

# Zensar Technologies

**Analyst Presentation, Q2 FY20**

**Quarter Ending Sept 30, 2019**

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Zensar Technologies records  
\$152.3 Mn in Q2FY20  
(\$596.1 Mn LTM)

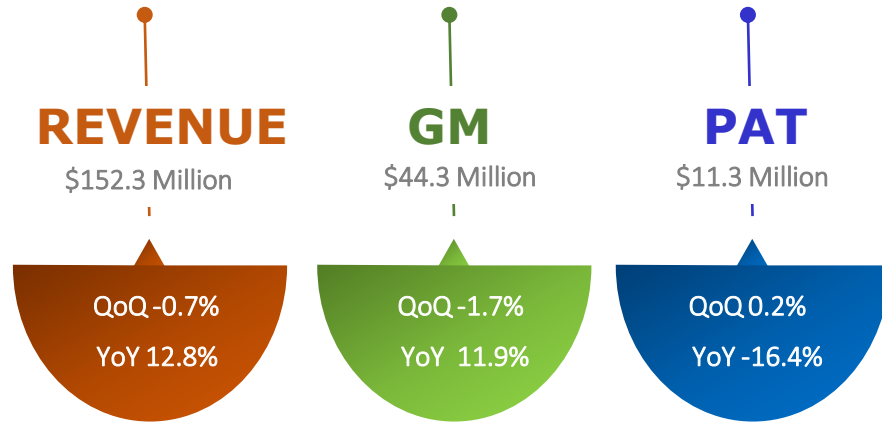
- Part of \$3 B RPG Group
- Portfolio Company of the \$40 B APAX Group
- Among 5 global tech companies to be listed on a major global stock exchange (BSE) for 55+ years
- 50.1% Digital Revenue, (25.2% YoY Growth)



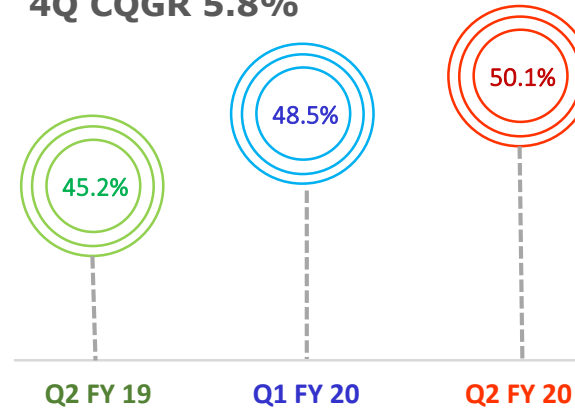
# Zensar Business Update

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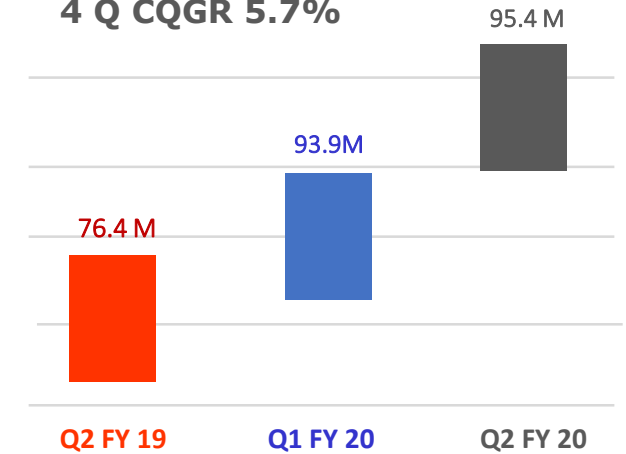
# Q2 FY20 : Brief Snapshot



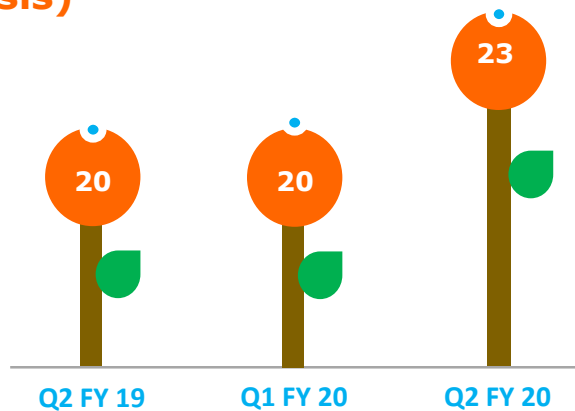
**DIGITAL REVENUE**  
QoQ 2.6% | YoY 25.2%  
4Q CQGR 5.8%



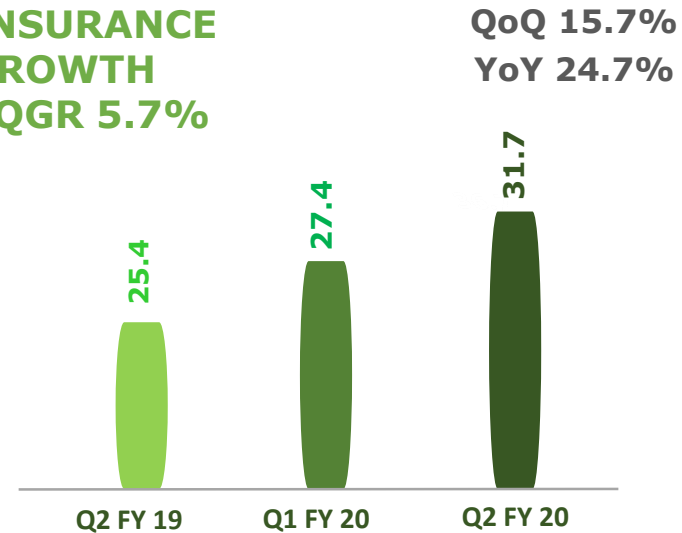
**TOP 20 CLIENTS**  
4 Q CQGR 5.7%



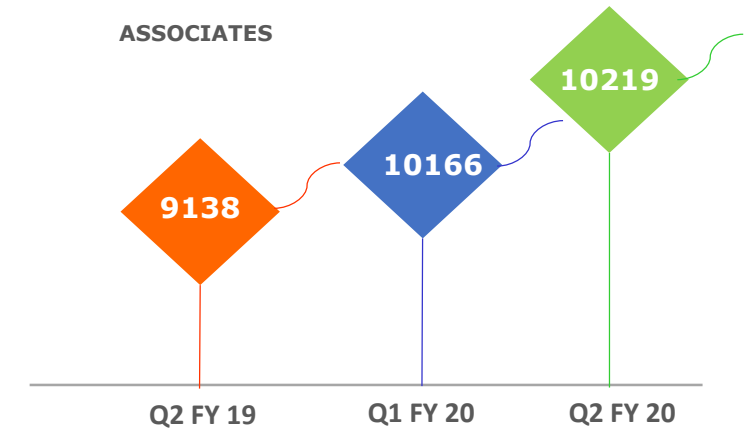
**5 M PER ANNUM  
CLIENTS (LTM  
basis)**



**INSURANCE  
GROWTH  
CQGR 5.7%**



**HEADCOUNT**  
30.6% WOMEN  
ASSOCIATES



# Q2 FY20 : Key Achievements

## Continued New Win Momentum



Multiple deal wins at our largest client boosting Hitech Growth



Key deal win in a leading vision care company based in the US



Major win in a key healthcare player based in US boosting Application and Digital Services.

## Digital Updates



Continued growth in digital revenues – 50.1% (growth of 2.6% QoQ led by Digital Services (DAS)



59 unique patents filed till now. Cumulative patents granted till date is at 11 (+1 QoQ)

## Strengthening of brand 'Zensar'



Zensar recognised as a Major Contender in Digital Interactive Services PEAK Matrix™ Assessment



Recognized in Gartner Magic Quadrant for Data Centre Outsourcing and Hybrid Infrastructure Managed Services



Was in "Innovators" category in Applied AI & Advanced Analytics Services Radarview™

## Steady Revenue & Headcount Growth



**\$152.3M** Revenue in Q2 FY20  
(YoY 12.8% growth in \$ terms)



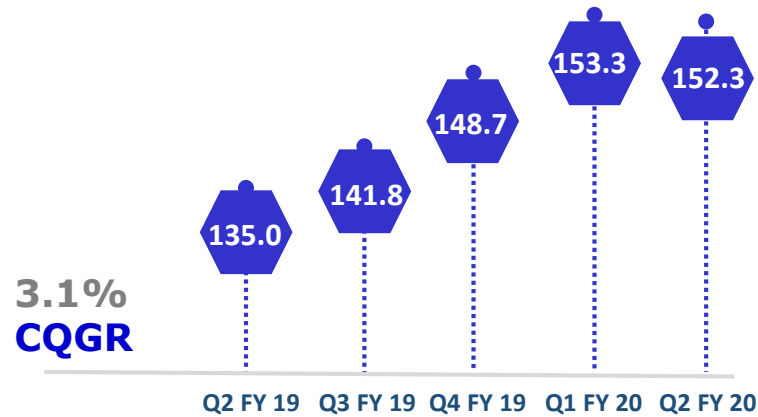
**Headcount- 10,219**  
(YoY net and gross addition of 1081 and 4315 respectively)



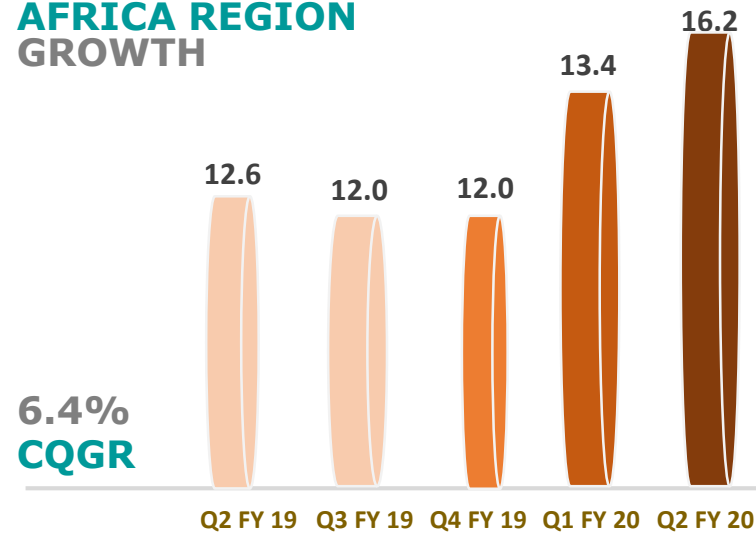
**23 accounts** of \$5m+ Annual Revenue (QoQ increase of 3)

# Trending in Key Financial Updates (US \$)

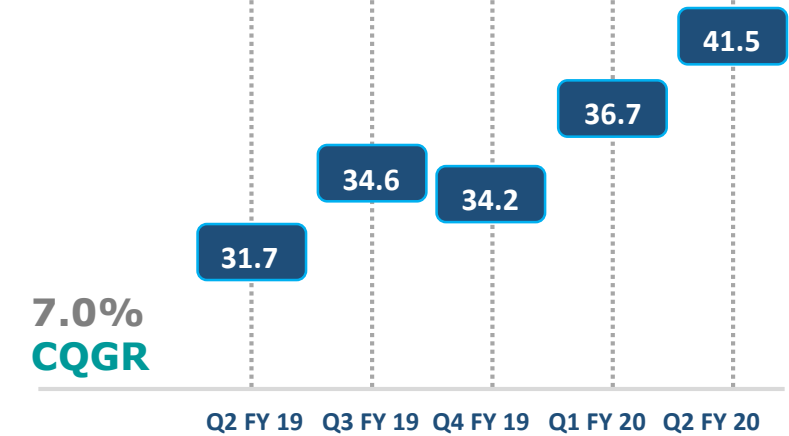
## REVENUE MOVEMENT



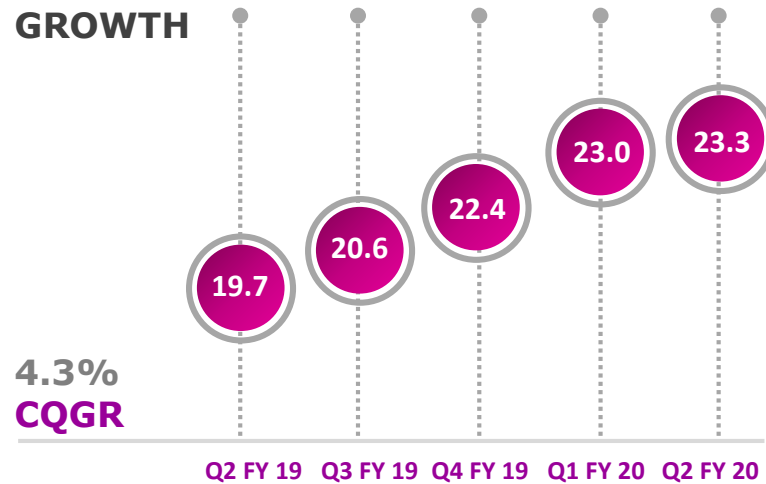
## AFRICA REGION GROWTH



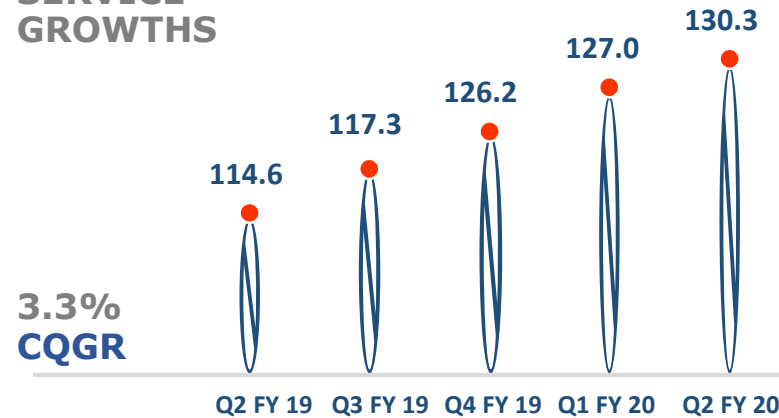
## FINANCIAL SERVICES SECTOR GROWTH



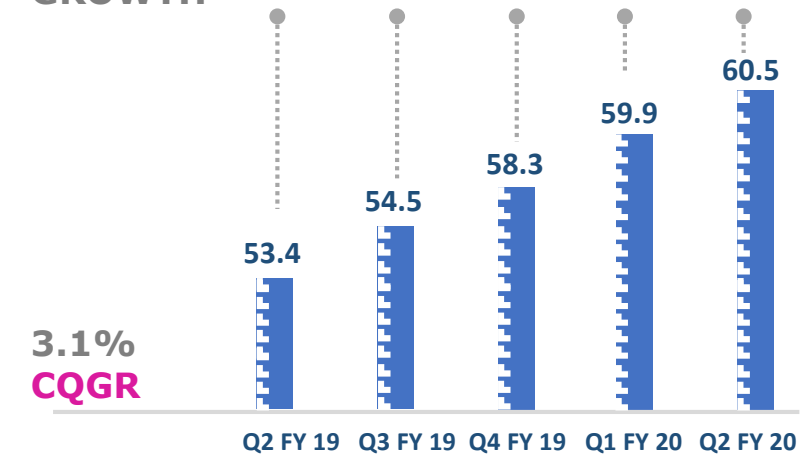
## EUROPE REGION GROWTH



## DIGITAL & APPLICATION SERVICE GROWTHS



## HI TECH SECTOR GROWTH



# Q2 FY20 Financials

Particulars	Q2 FY20		Growth					
	USD Mn	INR Cr	Q-o-Q			Y-o-Y		
			USD	INR	CC	USD	INR	CC
Revenue	\$ 152.3	₹ 1072.3	(0.7%)	0.6%	0.3%	12.8%	13.3%	14.1%
EBITDA	\$ 21.3	₹ 150.0	(2.3%)	(1.0%)		17.2%	17.7%	
EBIT	\$ 15.8	₹ 111.5	(3.1%)	(1.8%)		5.7%	6.2%	
PAT	\$ 11.3	₹ 79.9	0.2%	1.5%		(16.4%)	(16.1%)	
	INR/Share		Q-o-Q			Y-o-Y		
EPS (Diluted)	3.5		8.5%			(13.6%)		



# @ Scale winning momentum

**\$120  
Mn+**

**TCV wins in  
Q2 FY 20**



**Key deal win in a major  
luxury retail company in  
UK**



**Oracle Application for  
leading US-based medical  
device company**



**Application Support for  
an investment services  
firm**



**Application &  
development for Hi-tech  
global company**



**Multi million dollar deal  
in a leading vision care  
company based in the US**



**Testing mandate for a  
leading financial services  
group in South Africa**

# Q2 FY20: Key Business Highlights

## ❑ Pipeline quality and Large Deals

- Healthy pipeline of more than 1Bn bolstered by a few multi million dollar deals
- 25% of the deals being fought are in the later stages of engagement
- Large Deals ratio - 52% deals being fought with a TCV over \$5m across Zensar

## ❑ Core Business

- Digital & Application Services grew 13.7% YoY largely due to growth of 24.4% in Digital Services in US \$ terms
- Cloud and infrastructure Services business declined by 16.5% QoQ but showed a growth of 8.1% on YoY basis. Next Gen Cloud grew at 31.9% YoY (all in US \$ terms)
- South Africa region grew sequentially at 20.9% and on YoY basis at 28.3% in US\$ terms backed by key deal wins in the region in the insurance space
- Financial services grew 13.3% QoQ led by Insurance which showed 15.7% growth sequentially and 24.7% YoY
- Hitech vertical witnessed a moderate growth of 1% QoQ and 13.2% YoY

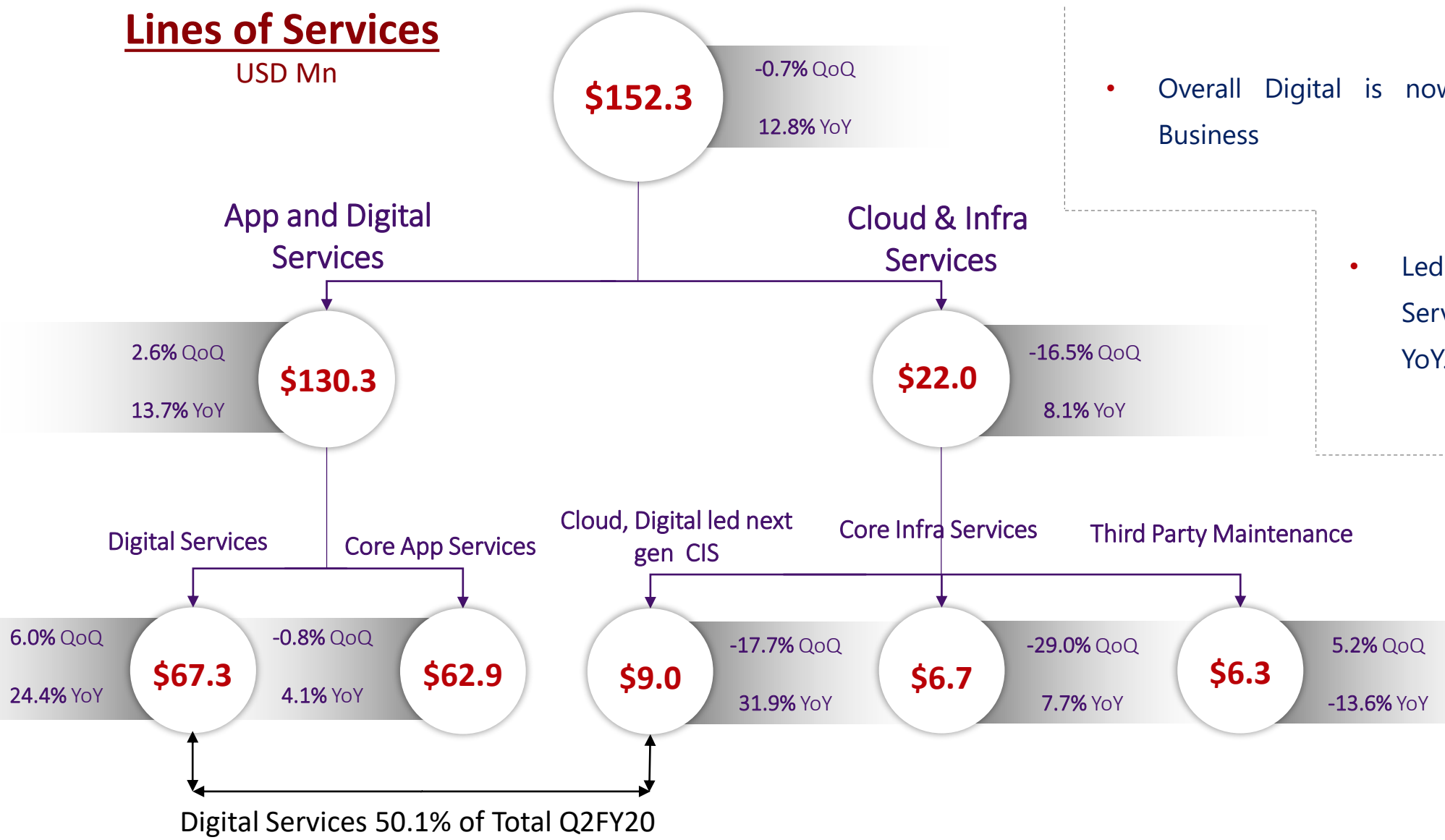
## ❑ Other Highlights

- Revenue from top 20 clients increased by 24.8% YoY in US \$ terms.
- Digital business crossed 50% mark, growing 25.2% YoY and 2.6% QoQ
- Number of 5Mn+ clients increased from 20 to 23 in the last one quarter

# Q2 FY20 : Overall Digital Growth 2.6% QoQ, 25.2% YoY **ZenSar**

## Lines of Services

USD Mn

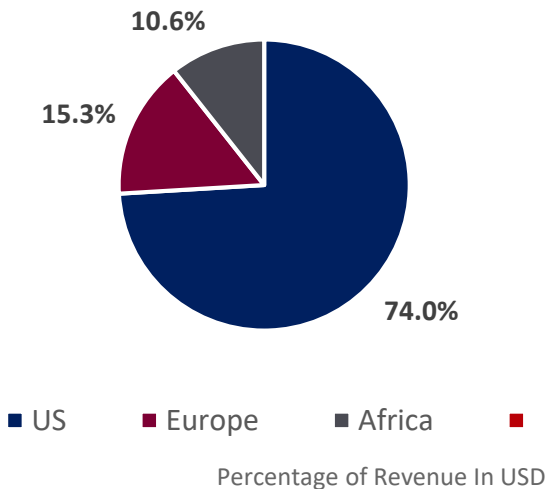


- Overall Digital is now 50.1% of the Total Business
- Led by 24.4% YoY growth in Digital Services, ADS Services grew 13.7% YoY.
- Cloud, Digital led Next Gen CIS witnessed a QoQ decline for the first time after 5 quarters of continuous growth. On a YoY basis, the growth was at 31.9%.

# Q2 FY20 : Region & Vertical Split

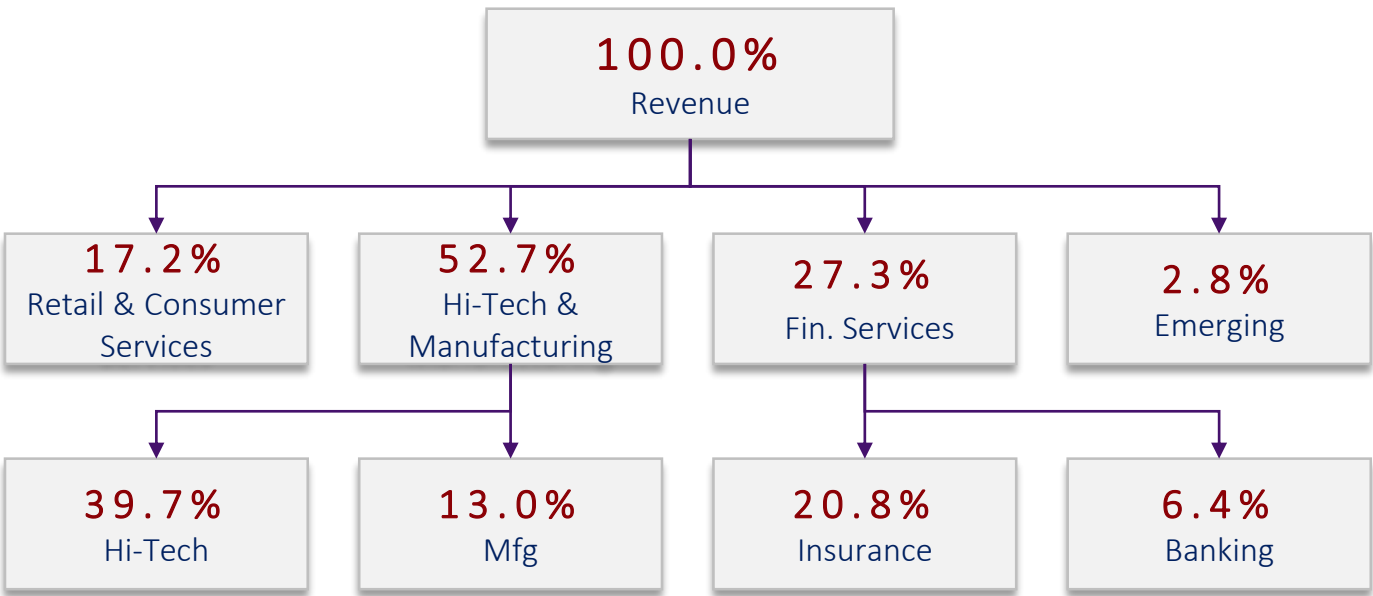
Percentage of Revenue In USD

## Region Split



Geography	QoQ (cc)	YoY (cc)
US	-3.3%	9.9%
Europe	5.1%	24.9%
Africa	23.4%	33.9%

## Vertical Split



Vertical	QoQ	QoQ (cc)	YoY	YoY (cc)
Retail & Consumer Services	-8.6%	-7.7%	-10.1%	-8.8%
Hi-Tech & Manufacturing	0.2%	0.6%	14.2%	14.9%
Fin. Services	13.3%	15.2%	31.0%	34.5%
Emerging	-45.7%	-45.5%	11.7%	12.2%



# Q2 FY20 : Top Clients Revenue

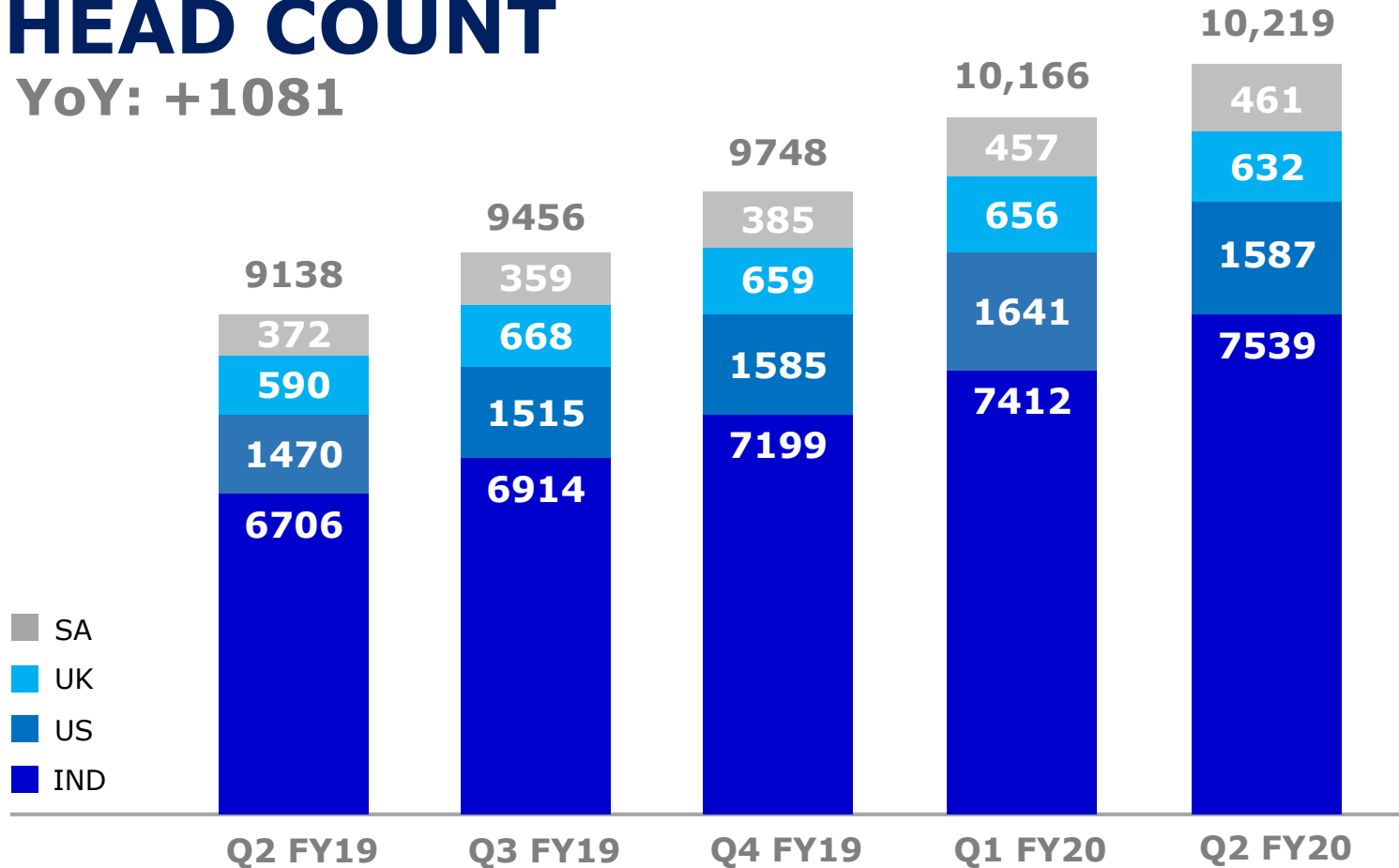
Million Dollar+ Clients			
	Q2 FY19	Q1 FY20	Q2 FY20
20 Mn Dollar+	2	2	2
10 Mn Dollar+	7	9	9
5 Mn Dollar+	20	20	23
1 Mn Dollar+	94	91	93

Revenue Mix				QoQ & YoY Growth	
	Q2 FY19	Q1 FY20	Q2 FY20	QoQ	YoY
Top 5 Clients	36.8%	38.0%	37.6%	-1.8%	15.4%
Top 10 Clients	45.4%	49.2%	48.0%	-3.2%	19.1%
Top 20 Clients	56.6%	61.3%	62.6%	1.5%	24.8%

# Q2 FY20 : Headcount Details

## HEAD COUNT

YoY: +1081



**+1081** Net Headcount added in the last year

**30.6%** Highest Ever Women % in our workforce Zensarians

**17%** Employee Attrition Up by 30 BPS

# Analyst Coverage & Mentions



Challenger in **Digital Masters Avasant**  
RadarView™ 2019

Challenger in the **Avasant Blockchain**  
RadarView™



Zensar recognised as **Major Contender** in Digital Interactive Services PEAK Matrix™ Assessment



Zensar mentioned as **Niche** in **Gartner Magic Quadrant** for Oracle Cloud Application Services, Worldwide' 19

**Gartner Critical Capabilities** for Oracle Cloud Applications Services, Worldwide 2019

Mentioned in **Gartner Market Guide for Blockchain Implementation Services**

## Awards

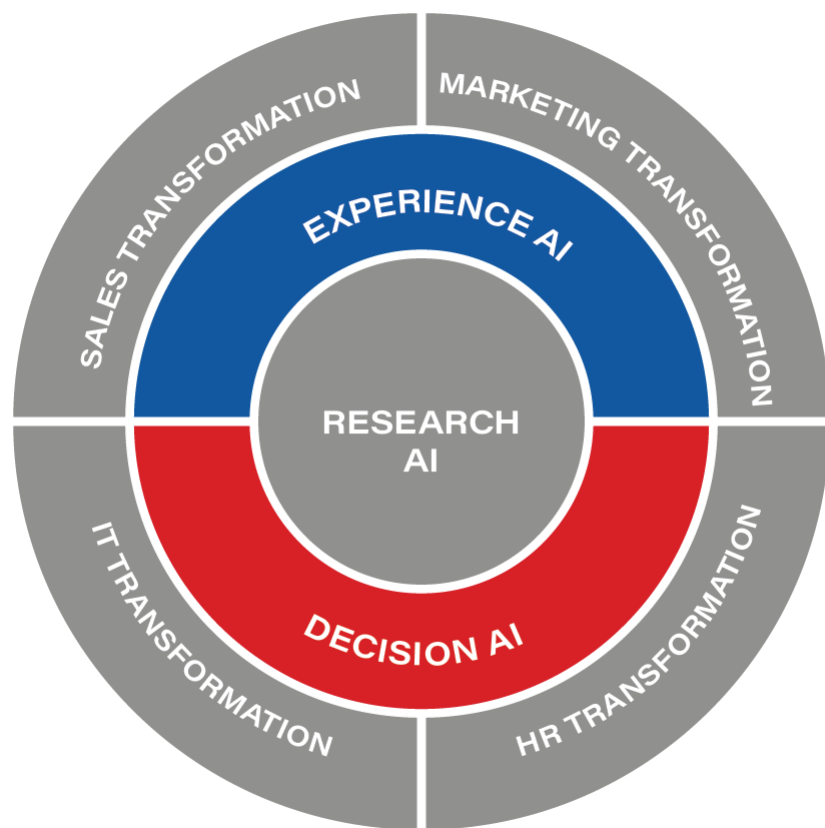
2019 Future of Learning & Development “**Best Learning Strategy of the Year**” Award

2019 **Working Mother & Avtar 100 Best Companies** for Women



Zensar is a **finalist** in **3 categories** at the ISG Paragon Awards™

## *Zensar now enables Business Transformation through Artificial Intelligence*



In FY 17, we announced our Return on Digital journey by **Living Digital**. Now, by FY 20, we commit to make **100%** of all Zensar's Digital platforms **AI Enabled**.  
We call this **"Living AI"**

### Recognitions for our work in AI

Economic Times

#### *Zensar Tech Places its Bets on Artificial Intelligence*

**STAYING RELEVANT** The firm is now shifting the focus of its go-to-market strategy from digital to the disruptive AI

Priyanka.Sangani@timesgroup.com

**Pune:** After establishing digital technology at the core of its go-to-market strategy two years ago, mid-size software services firm Zensar Technologies has now placed its bets on artificial intelligence (AI).  
CEO Sandeep Kishore said the

#### **Riding AI Wave**

Zensar's AI strategy focuses on 3 pillars – experience, research, decision making

**Its R&D facility is now entirely focused on AI**  
**The facility filed 100 patents in the last two years**

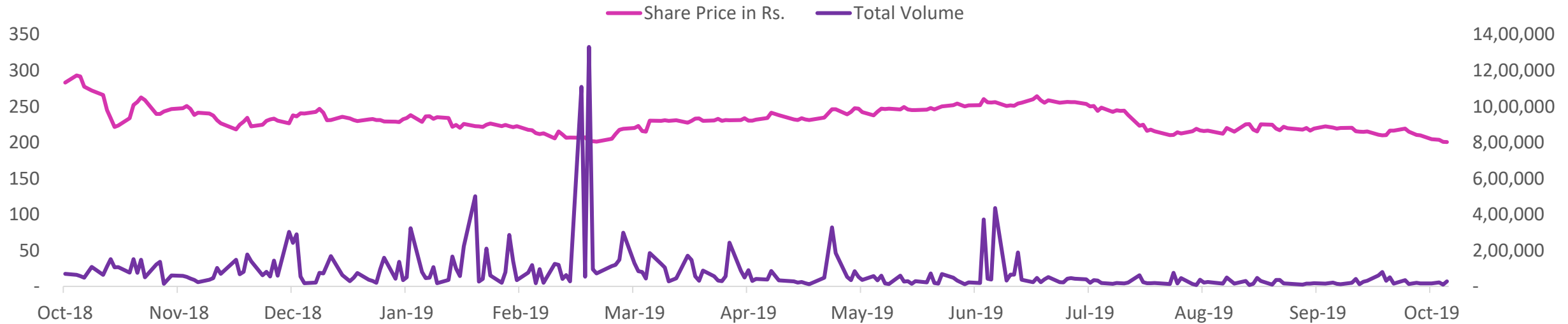
Zensar launched AI-powered platforms for 7 core areas – sales, marketing, IT, talent supply chain, HR, collaboration, projects & programmes

AVASANT

Zensar recognized as an Innovator in Avasant's Applied Intelligence & Advanced Analytics Report for its AI powered solutions



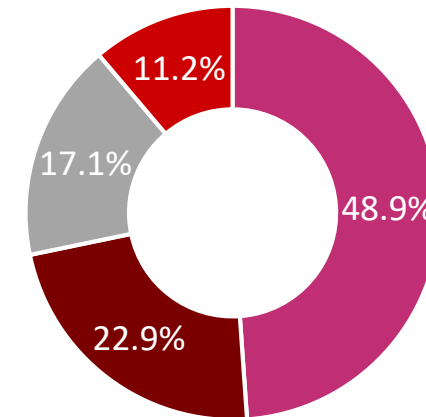
# Stock Price and Shareholding Pattern



## Equity Share Information:

- Share Price (11th Oct 2019): INR 200.25/ share
- Market Cap (11th Oct 2019): INR 4,511 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 2019):



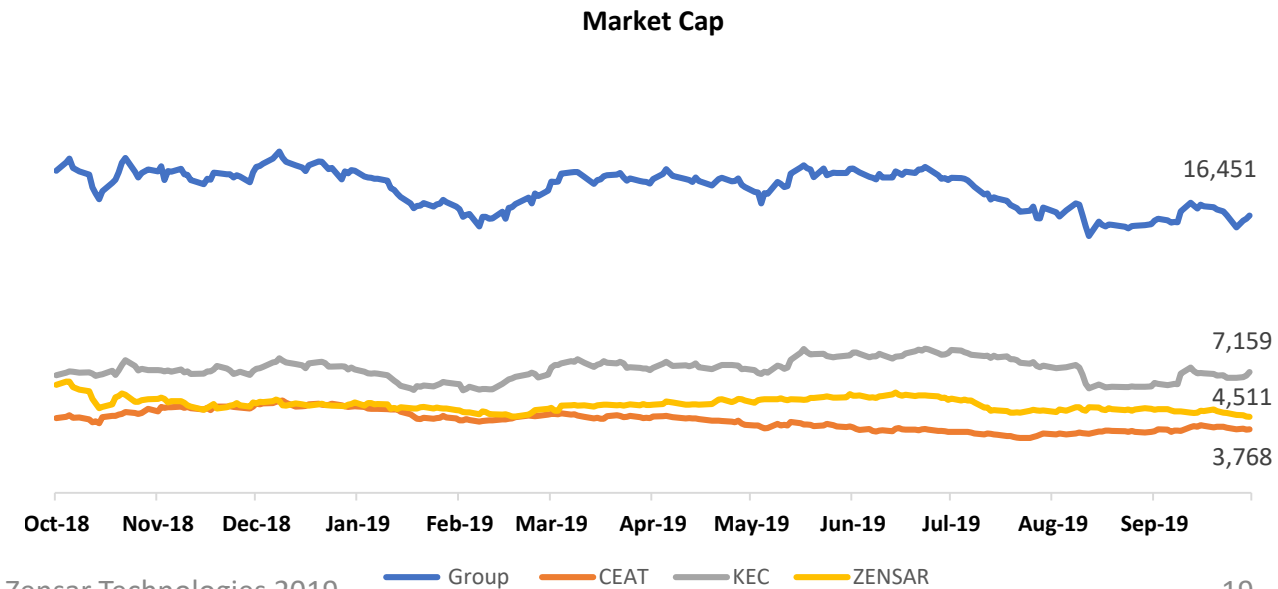
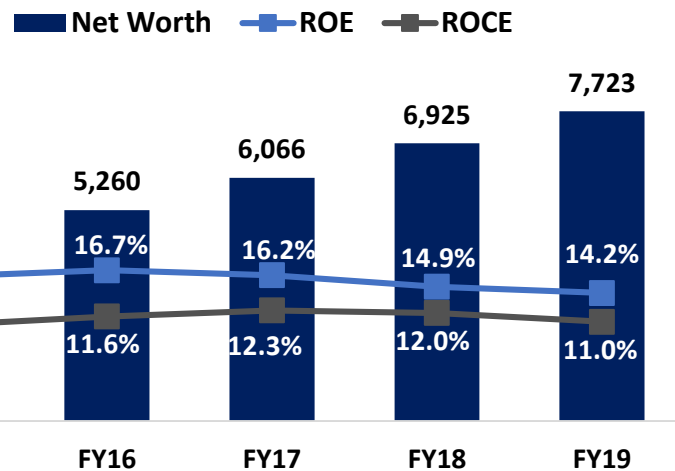
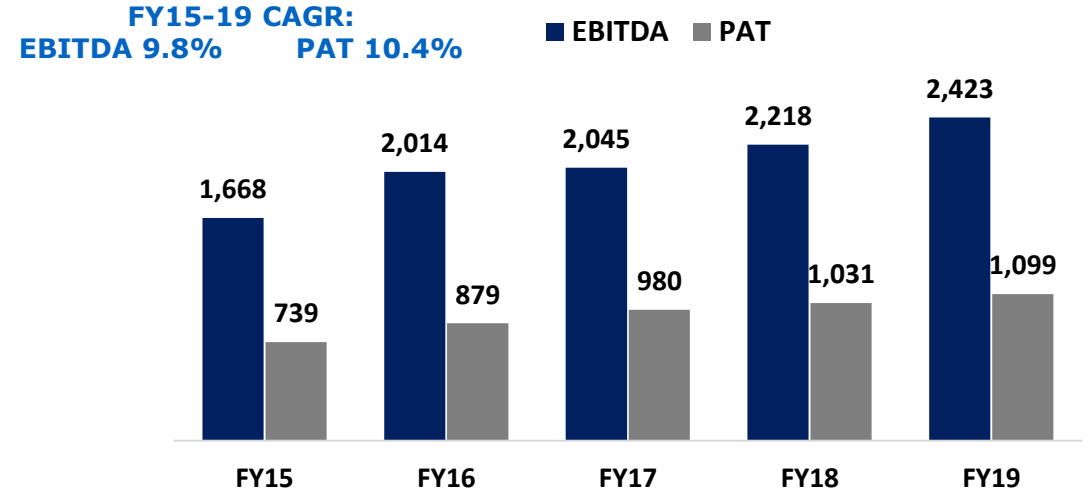
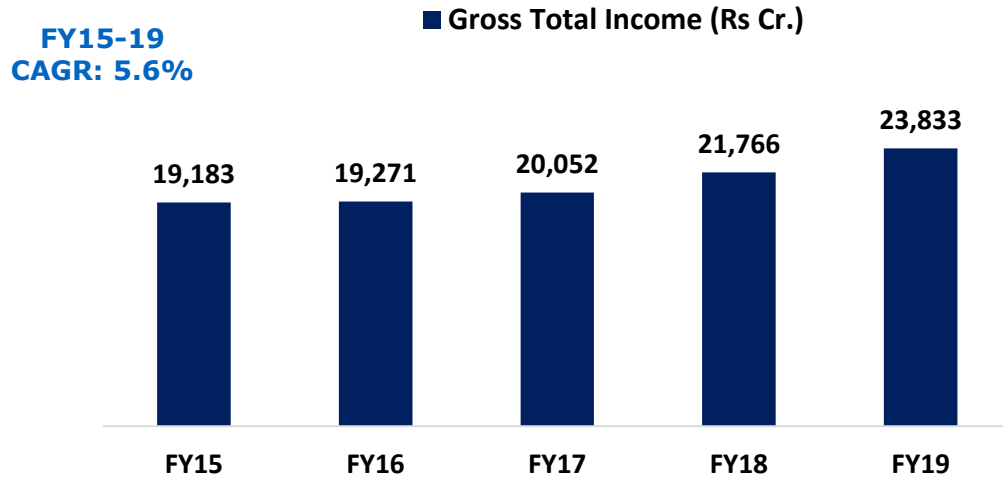
■ Promoter ■ Apax Partners ■ FPIs ■ DII/ Others

Analyst Presentation for the quarter ending  
September 30, 2019

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## RPG Group Overview

# Analyst Coverage & Mentions



**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 11<sup>th</sup> Oct 2019

# Thank You