

Zensar reports 4.9% YoY revenue growth in reported currency for Q1FY26

Pune, India, July 22, 2025: [Zensar Technologies](https://www.zensar.com), a leading Experience Engineering and Engagement solutions company, announced its consolidated financial results for its first quarter, ending June 30, 2025, of the fiscal year 2025-2026.

Financial Highlights:

- In Q1FY26, the company reported revenue of \$162.0M, sequential YoY growth of 4.9% in reported currency and 3.8% in constant currency. This translates to sequential QoQ growth of 3.3% in reported currency and 1.9% in constant currency.
- In Q1FY26, Gross Margins stood at 30.5%, sequential growth of 20bps QoQ.
- US region reported a sequential QoQ growth of 4.3% and quarterly YoY growth of 4.3% in constant currency.
- Europe region reported a sequential QoQ decline of 5.8% and quarterly YoY growth of 3.8% in constant currency.
- Africa region reported a sequential QoQ growth of 1.5% and quarterly YoY growth of 0.6% in constant currency.
- Banking and Financial Services reported a sequential QoQ revenue growth of 2.9% and quarterly YoY growth of 8.2% in constant currency.
- Telecommunication, Media and Technology reported a sequential QoQ revenue growth of 5.5% and quarterly YoY decline of 5.6% in constant currency.
- Manufacturing and Consumer Services reported a sequential QoQ revenue decline of 4.1% and quarterly YoY growth of 1.1% in constant currency.
- Healthcare and Life Sciences reported a sequential QoQ revenue growth of 5.2% and quarterly YoY growth of 16.5% in constant currency.

Manish Tandon, CEO and Managing Director, Zensar, said, "We delivered a strong quarter with steady revenue growth, driven by growing traction in AI-led deals and impactful solution delivery. With our lowest attrition in two years, I'm proud of our people and the culture we've built. Our ongoing focus on reskilling and upskilling in next-gen tech has resulted in healthy utilization levels.

Best in class customer satisfaction score on the back of our Experience, Engineering, and Engagement approach reflects the relevance and strength of our offerings. Execution excellence remains our hallmark as we continue to drive value for clients."

Pulkit Bhandari, CFO, Zensar, commenting on the Q1FY26 performance, said, "We have achieved robust revenue of \$162.0 M for this quarter translating into 1.9% growth in constant currency. EBITDA margins stood at 15.2% with PAT margin of 13.1%. We booked orders worth \$172.0 M which is increase of 11.7% YoY. We have healthy cash & investment reserves of \$315.7 M which underscores our financial stability and provides us with the flexibility to invest in growth opportunities.

Even in midst of political unrest and macro uncertainties, we are cautiously optimistic on our performance for the rest of the year, reliant on our core operational foundations. We strive to prioritize people and achieve outstanding client satisfaction"



Significant Wins in Q1FY26:

- Design system migration leveraging AI for one of the largest sports betting and gaming group
- Enhanced user experience and business-aware insights through GenAI and AIOps for a US based pharma company
- Reverse engineering of code using Zensar AI Buddy with Azure OpenAI services for a rating service organization
- Driving digital innovation with AI led user research for a UK's leading entertainment company
- Gen AI-assisted information gathering for risk assessments for a UK based financial institution
- AI led Automated generation of legal contracts by extracting data from multiple source documents for a Fintech company

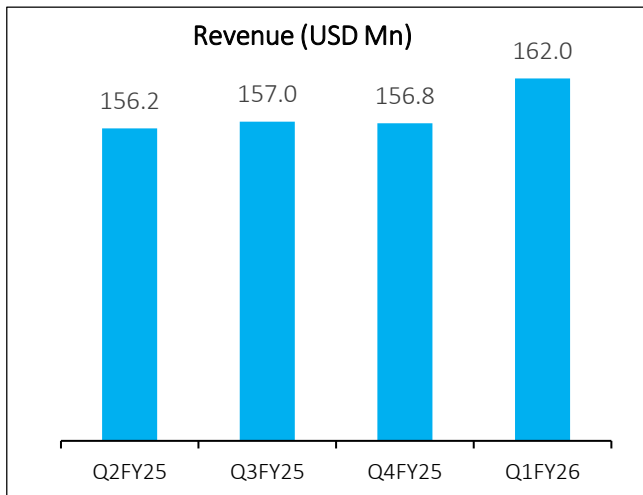
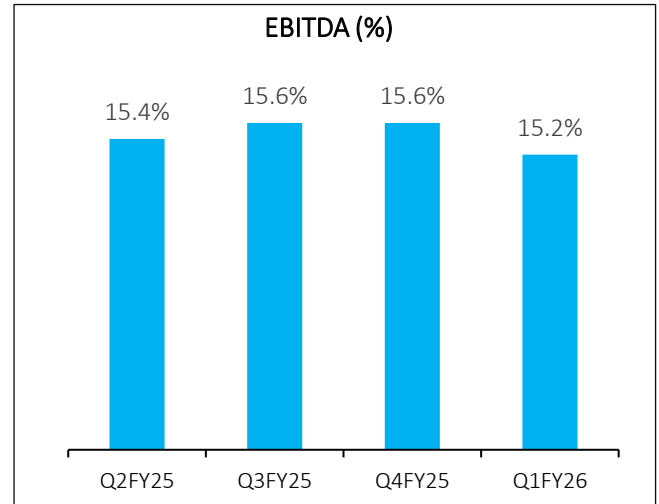
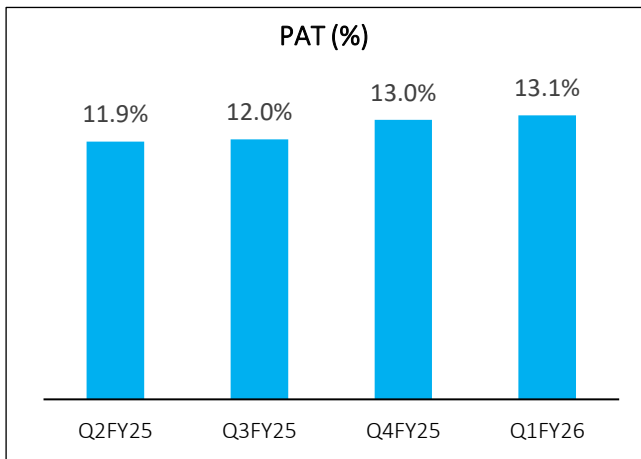
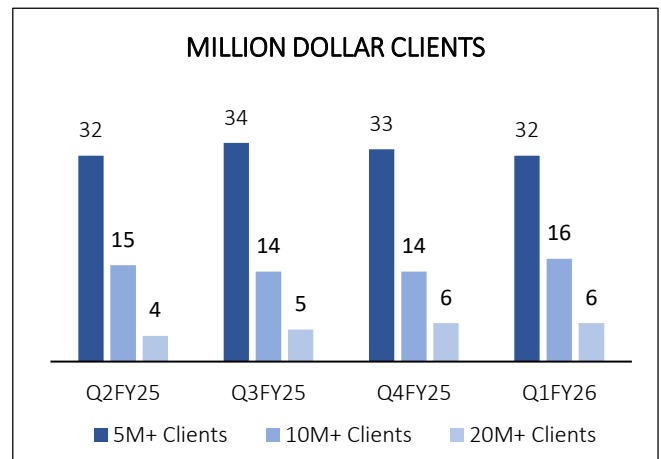
Awards and Recognitions in Q1FY26:

- Zensar ranked in the Top 50 of India's Best Companies to Work For 2025 by Great Place To Work®
- Zensar wins Gold at ETHR World Future Skills Awards 2025 for Best Advance in Learning Management Technology
- Zensar named Strong Performer in Whitelane Research UK & Ireland IT Sourcing Study 2025

Q1FY26 Revenue and Profitability snapshot:

Particulars	Q1FY26		Growth					
	USD Mn	INR Mn	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	162.0	13,850	3.3%	1.9%	1.9%	4.9%	7.5%	3.8%
EBITDA	24.6	2,106	0.1%	-0.9%		4.4%	7.4%	
EBIT	21.9	1,875	0.4%	-0.7%		6.3%	9.3%	
PAT	21.2	1,820	4.3%	3.2%		12.1%	15.3%	

Performance Highlights:



Income Statement (USD Mn)

Income Statement (USD Mn)	Q1 FY 25	FY 25	Q4 FY 25	Q1 FY 26
Operating revenue	154.4	624.5	156.8	162.0
<i>Sequential Growth</i>	4.2%		-0.1%	3.3%
<i>Year-Over-Year Growth</i>	3.4%	5.4%	5.8%	4.9%
Cost of revenue	107.5	439.0	109.3	112.6
Gross profit	46.9	185.5	47.5	49.3
<i>Gross profit % of revenue</i>	30.4%	29.7%	30.3%	30.5%
<i>Sequential Growth</i>	3.3%		0.6%	3.8%
<i>Year-Over-Year Growth</i>	-6.5%	-1.5%	4.6%	5.2%
Sales and marketing expenses	10.0	40.1	10.2	11.2
General and administration expenses	13.4	48.9	12.7	13.6
Operating expenses	23.4	89.0	23.0	24.8
<i>% of revenue</i>	15.2%	14.3%	14.7%	15.3%
Earnings before interest, tax, depreciation and amortization (EBITDA)	23.5	96.5	24.5	24.6
<i>EBITDA % of revenue</i>	15.2%	15.5%	15.6%	15.2%
<i>Sequential Growth</i>	-3.9%		0.2%	0.1%
<i>Year-Over-Year Growth</i>	-16.0%	-8.3%	0.2%	4.4%
Depreciation and amortization	3.0	12.1	2.8	2.7
Earnings before interest and tax (EBIT)	20.6	84.4	21.8	21.9
<i>EBIT % of revenue</i>	13.3%	13.5%	13.9%	13.5%
<i>Sequential Growth</i>	-4.9%		0.5%	0.4%
<i>Year-Over-Year Growth</i>	-10.0%	-5.2%	0.7%	6.3%
Interest	0.5	2.1	0.6	0.4
Exchange Gain/(Loss)	-0.2	-4.3	-0.6	1.0
Other income	5.3	23.2	5.9	5.6
Profit before tax	25.1	101.3	26.5	28.1
<i>% of revenue</i>	16.3%	16.2%	16.9%	17.3%
<i>Sequential Growth</i>	-8.8%		6.6%	5.9%
<i>Year-Over-Year Growth</i>	-1.7%	-4.2%	-3.8%	11.7%
Provision for taxation	6.2	24.6	6.2	6.8
Profit after tax	18.9	76.7	20.3	21.2
<i>Profit after tax % of revenue</i>	12.3%	12.3%	13.0%	13.1%
<i>Sequential Growth</i>	-9.4%		7.6%	4.3%
<i>Year-Over-Year Growth</i>	-0.4%	-4.4%	-2.7%	12.1%

Income Statement (INR Mn)

Income Statement (INR Mn)	Q1 FY 25	FY 25	Q4 FY 25	Q1 FY 26
Operating revenue	12,881	52,806	13,589	13,850
<i>Sequential Growth</i>	4.7%		2.5%	1.9%
<i>Year-Over-Year Growth</i>	5.0%	7.7%	10.5%	7.5%
Cost of revenue	8,968	37,111	9,471	9,627
Gross profit	3,913	15,695	4,118	4,223
Gross profit % of revenue	30.4%	29.7%	30.3%	30.5%
<i>Sequential Growth</i>	3.8%		3.2%	2.5%
<i>Year-Over-Year Growth</i>	-5.2%	0.7%	9.3%	7.9%
Sales and marketing expenses	829	3,391	888	959
General and administration expenses	1,122	4,137	1,105	1,158
Operating expenses	1,952	7,528	1,993	2,117
% of revenue	15.2%	14.3%	14.7%	15.3%
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,961	8,167	2,125	2,106
EBITDA % of revenue	15.2%	15.5%	15.6%	15.2%
<i>Sequential Growth</i>	-3.4%		2.7%	-0.9%
<i>Year-Over-Year Growth</i>	-14.8%	-6.3%	4.7%	7.4%
Depreciation and amortization	247	1,019	238	231
Earnings before interest and tax (EBIT)	1,714	7,148	1,887	1,875
EBIT % of revenue	13.3%	13.5%	13.9%	13.5%
<i>Sequential Growth</i>	-4.4%		3.0%	-0.7%
<i>Year-Over-Year Growth</i>	-8.7%	-3.1%	5.2%	9.3%
Interest	42	173	49	36
Exchange Gain/(Loss)	-19	-360	-50	89
Other income	444	1,963	510	478
Profit before tax	2,097	8,577	2,298	2,406
% of revenue	16.3%	16.2%	16.9%	17.4%
<i>Sequential Growth</i>	-8.3%		9.3%	4.7%
<i>Year-Over-Year Growth</i>	-0.3%	-2.1%	0.5%	14.7%
Provision for taxation	518	2,079	534	586
Profit after tax	1,579	6,498	1,764	1,820
Profit after tax % of revenue	12.3%	12.3%	13.0%	13.1%
<i>Sequential Growth</i>	-8.9%		10.4%	3.2%
<i>Year-Over-Year Growth</i>	1.1%	-2.3%	1.7%	15.3%



Other Metrics

Other Metrics	Q1 FY 25	FY 25	Q4 FY 25	Q1 FY 26
<u>Revenue By Service Offering (as % of Revenue)</u>				
Digital Application Services	81.7%	80.0%	79.3%	78.9%
Application Services	34.9%	33.6%	32.8%	31.1%
Enterprise Application (SaaS)	11.9%	12.3%	12.6%	12.3%
Products & Platforms incl. CMO services*	26.0%	24.9%	24.3%	25.9%
Data Engineering and Analytics	8.9%	9.2%	9.6%	9.6%
Cloud Infrastructure and Security	18.3%	20.0%	20.7%	21.1%
<u>Revenue By Vertical (as % of Revenue)</u>				
Telecommunication, Media and Technology	24.7%	22.5%	21.7%	22.3%
Manufacturing & Consumer Services	25.8%	26.6%	26.7%	25.3%
Banking & Financial Services	39.7%	40.4%	41.0%	41.5%
Healthcare & Life Sciences	9.8%	10.4%	10.6%	10.8%
<u>Revenue By Geographical Segment (as % of Revenue)</u>				
US	68.7%	67.7%	67.4%	68.3%
Europe	19.8%	20.9%	21.4%	20.5%
Africa	11.5%	11.4%	11.2%	11.2%
<u>Operating revenue (Constant Currency Mn)</u>	154.5	622.2	158.4	159.7
Sequential Growth	4.3%	5.1%	0.9%	1.9%
Year-Over-Year Growth	3.3%	5.1%	6.3%	3.8%
<u>Constant Currency Growth By Vertical (QoQ %)</u>				
Telecommunication, Media and Technology	1.2%	-9.4%	1.7%	5.5%
Manufacturing & Consumer Services	2.7%	8.2%	-2.6%	-4.1%
Banking & Financial Services	6.8%	12.3%	3.4%	2.9%
Healthcare & Life Sciences	6.9%	18.3%	-1.4%	5.2%
<u>Number of million dollar Clients (LTM Revenue)</u>				
1 Million dollar +	86	84	84	82
5 Million dollar +	31	33	33	32
10 Million dollar +	14	14	14	16
20 Million dollar +	4	6	6	6



Other Metrics	Q1 FY 25	FY 25	Q4 FY 25	Q1 FY 26
Revenue from top clients				
Revenue- top 5 clients	28.3%	27.7%	27.6%	27.2%
Revenue- top 10 clients	42.1%	41.3%	40.8%	41.4%
Revenue- top 20 clients	58.7%	57.3%	55.8%	57.6%
Number of active clients	148	166	166	166
Onsite: Offshore (as % of Revenue)				
Revenue mix				
Onsite	51.4%	49.9%	49.0%	47.4%
Offshore	48.6%	50.1%	51.0%	52.6%
Utilization (excluding Trainees)				
Utilization (excluding Trainees)	83.9%	84.6%	84.6%	84.3%
Headcount				
Total Headcount	10,396	10,702	10,702	10,620
Technical - Onsite	2,129	2,061	2,061	2,014
Technical - Offshore	7,390	7,772	7,772	7,707
Gross employees added during the period	855	3,396	873	728
% of women employees	29.7%	29.6%	29.6%	29.8%
Voluntary Attrition %(LTM)	10.6%	9.9%	9.9%	9.8%
Exchange Rates (Rupee Dollar Rate)				
Period Closing Rate	83.4	85.5	85.5	85.8
Period Average Rate	83.4	84.5	86.7	85.5
Accounts receivables (in days)				
Billed	48	48	48	48
Unbilled	24	25	25	24
Total	72	73	73	72
Cash and bank balances including investments (in USD Mn)				
Balances with Banks	78.7	87.0	87.0	115.3
Investments	202.3	203.5	203.5	200.4
Cash and bank balances including investments	280.9	290.5	290.5	315.7
Debt (USD Mn)	-	-	-	-
Total Outstanding Hedges (in USD Mn)	341.5	76.5	76.5	76.7

*Previously known as Advanced Engineering and Experience Services, now regrouped.

**About Zensar (www.zensar.com)**

We conceptualize, build, and manage digital products through experience design, data engineering, and advanced analytics for 145+ global clients. Our solutions leverage industry-leading platforms and help clients be competitive, agile, and disruptive as they navigate transformational changes with velocity. With headquarters in Pune, India, our 10,000+ employees work across 30+ locations, including San Jose, Seattle, Princeton, Cape Town, London, Singapore, and Mexico City.

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