



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

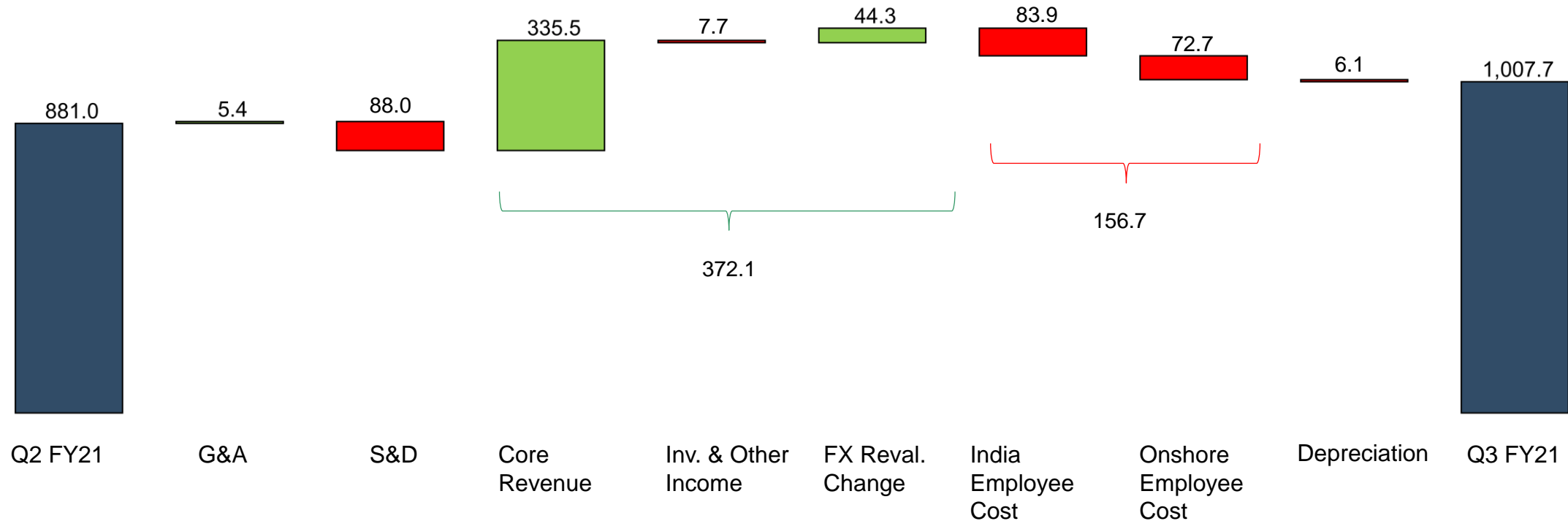
Current Hedge Status

- 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

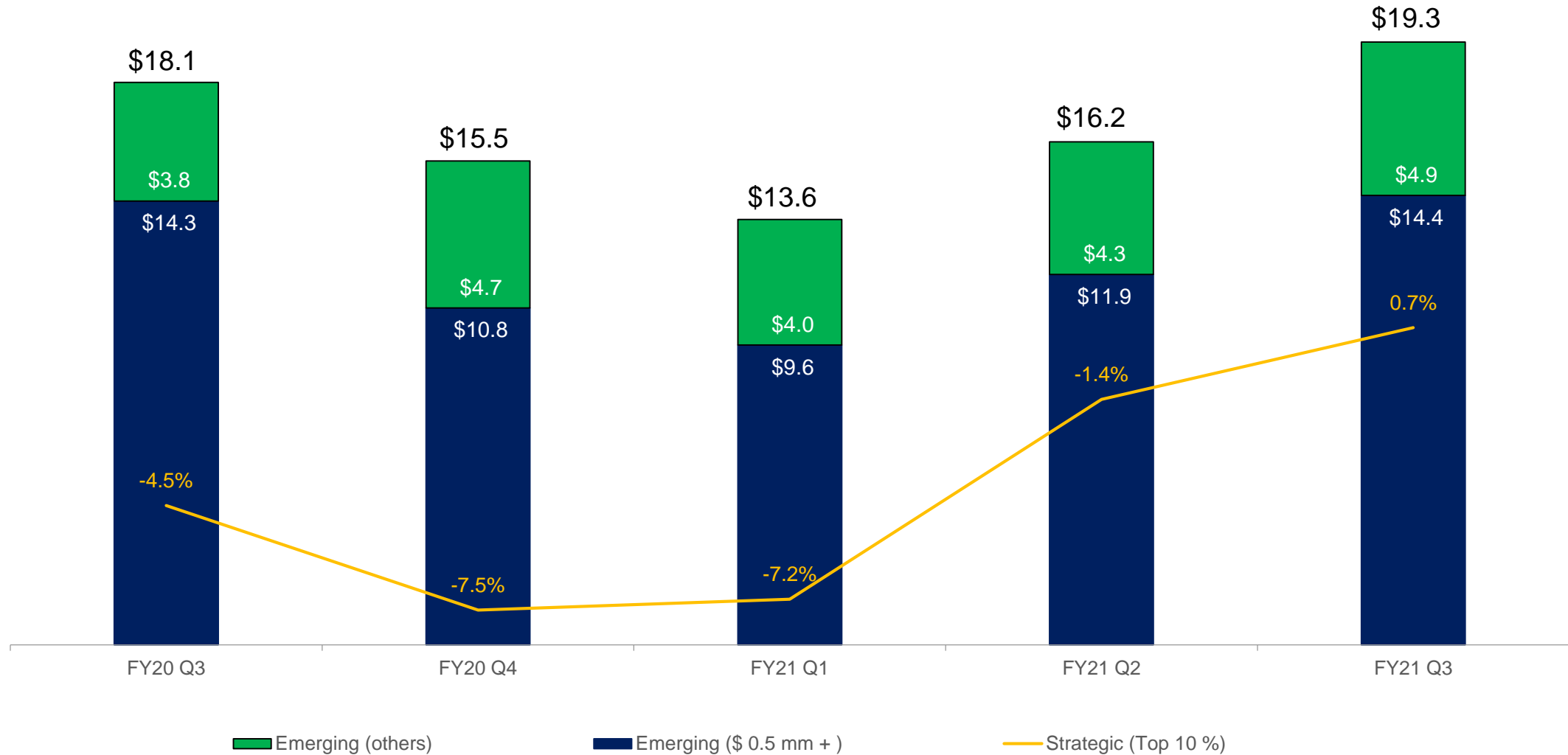
- Total Cash and Cash Equivalents of INR 5,886 mm for Q3FY'21 vs INR 6,682 mm for Q3FY'20
 - Equivalent to INR 173.1 per share Q3FY'21 vs INR 185.1 for Q3FY'20
 - Net operating cash flow in Q3FY'21 is INR 884.9 mm vs INR 798.1 mm in Q3FY'20
 - EBITDA conversion at 73.1% for Q3FY'21 vs 69.6% in Q3FY'20
 - 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

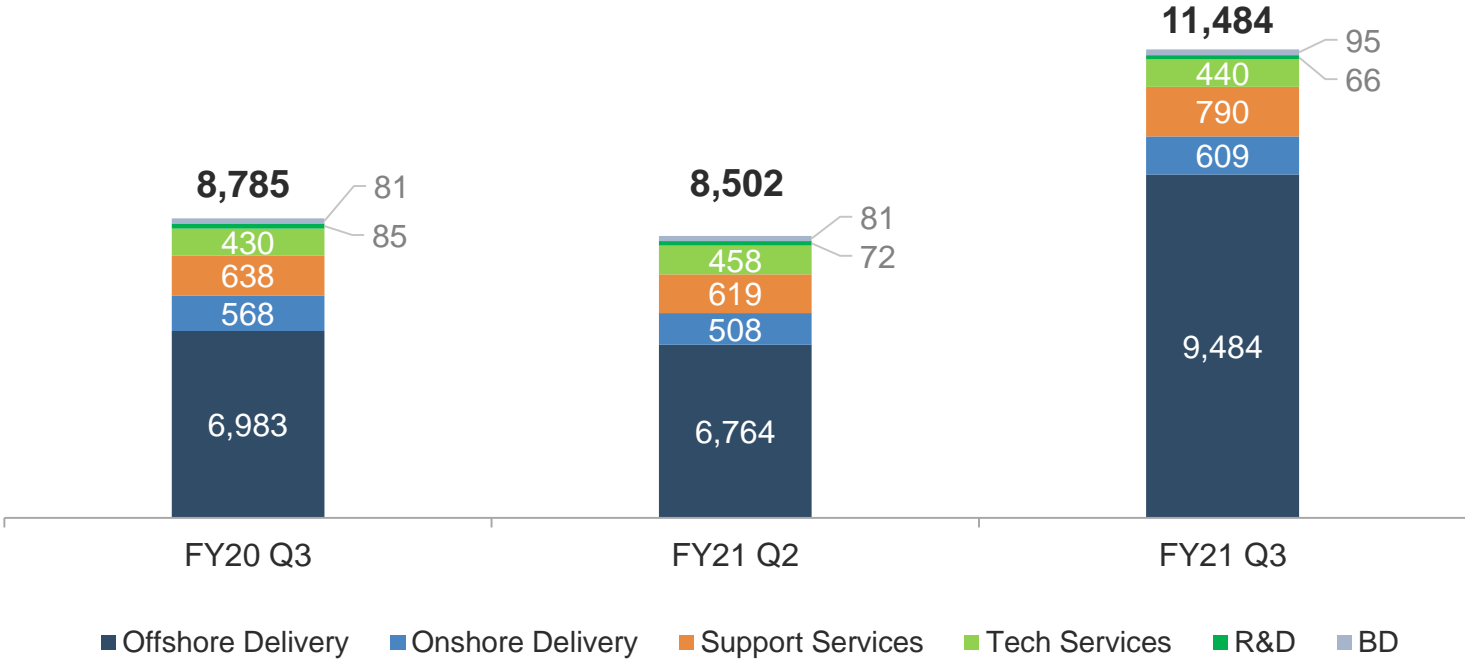
Revenue Mix Trends (\$mm)



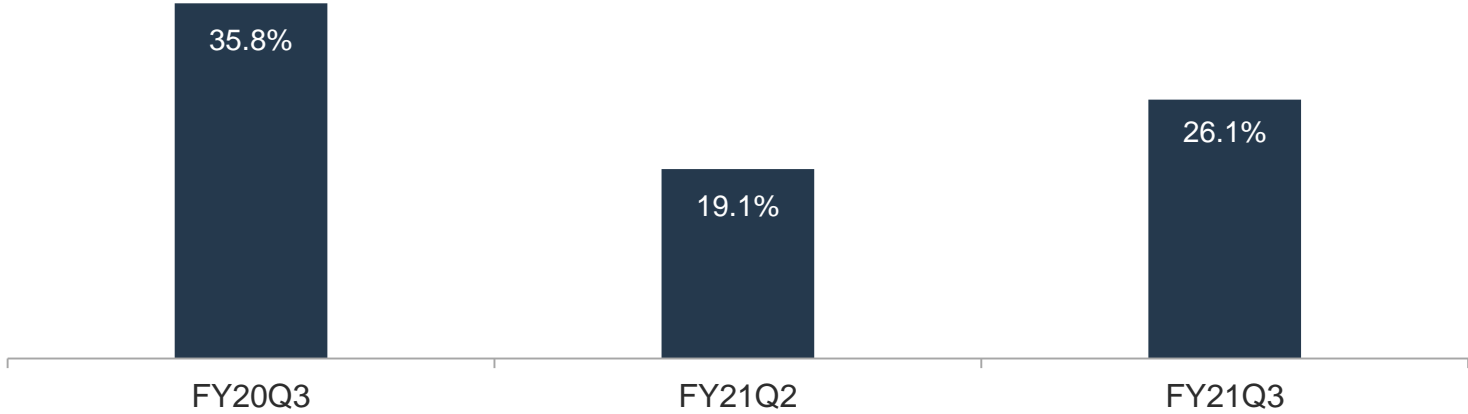
Strategic growth is measured at quarterly YoY level; Q3 Emerging (others) includes entire Personiv revenue

Human Resources Update

Headcount



Offshore Voluntary Attrition*



*Does not include Personiv

Thank You

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