

Investor Presentation

13th November 2019



Datamatics Global Services Limited

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

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Agenda

01. Company
Overview

02. Strategy &
Investment Rationale

03. Financial
Overview

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)

H1FY20 Financials

- Operating Revenue ₹ 5,869.0 Mn; up 8.5% in rupee terms and 8.3% in constant currency YoY
- Adjusted EBITDA ₹ 691.0 Mn; up 9.6% YoY
- Adjusted EBITDA margin 11.8%
- EBITDA (excl. lease accounting & CSR provisioning cost) ₹ 637.0 Mn
- EBITDA margin (excl. lease accounting & CSR provisioning cost) 10.9%
- PAT at ₹ 391.8 Mn; marginally up by 0.8% YoY

Key Milestones

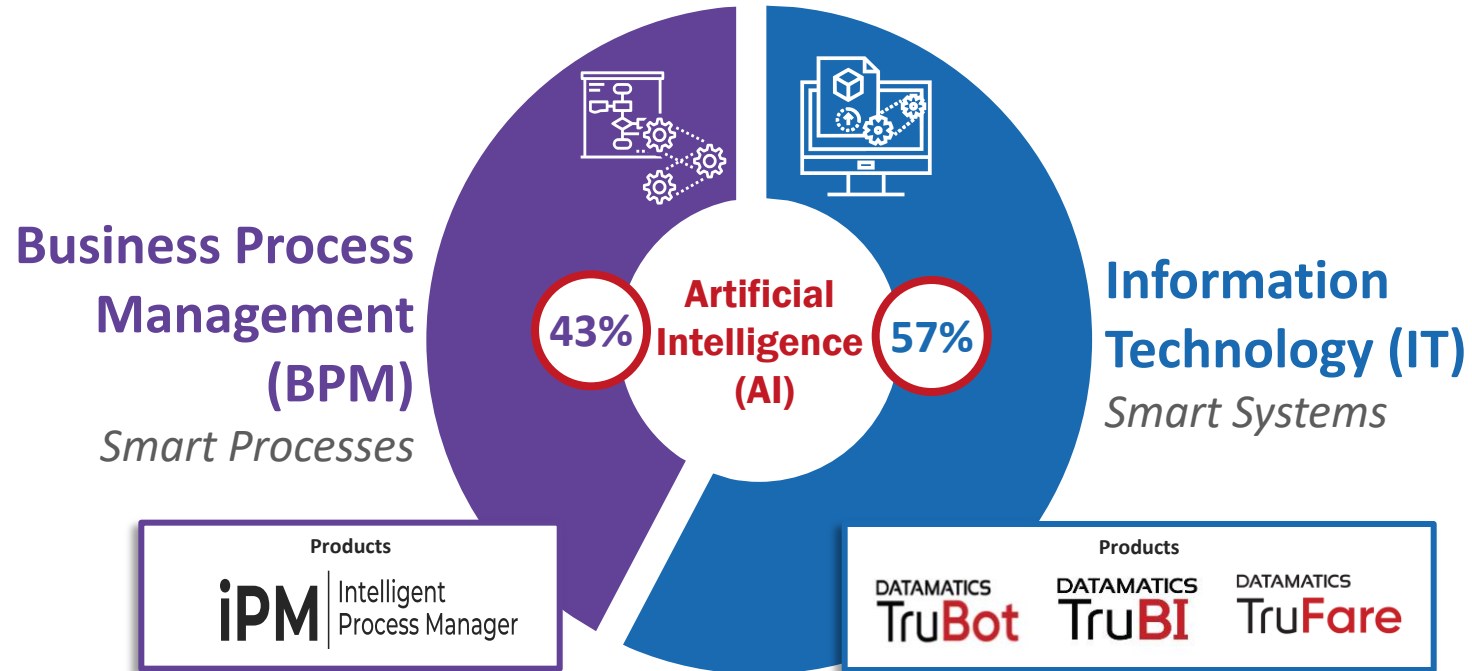
1975	Datamatics incorporated	2003	Acquired Saztec USA	2016	Opened new delivery centre in USA
1983	India's 1 st offshore development centre for Wang Labs, USA	2003	Acquired Corpay for Accounts Payable solutions USA	2017	Acquired TechJini, boutique mobile & web technology provider India
1989	1 st to develop & 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
1998	1 st 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

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)

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



57%

Revenue Contribution



12.2%

EBITDA Margin



95%

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



43%

Revenue Contribution



10.8%

EBITDA Margin



99%

Repeat Business

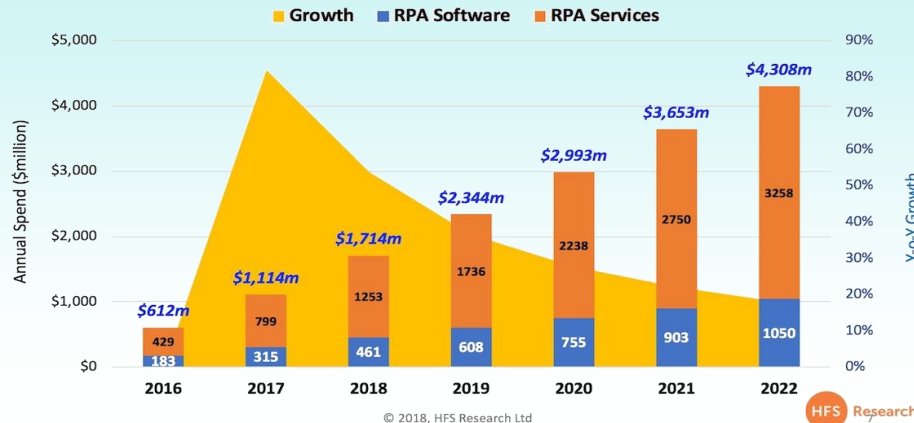
Robotics Process Automation (RPA)

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+



72+

Partners & Growing

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Strategy & Outlook for the Future



Consistent financial performance



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

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 has executed over 25+ 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



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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Q2 FY20 – Key Financial Highlights

- Revenue at ₹ 2,967.2 million; up 6.0% y-o-y and up 2.3% q-o-q
- Adjusted EBITDA at ₹ 336.7 million; up 7.5% y-o-y and down 5.0% q-o-q
- Adjusted EBITDA margin was at 11.3%; up 15 bps y-o-y and down 87 bps q-o-q
- EBITDA (excl. lease accounting & CSR provisioning cost) at ₹ 304.4 million
- EBITDA margin (excl. lease accounting & CSR provisioning cost) was at 10.3%
- PBT at ₹ 294.6 million; down 9.8% y-o-y and up 7.6% q-o-q
- PAT at ₹ 199.4 million; down 2.1% y-o-y and up 3.7% q-o-q
- EPS at ₹ 3.38; down 1.4% y-o-y and up 3.7% q-o-q

H1 FY20 – Key Financial Highlights

- Revenue at ₹ 5,869.0 million; up 8.5% in rupee terms and 8.3% in constant currency y-o-y
- Adjusted EBITDA at ₹ 691.0 million; up 9.6% y-o-y
- Adjusted EBITDA margin was at 11.8%; up 12 bps y-o-y
- EBITDA (excl. lease accounting & CSR provisioning cost) at ₹ 637.0 million; up 1.1% y-o-y
- EBITDA margin (excl. lease accounting & CSR provisioning) was at 10.9%; down 81 bps
- PBT at ₹ 568.3 million; down 5.2% y-o-y
- PAT at ₹ 391.8 million; up 0.8% y-o-y
- EPS at ₹ 6.65; up 1.7% y-o-y

Q2 & H1FY20 – Consolidated Profit and Loss

Particulars (₹ in Mn)	Q2 FY20	Q2 FY19	YoY %	Q1 FY20	QoQ %	H1 FY20	H1 FY19	YoY %
Revenue from Operations	2,967.2	2,799.0	6.0%	2,901.7	2.3%	5,869.0	5,407.1	8.5%
Purchase of Products and Licences	24.9	40.3		34.3		59.2	57.2	
Employee Benefits Expenses	1,894.8	1,740.0		1,831.9		3,726.7	3,366.8	
Other Expenses	710.9	705.5		681.2		1392.1	1352.8	
Adjusted EBITDA	336.7	313.3	7.5%	354.4	-5.0%	691.0	630.2	9.6%
Adjusted EBITDA Margin %	11.3%	11.2%	15.4	12.2%	-86.6	11.8%	11.7%	11.8
EBITDA *	304.4	313.3	-2.8%	332.6	-8.5%	637.0	630.2	1.1%
EBITDA Margin %	10.3%	11.2%	-93.3	11.5%	-120.3	10.9%	11.7%	-81.0
Depreciation/Amortization	95.2	68.4		88.2		183.4	129.7	
Finance Costs	10.3	14.3		13.6		23.9	25.6	
Other Income	61.4	89.9		17.3		78.7	113.2	
Share of Net Profits of Associates and JVs	1.9	5.9		4.0		5.9	11.4	
PBT	294.6	326.4	-9.8%	273.8	7.6%	568.3	599.6	-5.2%
PBT Margin %	9.9%	11.7%	-173.5	9.4%	49.2	9.7%	11.1%	-140.5
Tax Expense	83.0	90.7		64.7		147.7	147.8	
% Tax Rate	28.2%	27.8%		23.6%		26.0%	24.6%	
PAT	211.5	235.8	-10.3%	209.1	1.2%	420.6	451.8	-6.9%
PAT Margin %	7.1%	8.4%	-129.4	7.2%	-7.6	7.2%	8.4%	-119.0
Non-Controlling Interest	12.1	32.0		16.7		28.8	62.9	
PAT after Minority Interest	199.4	203.8	-2.1%	192.4	3.7%	391.8	388.9	0.8%
EPS (Diluted) (Rs)	3.38	3.43	-1.4%	3.26	3.7%	6.65	6.54	1.7%

* EBITDA (excluding the impact of lease accounting & CSR Provisioning Cost)

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Q2 FY20 – Business Updates



Business Development

- Added 6 new customers in Q2 FY20
- Bangalore International Airport Ltd. selects Datamatics as its Digital Transformation partner



Strategic Partnerships

- Added 14 new partners. Partner strength now totals to 72 across the globe.
- Thomson Reuters integrated Datamatics TruBI as a data visualization layer to launch its tax validation tool, TaxAnalyze

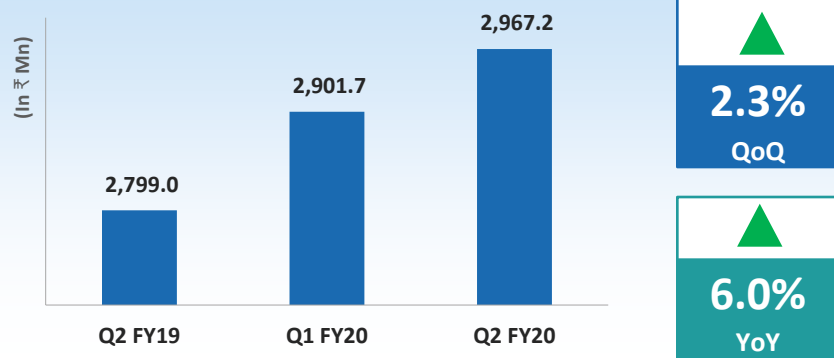


Recognition

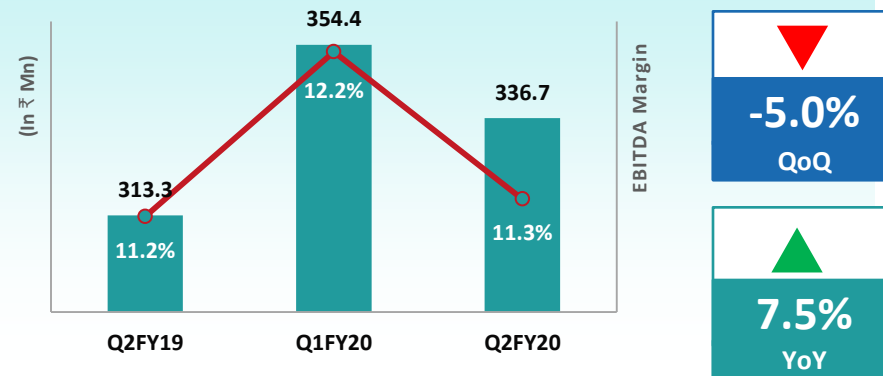
- Datamatics TruBot recognized as a **July 2019 Gartner Peer Insights Customers' Choice** for Robotic Process Automation (RPA) Software.
- Datamatics TruBot recognized in first ever **Magic Quadrant for Robotic Process Automation Software 2019** as 'NICHE PLAYER'.

Q2 FY20 – Key Result Highlights

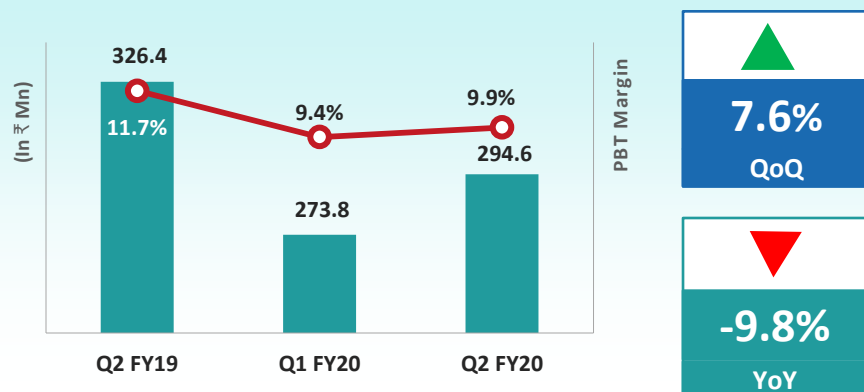
Operating Revenues



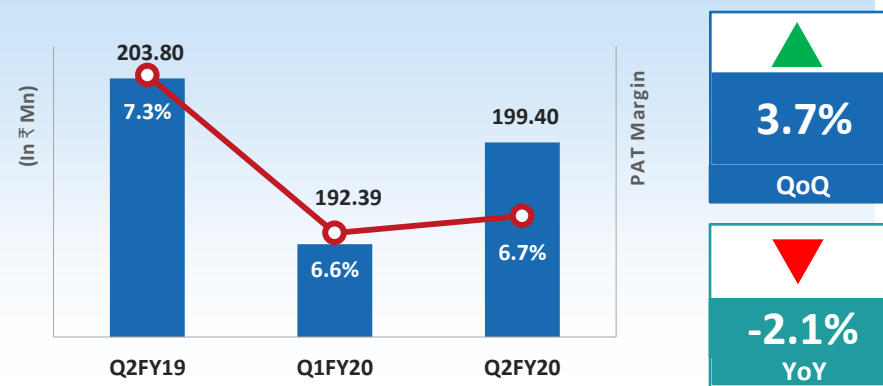
Adjusted EBITDA & EBITDA Margin %



PBT & PBT Margin %

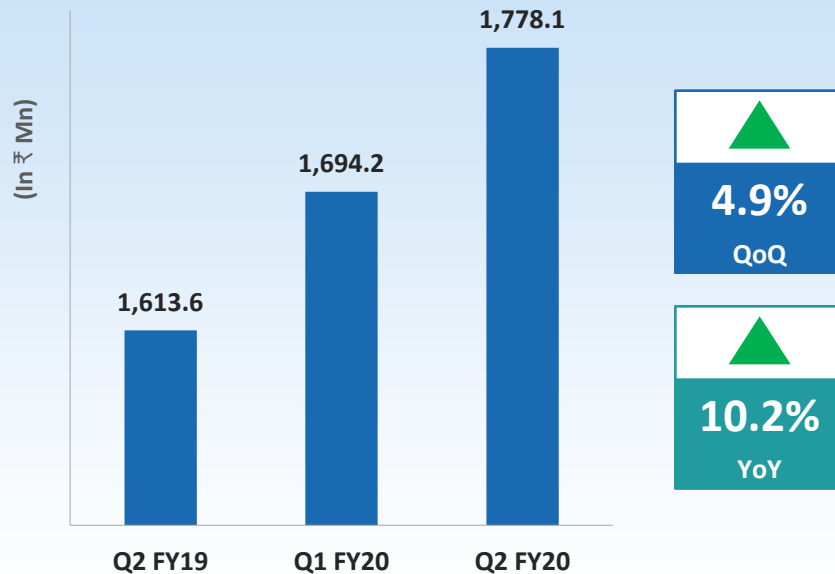


PAT after NCI & PAT after NCI Margin %

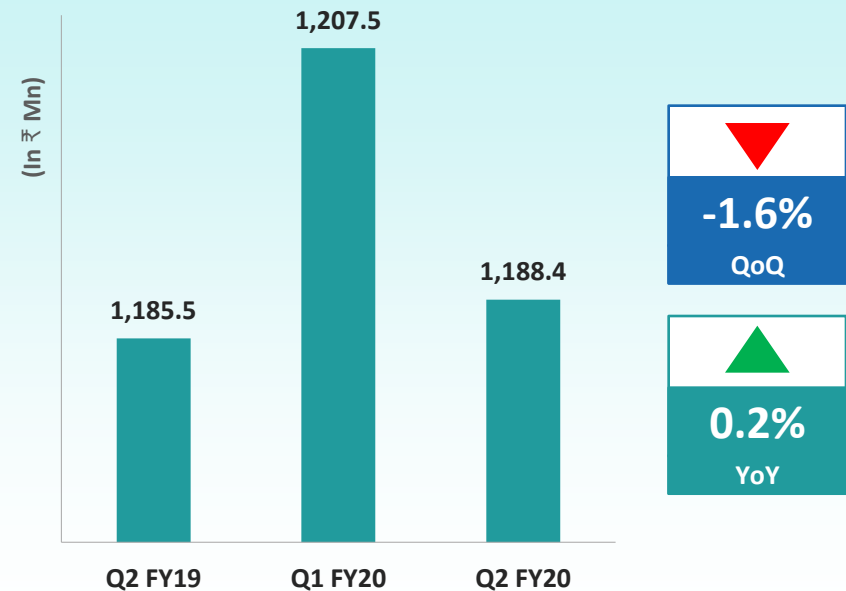


Q2 FY20 – Revenue Segment Analysis

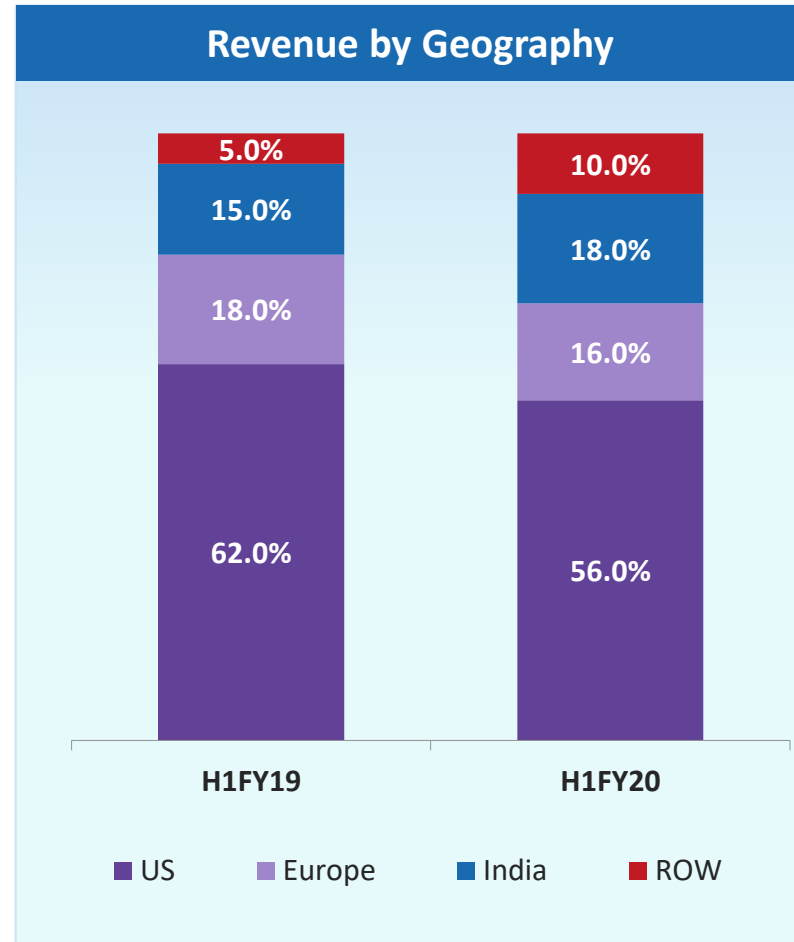
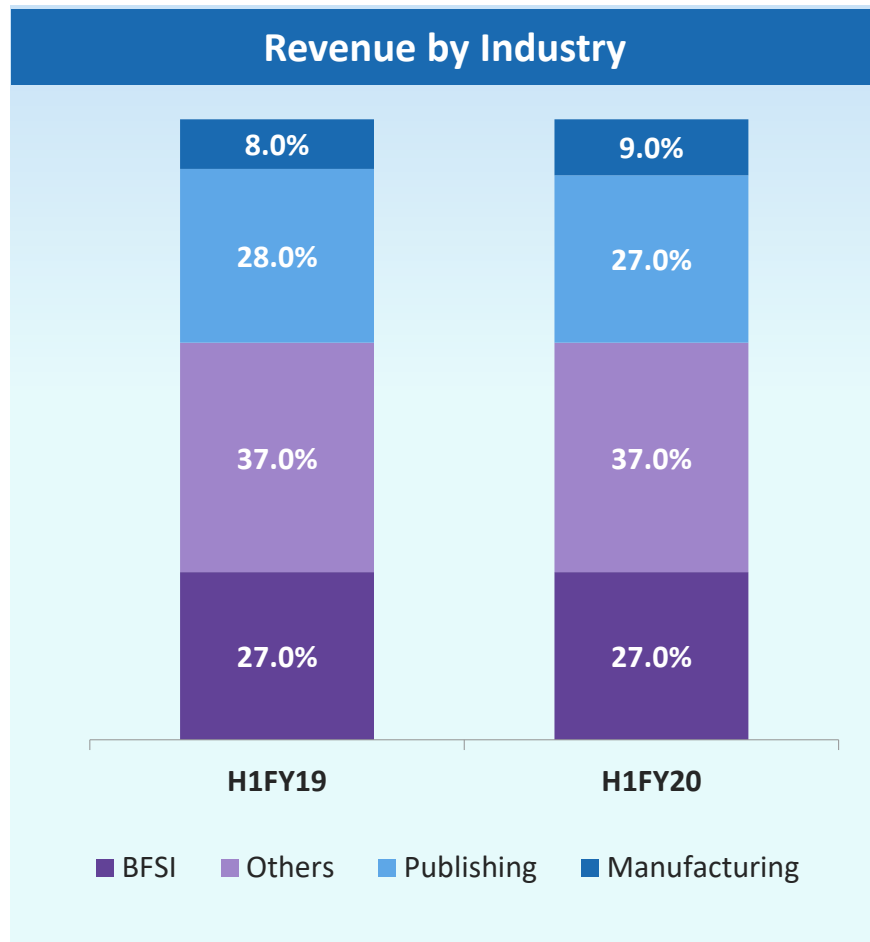
IT Services Revenues – Q2 FY20



BPM Revenues – Q2 FY20

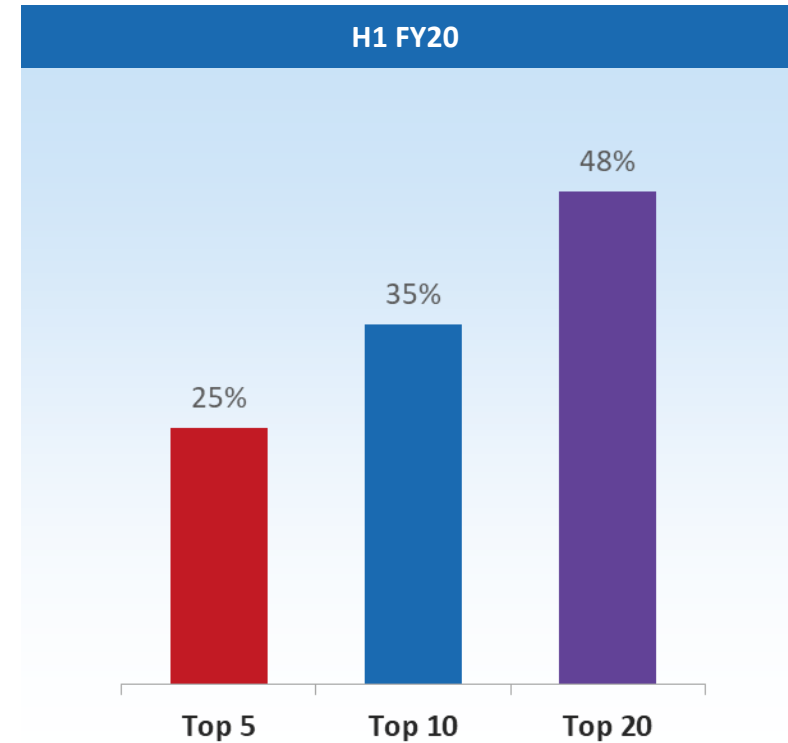
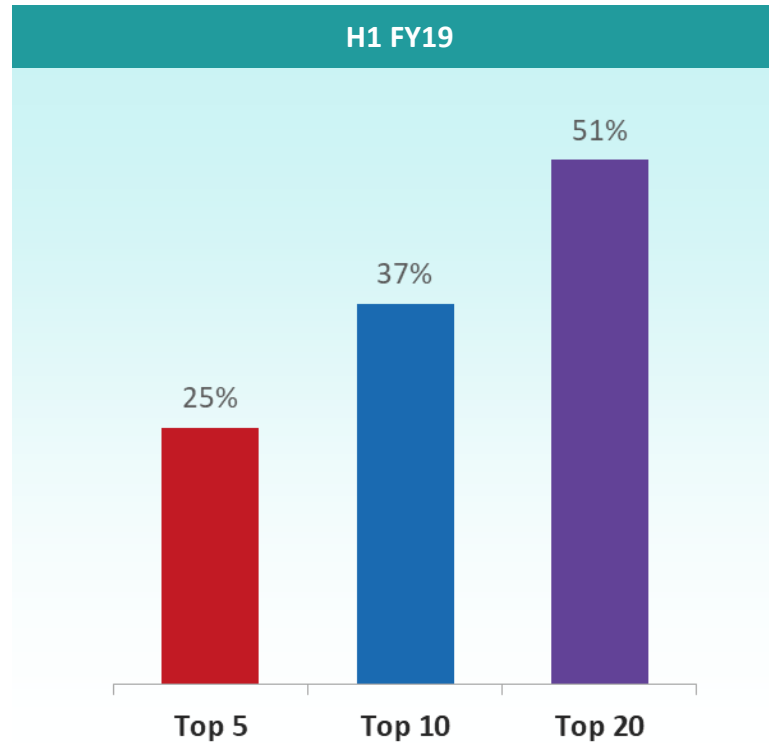


H1 FY20 – Revenue Segment Analysis



H1 FY20 – Client Concentration

Client concentration maintained at a comfortable level



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Recent Recognitions



Gartner recognizes Datamatics TruBot as the Customer Choice for RPA Software 2019



Gartner recognizes TruBot in Magic Quadrant for RPA Software as NICHE PLAYER 2019



TruBot named as a HIGH ACHIEVER in the NelsonHall NEAT for Intelligent Automation Platforms 2019



TruBot features in Everest PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as STAR PERFORMER



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



TruCap+ recognized as MAJOR CONTENDER in Everest Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors 2019



Gartner recognizes Datamatics in Competitive Landscape: Customer Management BPO, Worldwide 2019



Juniper Research recognizes Datamatics for RPA in Telecoms & Insurance, 2019



Gartner features Datamatics in 'Market Guide for Finance & Accounting Business Process Outsourcing Service Providers 2019'



Datamatics features in 451 Research's study on M&A and funding in the RPA market 2019



Datamatics featured in Zinnov Zones Ratings for RPA Services 2019



Forrester recognizes Datamatics in Now Tech: RPA Services 2018

Awards & Recognition



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



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



Rail Analysis India Award 2019 for Automated Fare Collection technology



2019 IBM Asia Pacific excellence Award



NASSCOM Customer Service Excellence Award 2019 for TruBot implementation



IMC Digital Technology Award for TruBot and TruAI



TATVA award by ICICI Prudential Life

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 18 SOC-1 &
SOC-2 with HiTrust
Mapping
HIPAA Compliant**



For further queries

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