

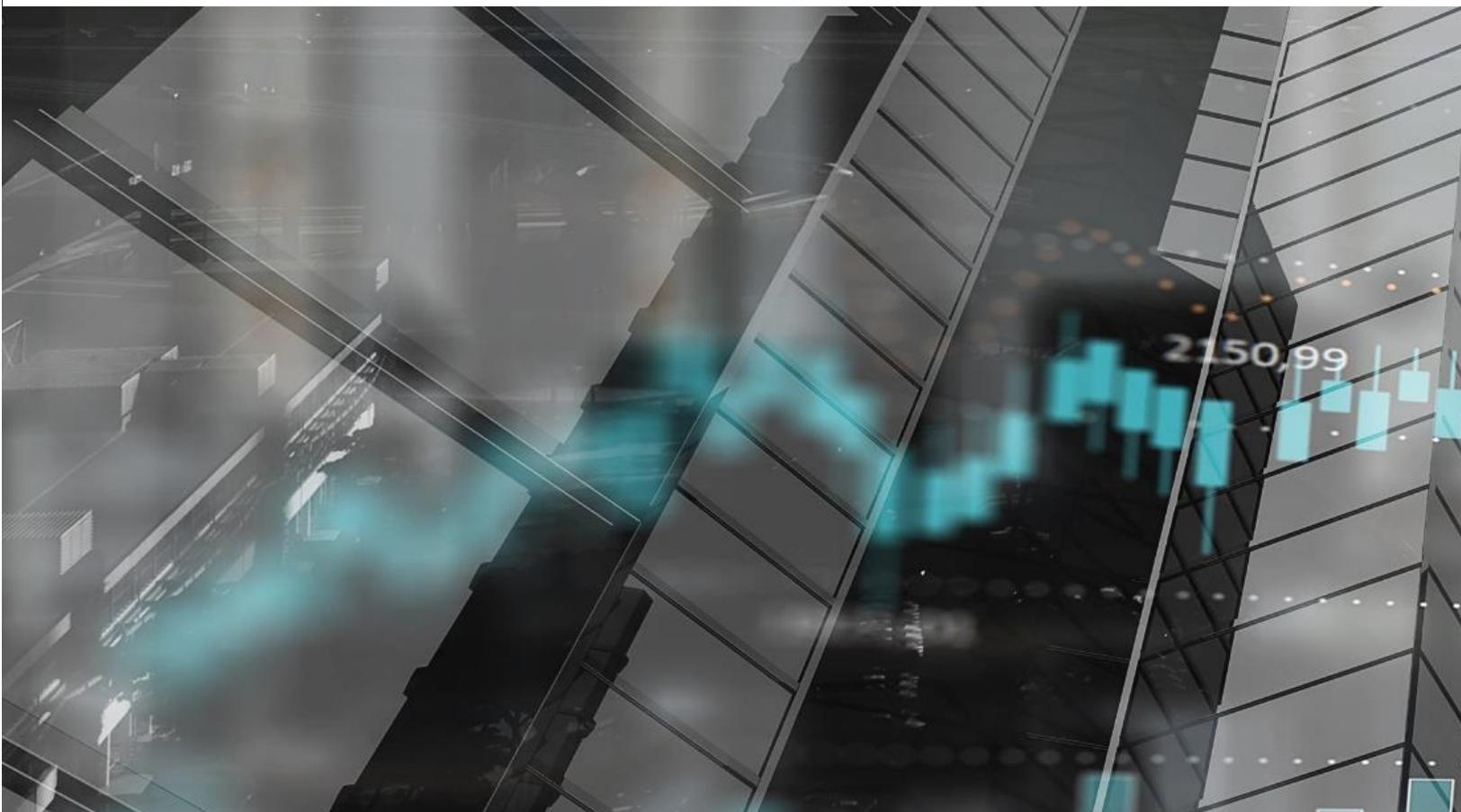


# Investor update

Q1 FY 2020-21



The logo for birlasoft, with 'birla' in a black, lowercase, sans-serif font and 'soft' in a red, lowercase, sans-serif font.



# Birlasoft Q1 Revenue; up 18% YoY

## EBITDA, up 46% YoY, Signs TCV of \$ 180 M in Q1

**Pune, Noida (India), August 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 first quarter ended June 30, 2020.

**Dharmender Kapoor, Managing Director and Chief Executive Officer**, Birlasoft, said, *“Our Q1 results were better than what we had expected at the beginning of this pandemic quarter. Our healthy deal wins of \$ 179.7 M and good pipeline across verticals and horizontals, coupled with strong cash collections is a testimony to the trust shown in us. With the key objectives of ensuring our employees safety and partnering with our customers to stabilize their business and get them up to speed, we were quick in launching a few Digitalized Covid-19 solutions, like IntelliOpen™ for employee health and safety, and Supplier Risk Radar, an Analytics solution to predict financial health of suppliers, to address our customer needs. Our focus will remain to work closely with our customers and partners and aid them in their initiatives to accelerate their success in the post-pandemic world.”*

### Key Financial highlights for Q1 FY21

#### in USD

- Revenue at \$ 121.2 M, down 3.4% QoQ and up 8.5% YoY
- EBITDA at \$ 15.0 M, down 7.4% QoQ and up 34.9% YoY
  - EBITDA margin at 12.3%; up 240 bps YoY
- PAT at \$ 7.5 M; down 21.9% QoQ & up 24.3% YoY

#### in INR

- Revenue at Rs. 915 Crore (Cr), up 0.8% QoQ & 17.7% YoY
- EBITDA at Rs 113 Cr, down 3.3% QoQ & up 46.3% YoY
- PAT at 56 Cr down 18.4% QoQ and up 34.8% YoY

### Other Highlights

- Signed TCV deals of \$ 179.7 M during the quarter
- Active Client Count at 356
  - > \$ 10 M customer at 8; up by 1 during Q1
- Cash & Equivalents up from US\$ 88.4 M in Q4 to US\$ 108.8 M (INR 822 Cr); up US\$ 20.4 M
- DSO at 60 days, down by 12 days QoQ
- Manpower strength of 9,908 as at 30<sup>th</sup> June 2020 versus 10,268 in Q4
  - Attrition down from 21.7% in Q1 FY20 to 16.5% in Q1 FY21; down 520 bps YoY

### Deal Wins for the Quarter

- Selected by a global building material & solutions major to provide remote Infrastructure and Global Datacenter Managed Services.
- Chosen as a sole offshore vendor, by one of the leading third-party providers and retailers of wireless products for application management and development work around ERP technologies, Magento and for building a Testing Center of Excellence (CoE)
- Selected as a partner by a leading US Telecom Major for providing Business Analysis & Testing Services as part of a multi-year deal. This has come on top of an earlier engagement to integrate the pre-paid and the post-paid platforms.
- Chosen by a European Insurance major for transforming its global Human Resources solutions stack through implementation of SAP SuccessFactors.
- Selected by a leading US Telecom Major for accuracy testing of its Application data
- Awarded by a leading Energy Storage Major for its Application Managed Services and support of J D Edwards applications.
- Selected by a US Lifesciences major for migration of its data lake and Analytics applications to SAP
- Selected by an Asian Cement major to provide remote Infrastructure and helpdesk support.
- Birlasoft has been chosen by a leading US Media and Entertainment company in enhancing its customer experience through implementation of Salesforce.com

### Awards and Recognition

- Birlasoft was named a Top 15 Sourcing Standout by Information Services Group (ISG), a leading global technology research and advisory firm. It was among the leading providers in the Booming 15 category for the Americas region based on annual contract value (ACV) won over the last 12 months, according to the 1Q 2020 Global ISG Index™.
- Birlasoft Partners with Innoveo, a leading global technology company, strengthening Birlasoft's domain and digital capabilities to rapidly deliver world class solutions with Innoveo's enterprise-level no-code platform.

## Covid-19 Solutions – Building Resilience for the Long Haul

Covid has caused businesses to realize the need to accelerate digital transformation. Building resilience and agility through digital-led innovations is critical to their survival in the short and long term. Birlasoft too, accelerated our development of digital solutions for our customers.

### intelliOpen™

Facility managers need to help protect employees and visitors from the spread of COVID-19. intelliOpen™ integrates four important components of protection: Self screening, Thermal Screening, Social Distance Compliance and Contact Tracing, while adhering to regulatory compliance, data privacy and confidentiality requirements.

### Supplier Risk Radar

Sourcing and procurement leaders struggle to effectively track their suppliers' sustainability in the uncertain times of COVID-19. They need to minimize supplier risk exposure and build disruption-free supply chains with this AI-powered preventive risk mitigation solution.

## Blockchain – Four New Solutions

- 1. Warranty Management:** From false claims and fake product to misunderstandings about coverages, there are many challenges in warranty management. By bridging the information gap between manufacturers, warranty providers, other participants in the supply chain and the consumers, blockchain helps streamline the warranty lifecycle.
- 2. Supply Chain Visibility and Resiliency:** Companies are struggling to get supply chain visibility. Our Blockchain solution improves ability to make decisions on inventory, production scheduling, product availability.
- 3. Container Tracking:** End-to-end container and shipment tracking provide an accurate view of the complete journey of the shipment right from the manufacturing plant to end destination.
- 4. Counterfeit Drug Detection and Supply Chain Traceability:** Our multi-stage counterfeiting validation solution, with end-to-end tracing and tracking of medicines or medical equipment on Blockchain, empowers drug manufacturers, distributors, retailers and patients to validate authenticity of drug or medical device.

### Intelligent Automation Solution

Birlasoft's Smart Automation Solution Kit is offers a range of Automation Bots including Supply Chain/Order Management, Master Data Management, Financial Processing, HR & Payroll Processing, IT Health Check, and IT Service Desk & Reporting.

## New Digital Experience & Co-innovation Centers

Birlasoft's Digital Labs (Pune, Noida and Raleigh) are state-of-the-art co-innovation centers where customers can see, touch, and feel digital innovation. Two examples of co-innovation are: 1) New ideas for Warehouse Safety, 2) IoT Asset Health Monitoring for machinery buried deep in the ground. Customers can work with us in a no-risk environment to solve their most pressing business problems.

## 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 9,900+ professionals, is committed to continuing its 158-year heritage of building sustainable communities

For further information, visit [www.Birlasoft.com](http://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 industry.*

# FACT SHEET

Q1 FY 2020-21

**INR PAT up  
34.8% YoY**

**8.5% QoQ  
Q1 \$ Growth**

**\$ 179.7 M  
Q1 TCV wins**

## Key Metrics

### Revenues by

Client Geography	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Americas	76.3%	78.4%	79.6%	81.6%	74.6%
Europe	12.4%	11.0%	10.6%	8.7%	14.9%
Rest of the World	11.3%	10.5%	9.8%	9.7%	10.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Manufacturing	48.1%	45.4%	43.3%	40.7%	38.4%
BFSI	19.3%	19.9%	18.8%	17.1%	17.4%
Energy & Utilities	18.1%	17.8%	18.3%	17.0%	15.5%
Lifesciences	14.6%	16.9%	19.6%	25.2%	28.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Integrated Enterprise Solutions (IES)	33.0%	32.5%	32.6%	32.3%	31.6%
SAP	19.2%	16.8%	16.8%	16.2%	13.5%
Digital Transformation (DT)	28.6%	28.4%	27.7%	26.9%	26.0%
Custom Application Development	10.8%	13.0%	13.0%	12.5%	11.5%
Other horizontals	8.4%	9.3%	9.9%	12.0%	17.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues by Contract Type	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Time & Material	54.8%	58.0%	53.3%	52.5%	47.8%
Fixed Price, Fixed Monthly	45.2%	42.0%	46.7%	47.5%	52.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues Mix	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Onsite	55.0%	54.7%	58.2%	58.9%	55.6%
Offshore	45.0%	45.3%	41.8%	41.1%	44.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Total Contract Value (TCV) - in \$ Mn	58	30	278	67	89

Currency Mix of Revenue	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
USD	77.1%	78.0%	78.2%	77.6%	76.2%
GBP	2.6%	2.8%	2.5%	1.5%	0.8%
EUR	6.8%	5.5%	6.3%	6.0%	10.9%
Others	13.5%	13.7%	13.0%	14.9%	12.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (INR/USD)	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Period Average	69.55	70.39	71.33	72.24	75.44
Period End	68.92	70.68	71.27	75.39	75.53

Client Data	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
No of Active Clients	398	381	381	378	356
Clients added - QoQ	(3)	(17)	-	(3)	(22)
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	86	86	85	86	85
US\$ 5mn+ Clients	16	16	15	17	17
US\$ 10mn+ Clients	5	5	6	7	8
Client Contribution to Revenue (LTM)					
Top 5	26.0%	27.1%	28.0%	28.1%	30.6%
Top 10	36.5%	37.1%	38.4%	40.1%	42.5%
Top 20	49.0%	49.9%	50.8%	53.3%	55.8%

LTM - last twelve months

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

Headcount Metrics	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
Total Headcount	10,085	9,994	10,129	10,268	9,908
Technical	8,884	8,947	9,046	9,168	8,865
Sales & Support	1,201	1,047	1,083	1,100	1,043
Women Employees	2,257	2,252	2,240	2,306	2,208
Attrition (LTM)	21.7%	22.5%	20.3%	18.9%	16.5%
Utilization	-	-	-	80.9%	78.2%

Hedge Book	Quarter Ended				
	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21
USD mn	50.4	78.0	82.8	89.3	55.1
Average rate in INR	71.6	72.2	72.9	73.7	75.1
GBP Mn	-	0.9	1.0	1.1	0.9
Average rate in INR	-	89.4	92.3	95.3	97.5
Euro Mn	-	3.0	4.0	5.3	5.6
Average rate in INR	-	81.7	82.8	83.3	84.9

### Consolidated Income Statement for quarter ended June 30, 2020

Particulars	In USD Mn			QoQ	YoY	
	Quarter Ended	30-Jun-19	31-Mar-20			30-Jun-20
		Unaudited	Audited			Unaudited
<b>Revenue from operations</b>		<b>111.7</b>	<b>125.6</b>	<b>121.2</b>	<b>-3.4%</b>	<b>8.5%</b>
<b>Expenses</b>						
Employee benefits expense		70.7	72.7	70.9		
Other expenses		29.9	36.7	35.4		
<b>EBITDA</b>		<b>11.1</b>	<b>16.2</b>	<b>15.0</b>	<b>-7.4%</b>	<b>34.9%</b>
<i>EBITDA Margin %</i>		9.9%	12.9%	12.3%	(52)	242
Depreciation & amortization		3.0	3.0	2.9		
<b>EBIT</b>		<b>8.1</b>	<b>13.2</b>	<b>12.1</b>	<b>-8.2%</b>	<b>49.1%</b>
<i>EBIT Margin %</i>		7.3%	10.5%	10.0%	(52)	272
Other income (net)		1.2	2.6	(1.1)		
Finance costs		0.7	0.5	0.5		
<b>Profit before tax (PBT)</b>		<b>8.7</b>	<b>15.3</b>	<b>10.6</b>	<b>-31.1%</b>	<b>21.8%</b>
Provisions for Tax		2.7	5.8	3.1		
<b>Profit for the Period</b>		<b>6.0</b>	<b>9.6</b>	<b>7.5</b>	<b>-21.9%</b>	<b>24.3%</b>
<i>PAT Margin %</i>		5.4%	7.6%	6.2%	(145)	78

Particulars	In INR Mn			QoQ	YoY	
	Quarter Ended	30-Jun-19	31-Mar-20			30-Jun-20
		Unaudited	Audited			Unaudited
<b>Revenue from operations</b>		<b>7,772</b>	<b>9,071</b>	<b>9,146</b>	<b>0.8%</b>	<b>17.7%</b>
<b>Expenses</b>						
Employee benefits expense		4,920	5,251	5,345		
Other expenses		2,080	2,652	2,671		
<b>EBITDA</b>		<b>772</b>	<b>1,167</b>	<b>1,129</b>	<b>-3.3%</b>	<b>46.3%</b>
<i>EBITDA Margin %</i>		9.9%	12.9%	12.3%	(52)	242
Depreciation & amortization		207	214	215		
<b>EBIT</b>		<b>565</b>	<b>954</b>	<b>914</b>	<b>-4.1%</b>	<b>61.8%</b>
<i>EBIT Margin %</i>		7.3%	10.5%	10.0%	(52)	272
Other income (net)		84	189	(81)		
Finance costs		46	34	35		
<b>Profit before tax (PBT)</b>		<b>604</b>	<b>1,109</b>	<b>798</b>	<b>-28.1%</b>	<b>32.2%</b>
Provisions for Tax		186	418	234		
<b>Profit for the Period</b>		<b>418</b>	<b>690</b>	<b>563</b>	<b>-18.4%</b>	<b>34.8%</b>
<i>PAT Margin %</i>		5.4%	7.6%	6.2%	(145)	78

## Consolidated Balance Sheet Statement

Particulars as at	in USD Mn		in INR Mn	
	31 Mar, 2020	30 Jun, 2020	31 Mar, 2020	30 Jun, 2020
	(Audited)	(Unaudited)	(Audited)	(Unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	19.0	18.1	1,434	1,365
Right-to-use assets	18.4	17.1	1,389	1,295
Goodwill	60.2	60.4	4,541	4,566
Other intangible assets	2.2	1.9	168	146
Financial assets				
Loans & advances	2.0	1.9	147	142
Other financial assets	0.5	0.5	35	36
Income tax assets (net)	12.7	7.9	958	600
Deferred tax assets (net)	15.9	15.8	1,200	1,192
Other non-current assets	1.5	0.6	115	49
<b>Current assets</b>				
Financial assets				
Investments	4.4	-	330	-
Trade receivables	98.2	70.2	7,402	5,303
Cash and cash equivalents	59.6	67.3	4,496	5,082
Other balances with banks	23.9	41.1	1,805	3,104
Loans & advances	0.3	0.3	21	26
Unbilled revenue	9.8	17.7	738	1,340
Other financial assets	4.7	4.6	356	350
Other current assets	23.0	33.4	1,737	2,526
<b>TOTAL ASSETS</b>	<b>356.5</b>	<b>359.1</b>	<b>26,873</b>	<b>27,120</b>

Particulars as at	in USD Mn		in INR Mn	
	31 Mar, 2020	30 Jun, 2020	31 Mar, 2020	30 Jun, 2020
	(Audited)	(Unaudited)	(Audited)	(Unaudited)
<b>EQUITY AND LIABILITIES</b>				
Equity share capital	7.3	7.3	553	554
Other equity	243.7	253.5	18,371	19,147
<b>Liabilities - Non-current</b>				
Financial liabilities			-	-
Lease liabilities	15.1	14.1	1,140	1,066
Other non current liabilities	-	-	-	-
Provisions	9.2	9.2	695	695
<b>Current liabilities</b>				
Financials Liabilities				
Borrowings	-	-	-	-
Trade payables	25.3	21.8	1,904	1,649
Lease liabilities	4.1	4.1	311	311
Other financial liabilities	25.6	18.2	1,932	1,372
Other current liabilities	15.8	19.4	1,190	1,466
Provisions	2.6	3.7	195	277
Income tax liabilities (net)	7.7	7.7	583	583
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>356.5</b>	<b>359.1</b>	<b>26,873</b>	<b>27,120</b>

### Consolidated Cash Flow Statement for Q1 FY21

Cash Flow Statement for Q1 FY21	in USD Mn	in INR Mn
Cash Profit for Q1 FY21	14.0	1,061
Movements in working capital	7.3	552
<b>Cash Generated from Operations (CFO)</b>	<b>21.4</b>	<b>1,613</b>
Income tax (paid) / received	1.7	132
Net cash flow (used in)/from investing activities	3.9	294.7
Redemption of Mutual Funds etc.	4.0	300.9
Interest Received	0.6	44.9
Fixed Asset addtion	(0.7)	(51.1)
Net cash flow (used in) financing activities		
Right to use of Lease Liability	(1.0)	(73.0)
Total Increase/(Decrease) in cash balance	26.0	1,966
<b>Opening cash balance as on March 31, 2020</b>	<b>83.4</b>	<b>6,301</b>
Forex	(1.1)	(82)
<b>Total Net Cash balance as at June 30, 2020</b>	<b>108.4</b>	<b>8,186</b>

## Q1 Earnings Conference Call on 6<sup>th</sup> August 2020 at 10:00 a.m. (IST).

### Dial in Information

India 10:00 IST. Hong Kong / Singapore - 12:30; London 5:30; New York 00:30

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<b>Playback Start Date:</b> 6 <sup>th</sup> Aug 2020 <b>Playback End Date:</b> 9 <sup>th</sup> Aug 2020		<b>Playback Code:</b> 86561 <b>Dial-in Number:</b> India (+91 22 66635757) India (+91 22 71945757)

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