

# Zensar Technologies

**Analyst Presentation, Q1 FY20**

**Quarter Ending June 30, 2019**

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Zensar Technologies records  
\$153.3\* Mn in Q1FY20  
(\$578.8\* Mn 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 55+ years
- 48.5% Digital Revenue, (28.3% YoY Growth)



# Zensar Business Update

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# Q1 FY20 : Brief Snapshot

## REVENUE

\$153.3 Million

QoQ 3.1%

YoY 16.4%

## EBIDTA

\$21.8 Million

QoQ 11.2%

YoY 16.6%

## PAT

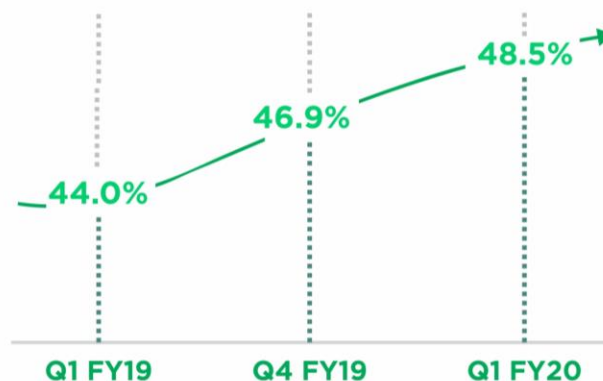
\$11.3 Million

QoQ -8.3%

YoY -9.3%

## DIGITAL REVENUE

QoQ 6.7% | YoY 28.3%



## TOP 20 CLIENTS

4 Q CQGR 6.2%

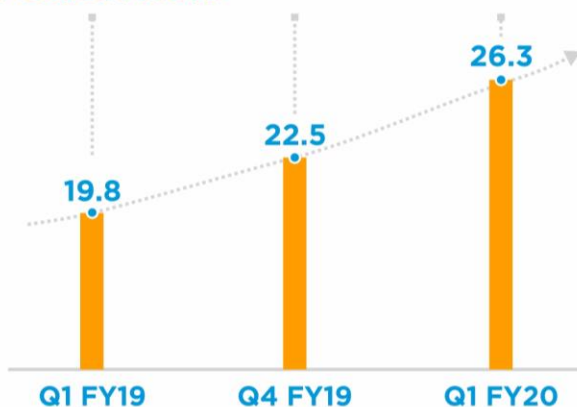


## CLOUD & INFRASTRUCTURE SERVICES GROWTH

4 Q CQGR 7.3%

QoQ 17.1%

YoY 32.8%

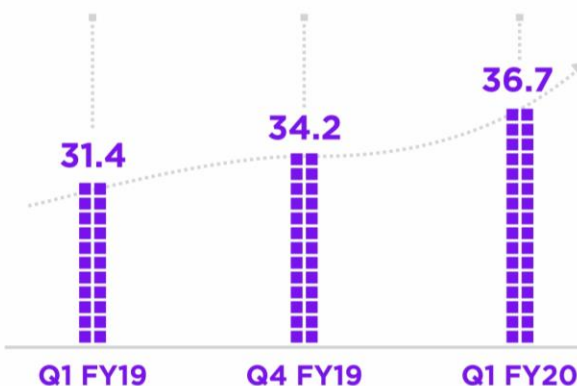


## CONTINUOUS GROWTH IN FINANCIAL SERVICES

4 Q CQGR 3.9%

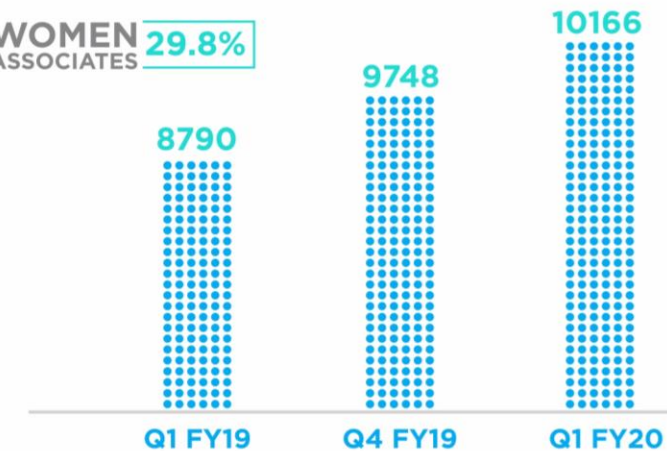
QoQ 7.1%

YoY 16.6%



## HEADCOUNT

WOMEN ASSOCIATES 29.8%



# Q1 FY20 : Key Achievements

## Continued New Win Momentum



Multiple wins in our largest client helping sustain Hi-Tech growth



Multi-million-dollar deal for a UK based conglomerate



Guidewire support for UK's fastest growing insurance providers

## Digital Updates



Continued Mega-growth in digital revenues – 48.5% (solid growth of 6.7% QoQ on the back of key Next gen CIS Deals)



Growth in digital revenues on the back of clear focus on Automation driven by Cloud & Infrastructure platforms and RPA

## Strengthening of brand 'Zensar'



Named a Top 15 Sourcing Standout by Information Services Group (ISG)



Recognized Third Consecutive Year in Gartner Magic Quadrant for Managed Workplace Services, North America



Global data covers Zensar's RoD Conclave Analyst and Advisor Day

## Steady Revenue & Headcount Growth



**\$153.3M**, highest ever revenue, Q1 FY20



**Headcount- 10,166** (net addition of 418 QoQ, 1376 YoY)



**9 accounts** of \$10m+ Annual revenues (YoY increase of 4)

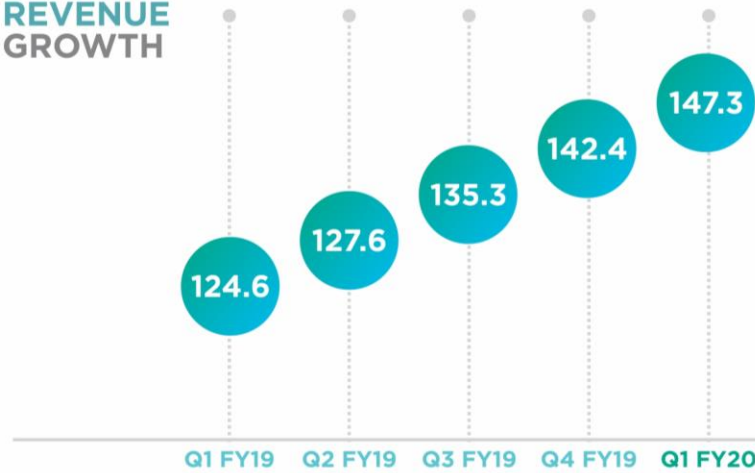


# Trending in Key Financial Updates (US \$)

## QoQ REVENUE INCREASE



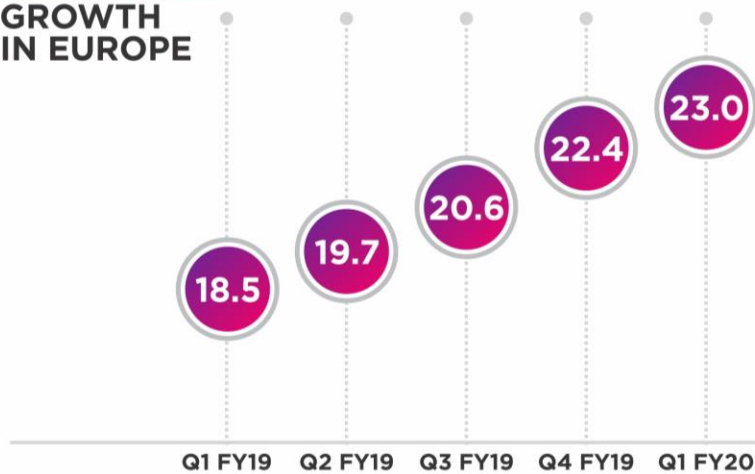
## CORE REVENUE GROWTH



## US REGION GROWTH



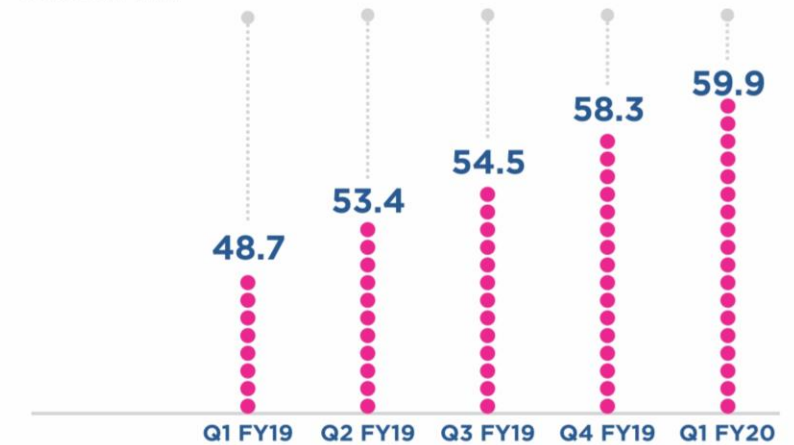
## CONSISTENT GROWTH IN EUROPE



## DIGITAL & APPLICATION SERVICE GROWTH



## HI TECH GROWTH



# Q1 FY20 Financials

Particulars	Q1 FY20*		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 153.3	₹ 1066.1	3.1%	1.8%	3.6%	16.4%	20.8%	18.8%
EBITDA	\$ 21.8	₹ 151.5	11.2%	9.8%		16.6%	21.0%	
EBIT	\$ 16.3	₹ 113.6	1.9%	0.6%		2.3%	6.1%	
PAT	\$ 11.3	₹ 78.7	-8.3%	-9.5%		-9.3%	-5.8%	
	INR/Share		Q-o-Q			Y-o-Y		
EPS (Diluted)	3.2		-10.17%			-10.08%		

\*The numbers does not include ROW revenues



# @ Scale winning momentum

**\$160  
Mn+**

**TCV wins in  
Q1 FY 20**



**Multi-million-dollar deal  
for a UK based  
conglomerate**



**Digital Transformation  
for Sanlam**



**Digital warehouse for a  
global sports company**



**Application &  
development for Hi-tech  
global company**



**Application Development  
healthcare provider in  
UK**



**Guidewire support for  
UK's fastest growing  
insurance providers**

## Records 59.8% YoY USD Growth\*



Revenue up from  
\$16.2M to \$20.3M  
(25.5% QoQ US\$  
growth)



Records continuously  
increasing win ratio  
with this quarter  
scoring a massive 50%



Fighting multiple large  
deals across the  
spectrum which total  
40% of total pipeline



Continued receiving  
analysts mentions  
from multiple key  
analyst like Gartner,  
ISG etc.

# Q1 FY20: Key Business Highlights

## ❑ Pipeline quality and Large Deals

- Healthy demand scenario with major traction in Cloud and Infrastructure Services deals
- 25% of the deals being fought are in the later stages of engagement.
- Large Deals ratio - 50% deals being fought with a TCV over \$5m across Zensar.
- Digital (including RoD and RoD NeXT) witnesses impressive growth across all verticals

## ❑ Core Business

- Digital & Application Services grew 13.5% YoY largely due to growth of 23.1% in Digital Services in US \$ terms.
- Cloud and infrastructure Services business clocked 32.8% QoQ growth. Next Gen Cloud grew exponentially at 70.3% on a YoY basis. Both numbers are in US \$ terms.
- All geographies grew sequentially with US , UK & SA showing a growth of 16.95%, 24.10% and 1.30% YoY respectively in US\$ terms
- The quarter saw growth in core EBITDA from 14.1% of revenue to 14.7% of revenue

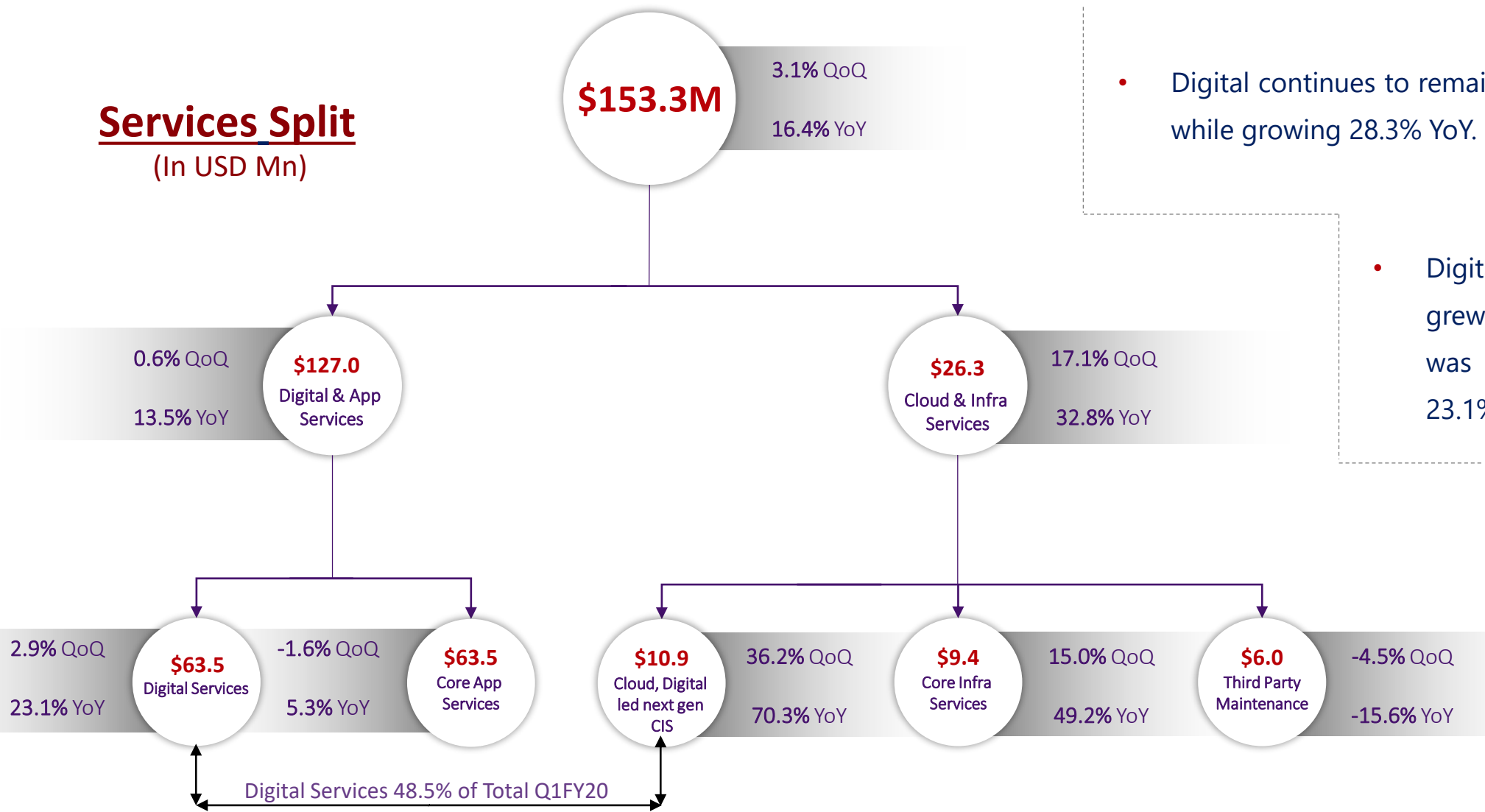
## ❑ Other Highlights

- Revenue from top 20 clients increased by 27.2% YoY and 6.6% QoQ in US \$ terms.
- Largest batch of Freshers inducted till date in the last quarter
- Number of 10Mn+ clients increased from 5 to 9 in the last one year



# Q1 FY20 : Digital Growth

## Services Split (In USD Mn)



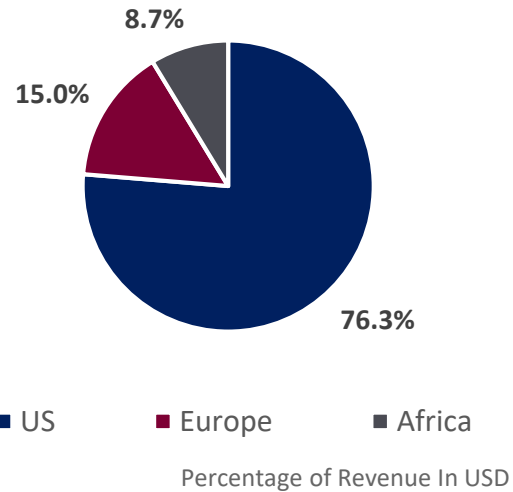
- Digital continues to remain strong and grew 6.7% QoQ while growing 28.3% YoY.

- Digital & Application Services grew 13.5% year on year and this was largely due to growth of 23.1% in Digital Services.

- Cloud & Infrastructure services grew at a 17.1% QoQ. Growth was slightly negated due to continuous decline in Third Party Maintenance business

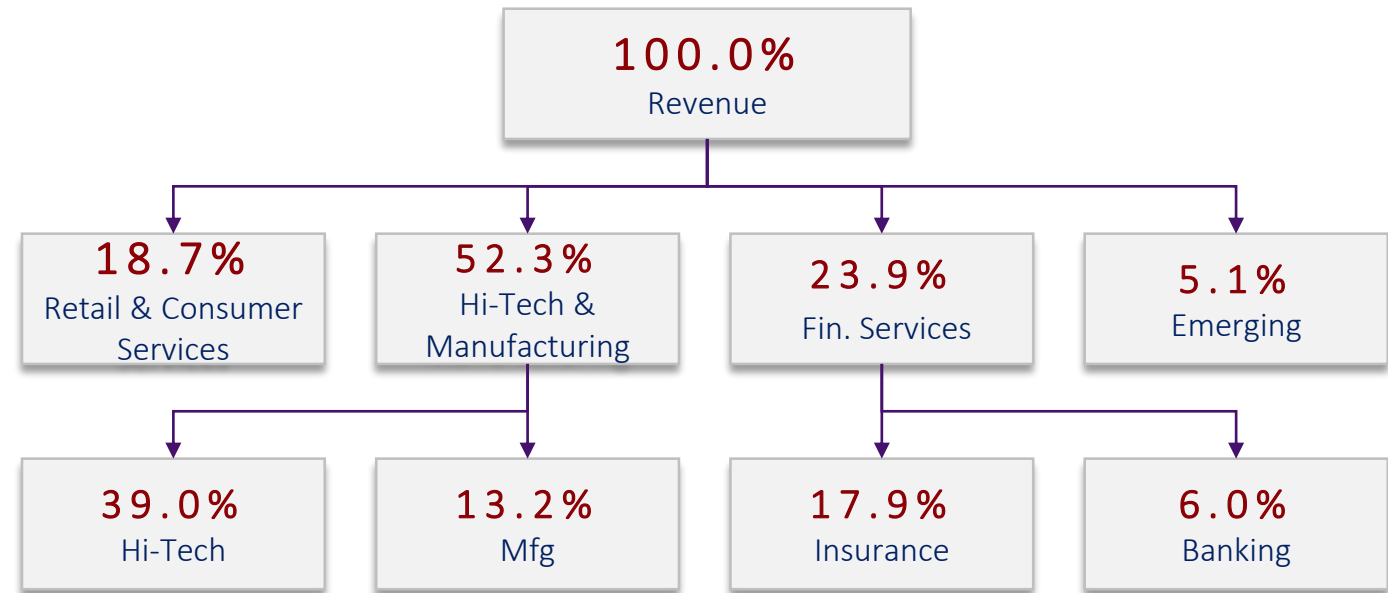
# Q1 FY20 : Geographical & Vertical Split

## Geographical Split



Geography	QoQ (cc)	YoY (cc)
US	2.3%	16.9%
Europe	4.0%	31.6%
Africa	14.7%	15.4%

## Vertical Split



Vertical	QoQ (cc)	YoY (cc)
Retail & Consumer Services	-10.2%	-9.7%
Hi-Tech & Manufacturing	5.8%	25.0%
Fin. Services	8.2%	22.5%
Emerging	20.8%	222.2%

# Q1 FY20 : Top Clients Revenue Concentration

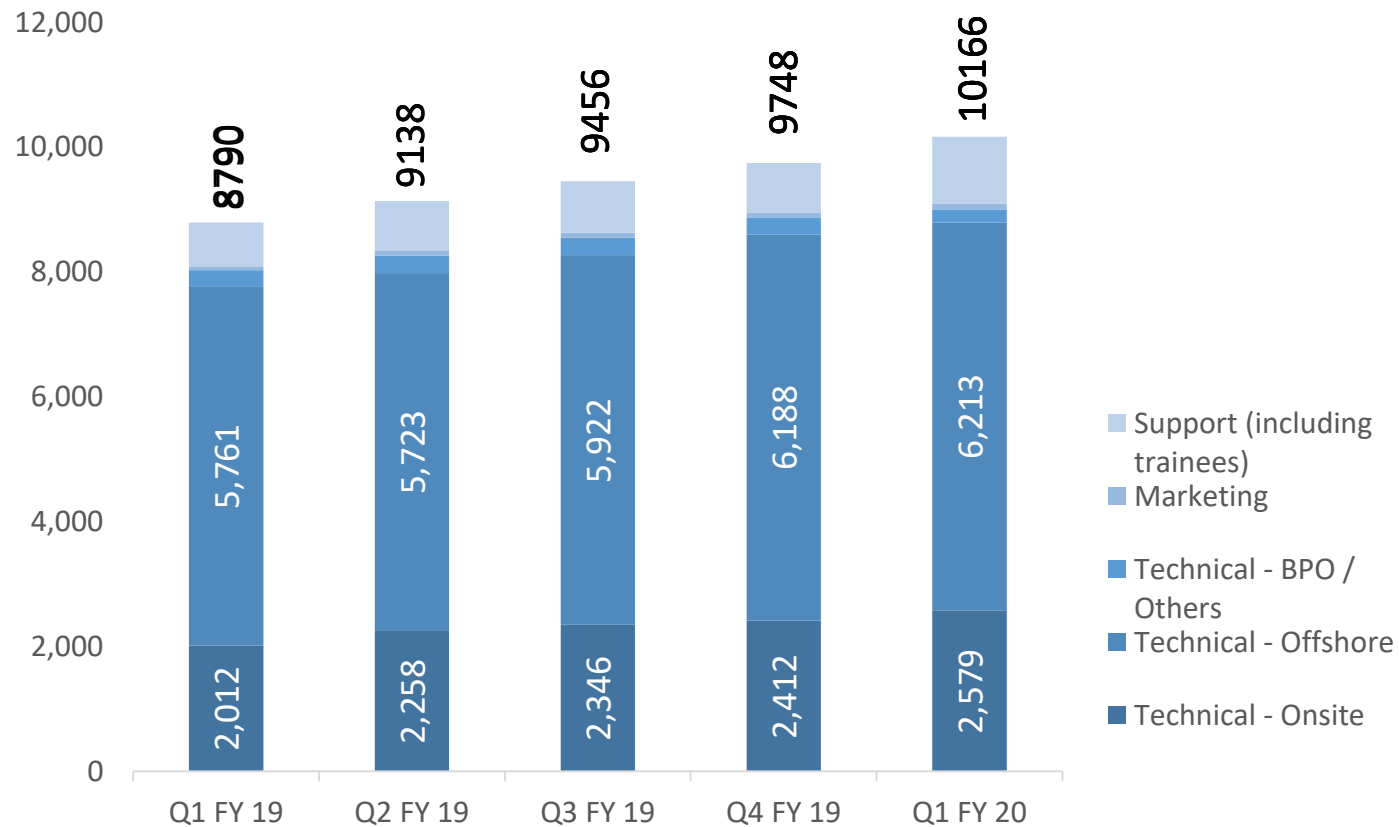
Million+ Dollar Clients			
	Q1 FY19	Q4 FY19	Q1 FY20
20 Mn Dollar+	2	2	2
10 Mn Dollar+	5	9	9
5 Mn Dollar+	19	19	20
1 Mn Dollar+	86	90	91

Revenue Concentration				QoQ and YoY Growth	
	Q1 FY19	Q4 FY19	Q1 FY20	QoQ	YoY
Top 5 Clients	36.0%	37.0%	38.0%	6.1%	22.9%
Top 10 Clients	44.4%	47.9%	49.2%	5.9%	29.0%
Top 20 Clients	56.0%	59.3%	61.3%	6.6%	27.2%



# Q1FY20 Employee Details

## Employee Headcount



**+1376**

Net Headcount added in the last year

**29.8%**

Highest Ever Women % in our workforce Zensarians

**16.7%**

Employee Attrition Up by 40 BPS

**82.4%**

Utilisation reduced by 100BPS from last quarter

# Analyst Coverage & Mentions

## RoD Conclave, Boston 2019



Successfully concluded Zensar's first-ever Analyst and Advisor meet in Boston on April 9, 2019. **Attended by more than 50 Analysts** from leading firms like Gartner, IDC, Novarica, ISG, Forrester, Avasant, etc.

### Gartner

Zensar mentioned in the Gartner Magic Quadrant for Oracle Cloud Application Services, Worldwide

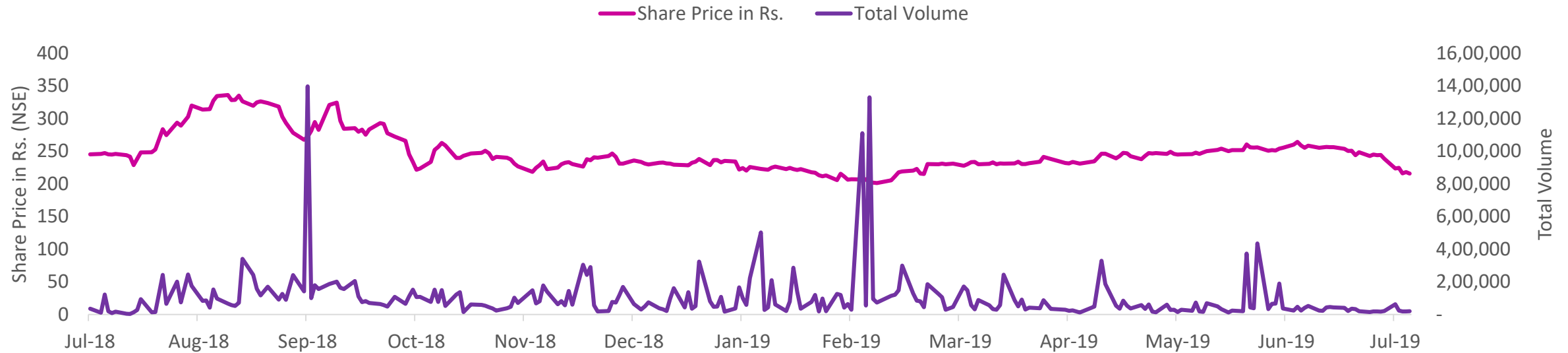


Named a Top 15 Sourcing Standout by Information Services Group (ISG)



Zensar named as a Major Contender in the Everest Group Digital Services PEAK Matrix™ Assessment 2019

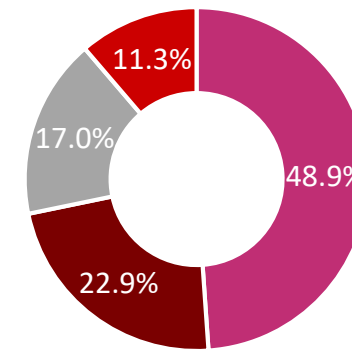
# Stock Price and Shareholding Pattern



## Equity Share Information:

- Share Price (26<sup>th</sup> July 2019): INR 215.6/ share
- Market Cap (26<sup>th</sup> July 2019): INR 4,866 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 30<sup>th</sup> June 2019):



■ Promoter ■ Apax Partners ■ FPIs ■ DII/ Others



Analyst Presentation for the quarter ending  
June 30, 2019

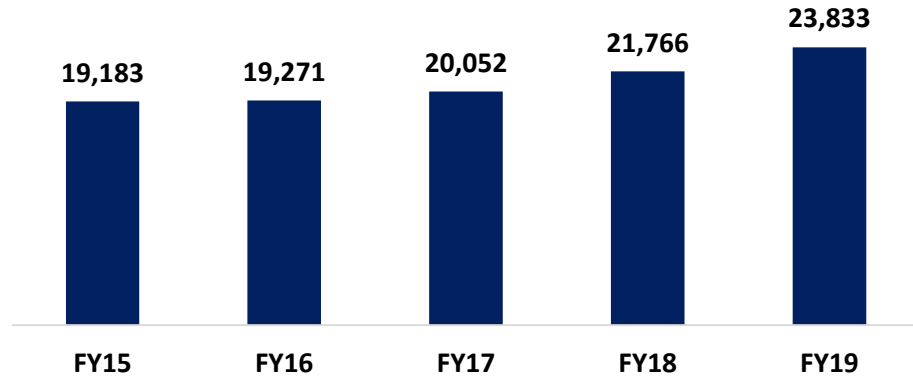
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## RPG Group Overview

# RPG Group: Key Financials

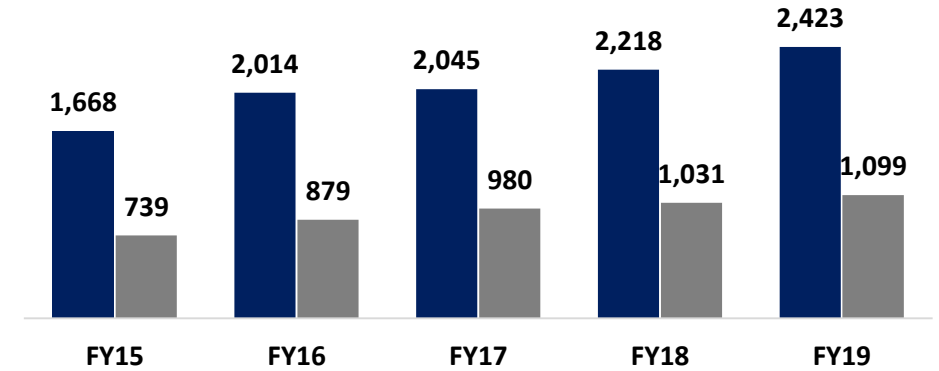
**FY15-19  
CAGR: 5.6%**

■ Gross Total Income (Rs Cr.)

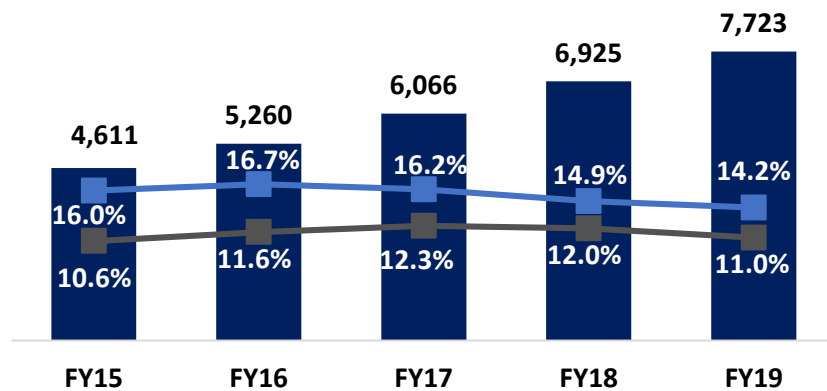


**FY15-19 CAGR:  
EBITDA 9.8% PAT 10.4%**

■ EBITDA ■ PAT



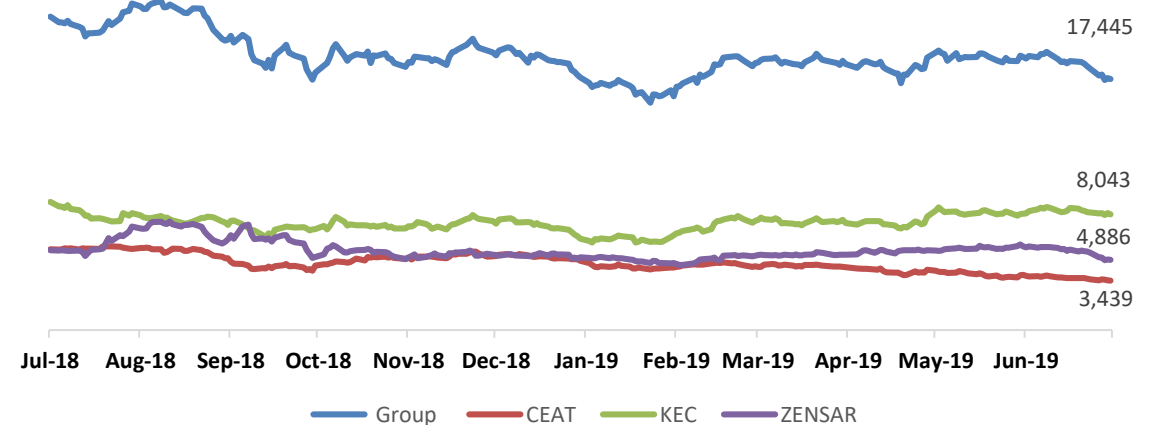
■ Net Worth ■ ROE ■ ROCE



**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 26<sup>th</sup> July 2019

**Market Cap**



# Thank You