

Cigniti Technologies Ltd.

Investor Update

Q1FY23

Q1FY23 Highlights

- » The Company accelerated its revenue in the current quarter by 9.8% to Rs. 377.97 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.
- » 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 specialist AI/ML, Data, and Blockchain Engineering 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, stood at Rs. 44.55 crore increased by 36.6% compared to the previous quarter.
- » 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 year has been started with increased revenue and improved margins.

377.97
Revenue (INR in Cr.)

11.8%
EBITDA

8.2%
PAT

56 Days
DSO

230+
Active Clients
50+ Fortune 500 Clients

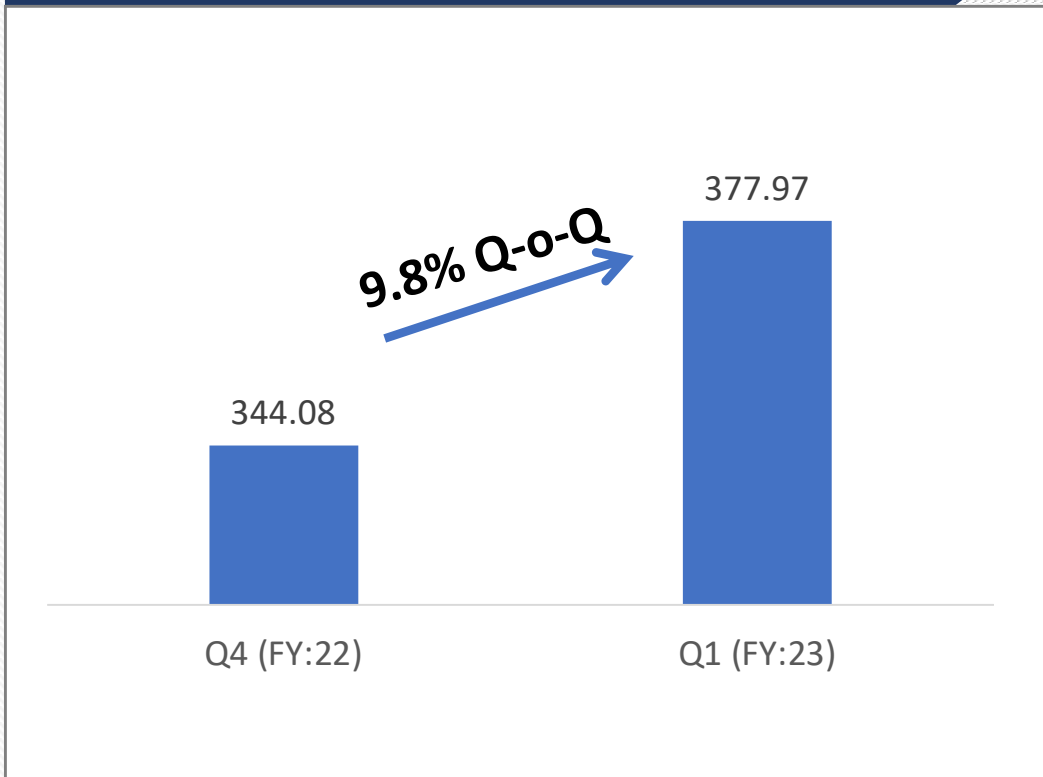
10+
Delivery Locations

Offices in
9
Countries

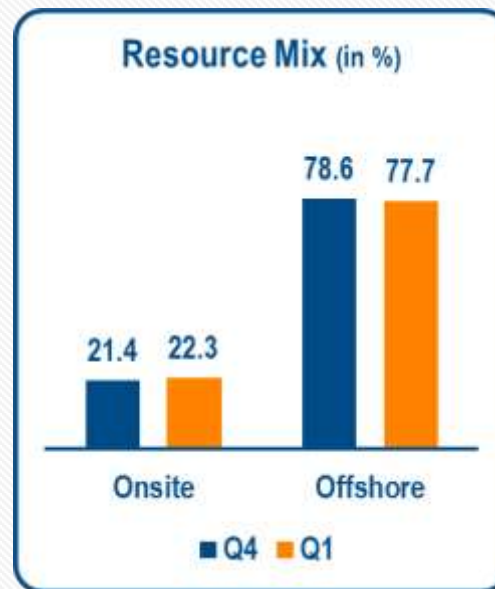
3400+
Cignitians

Q1FY23 Financials (INR in Cr.)

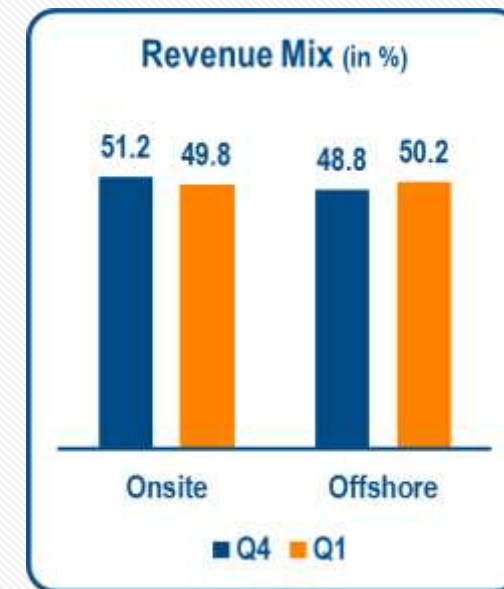
Revenue



Resource Mix in %

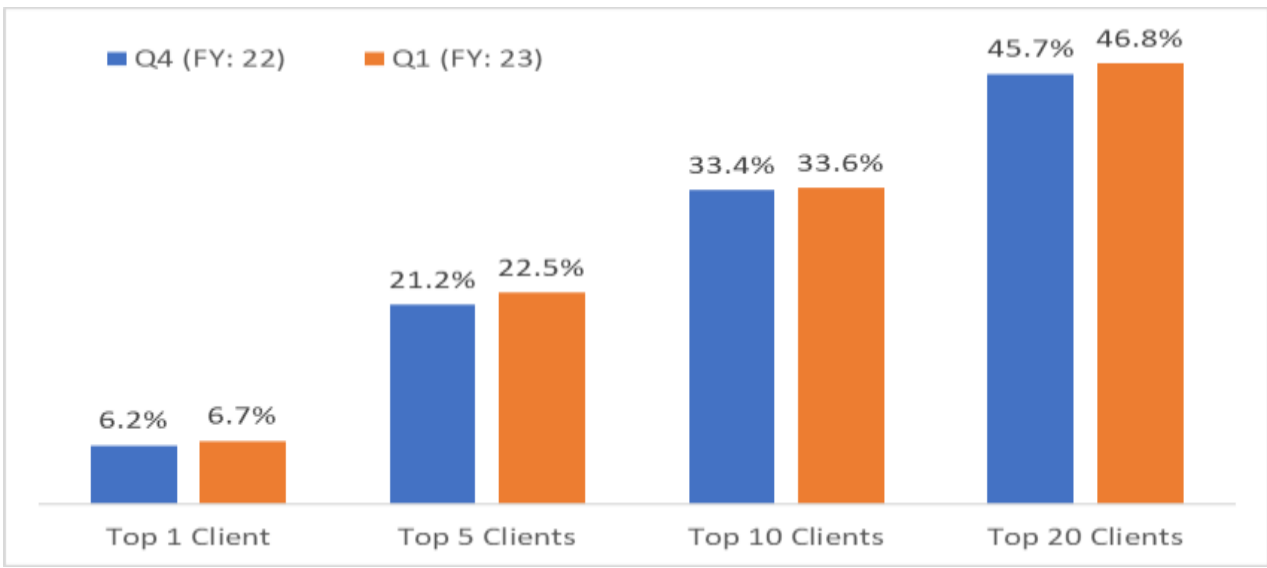


Revenue Mix in %



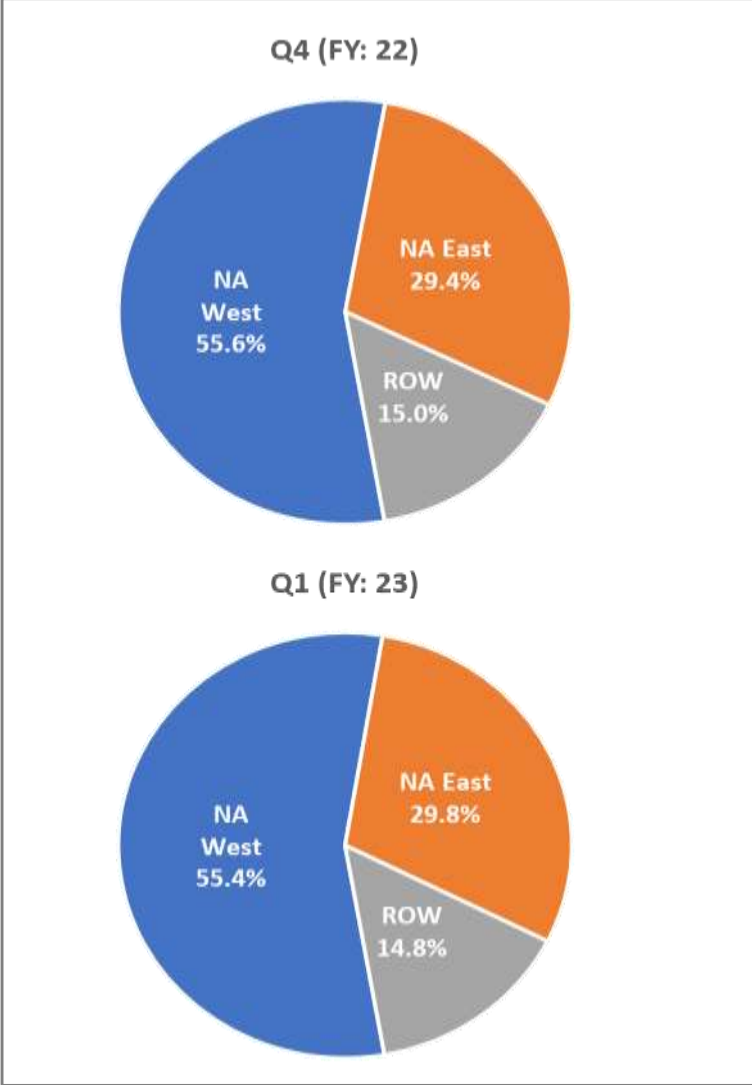
Client Composition / Geography Mix of Revenue

CLIENT CONTRIBUTION TO REVENUE (%)



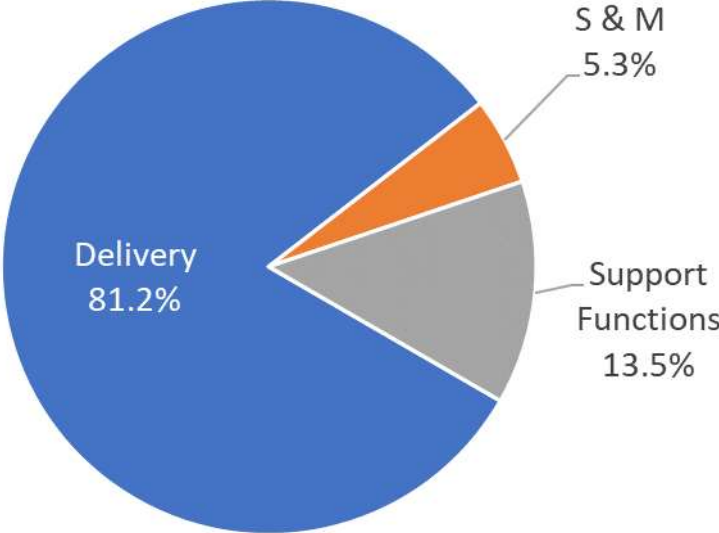
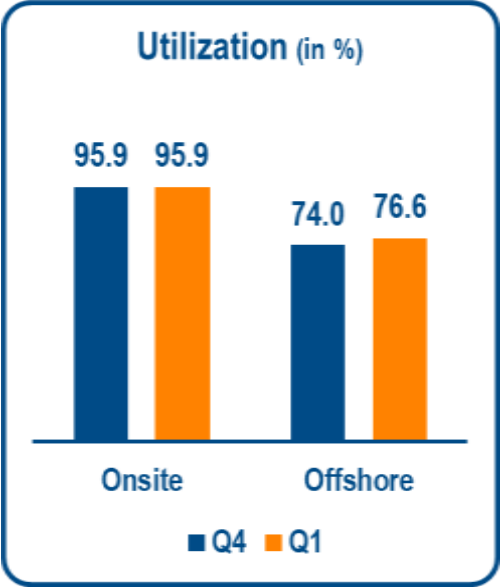
ACTIVE CLIENTS AND NEW CLIENTS

Clients	Q4 FY22	Q1 FY23
Number of Active Clients	229	235
New Clients Added	11	13



Employee Metrics

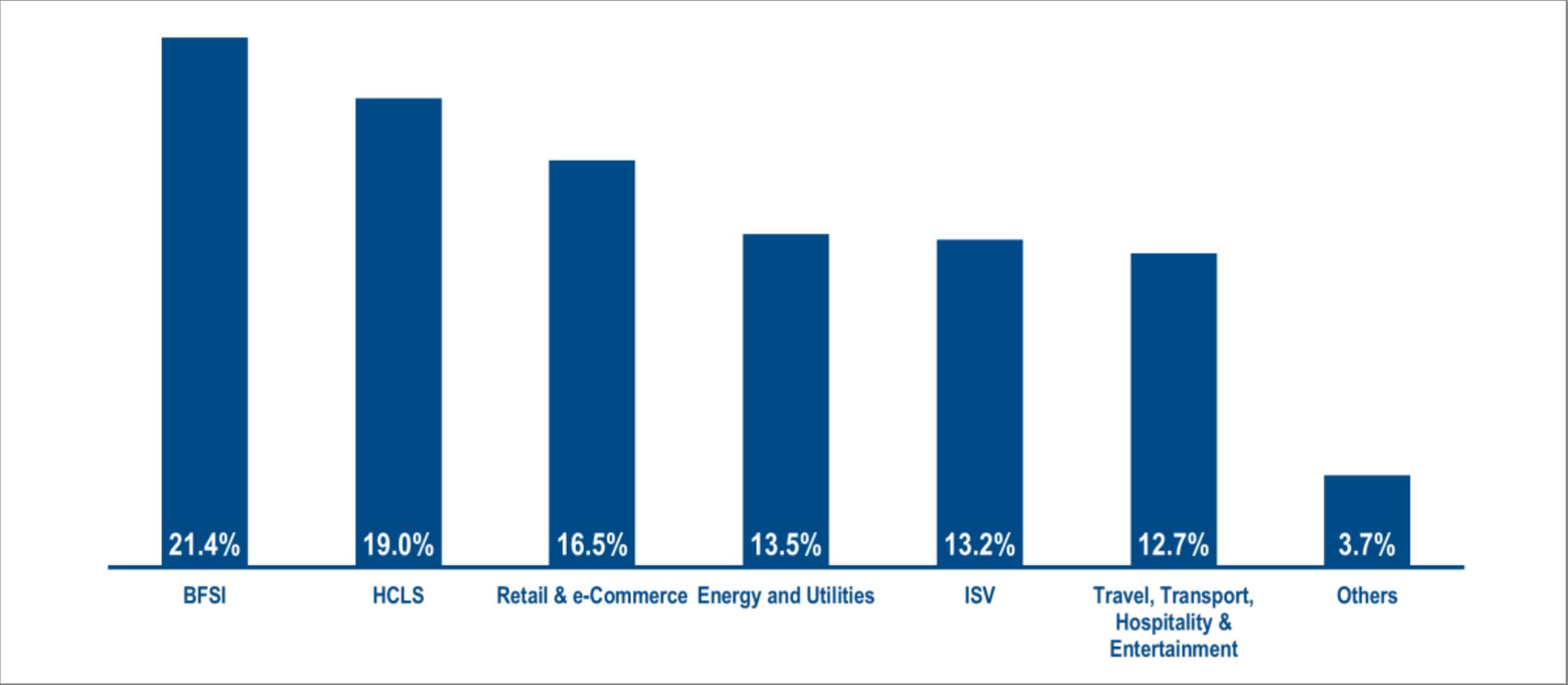
UTILIZATION



Utilization	Q4 FY22	Q1 FY23
Onsite	95.9%	95.9%
Offshore	74.0%	76.6%

Resource Mix	Q4 FY22	Q1 FY23
Onsite	21.4%	22.3%
Offshore	78.6%	77.7%

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 Migration Assurance
- Omni and Multi-Channel Testing
- AI testing
- Blockchain Testing
- Robotics Automation
- Mobile Testing
- Digital Customer Experience Assurance

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 Krowidy
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

Awards & Recognitions

Awards & Recognitions

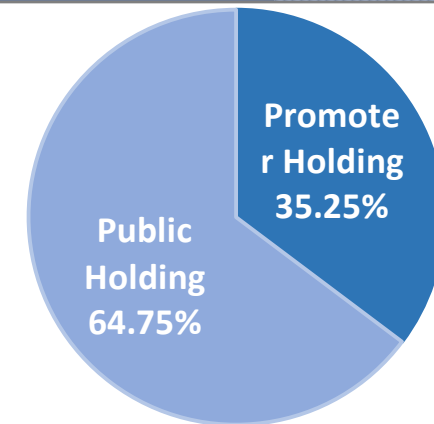
- » World's leading Digital Assurance and Quality Engineering services company
- » Appraised at CMMI-SVC v1.3, Maturity Level 5, and ISO 9001:2015 & ISO 27001:2013 certified
- » NelsonHall recognizes Cigniti's Digital Assurance leadership. Forrester recognizes Cigniti as a Strong Performer in Continuous 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.



Partners



Share Holding Pattern (Jun'22)



Financial Highlights Q1FY23- Consolidated

All values are in INR Million

Particulars	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
<u>Income</u>					
Revenue from operations	3,780	3,441	2,644	9.8%	43.0%
Revenue from operations (\$M)	49.17	46.30	36.04		
<u>Expenses</u>					
Employee benefit expense	2,294	2,001	1,341	14.6%	38.6%
Hired Contractors Cost	762	709	478	7.5%	59.4%
Other expenses	278	404	267	-31.2%	4.2%
EBITDA	446	327	243	36.6%	83.2%
% EBITDA	11.8%	9.5%	9.2%		
Depreciation & Amortization	53	49	33	8.5%	60.3%
EBIT	393	277	210	41.6%	86.9%
Other Income(Expense)	2	20	5	-91.4%	-62.5%
Finance Income	9	33	37	-71.4%	-74.6%
Finance Costs	(11)	(15)	(11)	-28.8%	1.1%
PBT	393	315	241	24.7%	63.0%
Tax	83	90	37	-7.0%	125.4%
PAT	310	226	204	37.1%	51.8%
EPS (Basic)	11.06	8.06	7.29		

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.	Q1' FY 2023	FY 2022
Profit before tax	393	1,215
(+/-) Non-cash & non operating Items	74	196
Operating Profit before WC Changes	467	1,411
(+/-) DSO Movement (Receivables)	(87)	(713)
(+/-) Other charges	(58)	(26)
Operating CF after WC changes	323	672
Less: Taxes	(171)	(290)
Less: Capex	(56)	(206)
Free cash flow generated	96	176
EBITDA	446	1,293
FCF to EBITDA Conversion	22%	14%

Cash Generation

- ❖ Cash and cash equivalents (including fixed deposits) at a healthy levels of 910 Mn.
- ❖ Company has invested in Mutual Funds, NCDs and Bonds to the tune of 840 Mn.
- ❖ FCF generated during FY22 is due to enhanced investments in sales and development, its started improved in Q1' FY23
- ❖ The company is optimistic that the investments made in the last year will result growth in the coming years.

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