

Zensar Technologies

Analyst Presentation Q3 FY17 (Quarter ending Dec 31st)

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Agenda

- Zensar's Q3 FY17 Business Performance
- Market Opportunity and Company Outlook
- RPG Group Overview

Highlights for Q3 FY17

We continue to improve key metrics in line with our strategy

- All focus geographies registered growth in Constant Currency
- All focus Verticals registered growth in Constant Currency
- Key Fortune 1000 logos added
- Foolproof Acquisition completed and integration currently under way
- Digital now contributes 30% of Zensar's revenues
- \$100M+ in Large deal wins
- Profitability parameters continued to expand
- Continued recognition by leading technology Analysts for Zensar's capabilities

Highlights for Q3 FY17

■ Revenue Performance :

- Revenue grew 1.9% Quarter-on-Quarter and 5.0% Year-on-Year, both in CC terms
- Revenue grew 1.3% Quarter-on-Quarter in \$ terms
- Strong Large deals momentum with large deal wins worth \$ 126.7 Mn registered in the quarter

■ Profitability and Gross Margin Growth:

- Net Profit grew 17.1% Quarter-on-Quarter and 10.9% Year-on-Year, both in \$ terms
- Gross Margin expanded from 29.7% in Q2 to 30.0% in Q3

■ Effective Client hunting:

- Number of Million dollar clients increased from 81 to 83

■ Digital Business Performance :

- Including Foolproof revenues, digital accounted for 30.0% of Zensar's overall revenue

Highlights for Q3 FY17

■ Key Territory Performance:

- US remained almost flat, growing by 0.3% Quarter-on-Quarter in Constant currency, largely due to furloughs and end of the year project ramp downs
- Europe grew 30.2% Quarter-on-Quarter in Constant currency
- Africa grew 8.1% Quarter-on-Quarter in Constant currency
- ROW declined 31% and was in line with our strategy of reducing focus in these markets

■ Key Verticals Performance:

- Financial Services grew 9.7% Quarter-on-Quarter in Constant currency
- Manufacturing grew 1.4% Quarter-on-Quarter in Constant currency
- Retail and Consumer Services remained almost flat, growing by 0.7% Quarter-on-Quarter in Constant currency

Digital Wins in Q3 FY17

- Development of a global unified commerce platform for a \$3 Billion US based Clothing and accessories retailer
- Implementation of a next generation Commerce platform for one of America's largest department store
- Digital Commerce enhancements and support for a multi-billion provider of personalized services
- Digital Commerce rollout using Next Gen architecture for America's leading fashion retailer
- Robotic process automation for one of South Africa's largest Fund administration company
- Redesign and Conversion of the mobile gaming platform of South Africa's largest online Gaming company
- Mobile Control and Automation development for America's leading flower and gift e-tailer
- Significant deal to test mobile application integrations with UK's leading Utilities provider
- Developing a Real Estate business product for one of America's largest navigation systems producer

Other Services Wins in Q3 FY17

- Providing a managed service model for mainframe development for UK's largest employee owned retailer
- Operations and Infrastructure management support for a US based multi-Billion dollar Airline
- Large Application development and support engagement for the largest networking company globally
- Large deal to manage the Service desk operations for one of America's largest real estate company
- Oracle Applications upgrade for the largest networking company globally which designs, manufactures and sells networking equipment worldwide
- Data Center management deal with a multi-billion dollar American Home furnishing company
- Application development and support for a leading government energy agency
- Infrastructure monitoring and management for one of the largest American airline
- Core applications development for one South Africa's largest banks
- Application development and services for a \$15 Billion Oil Exploration company

Analyst Recognition



*A Challenger in Gartner's Magic Quadrant, for
Oracle Application Services, North America*



*A Strong Performer in Forrester Wave - **Application Outsourcing** Capabilities Of Midsize Offshore Vendors, 2016*



*A Niche and Established service provider in
Zinnov Zones - **Digital in Retail** 2016*



*A Niche Player in Gartner's Magic Quadrant for
Managed Mobility Services, Worldwide*



*A Niche Player in Gartner's Magic Quadrant for
Data Center Outsourcing and Infrastructure*



*An Aspirant in Everest Group's
Insurance AO PEAK Matrix 2016*

Thought Leadership with Key Analyst

F R O S T  S U L L I V A N

- ✓ Experience Management
- ✓ Marketing Cloud
- ✓ Service Edge® - Smart Operations Platform
- ✓ Rush Hour Testing
- ✓ ERP Modernization
- ✓ Next Gen End User Computing
- ✓ Outcome based Testing
- ✓ PAX

Business Performance

Q3 FY17

Q3 FY17 Financials

Particulars	Q3 FY17		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 117.5	₹ 792.2	1.3%	2.0%	1.9%	2.3%	4.7%	5.0%
EBITDA	\$ 16.3	₹ 110.2	(1.4%)	(0.7%)		(5.6%)	(3.4%)	
EBIT	\$ 14.7	₹ 99.3	(0.7%)	0.0%		(5.5%)	(3.3%)	
PAT	\$ 12.0	₹ 81.1	17.1%	17.9%		10.9%	13.4%	

Impacting the Future of Enterprises



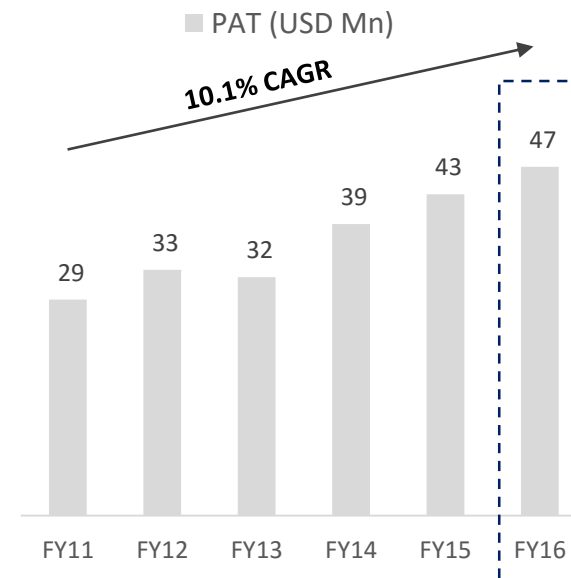
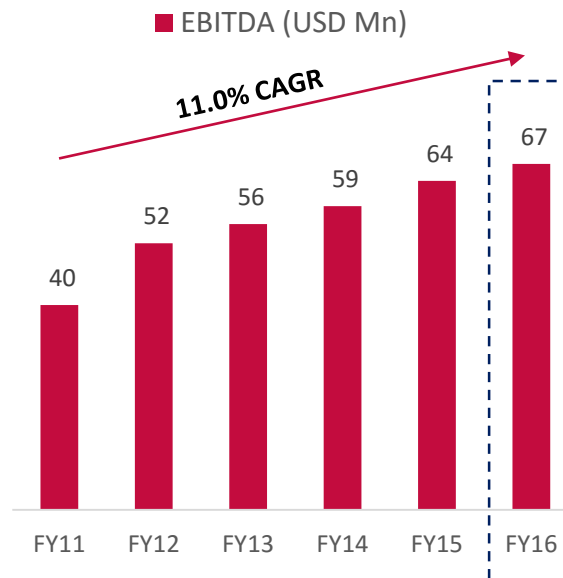
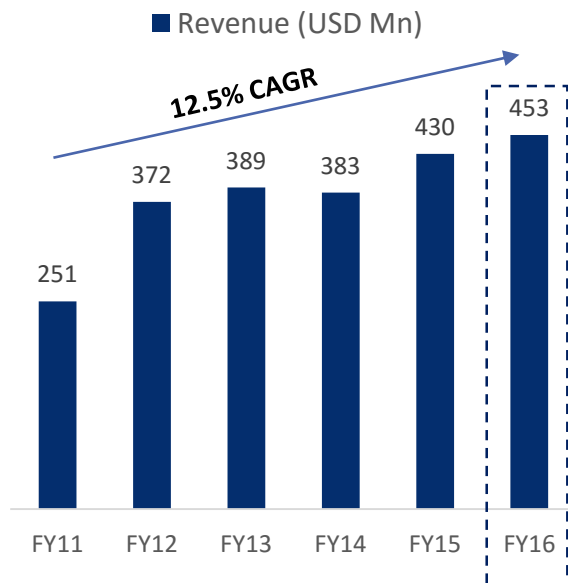
8500+
Associates

Q3 FY17 Performance

US\$ Million	Q3 FY17	Q2 FY17	Q3 FY16	QoQ Growth	YoY Growth
Revenue	117.5	116.0	114.8	1.3%	2.3%
EBITDA	16.3	16.6	17.3	(1.4%)	(5.6%)
EBITDA%	13.9%	14.3%	15.1%		
Effective Tax Rate	29.1%	28.1%	30.4%		
PAT*	12.0	10.3	10.9	17.1%	10.9%
PAT%	10.2%	8.9%	9.5%		
EPS - Diluted (INR)	18.0	15.9	15.8	13.3%	13.7%

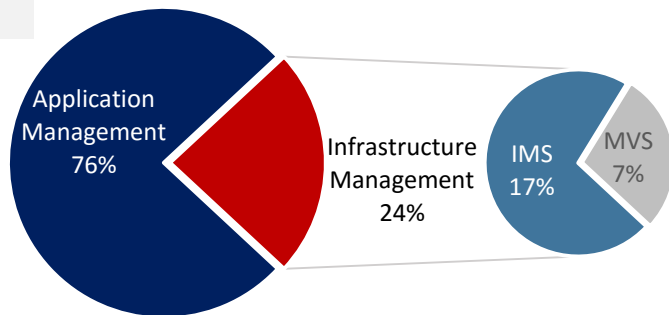
* PAT after minority interest

Long-term Growth & Profitability Track Record

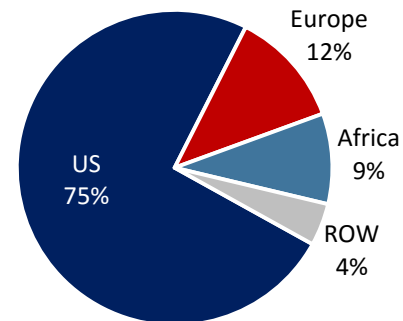


Q3 FY17 Revenue Mix

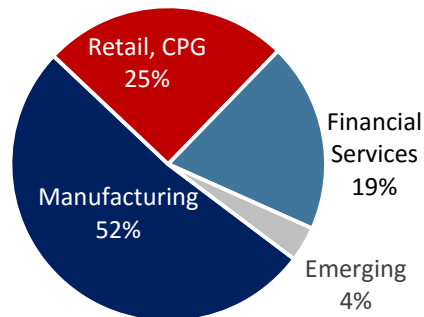
Services



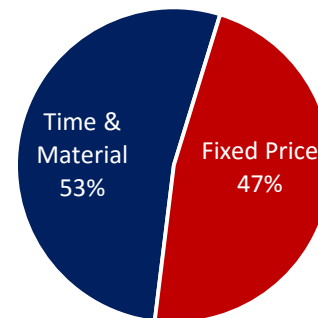
Geographies



Industries



Project



Q3 FY17 Client Profile

Million Dollar Clients

	Q3 FY16	Q2 FY17	Q3 FY17
20 Mn Dollar+	2	2	2
10 Mn Dollar+	4	4	4
5 Mn Dollar+	5	6	6
1 Mn Dollar+	65	69	71

Revenue Concentration

	Q3 FY16	Q2 FY17	Q3 FY17
Top 5 Clients	35.0%	38.9%	37.5%
Top 10 Clients	43.0%	48.6%	45.0%
Top 20 Clients	52.0%	59.1%	55.6%

- 32 Key accounts identified for driving top-line growth with focus on **Multiservice deals**, 'Return on Digital' and **Client-specific IP**
- 3-in-a-box model for each account
 - ✓ Sales Manager
 - ✓ Delivery Manager
 - ✓ Digital Evangelist
- Million dollar clients increased from **81** to **83**
- Top clients revenue concentration improved Year-on-Year. It declined sequentially due to furloughs and large new logo wins during the quarter.

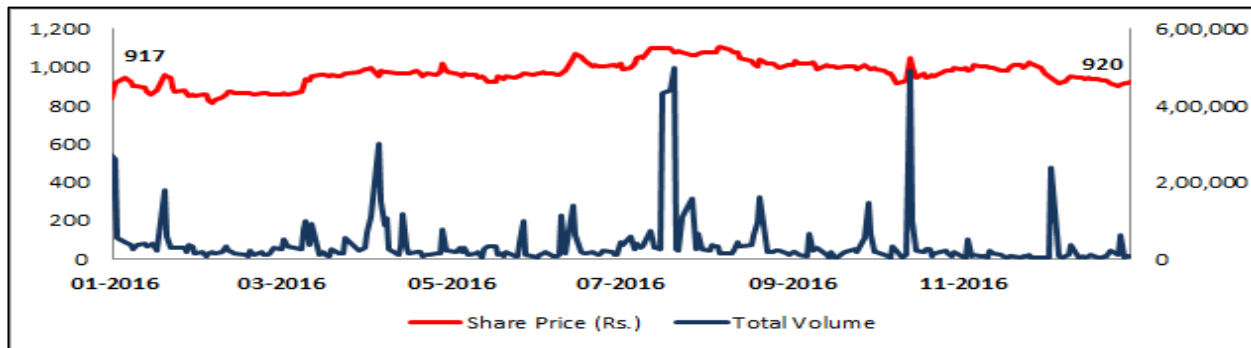
Q3 FY17 Employee Details

Headcount	
Q2 FY17 Headcount	8,316
Net Additions	248
*Q3 FY17 Headcount	8,564
Technical – Onsite	1,619
Technical – Offshore	5,761
Technical – BPO/Others	333
Marketing	103
Support (including Trainees)	748
% of women employees	25.5%

**Includes Foolproof Headcount*

Utilization	
Excluding Trainees	79.5%
Attrition	
Attrition (Annualised)	15.6%
Revenue Mix	
Onsite	67%
Offshore	33%
Total	100%

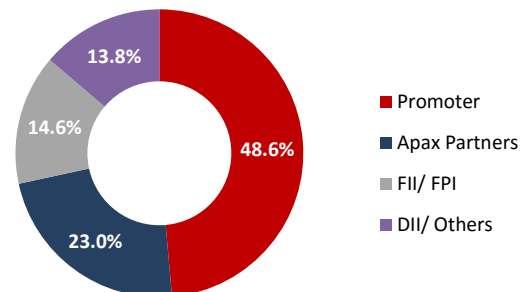
Stock Price and Shareholding



Equity Share Information:

- Share Price (20 Jan,17): INR 920 / share
- Market Cap (20 Jan,17): INR 4,129 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 31st Dec 2016):



An aerial photograph of a modern building's courtyard. The courtyard features a large, rectangular, dark-colored water feature in the center, surrounded by a low wall and a border of small, light-colored stones. The courtyard is paved with large, light-colored stone tiles. In the foreground, there are lush green plants. The overall scene is bright and sunny, with shadows cast by the building and plants.

Return on Digital™ Update

Leveraging Digital Technologies for both internal and external benefits

Digital Zensar

Accurate Data – Anytime – Anywhere

Re-Alignment and sync-up of all internal systems with new systems launched to ensure filling-up of gaps

Wi-Fi enablement of all campuses globally

Easy Access and Process Automation through Mobile Apps
Zensar has launched **21** mobiles apps (multiple versions) and **5** executive dashboards

Digital Services @ Zensar

Enhanced Focus on IP creation and aligning all solutions to our '**Return on Digital**' Vision

Have filed for 3 patents in the last 9 months
ZenVerse, Z-Bot, 'Framework for Adaptive Services'

Some of Zensar's Digital Solutions launched

RPA
Service Edge
Game Testing
DevOps

Digital Factory
Oracle IoT
ZenNavi
IntelliZen

PARADE
ROMP
SOFEA

NextGen
Automation
platform

Zensar's Digital – 7 Services Stack

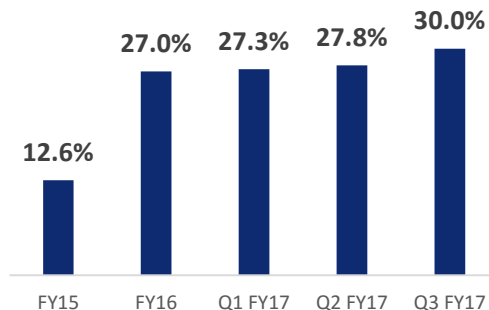
Foolproof acquisition has strengthened Zensar CX/UX/DX capability significantly

Customer/ Design Experience

24% growth

- Customer Journey Mapping, UX, CXM, AR, Wearables
- E2E CX across channels & devices
- Proprietary experience platform

Zensar's Digital Business % of Revenue



Cloud

35% growth

- SaaS, IaaS, PaaS
- Migration, Integration & development
- Hybrid Apps, Infra clouds, Cloud architecture
- Oracle, SFDC, SAP, AWS, Navisite

Big Data and Analytics

28% growth

- Data Wrangling, Analytics & Visualization
- Vertical specific Solutions
- Proprietary context platform

Digital Marketing Services

31% growth

- Web, Data, Marketing and Social ops
- Business Outcome driven engagements
- Adobe, Oracle, Marketo, SFDC, Sitecore

Commerce

15% growth

- Omni channel experience
- Ecommerce, Mobile Commerce, Data Analytics, UX, CX
- Oracle Commerce, SAP Hybris & Magento

Cybersecurity

16% growth

- Proprietary Compliance & Risk Assessment tool
- Capability across GRC, SEIM, HIPPA, PCI DSS, Threat & Vulnerability Management, DLP, Threat Discovery & Analytics

IoT/Industrial Internet

7% growth

- Extensive domain expertise in discrete manufacturing & SCM
- Proven Outcome based Solution framework
- Strong partner eco system

RPG Group Overview

UNLEASH TALENT TOUCH LIVES OUTPERFORM AND 😊

RPG Enterprises was founded in 1979 by Shri Rama Prasad Goenka, popularly known as RP Goenka, a pioneering fifth generation business leader from the Goenka family. The Goenkas have a history of business dating back to 1820 AD in banking, textiles, jute and tea. Under RP Goenka's dynamic leadership, the Group grew in size and strength with several acquisitions in the 1980s and 1990s. Zensar became a part of the RPG Group in 1989, which is now one of India's fastest growing conglomerates with 20000+ employees, presence in 100+ countries and annual gross revenues of ~\$3 Bn.



KEC International

World leader in
Power
Transmission EPC
space.



CEAT

One of India's
leading
manufacturer of
automobile tyres.



Zensar Technologies

Software services
provider spread
across 29 locations,
200+ customers.



RPG Life Sciences

Pharma company
with wide range
medicines in
global generics
and synthetic APIs.



Raychem RPG

Engineering
products and
services catering
to infrastructure
segment of the
economy.



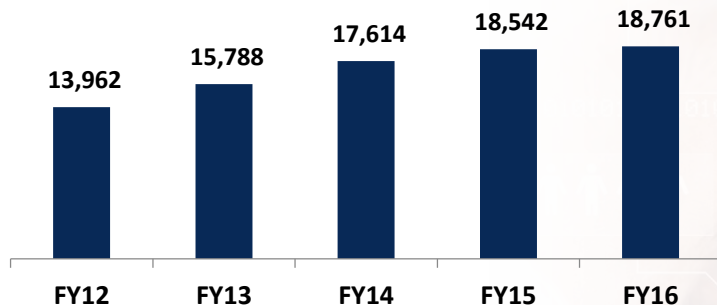
Harrisons Malayalam

One of India's
largest plantation
companies with
tea, rubber and
other agro
products.

RPG Group Key Financials

FY11-16
CAGR: 12%

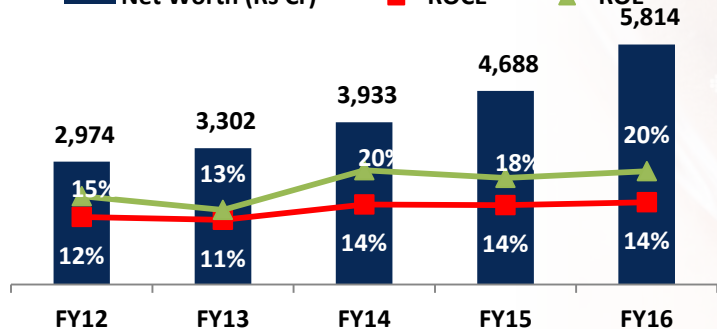
■ **Net Revenue (Rs Cr)**



■ **Net Worth (Rs Cr)**

■ **ROCE**

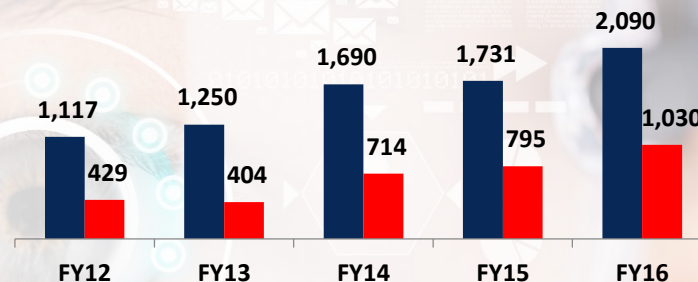
▲ **ROE**



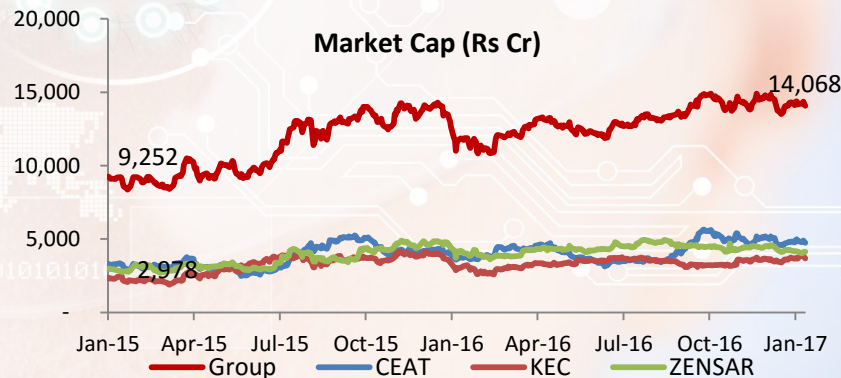
FY11-16 CAGR:
EBITDA 17% PAT 19%

■ **EBITDA (Rs Cr)**

■ **PAT (Rs Cr)**



Market Cap (Rs Cr)



Note:

- 1) ROCE is calculated by taking EBIT multiplied by (1 minus tax rate @ 33%) divided by Average Capital Employed
- 2) ROE is calculated by taking PAT divided by Average Net-worth
- 3) Market Cap updated till 20th Jan 2017

Zensar Technologies

Impacting the Future of Enterprises

ZenSar
TECHNOLOGIES
Your Transformation Partner

