

Investor Presentation

30th January 2020



Datamatics Global Services Limited

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

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Overview

02. Strategy &
Investment Rationale

03. Financial
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04. Quarterly
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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
- 200+ significant customers
- 10,000+ Headcount

Management

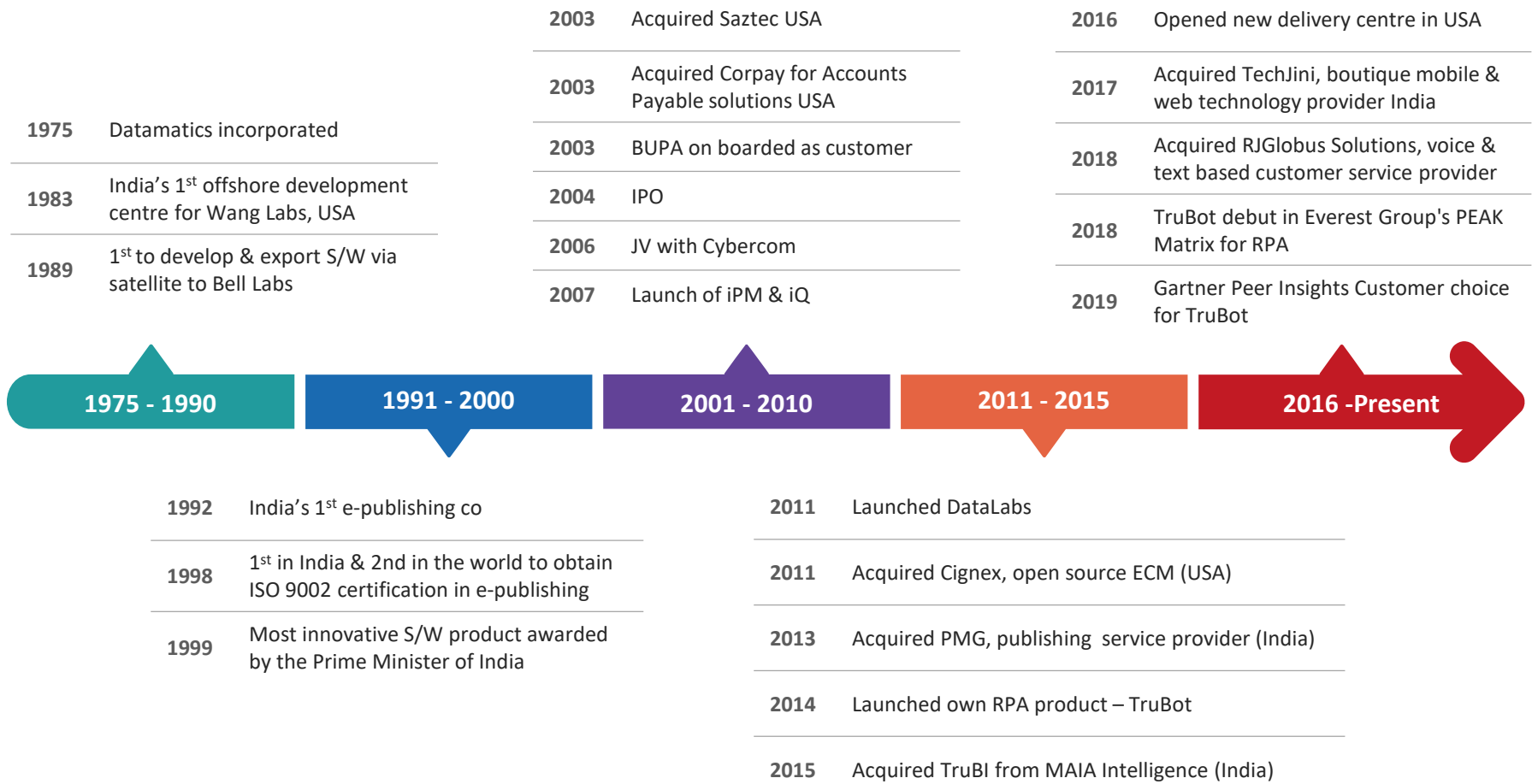
- Managed by strong, robust, experienced and stable management team



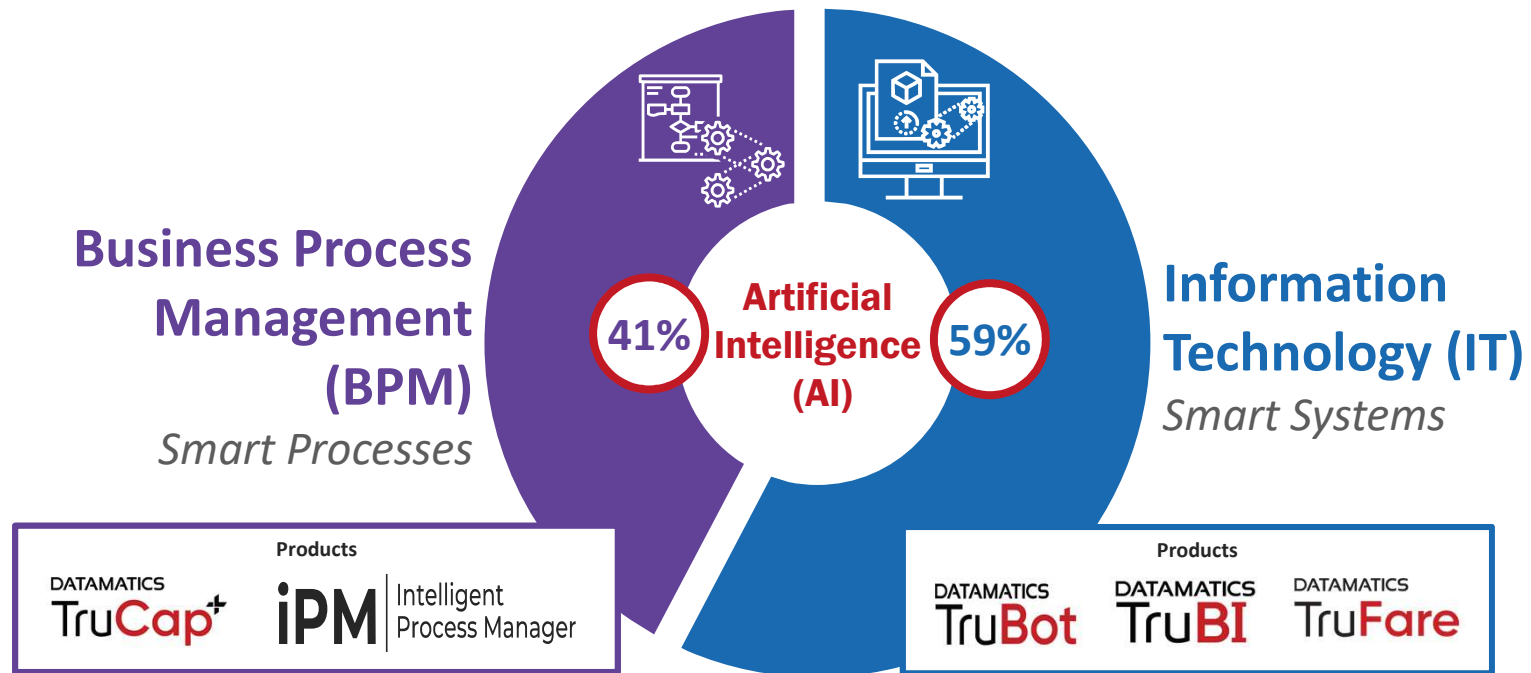
YTD FY20 Financials

- Operating Revenue ₹ 8,929.4 Mn; up 8.0% in rupee terms and 7.8% in constant currency YoY
- Reported EBITDA was at ₹ 953.6 Mn
- Reported EBITDA margin at 10.7%
- EBITDA (excl. lease accounting & CSR provisioning cost) stood at ₹ 868.4 Mn
- EBITDA margin (excl. lease accounting & CSR provisioning cost) was at 9.7%
- PAT (after minority interest) at ₹ 523.1 Mn; up 6.2% YoY

Key Milestones



Line of Business



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



59%
Revenue Contribution



11.3%
EBITDA Margin



92%
Repeat Business

Business Process Management (BPM)

Offerings

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

Products

DATAMATICS
TruCap+

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



41%

Revenue Contribution



9.7%

EBITDA Margin



95%

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

- The global robotic process automation (RPA) market size is expected to reach US\$ 3.97 billion by 2025, CAGR of 31.1% (2018-2025) (Source: new study by Grand View Research, Inc.)
- RPA is gaining rapid traction which handles repetitive and rule-based tasks without human intervention
- Use of automation technologies has become a crucial factor to gain long-term profitable growth
- North America is expected to be the dominant region while Asia Pacific is anticipated to witness the maximum growth
- Datamatics is seeing robust opportunities in the robotics processes

Client Metrics



3900+
Active TruBots



1000+
Process Automated



100+
Customers Globally



300+
TruBot Experts



300+ Mn
*Documents processed
through TruCap+*



85+
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 TruCap+ in data capture, 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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Q3 FY20 – Key Financial Highlights

- Revenue at ₹ 3,060.5 million; up 7.0% y-o-y and up 3.1% q-o-q
- Reported EBITDA at ₹ 262.6 million; down 17.1% y-o-y and down 22.0% q-o-q
- Reported EBITDA margin was at 8.6%; down 249 bps y-o-y and down 277 bps q-o-q
- EBITDA (excl. lease accounting & CSR provisioning cost) at ₹ 231.5 million
- EBITDA margin (excl. lease accounting & CSR provisioning cost) was at 7.6%
- PBT at ₹ 210.3 million; up 9.1% y-o-y and down 28.6% q-o-q
- PAT (after minority interest) at ₹ 131.3 million; up 26.6% y-o-y and down 34.2% q-o-q
- EPS (Diluted) at ₹ 2.23; up 29.4% y-o-y and down 34.2% q-o-q

YTD FY20 – Key Financial Highlights

- Revenue at ₹ 8,929.4 million; up 8.0% in rupee terms and 7.8% in constant currency y-o-y
- Reported EBITDA at ₹ 953.6 million; up 0.7% y-o-y
- Reported EBITDA margin was at 10.7%; down 78 bps y-o-y
- EBITDA (excl. lease accounting & CSR provisioning cost) at ₹ 868.4 million; down 8.3% y-o-y
- EBITDA margin (excl. lease accounting & CSR provisioning) was at 9.7%; down 173 bps y-o-y
- PBT at ₹ 778.6 million; down 1.7% y-o-y
- PAT (after minority interest) at ₹ 523.1 million; up 6.2% y-o-y
- EPS (Diluted) at ₹ 8.87; up 7.5% y-o-y

Q3 & YTD FY20 – Consolidated Profit and Loss

Particulars (₹ in Mn)	Q3 FY20	Q3 FY19	YoY %	Q2 FY20	QoQ %	9M FY20	9M FY19	YoY %
Revenue from Operations	3,060.5	2,859.3	7.0%	2,967.2	3.1%	8,929.4	8,266.3	8.0%
Purchase of Products and Licences	32.2	18.9		24.9		91.3	76.1	
Employee Benefits Expenses	1,987.2	1,764.2		1,894.8		5,713.9	5,131.0	
Other Expenses	778.5	759.5		710.9		2,170.6	2,112.3	
Reported EBITDA	262.6	316.6	-17.1%	336.7	-22.0%	953.6	946.9	0.7%
Reported EBITDA Margin %	8.6%	11.1%	-249.3	11.3%	-276.6	10.7%	11.5%	-77.5
EBITDA *	231.5	316.6	-26.9%	304.4	-24.0%	868.4	946.9	-8.3%
EBITDA Margin %	7.6%	11.1%	-351.0	10.3%	-269.6	9.7%	11.5%	-172.9
Depreciation/Amortization	94.4	66.2		95.2		277.8	195.9	
Finance Costs	12.4	9.7		10.3		36.2	35.3	
Other Income	52.7	-52.4		61.4		131.4	60.8	
Share of Net Profits of Associates and JVs	1.8	4.3		1.9		7.7	15.8	
PBT	210.3	192.7	9.1%	294.6	-28.6%	778.6	792.3	-1.7%
PBT Margin %	6.9%	6.7%	13.1	9.9%	-305.7	8.7%	9.6%	-86.5
Tax Expense	50.9	64.3		83.0		198.6	212.1	
% Tax Rate	24.2%	33.4%		28.2%		25.5%	26.8%	
PAT	159.4	128.4	24.2%	211.5	-24.7%	580.0	580.2	0.0%
PAT Margin %	5.2%	4.5%	71.8	7.1%	-192.1	6.5%	7.0%	-52.4
Non-Controlling Interest	28.1	24.7		12.1		56.8	87.6	
PAT (after Minority Interest)	131.3	103.7	26.6%	199.4	-34.2%	523.1	492.6	6.2%
EPS (Diluted) (Rs)	2.23	1.72	29.4%	3.38	-34.2%	8.87	8.26	7.5%

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

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Q3 FY20 – Business Updates



Business Updates

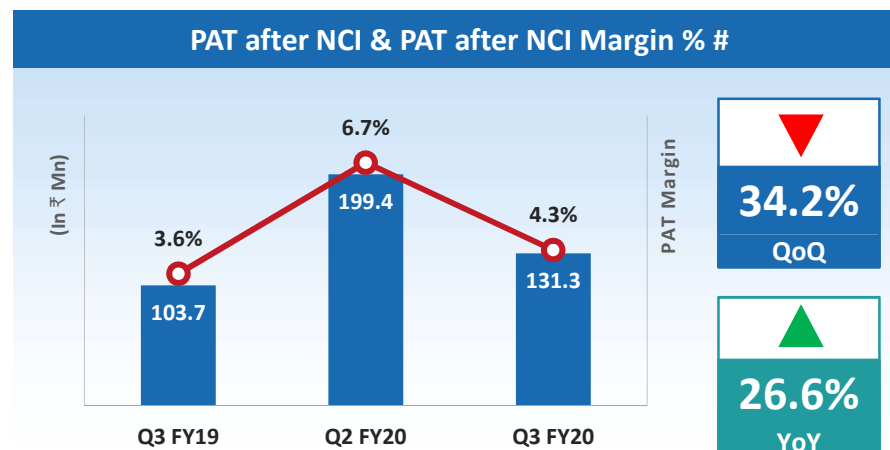
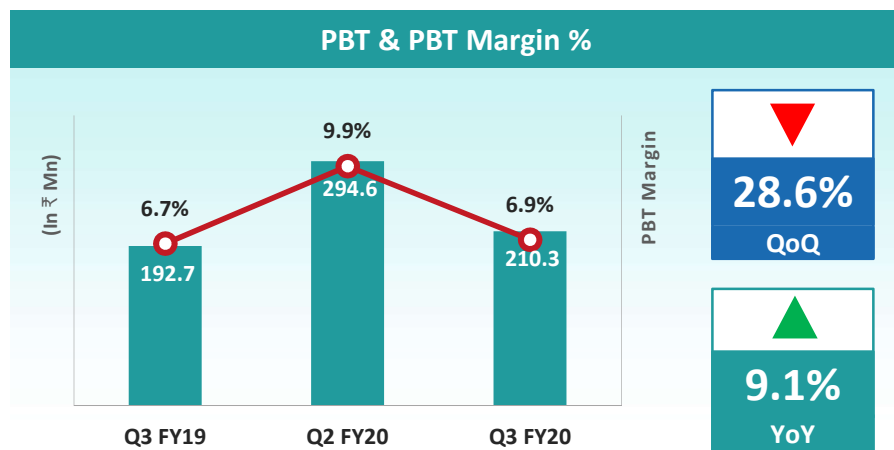
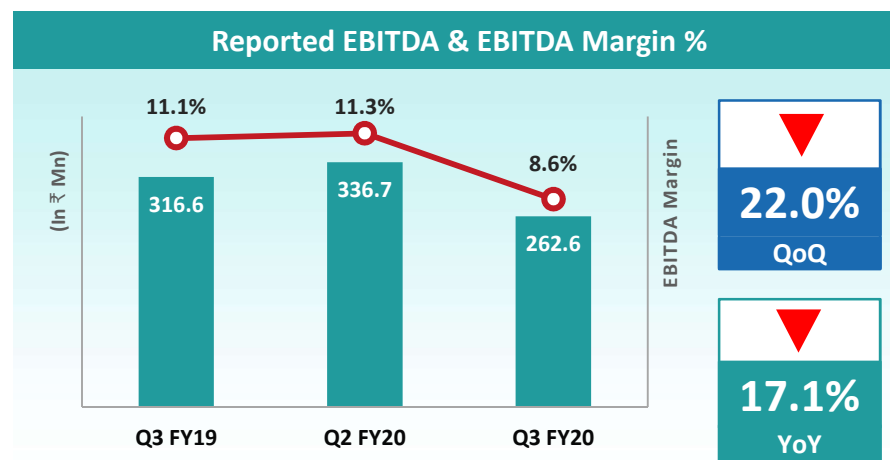
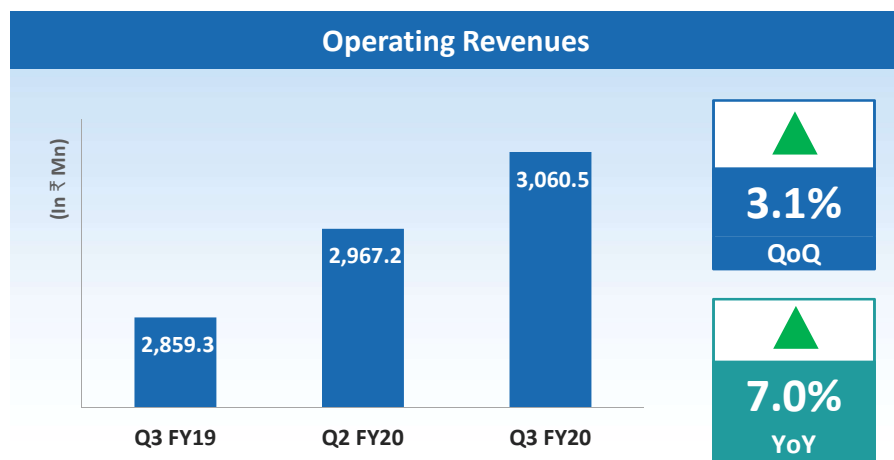
- Added 6 new significant customers in Q3 FY20
- Added 13 new partners. Partner strength now totals to 85 across the globe



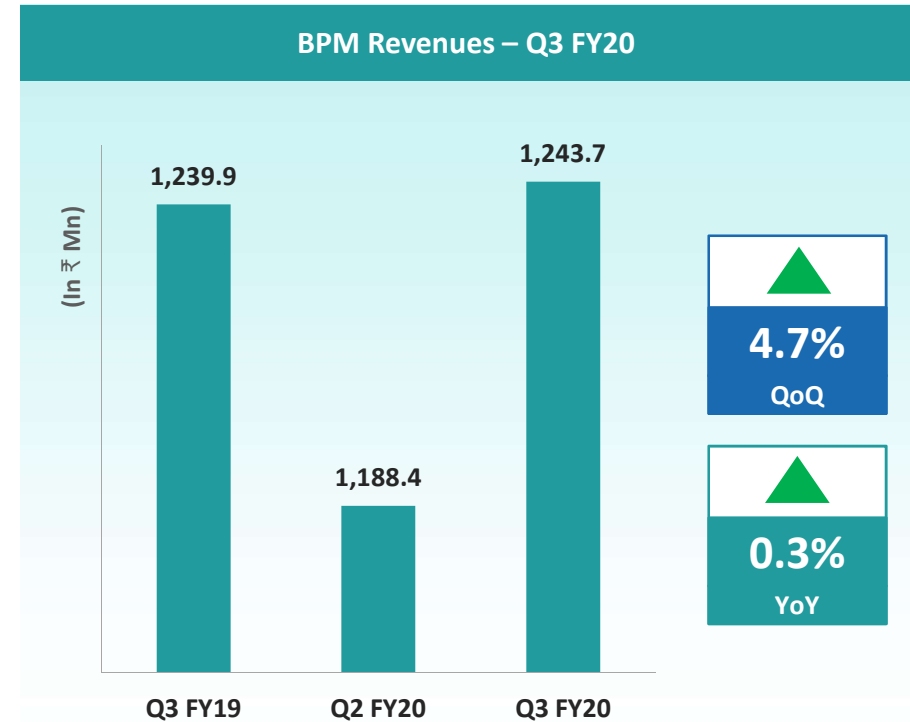
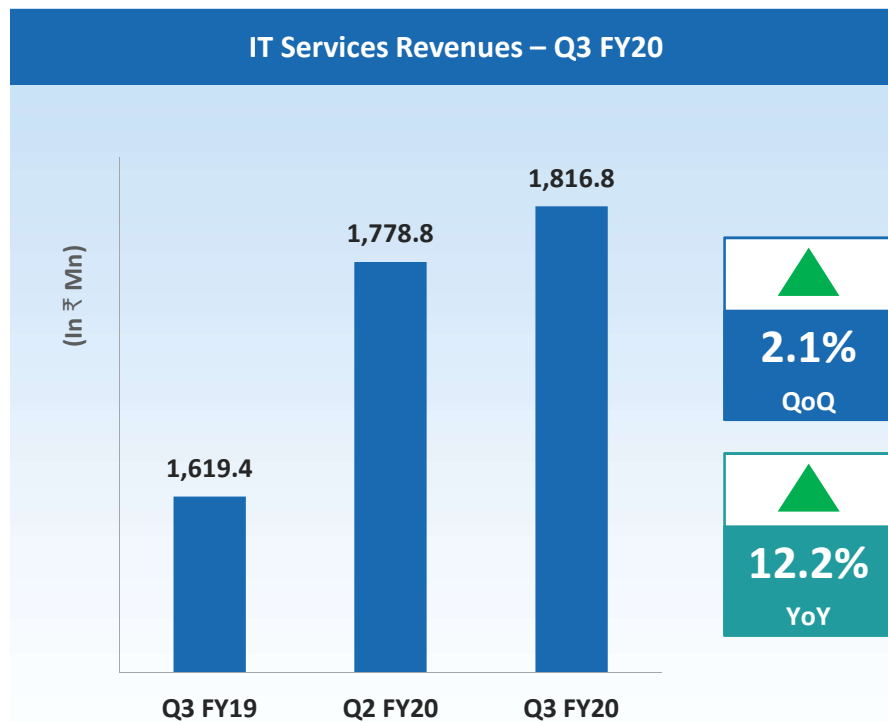
Recognition

- Datamatics TruBot RPA recognized in 2019 Gartner Critical Capabilities for Robotic Process Automation Report
- Datamatics recognized as a Star Performer in Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions PEAK Matrix™ Assessment 2020 by Everest Group
- Datamatics won Rail Analysis Innovation & Excellence Award 2020 for TruFare Automated Fare Collection

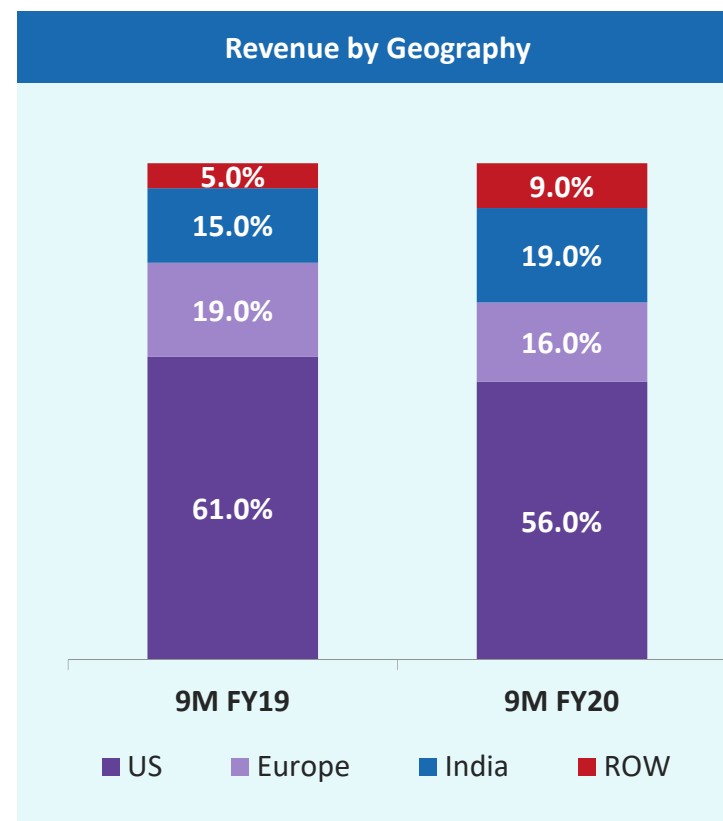
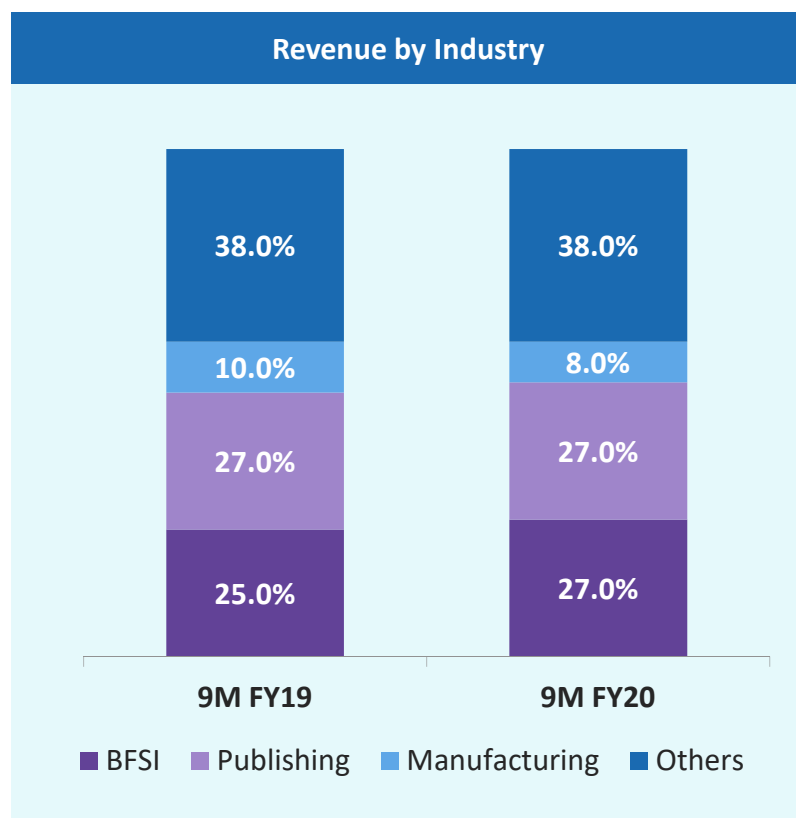
Q3 FY20 – Key Result Highlights



Q3 FY20 – Revenue Segment Analysis

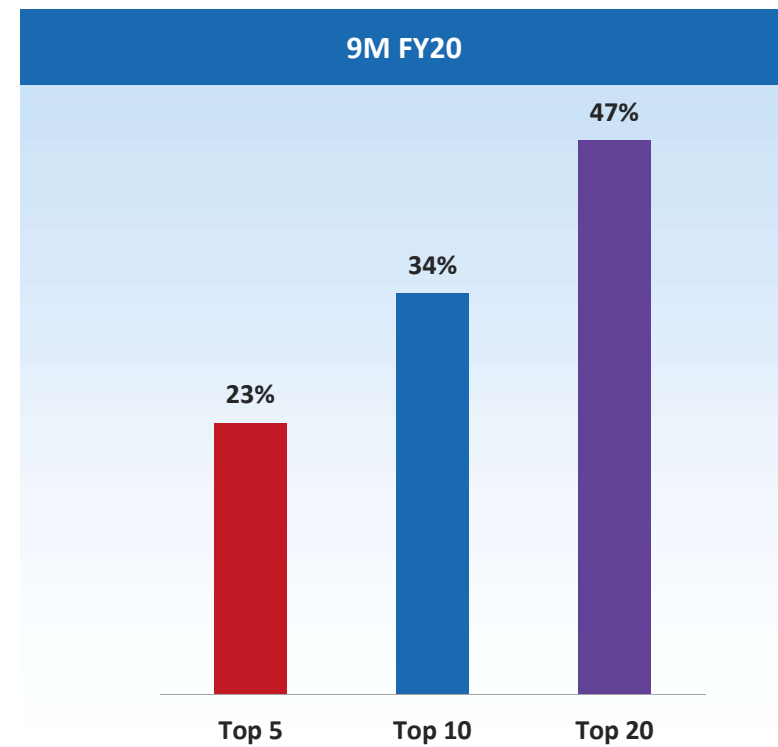
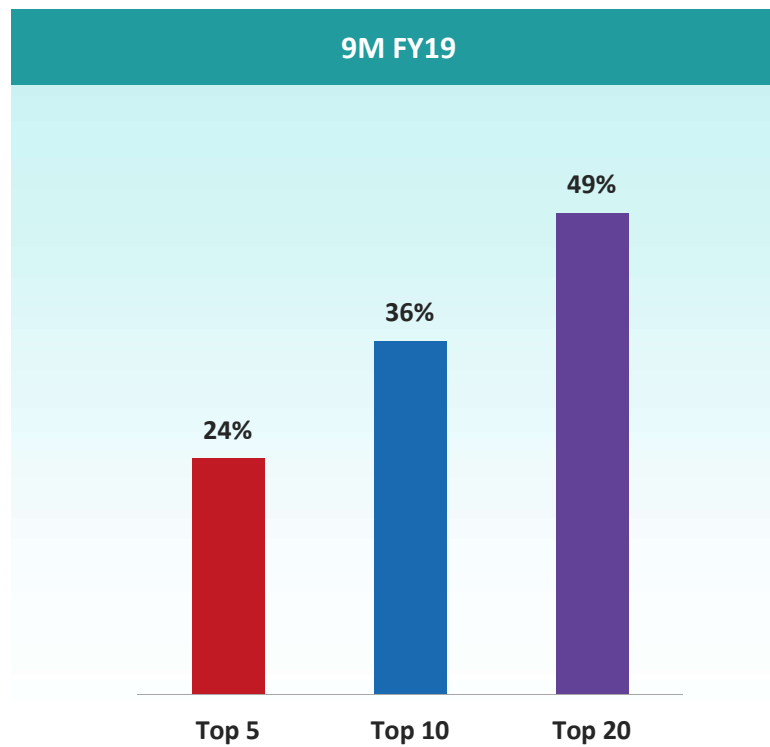


YTD FY20 – Revenue Segment Analysis



YTD FY20 – Client Concentration

Client concentration maintained at a comfortable level



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Key Analyst Coverage



Everest recognizes Datamatics as a Star Performer in Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions PEAK Matrix™ Assessment 2020



Gartner recognizes TruBot in Critical Capabilities for Robotic Process Automation 2019



Quadrant Knowledge Solutions recognizes Datamatics TruBot in SPARK Matrix: for Robotic Process Automation 2019



ISG recognizes Datamatics as a Contender in ISG Provider Lens™ Insurance BPO Digital Services - U.S. 2019



Gartner recognizes TruBot in Magic Quadrant for Robotic Process Automation Software as NICHE PLAYER 2019



Datamatics 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 in Robotic Process Automation in Telecoms & Insurance, 2019

Recognition: Awards



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

MRSI Golden Key Award for 'Best business impact through analytics'

TruBot recognized in the IBS Intelligence Global FinTech Innovation Awards 2019

NASSCOM Customer Service Excellence Award 2019

Rail Analysis India Award 2020 & 2019 for Automated Fare Collection technology

2019 IBM Asia Pacific excellence Award

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

IMC Digital Technology Award for TruBot and TruAI

TATVA award by ICICI Prudential Life

IMC Digital Technology Award

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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