

The background of the slide is a dark blue gradient. It features a large, faint, light-blue gear in the center. A hand is shown reaching up to touch the gear. Surrounding the gear are several smaller icons: a handshake, a person in a suit, and a bar chart with an upward arrow. A network of white dots connected by thin lines is visible on the right side of the slide.

# **Analyst Presentation – Q2FY21**

## **Quarter Ending September 30, 2020**

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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; government measures in India and countries where our customer operate, 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.



## Q2 FY21 Revenue at USD 131.6 M

(QoQ 0.6% in \$ terms)



Part of USD 4 B  
RPG Group

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Portfolio Company of  
the USD 50 B APAX Group

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61.0% Digital Revenue  
(Q2 FY21)

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# Q2 FY21 Snapshot

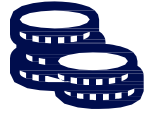


Q2 FY21



USD **131.6M**

Revenue, up by 0.6% QoQ  
Core revenue at USD 125.8M



**34.1%**

GM, up by 530 bps QoQ



**18.8%**

EBITDA, Up 440bps QoQ  
Core business EBITDA at 19.4%



**9.1%**

PAT\*, Up by 170bps QoQ

Headcount

**8614**

Attrition 11.7%  
Women Employee: 30.3%

USD

**1.5+B**

Pipeline

USD

**175M+**

Q2FY21 Wins  
Up by 25 M QoQ

Net Cash

**117.2M**

USD

Gross cash 128.7 Mn

\*Excluding the exceptional item of loss amounting to USD 11.9 Million on account of adjustment in respect of excess of carrying amount including goodwill over recoverable amount on classification as "Held for Sale" (Refer Note 6 of Published Quarterly Financial Results for Q2 FY21)

As a commitment to focus on core business, Zensar has entered into a definitive agreement to divest TPM business

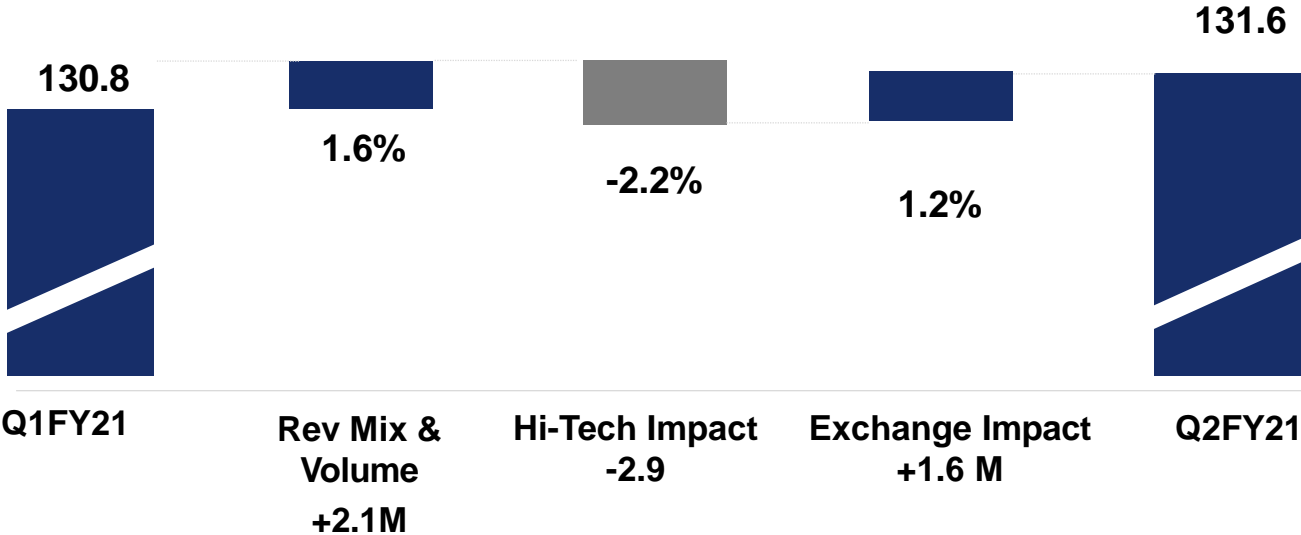


# Financial Update

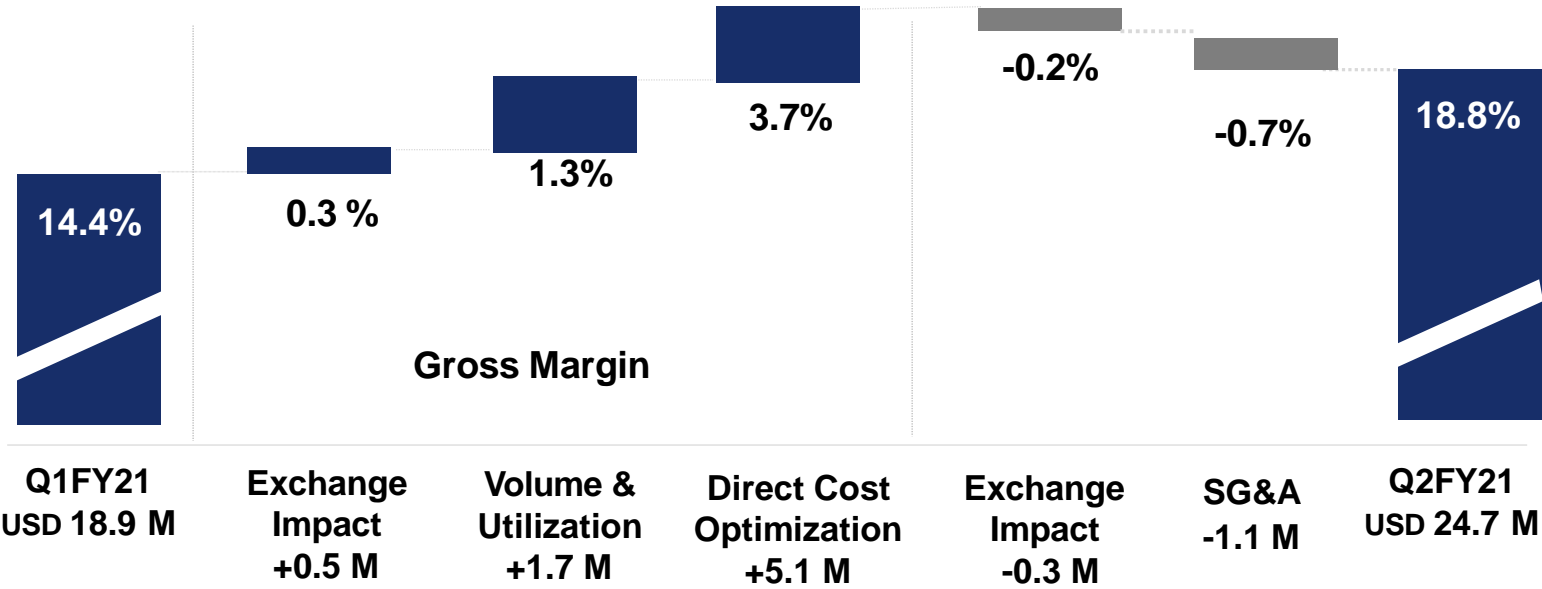
# Revenue & EBITDA Walk



Q2 FY21



**EBITDA Walk**  
(In % of Rev terms)

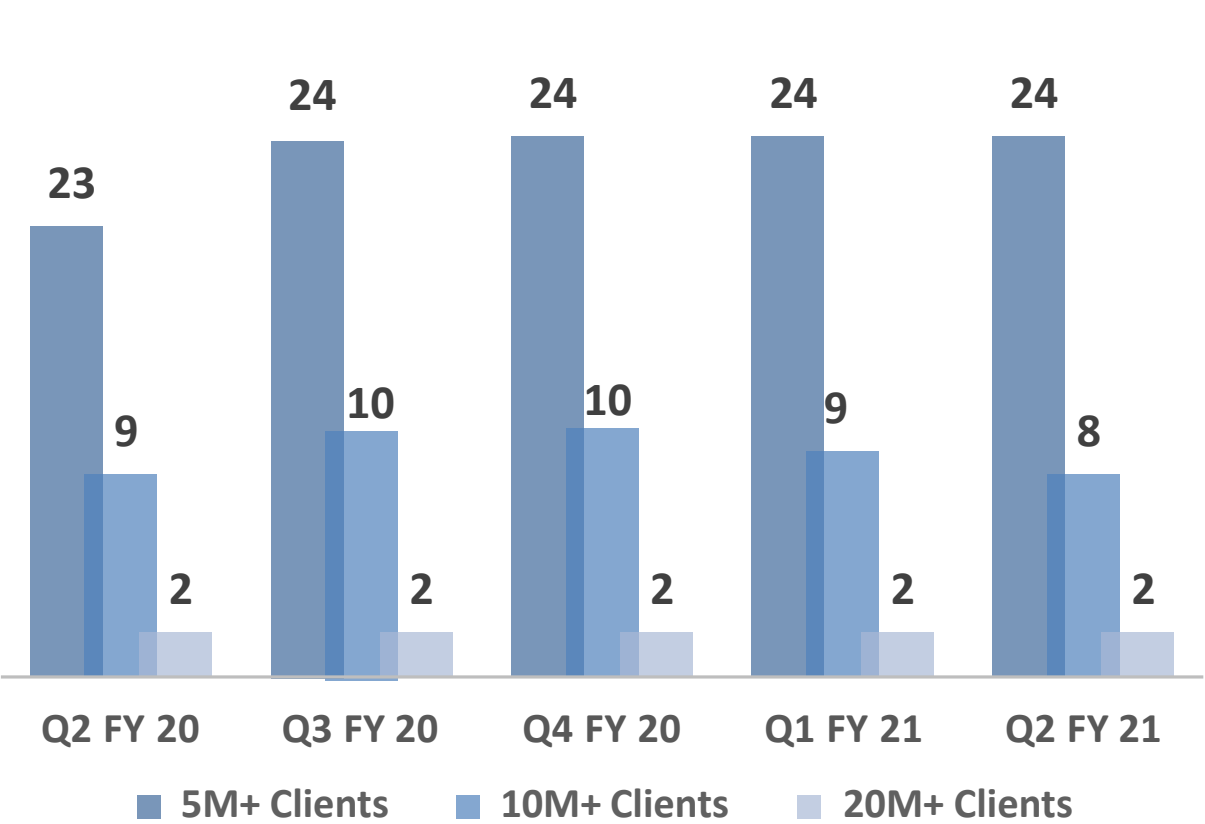


# Client Metrics

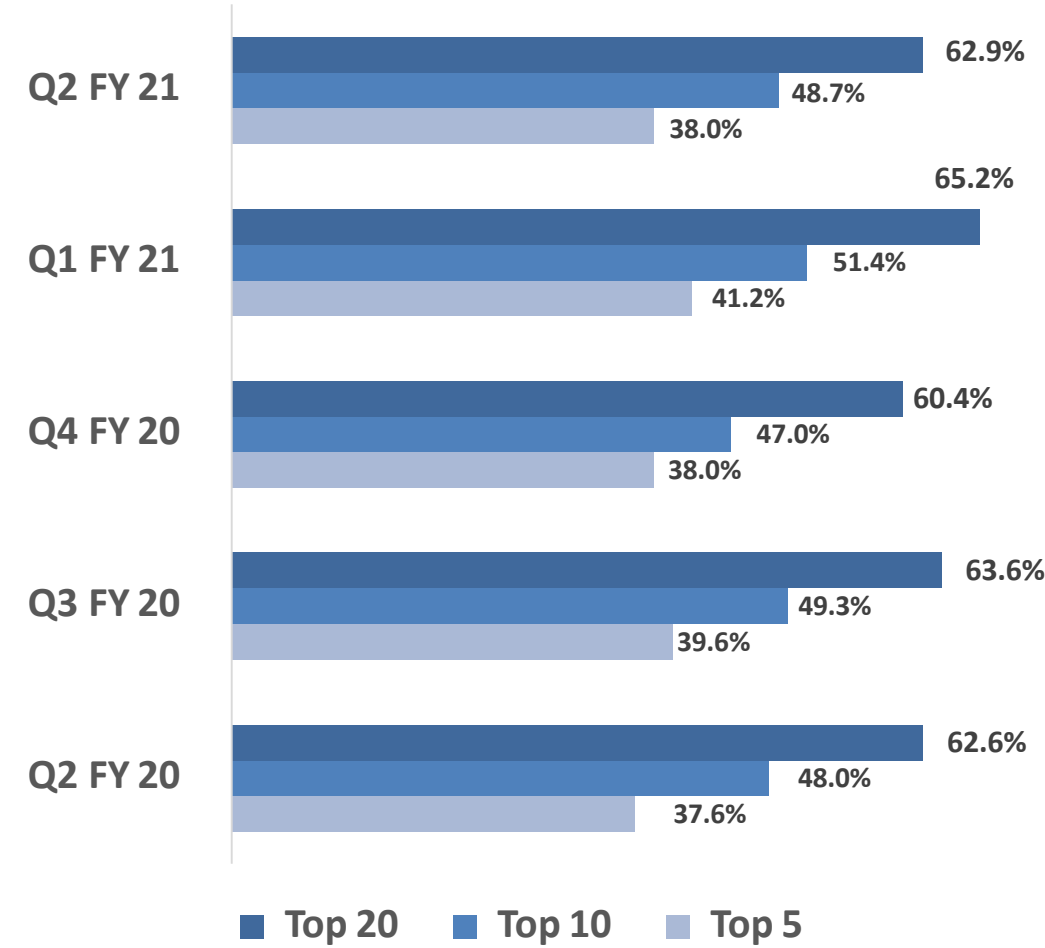


Q2 FY21

## MILLION DOLLAR CLIENTS (LTM)



## CLIENT CONCENTRATION



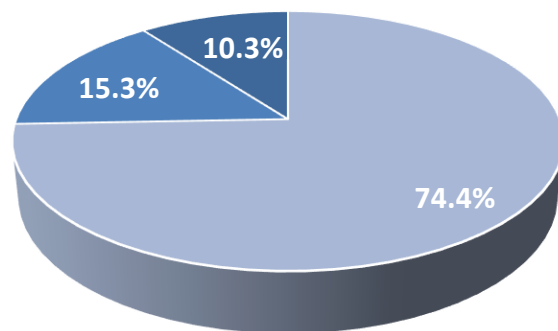


# Revenue Split



Q2 FY21

## Region Split & Growth ( \$ USD)



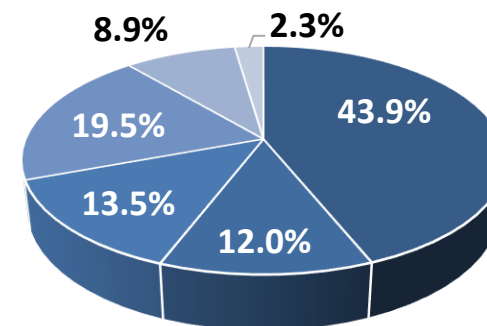
■ US ■ Europe ■ SA

### Geography

### QoQ

### YoY

US	(1.5%)	(13.1%)
Europe	8.1%	(13.9%)
Africa	6.0%	(16.4%)



■ Hi Tech ■ Mfg  
■ Consumer Services ■ Insurance  
■ Banking ■ Emerging

## Vertical Split & Growth ( \$ USD)

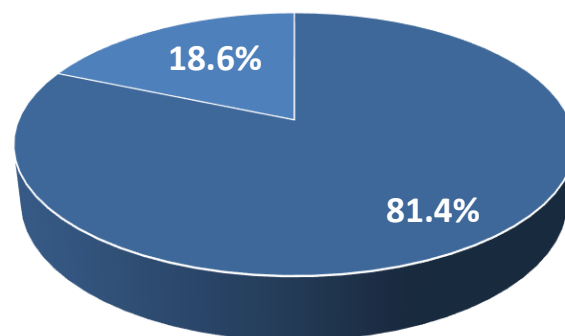
### Vertical

### QoQ

### YoY

Consumer Serv.	12.8%	(26.9%)
Hi-Tech	(4.5%)	(5.4%)
Manufacturing	(2.9%)	(19.9%)
Insurance	4.6%	(19.0%)
Banking	11.5%	1.5%

## Service Line Split & Growth ( \$ USD)



■ DAS ■ DFS

### QoQ

### YoY

Digital & Application Services (DAS)	0.8%	(17.8%)
Digital Foundation Services (DFS)*	(0.2%)	11.4%



# TPM Business divestment



Q2 FY21

*Zensar has signed a definitive agreement with Service Express, a leading Third-Party Maintenance service provider, to divest its TPM business, by way of a 100% share sale of Zensar's shareholding in PSI Holding Group, a Zensar subsidiary*

Consideration on Sale	USD 10M at Closing date subject to working capital adjustment + Deferred earnout of USD 5M based on performance, set out in the SPA
Estimated Loss	USD 11 - 13 M

## Reiterating the focus on Core Business

As part of its long-term strategy, Zensar identified two **non-core businesses** – Rest of the World (RoW) business, divested in 2019 and TPM business, divested in Oct 2020.

## The transaction is EBITDA accretive for Zensar

Particulars	FY20 (Apr'19 – Mar'20)		Q1 FY21 (Apr'20 – Jun'20)		Q2 FY21 (Jul – Sep)	
	Total (w/ TPM)	Core Business	Total (w/ TPM)	Core Business	Total (w/ TPM)	Core Business
Revenues	589.5	566.0	130.8	125.2	131.6	125.8
EBITDA (%)	12.3%	12.6%	14.4%	14.9%	18.8%	19.4%

*Note: The closing of the transaction is subject to approval by shareholders of Zensar Technologies Limited*



# Business Update

\$175  
Mn+

TCV wins in Q2 FY21  
Healthy Pipeline at  
TCV 1.5Bn+



# Wins & Pipeline Highlights

Q2 FY21

Proactive proposals land robust wins in Top existing clients



Large diversified American conglomerate



US-based global medical device company



Leading bank from South Africa



Large US based hi-tech company



American technical professional services firm



UK based insurance company

## PIPELINE



Strong Recovery in Q2FY21 post COVID Impact



Focus on creating **Proactive Pipeline** by new propositions & financial engineering



Strong momentum across the DFS and BFS verticals



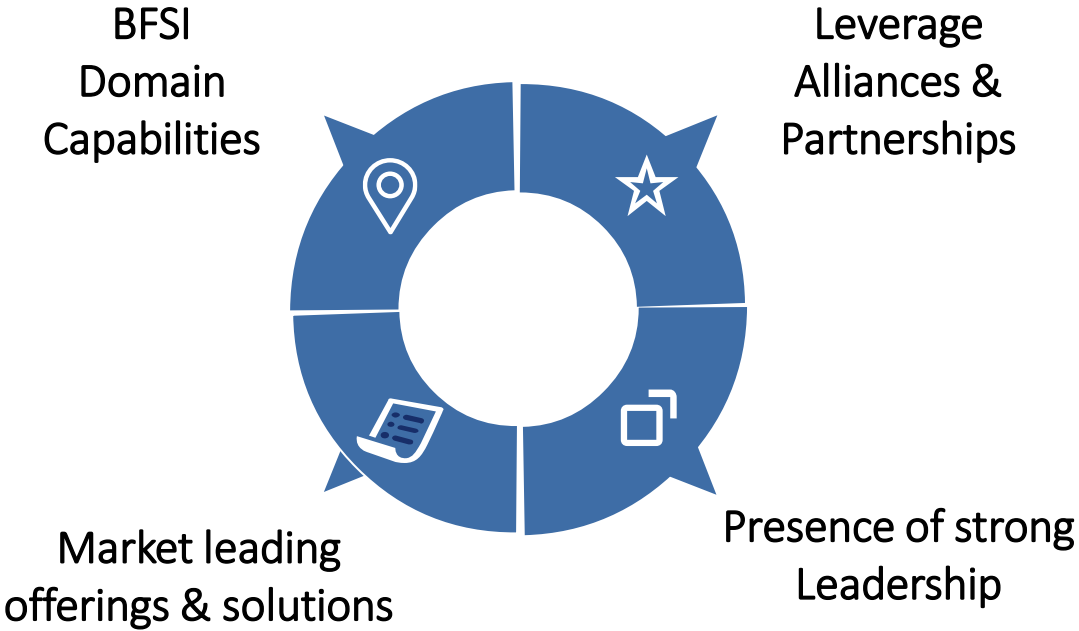
**50% pipeline from large deals (>5M USD TCV)**

# Domain-Led BFSI Strategy

## Market Trends that we see...

Banking	Traction in Digital banking, improve CX, well capitalized, regulatory compliance
Capital Markets	Areas include Industry consolidation, Robo-Advisory, fintech competition
Mortgage & Lending	Higher demand in re-financing, more mortgage default
Payments	Reduced transaction volumes, focus on getting newer revenue streams
P&C Insurance	Leveraging Telematics, Big Data, personalization
Life & Annuity	Higher life expectancy, low interest rates, higher market volatility

Four key levers that will help us accelerate our growth in Banking & Financial Services are...



## Key Engagements

360-degree services partner  
Leading Financial Services  
group in South Africa

Digital Channel & Marketing  
Transformation at American  
payments company

Application Development and  
Automation in asset  
management company

Multi-tower IT Infra  
management & Digital  
development at international  
financial institution

# Featured by HBS and LBS

*Delivering Digital-Led Business Impact to our Clients*

**ZenSar**

March 2018

## Move Towards a Change in Leadership

Kishore's discussions with major clients and board members corroborated those findings. He elaborated, "Zensar was known to be good at execution, but it was not a leader in the market. I would have to rejuvenate the entire company if I wanted to bring about change. However, Kishore knew that a certain pace of change was required. He noted, "Zensar needed to quickly figure out what its strategy would be. The world would keep moving on past it unless Zensar really stood for something that would position itself differently in the market."

### The Road Ahead for Zensar

As Kishore thought about the past few months and the learnings he had gathered at Zensar, he grappled with several questions that he had to consider in formulating his strategy for the future. Kishore had to decide if living digital was a viable option for Zensar at that juncture. Once the digital platforms that Kishore had conceptualized were in place, he hoped to leverage them in improving Zensar's productivity, revenue, and resource utilization. He believed that, by committing the company fully to the "living digital" approach, he would prepare it to meet the high service standards that clients would demand in coming years.



**HARVARD  
BUSINESS SCHOOL**

Zensar - A Transformative Case  
Study at Harvard Business School

August 2020

## Zensar Technologies: selling software to living digital

Zensar is an IT services company based in Pune, India. For many decades it had provided systems integration and business process management services to large client companies. While profitable and successful, it was a mid-tier player with about 7,000 employees. It had a solid reputation but was less well known than Infosys, TCS, or Wipro.

In 2016, a new CEO, Sandeep Kishore, was brought in to transform the company. He made some rapid initial changes, narrowing the company's sales focus to three country markets (the US, the UK and South Africa) and cutting the number of industry sectors to three: hi-tech manufacturing, retail and consumer and banking and financial services.

### "Relevancy is the new currency"

**Sandeep Kishore, CEO, Zensar Technologies**

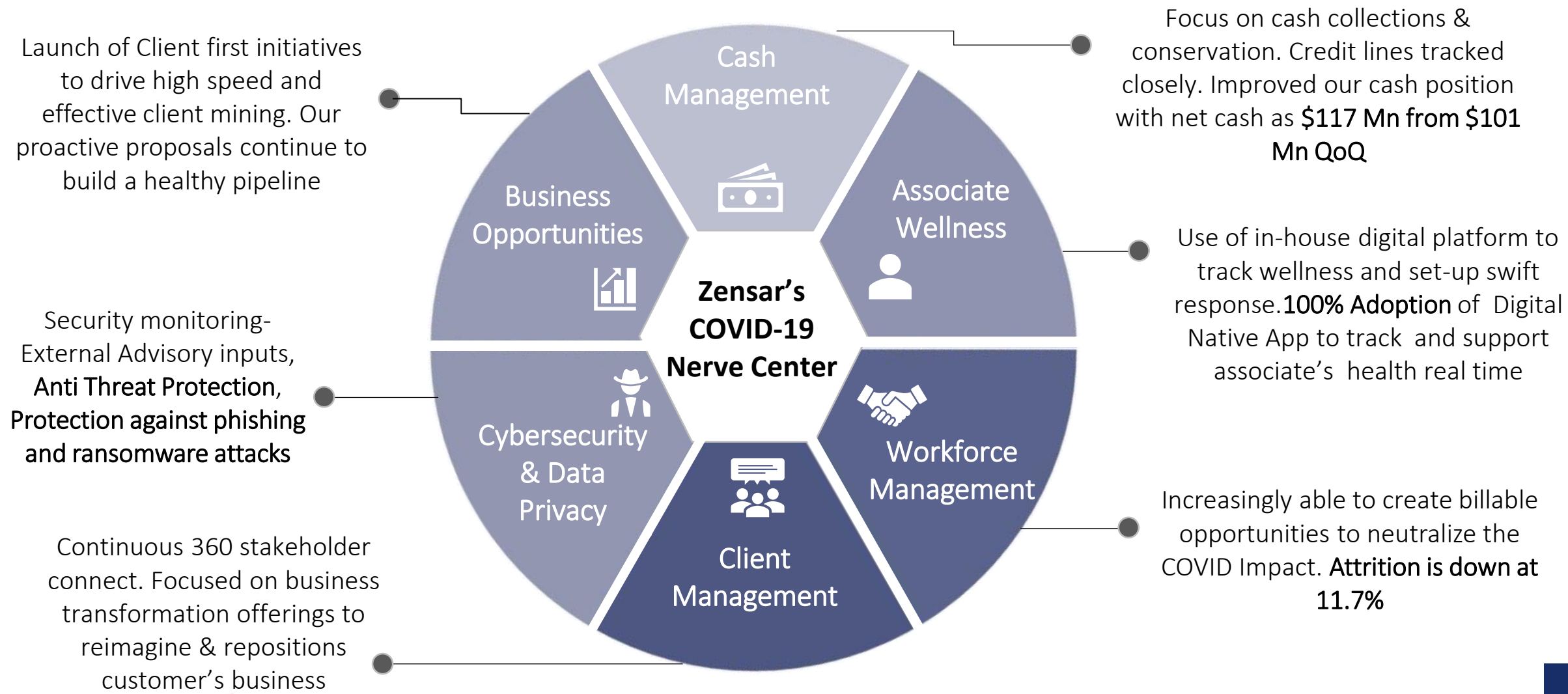
He then turned his attention to the digital revolution and to the need for Zensar to move with the times. Kishore was based in Silicon Valley. He knew from first-hand experience how client expectations of service providers were changing from technical competency and skilled personnel to value-added inputs.

London  
Business  
School

Zensar's Accelerated  
Digital Transformation  
Journey - A Case Study at  
London Business School



# Six tenets of Zensar's COVID-19 Response Q2 FY21



# Analyst Coverage & Recognition



Q2 FY21

Zensar mentioned as "Major Contender" in Everest Digital Interactive Experience (IX) Services PEAK Matrix® Assessment 2020



Zensar featured as Aspirant in Everest group's Data and Analytics (D&A) Services PEAK Matrix® Assessment 2020



Zensar mentioned in Gartner's Blockchain Market Guide

Zensar recognized as aspirants in Salesforce Marketing and Commerce Cloud Services PEAK Matrix® Assessment 2020



Zensar has been recognized as an Aspirants in Cloud-Native Application Development Services PEAK Matrix® Assessment 2020

Zensar granted US patent for its innovative tool enabling direct conversation with the organization's leadership - ZenVerse™





# RPG Group Overview

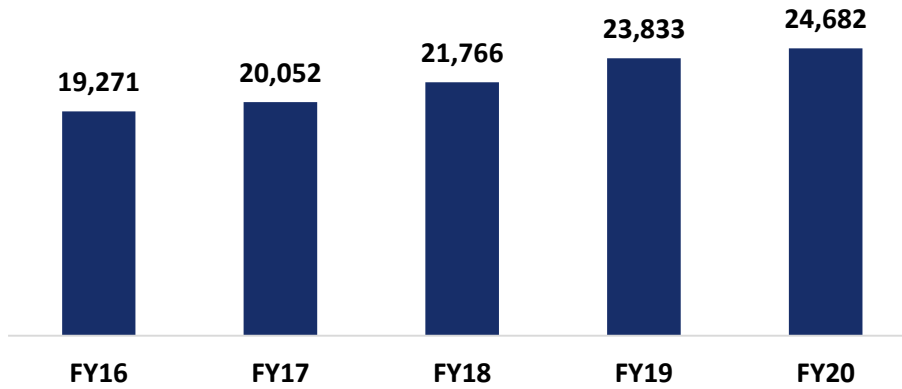
# RPG Group: Key Financials



Q2 FY21

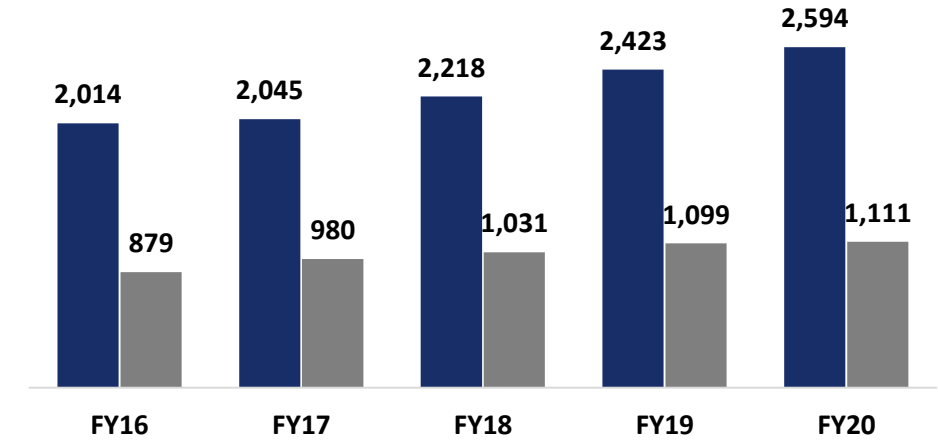
FY16-20  
CAGR: 7.6%

■ Gross Total Income (Rs Cr.)

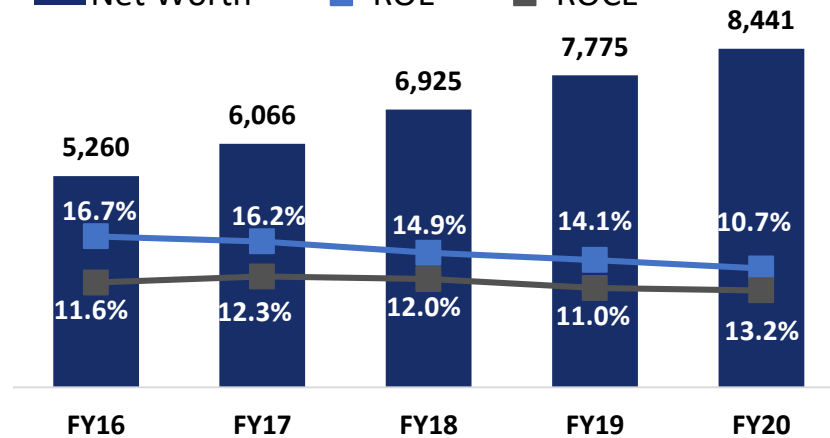


FY16-20 CAGR:  
EBITDA 6.5% PAT 6.0%

■ EBITDA ■ PAT



■ Net Worth ■ ROE ■ ROCE



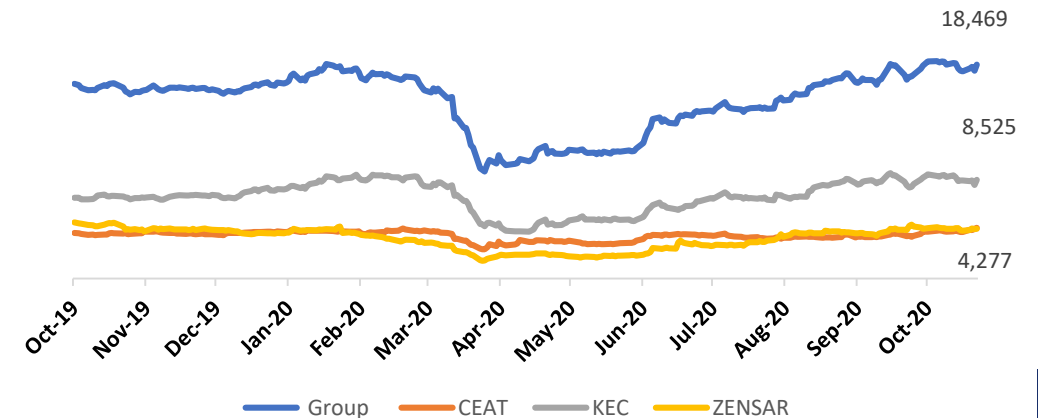
Note:

- 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 22<sup>nd</sup> October 2020

**ZenSar**

[www.zensar.com](http://www.zensar.com) | © Zensar Technologies 2020

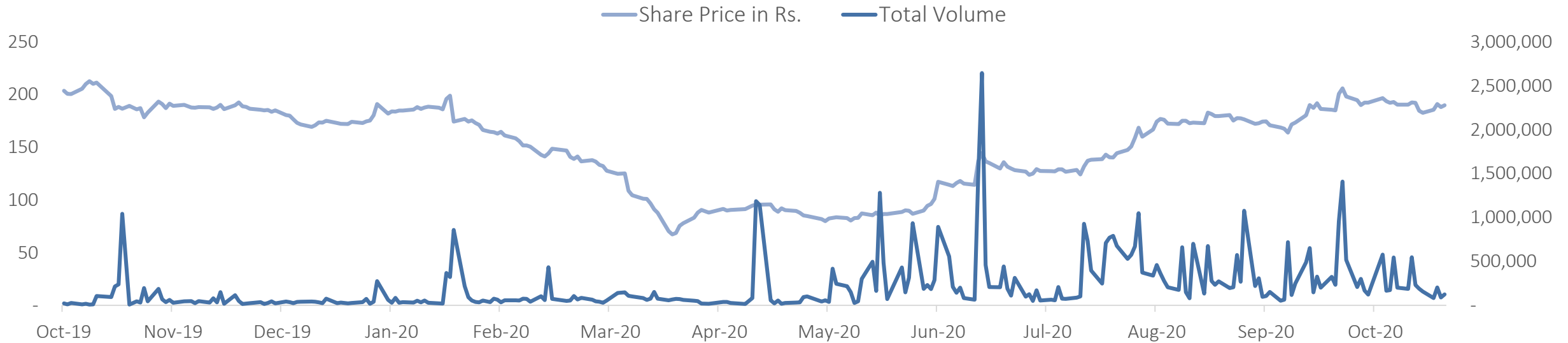
Market Cap



4,367

# RPG Group: Key Financials

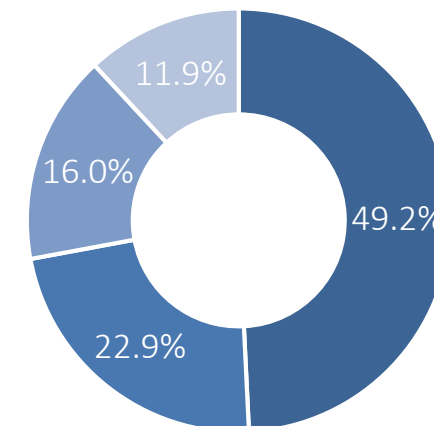
 Q2 FY21



## Equity Share Information:

- Share Price (22<sup>nd</sup> October 2020): INR 189.70/ share
- Market Cap (22<sup>nd</sup> October 2020): INR 4,277 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 30<sup>th</sup> September 2020):



■ Promoter ■ Apax Partners ■ FPIs ■ DII's/ Others

**Thank You**