



R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
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REF: SECT/08/2023/02

Date: August 02, 2023

To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol – RSYSTEMS	To, The General Manager BSE Limited Corporate Relationship Dept. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 BSE Scrip Code - 532735
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Dear Sir/ Madam,

SUB: SUBMISSION OF PRESENTATION MADE TO ANALYSTS/ INVESTORS

This is with reference to our intimation dated July 29, 2023 regarding Investors/ Analysts call of R Systems International Limited (“the Company”) on Wednesday, August 02, 2023.

In this regard, as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed presentation made to Analysts/ Investors on August 02, 2023 on the financial results for the quarter and six months ended on June 30, 2023

This is for your information and records.

Thanking you,

Yours faithfully,

For R Systems International Limited

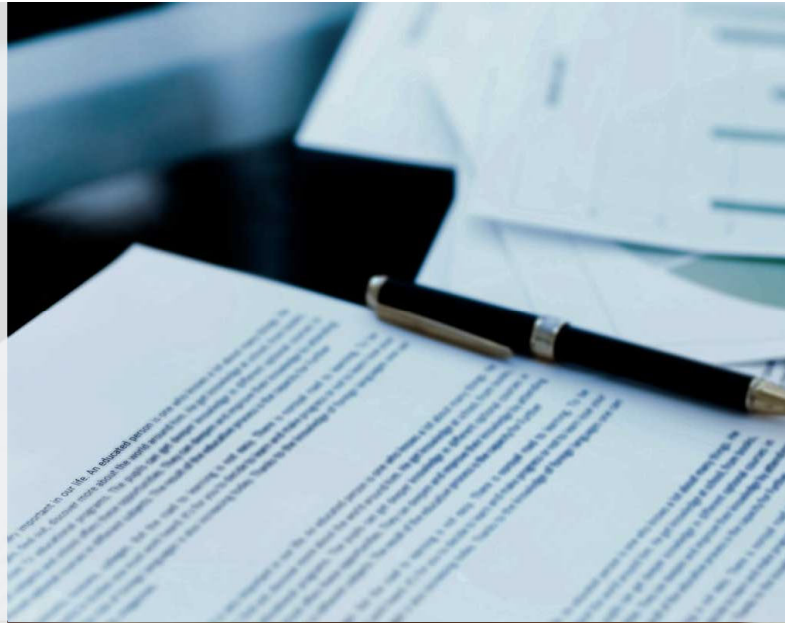
Bhasker Dubey
(Company Secretary & Compliance Officer)



Q2 2023 Investor Presentation

By : Nitesh Bansal (CEO & MD)

Disclaimer



"Investors are cautioned that this presentation contains forward looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements."



Engineering Services Market

We play in 3 out of 4 key segments

ER&D services market consists of 4 major segments

ER&D services include preparation, design and consulting work to support engineering projects undertaken by enterprises

Mechanical Engineering

Design and development of physical products such as cars, aircraft, medical devices and consumer electronics

Embedded Engineering

Design and development of embedded systems that reside inside devices such as mobile phones & wearables

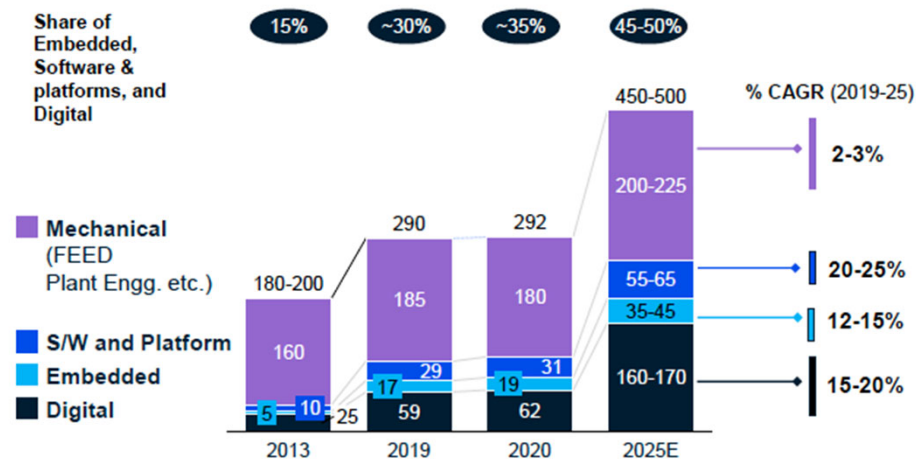
Software Product Engineering

Design, development, product management of software PDLC for ISVs and internet companies

Digital Engineering

Design & development of digital infrastructure (IoT, AR/VR, AI, etc.) for use-cases such as industry 4.0

Global Outsourced engineering services spend (USD billion)



- The Global outsourced engineering services spend is slated to become \$450-500 B
- The SW, Platform, Embedded and Digital Engineering is slated to grow at a faster pace than Mechanical Engineering

We are well poised to take advantage of current trends

Demand and supply-side trends shaping the engineering services market

Deep dives ahead

Demand-side

We have a mature Embedded and Digital engineering practice and are continuing to deepen our footprint
Ex. Mixing live feeds from video, audio sources for a Media broadcasting software provider

IOT and Servitization have seen a lot of traction and our years of experience is helping us address that market along with our CX practice
Ex. Large affordable hotel chain in NA

With our existing footprint in CE and APAC we are well poised to take advantage of this trend
Ex. Utility provider in CE

1. **Embedded, software & platforms, and digital engineering to be key growth drivers of the** outsourced engineering services market (50% share by 2025)

2. **Industry 4.0, 5G and rise of ecosystems, CX, sustainability and servitization** ("as-a-service" model) to be the **key** themes driving spend

3. Demand in APAC likely to outstrip demand in Europe by 2025 given the product engineering focus (SW, embedded and digital engineering) of firms in the region

Supply-side

4. **Pure play digital product engineering players have witnessed highest growth** in the market – Leaders winning on the back of deep expertise, experience and delivery capability within a few areas

5. **As engineering services largely consists of short one-time project, companies are evolving commercial models to address the "lumpiness" of the revenue model**

6. **Top** players (both pure-play and SIs) have followed a **programmatic M&A strategy** to consolidate their share from 0.9% in 2016 to 1.2% in 2018 to 1.5%+ in 2022 (of global ER&D spend) through large acquisitions

Key Highlights Q2 2023



Revenue

₹ 4,067.80M
(US\$ 49.51M)



YoY Revenue
Growth

8.48%

YoY EBITDA
Growth

22.2%



Net Profit

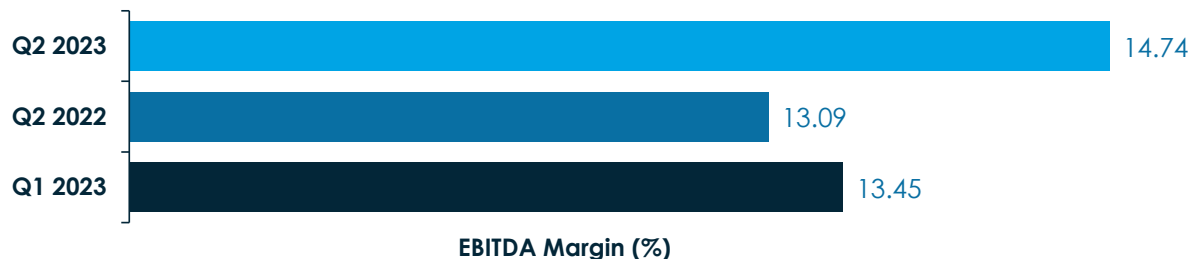
₹ 144.25M
(US\$ 1.76M)



Earnings
Per Share

₹ 1.22

EBITDA : ₹599.79M (US\$ 7.30M)



Key Balance Sheet

As of Jun 30, 2023	In ₹	In US\$
Share Holders' Fund	₹ 5,950.87M	US\$ 72.53M
Net Cash Balance #	₹ 3,816.96M	US\$ 46.52M

Net of short-term borrowings

Key Highlights H1 2023



Revenue

₹ 8,108.51M
(US\$ 98.67M)



YoY Revenue
Growth

12.92%



Net Profit

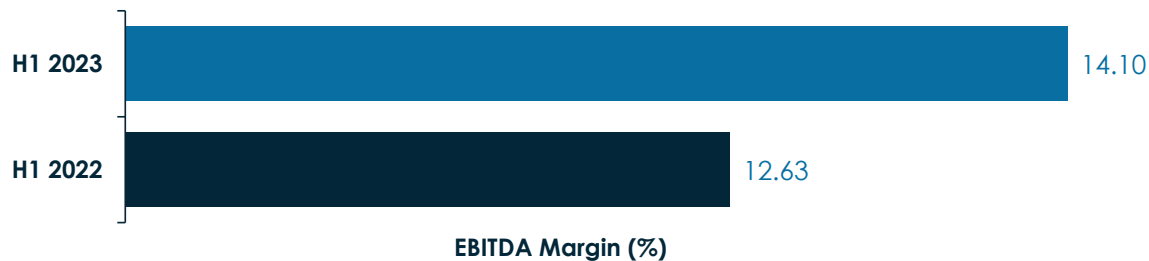
₹ 502.60M
(US\$ 6.12M)



Earnings
Per Share

₹ 4.25

EBITDA : ₹1,143.18M (US\$ 13.91M)



Key Highlights (Continued...)

- Resilient revenue growth despite macro-economic environment has seen some of customers go slow on their spend decisions or delay new initiatives altogether.
- Despite demand side headwinds experienced from some clients, we continue to see good traction in pipeline development and conversion with 14 key accounts opened during H1 2023.
- Served 50 customers with US\$1Million+ revenue on a run rate basis.
- H1 EBITDA margins improved through efficient operations.
- We continue to build deeper capabilities in newer technologies including Cloud, AI, DevOps.
- Strategic acquisition of Velotio, a product engineering and digital solutions provider working with high growth enterprises across the globe, further deepening our capabilities in Cloud, DevOps, Data Engineering and Generative AI and expanding our India delivery presence to Pune, a hub for product engineering talent.

Financial Performance – Contribution Analysis – Q2 2023

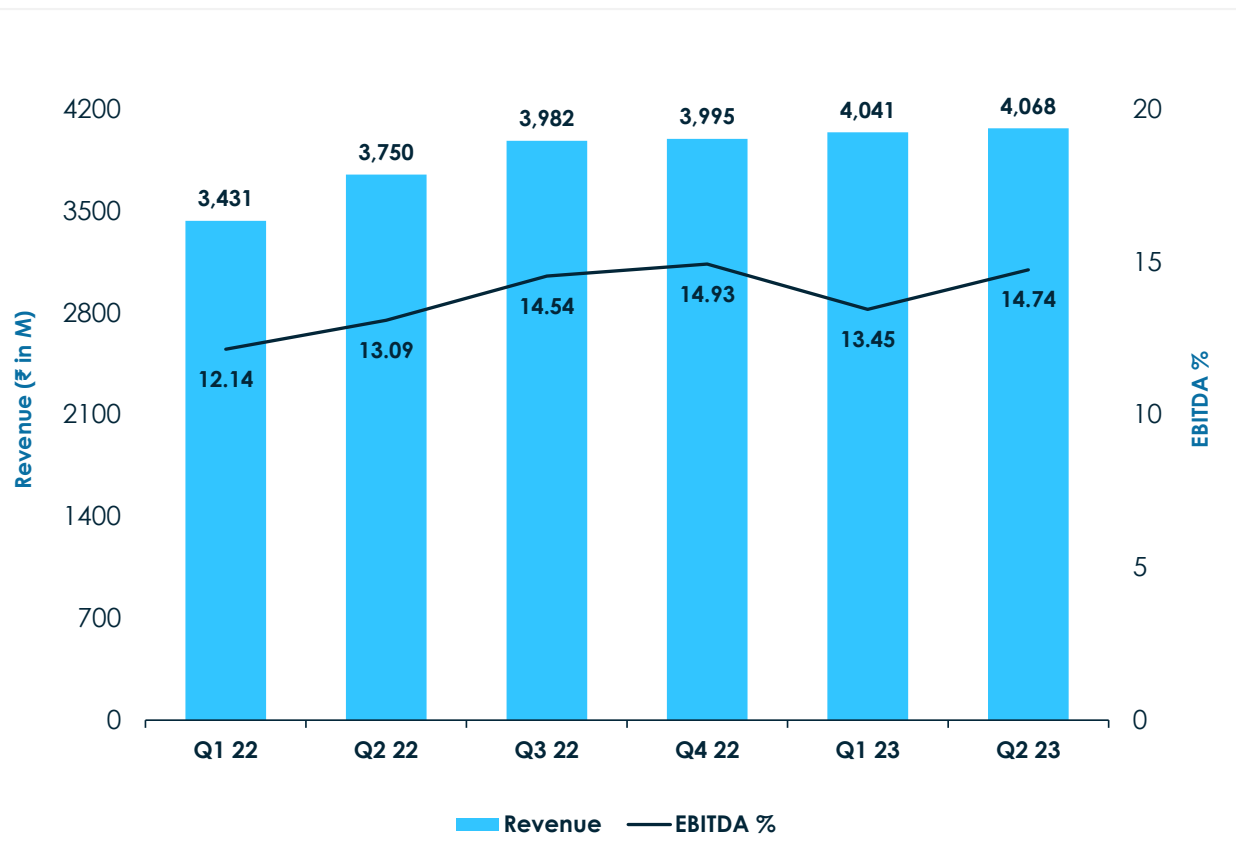
Q2 2023 Q2 2022 Q1 2023

Particulars	₹ in M	US\$ in M	₹ in M	US\$ in M	₹ in M	US\$ in M
Revenues	4,067.80	49.51	3,749.78	48.74	4,040.71	49.16
Cost of revenues	2,650.73	32.26	2,424.90	31.51	2,681.88	32.63
Gross margin	1,417.07	17.25	1,324.88	17.23	1,358.83	16.53
<i>% of Revenue</i>	34.84%		35.33%		33.63%	
SG&A Expenses	817.28	9.95	834.14	10.85	815.44	9.92
<i>% of Revenue</i>	20.09%		22.24%		20.18%	
EBITDA	599.79	7.30	490.74	6.38	543.39	6.61
<i>% of Revenue</i>	14.74%		13.09%		13.45%	
Depreciation and amortization	101.16	1.23	82.30	1.06	101.24	1.23
EBIT before non-recurring cost	498.63	6.07	408.44	5.32	442.15	5.38
Non-recurring Cost #	70.34	0.86	-	-	-	-
EBIT	428.29	5.21	408.44	5.32	442.15	5.38
Interest expense	(16.96)	(0.20)	(10.29)	(0.13)	(15.94)	(0.19)
Other income (net)	43.80	0.53	(5.55)	(0.08)	51.79	0.63
Income before income tax	455.13	5.54	392.60	5.11	478.00	5.82
Tax expense ^	310.88	3.78	74.40	0.97	119.65	1.46
Net earnings	144.25	1.76	318.20	4.14	358.35	4.36

Non-Recurring Cost represents the recruitment fee and one time joining fee for the CEO.

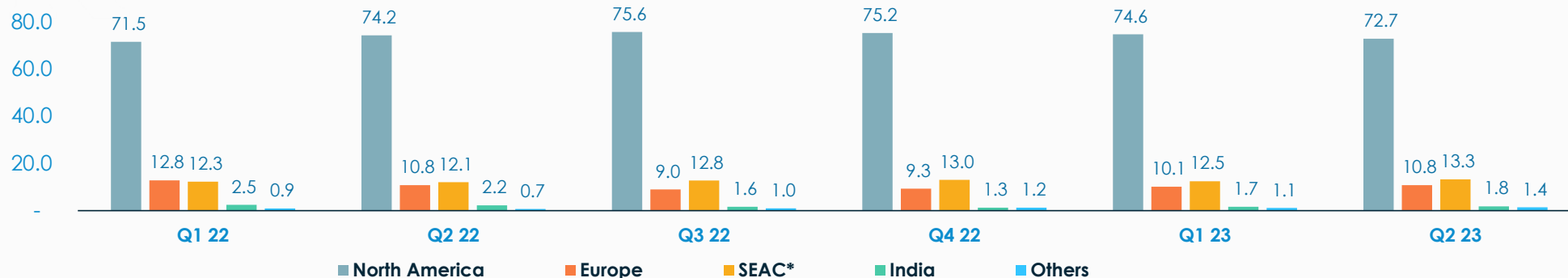
^ includes Rs. 200.54 million during Q2-23 provision for tax on dividend received from its wholly owned subsidiary.

Big Picture – Revenue & EBITDA %age – Quarter wise



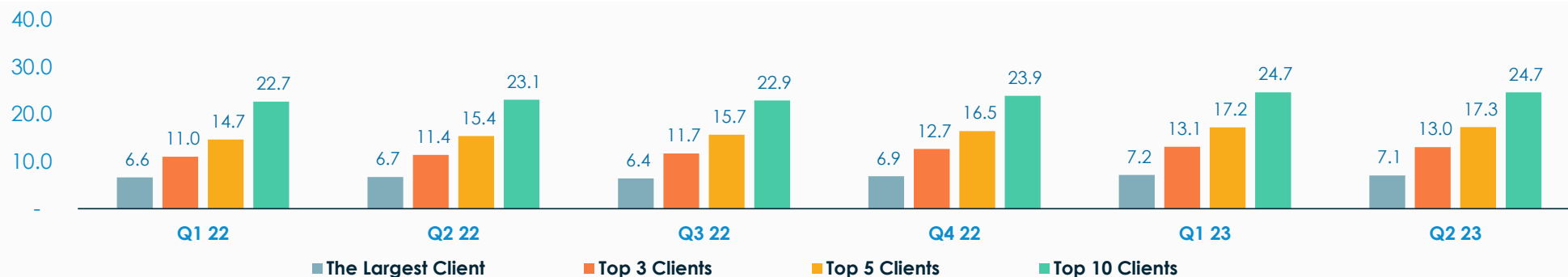
Quarterly Revenue Breakdown

By Geography (%) – based on location of customer



* South East Asian Countries

Client Concentration (Revenue %)



Summing Up and Looking Ahead



H1 2023 performance is in line with industry delivering revenue growth and margin improvement amid challenging global environment



Building deeper partnerships with customers while rapidly building our core competencies in growth areas – using speed and relevance as our differentiators



Developing new success stories – H2 2023

- **AWS** has selected us as a partner for their upcoming **Generative AI** platform release
- For a client in APAC, implement **MS Business Central** to become more responsive to their customers
- For a customer in association membership space, built an **AI model to map buying patterns** and help upsell and cross sell products and services
- For a national health care provider in mental health space, building a **patient management system** to improve patient – physician interaction
- **Integrate Velofio** and further accelerate growth with added capabilities, potential for cross-sell, and presence in another tech hub



Thank You

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