

Zensar Technologies

Analyst Presentation for the quarter ending 30th September, 2017

Agenda



Zensar Business
Update



Return on Digital[®]
Update



RPG Group
Overview

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Company Overview

Zensar Technologies
is a \$460 Mn
organisation

- \$3 B RPG Enterprises
- \$40 B APAX Portfolio Company
- Among 5 global tech companies to be listed on a major global stock exchange (BSE) for 53+ years

STABILITY

REVENUE

↑ 10.6%
CAGR*

EBITDA

↑ 6.8%
CAGR*


PAT

↑ 4.0%
CAGR*

- 70% of revenue derived from Global 1000 clients with 10+ years of engagement
- Global presence - USA, UK, South Africa and India

A man and a woman are looking at a laptop screen. The man is on the right, wearing a white shirt and a dark tie, and has a beard and glasses. The woman is on the left, wearing a dark top, and is pointing at the screen. They are both smiling. The background is blurred, showing an outdoor setting with a thatched roof. The entire image has a dark red overlay.

Zensar Business Update



Key Updates of the Quarter, Q2 FY18

- ✓ Revenue up by 3.8% sequentially in USD terms
- ✓ All profitability metrics improved sequentially:
 - GM, EBITDA and PAT grew by 8.2%, 19.2% and 33.1% respectively
- ✓ All core territories and industries grew sequentially
- ✓ Application Management services grew by 5.2% in CC terms on the back of our Digital revenue
- ✓ While pure play IM services grew 12.8% in CC terms, overall Services declined by 3.6% in CC as a result of lower products revenue.
- ✓ Digital now at 36.8% of total revenue; growth of 5.3% sequentially and 35.6% Y-o-Y
- ✓ Both Keystone and Foolproof had a good quarter. Their services are now being taken to Zensar clients
- ✓ Digital Commerce services turning around with good volume growth
- ✓ ZenRoD ® – Zensar's proprietary native digital platform – continues to gain significant momentum in the market. Zensar booked business worth \$ 1 Million+ during the quarter
- ✓ Focus on operational efficiency continues. Utilization up from 83.2% to 85.9%

Financial Updates

REVENUE

\$118.6 M

\$ Growth: 3.8% QoQ,
3.1% YoY;
CC growth: 3.3% QoQ,
2.3% YoY

GROSS MARGIN

\$34.1 M

(28.8% of revenue)
\$ Growth: 8.2% QoQ,
-1.4% YoY

EBITDA

\$14.0 M

(11.8% of revenue)
\$ Growth: 19.2% QoQ,
-16.9% YoY

PAT

\$9.7 M

(8.2% of revenue)
\$ Growth: 33.1% QoQ,
-7.3% YoY

Biz. Unit wise QoQ* performance

Territory wise performance

- Africa and Europe grew 8.7% and 3.3% respectively
- US grew marginally by 0.5%

Vertical wise performance

- Financial services, Retail and Manufacturing grew 5.5%, 5.4% and 3.4% respectively

Digital Revenue @ 36.8%

- Revenue grew 5.3% QoQ and 35.6% YoY

Digital Solution Launch

RoD Launches

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

Zensar booked business worth \$ 1 Million+ during the quarter



Analyst Recognition in the Quarter



Report Mentions

- Zensar named Major Contender in Everest Group Workplace Services – Market Trends and PEAK Matrix™ Assessment
- Zensar named in Everest Group IT Infrastructure Automation – Market Update and PEAK Matrix™ Assessment for Solutions (Focus on IT Service Providers)



Report Mentions

- Zensar named in Gartner Digital Commerce Vendor Guide
- Zensar mentioned in Gartner Competitive Landscape : Partnering with Third Party Maintenance Providers for Data Center and Network Maintenance Cost Optimization



Report Mentions

- Zensar named in ISG Provider Lens™ Quadrant Report - 2017 ISG Application Development and Maintenance Services Report
- Zensar named in new ISG research Digital Workplace Services Archetype Report

Digital Wins in the Quarter

Zensar won multiple deals across Experience Design, Digital Commerce, Analytics, Automation and Digital Testing



Experience Design

- ✓ For one of the leaders in Health Cash plans industry in the UK Market;
- ✓ A global leader in online trading;
- ✓ A company that focused on the creation of multimedia and creativity software products, and more recently in rich internet application software development



Digital Commerce

- ✓ A multi-year, multi-million deal for the largest specialty retailer of men's apparel, with operations throughout the US and in London;
- ✓ A chain of beauty stores in the United States which carries cosmetics and skincare brands, men's and women's fragrances, and haircare products



Analytics

- ✓ A multi-million deal with an American multinational technology conglomerate that develops, manufactures and sells networking hardware;
- ✓ An American energy company that designs and manufactures crystalline silicon photovoltaic cells and solar panels



Automation

- ✓ A Robotic Process Automation deal for a South African financial services group headquartered in Cape Town;
- ✓ 'The Vinci™' automation deal for one of North America's leading airlines



Digital Testing

- ✓ A multi-million, multi-year deal for one of the leaders in the financial solutions industry in Africa;
- ✓ A multi-year Agile Testing deal for one of the industry leaders in risk mitigation;
- ✓ A digital testing deal for an investment advisory, portfolio management, securities company

Traditional Services Wins in the Quarter

✓ **Zensar won multiple “Applications” deals during the quarter :**

A) Oracle & SAP

- An American company headquartered in New Jersey that provides and services voice communication systems for financial companies;
- An American Company that manufactures and distributes analytical instruments and reagents used to test the quality of water and other liquid solutions;
- An American animation studio based in Glendale, California which produces animated feature films, television programs and online virtual games;
- A supplier of critical systems and components to the aerospace and defence markets
- SAP implementation for a global leader in pharmaceutical manufacturing; an SAP implementation deal for a leading supplier of biopharmaceutical and human plasma products

B) Other Managed Services

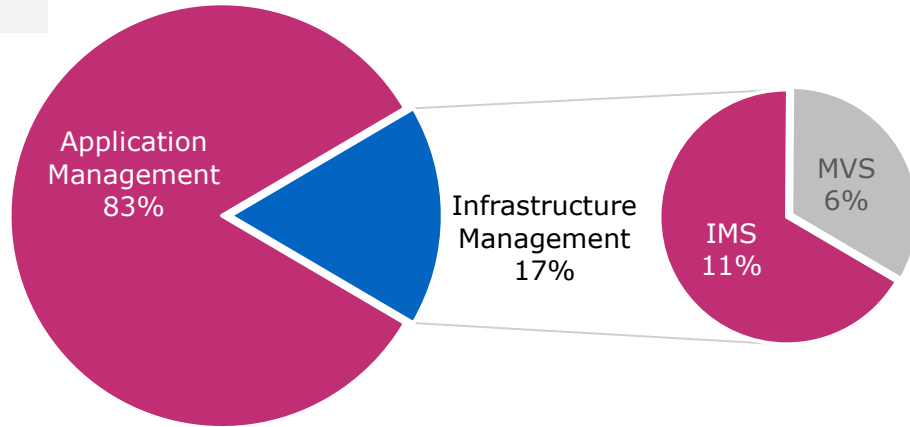
- One of the world's biggest developers and suppliers of online Microgaming based in South Africa
- An Application Support and Enhancement deal for an international investment, savings, insurance, and banking group in South Africa
- A non-profit organisation in the US specialising in alternative dispute resolution

Q2 FY18 Financials

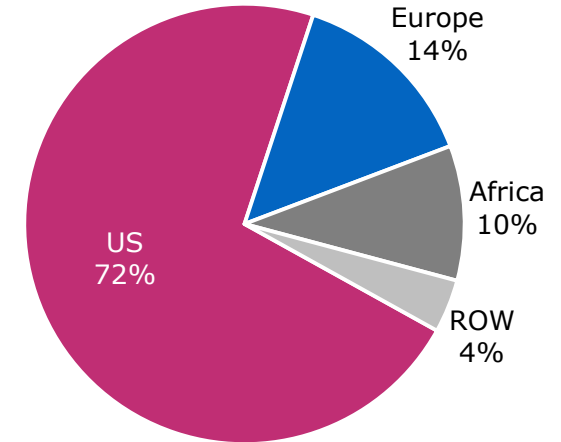
Particulars	Q2 FY18		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 118.6	₹ 762.6	3.8%	3.5%	3.3%	3.1%	(1.0%)	2.3%
EBITDA	\$ 14.0	₹ 90.2	19.2%	18.9%		(16.9%)	(20.2%)	
EBIT	\$ 11.4	₹ 73.0	26.7%	26.4%		(24.0%)	(27.0%)	
PAT	\$ 9.7	₹ 62.6	33.1%	32.8%		(7.3%)	(11.0%)	

Q2 FY18 Financials

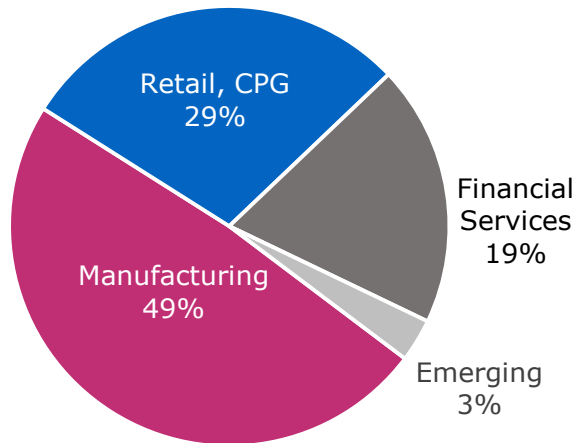
Services



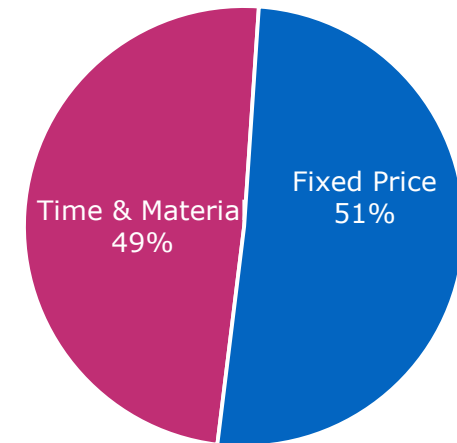
Geographies



Industries



Project



Q2 FY18 Revenue Mix

Million Dollar Clients

	Q2 FY17	Q1 FY18	Q2 FY18
20 Mn Dollar+	2	2	2
10 Mn Dollar+	4	4	4
5 Mn Dollar+	6	7	8
1 Mn Dollar+	69	74	70

Revenue Concentration

	Q2 FY17	Q1 FY18	Q2 FY18
Top 5 Clients	38.9%	34.9%	35.3%
Top 10 Clients	48.6%	43.1%	43.6%
Top 20 Clients	59.1%	54.5%	56.1%

Q2 FY18 Employee Details

Headcount

Q1 FY18 Headcount	8,567
Net Additions	(153)
Q2 FY18 Headcount	8,414
Technical – Onsite	1,806
Technical – Offshore	5,674
Technical – BPO/Others	247
Marketing	78
Support (including Trainees)	609
% of women employees	26.0%

Utilization

Excluding Trainees	85.9%	Up from 83.2% in Q1 FY18
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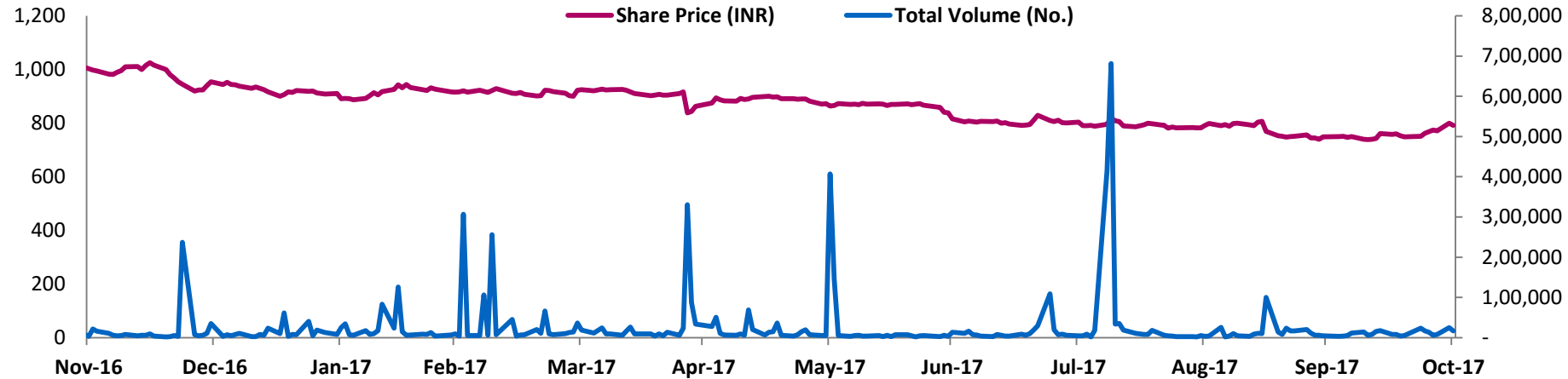
Attrition

Attrition (TTM)	15.4%	Down from 17.1% in Q1 FY18
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Revenue Mix

Onsite	62.5%
Offshore	37.5%
Total	100.0%

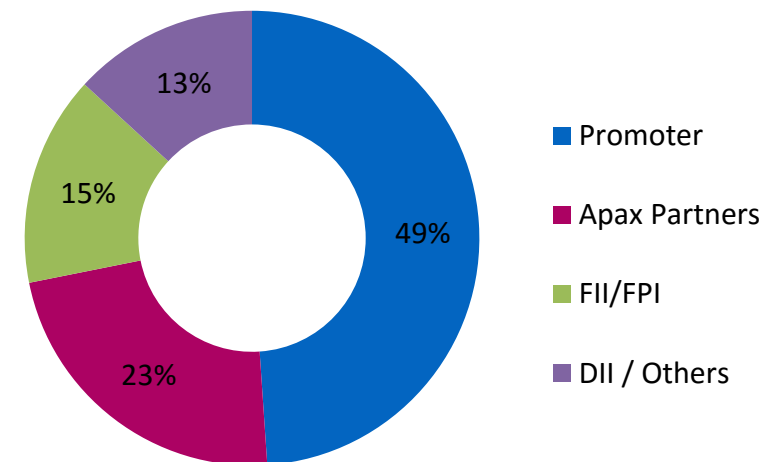
Stock Price and Shareholding Pattern



Equity Share Information:

- Share Price (31 October 2017): INR 791 / share
- Market Cap (31 October 2017): INR 3,555 Crs
- Financial Year: April to March
- Face Value: INR 10 / 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 30th September 2017):





Return on Digital[®] Update

Zensar Stack

Experience Design

Omni-channel Commerce

Vinci and DWS

Digital Sol, Analytica

Robotic Process Automation

CX/UX, CMO

IMS Cloud, IoT

AI, ML, Intelligent Apps

FinTech. IoT applications

The Digital Stack



Creating Business Impact for Clients



New website designed by Foolproof for an automobile major that went live recently

50% ↑ Online Test Drive Bookings

63% ↑ Information Requests

74% ↑ Motorcycle enquires to dealers

The website is driving ~£200k worth of additional revenue for the client per month



RPA

Implemented its first BOT at a large financial software company enabling processing of investments worth ZAR 600 M

99% ↑ Accuracy Improvement (up from 92%)

67% ↓ Processing time reduced

20% ↓ Reduction in team size

Implemented BOTs at a large food manufacturer in UK for processing 700M GBP worth vendor payments each quarter with 100% accuracy

Creating Business Impact for Clients



Zensar handled 100% Insurance Policies Contracts and claims for a NA based specialised insurance products provider

30% ↑

Increase in segment customer base

25% ↓

Operating cost reduction

\$225M ↑

Revenue generated through online sales

Zensar also helped increase net subscriber enrollment by \$13 Million



- Developed a big data and analytics driven '**Allocation Replay**' solution for a **large US based department store chain** which has become a critical asset for the client. The solution enabled the client's business analysts to replay order allocations on-demand, modify allocation strategies and see how it impacts the global inventory, shipping time/costs.
- Keystone's Sierra testing platform enabled smooth go-live of a large **chain of domestic merchandise retail stores** and helped them scale to allocate **250,000** orders per day in 3 days post go-live.

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

\$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

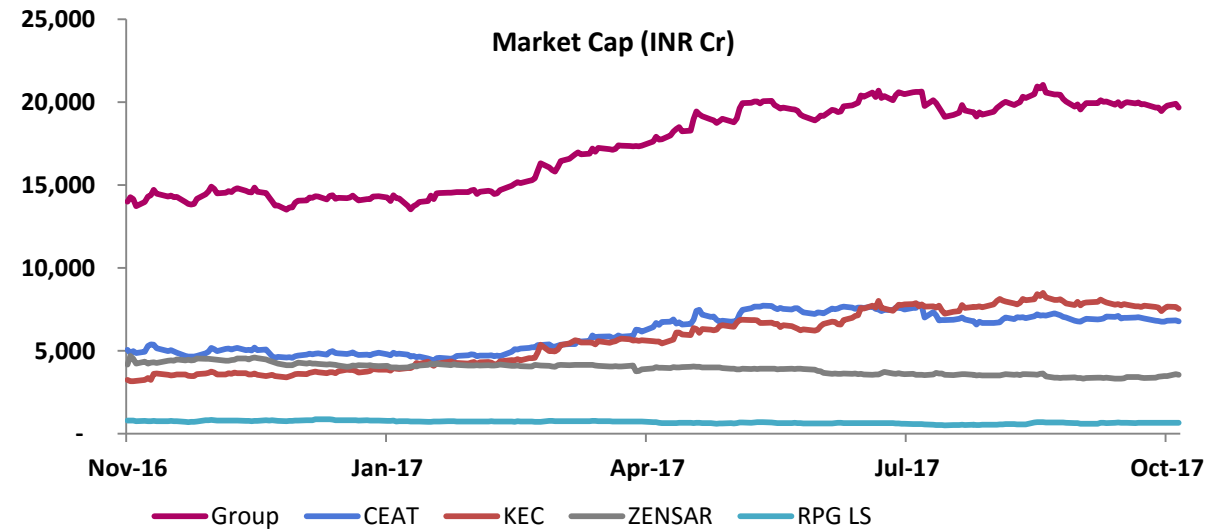
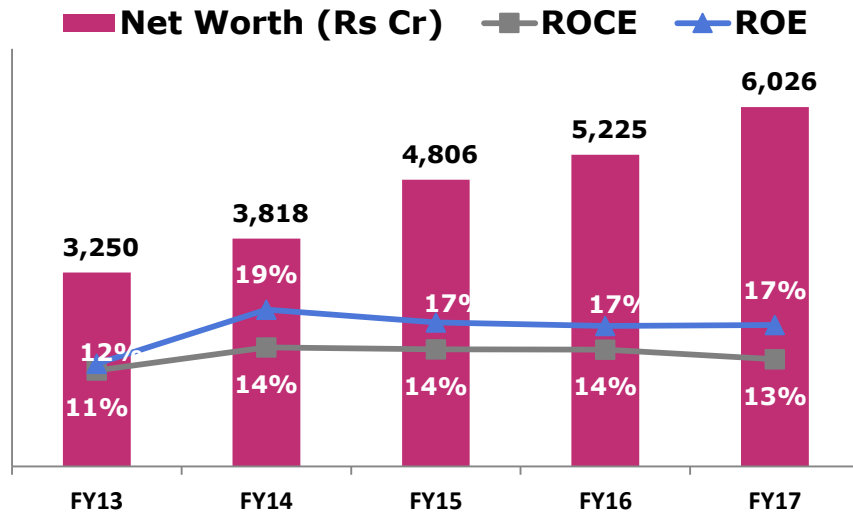
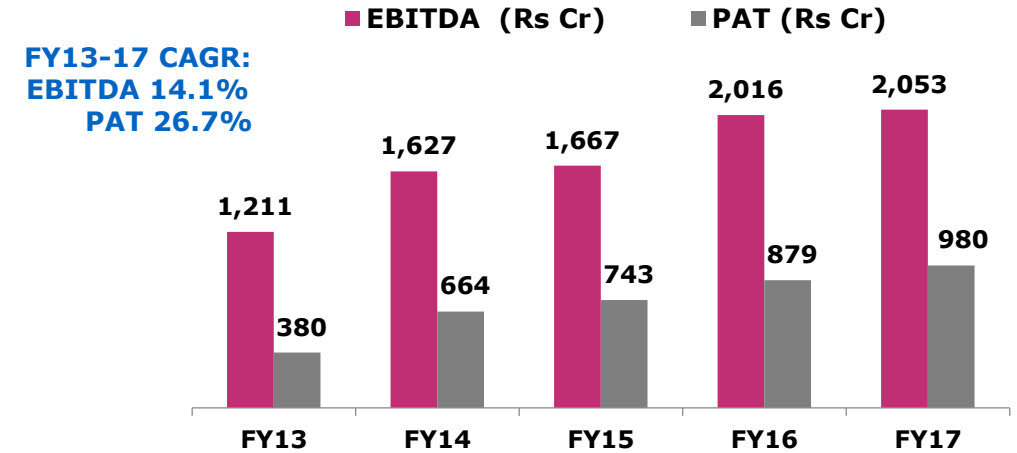
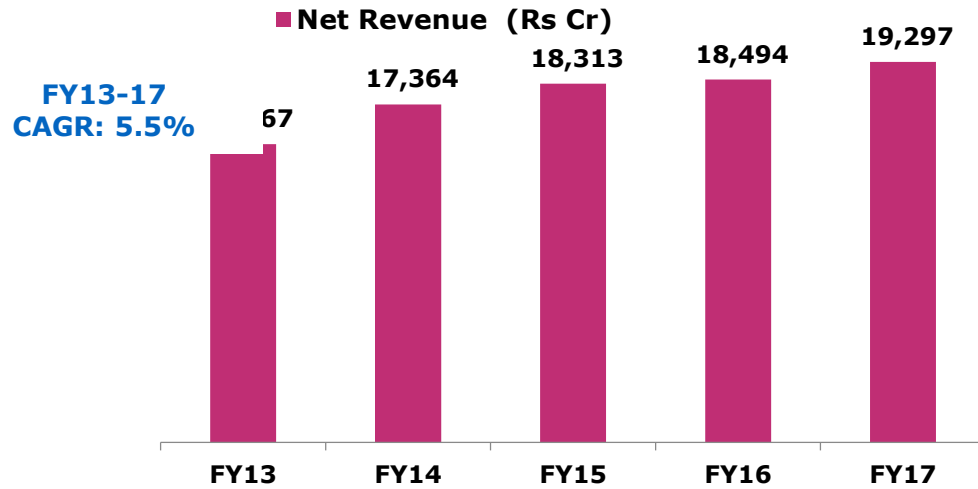
\$15+ Billion leading
manufacturing conglomerate

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

A background image featuring four business professionals (two men and two women) standing against a light-colored wall. They are all smiling and looking towards the camera. The man on the far left is wearing a dark suit and tie, holding a tablet. The woman next to him is wearing a dark blazer and skirt, holding a smartphone. The man next to her is wearing a checkered shirt and dark pants, holding a smartphone. The woman on the far right is wearing a light-colored blouse and dark skirt, holding a smartphone. The entire image has a blue-to-purple gradient overlay.

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 17th July 2017

Return on Digital[®] with Zensar