

Cigniti Technologies Ltd.

Investor Update

Q3 & 9M-FY22

Q3 FY22 Highlights

- » The Company accelerated its revenue in the current quarter by 5.7% to Rs. 325.46 Cr. in comparison to previous quarter.
- » The Company during the quarter has won 18 new clients.
- » Growth has been achieved with change in strategy of the company to work around Beyond testing and offering digital transformation services.
- » While the company has initially planned this growth through organic and in organic growth, however with the enhanced investments in sales and development the company was able to achieve this growth and lay a foundation for the robust growth.
- » Key factor being possible avoidance of huge cash flows and natural integration issues. The temporary effect being margins remain subdued in the year on account of enhanced focus and investment in S&M and R&D.
- » Further the continuing second and third wave of pandemic has laid a constraint on visa and other regulatory constraints which has also led to resource crunch and dependence on contract resources and high retention cost of existing employees.
- » The company is optimistic that it shall be able to even out cost with various optimization measures it has initiated and coupled with volume growth.
- » Overall, the current year can be termed as a growth and investment year.

325.46
Revenue (INR in Cr.)

12.4%
EBITDA

8.2%
PAT

56 Days
DSO

230+
Active Clients
50+ Fortune 500 Clients

10+
Delivery Locations

Offices in
9
Countries

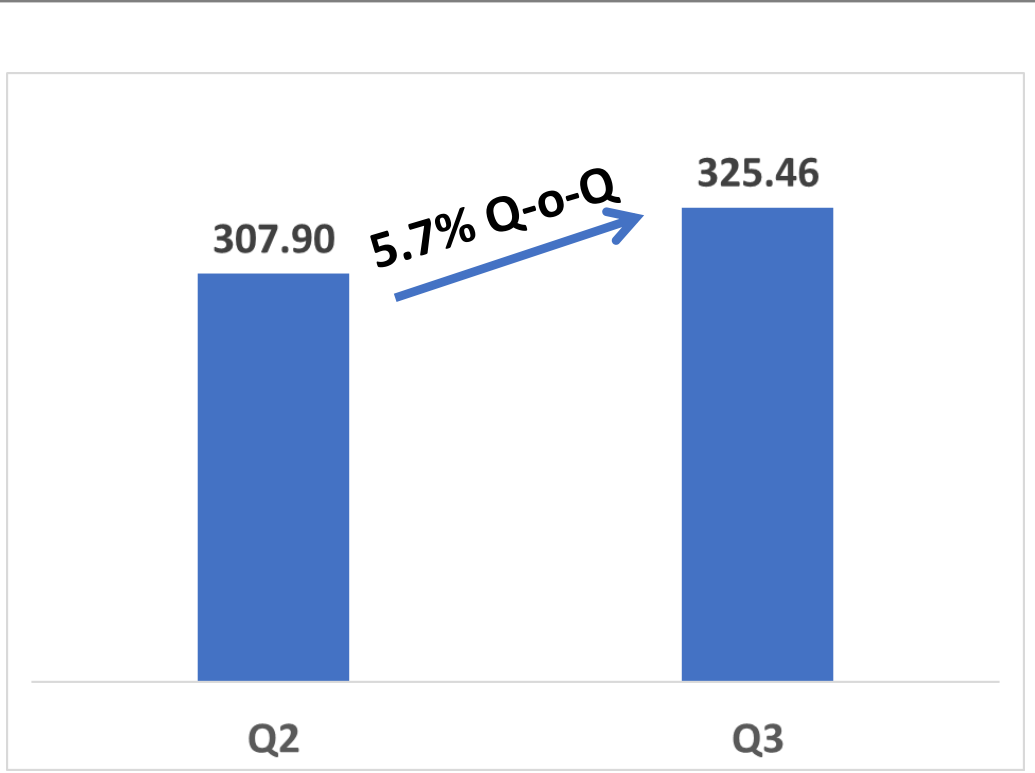
3500+
Cignitians

EBITDA & PAT Analysis (FY: 21-22)

Particulars				INR Crores
	Q1	Q2	Q3	9M' 2021-22
EBITDA (Reported)	24.31	31.92	40.44	96.67
<i>In %</i>	<i>9.2%</i>	<i>10.4%</i>	<i>12.4%</i>	<i>10.8%</i>
Add: SEIS Reversal	-	9.74	-	9.74
Normalized EBITDA	24.31	41.66	40.44	106.41
<i>In %</i>	<i>9.2%</i>	<i>13.5%</i>	<i>12.4%</i>	<i>11.9%</i>

Particulars	INR Crores			INR Crores
	Q1	Q2	Q3	9M' 2021-22
PAT (Reported)	20.42	22.17	26.55	69.14
<i>In %</i>	<i>7.7%</i>	<i>7.2%</i>	<i>8.2%</i>	<i>7.7%</i>
Add: SEIS Reversal (SEIS Benefit)	-	9.74	-	9.74
Normalised PAT	20.42	31.91	26.55	78.88
Normalised PAT %	7.7%	10.4%	8.2%	8.8%
<i>Adjusted EPS</i>				<i>28.14</i>
<i>Reported EPS</i>				<i>24.66</i>

Revenue

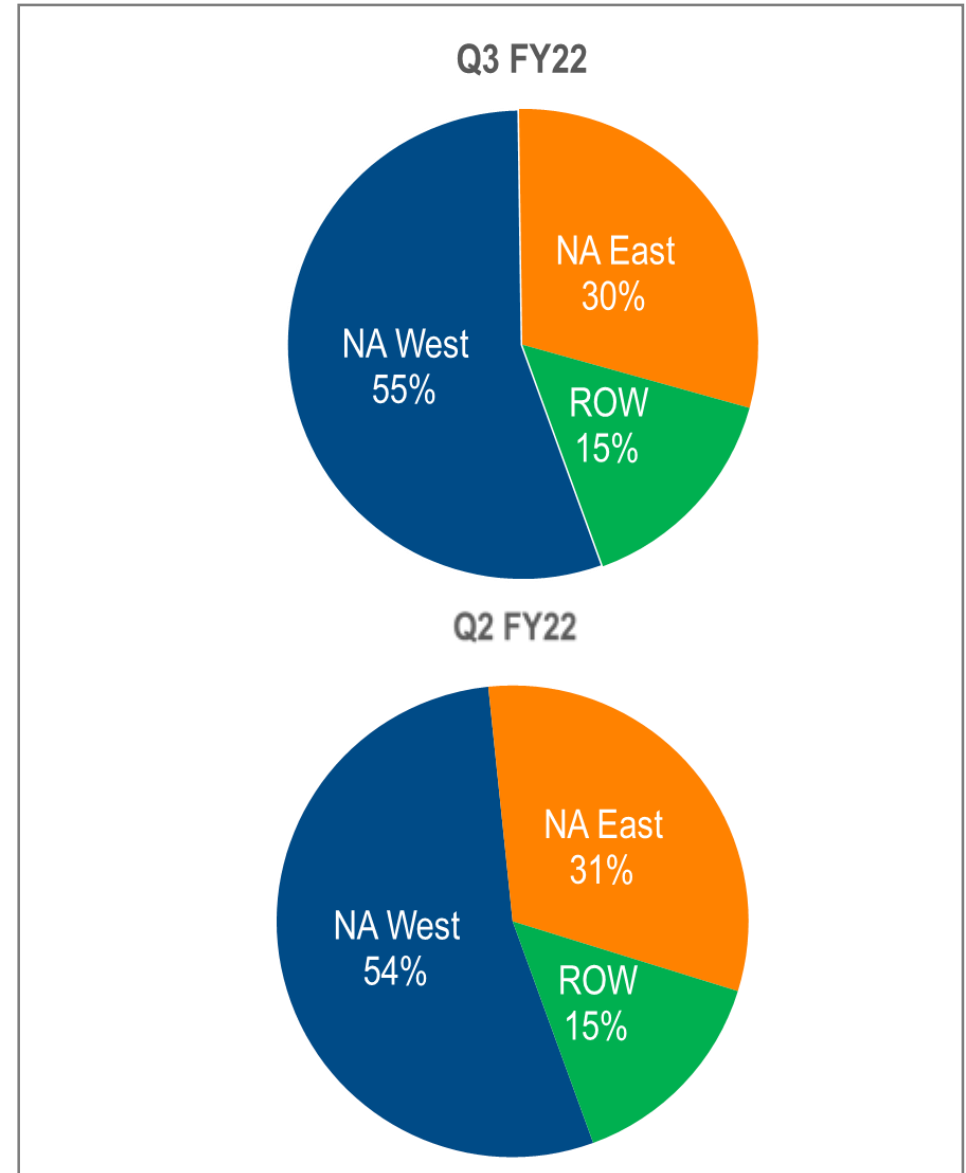
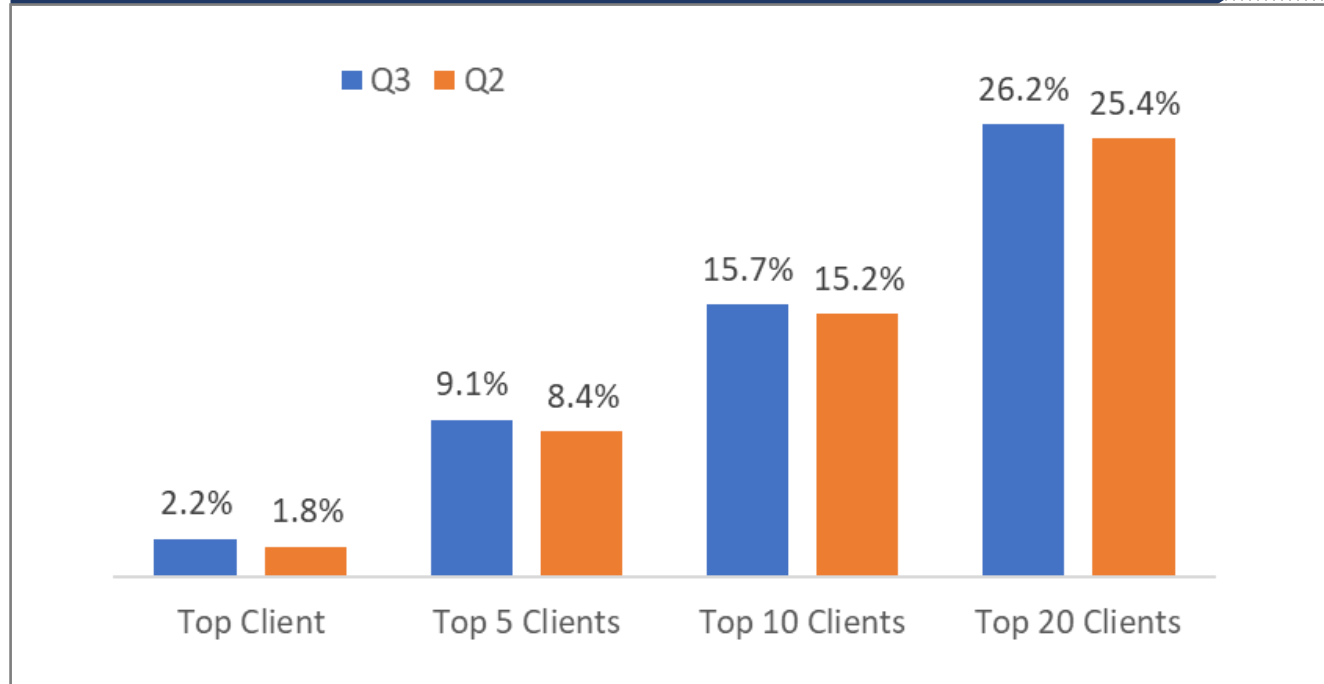


Resource Mix

Revenue Mix

FY: 2021-22	Revenue Mix		Resource Mix	
	Onsite	Offshore	Onsite	Offshore
Q2	50.4%	49.6%	21.2%	78.8%
Q3	50.3%	49.7%	21.9%	78.1%

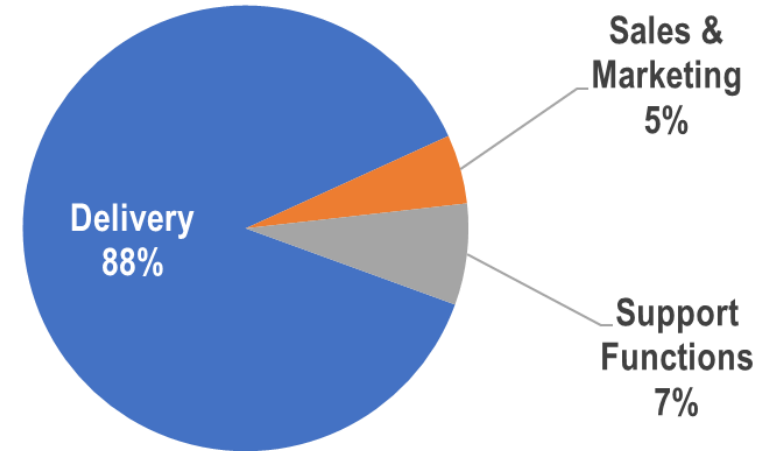
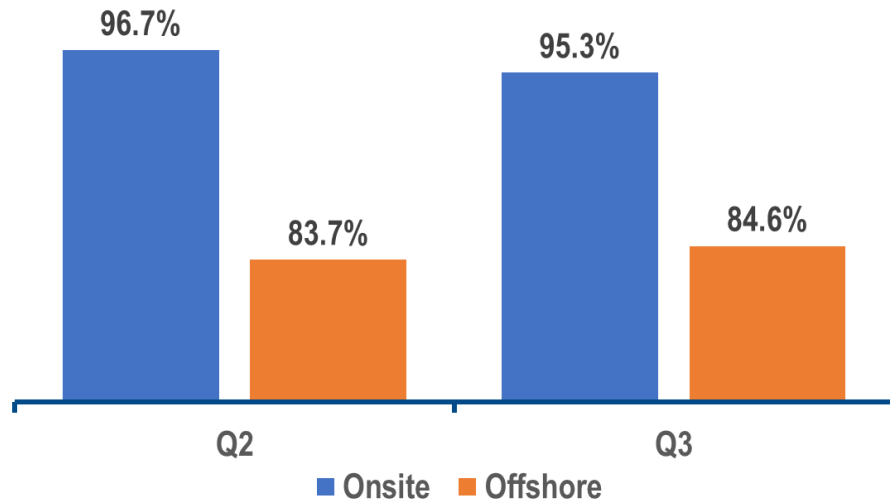
CLIENT CONTRIBUTION TO REVENUE (%)



ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q3 FY22	Q2 FY22
Number of Active Clients	235	231
New Clients Added	18	16

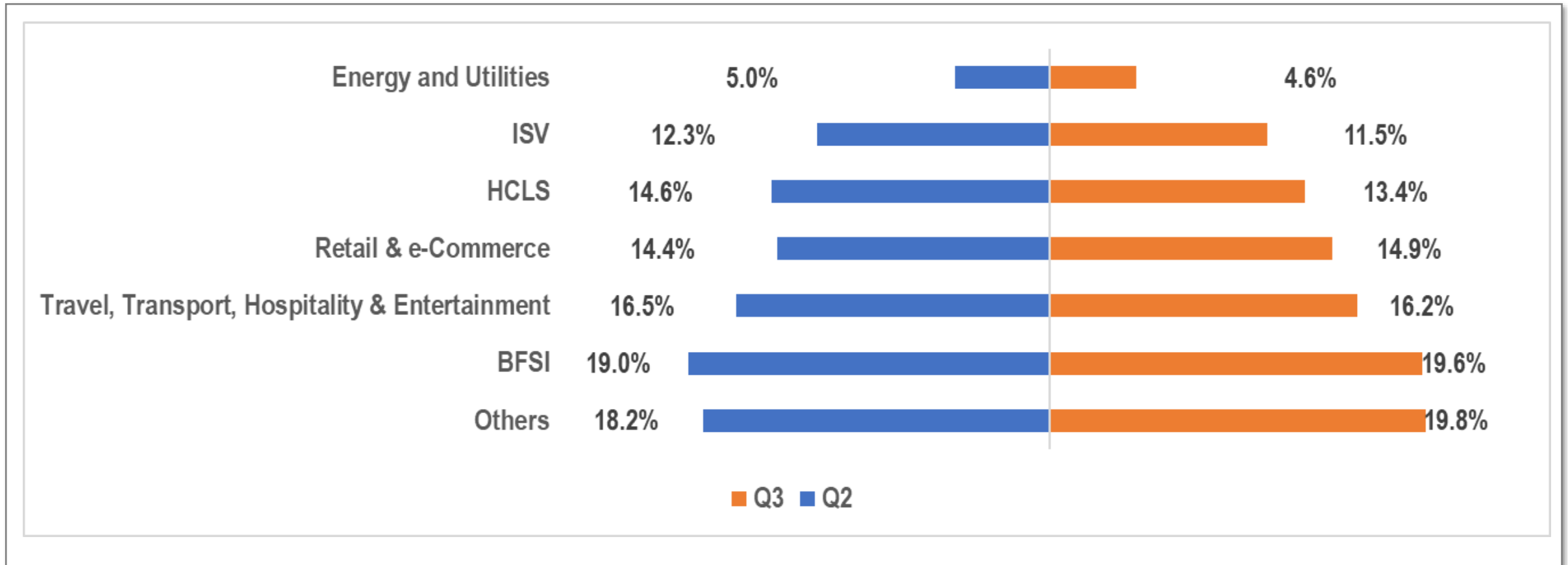
UTILIZATION



Utilization	Q3 FY22	Q2 FY22
Onsite	95.3%	96.7%
Offshore	84.6%	83.7%

Resource Mix	Q3 FY22	Q2 FY22
Onsite	21.9%	21.2%
Offshore	78.1%	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



Awards & Recognitions

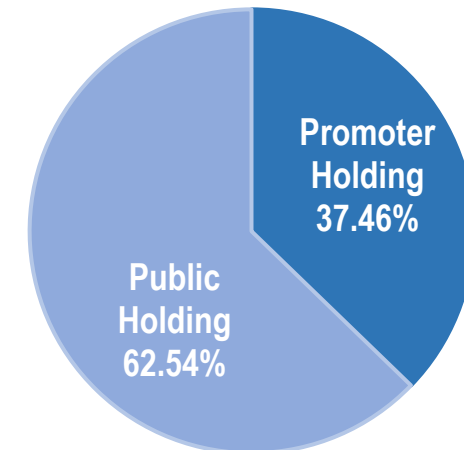
- » World's leading independent Quality Engineering & Software Testing services company
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified
- » Forrester recognizes Cigniti as a Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti 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 (Dec '21)



Financial Highlights Q3FY22- Consolidated

All values are in INR Million

Particulars	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	3,254	3,079	2,239	5.7%	45.4%
Revenue from operations (\$M)	43.86	42.15	30.49		
<u>Expenses</u>					
Employee benefit expense	1,929	1,807	1,332	6.8%	44.8%
Other expenses	921	953	588	-3.4%	56.8%
EBITDA	404	319	319	26.7%	26.6%
% EBITDA	12.4%	10.4%	14.3%		
Depreciation & Amortization	43	37	31	16.9%	37.1%
EBIT	362	282	288	28.0%	25.4%
Other Income(Expense)	(5)	(18)	8	-72.7%	-166.7%
Finance Income	18	46	36	-59.5%	-48.9%
Finance Costs	13	12	12	15.4%	8.9%
PBT	362	298	320	21.4%	13.1%
Tax	96	76	56	26.2%	70.7%
PAT	266	222	264	19.8%	0.8%
EPS (Basic)	9.47	7.90	9.45		

Financial Highlights 9MFY22- Consolidated

All values are in INR Million

Particulars	9MFY22	9MFY21	Y-o-Y
<u>Income</u>			
Revenue from operations	8,977	6,635	35.3%
Revenue from operations (\$M)	122	90	
<u>Expenses</u>			
Employee benefit expense	5,391	3,875	39.1%
Other expenses	2,619	1,638	59.9%
EBITDA	967	1,122	-13.9%
% EBITDA	10.8%	16.9%	
Depreciation & Amortization	113	91	22.7%
EBIT	854	1,031	-17.1%
Other Income(Expense)	(19)	39	-148.9%
Finance Income	101	82	22.9%
Finance Costs	36	44	-19.6%
PBT	900	1,108	-18.7
Tax	208	301	-30.6%
PAT	692	807	-14.3%
EPS (Basic)	24.66	28.96	

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 Consolidated Balance Sheet

All values are in INR Million

Particulars	H1FY22	FY21	Particulars	H1FY22	FY21
Property Plant & equipment	216	167	Equity & Liabilities		
Right-to-use asset	176	217	Equity share capital	281	280
Goodwill	549	549	Other equity	3,822	3,443
Capital WIP	-	-	Sub total	4,103	3,723
Other intangible assets	-	-	Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	212	205
Loans	-	51	Borrowings	-	-
Other non-financial assets	-	-	Long term provisions	161	123
Deferred tax assets net	63	53	Deferred tax liability	-	-
Other non current assets	206	-			
Sub total	1,210	1,037	Sub total	373	328
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	871	804	Short term borrowings	329	161
Loans	-	6	Trade payables	762	627
Trade receivables	1,908	1,577	Lease Obligation	37	91
Cash and cash equivalent	313	256	Other current financial liabilities	4	29
Other Bank balances	967	1,023	Short term provisions	59	26
Other current financial assets	475	466	Current tax liability, net	196	183
Current tax assets net	14	26	Other current liabilities	160	153
Other current assets	265	126			
Sub total	4,813	4,284	Subtotal	1,547	1,270
Total	6,023	5,321	Total	6,023	5,321

All Figures in INR Mn.	9M' FY22	FY 2021
Profit before tax	900	1,411
(+/-) Non-cash & non operating Items	139	93
Operating Profit before WC Changes	1,039	1,504
(+/-) DSO Movement (Receivables)	(410)	60
(+/-) Other charges	(49)	160
Operating CF after WC changes	580	1,724
Less: Taxes	(202)	(276)
Less: Capex	(130)	(32)
Free cash flow generated	248	1,417
EBITDA	967	1,455
FCF to EBITDA Conversion	26%	97%

Cash Generation

- ❖ Cash and cash equivalents (including short-term fixed deposits) at 1,151 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 1,239 Mn.
- ❖ After setting off cash credit facility 267 Mn; the total Cash Surplus is as at 2,122 Mn.

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