

February 2, 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 Q3 FY 2022-23

Dear Sir / Madam,

Please find enclosed the investor update for Q3 FY 2022-23.

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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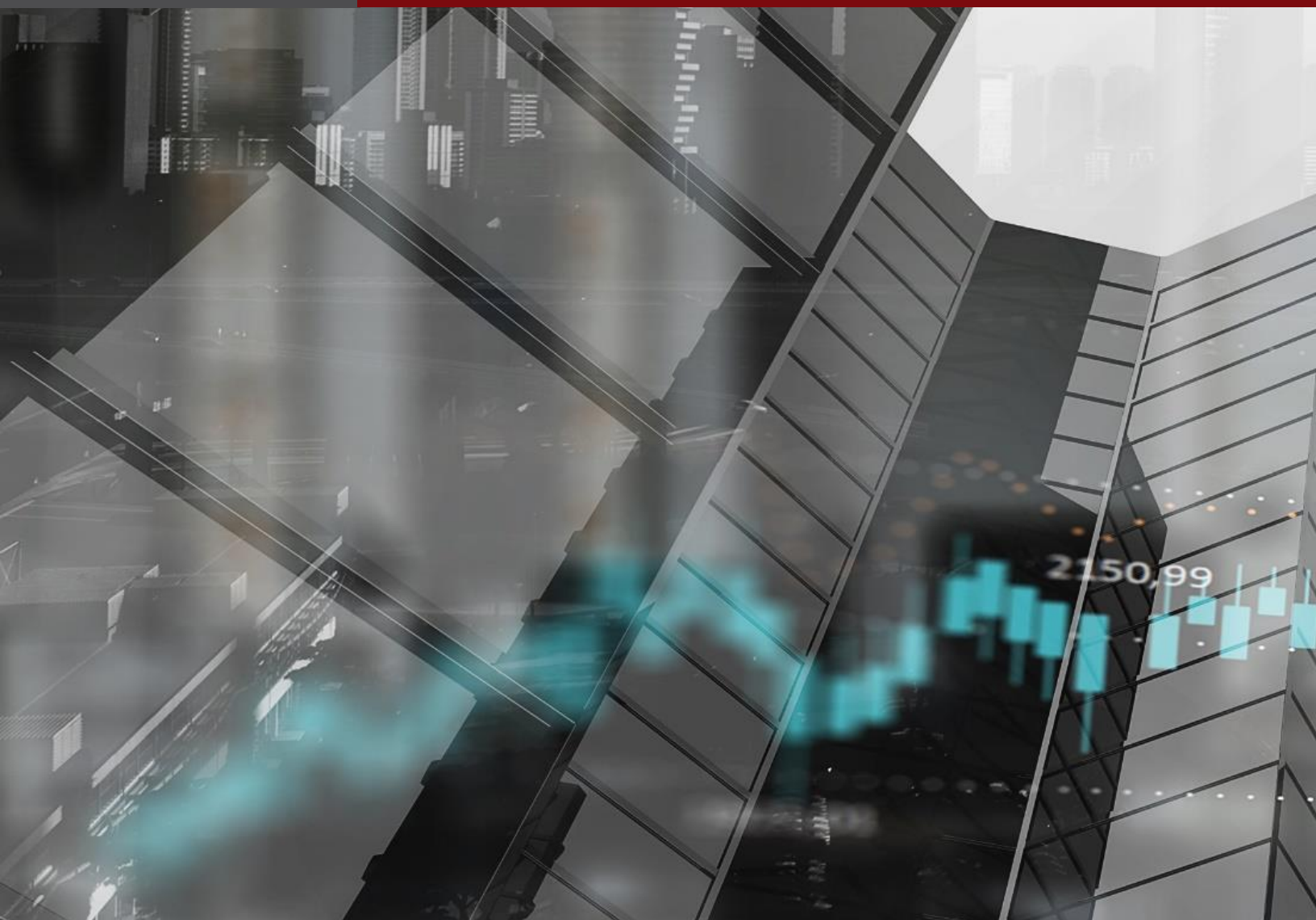
CIN: L72200PN1990PLC059594



**birla**soft

# Investor update

Q3 FY 2022-23



# Birlasoft's Q3 Revenue up 14% YoY to ₹ 12,219 M

## Signed TCV deal wins of \$ 231 M

### Strong cash flow generation with highest ever quarterly collections

**New Delhi (India), February 02, 2023:** Birlasoft, a part of the USD 2.8 billion diversified **CK Birla Group**, reported its unaudited consolidated financial results for the third quarter ended December 31, 2022.

**Mr. Angan Guha, Chief Executive Officer and Managing Director**, Birlasoft, said, "Our revenues for the quarter have grown 14% year-on-year and 2.5% quarter-on-quarter to Rs 12,219 million. Deal wins have also been strong at \$231 million TCV for the quarter. We continue to strengthen our position as a domain and enterprise digital capability-led player. The business is fundamentally robust and we are making the investments necessary for future growth, which makes me confident about our outlook going forward."

#### Key Financial highlights for Q3 FY23

in INR (₹)	in US \$
<ul style="list-style-type: none"> <li>Revenue at ₹ 12,219 M, up 14.0% YoY &amp; up 2.5% QoQ</li> <li>EBITDA at ₹ 74 M; EBITDA excluding one-time provision at ₹ 1,584 M</li> <li>PAT at ₹ (164) M, reflecting the impact of a one-time provision</li> </ul>	<ul style="list-style-type: none"> <li>Revenue at \$148.4 M; up 3.5% YoY, down 0.3% QoQ</li> <li>In Constant Currency (CC), revenue was up 5.5% YoY and flat QoQ</li> <li>EBITDA at \$ 0.9 M; EBITDA excluding one-time provision of \$ 19 M</li> <li>PAT at \$ (2.0) M, reflecting the impact of a one-time provision</li> </ul>

**Note:** The Company has received intimation that Invacare Corporation, a customer in the US, has filed a petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court, on 01 February 2023. While the implications and options are being analysed further, the Company has, as a prudent accounting practice, created a provision amounting to INR 1,510.14 million against the outstanding receivables and contract assets as on 31 December 2022.

#### Other highlights

- Signed deals of TCV \$ 231 M during the quarter
  - TCV new deal wins of \$ 102 M
- Active Client Count at 299 in Q3
  - > \$ 1 M customers at 83, up by 6 YoY
  - > \$ 5 M customers at 24, up by 3 YoY
  - Top clients led growth - Revenue from Top 5, Top 10 and Top 20 clients grew YoY by 12.3%, 9.1% and 8.6% respectively
- Cash & Cash equivalents of \$ 121.1 M in Q3 FY23 versus \$ 97.7 M in Q2 FY23
  - In ₹ terms, cash and cash equivalents at ₹ 10,015 M vs ₹ 7,947 M; up ₹ 2,068 M QoQ due to best ever quarterly collections reflecting the quality of services the company has been delivering
- DSO continues to be best-in-class at 55 days

- Manpower strength of 12,530 as at 31<sup>st</sup> December 2022 versus 11,945 a year ago
  - Net addition of 585 professionals YoY and net decline of 228 professionals QoQ

### Deal wins for the quarter

- Chosen by a leading US Energy & Utilities company for for renewal of Application Managed Services (AMS)
- Selected by a US-based global engineering major for AMS and global support
- Awarded business for a transformation program by a US customer in the Manufacturing vertical
- Received a renewal from a Lifesciences & Healthcare customer for Governance Services
- Awarded new business by a European design & manufacturing organisation for Cloud migration

### Awards & Recognitions

- Recognized by **Microsoft** as a Solution Partner **for Infrastructure and Cloud workloads** (Azure) and for Azure Data and AI
- Recognized for Employee Transport Award at 7th Edition of the **INFHRA Workplace Excellence Conference & Awards 2022 - 23**
- Birlasoft's Project Shodhan conferred with **CSR Project of the Year** at India CSR Summit 2022
- Conferred with **BTX Top Enterprise Award 2022 Asia** at BTX Roadshow and Transformation Awards 2022 Asia
- Birlasoft identified as a "**Rising Star**" in the **Digital Business Enablement and ESG Services 2022'** ISG Provider Lens™ Study - U.S.
- Birlasoft identified as a "Leader/Rising Star" in the '**Oil and Gas Industry - Services and Solutions 2022'** ISG Provider Lens™ Study - North America, Nordics
- Birlasoft recognized as a "**Product Challenger/ Challenger**" in the '**Oracle Ecosystem 2022'** ISG Provider Lens™ Study - US, Brazil
- Birlasoft recognized as a "**Major Contender**" in Everest Group's **SAP Business Application Services PEAK Matrix® Assessment 2022 – Global**
- Birlasoft recognized as a "**Disruptor**" in Avasant's **Hybrid Enterprise Cloud Services 2022-2023 RadarView™**
- Birlasoft positioned as "**Challenger**" in Avasant's **Blockchain Services 2022-2023 RadarView** study
- Birlasoft positioned as a "**Product Challenger**" in ISG Provider Lens study '**Healthcare Digital Services 2022'**

## 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 12,500+ professionals, is committed to continuing its 161-year heritage of building sustainable communities. For further information, visit [www.birlasoft.com](http://www.birlasoft.com).

### For further information please contact:

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# FACT SHEET

Q3 FY 2022-23

**INR Revenue up  
14.0% YoY**

**Top Clients-led  
growth**

**\$ 231 M  
TCV Deal wins**

## Key Metrics

### Revenues by

Client Geography	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Americas	82.9%	82.2%	84.9%	84.1%	83.7%
Europe	10.7%	11.2%	9.2%	9.6%	10.3%
Rest of the World	6.4%	6.6%	5.9%	6.3%	6.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Manufacturing	45.2%	46.1%	46.7%	47.2%	46.1%
BFSI	17.7%	17.2%	17.8%	19.1%	20.1%
Energy & Utilities	14.8%	15.1%	14.3%	14.1%	13.9%
Lifesciences	22.3%	21.6%	21.2%	19.6%	19.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Business & Technology Transformation	36.7%	36.5%	38.6%	39.9%	42.2%
Enterprise Solutions	41.6%	40.9%	40.2%	37.7%	35.1%
Cloud & Base Services	21.7%	22.6%	21.2%	22.5%	22.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Contract Type	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Time & Material	41.8%	39.3%	40.8%	40.2%	39.2%
Fixed Price, Fixed Monthly	58.2%	60.7%	59.2%	59.8%	60.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue Mix	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Onsite	50.5%	50.1%	51.1%	48.0%	48.9%
Offshore	49.5%	49.9%	48.9%	52.0%	51.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Total Contract Value (TCV) - in \$ M	121	125	112	138	102

Currency Mix of Revenue	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
USD	85.2%	84.5%	86.2%	85.7%	84.9%
GBP	1.5%	1.5%	1.5%	1.7%	1.7%
EUR	4.6%	5.2%	3.7%	4.2%	5.0%
Others	8.7%	8.7%	8.6%	8.5%	8.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (₹/US \$)	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Period Average	74.73	75.22	77.67	80.10	82.33
Period End	74.33	75.79	78.97	81.34	82.72

Client Data	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
No of Active Clients	285	296	300	301	299
Clients added - QoQ	5	11	4	1	(2)
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	77	80	82	76	83
US\$ 5mn+ Clients	21	25	25	27	24
US\$ 10mn+ Clients	12	13	13	14	13
Client Contribution to Revenue (LTM)					
Top 5	29.3%	29.9%	30.7%	31.1%	31.7%
Top 10	45.5%	45.7%	47.0%	47.2%	47.9%
Top 20	61.1%	61.3%	63.1%	63.7%	64.1%

LTM - last twelve months

DSO	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Days Sales Outstanding - Billed	55	58	58	56	55

Headcount Metrics	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Total Headcount	11,945	12,204	12,565	12,758	12,530
Technical	10,841	11,033	11,351	11,568	11,386
Sales & Support	1,104	1,171	1,214	1,190	1,144
Women Employees	2,743	2,775	2,897	3,025	2,943
Attrition* (LTM)	27.3%	29.4%	27.9%	27.4%	25.5%
* adjusted for < 6 months exits					
Utilization	85.4%	85.2%	82.5%	82.4%	84.0%

Hedge Book	Quarter Ended				
	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
USD Mn	95.5	93.9	104.5	96.2	99.3
Average rate in ₹	77.0	77.5	78.6	80.0	81.5
GBP Mn	5.0	5.0	5.6	6.8	6.1
Average rate in ₹	104.8	105.0	98.6	93.1	95.0
Euro Mn	2.8	2.8	4.3	2.5	6.4
Average rate in ₹	91.5	90.6	85.8	83.3	85.1



## Consolidated Income Statement for the quarter ended December 31, 2022

Particulars	In \$ M			QoQ	YoY	
	Quarter ended	31-Dec-21	30-Sep-22			31-Dec-22
		Unaudited	Unaudited			Unaudited
<b>Revenue from operations</b>		<b>143.4</b>	<b>148.8</b>	<b>148.4</b>	<b>-0.3%</b>	<b>3.5%</b>
<b>Expenses</b>						
Employee benefits		81.2	86.6	88.9		
Other expenses		40.5	40.2	39.6		
<b>EBITDA (excl. one-time prov.)</b>		<b>21.8</b>	<b>22.0</b>	<b>19.9</b>	<b>-9.6%</b>	<b>-8.6%</b>
<i>EBITDA Margin %</i>		<i>15.2%</i>	<i>14.8%</i>	<i>13.4%</i>	<i>-139 bps</i>	<i>-178 bps</i>
One-time provision				19.0		
<b>EBITDA</b>		<b>21.8</b>	<b>22.0</b>	<b>0.9</b>	<b>-95.9%</b>	<b>-95.9%</b>
<i>EBITDA Margin %</i>		<i>15.2%</i>	<i>14.8%</i>	<i>0.6%</i>	<i>-1419 bps</i>	<i>-1458 bps</i>
Depreciation & amortization		2.5	2.6	2.6		
<b>EBIT</b>		<b>19.3</b>	<b>19.4</b>	<b>(1.7)</b>	<b>-108.5%</b>	<b>-108.6%</b>
<i>EBIT Margin %</i>		<i>13.4%</i>	<i>13.1%</i>	<i>-1.1%</i>	<i>-1418 bps</i>	<i>-1455 bps</i>
Other income (net)		1.7	(0.3)	1.5		
Finance costs		0.4	0.7	0.7		
<b>Profit before tax (PBT)</b>		<b>20.6</b>	<b>18.4</b>	<b>(0.8)</b>	<b>-104.5%</b>	<b>-104.0%</b>
Total tax expense		5.3	4.0	1.2		
<b>Profit for the period (PAT)</b>		<b>15.2</b>	<b>14.4</b>	<b>(2.0)</b>	<b>-113.8%</b>	<b>-113.0%</b>
<i>PAT Margin %</i>		<i>10.6%</i>	<i>9.7%</i>	<i>-1.3%</i>	<i>-1099 bps</i>	<i>-1197 bps</i>

Note: EBIT margin for Q3FY23 excluding one-time provision is 11.7%

Average \$/₹ rate of ₹74.7 for Q3 FY22, ₹80.1 for Q2 FY23 and ₹82.3 for Q3 FY23

Particulars	In ₹ M			QoQ	YoY	
	Quarter ended	31-Dec-21	30-Sep-22			31-Dec-22
		Unaudited	Unaudited			Unaudited
<b>Revenue from operations</b>		<b>10,719</b>	<b>11,921</b>	<b>12,219</b>	<b>2.5%</b>	<b>14.0%</b>
<b>Expenses</b>						
Employee benefits expense		6,068	6,938	7,320		
Other expenses		3,023	3,219	3,316		
<b>EBITDA (excl. one-time prov.)</b>		<b>1,628</b>	<b>1,764</b>	<b>1,584</b>	<b>-10.2%</b>	<b>-2.7%</b>
<i>EBITDA Margin %</i>		<i>15.2%</i>	<i>14.8%</i>	<i>13.0%</i>	<i>-183 bps</i>	<i>-222 bps</i>
One-time provision		-	-	1,510		
<b>EBITDA</b>		<b>1,628</b>	<b>1,764</b>	<b>74</b>	<b>-95.8%</b>	<b>-95.5%</b>
<i>EBITDA Margin %</i>		<i>15.2%</i>	<i>14.8%</i>	<i>0.6%</i>	<i>-1419 bps</i>	<i>-1458 bps</i>
Depreciation & amortization		188	207	210		
<b>EBIT</b>		<b>1,440</b>	<b>1,557</b>	<b>(136)</b>	<b>-108.8%</b>	<b>-109.5%</b>
<i>EBIT Margin %</i>		<i>13.4%</i>	<i>13.1%</i>	<i>-1.1%</i>	<i>-1418 bps</i>	<i>-1455 bps</i>
Other income (net)		128	(27)	124		
Finance costs		31	58	56		
<b>Profit before tax (PBT)</b>		<b>1,536</b>	<b>1,472</b>	<b>(68)</b>	<b>-104.6%</b>	<b>-104.4%</b>
Total tax expense		397	321	95		
<b>Profit for the period (PAT)</b>		<b>1,140</b>	<b>1,151</b>	<b>(164)</b>	<b>-114.2%</b>	<b>-114.4%</b>
<i>PAT Margin %</i>		<i>10.6%</i>	<i>9.7%</i>	<i>-1.3%</i>	<i>-1099 bps</i>	<i>-1197 bps</i>

Note: EBIT margin for Q3FY23 excluding one-time provision is 11.2%

## Consolidated Balance Sheet Statement

Particulars as at	\$ M			₹ M		
	31-Dec-21	30-Sep-22	31-Dec-22	31-Dec-21	30-Sep-22	31-Dec-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	17.9	18.7	17.5	1,332	1,523	1,447
Right-of-use assets	15.8	13.2	12.0	1,173	1,070	994
Capital work-in-progress	1.1	0.4	0.6	79	32	49
Goodwill	60.7	58.5	59.4	4,514	4,756	4,912
Other intangible assets	1.3	0.9	1.1	100	73	89
Intangible assets under development	-	0.4	0.6	-	37	49
Financial assets						
Investments	6.7	7.9	7.8	501	641	641
Other financial assets	1.9	2.0	3.4	142	165	280
Income tax assets (net)	5.2	5.2	5.2	389	423	430
Deferred tax assets (net)	11.8	12.2	15.0	878	995	1,239
Other non-current assets	1.8	2.0	1.0	130	163	82
<b>Current assets</b>						
Financial assets						
Investments	90.8	37.4	40.5	6,752	3,040	3,347
Trade receivables						
Billed	96.9	94.2	99.2	7,201	7,666	8,202
Unbilled	17.3	22.1	17.6	1,283	1,800	1,458
Cash and cash equivalents	51.5	51.2	66.7	3,828	4,164	5,519
Other balances with banks & deposits	3.6	1.3	4.9	265	102	404
Other financial assets	5.8	0.8	0.4	431	62	31
Other current assets	51.7	51.1	29.1	3,844	4,160	2,411
<b>TOTAL ASSETS</b>	<b>441.8</b>	<b>379.5</b>	<b>381.8</b>	<b>32,840</b>	<b>30,870</b>	<b>31,584</b>

Particulars as at	\$ M			₹ M		
	31-Dec-21	30-Sep-22	31-Dec-22	31-Dec-21	30-Sep-22	31-Dec-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>EQUITY AND LIABILITIES</b>						
Equity share capital	7.5	6.7	6.6	557	544	547
Other equity	318.0	280.0	272.2	23,640	22,779	22,518
<b>Liabilities - Non-current</b>						
Financial liabilities						
Lease liabilities	13.3	10.3	9.1	988	841	754
Provisions	11.3	6.7	7.6	841	548	629
<b>Current liabilities</b>						
Financials Liabilities						
Trade payables	27.0	25.5	26.5	2,010	2,077	2,195
Lease liabilities	4.0	4.1	4.2	297	337	347
Other financial liabilities	19.4	16.2	15.4	1,446	1,317	1,276
Other current liabilities	33.1	19.6	30.6	2,462	1,591	2,535
Provisions	3.2	6.7	6.6	235	542	546
Income tax liabilities (net)	4.9	3.6	2.9	366	294	237
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>441.8</b>	<b>379.5</b>	<b>381.8</b>	<b>32,840</b>	<b>30,870</b>	<b>31,584</b>

₹/₹ rate of ₹74.3 for Dec 31, 2021, ₹81.3 for Sep 30, 2022 and ₹82.7 for Dec 31, 2022

## Consolidated Cash Flow Statement for Q3 FY23

Particulars	31-Dec-22	
	₹ M	\$ M
<b>Profit before tax</b>	<b>(68)</b>	<b>(0.8)</b>
<b>Items to reconcile profit before tax to net cash flows</b>		
<b>Add: non cash items</b>		
Depreciation of property, plant and equipment & amortization of intangible assets	210	2.6
Allowance for doubtful debts-trade receivables (net of recoveries)	1,622	19.7
Share based compensation expenses	50	0.6
Unrealized foreign exchange loss/ (gain)	167	2.0
Interest on lease liabilities	23	0.3
<b>Less: interest &amp; other items</b>		
Interest income	(21)	(0.3)
Others	(31)	(0.4)
<b>Operational cash profit</b>	<b>1,950</b>	<b>23.7</b>
Movements in working capital	920	11.2
<b>Cash generated from operations</b>	<b>2,870</b>	<b>34.9</b>
Income tax (paid) / received	(372)	(4.5)
Net cash flow (used in)/from investing activities	(371)	(4.5)
Net cash flow (used in) financing activities	(471)	(5.7)
<b>Balance cash Flow</b>	<b>1,656</b>	<b>20.1</b>
<b>Total increase/(decrease) in cash balance</b>	<b>1,656</b>	<b>20.1</b>
<b>Opening cash balance</b>	<b>4,266</b>	<b>51.6</b>
Foreign exchange fluctuation	-	(0.3)
<b>Total cash balance</b>	<b>5,923</b>	<b>71.4</b>

Average \$/₹ rate of ₹74.7 for Q3 FY22, ₹80.1 for Q2 FY23 and ₹82.3 for Q3 FY23

## Q3 FY23 Earnings Conference Call on 2nd February 2023 at 6:30 p.m. (IST)

### Dial in Information

India 18:30 hours IST. Hong Kong / Singapore - 21:00 hours; London 13:00 hours; New York 8:00 hours

<b>Universal Dial In</b>	India	+91 22 6280 1179
	India	+91 22 7115 8840
<b>India National Toll Free</b>	India	1 800 120 1221
<b>International Toll Free</b>	Argentina	0080014243444
	Australia	1800053698
	Belgium	0080014243444
	Canada	01180014243444
	China	4008428405
	France	0800914745
	Germany	0080014243444
	Hong Kong	800964448
	Italy	0080014243444
	Japan	00531161110
	Netherlands	08000229808
	Poland	008001124248
	Singapore	8001012045
	South Korea	00180014243444
	Sweden	0080014243444
	Thailand	00180014243444
	UK	08081011573
	USA	18667462133
<b>Playback Start Date:</b> 2 <sup>nd</sup> Feb 2023	<b>Playback Code:</b> 22897	
<b>Playback End Date:</b> 4 <sup>th</sup> Feb 2023	<b>Dial-in Number:</b> 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.*