

DATAMATICS

Investor Presentation - Q2FY22

27th October 2021

Datamatics Global Services Limited

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

DISCLAIMER



This presentation and the following discussion may contain “forward looking statements” by Datamatics Global Services (“DGS” or the Company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of DGS about the business, industry and markets in which DGS operates.

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.



AGENDA

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About Datamatics

02

**Growth Strategy &
Investment Rationale**

03

Financial Performance

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Awards & Recognition



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Datamatics At Glance



We build intelligent solutions for data-driven businesses to enhance their productivity and customer experience



Strong Revenue Growth

INR 5,869.8 Mn Revenue H1 FY21
15.4% revenue CAGR for last decade



Key Focus Areas

Digital Transformation
Intelligent Automation
Automatic Fare Collection (AFC)



Own IP Products

TruCap+, TruBot, iPM, TruBI, TruAI,
TruFare



Clientele

200+ Customers Worldwide
Added 33 new clients in Q2FY22



Total Headcount

10,548
Attrition (Annualized) 27%



Healthy Financials

INR 3,412.2 Mn
Total Cash & Cash Equivalent plus
Liquid Investments (net of debt)

Our Portfolio



Technology Solutions



- Application Development & Management
- Cloud Services
- Digital Experiences & Consulting
- Robotic Test Automation
- Implementation Services (Enterprise Content Mgmt. & Workflow Solutions)
- Intelligent Process Automation
- Hyperautomation Services

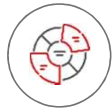
Business Process Management



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

TruCap⁺ TruBot iPM

Big Data & Analytics



- Research & Analytics
- Advanced Analytics & Data Sciences
- Business Intelligence & Data Visualization
- Big Data and Data Lakes
- Enterprise Data Management

TruBI

Engineering Services



- Automated Fare Collection
- Internet of Things
- Point of Sale & ATM Solutions
- Self Service Terminals

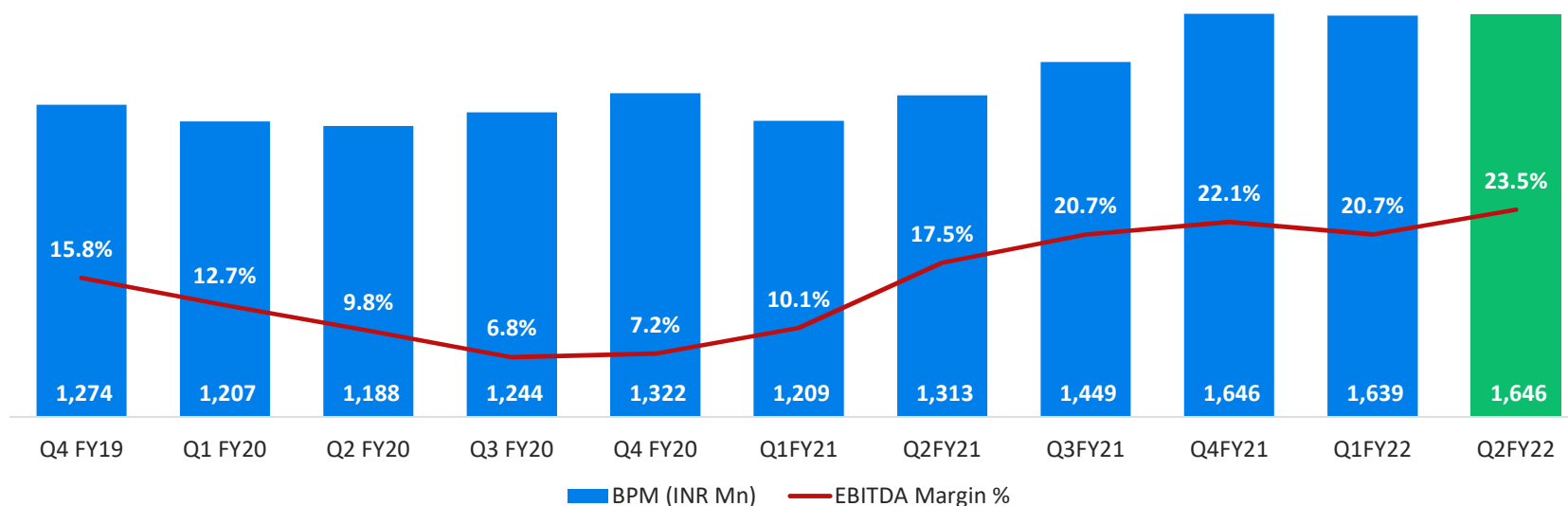
TruFare

A.I.

Business Process Management (BPM) (Figures in INR Million)

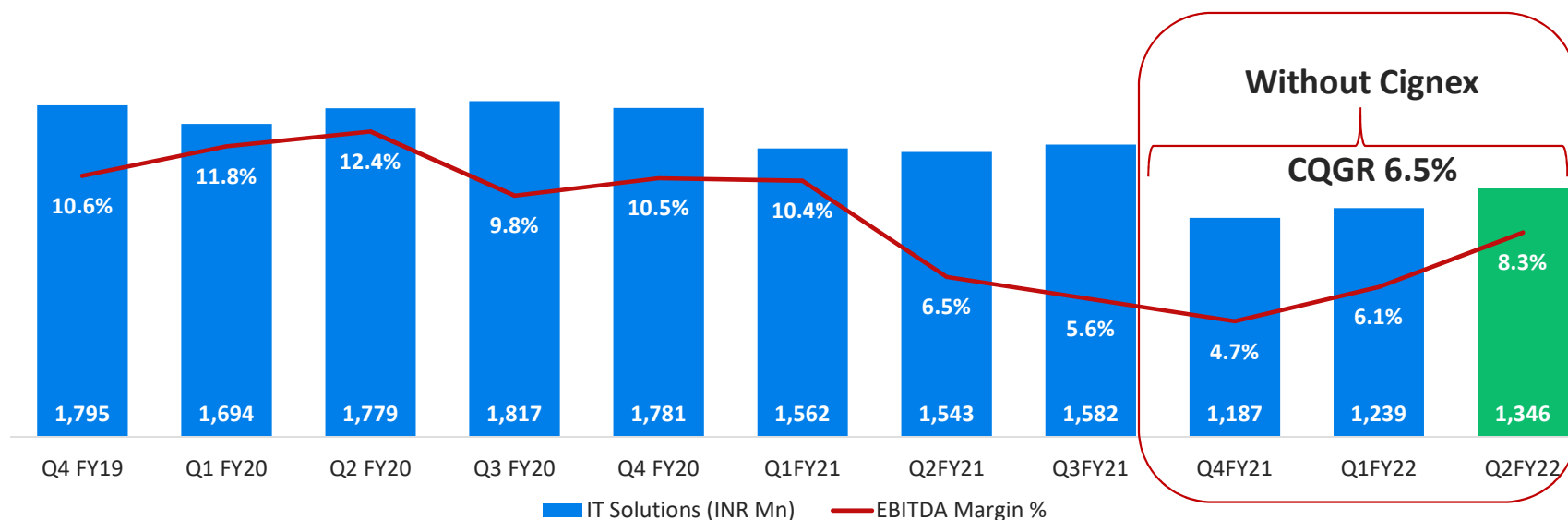


Strong and Consistent Growth in BPM business



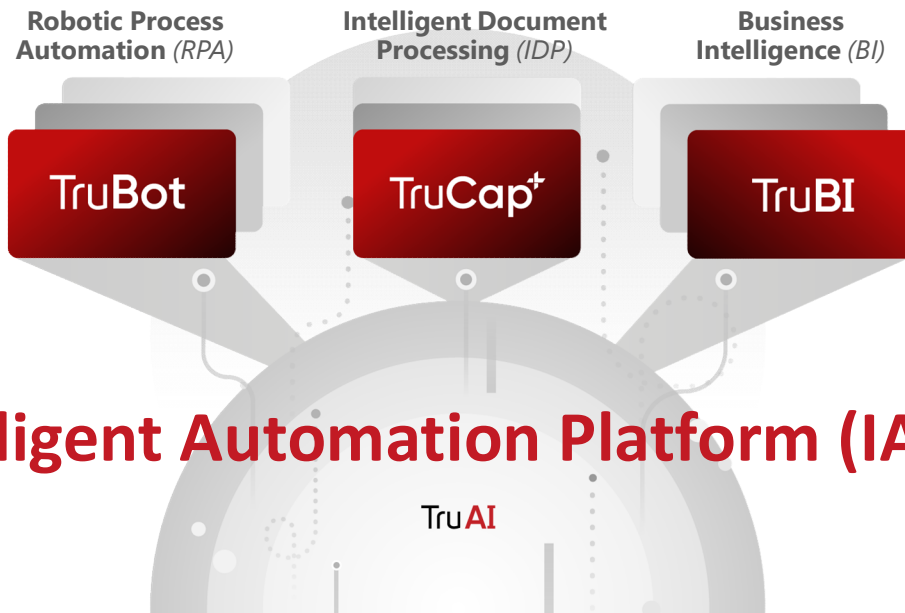
- **23.5%** EBITDA margin in Q2FY22, up 285 bps
- 55.0% of total revenue contribution
- Grew at 25.4% YoY and 0.5% QoQ in Q2FY22
- Third party service provider in non-voice BPM business
- Global BPM market is expected to total US\$ 254 billion in 2021, a growth of 4.5% from 2020 and is anticipated to grow at 7.6% in 2022 to US\$ 273 billion (Source: Everest Group & Nasscom)

IT Solutions (Figures in INR Million)



- **8.3%** EBITDA margin in Q2FY22. Adjusted EBITDA margin of **12.1%** without considering investment in products
- 45.0% of total revenue contribution
- IT Solutions growth impacted over last few quarters due to –
 - ✓ Cignex divestment which contributed ~14% to total revenue
 - ✓ Due to Covid-19 some of our key clients reduced their IT spends
- Leading Indian company to have highly evolved Automatic Fare Collection (AFC) service offerings
- See significant demand traction for our IT services, especially Cloud, Digital consulting, Automation and AFC
- 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)

Intelligent Automation Platform (IAP)



Intelligent Automation Platform (IAP)

- Datamatics Intelligent Automation Platform combines the capabilities of Datamatics TruBot RPA and TruCap+ IDP products along with AI, ML and NLP models developed by Datamatics Datalabs
- The market for process-agnostic software enabling hyperautomation 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

Analysts Recognitions



Highly Rated by Customers Globally



4.6 / 5



4.7 / 5



8.1 / 10

Journey So Far...



1975	Datamatics incorporated
1983	India's 1 st offshore development centre for Wang Labs, USA
1989	1 st to develop & export S/W via satellite to Bell Labs

2003	Acquired Saztec 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

2016	Opened new delivery centre in USA
2017	Acquired TechJini, boutique mobile & web technology provider India
2018	Acquired RJGlobus Solutions, voice & text based customer service provider
2019	Gartner Peer Insights Customer choice for TruBot
2020	Launched TruBot 4.0
2021	Divested stake in Cignex



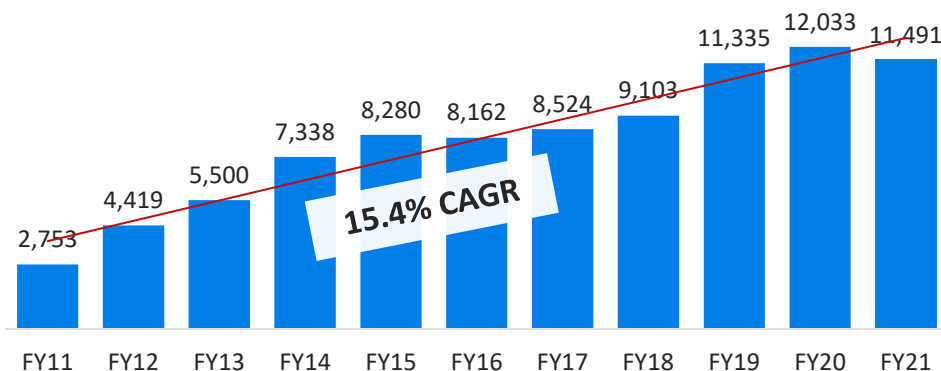
1992	India's 1 st e-publishing co
1998	1 st in India & 2nd in the world to obtain ISO 9002 certification in e-publishing
1999	Most innovative S/W product awarded by the Prime Minister of India

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)

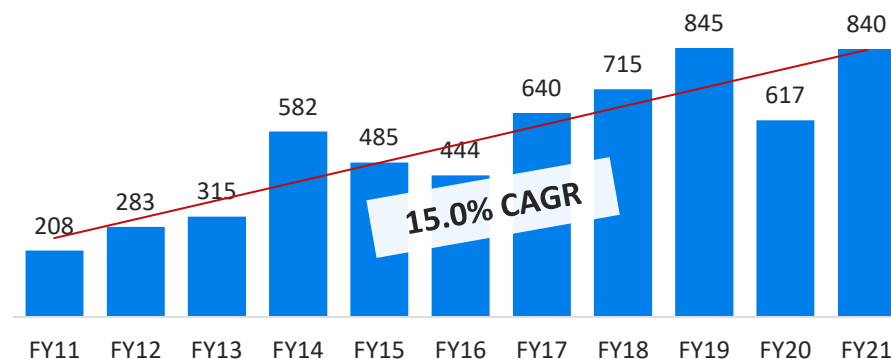
Our Growth Performance (Figures in INR Million)



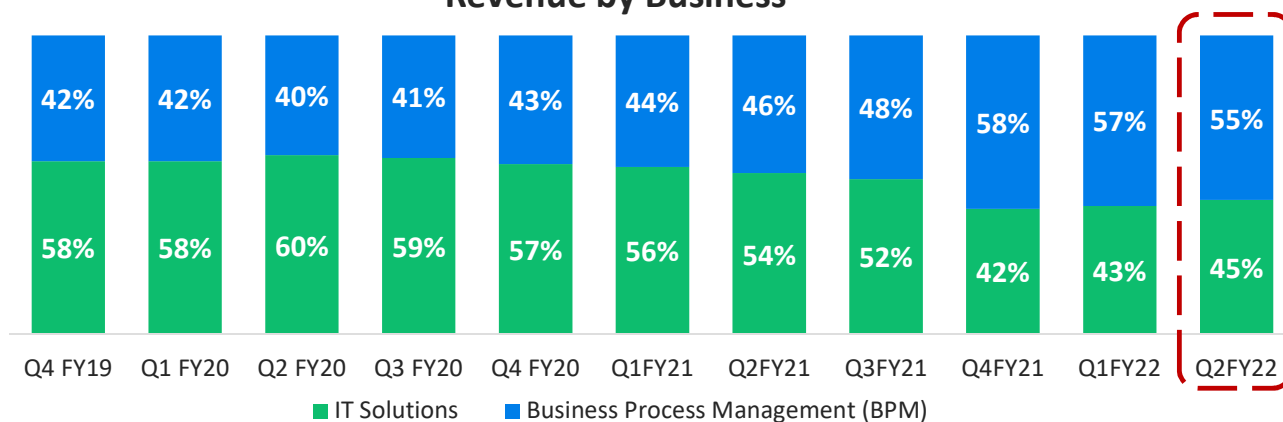
Consolidated Revenue



Consolidated PAT



Revenue by Business



- Revenue mix changed from Q4FY21 mainly due to divestment of Cignex



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Investment Rationale**

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Financial Performance

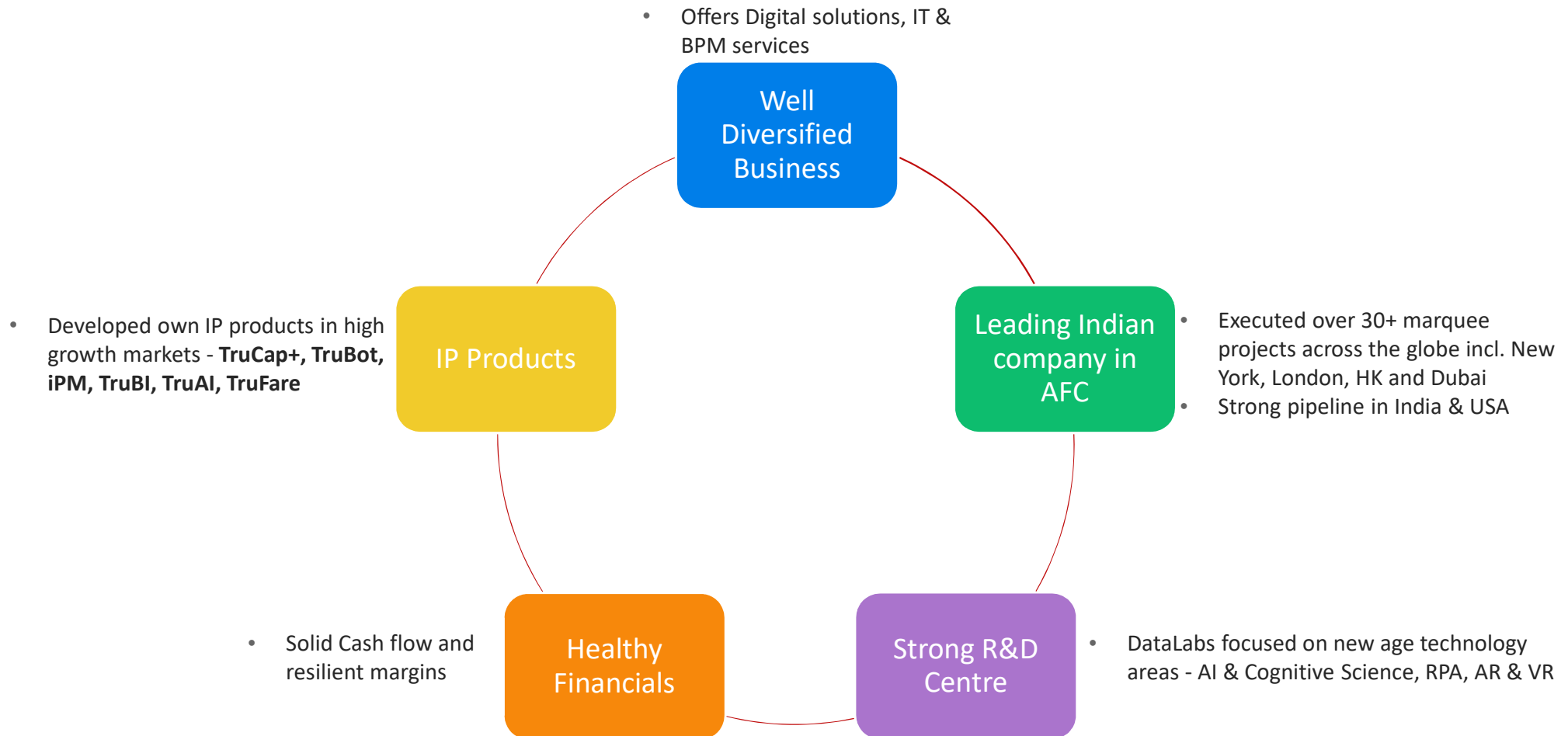
04

Awards & Recognition

Growth Strategy



Investment Rationale: Business





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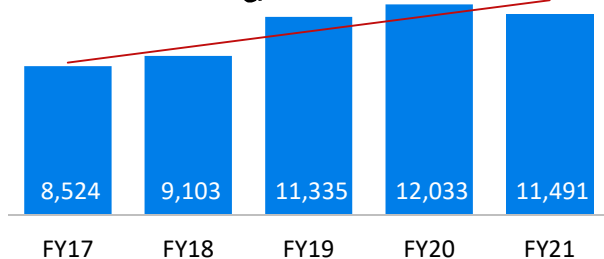
Awards & Recognition

Key Performance Indicators (Figures in INR Million)

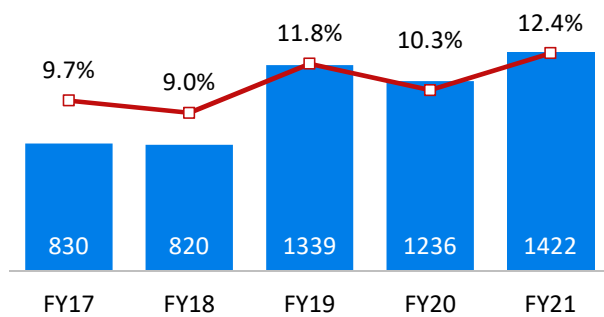


Revenues

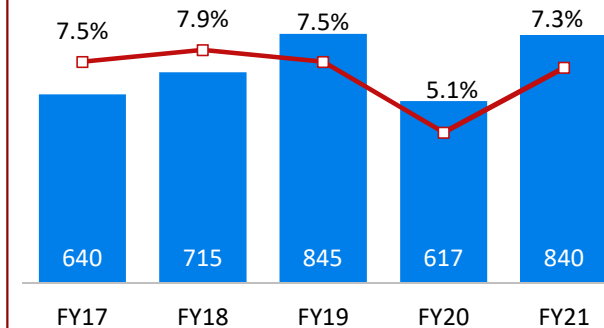
CAGR 7.8%



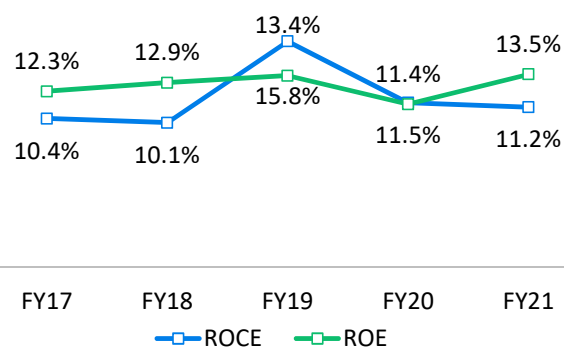
EBITDA & Margins (%)



PAT & Margins (%)

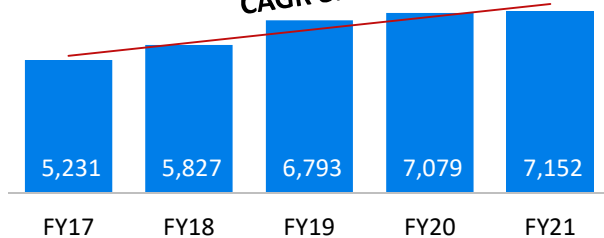


ROE & ROCE

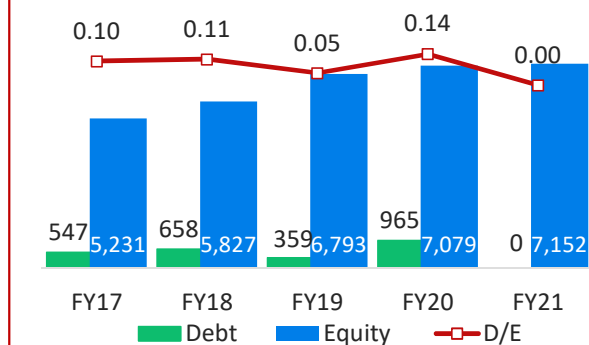


Net Worth

CAGR 8.1%



Debt / Equity



Consolidated Financial Summary – Q2FY22



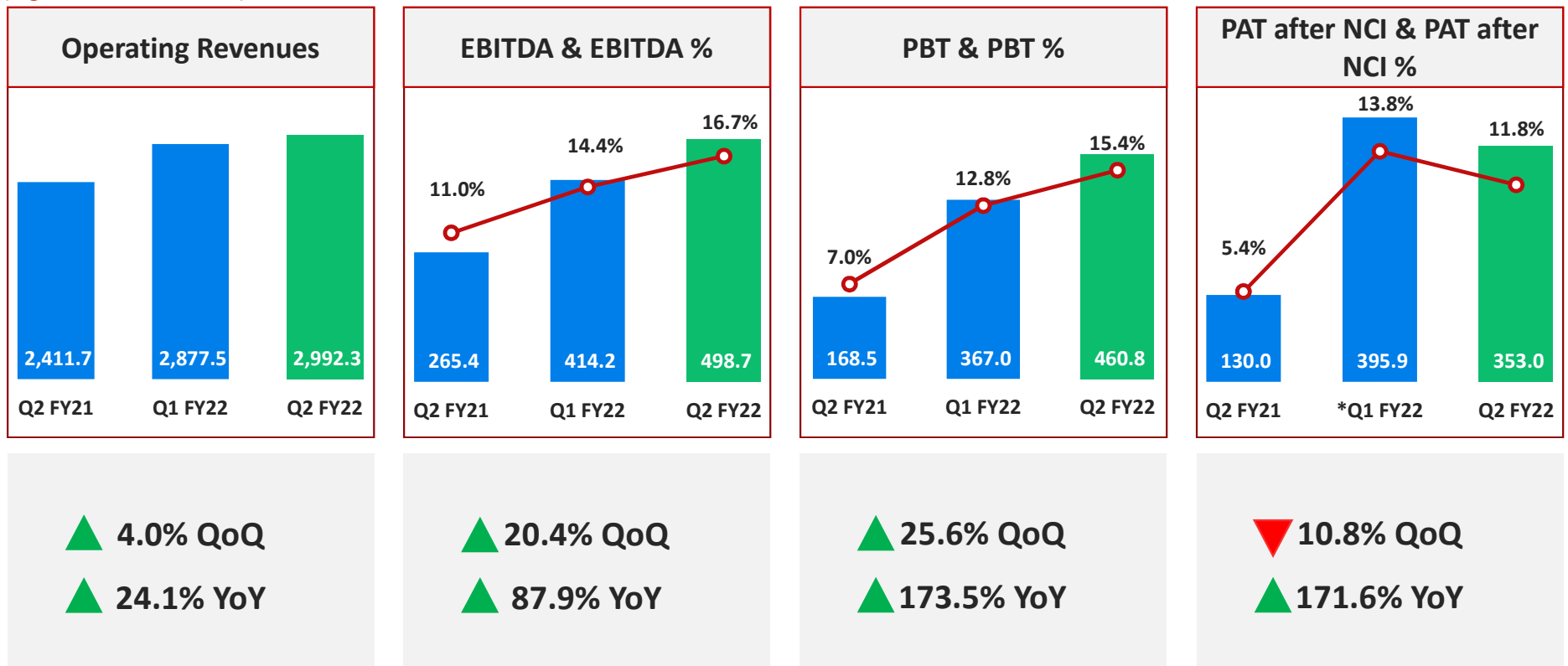
Particulars (in INR Mn)	Q2FY22	Q1FY22	QoQ Growth	Q2FY21	YoY Growth	H1FY22	H1FY21	YoY Growth
Revenue from Operations	2,992.3	2,877.5	4.0%	2,856.2	4.8%	5,869.8	5,627.1	4.3%
Other Income	44.7	40.5	10.6%	10.7	319.1%	85.2	34.6	146.0%
Total Revenue	3,037.0	2,918.0	4.1%	2,866.9	5.9%	5,955.0	5,661.7	5.2%
EBITDA	498.7	414.2	20.4%	329.3	51.4%	912.8	615.0	48.4%
<i>EBITDA Margin (%)</i>	<i>16.7%</i>	<i>14.4%</i>	<i>227bps</i>	<i>11.5%</i>	<i>513bps</i>	<i>15.6%</i>	<i>11.0%</i>	<i>462bps</i>
<i>PBT (Before Exceptional Item)</i>	460.8	231.3	99.3%	367.0	25.6%	827.8	427.0	93.9%
<i>PBT *</i>	460.8	231.3	99.3%	468.7	(1.7%)	929.5	427.0	117.7%
PAT (After non-controlling interest)	353.0	395.9	(10.8%)	154.2	128.9%	748.9	289.3	158.9%
<i>PAT Margin (%)</i>	<i>11.8%</i>	<i>13.8%</i>	<i>(196bps)</i>	<i>5.4%</i>	<i>640bps</i>	<i>12.8%</i>	<i>5.1%</i>	<i>762bps</i>
Basic EPS (INR)	5.99	6.72	(73bps)	2.62	337bps	12.70	4.91	779bps
Diluted EPS (INR)	5.99	6.72	(73bps)	2.62	337bps	12.70	4.91	779bps

*PBT includes exceptional item on account of one-time exchange gains of INR 101.7 Mn, arising from buy back of equity share capital and redemption of preference share capital held in overseas subsidiaries.

Consolidated Financial Highlights Q2FY22

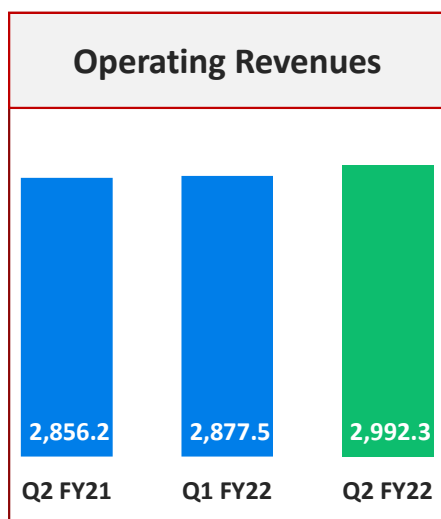
(Financials excluding Cignex Datamatics divested in Q4FY21)

(Figures in INR Million)

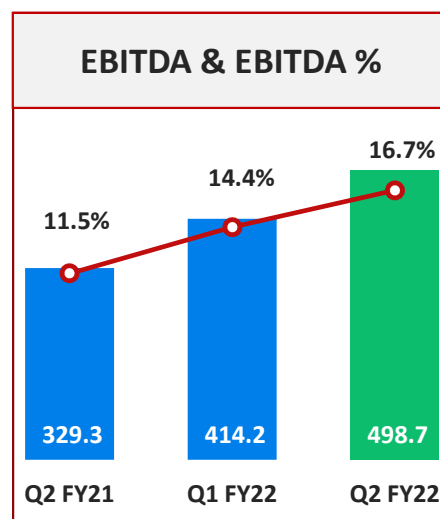


*PAT after NCI includes exceptional item on account of one-time exchange gains of INR 101.7 Mn, arising from buy back of equity share capital and redemption of preference share capital held in overseas subsidiaries.

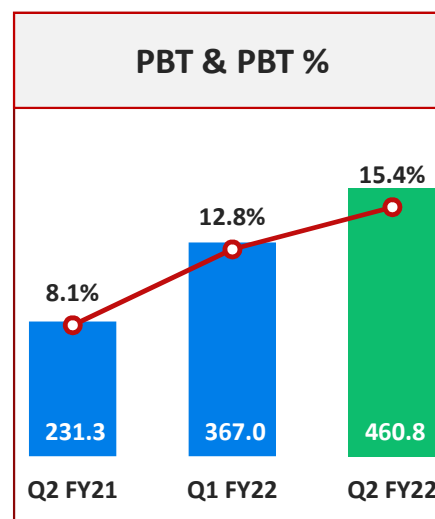
Consolidated Financial Highlights Q2FY22 (Figures in INR Million)



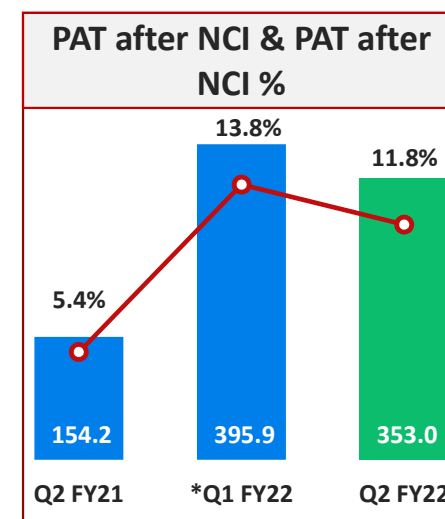
▲ 4.0% QoQ
▲ 4.8% YoY



▲ 20.4% QoQ
▲ 51.4% YoY



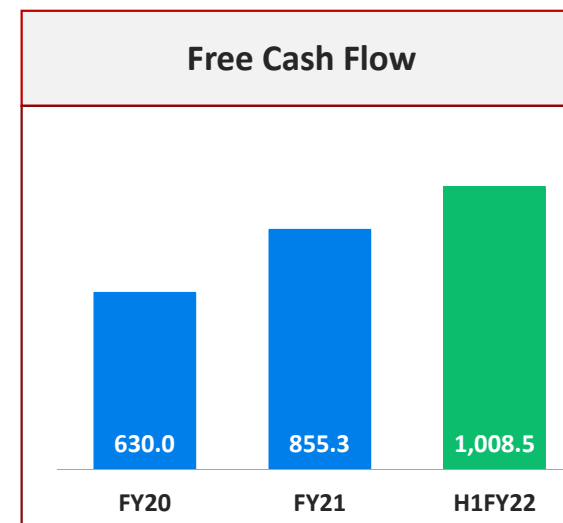
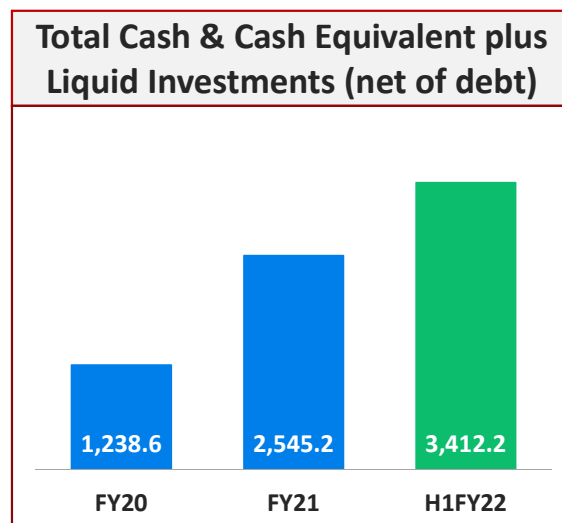
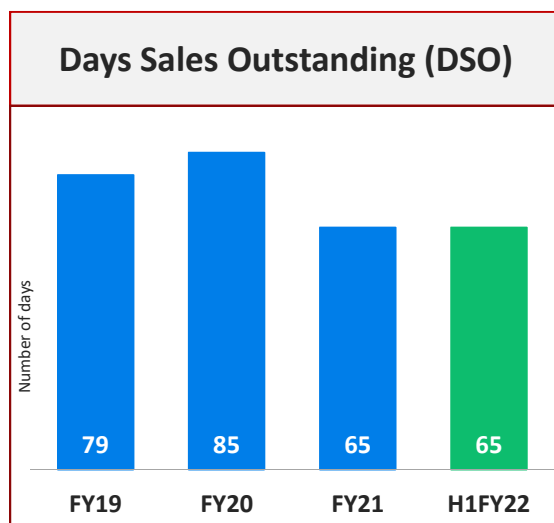
▲ 25.6% QoQ
▲ 99.3% YoY



▼ 10.8% QoQ
▲ 128.9% YoY

*PAT after NCI includes exceptional item on account of one-time exchange gains of INR 101.7 Mn, arising from buy back of equity share capital and redemption of preference share capital held in overseas subsidiaries.

Balance Sheet Metrics – H1FY22 – Consolidated (Figures in INR Million)



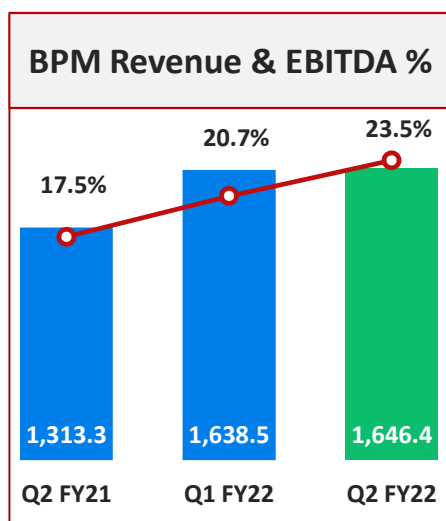
FCF to PAT after NCI:

H1FY22: 134.7%

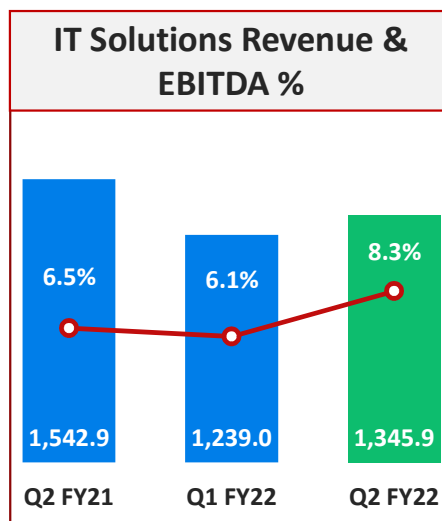
FY21: 107.2%

FY20: 98.8%

Revenue Segment Analysis – Q2FY22 (Figures in INR Million)



▲ 0.5% QoQ
▲ 25.4% YoY



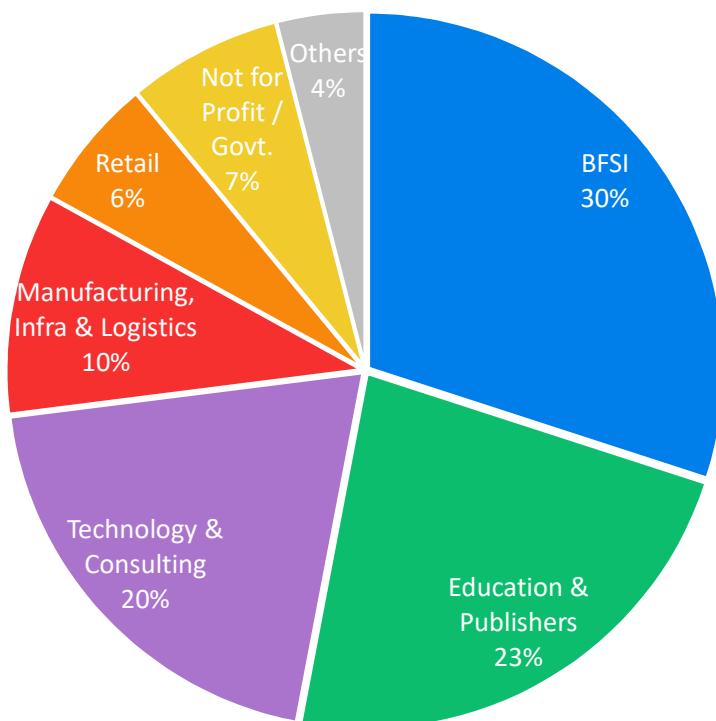
▲ 8.6% QoQ
▼ 12.8% YoY

- BPM services growth was aided by new logo acquisition, expansion of business from existing customers and continuous effort on cost optimization
- IT Solutions revenue in Q2FY21 includes revenue from Cignex, however excluding Cignex revenue in Q1FY22 the growth was 22.6% on YoY basis

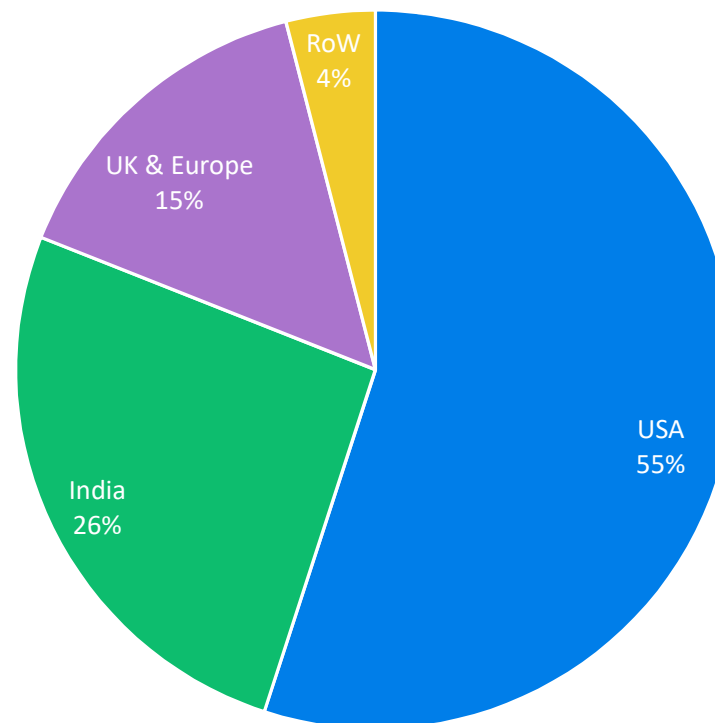
Revenue Segment Analysis – Q2FY22



Revenue by Industry



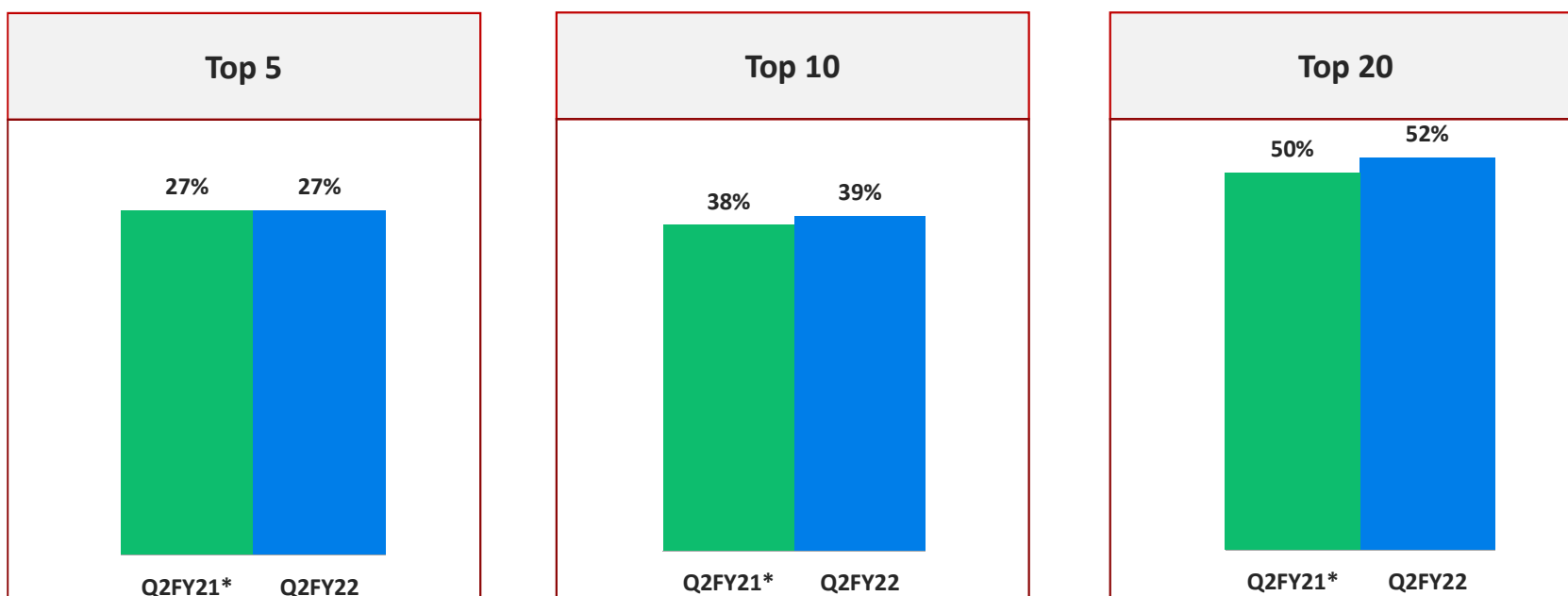
Revenue by Geography



Q2 FY22 – Client Concentration



Client concentration maintained at a comfortable level



* Q2FY21 figures are excluding Cignex

Key Deal Wins



US based tire company for digital transformation of Finance & Accounting processes using Datamatics IDP product TruCap+

US based credit union for digital transformation of account deposits and loan payments processes

Leading international non-profit organization for managing and modernizing their legacy applications

One of the largest mobile tower installation company to digitally transform and manage Shared Services

Expanded relationship with a large bank to manage their entire loans and mortgage processes

An Indian online commodity and derivative exchange to implement AWS cloud

Leading global life insurance company for managing back-office operations for entire insurance life cycle



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Awards & Recognition

Key Analyst Coverage



FORRESTER®

Strong Performer

Forrester Wave for RPA, Q1 2021

Everest Group
PEAK™
M A T R I X

Major Contender and Star Performer

Finance and Accounting Outsourcing (FAO) Services PEAK Matrix – 2021

Everest Group
PEAK™
M A T R I X

Major Contender and Star Performer

Robotic Process Automation (RPA) Products PEAK Matrix – 2021

Everest Group
PEAK™
M A T R I X

Major Contender and Star Performer

Intelligent Document Processing (IDP) Products PEAK Matrix – 2021

Gartner®

Market Guide for F&A Business Process Outsourcing Service Providers 2021

 **IDC**
Analyze the Future

Major Player

IDC MarketScape Asia/Pacific Intelligent Automation Services 2021 Vendor Assessment

Gartner®

Market Guide for Artificial Intelligence Service Providers 2021

 **IDC**
Analyze the Future

Major Player

IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services 2021

Everest Group
PEAK™
M A T R I X

Major Contender

Intelligent Process Automation (IPA) Solutions PEAK Matrix – 2021

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M A T R I X

Aspirants

Customer Experience Management (CXM) Services PEAK Matrix – 2021

Everest Group
PEAK™
M A T R I X

Aspirants

Application Transformation Services PEAK Matrix– 2021

 **Quadrant**
Knowledge Solutions

Technology Leaders

SPARK Matrix™: Robotic Process Automation (RPA), 2021

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

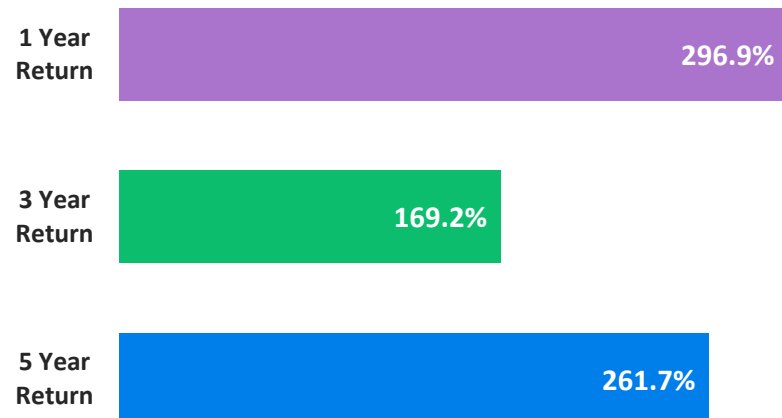
Datamatics awarded as Best Diversity & Inclusion Award for Gender Diversity and Empowerment at Best Diversity and Inclusion Practices of Asia Seminar and Awards 2020

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

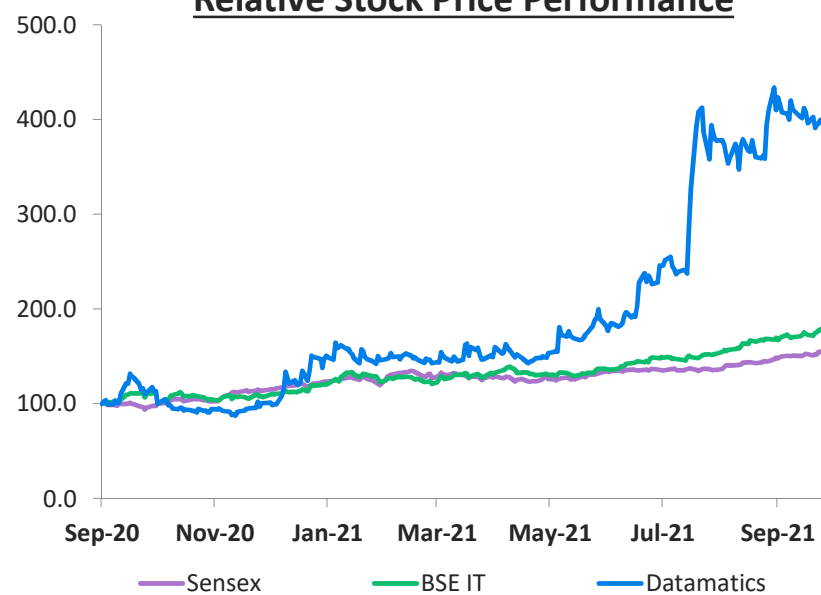
Shareholder Value Creation



Total Shareholder Return



Relative Stock Price Performance





Thank You!

For Further Queries Contact:

Mr. Sandeep Mantri
Chief Financial Officer

✉ investorrelations@datamatics.com

Diwakar Pingle / Asha Gupta

✉ dpingle@christensenir.com

✉ agupta@christensenir.com