



Cigniti Technologies Ltd.

Investor Update

Q2 & H1-FY23

World's Leading AI & IP-led Digital Assurance & Digital Engineering Services Company

Q2FY23 Highlights

- » The Company has accelerated its revenue in the current quarter by 10.2% to Rs. 416.65 Cr. in comparison to previous quarter.
- » The Company during the quarter has won 9 new clients.
- » Growth has been achieved with change in strategy of the company to work around Beyond testing and offering digital transformation services.
- » With more vigilant towards investments in sales & developments and even out cost with various optimization measures that has initiated last year, Company has achieved higher margin compared to the previous quarter.
- » EBIDTA reported for the quarter ended September 30, 2022, stood at Rs. 60.76 crore up by 36% compared to Q1FY23.
- » The company's reported Net Profit for Q2FY23 stood at Rs 41.53 crore as against Net Profit of Rs 31.00 crore in Q1FY23.

416.65
Revenue (INR in Cr.)

14.6%
EBITDA

10.0%
PAT

52 Days
DSO

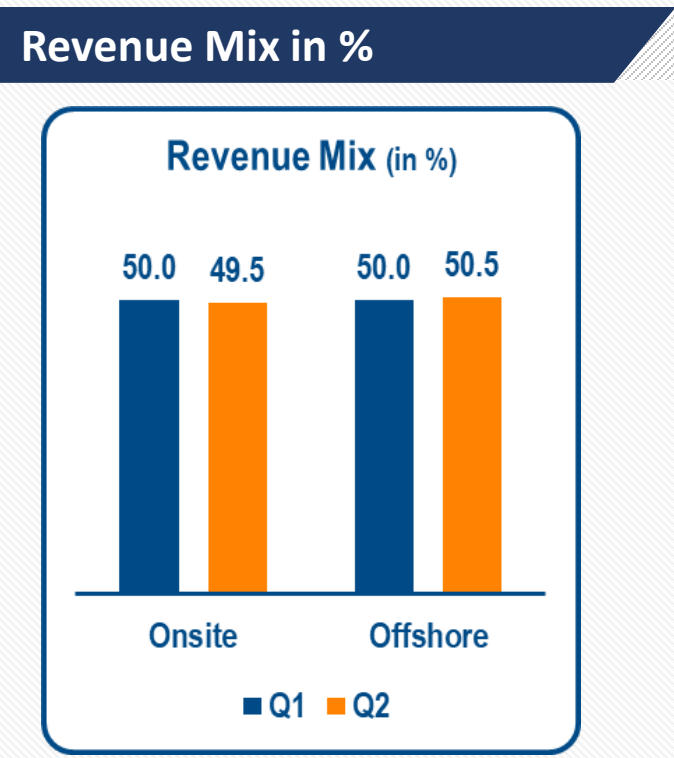
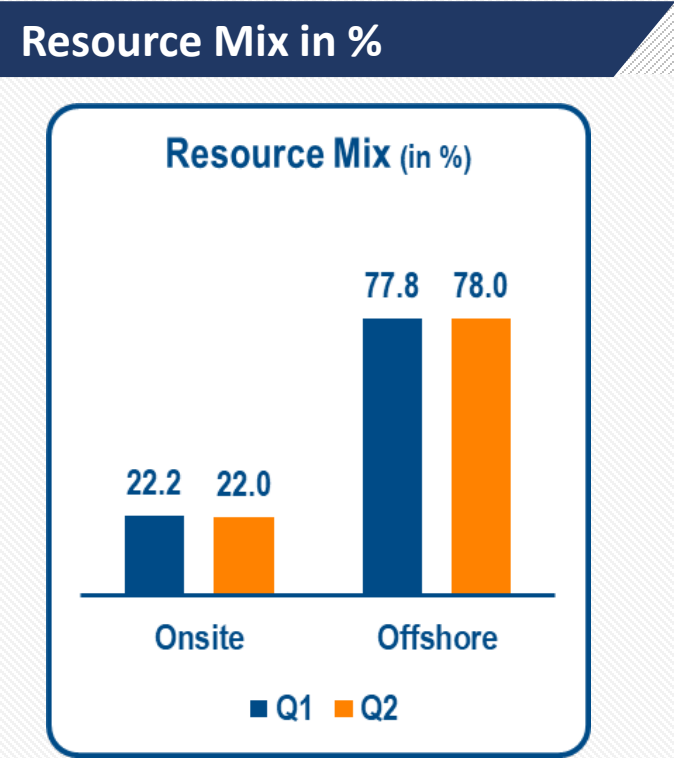
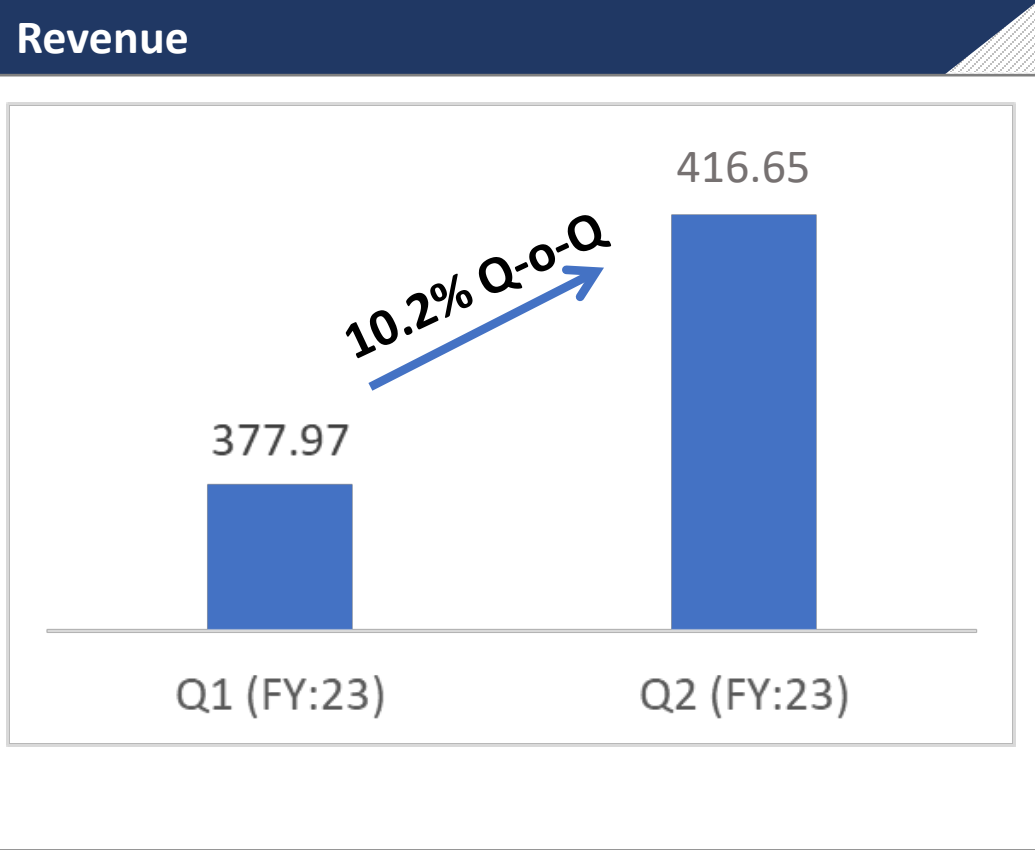
230+
Active Clients
50+ Fortune 500 Clients

10+
Delivery Locations

Offices in
9
Countries

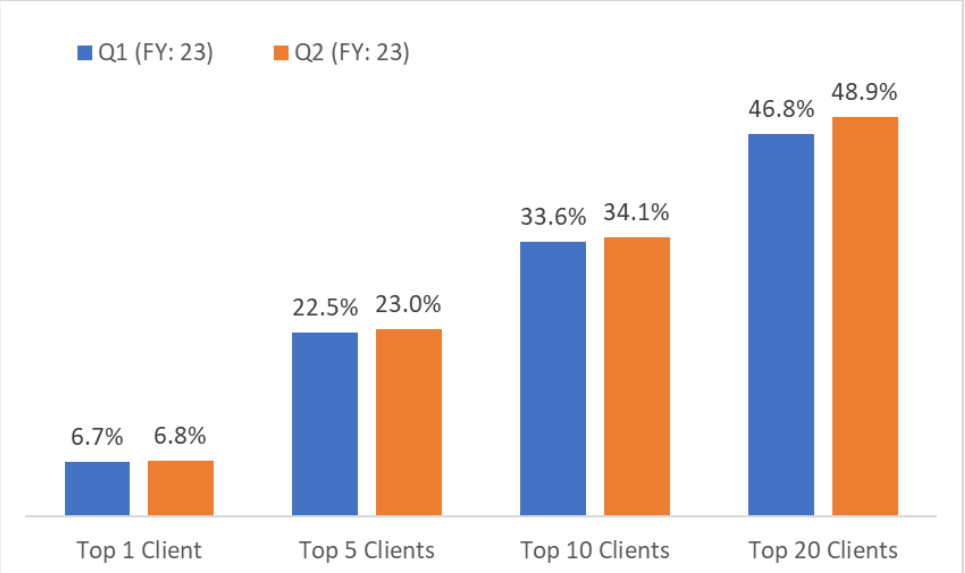
4000+
Cignitians

Q2FY23 Financials (INR in Cr.)



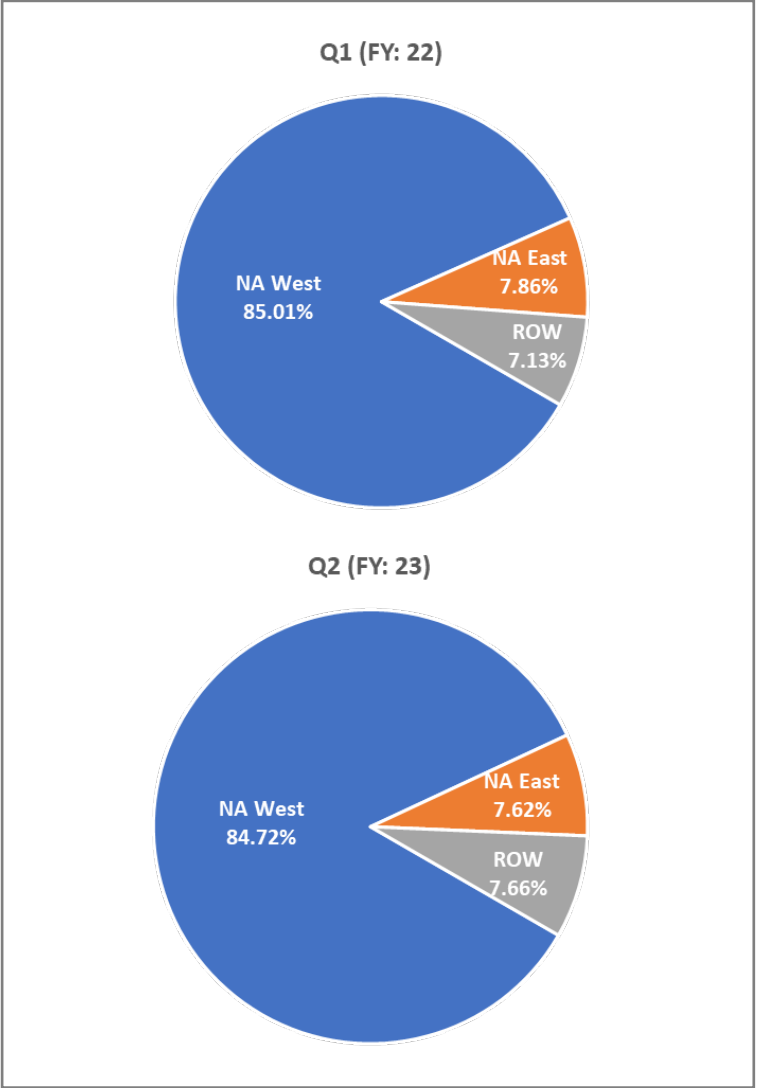
Client Composition / Geography Mix of Revenue

CLIENT CONTRIBUTION TO REVENUE (%)

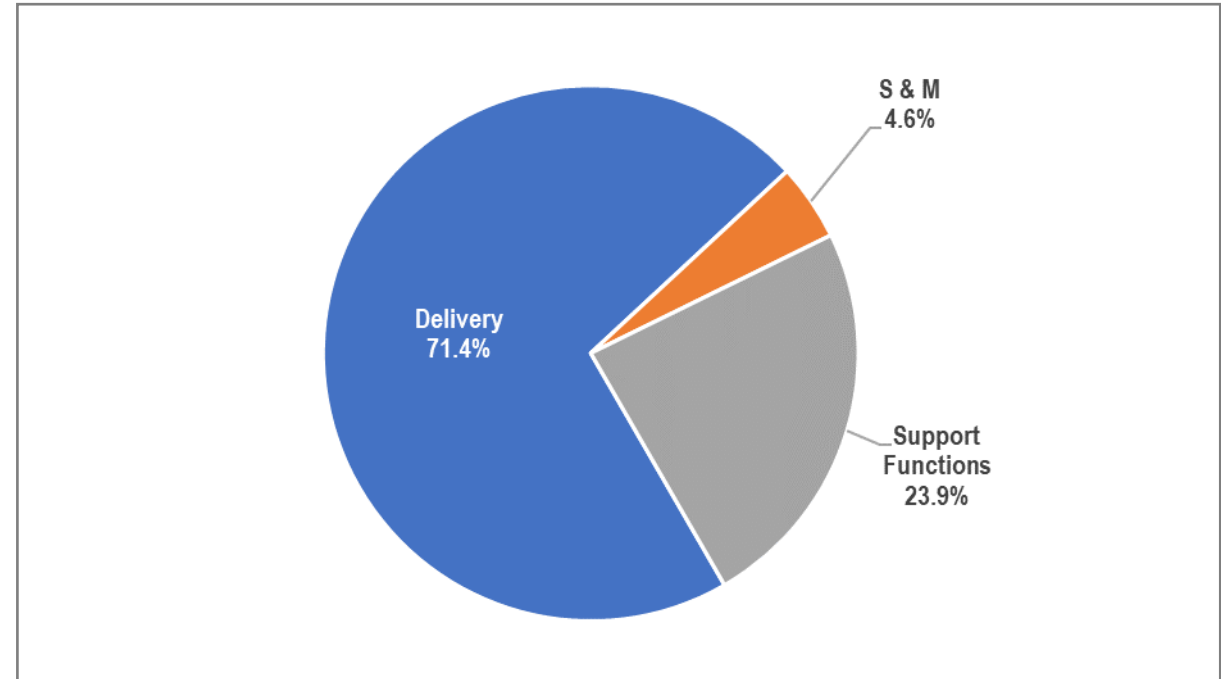
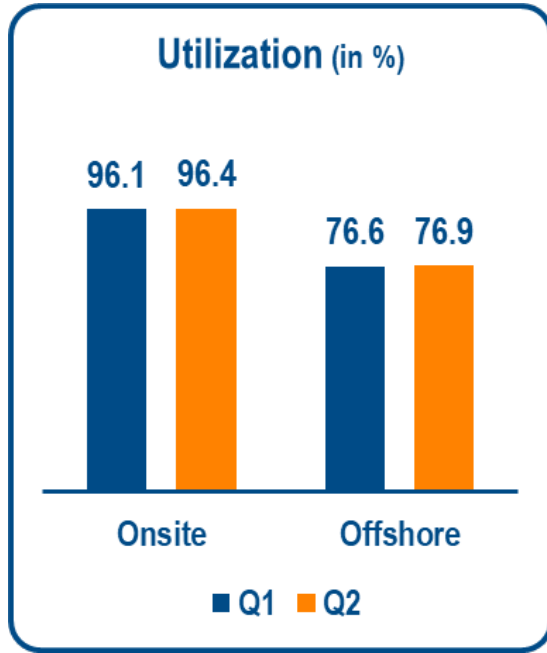


ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q1 FY22	Q2 FY23
Number of Active Clients	235	246
New Clients Added	13	9



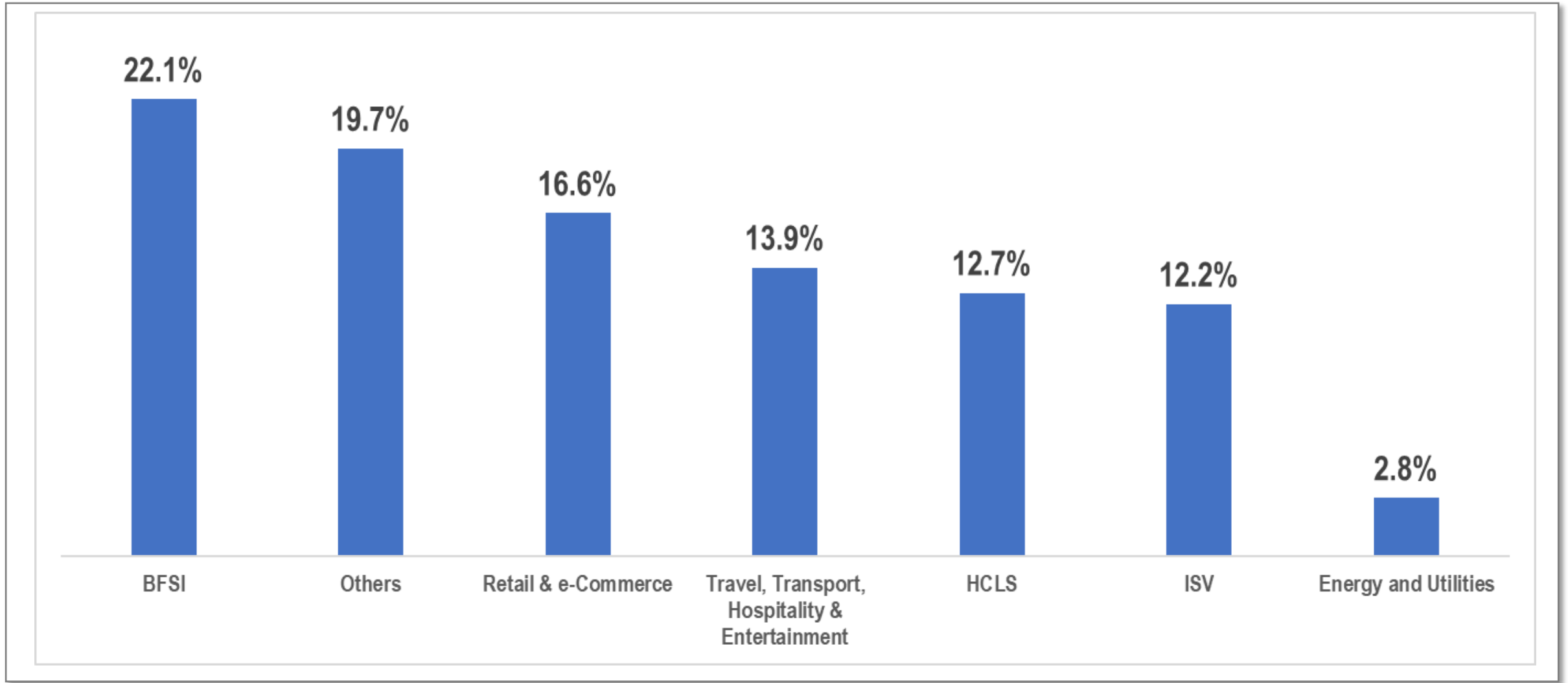
Employee Metrics



Utilization	Q1 FY23	Q2 FY23
Onsite	96.1%	96.4%
Offshore	76.6%	76.9%

Resource Mix	Q1 FY23	Q1 FY23
Onsite	22.2%	22.0%
Offshore	77.8%	78.0%

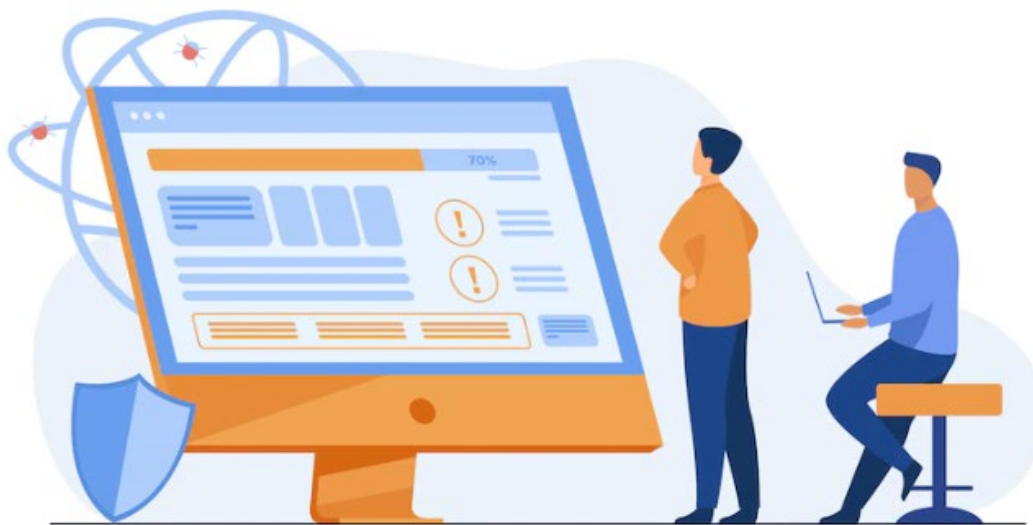
Revenue By Sector (%)



Cigniti – Engineer | Assure | Transform

Strategic Digital Transformation Partner

Digital Assurance Services



Digital Engineering Services



Our Key Offerings – Assurance



Quality Engineering



Functional and non-functional testing



End to End Automation



Service Virtualization



Mobility



Advisory & Transformation



Digital Assurance



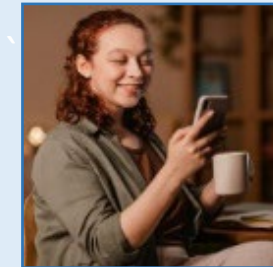
Cloud Migration Assurance



DevOps



IoT Assurance



5G Assurance



Blockchain

Our Key Offerings – Engineering



Digital Engineering



Product Engineering



Customer Experience



Hyper-intelligent Automation



AI, Big Data Analytics, Blockchain



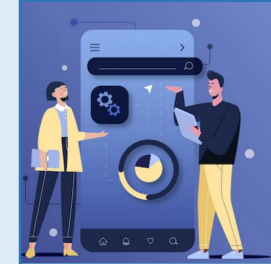
Cybersecurity



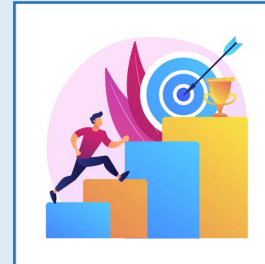
Agile Application Development



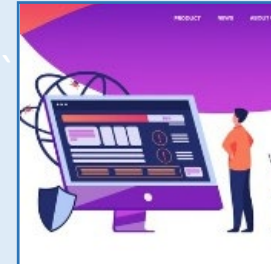
Consulting



CTO-on-demand



Strategic Capacity Expansion

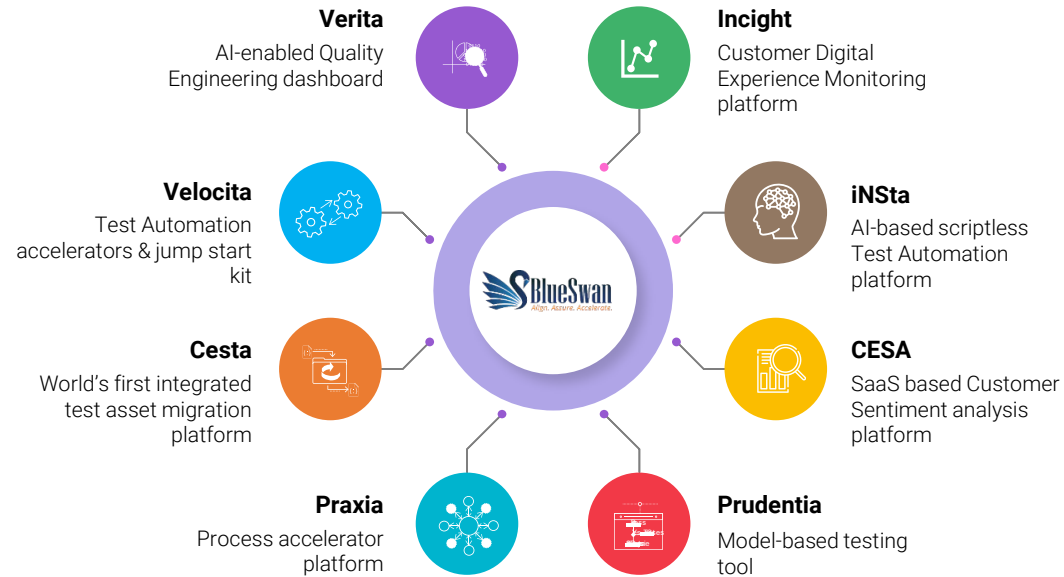


Agile Assurance

Accelerating Digital Transformation - an IP & Platform-led approach

BlueSwan™

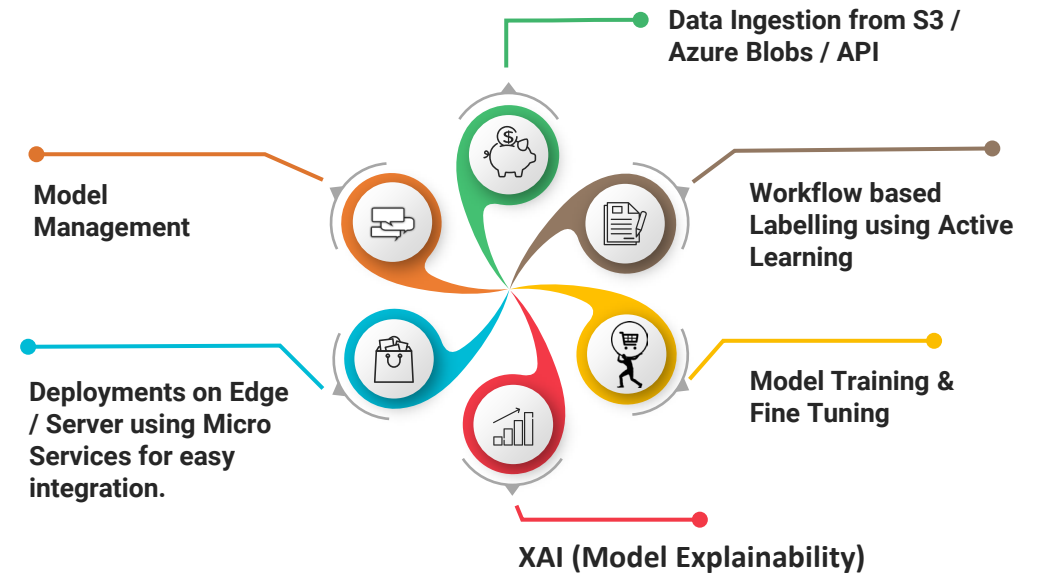
AI-led & next-gen proprietary Digital Assurance platform



Accelerating Digital Assurance

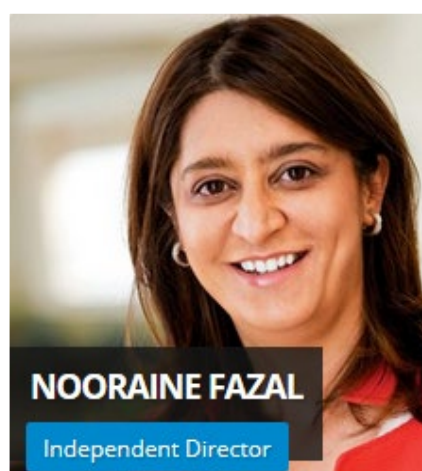
Zastra™

Enterprise-grade annotation & collaboration platform for computer vision projects



Accelerating Digital Engineering

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; USA*

- 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.



Vinay Rawat
CRO, Cigniti Technologies Inc; USA

- Vinay is responsible for driving strategy and exponential revenue growth for the organization. Extensive experience in managing sales, business development, demand creation, marketing & operations.
- Previous experience: Senior leadership roles at InfoGain & Wipro.



Raghu Krowvidy
Chief Delivery Officer

- 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



Sairam Vedam
CMO

- Oversees planning & execution of strategic marketing programs. 23 years of experience with a deep understanding of technologies & solutions. Leads M&A and corporate development initiatives.
- Previous experience: Innominds, Kore.AI, Pramati, Apere (now Citrix), CA Technologies & HCL



Nanda Padmaraju
President – 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.



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

Awards & Recognitions

Awards & Recognitions

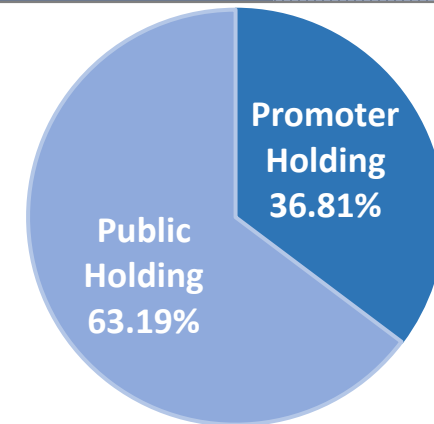
- » NelsonHall recognizes Cigniti's Digital Assurance leadership. Forrester recognizes Cigniti as a Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti as a Leader in Continuous Testing.
- » Positioned in Gartner's Magic Quadrant for Application Testing Services, Worldwide for 6 years in a row and as a 'Star Performer' and 'Major Contender' in the Everest Group PEAK Matrix. 5 years in a row.
- » Gartner® Hype Cycle™ for Managed IT Services and API Testing Services 2022 mention Cigniti as a sample vendor.
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified



Partners



Share Holding Pattern (Sept'22)



Financial Highlights Q2FY23- Consolidated

All values are in INR Million

Particulars	Q2FY23	Q2FY22	Y-o-Y %	Q1 FY23	Q-o-Q %
<u>Income</u>					
Revenue from operations	4,167	3,079	35.3%	3,780	10.2%
Revenue from operations (\$M)	52.37	42.15		49.17	
<u>Expenses</u>					
Employee benefit expense	2,409	1,807	33.3%	2,294	5.0%
Hired Contractors Cost	790	580	36.2%	762	3.7%
Other expenses	360	373	-3.5%	278	29.3%
EBITDA	608	319	90.4%	446	36.4%
% EBITDA	14.6%	10.4%		11.8%	
Depreciation & Amortization	69	37	88.6%	53	29.4%
EBIT	539	282	90.6%	393	37.3%
Other Income(Expense)	(7)	(18)	-64.2%	2	-488.6%
Finance Income	28	46	-37.5%	9	202.7%
Finance Costs	11	12	-8.6%	(11)	-0.6%
PBT	549	298		393	40%
Tax	134	76	76.8%	83	51.3%
PAT	415	222	87.3%	310	34%
EPS (Basic)	15.24	7.90		11.06	

Financial Highlights Q2FY23- Consolidated

All values are in INR Million

Particulars	H1-FY23	H1-FY22	Y-o-Y
<u>Income</u>			
Revenue from operations	7,946	5,723	38.9%
Revenue from operations (\$M)	101.54	78.19	
<u>Expenses</u>			
Employee benefit expense	4,703	3,462	35.8%
Hired Contractors Cost	1,552	1,058	46.7%
Other expenses	638	640	-0.3%
EBITDA	6,893	562	87.3%
% EBITDA	13.3%	9.8%	
Depreciation & Amortization	122	70	75.1%
EBIT	931	492	89%
Other Income(Expense)	(5)	(14)	-64.8%
Finance Income	38	82	-54.1%
Finance Costs	21	22	-4.0%
PBT	943	538	75.0%
Tax	217	113	92.6%
PAT	725	426	70.3%
EPS (Basic)	26.24	15.19	

Cigniti's Consolidated Balance Sheet

All values are in INR Million

Particulars	H1 FY23	FY22	Particulars	H1 FY23	FY22
Non-Current assets			Equity & Liabilities		
Property Plant & equipment	340	326			
Right-to-use asset	214	255	Equity share capital	273	281
Goodwill	740	549	Other equity	4,622	4,318
Other intangible assets	150	-	Sub total	4,895	4,599
Capital WIP	-	-			
			Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	177	233
Non-current financial assets	115	226	Borrowings	-	-
Deferred tax assets net	47	58	Long term provisions	193	177
Other non current assets	-	-	Deferred tax liability	-	-
Sub total	1,606	1,414	Sub total	370	410
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	1,240	1201	Short term borrowings	361	469
Trade receivables	2,369	2,268	Trade payables	1,051	938
Cash and cash equivalent	242	245	Lease Obligation	105	98
Other Bank balances	650	909	Other current financial liabilities	160	37
Other current financial assets	1,029	693	Short term provisions	78	57
Current tax assets net	16	12	Current tax liability, net	195	182
Other current assets	274	235	Other current liabilities	211	187
Sub total	5,820	5,563	Subtotal	2,161	1,968
Total	7,426	6,977	Total	7,426	6,977

Financial Highlights 12MFY22- Consolidated

All values are in INR Million

Particulars	12MFY22	12MFY21	Y-o-Y
<u>Income</u>			
Revenue from operations	12,418	8,965	38.5%
Revenue from operations (\$M)	164	118	
<u>Expenses</u>			
Employee benefit expense	7,393	5,216	41.7%
Other expenses	3,733	2,295	62.7%
EBITDA	1,292	1,454	-11.1%
% EBITDA	10.4%	16.2%	
Depreciation & Amortization	162	123	31.7%
EBIT	1,130	1,331	-15.1%
Other Income(Expense)	0.82	36	-97.7%
Finance Income	134	99	35.4%
Finance Costs	50	56	-10.7%
PBT	1,215	1,410	-13.8%
Tax	298	357	-16.5%
PAT	917	1,053	-12.9%
EPS (Basic)	32.72	37.77	

Cigniti's Consolidated Balance Sheet

All values are in INR Million

Particulars	FY22	FY21	Particulars	FY22	FY21
Property Plant & equipment	326	167	Equity & Liabilities		
Right-to-use asset	255	217	Equity share capital	281	280
Goodwill	549	549	Other equity	4,318	3,443
Capital WIP	-	-	Sub total	4,599	3,723
Other intangible assets	-	-	Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	233	205
Loans	50	51	Borrowings	-	-
Other non-financial assets	176	-	Long term provisions	177	123
Deferred tax assets net	58	53	Deferred tax liability	-	-
Other non current assets	-	-			
Sub total	1,414	1,037	Sub total	410	328
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	1201	804	Short term borrowings	469	161
Loans	-	6	Trade payables	938	627
Trade receivables	2,268	1,577	Lease Obligation	98	91
Cash and cash equivalent	245	256	Other current financial liabilities	37	29
Other Bank balances	909	1,023	Short term provisions	57	26
Other current financial assets	693	466	Current tax liability, net	182	183
Current tax assets net	12	26	Other current liabilities	187	153
Other current assets	235	126			
Sub total	5,563	4,284	Subtotal	1,968	1,270
Total	6,977	5,321	Total	6,977	5,321

Cashflow Generation

All Figures in INR Mn.	H1' FY 2023	FY 2022
Profit before tax	943	1,215
(+/-) Non-cash & non operating Items	149	196
Operating Profit before WC Changes	1,092	1,411
(+/-) DSO Movement (Receivables)	(95)	(713)
(+/-) Other charges	(215)	(26)
Operating CF after WC changes	781	672
Less: Taxes	(242)	(290)
Less: Capex	(77)	(206)
Free cash flow generated	462	176
EBITDA	1,053	1,293
FCF to EBITDA Conversion	44%	14%

Cash Generation

- ❖ Cash and cash equivalents (including fixed deposits) at a healthy levels of 893 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 1,240 Mn.
- ❖ FCF generated during FY22 is lower due to enhanced investments in sales and development; its started improving in H1' FY23
- ❖ The company is optimistic that the investments made in the last year will result growth in the coming years.

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Cigniti

India

Hyderabad

Cigniti Technologies Ltd.
6th Floor, ORION Block, "The V" (Ascendas)
Plot #17 Software Units Layout
Madhapur, Hyderabad-500081

US

Cigniti Technologies Inc.
433 E Las Colinas Blvd,
Suite 1300, Irving, TX 75039

US

630 Freedom Business Center,
3rd Floor, King of
Prussia, PA 19406

UK

Cigniti Technologies (UK) Limited
WeWork , 8 Devonshire Square
London, EC2M 4PL

Australia

Cigniti Technologies (Australia) Pty Ltd
Level 9, 401 Collins Street
VIC 3000 Australia

Canada

Cigniti Technologies Canada Inc
2000 Argentia Road, Plaza 4, Suite 302,
Mississauga, Ontario L5N 1W1.

South Africa

Cigniti Technologies Ltd.
Ballyclare Place, 14 Ballyclare
Drive, Bryanston 2021

Singapore

Cigniti Technologies Ltd.
160 Robinson Road,
#14-04 Singapore Business Federation
Centre, Singapore – 068914

UAE

Cigniti Technologies Ltd.
Premises No. 6WB 643, Building
Name 6WB, Dubai Airport Freezone
Dubai, UAE

Czech Republic

Cigniti Technologies Ltd.
V parku 2316/12,
Chodov,
14800 Praha 4

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