

Cigniti Technologies Ltd.

Investor Update

Q4 & FY21

- Cigniti Technologies continued to generate a positive cash flow. The board recommended maiden dividend of 25% and as a part of prudent governance the company has also approved a dividend policy for the benefit of the investors.
- Cigniti Technologies appoints **Jayabrata Nag** as **VP & Global Head of Partnership and Alliances**
 - contribute to the overall growth and expansion of the company.
- Cigniti Technologies, is now a **Liberation Strategic Partnered** with **Medecision**, an integrated health management company supporting virtual care and digital health for more than 50 million healthcare consumers.
 - Through Medecision's partnership program, Cigniti is able to showcase their brand among many of the most respected leaders and enterprises in healthcare sector.
- Cigniti Technologies announced a **partnership with Sonatype**, the company that scales DevOps through open source governance and software supply chain automation, to help enterprise customers innovate faster and easily mitigate security risk inherent in open source.
 - By partnering with Sonatype, Cigniti is able to offer its clients the powerful Nexus platform, in turn, enabling them to automatically enforce open source governance and control risk across every phase of the software development lifecycle (SDLC).

Cigniti: Business Overview & Key Metrics

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

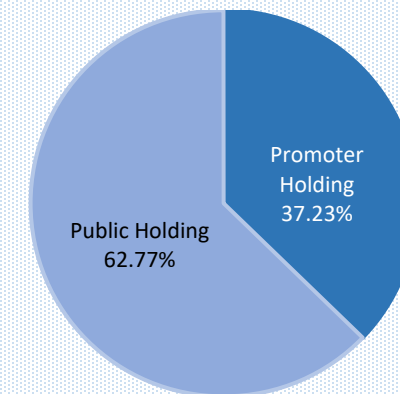
Business Overview

- 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
- 2500+ 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, ISV, Retail & e-commerce

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. 4 years in a row.
- Positioned in **Gartner's Magic Quadrant** for Application Testing Services, Worldwide for 5 years in a row.
- Recognized as a Leader by **NelsonHall** in NEAT charts for Software Testing.

Share Holding Pattern (Mar'21)



Customers

A strong client base of 200+ Active Customers



Partners

Deeply interconnected in rich ecosystems



Cigniti: A Global Leader in Specialized Quality Engineering Services

Financial Overview

Business Metrics Q4FY21

Revenues: 233.02 Cr.

EBITDA: 33.25 Cr.

PBT: 32.28 Cr.

PAT: 24.67 Cr.

Business Metrics FY21

Revenues: 896.53 Cr.

EBITDA: 145.47 Cr.

PBT: 141.06 Cr.

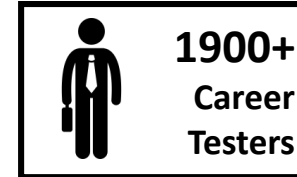
PAT: 105.35 Cr.

Q4 & FY21 Operational Highlights

- ❖ The Company's Consolidated Revenue from operations for the quarter under consideration stood at Rs 233.02 crore as against Rs 223.90 crore in Q3FY21., up by 4%
- ❖ EBIDTA for the March quarter was at Rs 33.25 crore and EBIDTA margin stood at 14.3%.
- ❖ Reported Net Profit for Q4FY21 stood at Rs 24.67 crore as against Net Profit of Rs 26.35 crore in Q3FY21
- ❖ FY21 PAT is after onetime tax adjustment of Rs 8.95 crores on account of tax assessment for earlier years of US subsidiary Cigniti Technologies Inc.; Net profit before taxes for earlier years stood at Rs 114.30 crores.

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.



Awards & Recognitions



Partners



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



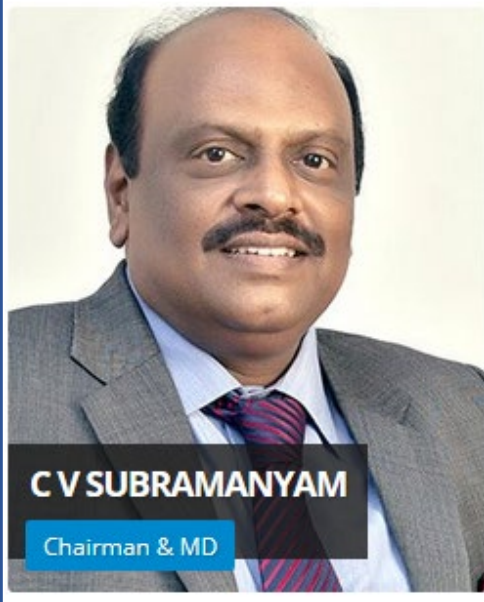
- Security Testing
- Functional Testing
- Test Automation
- Globalization Testing
- Performance Testing
- Compatibility Testing
- Regression Testing

Digital and Next Generation Offerings



- IoT Assurance
- Cloud Assurance
- Omni and Multi-Channel Testing
- AI testing
- Blockchain 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

- 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



Ganesh Ramamoorthy
CRO

- Ganesh is responsible for driving strategy and exponential revenue growth for the organization. He has over 28 years of experience & proven global executive leadership in financial services covering Banking, Capital Markets and Insurance.
- Ganesh worked with HCL, DSL software and Deutsche bank.



Pradeep G
CTO & President (NA West)

- 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



Kalyana Rao Konda
President (NA East)

- 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
SVP – ROW

- 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



Raghu Krovvidy
EVP – Delivery, Process & ESG

- 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



Jagdish Kumar
SVP – 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



Veera Reddy
VP – Human Resources

- Veera is responsible for employee life cycle events, talent management, employee relations, performance management, Diversity & inclusion and cultural transformation.
- An Air Force veteran, experienced HR Leader with over 18 years of experience. He also worked with Genpact and Wipro.

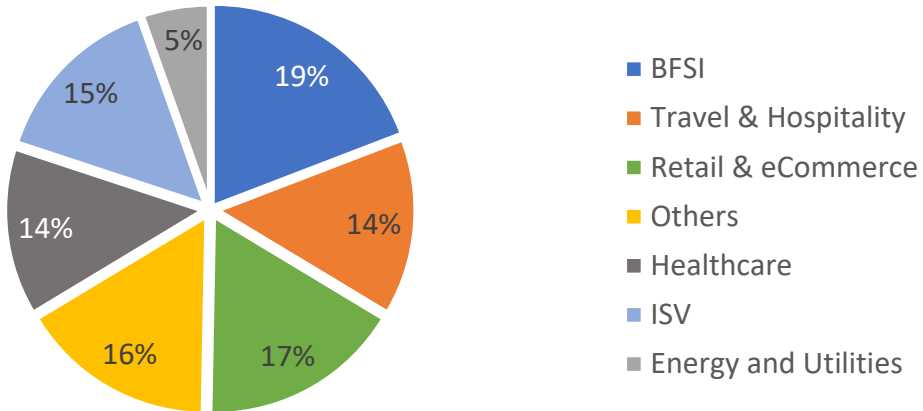


Subhendu Pattnaik
AVP – Marketing & IST

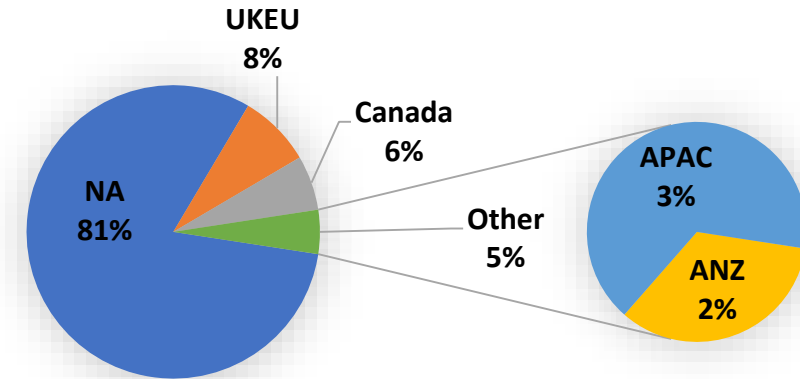
- Subhendu heads Global Marketing & Demand Generation. 15+ years of experience & proven track record in leading 360-degree Marketing
- Previous experience: Infosys, Tata BSS, FINO, Mindfire

Diversified Client base Leading to Better Stability

Revenue by Verticals Q4 FY21

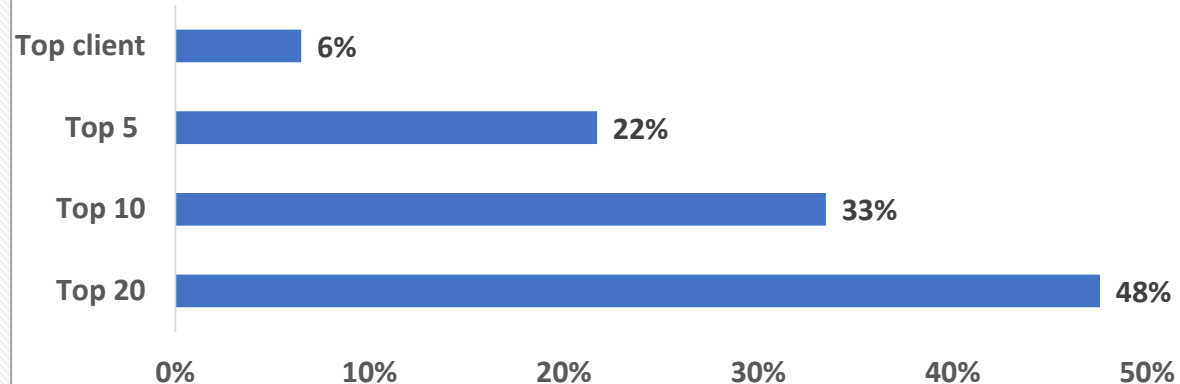


Revenue by Regions Q4 FY21

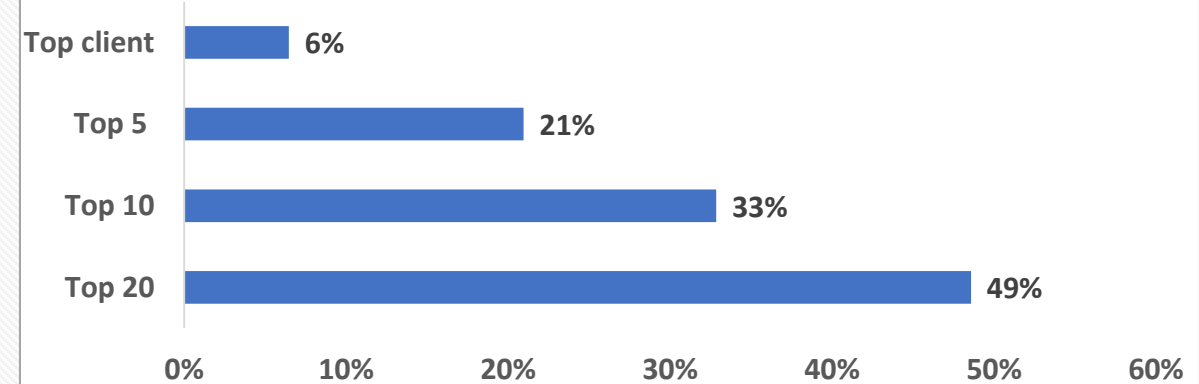


The revenue concentration in top accounts has decreased significantly from FY18 to FY21, implying higher revenue stability in future

% Revenue Concentration Q4 FY21



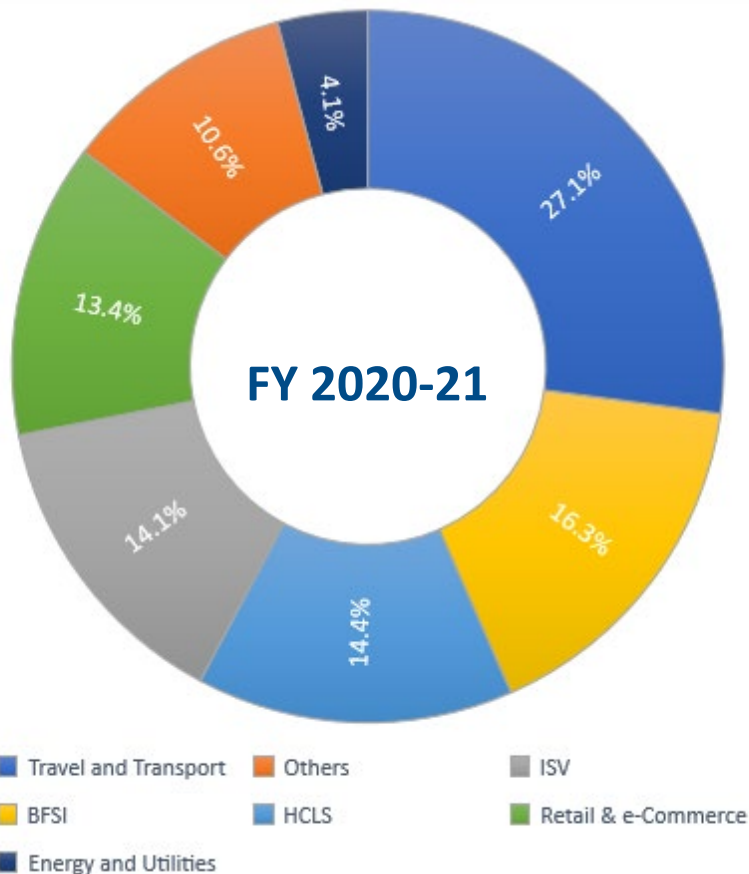
% Revenue Concentration FY2020 - 21



Marquee Clients Across Industry Verticals

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

Diversified revenue profile across industry verticals...



Verticals	Key Clients
BFSI	
Energy & Utilities	
Healthcare & Life Sciences	
Travel & Hospitality	
Media & Technology	
Retail & e-commerce	

Financial Highlights Q4FY21- Consolidated

All values are in INR Million

Particulars	Q4FY21	Q3FY21	Q4FY20	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	2.330	2,239	2,330	4%	-
Revenue from operations (\$M)	31.98	30.49	32.27		
<u>Expenses</u>					
Employee benefit expense	1,341	1,332	1,355	1%	-1%
Other expenses	657	588	660	12%	-
EBITDA	333	319	315	4%	5%
% EBITDA	14.3%	14.3%	13.5%		
Depreciation & Amortization	31	31	30	-	-
EBIT	302	288	285	5%	6%
Other Income(Expense)	(3)	8	47	-144%	-107%
Finance Income	16	36	20	-70%	-17%
Finance Costs	12	12	20	-4%	-41%
PBT	303	320	332	-5%	-9%
Tax*	56	56	39	-	42%
PAT	247	264	293	-6%	-16%
EPS (Basic)		9.45	10.52		

* Includes one-time tax adjustment of Rs 90mn on account of tax assessment for earlier years of US subsidiary Cigniti Technologies Inc.

Financial Highlights FY21- Consolidated

All values are in INR Million

Particulars	FY21	FY20	Y-o-Y	
<u>Income</u>				
Revenue from operations	8,965	8,720	3%	
Revenue from operations (\$M)	122	124		
<u>Expenses</u>				
Employee benefit expense	5,216	5,190	1%	
Other expenses	2,295	2,243	2%	
EBITDA	1,455	1,287	13%	
% EBITDA	16.2%	14.8%		
Depreciation & Amortization	123	115	7%	
EBIT	1,332	1,172	14%	
Other Income(Expense)	36	158	14%	PY include SEIS income of 113mn
Finance Income	98	58	68%	
Finance Costs	56	80	-30%	
PBT	1,410	1,308	8%	
Tax*	357	92	286%	
PAT	1,053	1,216	-13%	CY Tax provision is under normal rates
EPS (Basic)	37.77	43.87		

* Includes one-time tax adjustment of Rs 90mn on account of tax assessment for earlier years of US subsidiary Cigniti Technologies Inc.

Cigniti's Income statement - Consolidated

All values are in INR Million

Particulars	FY18	FY19	FY20	FY21
<u>Income</u>				
Revenue from operations	6,933	8,161	8,720	8,965
Revenue from operations (\$M)	108	117	124	122
<u>Expenses</u>				
Employee benefit expense	4,701	4,754	5,190	5,216
Other expenses	1,715	2,080	2,243	2,295
EBITDA	517	1,327	1,287	1,455
% EBITDA	7.5%	16.2%	14.8%	16.2%
Depreciation & Amort	27	31	115	123
EBIT	490	1,296	1,172	1,332
% EBIT				
Other Income	7	264	158	36
Finance Income	2	8	58	98
Finance costs	170	146	80	56
PBT	329	1,422	1,308	1,308
% PBT	4.8%	17.4%	15.0%	92
Tax	8	-52	92	92
PAT	322	1,474	1,216	1,216
% PAT	4.6%	18.1%	13.9%	43.87
EPS (Basic)	12.1	53.6	43.87	37.77

Cigniti's Balance Sheet FY21- Consolidated

All values are in INR Million

Particulars	FY21	FY20	Particulars	FY21	FY20
Property Plant & equipment	167	172	Equity & Liabilities		
Right-to-use asset	217	299	Equity share capital	280	278
Goodwill	549	549	Other equity	3,443	2,394
Capital WIP	-	-	Sub total	3,723	2,672
Other intangible assets	-	-	Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	205	295
Loans	51	51	Borrowings	-	-
Other non-financial assets	-	-	Long term provisions	123	90
Deferred tax assets net	53	-	Deferred tax liability	-	-
Other non current assets	-	-			
Sub total	1,037	1,106	Sub total	328	385
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	804	489	Short term borrowings	161	838
Loans	6	7	Trade payables	627	601
Trade receivables	1,577	1,644	Lease Obligation	91	82
Cash and cash equivalent	256	76	Other current financial liabilities	29	14
Other Bank balances	1,023	795	Short term provisions	26	29
Other current financial assets	466	490	Current tax liability, net	183	49
Current tax assets net	26	26	Other current liabilities	153	129
Other current assets	126	166			
Sub total	4,284	3,693	Subtotal	1,270	1,742
Total	5,321	4,799	Total	5,321	4,799

Cashflow Generation FY21 vs. FY20

All Figures in INR Mn.	FY2021	FY2020
Profit before tax	1,411	1,308
(+/-) Non-cash & non operating Items	93	116
Operating Profit before WC Changes	1,504	1,424
(+/-) DSO Movement (Receivables)	60	(382)
(+/-) Other charges	160	(141)
Operating CF after WC changes	1,724	901
Less: Taxes	(276)	(35)
Less: Capex	(32)	(70)
Free cash flow generated	1,417	796
EBITDA	1,455	1,287
FCF to EBITDA Conversion	97%	62%

Cash Generation

- ❖ Cash and cash equivalents (including fixed deposits) at a healthy levels of 1,279 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 805 Mn.
- ❖ FCF generated during FY2021 is exceeding the FCF generated in the FY 2020 mainly driven by efficiency in collections, reduction in G&A and capex optimization despite non recurrence of export incentives

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