



Financial Performance FY14 H1

October 24, 2013



eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary



	Metrics	FY14 Q2	Q-o-Q	FY14 H1	Y-o-Y
Revenue	Total revenue (INR mm)	2,152	7%	4,159	38%
	OPG revenue (INR mm)	2,146	13%	4,045	28%
	OPG revenue (USD mm)	34.1	3%	67.1	16%
Profit	EBITDA (INR mm)	934	4%	1,833	74%
	OPM (INR mm)	854	22%	1,555	44%
	Net profit (INR mm)	672	9%	1,289	73%
Margin	EBITDA (%)	43%	-1%	44%	9%
	OPM (%)	40%	3%	38%	4%
	Net profit (%)	31%	0%	31%	6%
EPS	Basic (INR)	22.4	9%	43.0	69%
	Diluted (INR)	22.1	8%	42.5	72%

- USD revenue up 3.4% Q-o-Q (3.1% in constant currency)
- Operating margins at 39.8% for the quarter, up 286 bps Q-o-Q and 430 bps Y-o-Y
- EPS at 22.4 up 9% Q-o-Q and 69% Y-o-Y

Other Income FY14 Q2 vs FY14 Q1

Figures in INR millions.

Other Income	FY14 Q2	FY14 Q1	FY13 Q4
Income from Investment	33.5	30.6	23.1
Hedge Gain / (Loss)	(125.7)	(58.4)	(64.4)
Revaluation and Realised Gain	98.6	135.7	10.6
Total	6.4	107.8	(30.7)

- Higher income from investment mainly from FD's, due to spike in short term rates
- **Hedge (Loss)**
 - \$ 17.9 mm @ 53.59/\$ hedges maturity in FY14 Q2 vs \$ 17.7 mm @ 52.89/\$ in FY14 Q1
 - Average loss on hedge maturity is INR 7.0 per USD in FY14 Q2 vs. INR 3.3 per USD in FY14 Q1
- **Revaluation and Realised Gain**
 - Revaluation gains driven by sharp INR depreciation of Rs. 3.08
 - Sept 13 closing rate Rs. 62.78/\$ vs Rs. 59.70/\$ at the end of last quarter

Other Updates

Current Hedge Status

- Total outstanding hedges now \$96.3 mm at average INR 61.00/\$
 - 2.8 times last quarter revenue vs. average of 2.5 times in preceding 4 quarters
 - 98% forwards, 2% options
- Will continue to gradually layer in additional hedges

Contract	Year	Currency	Amount (mn)	Average Rate (INR)		
Forward	FY14 H2	USD	\$31.0	58.4		
		Euro	€ 3.9	76.6		
	Total FY14 Q3 – Equiv USD			\$17.4	57.5	
	Total FY14 Q4 – Equiv USD			\$18.9	58.8	
	Total FY14 H2 – Equiv USD			\$36.3	58.2	
	FY15	USD	\$47.5	63.7		
		Euro	€ 7.8	80.7		
		Total FY15 Q1 – Equiv USD			\$13.4	60.0
		Total FY15 Q2 – Equiv USD			\$15.4	63.3
		Total FY15 H2 – Equiv USD			\$29.3	64.3
		Total FY15 – Equiv USD			\$58.0	63.0
	Option	FY14	USD	\$2.0	54.0	

Note: EUR / USD taken at 1.35

Balance Sheet Update

- Total Cash and Cash equivalents of INR 2,311 mm excluding escrow; zero debt
- Equivalent to INR 76.8 per share
- Trailing 12 months EPS
 - Basic: INR 76.1; Diluted: INR 74.7
- Current book value per share of INR 197.3 vs. INR 173.4 in last quarter

Facility Update

- LOI signed for additional space in Mumbai, this will take India seats to 6800+ in Q1'15
- New office in Philadelphia, this takes our formal onshore presence to four locations
- Capex spend likely for new facilities in H2FY14 is ~INR 150 mm

Buy Back Update

- 37,623 shares purchased and extinguished during Q2
- Average purchase price (excluding brokerage and expenses) INR 814.66



P&L Comparison: FY14 Q2 vs. FY14 Q1

Figures in INR millions.

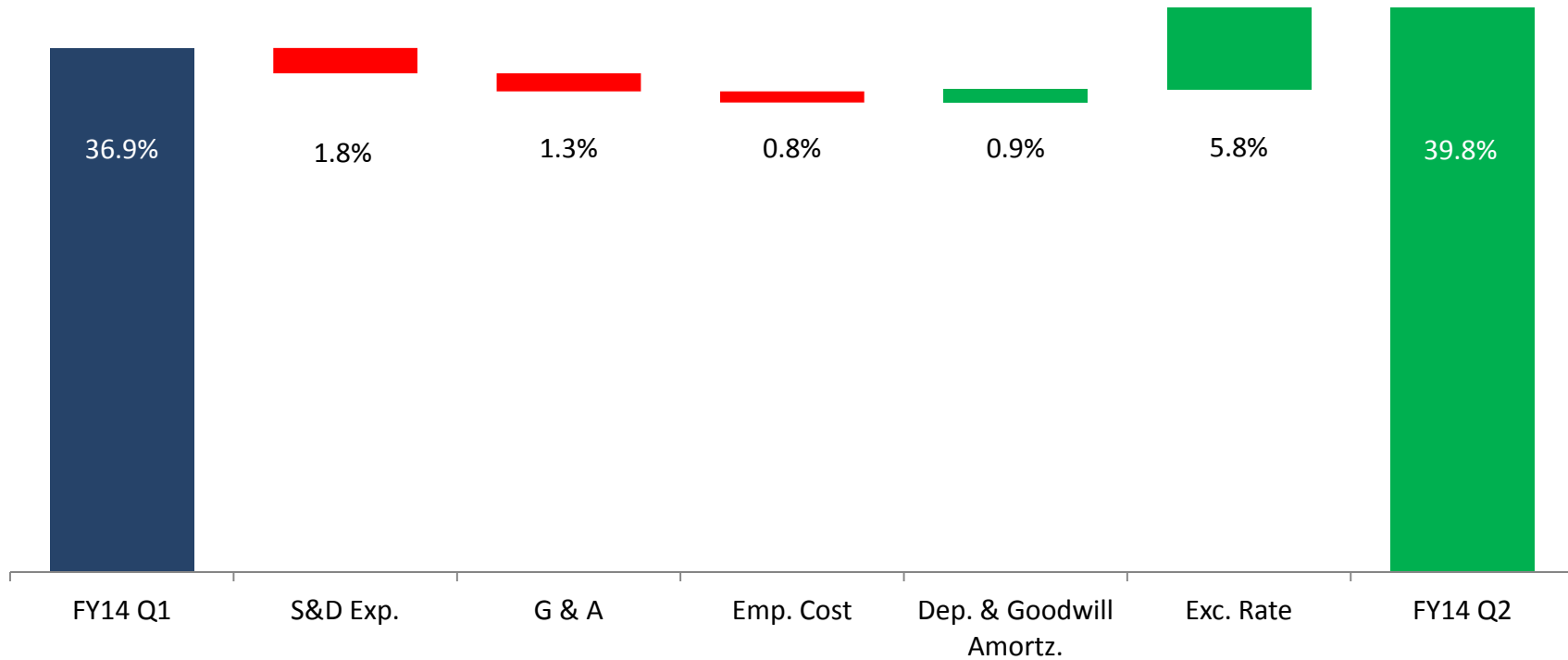
Operating P&L	FY14 Q2	OPR (%)	FY14 Q1	OPR (%)
Operating Revenue	2,146.1		1,899.2	
Cost of Revenues				
Employee Cost	700.9	32.7%	665.0	35.0%
General and Administrative Expenses				
Rent	77.6	3.6%	72.7	3.8%
Communication Expenses	19.5	0.9%	25.2	1.3%
Legal and Professional Fees	46.8	2.2%	25.1	1.3%
Electricity	19.5	0.9%	16.5	0.9%
Conveyance	11.2	0.5%	12.8	0.7%
Provision for Bad Debt	-	0.0%	-	0.0%
Others	56.5	2.6%	47.8	2.5%
Total G&A	231.1	10.8%	200.1	10.5%
Selling and Distribution*	286.1	13.3%	243.5	12.8%
Depreciation, Interest and Amortization	74.3	3.5%	89.5	4.7%
Total Operating Cost	1,292.5	60.2%	1,198.1	63.1%
Operating Profit	853.6	39.8%	701.1	36.9%

FY14 Q2 average exchange rate INR 62.80/\$, INR 84.79/€; Sep 2013 end INR 62.78/\$, INR 84.67/€

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

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

OPM Bridging Analysis: FY14 Q2 vs. FY14 Q1



S&D Exp increase due to addition of Onsite HC and increased sales bonus
 G&A Exp. Increase due to Legal and recruitment fee and contracted services

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.

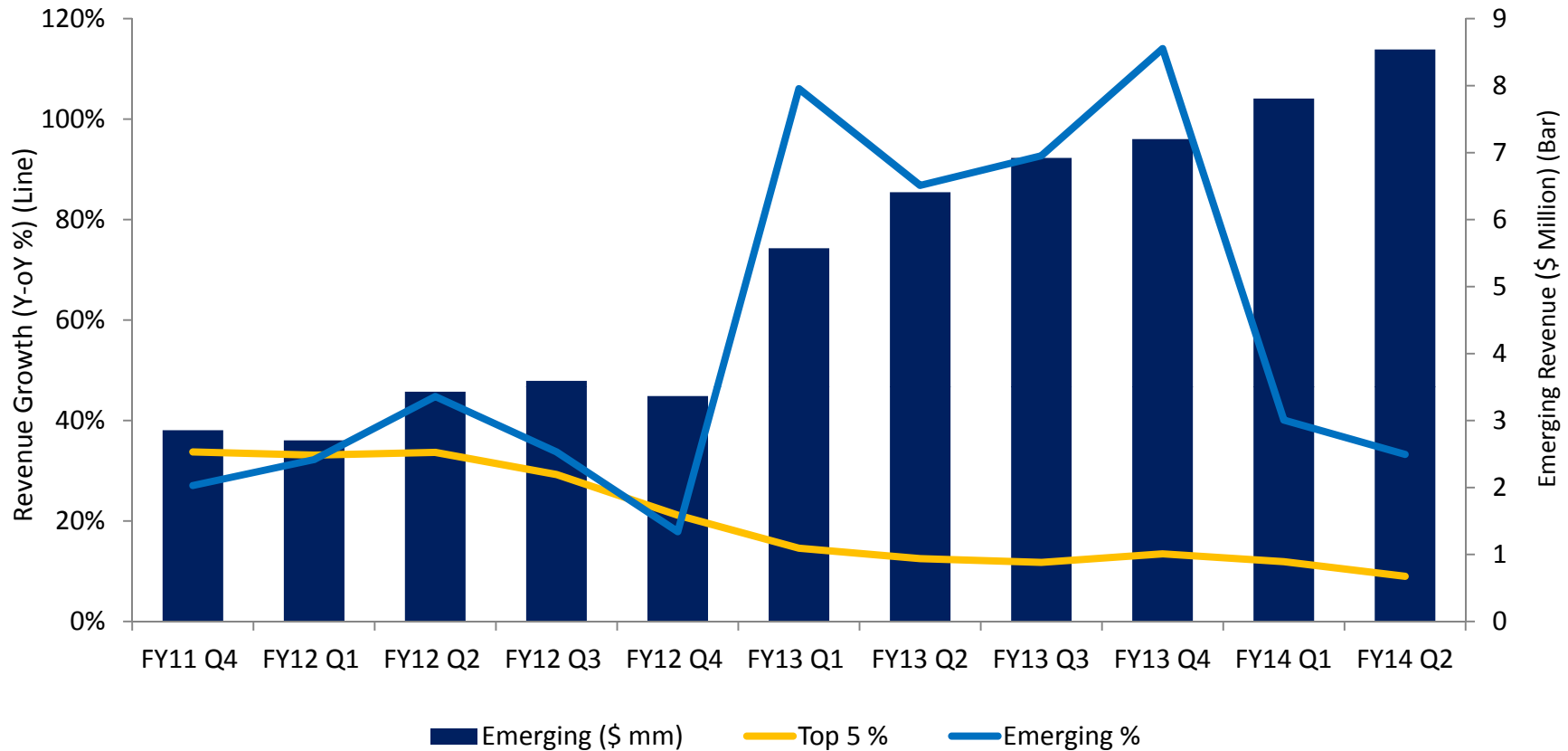
Key Business Metrics



	Metrics	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2
Currency Contribution (%)	USD	81%	81%	81%	82%	83%
	EURO	14%	15%	15%	12%	13%
	GBP	4%	3%	4%	5%	3%
	Other	1%	1%	0%	1%	1%
Geographic Concentration	North America	74%	74%	74%	75%	75%
	Europe	21%	21%	21%	18%	19%
	ROW	5%	5%	5%	7%	6%
Debtors	DSO	41 days	35 days	33 days	31 days	41 days
Client	Top 5 contribution	75%	76%	78%	78%	79%
	New clients added	5	5	6	7	4
	Clients Billed	65	61	61	60	54
Billing Mix	FTE	95%	94%	91%	92%	93%
	SEZ Revenue	60%	60%	60%	59%	58%
Seat count		6,317	5,954	5,831	5,415	5,369
Staff utilization		65%	66%	69%	69%	68%

- Client concentration continues to reduce; first time below 75% in the last four years
- Staff utilisation remains at the lower end

Revenue Mix Trends

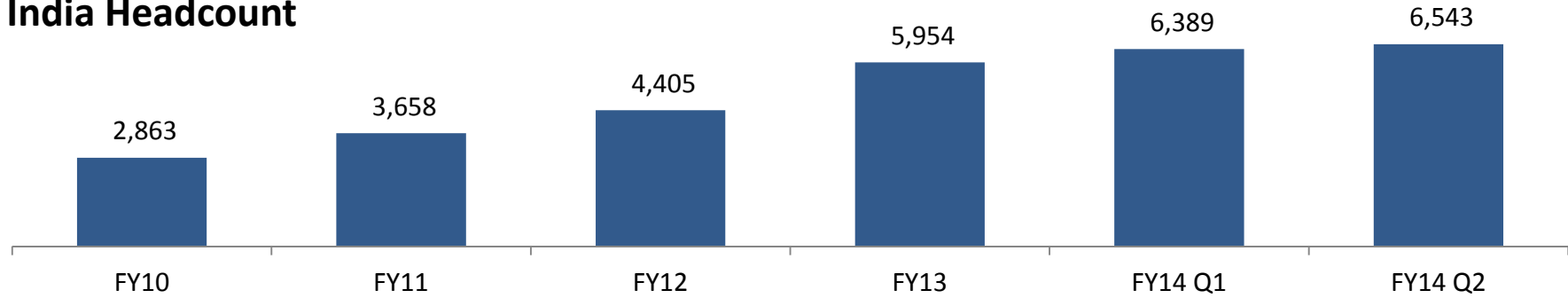


- Impact of Agilyst integration now complete
 - Q2 Y-o-Y emerging revenue growth is 33% and Strategic Y-o-Y growth is 9%
- Emerging revenue has continued to outpace growth in strategic clients in line with firm-wide strategy

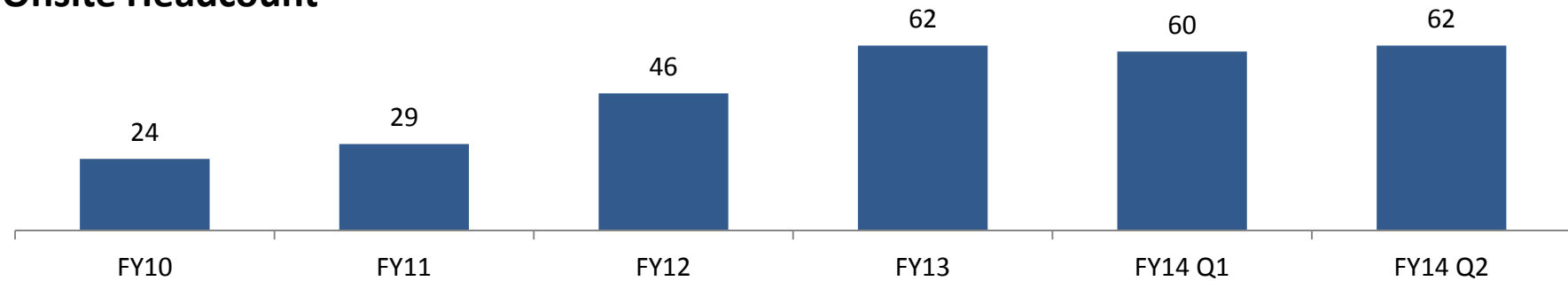
Human Resources Update



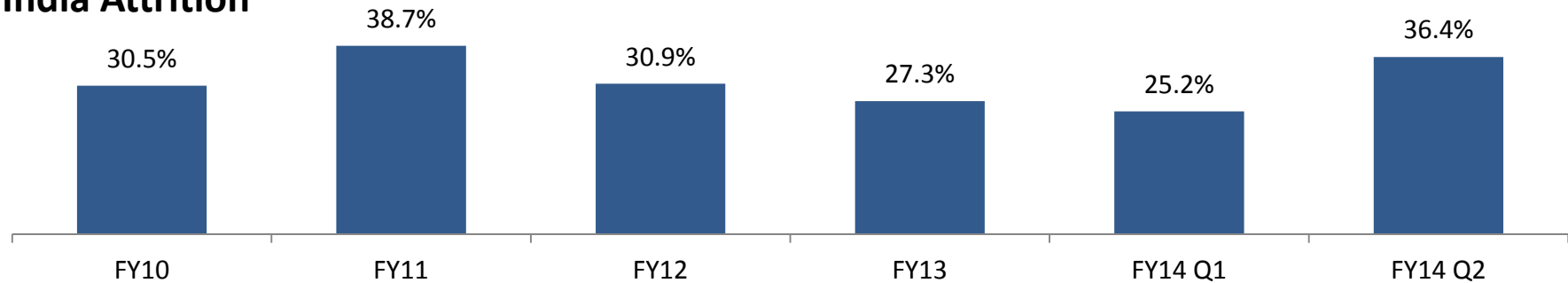
India Headcount



Onsite Headcount



India 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	September 30, 2013	June 30, 2013	% of Change
Shareholder's Funds			
Capital	300.9	299.5	0.5%
Reserves and Surplus	5,637.0	4,892.3	15.2%
Total Shareholder's Funds	5,937.9	5,191.8	14.4%
Application of Funds			
Fixed Assets	1,646.7	1,509.1	9.1%
Deferred Tax Assets (net)	14.7	13.7	6.9%
Net Current Assets and Investments (Liquid)	4,276.5	3,669.0	16.6%
Total Application of Funds	5,937.9	5,191.8	14.4%

Figures in INR millions.

Note: Reserves and Surplus includes (-) INR 30.5 mm balance in Buyback Control account

Financial Summary – Quarterly View



	Metrics	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2
Revenue	Total Revenue (INR mn)	2,152	2,007	1,713	1,698	1,430
	Opg Revenue (INR mn)	2,146	1,899	1,743	1,708	1,617
	Opg Revenue (USD mn)	34.1	33.0	32.3	31.3	29.8
Profit	EBITDA (INR mn)	934	898	656	658	414
	OPM (INR mn)	854	701	620	595	524
	Net Profit (INR mn)	672	617	482	490	252
Margin	EBITDA (%)	43%	45%	38%	39%	29%
	OPM (%)	40%	37%	36%	35%	32%
	Net Profit (%)	31%	31%	28%	29%	18%
EPS	Basic	22.4	20.6	16.4	16.7	8.6
	Diluted	22.1	20.4	16.0	16.2	8.4



P&L Comparison – Quarterly View

Operating P&L	FY14 Q2 OPR (%)		FY14 Q1 OPR (%)		FY13 Q4 OPR (%)		FY13 Q3 OPR (%)		FY13 Q2 OPR (%)	
Operating Revenue	2,146		1,899		1,743		1,708		1,617	
Cost of Revenues										
Employee Cost	701	33%	665	35%	598	34%	578	34%	568	35%
General and Administrative Expenses										
Rent	78	4%	73	4%	73	4%	71	4%	59	4%
Communication Expenses	20	1%	25	1%	26	1%	11	1%	20	1%
Legal and Professional Fees	47	2%	25	1%	31	2%	22	1%	30	2%
Electricity	20	1%	16	1%	18	1%	21	1%	17	1%
Conveyance	11	1%	13	1%	14	1%	14	1%	19	1%
Provision for Bad Debt	-	0%	-	0%	(0)	0%	-	0%	-	0%
Others	56	3%	48	3%	59	3%	57	3%	55	3%
Total G&A	231	11%	200	11%	220	13%	196	11%	199	12%
Selling and Distribution*	286	13%	244	13%	238	14%	266	16%	249	15%
Depreciation, Interest and Amortization	74	3%	90	5%	67	4%	74	4%	77	5%
Total Operating Cost	1,293	60%	1,198	63%	1,124	64%	1,113	65%	1,093	68%
Operating Profit	854	39.8%	701	36.9%	620	35.6%	595	35%	524	32%

Figures in INR millions.

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



Revenue Quality – Quarterly View

	Metrics	FY14 Q2	FY14 Q1	FY13 Q4	FY13 Q3	FY13 Q2	FY13 Q1	FY12 Q4	FY12 Q3
Currency Concentration (%)	USD	81%	81%	81%	82%	83%	83%	79%	80%
	EURO	14%	15%	15%	12%	13%	14%	17%	18%
	GBP	4%	3%	4%	5%	3%	3%	3%	3%
	Other	1%	1%	0%	1%	1%	0%	1%	0%
Geographic Concentration	North America	74%	74%	74%	75%	75%	71%	70%	70%
	Europe	21%	21%	21%	18%	19%	20%	23%	24%
	ROW	5%	5%	5%	7%	6%	9%	7%	6%
Debtors	DSO	41 days	35 days	33 days	31 days	41 days	30 days	29 days	52 Days
Client	Top 5 contribution	75%	76%	78%	78%	79%	80%	87%	86%
	New clients added	5	5	6	7	4	8	2	3
	Clients Billed	65	61	61	60	54	54	48	48
Billing Mix	FTE	95%	94%	91%	92%	93%	93%	95%	94%
	SEZ Revenue	60%	60%	60%	59%	58%	62%	72%	67%
Seat count		6,317	5,954	5,831	5,415	5,369	4,686	NA	NA
Staff utilization		65%	66%	69%	69%	68%	68%	72%	72%