Q3 FY 21: Earnings presentation

Feb 3, 2021

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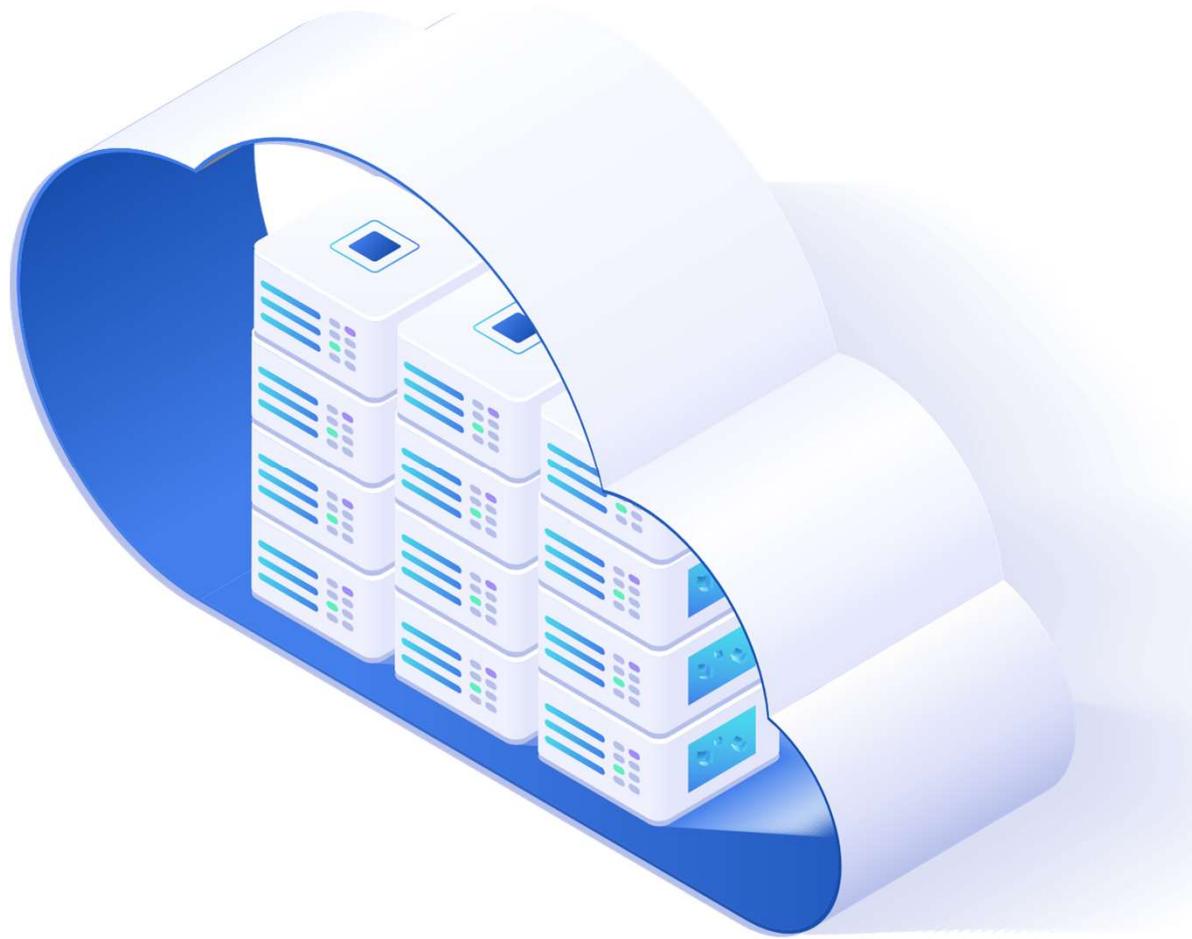
Rebranding update

Suresh Venkatachari

Chairman & CEO, SecureKloud Technologies

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" I am pleased to announce that we have successfully rebranded ourselves as SecureKloud, that reflects our leadership position and strength in the cloud transformation business with a strong focus on security, through a comprehensive suite of offerings covering the Blockchain, IDAM and Data Engineering space. A revamped brand identity is testament to the fact that we are the same trailblazing company we were when we got into the cloud business 12 years ago; however, we are going to differentiate ourselves by an intrinsic ideology where we would approach business objectives with an aura and energy of a startup with the stability of a large company, offering the best of both the worlds to our customers, employees and partners"
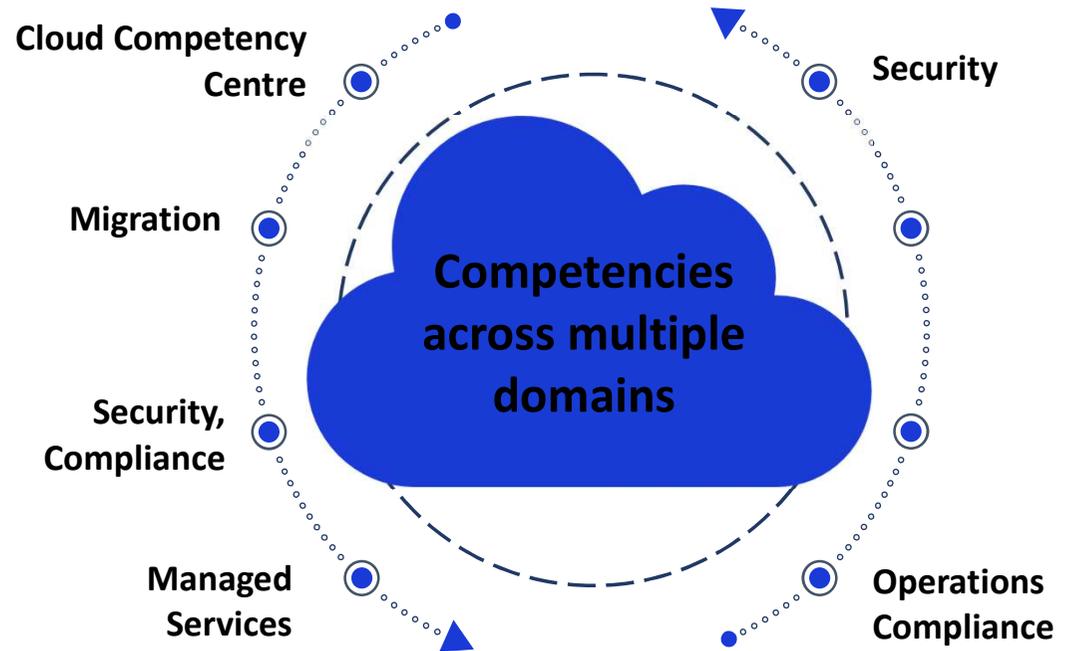
Company Overview

SecureKloud, formerly 8K Miles a Market Leader in **Enterprise Cloud Transformation** in highly regulated industries with stringent Cloud Security & Compliance requirements

Location

- HQ: Chennai, India
- US HQ: Pleasanton, CA
- Sales Office: Chicago, IL; East Brunswick, NJ; Pleasanton, CA
- DevOps Centers: Pleasanton, CA and Chennai, India

Industry Verticals

- Pharma / Life science
- Healthcare
- Automotive
- BFSI

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Partnerships

- AWS Premier Partner
- Azure Gold Partner
- GCP Cloud Managed Services Provider
- Looker

Offering

- Platforms: CloudEz, DataEz, Readable.ai and CloudAuth
- Cloud and DevOps Automation and Nextgen Managed Services
- Data Science, Analytics and AI/ML Services
- Cloud Security and Compliance (HIPAA/GxP/HITRUST) Services
- Health IT Advisory, EMR Implementation & Managed Services
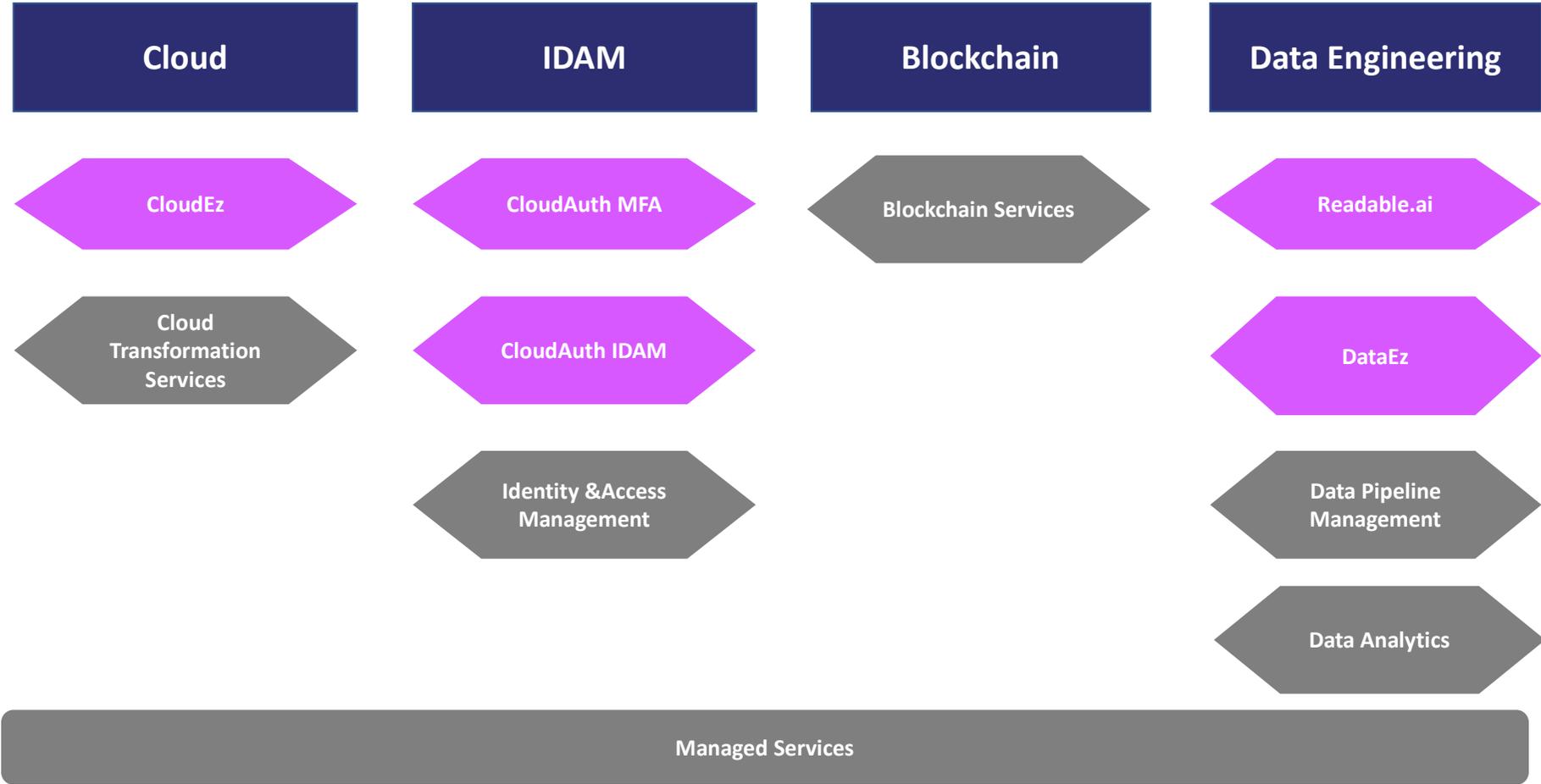
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Our Cloud Expertise

- AWS Premier Consulting Partner

- Top 10 Healthcare Partner for AWS

- 3rd Party Audited Next Gen Managed Services Provider

- Extensive Knowledge & Expertise in Microsoft Azure

- Google Cloud Partner

- Complete Business Transformation Services

- Framework / Service Platform

Cloud Competency Centre

Security

Migration

Competencies across multiple domains

Security, Compliance

Managed Services

Operations Compliance

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Our Offerings

Cloud	IDAM	Blockchain	Data Engineering
CloudEz	CloudAuth MFA	Blockchain Services	Readable.ai
Cloud Transformation Services	CloudAuth IDAM		DataEz
	Identity &Access Management		Data Pipeline Management
			Data Analytics

Managed Services

Competency   Product   Service

Security & Regulatory Compliance

- Regulatory Compliance Experts
  - ✓ HIPAA, GxP, FIPS, PCI-DSS, etc.
- Battle Tested at Highly Regulated Industries
- Chaired & contributed to SAML 2.0 Specification
- Developed multiple Patents
- First to market Cloud-SaaS IDM On-boarding
- HiTrust Certification – In Progress
- ISO 27001:2013 Certified

Continuous Security

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Continuous Compliance

Business Highlights

Continued To Grow Business In Pharma Vertical Despite Covid-19

- Signed early renewal of our existing large Pharma customers
- Successfully delivered PoC for one of the large Healthcare customer with our Readable.ai product
- Expanded our footprint with a Pharma customer with DevOps and Architecture support
- Expanding the Sales team for now customer acquisition
- Launching CloudEz and DataEz on AWS Marketplace

Sales Recovery From In Healthcare vertical since Covid-19 delayed several projects across US Hospital Clients

- The revenue stream and opportunity pipeline started picking up to pre-Covid level including annual renewals of contracts. However, Covid-19 continues to be a challenge as the second wave is beginning to affect some parts of US
- Won a major customer for MEDITECH Regulatory Consulting
- Won a major customer for Tier 3 systems support
- Readable.ai, flagship Data Engineering product, has been approved by Google and will be available from Marketplace from Q1 2021

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# Business Highlights

<div style="background-color:#5B9BD5; color:white; padding:8px;">Cloud Business growth from non-Healthcare Verticals</div>

- We are continuing to grow with our existing customers in Automotive, Aviation, Manufacturing & ICT

- Started engaging with one of our large aviation customer to provide 24x7 support

- Acquired a new customer in BFSI for assessing their SOC2 compliance and readiness to implement including 24x7 support

- Acquired a new customer for developing and managing 3rd party application connectors for their Identity Management platform

- Building competency in SOC compliance

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Business Highlights

Marketing and Branding Updates
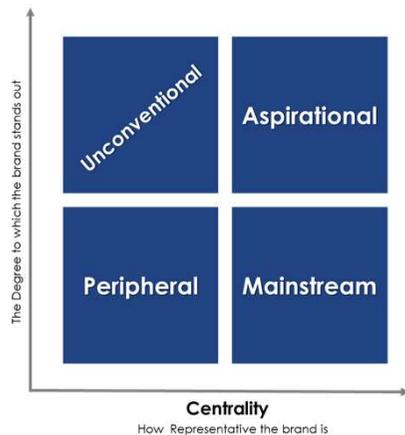
Objective to focus on being an aspirational brand

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- New Logo designed to reflect the brand positioning, with a clean and minimalistic design

Partnership updates

AWS:
- Participated in joint AWS webinar and presented a case study on Healthcare Datalake Management platform for Personalized healthcare services
- Participated in joint AWS public case study on building data platform for inflight entertainment system for a large aviation customer
- Received premier partner status for 6th consecutive year
- Continue to be one of the top 10 healthcare partners for AWS
- Signed Meditech EMR backup/DR deals onAWS

Google Cloud:
- Recognized by Google Cloud as one of the top 8 cloud managed services providers for Healthcare Interoperability readiness program launched during this Q3 quarter.

Looker:
- Signed partnership with Looker (acquired by Google recently) for leveraging their Data Analytics platform.

Consolidated Financial Highlights (Rs Lakhs)

Key Indicators		Q3 FY21	Q2 FY21	Q1 FY21
Revenue	⬆	9,050.7	8,903.7	8,807.4
Recurring Revenue	⬆	34.7%	34.0%	32.5%
Gross Profit		3,473.0	3,251.9	2,641.5
Gross Profit Margin %		38.4%	36.5%	30.0%
R&D Expenses		759.9	579.2	741.8
R&D to Revenue %		8.4%	6.5%	8.4%
SG&A Expenses		1,339.2	1,409.3	1,509.2
SG&A to Revenue %		14.8%	15.8%	17.1%
Operating Expenses		7,676.7	7,640.3	8,416.9
EBITDA	⬆	1,373.9	1,263.3	390.5
EBITDA %		15.2%	14.2%	4.4%

- **Recurring revenue at 34.7%**

- **Gross Profit Margin at 38.4%**

- **EBITDA Margin at 15.2%**

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Q3 Snapshot (Rs Lakhs)

Revenue
9,050.7

Q-o-Q	1.7%	⬆

Gross Profit
3,473.0 │ 38.4%

Q-o-Q	6.8%	⬆

EBITDA
1,373.9 │ 15.2%

Q-o-Q	8.8%	⬆

PAT
515.5 │ 5.7%

Q-o-Q	32.1%	⬆

Quarter Financials (Rs Lakhs)

REVENUE

9,100		9,050.7
9,000		
8,900	8,903.7	
8,800		
8,700		

8,807.4   8,903.7   9,050.7

Q1 FY 21   Q2 FY 21   Q3 FY 21

Q-Q 1.7%

EBITDA

1,500   1,263.3   1,373.9
1,100
700
390.5
300

Q1 FY 21   Q2 FY 21   Q3 FY 21

Q-Q 8.8%

RECURRING REVENUE

36.0%
35.0%   34.7%
34.0%   34.0%
33.0%
32.5%
32.0%

Q1 FY 21   Q2 FY 21   Q3 FY 21

Q-Q 0.7%

PAT

500   390.1   515.5
200
-100
-400
-700
(636.1)

Q1 FY 21   Q2 FY 21   Q3 FY 21

Q-Q 32.1%

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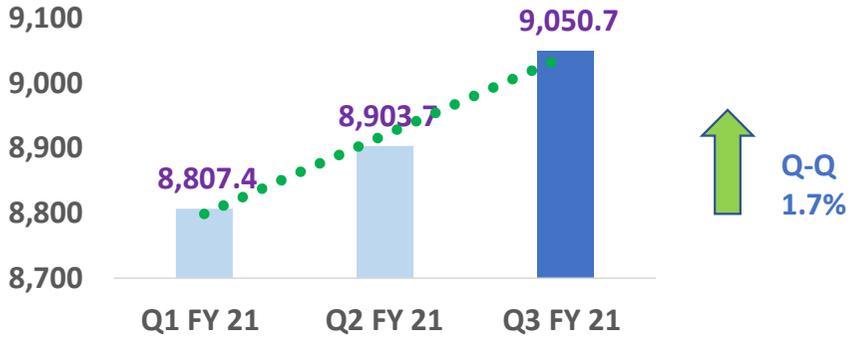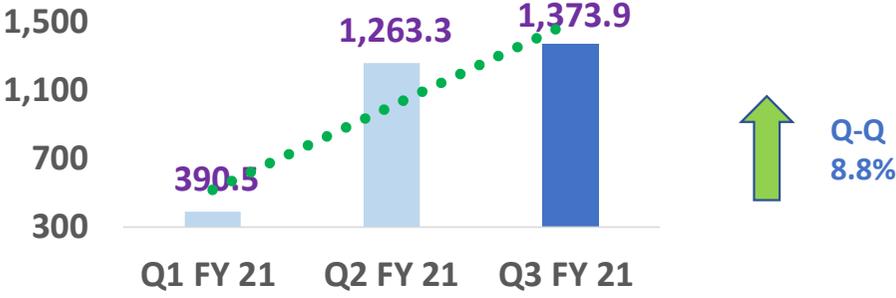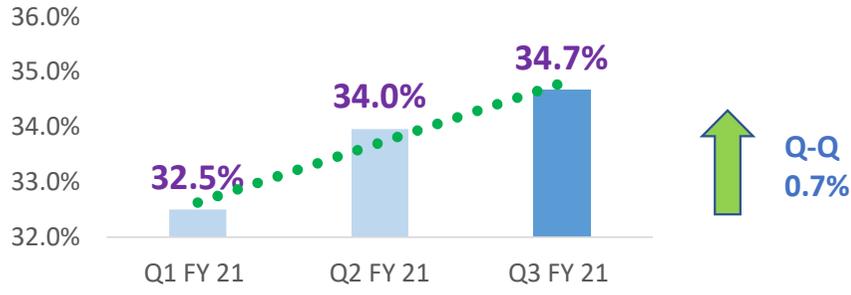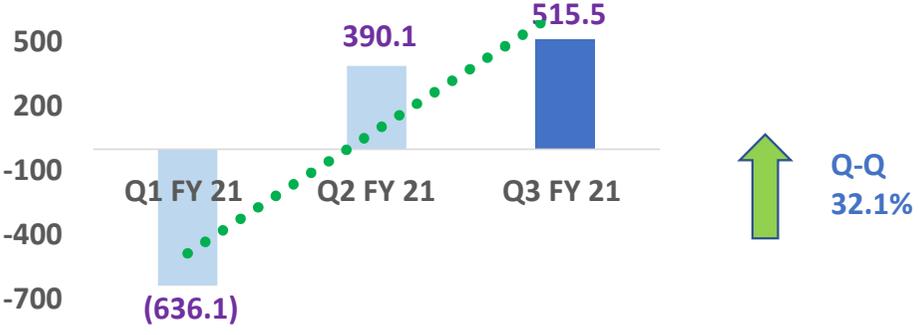
Revenue Metrics

Segmental Revenue

	Q1 FY 21	Q2 FY 21	Q3 FY 21
Life Science	55.7%	58.1%	49.8%
Healthcare	16.5%	16.3%	18.7%
ICT	27.8%	25.6%	31.6%
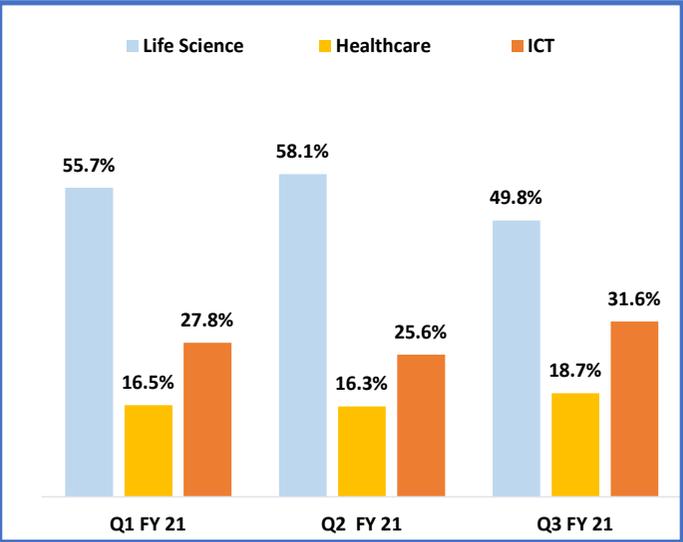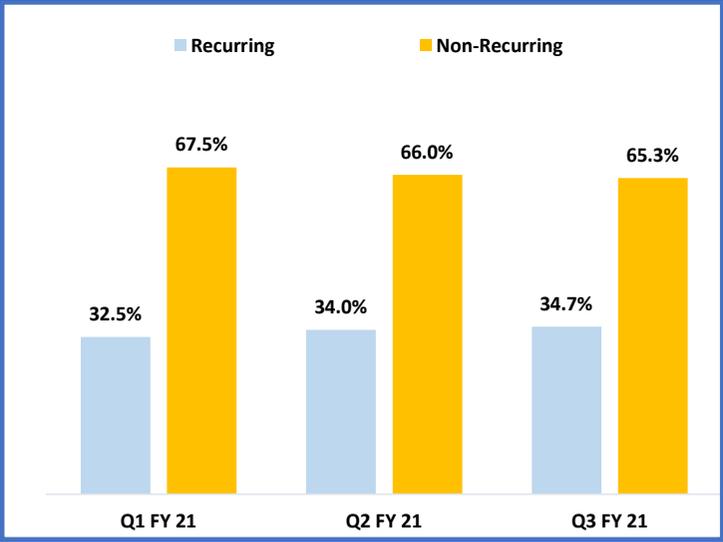
Recurring / Non-Recurring Revenue

	Q1 FY 21	Q2 FY 21	Q3 FY 21
Recurring	32.5%	34.0%	34.7%
Non-Recurring	67.5%	66.0%	65.3%
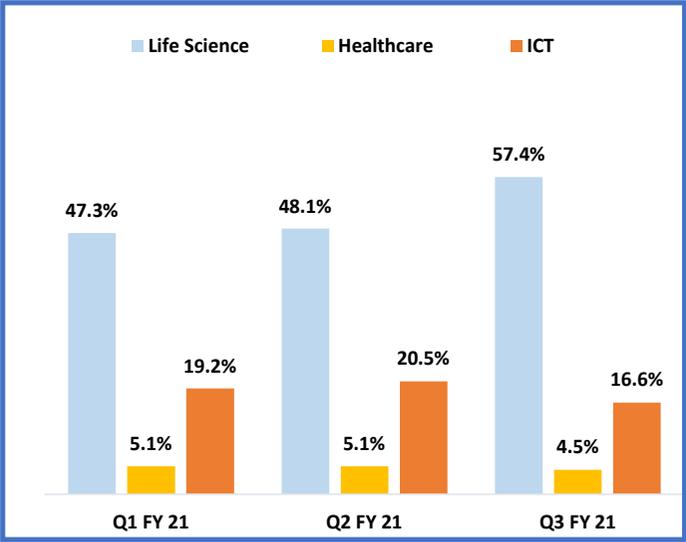
Segmental Recurring Revenue

	Q1 FY 21	Q2 FY 21	Q3 FY 21
Life Science	47.3%	48.1%	57.4%
Healthcare	5.1%	5.1%	4.5%
ICT	19.2%	20.5%	16.6%

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Client Composition and Relationship

Client Contribution to Revenue

Legend: Top 10 customers (blue), Top 20 customers (yellow)

Q1 FY 21: 73.2%, 81.5%
Q2 FY 21: 74.9%, 83.2%
Q3 FY 21: 74.0%, 85.3%

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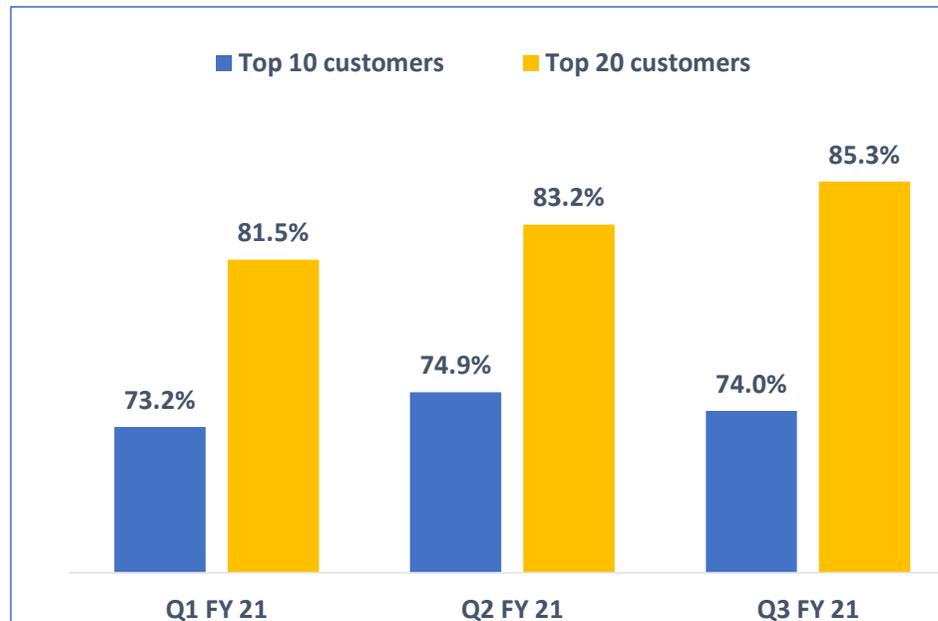
Employee metrics – Headcount

Head Count	Q1 FY 21	Q2 FY 21	Q3 FY 21
Software Professional*	417	425	432
S&M	33	39	42
G&A	53	50	46
Total	503	514	520
Women Employee represent 24 % of total HC in Q3			

*Includes contractors

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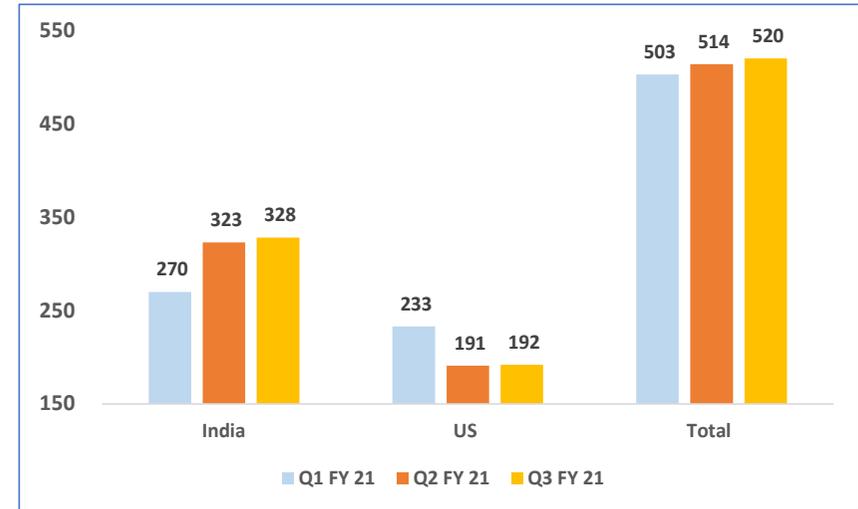
Net DEBT Status (Rs Lakhs)

Debt Status	As on Jun,30	As on Sep,30	As on Dec,31
Gross Debt	14,372	13,367	12,798
Cash in Hand	872	672	1,258
Net Debt	13,500	12,696	11,540

DSO (in Days)

Thank You