

Investor Update

Q1 FY 2023-24



Birlasoft's Q1FY24 Revenue up 3.1% QoQ to \$154Mn

EBITDA margin expands 168 bps QoQ to 15.3%

Sustained strong quarterly cash flow generation with OCF-to-EBITDA at 101%

New Delhi (India), July 27, 2023: Birlasoft, a part of the USD 2.9 billion diversified **CK Birla Group**, today reported its unaudited consolidated financial results for the first quarter ended June 30, 2023.

Mr. Angan Guha, Chief Executive Officer and Managing Director, Birlasoft, said, "We have delivered a robust operating performance during the quarter on both the revenue and margin fronts. I am pleased to note that our quarterly revenue has crossed the \$150 million mark for the first time, increasing 3.1% sequentially to \$153.6 million during Q1FY24. Our growth-led performance during the quarter reflects our sharp focus on execution during a period that has been characterised by a high degree of macro-economic uncertainty. We continue to strengthen our tech capabilities and

have been early adopters of new technologies such as Generative AI where we have already developed multiple solutions."

"Our revenue during the quarter under review grew 9.4% year-on-year and 3.0% quarter-on-quarter to Rs 12,628 million, while EBITDA margin expanded about 170 basis points to 15.3%. At the same time, we continued to generate strong cash flows with a quarterly collection of \$153.7 million during Q1FY24, which is the third instance of quarterly collections crossing the \$150Mn-mark in the last five quarters. We continue to prioritise financial discipline and operational efficiency as we navigate through the prevailing uncertain market conditions," said **Ms Kamini Shah, Chief Financial Officer**, Birlasoft.

Key Financial highlights for Q1 FY24

In INR ₹

- Revenue up 3.0% QoQ during the quarter at ₹ 12,628 M
- EBITDA at ₹ 1,931 M; up 15.7% QoQ, EBITDA margin at 15.3%
- PAT at ₹ 1,375 M, up 23% QoQ and 14% YoY, translating to basic EPS (not annualized) of ₹4.97

In USD \$

- Revenue at \$153.6 M: Up 3.1% QoQ & up 3.4% YoY
- In constant currency terms, revenues up 2.7% QoQ
- EBITDA at \$ 23.5 M; EBITDA margin expands 168 bps QoQ to 15.3%
- PAT at \$ 16.7 M, up 23% QoQ

Revenue and earnings during Q1FY'24 reflect the receipt of \$2 million for Disengagement Services ending on May 31, 2023 in line with the Settlement and Mutual Release Agreement that the company's wholly-owned subsidiary Birlasoft Solutions Inc. (BSI) had entered into with Invacare Corp (Invacare) during Q1FY24.



Other operating highlights

- Growth during Q1FY24 driven by BFSI and Manufacturing among verticals, and by both emerging tech and enterprise solutions including Infrastructure and ERP, among service lines
 - **Digital & Cloud up 16.4% YoY**
 - Top clients led growth during the quarter: **Revenue from Top 5, Top 10 and Top 20 clients grew YoY by 12.2%, 8.9% and 4.6% respectively**
- Signed deals of TCV \$ 146 M during the quarter
 - TCV new deal wins of \$ 80 M and renewals of \$ 66 M
- Active Client Count at 285 in Q1, reflecting intent to rationalize the 'tail'
 - > \$ 1 M customers at 86, up by 4 YoY
 - > \$ 5 M customers at 27, up by 2 YoY
- **Cash & Cash equivalents rise to \$ 160.0 M** by end of Q1 FY24 versus \$ 137.3 M at end of Q4FY23
 - In rupee terms, cash and cash equivalents increased to ₹ 13,123 M at the end of Q1FY24 from ₹ 11,278 M at the end of the preceding quarter
- **DSO stable at 53 days**, reflecting the quality of services being delivered to customers
- Workforce strength increases to 12,235 as at 30th June 2023, and **attrition improves further to 18.8% during Q1FY24** (from 22.1% a quarter ago and 27.9% a year ago)
- Birlasoft is **establishing a Generative AI Centre of Excellence, in collaboration with Microsoft**. This strategic initiative aims to accelerate value creation and foster innovation in the adoption of Generative AI, to deliver cutting-edge enterprise solutions across industries.

Deal wins for the quarter

- Awarded business for an AMS deal in Digital for a Financial Services organisation
- Won a CRM Development deal and mandate to manage Global Program & Project Management Services for a med-tech major's technology projects across the value chain in the US & RoW, under Lifesciences vertical.
- Secured a Digital deal to complement the existing efforts of a key BFSI customer in North America.
- Signed a JDE development deal with a new customer in Europe.
- Received a renewal for continuation as a preferred partner of an Aerospace organization for a product life cycle and engineering applications engagement.

Awards & Recognitions

- Birlasoft launched **bCloud+** to Enable Enterprises to Migrate their JD Edwards Workloads to Oracle Cloud Infrastructure
- Birlasoft recognized as a **Finalist for the 2023 Microsoft Partner of the Year Awards**
- Birlasoft officially announced as **Microsoft Solution Partner in Security**
- Birlasoft recognized as a "**Disruptor**" in **Avasant's Internet of Things Services 2023 RadarView™**
- Birlasoft recognized as a "Leader" in the SAP Ecosystem 2023 ISG Provider Lens™ Study
- Birlasoft recognized in "The Booming 15" category for Service and Technology Provider Standouts - 'Global' and 'Americas' in ISG Index 1Q 2023. This is for the twelfth time (for Americas) and tenth time (for Global)
- Birlasoft on Air Radio won Gold at the prestigious Golden Mikes Award in the Best Podcast/Audio Series- Education category



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.

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