

# Cigniti Technologies Ltd.

## Investor Update

Q4 & FY 2021-22

## Q4 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.
- » Board has approved the acquisition of Aparaa Digital Private Limited a leading AI/ML, Data engineering, Analytics, and Blockchain services company that operates under the brand name RoundSqr for an all cash deal of \$4.8mn. This acquisition is a step towards bolstering Cigniti's strategic pursuit of becoming a specialized digital engineering and assurance services provider.
- » EBIDTA reported for the quarter and year ended March 31, 2022, stood at Rs. 32.61 crore and Rs. 129.28 crores respectively. The Operational EBIDTA after adjusting for non-recurring charges stood at Rs. 36.06 crore and 142.47 crores for the quarter and year ended March 31, 2022, respectively.
- » 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.

**344.08**  
Revenue (INR in Cr.)

**9.5%**  
EBITDA

**6.6%**  
PAT

**67 Days**  
DSO

**230+**  
Active Clients  
50+ Fortune 500 Clients

**10+**  
Delivery Locations

Offices in  
**9**  
Countries

**3400+**  
Cignitians

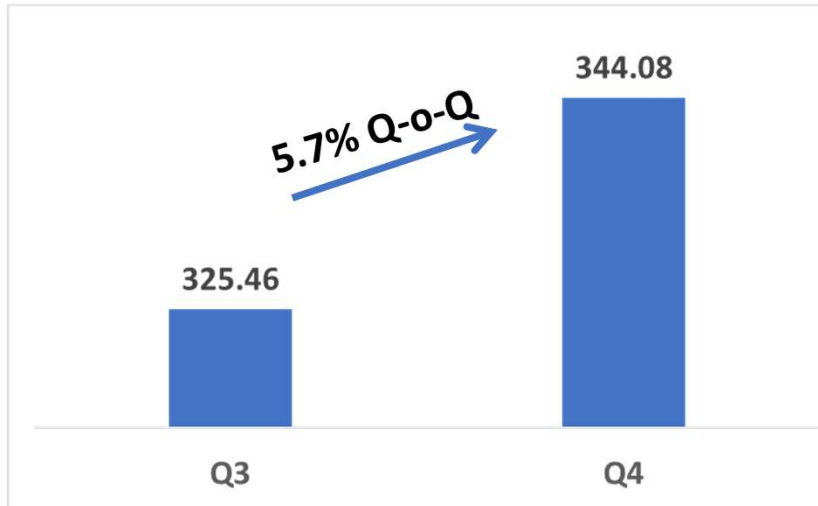
## EBITDA & PAT Analysis FY 2021-22

Particulars	INR Crores		INR Crores
	Q4	FY 2021-22	FY 2020-21
<b>EBITDA (Reported)</b>	<b>32.61</b>	<b>129.28</b>	<b>145.45</b>
<i>In %</i>	<i>9.5%</i>	<i>10.4%</i>	<i>16.2%</i>
Add: SEIS Reversal	-	9.74	-
Add: Non-Recurring (Legal Exp)	<b>3.45</b>	<b>3.45</b>	-
Less: UK & Australia Grants			(4.08)
<b>Normalized EBITDA</b>	<b>36.06</b>	<b>142.47</b>	<b>141.38</b>
<i>In %</i>	<i>10.5%</i>	<i>11.5%</i>	<i>15.8%</i>

Particulars	INR Crores		INR Crores	INR Crores
	Q3	Q4	FY 2021-22	FY 2020-21
<b>PAT (Reported)</b>	<b>26.55</b>	<b>22.60</b>	<b>91.74</b>	<b>105.35</b>
<i>In %</i>	<i>8.2%</i>	<i>6.6%</i>	<i>7.4%</i>	<i>11.8%</i>
Add: SEIS Reversal (SEIS Benefit)	-	-	9.74	-
Add: Non-Recurring (Legal Exp)	-	3.45	3.45	-
Less: UK & Australia Grants	-	-	-	(4.78)
<b>Normalised PAT</b>	<b>26.55</b>	<b>26.05</b>	<b>104.93</b>	<b>100.57</b>
<b>Normalised PAT %</b>	<b>8.2%</b>	<b>7.6%</b>	<b>8.5%</b>	<b>11.2%</b>
<b>Adjusted EPS</b>			<b>37.43</b>	<b>36.06</b>
<b>Reported EPS</b>			<b>32.72</b>	<b>37.77</b>

# Q4FY22 Financials (INR in Cr.)

## Revenue



## Resource Mix

FY: 2021-22	Resource Mix		Revenue Mix	
	Onsite	Offshore	Onsite	Offshore
Q3	21.9%	78.1%	50.3%	49.7%
Q4	21.4%	78.6%	51.2%	48.8%

## Revenue Mix



# Client Composition / Geography Mix of Revenue

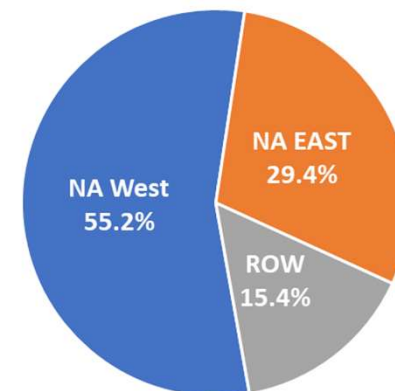
## CLIENT CONTRIBUTION TO REVENUE (%)



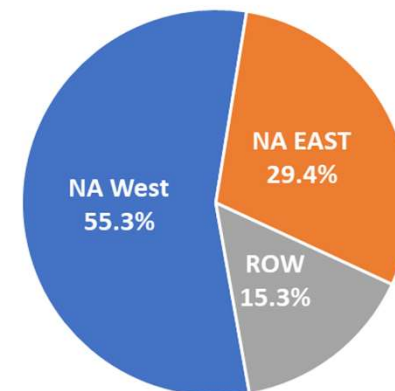
## ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q4 FY22	Q3 FY22
Number of Active Clients	231	235
New Clients Added	18	18

### Q4 FY 22

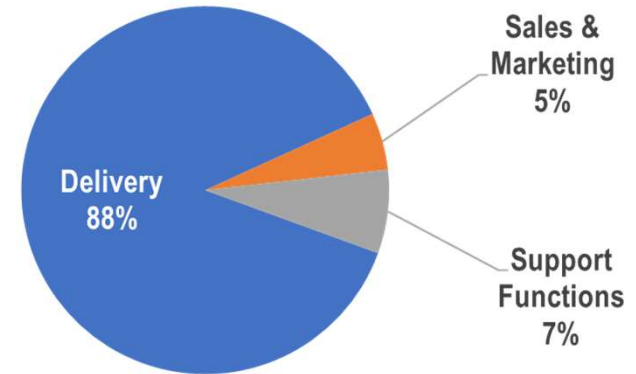
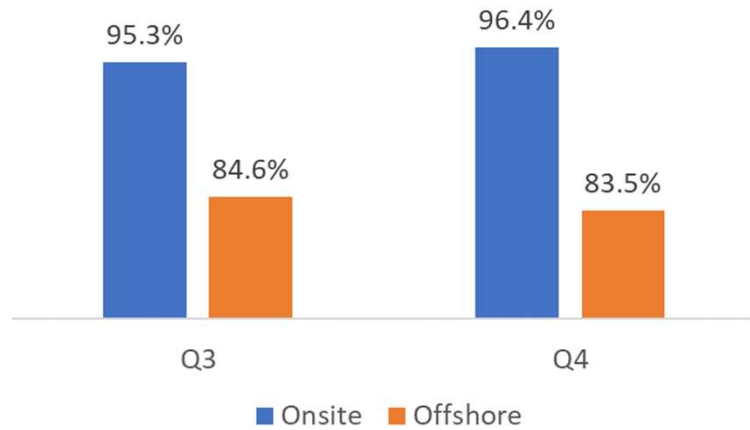


### Q3 FY 22



# Employee Metrics

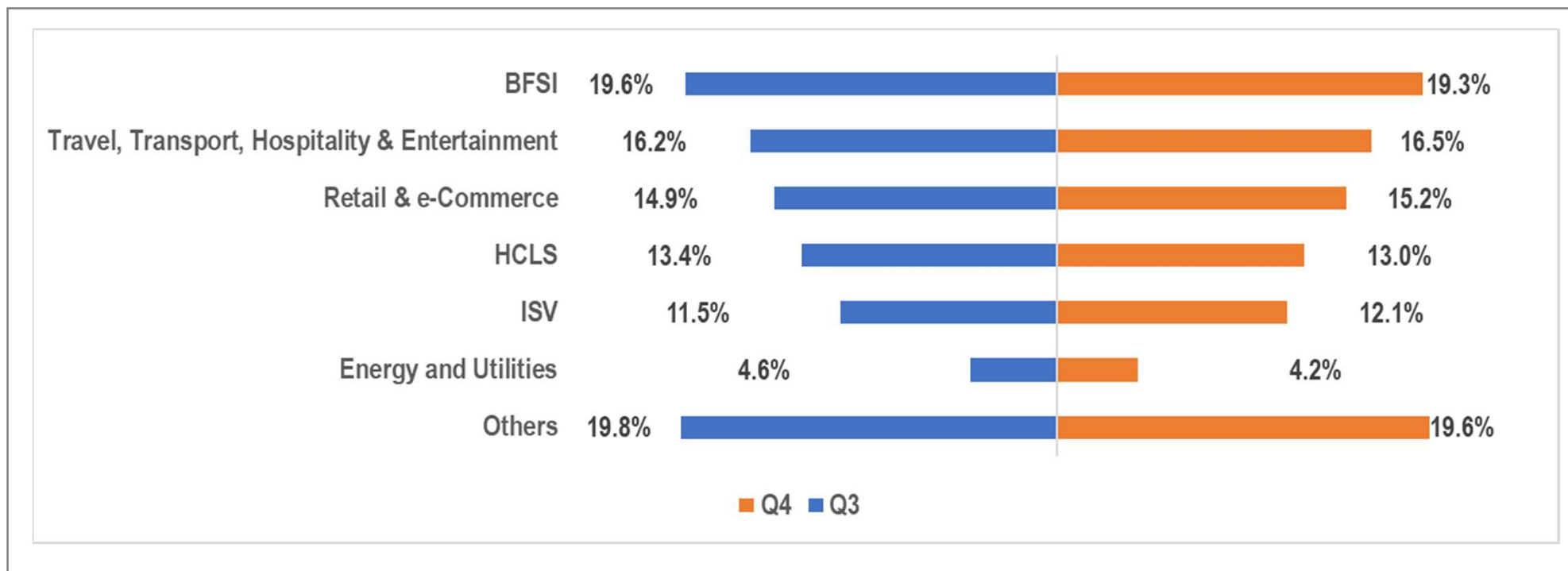
## UTILIZATION



Utilization	Q4 FY22	Q3 FY22
Onsite	96.4%	95.3%
Offshore	83.4%	84.6%

Resource Mix	Q4 FY22	Q3 FY22
Onsite	21.4%	21.9%
Offshore	78.6%	78.1%

# Revenue By Sector (%)



# Cigniti's Core Service Offerings for Large Enterprise Clients

## 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.



### **Vinay Rawat** *CRO*

- Vinay is responsible for driving strategy and exponential revenue growth for the organization. Extensive experience in managing sales, business development, demand creation, marketing & operations.
- Previous experience: Senior leadership roles at InfoGain & Wipro.



### **Sairam Vedam** *CMO*

- Oversee planning & execution of strategic marketing programs. 23 years of experience with a deep understanding of technologies & solutions.
- Previous experience: Innominds, Kore.AI, Pramati, Apere (now Citrix), CA Technologies & HCL.



### **Nanda Padmaraju** *President – 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 Krowvidy** *President – Delivery, Process & ESG*

- 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.



### **Veera Reddy** *VP – Human Resources*

- 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 – 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

## Awards & Recognitions

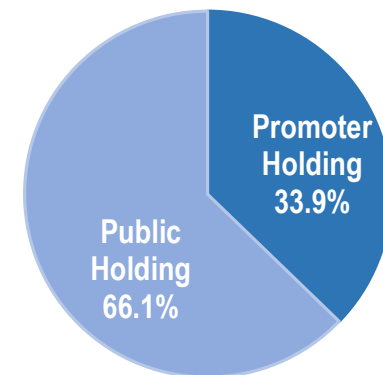
- » World's leading independent Quality Engineering & Software Testing services company
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified
- » Forrester recognizes Cigniti as a Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti 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 (Mar'22)





# Financial Highlights Q4FY22- Consolidated

All values are in INR Million

Particulars	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	3,441	3,255	2,330	5.7%	47.7%
Revenue from operations (\$M)	46.30	43.86	30.75		
<u>Expenses</u>					
Employee benefit expense	2,002	1,929	1,340	3.7%	49.3%
Hired Contractors Cost	709	627	399	13.1%	77.8%
Other expenses	404	294	258	37.4%	56.6%
<b>EBITDA</b>	<b>326</b>	<b>404</b>	<b>333</b>	<b>-19.3%</b>	<b>-1.9%</b>
<b>% EBITDA</b>	<b>9.5%</b>	<b>12.4%</b>	<b>14.2%</b>		
Depreciation & Amortization	49	43	31	14.9%	58.2%
<b>EBIT</b>	<b>277</b>	<b>362</b>	<b>302</b>	<b>-23.4%</b>	<b>-8.1%</b>
Other Income(Expense)	20	(5)	(3)	-492.0%	-691.4%
Finance Income	33	18	16	77.9%	98.9%
Finance Costs	(15)	(13)	(12)	11.8%	27.1%
<b>PBT</b>	<b>315</b>	<b>362</b>	<b>303</b>	<b>-12.9%</b>	<b>4.0%</b>
Tax	89	96	56	-7.4%	58.5%
<b>PAT</b>	<b>226</b>	<b>266</b>	<b>247</b>	<b>-14.9%</b>	<b>-8.6%</b>
<b>EPS (Basic)</b>	<b>8.06</b>	<b>9.47</b>	<b>8.82</b>		

# Financial Highlights 12MFY22- Consolidated

All values are in INR Million

Particulars	12MFY22	12MFY21	Y-o-Y
<u>Income</u>			
Revenue from operations	12,418	8,965	38.5%
Revenue from operations (\$M)	168	118	
<u>Expenses</u>			
Employee benefit expense	7,393	5,216	41.7%
Hired Contractors Cost	2,393	1,416	
Other expenses	1,339	878	62.7%
<b>EBITDA</b>	<b>1,293</b>	<b>1,455</b>	<b>-11.1%</b>
<b>% EBITDA</b>	<b>10.4%</b>	<b>16.2%</b>	
Depreciation & Amortization	162	123	31.7%
<b>EBIT</b>	<b>1,131</b>	<b>1,332</b>	<b>-15.1%</b>
<b>% EBIT</b>	<b>9.1%</b>	<b>14.9%</b>	
Other Income(Expense)	1	36	-97.7%
Finance Income	134	98	35.4%
Finance Costs	51	56	-10.7%
<b>PBT</b>	<b>1,215</b>	<b>1,410</b>	<b>-13.8%</b>
Tax	298	357	-16.5%
<b>PAT</b>	<b>917</b>	<b>1,053</b>	<b>-12.9%</b>
<b>EPS (Basic)</b>	<b>32.72</b>	<b>37.77</b>	

# Cigniti's Consolidated Balance Sheet

All values are in INR Million

Particulars	FY22	FY21	Particulars	FY22	FY21
Property Plant & equipment	326	167	Equity & Liabilities		
Right-to-use asset	255	217	Equity share capital	281	280
Goodwill	549	549	Other equity	4,318	3,443
Capital WIP	-	-	<b>Sub total</b>	<b>4,599</b>	<b>3,723</b>
Other intangible assets	-	-	<b>Non-current liabilities</b>		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	233	205
Loans	-	-	Borrowings	-	-
Other non-financial assets	226	51	Long term provisions	177	123
Deferred tax assets net	58	53	Deferred tax liability	-	-
Other non current assets	-	-			
<b>Sub total</b>	<b>1,414</b>	<b>1,037</b>	<b>Sub total</b>	<b>410</b>	<b>328</b>
<b>Current assets</b>			<b>Current liabilities</b>		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	1201	804	Short term borrowings	469	161
Loans	-	-	Trade payables	938	619
Trade receivables	2,268	1,577	Lease Obligation	98	91
Cash and cash equivalent	245	256	Other current financial liabilities	36	29
Other Bank balances	909	1,023	Short term provisions	57	26
Other current financial assets	693	472	Current tax liability, net	182	183
Current tax assets net	12	26	Other current liabilities	188	161
Other current assets	235	126			
<b>Sub total</b>	<b>5,563</b>	<b>4,284</b>	<b>Subtotal</b>	<b>1,968</b>	<b>1,270</b>
<b>Total</b>	<b>6,977</b>	<b>5,321</b>	<b>Total</b>	<b>6,977</b>	<b>5,321</b>

# Cashflow Generation

All Figures in INR Mn.	FY 2022	FY 2021
<b>Profit before tax</b>	<b>1,215</b>	<b>1,411</b>
(+/-) Non-cash & non operating Items	<b>196</b>	<b>93</b>
<b>Operating Profit before WC Changes</b>	<b>1,411</b>	<b>1,504</b>
(+/-) DSO Movement (Receivables)	<b>(713)</b>	<b>60</b>
(+/-) Other charges	<b>(26)</b>	<b>160</b>
<b>Operating CF after WC changes</b>	<b>672</b>	<b>1,724</b>
Less: Taxes	<b>(290)</b>	<b>(276)</b>
Less: Capex	<b>(206)</b>	<b>(32)</b>
<b>Free cash flow generated</b>	<b>176</b>	<b>1,417</b>
<b>EBITDA</b>	<b>1,293</b>	<b>1,455</b>
<b>FCF to EBITDA Conversion</b>	<b>14%</b>	<b>97%</b>

## Cash Generation

- ❖ Cash and cash equivalents (including fixed deposits) at a healthy levels of 1,271 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 1,201 Mn.
- ❖ FCF generated during FY22 is lower compared to the FCF generated in the FY 21 due to enhanced investments in sales and CoEs.
- ❖ 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 in the coming years.

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