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eClerx

Financial Performance – FY19
23rd May, 2019

eClerx

Presented to:

Metrics		FY19 Q4	Q-o-Q	FY19	Y-o-Y
Revenue	OPG revenue (USD mm)	51.2	2.0%	200.7	1.1%
	OPG revenue (INR mm)	3,651	2.1%	14,306	4.8%
	Total revenue (INR mm)	3,747	5%	14,792	5%
Profit	EBITDA (INR mm)	903	35%	3,562	-12%
	Operating EBITDA (INR mm)	808	21%	3,076	-16%
	OPM (INR mm)	680	25%	2,629	-17%
	Net profit (INR mm)	593	52%	2,283	-21%
Margin	EBITDA (%)	24.1%	546bps	24.1%	-486bps
	Operating EBITDA (%)	22.1%	347bps	21.5%	-536bps
	OPM (%)	18.6%	342bps	18.4%	-495bps
	Net profit (%)	15.8%	492bps	15.4%	-521bps

**Operating EBITDA Excludes Other Income, whereas EBITDA includes Total Revenue*

- **Constant currency Q4 growth of 1.9% QoQ; FY19 Constant currency growth of 1.4%**
- Q4 INR Operating margin increased QoQ and YoY; % margin stabilizing for the current business mix
- Effective tax rate of FY19 is ~27%; FY20 expected to be ~28%
- eClerx's in-house R&D unit recognized by DSIR, Govt. of India

Figures in INR millions.

Other Income	FY19 Q4	FY19 Q3	FY19	FY18
Investment Income	108.1	100.0	354.8	292.4
Revaluation and Realised Gain	(15.9)	(104.4)	99.7	59.8
Other Misc. Income	3.6	4.7	31.4	46.1
Total	95.7	0.2	485.9	398.3

- Increase in other income due to revaluation of unrealized receivables and payables
- **Revaluation and Realised Gain**
 - USD/INR FY'19 Q4 Exit: 69.28 vs. FY'19 Q3 Exit: 69.62
 - EUR/INR FY'19 Q4 Exit: 77.74 vs. FY'19 Q3 Exit: 79.62
 - GBP/INR FY'19 Q4 Exit: 90.36 vs. FY'19 Q3 Exit: 88.79

Current Hedge Status

- Total outstanding hedges now \$143.4 mm at average INR 72.7/\$; 100% forwards

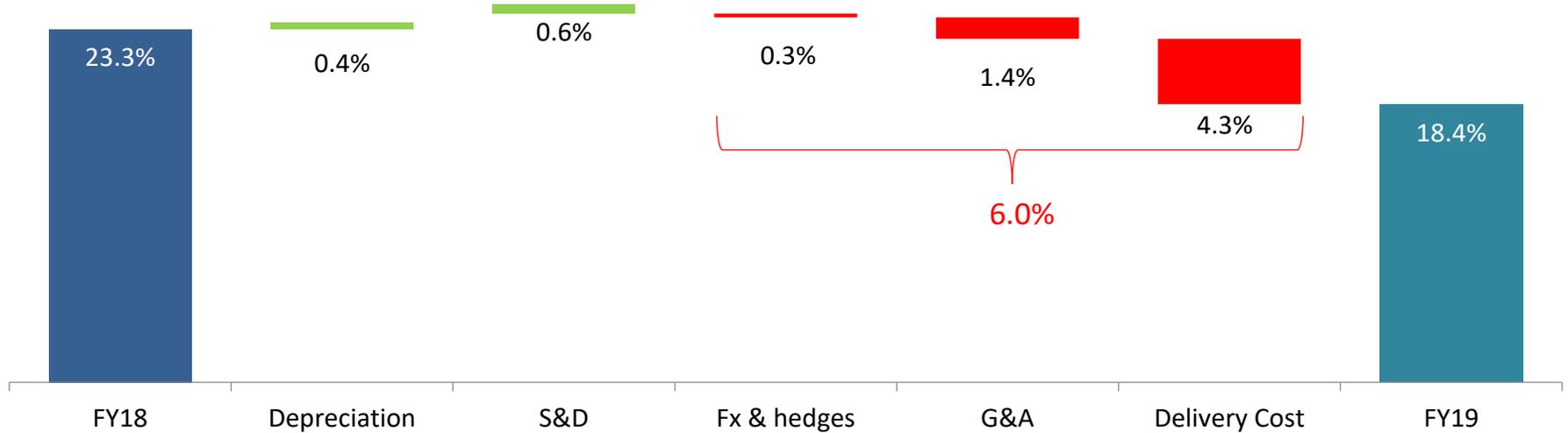
\$ Contract	Period	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY19 Q1	\$31.0	69.20
	FY19 Q2	\$30.4	68.70
	FY19 Q3	\$32.7	69.00
	FY19 Q4	\$29.5	69.00
	Total FY19	\$123.5	68.96
Outstanding Forwards	FY20 Q1	\$30.3	69.90
	FY20 Q2	\$29.9	71.40
	FY20 Q3	\$24.2	72.73
	FY20 Q4	\$23.8	73.76
	Total FY20	\$108.1	71.82
	FY21 Q1	\$16.5	74.66
	FY21 Q2	\$10.9	75.46
	FY21 Q3	\$5.2	76.12
	FY21 Q4	\$2.7	76.04
Total FY21	\$35.3	75.22	
Total Outstanding		\$143.4	72.65

P&L Comparison: FY19 vs. FY18

Figures in INR millions.

Operating P&L	FY19	OPR (%)	FY18	OPR (%)
Operating Revenue	14,306		13,651	
Cost of Revenues				
Delivery and Support Employees Cost	7,062	49.4%	6,180	45.3%
General and Administrative Expenses				
Facilities (Rent and Electricity)	734	5.1%	632	4.6%
Technological Services (Communications, AMC)	416	2.9%	391	2.9%
Administrative Services (Transport, HK, Security)	193	1.3%	163	1.2%
Legal and Professional Fees	268	1.9%	222	1.6%
Provision / Written off for Bad Debt	8	0.1%	22	0.2%
CSR & Donation	75	0.5%	69	0.5%
Others	334	2.3%	253	1.9%
Total G&A	2,028	14.2%	1,753	12.8%
Selling and Distribution	2,140	15.0%	2,051	15.0%
Depreciation and Amortization	447	3.1%	482	3.5%
Total Operating Cost	11,677	81.6%	10,466	76.7%
Operating Profit	2,629	18.4%	3,185	23.3%
INR/USD (Avg)	69.91		64.47	
INR/EUR (Avg)	80.91		75.46	
INR/GBP (Avg)	91.74		85.53	

OPM Bridging Analysis: Y-o-Y FY19 vs. FY18



- Delivery cost higher due to onshore revenue mix increase from 19% to 22% and onshore headcount ramp up
- Higher G&A due to one off costs in Pune facilities project

Note:

- Bridging analysis in constant currency
- S&D Exp. includes employee cost of onsite business development team

- Total Cash and Cash equivalents of INR 7,398 mm vs INR 6,002 mm for FY'18
 - Equivalent to INR 195.8 per share vs INR 157.3 for FY'18
 - Net operating cash flow in FY'19 is INR 2,063 mm vs INR 2,982 mm in FY'18
 - Capex during FY'19 is INR 511.6 mm vs INR 288.2 mm in FY'18
- EPS
 - Q4 Basic: INR 15.64; Diluted: INR 15.62
- Current book value per share of INR 365.5 vs. INR 315.9 FY'18
- Sintetik Italy merged with CLX Italy effective Jan 1st 2019

CSR Update

- Spent the FY19 budgeted amount for existing and new projects; FY20 budget is INR 70.1 mm
- Areas covered: Health, Education, Skills development
- Total Life touched / benefited ~23k

- Set-up in FY'17 to meet stock demand from exercises under the ESOP Scheme 2015 (“the Trust”).
- As on FY'19, the Trust holds 920,860 Equity shares; Average cost per share 1227.24
- Loan extended from company to Trust of INR 1,200 mm
- The Trust will deliver shares for ESOP exercises from FY20 (for ESOPs granted from 2016)

- **Benefits to Investors:**
 - Aggregate 12% dilution through company share issuance to meet past ESOP grants
 - Trust now caps* further dilution - no new equity allotment under ESOPs granted from 2016
 - Beneficial for future Earning per Share, dilution of voting rights

- **Benefits to Employees:**
 - The Trust allows cashless exercise, allows more frictionless process
 - Obviates need for effort in account opening for onshore employee

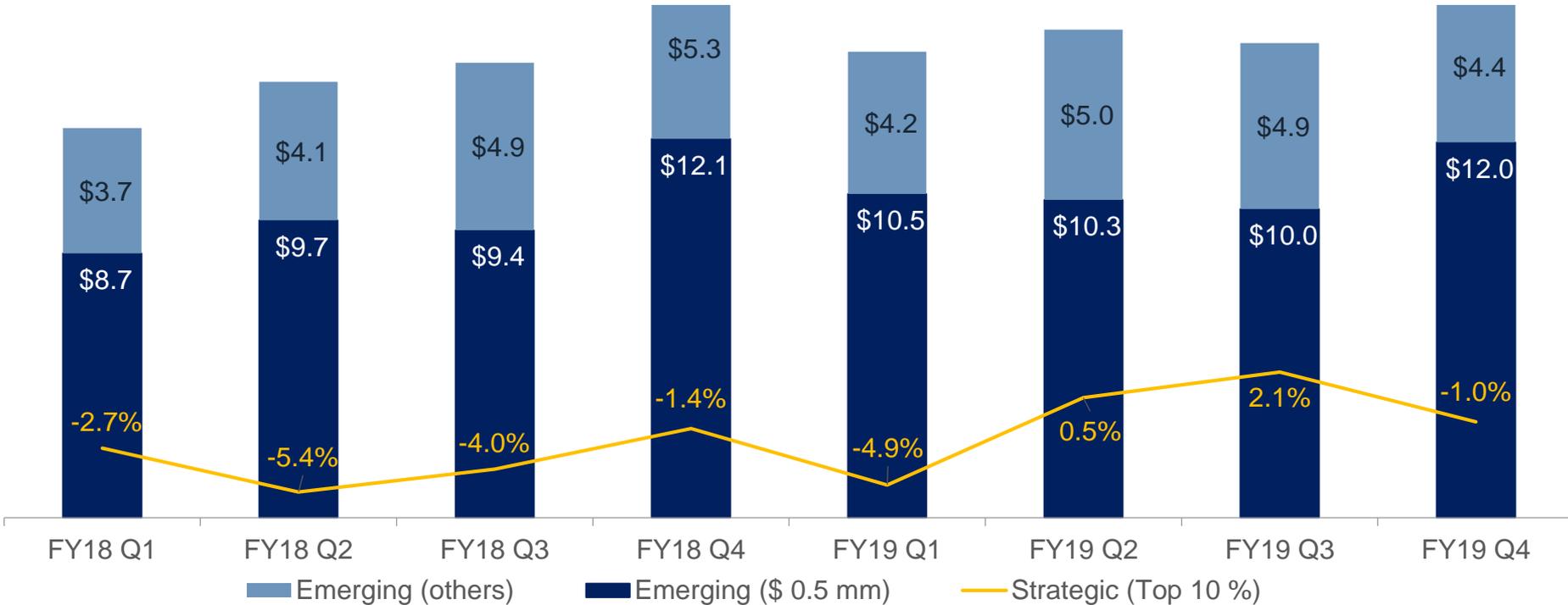
**Minimal dilution is expected for pending Exercises under previous ESOP schemes which are not under Trust Route*

Key Business Metrics

Metrics		FY 19 Q4	FY 19 Q3	FY 19 Q2	FY 19 Q1	FY 18 Q4	FY 18 Q3	FY 18 Q2	FY 18 Q1	FY 17 Q4	FY 17 Q3	FY 17 Q2	FY 17 Q1
Currency Contribution (%) *	USD	80%	82%	82%	82%	79%	83%	82%	84%	84%	75%	73%	72%
	EURO	10%	9%	10%	10%	13%	10%	10%	9%	10%	17%	19%	19%
	GBP	7%	7%	6%	6%	6%	6%	6%	6%	6%	7%	8%	9%
	Others	3%	2%	2%	2%	2%	1%	2%	1%	0%	1%	0%	0%
Geographic Concentration *	North America	65%	64%	64%	64%	59%	65%	65%	69%	67%	69%	68%	66%
	Europe	29%	29%	29%	28%	35%	28%	29%	26%	28%	27%	29%	30%
	ROW	6%	7%	7%	7%	6%	7%	6%	5%	5%	4%	3%	4%
Debtors (including unbilled)	DSO (days)	84	85	89	93	89	81	81	88	85	78	74	80
Client Concentration	Top 10 contribution	68%	70%	70%	70%	67%	71%	71%	75%	74%	76%	75%	74%
Billing Mix	Managed Services	30%	27%	26%	23%	27%	22%	21%	20%	18%	15%	15%	14%
	Onshore revenue	22%	23%	22%	22%	23%	19%	18%	15%	14%	13%	14%	13%
Staff Utilization (Delivery)		74.3%	71.9%	72.5%	72.4%	72.4%	72.9%	73.8%	76.8%	76.0%	78.5%	69.4%	68.7%
Client Contribution (based on TTM revenue) *	US\$ 500k+ Clients	20	16	17	19	17	16	14	14	14	15	18	18
	US\$ 1mm+ Clients	18	19	18	16	17	16	17	17	18	18	17	18
	US\$ 5mm+ Clients	7	7	7	7	6	6	6	6	6	6	7	7
India Seat Count		8,910	8,908	8,914	8,900	8,919	8,904	8,926	8,941	9,035	9,023	8,632	8,626

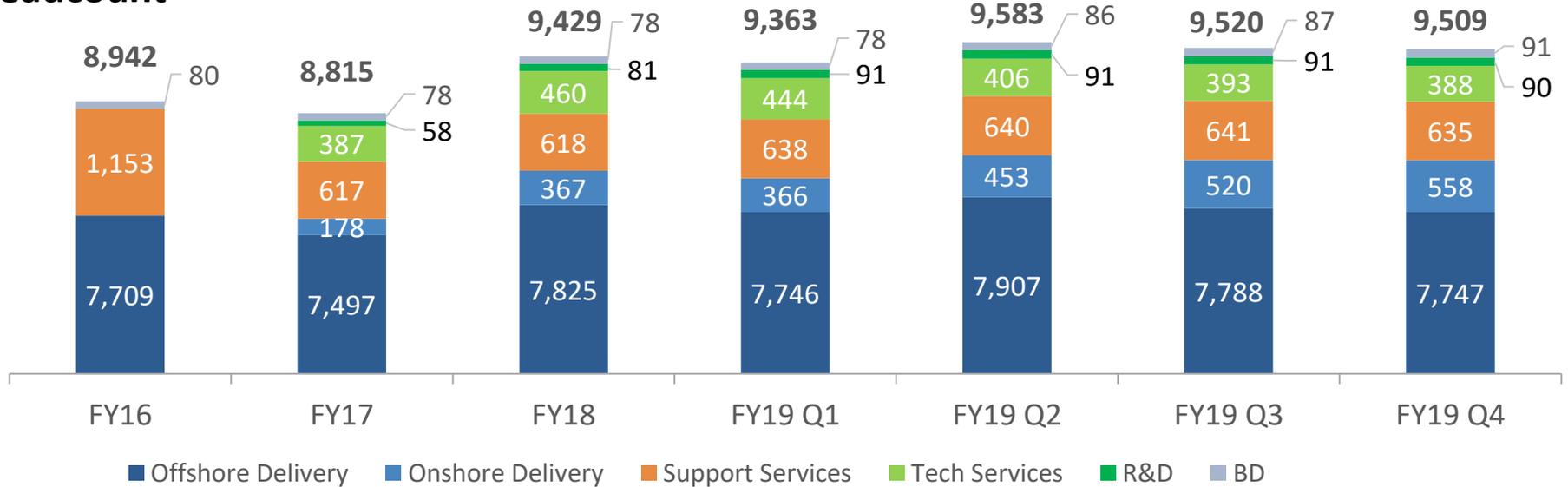
*Other smaller currencies, geographies and client contribution not shown

Revenue Mix Trends (\$mm)

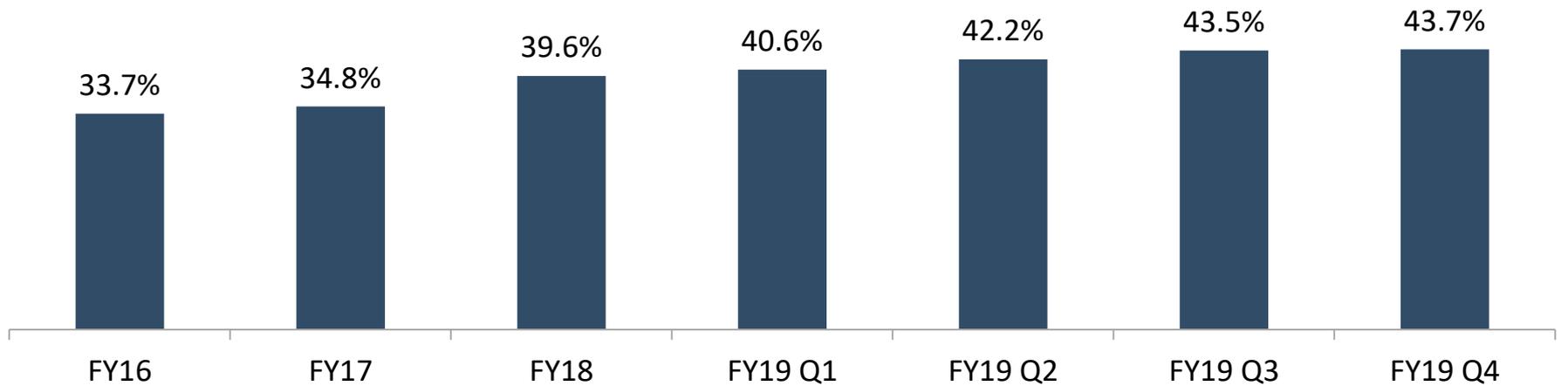


Strategic growth is measured at quarterly YoY level

Headcount



Offshore Attrition



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.

Thank You

Figures in INR millions.

Particulars	March 31, 2019	March 31, 2018	% of Change
Shareholder's Funds			
Capital	378	381	(1%)
Minority Interest	6	5	9%
Reserves and Surplus	13,435	11,666	15%
Total Shareholder's Funds	13,819	12,053	15%
Application of Funds			
Fixed Assets	3,481	3,435	1%
Deferred Tax Assets (net)	71	(31)	(328%)
Net Current Assets & Investments (Liquid)	10,267	8,649	19%
Total Application of Funds	13,819	12,053	15%

Metrics		FY19 Q4	FY19 Q3	FY19 Q2	FY19 Q1	FY18 Q4	FY18 Q3
Revenue	OPG revenue (USD mm)	51.2	50.2	50.0	49.2	52.5	48.9
	OPG revenue (INR mm)	3,651	3,576	3,559	3,519	3,611	3,399
	Total revenue (INR mm)	3,747	3,577	3,751	3,717	3,781	3,405
Profit	OPM (INR mm)	680	544	729	676	676	778
	EBITDA (INR mm)	903	667	1,024	968	975	911
	Operating EBITDA (INR mm)	808	667	832	770	805	904
	Net profit (INR mm)	593	390	700	600	644	575
Margin	OPM (%)	18.6%	15.2%	20.5%	19.2%	18.7%	22.9%
	EBITDA (%)	24.1%	18.7%	27.3%	26.0%	27.0%	26.8%
	Operating EBITDA (%)	22.1%	18.6%	23.4%	21.9%	22.3%	26.6%
	Net profit (%)	15.8%	10.9%	18.7%	16.1%	17.0%	16.9%

P&L Comparison – Quarterly View

Figures in INR millions.

Operating P&L	FY19 Q4	OPR (%)	FY19 Q3	OPR (%)	FY19 Q2	OPR (%)	FY19 Q1	OPR (%)	FY18 Q4	OPR (%)
Operating Revenue	3,651		3,576		3,559		3,519		3,611	
Cost of Revenues										
Delivery and Support Employees Cost	1,777	48.7%	1,830	51.2%	1,730	49%	1,725	49%	1,712	47%
General and Administrative Expenses										
Facilities (Rent and Electricity)	224	6.1%	211	5.9%	130	4%	168	5%	168	5%
Technological Services (Communications, AMC)	113	3.1%	107	3.0%	106	3%	91	3%	97	3%
Administrative Services (Transport, HK, Security)	45	1.2%	49	1.4%	54	2%	44	1%	41	1%
Legal and Professional Fees	71	2.0%	65	1.8%	55	2%	76	2%	86	2%
Provision / Written off for Bad Debt	5	0.1%	-	0.0%	4	0%	(0)	0%	22	1%
CSR & Donation	22	0.6%	17	0.5%	24	1%	12	0%	20	1%
Others	50	1.4%	107	3.0%	97	3%	79	2%	60	2%
Total G&A	530	14.5%	557	15.6%	471	13.2%	471	13.4%	495	14%
Selling and Distribution	537	14.7%	523	14.6%	527	14.8%	554	15.7%	600	17%
Depreciation and Amortization	128	3.5%	123	3.4%	103	3%	93	3%	129	4%
Total Operating Cost	2,971	81.4%	3,033	84.8%	2,830	80%	2,843	81%	2,935	81%
Operating Profit	680	18.6%	544	15.2%	729	20%	676	19%	676	19%

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