

birlasoft[®]

ENTERPRISING. BEYOND.

Enabling Enterprises in Their Next
Phase of Digital Growth



Equity Research Report

2nd February 2026

Rating



FIN2RESEARCH

Investment Advisor Pvt. Ltd.

Company: BIRLASOFT LIMITED

NSE Code: BSOFT

Sector: INFORMATION TECHNOLOGY

birlasoft

CMP: Rs.425.00 | Buy Range: Rs.420 – 430 | Target 1/2: 477/520 | Potential Upside: 20.25% | Recommendation: Buy

| Stock Info: | |
|-------------------------|----------|
| Market Cap (Rs.in Cr) | 11364.99 |
| 52-Weeks High/Low | 564/330 |
| Avg. Volume (Lakhs) | 7.55 |
| No. of eq. shares (Cr.) | 27.95 |
| Face Value | 2 |
| BSE Code | 532400 |
| NSE Code | BSOFT |
| Free Float (Cr.) | 6718.23 |

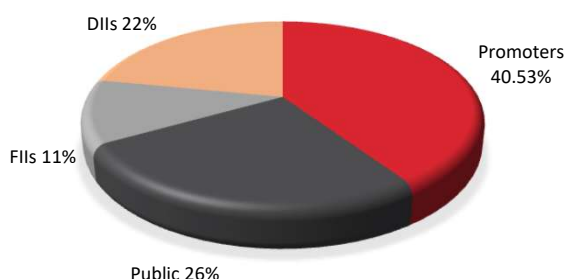
Birlasoft Limited is a global IT services company focused on next-generation digital transformation across Cloud, AI, Data, and enterprise solutions. Leveraging deep industry expertise and advanced digital capabilities, it helps clients drive faster, scalable, and resilient business transformation. Established in 1990, the company has built a strong reputation for innovation and execution excellence. Birlasoft offers end-to-end services across Data & Analytics, Digital and Cloud, ERP, and Infrastructure Management, enabling enterprises to become future-ready and enhance customer experience.

| Particulars | 2024 | 2025 |
|-------------------|--------|--------|
| P/E | 36.8 | 18.6 |
| EPS(in Rs.) | 10.66 | 10.68 |
| ROCE | 25.70% | 18% |
| EBIT Margin | 15.80% | 13% |
| P/B | 6.72 | 3.1 |
| EV/EBITDA | 20.34 | 11.19 |
| EV/EBIT | 22.36 | 12.52 |
| ROE | 22.20% | 15.60% |
| Net Profit Margin | 11.80% | 9.60% |

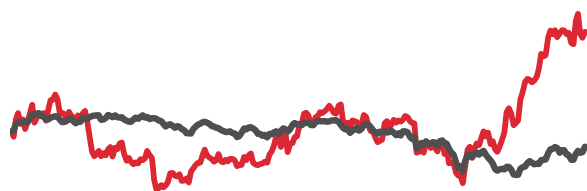
Key Highlights:

- **Birlasoft delivered a resilient quarterly performance**, with operating revenue at ₹13,480 million in Q3 FY26, registering a **1.1% YoY decline** but a **1.4% QoQ growth**, reflecting early signs of stabilization despite a challenging global demand environment.
- **Operating profitability improved sharply**, with EBITDA rising **49.4% YoY to ₹2,450 million**, supported by strong execution, cost optimization initiatives, and operating leverage. **EBITDA margin expanded to 18.2%**, a significant improvement over **12.0% in Q3 FY25**, highlighting management's focus on margin recovery. **Operating PAT grew 44.9% YoY to ₹1,477 million**, with **PAT margin improving to 11.0%** from 7.5% last year, indicating sustained profitability gains. EPS for the quarter stood at ₹4.30, up 1.7% YoY.
- **The company continues to strengthen its deal pipeline**, supported by investments in **AI/GenAI, data, cloud, and digital engineering**, positioning Birlasoft to capture incremental spending as enterprise tech budgets normalize. **Cloud, digital, and data-led engagements remain key growth drivers**, with increasing traction across **manufacturing, BFSI, and lifesciences verticals**, aided by strong hyperscaler partnerships (AWS, Oracle, Microsoft). **The company maintained disciplined cost control**, with operating expenses (ex-depreciation) declining **8% YoY**, reinforcing its ability to protect margins even in a subdued revenue environment.
- **Management remains cautiously optimistic on near-term demand**, a healthier deal funnel, and expected recovery in discretionary spends over the next few quarters. **Over the medium term, Birlasoft is well positioned to benefit from secular digital transformation trends**, including cloud migration, AI adoption, platform modernization, and data-driven enterprise decision-making, supporting sustainable growth and margin expansion.

Shareholding Pattern



Stock Performance



— Price BSOFT — Price Nifty 500

Key Risk:

The Company encounters a range of risks and fluctuations in the external operating landscape. Challenges include restricted pricing flexibility due to intense competition from major players within the global IT sector. Moreover, issues such as fluctuations in foreign currency, difficulties in attracting and retaining talent, and macroeconomic pressures in significant markets like the US and Europe continue to present challenges. The increased interest rates and extended decision-making periods of customers further complicate matters. Additionally, any notable regulatory obstacles could affect the Company's operations.

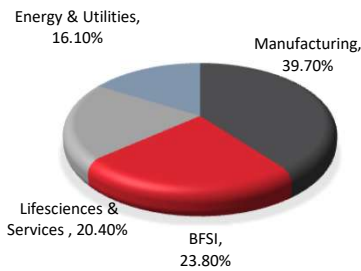
CMP: Rs.425.00 | Buy Range: Rs.420 – 430 | Target 1/2: 477/520 | Potential Upside: 20.25% | Recommendation: Buy

SWOT ANALYSIS

STRENGTHS

Diversified Industry Vertical Focus:

Revenue is spread across key sectors, including Manufacturing (39.7%), BFSI (23.8%), Lifesciences & Services (20.4%), and Energy & Utilities (16.1%), reducing total reliance on any single industry.



Robust Strategic Partnerships:

Birlasoft maintains deepening alliances with global technology leaders, including Microsoft, AWS, Oracle, ServiceNow and Aisera. The company was among the first to be audited for Microsoft's "AI Design Wins" and earned AWS's Manufacturing and Industrial Services Competency.

Strategic Partnerships | Microsoft, AWS, Oracle, ServiceNow and Aisera.

Strong Financials | Cash and cash equivalents rising 27.1% YoY to ₹ 22,177 million. Total contract value (TCV) for the year reached \$758 million.

Technological Innovation and AI Leadership:

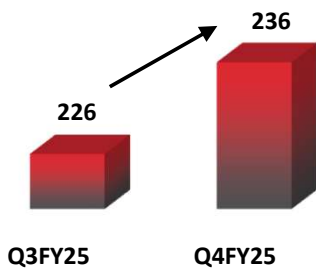
The company is a front-runner in emerging technologies, having launched a GenAI Centre of Excellence and proprietary platforms like Cogito and Eagle Insights. Its "AI for All" initiative aims to integrate Agentic AI into every phase of software engineering to improve efficiency and time-to-market.



TCV (Total Contract Value) Momentum:

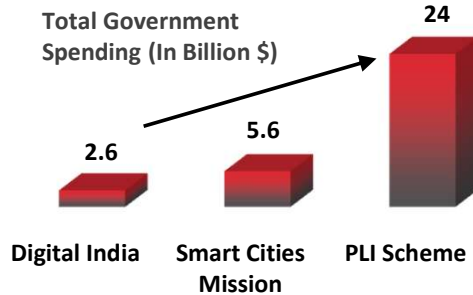
Company is expanding its footprint in high potential markets where it has traditionally had a much smaller footprint. The quantum of deal wins during the year under review, with total contract value worth \$758 million secured.

Company's TCV (In Million \$)



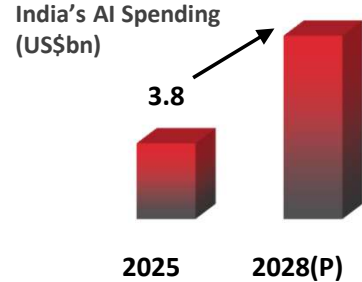
Supportive Government Initiatives:

Government programmes such as 'Digital India', 'Make in India', the Smart Cities Mission, and Production Linked Incentive (PLI) schemes for electronics manufacturing are creating a conducive environment for the technology sector. These initiatives stimulate demand, encourage domestic manufacturing and innovation, and aim to improve digital infrastructure nationwide.



Accelerating AI Transformation:

The growing use of AI and machine learning, along with rising adoption of cloud computing and the critical need for cybersecurity, is driving strong demand for next-generation IT services. Birlasoft, is well positioned as a frontrunner and a direct beneficiary of this multi-year digital transformation opportunity in India.

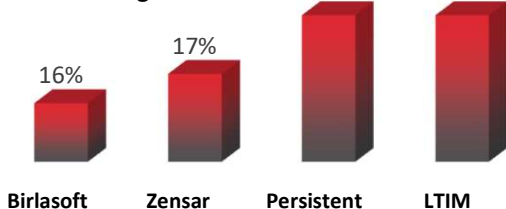


OPPORTUNITIES

WEAKNESSES

- Higher Client Concentration Risk:** Birlasoft's revenue base is narrower. Its top 20 customers account for 65.2% of total revenue.
- Inferior Growth & Profitability Margins:** Birlasoft's margin profile is weaker than its direct peers. Birlasoft reported an EBITDA margin of 16.0% last quarter. Also, revenue growth was significantly lower than its mid-tier competitors. Birlasoft reported a 1.8% revenue growth.

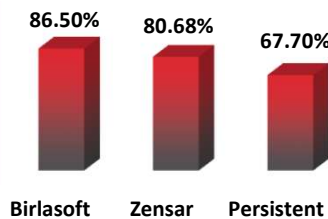
EBITDA Margins:



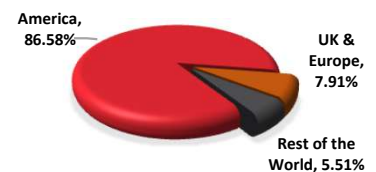
THREATS

- Extreme Geographical Concentration:** Birlasoft is more reliant on the America than its peers.
- The Manufacturing vertical "took a massive hit,"** which pulled Birlasoft's total overall growth down to a tiny 1.8%.
- Conversion Challenges:** Management admitted that Birlasoft has struggled to "convert deals fast enough" to drive growth.

% of revenues from America

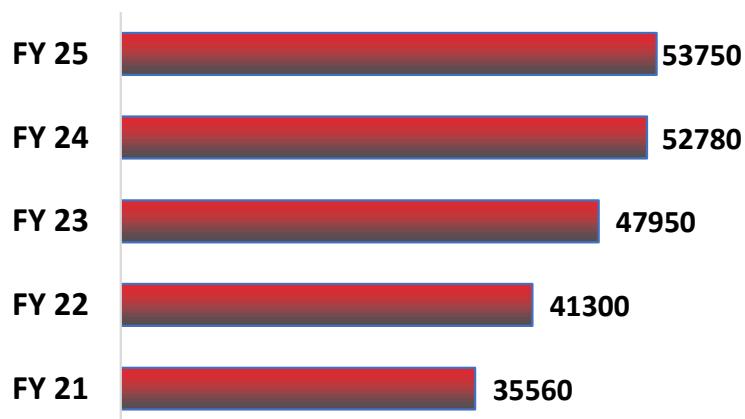


% Revenue Split

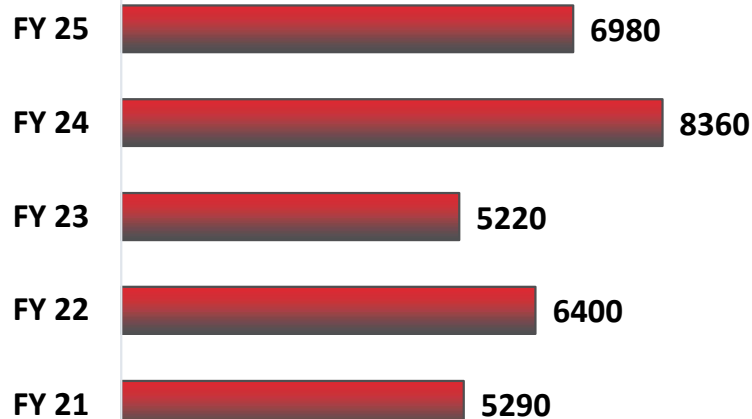


Financial Highlights

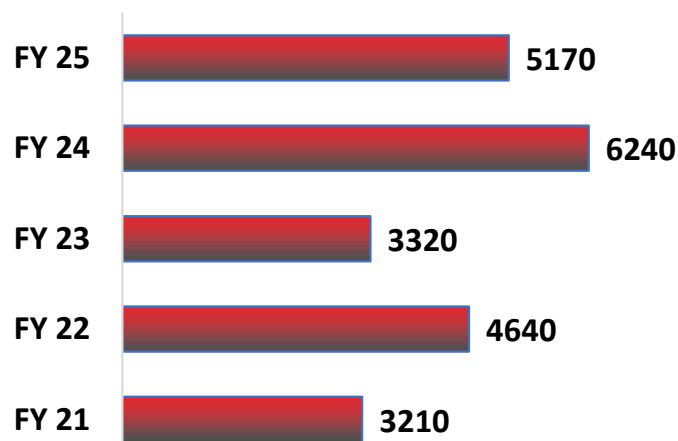
Revenue (in Million ₹)



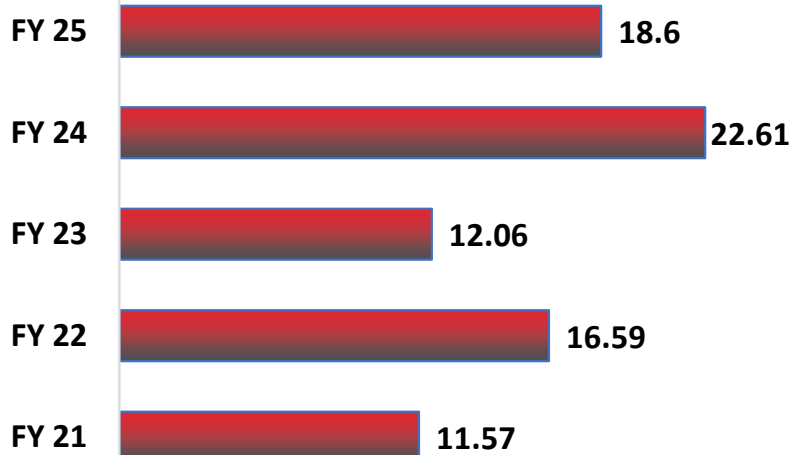
EBITDA (in Million ₹)



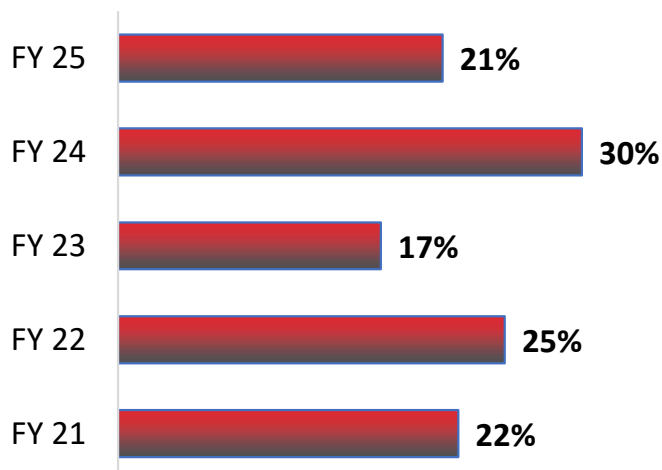
Net Profit (in Million ₹)



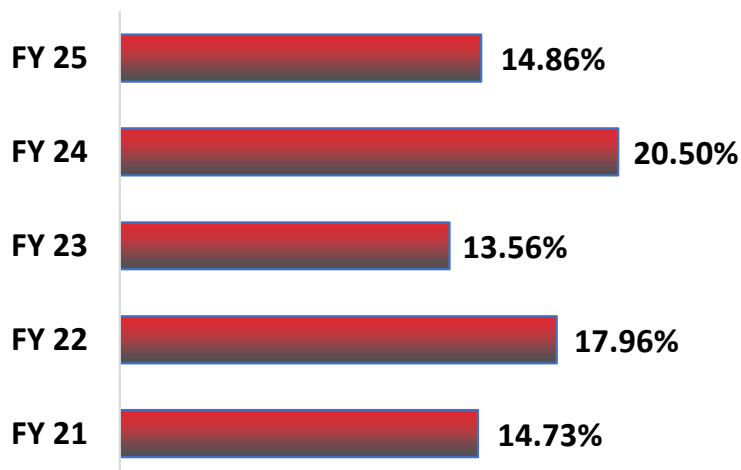
EPS (in ₹)



ROCE (%)



ROE (%)





CLOUD COMPUTING



INDUSTRY



AI & MACHINE
SECURITY



FERATAMAG



PRETUATION



MARKET GROWTH
& INNOVATION

INDUSTRY OVERVIEW

(Powering Digital-First Enterprises)



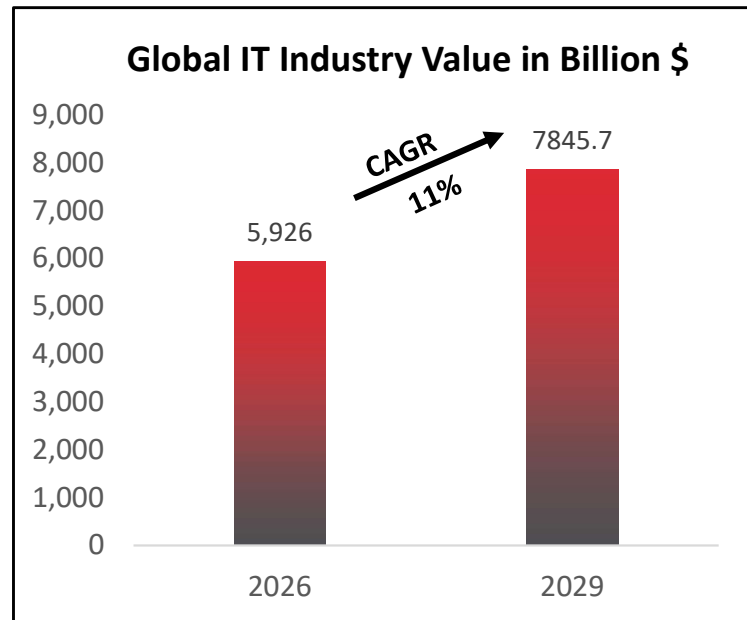
Global Industry Overview

- India's economy is projected to expand by 6.2% in FY 2025-26. By 2030, India is expected to become the world's third-largest economy, propelled by infrastructure investment, private capital expenditure, and the expansion of financial services.
- The industry has moved past the "experimental" phase of AI and into a "deployment" phase, where companies are spending heavily on the physical infrastructure required to run these models. By 2029, the IT industry is expected to nearly double in size, reaching roughly **\$7845.7 Billions**.

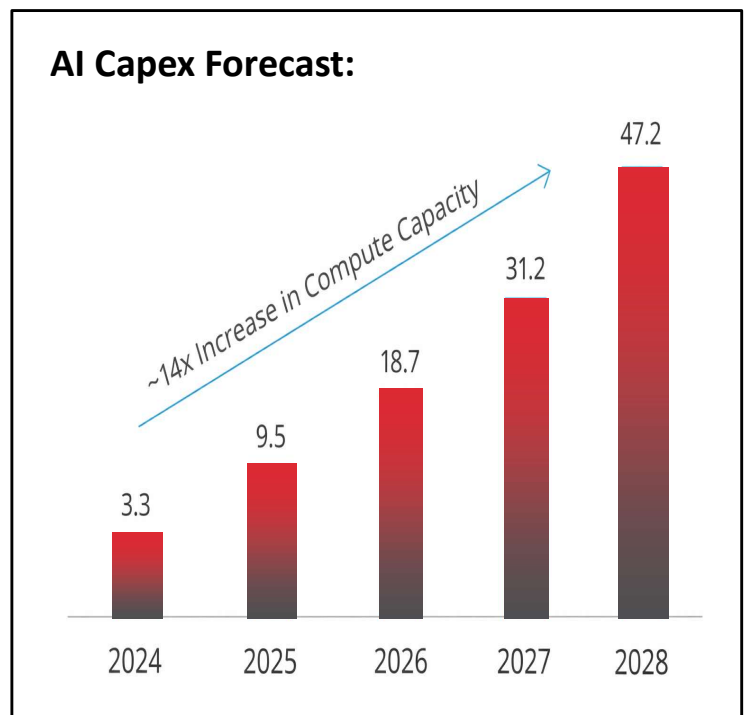
In summary: The next five years represent the transition from **Information Technology** (storing/moving data) to **Intelligence Technology** (generating/acting on data).

Growth Drivers and Key Trends:

- **Generative AI becoming a key driver of record hardware investments:** Global capital expenditures on GenAI infrastructure are expected to reach US\$376 billion by 2026, marking a decisive shift from experimentation to enterprise-wide deployment. Enterprises are no longer just investing in infrastructure, they are beginning to realize multi-channel monetisation, marking a clear shift from capital-intensive build outs to scalable value creation. Over the coming years, an estimated ~US\$1 trillion is expected to be invested by technology firms, enterprises, and utilities in data centers, AI accelerators, infrastructure, and power grid modernisation, laying the groundwork for GenAI to become a core enabler of productivity and growth.
- **Strategic Imperative:** : AI is no longer a future bet, it is a core capability. Long-term investments in AI infrastructure, models, and operational integration are essential for organisations to stay competitive, drive innovation.

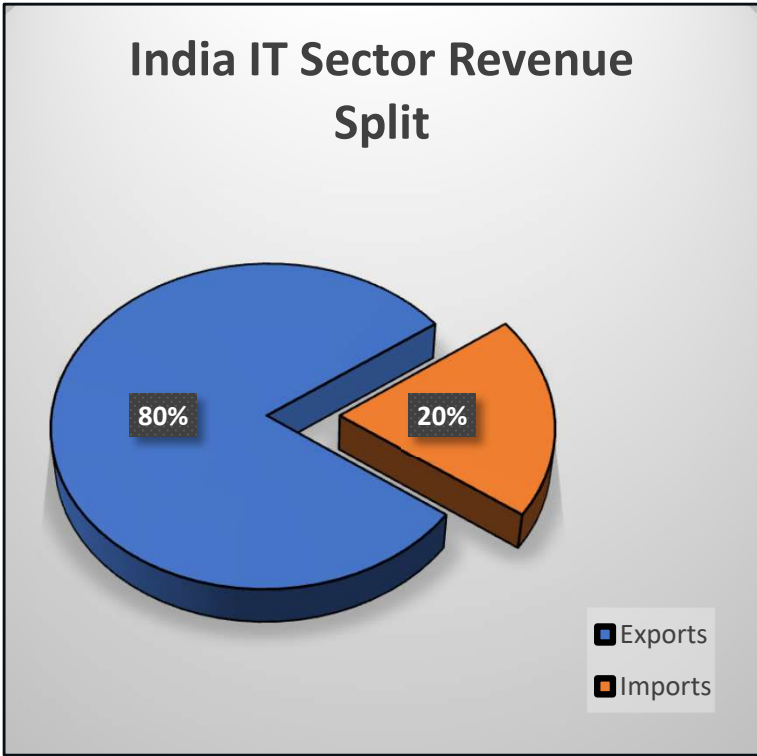


Source: Company's Annual Report



Source: Company's Annual Report

Indian IT Industry



Source: Company's Annual Report

Indian IT Landscape:

- India has 4th largest economy with a GDP of around \$3.91 Trillion, targeting US \$30 Trillion by 2047. **To achieve this target IT sector (one of the major heavyweights of Indian economy) will have play major part India's future growth path.** In 2025 Indian IT industry rose to an estimated \$264 Billion (a 4% growth year on year) and is ultimately expected to reach to level of around \$372.7 Billion by 2029.
- India remains leading destination for global tech outsourcing. Around 80% of our total revenue comes from exports. India allowing 100% FDI in IT plays a crucial role in sustaining the sector's momentum.

Growth Drivers:



Digital Transformation: Rapid enterprise digitisation is a major growth driver for the Indian IT industry. The Indian digital transformation market is estimated to have reached US\$710 billion by 2024.

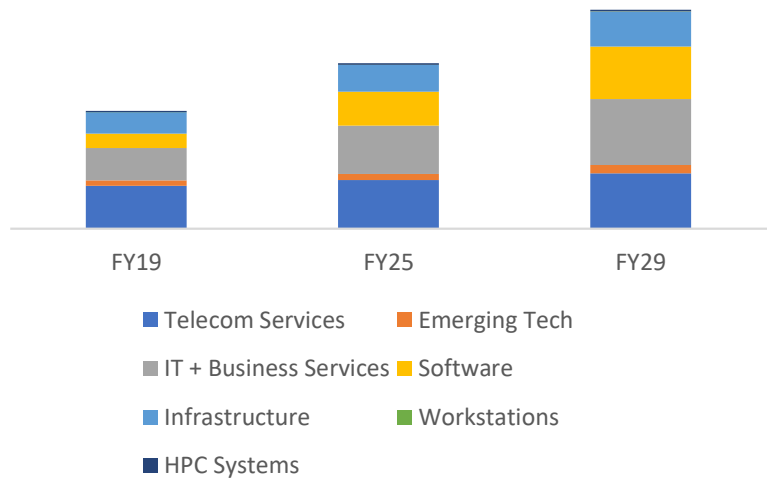


Global Outsourcing Demand: India remains a leading destination for global tech outsourcing. Indian IT exports account for roughly 18% of worldwide IT outsourcing spend.



Policy and Ecosystem Support: Government policies play a crucial role in sustaining the IT sector's momentum. India allows 100% FDI in IT.

Global IT Market by Segments (US\$ in bn)



| Particulars | FY19 | FY25 | FY29 |
|------------------------|--------|--------|--------|
| Telecom Services | 1535.7 | 1744.4 | 1989.2 |
| Emerging Tech | 193.3 | 220.4 | 298.1 |
| IT + Business Services | 1162.8 | 1733.2 | 2353.7 |
| Software | 514.8 | 1206.5 | 1883 |
| Infrastructure | 770 | 965.7 | 1255.3 |
| Workstations | 4.5 | 6.8 | 8.2 |
| HPC Systems | 37.8 | 49 | 58.2 |

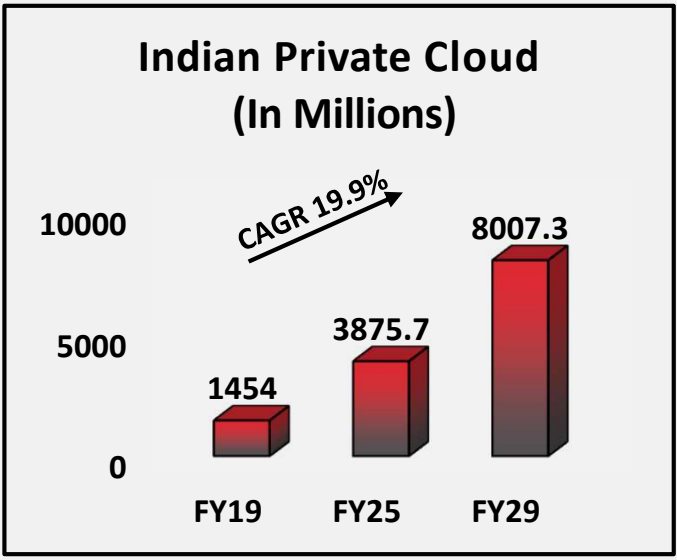
Source: Company's Annual Report

Industry Overview

Private Cloud Market Overview

Indian Private Cloud Market:

- India's Private Cloud stood at US\$ 1454 Mn in FY19 and is projected to grow at a 19.9% CAGR to USD 8007.3 Mn by FY29E, driven by surging demand for scalable, secure, and localized infrastructure.
- Private cloud industry in India is being driven by the rising demand for scalable, secure, and agile IT environments amid accelerating digital transformation across industries. Enterprises are increasingly shifting towards private cloud for greater data control, regulatory compliance, and improved security, especially with the data localisation mandates gaining momentum.



Source: Company's Annual Report

Global Spending on Cloud Services is Projected to Surpass \$1 Trillion by 2027

Cloud Computing Expected to Become Essential for Business Survival by 2028

In India, 80% YoY rise in adoption seen during early phases of digital acceleration

Source: Company's Annual Report

Growth Drivers:

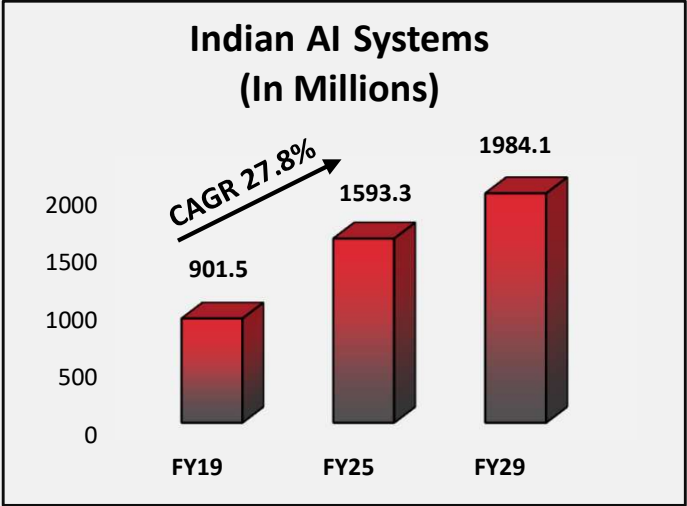
- Private cloud environments offer greater control, lower latency, and improved data governance, critical for sectors handling sensitive information, such as banking, telecom, and healthcare.
- Hybrid and Multi-Cloud Adoption:** Increasing demand for flexibility leads organizations to balance on-premises infrastructure with cloud services to optimize performance and control costs.
- AI-Native Operations:** The integration of AI and automation into cloud management is streamlining operations, improving efficiency, and accelerating the pace of innovation.
- Everything-as-a-Service (XaaS):** The acceleration toward SaaS, PaaS, and IaaS models is critical for creating new business models that can thrive in a "work-from-anywhere" paradigm.
- Cost and Scalability:** Organizations are migrating to the cloud to address cost optimization, higher up-time, and rapid scalability necessitated by upcoming growth cycles.

Industry Overview

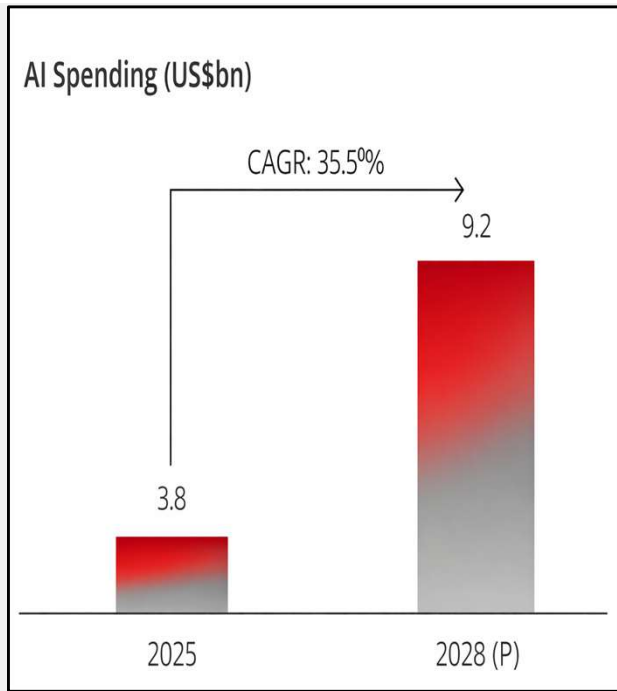
Data Centre & AI Market Overview

Indian Data Centre & AI Market:

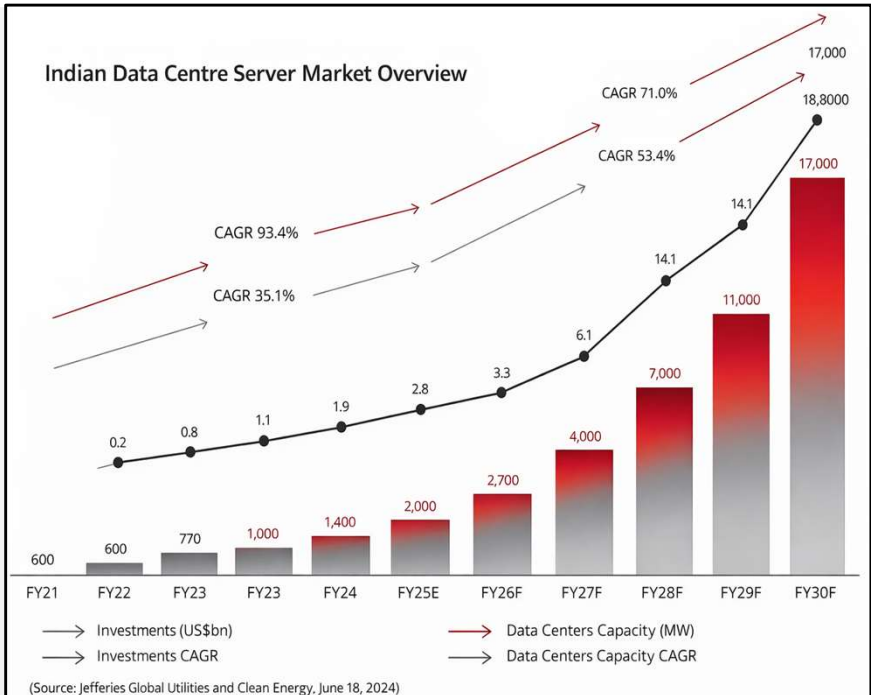
- India's AI Systems market is projected to grow at a 27.8% CAGR (2025-2029), driven by the India AI Mission (INR 10,300 cr), GenAI/LLM adoption, and demand in BFSI, oil & gas, and automotive sectors.
- India's data centre ecosystem is undergoing a structural transformation, powered by the exponential growth of AI workloads, expanding cloud adoption, and strong policy tailwinds such as data localisation mandates and the IndiaAI Mission. As enterprises and hyperscalers invest in compute-intensive applications, India is emerging as a next generation data hub for the region, bridging the Middle East and Southeast Asia.



Source: Company's Annual Report



Source: Company's Annual Report



(Source: Jefferies Global Utilities and Clean Energy, June 18, 2024)

Growth Drivers:

- **Agentic AI for Productivity:** The emergence of **Agentic AI**—autonomous agents that can solve complex challenges and execute workflows—is significantly reducing time-to-resolution and boosting operational efficiency.
- **Decision Intelligence:** Enterprises are prioritizing the creation of a **"single source of truth"** using Data Lakes and AI-powered analytics to provide real-time, actionable insights for business leaders.
- **DeepTech Intensity:** There has been a **sixfold increase in DeepTech intensity** (IoT, Blockchain, and RPA) recorded post-pandemic, as these technologies get ingrained across sales, customer service, and operations.
- **India's Talent Reservoir:** India is positioned as the **"Digital Talent Nation,"** with the demand for AI-specific talent expected to grow at a **15% CAGR through 2027**, supported by an annual influx of 2.5 million STEM graduates.
- **Experience-Led Transformation:** A shift toward **"Experience-Led Everything"** utilizes data to design personalized, immersive customer journeys, reducing churn and building long-term brand loyalty.



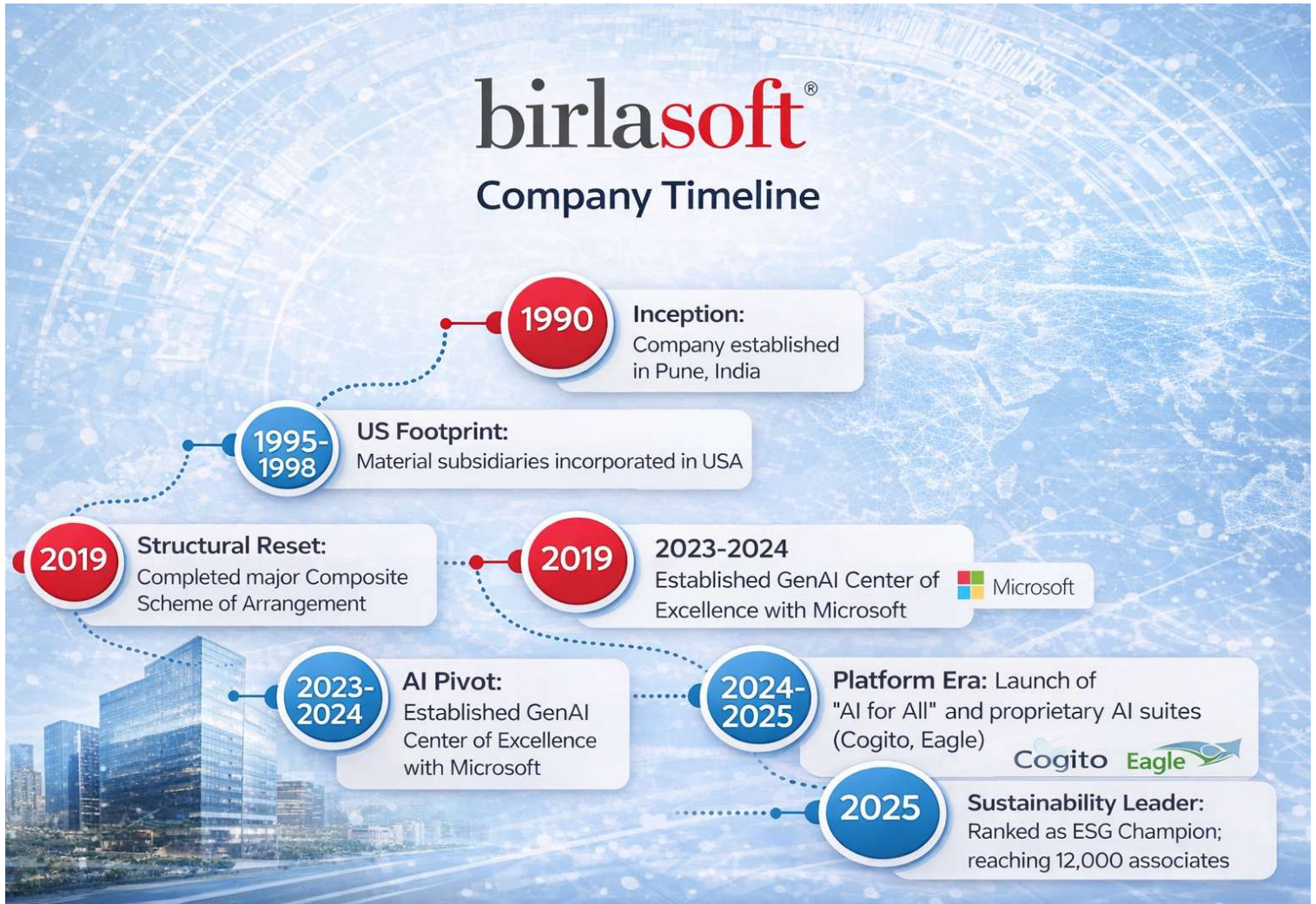
BUSINESS OVERVIEW

(Scaling Digital Capabilities Across Core Industries)



Business Overview

Birlasoft Limited, established in 1990, has grown into a leading global provider of IT services and digital transformation solutions. Part of the multibillion-dollar CKA Birla Group, which carries a 170-year legacy, the company achieves annual revenues of \$635.4 million and employs a specialized global workforce of nearly 12,000 associates. Birlasoft maintains an extensive international footprint across 16 countries, with 91% of its total turnover derived from exports, serving a diverse client portfolio that includes major global enterprises in the America, Europe, and the Asia-Pacific. The company operates through three realigned core service segments: (i) Digital and Data, which is the primary growth engine contributing 55.2% of revenue; (ii) Enterprise Resource Planning (ERP), accounting for 34.4%; and (iii) Infrastructure and Cloud technology at 10.4%. These service lines cater to four key industry verticals: Manufacturing (its largest sector), Banking, Financial Services, and Insurance (BFSI), Lifesciences & Services, and Energy & Utilities. Birlasoft delivers holistic, end-to-end solutions that modernize core operations and boost agility for its global clientele.

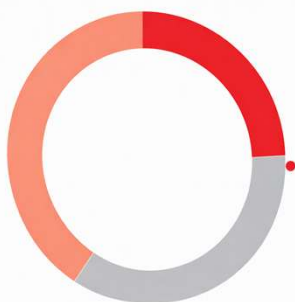


Source: Company's Annual Report

Key Milestones:

In its Digital & Data vertical, the company leverages Analytical AI and GenAI to deliver predictive analytics and application modernization, while its Infrastructure division achieved a significant 19.1% growth in FY 2024-25 by integrating next-gen Agentic AI into cloud and cybersecurity solutions. The company's leadership in enterprise solutions is underscored by its unrivaled ERP expertise, having completed 240 JD Edwards (JDE) implementations over the last decade and maintaining a specialized "ZeROism in ERP" framework that enables leaner, future-ready architectures for the mid-tier market. Birlasoft is a frontrunner in emerging technology, being among the first to be audited for Microsoft's "AI Design Wins" and holding the AWS Manufacturing and Industrial Services Competency, supported by over 1,500 trained engineers.

Client Concentration



Source: Company's Annual Report

Business Overview

Diversify Industry Application:

Birlasoft Limited operates across four primary industry verticals, providing mission-critical IT services and digital solutions to global enterprises. Its portfolio is deeply integrated with the global shift toward **AI-led transformation** and India's evolving role as a premier hub for technology and innovation. In the **BFSI** segment, Birlasoft specializes in **core banking transformation** and **digital lending**, enabling institutions to modernize legacy systems for greater agility. The company uses **GenAI** to streamline insurance submissions, automate the **underwriting process**, and simplify complex document intake for faster decision-making. In the **Energy & Utilities** sector, Birlasoft leverages over **25 years of domain expertise** to modernize infrastructure and streamline global operations. By integrating **AI/ML, IoT, and ERP**, it provides real-time intelligence and visibility across the entire energy value chain. Birlasoft's manufacturing solutions focus on building **smart factories and resilient supply chains**. The company digitizes operations by integrating **MES and WMS platforms** to improve shop-floor visibility and reduce material waste. In Lifesciences, Birlasoft drives transformation across **R&D and commercialization** using AI and advanced analytics. Overall, Birlasoft's offerings modernize core operations to enhance agility and patient outcomes across these critical global sectors.

Manufacturing

- Industrial Automation
- Smart Factory Solutions
- Product Lifecycle Management
- Supply Chain Optimization

Banking, Financial Services & Insurance (BFSI)

- Core Banking Transformation
- Digital & Mobile Banking
- Wealth & Asset Management
- Risk & Compliance Solutions

Lifesciences & Services

- Clinical Trials & Regulatory
- Pharmacovigilance & Compliance
- Laboratory Information Management
- Commercial & Sales Operations

Energy & Utilities

- Asset Performance Management
- Renewables & Smart Grid
- Exploration & Production
- Energy Trading & Risk Management

Segment Overview

Digital and Data Services

Birlasoft's Digital & Data Services segment is the primary engine for digital transformation, contributing 55.2% to the company's total consolidated revenue.



Nearly **\$300M**
Annual Revenue Scale

Source: Company, Annual report, Q2 FY 2026 Earnings Call

Segment Overview

Birlasoft's Digital and Data Services segment is the primary engine for digital transformation, contributing **55.2%** to the company's total consolidated revenue. **+0.5%**

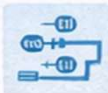
Segment Overview



Advanced Analytics & GenAI
Providing predictive capabilities and faster decision-making



Application Modernization
Reducing technical debt while building scalable, future-ready ecosystems



Enterprise Integration
Connecting disparate business systems for seamless data flow



Digital Manufacturing
Utilizing the bMACH™ approach for smart factories and resilient supply chains.

Revenue Growth

+0.8%
Annual Revenue FY 2025

Digital & Services



Key Customers & Success Stories

- TMV Enterprises**
Building a scalable Data Lake
- Eninb**
Implemented Inater Ine.seratiore Integrate.
- Major U.S. P&C Carrier**
Delivering Agentic AI Solution acromovation
- Ai Lynx**
License Ufersted
- Large Payments & Banking Client**
Winning configuration management deal for their core banking platform
- Martin Marietta** > **ServiceNow**
Enhancing ERP resilience using proprietary tools

Investment Focus

- 4% R&D & Capex Allocation** towards digitalization and IT initiatives
- Investment in green infrastructure** supporting sustainable delivery

Key Customers & Success Stories

- Cogito** Generative AI
Generative AI Platform
- EAGLE**
AI Decision (ntelligence Platform
- Lynx**
Law-Code Automation Platform
- Microsoft Lynx**
Microsoft® AI Design Wins® Audit

Triggers & Outlook

- Sequential Revenue Growth**
TCV Aspiration: \$800M-\$850M
- AI-Led Pipeline**
New deal conversations are Ina; Lint.

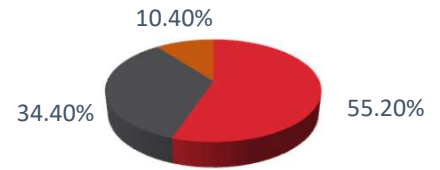
Segment Overview

Infrastructure & Cloud Technology:

On one hand digital & data segment focuses on the software, the data, and the actual apps that customers and employees use to get work done, the **Infrastructure & Cloud Technology** focuses on "plumbing" of IT—the servers, the security, and the internet connections that keep everything running 24/7.

- **Goal:** To make sure the company's systems are fast, safe, and never crash.
- **Simple Example:** If that same bank needs to move all its data to a secure "Cloud" server so it doesn't get hacked, that is **Infrastructure (IMS)**.
- **Agentic AI & Intelligent Workplace:** This uses AI "agents" (like digital bots) to fix IT problems automatically.

Segment Revenue Split



- Digital and Data
- Enterprise Resource Planning
- Infrastructure and Cloud technology

Source: Company's Annual Report

Financial Highlights

Segment Overview



Cloud Transformation
End-to-end cloud migration, strategy, and operations.



₹ 5590 Million
Revenue Growth YoY terms



+19.1%
YoY terms



Specialized Frameworks
Utilization of proprietary tools like OneCloud, B-Assure, and Sigma



Intelligent Workplace
Integration of Agentic AI to drive seamless service integration automated productivity gains



Growth

Investment Highlights

₹ 370 Mn

Infrastructure Upgrades

- Invested in green retrofits and hardware upgrades



81% Socio-Environmental Efficiency

Capex dedicated to sustainable spaces; efficient HVACs and LED lighting

✓ **Green Campus in Mumbai**



Green Campus in Mumbai

Transitioned Mumbai campus to a state-of-art Green Building

Key Customers Boosting Triggers FY 26 Outlook

Torani Inc.

- Scalable Warehouse System



Attained AWS Manufacturing 200+ AWS certifications



Sequential Revenue Growth in H2 FY 2026

TMV Enterprises

Engaging Cloud-based Data Architecture



Consumed Revenue



TCV Aspiration: \$800M-\$850M

Martin Marietta

Enhanced ERP resilience



Exclusive ServiceNow Product Advisory



Margin Improvement
Margins projected to improve as scale increases



GenAI Integration with ServiceNow Birlasoft Lynx Software Testing



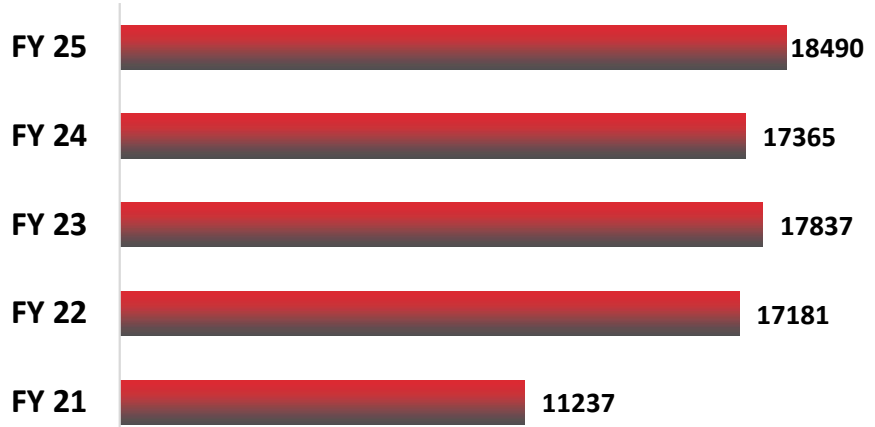
Segment Overview

Enterprise Resource Planning:



Source: Company's Annual Report

ERP Segment Revenue in ₹ Million



Source: Company's Annual Report

Segment Explanation:

Birlasoft provides end-to-end ERP transformations across major platforms including **SAP, Oracle, and Microsoft Dynamics 365**. The segment focuses on:

- **Modernizing the Core:** Transitioning legacy systems to leaner, modular, and future-ready architectures.
- **Proprietary Frameworks:** Utilizing the "ZeROism in ERP" framework to minimize technical debt and a "Composable ERP" approach for agility.
- **Specialized Expertise:** Unrivaled depth in **JD Edwards (JDE)**, having completed **240 implementations** over the last decade.

Financial Performance (FY 2024-25):



Source: Company's Annual Report

Investment and Capex:

- **Technology Assets:** The Group spent ₹ **1,493.90 million** on purchases of equipment and software licenses during the year.
- **Infrastructure Support:** Total Group investment in infrastructure and hardware upgrades reached ₹ **369.7 million** to support global delivery.
- **Innovation Funding:** Strategic investments were made in the **GenAI Center of Excellence** to embed AI capabilities within the ERP service line.

Key Customers and Triggers:

- **Martin Marietta:** Using Birlasoft's proprietary **IMPACTA tool**.
- **Ardagh Metal Packaging:** Integrated Manufacturing Execution Systems (MES) and Warehouse Management Systems (WMS) with the client's existing ERP to digitize workflows.
- **GenAI Bot for Oracle:** Launched a conversational automation tool that provides real-time insights for Oracle ERP users.
- **"JDE to 2030":** JDE is expected to remain on-premise until at least 2030; Birlasoft is uniquely positioned to capture this long-term support and eventual migration market.

2026 Outlook:

- **Leadership & Structural Refresh:** Management has initiated a structural changes specifically within the ERP and Manufacturing businesses to return them to growth.
- **Mid-Market Opportunity:** Birlasoft expects to move from "mega-deal" spenders to **mid-tier clients**, where they hold a competitive edge.
- **Sequential Improvement:** Management is confident in delivering **sequential revenue growth** in the second half of the year (Q4), projecting H2 to be operationally stronger than H1.

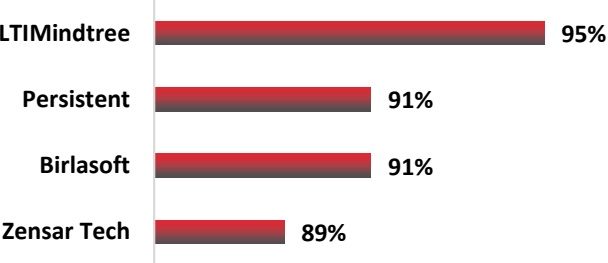
Segment Overview

Key Customers:

| | |
|---|--|
| Building Materials | <p>Building Materials</p> <p>Consolidated fragmented ERP systems, enhanced disaster recovery resilience</p> <ul style="list-style-type: none"> Current highs ● |
| Packaging Manufacturing | <p>Ardagh Metal Packaging</p> <p>Implemented Manufacturing Execution Systems (MES) & Warehouse Management Systems (WMS) ●</p> <ul style="list-style-type: none"> Built ● |
| Conglomerate | <p>TMV Enterprises</p> <p>Built a robust Data & Analytics solution on Google Cloud</p> <ul style="list-style-type: none"> Built ● |
| Medical Equipment Diversified Conglomerate | <p>CK BIRLA GROUP Related Party Customers</p> <p> CK BIRLA</p> <p>Services for Orient Cement, Orient Electric, CK Birla Healthcare, CK Birla Corp, etc.</p> |

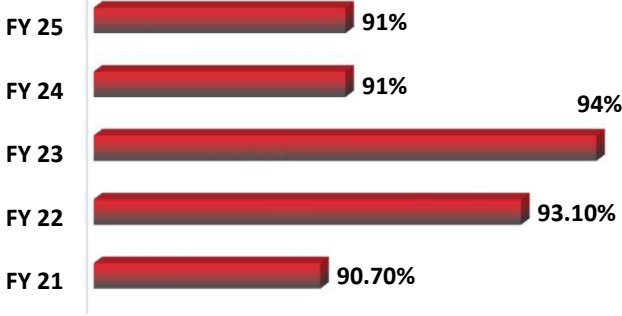
Source: Company's Annual Report

Export Market Share



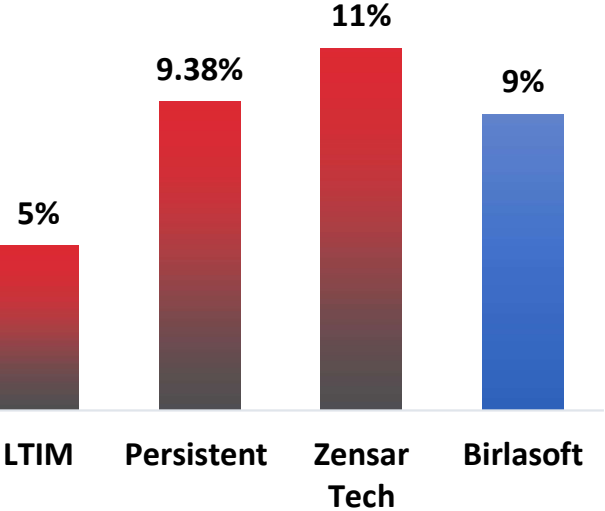
Source: Company's Annual Report

Birlasoft's Export Market Share



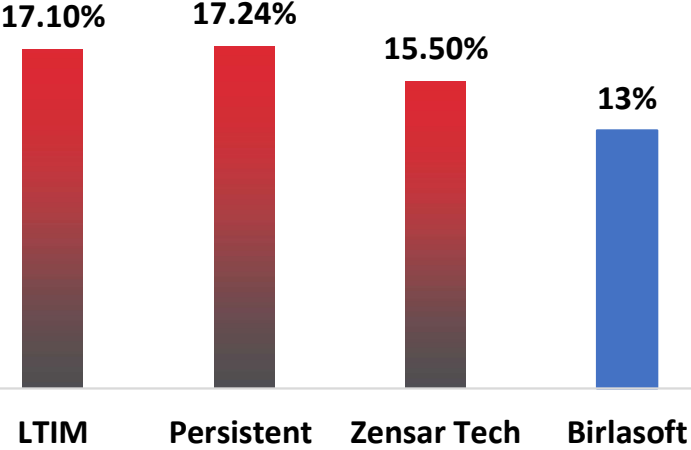
Source: Company's Annual Report

Domestic Market Share



Source: Company's Annual Report

OPM Margins FY 25



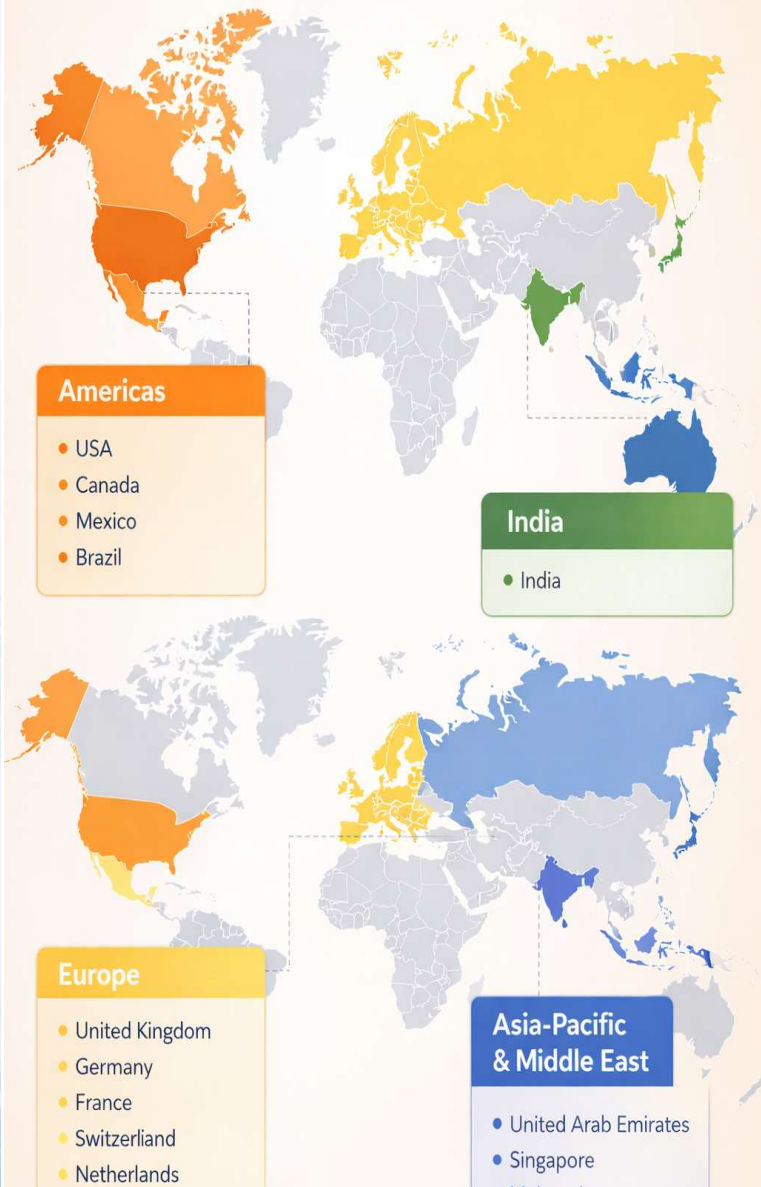
Source: Company's Annual Report

Business Overview

Birlasoft Business Offices Worldwide



Birlasoft Export Markets Around the World



Source: Company's Annual Report

Birlasoft's maintains a robust global network with **eight national offices in India**—including its Pune headquarters and key centres in Noida, Bengaluru, and Hyderabad—and **21 international locations** spanning 16 countries. Its significant overseas presence covers the **Americas, Europe, and the Asia-Pacific region**, with major offices in cities like New York, London, and Dubai. The company's customer base is heavily export-oriented, with **91% of total turnover derived from international markets** and a dominant **86.5% revenue contribution from the Americas**. Birlasoft partners with **Fortune 1000 and Global 2000 corporations** across diversified verticals, led by **Manufacturing (39.7%), BFSI (23.8%), and Lifesciences (20.4%)**. Notable marquee clients include industry leaders such as **Martin Marietta, TMV Enterprises, and Torani Inc.**, for whom the company delivers business-critical digital transformations. This extensive reach is reinforced by strategic alliances with technology giants like **Microsoft, AWS, and SAP**, allowing its **nearly 12,000 professionals** to co-innovate and support clients globally.

MANAGEMENT OVERVIEW



**Leadership-Led Transformation
with a Focus on Long-Term Value**

Board Of Directors

**Mr. Chandrakant Birla (Chairman)**

Leads the C.K. Birla Group, a diversified conglomerate with presence across technology, manufacturing, healthcare, education, and building materials with a legacy spanning over **170 years**. Known for prudent capital allocation and strategic clarity, he emphasizes sustainable growth.

Ms. Amita Birla (Co-Chairman)

Ms. Amita Birla has played a defining role in the Group's evolution and diversification. She established Birlasoft and guided its growth into a globally respected IT services company known for delivery excellence and emerging technologies. She is actively involved in the Group's healthcare initiatives in India

**Mr. Angan Guha: (CEO & Managing Director)**

previously served as CEO Americas 2 at Wipro and was a member of its Executive Board and Group Executive Council. An Electronics Engineer from the University of Pune, he has also completed an executive management program from the Booth School of Business, University of Chicago.

Mr. Ananth Sankaranarayanan: (Independent Director)

Entrepreneur and investor in India's consumer internet space. Founder & CEO of **Mensa Brands**, focused on building scalable, tech-led consumer brands from India. Serves as Chairman of the Nomination & Remuneration Committee and a Member of the Audit & Risk Management Committee.

**Ms. Satyavati Berera: (Independent Director)**

A Chartered Accountant and Economics graduate from Lady Shri Ram College, Delhi University. Serves as Chairperson of the Audit Committee and is a Member of the Corporate Social Responsibility and Risk Management Committees.

Ms. Nidhi Killawala: (Independent Director)

Partner at Khaitan & Co LLP with expertise in corporate law, M&A, and venture capital. Alumna of NLSIU Bengaluru and a member of the Audit, Nomination & Remuneration, Stakeholders Relationship, and Risk Management Committees.

**Mr. Manish Choksi : (Independent Director)**

Associated with Asian Paints Limited since 1992, with extensive experience across sales, information technology, supply chain, international business, and HR functions. He is also Chairman of the Risk Management Committee and a Member of the Audit Committee.

The background features a blue-toned digital landscape with a glowing globe, a bar chart with an upward-pointing arrow, and a server rack on the right. On the left, there is a profile of a human head with a glowing, circuit-like brain. The Birlasoft logo is positioned at the top center, with 'birlasoft' in red and 'TECHNOLOGIES' in blue below it.

birlasoft[®]
TECHNOLOGIES

FINANCIALS & VALUATIONS SNAPSHOT

**Financially Resilient Backed
By Disciplined Execution**

Income Statement | Balance Sheet | Cash Flow

Quarterly Income Statement (In Millions)

| Particulars | Q3FY26 | Q3FY25 | YOY Growth | Q2FY26 | QoQ Growth |
|--|---------|---------|------------|---------|------------|
| Operating Revenue | 13480 | 13630 | (1.10%) | 13290 | 1.42% |
| Operating Expenses Excl. Depreciation | (11030) | (11990) | (8)% | (11160) | (1.16)% |
| Operating EBITDA | 2450 | 1640 | 49.39% | 2130 | 15.02% |
| EBITDA margin | 18.17% | 12.03% | | 16.02% | |
| Depreciation | (200) | (210) | (4.76)% | (200) | 0% |
| Operating Profit | 2030 | 1430 | 41.95% | 1930 | 5.18% |
| OP margin | 15.05% | 10.50% | | 14.52% | |
| Finance Cost | (60) | (70) | (14.28)% | (50) | 20% |
| Operating PBT | 1970 | 1360 | 44.85% | 1880 | 4.78% |
| Operating PBT Margin | 14.61% | 9.98% | | 14.14% | |
| Tax (25%) | (493) | (340) | 45% | (846) | (50)% |
| Operating PAT | 1477 | 1020 | 44.8%% | 1034 | 42.84% |
| Operating PAT Margin | 10.95% | 7.48% | | 7.78% | |
| Other income | (270) | 210 | (200)% | 121 | (250)% |
| PAT inc. Other Income | 1207 | 1230 | (1.87)% | 1155 | 4.50% |
| PAT Margin | 8.95% | 9.02% | | 8.69% | |
| No. of Shares (in millions) | 280.69 | 290.78 | (3.44)% | 276.98 | 1.34% |
| EPS | 4.30 | 4.23 | 1.65% | 4.17 | 2.70 |

Source: Company's Annual Report

Birlasoft delivered a solid Q3FY26 performance, with operating revenue of ₹13,480 million, marking a 1.1% YoY decline but a 1.4% QoQ growth, indicating gradual sequential recovery. Operating EBITDA rising 49.4% YoY to ₹2,450 million and 15.0% QoQ, while EBITDA margin expanded to 18.17% from 12.03% in Q3FY25. Operating profit increased 42.0% YoY to ₹2,030 million, with OP margin improving to 15.05% versus 10.50% last year. Finance costs declined 14.3% YoY to ₹60 million, supporting earnings growth. As a result, Operating PBT rose 44.9% YoY to ₹1,970 million. Operating PAT stood at ₹1,477 million, up 44.9% YoY and 42.8% QoQ, with margins improving to 10.95% from 7.48%. PAT including other income remained stable at ₹1,207 million, reflecting controlled non-operating items. Despite a 3.4% YoY decline in shares outstanding, EPS increased to ₹4.30 from ₹4.23, up 1.65% YoY. Overall, Birlasoft demonstrated strong margin-led earnings growth, driven by operating leverage and disciplined cost management, despite modest revenue growth.

Financial Statements

Income Statement (In Millions)

| Particulars | FY25 | FY24 | FY23 |
|-----------------------------|--------|--------|--------|
| Revenue | 53750 | 52780 | 47950 |
| Operating Expenses | 46780 | 44420 | 42730 |
| EBITDA | 6980 | 8360 | 5220 |
| EBITDA margin | 12.98% | 15.84% | 10.89% |
| Depreciation | 860 | 850 | 820 |
| Operating Profit | 6120 | 7510 | 4400 |
| OP margin | 11.39% | 14.29% | 9.18% |
| Finance Cost | 230 | 200 | 190 |
| Operating PBT | 5890 | 7310 | 4210 |
| Operating PBT Margin | 10.96% | 13.85% | 8.78% |
| Tax (25%) | 1473 | 1828 | 1053 |
| Operating PAT | 4417 | 5482 | 3157 |
| Operating PAT Margin | 8.22% | 10.39% | 6.58% |
| Other income | 1080 | 1040 | 220 |
| PAT inc. Other Income | 5497 | 6522 | 3377 |
| PAT Margin | 10.23% | 12.36% | 7.04% |
| No. of Shares (in millions) | 295.54 | 288.45 | 280 |
| EPS | 18.60 | 22.61 | 12.06 |

Cash Flow Statement (In Millions)

| Particulars | FY25 | FY24 | FY23 |
|--|-----------|-----------|-----------|
| Profit Before Tax | 3884.32 | 3962.43 | 2671.98 |
| Operating Cash Flow Before WCC Changes | 3662.92 | 4481.42 | 3908.90 |
| Total WCC Changes | (281.58) | 30.38 | 656.35 |
| Cash Flow From Operations | 3381.34 | 4511.80 | 4565.25 |
| Taxes Paid | (922.18) | (925.05) | (797.62) |
| Net Cash Flow From Operations | 2459.16 | 3586.75 | 3767.63 |
| Purchase of PPE | (406.66) | (3474.50) | 3902.31 |
| Net Cash Flow From Investing | (406.66) | (3474.50) | 3902.31 |
| Proceeds/(Repayment) of Borrowings | (338.17) | (355.78) | (362.90) |
| Interest Paid | (7.87) | (8.03) | (11.29) |
| Dividend Paid | (1795.82) | (1239.65) | (1249.50) |
| Proceeds from Equity | 116.65 | 98.54 | (4615.18) |
| Net Cash Flow From Financing | (1925.2) | (1504.92) | (6238.87) |
| Net Increase/(Decrease) in Cash | 128.42 | (1400.77) | 1420.22 |
| Cash at Beginning of Year | 532.21 | 532.21 | 1932.98 |
| Cash at End of Year | 660.63 | 1932.98 | 512.76 |

Balance Sheet (In Millions)

| Particulars | FY25 | FY24 | FY23 |
|--------------------------------------|----------------|-----------------|-----------------|
| Property Plant & Equipment | 847.21 | 969.38 | 1364.50 |
| Capital Work in Progress | 24 | 81.62 | 64.95 |
| Right Of Use Assets | 974.68 | 450.22 | 788.26 |
| Financial Assets | 6995.46 | 6682.36 | 4563.22 |
| Other Non Current Assets | 817.58 | 714.38 | 816.37 |
| Total Non Current Assets | 9658.93 | 8898.39 | 7597.30 |
| Inventory | 17.92 | - | 3099.92 |
| Receivables | 2541.44 | 3541.80 | 1845.01 |
| Cash & Bank Balance | 1738.76 | 855.89 | 2652.27 |
| Other Financial Assets | 230.66 | 88.17 | 14.77 |
| Other Current Assets | 1234.13 | 1107.41 | 988.55 |
| Total Current Assets | 11938.7 | 11282.42 | 8600.52 |
| Total Assets | 21642.7 | 20180.81 | 16197.82 |
| Common Share Capital | 555.75 | 551.87 | 549.74 |
| Other Equity | 15908.9 | 14130.11 | 11659.64 |
| Total Equity | 16464.6 | 14681.98 | 12209.38 |
| Provisions | 753.83 | 709.15 | 487.42 |
| Financial Liabilities | 846.76 | 251.21 | 599.17 |
| Other Non-Current Liabilities | - | - | - |
| Total Non-Current Liabilities | 1600.59 | 960.36 | 1086.59 |
| Short Term Debt/ Leases | 285.05 | 269.95 | 309.91 |
| Payables | 1040.95 | 2068.96 | 1045.72 |
| Other Financial Liabilities | 1372.85 | 1422.16 | 672.03 |
| Other Current Liabilities | 878.62 | 777.40 | 874.19 |
| Total Current Liabilities | 3577.47 | 4538.47 | 2901.85 |
| Total Equity And Liabilities | 21642.7 | 20180.81 | 16197.82 |

Source of all 3 financial statements: Company's Annual Report

Birlasoft recorded revenue of ₹53,750 million in FY25, up modestly from ₹52,780 million in FY24, reflecting steady growth despite a challenging macro environment. EBITDA declined to ₹6,980 million from ₹8,360 million, with margins contracting to 12.98% from 15.84%, indicating cost and pricing pressures. Operating profit margin also softened to 11.39% in FY25 versus 14.29% in FY24. PAT moderated to ₹5,497 million, compared with ₹6,522 million in FY24, resulting in a decline in EPS to ₹18.60 from ₹22.61. The company continued to operate with low leverage, supported by a solid equity base. Operating cash flow stood at ₹3,683 million, lower than FY24 due to working-capital movements but remained healthy. Capex of ₹686 million highlights ongoing investments in technology and capacity. Overall, Birlasoft remains financially stable, balancing near-term margin pressure with long-term growth investments.

Ratio Analysis

Profitability Ratios

| Particulars | FY25 | FY24 | FY23 |
|-------------------|---------|--------|---------|
| Sales Growth | 1.83% | 10.07% | 16.10% |
| EBITDA Growth | -16.50% | 60.15% | -18.43% |
| EBIT Growth | -15.79% | 85.46% | -26.83% |
| PAT Growth | -17.15% | 87.95% | -28.45% |
| EBITDA Margin | 12.98% | 15.84% | 10.89% |
| Net Profit Margin | 10.23% | 12.36% | 7.04% |
| ROE | 14.86% | 20.49% | 13.56% |
| ROCE | 21% | 30% | 17% |

Liquidity Ratios

| Particulars | FY25 | FY24 | FY23 |
|---------------|-------|-------|-------|
| Current Ratio | 2.33x | 3.13x | 1.51x |
| Quick Ratio | 3.33x | 2.49x | 1.90x |
| Cash Ratio | 3.34x | 2.49x | 2.96x |

Cash Ratios

| Particulars | FY25 | FY24 | FY23 |
|-------------|-------|-------|-------|
| CFO/Revenue | 0.05x | 0.07x | 0.08x |
| CFO/EBITDA | 0.35x | 0.43x | 0.72x |
| CFO/PAT | 0.45x | 0.55x | 1.12x |

Leverage Ratios

| Particulars | FY25 | FY24 | FY23 |
|-------------------------|--------|--------|--------|
| Debt to Equity | 0.02x | 0.02x | 0.03x |
| Debt to Capital | 0.02x | 0.02x | 0.02x |
| Interest Coverage Ratio | 26.60x | 37.55x | 23.15x |

Valuation Ratios

| Particulars | FY25 | FY24 | FY23 |
|------------------|----------|------------|----------|
| Enterprise Value | ₹ 90,257 | ₹ 1,91,105 | ₹ 62,289 |
| EV/EBITDA | 11.19x | 20.34x | 11.46x |
| P/E | 20.70x | 33.36x | 21.90x |
| Price/Sales | 2.02x | 3.94x | 1.51x |
| Price/Book Value | 3.1x | 6.72x | 2.93x |

Efficiency Ratios

| Particulars | FY25 | FY24 | FY23 |
|---------------------|--------|--------|--------|
| Asset Turnover | 2.48x | 2.61x | 2.96x |
| Receivable Turnover | 21.15x | 14.90x | 25.99x |
| Payable Turnover | 44.94x | 21.47x | 40.89x |

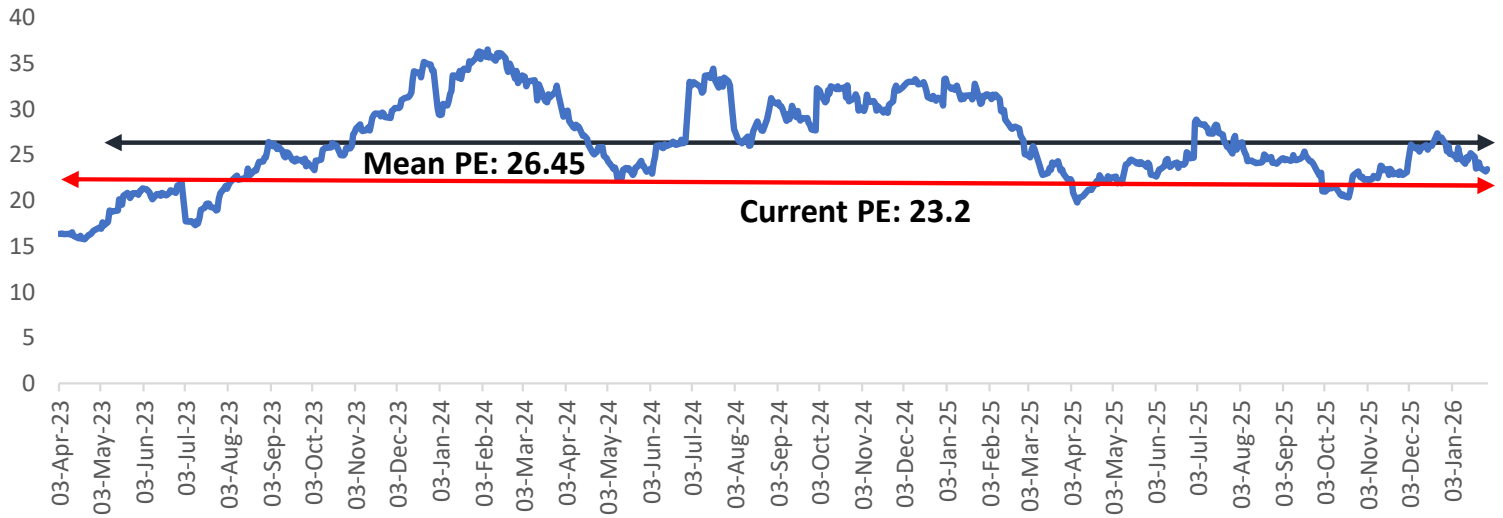
Source of data used in ratio analysis: Company's Annual Report

Birlasoft's profitability weakened in FY25, with sales growth slowing to 1.83% from 10.07% in FY24, while EBITDA declined by 16.5% and PAT fell by 17.15% YoY. Consequently, EBITDA margin contracted to 12.98% from 15.84%, and net profit margin reduced to 10.23% from 12.36%. Return ratios moderated, with ROE declining to 14.86% (FY24: 20.49%) and ROCE to 21% (FY24: 30%), reflecting lower profitability.

The balance sheet remains strong with very low leverage, as debt-to-equity stayed at 0.02x, while interest coverage remained healthy at 26.6x, despite easing from FY24 levels. Liquidity is comfortable, supported by a current ratio of 2.33x and a strong cash ratio of 3.34x in FY25. Cash flow efficiency softened, with CFO/PAT at 0.45x versus 0.55x in FY24. Operational efficiency showed mixed trends, with asset turnover at 2.48x and a sharp improvement in payables turnover to 44.9x. On valuation, Birlasoft trades at EV/EBITDA of 11.19x and P/E of 20.7x, significantly lower than FY24, indicating valuation moderation amid near-term earnings pressure.

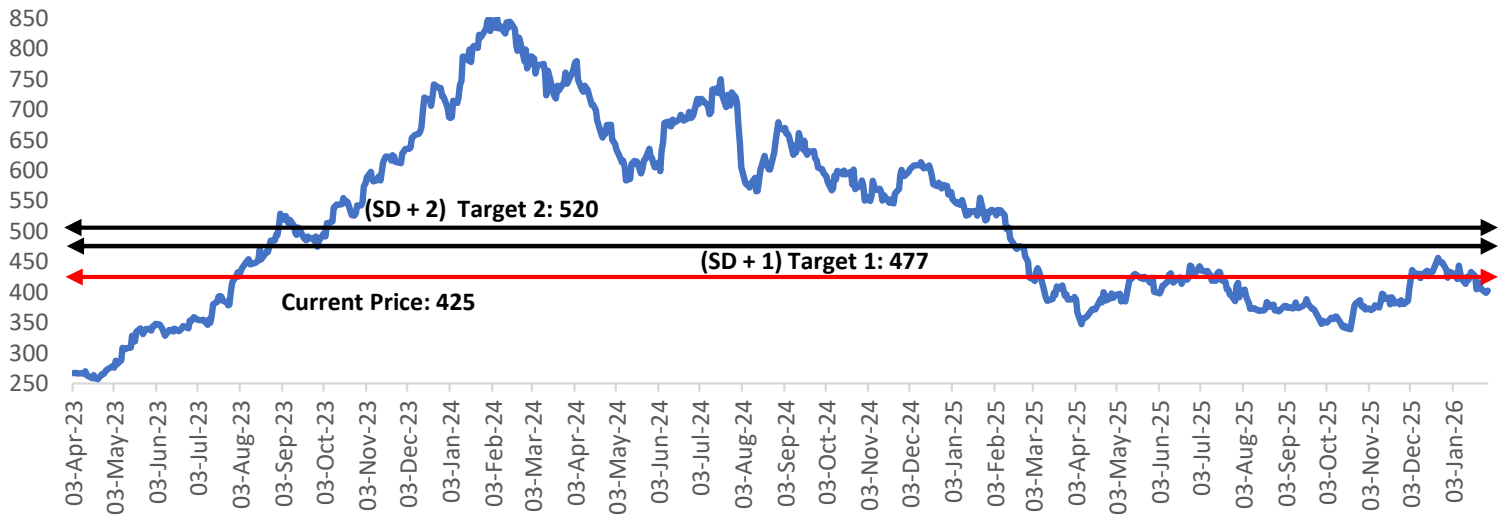
Valuation Analysis

P/E Ratio



Birlasoft’s current P/E ratio of ~23.2x, which is below its long-term average P/E of ~26.5x, indicating some valuation moderation in recent periods. While the stock continues to trade at a premium to earlier historical lows, this premium appears supported by improving earnings visibility. Overall, the current valuation suggests the stock is reasonably valued relative to its historical average, with scope for re-rating if earnings growth sustains.

Target Price



Birlasoft’s stock is currently trading at around ₹425, reflecting a prolonged consolidation phase following earlier highs. Our target price of ₹520 is based on improving deal wins, strong order pipeline, and gradual recovery in margins driven by cost optimisation and operating leverage. The company’s increasing focus on AI-led services, cloud transformation, and large deal execution is expected to drive earnings growth over the medium term. Management has expressed high confidence in delivering sequential revenue growth throughout the second half of FY 2026, anticipating that H2 will outperform H1 in both top-line results and new order bookings. This momentum is underpinned by an improving pipeline and an internal annual Total Contract Value (TCV) aspiration of \$800 million to \$850 million, building upon the \$758 million in deal wins achieved in FY 2025. Consequently, we maintain a BUY recommendation, since the stock represents an attractive opportunity for investors looking to participate in India’s IT sector growth.

DISCLAIMER

RATING SCALE: DEFINITION OF RATINGS

- BUY –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- ACCUMULATE –We expect the stock to deliver 5% -12% returns over the next 9 months.
- REDUCE –We expect the stock to deliver 0% -5% returns over the next 9 months.
- SELL –We expect the stock to deliver negative returns over the next 9 months.
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- NM –Not Meaningful. The information is not meaningful and is therefore excluded.
- NOTE –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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Fin2Research Investment Advisors Pvt Ltd (FIA)
CIN: U70200DL2023PTC4132071A
Registration No: INA000018425

Registered Office: Plot No A 2nd Floor, Street New Bungalow Road, Malka Ganj, North Delhi, 110007 Delhi
Phone No: 9711885801

Email: customercare@fin2research.com

Website: www.fin2research.com

For Research Query: www.researchdesk@fin2research.com