 Analyst Presentation – Q2FY21
 Quarter Ending September 30, 2020
Certain statements in this release concerning our future prospects are forward-looking statements which involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially. This release and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. However the same are subject to risks and uncertainties, including but not limited to, our ability to manage growth; fluctuations in earnings / exchange rates; intense competition in IT services including factors affecting cost advantage; wage increases; ability to attract and retain highly skilled professionals; time and cost overruns on fixed price, fixed-time frame or other contracts; client concentration; restrictions on immigration; our ability to manage international operations; reduced demand for technology in our service offerings; disruptions in telecommunication networks; our ability to successfully complete and integrate acquisitions; liability for damages on our service contracts; government measures in India and countries where our customer operate, withdrawal of governmental fiscal incentives; economic downturn in India, and/or around the world, political instability, legal restrictions on raising capital or acquiring companies; and unauthorized use of intellectual property and general economic conditions affecting the industry.

In addition to the foregoing, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to us, our customers, delivery models, vendors, partners, employees, general global operations and may also impact the success of companies in which we have made strategic investments, demand for Company’s offerings and the onshore-offshore-nearshore delivery model.

The results of these assumptions made relying on available internal and external information are the basis for determining the carrying values of certain assets and liabilities. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company’s current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.
Overview

Q2 FY21 Revenue at USD 131.6 M
(QoQ 0.6% in $ terms)

Part of USD 4 B RPG Group
Portfolio Company of the USD 50 B APAX Group
61.0% Digital Revenue (Q2 FY21)
Q2 FY21 Snapshot

**USD 131.6M**
Revenue, up by 0.6% QoQ
Core revenue at USD 125.8M

**34.1%**
GM, up by 530 bps QoQ

**18.8%**
EBITDA, Up 440bps QoQ
Core business EBITDA at 19.4%

**9.1%**
PAT*, Up by 170bps QoQ

**Headcount 8614**
Attrition 11.7%
Women Employee: 30.3%

**USD 1.5+B**
Pipeline

**USD 175M+**
Q2FY21 Wins
Up by 25 M QoQ

**Net Cash 117.2M USD**
Gross cash 128.7 Mn

As a commitment to focus on core business, Zensar has entered into a definitive agreement to divest TPM business

*Excluding the exceptional item of loss amounting to USD 11.9 Million on account of adjustment in respect of excess of carrying amount including goodwill over recoverable amount on classification as “Held for Sale” (Refer Note 6 of Published Quarterly Financial Results for Q2 FY21)
Revenue & EBITDA Walk

Q2 FY21

Revenue Walk
(In USD M terms)

EBITDA Walk
(In % of Rev terms)

Q1FY21
Rev Mix & Volume +2.1M
Hi-Tech Impact -2.9
Exchange Impact +1.6 M
Q2FY21

Q1FY21 USD 18.9 M
Exchange Impact +0.5 M
Volume & Utilization +1.7 M
Direct Cost Optimization +5.1 M
Q2FY21 USD 24.7 M
Exchange Impact -0.3 M
SG&A -1.1 M

Gross Margin

14.4%
0.3%
1.3%
3.7%

-0.2%
-0.7%
18.8%

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Client Metrics

MILLION DOLLAR CLIENTS (LTM)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>5M+ Clients</th>
<th>10M+ Clients</th>
<th>20M+ Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY 20</td>
<td>9</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Q3 FY 20</td>
<td>10</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Q4 FY 20</td>
<td>10</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Q1 FY 21</td>
<td>9</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Q2 FY 21</td>
<td>8</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

CLIENT CONCENTRATION

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Top 20</th>
<th>Top 10</th>
<th>Top 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 FY 21</td>
<td>62.9%</td>
<td>48.7%</td>
<td>65.2%</td>
</tr>
<tr>
<td>Q1 FY 21</td>
<td>51.4%</td>
<td>41.2%</td>
<td></td>
</tr>
<tr>
<td>Q4 FY 20</td>
<td>60.4%</td>
<td>47.0%</td>
<td></td>
</tr>
<tr>
<td>Q3 FY 20</td>
<td>63.6%</td>
<td>49.3%</td>
<td></td>
</tr>
<tr>
<td>Q2 FY 20</td>
<td>62.6%</td>
<td>48.0%</td>
<td>62.6%</td>
</tr>
</tbody>
</table>
Revenue Split

Region Split & Growth ( $ USD)

<table>
<thead>
<tr>
<th>Geography</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1.5%</td>
<td>(13.1%)</td>
</tr>
<tr>
<td>Europe</td>
<td>8.1%</td>
<td>(13.9%)</td>
</tr>
<tr>
<td>Africa</td>
<td>6.0%</td>
<td>(16.4%)</td>
</tr>
</tbody>
</table>

Vertical Split & Growth ( $ USD)

<table>
<thead>
<tr>
<th>Vertical</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Serv.</td>
<td>12.8%</td>
<td>(26.9%)</td>
</tr>
<tr>
<td>Hi-Tech</td>
<td>(4.5%)</td>
<td>(5.4%)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>(2.9%)</td>
<td>(19.9%)</td>
</tr>
<tr>
<td>Insurance</td>
<td>4.6%</td>
<td>(19.0%)</td>
</tr>
<tr>
<td>Banking</td>
<td>11.5%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Service Line Split & Growth ( $ USD)

<table>
<thead>
<tr>
<th>Service Line</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital &amp; Application Services (DAS)</td>
<td>0.8%</td>
<td>(17.8%)</td>
</tr>
<tr>
<td>Digital Foundation Services (DFS)*</td>
<td>(0.2%)</td>
<td>11.4%</td>
</tr>
</tbody>
</table>
Zensar has signed a definitive agreement with Service Express, a leading Third-Party Maintenance service provider, to divest its TPM business, by way of a 100% share sale of Zensar’s shareholding in PSI Holding Group, a Zensar subsidiary.

Consideration on Sale
USD 10M at Closing date subject to working capital adjustment + Deferred earnout of USD 5M based on performance, set out in the SPA

Estimated Loss
USD 11 - 13 M

Reiterating the focus on Core Business
As part of its long-term strategy, Zensar identified two non-core businesses – Rest of the World (RoW) business, divested in 2019 and TPM business, divested in Oct 2020.

The transaction is EBITDA accretive for Zensar

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY20 (Apr’19 – Mar’20)</th>
<th>Q1 FY21 (Apr’20 – Jun’20)</th>
<th>Q2 FY21 (Jul – Sep)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Total (w/ TPM)</td>
<td>Core Business</td>
<td>Total (w/ TPM)</td>
</tr>
<tr>
<td></td>
<td>589.5</td>
<td>566.0</td>
<td>130.8</td>
</tr>
<tr>
<td>EBITDA (%)</td>
<td>12.3%</td>
<td>12.6%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

Note: The closing of the transaction is subject to approval by shareholders of Zensar Technologies Limited.
Business Update
Wins & Pipeline Highlights

Proactive proposals land robust wins in Top existing clients

$175 Mn+

TCV wins in Q2 FY21

Healthy Pipeline at TCV 1.5Bn+

PI-BLINES

Strong Recovery in Q2FY21 post COVID Impact

Strong momentum across the DFS and BFS verticals

Focus on creating Proactive Pipeline by new propositions & financial engineering

50% pipeline from large deals (>5M USD TCV)

Large diversified American conglomerate

US-based global medical device company

Leading bank from South Africa

Large US based hi-tech company

American technical professional services firm

UK based insurance company

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Domain-Led BFSI Strategy

Market Trends that we see…

**Banking**
Traction in Digital banking, improve CX, well capitalized, regulatory compliance

**Capital Markets**
Areas include Industry consolidation, Robo-Advisory, fintech competition

**Mortgage & Lending**
Higher demand in re-financing, more mortgage default

**Payments**
Reduced transaction volumes, focus on getting newer revenue streams

**P&C Insurance**
Leveraging Telematics, Big Data, personalization

**Life & Annuity**
Higher life expectancy, low interest rates, higher market volatility

Four key levers that will help us accelerate our growth in Banking & Financial Services are...

- **BFSI Domain Capabilities**
- **Leverage Alliances & Partnerships**
- **Presence of strong Leadership**
- **Market leading offerings & solutions**

**Key Engagements**

- **360-degree services**
  - partner
  - Leading Financial Services group in South Africa

- **Digital Channel & Marketing Transformation**
  - at American payments company

- **Application Development and Automation in asset management company**

- **Multi-tower IT Infra management & Digital development at international financial institution**

Q2 FY21
Move Towards a Change in Leadership

Kishore’s discussions with major clients and board members corroborated those findings. He elaborated, “Zensar was known to be good at execution, but it was not a leader in the market. I would have to rejuvenate the entire company if I wanted to bring about change. However, Kishore knew that a certain pace of change was required. He noted, "Zensar needed to quickly figure out what its strategy would be. The world would keep moving on past it unless Zensar really stood for something that would position itself differently in the market.”

The Road Ahead for Zensar

As Kishore thought about the past few months and the learnings he had gathered at Zensar, he grappled with several questions that he had to consider in formulating his strategy for the future. Kishore had to decide if living digital was a viable option for Zensar at that juncture. Once the digital platforms that Kishore had conceptualized were in place, he hoped to leverage them in improving Zensar’s productivity, revenue, and resource utilization. He believed that, by committing the company fully to the “living digital” approach, he would prepare it to meet the high service standards that clients would demand in coming years.

Zensar Technologies: selling software to living digital

Zensar is an IT services company based in Pune, India. For many decades it had provided systems integration and business process management services to large client companies. While profitable and successful, it was a mid-tier player with about 7,000 employees. It had a solid reputation but was less well known than Infosys, TCS, or Wipro.

In 2016, a new CEO, Sandeep Kishore, was brought in to transform the company. He made some rapid initial changes, narrowing the company’s sales focus to three country markets (the US, the UK and South Africa) and cutting the number of industry sectors to three: hi-tech manufacturing, retail and consumer and banking and financial services.

“Relevancy is the new currency”
Sandeep Kishore, CEO, Zensar Technologies

He then turned his attention to the digital revolution and to the need for Zensar to move with the times. Kishore was based in Silicon Valley. He knew from first-hand experience how client expectations of service providers were changing from technical competency and skilled personnel to value-added inputs.
Six tenets of Zensar’s COVID-19 Response

Launch of Client first initiatives to drive high speed and effective client mining. Our proactive proposals continue to build a healthy pipeline.

Security monitoring—External Advisory inputs, Anti Threat Protection, Protection against phishing and ransomware attacks.

Continuous 360 stakeholder connect. Focused on business transformation offerings to reimagine & repositions customer’s business.

Focus on cash collections & conservation. Credit lines tracked closely. Improved our cash position with net cash as $117 Mn from $101 Mn QoQ.

Use of in-house digital platform to track wellness and set-up swift response. 100% Adoption of Digital Native App to track and support associate’s health real time.

Increasingly able to create billable opportunities to neutralize the COVID Impact. Attrition is down at 11.7%.
Analyst Coverage & Recognition

Zensar mentioned as "Major Contender" in Everest Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2020

Everest Group
From insight to action.

Zensar featured as Aspirant in Everest group’s Data and Analytics (D&A) Services PEAK Matrix® Assessment 2020

Gartner

Zensar mentioned in Gartner's Blockchain Market Guide

Zensar recognized as aspirants in Salesforce Marketing and Commerce Cloud Services PEAK Matrix® Assessment 2020

Everest Group
PEAK MATRIX

Zensar has been recognized as an Aspirants in Cloud-Native Application Development Services PEAK Matrix® Assessment 2020

Zensar granted US patent for its innovative tool enabling direct conversation with the organization’s leadership - ZenVerse™
RPG Group: Key Financials

FY16-20 CAGR: 7.6%

Gross Total Income (Rs Cr.)

FY16  FY17  FY18  FY19  FY20
19,271  20,052  21,766  23,833  24,682

FY16-20 CAGR:
EBITDA 6.5%   PAT 6.0%

FY16  FY17  FY18  FY19  FY20
2,014  2,045  2,218  2,423  2,594
879    980  1,031  1,099  1,111

Net Worth  ROE  ROCE

FY16  FY17  FY18  FY19  FY20
5,260  6,066  6,925  7,775  8,441
16.7%  16.2%  14.9%  14.1%  10.7%
11.6%  12.3%  12.0%  11.0%  13.2%

Market Cap

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 22nd October 2020

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Equity Share Information:
- Share Price (22nd October 2020): INR 189.70/ share
- Market Cap (22nd October 2020):INR 4,277 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 2020):
- Promoter: 49.2%
- Apax Partners: 16.0%
- FPIs: 11.9%
- DIIs/Others: 22.9%
Thank You