



Financial Performance FY14 Q1

July 19, 2013



eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary



	Metrics	FY14 Q1	Q-o-Q	Y-o-Y
Revenue	Total revenue (INR mm)	2,007	17%	27%
	OPG revenue (INR mm)	1,899	9%	24%
	OPG revenue (USD mm)	33.0	2%	17%
Profit	EBITDA (INR mm)	898	37%	41%
	OPM (INR mm)	701	13%	27%
	Net profit (INR mm)	617	28%	25%
Margin	EBITDA (%)	45%	6%	5%
	OPM (%)	37%	1%	1%
	Net profit (%)	31%	3%	0%
EPS	Basic (INR)	20.63	26%	22%
	Diluted (INR)	20.41	28%	25%

- USD revenues up **2.2% Q-o-Q** (2.4% in constant currency), **12% organic YoY**
- **Operating margins** at 36.9% for the quarter, **up 136 bps QoQ & 98 bps YoY**
- Effective tax rate higher in Q1 and expected to remain in same range
- **EPS at 20.63 up 26% Q-o-Q & 22% Y-o-Y**

Other Income FY14 Q1 vs FY13 Q4

Figures in INR millions.

Other Income	FY14 Q1	FY13 Q4
Income from Investment	30.6	23.1
Hedge Loss	(58.4)	(64.4)
Revaluation & Realised Gain	135.7	10.6
Total	107.8	(30.7)

- Additional investment income from higher investable surplus
- **Hedge (Loss)**
 - \$ 17.7 mm @ 52.89/\$ hedges maturity in FY14 Q1 vs \$ 15.6 mm @ 49.99/\$ in FY13 Q4
 - Average loss on hedge maturity is INR 3.3 per USD in FY14 Q1 vs. INR 4.1 per USD in FY13 Q4
- **Revaluation & Realised Gain**
 - Large revaluation gains driven by sharp INR depreciation of Rs. 5.31
 - June 13 closing rate Rs. 59.70/\$ vs March 13 closing rate Rs. 54.39/\$
 - Will not be repeated in Q2 unless INR continues to depreciate

Other Updates



Current Hedge Status

- Total outstanding hedges now \$101.8 mm at average INR 58.8/\$
 - 3.1 times last quarter revenue vs. average of 2.6 times in preceding 4 quarters
 - 97% forwards, 3% options
- Have used hedging opportunities in Q1 created by weakening INR

Contract	Year	Currency	Amount (mn)	Average Rate (INR)	
Forward	FY14	USD	\$46.3	56.8	
		Euro	€ 5.9	74.8	
	Total FY14 Q2 – Equiv USD		\$17.8	53.8	
	Total FY14 H2 – Equiv USD		\$36.1	58.4	
	Total FY14 – Equiv USD		\$53.9	56.9	
	FY15	USD	\$34.8	61.4	
		Euro	€ 7.8	80.7	
		Total FY15 H1– Equiv USD		\$23.8	60.7
		Total FY15 H2– Equiv USD		\$21.1	62.3
		Total FY15 – Equiv USD		\$44.9	61.5
Option	FY14	USD	\$3.0	53.5	

Note: EUR / USD taken at 1.31

Balance Sheet Update



- Total **Cash and Cash equivalents of INR 2,824 mm** excluding escrow; zero debt on balance sheet
 - Equivalent to INR 94.3 per share
- Trailing 12 months EPS
 - Basic: INR 62.3; Diluted: INR 61.0
- Current Book value per share of INR 173.4 vs. INR 146.7 in last quarter

P&L Comparison: FY14 Q1 vs. FY13 Q4



Figures in INR millions.

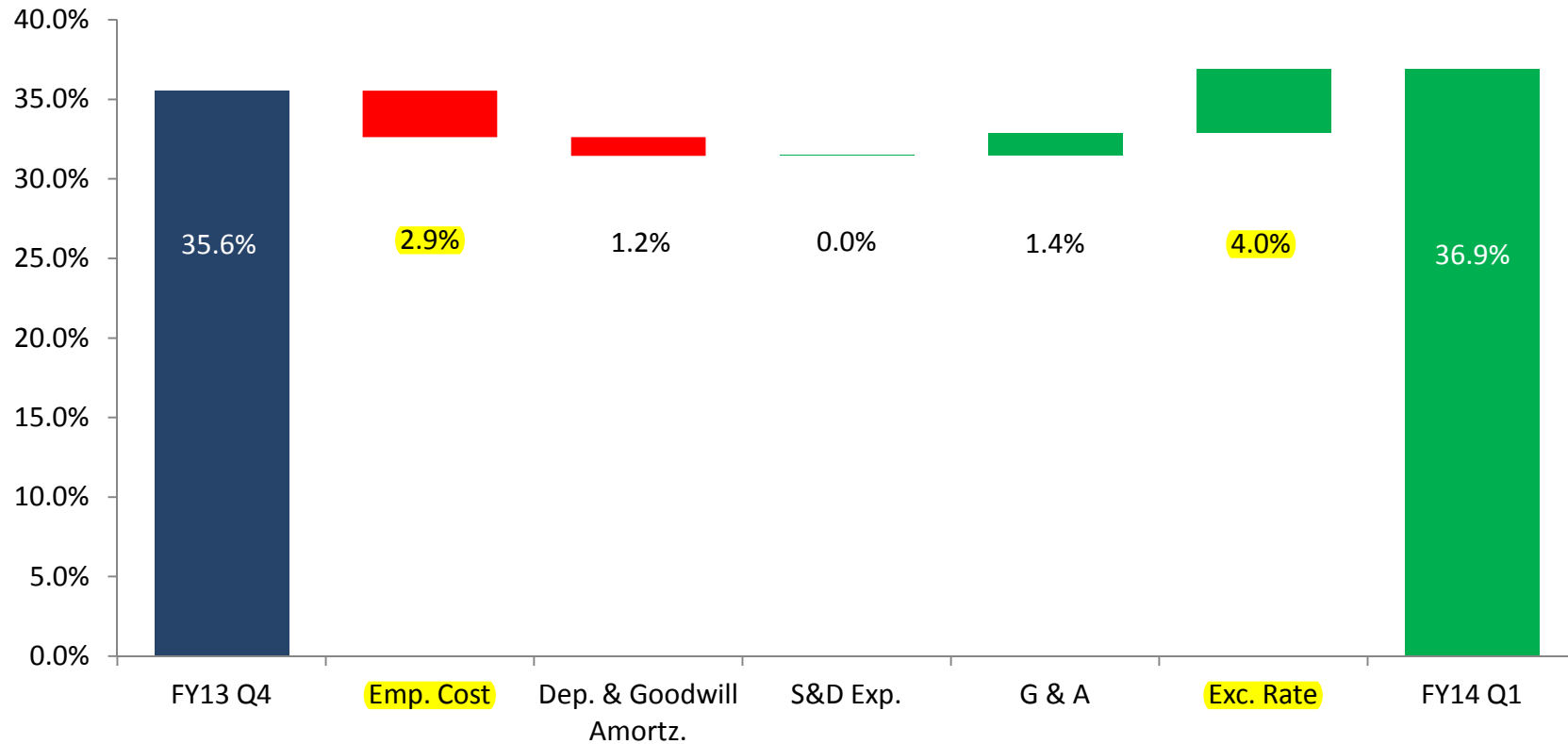
Operating P&L	FY14 Q1	OPR (%)	FY13 Q4	OPR (%)
Operating Revenue	1,899.2		1,743.3	
Cost of Revenues				
Employee Cost	665.0	35.0%	598.3	34.3%
General & Administrative Expenses				
Rent	72.7	3.8%	72.9	4.2%
Communication Expenses	25.2	1.3%	25.7	1.5%
Legal and Professional Fees	25.1	1.3%	30.9	1.8%
Electricity	16.5	0.9%	17.8	1.0%
Conveyance	12.8	0.7%	14.1	0.8%
Provision for Bad Debt	-	0.0%	(0.2)	0.0%
Others	47.8	2.5%	58.9	3.4%
Total G&A	200.1	10.5%	220.1	12.6%
Selling and Distribution*	243.5	12.8%	238.4	13.7%
Depreciation, Interest and Amortization	89.5	4.7%	66.8	3.8%
Total Operating Cost	1,198.1	63.1%	1,123.5	64.4%
Operating Profit	701.1	36.9%	619.8	35.6%

FY14 Q1 average exchange rate INR 57.52/\$, INR 76.05/€; Jun 2013 end INR 59.70/\$, INR 77.98/€.

FY13 Q4 average exchange rate INR 54.16/\$, INR 70.69/€; Mar 2013 end INR 54.39/\$, INR 69.54/€.

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

OPM Bridging Analysis: FY14 Q1 vs. FY13 Q4



- Employee Cost increase reflects the wage hike for FY14
- Increase in amortization due to second tranche payment for acquisition
- S& D & G&A expense lower in Q1 because of one time cost benefits of ~INR 2Cr

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

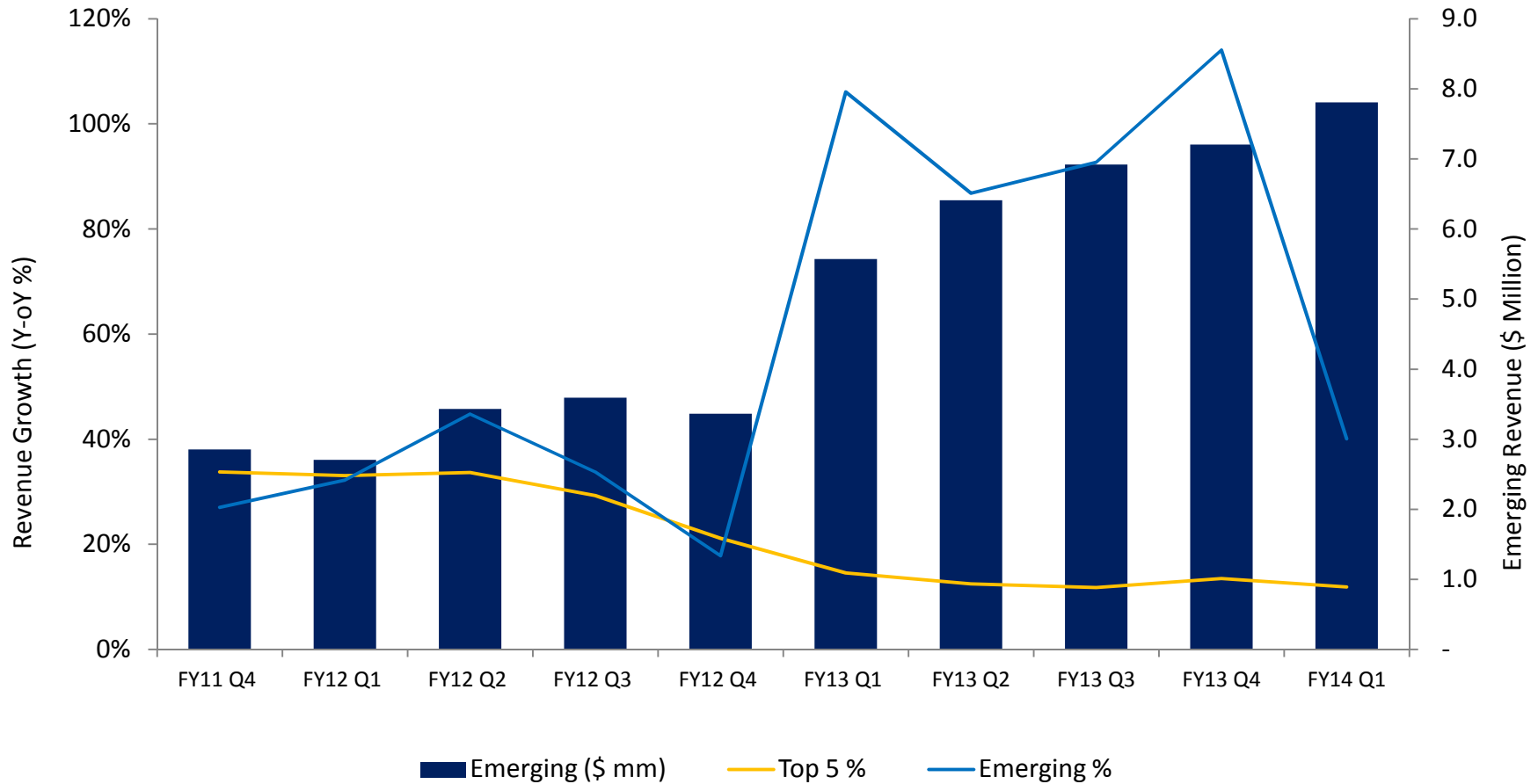
Revenue Quality



Metrics		FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1
Currency Contribution (%)	USD	81%	81%	82%	83%	83%
	EURO	15%	15%	12%	13%	14%
	GBP	3%	4%	5%	3%	3%
	Other	1%	0%	1%	1%	0%
Geographic Concentration	North America	74%	74%	75%	75%	71%
	Europe	21%	21%	18%	19%	20%
	ROW	5%	5%	7%	6%	9%
Debtors	DSO	35 days	33 days	31 days	41 days	30 days
Client Concentration	Top 5	76%	78%	78%	79%	80%
Billing Mix	FTE	94%	91%	92%	93%	93%
	SEZ Revenue	60%	60%	59%	58%	62%
Staff utilization		66%	69%	69%	68%	68%

- 5 new clients added in FY14 Q1 vs. 6 in last quarter
- 61 clients contributed to revenues in FY14 Q1 same as FY13 Q4
- Client concentration continues to reduce – now at 76%

Revenue Mix Trends

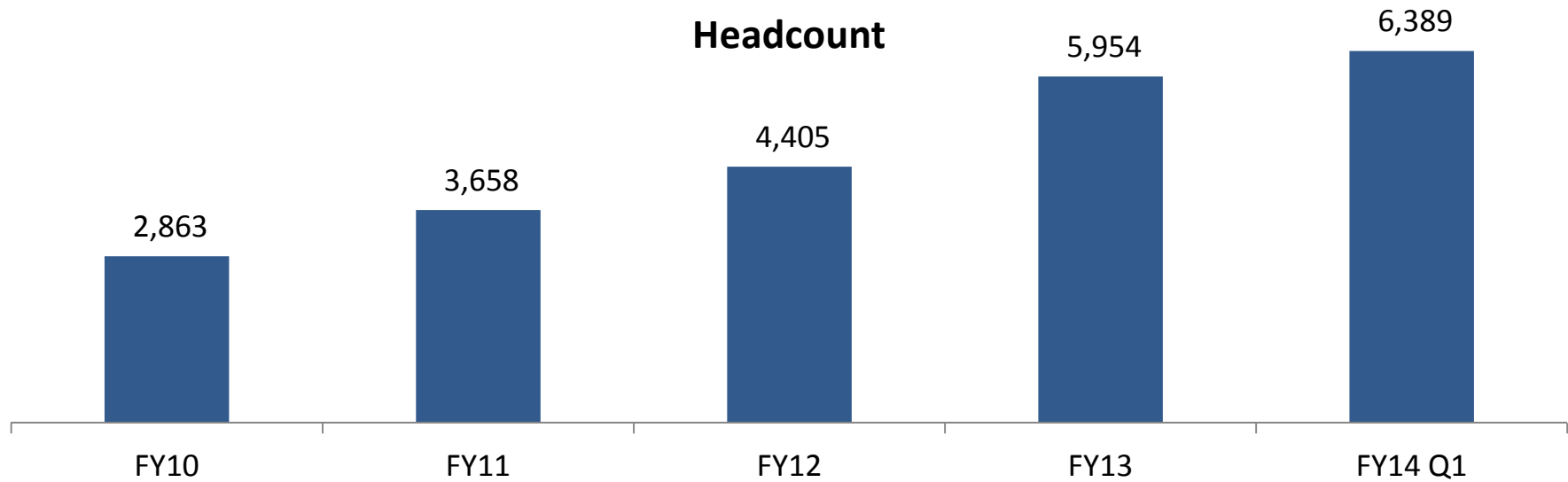


- Impact of inorganic assimilation now getting normalized
 - Q1 organic YoY emerging revenue growth is 38%
- Emerging revenue has continued to outpace growth in strategic clients in line with firm strategy

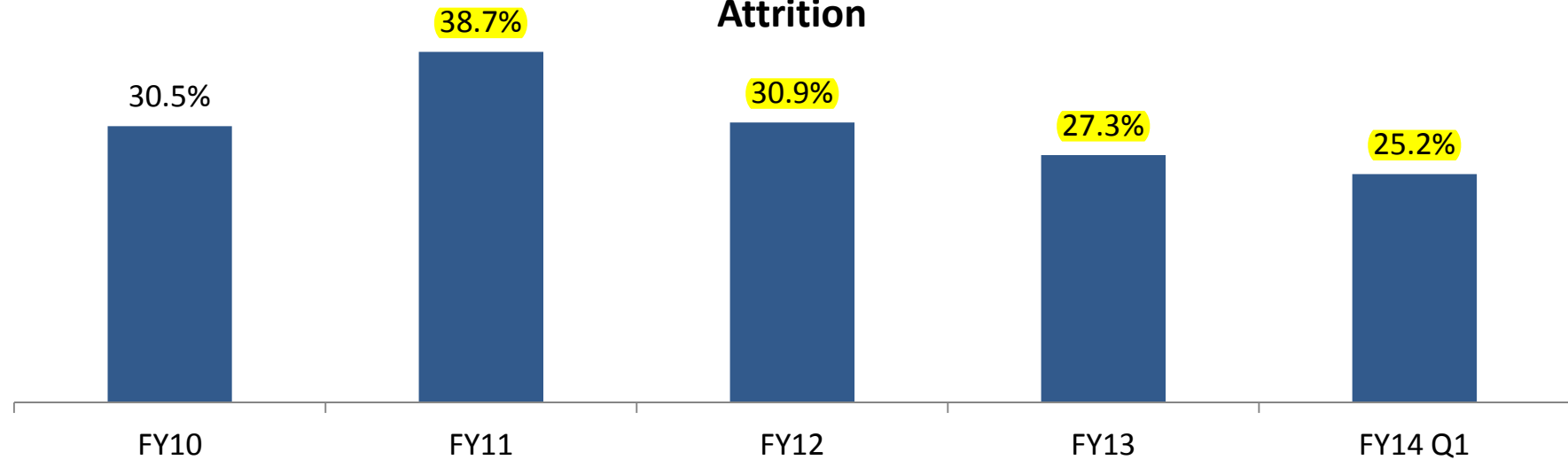
Human Resources Update



Headcount



Attrition



Thank You

This presentation contains forward-looking statements, inter-alia, to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is, inter-alia, subject to assumptions, risks, uncertainties, including but not limited to our ability to successfully conclude and integrate (potential) acquisition(s) and general regulatory and economic conditions affecting the industry. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, expected or projected. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Further this presentation may also contain references to findings of various reports available in public domain. We make no representation as to their accuracy or that we necessarily subscribe to those findings. Figures for previous periods / year have been regrouped, wherever necessary.

Balance Sheet Abstract



Particulars	June 30, 2013	March 31, 2013	% of Change
Shareholder's Funds			
Capital	299.5	298.8	0.2%
Reserves and Surplus	4,892.3	4,084.5	19.8%
Total Shareholder's Funds	5,191.8	4,383.3	18.4%
Application of Funds			
Fixed Assets	1,509.1	1,355.2	11.4%
Deferred Tax Assets (net)	13.7	12.8	7.2%
Net Current Assets & Investments (Liquid)	3,669.0	3,015.3	21.7%
Total Application of Funds	5,191.8	4,383.3	18.4%

Figures in INR millions.

Financial Summary – Quarterly View



	Metrics	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1
Revenue	Total Revenue (INR mn)	2,007	1,713	1,698	1,430	1,583
	Opg Revenue (INR mn)	1,899	1,743	1,708	1,617	1,537
	Opg Revenue (USD mn)	33.0	32.3	31.3	29.8	28.1
Profit	EBITDA (INR mn)	898	656	658	414	636
	OPM (INR mn)	701	620	595	524	552
	Net Profit (INR mn)	617	482	490	252	493
Margin	EBITDA (%)	45%	38%	39%	29%	40%
	OPM (%)	37%	36%	35%	32%	36%
	Net Profit (%)	31%	28%	29%	18%	31%
EPS	Basic	20.6	16.4	16.7	8.6	16.9
	Diluted	20.4	16.0	16.2	8.4	16.4

P&L Comparison – Quarterly View

Operating P&L	FY14 Q1	OPR (%)	FY13 Q4	OPR (%)	FY13 Q3	OPR (%)	FY13 Q2	OPR (%)	FY13 Q1	OPR (%)
Operating Revenue	1,899		1,743		1,708		1,617		1,537	
Cost of Revenues										
Employee Cost	665	35%	598	34%	578	34%	568	35%	510	33%
General & Administrative Expenses										
Rent	73	4%	73	4%	71	4%	59	4%	59	4%
Communication Expenses	25	1%	26	1%	11	1%	20	1%	22	1%
Legal and Professional Fees	25	1%	31	2%	22	1%	30	2%	83	5%
Electricity	16	1%	18	1%	21	1%	17	1%	15	1%
Conveyance	13	1%	14	1%	14	1%	19	1%	14	1%
Provision for Bad Debt	-	0%	(0)	0%	-	0%	-	0%	-	0%
Others	48	3%	59	3%	57	3%	55	3%	45	3%
Total G&A	200	11%	220	13%	196	11%	199	12%	238	15%
Selling and Distribution*	244	13%	238	14%	266	16%	249	15%	199	13%
Depreciation, Interest and Amortization	90	5%	67	4%	74	4%	77	5%	38	2%
Total Operating Cost	1,198	63%	1,124	64%	1,113	65%	1,093	68%	985	64%
Operating Profit	701	36.9%	620	35.6%	595	35%	524	32%	552	36%

Figures in INR millions.

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

Revenue Quality – Quarterly View



Metrics		FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1	FY12 Q4	FY12 Q3	FY12 Q2
Currency Concentration (%)	USD	81%	81%	82%	83%	83%	79%	80%	77%
	EURO	15%	15%	12%	13%	14%	17%	18%	19%
	GBP	3%	4%	5%	3%	3%	3%	3%	3%
	Other	1%	0%	1%	1%	0%	1%	0%	1%
Geographic Concentration	North America	74%	74%	75%	75%	71%	70%	70%	65%
	Europe	21%	21%	18%	19%	20%	23%	24%	26%
	ROW	5%	5%	7%	6%	9%	7%	6%	9%
Debtors	DSO	35 days	33 days	31 days	41 days	30 days	29 days	52 days	76 days
Client Concentration	Top 5	76%	78%	78%	79%	80%	87%	86%	86%
Billing Mix	FTE	94%	91%	92%	93%	93%	95%	94%	95%
	SEZ Revenue	60%	60%	59%	58%	62%	72%	67%	64%
Staff utilization		66%	69%	69%	68%	68%	72%	72%	71%