

Zensar Technologies Analyst Presentation



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Section 1: RPG Group Overview

RPG Group: Powered by Passion, Driven by Ethics

RPG Enterprises was founded in 1979 by Shri Rama Prasad Goenka, popularly known as RP Goenka, a pioneering fifth generation business leader from the Goenka family. The Goenkas have a history of business dating back to 1820 AD in banking, textiles, jute and tea. Under RP Goenka's dynamic leadership, the Group grew in size and strength with several acquisitions in the 1980s and 1990s. Zensar became a part of the RPG Group in 1989, which is now one of India's fastest growing conglomerates with 20000+ employees, presence in 100+ countries and annual gross revenues of ~\$3 Bn.



KEC International

World leader in
Power
Transmission EPC
space.



CEAT

One of India's
leading
manufacturer of
automobile tyres.



Zensar Technologies

Software services
provider spread
across 29 locations,
200+ customers.



RPG Life Sciences

Pharma company
with wide range
medicines in
global generics
and synthetic
APIs.



Raychem RPG

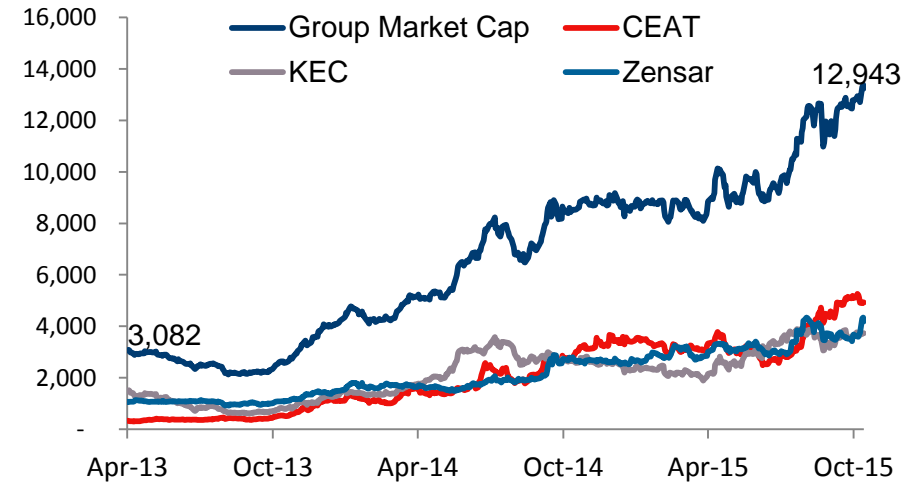
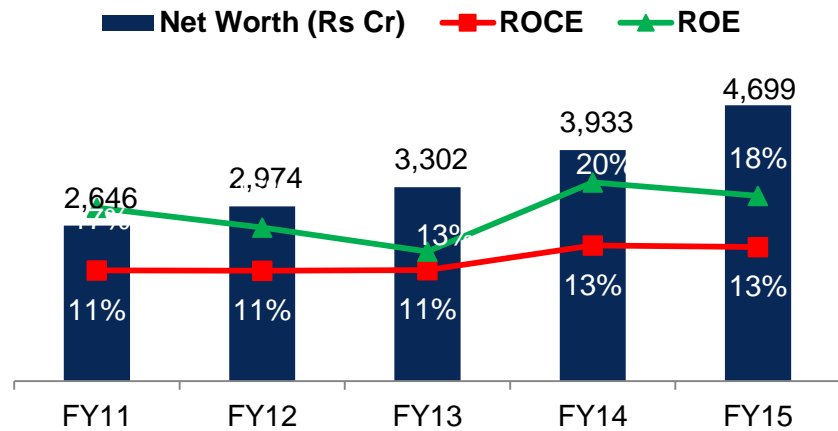
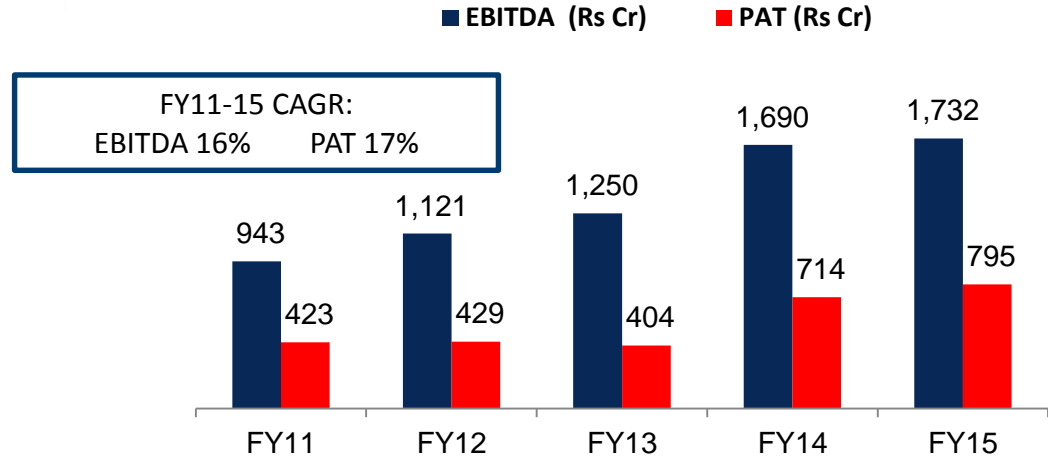
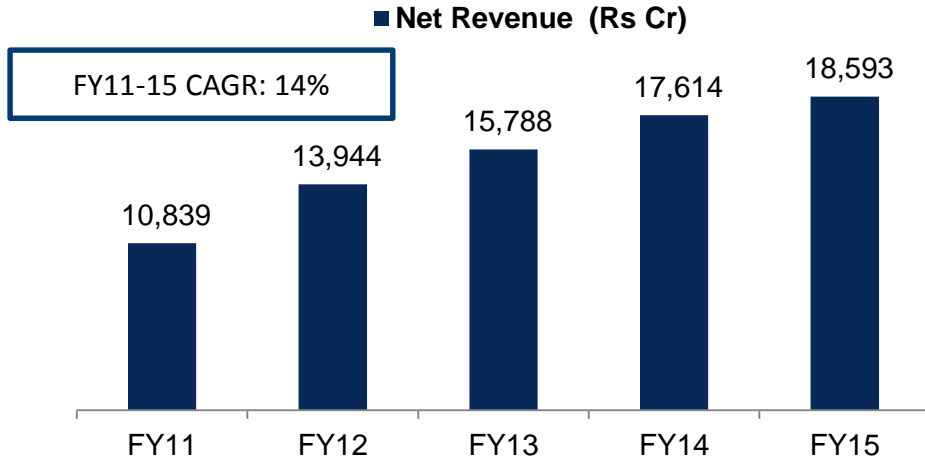
Engineering
products and
services catering
to infrastructure
segment of the
economy.



Harrisons Malayalam

One of India's
largest plantation
companies with
tea, rubber and
other agro
products.

RPG Group: Key Financials



Note:

- 1) ROCE is calculated by taking Operating EBIT multiplied by (1 minus tax rate @ 33%) divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth

Section 2: Investment Rationale

Zensar Performance



41% CAGR in Market Cap over last 5 years



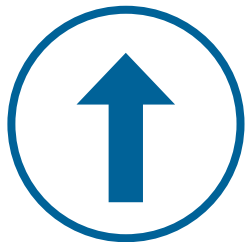
22.5% Revenue CAGR over last 5 years vs. 19% for Indian IT-BPM Industry
15.7% Profit after Tax CAGR over last 5 years



Top quartile performer in terms of Total Shareholder Returns across peers over 5 years*
5 year Average ROCE (net of tax) of 19% and ROE of 29%



In the top quartile on the basis of Revenue per Billable employee and EBITDA per Billable employee



Current Price to Earnings ratio of 15 vs. ~20 of mid-tier IT companies



Indian IT sector expected to grow at 12%-14% in FY 16**

Section 3: Industry Overview

Industry Outlook - IT Services

Past

Emerging

IT-BPM



Application Development
 Maintenance
 Testing
 System Integration
 Business Process Management
 Infrastructure Management

Cloud Digitization Automation Social

Mobile Analytics Security

▶ SMAC, Cyber Security to be USD 500 billion market by 2020

ER&D



Front-end Engineering and Design (FEED)
 Testing
 Plant Engineering
 Embedded System Design

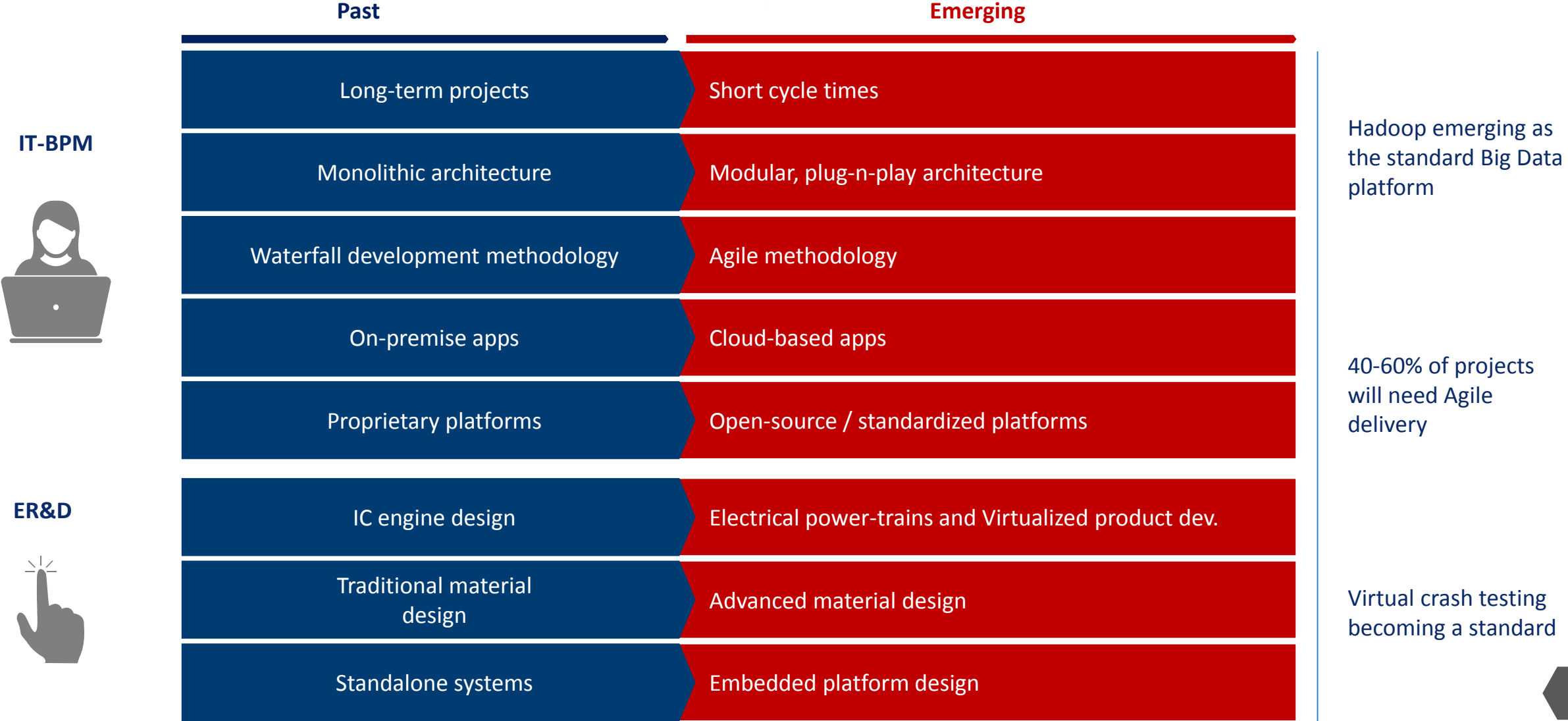
Internet of Things Analytics Automation

Mobile Machine-to-Machine interaction

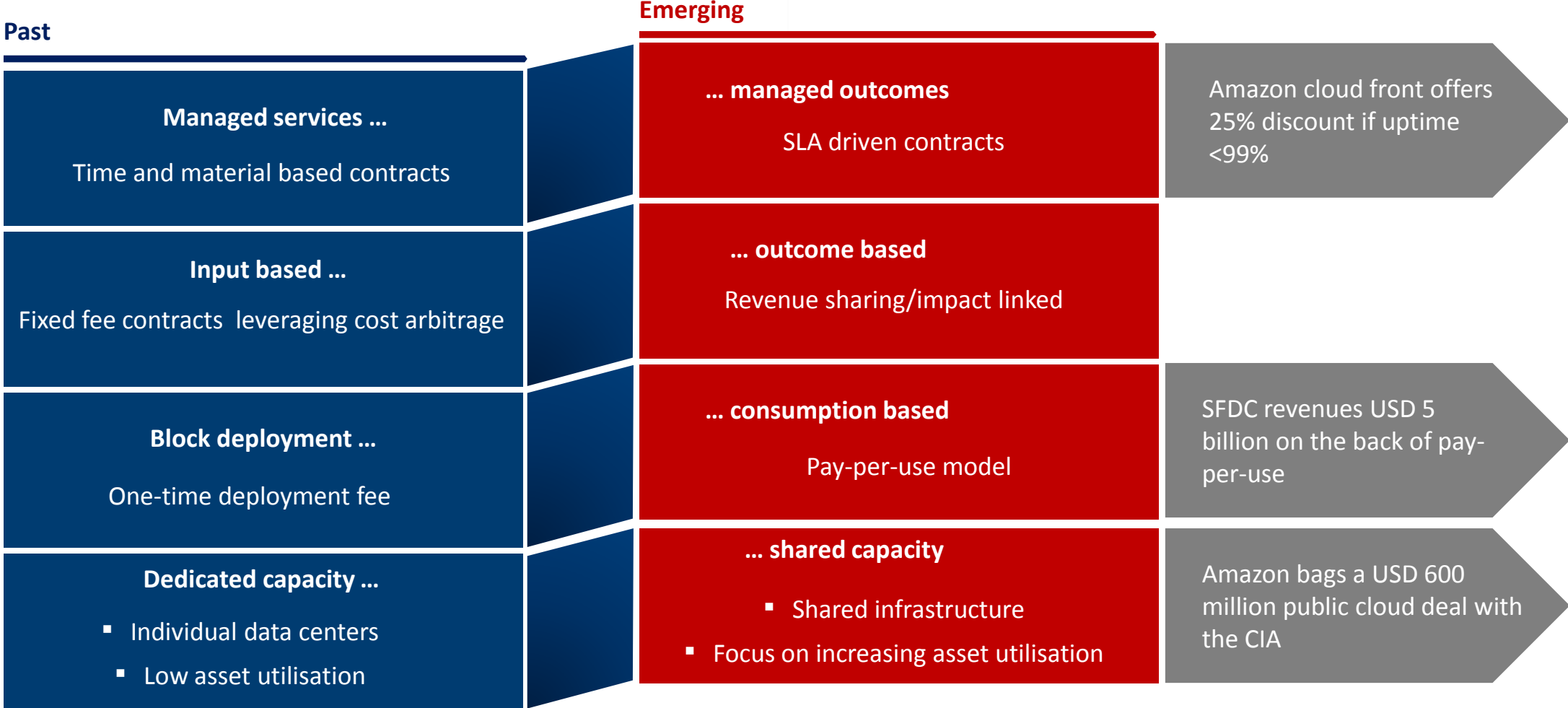
▶ 70% of the car to be electronic components by 2020

▶ IOT to contribute USD 300 billion by 2020

Industry Outlook - Delivery Models



Industry Outlook - Business Models



Global delivery model to stay Adaptive Sourcing – key to business growth Traditional IT on borrowed time – Bi-Modal IT the new imperative

Section 4: Business Overview

Board of Directors



Mr. H.V. Goenka
Chairman,
Non Executive Director



Dr. Ganesh Natarajan
Vice Chairman,
Managing Director & CEO



Mr. P.K. Choksey
Independent,
Non Executive Director



Mr. A.T. Vaswani
Independent,
Non Executive Director



Mr. Arvind Agrawal
Non Independent,
Non Executive Director



Mr. P.K. Mohapatra
Independent,
Non Executive Director



Mr. Shashank Singh*
Non Independent,
Non Executive Director



Mr. Venkatesh Kasturirangan
Independent,
Non Executive Director



Ms. Madhabi Puri Buch
Independent,
Non Executive Director



Mr. Sudip Nandy
Independent,
Non Executive Director

* Shashank Singh joins the Board as Non Executive Director following the 23.23% stake acquisition by Apax Partners from Electra Partners

Leadership Team



Dr Ganesh Natarajan
Vice Chairman & CEO



Pinaki Kar
Chief Executive,
Infrastructure Business



Nitin Parab
Chief Executive,
Enterprise Business



S. Balasubramaniam
Chief Financial
Officer



Syed Azfar Hussain
Global HR Head



Ajay Bhandari
Chief Corporate
Development Officer



Harish Gala
Global Head,
Enterprise Applications



Prameela Kalive
Global Head,
Strategic Services



Krishna Ramaswami
Business Head,
Digital Enterprise
& India



Deepanjan Banerjee
Business Head,
Manufacturing



Krishna Kumar
Business Head,
Retail



Mohan Hastak
Business Head,
Banking & Financial
Services and Insurance

Company Overview

22.5%
Revenue CAGR over the
past 5 years

FY15 PAT
INR 265 Cr

FY15 Revenue
INR 2,628 Cr

Employees
7,953


PROFESSIONAL ACCESS
A ZENSAR TECHNOLOGIES COMPANY
Acquired in August 2014

North America

San Jose, Dallas, Chicago,
Los Angles, Princeton, New
York **Westborough,**
Northborough

Latin America

Mexico

UK and Europe

Slough, Veenendaal,
Amsterdam, Frankfurt



Africa and Middle East

Cape Town, **Johannesburg,**
Kenya, Jeddah, Dubai

India

Pune*, Delhi, Hyderabad,
Bangalore, Mumbai

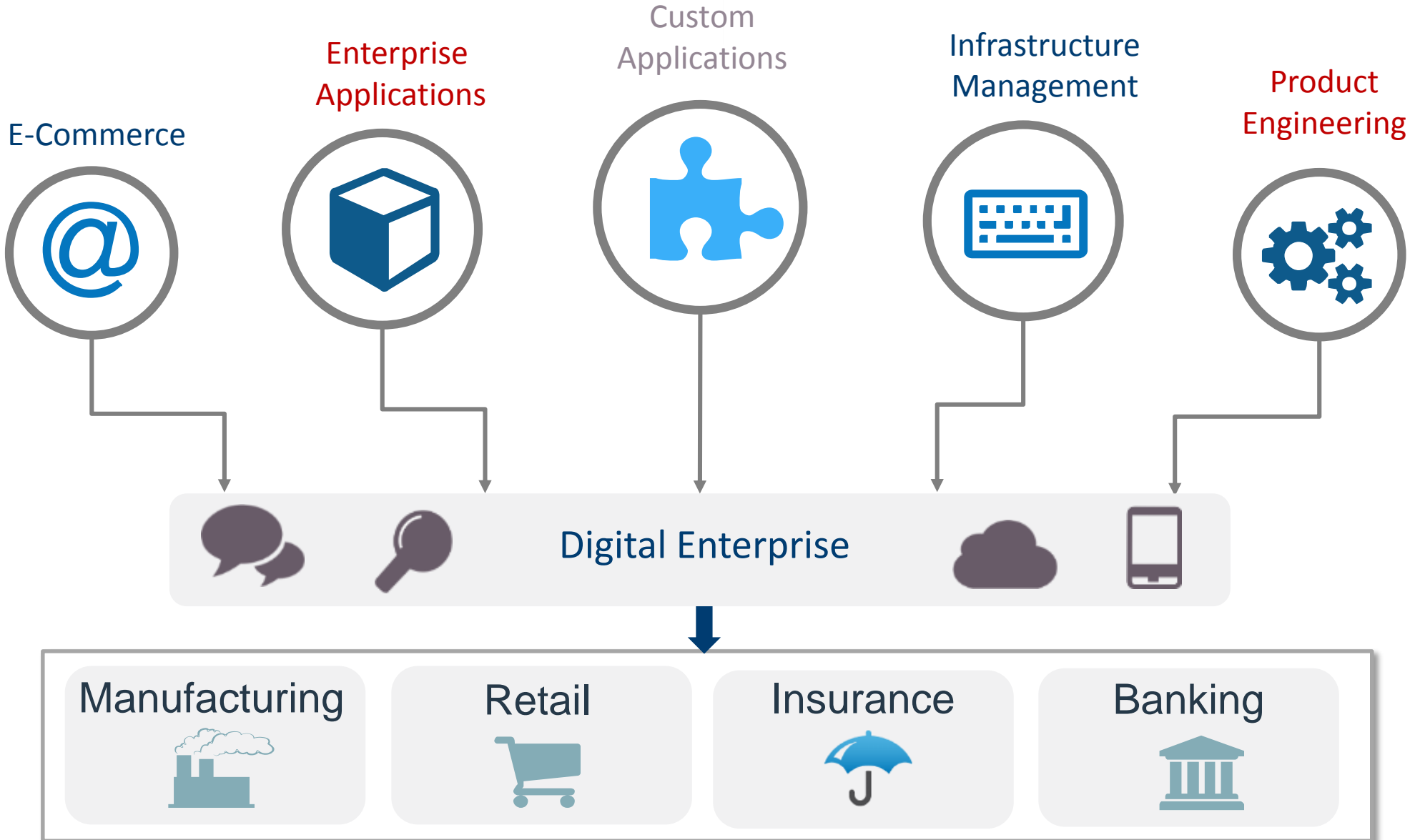
Asia Pacific

Shanghai, Singapore,
Sydney, Melbourne

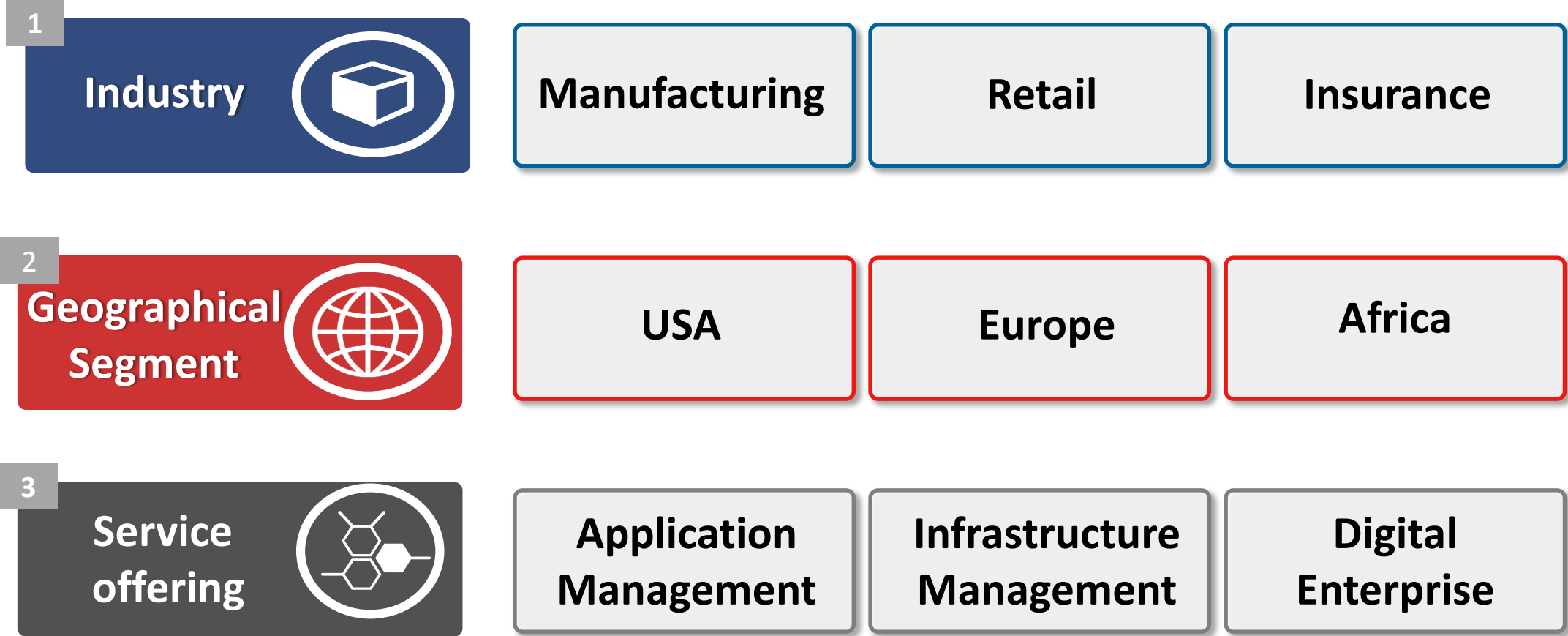
■ Sales Offices ■ Delivery Centers *Corporate Headquarters

*Pune location has 3 Delivery centres

Service Portfolio

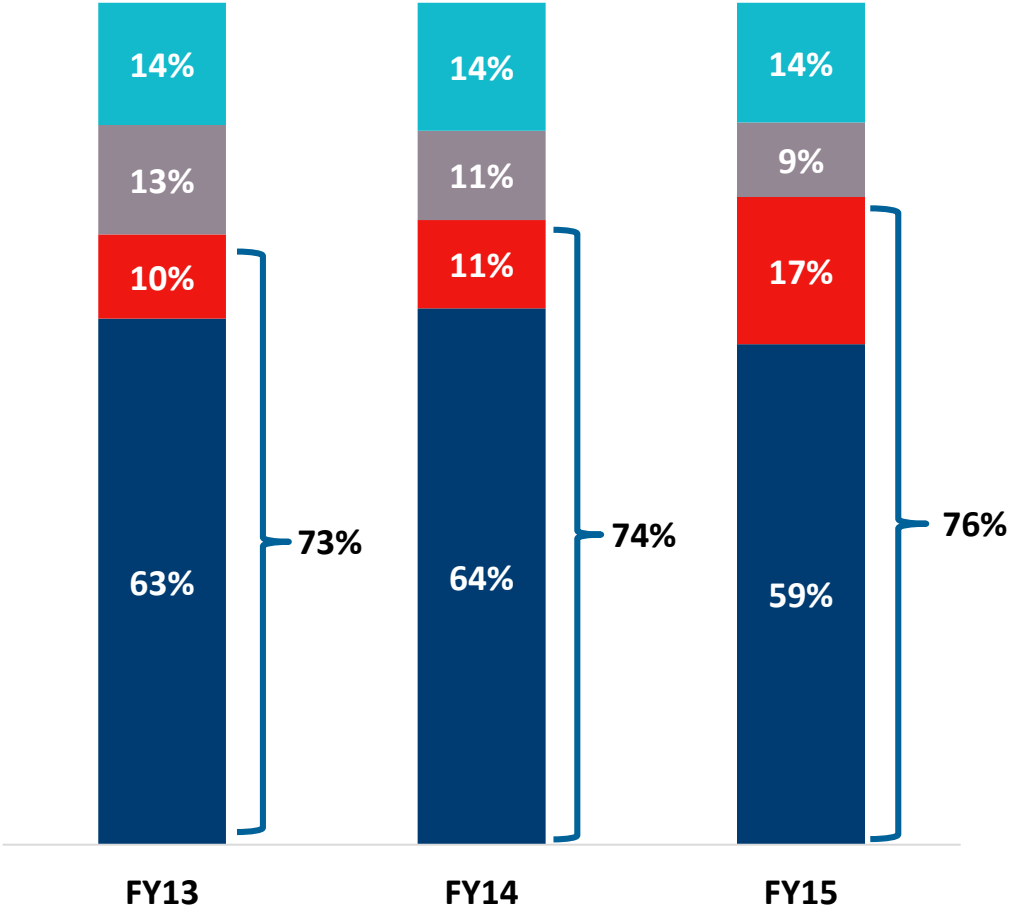


3X3X3 Focus



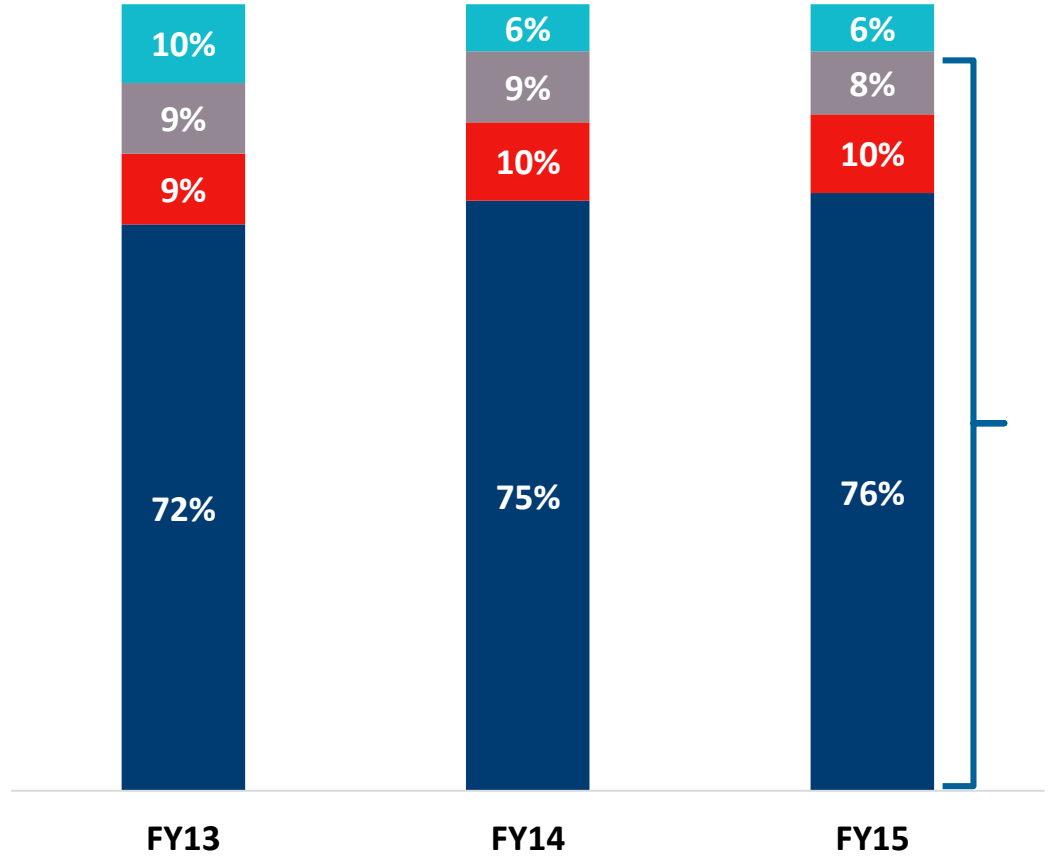
Increasing Focus on Select Verticals

1 Share of MRD going up



■ Manufacturing ■ Retail
 ■ Banking & Financial Services ■ Insurance

2 94% of our overall revenue comes from US, UK + Europe, and Africa



■ US ■ Europe ■ Africa ■ ROW

Capabilities

3



Application Management

- Oracle continues to be Key Arrowhead – On target to achieve Oracle Diamond Partnership
- Large Integrated deals initiative delivering results – 3 \$20M+ deals closed in FY15
- E-commerce to lead growth in new customer acquisition – Accelerated solution ‘PARADE’ launched
- Vertical business outcome solutions expected to grow at a 20% CAGR over next 3 years



Infrastructure Management

- Focus on dual shore RIM Services continues – Now at 35% of total IM revenues
- Maintenance business right sized – Showing improved Gross Margins q-o-q
- Security Products business maintained at \$38M with no growth planned in FY16
- Cloud Migration & End Used Experience Management leading new order bookings
- IM Services business expected to grow at 25% next year



Digital Enterprise

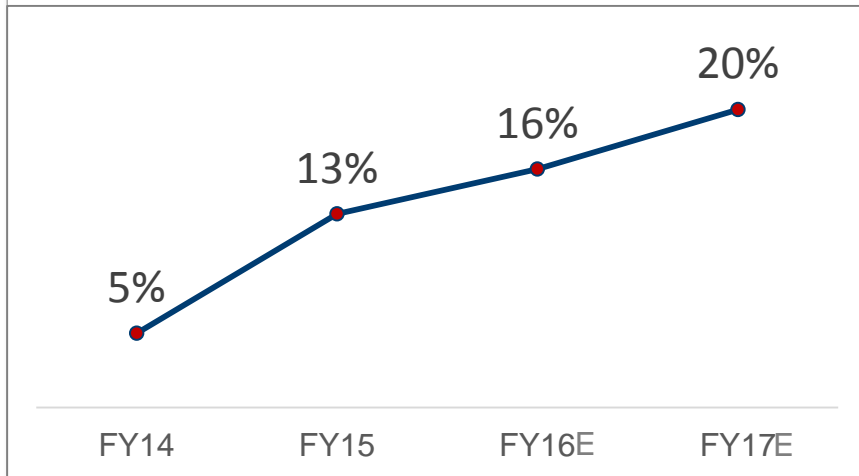
- Digital Enterprise solutions currently at 13% of Zensar revenues expected to be 20% by FY17
- E-commerce, UX and Analytics to account for more than 12% of Zensar’s revenues in FY16
- Social listening, Connected beacons & other CMO directed solutions launched for Retailers and Insurers
- Connected Shop floor and its integration with MES and Machine Analytics Solutions launched for Manufacturers

Focus on Digital

3

Enhanced focus on 'Digital Transformation' led deals

Digital Revenue Contribution



Digitization of Records through Crowdsourcing

Cloud based PaaS Solution for Government and Business with high volume document based operations

Partners for Digital

Cloud

NaviSite®

amazon web services Partner Network
CONSULTING PARTNER

salesforce GOLD CLOUD ALLIANCE PARTNER

IBM®

Social

salesforce radian6 aikonlabs
Realizing Ideas

germin8

Analytics

BeyondCORE

mobius innovations

IntelliQ
...experts in Loss Prevention Analytics

PA Acquisition - Strengthened Retail Vertical



ATG is the e-Commerce platform of choice for retail and was amongst top 2 commercial platforms in 2013

Strengthens the digital story and places Zensar in forefront for Omni-Present commerce

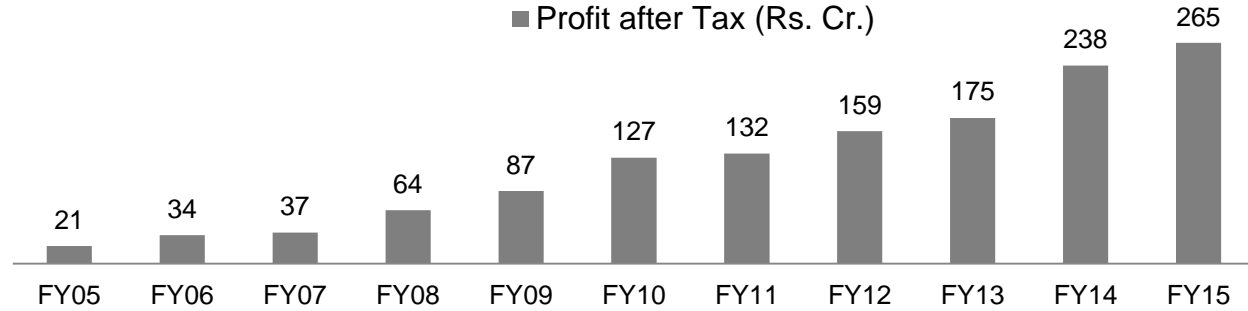
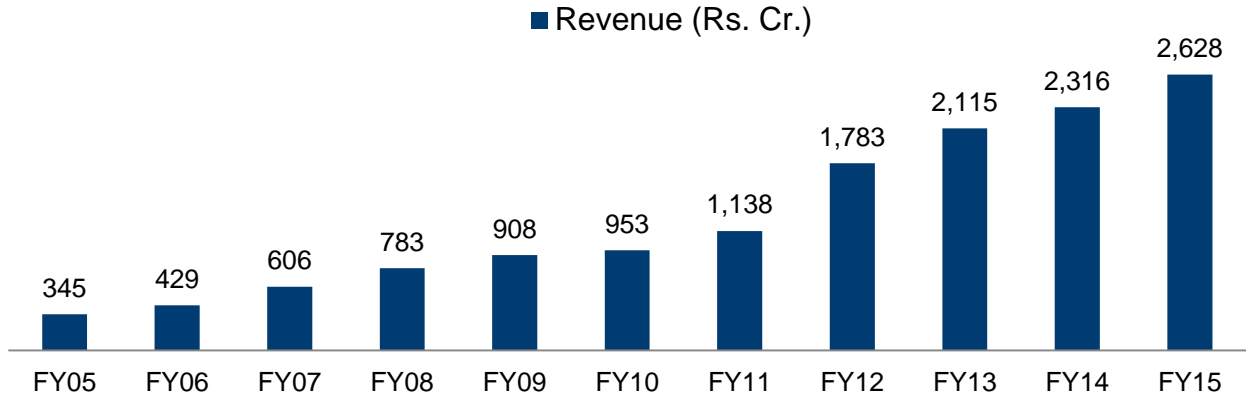
PA is amongst the top 3 Oracle ATG implementation specialists

Makes Zensar the 'Top Oracle Player' in Tier 2 companies

82% of PA Revenue is from Retail clients

Section 5: Financial Overview

Consistent Growth



22.5% Revenue CAGR over the last 5 years vis-à-vis 19% for the Indian IT-BPM Industry



15.7% Profit after Tax CAGR over the last 5 years

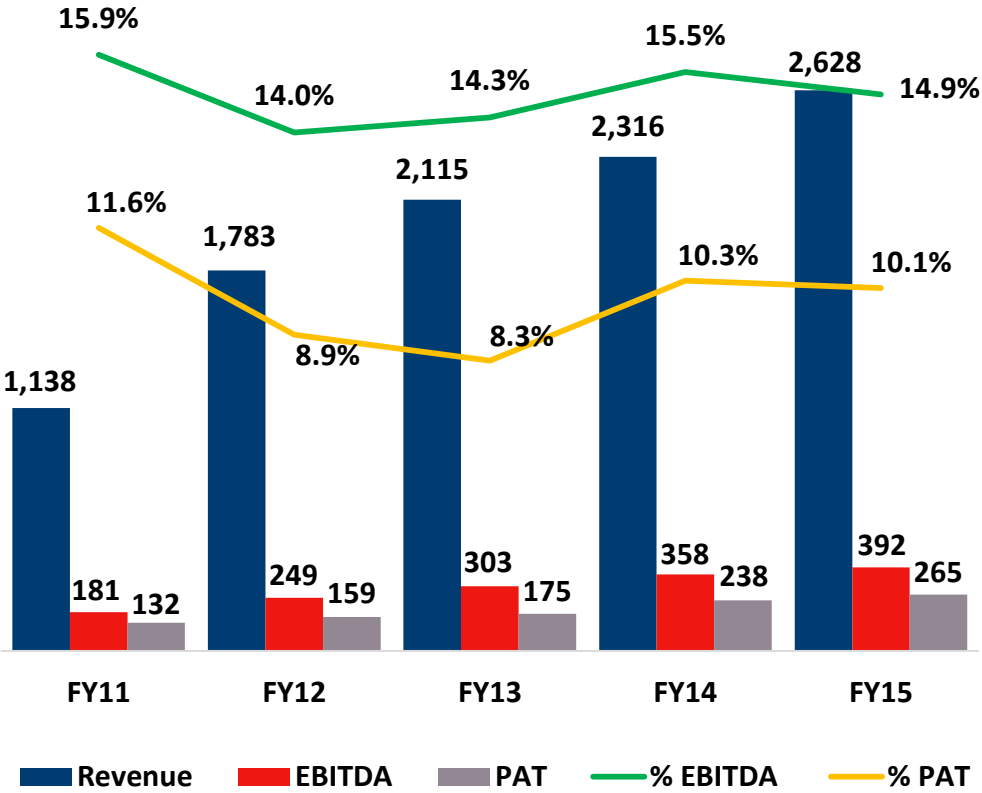
Highlights of the Quarter

- » Marina Holdco (FPI) Ltd, a company backed by Funds advised by Apax Partners acquired 23.2% stake in Zensar from Electra Partners Mauritius Limited
- » Zensar included as a niche player in **Gartner's Magic Quadrant** for 'Data Centre Outsourcing and Infrastructure Utility Services' in North America
- » Zensar won the “**Agile Community of the Year**” at the prestigious India Agile Awards 2015, held by UNICOM and audited by KPMG
- » Zensar global headcount crossed 8000 and reached **8050**

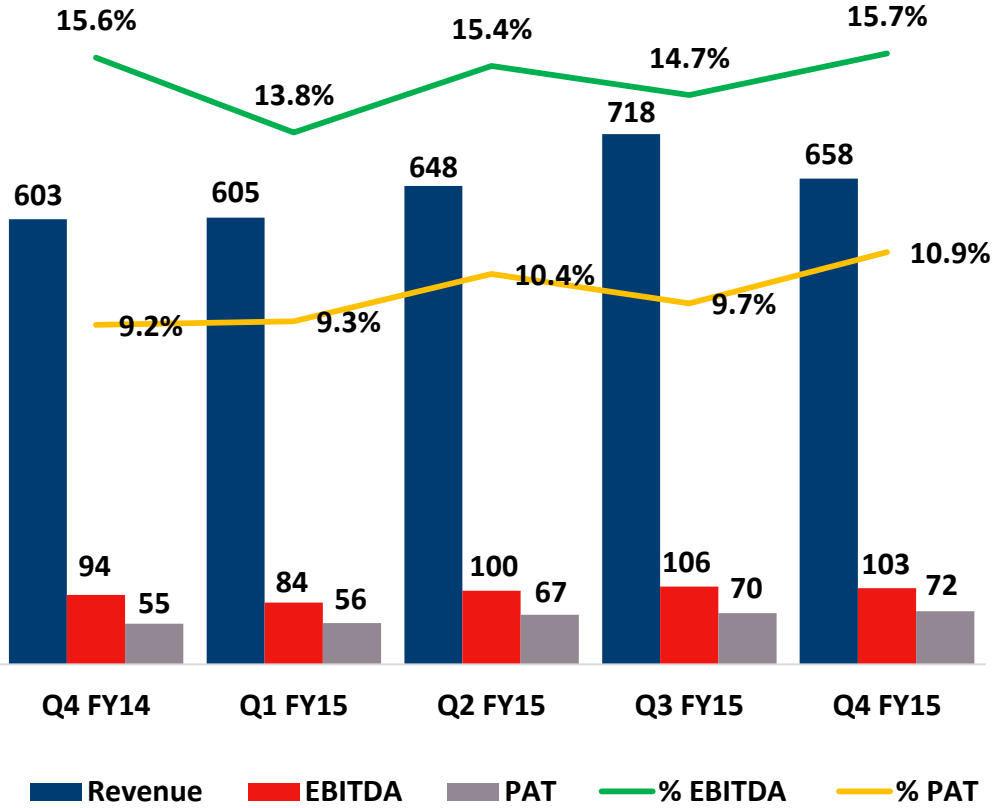
Y-o-Y and Q-o-Q Revenue, EBITDA and PAT

INR Cr.

Year-on-Year variation

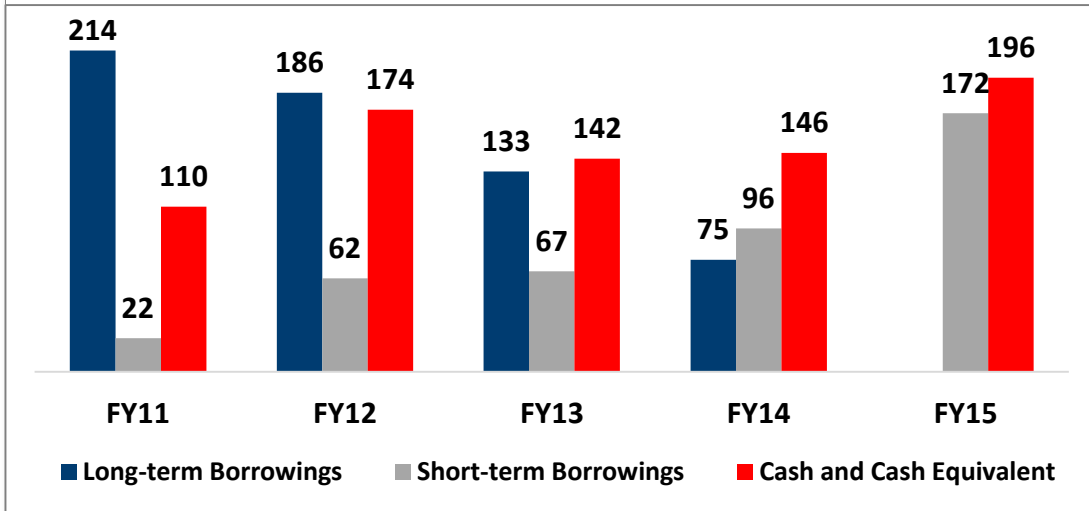


Quarter-on-Quarter variation

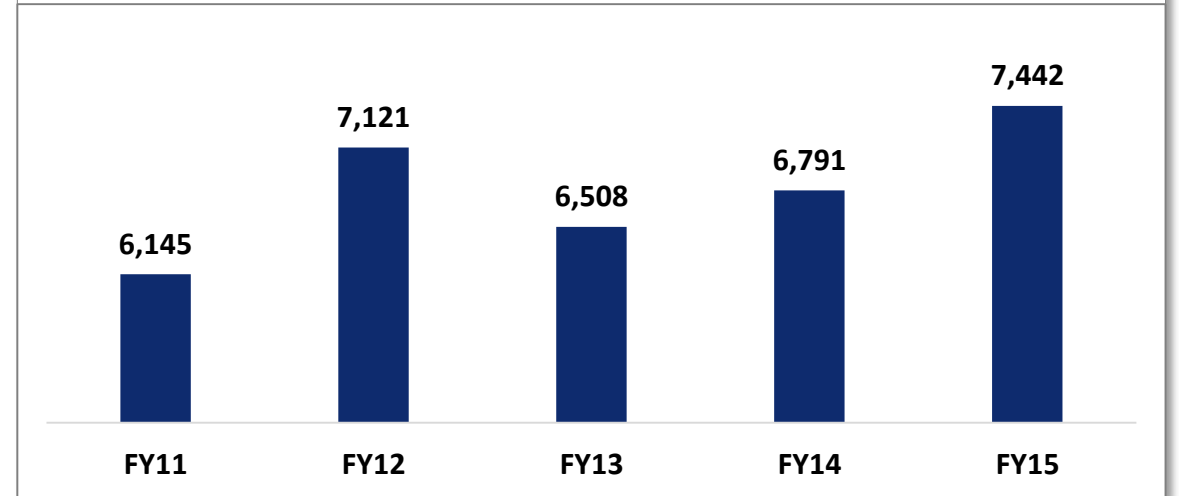


Key Metrics

Debt and Cash & Cash Equivalent



Employee Headcount (excluding PA)



RoE and RoCE - FY15

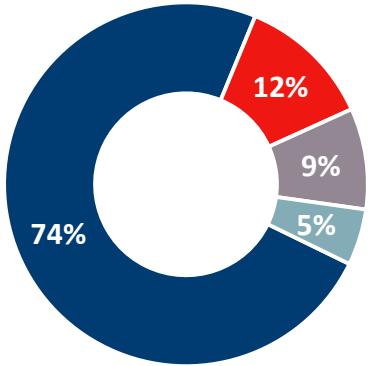


Note:

1. End of FY15 8,174 employees including PA
2. Utilization (including trainees) for FY 15 was 78%

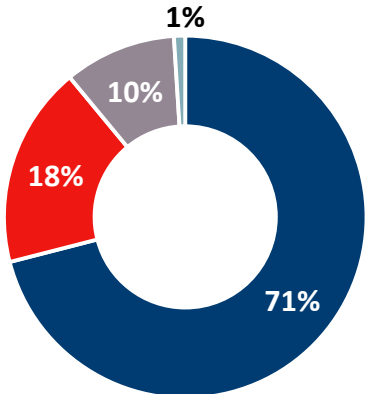
Revenue Mix Q2 FY16

By Geography



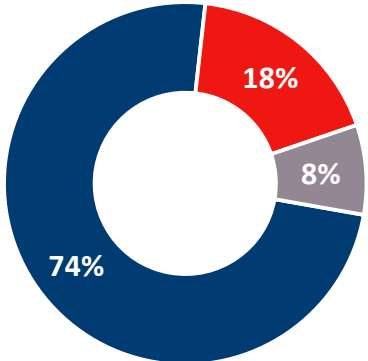
■ USA ■ Europe ■ Africa ■ ROW

By Industry



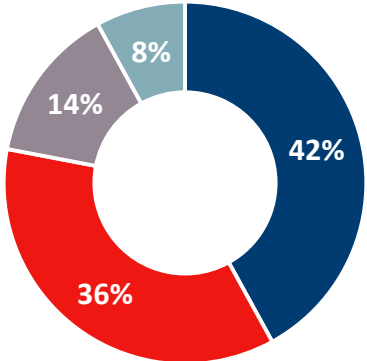
■ MRD ■ BFSI
■ Alliance & Others ■ Govt., H'care, Utilities

By Service Offering



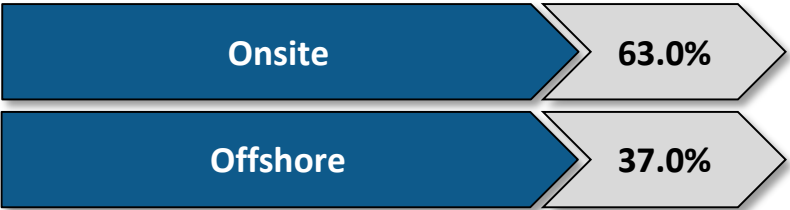
■ AMS ■ IMS ■ Products and Licenses

By Project Type



■ Fixed Price ■ Time & Material
■ Support Services ■ Product Sales

Onsite : Offshore

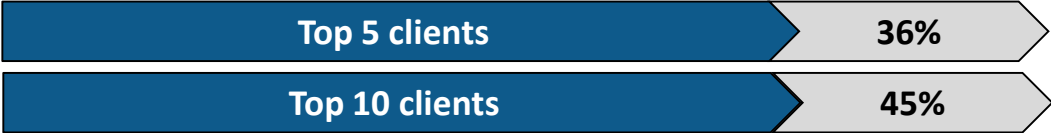


Client Profile

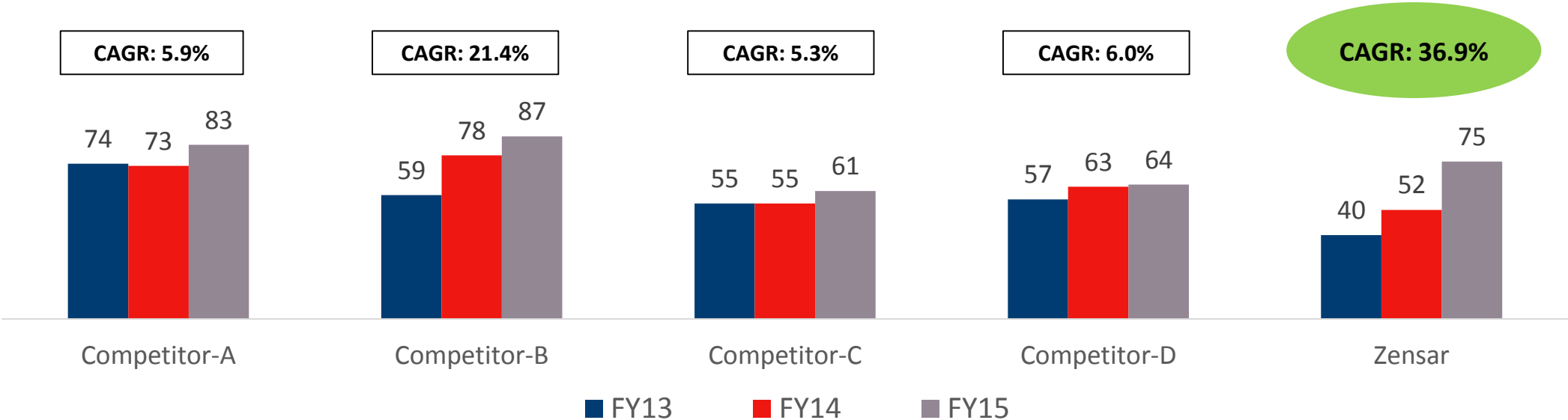
Number of million dollar clients – FY15



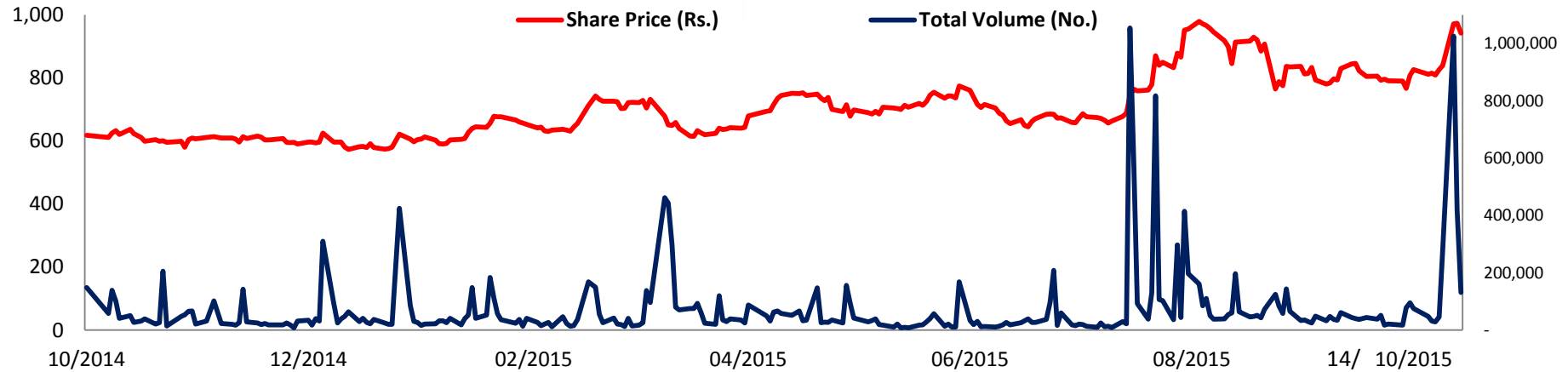
Revenue contribution – FY15



Number of \$1 million customer growth



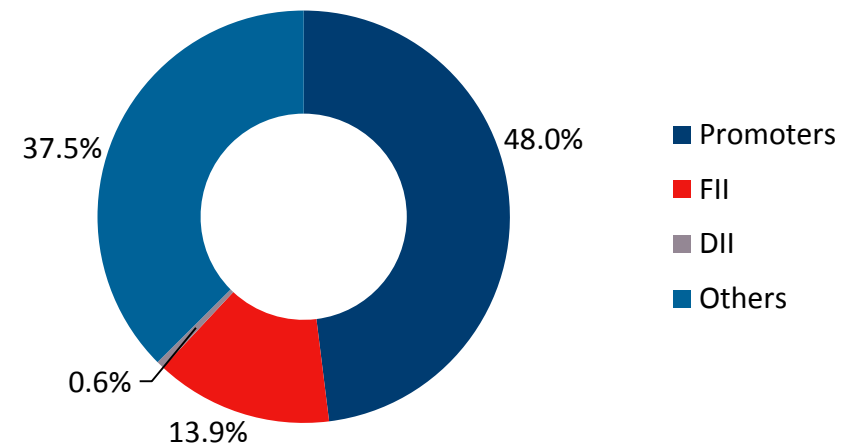
Stock price trend and Shareholding pattern



Equity Share Information:

- Share Price (14 Oct ,15): Rs. 942 / share
- Market Cap (14 Oct,15): Rs. 4,187 Cr.
- Financial Year: April to March
- Face Value: INR 10 / share
- Listed on Indian Stock Exchanges:
 - a)Bombay Stock Exchange (code: 504067)
 - b)National Stock Exchange (code: ZENSARTECH)
- Bloomberg Code: ZENT.IN
- Reuters Code: ZENT.BO

Shareholding Pattern (as on 30th Sep 2015):



End of Presentation