

Cigniti Technologies Ltd.

Investor Update

Q4 & FY20

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

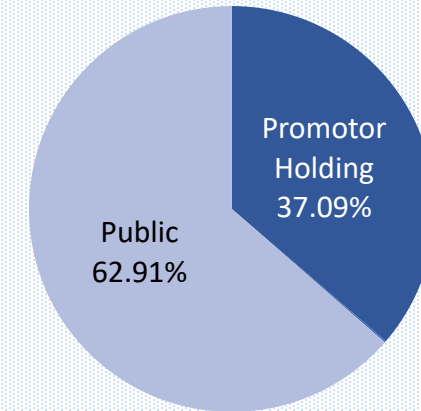
Business Overview

- 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
- 2300+ Employees worldwide, 1900+ testers
- 300+ Active customers including 50+ Fortune 500 Customers
- Differentiator: IP led approach to digital through **BlueSwan** Platform
- **Key Verticals:** BFSI, Travel & Hospitality, HealthCare, ISV, Retail & e-commerce

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. 4 years in a row.
- Positioned in **Gartner's Magic Quadrant** for Application Testing Services, Worldwide for 5 years in a row.
- Recognized as a Leader by **NelsonHall** in NEAT charts for Software Testing.

Share Holding Pattern (Mar'20)



Customers

A strong client base of 200+ Active Customers



Partners

Deeply interconnected in rich ecosystems



Financial Overview

Business Metrics Q4FY20

Revenues: 233.04 Cr

EBITDA: 31.55 Cr

PAT: 29.26 Cr.

Business Metrics FY20

Revenues: 871.97 Cr

EBITDA: 128.69 Cr

PAT: 121.60 Cr.

Q4 & FY20 Operational Highlights

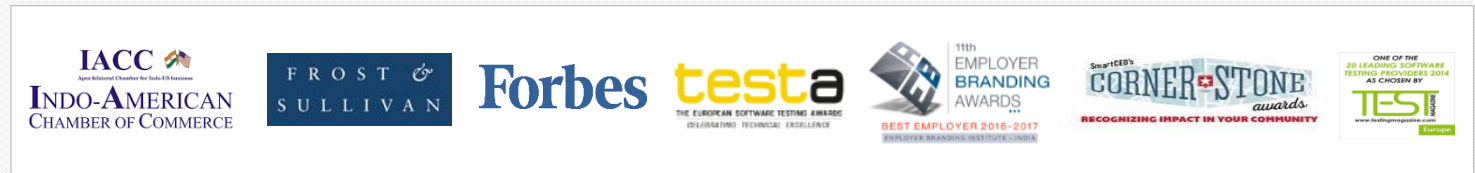
- ❖ The Company's Revenue from operations for the quarter under consideration stood at Rs. 233.04 crore as against Rs. 216.75 crore in Q3FY19 on a consolidated basis
- ❖ EBIDTA for the March quarter was at Rs. 31.55 crore and EBIDTA margin stood at 13.5%.
- ❖ The company's Net Profit for Q4FY20 stood at Rs. 29.26 crore on a consolidated basis.
- ❖ Other income includes net foreign exchange loss of Rs. 169.51 lakhs and export incentive of Rs. 566.71 lakhs for the quarter; and net foreign exchange loss Rs. 82.62 lakhs and export incentive of Rs.1,127.62 lakhs for the year ended March 31, 2020 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
- Testing leveraging AI
- Blockchain Testing
- Omni and Multi-Channel Testing
- Robotic Process Automation
- Mobile Testing
- Customer Experience Testing



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

- 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



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



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



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



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



Raghu Krovvidy, EVP & Head, Global Delivery & Solutioning

- 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



Ramana Vemuri, VP - Operations

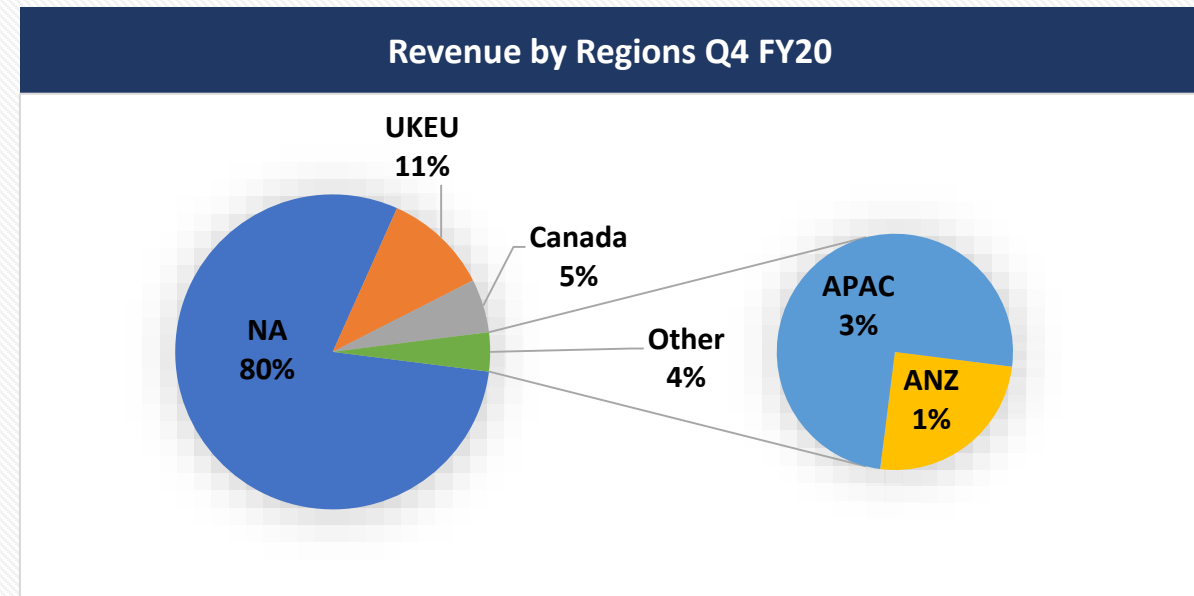
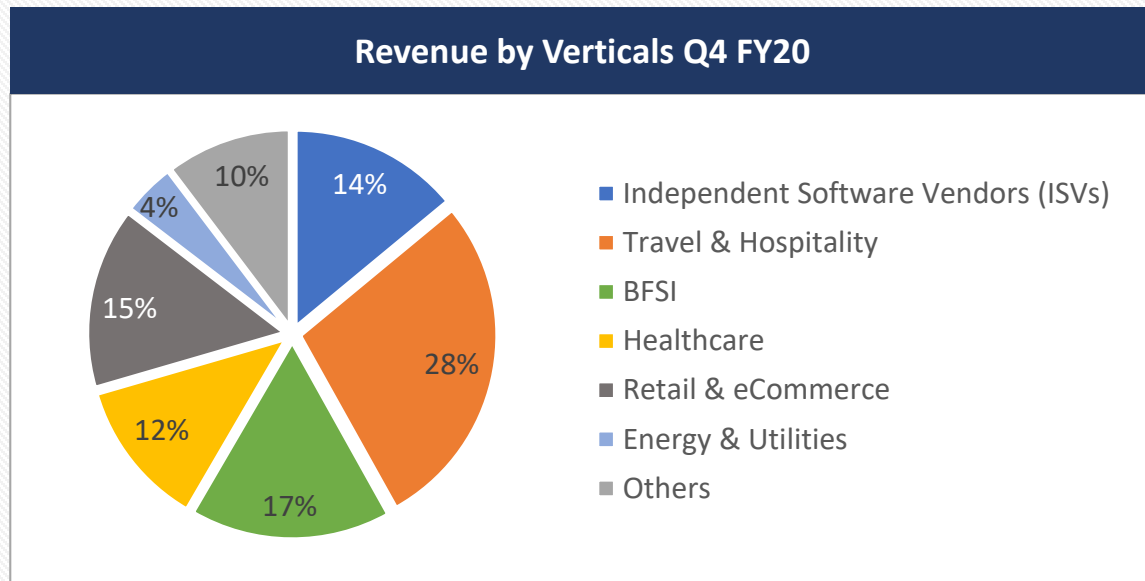
- Mr. Ramana heads the Process/HR/ICT/Corporate Service functions at Cigniti. Has 20+ years of experience spanning financial markets, software product development and project management
- Previous experience: AppLabs Technologies



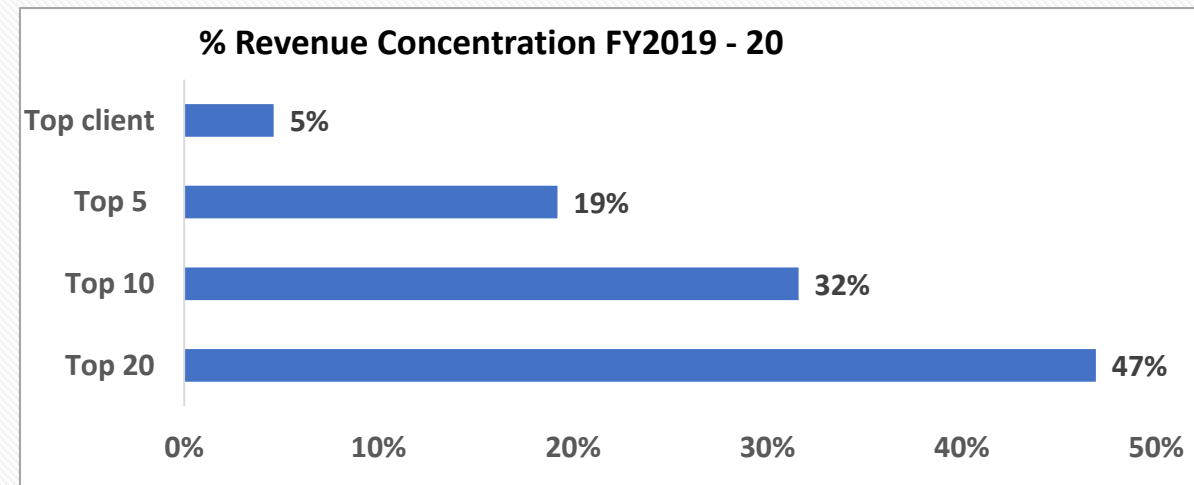
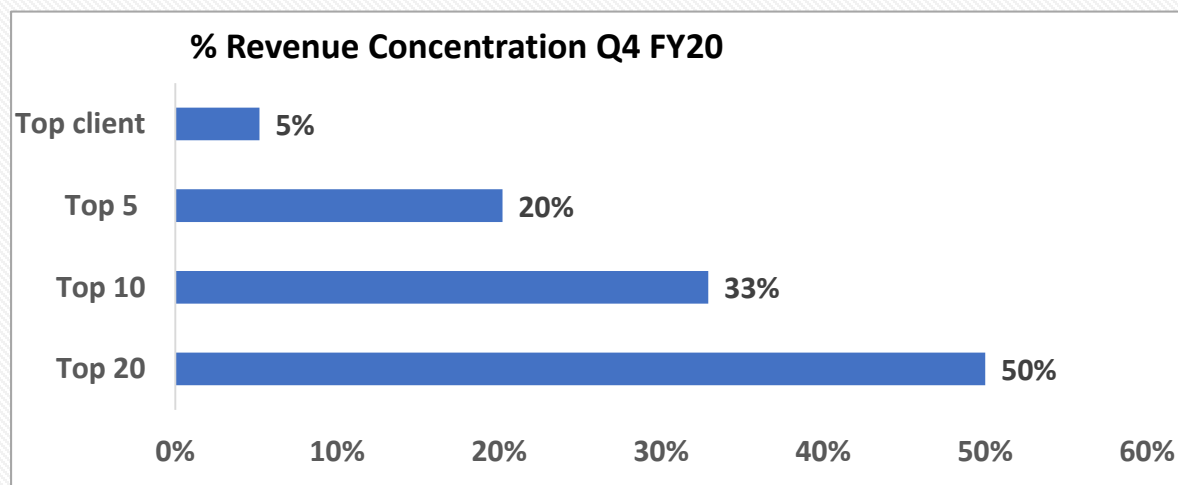
Subhendu Pattnaik, AVP – Marketing & IST

- Subhendu heads Global Marketing & Demand Generation. 16+ years of experience & proven track record in leading 360-degree strategic marketing
- Previous experience: Infosys, Tata BSS, FINO, Mindfire

Diversified Client base Leading to Better Stability

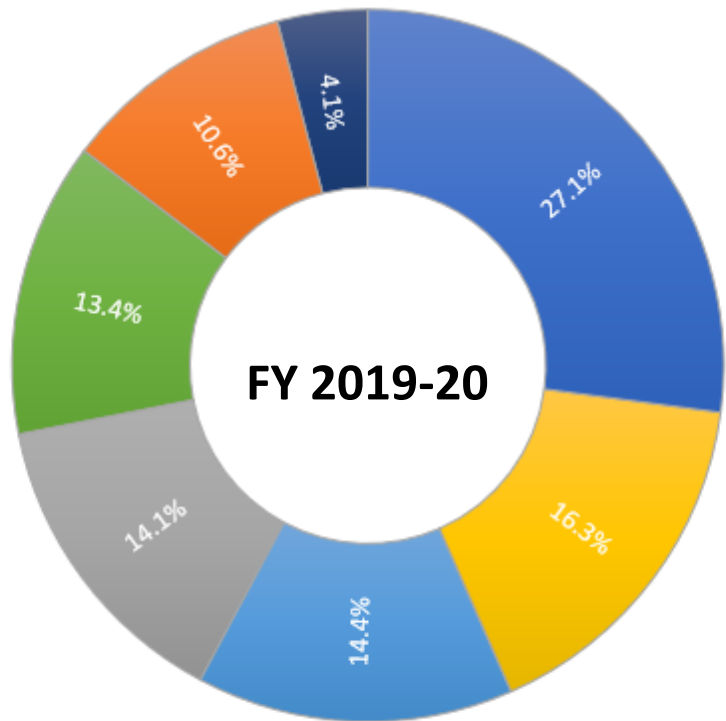


The revenue concentration in top accounts has decreased significantly from FY19 to FY20, implying higher revenue stability in future



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

Diversified revenue profile across industry verticals...



- Travel and Transport
- Others
- ISV
- BFSI
- HCLS
- Retail & e-Commerce
- Energy and Utilities

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

Financial Highlights Q4 FY20

(in Millions)	Q4FY20	Q3FY20	Q4FY19	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	2,330	2,167	2,064	8%	13%
Revenue from operations (\$M)	32.27	30.91	27.25		
<u>Expenses</u>					
Employee benefit expense	1,355	1,289	1,216	5%	11%
Other expenses	660	592	560	11%	18%
EBITDA	315	286	288	10%	9%
% EBITDA	13.5%	13.2%	14.0%		
Depreciation & Amortisation	30	28	8	7%	253%
EBIT	285	258	280	11%	2%
Other Income(Expense)	47	37	9	26%	396%
Finance Income	20	19	3	18%	480%
Finance Costs	20	20	45	(1%)	(56%)
PBT	332	294	247	13%	34%
Tax	39	13	-51	194%	NM
PAT	293	281	299	4%	(2%)
EPS (Basic)	10.52	10.15	10.82		

(in Millions)	FY20	FY19	Y-o-Y
<u>Income</u>			
Revenue from operations	8,720	8,161	7%
Revenue from operations (\$M)	124	117	
<u>Expenses</u>			
Employee benefit expense	5,190	4,754	9%
Other expenses	2,243	2,080	8%
EBITDA	1,287	1,327	(3%)
% EBITDA	14.8%	16.2%	
Depreciation & Amortisation	115	31	265%
EBIT	1,172	1,296	(10%)
Other Income(Expense)	158	264	(40%)
Finance Income	58	8	636%
Finance Costs	80	146	(45%)
PBT	1,308	1,422	(8%)
Tax	92	-52	NM
PAT	1,216	1,474	(17%)
EPS (Basic)	43.87	53.62	

All values are in INR Million

(in Millions)	FY16	FY17	FY18	FY19	FY20
<u>Income</u>					
Revenue from operations	5,948	6,193	6,933	8,161	8,720
Revenue from operations (\$M)	90	94	108	117	124
<u>Expenses</u>					
Employee benefit expense	3,937	4,513	4,701	4,754	5,190
Other expenses	1,032	1,900	1,715	2,080	2,243
EBITDA	979	-221	517	1,327	1,287
% EBITDA	16.5%	-3.6%	7.5%	16.2%	14.8%
Depreciation & Amort	113	170	27	31	115
EBIT	867	-390	490	1,296	1,172
Other Income	33	3	7	264	158
Finance Income	-	-	2	8	58
Finance costs	60	161	170	146	80
PBT (before exceptional items)	840	-548	320	1,422	1,308
Exceptional items	-	-3,321	-	-	-
PBT	840	-3,869	329	1,422	1,308
Tax	344	79	8	-52	92
PAT	497	-3,948	322	1,474	1,216
EPS (Basic)	19.9	-151.1	12.1	53.6	43.87

Cigniti's Balance Sheet

All values are in INR Million

	2016	2017	2018	2019	2020
Property Plant & equipment	285	88	69	136	172
Right-to-use asset	-	-	-	-	299
Goodwill	549	549	549	549	549
Capital WIP	643	-	-	-	-
Other intangible assets	581	-	-	-	-
Financial assets					
Loans	38	35	34	42	51
Other non-financial assets	-	2	2	-	35
Deferred tax assets net	10	50	-	-	-
Other non current assets	1,251	15	14	-	-
Sub total	3,357	739	667	727	1,106
Current assets					
Financial assets					
Investment	-	-	-	-	489
Loans	5	170	178	10	7
Trade receivables	1,115	1,035	1,147	1,237	1,644
Cash and cash equivalent	40	158	179	615	76
Other Bank balances	2	4	4	1	795
Other current financial assets	2	1	121	313	490
Current tax assets net	19	14	3	45	26
Other current assets	1,624	159	82	127	166
Sub total	2,806	1,540	1,714	2,348	3,693
Total	6,163	2,279	2,380	3,075	4,799

	2016	2017	2018	2019	2020
Equity & Liabilities					
Equity share capital	255	265	272	277	278
Other equity	3,126	-673	-204	1,231	2,394
Sub total	3,381	-408	69	1,507	2,672
Non-current liabilities					
Financial liabilities					
Lease Obligation	-	-	-	-	295
Borrowings	-	204	148	-	-
Long term provisions	28	52	65	75	90
Deferred tax liability	24	-	-	-	-
Sub total	52	256	213	75	385
Current liabilities					
Financial liabilities					
Short term borrowings	1,184	1,188	1,110	737	838
Trade payables	992	523	542	562	601
Lease Obligation	-	-	-	-	82
Other current financial liabilities	-	62	65	22	14
Short term provisions	12	15	18	29	29
Current tax liability, net	364	291	162	11	49
Other current liabilities	178	351	201	132	129
Subtotal	2,731	2,431	2,099	1,493	1,742
Total	6,163	2,279	2,380	3,075	4,799

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