Zensar Technologies
Analyst Presentation, Q2FY19
Qtr. Ending Sept. 30, 2018
Safe Harbour

This presentation may include statements which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

The information contained in these materials has not been independently verified. None of the Company, its Directors, Promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this document or its contents or otherwise in connection with this document, and makes no representation or warranty, express or implied, for the contents of this document including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this document or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The information and opinions contained in this presentation are current, and if not stated otherwise, as of the date of this presentation. The Company undertake no obligation to update or revise any information or the opinions expressed in this presentation as a result of new information, future events or otherwise. Any opinions or information expressed in this presentation are subject to change without notice.

This presentation does not constitute or form part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Zensar Technologies Limited (the “Company”), nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefore. Any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. The distribution of this document in certain jurisdictions may be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.
Zensar Technologies is a $522+ Mn organisation (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 53+ years
- One of the fastest growing digital revenues in the sector
Zensar Business Update
Q2 FY19 : Executive Summary

- **Revenue Growth**
  - 2.3% QoQ & 16.5% YoY in USD terms
  - 4.1% QoQ & 17.5% YoY in CC terms

- **EBITDA**
  - Stands at 12.9% of Revenue
  - 3.1% decline QoQ
  - 27.1% growth YoY

- **PAT**
  - Stands at 9.6% of Revenue
  - 8.6% growth QoQ
  - 36.7% growth YoY

- Digital now at 44.2% of total revenue, with 5 quarter CQGR of 8.1%

- Total bookings of $290m+ in H1FY19 including more than $120m in Q2FY19
# Q2 FY19 Financials

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q2 FY19</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD Mn</td>
<td>INR Cr</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$ 138.1</td>
<td>₹ 968.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 17.8</td>
<td>₹ 125.0</td>
</tr>
<tr>
<td>EBIT</td>
<td>$ 14.6</td>
<td>₹ 102.6</td>
</tr>
<tr>
<td>PAT</td>
<td>$ 13.3</td>
<td>₹ 93.4</td>
</tr>
<tr>
<td>EPS (Diluted)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INR/Share</th>
<th>Q-o-Q</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (Diluted)</td>
<td>4.1</td>
<td>13%</td>
</tr>
</tbody>
</table>
Q2 FY19: Key Achievements

**Continued New Win Momentum**
- **Net new** multi-year multi-million dollar Infra win with medical devices firm
- Multiple Deal Wins at our largest client
- Net New deal win by Keystone Logic at a top retailer

**Digital Updates**
- Continued Mega-growth in digital revenues – 44.2%
- Innovation @Zensar – 12 patents filing for the quarter ended September, marking Zensar’s focus on innovation

**Strengthening of brand ‘Zensar’**
- One of the leading Business Process Service Providers offering RPA C&SI services
- Foolproof recognized as Econsultancy’s Top 10 Design and Build Agencies
- Case Study by Harvard Business School

**Continued highest Quarterly Revenue, Headcount and 5+M pa clients**
- $138M+, highest ever revenue, Q2 FY19
- **Headcount- 9482** (net addition of 360 employees QoQ, 1000+ increase YoY)
- 20 accounts of $5m+ Annual revenues (QoQ increase of 1 and YoY increase of 6)
Key Financial Updates – Q2 FY19 (in USD terms)

5th Qtr. Of QoQ Revenue Growth

5th Qtr of CC Revenue Growth

5th Qtr. Of US Revenue Growth

5th Qtr. of Organic Europe Revenue growth

5th Qtr. Of Top-5 Clients Revenue growth

PAT over the last year
Core Business (w/o MVS, ROW), $M

- Core business grew at 2.4% Q-o-Q and 19.0% Y-o-Y, EBITDA at 15% of the Revenue
- Growth led by Europe and CIS business; Europe grew 10.9% in cc terms and Africa grew by 5.6% in cc terms in Q1FY19
- Growth led by Manufacturing vertical which grew by 8.4% in cc terms in Q2FY19; Financial Services grew at 5.0% in cc terms sequentially

Digital Revenue, $M

- Digital services grew by 7.0% Q-o-Q in CC terms for Q2FY19 with growth led by CX, UX and Front-end development work
- Core Application Services business grew by 1.7% Q-o-Q in CC terms, whereas Core Infra Services also grew by 3.2% Q-o-Q in CC terms
Continued CIS growth from solid base built in last 2 quarters

Fastest growing services business in Zensar over the past 1 year

CIS Revenue up from $17.9M at the end of Q4FY18 to $21M at the end of Q2FY19

Steady increase in Sales Pipeline, and an impressive conversion rate with CIS business seeing a spike in number of RFPs responded to, $45M+ in booking this quarter

Changed strategy focus and services portfolio; Renewed focus on new competencies
Q2 FY19 : Key Business Highlights

❑ **Pipeline quality and Large Deals**
  - Pipeline quality is healthy with over 25% of deals in later stages of engagement
  - Demand side environment looks good with more deals being actively fought in the CIS space
  - Focus on Large Deals reflected in 40% deals being fought with a TCV over $10m across Zensar

❑ **Core Business**
  - Retail – Ramp down in some accounts led to a softer quarter for this business
  - UK, SA and other core businesses continue to deliver, and CIS business is on a high growth trajectory with a healthy pipeline and bookings
  - Company focus on top 20 accounts paying dividends which is reflected in a higher % of business, with a 3.2% sequential growth

❑ **Acquired Entities**
  - **Foolproof** – Added top logos in Insurance and Hitech space, top accounts continue to grow QoQ
  - **Keystone Logic** – Growth led by top account with a new logo being added each quarter
  - **Cynosure** – Business Integration with Zensar complete, soft quarter due to delay in a project at a key customer
  - **Indigo Slate** – Business still being integrated with an impressive set of accounts to work with

❑ **Renewed Leadership**
  - New CMO, Global head for Central Practices Organisation and Delivery Head for Retail business
Q2 FY19 Financials – Digital Growth

Service Split
(In USD Mn)

- **$117.2** Digital & App Services
  - 2% QoQ
  - 19.2% YoY

- **$21** Cloud & Infra Services
  - 3.9% QoQ
  - 3.2% YoY

- **$63** Core App Services
  - -0.3% QoQ
  - 8.4% YoY

- **$6.85** Cloud, Digital led next gen CIS
  - 7.1% QoQ
  - 95.9% YoY

- **$6.85** Core Infra Services
  - 2.9% QoQ
  - -32.4% YoY

- **$7.3** Third Party Maintenance
  - 2.8% QoQ
  - 9.5% YoY

- $138.1M
  - 2.3% QoQ
  - 16.5% 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 is helping 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, Cynosure being a pivot in the Insurance space.*
Q2FY19 Financials – Geographical & Vertical Split

**Geographical Split**

- **US**: 2.8% (QoQ) | 20.1% (YoY)
- **Europe**: 10.9% (QoQ) | 17.4% (YoY)
- **Africa**: 5.6% (QoQ) | 7.4% (YoY)
- **ROW**: 0.4% (QoQ) | -31.5% (YoY)

All growth numbers in USD Terms unless CC mentioned.

**Vertical Split**

- **Revenue**
  - **21.7%** Retail & Consumer Services
  - **52.5%** Hi-Tech & Manufacturing
  - **23%** Fin. Services
  - **2.8%** Emerging

- **Revenue Breakdown**
  - **37.7%** Hi-Tech
  - **14.8%** Mfg
  - **18.4%** Insurance
  - **4.6%** Banking

www.zensar.com | © Zensar Technologies 2018
## Q2 FY19 Revenue Mix

### Million Dollar Clients

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Q1FY19</th>
<th>Q2FY19</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>3</td>
<td>5</td>
</tr>
<tr>
<td>5 Mn Dollar+</td>
<td>8</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>1 Mn Dollar+</td>
<td>70</td>
<td>72</td>
<td>78</td>
</tr>
</tbody>
</table>

### Revenue Concentration

<table>
<thead>
<tr>
<th></th>
<th>Q2FY18</th>
<th>Q1FY19</th>
<th>Q2FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>35.3%</td>
<td>37.6%</td>
<td>38.2%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>43.6%</td>
<td>45.7%</td>
<td>46.7%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>56.1%</td>
<td>57.1%</td>
<td>57.6%</td>
</tr>
</tbody>
</table>
Q2 FY19 Employee Details

### Utilization

<table>
<thead>
<tr>
<th>Category</th>
<th>Excluding Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>82.6%</td>
</tr>
</tbody>
</table>

### Attrition

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition (YTD)</td>
<td>17.0%</td>
</tr>
</tbody>
</table>

### Headcount

**Q1FY19 Headcount**  
9,122

**Net Additions**  
360

**Q2FY19 Headcount**  
9,482

#### Technical

- Onsite: 2,274
- Offshore: 6,044
- BPO/Others: 284

#### Marketing: 80

#### Support (including Trainees): 800

**% of women employees:** 27.05%
Stock Price and Shareholding Pattern

**Equity Share Information:**
- Share Price (17th October 2018): INR 278.2/ share
- Market Cap (17th October 2018): INR 6,259.5 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 September 2018):**

- Promoter: 48.9%
- Apax Partners: 16.8%
- FPIs: 11.4%
- DIIs/ Others: 22.9%
Analyst Recognition in the Quarter

**Report Mentions:**

- Zensar names in the Everest Enterprise QA Services PEAK
- Zensar named as Major Contender in Everest Group Digital Workplace Services Market Trends and PEAK Matrix™ Assessment for second consecutive year
- Zensar recognized as a leader in Zinnov Zones - Retail Digital Services Ratings

**Report Mentions:**

- The Gartner Digital Commerce Vendor Guide, 2018
- Gartner Competitive Landscape: Consulting and System Integration Service Providers for Robotic Process Automation 2018
- Hype Cycle for Enterprise Architecture, 2018
- Market Guide for Salesforce Implementation Services, 2018

**Report Mentions:**

- Zensar recognized in ISG Cloud Services Archetype Report as Next-Gen Leader
- Zensar recognized in ISG Infrastructure & Data Center/Private Cloud Archetype Report and noted for our digital transformation and automation initiatives

- Zensar mentioned in Nelson Hall report for IT Services: Cognitive IT Infrastructure Management
Delivering business impact for clients

$20 Bn Retailer delivers customer delight resulting in increasing Gross Merchandise Value

Customer centricity enabled digital to reach 22% of overall revenue

Global Insurance Leader – AI Solutions are helping drive Customer Acquisition; 40% improvement

Driving HNI customer acquisition with Visual AI and ML capabilities

AI driven Real-time driving patterns enabled the company to devise behaviour centric policies to reduce vehicle maintenance cost by 38%

Predictive analytics helps leading transportation company achieve 80% utilization

$50 Bn Hi-Tech Manufacturer utilizes Advanced Analytics, Blockchain and SaaS platforms to transform Marketing, Supply Chain, Sales and Services

New Product Digitization reduces time to market to 24 hours from six weeks
Launched RoD NeXT

Expanding Zensar’s proprietary digital platform, RoD - Return on Digital

Launched RoD NeXT - RoD with New & Exponential technologies

Human Experience, Smart Platforms & Artificial Intelligence built on RoD core
Analyst Presentation for the quarter ending September 30, 2018

RPG Group Overview
RPG Group: Key Financials

FY14-18 CAGR: 4.9%

- 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%

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 17th October, 2018
Thank you