



Cigniti Technologies Ltd.

Investor Update

Q3 & 9M-FY23

World's Leading AI & IP-led Digital Assurance & Digital Engineering Services Company

Q3FY23 Highlights

- » The Company has accelerated its revenue in the current quarter by 2.7% to Rs. 428.0 Cr. in comparison to previous quarter.
- » The Company during the quarter has won 13 new clients.
- » Growth has been achieved with change in strategy of the company to work around Beyond testing and offering digital transformation services.
- » With more vigilant towards investments in sales & developments and even out cost with various optimization measures that has initiated last year, Company has achieved higher margin compared to the previous quarter.
- » EBIDTA reported for the quarter ended Dec 31, 2022, stood at Rs. 64.0 crore up by 5.4% compared to Q2FY23.
- » The company's reported Net Profit for Q3FY23 stood at Rs 46.6 crore as against Net Profit of Rs 41.5 crore in Q2FY23.

428.0
Revenue (INR in Cr.)

15.0%
EBITDA

10.9%
PAT

55 Days
DSO

270+
Active Clients
50+ Fortune 500 Clients

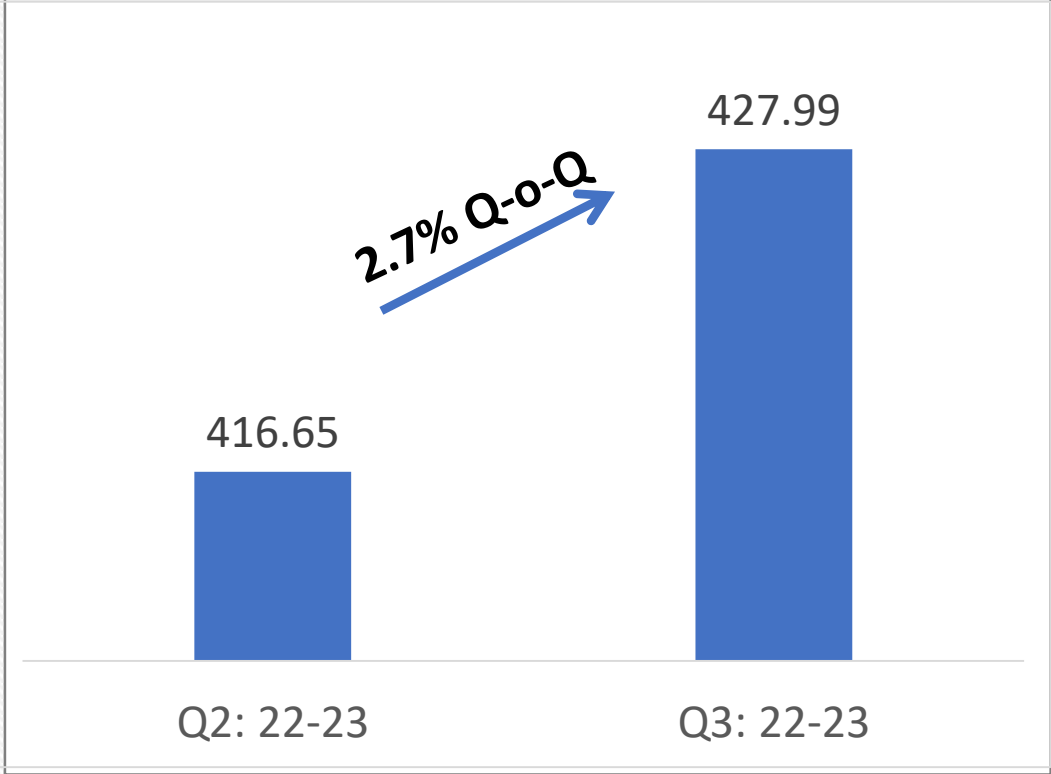
10+
Delivery Locations

Offices in
9
Countries

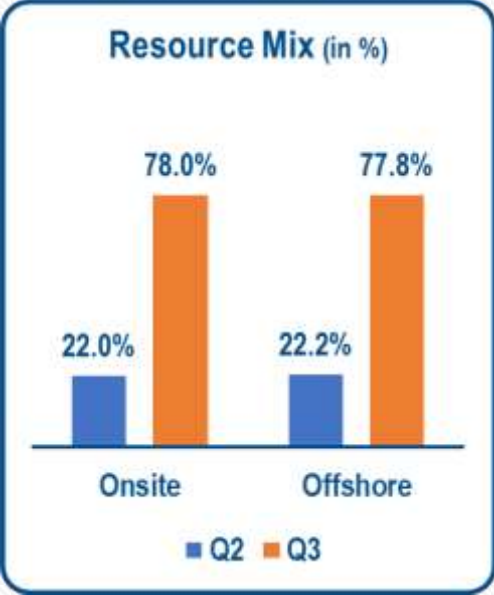
4000+
Cignitians

Q3FY23 Financials (INR in Cr.)

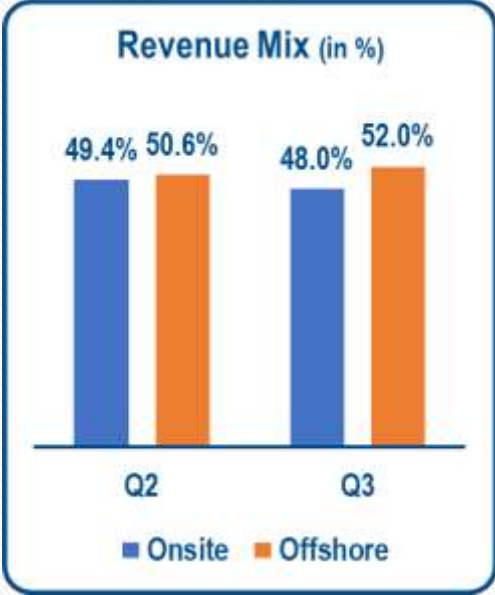
Revenue



Resource Mix in %

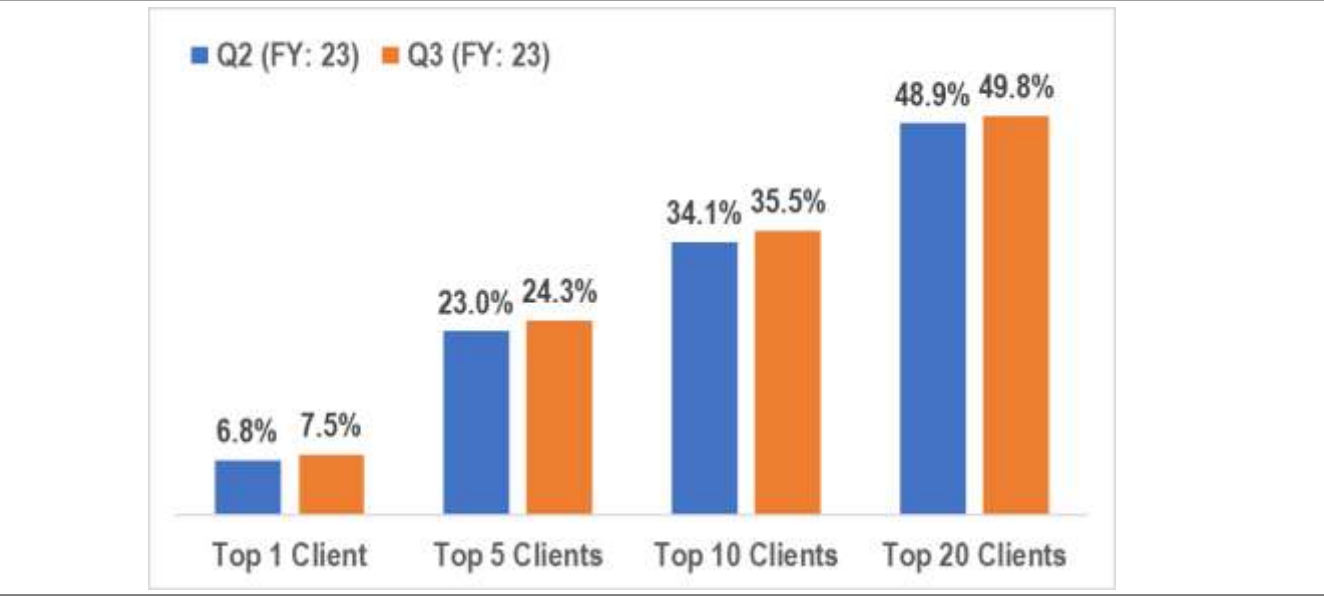


Revenue Mix in %



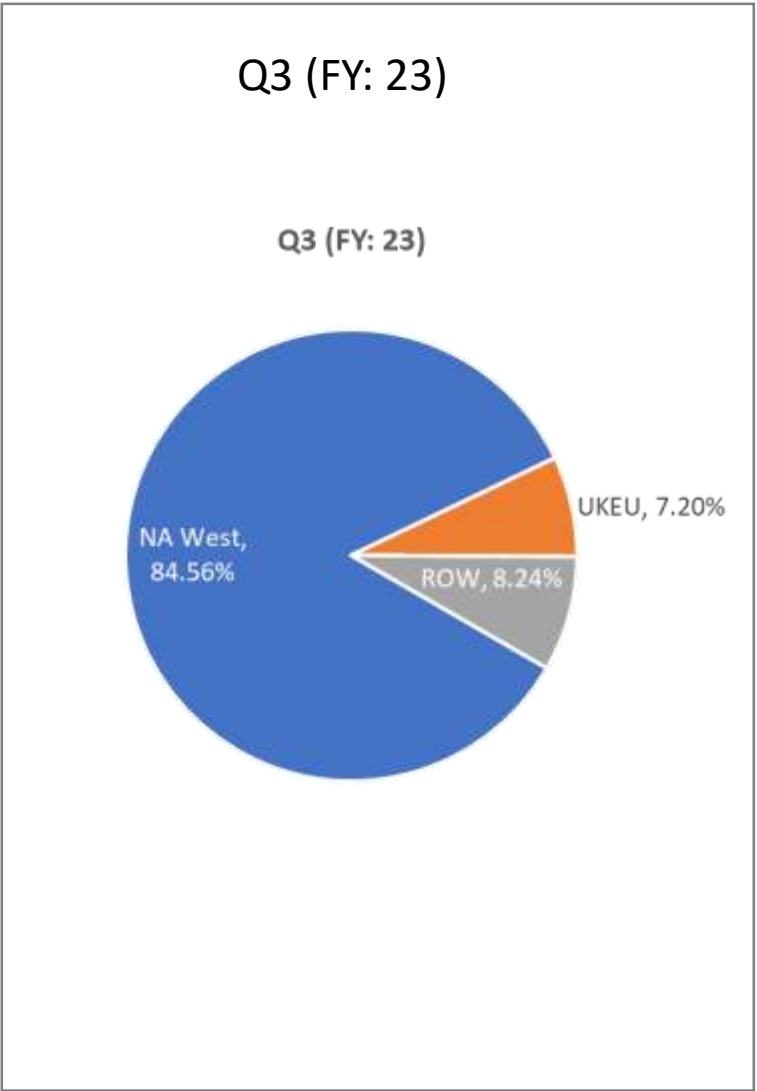
Client Composition / Geography Mix of Revenue

CLIENT CONTRIBUTION TO REVENUE (%)

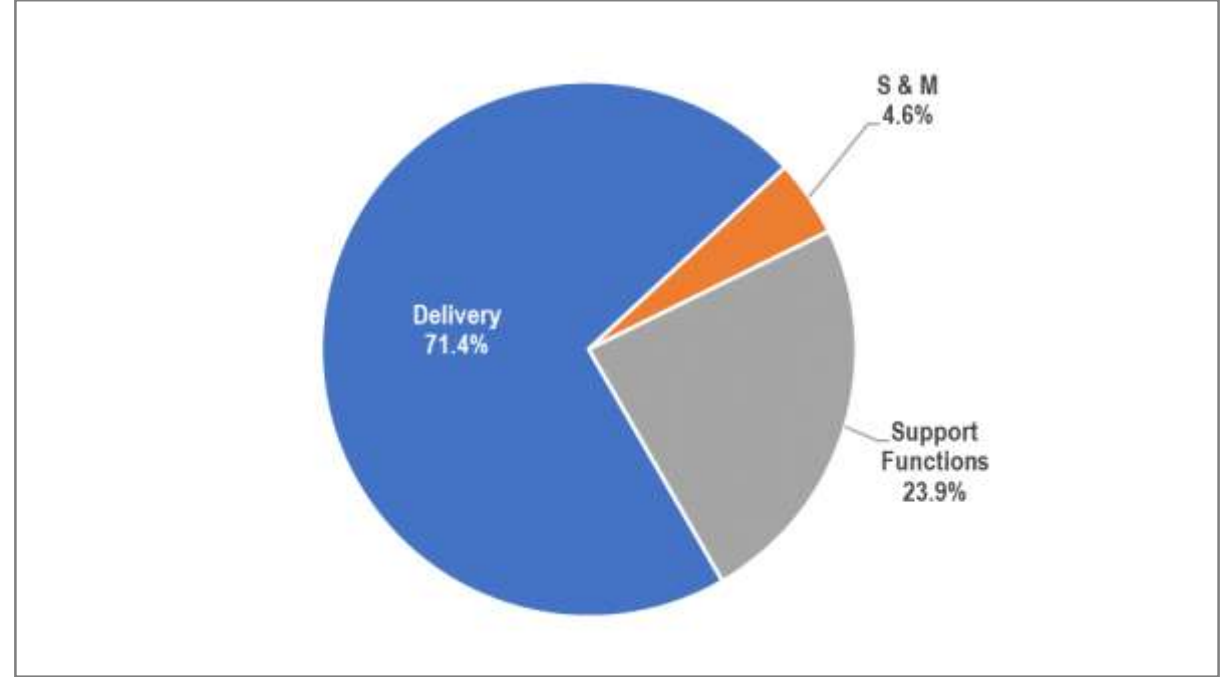
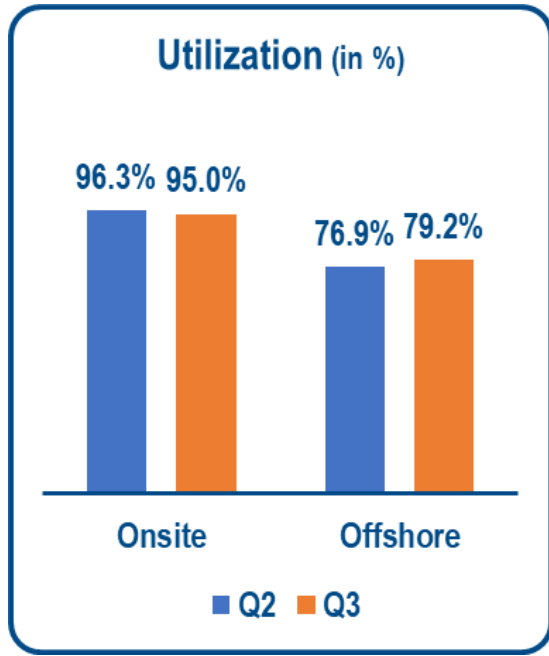


ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q2 FY22	Q3 FY23
Number of Active Clients	246	287
New Clients Added	9	13



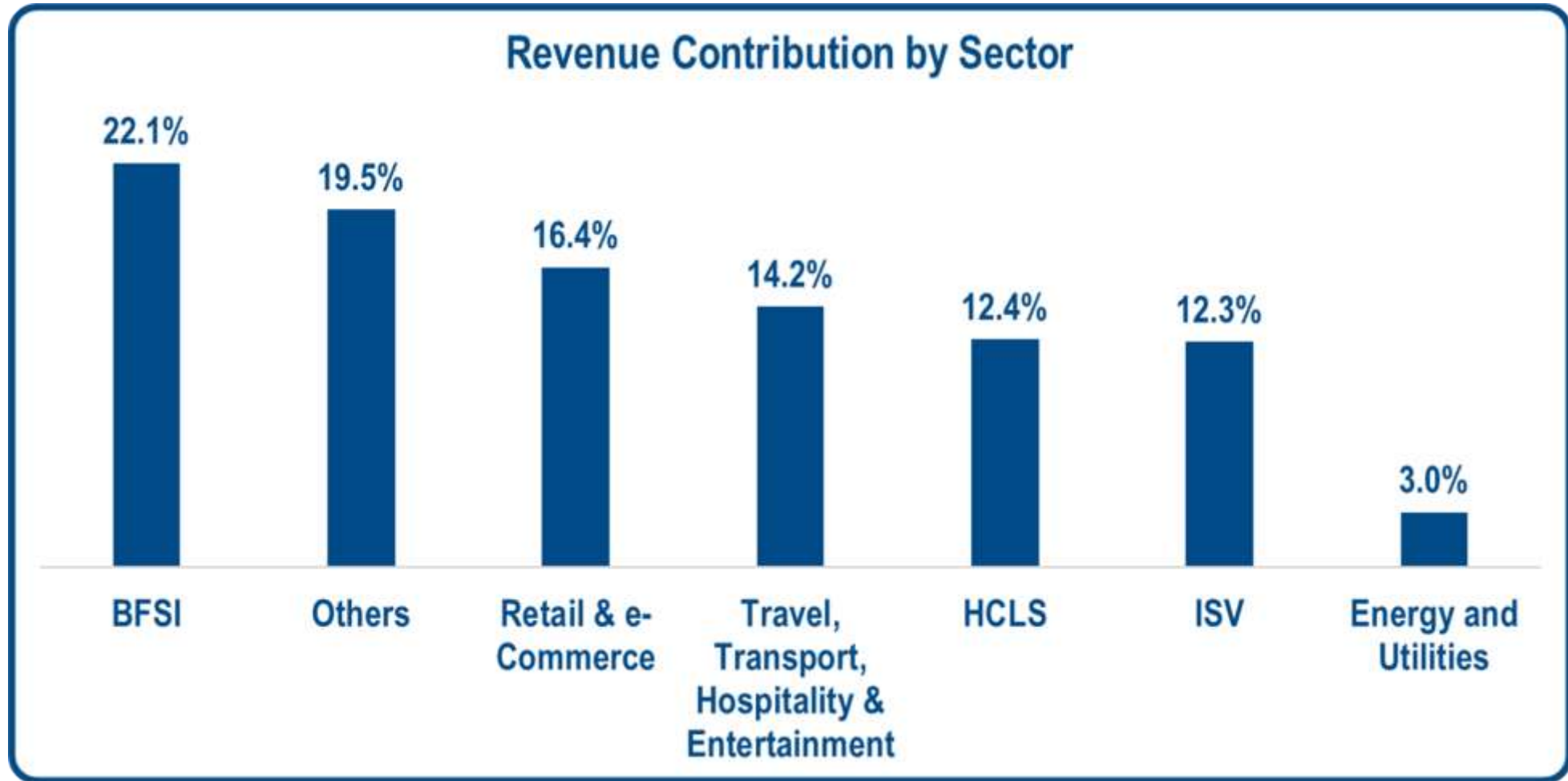
Employee Metrics



Utilization	Q2 FY23	Q3 FY23
Onsite	96.4%	95.0%
Offshore	76.9%	79.2%

Resource Mix	Q2 FY23	Q3 FY23
Onsite	22.0%	22.2%
Offshore	78.0%	77.8%

Revenue By Sector (%)



Cigniti – Engineer | Assure | Transform

Strategic Digital Transformation Partner

Digital Assurance Services



Digital Engineering Services



Our Key Offerings – Assurance



Quality Engineering



Functional and non-functional testing



End to End Automation



Service Virtualization



Mobility



Advisory & Transformation



Digital Assurance



Cloud Migration Assurance



DevOps



IoT Assurance



5G Assurance



Blockchain

Our Key Offerings – Engineering



Digital Engineering



Product Engineering



Customer Experience



Hyper-intelligent Automation



AI, Big Data Analytics, Blockchain



Cybersecurity



Agile Application Development



Consulting



CTO-on-demand



Strategic Capacity Expansion

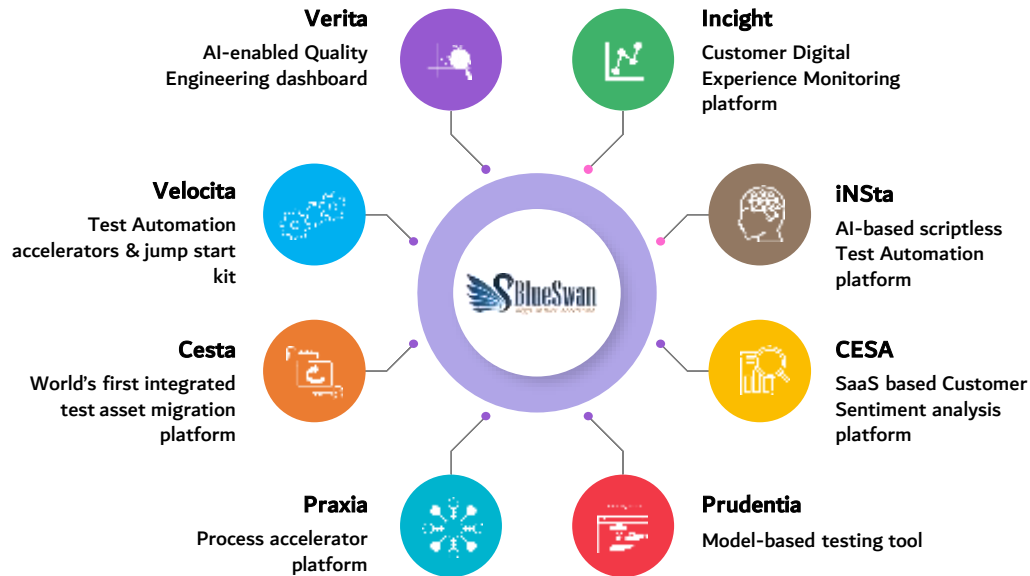


Agile Assurance

Accelerating Digital Transformation - an IP & Platform-led approach

BlueSwan™

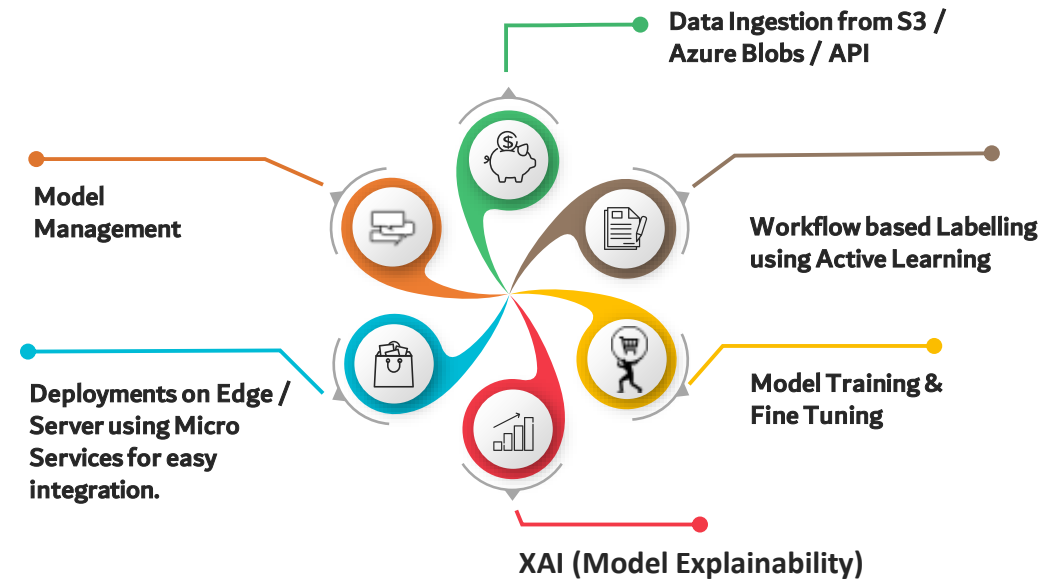
AI-led & next-gen proprietary Digital Assurance platform



Accelerating Digital Assurance

Zastra™

Enterprise-grade annotation & collaboration platform for computer vision projects



Accelerating Digital Engineering

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; USA*

- 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, Cigniti Technologies Inc; USA

- 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.



Raghu Krovvidy
Chief Delivery Officer

- 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



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.



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

Awards & Recognitions

Awards & Recognitions

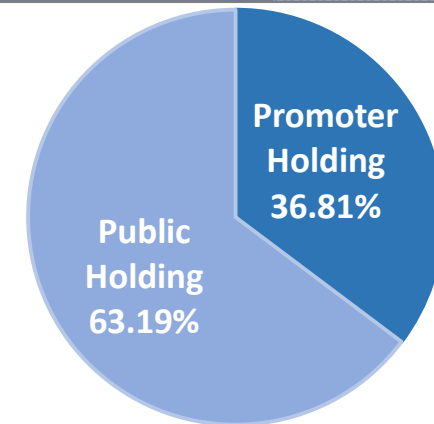
- » NelsonHall recognizes Cigniti's Digital Assurance leadership. Forrester recognizes Cigniti as a Strong Performer in Continuous Automation & Testing Services. ISG recognized Cigniti as a Leader in Continuous Testing.
- » Positioned in Gartner's Magic Quadrant for Application Testing Services, Worldwide 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.
- » Gartner® Hype Cycle™ for Managed IT Services and API Testing Services 2022 mention Cigniti as a sample vendor.
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified



Partners



Share Holding Pattern (Dec'22)



Financial Highlights Q3FY23- Consolidated

All values are in INR Million

Particulars	Q3FY23	Q3FY22	Y-o-Y %	Q2FY23	Q-o-Q %
<u>Income</u>					
Revenue from operations	4,280	3,254	31.5%	4,167	2.7%
Revenue from operations (\$M)	52.59	43.65		52.37	
<u>Expenses</u>					
Employee benefit expense	2,493	1,929	29.2%	2,409	3.5%
Hired Contractors Cost	777	627	24.0%	790	-1.6%
Other expenses	369	294	25.4%	360	2.6%
EBITDA	640	404	58.3%	608	5.4%
% EBITDA	15.0%	12.4%		14.6%	
Depreciation & Amortization	72	43	67.4%	69	3.8%
EBIT	568	362	57.2%	539	5.6%
Other Income(Expense)	52	(5)	-1114.9%	(7)	-875.5%
Finance Income	26	18	39.1%	28	-9.8%
Finance Costs	11	13	-14.1%	11	8.5%
PBT	635	362	75.6%	549	15.5%
Tax	169	96	76.3%	134	25.8%
PAT	46	266	75.3%	415	12.1%
EPS (Basic)	17.08	9.47	80.4%	15.24	12.1%

Financial Highlights 9MFY23- Consolidated

All values are in INR Million

Particulars	9M-FY23	9M-FY22	Y-o-Y
<u>Income</u>			
Revenue from operations	12,226	8,977	36.2%
Revenue from operations (\$M)	154.13	122	
<u>Expenses</u>			
Employee benefit expense	7,196	5,391	33.5%
Hired Contractors Cost	2,329	1,685	38.2%
Other expenses	1,008	934	7.8%
EBITDA	1,693	967	75.2%
% EBITDA	13.8%	10.8%	
Depreciation & Amortization	193	113	72.2%
EBIT	1,500	854	75.6%
Other Income(Expense)	47	(19)	-344.1%
Finance Income	63	101	-37.1%
Finance Costs	33	36	-7.8%
PBT	1,577	900	75.2%
Tax	386	208	85.1%
PAT	1,191	692	72.2%
EPS (Basic)	43.28	24.66	75.5%

Cigniti's Consolidated Balance Sheet

All values are in INR Million

Particulars	H1 FY23	FY22	Particulars	H1 FY23	FY22
Non-Current assets			Equity & Liabilities		
Property Plant & equipment	340	326			
Right-to-use asset	214	255	Equity share capital	273	281
Goodwill	740	549	Other equity	4,622	4,318
Other intangible assets	150	-	Sub total	4,895	4,599
Capital WIP	-	-			
			Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	177	233
Non-current financial assets	115	226	Borrowings	-	-
Deferred tax assets net	47	58	Long term provisions	193	177
Other non current assets	-	-	Deferred tax liability	-	-
Sub total	1,606	1,414	Sub total	370	410
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	1,240	1201	Short term borrowings	361	469
Trade receivables	2,369	2,268	Trade payables	1,051	938
Cash and cash equivalent	242	245	Lease Obligation	105	98
Other Bank balances	650	909	Other current financial liabilities	160	37
Other current financial assets	1,029	693	Short term provisions	78	57
Current tax assets net	16	12	Current tax liability, net	195	182
Other current assets	274	235	Other current liabilities	211	187
Sub total	5,820	5,563	Subtotal	2,161	1,968
Total	7,426	6,977	Total	7,426	6,977

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)	164	118	
<u>Expenses</u>			
Employee benefit expense	7,393	5,216	41.7%
Other expenses	3,733	2,295	62.7%
EBITDA	1,292	1,454	-11.1%
% EBITDA	10.4%	16.2%	
Depreciation & Amortization	162	123	31.7%
EBIT	1,130	1,331	-15.1%
Other Income(Expense)	0.82	36	-97.7%
Finance Income	134	99	35.4%
Finance Costs	50	56	-10.7%
PBT	1,215	1,410	-13.8%
Tax	298	357	-16.5%
PAT	917	1,053	-12.9%
EPS (Basic)	32.72	37.77	

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	-	-	Sub total	4,599	3,723
Other intangible assets	-	-	Non-current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	-	-	Lease Obligation	233	205
Loans	50	51	Borrowings	-	-
Other non-financial assets	176	-	Long term provisions	177	123
Deferred tax assets net	58	53	Deferred tax liability	-	-
Other non current assets	-	-			
Sub total	1,414	1,037	Sub total	410	328
Current assets			Current liabilities		
<i>Financial assets</i>			<i>Financial liabilities</i>		
Investment	1201	804	Short term borrowings	469	161
Loans	-	6	Trade payables	938	627
Trade receivables	2,268	1,577	Lease Obligation	98	91
Cash and cash equivalent	245	256	Other current financial liabilities	37	29
Other Bank balances	909	1,023	Short term provisions	57	26
Other current financial assets	693	466	Current tax liability, net	182	183
Current tax assets net	12	26	Other current liabilities	187	153
Other current assets	235	126			
Sub total	5,563	4,284	Subtotal	1,968	1,270
Total	6,977	5,321	Total	6,977	5,321

Cashflow Generation

All Figures in INR Mn.	9M' FY 2023	FY 2022
Profit before tax	1,577	1,215
(+/-) Non-cash & non operating Items	210	196
Operating Profit before WC Changes	1,787	1,411
(+/-) DSO Movement (Receivables)	(321)	(713)
(+/-) Other charges	(119)	(26)
Operating CF after WC changes	1,347	672
Less: Taxes	(395)	(290)
Less: Capex	(118)	(206)
Free cash flow generated	834	176
EBITDA	1,693	1,293
FCF to EBITDA Conversion	49%	14%

Cash Generation

- ❖ Cash and cash equivalents (including fixed deposits) at a healthy levels of 1,192 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 1,352 Mn.
- ❖ FCF generated during FY22 is lower due to enhanced investments in sales and development; which was improved in 9M' FY23
- ❖ The company is optimistic that the investments made in the last year will result growth in the coming years.

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