

Results Update

Q3 FY 2023-24



Birlasoft's Q3FY24 Revenue up 1.9% QoQ to \$161.3 Mn

EBITDA Margin expands to 16.0%



Sustained strong quarterly cash flow generation with OCF-to-EBITDA at 141%

New Delhi (India), January 24, 2024: Birlasoft, a leading IT services and solutions provider, today reported its unaudited consolidated financial results for the third quarter ended December 31, 2023. Birlasoft is part of the \$2.9 bn CK Birla Group, which has over 35,000 employees and 49 manufacturing facilities globally.

Mr. Angan Guha, Chief Executive Officer and Managing Director, Birlasoft, said, "We have delivered a strong and well-rounded operating performance, with a 1.9% sequential growth in revenue to \$161.3 million in a seasonally soft quarter and an expansion in EBITDA margin even after absorbing the full impact of compensation hikes. Deal signings during the quarter at \$218 million TCV too have been robust, comprising both renewals as well as net-new engagements. We continue to invest in our capabilities and have further

expanded our leadership team with the induction of Manjunath Kygonahally as chief executive for Rest of the World (ROW) region. The fundamentals of our business remain solid, and we stay focused on execution."

"Our revenue during the quarter under review grew 10% year-on-year to Rs 13,430 million. We delivered a strong margin performance too with EBITDA margin expanding to 16.0%, despite making sustained investments in our business and having rolled-out an organization-wide compensation increase effective September 1st. We continued to generate strong cash flows with best-in-class DSO at 51 days, resulting in operating cash flow at 141% of EBITDA. Our sharp focus on disciplined execution and operational efficiency position us well to successfully navigate through the current macroeconomic environment," said **Ms. Kamini Shah, Chief Financial Officer,** Birlasoft.

Key Financial highlights for Q3 FY24

In INR ₹

- Revenue at ₹ 13,430 M, up 2.5% QoQ and up 9.9% YoY
- EBITDA at ₹ 2,143 M; EBITDA margin at 16.0%
- PAT at ₹ 1,611 M, up 11.0% QoQ translating to basic EPS (not annualized) of ₹5.82
- Cash and cash equivalents increase 17% QoQ to ₹16,887 M

In USD \$

- Revenue at \$161.3 M: up 1.9% QoQ and up 8.7% YoY
- In constant currency terms, revenues up 1.8% QoQ
- EBITDA at \$ 25.7 M; EBITDA margin stable QoQ at 16.0%
- PAT at \$ 19.3 M, up 10.4% QoQ



Other operating highlights

- Growth during Q3FY24 driven with by all service lines and by E&U, Manufacturing and Lifesciences & Services (LSS) among verticals,
 - **Digital & Cloud up 21.3% YoY**
 - Top clients led growth during the quarter: **Revenue from Top 5, Top 10 and Top 20 clients grew YoY by 18.1%, 17.9% and 9.7% respectively**
- Signed deals of TCV \$ 218 M during the quarter with TCV new deal wins of \$ 94 M and renewals of \$ 124 M.
- Active Client Count at 272 in Q3FY24 (compared to 278 in Q2FY24 and 299 in Q3FY23), reflecting sustained rationalisation of the 'tail'.
- **Cash & Cash equivalents rise to \$ 203.0 M** by end of Q3 FY24 versus \$ 173.5 M at end of Q2 FY24
 - In rupee terms, cash and cash equivalents increased to ₹ 16,887 M at the end of Q3FY24 from ₹ 14,411 M at the end of the preceding quarter
- **DSO decreased to 51 days**, led by continued strong collections.
- Workforce strength increases QoQ to 12,356 as on 31st December 2023, and **attrition improves further to 12.6% during Q3FY24** (from 15.0% a quarter ago and 25.5% a year ago).
- Birlasoft has **inducted Manjunath Kygonahally**, a seasoned services industry professional, as CEO for Rest of the World (ROW) region who would be responsible for all business and strategic growth initiatives in the ROW region, comprising of all regions outside of the Americas.
- The company is leveraging its **Technology Transformation Initiative "Optimus"** that was rolled out a few months ago in its pursuit of next-gen organizational capabilities. This business transformation program focuses on the company's next wave of profitable growth and is aimed at simplifying and scaling its processes through analytical AI and GenAI, emphasizing automation at the core. It will also enable Birlasoft to industrialize its delivery, become the partner of choice in emerging technologies, enhance employee experience, and build a best-in-class talent pool.

Deal wins for the quarter

- Won a large deal from a large North America-based Energy & Utilities customer consolidating work around its Business Applications.
- Won business in the Data & Analytics service line from two global pharma majors in the Lifesciences vertical.
- Secured a large As-a-Service deal from a North America based enterprise in the Energy & Utilities vertical to Modernize, Secure, and Optimize the customer's network across 200+ sites.
- Awarded a deal from a customer in the medical devices segment under the Lifesciences vertical to setup a BI/Analytics Centre of Excellence.
- Received business from a US-based customer in the LSS segment for a project on eligibility determination, payments authorization and disbursement of benefits.
- Awarded an ERP Application Maintenance & Support Services deal from a global player in the Manufacturing vertical.

Awards & Recognitions...

- Gartner has recognized Birlasoft as a Niche Player in its Magic Quadrant report on Cloud ERP Services for Service-Centric Enterprises
- Birlasoft recognized as a Product Challenger in ISG's Manufacturing Industry Services and Solutions 2023
- Birlasoft recognized by ISG in its Provider Lens Competitive Benchmarking study on Oracle Cloud and Technology Ecosystem in multiple quadrants across US, Europe and Brazil as a Rising Star, Product Challenger and Market Challenger
- Birlasoft recognized as a Disruptor in Avasant RadarView report on Tech-enabled Sustainability Services
- Birlasoft recognized as a Major Contender in Everest's Life Sciences Smart Manufacturing Peak Matrix report 2023
- Birlasoft recognized as a Product Challenger by ISG in its Analytics Services 2023 Provider Lens Study



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

- Birlasoft recognized by ISG as a Product Challenger in its Intelligent Automation 2023 Provider Lens Study
- Birlasoft's VINCI platform received Special Jury Award at the TOPS (Team Oriented Problem Solving) Convention 2023, hosted by the Indian Society for Quality (ISQ)
- Birlasoft On Air bagged Bronze at the DMAAsia Echo Awards 2023 in the Emerging Technologies Category
- Birlasoft awarded Silver in the Sustainability category at iNFHRA 8th Edition Workplace Excellence Conference & Awards 2023-24
- Birlasoft recognized for participation in the CO₂ impact program (October 2022 - September 2023) to fuel Panama's "CO2OL Tropical Mix" reforestation project



About Birlasoft

Bold Agile Ambitious

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. Birlasoft, with its 12,000+ professionals, is committed to driving digital transformation through innovative, cutting-edge technology solutions to build sustainable communities.

For further information, visit www.birlasoft.com.

About The CK Birla Group

The CK Birla Group, with a revenue of USD 2.9 billion, is an Indian multinational conglomerate. With over 35,000 employees, the group operates 49 manufacturing facilities across India and internationally, with a presence in diverse sectors, including technology, automotive, home and building and healthcare.

The companies share a common ambition of serving customers, partners and communities to create long term value through trust-based relationships and philanthropy. The Trusts and Foundations established by the family over the last seven decades actively support social development and healthcare advancements, through the promotion of science, technology, education, art and culture.

The CK Birla Group companies include Birlasoft Limited, GMMCO Limited, HIL Limited, National Engineering Industries Limited (manufacturer of NBC Bearings), Orient Cement Limited, Orient Electric Limited, Orient Paper & Industries Limited, AVTEC Limited, and CK Birla Healthcare Private Limited which operates CK Birla Hospitals and Birla Fertility & IVF Centres.

For further information please contact:

Abhinandan Singh

Investors / Analysts

+91 9820293450

abhinandan.singh@birlasoft.com

Tanushree Mahanty

Media

+91 9899195348

tanushreem1@birlasoft.com