

Zensar Technologies

Analyst Presentation for the quarter and year ending 31st March, 2017

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- Key Highlights of FY17
- FY17 Business Performance
- Return on Digital™ Update
- RPG Group Overview

Highlights for FY17



■ Revenue Performance :

- For the year, revenue grew 3.5% Year-on-Year in CC terms 1.4% in \$ terms.
- For the quarter, revenue grew 1.1% Year-on-Year and declined 4.9% Quarter-on-Quarter, both in \$ terms
- Large deals worth \$ 305 Million closed through the year

■ Digital Revenue Performance :

- Digital Revenue grew both Year-on-Year and Quarter-on-Quarter by 11.6% and 8.1% respectively.
- For the quarter, Digital accounted for 34.1% of Zensar's overall revenue

■ Profitability and Gross Margin :

- The Net Profit and Gross Margin shrunk by 240 bps and 211 bps respectively due to:
 - Increase in the onsite revenue ratio from 64.3% in FY16 to 66.8% in FY17
 - Discounts from two of our customers to the extent of \$1.6M and delay in projects especially in the US
 - Impact of Exchange rate fluctuation on Gross Margin as well as Forex losses

Highlights for FY17



■ Key Territory Performance:

- Year-on-Year, Europe grew 35.7% and Africa grew 11.6%, both in constant currency terms
- US declined 2.0% Year-on-Year in constant currency. While at a pure services level the territory witnessed a Year-on-Year increase, but at an overall level the revenue decreased due to
 - Conscious decline of non-core areas of MVS and IM products and
 - Delay in start of some key projects won during the year

■ Key Verticals Performance:

- Year-on-Year, Retail and Consumer services grew 21.8% in constant currency terms
- Year-on-Year, revenue from Financial services and Manufacturing verticals grew by 1.9% and 0.4% respectively

■ 2 successful acquisition

- Zensar successfully completed 2 acquisitions in this year – Foolproof in Q3 and Keystone in Q4
- The acquisitions provided Zensar with an upswing in the revenue from Fortune 500 clients
- With Foolproof, Keystone and the development of key Digital platforms by Zensar, Digital is expected to be ~35% of Zensar's revenues in the next 4 quarters

Key Digital Wins in FY17



- A multimillion multiyear digital transformation deal with one of the largest British motoring association
- A multi-million multiyear contract on Digital Commerce implementation with of the world's leading toy retailers
- A multimillion digital commerce deal with leading American clothing and accessories retailer
- A multimillion digital consulting and implementation deal with one of America's top department stores
- Development of a global unified commerce platform for a \$3 Billion US based Clothing and accessories retailer
- Robotic process automation for one of South Africa's largest Fund administration company
- Redesign and Conversion of the mobile gaming platform of South Africa's largest online Gaming company
- Mobile Control and Automation development for America's leading flower and gift e-tailer
- A Digital Testing services multi-million dollar deal with leading gaming company

Other Services Wins in FY17



- A multimillion deal in the space of mobile solutions with an American multinational financial services corporation
- A multiyear deal with a leading global provider of risk management solutions
- A multimillion dollar application management deal with one of the top departmental stores in UK
- A multimillion dollar deal with the commerce arm multinational operating in electronics, computer hardware and IT services
- Oracle FMW deal for a leading non-profit dispute resolution organization in the US
- A multiyear MVS deal with a Japanese multinational information technology equipment and services company
- An IMS Cloud deal with one of the leading airlines in the US

Analyst Recognition in FY17

■ Gartner

- Magic Quadrant for Data Center Outsourcing and Infrastructure Utility Services, North America
- Market Guide for Digital Business Consulting Services
- Magic Quadrant for Managed Mobility Services, Worldwide
- Gartner Magic Quadrant for Managed Workplace Services, North America
- Magic Quadrant for Oracle Application Services, North America
- Critical Capabilities for Oracle Application Services, North America

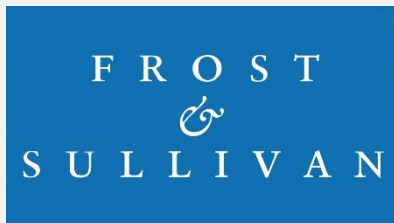
■ Zinnov

- Zinnov Zones – Digital Services in Retail
- Zinnov Zones – RPA Services

■ IDC, Forrester and Everest

- IDC Business Strategy: IoT Capabilities Offered by Systems Integrators in the Manufacturing Sector
- Forrester Wave(TM) - Application Outsourcing Capabilities Of Midsize Offshore Vendors, Q4 2016
- Everest Group's Insurance AO PEAK Matrix 2016

Thought Leadership with Key Analyst



- ✓ Experience Management
- ✓ Marketing Cloud
- ✓ Service Edge® - Smart Operations Platform
- ✓ Rush Hour Testing
- ✓ ERP Modernization
- ✓ Next Generation EUC
- ✓ Unified IT
- ✓ Outcome Based Testing
- ✓ PAX
- ✓ RPA – Value Framework+



- ✓ The Vinci
- ✓ Next Generation Workplace
- ✓ Cloud Migration PaaS : Fast Track your Cloud Application Migration and Transformation in a Multi-Cloud era
- ✓ Oracle PaaS - Extend your Cloud Applications and integrate seamlessly across Cloud and On-Premise applications
- ✓ Managing M&A better: IT enabled integration framework
- ✓ Agile and DevOps for Bimodal Services



- ✓ B2B Commerce
- ✓ In-Store Experience with Analytics

An aerial photograph of a modern garden. The garden features a network of stone paths made of light-colored, rectangular tiles. A rectangular water feature with a dark, reflective surface is situated in the lower half of the image. The water feature is bordered by a low wall of small, light-colored stones. In the foreground, there are dense, green, needle-like shrubs. The overall scene is well-lit, suggesting a sunny day.

Business Performance FY17

FY17 Financials

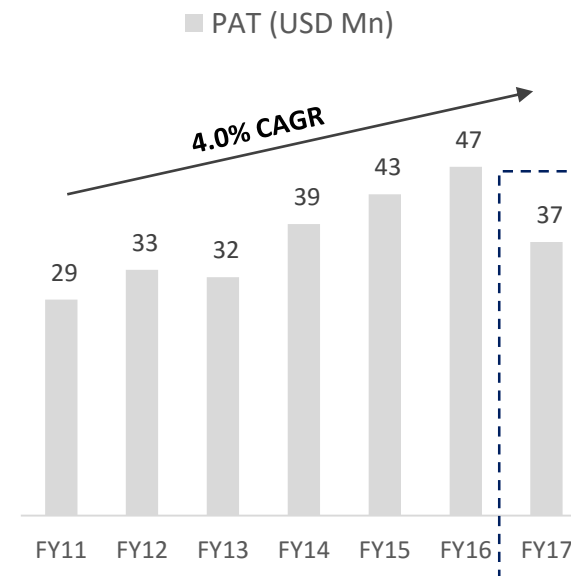
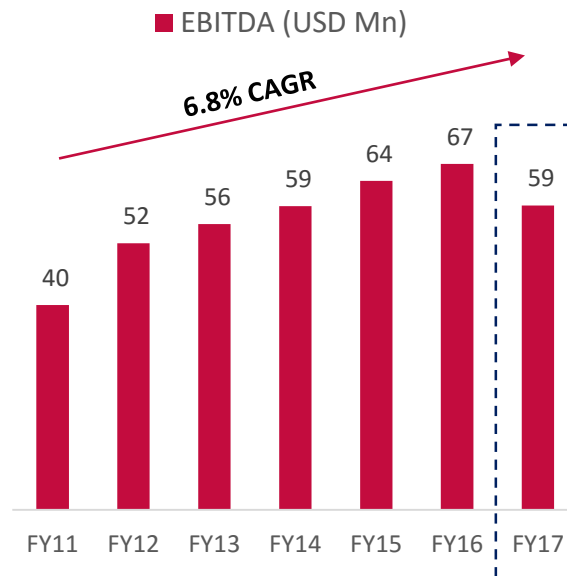
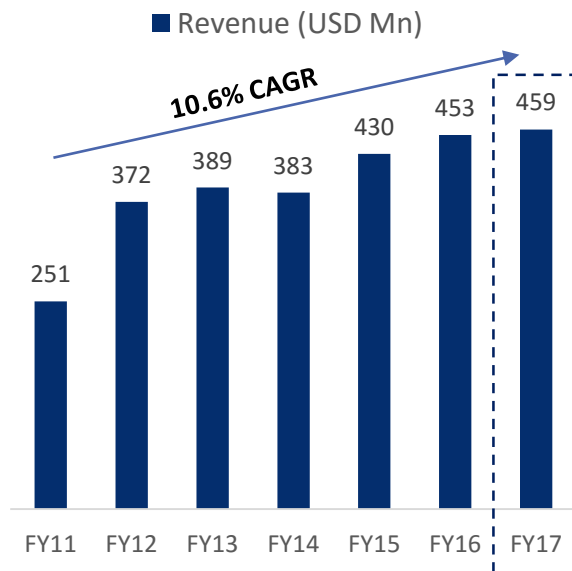
Particulars	FY17		Growth		
	USD Mn	INR Cr	Y-o-Y		
			USD	INR	CC
Revenue	\$ 459.3	₹ 3,080.5	1.4%	3.9%	3.5%
EBITDA	\$ 59.3	₹ 398.0	(11.9%)	(9.6%)	
EBIT	\$ 52.7	₹ 353.8	(12.7%)	(10.4%)	
PAT	\$ 36.9	₹ 247.8	(21.9%)	(19.8%)	

Impacting the Future of Enterprises



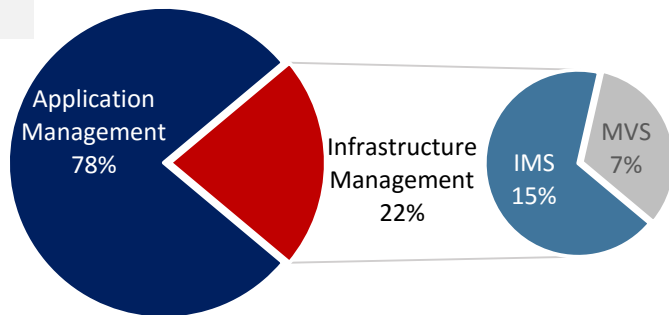
8500+
Associates

Revenue and Profitability trend

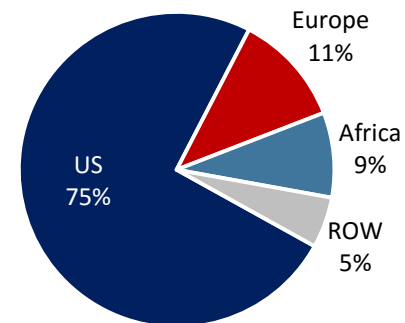


FY17 Revenue Mix

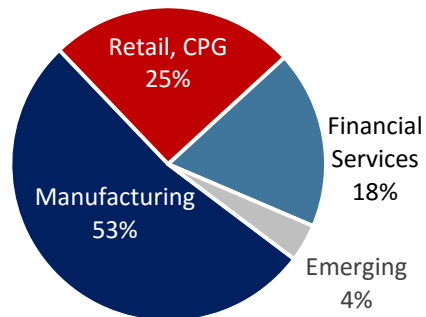
Services



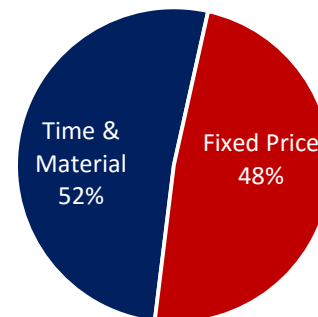
Geographies



Industries



Project



FY17 Client Profile

Million Dollar Clients

	FY15	FY16	FY17
20 Mn Dollar+	1	2	3
10 Mn Dollar+	3	4	4
5 Mn Dollar+	9	5	7
1 Mn Dollar+	75	64	72

Revenue Concentration

	FY15	FY16	FY17
Top 5 Clients	36.0%	36.9%	37.8%
Top 10 Clients	45.0%	44.9%	45.8%
Top 20 Clients	51.0%	54.6%	55.8%

- 32 Key accounts identified for driving top-line growth with focus on **Multiservice deals**, 'Return on Digital' and **Client-specific IP**
- 3-in-a-box model for each account
 - ✓ Sales Manager
 - ✓ Delivery Manager
 - ✓ Digital Evangelist
- Million dollar clients increased from **75** to **86**
- Top clients revenue concentration improved Year-on-Year.

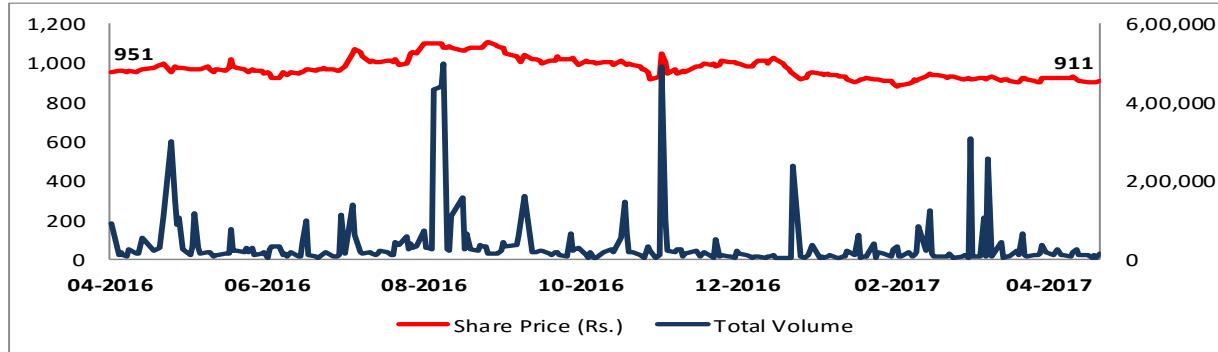
FY17 Employee Details

Headcount	
FY16 Headcount	8,256
Net Additions	268
*FY17 Headcount	8,524
Technical – Onsite	1,691
Technical – Offshore	5,739
Technical – BPO/Others	286
Marketing	102
Support (including Trainees)	706
% of women employees	25.6%

**Includes Foolproof Headcount*

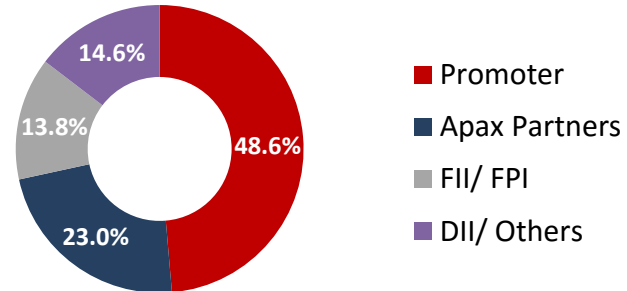
Utilization	
Excluding Trainees	79.6%
Attrition	
Attrition (Annualised)	15.4%
Revenue Mix	
Onsite	66.8%
Offshore	33.2%
Total	100.0%

Stock Price and Shareholding



Equity Share Information:

Shareholding Pattern (as on 31st March 2017):



An aerial photograph of a modern garden. The garden features a large, rectangular pond in the center, surrounded by a low wall and a border of small, light-colored stones. The pond is bordered by a dark, possibly black, material. The garden is paved with large, light-colored stone tiles in a grid pattern. There are several rectangular borders made of darker stone tiles. In the foreground, there are dense, green, needle-like shrubs. The overall scene is well-lit, suggesting a sunny day.

Return on Digital™ Update

Solution-led growth strategy : key solution launches



RPA

Drives efficiency in processes and providing customers with optimized, quantifiable and impactful outcomes.



TheVinci

Zensar's Integrated Managed Services Platform powered by Automation, Autonomics & Orchestration



OMS

Unified Order management for the most complex fulfilment processes : IBM sterling, Oracle, ROMP etc.



Blockchain

Zensar's Block-Chain Enablement Framework and Feasibility Evaluation Algorithm



ZenAnalytics

Big data enabled holistic and Integrated platform for seamless, end-to-end Information management



LIVING Digital

Digital applications for enterprises across employee engagement, core operations, managing business and external partnering

An aerial photograph of a modern garden. The garden features a large rectangular water feature in the center, surrounded by a border of small, light-colored pebbles. The water feature is bordered by a dark, possibly black, material. The garden is paved with large, light-colored stone tiles in a rectangular pattern. There are several rectangular borders made of the same stone tiles, creating a grid-like design. Green plants and shrubs are visible along the edges of the garden, particularly at the bottom and right sides. The overall aesthetic is clean and modern.

RPG Group Overview

UNLEASH TALENT TOUCH LIVES OUTPERFORM AND 😊

RPG Enterprises was founded in 1979 by Shri Rama Prasad Goenka, popularly known as RP Goenka, a pioneering fifth generation business leader from the Goenka family. The Goenkas have a history of business dating back to 1820 AD in banking, textiles, jute and tea. Under RP Goenka's dynamic leadership, the Group grew in size and strength with several acquisitions in the 1980s and 1990s. Zensar became a part of the RPG Group in 1989, which is now one of India's fastest growing conglomerates with 20000+ employees, presence in 100+ countries and annual gross revenues of ~\$3 Bn.



KEC International

World leader in
Power
Transmission EPC
space.



CEAT

One of India's
leading
manufacturer of
automobile tyres.



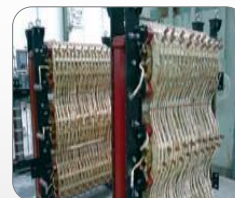
Zensar Technologies

Software services
provider spread
across 29 locations,
200+ customers.



RPG Life Sciences

Pharma company
with wide range
medicines in
global generics
and synthetic APIs.



Raychem RPG

Engineering
products and
services catering
to infrastructure
segment of the
economy.

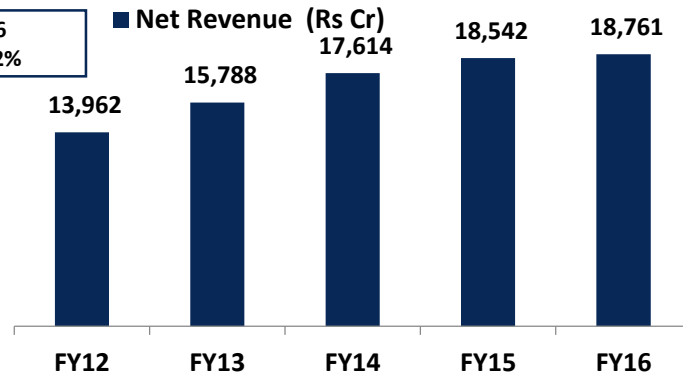


Harrisons Malayalam

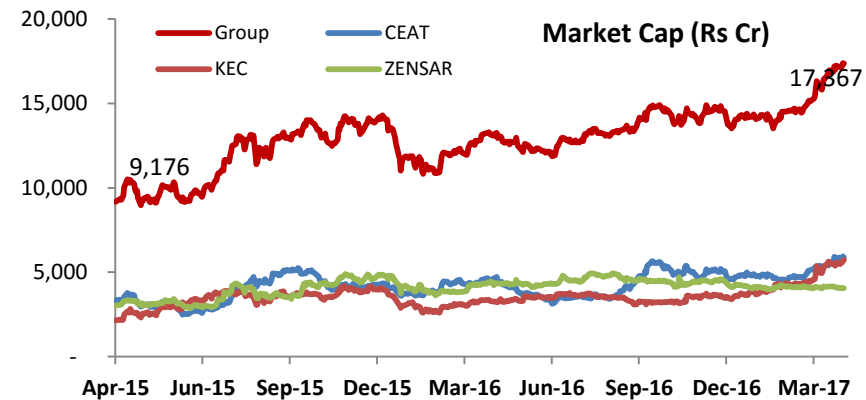
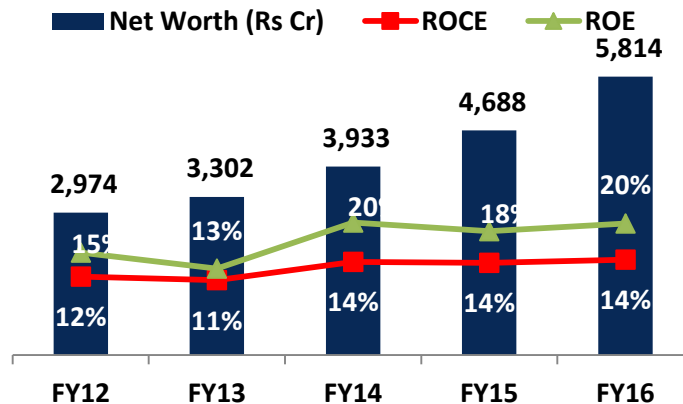
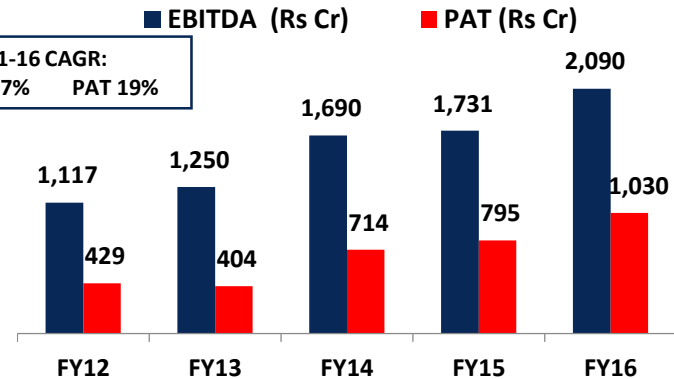
One of India's
largest plantation
companies with
tea, rubber and
other agro
products.

RPG Group – Key Financials

FY11-16
CAGR: 12%



FY11-16 CAGR:
EBITDA 17% PAT 19%



Note:

- 1) ROCE is calculated by taking EBIT multiplied by (1 minus tax rate @ 33%) divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth
- 3) Market Cap updated till 21st April 2017

Zensar Technologies

Impacting the Future of Enterprises

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