

Dear Analyst,

I am pleased to report on Sasken Group's business performance for Q4 Fiscal 2023, ending March 31, 2023. As always, we must highlight that certain statements made here or subsequently in response to your queries concerning our future growth prospects are forward-looking statements. Please refer to Safe Harbor clause in the second slide of our presentation for full details.

Sequential Quarter-on-Quarter

In Q4 FY 2022-23, the Sasken Group's consolidated revenues decreased by 16.2% to ₹ 102.89 crores, compared to the previous quarter. Consolidated Earnings before Interest and Taxes for Q4 fiscal '23 were ₹ 12.39 crores, a decrease of 54.7% sequentially. Consolidated PAT for Q4 fiscal '23 stood at ₹ 17.07 crores, down by 45.4% over the previous quarter. The PAT margin for Q4 fiscal '23 was at 16.6%. Consolidated earnings per share for the quarter were ₹ 11.34. As of March 31, 2023, cash and cash equivalents were around ₹ 610 crores.

Comparable Quarter-on-Quarter

Comparing Q4 FY 2022-23 to the previous year's comparable quarter, consolidated revenues for the Sasken Group decreased by 5.8% to ₹ 102.89 crores. Consolidated Earnings before Interest and Taxes for Q4 fiscal '23 were ₹ 12.39 crores, a decrease of 57.8% QoQ. Consolidated PAT for Q4 fiscal '23 was at ₹ 17.07 crores, down by 36.5% QoQ.

Comparable Year-on-Year

For the fiscal year FY 2022-23, the Sasken Group's consolidated revenues were ₹ 446.98 crores, an increase of 3.0% over the previous fiscal year. Consolidated Earnings before Interest and Taxes for FY 2022-23 were ₹ 94.03 crores, a decrease of 23.3% over the previous fiscal year. Consolidated PAT for FY 2022-23 was ₹ 99.47 crores, down by 22.4% over the previous fiscal year. The consolidated EPS was ₹ 66.14 for the full fiscal year FY 2022-23.

People

As of March 31, 2023, the Sasken Group had 1,496 employees, with an attrition rate of 25 % for the trailing twelve months. To increase retention, we are taking several initiatives, including enhancing the career development opportunities and strengthening the total rewards and recognition package for our talent pool. As part of our fresher intake program, we had invested in adding Associate Software Engineers (ASE) who have been undergoing competency development programs through Q4 and consequently, utilization has been lower at 58.2%. At Sasken, we remain committed to growing and developing our talent engine to deliver high impact outcomes for the customers we serve globally.

Customers

We currently have 60 active customers.

Business Highlights

As I share with you our business highlights, I would like to also update you about Sasken's strategic investments and future plans. We have been making significant investments since mid-FY23 to strengthen our offerings and build differentiated value propositions. We are committed to continuing with these investments over the next couple of quarters, which we are confident, will show significant results subsequently.

We have also been closely working with our partners and customers to co-develop innovative solutions for the future. Our collaboration with Semicon Engineering partners has been particularly fruitful, and we look forward to expanding our partnerships further with key strategic clients as well. These strong alliances enable us to create groundbreaking products that meet the changing needs of the market. We value our relationships and believe that working together is the key to delivering cutting-edge technology.

Additionally, to strengthen our efforts to penetrate the global market aggressively, we have expanded our global sales force - especially in the USA, Europe and Japan. This year we will also invest in integrated marketing initiatives to drive a more focused messages to our clients and partners. Our offering led go-to-market strategy and account-based targeted sales approach will help us tap the huge market potential and unlock the true value for Sasken.

In the Communication & Devices segment, we continue to win new business from customers who value our deep understanding of wireless protocols. We are focused on securing business extensions, as well as generating market traction with our network engineering services. As the Android platform gains acceptance, we see opportunities for market growth, but we note the rising competitive intensity in this area. We are reinventing our delivery capabilities for cost competitiveness and expanding addressable market focus to retain our competitive edge.

In the satellite segment, we anticipate robust demand, but sales cycles are protracted, and outcomes are binary in nature. We expect this market to be of strategic importance to us.

In the automotive domain, we are seeing significant industry traction on programs delivered in the past and are encouraged to capitalize on our strengths and invest into the future. Our deep engineering knowledge in the semiconductor engineering space is enabling us to forge ecosystem partnerships, providing new opportunities to sell through our partners across domains.

We are gearing up to solve customer challenges through our offerings across the automotive, devices and wireless comms domains, underpinned by our capabilities on digital, cloud and quality engineering services.

In semiconductors, we are seeing healthy growth in platform engineering offerings, enabling our customers to launch new chipsets. We continue to build our market presence with both the captive centers and headquarters of large semiconductor companies.

In the digital arena, we are cross selling our bouquet of offerings and have won new opportunities with our automotive and industrial customers. The quarter also witnessed a new engagement in the digital engineering space with a US-based digital marketing company.

Final Dividend

The Board of Directors has recommended a final dividend of Rs.13 per equity share for the year ended March 31, 2023, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. Once approved, the cumulative dividend for the year will amount to Rs. 25 per equity share (including interim dividend payment of Rs.12 declared on October 21, 2022).

Overall, we are confident about Sasken's future growth prospects. We appreciate the trust reposed in us and are committed to driving value for all our stakeholders.

Sincerely,

Abhijit Kabra

Chief Executive Officer

Sasken Technologies Limited

Rajiv C Mody

Chairman and Managing Director

Sasken Technologies Limited