Cigniti Technologies Ltd.

Investor Update

Q3 & 9M FY20

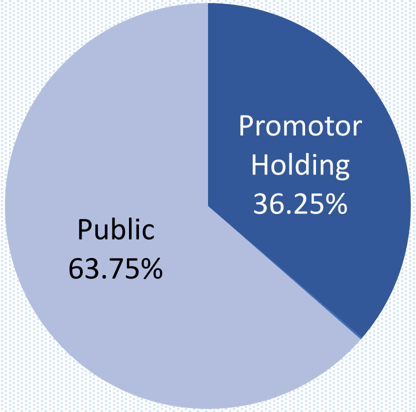
Cigniti: Business Overview & Key Metrics

Cigniti is a globally recognized player in Specialized Quality Engineering Services and an emerging leader with Digital offerings

Business Overview

- Founded in 1998, Cigniti is a global player in Specialized Quality Engineering Services
- It offers **Services** including Traditional Quality Assurance & Testing, Quality Engineering, Digital Testing and many more services
- 2300+ Employees worldwide, 1900+ testers
- 200+ Active customers including 50+ Fortune 500 Customers
- Differentiator: IP led approach to digital through **BlueSwan** Platform
- **Key Verticals**: BFSI, Travel & Hospitality, HealthCare

Share Holding Pattern (Dec'19)



Awards & Recognitions

- **World's first** Independent Quality Engineering Services Company to be appraised at CMMI-SVC v1.3, Maturity Level 5, and we also are ISO 9001:2015 & ISO 27001:2013 certified
- Positioned as a **'Star Performer'** and **'Major Contender'** in the Everest Group PEAK Matrix. 3 years in a row.
- Positioned in **Gartner's Magic Quadrant** for Application Testing Services, Worldwide for 4 years in a row.
- Recognized as a Leader by **NelsonHall** in NEAT charts for Software Testing.

Customers

A strong client base of 200+ Active Customers

Bank of America, Hertz, Subway, PayU, Broadcom, hp, gsk GlaxoSmithKline, NCR, AstraZeneca, Ryanair

Partners

Deeply interconnected in rich ecosystems

Hewlett Packard Enterprise, TestPlant, QASymphony, Tricentis, AppDynamics, turnkey, Micro Focus, perfecto mobile, CollabNet, Zephyr

Cigniti: A Global Leader in Specialized Quality Engineering Services

Cigniti Software Quality | Assured

Financial Overview

Business Metrics Q3FY20	Business Metrics 9MY20
Revenues: 216.75 Cr.	Revenues: 638.03 Cr.
EBITDA: 28.62 Cr.	EBITDA: 97.14 Cr.
PAT: 28.11 Cr.	PAT: 92.34 Cr.

Q3 & 9M FY20 Operational Highlights

- ❖ The Company's Revenue from operations for the quarter under consideration stood at Rs. 216.75 crore as against Rs. 209.97 crore in Q3FY19 on a consolidated basis
- ❖ EBIDTA for the December quarter was at Rs. 28.62 crore and EBIDTA margin stood at 13.2%.
- ❖ The company's Net Profit for Q3FY20 stood at Rs. 28.12 crore on a consolidated basis.
- ❖ Other income includes net foreign exchange gain of Rs. 183.51 lakhs and net foreign exchange gain of Rs. 86.89 lakhs for the quarter and nine month ended December 31, 2019 respectively

Company Overview

Headquartered in Hyderabad, India, Cigniti is North America's largest Independent Quality Engineering Services company with operations in 13 countries. It offers wide variety of QA testing services including Testing Advisory & consulting leveraging IP (BlueSwan) for Digital transformation.

- **200+** Active Customers
- **1900+** Career Testers
- **50+** Fortune 500 Customers
- **71** Global 2000 Customers

Awards & Recognitions

FROST & SULLIVAN | Forbes | testa (The European Software Testing Awards – Celebrating Technical Excellence) | 11th Employer Branding Awards – Best Employer 2016-2017, Employer Branding Institute - India | SmartCEO's Corner Stone awards – Recognizing Impact in Your Community | One of the 20 Leading Software Testing Providers 2014 as chosen by TEST Magazine Europe

Partners

Hewlett Packard Enterprise | QASymphony | AppDynamics | Tricentis | Micro Focus

Cigniti's Core Service Offerings for Large Enterprise Clients

Quality Engineering and Specialized Offerings

- Performance Engineering
- Service Virtualization
- Test Data Management
- Tools Streamlining
- End to End Automation
- DevOps Enablement
- Test Environment Management
- Resiliency and Reliability Testing

Quality Assurance and Traditional Offerings

- Security Testing
- Functional Testing
- Test Automation
- Globalization Testing
- Performance Testing
- Compatibility Testing
- Regression Testing

Digital and Next Generation Offerings

- IoT Assurance
- Cloud Assurance
- Omni and Multi-Channel Testing
- Robotics Automation
- Mobile Testing
- Customer Experience Testing

Board Members

Led by Dedicated Promoters & Managed by Professional Leadership Team

C V Subramanyam, *Chairman and Managing Director*
- In 1998, Mr. Subramanyam founded Chakkilam Infotech Pvt. Ltd. as an IT services company providing IT solutions
- Successfully took the company public in 2004
- Holds a Bachelors in Commerce and Law and Post Graduate Diploma in Business Management

Srikanth Chakkilam, *Chief Executive Officer, Cigniti Technologies Inc.*
- Drives client acquisition strategies, provides oversight to Sales, sets business targets, and maintains the P&L and related activities
- Key decision maker in the vision and growth of Cigniti & plays a vital role in evaluating, analyzing & deciding Cigniti's pursuits related to inorganic growth
- Focused to build a highly successful, impactful and ethical business in all forms
- Has an MS from the University of Southern California

Krishnan Venkatachary, *CFO*
- Mr. Krishnan brings to Cigniti over 25 years of experience spanning global financial operations. Is a qualified ACA, ACS and FCMA
- Previous experience: Yashoda Hospitals, Flagstone Underwriting Support Services, VisualSoft Technologies, Baan Info Systems

Raghu Krovvidy, *EVP – Delivery, Process & ESG*
- Mr. Raghu manages Global Delivery on a day to day basis across all GEOs and verticals for Cigniti
- Previous experience: 20+ years. Accenture, AppLabs, IRIS Digital & NIIT

Rajesh Sarangapani, *VP – Delivery, Practices*
- Mr. Rajesh manages technology COE's and Innovation. Over 20 Years of experience in software testing
- Previous experience: Accenture, AppLabs, Amundi Pioneer, Virtusa & Baan

Pradeep G, *CTO & President (North America West)*
- Mr. Pradeep as CTO is responsible for revenue targets and business growth for Cigniti's NA West operations. He is an industry thought leader in software testing with over 15 years of experience
- Previous experience: Cognizant Technology Solutions, HTC Global services

Jagdish Kumar, S*VP – ICT*
- Jagdish heads ICT function at Cigniti. Over 25 years of experience in various global roles spanning IT Strategy & others
- Previous experience: JDA, OpenText, BaaN, HCL

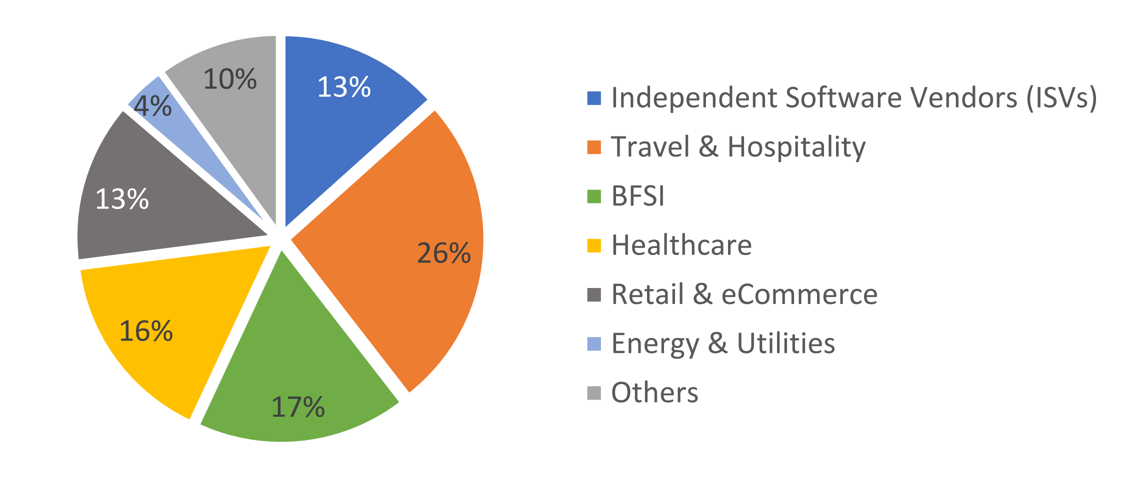
Subhendu Pattnaik, *AVP – Marketing & IST*
- Subhendu heads Global Marketing & Demand Generation. 15+ years of experience & proven track record in leading 360-degree Marketing
- Previous experience: Infosys, Tata BSS, FINO, Mindfire

Kalyana Rao Konda, *President (North America East)*
- Mr. Kalyana drives the growth of Cigniti's NA East business to meet the co-located testing services requirements in the US. Is a certified Project Management Professional (PMP) and a Certified Software Quality Analyst (CSQA)
- Previous experience: AppLabs, Virtusa, and Baan

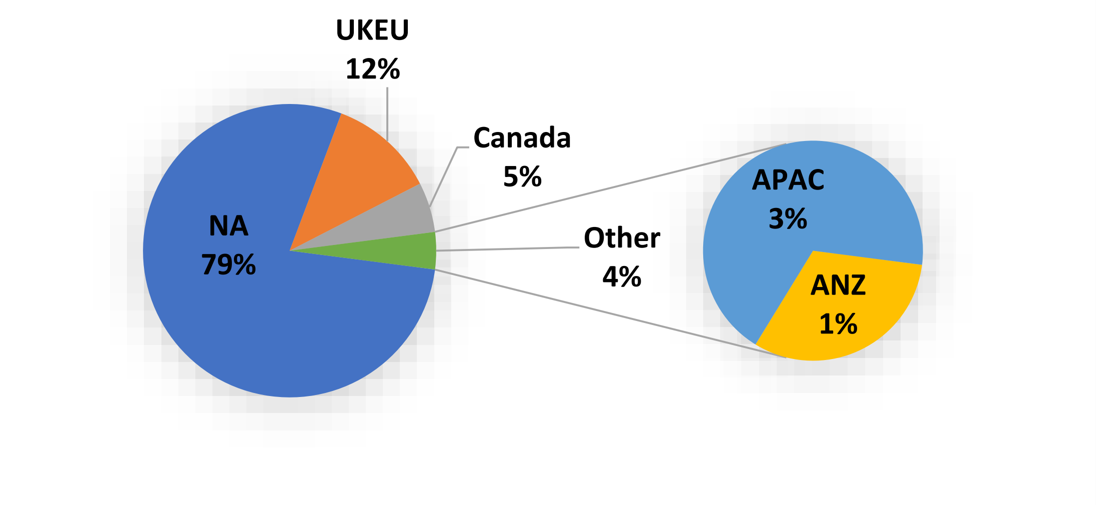
Nanda Padmaraju, S*VP – ROW*
- Mr. Nanda heads sales for the UK and EU regions. Brings in more than 18 years of global IT expertise along with strong financial acumen
- Previous experience: AppLabs, Satyam Computer, IBM & Sharp Protech

Diversified Client base Leading to Better Stability

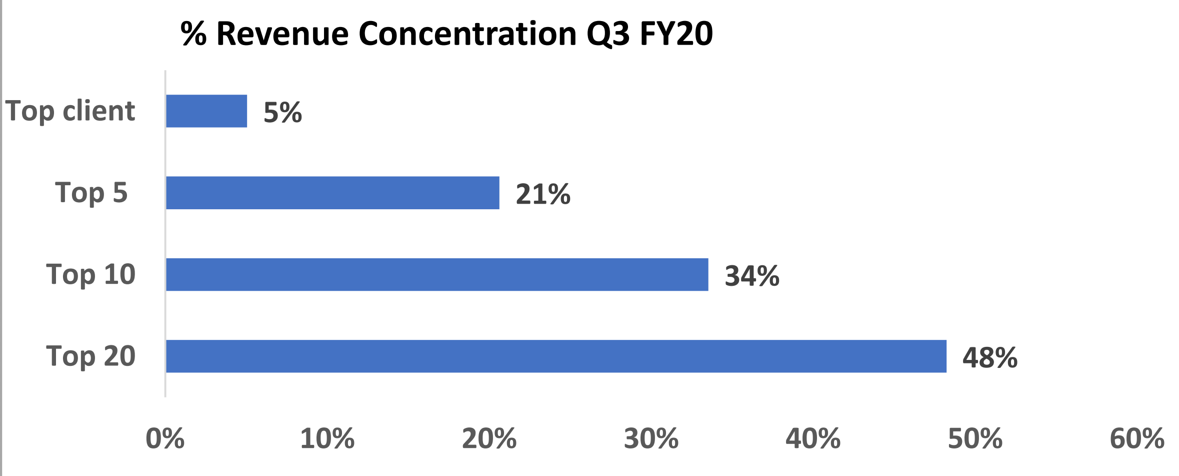
Revenue by Verticals Q3 FY20

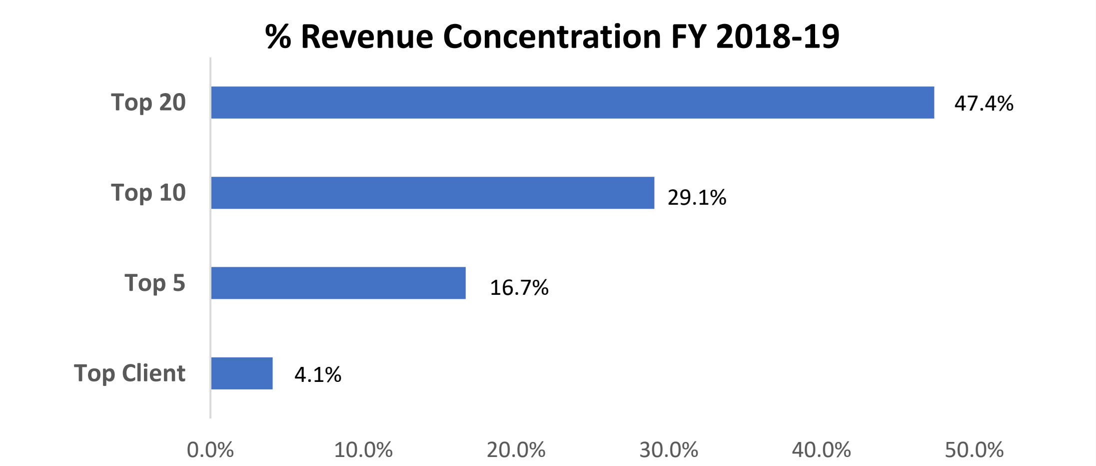


Revenue by Regions Q3 FY20



The revenue concentration in top accounts has decreased significantly from FY18 to FY19, implying higher revenue stability in future

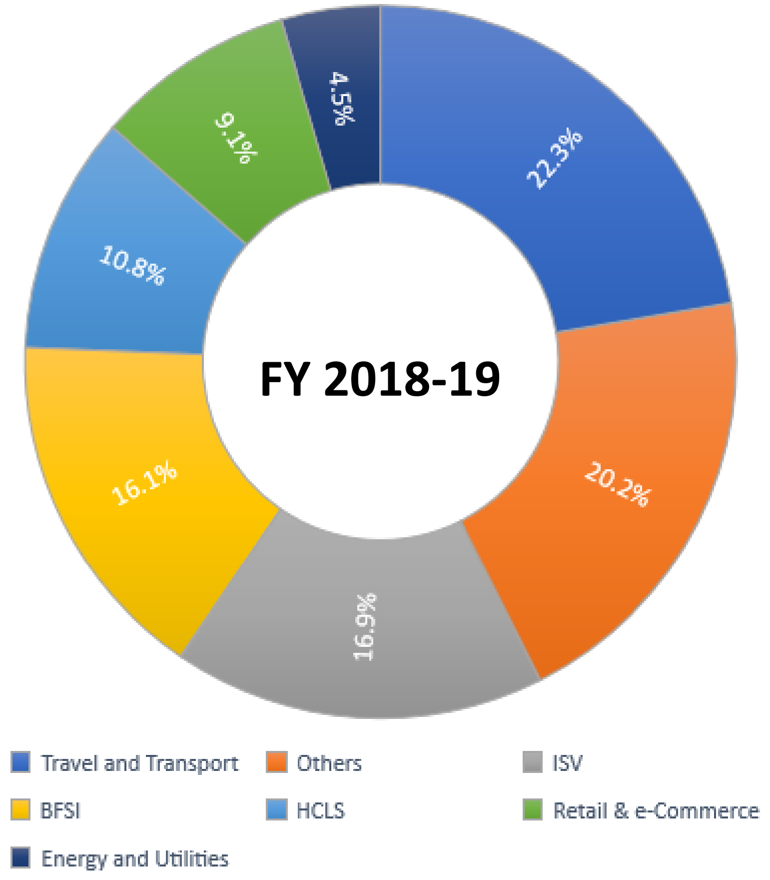




Marquee Clients Across Industry Verticals

In high-spend Industry verticals, Cigniti has marquee clients.

Diversified revenue profile across industry verticals…



Verticals	Key Clients
BFSI	Synovus, Bank of America, Heartland Payment Systems, Exeter finance corp, DBS, Atom, D&B, ALFA Insurance, Max Life Insurance
Energy &Utilities	LG&E KU PPL companies, Pioneer, Wales&West Utilities, Oncor, Lennox, Tantalus
Healthcare & Life Sciences	AstraZeneca, optos, Delta Dental, BlueCross BlueShield, Napier Healthcare, Cipla, gsk GlaxoSmithKline, Nuance Transcription Services
Travel & Hospitality	Best Western, Southwest Airlines, IndiGo, Hertz, Purolator, Ryanair, AirAsia
Media & Technology	Broadcom, hp, NCR, tellabs, Freeman, Omnigon
Retail & e-commerce	Subway, PayU, redBus, C&S Wholesale Grocers, snapdeal

Financial Highlights Q3 FY20

(in Millions)	Q3FY20	Q2FY20	Q3FY19	Q-o-Q	Y-o-Y
Income					
Revenue from operations	2,167	2,146	2100	1%	3%
Revenue from operations ($M)	30.91	30.54	30		
Expenses					
Employee benefit expense	1,289	1,279	1189	1%	8%
Other expenses	592	498	524	19%	13%
EBITDA	**286**	**369**	**387**		
% EBITDA	**13.2%**	**17.2%**	**18.43%**		
Depreciation & Amort	28	29	9	-3%	209%
EBIT	**258**	**340**	**378**		
Other Income(Expense)	37	53	-32	-12%	-215%
Finance Income	19	12	2	5%	821%
Finance Costs	20	19	27	4%	-26%
PBT	**294**	**374**	**321**		
Tax	13	17	33	-21%	-59%
PAT	**281**	**357**	**288**		
EPS (Basic)	**10.15**	**12.91**	**10.47**		

All values are in INR Million

Financial Highlights 9M FY20

(in Millions)	9MFY20	9MFY19	Y-o-Y
Income			
Revenue from operations	6,398	6,096	5%
Revenue from operations ($M)	91	87	
Expenses			
Employee benefit expense	3,834	3,538	8%
Other expenses	1,584	1,523	4%
EBITDA	**971**	**1,036**	
% EBITDA	**15.2%**	**17%**	
Depreciation & Amort	85	23	269%
EBIT	**886**	**1,013**	
Other Income(Expense)	111	259	-56%
Finance Income	39	5	754%
Finance Costs	60	101	-41%
PBT	**976**	**1,175**	
Tax	53	---	---
PAT	**923**	**1,175**	
EPS (Basic)	**33.36**	**42.82**	

All values are in INR Million--* nine months FY 20 includes Rs 56 m of export incentive as against Rs 190m for 9 months ended FY 19

Cigniti's Income statement

	FY16	FY17	FY18	FY19	9M FY20
Income					
Revenue from operations	5,948	6,193	6,933	8,161	6,398
Revenue from operations ($M)	90	94	108	117	91
Expenses					
Employee benefit expense	3,937	4,513	4,701	4,754	3,834
Other expenses	1,032	1,900	1,715	2,080	1,584
EBITDA	**979**	**-221**	**517**	**1,327**	**971**
% EBITDA	**16.5%**	**-3.6%**	**7.5%**	**16.2%**	**15.2%**
Depreciation & Amort	113	170	27	31	85
EBIT	**867**	**-390**	**490**	**1,296**	**886**
Other Income	33	3	9	272	150
Finance costs	60	161	170	146	60
PBT (before exceptional items)	**840**	**-548**	**320**	**1,422**	**976**
Exceptional items	-	-3,321	-	-	-
PBT	**840**	**-3,869**	**329**	**1,422**	**976**
Tax	344	79	8	(52)	53
PAT	**497**	**-3,948**	**322**	**1,474**	**923**
EPS (Basic)	**19.9**	**-151.1**	**12.1**	**53.6**	**33.36**

All values are in INR Million- * Nine month

Cigniti's Balance Sheet

All values are in INR Million

	2016	2017	2018	2019	H1 FY20
Property Plant & equipment	285	88	69	136	141
Right-to-use asset	-	-	-	-	326
Goodwill	549	549	549	549	549
Capital WIP	643	-	-	-	-
Other intangible assets	581	-	-	-	-
Financial assets					
Loans	38	35	34	42	30
Other non-financial assets	-	2	2	-	-
Deferred tax assets net	10	50	-	-	-
Other non current assets	1,251	15	14	-	-
Sub total	**3,357**	**739**	**667**	**727**	**1,046**
Current assets					
Financial assets					
Investment	-	-	-	-	171
Loans	5	170	178	10	20
Trade receivables	1,115	1,035	1,147	1,237	1,276
Cash and cash equivalent	40	158	179	615	173
Other Bank balances	2	4	4	1	-
Other current financials assets	2	1	121	313	1,118
Current tax assets net	19	14	3	45	52
Other current assets	1,624	159	82	127	190
Sub total	**2,806**	**1,540**	**1,714**	**2,348**	**3,000**
Total	**6,163**	**2,279**	**2,380**	**3,075**	**4,046**

	2016	2017	2018	2019	H1 FY20
Equity & Liabilities					
Equity share capital	255	265	272	277	277
Other equity	3,126	-673	-204	1,231	1,819
Sub total	**3,381**	**-408**	**69**	**1,507**	**2,096**
Non-current liabilities					
Financial liabilities					
Lease Obligation	-	-	-	-	323
Borrowings	-	204	148	-	-
Long term provisions	28	52	65	75	75
Deferred tax liability	24	-	-	-	-
Sub total	**52**	**256**	**213**	**75**	**398**
Current liabilities					
Financial liabilities					
Short term borrowings	1,184	1,188	1,110	737	740
Trade payables	992	523	542	562	539
Lease Obligation	-	-	-	-	76
Other current financial liabilities	-	62	65	22	17
Short term provisions	12	15	18	29	29
Current tax liability, net	364	291	162	11	17
Other current liabilities	178	351	201	132	134
Subtotal	**2,731**	**2,431**	**2,099**	**1,493**	**1,552**
Total	**6,163**	**2,279**	**2,380**	**3,075**	**4,046**

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