Agenda

01. Company Overview
02. Strategy & Investment Rationale
03. Financial Overview
04. Quarterly Updates
05. Awards & Certifications

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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

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

Areas of Expertise

Business Process Management
IT Services & Cloud
Engineering Services
Content Management
Robotics & Virtual Assistants
Digital & Mobility Solutions

Multiple Industry Presence

Banking, Financial Services and Insurance
Manufacturing
Transport
Media & Publishing
Retail & eCommerce
International Organization (IO)
Key Milestones

1975
Datamatics incorporated

1983
India’s 1st offshore development centre for Wang Labs, USA

1989
1st to develop & export S/W via satellite to Bell Labs

1975 - 1990

1992
India’s 1st e-publishing co

1998
1st in India & 2nd in the world to obtain ISO 9002 certification in e-publishing

1999
Most innovative S/W product awarded by the Prime Minister of India

1991 - 2000

2003
Acquired Saiztec USA

2003
Acquired Corpay for Accounts Payable solutions USA

2003
BUPA on boarded as customer

2004
IPO

2006
JV with Cybercom

2007
Launch of iPM & iQ

2001 - 2010

2011
Launched DataLabs

2011
Acquired Cignex, open source ECM (USA)

2013
Acquired PMG, publishing service provider (India)

2014
Launched own RPA product – TruBot

2015
Acquired TruBI from MAIA Intelligence (India)

2011 - 2015

2016
Opened new delivery centre in USA

2017
Acquired TechJini, boutique mobile & web technology provider India

2018
Acquired RJGlobal Solutions, voice & text based customer service provider

2018
TruBot debut in Everest Group’s PEAK Matrix for RPA

2019
Gartner Peer Insights Customer choice for TruBot

2016 - Present

2019
Gartner Peer Insights Customer choice for TruBot
Line of Business

- Business Process Management (BPM) - 42%
  - Smart Processes
- Artificial Intelligence (AI) - 58%
- Information Technology (IT) - Smart Systems

Products
- iPM Intelligent Process Manager
- TruBot
- TruBI
- TruFare

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## IT Solutions

### 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

- **Revenue Contribution**: 58%
- **EBITDA Margin**: 11.8%
- **Repeat Business**: 99%
## Business Process Management (BPM)

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

### Metrics
- **Revenue Contribution**: 42%
- **EBITDA Margin**: 12.7%
- **Repeat Business**: 99%

### 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

### Products
- iPM Intelligent Process Manager
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

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### Outlook

| ✔️  | 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

<table>
<thead>
<tr>
<th>✔️</th>
<th>Account Penetration &amp; Focus on larger deals</th>
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<tbody>
<tr>
<td>✔️</td>
<td>Strengthen Partners &amp; Reseller Channel</td>
</tr>
<tr>
<td>✔️</td>
<td>Invest in Automation to improve productivity</td>
</tr>
<tr>
<td>✔️</td>
<td>Digital Solutions</td>
</tr>
<tr>
<td>✔️</td>
<td>Focus on Products – Robotics &amp; Advanced Analytics</td>
</tr>
<tr>
<td>✔️</td>
<td>AFC opportunity – Focus on Indian Metro Rail Projects</td>
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<tr>
<td>✔️</td>
<td>Strategic Acquisitions</td>
</tr>
</tbody>
</table>
## 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

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

* 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.
Q1 FY20 – Key Result Highlights

Operating Revenues

- **Q1 FY19**: 2,608.0 (In ₹ Mn)
- **Q4 FY19**: 3,068.6 (In ₹ Mn)
- **Q1 FY20**: 2,901.7 (In ₹ Mn)

EBITDA & EBITDA Margin %

- **Q1 FY19**: 11.3% YoY
- **Q4 FY19**: 11.6% YoY
- **Q1 FY20**: 9.4% YoY

PAT after NCI & PAT after NCI Margin %

- **Q1 FY19**: 0% YoY
- **Q4 FY19**: 400 (In ₹ Mn)
- **Q1 FY20**: 350 (In ₹ Mn)

EBITDA & EBITDA Margin %

- **Q1 FY19**: 12.2% QoQ
- **Q4 FY19**: 12.8% QoQ
- **Q1 FY20**: 12.2% QoQ

PAT after NCI & PAT after NCI Margin %

- **Q1 FY19**: 7.1% QoQ
- **Q4 FY19**: 8.2% QoQ
- **Q1 FY20**: 6.6% QoQ

# PAT Before Minority Interest

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Q1 FY20 – Revenue Segment Analysis

IT Services Revenues – Q1 FY20

- Q1 FY19: 1,470.2 (In ₹ Mn)
- Q4 FY19: 1,794.6 (In ₹ Mn)
- Q1 FY20: 1,694.2 (In ₹ Mn)

YoY: +15.2%
QoQ: -5.6%

BPM Revenues – Q1 FY20

- Q1FY19: 1,137.9 (In ₹ Mn)
- Q4 FY19: 1,274.0 (In ₹ Mn)
- Q1 FY20: 1,207.5 (In ₹ Mn)

YoY: +6.1%
QoQ: -5.2%
Q1 FY20 – Revenue Segment Analysis

Revenue by Industry

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<thead>
<tr>
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<th>BFSI</th>
<th>Others</th>
<th>Publishing</th>
<th>Manufacturing</th>
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<tr>
<td>Q1FY20</td>
<td>28.0%</td>
<td>35.0%</td>
<td>11.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Q4FY19</td>
<td>33.0%</td>
<td>32.0%</td>
<td>24.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Q1FY19</td>
<td>36.0%</td>
<td>29.0%</td>
<td>25.0%</td>
<td>10.0%</td>
</tr>
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</table>

Revenue by Geography

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>Europe</th>
<th>India</th>
<th>ROW</th>
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<tbody>
<tr>
<td>Q1FY20</td>
<td>60.0%</td>
<td>8.0%</td>
<td>12.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q4FY19</td>
<td>66.0%</td>
<td>4.0%</td>
<td>14.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Q1FY19</td>
<td>62.0%</td>
<td>6.0%</td>
<td>14.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>
Q1 FY20 – Client Concentration

Client concentration maintained at a comfortable level

Q1 FY20

Top 5: 27%
Top 10: 37%
Top 20: 49%

Q1 FY19

Top 5: 25%
Top 10: 37%
Top 20: 50%
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Recent Recognitions

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

TruBot recognized 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**
- **TruBot wins the CIO Choice 2019 Recognition for Robotic Process Automation**
- **Datamatics features in the IAOP 2019 Global Outsourcing 100 List of the world’s best outsourcing providers**
- **TATVA award by ICICI Prudential Life**
- **IMC Digital Technology Award for TruBot and TruAI**
<table>
<thead>
<tr>
<th>Certification Type</th>
<th>Details</th>
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<tr>
<td>A1 Rating Financial Stability (S&amp;P)</td>
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<tr>
<td>Re-appraised SEI CMMI Level 4, V 1.3</td>
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<tr>
<td>Certified ISO 27001-2013</td>
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<tr>
<td>Certified ISO 9001-2015</td>
<td></td>
</tr>
<tr>
<td>SSAE 16 SOC 1 &amp; SOC II with HiTRUST HIPAA Compliant</td>
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</table>
For further queries

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