



Zensar reports 2.3% sequential QoQ services revenue growth, PAT improved by 290 basis points for Q1FY24

Pune, India, July 20, 2023: [Zensar Technologies](#), a leading experience engineering and technology solutions company, announced its consolidated financial results for its first quarter, ending June 30, 2023, of the fiscal year 2023-2024.

Financial Highlights:

- In Q1FY24, the company reported services revenue of \$149.2M, a sequential QoQ growth of 2.3% and constant currency 2.4%.
- In Q1FY24, the company reported total revenue of \$149.3M, sequential QoQ growth of 1.3% both in reported and constant currency term.
- In Q1FY24, the EDITDA stood at 18.7% and the PAT stood at 12.7% of revenues.
- The company reported net cash of \$233.8M at the end of Q1FY24, with a QoQ growth of \$32.3M and YoY growth of 42.9%.
- Europe region registered a sequential QoQ services revenue growth of 6.0% in constant currency and a quarterly YoY services revenue growth of 3.4% in constant currency.
- US region registered a sequential QoQ services revenue growth of 1.3% in constant currency and a quarterly YoY services revenue decline of 0.2% in constant currency.
- South Africa registered a sequential QoQ services revenue growth of 3.4% in constant currency and a quarterly YoY services revenue growth of 19.6% in constant currency.
- Banking, Financial Services, and Insurance reported sequential QoQ services revenue growth of 4.0% in constant currency and a quarterly YoY services revenue growth of 13.2% in constant currency.
- Hi-Tech and Emerging registered a sequential QoQ services revenue decline of 2.6% in constant currency and a quarterly YoY services revenue decline of 4.0% in constant currency.
- Manufacturing and Consumer Services registered a sequential QoQ services revenue growth of 6.2% in constant currency and YoY services revenue decline of 1.3% in constant currency.
- Headcount as of June 30, 2023, stood at 10,540.

Manish Tandon, CEO and Managing Director, Zensar Technologies, said, “In Q1FY24, we saw good growth in revenue and improved margins despite the macro challenges within the industry. Our quarterly services revenue stood at \$149.2M, a sequential QoQ growth of 2.4% in constant currency. Our quarterly revenues are at \$149.3M, with a sequential QoQ growth of 1.3% in both reported and constant currency terms. In line with our stated strategy, we continue to defocus on pass through revenues. Our EBITDA increased by 420 basis points to 18.7%. We have witnessed good improvement in margins, and a portion of these are being reinvested into the business. As one of our core principles, we continue to drive client-centricity across the organization. We remain committed to allocating resources for the skill enhancement of our employees and strengthening our diverse pool of talent. Through these strategic initiatives, we aim to drive client success and foster sustainable business expansion.”

Sachin Zute, CFO, Zensar Technologies, commenting on the Q1FY24 performance, said “Our PAT stood at 12.7% for the quarter, a sequential QoQ increase of 290 basis points and YoY increase of 660 basis points. We saw an increase in our cash and cash equivalents which stood at \$233.8M, a QoQ increase of \$32.3M and quarterly YoY growth of 42.9%. The DSO for the quarter continues to be healthy and remained at 74 days. Our unwavering commitment to enhancing operational improvements has helped us bolster the financial performance of Zensar.”



Significant Wins in Q1FY24:

- Advanced Engineering & Application Services, and Data Engineering & Analytics (+AI/ML) Services for a US-based multinational digital communications technology conglomerate
- Enterprise Applications (SaaS) Services for a US-based company advancing and optimizing clinical laboratories
- Enterprise Applications (SaaS) Services for a leading employee-owned electrical contractor in the US
- Application Services for a US-based global risk management products and services provider
- Application Services for an international multilateral developmental bank headquartered in London, that promotes private and entrepreneurial development through finance
- Application Services for a provider of financial technology services that is based in the US
- Application Services for a US-based gaming equipment manufacturing company

Corporate Excellence Snapshot in Q1FY24:

- Zensar named in Tool: Gartner Vendor Revenue Profile Data, 2022
- Zensar named in Tool: Dynamic Sourcing — IT Infrastructure Service Provider Selection in 90 Minutes
- Zensar named in Gartner Market Share Data: Top 10 Providers by Market Segment, Worldwide, 2022

Awards and Recognitions in Q1FY24:

- Zensar's Indigo Slate won Gold and Bronze at the Telly Awards 2023 in recognition of the Amazon Alexa YouTube series
- Zensar was recognized as a finalist in two categories at the LinkedIn Talent Awards 2022 - Best Employer Brand on LinkedIn and Talent Insights Pioneer for the India region

About Zensar (www.zensar.com)

We conceptualize, build, and manage digital products through experience design, data engineering, and advanced analytics for 145+ global clients. Our solutions leverage industry-leading platforms and help clients be competitive, agile, and disruptive as they navigate transformational changes with velocity. With headquarters in Pune, India, our 10,500+ employees work across 30+ locations, including San Jose, Seattle, Princeton, Cape Town, London, Singapore, and Mexico City.

Follow Zensar via:

Zensar Blog: <http://www.zensar.com/blogs>

Twitter: <https://twitter.com/Zensar>

LinkedIn: <https://www.linkedin.com/company/zensar-technologies>

Facebook: <https://www.facebook.com/ZensarTech/>

Catch our refreshed new website at: www.zensar.com

About RPG Enterprises (www.rpggroup.com)

RPG Enterprises, established in 1979, is one of India's fastest-growing business groups, with a turnover of US\$ 4.7 billion. The group has diverse business interests in the areas of Infrastructure, Tyres, Pharma, IT and Specialty as well as in emerging innovation-led technology businesses.



For any queries, please feel free to reach out:

Media Contact
Sowmya Achar Public Relations Zensar Technologies sowmya.achar@zensar.com

Safe Harbor

Certain statements in this release concerning our future prospects are forward-looking statements that involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. This release and other statements—written and oral—that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. However, the same are subject to risks and uncertainties, including, but not limited to, our ability to manage growth; fluctuations in earnings/exchange rates; intense competition in IT services, including factors affecting cost advantage; wage increases; ability to attract and retain highly skilled professionals; time and cost overruns on fixed price, fixed-time frame, or other contracts; client concentration; restrictions on immigration; our ability to manage international operations; reduced demand for technology in our service offerings; disruptions in telecommunication networks; our ability to successfully complete and integrate acquisitions; liability for damages on our service contracts; government measures in India and countries where our customers operate; withdrawal of governmental fiscal incentives; economic downturn in India and/or around the world; political instability; legal restrictions on raising capital or acquiring companies; and unauthorized use of intellectual property and general economic conditions affecting the industry.

In addition to the foregoing, global pandemics like COVID-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, to us, our customers, delivery models, vendors, partners, employees, and general global operations and may also impact the success of companies in which we have made strategic investments, demand for the Company’s offerings, and the onshore-offshore-nearshore delivery model.

The results of these assumptions made relying on available internal and external information are the basis for determining the carrying values of certain assets and liabilities. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company’s current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.