

Zensar reports 27.4% YoY growth in PAT for FY21

Pune, India, April 29, 2021: Zensar Technologies, a leading digital solutions and technology services company that partners with global organizations on their digital transformation journey, announced its consolidated financial results for its fourth quarter ending March 31, 2021 of the fiscal year 2020-2021.

Financial Highlights:

- In Q4FY21, the company reported revenue of \$120.2 Mn. For the year FY21, revenue was \$494.0 Mn, a decline of 12.7% YoY
- In Q4FY21, the company reported a PAT of \$12.4 Mn. For FY21, the PAT increased by 27.4% to \$47.2 Mn
- Digital was 65.9% of the revenue in Q4FY21 and 64.2% for FY21
- EBITDA declined sequentially by 5.3% but grew YoY by 21.0% in Q4FY21
- The company reported net cash of \$166.3 Mn in FY21, 178.4% YoY growth from \$59.7 Mn in FY20
- The Digital Foundation Services business grew by 6.0% YoY in Q4FY21
- Europe region reported sequential growth of 4.7% QoQ and 6.7% YoY in Q4FY21
- Emerging services reported a YoY growth of 6.2% in Q4FY21
- BFSI business has reported QoQ growth of 2.0% in Banking and 2.2% in Insurance in Q4FY21

Ajay S. Bhutoria, Chief Executive Officer and Managing Director, Zensar Technologies, said, “FY21 was a year of new learnings and a focused client-centric strategy as we continued to support our customers navigating through a period of uncertainty. Our PAT for FY21 at 9.5% of the revenues has seen a healthy increase in YoY terms as we continue to focus on improving operational metrics across the board. Our clients are looking for digital transformation solutions and this has resulted in our Digital Foundation Services growing by 6.0% YoY in Q4FY21. I am pleased to see our UK/Europe regions posting a healthy growth, growing by 6.7% YoY in Q4FY21 with numerous new logos added in the last fiscal.”

Adding further, he stated, “The well-being of our global teams remains at the center of all our initiatives along with a sharp focus on what our clients need from us to deliver value to their customers.”

Navneet Khandelwal, Chief Financial Officer, Zensar Technologies said, “We have ended this fiscal with a strong cash position at \$166.3 Mn. Our DSO stood at 77 days, which underscores our initiatives to maintain sound operational metrics. The EBITDA has posted a YoY increase of 21.0% in Q4FY21 which again is in line with our focus on keeping operational parameters sound and in line with running efficient financial processes.”

**The reported numbers are for core business (excluding TPM business divested in Q3FY21) and adjusted to exclude exceptional item*

Significant Wins in Q4FY21:

- Digital commerce, testing mandate for a leading American retail store chain
- Application maintenance services for a US-based conglomerate having diversified businesses
- Application and development maintenance mandate for a US-based hi-tech company
- Digital infrastructure services for an American sports manufacturing company
- Application and integration services for a banking group based in Europe
- Application and development mandate for a leading UK-based retail chain

- CX-led digital services mandate for an American multinational financial services company
- Digital infrastructure services for a global American technology company
- Automation services for a South African-based financial services group company
- Experience design services for a UK-based media broadcast company
- Application development and integration services for a leading South African financial services group

Corporate Excellence Snapshot in Q4FY21:

- Zensar has been mentioned as a Disruptor in Avasant Applied AI and Advanced Analytics RadarView 2021
- Zensar has been mentioned as Disruptor in Avasant CX and CRM RadarView 2020-2021
- Zensar mentioned as an Aspirant in System Integrator (SI) Capabilities on Amazon Web Services (AWS) PEAK Matrix® Assessment 2021
- Zensar mentioned as an Aspirant in System Integrator (SI) Capabilities on Microsoft Azure Services PEAK Matrix® Assessment 2021
- Zensar has been mentioned as a niche player in Gartner Magic Quadrant for Managed Workplace Services, North America

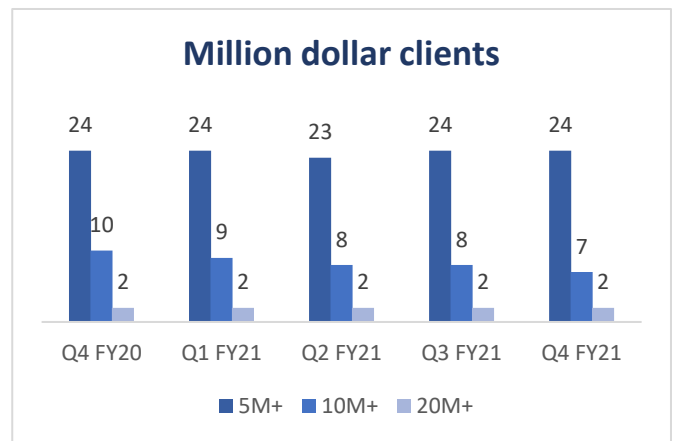
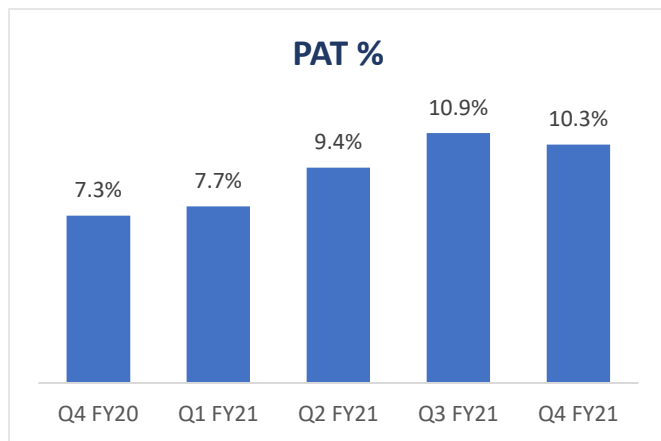
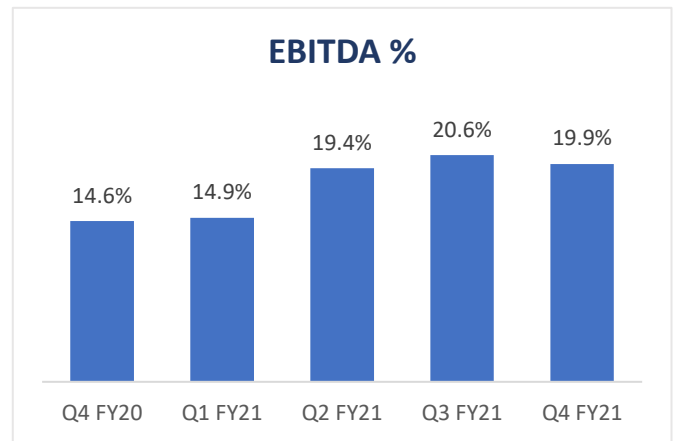
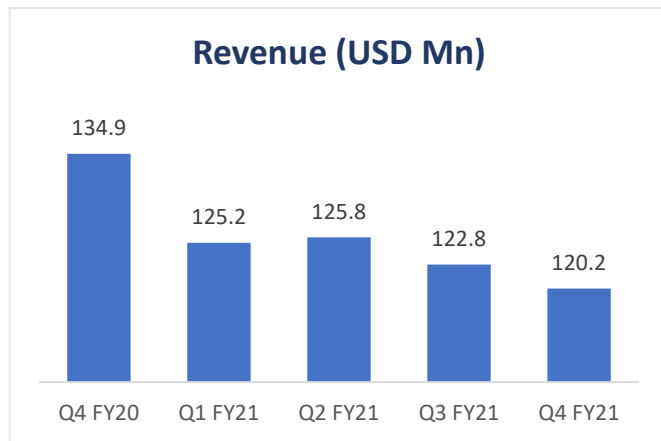
Awards and Recognitions in Q4FY21:

- Zensar wins 2020-21 Cloud Award in the category of Cloud Consultancy/MSP of the Year
- Zensar's The Vinci™ wins at 11th Annual Aegis Graham Bell Awards under the AI Powered Innovation for Enterprise category
- Recognized for Winning Edge in Digital Transformation Brought by CFO at the annual 11th CFO100 awards virtual ceremony.

Q4 FY 21 Revenue and profitability snapshot

| Particulars | Q4 FY21 | | Growth | | | | | |
|-------------|----------|--------|--------|---------|--------|---------|---------|---------|
| | USD Mn | INR Mn | Q-o-Q | | | Y-o-Y | | |
| | | | USD | INR | CC | USD | INR | CC |
| Revenue | \$ 120.2 | ₹ 8767 | (2.1%) | (3.3%) | (3.4%) | (10.9%) | (10.2%) | (12.2%) |
| EBITDA | \$ 23.9 | ₹ 1743 | (5.3%) | (6.4%) | | 21.0% | 21.9% | |
| EBIT | \$ 17.8 | ₹ 1298 | (8.9%) | (10.0%) | | 26.2% | 27.2% | |
| PAT | \$ 12.4 | ₹ 905 | (7.2%) | (8.3%) | | 26.6% | 27.6% | |

Performance Highlights



* Numbers presented above are adjusted to exclude TPM business performance and adjusted for exceptional items unless otherwise mentioned

| Income Statement (USD Mn) | Q4 FY 20 | FY 20 | Q3 FY 21 | Q4 FY21 | FY 21 |
|--|--------------|--------------|--------------|--------------|--------------|
| Operating revenue | 134.9 | 566.0 | 122.8 | 120.2 | 494.0 |
| <i>Sequential Growth</i> | -2.2% | | -2.4% | -2.1% | |
| <i>Year-Over-Year Growth</i> | -5.3% | 6.8% | -10.9% | -10.9% | -12.7% |
| Cost of revenue | 94.4 | 405.9 | 80.3 | 78.3 | 328.7 |
| Gross profit | 40.5 | 160.1 | 42.5 | 41.9 | 165.3 |
| <i>Gross profit % of revenue</i> | 30.0% | 28.3% | 34.6% | 34.9% | 33.5% |
| <i>Sequential Growth</i> | 22.6% | | -2.9% | -1.4% | |
| <i>Year-Over-Year Growth</i> | -6.0% | 1.0% | 28.9% | 3.7% | 3.3% |
| Sales and marketing expenses | 8.5 | 36.3 | 7.7 | 5.9 | 28.2 |
| General and administration expenses | 12.2 | 52.7 | 9.6 | 12.1 | 44.9 |
| Operating expenses | 20.7 | 89.1 | 17.3 | 18.0 | 73.0 |
| <i>% of revenue</i> | 15.4% | 15.7% | 14.1% | 15.0% | 14.8% |
| Other operating income | - | 0.0 | - | - | - |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 19.7 | 71.0 | 25.2 | 23.9 | 92.3 |
| <i>EBITDA % of revenue</i> | 14.6% | 12.5% | 20.6% | 19.9% | 18.7% |
| <i>Sequential Growth</i> | 109.2% | | 3.3% | -5.3% | |
| <i>Year-Over-Year Growth</i> | -2.0% | -5.4% | 167.3% | 21.0% | 29.9% |
| Depreciation and amortisation | 5.6 | 22.1 | 5.7 | 6.1 | 23.3 |
| Earnings before interest and tax (EBIT) | 14.1 | 48.9 | 19.5 | 17.8 | 68.9 |
| <i>EBIT % of revenue</i> | 10.5% | 8.6% | 15.9% | 14.8% | 14.0% |
| <i>Sequential Growth</i> | 276.9% | | 4.5% | -8.9% | |
| <i>Year-Over-Year Growth</i> | -15.5% | -22.0% | 422.1% | 26.2% | 40.9% |
| Interest | 2.4 | 8.5 | 1.8 | 1.7 | 7.2 |
| Exchange Gain/(Loss) | 0.9 | 6.4 | -0.8 | -0.5 | -1.5 |
| Other income | 1.3 | 6.1 | 1.5 | 1.4 | 4.9 |
| Profit before tax | 13.9 | 52.8 | 18.4 | 17.0 | 65.1 |
| <i>% of revenue</i> | 10.3% | 9.3% | 15.0% | 14.2% | 13.2% |
| <i>Sequential Growth</i> | 85.5% | | 12.4% | -7.5% | |
| <i>Year-Over-Year Growth</i> | -24.0% | -23.2% | 145.0% | 22.1% | 23.2% |
| Provision for taxation | 3.8 | 14.7 | 4.9 | 4.3 | 17.0 |
| Profit after tax (before minority interest) | 10.1 | 38.2 | 13.5 | 12.7 | 48.1 |
| <i>% of revenue</i> | 7.5% | 6.7% | 11.0% | 10.6% | 9.7% |
| Minority interest | 0.3 | 1.2 | 0.2 | 0.3 | 0.9 |
| Profit after tax | 9.8 | 37.0 | 13.4 | 12.4 | 47.2 |
| <i>Profit after tax % of revenue</i> | 7.3% | 6.5% | 10.9% | 10.3% | 9.5% |
| <i>Sequential Growth</i> | 82.4% | | 13.3% | -7.2% | |
| <i>Year-Over-Year Growth</i> | -23.4% | -23.7% | 148.8% | 26.6% | 27.4% |

* Numbers presented above are adjusted to exclude TPM business performance and adjusted for exceptional items unless otherwise mentioned

| Income Statement (INR Mn) | Q4 FY 20 | FY 20 | Q3 FY 21 | Q4 FY21 | FY 21 |
|--|--------------|---------------|--------------|--------------|---------------|
| Operating revenue | 9,763 | 40,102 | 9,065 | 8,767 | 36,682 |
| <i>Sequential Growth</i> | -0.6% | | -3.2% | -3.3% | |
| <i>Year-Over-Year Growth</i> | -2.7% | 8.1% | -7.7% | -10.2% | -8.5% |
| Cost of revenue | 6,835 | 28,756 | 5,925 | 5,708 | 24,417 |
| Gross profit | 2,928 | 11,347 | 3,140 | 3,059 | 12,264 |
| <i>Gross profit % of revenue</i> | 30.0% | 28.3% | 34.6% | 34.9% | 33.4% |
| <i>Sequential Growth</i> | 24.6% | | -3.6% | -2.6% | |
| <i>Year-Over-Year Growth</i> | -3.5% | 2.4% | 33.6% | 4.5% | 8.1% |
| Sales and marketing expenses | 613 | 2,573 | 569 | 431 | 2,090 |
| General and administration expenses | 886 | 3,739 | 708 | 885 | 3,332 |
| Operating expenses | 1,499 | 6,312 | 1,277 | 1,316 | 5,423 |
| <i>% of revenue</i> | 15.4% | 15.7% | 14.1% | 15.0% | 14.8% |
| Other operating income | - | 2 | - | - | - |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 1,429 | 5,037 | 1,863 | 1,743 | 6,841 |
| <i>EBITDA % of revenue</i> | 14.6% | 12.6% | 20.6% | 19.9% | 18.7% |
| <i>Sequential Growth</i> | 112.6% | | 2.5% | -6.4% | |
| <i>Year-Over-Year Growth</i> | 0.7% | -4.0% | 177.1% | 21.9% | 35.8% |
| Depreciation and amortisation | 409 | 1,567 | 421 | 445 | 1,733 |
| Earnings before interest and tax (EBIT) | 1,020 | 3,470 | 1,442 | 1,298 | 5,109 |
| <i>EBIT % of revenue</i> | 10.5% | 8.7% | 15.9% | 14.8% | 13.9% |
| <i>Sequential Growth</i> | 283.0% | | 3.7% | -10.0% | |
| <i>Year-Over-Year Growth</i> | -13.3% | -20.8% | 441.1% | 27.2% | 47.2% |
| Interest | 172 | 605 | 130 | 122 | 535 |
| Exchange Gain/(Loss) | 67 | 449 | -59 | -38 | -112 |
| Other income | 94 | 435 | 107 | 104 | 367 |
| Profit before tax | 1,010 | 3,749 | 1,360 | 1,242 | 4,828 |
| <i>% of revenue</i> | 10.3% | 9.3% | 15.0% | 14.2% | 13.2% |
| <i>Sequential Growth</i> | 88.6% | | 11.5% | -8.7% | |
| <i>Year-Over-Year Growth</i> | -22.0% | -21.9% | 154.0% | 23.0% | 28.8% |
| Provision for taxation | 275 | 1,038 | 360 | 314 | 1,262 |
| Profit after tax (before minority interest) | 734 | 2,711 | 999 | 928 | 3,566 |
| <i>% of revenue</i> | 7.5% | 6.8% | 11.0% | 10.6% | 9.7% |
| Minority interest | 25 | 82 | 13 | 23 | 70 |
| Profit after tax | 709 | 2,629 | 987 | 905 | 3,497 |
| <i>Profit after tax % of revenue</i> | 7.3% | 6.6% | 10.9% | 10.3% | 9.5% |
| <i>Sequential Growth</i> | 85.4% | | 12.3% | -8.3% | |
| <i>Year-Over-Year Growth</i> | -21.4% | -22.4% | 157.9% | 27.6% | 33.0% |

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| Other Metrics | Q4 FY 20 | FY 20 | Q3 FY 21 | Q4 FY21 | FY 21 |
|--|--------------|--------------|--------------|--------------|--------------|
| Revenue by Service Offering (as % of Revenue) | | | | | |
| Digital & Application Services (DAS) | 87.3% | 87.5% | 84.9% | 84.9% | 85.0% |
| <i>Digital Services</i> | 52.3% | 47.6% | 55.0% | 55.9% | 54.5% |
| <i>Core Application Services</i> | 35.0% | 39.9% | 29.9% | 29.0% | 30.5% |
| Digital Foundation Services (DFS) | 12.7% | 12.5% | 15.1% | 15.1% | 15.0% |
| <i>Cloud, Digital Led next gen CIS</i> | 7.3% | 6.9% | 10.0% | 10.0% | 9.7% |
| <i>Core Infrastructure Services</i> | 5.4% | 5.6% | 5.1% | 5.1% | 5.3% |
| Total Digital Services | 59.6% | 54.5% | 65.0% | 65.9% | 64.2% |
| Revenue by Industry (as % of Revenue) | | | | | |
| Hi-Tech | 41.3% | 40.3% | 39.6% | 39.1% | 41.9% |
| Mfg | 11.8% | 12.5% | 12.3% | 12.4% | 12.2% |
| Consumer Services | 15.0% | 15.9% | 15.3% | 15.3% | 14.2% |
| Insurance | 20.3% | 20.2% | 19.3% | 20.2% | 19.8% |
| Banking | 9.1% | 8.0% | 9.6% | 10.0% | 9.1% |
| Emerging | 2.5% | 3.2% | 3.9% | 3.0% | 2.8% |
| Revenue by Geographical Segment (as % of Revenue) | | | | | |
| US | 73.2% | 73.6% | 70.3% | 69.6% | 72.1% |
| Europe | 15.6% | 15.9% | 17.4% | 18.6% | 16.7% |
| Africa | 11.3% | 10.5% | 12.3% | 11.8% | 11.3% |
| Revenue by Project Type (as % of Revenue) | | | | | |
| Fixed Price | 58.8% | 56.8% | 61.4% | 61.5% | 60.8% |
| Time & Materials | 41.2% | 43.2% | 38.6% | 38.5% | 39.2% |
| Constant Currency | | | | | |
| Operating revenue (Constant Currency mn) | 135.5 | 573.3 | 121.2 | 118.6 | 497.9 |
| Sequential Growth | -1.7% | 8.2% | -3.7% | -3.4% | -12.0% |
| Year-Over-Year Growth | -4.0% | 8.2% | -10.6% | -12.2% | -12.0% |
| Constant Currency Growth by Industry (QoQ %) | | | | | |
| Hi-Tech | -1.3% | 10.8% | -10.6% | -3.8% | -8.9% |
| Mfg | -11.7% | 12.6% | 0.0% | -2.1% | -15.4% |
| Consumer Services | 6.1% | -19.1% | 6.2% | -3.8% | -21.6% |
| Insurance | -3.5% | 10.7% | -8.7% | 0.1% | -12.6% |
| Banking | 5.6% | 46.7% | 1.3% | -2.7% | 2.1% |
| Emerging | -8.7% | 25.0% | 78.9% | -23.8% | -22.2% |

* Numbers presented above are adjusted to exclude TPM business performance and adjusted for exceptional items unless otherwise mentioned

| Other Metrics | Q4 FY 20 | FY 20 | Q3 FY 21 | Q4 FY21 | FY 21 |
|---|--------------|--------------|--------------|--------------|--------------|
| Client Data | | | | | |
| Number of million dollar Clients (LTM Revenue) | | | | | |
| 1 Million dollar + | 82 | 82 | 83 | 78 | 78 |
| 5 Million dollar + | 24 | 24 | 24 | 24 | 24 |
| 10 Million dollar + | 10 | 10 | 8 | 7 | 7 |
| 20 Million dollar + | 2 | 2 | 2 | 2 | 2 |
| Revenue from top clients | | | | | |
| Revenue- top 5 clients | 39.6% | 38.8% | 37.8% | 37.0% | 38.8% |
| Revenue- top 10 clients | 49.0% | 49.7% | 47.8% | 48.0% | 50.0% |
| Revenue- top 20 clients | 62.9% | 63.8% | 61.9% | 63.0% | 63.7% |
| Number of active clients | 138 | 138 | 134 | 134 | 134 |
| Onsite: Offshore (as % of Revenue) | | | | | |
| Revenue mix | | | | | |
| Onsite | 62.8% | 65.2% | 57.2% | 56.6% | 59.4% |
| Offshore | 37.2% | 34.8% | 42.8% | 43.4% | 40.6% |
| Utilization | | | | | |
| Utilization (excluding Trainees) | 83.5% | 83.5% | 80.1% | 81.3% | 81.3% |
| Employee data | | | | | |
| Headcount | | | | | |
| Technical - Onsite | 2,258 | 2,258 | 1,811 | 1,820 | 1,820 |
| Technical - Offshore | 6,119 | 6,119 | 6,071 | 6,338 | 6,338 |
| Gross employees added during the period | 471 | 3,330 | 991 | 1,332 | 2,946 |
| % of women employees | 30.3% | 30.3% | 30.8% | 30.1% | 30.1% |
| Attrition | 16.3% | 16.3% | 12.9% | 14.8% | 14.8% |

** Numbers presented above are adjusted to exclude TPM business performance and adjusted for exceptional items unless otherwise mentioned*

| Other Metrics | Q4 FY 20 | FY 20 | Q3 FY21 | Q4 FY21 | FY 21 |
|--|--------------|--------------|--------------|--------------|--------------|
| Exchange Rates | | | | | |
| Rupee Dollar Rate | | | | | |
| Period Closing Rate | 75.7 | 75.7 | 73.1 | 73.1 | 73.1 |
| Period Average Rate | 72.4 | 70.9 | 73.8 | 72.9 | 74.2 |
| Accounts receivables (in days) | | | | | |
| Billed | 51 | 51 | 48 | 51 | 51 |
| Unbilled | 35 | 35 | 25 | 26 | 26 |
| Total | 86 | 86 | 73 | 77 | 77 |
| Cash and Cash Equivalents (USD mn) ** | | | | | |
| <i>Balances with Banks:</i> | 68.3 | 68.3 | 99.1 | 95.6 | 95.6 |
| Investment in Mutual Funds ** | 35.3 | 35.3 | 61.1 | 70.7 | 70.7 |
| Debt (USD mn) ** | 43.8 | 43.8 | - | - | - |
| Total Outstanding Hedges (In USD) ** | 163.1 | 163.1 | 120.6 | 122.3 | 122.3 |
| Capex (USD Mn) ** | 2.3 | 11.0 | 1.0 | 0.3 | 5.3 |

** Not adjusted for TPM

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About Zensar (www.zensar.com)

Zensar is a digital solutions and technology services company that partners with global organizations across industries to achieve digital transformation. With a strong track record of innovation, investment in digital solutions, and commitment to client success, Zensar's comprehensive range of services and solutions help clients achieve new thresholds of business performance through client satisfaction, excellence in delivery, and innovation.

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For any queries please feel free to reach out:

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Safe Harbor

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



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