

# Results Update

Q2 FY 2023-24



# 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 performance 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 8<sup>th</sup> 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 30<sup>th</sup> 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](http://www.birlasoft.com).

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