



# 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 FY23).....

- Fintech (28%): 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.
- Telecommunication (20%): 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 (10%): Dreamorbit of the Saksoft group provides next-gen technology based solutions to Logistics and Fin-Tech industry.
- Public Sector (10%): It helps public sector organisations to make optimum use of digital transformation enablement such as Information Management, optimized applications and analytics.
- Healthcare (6%): Saksoft’s Healthcare COE has a good understanding of the emerging market trends and provides specialist services to improve health based offerings.
- Retail E-Commerce (3%): It guides organisations 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
FY20	3,588	610	17%	387	10.78%	36.67
FY21	3,858	644	16.69%	454	11.76%	42.52
FY22	4,804	790	16.44%	633	13.18%	58.29
<b>FY23</b>	6,656	1081	16.25%	819	12.32%	75.3

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

Market Data (INR) as on 31 <sup>th</sup> March, 2023	
Face Value	1.00
CMP	144.9
52 Week H/L	157.2/68.24
MCAP (Mn)	15314.48
Shares O/S (Mn)	105.69
1 Yr Avg. Vol. ('000)	342.66

Performance as on 31 <sup>th</sup> March, 2023			
	3M	6M	12M
SAKSOFT	16.85%	40.75%	61.54%
SENSEX	(3.09)%	2.77%	0.79%
BSE SMALLCAP	(6.98)%	(5.16)%	(4.78)%

Shareholding Pattern as on 31 <sup>th</sup> March, 2023	
Promoters	68.12%
Public	27.84%
FII's	3.71%
DII's	0.33%

## 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.

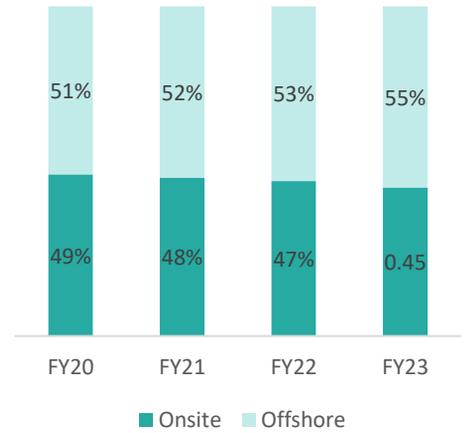
## GROWTH DRIVERS.....

- **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 digitisation to help clients enhance operational efficiency.

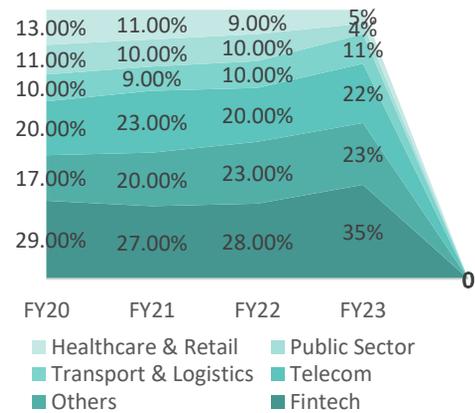
## PEER COMPARISON (TRAILING 12 MONTHS) (INR MN) .....

Company	Operational Income	EBITDA	EBITDA%	Net Profit	PAT%	Market Cap
Saksoft Ltd.	6,656	1082	16.25%	820	12.32	15,314
Zensar Technologies Ltd.	48,482	6549.9	13.5%	3280	6.76%	62,040
Mphasis Ltd.	1,37,149	24,124	17.59%	16,248	11.85%	3,38,451
Persistent Systems Ltd.	83500	15599	18.68%	9210	11.02%	3,52,258
LTI Mindtree Ltd.	319754.0	65802	20.57%	42563	13.33%	14,07,524

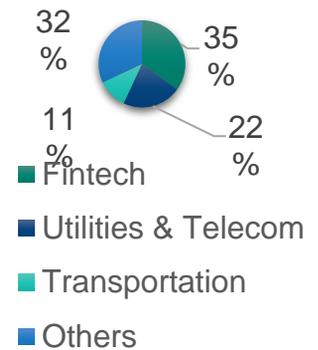
## Revenue by Engagement Model (%)



## Revenue by Verticals (%)



## Revenue by Service (%)



**INCOME STATEMENT (CONSOLIDATED)** .....

PARTICULARS (INR MN)	FY20	FY21	FY22	FY23
<b>Operating Income</b>	<b>3,588</b>	<b>3,858</b>	<b>4,804</b>	6,656.04
Expenses	2,978	3,214	4,014	5574.51
<b>Operating EBITDA</b>	<b>610</b>	<b>644</b>	<b>790</b>	<b>1,081.53</b>
<b>Operating EBITDA Margins (%)</b>	<b>17%</b>	<b>16.69%</b>	<b>16.44%</b>	16.25%
Depreciation	73	67	69	99.63
Finance Cost	51	34	28	21.82
Other Income	39	41	111	94.30
<b>PBT</b>	<b>525</b>	<b>584</b>	<b>804</b>	<b>1,054.38</b>
Tax	138	130	171	234.61
<b>Profit After Tax</b>	<b>387</b>	<b>454</b>	<b>633</b>	<b>819.78</b>
<b>PAT Margins (%)</b>	<b>10.78%</b>	<b>11.76%</b>	<b>13.18%</b>	12.32%
Other Comprehensive Income	55	95	3	84.89
<b>Total Comprehensive Income</b>	<b>442</b>	<b>549</b>	<b>636</b>	<b>904.67</b>
EPS Diluted (INR)	36.67	42.52	58.29	75.30

**BALANCE SHEET (CONSOLIDATED)** .....

PARTICULARS (INR MN)	FY21	FY22	FY23	PARTICULARS (INR MN)	FY21	FY22	FY23
<b>EQUITIES &amp; LIABILITIES</b>				<b>ASSETS</b>			
<b>Equity</b>				<b>Non-Current Assets</b>			
(A) Equity Share Capital	100	100	100.37	(A) Property, Plant and Equipment	24	121	146.92
(B) Other Equity	2,493	3,085	3,944.97	(B) Right-of-Use Assets	83	167	127.57
<b>Total Equity</b>	<b>2,593</b>	<b>3,185</b>	<b>4,045.34</b>	(C) Goodwill on Consolidation	1,483	1,665	1,903.32
<b>Non-Current Liabilities</b>				(C) Other Intangible Assets	4	3	4.96
(A) Financial Liabilities				(D) Financial Assets			
(i) Borrowings	200	39	0	(i) Investments	-	70	
(ii) Other Financial liabilities	-	49	40.883	(ii) Other Financial Assets	103	24	170.21
(iii) Lease liabilities	51	119	80.89	(E) Deferred Tax Assets (Net)	45	47	73.02
(B) Provisions	54	62	101.8	<b>Total Non – Current Assets</b>	<b>1,742</b>	<b>2,097</b>	<b>2,352.98</b>
<b>Total Non – Current Liabilities</b>	<b>305</b>	<b>269</b>	<b>223.598</b>	<b>Current Assets</b>			
<b>Current Liabilities</b>				(A) Financial Assets			
(A) Financial Liabilities				(i) Investments	-	105	90.34
(i) Borrowings	-	2		(ii) Trade Receivables	644	1,062	1,164.18
(ii) Trade Payables	270	295	256.79	(iii) Loans	17	-	2.04
(iii) Lease Liabilities	34	47	54.37	(iv) Cash & Cash Equivalents	900	739	878.63
(iv) Other Financial Liabilities	91	70	153.49	(v) Bank balances other than (ii) above	-	210	556.99
(B) Other Current Liabilities	305	679	857.63	(v) Other Financial Assets	79	200	248.972
(C) Provisions	54	68	89.40	(v) Short term Mutual Fund	105	-	
<b>Total Current Liabilities</b>	<b>754</b>	<b>1,161</b>	<b>1,411.68</b>	(B) Current Tax Assets (Net)	16	15	32.99
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>3,652</b>	<b>4,615</b>	<b>5680.6</b>	(C) Other Current Assets	149	187	280.48
				<b>Total Current Assets</b>	<b>1,910</b>	<b>2,518</b>	<b>3,254.62</b>
				<b>GRAND TOTAL – ASSETS</b>	<b>3,652</b>	<b>4,615</b>	<b>5680.6</b>

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

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