



eClerx

Financial Performance – Q2FY21
November 5th, 2020

Financial Summary

Metrics		FY21 Q2	Q-o-Q	FY21 H1	Y-o-Y
Revenue	OPG revenue (USD mm)	48.5	8.1%	93.3	-7.6%
	OPG revenue (INR mm)	3,608	7.2%	6,973	-1.9%
	Total revenue (INR mm)	3,604	3.5%	7,085	-2.7%
Profit	EBITDA (INR mm)	1,077	13.6%	2,026	25.8%
	EBIT (INR mm)*	881	13.6%	1,657	31.2%
	Net profit (INR mm)	610	17.8%	1,128	34.7%
Margin	EBITDA (%)	29.9%	2.6%	28.6%	6.5%
	EBIT (%)	24.4%	2.2%	23.4%	6.0%
	Net profit (%)	16.9%	2.1%	15.9%	4.4%

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

- Q2 YoY Constant currency (CC) decline by 4.0%; QoQ CC growth of 7.1%
- Q2 YoY CC revenue decline of 1.0 % offshore and decline of 13.2% onshore
- Payout ratio maintained at historical levels - Dividend paid @ INR 1 per share amounting to INR 34 mm in addition to the Buyback of INR 1,095mm during Q2
- Q2 Margin improvement due to lower WFH costs and lower attrition
- Wage increase for 95% of India staff effective from 1st July; Increments for others effective from 1st Oct
- H2 USD revenue expected to be better than H1

Other Income

Figures in INR millions.

Other Income	FY21 Q2	FY21 Q1	FY20 Q4	FY20 Q3	FY20 Q2
Investment Income	59.6	107.9	88.9	84.4	71.8
Revaluation Income*	(64.5)	(6.1)	75.9	22.3	24.6
Others	1.2	13.6	5.1	8.0	(9.3)
Total	(3.7)	115.4	169.9	114.7	87.1

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

- Decrease in investment income due to cash outgo for buyback and profit on sale of MFs in Q1
- Decrease in revaluation of FX assets
- **Revaluation and Realised Gain**
 - USD/INR FY'21 Q2 Exit: 73.56 vs. FY'21 Q1 Exit: 75.53
 - EUR/INR FY'21 Q2 Exit: 86.24 vs. FY'21 Q1 Exit: 84.85
 - GBP/INR FY'21 Q2 Exit: 95.02 vs. FY'21 Q1 Exit: 93.41

P&L Comparison

Figures in INR millions.

Operating P&L	FY21 Q2	OPR (%)	FY21 Q1	OPR (%)
Total Revenue	3,604		3,481	
Operating Revenue	3,608		3,366	
Cost of Revenues				
Delivery and Support Employees Cost	1,793	49.7%	1,809	53.8%
General and Administrative Expenses				
Facilities (Rent and Electricity)	72	2.0%	70	2.1%
Technological Services (Communications, AMC)	100	2.8%	157	4.7%
Administrative Services (Transport, HK, Security)	16	0.4%	19	0.6%
Legal and Professional Fees	52	1.4%	64	1.9%
Provision / Written off for Bad Debt	1	0.0%	4	0.1%
CSR & Donation	13	0.4%	14	0.4%
Others	96	2.7%	58	1.7%
Total G&A	350	9.7%	387	11.5%
Selling and Distribution	384	10.6%	336	10.0%
EBITDA	1,077	29.9%	949	27.2%
Depreciation and Amortization (Inc. rent as per IND AS116)	196	5.4%	173	5.1%
EBIT	881	24.4%	776	22.3%

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

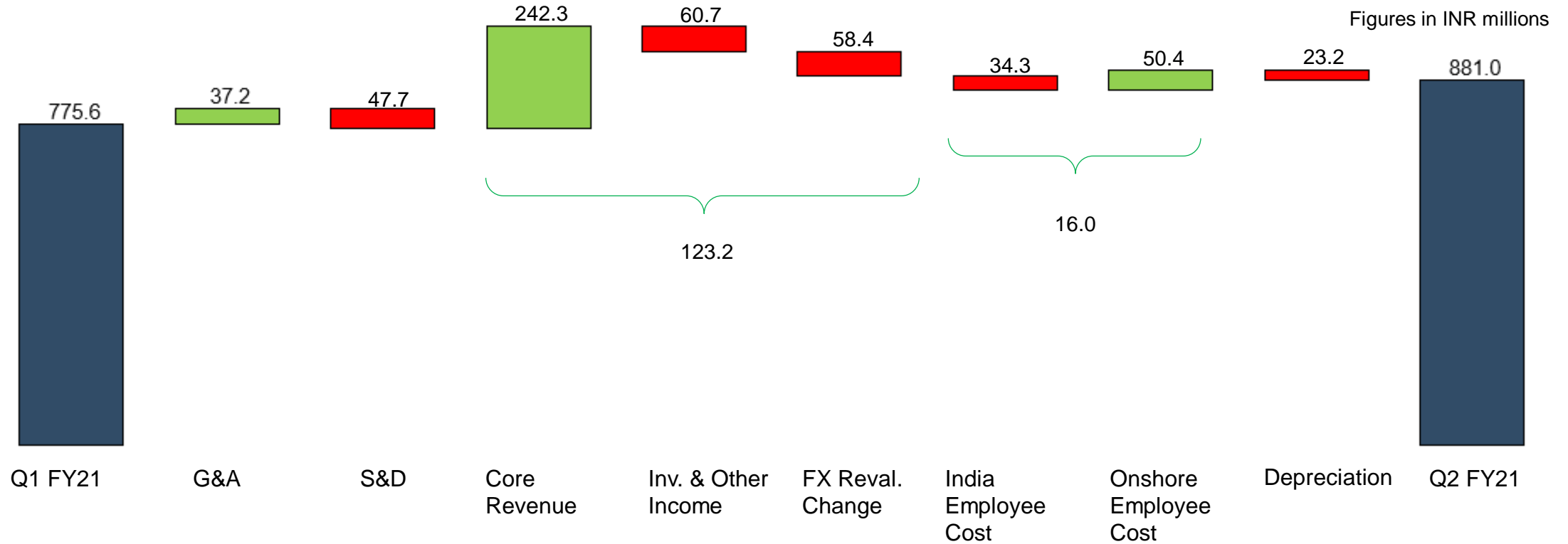
Hedge Updates

Current Hedge Status

- Total outstanding hedges now \$124.7 mm at average INR 76.9/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	Total FY20	USD	\$116.8	71.8
	FY21 Q1		\$23.7	74.1
	FY21 Q2		\$27.7	74.5
	FY21 Q3		\$21.7	74.7
	FY21 Q4		\$25.6	75.3
Outstanding Forwards	Total FY21	USD	\$47.3	75.0
	FY22 Q1		\$23.5	77.0
	FY22 Q2		\$22.7	77.6
	FY22 Q3		\$15.0	78.7
	FY22 Q4		\$9.9	79.5
	Total FY22	USD	\$71.1	77.9
	FY23 Q1		\$4.2	80.9
	FY23 Q2		\$2.1	80.6
	Total FY23	USD	\$6.3	80.8
	Total Outstanding		USD	\$124.7

QoQ EBIT Bridge



- G&A reduced due to lower BCP opex in Q2FY21
- S&D cost higher due to change in seniority mix, increase in bonus provision & additional social security contributions in Q2
- Decrease in investment income due to cash outgo for buyback and profit on sale of MFs in Q1
- Higher depreciation due to purchase of laptops in Q1FY21

Note:

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

Balance Sheet & Other Updates

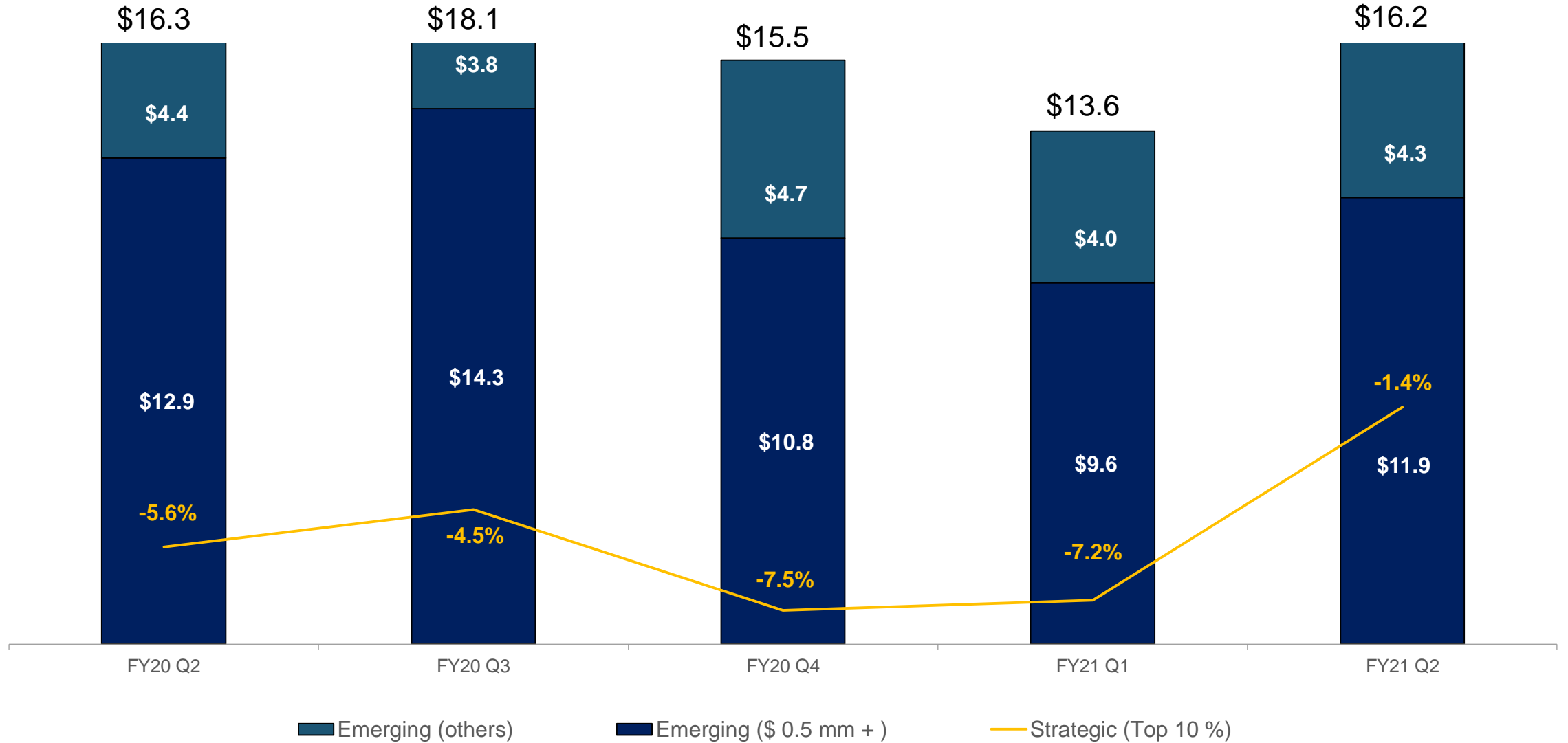
- Total Cash and Cash Equivalents of INR 7,582 mm for Q2FY'21 vs INR 6,271 mm for Q2FY'20
 - Equivalent to INR 223.0 per share Q2FY'21 vs INR 173.8 for Q2FY'20
 - Net operating cash flow in Q2FY'21 is INR 967.1 mm vs INR 1,025.8 mm in Q2FY'20
 - EBITDA conversion at 89.8% for Q2FY'21 vs 118.3% in Q2FY'20
 - Capex during Q2FY'21 is INR 61.1 mm vs INR 69.4 mm in Q2FY'20
- **EPS**
 - Q2 Basic: 17.74 INR ; Diluted: 17.71 INR
 - Q1 Basic: 14.34 INR ; Diluted: 14.34 INR
 - QoQ increase of 24% in EPS out of which 18% attributable to growth in profits, and remaining 6% to Buyback
- Current book value per share Q2FY'21 INR 387.6 vs. INR 328.8 Q2FY'20
- **CSR Update**
 - Spent INR 12.8 mm for existing and new projects in Q2FY'21 related to India
 - Areas covered: Health, Education, Skills development
 - Total Life touched / benefited ~ 16k

Key Business Metrics

Metrics		FY21 Q2	FY21 Q1	FY20 Q4	FY20 Q3	FY 20 Q2	FY 20 Q1
Currency Contribution (%) *	USD	81%	85%	82%	80%	81%	80%
	EURO	13%	9%	12%	12%	11%	10%
	GBP	5%	4%	5%	6%	6%	7%
	Others	1%	2%	1%	2%	2%	3%
Geographic Concentration *	North America	66%	71%	68%	66%	67%	67%
	Europe	28%	23%	26%	28%	27%	27%
	ROW	6%	6%	6%	6%	6%	6%
Debtors (including unbilled)	DSO (days)	74	83	88	78	78	87
Client Concentration	Top 10 contribution	67%	70%	67%	65%	65%	66%
Billing Mix	Managed Services	31%	24%	28%	31%	28%	28%
	Onshore Revenue	23%	21%	23%	25%	25%	24%
Staff Utilization (Delivery)		79.1%	72.9%	75.1%	77.2%	71.9%	73.4%
Client Contribution (based on TTM revenue) *	US\$ 500k-1mm Clients	16	17	21	21	22	20
	US\$ 1mm-3mm Clients	19	16	17	18	18	17
	US\$ 3mm ++ Clients	10	11	11	10	10	10
India Seat Count		9,183	9,601	9,601	9,601	9,601	9,605

* Other smaller currencies, geographies and client contribution not shown

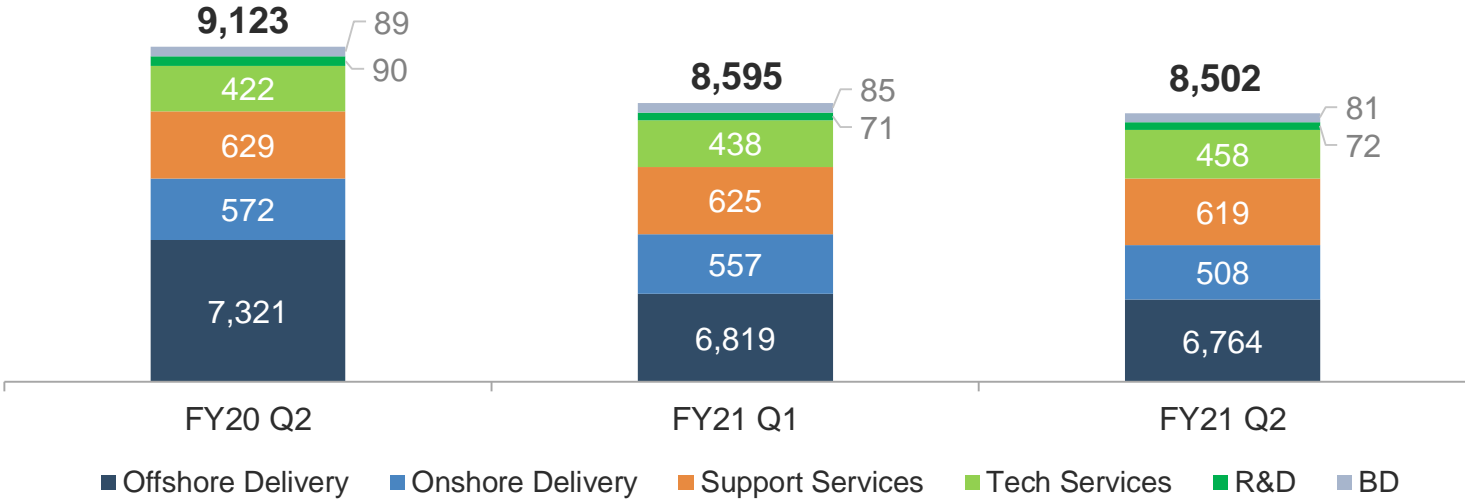
Revenue Mix Trends (\$mm)



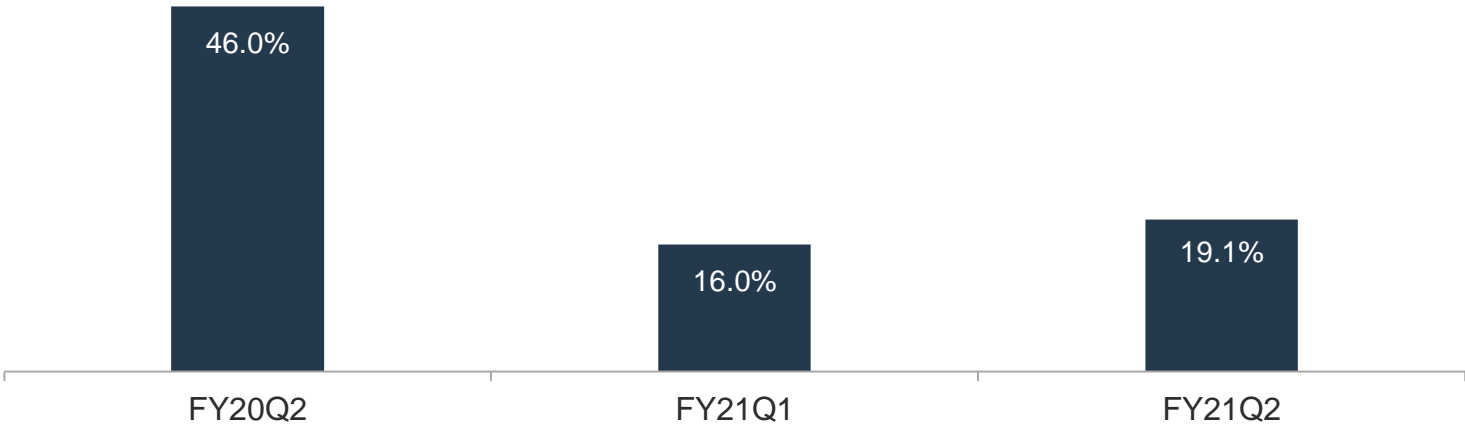
Strategic growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition



Thank You

This presentation may contain forward-looking statements, which involves a various risks and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements.

The conditions caused by the COVID-19 pandemic could decrease customer's technology spending, affecting demand for our services, delaying prospective customers' purchasing decisions, and impacting our ability to provide services; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf. 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

Figures in INR millions.

Particulars	September 30, 2020	March 31, 2020	% Change
Shareholder's Funds			
Capital	340	361	(6%)
Minority Interest	11	6	77%
Reserves and Surplus	12,839	12,701	1%
Total Shareholder's Funds	13,190	13,068	
Application of Funds			
Fixed Assets	3,629	3,524	3%
Right to Use Assets (IND AS116)	1,264	1,281	(1%)
Lease Liability (IND AS116)	(1,565)	(1,557)	0%
Deferred Tax Assets (net)	131	255	(49%)
Net Current Assets & Investments	9,731	9,565	2%
Total Application of Funds	13,190	13,068	