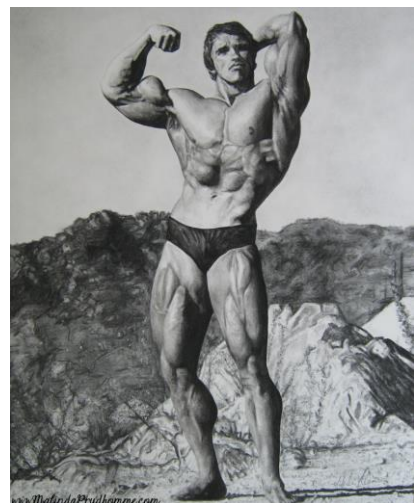


Digital Transformation Industry

All E Technologies Limited

1. About the Industry
2. Understand the Service
 - *What is Microsoft Stack?*
 - *IP Based Software*
3. All E technologies
 - *About the Company*
 - *Product Portfolio*
 - *Leadership Team & its evolution.*
 - *Business Quality Analysis*
 - *Expansion Strategy*
5. Risks
6. Financials of the Company

Research@krijuna.com



❖ About the Industry

India is rapidly advancing in the manufacturing space, with the government's target to increase the share of manufacturing from the current 6% of GDP to 15% by 2030. However, for this to happen, India must invest heavily in technology to ensure that manufacturing processes remain lean, and organizations stay agile and flexible. This will enable them to adapt to dynamic and ever-changing environments while maintaining the efficiency of the manufacturing process.

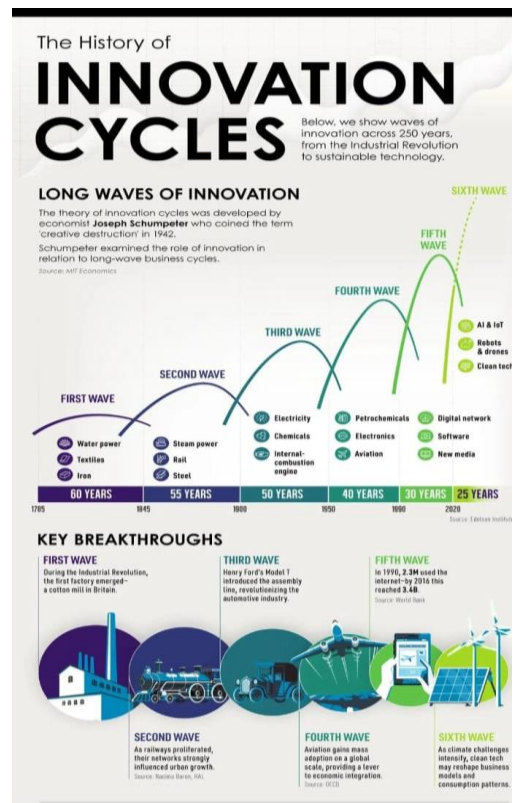
So, currently many Industry players are adopting or in process to make them ready for Industry 4.0 Framework which has sparked the digital transformation efforts across the industries.

The concept of Industry 4.0, which was first introduced 10 years ago at the Hanover Messe Trade Fair in Germany, is still in its nascent stage when it comes to implementation. However, the industry is now at an inflection point and is poised to aggressively adopt such measures as companies begin to see better returns on their investments in these technologies. In India, the Digital Maturity Index of manufacturers currently stands at 39%, where 100% indicates that all capabilities are deployed and fully rolled out for manufacturing. One key reason behind this shift is that more mid-sized firms in India and across the globe are realizing the benefits of implementing systems like SAP. These companies are keen to compete globally and across geographies. Moreover, the orientation of businesses has shifted from supply-side dominance to focusing on providing customers with unique experiences that leave a lasting impact. As a result, they are increasingly implementing systems like CRM and ERP to enhance service delivery and customer satisfaction.

But when we look at the Innovation Cycle as marked by Prof. Schumpeter we get a better clarity at the stage of adoption of Industry 4.0

When we do Stage Analysis for Implementation of Industry 4.0 Solution we come to know that:

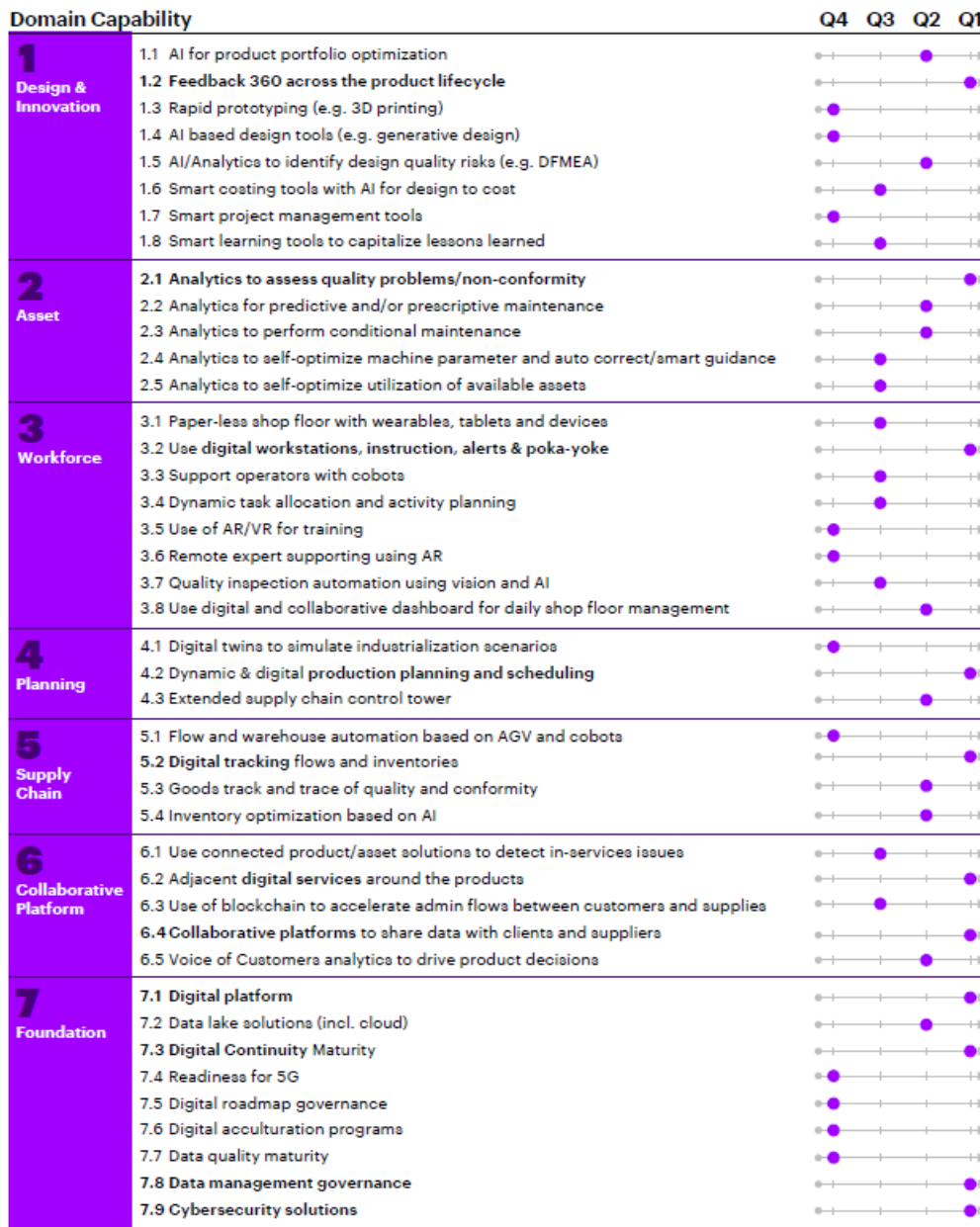
1. In Stage 1 the end users will try to digitize there supporting services.
2. In Stage 2 they will look for more advanced tools like ERP & CRM which helps them monitor the organizations process flow and help them control it in a more comprehensive way.
3. In stage 3 of the implementation curve they try to use the data gathered through this tools to implement data analytics and data mining to derive insights from it which helps them measure cost and fix process that can increase efficiency.
4. In Stage 4 they start implementing automation and robotics on a manufacturing scale.



Indian mid size companies and MSMEs are in stage 2 where they are trying to implement ERPs and CRMs in their process to control cost and to have better control over the cost and manufacturing process and customer engagement.

As second generation of the promoter family is coming on the board they are driving this initiatives at a rapid pace because they realize the relevance of technology and they don't think this as a mere expense but look at it from the view of investment which we have sensed from talking to management across various industries.

Now coming at a detailed view as to where stage 2 implementation will be first we get a deeper insight on the current stage of digital transformation growth:



Q4 = quartile 4—least mature; Q1 = quartile 1—most mature. The capabilities in bold are the 11 that are being deployed most rapidly.

this are the areas where growth will come in the current stage of cycle which is focused towards digitizing associated process and implementations of Enterprise systems and CRM systems to enhance customer experience.

So Why do Businesses need to adopt Digital Transformation in the first place,

Businesses have been experiencing a paradigm shift. Advent of the new digital technologies and the pandemic impact are resulting in:

1. Weakening Brand Affinity

With a dramatically increased proportion of customers meeting and interacting with businesses online, factors of user experience, convenience, availability, and price are driving customer behaviors much more than a brand. Choices and comparisons have become much easier to explore.

2. Rapidly Evolving Competition & Eco System

Digital Technologies have demolished many barriers and advantages the established businesses used to have in the pre-digital age. Business agility is determined by Digital Adoption, and it provides level playing field to even the new entrants.

3. Pivoting Business Models

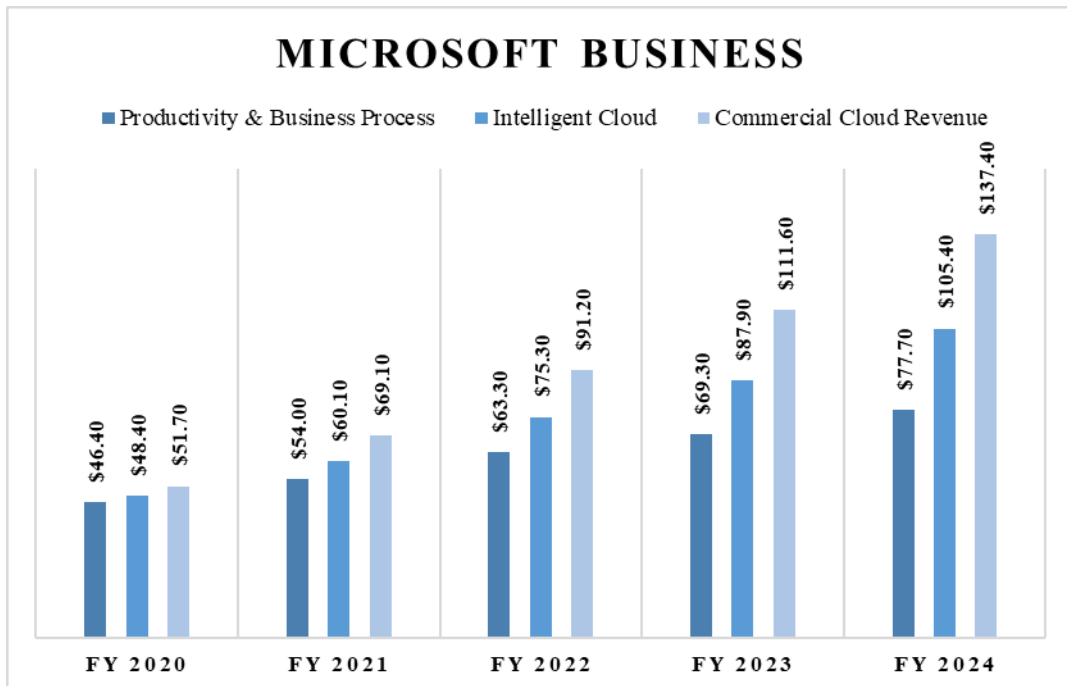
Digital adoption is enabling businesses to come up with new or redesigned offerings, changed delivery mechanisms, and altered pricing mechanisms.

4. Distributed & Networked Workforce

Remote working, flexible timings, redefining collaboration models, and cost structures have become a standard.

This is all because now the business have become much more volatile, uncertain, complex, & ambiguous which is forcing business to focus more on customer engagement and customer experience.

The Microsoft Business Application market size and industry dynamics to get a better insight on the opportunity size All E Technologies Ltd.



The global Microsoft Business Application market is currently estimated to be over USD 35 Billion – including product and services and is growing rapidly. It is estimated to become USD 50 Billion in next couple of years, which gives All E Tech a favorable position to grow its revenue as it operates out of Microsoft Ecosystem.

Microsoft Business Application has Microsoft Dynamic 365 ERP & CRM solution and the power platform suite products. Other solutions that are integral part of the solutions built on Microsoft stack includes the Microsoft Intelligent Cloud components including Azure (infrastructure, platform & services), and the Microsoft 365 productivity suite.

The Microsoft acceptance and implementations is growing at a very rapid pace across mid size companies because of the easy to use interface, Co-pilots that are offered by it and also the no code feasibility of the software.

In current letter to shareholder by Satya Nadella it highlighted following Points:

To build on this progress, we remain convicted on three things: First, we will maintain our lead as the top commercial cloud while innovating in consumer categories, from gaming to professional social networks. Second, because we know that maximum enterprise value gets created during platform shifts like this one, we will invest to accelerate our lead in AI by infusing this technology across every layer of the tech stack. And, finally, we will continue to drive operating leverage, aligning our cost structure with our revenue growth.

Data and AI

Every AI app starts with data, and having a comprehensive data and analytics platform is more important than ever. Our Intelligent Data Platform brings together operational databases, analytics, and governance so organizations can spend more time creating value and less time integrating their data estate. We also introduced [Microsoft Fabric](#) this year, which unifies compute, storage, and governance with a disruptive business model.

With Azure AI, we are making foundation models available as platforms to our customers. We offer the best selection of industry-leading frontier and open models. In January, we made the [Azure OpenAI Service](#) broadly available, bringing together advanced models, including [ChatGPT](#) and [GPT-4](#), with the enterprise capabilities of Azure. More than 11,000 organizations across industries are already using it for advanced scenarios like content and code generation. [Meta chose us](#) this summer as its preferred cloud to commercialize its Llama family of models. And, with [Azure AI Studio](#), we provide a full lifecycle toolchain customers can use to ground these models on their own data, create prompt workflows, and help ensure they are deployed and used safely.

Business applications

We are bringing the next generation of AI to employees across every job function and every line of business with [Dynamics 365 Copilot](#), which works across CRM and ERP systems to reduce burdensome tasks like manual data entry, content generation, and notetaking. In fact, [our own support agents](#) are using Copilot in Dynamics 365 Customer Service to resolve more cases faster and without having to call on peers to help. With our [Supply Chain Platform](#), we're helping customers apply AI to predict and mitigate disruptions. And, with our new [Microsoft Sales Copilot](#), sellers can infuse their customer interactions with data from CRM systems—including *both* Salesforce and Dynamics—to close more deals.

All up, Dynamics surpassed \$5 billion in revenue over the past fiscal year, with our customer experience, service, and finance and supply chain businesses each surpassing \$1 billion in annual sales.

With this we can get a clear direction as to which Microsoft is moving as it is the one who has created an ecosystem.

Now, looking as how it creates business opportunities for IDCs which undertakes implementations for the Microsoft business application stack. Microsoft's business applications, which include Dynamics 365 and Power platform suite of solutions, is fueling the next wave of growth for its service lines globally. Microsoft's business applications solutions aim to provide cloud-based line-of-business solutions for financial management, enterprise resource planning (ERP), customer relationship management (CRM), supply chain management (SCM), and application development platforms for enterprises of different sizes and digital maturity. Microsoft's investments in AI have further enhanced the value proposition of its business applications offerings among Line of business users.

The IDCs for Microsoft Stack over majorly on two models one is service based model and another model is software IP based model.

- **Service Based Model**

The Service led Partner will essentially generate revenue from the services provided by him to the client which includes migration services, managed services, implementation service and the support services it also includes the licensing services that a partners offers to the client.

If a partner is working on a service based model then the Microsoft revenue multiplier that works out for him over a customer lifetime is \$8.45 on each \$ 1 earned by the Microsoft revenue.

But the margins in this model are in the range of 2% to 4% which is also reflected by Sonata Software which also deals in Microsoft enterprise business but this part of the overall revenue contributes only 3% margin to there bottom line.

But, with advent of AI and Copilots IDCs are seeing expansion in there service portfolios.

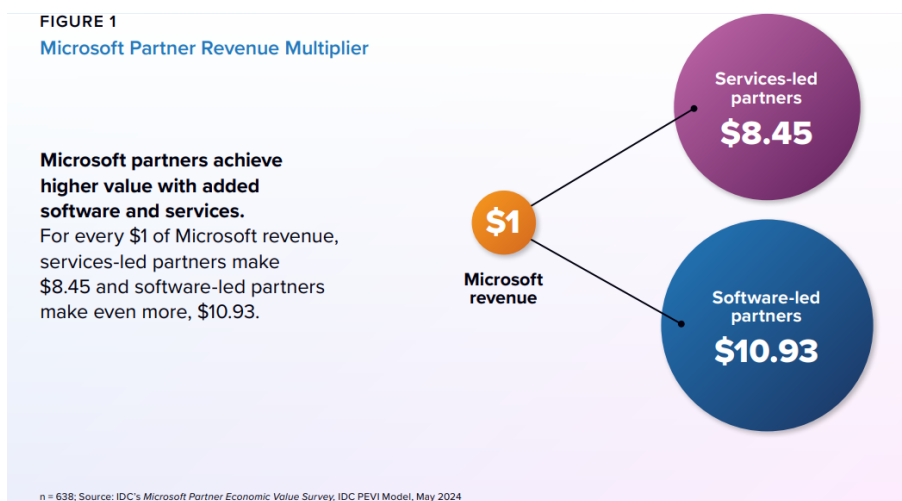
- **Software Based Model**

The software based partner will essentially use the Microsoft stack as a base on which it build it's own software or IP like an app, add-ons or other software tools that are integrated with Microsoft technologies.

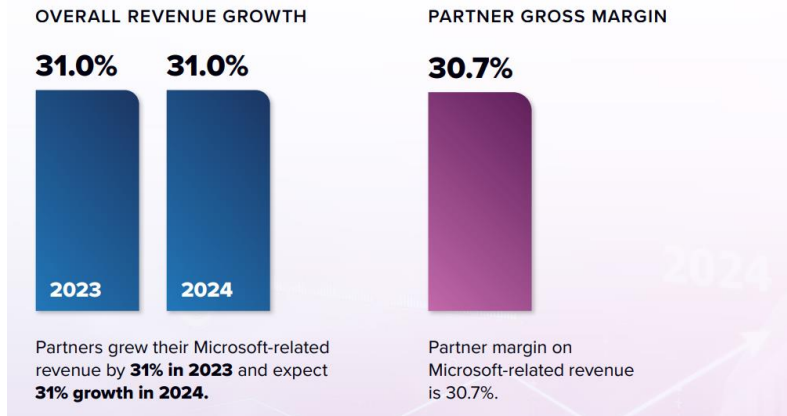
For a software based Microsoft partner the revenue multiplier works out to \$10.45 on each \$1 earned by the Microsoft revenue over the customer lifetime.

The software based partner has a revenue model in which it gets a revenue from sale of Microsoft stack and also it gets revenue in the form of subscription fees or from sale of its own software/ IP.

The margins for player based on this model works our in the range of 15% to 20% as the margin in the sale of its own IP product is relatively high which drives its margin much higher.

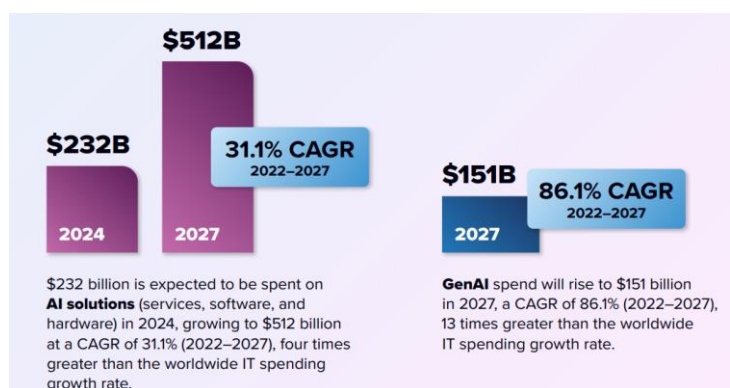
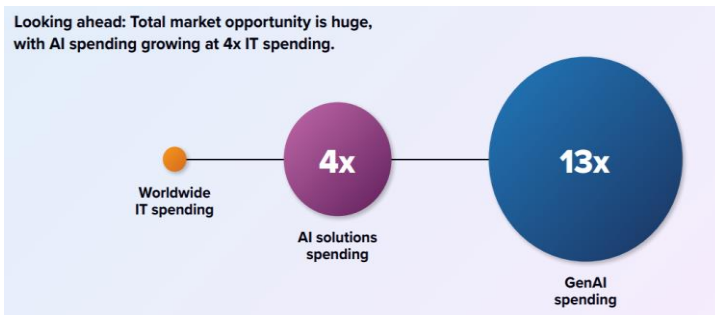


Microsoft partners expects following growth in margins and revenue from increasing implementation of AI in Microsoft stack.



In a recent survey conducted by Bain & Co. of 638 Microsoft Partners following data points were highlighted:

1. They expect that Microsoft AI will increase their Microsoft related revenue by 81% and profits by 71% because of increased implementation role to be played by this players.
2. On average partners expect a 39% growth in revenue in there Microsoft related revenue.
3. On the Opportunity size front they expect that AI spendings will be 4x the IT spendings by the business and current spending on AI which are \$232 Billion will increase to \$512 Billion by 2027.



❖ **Challenges In the Digital Transformation journey that a Client faces:**

1. The digital transformation is not like a short sprint but rather a marathon, and as per the industry insights that we got most company in India are still warming up and have not really started running, they are digitizing their allied process and digital core transformation is slowly picking up.
2. When a company undergoes Digital transformation journey there are various challenges are involved that are needed to be overcome. As per statistics 70% of digital transformation fails due to resistance from employees and lack of support from management.
3. There is a gap between how consultants perceive it and how businessmen think about it, because a business owner is in the need of a solution not a technology so they either prefer to build it or buy it and they consider this engagement successful when it meets the need of business in time & budget which consultants fail to achieve.
4. Every SME at this point must evaluate whether their entire business model will change due to digital transformation or their first step is to just digitize the supporting services because to make a digital transformation effort successful it is very much essential to understand how the business will evolve over the period using an overarching strategy which most consultants fail to evaluate and understand.
5. When an organization undergoes digital transformation the requirement of conducting intensive onboarding training is very much essential to ensure successful implementation of the ERP.
6. When analyzing the broader industry landscape we witness there is a certain risk-averse culture that is still present among business owners when it comes to digital transformation as they see no incremental benefit in changing their tried and tested solutions that point of view needs to be changed.
7. In the process of digital transformation the role of a solution provider is very crucial not only in solution development and implementation but also in its adoption and integration through right training and handholding.

❖ About the Microsoft Stack

The Microsoft stack is a set of application and tools which includes tools for backend development, development environment to all the way up to cloud apps like Azure, Intelligent Cloud, Office 365, Dynamic 365 Business Central.

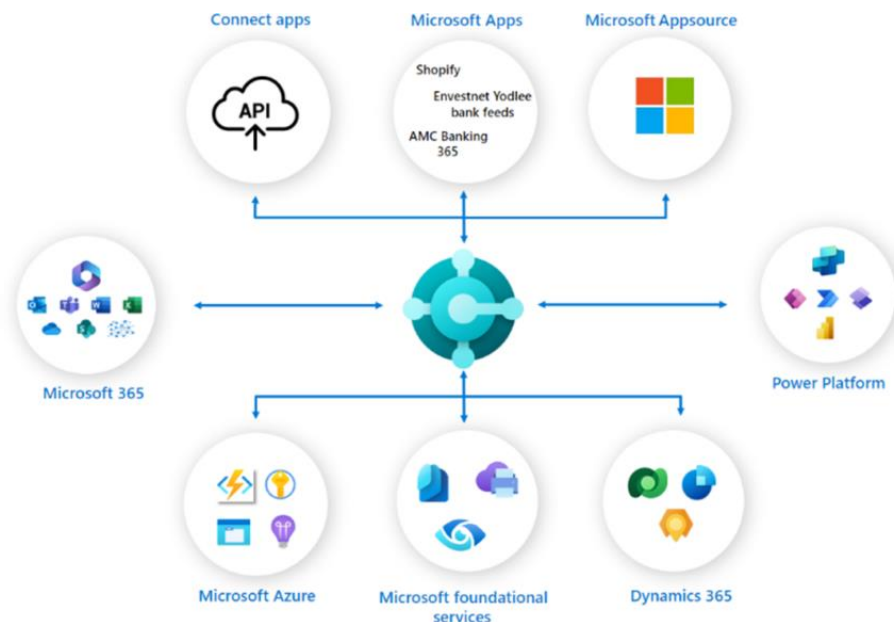
So, this are solutions that the developer or organization uses to develop the end solution typically engaging the implementation partner to help it.

An example of solution built using Microsoft stack:

When we talk about "building" using the Microsoft stack, imagine it like putting together pieces of a puzzle. Each tool, program, or language is one of these pieces, and they all fit together to create a solution.

For example, let's say you're making a website. You'd probably start with Visual Studio, which is like your workshop where you design and build the website using a Microsoft programming language. Then, you'd host this website on a Windows server, which is like the computer where your website lives, using Internet Information Services (IIS) to make sure people can visit it online. Finally, you might use a database (like SQL Server) to store and manage the information your website collects or displays.

You don't need to worry about these specific tools right now; the main idea is that you can create and launch a whole website using only Microsoft's tools, all working seamlessly together.



❖ What are IP Based Software?

IP-based software is proprietary software protected by intellectual property (IP) laws such as patents or copyrights. This exclusivity allows the organization to charge a premium because of several factors:

1. **Exclusivity:** The software contains unique, proprietary features that competitors cannot legally replicate, providing a competitive edge.
2. **Perceived Value:** Customers often associate IP-based software with innovation and reliability, which enhances its perceived value and justifies higher pricing.
3. **Licensing Control:** Companies can offer flexible licensing models (e.g., per-user, subscription) and tiered pricing for advanced features, allowing them to extract more value from each customer.
4. **Reduced Competition:** Since competitors are unable to use the protected IP, the organization faces less pricing pressure and can maintain a premium position.
5. **Customization & Support:** IP-based software often comes with premium customer support and customization options, adding further value that customers are willing to pay for.

Now, from financial point of view how revenue model works for a IP based Software Company:

The Entity can engage in two model:

1. Licensing Fees Based Model (Per-user Pricing) or,
2. Subscription Based Model (Flat Rate Pricing)

So, this are two primary revenue stream for any company but since it is a IP based company which it allows company to have other streams of revenue as well in the form of:

- a. **Implementation & Integration service:** Since this IP is needed to integrated with the clients system it involves setting up services, data migration, managed service and process optimization which adds another layer of revenue.
- b. **Maintenance & Support Service:** The company offers support and maintenance services, which can be charged separately. This ensures clients get regular updates, bug fixes, and technical support for a fee.
- c. **Customization Services:** The company which has a IP based software can offer customized features or additional functionality based on specific client needs, charging a one-time or recurring fee for this custom development work.
- d. **Revenue Sharing with Microsoft:** If the IP-based solution is distributed through Microsoft's ecosystem (like AppSource), the developer may need to share a portion of the revenue with Microsoft. Typically, this is a percentage of the sales made through Microsoft's marketplace.

❖ **About the Company**

All E Technologies Ltd. is a digital transformation catalyst which helps organization to implement Enterprise Resource Planning and Customer Resource Management Software this is one of their main domain from which they earn revenue along with this the company is involved in providing Intelligent Business Application service, Managed Service, Microsoft Azure – IaaS & PaaS, Cloud Architecture & Consulting Services.

But, the company isn't a mere service company that implements the software but the company has its own software & IP which places the company at a unique juncture.

The company is Microsoft gold partner for six times in about last 15 years which is an inner circle recognition given to only 1 partner each year apart from being an implementation partner for Microsoft the company also works with Microsoft product engineering team on Feature Development work, Sustained Engineering, and Localization of these products.

The Company was made Microsoft 'Master VAR' in India 10 years ago, and in that program there are nearly 40 smaller companies to whom they help build business and service customers in the Business Applications space. They also have been 'ISV Development Centre' and enabled a couple of ISVs move their solutions to Cloud.

❖ **About the Business of the Company**

The company essentially uses Microsoft Stack for developing the software that it produces as an IP, the company is an channel partner for Microsoft, where it implements ERP and CRM software using Microsoft Business Central 365, Dynamic Solution 365 and other solutions available from Microsoft.

The Target client segment for the company are Mid to Upper Mid Segment target Rs. 1 crores to Rs. 5 Crores Clients as implementation services and then they charge Annual Maintenance Charge for each year, the company has its own IP based software build on Microsoft stack which allows them to charge premium and earn better margins per deployments.

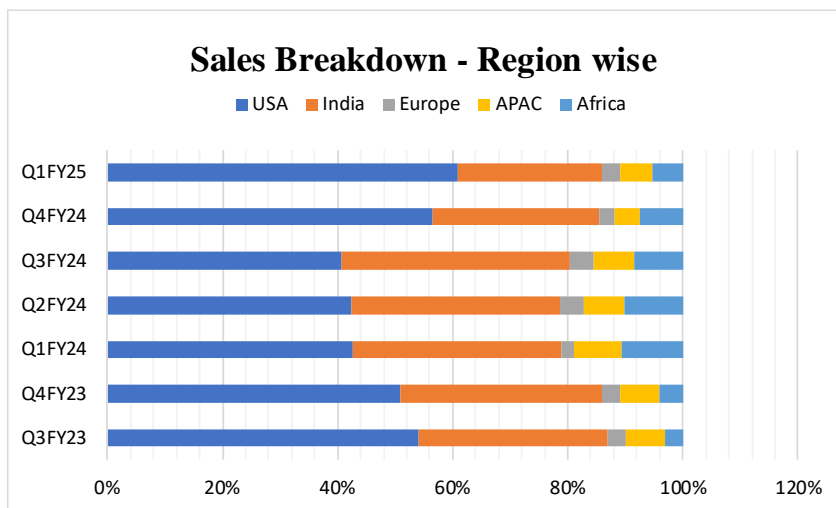
An important aspect of the business is that the company is not the seller of just software, they are a solution focused software company which is a combination of consulting, product and service. The product are from Microsoft stack and the solutions provided by the company are a combination of ERP, CRM and Cloud Infrastructure or other components, the company is not involved in providing manpower where people go and become part of the workforce of the customer.

The company has an experience of more than 20 years in implementation of ERPs and CRMs for mid size enterprise across many industries like tourism, retail, process manufacturing, green energy etc. which gives them a unique exposure.

Lead generation for the business typically falls into three categories:

1. The inquiry comes directly from the end client for their digital transformation services.
2. They have partners to whom they assist in providing digital transformation services to their clients essentially they are partners who are just licensors and lack implementation capabilities so they come in to provide it to them.
3. The company is an inner circle member of Microsoft so they also get leads/ inquiry from Microsoft.

The company is deriving its sales from both India as well as abroad i.e., from countries like USA, Europe, APAC and MENA the broad bifurcation of its sales is as follows:



The chart above speaks that over a period of last few years there is a shift in the company's strategy towards client acquisition where it is focusing more on international clients while maintaining its focus on Indian clients.

The reason for this is that the company's services offered to international customers are able to earn better margins than it can earn on similar services offered in India because they have their workforce located in India and they have a separate team catering to international clients so on similar efforts they are able to earn better margins.

Ajay Mian:

I can, ... we put all these numbers together, just in the last couple of days. I may not have a number ready to the accuracy of a decimal or the last digit, but broadly speaking, as we have mentioned in the past also, our domestic services give us a margin of approximately 23% to 25%. Our international services give us a margin of approximately 50% and our product gives us a margin of somewhere between 18% to 20%.

Now, when we look at proportion of customer addition that the company has done over last 4 years there is a clear indication of change in focus of the towards international clients which is a shift from low margin to high margin business.

Customers	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
India	139	146	174	181	190	195	202
Global	70	80	92	96	105	111	119

Second thing that the company is doing is to increase its revenue from IP based business which are software which company has made due to the extensive experience company has in the field and domain knowledge.

Rajiv Tyagi:

Yes, so you're right. So what happens is - IPs are kind of readymade products, but they still need implementation. So it will always have the component of services involved in it. It actually reduces the risk for the customer, in that you do not get into long development cycles. They get the results very quickly and they are much more confident because they can see all the functionality for their particular industry.

Let's say if you are talking of higher education, so whatever is relevant to the higher education, that functionality is already built in, but it still requires some level of tweaking for every university because they may have some specific processes and then there is always a services component, which is the implementation part. Now, tomorrow, if we go international and sell it through a partner network, then the partners may be providing that service component to the customers.

The company has its own IP for education sector, tours & travel sector, green energy EPC sector:

Edtech 365: It is an All E Tech IP built for institutions of higher education the solution it provides includes digital campus, education CRM, student lifecycle management and student information system all integrated with dynamic 365 financial accounting.

Travel 365: It is a solution that addresses the need of both B2C & B2B travel business, it is built on Dynamic 365 suite. The solution has 2 primary component – a mid office and back office (travel accounting) it is an IP that is used by many leading travel companies.

Green Energy & EPC: It is a solution based Microsoft dynamic 365 it includes scheduling of resources in real time, real time inventory tracking, project progress , monitoring, running bill adjustments and settlements so in a way it provides real time tracking of project execution to the EPC companies.

Digital Natives & E-commerce: In this service the company is focused on digital first approach and tech driven operating model by leveraging Microsoft business application suite, dynamic 365, Power Platform together with infrastructure services of Azure.

❖ **Industry to which the company caters**

1. Education Technology Sector

The company has a product named Edtech 365 which is specifically designed for institution of higher education. Digital Campus, Education CRM, Student Lifecycle Management, and Student Information System, all integrated with Dynamics 365 Financial Accounting. Digital campus provides online teaching platform, document management, modern workspace, all with cybersecurity. The Education CRM provides - Admission, fund raising, alumni management, placements and Events. The Student Lifecycle management / student information management provides - LMS, Academic Planning, Time table & Attendance, Exams & Evaluation, Hostel & Mess management, Transport and Accreditation. The financial accounting component provides - Fee management, scholarships, financial aid, payables, expense management and assets management.

The sector of 'Higher Education' is currently the most exciting one for us. We are finding significant traction on the solution in the market, both - directly with customers. and Microsoft also is deeply interested in this area.

So, the strategy is first to develop and acquire customers in India, which becomes the proof point to make it Cosell-ready. Cosell ready means that Microsoft and the partner are selling it together, and by doing that the Microsoft sellers gain access to it, publish it on the marketplace and I would like to give you an example of the education solution that we have brought to this level. If you look at the education segment in India, and just in India there are 1043 universities, 11,779 standalone institutions and 42,343 colleges and this number changes quite rapidly. So the solution on EdTech, which is called EdTech 365, manages operations from admission to alumni. With Microsoft, we have identified a total addressable market of 3000 accounts that we are working together with.

1

IP Led Solutions - Higher Education



DIGITAL TRANSFORMATION SOLUTIONS

A Single Unified Solution for Higher Education Institutions

EdTech 365
From Admission to Alumni

(Fully integrated stack, on the worlds' most trusted Microsoft Cloud).

Functionality Mapping with Microsoft Stack

Education CRM

- D365 Marketing
- D365 Sales
- Opportunity Management regarding placements
- Linked sales Navigator

Academic Management

- Power Apps per App
- D365 Customer
- Power BI
- M365 (Teams for Education)
- Student Portal (React JS)
- Alumni Portal (React JS)
- Parent Portal (React JS)

Finance & Admin

- Business Central Essential
- Business Central Team users
- Vendor Portal
- AutoTax365
- ProActivate

Functionalities

<p>Admission Module:</p> <ul style="list-style-type: none"> • Intake Planning • Student Acquisition • Fee Collection <p>Fee Management</p> <ul style="list-style-type: none"> • Fee Structure • Raise Demands • Collection <p>Procurement & Asset Management</p> <ul style="list-style-type: none"> • Service Requests • Procurement Process • Accounting 	<p>Academic Module:</p> <ul style="list-style-type: none"> • Program Structure • Academic Planning • Execution <p>Quality & Accreditation</p> <ul style="list-style-type: none"> • Data Management • Collection & Validation • Reporting <p>Placement & Alumni Management</p> <ul style="list-style-type: none"> • Placement Planning • Operations • Alumni Management 	<p>Examinations & Evaluation</p> <ul style="list-style-type: none"> • Exam Planning • Invigilation & Evaluation • Results <p>Hostel, Mess & Transportation</p> <ul style="list-style-type: none"> • Hostel Management • Mess Management • Transportation <p>Student Welfare:</p> <ul style="list-style-type: none"> • Industry Relations & International Collaboration • Extra Curricular • Grievances
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Segment Size India

1,043

Universities

11,779

Standalone Institutions

42,343

Colleges

Top Clientele

Total Addressable Market with Microsoft ~ 3000 accounts





University under section 28 of the DDC Act


MANIPAL ACADEMY OF HIGHER EDUCATION, Global



2. Tourism & Travel Industry

The company is involved in providing travel solutions from last 15 years all major travel companies like Make My Trip, Yatra.com, Agoda, Ease My Trip Planners etc. are its clients for the travel solution.

The solution has 2 primary components — a mid-office and the back-office (travel accounting). Based on business needs, customers may adopt both, or only the Backoffice component of the solution. For airline ticketing - travel systems need to connect to the leading GDS systems (Amadeus, Galileo, Sabre) or often integrate to the systems of low-cost airlines. Technology proliferation and elevated customer expectations have resulted in an increase in the complexities of travel businesses. Bookings for all types of transport and leisure activities, hotels, planning and execution of tour packages for individuals and groups, management of customer requests, and the corresponding financial accounting require robust systems for effective management. Large travel companies have a very high daily transaction volume.

Ramanjit Singh

What solutions do we provide to travel portals like MakeMyTrip?

Rajiv Tyagi

Basically, from the website we take transactions of the front-end system, then downstream accounting, external integrations, and compliances are done through our system. This is all automated.

Ajay Mian

Actually, not just MakeMyTrip, be it Riya - in fact all these travel companies and e-commerce companies - their businesses are similar. Travel is also e-commerce in some sense. Naukri is e-commerce. For all these people - there are customers who would come to their portal and want to buy. And these people keep a stock, physical stock or virtual stock, of stuff that the customers buy. And then everything that happens beyond that, be it a return or be it cancellation, be it financial accounting; or like in the case of travel companies - a huge part of the functionality is integration with the GDS systems, the Galileo, the Abacus, integration with the banks, integration with the railway and integration with buses. So these are huge systems and they rely on us for these systems.

And as I said, MakeMyTrip was the first, but it's not the only one, there are at least two dozen travel companies - mid-sized and large size - who rely on us for these systems

3. Banking & Financial Services Industry

In BFSI space the company has its IP which undertakes various digital transformation initiatives like CRM, Customer engagement, improvement of customer experience and dynamic ERP for banks with multiple Branches so they do not offer core banking CBS but rather they help there client digitize the allied process.

Ameya Pimpalgaonkar: Understood. And one last question about the solution that you had implemented for the Bank in Rwanda. And you had mentioned in our last conversation that Microsoft liked that product and probably there is a potential of that solution being taken by them and extended to some other Microsoft customers. So, are we seeing something of that sort happening already?

Ajay Mian: So, the National Bank of Kenya is a result of that initiative.

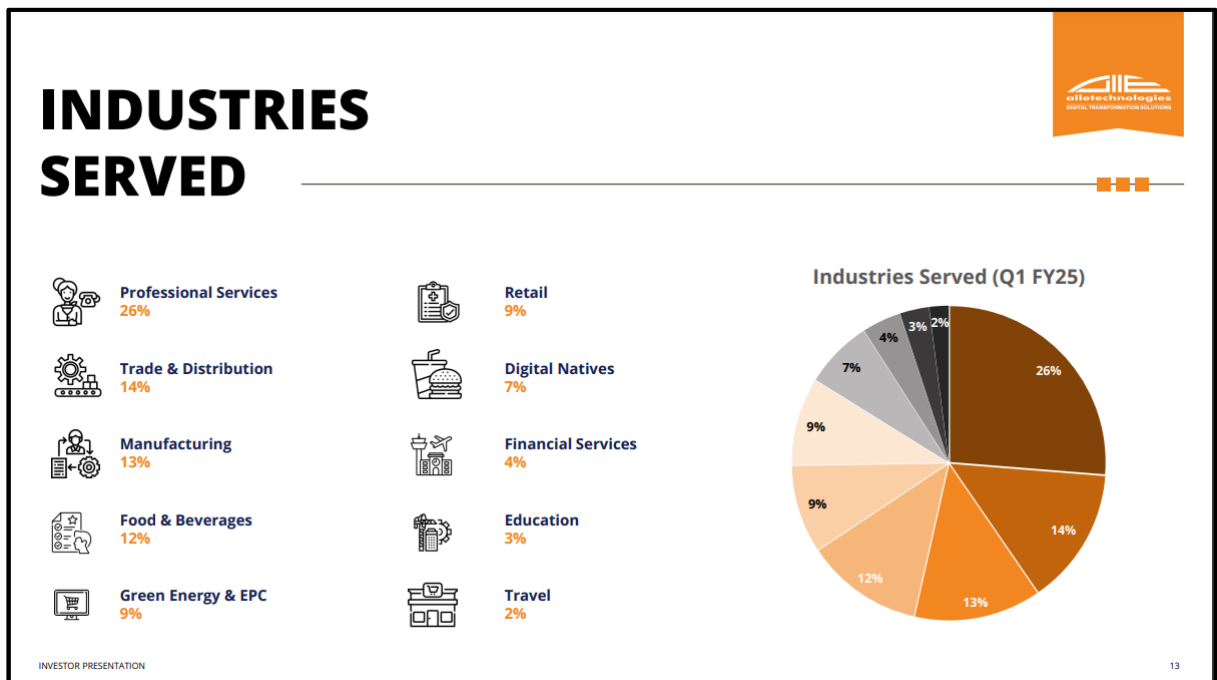
Ameya Pimpalgaonkar: Okay, great.

Ajay Mian: And there are at least two or three, there are three other banks. Ritu, you want to ... Ritu is more directly involved with this, so I'm inviting her to share some information on that.

Ameya Pimpalgaonkar: Sure. Thank you, sir.

Ritu Sood: Just to add to what Ajay just mentioned, so you might have noticed in one of the slides that he spoke about our new product, BAFINS. BAFINS is the result of the work we have done for a few banks earlier on the customer experience side. We are working very closely with Microsoft, not just in one region, but two regions, so the Africa and U.S. as well, to co-sell that solution in those geographies. National Bank of Kenya is a result of that effort, where we will be implementing BAFINS. And then we have three more in the pipeline, one in Americas and two more in Africa as we speak here. So that product seems to be building some traction. Over to you.

This are the major segments to which the company is catering however, there are other industries as well to which company caters to:



What is the benefit of being Microsoft Inner Circle Member?

Ramanjit Singh

Also, what does "Inner circle member" mean? In terms of our relationship with MS, and how is it significant?

Ajay Mian

It's very significant. It's significant because globally Microsoft picks up less than 1% of its business application partners and identifies them as its Inner Circle members. Barring in one year that I remember, for the last at least 15 years there has been only one Inner Circle member from India every year. Inner circle membership recognition is driven by the revenue that you brought to Microsoft, by the customer feedback received, by the competence level of your organization in terms of the certifications, by the overall feedback from the market, and this is driven by the Microsoft team in Seattle. This is not an India phenomenon or an Asia Pacific phenomenon. This year worldwide, there are I think about 58 partners (out of probably 4000 to 5000 or more) who are in the inner circle. When that happens, you get to become privy to some information from Microsoft. They share any new product development, and any new business updates first with us, before going to the market. They hold special summits for us and we get opportunity to connect with the Microsoft leadership team on a very regular basis. It's supposed to be a big boys' elite club; that is the significance of it. Every partner would be envious of a partner who is an Inner Circle member.

❖ Future Growth Triggers for the company

1. IP Lead Growth

The company has developed various IPs for different industries Like travel & tourism, Banking & Financial Services, Green Energy EPC, E-commerce & Digital Initiatives so IP is a product that is developed by the company upon the Microsoft stack. The IP then it is sold by the company on one time fees basis or on subscription mode to the client which ensures repeatability and customer stickiness to company's products. The company currently earn 20-25% of its revenue from sale of IP products, the company has to provide maintenance and upgradation services to the client on recurring basis on which the company earns better margin also, the IP is developed by company due to it experience in the industry hence, it is customizable according to the clients requirement.

Okay. Does this IP give us an edge over other peers or competitors?

It does. And the reason it gives that edge, the value of that IP is far more than the direct revenue we get from it. Because this IP becomes instrumental in us winning deals. So, for example, if a travel company is looking for a digital transformation solution from their operational side or customer engagement side, they are not looking at just an ERP or a CRM. They are looking at a solution for travel industry. So, when we go there and when we talk to them, we are not showing them a standard ERP. We are showing them a travel solution. The same is true for other industries. So, this is the value that our IP brings, and this is the strength that we play on. This is what makes our offerings compelling for our customers.

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Rohan Mehta: Got it. My final question to you is, so your percentage of revenue from your IP is at about 5% to 10%. How would you look at this number, 3 to 5 years from now purely from an aspiration standpoint? Where do you see this?

Ajay Mian: It's important, but (at the same time) actually not so important. The revenue that we ascribe just to our IP may appear small. It may be only, let's say, 10% of the overall deal. But the thing is that - without that element, the whole deal may not have come. So, you have to see the more important thing is the influence on the overall revenue by

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this IP. And I can say that this influence on the overall revenue by this IP will increase. Whether the revenue that ascribes to this IP itself increases or not, that's hard to say.

their view on having an IP.

But we are more interested that people see us as somebody who understands their industry, understand their business, has some value to bring, which is a USP in comparison to somebody else who's bringing you the same product line from Microsoft and skills on those product lines. So, our IPs bring that differentiation. So, they influence a significant amount of revenue. It doesn't matter whether the direct revenue that we get from those products increases or does not increase.

2. Increase International Revenue

The company has been increasingly focusing on expanding its revenue from international clients and territory because the company earns better margins on the similar services provided by them, secondly the international market is much mature for the services provided by the company. The company has a separate team for catering to the international market that focuses and work only for that. This department is overlooked by Ritu Sood and Ajay Mian Together. The company is venturing into new territories with focus primarily on USA. In Africa the company is working closely with Microsoft in Edtech and BFSI space and recently they got order from Bank of Kigali for managing there customer engagement and digitize the allied process for the bank.

Customers	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
India	139	146	174	181	190	195	202
Global	70	80	92	96	105	111	119

Mihir Shah: So my first question is, can you throw some light on the Africa activities and how have you approached this client? And if this business, how do you aim to target more customers in that?

Ajay Mian: Sure. Good question. Because Africa is not one country. Africa is, like 50 countries. We have been doing business, we have had customers, in Africa for a long time. I think our first customer in Africa we acquired at least 18 years ago and this was Mauritius. I think we just got to that customer because we were participating in some event and we happened to meet them and so on. But from that time onwards, then there are things that have happened because of the references that we got from earlier customers.

But in the past couple of years, we have done more focused ... sales and partnership development activities in Africa. We have developed partners in all the regions we have been talking of - particularly in Kenya and for Ethiopia and in Zambia. But then there are projects that we also get directly. For example, the project that we are doing in Nigeria, which is a retail implementation. It's a project that we participated in an RFP and it was a bidding process and we won it.

So it's a combination of things, not just one thing. So there is direct, there is digital, there is partnerships, and sometimes we also get references from Microsoft.

3. Inorganic Growth

The company came up with an IPO to fund inorganic acquisition which will assist in further growth of the company but till now the company is still contemplating on the acquisition to be done, the company has figured out two ways in which it might execute it:

1. The company may acquire a company involved in similar business in USA in which the company has clients so it can expand its customer base and presence or,
2. The company may acquire a company that is involved in a service that company is trying to develop and strengthen so this might enable the company to expand its offerings.

So, this are the ways in which the company will expand try to execute its acquisition plans but the company is planning to acquire two companies one in India and one abroad.

The acquisition timeline is something one has to look out for as there has been significant time taken by the company but still, haven't been able to materialize on it which may hamper the growth that we are seeing today because for company to go further than it has to grow either the team size or has to undertake the path of inorganic growth to sustain the growth.

So, in our type of organisation it always happens you have a set of resources and you try to maximise the outcome from that, but at a certain point, you will have to then prepare yourself for the next stage of growth for which you will need to make more investment, bring in more people who will help you to grow to the next stage. So, it is possible that for some period you might certainly see that the people cost has gone up, but then that is what will result into a gain subsequently. So, you have to keep moving a little bit like that.

The inorganic growth will be on two fronts, one - looking for companies in the western market who are doing exactly what we do in the Microsoft Business Applications space - so that we can reach to customers there as a local provider. And then, supplementary offering of things that our customers need and do currently, but which we may not directly be doing right now. So those are the two areas in which we are working. We are currently engaged with at least three investment bankers who are bringing us opportunities that we keep exploring and talking to, and some of them move from exploration to a conversation stage.

So, this are the areas from which we expect growth to kick in the business of the company, the business is mostly consultative led so the company will have to increase it's effort on sales and branding to improve and expand it's penetration across geographies.

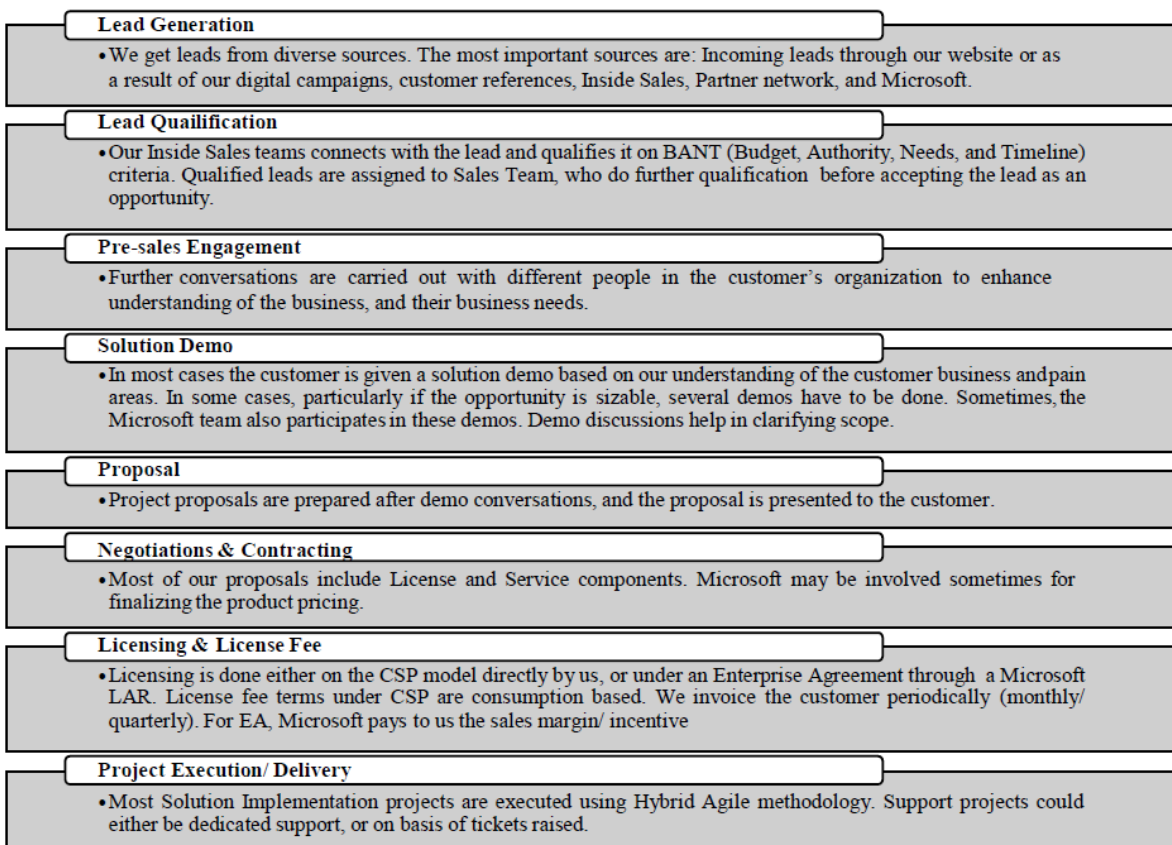
❖ Sales Process of the company

All E Tech employs a multi faceted sale process for providing its services and catering to the client which involves following:

- **Initial Engagement:** ALLETEC's sales process typically begins with lead generation through various channels, including inbound inquiries via their website and digital campaigns, customer referrals, inside sales efforts, partner networks, and Microsoft's network.
- **Lead Qualification:** Once a lead is identified, the inside sales team connects with the potential client to qualify them based on the BANT (Budget, Authority, Need, and Timeline) criteria. Qualified leads are then passed on to the sales team for further assessment.
- **Consultative Approach:** ALLETEC emphasizes a consultative sales approach, focusing on understanding the client's business challenges and demonstrating how their solutions can address those needs. This involves in-depth conversations with various stakeholders within the client's organization to gain a comprehensive understanding of their operations and pain points.
- **Needs Assessment and Solution Demos:** ALLETEC conducts thorough needs assessments to identify areas where their solutions can improve efficiency, productivity, customer satisfaction, and overall business performance.
 - They present tailored product demos showcasing how their solutions, often built upon the Microsoft Dynamics 365 suite, can address the client's unique requirements. This may involve multiple demos, sometimes with participation from Microsoft's team.
- **Proposal and Contracting:** Following the needs assessment and demos, ALLETEC develops a detailed project proposal outlining the scope of work, implementation timeline, pricing, and contractual terms.
 - Their proposals typically include both product licensing and service components. Microsoft might be involved in finalizing product pricing, particularly for larger deals.

- Contracts often involve milestone-based payments or monthly billing to ensure a steady revenue stream.
- **Implementation and Support:** Upon contract signing, ALLETEC's team handles the implementation of the chosen solution, working closely with the client to ensure a seamless transition and successful adoption.
 - They also provide ongoing support and maintenance services to ensure the smooth operation of the implemented solution and address any issues that may arise.
 - Maintenance in this context refers to ensuring clients effectively utilize their implemented solutions, addressing updates, and facilitating continuous adoption rather than simply fixing technical issues.

Here is the typical cycle of new customer acquisition stages/ activities:



Ajay Mian:

Absolutely. So I can tell you easily that more than 90% of all work that we do is direct customer acquisition. Now what does that mean? When you say (ask) what do we do - we do everything. ... (for example) we have an inside sales team, which will work on searching for leads, doing Internet search, doing cold calling, doing various types of qualifications, so that is one thing. We have another team which is working on digital marketing. Through all the digital marketing initiatives ... we are in a business where nobody buys these solutions just because we reach out to him - he has to have a need at that time to buy our solution. So it basically means that at a time when we reach out to somebody he may not have a need. But our objective is that when he has a need, he thinks of us. So, therefore our digital marketing initiatives become super important. So we get a lot of incoming inquiries that we promptly respond to.

When these inquiries come from international geographies, then our teams in the U.S., Canada, (and) Africa ... and of course the team in India ... we respond to these queries quickly, and it's an elaborate sales process. You go for an assessment, then do product demos, ... these are several demos. And each of these can take a couple of months, two months, three months and sometimes six months to close or drop off.

So it's an elaborate process. And besides that, we also have some partnerships signed up. So for example, in Africa, we have a couple of partners. These are partners who do other things. For example, somebody may be doing a modern workplace of Microsoft, but he has no competence in business applications. Now in general, business application space is a hard space to work in, right? It's very difficult because it's a consultative-led opportunity that you pursue. And you have to have understanding of not just a product line, you have to have understanding of the industry.

And you no longer can go with just an out of the box solution. You have to when you go and present to somebody, you have to show that you understand his industry. You have to show that you have done something for a similar industry. That's when we are able to win. So just because now over this period of 20 plus years ... we have worked for over 900 customers. So those many projects, across probably 30 countries. For many industries we have dozens of customers for whom we would have done these solutions. And then, lastly, there are opportunities that we also get from Microsoft.

Microsoft would reach out to us. If Microsoft comes across an opportunity, the first thing that they do is to see which of our partners has built a solution in this industry, right? So by that rationale, they reach out to us for many of those opportunities. But then, ultimately it is still for us to engage because Microsoft goes only with a partnership model. So it is for us to engage, do all the presale and do the sales. So that's what I said, almost probably 99% of our business is all direct.

❖ Business Quality Analysis

For assessing the quality of the business one mental model that helps us is to understand Margins (%) and capital Rotation Cycle.

So, there are two kinds of business according to me:

One, is Fine dining Italian Restaurant and another is an Local Chinese food stall, in the Italian Restaurant the Margins are high but the capital rotation cycle is low and in Chinese food stall the Capital Turnover is high whereas margins are lower. Good business are available in both the places but mistake is made when management mixes both them and tries to do everything and target every segment, every product.

So, for a company to create value for shareholders it needs to focus on a segment or a niche with a strategy in place to do value creation in the business.

All E Tech as a business is focused on targeting Mid to Upper Mid Segment of clients who are much mature to adopt the solutions provided by the company and in other geographies also where it is expanding is really focus on customers from similar segment only. It follows a system where it ensures that its exposure to Top 10 and Top 5 Clients is below 30% and keeps its revenue stream diversified across industries and clients.

Due to increase in its international business and IP led growth the margins has improved in last few quarters from 9 – 10% to 16 - 18% which has led to improvement in its ROE and ROCE levels.

The model of the company is service as well as product oriented and it is not a typical IT service company which provides man power requirement to its clients but, a solution oriented company.

Manan Madlani:	Hi, thanks for the opportunity. So I'm relatively new for this business, so it would be helpful if you can explain our services or consulting business with the help of one of the clients whom you represent, let's say for Manipal or any other industry?
Ajay Mian:	Yeah, for sure. So, Rajiv, you want to take it up? Maybe you take example of Manipal?
Rajiv Tyagi:	Yeah, I can do that. So Manan, what happens is that when we get engaged with a customer they already have certain processes (for which) they will be using some systems and this is where we get involved with them. We do a discovery session with them to figure out what all are the areas of inefficiencies where our solution can bring in more productivity, better experience for the stakeholders like students, faculty, external ranking and accreditation agencies and whatnot.
<i>Expⁿ of Business</i>	So, this is typically what we do and then we provide them this consulting that how they can improve and what should be the order in which they should actually execute the whole project so that the risk is contained, minimized and the benefits are optimized. So, this is the consulting that we provide to the customers. And these could be -- I just took one example of education industry in a similar way.
	Let's say if it is a solar power company where we are doing (a project), ... areas in their business (will be) related to the sales or the project management area. For a renewable energy company, even one day of delay in the project will mean loss of cash. So they are very focused on the project management side of things. So this is the consulting that we provide to the customer.

❖ D

At the same time, I would say - if there was like a mega organization, let's say if there was an oil company, large oil company. Yes, for them, they'll go and do SAP. And nobody will probably go and tell them that don't do SAP, do something else. But that's fine. But then - you have a large set of enterprises, which are large and mid-market, and upper mid-market. That's a humongous market. And that's the market in which this whole momentum for Microsoft has been strengthening over the last several years and would continue to do so over the coming years.

And you would rarely see a project doing just that for \$50 million. So those projects would probably be a couple of million dollars, and you are right. We don't do \$20 million projects. But for example, at the moment, there is at least one project that we are involved in, which is about \$1.5 million. But then, we are happy to do, for example, in this quarter, you might have seen we added 18 customers. Nine of them were international customers. I feel happier doing a \$100,000 or \$200,000 (projects) for those nine customers rather than trying for a \$5 million single project. Because if I have more number of customers, I have a stronger base. My recurring and repeat are much better. The risk (due to) of losing one large customer is very high. So, therefore, you will see our top five customers give us only 17% of revenue. Our top 10 give us only 26% of revenue. And the total number of our active customers, that we would have serviced during the year at least once, this number is more than 250 both in India and internationally. So that is what gives the business a solid base that we build on.

Lalit Rai:

The other thing is, and this I want to combine with one more thing. So over the last six, seven quarters, we are seeing the continuous trend of margin expansion where we've gone from 9%, 10% kind of range in I think that was in December '21 to almost 18%, 19%, kind of levels now. So wanted to understand if there are levers available to us, for a further expansion in these margins, and that I wanted to combine with another question, which was around what you mentioned 17 out of the 18 clients that we added are on the cloud side, and this brings about more recurring business. So is this business also higher margin versus the on premise business that we do? And, also, given that it'll be recurring, so we'll not have the selling expenses associated with it. So which anyways, will bring somewhat better margins. So just around that. So more trying to understand the trajectory for margins that we should be expecting going forward? Thank you.

Ajay Mian:

Yes. Absolutely. So, Lalit, the improvement in margins is a result of predominantly two factors. The first factor is the percentage of international business that we do. I have mentioned in some of our past conference calls that our gross margin on the international services is in the range of about 50%, somewhere between 50%, 55%. And the same work when done in India gives us a margin of about 22%, 23% something like this. That is one thing. So which basically means that as the percentage of international business increases, the overall margin will also increase. That is one part.

The second part is the magic is in the cloud. What cloud means is that customers have to now spend that budget, which they have allocated for their products - every year. And you are right - when a customer decides to go in for a solution, he has to spend that money year-after-year, and this is indeed a recurring business. So we really don't have to incur any sales expenses on recurring business, but we do have to incur some expenses on the repeat business. Repeat business would mean that you have more projects and more to do with the same customer.

❖ **Abhinav Aggarwal:**

Got it. That makes a lot of sense. The second question I had is kind of along the lines about from this whole component, how much is the recurring component of a lot of these contracts? Is it largely going to be that 70% Microsoft component or do these contracts have like the services component as well as your IP? Are they also recurring deals so that the customer is paying them year-on-year so we can kind of budget in that revenue is going to keep hitting us? Or do you have to fight for that deal every year on the services and the IP part, your IP part of it?

Ajay Mian:

$$\frac{\text{LTV of client}}{10}$$

$$\Sigma \text{ MFST margin}$$

$$\Sigma \text{ IP share}^1$$

$$+$$

$$\Sigma \text{ Service component}$$

So, two things there. First of all, if you recall, on the very first slide we had shown that our recurring and repeat business was now 97%. This comes from all existing customers. This shows that the business that we keep getting from our existing customers is the most important component of the business. But now coming to a new deal - the solutions that we are talking about are large footprint solutions. These are sophisticated solutions. They take time for organizations to absorb and to gain full benefits from. When we go and position a solution, as I said - 70% is both the Microsoft component as well as our IP component - which are recurring. They will come every year. So we will obviously get our piece of the IP. And we will get our piece of the margin that we get out of the Microsoft component, which is healthy. And then the services, as I mentioned is something which is ongoing.

You have multiple new things in the product line. You end up absorbing some pieces of it now and then in the next quarter or next year you pick up some new pieces that you bring in. And then you keep adding other stuff. You add the data side of it, you add the AI side of it, you add collaboration side of it. Because the organizations that we are working with, majority of them are large organizations and some of the solutions that they are talking about are large footprint solutions - so these (engagements) are not like one time eaten and done.

Abhinav Aggarwal:

Got it, and what's the typical sales cycle for a new customer? And when you say large footprint, what range are you looking at for customer deal?

Ajay Mian:

So I would say the typical sales cycle is ballpark six months, it can be four, it can be eight. But six months I would say is typical sales cycle. It includes multiple demos, conversations, because this is all consultative sales. The customer doesn't come to us because he wants to buy a Microsoft

product. The customer comes to us because he's looking for a solution that helps him, let's say in this case in the management of his educational institution. And that educational institutions has diverse aspects to it.

Of course, there is financial accounting to it, but then there are also so many (other aspects), there is student lifecycle management to it, there are so many other student touch points to it. And all of this needs both automation and management. When you talk of the value of the project, as I said, the most important thing for us is the customer lifetime value. But I would say all of the projects that we have been speaking of would have a ballpark - initial contract values can be in the range of Rs. 1 crore, some are little less, some little more. But then it just keeps moving on (building up).

❖ **Agastya Dave:** Yeah. Kind of, sir. Yes. You covered a lot of it. Second question is on your cost. So given the growth that we are seeing in your business and also in Microsoft, right, the opportunity set is obviously pretty large for you. So how will your costs move over a period of time? Because if I mean there is obviously a lot of, operating leverage in the business, and there is a lot of growth. So how should we look at the costs? And then associated question, what kind of employee wages do we expect going forward, and what kind of attrition are you seeing?

Ajay Mian: Sure. So, if you look at the business, you rightly said our business is not like a typical IT services business. In IT services businesses, the revenues are a direct multiple of the headcount. You deploy a certain number of people for a certain job, get a certain revenue from it, which means that the correlation between them is actually linear. In our case, however, a part of our revenue comes from the product. And this product could be, standard Microsoft product, and this product could also be our own IP. Now this comprises of nearly 42% of our overall revenue. A large part of it, an increasingly large part of it, is cloud business - which means that customers have to pay for this as they go - on usage basis. As a result of that, to double our revenue, we don't have to double our headcount. Having said that, it is true that the people cost is increasing, and we always mention that. If you look at our SWOT analysis chart, you will find that mentioned there. But as we increase our international business, we are able to tone down the impact of that a little bit. For example, the number that you see for this

quarter have taken into account a significant part of salary increases that will happen, now this year.

So, it's a combination of things. Because not all of our revenue is services revenue. Two, because we also try to not increase (substantially) our international costs, but overall people cost will go up. There's no doubt about it. And when we hire people internationally, and we will have to hire some, people cost will go up. But this is like one of those things, when you scale and when you try to increase size, you will have these instances where sometimes you will have some cost pressures without which you will not be able to grow the revenue.

Agastya Dave: Got it. One final question. In the 42% of the revenue that you said is not traditional IT business, but more like a product, or there is a product orientation to that. In that, do you offer SaaS offerings? Do you offer licenses? So, you mentioned recurring revenues, right? So, is this the recurring revenue I understand in product companies, or is it recurring revenue as in IT services where there is an annuity because it's a long duration, project? So, if you can distinguish that, so I'm slightly confused there. The 42% revenue that you just mentioned?

Ajay Mian: Yeah. Sure. Let me ask Rajiv to address that. Go on, Rajiv.

Rajiv Tyagi: Yeah. Agastya the 42% that you are saying in the product, it is the SaaS offering that we provide to the customers. And there is a regular annuity till the customer churn doesn't happen. And on top of it we continue to provide services, so there can also be the service component that you are mentioning typically for the services company, which is where we'll have an annual maintenance contract where, again, it's our known visible chunk of revenue that will come from the services side. So, it is a combination of both the SaaS product license revenue as well as the services revenue.

❖ Microsoft and it's relationship with All E Technologies

All E Technologies started as a provider of implementation service for the Microsoft which essentially includes managed services and distribution of licenses for the various products of the Microsoft but over a period of time it evolved to become more than just implementation service provider to become a solution provider to the businesses.

The company for providing the solutions to the business such as ERP, CRM, Data Analytics and Engineering and cloud infrastructure uses Microsoft infrastructure as it is the most suitable and agile system stack available in the market for Mid to Upper Mid Segments customers with is evolving and adapting really fast with AI and Copilot bots that are developed by the Microsoft and getting integrated with all the applications and platforms like power BI, Azure, Microsoft business central, Microsoft dynamic.

So the company from its explanation of the business and the product IPs that it have clearly seems to be a consultative led solution oriented IT company which provides solutions to business and to provide it uses Microsoft products as a base, but it is not restricted to only Microsoft because where it finds any other stack to be more suitable to the problem of the client's business it readily adapts to it like in sales and marketing it uses Salesforce and Shopify.

The company is not directly deriving it's sales from Microsoft because the business is consultative in nature means that it uses Microsoft tools to address the problem but it is not involved in selling the license for it which is clearly visible in its margins and also from the product set it has of Ips like Travel 365, Edtech365, BANFINS etc.

Govindasamy:	Okay, sir, the second item is. I've heard about IP solutions and other products that Rajiv sir also explained about it. My question is, is that a product that we built and we are trying to co-brand for all the other customers? Or how are we taking that off?
Ajay Mian:	So you see, the whole approach is that don't try to reinvent the wheel. The Microsoft products provide us the baseline. And so this baseline is applicable for all industries, all types of products. What we do is that on these then we bring in the industry knowledge and we build solutions for specific industries, for specific types of customers on the base of the product line that Microsoft has brought forward, there will be some pieces that we might be adding to that which are our own completely. But largely, I would say that the base product line is from Microsoft , on top of it the industry solutions are developed by us based on our experience of those industries.
Govindasamy:	Got it. So we don't build a product assets, but we are taking the baseline from Microsoft and...?
Ajay Mian:	Absolutely, Mr. Govindasamy. Because you have to see how far will you go. So some of these products today are as basic and as fundamental as, for example - you don't write a Microsoft Word , for example, or a Microsoft Excel to build an application. You build on top of it. So some of these other business application products are also becoming as standard. And therefore there's no point of trying to reinvent the wheel. We must do the value add rather than putting our investments into things which have become standard now.

M Mayur Tyagi:

Okay, thank you. And I have one confusion, actually, because as I could understand that ours is a product based organization. So we basically make products and customer pay services for using our product. So like this retail and higher education, so we have a common product. Did we customize our product for every customer? So is this something like that or if we have a product and all customers are able to use that product without any customization needed?

Ajay Mian:

It's a little bit different from what you just said. The core set of products are built by **Microsoft**. And it's not one product, multiple products. What we do is we have our expertise on the business and industry. We understand, for example, now what a higher education institution requires, we understand what a travel business needs. We understand what manufacturing needs and what a Green Energy business needs. We use the product line to build solutions for that business.

Think of it a little bit -, very vaguely and crudely speaking - these products are like wood. You may have somebody who specializes in making furniture and you may have somebody who specializes in making doors and windows. So that is the difference. We do the consulting, business consulting, we identify what does the customer require and how we need to adapt our solutions for them. The 10 industries that we have mentioned, each of those industries would have many customers in those industries.

Kshitij Saraf:

Yeah, yes, yes. Got it. Thank you. Just one more question. Are you looking to stick to **Microsoft** as a key partner or at some point along the line do you plan to have other hyperscalers or other partners when you look at it?

Ajay Mian:

Sure. Yeah, absolutely. So as everybody in this call would know - today **Microsoft** is amongst the most leading organizations in the world providing technology solutions and business applications. At the same time, we know that there are some areas where some other solutions are leading the pack.. So for example - and I'm not saying that this is something that we are going to do tomorrow morning - there are areas that may not be strong areas of focus for **Microsoft**, for example ServiceNow.

So these are the areas where we are not averse to saying that we have to go beyond **Microsoft**. We just want to make sure that the product line that we have picked up from **Microsoft** is a globally leading product line. And we don't want to put things in our basket simply, because we want to kind of give people an option. Because we are providing solutions, we are trying to solve their business problems. We are trying to help them succeed with their digital transformation initiatives.

We think that the product line that we carry with us should be able to do that. Now, even if you keep to **Microsoft**, you see **Microsoft** has two ERPs. And each time you engage with a customer, you have to make that decision. Is this one better or is that one better.

We haven't come across a situation where we would say that there is a set of customers where **Microsoft** ERP is not good at all and we must have something completely different.. We are not into the trading of something, we are into consulting and providing solutions.

M

Sure. So, first of all I want to clarify - while our overall offerings to a customer comprise of product and services - it will be misleading, if not wrong, to think of it as a reseller component, because everything that we do is consultative. It is consulting led. So the products that we bring to our customers, of course have a **Microsoft** component and they also have our IP.

It's like saying that if we were to provide 100 of something to a customer. Let's say 70 of it is prebuilt, which we take from **Microsoft**. Another 10 of it maybe we have developed over it which is our IP. And the 20 of it, and these numbers could be a little bit here or there, is our services that we add on top of it. So without our 20 and without our 10, we will never be able to sell the other 70.

So it's not really a reseller. **A reseller would be when we would buy X from somebody and just trade it over to somebody else.** Okay, you can take it like us buying some raw material, working on it, and then handing it over. Without us doing what we do on it, nobody would be interested in this raw material.

Rajiv Tyagi:

Ajay, can I barge in? I just wanted to tell one thing Avinash that in the IP led verticals where we are working right now, **we are getting approximately 20% to 25% share of the IP in these verticals.**

So IP revenue would be around 25%. And this is what we are striving to increase because that is what will add to the bottom line going forward. **As our products mature, as we have more market share, we will see that value add. Let's say tomorrow, we add Co-pilot AI components into the solution.** So what we'll be increasing is our IP share in the solution that we'll be offering to the customer. Because that obviously will have much more margins to us than what you'll get otherwise.

And the product component would have a part of our IP in it and a part will be the **Microsoft** products - on which of course, **when we position Microsoft products, we get our (partner) margins.** So - **we get margins on product, we get our IP cost, and then we get our services.** And fortunately, the nature of our business is such that nobody would say that I will use it once and then I'm done. All customer relationships are multiple years, 10 years, 15 years, and the businesses change, technology changes, they (customers) want more functionality.

These are all ongoing relationships and therefore the lifetime value of a customer becomes more important than what you are doing right at the start.

M Ajay Mian:

Yeah, sure. Let me give you a couple of points there. So, first of all, at 350 people, we are amongst the largest Microsoft business applications partners in the world. If you leave aside the global system integrators like an EY, PwC and I'm not talking about the Tier-1 IT companies of TCS, Infosys, etc. who do everything, and by the way, they don't do business applications in India, but they do in other geographies but the customer segment that they work on is usually very different from what we do - so one - we are significant in size, we are large (as a Microsoft Business Applications company).

Two, we obviously bring a pricing advantage also. So in the whole thing (project), we have some onsite work going on, (and) we have the ability to do something from here (India). And the shared experience of having done more than 800 projects and having worked in the industries of our choice (with) dozens of customers - brings them the confidence, which is usually not easy for them to find in the local market, so it's all of these things together, that brings us the advantage.

Rajiv Tyagi:

I just like to add one more point, which is among other partners, one big differentiator is that we are also a development partner to Microsoft. So that puts our credentials on the table very strongly that we are just not the implementation partner, but because we have much stronger hold on the product side because we work with the engineering team of Microsoft. So that does give an edge.

Rajiv Tyagi:

So our solution basically sits on top of the Microsoft products. Whether they are the CRM, ERP, Power BI (the BI products of Microsoft), we use the Microsoft code base and on top of it we develop our industry layer. That's the way you can build your own IP and then you have to get it registered with Microsoft, for that particular solution.

So whenever we offer this solution to customer -- the base is Microsoft Azure and on top of it is Business Applications and our layer which sits on top of that. So it is not that we have created an image of Azure and then they subscribe to our SaaS, they subscribe to Microsoft SaaS and in parallel they pay the recurring fee for our IP which sits on the standard Microsoft Azure.

Vinay Alluri:

Thank you so much for the opportunity. I congratulate for the record-breaking quarter, and it's a very good quarter number to see. My question was around, last **Microsoft** results when we saw their Cloud business is growing along with Oracle Cloud because they have an arrangement with Oracle Cloud. So, their apps and then **Microsoft** apps are collaborating and they're giving the business. So, when it comes to our company, is there any strategy to work on Oracle Cloud applications and also to give any developed products over there? I was just focusing on the **Microsoft** alone right now?

Ajay Mian:

Okay. See ... we have to put the horse before the cart. And to do that, we have to see what is it that we are trying to accomplish; right? We are not trying to accomplish (to say) how much of Oracle Cloud do we sell on top of **Microsoft** Cloud. We are trying to accomplish that how do we meet the business objectives of our customers.

It is not our objective to see ... whether we sell more of one ERP or the other ERP. Our business objective is to see that did we serve our customers and help them achieve their objectives of business. In pursuance of that, it doesn't matter what relationships is **Microsoft** getting into. Of course, there is relationship between **Microsoft** and Oracle. There is also relationship between **Microsoft** and SAP, for example. One of the largest businesses that **Microsoft** has on Azure is running SAP on Azure. But these things do not distract us from what we are doing, because we are not just a license pushing company.

We are a solutions company. We use a set of products for building our solutions. We have chosen to build them on **Microsoft** and **Microsoft** is doing well. We have no reasons, ... to ... reassess our choices. But then there always will be some areas that I have mentioned in the past ... for example, the area of digital commerce is one where

some of our customers, for example, use products like a Magento or a Shopify or some other products.

So just because they are not **Microsoft** products, does not mean that we will not use those products. We service and we support and provide solutions on those products to some of our customers. But when it comes to Cloud, I think Azure has almost everything that we can ask for right now. We are not saying that we will remain wedded to it for the rest of our lives. But Hey, there's no reason for us to just change something for the heck of it.

The relationship of All E Tech with Microsoft is very niche and specific which helps All E Tech in selling it's product through Microsoft network of partners and App source hence, gives it better visibility across the clients and Microsoft partners.

Plus, All E Technologies helps other partners of Microsoft partners to help there client in digital transformation and digital analytics services which allows the company to increase it's reach and visibility.

❖ **Management Analysis**

The company is managed by seasoned IT professionals who are engaged in similar business from last many years and have been associated with Microsoft and big Techs.

➤ **Dr. Ajay Mian**

- Dr. Ajay Mian, 64, holds a Ph.D. in Physics (1984) and has over two decades of experience in Digital Transformation, Computer Science, and Information Technology.
- He served 8 years with Tata Unisys (now TCS) and 5 years as Vice President of Eurolink Systems Limited.
- As the founding Promoter and Managing Director, he has been instrumental in driving the Company's success since its incorporation.

➤ **Rajiv Tyagi**

- He is the Executive Director of our Company and was appointed to the Board on October 04, 2006.
- He holds an MSc in Mathematical Statistics from Lucknow University, an MBA in Finance from the Indian Institute of Finance, and a Diploma in Computer Applications and Programming.
- With over 25 years of experience in the computer software industry, he possesses strong expertise in Finance, Supply Chain, and CRM.
- He leads the Innovation and R&D arm of the company, oversees pre-sales, key customer engagements, and has been instrumental in driving the Microsoft Dynamics practice at Alletech.

➤ **Ritu Sood**

- Ritu, 47, is an Executive Director at our company with a Bachelor of Commerce degree from Shri Ram College of Commerce, University of Delhi, and is a Chartered Accountant (ICAI).
- She is a skilled Microsoft Dynamics professional with around 20 years of experience in systems analysis, design, integration, development, and implementation.
- Ritu oversees the company's Rest of the World business and also leads the corporate HR function.

❖ Evolution of the Management

The company was started by Mr. Ajay Mian in the year 2002, before that the founder was a professor in University of Delhi Teaching Physics to undergraduate and post graduate student given his PhD. in Physics there he taught for 5 years or so then, he had his stint at Tata Unisys for 8 Years where he undertook work in the domain of digital transformation and he understood the whole lifecycle requirement of technological needs of the business.

After, his stint at Tata Unisys, he joined Eurolink Systems Ltd. as a vice president of Software services and consulting there he got his real experience of interacting with clients and understanding the business problem and how to address them which was for 5 years then he became partner at NetAcross Ltd. For 1 to 1.5 years.

Then In 2002 he founded All E Technologies and due to his stint in digital transformation and system integration he was early on to identify the relevance of Microsoft and the Microsoft Partners Network and he started to leverage it in a big way to grow his business. He was good at retaining clients like Asian Paints is there client from last 15 years, Make My Trip is there client from last 10 Years. Also he was good at retaining key employees wit attrition rate of employees of less than 7% for employees who have spent more than a year with the company which is considered good given the shortage of good talent in the industry at this point of time.

Varun Agarwal: The similar kind of service you're talking about offering to different industries, right?

Ajay Mian: So one answer is yes, but the other answer is that - *the 'similar' here keeps changing with time. Ten years ago 'similar' meant merely implementing an ERP for maybe 10 different companies. Now, in the last ten years we started doing CRM also along with ERP. Next came the times when we also have to deploy Business Intelligence. Then came the time when we also have to develop Apps on Low Code solutions. And then has there been the question of what to do with the massive data that is being generated. So, it's not similar I the sense that we are doing today what was done for (let's say) Asian Paints 15 years ago. The solution requirements, and the business systems have changed so much that what we are doing for a customer today is very different from what we were doing for that customer may be 5 or 10 years ago.,*

All E Tech is positioning itself as the ideal digital transformation partner for businesses that have realized scaling further is impossible without digitization. The focus is on the top Mid to Upper Mid Market Segment where there is maturity to adopt to there solutions, steering clear of competing with giants like Infosys or Accenture, where deal sizes are much larger. The sweet spot for All E Tech is in the range of Rs. 50 Lakhs to Rs. 10 Crores. For over 20 years, All E Tech has built a strong reputation in India for ERP and CRM implementations across diverse industries. the company's expertise and credentials far exceed the perception of its brand. With the recent advances in AI, Microsoft has integrated AI into all its offerings. All E Tech is now bringing this message to potential clients, highlighting that AI is the future. Microsoft's AI-enabled tech stack is among the best for any business, and All E Tech stands out as the optimal implementation partner for those looking to harness this technology for growth. They are also building there own Co-pilots to get them integrated in the IPs they provide.

So he started as a Microsoft channel partner and implementation service provider for Microsoft's products that went right till 2006, then in that year Rajiv join as the company became of a decent size with a good growth number, the background of Rajiv was technology oriented person with a strong focus and understanding of Microsoft and its stack. He met Ajay Mian when he was at Eurolink Systems Limited as a Team Lead in Software consulting and then he had a 5 year stint at Velocient Technologies.

After that he joined All E Technologies Limited in the year 2006, he from starting had a strong focus on building IPs and a solution oriented company rather than being just a body selling organization. He had a strong understanding of Microsoft Dynamics Practice with a demonstrated history of working in the computer software industry. He was Skilled in creating cross application cloud based vertical solutions and managing P&L. with rich experience in helping customers re-engineer Business Processes pertaining to Customer Relationship Management (CRM), Supply Chain and accounting & a Strong Pre-sales and consulting professional with proven track record in Key account management.

As Rajiv joined the company an organization which was only focused on product development and implementation with less focus on branding and client engagement started to pay equal attention on branding and client relationship building as Ajay Mian started to oversee those role while Rajiv got involved in product development and building product focused relationship with Microsoft and company initially started with lower hanging like ERP implementation and deployment with IPs with client base growing along with the increase in average life time value of the clients, they started to pitch another software to the clients like CRM, Inventory management tool, HR management tool etc. also in this business clients are not looking for software they are looking for solutions that can help them to resolve the business problems as All E Technology was good at handholding the clients the stickiness of the clients also increased and cross selling become the way and today more than 85% of revenue that the company earns is recurring in nature.

The reason that our customers are with us for multiple years is because every organization has a journey of it's own. You may start with one thing, but then since the world around you is moving very fast, you will succeed only when you move faster than the world around you. So you may use an ERP today, then you go on to CRM you may need to move to Azure for your cloud infrastructure and for various other services, but then you need various other applications on Power platform be it for BI or be it for other bespoke applications and then AI and data. So, there's a journey which is ongoing and this journey makes sure that our customers give us the opportunity to keep providing them these solutions for multiple years.

Ajay Mian:

So, two things there. First of all, if you recall, on the very first slide we had shown that our recurring and repeat business was now 97%. This comes from all existing customers. This shows that the business that we keep getting from our existing customers is the most important component of the business. But now coming to a new deal - the solutions that we are talking about are large footprint solutions. These are sophisticated solutions. They take time for organizations to absorb and to gain full benefits from. When we go and position a solution, as I said - 70% is both the Microsoft component as well as our IP component - which are recurring. They will come every year. So we will obviously get our piece of the IP. And we will get our piece of the margin that we get out of the Microsoft component, which is healthy. And then the services, as I mentioned is something which is ongoing.

You have multiple new things in the product line. You end up absorbing some pieces of it now and then in the next quarter or next year you pick up some new pieces that you bring in. And then you keep adding other stuff. You add the data side of it, you add the AI side of it, you add collaboration side of it. Because the organizations that we are working with, majority of them are large organizations and some of the solutions that they are talking about are large footprint solutions - so these (engagements) are not like one time eaten and done.

Then came Ritu Sood which now with Ajay Mian is looking after the international expansion of the company in to various geographies like USA, Europe, Africa and South America. She is a CA and from a commerce background she joined All E Technologies in the year 2005 as an implementation manager, then she became general manager in the year 2009 there she overlooked client acquisition, sales and ERP implementation than in the year 2022 She became the executive director of the company and after that currently she is over looking business abroad for the company.

About the work culture in All E Technologies Ltd. the work culture is quite decent as they have allowed work from home to most of there employees with optionality to visit office 3 days a week serves a pretty decent model as it lower admin cost and improves the scope of talent hiring. It was the company which created ESOP Pool back in the year 2009 which is quite good as this was time it was unheard of and unexpected from a small organization so the management has a mindset to create an organization that will outlive him also he wanted to create a sense of ownership among his employees even when the company was so small today it own ESOP Pool has 7.64% shareholding of the company.

Also attrition rate for the company is quite low as compared to industry standards and glassdoor also posts good reviews about the work culture in the company by its ex-employees.

This are they few takes and understanding of the evolution of the management of the company.

❖ **Risk – Every business has it...**

1. The Promoter Ajay Mian is quite old aged at 64 years so succession planning becomes a thing to consider as there can be keyman risk involved in the company though company is taking effective steps to address this steps by giving other senior members of the board to take up the responsibility and address the business issues.
2. Inorganic growth for an IT company to grown to a reasonable size it has to grow both organically as well as inorganically so, there are multiple M&A happens in this business to one has to closely track at what valuation this is done as often may not company may end up paying more as compared to the value that it derives in return.
3. For a IT company employee cost is something that is of prime relevance as for them it is there breadwinners also, in the current time when there is shortage of skilled talent in this industry they might face shortage to hire right talent which may hamper the business of the company and for this as an analyst I think on this terms.

“Management appears to strike a careful balance between employee satisfaction and cost control, as indicated by average salary hikes remaining below 10%.

Human resource planning is inherently uncertain. Companies typically estimate future business needs, including the number of employees required and expected attrition rates. However, this process often leads to mismatches between staffing levels and workload. For example, if a key employee takes unexpected leave, organizations may need to hire backup staff to meet client deadlines, which can lead to inefficiencies and increased operational costs.

Over time, businesses refine their staffing strategies. Initially, they may assign one employee per project and add backups to ensure reliability. However, as they gain experience, they often find that a ratio of approximately 1.3 employees per project is optimal. This ratio can improve with increased scale and productivity-enhancing tools.

It's important to note that aggressive hiring in anticipation of demand can negatively impact profit margins if the expected workload does not materialize. Companies must remain agile in their workforce management to balance competitiveness and cost efficiency effectively. Monitoring these dynamics will be crucial for assessing future performance and investment potential.”

4. The vision of the management is a bit conservative as they have annuity model mindset where they are ensuring the surety of revenue but are also not taking the risking of bidding for contracts of higher value, as there is gold rush of business application software is going on in the markets with industry at large growing at 17 - 18%, however the management seems to be focused on increasing the share of revenue from IP based product which ensures better margins and currently represents 25% of the topline which will be 40% to 45% in upcoming months.
5. The company has to seriously work upon the sales and marketing as during IPO they mentioned to hire people in USA for sales out of which they hired just 1 person in Texas and 1 in Canada so they need to really work hard to increase there branding as they have good product and service offerings.

6. All E Technologies currently operates out of India even for its international clients but, as it gains scale and size the company will have to expand and setup offices in other geographies as well so finding a right set of talent which aligns with companies philosophy and work culture. This will also lead to increase in there manpower cost because talent outside India is not cheap.
7. In IT companies inorganic growth opportunities are explored by them to increase there reach, expand geographical presence and to improve a set of skill that they want to hone and offer to there client, but when an inorganic acquisition is done the incoming company will have a work culture that might be different from that of All E Technologies so that might not create synergy for the organization leading to failure of integration with the company.
8. All E Technologies currently is reliant on Microsoft as a stack on which it develops the IPs and solutions but with scale and size as it starts to move from mid & upper Mid segment of the market to large organization as it's clients the organization has to adapt to other stack providers as well because Microsoft's solutions are best for mid to upper mid segment but for large organizations SAP like platforms are much more suitable so it has to adapt to other platforms as well, but the already existing opportunity size in the TAM of the company is quite huge so this can be future consideration.

❖ **Conclusion for the report**

As for all the information provided above and financials attached herewith All E Technologies is uniquely placed to leverage the tailwinds that are going on in the digital transformation industry and the growth in Microsoft business applications market. It present a decent opportunity to grow at 25% to 30% in coming three years with improvement in EBITDA margins from 19% to 25% kind of range which will create a value creation opportunity for investors also with inorganic growth kicking in the future this can improve further. Hence, on the information available we find business of All E Technologies robust and well placed to leverage the growth opportunities.

❖ Financials of the company

Financial Statement	All E Technologies Limited				
	2020	2021	2022	2023	2024
Income Statement					
Revenue	54	61	70	88	116
% Growth YOY	0%	14%	14%	25%	33%
COGS	23.01	22.73	31.12	38.84	52.12
Gross Profit	31	38	39	49	64
Gross Profit Margin	57%	63%	56%	56%	55%
% Growth YOY	0%	25%	1%	25%	31%
Employee Cost	23.21	23.29	25.39	32.99	39.94
Selling and Administration	5.73	4.66	2.45	2.89	2.83
Other Expense	0.26	0.07	0.13	0.69	1.40
EBITDA	1	10	11	12	20
Operating Profit Margin	3%	17%	16%	14%	17%
% Growth YOY	0%	599%	5%	12%	63%
Other Income	2.25	2.06	1.29	3.81	7.32
Other Income as a % of sales	4%	3%	2%	4%	6%
Depreciation	0.42	0.46	0.64	0.68	1.00
EBIT	3	12	12	15	26
EBIT Margin	6%	20%	17%	18%	23%
% Growth YOY	0%	262%	-4%	33%	71%
Interest	0.10	0.09	0.13	0.10	0.11
PBT	3	12	11	15	26
EBT Margin	6%	20%	16%	17%	23%
% Growth YOY	0%	270%	-4%	33%	72%
Tax	0.76	2.20	3.23	3.69	6.47
Tax Rate	24%	18%	28%	24%	25%
Net Profit	2	10	8	12	20
Net Profit Margin	5%	16%	12%	13%	17%
% Growth YoY Net Profit	0%	296%	-16%	41%	70%

❖ Financials of the company

Financial Statement	All E Technologies Limited				
	2020	2021	2022	2023	2024
Balance Sheet					
Assets					
Net Block	2.38	2.03	1.11	3.23	3.62
Capital Work in Progress	-	-	-	-	-
Investments	0.24	0.74	2.13	3.18	3.39
Receivables	6.75	7.67	9.76	11.63	14.66
Inventory	-	-	-	-	-
Cash & Bank	19.80	32.44	38.10	94.20	115.34
Other Assets	12.87	12.99	12.41	11.52	14.83
Total Asset	42.04	55.87	63.51	123.76	151.84
LIABILITIES					
Borrowings	0.20	0.13	0.06	-	-
Trade Payable		48.00	45.00	66.00	81.00
Other Liabilities	11.12	-31.28	-26.01	-42.82	-48.07
Total Liabilities	11.32	16.85	19.05	23.18	32.93
EQUITY					
Equity Share Capital	1.16	1.16	15.33	20.19	20.19
Reserves	29.56	37.86	29.13	80.39	98.72
Total Equity	30.72	39.02	44.46	100.58	118.91
Total Liability & Equity	42.04	55.87	63.51	123.76	151.84
Check	Ok	Ok	Ok	Ok	Ok
Working Capital	28.30	36.38	41.28	94.17	111.90
% Growth YOY	0%	29%	13%	128%	19%

❖ Financials of the company

Financial Statement	All E Technologies Limited				
	2020	2021	2022	2023	2024
Cash Flow					
Cash from Operating Activity	-3.42	11.91	8.52	13.83	16.13
Cash from Investing Activity	0.26	-7.65	-3.35	-57.56	-12.62
Cash from Financing Activity	-0.55	-0.01	-3.96	43.76	-2.02
Net Cash Flow	-3.70	4.25	1.21	0.03	1.49
Cash & cash Equivalents	19.80	32.44	38.10	94.20	115.34
Capex	2.80	0.11	-0.28	2.80	1.39
Tax Shield (Int*Tax)	0.02	0.02	0.04	0.02	0.03
Free Cash Flow to Firm (FCFF)	-6.24	11.78	8.76	11.01	14.71
Average FCFF last 3 year					
Interest	0.10	0.09	0.13	0.10	0.11
Tax Shield	0.02	0.02	0.04	0.02	0.03
Debt Repayment	-	0.07	0.07	0.06	-
New Debt	0.20	-	-	-	-
Free Cash Flow to Equity (FCFE)	-6.12	11.64	8.60	10.87	14.63
Average FCFE last 3 year					11.37

❖ **Common Size Analysis of the company**

Common Size Statement	All E Technologies Limited				
	2020	2021	2022	2023	2024
Income Statement					
Revenue	100%	100%	100%	100%	100%
COGS	43%	37%	44%	44%	45%
Gross Profit	57%	63%	56%	56%	55%
Other Income	4%	3%	2%	4%	6%
Employee Cost	43%	38%	36%	38%	34%
Selling and Administration	11%	8%	3%	3%	2%
Other Expense	0%	0%	0%	1%	1%
EBITDA	3%	17%	16%	14%	17%
Depreciation	1%	1%	1%	1%	1%
Interest	0%	0%	0%	0%	0%
PBT	6%	20%	16%	17%	23%
Tax	1%	4%	5%	4%	6%
Net Profit	5%	16%	12%	13%	17%

❖ **Business Robustness Snapshot**

Management Checklist	All E Technologies Limited				
	2020	2021	2022	2023	2024
Business Robustness Snap Shot					
Sales	54	61	70	88	116
EBIT	3	12	12	15	26
Operating Profit	1	10	11	12	20
Operating Profit Margin	3%	17%	16%	14%	17%
1YR Sales Increase	0%	14%	14%	25%	33%
3YR Sales Increase	0%	0%	0%	63%	90%
1YR Operating Profit Increase	0%	262%	-4%	33%	71%
3YR Operating Profit Increase	0%	0%	0%	363%	119%
1 Year Operating Leverage	-	18.8	-0.3	1.3	2.2
3 Year Operating Leverage	-	-	-	5.7	1.3

EBIT Margin	6%	20%	17%	18%	23%
Invested Capital	11.12	6.71	6.42	6.38	3.57
Capital Turns	4.83	9.12	10.91	13.74	32.57
Return on Invested Capital (Using Average Formula)	15%	91%	113%	137%	288%
5YR Rolling	0%	0%	0%	0%	129%
Economic Profit Added (EPA)	0.41	5.38	6.52	8.04	9.88
EPA / Share	3.43	44.80	4.26	3.98	4.89