Zensar Technologies

Analyst Presentation, Q1 FY20

Quarter Ending June 30, 2019
Safe Harbor

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Zensar Technologies records $153.3* Mn in Q1FY20 ($578.8* Mn LTM)

• 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 55+ years
• 48.5% Digital Revenue, (28.3% YoY Growth)

*all numbers are without RoW & in US$
Zensar Business Update
Q1 FY20: Brief Snapshot

**Revenue**
- QoQ 3.1%
- YoY 16.4%
- $153.3 Million

**Ebidta**
- QoQ 11.2%
- YoY 16.6%
- $21.8 Million

**Pat**
- QoQ -8.3%
- YoY -9.3%
- $11.3 Million

**Cloud & Infrastructure Services Growth**
- QoQ 17.1%
- YoY 32.8%
- 4Q CQGR 7.3%

**Digital Revenue**
- QoQ 6.7%
- YoY 28.3%

**Continuous Growth in Financial Services**
- QoQ 7.1%
- YoY 16.6%
- 4Q CQGR 3.9%

**Top 20 Clients**
- 4Q CQGR 6.2%

**Headcount**
- Women Associates 29.8%
- Q1 FY19: 8790
- Q4 FY19: 9748
- Q1 FY20: 10166
## Q1 FY20: Key Achievements

### Continued New Win Momentum
- Multiple wins in our largest client helping sustain Hi-Tech growth
- Multi-million-dollar deal for a UK based conglomerate
- Guidewire support for UK’s fastest growing insurance providers

### Digital Updates
- Continued Mega-growth in digital revenues – 48.5% (solid growth of 6.7% QoQ on the back of key Next gen CIS Deals)
- Growth in digital revenues on the back of clear focus on Automation driven by Cloud & Infrastructure platforms and RPA

### Strengthening of brand ‘Zensar’
- Named a Top 15 Sourcing Standout by Information Services Group (ISG)
- Recognized Third Consecutive Year in Gartner Magic Quadrant for Managed Workplace Services, North America
- Global data covers Zensar’s RoD Conclave Analyst and Advisor Day

### Steady Revenue & Headcount Growth
- **$153.3M**, highest ever revenue, Q1 FY20
- **Headcount- 10,166** (net addition of 418 QoQ, 1376 YoY)
- **9 accounts** of $10m+ Annual revenues (YoY increase of 4)
Trending in Key Financial Updates (US $)

QoQ REVENUE INCREASE

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
131.7 | 135.0 | 141.8 | 148.7 | 153.3

CORE REVENUE GROWTH

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
124.6 | 127.6 | 135.3 | 142.4 | 147.3

US REGION GROWTH

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
100.0 | 102.6 | 109.2 | 114.3 | 116.9

CONSISTENT GROWTH IN EUROPE

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
18.5 | 19.7 | 20.6 | 22.4 | 23.0

DIGITAL & APPLICATION SERVICE GROWTH

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
111.9 | 114.6 | 117.3 | 126.2 | 127.0

HI TECH GROWTH

Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20
---|---|---|---|---
48.7 | 53.4 | 54.5 | 58.3 | 59.9

All growth numbers in US $ unless stated & without RoW
Q1 FY20 Financials

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q1 FY20*</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>$ 153.3</td>
<td>₹ 1066.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 21.8</td>
<td>₹ 151.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>$ 16.3</td>
<td>₹ 113.6</td>
</tr>
<tr>
<td>PAT</td>
<td>$ 11.3</td>
<td>₹ 78.7</td>
</tr>
<tr>
<td>INR/Share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS (Diluted)</td>
<td>3.2</td>
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</tbody>
</table>
@ Scale winning momentum

$160 Mn+

TCV wins in Q1 FY 20

Multi-million-dollar deal for a UK based conglomerate

Digital Transformation for Sanlam

Digital warehouse for a global sports company

Application & development for Hi-tech global company

Application Development healthcare provider in UK

Guidewire support for UK's fastest growing insurance providers
Revenue up from $16.2M to $20.3M (25.5% QoQ US$ growth)

Records continuously increasing win ratio with this quarter scoring a massive 50%

Fighting multiple large deals across the spectrum which total 40% of total pipeline

Continued receiving analysts mentions from multiple key analyst like Gartner, ISG etc.

Note: Revenue numbers are without Third Party Maintenance
Q1 FY20: Key Business Highlights

- **Pipeline quality and Large Deals**
  - Healthy demand scenario with major traction in Cloud and Infrastructure Services deals
  - 25% of the deals being fought are in the later stages of engagement.
  - Large Deals ratio - 50% deals being fought with a TCV over $5m across Zensar.
  - Digital (including RoD and RoD NeXT) witnesses impressive growth across all verticals

- **Core Business**
  - Digital & Application Services grew 13.5% YoY largely due to growth of 23.1% in Digital Services in US $ terms.
  - Cloud and infrastructure Services business clocked 32.8% QoQ growth. Next Gen Cloud grew exponentially at 70.3% on a YoY basis. Both numbers are in US $ terms.
  - All geographies grew sequentially with US, UK & SA showing a growth of 16.95%, 24.10% and 1.30% YoY respectively in US$ terms
  - The quarter saw growth in core EBITDA from 14.1% of revenue to 14.7% of revenue

- **Other Highlights**
  - Revenue from top 20 clients increased by 27.2% YoY and 6.6% QoQ in US $ terms.
  - Largest batch of Freshers inducted till date in the last quarter
  - Number of 10Mn+ clients increased from 5 to 9 in the last one year
Q1 FY20: Digital Growth

**Services Split**

(In USD Mn)

- **$153.3M**
  - 3.1% QoQ
  - 16.4% YoY

- **$127.0**
  - Digital & App Services
  - 0.6% QoQ
  - 13.5% YoY

- **$26.3**
  - Cloud & Infra Services
  - 17.1% QoQ
  - 32.8% YoY

- **$63.5**
  - Digital Services
  - 2.9% QoQ
  - 23.1% YoY

- **$63.5**
  - Core App Services
  - -1.6% QoQ
  - 5.3% YoY

- **$10.9**
  - Cloud, Digital led next gen CIS
  - 36.2% QoQ
  - 70.3% YoY

- **$9.4**
  - Core Infra Services
  - 15.0% QoQ
  - 49.2% YoY

- **$6.0**
  - Third Party Maintenance
  - -4.5% QoQ
  - -15.6% YoY

- **Digital Services 48.5% of Total Q1FY20**

**Key Points**

- Digital continues to remain strong and grew 6.7% QoQ while growing 28.3% YoY.

- Digital & Application Services grew 13.5% year on year and this was largely due to growth of 23.1% in Digital Services.

- Cloud & Infrastructure services grew at a 17.1% QoQ. Growth was slightly negated due to continuous decline in Third Party Maintenance business.
Q1 FY20: Geographical & Vertical Split

**Geographical Split**

- **US**: 76.3%
- **Europe**: 15.0%
- **Africa**: 8.7%

**Vertical Split**

- **Retail & Consumer Services**: 18.7%
- **Hi-Tech & Manufacturing**: 52.3%
- **Fin. Services**: 23.9%
- **Emerging**: 5.1%

**Geography**

<table>
<thead>
<tr>
<th>Geography</th>
<th>QoQ (cc)</th>
<th>YoY (cc)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>2.3%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Europe</td>
<td>4.0%</td>
<td>31.6%</td>
</tr>
<tr>
<td>Africa</td>
<td>14.7%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

**Vertical**

<table>
<thead>
<tr>
<th>Vertical</th>
<th>QoQ (cc)</th>
<th>YoY (cc)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail &amp; Consumer Services</td>
<td>-10.2%</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Hi-Tech &amp; Manufacturing</td>
<td>5.8%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Fin. Services</td>
<td>8.2%</td>
<td>22.5%</td>
</tr>
<tr>
<td>Emerging</td>
<td>20.8%</td>
<td>222.2%</td>
</tr>
</tbody>
</table>
# Q1 FY20: Top Clients Revenue Concentration

## Million+ Dollar Clients

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</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>5</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>5 Mn Dollar+</td>
<td>19</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>1 Mn Dollar+</td>
<td>86</td>
<td>90</td>
<td>91</td>
</tr>
</tbody>
</table>

## Revenue Concentration

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY19</th>
<th>Q4 FY19</th>
<th>Q1 FY20</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>36.0%</td>
<td>37.0%</td>
<td>38.0%</td>
<td>6.1%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>44.4%</td>
<td>47.9%</td>
<td>49.2%</td>
<td>5.9%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>56.0%</td>
<td>59.3%</td>
<td>61.3%</td>
<td>6.6%</td>
<td>27.2%</td>
</tr>
</tbody>
</table>

All growth numbers in USD Terms

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Q1FY20 Employee Details

- **Net Headcount added in the last year**: +1376
- **Highest Ever Women % in our workforce Zensarians**: 29.8%
- **Employee Attrition**: Up by 40 BPS
- **Utilisation reduced by 100BPS from last quarter**: 82.4%

### Employee Headcount

<table>
<thead>
<tr>
<th>Period</th>
<th>Support (including trainees)</th>
<th>Marketing</th>
<th>Technical - BPO / Others</th>
<th>Technical - Offshore</th>
<th>Technical - Onsite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 19</td>
<td>2,012</td>
<td>5,761</td>
<td>5,922</td>
<td>6,188</td>
<td>2,579</td>
</tr>
<tr>
<td>Q2 FY 19</td>
<td>2,258</td>
<td>5,723</td>
<td>5,922</td>
<td>6,188</td>
<td>2,579</td>
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<tr>
<td>Q3 FY 19</td>
<td>2,346</td>
<td>9,456</td>
<td>9,748</td>
<td>10,166</td>
<td>6,213</td>
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<tr>
<td>Q4 FY 19</td>
<td>2,412</td>
<td></td>
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<tr>
<td>Q1 FY 20</td>
<td>2,579</td>
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</table>
Analyst Coverage & Mentions

RoD Conclave, Boston 2019

Successfully concluded Zensar’s first-ever Analyst and Advisor meet in Boston on April 9, 2019. **Attended by more than 50 Analysts** from leading firms like Gartner, IDC, Novarica, ISG, Forrester, Avasant, etc.

Zensar mentioned in the Gartner Magic Quadrant for Oracle Cloud Application Services, Worldwide

Named a Top 15 Sourcing Standout by Information Services Group (ISG)

Zensar named as a Major Contender in the Everest Group Digital Services PEAK Matrix™ Assessment 2019
Stock Price and Shareholding Pattern

Equity Share Information:
- Share Price (26th July 2019): INR 215.6/ share
- Market Cap (26th July 2019): INR 4,866 Crs
- Financial Year: April to March
- Face Value: INR 2 / 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 June 2019):
- Promoter: 48.9%
- Apax Partners: 17.0%
- FPIs: 11.3%
- DIIs/Others: 22.9%
RPG Group Overview

Analyst Presentation for the quarter ending
June 30, 2019
RPG Group: Key Financials

FY15-19 CAGR: 5.6%

Gross Total Income (Rs Cr.)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Total Income</td>
<td>19,183</td>
<td>19,271</td>
<td>20,052</td>
<td>21,766</td>
<td>23,833</td>
</tr>
</tbody>
</table>

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 26th July 2019

FY15-19 CAGR:

EBITDA: 9.8%  PAT: 10.4%

<table>
<thead>
<tr>
<th>Year</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,668</td>
<td>739</td>
<td>879</td>
<td>980</td>
<td>1,031</td>
</tr>
<tr>
<td>PAT</td>
<td>2,014</td>
<td>1,099</td>
<td>2,045</td>
<td>2,218</td>
<td>2,423</td>
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Market Cap

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<tr>
<td>Group</td>
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<td>CEAT</td>
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<td>KEC</td>
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<td>4,886</td>
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<td>ZENSAR</td>
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</tbody>
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3) Market Cap updated till 26th July 2019
Thank You