



R SYSTEMS INTERNATIONAL LIMITED

Corporate Identity Number : L74899DL1993PLC053579
[CMMI Level 5, PCMM Level 5, ISO 9001:2015 & ISO 27001:2013 Company]
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REF: SECT/11/2023/10

FEBRUARY 15, 2024

| | |
|---|--|
| To, The Managing Director National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra – East, Mumbai – 400 051 NSE Symbol - RSYSTEMS | To, The General Manager BSE Limited P.J. Towers, Dalal Street, Mumbai- 400001 BSE Scrip Code – 532735 |
|---|--|

Dear Sir,

SUB: PRESS RELEASE ON THE FINANCIAL RESULTS OF THE COMPANY FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2023

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of a Press Release on the financial results of the Company for the quarter and year ended December 31, 2023.

This is for your information and record.

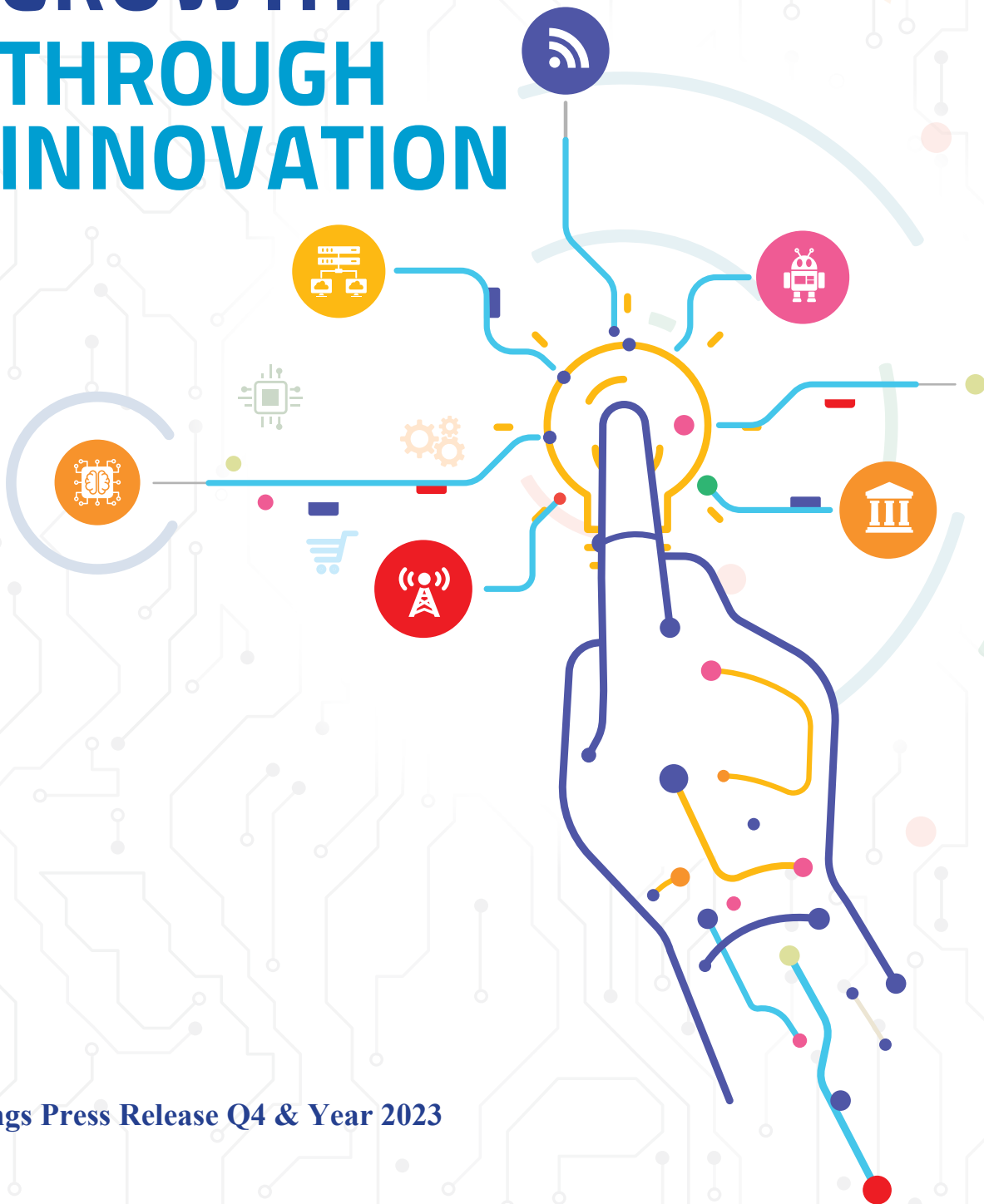
Thanking you.

Yours faithfully,

For **R Systems International Limited**

Bhasker Dubey
Company Secretary & Compliance Officer

DRIVING GROWTH THROUGH INNOVATION





R Systems Reports 11% Revenue Growth During CY 2023

Noida, India – February 15, 2024: 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 Year ended December 31, 2023

- Revenue at Rs. 16,845 mn (US\$ 204.0 mn); YoY Growth 11.1% (9.9% net of one-time fee)[#].
- EBITDA at Rs. 2,645 mn (US\$ 32.0 mn) i.e.15.7% (14.7% margin net of one-time fee)[#] as against 13.7% during last year. YoY increase of 27.0%[#].
- Net profit after taxes at Rs. 1,401 mn (US\$ 17.0 mn).
- Continue to add new logos with traction in large deal wins.

Highlights for the quarter ended December 31, 2023

- Revenue Rs. 4,163 mn (US\$ 50.0 mn); YoY Growth of 4.2%.
- EBITDA Rs. 643 mn (US\$ 7.7 mn) i.e.15.4% margin as against 14.9% for Q4 2022; YoY increase of 7.7%.
- Net profit after taxes Rs. 459 mn (US\$ 5.5 mn).

Nitesh Bansal, Managing Director, and CEO stated, “CY 2023 was a transformation year for R Systems to become a Blackstone portfolio company followed by industry vertical and horizontal alignment of delivery and sales operations to deliver successful digital transformation for our marquee customers. We are seeing early signs of these changes bringing us positive traction on large deals, with few wins already during last year, along with building robust sales funnel for large deals to deliver profitable growth in CY 2024”.

He added, “The Company expanded the management bandwidth with the induction of Chief Customer Officer, among others and continued our investment in sales and building competencies around new technologies. The Company has set up a centre of excellence on applied AI for sustainable systems in partnership with IIT Delhi. I am delighted to share that our Company has been certified as a Great Place To Work® in the countries where we have permanent employees – this includes India, USA, Romania, Poland and Singapore”.

Nand Sardana, CFO said, “Macro-economic situation has impacted the revenue growth over the year, but the Company has been able to expand the sustainable operating margins through efficient operations and cost optimization. We are committed to resilient, agile, and efficient ways of working to continue our margin expansion program”.



Key Deal Wins

A globally recognized climate technologies powerhouse based in USA has engaged R Systems in migrating their legacy application to Azure along with rearchitecting & modernizing it using Cloud-native services.

A large government agency serving the healthcare needs of American citizens has awarded R Systems a project to provide technical expertise for systems involved in provider payments.

A leading commercial and industrial building contractor in North America has chosen R Systems to provide a comprehensive digital support service along with mobile app development.

A US-based multifamily asset management company has engaged R Systems to provide services in data engineering along with evaluation & recommendation for next-gen toolsets needed to process large volumes of data.

A Thailand based biomass energy producer has awarded R Systems to implement Microsoft Dynamics Cloud based ERP (Business Central) to automate and integrate their key business processes.

Liquidity and Shareholder Funds

Cash and bank balances, net of short-term borrowing and amount set aside for dividend as of December 31, 2023, were Rs. 1,338 mn compared to Rs. 2,704 mn as of December 31, 2022. Total equity attributable to shareholders as of December 31, 2023, was Rs. 6,114 mn compared to Rs. 5,455 mn as of December 31, 2022.

[#] One-time build-operate-transfer (BOT) fee of Rs. 193 mn (US\$ 2.3 mn) from Knowledge Service (KS) Client augmented the growth.

Financial Performance

Consolidated Profit & Loss Statement for the Quarter Ended December 31, 2023

(As per Ind AS)

(Rs. in mn, except per share data)

| Sr. No. | Particulars | Quarter Ended December 31, | | Quarter Ended September 30, 2023 |
|----------|--|----------------------------|-----------------|----------------------------------|
| | | 2023 | 2022 | |
| 1 | Income | | | |
| (a) | Revenue from operations | 4,163.20 | 3,995.05 | 4,573.47 |
| (b) | Other income | 17.73 | 21.17 | 1.27 |
| | Total income | 4,180.93 | 4,016.22 | 4,574.74 |
| 2 | Expenses | | | |
| (a) | Employee benefits expense | 2,840.52 | 2,682.98 | 2,892.50 |
| (b) | Finance costs | 28.94 | 16.04 | 27.65 |
| (c) | Depreciation and amortisation expense | 169.20 | 97.89 | 172.44 |
| (d) | Other expenses | 694.32 | 739.37 | 857.97 |
| | Total expenses | 3,732.98 | 3,536.28 | 3,950.56 |
| 3 | Profit before tax and Share in Profit / (Loss) of Associate (1-2) | 447.95 | 479.94 | 624.18 |
| 4 | Share of net profit / (loss) of associates accounted for using the equity method | (3.03) | - | (2.01) |
| 5 | Profit before tax (3+4) | 444.92 | 479.94 | 622.17 |
| 6 | Tax expense | | | |
| (a) | Current tax ^ | (1.80) | 108.88 | 200.06 |
| (b) | Deferred tax | (11.99) | (42.75) | (17.64) |
| | Total tax expense / (credit) | (13.79) | 66.13 | 182.42 |
| 7 | Net profit for the period (5-6) | 458.71 | 413.81 | 439.75 |
| 8 | Earnings per share (not annualised) (Equity share of par value of Re. 1/- each) | | | |
| | Basic and diluted | 3.88 | 3.50 | 3.72 |

^ 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

Consolidated Profit & Loss Statement for the Year Ended December 31, 2023

(As per Ind AS)

(Rs. in mn, except per share data)

| Sr. No. | Particulars | Year Ended December 31, | |
|----------|--|-------------------------|------------------|
| | | 2023 | 2022 |
| 1 | Income | | |
| (a) | Revenue from operations | 16,845.18 | 15,158.31 |
| (b) | Other income | 115.33 | 102.89 |
| | Total income | 16,960.51 | 15,261.20 |
| 2 | Expenses | | |
| (a) | Employee benefits expense | 11,335.35 | 10,194.05 |
| (b) | Finance costs | 89.50 | 48.98 |
| (c) | Depreciation and amortisation expense | 544.04 | 349.78 |
| (d) | Other expenses | 2,986.36 | 2,966.82 |
| | Total expenses | 14,955.25 | 13,559.63 |
| 3 | Profit before tax and Share in Profit / (Loss) of Associate (1-2) | 2,005.26 | 1,701.57 |
| 4 | Share of net profit / (loss) of associates accounted for using the equity method | (5.04) | - |
| 5 | Profit before tax (3+4) | 2,000.22 | 1,701.57 |
| 6 | Tax expense | | |
| (a) | Current tax ^ | 613.59 | 387.19 |
| (b) | Deferred tax credit | (14.43) | (82.43) |
| | Total tax expense | 599.16 | 304.76 |
| 7 | Net profit for the period (5-6) | 1,401.06 | 1,396.81 |
| 8 | Earnings per share (Equity share of par value of Re. 1/- each) | | |
| | Basic and diluted | 11.84 | 11.81 |

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

Financial Performance

Consolidated Profit & Loss Statement for the Quarter Ended December 31, 2023 (Contribution Analysis Format – Non-GAAP)

(Figures in mn)

| Particulars | Q4 2023 | | Q4 2022 | | Q3 2023 | |
|--|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | INR | US\$ | INR | US\$ | INR | US\$ |
| Revenues | 4,163.20 | 50.00 | 3,995.05 | 48.66 | 4,573.47 | 55.34 |
| Cost of revenues | 2,749.39 | 33.03 | 2,582.59 | 31.45 | 2,822.41 | 34.14 |
| Gross margin | 1,413.81 | 16.97 | 1,412.46 | 17.21 | 1,751.06 | 21.20 |
| | 33.96% | | 35.36% | | 38.29% | |
| SG & A Expenses | 771.08 | 9.25 | 815.84 | 9.91 | 891.99 | 10.80 |
| | 18.52% | | 20.42% | | 19.50% | |
| EBITDA | 642.73 | 7.72 | 596.62 | 7.30 | 859.07 | 10.40 |
| | 15.44% | | 14.93% | | 18.78% | |
| Depreciation and amortization | 169.20 | 2.04 | 97.89 | 1.20 | 172.44 | 2.09 |
| EBIT before non-recurring cost | 473.53 | 5.68 | 498.73 | 6.10 | 686.63 | 8.31 |
| Non-Recurring cost [#] | 11.93 | 0.14 | - | - | 36.46 | 0.44 |
| EBIT | 461.60 | 5.54 | 498.73 | 6.10 | 650.17 | 7.87 |
| Interest expense | (28.94) | (0.35) | (16.04) | (0.20) | (27.65) | (0.33) |
| Other income (net) | 15.29 | 0.18 | (2.75) | (0.04) | 1.66 | 0.02 |
| Income before income tax and share of profit / (loss) in associates | 447.95 | 5.37 | 479.94 | 5.86 | 624.18 | 7.56 |
| Share of net profit / (loss) of associates accounted for using the equity method | (3.03) | (0.04) | - | - | (2.01) | (0.03) |
| Income before income tax | 444.92 | 5.33 | 479.94 | 5.86 | 622.17 | 7.53 |
| Tax expense / (credit) [^] | (13.79) | (0.19) | 66.13 | 0.79 | 182.42 | 2.21 |
| Net earnings | 458.71 | 5.52 | 413.81 | 5.07 | 439.75 | 5.32 |

Non-recurring cost represents:

For Q4 2023, professional fee paid w.r.t. acquisition of Scaleworx and charges paid to Noida Authority for change in constitution of the Company.

For Q3 2023, professional fee paid w.r.t. acquisition of Velotio and charges paid to Noida Authority due to change in shareholding of the Company.

[^] 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

Consolidated Profit & Loss Statement for the Year Ended December 31, 2023

(Contribution Analysis Format – Non-GAAP)

(FIGURES IN MN)

| Particulars | Year 2023 | | Year 2022 | |
|--|--------------------|---------------|--------------------|---------------|
| | INR | US\$ | INR | US\$ |
| Revenues | 16,845.18 | 204.01 | 15,158.31 | 193.17 |
| Cost of revenues | 10,904.40 | 132.06 | 9,834.81 | 125.33 |
| Gross margin | 5,940.78 | 71.95 | 5,323.50 | 67.84 |
| SG & A Expenses | 35.27% 3,295.79 | 39.91 | 35.12% 3,240.55 | 41.30 |
| | 19.57% | | 21.38% | |
| EBITDA | 2,644.99 | 32.04 | 2,082.95 | 26.54 |
| Depreciation and amortization | 15.70% 544.04 | 6.59 | 13.74% 349.78 | 4.46 |
| EBIT before non-recurring cost | 2,100.95 | 25.45 | 1,733.17 | 22.08 |
| Non-Recurring cost [#] | 118.73 | 1.44 | - | - |
| EBIT | 1,982.22 | 24.01 | 1,733.17 | 22.08 |
| Interest expense | (89.50) | (1.08) | (48.98) | (0.62) |
| Other income (net) | 112.54 | 1.36 | 17.38 | 0.22 |
| Income before income tax and share of profit / (loss) in associates | 2,005.26 | 24.29 | 1,701.57 | 21.68 |
| Share of net profit / (loss) of associates accounted for using the equity method | (5.04) | (0.06) | - | - |
| Income before income tax | 2,000.22 | 24.23 | 1,701.57 | 21.68 |
| Tax expense [^] | 599.16 | 7.26 | 304.76 | 3.88 |
| Net earnings | 1,401.06 | 16.97 | 1,396.81 | 17.80 |

Non-recurring Cost for year 2023 represents 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.

[^] Tax expense includes Rs. 86.09 million during year 2023 provision for tax on dividend received from wholly owned subsidiary.

Financial Performance

Consolidated Balance Sheet as at December 31, 2023 (As per Ind AS)

| | | (Rs. in million) | |
|-------------------------------|--|----------------------------|----------------------------|
| Particulars | | As at December 31, 2023 | As at December 31, 2022 |
| | | (Audited) | (Audited) |
| ASSETS | | | |
| A. | Non-current assets | | |
| | (a) Property, plant and equipment | 607.41 | 705.95 |
| | (b) Capital work in progress | 1.64 | 25.38 |
| | (c) Investment property | 15.96 | 17.43 |
| | (d) Right-of-use assets | 628.55 | 692.40 |
| | (e) Goodwill | 2,836.58 | 108.62 |
| | (f) Other intangible assets | 2,181.20 | 31.39 |
| | (g) Financial assets | | |
| | (i) Investment | 0.03 | 0.03 |
| | (ii) Other financial assets | 115.14 | 65.57 |
| | (h) Deferred tax assets (net) | 313.44 | 219.87 |
| | (i) Non-current tax assets (net) | 58.12 | 53.46 |
| | (j) Other non-current assets | 126.59 | 108.91 |
| | Total non-current assets (A) | 6,884.66 | 2,029.01 |
| B. | Current assets | | |
| | (a) Financial assets | | |
| | (i) Investments | - | 138.65 |
| | (ii) Trade receivables | 2,503.99 | 2,570.88 |
| | (iii) Cash and cash equivalents | 1,573.50 | 2,062.30 |
| | (iv) Bank balances other than cash and cash equivalents | 943.69 | 242.90 |
| | (v) Other financial assets | 805.52 | 911.08 |
| | (b) Other current assets | 435.06 | 375.67 |
| | Total current assets (B) | 6,261.76 | 6,301.48 |
| | Total assets (A+B) | 13,146.42 | 8,330.49 |
| EQUITY AND LIABILITIES | | | |
| A. | Equity | | |
| | (a) Equity share capital | 118.31 | 118.31 |
| | (b) Other equity | 5,996.06 | 5,336.39 |
| | (c) Non controlling interests (refer to Note 6) | 2,407.00 | - |
| | Total equity (A) | 8,521.37 | 5,454.70 |
| | Liabilities | | |
| B. | Non-current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 16.94 | 13.23 |
| | (ii) Lease liabilities | 631.14 | 666.11 |
| | (iii) Other financial liabilities | 12.01 | 8.76 |
| | (b) Provisions | 282.00 | 207.95 |
| | Total non-current liabilities (B) | 942.09 | 896.05 |
| C. | Current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 562.24 | 7.21 |
| | (ii) Lease liabilities | 101.45 | 84.69 |
| | (iii) Trade payables | | |
| | - total outstanding dues of micro enterprises and small enterprises | - | - |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises | 370.76 | 355.87 |
| | (iv) Other financial liabilities | 1,535.15 | 588.72 |
| | (b) Other current liabilities | 634.21 | 589.38 |
| | (c) Provisions | 342.15 | 303.70 |
| | (d) Current tax liabilities (net) | 137.00 | 50.17 |
| | Total current liabilities (C) | 3,682.96 | 1,979.74 |
| | Total liabilities (B+C) | 4,625.05 | 2,875.79 |
| | Total equity and liabilities (A+B+C) | 13,146.42 | 8,330.49 |



Consolidated Operational Data (Un-audited)

| Profitability in Percentage | Quarter ended | | | Year ended | |
|-----------------------------|---------------|--------------|--------------|--------------|--------------|
| | Dec 31, 2023 | Dec 31, 2022 | Sep 30, 2023 | Dec 31, 2023 | Dec 31, 2022 |
| Revenues | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Gross margin | 33.96 | 35.36 | 38.29 | 35.27 | 35.12 |
| SG & A | 18.52 | 20.42 | 19.50 | 19.57 | 21.38 |
| EBITDA # | 15.44 | 14.93 | 18.78 | 15.70 | 13.74 |
| EBIT # | 11.37 | 12.48 | 15.01 | 12.47 | 11.43 |
| EAT | 11.02 | 10.36 | 9.62 | 8.32 | 9.21 |

Before non-recurring cost.

| Revenue from Top 10 Clients | Quarter ended | | | Year ended | |
|-----------------------------|---------------|--------------|--------------|--------------|--------------|
| | Dec 31, 2023 | Dec 31, 2022 | Sep 30, 2023 | Dec 31, 2023 | Dec 31, 2022 |
| Top 10 Clients | 22.30% | 23.93% | 25.75% | 23.70% | 22.81% |
| Top 5 Clients | 15.35% | 16.45% | 19.17% | 16.87% | 15.25% |
| Top 3 Clients | 11.86% | 12.66% | 15.18% | 12.73% | 11.59% |
| Largest Client | 6.24% | 6.87% | 6.54% | 6.55% | 6.66% |

| Revenues by Geographies | Quarter ended | | | Year ended | |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| | Dec 31, 2023 | Dec 31, 2022 | Sep 30, 2023 | Dec 31, 2023 | Dec 31, 2022 |
| North America | 73.75% | 75.15% | 74.74% | 73.99% | 74.20% |
| Europe | 9.96% | 9.30% | 9.44% | 10.05% | 10.39% |
| Southeast Asia | 12.96% | 13.03% | 12.51% | 12.78% | 12.54% |
| India | 1.95% | 1.28% | 2.09% | 1.88% | 1.88% |
| Others | 1.38% | 1.24% | 1.22% | 1.30% | 0.99% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

| Utilization (including trainees) | Quarter ended | | |
|----------------------------------|---------------|--------------|--------------|
| | Dec 31, 2023 | Dec 31, 2022 | Sep 30, 2023 |
| Onsite | 96.21% | 95.30% | 97.20% |
| Offshore | 76.16% | 73.18% | 75.90% |
| Blended | 79.11% | 76.31% | 78.69% |



Consolidated Operational Data (Un-audited)

| Human resources | As at | | |
|--------------------------|--------------|--------------|--------------|
| | Dec 31, 2023 | Dec 31, 2022 | Sep 30, 2023 |
| Technical | 3,643 | 3,874 | 3,740 |
| Software services | | | |
| Onsite | 539 | 558 | 536 |
| Offshore | 2,436 | 2,417 | 2,550 |
| KS # | | | |
| Offshore | 644 | 866 | 628 |
| Trainees | 24 | 33 | 26 |
| Support | 548 | 546 | 557 |
| Total count | 4,191 | 4,420 | 4,297 |

(Rs. in mn, except DSO)

| Key Balance Sheet Data | As at | |
|---|--------------|--------------|
| | Dec 31, 2023 | Dec 31, 2022 |
| Receivable including unbilled | 3,222.94 | 3,277.25 |
| Receivable in days (“DSO”) including unbilled | 62 | 58 |
| Cash and bank balance # | 1,338.32 | 2,703.62 |
| Total equity attributable to shareholders | 6,114.37 | 5,454.70 |

net of short-term borrowing and amount set aside for dividend

| Development/Service Centres Location | As on Dec 31, 2023 | |
|--------------------------------------|-------------------------|--------------|
| | Covered areas in sq ft. | No. of seats |
| India | | |
| Noida | 202,220 | 3,165 |
| Pune | 15,810 | 150 |
| Chennai | 5,905 | 65 |
| | 223,935 | 3,380 |
| North America | | |
| Sacramento, CA, USA | 9,500 | 60 |
| Ontario & Vancouver, Canada | 1,734 | 16 |
| | 11,234 | 76 |
| APAC | | |
| Singapore | 5,544 | 56 |
| Malaysia | 6,434 | 81 |
| Thailand | 1,534 | 13 |
| Indonesia | 2,571 | 58 |
| China | 1,675 | 13 |
| | 17,758 | 221 |
| Europe | | |
| Romania | 23,659 | 177 |
| Poland | 11,143 | 93 |
| Moldova | 4,499 | 60 |
| | 39,301 | 330 |
| Total | 292,228 | 4,007 |



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. The 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 4,100+ technology expeditioners across eighteen (18) 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, InsureTech, 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.

For further information, please contact:

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