Zensar Technologies
Analyst Presentation for the quarter ending 30th June, 2018
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Zensar Technologies is a $500+ Mn organisation*

- Part of $3 B RPG Group
- Portfolio Company of the $40 B APAX Group
- Among 5 global tech companies to be listed on a major global stock exchange (BSE) for 53+ years
- One of the fastest growing digital revenues in the sector

*on a TTM basis
Q1 FY19 : Executive Summary

- Revenue growth of 6.6% QoQ & 18.1% YoY in USD terms; 7.5% QoQ & 16.6% YoY in cc terms
- All profitability metrics increased in absolute as well as in percentage terms of the revenue:
  - Gross Profit 11.7%; EBITDA 18.4% & PAT 8.6% QoQ
- All regions except ROW grew in cc with US leading the growth at 9.3% QoQ
- Digital & Application Services (DAS), earlier called Application Management services, grew by 6.6% in cc terms over Q4FY18 on the back of our Digital services revenue which grew 13.5% QoQ
- Cloud and Infrastructure Services (CIS) business has seen turnaround and grew by 13.0% in cc terms QoQ led by growth in Cloud, Digital led next gen CIS
- Digital now at 43.0% of total revenue; growth of 13.8% in cc terms over Q4FY18
- Cynosure business now fully integrated into the system and we have started winning deals on the back of a strong joint GTM plan
Key Financial Updates – Q1 FY19 (in USD terms)

5th Qtr. Of QoQ Revenue Growth

5th Qtr. Of QoQ Core Organic Growth

5th Qtr. Of US Revenue Growth

5th Qtr. of Organic Europe Revenue growth

5th Qtr. Of Top-5 Clients Revenue growth

Steady growth of Africa
# Q1 FY19 Financials

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q1 FY19</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>$ 135.0</td>
<td>₹ 904.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 18.4</td>
<td>₹ 123.3</td>
</tr>
<tr>
<td>EBIT</td>
<td>$ 15.7</td>
<td>₹ 105.1</td>
</tr>
<tr>
<td>PAT</td>
<td>$ 12.3</td>
<td>₹ 82.2</td>
</tr>
<tr>
<td></td>
<td>INR/Share</td>
<td>Q-o-Q</td>
</tr>
<tr>
<td>EPS (Diluted)</td>
<td>18.1</td>
<td>13.0%</td>
</tr>
</tbody>
</table>
Q1 FY19 Financials – Digital Growth

Service Split (In USD Mn)

- **$135M**
  - 6.6% QoQ
  - 18.1% YoY

- **$114.8** Digital & App Services
  - 5.6% QoQ
  - 23.2% YoY

- **$20.2** Cloud & Infra Services
  - 12.6% QoQ
  - -4.4% YoY

- **$51.6** Digital Services
  - 12.4% QoQ
  - 33.7% YoY

- **$63.2** Core App Services
  - 0.6% QoQ
  - 15.8% YoY

- **$6.4** Cloud, Digital led next gen CIS
  - 16.4% QoQ
  - 128.6% YoY

- **$6.7** Core Infra Services
  - 6.6% QoQ
  - -39.9% YoY

- **$7.1** Third Party Maintenance
  - 15.4% QoQ
  - -1.5% YoY

- **ZenRoD** – Zensar’s proprietary native digital platform – continues its strong performance. We have sold multiple platforms across clients with various deals being influenced by the competitive differentiation of this platform.

- Acquisition of **Indigo Slate** will help our customers articulate their strategy into better Customer Experience (CX) and more targeted marketing (Digital Marketing).

- Both **Foolproof** and **Keystone** continue to deliver strong results as the cross-sell has increased.

All growth numbers in USD Terms
Q1FY19 Financials – Geographical & Vertical Split

Geographical Split

<table>
<thead>
<tr>
<th>Geography</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>9.4%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>3.1%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Africa</td>
<td>0.4%</td>
<td>22.4%</td>
</tr>
<tr>
<td>ROW</td>
<td>-19.4%</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

Vertical Split

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail &amp; Consumer Services</td>
<td>24.7%</td>
</tr>
<tr>
<td>Hi-Tech &amp; Manufacturing</td>
<td>50.0%</td>
</tr>
<tr>
<td>Fin. Services</td>
<td>23.5%</td>
</tr>
<tr>
<td>Emerging</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

All growth numbers in USD Terms
Q1 FY19 Revenue Mix

**Million Dollar Clients**

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1FY18</th>
<th>Q4FY18</th>
<th>Q1FY19</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>2</td>
<td>3</td>
</tr>
<tr>
<td>5 Mn Dollar+</td>
<td>7</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>1 Mn Dollar+</td>
<td>74</td>
<td>63</td>
<td>72</td>
</tr>
</tbody>
</table>

**Revenue Concentration**

<table>
<thead>
<tr>
<th>Category</th>
<th>Q1FY18</th>
<th>Q4FY18</th>
<th>Q1FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>34.9%</td>
<td>38.6%</td>
<td>37.6%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>43.1%</td>
<td>47.7%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>54.5%</td>
<td>59.3%</td>
<td>57.1%</td>
</tr>
</tbody>
</table>
### Q1 FY19 Employee Details

#### Headcount

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4FY18 Headcount</td>
<td>8,905</td>
</tr>
<tr>
<td>Net Additions</td>
<td>217</td>
</tr>
<tr>
<td><strong>Q1FY19 Headcount</strong></td>
<td>9,122</td>
</tr>
<tr>
<td>Technical – Onsite</td>
<td>2,019</td>
</tr>
<tr>
<td>Technical – Offshore</td>
<td>6,077</td>
</tr>
<tr>
<td>Technical – BPO/Others</td>
<td>253</td>
</tr>
<tr>
<td>Marketing</td>
<td>64</td>
</tr>
<tr>
<td>Support (including Trainees)</td>
<td>709</td>
</tr>
<tr>
<td>% of women employees</td>
<td>26.5%</td>
</tr>
</tbody>
</table>

#### Utilization

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excluding Trainees</td>
<td>85.8%</td>
</tr>
</tbody>
</table>

#### Attrition

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition (YTD)</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

#### Revenue Mix

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onsite</td>
<td>64.6%</td>
</tr>
<tr>
<td>Offshore</td>
<td>35.4%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Stock Price and Shareholding Pattern

**Equity Share Information:**
- Share Price (31st July 2018): INR 1,235.8/ share
- Market Cap (31st July 2018): INR 5,560.4 Crs
- Financial Year: April to March
- Face Value: INR 10 / share
- Listed on Indian Stock Exchanges:
  - Bombay Stock Exchange (code: 504067)
  - National Stock Exchange (code: ZENSARTECH)
- Bloomberg Code: ZENT.IN
- Reuters Code: ZENT.BOx

**Shareholding Pattern (as on 30th Jun 2018):**
- Promoter: 48.9%
- Apax Partners: 16.7%
- FIIs: 22.9%
- DIIs/ Others: 11.5%
A strong start to the year FY19

Analyst Presentation for the quarter ending 30th June, 2018
Q1 FY19 : Key Achievements

**Continued Mega Win Momentum**

- **Largest net new multi-year multi-million dollar win in Zensar at a global brand**
- Multi-year, Multi-million-dollar, Multi-tower big IT services deal win at a Fortune global 500 conglomerate
- Became chosen partner for total infra outsourcing program for a UK based investment firm

**Acquisition Updates**

- **4th Acquisition** in last 2 years. Adds digital capabilities with great set of high tech clients in US
- Integration completed in record 90 days. This adds Guidewire capabilities critical for our P&C Insurance Biz

**Strengthening of brand ‘Zensar’**

- Recognized for Blockchain capability by Gartner in Gartner Market Guide
- India Innovation Award 2018: Winner of Skillsoft (USA) in a category of “Creating an Impact – IT Skills”.
- Showcased Voice Driven Automated Applications at PegaWorld 2018

**Continued highest Quarterly Revenue, Headcount and 5+M pa clients**

- $135m, highest revenue, Q1 FY19
- Added a further of 217 employees (net)
- 19 accounts of $5m+ Annual revenues (increase of 2 from Q4FY18)
Cloud and Infrastructure; Complete Revamp over 2 Quarters

Multiple $5m+ TCV wins over the last 2 quarters with many Deals in pursuit

CIS Revenue up from $17.9M to $20.2M sequentially (13.0 % Growth in Constant Currency)

Steady increase in Sales Pipeline, with a growth rate of 86.7% with CIS business seeing a spike in number of RFPs responded to

Revamped Sales, Pre Sales, Solutions Teams; Renewed focus on new competencies
Core organic business (without Cynosure) has also grown by 2.0% Q-o-Q.

Growth led by US on the back of some key large deal wins.

Key verticals like Hitech & Insurance had a strong quarter and led the growth in the core business.

Digital services grew by 12.8% Q-o-Q.

Core Services business also grew by 2.5% Q-o-Q.

Digital growth led by Analytics, Cloud, Mobility & Automation.
Zensar Technologies acquires Indigo Slate

<table>
<thead>
<tr>
<th>Deal Highlights</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company acquired and Structuring</td>
<td>Indigo Slate is based in Bellevue, Washington. Zensar Technologies Limited will acquire the entire share capital of Indigo Slate through its wholly owned subsidiary, Zensar Technologies Inc.</td>
</tr>
<tr>
<td>Specialization</td>
<td>Indigo Slate is a Digital Agency with strong Customer Experience and Digital Marketing capabilities and with a strong focus on Technology. The agency brings extensive and in-depth expertise in having managed cutting edge projects with leading global brands and Fortune 500 companies.</td>
</tr>
<tr>
<td>Consolidated Revenue for 2018</td>
<td>USD 20 Mn</td>
</tr>
<tr>
<td>Mode of Purchase</td>
<td>Share Purchase in US</td>
</tr>
<tr>
<td>Mode of Financing</td>
<td>Combination of Internal Accruals and Debt</td>
</tr>
</tbody>
</table>
Analyst Presentation for the quarter ending
30th June, 2018

RPG Group Overview
RPG Group: Key Financials

- **Gross Total Income (Rs Cr.):**
  - FY14: 17,949
  - FY15: 19,183
  - FY16: 19,271
  - FY17: 20,052
  - FY18: 21,766

- **FY14-18 CAGR:**
  - EBITDA: 8.0%
  - PAT: 11.7%

- **CAGR:**
  - 4.9%

- **Group:**
  - FY14: 17,949
  - FY15: 19,183
  - FY16: 19,271
  - FY17: 20,052
  - FY18: 21,766

- **Market Cap**:
  - FY14: 3,807
  - FY15: 4,611
  - FY16: 5,260
  - FY17: 6,066
  - FY18: 6,925

- **Market Cap updated till 18th July 2018**

**Note:**
1) ROCE is calculated by taking EBIT*(1-ETR) divided by Capital Employed
2) ROE is calculated by taking PAT divided by Net worth
3) Market Cap updated till 18th July 2018