

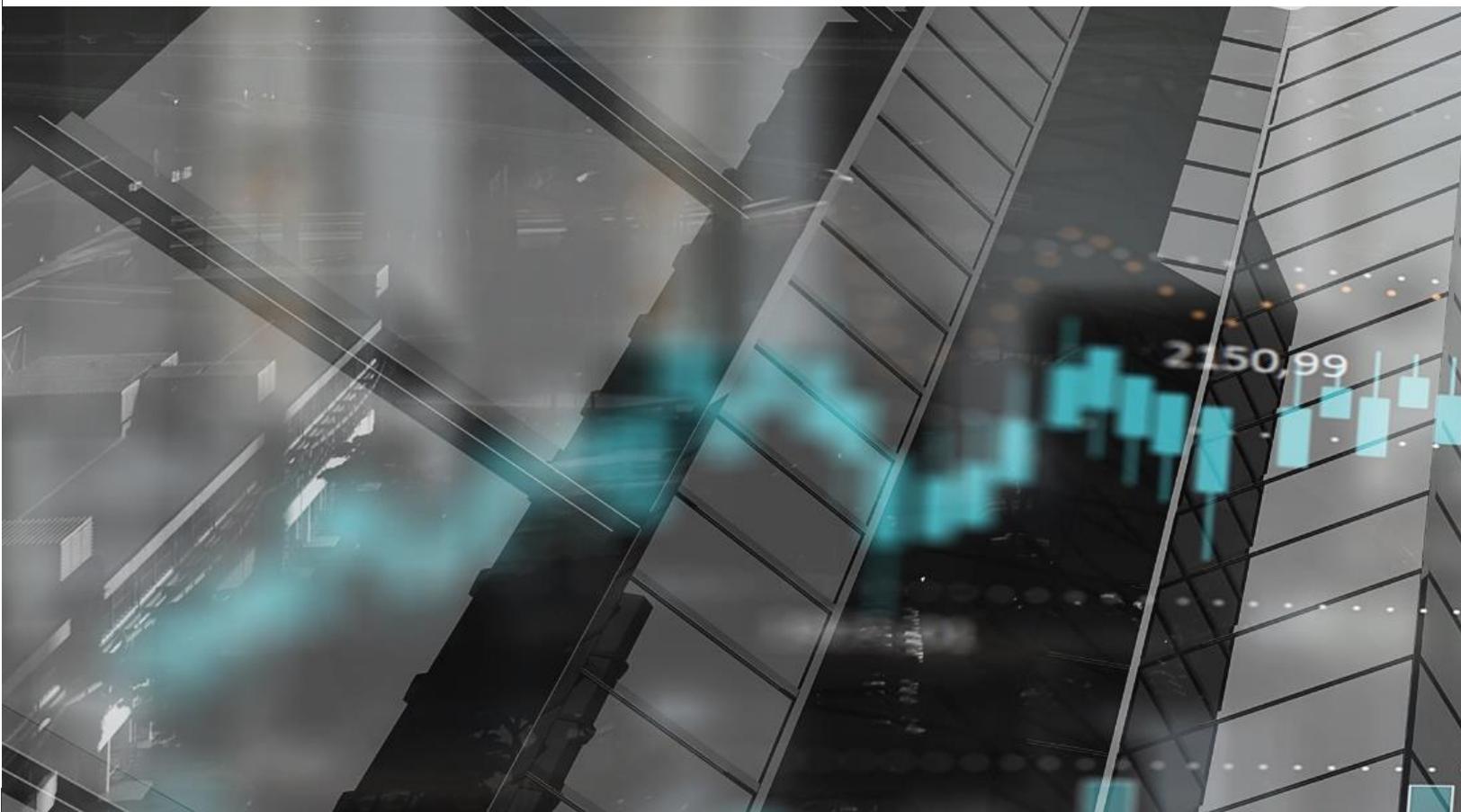


# Investor update

Q1 FY 2021-22



**birlasoft**



# Q1 PAT at ₹ 1,136 M; up 102% YoY

\$ Revenue, up 4.1% QoQ, EBITDA up, 37% YoY

**Pune, Noida (India), July 28, 2021:** Birlasoft [BSE: 532400, NSE: BSOF], 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, 2021.

**Dharmender Kapoor, Chief Executive Officer and Managing Director**, Birlasoft, said, “We have begun FY22 on a positive note with healthy growth and improved traction in our Enterprise Solutions business and net new wins. Our consistent QoQ growth, sustainable profitability, and continuous improvement in PAT are a testament to our value creation for shareholders. Keeping customer centricity at the core, we have reorganized and redefined our service lines to align with contemporary market demands and customer priorities in the hyper-digital and subscription economy. We are confident that the consolidation of our complementary service offerings under the three pillars of Business and Technology Transformation, Cloud and Base services, and Enterprise Solutions will allow us to be more agile and deepen our capabilities, thereby effectively addressing our customers' business needs.”

## Key Financial Highlights for Q1 FY22

### in US \$

- Revenue at \$ 128.4 M, up 5.9% YoY and 4.1% QoQ
- EBITDA at \$ 20.5 M, up 37% YoY and down 1.4% QoQ
  - Margin at 16.0%; up 363 bps YoY and down 90 bps QoQ
- PAT at \$ 15.4 M; up 106.6% YoY & 14.2% QoQ

### in ₹

- Revenue at ₹ 9,453 Million (M), up 3.4% YoY and up 4.7% QoQ
- EBITDA at ₹ 1,510 M, up 33.7% YoY & down by 0.9% QoQ
- PAT at ₹ 1,136 M up 101.7% YoY and 14.8% QoQ
  - PAT margin at 12%; up 586 bps YoY and up 106 bps QoQ

## Other Highlights

- Signed deals of TCV \$ 153 M during the quarter
  - \$ 94 M of new TCV wins in Q1
- Active Client Count at 291
  - \$ 5 M customer at 22; up by 5 YoY and \$ 10 M customer at 10; up by 2 YoY
  - Top 20 customers grew 14.6% YoY
- Cash & equivalents at \$ 154 M (₹ 11,446 M), up \$ 45.2 M YoY (₹ 3,230 M)
- DSO of 54 days, down by 6 days YoY and 2 days QoQ
- Headcount stood at 11,508 as of June 30, 2021, versus 11,051 in Q4'FY21
  - Added 457 professionals QoQ and 1,600 on a YoY basis
  - Attrition at 16.5% in Q1' FY22 versus to 11.6% in Q4'FY21 & 16.5% in Q1'FY21

### Deal Wins for the Quarter

- Won IT managed services and support deal from a global Communication and Media Software major.
- Selected by a leading US Telecom major for financial accuracy and testing services.
- Selected by a Global Consumer Financial Services major for migration of Source-to-Pay and integrating upstream and downstream systems.
- Selected by a leading US medical device manufacturer for upgrade, migration, and roll out to the JD Edwards enterprise ERP stack.
- Won a deal from a global Ecological Transformation major for development, and support of the application services.
- Selected by a US Auto major for the rollout of SAP S/4 Hana Services.
- Chosen by a leading US medical technology company for SAP S4 Hana Greenfield implementation and Data Warehousing modernization.
- Chosen by a leading US technology services provider to global energy for implementation, roll out, and support of J D Edwards enterprise ERP stack across Latin America and the Far East.

### Business Highlights & Recognition

- Birlasoft Fortifies its Cloud-First Strategy as an AWS Advanced Consulting Partner. Achieving AWS Advanced Consulting Partner status further strengthens Birlasoft's cloud portfolio and will enable the company to leverage AWS to accelerate its enterprise clients' digital transformation journeys.
- Birlasoft Wins Three Distinguished Oracle JD Edwards Partner Awards. The awards recognize Birlasoft in Product Innovation-Enterprise Integration, Cloud Centric-Oracle Cloud Platform, Customer Centricity-Bringing Customers back on JD Edwards categories
- Birlasoft and Regulativ.ai Co-Develop AI-Led Cybersecurity Assessment Platform for Global Banking, Financial Services, and Insurance Customers. The co-development of an AI/ML-based industry-revolutionizing platform will help customers streamline and automate their cybersecurity regulatory assessment and reporting, leverage the power of new-age digital technologies, deliver significant cost savings, and near real-time view of compliance to cyber regulations, as well as rich analytics.
- Birlasoft launches Pega® Center of Excellence to help customers drive CX and automation programs with AI-led technologies

## 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 multi-billion dollar diversified **CK Birla Group**, Birlasoft, with its 11,500+ professionals, is committed to continuing the group's 159-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 the industry.*

# FACT SHEET

Q1 FY 2021-22

**\$ Rev Growth  
4.1% QoQ**

**\$ PAT Growth  
106.6% YoY**

**Q1 Deal wins  
TCV \$ 153 M**

## Key Metrics

### Revenues by

Client Geography	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Americas	74.6%	77.1%	78.3%	79.0%	80.7%
Europe	14.9%	13.3%	13.0%	12.5%	11.8%
Rest of the World	10.5%	9.6%	8.7%	8.5%	7.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Manufacturing	38.4%	42.3%	42.1%	42.3%	44.2%
BFSI	17.4%	18.7%	18.7%	18.3%	17.5%
Energy & Utilities	15.5%	15.1%	14.8%	14.8%	14.9%
Lifesciences	28.8%	24.0%	24.4%	24.6%	23.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Business & Technology Transformation	32.0%	33.8%	33.7%	35.5%	37.1%
Enterprise Solutions	48.2%	48.9%	46.2%	44.7%	43.1%
Cloud & Base Services	19.8%	17.3%	20.2%	19.8%	19.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues by Contract Type	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Time & Material	47.8%	45.8%	42.3%	39.5%	41.6%
Fixed Price, Fixed Monthly	52.2%	54.2%	57.7%	60.5%	58.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues Mix	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Onsite	56.0%	55.7%	55.3%	53.9%	51.4%
Offshore	44.0%	44.3%	44.7%	46.1%	48.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Total Contract Value (TCV) - in \$ M	89	120	56	162	94

Currency Mix of Revenue	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
USD	76.2%	77.2%	78.5%	79.6%	81.0%
GBP	0.8%	1.6%	1.5%	2.0%	1.6%
EUR	10.9%	9.0%	8.4%	7.5%	6.9%
Others	12.1%	12.3%	11.6%	10.9%	10.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (INR/USD)	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Period Average	75.44	74.16	73.73	73.23	73.65
Period End	75.53	73.79	74.33	73.11	74.33

Client Data	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
No of Active Clients	356	310	295	291	291
Clients added - QoQ	(22)	(46)	(15)	(4)	-
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	85	81	81	76	77
US\$ 5mn+ Clients	17	20	21	22	22
US\$ 10mn+ Clients	8	9	9	9	10
Client Contribution to Revenue (LTM)					
Top 5	30.6%	31.9%	32.9%	32.8%	30.5%
Top 10	42.5%	44.1%	45.0%	45.1%	44.4%
Top 20	55.8%	58.5%	59.7%	60.7%	60.4%

LTM - last twelve months

Hedge Book	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
USD mn	55.1	70.4	73.0	83.0	95.4
Average rate in INR	75.1	76.0	76.3	76.5	76.0
GBP Mn	0.9	0.9	1.1	1.1	2.2
Average rate in INR	97.5	98.3	99.9	101.5	104.8
Euro Mn	5.6	5.0	5.8	7.8	10.7
Average rate in INR	84.9	87.3	89.0	91.4	92.0

DSO	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Days Sales Outstanding - Billed	60	58	57	56	54

Headcount Metrics	Quarter Ended				
	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Total Headcount	9,908	10,010	10,399	11,051	11,508
Technical	8,865	8,992	9,416	9,994	10,445
Sales & Support	1,043	1,018	983	1,057	1,063
Women Employees	2,208	2,215	2,331	2,466	2,556
Attrition (LTM)	16.5%	11.4%	10.9%	11.6%	16.5%
Utilization	78.2%	83.7%	85.6%	82.8%	85.0%

## Consolidated Income Statement for quarter ended June 30, 2021

Particulars	In \$ M			QoQ	YoY	
	Quarter Ended	30-Jun-20	31-Mar-21			30-Jun-21
		Unaudited	Audited			Unaudited
<b>Revenue from operations</b>		<b>121.2</b>	<b>123.3</b>	<b>128.4</b>	<b>4.1%</b>	<b>5.9%</b>
<b>Expenses</b>						
Employee benefits expense		70.9	72.8	75.5		
Other expenses		35.4	29.7	32.3		
<b>EBITDA</b>		<b>15.0</b>	<b>20.8</b>	<b>20.5</b>	<b>-1.4%</b>	<b>37.0%</b>
<i>EBITDA Margin %</i>		<i>12.3%</i>	<i>16.9%</i>	<i>16.0%</i>	<i>-90 bps</i>	<i>363 bps</i>
Depreciation & amortization		2.9	2.4	2.5		
<b>EBIT</b>		<b>12.1</b>	<b>18.4</b>	<b>18.0</b>	<b>-2.0%</b>	<b>48.6%</b>
<i>EBIT Margin %</i>		<i>10.0%</i>	<i>14.9%</i>	<i>14.0%</i>	<i>-88 bps</i>	<i>403 bps</i>
Other income (net)		(1.1)	0.7	2.9		
Finance costs		0.5	0.4	0.4		
<b>Profit before tax (PBT)</b>		<b>10.6</b>	<b>18.7</b>	<b>20.5</b>	<b>9.9%</b>	<b>94.2%</b>
Provisions for Tax		3.1	5.2	5.1		
<b>Profit after Tax</b>		<b>7.5</b>	<b>13.5</b>	<b>15.4</b>	<b>14.2%</b>	<b>106.6%</b>
<i>PAT Margin %</i>		<i>6.2%</i>	<i>11.0%</i>	<i>12.0%</i>	<i>106 bps</i>	<i>586 bps</i>

Particulars	In ₹ M			QoQ	YoY	
	Quarter Ended	30-Jun-20	31-Mar-21			30-Jun-21
		Unaudited	Audited			Unaudited
<b>Revenue from operations</b>		<b>9,146.3</b>	<b>9,028.6</b>	<b>9,453.2</b>	<b>4.7%</b>	<b>3.4%</b>
<b>Expenses</b>						
Employee benefits expense		5,345.4	5,327.9	5,560.1		
Other expenses		2,671.4	2,176.8	2,382.5		
<b>EBITDA</b>		<b>1,129.5</b>	<b>1,523.9</b>	<b>1,510.5</b>	<b>-0.9%</b>	<b>33.7%</b>
<i>EBITDA Margin %</i>		<i>12.3%</i>	<i>16.9%</i>	<i>16.0%</i>	<i>-90 bps</i>	<i>363 bps</i>
Depreciation & amortization		215.3	177.9	184.4		
<b>EBIT</b>		<b>914.1</b>	<b>1,346.0</b>	<b>1,326</b>	<b>-1.5%</b>	<b>45.1%</b>
<i>EBIT Margin %</i>		<i>10.0%</i>	<i>14.9%</i>	<i>14.0%</i>	<i>-88 bps</i>	<i>403 bps</i>
Other income (net)		(81.2)	50.9	214.7		
Finance costs		35.2	28.9	28.4		
<b>Profit before tax (PBT)</b>		<b>797.7</b>	<b>1,368.0</b>	<b>1,512.4</b>	<b>10.6%</b>	<b>89.6%</b>
Provisions for Tax		234.2	378.3	376.0		
<b>Profit after Tax</b>		<b>563.5</b>	<b>989.7</b>	<b>1,136.4</b>	<b>14.8%</b>	<b>101.7%</b>
<i>PAT Margin %</i>		<i>6.2%</i>	<i>11.0%</i>	<i>12.0%</i>	<i>106 bps</i>	<i>586 bps</i>

## Consolidated Balance Sheet Statement

Particulars as at	\$ M		₹ M	
	31-Mar-21	30-Jun-21	31-Mar-21	30-Jun-21
	(Audited)	(Unaudited)	(Audited)	(Unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17.6	17.2	1,287	1,275
Right-of-use assets	16.1	14.8	1,179	1,100
Goodwill	61.2	61.3	4,476	4,553
Other intangible assets	1.4	1.3	105	94
Financial assets				
Investments	-	4.0	-	300
Other financial assets	4.8	7.1	353	526
Income tax assets (net)	5.8	4.7	422	347
Deferred tax assets (net)	12.1	12.4	882	919
Other non-current assets	2.6	2.1	187	158
<b>Current assets</b>				
Financial assets				
Investments	7.6	20.1	553	1,496
Trade receivables	70.9	73.6	5,182	5,470
Cash and cash equivalents	63.8	48.8	4,661	3,630
Other balances with banks	78.9	76.0	5,769	5,647
Unbilled revenue	15.5	19.7	1,135	1,467
Other financial assets	8.6	6.2	627	458
Other current assets	42.8	48.7	3,125	3,616
<b>TOTAL ASSETS</b>	<b>409.6</b>	<b>417.9</b>	<b>29,944</b>	<b>31,057</b>

Particulars as at	\$ M		₹ M	
	31-Mar-21	30-Jun-21	31-Mar-21	30-Jun-21
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>				
Equity share capital	7.6	7.5	555	555
Other equity	290.6	303.0	21,245	22,523
<b>Liabilities - Non-current</b>				
Financial liabilities				
Lease liabilities	13.7	12.7	999	940
Other non current liabilities				
Provisions	11.0	11.8	803	875
<b>Current liabilities</b>				
Financials Liabilities				
Borrowings	-	-	-	-
Trade payables	18.0	22.8	1,318	1,695
Lease liabilities	3.9	3.6	282	269
Other financial liabilities	28.7	20.2	2,099	1,498
Other current liabilities	25.4	24.8	1,853	1,840
Provisions	3.2	3.1	237	233
Income tax liabilities (net)	7.6	8.5	554	629
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>409.6</b>	<b>417.9</b>	<b>29,944</b>	<b>31,057</b>

## Consolidated Cash Flow Statement for Q1 FY22

Particulars	30 June 2021	
	₹ M	\$ @ 74.3 \$ M
<b>Profit before tax</b>	<b>1,512</b>	<b>20.5</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	184	2.5
Share based compensation expenses	2	0.0
Allowance for doubtful debts-trade receivables (net of recoveries)	24	0.3
Unrealized foreign exchange loss/ (gain)	140	1.9
Interest on lease liabilities	25	0.3
<b>Less: Interest &amp; other items</b>		
Interest income	(80)	(1.1)
Others	(6)	(0.1)
<b>Operational cash profit</b>	<b>1,802</b>	<b>24.4</b>
Movements in working capital	(1,339)	(18.0)
<b>Cash Generated from Operations</b>	<b>463</b>	<b>6.4</b>
Income tax (paid) / received	(238)	(3.2)
Net cash flow (used in)/from investing activities	(1,282)	(17.2)
Net cash flow (used in) financing activities	(97)	(1.3)
<b>Balance Cash Flow</b>	<b>(1,154)</b>	<b>(15.3)</b>
<b>Total Increase/(Decrease) in cash balance</b>	<b>(1,154)</b>	<b>(15.3)</b>
<b>Opening cash balance</b>	<b>10,430</b>	<b>142.7</b>
Foreign exchange fluctuation		(2.5)
<b>Total Cash balance</b>	<b>9,276</b>	<b>124.8</b>

## Q1 Earnings Conference Call on July 28 2021 at 6.30 p.m. (IST)

### Dial in Information

India 18:30 IST. Hong Kong / Singapore – 21:00; London 14:00; New York 9:00 am

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	UK	08081011573
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<b>Playback Start Date:</b> 28 <sup>th</sup> July 2021	<b>Playback Code:</b> 89639	
<b>Playback End Date:</b> 31 <sup>st</sup> July 2021	<b>Dial-in Number:</b> India (+91 22 71945757) India (+91 22 66635757)	