



eClerx

Financial Performance – Q3FY21
January 28th, 2021

Financial Summary

| Metrics | | FY21 Q3 | Q-o-Q | YTD FY21 | Y-o-Y |
|---------|------------------------|---------|-------|----------|--------|
| Revenue | OPG revenue (USD mm) | 53.3 | 9.9% | 146.6 | (4.0%) |
| | OPG revenue (INR mm) | 3,943 | 9.3% | 10,917 | 0.5% |
| | Total revenue (INR mm) | 3,976 | 10.3% | 11,061 | (0.8%) |
| Profit | EBITDA (INR mm) | 1,210 | 12.3% | 3,236 | 17.3% |
| | EBIT (INR mm)* | 1,008 | 14.4% | 2,664 | 19.3% |
| | Net profit (INR mm) | 710 | 16.5% | 1,838 | 19.7% |
| Margin | EBITDA (%) | 30.4% | 0.5% | 29.3% | 4.5% |
| | EBIT (%) | 25.3% | 0.9% | 24.1% | 4.1% |
| | Net profit (%) | 17.9% | 0.9% | 16.6% | 2.8% |

* EBIT includes other income and excludes rental interest under IND AS116

- Q3 YoY Constant currency (CC) growth by 1.9% (organic 0.8%); QoQ CC growth of 9.5% (organic 8.4%)
- Q3 YoY CC revenue growth of 5.2% offshore (organic 3.8%) and decline of 8.2% onshore
- Acquisition of Personiv completed on 23rd December
 - Revenue for 8 days was \$543K; less than usual runrate due to low volume during holidays
 - Q3 impact on profit negligible
 - One time legal cost incurred for acquisition - INR 24 mm in Q3 and INR 44 mm for YTD FY21
- Q3 Margin improvement due to strong organic revenue growth and operating leverage

Other Income

Figures in INR millions.

| Other Income | FY21 Q3 | FY21 Q2 | FY21 Q1 | FY20 Q4 | FY20 Q3 |
|---------------------|-------------|--------------|--------------|--------------|--------------|
| Investment Income | 47.3 | 59.6 | 107.9 | 88.9 | 84.4 |
| Revaluation Income* | (20.2) | (64.5) | (6.1) | 75.9 | 22.3 |
| Others | 5.8 | 1.2 | 13.6 | 5.1 | 8.0 |
| Total | 32.9 | (3.7) | 115.4 | 169.9 | 114.7 |

* Gain / Loss regrouped as other income/expenses based on profit or loss position in the press release financials

- Decrease in investment income due to lower investible base due to acquisition and decreasing yields
- **Revaluation and Realised Gain**
 - USD/INR FY'21 Q3 Exit: 73.02 vs. FY'21 Q2 Exit: 73.56
 - EUR/INR FY'21 Q3 Exit: 89.34 vs. FY'21 Q2 Exit: 86.24
 - GBP/INR FY'21 Q3 Exit: 99.80 vs. FY'21 Q2 Exit: 95.02

P&L Comparison

Figures in INR millions.

| Operating P&L | FY21 Q3 | OPR (%) | FY21 Q2 | OPR (%) |
|---|--------------|--------------|--------------|--------------|
| Total Revenue | 3,976 | | 3,604 | |
| Operating Revenue | 3,943 | | 3,608 | |
| Cost of Revenues | | | | |
| Delivery and Support Employees Cost | 1,950 | 49.4% | 1,793 | 49.7% |
| General and Administrative Expenses | | | | |
| Facilities (Rent and Electricity) | 75 | 1.9% | 72 | 2.0% |
| Technological Services (Communications, AMC) | 77 | 2.0% | 100 | 2.8% |
| Administrative Services (Transport, HK, Security) | 28 | 0.7% | 16 | 0.4% |
| Legal and Professional Fees | 77 | 2.0% | 52 | 1.4% |
| Provision / Written off for Bad Debt | (3) | (0.1%) | 1 | 0.0% |
| CSR & Donation | 12 | 0.3% | 13 | 0.4% |
| Others | 77 | 2.0% | 96 | 2.7% |
| Total G&A | 345 | 8.7% | 350 | 9.7% |
| Selling and Distribution | 472 | 12.0% | 384 | 10.6% |
| EBITDA | 1,210 | 30.4% | 1,077 | 29.9% |
| Depreciation and Amortization (Inc. rent as per IND AS116) | 202 | 5.1% | 196 | 5.4% |
| EBIT | 1,008 | 25.3% | 881 | 24.4% |

* Gain / Loss regrouped as other income/expenses based on profit or loss position in the press release financials

Hedge Updates

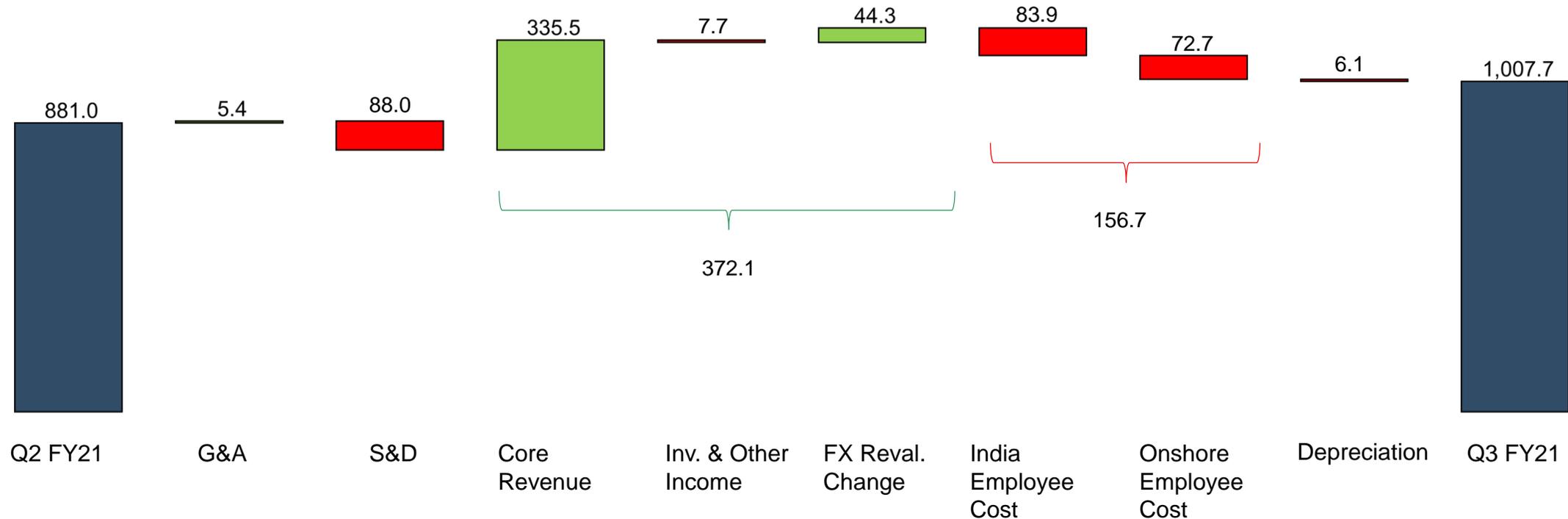
Current Hedge Status

- Total outstanding hedges now \$130.8 mm at average INR 77.4/\$; 100% forwards

| Contract | Year | Currency | Amount (mm) | Avg. Rate (INR) |
|--------------------------|-------------------|------------|----------------|-----------------|
| Matured Forwards | Total FY20 | USD | \$116.8 | 71.8 |
| | FY21 Q1 | | \$23.7 | 74.1 |
| | FY21 Q2 | | \$27.7 | 74.5 |
| | FY21 Q3 | | \$21.7 | 74.7 |
| | FY21 Q4 | | \$25.6 | 75.3 |
| Outstanding Forwards | Total FY21 | USD | \$25.6 | 75.3 |
| | FY22 Q1 | | \$28.8 | 76.7 |
| | FY22 Q2 | | \$22.7 | 77.6 |
| | FY22 Q3 | | \$23.1 | 78.1 |
| | FY22 Q4 | | \$15.0 | 78.9 |
| | Total FY22 | USD | \$89.6 | 77.6 |
| | FY23 Q1 | | \$9.0 | 79.7 |
| | FY23 Q2 | | \$4.5 | 80.0 |
| | FY23 Q3 | | \$2.1 | 80.3 |
| | Total FY23 | USD | \$15.6 | 79.8 |
| Total Outstanding | | USD | \$130.8 | 77.4 |

QoQ EBIT Bridge

Figures in INR millions



- S&D cost higher due to higher year end bonus provisions and wage hikes
- G&A – higher acquisition related legal costs offset by one off client reimbursement for WFH assets
- Core Revenue higher due to higher offshore Revenue and lower roll offs
- India Employee Cost higher due to senior management increments and higher Head Count to support offshore growth
- Onshore Employee Cost higher due to increment, higher Fay headcount and inclusion of Personiv

Note:

- S&D Exp. includes employee cost of onsite business development team

Balance Sheet & Other Updates

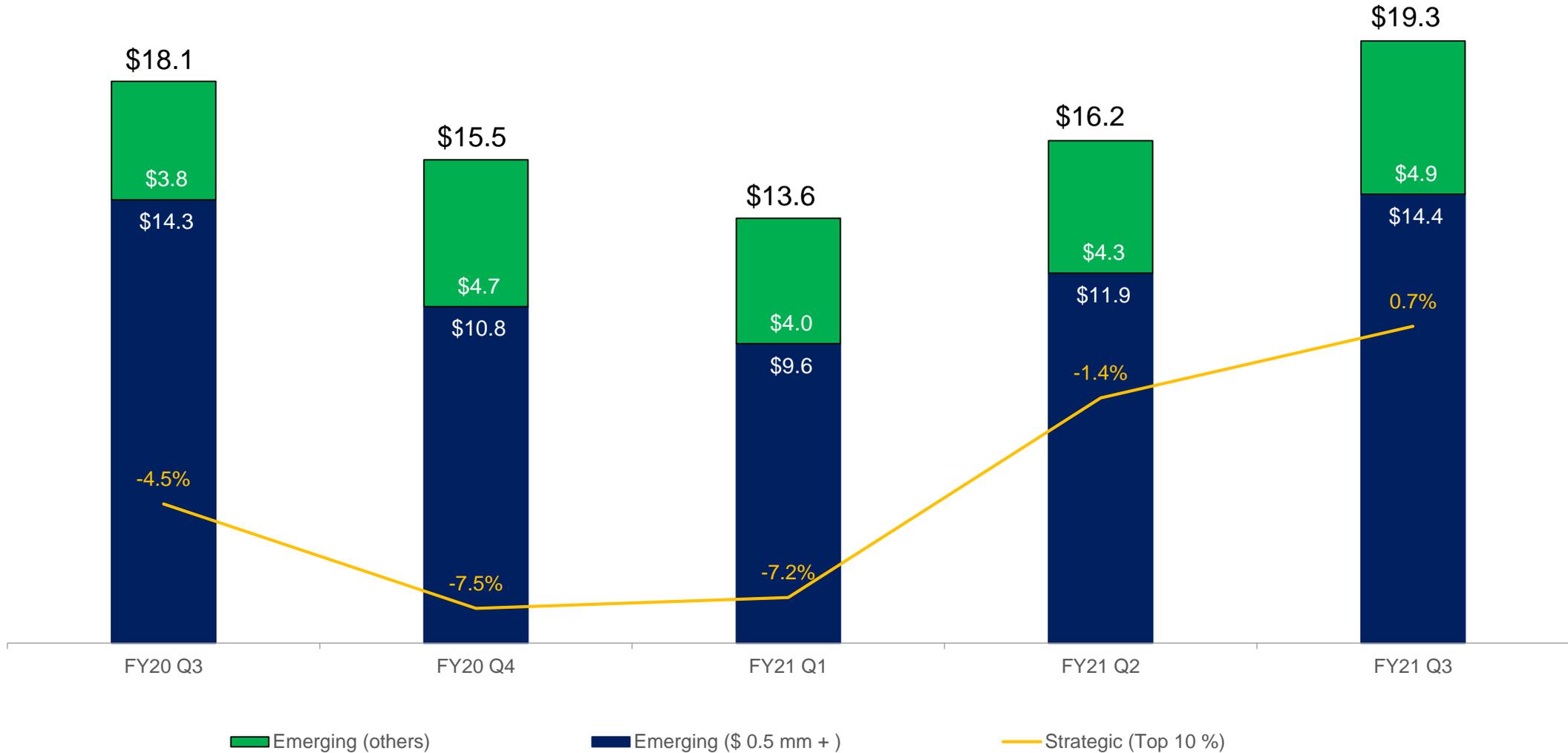
- Total Cash and Cash Equivalents of INR 5,886 mm for Q3FY'21 vs INR 6,682 mm for Q3FY'20
 - Equivalent to INR 173.1 per share Q3FY'21 vs INR 185.1 for Q3FY'20
 - Net operating cash flow in Q3FY'21 is INR 884.9 mm vs INR 798.1 mm in Q3FY'20
 - EBITDA conversion at 73.1% for Q3FY'21 vs 69.6% in Q3FY'20
 - Capex during Q3FY'21 is INR 38.5 mm vs INR 29.3 mm in Q3FY'20
- **EPS**
 - Q3 Basic: 20.89 INR ; Diluted: 20.79 INR
 - Q2 Basic: 17.74 INR ; Diluted: 17.71 INR
- Current book value per share Q3FY'21 INR 413.6 vs. INR 351.3 Q3FY'20
- **CSR Update**
 - Spent INR 12.4 mm for existing and new projects in Q3FY'21 related to India
 - Areas covered: Health, Education, Skills development
 - Total Life touched / benefited ~ 19k

Key Business Metrics

| Metrics | | FY21 Q3 | FY21 Q2 | FY21 Q1 | FY20 Q4 | FY20 Q3 | FY 20 Q2 |
|--|-----------------------|---------|---------|---------|---------|---------|----------|
| Currency Contribution (%) * | USD | 81% | 81% | 85% | 82% | 80% | 81% |
| | EURO | 13% | 13% | 9% | 12% | 12% | 11% |
| | GBP | 4% | 5% | 4% | 5% | 6% | 6% |
| | Others | 2% | 1% | 2% | 1% | 2% | 2% |
| Geographic Concentration * | North America | 66% | 66% | 71% | 68% | 66% | 67% |
| | Europe | 28% | 28% | 23% | 26% | 28% | 27% |
| | ROW | 6% | 6% | 6% | 6% | 6% | 6% |
| Debtors (including unbilled)# | DSO (days) | 78 | 74 | 83 | 88 | 78 | 78 |
| Client Concentration | Top 10 contribution | 64% | 67% | 70% | 67% | 65% | 65% |
| Billing Mix | Managed Services | 34% | 31% | 24% | 28% | 31% | 28% |
| | Onshore Revenue | 23% | 23% | 21% | 23% | 25% | 25% |
| Staff Utilization (Delivery) # | | 81.2% | 79.1% | 72.9% | 75.1% | 77.2% | 71.9% |
| Client Contribution (based on TTM revenue)* | US\$ 500k-1mm Clients | 17 | 16 | 17 | 21 | 21 | 22 |
| | US\$ 1mm-3mm Clients | 16 | 19 | 16 | 17 | 18 | 18 |
| | US\$ 3mm ++ Clients | 12 | 10 | 11 | 11 | 10 | 10 |
| India Seat Count# | | 9,209 | 9,183 | 9,601 | 9,601 | 9,601 | 9,601 |

* Other smaller currencies, geographies and client contribution not shown; # Personiv impact is not included

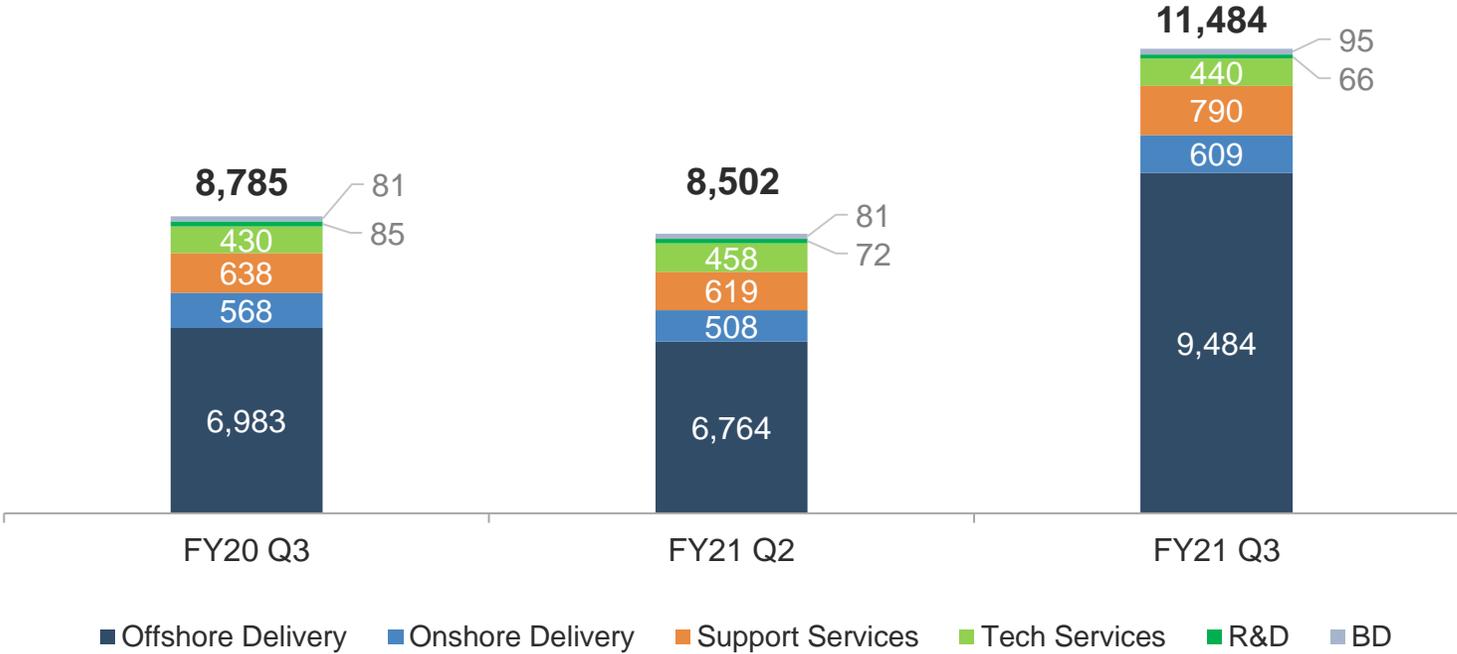
Revenue Mix Trends (\$mm)



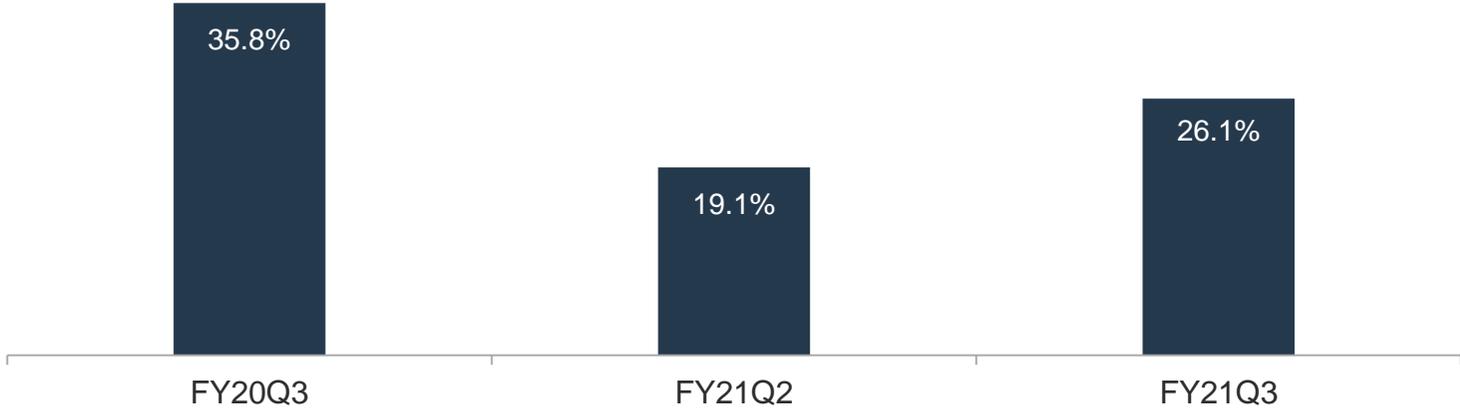
Strategic growth is measured at quarterly YoY level; Q3 Emerging (others) includes entire Personiv revenue

Human Resources Update

Headcount



Offshore Voluntary Attrition*



*Does not include Personiv

Thank You

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