



KELLTON TECH



EARNINGS PRESENTATION – 9M / Q3-FY19

# EXECUTIVE SUMMARY

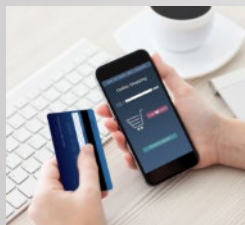
## Company Overview:



- Kellton Tech Solutions Ltd. (Kellton) is a new age IT services company with global footprint in the US, United Kingdom, Ireland, Singapore, and India.
- The Company offers digital solutions, advisory services, along with serving as systems integrator to over 300 clients globally, ranging from start-ups to Fortune 1,000 enterprises.

## Business Mix (FY18):

### Digital Transformation (69%)



Leveraging on a potent mixture of digital technologies for profoundly disrupting business activities and competencies through Digital Transformation.

### Enterprise Solutions (17%)



Kellton, as part of its founding philosophy, believes in developing customized solutions for large enterprises, as straitjacket fit solutions don't work for every business.

### Other Services (14%)



Headed by a passionate team of individuals, Kellton offers a large gamut of IT consulting services to organizations in a transparent and scalable manner.

## Servicing the following sectors:

Retail & E-commerce | Travel, Tourism & Hospitality | Media & Entertainment | Healthcare

Professional Services | Manufacturing | Food & Beverage | Oil & Gas | BFSI | IT

## Financial Highlights:

### Total Income

FY18	9M-FY19
<b>INR 7,862 Mn</b>	<b>INR 6,281 Mn</b>
CAGR (3 years)	
FY18	
<b>47.84%</b>	

### EBITDA

FY18	9M-FY19
<b>INR 1,212 Mn</b>	<b>INR 930 Mn</b>

### PAT

FY18	9M-FY19
<b>INR 684 Mn</b>	<b>INR 574 Mn</b>

# COMPANY OVERVIEW

Kellton Tech Solutions Ltd. (Kellton) is a CMMI Level 5 and ISO 9001:2015 certified technology consulting and services company founded on the belief of **'Infinite Possibilities with Technology.'**

Following industry best practices and agile principles for developing solutions by harnessing the power of disruptive technologies such as IoT, AI/ML, Blockchain, AR/VR, Chatbot, etc., is coherently ingrained in Kellton's genealogy.

With operations across the US, Europe, and Asia-Pacific, the team of 1,500 dedicated Kellton'ites take a technology agnostic approach to delivering solutions and serves as a bridge between the technology options and the clients' business needs.

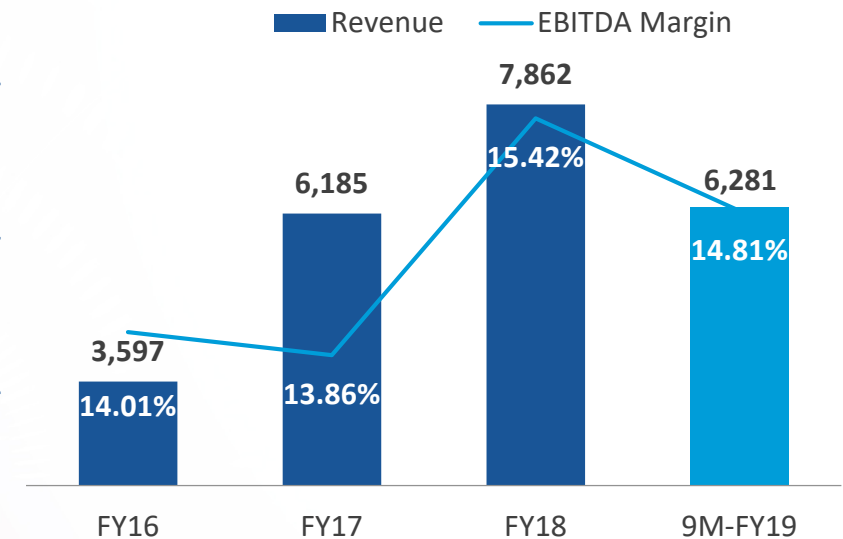
The company has vast experience in rendering its services to various industry verticals such as retail and e-commerce; travel, tourism and hospitality; healthcare, energy, BFSI; media, entertainment and lifestyle, amongst others.

We have helped startups to Fortune 500 clients build disruptive Digital Transformation solutions and leverage technology as a competitive differentiator for their businesses.

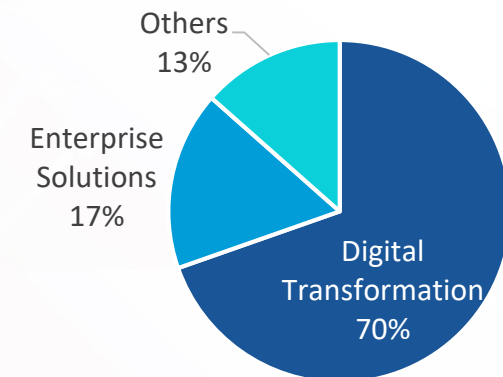
Driven by deep domain knowledge and technology expertise, we are also trusted partners of SAP, Software AG, MuleSoft, and IBM.

The company has meticulously built a comprehensive and impressive portfolio through strategic acquisitions in the United States, India, and Singapore.

## Total Revenues (INR Mn) & EBITDA Margins (%)



## Segmental Revenue Break-up (9M-FY19)





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# **9M / Q3-FY19 FINANCIAL OVERVIEW**

# 9M-FY19 FINANCIAL HIGHLIGHTS

## ➤ 9M-FY19 Financial Highlights:

- ✓ Total revenue of INR 6,281Mn; up 9.9% YoY
- ✓ EBITDA was at INR 930 Mn; up 9.9% YoY
- ✓ EBITDA Margin stood at 14.81%
- ✓ Net Profit stood at INR 574 Mn; up 24.6% YoY
- ✓ PAT Margin of 9.14%
- ✓ Diluted EPS was at INR 5.93 per share; up 24.8% YoY



# Q3-FY19 FINANCIAL & OPERATIONAL HIGHLIGHTS

## ➤ Q3-FY19 Financial Highlights:

- ✓ Total revenue of INR 2,078 Mn; down 1.4% YoY
- ✓ EBITDA was at INR 295 Mn; down 6.7% YoY
- ✓ EBITDA Margin stood at 14.18%
- ✓ Net Profit stood at INR 185 Mn; up 8.8% YoY
- ✓ PAT Margin of 8.90%
- ✓ Diluted EPS was at INR 1.84 per share; up 10.2% YoY

## ➤ Q3-FY19 Operational Highlights:

- Kellton Tech teamed up with BitSync2018 - The Largest BITS Alumni Conference in the US - as the official mobile app.
- Kellton Tech was the mobile app partner for Nasscom Design & Engineering Summit and Nasscom Product Conclave.
- The overall muted growth in Q3-FY19 was primarily due to seasonality and furloughs in USA for the calendar year, lower order from the significantly larger customer from phase II of Mauritius project and sale of the subsidiary, Bokanyi Consulting in March 2018, reducing its contribution from the total revenue.
- The company has significantly ramped up its India hiring to cater to increased demand from existing clients and it is also witnessing good upcoming demand from Non-government related companies in India.

# Q3-FY19 NEW CLIENT WINS

Acquired 13 new clients, some big wins are:



## A large Manufacturing Firm

Deploying location-based cargo services for the US-based manufacturer of bottled water and soft drinks



## A Leading Product Company

Building digital capabilities to enhance platform features and deliver Digital Ads to Fortune 500 companies for a UK-based Product Company



## A Premier Investment Company

Delivering an end to end wealth management solution for a premier investment company



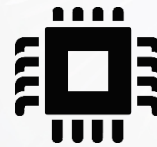
## A Leading Provider of Surgical Imaging Platform

Revamping patient services to improve outcomes of a Leading provider of surgical imaging platform



## A Global Telecom Firm

Optimizing the supply-chain for a global telecom firm leveraging analytics solution



## A Technology Company

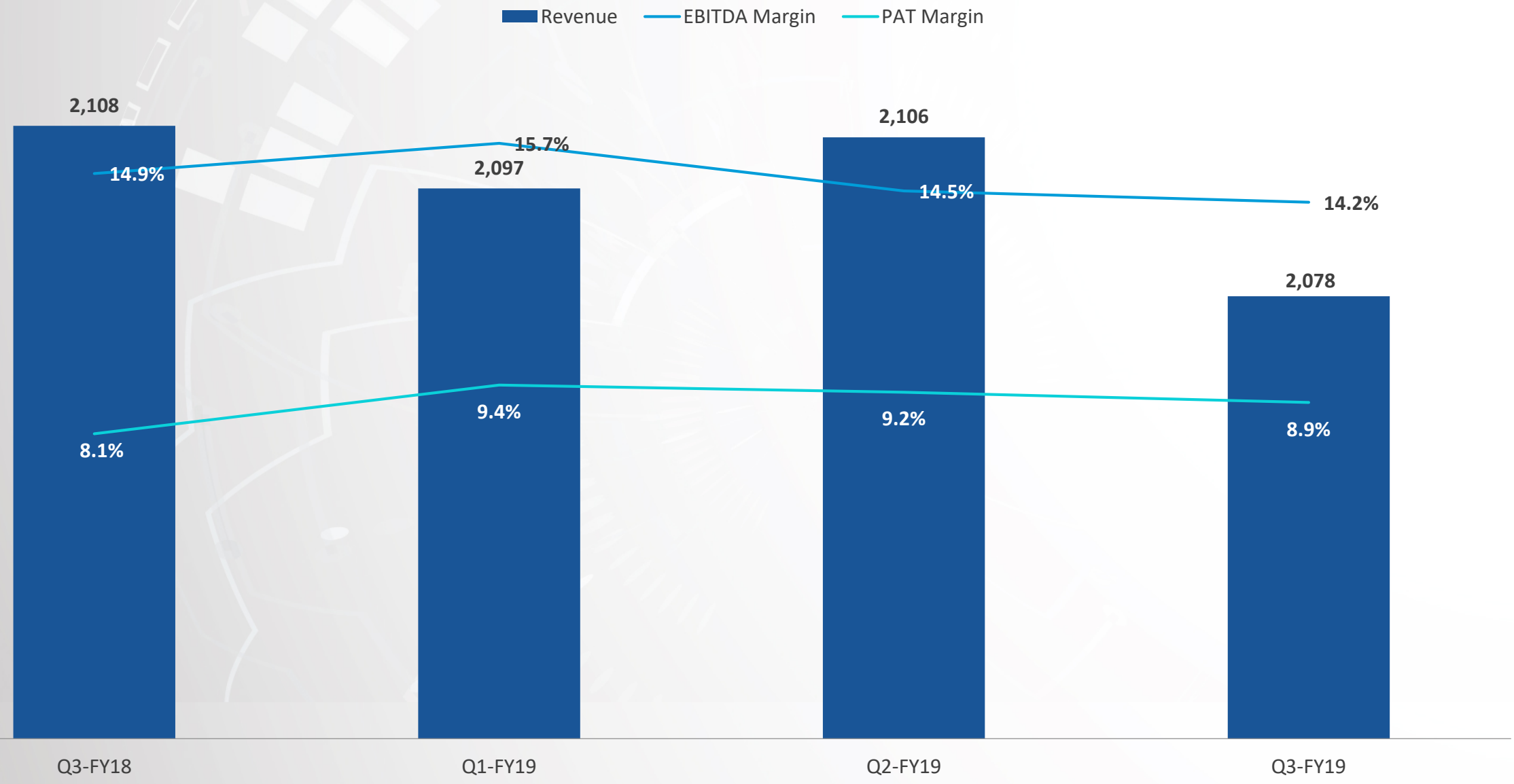
Deploying an integration solution to deliver new capabilities for a global leader in engineering and technology services



## A Large Media Enterprise

Implementing a Digital Asset Management platform to automate processes for one of the largest media house in the US

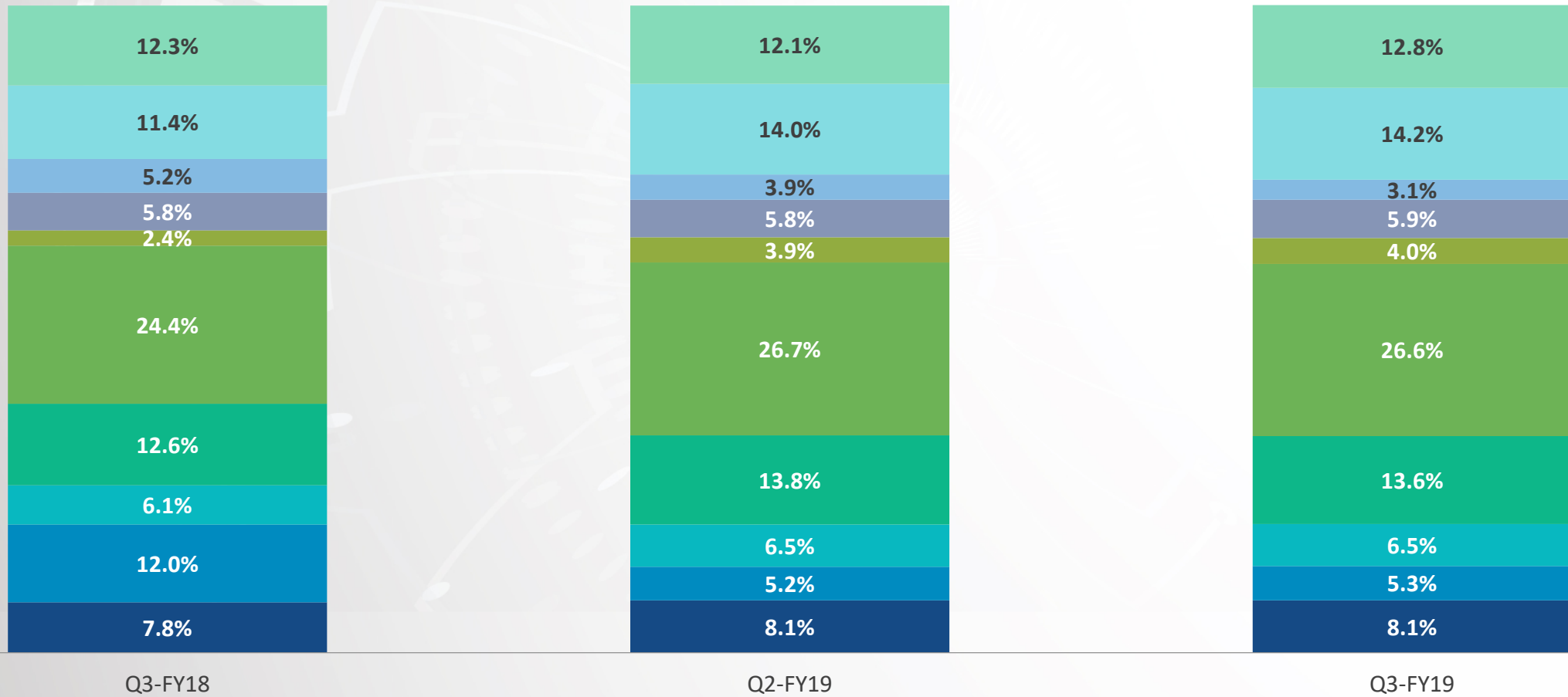
# Q3-FY19 REVENUE SUMMARY





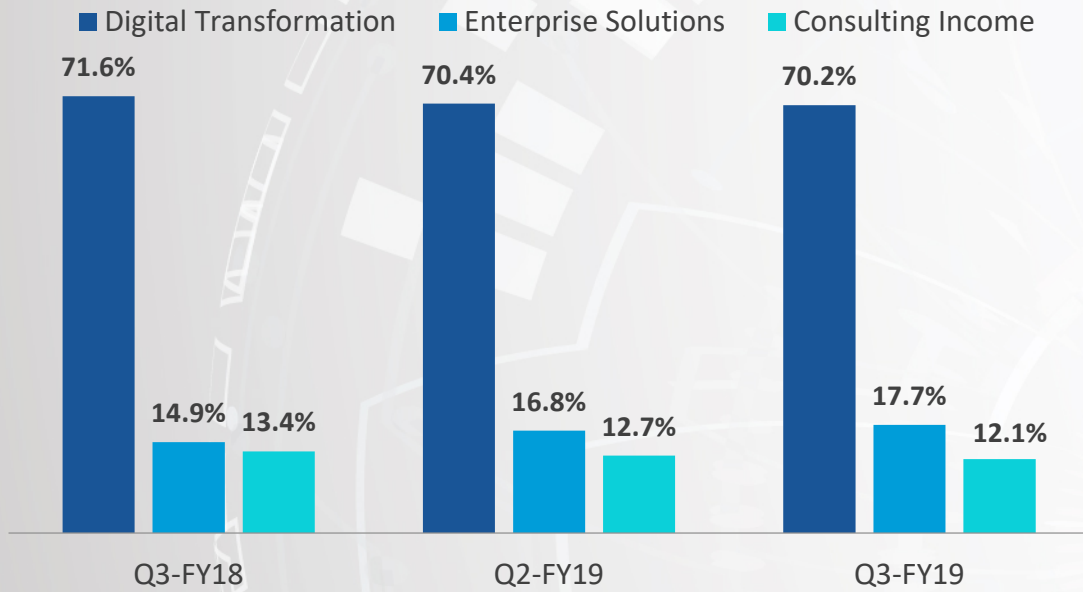
# Q3-FY19 REVENUE BY INDUSTRY

- BFSI
- Education
- Energy & Utilities
- Healthcare & Life Sciences
- Information Services & Technology
- Manufacturing
- Media & Entertainment
- Others, Aviation & NGO
- Professional Services/Business Services
- Retail

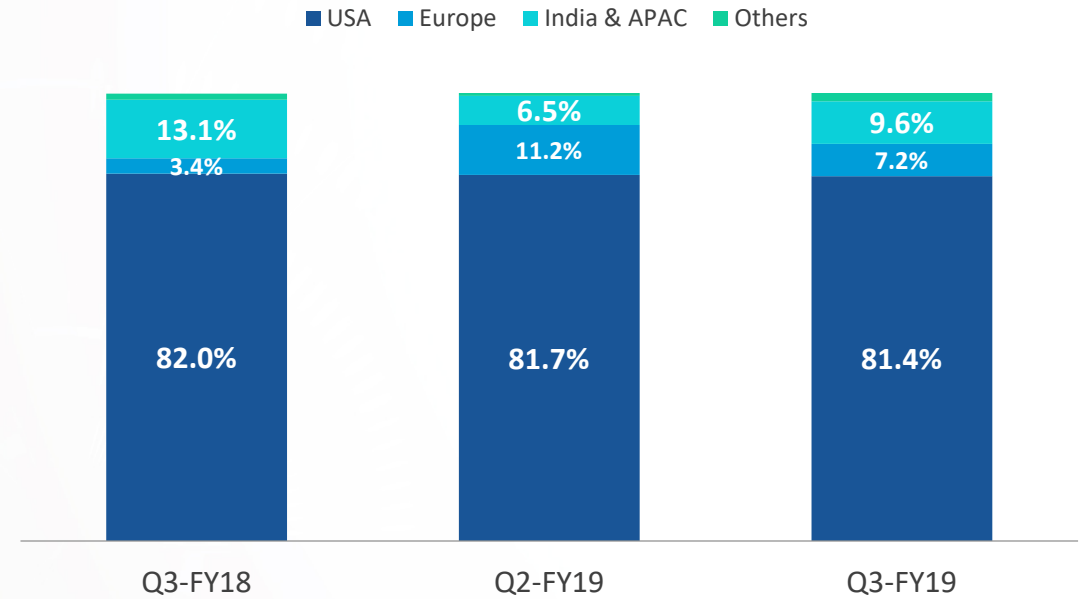


# Q3-FY19 KEY METRICS

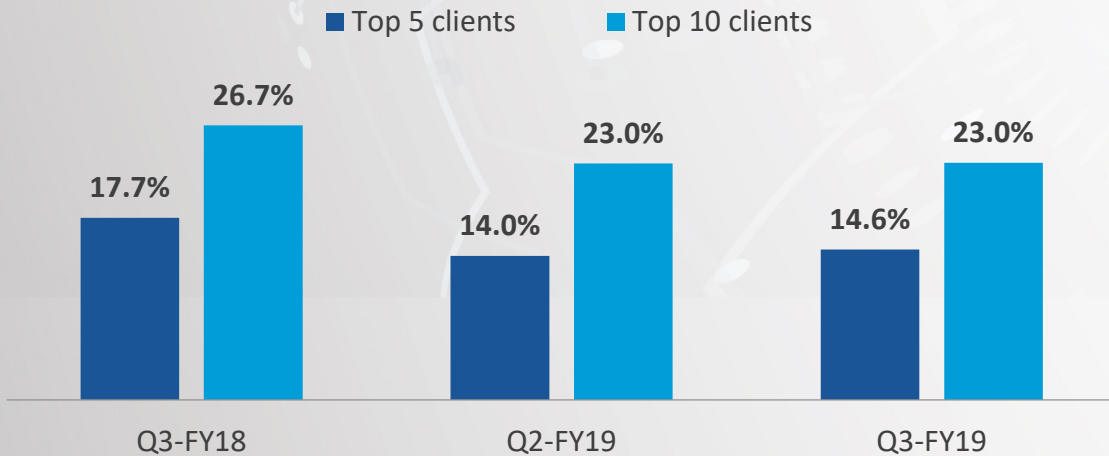
## By Business



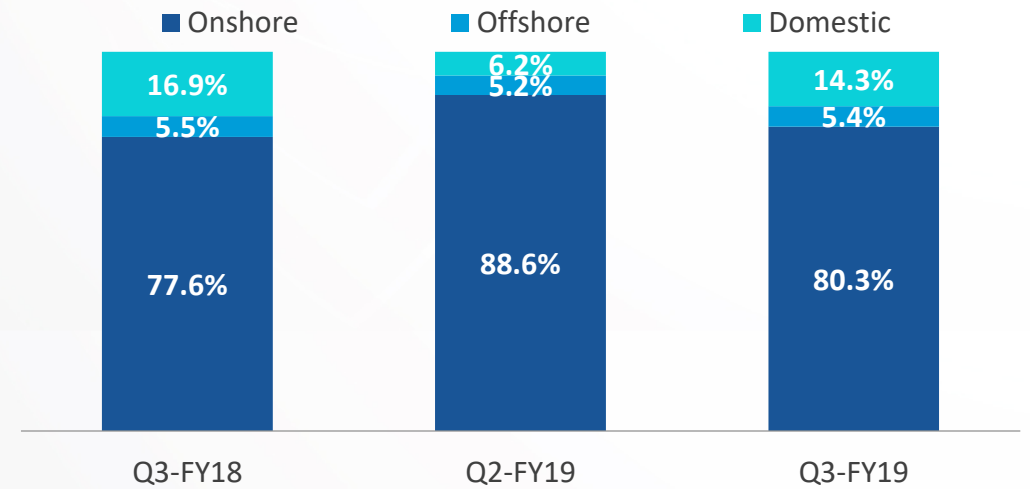
## By Geography



## By Clients



## Revenue Mix



# 9M-FY19 CONSOLIDATED INCOME STATEMENT–(IND-AS)

INCOME STATEMENT (INR Mn)	9M-FY19	9M-FY18	Y-o-Y
Revenue from operations	6,240	5,686	9.7%
Other Income	41	27	51.8%
<b>Total Income</b>	<b>6,281</b>	<b>5,713</b>	<b>9.9%</b>
Total Expenses	5,351	4,867	9.9%
<b>EBITDA</b>	<b>930</b>	<b>846</b>	<b>9.9%</b>
<b>EBITDA Margin</b>	<b>14.81%</b>	<b>14.81%</b>	<b>-</b>
Depreciation	43	37	16.2%
Finance Cost	142	114	24.6%
<b>PBT</b>	<b>745</b>	<b>695</b>	<b>7.2%</b>
Tax	171	234	(26.9)%
<b>Profit After Tax</b>	<b>574</b>	<b>461</b>	<b>24.6%</b>
<b>PAT Margins</b>	<b>9.14%</b>	<b>8.07%</b>	<b>107 Bps</b>
Other Comprehensive Income	-	(4)	NA
<b>Total Comprehensive Income (After Tax)</b>	<b>574</b>	<b>457</b>	<b>25.6%</b>
Diluted EPS (INR)	5.93	4.75	24.8%

# Q3-FY19 CONSOLIDATED INCOME STATEMENT–(IND-AS)



INCOME STATEMENT (INR Mn)	Q3-FY19	Q3-FY18	Y-o-Y	Q2-FY19	Q-o-Q
Revenue from operations	2,064	2,097	(1.6)%	2,089	(1.2)%
Other Income	14	11	27.3%	17	(17.6)%
<b>Total Income</b>	<b>2,078</b>	<b>2,108</b>	<b>(1.4)%</b>	<b>2,106</b>	<b>(1.3)%</b>
Total Expenses	1,783	1,793	(0.6)%	1,801	(1.0)%
<b>EBITDA</b>	<b>295</b>	<b>315</b>	<b>(6.3)%</b>	<b>305</b>	<b>(3.3)%</b>
<b>EBITDA Margin</b>	<b>14.20%</b>	<b>14.94%</b>	<b>(74) Bps</b>	<b>14.48%</b>	<b>(28) Bps</b>
Depreciation	15	14	7.1%	14	7.1%
Finance Cost	48	43	11.6%	48	-
<b>PBT</b>	<b>232</b>	<b>258</b>	<b>(10.1)%</b>	<b>243</b>	<b>(4.5)%</b>
Tax	47	88	(46.6)%	50	(6.0)%
<b>Profit After Tax</b>	<b>185</b>	<b>170</b>	<b>8.8%</b>	<b>193</b>	<b>(4.1)%</b>
<b>PAT Margins</b>	<b>8.90%</b>	<b>8.06%</b>	<b>84 Bps</b>	<b>9.16%</b>	<b>(26) Bps</b>
Other Comprehensive Income	(6)	(9)	NA	5	NA
<b>Total Comprehensive Income (After Tax)</b>	<b>179</b>	<b>161</b>	<b>11.2%</b>	<b>198</b>	<b>(9.6)%</b>
Diluted EPS (INR)	1.84	1.67	10.2%	2.06	(10.7)%



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# **HISTORICAL FINANCIAL OVERVIEW**



# HISTORICAL CONSOLIDATED INCOME STATEMENTS

INCOME STATEMENT (INR Mn)	FY16	FY17	FY18
Revenue from operations	3,587	6,148	7,835
Other Income	10	37	27
<b>Total Income</b>	<b>3,597</b>	<b>6,185</b>	<b>7,862</b>
Total Expenses	3,093	5,328	6,650
<b>EBITDA</b>	<b>504</b>	<b>857</b>	<b>1,212</b>
<b>EBITDA Margin</b>	<b>14.01%</b>	<b>13.86%</b>	<b>15.42%</b>
Depreciation	25	42	54
Finance Cost	88	103	163
<b>PBT</b>	<b>391</b>	<b>712</b>	<b>995</b>
Tax	81	181	311
<b>Profit After Tax</b>	<b>310</b>	<b>531</b>	<b>684</b>
<b>PAT Margins</b>	<b>8.62%</b>	<b>8.59%</b>	<b>8.70%</b>
Other Comprehensive Income	-	-	-
Total Comprehensive Income (After Tax)	310	531	684
<b>Diluted EPS (INR)</b>	<b>6.95</b>	<b>5.38</b>	<b>6.58</b>

# HISTORICAL CONSOLIDATED BALANCE SHEET

Equity and Liabilities (INR Mn)	FY17	FY18	H1-FY19
<b>Shareholder Funds</b>			
(A) Share Capital	236	482	482
(B) Reserves & Surplus	1,538	2,120	2,539
<b>Total -Shareholder Funds</b>	<b>1,774</b>	<b>2,601</b>	<b>3,021</b>
Non-Current Liabilities			
Financial Liabilities			
(I) Borrowings	438	320	489
(ii) Other Financial Liabilities	653	613	391
Provisions	12	13	16
Deferred Tax Liabilities (Net)	-	20	26
<b>Total - Non-Current Liabilities</b>	<b>1,102</b>	<b>966</b>	<b>922</b>
Current Liabilities			
Financial Liabilities			
(I) Borrowings	538	670	551
(ii) Trade Payables	205	469	374
Other Financial Liabilities	223	150	297
Other Current Liabilities	92	191	134
Provisions	444	482	474
Current Tax Liabilities (Net)	138	279	184
<b>Total – Current Liabilities</b>	<b>1,640</b>	<b>2,241</b>	<b>2,014</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>4,516</b>	<b>5,808</b>	<b>5,957</b>

Assets (INR Mn)	FY17	FY18	H1-FY19
<b>Non-Current Assets</b>			
Property plant & Equipment	89	81	121
Capital Work in Progress	10	-	-
Goodwill	2,092	2,112	2,265
Other Intangible Assets	37	82	55
Financial Assets			
(I) Loans	11	13	13
(II) Deferred Tax Asset (Net)	11	0	0
Other Non-Current Assets	6	114	126
<b>Total - Non-Current Assets</b>	<b>2,258</b>	<b>2,402</b>	<b>2,580</b>
Current Assets			
Inventories	24	24	25
Financial Assets			
(I) Trade Receivables	1,468	1,873	1,829
(II) Cash & Cash Equivalents	161	206	184
(III) Loans	1	4	6
(IV) Other Financial Assets	490	807	878
Other current assets	115	492	455
<b>Total – Current Assets</b>	<b>2,259</b>	<b>3,406</b>	<b>3,377</b>
<b>GRAND TOTAL – ASSETS</b>	<b>4,516</b>	<b>5,808</b>	<b>5,957</b>



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**THANK YOU**