awards &
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Executive Summary

Nature of Business

- Global IT and BPM 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
- 550+ customers
- 10,000+ Headcount

Management

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



Business Process Management



IT Services & Cloud



Engineering Services



Content Management



Robotics & Virtual Assistants



Digital & Mobility Solutions

Areas of Expertise

Multiple Industry Presence



**Banking ,
Financial Services
and Insurance**



Manufacturing



Transport



Media & Publishing



Retail & eCommerce



International Organization (IO)

Q1FY20 Financials

- Operating Revenue ₹ 2,901.7 Mn; up 11.3% in rupee terms and 9.5% in constant currency YoY
- Adjusted EBITDA ₹ 354.4 Mn; up 11.8% YoY
- Adjusted EBITDA margin 12.2%
- EBITDA (excluding lease accounting & CSR provisioning cost) ₹ 332.6 Mn; up 5.0% YoY
- EBITDA margin (excluding lease accounting & CSR provisioning cost) 11.5%
- PAT at ₹ 192.4 Mn

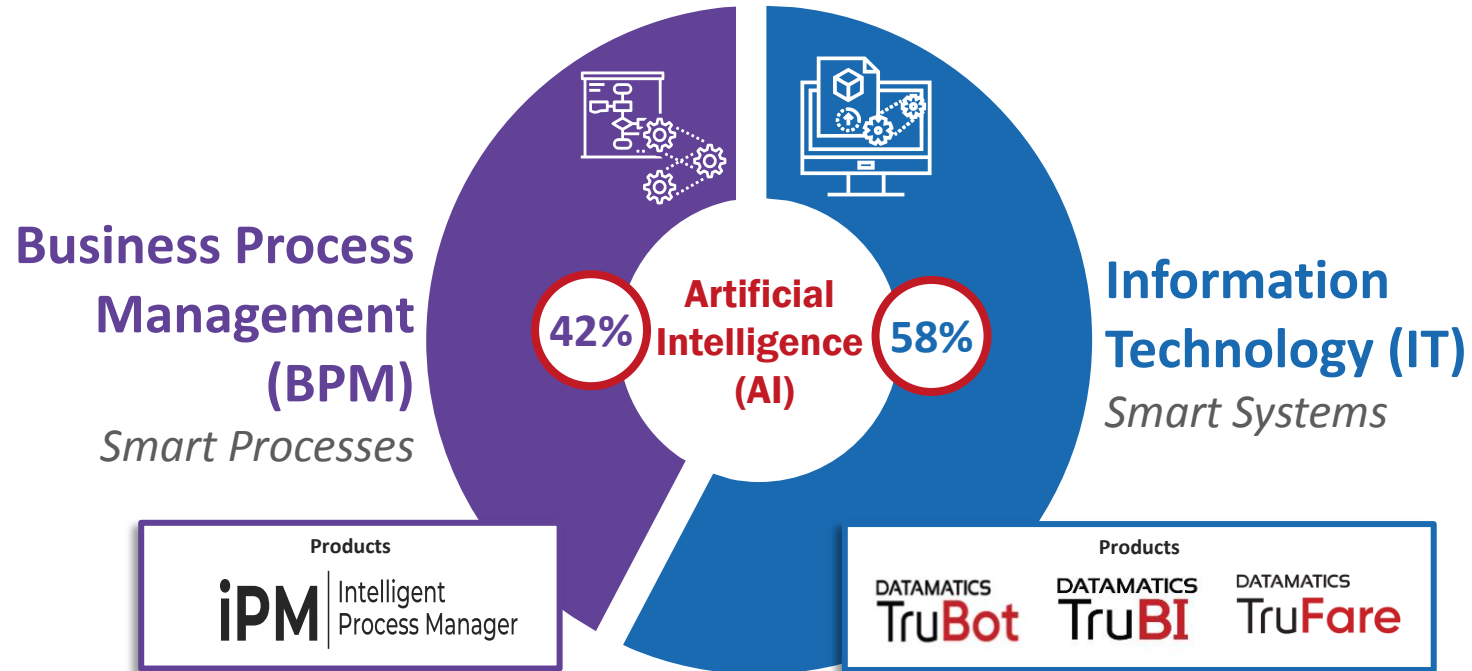
Key Milestones

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



1992	India's 1 st e-publishing co	2011	Launched DataLabs
1998	1 st in India & 2nd in the world to obtain ISO 9002 certification in e-publishing	2011	Acquired Cignex, open source ECM (USA)
1999	Most innovative S/W product awarded by the Prime Minister of India	2013	Acquired PMG, publishing service provider (India)
		2014	Launched own RPA product – TruBot
		2015	Acquired TruBI from MAIA Intelligence (India)

Line of Business



Offerings

- Application Management Services
- Digital Solutions
 - ✓ Robotic Process Automation (RPA)
 - ✓ Enterprise Mobility
 - ✓ Cloud Solutions
- Automated Fare Collection (AFC)



Opportunity

- Global sourcing and IT spends grew at 3.7% and 3.2% respectively in 2018 and the trend will continue
- Legacy services including ADM & testing to grow at a steady pace and will drive cash generation
- AFC world wide market expected to be about US\$ 12 bn by 2024; CAGR of 11.1% from 2017. Incremental opportunity in this market is expected to be about US\$ 7 bn for the same period
 - India opportunity is expected to grow at a CAGR of 18% for the period 2018-24
- Digital solutions to show an increasing level of revenue contribution on the back of momentum in robotics and enterprise mobility.

Metrics



58%

Revenue Contribution



11.8%

EBITDA Margin



99%

Repeat Business

Business Process Management (BPM)

Offerings

- Financial Transaction Processing
- Content Management & Publishing
- Customer Management

Products

iPM | Intelligent
Process Manager

Opportunity

- BPM market was at US\$198 billion in 2018, growth of 4.5% on YoY basis mainly driven by high SaaS adoption, Artificial Intelligence (AI) & RPA. (Source: Nasscom STR'19)
- India's share in global sourcing spend in the BPM sector grew from 35% in 2012 to 38% in 2018, attributed to increase in customer trust
- Exports growing at 8.3%; driven largely by automation-led high-end services
- United States continues to remain biggest market for BPM
- Datamatics is seeing specific opportunities in the process automation and dynamic content management areas

Metrics



42%

Revenue Contribution



12.7%

EBITDA Margin



99%

Repeat Business

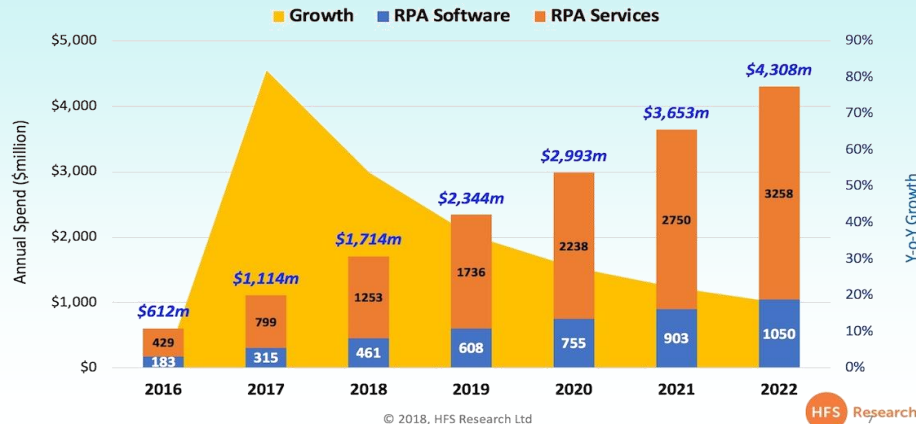
Robotics Process Automation (RPA)

Offerings

- Provides RPA implementation, licensing, and support services for a range of repetitive and rule-based processes without any manual intervention
- TruBot, a vertical-agnostic product is an off-the-shelf software bot that can automate repetitive process and can be deployed to mimic human activities in the virtual computing environment
- TruBot also comes with an intelligent data capture solution, TruCap+. It has integrated artificial intelligence (AI) & fuzzy logic and captures meaningful data from unstructured documents with over 99% accuracy.

Opportunity

RPA Services and Software Market 2016-2022



Client Metrics



2600+
Active TruBots



800+
Process Automated



95+
Customers Globally



200+
TruBot Experts



300+ Mn
Documents processed through TruCap+



58+
Partners & Growing



Revenue momentum to continue; targeting a growth of 10-12% on constant currency basis



58 channel partners to kick start visibility to our TruBot product in the RPA space



AFC to continue its momentum and the Company awaits some new contracts that are undergoing the bidding process



Relentless focus on operational efficiencies to drive margin improvement going forward



All acquisitions have been integrated completely and will drive value going forward

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Strategy & Outlook for the Future



Account Penetration & Focus on larger deals



Strengthen Partners & Reseller Channel



Invest in Automation to improve productivity



Digital Solutions

Focus on Products – Robotics & Advanced Analytics

AFC opportunity – Focus on Indian Metro Rail Projects



Strategic Acquisitions

Investment Rationale



Delivers comprehensive suite of innovative services and solutions to customers including Fortune 500 companies for managing their end-to-end Application Life Cycle and Business Critical Processes



Strong brand reputation in the market and a strong foothold in the IT & ITeS spectrum



Developed own products to strengthen its offerings such as TruBot in RPA, iPM Workflow & TruBI in Analytics, TruAI for Artificial intelligence and TruFare in Automated Fare Collection (AFC)



Has a strong presence in the AFC space and in the last 15 years, has executed over 25 marquee projects across the globe including New York, London, Hong Kong and Dubai. Only company in India to have a highly evolved AFC, smart gates and contactless gates service offerings



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



Strong financials with a positive outlook on revenue growth and margin improvement

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Q1 FY20 – Key Highlights



Strong operating performance backed by strong revenue growth and margin expansion

Q1 FY20 – YoY Analysis

- **Revenue - Rs. 2,901.7mn, up 11.3%**
- **Region Wise (Revenue contribution %) - USA 60%, UK 17%, Europe 3%, India 12% and ROW 8%**
- **Industry Wise (Revenue contribution %) - BFSI 28%, Publishing 28%, Manufacturing 9% and Others 33%**
- **Reported EBITDA - Rs. 354.4mn, up 11.8%; Margin at 12.2%**
- **EBITDA (excluding lease accounting and CSR provisioning cost) - Rs. 332.6mn, up 5.0%; Margin at 11.5%**
- **PAT - Rs. 192.4mn; Margin at 6.6%**

Q1 FY20 – Consolidated Profit and Loss

Particulars (Rs in Mn)	Q1 FY20	Q1 FY19	YoY %	Q4 FY19	QoQ %	FY19
Revenue from Operations	2,901.7	2,608.0	11.3%	3,068.6	-5.4%	11,334.9
Purchase of Products and Licences	34.3	16.9	102.4%	35.4	-3.0%	111.5
Employee Benefits Expenses	1,831.9	1,626.9	12.6%	1,760.3	4.1%	6,891.3
Other Expenses	681.2	647.3	5.2%	881.3	-22.7%	2,993.6
Adjusted EBITDA	354.4	317.0	11.8%	391.6	-9.5%	1,338.5
Adjusted EBITDA Margin %	12.2%	12.2%	6bps	12.8%	-55bps	11.8%
EBITDA *	332.6	317.0	5.0%	391.6	-15.1%	1,338.5
EBITDA Margin %	11.5%	12.2%	-70bps	12.8%	-130bps	11.8%
Depreciation/Amortization	88.2	61.3	44.0%	64.5	36.8%	260.4
Finance Costs	13.6	11.4	19.4%	12.4	9.6%	47.7
Other Income	17.3	23.3	-25.9%	47.3	-63.5%	108.1
Share of Net Profits of Associates and JVs	4.0	5.5	-28.1%	-6.8	-158.2%	9.0
PBT	273.8	273.1	0.2%	355.3	-22.9%	1,147.5
PBT Margin %	9.4%	10.5%	-110bps	11.6%	-202bps	10.1%
Tax Expense	64.7	57.1	13.3%	90.7	-28.7%	302.8
% Tax Rate	23.6%	20.9%	270bps	25.5%	-189bps	26.4%
PAT	209.1	216.1	-3.2%	264.6	-21.0%	844.8
PAT Margin %	7.2%	8.3%	-105bps	8.6%	-164bps	7.5%
Non-Controlling Interest	16.7	31.0	-46.1%	12.1	38.1%	99.7
PAT after Minority Interest	192.4	185.1	3.9%	252.5	-23.8%	745.1
EPS (Diluted) (Rs)	3.26	3.13	4.2%	4.27	-23.6%	12.53

* For Q1 FY20 EBITDA excluding the impact of lease accounting Rs 34.74 Mn and CSR provisioning Rs 12.92 Mn

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Q1 FY20 – Business Updates



Business Development

- Added 4 new customers in Q1 FY20
- Added 4 new partners. Partner strength now totals to 58 across the globe.



Strategic Partnerships

- Thomson Reuters integrated Datamatics TruBI as a data visualization layer to launch its tax validation tool, TaxAnalyze

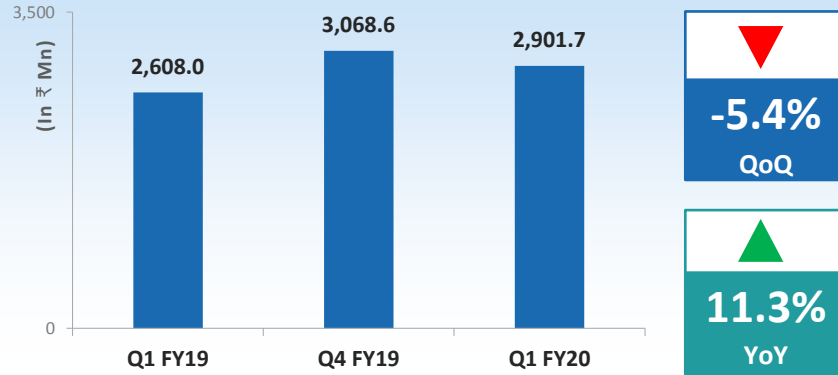


Recognition

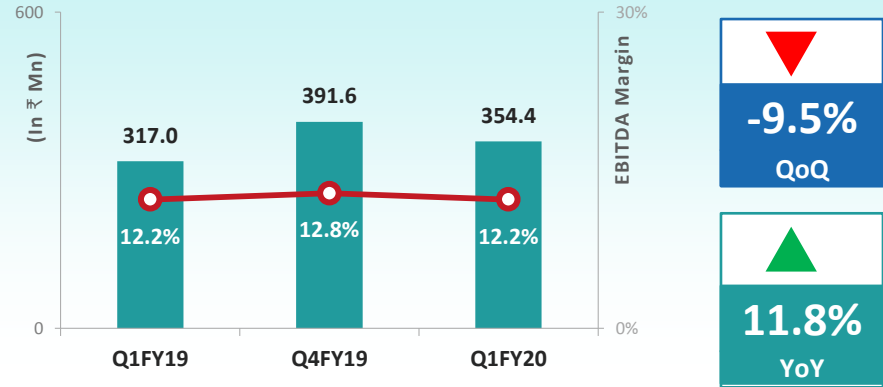
- Datamatics TruBot recognized as a July 2019 Gartner Peer Insights Customers' Choice for Robotic Process Automation (RPA) Software.
- Datamatics TruBot recognized in first ever Magic Quadrant for Robotic Process Automation Software 2019 as 'NICHE PLAYER'.

Q1 FY20 – Key Result Highlights

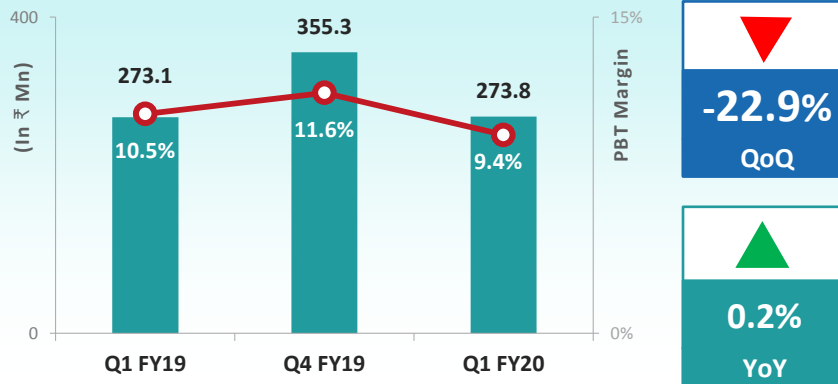
Operating Revenues



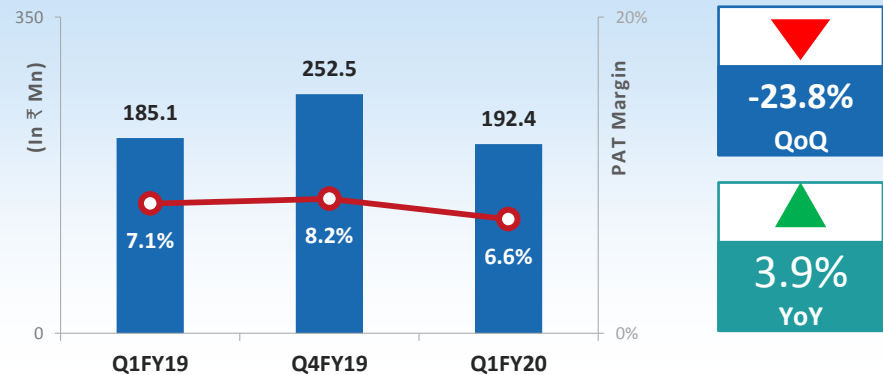
EBITDA & EBITDA Margin %



PBT & PBT Margin %

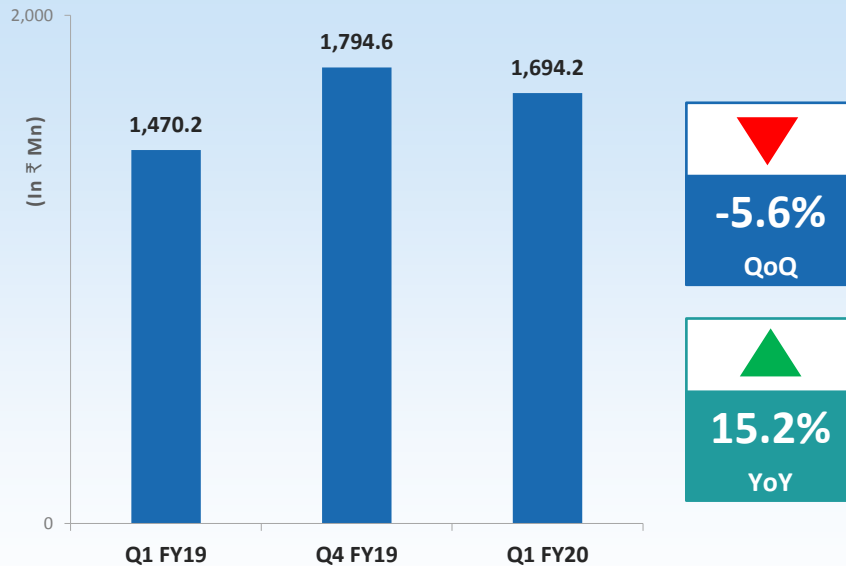


PAT after NCI & PAT after NCI Margin %

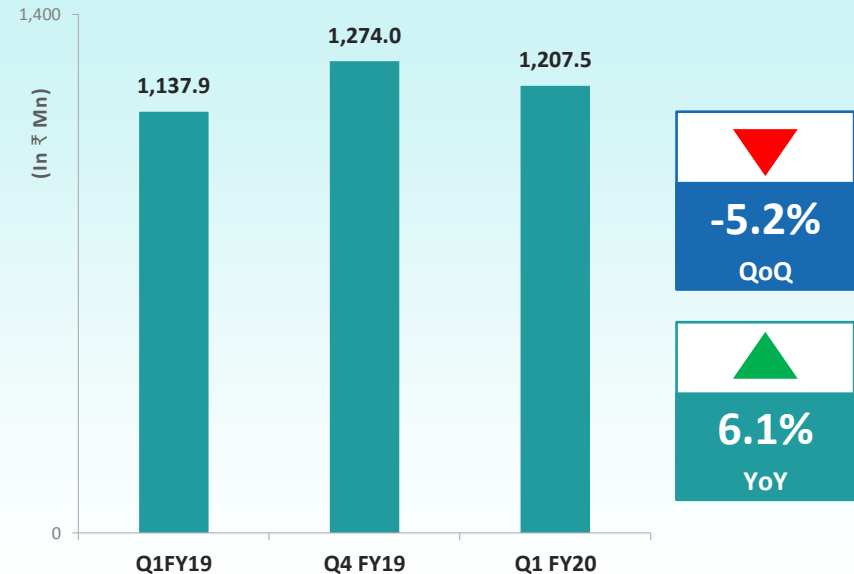


Q1 FY20 – Revenue Segment Analysis

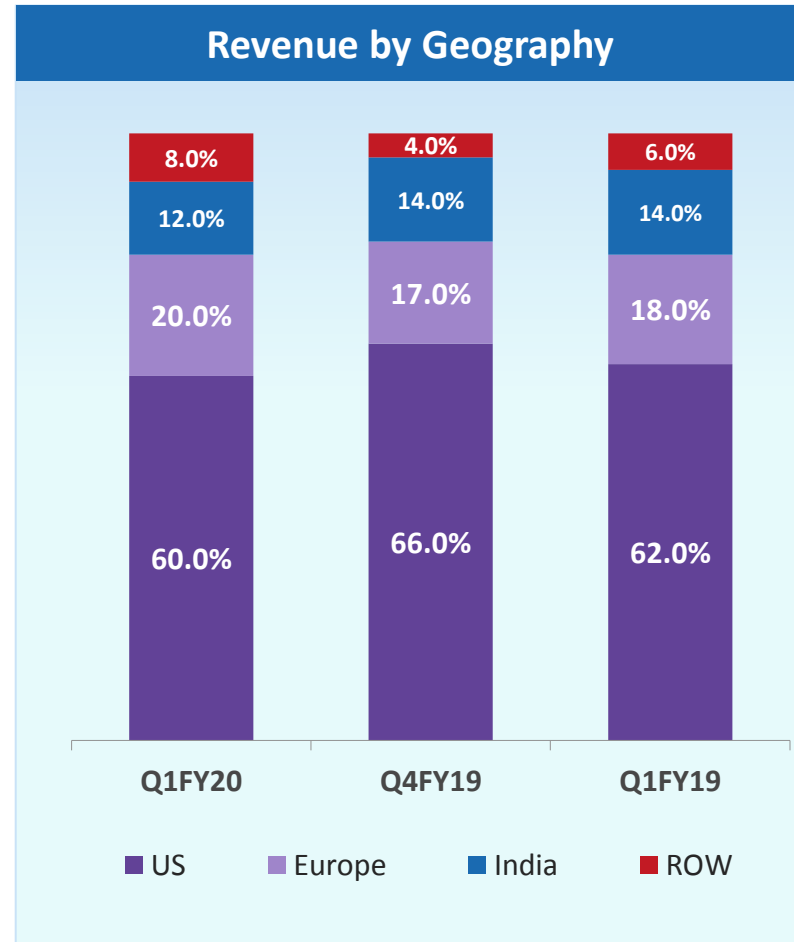
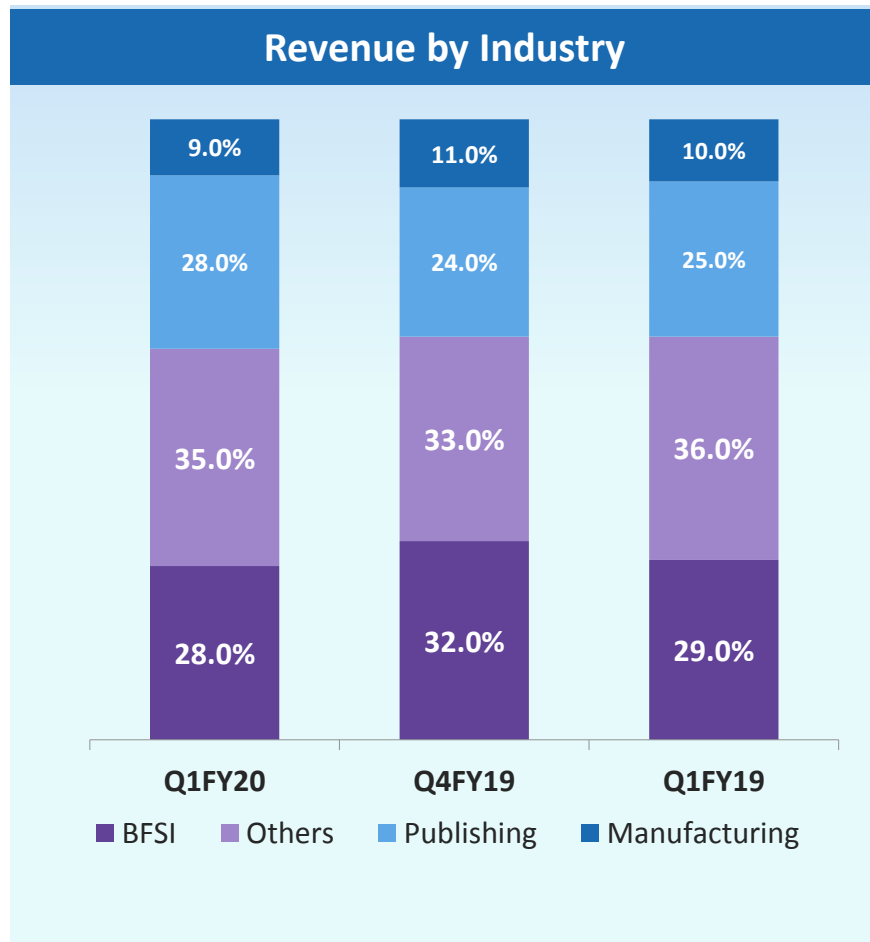
IT Services Revenues – Q1 FY20



BPM Revenues – Q1 FY20

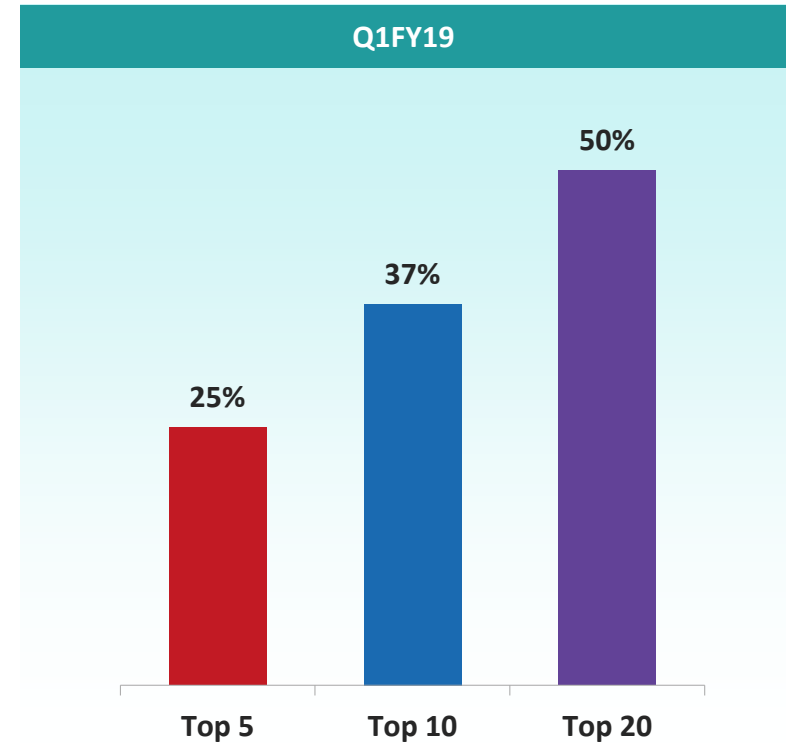
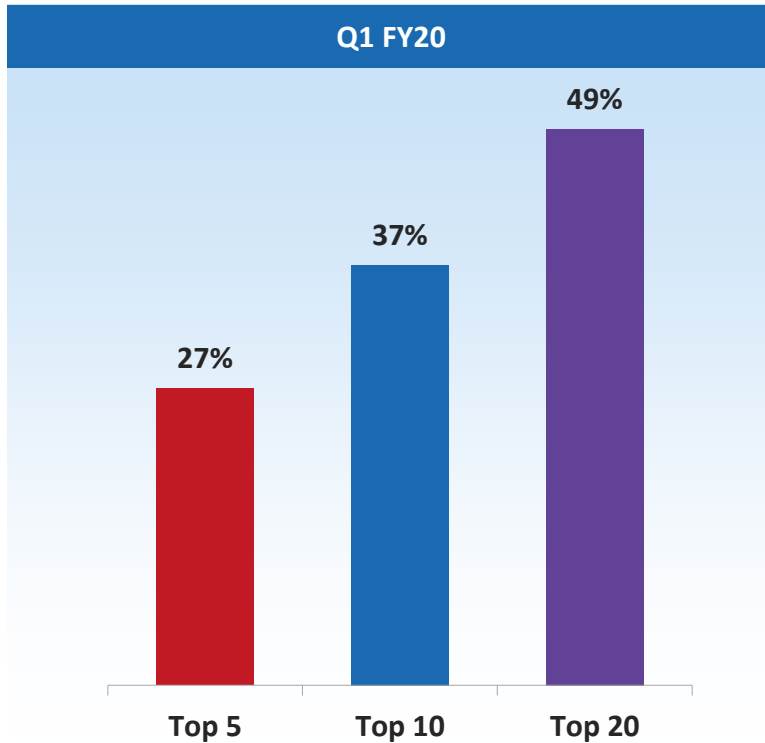


Q1 FY20 – Revenue Segment Analysis



Q1 FY20 – Client Concentration

Client concentration maintained at a comfortable level



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Recent Recognitions



Gartner recognizes Datamatics as a July 2019 Gartner Peer Insights Customers' Choice for RPA Software



Gartner recognizes TruBot in Magic Quadrant for Robotic Process Automation Software as NICHE PLAYER



TruCap+ recognized as MAJOR CONTENDER in Everest Group Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors



Datamatics featured in Zinnov Zones Ratings for RPA Services 2019



Datamatics - Intelligent Automation Platforms by Nelson Hall



TruBot featured in Juniper Research's Robotic Process Automation in Telecoms and Insurance 2019



Everest recognizes Datamatics as a MAJOR CONTENDER in Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019



Recognizes Datamatics in RPA in Financial Services 2019



Everest recognizes Datamatics in FAO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019' as 'STAR PERFORMER'.

Recent Awards



Gold Stevie Award at the American Business Awards® 2019 for TruBot



2019 IBM Asia Pacific excellence Award



Rail Analysis India Award 2019 for Automated Fare Collection technology



Datamatics features in the IAOP 2019 Global Outsourcing 100 List of the world's best outsourcing providers



TruBot wins the CIO Choice 2019 Recognition for Robotic Process Automation



TATVA award by ICICI Prudential Life



IMC Digital Technology Award for TruBot and TruAI

Certifications

**A1 Rating
Financial Stability
(S&P)**

**Re-appraised
SEI CMMI Level 4,
V 1.3**

**Certified
ISO 27001-2013**

**Certified
ISO 9001-2015**

**SSAE 16 SOC 1 & SOC
II with HiTRUST
HIPAA Compliant**



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