

# Investor Day

May 25, 2023



ACCELERATING TRANSFORMATION



# Our Journey: Compounding growth through market cycles

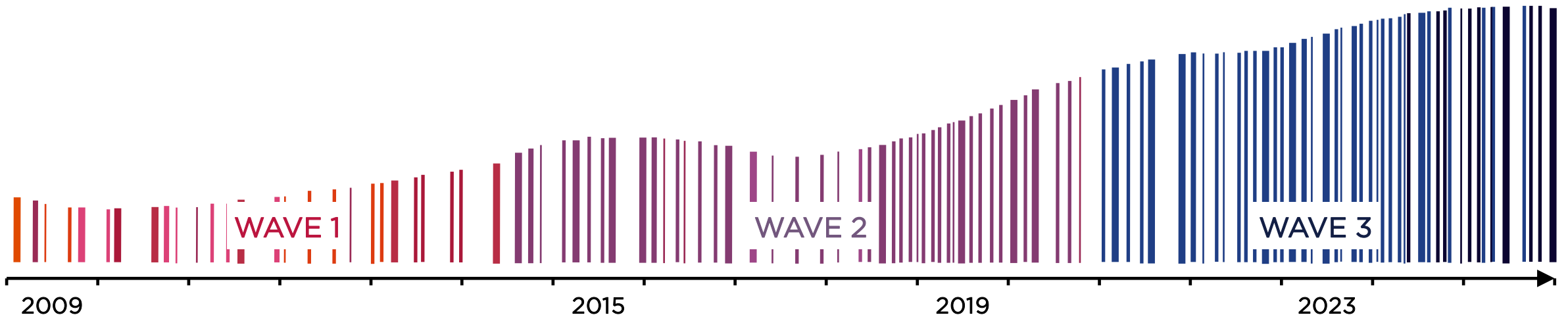


CMS

Established a strong core in Cash Logistics

Grew TAM by expanding into Managed Services

High growth  
Launched AIoT business



Industry

- ↑ in Pvt. bank outsourcing
- 4x ATM market growth
- Market players doubled

- Demonetization
- NPA crisis; PSU bank mergers
- RBI standards

- ↑ in PSU bank outsourcing
- COVID pandemic
- Industry consolidation

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# Our Growth: 9X Revenue, 13X EBITDA and 13X PAT



**17%** Revenue & **20%** EBITDA CAGR\*

Revenue: ₹ 1,915 Cr  
Adj. PAT margin: 15.9%

Revenue: ₹ 1,128 Cr  
Adj. PAT margin: 8.0%

Revenue: ₹ 1,146 Cr  
Adj. PAT margin: 8.8%

Revenue: ₹ 216 Cr  
Adj. PAT margin: 10.5%

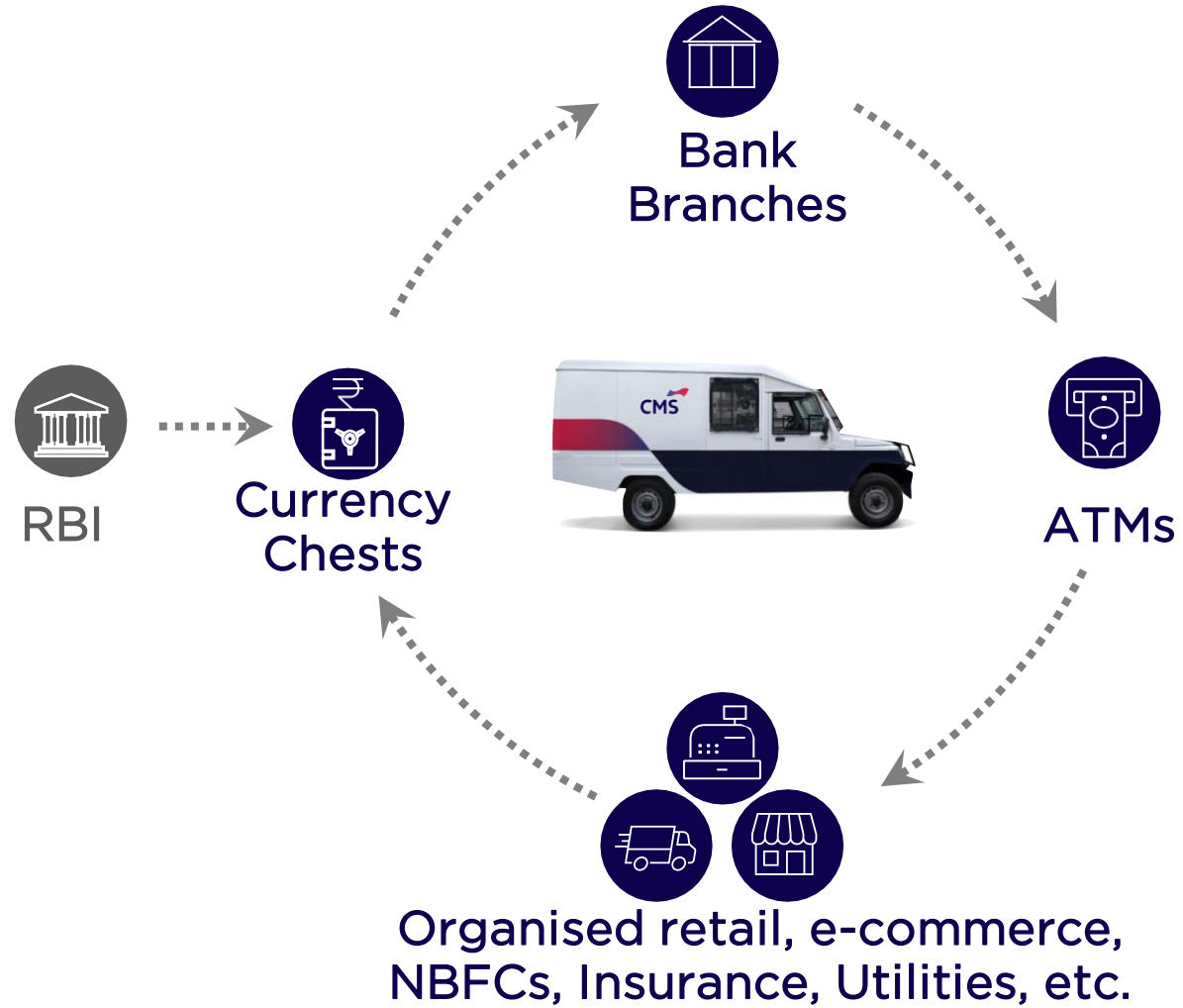


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\*from continuing businesses (FY09 - FY23)



# Our Cash Logistics Business



# CMS Logistics Platform powers the Currency Cycle in India

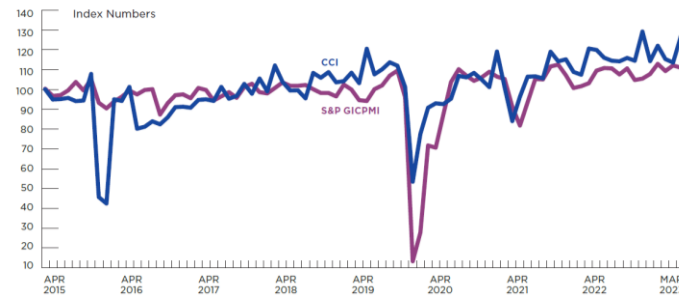


**16.1%** Growth in Currency Throughput at ₹ 13 Lakh Crore in FY23

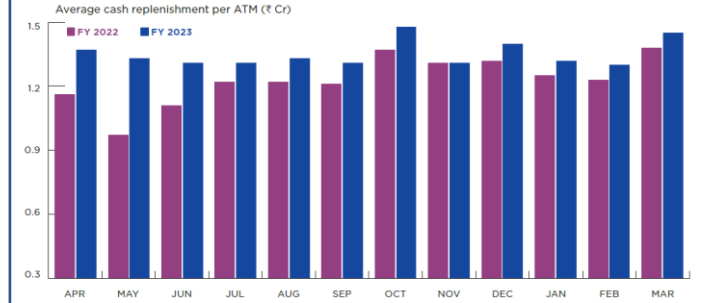
**1.4x** Increase in avg. cash collection per point in Transportation in FY23/FY22

**1.3x** Increase in avg. cash collection per point in e-commerce in FY23/FY22

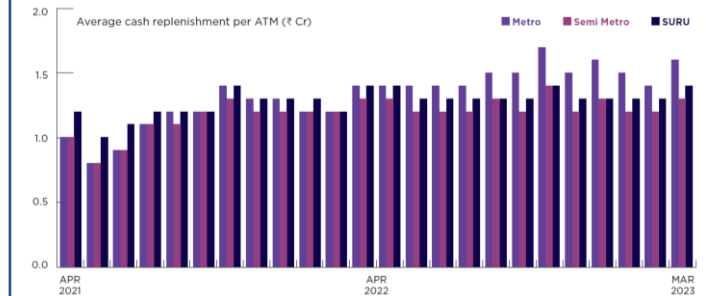
**CMS Cash Index™** and S&P Global India Composite PMI show a strong correlation



**10.1%** Growth in monthly average cash replenishment at ATMs



**17.0%** Growth in monthly cash replenishments in Metros



Data for FY23/As of Mar'23



# Our Cash Logistics Network

## World class scale, quality and risk management



### ATM

- Revenue model linked to # of visits per ATM (<2% variance)
- Annuity revenue model, >90% fixed
- 72,000+ ATMs, Replenished every alternate day, Avg. ₹ 1.4 Cr / ATM per month

### RETAIL

- Partner with Transaction banking to offer treasury solutions for corporates & retail (Cash-X)
- Annuity revenue model linked to volume & points; >70% fixed
- 52,000+ business commerce points, Avg. ₹ 37 L collection & processing per month

### CIT

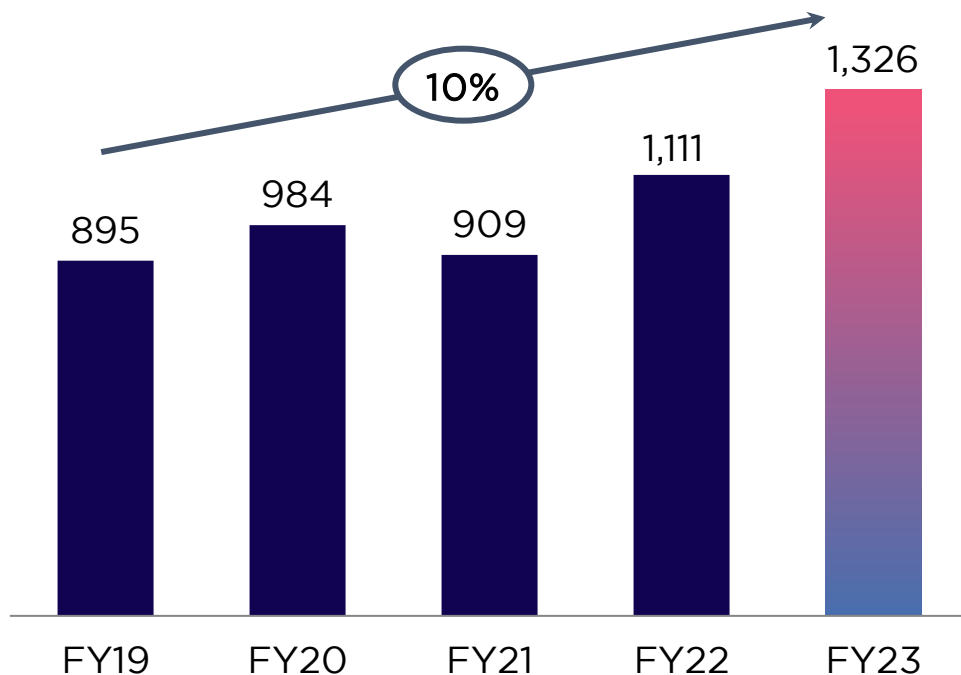
- Bulk currency transit across the banking network
- Revenue model: 80% fixed; 3-5 year contracts
- 12,000+ bank branches served every day



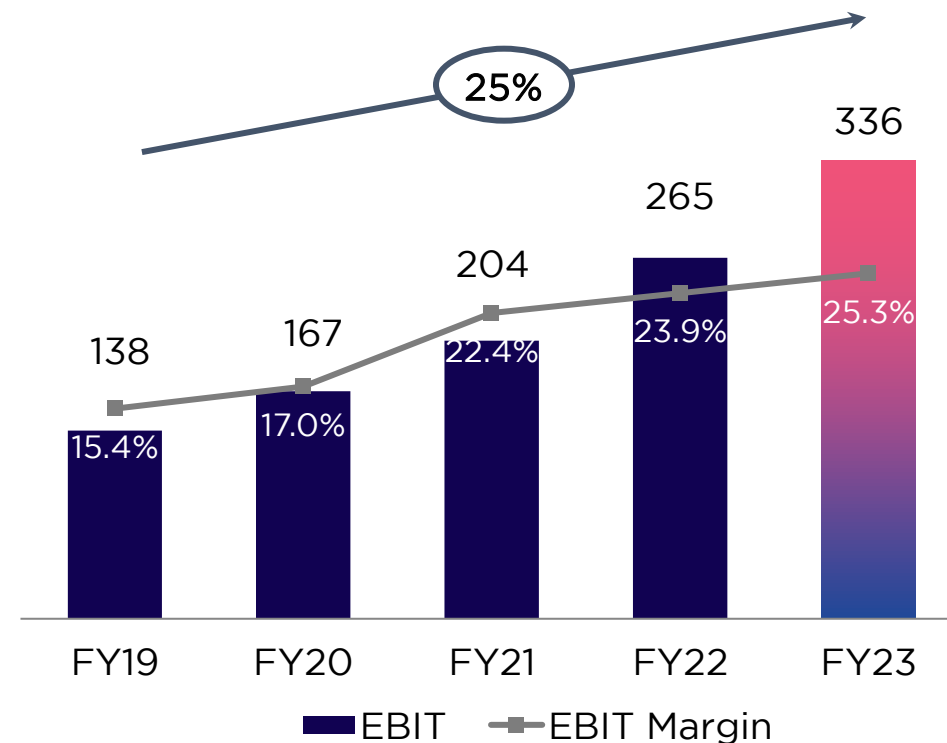
# Last 5-years Financials: Cash Logistics business



### Revenue (₹ Crore)



### EBIT (₹ Crore) & EBIT Margin (%)





**43%**

Informal economy today -  
formalizing rapidly

**4x**

growth in consumer spends  
by 2025

# Business of Cash Logistics



# Cash

**18%**

annual growth rate -  
Organised retail

**69%**

Rural population  
contributing to 31% FMCG  
consumption today





# Our Managed Services and Tech Solutions Business



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# India is the worlds 3<sup>rd</sup> largest ATM market



## Banking Automation

*14% mkt share*

- ATMs, Currency recyclers, Self-service kiosks
- 1:2 branch to ATM ratio
- Product sale + 7-10 yr maintenance revenue



## ALGO Software

*Market leader*

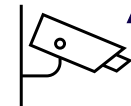
- MVS - Unified & dynamic interface and management
- ATM access security software
- SaaS-like business model
- License sale + 7-10 yr maintenance rev.



## ATM-as-a-Service

*6% mkt share*

- 60% bank owned, 3-5 yrs fixed revenue
- 40% BLA; 7-10 yrs, txn-based revenue
- **CMS**: 20-25% revenue fixed rate; ~30% of BLA at bank branches (high predictability)



## AIoT Remote Monitoring

*#1 in Banking*

- <40% ATMs and <30% branches secured today
- 100% fixed recurring



# Deep Tech AI and IoT solution



10x growth at scale



RPA monitoring with zero alerts missed



Customizable & flexible library modules

**21,000+**  
live sites

**60,000**  
alerts processed by  
the software / day

**1,000+**  
critical threats  
already prevented

**40+**  
Artificial Intelligence  
use cases developed

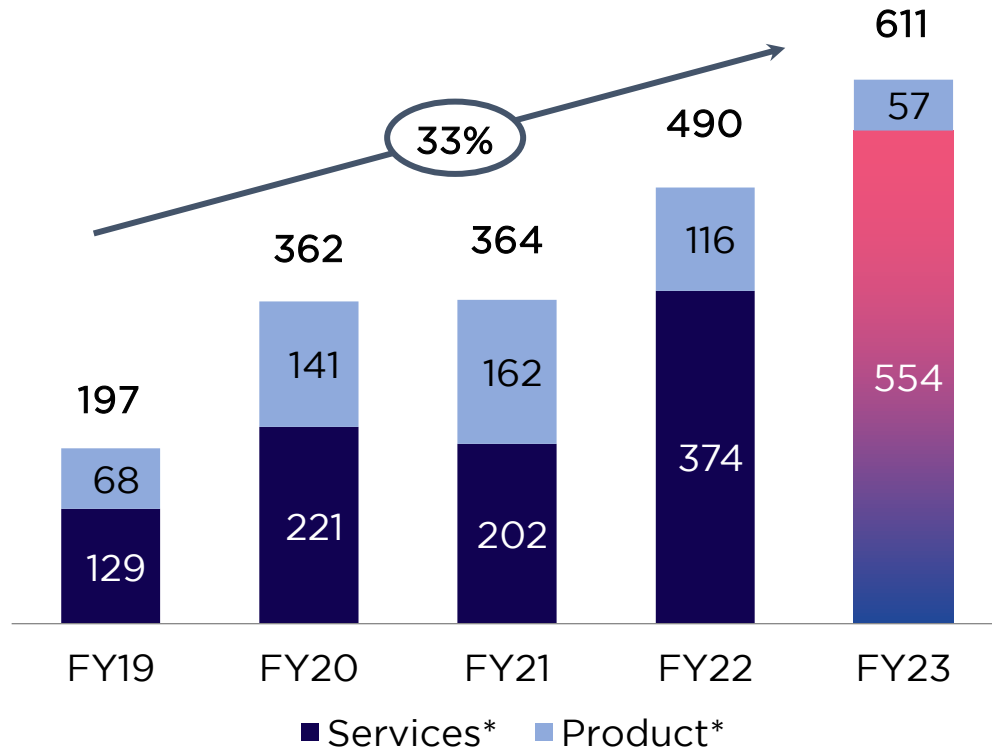
## #1 AIoT player in Banking sector



# Last 5-years financials: Managed Services & Tech Solutions business

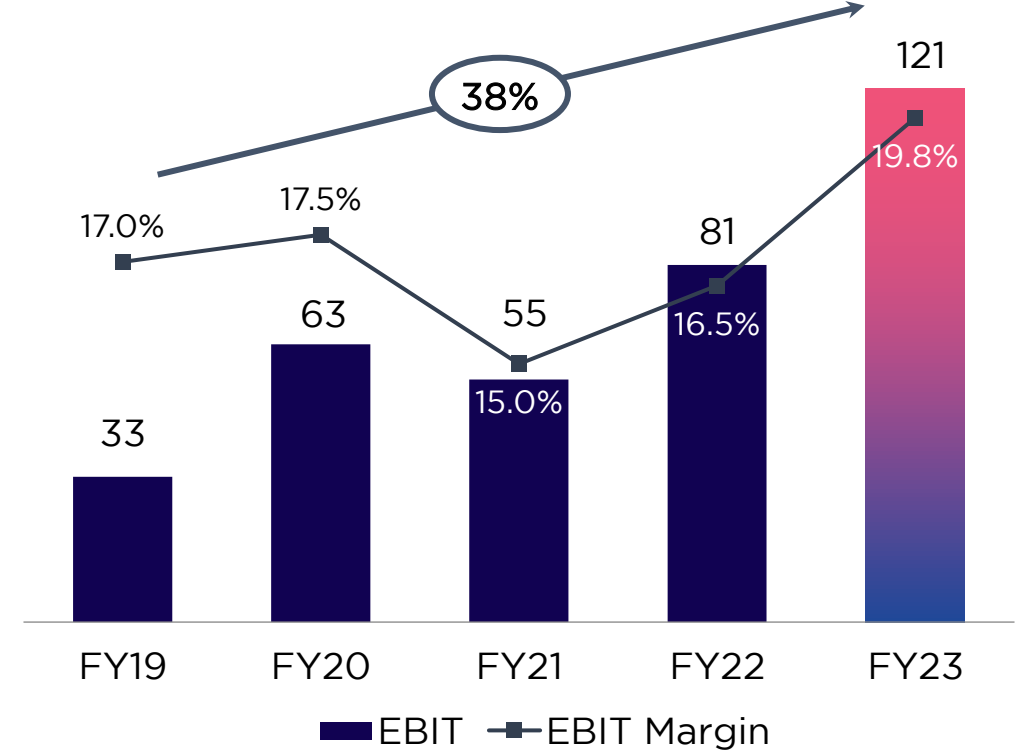
Revenue (₹ Crore)

>4X Services Revenue growth



EBIT (₹ Crore) & EBIT Margin (%)

3.7X EBIT growth



\*Services includes Sale of ATM Spares and Others; \*\*Banking automation products (Sale of ATM and ATM sites)

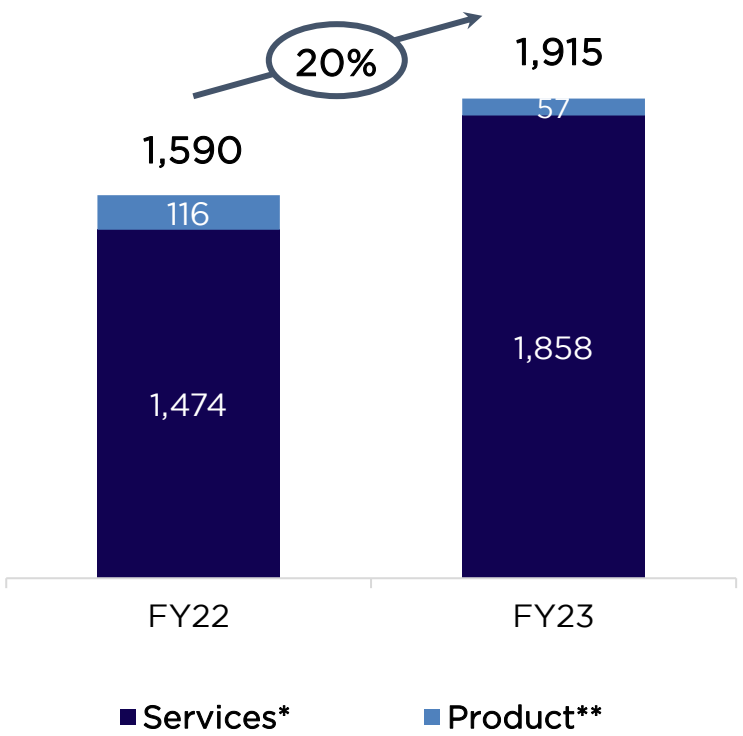


# FY23 financials: CMS consolidated

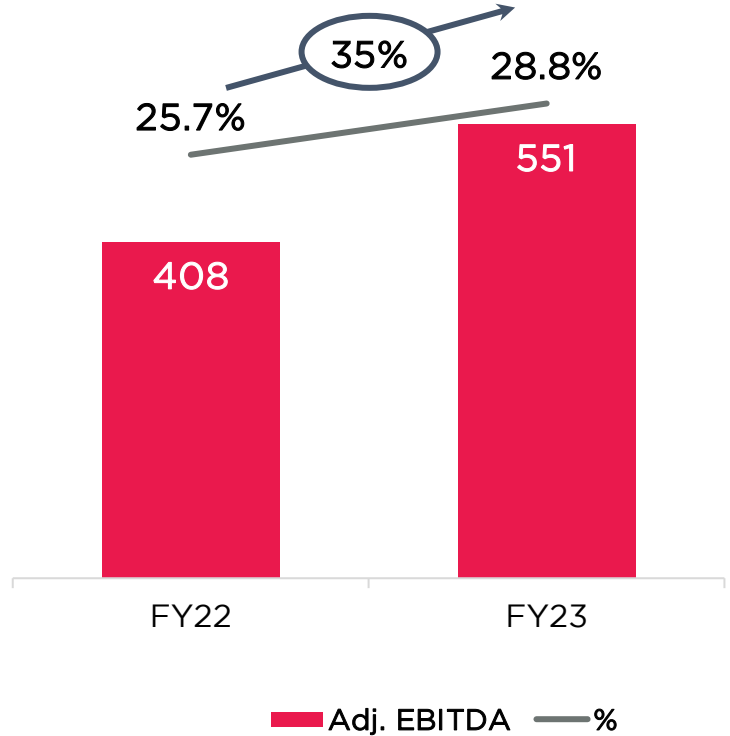


INR Crore

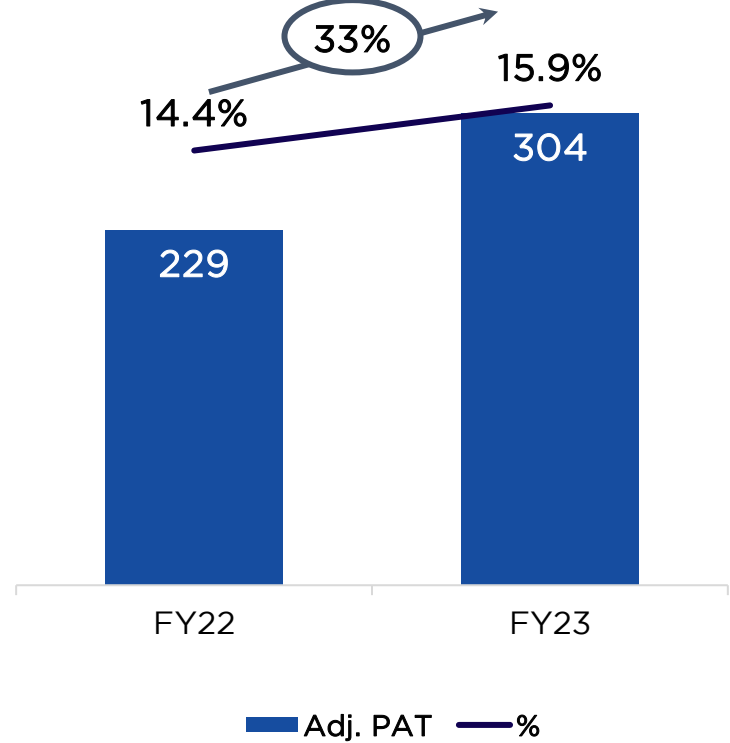
## Revenue



## Adj. EBITDA



## Adj. PAT



\*Services includes Sale of ATM Spares and Others; \*\*Banking automation products (Sale of ATM and ATM sites)  
 EBITDA and PAT adjusted for ESOP/Share based payment to employees

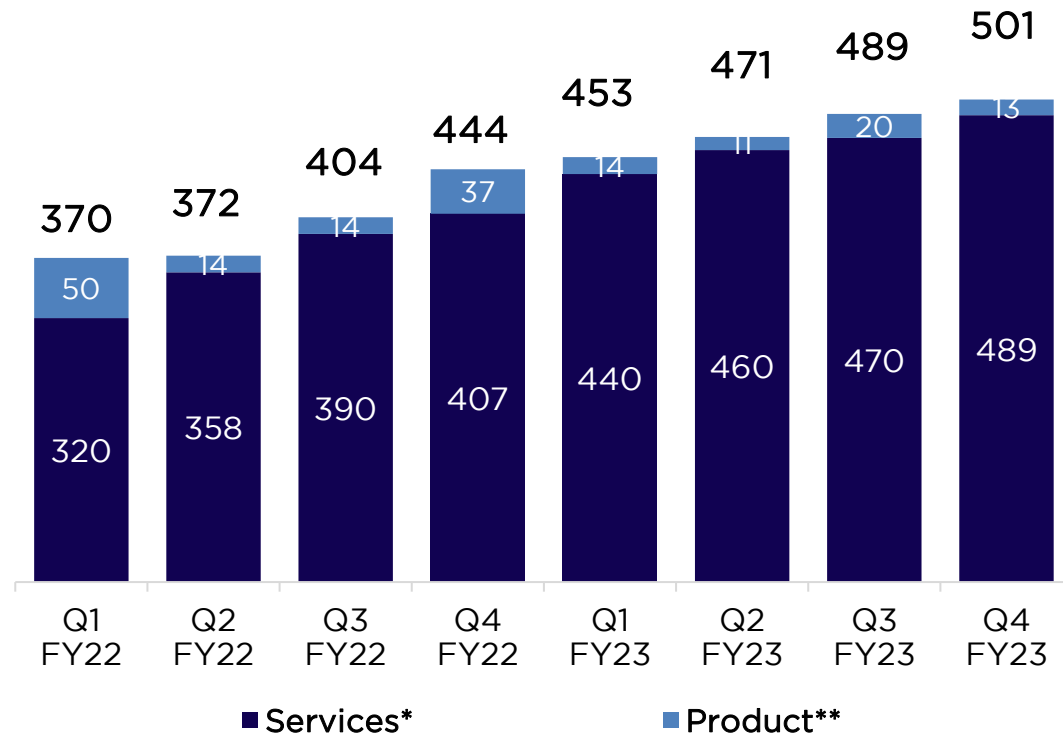


# Last 8 quarters: Consistent and growing

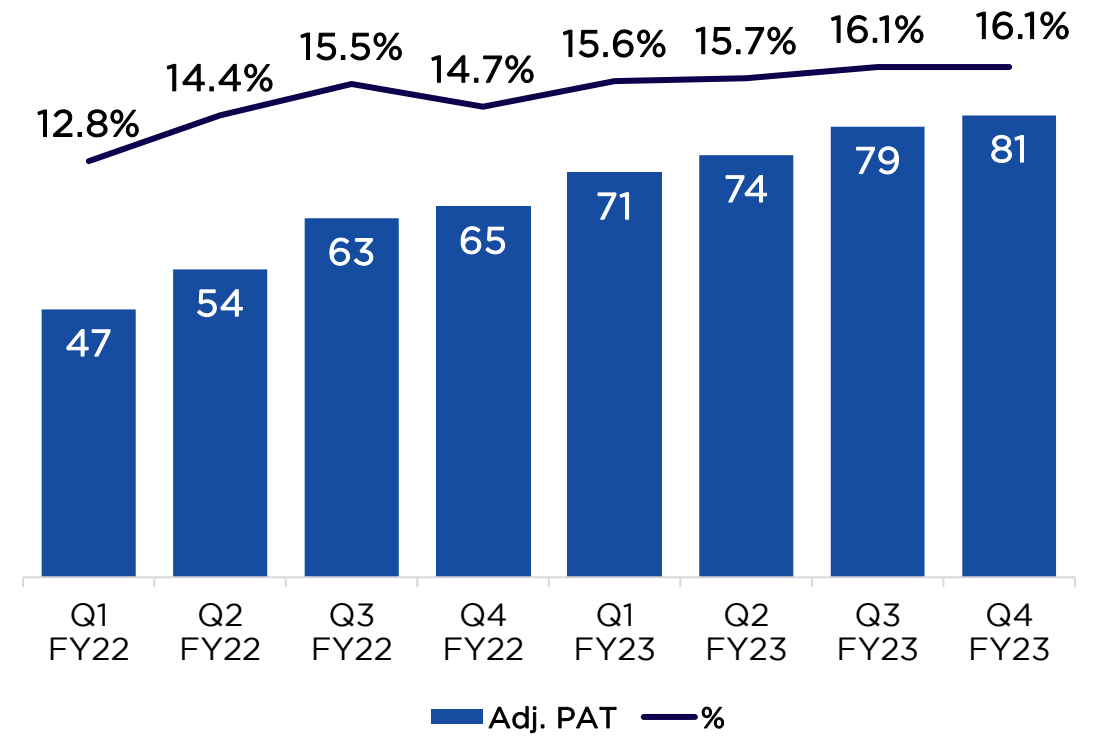


Consolidated  
INR Crore

## Revenue



## Adj. PAT



\*Services includes Sale of ATM Spares and Others; \*\*Banking automation products (Sale of ATM and ATM sites)  
EBITDA and PAT adjusted for ESOP/Share based payment to employees

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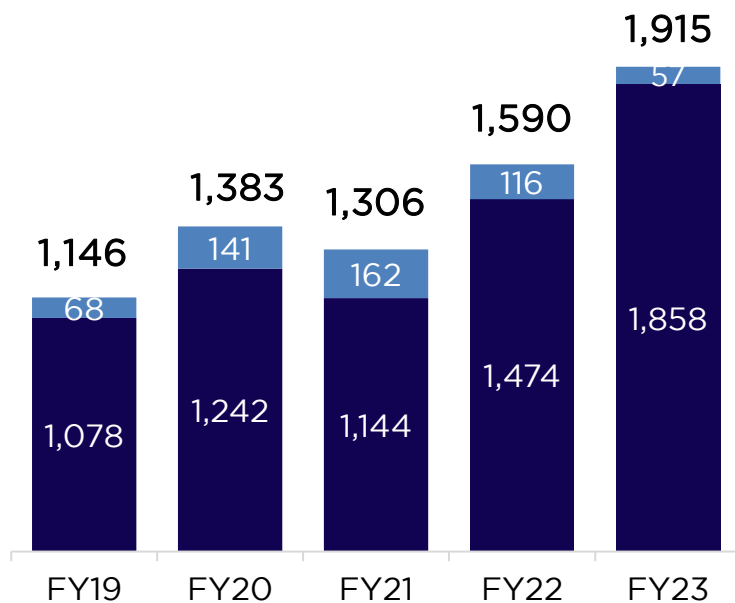


# Last 5-years financials: ~3x growth in EBITDA and PAT



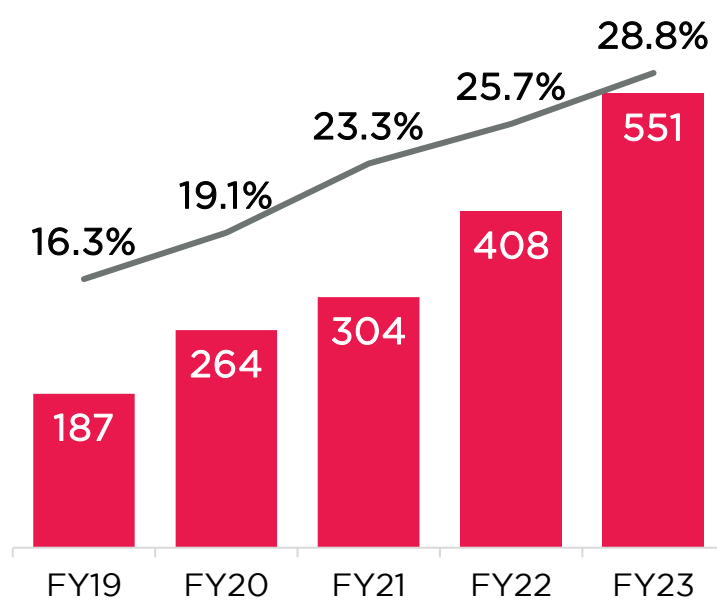
Consolidated  
INR Crore

Revenue  
14% CAGR



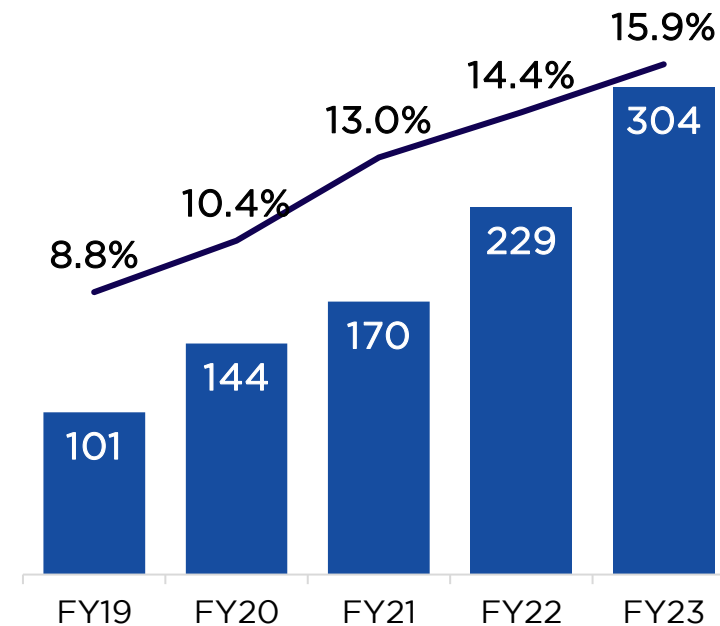
■ Services\*    ■ Product\*\*

Adj. EBITDA  
31% CAGR



■ Adj. EBITDA    — %

Adj. PAT  
32% CAGR



■ Adj. PAT    — %

\*Services includes Sale of ATM Spares and Others; \*\*Banking automation products (Sale of ATM and ATM sites)

EBITDA and PAT adjusted for ESOP/Share based payment to employees and non-operating IPO related expenses written off in FY20

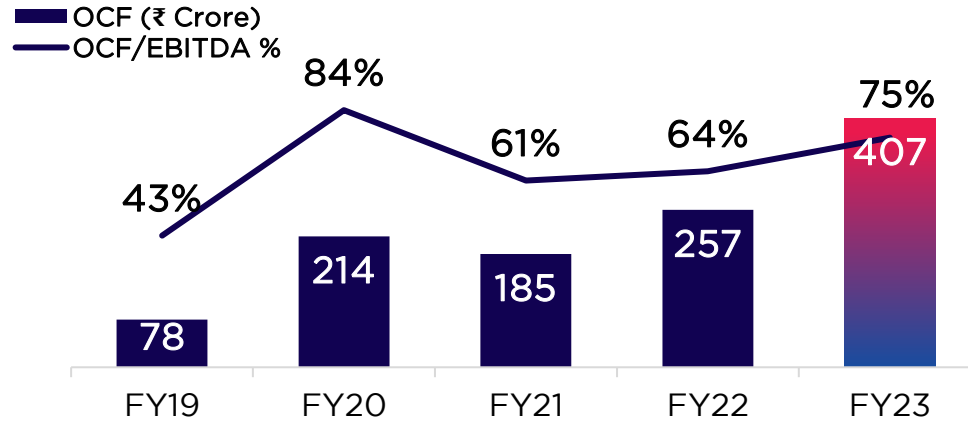
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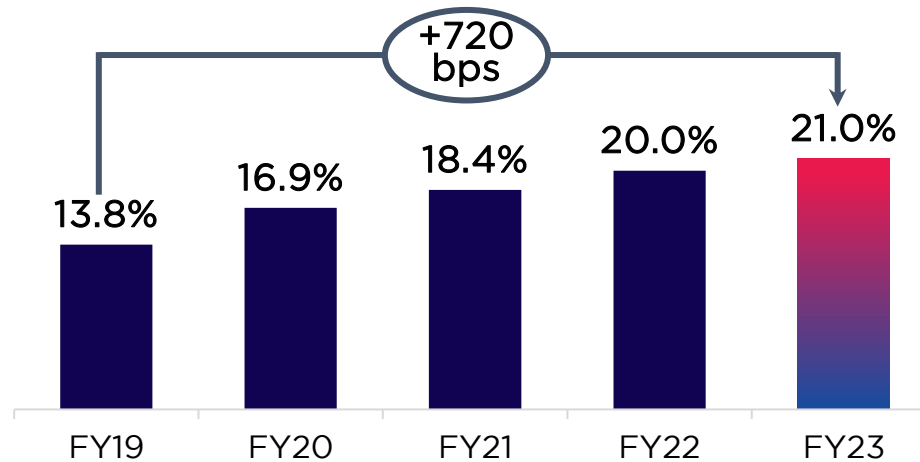
# Strong OCF; Reinvested for growth



OCF



ROE



## Getting capital investment cycle right

₹ 23 Cr Capex / year FY16-FY18  
₹ 138 Cr Capex / year FY19-FY23

## Consistent dividend payouts

₹ 208 Cr cumulative in 5 yrs  
23% average for 5 yrs\*

## Strong liquidity profile

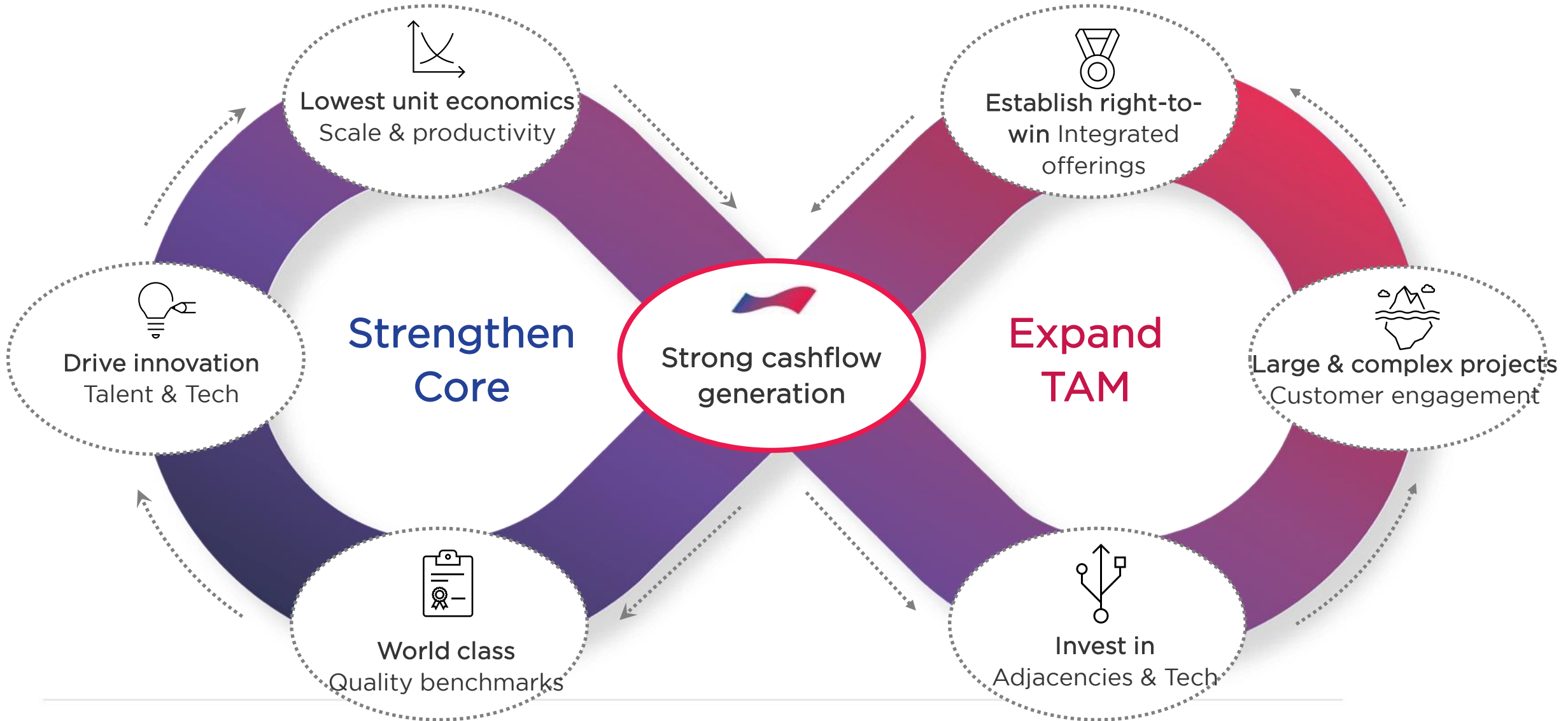
₹ 450 Cr Cash balance (Mar'23)  
AA+ Credit rating

\*As % of dividend declared to PAT in the FY19 - FY23





# Our Playbook: Accelerating growth & market expansion



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# Favourable macro-economic and industry trends



- 1 Fastest growing large economy: 6.1% avg. growth forecast next 5 years
- 2 Growth in domestic consumption: drives 2/3<sup>rd</sup> of GDP
- 3 Banks at the center of growing economy: in expansion mode
- 4 Retail growth to fuel consumption
- 5 Cash based payments have a large share in loans, insurance, retail, ecommerce

Source: Bain & Co, BCG, WEF , World Economics' QIES & CLSA

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# Mid-term growth drivers



## Cash Logistics

- 100,000 ATMs yet to be outsourced for Cash Mgmt.
- Growth in organised retail; Direct2Retail and Cash-X solutions

## ATM Managed Services

- PSU banking refresh cycle: 80,000+ ATM refresh cycle
- Pvt. Sector branch expansion: 20,000+ new ATMs
- Total outsourcing deals: ~100,000 ATMs will shift from bank capex to BLA

## AIoT Remote Monitoring

- >60% of ATMs & bank branches
- Expansion to NBFC, Insurance, Retail
- Legacy base refresh cycle

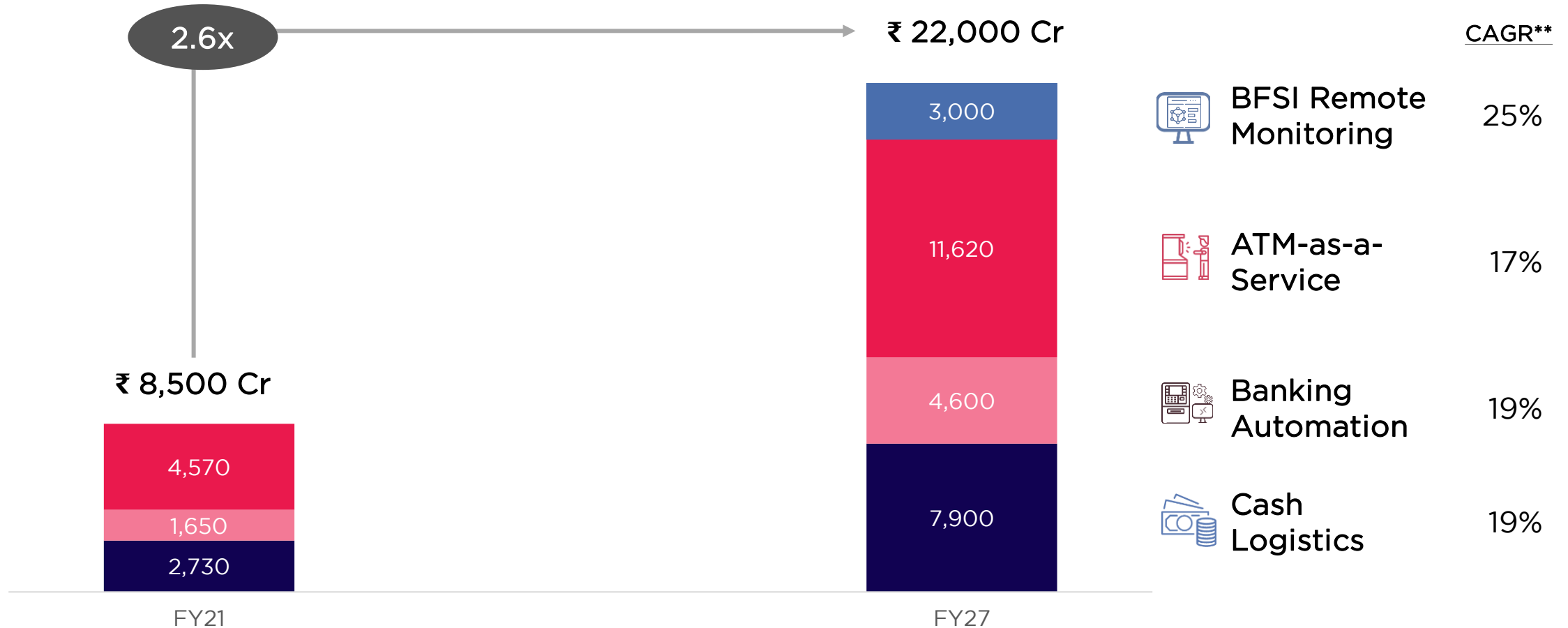
## Inorganic

- Track record of programmatic M&A: Rs. 250 Cr in 6 acquisitions with <3 year payback
- Industry consolidation
- M&A areas: Business Services, Fintech



# Market Growth: Higher outsourcing create a large TAM Opportunity

INR Crore



Total TAM is lower than gross sum because of some overlap between Cash Management and BLA

\*\*CAGR between FY21 and FY27

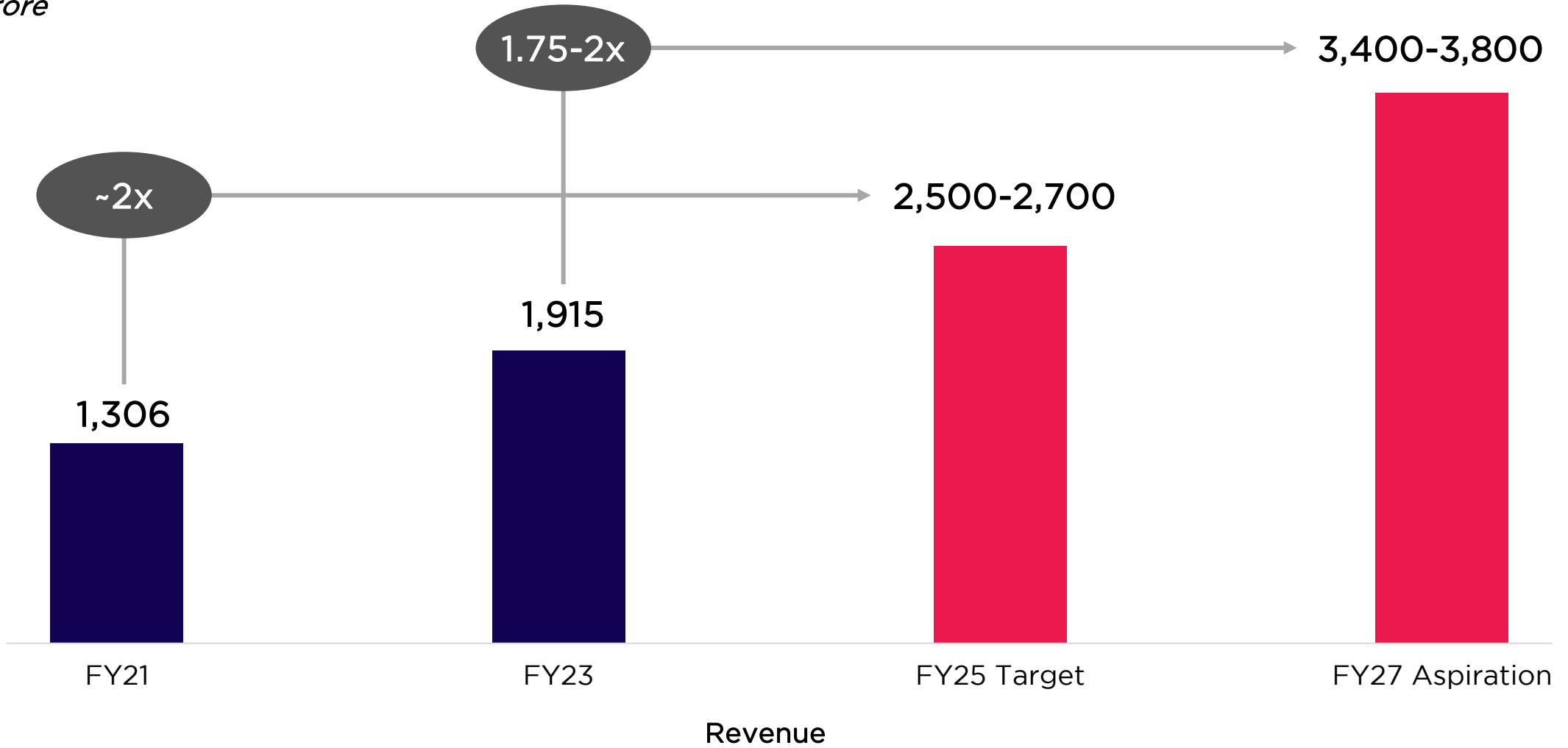


FY21-FY25: 2x growth target

FY23-FY27: Aspiration



INR Crore



# Thank You



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