

Cigniti Technologies Ltd.

Investor Update

Q2 & H1-FY22

Q2 FY22 Highlights

- » The Company accelerated its revenue in the current quarter by 16.5% to Rs. 307.90 Cr. in comparison to previous quarter.
- » The Company during the quarter has won 16 new clients.
- » The Company has invested in additional manpower in line with its business transformation initiatives and commencement of outcome-based contract, which has subdued the EBITDA.
- » Operational EBITDA for the September quarter was at 41.66 crore and EBITDA margin stood at 13.5%.
- » The Reported EBITDA was at Rs 31.92 crore and EBIDTA margin stood at 10.4% due reversal of SEIS benefit amounting to Rs. 974.11 lakhs pertaining to the financial year 2019-2020, pursuant to notification no. 29/2015-2020 dated September 23, 2021, issued by Ministry of Commerce & Industry.
- » Cigniti expands its global footprint in Central Europe with opening of an office in Czech Republic.
- » Forrester Research recognized Cigniti as Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti as Leader in Continuous Testing.
- » The company has adopted new tax regime in India in the current financial year.

307.90
Revenue (INR in Cr.)

10.4%
EBITDA

7.2%
PAT

56 Days
DSO

230+
Active Clients
50+ Fortune 500 Clients

10+
Delivery Locations

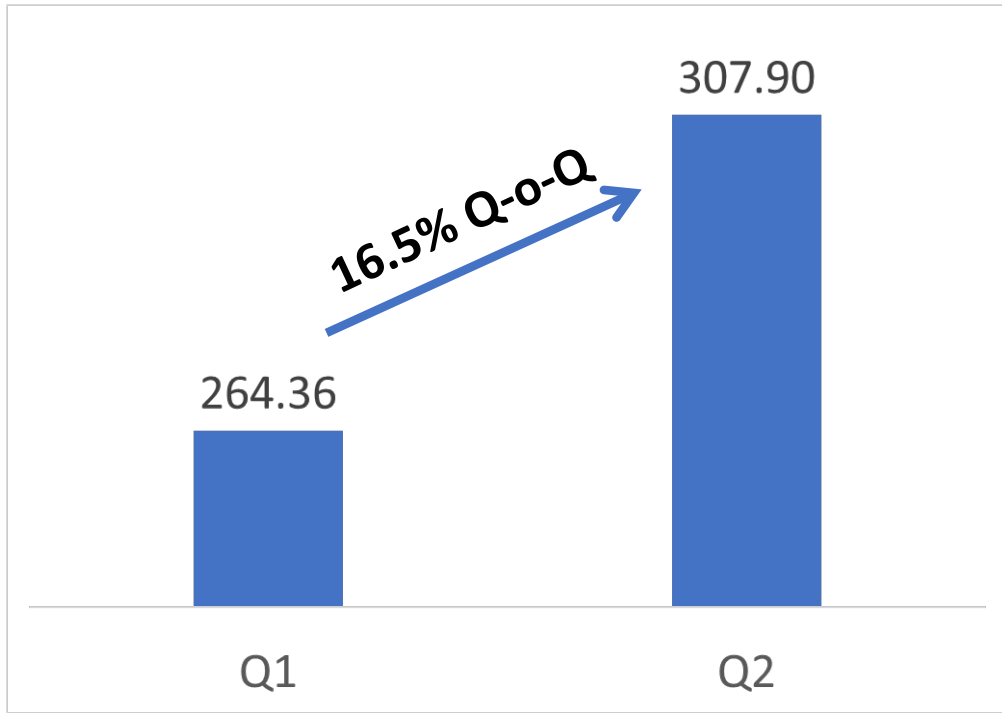
Offices in
9
Countries

3100+
Cignitians

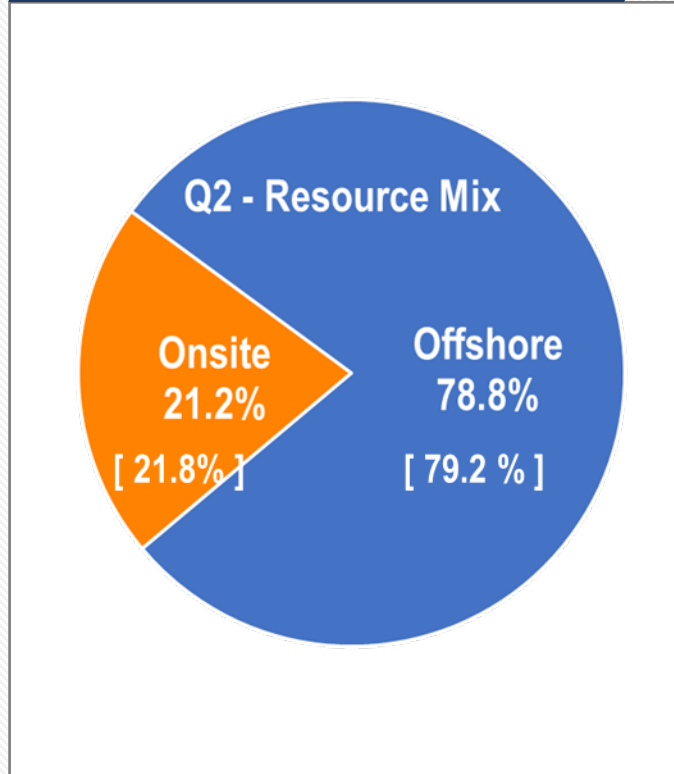
Particulars	INR Crores		INR Crores
	Q1	Q2	6M' 2021-22
EBITDA (Reported)	24.31	31.92	56.23
<i>In %</i>	9.2%	10.4%	16.5%
Add: SEIS Reversal	-	9.74	9.74
	-	-	-
Normalized EBITDA	24.31	41.66	65.97
<i>In %</i>	9.2%	13.5%	11.5%

Particulars	INR Crores		INR Crores
	Q1	Q2	6M' 2021-22
PAT (Reported)	20.42	22.17	42.59
Add: SEIS Reversal	-	9.74	9.74
Normalised PAT	20.42	31.91	52.33
Normalised PAT %	7.7%	10.4%	9.1%
<i>Adjusted EPS</i>			18.67
<i>Reported EPS</i>			15.19

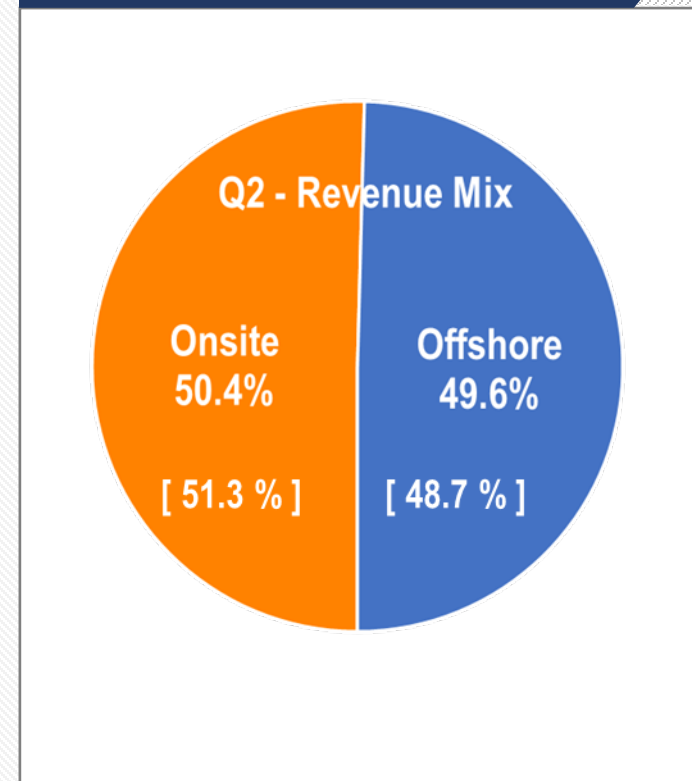
Revenue



Q2 Resource Mix

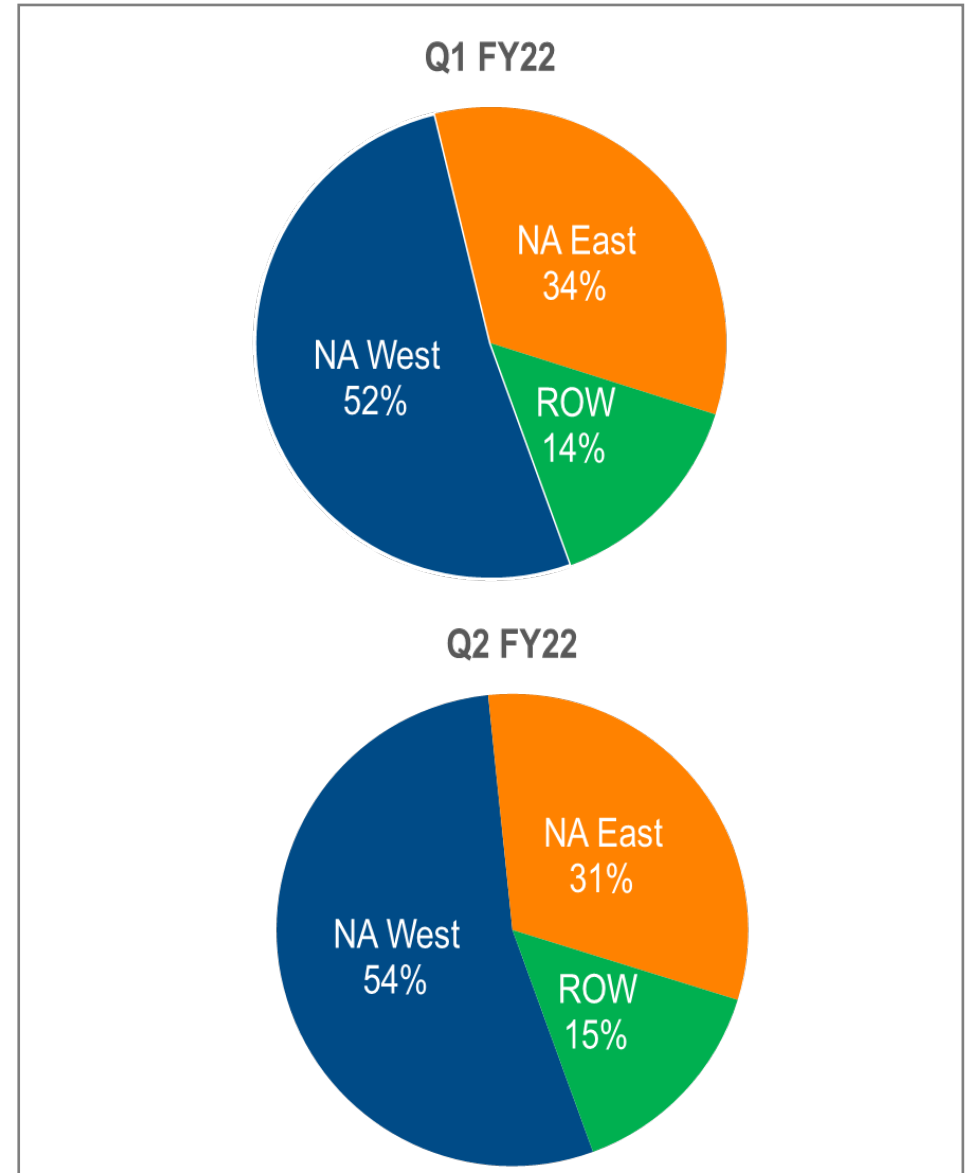
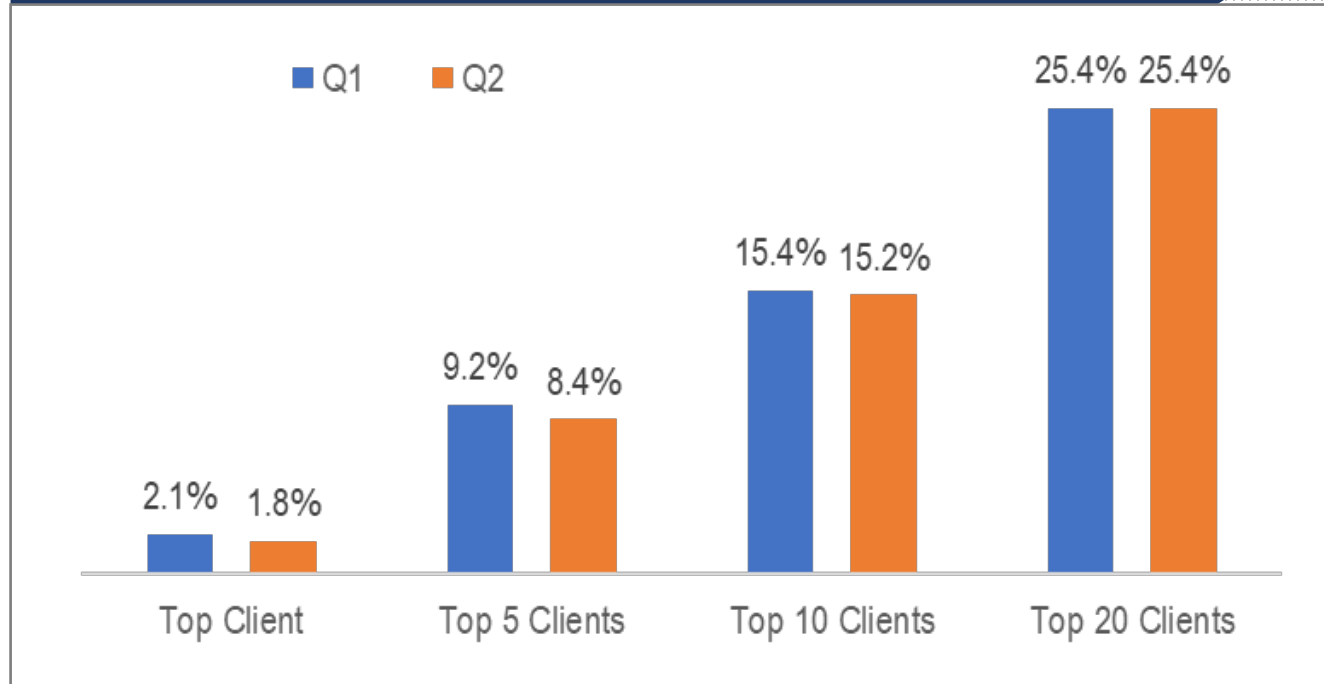


Q2 Revenue Mix



Data in [] for Q1

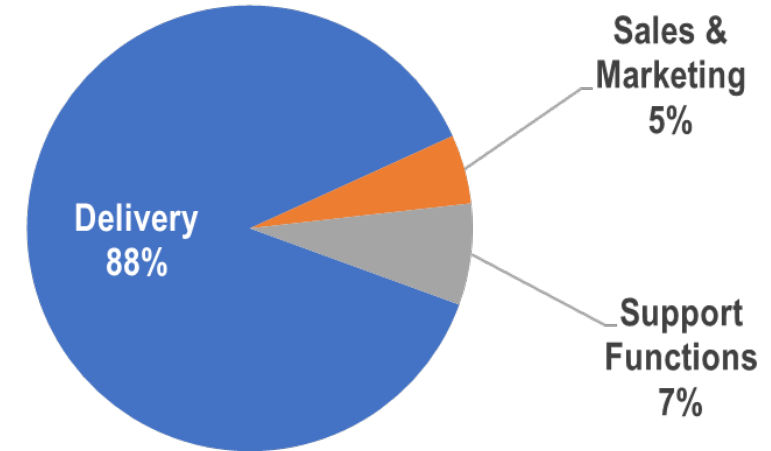
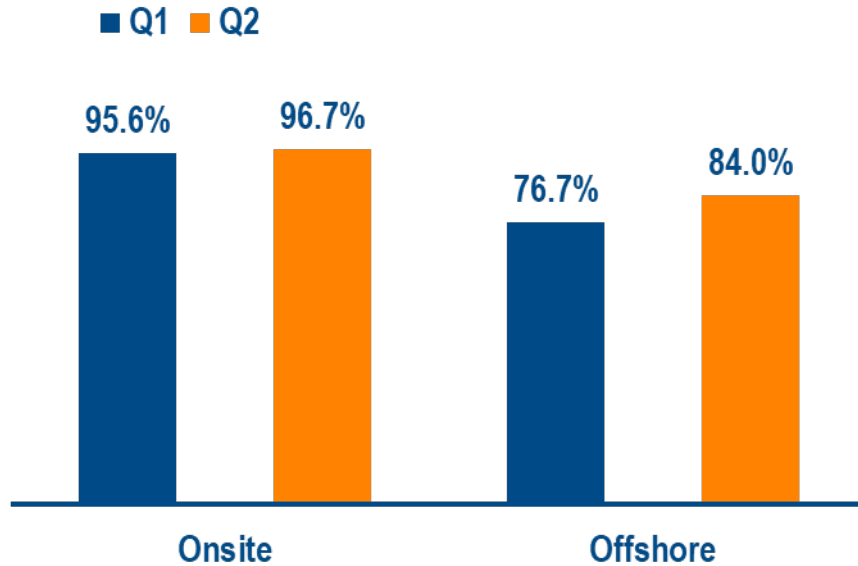
CLIENT CONTRIBUTION TO REVENUE (%)



ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q1 FY22	Q2 FY22
Number of Active Clients	233	231
New Clients Added	28	16

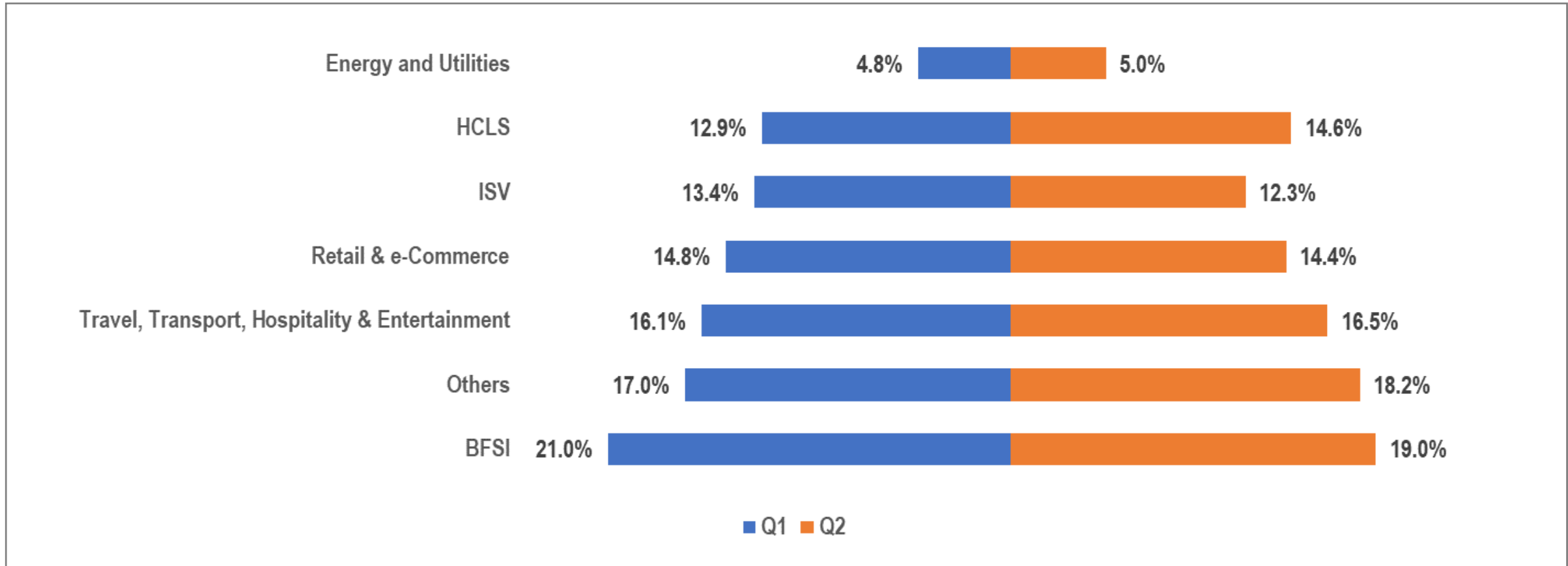
UTILIZATION



Utilization	Q1 FY22	Q2 FY22
Onsite	95.6%	96.7%
Offshore	76.7%	84.0%

Resource Mix	Q1 FY22	Q2 FY22
Onsite	20.8%	21.2%
Offshore	79.2%	78.8%

Revenue By Sector (%)



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



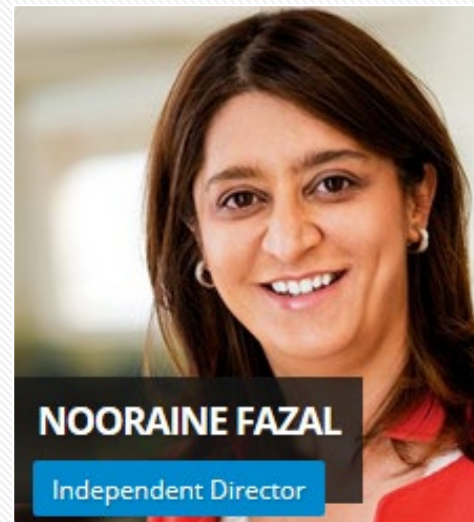
- Security Testing
- Functional Testing
- Test Automation
- Globalization Testing
- Performance Testing
- Compatibility Testing
- Regression Testing

Digital and Next Generation Offerings



- IoT Assurance
- Cloud Assurance
- Omni and Multi-Channel Testing
- AI testing
- Block chain 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



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
President & Global Delivery Head

- 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 - Global 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
Global Head of HR

- 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
VP & Global Head of 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

Awards & Recognitions

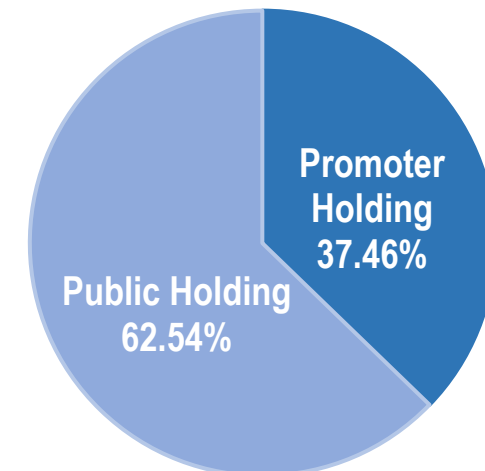
- » World's leading independent Quality Engineering & Software Testing services company
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified
- » Forrester recognizes Cigniti as a Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti as a Leader in Continuous Testing & Nelson Hall recognized Cigniti as a Leader in AI Testing, Continuous Testing & Quality Engineering.
- » 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.



Partners



Share Holding Pattern (Sep'21)



Financial Highlights Q2FY22- Consolidated

All values are in INR Million

Particulars	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	3,079	2,644	2,212	16.5%	39.2%
Revenue from operations (\$M)	42.15	36.04	30.13		
<u>Expenses</u>					
Employee benefit expense	1,807	1,656	1,232	9.2%	46.6%
Other expenses	953	745	538	27.9%	77.3%
EBITDA	319	243	442	31.3%	-27.8%
% EBITDA	10.4%	9.2%	20.0%		
Depreciation & Amortization	37	33	30	10%	20.5%
EBIT	282	210	412	34.6%	-31.4%
Other Income(Expense)	(18)	5	8	-507.6%	-324.3%
Finance Income	46	37	21	23.1%	117.2%
Finance Costs	12	11	16	10%	-26.1%
PBT	298	241	425	23.6%	-30.0%
Tax	76	37	173	107.3%	-56.1%
PAT	222	204	252	8.5%	-12.1%
EPS (Basic)	7.90	7.29	9.06		

Financial Highlights H1FY22- Consolidated

All values are in INR Million

Particulars	H1FY22	H1FY2021	Y-o-Y
<u>Income</u>			
Revenue from operations	5,723	4,396	30.2%
Revenue from operations (\$M)	78.19	59.38	
<u>Expenses</u>			
Employee benefit expense	13,462	2,543	36.1%
Other expenses	1,698	1,050	61.7%
EBITDA	562	803	-29.9%
% EBITDA	9.8%	18.3%	
Depreciation & Amortization	70	61	15.3%
EBIT	492	742	-33.6%
Other Income(Expense)	(14)	32	-144.6%
Finance Income	82	46	79.0%
Finance Costs	22	32	-30.6%
PBT	538	788	-31.6%
Tax	113	245	-53.9%
PAT	426	543	-21.6%
EPS (Basic)	15.19	19.51	

Cigniti's Income statement FY 21 – Consolidated

All values are in INR Million

Particulars	FY20	FY21
<u>Income</u>		
Revenue from operations	8,720	8,965
Revenue from operations (\$M)	124	122
<u>Expenses</u>		
Employee benefit expense	5,190	5,216
Other expenses	2,243	2,295
EBITDA	1,287	1,455
% EBITDA	14.8%	16.2%
Depreciation & Amort	115	123
EBIT	1,172	1,332
% EBIT	13.4%	14.9%
Other Income	158	36
Finance Income	58	98
Finance costs	80	56
PBT	1,308	1,308
% PBT	15.0%	92
Tax	92	92
PAT	1,216	1,216
% PAT	13.9%	43.87
EPS (Basic)	43.87	37.77

Cigniti's Balance Sheet H1FY22- Consolidated

All values are in INR Million

Particulars	H1FY22	H1FY21	Particulars	H1FY22	H1FY21
Property Plant & equipment	216	165	Equity & Liabilities		
Right-to-use asset	176	258	Equity share capital	281	278
Goodwill	549	549	Other equity	3,822	2,924
Capital WIP	-	-	Sub total	4,103	3,202
Other intangible assets	-	-	Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	212	250
Loans	-	51	Borrowings	-	-
Other non-financial assets	-	1	Long term provisions	161	109
Deferred tax assets net	63	30	Deferred tax liability	-	-
Other non current assets	206	-			
Sub total	1,210	1,054	Sub total	373	359
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	871	745	Short term borrowings	329	669
Loans	-	6	Trade payables	762	499
Trade receivables	1,908	1,400	Lease Obligation	37	87
Cash and cash equivalent	313	414	Other current financial liabilities	4	4
Other Bank balances	967	868	Short term provisions	59	33
Other current financial assets	475	591	Current tax liability, net	196	221
Current tax assets net	14	14	Other current liabilities	160	146
Other current assets	265	128			
Sub total	4,813	4,166	Subtotal	1,547	1,659
Total	6,023	5,220	Total	6,023	5,220

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

All Figures in INR Mn.	H1' FY22	H1' FY21	FY 2021
Profit before tax	539	788	1,411
(+/-) Non-cash & non operating Items	120	52	93
Operating Profit before WC Changes	658	840	1,504
(+/-) DSO Movement (Receivables)	(329)	246	60
(+/-) Other charges	(66)	(147)	160
Operating CF after WC changes	263	938	1,724
Less: Taxes	(98)	(91)	(276)
Less: Capex	(85)	(15)	(32)
Free cash flow generated	80	832	1,417
EBITDA	562	803	1,455
FCF to EBITDA Conversion	14%	104%	97%

Cash Generation

- ❖ Cash and cash equivalents (including short-term fixed deposits) at 313 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 1,938 Mn.
- ❖ After setting off cash credit facility 329 Mn; the total Cash Surplus is as at 1,922 Mn.

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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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