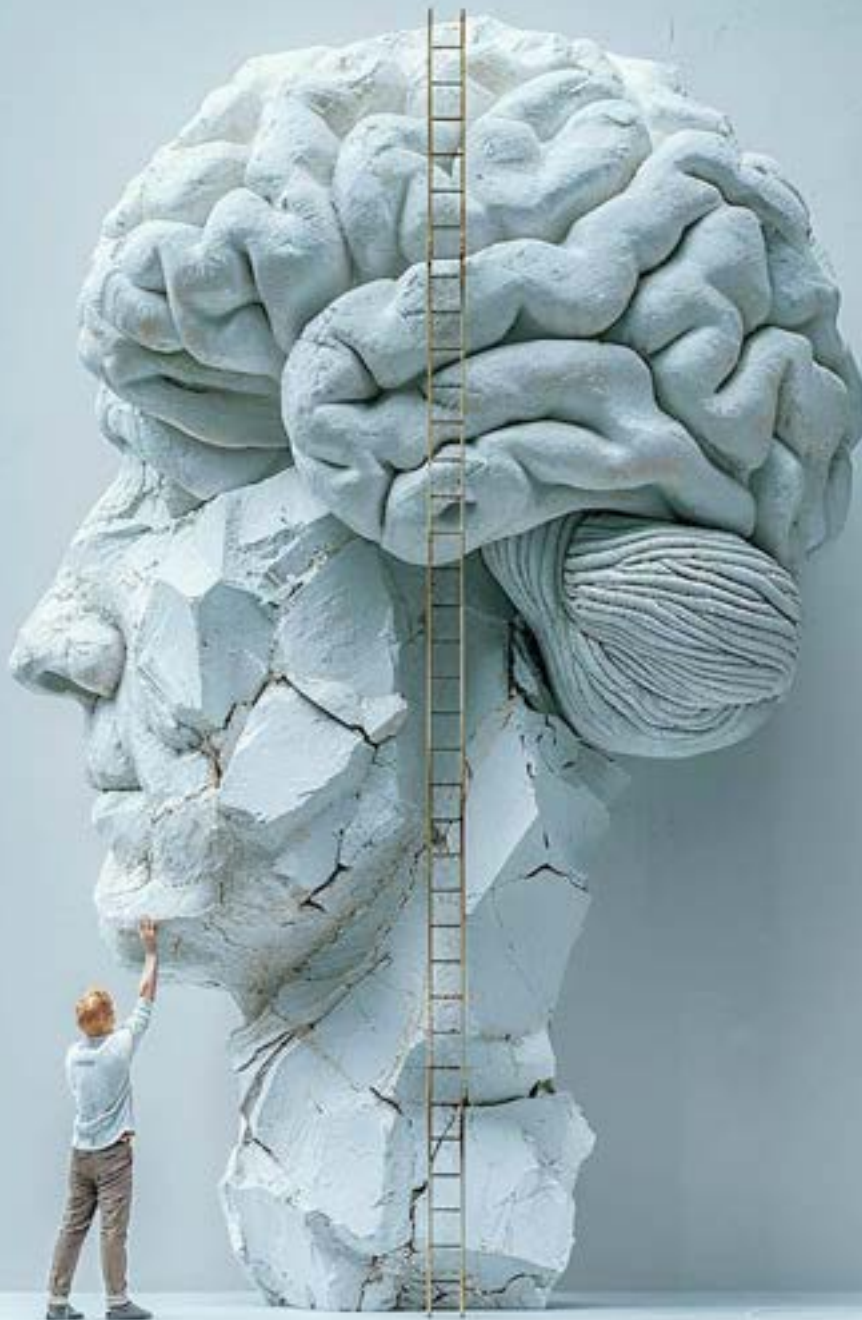




GEN AI

REVOLUTIONIZING DIGITAL ENGINEERING & ENTERPRISE IT SOLUTIONS

Earnings Press Release March 31, 2025



R SYSTEMS INTERNATIONAL LIMITED

R Systems Announces Results for Q1 2025 YoY Revenue Growth 6.2 % with Robust Adjusted EBITDA Margins

Greater Noida, India – May 08, 2025: R Systems International Limited (BSE- 532735; NSE- RSYSTEMS), a leading digital product engineering company that designs and builds next-gen products, platforms, and digital experiences, empowering clients across various industries to achieve revenue growth and operational efficiency.

Highlights for the quarter ended March 31, 2025

- Revenue Rs. 4,425 mn (US\$ 51.1 mn); YoY growth of 6.2%; QoQ decline of 1.5%
- Adj. EBITDA[#] Rs. 768 mn (US\$ 8.9 mn) i.e. 17.4% against 14.4% in Q1 2024 and 17.8% in Q4 2024; YoY Growth of 28.1%
- Net profit after taxes Rs. 386 mn (US\$ 4.5 mn); YoY growth of 40.4%
- 6 key wins during the quarter

Nitesh Bansal, Managing Director, and CEO stated, “We reported revenue of Rs. 442 cr. in Q1 2025 with a year-on-year growth of 6.2% along with robust EBITDA margins. Global economic uncertainties have caused delays in customer decision making towards discretionary spending, but we continue to see traction towards deals enabling clients to unlock value through scalable AI solutions, data insights and intelligent automation. We closed 6 key wins in the quarter with some large deals in the funnel.”

He added, “We continue to invest in building future readiness, hiring the right talent, enhancing delivery excellence, and aligning our capabilities with evolving client needs. We are competing and winning larger deals as also reflected in the increased headcount during the quarter. We remain confident in our ability to grow profitably and create long-term stakeholder value.”

Nand Sardana, CFO said, “While we delivered year-on-year revenue growth in Q1 2025, our quarterly performance was modest due to ongoing global headwinds. Despite the external challenges, we maintained EBITDA stability through prudent cost management and operational efficiencies. We have started witnessing the results from our investments in cloud, data, AI, and automation in terms of large deal conversion which will support to report sustainable revenue growth in this year”

He added, “In line with our commitment to reward shareholders, the Board has approved first interim dividend for CY 2025 of Rs. 6 per share i.e. 600%.”

[#] Adj. EBITDA is before considering the share-based payment expense amounting to Rs. 62 mn in Q1 2025, relating to restricted stock units (“RSUs”) granted to the employees.



Key Deal Wins

A brief for few key wins is as follows:

A leading provider of data-driven distribution solutions to the world's top brands has engaged R Systems to deliver robust infrastructure stability and scalability through on-premises solutions. Leveraging leading hybrid cloud platform, R Systems is focused on building, modernizing, and deploying scalable, high-performance applications with comprehensive ongoing management.

A US based global payments platform has partnered with R Systems to accelerate product engineering, manage gateway integrations, and re-architect reporting systems for improved data insights and operational agility.

A Canada-based leader in B2B marketplace solutions, has engaged R Systems to accelerate platform development and enhance quality assurance, ensuring a seamless digital experience for independent businesses, buying groups, and suppliers.

A fiber-optic internet provider based in US, partnered with R Systems for QA automation of IPTV/OTT apps, and expanded test coverage with metrics-driven validation to improve release efficiency and user experience.

A Singapore-based precision engineering company has engaged R Systems to implement Microsoft Dynamics Business Central and CRM to optimize and digitalize its end-to-end business processes yielding financial visibility and operational excellence across the enterprise.

Liquidity and Shareholder Funds

Cash and bank balances, net of short-term borrowing as of March 31, 2025, were Rs. 2,434 mn compared to Rs. 1,961 mn as of December 31, 2024. Total equity attributable to shareholders as of March 31, 2025, was Rs. 6,715 mn compared to Rs. 6,241 mn as of December 31, 2024.

Financial Performance

Consolidated Profit & Loss Statement for the Quarter Ended March 31, 2025

(As per Ind AS)

(Rs. in mn, except per share data)

Sr. No.	Particulars	Quarter Ended		
		March 31, 2025	December 31, 2024	March 31, 2024
1	Income			
(a)	Revenue from operations	4,424.65	4,489.55	4,166.41
(b)	Other income	22.79	35.36	24.69
	Total income	4,447.44	4,524.91	4,191.10
2	Expenses			
(a)	Employee benefits expense @	2,985.48	2,991.25	2,949.34
(b)	Finance costs	14.90	19.45	28.42
(c)	Depreciation and amortisation expense	146.01	155.01	165.61
(d)	Other expenses	733.77	792.75	683.88
	Total expenses	3,880.16	3,958.46	3,827.25
3	Profit before tax (1-2)	567.28	566.45	363.85
4	Tax expense			
(a)	Current tax	156.70	145.18	131.55
(b)	Deferred tax charge / (credit)	24.65	31.28	(42.57)
	Total tax expense	181.35	176.46	88.98
5	Net profit for the period (3-4)	385.93	389.99	274.87
6	Earnings per share (not annualized) (Equity share of par value of Re. 1/- each)			
(a)	Basic	3.26	3.30	2.32
(b)	Diluted	3.12	3.15	2.32

@ including share-based payment expense of Rs. 62.48 mn in Q1 2025, Rs. 73.06 mn in Q4 2024 & Rs. 64.65 mn in Q1 2024 w.r.t. RSUs.

Financial Performance

Consolidated Profit & Loss Statement for the Quarter Ended March 31, 2025 (Contribution Analysis Format – Non-GAAP)

(Figures in mn)

Particulars	Q1 2025		Q4 2024		Q1 2024	
	INR	US\$	INR	US\$	INR	US\$
Revenues	4,424.65	51.11	4,489.55	53.17	4,166.41	50.17
Cost of revenues	2,800.49	32.35	2,786.29	32.99	2,761.75	33.26
Gross margin	1,624.16	18.76	1,703.26	20.18	1,404.66	16.91
SG & A Expenses	36.71%		37.94%		33.71%	
	856.07	9.89	902.52	10.69	804.91	9.69
	19.35%		20.10%		19.32%	
Adj. EBITDA	768.09	8.87	800.74	9.49	599.75	7.22
Cost of RSUs	17.36%		17.84%		14.39%	
	62.48	0.72	73.06	0.86	64.65	0.78
EBITDA	705.61	8.15	727.68	8.63	535.10	6.44
Depreciation and amortisation	15.95%		16.21%		12.84%	
	146.01	1.69	155.01	1.84	165.61	1.99
EBIT before non-recurring cost	559.60	6.46	572.67	6.79	369.49	4.45
Non-recurring cost [#]	-	-	11.29	0.13	-	-
EBIT	559.60	6.46	561.38	6.66	369.49	4.45
Interest expense	(14.90)	(0.17)	(19.45)	(0.23)	(28.42)	(0.34)
Other income (net)	22.58	0.26	24.52	0.29	22.78	0.27
Income before income tax	567.28	6.55	566.45	6.72	363.85	4.38
Tax expense	181.35	2.09	176.46	2.09	88.98	1.07
Net earnings	385.93	4.46	389.99	4.63	274.87	3.31

[#] Q4 2024 consists of severance payment

Financial Performance

Consolidated Balance Sheet as at March 31, 2025 (As per Ind AS)

(Rs. in mn)

	Particulars	As at	
		March 31, 2025	December 31, 2024
	ASSETS		
A.	Non-current assets		
	(a) Property, plant and equipment	430.58	436.83
	(b) Capital work in progress	-	-
	(c) Investment property	14.10	14.47
	(d) Right-to-use assets	478.73	495.85
	(e) Goodwill	2,837.76	2,836.24
	(f) Other Intangible assets	1,859.33	1,923.55
	(g) Intangible assets under development	56.70	40.53
	(h) Financial assets		
	(i) Investment	0.03	0.03
	(ii) Other financial assets	53.83	58.21
	(i) Deferred tax assets (net)	370.39	392.01
	(j) Non-current tax assets (net)	30.83	45.59
	(k) Other non-current assets	66.46	37.91
B.	Total non-current assets (A)	6,198.74	6,281.22
	Current assets		
	(a) Financial assets		
	(i) Trade receivables	3,118.10	2,573.09
	(ii) Cash and cash equivalents	2,324.40	1,900.89
	(iii) Bank balances other than cash and cash equivalents	28.95	36.57
	(iv) Other financial assets	479.08	797.66
	(b) Other current assets	472.57	502.36
	Total current assets (B)	6,423.10	5,810.57
C.	Assets held for sale	64.00	64.00
	Total assets (A+B+C)	12,685.84	12,155.79
	EQUITY AND LIABILITIES		
A.	Equity		
	(a) Equity share capital	118.38	118.31
	(b) Other equity	6,596.68	6,122.19
	(c) Non controlling interest	2,407.00	2,407.00
	Total equity (A)	9,122.06	8,647.50
	Liabilities		
B.	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	18.69	13.01
	(ii) Lease liabilities	539.65	561.28
	(iii) Other financial liabilities	15.26	12.18
	(b) Provisions	343.76	327.63
	Total non-current liabilities (B)	917.36	914.10
C.	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	12.47	64.32
	(ii) Lease liabilities	86.74	90.21
	(iii) Trade payables		
	- total outstanding dues of micro enterprises and small enterprises	-	3.30
	- total outstanding dues of creditors other than micro enterprises and small enterprises	406.12	402.93
	(iv) Other financial liabilities	647.62	908.42
	(b) Other current liabilities	890.50	556.99
	(c) Provisions	414.28	383.21
	(d) Current tax liability (net)	188.69	184.81
	Total current liabilities (C)	2,646.42	2,594.19
	Total liabilities (B+C)	3,563.78	3,508.29
	Total equity and liabilities (A+B+C)	12,685.84	12,155.79

Consolidated Operational Data (Un-audited)

Profitability in Percentage	Quarter ended		
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
Revenues	100.00	100.00	100.00
Gross margin	36.71	37.94	33.71
SG & A	19.35	20.10	19.32
Adj. EBITDA #	17.36	17.84	14.39
EBITDA #	15.95	16.21	12.84
EBIT #	12.65	12.76	8.87
EAT	8.72	8.69	6.60

Before non-recurring cost.

Revenue from Top 10 Clients	Quarter ended		
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
Top 10 Clients	24.80%	24.54%	22.66%
Top 5 Clients	17.69%	17.05%	15.19%
Top 3 Clients	13.01%	11.85%	11.74%
Largest Client	6.15%	5.96%	6.20%

Revenues by Geographies	Quarter ended		
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
North America	74.78%	74.04%	74.53%
Europe	8.89%	8.73%	9.80%
Southeast Asia	12.72%	13.87%	12.24%
India	2.43%	2.34%	2.18%
Others	1.18%	1.02%	1.25%
Total	100.00%	100.00%	100.00%

Utilization (including trainees)	Quarter ended		
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
Onsite	96.37%	96.67%	96.89%
Offshore	81.96%	82.08%	77.42%
Blended	83.86%	84.17%	80.37%

Consolidated Operational Data (Un-audited)

Human resources	As at		
	Mar 31, 2025	Dec 31, 2024	Mar 31, 2024
Technical	3,844	3,787	3,644
Software services			
Onsite	501	524	564
Offshore	2,481	2,429	2,368
KS			
Offshore	845	817	699
Trainees	17	17	13
Support	525	529	541
Total count	4,369	4,316	4,185

(Rs. in mn, except DSO)

Key Balance Sheet Data	As at	
	Mar 31, 2025	Dec 31, 2024
Receivable including unbilled	3,609	3,396
Receivable in days (“DSO”) including unbilled	64	61
Cash and bank balance #	2,434	1,961
Total equity attributable to shareholders	6,715	6,241

net of short-term borrowing

Notes:

1. US\$ equivalent figures are derived by converting the Rupee figures using average rates for profit & loss items and closing rate for balance sheet items.
2. Previous period's figures have been regrouped wherever applicable, to the extent possible, to conform to the current period presentation.



About R Systems

R Systems is a leading digital product engineering company that designs and builds next-gen products, platforms, and digital experiences, empowering clients across various industries to overcome digital barriers, put their customers first, and achieve higher revenues and operational efficiency. Further, our knowledge service offerings cover revenue cycle management, back-office service, technical support, and customer care using multi-lingual capabilities and global delivery platform.

We constantly innovate and bring fresh perspectives to harness the power of the latest technologies like cloud, automation, AI, ML, analytics, Mixed Reality, etc. Our 4,300+ technology expeditioners across seventeen (17) development and service centres are driven to explore new digital paths, leaving no stone unturned in our quest to deliver services and solutions that drive meaningful impact.

Our product mindset and engineering capabilities allow us to partner with the key players in the Tech industry, including ISVs (independent software vendors), SaaS companies, and product companies in Telecom, Media, Fintech, Insurtech, and Healthtech verticals.

Safe Harbor:

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.

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