

January 27, 2022

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 2021-22

Dear Sir / Madam,

Please find enclosed the investor update for Q3 FY 2021-22.

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

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CIN: L72200PN1990PLC059594

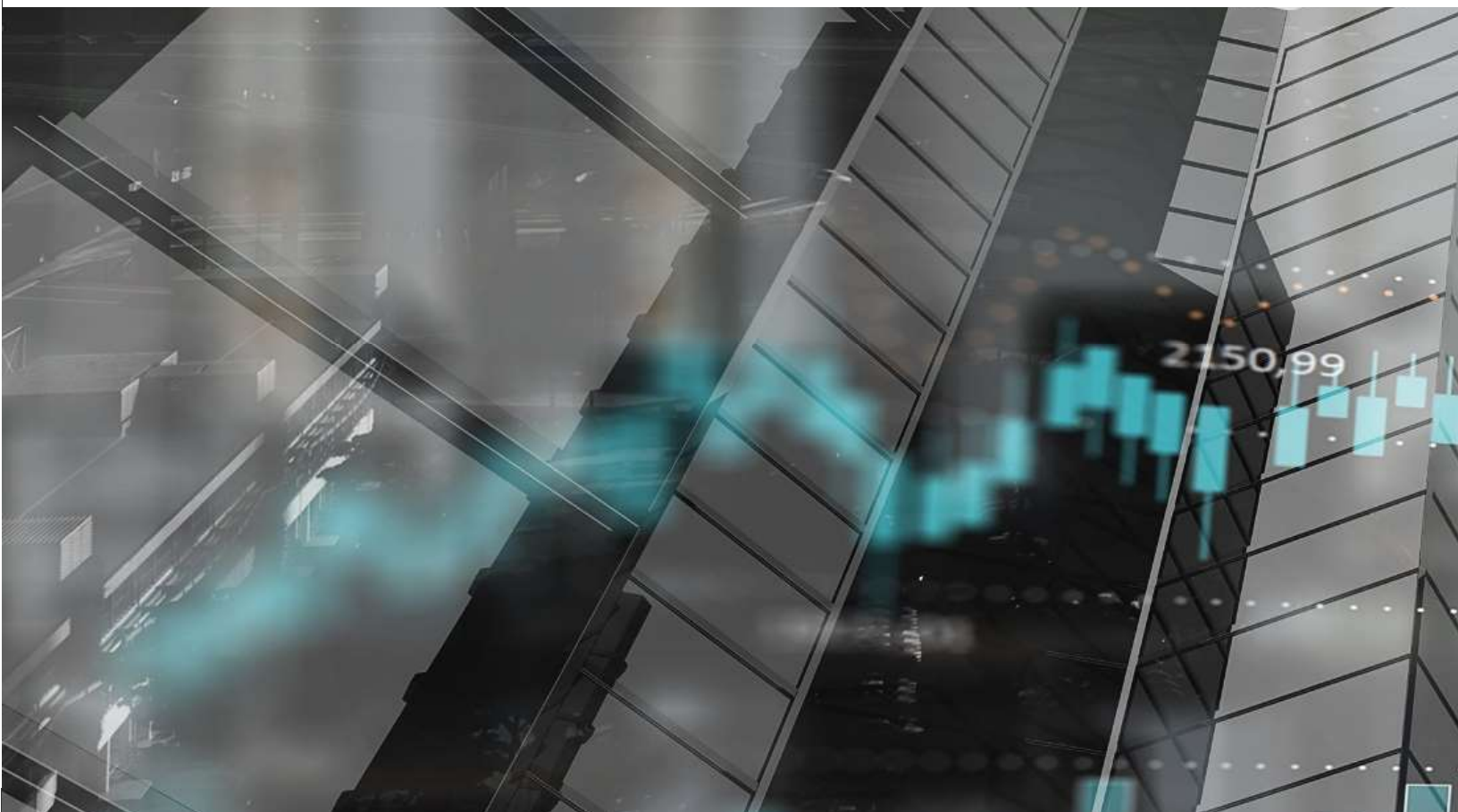


Investor update

Q3 FY 2021-22



birlasoft



Q3 Revenue up 22% YoY, 6% QoQ

PAT at ₹ 1,140 M; up 18.2% YoY

Pune, Noida (India), January 27, 2022: Birlasoft [BSE: 532400, NSE: BSOFT], a part of the \$ 2.4 billion diversified **CK Birla Group**, reported its unaudited consolidated financial results for the third quarter ended December 31, 2021.

Dharmender Kapoor, Chief Executive Officer and Managing Director, Birlasoft, said, “We are pleased to report YoY Q3 revenue growth of 21.7%; and PAT growth of 18.2%. With strong deal wins across our focus industries and a robust pipeline, we continue to be optimistic about our growth numbers for this fiscal.

Our concerted long-term strategy combined with robust execution continues to propel growth momentum from our top customers. Birlasoft’s strong positioning in the market is further reaffirmed with the recognitions from the industry analysts.”

Key Financial Highlights for Q3 FY22

in US \$

- Revenue at \$ 143.4 M, up 20.1% YoY & 4.7% QoQ. Revenue was up 5% QoQ in constant currency.
- EBITDA at \$ 21.8 M, up 11.2% YoY & 6% QoQ
 - Margin at 15.2%; down 122 bps YoY and up 18 bps QoQ
- PAT at \$ 15.2 M; up 16.6% YoY and 9.1% QoQ

in ₹

- Revenue at ₹ 10,719 Million (M), up 21.7% YoY and 6% QoQ
- EBITDA at ₹ 1,628 M, up 12.7% YoY & 7.2% QoQ
- PAT at ₹ 1,140 M up 18.2% YoY and 10.5% QoQ
 - PAT margin at 10.6%; up 44 bps QoQ

Other Highlights

- Signed deals of TCV \$ 182 M during the quarter
 - New deal TCV wins of \$ 121 M in Q2
- Active Client Count at 285
 - \$ 5 M customer at 21; up by 1 QoQ
 - Top 10 & Top 20 customers grew 21.4% & 22.9% YoY, respectively
- Cash & equivalents at \$ 152.6 M (₹ 11,345 M), up \$ 16.6 M YoY (₹ 1,237 M)
- Q3 FY22 DSO at 55 days, improved by 2 days YoY
- Headcount stood at 11,945 as of December 31, 2021
 - Added 1,546 professionals on a YoY basis

Deal Wins for the Quarter

- Chosen by a Global design and manufacturer of access equipment for implementation of Infor ERP to accelerate its procure-to-pay integration
- Selected by a leading US Medical Technology Company for Optimizing its Program Management Centre.
- Selected by a leading US Telecom Major for its revenue application management and support services
- Awarded by a leading Construction and materials company for its Application Managed Services and support of the J D Edwards applications.
- Chosen by a leading Roofing major for implementation, roll out, and support of J D Edwards Enterprise ERP stack.
- Selected by a leading Global Business Process Services Company for testing services
- Awarded by a leading US Industrial Equipment for Infrastructure support services.
- Selected by a leading US technology services provider to global energy, for J D Edwards Application management Services stack.

Business Highlights & Recognition

- Birlasoft named a **Top 15 Sourcing Standout** by ISG. Birlasoft was among the leading providers in the Booming 15 category globally, as well as for the Americas region based on Annual Contract Value (ACV) won over the last 12 months, according to the 3Q 2021 Global ISG Index™. This is the **seventh consecutive time** that Birlasoft has been featured across named categories by ISG.
- Birlasoft **AutoPack** Achieves Oracle Validated Integration with **JD Edwards EnterpriseOne Expertise** for Delivering Proven, Repeatable Integration.
- Birlasoft named as a **Leader in the Agile Development Specialists Quadrant** of the 2021 ISG Provider Lens™ Next-Generation Application Development and Maintenance Services Report for the U.S. by Information Services Group (ISG).
- Birlasoft's **Project Shodhan**, a CSR initiative to **stop crop residue burning** bagged **Special Jury Award in the 7th edition of CSR impact Award 2021**

- Birlasoft named as a **leader in the SAP S/4HANA System Transformation** – Midmarket - U.S. region by Information Services Group (ISG), a leading global technology research and advisory firm.

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 [CK Birla Group](#), Birlasoft, with its 11,900+ professionals, is committed to continuing the Group's 160-year heritage of building sustainable communities.

For further information, visit www.Birlasoft.com

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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 the industry.

FACT SHEET

Q3 FY 2021-22

Key Metrics

**\$ Revenue up
20.1% YoY**

**Q3 EBITDA at
15.2%**

**Q3 New wins
at TCV \$ 121 M**

Revenues by

Client Geography	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Americas	78.3%	79.0%	80.7%	82.2%	82.9%
Europe	13.0%	12.5%	11.8%	10.5%	10.7%
Rest of the World	8.7%	8.5%	7.5%	7.3%	6.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Manufacturing	42.1%	42.3%	44.2%	43.4%	45.2%
BFSI	18.7%	18.3%	17.5%	18.1%	17.7%
Energy & Utilities	14.8%	14.8%	14.9%	14.3%	14.8%
Lifesciences	24.4%	24.6%	23.4%	24.2%	22.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Business & Technology Transformation	33.7%	35.5%	37.1%	36.9%	36.7%
Enterprise Solutions	46.2%	44.7%	43.1%	41.0%	41.6%
Cloud & Base Services	20.2%	19.8%	19.8%	22.1%	21.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues by Contract Type	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Time & Material	42.3%	39.5%	41.6%	43.0%	41.8%
Fixed Price, Fixed Monthly	57.7%	60.5%	58.4%	57.0%	58.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues Mix	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Onsite	55.3%	53.9%	51.4%	50.8%	50.5%
Offshore	44.7%	46.1%	48.6%	49.2%	49.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Total Contract Value (TCV) - in \$ M	56	162	94	104	121

Currency Mix of Revenue	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
USD	78.5%	79.6%	81.0%	83.4%	85.2%
GBP	1.5%	2.0%	1.6%	1.4%	1.5%
EUR	8.4%	7.5%	6.9%	5.4%	4.6%
Others	11.6%	10.9%	10.5%	9.8%	8.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (₹/US \$)	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Period Average	73.73	73.23	73.65	73.87	74.73
Period End	74.23	73.11	74.33	74.23	74.33

Client Data	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
No of Active Clients	295	291	291	280	285
Clients added - QoQ	(15)	(4)	-	(11)	5
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	81	76	77	76	77
US\$ 5mn+ Clients	21	22	22	20	21
US\$ 10mn+ Clients	9	9	10	12	12
Client Contribution to Revenue (LTM)					
Top 5	32.9%	32.8%	30.5%	29.7%	29.3%
Top 10	45.0%	45.1%	44.4%	45.2%	45.5%
Top 20	59.7%	60.7%	60.4%	61.2%	61.1%

LTM - last twelve months

Hedge Book	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
USD Mn	73.0	83.0	95.4	96.9	95.5
Average rate in ₹	76.3	76.5	76.0	76.3	77.0
GBP Mn	1.1	1.1	2.2	1.8	5.0
Average rate in ₹	99.9	101.5	104.8	106.1	104.8
Euro Mn	5.8	7.8	10.7	8.7	2.8
Average rate in ₹	89.0	91.4	92.0	92.6	91.5

DSO	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Days Sales Outstanding - Billed	57	56	54	54	55

Headcount Metrics	Quarter Ended				
	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22
Total Headcount	10,399	11,051	11,508	12,065	11,945
Technical	9,416	9,994	10,445	10,945	10,841
Sales & Support	983	1,057	1,063	1,120	1,104
Women Employees	2,331	2,466	2,556	2,749	2,743
Attrition (LTM)	10.9%	11.6%	16.5%	24.2%	31.4%
Utilization	85.6%	82.8%	85.0%	85.8%	85.4%

Consolidated Income Statement for quarter ended December 31, 2021

Particulars	In \$ M			QoQ	YoY
	Quarter Ended	31-Dec-20	30-Sep-21		
	Unaudited	Unaudited	Unaudited		
Revenue from operations	119.5	136.9	143.4	4.7%	20.1%
Expenses					
Employee benefits expense	71.3	78.0	81.2		
Other expenses	28.6	38.4	40.5		
EBITDA	19.6	20.5	21.8	6.0%	11.2%
<i>EBITDA Margin %</i>	<i>16.4%</i>	<i>15.0%</i>	<i>15.2%</i>	<i>18 bps</i>	<i>-122 bps</i>
Depreciation & amortization	2.7	2.6	2.5		
EBIT	16.8	17.9	19.3	7.5%	14.4%
<i>EBIT Margin %</i>	<i>14.1%</i>	<i>13.1%</i>	<i>13.4%</i>	<i>35 bps</i>	<i>-67 bps</i>
Other income (net)	2.1	1.3	1.7		
Finance costs	0.4	0.5	0.4		
Exceptional items	-	(0.0)	-		
Profit before tax (PBT)	18.5	18.7	20.6	9.8%	10.9%
Provisions for Tax	5.5	4.7	5.3		
Profit after Tax	13.1	14.0	15.2	9.1%	16.6%
<i>PAT Margin %</i>	<i>10.9%</i>	<i>10.2%</i>	<i>10.6%</i>	<i>44 bps</i>	<i>-31 bps</i>

Particulars	In ₹ M			QoQ	YoY
	Quarter Ended	31-Dec-20	30-Sep-21		
	Unaudited	Unaudited	Unaudited		
Revenue from operations	8,808	10,117	10,719	6.0%	21.7%
Expenses					
Employee benefits expense	5,254	5,764	6,067		
Other expenses	2,109	2,835	3,024		
EBITDA	1,444	1,518	1,628	7.2%	12.7%
<i>EBITDA Margin %</i>	<i>16.4%</i>	<i>15.0%</i>	<i>15.2%</i>	<i>18 bps</i>	<i>-122 bps</i>
Depreciation & amortization	202	194	188		
EBIT	1,242	1,324	1,440	8.7%	15.9%
<i>EBIT Margin %</i>	<i>14.1%</i>	<i>13.1%</i>	<i>13.4%</i>	<i>35 bps</i>	<i>-67 bps</i>
Other income (net)	156	94	128		
Finance costs	32	34	31		
Exceptional items	-	(1.4)	-		
Profit before tax (PBT)	1,366	1,382	1,536	11.2%	12.4%
Provisions for Tax	402	351	397		
Profit after Tax	964	1,031	1,140	10.5%	18.2%
<i>PAT Margin %</i>	<i>10.9%</i>	<i>10.2%</i>	<i>10.6%</i>	<i>44 bps</i>	<i>-31 bps</i>

Consolidated Balance Sheet Statement

Particulars as at	\$ M			₹ M		
	31-Mar-21 (Audited)	30-Sep-21 (Unaudited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	30-Sep-21 (Unaudited)	31-Dec-21 (Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	17.6	18.3	19.0	1,287	1,360	1,411
Right-of-use assets	16.1	13.7	15.8	1,179	1,016	1,173
Goodwill	61.2	61.0	60.7	4,476	4,525	4,514
Other intangible assets	1.4	1.2	1.3	105	90	100
Financial assets						
Investments	-	4.0	6.7	-	300	501
Other financial assets	4.8	2.1	1.9	353	153	142
Income tax assets (net)	5.8	6.0	5.2	422	449	389
Deferred tax assets (net)	12.1	11.9	11.8	882	886	878
Other non-current assets	2.6	4.5	1.8	187	331	130
Current assets						
Financial assets						
Investments	7.6	22.6	33.7	553	1,680	2,503
Trade receivables	70.9	81.9	96.9	5,182	6,082	7,201
Cash and cash equivalents	63.8	50.7	51.5	4,661	3,761	3,828
Other balances with banks	78.9	67.1	60.7	5,769	4,980	4,513
Unbilled revenue	15.5	21.2	17.3	1,135	1,577	1,283
Other financial assets	8.6	5.6	5.8	627	416	431
Other current assets	42.8	49.5	51.7	3,125	3,671	3,844
TOTAL ASSETS	409.6	421.4	441.8	29,944	31,277	32,840

Particulars as at	\$ M			₹ M		
	31-Mar-21 (Audited)	30-Sep-21 (Unaudited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	30-Sep-21 (Unaudited)	31-Dec-21 (Unaudited)
EQUITY AND LIABILITIES						
Equity share capital	7.6	7.5	7.5	555	555	557
Other equity	290.6	307.8	318.0	21,245	22,850	23,640
Liabilities - Non-current						
Financial liabilities						
Lease liabilities	13.7	11.8	13.3	999	877	988
Other non current liabilities						
Provisions	11.0	11.3	11.3	803	838	841
Current liabilities						
Financials Liabilities						
Borrowings	-	-	-	-	-	-
Trade payables	18.0	21.4	27.0	1,318	1,590	2,010
Lease liabilities	3.9	3.4	4.0	282	255	297
Other financial liabilities	28.7	23.7	19.4	2,099	1,758	1,446
Other current liabilities	25.4	24.8	33.1	1,853	1,838	2,462
Provisions	3.2	3.3	3.2	237	241	235
Income tax liabilities (net)	7.6	6.4	4.9	554	475	366
TOTAL EQUITY AND LIABILITIES	409.6	421.4	441.8	29,944	31,277	32,840

Consolidated Cash Flow Statement for Q3 FY22

Particulars	Q3 FY22	
	₹ M	\$ M
Profit before tax	1,536	20.6
Items to reconcile profit before tax to net cash flows	-	-
Add: Non cash Items	-	-
Depreciation of property, plant and equipment & amortization of intangible assets	188	2.5
Share based compensation expenses	38	0.5
Allowance for doubtful debts-trade receivables (net of recoveries)	-	-
Unrealized foreign exchange loss/ (gain)	11	0.2
Interest on lease liabilities	(2)	(0.0)
Less: Interest & other items	26	0.3
Interest income	-	-
Others	(68)	(0.9)
Operational cash profit	1,719	23.1
Movements in working capital	(71)	(1.0)
Cash Generated from Operations	1,648	22.1
Income tax	(432)	(5.8)
Net cash flow (used in)/from investing activities	(1,353)	(18.2)
Net cash flow (used in) financing activities	(263)	(3.5)
Balance Cash Flow	(400)	(5.4)
Total Increase/(Decrease) in cash balance	(400)	(5.4)
Opening cash balance	8,741	117.8
Foreign exchange fluctuation	-	(0.3)
Total Cash balance	8,341	112.2

Consolidated Income Statement for nine month ended December 31, 2021

Particulars	in \$ M			in ₹ M			
	Nine Months ended	31-Dec-20	31-Dec-21	YoY	31-Dec-20	31-Dec-21	YoY
		Unaudited	Unaudited		Unaudited	Unaudited	
Revenue from operations		356.3	408.7	14.7%	26,529	30,289	14.2%
Expenses							
Employee benefits expense		212.7	234.7	10.4%	15,830	17,392	9.9%
Other expenses		93.0	111.2	19.6%	6,930	8,241	18.9%
EBITDA		50.7	62.8	24.0%	3,769	4,656	23.5%
<i>EBITDA Margin %</i>		<i>14.2%</i>	<i>15.4%</i>	<i>115 bps</i>	<i>14.2%</i>	<i>15.4%</i>	<i>115 bps</i>
Depreciation & amortization		8.4	7.6		626	565	
EBIT		42.3	55.2	30.6%	3,144	4,090	30.1%
<i>EBIT Margin %</i>		<i>11.9%</i>	<i>13.5%</i>	<i>164 bps</i>	<i>11.9%</i>	<i>13.5%</i>	<i>164 bps</i>
Other income (net)		1.9	5.9		139	436	
Finance costs		1.4	1.3		102	94	
Exceptional items		-	(0.0)		-	(1)	
Profit before tax (PBT)		42.8	59.8	39.7%	3,181	4,431	39.3%
Provisions for Tax		12.9	15.2		961	1,123	
Profit for the Period		29.9	44.6	49.5%	2,220	3,307	49.0%
<i>PAT Margin %</i>		<i>8.4%</i>	<i>10.9%</i>	<i>254 bps</i>	<i>8.4%</i>	<i>10.9%</i>	<i>254 bps</i>

Q3 Earnings Conference Call on January 27, 2022, at 8.00 p.m. (IST)

Dial in Information

India 20:00 IST (8.00 pm). Hong Kong / Singapore – 22:30; London 14:30; New York 9:30 am

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