

eClerx

Investor Relations



Financial Performance – Q4FY22

May 24th, 2022

Financial Summary

Metrics		FY22 Q4	Q-o-Q	FY22	Y-o-Y
Revenue	OPG revenue (USD mm)	77.2	5.2%	284.6	35.2%
	OPG revenue (INR mm)	5,917	5.8%	21,603	38.1%
	Total revenue (INR mm)	6,014	6.7%	21,844	38.0%
Profit	EBITDA (INR mm)	1,919	5.3%	6,970	44.5%
	EBIT (INR mm)*	1,640	5.2%	5,938	47.9%
	Net profit (INR mm)	1,188	11.4%	4,174	47.7%
Margin	EBITDA (%)	31.9%	-0.4%	31.9%	1.4%
	EBIT (%)	27.3%	-0.4%	27.2%	1.8%
	Net profit (%)	19.7%	0.8%	19.1%	1.3%

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

- Q4 YoY Constant currency (CC) growth by 22.0%; QoQ CC growth of 5.5%
- Wage increments to be effective 1st April 2022
- Dividend of INR 1 proposed for FY22
- EPS has grown by 52% from INR 81.6 in FY21 to INR 123.8 in FY22

Other Income

Figures in INR millions.

Other Income	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1	FY21 Q4
Investment Income	21.0	27.9	34.0	28.8	24.6
Revaluation Income*	51.2	8.2	(24.3)	46.6	4.9
Others	24.7	8.7	7.8	6.1	7.9
Total	96.9	44.8	17.5	81.4	37.5

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

- Decrease in investment income due to reduction in investible base post buyback in Nov'21
- Increase in revaluation of FX assets due to higher USD/INR
- **Revaluation and Realised Gain**
 - USD/INR FY'22 Q4 Exit: 75.90 vs. FY'22 Q3 Exit: 74.50
 - EUR/INR FY'22 Q4 Exit: 84.22 vs. FY'22 Q3 Exit: 84.71
 - GBP/INR FY'22 Q4 Exit: 99.83 vs. FY'22 Q3 Exit: 100.91

Our Marquee Clients

Our Clients Are Leaders In Their Industries

- **75% of our revenue derives from Fortune 500 companies**
- **57 clients are \$10bn+ revenue** companies
- Our clients have staying power and **large spends**
- **30 clients have together bought \$1bn of our services** in the past decade

We Have Deep, Tenured Relationships

- Founded on **delivery excellence** and long term partnership
- **80% revenues** from firms which are clients for over **5 years**
- **60% revenues** from firms which are clients for over **10 years**

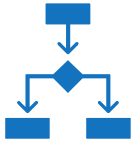


We Can Grow Meaningfully At Clients

- We have created large client footprints (\$10mm+)
- We have grown our **\$3-10mm** client cohorts (now 22%)
- Our service breadth and client agreements allow us access to large spend pools and growth opportunities

	FY22		FY18	
	# of clients	Revenue share	# of clients	Revenue share
\$10mm+	6	50%	5	60%
\$5-10mm	7	18%	1	3%
\$3-5mm	3	4%	4	7%
\$1-3mm	23	12%	13	13%
<\$1mm	251	16%	245	17%

Business Process as a Service (BPaaS)



Services delivered under “outcome-based” contracts

- Commercials structured around milestones, fixed price projects, or fixed + unit prices
- Differentiators are multi-client tenancy; deep domain; IP (techniques, know-how) and software tools
- Longer term better margin and business retention
- Key to developing product-like services AND sales-arrowheads



Example services

- [Client Lifecycle](#)
- [Field Tech Operations](#)
- [Digital Asset Creation](#)



eClerx Compliance Manager –
Best Data Solution for KYC

Key FY22 Metrics

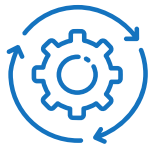
REVENUE	\$73mm; 13% organic 3Y CAGR
CLIENTS	Over 100; 14 with BPaaS Revenues > \$1mm

Analytics & Automation



Analytics primary consumers are CMO and COO client organizations

- Services comprise marketing and customer analytics; business intelligence; advanced modeling
- Techniques comprise data design, lineage and engineering; model building; visualization
- Delivery is hybrid onshore and offshore; more complex projects and stronger client engagement
- Primary competition from dedicated offshore analytics providers



Automation primary consumers are business buyers and occasionally IT

- Services comprise consulting; business analysis; platform implementation; custom development; testing
- Includes fees for eClerx tools: [FLUiD4](#), [Compliance Manager](#), [Market360](#), Billing Manager, Workflow Manager
- Leverages team investments in third party tools and capabilities in [RPA](#), AI/ML



The AIM Award

Top 50 Firms in India for Data Scientists To Work For – Analytics
India Magazine



NASSCOM Customer Excellence Award

For Robotics Process Automation (RPA) Implementation at Scale



Key FY22 Metrics

Excludes A&A bundled in service lines

REVENUE	\$60mm, 15% organic 3Y CAGR, highest realization service line
CLIENTS	Over 100; 13 with A&A revenues > \$1mm in FY22
PEOPLE	1800 FTE across Business Analysts, Data Architects, Consultants, Developers, Decision Scientists and AI/ML Engineers

P&L Comparison

Figures in INR millions.

Operating P&L	FY22 Q4	OPR (%)	FY22 Q3	OPR (%)
Operating Revenue \$	\$77.2		\$73.4	
Total Revenue*	6,014		5,636	
Operating Revenue	5,917		5,592	
Cost of Revenues				
Delivery and Support Employees Cost	2,996	50.6%	2,738	49.0%
General and Administrative Expenses				
Facilities (Rent and Electricity)	84	1.4%	95	1.7%
Technological Services (Communications, AMC)	124	2.1%	119	2.1%
Administrative Services (Transport, HK, Security)	38	0.6%	39	0.7%
Legal and Professional Fees	111	1.9%	121	2.2%
Provision / Written off for Bad Debt	3	0.0%	(1)	(0.0%)
CSR & Donation	12	0.2%	15	0.3%
Others	116	2.0%	122	2.2%
Total G&A	486	8.2%	511	9.1%
Selling and Distribution	612	10.3%	564	10.1%
EBITDA	1,919	31.9%	1,823	32.3%
Depreciation and Amortization (Inc. rent as per IND AS116)	279	4.7%	264	4.7%
EBIT	1,640	27.3%	1,559	27.7%

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

Hedge Updates

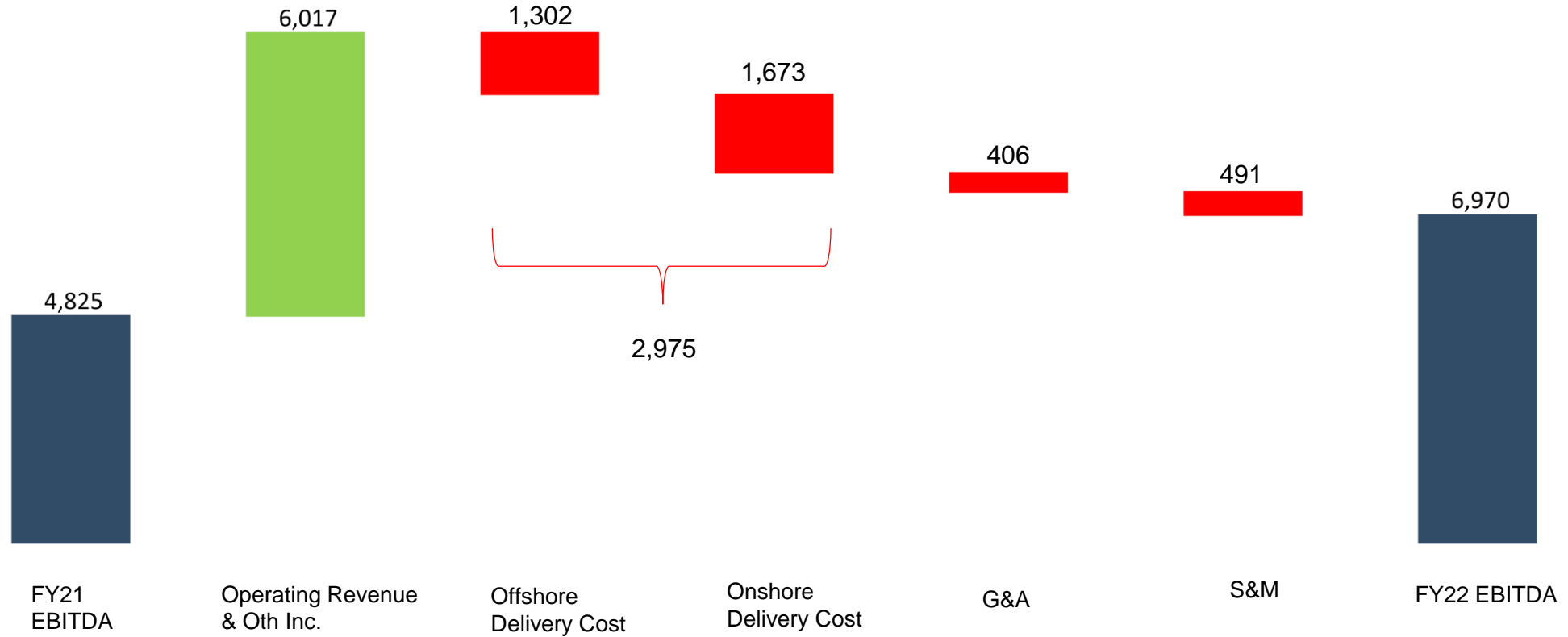
Current Hedge Status

- Total outstanding hedges now \$173.3 mm at average INR 78.72/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY22 Q1		\$28.80	76.7
	FY22 Q2		\$34.98	76.9
	FY22 Q3		\$48.82	77.2
	FY22 Q4		\$39.40	78.5
	Total FY22	USD	152.00	77.3
Outstanding Forwards	FY23 Q1		\$39.20	77.7
	FY23 Q2		\$37.30	77.9
	FY23 Q3		\$28.80	78.7
	FY23 Q4		\$30.00	79.0
	Total FY23	USD	\$135.30	78.3
	FY24 Q1		\$18.20	79.9
	FY24 Q2		\$11.70	80.4
	FY24 Q3		\$5.50	81.1
	FY24 Q4		\$2.60	81.5
	Total FY24	USD	\$38.00	80.3
Total Outstanding		USD	\$173.30	78.7

YoY EBITDA Bridge

Figures in INR millions



- Delivery cost has increased in line with revenue growth
- Increase in hiring costs driving G&A higher
- S&M - Higher variable comp payout due to firm performance, travel spends gone up due to opening up of the economy
- FY22 saw Personiv being added for the full year against 98 days in FY21

Note:

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

Balance Sheet & Other Updates

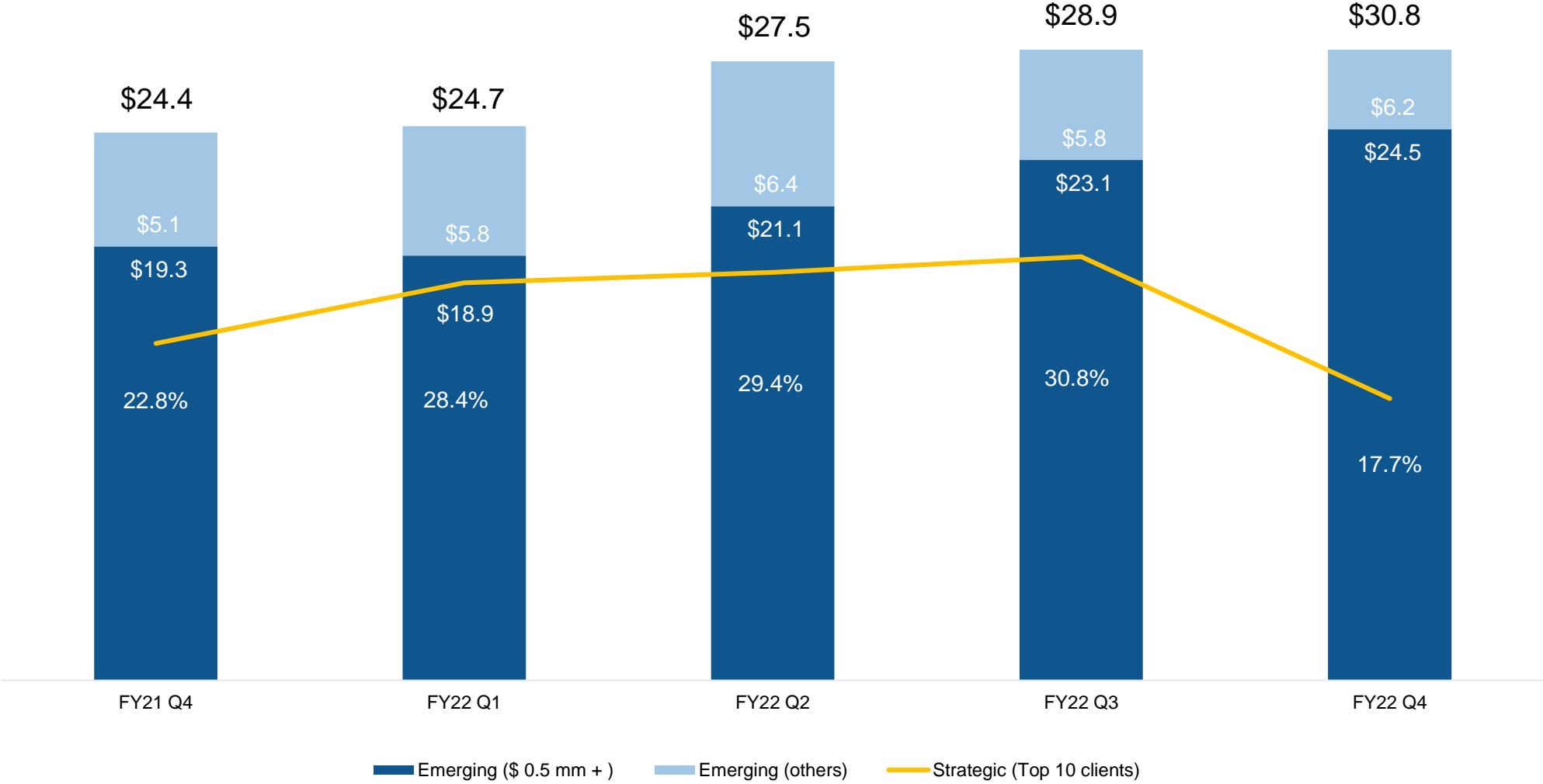
- Total Cash and Cash Equivalents of INR 6,805 mm for FY22 vs INR 6,572 mm for FY21
 - Equivalent to INR 205.6 per share FY22 vs INR 193.2 for FY21
 - Net operating cash flow in FY22 is INR 4,481.7 mm vs INR 3,645.7 mm in FY21
 - EBITDA conversion at 64.3% for FY22 vs 75.6% in FY21
 - Capex during FY22 is INR 533 mm vs INR 351 mm in FY21
- EPS
 - Q4 Basic: 35.87 INR ; Diluted: 35.16 INR
 - FY22 Basic: 123.81 INR ; Diluted 121.57 INR
- Current book value per share FY22 INR 473.6 vs. INR 441.3 FY21
- CSR Update
 - CSR spend of INR 50.8 mm for existing and new projects in FY22 related to India; Budget for FY23 is INR 64.3 mm
 - Areas covered: Health, Education, Skills development
 - Total lives touched / benefited ~ 27k

Key Business Metrics

Metrics		FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1	FY21 Q4	FY21 Q3	FY21 Q2	FY21 Q1
Currency Contribution (%) *	USD	81%	80%	80%	80%	79%	81%	81%	85%
	EURO	11%	11%	10%	12%	12%	13%	13%	9%
	GBP	3%	4%	5%	4%	4%	4%	5%	4%
	Others	5%	5%	5%	4%	5%	2%	1%	2%
Geographic Concentration *	North America	69%	70%	69%	70%	70%	66%	66%	71%
	Europe	23%	23%	24%	23%	23%	28%	28%	23%
	ROW	8%	7%	7%	7%	7%	6%	6%	6%
Debtors (including unbilled)	DSO (days)	75	66	65	73	72	78	74	83
Client Concentration	Top 10 contribution	60%	61%	60%	62%	62%	64%	67%	70%
Billing Mix	BPaaS	28%	26%	24%	25%	27%	30%	31%	24%
	Onshore Revenue	20%	19%	20%	20%	21%	23%	23%	21%
Staff Utilization (Delivery)		78.5%	78.7%	78.2%	78.0%	80.8%	77.4%	75.3%	69.9%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	25	18	23	21	19	17	16	18
	US\$ 1mm-3mm Clients	23	25	20	20	20	16	19	16
	US\$ 3mm ++ Clients	16	16	16	15	13	12	10	11
Offshore Seat Count		11,039	11,039	11,039	11,039	11,273	11,273	9,183	9,601

*Other smaller currencies, geographies and client contribution not shown

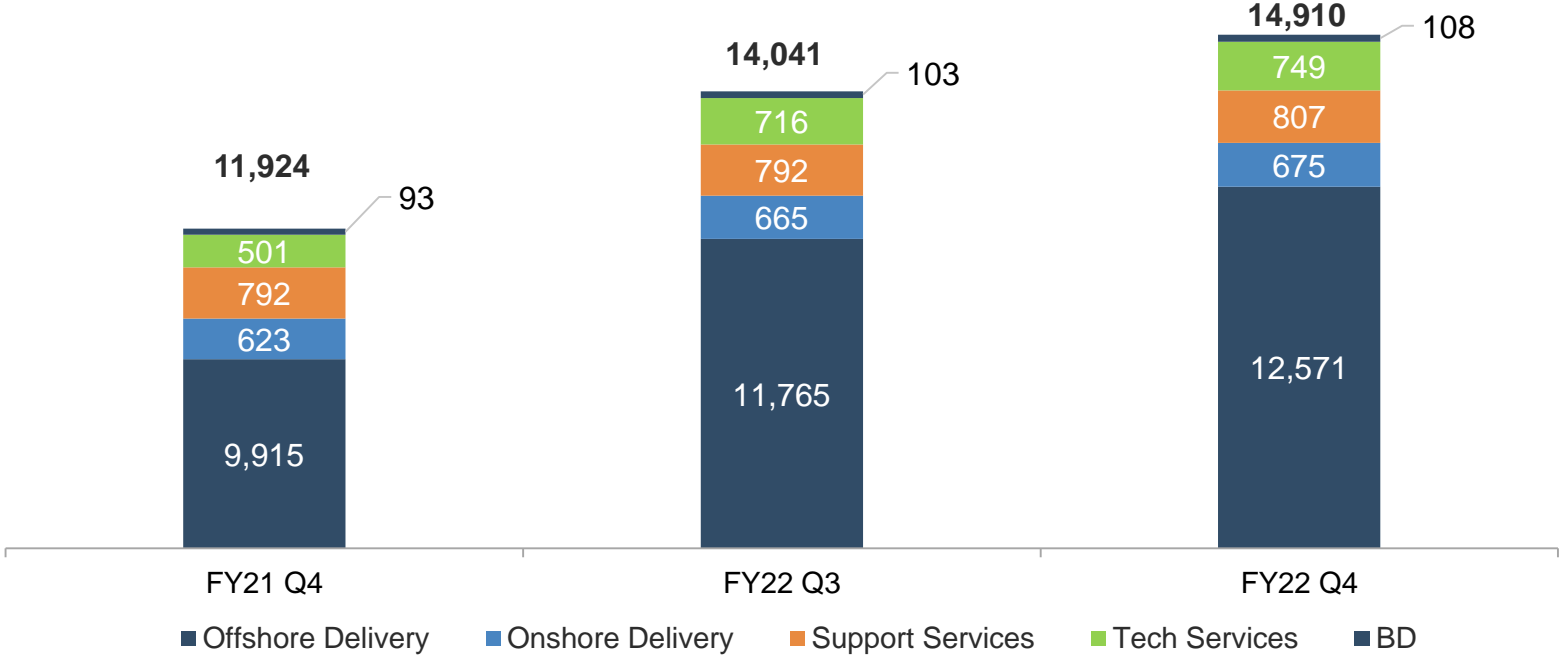
Revenue Mix Trends (\$mm)



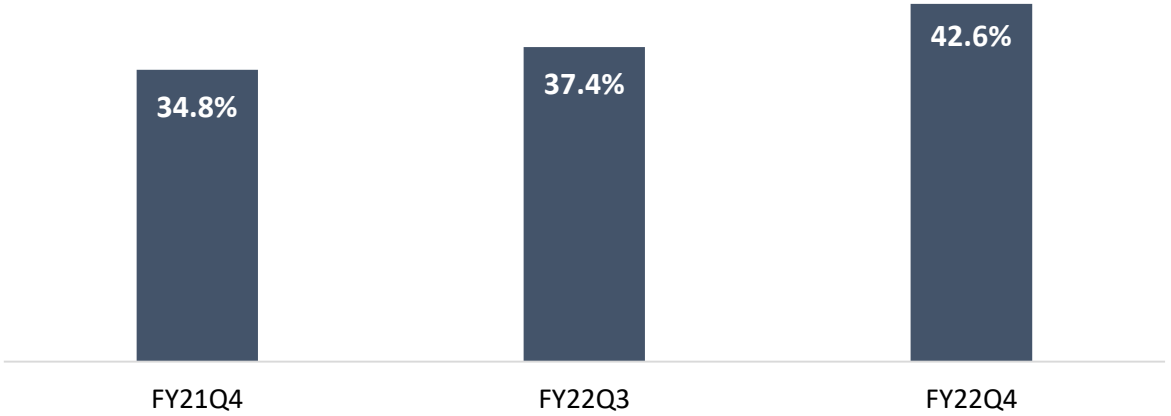
Strategic growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition^



^Attrition includes PH & Thailand (in addition to India) from Q2

Balance Sheet Abstract

Figures in INR millions.

Particulars	March 31, 2022	March 31, 2021	% Change
Shareholder's Funds			
Capital	331	340	(3%)
Minority Interest	12	9	37%
Reserves and Surplus	15,345	14,668	5%
Total Shareholder's Funds	15,688	15,017	4%
Application of Funds			
Fixed Assets	5,953	5,958	0%
Right to Use Assets (IND AS116)	1,194	1,327	(10%)
Lease Liability (IND AS116)	(1,630)	(1,742)	(6%)
Deferred Tax Assets (net)	233	164	42%
Net Current Assets & Investments	9,938	9,310	7%
Total Application of Funds	15,688	15,017	4%