



# Q4 & CY 2024 Investor Presentation

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# Disclaimer

“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 in CY 2024

## REVENUE

₹ 17,417M

USD 208 M +

YoY Growth 3.4% (excl. BOT 4.6%)

## Adj. EBITDA

₹ 2,910M

USD 34.8 M

Adj. EBITDA Margin 16.7%

YoY Growth 10.0% (excl. BOT 18.7%)

## Awards & Recognition

“Strategic Supplier of the Year”  
Award from Chamberlain Group



Among Top 10 Leading  
AWS partners to watch in  
2024



India's Top 500 Value  
Creators 2024 by Dun &  
Bradstreet



BEST BRANDS CONCLAVE

One of the Best Tech  
Brands 2024 by Times  
Group



## Partnership & Alliances



- Public Sector
- Immigration Day
- AWS Lambda Delivery
- Amazon Redshift Delivery
- Amazon API Gateway Delivery
- AWS CloudFormation Delivery
- Amazon EC2 for Windows Server Delivery
- AWS Database Migration Service Delivery



servicenow



# Financial Performance Q4 2024

## Revenue



₹ 4,490M  
(US\$ 53.2M)

## QoQ Revenue / Adj. EBITDA Growth

(INR) 1.1% / 0.6%

## YoY Revenue / Adj. EBITDA Growth

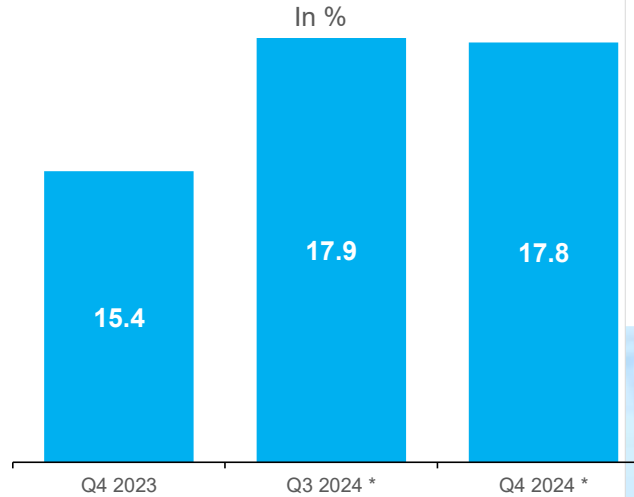
(INR) 7.8% / 24.6%

## Net Profit



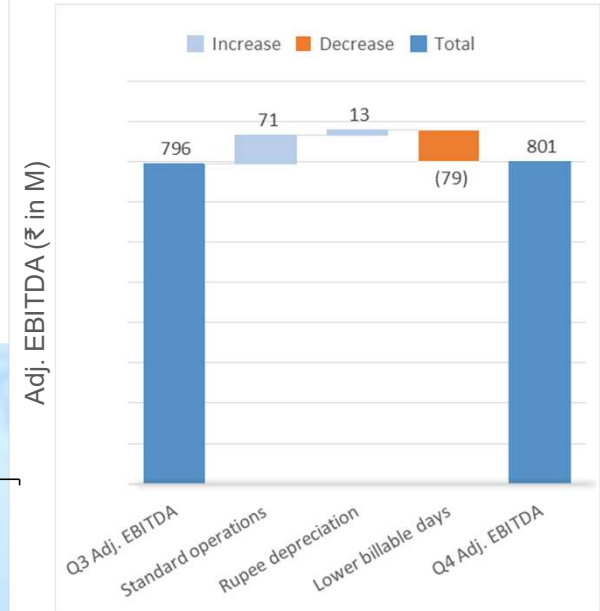
₹ 390M  
(US\$ 4.6M)

## Adj. EBITDA : ₹801M (US\$ 9.5M)



\* Before considering share-based payment expense amounting to Rs. 73 mn in Q4 2024 and 82 mn in Q3 2024, relating to restricted stock units ("RSUs") granted to the employees. After such expenses, the EBITDA for Q4 2024 is Rs. 728 mn (US\$ 8.6 mn) i.e. 16.2% of revenue and for Q3 2024 is Rs. 714 mn (US\$ 8.5 mn) i.e. 16.1% of revenue.

## Adj. EBITDA Bridge (₹ in M)



# Financial Performance CY 2024

## Revenue



₹ 17,417M  
(US\$ 208.2M)

## YoY Revenue Growth

3.4%  
(4.6% net of one-time fee#)

## YoY Adj. EBITDA Growth

10.0%  
(18.7% net of one-time fee#)

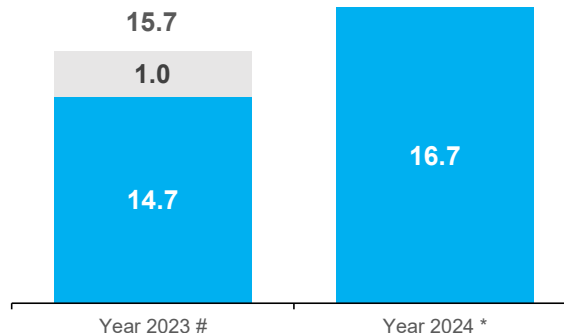
## Net Profit



₹ 1,312M  
(US\$ 15.7M)

## Adj. EBITDA : ₹2,910M (US\$ 34.8M)

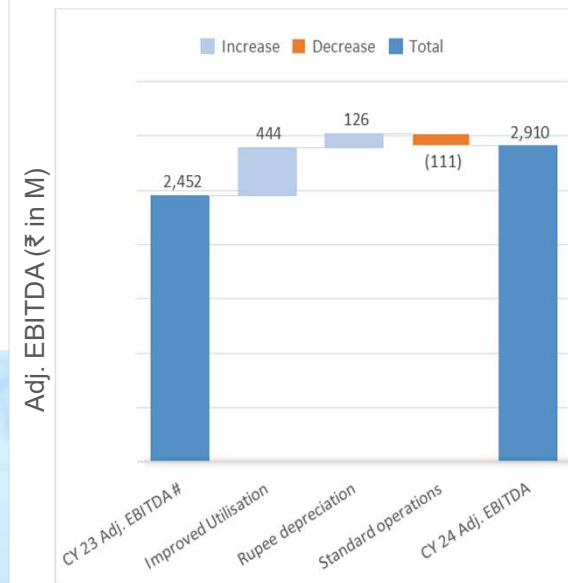
In %



• Before considering share-based payment expense amounting to Rs. 299 mn relating to restricted stock units ("RSUs") granted to the employees. After such expenses, the EBITDA for Year 2024 is Rs. 2,611 mn (US\$ 31.2 mn) i.e. 15.0% of revenue.

# In Year 2023, excluding onetime BOT Fee of ₹ 193 mn (US\$ 2.3 mn) for a Knowledge Service Customer, Revenue would be ₹ 16,652 mn (US\$ 201.7 mn) with EBITDA of ₹ 2,451mn (US\$ 29.7 mn) i.e. 14.7% of revenue and Net Profit of ₹ 1,275 mn (US\$ 15.4 mn).

## Adj. EBITDA Bridge (₹ in M)



## Key Balance Sheet Data

### Equity attributable to shareholders

₹ 6,241M

### Cash and bank balance

₹ 1,961M

### AR & Unbilled

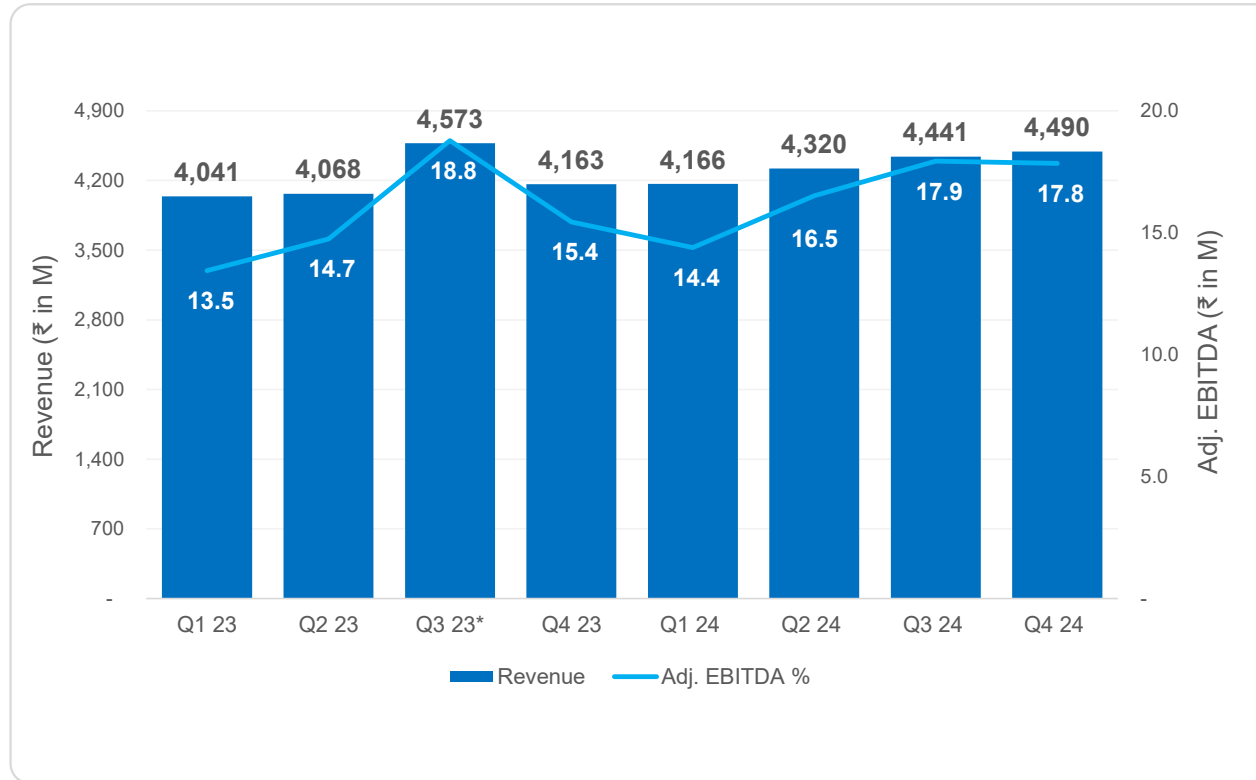
₹ 3,396M

### DSO

61 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 ₹ 445 crores

₹ 4,490 M



₹ 4,041 M

## Adj. EBITDA

The Company crossed quarterly run rate of ₹ 80 crores

₹ 801 M



₹ 543 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

# EBITDA Analysis

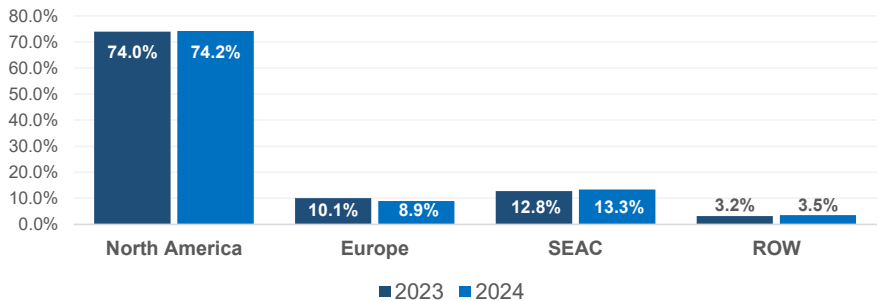
₹ in Mn	Q4 FY 23	Q4 FY 24	FY23	FY23*	FY24
Revenue	4,163	4,490	16,845	16,652	17,417
EBITDA	643	728	2,645	2,452	2,611
<b>EBITDA %</b>	<b>15.4%</b>	<b>16.2%</b>	<b>15.7%</b>	<b>14.7%</b>	<b>15.0%</b>
Non-Cash RSUs Charge	-	73	-	-	299
Adjusted EBITDA (Excluding RSUs charge)	643	801	2,645	2,452	2,910
<b>Growth %</b>	<b>24.6%</b>			<b>18.7%</b>	
<b>Adjusted EBITDA %</b>	<b>15.4%</b>	<b>17.8%</b>	<b>15.7%</b>	<b>14.7%</b>	<b>16.7%</b>
<b>Margin Expansion</b>	<b>240 bps</b>			<b>199 bps</b>	

\* Excluding onetime BOT Fee of ₹ 193.07 M (US\$ 2.3 M) for a Knowledge Service Customer in CY 2023



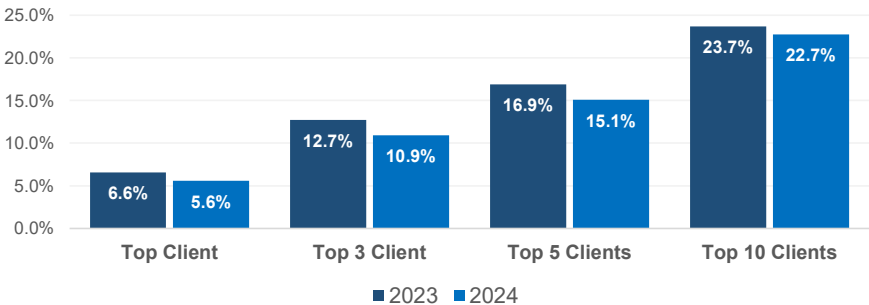
# Operations Metrics

Revenue by Geography\* (%)



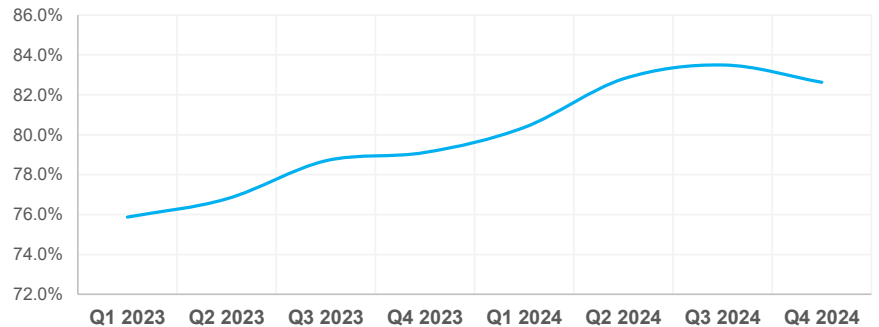
\* CY 2023 numbers include one time BOT fees

Client Concentration\* (%)

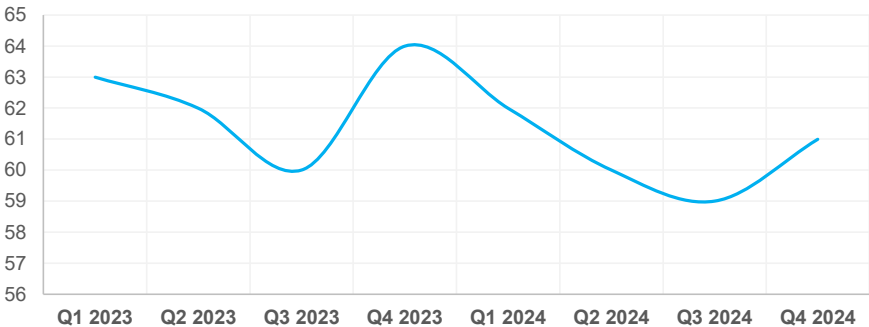


\* CY 2023 numbers include one time BOT fees

Utilization (%)



DSO (Days)



# Building for the future



## Go to Market

- GCC offering and playbook for mid size enterprises – to build and scale in partnership with R Systems
- Joint GTM with some of our key clients creating 360 relationships from being Engineering partners to now also GTM and professional services partners



## Offerings & Positioning

- Offerings introduced for
  - Modernization Solutions - Transforming Monoliths to Microservices
  - Chaos Engineering Integrated DR Model to enhance business continuity and resilience
- Anything to Power BI migrations
- Significantly strengthening our partnership solutions positioning & status through certifications



## Delivery Priorities

- With Optima AI – increasing Gen AI adoption across the engineering and managed services engagements
- Optima AI has now started building on agentic AI models for business operations with several ROI driven real life use cases where Agentic AI can be used



## Leadership

- Expanded leadership bandwidth with the induction of **Ashok Chawla as SVP- Global Delivery**, Neeraj Abhyankar to lead Data & Analytics practice and Suresh R K to lead Salesforce practice
- This brings total leadership addition in 2024 to 9 key roles, including CCO, CMO, CHRO, CTO- cloud and security, SVP Global Delivery and RMG lead – who have been inducted during the year

# Key Wins Q4 2024

- A leading ESG data management platform has engaged R Systems to enhance their existing platform by providing expertise in full-stack development, data engineering, and digital operations to drive innovation and streamline ESG compliance.
- One of the leading financial services companies based in US having specialization in trading, risk management, and global payments has onboarded R Systems for Salesforce managed services, system enhancements, strategic guidance, along with ensuring security and scalability.
- A leading bank of Caribbean Islands has mandated R Systems for its digital transformation by developing a mobile app and integrated APIs, streamlining the forex request handling to drive operational efficiency.
- R Systems has been selected by a global leader in simulation and training software to accelerate their customer project deliveries and bolster the product roadmap of their flagship product. Our strategic collaboration will help them realise revenues quicker and fortify their competitive advantage
- R Systems has been engaged by a US based software product company, offering multiple products, to transform its drafting solution from legacy to SaaS based solution, offering operational efficiencies with improved document quality and accuracy.

# Summing Up And Looking Ahead



Deal activity has picked up with sizeable deal RFP's out in Q4 2024



Focused partnerships with customers and elevated partnership status with hyperscalers is beginning to influence both stickiness in existing business and ability to win new deals

## Trends shaping 2025

- Agentic AI promises to provide better line of sight to ROI and have better adoption curve as compared to more compute heavy and expensive Gen AI. Though DeepSeek kind of disruptive innovations may bend the cost curve to make Gen AI use-cases more viable
- GCC trend is catching up fast and mid-sized clients, specially those without prior presence in India, will look for appropriate partners like R Systems to enable them take advantage of this opportunity
- Despite uncertainty faced by the US business' due to policy announcements of the new administration, we are optimistic of carrying the growth momentum in 2025



# Annexure

# Analyst Coverage & Recognition



Major Contender in Everest Group's Software Product Engineering Services PEAK Matrix® Assessment 2024



Major Contender in Everest Group's ISV and Internet-specific SPES PEAK Matrix® Assessment 2024



Major Contender in Everest Group's Healthcare Provider Digital Services PEAK Matrix® Assessment 2024

# Financial Performance - Contribution Analysis – Q4 2024

Q4 2024

Q3 2024

Q4 2023

Particulars	₹ in M	US\$ in M	₹ in M	US\$ in M	₹ in M	US\$ in M
<b>Revenues</b>	<b>4,489.55</b>	<b>53.17</b>	<b>4,440.87</b>	<b>53.03</b>	<b>4,163.20</b>	<b>50.00</b>
Cost of revenues	2,786.29	32.99	2,828.32	33.77	2,749.39	33.03
<b>Gross margin</b>	<b>1,703.26</b>	<b>20.18</b>	<b>1,612.55</b>	<b>19.26</b>	<b>1,413.81</b>	<b>16.97</b>
% of Revenue	37.94%		36.31%		33.96%	
SG&A Expenses	902.52	10.69	816.51	9.75	771.08	9.25
% of Revenue	20.10%		18.39%		18.52%	
<b>Adj. EBITDA</b>	<b>800.74</b>	<b>9.49</b>	<b>796.04</b>	<b>9.51</b>	<b>642.73</b>	<b>7.72</b>
% of Revenue	17.84%		17.93%		15.44%	
Cost of RSUs	73.06	0.86	81.82	0.98	-	-
<b>EBITDA</b>	<b>727.68</b>	<b>8.63</b>	<b>714.22</b>	<b>8.53</b>	<b>642.73</b>	<b>7.72</b>
% of Revenue	16.21%		16.08%		15.44%	
Depreciation and amortization	155.01	1.84	165.70	1.98	169.20	2.04
<b>EBIT before non-recurring cost</b>	<b>572.67</b>	<b>6.79</b>	<b>548.52</b>	<b>6.55</b>	<b>473.53</b>	<b>5.68</b>
Non-recurring Cost #	11.29	0.13	8.77	0.10	11.93	0.14
<b>EBIT</b>	<b>561.38</b>	<b>6.66</b>	<b>539.75</b>	<b>6.45</b>	<b>461.60</b>	<b>5.54</b>
Interest expense	(19.45)	(0.23)	(16.05)	(0.19)	(28.94)	(0.35)
Other income (net)	24.52	0.29	(7.20)	(0.09)	15.29	0.18
<b>Income before income tax and share of profit / (loss) in associates</b>	<b>566.45</b>	<b>6.72</b>	<b>516.50</b>	<b>6.17</b>	<b>447.95</b>	<b>5.37</b>
Share of net profit/ (loss) of associates accounted for using the equity method	-	-	-	-	(3.03)	(0.04)
<b>Income before income tax</b>	<b>566.45</b>	<b>6.72</b>	<b>516.50</b>	<b>6.17</b>	<b>444.92</b>	<b>5.33</b>
Tax expense ^	176.46	2.09	118.38	1.41	(13.79)	(0.19)
<b>Net Earnings</b>	<b>389.99</b>	<b>4.63</b>	<b>398.12</b>	<b>4.76</b>	<b>458.71</b>	<b>5.52</b>

# Q4 2024 consists of severance payment, Q3 2024 consists of professional fee incurred w.r.t. merger of the Company with Velotio and ScaleWorx and Q4 2023 consists of professional fee paid w.r.t. acquisition of ScaleWorx and charges paid to Noida Authority for change in constitution 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. Q4 2023 includes Rs. 114.46 million reversal of tax provisions related to dividend received from subsidiary, pursuant to declaration of the interim dividend by the Company.



# Financial Performance - Contribution Analysis – FY 2024

	2024		2023@	
Particulars	₹ in M	US\$ in M	₹ in M	US\$ in M
<b>Revenues</b>	<b>17,417.27</b>	<b>208.17</b>	<b>16,845.18</b>	<b>204.01</b>
Cost of revenues	11,162.67	133.42	10,904.40	132.06
<b>Gross margin</b>	<b>6,254.60</b>	<b>74.75</b>	<b>5,940.78</b>	<b>71.95</b>
% of Revenue	35.91%		35.27%	
SG&A Expenses	3,344.21	39.97	3,295.79	39.91
% of Revenue	19.20%		19.57%	
<b>Adj. EBITDA</b>	<b>2,910.39</b>	<b>34.78</b>	<b>2,644.99</b>	<b>32.04</b>
% of Revenue	16.71%		15.70%	
Cost of RSUs	299.25	3.58	-	-
<b>EBITDA</b>	<b>2,611.14</b>	<b>31.20</b>	<b>2,644.99</b>	<b>32.04</b>
% of Revenue	14.99%		15.70%	
Depreciation and amortization*	653.73	7.81	544.04	6.59
<b>EBIT before non-recurring cost</b>	<b>1,957.41</b>	<b>23.39</b>	<b>2,100.95</b>	<b>25.45</b>
Non-recurring Cost #	20.06	0.24	118.73	1.44
<b>EBIT</b>	<b>1,937.35</b>	<b>23.15</b>	<b>1,982.22</b>	<b>24.01</b>
Interest expense	(83.95)	(1.00)	(89.50)	(1.08)
Other income (net)	61.62	0.74	112.54	1.36
<b>Income before income tax and share of profit / (loss) in associates</b>	<b>1,915.02</b>	<b>22.89</b>	<b>2,005.26</b>	<b>24.29</b>
Share of net profit/ (loss) of associates accounted for using the equity method	-	-	(5.04)	(0.06)
<b>Income before income tax</b>	<b>1,915.02</b>	<b>22.89</b>	<b>2,000.22</b>	<b>24.23</b>
Tax expense ^	603.20	7.21	599.16	7.26
<b>Net Earnings</b>	<b>1,311.82</b>	<b>15.68</b>	<b>1,401.06</b>	<b>16.97</b>

@ Excluding onetime BOT Fee of ₹ 193.07 mn (US\$ 2.3 mn) for a Knowledge Service Customer in year 2023, Revenue would be ₹ 16,652.11 mn (US\$ 201.67 mn) with EBITDA of ₹ 2,451.92 mn (US\$ 29.70 mn) i.e. 14.7% of revenue and Net earnings of ₹ 1,275.46 mn (US\$ 15.45 mn).

\* includes Rs. 249.32 mn in year 2024 and Rs. 123.68 mn in year 2023 with respect to the amortisation of intangibles such as customer contracts, non-compete capitalized under Velotio and ScaleWorx acquisitions.

# Year 2024 consists of professional fee incurred w.r.t. merger of the Company with Velotio and ScaleWorx and severance payment. Year 2023 consists professional fee paid w.r.t. acquisition of Velotio, acquisition of Scaleworx, charges paid to Noida Authority for change in shareholding and constitution of the Company, recruitment fee paid for hiring of new CEO and one time joining fee paid to CEO.

^ includes Rs. 86.09 mn provisions for tax on dividend received from wholly owned subsidiary during the year 2023.





The background is a blue-tinted image featuring a hand placing a coin on a stack of other coins. In the background, there is a candlestick chart with a white line graph overlaid. The overall scene suggests financial growth and investment.

# THANK YOU