

# Zensar Technologies Analyst Presentation



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# Section 1: RPG Group Overview

# RPG Group: Business Portfolio

USD 3 Billion Global & Diversified Indian Business Group

**CEAT**



**TYRE**

**KEC**



**INFRASTRUCTURE**

**ZenSar**  
TECHNOLOGIES



**IT**



**SPECIALITY**

## Presence in key sectors of economy

- ❖ Global presence in over 100 countries
- ❖ Employee strength of over 20,000 across geographies
- ❖ Global business of around 50%

PHARMA



PLANTATIONS



POWER / TELECOM  
ANCILLARY



# RPG Group: Governance Structure

---

## **Management Board Members (MBM)**

- ❖ Members : Chairman, CEOs, Group HR & Group Finance
- ❖ Purpose : Group level strategy decisions

## **Company Board of Directors**

- ❖ Members : Chairman, MD & Independent Directors who are experts in various fields
- ❖ Purpose : Company specific strategy decisions, results review & regulatory related aspects

## **Business Review Board (BRB)**

- ❖ Members : Chairman, Group HR, Group Finance, CEO & other Key Management Personnel of the companies
- ❖ Purpose : Strategic Planning, Annual Operating Plan & Business Performance Review

## **Centre Of Excellence (COE)**

- ❖ Functional COEs for critical functions such as Finance, IT, Manufacturing, Legal / Secretarial etc
- ❖ Platform for Best practice sharing, leverage opportunities at group level, any common agenda discussed including knowledge sharing

# RPG Group: Corporate Social Responsibility



**Flagship program** of RPG focusing on Preventive, Promotive, Rehabilitative and Curative **Eye Care interventions** ranging from children to elderly.



Program seeks to address the social need gap by **imparting practical English fluency**, both spoken and reading, to children thereby enabling them towards future employability.



Program focuses on **empowering women by** breaking the stereotypes and paving a new path for them by giving enriched driving skills which will lead to gainful employment.



**A multi skill development** program focusing on alternate livelihoods training for women e.g. tailoring, nursing & technical skills and training and education for youth.



# RPG Group: Corporate Social Responsibility



***An integrated community project*** focusing on improving all round quality of life in the areas of clean drinking water, overall health and nutrition based interventions amongst others.



***The National Digital Literacy Mission*** ('NDLM') has a vision to empower at least one person per household with digital literacy skills by 2020, Zensar has set up two NDLM Centres @ Hyderabad & Pune & Trained 41 students till date.



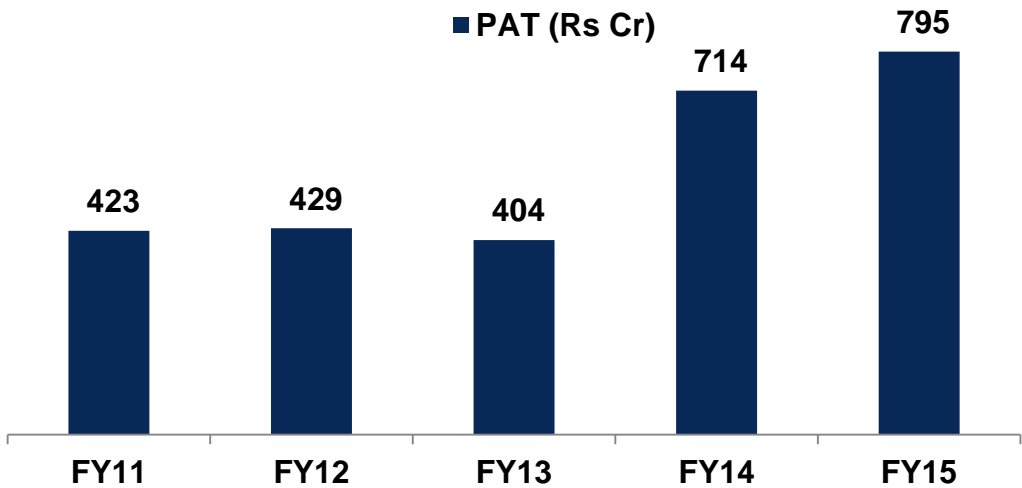
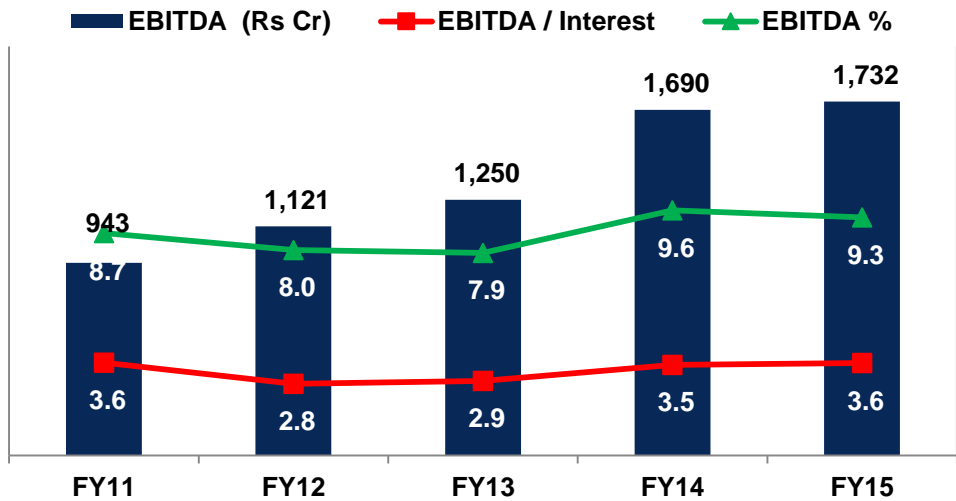
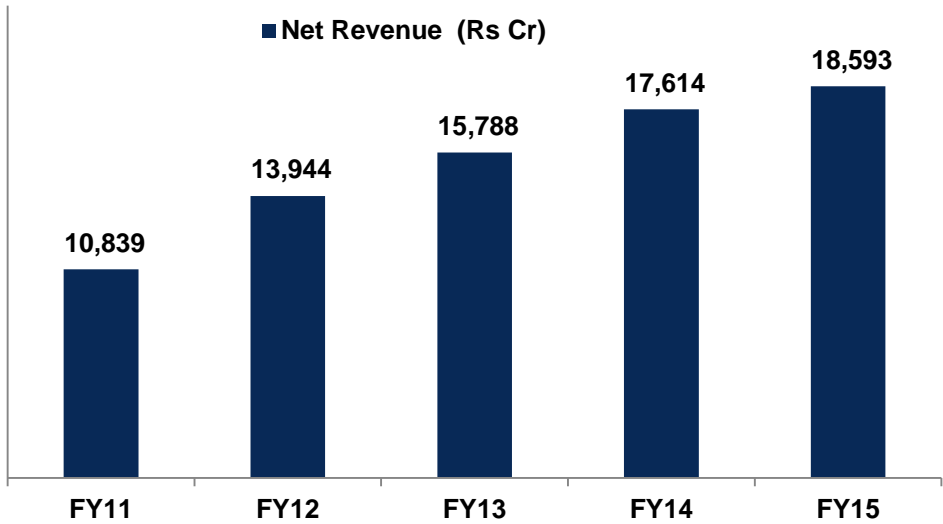
***Udaan Biodiversity Park*** is Zensar's flagship environment sustenance program. The 2 acre Udaan Biodiversity Park includes diverse flora and walking trails with informative signages for the benefit of students and visitors.



Waste Management, Awareness to public, Environment hygiene, Plastic Free Zones, Safe Agricultural Practices etc. are some of the commendable initiatives which have been undertaken by HML.

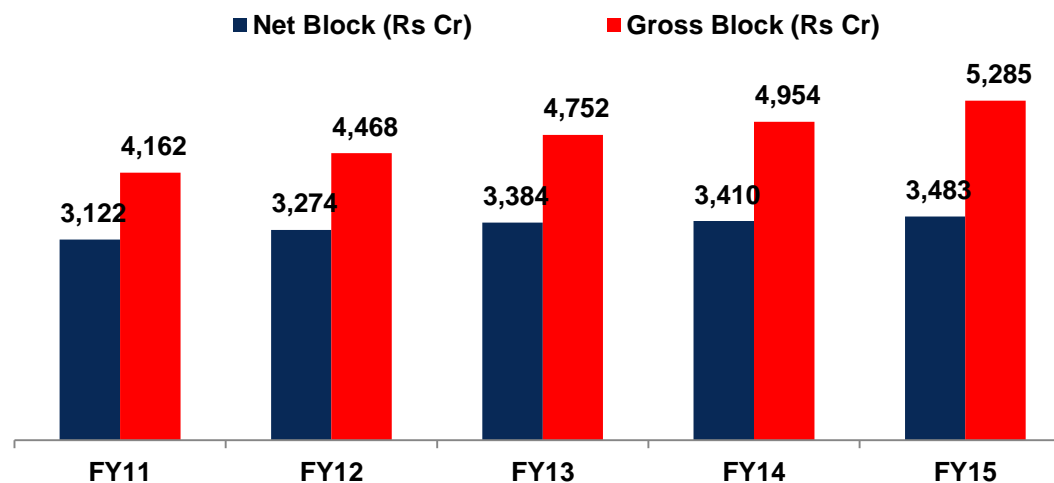
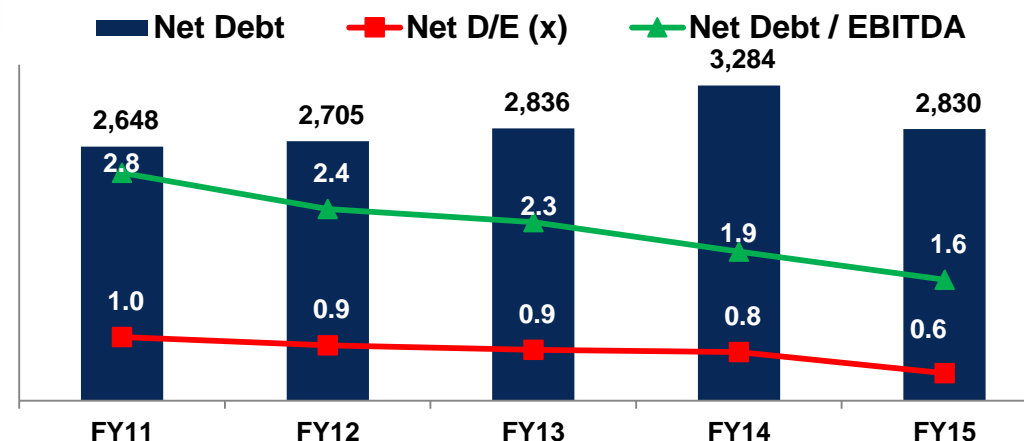
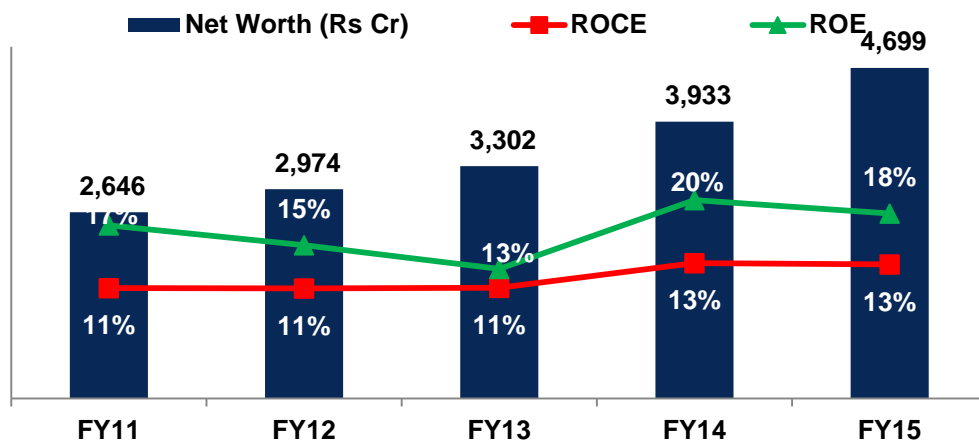


# RPG Group: Key Financials



Note:  
EBITDA % is taken on Net Revenue

# RPG Group: Key Financials

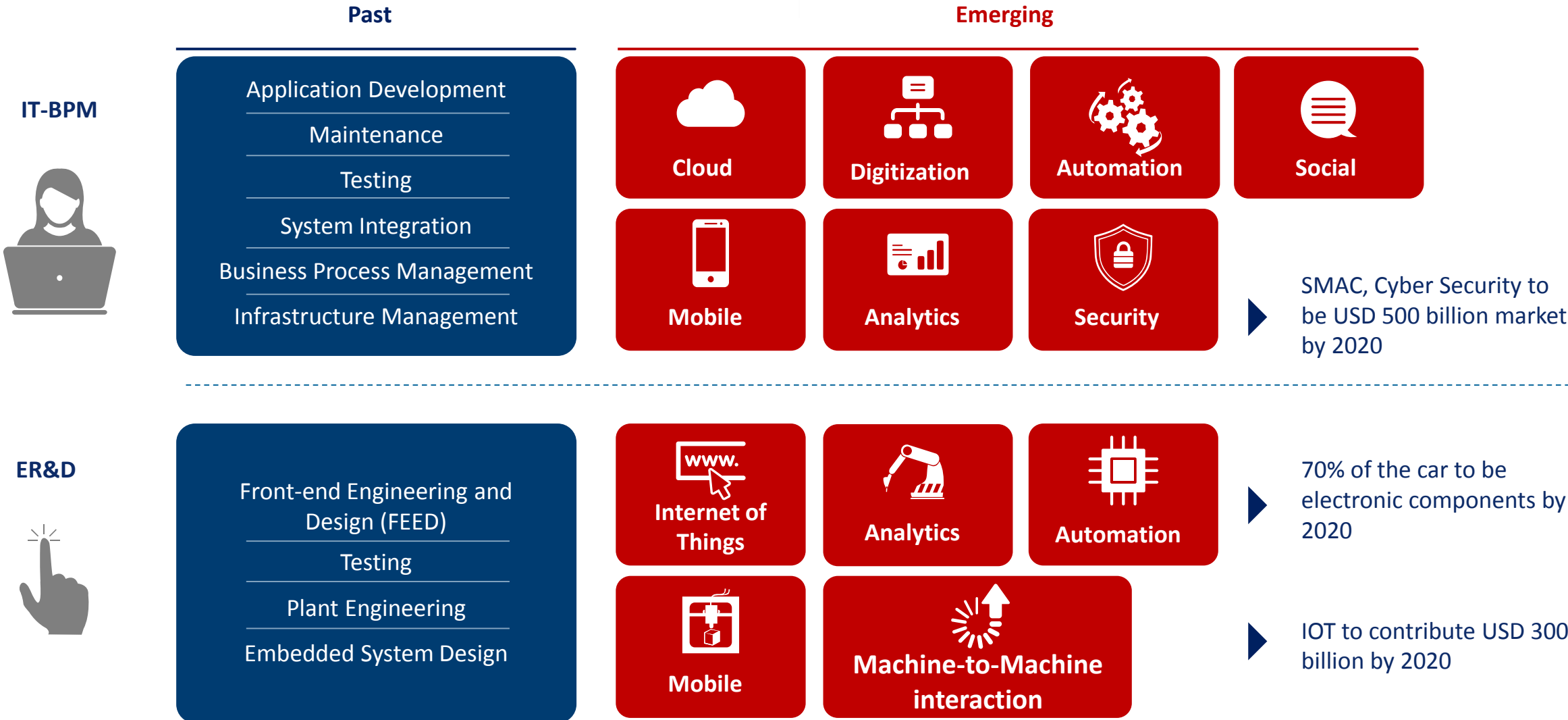


**Note:**

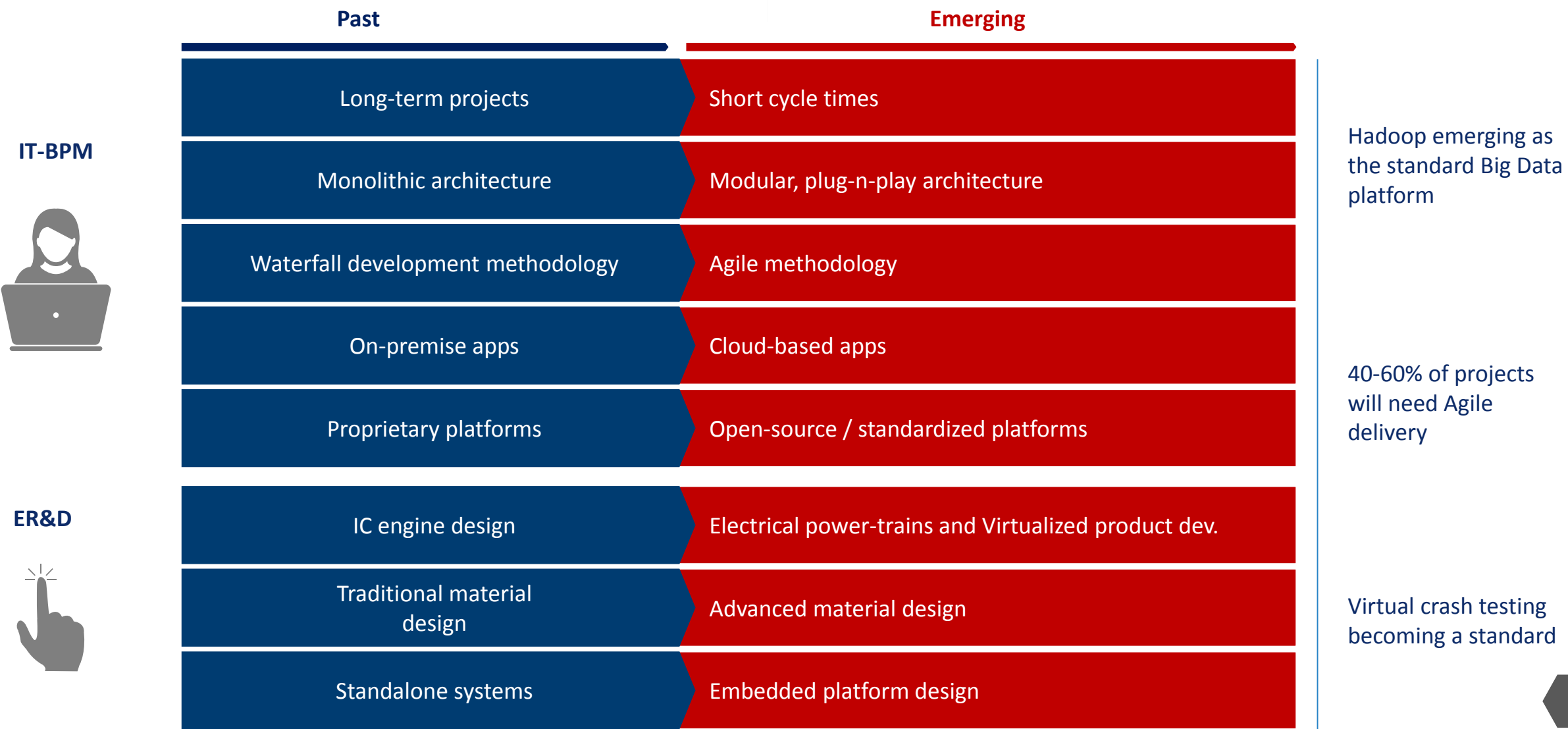
- 1) CEAT QIP proceeds are not considered in Net Debt
- 2) Average Network is taken for FY15 after adjusting QIP proceeds of CEAT
- 3) ROCE is calculated by taking Operating EBIT multiplied by (1 minus tax rate @ 33%) divided by Average Capital Employed
- 4) ROE is calculated by taking PAT divided by Average Network

## Section 2: Industry Outlook

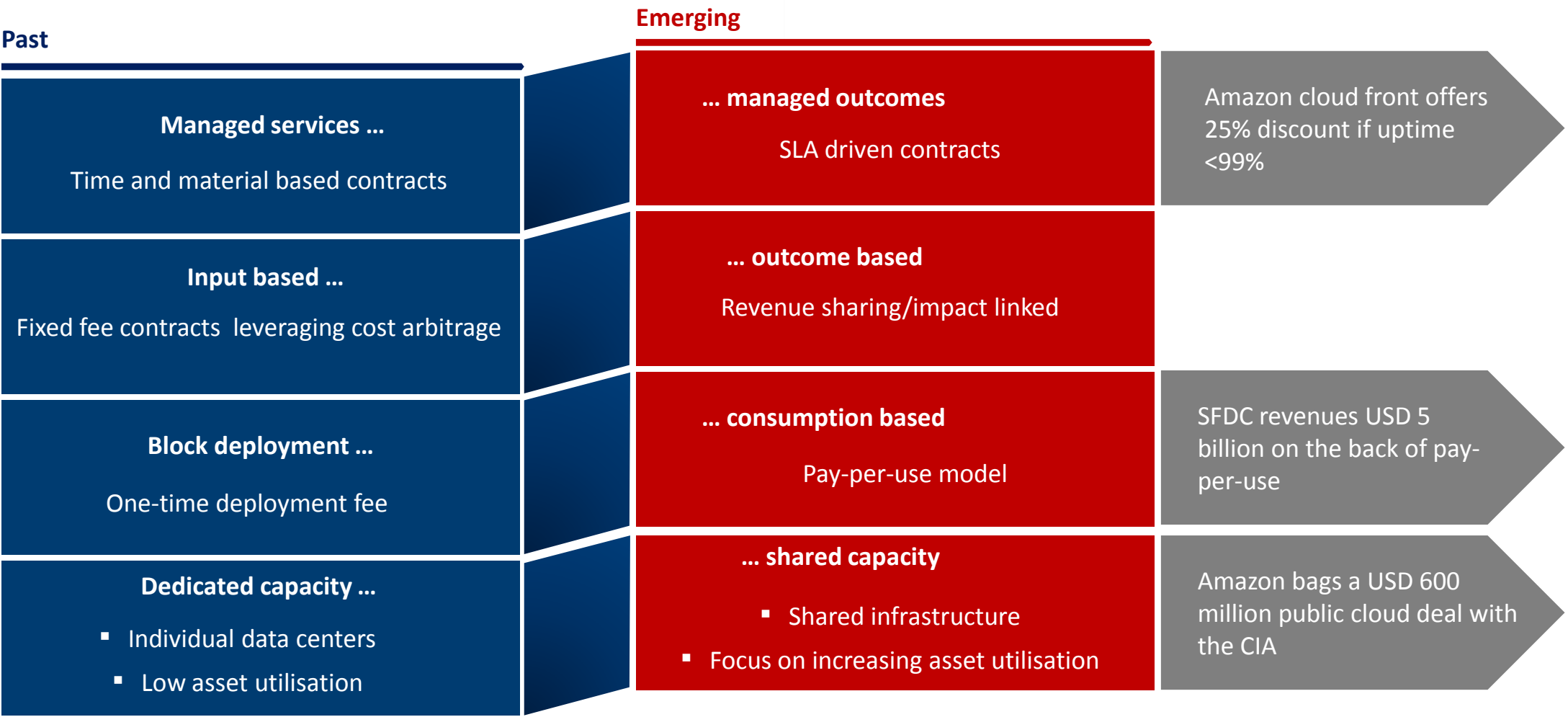
# Industry Outlook - IT Services



# Industry Outlook - Delivery Models



# Industry Outlook - Business Models



Global delivery model to stay

Adaptive Sourcing – key to business growth

Traditional IT on borrowed time – Bi-Modal IT the new imperative

# Section 3: Company Overview



# Zensar at a glance

**22.5%**

Revenue CAGR over  
the past 5 years

**2,628 Cr\***

FY15 Revenue

**265 Cr\***

FY15 PAT

**220+**

Annuity customers



**7,953**

Employees



**29**

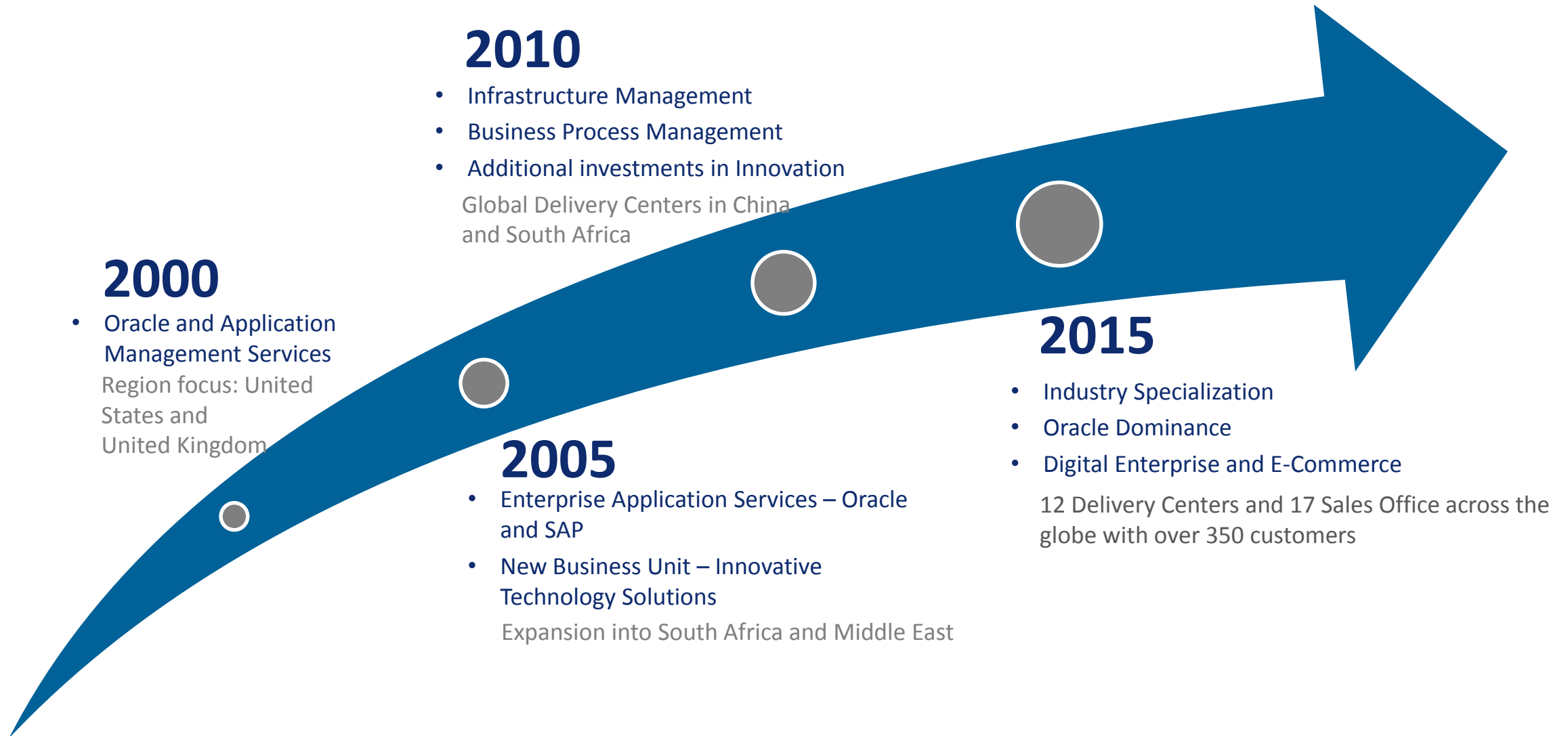
Global  
locations



PROFESSIONAL ACCESS  
A ZENSAR TECHNOLOGIES COMPANY

Acquired in August 2014

# Zensar Growth Story



# Global Presence

## North America

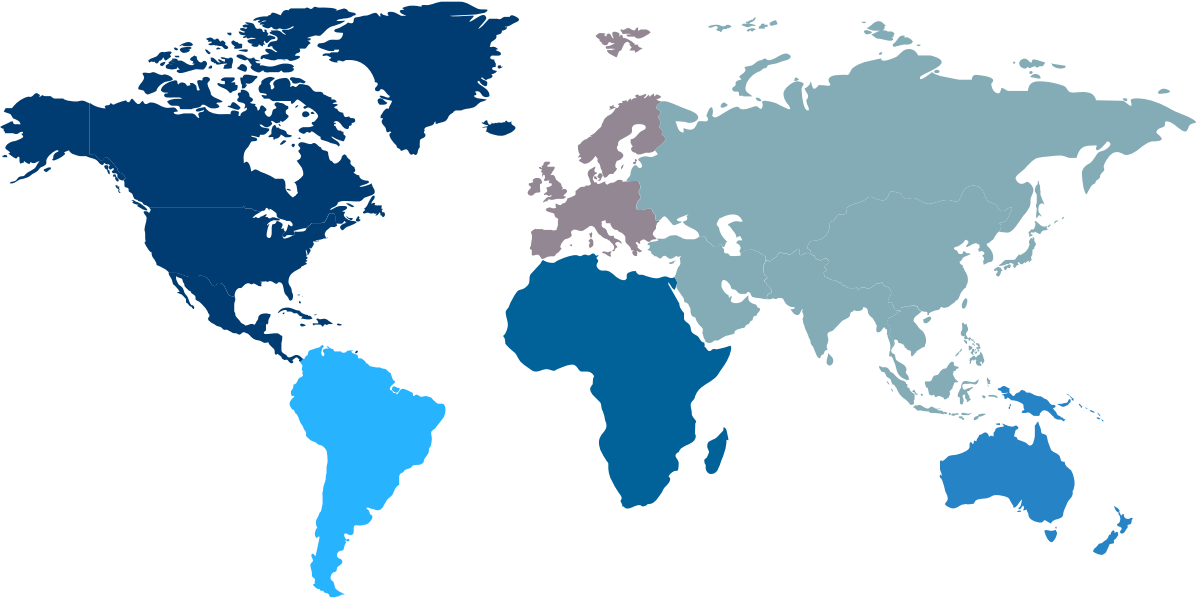
San Jose, Dallas, Chicago,  
Los Angles, Princeton, New York  
Westborough, Northborough

## Latin America

Mexico

## UK and Europe

Slough, Veenendaal,  
Amsterdam, Frankfurt



## Africa and Middle East

Cape Town, Johannesburg,  
Kenya, Jeddah, Dubai

## India

Pune\*, Delhi, Hyderabad,  
Bangalore, Mumbai

## Asia Pacific

Shanghai, Singapore,  
Sydney, Melbourne

■ Sales Offices ■ Delivery Centers \*Corporate Headquarters

# Accolades – FY15

## ❖ Mention in publications

### • Gartner:

1. Zensar included as a niche player in Gartner's Magic Quadrant for 'Data Centre Outsourcing and Infrastructure Utility Services' in North America
2. Gartner Critical Capabilities for SAP Application Management Service Providers, Worldwide
3. Gartner Critical Capabilities for Oracle Application Management Service Providers, Worldwide
4. Gartner Hype Cycle for Application Services – Testing Services, 2014
5. Gartner Oracle SCM System Integrator Assessment and Selection Guidance
6. Competitive Landscape: India-Based RIM Providers Are Starting to Break Away From the Clutter, 2014
7. Public Cloud Update: IaaS enters the Enterprise Mainstream, 2014

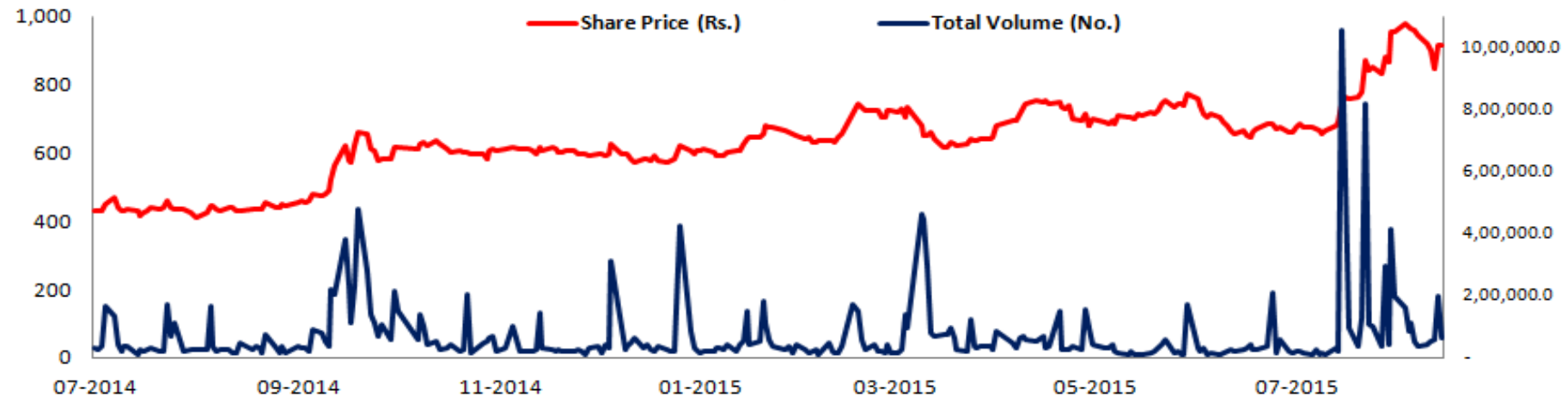
### • Others:

1. IDC MarketScape - India SAP Implementation Services 2014 Vendor Assessment
2. Zensar mentioned in Novarica report amongst noted 14 IT service providers for property and casualty insurance companies
3. The New Breed Of Oracle Services Partner – March 2014. We are one of 20 companies globally to be interviewed and featured in the report, written by Forrester analyst *Liz Herbert*

## ❖ Zensar, South Africa won the prestigious World HRD congress 'Africa's Best Employer Brand Award' and 'Africa Award for Excellence in Training' in 2014.



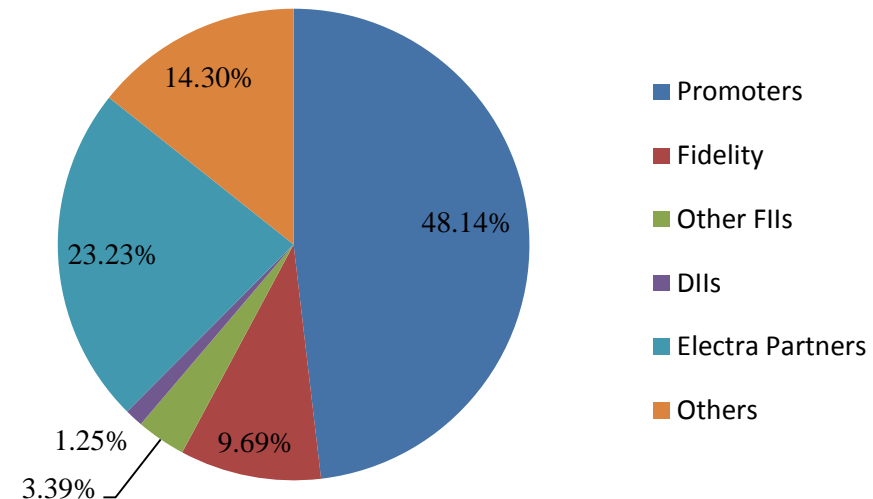
# Stock Price Trend and Shareholding pattern



## Equity Share Information:

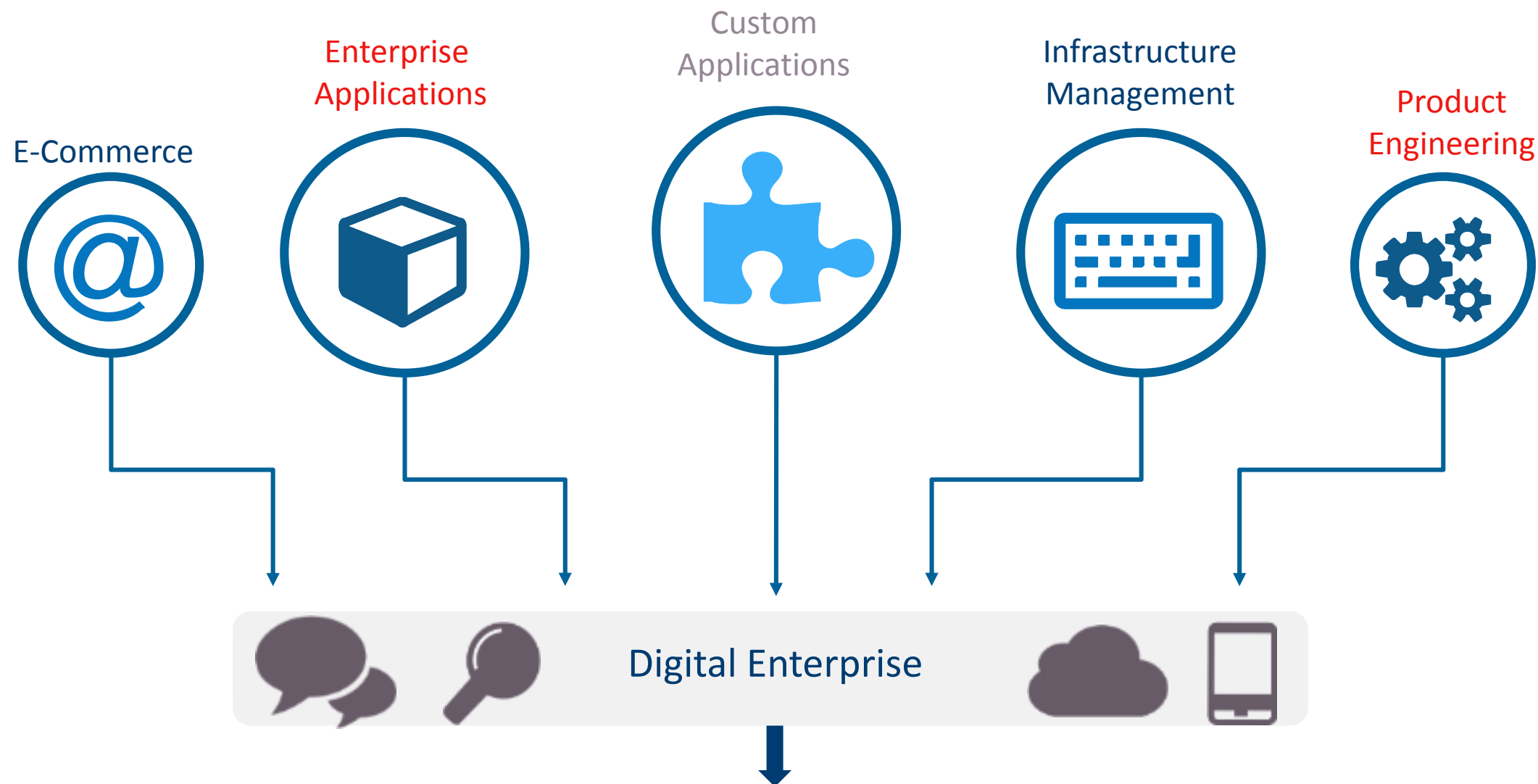
- Share Price (14 Aug ,15): INR 915 / share
- Market Cap (14 Aug ,15): INR 4,052
- Financial Year: April to March
- Face Value: INR 10 / share
- Listed on Indian Stock Exchanges:
  - a) Bombay Stock Exchange (code: 504067)
  - b) National Stock Exchange (code: ZENSARTECH)
- Bloomberg Code: ZENT.IN
- Reuters Code: ZENT.BO

## Shareholding Pattern (as on 30<sup>th</sup> June 2015):



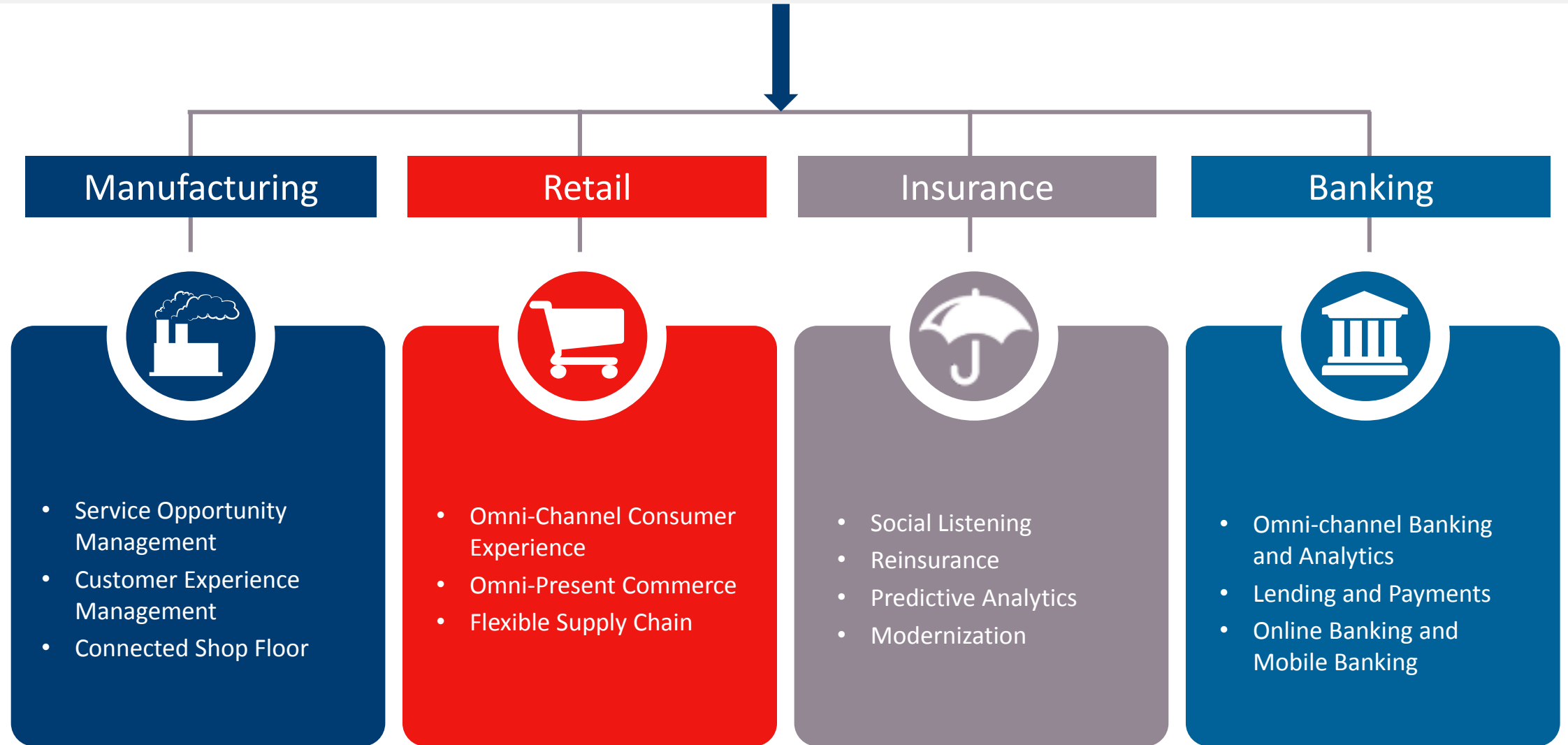
# Section 4: Services and Industry Solutions

# Services Portfolio



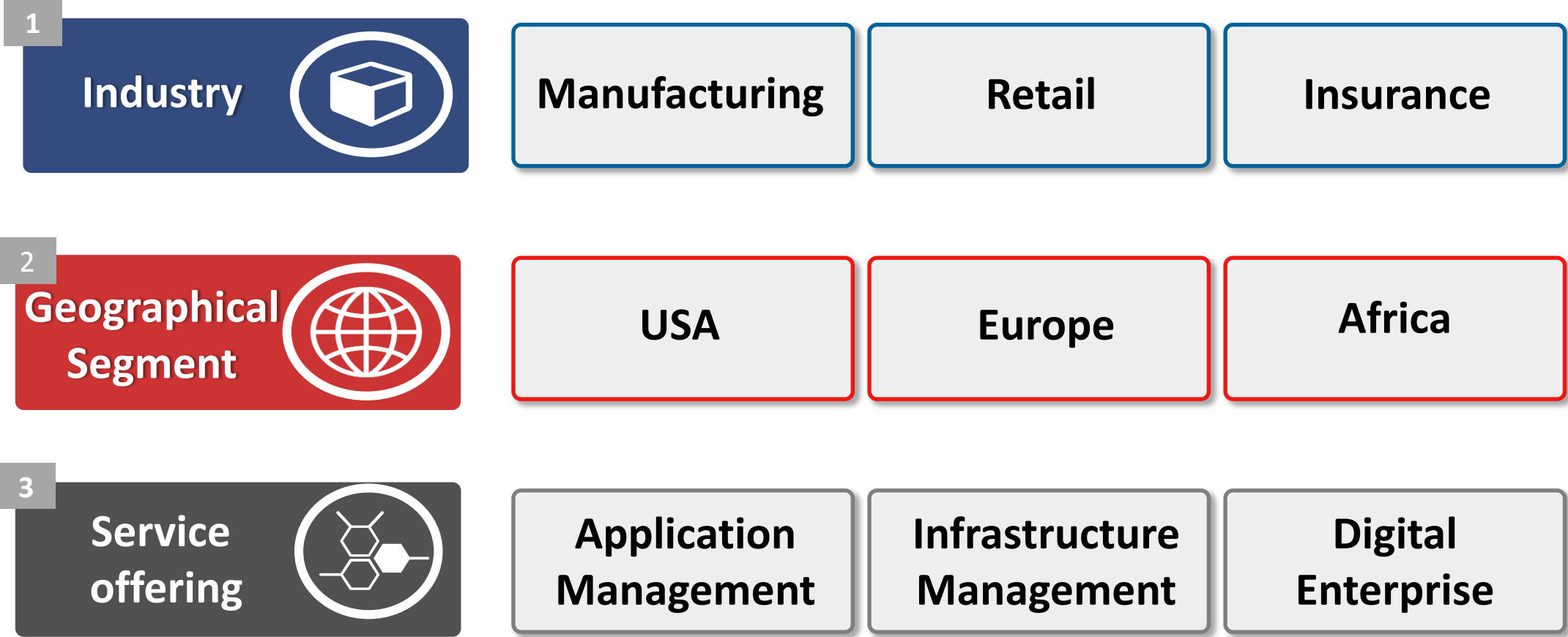


# Industry focused solutions



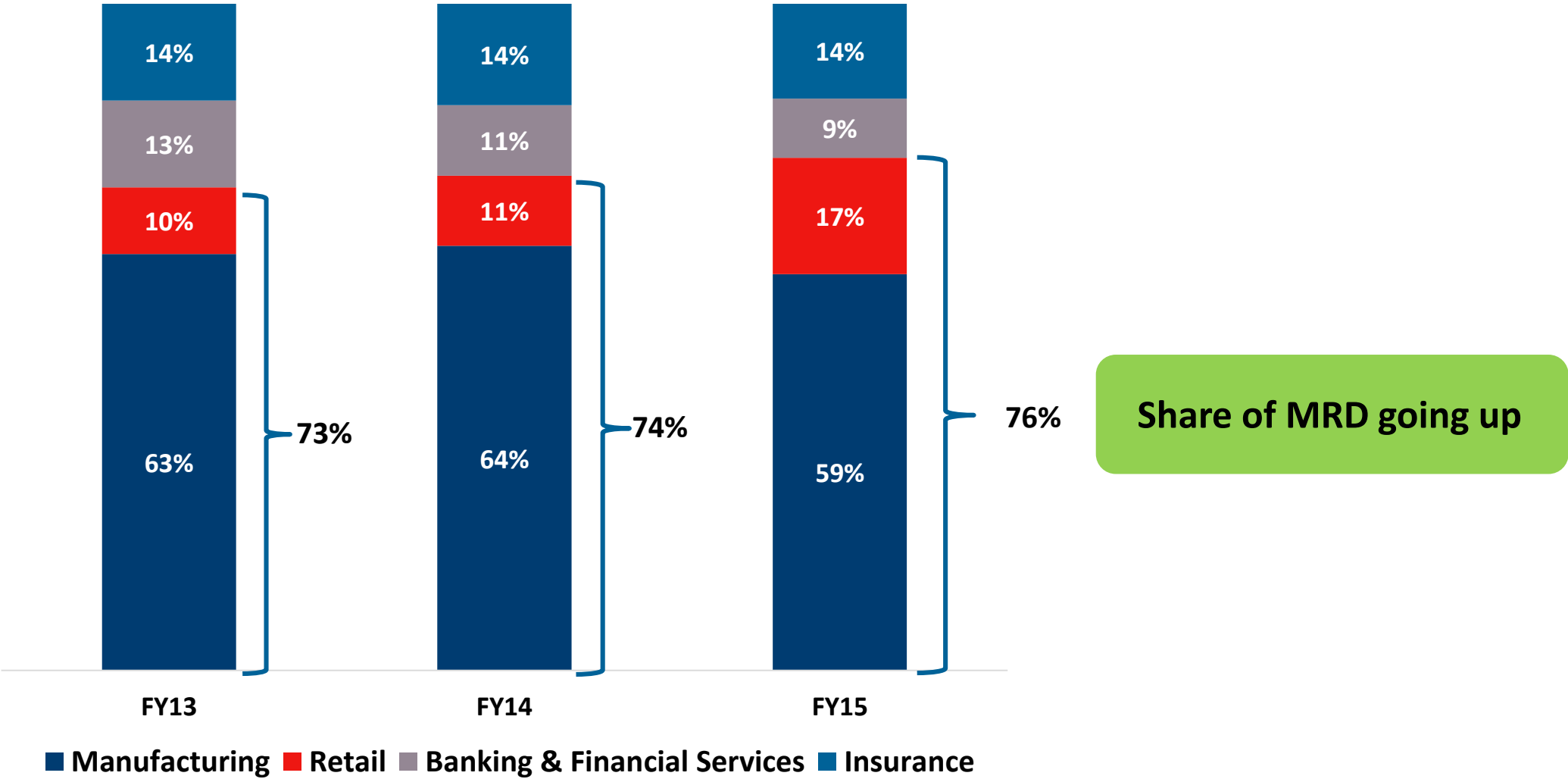
# Section 5: Strategy

# 3X3X3 Focus



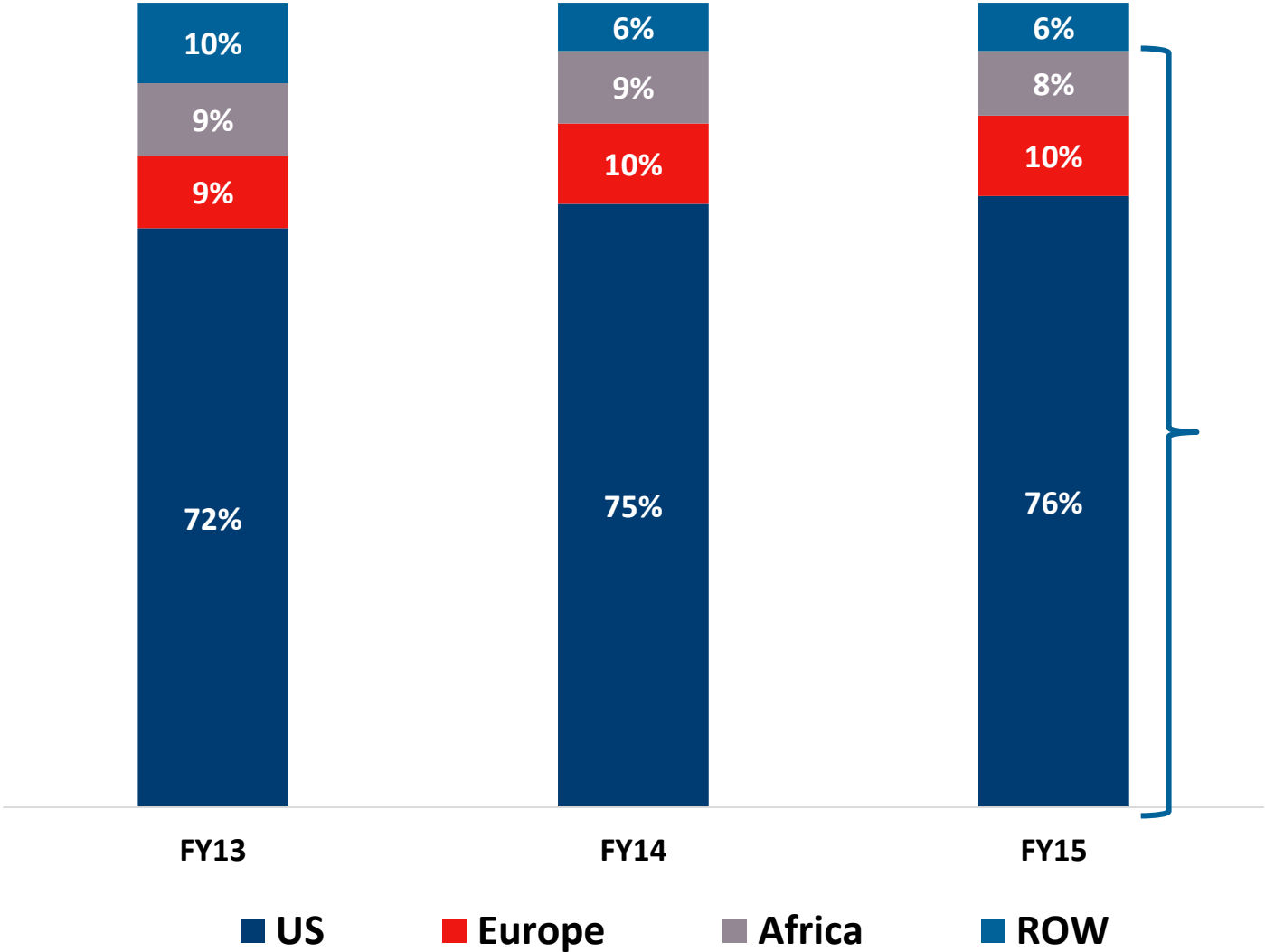
# Increasing Focus on Select Verticals

1



# Geographical Focus

2



94% of our overall revenue comes from US, UK + Europe, and Africa

# Capabilities

3



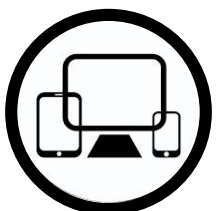
## Application Management

- Oracle continues to be Key Arrowhead – On target to achieve Oracle Diamond Partnership
- Large Integrated deals initiative delivering results – 3 \$20M+ deals closed in FY15
- E-commerce to lead growth in new customer acquisition – Accelerated solution 'PARADE' launched
- Vertical business outcome solutions expected to grow at a 20% CAGR from FY16 to FY18



## Infrastructure Management

- Focus on dual shore RIM Services continues – Now at 35% of total IM revenues
- Maintenance business right sized – margins improved to 31% in Q1FY16 as against 20% a year back
- Security Products business maintained at \$38M in FY15 with no growth planned in FY16
- Cloud Migration & End User Experience Management leading new order bookings
- IM Services business expected to grow at 25% in FY16



## Digital Enterprise

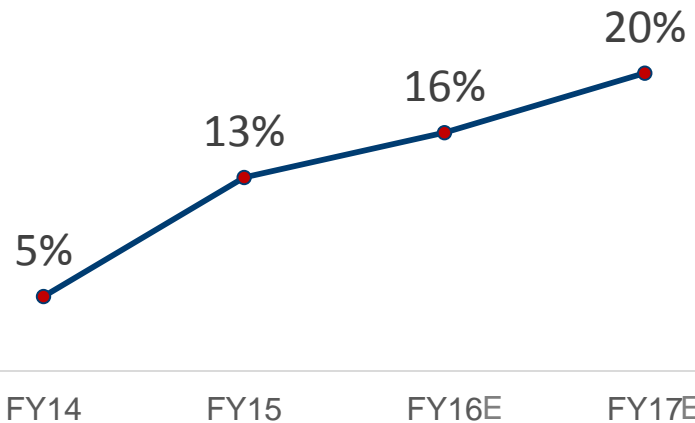
- Digital Enterprise solutions at 13% of Zensar revenues in FY15; expected to be 20% by FY17
- E-commerce, UX and Analytics to account for more than 12% of Zensar's revenues in FY16
- Social listening, Connected beacons & other CMO directed solutions launched for Retailers and Insurers
- Connected Shop floor and its integration with MES and Machine Analytics Solutions launched for Manufacturers

# Focus on Digital

3

Enhanced focus on 'Digital Transformation' led deals

## Digital Revenue Contribution



Digitization of  
Records through  
Crowdsourcing

Cloud based PaaS Solution for Government and Business with high volume document based operations

## Partners for Digital

### Cloud

NaviSite®

amazon  
web services  
Partner  
Network  
CONSULTING PARTNER

salesforce  
GOLD  
CLOUD ALLIANCE  
PARTNER

IBM®

### Social

salesforce

radian6

aikonlabs  
Realizing Ideas

germin8

### Analytics

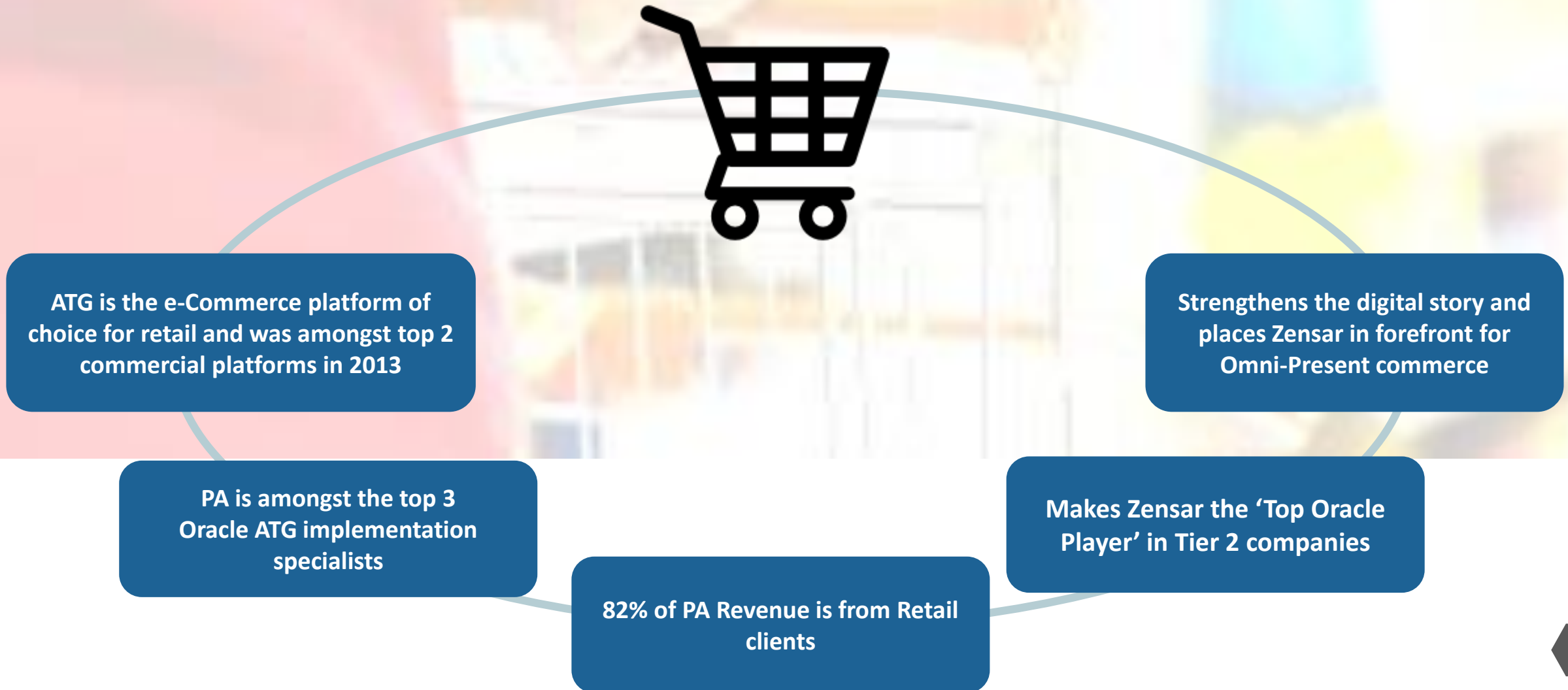
BeyondCORE

mobius  
innovations

IntelliQ  
...experts in Loss Prevention Analytics

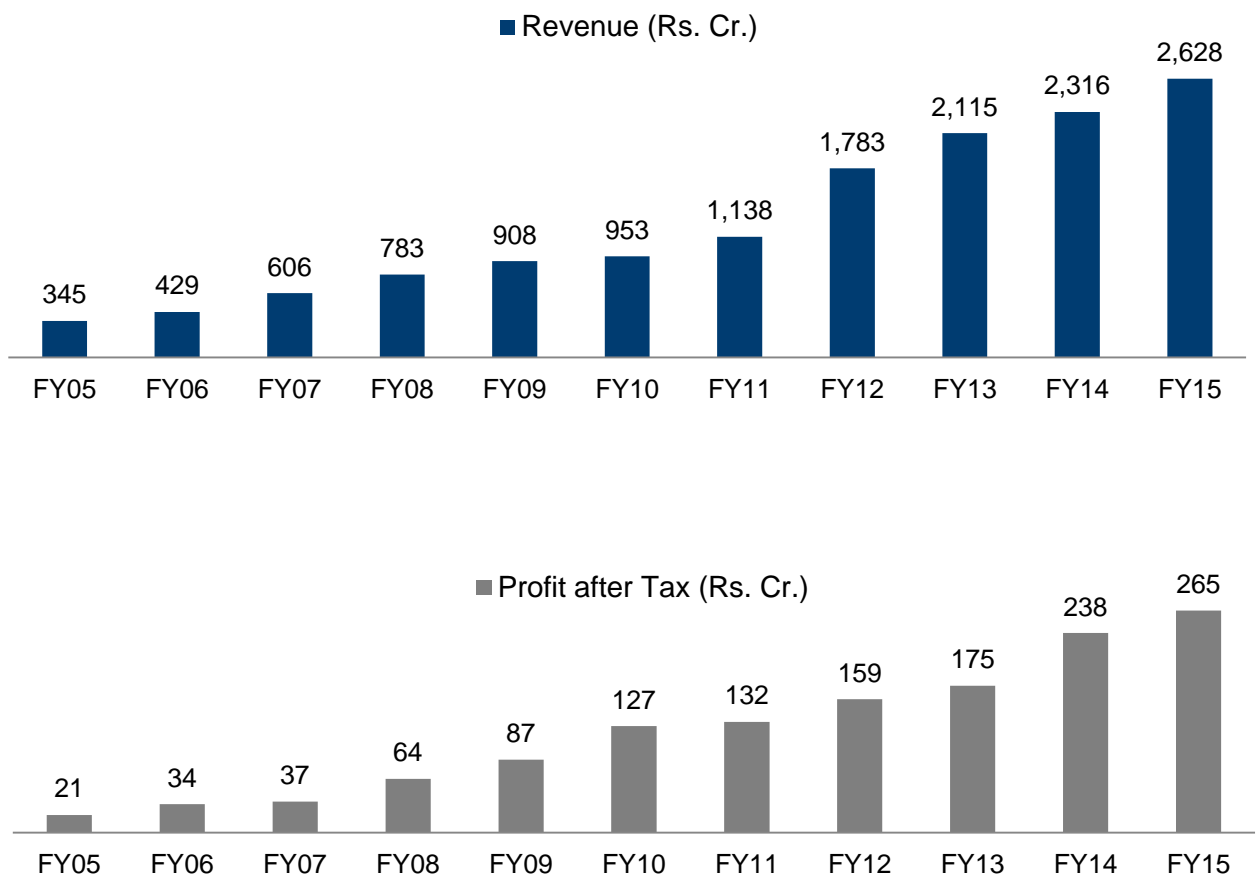


# PA Acquisition - Strengthened Retail Vertical



# Section 6: Financials and Other Key Metrics

# Consistent Growth



22.5% Revenue CAGR over the last 5 years vis-à-vis 19% for the Indian IT-BPM Industry



15.7% Profit after Tax CAGR over the last 5 years



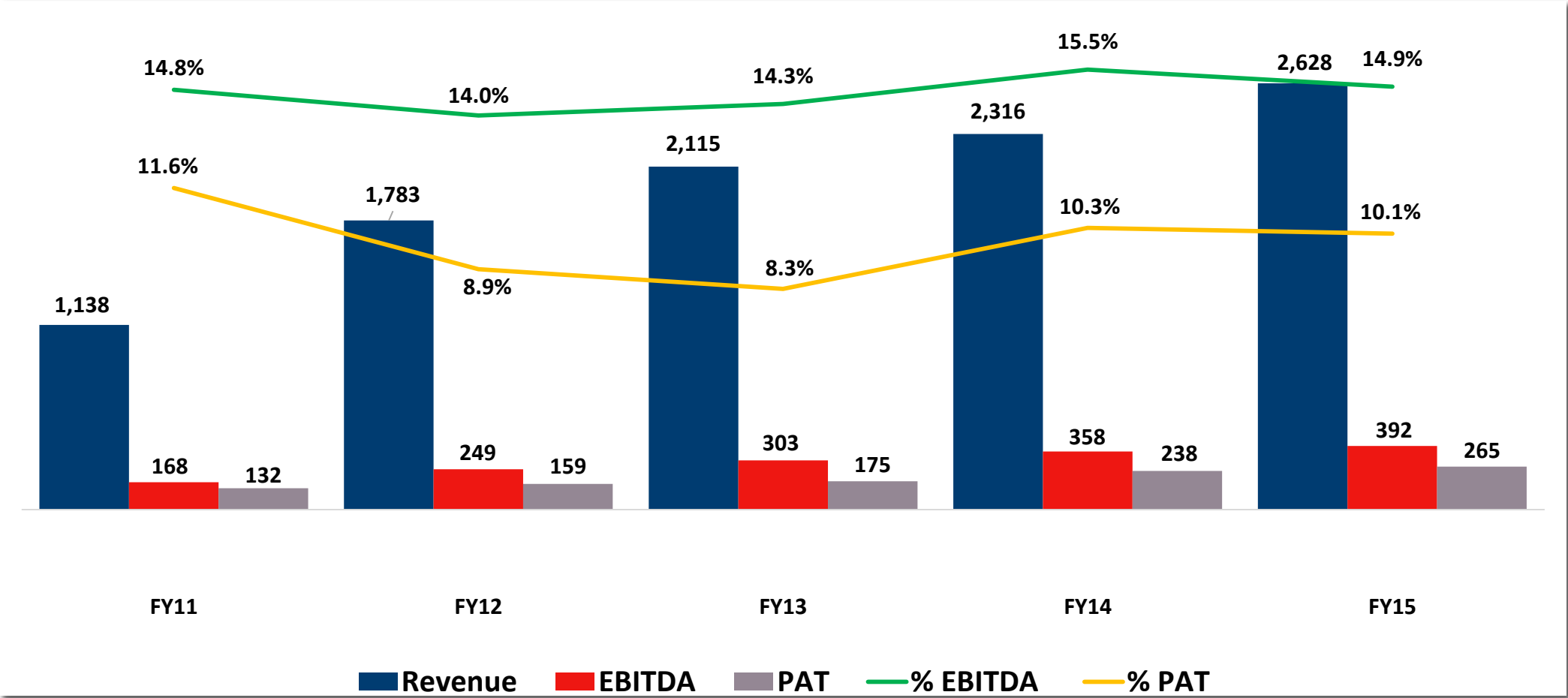
Top quartile performer in terms of delivering Total Shareholder Returns across Indian software and services providers over 5 years\*



In the top quartile on the basis of Revenue per Billable employee and EBITDA per Billable employee

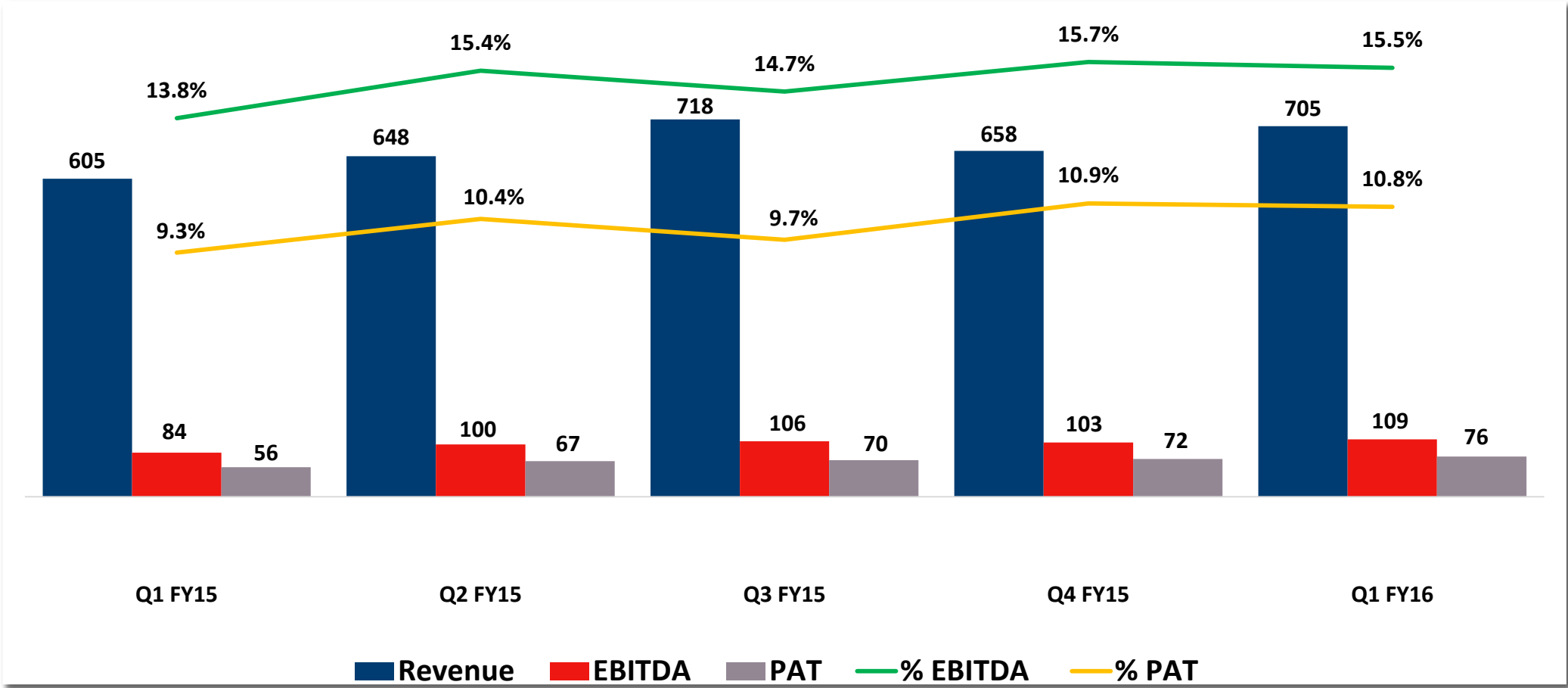
# Y-o-Y Revenue, EBITDA and PAT

INR Cr.



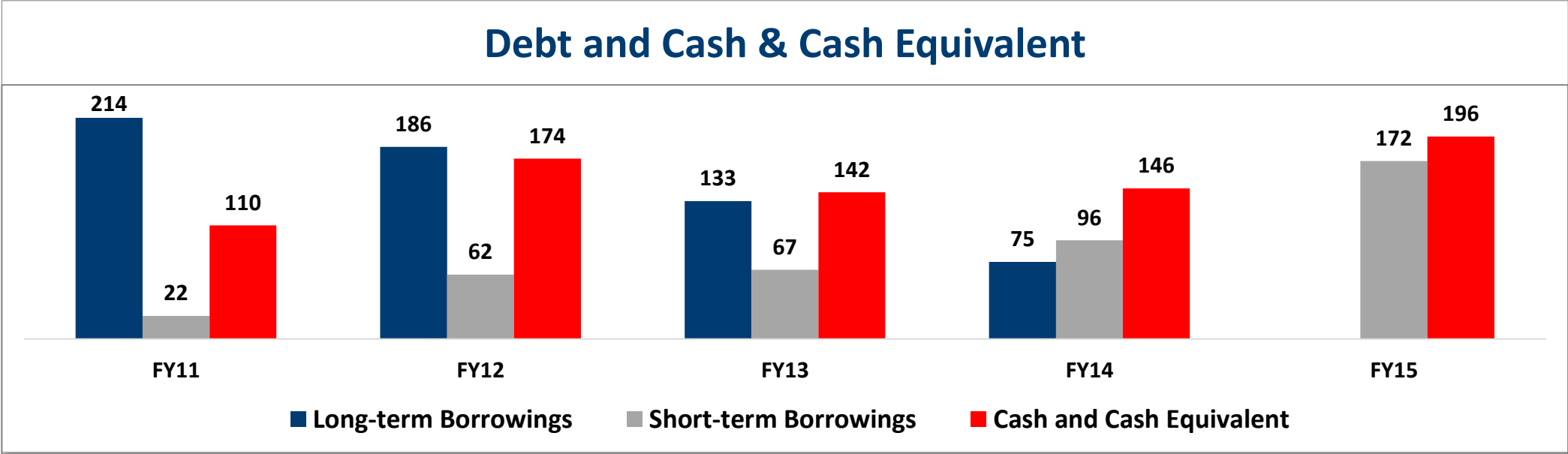
# Q-o-Q Revenue, EBITDA and PAT

INR Cr.



# Debt and Cash & Cash Equivalent

INR Cr.

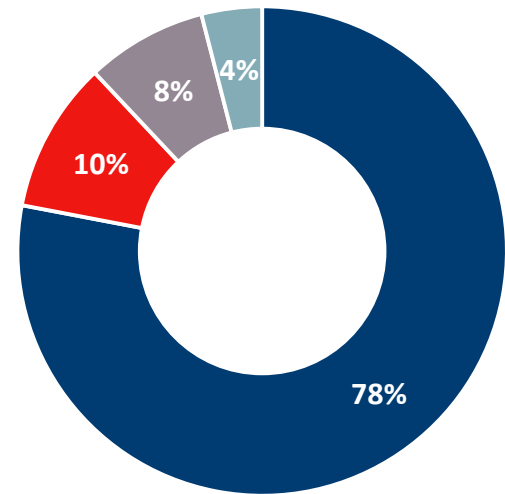


## RoE and RoCE - FY15



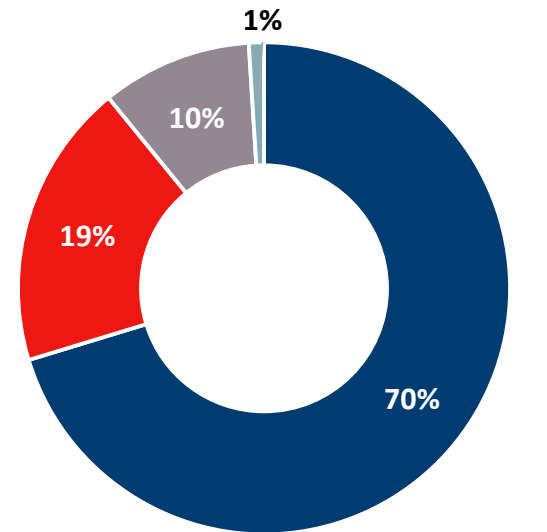
# Revenue Mix Q1 FY16

By Geography



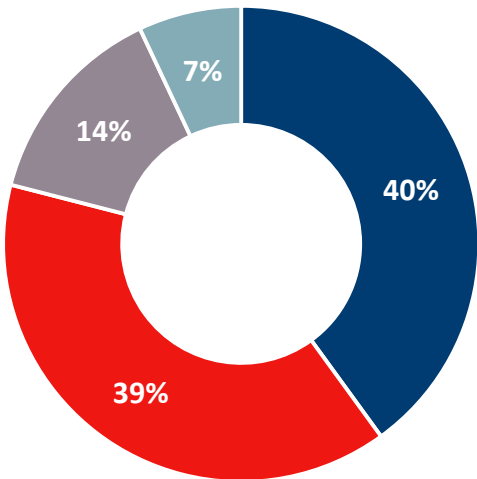
■ USA ■ Europe ■ Africa ■ ROW

By Industry



■ MRD ■ BFSI  
■ Alliance & Others ■ Govt., H'care, Utilities

By Project Type



■ Fixed Price ■ Time & Material  
■ Support Services ■ Product Sales



# Client Profile

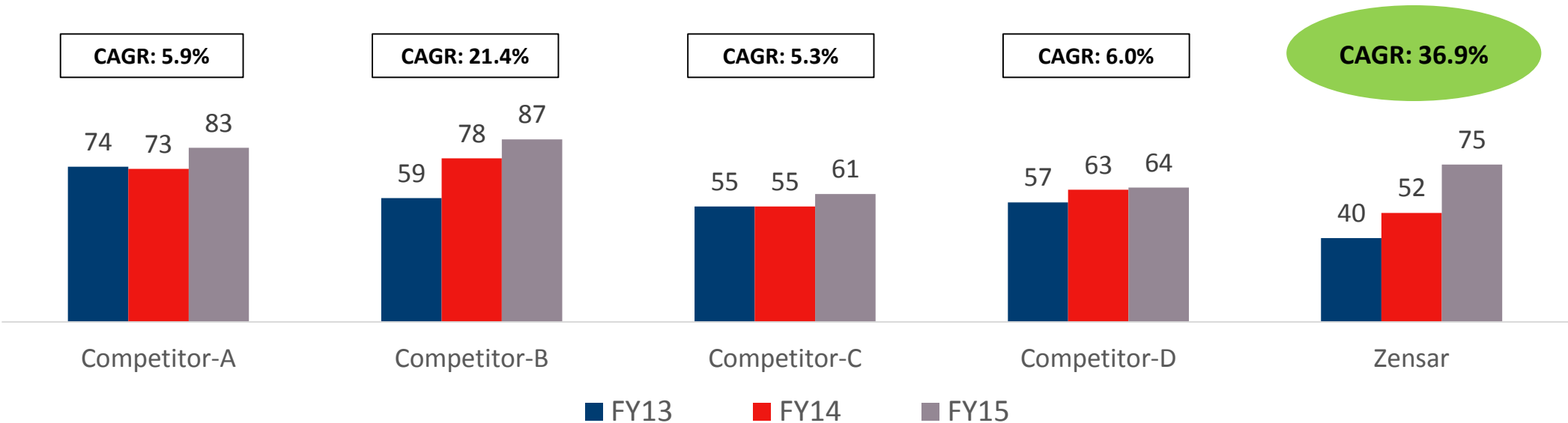
## Number of million dollar clients – Q1 FY16



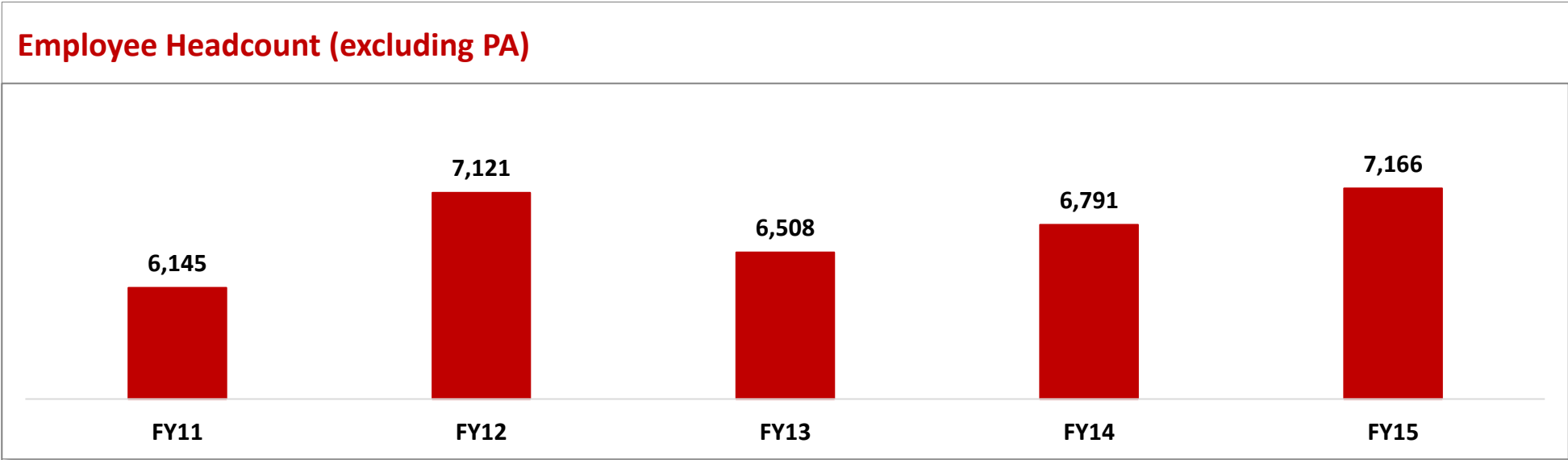
## Revenue contribution – Q1 FY16



## Number of \$1 million customer growth



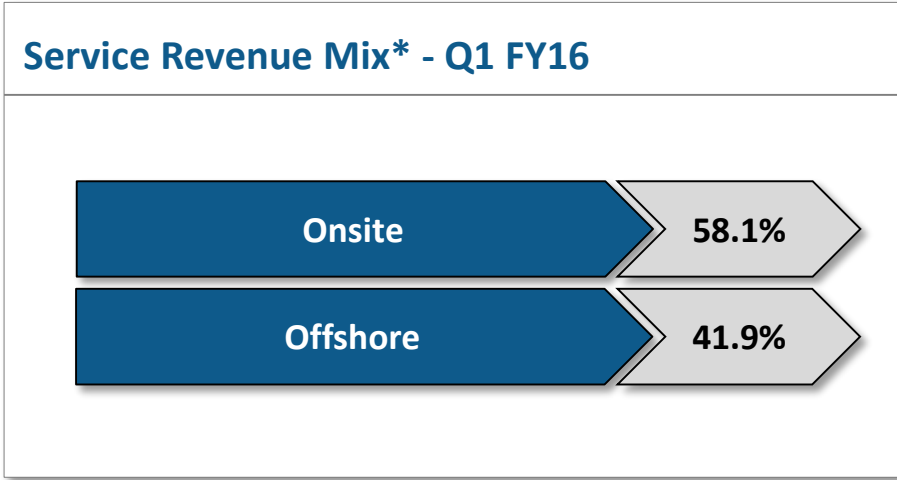
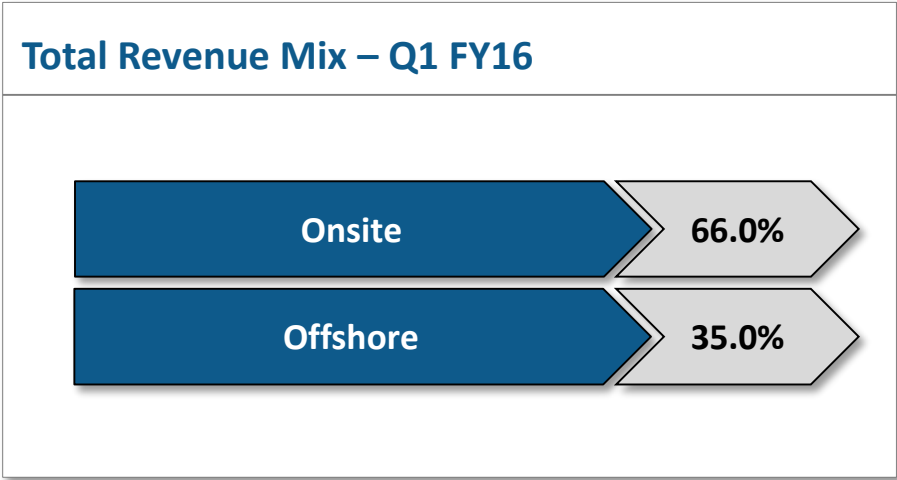
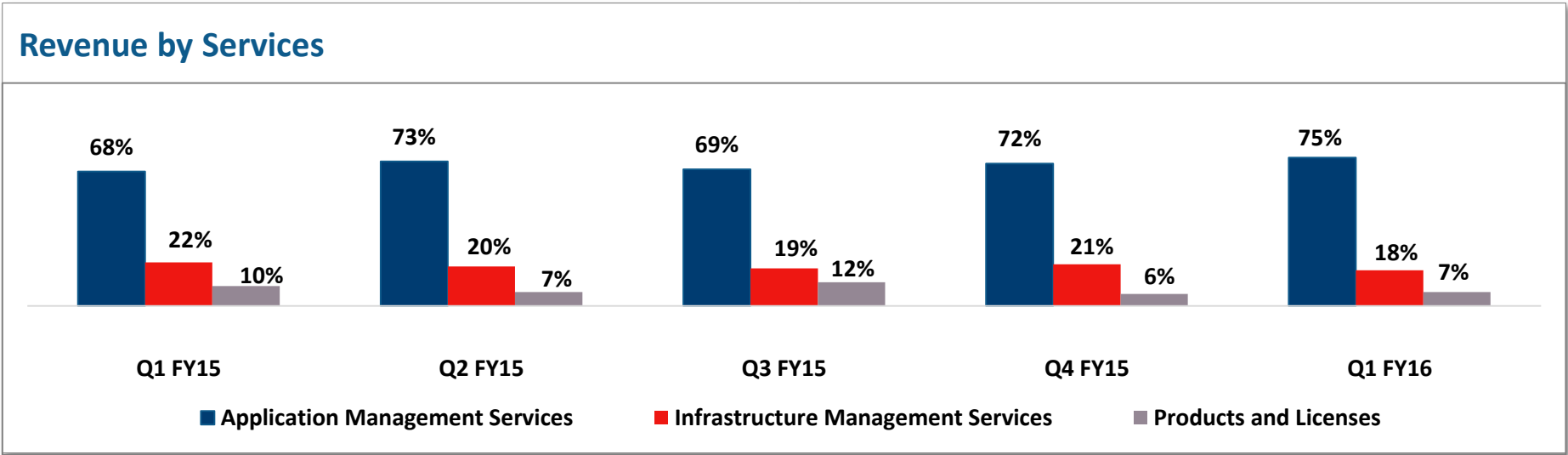
# Employee Information



**Note:**

- 1. End of FY15 7,953 employees including PA
- 2. Utilization (including trainees) was 78% for FY 15 and 79% for Q1 FY16

# Other Key Metrics

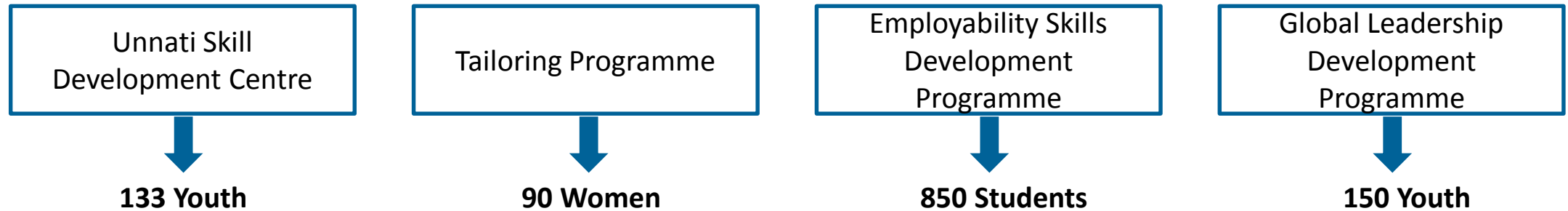


# Section 7: Corporate Social Responsibility

# Zensar Foundation - Community Development Initiatives

		Program Reach
Education	<ul style="list-style-type: none"><li>• Training members of under-privileged communities for proficiency in English, and Computer and Digital literacy.</li></ul>	2200+ students 1100 Households
Healthcare	<ul style="list-style-type: none"><li>• Partnered with Integrated Child Development Scheme to ensure reduction in malnutrition</li><li>• Providing free check-ups at the Zensar Foundation supported Communities</li></ul>	200 people per annum
Community Mobilisation	<ul style="list-style-type: none"><li>• House-to-house visits in the supported Community for facilitating people in building their dreams and advocating for their rights.</li></ul>	200 people
Gender Equity	<ul style="list-style-type: none"><li>• Gender sensitisation programme by Equal Community Foundation</li></ul>	50 youth
Mentoring	<ul style="list-style-type: none"><li>• Mentoring programme for the Community children</li></ul>	30 children and 30 mentors

# Zensar Foundation - Employability



## Zensar Foundation – Environment

### Udaan Biodiversity Park

2 acre park, situated in Pune, comprising of diverse flora and walking trails with informative signages  
**Over 300 visitors per day**

### In-House Resource Management

- Energy Management
- Waste Management
- Water Consumption
- Fuel Management
- Miscellaneous Initiatives



# Section 8: Board of Directors & Leadership Team

# Board of Directors



**Mr. H.V. Goenka**  
Chairman,  
Non Executive Director



**Dr. Ganesh Natarajan**  
Vice Chairman,  
Managing Director & CEO



**Mr. P.K. Choksey**  
Independent,  
Non Executive Director



**Mr. A.T. Vaswani**  
Independent,  
Non Executive Director



**Mr. Arvind Agrawal**  
Non Independent,  
Non Executive Director



**Mr. P.K. Mohaptra**  
Independent,  
Non Executive Director



**Mr. John Levack**  
Non Executive Director



**Mr. Venkatesh Kasturirangan**  
Independent,  
Non Executive Director



**Ms. Madhabi Puri Buch**  
Independent,  
Non Executive Director



**Mr. Sudip Nandy**  
Independent,  
Non Executive Director



# Leadership Team



**Dr Ganesh Natarajan**  
Vice Chairman & CEO



**Vivek Gupta**  
Chief Executive,  
Infrastructure Business



**Nitin Parab**  
Chief Executive,  
Enterprise Business



**S. Balasubramaniam**  
Chief Financial  
Officer



**Syed Azfar Hussain**  
Global HR Head



**Ajay Bhandari**  
Chief Corporate  
Development Officer



**Harish Gala**  
Global Head,  
Enterprise Applications



**Prameela Kalive**  
Global Head,  
Strategic Services



**Krishna Ramaswami**  
Business Head,  
Digital Enterprise  
& India



**Deepanjan Banerjee**  
Business Head,  
Manufacturing



**Krishna Kumar**  
Business Head,  
Retail



**Mohan Hastak**  
Business Head,  
Banking & Financial  
Services and Insurance

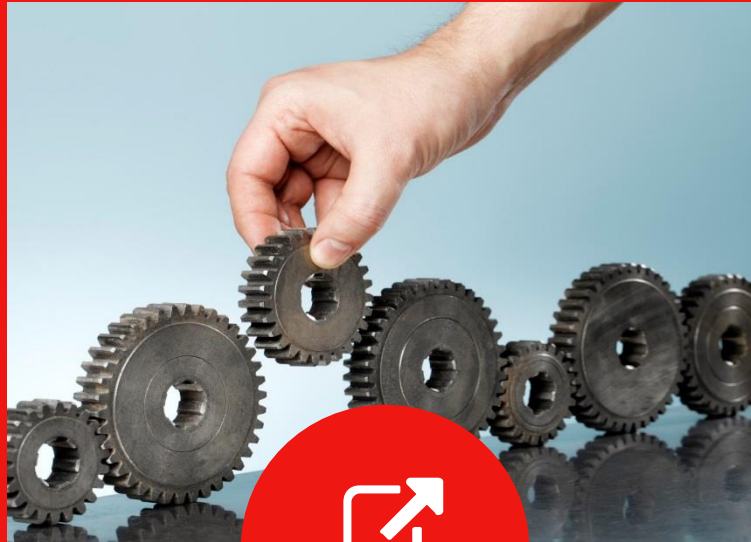
# Mission, Vision and Values

## VISION



Leaders in Business Transformation

## MISSION



We will be the best in delivering innovative industry-focused solutions with measurable business We will partner with customers for their success

## VALUES



- Customer Centricity
- Commitment to People and Community
- Continuous Innovation and Excellence

# End of Presentation