

November 5, 2020

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: BSOFT
Scrip Code: 532400

Symbol: BSOFT
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Investor update for Q2 FY 2020-21

Dear Sir / Madam,

Please find enclosed the investor update for Q2 FY 2020-21.

Kindly take this on your record.

Thanking you.

Yours faithfully,

For **Birlasoft Limited**
(Formerly KPIT Technologies Limited)



Sneha Padve
Company Secretary & Compliance Officer

Encl.: - As mentioned above.

Birlasoft Limited

(Formerly KPIT Technologies 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 2020-21



Birlasoft Q2 PAT; up 69% YoY

Revenue up 11% YoY, Signs TCV of \$274 M in Q2

Pune, Noida (India), November 5, 2020: Birlasoft [BSE: 532400, NSE: BSOFT], a part of the USD 2.4 billion diversified **CK Birla Group**, reported its unaudited consolidated financial results for the second quarter ended September 30, 2020.

Dharmender Kapoor, Chief Executive Officer and Managing Director, Birlasoft, said, *“Our Q2 results are a testimony to the trust that our customers have in our executional capabilities. Despite the challenging times, we have seen a positive outcome across key performance parameters such as profit, margins, utilization, deal wins, receivables, attrition, among others. With a consistent and strong record of TCV deal wins in H1 combined with a healthy pipeline, we are confident about further growth in revenues as we enter into the second half of FY21. We will continue to focus on being a trusted partner to our clients and build long term sustainable growth.”*

Key Financial highlights for Q2 FY21

in USD

- Revenue at \$115.6 M, up 5.2% YoY and down 4.6% QoQ
- EBITDA at \$16.1 M, up 32.6% YoY and up 7.6% QoQ
 - EBITDA margin at 13.9%; up 288 bps YoY and 158 bps QoQ
- PAT at \$9.3 M; up 60.7% YoY & up 24.8% QoQ

in INR

- Revenue at Rs. 857 Crore (Cr), up 10.9% YoY and down 6.3% QoQ
- EBITDA at Rs 119 Cr, up 39.7% YoY & up 5.8% QoQ
- PAT at 69 Cr up 69.3% YoY and up 22.7% QoQ
- PAT margin at 8.1% up 278 bps YoY and 190 bps QoQ

Other Highlights

- Signed TCV deals of \$ 273.9 M during the quarter
 - Total TCV deal wins for H1'FY21 at \$ 454 M
- The Board declares an interim dividend of Rs. 1/- per share (Face Value Rs 2/-)
- Active Client Count at 310
 - > \$10 M customers at 9; up 4 YoY & 1 QoQ; > \$ 5 M customer at 20; up by 3, QoQ
 - Cash & equivalents at \$ 124.3 M (Rs 917 Cr), vs \$108.8 M in Q1; up \$15.5 M QoQ
- DSO of 58 days, down by 23 days YoY and 2 days QoQ
- Manpower strength of 10,010 as at 30th September 2020 versus 9,908 in Q1'FY21
 - Added 102 professionals QoQ
 - Attrition at 11.4% in Q2' FY21 versus to 22.5% in Q2'FY20 & 16.5% in Q1'FY21

Deal Wins for the Quarter

- Selected by a European Energy major to provide remote Infrastructure and global helpdesk support.
- Selected by a Global Roofing major for upgrading its legacy ERP by implementation, roll out and support of J D Edwards Enterprise ERP stack across Canada and Europe.
- Won a multi-year ERP Annual Maintenance Services & Support deal from a leading European Specialists Material Company.
- Chosen by a Global Solution major for its Oracle and associated Application Management Support Services.
- Selected by a European Engineering major for Application Managed support and Services for SAP solutions.
- Selected by a US Healthcare major for providing Application Development, Data and Analytics Support
- Won from a US Diversified major for providing upgrades and roll-out of Infor ERP
- Selected by a European Auto major for providing Application lifecycle management (ALM) support and services

Business Highlights & Recognition

- Birlasoft named a Top 15 Sourcing Standout by ISG - Global and Americas Regions (2Q 2020 Global ISG Index™)
- Birlasoft has launched intelliOpen™ - an integrated digital solution using IoT, Analytics, AI, and wearables to strengthen return-to-work strategies, and support companies to restart and operate businesses with confidence.
- Birlasoft and Actifio Partners to Provide Next-Generation Infrastructure, Cloud Technology Services to Global Enterprise Customers.
- Birlasoft announced a Global Strategic Cloud Alliance with Microsoft to help its clients to accelerate their digital journey. The collaboration is strategically positioned to support its enterprise clients with their cloud transformation needs, right from infrastructure to business applications.
- Birlasoft inks MoU with Chandigarh University to enhance employability skills of the Engineering Students

About Birlasoft

Enterprise to the Power of Digital™

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 10,000+ professionals, is committed to continuing its 158-year heritage of building sustainable communities

For further information, visit www.Birlasoft.com

Contacts:

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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 as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, 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 industry.

FACT SHEET

Q2 FY 2020-21

**INR PAT up
69.3% YoY**

**Rs 1/- share
Interim Dividend**

**\$274 M
Q2 TCV wins**

Key Metrics

Revenues by

Client Geography	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Americas	78.4%	79.6%	81.6%	74.6%	77.1%
Europe	11.0%	10.6%	8.7%	14.9%	13.3%
Rest of the World	10.5%	9.8%	9.7%	10.5%	9.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Manufacturing	45.4%	43.3%	40.7%	38.4%	42.3%
BFSI	19.9%	18.8%	17.1%	17.4%	18.7%
Energy & Utilities	17.8%	18.3%	17.0%	15.5%	15.1%
Lifesciences	16.9%	19.6%	25.2%	28.8%	24.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Integrated Enterprise Solutions (IES)	32.5%	32.6%	32.3%	31.6%	32.3%
SAP	16.8%	16.8%	16.2%	13.5%	13.7%
Digital Transformation (DT)	28.4%	27.7%	26.9%	26.0%	34.7%
Emerging Horizontals	22.3%	23.0%	24.5%	28.9%	19.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues by Contract Type	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Time & Material	58.0%	53.3%	52.5%	47.8%	45.8%
Fixed Price, Fixed Monthly	42.0%	46.7%	47.5%	52.2%	54.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues Mix	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Onsite	54.7%	58.2%	58.9%	55.6%	62.8%
Offshore	45.3%	41.8%	41.1%	44.4%	37.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Total Contract Value (TCV) - in \$ Mn	30	278	67	89	120

Currency Mix of Revenue	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
USD	78.0%	78.2%	77.6%	76.2%	77.2%
GBP	2.8%	2.5%	1.5%	0.8%	1.6%
EUR	5.5%	6.3%	6.0%	10.9%	9.0%
Others	13.7%	13.0%	14.9%	12.1%	12.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (INR/USD)	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Period Average	70.39	71.33	72.24	75.44	74.16
Period End	70.68	71.27	75.39	75.53	73.79

Client Data	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
No of Active Clients	381	381	378	356	310
Clients added - QoQ	(17)	-	(3)	(22)	(46)
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	86	85	86	85	81
US\$ 5mn+ Clients	16	15	17	17	20
US\$ 10mn+ Clients	5	6	7	8	9
Client Contribution to Revenue (LTM)					
Top 5	27.1%	28.0%	28.1%	30.6%	31.9%
Top 10	37.1%	38.4%	40.1%	42.5%	44.1%
Top 20	49.9%	50.8%	53.3%	55.8%	58.5%

LTM - last twelve months

DSO	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Days Sales Outstanding - Billed	81	65	72	60	58

Headcount Metrics	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Total Headcount	9,994	10,129	10,268	9,908	10,010
Technical	8,947	9,046	9,168	8,865	8,992
Sales & Support	1,047	1,083	1,100	1,043	1,018
Women Employees	2,252	2,240	2,306	2,208	2,215
Attrition (LTM)	22.5%	20.3%	18.9%	16.5%	11.4%
Utilization	-	-	80.9%	78.2%	83.7%

Hedge Book	Quarter Ended				
	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
USD mn	78.0	82.8	89.3	55.1	70.4
Average rate in INR	72.2	72.9	73.7	75.1	76.0
GBP Mn	0.9	1.0	1.1	0.9	0.9
Average rate in INR	89.4	92.3	95.3	97.5	98.3
Euro Mn	3.0	4.0	5.3	5.6	5.0
Average rate in INR	81.7	82.8	83.3	84.9	87.3

Consolidated Income Statement for quarter ended September 30, 2020

Particulars	In \$ Mn			QoQ	YoY
	30-Sep-19	30-Jun-20	30-Sep-20		
	Unaudited	Unaudited	Unaudited		
Revenue from operations	109.9	121.2	115.6	-4.6%	5.2%
Expenses					
Employee benefits expense	68.4	70.9	70.5		
Other expenses	29.3	35.4	29.0		
EBITDA	12.1	15.0	16.1	7.6%	32.6%
<i>EBITDA Margin %</i>	<i>11.1%</i>	<i>12.3%</i>	<i>13.9%</i>	<i>158</i>	<i>288</i>
Depreciation & amortization	2.9	2.9	2.8		
EBIT	9.2	12.1	13.3	9.8%	43.9%
<i>EBIT Margin %</i>	<i>8.4%</i>	<i>10.0%</i>	<i>11.5%</i>	<i>151</i>	<i>309</i>
Other income (net)	0.4	(1.1)	0.9		
Finance costs	0.6	0.5	0.5		
Profit before tax (PBT)	9.1	10.6	13.7	29.6%	51.0%
Provisions for Tax	3.3	3.1	4.4		
Profit after Tax	5.8	7.5	9.3	24.8%	60.7%
<i>PAT Margin %</i>	<i>5.3%</i>	<i>6.2%</i>	<i>8.1%</i>	<i>190</i>	<i>278</i>

Particulars	In Rs Cr			QoQ	YoY	
	Quarter Ended	30-Sep-19	30-Jun-20			30-Sep-20
		Unaudited	Unaudited			Unaudited
Revenue from operations		773.4	914.6	857.5	-6.3%	10.9%
Expenses						
Employee benefits expense		481.7	534.5	523.1		
Other expenses		206.2	267.1	214.9		
EBITDA		85.5	112.9	119.5	5.8%	39.7%
<i>EBITDA Margin %</i>		<i>11.1%</i>	<i>12.3%</i>	<i>13.9%</i>	<i>158</i>	<i>288</i>
Depreciation & amortization		20.4	21.5	20.8		
EBIT		65.1	91.4	98.6	7.9%	51.6%
<i>EBIT Margin %</i>		<i>8.4%</i>	<i>10.0%</i>	<i>11.5%</i>	<i>151</i>	<i>309</i>
Other income (net)		2.9	(8.1)	6.4		
Finance costs		4.1	3.5	3.5		
Profit before tax (PBT)		63.8	79.8	101.6	27.4%	59.1%
Provisions for Tax		23.0	23.4	32.5		
Profit after Tax		40.8	56.3	69.1	22.7%	69.3%
<i>PAT Margin %</i>		<i>5.3%</i>	<i>6.2%</i>	<i>8.1%</i>	<i>190</i>	<i>278</i>

Consolidated Balance Sheet Statement

Particulars as at	in \$ Mn			in Rs Cr		
	31-Mar-20	30-Jun-20	30-Sep-20	31-Mar-20	30-Jun-20	30-Sep-20
ASSETS	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
Non-current assets						
Property, plant and equipment	19.0	18.1	18.0	143.4	136.5	133.2
Right-to-use assets	18.4	17.1	17.3	138.9	129.5	127.3
Goodwill	60.2	60.4	61.2	454.1	456.6	451.4
Other intangible assets	2.2	1.9	1.8	16.8	14.6	12.9
Financial assets						
Loans & advances	2.0	1.9	1.9	14.7	14.2	14.4
Other financial assets	0.5	0.5	7.0	3.5	3.6	51.3
Income tax assets (net)	12.7	7.9	7.5	95.8	60.0	55.2
Deferred tax assets (net)	15.9	15.8	15.9	120.0	119.2	117.5
Other non-current assets	1.5	0.6	0.7	11.5	4.9	5.3
Current assets						
Financial assets						
Investments	4.4	-	4.1	33.0	-	30.1
Trade receivables	98.2	70.2	74.5	740.2	530.3	549.9
Cash and cash equivalents	59.6	67.3	54.6	449.6	508.2	403.0
Other balances with banks	23.9	41.1	58.7	180.5	310.4	433.2
Loans & advances	0.3	0.3	0.3	2.1	2.6	1.9
Unbilled revenue	9.8	17.7	13.0	73.8	134.0	96.2
Other financial assets	4.7	4.6	5.9	35.6	35.0	43.5
Other current assets	23.0	33.4	32.8	173.7	252.6	241.7
TOTAL ASSETS	356.5	359.1	375.1	2,687.3	2,712.0	2,767.9

Particulars as at	in \$ Mn			in Rs Cr		
	31-Mar-20	30-Jun-20	30-Sep-20	31-Mar-20	30-Jun-20	30-Sep-20
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
EQUITY AND LIABILITIES						
Equity share capital	7.3	7.3	7.5	55.3	55.4	55.4
Other equity	243.7	253.5	264.4	1,837.1	1,914.7	1,950.9
Liabilities - Non-current						
Financial liabilities						
Lease liabilities	15.1	14.1	14.5	114.0	106.6	106.9
Other non current liabilities	-	-	-	-	-	-
Provisions	9.2	9.2	11.1	69.5	69.5	81.6
Current liabilities						
Financials Liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	25.3	21.8	20.9	190.4	164.9	154.4
Lease liabilities	4.1	4.1	3.9	31.1	31.1	28.8
Other financial liabilities	25.6	18.2	23.2	193.2	137.2	171.5
Other current liabilities	15.8	19.4	18.1	119.0	146.6	133.9
Provisions	2.6	3.7	3.0	19.5	27.7	21.9
Income tax liabilities (net)	7.7	7.7	8.5	58.3	58.3	62.5
TOTAL EQUITY AND LIABILITIES	356.5	359.1	375.1	2,687.3	2,712.0	2,767.9

Consolidated Cash Flow Statement for Q2 FY21

Cash Flow	30-Sep-20
	Rs Cr
Profit before tax	101.6
Items to reconcile profit before tax to net cash flows	
Add: Non cash items	
Depreciation of property, plant and equipment & amortization of intangible assets	20.8
Allowance for doubtful debts-trade receivables (net of recoveries)	4.5
Unrealized foreign exchange loss/ (gain)	1.4
Interest on lease liabilities	2.9
Less: Interest & other items	
Interest income	(5.4)
Others	(0.0)
Operational cash profit for Q2 FY' 21	125.8
Movements in working capital	11.5
Cash Generated from Operations	137.3
Income tax	(44.4)
Net cash flow (used in)/from investing activities	(36.0)
Net cash flow (used in) financing activities	(32.6)
Balance Cash Flow	24.4
Total Increase/(Decrease) in cash balance	24.4
Opening cash balance as on 30th June'20	818.6
Foreign exchange fluctuation	(6.8)
Total Net Cash balance as at 30th Sep'20	836.2

Q2 Earnings Conference Call on 5th November 2020 at 8:00 p.m. (IST)

Dial in Information

India 20:00 IST. Hong Kong / Singapore - 22:30; London 14:30; New York 9:30 am

Universal Dial In	+91 22 6280 1179 +91 22 7115 8840	Local Dial In - all over India	+91 7045671221
India National Toll Free	1 800 120 1221 1 800 266 1221	International Toll Free	Hong Kong 800964448 Singapore 8001012045 UK 08081011573 USA 18667462133 Germany 0080014243444
		International Toll	Hong Kong 85230186877 Singapore 6531575746 UK 442034785524 USA 13233868721
Playback Start Date:	5 th Nov 2020	Playback Code:	07909
Playback End Date:	8 th Nov 2020	Dial-in Number:	India (+91 22 66635757) India (+91 22 71945757)

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