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Agenda

- Zensar Q2 FY17 Business Performance
- ‘Return on Digital™’ Update
- RPG Group Overview
Highlights for Q2 FY17

- **Revenue Performance**:
  - Revenue grew 2.2% Quarter-on-Quarter and 2.3% Year-on-Year, both in CC terms
  - Quarter-on-Quarter, revenue grew 1.8% in $ terms

- **Gross Margin and Profitability**:
  - Despite wage hikes, the gross margin expanded Quarter-on-Quarter, from 29.1% to 29.7%
  - Operating Margin grew 4.1% Quarter-on-Quarter to 14.3% of the revenue

- **Effective Client Mining**:
  - Number of Million dollar clients increased by 4 from 65 to 69
  - Revenue contribution of top 5/10/20 clients improved

- **Digital Business Performance**:
  - Digital accounted for 27.8% of the overall revenue
  - We continue to witness traction across all aspects of Digital
Highlights for Q2 FY17

- **Key Territory Performance:**
  - US grew by 2.0% Quarter-on-Quarter in Constant currency
  - Europe grew 3.0% Quarter-on-Quarter in Constant currency
  - Africa grew 4.1% Quarter-on-Quarter in Constant currency

- **Key Verticals Performance:**
  - Retail & Consumer Services grew 10.0% Quarter-on-Quarter in Constant currency
  - Manufacturing declined 2.2% Quarter-on-Quarter in Constant currency, however the vertical had a good inflow of deals and continues to have a strong pipeline
  - BFSI vertical grew 1.8% Quarter-on-Quarter
  - Emerging vertical grew 14.6% Quarter-on-Quarter
Key Wins in Q2 FY17

- **Digital led wins**
  - A large deal for Digital Commerce launch for a leading kids store in the US
  - Oracle Commerce consulting deal signed in the UK for third largest home improvement retailer globally
  - Oracle Commerce implementation at a US based manufacturer for laboratory instruments
  - SAP S/4HANA migration for a leading Indian API manufacturer and supplier of Trimethoprim IP/BP to global pharmaceutical companies.
  - A multimillion dollar managed e-commerce support deal for a Dutch design company that makes pushchairs for infants and toddlers.
  - E-Commerce support deal for one of the leading distributors of replacement automotive parts and glass products in Southern Africa

- **Other service wins**
  - A multi-million dollar digital transformation large deal with one of the largest British motoring association and insurance provider in UK
  - A multi-services large deal in the UK for a global leader in financial services corporation
  - A large deal for vendor optimization initiative for the largest networking company globally
  - A multi-million dollar SharePoint Roll out and Infrastructure Support deal in the Europe for a leading agency dealing with labour issues
  - Next generation fleet management system deal in South Africa for one the largest Fleet Management company globally
  - Oracle EBS deal in US for one of the largest international retailing group operating several chains of retail brands
  - Upgrade to Oracle R12 as Oracle's preferred partner for One of the top Retailer in the US for Plus Size Clothing
  - SAP support services deal for a leading player in the UK’s oil & chemical industry
  - Remote Infrastructure Management deal for one of the largest paper and plastic packaging businesses in Southern Africa.
  - Oracle EBS implementation for a leading American home-furnishings company
Analyst Recognition and Key Partnerships

- **Gartner:**
  - Competitive Landscape: Digital Business Consulting Services
  - Hybrid IT Infrastructure Management and Cloud Migrations: Top Providers' Strengths and Weaknesses
  - Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America
  - Market Guide for Digital Business Consulting Services

- **Key Client Partnerships:**
  - Zensar partnered with South Africa’s largest online retail store, NetFlorist to enhance their customer shopping experience
  - Zensar partnered The Foschini Group (TFG) in Creating Digital and Mobile stores
Business Performance

Q2 FY17
## Q2 FY17 Financials

### Key Metrics

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q2 FY17</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD Mn</td>
<td>INR Cr</td>
</tr>
<tr>
<td></td>
<td>USD</td>
<td>INR</td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 116</td>
<td>₹ 777</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 17</td>
<td>₹ 111</td>
</tr>
<tr>
<td>EBIT</td>
<td>$ 15</td>
<td>₹ 99</td>
</tr>
<tr>
<td>PAT</td>
<td>$ 10</td>
<td>₹ 69</td>
</tr>
</tbody>
</table>

*All numbers as per IGAAP*
# Q2 FY17 Performance

<table>
<thead>
<tr>
<th>US$ Million</th>
<th>Q2 FY17</th>
<th>Q1 FY17</th>
<th>Q2 FY16</th>
<th>QoQ Growth</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>116.0</td>
<td>114.0</td>
<td>116.4</td>
<td>1.8%</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>16.6</td>
<td>15.9</td>
<td>18.4</td>
<td>4.1%</td>
<td>(9.9%)</td>
</tr>
<tr>
<td>EBITDA%</td>
<td>14.3%</td>
<td>14.0%</td>
<td>15.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>28.1%</td>
<td>30.5%</td>
<td>26.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAT*</td>
<td>10.3</td>
<td>11.4</td>
<td>14.1</td>
<td>(9.8%)</td>
<td>(26.9%)</td>
</tr>
<tr>
<td>PAT%</td>
<td>8.9%</td>
<td>10.0%</td>
<td>12.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS - Diluted (INR)</td>
<td>15.9</td>
<td>16.9</td>
<td>20.3</td>
<td>(6.1%)</td>
<td>(21.6%)</td>
</tr>
</tbody>
</table>

* PAT after minority interest
All numbers as per IGAAP
Long-term Growth & Profitability Track Record

Revenue (USD Mn)

- **FY11**: 251
- **FY12**: 372
- **FY13**: 389
- **FY14**: 383
- **FY15**: 430
- **FY16**: 453

**12.5% CAGR**

EBITDA (USD Mn)

- **FY11**: 40
- **FY12**: 52
- **FY13**: 56
- **FY14**: 59
- **FY15**: 64
- **FY16**: 67

**11.0% CAGR**

PAT (USD Mn)

- **FY11**: 29
- **FY12**: 33
- **FY13**: 32
- **FY14**: 39
- **FY15**: 43
- **FY16**: 47

**10.1% CAGR**
Q2 FY17 Revenue Mix

Services
- Application Management 77%
- Infrastructure Management 23%
  - IMS 16%
  - MVS 7%

Industries
- Retail, CPG 26%
- Manufacturing 52%
- Financial Services 18%
- Emerging 4%

Geographies
- US 75%
- Europe 10%
- Africa 9%
- ROW 6%

Project
- Time & Material 50%
- Fixed Price 50%
Q2 FY17 Client Profile

### Million Dollar Clients

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY16</th>
<th>Q1 FY17</th>
<th>Q2 FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Mn Dollar+</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>10 Mn Dollar+</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>5 Mn Dollar+</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>1 Mn Dollar+</td>
<td>64</td>
<td>65</td>
<td>69</td>
</tr>
</tbody>
</table>

### Revenue Concentration

<table>
<thead>
<tr>
<th></th>
<th>Q4 FY16</th>
<th>Q1 FY17</th>
<th>Q2 FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>36.9%</td>
<td>36.6%</td>
<td>38.9%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>44.9%</td>
<td>45.7%</td>
<td>48.6%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>54.6%</td>
<td>55.7%</td>
<td>59.1%</td>
</tr>
</tbody>
</table>

- **32** Key accounts identified for driving top-line growth with focus on Multiservice deals, ‘Return on Digital’ and Client-specific IP
- Zensar rated high in Delivery in all these accounts
- 3-in-a-box model for each account
  - Sales Manager
  - Delivery Manager
  - Digital Evangelist
- Strategy started to deliver results with the revenue concentration of the **Top 20 clients** increasing by **450 bps**
- Million dollar clients increased from **65** to **69**
## Q2 FY17 Employee Details

### Headcount

<table>
<thead>
<tr>
<th>Headcount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY17 Headcount</td>
<td>8,238</td>
</tr>
<tr>
<td>Net Additions</td>
<td>78</td>
</tr>
<tr>
<td><strong>Q2 FY17 Headcount</strong></td>
<td>8,316</td>
</tr>
<tr>
<td>Technical – Onsite</td>
<td>1,540</td>
</tr>
<tr>
<td>Technical – Offshore</td>
<td>5,699</td>
</tr>
<tr>
<td>Technical – BPO/Others</td>
<td>311</td>
</tr>
<tr>
<td>Marketing</td>
<td>82</td>
</tr>
<tr>
<td>Support (including Trainees)</td>
<td>684</td>
</tr>
<tr>
<td>% of women employees</td>
<td>25.4%</td>
</tr>
</tbody>
</table>

### Utilization

| Excluding Trainees                | 80.1% |

### Attrition

| Attrition (Annualised)            | 15.6% |

### Revenue Mix

| Onsite                            | 66%   |
| Offshore                          | 34%   |
| **Total**                         | 100%  |
Equity Share Information:

- Share Price (14 Oct,16): INR 992 / share
- Market Cap (14 Oct,16): INR 4,446 Crs.
- 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.BOx

Shareholding Pattern (as on 30th Sept 2016):

- Promoter
- Apax Partners
- FII/ FPI
- DII/ Others

- Promoter: 48.3%
- Apax Partners: 14.9%
- FII/ FPI: 13.8%
- DII/ Others: 23.0%

Stock Price and Shareholding
‘Return on Digital™’ Update
The next wave of growth in industry to be largely driven by new technologies

~50% of IT budgets to be tied to digital transformation by 2018. Digital services grew 1.5X traditional services in FY16: NASSCOM

### Robotics and Automation
- 5X growth in last 2 years. To surpass $80 Billion in market size by 2020.

### Industry 4.0; Smart Manufacturing
- Industry 4.0 to be $67 Billion market opportunity for tech providers, 2020

### Digital Commerce, Omni-channel Retail
- Online sales in US are expected to reach $523B in 2020, up 56% from 2015

### Fin-tech Transactions, Digital Insurers
- The global funding in fin-tech has skyrocketed to $80 Billion in 2016

### Cloud Transformation, SaaS
- 3X rise in SaaS deals, addressable market to reach $60 Billion by 2017

### Unified IT (The Vinci)

### Oracle IoT

### ROMP, SOFEA

### Block Chain

Source: NASSCOM IT-BPM Strategic Review 2016, Forrester
### Digital Zensar

**Accurate Data – Anytime – Anywhere**

Re-Alignment and sync-up of all internal systems with new systems launched to ensure filling-up of gaps.

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Wi-Fi enablement of all campuses globally

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Easy Access and Process Automation through Mobile Apps
Zensar has launched **17** mobile apps (multiple versions) and **5** executive dashboards.

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### Digital Services @ Zensar

**Enhanced Focus on IP creation and aligning all solutions to our ‘Return on Digital’ Vision**

Have filed for 3 patents in the last 6 months
ZenVerse, Z-Bot, ‘Framework for Adaptive Services’

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**Some of Zensar’s Digital Solutions launched**

- RPA
- Service Edge
- Game Testing
- DevOps
- Digital Factory
- Oracle IoT
- ZenNavi
- IntelliZen
- PARADE
- ROMP
- SOFEA
- **NextGen Automation P/F built on ARAGO**
# Zensar’s Digital – 7 Services Stack

### Zensar’s Digital Business % of Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>12.6%</td>
</tr>
<tr>
<td>FY16</td>
<td>27.0%</td>
</tr>
<tr>
<td>Q1 FY17</td>
<td>27.3%</td>
</tr>
<tr>
<td>Q2 FY17</td>
<td>27.8%</td>
</tr>
</tbody>
</table>

### Big Data and Analytics

**28% growth**
- Data Wrangling, Analytics & Visualization
- Vertical specific Solutions
- Proprietary context platform

### Cloud

**35% growth**
- SaaS, IaaS, PaaS
- Migration, Integration & development
- Hybrid Apps, Infra clouds, Cloud architecture
- Oracle, SFDC, SAP, AWS, Navisite

### Customer/ Design Experience

**24% growth**
- Customer Journey Mapping, UX, CXM, AR, Wearables
- E2E CX across channels & devices
- Proprietary experience platform

### Digital Marketing Services

**31% growth**
- Web, Data, Marketing and Social ops
- Business Outcome driven engagements
- Adobe, Oracle, Marketo, SFDC, Sitecore

### Commerce

**25%+ growth**
- Omni channel experience
- Ecommerce, Mobile Commerce, Data Analytics, UX, CX
- Oracle Commerce, SAP Hybris & Magento

### Cybersecurity

**16% growth**
- Proprietary Compliance & Risk Assessment tool
- Capability across GRC, SEIM, HIPPA, PCI DSS, Threat & Vulnerability Management, DLP, Threat Discovery & Analytics

### IoT/Industrial Internet

**7% growth**
- Extensive domain expertise in discrete manufacturing & SCM
- Proven Outcome based Solution framework
- Strong partner eco system

All growth numbers are YoY calculated for Q2 FY17 on a TTM basis in USD
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.
RPG Group Key Financials

**FY11-16 CAGR: 12%**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Revenue (Rs Cr)</th>
<th>Net Worth (Rs Cr)</th>
<th>ROCE</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>13,962</td>
<td>2,974</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>FY13</td>
<td>15,788</td>
<td>3,302</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td>FY14</td>
<td>17,614</td>
<td>3,933</td>
<td>20%</td>
<td>14%</td>
</tr>
<tr>
<td>FY15</td>
<td>18,542</td>
<td>4,688</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>FY16</td>
<td>18,761</td>
<td>5,814</td>
<td>20%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**EBITDA (Rs Cr)**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>1,117</td>
</tr>
<tr>
<td>FY13</td>
<td>1,250</td>
</tr>
<tr>
<td>FY14</td>
<td>1,690</td>
</tr>
<tr>
<td>FY15</td>
<td>1,731</td>
</tr>
<tr>
<td>FY16</td>
<td>2,090</td>
</tr>
</tbody>
</table>

**PAT (Rs Cr)**

<table>
<thead>
<tr>
<th>Year</th>
<th>PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12</td>
<td>429</td>
</tr>
<tr>
<td>FY13</td>
<td>404</td>
</tr>
<tr>
<td>FY14</td>
<td>714</td>
</tr>
<tr>
<td>FY15</td>
<td>795</td>
</tr>
<tr>
<td>FY16</td>
<td>1,030</td>
</tr>
</tbody>
</table>

**Market Cap (Rs Cr)**

- Group: 8,900 to 14,800
- CEAT: 8,000 to 12,500
- KEC: 4,000 to 6,000
- ZENSAR: 1,000 to 1,500

**Note:**
1. ROCE is calculated by taking 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.

**FY11-16 CAGR:**
- EBITDA: 17%
- PAT: 19%