

Zensar Technologies

Analyst Presentation for the quarter ending 31st December, 2017

Agenda



Zensar Business
Update



Return on Digital[®]
Update



RPG Group
Overview

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Company Overview

Zensar Technologies
is a \$460* Mn
organisation

- \$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

A man and a woman are looking at a laptop screen. The man is on the right, wearing a white shirt and a dark tie, and has a beard and glasses. The woman is on the left, wearing a dark top, and is pointing at the screen. They are both smiling. The background is blurred, showing an outdoor setting with a thatched roof. The entire image has a dark red overlay.

Zensar Business Update



Key Updates of the Quarter, Q3 FY18

- ✓ Revenue up by 3.4% sequentially in USD terms
- ✓ All profitability metrics except PAT improved sequentially:
 - GP, EBITDA grew by 8.2%, 17.9% respectively while PAT declined by 6.3% due to higher tax and lower exchange gains
- ✓ All core territories grew sequentially except Europe which was impacted by Furloughs
- ✓ We won deals worth \$100M + in the quarter
- ✓ Application Management services grew by 3.5% in CC terms on the back of our Digital revenue
- ✓ Infrastructure Management business grew 3.5% sequentially driven by strong growth in the services business
- ✓ Digital now at 38.8% of total revenue; growth of 9% sequentially and 35% Y-o-Y
- ✓ Keystone and Foolproof had a good quarter and the combined capability set of Zensar, Foolproof and Keystone continue to generate excellent traction
- ✓ We booked another \$1Million revenue in Q3 for ZenRoD ® – Zensar's proprietary native digital platform

Financial Updates

REVENUE

\$122.6 M

\$ Growth: 3.4% QoQ,
5.1% YoY;
CC growth: 3.5% QoQ,
3.9% YoY

GROSS PROFIT

\$36.9 M

(30.1% of revenue)
\$ Growth: 8.2% QoQ,
4.7% YoY

EBITDA

\$16.5 M

(13.5% of revenue)
\$ Growth: 17.8% QoQ,
1.6% YoY

PAT

\$9.1 M

(7.4% of revenue)
\$ Growth: -6.3% QoQ,
-23.1% YoY

Biz. Unit wise QoQ* performance

Territory wise performance

- US regains the growth momentum, revenue increased by 5.3% QoQ
- Africa grew by 3.0%
- Europe fell by 2.3% due to Furloughs in Foolproof clients

Vertical wise performance

- BFSI, Manufacturing and Retail grew 6.0%, 5.0% and 1.8% respectively

Digital Revenue @ 38.8%

- Revenue grew 9.0% QoQ and 35.0% YoY

Digital Solution Launch

RoD Launches

ZenRoD® – Zensar’s proprietary native digital platform – continues to gain significant momentum in the market in the first quarter post launch

Zensar achieved ~\$ 1 Million in Revenue & influenced booking worth ~\$ 8 Million during Q3.

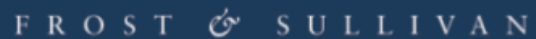


Analyst Recognition in the Quarter



Report Mentions

- Zensar mentioned in Everest Group Cloud Enablement Services – Market Trends and PEAK Matrix™ Assessment



White Papers

- Zensar released a new white paper 'Unleashing the Power of Blockchain' with insights from Frost & Sullivan focusing on the disruptive application of Blockchain led ecosystem



Report Mentions

- Zensar named in Gartner Market Guide for Enterprise Architecture Consulting
- Zensar mentioned in Gartner Competitive Landscape : Partnering with Third Party Maintenance Providers for Data Center and Network Maintenance Cost Optimization



Report Mentions

- Zensar named 'Rising Star' in ISG Provider Lens™ Managed Digital Workplace Quadrant Report 2017 and 'Leader' in ISG Digital Workplace Archetype Report 2017
- Zensar called out as a Product Challenger in the Application Support and Maintenance Category in the ISG Application Development and Maintenance Services Report.

Digital Wins in the Quarter

Zensar won multiple deals across Experience Design, Digital Commerce, Analytics, Automation and Social Listening



Experience Design

- ✓ For one of the global leaders in beverage;
- ✓ A leading insurer company in the UK;
- ✓ An integrated business Information Technology (IT) systems company;
- ✓ An online gaming company



Digital Commerce

- ✓ A multi-year deal for a US Apparel retailer;
- ✓ An order management deal for a US chain of luxury department stores;
- ✓ A micro-services deal for a large US home-furnishings company;
- ✓ an American company that provides vast range of business services to financial services and SMEs



Analytics

- ✓ for the largest paper and plastic packaging businesses in southern Africa



Automation

- ✓ A Robotic Process Automation mandate for one of the largest American companies in risk mitigation;
- ✓ marketing automation for US based entity that provides conflict-management services;
- ✓ for a large American hi-tech corporation; for a large US dental brand



Social Listening

- ✓ A multi-million, multi-year mandate for a large American hi-tech corporation

Traditional Services Wins in the Quarter

✓ **Zensar won multiple “Applications” deals during the quarter :**

A) Other Managed Service

- Multi million, multi-year AMS deal for a large European Banking and Financial services Group;
- Testing mandate for UK based multinational electricity and gas utility company;
- MVS deal for a leading American multinational biotechnology company;
- Multi-million Application re-engineering deal for a large American hi-tech corporation;
- Network management deal for a multinational conglomerate in the business of a broad range of products and solutions for the residential, commercial, and industrial sectors;
- Managed security mandate for a leading hotel and resort chain based in the United States;
- Data center services for a South Africa-based financial services group

B) Oracle and SAP

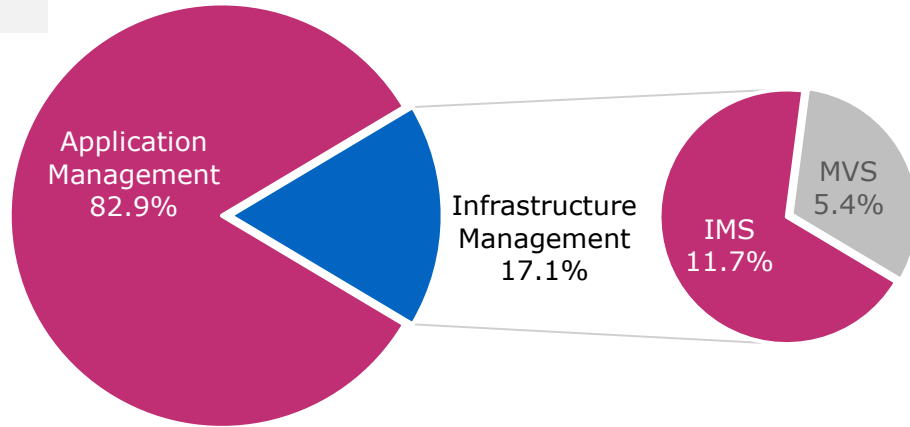
- An Oracle JD Edwards deal for Africa’s leading specialty chemicals conglomerate;
- An Oracle EBS deal for a leading American telecommunications company;
- SAP implementation for UK’s leading insurance company

Q3 FY18 Financials

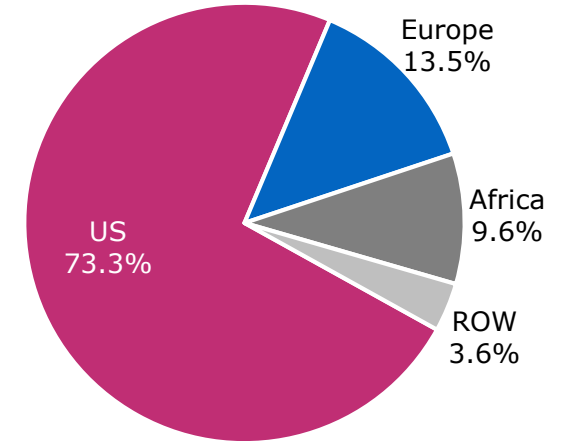
Particulars	Q3 FY18		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 122.6	₹ 793.7	3.4%	4.1%	3.5%	5.1%	0.9%	3.9%
EBITDA	\$ 16.5	₹ 106.9	17.8%	18.6%		1.6%	(2.5%)	
EBIT	\$ 14.1	₹ 91.0	23.7%	24.6%		(3.0%)	(6.9%)	
PAT	\$ 9.1	₹ 59.1	(6.3%)	(5.7%)		(23.1%)	(26.2%)	

Q3 FY18 Financials

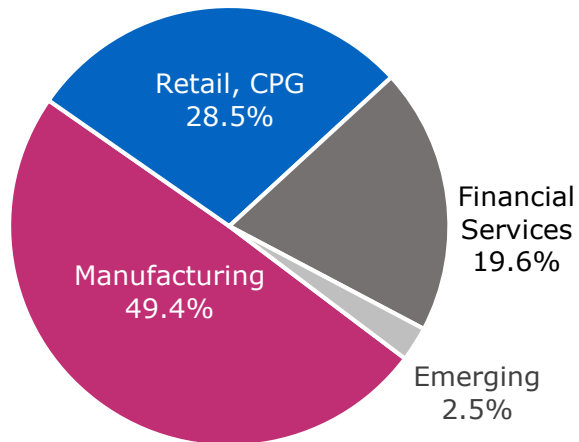
Services



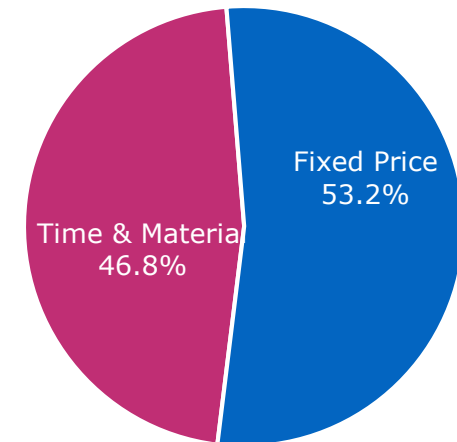
Geographies



Industries



Project



Q3 FY18 Revenue Mix

Million Dollar Clients

	Q3 FY17	Q2 FY18	Q3 FY18
20 Mn Dollar+	2	2	2
10 Mn Dollar+	4	4	4
5 Mn Dollar+	6	8	9
1 Mn Dollar+	71	70	66

Revenue Concentration

	Q3 FY17	Q2 FY18	Q3 FY18
Top 5 Clients	37.5%	35.3%	36.2%
Top 10 Clients	45.0%	43.6%	44.8%
Top 20 Clients	55.6%	56.1%	56.0%

Q3 FY18 Employee Details

Headcount

Q2 FY18 Headcount	8,414
Net Additions	183
Q3 FY18 Headcount	8,597
Technical – Onsite	1,847
Technical – Offshore	5,713
Technical – BPO/Others	243
Marketing	70
Support (including Trainees)	724
% of women employees	26.20%

Addition of technical HC both onsite and offshore

Utilization

Excluding Trainees	84.8%
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Down from 85.9% in Q2 '18 due to addition of technical HC

Attrition

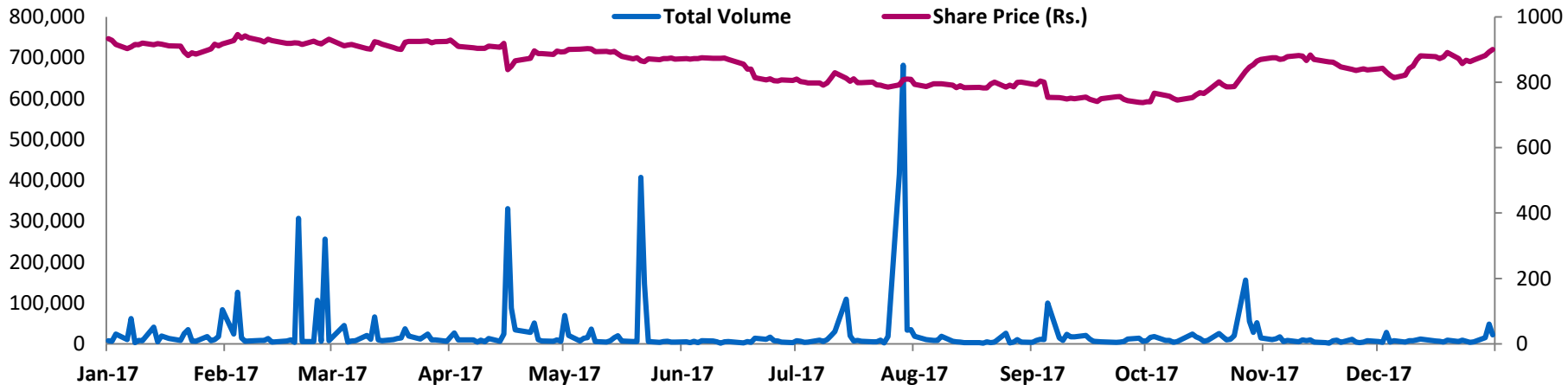
Attrition (TTM)	15.0%
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Down from 17.1% in Q1 FY18

Revenue Mix

Onsite	63.0%
Offshore	37.0%
Total	100.0%

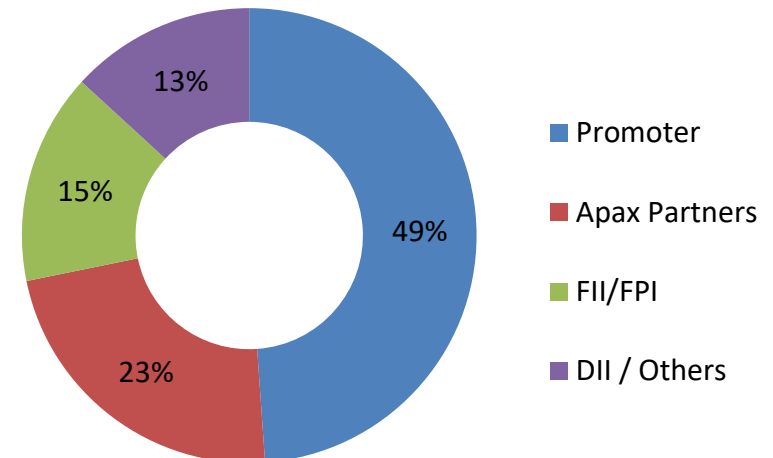
Stock Price and Shareholding Pattern



Equity Share Information:

- Share Price (10 January 2018): INR 900 / share
- Market Cap (10 January 2018): INR 4,024 Crs
- Financial Year: April to March
- Face Value: INR 10 / 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 31st Dec 2017):





Return on Digital[®] Update

Zensar Stack

Experience Design

Omni-channel Commerce

Vinci and DWS

Digital Sol, Analytica

Robotic Process Automation

CX/UX, CMO

IMS Cloud, IoT

AI, ML, Intelligent Apps

FinTech. IoT applications

The Digital Stack



Creating Business Impact for Clients



New website designed by Foolproof for an automobile major that went live recently

50% ↑ Online Test Drive Bookings

63% ↑ Information Requests

74% ↑ Motorcycle enquires to dealers

The website is driving ~£200k worth of additional revenue for the client per month



Implemented its first BOT at a large financial software company enabling processing of investments worth ZAR 600 M

99% ↑ Accuracy Improvement (up from 92%)

67% ↓ Processing time reduced

20% ↓ Reduction in team size

Implemented BOTs at a large food manufacturer in UK for processing 700M GBP worth vendor payments each quarter with 100% accuracy

Creating Business Impact for Clients



Zensar handled 100% Insurance Policies Contracts and claims for a NA based specialised insurance products provider

30% ↑ Increase in segment customer base

25% ↓ Operating cost reduction

\$225M ↑ Revenue generated through online sales

Zensar also helped increase net subscriber enrollment by \$13 Million



- Developed a big data and analytics driven '**Allocation Replay**' solution for a **large US based department store chain** which has become a critical asset for the client. The solution enabled the client's business analysts to replay order allocations on-demand, modify allocation strategies and see how it impacts the global inventory, shipping time/costs.
- Keystone's Sierra testing platform enabled smooth go-live of a large **chain of domestic merchandise retail stores** and helped them scale to allocate **250,000** orders per day in 3 days post go-live.

Creating Business Impact for Clients

\$45+ Billion
Fortune 500 company

Zensar manages Quote to Cash cycle for their Every order

- Traditional or eCommerce
- Direct or Channel
- One-time or Subscription
- Local or Global

\$15+ Billion
leading fashion retailer

Zensar handled 3 million online transactions during the seasonal retail rush with Zero Glitches through our Digital Commerce implementation and Support services

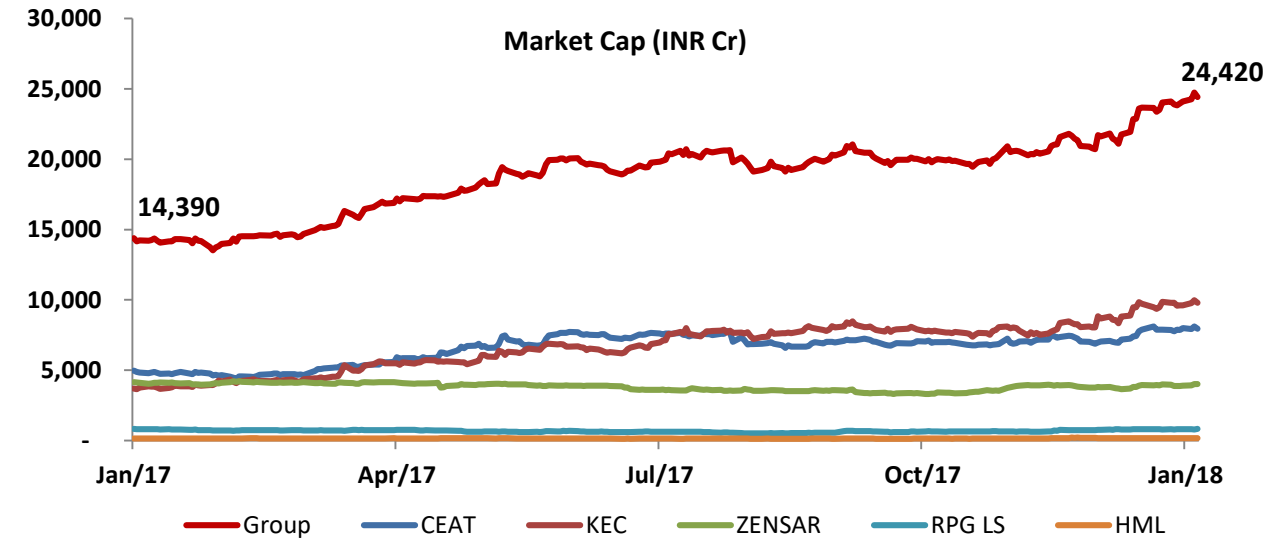
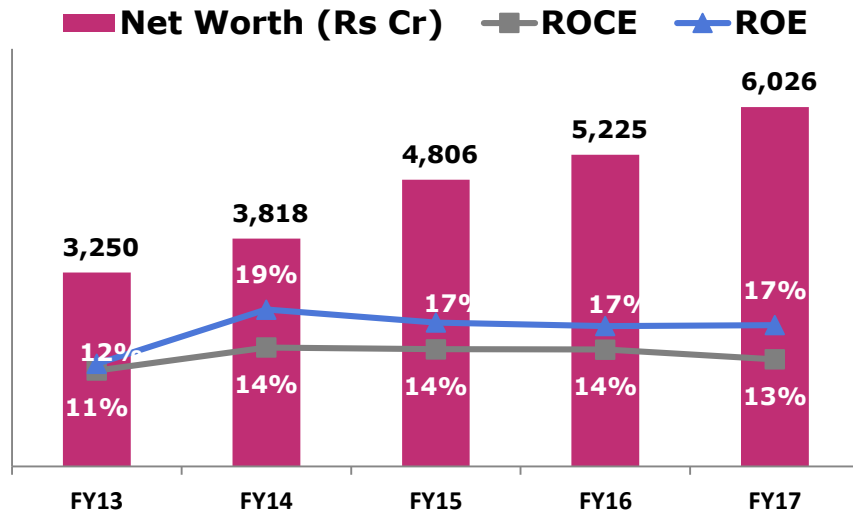
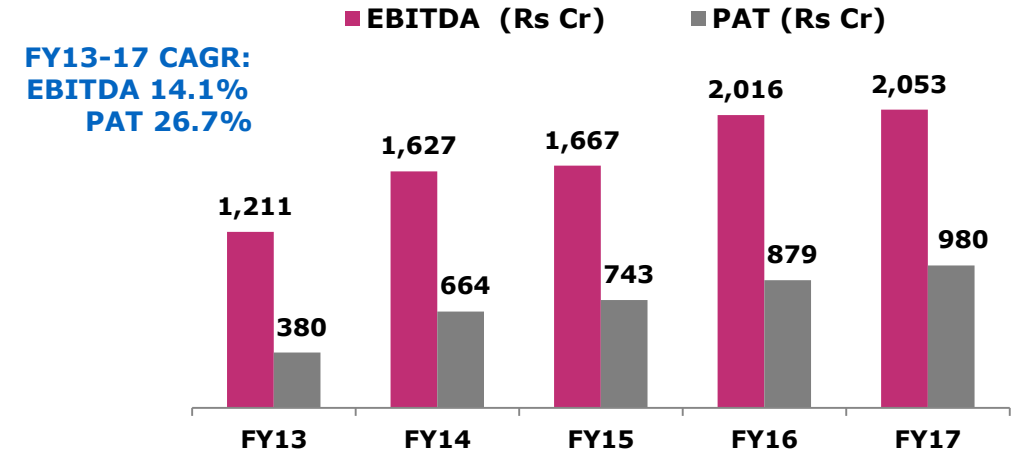
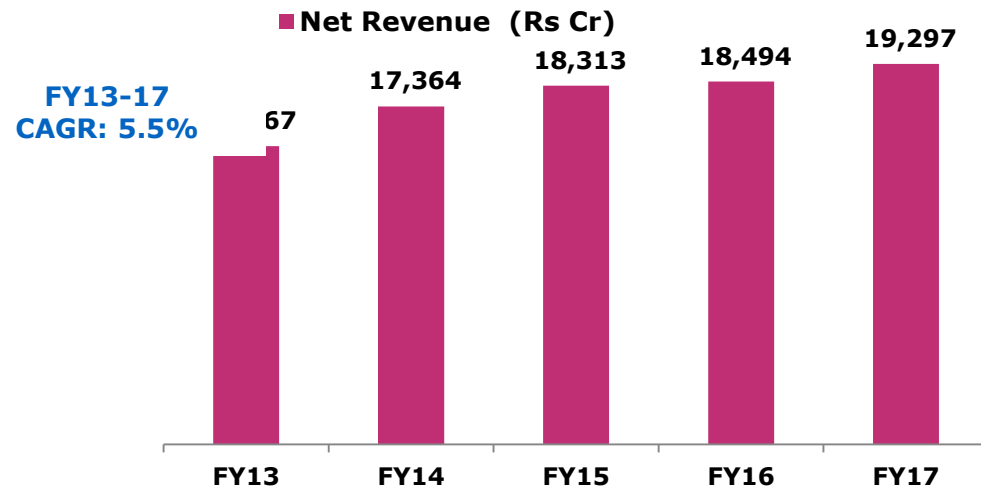
\$15+ Billion leading
manufacturing conglomerate

Merger and de-merger integration across 18 joint ventures, managed by Zensar

A background image featuring four business professionals (two men and two women) standing against a light-colored wall. They are all smiling and looking towards the camera. The man on the far left is wearing a dark suit and tie, holding a tablet. The woman next to him is wearing a dark blazer and skirt, holding a smartphone. The man next to her is wearing a checkered shirt and dark pants, holding a smartphone. The woman on the far right is wearing a light-colored blouse and dark skirt, holding a smartphone. The entire image has a blue-to-purple gradient overlay.

RPG Group Overview

RPG Group: Key Financials



Note:

- 1) ROCE is calculated by taking EBIT divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth
- 3) Market Cap updated till 17th July 2017

Return on Digital[®] with Zensar