DC Infotech and Communication Limited
Result Update Presentation
Q4 & FY23

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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*
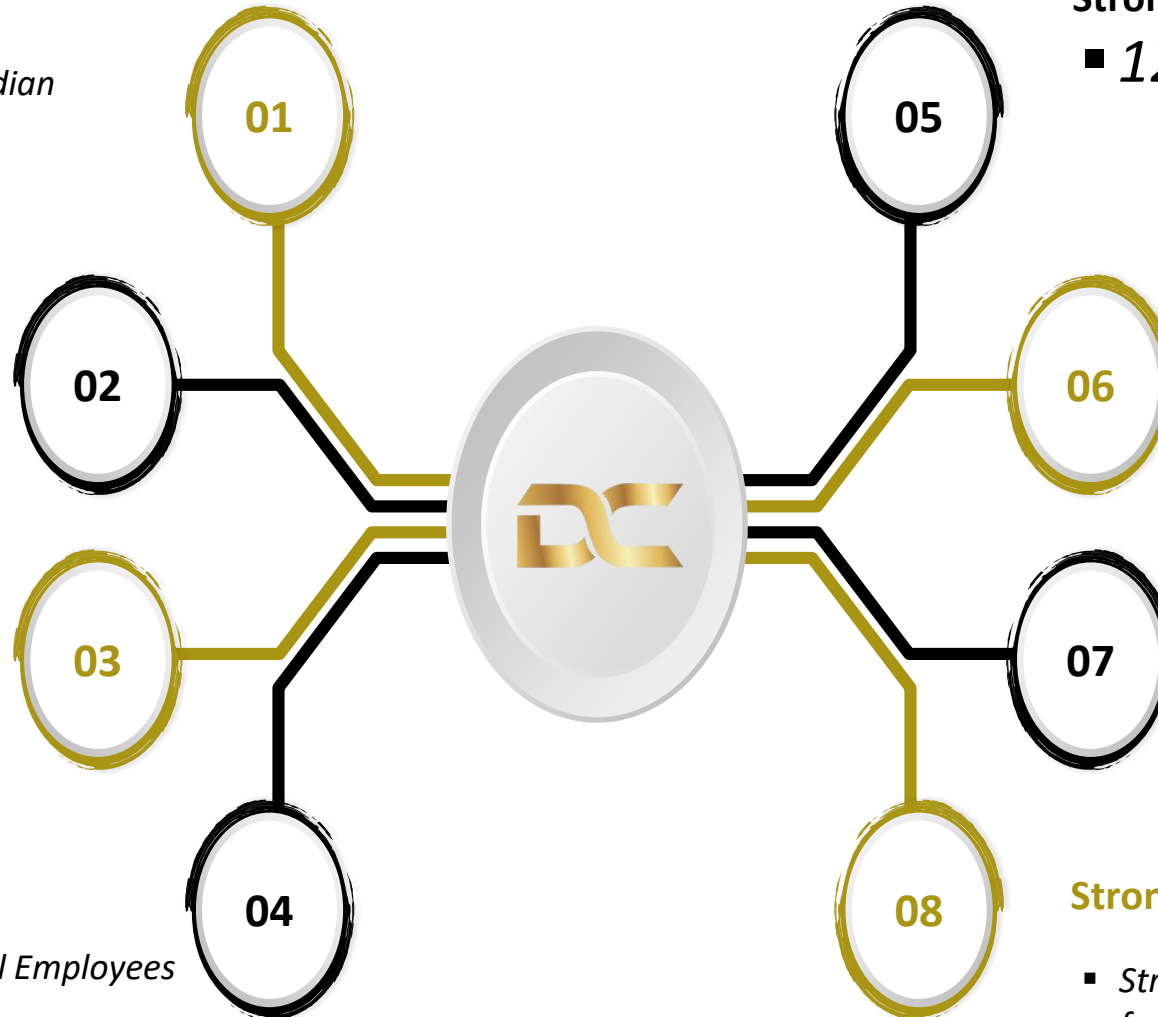
Strong Technology Tie-ups

- *12 + Business Partners*

Strong Client Base

- *More than 75 + Mid & 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*

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Value-Added Key Partnerships…

D-Link	Netgear	Samsung	Sonicwall	Netscout	Zscaler
▪ Routers ▪ Switches ▪ Wireless ▪ Surveillance ▪ Structured Cabling ▪ Network Rack	▪ Managed/Smart/ Unmanaged Poe/Non Poe Switches ▪ Chassis Switches ▪ Wireless – Indoor/Outdoor ▪ Campus Mesh Wireless Device	▪ Digital Signage ▪ Video Walls ▪ LED Signage ▪ UHD/UST Projectors ▪ Lifestyle TVs & Smart Monitors	▪ Network / Cloud / End Point Security ▪ Advanced Threat Protection	▪ Network / Cloud Performance ▪ Management & Security Monitoring	▪ Internet Access ▪ Private Access ▪ Business to Business Cloud Protection ▪ Digital Experience

.. Solutions **Offered**

Networking / Wireless / WiFi — 01

02 — **Information Security**

DDoS & Cyber Security — 03

04 — **Application Performance Management**

AV/IT Connectivity & Management — 05

06 — **Digital Signage**

Unified Communication & Collaboration — 07

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
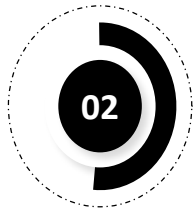
Key Strengths

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
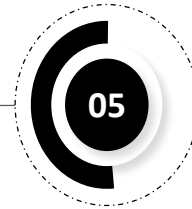
Widespread geographical reach
- Pan-India presence with Offices and Warehouses in strategic locations

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

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Industry Overview

Industry **Overview**

- The Global Cyber Security Market size as per revenue was surpassed $173.5 billion in 2022 and is anticipated to exhibit a CAGR of 8.9% to reach over $266.2 billion by the end of 2027

- 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

- According to Indian Computer Emergency Response Team, India registered a staggering 3.63 million cybersecurity events from January 2019 to June 2022

Cyber Security Market

Information Security Hardware
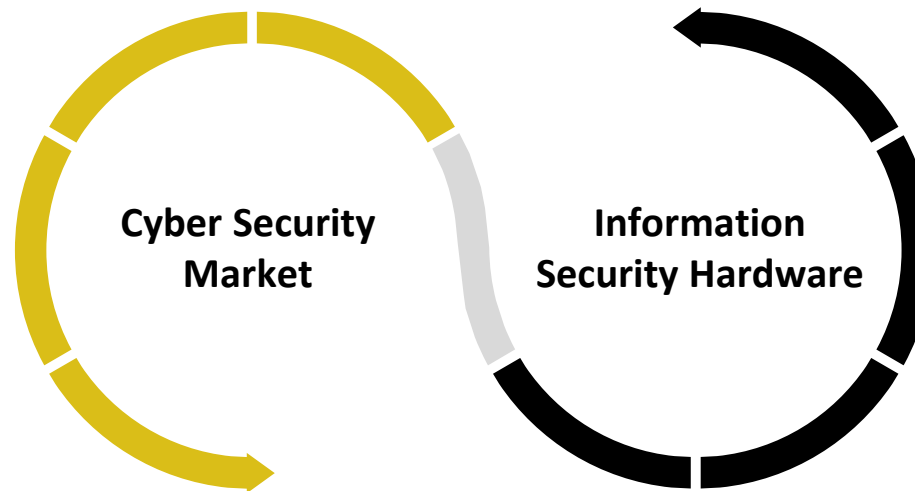
- Hardware security module market size is projected to reach USD 2.0 Billion by 2027, growing at a CAGR of 13.1%. Factors such as the increase in data breaches and cyberattacks and the growing adoption of digital payments are driving the growth of the market during the forecast period

- Increased demand for hardware security modules with the advent of 5G - offers a plethora of opportunities for businesses to grow. However, if security issues are not addressed with a new trust model for the 5G era, these advantages can also be threats to the confidentiality and integrity of critical data

- With increased digitization, hardware devices are constantly adapted to meet the latest standards. Therefore, the Hardware segment recovers relatively quickly after economic downturns

Sources: https://www.computerweekly.com/news/252512351/Indias-cyber-security-doubles-in-size-amid-pandemic ;
https://www.statista.com/outlook/tmo/cybersecurity/hardware/india
https://www.marketsandmarkets.com/Market-Reports/hardware-security-modules-market-162277475.html

Financial Highlights

Recent Developments during the Year

- DC Info ranks 13th out of 125 companies in Economic Times and Statista's India's Growth Champions 2023 that have achieved the highest percentage growth in revenues between 2019 and 2022

- Company enters into a partnership with Array Networks to offer entire suite of Array Network solutions across India

- DC Info bags new orders from prestigious clients namely Kotak Mahindra Bank, Tata Teleservices and Bharat Petroleum Corporation (BPCL) for value added Security Product line – "Netscout"

- We have added several new clients, including Maruti Suzuki Gujarat, Bluestar and Tata Play, among others

- Company signed up with Versa Networks to distribute their range of products across India and SAARC region

- DC Info won an award from Samsung for significantly contributing to their smart signage business

- Opened new branch in Surat, Gujarat, offering entire basket of products

- Company won an Award of Excellence from D-Link as a top SMB partner

Q4 FY23 Financial Highlights

Rs. Cr	Q4 FY23	Q4 FY22	Y-o-Y%	Q3 FY23	Q-o-Q%
Income from Operations	96.17	76.21		83.92	
Other Operating Income	0.00	0.00		0.00	
Total Income from Operations	**96.17**	**76.21**	**26.19%**	**83.92**	**14.60%**
Raw material	89.54	69.96		76.75	
Employee Cost	1.69	1.69		1.96	
Operating Cost	1.17	2.41		2.16	
Total Expenditure	**92.39**	**74.06**		**80.87**	
EBITDA	**3.78**	**2.15**	**76.01%**	**3.05**	**23.82%**
EBITDA Margin %	**3.93%**	**2.82%**	**111 bps**	**3.64%**	**29 bps**
Other Income	0.07	0.09		0.15	
Depreciation	0.19	0.18		0.19	
Interest	0.79	0.40		0.75	
Exceptional Item	0.00	0.00		0.00	
Profit Before Tax	**2.87**	**1.66**		**2.26**	
Tax	0.72	0.43		0.57	
PAT	**2.15**	**1.23**		**1.69**	
Other Comprehensive Income	0.00	0.00		0.00	
Net Profit	**2.15**	**1.23**	**74.67%**	**1.69**	**26.65%**
Net Profit Margin (%)	**2.23%**	**1.61%**	**62 bps**	**2.02%**	**21 bps**
Basic EPS in Rs.	1.73	0.96	**80.21%**	1.47	**17.69%**

- Revenue growth driven by strong Sale of Samsung, Netgear and Software and Services

- EBITDA margins improved because of change in mix of products and brands coupled with decrease in other expenses
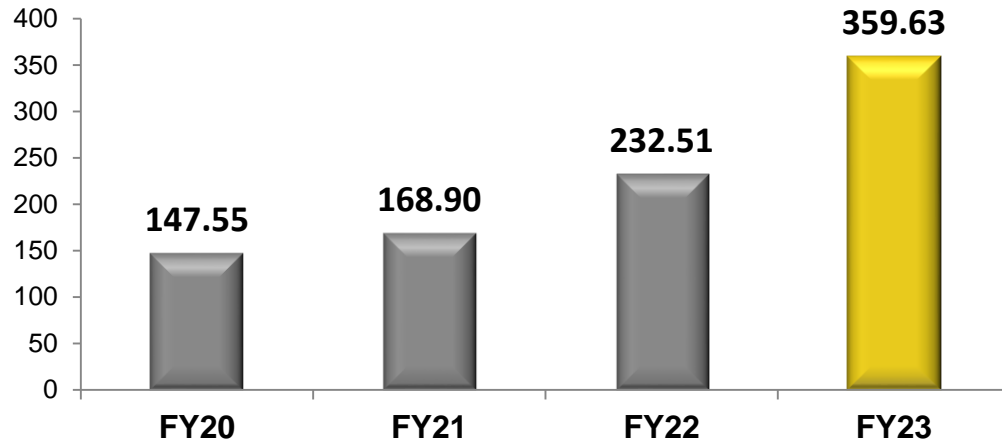
FY23 Financial Highlights

Rs. Cr	FY23	FY22	Y-o-Y
Income from Operations	359.63	232.51	
Other Operating Income	0.00	0.00	
Total Income from Operations	**359.63**	**232.51**	**54.67%**
Raw material	332.33	214.97	
Employee Cost	7.28	5.36	
Operating Cost	7.30	4.85	
Total Expenditure	**346.90**	**225.19**	
EBITDA	**12.72**	**7.33**	**73.63%**
EBITDA Margin %	**3.54%**	**3.15%**	**39 bps**
Other Income	0.27	0.09	
Depreciation	0.74	0.42	
Interest	2.77	1.53	
Exceptional Item	0.00	0.00	
Profit Before Tax	**9.49**	**5.47**	
Tax	2.41	1.47	
PAT	**7.08**	**4.00**	
Other Comprehensive Income	0.00	0.00	
Net Profit	**7.08**	**4.00**	**76.73%**
Net Profit Margin (%)	**1.97%**	**1.72%**	**25 bps**
Basic EPS in Rs.	5.90	3.34	**76.65%**

Annual Performance Highlights

Revenue (Rs. Cr.)

FY	Revenue
FY20	147.55
FY21	168.90
FY22	232.51
FY23	359.63

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

FY	EBITDA	Margin
FY20	4.45	3.02%
FY21	5.29	3.13%
FY22	7.33	3.15%
FY23	12.72	3.54%

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

FY	PAT	Margin
FY20	1.27	0.86%
FY21	2.20	1.30%
FY22	4.01	1.72%
FY23	7.08	1.97%

FY23 Revenue Split

- Security S/W & Services 18%
- Products 82%
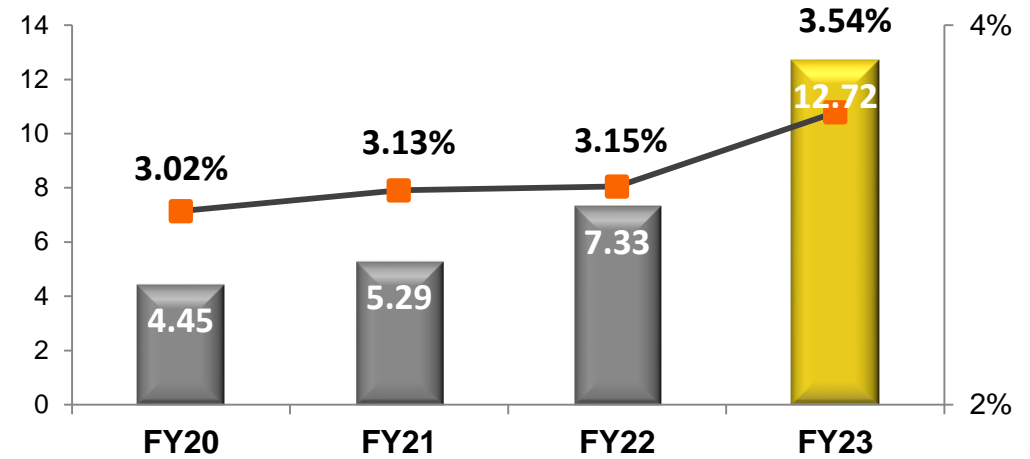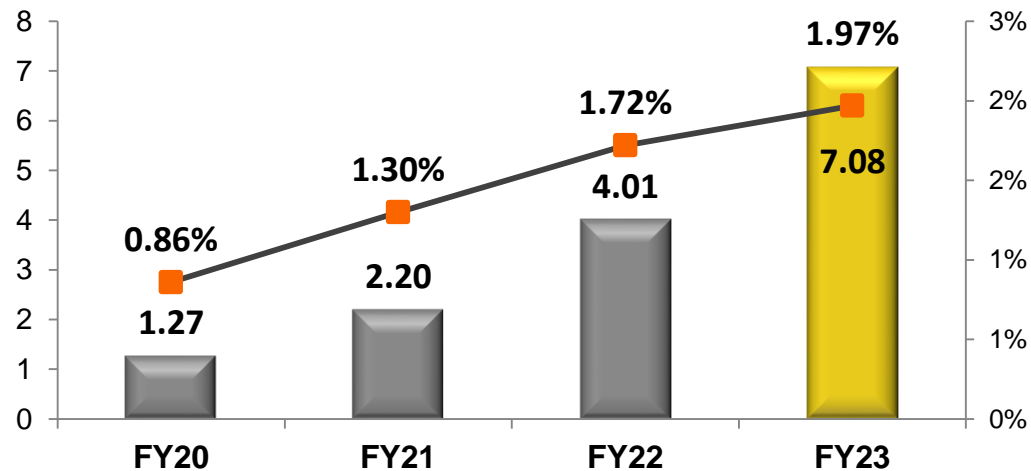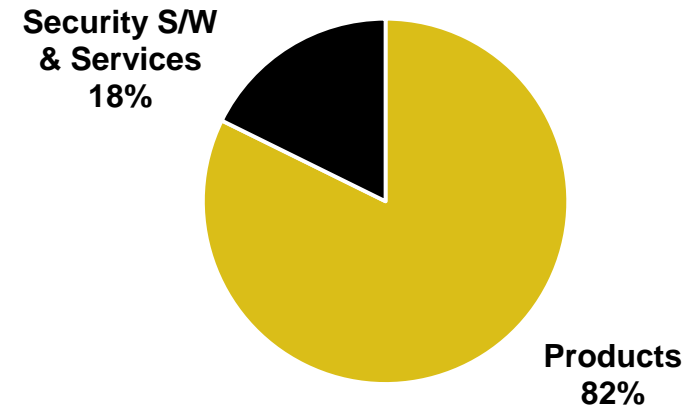
Balance Sheet Highlights – As on 31ˢᵗ March 23

Rs. Cr	As on 31ˢᵗ March 2023	As on 31ˢᵗ March 2022
Equity	**29.53**	**22.45**
Equity Share capital	12.00	12.00
Other Equity	17.53	10.45
Minority Interest	0.00	0.00
Non-current liabilities	**2.49**	**3.78**
Long term borrowings	**2.49**	3.78
Other Long term liabilities	0.00	0.00
Other Long term provisions	0.00	0.00
Current liabilities	**108.00**	**75.48**
Short Term Borrowings	23.52	14.02
Trade Payables	79.06	55.14
Other Financial liabilities	1.96	1.94
Other Current liabilities	0.87	1.78
Short-term provisions	0.12	0.24
Current Tax liabilities (Net)	2.47	2.35
Total Equities & Liabilities	**140.02**	**101.71**

Rs. Cr	As on 31ˢᵗ March 2023	As on 31ˢᵗ March 2022
Non-current assets	**1.65**	**2.01**
Property, Plant and Equipment	1.40	1.81
Intangible Assets	0.00	0.00
Non-current Investments	0.00	0.00
Net Deferred Tax Assets	0.24	0.19
Long-term loans & advances	0.00	0.00
Other non-current assets	0.00	0.00
Current assets	**138.37**	**99.70**
Inventories	54.23	36.65
Trade receivables	71.00	46.03
Cash, Cash equivalents & Bank balances	3.46	8.92
Bank Balances other than above	0.00	0.00
Other Financial assets	0.20	0.26
Other Current Assets	9.48	7.83
Total Assets	**140.02**	**101.71**

Key Return Ratios

Debt/Equity (x)

FY20	FY21	FY22	FY23
1.18	0.93	0.79	0.88

RoA (%)

FY20	FY21	FY22	FY23
2.03%	3.02%	3.94%	2.31%

RoCE (%)

FY20	FY21	FY22	FY23
12.58%	14.17%	17.40%	10.05%

RoE (%)

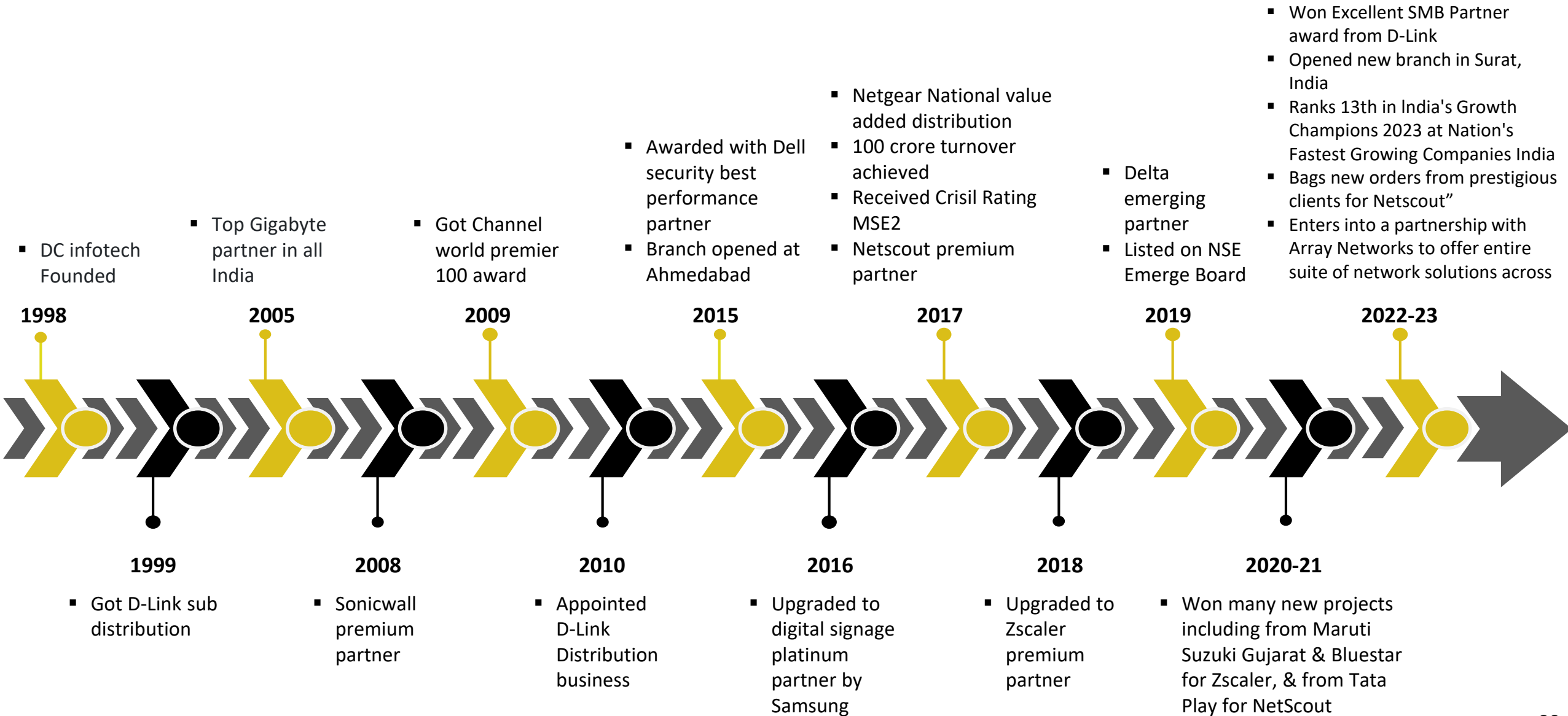| FY20	FY21	FY22	FY23
7.81%	11.92%	17.83%	10.96%
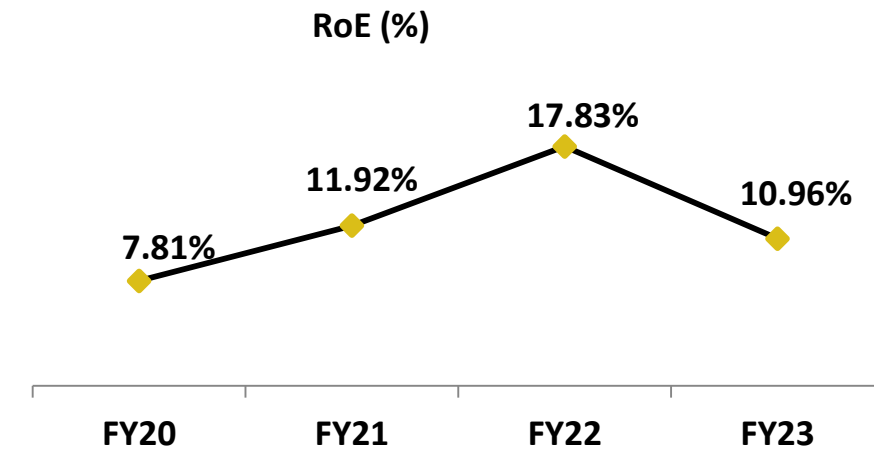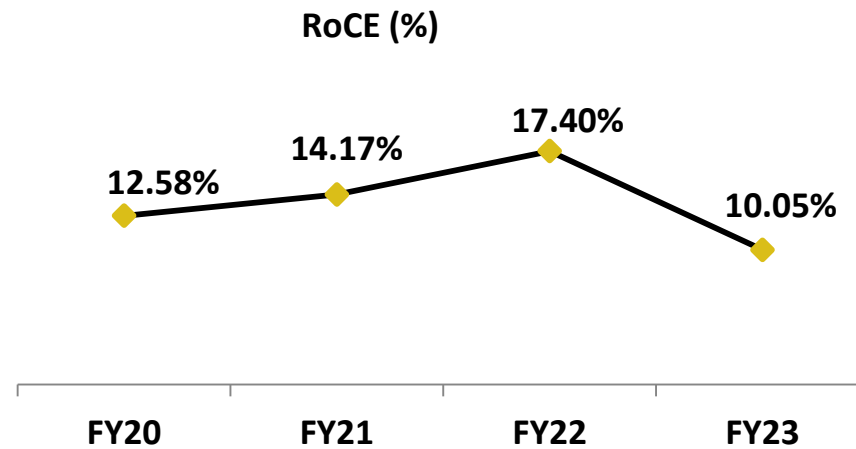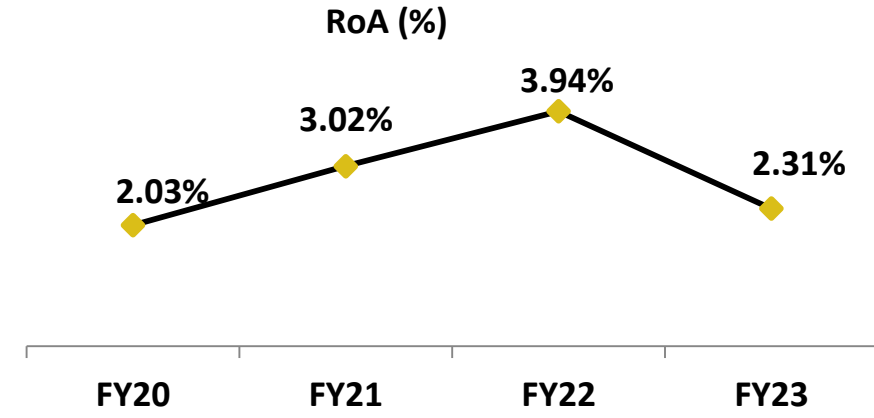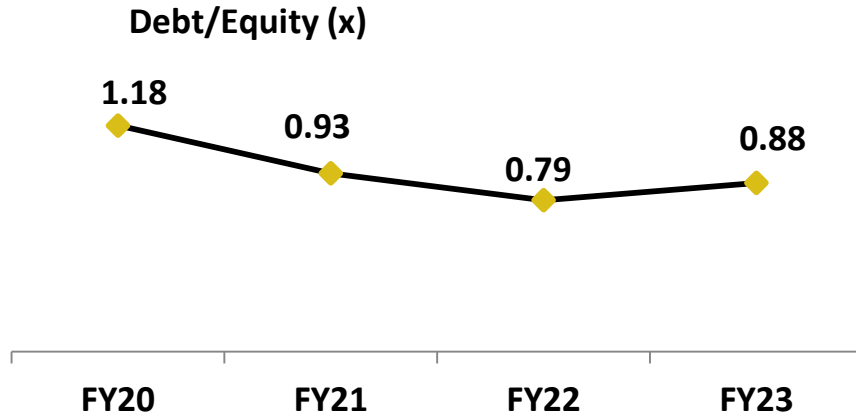
ROE = Net Profit/ Net Worth, **ROA** = Net Profit/ Total Assets , **RoCE** = EBIT/(Shareholders fund + long term borrowing + short term borrowing- Non-current investment)
Debt/Equity = Total Debt/Shareholders Fund

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Way Ahead

Journey So **Far**

1998
- DC infotech Founded

1999
- Got D-Link sub distribution

2005
- Top Gigabyte partner in all India

2008
- Sonicwall premium partner

2009
- Got Channel world premier 100 award

2010
- Appointed D-Link Distribution business

2015
- Awarded with Dell security best performance partner
- Branch opened at Ahmedabad

2016
- Upgraded to digital signage platinum partner by Samsung

2017
- Netgear National value added distribution
- 100 crore turnover achieved
- Received Crisil Rating MSE2
- Netscout premium partner

2018
- Upgraded to Zscaler premium partner

2019
- Delta emerging partner
- Listed on NSE Emerge Board

2020-21
- Won many new projects including from Maruti Suzuki Gujarat & Bluestar for Zscaler, & from Tata Play for NetScout

2022-23
- Won Excellent SMB Partner award from D-Link
- Opened new branch in Surat, India
- Ranks 13th in India's Growth Champions 2023 at Nation's Fastest Growing Companies India
- Bags new orders from prestigious clients for Netscout"
- Enters into a partnership with Array Networks to offer entire suite of network solutions across

Way Ahead

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

04

03

02

01
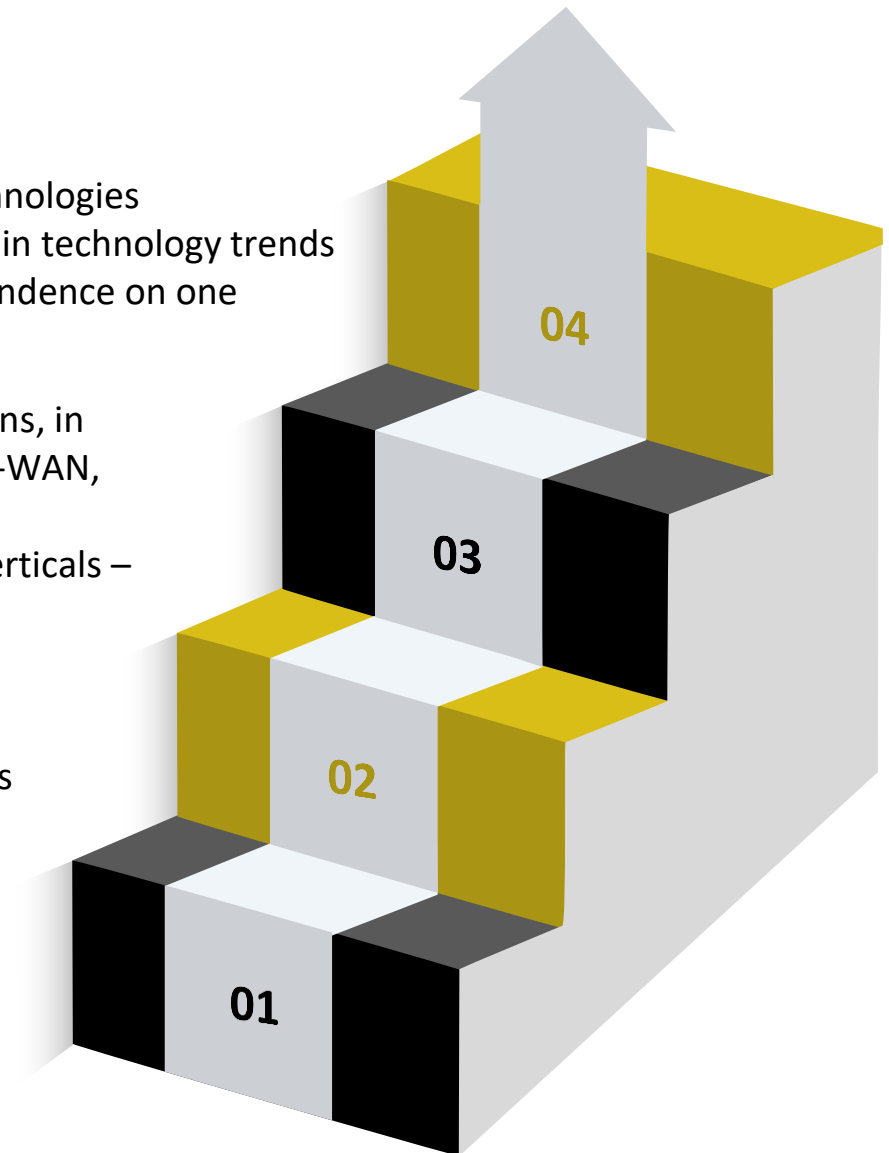
Thank You !

For further information, please contact:

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Officer
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Website: www.dcinfotech.com