

Presented to:



**Financial Performance – FY16 H1**



**Data | Domain | Delivery**

November 02, 2015



# Financial Summary



Metrics		FY16 Q2	Q-o-Q	FY16 H1	Y-o-Y
Revenue	Total revenue (INR mm)	3,399	8%	6,541	42%
	OPG revenue (INR mm)	3,285	10%	6,268	40%
	OPG revenue (USD mm)	50.2	8%	96.6	30%
Profit	EBITDA (INR mm)	1,335	16%	2,487	44%
	OPM (INR mm)	1,094	23%	1,985	43%
	Net profit (INR mm)	927	27%	1,660	43%
Margin	EBITDA (%)	39%	3%	38%	0%
	OPM (%)	33%	3%	32%	1%
	Net profit (%)	27%	4%	25%	0%
EPS	Basic (INR)	30.5	27%	54.6	43%
	Diluted (INR)	29.9	26%	53.5	43%

- \$ Run Rate Revenue touches 200mm
- USD and CC revenue up 8.1% and 7.7% Q-o-Q; USD and CC organic revenue up 6.3% each Q-o-Q
- Substantial growth contribution from short term projects
  - Roll offs over the next nine month likely to be growth headwind
  - Expect revenues to be flattish over the next couple of quarters
- Q2 OPM at 33.3% (eClerx ~35%; CLX ~17%)

## Other Income – FY16 Q2 vs. FY16 Q1



Other Income	FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3
Investment & Other Income	15.9	19.9	53.5	51.0
Hedge Gain / (Loss)	(7.8)	(6.1)	94.0	17.7
Revaluation and Realised Gain	105.6	145.3	(-) 50.9	45.2
<b>Total</b>	<b>113.8</b>	<b>159.1</b>	<b>96.5</b>	<b>113.8</b>

Figures in INR million

- Investment Income down due to dividend payment in July 15
- Change in Pre AS30 MTM is INR (-) 48.1mm, where as gain from Pre AS30 Hedge is 40.3 mm
- Currency
  - USD/INR FY'16 Q2 exit : 65.74 vs. FY'16 Q1 exit : 63.75
  - EUR/INR FY'16 Q2 exit : 73.80 vs. FY'16 Q1 exit : 71.20

# Hedge Updates



## Current Hedge Status

- Total outstanding hedges now \$118.6 mm at average INR 69.42/\$ (up from \$110.8 at INR 68.59/\$); 100% forwards
  - 2.4 times quarter revenue vs. average of 2.6 times in preceding 4 quarters.
  - Since CLX has natural hedge, so effective hedge ratio will remain low

Contract	Year	Currency	Hedges pre AS30		Hedges under AS30	
			Amount (mm)	Average Rate (INR)	Amount (mm)	Average Rate (INR)
Forwards	FY16 H2	USD	\$3.9	70.4	\$36.1	66.9
		Euro	€ 0.6	97.7	€ 4.8	81.5
	<b>Total FY16 H2 – Equiv USD</b>		<b>\$4.6</b>	<b>72.8</b>	<b>\$41.4</b>	<b>67.6</b>
	FY17	USD	NA	NA	\$54.0	69.5
		Euro	NA	NA	€ 8.8	80.6
	<b>Total FY17 – Equiv USD</b>		<b>NA</b>	<b>NA</b>	<b>\$63.9</b>	<b>69.8</b>
	FY18	USD	NA	NA	\$7.4	73.0
		Euro	NA	NA	€ 1.2	82.7
	<b>Total FY18 – Equiv USD</b>		<b>NA</b>	<b>NA</b>	<b>\$8.7</b>	<b>73.1</b>
	<b>Total</b>			<b>\$4.6</b>	<b>72.8</b>	<b>\$114.0</b>

Note: EUR / USD taken at 1.12

# P&L Comparison: FY16 Q2 vs. FY16 Q1

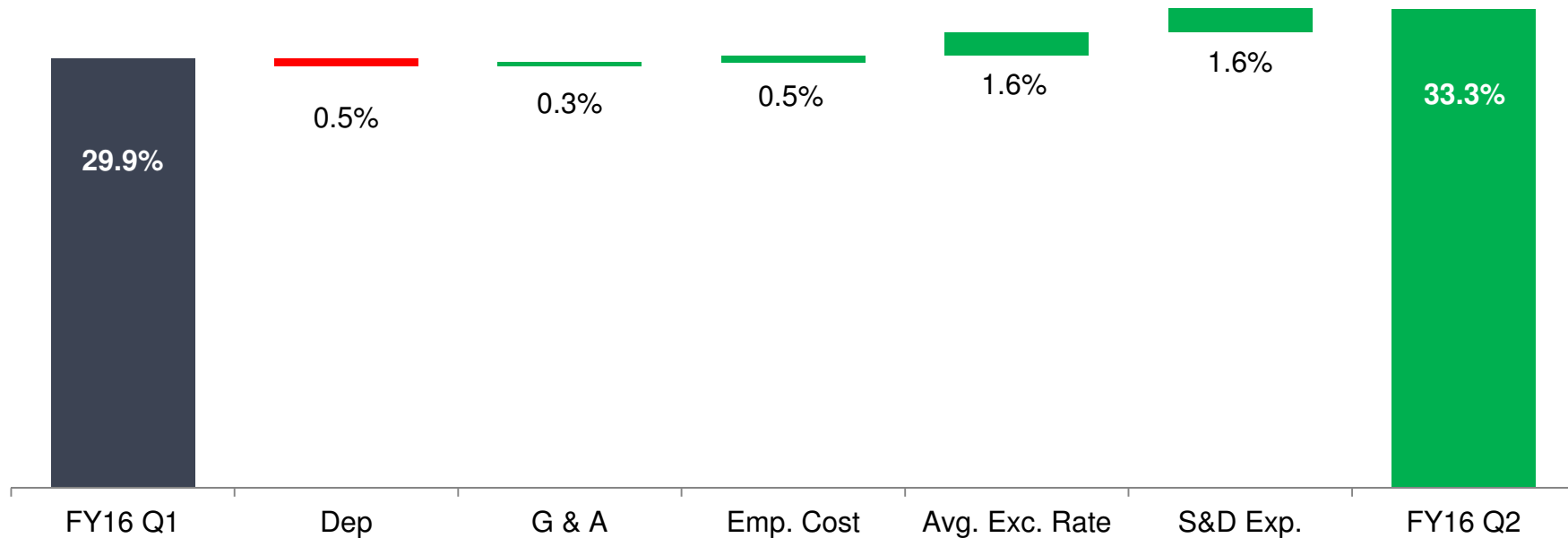


Operating P&L	FY16 Q2	OPR (%)	FY16 Q1	OPR (%)
Operating Revenue	3,285.1		2,982.9	
<b>Cost of Revenues</b>				
Employee Cost	1,266.2	38.5%	1,191.4	39.9%
<b>General and Administrative Expenses</b>				
Rent	114.8	3.5%	116.2	3.9%
Communication Expenses	44.3	1.3%	42.6	1.4%
Legal and Professional Fees	38.4	1.2%	35.8	1.2%
Electricity	27.0	0.8%	28.4	1.0%
Conveyance	22.1	0.7%	17.6	0.6%
Provision / Written off for Bad Debt	0.0	0.0%	0.0	0.0%
CSR & Donation	10.9	0.3%	14.4	0.5%
Others	125.5	3.8%	108.9	3.7%
<b>Total G&amp;A</b>	<b>383.0</b>	<b>11.7%</b>	<b>363.9</b>	<b>12.2%</b>
<b>Selling and Distribution*</b>	<b>414.8</b>	<b>12.6%</b>	<b>434.5</b>	<b>14.6%</b>
<b>Depreciation and Amortization</b>	<b>127.2</b>	<b>3.9%</b>	<b>102.5</b>	<b>3.4%</b>
<b>Total Operating Cost</b>	<b>2,191.1</b>	<b>66.7%</b>	<b>2,092.2</b>	<b>70.1%</b>
<b>Operating Profit</b>	<b>1,093.9</b>	<b>33.3%</b>	<b>890.7</b>	<b>29.9%</b>
INR/USD	64.98		63.47	
INR/EUR	72.31		70.20	

Figures in INR millions.

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

# OPM Bridging Analysis: FY16 Q2 vs. FY16 Q1



- Improved staff utilisation
- S&D cost reduction due to lower travel cost, lower bonus provision

**Note:**

- Bridging analysis in constant currency; impact of currency movement for revenue shown under Exc. rate
- S&D Exp. includes employee cost of onsite business development team

# Balance Sheet & Other Updates



- Total Cash and Cash equivalents of INR 2,959 mn; zero debt
  - Equivalent to INR 97.2 per share;
  - H1 Operating cash flow INR 1,725 mn - 104% of net income (FY15H1 878 mm INR at 76% of net income)
  - Capex during H1 was INR 355 mn
- Trailing 12 months EPS
  - Basic: INR 92.2; Diluted: INR 90.4
- Current book value per share of INR 291.0 vs. INR 262.0 last quarter

## Agilyst Update

- ACPL merger process with eClerx commenced
- One large client decided to contract directly with eClerx
  - eClerx Standalone PBT may decrease materially over next few qtrs.
  - No negative impact on Consol PAT

## Bonus Issue

- Seeking shareholders approval for 1 bonus share for every 3 shares held
  - Commemorate 15 years of eClerx; now a \$200mm runrate firm
  - Hope to make share price affordable for small investors; increase liquidity

# Key Business Metrics

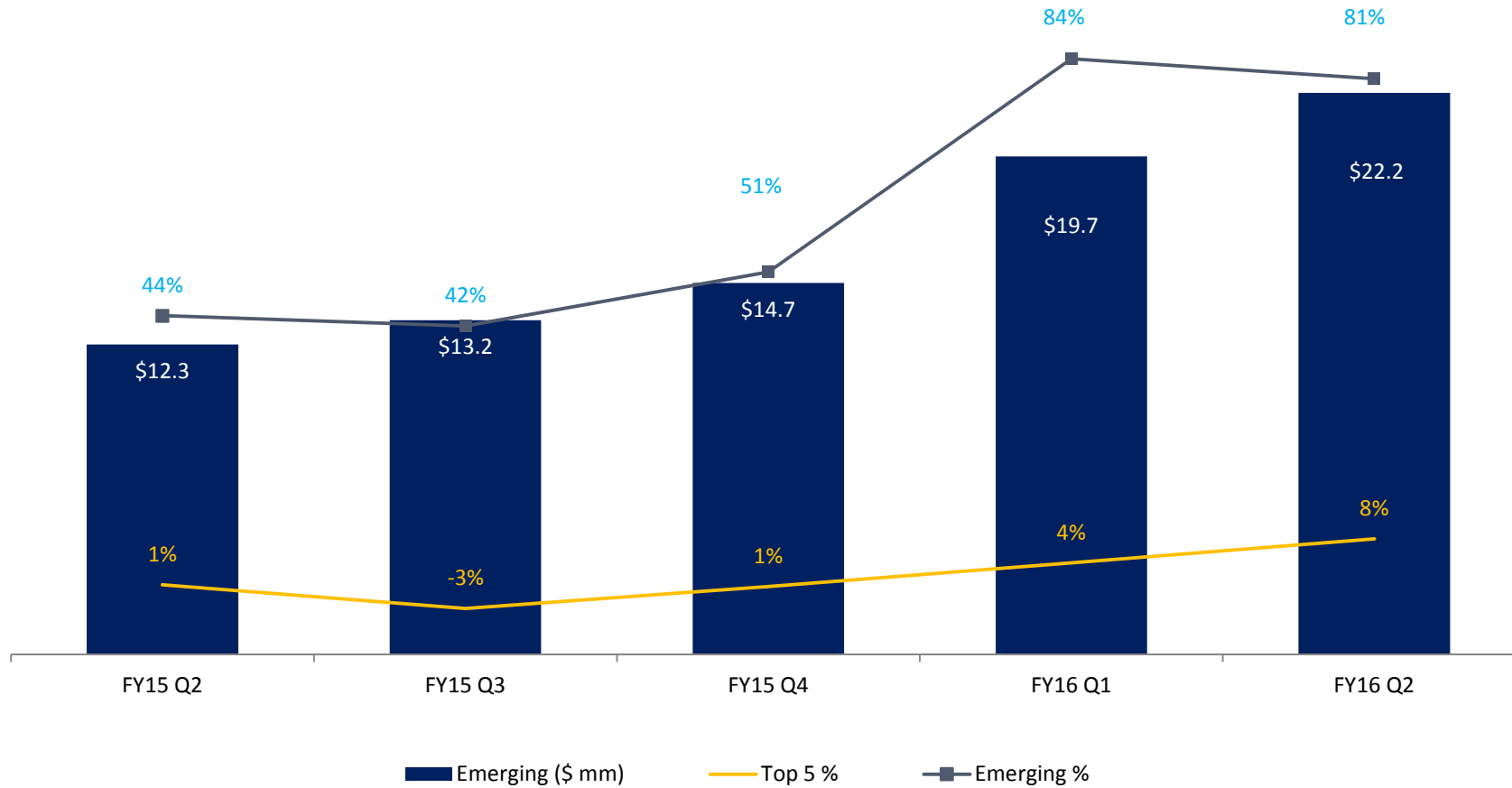


Metrics		FY 16 Q2	FY 16 Q1	FY 15 Q4	FY 15 Q3	FY15 Q2	FY15 Q1
Currency Contribution* (%)	USD	74%	76%	85%	83%	82%	81%
	EURO	18%	15%	10%	12%	13%	14%
	GBP	8%	9%	5%	5%	5%	5%
Geographic Concentration*	North America	67%	72%	78%	78%	74%	73%
	Europe	29%	25%	18%	18%	23%	22%
Debtors (including unbilled)	DSO	80 days	78 days	81 days	70 days	82 days	77 days
Client Concentration	Top 5 contribution	56%	57%	64%	66%	68%	71%
	Top 10 contribution	75%	78%	86%	87%	87%	88%
Billing Mix	FTE	81%	85%	95%	95%	94%	94%
	SEZ Revenue	67%	69%	73%	72%	68%	61%
Staff Utilization		67%	65%	65%	65%	64%	61%
Client Contribution* (based on 12 month accrued revenue)	US\$ 500k+ Clients	9	9	7	6	3	6
	US\$ 1mm+ Clients	12	10	7	7	9	7
	US\$ 5mm+ Clients	7	7	7	7	6	6

\*Other smaller currencies, geographies and client contribution not shown; FY16 Q1 Currency Contribution regrouped



# Revenue Mix Trends – Consol

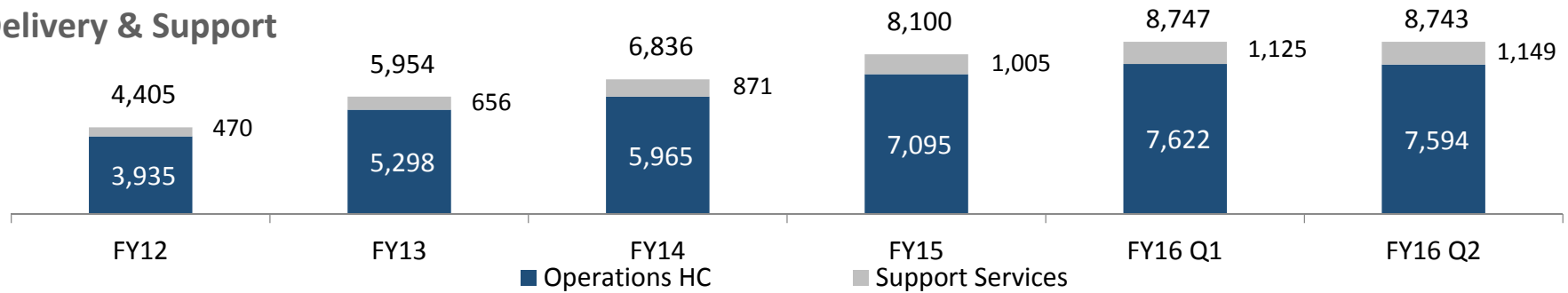


- Organic Top 5 USD growth is 8.3% (CC 11.8%) & Emerging 35.6%
- Jump in Emerging growth to 81% due to CLX

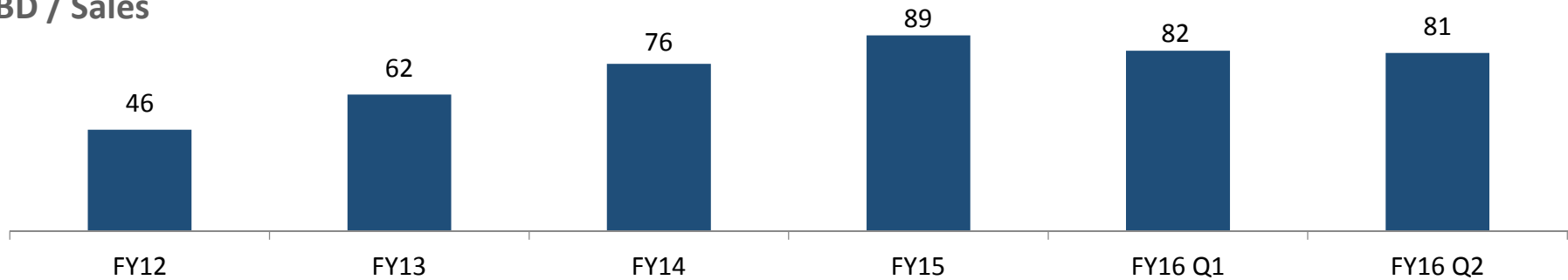
# Human Resources Update



## Delivery & Support

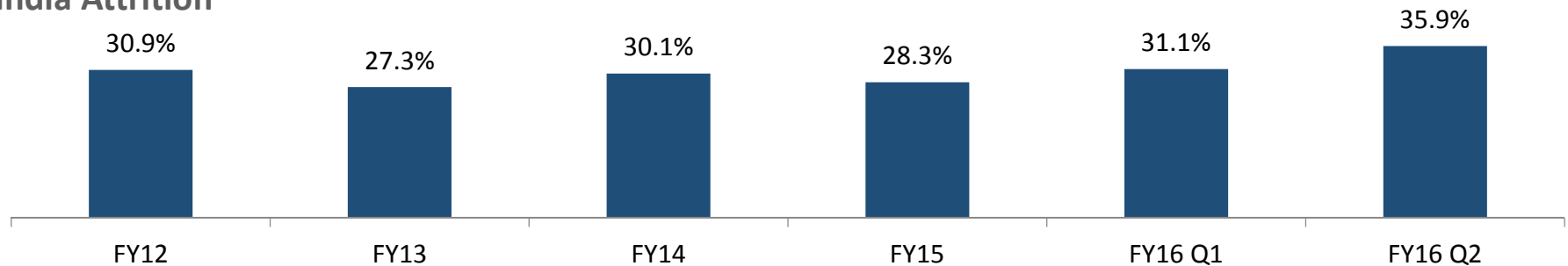


## BD / Sales



\* FY16 Q1 onwards includes CLX- Realignment of onshore delivery roles and exclusion of onshore admin roles

## India 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

# Balance Sheet Abstract



Particulars	30-Sep-15	30-Jun-15	% of Change
<b>Shareholder's Funds</b>			
Capital	304.6	303.9	0.2%
Minority Interest	6.8	4.6	-
Reserves and Surplus	8,559.1	7,653.2	12%
<b>Total Shareholder's Funds</b>	<b>8,870.4</b>	<b>7,961.7</b>	<b>11%</b>
<b>Application of Funds</b>			
Fixed Assets	3,583.4	3,489.9	3%
Deferred Tax Assets (net)	-10.4	-12.8	-19%
Net Current Assets and Investments (Liquid)	5,297.4	4,484.6	18%
<b>Total Application of Funds</b>	<b>8,870.4</b>	<b>7,961.7</b>	<b>11%</b>

Figures in INR millions.

# Financial Summary – Quarterly View



Metrics		FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2
Revenue	Total Revenue (INR mn)	3,399	3,142	2,610	2,530	2,422
	Opg Revenue (INR mn)	3,285	2,983	2,513	2,416	2,318
	Opg Revenue (USD mn)	50.2	46.4	40.7	38.9	38.1
Profit	EBITDA (INR mn)	1335	1152	826	924	920
	OPM (INR mn)	1094	891	584	683	694
	Net Profit (INR mn)	927	732	532	608	623
Margin	EBITDA	39%	37%	32%	37%	38%
	OPM	33%	30%	23%	28%	30%
	Net Profit	27%	23%	20%	24%	26%
EPS	Basic	30.5	24.1	17.6	20.1	20.6
	Diluted	29.9	23.7	17.2	19.7	20.2

# P&L Comparison – Quarterly View



Operating P&L	FY16 Q2	OPR (%)	FY16 Q1	OPR (%)	FY15 Q4	OPR (%)	FY15 Q3	OPR (%)	FY15 Q2	OPR (%)
Operating Revenue	3,285		2,983		2,513		2,416		2,318	
<b>Cost of Revenues</b>										
Employee Cost	1,266	39%	1,191	40%	949	38%	883	37%	847	37%
<b>General and Administrative Expenses</b>										
Rent	115	3%	116	4%	90	4%	107	4%	92	4%
Communication Expenses	44	1%	43	1%	36	1%	34	1%	41	2%
Legal and Professional Fees	38	1%	36	1%	115	5%	45	2%	37	2%
Electricity	27	1%	28	1%	35	1%	24	1%	22	1%
Conveyance	22	0.7%	18	0.6%	14	0.6%	25	1.1%	16	0.7%
Provision for Bad Debt	0	0%	0	0%	2	0%	–	0%	2	0%
Others (including CSR)	136	4%	123	4%	107	4%	104	4%	98	4%
<b>Total G&amp;A</b>	<b>383</b>	<b>12%</b>	<b>364</b>	<b>12%</b>	<b>399</b>	<b>16%</b>	<b>340</b>	<b>14%</b>	<b>309</b>	<b>13%</b>
<b>Selling and Distribution*</b>	<b>415</b>	<b>13%</b>	<b>434</b>	<b>15%</b>	<b>436</b>	<b>17%</b>	<b>383</b>	<b>16%</b>	<b>346</b>	<b>15%</b>
<b>Depreciation, Interest and Amortization</b>	<b>127</b>	<b>4%</b>	<b>102</b>	<b>3%</b>	<b>146</b>	<b>6%</b>	<b>127</b>	<b>5%</b>	<b>122</b>	<b>5%</b>
<b>Total Operating Cost</b>	<b>2,191</b>	<b>67%</b>	<b>2,092</b>	<b>70%</b>	<b>1,929</b>	<b>77%</b>	<b>1,733</b>	<b>72%</b>	<b>1,625</b>	<b>70%</b>
<b>Operating Profit</b>	<b>1,094</b>	<b>33%</b>	<b>891</b>	<b>30%</b>	<b>584</b>	<b>23%</b>	<b>683</b>	<b>28%</b>	<b>694</b>	<b>30%</b>

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

Figures in INR millions.

# Revenue Quality – Quarterly View



Metrics		FY16 Q2	FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2	FY15 Q1	FY14 Q4	FY14 Q3
Revenue Growth (%)	USD	8.1%	14.2%	4.6%	2.1%	5.1%	2.0%	-0.4%	4.7%
	Constant Currency	7.7%	4.0%	6.3%	3.1%	5.6%	1.9%	-0.6%	4.0%
Currency Concentration (%)	USD	74%	76%	85%	83%	82%	81%	80%	81%
	EURO	18%	15%	10%	12%	13%	14%	14%	14%
	GBP	8%	9%	5%	5%	5%	5%	5%	5%
	Other	0%	0%	0%	0%	0%	0%	1%	0%
Geographic Concentration	North America	67%	72%	78%	78%	74%	73%	74%	74%
	Europe	29%	25%	18%	18%	23%	22%	22%	21%
	ROW	4%	3%	4%	3%	3%	5%	4%	5%
Debtors	DSO (including Un-billed)	80 days	78 days	81 days	70 days	82 days	77 days	75 days	70 days
Client	Top 5 contribution	56%	57%	64%	66%	68%	71%	73%	74%
	Top 10 contribution	75%	78%	86%	87%	87%	88%	89%	89%
Billing Mix	FTE	81%	85%	95%	95%	94%	94%	94%	95%
	SEZ Revenue	67%	69%	73%	72%	68%	61%	60%	60%
Seat Count		8601	7806	7640	7,439	7,341	7,073	6,391	6,385
Staff Utilization		67%	65%	65%	65%	64%	61%	64%	66%