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

1. About Datamatics
2. Growth Strategy & Investment Rationale
3. Financial Performance
4. Awards & Recognition
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)
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)

- 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

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

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

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)
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
Our Growth Performance (Figures in INR Crore)

**Consolidated Revenue**

- FY12: 442
- FY13: 550
- FY14: 734
- FY15: 828
- FY16: 816
- FY17: 852
- FY18: 910
- FY19: 1,134
- FY20: 1,203
- FY21: 1,149
- FY22: 1,201

10.5% CAGR

**Consolidated PAT**

- FY12: 28
- FY13: 31
- FY14: 58
- FY15: 49
- FY16: 44
- FY17: 64
- FY18: 72
- FY19: 84
- FY20: 62
- FY21: 84
- FY22: 155

18.6% CAGR

**Revenue by Business**

- **Q2FY21**
  - Digital Technologies: 9%
  - Digital Operations: 37%
  - Digital Experiences: 54%

- **Q3FY21**
  - Digital Technologies: 12%
  - Digital Operations: 36%
  - Digital Experiences: 52%

- **Q4FY21**
  - Digital Technologies: 13%
  - Digital Operations: 45%
  - Digital Experiences: 42%

- **Q1FY22**
  - Digital Technologies: 14%
  - Digital Operations: 43%
  - Digital Experiences: 45%

- **Q2FY22**
  - Digital Technologies: 13%
  - Digital Operations: 42%
  - Digital Experiences: 45%

- **Q3FY22**
  - Digital Technologies: 14%
  - Digital Operations: 41%
  - Digital Experiences: 45%

- **Q4FY22**
  - Digital Technologies: 13%
  - Digital Operations: 45%
  - Digital Experiences: 42%

- **Q1FY23**
  - Digital Technologies: 14%
  - Digital Operations: 41%
  - Digital Experiences: 43%

- **Q2FY23**
  - Digital Technologies: 15%
  - Digital Operations: 42%
  - Digital Experiences: 43%

Legend:
- Green: Digital Technologies
- Blue: Digital Operations
- Orange: Digital Experiences
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

**IP Products**
- Developed own IP products in high growth markets - TruCap+, TruBot, iPM, TruBI, TruAI, TruFare

**Healthy Financials**
- Solid Cash flow and resilient margins

**Deep in Digital**
- Offers Digital Operations, Digital Technologies and Digital Experiences to boost productivity, customer experience, and competitive advantage

**Leading Indian company in AFC**
- Executed over 30 marquee projects across the globe
- Strong pipeline in India & USA

**Strong R&D Centre**
- DataLabs focused on new age technology areas - AI & Cognitive Science, RPA, AR & VR
Financial Performance
# Key Performance Indicators
(Figures in INR Crore)

## Revenues

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>910</td>
<td>1,134</td>
<td>1,203</td>
<td>1,149</td>
<td>1,201</td>
</tr>
</tbody>
</table>

CAGR: 7.2%

## EBITDA & Margins (%)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>82</td>
<td>134</td>
<td>124</td>
<td>142</td>
<td>193</td>
</tr>
</tbody>
</table>

EBITDA: 9.0% to 16.1%

## EBIT & Margins %

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>62</td>
<td>108</td>
<td>87</td>
<td>103</td>
<td>160</td>
</tr>
</tbody>
</table>

EBIT: 6.8% to 13.3%

## PAT after NCI & PAT after NCI %

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>64</td>
<td>75</td>
<td>64</td>
<td>80</td>
<td>157</td>
</tr>
</tbody>
</table>

Profit after NCI: 6.9% to 12.8%

## ROE & ROCE

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>10.1</td>
<td>12.9</td>
<td>15.8</td>
<td>13.4</td>
<td>11.4</td>
</tr>
</tbody>
</table>

ROE: 11.2%

## Debt / Equity

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 (FY18)</td>
<td>66</td>
<td>583</td>
<td>36</td>
<td>679</td>
<td>96</td>
</tr>
</tbody>
</table>

Debt: 66 to 853

ROCE: 0.00 to 0.14

Equity: 715 to 853

D/E Ratio: 0.00 to 0.11
Consolidated Financial Summary – Q2FY23

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

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>EBITDA &amp; EBITDA %</th>
<th>EBIT &amp; EBIT %</th>
<th>PAT after NCI &amp; PAT after NCI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY22: 299.2</td>
<td>Q2 FY22: 49.9</td>
<td>Q2 FY22: 14.0</td>
<td>Q2 FY22: 11.6%</td>
</tr>
<tr>
<td>Q1 FY23: 326.9</td>
<td>Q1 FY23: 47.8</td>
<td>Q1 FY23: 12.0</td>
<td>Q1 FY23: 12.8%</td>
</tr>
<tr>
<td>Q2 FY23: 343.4</td>
<td>Q2 FY23: 51.7</td>
<td>Q2 FY23: 12.5</td>
<td>Q2 FY23: 11.3%</td>
</tr>
</tbody>
</table>

△ 5.1% QoQ
△ 14.8% YoY
△ 8.0% QoQ
△ 3.6% YoY
△ 9.1% QoQ
△ 2.4% YoY
△ 7.9% QoQ
△ 13.2% YoY
Balance Sheet Metrics – H1FY23
(Figures in INR Crore)

<table>
<thead>
<tr>
<th>Days Sales Outstanding (DSO)</th>
<th>Total Cash &amp; Cash Equivalent plus Current Investments (Net of debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>85</td>
</tr>
<tr>
<td>FY21</td>
<td>65</td>
</tr>
<tr>
<td>FY22</td>
<td>74</td>
</tr>
<tr>
<td>H1FY23</td>
<td>62</td>
</tr>
</tbody>
</table>
Revenue Segment Analysis – Q2FY23

(Figures in INR Crore)

**Digital Operations**
Revenue & EBIT Margin (%)

- Q2 FY22: 21.4%
- Q1 FY23: 23.3%
- Q2 FY23: 22.7%

**Digital Experiences**
Revenue & EBIT Margin (%)

- Q2 FY22: 12.3%
- Q1 FY23: 23.2%
- Q2 FY23: 25.4%

**Digital Technologies**
Revenue & EBIT Margin (%)

- Q2 FY22: 7.4%
- Q1 FY23: 134.6%
- Q2 FY23: 133.2%

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
- BFSI 24%
- Education & Publishing 23%
- Technology & Consulting 18%
- Manufacturing, Infra & Logistics 13%
- Retail 7%
- Not for Profit/Govt. 11%
- Other 4%

Revenue by Geography
- USA 54%
- India 28%
- UK & Europe 13%
- ROW 5%
- Other 4%
Client Concentration – Q2FY23

Client concentration maintained at a comfortable level

<table>
<thead>
<tr>
<th>Top 5</th>
<th>Top 10</th>
<th>Top 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2FY22</td>
<td>Q2FY23</td>
<td>Q2FY22</td>
</tr>
<tr>
<td>27%</td>
<td>39%</td>
<td>52%</td>
</tr>
<tr>
<td>26%</td>
<td>35%</td>
<td>50%</td>
</tr>
</tbody>
</table>
**Key Deal Wins – Q2FY23**

<table>
<thead>
<tr>
<th><strong>A leading US based accounting and business advisory firm</strong> selects Datamatics for <strong>cloud migration services</strong></th>
<th><strong>A US based online credit union</strong> selects Datamatics for <strong>automating critical business processes</strong></th>
<th><strong>A US based structured finance company</strong> selects Datamatics for <strong>digitising credit rating process</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Europe’s leading provider for sustainable tech services</strong> selects Datamatics for developing <strong>automation offshore delivery center</strong></td>
<td><strong>A global biopharmaceutical company</strong> selects Datamatics for <strong>customer management solutions</strong> through cutting-edge digital technology</td>
<td><strong>A US based contact center</strong> selects Datamatics for <strong>next-generation digital services</strong></td>
</tr>
<tr>
<td><strong>A leading risk management company</strong> selects Datamatics for <strong>automating integrity verification processes</strong></td>
<td><strong>An online commodity and derivative exchange</strong> selects Datamatics for <strong>digital technology support</strong></td>
<td></td>
</tr>
</tbody>
</table>
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

**Strong Performer**
Shareholder Value Creation

**Total Shareholder Return**

- 1 Year Return: -6.4%
- 3 Year Return: 305.8%
- 5 Year Return: 191.6%

**Relative Stock Price Performance**

- Sensex
- BSE IT
- Datamatics

Graph showing the relative stock price performance from October 2021 to October 2022.
Thank You

For Further Queries Contact:

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