Saksoft Limited

COMPANY BACKGROUND……………………………………………………………………..

- Saksoft is a global IT services company with recognized leadership in Information Management Solutions, Application Development and Testing Services.
- It was founded in 2000, today is a leading Digital Transformation Solution Partner for clients across the globe. The Company's headquarters are located in Chennai (India) and has 16 offices across India, Europe, Asia and USA.
- Saksoft is a forward-looking digitalization partner for mid-sized global companies. It's custom enabled Cloud Enterprise Applications and Omni Channel solutions allow businesses to access real-time information that it wants, when they want to, and where they want it.
- It's expertise in Augmented Analytics solutions like Predictive, Prescriptive analytics using AI/ML, NLP, etc. help convert your data to a decision, personalize your marketing efforts and improve speed and accuracy through intelligent decision automation.

BUSINESS MIX (AS OF Q1 FY25)……………………………………………………

- **Fintech (31%):** Being a niche in Fintech space since 20+ years and delivering a range of applications and solutions, it's able to leverage on its expertise to service better.
- **Hitech, Media & Utilities (42%):** Saksoft provides a wide range of services to support TMT organizations, including technology companies, IT service providers, telecom firms, and media/entertainment players. They also assist utility companies in digital transformation, offering innovative IT solutions to improve operational efficiency, customer engagement, and sustainability.
- **Transportation & Logistics (16%):** Dreamorbit of the Saksoft group provides next-gen technology based solutions to Logistics and Fin-Tech industry.
- **Digital Commerce (11%):** Saksoft's retail solutions are fueled by our domain expertise combined with its retail experience in building end-to-end retail solutions that solve complex challenges. It supplements areas such as customer engagement, eCommerce, Sales & Marketing, Supply chain, and Pricing.

KEY STRENGTHS……………………………………………………………………………

- **Task Force:** Experienced and dedicated management team with a diversified board.
- The Company has lucrative **multiyear contracts** with well-known brands that guarantee revenue visibility.
- **Cross-selling and upselling** by the company aided in its development as a full-service provider.
- **Domain-specific solutions:** A trustworthy digital partner because of its extensive expertise of the numerous industries it offers digital solutions for.
- **Customer-fit:** Focus on clients with revenues ranging from USD 100 million to USD 3 billion- not too large to lose the customer perspective nor too little to be unable to spend appropriately.
- **Verticals specialization:** Concentration on a few verticals that are motivated by evolving lifestyle relevance and Comprehensive solutions
- **Consistent focus on digitalisation-driven** transformation along with Early entrant with a strong track record of successful digitalization driven projects and financial metrics

FINANCIAL PERFORMANCE………………………………………………………………

(INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	4,804	790	16.44%	633	13.18%	6.34
FY23	6,656	1,082	16.25%	820	12.32%	8.18
FY24	7,616	1,367	17.95%	962	12.63%	9.59
Q1-FY25	2,010	350	17.43%	256	12.73%	2.53

Key Data	
BSE Code	590051
NSE Code	SAKSOFT
Reuters	SAKS.NS
Bloomberg	SAK:IN

Market Data (INR) as on 30th June, 2024	
Face Value	1.00
CMP	279.80
52 Week H/L	399.40/210.00
MCAP (Mn)	29,670.27
Shares O/S (Mn)	106.04
1 Yr Avg. Vol. ('000)	258.74

Performance as on 30th June, 2024

	3M	6M	12M
SAKSOFT	7.7%	(13.1)%	(13.1)%
SENSEX	6.8%	9.4%	21.9%
BSE SMALLCAP	19.7%	21.6%	59.4%

Shareholding Pattern as on 30th June, 2024	
Promoters	66.64%
Public	25.21%
FPI	3.54%
Employee trust	4.61%

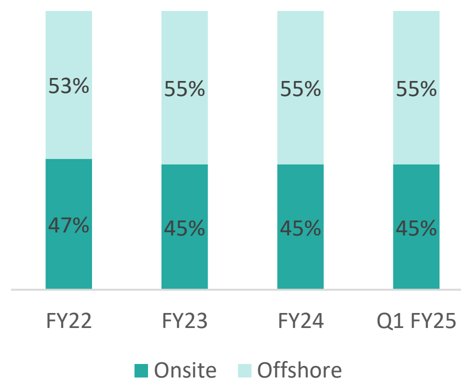
BUSINESS SEGMENTS……………………………………………………………………

- Fintech: It's offerings include Mobile Cash Disbursement Solution, API Integration, Mobile/Web Development, Credit Scoring, Fraud prevention, etc. Increased internet penetration coupled with the growing popularity of digital payments & wallets is a key growth driver.
- Telecommunication: It provides Share Point Development, Advance Analytics to reduce customer churn, Oracle Support and Testing COE.
- Transportation & Logistics: It provides IoT solutions, Freight management software, Supply chain management, EDI integration, etc. It purchased MC Consulting, a Singapore-based company that specializes in offering technology-based business solutions, in February 2022.
- Public Sector: Offerings include Smart cities - Machine learning & facial recognition from IoT data feeds, Predictive Analytics & BI to provide better healthcare, etc. Acuma was acquired in 2006, it is an IM focused company focusing on the public sector.
- Retail E-Commerce: Offerings include social Listening (Micro Influencer), Customer 360, Customer Journey Tracking and ECommerce Portal Development. Solveda, a US based Digital Ecommerce solution company was acquired in August 2023.

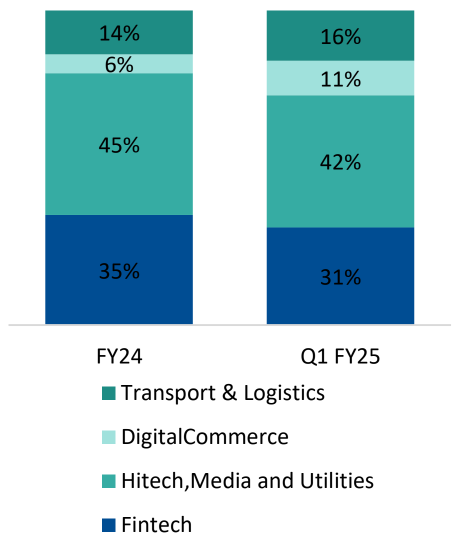
GROWTH DRIVERS……………………………………………………………………

- **Inch-wide and Mile deep strategy:** It focuses on niche verticals and offerings by investing in digital assets and frameworks such as UNITE, STAQK, SAQAMA.
- **String of Pearls approach strategy:** Executed through timely and complementary acquisitions that widened our services. This strategy helps to increase its capability without much gestation period.
- **Value over Volume:** Address empty territories represented by more profitable projects and broad- base its operations.
- **Agility:** Continue its operations with a mid-tier corporation with few decision-making layers, which increases its agility.
- **Cost Leadership:** Saksoft has invested in the offshore delivery model, a validated cost effective approach.
- **Build Strong Team:** The company will seek to recruit creatively and aggressively to achieve its growth ambition.
- **Focus on Emerging Sectors:** Addressing the sweep of digitization to help clients enhance operational efficiency.

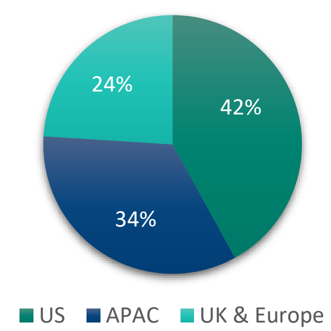
Revenue by Engagement Model (%)



Revenue by Verticals (%)



Revenue by Geography (%)



PEER COMPARISON (TRAILING 12 MONTHS) (INR MN) ……………………………………………………………

Company	Operational Income	EBITDA	EBITDA%	Net Profit	PAT%	Market Cap
Saksoft Ltd.	7,791	1,372	17.6%	966	12.4%	29,670
Zensar Technologies Ltd.	49,627	8,377	16.9%	6,668	13.4%	1,68,796
Mphasis Ltd.	1,34,490	24,535	18.2%	15,632	11.6%	4,64,056
Persistent Systems Ltd.	1,02,376	17,566	17.2%	11,711	11.4%	6,53,118
LTI Mindtree Ltd.	3,59,575	63,580	17.7%	45,674	12.7%	15,95,625

INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR MN)	FY22	FY23	FY24	Q1 FY25
Operating Income	**4,804**	**6,656**	**7,616**	**2,010**
Expenses	4,014	5,574	6,249	1,660
Operating EBITDA	**790**	**1,082**	**1,367**	**350**
Operating EBITDA Margins (%)	***16.44%***	***16.25%***	***17.95%***	***17.43%***
Depreciation	69	100	119	30
Finance Cost	28	22	35	12
Other Income	111	94	69	28
PBT	**804**	**1,054**	**1,282**	**336**
Tax	171	234	320	80
Profit After Tax	**633**	**820**	**962**	**256**
PAT Margins (%)	***13.18%***	***12.32%***	***12.63%***	***12.73%***
Other Comprehensive Income	3	85	80	9
Total Comprehensive Income	**636**	**905**	**1,042**	**265**
EPS Basic (INR)	6.34	8.18	9.59	2.53

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR MN)	FY22	FY23	FY24
EQUITIES & LIABILITIES			
Equity			
(A) Equity Share Capital	100	100	101
(B) Other Equity	3,085	3,945	4,953
Total Equity	**3,185**	**4,045**	**5,054**
Non-Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	39	-	73
(ii) Other Financial liabilities	49	41	302
(iii) Lease liabilities	119	81	124
(B) Provisions	62	102	151
(C) Other Non-Current Liabilities	-	-	-
Total Non – Current Liabilities	**269**	**224**	**650**
Current Liabilities			
(A) Financial Liabilities			
(i) Borrowings	2	-	11
(ii) Trade Payables	295	257	359
(iii) Lease Liabilities	47	54	56
(iv) Other Financial Liabilities	70	153	483
(B) Other Current Liabilities	679	858	1,157
(C) Provisions	68	90	94
Total Current Liabilities	**1,161**	**1,412**	**2,160**
GRAND TOTAL - EQUITIES & LIABILITES	**4,615**	**5,681**	**7,864**

PARTICULARS (INR MN)	FY22	FY23	FY24
ASSETS			
Non-Current Assets			
(A) Property, Plant and Equipment	121	147	146
(B) Right-of-Use Assets	167	128	149
(C) Goodwill on Consolidation	1,665	1,903	3,270
(C) Other Intangible Assets	3	5	4
(D) Financial Assets			
(i) Investments	70	-	-
(ii) Other Financial Assets	24	170	31
(E) Deferred Tax Assets (Net)	47	73	86
(F) Other Non-Current Assets	-	-	-
Total Non – Current Assets	**2,097**	**2,426**	**3,686**
Current Assets			
(A) Financial Assets			
(i) Investments	105	90	145
(ii) Trade Receivables	1,062	1,164	1,620
(iii) Loans	-	2	17
(iv) Cash & Cash Equivalents	739	879	1,418
(v) Bank balances other than (ii) above	210	557	507
(v) Other Financial Assets	200	249	178
(B) Current Tax Assets (Net)	15	33	40
(C) Other Current Assets	187	281	253
Total Current Assets	**2,518**	**3,255**	**4,178**
GRAND TOTAL – ASSETS	**4,615**	**5,681**	**7,864**

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS ………………………………………………………………….

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