

Zensar Technologies

Analyst Presentation, Q4 and FY20

Quarter and Year Ending March 31, 2020

Certain statements in this release concerning our future prospects are forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. This release and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. However the same are subject to risks and uncertainties, including but not limited to, our ability to manage growth; fluctuations in earnings /exchange rates; intense competition in IT services including factors affecting cost advantage; wage increases; ability to attract and retain highly skilled professionals; time and cost overruns on fixed price, fixed-time frame or other contracts; client concentration; restrictions on immigration; our ability to manage international operations; reduced demand for technology in our service offerings; disruptions in telecommunication networks; our ability to successfully complete and integrate acquisitions; liability for damages on our service contracts; withdrawal of governmental fiscal incentives; economic downturn in India, and/or around the world, political instability, legal restrictions on raising capital or acquiring companies; and unauthorized use of intellectual property and general economic conditions affecting the industry.

In addition to the foregoing, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), *inter-alia*, to us, our customers, delivery models, vendors, partners, employees, general global operations and may also impact the success of companies in which we have made strategic investments, demand for Company’s offerings and the onshore-offshore-nearshore delivery model.

The results of these assumptions made relying on available internal and external information are the basis for determining the carrying values of certain assets and liabilities. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company’s current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Zensar Technologies records
\$589.5 Mn in FY20 (\$140.6
Mn Q4FY20)

- 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
- 57.2% Digital Revenue, (15.4% YoY Growth)

FY20 Snapshot



\$589.5M

FY20 Revenue
Core Rev: FY20 Growth 6.8%
3 yr Core CAGR 13.8%

FY20 EBITDA

12.3%

Core Business EBITDA 12.5%
Q4 EBITDA 13.9%

FY20 Digital Business

52.4%

45.4% in FY19

37.2%

Top 5 Client Mix
5M clients up by +5 YoY

103.6

Gross cash USD M
(59.7 M Net cash as of Mar 31, '20)

\$1+B

Pipeline
(Despite COVID impact)

49.2%

Promoter Shareholding
(48.9% on Mar 31, '19)

19.4%

Institutional Shareholding
(+22.9% held by APAX)

Zensar prioritized associate first COVID response with

100%

Work from Home

Key Business Highlights

Core Business



Digital Services grew 15.4% YoY & 3.7% QoQ US\$, making a total of 57.2% of the revenue by Q4 FY20. Full year growth in FY20 was 21.9%



Cloud & infrastructure Services grew 8.0% in FY20 vis-à-vis FY19. Next Gen Cloud grew 3.6% QoQ & 22.5% YoY



Africa region registered 3.9% QoQ, 26.9% YoY and 19.3% in FY20 vis-à-vis FY19. SA is now 10% of total revenue



All three regions grew in FY20 vis-à-vis FY19, US by 3.3% and Europe by 10.4%



Financial services declined marginally by 1.8% QoQ but grew 14.6% YoY and 18.6% in FY20 vis-à-vis FY19; Banking growing 5.1% QoQ 43.9% YoY and Insurance grew 4.6% YoY



Retail vertical recovered with 5.8% QoQ growth, mostly on account of one-timers recovery from Q3

Wins, Pipeline Quality, and Large Deals



Pipeline stands at 1B+ USD Despite initial COVID impact of 400M on account of pro-active cloud and cost take out propositions



Strong order booking of 110M USD in Q4FY20 (mostly Jan +Feb) with impressive new wins in existing and new accounts, despite COVID impact



Focus on 5+M pa potential multi-services accounts on larger Deals; significant chunk of deals are being fought with a TCV over \$10M

Other Key Highlights



Gross cash position improved by 43.2M USD and DSO reduced from 102 to 87 days in FY20 vis-à-vis FY19



The number of 5Mn+ pa clients stands at 24, up by 5 YoY, increased by 7 over the last 3 years



COVID response was swift, with associate first safety and wellness, 100% WFH and launching COVID-19 Business support propositions

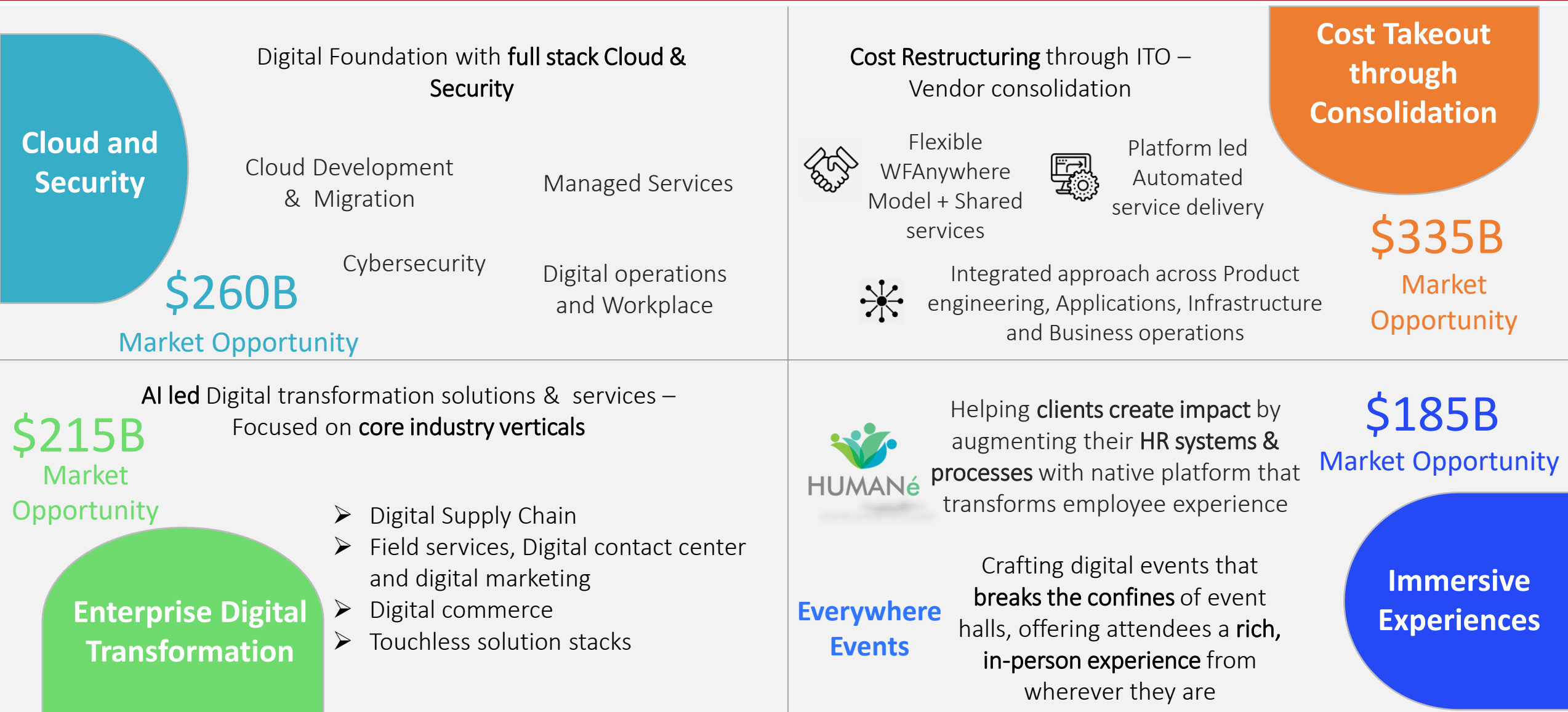
FY20: Analyst Coverage & Recognition



Zensar's COVID-19 Response – Nerve Center

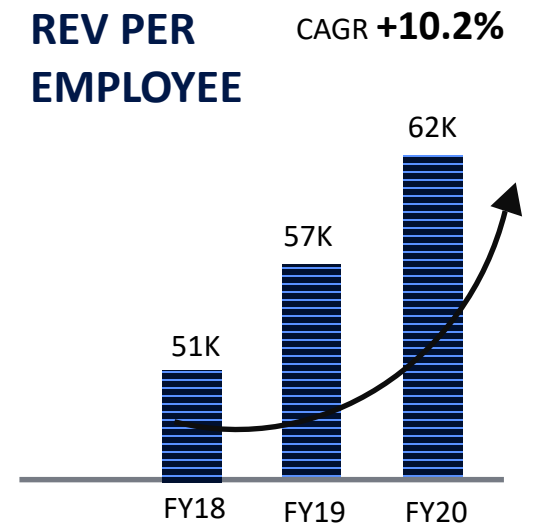
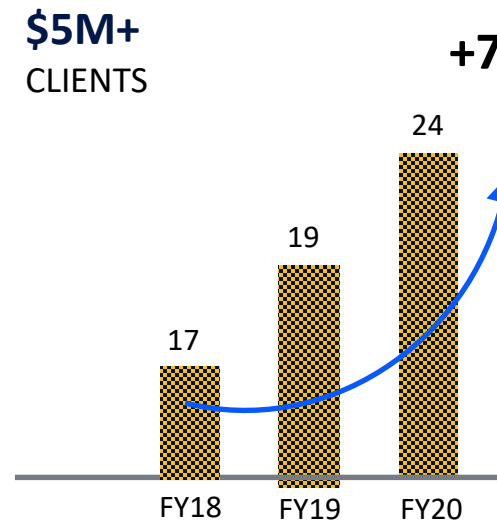
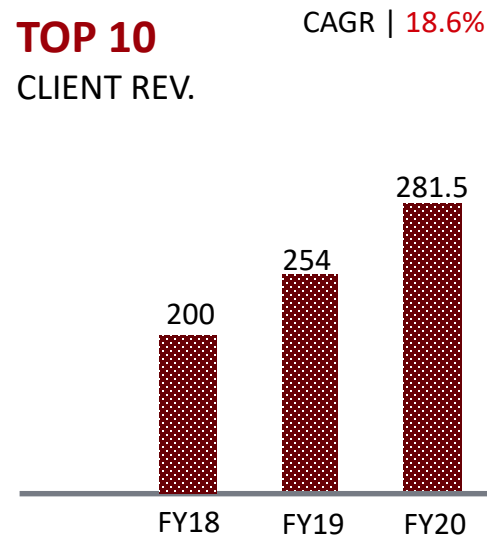
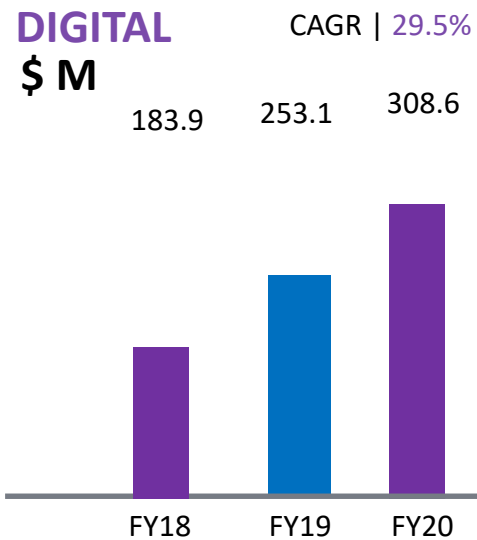
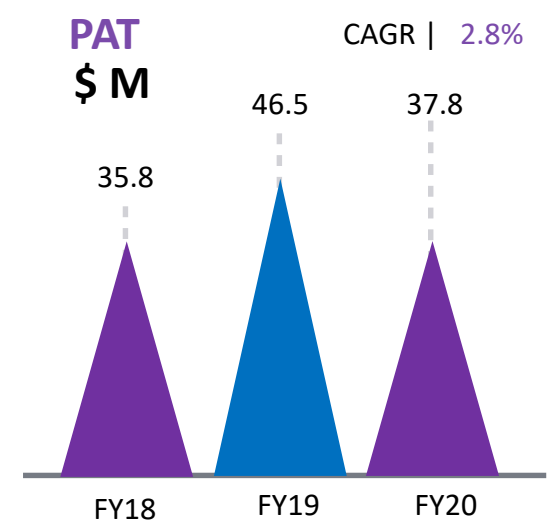
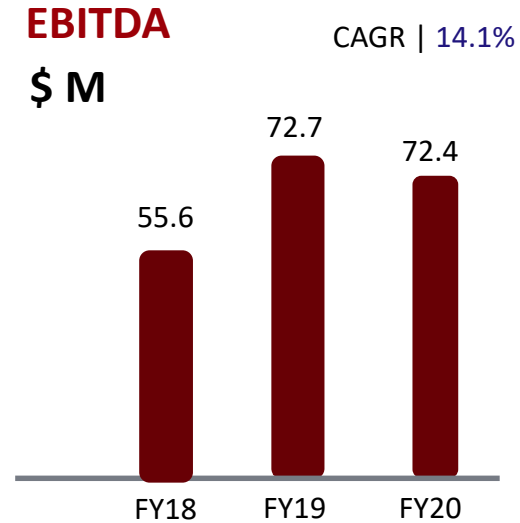
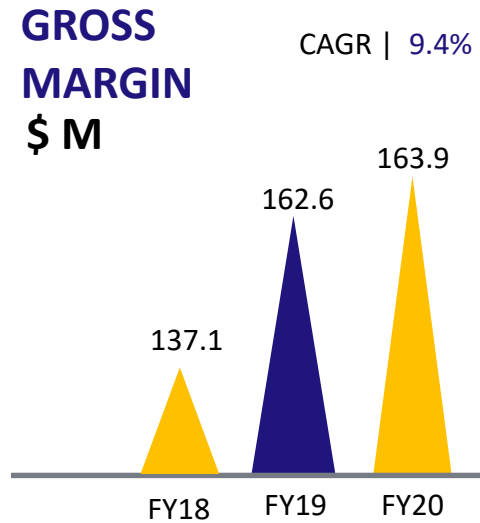
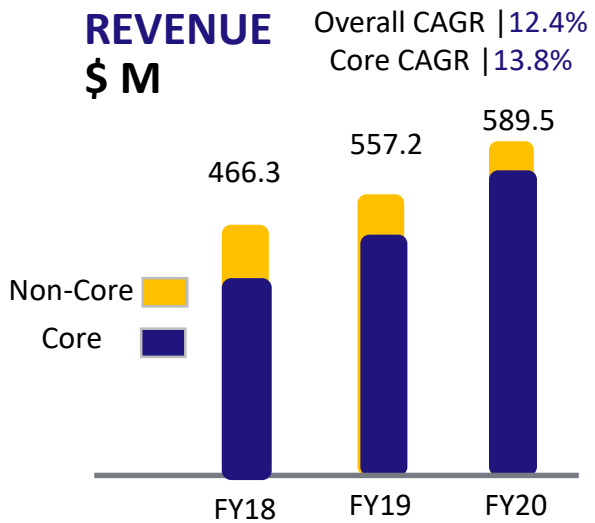


Zensar's Strong Bets in the post COVID world



Zensar Business Update

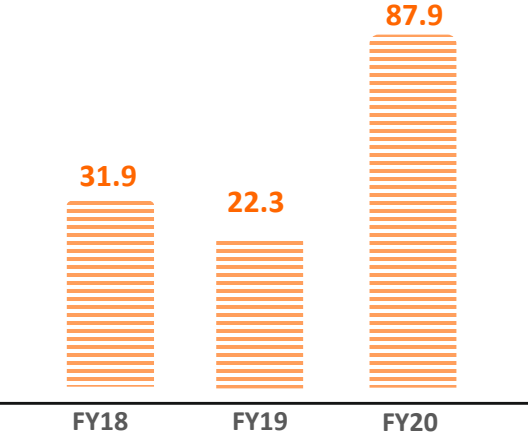
3 Years Key Financials incl. FY20



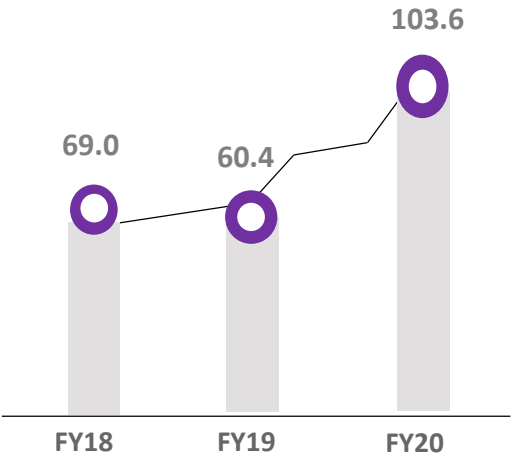
3 Years Balance Sheet, Cash Flow incl. FY20



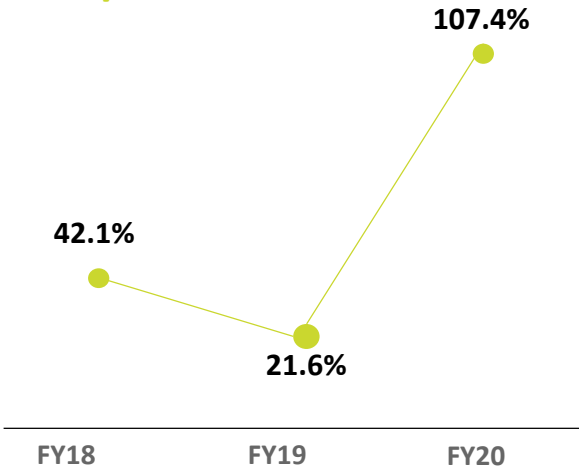
OPERATING CASH FLOW (\$ M)



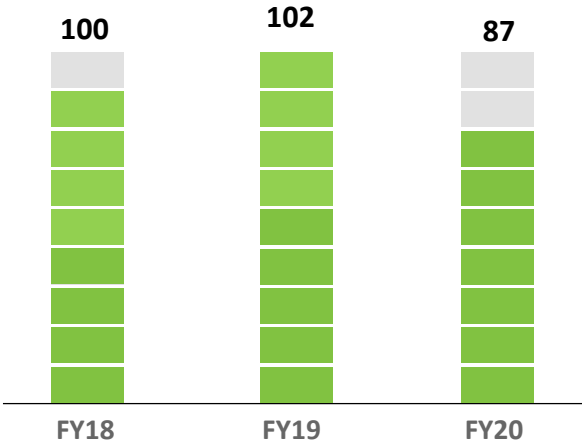
GROSS CASH. (\$ M)



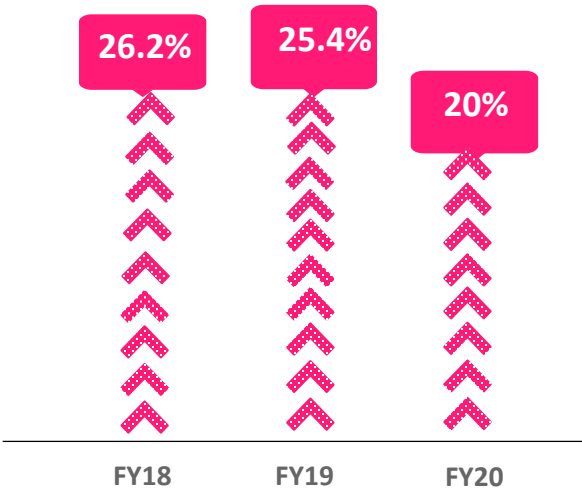
FCF/EBITDA %



DSO



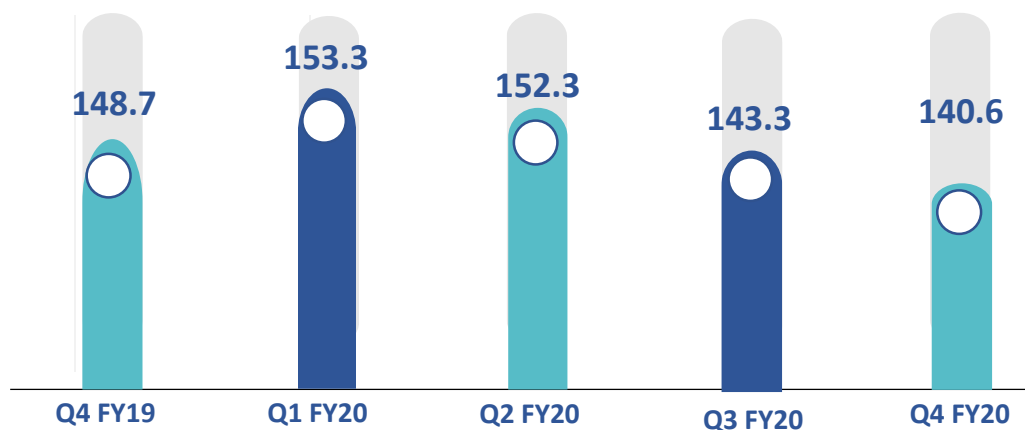
ROCE %



Q4 FY20 : Key Financials

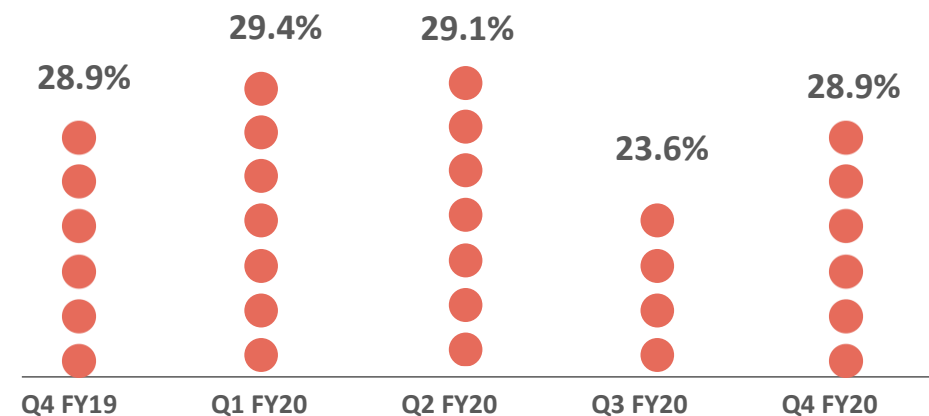
REVENUE (\$ MN)

QoQ -1.9%



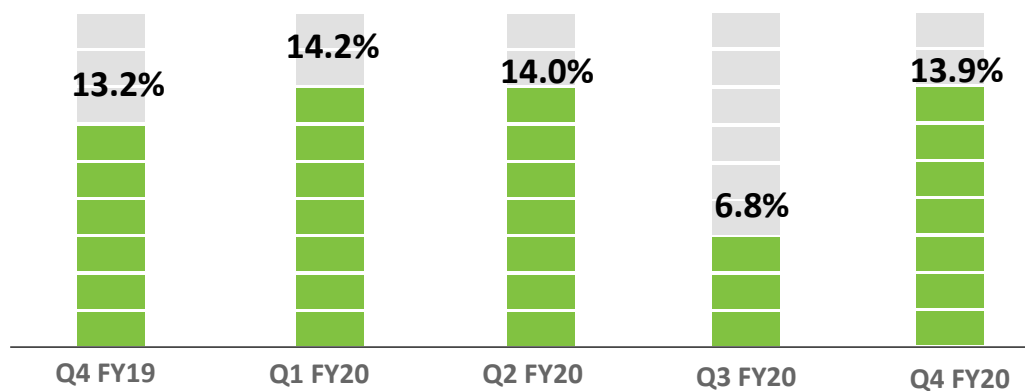
GROSS MARGIN (%)

QoQ 20.0%



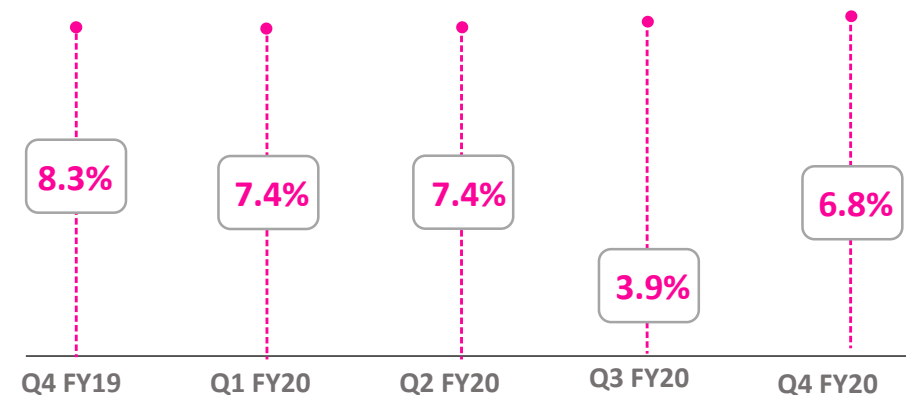
EBITDA (%)

QoQ 100.2%

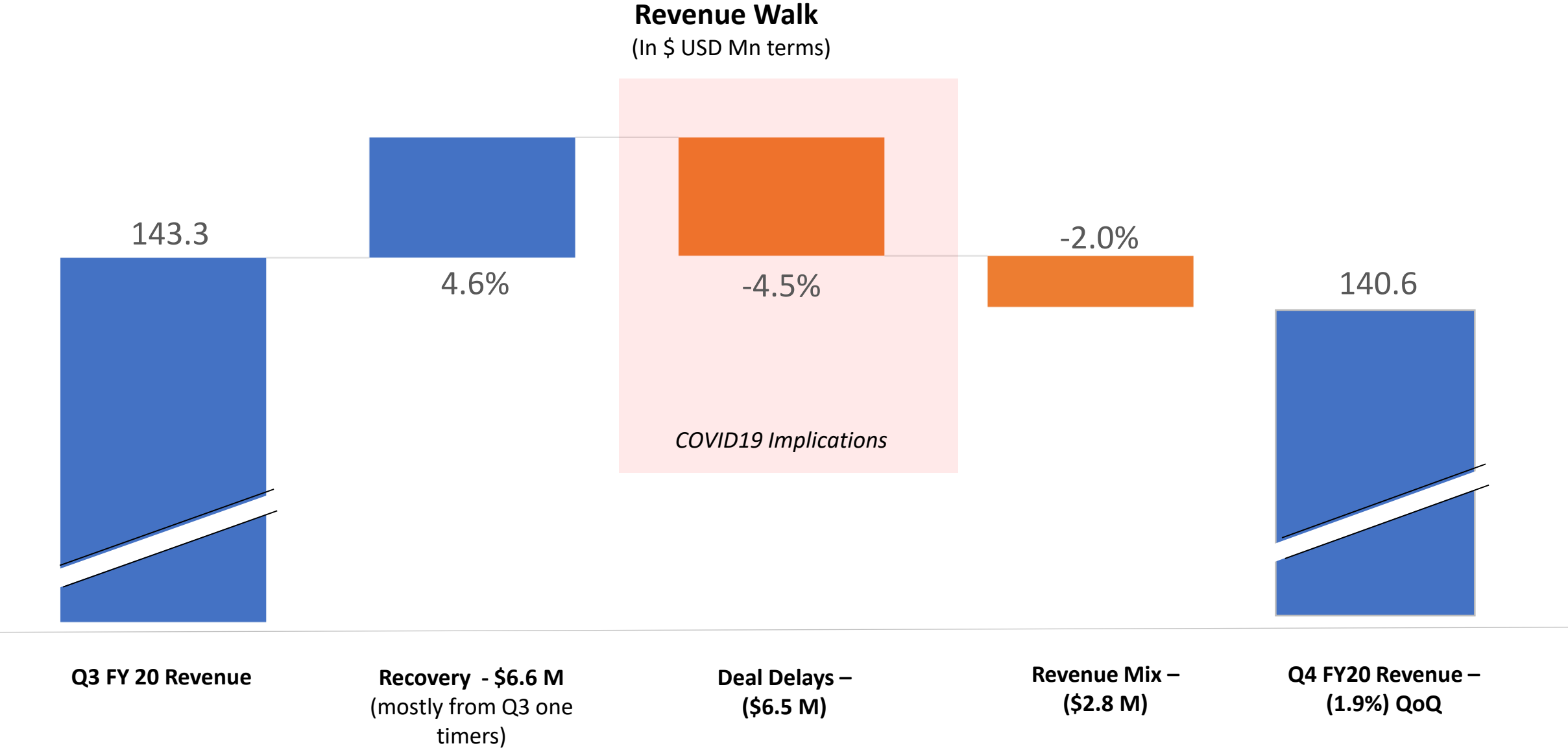


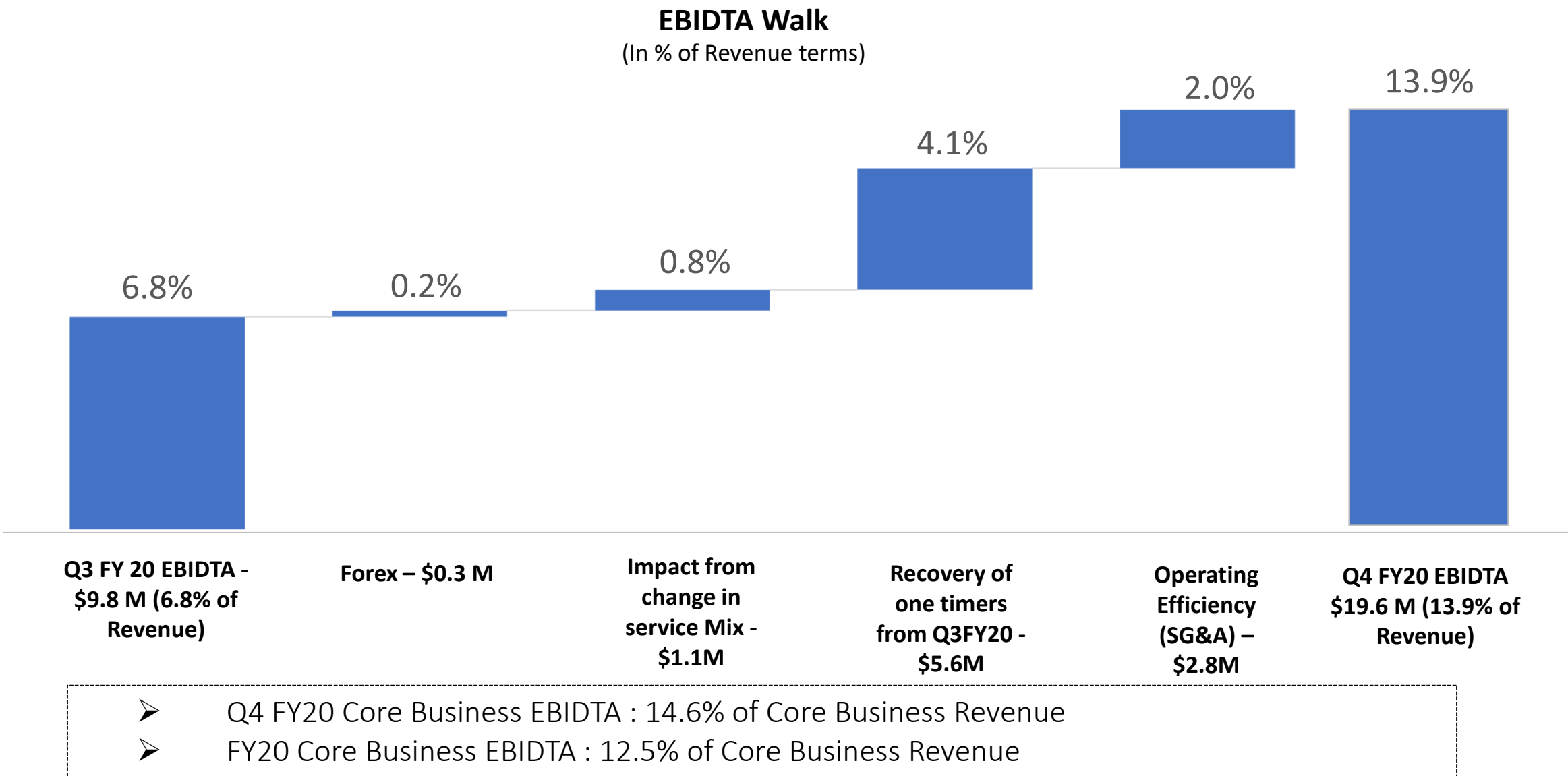
PAT (%)

QoQ 72.9%

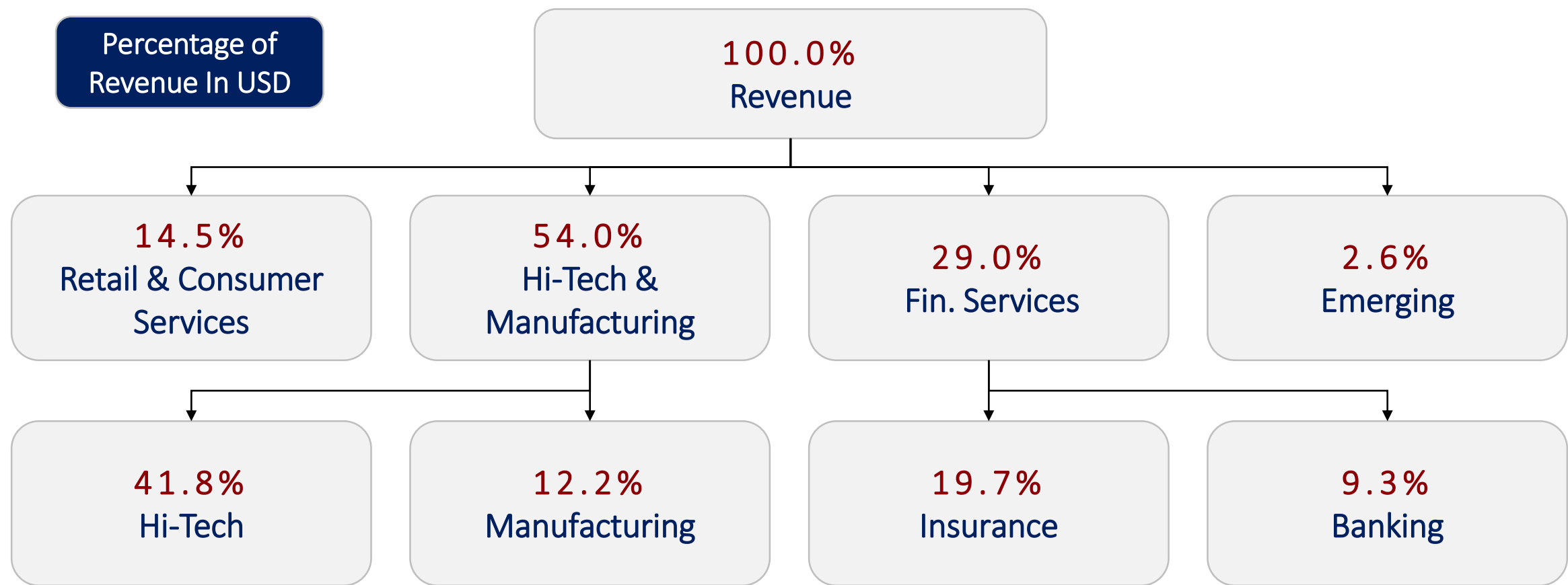


Q4 FY20 : Revenue Walk





Q4 FY20 : Vertical Split



The US Region forms
74.3% of Zensar's
Business

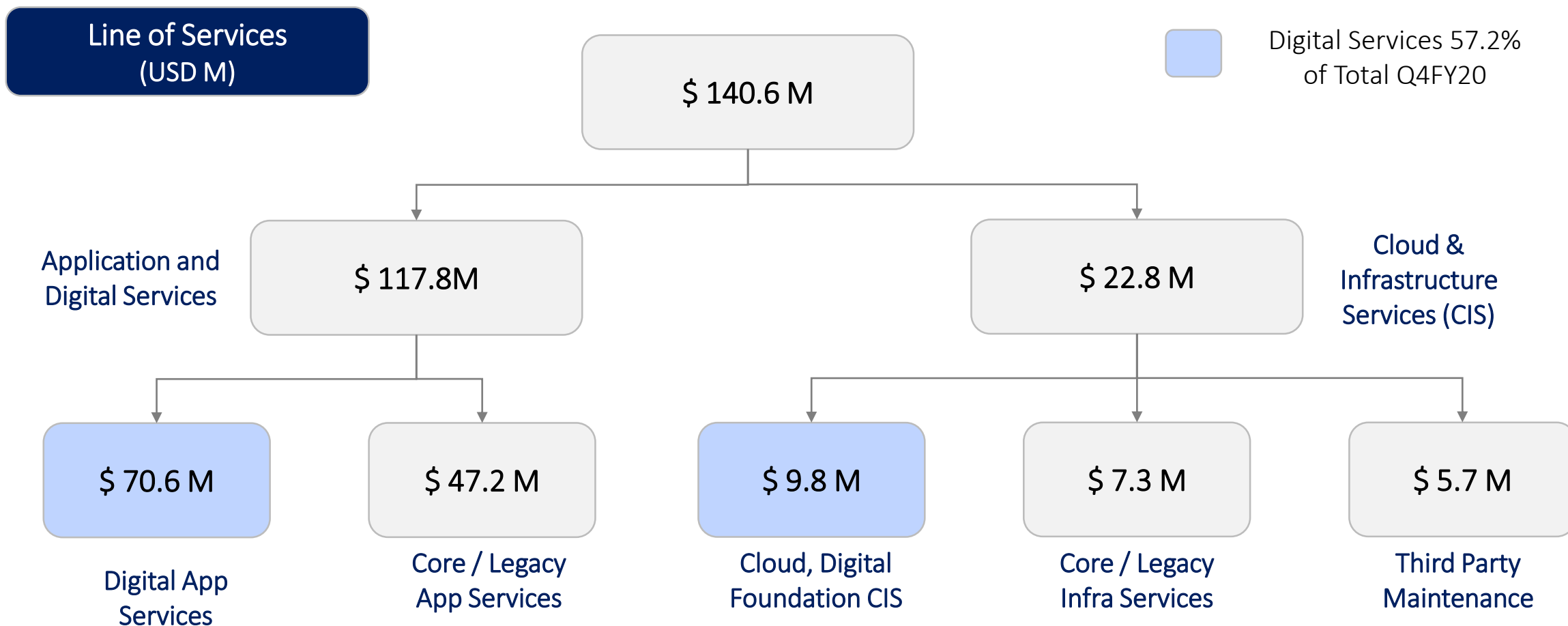


The Europe Region forms
14.9% of Zensar's
Business



The Africa Region forms
10.8% of Zensar's
Business

Q4 FY20 : Overall Digital Growth, 15.4% YoY



Overall Digital is now **57.2%** of the Revenue with **87.8%** from App. & Digital services and **12.2%** from the Cloud & Infra Services

Digital increased by **15.4% YoY** led by **22.5% YoY** growth in Cloud, Digital led next gen CIS and **14.4% YoY** growth in Application Digital Services

Digital services increased by **3.7% QoQ** basis while the legacy business witnessed a decline

FY20 : Top Clients Revenue

Million+ Dollar Clients, per annum

FY 19

FY20

20 Mn Dollar+

2

2

10 Mn Dollar+

9

10

5 Mn Dollar+

19

24

1 Mn Dollar+

90

87

Revenue Mix

FY 19

FY20

Top 5 Clients

36.5%

37.2%

Top 10 Clients

45.6%

47.7%

Top 20 Clients

56.3%

61.3%

Community Service

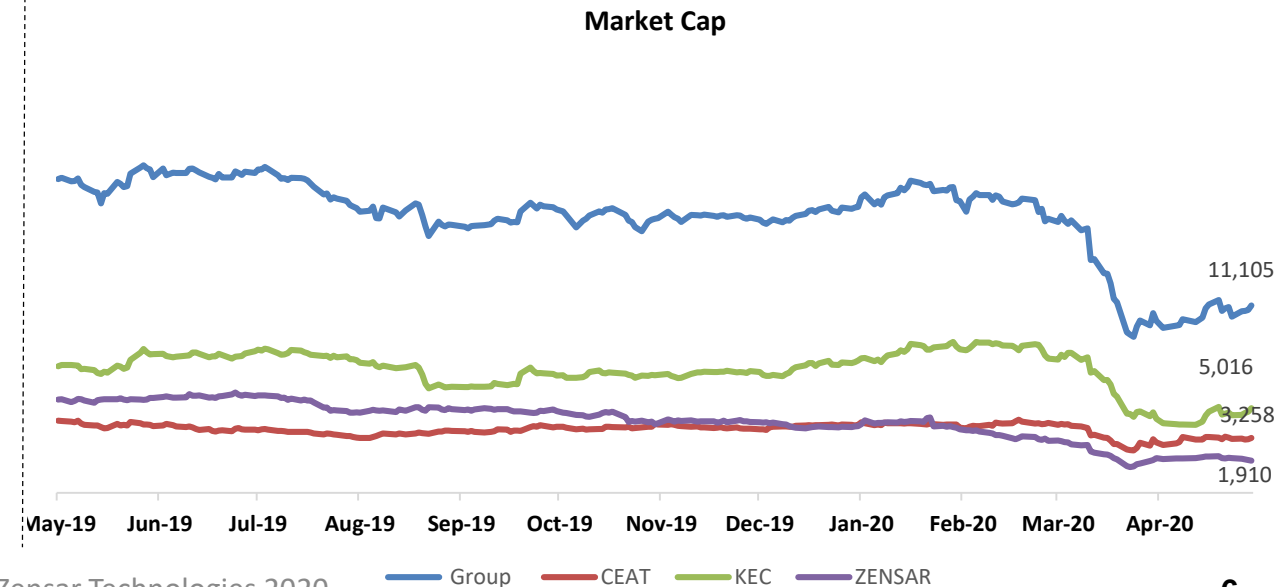
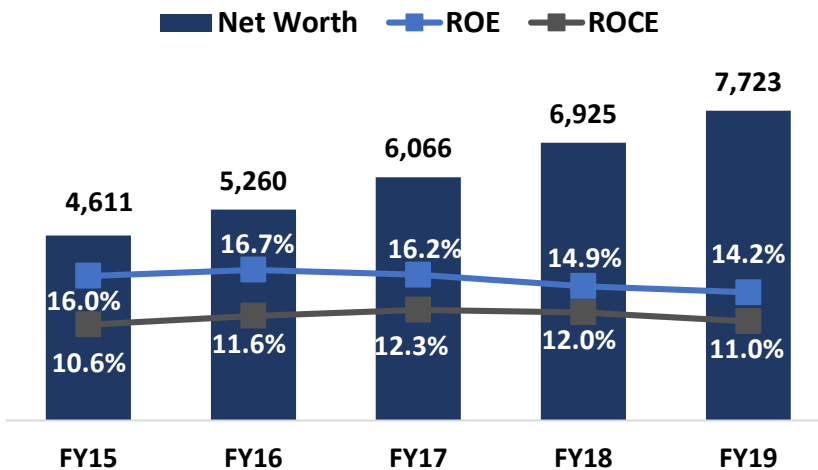
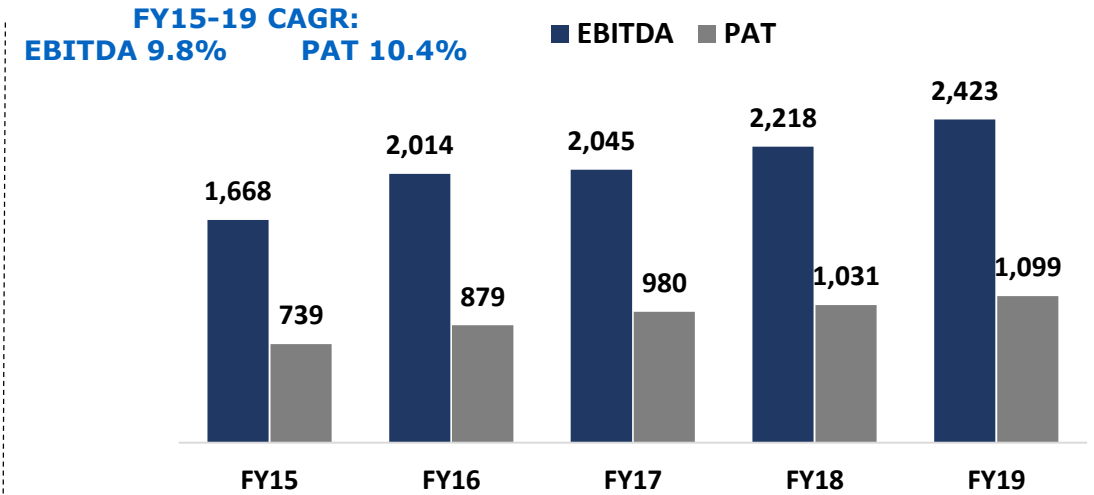
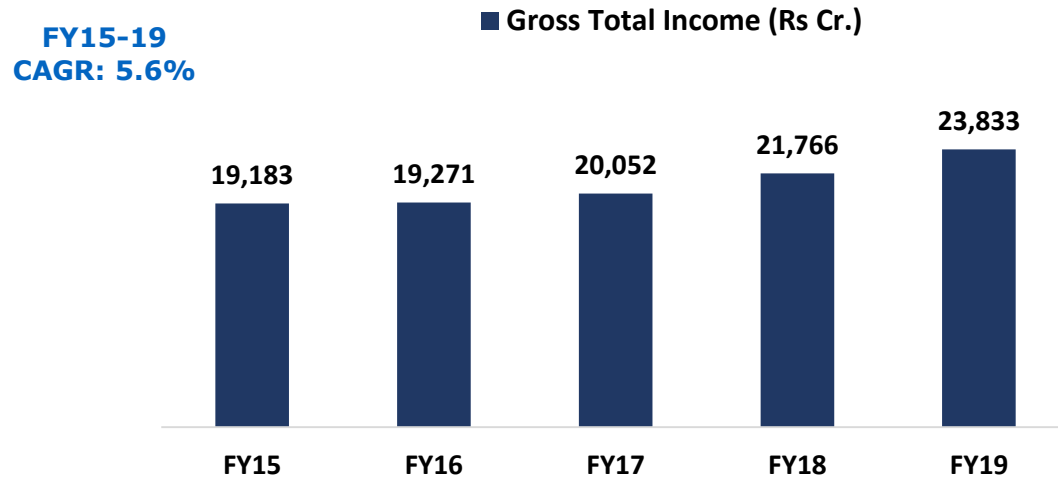
- As a part of Zensar and RPG foundation's CSR initiative, **food distribution camps** were organized in Pune for migrant laborers and daily wage earners in partnership with the Wagholi Gram Panchayat
- Zensar distributed **32000+** meals to such targeted communities
- Launched a voluntary initiative for associates to contribute **one day salary for COVID-19 relief work in country**. Zensar contributes an equal amount for the cause.



Analyst Presentation for the quarter
ending March 31, 2020

RPG Group Overview

RPG Group: Key Financials



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 30th April 2020

Thank You