



**DC Infotech and Communication
Limited**

**Investor Presentation
Q2 & H1 FY23**



Disclaimer



This presentation has been prepared by DC Infotech and Communication Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



01 Company
Overview

03 Financial
Highlights

02 Industry
Overview

04 Way
Ahead





Company Overview

Who we are...



Architect for complete and customized networking solutions & services

A leading network and security solutions provider

- Headquartered in Mumbai
- Enabling the digitization journey of Indian enterprises

Business Model

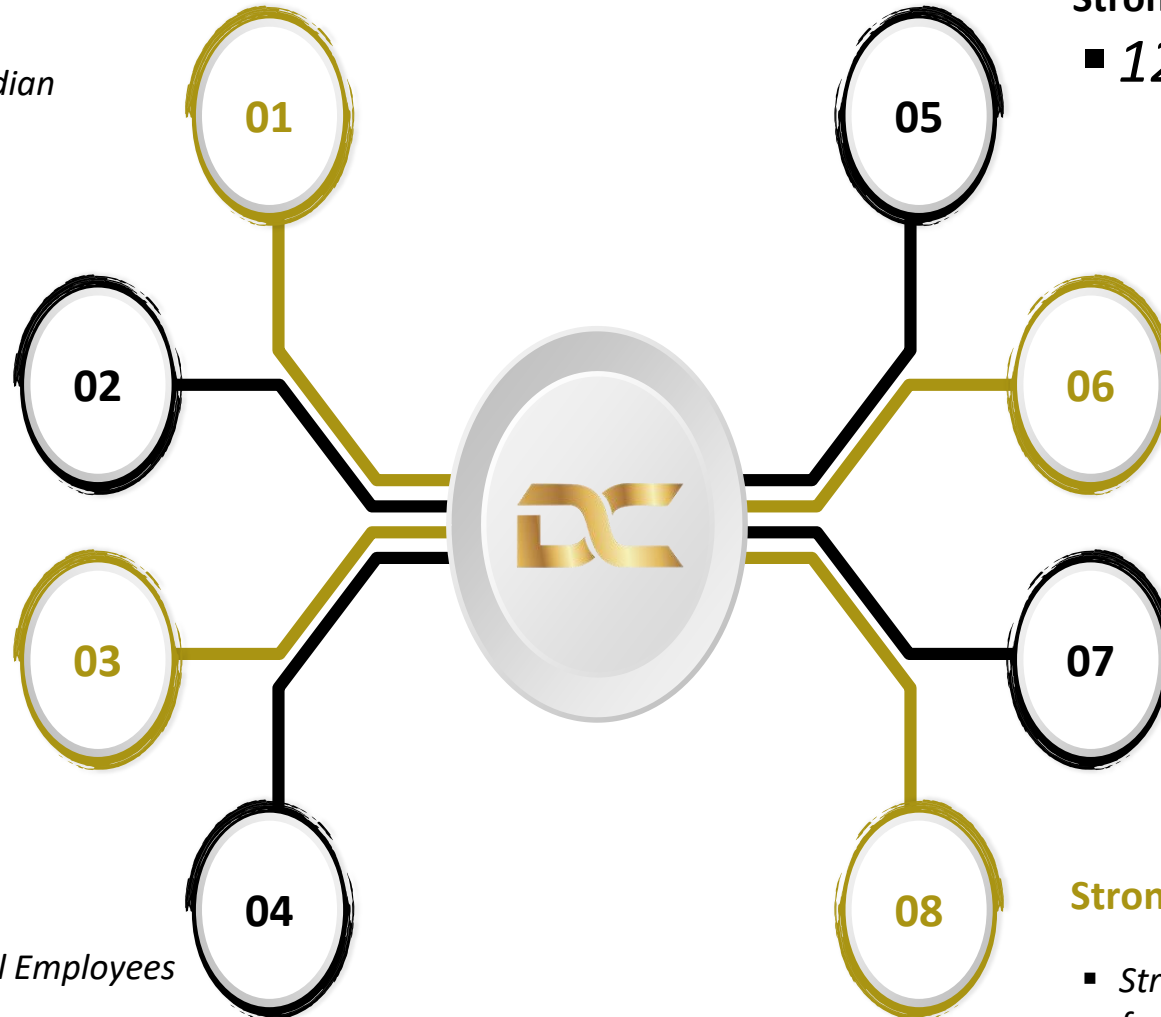
- DC Infotech offers IT products, networking, data & cyber security, surveillance, wireless, broadband, digital signage, firewall, unified communication, among other solutions & services

Widespread Geographical Reach

- Pan-India reach with a strong presence in Western India

Skilled Workforce

- **70 +** Professional Employees



Strong Technology Tie-ups

- **12 +** Business Partners

Strong Client Base

- More than **50 +** large enterprise customers across country

Strong Sales and Presales team

- Operate with channel network of more than **1,600** channel partners
- Sales representatives in Delhi, Kolkata, Bangalore, Chandigarh, Indore, Pune, Rajkot, Guwahati, Lucknow, Bhubaneshwar & Jaipur

Strong Logistics Capabilities

- Strategically located warehouses across India for easy accessibility

Value-Added Key Partnerships...



D-Link

- Routers
- Switches
- Wireless
- Surveillance
- Structured Cabling
- Network Rack

Netgear

- Managed/Smart/Unmanaged Poe/Non Poe Switches
- Chassis Switches
- Wireless – Indoor/Outdoor
- Campus Mesh Wireless Device

Samsung

- Digital Signage
- Video Walls
- LED Signage
- UHD/UST Projectors
- Lifestyle TVs & Smart Monitors

Sonicwall

- Network / Cloud / End Point Security
- Advanced Threat Protection

Netscout

- Network / Cloud Performance
- Management & Security Monitoring

Zscaler

- Internet Access
- Private Access
- Business to Business Cloud Protection
- Digital Experience

.. Solutions Offered



Networking / Wireless / WiFi



01

DDoS & Cyber Security



03

AV/IT Connectivity & Management



05

Unified Communication & Collaboration



07

02



Information Security

04



Application Performance Management

06



Digital Signage

08



Network Performance Management

Management Team



Mr. Chetankumar Timbadia
Managing Director

- Graduated with a degree of Bachelor of Engineering (Computer Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Over two decades of experience in Information technology (IT) sector



Mr. Devendra Sayani
Whole – Time Director

- Graduated with a degree of Bachelor of Engineering (Computer Engineering) from the Ramrao Adik Institute of Technology, New Bombay
- Heads marketing and commercial relationship management departments of the Company



Mr. Jayeshkumar Sayani
Non – Executive Director

- Graduated with a Degree of Bachelor of Commerce from University of Mumbai
- Experience in execution and management of wide variety of projects and to guide Management in formulation of Business Strategies



Mr. Chandrashekar Gaonkar
Independent Director

- Completed FCA in 1987 and has over three decades of experience especially in Finance
- Former CFO at D-Link India Ltd and Head of Finance at CMS Traffic Ltd
- Experience in Finance, Audit, Administration, HR and ERP implementation, among others



Ms. Lipee Rajani
Independent Director

- Holds a degree of Chartered Accountant from Institute of Chartered Accountant of India
- Vast experience in MIS Reporting, Planning of Funds for disbursement of expenses, Preparation of CMA data for CC Renewals, Budgeting of Incomes and Expenses, strategic planning, Debtors Ageing Analysis



Ms. Sneha Chotai
Independent Director

- Completed her graduation in Bachelor in Financial Markets from University of Mumbai and MBA in Marketing from Balaji Institute of Management and Resource Development
- Vast experience and expertise in strategic planning, procurement and Management

Key Strengths



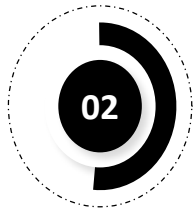
Brand Image

- Established as a trusted Solution Partner for OEMs over the years



Comprehensive range of product offering

- Single sourcing point offering entire range of networking, kvm solutions, security solutions, and digital signage products from multiple vendors



Widespread geographical reach

- Pan-India presence with Offices and Warehouses in strategic locations



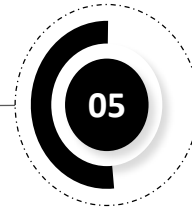
Logistics capabilities

- Warehouses across India ensure easy access and high penetration in market
- End-to-end logistics and own door delivery infrastructure enable time- and cost-efficient delivery



End-to-end networking & Security solutions with a strong Customer Support

- Value-added services include warranty service, designing, POC, implementation and support



Long term vendor/client relationships

- Relationship with over 12 vendors, with several associations of over 10 years



Robust IT infrastructure and sophisticated Management Information Systems (MIS)

- Choice of quality products that are relevant to modern IT security systems and needs



Credit control and prudent risk management practices

- Dedicated team for risk and credit management

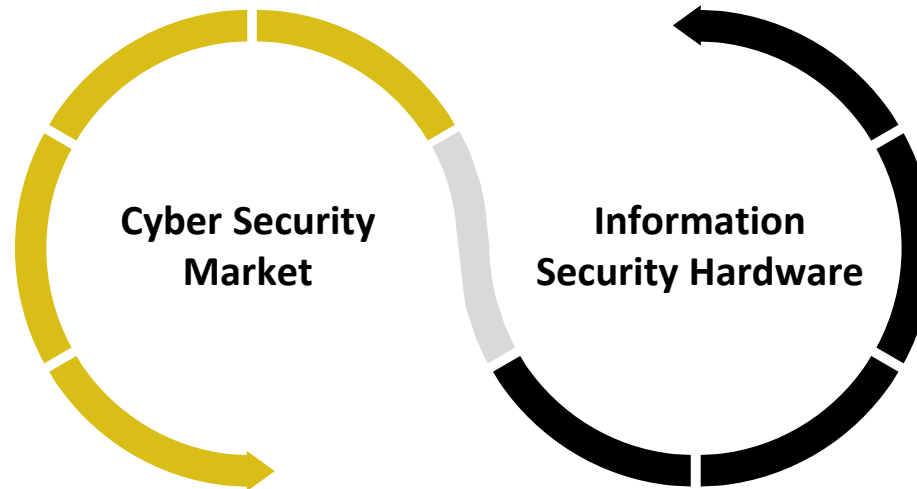




Industry Overview



- India's cyber security industry nearly doubled in size amid the pandemic, with revenues from cyber security products and services growing from \$5.04bn in 2019 to \$9.85bn in 2021, as per a report by the Data Security Council of India (DSCI)
- Growth was mainly fueled by rapid digitalization, increased regulatory attention on data and privacy, as well as growing boardroom awareness around cyber threats
- It is not just large suppliers that are driving the industry's growth momentum; India's cyber security startup and product industry also saw robust growth, with revenues worth \$1.37bn
- APAC region, including India, accounted for 58% of overall revenue in cyber security products while demand from North America was robust during the pandemic, almost doubling from 2020



- Overall cyber security hardware market is projected to reach \$0.51bn in 2022
- Revenue in this sector is forecast to grow at a CAGR of 15.03% over 2022-26, to about \$0.9bn by 2026
- Information Security (IS) products and services market was estimated at \$150.41bn in 2021, and the overall IS market is likely to reach \$174.7bn by 2024
- With increased digitization, hardware devices are constantly adapted to meet the latest standards. Therefore, the Hardware segment recovers relatively quickly after economic downturns



Financial Highlights

Quarterly Financial Highlights – Standalone



Rs. Cr	Q2 FY23	Q2 FY22	Y-o-Y%	Q1 FY23	Q-o-Q%
Income from Operations	89.32	58.26		90.21	
Other Operating Income	0.00	0.00		0.00	
Total Income from Operations	89.32	58.26	53.31%	90.21	(1.00%)
Raw material	82.07	54.40		83.97	
Employee Cost	2.01	1.21		1.62	
Operating Cost	1.81	0.82		2.16	
Total Expenditure	85.89	56.44		87.75	
EBITDA	3.42	1.82	87.95%	2.46	38.98%
EBITDA Margin %	3.83%	3.13%	70 bps	2.73%	110 bps
Other Income	0.03	0.00		0.02	
Depreciation	0.18	0.08		0.17	
Interest	0.71	0.27		0.51	
Exceptional Item	0.00	0.00		0.00	
Profit Before Tax	2.56	1.47		1.80	
Tax	0.67	0.37		0.45	
PAT	1.89	1.10	71.31%	1.35	
Other Comprehensive Income	0.00	0.00		0.00	
Net Profit	1.89	1.10	71.31%	1.35	40.30%
Net Profit Margin (%)	2.11%	1.89%	22 bps	1.49%	62 bps
Basic EPS in Rs.	1.58	0.92	71.74%	1.12	41.07%

- Revenue growth driven by strong demand across all product segments – easing of chips shortage and higher product prices also supported top line growth
- Key brands leading growth include Samsung, Netgear and Netscout, among others
- EBITDA margins improved on the back on higher prices, despite higher investment in skilled workforce

Half Yearly Financial Highlights – Standalone

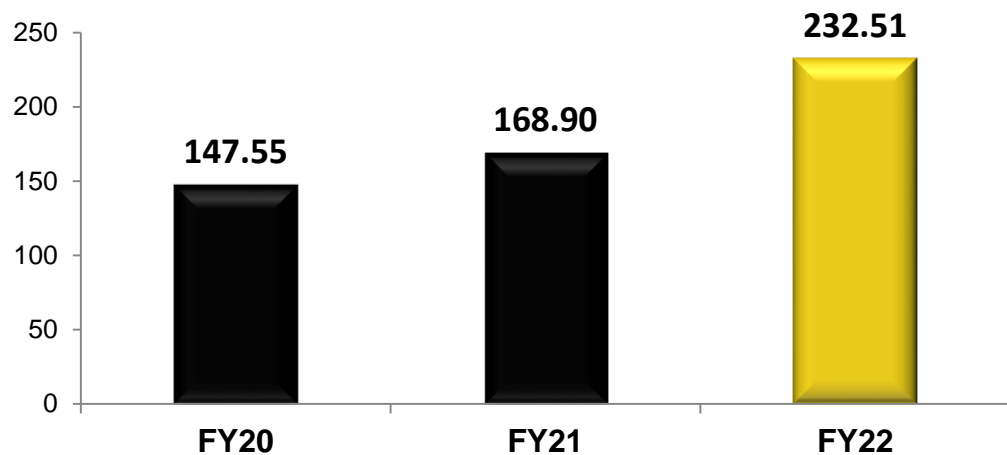


Rs. Cr	H1 FY23	H1 FY22	Y-o-Y
Income from Operations	179.53	108.38	
Other Operating Income	0.00	0.00	
Total Income from Operations	179.53	108.38	65.65%
Raw material	166.04	100.73	
Employee Cost	3.63	2.39	
Operating Cost	3.98	1.58	
Total Expenditure	173.64	104.69	
EBITDA	5.89	3.69	59.68%
EBITDA Margin %	3.28%	3.40%	(12 bps)
Other Income	0.05	0.05	
Depreciation	0.36	0.14	
Interest	1.23	0.66	
Exceptional Item	0.00	0.00	
Profit Before Tax	4.35	2.92	
Tax	1.12	0.80	
PAT	3.24	2.13	
Other Comprehensive Income	0.00	0.00	
Net Profit	3.24	2.13	51.99%
Net Profit Margin (%)	1.80%	1.96%	(16 bps)
Basic EPS in Rs.	2.70	1.77	52.54%

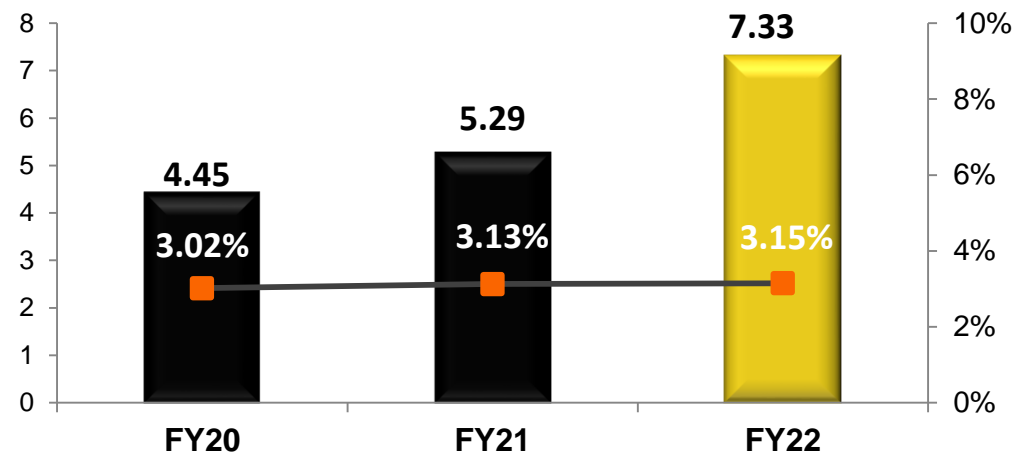
Annual Performance Highlights



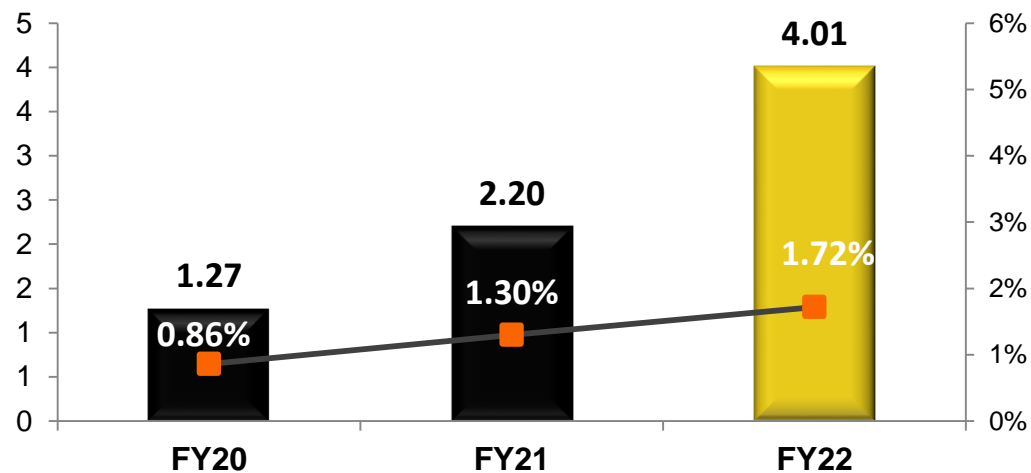
Revenue (Rs. Cr.)



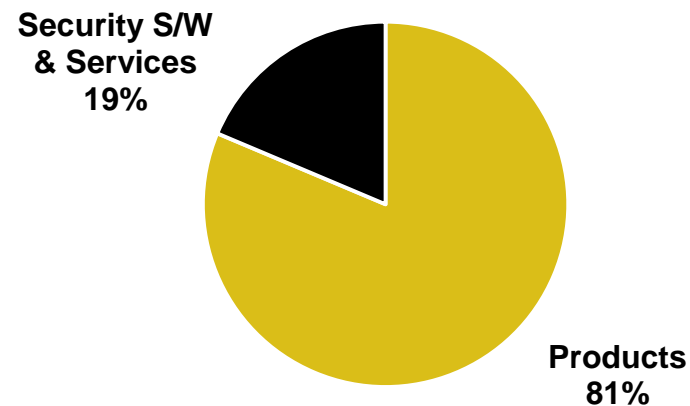
EBITDA (Rs. Cr.) / Margin (%)



PAT (Rs. Cr.) / Margin (%)



FY22 Revenue Split



Annual Financial Highlights – Standalone



Rs. Cr	FY20	FY21	FY22
Income from Operations	147.55	168.90	232.51
Other Operating Income	0.00	0.00	0.00
Total Income from Operations	147.55	168.90	232.51
Raw material	132.23	156.56	214.97
Employee Cost	3.08	3.76	5.36
Operating Cost	7.78	3.30	4.85
Total Expenditure	143.09	163.61	225.19
EBITDA	4.45	5.29	7.33
EBITDA Margin %	3.02%	3.13%	3.15%
Other Income	0.29	0.06	0.09
Depreciation	0.29	0.30	0.42
Interest	1.94	1.88	1.53
Exceptional Item	0.80	0.00	0.00
Profit Before Tax	1.71	3.17	5.47
Tax	0.44	0.97	1.47
PAT	1.27	2.20	4.01
Other Comprehensive Income	0.00	0.00	0.00
Net Profit	1.27	2.20	4.01
Net Profit Margin (%)	0.86%	1.30%	1.72%
Basic EPS in Rs.	2.96	1.83	3.34

Balance Sheet Highlights – As on 30th September 22



Rs. Cr	As on 31 st March 2022	As on 30 th Sept 2022
Equity	22.45	25.69
Equity Share capital	12.00	12.00
Other Equity	10.45	13.69
Minority Interest	0.00	0.00
Non-current liabilities	3.78	2.64
Long term borrowings	3.78	2.64
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.00	0.00
Current liabilities	75.48	95.85
Short Term Borrowings	14.02	23.78
Trade Payables	55.14	65.73
Other Financial liabilities	1.94	3.51
Other Current liabilities	1.78	1.47
Short-term provisions	0.24	0.27
Current Tax liabilities (Net)	2.35	1.09
Total Equities & Liabilities	101.71	124.17

Rs. Cr	As on 31 st March 2022	As on 30 th Sept 2022
Non-current assets	2.01	1.77
Property, Plant and Equipment	1.81	1.60
Intangible Assets	0.00	0.00
Non-current Investments	0.00	0.00
Net Deferred Tax Assets	0.19	0.16
Long-term loans & advances	0.00	0.00
Other non-current assets	0.00	0.00
Current assets	99.70	122.41
Inventories	36.65	47.37
Trade receivables	46.03	60.61
Cash, Cash equivalents & Bank balances	8.92	2.42
Bank Balances other than above	0.00	2.04
Other Financial assets	0.26	0.36
Other Current Assets	7.83	9.60
Total Assets	101.71	124.17



Key Return Ratios

Debt/Equity (x)

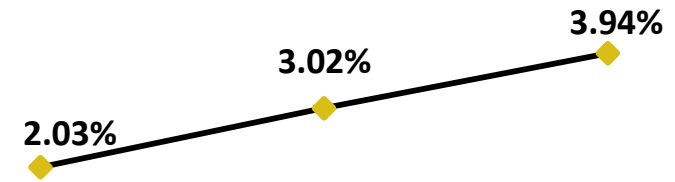


FY20

FY21

FY22

RoA (%)

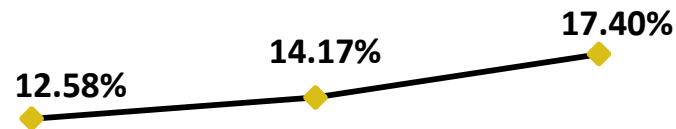


FY20

FY21

FY22

RoCE (%)

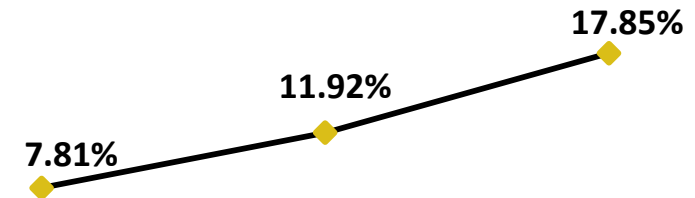


FY20

FY21

FY22

RoE (%)



FY20

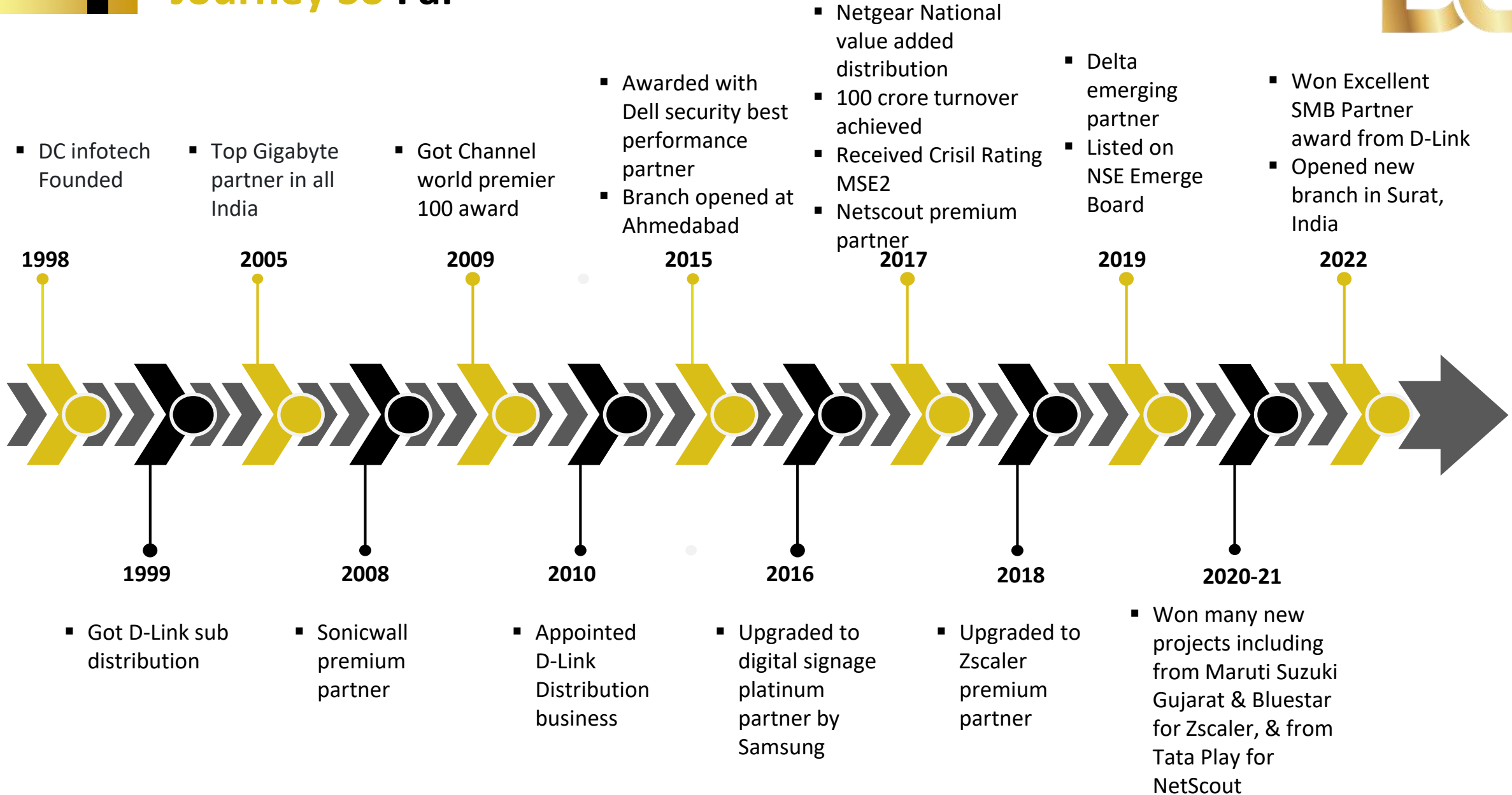
FY21

FY22



Way Ahead

Journey So Far



Growing Product Portfolio in existing verticals

- Increasing pocket share with existing and new solutions and technologies
- Adding new high-growth-potential products in line with changes in technology trends
- Distributing revenue mix from multiple solutions to reduce dependence on one

Foray into new verticals and business lines

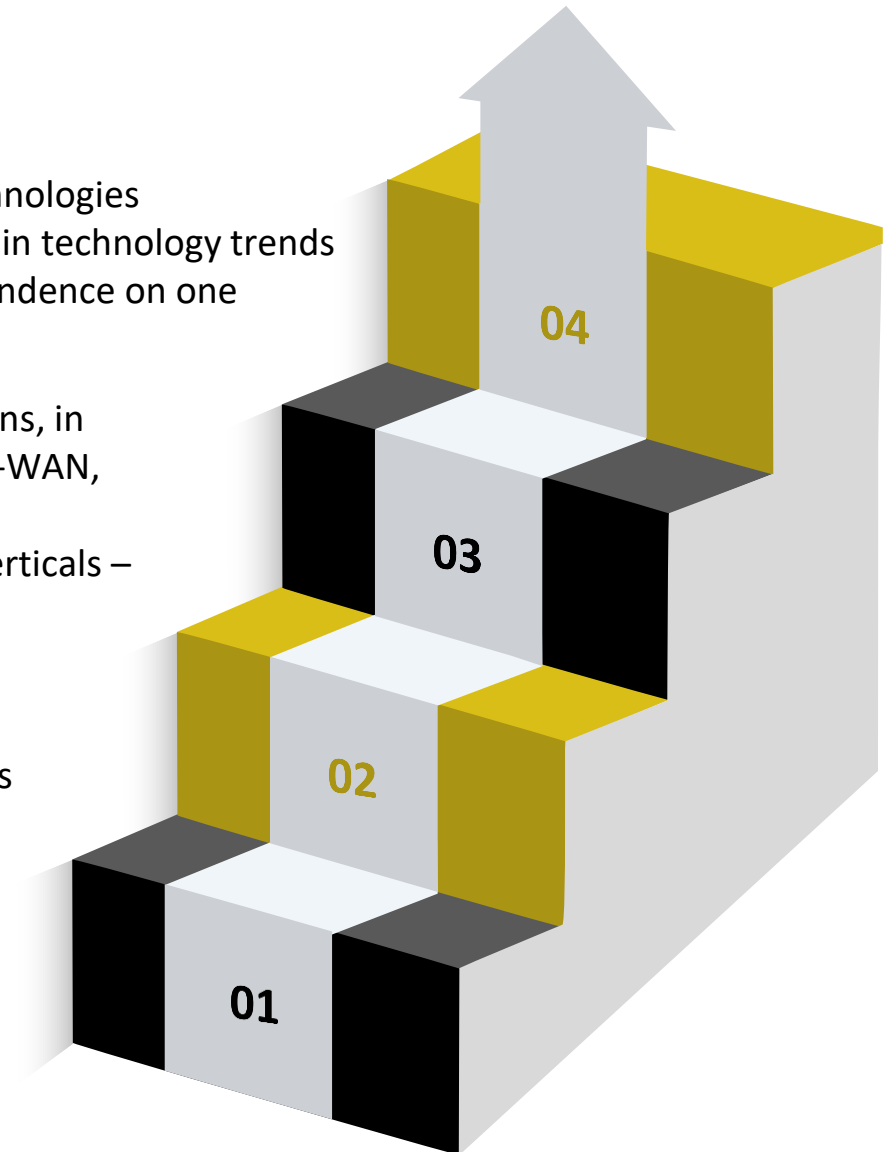
- Use core competencies developed in networking & security solutions, in other promising verticals – secured access, SaaS, Software Defined-WAN, Cloud Security, SSN VPN, AV over IP Network Solutions
- Value-added solutions would serve as key differentiator in other verticals – hybrid workplaces, cloud + data centers

Exploring new regions and geographies

- Expand footprint across India to become nationwide player
- Smart cities and Make in India initiatives are boosting business from OEMs and service providers

Focus on niche products

- Focus on high margin, high-value brands such as Samsung, NetScout, Zscaler etc.
- Increase focus on enterprise-class solutions
- Expand omni-channel network covering solution partners, integrators and corporates





Thank You !

For further information, please contact:

Mr. Bhavesh Singh
Company Secretary & Compliance
Officer
DC Infotech and Communication Ltd
Website: www.dcinfotech.com