



# SASKEN

Dear Analyst,

I am pleased to report on Sasken Group's business performance for Q4 FY24 and for the full year FY 24. 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 begin by walking you through our financials for the quarter. In Q4 FY24, the consolidated revenues for the Sasken Group went up by 13.0% over the previous quarter to ₹ 108.99 crores. Consolidated Earnings before Interest and Taxes for Q4 FY24 were ₹ 0.13 crores, a decrease of 95.6% sequentially. Consolidated PAT for Q4 FY24 was at ₹ 17.21 crores, down by 3.0% over the previous quarter. PAT margin for Q4 FY24 was at 15.8%. Consolidated earnings per share were at ₹ 11.41 for the quarter. Cash and cash equivalents were approximately ₹ 690 crores as of 31<sup>st</sup> March 2024.

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

The consolidated revenues for the Sasken Group went up by 5.9% to ₹ 108.99 crores. Consolidated Earnings before Interest and Taxes for Q4 FY24 were at ₹ 0.13 crores, a decrease of 99.0%. Consolidated PAT for Q4 fiscal '24 was at ₹ 17.21 crores, up by 0.9%.

### **Comparable Year-on-Year**

For the fiscal year FY 2023-24, the Sasken Group's consolidated revenues were ₹ 406.43 crores, an decrease of 9.1% over the previous fiscal year. Consolidated Earnings before Interest and Taxes for FY 2023-24 were at ₹ 23.27 crores, a decrease of 75.3% over the previous fiscal year. Consolidated PAT for FY 2023-24 was at ₹ 78.74 crores, down by 20.8% over the previous fiscal year. The consolidated EPS were at ₹ 52.29 for the full fiscal year FY 2023-24.

During Q4 FY24, we have seen growth in our sales figures both quarter-on-quarter and year-on-year, indicating a growth trajectory as well as highlighting successful implementation of our account mining-based strategy. In the quarter, we incurred higher costs because of knowledge transfer expenses related to a long-term project with an automotive client. Additionally, we made significant investments in enhancing our capacity to meet growing demand. We remain committed to investing in customer relationships, sales, capabilities, and technology to drive revenue growth. While we anticipate lower margins in the short term, we are confident that our strategic investments align with our long-term strategy of 60x4x3 enabling sustainable margin and growth. As revenue volumes improve, we expect to see steady margin improvement.

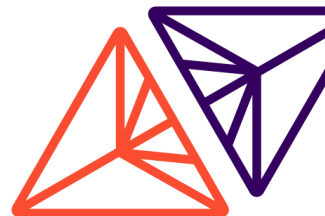
### **New Deals & Order Book**

In Q4 FY24, we won orders worth USD 29 million comprising new orders of USD 15.0 million and renewals of USD 14 million.

Some of the noteworthy wins of the quarter include, multi-year deal with a European automotive tier 1 for Platform consolidation maintenance of their 4G/ 5G telematics platforms, large deal with a global

### **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

satellite communications company to develop cloud based network control system for satellite terminal, long term Android engineering agreement with a global electronic payment solution provider and strategic multiyear production testing engagement with a global technology multinational company, supporting their strategic goal to move manufacturing facility to India. In the quarter we also won a multi-country, multi-geo expansion deal with a leading global automaker and provider of innovative mobility solutions.

## **Key Investments and Partnerships:**

- Towards strengthening our Chip to Cognition position with IoT use cases across Automotive, Enterprise & Consumer verticals, we are strengthening our partnership with Qualcomm, Blackberry & AWS.
- Setting up an in-house automotive simulation test framework; to significantly cut down “on road” testing requirements.
- We are continuing our investments in the areas of artificial intelligence, specifically targeting the Qualcomm Gen-4 platform to develop automotive cockpit use cases leveraging Large Language Model (LLM)
- Recognizing the immense potential of artificial intelligence, are investing in assembling an exclusive AI task force spearheading research and Development in areas intersecting with our offerings.
- We are setting up a Security Center of Excellence to deliver secure by design experience for our customers.

## **People**

As of 31st March 2024, the headcount for the Sasken group stood at 1577 and the attrition for the trailing 12 months was 10.60%. As we reflect on our achievements and set our sights on future goals, we remain committed to fostering a workplace where every employee can thrive as we believe our employees are vital to our success. We are dedicated to fostering a supportive environment that nurtures talent, encourages diversity, and prioritizes work-life balance. Our efforts to promote retention is showing positive results in a steady drop in attrition. Employee retention at our organization has reached an all-time high, with quarterly attrition dropping significantly to just 7.6% in Q4 FY24 from 18.2% in the previous year. This positive trend is aligned with our organizational vision of achieving 60x4x3 and has resulted in a net headcount increase for FY24.

During the quarter, we are proud to share that we got certified as Great Place to Work after nearly two decades, a result of our strong & inclusive HR practices.

Using single minded focus, we have also driven culture transformation programs to instill excellence at all levels and enabled our talent to deliver the best for our customers globally.

## **Business Highlights**

In FY24, the engineering R&D services industry experienced a mix of challenges and opportunities amidst a rapidly evolving technological landscape. Our dedication to standing out amidst technological



# SASKEN

disruptions remains steadfast. Innovative technologies are reshaping the engineering R&D landscape, offering new avenues for advancement. With advent of GCCs, we see there are strategic shifts occurring, with full product ownership for global markets being shifted to Bangalore. This presents a great opportunity for us to capture as we start working closely with them.

The India 2-wheeler E-scooters market is growing at a fast pace driven by government policies and sustainability initiatives. Trends include expanded driving range, diverse price ranges, digital services, and a shift towards logistics and delivery solutions. Sasken is working very closely with leading 2-wheelers OEMs to accelerate technological adoption with focus on solution for green initiatives aligned to their sustainability charter, advance digital connected cluster, navigation and cloud platform services.

In the **Automotive** sector, several key trends are shaping the industry. The focus on sustainability is evident through the increasing adoption of electric vehicles. There is also a strong emphasis on vehicle performance, safety, and user experience, with the integration of advanced technologies such as (Gen)AI and IoT. Software Defined Vehicles (SDV) are emerging as a means for OEMs to generate alternative revenue streams, allowing for software control over hardware-agnostic value address features and functionalities, with over-the-air updates and cloud connectivity. ADAS and autonomous vehicle validation, as well as Tier-1 cost pressure and emerging market OEM requirements, present further opportunities.

During the last quarter we have had significant success, including winning two long-term strategic bids. With Joynext, we are engaged in a multi-year R&D partnership from the concept to production programs. With another German automotive multinational OEM, we have signed a significant platform consolidation deal, enabling us to provide a cost-efficient long-term maintenance solution for their their 4G/ 5G telematics platforms. We are making significant investments in our in-house integrated hardware & Software simulation test framework for complex use cases, strengthening our capabilities in ADAS and automation pursuits, reducing the need for extensive on-road testing.

We have strengthened our relationship with ecosystem participants – AWS, ARM and Blackberry. We are road mapping select PoC's to market our capabilities and exhibit in tradeshow. Additionally, we have established relationships with Cybersecurity toolchain, orchestration platforms and VAPT service providers to offer complete secure by design experience for our customers.

**In the satellite segment**, the rise of Non-Terrestrial Networks (NTN) promises continued growth, with NTN New Radio (NR) enabling broadband support. Integration of satellite communications into the broader network ecosystem underscores the emergence of a Network of Networks, where satellites play an integral role in delivering ubiquitous connectivity. Convergence of Satellite networks aka NTN (Non-Terrestrial networks) in 3GPP specs with terrestrial networks, particularly through initiatives like Direct-to-Device for IoT and broadband services, is expected to drive innovation and redefine connectivity standards. Sasken, with its extensive experience in NTN and terrestrial network technologies, is primed to capitalize on emerging opportunities in 5G NTN NR and NTN IoT. Our recent progress includes the development of VSAT systems, with terminal and gateway software slated for release in 2026/27 underscoring our commitment to driving the evolution of satellite communications.



# SASKEN

In the **Communications** industry, we are witnessing a shift in **next-generation networks** driven by the transformative power of artificial intelligence (AI). AI has the potential to revolutionize our Solutions and Services by enhancing Network Optimizations, Self-Diagnostics, Network Security, and Customer Analytics, ultimately elevating customer experiences.

We are actively exploring opportunities to leverage Gen AI adoptions in our Services, focusing on reducing network outages, enabling self-healing capabilities, and providing quick identification of root causes. Additionally, we are capitalizing on AI inferencing on the telecom edge/network edge compute to unlock new use cases.

In our **Android and Devices** offerings segment, we are witnessing a growing trend of AI-on-edge integration in consumer devices such as smartphones and rugged enterprise devices. This integration promises enhanced productivity in image processing and search use cases. In the upcoming year, we anticipate efforts to directly integrate large language models into end devices, reducing reliance on cloud infrastructure. Camera and Vision AI on Edge devices-based applications are also gaining momentum across various segments.

During the last quarter, we made progress in the AI-on-edge domain, collaborating closely with our leading semiconductor partners. We have also strengthened our relationships with key ecosystem participants, including Google Enterprise, Qualcomm IoT, and 3PL's. Additionally, we have established partnerships with cybersecurity toolchain providers, orchestration platforms, and VAPT (Vulnerability Assessment and Penetration Testing) service providers, enabling us to offer a secure-by-design experience to our customers.

In the **Digital** space, we are seeing traction in Gen AI based Assistants for customer support, productivity improvement in software development, improving customer experience, Connected Vehicle Platform Engineering and analytics use cases above Connected Vehicle platform, DevOps for Onboard (In-vehicle/embedded) software, SRE (Site Reliability Engineering) & DevOps for Offboard (cloud hosted) software.

In the past quarter, we have made progress by entering into new partnerships with next-generation automotive tier-1 suppliers and global OEMs. Through these collaborations, we have successfully delivered innovative connected car services, scalable data platforms, cybersecurity consulting, DevSecOps, MLOps, and predictive analytics solutions. Our relationship with key ecosystem participants, namely AWS and Databricks, has also been strengthened.

In line with our growth strategy, the company completed its investments in Anups Silicon Services Private limited. With this investment, Sasken has added to its repertoire both IP's and Engineering capabilities to deliver comprehensive chip design solutions, IP-led design, and foundry services. In Q4, FY24 we also achieved significant process improvements, receiving the ASPICE v3.1 compliance certification.

## **Final Dividend**

The Board of Directors has recommended a final dividend of Rs.13 per equity share for the year ended 31<sup>st</sup> March 2024, subject to approval of shareholders in the ensuing Annual General Meeting of the



SASKEN

Company. Once approved, the cumulative dividend for the year will amount to Rs.25 per equity share including interim dividend of Rs.12 declared on October 20, 2023.

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**

Chairman and Managing Director