

October 23, 2024

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 2024-25

Dear Sir / Madam,

Please find enclosed the investor update for Q2 FY 2024-25.

Kindly take this on your record.

Thanking you.

Yours faithfully,

For **Birlasoft Limited**



Sneha Padve
Company Secretary & Compliance Officer
Membership No. ACS 9678

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 2024-25





Birlasoft Q2FY25 Revenue up 3.1% QoQ and 4.5% YoY to ₹13,682 Mn

Q2FY25 Revenue up 2.6% QoQ and 3.2% YoY in dollar terms

Cash & Cash Equivalents Up 29% YoY led by sustained strong cash generation
Board recommends interim dividend of ₹2.50 per share

New York, October 23, 2024: Birlasoft, a leading IT services and solutions provider, today reported its unaudited consolidated financial results for the second quarter ended September 30, 2024. Birlasoft is part of the \$3 bn CK Birla Group, which has over 35,000 employees and operates 52 manufacturing facilities globally.

Mr. Angan Guha, Chief Executive Officer and Managing Director, Birlasoft, said, *"We are pleased to report a strong rebound in our revenue performance during the quarter under review with broad-based growth across our top accounts, the Manufacturing, BFSI and E&U verticals, as well as the Digital & Data and ERP service lines. On a sequential basis, our Q2FY25 revenue grew by 2.6% in dollar terms. This was driven by ramp-ups in some projects that were earlier delayed, better account mining and incremental business from consolidation deals where we have gained wallet share. The investments that we have been making to enhance our tech and*

domain capabilities as well as partnerships, which we believe is key for future growth, have already begun to see some early results reflected in a noticeable increase in the recognitions of our capabilities by leading industry analysts. This positions us well to capitalize upon the opportunities presented by a recovery in the demand environment as and when that happens."

"Our revenue during the quarter under review grew 4.5% year-on-year to Rs 13,682 million. We also maintained our robust track record of strong quarterly collections and consistent cashflow generation, resulting in a 29% rise year-on-year in cash and cash equivalents to Rs 18,587 Mn. Our DSO at 58 days remains healthy, enabling us to make the investments necessary to ensure that we have a differentiated value proposition in the marketplace. We expect margins to expand as these investments begin to pay-off," said **Ms Kamini Shah, Chief Financial Officer,** Birlasoft.

Key Financial highlights for Q2 FY25

In INR ₹

- Revenue at ₹ 13,682 M, up 4.5% YoY
- EBITDA at ₹ 1,653 M; EBITDA margin at 12.1%
- PAT at ₹ 1,275 M translating to basic EPS (not annualized) of ₹4.59
- Cash and cash equivalents increase 29.0% YoY to ₹18,587 M

In USD \$

- Revenue at \$163.3 M, up 3.2% YoY
- In constant currency terms, revenue up 2.9% YoY
- EBITDA at \$ 19.7 M; EBITDA margin at 12.1%
- PAT at \$ 15.2 M at 9.3%



Other operating highlights

- Growth during Q2FY25 driven by Manufacturing, Energy & Utilities (E&U) and BFSI among verticals, by Digital & Data and ERP among service lines, and by Americas among geographies
 - **Manufacturing up 4.7%, E&U up 4.7% and BFSI up 1.4% QoQ** while Lifesciences & Services (LSS) registered a sequential decline among verticals
 - **Digital & Data up 6.6% and ERP up 4.3% QoQ** while Infra registered a decline QoQ
 - The number of **\$1Mn+ clients increased from 88 to 89, \$5Mn+ clients increased from 23 to 24** and **\$10Mn+ clients remained stable** QoQ.
 - Revenue from Top 5, Top 10 and Top 20 clients grew YoY by **12.6%, 6.3% and 4.7%** respectively
- Signed deals of TCV \$ 136 M during the quarter with new deal wins TCV of \$ 89 M and renewals of \$ 47 M.
- Active Client Count at 261 in Q2FY25 (compared to 258 in Q1FY25 and 278 in Q2FY24).
- **Cash & Cash equivalents of \$221.8 M** by end of Q2FY25 versus \$229.7 M at end of Q1FY25. In rupee terms, cash and cash equivalents at ₹18,587 M at the end of Q2FY25 versus ₹19,143 M at the end of the preceding quarter
- Q2 FY25 **DSO at 58 days** versus 52 days in Q2 FY24.
- The Board has recommended an interim dividend of ₹2.50 per share. The record date for this payout will be 31st October 2024.
- Workforce strength stood at 12,578 as on 30th September 2024 and **attrition was 11.8%** during Q2FY25 (compared to **11.6%** a quarter ago and **15.0%** a year ago).
- During the quarter under review, Birlasoft achieved **AWS Competency in Manufacturing and Industrial Consulting**. This comes on the back of AWS Migration Consulting Competency attained by the company earlier, reflecting its deep expertise in delivering transformative digital solutions for the manufacturing and industrial sectors.

Key deal wins for the quarter

- Entrusted by an existing med-tech client with a multi-year quality engineering program where we will leverage our AI-led testing automation platform.
- Secured an engagement with a large global customer in the LSS vertical centered on program management services across the client's transformational programs.
- Won a multi-year deal covering both licenses and services to support a large P&C insurance company to maintain their Human Capital Management platform.

Awards & Recognitions...

- Birlasoft recognized as "Leader" in the "Next-Gen ADM Services 2024 ISG Provider Lens Study" - APAC, Europe, U.S
- Birlasoft positioned in "Leader Zone" by Zinnov for "Digital Engineering and ER&D Services – US , Digital Engineering Services and Data and AI services – 2024"
- Birlasoft recognized as "Leader" in the "Generative AI Services 2024 ISG Provider Lens Study" - Global
- Birlasoft recognized as "Product Challengers" in the "Supply chain Services 2024 ISG Provider Lens Study" - Brazil, Europe and U.S
- Birlasoft recognized as "Major Contender" in "Everest Group Open Banking IT Services PEAK Matrix Assessment 2024"
- Birlasoft recognized as "Contender" in the "Future of Work Services 2024 ISG Provider Lens Study" - U.K, U.S
- Birlasoft recognized as "Challenger" in the "Avasant Digital Workplace Services 2024 RadarView"
- Birlasoft recognized as "Challenger" in the "Avasant Salesforce Services 2024 RadarView"
- Birlasoft's three case studies recognized as 'Stand Out' , one each in Manufacturing, ERP and Data & Digital
- Birlasoft won the prestigious SAP ALM Excellence at the Indus Awards 2024 in the category of SP Cloud ALM Usage



About Birlasoft

Birlasoft, a global leader at the forefront of Cloud, AI, and Digital technologies, seamlessly blends domain expertise with enterprise solutions. The company's consultative and design-thinking approach empowers societies worldwide, enhancing the efficiency and productivity of businesses. Under the visionary leadership of Chairman Mrs. Amita Birla, Birlasoft, comprising over 12,500 professionals, is committed to driving digital transformation. With superior experience in chosen verticals, the company delivers cutting-edge technology solutions, shaping sustainable communities. Explore the innovation at www.birlasoft.com.

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About The CK Birla Group

The CK Birla Group, with a revenue of over US \$3 billion, is an Indian multinational conglomerate. With over 35,000 employees, the group operates 52 manufacturing facilities across India and the world, with a presence in diverse sectors including technology, automotive, home and building, and healthcare.

The CK Birla Group continuously adapts to stay ahead in a changing world. By harnessing technology and investing in people and digital transformation, the Group consistently remains agile and delivers profitable growth. Viewing value creation through a global lens, our companies operate without borders.

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

Our companies share a common purpose of serving customers, partners and communities to create long term value through trust based relationships.

For further information please contact:

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Fact Sheet

Q2 FY 2024-25

INR Revenue up 4.5% YoY

DSO at 58 days

\$ 136 M TCV Deal Wins

Key Financial Metrics

Key Financial Metrics - Q2 FY25				Growth (%)	
				QoQ	YoY
Constant Currency (CC) Revenue growth during Q2 FY25				2.2%	2.9%
Financials \$ M	Q2 FY24	Q1 FY25	Q2 FY25	Growth (%)	
				QoQ	YoY
Revenue \$ M	158.3	159.1	163.3	2.6%	3.2%
EBITDA Margin %	15.8%	14.7%	12.1%		
EBIT Margin %	14.2%	13.1%	10.5%		
Effective Tax Rate %	25.8%	26.7%	24.9%		
PAT \$ M	17.5	18.0	15.2		
PAT - Net Profit Margin %	11.1%	11.3%	9.3%		
EPS - Earnings Per Share (In ₹)					
Basic ₹	5.24	5.41	4.59		
Diluted ₹	5.18	5.32	4.52		
Days Sales Outstanding - Billed	52	52	58		

Key Operating Metrics



Revenue by Geography	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Americas	85.8%	84.0%	87.3%
Rest of the World	14.2%	16.0%	12.7%
Total	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Manufacturing	41.2%	39.2%	40.0%
BFSI	21.1%	23.6%	23.3%
Energy & Utilities	13.7%	15.8%	16.1%
Lifesciences & Services	24.0%	21.4%	20.6%
Total	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Digital and Data	55.5%	52.7%	54.7%
ERP	36.1%	34.9%	35.5%
Infra	8.4%	12.4%	9.8%
Total	100.0%	100.0%	100.0%

Key Operating Metrics



Revenue by Contract Type	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Time & Material	39.1%	37.3%	36.0%
Fixed Price, Fixed Monthly	60.9%	62.7%	64.0%
Total	100.0%	100.0%	100.0%

Revenue Mix	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Onsite	48.8%	43.5%	50.5%
Offshore	51.2%	56.5%	49.5%
Total	100.0%	100.0%	100.0%

Deal Wins - New	Q2 FY24	Q1 FY25	Q2 FY25
Total Contract Value (TCV) - in \$ M	167	94	89

Key Operating Metrics



Exchange Rate (₹/US \$)	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Period Average	82.76	83.42	83.78
Period End	83.04	83.34	83.79

Client Data	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
No of Active Clients	278	258	261
Clients added - QoQ	(7)	(1)	3
No of million \$ clients (LTM)			
US\$ 1mn+ Clients	85	88	89
US\$ 5mn+ Clients	27	23	24
US\$ 10mn+ Clients	11	12	12
Client Contribution to Revenue (LTM)			
Top 5	33.6%	36.2%	36.7%
Top 10	51.0%	52.6%	52.5%
Top 20	63.9%	65.1%	64.9%

LTM - last twelve months

Key Operating Metrics



Headcount Metrics	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
Total Headcount	12,322	12,865	12,578
Technical	11,130	11,597	11,417
Sales & Support	1,192	1,268	1,161
Women Employees	2,906	3,048	2,972
Attrition* (LTM)	15.0%	11.6%	11.8%
Utilization	86.5%	81.7%	82.0%

* adjusted for < 6 months exits

Hedge Book	Quarter Ended		
	Q2 FY24	Q1 FY25	Q2 FY25
USD Mn	120.0	140.0	126.0
Average rate in ₹	83.6	84.3	84.6
GBP Mn	4.1	6.4	9.7
Average rate in ₹	103.7	106.4	108.3
Euro Mn	5.3	5.9	6.4
Average rate in ₹	91.2	92.4	93.2

Consolidated Income Statement for the quarter ended September 30, 2024



Particulars	In \$ M			QoQ	YoY	
	Quarter ended	30-Sep-23	30-Jun-24			30-Sep-24
		Unaudited	Unaudited			Unaudited
Revenue from operations	158.3	159.1	163.3	2.6%	3.2%	
Expenses						
Employee benefits	89.9	91.1	99.0			
Other expenses	43.3	44.6	44.6			
EBITDA	25.0	23.4	19.7	-15.6%	-21.2%	
<i>EBITDA Margin %</i>	<i>15.8%</i>	<i>14.7%</i>	<i>12.1%</i>	<i>-261 bps</i>	<i>-373 bps</i>	
Depreciation & amortization	2.6	2.5	2.7			
EBIT	22.4	20.9	17.1	-18.3%	-23.8%	
<i>EBIT Margin %</i>	<i>14.2%</i>	<i>13.1%</i>	<i>10.5%</i>	<i>-269 bps</i>	<i>-371 bps</i>	
Other income (net)	1.9	4.1	4.0			
Finance costs	0.7	0.5	0.8			
Profit before tax (PBT)	23.6	24.6	20.3	-17.5%	-14.3%	
Total tax expense	6.1	6.6	5.0			
Profit for the period (PAT)	17.5	18.0	15.2	-15.5%	-13.2%	
<i>PAT Margin %</i>	<i>11.1%</i>	<i>11.3%</i>	<i>9.3%</i>	<i>-200 bps</i>	<i>-176 bps</i>	

Average \$/₹ rate of ₹82.8 for Q2 FY24, ₹83.4 for Q1 FY25 and ₹83.8 for Q2 FY25

Consolidated Income Statement for the quarter ended September 30, 2024



Particulars	In ₹ M			QoQ	YoY	
	Quarter ended	30-Sep-23	30-Jun-24			30-Sep-24
		Unaudited	Unaudited			Unaudited
Revenue from operations		13,099	13,274	13,682	3.1%	4.5%
Expenses						
Employee benefits		7,441	7,602	8,296		
Other expenses		3,586	3,722	3,732		
EBITDA		2,071	1,951	1,653	-15.3%	-20.2%
<i>EBITDA Margin %</i>		<i>15.8%</i>	<i>14.7%</i>	<i>12.1%</i>	<i>-261 bps</i>	<i>-373 bps</i>
Depreciation & amortization		215	206	222		
EBIT		1,856	1,745	1,431	-18.0%	-22.9%
<i>EBIT Margin %</i>		<i>14.2%</i>	<i>13.1%</i>	<i>10.5%</i>	<i>-269 bps</i>	<i>-371 bps</i>
Other income (net)		156	345	334		
Finance costs		57	42	68		
Profit before tax (PBT)		1,955	2,049	1,697	-17.2%	-13.2%
Total tax expense		504	547	422		
Profit for the period (PAT)		1,451	1,502	1,275	-15.1%	-12.1%
<i>PAT Margin %</i>		<i>11.1%</i>	<i>11.3%</i>	<i>9.3%</i>	<i>-200 bps</i>	<i>-176 bps</i>

Average \$/₹ rate of ₹82.8 for Q2 FY24, ₹83.4 for Q1 FY25 and ₹83.8 for Q2 FY25

Consolidated Balance Sheet



Particulars as at	\$ M			₹ M		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	14.9	12.0	11.0	1,237	999	920
Right-of-use assets	9.1	9.9	15.7	756	822	1,315
Capital work-in-progress	1.2	1.2	1.5	98	99	128
Goodwill	59.2	59.4	59.8	4,916	4,947	5,009
Other intangible assets	1.3	1.0	0.9	110	86	76
Intangible assets under development	-	0.4	1.0	-	33	83
Financial assets						
Investments	4.6	38.4	32.1	383	3,199	2,694
Finance Lease Receivable	-	4.0	3.5	-	329	295
Other financial assets	2.1	2.1	5.0	176	173	422
Income tax assets (net)	5.4	4.1	3.7	448	343	309
Deferred tax assets (net)	14.0	12.9	13.2	1,166	1,079	1,109
Other non-current assets	1.3	3.7	1.4	108	310	121
Current assets						
Inventories	-	-	3.1	-	-	264
Financial assets						
Investments	111.5	134.8	136.4	9,261	11,237	11,427
Trade receivables						
Billed	89.2	100.3	108.1	7,408	8,360	9,059
Unbilled	24.4	27.3	21.9	2,027	2,275	1,835
Cash and cash equivalents	49.8	53.5	33.6	4,135	4,457	2,816
Other balances with banks & deposits	7.6	3.0	16.2	630	249	1,354
Finance Lease Receivable	-	0.2	2.2	-	21	188
Other financial assets	2.3	0.9	0.7	188	76	60
Other current assets	29.6	28.0	31.4	2,454	2,330	2,634
TOTAL ASSETS	427.5	497.0	502.6	35,500	41,422	42,116

\$/₹ rate of ₹83.0 for Sep 23, ₹83.3 for Jun 24 and ₹83.8 for Sep 24

Consolidated Balance Sheet



Particulars as at	\$ M			₹ M		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EQUITY AND LIABILITIES						
Equity share capital	6.6	6.6	6.6	551	552	553
Other equity	321.5	378.2	381.3	26,697	31,520	31,950
Liabilities - Non-current						
Financial liabilities						
Borrowings	-	0.9	0.9	-	74	78
Lease liabilities	6.2	6.2	12.1	511	520	1,012
Other financial liabilities	-	0.9	1.1	-	75	93
Provisions	6.8	8.8	8.9	568	736	744
Current liabilities						
Financials Liabilities						
Borrowings	-	0.3	0.2	-	24	21
Trade payables	37.2	45.6	34.0	3,091	3,804	2,849
Lease liabilities	4.2	4.3	4.1	346	361	343
Other financial liabilities	20.6	13.8	19.9	1,709	1,152	1,668
Other current liabilities	12.1	17.5	20.9	1,002	1,460	1,750
Provisions	8.1	8.0	8.7	674	668	731
Income tax liabilities (net)	4.2	5.7	3.9	351	476	325
TOTAL EQUITY AND LIABILITIES	427.5	497.0	502.6	35,500	41,422	42,116

\$/₹ rate of ₹83.0 for Sep 23, ₹83.3 for Jun 24 and ₹83.8 for Sep 24

Consolidated Cash Flow Statement for Q2 FY25



Particulars	30-Sep-24	
	₹ M	\$ M
Profit before tax	1,697	20.3
Items to reconcile profit before tax to net cash flows		
Add: non cash items		
Depreciation of property, plant and equipment & amortization of intangible assets	222	2.7
Allowance for doubtful debts-trade receivables (net of recoveries)	1	0.0
Creditors written back	1	0.0
Share based compensation expenses	140	1.7
Unrealized foreign exchange loss/ (gain)	102	1.2
Interest on lease liabilities	28	0.3
Less: interest & other items		
Interest income	(177)	(2.1)
Others	(83)	(1.0)
Operational cash profit	1,931	23.0
Movements in working capital	(847)	(10.1)
Cash generated from operations	1,084	12.9
Income tax (paid) / received	(550)	(6.6)
Net cash flow (used in)/from investing activities	20	0.2
Net cash flow (used in) financing activities	(1,090)	(13.0)
Balance cash Flow	(536)	(6.4)
Total increase/(decrease) in cash balance	(536)	(6.4)
Opening cash balance	4,705	56.2
Total cash balance	4,169	49.8
Cash & cash equivalents	18,587	221.8

Average \$/₹ rate of ₹83.8 for Q2 FY25

Q2FY25 Earnings Conference Call on 23rd October 2024 at 6.30 pm IST



Dial in Information

India 18:30 hours IST; Hong Kong / Singapore 21:00 hours; London 14:00 hours; New York 09:00 hours

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Thailand	00180014243444	
UK	08081011573	
USA	18667462133	
Playback Start Date: 23rd October 2024	Playback Code: 87774	
Playback End Date: 25th October 2024	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.