



SASKEN

Dear Analyst,

I am pleased to report on Sasken Group's business performance for Q2 FY25, 30th September 2024. 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.

Quarter-on -Quarter (Sequential)

Let me share with you our financial performance for the quarter. In Q2 FY25, the consolidated revenues for the Sasken Group went up by 9.5% over the previous quarter to ₹ 135.03 crores. Consolidated Earnings before Interest and Taxes for Q2 FY25 were ₹ 0.91 crores, a decrease of 58.7% sequentially. Consolidated PAT for Q2 FY25 was at ₹ 12.29 crores, down by 30.5% over the previous quarter. PAT margin for Q2 FY25 was at 9.1%. Consolidated earnings per share were at ₹ 7.98 for the quarter. Cash and investment were approximately ₹ 660 crores as of 30th September 2024.

Quarter-on -Quarter (Comparable quarter of the previous year)

The consolidated revenues for the Sasken Group went up by 31.7% to ₹ 135.03 crores. Consolidated Earnings before Interest and Taxes for Q2 FY25 were at ₹ 0.91 crores, a decrease of 92.9%. Consolidated PAT for Q2 FY25 was at ₹ 12.29 crores, down by 32.0%.

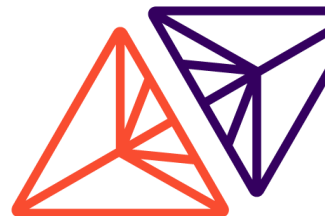
Year on Year (Comparable previous half year)

In H1 FY25, the consolidated revenues for the Sasken Group went up by 28.6% YoY to ₹ 258.39 crores. Consolidated Earnings before Interest and Taxes for H1 FY25 were ₹ 3.09 crores, a decrease of 84.6% YoY. Consolidated PAT for H1 FY25 was at ₹ 29.97 crores, down by 31.5% YoY. PAT margin for H1 FY25 was 11.6 %. Consolidated earnings per share, was ₹ 20.02 for H1 FY25 as against ₹ 29.09 for H1 FY24.

In line with the previous quarter, our sales momentum has continued in this quarter as well. Q2 FY25 sales figures have grown both on a quarter-on-quarter and year-on-year basis. Furthermore, the growing utilization rates, improving customer profile and increasing employee headcount are a testament to the successful pursuit of our 60x4x3 account mining-based growth strategy. We continue to focus on enhancing workforce capabilities and maintaining a high level of employee engagement. We continue to focus on enhancing workforce capabilities and maintaining a high level of employee engagement. This is evident from the decline in attrition rates from Q2 FY24. Our customer profile has improved since Q2 FY24 with increasing \$1M+ accounts and decreasing customer concentration levels. Though the current investments can suppress profitability in the short term, we expect our margin profile to improve sustainably once revenues and volumes scale up.

Sasken Technologies Limited

139/25, Ring Road, Domlur, Bengaluru 560071, India
T: +91 80 6694 3000, E: info@sasken.com
CIN: L72100KA1989PLC014226 | www.sasken.com





SASKEN

New Deals & Order Book

In Q2 FY25, Sasken secured significant wins across multiple sectors worth USD ~11.5 million, which includes new orders of USD ~ 7.2 million and added three new logos. Some of the noteworthy wins of the quarter include:

- IP ownership project with a global semiconductor design and manufacturer
- Landmark GX project with a world-leading satellite communications company
- Linux SMR services for a market leader in automation, safety technologies and energy solutions
- RF design silicon project with a leading consumer electronics and telecommunications equipment company
- RFID Production Testers for global market leader in the design and manufacturing of RFID inlays and tags

Key Investments and Partnerships:

- We have formed a strategic partnership with Industry leading TEE Technology provider Trustonic to advance Automotive cybersecurity. By leveraging our joint expertise, we are committed to enhancing secure solutions in the automotive industry. This collaboration marks a significant step towards providing cutting edge solutions for Software Defined Vehicles (SDV)
- We are actively investing in QNX on AWS Graviton, enabling OEM's & Tier-1's to accelerate the shift left approach in Automotive cockpit solutions. By leveraging this powerful combination, we enhance efficiency and reduce time-to-market for Cockpit systems.
- We are continuing our investments in the areas of hyperscaler's. We are now a SELECT tier AWS Partner. This strengthens our chip to cognition solutions, enabling us to deliver even more innovative and comprehensive solutions across the digital landscape.
- We are continuing to invest in development of Generative AI applications to address several use cases across different industry segments.

People

As we conclude Q2 FY25, I would like to highlight our progress and people initiatives. At the end of the quarter, Sasken group headcount was 1707, (~5% Quarter-on- Quarter growth) and the attrition for the trailing 12 months was 9.2%. We are committed to a thriving workplace by engaging top talent and all employees. Our HR team's client site visits are boosting our sense of belonging, and outreach to onsite staff has been instrumental in reemphasizing our focus on talent.

This quarter, we made notable improvements in our policies and processes. We revamped our referral policy to include special bonus for hiring diversity candidates. We are also expanding our recruitment reach by posting job openings through employee LinkedIn profiles. Furthermore, the redesigned iKen homepage (Sasken's intranet) is enhancing user experience and information accessibility.



SASKEN

The talent and employer branding initiatives are gaining great momentum. Our growth is visible in proud opening of a new office space in Pune & Kolkata. We have also introduced digital show reels of our monthly Employee Spotlight videos across all locations. In the quarter we completed the Great Manager Index Survey Round 2, with 69 managers now certified, showcasing our dedication to leadership development. We launched our annual KenXperience Pulse Survey which saw an impressive 74% response rate. We also engaged over 2,000 employees through 46 events, including the launch of the Sasken Champions League

In the last quarter, we have also made significant strides in diversity, equity, and inclusion initiatives by establishing Sasken DEI committee and kick-starting a three-year plan to further enhance these values. The newly launched KenBlazers, the employee recognition email series continues to inspire Sasians across geos and functions. We have strengthened engagement and collaboration across teams by deploying Viva Engage platform.

To ensure timely information cascade and enhanced leadership connects, we held 37+ interaction sessions, covering 2,333+ employees, with insightful discussions. Looking ahead, we are excited about upcoming milestones and festival celebrations that will further strengthen our community spirit. Initiatives like the Quark Hackathon and the onboarding of 90+ campus hires highlight our commitment to nurturing talent and driving innovation.

As we navigate these dynamic times, our focus remains on creating an inclusive, innovative, and supportive workplace. I am immensely proud of our achievements this quarter and deeply grateful for the dedication of our employees—our cornerstone of success. Together, we will continue to strive for excellence and pursue our shared goals with unwavering commitment.

Business Highlights

In Q2 FY25, the engineering R&D services industry continued to navigate both challenges and opportunities amidst a rapidly evolving technological landscape. Our commitment to leading in this era of technological disruption remains robust as innovative technologies reshape product engineering and digital transformation. The engineering R&D (eR&D) industry is witnessing significant advancements driven by emerging technologies. The growing adoption of **Generative AI**, which is transforming product design, simulation, and testing processes across sectors. **5G** and **Edge Computing** are enabling real-time data processing, leading to advancements in automotive, industrial IoT, and telecommunications. Additionally, the shift towards **sustainability** is promoting innovations in energy-efficient solutions and materials. Global Capability Centers (GCCs) are increasingly taking on full product ownership, expanding their influence in global markets. Moreover, the integration of **digital twins and smart manufacturing** is significantly improving operational efficiencies and expediting innovation in product development. This dynamic environment presents us with a valuable opportunity to enhance our collaboration with GCCs and leverage these advancements for mutual growth.



SASKEN

In the **Automotive sector**, several transformative trends are shaping the industry. Virtualized platforms for Digital Cockpits and Central Compute Units, which run critical vehicle services, are driving the evolution of Software Defined Vehicles (SDVs). OEMs and Tier-1 suppliers are increasingly adopting reusable, highly customizable virtualized platforms. As a system integrator, Sasken is uniquely positioned to collaborate with the right partners and play a pivotal role in this significant transformation.

There is a sustained emphasis on Telematics and Connected Vehicles for both four-wheelers and two-wheelers, with manufacturers focusing on cost-effective solutions for Telematics units and applications that enhance connectivity.

Additionally, the surge in electric vehicles (EVs) is driving the rapid growth of the e-scooter market in India, with trends such as extended driving ranges, diverse price options, and integrated digital services. Sasken is working closely with leading two-wheeler OEMs to accelerate the adoption of green initiatives, focusing on solutions like digital connected clusters, navigation, and cloud platform services aligned with sustainability goals.

Emerging technologies such as (Gen)AI and IoT are also being integrated into vehicle performance, safety, and user experience enhancements. Advanced Driver Assistance Systems (ADAS) and Autonomous Vehicle validation offer further opportunities, particularly as Tier-1 suppliers face cost pressures and OEMs in emerging markets seek innovative solutions.

During the last quarter, we achieved multiple wins in new areas, including SDV platform development for a semiconductor giant, telematics porting on new chipsets for a Japan-based Tier-1, and ADAS development and testing for an EU Tier-1. These successes validate our continuous focus on technological advancements and solution enhancements.

We continue to strengthen relationships with ecosystem participants like AWS, ARM, and BlackBerry and are road-mapping select proof of concepts to showcase our capabilities at upcoming trade shows.

In the **Satellite** segment, many Satellite Operators are joining GSMA to start Direct-To-Device (D2D) services by adopting 3GPP standardized Non-Terrestrial Network (NTN) IoT where the market is expected to grow significantly over the next several years. The NTN standards will continue to evolve in 3GPP Rel19 and Rel20. In addition to the D2D market, the Mobile Satellite Service (MSS) handset market is adopting NTN standards. These devices support dual technologies, Cellular and NTN. At the same time, different services based on NTN New Radio (NR) are in experimental phase in laboratories using Chipsets, Devices and Network Simulators before NTN NR is adapted in re-generative satellite to support newer services.

Major chipsets suppliers are designing multiple chipsets supporting NTN such as NTN IoT standalone, Cellular NB-IoT with NTN IoT, and Cellular multiple technologies with NTN IoT. We are actively pursuing development opportunities using NTN chipsets as well as proprietary technology-based devices.



SASKEN

In the **Cellular Communications** industry, we are seeing O-RAN, Network APIs and Private Networks as major shifts. The Network APIs are significant as it drives multiple applications such as Fraud Prevention, Network Performance Optimization, Online payments & Billing, Customer Service personalization, Device Status, IoT Remote Control, and Content Delivery. This will help in exploring opportunities to leverage generative AI in our services, focusing on reducing network outages, enabling self-healing capabilities, and quickly identifying root causes. This includes experimenting with large language models (LLMs) to analyze network logs, transforming them into context-aware intelligent log analysis modules. We are working on device development in Cellular and Non-Terrestrial, Lab-as-a-service for Network Equipment suppliers, and Automation of Network Infrastructure testing.

In our **Android and Smart Devices** offerings segment, we are continuing to witness a growing trend of enhancing user experiences through AI integration, security, and connectivity. AI-on-Edge is gaining traction, enabling real-time processing and reducing dependence on cloud infrastructure, significantly improving response times for applications such as image recognition and predictive analysis. Additionally, 5G integration in Android devices enhances connectivity, enabling faster data transfer and lower latency, crucial for applications like AR/VR and IoT. Enhanced security measures, including biometric authentication and encrypted storage, are becoming standard. Furthermore, foldable devices and innovations in display technology are pushing the boundaries of form factors, offering more versatility in mobile devices.

During the last quarter, Sasken made significant progress in On-device AI by collaborating closely with leading semiconductor partners.

In the **Digital** space, we are seeing traction in Gen AI based Assistants for improving customer experience, Gen AI based accelerator to improve productivity software engineering such as intelligent log analyzers, Connected Vehicle, Platform Engineering and analytics use cases above Connected Vehicle platform, Software Defined Vehicles, Digital Twins, Customer Applications to improve automotive rider experience, different B2B applications for automotive OEMs to partner with different entities in the supply-chain, predictive analytics, DevOps for Onboard (In-vehicle/embedded) software, SRE (Site Reliability Engineering) & DevOps for Offboard (cloud hosted) software and operational data platform for communications segment.

In the last quarter, we've made significant strides with next-generation automotive tier-1 suppliers and global OEMs. Through these partnerships, we have successfully rolled out innovative connected car services, scalable data platforms, cybersecurity consulting, DevSecOps, MLOps, and predictive analytics solutions. Our collaborations with key ecosystem partners, including AWS and Databricks, have also been strengthened. We are actively investing in Gen-AI initiatives and working to enable product and enterprise-focused use cases across various segments to deliver added value to our clients.



SASKEN

In the **Cybersecurity** space, we have further strengthened our partnerships with Technology, Toolchain & Platform solutions. This enables us to offer the full spectrum of lifecycle management solutions and services to our customers across different segments.

Dividend

The Board has declared an interim dividend of Rs. 12 per equity share for FY 2024-25 at its meeting held on October 25, 2024.

My team and I are grateful for the trust you have placed in us and wish to assure you of our commitment to do our best for all stakeholders.

Sincerely,

Rajiv C Mody

Chairperson, Managing Director & CEO