

August 13, 2021

To,

Corporate Communication Department
BSE Limited
Phiroze Jeejeeboy Towers,
Dalal street, Mumbai - 400 001.
BSE Scrip Code : 532528

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Symbol: DATAMATICS

Sub.: Investor Presentation on unaudited Financial Results for Q1 & FY22.

Ref.: Regulation 30 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the captioned regulation, please find attached presentation on the unaudited Financial Results of the Company for the quarter ended June 30, 2021.

The presentation will also be hosted on website of the Company www.datamatics.com.

Kindly take the above on your record.

Thanking you,

For Datamatics Global Services Limited

Divya Kumat
EVP, Chief Legal Officer and Company Secretary
(FCS: 4611)
Encl. : As above.

Investor Presentation

13th August 2021

DATAMATICS

Datamatics Global Services Limited

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

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Agenda



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02. Strategy &
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05. Awards &
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Executive Summary



Nature of Business

- Global Technology, BPM and Digital Solutions 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

Management

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



Q1FY22 Highlights

- **Revenue at ₹ 2,877.5 Mn**
 - ✓ Up 1.6% QoQ and 3.8% YoY
 - ✓ Without Cignex, up 1.6% QoQ and 21.6% YoY
- **EBITDA at ₹ 414.2 Mn**
 - ✓ Down 1.0% QoQ and up 45.0% YoY
 - ✓ Without Cignex, down 1.0% QoQ and up 85.5% YoY
- **EBITDA Margin**
 - ✓ 14.4% as compared to 10.3% in Q1FY21
 - ✓ Without Cignex, 14.4% as compared to 9.4% in Q1FY21
- **PAT at ₹ 395.9 Mn**
 - ✓ Up 38.1% QoQ and 193.1% YoY
 - ✓ Without Cignex, up 38.1% QoQ and 266.6% YoY
- **Added 7 new significant customers in Q1FY22**
- **Declared an Interim Dividend of ₹ 2.50 per Equity Share i.e. 50% on Equity Shares of ₹ 5.00 each for the financial year 2021-22**

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	2019	Gartner Peer Insights Customer choice for TruBot
		2006	JV with Cybercom	2020	Launched TruBot 4.0
		2007	Launch of iPM & iQ	2021	Divested stake in Cignex

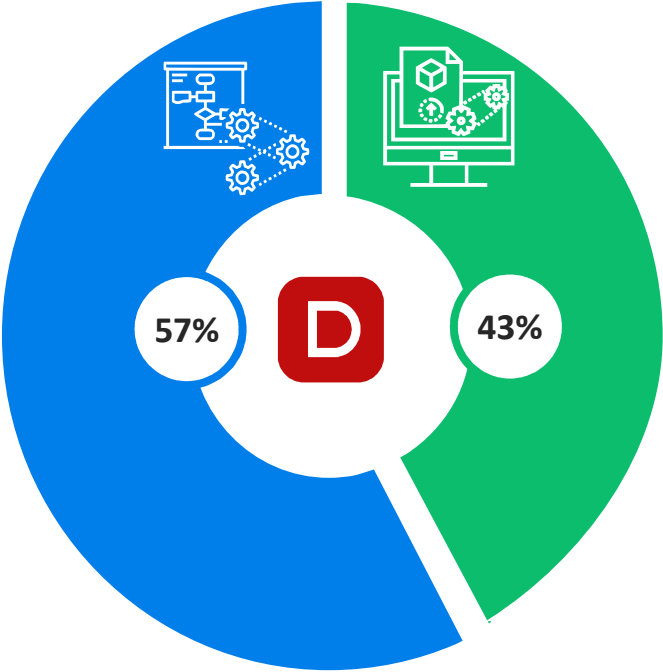


1992	India's 1 st e-publishing co	2011	Launched DataLabs
1998	1 st in India & 2nd in the world to obtain ISO 9002 certification in e-publishing	2011	Acquired Cignex, open source ECM (USA)
1999	Most innovative S/W product awarded by the Prime Minister of India	2013	Acquired PMG, publishing service provider (India)
		2014	Launched own RPA product – TruBot
		2015	Acquired TruBI from MAIA Intelligence (India)

Line of Business



Business Process Management (BPM)
Smart Processes



Information Technology (IT)
Smart Systems

DATAMATICS IP

TruCap⁺ TruBot iPM TruBI TruFare

Note: The above split does not include Cignex Datamatics revenue as the same has been divested effective January 01, 2021

IT Solutions



Offerings

- Enterprise Modernisation
- Cloud Services
- Digital Experiences & Consulting
- Enterprise Content Management
- Hyperautomation Services
- Enterprise Solutions
- Automated Fare Collection

Opportunity

- 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)
- The highest growth is expected to come from Devices (14.0%), Enterprise Software (13.2%) and IT Services (9.8%) in 2021 as enterprises are shifting their focus to invest in tools that support innovation, anywhere operations and employee productivity & trust (as per Gartner)
- Global Cloud computing industry is expected to grow from US\$ 371.4 billion in 2020 to US\$ 832.1 billion by 2025, at a CAGR of 17.5%. Increased automation and agility is expected to drive the cloud computing growth. (Source: Research and Markets Report)
- Global AFC market is expected to grow from US\$ 6,639.1 mn in 2019 to US\$ 12,753.8 mn by 2027, at a CAGR of 11.6%. (Source: Allied Market Research Report)
- The pandemic has accelerated digital transformation plans across industries in a new normal world

Metrics



43%
Revenue Contribution



6.1%
EBITDA Margin



10.7%
EBITDA Margin without considering investment in products

Business Process Management (BPM)



Offerings

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

Opportunity

- The 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)
- Segments expected to witness the highest volume of new work in the next five years include industry-vertical-oriented BPM, enterprise back-office BPM and contact center
- Technology will assume center stage in BPM, especially through platform-based services
- Industry experts opine that BPM industry is witnessing multi-year technology upgrade cycle in 3 key stages - a large-scale shift to cloud; building of applications in cloud native world; and collaboration between IT service vendors and customers to build new technology solutions
- United States continues to remain biggest market for BPM
- Datamatics is seeing specific opportunities in the process automation and dynamic content management areas

Metrics



57%
Revenue Contribution



20.7%
EBITDA Margin

Intelligent Automation Platform



Offerings

- Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents.
- The Intelligent Automation Platform combines the capabilities of Datamatics TruBot Robotic Process Automation (RPA) and TruCap+ Intelligent Document Processing (IDP) products along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics DataLabs.

TruBot

TruCap+

TruAI

Opportunity

- The market for process-agnostic software enabling hyperautomation is projected to reach \$25bn in 2021 and 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.
- **RPA software market** is growing at healthy double digit rates as per various analyst estimates. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) that include machine learning (ML), natural language processing (NLP) algorithms and intelligent document processing (IDP).
- **IDP software market** is projected to grow at 55%-65% CAGR thereby amounting to USD 1.85-1.95 Billion by 2022, driven by strong demand for automation.

Highlights

FORRESTER

Datamatics TruBot recognized as a Strong Performer in Forrester Wave for RPA 2021

Everest Group
PEAKTM
MATRIX

Datamatics recognized as a Major Contender and Star Performer in the Intelligent Document Processing (IDP) –Everest PEAK Matrix® Assessment 2021

Highly Rated by Customers Globally

 **4.6 / 5**

 **4.7 / 5**

 **8.1/ 10**

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Strategy & Outlook for the Future



- ✓ Strengthen US footprint
- ✓ Account Penetration & Focus on larger deals
- ✓ Strengthen Partners & Reseller Channel
- ✓ Invest in Automation to improve productivity
- ✓ Digital Solutions - Focus on Intelligent Automation – Robotics, Intelligent Document Processing
- ✓ AFC opportunity – Focus on India and US geographies

Investment Rationale: Business



A globally diverse Digital Solutions, Technology and Business Process Management company



Developed own products to strengthen its offerings such as TruCap+ in Intelligent Document Processing (IDP), TruBot in Robotic Process Automation (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 30+ 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



Debt free Company with healthy margins & financials

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Q1 FY22 – Consolidated Profit and Loss (Financials excluding Cignex Datamatics divested in Q4FY21)



Particulars (₹ in Mn)	Q1 FY22	Q1 FY21	YoY %	Q4 FY21	QoQ %
Revenue from Operations	2,877.5	2,265.9	21.6%	2,832.9	1.6%
Purchase of Products and Licenses	2.4	24.6		11.3	
Employee Benefits Expenses	1,933.8	1,700.5		1,788.8	
Other Expenses	527.1	442.1		614.4	
EBITDA	414.2	223.3	85.5%	418.5	(1.0%)
EBITDA Margin %	14.4%	9.4%	496bps	14.8%	(38bps)
Depreciation/Amortization	80.8	92.2		93.6	
Finance Costs	6.5	20.6		7.5	
Other Income	40.4	24.6		44.6	
Share of Net Profits of Associates and JVs	(0.3)	1.8		(2.9)	
Profit before exceptional item and tax	367.0	136.9	168.1%	359.1	2.2%
Profit before exceptional item and tax Margin %	12.8%	5.8%	697bps	12.7%	7bps
Exceptional Item	101.7	-		(13.4)	
PBT	468.7	136.9	242.4%	345.7	35.6%
PBT Margin %	16.3%	7.1%	1050bps	12.2%	408bps
Tax Expense	74.7	39.7		58.8	
% Tax Rate	15.9%	29.0%		17.0%	
PAT	393.9	97.1	180.3%	286.9	37.3%
PAT Margin %	13.7%	4.1%	862bps	10.1%	356bps
Non-Controlling Interest	(2.0)	(10.8)		0.3	
PAT (Non Controlling Interest)	395.9	108.0	266.6%	286.6	38.1%
EPS (Diluted) (Rs)	6.72	1.83	266.6%	4.86	38.1%

Q1 FY22 – Consolidated Profit and Loss



Particulars (₹ in Mn)	Q1 FY22	Q1 FY21	YoY %	Q4 FY21	QoQ %
Revenue from Operations	2,877.5	2,770.9	3.8%	2,832.9	1.6%
Purchase of Products and Licenses	2.4	29.3		11.3	
Employee Benefits Expenses	1,933.8	1,939.0		1,788.8	
Other Expenses	527.1	517.1		614.4	
EBITDA	414.2	285.6	45.0%	418.5	(1.0%)
EBITDA Margin %	14.4%	10.3%	409bps	14.8%	(38bps)
Depreciation/Amortization	80.8	94.2		93.6	
Finance Costs	6.5	21.4		7.5	
Other Income	40.4	24.0		44.6	
Share of Net Profits of Associates and JVs	(0.3)	1.8		(2.9)	
Profit before exceptional item and tax	367.0	195.8	87.4%	359.1	2.2%
Profit before exceptional item and tax Margin %	12.8%	7.1%	569bps	12.7%	7bps
Exceptional Item	101.7	-		(13.4)	
PBT	468.7	195.8	139.4%	345.7	35.6%
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Tax Expense	74.7	55.2		58.8	
% Tax Rate	15.9%	28.2%		17.0%	
PAT	393.9	140.5	180.3%	286.9	37.3%
PAT Margin %	13.7%	5.1%	862bps	10.1%	356bps
Non-Controlling Interest	(2.0)	5.5		0.3	
PAT (Non Controlling Interest)	395.9	135.1	193.1%	286.6	38.1%
EPS (Diluted) (Rs)	6.72	2.29	193.1%	4.86	38.1%

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Q1 FY22 – Business Updates



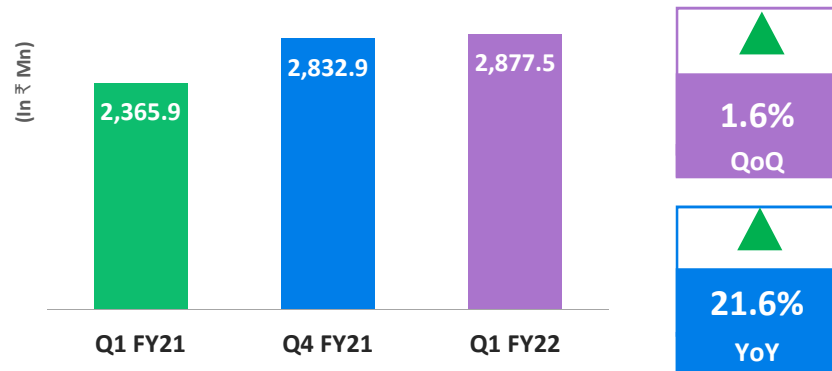
- Datamatics added 7 new customers in Q1FY22.
- Datamatics recognized in the 2021 Gartner Market Guide for Finance and Accounting Business Process Outsourcing.
- Datamatics wins IMC Digital Technology Award for its Digital Workplace solution for UTI Asset Management Company (AMC).
- Datamatics awarded as the Best Service Provider at ICICI Prudential Annual TATVA Award 2021. Datamatics has been winning this recognition from the customer consistently for past five years.
- Dr. Lalit Kanodia, Founder and Chairman Datamatics Group, bestowed with the IMC Lifetime Achievement Award.
- Due to second wave of COVID-19 Datamatics stepped up its CSR initiatives. Datamatics, through an NGO Suraj Hope Foundation, contributed for oxygen concentrator plant to Rotary Club of Delhi Premier. Datamatics also donated mobile toilets and bathrooms for the rehabilitation center of COVID-19 patients at Puducherry. The handover was done to the honorable Chief Minister, Shri N. Rangaswamy of Puducherry.

Q1 FY22 – Key Result Highlights

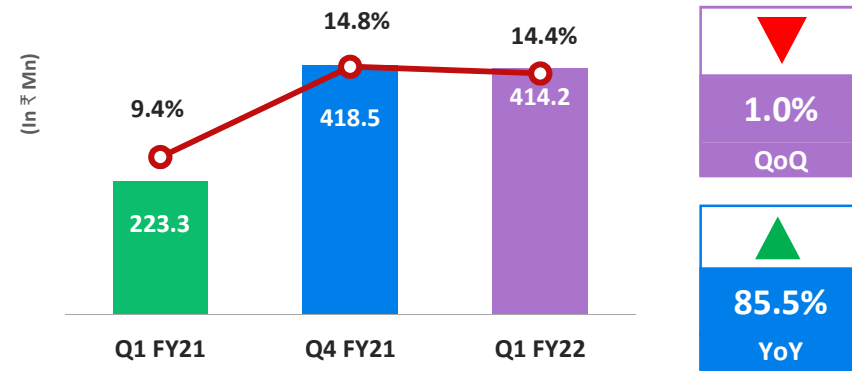
(Financials excluding Cignex Datamatics divested in Q4FY21)



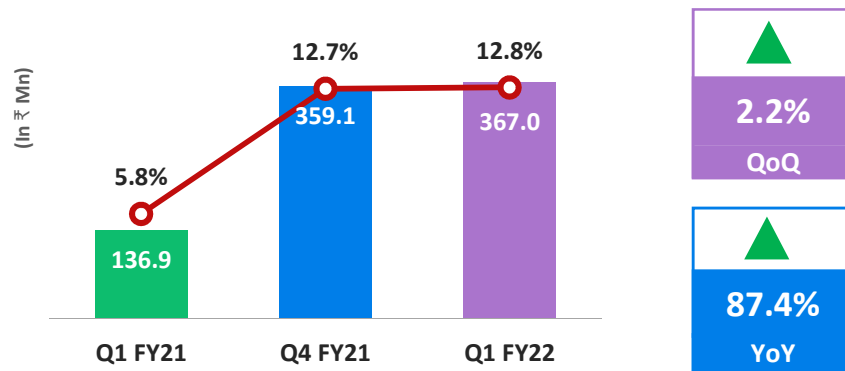
Operating Revenues



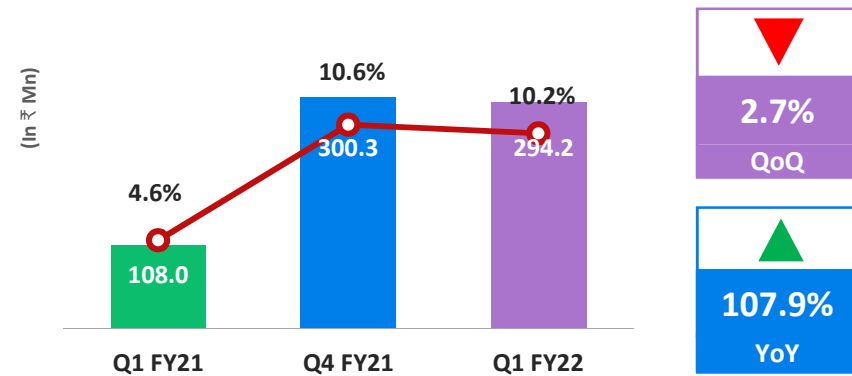
EBITDA & EBITDA %



Adjusted PBT & PBT* %



PAT before NCI & PAT before NCI %



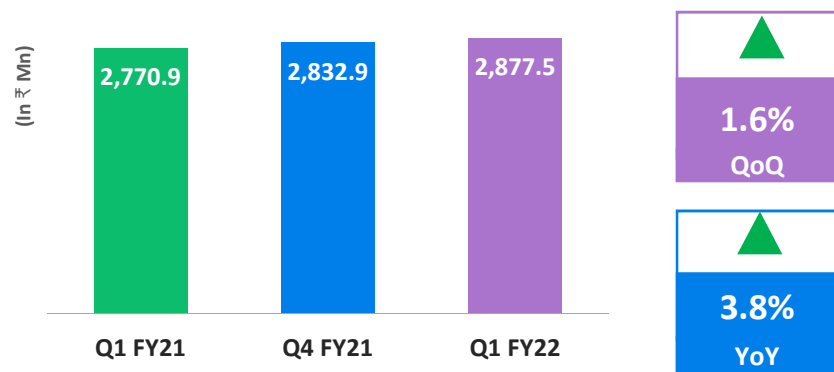
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* PBT and PAT (after NCI) adjusted for Exceptional Item

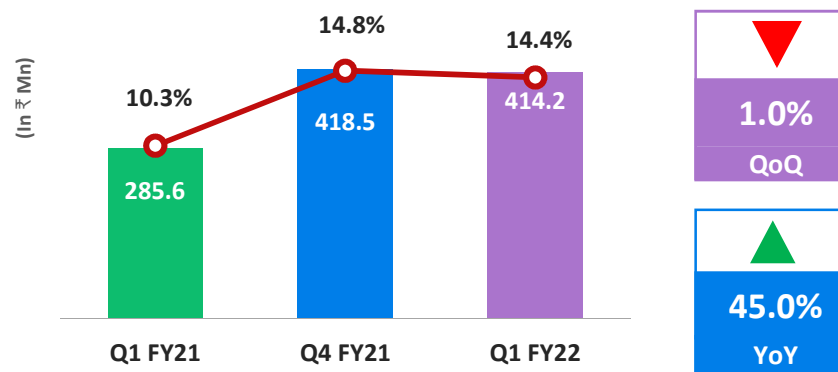
Q1 FY22 – Key Result Highlights



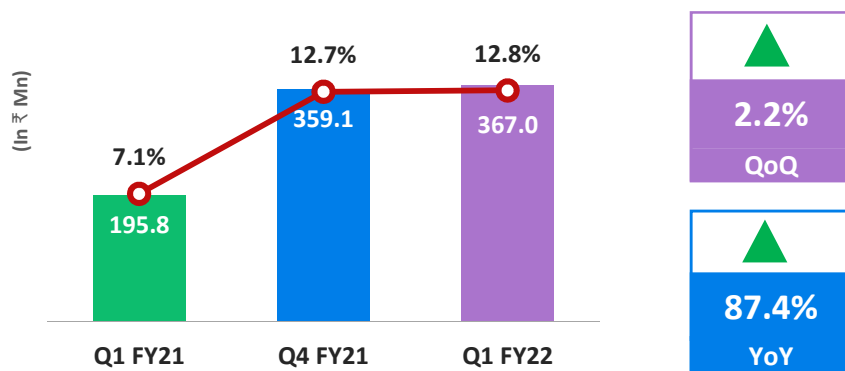
Operating Revenues



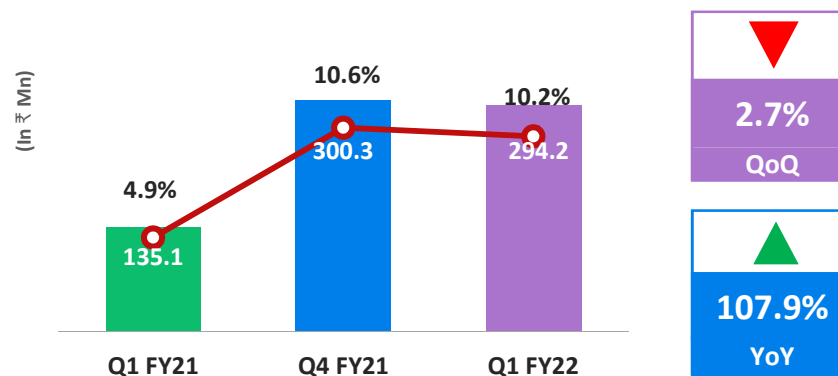
EBITDA & EBITDA %



Adjusted PBT & PBT* %



PAT before NCI & PAT before NCI %



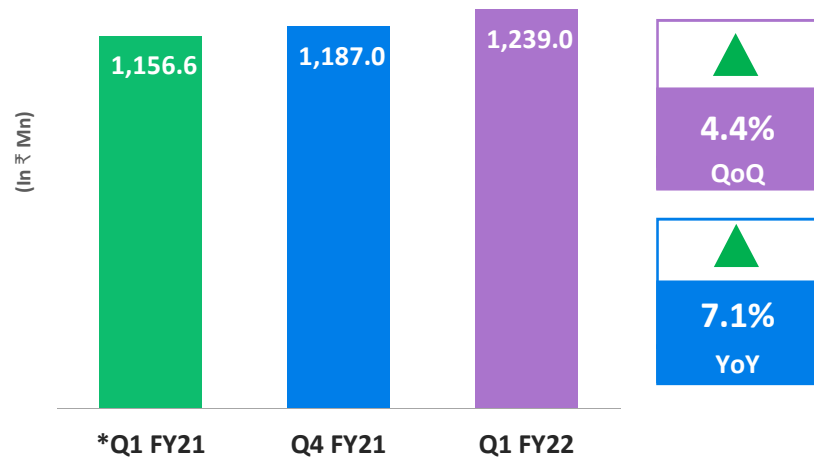
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* PBT and PAT (after NCI) adjusted for Exceptional Item

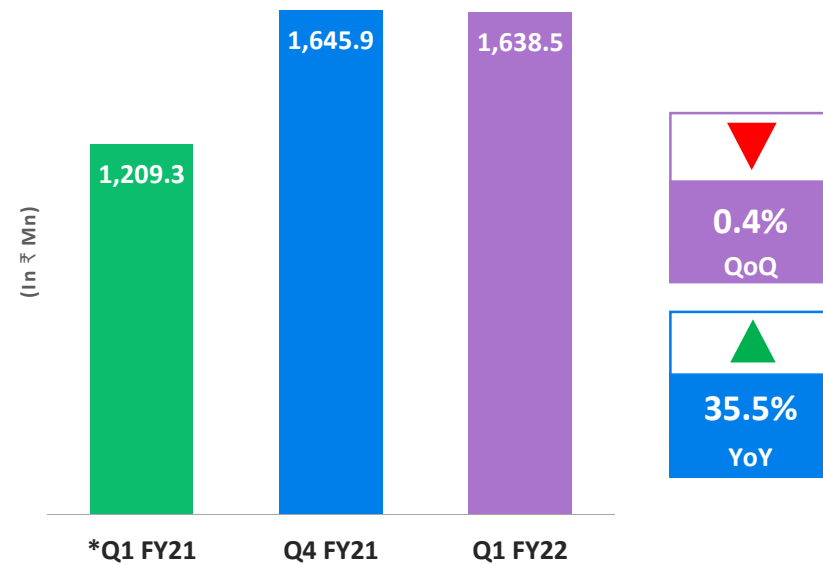
Q1 FY22 – Revenue Segment Analysis



IT Services Revenues – Q1 FY22



BPM Revenues – Q1 FY22

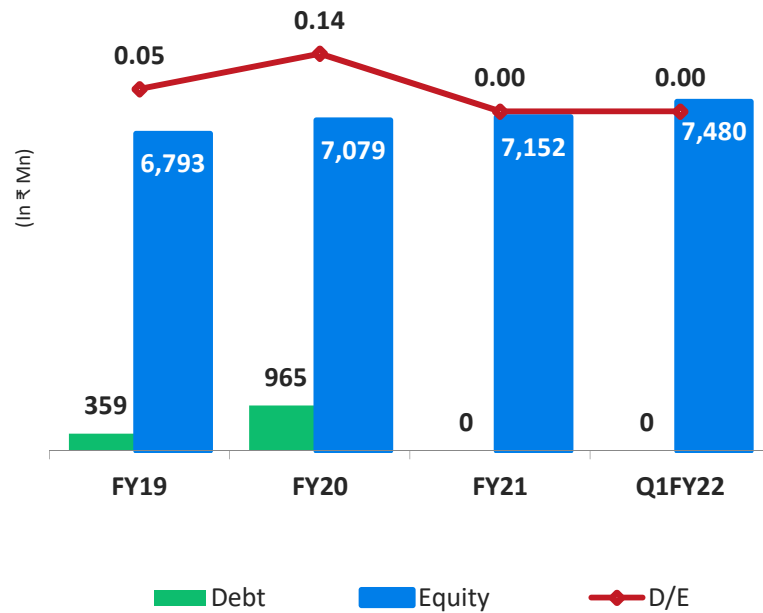


**Q1FY21 figures are excluding Cignex*

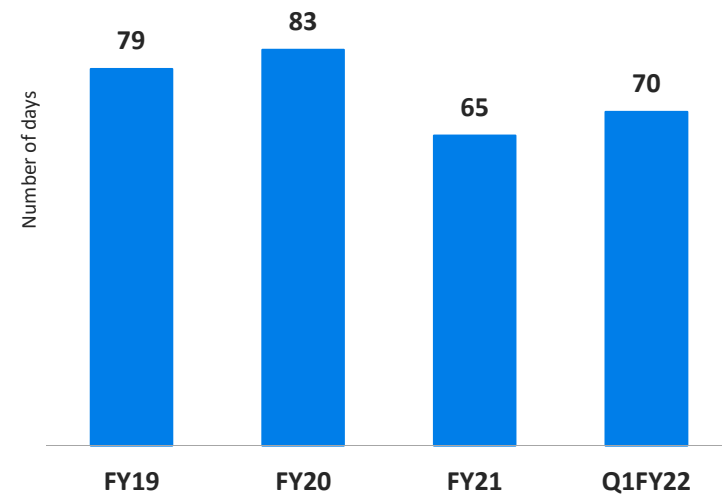
Healthy Balance Sheet Position



Leverage Analysis



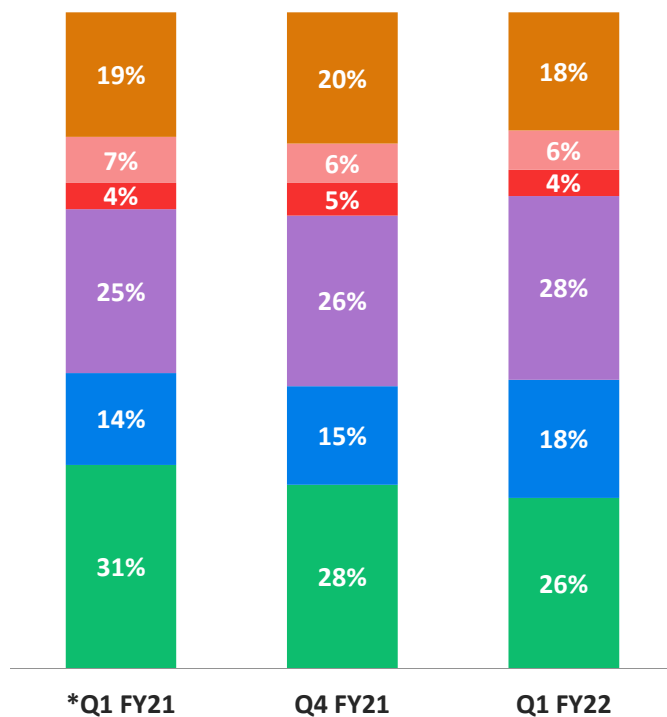
Days Sales Outstanding (DSO)



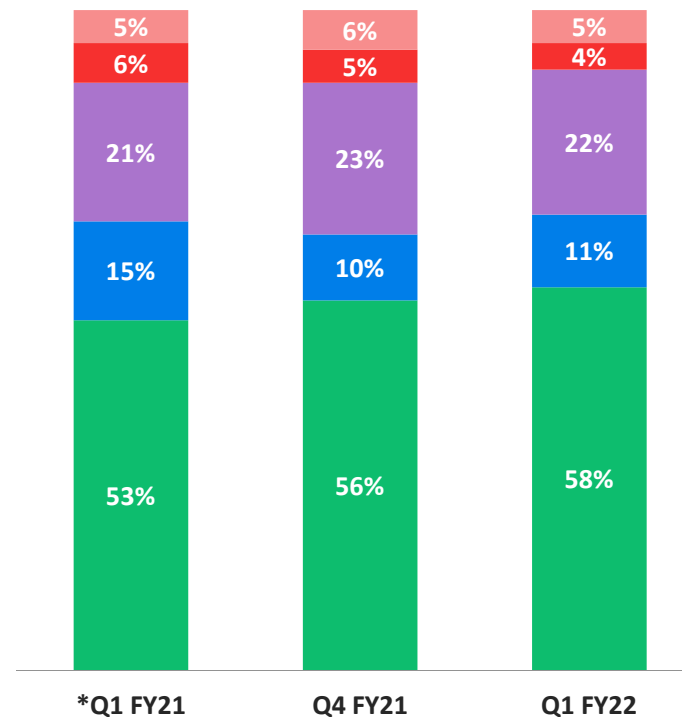
Q1 FY22 – Revenue Segment Analysis



Revenue by Industry



Revenue by Geography



- Others
- Manufacturing
- Technology & Consulting
- E-Commerce
- Publishing
- BFSI

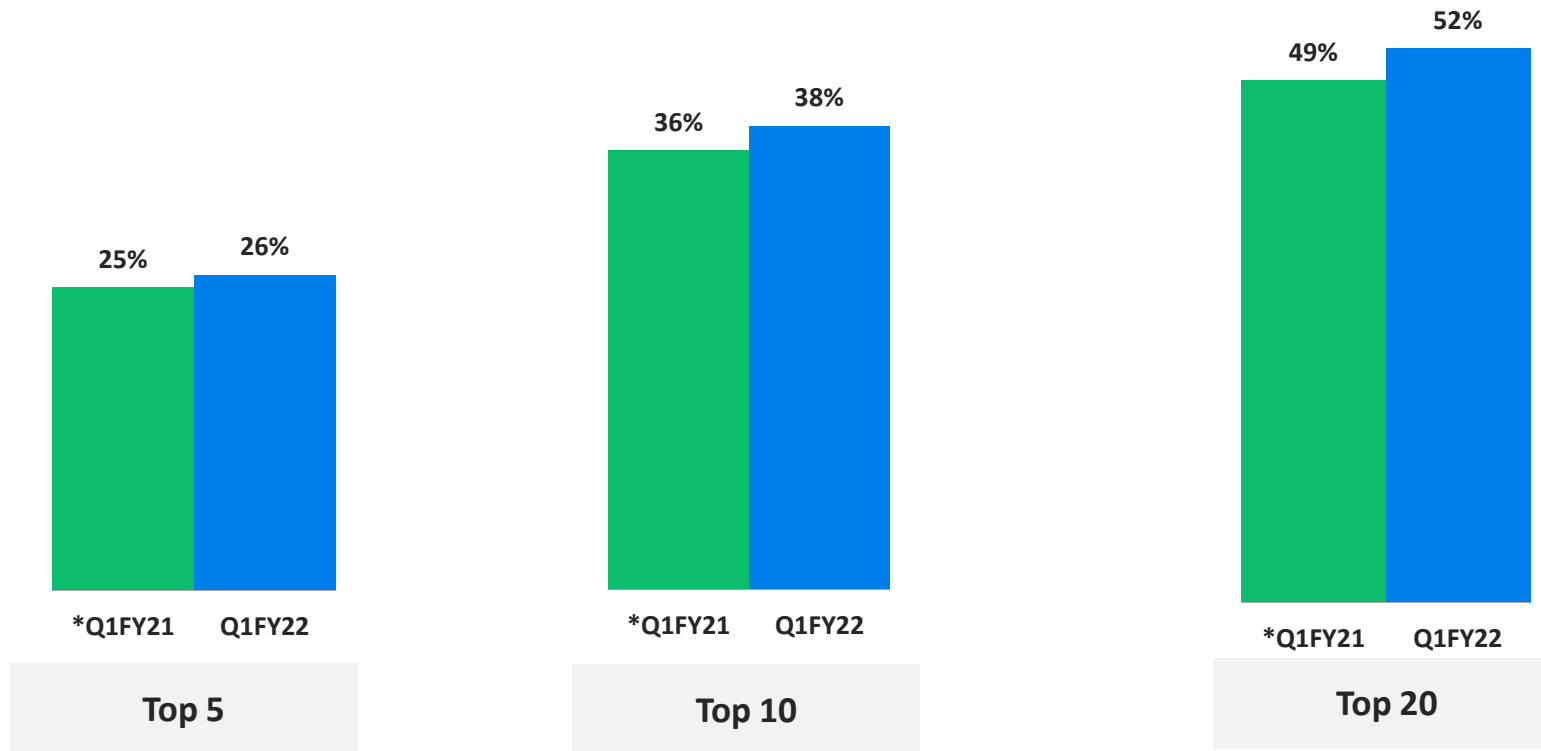
- US
- UK
- India
- Europe
- ROW

**Q1FY21 figures are excluding Cignex*

Q1 FY22 – Client Concentration



Client concentration maintained at a comfortable level



**Q1FY21 figures are excluding Cignex*

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Key Analyst Coverage



Datamatics TruBot recognized as a Strong Performer in Forrester Wave for RPA 2021



Datamatics recognized in the Gartner Market Guide for Finance and Accounting Business Process Outsourcing Service Providers 2021



Datamatics recognized as a Major Player in the IDC MarketScape. Asia/Pacific Intelligent Automation Services 2021 Vendor Assessment



Datamatics recognized as a Major Contender and Star Performer in the Intelligent Document Processing (IDP) –Everest PEAK Matrix® Assessment 2021



Celent recognizes Datamatics in What Vendors See For The Future of Robotic Process Automation in Insurance 2021



Datamatics recognized as Innovators in the NelsonHall NEAT Intelligent Automation Services in Banking 2021



Datamatics recognized as a Major Player in IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services 2021



Datamatics recognized as Technology Leaders in the Quadrant Knowledge Solutions SPARK Matrix : Robotic Process Automation, 2021



Datamatics recognized in HFS Market Analysis: RPA Software Products— Asia Pacific 2021



Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research



Datamatics leaps out of the Aspirants category to become a Major Contender in the Everest Group- Robotic Process Automation (RPA) Peak Matrix 2020



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Datamatics recognized in the Omdia Universe – Selecting a Robotic Process Automation (RPA) Provider 2020-21

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'

For further queries



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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.

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