



EARNINGS PRESENTATION – Q4-FY20 / FY20

# EXECUTIVE SUMMARY

## Company Overview:



**KELLTON TECH**

- 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 (FY20):

### Digital Transformation (75%)



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

### Enterprise Solutions (19%)



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 (6%)



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

FY20*	FY19
INR 7,746.2 Mn	INR 8,191.5 Mn

### EBITDA

FY20*	FY19
INR 1,163.2 Mn	INR 1,229.2 Mn

### PAT

FY20*	FY19
INR 705.3 Mn	INR 769.4 Mn

\*Note: The Consolidated Financials of the full year ended 31 March, 2020 are not comparable with FY19 Financials, as the Company has sold one of its step-down US Subsidiary

# 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.

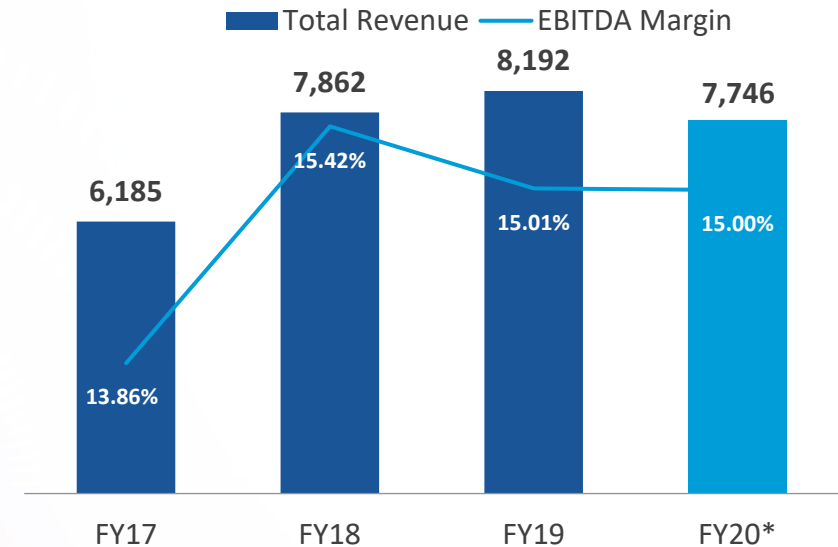
The company has vast experience in rendering its services to various industry verticals such as retail and e-commerce; travel, tourism and hospitality; healthcare, energy, BFSI; media, entertainment and lifestyle, amongst others.

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

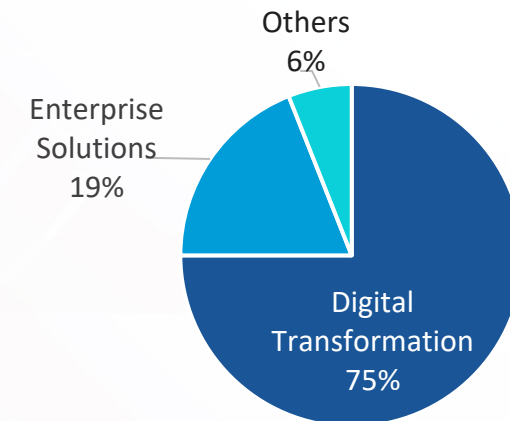
Driven by deep domain knowledge and technology expertise, we are also trusted partners of SAP, Software AG, MuleSoft, and IBM.

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 (FY20)



\*Note: The Consolidated Financials of the full year ended 31 March, 2020 are not comparable with FY19 Financials, as the Company has sold one of its step-down US Subsidiary



**KELLTON TECH**

# **FY20 /Q4-FY20 - FINANCIAL OVERVIEW**

# FY20 FINANCIAL HIGHLIGHTS

Total revenue

INR

**7,746** Mn

down 5.4% YoY

EBITDA

INR

**1,163** Mn

down 5.4% YoY

EBITDA Margin

**15.01%**

Unchanged

Net Profit

INR

**705** Mn

down 8.3% YoY

PAT Margin

**9.1%**

down 30 Bps

EPS

INR

**7.70**/ Share

down 1.2% YoY

# FY20 OPERATIONAL HIGHLIGHTS

- Kellton Tech has won a Rs 39 crore order from Food Corporation of India (FCI). The order is for the development, implementation, and maintenance of a Human Resource Management System
- Kellton Tech selected to Join Software AG's 'The Changemaker Network' as a Select Innovation Partner
- Kellton Tech earns a place in Software AG's "Partner in Excellence" Program as a Premier Innovation Partner
- Kellton Tech wins 'Integration Partner of the Year' Award at Software AG's London Innovation Tour
- Kellton Tech Partners with Dell Boomi to Strengthen iPaaS Integration Innovation
- Kellton Tech Partners with Jitterbit to Fast-Track iPaaS and API Enterprise Integration

# Q4-FY20 FINANCIAL HIGHLIGHTS

## Q4-FY20\* Financial Highlights:

- Total revenue of INR 2,080.4 Mn;
- EBITDA was at INR 259.8 Mn;
- EBITDA Margin stood at 12.5%
- Net Profit stood at INR 145.5 Mn;
- PAT Margin of 7.0%
- EPS was at INR 1.84 per share;

# Q4-FY20 NEW CLIENT WINS

Won 12 new clients, some big wins are:



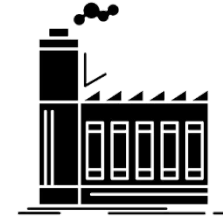
## A Leading Media and Entertainment Company

Kellton Tech was selected by a leading media and entertainment company as their digital partner to create a robust digital platform that performs analytics on real-time data and builds visibility into performance metrics, thereby enabling informed decision-making and value-driven outcomes.



## A Logistics Company

Kellton Tech collaborated with a leading logistics company to build a mobile app for preemptive operations management that helps them act on risks and opportunities proactively.



## A Manufacturing Firm

Kellton Tech, has been selected as a strategic partner in a multi-year deal with a US-based manufacturing firm, transforming manual operations through process automation and optimized existing workloads while enhancing client experience.



# Q4-FY20 NEW CLIENT WINS



## A Leading Consumer Services Company

Kellton Tech was selected by a leading consumer services in the US to develop and deploy an intranet tool that simplifies information sharing and collaboration between employees across cross-functional teams in the organization.



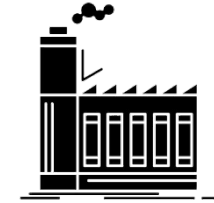
## An e-Commerce Firm

Kellton Tech has partnered with an e-commerce company to create an online payment gateway system that provides for seamless and secure transactions in an omnichannel ecosystem and drives evolutionary customer experiences.



## A Leading Online Platform

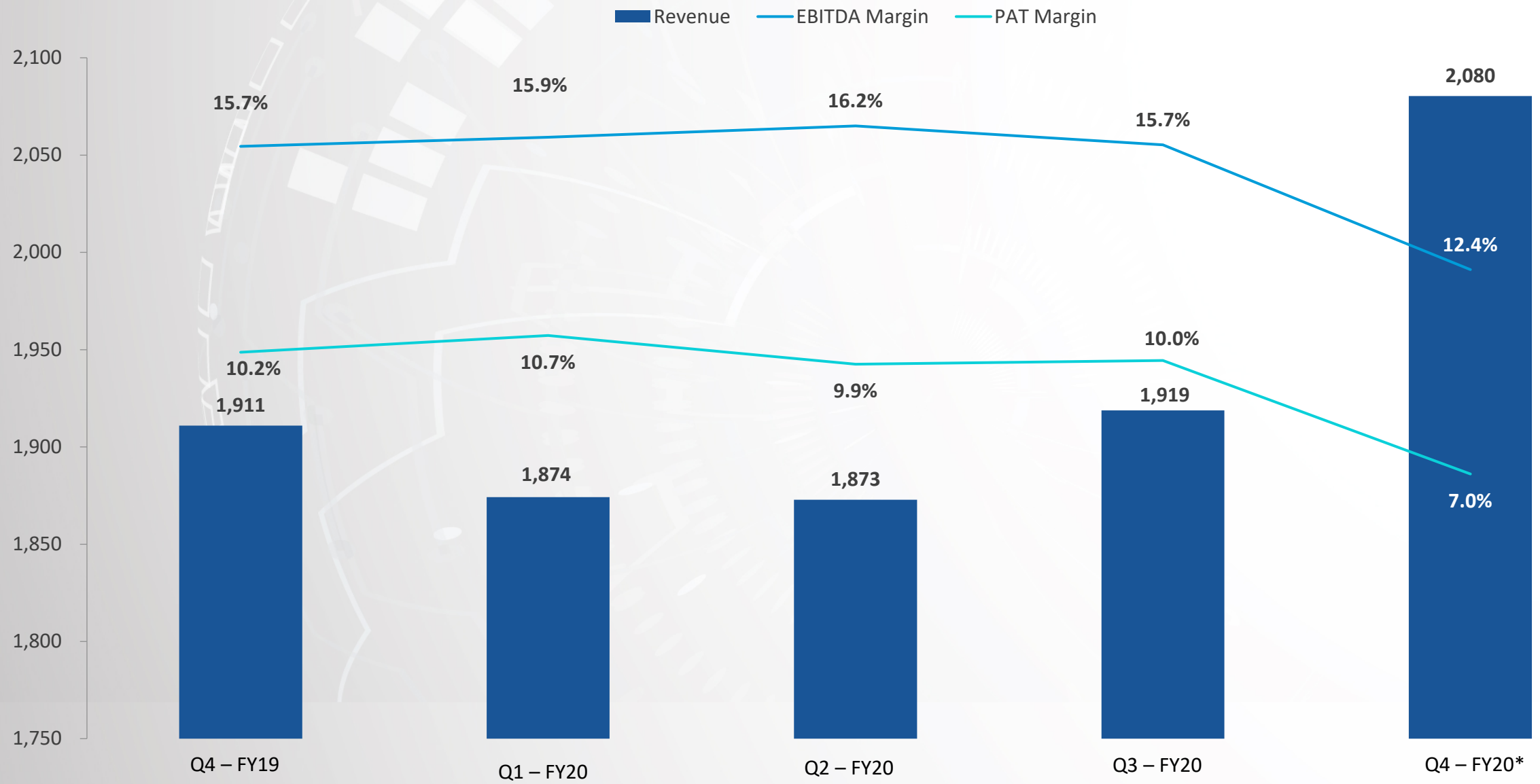
Kellton Tech is selected as a strategic partner for a leading online freelance platform enabling a new IT landscape by migrating core modules to the latest technologies. The new, redefined architecture will help the client boost scalability and meet future needs competitively.



## A Manufacturing Firm

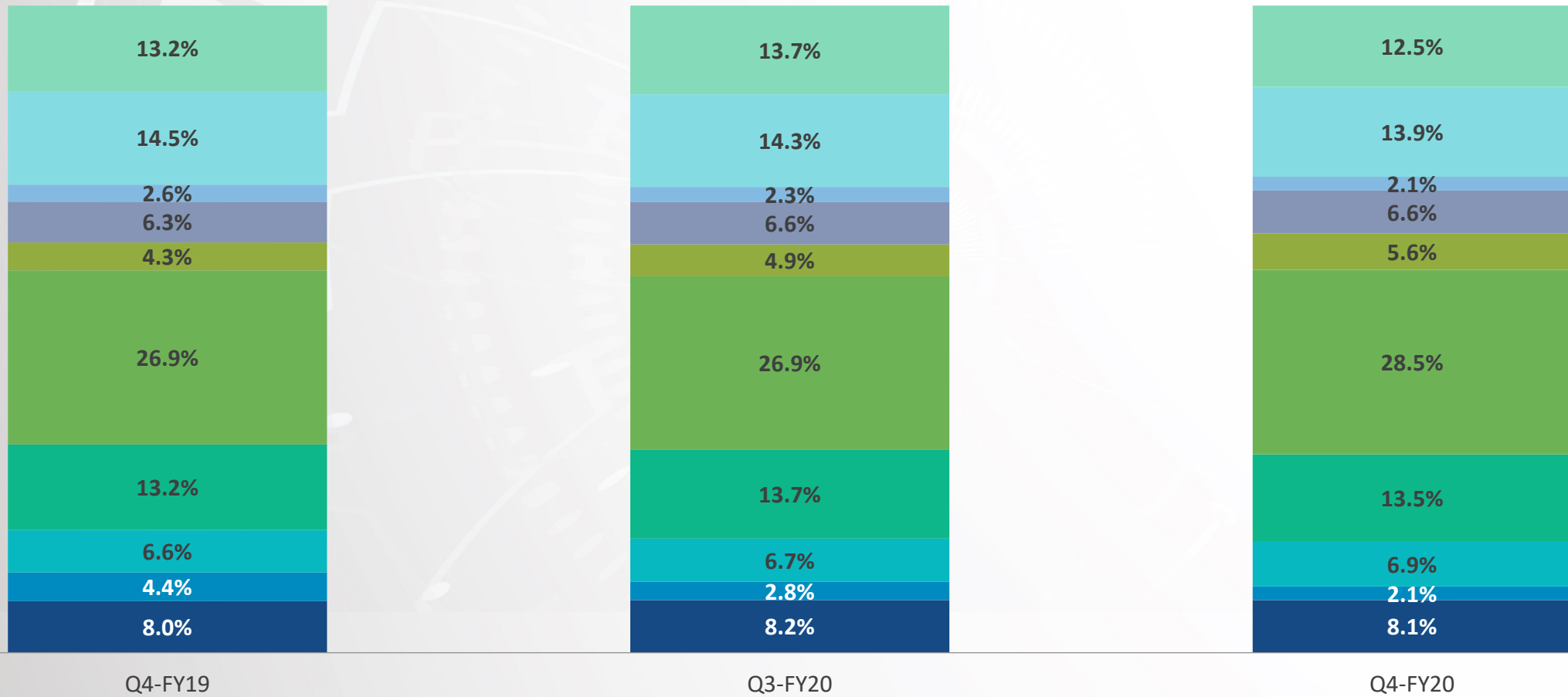
Kellton Tech is helping one of the leading US-based companies migrate from a traditional EDI solution to a fully integrated, scalable SAP S/4HANA ERP and bridge silos for greater trust and value.

# Q4-FY20 REVENUE SUMMARY



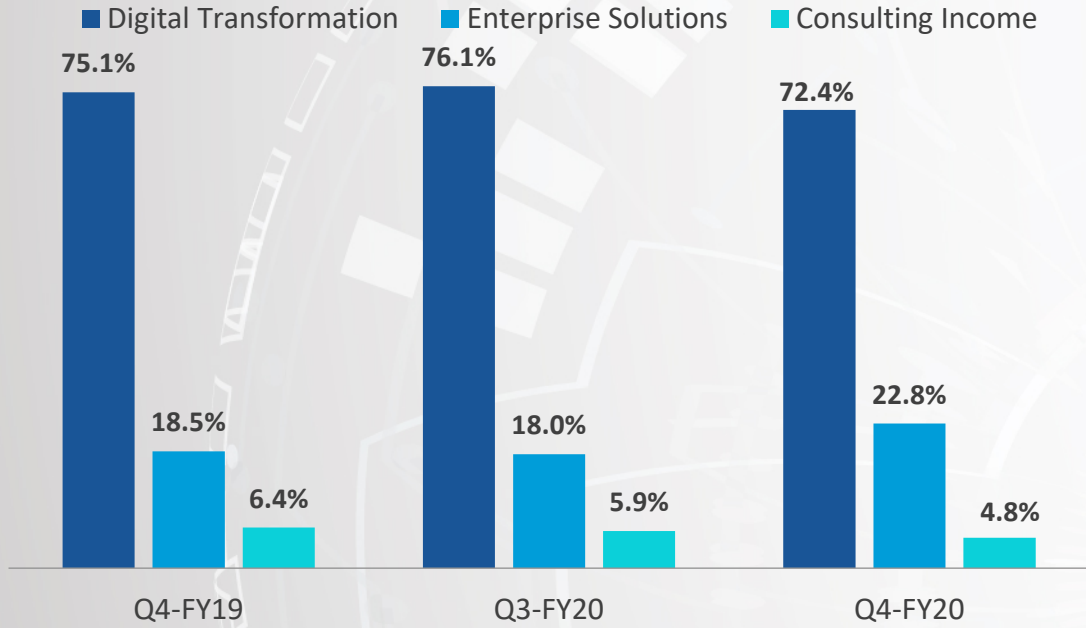
# Q4-FY20 REVENUE BY INDUSTRY

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

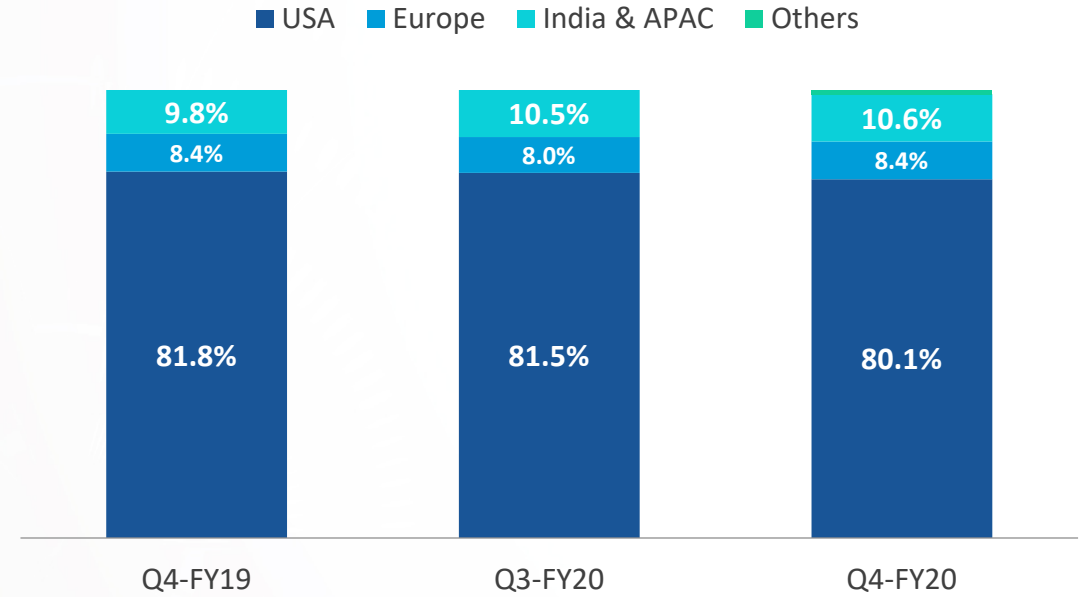


# Q4-FY20 KEY METRICS

## By Business



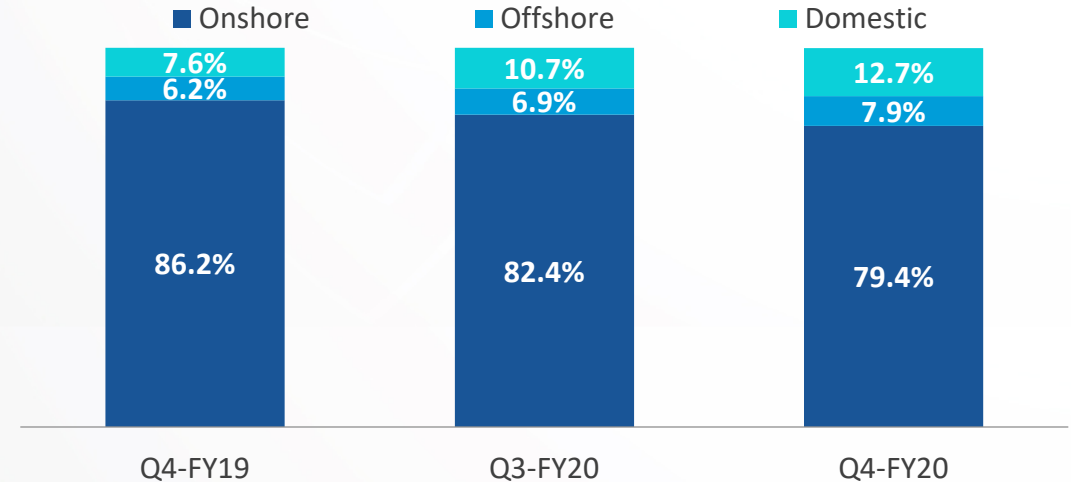
## By Geography



## By Clients



## Revenue Mix



# Q4-FY20 CONSOLIDATED INCOME STATEMENT (IND-AS)



INCOME STATEMENT (INR Mn)	Q4-FY20	Q4-FY19	Y-o-Y	Q3-FY20	Q-o-Q
Revenue from operations	2,062	1,902	8.41%	1,909	8.28%
Other Income	18	9	100.00%	10	80.00%
<b>Total Income</b>	<b>2,080</b>	<b>1,911</b>	<b>8.84%</b>	<b>1,919</b>	<b>8.39%</b>
Total Expenses	1,890	1,681	12.43%	1,693	11.64%
<b>EBITDA</b>	<b>260</b>	<b>299</b>	<b>(13.04)%</b>	<b>297</b>	<b>(12.46)%</b>
<b>EBITDA Margin</b>	<b>12.50%</b>	<b>15.70%</b>	<b>(32 bps)</b>	<b>15.5%</b>	<b>(30 bps)</b>
Depreciation	28	24	16.67%	34	(17.65)%
Finance Cost	42	47	(10.64)%	36	16.67%
<b>PBT</b>	<b>190</b>	<b>229</b>	<b>(17.47)%</b>	<b>226</b>	<b>(16.37)%</b>
Tax	44	33	33.33%	40	10.00%
<b>Profit After Tax</b>	<b>146</b>	<b>195</b>	<b>(25.64)%</b>	<b>186</b>	<b>(22.04)%</b>
<b>PAT Margins</b>	<b>7.00%</b>	<b>10.20%</b>	<b>(32 bps)</b>	<b>10.1%</b>	<b>(31 bps)</b>
Other Comprehensive Income	32	(19)		7	
<b>Total Comprehensive Income (After Tax)</b>	<b>177</b>	<b>176</b>		<b>193</b>	
Diluted EPS (INR)	1.73	1.83	(5.46)%	1.98	(12.63)%

# FY20 CONSOLIDATED INCOME STATEMENT (IND-AS)

INCOME STATEMENT (INR Mn)	FY20	FY19	Y-o-Y
Revenue from operations	7,707	8,141	(5.33)%
Other Income	39	51	(23.53)%
<b>Total Income</b>	<b>7,746</b>	<b>8,192</b>	<b>(5.44)%</b>
Total Expenses	6,875	6,962	(1.25)%
<b>EBITDA</b>	<b>1,163</b>	<b>1,230</b>	<b>(5.45)%</b>
<b>EBITDA Margin</b>	<b>15.01%</b>	<b>15.01%</b>	<b>No Change</b>
Depreciation	128	67	91.04%
Finance Cost	164	189	(13.23)%
<b>PBT</b>	<b>871</b>	<b>974</b>	<b>(10.57)%</b>
Tax	165	205	(19.51)%
<b>Profit After Tax</b>	<b>705</b>	<b>769</b>	<b>(8.32)%</b>
<b>PAT Margins</b>	<b>9.1%</b>	<b>9.39%</b>	<b>(29 bps)</b>
Other Comprehensive Income	37	(18)	
<b>Total Comprehensive Income (After Tax)</b>	<b>743</b>	<b>751</b>	
EPS (INR)	7.70	7.79	(1.16)%

\*Note: The Consolidated Financials of the full year ended 31 March, 2020 are not comparable with FY19 Financials, as the Company has sold one of its step-down US Subsidiary



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# **HISTORICAL FINANCIAL OVERVIEW**

# HISTORICAL CONSOLIDATED INCOME STATEMENTS

INCOME STATEMENT (INR Mn)	FY20**	FY19*	FY18*	FY17
Revenue from operations	7,707	8,141	7,835	6,148
Other Income	39	51	27	37
<b>Total Income</b>	<b>7,746</b>	<b>8,192</b>	<b>7,862</b>	<b>6,185</b>
Total Expenses	6,875	6,962	6,650	5,328
<b>EBITDA</b>	<b>1,163</b>	<b>1,230</b>	<b>1,212</b>	<b>857</b>
<b>EBITDA Margin</b>	<b>15.01%</b>	<b>15.01%</b>	<b>15.42%</b>	<b>13.86%</b>
Depreciation	128	67	54	42
Finance Cost	164	189	163	103
<b>PBT</b>	<b>871</b>	<b>974</b>	<b>995</b>	<b>712</b>
Tax	165	205	311	181
<b>Profit After Tax</b>	<b>705</b>	<b>769</b>	<b>684</b>	<b>531</b>
<b>PAT Margins</b>	<b>9.1%</b>	<b>9.39%</b>	<b>8.70%</b>	<b>8.59%</b>
Other Comprehensive Income	37	(18)	(48)	-
<b>Total Comprehensive Income (After Tax)</b>	<b>743</b>	<b>751</b>	<b>636</b>	<b>531</b>
EPS (INR)	7.70	7.79	6.58	5.38

\* As per IND-As

\*\*Note: The Consolidated Financials of the full year ended 31 March, 2020 are not comparable with FY19 Financials, as the Company has sold one of its step-down US Subsidiary



# HISTORICAL CONSOLIDATED BALANCE SHEET (IND-AS)



Equity and Liabilities (INR Mn)	FY20*	FY19	Assets (INR Mn)	FY20*	FY19
<b>Shareholder Funds</b>			<b>Non-Current Assets</b>		
(A) Equity Share Capital	482	482	Property, Plant & Equipment	103	100
(B) Other Equity	3,681	2,809	Capital Work in Progress	-	-
<b>Total -Shareholder Funds</b>	<b>4,163</b>	<b>3,291</b>	Right to use assets	124	-
Non-Current Liabilities			Goodwill	2,257	1,990
Financial Liabilities			Other Intangible Assets	294	107
(I) Borrowings	286	359	Financial Assets		
(ii) Other Financial Liabilities	363	220	(I) Investments	-	-
(iii)Other non-current Liabilities	60	-	(II) Loans	-	-
Provisions	24	18	Other Financial Assets	17	20
Lease Liabilities	155	-	Other Non-Current Assets	205	213
Deferred Tax Liabilities	16	26	<b>Total - Non-Current Assets</b>	<b>3,000</b>	<b>2,430</b>
<b>Total - Non-Current Liabilities</b>	<b>904</b>	<b>623</b>	Current Assets		
Current Liabilities			Inventories	1	27
Financial Liabilities			Financial Assets		
(I) Borrowings	669	692	(I) Trade Receivables	2,026	1,804
(ii) Trade Payables	393	365	(II) Cash & Cash Equivalents	300	259
(iii) Other Financial Liabilities	208	183	(III) Loans	-	-
Other Current Liabilities	155	181	(IV) Other Financial Assets	1,155	852
Provisions	454	454	Other current assets	703	618
Current Tax Liabilities (Net)	238	201	<b>Total – Current Assets</b>	<b>4,184</b>	<b>3,560</b>
<b>Total – Current Liabilities</b>	<b>2,117</b>	<b>2,076</b>	<b>GRAND TOTAL – ASSETS</b>	<b>7,184</b>	<b>5,990</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>7,184</b>	<b>5,990</b>			

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