

October 21, 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 Q2 FY 2022-23

Dear Sir / Madam,

Please find enclosed the investor update for Q2 FY 2022-23.

Kindly take this on your record.

Thanking you.

Yours faithfully,

For **Birlasoft Limited**

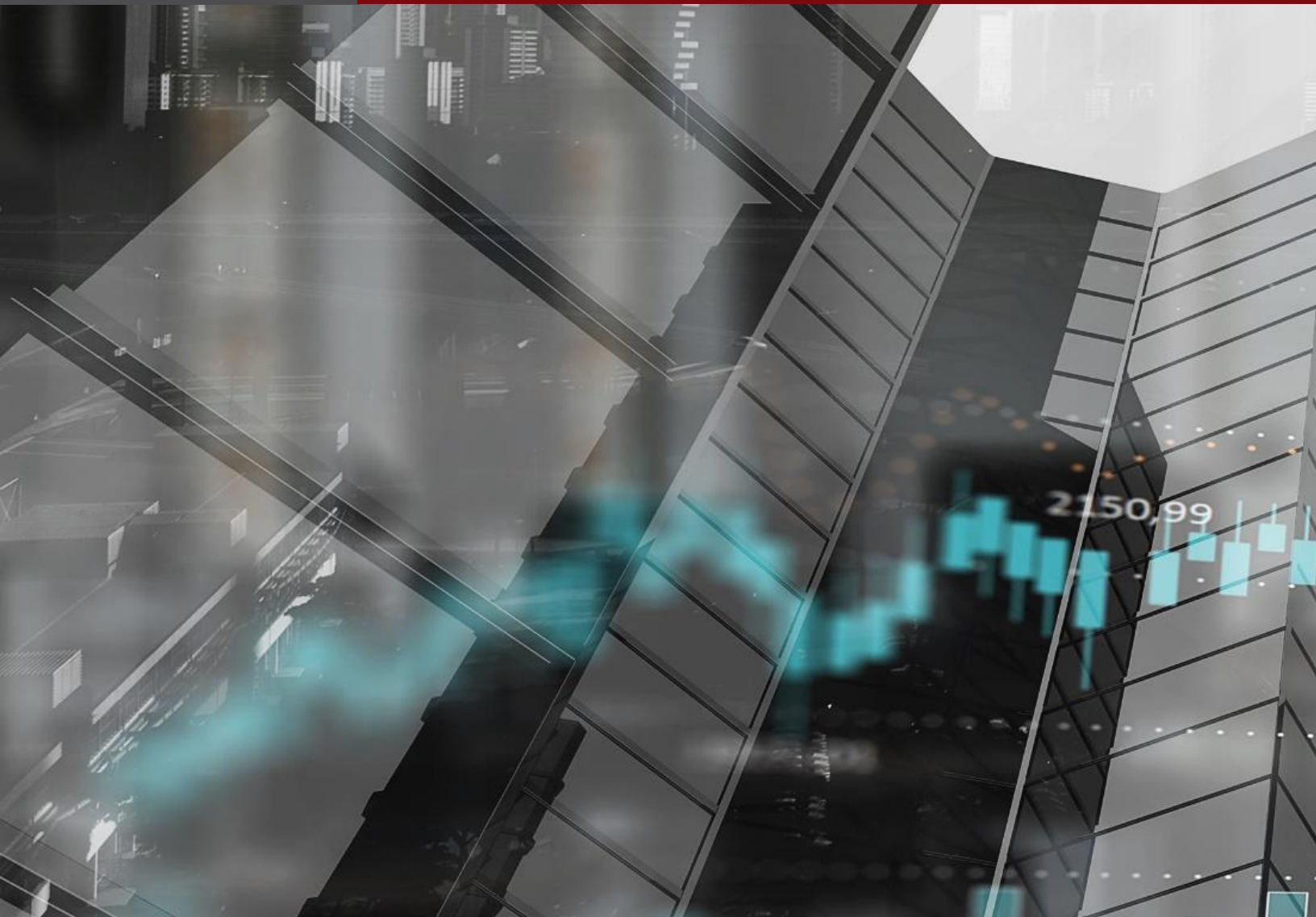


Sneha Padve
Company Secretary & Compliance Officer

Encl.: - As mentioned above.

Investor update

Q2 FY 2022-23



Birlasoft's Q2 Revenue up 18% YoY

Signed TCV deal wins of \$ 166 M

Pune, Noida (India), October 21, 2022: Birlasoft, a part of the USD 2.8 billion diversified **CK Birla Group**, reported its unaudited consolidated financial results for the second quarter ended September 30, 2022.

Dharmender Kapoor, Managing Director and Chief Executive Officer, Birlasoft, said, "Our steady performance continued in the second quarter with a ₹ revenue growth of 17.8% YoY, led by our CMT and BFSI verticals. New deal momentum continued to be healthy with a growth of 32.6% YoY and 22.8% sequentially. We witnessed broad based YoY growth across client buckets as they continue to drive our performance. We continue to see good traction in our Business and Technology Transformation services, up 17.5% YoY, as we leverage our expertise in driving digital transformation for our clients. As technology investments continue to be part of our imperatives globally, we are well positioned to help clients achieve their digital transformation objectives."

Key Financial highlights for Q2 FY23

in INR (₹)

- Revenue at ₹ 11,921 M, up 17.8% YoY and 3.3% QoQ
- EBITDA at ₹ 1,764 M, up 16.2% YoY & up 3.9% QoQ
- PAT at ₹ 1,151 M up 11.6% YoY & down 4.7% QoQ

in US \$

- Revenue at \$ 148.8 M, up 8.7% YoY & 0.1% QoQ
 - In Constant Currency (CC) terms revenue was up 11.0% YoY and 1.1% QoQ
- EBITDA at \$ 22.0 M, up 7.2% YoY & up 0.7% QoQ
 - Margin at 14.8%, up 9 bps QoQ
- PAT at \$ 14.4 M, up 2.9% YoY & down 7.6% QoQ

Other highlights

- Signed deals of TCV \$ 166 M during the quarter
 - TCV new deal wins of \$ 138 M (vs \$ 111.9 M in Q1) and renewals of \$ 28 M for Q2 FY23
- Active Client Count at 301 in Q2
 - > \$ 1 M customers at 76, flat YoY
 - > \$ 5 M customers at 27, up by 7 YoY
 - Top client led growth - Revenue from Top 5, Top 10 and Top 20 clients grew YoY by 13.8%, 13.4% and 13.1% respectively
- Cash & Cash equivalents of \$ 97.7 M in Q2 FY23 versus \$ 152.5 M in Q1 FY23
 - In ₹ terms, cash and cash equivalents at ₹ 7,947 M vs ₹ 12,041 M; down ₹ 4,093 M QoQ due to buyback of shares
- DSO improved at 56 days and down 2 days QoQ
- Manpower strength of 12,758 as at 30th September 2022 versus 12,065 a year ago
 - Net addition of 693 professionals YoY and and 193 QoQ

Share Buyback Update

- The share buyback is successfully completed. Birlasoft has bought back 7,800,000 equity shares at ₹ 500/- per equity share and made payment of consideration of ₹4,700 million (incl. taxes) to the respective shareholders.

Deal wins for the quarter

- Selected by a leading US manufacturing company for Application Managed Services (AMS).
- Chosen by a large Technology company based out of US for additional business.
- Selected by US based energy company for renewal of Application Managed Services (AMS).
- Awarded a transformational deal for Integrated Solution for Applications, by a leading automotive company based out of US.
- Chosen by US based leading mobile service provider for development work.
- Selected for Application Managed Services (AMS) for huge Asia head quartered manufacturing company.

Business Highlights & Recognition

- Birlasoft has strengthened its relationship with SAP, by leveraging **RISE with SAP** to transform its digital landscape onto the cloud. With enterprises adopting a '**Cloud-First**' strategy, this move will enable Birlasoft to accelerate their clients' transformation journeys substantially.
- Birlasoft has been recognized as a **U.S. Midmarket Leader** in the SAP S/4HANA System Transformation, in the ISG Provider Lens TM SAP Ecosystem Report. This is the **second consecutive year** for Birlasoft to be positioned as a Leader in the U.S. Midmarket in SAP S/4HANA System Transformation.

About Birlasoft

Challenge The Norm

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 12,500+ professionals, is committed to continuing its 160-year heritage of building sustainable communities. For further information, visit www.birlasoft.com.

For further information please contact:

<p>Anirban Thakur Investor Relations +91 9810093563 anirban.thakur@birlasoft.com</p>	<p>Satinder Juneja Media Relations +91 9810272241 satinder.juneja@birlasoft.com</p>
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FACT SHEET

Q2 FY 2022-23

**INR Revenue up
17.8% YoY**

**Top Client's led
growth**

**\$ 166 M
TCV Deal wins**

Key Metrics

Revenues by

Client Geography	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Americas	82.2%	82.9%	82.2%	84.9%	84.1%
Europe	10.5%	10.7%	11.2%	9.2%	9.6%
Rest of the World	7.3%	6.4%	6.6%	5.9%	6.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Industry Verticals	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Manufacturing	43.4%	45.2%	46.1%	46.7%	47.2%
BFSI	18.1%	17.7%	17.2%	17.8%	19.1%
Energy & Utilities	14.3%	14.8%	15.1%	14.3%	14.1%
Lifesciences	24.2%	22.3%	21.6%	21.2%	19.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Service Offerings	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Business & Technology Transformation	36.9%	36.7%	36.5%	38.6%	39.9%
Enterprise Solutions	41.0%	41.6%	40.9%	40.2%	37.7%
Cloud & Base Services	22.1%	21.7%	22.6%	21.2%	22.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues by Contract Type	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Time & Material	43.0%	41.8%	39.3%	40.8%	40.2%
Fixed Price, Fixed Monthly	57.0%	58.2%	60.7%	59.2%	59.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenues Mix	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Onsite	50.8%	50.5%	50.1%	51.1%	48.0%
Offshore	49.2%	49.5%	49.9%	48.9%	52.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Deal Wins - New	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Total Contract Value (TCV) - in \$ M	104	121	125	112	138

Currency Mix of Revenue	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
USD	83.4%	85.2%	84.5%	86.2%	85.7%
GBP	1.4%	1.5%	1.5%	1.5%	1.7%
EUR	5.4%	4.6%	5.2%	3.7%	4.2%
Others	9.8%	8.7%	8.7%	8.6%	8.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Exchange Rate (₹/US \$)	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Period Average	73.87	74.73	75.22	77.67	80.10
Period End	74.23	74.33	75.79	78.97	81.34

Client Data	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
No of Active Clients	280	285	296	300	301
Clients added - QoQ	(11)	5	11	4	1
No of million \$ clients (LTM)					
US\$ 1mn+ Clients	76	77	80	82	76
US\$ 5mn+ Clients	20	21	25	25	27
US\$ 10mn+ Clients	12	12	13	13	14
Client Contribution to Revenue (LTM)					
Top 5	29.7%	29.3%	29.9%	30.7%	31.1%
Top 10	45.2%	45.5%	45.7%	47.0%	47.2%
Top 20	61.2%	61.1%	61.3%	63.1%	63.7%

LTM - last twelve months

DSO	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Days Sales Outstanding - Billed	54	55	58	58	56

Headcount Metrics	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
Total Headcount	12,065	11,945	12,204	12,565	12,758
Technical	10,945	10,841	11,033	11,351	11,568
Sales & Support	1,120	1,104	1,171	1,214	1,190
Women Employees	2,749	2,743	2,775	2,897	3,025
Attrition* (LTM)	21.5%	27.3%	29.4%	27.9%	27.4%
* adjusted for < 6 months exits					
Utilization	85.8%	85.4%	85.2%	82.5%	82.4%

Hedge Book	Quarter Ended				
	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23
USD Mn	96.9	95.5	93.9	104.5	96.2
Average rate in ₹	76.3	77.0	77.5	78.6	80.0
GBP Mn	1.8	5.0	5.0	5.6	6.8
Average rate in ₹	106.1	104.8	105.0	98.6	93.1
Euro Mn	8.7	2.8	2.8	4.3	2.5
Average rate in ₹	92.6	91.5	90.6	85.8	83.3

Consolidated Income Statement for the quarter ended September 30, 2022

Particulars	In \$ M			QoQ	YoY
	30-Sep-21	30-Jun-22	30-Sep-22		
	Unaudited	Unaudited	Unaudited		
Revenue from operations	136.9	148.6	148.8	0.1%	8.7%
Expenses					
Employee benefits expense	78.0	84.7	86.6		
Other expenses	38.4	42.1	40.2		
EBITDA	20.5	21.9	22.0	0.7%	7.2%
<i>EBITDA Margin %</i>	<i>15.0%</i>	<i>14.7%</i>	<i>14.8%</i>	<i>9 bps</i>	<i>-21 bps</i>
Depreciation & amortization	2.6	2.5	2.6		
EBIT	17.9	19.3	19.4	0.5%	8.4%
<i>EBIT Margin %</i>	<i>13.1%</i>	<i>13.0%</i>	<i>13.1%</i>	<i>5 bps</i>	<i>-3 bps</i>
Other income (net)	1.3	2.0	(0.3)		
Finance costs	0.5	0.4	0.7		
Exceptional item	(0.0)	-	-		
Profit before tax (PBT)	18.7	20.9	18.4	-12.1%	-1.8%
Total tax expense	4.7	5.4	4.0		
Profit for the period (PAT)	14.0	15.5	14.4	-7.6%	2.9%
<i>PAT Margin %</i>	<i>10.2%</i>	<i>10.5%</i>	<i>9.7%</i>	<i>-81 bps</i>	<i>-54 bps</i>

Average \$/₹ rate of ₹73.9 for Q2 FY22, ₹77.7 for Q1 FY23 and ₹80.1 for Q2 FY23

Particulars	In ₹ M			QoQ	YoY
	30-Sep-21	30-Jun-22	30-Sep-22		
	Unaudited	Unaudited	Unaudited		
Revenue from operations	10,117	11,544	11,921	3.3%	17.8%
Expenses					
Employee benefits expense	5,762	6,579	6,938		
Other expenses	2,837	3,268	3,219		
EBITDA	1,518	1,698	1,764	3.9%	16.2%
<i>EBITDA Margin %</i>	<i>15.0%</i>	<i>14.7%</i>	<i>14.8%</i>	<i>9 bps</i>	<i>-21 bps</i>
Depreciation & amortization	194	196	207		
EBIT	1,324	1,502	1,557	3.7%	17.6%
<i>EBIT Margin %</i>	<i>13.1%</i>	<i>13.0%</i>	<i>13.1%</i>	<i>5 bps</i>	<i>-3 bps</i>
Other income (net)	94	155	(27)		
Finance costs	34	33	58		
Exceptional item	(1.4)	-	-		
Profit before tax (PBT)	1,382	1,624	1,472	-9.4%	6.5%
Total tax expense	351	417	321		
Profit for the period (PAT)	1,031	1,207	1,151	-4.7%	11.6%
<i>PAT Margin %</i>	<i>10.2%</i>	<i>10.5%</i>	<i>9.7%</i>	<i>-81 bps</i>	<i>-54 bps</i>

Consolidated Balance Sheet Statement

Particulars as at	\$ M			₹ M		
	30-Sep-21	30-Jun-22	30-Sep-22	30-Sep-21	30-Jun-22	30-Sep-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	18.3	17.8	18.7	1,360	1,405	1,523
Right-of-use assets	13.7	13.2	13.2	1,016	1,044	1,070
Capital work-in-progress	-	1.6	0.4	-	126	32
Goodwill	61.0	59.4	58.5	4,525	4,688	4,756
Other intangible assets	1.2	1.1	0.9	90	85	73
Intangible assets under development	-	0.3	0.4	-	27	37
Financial assets						
Investments	4.0	8.1	7.9	300	641	641
Other financial assets	2.1	1.7	2.0	153	132	165
Income tax assets (net)	6.0	5.1	5.2	449	404	423
Deferred tax assets (net)	11.9	12.1	12.2	886	953	995
Other non-current assets	4.5	2.1	2.0	331	162	163
Current assets						
Financial assets						
Investments	22.6	87.0	37.4	1,680	6,866	3,040
Trade receivables						
Billed	81.9	97.2	94.2	6,082	7,674	7,666
Unbilled	21.2	26.1	22.1	1,577	2,063	1,800
Cash and cash equivalents	50.7	45.7	51.2	3,761	3,605	4,164
Other balances with banks & deposits	67.1	11.7	1.3	4,980	928	102
Other financial assets	5.6	2.1	0.8	416	163	62
Other current assets	49.5	45.9	51.1	3,671	3,622	4,160
TOTAL ASSETS	421.4	438.0	379.5	31,277	34,590	30,870

Particulars as at	\$ M			₹ M		
	30-Sep-21	30-Jun-22	30-Sep-22	30-Sep-21	30-Jun-22	30-Sep-22
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EQUITY AND LIABILITIES						
Equity share capital	7.5	7.1	6.7	555	560	544
Other equity	307.8	340.0	280.0	22,850	26,851	22,779
Liabilities - Non-current						
Financial liabilities						
Lease liabilities	11.8	10.6	10.3	877	835	841
Provisions	11.3	7.6	6.7	838	599	548
Current liabilities						
Financials Liabilities						
Trade payables	21.4	25.9	25.5	1,590	2,045	2,077
Lease liabilities	3.4	4.1	4.1	255	321	337
Other financial liabilities	23.7	13.7	16.2	1,758	1,083	1,317
Other current liabilities	24.8	18.3	19.6	1,838	1,447	1,591
Provisions	3.3	5.0	6.7	241	396	542
Income tax liabilities (net)	6.4	5.7	3.6	475	451	294
TOTAL EQUITY AND LIABILITIES	421.4	438.0	379.5	31,277	34,590	30,870

₹/₹ rate of ₹74.2 for Sep 30 2021 , ₹79.0 for June 30, 2022 and ₹81.3 for Sep 30, 2022

Consolidated Cash Flow Statement for Q2 FY23

Particulars	30-Sep-22	
	₹ M	\$ M
Profit before tax	1,472	18.4
Items to reconcile profit before tax to net cash flows		
Add: non cash items		
Depreciation of property, plant and equipment & amortization of intangible assets	207	2.6
Allowance for doubtful debts-trade receivables (net of recoveries)	(1)	(0.0)
Share based compensation expenses	53	0.7
Unrealized foreign exchange loss/ (gain)	229	2.9
Interest on lease liabilities	25	0.3
Less: interest & other items		-
Interest income	4	0.0
Others	(39)	(0.5)
Operational cash profit	1,949	24.3
Movements in working capital	211	2.6
Cash generated from operations	2,160	27.0
Income tax (paid) / received	(537)	(6.7)
Net cash flow (used in)/from investing activities	3,698	46.2
Net cash flow (used in) financing activities	(5,588)	(69.8)
Balance cash Flow	(267)	(3.3)
Total increase/(decrease) in cash balance	(267)	(3.3)
Opening cash balance	4,533	55.7
Foreign exchange fluctuation	-	(0.7)
Total cash balance	4,266	51.8

Average \$/₹ rate of ₹73.9 for Q2 FY22, ₹77.7 for Q1 FY23 and ₹80.1 for Q2 FY23

Q2 FY23 Earnings Conference Call on 21st October 2022 at 7:00 p.m. (IST)

Dial in Information

India 19:00 IST. Hong Kong / Singapore - 21:30; London 14:30; New York 9:30

Universal Dial In	India	+91 22 6280 1179
	India	+91 22 7115 8840
India National Toll Free	India	1 800 120 1221
International Toll Free	Hong Kong	800964448
	Germany	0080014243444
	Singapore	8001012045
	UK	08081011573
	USA	18667462133
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	Singapore	+65 31575746
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	UK	+44 2034785524
	USA	+1 3233868721
Playback Start Date: 21 th Oct 2022	Playback Code:	36672
Playback End Date: 24 th Oct 2022	Dial-in Number:	India (+91 22 71945757) India (+91 22 66635757)

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