



Q3 CY 2024 Investor Presentation

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“Investors are cautioned that this presentation contains forward-looking statements that involve risks and uncertainties. The Company undertakes no obligation publicly to update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performance, or achievements could differ from those expressed or implied in such forward-looking statements.”

Agenda

We plan to discuss...



Key Highlights



Building for the Future



Financials Trend



Key Wins



Operations Metrics



Summing Up Looking Ahead

Key Highlights Q3 2024



Revenue

₹ 4,441M

(US\$ 53.0M)



QoQ
Revenue /
EBITDA Growth

2.8% / 11.5%

YoY Revenue /
EBITDA Growth #

1.4% / 19.5%

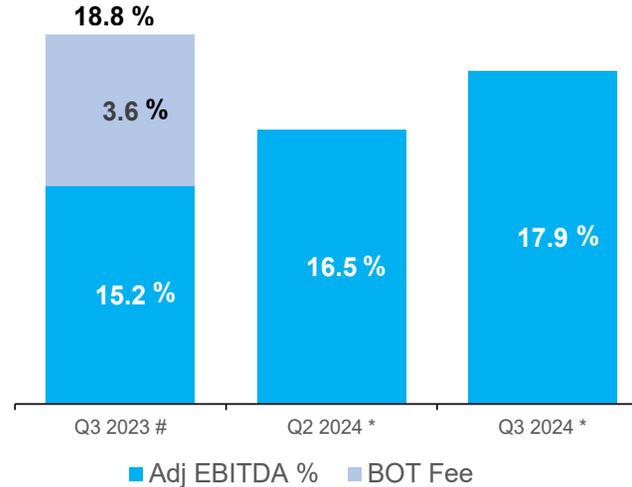


Net Profit

₹ 398M

(US\$ 4.8M)

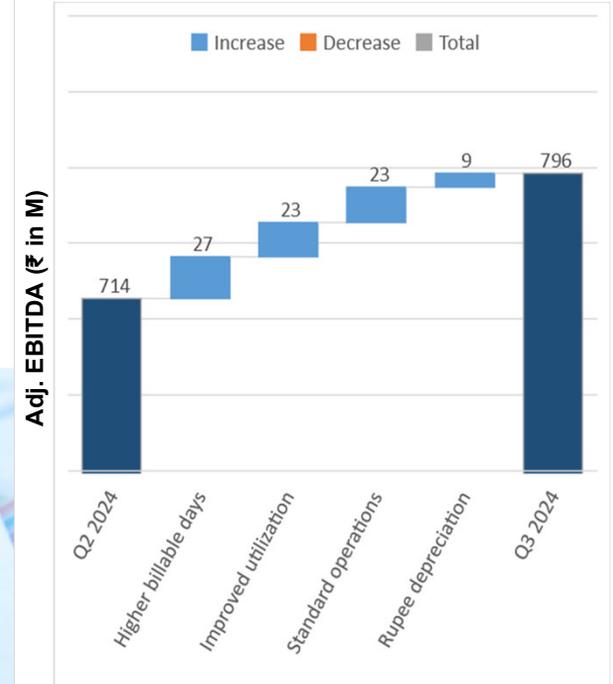
Adj. EBITDA : ₹796M (US\$ 9.5M)



* Before considering share-based payment expense amounting to Rs. 80 mn in Q2 2024 and 82 mn in Q3 2024, relating to restricted stock units ("RSUs") granted to the employees. After such expenses, the EBITDA for Q2 2024 is Rs. 634 mn (US\$ 7.6 mn) i.e. 14.7% of revenue and for Q3 2024 is Rs. 714 mn (US\$ 8.5 mn) i.e. 16.1% of revenue.

In Q3 2023, excluding onetime BOT Fee of ₹ 193 mn (US\$ 2.3 mn) for a Knowledge Service Customer, Revenue would be ₹ 4,380 mn (US\$ 53.0 mn) with EBITDA of ₹ 666.0 mn (US\$ 8.1 mn) i.e. 15.2% of revenue.

Adj. EBITDA Bridge



Key Highlights Jan to Sep 2024



Revenue

₹ 12,928M

(US\$ 155.0M)



YoY
Revenue Growth

1.9% (3.5% net of
one-time fee[#])

YoY Adj.
EBITDA Growth

5.4% (16.6% net of
one-time fee[#])

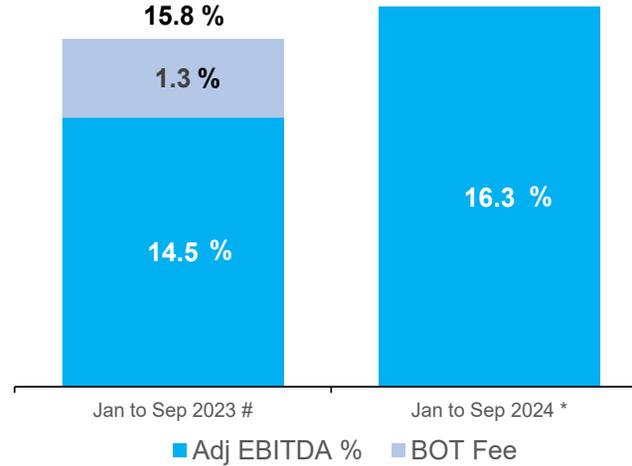


Net Profit

₹ 922M

(US\$ 11.1M)

Adj. EBITDA : ₹2,110M (US\$ 25.3M)



• Before considering share-based payment expense amounting to Rs. 226 mn relating to restricted stock units (“RSUs”) granted to the employees. After such expenses, the EBITDA for Jan to Sep 2024 is Rs. 1,883 mn (US\$ 22.6 mn) i.e. 14.6% of revenue.

In Jan to Sep 2023, excluding onetime BOT Fee of ₹ 193 mn (US\$ 2.3 mn) for a Knowledge Service Customer, Revenue would be ₹ 12,489 mn (US\$ 151.7 mn) with EBITDA of ₹ 1,809 mn (US\$ 22.0 mn) i.e. 14.5% of revenue

Key Balance Sheet Data

Equity attributable to shareholders - ₹ 6,607M

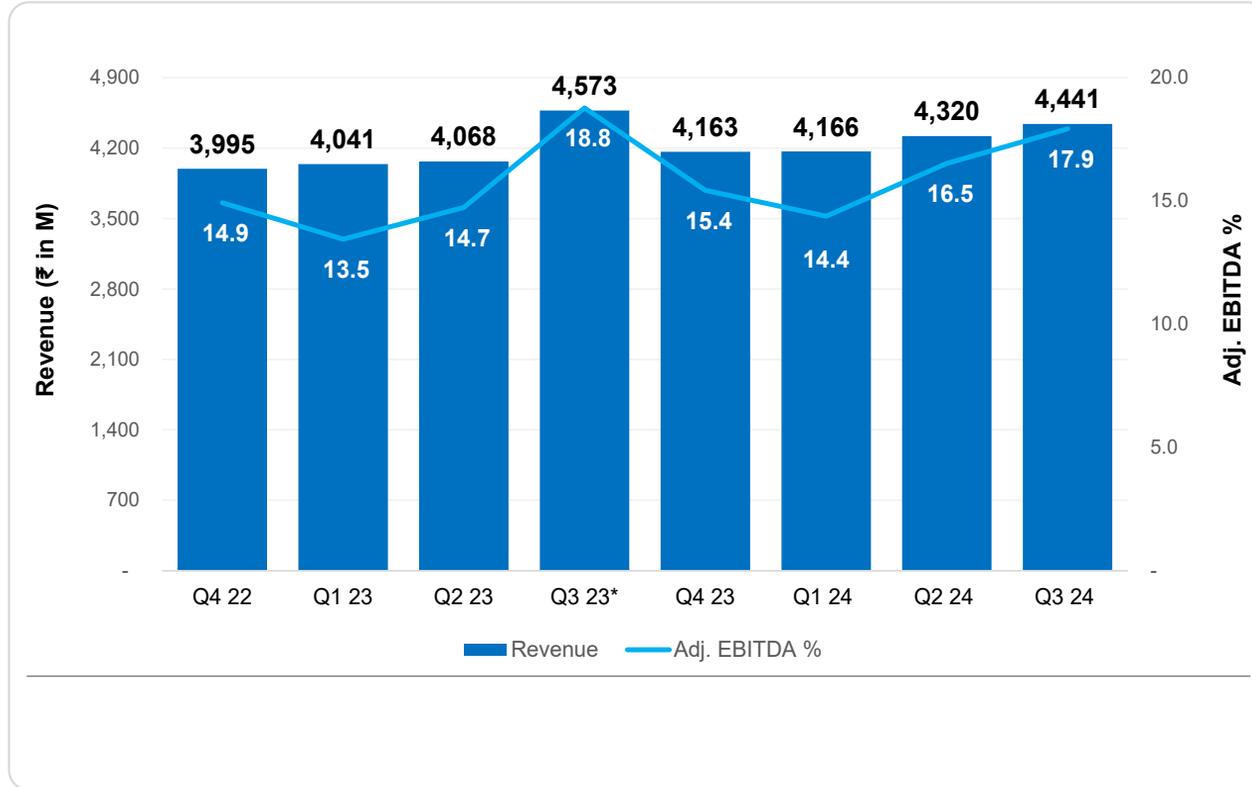
Cash and bank balance - ₹ 2,598M

AR & Unbilled - ₹ 3,192M

DSO - 59 Days

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 ₹ 440 crores

₹ 4,441 M
↑
₹ 3,995 M

Adj. EBITDA
The Company crossed quarterly run rate of ₹ 75 crores

₹ 796 M
↑
₹ 597 M

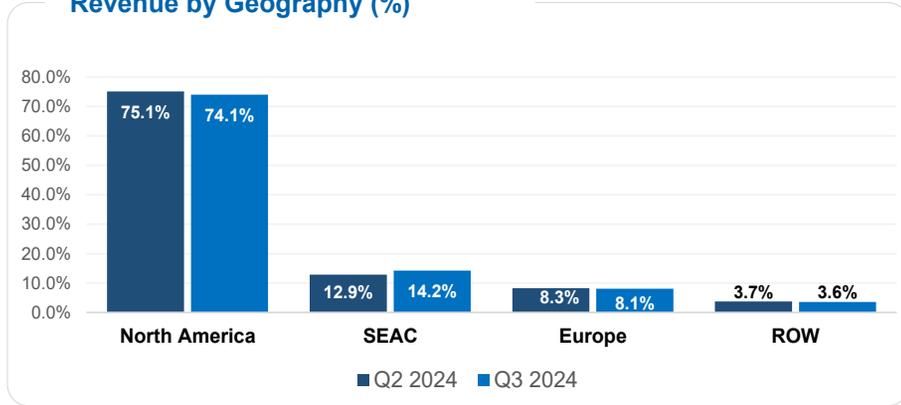
Quality of Revenue
Focused approach begins to bear fruits with green shoots in the form of winning deals focused on Cloud, Data & AI

* Excluding one time BOT Fee of ₹ 193 mn (US\$ 2.3 mn) for a Knowledge Service Customer, Revenue would be ₹ 4,380 mn (US\$ 53.0 mn) with 15.2% EBITDA



Operations Metrics

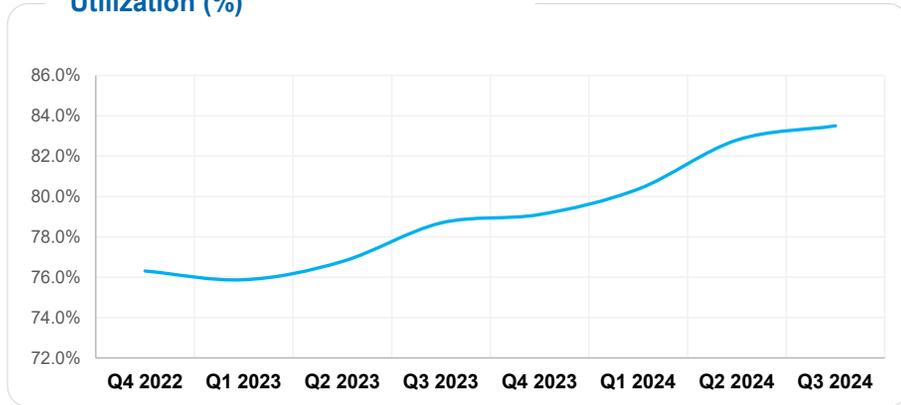
Revenue by Geography (%)



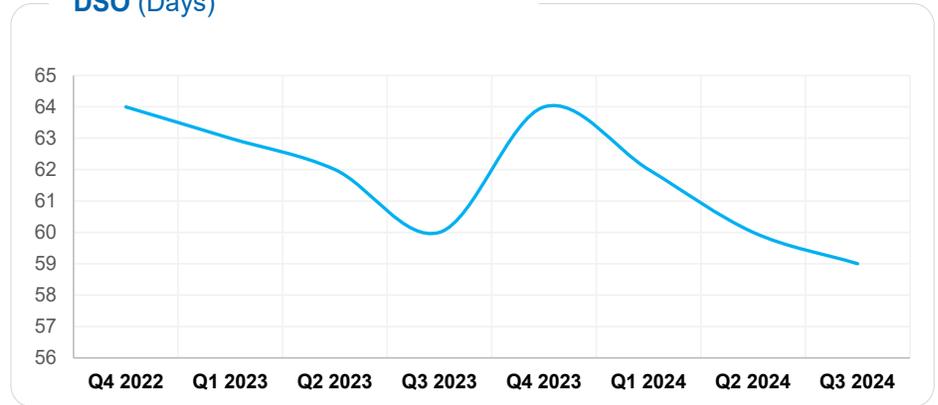
Client Concentration (%)



Utilization (%)



DSO (Days)



Building for the future



Go to Market

- Deepened our engagement with customers, engaging in more value adding initiatives along with strengthening hyperscaler partnerships to offer niche solutions for long term sustainable growth



Offerings & Positioning

- Launched OptimaAI – a GenAI suite for enterprises
- Offerings introduced for Chaos Engineering Integrated DR Model to enhance business continuity and resilience



Delivery Footprint

- Expansion of geographical footprint in LATAM through a new entity in Mexico



Leadership

- People are the most important assets of our organization. We have truly begun to operate as one truly global enterprise
- Augmenting management bandwidth with the induction of Satyadeep Mishra as Chief Human Resource Officer, Srihara Rao as CTO, Cloud & Security Services and Shardul Sangal as SVP-Global Delivery

Key Wins Q3 2024

- A product company focusing on enterprise software for insurance industry has engaged R Systems to provide digital expertise to revamp its legacy system for operational efficiency and enhanced user experience.
- A US based cutting-edge cloud platform provider for utilities industry has engaged R Systems to streamline product development and sustenance services across complex lifecycles, implementing transformative cloud-based solutions.
- A leading financial decision support provider for asset-intensive companies has mandated R Systems to manage and optimize their IT support, Salesforce environment and cloud operations.
- One of the largest independent digital wealth management platforms has engaged R Systems to provide comprehensive quality assurance, development services, and critical bug fixes, to ensure operational efficiency.
- A Canadian-based global leader specializing in transporting and distributing coal has collaborated with R Systems to modernize their operations. This partnership focused on upgrading reporting capabilities, driving greater efficiency and innovation in global logistics.

Summing Up And Looking Head



Early signs of deal activity in the market – we are seeing traction across sectors and markets



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



Trends shaping in 2025

- 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
- We are optimistic of the market sentiment improving in CY25



Annexure

Financial Performance – Contribution Analysis – Q3 2024

Q3 2024

Q2 2024

Q3 2023 @

Particulars	₹ in M	US\$ in M	₹ in M	US\$ in M	₹ in M	US\$ in M
Revenues	4,440.9	53.0	4,320.4	51.8	4,573.5	55.3
Cost of revenues	2,828.4	33.7	2,786.3	33.4	2,822.4	34.1
Gross margin	1,612.5	19.3	1,534.1	18.4	1,751.1	21.2
<i>% of Revenue</i>	<i>36.3%</i>		<i>35.5%</i>		<i>38.3%</i>	
SG&A Expenses	816.5	9.8	820.2	9.8	892.0	10.8
<i>% of Revenue</i>	<i>18.4%</i>		<i>19.0%</i>		<i>19.5%</i>	
Adj. EBITDA	796.0	9.5	713.9	8.6	859.1	10.4
<i>% of Revenue</i>	<i>17.9%</i>		<i>16.5%</i>		<i>18.8%</i>	
Cost of RSUs	81.8	1.0	79.8	1.0	-	-
EBITDA	714.2	8.5	634.1	7.6	859.1	10.4
<i>% of Revenue</i>	<i>16.1%</i>		<i>14.7%</i>		<i>18.8%</i>	
Depreciation and amortization	165.7	2.0	167.4	2.0	172.5	2.1
EBIT before non-recurring cost	548.5	6.5	466.7	5.6	686.6	8.3
Non-recurring Cost #	8.8	0.1	-	-	36.4	0.4
EBIT	539.7	6.4	466.7	5.6	650.2	7.9
Interest expense	(16.0)	(0.2)	(20.0)	(0.2)	(27.7)	(0.3)
Other income (net)	(7.2)	(0.0)	21.5	0.2	1.7	0.0
Income before income tax and share of profit / (loss) in associates	516.5	6.2	468.2	5.6	624.2	7.6
Share of net profit/ (loss) of associates accounted for using the equity method	-	-	-	-	(2.0)	(0.1)
Income before income tax	516.5	6.2	468.2	5.6	622.2	7.5
Tax expense ^	118.4	1.4	219.4	2.6	182.4	2.2
Net Earnings	398.1	4.8	248.8	3.0	439.8	5.3

@ Excluding onetime BOT Fee of ₹ 193.1 mn (US\$ 2.3 mn) for a Knowledge Service Customer in Q3 2023, Revenue would be ₹ 4,380.4 mn (US\$ 53.0 mn) with EBITDA of ₹ 666.0 mn (US\$ 8.1 mn) i.e. 15.2% of revenue

Q3 2024 consists of professional fee incurred w.r.t. merger of the Company with Velotio and ScaleWorx and for Q3 2023 consists of professional fee paid w.r.t. acquisition of Velotio and charges paid to Noida Authority due to change in shareholding of the Company.

^ Q3 2024 includes Rs. 62.10 mn reversal of tax provisions related to dividend received from subsidiary pursuant to declaration of the interim dividend by the Company, which was provided in Q2 2024.



THANK
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