

8K Miles

Annual Report 2016-17



Unlocking
the Power
of Cloud



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Cloud Computing has completely transformed the IT landscape. From global conglomerates to small and medium businesses (SMB), cloud computing has been unlocking unprecedented value in businesses, research, education, governance and healthcare.

Cloud platforms are enabling newer and more complex business models, which in turn are powering more globally-based integration networks in FY 2017. Combined with increasing adoption of Cloud Services in the mid-tier and SMB, Cloud Computing spending is set for a high growth trajectory.

- ✓ Cloud Computing is expected to grow at a CAGR of 19%, rising from US\$ 67 billion in FY 2015 to US\$ 162 billion in 2020
- ✓ Gartner predicts worldwide public cloud services market will grow by 18% in FY 2017 to US\$ 246.8 billion, up from US\$ 209.2 billion in FY 2016
- ✓ Cloud Computing spending is growing at 4.5 times the rate of IT spending since FY 2009 and is expected to grow at better than 6 times the rate of IT spending from FY 2015 through FY 2020

As a company born in Cloud, as Cloud Specialists, 8K Miles Limited has comprehensive domain-depth and wide range of services and solutions encompassing every aspect of Cloud - from Identity Access to Analytics to UI/UX and Big Data. Our partnership with leading global cloud players and industry consortiums ensure we deliver the best in Cloud to our customers.

At 8K Miles, we enable our clients unlock higher value by...

UNLOCKING THE POWER OF CLOUD

Highlights of the Year

Revenue from Operations

FY17:
₹ 534.52 crores
FY16:
₹ 272.14 crores

EBITDA

FY17:
₹ 186.34 crores
FY16:
₹ 88.72 crores

PAT

FY17:
₹ 125.60 crores
FY16:
₹ 53.23 crores

EPS

FY17:
₹ 34.13 (FV = ₹ 5)
FY16:
₹ 36.34 (FV = ₹ 10)

NW

FY17:
₹ 339.12 crores
FY16:
₹ 204.45 crores

ROCE

FY17: 38%
FY16: 25%

ROE

FY17: 31%
FY16: 19%

RECOGNITIONS FY 2017:

- ✓ 8K Miles was recognized as a go to market partner for Amazon's newly released AWS Managed Service product offering addressing Enterprise cloud customers along with other select cloud managed service providers including Rackspace, Accenture, Capgemini, and CSC.
- ✓ 8KMiles got top-listed for AWS Public Sector Partner program in US Government category.
- ✓ 8K Miles has achieved the following competencies which were third party certified: AWS Big Data Competency, AWS DevOps competency, AWS Healthcare competency, AWS Life Sciences competency and AWS Audited MSP competency partner.

ACHIEVEMENTS IN FY 2017:

- ✓ 8K Miles has added about 8 new fortune 500 customers during FY 2017.
- ✓ Won cloud competency center opportunities for building enterprise wide cloud transformation capabilities for a large life sciences company OR large life sciences companies including demand generation and business innovation architecture areas.
- ✓ Engaged with multiple large pharmaceutical customers in their cloud transformation initiatives.
- ✓ Working with multiple healthcare providers to move their EHR software to cloud in a pilot mode.
- ✓ Introduced a new framework for Remote EHR support model for hospitals.
- ✓ Secured interoperability HL7 integration project with a westcoast healthcare provider.
- ✓ Won the ServiceNow implementation at a mid-size pharma customer.
- ✓ Performed NLP, OCR and Facial recognition analyses for a big public cloud provider.
- ✓ Signed MSA with one of the top SIs in the US to work on Healthcare and Life Sciences opportunities.
- ✓ 8K Miles launched 'Automaton', a new product offering automation of cloud operations (AWS, Azure) has been piloted at multiple Fortune 100 customers. This brings AI and Machine learning capabilities to cloud managed services.
- ✓ 8K Miles won multiple Identity Access Management and SSO opportunities to integrate top SaaS Applications with their Cloud Security platform. 8K Miles is in the process of on boarding 100s of SaaS Applications and also providing on-going SSO monitoring and cloud management services using its MISP platform.

Total Headcount
625

148 - India

**477 - USA, Canada
and UAE**

- ✓ 8K Miles embraces US-based Healthcare IT firm Cornerstone Advisors Group
- ✓ DevOps for Enterprise Learning Management
- ✓ Scales Healthcare IT to new levels

Headline making Events

- ✓ 8K Miles selected for the Public Sector Partner Program
- ✓ 8K Miles achieves AWS DevOps Competency
- ✓ 8K Miles achieves AWS Managed Partner status and AWS Life Science Competency

Message from the CEO



“Healthcare industry’s spending on the cloud is expected to be US\$ 9.48 billion by FY 2020 (Markets & Markets) which is over 3 times of what it was in FY 2015”



Company increased its stake in 8K Miles Software Services Inc. (USA) from **62.66%** in FY 2016 to **63.66%** in FY 2017

Dear Shareholders,

On behalf of the Board of Directors, it gives me immense pleasure to present an update on another exciting year for your Company where we got several new Fortune clients onboard and made significant progress in increasing our depth of expertise in healthcare through addition of another pearl, Cornerstone.

We started FY 2017 with a base of healthy pipeline, strong cloud solution platform (CloudEz) and a challenging task of integrating acquisitions completed in FY 2016.

We have started FY 2018 on an even stronger note with a much healthier order book, many more Fortune 500 accounts and a fully integrated organization with clearly visible benefits from acquisition of Mindprint, Cintel and Nexage in FY 2016.

In this age of digital transformation, your Company managed to grow its revenue by 96.51% from ₹ 272.14 crores in FY 2016 to ₹ 534.52 crores in FY 2017. Top ten clients contributed 32.90% of aggregate revenue of the company for FY 2017. Two of these top 10 clients have been added in the last 2 years. Remaining eight of the top 10 client accounts have observed CAGR of ~62% over last 3 years. Nine of the top fifteen clients are Fortune 1000 companies.

We have added 8 new Fortune 500 customers during FY 2017. We have won cloud competency center opportunities for building enterprise wide cloud transformation capabilities for a large life sciences companies including demand generation and business innovation architecture areas.

Your company rewarded its valued shareholders through a bonus shares in the ratio of 1:3 and further, split of equity shares from face value of ₹ 10 to ₹ 5. The profit after tax (after adjusting minority interest) growth of 163.11% from ₹ 39.59 crores in FY 2016 to ₹ 104.15 crores in FY 2017. EPS (face value of ₹ 5) at the end of FY 2017 is ₹ 34.13 as compared to EPS (face value of ₹ 10) of ₹ 36.34 at the end of FY 2016.

The Board has also recommended a dividend of ₹ 1 per equity share of face value ₹ 5 each that is subject to approval in Annual General Meeting.

Your Company has announced acquisition of Cornerstone Advisors. Cornerstone has in-depth, hands-on experience helping clients implement complex inpatient, outpatient and ambulatory clinical and financial systems. Cornerstone has been consistently ranked amongst top three by KLAS Industry Performance Research in HIT Implementation and IT Advisory Services. Your Company also increased its stake in 8K Miles Software Services Inc. (USA) from 62.66% in FY 2016 to 63.66% in FY 2017.

8K Miles was recognized as a go to market partner for Amazon's newly released AWS Managed Service product offering addressing Enterprise cloud customers along with other select cloud managed service providers including Rackspace, Accenture and Capgemini. Your Company was also top-listed for AWS Public Sector Partner program in US Government category.

Healthcare industry's spending on the cloud is expected to be US\$ 9.48 billion by FY 2020 (Markets & Markets) which is over 3 times of what it was in FY 2015. More than half of the CIOs, who polled at Gartner Symposium IT Expo (in Orlando in October 2016) are moving away from a captive data center environment and working towards a cloud-first strategy. Your Company's DevOps model of managing Infrastructure as Code has obtained very positive response from the clients in moving from manual operations to automated operations using our Robotic Process Automation (RPA) tool. Our RPA tool utilizes artificial intelligence, machine learning, predictive analytics to proactively identify trouble spots / incidents and self-healing.

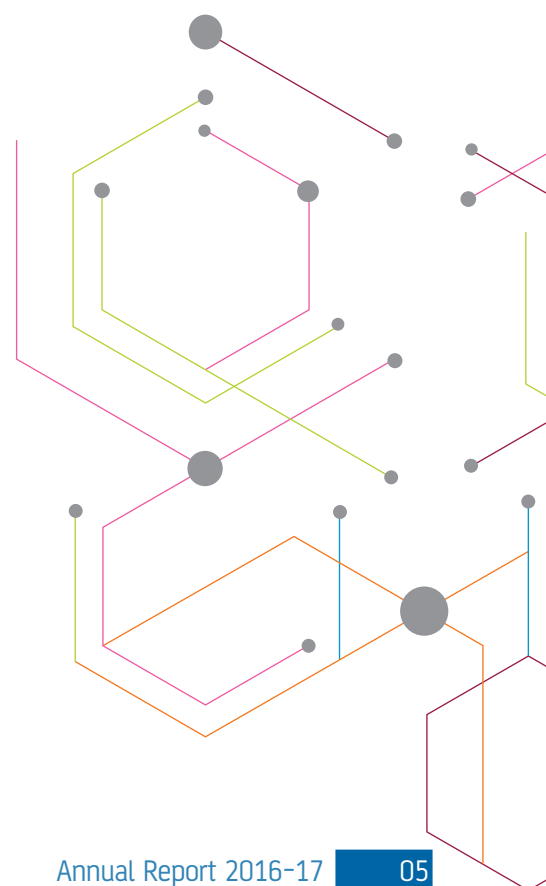
The investments made in research and development and in building IP over time have formed a strong base for the Cloud Competency Center and this Cloud Competency Center is a strong pillar for the success and growth of your company.

Few other initiatives that are likely to yield results in FY 2018 include launch of 'Automaton' a new product that offers automation of cloud operations (AWS, Azure) and also, brings Artificial Intelligence and Machine learning capabilities to cloud managed services, implementing initial pilots for multiple healthcare providers to move their EHR software to cloud, adopting new framework for Remote EHR support, initial successes in implementing ServiceNow for pharma customers, analysis of NLP/OCR/ Facial recognition for a big public cloud provider.

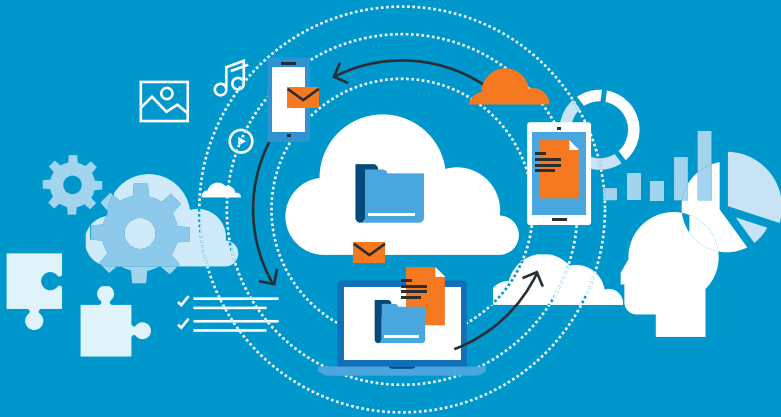
We acknowledge the contribution and the commitment of the management team and the board of directors and the entire Staff of the 8K Miles towards the growth of your Company. We would also like thank each of the valued shareholders for their continued interest in the growth journey of 8K Miles.

Venkatachari Suresh

Chairman & CEO



Key Capabilities



CLOUD SOLUTIONS

Struggling with your cloud transformation? 8K Miles can guide you through the key challenges of transformation and make your cloud strategy take shape. We have the cloud expertise and solutions to help you reshape your infrastructure and swiftly gain the economies and security the Cloud promises.

IDENTITY ACCESS GOVERNANCE

Identify Crisis?

Users are accessing your systems from every conceivable location and device. The right to Identify the Management and Governance solution gives you back the control.



ANALYTICS SOLUTIONS

Data - We change the way you look at it. It's not just about understanding why something happened, but proactively predicting what will happen and taking action.

UX / MOBILITY

Providing UI and UX design solutions that translate into tangible business outcomes for our customers.





OUR SOLUTIONS

- EzIAM™
- CloudEzSecure™
- CloudEzRx™
- CloudEzTry™
- CloudEzCRO™
- Cloud ID Broker
- MISP™



OUR PARTNERS



Automaton

Public Cloud adoption is becoming a rapidly growing trend. Cloud Computing has transformed remarkably from being a cost reduction tool to a massive game changer as enterprises are embracing and adapting its manifold advantages of agility and elasticity, continuity and collaboration and, control and compliance.

In the upcoming years, 70% of Enterprise IT budgets will be committed towards Cloud infrastructure, platforms, software and applications services. Enterprises are under peer pressure to make Cloud transition a top priority in the technology roadmap. Enterprises and its businesses are nowadays assembled together as services, applications, API and systems that are delivered every day using agile processes. Cloud has increased the agility of software development and deployment rapidly.

This “transition to the Cloud” also poses questions like “What are the effective ways of managing the infrastructure resource?”, “How to ensure continuous security and compliance on cloud?”, “How to measure and control costs?”. From enterprise standpoint, they need accountability, comprehensibility, automated checks, cost control mechanisms, bind compliance and governance standards, etc. for their Cloud infrastructure and services. Nonetheless, when it comes to

practical implementations, these questions and challenges are often least acknowledged and overlooked.

With this, it is also important to note that companies should choose the right Cloud management solutions for their operations and managed services that will help support the transition and address the above challenges.

While many Enterprises are adopting Cloud, there are only a few solutions that understands Cloud dynamics deeply and provide a comprehensive answer to overcome the above challenges. We introduced a one such solution “Automaton” as part of the CloudEz portfolio last year, a platform solution that allows Companies to manage their Cloud expeditiously with objectives of Security, Compliance, Cost, Performance and Governance. Automaton comes from 8K Miles, a Company born and bred in Cloud, helps enterprises capitalize Cloud in a secure, compliant, automated and agile manner.

AUTOMATON:

Automaton is a Cloud platform developed by 8K Miles and used by regulated Enterprises to manage their Security, Compliance and routine operations on Cloud continuously with assisted auto remediation. Automaton’s innovative and holistic approach guarantees Enterprises continuous compliance and continuous security are adhered to industry standards at their Amazon Web Services (AWS) Infrastructure.