Analyst Presentation

Quarter ending March 31, 2023

Zensar Technologies Ltd.

zensar

An RPG Company

Safe Harbor
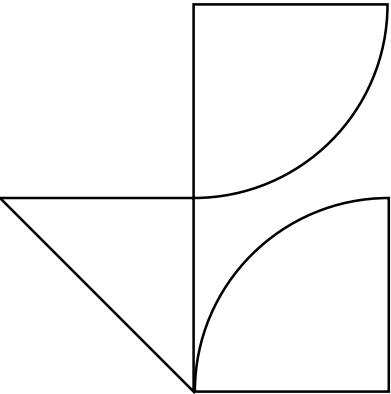
Certain statements in this release concerning our future prospects are forward-looking statements which involve a number of underlying identified/non identified risks and uncertainties that could cause actual results to differ materially. This release and other statements – written and oral – that we 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.

Q4FY23 snapshot

Service Revenue
$145.8M
2.0% QoQ CC ⬆

Total revenue
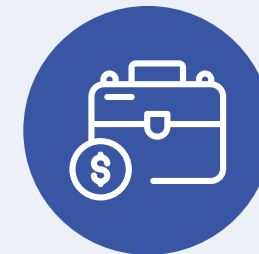$147.5M
0.4% QoQ CC ⬆

EBITDA%
14.5%
320 bps ⬆

PAT%
9.8%
340 bps ⬆

Cash
$201.5M
$22.1M ⬆

Headcount
10,563

Wins
$174.9M

Vertical and Geography performance

Vertical highlights

HTM*	BFSI	CS
4.2% QoQ cc	**2.4%** QoQ cc	**-12.7%** QoQ cc
47.6% Q4FY23 revenue	36.3% Q4FY23 revenue	16.1% Q4FY23 revenue

Geography highlights

USA	UK/EU	South Africa
1.4% QoQ cc	**-5.7%** QoQ cc	**4.3%** QoQ cc
70.3% Q4FY23 revenue	18.1% Q4FY23 revenue	11.6% Q4FY23 revenue

Includes Emerging vertical

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Revenue and margin walk

Revenue walk (in $M)

Service revenue

			3.4M	2.6M	-3.2M	-2.2M	
145.9M	1.0M						147.5M
Q3FY23	Exchange impact	HTM & Emerging	BFSI	Consumer Services	Passthrough		Q4FY23

EBITDA walk (in % of revenue)

		1.9%	2.3%	-1.3%	-0.1%	
11.3%	0.3%					14.5%
Q3FY23	Exchange impact on GM	Volume and utilization	Lower cost of delivery	SG&A impact	SG&A exchange impact	Q4FY23

Gross margin (GM) Impact

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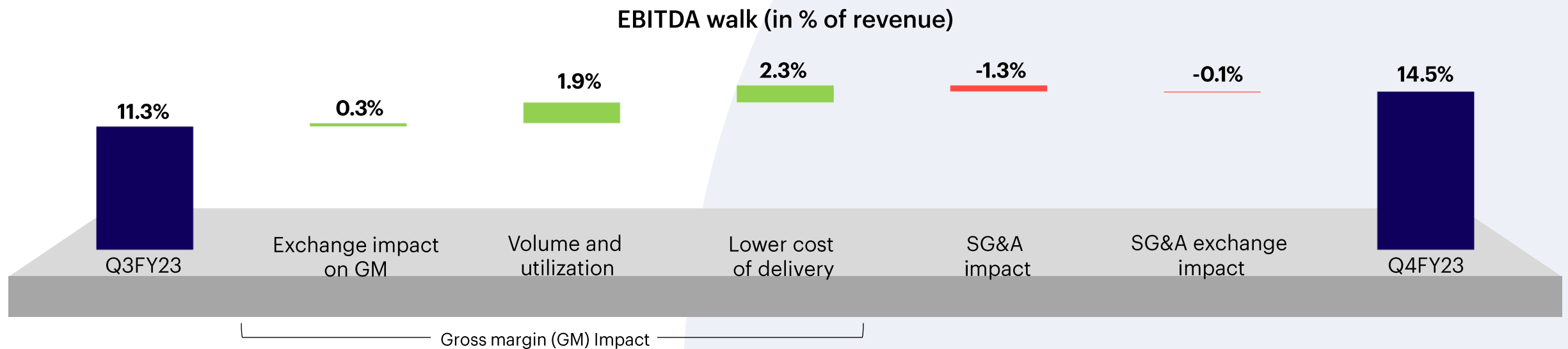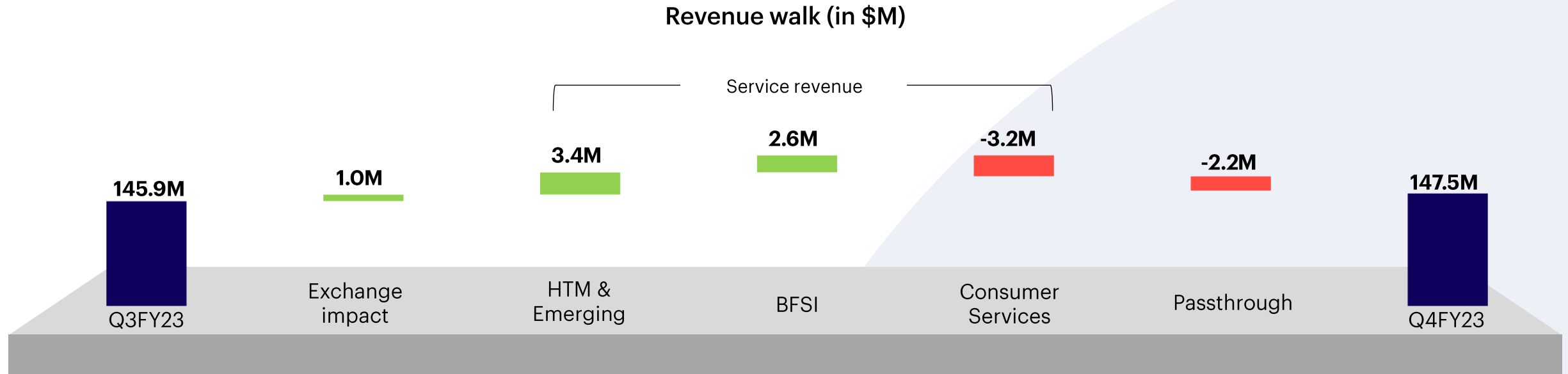
Client and Revenue mix

Client mix

$20M+

4	4	4
Q4FY22	Q3FY23	Q4FY23

$10M+

11	15	14
Q4FY22	Q3FY23	Q4FY23

$5M+

27	28	29
Q4FY22	Q3FY23	Q4FY23

Revenue mix (% of total revenue)

Top 5 Clients

Q4FY22	33.3%
Q3FY23	31.9%
Q4FY23	34.3%

Top 10 Clients

Q4FY22	46.0%
Q3FY23	44.7%
Q4FY23	46.1%

Top 20 Clients

Q4FY22	62.0%
Q3FY23	61.3%
Q4FY23	61.4%
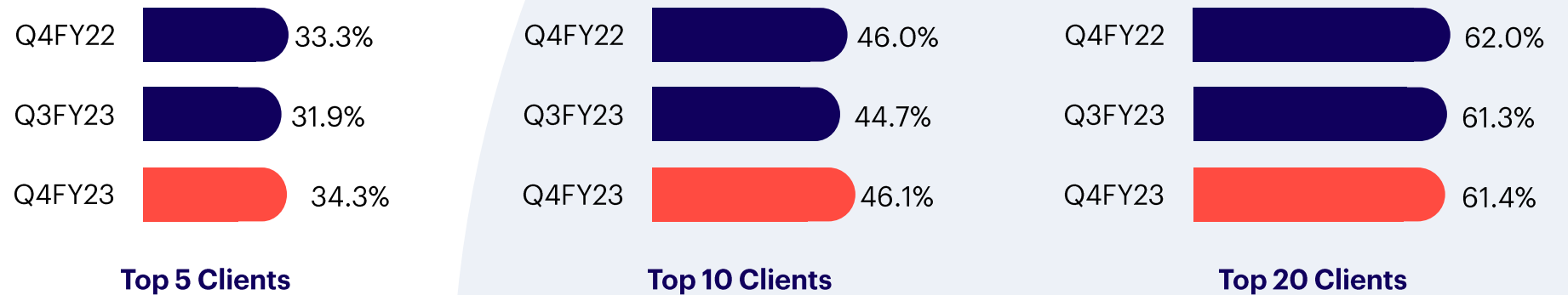
Win momentum continues: Notable projects

Cybersecurity landscape and technology product platforms support for a Fortune 50 company

AI led operations platform development for a major utility service provider in Europe
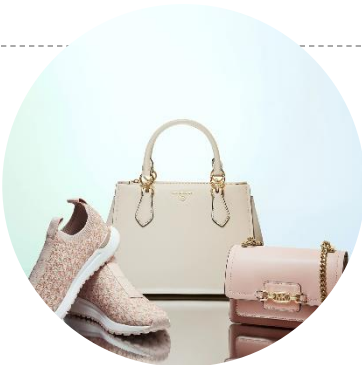
Infrastructure, Applications and IT Support for a global leader in Life-Sciences

Multi-Year end-to-end Oracle estate management engagement for a leading electric contractor firm

Infrastructure Operations Optimization for a Global luxury Clothing and Accessories Retailer

Cloud native merchandising platform (On Google cloud) development for a leading retail holding company in South Africa

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# Case studies: Next-generation services bring business value

Leveraging AI to take intelligent data driven decisions to optimize operations for a Gaming company

We partnered with a major gaming and software development services company to optimize their operations leveraging AI.

We developed a model, to predict whether a player will deposit money into wallet or not, for the first time. Our proposed model has optimized the performance by 3% by leveraging effective data science techniques like EDA, feature engineering, statistical testing and ensembling approaches.

We are also developing a promotions management system, that would provide personalized promotions to players and also host models like player churn and lifetime value to enable and optimize the promotions offered.
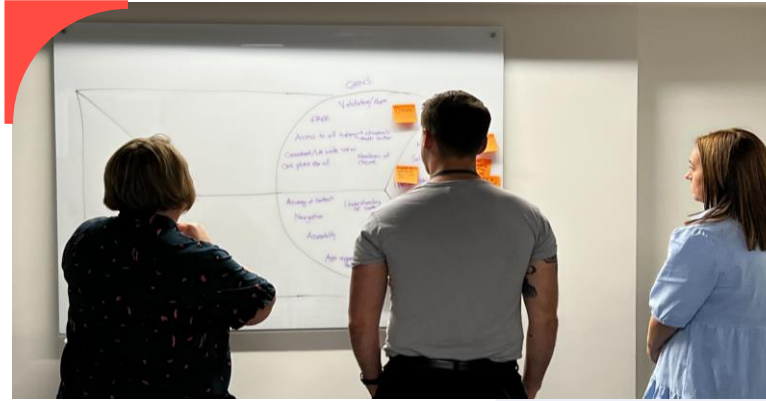
Implementing a 'mobile first' digital strategy for an Agricultural business

We collaborated closely with the Product leadership of the clients' business to implement a "mobile first" digital strategy. We defined a vision and roadmap for the mobile app leveraging continuous discovery and human-centred design methodologies to deliver a robust product strategy, experience principles, data and analytics guidelines and North Star metrics.

Our squad defined the design foundations and crafted the experience of key journeys to deliver a mobile component library. This will help build a product that enables a meaningful relationship between Agronomists and Growers. The product foundations we delivered set the app on a route to driving greater business and customer value and empowering the product and digital teams.

Building a sales analytics platform for a leading global Hitech company

We partnered with a Global Hi-Tech company to identify new revenue channels, with a specific focus on the Micro, Small & Medium Enterprises sector.

We created a hybrid data mart by integrating data from finance, sales, marketing, product engineering, and sales partner organization, to enable quantitative and qualitative data mining.

We facilitated the creation of a sales partner journey map, which provides valuable insights by identifying white spaces, monitoring partner performance, qualifying opportunities for upselling/cross-selling. This program activated 10,000 + new customers and generated total of USD 170+ million incremental bookings.

Awards and recognition

Recognized as **a winner by Training magazine** at the 2023 Training APEX Awards

Recognized as **Top Employer** by the Top Employers Institute in 2023 in South Africa

Mentioned as **Major Contender** in Everest Group PEAK Matrix® Assessment 2023 in following categories:
- **Advanced analytics and insights (AA&I) services**
- **Guidewire services**

- Named in Gartner Market Guide for **Application testing services**

- Named in Gartner Inquiry Analytics Wizard: IT End-User Topic and Vendor Mind Share

Recognized as a **Guidewire PartnerConnect Consulting partner** at the Advantage level in North America

Leadership structure

Manish Tandon
CEO and MD

Vivek Ranjan
Sr VP & CHRO

Vijayasimha Alilughatta
Chief Operating Officer

Sachin Zute
Sr VP & CFO

Samir Gosavi
Sr VP & Head, Global MCS

Harish Lala
Sr VP & Head, South Africa

Nachiketa Mitra
Exec VP & Head,
Global BFSI

Chaitanya Rajebahadur
Exec VP & Head,
Europe

Anup Rege
VP &
Chief Business Officer

Rajat Sharma
Sr VP & Head,
Growth & Platforms

Sandy Sharma
Sr VP &
Chief Digital Officer

Manikandesh Venkatachalam
Exec VP & Head,
Global HTE

Leadership additions in FY23

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ESG initiatives

Environment

Carbon emissions: Net-zero GHG emissions by FY40 (Scope 1 and 2)

Energy consumption: 50% reduction in Energy Performance Index by FY30

Waste & water management: By FY25 for owned premises:
- Water positive
- Zero water discharge
- Zero waste to landfills

Social

Happiness: Increase Happiness Index* Score to 82 or more by FY25

Diversity and inclusion: Create a gender-diverse workplace with 35% women associates by FY27

Corporate social responsibility: Reach 225,000 lives through community development initiatives by FY30

Human resources development: Achieve 80 average hours of training per associate by FY30
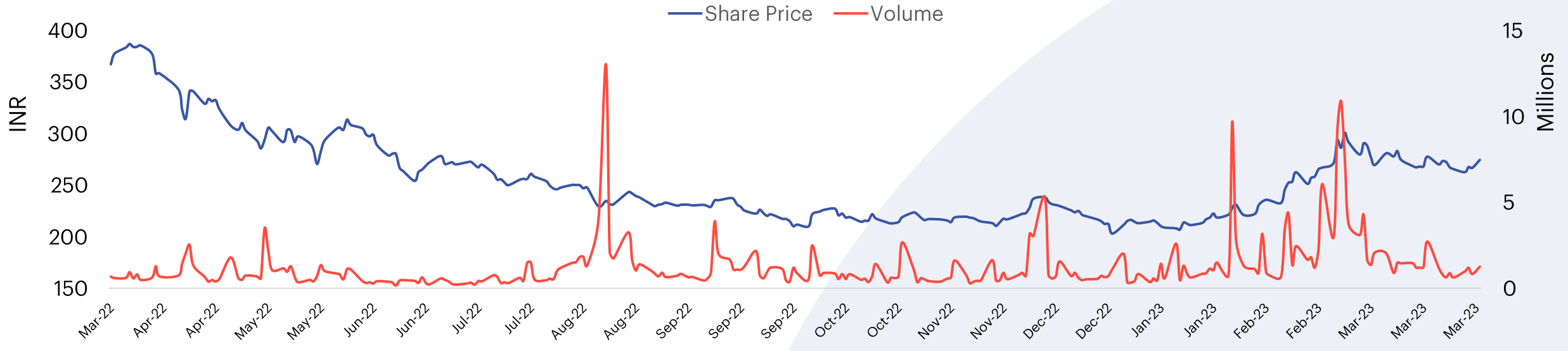

Governance

Governance & compliance:
- 100% compliance for code of conduct training
- Strengthen ombudsman process

Procurement & supplier diversity: Assess all suppliers based on sustainable procurement criteria by FY30

**Data security & privacy:** Commitment to data privacy compliance

*RPG Happiness Framework

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Zensar's stock price and shareholding pattern

Legend: Share Price · Volume

Chart: Share Price (INR, left axis 150–400) and Volume (Millions, right axis 0–15) from Mar-22 to Mar-23.

Equity Share Information

- Share Price (31st Mar 2023): INR 274.35 per share
- Market Cap (31st Mar 2023): INR 5,866 Crores
- Financial Year: April to March
- Face Value: INR 2 per 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.BO

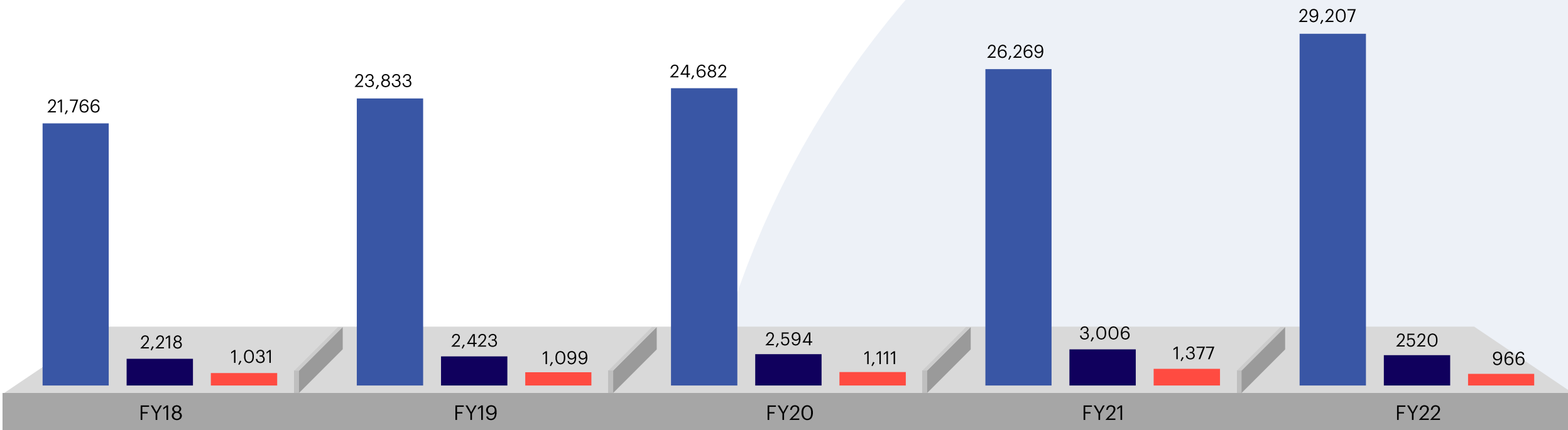## Shareholding Pattern
(as of March 31, 2023)

- Promoter Group, 49.2%
- FPIs, 10.5%
- Mutual Funds, 15.3%
- Others, 25.0%

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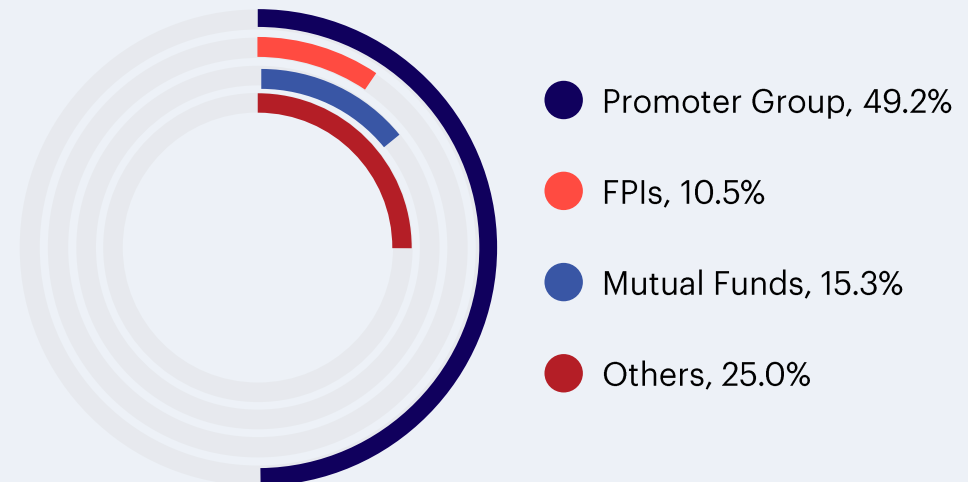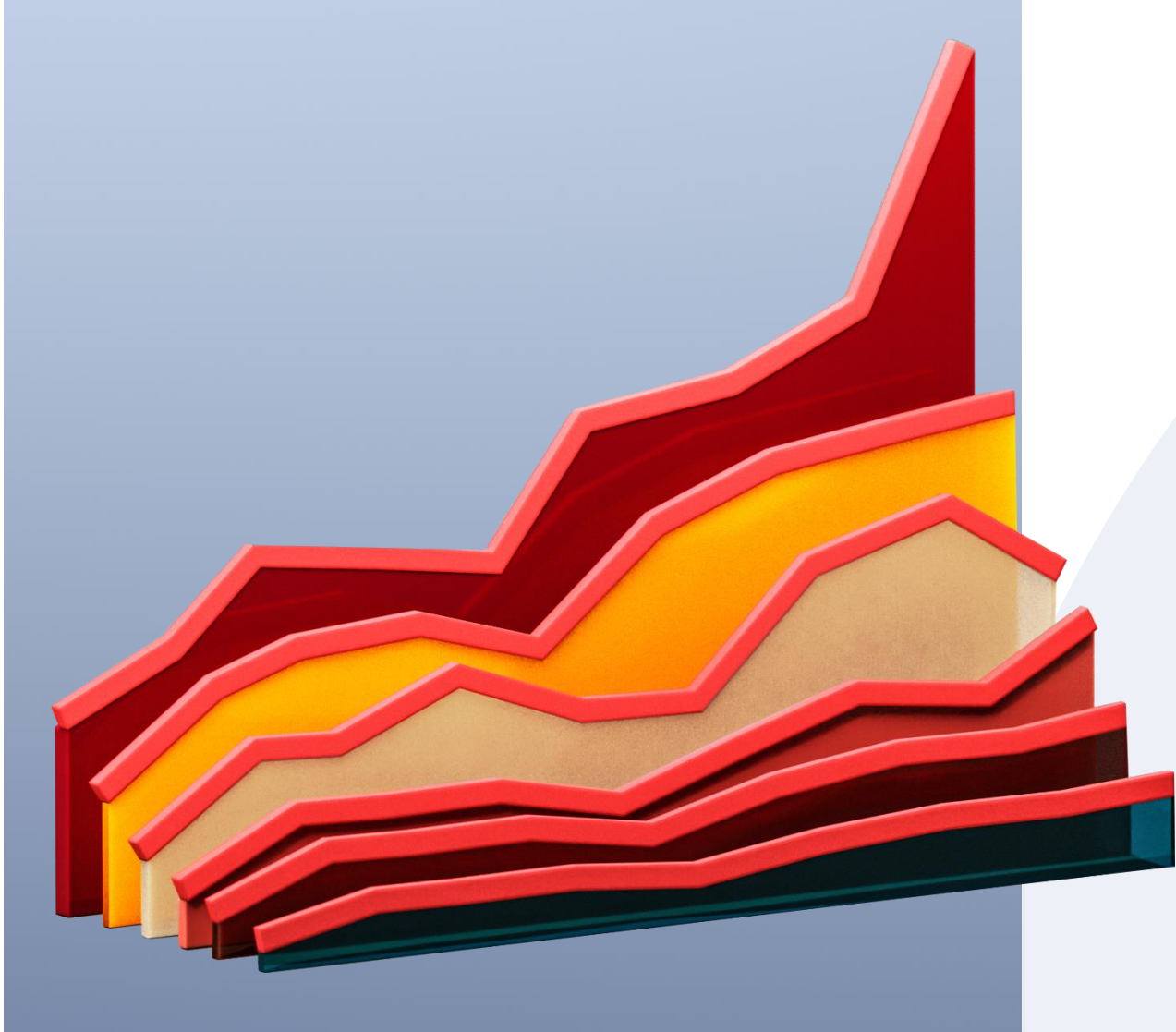
RPG Group Update

RPG Group key financials

Revenue FY18-22 CAGR 7.8%

Legend: Gross Total Income (In Cr.) — EBITDA (In Cr.) — PAT (INR Cr.)

	FY18	FY19	FY20	FY21	FY22
Gross Total Income (In Cr.)	21,766	23,833	24,682	26,269	29,207
EBITDA (In Cr.)	2,218	2,423	2,594	3,006	2520
PAT (INR Cr.)	1,031	1,099	1,111	1,377	966

RPG Group key financials

Legend: Net Worth (INR Cr.) · ROE · ROCE

	FY18	FY19	FY20	FY21	FY22
Net Worth (INR Cr.)	6,925	7,775	8,441	9,786	10,364
ROE	14.9%	14.1%	13.2%	14.1%	9.3%
ROCE	12.0%	11.0%	10.7%	13.5%	8.6%

Market Cap

Legend: Group · CEAT · KEC · ZENSAR

INR Cr.

26,015
11,732
6,204
5,866

Apr-22 · May-22 · Jun-22 · Jul-22 · Aug-22 · Sep-22 · Oct-22 · Nov-22 · Dec-22 · Jan-23 · Feb-23 · Mar-23

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 to March 31, 2023

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Thank You