



**DC Infotech and Communication
Limited**

**Result Update Presentation
Q1 FY24**

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Company Overview



Who we are...



Architect of complete & customized Secured Intelligent Networks



A leading network and security solutions provider

- Headquartered in Mumbai
- Enabling the secured digitization journey of Indian enterprises



Business Model

- DC Infotech promotes innovation of new services – networking , data security, cyber security, network surveillance, unified communication, digital signage, wireless, firewall among other solutions & services



Widespread Geographical Reach

- Pan-India reach with a strong presence in Western India with strategically located warehouses
- Strong technology tie-up with more than 12+ Business Partners
- 75 + Mid & Large enterprise customers across country



Strong Sales Team

- Operates with channel network of more than 1,600 channel partners
- Sales representatives in Delhi, Kolkata, Bangalore, Chandigarh, Indore, Pune, Rajkot, Guwahati, Lucknow, Bhubaneshwar & Jaipur



.. With customized Solutions Offered





Experienced Management Team



Mr. Chetankumar Timbadia



Managing Director

- Graduated with a degree of Bachelor of Engineering (Computer Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Over two decades of experience in Information technology (IT) sector

Mr. Devendra Sayani



Whole Time Director

- Graduated with a degree of Bachelor of Engineering (Computer Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Heads marketing and commercial relationship management departments of the Company

Mr. Jayeshkumar Sayani



Non – Executive Director

- Graduated with a Degree of Bachelor of Commerce from University of Mumbai
- Experience in execution and management of wide variety of projects and to guide Management in formulation of Business Strategies

Mr. Chandrashekar Gaonkar



Independent Director

- Completed FCA in 1987 and has over three decades of experience especially in Finance
- Former CFO at D-Link India Ltd and Head of Finance at CMS Traffic Ltd
- Experience in Finance, Audit, Administration, HR and ERP implementation, among others

Ms. Lipee Rajani



Independent Director

- Holds a degree of Chartered Accountant from Institute of Chartered Accountant of India
- Vast experience in MIS Reporting, Planning of Funds for disbursement of expenses, Preparation of CMA data for CC Renewals, Budgeting of Incomes and Expenses, strategic planning, Debtors Ageing Analysis

Ms. Sneha Chotai



Independent Director

- Completed her graduation in Bachelor in Financial Markets from University of Mumbai and MBA in Marketing from Balaji Institute of Management and Resource Development
- Vast experience and expertise in strategic planning, procurement and Management



Key Strengths



Brand Image

- Established as a trusted Solution Partner for OEMs over the years

End-to-end networking & Security solutions with a strong Customer Support

- Value-added services include designing, POC, implementation and Pre & Post support

Comprehensive range of product offering

- Single sourcing point offering entire range of networking, security solutions, and digital signage products from multiple vendors

Long term vendor/client relationships

- Relationship with over 12 vendors, with several associations of over 10 years

Widespread geographical reach

- Pan-India presence with Offices and Warehouses in strategic locations

Robust IT infrastructure and sophisticated Management Information Systems (MIS)

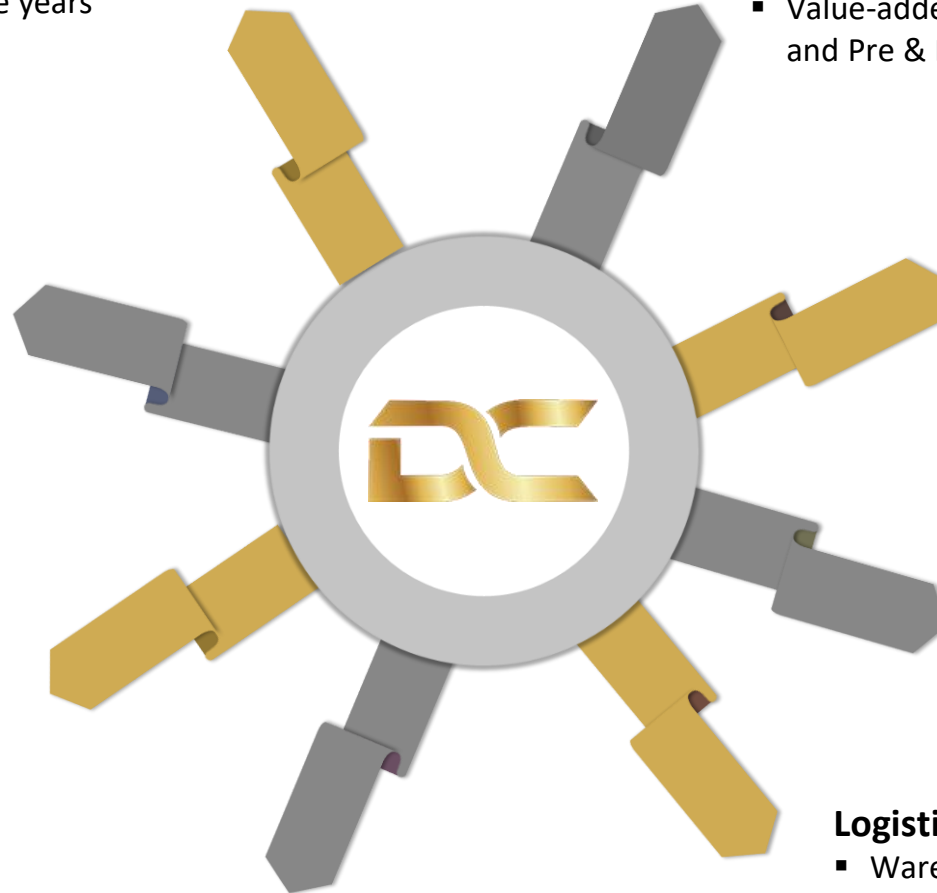
- Choice of quality products that are relevant to modern IT security systems and needs

Credit control and prudent risk management practices

- Dedicated team for risk and credit management

Logistics capabilities

- Warehouses across India ensure easy access and high penetration in market
- End-to-end logistics and own door delivery infrastructure enable time- and cost-efficient delivery





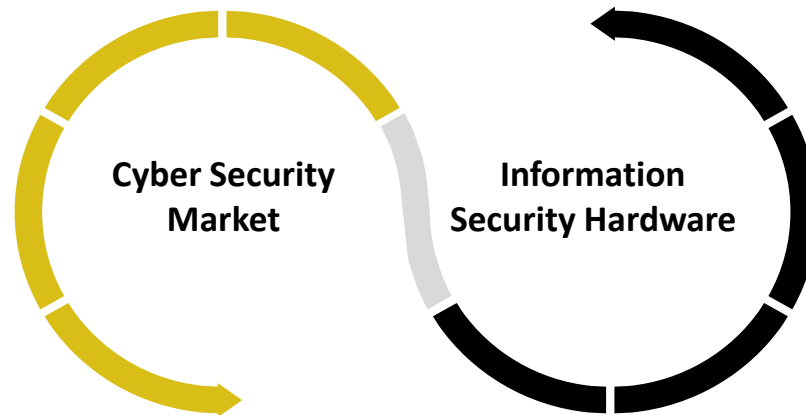
Industry Overview



Industry Overview



- The Global Cyber Security market size was valued at USD 153.65 billion in 2022. The market is projected to grow from USD 172.32 billion in 2023 to USD 424.97 billion in 2030, exhibiting a CAGR of 13.8% during the forecast period.
- The increasing demand for digitalization and scalable IT infrastructure and the ongoing need to tackle risks from various trends, such as third-party vendor risks, the evolution of MSSPs, and the adoption of a cloud-first strategy, lead to the rising demand for the market.
- The India Cybersecurity Market size is estimated at USD 3.97 billion in 2023, and is expected to reach USD 9.21 billion by 2028, growing at a CAGR of 18.33% during the forecast period (2023-2028).
- To combat issues like infrastructure breakdown due to cyberattacks, identity theft and ransomware, India has a strong and expanding cybersecurity ecosystem within a strong framework set up by the GoI, with private players offering several cybersecurity services and products.



- The global hardware security module (HSM) market revenue totaled US\$ 1.3 billion in 2022. The market is expected to reach US\$ 5.9 billion by 2033, exhibiting growth at a 16.5% CAGR between 2023 and 2033.
- The increasing usage of HSM in defense and government sectors has recently been identified as a critical reason for industry growth. To protect private and sensitive data from cyber assaults, hacking, and data breaches, the need for hardware security modules is growing across all industries.
- High online purchases and increased usage of e-banking are expected to drive the market. Major factor contributing growth of the hardware security module market is increasing concerns about data protection in all data-sensitive companies globally

Sources: <https://www.fortunebusinessinsights.com/industry-reports/cyber-security-market-101165>
<https://www.mordorintelligence.com/industry-reports/india-cybersecurity-market>
[Hardware Security Module Market Size & Outlook by 2033 | FMI \(futuremarketinsights.com\)](https://www.futuremarketinsights.com)
<https://www.ibef.org/blogs/rising-focus-on-cybersecurity-in-india>



Financial Highlights



Q1 FY24 Financial Highlights



Rs. Cr	Q1 FY24	Q1 FY23	Y-o-Y%	Q4 FY23	Q-o-Q%
Income from Operations	92.68	90.21		96.17	
Other Operating Income	0.00	0.00		0.00	
Total Income from Operations	92.68	90.21	2.73%	96.17	(3.64%)
Raw material	85.42	83.97		89.54	
Employee Cost	1.85	1.62		1.69	
Operating Cost	1.53	2.16		1.17	
Total Expenditure	88.81	87.75		92.39	
EBITDA	3.86	2.46	56.93%	3.78	2.19%
EBITDA Margin %	4.17%	2.73%	144 bps	3.93%	24 bps
Other Income	0.02	0.02		0.07	
Depreciation	0.15	0.17		0.19	
Interest	0.92	0.51		0.79	
Exceptional Item	0.00	0.00		0.00	
Profit Before Tax	2.82	1.80		2.87	
Tax	0.71	0.45		0.72	
PAT	2.11	1.35		2.15	
Other Comprehensive Income	0.00	0.00		0.00	
Net Profit	2.11	1.35	56.77%	2.15	(1.65%)
Net Profit Margin (%)	2.28%	1.49%	79 bps	2.23%	5 bps
Basic EPS in Rs.	1.76	1.12	57.14%	1.73	1.73%

- Revenue growth driven by Sale of Samsung, Netgear, Arbor, D-link and Zscaler
- EBITDA margins improved because of change in mix of products and brands coupled with decrease in other expenses



FY23 Financial Highlights



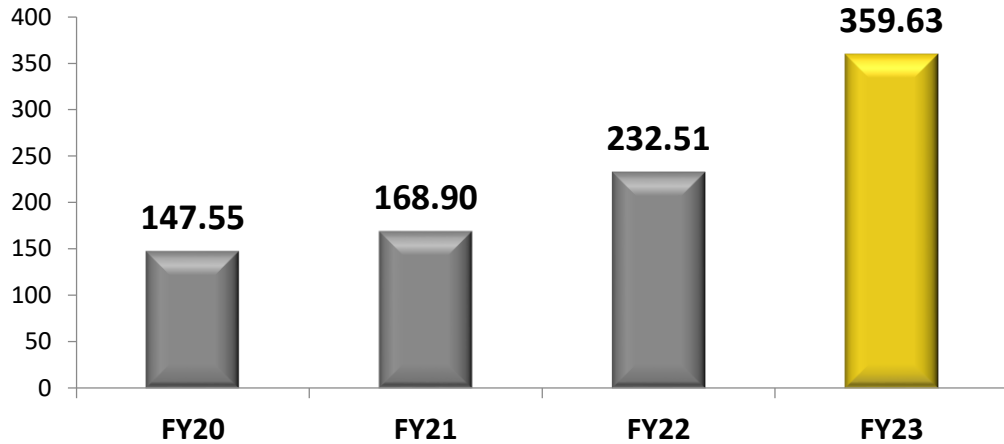
Rs. Cr	FY23	FY22	Y-o-Y
Income from Operations	359.63	232.51	
Other Operating Income	0.00	0.00	
Total Income from Operations	359.63	232.51	54.67%
Raw material	332.33	214.97	
Employee Cost	7.28	5.36	
Operating Cost	7.30	4.85	
Total Expenditure	346.90	225.19	
EBITDA	12.72	7.33	73.63%
EBITDA Margin %	3.54%	3.15%	39 bps
Other Income	0.27	0.09	
Depreciation	0.74	0.42	
Interest	2.77	1.53	
Exceptional Item	0.00	0.00	
Profit Before Tax	9.49	5.47	
Tax	2.41	1.47	
PAT	7.08	4.00	
Other Comprehensive Income	0.00	0.00	
Net Profit	7.08	4.00	76.73%
Net Profit Margin (%)	1.97%	1.72%	25 bps
Basic EPS in Rs.	5.90	3.34	76.65%



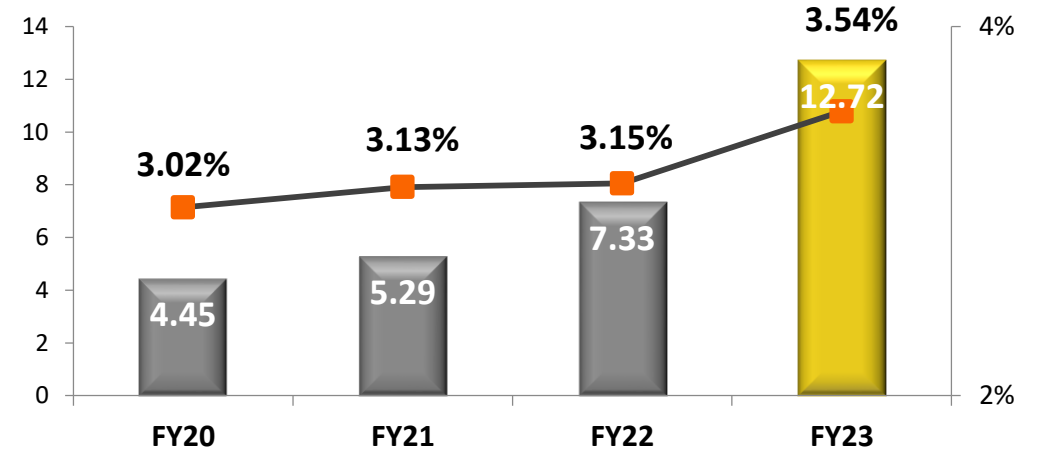
Annual Performance Highlights



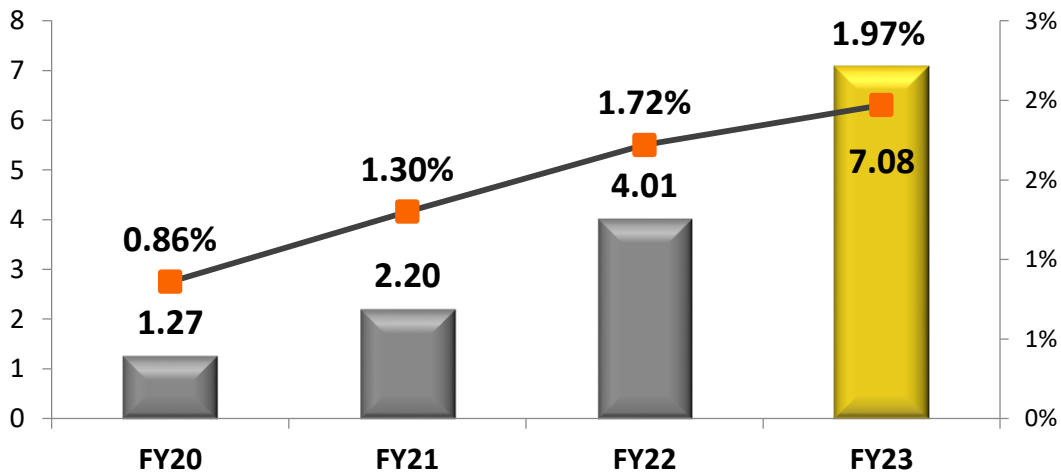
Revenue (Rs. Cr.)



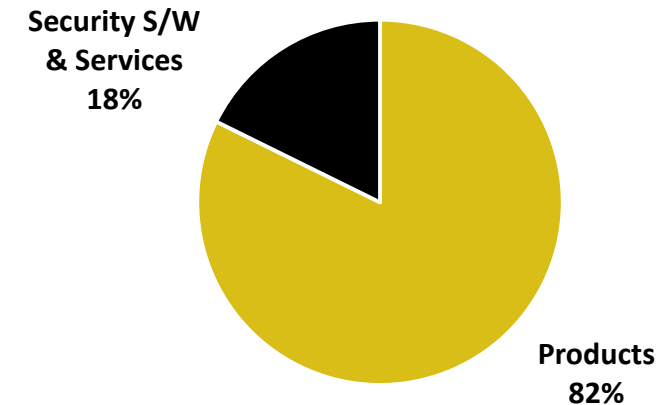
EBITDA (Rs. Cr.) / Margin (%)



PAT (Rs. Cr.) / Margin (%)



FY23 Revenue Split





Balance Sheet Highlights



Rs. Cr	As on 31 st March 2023	As on 31 st March 2022
Equity	29.53	22.45
Equity Share capital	12.00	12.00
Other Equity	17.53	10.45
Minority Interest	0.00	0.00
Non-current liabilities	2.49	3.78
Long term borrowings	2.49	3.78
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.00	0.00
Current liabilities	108.00	75.48
Short Term Borrowings	23.52	14.02
Trade Payables	79.06	55.14
Other Financial liabilities	1.96	1.94
Other Current liabilities	0.87	1.78
Short-term provisions	0.12	0.24
Current Tax liabilities (Net)	2.47	2.35
Total Equities & Liabilities	140.02	101.71

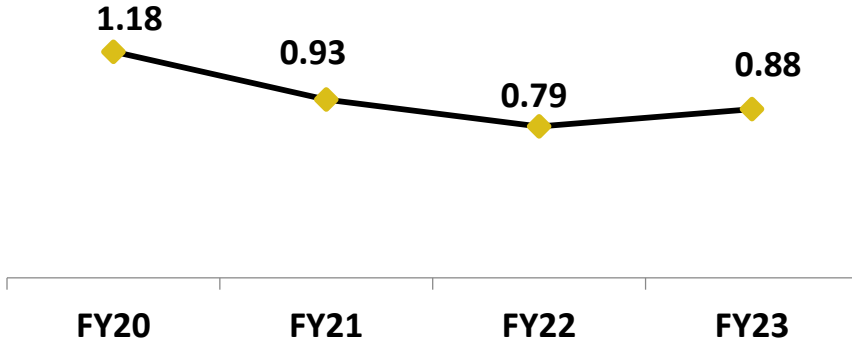
Rs. Cr	As on 31 st March 2023	As on 31 st March 2022
Non-current assets	1.65	2.01
Property, Plant and Equipment	1.40	1.81
Intangible Assets	0.00	0.00
Non-current Investments	0.00	0.00
Net Deferred Tax Assets	0.24	0.19
Long-term loans & advances	0.00	0.00
Other non-current assets	0.00	0.00
Current assets	138.37	99.70
Inventories	54.23	36.65
Trade receivables	71.00	46.03
Cash, Cash equivalents & Bank balances	3.46	8.92
Bank Balances other than above	0.00	0.00
Other Financial assets	0.20	0.26
Other Current Assets	9.48	7.83
Total Assets	140.02	101.71



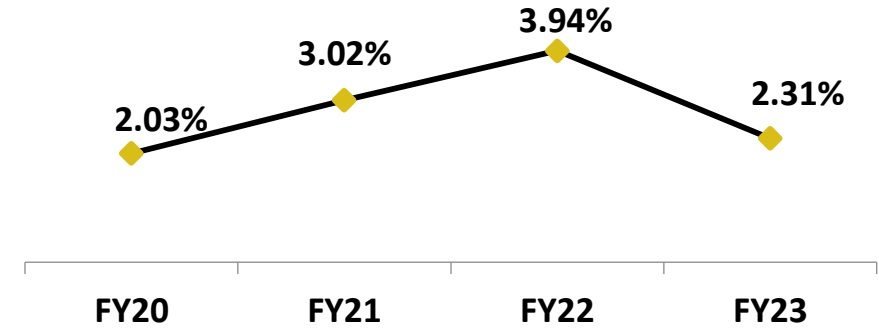
Key Return Ratios



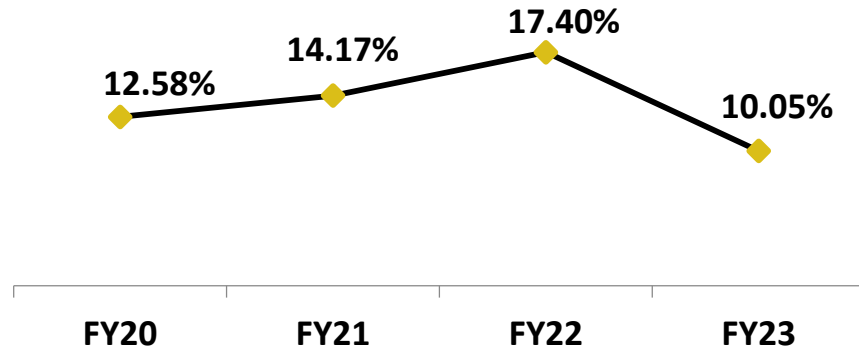
Debt/Equity (x)



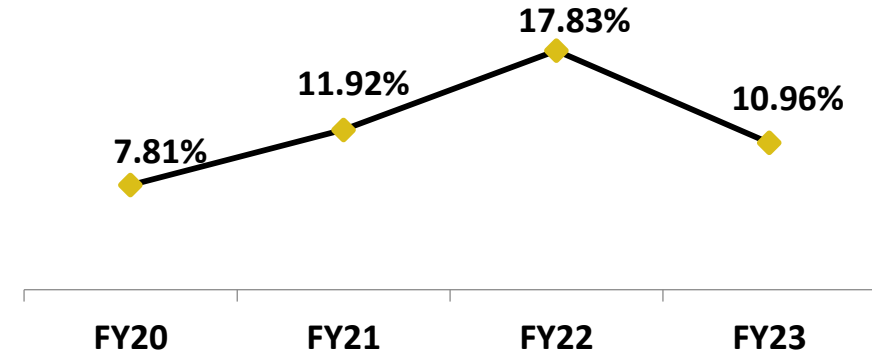
RoA (%)



RoCE (%)



RoE (%)



ROE = Net Profit/ Net Worth, ROA = Net Profit/ Total Assets , RoCE = EBIT/(Shareholders fund + long term borrowing + short term borrowing- Non-current investment)
Debt/Equity = Total Debt/Shareholders Fund

Way Ahead





Journey So Far



1998 -DC infotech
Founded
1999 - Got D-Link
sub distribution

1998-99

2005-08

2005 -Top
Gigabyte partner
in all India
2008 - Sonicwall
premium partner

2009 -Got Channel
world premier 100
award
2010 - Appointed D-Link
Distribution business

2009-10

2015-16

2015 -Awarded with
Dell security best
performance partner
2015 - Branch
opened at
Ahmedabad
2016 - Upgraded to
digital signage
platinum partner by
Samsung

2017 -Netgear National
value added distribution
100 crore turnover
achieved
2017 - Received Crisil
Rating MSE2
2017 - Netscout
premium partner
2018 - Upgraded to
Zscaler premium partner

2017-18

2019-21

2019 -Delta emerging
partner
2019 - Listed on NSE
Emerge Board
2021 - Won many
new projects
including from
Maruti Suzuki
Gujarat & Bluestar
for Zscaler, & from
Tata Play for
NetScout

2023

- Won Excellent SMB Partner award from D-Link
- Opened new branch in Surat, India
- Ranks 13th in India's Growth Champions 2023 at Nation's Fastest Growing Companies India
- Bags new orders from prestigious clients for Netscout”
- Enters into a partnership with Array Networks to offer entire suite of network solutions across
- Received Udhyam Ratna Award



Way Ahead



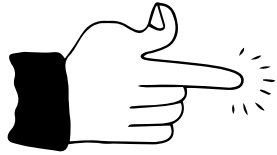
Aspires to be an Intelligent Secured Services Partner



Stage
01

Growing Product Portfolio in existing verticals

- Increasing pocket share with existing and new solutions and technologies
- Adding new high-growth-potential products in line with changes in technology trends
- Distributing revenue mix from multiple solutions to reduce dependence on one



Stage
02

Foray into new verticals and business lines

- Use core competencies developed in networking & security solutions, in other promising verticals – secured access, SaaS, Software Defined-WAN, Cloud Security, SSN VPN, AV over IP Network Solutions
- Value-added solutions would serve as key differentiator in other verticals – hybrid workplaces, cloud + data centers



Stage
03

Exploring new regions and geographies

- Expand footprint across India to become nationwide player
- 'Digital India' initiative and 5G Networking Services enables huge demand for Networking & Security



Stage
04

Focus on niche products

- Focus on high margin, high-value brands such as Samsung, NetScout, Zscaler etc.
- Increase focus on enterprise-class solutions
- Expand omni-channel network covering solution partners, integrators and corporates

... leading the transformation in the global networking industry 18



Thank You !



For further information, please contact:

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Company Secretary & Compliance Officer

DC Infotech and Communication Ltd

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