



## *Financial Performance FY12 Q3*

*January 24, 2012*



eClerx – An ISO/IEC 27001:2005 Certified Company

# Financial Summary



Metrics		FY12 Q3	Q-o-Q	YTD FY12	Y-o-Y
Revenue	Total revenue (INR mn)	1,382	8% ↑	3,728	42% ↑
	OPG revenue (INR mn)	1,320	16% ↑	3,453	40% ↑
	OPG revenue (USD mn)	25.4	5% ↑	72.0	33% ↑
Profit	EBITDA (INR mn)	660	13% ↑	1,705	53% ↑
	OPM (INR mn)	563	37% ↑	1,342	52% ↑
	Net profit (INR mn)	499	13% ↑	1,294	39% ↑
Margin	EBITDA (%)	48%	2% ↑	46%	4% ↑
	OPM (%)	43%	6% ↑	39%	3% ↑
	Net profit (%)	36%	1% ↑	35%	1% ↓
EPS	Basic	17.3	13% ↑	44.7	38% ↑
	Diluted	16.6	13% ↑	42.9	39% ↑

- First 100 mn run rate quarter
  - USD revenue up 5% Q-o-Q (up 7% in constant currency) and 33% Y-o-Y
  - INR operating revenue up 16% Q-o-Q and 40% Y-o-Y
  - Operating margins at 39% for YTD, vs. 36% for same period last year
- EPS up by 39% Y-o-Y

## Other Updates



### Current Hedge Status

- Consistent policy of hedging receivables for next 12-18 months
  - Total outstanding now \$115.6 mn at average Rs. 49.1/\$
  - 4.5 times of last quarter revenue vs. average of 3.9 times over last 4 quarters

Contract	Year	Currency	Amount (mn)	Average Rate (INR)
Forward	FY12	USD	\$15.0	47.9
		Euro	€3.5	65.2
	<b>Total FY12 – Equiv USD</b>		<b>\$19.5</b>	<b>48.3</b>
	FY13	USD	\$53.0	48.7
		Euro	€11.0	66.8
	<b>Total FY13 – Equiv USD</b>		<b>\$67.4</b>	<b>49.1</b>
Put option	FY14	USD	\$16.5	49.6
		Euro	€3.9	69.3
	<b>Total FY14 – Equiv USD</b>		<b>\$21.6</b>	<b>50.4</b>
Put option	FY12	USD	\$2.0	45.0
	FY13	USD	\$5.0	47.0

**Note:** EUR / USD taken at 1.32.

# Highly Liquid Balance Sheet



- Total Cash and Cash equivalents of INR 1,995 mn; zero debt on balance sheet
  - Equivalent to INR 68.8 per share
- Trailing 12 months EPS
  - Basic: INR 55.0
  - Diluted: INR 52.7
- Book value per share of INR 127.8

## Utilization of IPO Proceeds

Figures in INR millions.

Particulars	Planned as per Prospectus	Utilization up to December 31, 2011	Balance
Acquisitions	220	–	220
Infrastructure investments	180	180	–
Setting up of additional facilities	100	100	–
General corporate purposes	161	161	–
<b>Total</b>	<b>661</b>	<b>441</b>	<b>220</b>

## P&L Comparison: YTD FY12 vs. YTD FY11



Figures in INR millions.

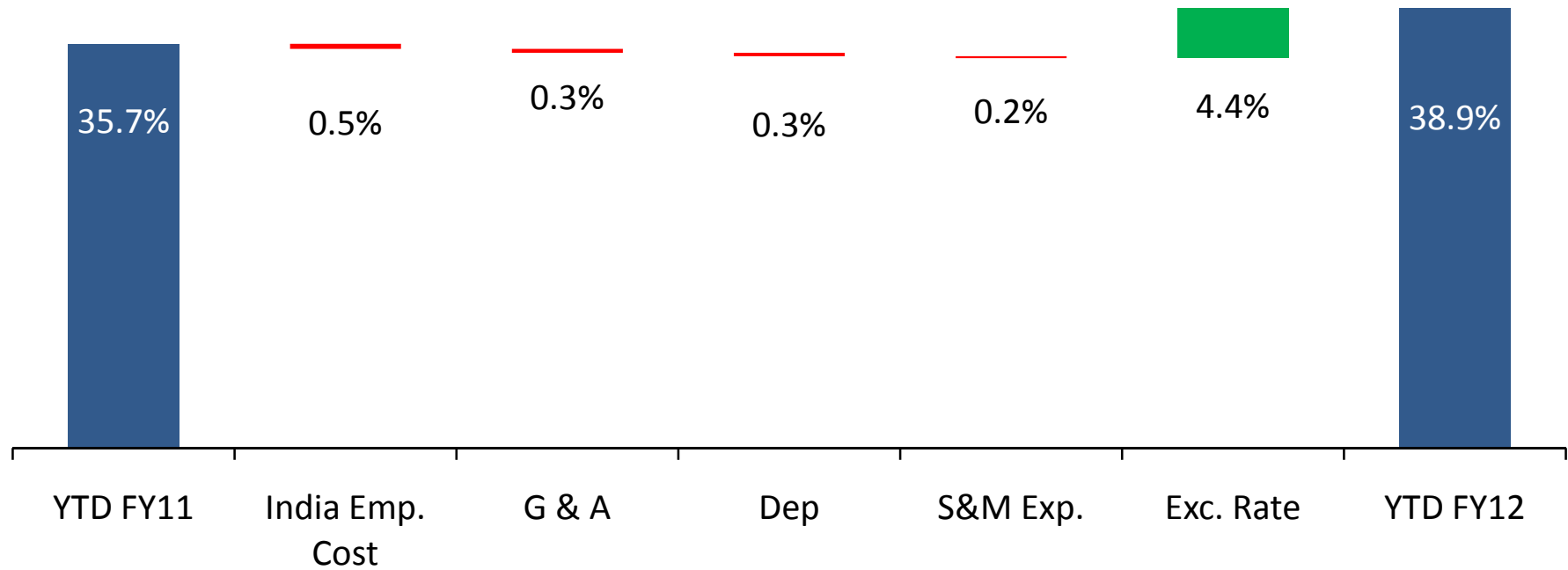
Operating P&L	9 Month FY12	OPR (%)	9 Month FY11	OPR (%)
Operating revenue	3,453.2		2,465.7	
<b>Cost of revenues</b>				
India employee cost	1,165.3	33.7%	880.7	35.7%
<b>General administration and management</b>				
Rent	125.9	3.6%	97.3	3.9%
Communication expenses	61.7	1.8%	52.8	2.1%
Legal and professional fees	67.4	2.0%	54.4	2.2%
Electricity	33.4	1.0%	22.4	0.9%
Conveyance	37.0	1.1%	21.1	0.9%
Provision for bad debt	–	0.0%	0.5	0.0%
Others	115.3	3.3%	80.4	3.3%
<b>Total G&amp;A</b>	<b>440.7</b>	<b>12.8%</b>	<b>329.0</b>	<b>13.3%</b>
<b>Selling and distribution*</b>	<b>417.1</b>	<b>12.1%</b>	<b>311.3</b>	<b>12.6%</b>
<b>Depreciation and amortization</b>	<b>88.5</b>	<b>2.6%</b>	<b>63.8</b>	<b>2.6%</b>
<b>Total operating cost</b>	<b>2,111.6</b>	<b>61.1%</b>	<b>1,584.8</b>	<b>64.3%</b>
<b>Operating profit</b>	<b>1,341.6</b>	<b>38.9%</b>	<b>880.8</b>	<b>35.7%</b>

YTD FY12 average exchange rate INR 48.20/\$ and INR 66.00/€; December 2011 end exchange rate INR 53.27/\$ and INR 68.90/€.

YTD FY11 average exchange rate INR 45.38/\$ and INR 59.50/€; December 2010 end exchange rate INR 44.81/\$ and INR 59.81/€.

\*Selling and Distribution includes employee cost of onsite business development team.

# OPM Bridging Analysis: YTD FY12 vs. YTD FY11



- Exchange rate movement is the largest driver for Y-o-Y OPM (%) increase

**Note:** Bridging analysis is in constant currency; impact of currency movements is shown under exchange rate. S&M Exp. includes employee cost of onsite business development team.

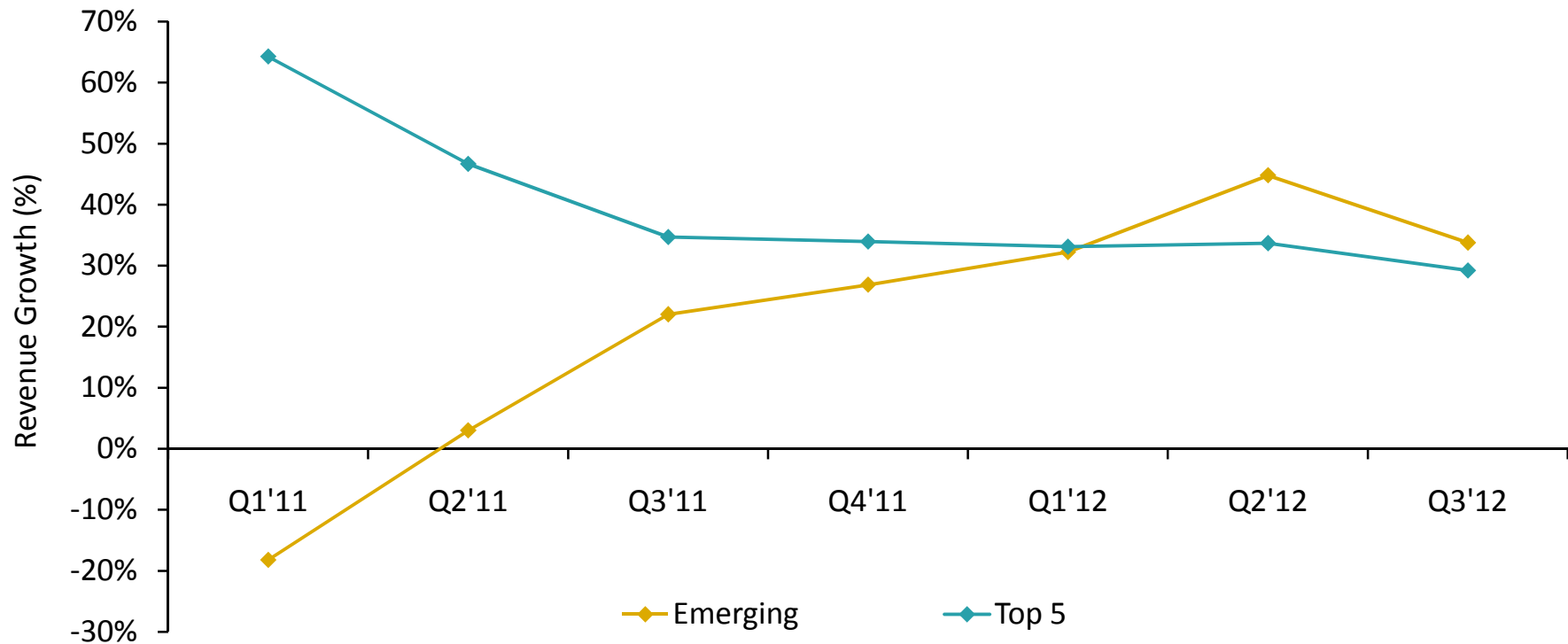
# Revenue Quality



Metrics		FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3
Currency contribution (%)	USD	80%	77%	74%	75%	75%
	EURO	18%	19%	21%	21%	21%
	GBP	3%	3%	3%	3%	3%
	Other	0%	1%	2%	1%	1%
Geographic concentration	North America	70%	65%	61%	61%	58%
	Europe	24%	26%	31%	32%	34%
	ROW	6%	9%	8%	7%	8%
Debtors	DSO	52 days	76 days	67 days	59 days	62 days
Client concentration	Top 5	86%	86%	88%	86%	86%
Billing mix	FTE	94%	95%	93%	90%	91%
	SEZ revenue	67%	64%	66%	62%	62%

- Significant improvement in DSO, but will likely revert to longer term averages
- USD contribution increased over the year more due to USD strength than underlying revenue moves
- 8 new clients added in FY12 – accrued revenue from 53 clients in YTD FY12
- Revenue contribution of Fortune 500 or FT 500 clients at 97%
- Staff utilization this quarter at 72% vs. 71% last quarter

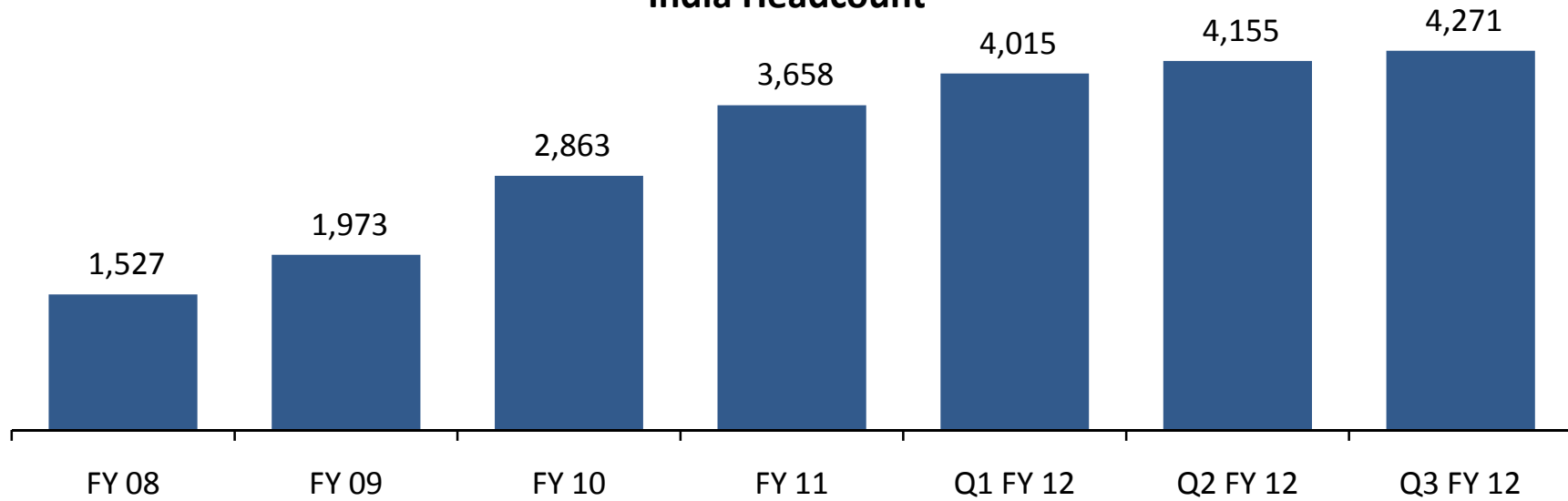
# Revenue Mix Trends



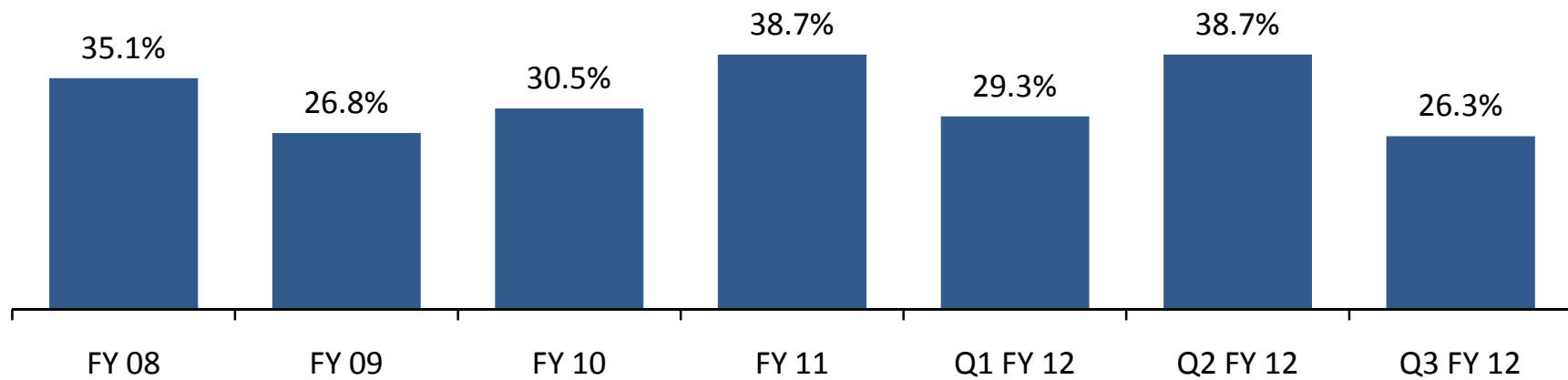
- Emerging growth remains higher than Top 5 accounts, although has tapered since last quarter
- Data is prone to volatility given quarterly fluctuations on small bases
- Continue to increase investment in sales force covering emerging accounts – Total onsite staff now 41



## India Headcount



## Attrition



**Thank You**

# Balance Sheet Abstract



Particulars	December 31, 2011	December 31, 2010	Change(%)
<b>Shareholder's funds</b>			
Capital	290.2	288.2	1%
Stock option outstanding and stock options pending allotment	6.0	3.0	100%
Reserves and surplus	3,412.1	2,547.9	34%
<b>Total shareholder's funds</b>	<b>3,708.3</b>	<b>2,839.1</b>	<b>31%</b>
<b>Application of funds</b>			
Fixed assets	453.8	304.7	49%
Intangible assets – Goodwill	–	103.2	-100%
Deferred tax assets (net)	4.8	6.6	-26%
Net current assets and investments (liquid)	3,249.6	2,424.6	34%
<b>Total application of funds</b>	<b>3,708.3</b>	<b>2,839.1</b>	<b>31%</b>

Figures in INR millions.

# Financial Summary – Quarterly View



Metrics		FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3	FY11 Q2	FY11 Q1
Revenue	Total revenue (INR mn)	1,382	1,277	1,069	1,029	933	861	837
	Opg revenue (INR mn)	1,320	1,137	996	955	872	823	771
	Opg revenue (USD mn)	25.4	24.3	22.3	21.1	19.6	18.0	16.8
Profit	EBITDA (INR mn)	660	582	463	475	426	336	349
	OPM (INR mn)	563	412	367	374	339	275	267
	Net profit (INR mn)	499	442	352	295	360	276	293
Margin	EBITDA (%)	48%	46%	43%	46%	46%	39%	42%
	OPM (%)	43%	36%	37%	39%	39%	33%	35%
	Net profit (%)	36%	35%	33%	29%	39%	32%	35%
EPS	Basic	17.3	15.3	12.2	10.3	12.6	9.6	10.3
	Diluted	16.6	14.7	11.7	9.8	12	9.2	9.9

## Revenue Quality – Quarterly View



Metrics		FY12 Q3	FY12 Q2	FY12 Q1	FY11 Q4	FY11 Q3	FY11 Q2	FY11 Q1
Currency concentration (%)	USD	80%	77%	74%	75%	75%	75%	76%
	EURO	18%	19%	21%	21%	21%	21%	20%
	GBP	3%	3%	3%	3%	3%	4%	3%
	Other	0%	1%	2%	1%	1%	1%	–
Geographic concentration	North America	70%	65%	61%	61%	58%	60%	63%
	Europe	24%	26%	31%	32%	34%	33%	30%
	ROW	6%	9%	8%	7%	8%	6%	7%
Debtors	DSO	52 days	76 days	67 days	59 days	62 days	65 days	59 days
Client concentration	Top 5	86%	86%	88%	86%	86%	87%	88%
Billing mix	FTE	94%	95%	93%	90%	91%	87%	82%
	SEZ revenue	67%	64%	66%	62%	62%	58%	52%

## P&L Comparison – Quarterly View



Operating P&L	FY12 Q3	OPR (%)	FY12 Q2	OPR (%)	FY12 Q1	OPR (%)	FY11 Q4	OPR (%)	FY11 Q3	OPR (%)
Operating revenue	1,320		1,137		996		955		872	
<b>Cost of revenues</b>										
India employee cost	404	31%	395	35%	366	37%	309	32%	304	35%
<b>General administration and management</b>										
Rent	46	3%	40	3%	40	4%	39	4%	36	4%
Communication expenses	21	2%	18	2%	23	2%	19	2%	19	2%
Legal and professional fees	23	2%	28	2%	16	2%	40	4%	19	2%
Electricity	12	1%	12	1%	10	1%	6	1%	6	1%
Conveyance	15	1%	12	1%	10	1%	12	1%	7	1%
Provision for bad debt	0	0%	0	0%	0	0%	-1	0%	0	0%
Others	43	3%	44	4%	28	3%	32	3%	26	3%
<b>Total G&amp;A</b>	<b>161</b>	<b>12%</b>	<b>153</b>	<b>13%</b>	<b>127</b>	<b>13%</b>	<b>146</b>	<b>15%</b>	<b>112</b>	<b>13%</b>
<b>Selling and distribution*</b>	<b>158</b>	<b>12%</b>	<b>147</b>	<b>13%</b>	<b>112</b>	<b>11%</b>	<b>99</b>	<b>10%</b>	<b>92</b>	<b>11%</b>
<b>Depreciation</b>	<b>34</b>	<b>3%</b>	<b>31</b>	<b>3%</b>	<b>24</b>	<b>2%</b>	<b>27</b>	<b>3%</b>	<b>25</b>	<b>3%</b>
<b>Total operating cost</b>	<b>757</b>	<b>57%</b>	<b>726</b>	<b>64%</b>	<b>629</b>	<b>63%</b>	<b>582</b>	<b>61%</b>	<b>533</b>	<b>61%</b>
<b>Operating profit</b>	<b>563</b>	<b>43%</b>	<b>412</b>	<b>36%</b>	<b>367</b>	<b>37%</b>	<b>374</b>	<b>39%</b>	<b>339</b>	<b>39%</b>

Figures in INR millions.

\*Selling and Distribution includes employee cost of onsite business development team.