

Cigniti Technologies Ltd.

Investor Update

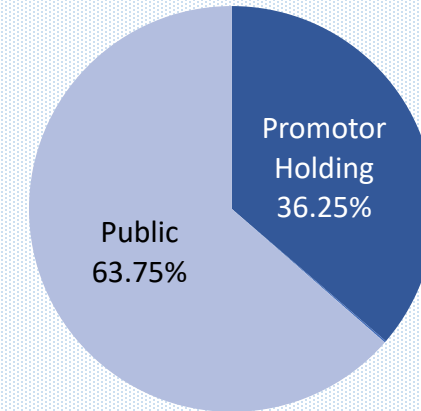
Q3 & 9M FY20

Cigniti is a globally recognized player in Specialized Quality Engineering Services and an emerging leader with Digital offerings

Business Overview

- Founded in 1998, Cigniti is a global player in Specialized Quality Engineering Services
- It offers **Services** including Traditional Quality Assurance & Testing, Quality Engineering, Digital Testing and many more services
- 2500+ Employees worldwide, 2000+ testers
- 200+ Active customers including 50+ Fortune 500 Customers
- Differentiator: IP led approach to digital through **BlueSwan** Platform
- **Key Verticals:** BFSI, Travel & Hospitality, HealthCare

Share Holding Pattern (Dec'19)



Awards & Recognitions

- **World's first** Independent Quality Engineering Services Company to be appraised at CMMI-SVC v1.3, Maturity Level 5, and we also are ISO 9001:2015 & ISO 27001:2013 certified
- Positioned as a **'Star Performer'** and **'Major Contender'** in the Everest Group PEAK Matrix. 3 years in a row.
- Positioned in **Gartner's Magic Quadrant** for Application Testing Services, Worldwide for 4 years in a row.
- Recognized as a Leader by **NelsonHall** in NEAT charts for Software Testing.

Customers

A strong client base of 200+ Active Customers



Partners

Deeply interconnected in rich ecosystems



Cigniti: A Global Leader in Specialized Quality Engineering Services

Financial Overview

Business Metrics Q3FY20

Revenues: 216.75 Cr.

EBITDA: 28.62 Cr.

PAT: 28.11 Cr.

Business Metrics 9MY20

Revenues: 638.03 Cr.

EBITDA: 97.14 Cr.

PAT: 92.34 Cr.

Q3 & 9M FY20 Operational Highlights

- ❖ The Company's Revenue from operations for the quarter under consideration stood at Rs. 216.75 crore as against Rs. 209.97 crore in Q3FY19 on a consolidated basis
- ❖ EBITDA for the December quarter was at Rs. 28.62 crore and EBITDA margin stood at 13.2%.
- ❖ The company's Net Profit for Q3FY20 stood at Rs. 28.12 crore on a consolidated basis.
- ❖ Other income includes net foreign exchange gain of Rs. 183.51 lakhs and net foreign exchange gain of Rs. 86.89 lakhs for the quarter and nine month ended December 31, 2019 respectively

Company Overview

Headquartered in Hyderabad, India, Cigniti is North America's largest Independent Quality Engineering Services company with operations in 13 countries. It offers wide variety of QA testing services including Testing Advisory & consulting leveraging IP (BlueSwan) for Digital transformation.



Awards & Recognitions



Partners



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
- Robotics Automation
- Mobile Testing
- Customer Experience Testing

Board Members





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

- Mr. 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 (North America West)

- Mr. 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 (North America East)

- Mr. 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



Raghu Krovvidy, EVP – Delivery, Process & ESG

- Mr. 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 – 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



Nanda Padmaraju, SVP – ROW

- Mr. 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



Rajesh Sarangapani, VP – Delivery, Practices

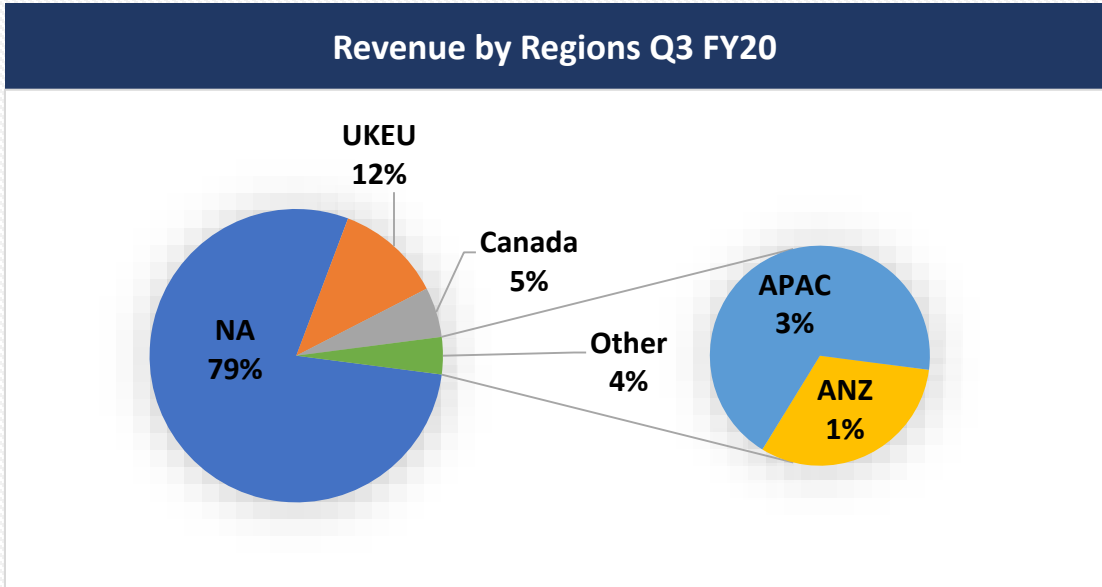
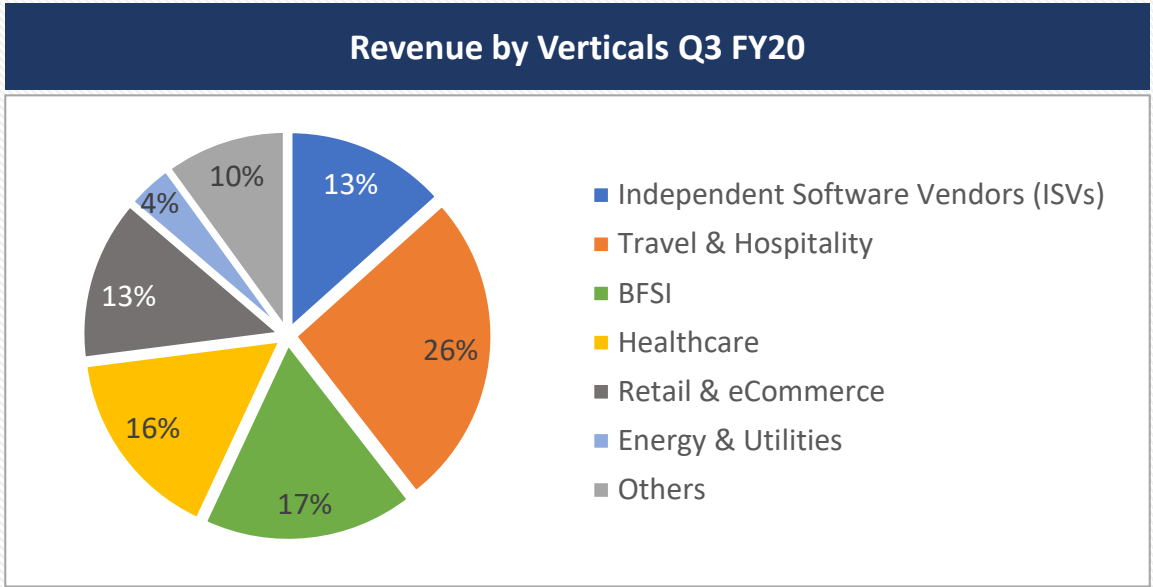
- Mr. Rajesh manages technology COE's and Innovation. Over 20 Years of experience in software testing
- Previous experience: Accenture, AppLabs, Amundi Pioneer, Virtusa & Baan



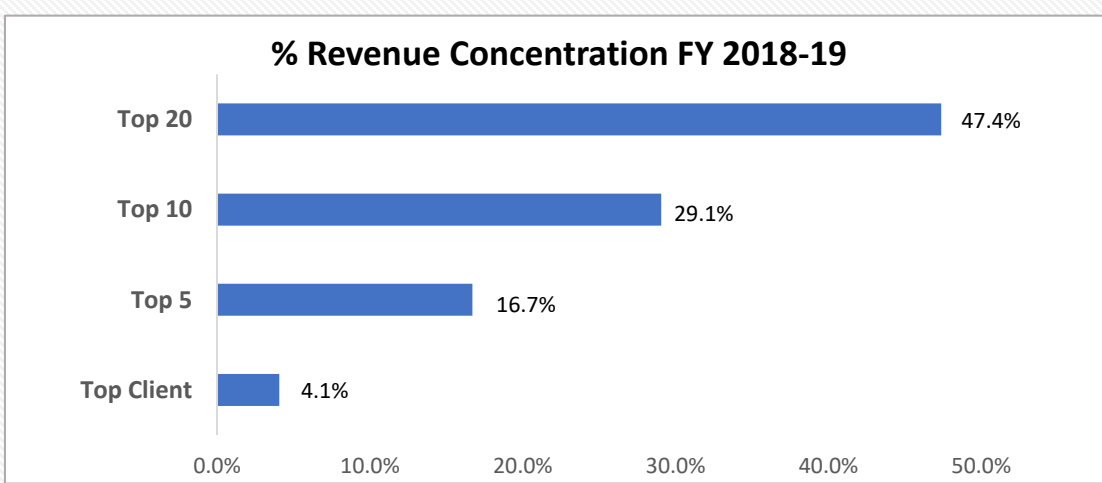
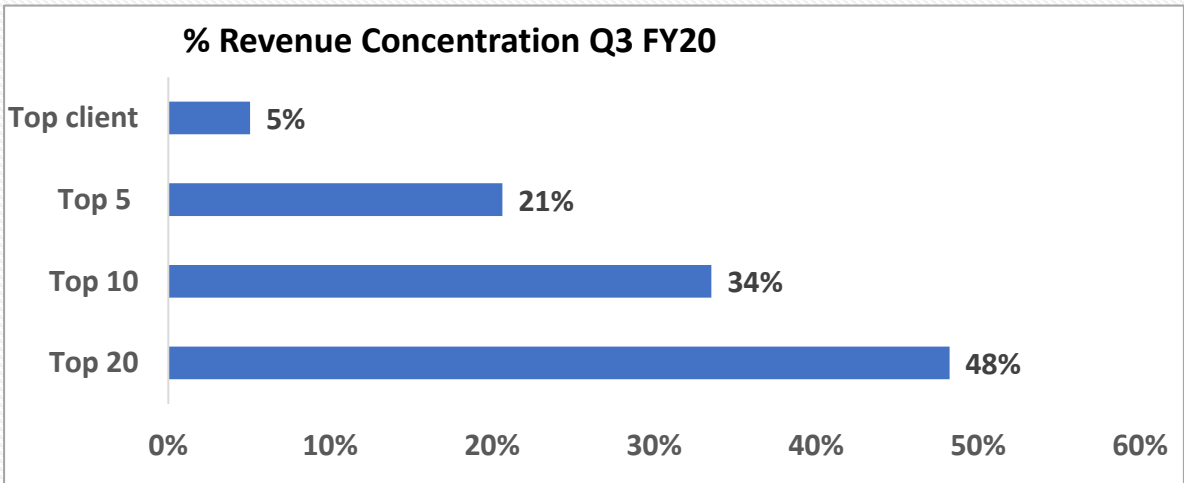
Subhendu Pattnaik, AVP – Marketing & IST

- 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

Diversified Client base Leading to Better Stability



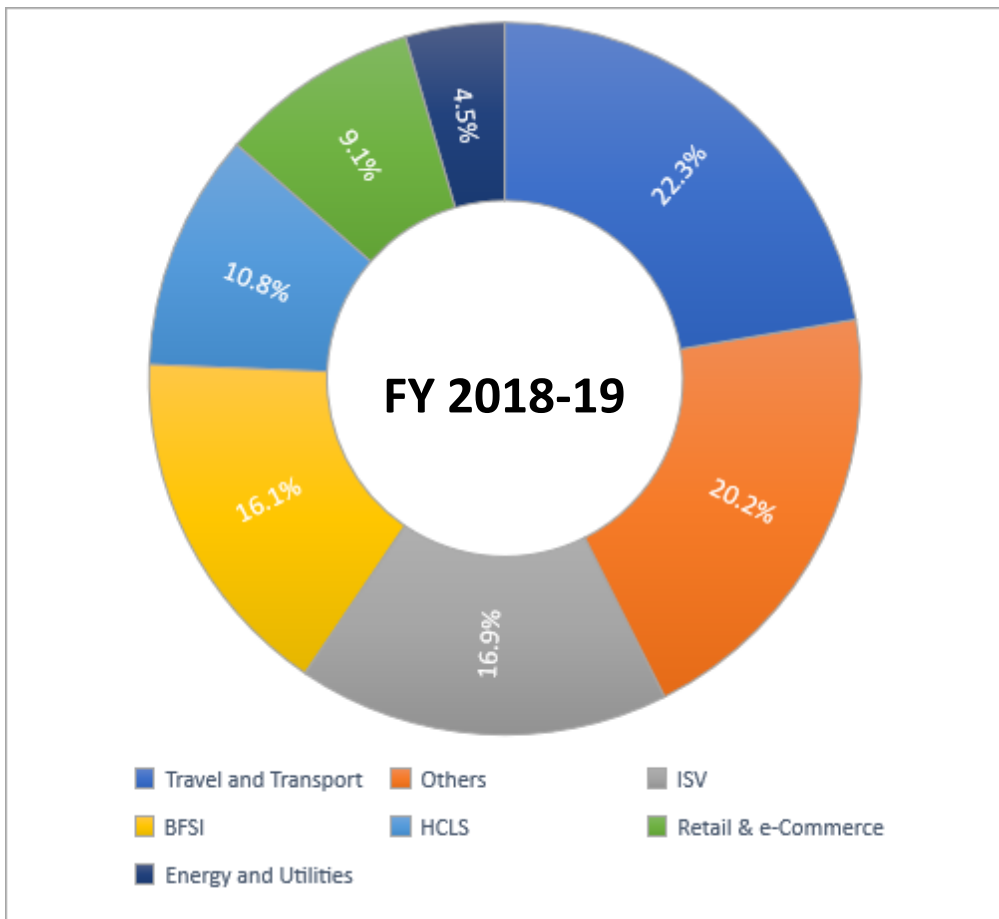
The revenue concentration in top accounts has decreased significantly from FY18 to FY19, implying higher revenue stability in future



Marquee Clients Across Industry Verticals

In high-spend Industry verticals, Cigniti has marquee clients.

Diversified revenue profile across industry verticals...



Verticals	Key Clients
BFSI	
Energy & Utilities	
Healthcare & Life Sciences	
Travel & Hospitality	
Media & Technology	
Retail & e-commerce	

Financial Highlights Q3 FY20

(in Millions)	Q3FY20	Q2FY20	Q3FY19	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	2,167	2,146	2100	1%	3%
Revenue from operations (\$M)	30.91	30.54	30		
<u>Expenses</u>					
Employee benefit expense	1,289	1,279	1189	1%	8%
Other expenses	592	498	524	19%	13%
EBITDA	286	369	387		
% EBITDA	13.2%	17.2%	18.43%		
Depreciation & Amort	28	29	9	-3%	209%
EBIT	258	340	378		
Other Income(Expense)	37	53	-32	-12%	-215%
Finance Income	19	12	2	5%	821%
Finance Costs	20	19	27	4%	-26%
PBT	294	374	321		
Tax	13	17	33	-21%	-59%
PAT	281	357	288		
EPS (Basic)	10.15	12.91	10.47		

All values are in INR Million

Financial Highlights 9M FY20

(in Millions)	9MFY20	9MFY19	Y-o-Y
<u>Income</u>			
Revenue from operations	6,398	6,096	5%
Revenue from operations (\$M)	91	87	
<u>Expenses</u>			
Employee benefit expense	3,834	3,538	8%
Other expenses	1,584	1,523	4%
EBITDA	971	1,036	
% EBITDA	15.2%	17%	
Depreciation & Amort	85	23	269%
EBIT	886	1,013	
Other Income(Expense)	111	259	-56%
Finance Income	39	5	754%
Finance Costs	60	101	-41%
PBT	976	1,175	
Tax	53	---	---
PAT	923	1,175	
EPS (Basic)	33.36	42.82	

All values are in INR Million--* nine months FY 20 includes Rs 56 m of export incentive as against Rs 190m for 9 months ended FY 19

Cigniti's Income statement

	FY16	FY17	FY18	FY19	9M FY20
<u>Income</u>					
Revenue from operations	5,948	6,193	6,933	8,161	6,398
Revenue from operations (\$M)	90	94	108	117	91
<u>Expenses</u>					
Employee benefit expense	3,937	4,513	4,701	4,754	3,834
Other expenses	1,032	1,900	1,715	2,080	1,584
EBITDA	979	-221	517	1,327	971
% EBITDA	16.5%	-3.6%	7.5%	16.2%	15.2%
Depreciation & Amort	113	170	27	31	85
EBIT	867	-390	490	1,296	886
Other Income	33	3	9	272	150
Finance costs	60	161	170	146	60
PBT (before exceptional items)	840	-548	320	1,422	976
Exceptional items	-	-3,321	-	-	-
PBT	840	-3,869	329	1,422	976
Tax	344	79	8	(52)	53
PAT	497	-3,948	322	1,474	923
EPS (Basic)	19.9	-151.1	12.1	53.6	33.36

All values are in INR Million- * Nine month

Cigniti's Balance Sheet

All values are in INR Million

	2016	2017	2018	2019	H1 FY20
Property Plant & equipment	285	88	69	136	141
Right-to-use asset	-	-	-	-	326
Goodwill	549	549	549	549	549
Capital WIP	643	-	-	-	-
Other intangible assets	581	-	-	-	-
Financial assets					
Loans	38	35	34	42	30
Other non-financial assets	-	2	2	-	-
Deferred tax assets net	10	50	-	-	-
Other non current assets	1,251	15	14	-	-
Sub total	3,357	739	667	727	1,046
Current assets					
Financial assets					
Investment	-	-	-	-	171
Loans	5	170	178	10	20
Trade receivables	1,115	1,035	1,147	1,237	1,276
Cash and cash equivalent	40	158	179	615	173
Other Bank balances	2	4	4	1	-
Other current financials assets	2	1	121	313	1,118
Current tax assets net	19	14	3	45	52
Other current assets	1,624	159	82	127	190
Sub total	2,806	1,540	1,714	2,348	3,000
Total	6,163	2,279	2,380	3,075	4,046

	2016	2017	2018	2019	H1 FY20
Equity & Liabilities					
Equity share capital	255	265	272	277	277
Other equity	3,126	-673	-204	1,231	1,819
Sub total	3,381	-408	69	1,507	2,096
Non-current liabilities					
Financial liabilities					
Lease Obligation	-	-	-	-	323
Borrowings	-	204	148	-	-
Long term provisions	28	52	65	75	75
Deferred tax liability	24	-	-	-	-
Sub total	52	256	213	75	398
Current liabilities					
Financial liabilities					
Short term borrowings	1,184	1,188	1,110	737	740
Trade payables	992	523	542	562	539
Lease Obligation	-	-	-	-	76
Other current financial liabilities	-	62	65	22	17
Short term provisions	12	15	18	29	29
Current tax liability, net	364	291	162	11	17
Other current liabilities	178	351	201	132	134
Subtotal	2,731	2,431	2,099	1,493	1,552
Total	6,163	2,279	2,380	3,075	4,046

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