# 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 Q3/9M FY24)……………………………………………………

- Fintech (36%): 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 (29%): With billions of data generated and consumed every second, telecom sector is bracing itself for huge data traffic and Saksoft has helped to create a value chain for their customers and opened up new avenues.
- Transportation & Logistics (13%): Dreamorbit of the Saksoft group provides next-gen technology based solutions to Logistics and Fin-Tech industry.
- Digital Commerce (6%): 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.
- Health Tech (3%): Saksoft's Healthcare COE has a good understanding of the emerging market trends and provides specialist services to improve health based offerings. Retail guides organizations to adopt the right mobile strategy, embrace the right technology platforms and transform into a next generation mobile enterprise.

## 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**
- **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.

## FINANCIAL PERFORMANCE………………………………………………………………………

| (INR Mn) | Operational Income | EBITDA | EBITDA% | PAT | PAT% | EPS |
|---|---|---|---|---|---|---|
| **FY21** | 3,858 | 644 | 16.69% | 454 | 11.76% | 4.56 |
| **FY22** | 4,804 | 790 | 16.44% | 633 | 13.18% | 6.34 |
| **FY23** | 6,656 | 1082 | 16.25% | 820 | 12.32% | 8.18 |
| **9M-FY24** | 5,667 | 1033 | 18.23% | 730 | 12.88% | 7.26 |

### Key Data

| | |
|---|---|
| **BSE Code** | 590051 |
| **NSE Code** | SAKSOFT |
| **Reuters** | SAKS.NS |
| **Bloomberg** | SAK:IN |

### Market Data (INR) as on 31st December, 2023

| | |
|---|---|
| **Face Value** | 1.00 |
| **CMP** | 320.40 |
| **52 Week H/L** | 399.4/120.80 |
| **MCAP (Mn)** | 33,863.08 |
| **Shares O/S (Mn)** | 105.69 |
| **1 Yr Avg. Vol. ('000)** | 553.06 |

### Performance as on 31st December, 2023

| | 3M | 6M | 12M |
|---|---|---|---|
| **SAKSOFT** | -3.2% | -0.5% | 158.4% |
| **SENSEX** | 9.8% | 11.4% | 18.7% |
| **BSE SMALLCAP** | 13.2$ | 30.5% | 47.3% |

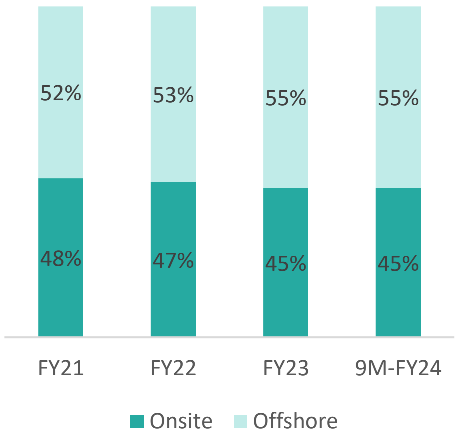
### Shareholding Pattern as on 31st December, 2023

| | |
|---|---|
| **Promoters** | 66.64% |
| **Public** | 29.43% |
| **FPI** | 3.93% |

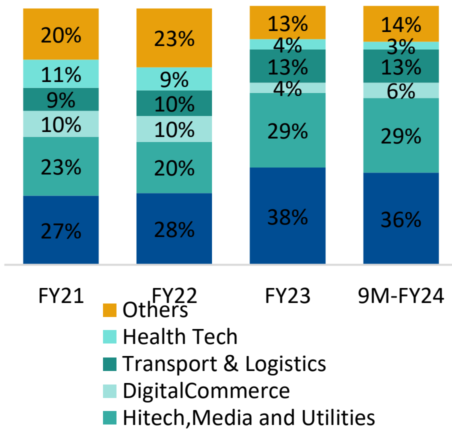
## BUSINESS SEGMENTS……………………………………………………………………….

- 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 specialises 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.
- Healthcare: It provides EHR integration, Imaging analytics, Integrated health monitoring via wearables and HL7/FHIR enabled provider apps. Faichi that specializes in the development and integration of enterprise products and web applications was acquired to penetrate into the healthcare 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.

**Revenue by Engagement Model (%)**



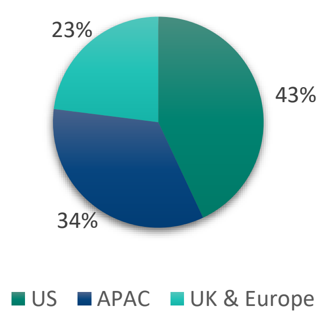

**Revenue by Verticals (%)**




## 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 Geography (%)**




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

| Company | Operational Income | EBITDA | EBITDA% | Net Profit | PAT% | Market Cap |
|---|---|---|---|---|---|---|
| **Saksoft Ltd.** | 7,488 | 1,358 | 18.1% | 954 | 13.1% | 33,863 |
| **Zensar Technologies Ltd.** | 1,25,493 | 22,448 | 17.9% | 6,110 | 4.9% | 1,38,298 |
| **Mphasis Ltd.** | 1,32,276 | 23,817 | 18.0% | 15,669 | 11.8% | 5,16,788 |
| **Persistent Systems Ltd.** | 94,856 | 16,376 | 17.3% | 10,297 | 10.9% | 5,68,272 |
| **LTI Mindtree Ltd.** | 3,53,151 | 64,554 | 18.3% | 45,980 | 13.0% | 18,61,372 |

## INCOME STATEMENT (CONSOLIDATED) ……………………………………………………………………………………………

| PARTICULARS (INR MN) | FY21 | FY22 | FY23 | 9M-FY24 |
|---|---|---|---|---|
| **Operating Income** | **3,858** | **4,804** | **6,656** | **5,667** |
| Expenses | 3,214 | 4,014 | 5,574 | 4,634 |
| **Operating EBITDA** | **644** | **790** | **1,082** | **1,033** |
| ***Operating EBITDA Margins (%)*** | ***16.69%*** | ***16.44%*** | ***16.25%*** | ***18.23%*** |
| Depreciation | 67 | 69 | 100 | 85 |
| Finance Cost | 34 | 28 | 22 | 24 |
| Other Income | 41 | 111 | 94 | 45 |
| **PBT** | **584** | **804** | **1,054** | **969** |
| Tax | 130 | 171 | 234 | 239 |
| **Profit After Tax** | **454** | **633** | **820** | **730** |
| ***PAT Margins (%)*** | ***11.76%*** | ***13.18%*** | ***12.32%*** | ***12.88%*** |
| Other Comprehensive Income | 95 | 3 | 85 | 67 |
| **Total Comprehensive Income** | **549** | **636** | **905** | **797** |
| EPS Diluted (INR) | 4.25 | 5.83 | 8.18 | 7.26 |

## BALANCE SHEET (CONSOLIDATED) ……………………………………………………………………………………………

| PARTICULARS (INR MN) | FY22 | FY23 | H1-FY24 |
|---|---|---|---|
| **EQUITIES & LIABILITIES** | | | |
| **Equity** | | | |
| (A) Equity Share Capital | 100 | 100 | 101 |
| (B) Other Equity | 3,085 | 3,945 | 4,443 |
| **Total Equity** | **3,185** | **4,045** | **4,544** |
| **Non-Current Liabilities** | | | |
| (A) Financial Liabilities | | | |
| (i) Borrowings | 39 | - | - |
| (ii) Other Financial liabilities | 49 | 41 | 373 |
| (iii) Lease liabilities | 119 | 81 | 77 |
| (B) Provisions | 62 | 102 | 151 |
| (C) Other Non-Current Liabilities | - | - | 29 |
| **Total Non – Current Liabilities** | **269** | **224** | **630** |
| **Current Liabilities** | | | |
| (A) Financial Liabilities | | | |
| (i) Borrowings | 2 | - | - |
| (ii) Trade Payables | 295 | 257 | 270 |
| (iii) Lease Liabilities | 47 | 54 | 44 |
| (iv) Other Financial Liabilities | 70 | 153 | 518 |
| (B) Other Current Liabilities | 679 | 858 | 890 |
| (C) Provisions | 68 | 90 | 92 |
| **Total Current Liabilities** | **1,161** | **1,412** | **1,814** |
| **GRAND TOTAL - EQUITIES & LIABILITES** | **4,615** | **5,681** | **6,988** |

| PARTICULARS (INR MN) | FY22 | FY23 | H1-FY24 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (A) Property, Plant and Equipment | 121 | 147 | 146 |
| (B) Right-of-Use Assets | 167 | 128 | 113 |
| (C) Goodwill on Consolidation | 1,665 | 1,903 | 3,277 |
| (C) Other Intangible Assets | 3 | 5 | 5 |
| (D) Financial Assets | | | |
| (i) Investments | 70 | - | - |
| (ii) Other Financial Assets | 24 | 170 | 31 |
| (E) Deferred Tax Assets (Net) | 47 | 73 | 88 |
| (F) Other Non-Current Assets | - | - | 74 |
| **Total Non – Current Assets** | **2,097** | **2,426** | **3,734** |
| **Current Assets** | | | |
| (A) Financial Assets | | | |
| (i) Investments | 105 | 90 | 85 |
| (ii) Trade Receivables | 1,062 | 1,164 | 1,425 |
| (iii) Loans | - | 2 | 23 |
| (iv) Cash & Cash Equivalents | 739 | 879 | 1,092 |
| (v) Bank balances other than (ii) above | 210 | 557 | 141 |
| (v) Other Financial Assets | 200 | 249 | 325 |
| (B) Current Tax Assets (Net) | 15 | 33 | 26 |
| (C) Other Current Assets | 187 | 281 | 137 |
| **Total Current Assets** | **2,518** | **3,255** | **3,254** |
| **GRAND TOTAL – ASSETS** | **4,615** | **5,681** | **6,988** |

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS ………………………………………………………………

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