

October 31, 2023

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Ltd.,
Exchange Plaza, C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400051.

Scrip ID: BSOF
Scrip Code: 532400

Symbol: BSOF
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Investor update for Q2 FY 2023-24

Dear Sir / Madam,

Please find enclosed the investor update for Q2 FY 2023-24.

Kindly take this on your record.

Thanking you.

Yours faithfully,

For **Birlasoft Limited**



Sneha Padve
Company Secretary & Compliance Officer

Encl.: - As mentioned above.

Birlasoft Limited

Registered Office: 35 & 36, Rajiv Gandhi Infotech Park, Phase - I, MIDC, Hinjawadi, Pune (MH) 411057, India

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CIN: L72200PN1990PLC059594

Investor Update

Q2 FY 2023-24

A 3D bar chart with several bars of varying heights, rendered in a light grey, semi-transparent style. The chart is set against a dark background that features a glowing, grid-like pattern resembling a circuit board or a data visualization. The bars are arranged in a way that suggests a progression or growth over time.

Birlasoft's Q2FY24 Revenue up 3.0% QoQ to \$158.3 Mn

Strong order-booking with deals TCV of \$271 Mn

Secures a \$100Mn+ TCV deal with a Fortune 500 corporation in North America

EBITDA margin expands 52 bps QoQ to 15.8%; Strong cash flow generation with OCF-to-EBITDA at 93%

Pune (India), Oct 31, 2023: Birlasoft, a part of the USD 2.9 billion diversified **CK Birla Group**, today reported its unaudited consolidated financial results for the second quarter ended September 30, 2023.

Mr. Angan Guha, Chief Executive Officer and Managing Director, Birlasoft, said, "We are pleased to report a strong financial and operating performance, delivering robustly across all three fronts – growth, margins, and deal wins. Our Q2FY24 revenue grew by 3.1% sequentially in constant currency terms and by 3.0% in dollar terms on the back of better account mining and deal ramp-ups. Deal wins too have been strong, led by a very large deal with a TCV of over \$100 million secured during the quarter. On the capabilities front, we continue to scale up our emerging tech skill sets and have also augmented our leadership team with the induction of a Chief

Operating Officer who brings significant expertise in transformative capability-building".

"The quarter under review has been characterized by a well-rounded performance with our revenues increasing to Rs 13,099 mn, a growth of 10% year-on-year. Ex of Invacare, this represents a growth of 13% year-on-year. We also witnessed further improvement in our EBITDA margin which has expanded to 15.8%, even after implementing an organization-wide compensation increase effective September 1st, on the back of multiple operational efficiency initiatives that we have been driving. We continue to win deals, generate strong cash flows, and are also seeing moderating attrition levels, all of which gives us the confidence to deliver a healthy for the full financial year as well," said Ms Kamini Shah, Chief Financial Officer, Birlasoft.

Key Financial highlights for Q2 FY24

In INR ₹

- Revenue at ₹ 13,099 M, up 3.7% QoQ and up 10% YoY
- EBITDA at ₹ 2,071 M; up 7.3% QoQ, EBITDA margin at 15.8%
- PAT at ₹ 1,451 M, up 5.5% QoQ and 26.1% YoY, translating to basic EPS (not annualized) of ₹5.24
- Board recommends interim dividend of ₹ 2.50 per share. The record date for this payout will be 8th November 2023.

In USD \$

- Revenue at \$158.3 M: up 3.0% QoQ and up 6.4% YoY
- In constant currency terms, revenues up 3.1% QoQ
- EBITDA at \$ 25.0 M; EBITDA margin expands 52 bps QoQ to 15.8%
- PAT at \$ 17.5 M, up 22% QoQ



Other operating highlights

- Growth during Q2FY24 driven by BFSI and Manufacturing among verticals, and by emerging tech among service lines
 - **Digital & Cloud up 28.7% YoY**
 - Top clients led growth during the quarter: **Revenue from Top 5, Top 10 and Top 20 clients grew YoY by 15.1%, 15.0% and 6.8% respectively**
- Signed deals of TCV \$ 271 M during the quarter with TCV new deal wins of \$ 167 M and renewals of \$ 105 M
- Active Client Count at 278 in Q2, reflecting sustained rationalisation of the 'tail'; > \$ 1 M customers at 85, up by 9 YoY
- **Cash & Cash equivalents rise to \$ 173.5 M** by end of Q2 FY24 versus \$ 160.0 M at end of Q1 FY24
 - In rupee terms, cash and cash equivalents increased to ₹ 14,411 M at the end of Q2FY24 from ₹ 13,123 M at the end of the preceding quarter
- **DSO decreased to 52 days**, led by continued strong collections
- Workforce strength increases QoQ to 12,322 as on 30th September 2023, and **attrition improves further to 15.0% during Q2FY24** (from 18.8% a quarter ago and 27.4% a year ago)
- Birlasoft has **partnered with Cisco** to drive network transformation for its customers.
- Birlasoft has **inducted Selvakumaran Manappan**, a seasoned leader with over 29 years of experience in the IT industry, **as its Chief Operating Officer (COO)** who will oversee Global Delivery and Operations, Service Lines, the CTO/CISO functions, Managed Services and Business Excellence. He will work closely with the company's leadership team on transformative initiatives aimed at enhancing customer-centricity.
- The company is leveraging its **Generative AI Centre of Excellence**, established in the preceding quarter **in collaboration with Microsoft**, to train over 12,000 employees on AI tech.

Deal wins for the quarter

- Won a very large deal with a TCV of \$100 Mn+ over 5 years from a Fortune 500 corporation in North America. As part of this engagement, Birlasoft and the customer will establish a strong foundation towards Application Maintenance, Modernization and Migration to Cloud as well as build capabilities around Customer Experience, Enterprise Data Governance & Management, Data and Advanced Analytics.
- Secured a 3-year extension from a Fortune 500 customer in North America in the Communications segment with revised scope to cover Back Office Applications System Analysis and Testing, Enhancements and Transformation road map covering multiple applications and programs.
- Won business from a new North America-based customer in the Manufacturing vertical to provide services in the IT Ops/Infrastructure Management Services and Cloud space.
- Received an AMS Data Center and Managed Cloud Services deal from a new customer in the Manufacturing vertical in the APAC region.
- Awarded a Cloud and Infra services deal by a North American client in the med-tech industry.

Awards & Recognitions...

- Birlasoft won IT As Service award at the MSP India Summit and Awards 2023
- Birlasoft positioned as a "Star Performer (Major Contenders)" in Everest Group's Oracle Cloud Applications Services PEAK Matrix® Assessment 2023
- Birlasoft positioned as a "Disruptor" in Avasant's High-Tech Industry Digital Services 2023-2024 RadarView
- Birlasoft recognized as a "Challenger" in Avasant's Digital Workplace Services 2023 RadarView
- Birlasoft positioned as a "Disruptor" in Avasant's Digital CX Services 2023 RadarView
- Birlasoft positioned as a "Challenger" in Avasant's End-user Computing Services 2023 RadarView



...Awards & Recognitions (contd. from previous page)

- Birlasoft positioned as a "Leader" in Next-Gen ADM Services 2023 ISG Provider Lens™ Study for 'Continuous Testing Specialists' quadrant in the US region
- Birlasoft recognized as a "Challenger" in Avasant's Digital Talent Capability 2023 Radarview study
- Birlasoft positioned as a "Disruptor" in Avasant's Data Management and Advanced Analytics Services 2023 RadarView study
- Birlasoft positioned as a "Leader" in Oil and Gas Industry - Services and Solutions 2023 ISG Provider Lens™ Study in the North America region for the 'Data Management and Cloud Computing' and 'Next-Gen IT/OT Services' quadrants
- Birlasoft positioned as a "Product Challenger" by ISG in 'Enterprise Asset Management- North America' and 'Next-Gen IT/OT Services- Europe' quadrants
- Birlasoft's Pune facility certified for ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety) by TUV Nord, Germany

About Birlasoft

Challenge The Norm

Birlasoft combines the power of domain, enterprise and digital technologies to reimagine business processes for customers and their ecosystem. Its consultative and design thinking approach makes societies more productive by helping customers run businesses. As part of the multibillion dollar diversified The **CK Birla Group**, Birlasoft, with its 12,000+ professionals, is committed to continuing its 161-year heritage of building sustainable communities. For further information, visit www.birlasoft.com.

For further information please contact:

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Fact Sheet

Q2 FY 2023-24

INR Revenue up 9.9% YoY

EBITDA Margin expands to 15.8%

\$ 271 M TCV Deal wins

Key Financial Metrics

Key Financial Metrics - Q2 FY24				Growth (%)	
				QoQ	YoY
Constant Currency (CC) Revenue growth during Q2 FY24				3.1%	5.7%
Financials \$ M	Q2 FY23	Q1 FY24	Q2 FY24	Growth (%)	
				QoQ	YoY
Revenue \$ M	148.8	153.6	158.3	3.0%	6.4%
EBITDA Margin %	14.8%	15.3%	15.8%		
EBIT Margin %	13.1%	13.6%	14.2%		
Effective Tax Rate %	21.8%	24.3%	25.8%		
PAT \$ M	14.4	16.7	17.5		
PAT - Net Profit Margin %	9.7%	10.9%	11.1%		
EPS - Earnings Per Share (In ₹)					
Basic ₹	4.12	4.97	5.24		
Diluted ₹	4.08	4.92	5.18		
Days Sales Outstanding - Billed	56	53	52		

Key Operating Metrics



Revenue by Geography	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Americas	84.1%	84.0%	85.8%
Europe	9.6%	10.1%	8.2%
Rest of the World	6.3%	6.0%	6.0%
Total	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Manufacturing	41.8%	40.7%	41.1%
BFSI	19.1%	20.7%	21.1%
Energy & Utilities	14.1%	14.3%	13.7%
Lifesciences & Services	25.0%	24.4%	24.0%
Total	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Data & Analytics	28.6%	26.7%	25.6%
Digital & Cloud	28.2%	31.5%	34.2%
ERP	34.9%	33.4%	32.3%
Infrastructure	8.2%	8.4%	7.9%
Total	100.0%	100.0%	100.0%

Key Operating Metrics



Revenue by Contract Type	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Time & Material	40.2%	38.5%	39.1%
Fixed Price, Fixed Monthly	59.8%	61.5%	60.9%
Total	100.0%	100.0%	100.0%

Revenue Mix	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Onsite	48.0%	49.0%	48.8%
Offshore	52.0%	51.0%	51.2%
Total	100.0%	100.0%	100.0%

Deal Wins - New	Q2 FY23	Q1 FY24	Q2 FY24
Total Contract Value (TCV) - in \$ M	138	80	167

Currency Mix of Revenue	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
USD	85.7%	84.5%	87.1%
GBP	1.7%	4.3%	2.4%
EUR	4.2%	3.0%	2.8%
Others	8.5%	8.2%	7.7%
Total	100.0%	100.0%	100.0%

Key Operating Metrics



Exchange Rate (₹/US \$)	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Period Average	80.10	82.20	82.76
Period End	81.34	82.04	83.04

Client Data	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
No of Active Clients	301	285	278
Clients added - QoQ	1	(3)	(7)
No of million \$ clients (LTM)			
US\$ 1mn+ Clients	76	86	85
US\$ 5mn+ Clients	27	27	27
US\$ 10mn+ Clients	14	13	11
Client Contribution to Revenue (LTM)			
Top 5	31.1%	33.3%	33.6%
Top 10	47.2%	49.6%	51.0%
Top 20	63.7%	63.9%	63.9%

LTM - last twelve months

Key Operating Metrics



Headcount Metrics	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
Total Headcount	12,758	12,235	12,322
Technical	11,568	11,061	11,130
Sales & Support	1,190	1,174	1,192
Women Employees	3,025	2,863	2,906
Attrition* (LTM)	27.4%	18.8%	15.0%
Utilization	82.4%	84.9%	86.5%

* adjusted for < 6 months exits

Hedge Book	Quarter Ended		
	Q2 FY23	Q1 FY24	Q2 FY24
USD Mn	96.2	115.0	120.0
Average rate in ₹	80.0	83.3	83.6
GBP Mn	6.8	9.4	4.1
Average rate in ₹	93.1	100.9	103.7
Euro Mn	2.5	6.4	5.3
Average rate in ₹	83.3	89.3	91.2

Consolidated Income Statement for the quarter ended September 30, 2023



Particulars	In \$ M			QoQ	YoY	
	Quarter ended	30-Sep-22	30-Jun-23			30-Sep-23
		Unaudited	Unaudited			Unaudited
Revenue from operations		148.8	153.6	158.3	3.0%	6.4%
Expenses						
Employee benefits		86.6	90.4	90.2		
Other expenses		40.2	39.8	43.0		
EBITDA		22.0	23.5	25.0	6.5%	13.7%
<i>EBITDA Margin %</i>		<i>14.8%</i>	<i>15.3%</i>	<i>15.8%</i>	<i>52 bps</i>	<i>102 bps</i>
Depreciation & amortization		2.6	2.6	2.6		
EBIT		19.4	20.9	22.4	7.4%	15.4%
<i>EBIT Margin %</i>		<i>13.1%</i>	<i>13.6%</i>	<i>14.2%</i>	<i>57 bps</i>	<i>111 bps</i>
Other income (net)		(0.3)	1.7	1.9		
Finance costs		0.7	0.5	0.7		
Profit before tax (PBT)		18.4	22.1	23.6	6.9%	28.6%
Total tax expense		4.0	5.4	6.1		
Profit for the period (PAT)		14.4	16.7	17.5	4.8%	22.0%
<i>PAT Margin %</i>		<i>9.7%</i>	<i>10.9%</i>	<i>11.1%</i>	<i>18 bps</i>	<i>142 bps</i>

Average \$/₹ rate of ₹80.1 for Q2 FY23, ₹82.2 for Q1 FY24 and ₹82.8 for Q2 FY24

Consolidated Income Statement for the quarter ended September 30, 2023



Particulars	In ₹ M			QoQ	YoY	
	Quarter ended	30-Sep-22	30-Jun-23			30-Sep-23
		Unaudited	Unaudited			Unaudited
Revenue from operations		11,921	12,628	13,099	3.7%	9.9%
Expenses						
Employee benefits		6,938	7,428	7,466		
Other expenses		3,219	3,268	3,562		
EBITDA		1,764	1,931	2,071	7.3%	17.5%
<i>EBITDA Margin %</i>		<i>14.8%</i>	<i>15.3%</i>	<i>15.8%</i>	<i>52 bps</i>	<i>102 bps</i>
Depreciation & amortization		207	214	215		
EBIT		1,557	1,717	1,856	8.1%	19.2%
<i>EBIT Margin %</i>		<i>13.1%</i>	<i>13.6%</i>	<i>14.2%</i>	<i>57 bps</i>	<i>111 bps</i>
Other income (net)		(27)	141	156		
Finance costs		58	42	57		
Profit before tax (PBT)		1,472	1,816	1,955	7.7%	32.9%
Total tax expense		321	440	504		
Profit for the period (PAT)		1,151	1,375	1,451	5.5%	26.1%
<i>PAT Margin %</i>		<i>9.7%</i>	<i>10.9%</i>	<i>11.1%</i>	<i>18 bps</i>	<i>142 bps</i>

Average \$/₹ rate of ₹80.1 for Q2 FY23, ₹82.2 for Q1 FY24 and ₹82.8 for Q2 FY24

Consolidated Balance Sheet



Particulars as at	\$ M			₹ M		
	30-Sep-22	30-Jun-23	30-Sep-23	30-Sep-22	30-Jun-23	30-Sep-23
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	18.7	16.2	14.9	1,523	1,331	1,237
Right-of-use assets	13.2	10.2	9.1	1,070	837	756
Capital work-in-progress	0.4	1.1	1.2	32	93	98
Goodwill	58.5	59.7	59.2	4,756	4,894	4,916
Other intangible assets	0.9	1.5	1.3	73	124	110
Intangible assets under development	0.4	-	-	37	-	-
Financial assets						
Investments	7.9	2.9	4.6	641	240	383
Other financial assets	2.0	1.7	2.1	165	139	176
Income tax assets (net)	5.2	6.2	5.4	423	505	448
Deferred tax assets (net)	12.2	14.2	14.0	995	1,161	1,166
Other non-current assets	2.0	1.0	1.3	163	84	108
Current assets						
Financial assets						
Investments	37.4	80.6	111.5	3,040	6,613	9,261
Trade receivables						
Billed	94.2	87.3	89.5	7,666	7,160	7,432
Unbilled	22.1	27.0	24.4	1,800	2,214	2,027
Cash and cash equivalents	51.2	63.6	49.8	4,164	5,222	4,135
Other balances with banks & deposits	1.3	12.8	7.6	102	1,047	630
Other financial assets	0.8	2.1	2.3	62	171	188
Other current assets	51.1	26.0	29.6	4,160	2,135	2,454
TOTAL ASSETS	379.5	414.0	427.8	30,870	33,967	35,525

\$/₹ rate of ₹81.3 for Sep 22, of ₹82.0 for Jun 23 and ₹83.0 for Sep 23

Consolidated Balance Sheet



Particulars as at	\$ M			₹ M		
	30-Sep-22	30-Jun-23	30-Sep-23	30-Sep-22	30-Jun-23	30-Sep-23
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
EQUITY AND LIABILITIES						
Equity share capital	6.7	6.7	6.6	544	550	551
Other equity	280.0	311.7	321.5	22,779	25,569	26,696
Liabilities - Non-current						
Financial liabilities						
Lease liabilities	10.3	7.2	6.2	841	592	511
Provisions	6.7	5.9	6.8	548	488	568
Current liabilities						
Financials Liabilities						
Trade payables	25.5	34.3	37.6	2,077	2,810	3,119
Lease liabilities	4.1	4.3	4.2	337	354	346
Other financial liabilities	16.2	15.9	20.5	1,317	1,303	1,706
Other current liabilities	19.6	12.5	12.1	1,591	1,029	1,002
Provisions	6.7	8.3	8.1	542	684	674
Income tax liabilities (net)	3.6	7.2	4.2	294	588	351
TOTAL EQUITY AND LIABILITIES	379.5	414.0	427.8	30,870	33,967	35,525

\$/₹ rate of ₹81.3 for Sep 22, of ₹82.0 for Jun 23 and ₹83.0 for Sep 23

Consolidated Cash Flow Statement for Q2 FY24



Particulars	30-Sep-23	
	₹ M	\$ M
Profit before tax	1,955	23.6
Items to reconcile profit before tax to net cash flows		
Add: non cash items		
Depreciation of property, plant and equipment & amortization of intangible assets	215	2.6
Allowance for doubtful debts-trade receivables (net of recoveries)	88	1.1
Share based compensation expenses	132	1.6
Unrealized foreign exchange loss/ (gain)	109	1.3
Interest on lease liabilities	18	0.2
Less: interest & other items		
Interest income	(123)	(1.5)
Others	(13)	(0.2)
Operational cash profit	2,382	28.8
Movements in working capital	210	2.5
Cash generated from operations	2,592	31.3
Income tax (paid) / received	(674)	(8.2)
Net cash flow (used in)/from investing activities	(2,775)	(33.5)
Net cash flow (used in) financing activities	(647)	(7.8)
Balance cash Flow	(1,504)	(18.2)
Total increase/(decrease) in cash balance	(1,504)	(18.2)
Opening cash balance	6,269	75.5
Foreign exchange fluctuation		0.1
Total cash balance	4,765	57.4
Cash & cash equivalents	14,411	173.5

Average \$/₹ rate of ₹82.8 for Q2 FY24

Q2FY24 Earnings Conference Call on 31st October 2023 at 7.30 pm IST



Dial in Information

India 19:30 hours IST; Hong Kong / Singapore 22:00 hours; London 15:00 hours; New York 10:00 hours

Universal Dial In	India	+91 22 6280 1179
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Thailand	00180014243444	
UK	08081011573	
USA	18667462133	
Playback Start Date: 31st October 2023	Playback Code: 62867	
Playback End Date: 2nd November 2023	Dial-in Number: India (+91 22 7194 5757)	

Disclaimer.

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections and statements concerning our plans, strategies, intentions, and beliefs relating to our business and the markets in which we operate. These statements are based on available information, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to the industry.