



Q2 CY 2024 Investor Presentation

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Agenda

We plan to discuss...



Key Highlights



Building for the Future



Financials Trend



Key Wins



Operations Metrics



Summing Up Looking Ahead

Key Highlights Q2 2024



Revenue

₹ 4,320M

(US\$ 51.8M)



YoY
Revenue Growth

6.2%

YoY Adj.
EBITDA Growth

19%

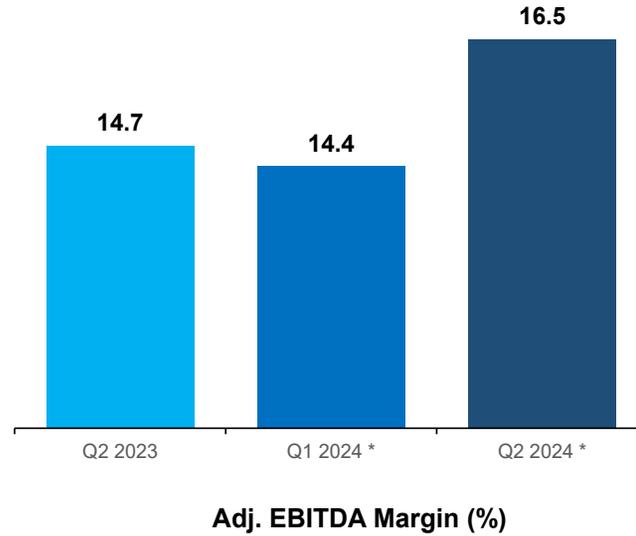


Net Profit

₹ 249M

(US\$ 3.0M)

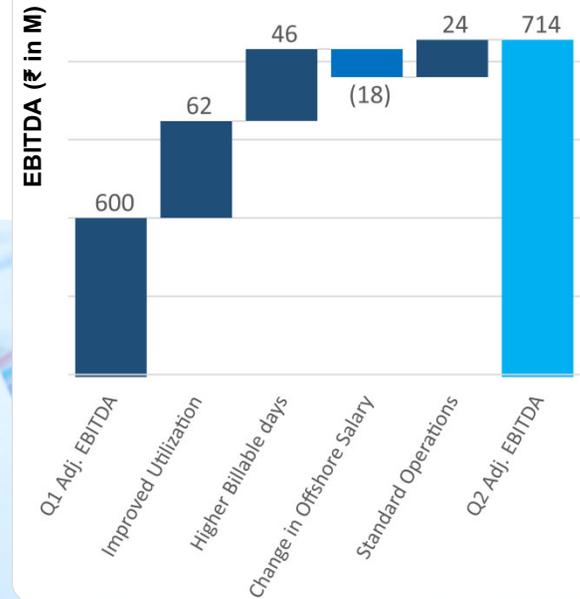
Adj. EBITDA : ₹714M (US\$ 8.6M)



Before considering share-based payment expense amounting to Rs. 65 mn and 80 mn in Q1 2024 and Q2 2024, relating to restricted stock units ("RSUs") granted to the employees. After such expenses, the EBITDA for Q1 2024 is Rs. 535 mn (US\$ 6.4 mn) i.e. 12.8% of revenue and for Q2 2024 is Rs. 634 mn (US\$ 7.6 mn) i.e. 14.7% of revenue.

Adj. EBITDA Bridge

■ Increase ■ Decrease ■ Total



Key Highlights H1 2024



Revenue

₹ 8,487M

(US\$ 102.0M)

YoY
Revenue Growth

4.7%



YoY Adj.
EBITDA Growth

14.9%

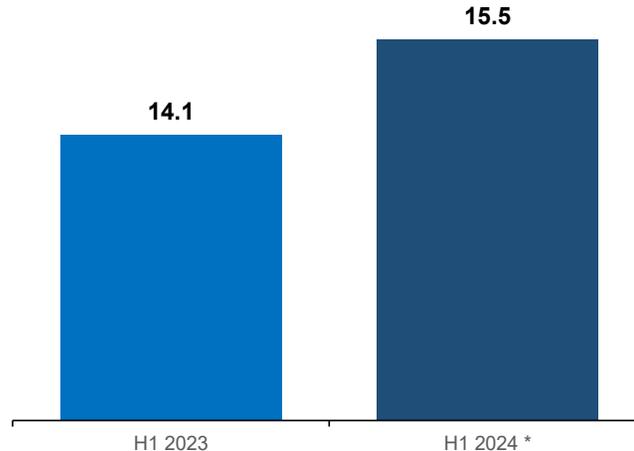


Net Profit

₹ 524M

(US\$ 6.3M)

Adj. EBITDA : ₹1,314M (US\$ 15.8M)



Adj. EBITDA Margin (%)

* Before considering share-based payment expense amounting to Rs. 144 mn relating to restricted stock units ("RSUs") granted to the employees. After such expenses, the EBITDA for H1 2024 is Rs. 1,169 mn (US\$ 14 mn) i.e. 13.8% of revenue.

Key Balance Sheet Data

Equity attributable to shareholders - ₹ 6,032M

Cash and bank balance # - ₹ 1,791M

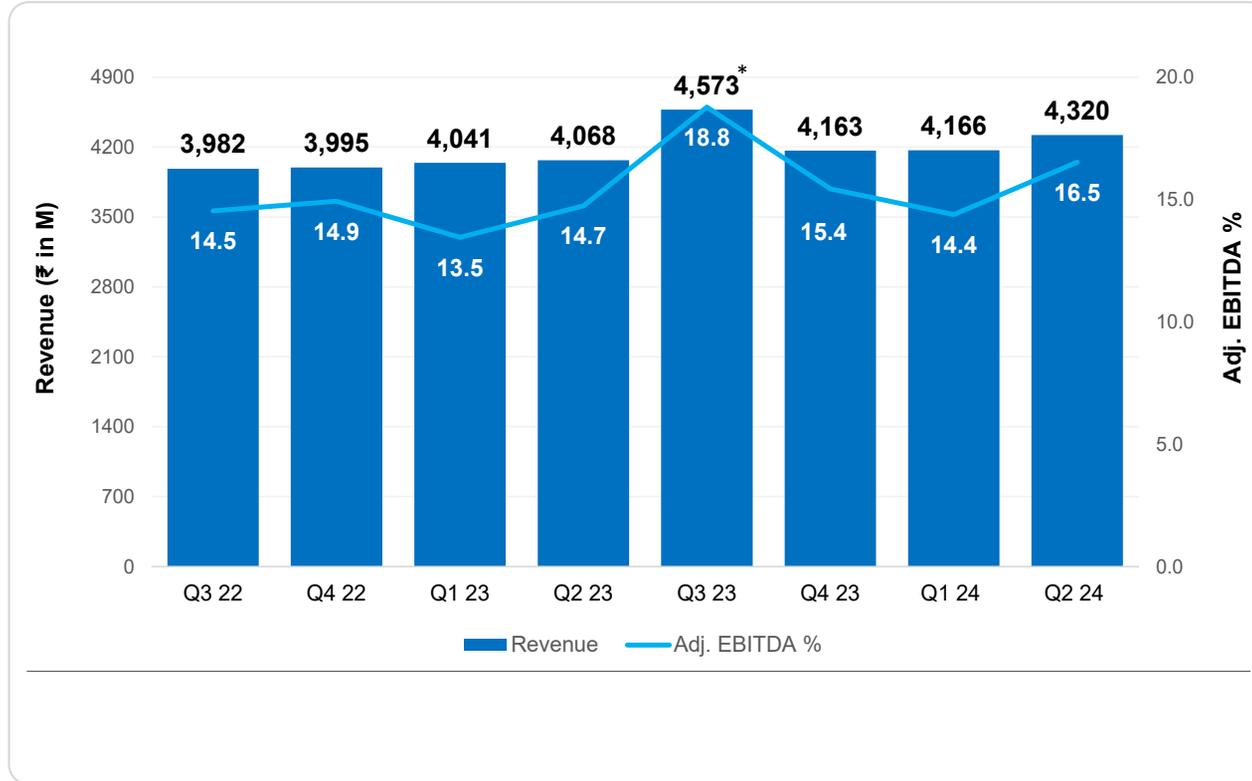
AR & Unbilled - ₹ 3,284M

DSO - 60 Days

net of short-term borrowing

Financials Trend - Revenue & Adj. EBITDA %age – 8 Qtr.

The 8 Quarter trend of Revenue build up in INR and corresponding Adj. EBITDA percentage



Revenue
The Company crossed quarterly run rate of ₹ 430 crores

₹ 4,320 M
↑
₹ 3,982 M

Adj. EBITDA
The Company crossed quarterly run rate of ₹ 70 crores

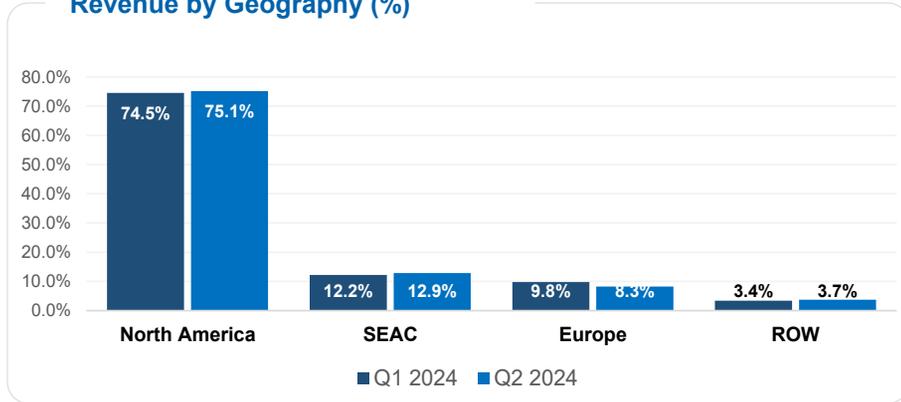
₹ 714 M
↑
₹ 579 M

Quality of Revenue
Focused approach begins to bear fruits with green shoots in the form of winning deals focused on Cloud, Data & AI

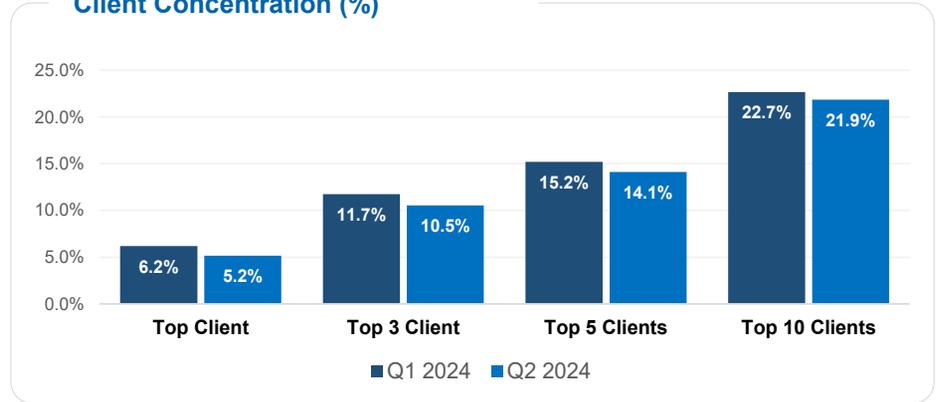
*Excluding one time BOT Fee for a Knowledge Service Customer, Revenue will be ₹ 4,380 mn (US\$ 53.0 mn) with 15.2% EBITDA.

Operations Metrics

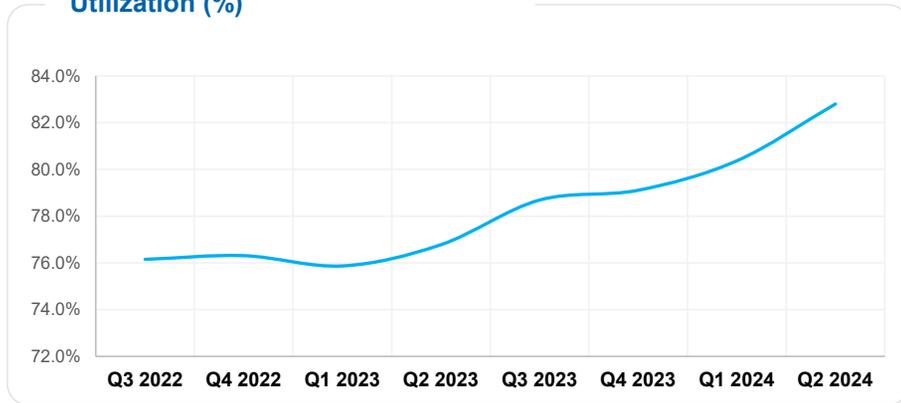
Revenue by Geography (%)



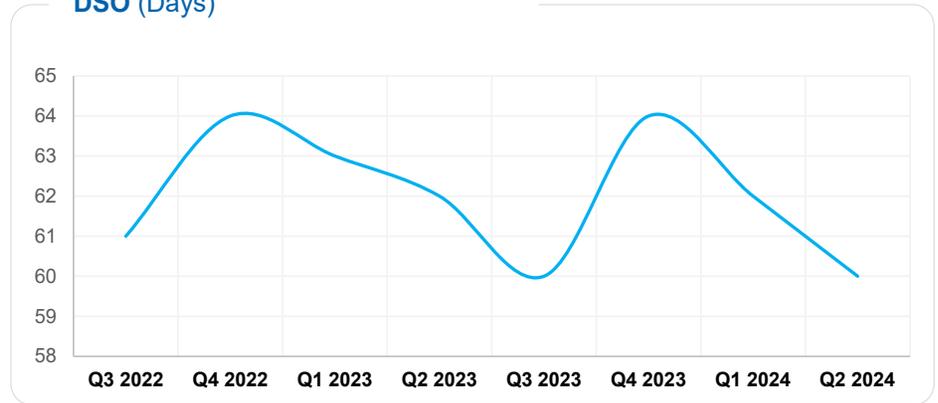
Client Concentration (%)



Utilization (%)



DSO (Days)



Building for the future



Go to Market

- Partnered with Boomi, shared the stage with their leadership and launched new market solutions together at Boomi World 2024
- Deepened partnership with Microsoft as key partner for Fabric, enabling clients to migrate from traditional data & BI solutions to One Lake, Power BI and comprehensive data engineering & data science solutions



Integration

- Integration of Velotio and ScaleWorx capabilities into overall R Systems has created a stronger integrated unit servicing Tech, Internet & Platforms vertical, Data & AI and Cloud & DevOps practice.



Offerings & Positioning

- Launched AI enabled partner onboarding solution at Boomi World 2024
- Launched AI enabled end to end power BI solutions

Key Wins Q2 2024

- One of the leading real estate and investment advisers has engaged R Systems to build an innovative property analysis app for handheld devices and a cutting-edge bug reporting tool to enhance efficiency and functionality.
- A UK-based digital communication firm partnered with R Systems to streamline CRM integrations and develop a robust communication framework driving operational efficiency and innovation.
- One of the largest global financial service groups has mandated R Systems for digital transformation of its legacy systems to cloud native java and react application.
- A US-based global investment firm engaged R Systems to automate its cash management process with a unified, database-driven solution that replaces excel-based processes.
- One of the leading retail chains in Southeast Asia has engaged R Systems to upgrade Microsoft Dynamics Business Central to optimize and digitalize its end-to-end business processes yielding financial visibility and operational excellence across the enterprise.

Summing Up And Looking Head



Early signs of deal activity in the market – we are seeing traction across sectors and markets. The elections in US and situation in middle east may cause uncertainty.



Increasing collaboration with partner ecosystem – across AWS, Microsoft, Salesforce, Boomi, UI Path and startup partners ecosystem



Trends shaping in H2 2024

- AI continues to be talk of the town, truly leveraging AI to generate value requires both expertise in technology as well as understanding of business domain – hence growing need of professional service providers like us
- Process efficiency, automation and cost savings remain dominant themes - making digital transformation offerings leveraging Cloud, Data, AI and Automation relevant
- CrowdStrike incident in July, leading to a global shut down of operations; has now started debate and discussion on cloud security & reliability which should lead to opportunities.
- We are optimistic of the market sentiment improving in second half of calendar year



Annexure

Financial Performance – Contribution Analysis – Q2 2024

Q2 2024

Q1 2024

Q2 2023

Particulars	₹ in M	US\$ in M	₹ in M	US\$ in M	₹ in M	US\$ in M
Revenues	4,320.4	51.8	4,166.4	50.2	4,067.8	49.5
Cost of revenues	2,786.3	33.4	2,761.7	33.3	2,650.7	32.2
Gross margin	1,534.1	18.4	1,404.7	16.9	1,417.1	17.3
<i>% of Revenue</i>	35.5%		33.7%		34.8%	
SG&A Expenses	820.2	9.8	804.9	9.7	817.3	10.0
<i>% of Revenue</i>	19.0%		19.3%		20.1%	
Adj. EBITDA	713.9	8.6	599.8	7.2	599.8	7.3
<i>% of Revenue</i>	16.5%		14.4%		14.7%	
Cost of RSUs	79.7	1.0	64.7	0.8	-	-
EBITDA	634.2	7.6	535.1	6.4	599.8	7.3
<i>% of Revenue</i>	14.7%		12.8%		14.7%	
Depreciation and amortization *	167.4	2.0	165.6	2.0	101.2	1.2
EBIT before non-recurring cost	466.8	5.6	369.5	4.4	498.6	6.1
Non-recurring Cost #	-	-	-	-	70.3	0.9
EBIT	466.8	5.6	369.5	4.4	428.3	5.2
Interest expense	(20.0)	(0.2)	(28.4)	(0.3)	(17.0)	(0.2)
Other income (net)	21.5	0.2	22.7	0.3	43.8	0.5
Income before tax	468.3	5.6	363.8	4.4	455.1	5.5
Tax expense ^	219.4	2.6	88.9	1.1	310.9	3.7
Net Earnings	248.9	3.0	274.9	3.3	144.2	1.8

* Depreciation and amortization expense includes Rs. 62.3 mn in Q1 2024 & Q2 2024 with respect to the amortization of intangibles such as customer contracts, non-compete capitalized under Velotio and ScaleWorx acquisitions.

Non-recurring cost represent the recruitment fee for hiring of new CEO and one time joining fee paid to CEO.

^ includes Rs. 62.1 mn in Q2-24 & Rs. 200.5 mn in Q2-23 provision for tax on dividend received from its wholly owned subsidiary

THANK
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