
DATAMATICS

Investor Presentation

Q2FY23

28th October 2022



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





About Datamatics

Datamatics Overview

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



Strong Revenue and PAT Growth

INR 670.3 Crore Revenue H1FY23
10.5% revenue CAGR and 18.6%
PAT 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

300+ Significant Customers
Worldwide
Added 26 new clients in Q2FY23



Attrition

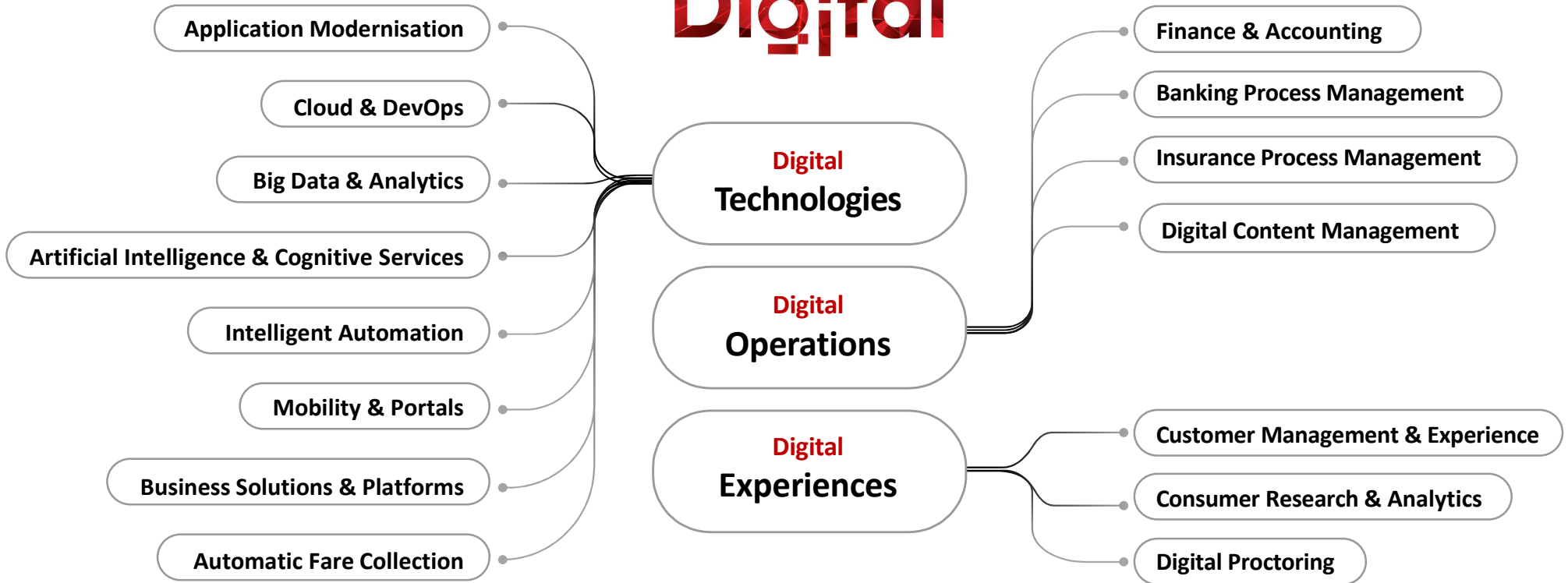
20%



Healthy Financials

INR 455.1 Crore
Total Cash and Investments (net of
debt)

Deep in Digital



TruBot

TruCap⁺

TruAI

TruBI

iPM

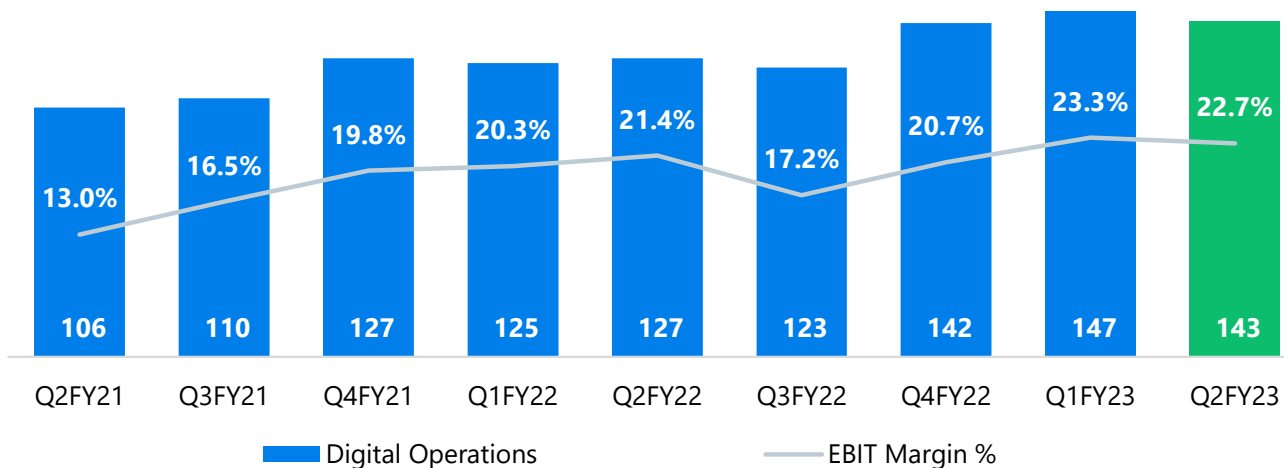
TruFare



Digital Operations (Figures in INR Crore)

Over last several years, we have worked hand in hand with Datamatics to automate Finance & Accounting operations across the globe ensuring timely delivery.

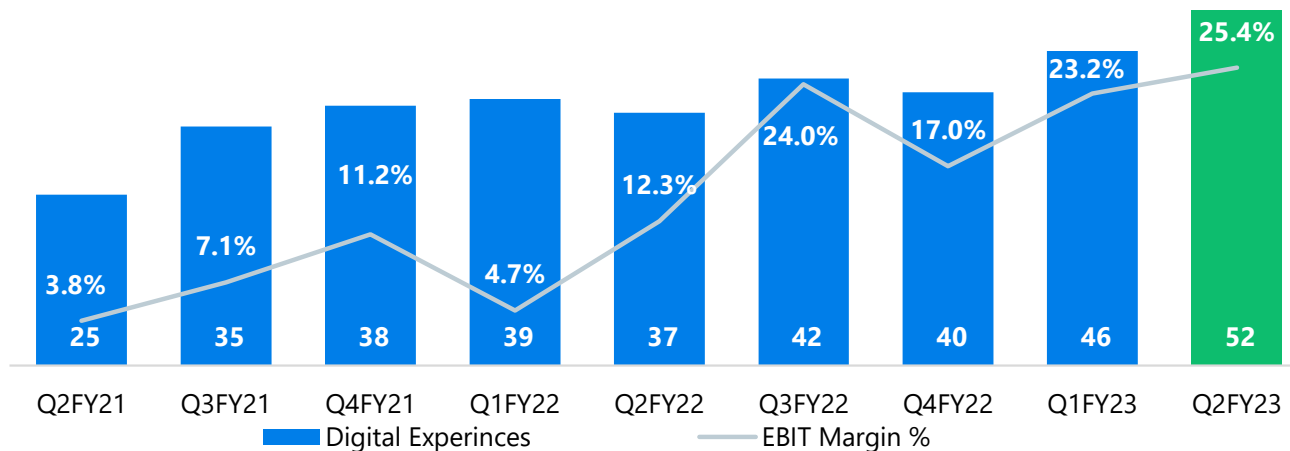
Director – F&A,
A global automotive
components manufacturer



- 22.7% EBIT margin in Q2FY23, up 129 bps YoY
- 42% of total revenue contribution
- Grew at 12.6% YoY and down by 2.9% QoQ in Q2FY23
- Global market for Digital Operations is projected to total \$290 Billion in 2023, reflecting an increase of ~7% over 2022. Segment is expected to witness the highest volume of new work in next 5 years include industry-vertical-oriented operations and enterprise back-office operations (Source: Everest Group, NASSCOM)

Note: In Q1FY23, the company has reclassified its business into 3 segments i.e Digital Technologies, Digital Operations, Digital Experiences. Till FY22 the company was classified into 2 business segments i.e. IT Services and Business Process Management (BPM). The previous period figures are restated accordingly.

Digital Experiences (Figures in INR Crore)



“Datamatics looks at a consumer specific process and guides you as to how the process can be remodeled or redefined.”

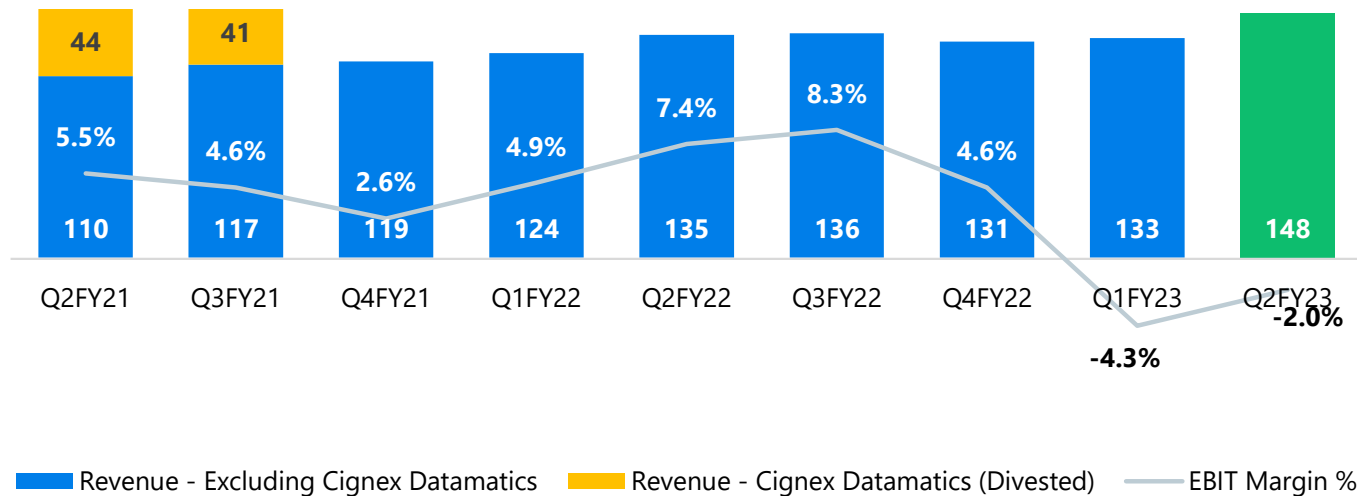
Global Director – Consumer Insights,
A leading FMCG company

- 25.4% EBIT margin in Q2FY23, up 1,314 bps YoY
- 15% of total revenue contribution
- Grew at 39.9% YoY and 13.4% QoQ in Q2FY23
- Digital Experiences market is projected to around \$200 Billion in 2022 increasing at a CAGR of around 15% (Source: Gartner)

Note: In Q1FY23, the company has reclassified its business into 3 segments i.e Digital Technologies, Digital Operations, Digital Experiences. Till FY22 the company was classified into 2 business segments i.e. IT Services and Business Process Management (BPM). The previous period figures are restated accordingly.



Digital Technologies (Figures in INR Crore)



“Datamatics helped us in our digital transformation journey by enabling us to go Deep in Digital with their solutions.”

Senior Director – Information Services,
A leading American supermarket chain

- Digital Technologies grew at 9.8% YoY to INR 148 Cr in Q2FY23
- EBIT margin recovered from (-) 4.3% to (-) 2.0%.
- 43% of total revenue contribution
- Leading Indian company to have highly evolved Automatic Fare Collection (AFC) service offerings

Note: In Q1FY23, the company has reclassified its business into 3 segments i.e Digital Technologies, Digital Operations, Digital Experiences. Till FY22 the company was classified into 2 business segments i.e. IT Services and Business Process Management (BPM). The previous period figures are restated accordingly.

Journey So Far...

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

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

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

2022 Datamatics featured in 2022 Gartner Magic Quadrant for F&A

1975 - 1990

1991 - 2000

2001 - 2010

2011 - 2015

2016 - Present

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

2011 Launched DataLabs

2011 Acquired Cignex, open source ECM (USA)

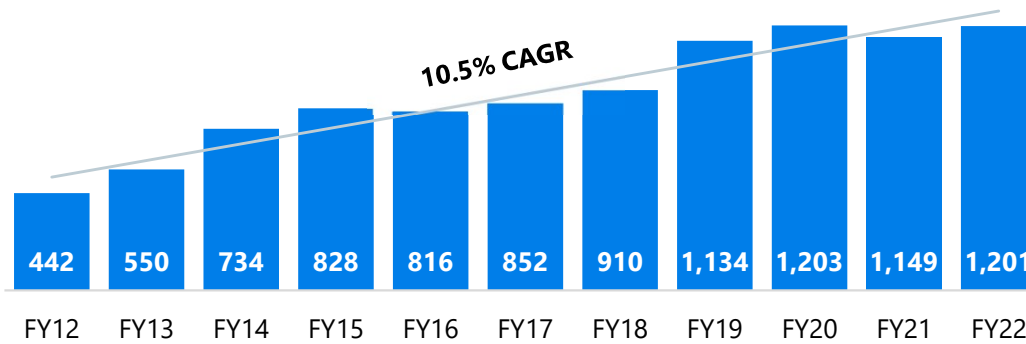
2013 Acquired PMG, publishing service provider (India)

2014 Launched own RPA product – TruBot

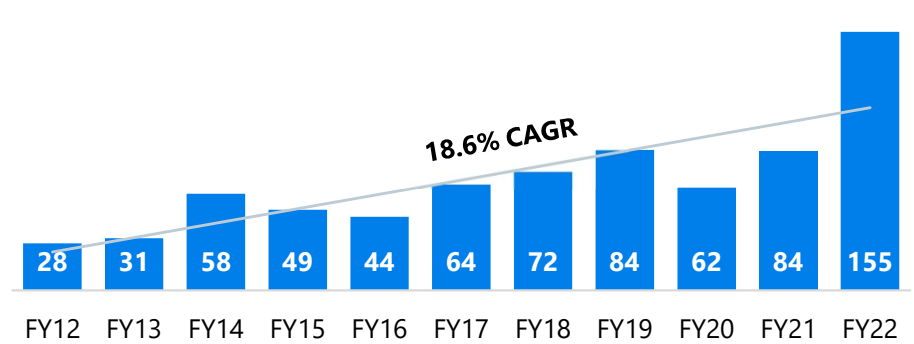
2015 Acquired TruBI from MAIA Intelligence (India)

Our Growth Performance (Figures in INR Crore)

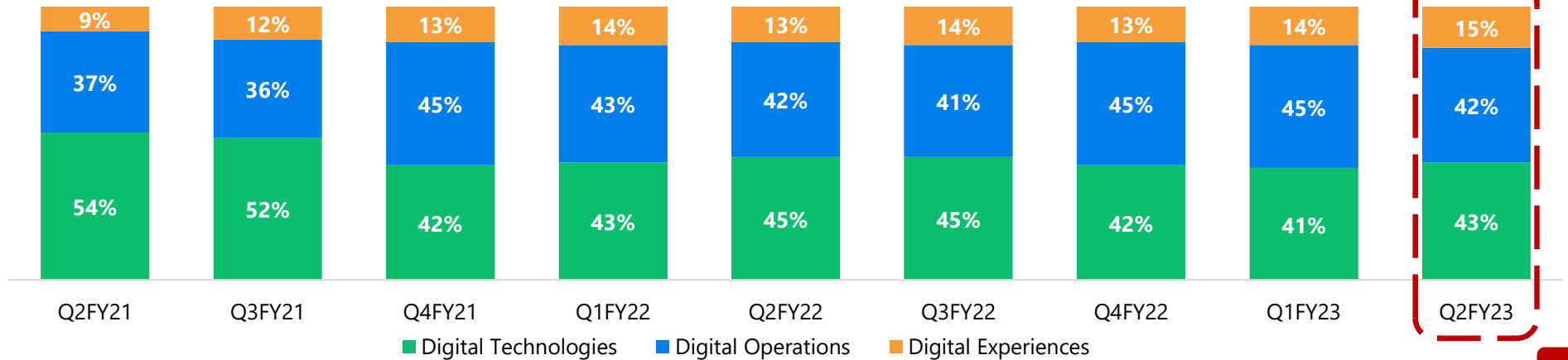
Consolidated Revenue



Consolidated PAT



Revenue by Business



Growth Strategy & Investment Rationale

Growth Strategy



Deep in Digital



Focus on
Product
and Platforms



Automatic Fare
Collection
(AFC)

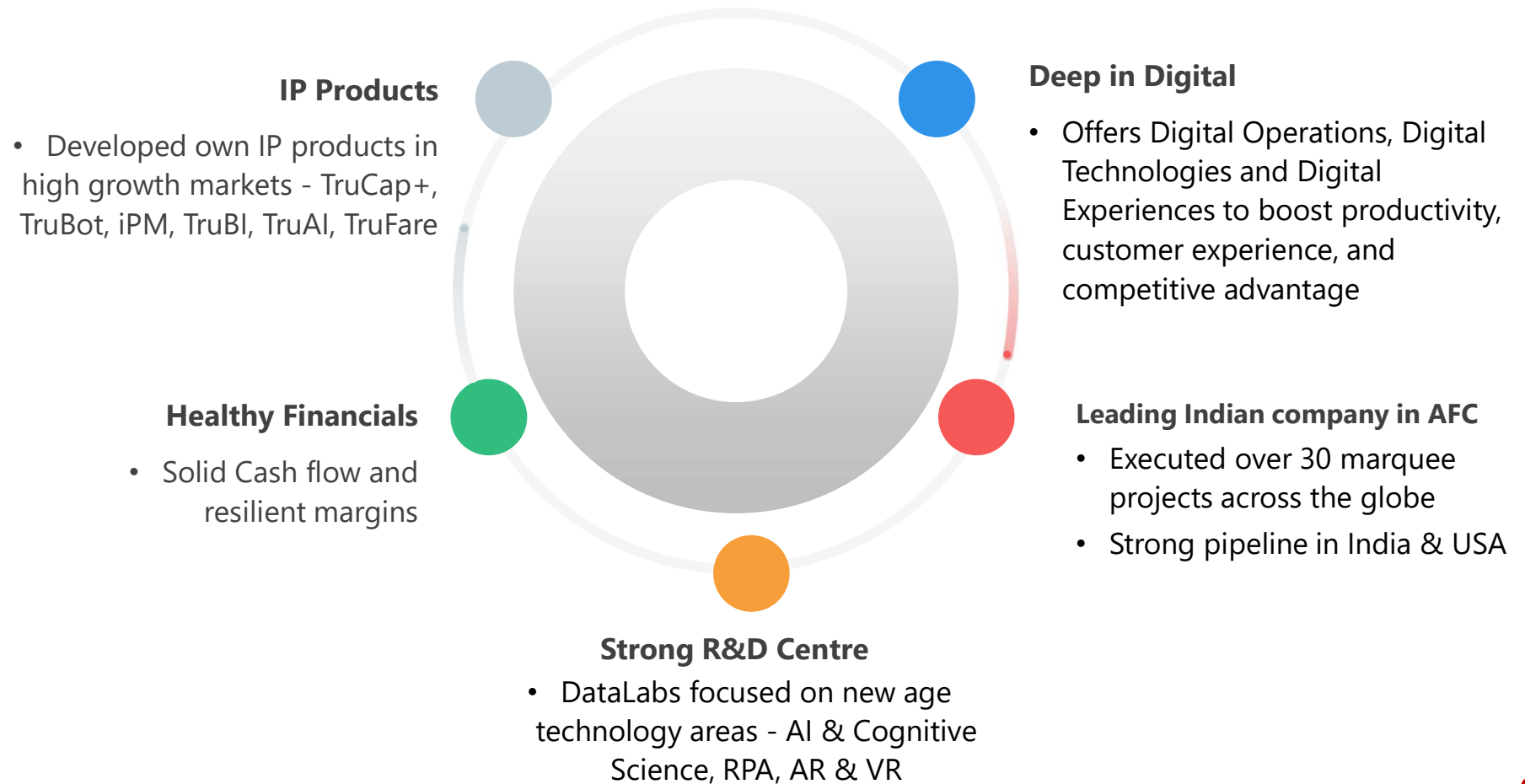


Increase
Account
Penetration



Invest in
Branding and
Marketing

Investment Rationale: Business



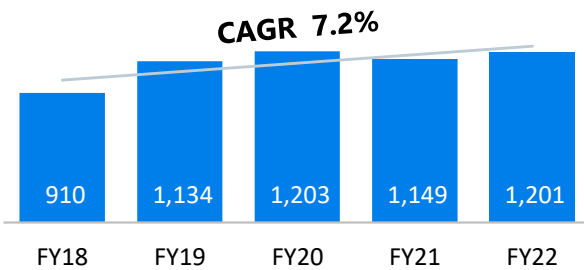


Financial Performance

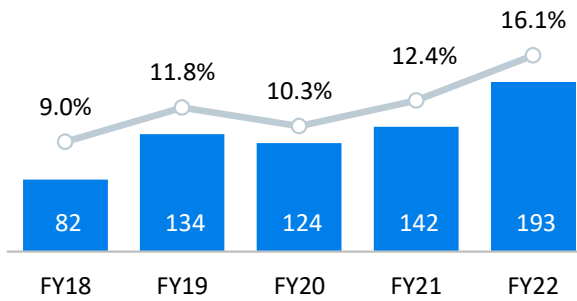
Key Performance Indicators

(Figures in INR Crore)

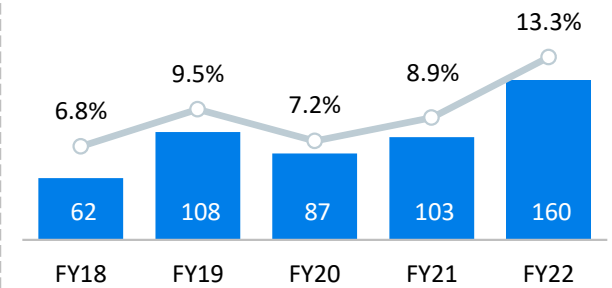
Revenues



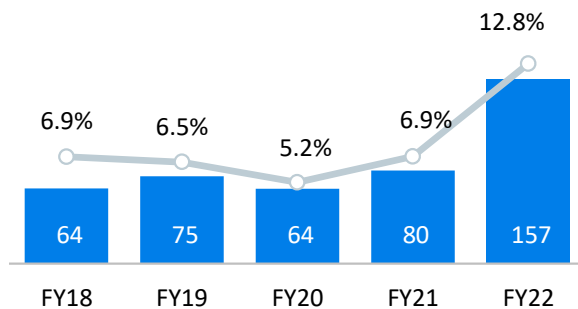
EBITDA & Margins (%)



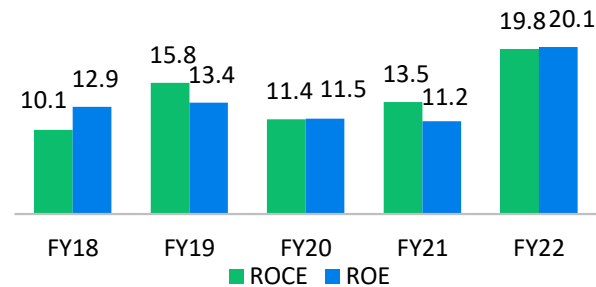
EBIT & Margins %



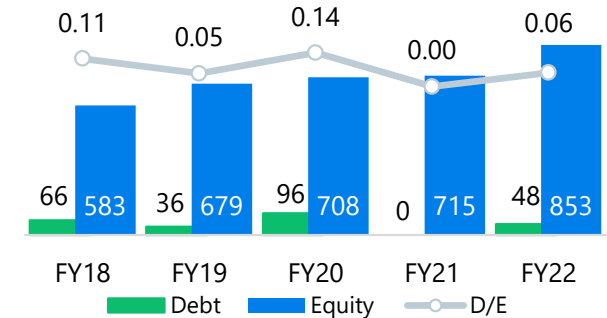
PAT after NCI & PAT after NCI %



ROE & ROCE



Debt / Equity



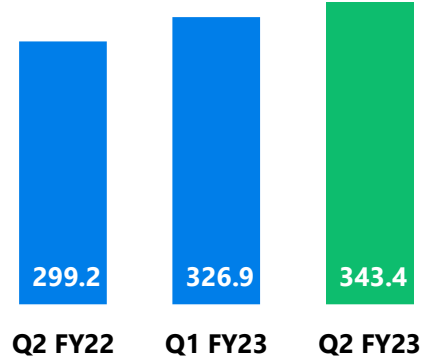
Consolidated Financial Summary – Q2FY23

Particulars (in INR Crore)	Q2FY23	Q1FY23	QoQ Growth	Q2FY22	YoY Growth	H1FY23	H1FY22	YoY Growth
Revenue from Operations	343.4	326.9	5.1%	299.2	14.8%	670.3	587.0	14.2%
Other Income	9.6	13.2	(26.9%)	4.5	115.6%	22.8	8.5	168.0%
Total Revenue	353.0	340.1	3.8%	303.7	16.2%	693.1	595.5	16.4%
EBITDA	51.7	47.8	8.0%	49.9	3.6%	99.5	91.3	9.0%
EBITDA Margin (%)	15.0%	14.6%	41Bps	16.7%	(162Bps)	14.8%	15.6%	(71Bps)
EBIT	42.9	39.3	9.1%	41.9	2.4%	82.1	75.2	9.2%
EBIT Margin (%)	12.5%	12.0%	46Bps	14.0%	(151Bps)	12.3%	12.8%	(55Bps)
PBT (Before Exceptional Item)	51.5	51.6	(0.1%)	46.1	11.8%	103.1	82.8	24.5%
PBT Margin (%)	14.6%	15.2%	(57Bps)	15.2%	(58Bps)	14.9%	13.9%	97Bps
PBT (After Exceptional Item)	51.5	51.6	(0.1%)	46.1	11.8%	103.1	93.0	10.9%
PAT (After non-controlling interest)	40.0	43.4	(7.9%)	35.3	13.2%	83.4	74.9	11.3%
PAT Margin (%)	11.3%	12.8%	(144Bps)	11.6%	(31Bps)	12.0%	12.6%	(55Bps)
Basic & Diluted EPS (INR)	6.78	7.36	(7.9%)	5.99	13.2%	14.14	12.70	11.3%

Consolidated Financial Highlights – Q2FY23

(Figures in INR Crore)

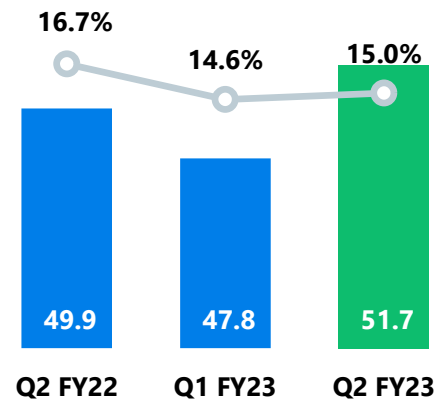
Operating Revenues



▲ 5.1% QoQ

▲ 14.8% YoY

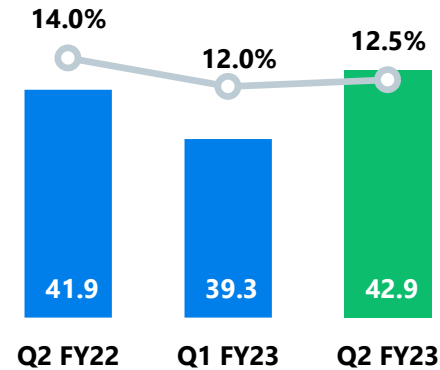
EBITDA & EBITDA %



▲ 8.0% QoQ

▲ 3.6% YoY

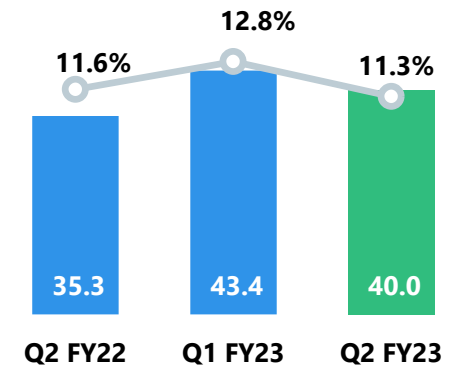
EBIT & EBIT %



▲ 9.1% QoQ

▲ 2.4% YoY

PAT after NCI & PAT after NCI %



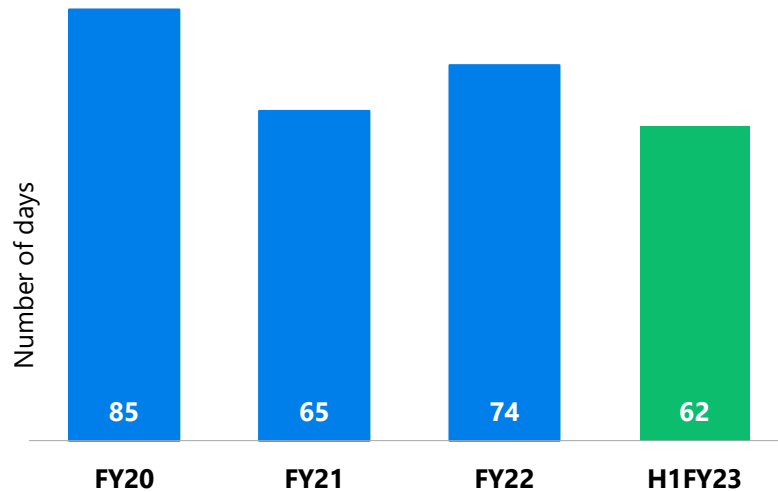
▼ 7.9% QoQ

▲ 13.2% YoY

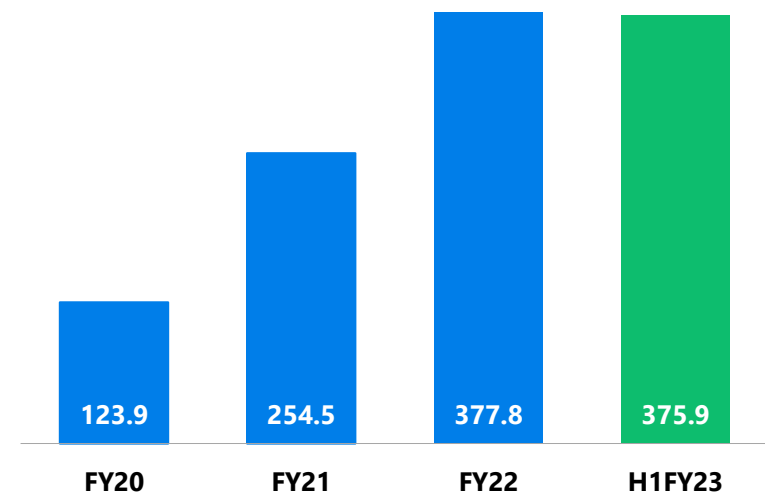
Balance Sheet Metrics – H1FY23

(Figures in INR Crore)

Days Sales Outstanding (DSO)



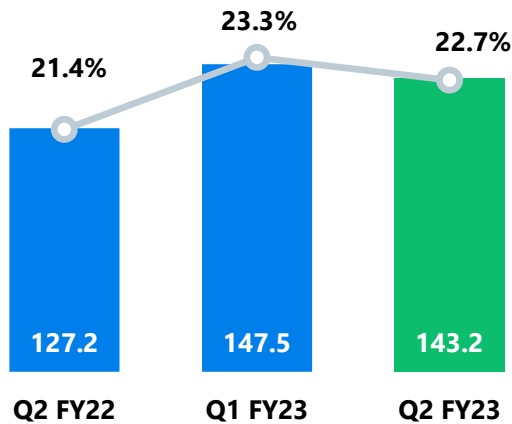
Total Cash & Cash Equivalent plus Current Investments (Net of debt)



Revenue Segment Analysis – Q2FY23

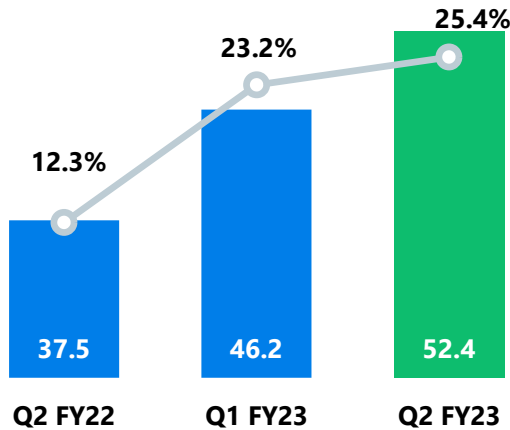
(Figures in INR Crore)

Digital Operations Revenue & EBIT Margin (%)



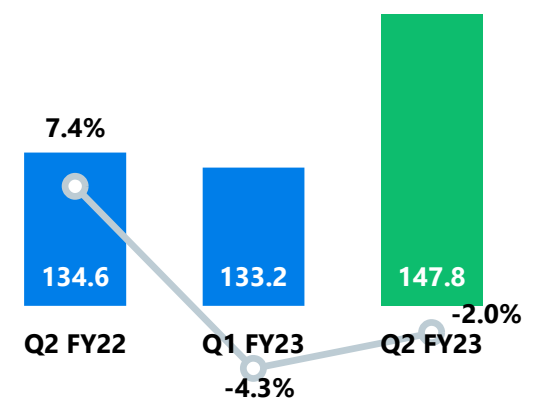
▼ 2.9% QoQ
▲ 12.6% YoY

Digital Experiences Revenue & EBIT Margin (%)



▲ 13.4% QoQ
▲ 39.9% YoY

Digital Technologies Revenue & EBIT Margin (%)

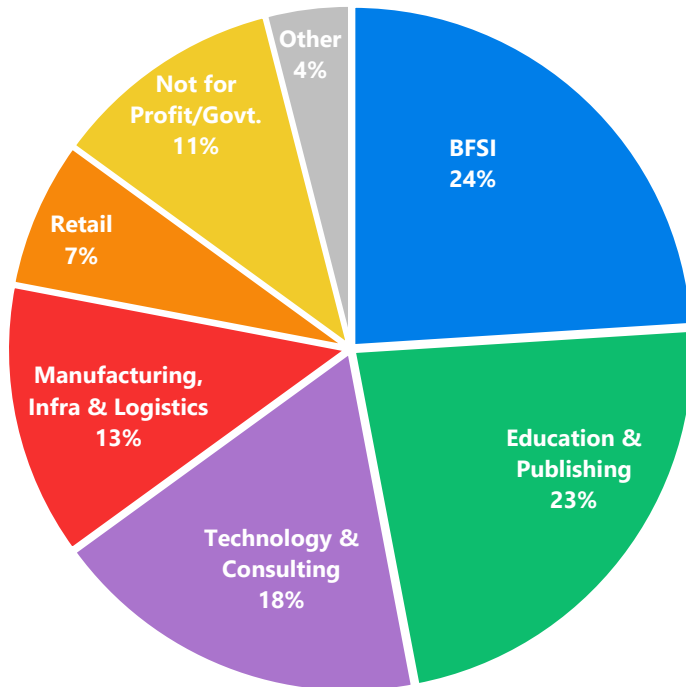


▲ 11.0% QoQ
▲ 9.8% YoY

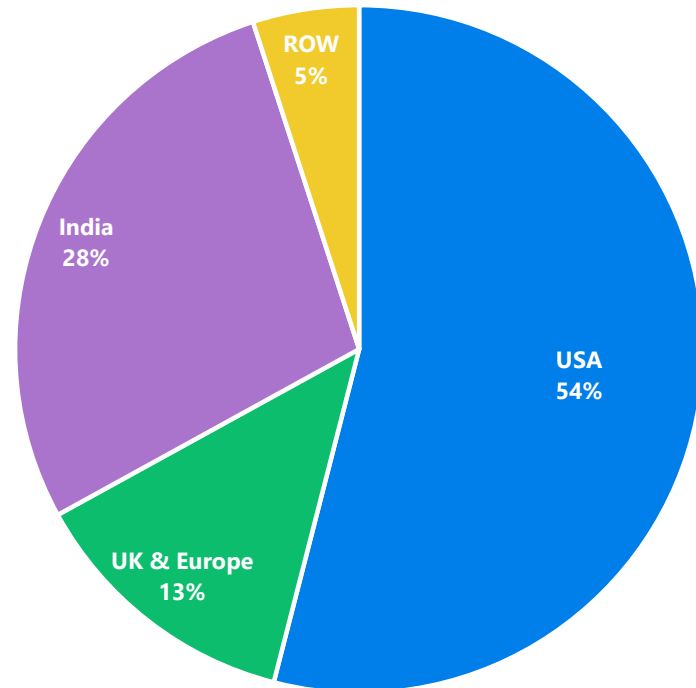
Note: In Q1FY23, the company has reclassified its business into 3 segments i.e Digital Technologies, Digital Operations, Digital Experiences. Till FY22 the company was classified into 2 business segments i.e. IT Services and Business Process Management (BPM). The previous period figures are restated accordingly.

Revenue Segment Analysis – Q2FY23

Revenue by Industry



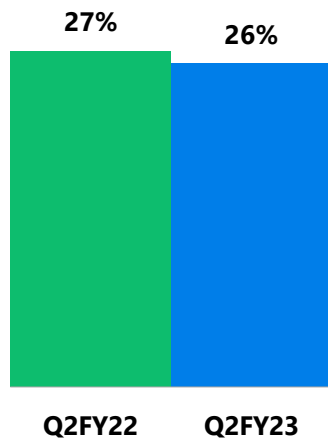
Revenue by Geography



Client Concentration – Q2FY23

Client concentration maintained at a comfortable level

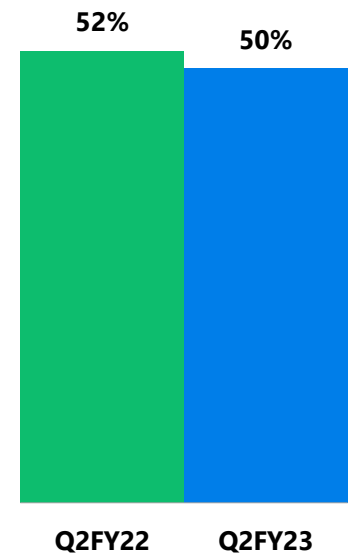
Top 5



Top 10



Top 20



Key Deal Wins – Q2FY23

A **leading US based accounting and business advisory firm** selects Datamatics for **cloud migration services**

A **US based online credit union** selects Datamatics for **automating critical business processes**

A **US based structured finance company** selects Datamatics for **digitising credit rating process**

Europe's leading provider for sustainable tech services selects Datamatics for developing **automation offshore delivery center**

A **global biopharmaceutical company** selects Datamatics for **customer management solutions** through cutting-edge digital technology

A **US based contact center** selects Datamatics for **next-generation digital services**

A **leading risk management company** selects Datamatics for **automating integrity verification processes**

An **online commodity and derivative exchange** selects Datamatics for **digital technology support**



Recognition

Key Analyst Coverage



Niche Player

2022 Gartner Magic Quadrant for Finance & Accounting BPO Services



Major Contender

Finance and Accounting Outsourcing (FAO) Services PEAK Matrix – 2022



Major Contender

Robotic Process Automation (RPA) Products PEAK Matrix – 2022



Strong Performer

Forrester Wave for RPA, Q1 2021



Major Contender

Intelligent Document Processing (IDP) Products PEAK Matrix – 2022



Technology Leaders

SPARK Matrix: CX Management Services, 2022



Product Challenger

Provider Lens™ - 'Contact Center - Customer Experience Services 2022'



Challenger

SPARK Matrix: Data Management & Analytics Services, 2022



Major Player

IDC MarketScape Asia/Pacific Intelligent Automation Services 2021 Vendor Assessment



Profiled Datamatics' RPA-powered intelligent document processing approach



Strong Performer

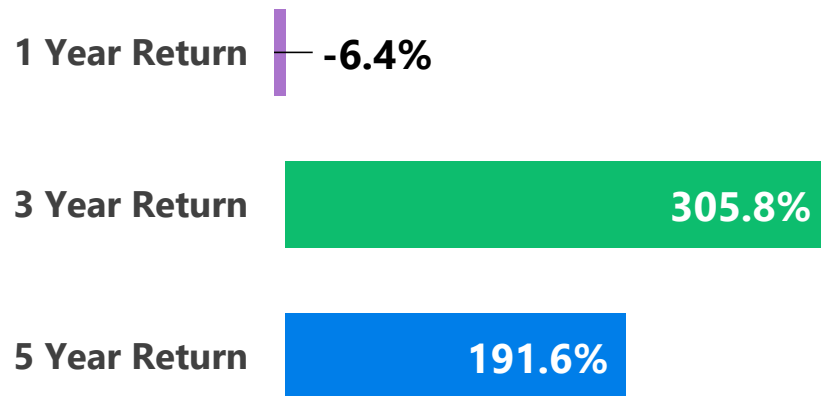
Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation



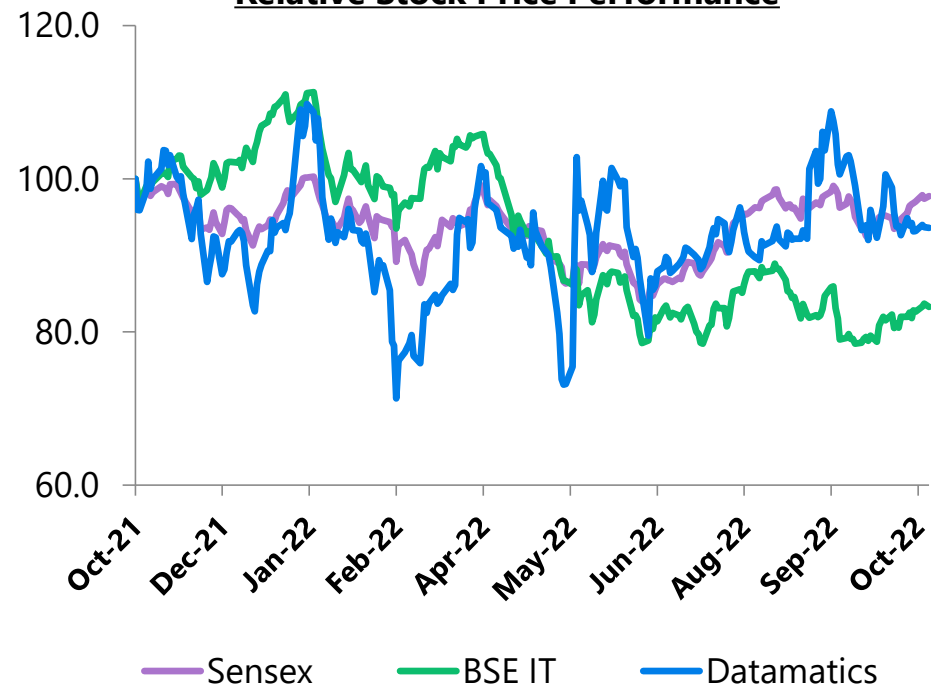
Featured in Market Guide for F&A Business Process Outsourcing Service Providers 2021

Shareholder Value Creation

Total Shareholder Return



Relative Stock Price Performance



DATAMATICS

Thank You

For Further Queries Contact:

Mr. Sandeep Mantri

Chief Financial Officer

✉ investorrelations@datamatics.com



Diwakar Pingle / Asha Gupta

✉ Diwakar.Pingle@in.ey.com

✉ Asha.Gupta@in.ey.com

© Copyright 2022 Datamatics Global Services Limited and its subsidiaries (hereinafter jointly referred as Datamatics). All rights reserved.

Contents in this document are confidential and proprietary to Datamatics. No part of this document should be reproduced, published, transmitted or distributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, nor should be disclosed to third parties without prior written approval from the marketing team at Datamatics.