

Zensar Technologies

Analyst Presentation, Q4 FY19

Quarter and Year Ending Mar 31, 2019

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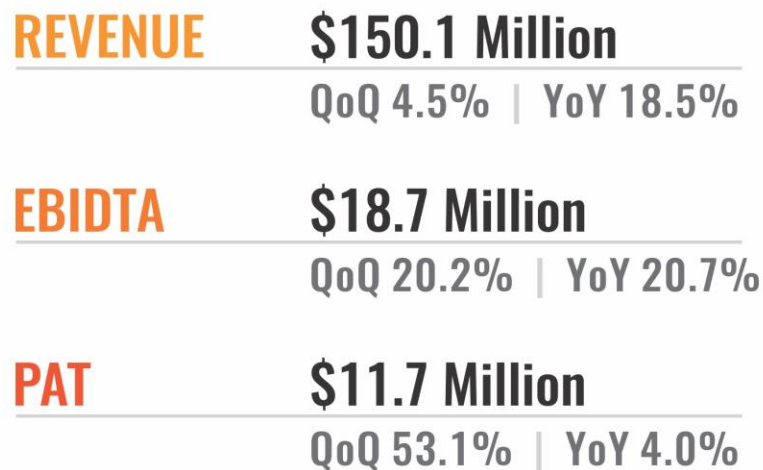
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Zensar Technologies is a \$567 Mn organisation (FY19) –
17.6% YoY Growth

- 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
- 44.7% Digital Revenue, One of the fastest growing digital revenues in the sector (37.7% YoY Growth)

Zensar Business Update

Q4 FY19 : Brief Snapshot



DIGITAL REVENUE



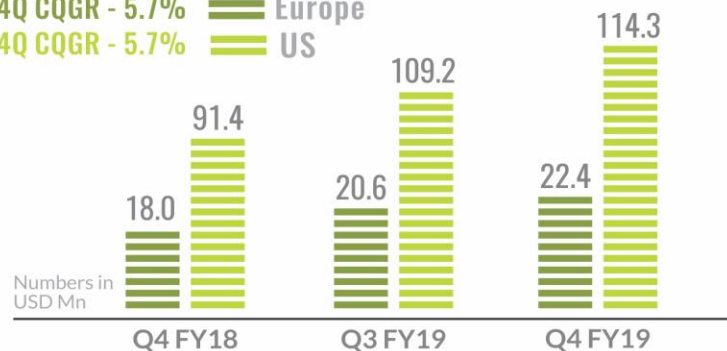
\$10M+ CLIENTS

Added **5 clients** in last year

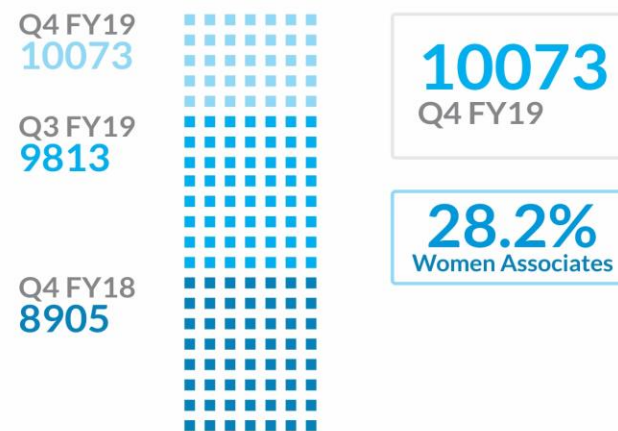


CONTINUOUS SEQUENTIAL GROWTH IN EUROPE & US

4Q CQGR - 5.7% Europe
4Q CQGR - 5.7% US

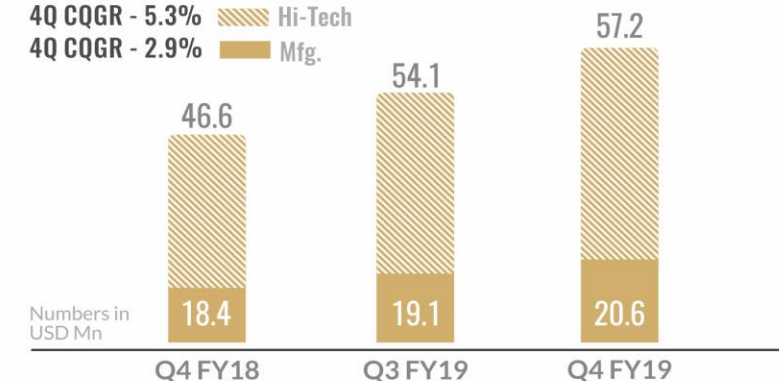


HEADCOUNT

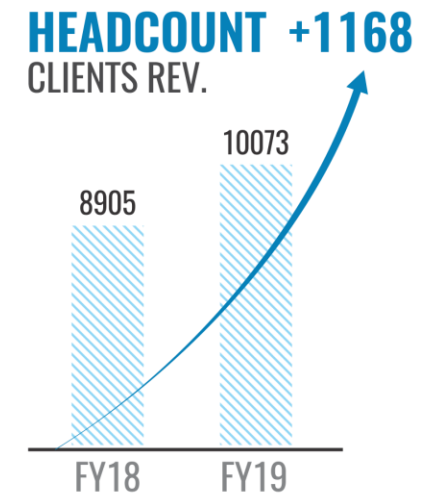
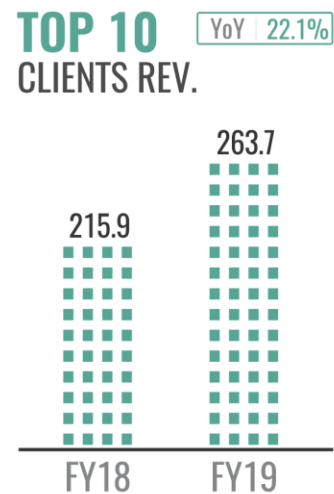
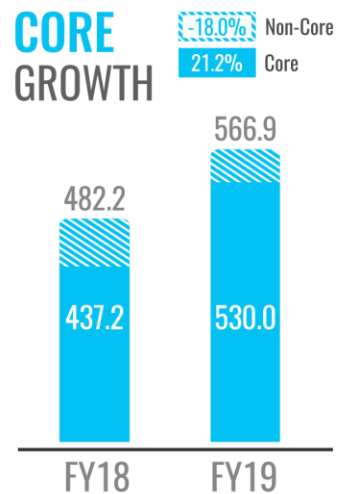
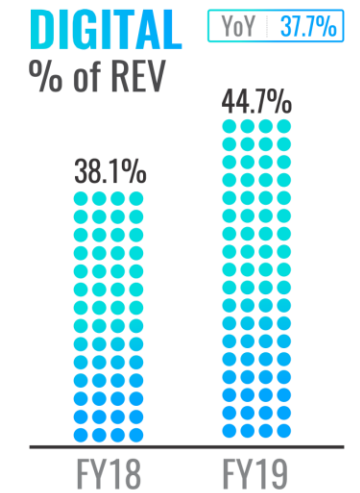
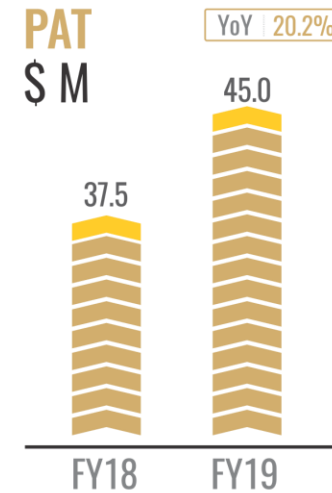
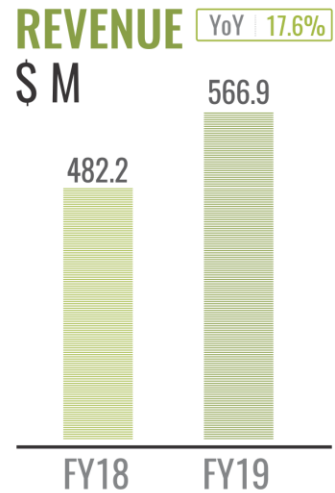


VERTICAL GROWTH LED BY HI-TECH AND MANUFACTURING

4Q CQGR - 5.3% Hi-Tech
4Q CQGR - 2.9% Mfg.



FY19 : Year of Growth across all parameters



Q4 FY19 : Key Achievements

Continued New Win Momentum



Large win at one of the oldest insurers in the African Market



Large Insurance win at a Niche property and casualty auto insurance carrier for Cynosure, a Zensar company



Multiple key wins in existing large Retail Client based out of the United States

Digital Updates



Continued Mega-growth in digital revenues – 46.4% **(crossed 45% for the first time in a quarter, second highest in the industry)**



Multiple more patents filed with 5 being granted for Digital & Blockchain – strong push towards innovation continues

Strengthening of brand 'Zensar'



Zensar Recognized for 3rd Consecutive Year in Gartner Magic Quadrant for Managed Workplace Services



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



Zensar mentioned as an Innovator in Avasant Applied AI and Advanced Analytics Services RadarView™

Revenue crosses \$150M+, Headcount crosses 10,000



\$150.1M, highest ever revenue, Q4 FY19



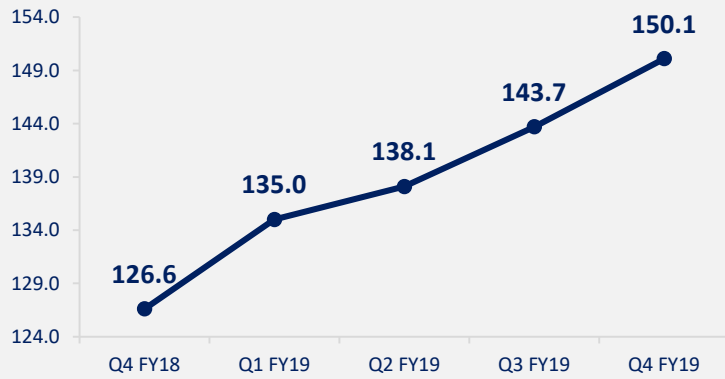
Headcount- 10073 (net addition of 260 QoQ, 1168 YoY)



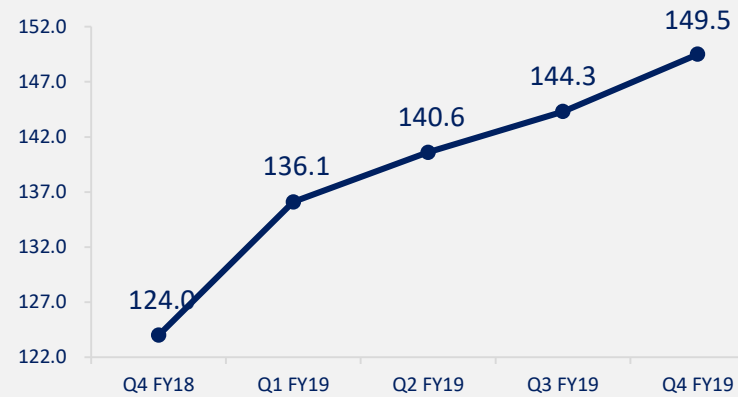
9 accounts of \$10m+ Annual revenues (YoY increase of 5)

Trending in Key Financial Updates (US \$)

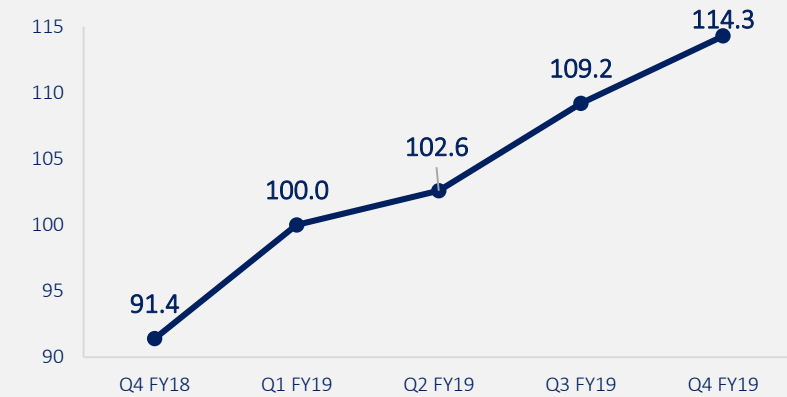
QoQ Revenue Increase



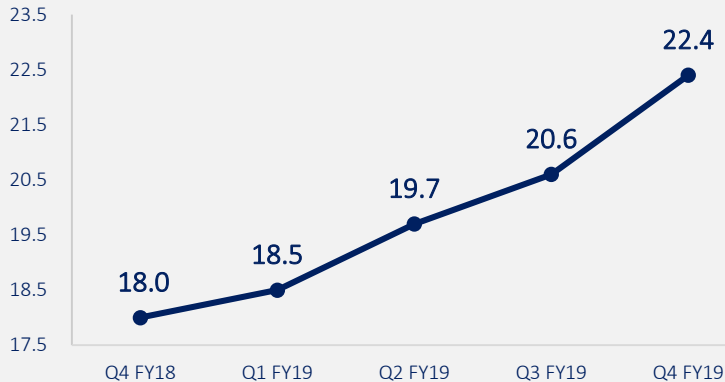
Constant Currency Revenue Growth



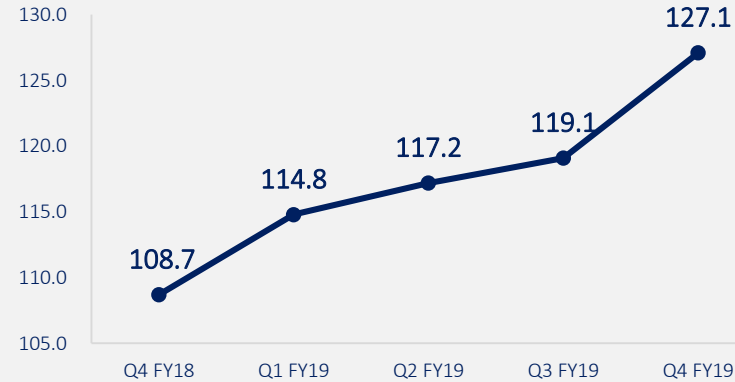
Consistent Growth in US



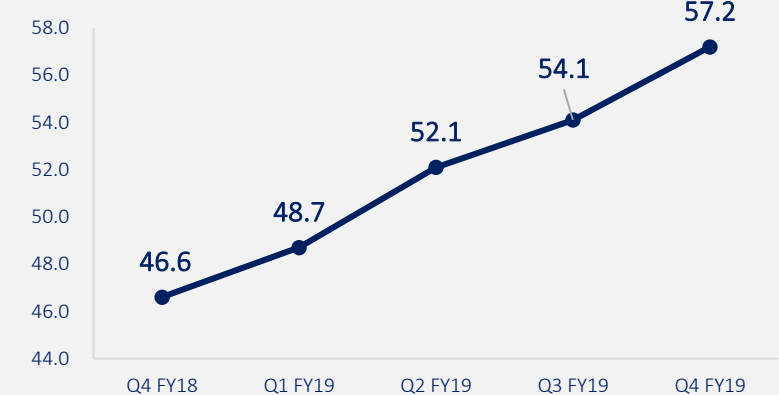
Consistent Europe Growth



Digital & Application Services Growth



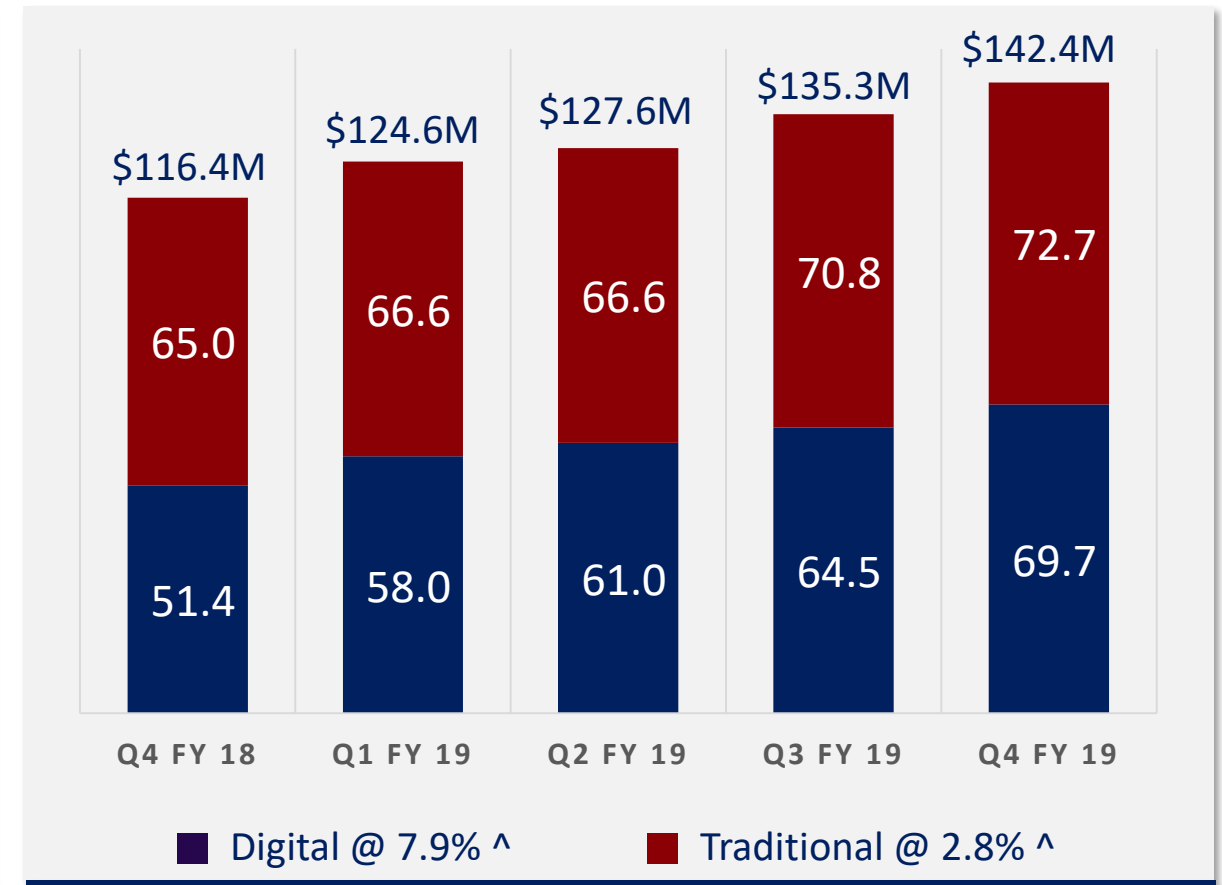
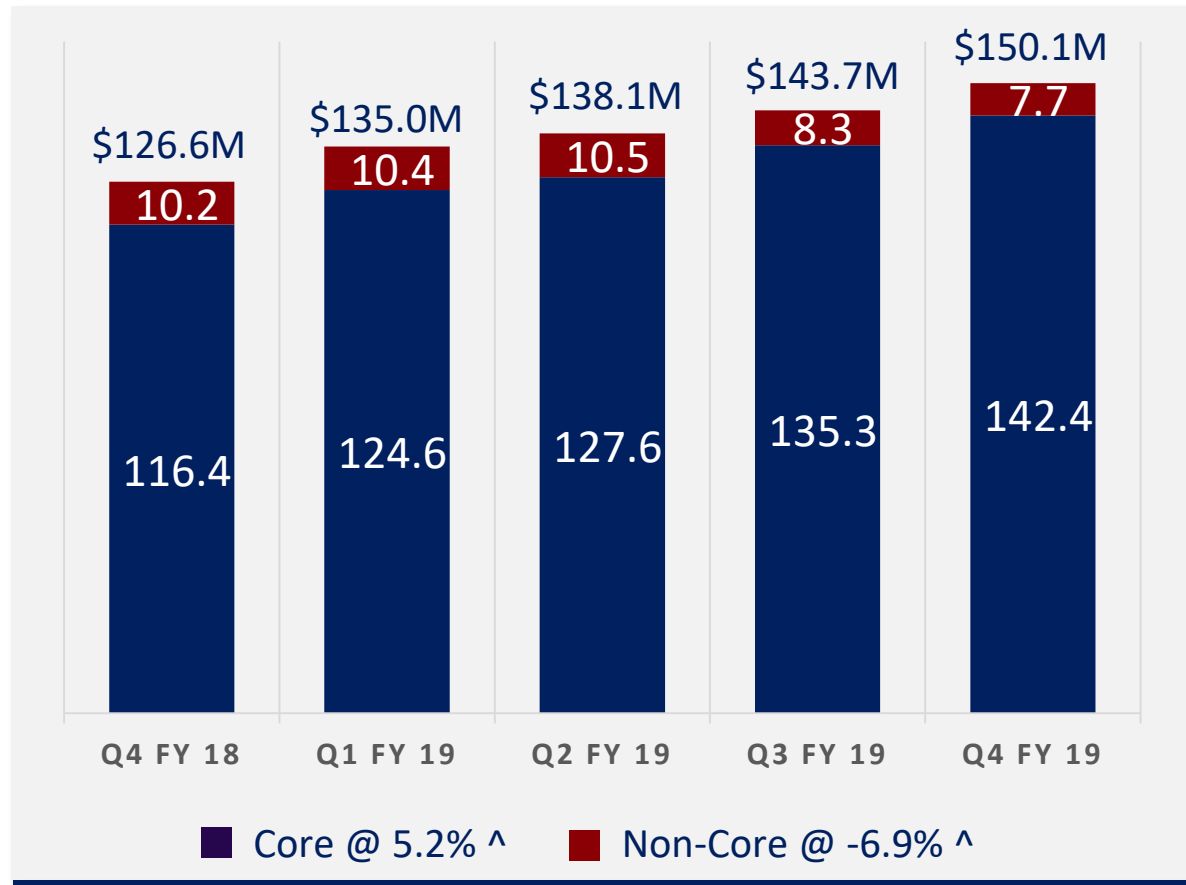
Hi – Tech Growth



Core & Digital Business Update

**Total Revenue @ 4.3% CQGR,
@18.5% YoY**

**Core Revenue @ 5.2% CQGR, @ 22.3%
YoY ; Digital Revenue @ 35.6 % YoY**



Q4 & FY19 : Key Financials

□ Revenue Growth

- 4.5% QoQ & 18.5% YoY in USD terms
- 4.1% QoQ & 21.5% YoY in CC terms
- Core Revenue stood at \$142.4M – a growth of 5.2% QoQ and 22.3% YoY.
- FY19 Revenue grew 17.6% over FY18

□ EBITDA

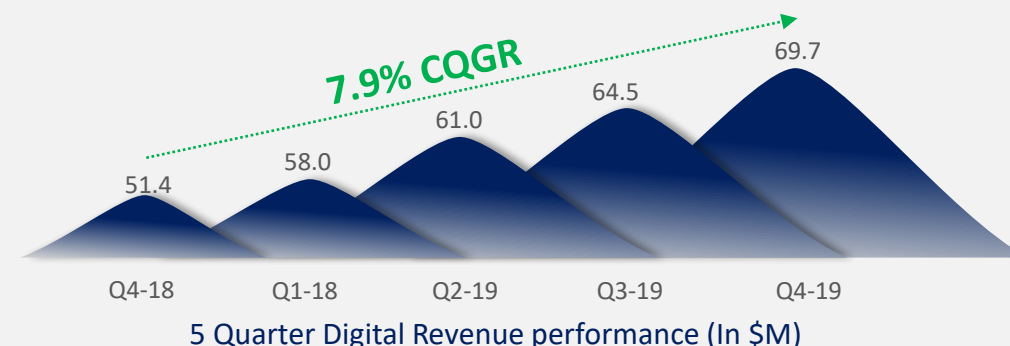
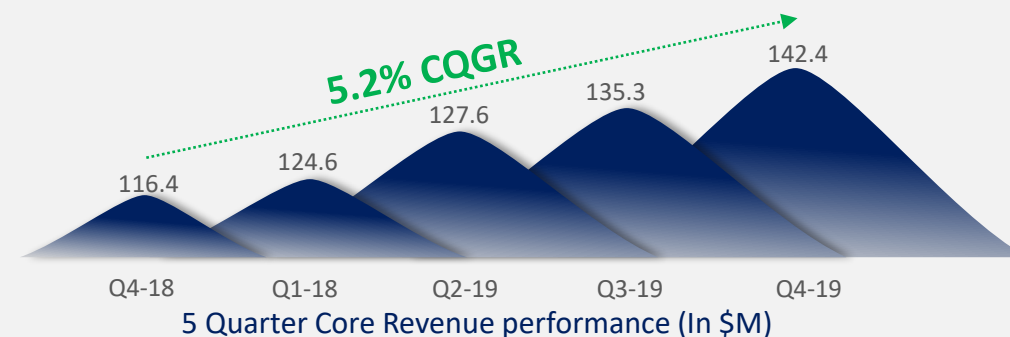
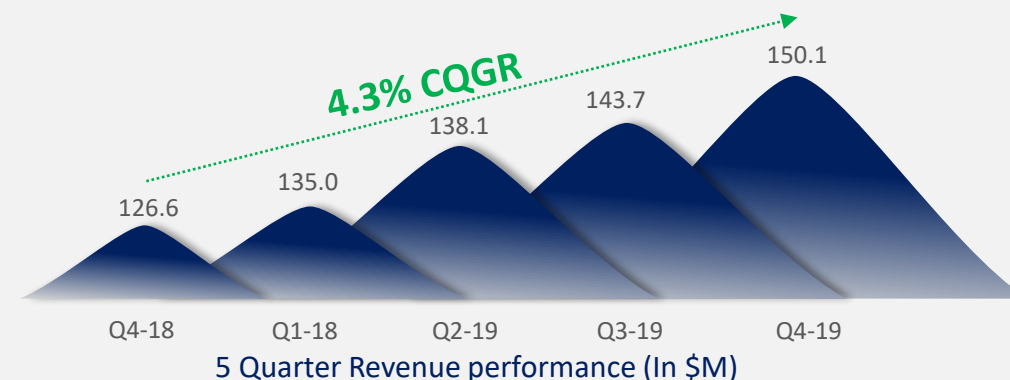
- 12.5% of Quarterly Revenue, 20.2% QoQ growth, 20.7% YoY growth
- FY19 EBITDA grew 22.0% over FY18
- Core Business EBITDA was at 14.1% for Q4 and 14.1% for FY19

□ PAT

- 7.8% of Quarterly Revenue, 53.1% QoQ & 4.0% YoY growth
- FY19 PAT grew 20.2% over FY18

□ Digital

- 46.4% of total revenue in Q4, 44.7% for the entire fiscal.



Q4 FY19 & FY 19 Financials

Particulars	Q4 FY19		Growth						FY 19	
	USD Mn	INR Cr	Q-o-Q			Y-o-Y			USD Mn	YoY Growth
			USD	INR	CC	USD	INR	CC		
Revenue	\$ 150.1	₹ 1057.4	4.5%	2.1%	4.1%	18.5%	29.8%	21.5%	566.9	17.6%
EBITDA	\$ 18.7	₹ 132.1	20.2%	17.5%		20.7%	32.2%		70.6	22.0%
EBIT	\$ 15.2	₹ 107.0	23.3%	20.5%		13.5%	24.3%		57.8	21.1%
PAT	\$ 11.7	₹ 82.7	53.1%	49.7%		4.0%	13.9%		45.0	20.2%
	INR/Share		Q-o-Q			Y-o-Y				
EPS (Diluted)	3.6		49.7%			13.1%				

Q4 FY19 & FY19: Key Business Highlights

❑ Pipeline quality and Large Deals

- Strong Demand environment persists – Trend of slightly smaller size deals with increased deal volume in the recent past. Steady inflow of Large transformational deals
- Large Deals ratio - 60% deals being fought with a TCV over \$10m across Zensar. Up from 55% last quarter
- Pipeline – Continues to be robust with a good mix of Application and Cloud deals
- Digital (including RoD and RoD NeXT) seeing tremendous traction across all markets while helping create niche for Zensar

❑ Core Business

- \$100M+ bookings in the Cloud & Infrastructure space on a trailing twelve months basis
- Top 20 accounts grew 19.3% & top 10 grew at 20.1% over previous year – Account management continues to be robust. 10M+ accounts grew to 9 – a sequential growth of 2 while a growth of 5 over the year
- Insurance had a slightly soft quarter however there was healthy increase in deal wins especially in the Guidewire space
- Europe continued its steep growth with both Farming & Hunting engines faring well
- BFSI continued its growth momentum, growing at a yearly rate of 30.1% while Hi-Tech grew by 22.8% in Q4.

❑ Acquired Entities – All entities register sequential growth

- **Foolproof** – Quarterly revenue growth of 10.2%. Good cross sell helping UK region growth
- **Keystone Logic** – Quarterly revenue growth of 16.1%.
- **Cynosure** – Quarterly revenue growth of 18.3%. Multiple deal wins in the last quarter.
- **Indigo Slate** – Growth of 6.5% sequentially. Combined GTM in place.

@ Scale winning momentum

**\$750
Mn+**

**TCV wins
over the last
12 months**



\$100 Mn

**Global 500
Diversified Brand**



\$50 Mn

**Tier 1
Retailer**



\$50 Mn

**Medical
Device Mfg.**



\$40 Mn

**Fortune 500
Technology
Leader**



\$30 Mn

**Tier 2
Insurer carrier**

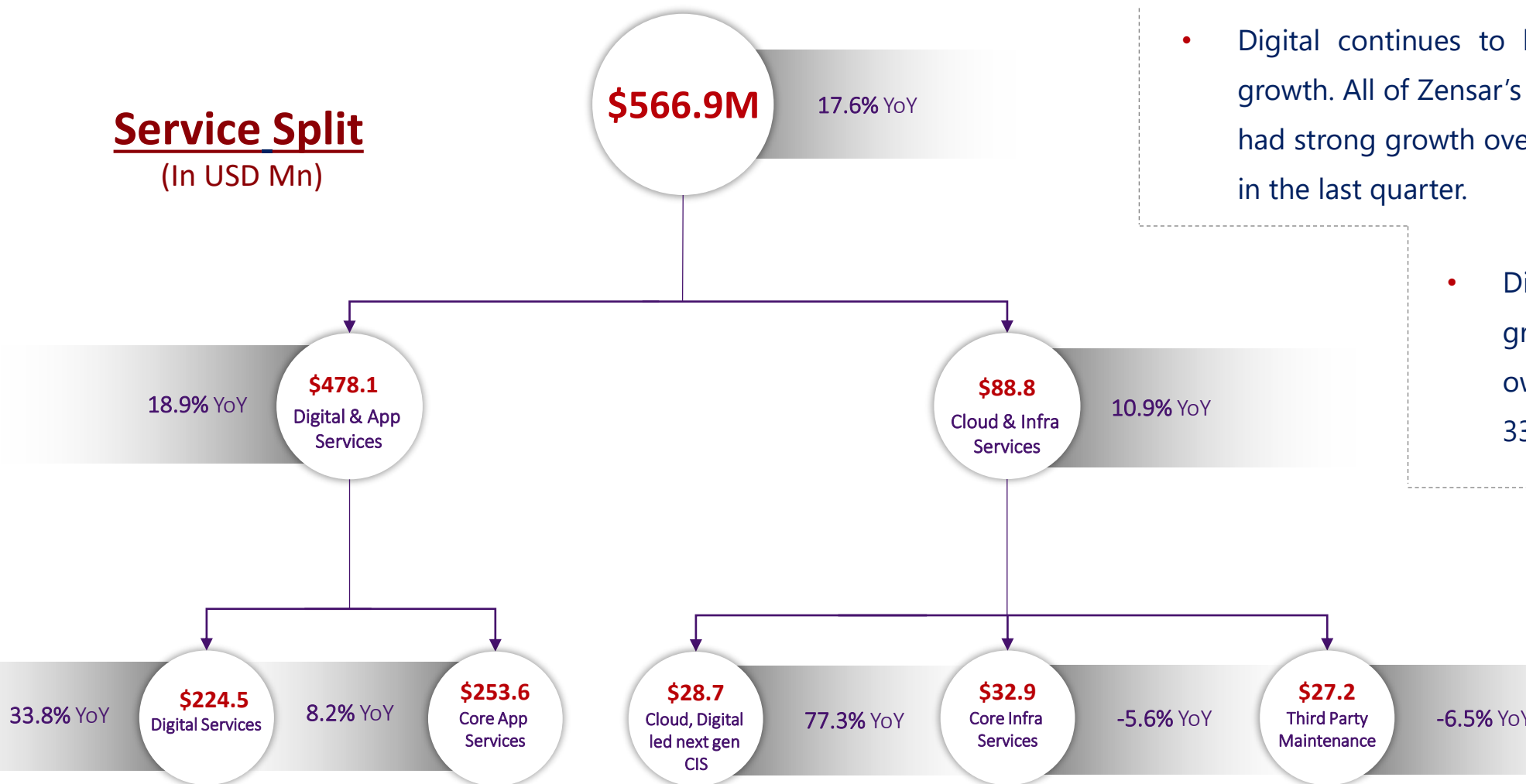


\$30 Mn

**Global Financial
Services**

FY19 Financials – Digital Growth

Service Split (In USD Mn)



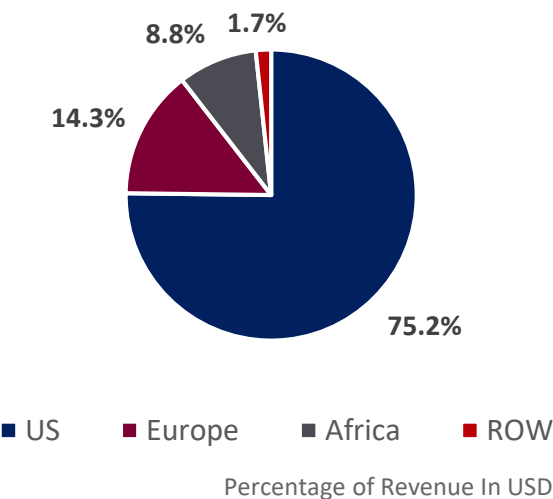
- Digital continues to be a pivot for Zensar's strong growth. All of Zensar's acquisitions (all digital in nature) had strong growth over the year with Cynosure leading in the last quarter.

- Digital & Application Services grew 18.9% over the last fiscal owing to the strong growth of 33.8% in Digital Services.

- Cloud & Infrastructure services grew at 10.9% in the fiscal. Cloud, Digital led next Gen CIS however grew at 77.3% thanks to Vinci, Zensar's ROD NeXT based Cloud platform

FY19 Financials – Geographical & Vertical Split

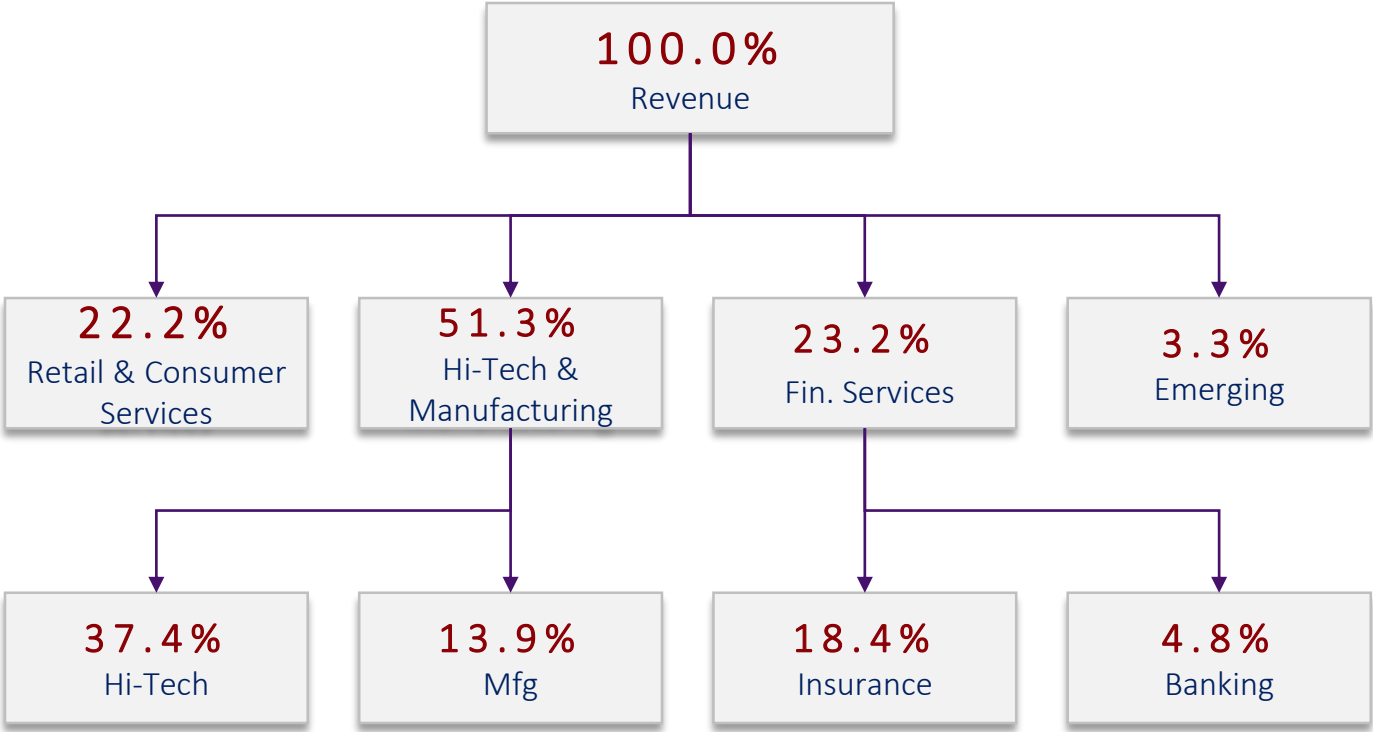
Geographical Split



Constant Currency Growth:

Geography	QoQ (cc)	FY 19 (cc)
US	4.6%	21.5%
Europe	7.5%	21.6%
Africa	-2.0%	10.4%
ROW	-27.0%	-35.0%

Vertical Split



FY19 Top Client Revenue Mix

Million Dollar Clients			
	FY18	FY19	Net Increase
20 Mn Dollar+	2	2	0
10 Mn Dollar+	4	9	5
5 Mn Dollar+	17	19	2
1 Mn Dollar+	80	92	12

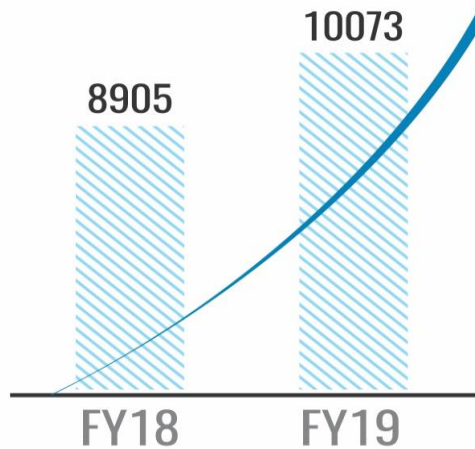
Revenue Concentration			
	FY18	FY19	YoY %
Top 5 Clients	36.3%	37.6%	21.6%
Top 10 Clients	44.8%	46.5%	22.1%
Top 20 Clients	56.1%	57.1%	19.5%

FY19 Employee Details

Utilization

Excluding Trainees	83.4%
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HEADCOUNT +1168
CLIENTS REV.



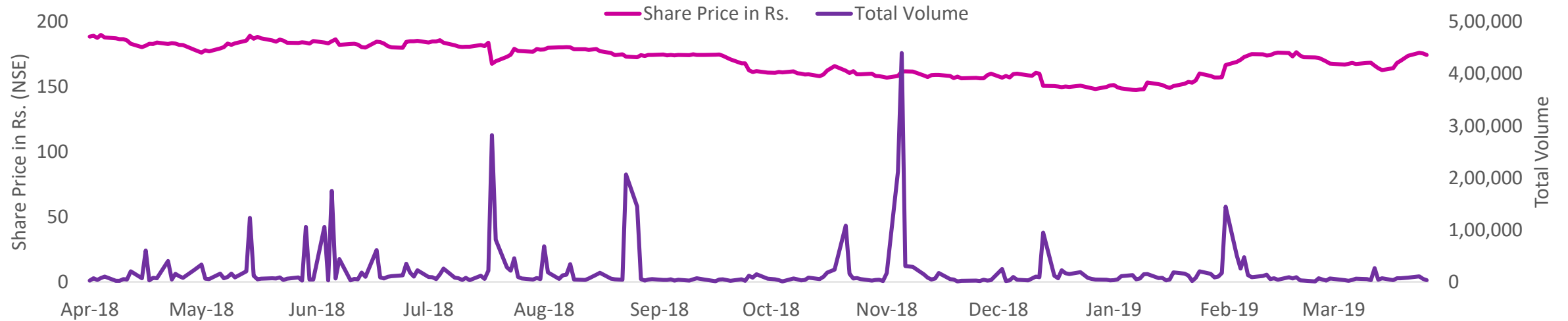
Attrition

Attrition (YTD)	15.6%
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Headcount

FY18 Headcount	8,905
Net Additions	1,168
FY19 Headcount	10,073
Technical – Onsite	2,420
Technical – Offshore	6,501
Technical – BPO/Others	275
Marketing	79
Support (including Trainees)	798
% of women employees	28.2%

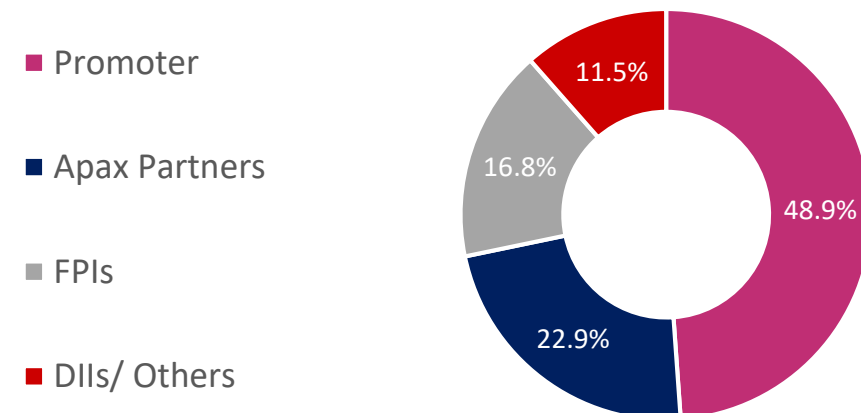
Stock Price and Shareholding Pattern



Equity Share Information:

- Share Price (23rd April 2019): INR 231.15/ share
- Market Cap (23rd April 2019): INR 5,220 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 31st March, 2019)



Analyst Recognition in the Quarter



Report Mentions:

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



- Zensar featured in Novarica's Market Navigator Report



Report Mentions:

- Zensar has been mentioned in the Gartner Report- "Revitalize Application Management Services with Kanban"
- Zensar Recognized for Third Consecutive Year in Gartner Magic Quadrant for Managed Workplace Services, North America



- Zensar mentioned in the Zinnov Zones global rankings of Digital Service Providers for 2019, titled, 'Zinnov Zones for Digital Services - 2019'



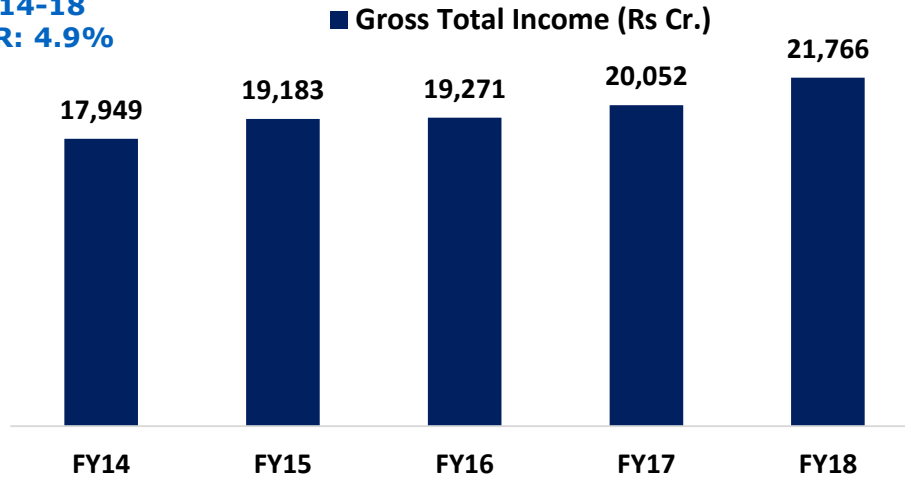
- Zensar mentioned as an Innovator in Avasant Applied AI and Advanced Analytics Services RadarView™

Analyst Presentation for the quarter ending
March 31, 2019

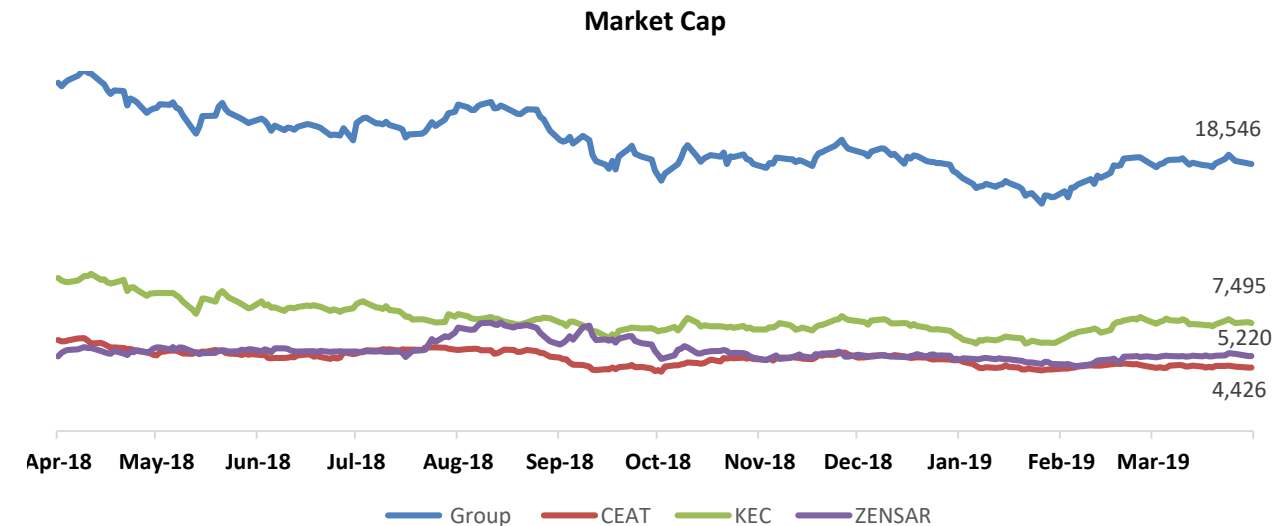
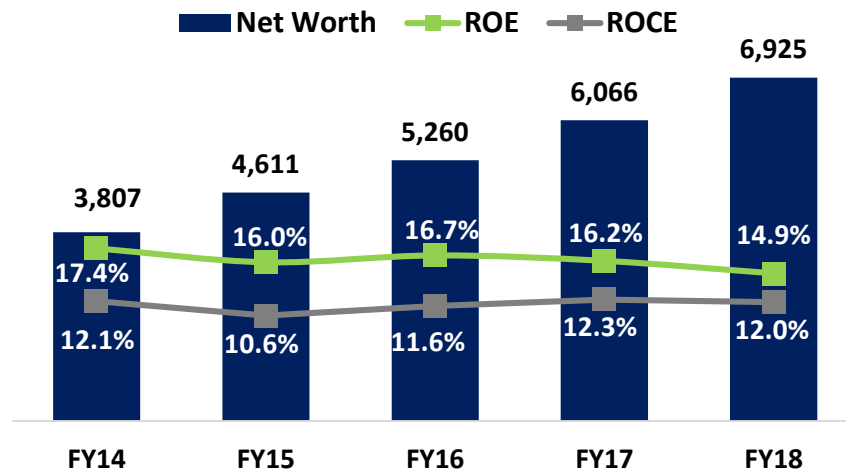
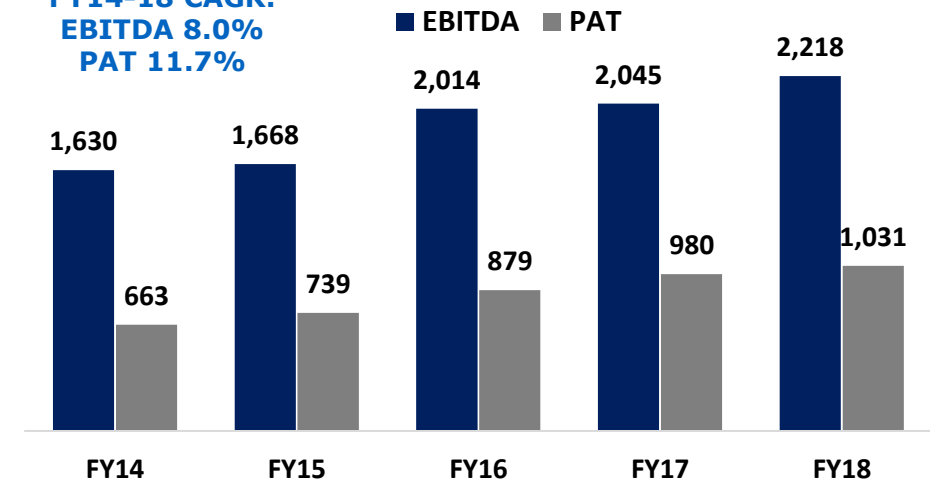
RPG Group Overview

RPG Group: Key Financials

**FY14-18
CAGR: 4.9%**



**FY14-18 CAGR:
EBITDA 8.0%
PAT 11.7%**



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 23rd April 2019

Thank You