

August 18, 2023

To,
Asst. General Manager,
Dept. of Corporate Services.
BSE Limited,
14th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai: 400 001, Maharashtra, Mumbai

Respected Sir/ Madam,

Scrip code: 538991 / Scrip ID: MCLOUD

Sub: Earnings Updates

We wish to inform you that pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), read with Part A of Schedule III of the Listing Regulations, we hereby enclose the Earnings Updates for Q1 – FY 23 - 24.

Kindly take note of the above.

Thanking You,
Yours faithfully,
For MAGELLANIC CLOUD LTD

**JOSEPH SUDHEER REDDY THUMMA
(MANAGING DIRECTOR)**
DIN: 07033919

MAGELLANIC CLOUD LIMITED EARNING UPDATES FOR QUARTER-1

**FINANCIAL YEAR
2023-2024**

Magellanic Cloud announced their results for the quarter ended June 30, 2023

Revenue from Operations reported at **₹1377.78 Mn in Q1 FY24**.

EBITDA stands at **₹395.78 Mn in Q1 FY24**.

PAT at **₹188.94 Mn in Q1 FY24**.

Hyderabad, August 2023: Magellanic Cloud Limited (BSE: MCloud) had announced that the Company in its board meeting held on August 14, 2023 has inter-alia considered and approved the unaudited Financial Results of the Company for the First Quarter Ended on 30th June, 2023 as one of its agenda.

Consolidated Financial Statement Highlights for Q1 FY24 v/s Q1 FY23 :

| Particulars (₹ Mn) | Q1 FY24 | Q1 FY23 | Y-o-Y % | Q4 FY23 |
|---|----------------|---------------|----------------|----------------|
| Revenue from Operations | 1377.78 | 875.19 | 57.43% | 1146.93 |
| Other Income | 10.20 | 4.07 | | 22.82 |
| Total Revenue | 1387.98 | 879.26 | 57.86% | 1169.75 |
| Total Expenses excluding Depreciation, Amortization & | 992.20 | 683.87 | | 824.43 |
| EBITDA | 395.78 | 195.39 | 102.56% | 345.32 |
| EBITDA Margin (%) | 28.51% | 22.22% | | 29.52% |
| Depreciation & Amortization | 86.47 | 50.35 | | 71.60 |
| Finance Cost | 41.87 | 15.26 | | 30.63 |
| PBT before Exceptional Item | 267.45 | 129.78 | | 243.09 |
| Exceptional Items | 0.00 | 0.00 | | 0.00 |
| PBT | 267.45 | 129.78 | 106.08% | 243.09 |
| Income Tax | 85.81 | 29.36 | | 54.45 |
| Tax of Earlier Years | 0.00 | 0.00 | | 0.00 |
| Deferred Tax | (7.31) | (0.37) | | 8.56 |
| Tax Expenses | 78.51 | 28.99 | | 63.01 |

| | | | | |
|----------------------------|---------------|---------------|---------------|---------------|
| PAT | 188.94 | 100.79 | 87.47% | 180.09 |
| Other Comprehensive Income | 39.38 | 27.72 | | 122.96 |
| Net PAT | 228.33 | 128.51 | | 303.04 |
| PAT Margin % | 13.61% | 11.46% | | 15.40% |
| Diluted EPS | 1.62 | 3.59 | | 1.60 |

Financial Performance Comparison – Q1 FY24 v/s Q1 FY23



- Revenue from operations increased by **57.43% from ₹875.19 Mn in Q1 FY23 to ₹1377.78 Mn in Q1 FY24** mainly due to revenue from the E-Security/Surveillance segment post-acquisition of iVIS International Pvt. Ltd & Provigil Surveillance Ltd. and due to healthy demand for IT & ITES services across industries on back of cloud adoption and digitalization.
- The EBITDA increased from **₹195.39 Mn in Q1 FY23 to ₹395.78 Mn in Q1 FY24** owing to high margins of E-surveillance/security segment (**approx. 45%**) and economies of scale in the IT & ITES services.
- PAT increased by **87.47% from ₹100.79 in Q1 FY23 to ₹188.94 in Q1 FY24** owing to improved overall financial performance.
- PAT margins increased to **13.61% in Q1 FY24 from 11.46% in Q1 FY23.**

Recent Notable Developments:



- The company is in discussion with five prospective acquisition targets in the IT and E- surveillance field to further its expansion plans. The target includes three firms from India and two in other countries outside the borders. The company is targeting one or more acquisitions to achieve a consolidated revenue of INR250 crores and INR100 crores in EBIDTA.
- We at iVIS E-Surveillance have made significant progress in optimising our business processes. With significant changes to the business process and the introduction of automation, we were able to scale up our capacity by an impressive five times, from 30 units per day to 150 units per day, right from production, deployment and the start of our e-surveillance. Our investment in automation and process improvements has allowed us to achieve this significant increase with only a marginal 20 per cent increase in staffing. Additionally, we were able to optimise our costs by 20% through a combination of technology improvements and strategic vendor negotiations in terms of large volume discounts and implementing a cash-on-delivery proposition. With this, we were able to give our company a competitive edge for large orders at low margins. This accomplishment is a testament to our commitment to excellence and our focus on leveraging technology to drive efficiency.
- We are targeting a 50% growth in the revenue in the current fiscal year, however we could see our revenue catapult to 80%, subject to acceleration in the drones order book. We are also in the process of signing MoU's with leading global institutes to train and recruit drone pilots.

Management Comments:



Commenting on the performance of Q1 FY23, the Management said:

- Technology is the driving factor for Magellanic Cloud. Our software services business is likely to grow around 20 - 30 per cent in the current financial year as we have won two large contracts in the USA. Motivity Labs with 575 skilled staff strength has been awarded '**Best Place to Work**'. This reflects in our low attrition rates and stable employee headcount. We are also looking to be a pioneer in IT services. We are in discussions for acquiring IT companies in India, US & Dubai for diversifying in different verticals.
- In 2022, we acquired a technology-enabled e-surveillance company where we have close to 20,000 sites monitoring ATMs, jewellery stores, warehouses, and other areas. In the e- surveillance space, the company is gaining new clients at a faster pace and is taking these services to foreign clients. Our e-surveillance company iVIS, have done a lot of installations, expanding our client base while adding new digital innovation to our existing offerings
- With this acquisition of 70% stake in Bengaluru-based drone maker Scandron. We are looking at a revenue addition of INR 100-1,000 crore in the drone segment with bagging of new deals. We have enhanced our drone manufacturing facility to 200 per month. We have also unveiled our Agri and Cargo drones. A number of government initiatives like the Kisan Drone Shakti and National Logistics Policy will fuel the growth in India. This will make drones prominent in the cargo and logistics sector. Further, the Make in India campaign will help India drones fly in the defense sector. We might hit an order book of 200-400 crores and have the potential of hitting 2500 crores in FY24.
- Our management is very proud to take the technology to the next level with a fully automated vault door opening and locker facility using FRS and other technology-driven compliance validations. This will lead to a significant increase in our order book which will be reflected in our revenues.

About Magellanic Cloud:



Magellanic Cloud Limited ("MCloud") engages in software development, digital transformation, DevOps space, and human capital businesses. The company also provides IT consulting services. MCloud offers world class digital transformation solutions to global businesses. It has invested in leading companies operating in IT services, E-surveillance and drones to have a competitive edge at scale. The company boasts of manpower strength of 1,200+ and has serviced over 100 companies including companies in Fortune 1,000 league. The key area of MCloud's service offerings include:

- **IT & ITeS Solutions** – End to end IT solutions from development, quality assurance, implementation, consulting, DevOps, IoT and others.
- **E-Surveillance** – The Company has entered this segment via acquisition. The Company will continue to build, deliver, install, monitor, and maintain surveillance systems. The acquisition comes with 100+ clients and 25,000+ locations. Their AI & IoT solutions are enabling customers across verticals including but not limited to BFSI, Retail, Warehousing, Plants & Factories in getting Operational Insights, Business Intelligence and Protecting Assets.
- **Drone Manufacturing** – The Company is a leading manufacturer of drones and provider of drone-based services. Our products include logistics drones, Agri Spraying drones and custom drones. We deliver technology solutions that provide valuable new capabilities to our customers well into the future.

For further information, please contact

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