



**eClerx**  
**Investor**  
**Relations**

**Financial Performance – Q1FY23**

**Aug 9<sup>th</sup>, 2022**

# Financial Summary

Metrics		FY23 Q1	Q-o-Q	Y-o-Y
Revenue	OPG revenue (USD mm)	79.5	3.0%	22.9%
	OPG revenue (INR mm)	6,178	4.4%	27.1%
	Total revenue (INR mm)	6,398	6.4%	29.4%
Profit	EBITDA (INR mm)	1,870	-2.6%	19.7%
	EBIT (INR mm)*	1,621	-1.1%	22.4%
	Net profit (INR mm)	992	-16.5%	8.6%
Margin	EBITDA (%)	29.2%	-2.7%	-2.4%
	EBIT (%)	25.3%	-1.9%	-1.5%
	Net profit (%)	15.5%	-4.2%	-3.0%

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

- Q1 YoY Constant currency (CC) growth by 25.2%; QoQ CC growth of 3.9%
- Sequential reduction in margin due to:
  - Wage hikes and increased offshore bench
  - Personiv earnout related one-off cost of ~INR 215mm (Impact visible only in PAT)
  - PAT without earnout seen at INR 1,162mm (18.2%)
- Bonus issue proposed in the ratio of 1 new equity share for every 2 equity shares held

# Other Income

Figures in INR millions.

Other Income	FY23 Q1	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1
Investment Income	26.0	21.0	27.9	34.0	28.8
Revaluation Income*	180.5	51.2	8.2	(24.3)	46.6
Others	12.6	24.7	8.7	7.8	6.1
<b>Total</b>	<b>219.1</b>	<b>96.9</b>	<b>44.8</b>	<b>17.5</b>	<b>81.4</b>

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

- Increase in revaluation of FX assets due to higher USD/INR, and impact of Personiv's revaluation in P&L
- **Revaluation and Realised Gain**
  - USD/INR FY23 Q1 Exit: 79.03 vs. FY22 Q4 Exit: 75.78
  - EUR/INR FY23 Q1 Exit: 82.62 vs. FY22 Q4 Exit: 84.60
  - GBP/INR FY23 Q1 Exit: 96.01 vs. FY22 Q4 Exit: 99.65

# Hedge Updates

## Current Hedge Status

- Total outstanding hedges now \$184.2 mm at average INR 79.46/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
<b>Matured Forwards</b>	FY22 Q2		\$34.98	76.6
	FY22 Q3		\$48.80	76.5
	FY22 Q4		\$39.38	77.2
	<b>Total FY22</b>	<b>USD</b>	<b>\$152.0</b>	<b>76.7</b>
	FY23 Q1		\$39.2	77.7
<b>Outstanding Forwards</b>	FY23 Q2		\$37.3	77.9
	FY23 Q3		\$40.8	78.8
	FY23 Q4		\$30.0	79.0
	<b>Total FY23</b>	<b>USD</b>	<b>\$108.1</b>	<b>78.5</b>
	FY24Q1		\$32.3	80.1
	FY24Q2		\$21.0	80.7
	FY24Q3		\$13.5	81.5
	FY24Q4		\$6.3	82.1
	<b>Total FY24</b>	<b>USD</b>	<b>\$73.1</b>	<b>80.7</b>
	FY25Q1		\$3.0	83.3
<b>Total FY25</b>		<b>\$3.0</b>	<b>83.3</b>	
<b>Total Outstanding</b>		<b>USD</b>	<b>\$184.20</b>	<b>79.46</b>

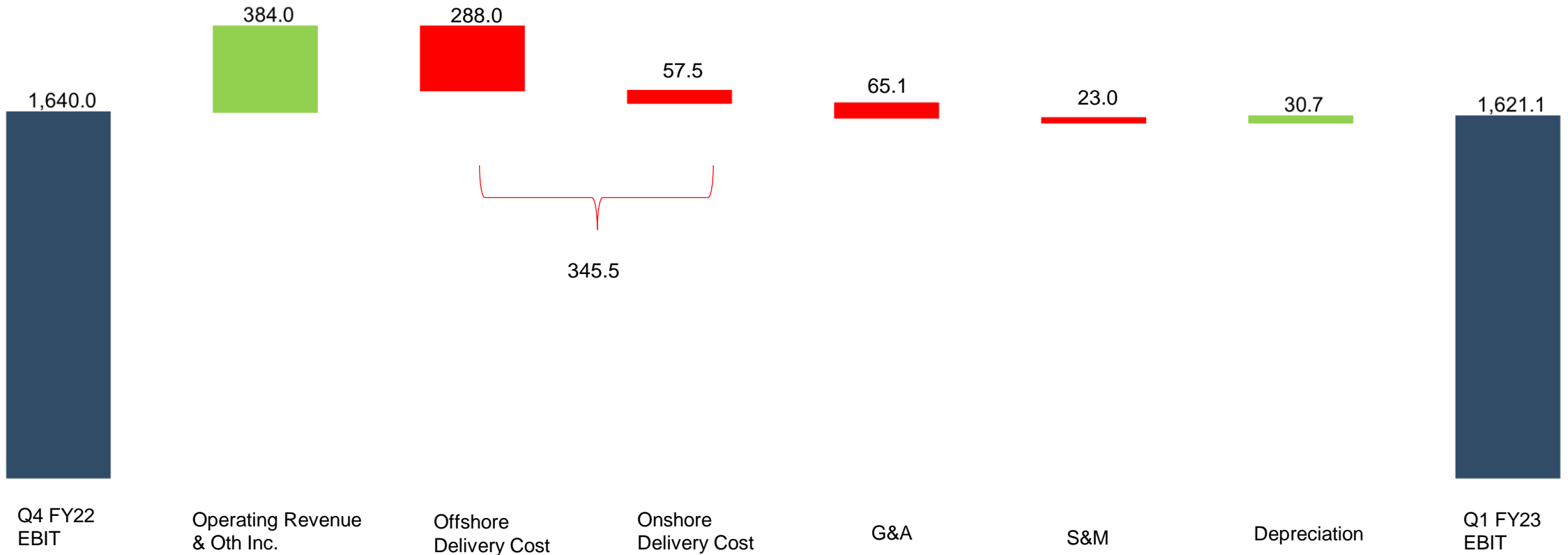
# P&L Comparison

Figures in INR millions.

Operating P&L	FY23 Q1	OPR (%)	FY22 Q4	OPR (%)
Operating Revenue \$	\$79.5		\$77.2	
<b>Total Revenue*</b>	<b>6,398</b>		<b>6,014</b>	
Operating Revenue	6,178		5,917	
<b>Cost of Revenues</b>				
Delivery and Support Employees Cost	3,341	54.1%	2,996	50.6%
<b>General and Administrative Expenses</b>				
Facilities (Rent and Electricity)	90	1.5%	84	1.4%
Technological Services (Communications, AMC)	128	2.1%	124	2.1%
Administrative Services (Transport, HK, Security)	47	0.8%	38	0.6%
Legal and Professional Fees	133	2.2%	111	1.9%
Provision / Written off for Bad Debt	2	0.0%	3	0.0%
CSR & Donation	14	0.2%	12	0.2%
Others	138	2.2%	116	2.0%
<b>Total G&amp;A</b>	<b>551</b>	<b>8.9%</b>	<b>486</b>	<b>8.2%</b>
<b>Selling and Distribution</b>	<b>635</b>	<b>10.3%</b>	<b>612</b>	<b>10.3%</b>
<b>EBITDA</b>	<b>1,870</b>	<b>29.2%</b>	<b>1,919</b>	<b>31.9%</b>
<b>Depreciation and Amortization (Inc. rent as per IND AS116)</b>	<b>249</b>	<b>4.0%</b>	<b>279</b>	<b>4.7%</b>
<b>EBIT</b>	<b>1,621</b>	<b>25.3%</b>	<b>1,640</b>	<b>27.3%</b>

\* Forex Gain / Loss and gain / loss on sale of tangible assets regrouped as other income/expenses in the press release financials

# QoQ EBIT Bridge



- Operating revenue & Oth Inc – INR 130mm from forex gain, balance due to growth in revenue
- Delivery cost has annual increment impact and HC growth
- G&A - Increase in hiring & return to office costs
- S&M - Onshore increment, higher travel spends due to opening up of the economy

**Note:**

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

# Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 7,633 mm for Q1 FY23 vs INR 6,805 mm for Q4 FY22
  - Equivalent to INR 230.5 per share Q1 FY23 vs INR 205.6 for Q4 FY22
  - Net operating cash flow in Q1 FY23 is INR 1,056.5 mm vs INR 848.7 mm in Q4 FY22
    - EBITDA conversion at 56.5% for Q1 FY23 vs 44.2% in Q4 FY22
  - Capex during Q1 FY23 is INR 182 mm vs INR 161 mm in Q4 FY22
- EPS
  - Q1 Basic: 29.97 INR ; Diluted: 29.44 INR
- Current book value per share Q1 FY23 INR 498.4 vs. INR 473.6 Q4 FY22
- CSR Update
  - CSR spend of INR 14.2 mm for existing and new projects in Q1 FY23 related to India
  - Areas covered: Health, Education, Skills development
  - Total lives touched / benefited ~ 6k

# New Additional (Independent) Directors

## Dr. Naresh Chand Gupta

*M.S and Ph.D. in Computer Science from University of Maryland; B.Tech in Computer Science from IIT (Kanpur)*

- Founder and CEO of Accuracap Consultancy Services, a technology-oriented public market investment firm. Has extensive experience in AI and deep technologies
- Previously part of Adobe's leadership team. As founding Managing Director of Adobe India, he setup the India R&D centre
- Has also worked at LNK Corporation

## Mr. Naval Bir Kumar

*MBA from IIM (Calcutta), Bachelor's in Mathematics from Bombay University*

- Thirty years of diverse experience in financial services
- Held leadership positions in investment banking, asset management, treasury and consumer banking. Formerly AMFI Board member and worked extensively with SEBI on evolving regulations
- Previously was the CEO of IDFC Mutual Fund and Head of its Consumer Banking business
- Has also worked with Standard Chartered and ANZ Grindlays

## Ms. Roshini Bakshi

*MBA from IIM (Ahmedabad), B.A. (Hons) in Economics from St. Stephens (Delhi)*

- Managing Director, Private Equity at Everstone Capital
- 29 years of general management & marketing experience, strong track record in consumer industries, strategy & operations
- Previously was the CEO and MD for the Walt Disney Company's Consumer, media and retail business for South Asia
- Has also worked with Unilever, American Express, and Mattel



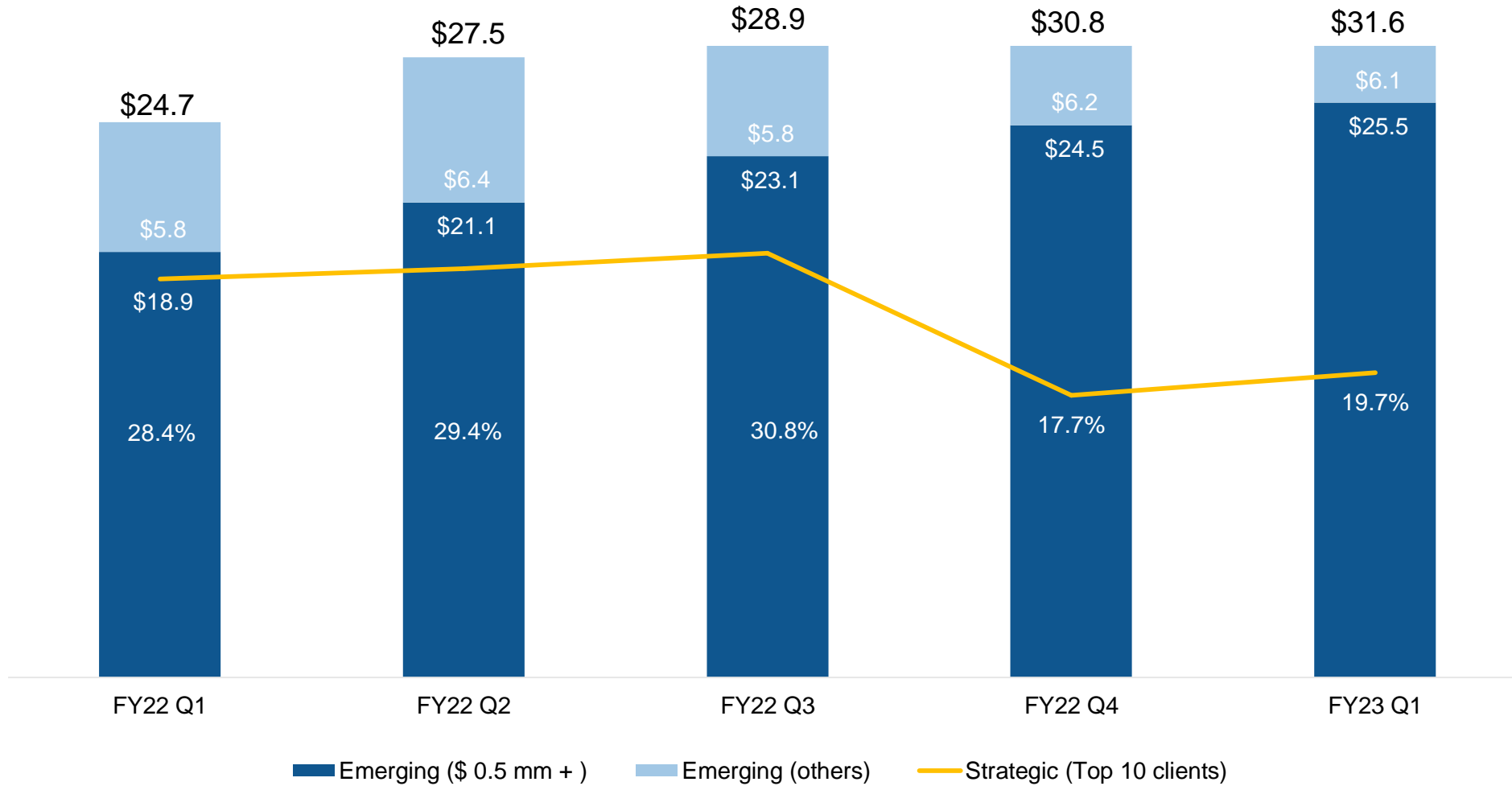
# Key Business Metrics

Metrics		FY23 Q1	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1	FY21 Q4	FY21 Q3	FY21 Q2
Currency Contribution (%) *	USD	82%	81%	80%	80%	80%	79%	81%	81%
	EURO	10%	11%	11%	10%	12%	12%	13%	13%
	GBP	3%	3%	4%	5%	4%	4%	4%	5%
	Others	5%	5%	5%	5%	4%	5%	2%	1%
Geographic Concentration *	North America	70%	69%	70%	69%	70%	70%	66%	66%
	Europe	22%	23%	23%	24%	23%	23%	28%	28%
	ROW	8%	8%	7%	7%	7%	7%	6%	6%
Debtors (including unbilled)	DSO (days)	75	75	66	65	73	72	78	74
Client Concentration	Top 10 contribution	60%	60%	61%	60%	62%	62%	64%	67%
Billing Mix	BPaaS	27%	28%	26%	24%	25%	27%	30%	31%
	Onshore Revenue	21%	20%	19%	20%	20%	21%	23%	23%
Staff Utilization (Delivery)		74.4%	78.5%	78.7%	78.2%	78.0%	80.8%	77.4%	75.3%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	31	25	18	23	21	19	17	16
	US\$ 1mm-3mm Clients	22	24	25	20	20	20	16	19
	US\$ 3mm ++ Clients	16	16	16	16	15	13	12	10
Offshore Seat Count		10,582 <sup>^</sup>	11,039	11,039	11,039	11,039	11,273	11,273	9,183

\*Other smaller currencies, geographies and client contribution not shown

<sup>^</sup> Temporary reduction in seat count, owing to ongoing facility consolidation

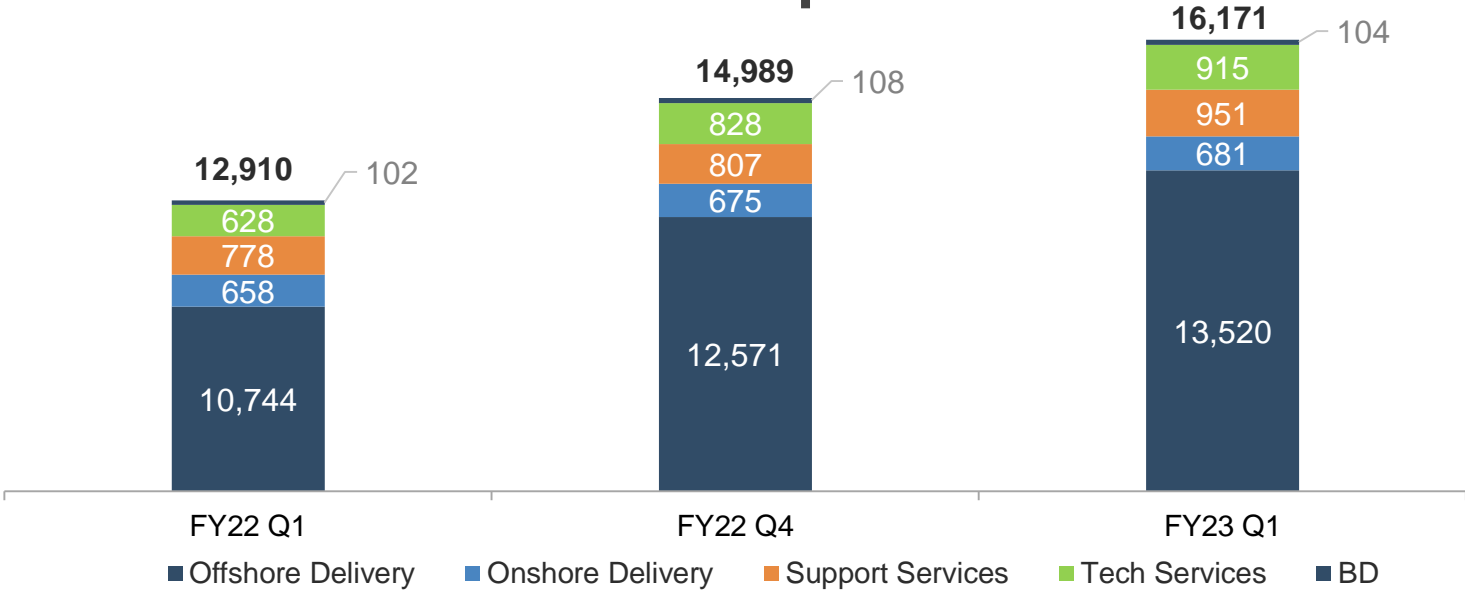
# Revenue Mix Trends (\$mm)



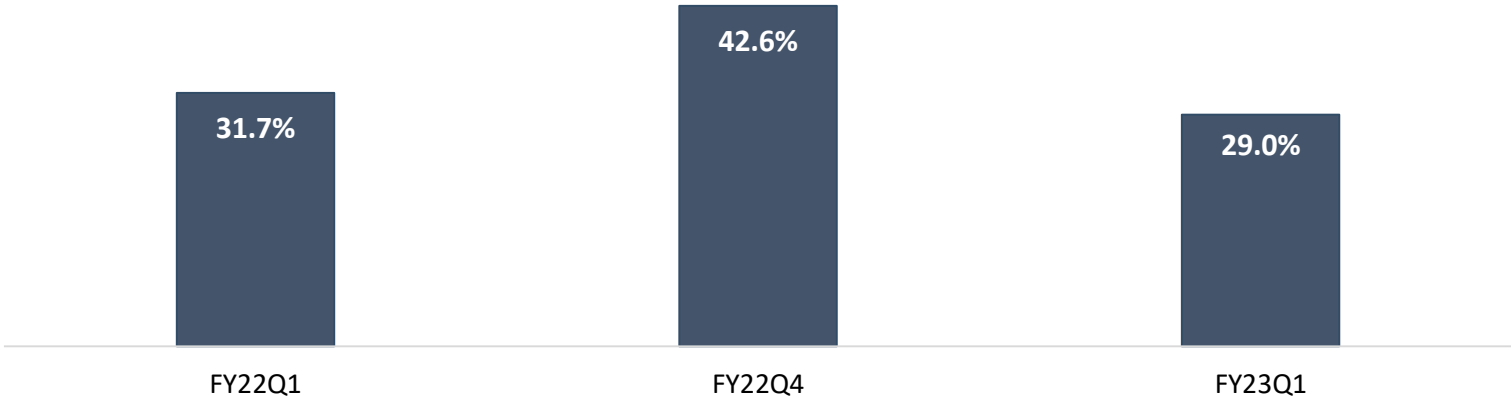
Strategic growth is measured at quarterly YoY level

# Human Resources Update

## Headcount



## Offshore Voluntary Attrition<sup>^</sup>



<sup>^</sup>Attrition includes PH & Thailand (in addition to India) from Q2 FY22  
 From Q1FY23 attrition in the bottom quartile is excluded

# Thank You

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