

Zensar Technologies

Analyst Presentation for the
quarter ending 31st March, 2018

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Zensar Technologies is a
\$482 Mn organisation

- 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 53+ years

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Zensar Business Update

Key Updates of FY18

- Revenue up by 5.8% over FY17 in USD terms
- All profitability metrics increased YoY:
 - GP ↑ 4.7%; EBIDTA ↑ 0.4% & PAT ↑ 7.1% over FY17
- All regions except ROW & all BUs except IMS achieved a positive growth
- Application Management services grew by 12.5% in USD terms on the back of our Digital revenue which grew 34.6% over FY17
- Infrastructure Management business declined by 18.4% sequentially; We won our biggest infra deal in Q4FY18.
- Digital now at 38.2% of total revenue; growth of 34.6% Y-o-Y
- ZenRoD[®] – Zensar's proprietary native digital platform – continues its strong performance. Zensar achieved ~\$ 2.5 Million in revenue & influenced booking worth ~\$ 25 Million during the year
- Both our acquisitions over-achieved their targets for FY18; Keystone achieved 152% of its target while Foolproof achieved 102% of the target numbers.
- Completed the acquisition of Cynosure; now have the Guidewire capabilities being taken to the existing Insurance customers to help them achieve true Return On Digital.
- Board of Directors have recommended splitting of the Company's equity shares in the ratio 5:1. The Board also recommended a final dividend of Rs.7 per share making it a total dividend of 120% for the financial year.

Q4 FY18 Financials

Particulars	Q4 FY18		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 126.6	₹ 814.7	3.2%	2.6%	1.1%	14.2%	9.6%	10.9%
EBITDA	\$ 15.5	₹ 99.9	(6.0%)	(6.5%)		76.5%	69.5%	
EBIT	\$ 13.4	₹ 86.1	(4.8%)	(5.4%)		93.6%	85.9%	
PAT	\$ 11.3	₹ 72.7	23.8%	23.0%		632.6%	603.3%	

Financial Updates for FY18



Biz. Unit wise YoY performance

Territory wise performance

- US continues the growth momentum, revenue increased by 3.6%; 72.8% of the revenue
- Africa grew by 19.4%; 9.9% of the FY18 revenue
- Europe grew by 27.6% over FY17; 14.0% of the FY18 revenue

Vertical wise performance

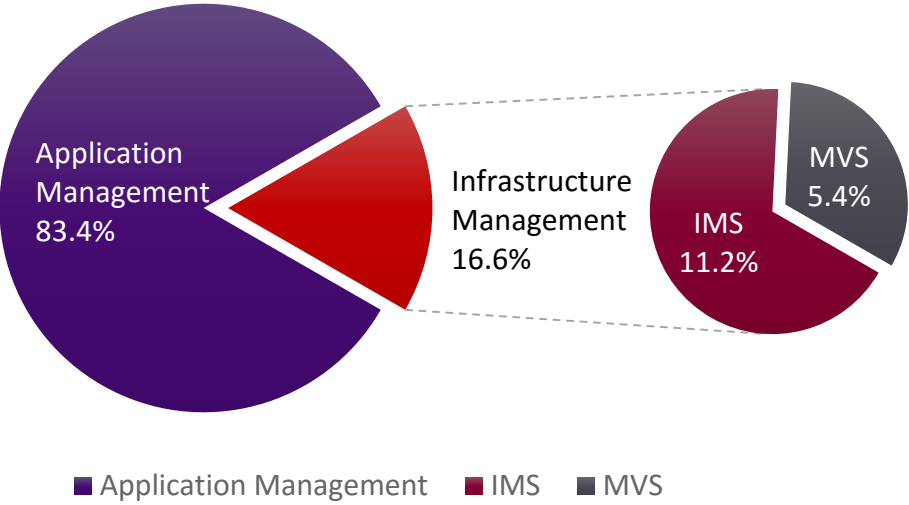
- BFSI & Retail grew by 11.7% & 19.6% respectively; Manufacturing declined by 1.2% because of decline in Industrial Manufacturing

Digital Revenue @ 38.2%

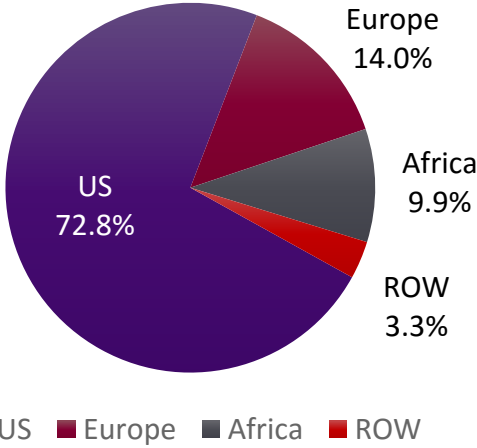
- Achieved a CQGR of 7.7%, annual growth @ 34.6%

FY18 Financials

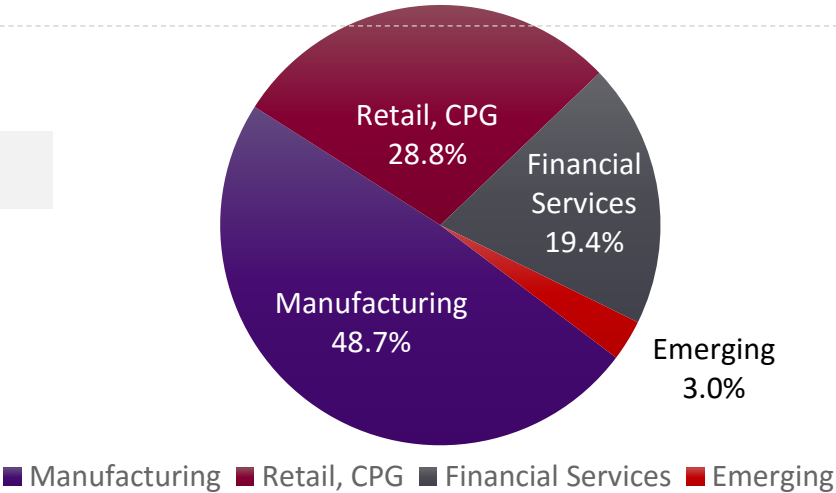
Services



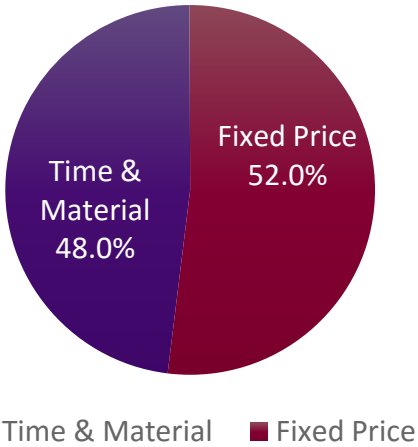
Geographies



Industries



Project



FY18 Revenue Mix

Million Dollar Clients			
	FY16	FY17	FY18
20 Mn Dollar+	2	3	2
10 Mn Dollar+	4	4	2
5 Mn Dollar+	5	7	13
1 Mn Dollar+	64	72	63

Revenue Concentration			
	FY16	FY17	FY18
Top 5 Clients	37%	38%	36%
Top 10 Clients	45%	46%	44%
Top 20 Clients	55%	56%	56%

FY18 Revenue Mix

Headcount

FY17 Headcount	8,524
Net Additions	381
FY18 Headcount	8,905
Technical – Onsite	1,866
Technical – Offshore	5,868
Technical – BPO/Others	248
Marketing	68
Support (including Trainees)	855
% of women employees	27.7%

Addition of technical HC both onsite and offshore

Utilization

Excluding Trainees	84.4%
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Increased from 79.6% in FY17

Attrition

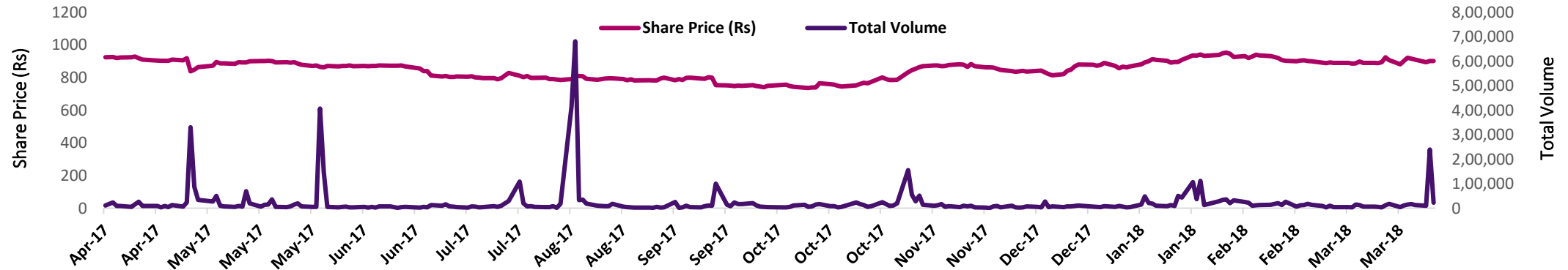
Attrition (TTM)	14.9%
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Down from 15.4% in FY17

Revenue Mix

Onsite	62.9%
Offshore	37.1%
Total	100.0%

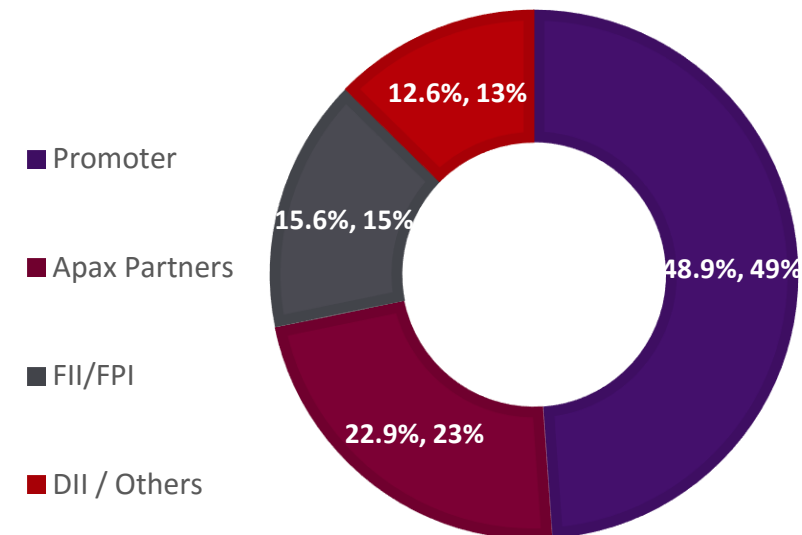
Stock Price and Shareholding Pattern



Shareholding Pattern (as on 31st Mar 2018):

Equity Share Information:

- Share Price (19 April 2018): INR 1,013.75 / share
- Market Cap (19 April 2018): INR 4,559.85 Crs
- Financial Year: April to March
- Face Value: INR 10 / share
- Listed on Indian Stock Exchanges:
 - Bombay Stock Exchange (code: 504067)
 - National Stock Exchange (code: ZENSARTECH)
- Bloomberg Code: ZENT.IN
- Reuters Code: ZENT.BOx



Top two biggest wins in the history of the company

Zensar wins MEGA Business Operations deal at a Fortune 100 Technology Conglomerate, registering the largest win in our history

Won the large \$79 m network managed services deal at City of San Diego which will serve as a lighthouse for the transformation of the IM business

Experience Design

- For one of the leaders in Health Cash plans industry in the UK Market
- A research and insights services deal for a UK based company which operates two significant vehicle rental brands in Europe, Middle East, Africa and Asia
- A global leader in online trading

Digital Commerce

- A prominent American retail chain;
- A multi-year, multi-million deal for the largest specialty retailer of men's apparel
- A chain of beauty stores in the United States which carries cosmetics and skincare brands

Analytics

- A multi-million deal with an American multinational technology conglomerate

Digital Testing

- A multi-million, multi-year deal for one of the leaders in the financial solutions industry in Africa
- A deal for an investment advisory, portfolio management, securities company

Legacy Services

- An application maintenance deal for one of the world's biggest developers and suppliers of online Microgaming based in South Africa
- **An application support and maintenance deal for a non-profit organisation in the US specialising in alternative dispute resolution**

Analyst Recognition in the Quarter



Report Mentions

- Zensar named Major Contender in Everest Group Workplace Services & Cloud Enablement Services & IT Infrastructure Automation – Market Trends and PEAK Matrix™ Assessment

FROST & SULLIVAN

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 mentioned in Gartner Magic Quadrant for Oracle Application Services, Worldwide 2018
- 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
- Zensar named in Gartner Digital Commerce Vendor Guide



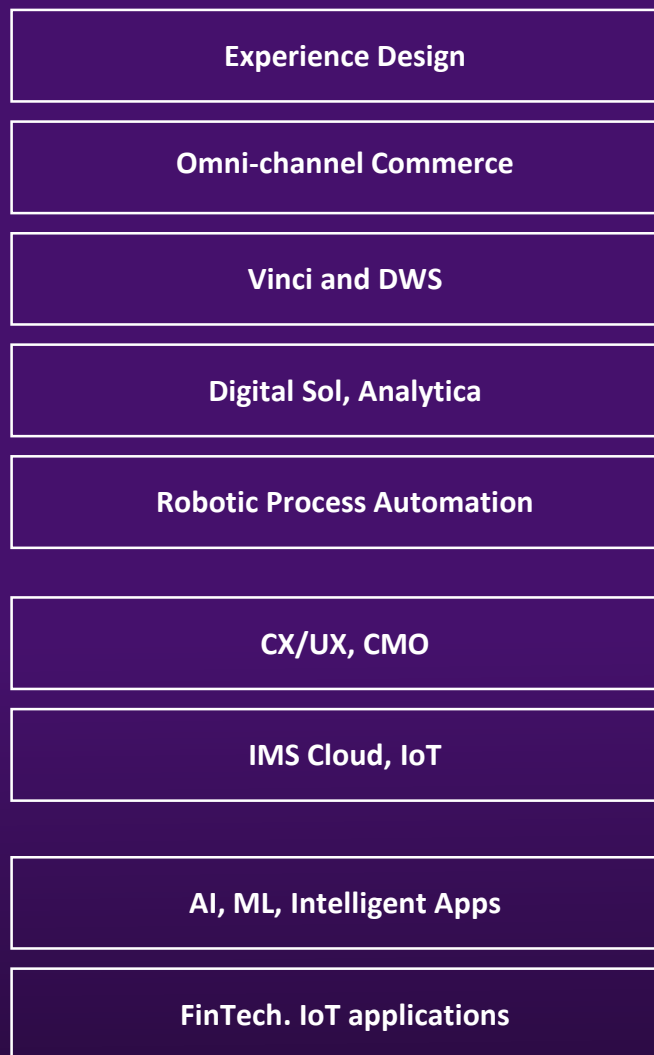
Report Mentions

- 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.
- Zensar named in ISG Provider Lens™ Quadrant Report - 2017 ISG Application Development and Maintenance Services Report

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Return on Digital™ Update

Zensar Stack



The Digital Stack

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

Zensar achieved ~\$ 2.5 Million in Revenue & influenced booking worth ~\$ 20 Million during the year.



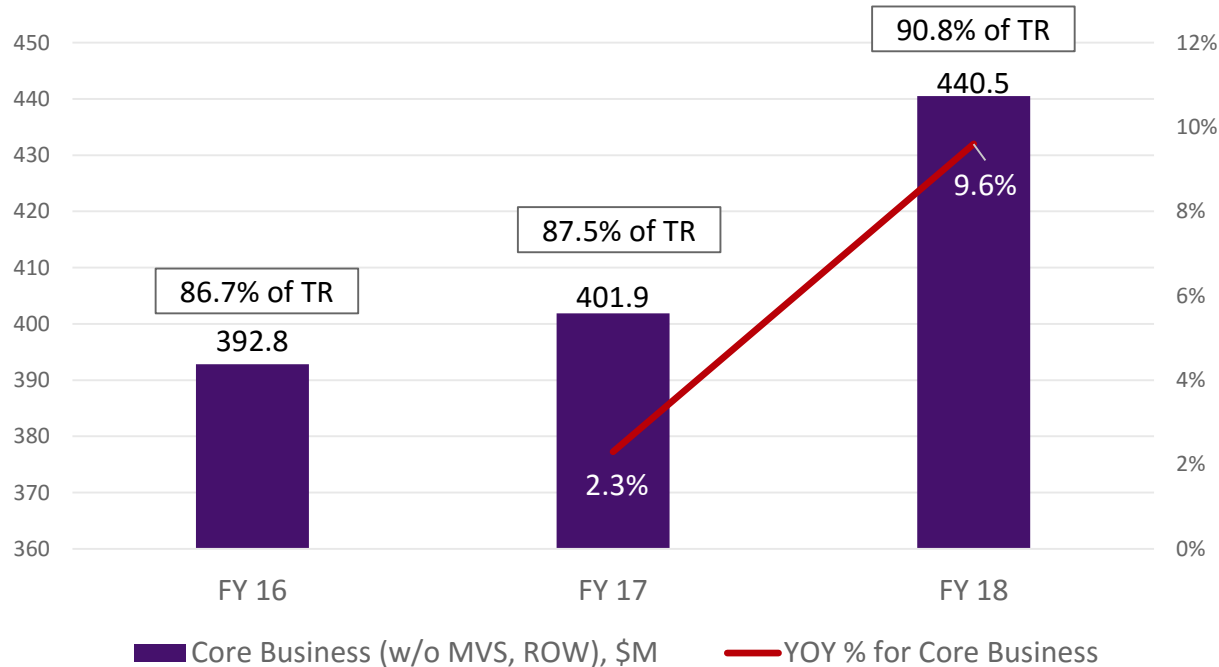


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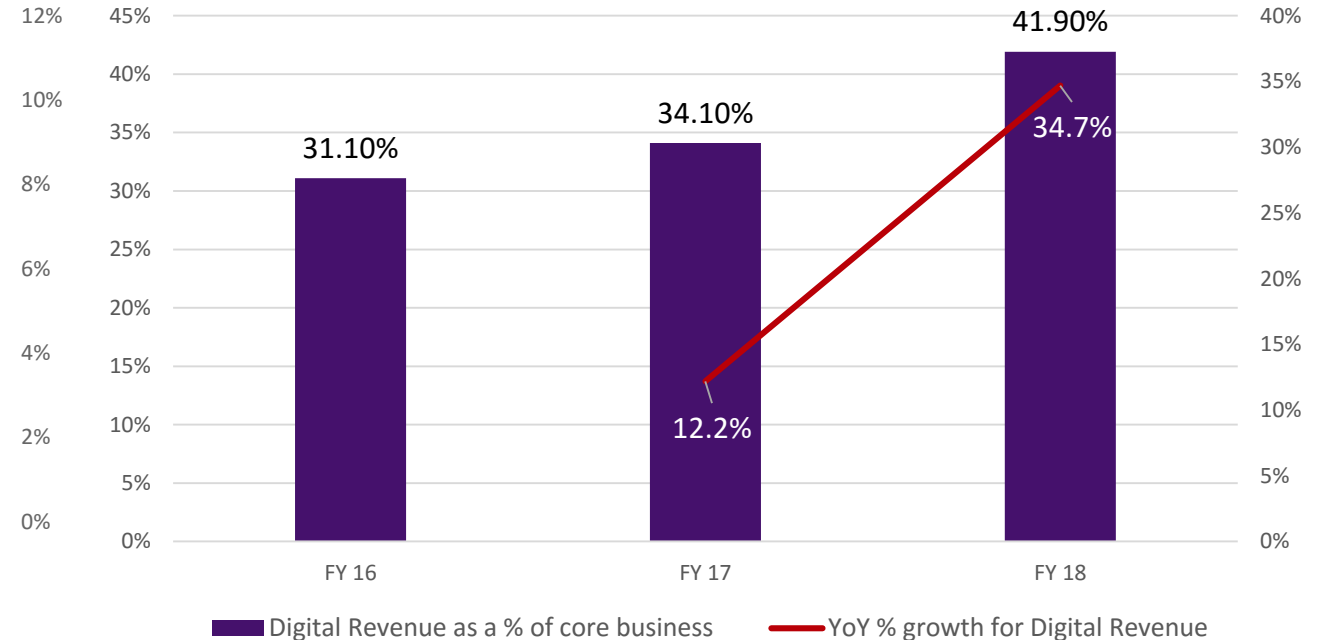
Zensar two year growth – FY 16 to FY 18

Strong Business Foundation built over last 2 years

Growth in Core Business



Digital Revenue Growth



- Growth led by all key regions and sales units except IMS
- Application & Digital Solutions was the pick of the Service-lines
- Keystone & Foolproof achieved FY18 Rev targets
- Booking led by multiple \$ 10M+ deals

- Digital growth led by Omni-channel, Digital Experience, Analytics, Foolproof, Keystone
- Digital Experiences team is now 1000+

Strong Business Foundation built over last 2 years

We created new market positioning for the 'New Zensar' Brand



HBS case study on Zensar, on leadership transformation & Digital



Exclusive detailed coverage by **Forbes** on 'Zensar : On Digital Highway'



Over **20+** number of analyst mentions by Gartner, Forrester, ISG etc.

We have set up a great platform at year end with - highest Quarterly Revenue and 5+M pa clients



\$127m+, highest revenue, Q4 FY18



17 accounts of \$5m+ revenues

Upgrading people capability and Digital Certifications



~72% associates trained on at least 4 out of 5 Digital Certifications



Crossed 9000* associates, adding net 400 Zensarians over the past year

Made strategic Acquisitions to enhance our capability stack: Foolproof, Keystone and Cynosure



Company Overview: one of Europe's leading experience design agencies

Core Offering: Experience Design, CX/UX

Acquired when: Q3 FY 17



Company Overview: a leading Omnichannel and Digital Supply Chain company

Core Offering: Order Management and Warehouse Management, expertise in direct to consumer fulfilment

Acquired when: Q4 FY 17



Company Overview: a leading Guidewire Partner Connect Consulting Partner in the Property and Casualty Insurance category

Core Offering: Guidewire Select partner providing core system modernization

Acquired when: Q4 FY 18

Zen Labs – Taking forward the culture of innovation at Zensar

3 signed TTBs, present at every location



25 Patents filed since inception



Running up to 15 different client conversations

Solution Stack:

- An AI based recommendation platform which has applicability in both Retail & Insurance in driving personalization and Micro-segmentation
- An AI based horizontal conversational platform which has wide use in many B2B applications

Solution Stack:

- Augmented reality based Computer vision solutions that use a combination of AI & IOT to create smarter factories & Retail stores. This has wide use in Property & Casualty too.
- Hyper-ledger based blockchain solutions for Supply chain management in Retail & Manufacturing

Leadership Team Strengthens

Key business leaders onboarded onto to the top leadership body, GCM to fuel the next wave of transformation at Zensar to deliver the ambitious business goals in the next 3 years



CHRO
Vivek Ranjan

Vivek joined us from Ericsson, where he was Head of HR for Ericsson Global Services with responsibility of 22,000+ employees. Prior to joining Ericsson India, he was in Europe for 12 years. Based out of London, UK as Head of HR for Europe, he has helped establish European operations for multinational Indian IT companies like HCL, NIIT, iGATE and Mastek



Cloud & Infrastructure Services Head
Harjott Atrii

Harjott has more than twenty one years of Sales and Business Development experience. Prior to joining Zensar, he was VP – Sales and Business unit leader for the Insurance vertical within NTT Data (Dell Services), with a growth and P&L responsibility of > \$350mn book of business across North America.



US Retail head
Durai Velan

Durai has over 25+ years of experience in the IT Services/Outsourcing industry in building industry verticals & high-performing sales teams. Durai joins us from Hexaware, where he was leading Sales for US across verticals. Prior to that, Durai spent over 15 years in managing business in the Global Retail & CPG markets, in several roles at HCL and L&T.



CFO
Navneet Khandelwal

Navneet joined us from Wipro Limited, where he was the CFO for Wipro's Digital business and was directly responsible for enabling and growing Wipro's Digital business as a business leader. In addition, he was playing the role of Strategic Finance Partner, heading the Business Finance function for the Manufacturing and Healthcare businesses.

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Zensar two year growth – FY 16 to FY 18

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



New website design:

50% ↑ Online Test Drive Bookings

63% ↑ Information Requests

74% ↑ Motorcycle enquires to dealers

\$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

First BOT at a large financial software company

99% ↑

Accuracy Improvement (up frm 92%)

67% ↓

Processing time reduced

20% ↓

Reduction in team size

\$15+ Billion leading
manufacturing conglomerate

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



67% ↓

eCom order allocation

20 cents ↑

Per package Savings on down stream routing solution

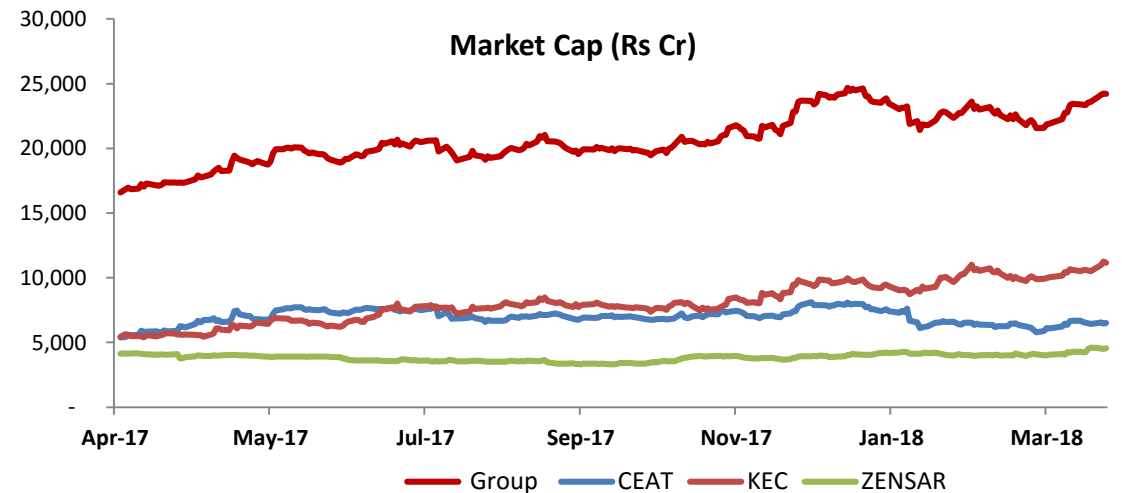
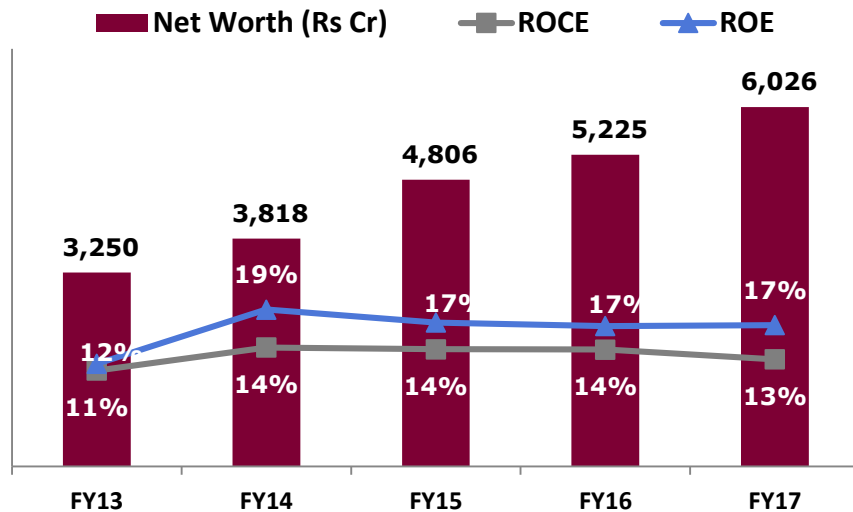
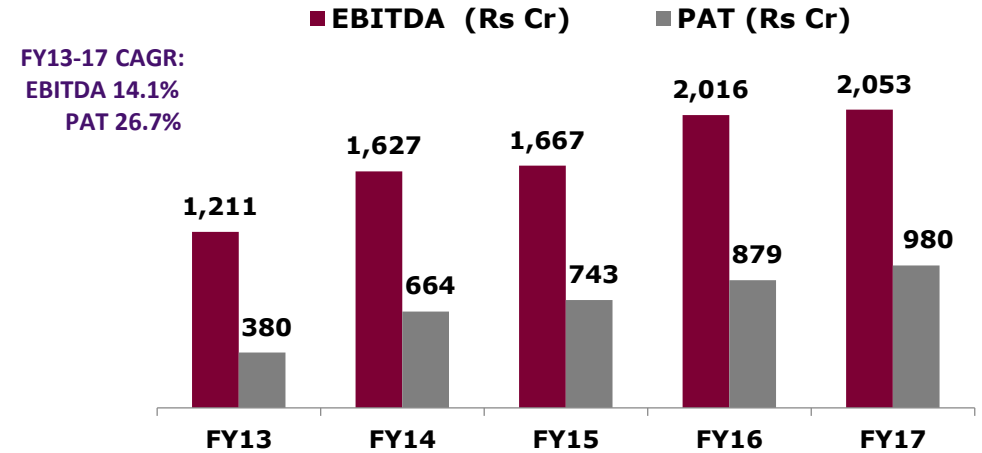
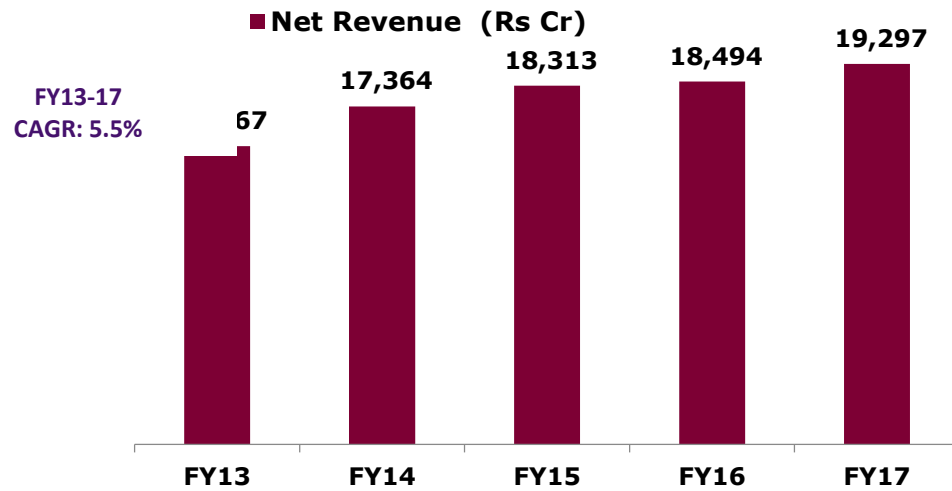
250 m+ in³

Storage Optimization Solution, additional space

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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 19th April 2018



Thank you