

Cigniti Technologies Ltd.

Investor Update

Q1FY22

Q1 FY22 Highlights

- The Company accelerated its revenue in the current quarter by 13.4% to Rs. 264.36 Cr. in comparison to previous quarter.
- The revenue growth has gained momentum with a healthy Run Rate in June of Rs. 92.54 Cr (USD 12.55 Mn.) and good order book.
- The Company during the quarter has won 28 new clients.
- Notable client addition includes two clients with a TCV (\$ 14.1 Mn.) signed on outcome-based model
- 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.
- EBITDA for the June quarter was at Rs 24.31 crore and EBITDA margin stood at 9.2%.
- The Company expanded its footprint with opening offices in Singapore and Czech Republic and representative offices in Mumbai and Chennai inline with business plan.

264.36

Revenue (INR in Cr.)

9.2%

EBITDA

7.7%

PAT

52 Days

DSO

230+

Active Clients

50+ Fortune 500 Clients

10+

Delivery Locations

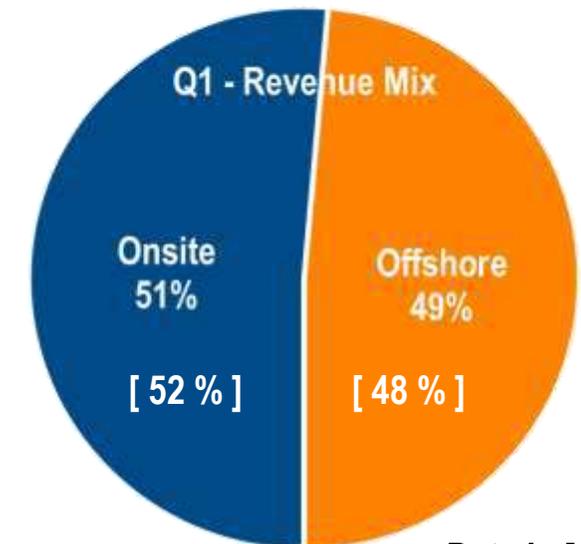
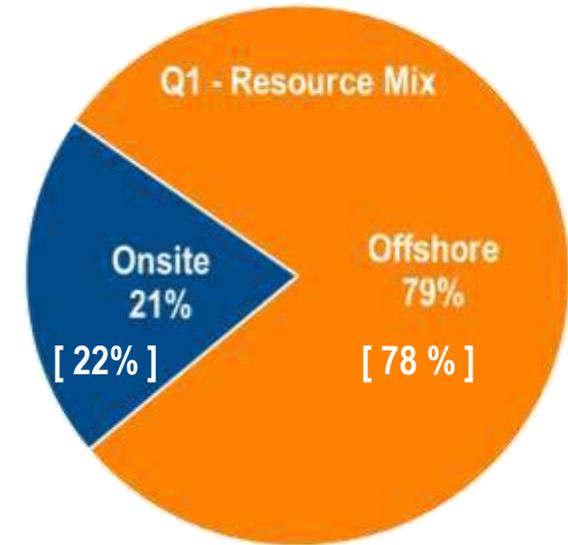
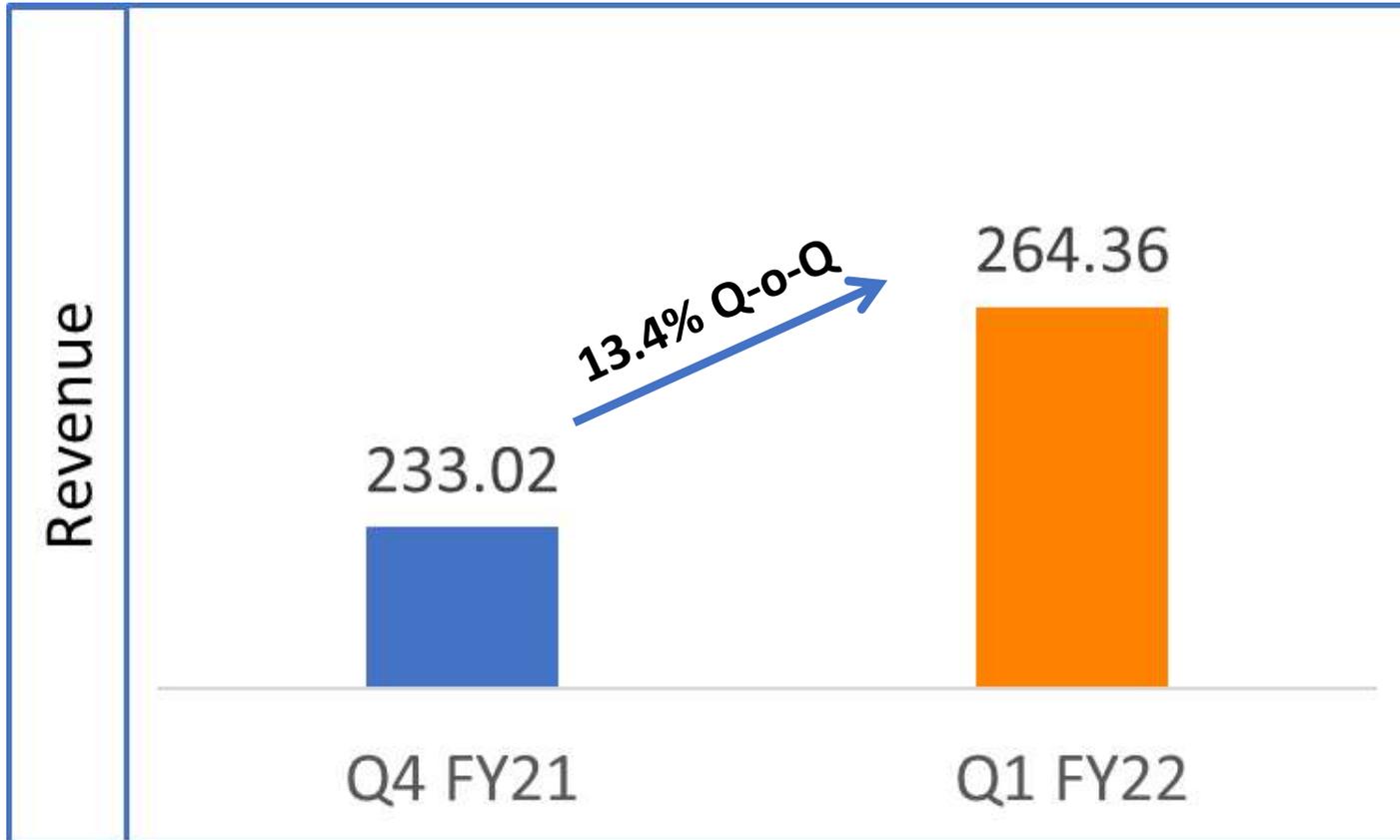
Offices in

9

Countries

3100+

Cignitians



Data in [] for Q4

EBITDA/PAT Analysis (INR in Cr.)

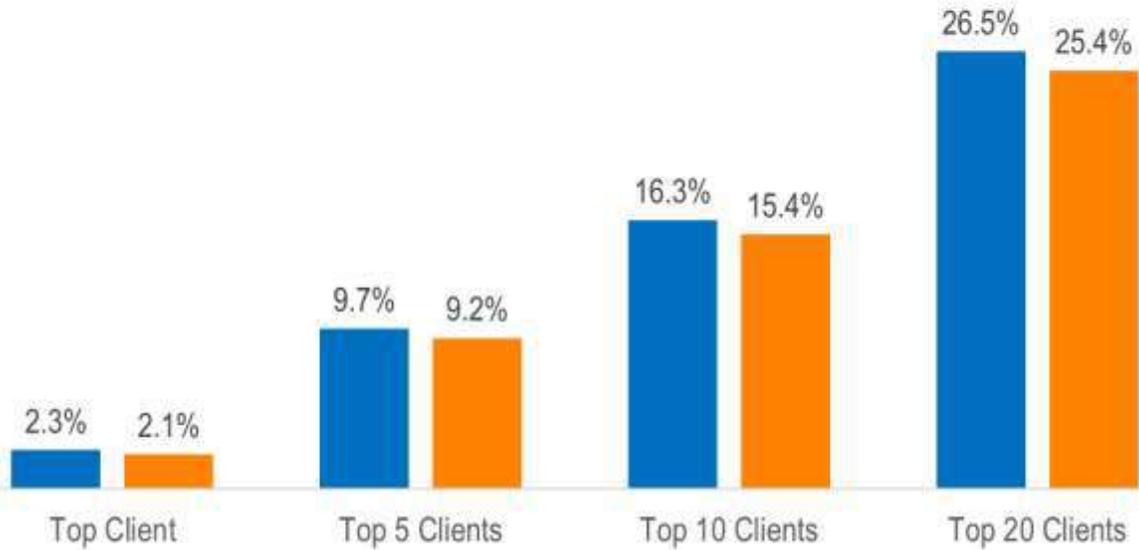


- Salary Revision/replacement of resources has resulted in approx. 3% reduction in EBITDA comparing to previous quarter.
- New Hires made for execution of outcome-based project and deployed in KT has resulted in reduction of EBITDA by 1.5%
- Hires made for COE and expenditure incurred for marketing in line with the business transformation initiatives has resulted in reduction of EBITDA approx. by 1.0%
- Normalizing the New Hires / investments the Company has made a healthy EBITDA with acceleration in Revenue
- The Company has front loaded its cost in its endeavor to accelerate as per business plan and it has mechanism in place to even this out in coming quarters.
- The Group has revised its transfer pricing model, w.e.f. April 1, 2021, wherein there is a assured return to all the subsidiaries and Cigniti India retains the residual return as per the functions performed by Cigniti India and its subsidiaries.
- The company has started adopting new tax regime in India from current financial year.

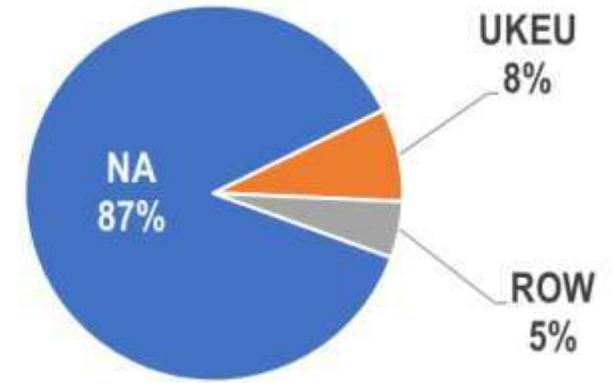
Client Composition / Geography Mix of Revenue

CLIENT CONTRIBUTION TO REVENUE (%)

■ Q4 FY21 ■ Q1 FY22



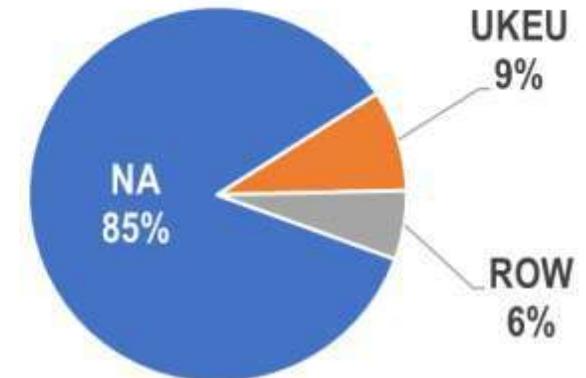
Q4 FY21



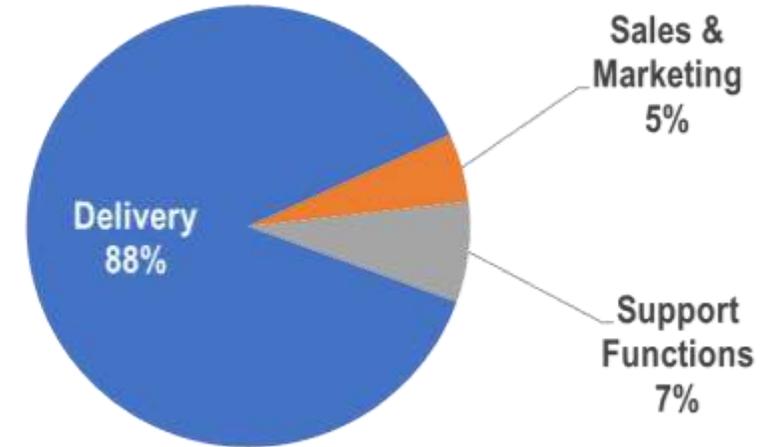
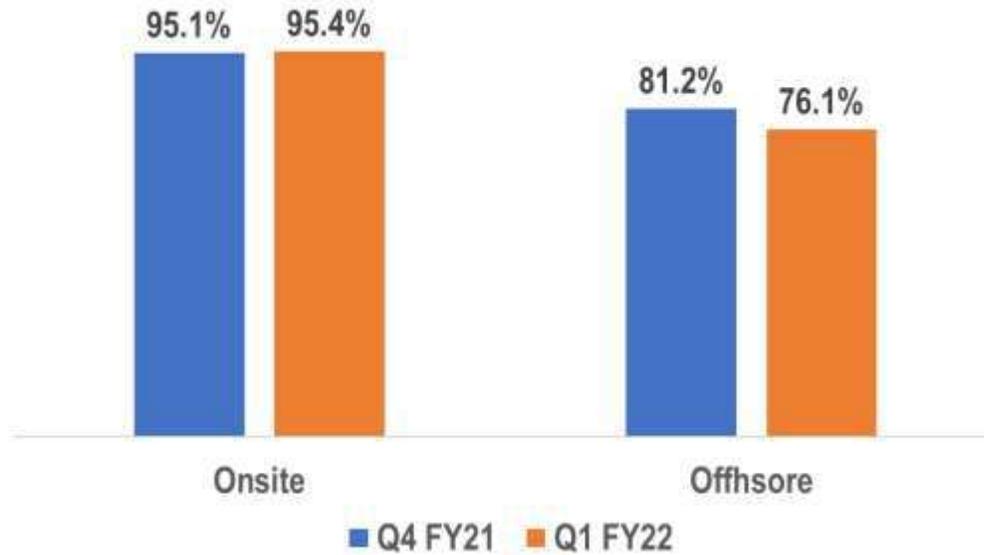
ACTIVE CLIENTS AND NEW CLIENTS

| Clients | Q4 FY21 | Q1 FY22 |
|--------------------------|---------|---------|
| Number of Active Clients | 218 | 233 |
| New Clients Added | 22 | 28 |

Q1 FY22



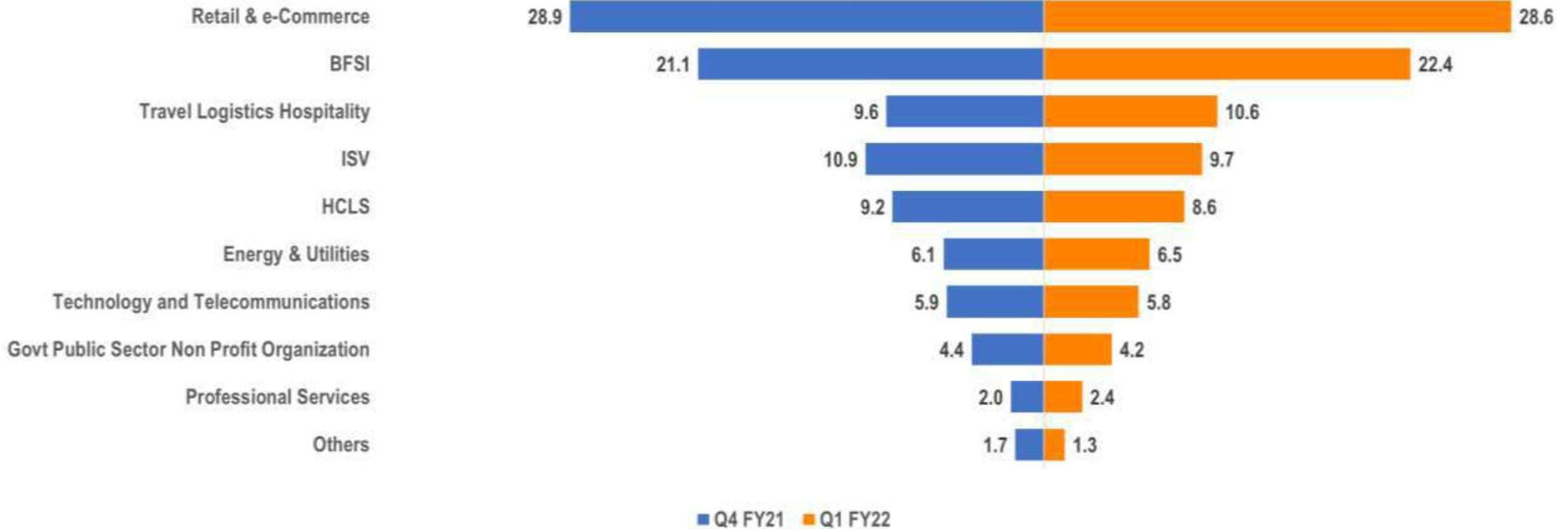
UTILIZATION



| Utilization | Q4 FY21 | Q1 FY22 |
|-------------|---------|---------|
| Onsite | 95.1% | 95.4% |
| Offshore | 81.2% | 76.1% |

| Resource Mix | Q4 FY21 | Q1 FY22 |
|--------------|---------|---------|
| Onsite | 22.1% | 20.8% |
| Offshore | 77.9% | 79.2% |

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



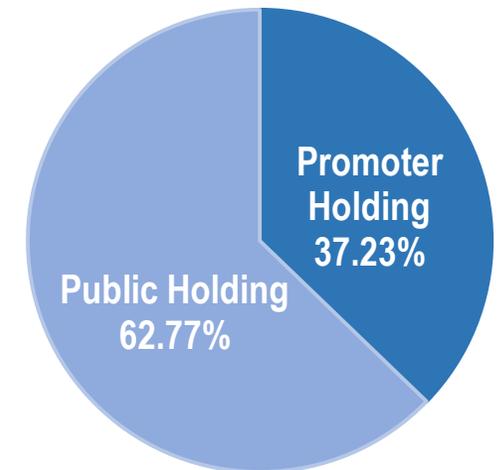
- IoT Assurance
- Cloud Assurance
- Omni and Multi-Channel Testing
- AI testing
- Block chain Testing
- Robotics Automation
- Mobile Testing
- Customer Experience Testing

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 (Jun'21)



Partners



Financial Highlights Q1 FY22- Consolidated

All values are in INR Million

| Particulars | Q1FY22 | Q4FY21 | Q1FY21 | Q-o-Q | Y-o-Y |
|-------------------------------|-------------|--------------|--------------|---------------|---------------|
| <u>Income</u> | | | | | |
| Revenue from operations | 2,644 | 2,330 | 2,184 | 13.4% | 21.0% |
| Revenue from operations (\$M) | 36.04 | 31.98 | 29.25 | | |
| <u>Expenses</u> | | | | | |
| Employee benefit expense | 1,656 | 1,341 | 1,311 | 23.5% | 26.3% |
| Other expenses | 745 | 657 | 513 | 13.4% | 45.3% |
| | | | | | |
| EBITDA | 243 | 333 | 360 | -26.9% | -32.6% |
| % EBITDA | 9.2% | 14.3% | 16.5% | | |
| Depreciation & Amortization | 33 | 31 | 30 | 7.0% | 10.1% |
| EBIT | 210 | 302 | 330 | -30.4% | -36.5% |
| Other Income(Expense) | 5 | (3) | 23 | -- | -80.3% |
| Finance Income | 37 | 16 | 25 | 124.2% | 47.1% |
| Finance Costs | 11 | 12 | 16 | -10.4% | -34.9% |
| | | | | | |
| PBT | 241 | 303 | 363 | -20.4% | -33.6% |
| Tax* | 37 | 56 | 72 | -34.6% | -48.8% |
| PAT | 204 | 247 | 291 | -17.2% | -29.8% |
| EPS (Basic) | 7.29 | 8.82 | 10.45 | | |

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 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 |

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