

Data. Domain. Delivery.



eClerx

Financial Performance - FY17
30th May 2017

eClerx

Financial Summary



Metrics		FY17 Q4	Q-o-Q	FY17	Y-o-Y
Revenue	OPG revenue (USD mm)	47.9	1.5%	194.2	-3%
	OPG revenue (INR mm)	3,315	2%	13,300	1%
	Total revenue (INR mm)	3,243	-3%	13,489	0%
Profit	OPM (INR mm)	979	8%	4,170	-2%
	EBITDA (INR mm)	1,043	-10%	4,877	-6%
	Net profit (INR mm)	750	-13%	3,540	4%
Margin	OPM (%)	30%	2%	31%	-1%
	EBITDA (%)	32%	-2%	36%	-2%
	Net profit (%)	23%	-2%	26%	1%

Note: Previous year numbers are restated as per IND AS

- Y-o-Y USD revenue decreased by 2.6% and CC revenue decreased by 1.5%
 - Revenue headwinds now expected in Q2FY18 instead of Q1
- Y-o-Y Net Profit up by 3.7% to INR 354 cr; OPM maintained above 30%
- Net profit improvement largely due to reduction in tax expense (due to increase in Def. tax asset)
- Recommended token dividend of INR 1/share; to maintain payout ratio over medium term

Other Income – FY17 vs. FY16



Other Income	FY17	FY16	FY15
Investment & Other Income	279.3	104.7	208.1
Hedge Gain / (Loss)	-	(11.5)	111.0
Revaluation and Realised Gain	(90.9)	269.3	4.5
Total	188.4	362.5	323.5

Note: Previous year numbers are restated as per IND AS

- Investment income increased in FY17 due higher investable surplus
- **Revaluation and Realised Loss**
 - USD/INR FY'17 Exit : 64.86 vs. FY'16 Exit : 66.33
 - EUR/INR FY'17 Exit: 69.38 vs. FY'16 Exit: 75.10

Current Hedge Status

- Total outstanding hedges now \$132.5 mm at average INR 72.06/\$; 100% forwards
 - 2.8 times quarter revenue vs. average of 2.7 times in preceding 4 quarters

Contract	Year	Currency	Amount (mn)	Avg. Rate (INR)	
Forwards	FY18	USD	97.9	71.7	
		Euro	5.3	82.7	
	Total FY18 H1– Equiv USD		\$ 57.1	71.9	
	Total FY18 H2– Equiv USD		\$ 46.5	72.1	
	Total FY18 – Equiv USD		\$ 103.6	72.0	
	FY19	USD	28.9	72.3	
		Total FY19 H1– Equiv USD		\$ 22.8	72.2
		Total FY19 H2– Equiv USD		\$ 6.1	72.7
		Total FY19 – Equiv USD		\$ 28.9	72.3
	Total – Equiv USD		\$ 132.5	72.1	

Note: EUR / USD taken at 1.07

P&L Comparison: FY17 vs. FY16



Operating P&L	FY17	OPR (%)	FY16	OPR (%)
Operating Revenue	13,300.3		13,143.2	
Cost of Revenues				
Delivery and Support Employees Cost	5,246.8	39.4%	5,030.9	38.3%
General and Administrative Expenses				
Facilities (Rent and Electricity)	600.7	4.5%	603.0	4.6%
Administrative Services (Transport, HK, Security)	173.3	1.3%	168.3	1.3%
Technological Services (Communications, AMC)	360.3	2.7%	322.2	2.5%
Legal and Professional Fees	207.5	1.6%	184.3	1.4%
CSR & Donation	65.3	0.5%	57.7	0.4%
Others	241.0	1.8%	223.9	1.7%
Total G&A	1,648.0	12.4%	1,559.4	11.9%
Selling and Distribution	1,717.4	12.9%	1,747.2	13.3%
Depreciation and Amortization	518.0	3.9%	565.4	4.3%
Total Operating Cost	9,130.1	68.6%	8,902.9	67.7%
Operating Profit	4,170.2	31.4%	4,240.3	32.3%
INR/USD (Avg)	67.05		65.47	
INR/EUR (Avg)	73.57		72.29	

Note: Previous year numbers are restated as per IND AS

Figures in INR millions.

OPM Bridging Analysis: Y-o-Y FY17 vs. FY16



- Delivery & Support Emp. Cost: Increase due to annual wage hikes not fully offset by growth
- G&A: Increase in Professional fees and AMC expenses
- S&D: Lower travel expenses and lower variable pay

Notes:

- 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

Previous year numbers restated as per IND AS

- Total Cash and Cash equivalents of INR 6,060 mm vs INR 5,465* mm for FY'16;
 - Equivalent to INR 152.6 per share vs INR 134.0* for FY'16
 - Capex during FY'17 is INR 211 mm vs INR 482 mm in FY'16
- EPS
 - Basic: INR 87.4; Diluted: INR 86.4
 - In Q4: Basic: INR 18.9; Diluted: INR 18.7
- Current book value per share of INR 296.1 vs. INR 257.9* last year

CSR Update

- Spent INR 64.4 mm for existing and new projects in FY'17 related to India
- Areas covered: Health, Education, Child Labour Protection
- Total Life touched / benefited in H1 ~32k

*Previous year numbers restated as per IND AS

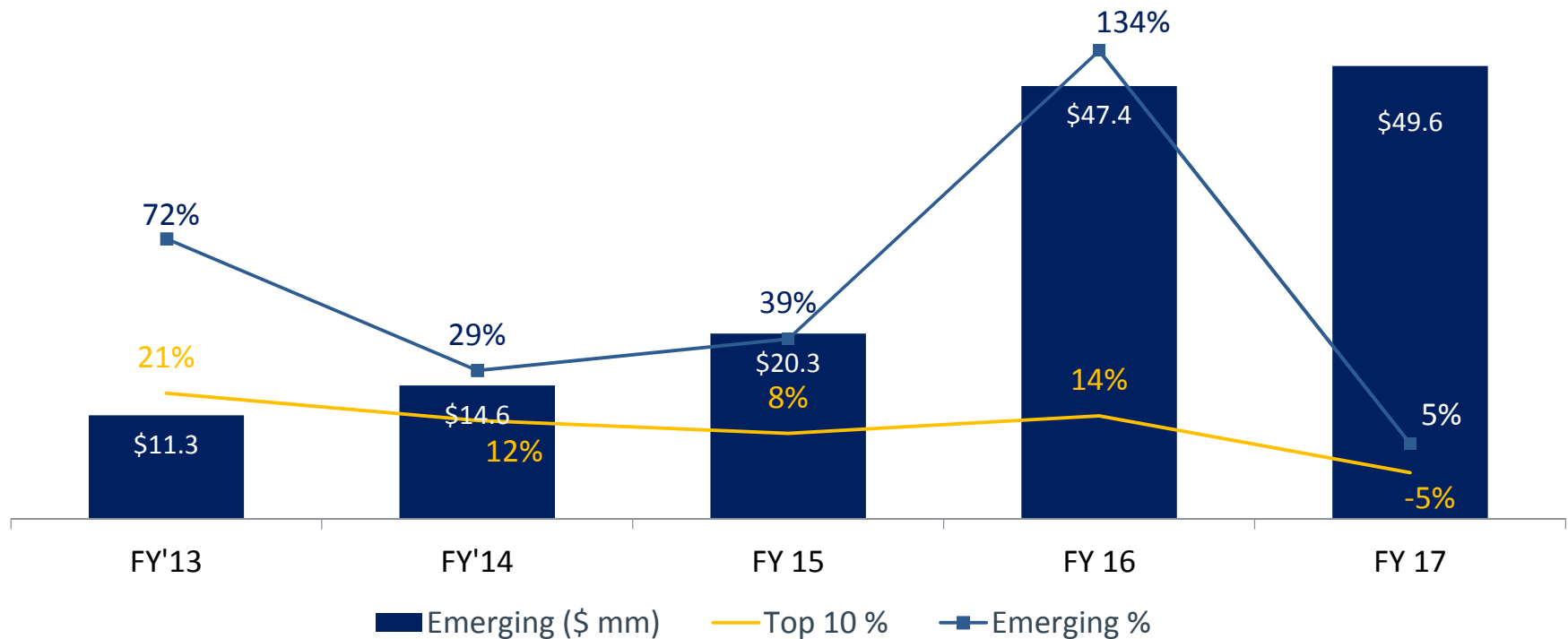
Key Business Metrics



Metrics		FY 17	FY 16	FY15	FY14	FY13
Currency Contribution* (%)	USD	76%	74%	83%	81%	82%
	EURO	16%	18%	12%	14%	13%
	GBP	8%	8%	5%	5%	4%
Geographic Concentration*	North America	67%	68%	76%	74%	74%
	Europe	29%	28%	20%	22%	20%
Debtors (including unbilled)	DSO	85 days	73 days	81 days	70 days	82 days
Client Concentration	Top 10 contribution	74%	77%	87%	69%	91%
Billing Mix	FTE	81%	82%	95%	94%	92%
	SEZ Revenue	64%	67%	69%	60%	60%
Staff Utilization (Delivery)		78%	77%	73%	74%	77%
Client Contribution* (based on 12 month accrued revenue)	US\$ 500k+ Clients	14	16	7	6	5
	US\$ 1mm+ Clients	18	17	7	6	5
	US\$ 5mm+ Clients	6	7	7	6	6

*Other smaller currencies, geographies and client contribution not shown

Revenue Mix Trends - Consol

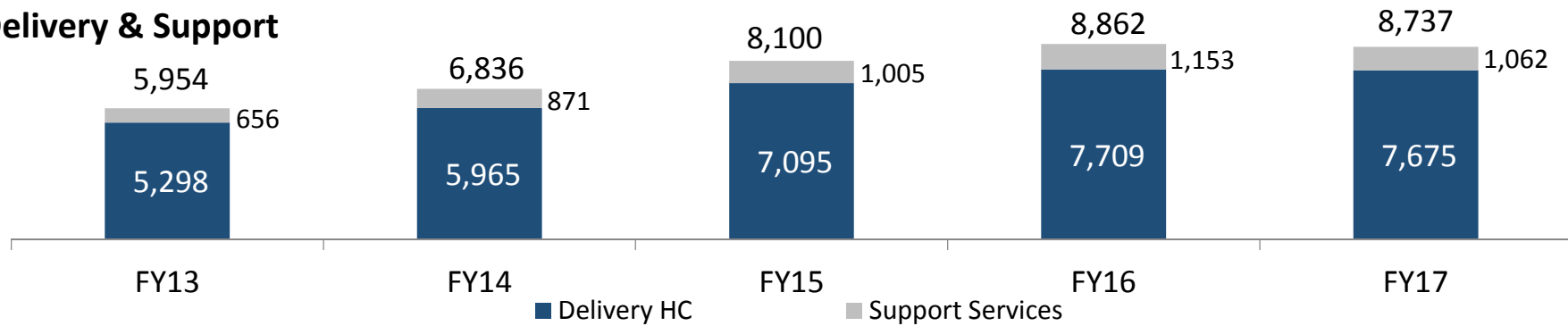


- Top 10 client Y-o-Y drop of -4.9% in USD & -4.6% in CC
- Emerging client Y-o-Y growth of 4.6% in USD & 8.5% in CC

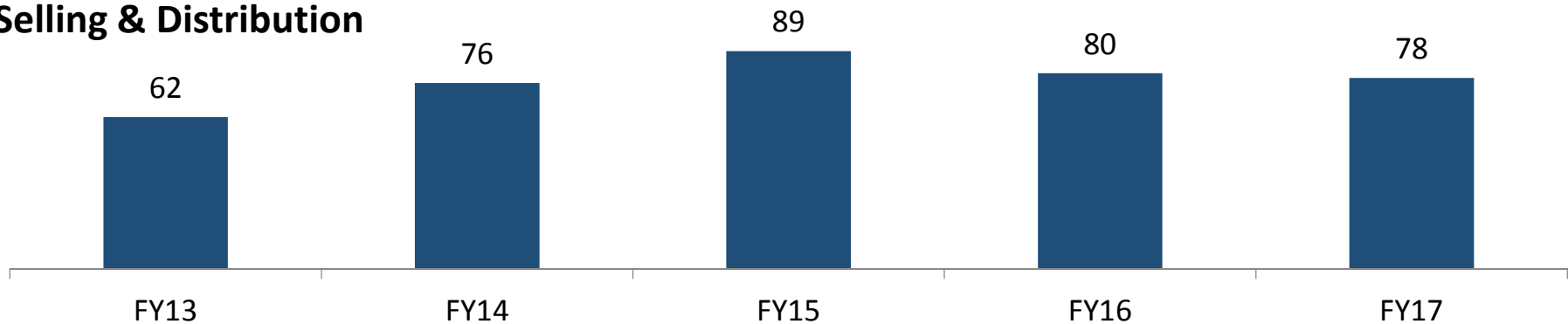
Human Resources Update



Delivery & Support

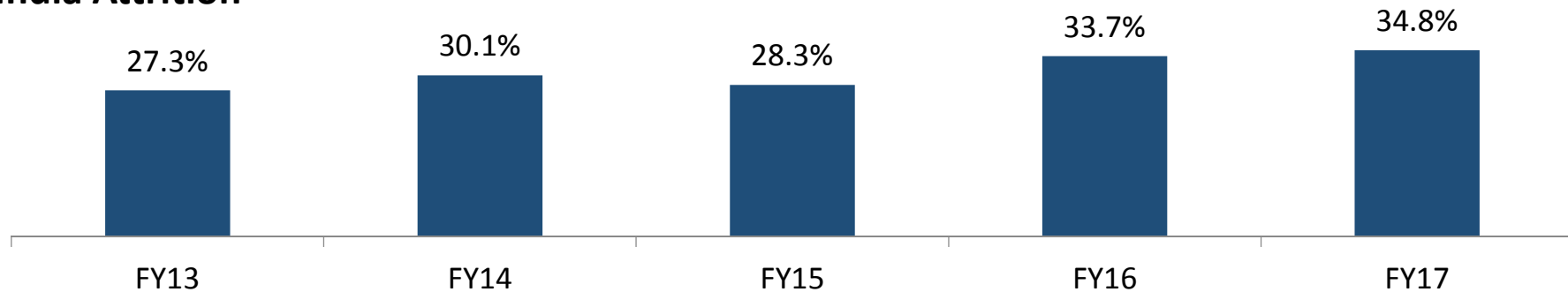


Selling & Distribution



* FY16 and 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	Mar 31, 2017	Mar 31, 2016	% of Change
Shareholder's Funds			
Capital	397.1	407.9	-2.6%
Minority Interest	4.5	5.9	-
Reserves and Surplus	11,756.4	10,519.5	12%
Total Shareholder's Funds	12,158.0	10,933.3	11%
Application of Funds			
Fixed Assets	3,269.1	3,650.0	-10%
Deferred Tax Assets (net)	(168.9)	(235.7)	-28%
Net Current Assets and Investments (Liquid)	9,057.7	7,518.9	20%
Total Application of Funds	12,158.0	10,933.3	11%

Note: Previous year numbers are restated as per IND AS

Figures in INR millions.

Financial Summary – Quarterly View



Metrics		FY17 Q4	FY17 Q3	FY17 Q2	FY17 Q1	FY16 Q4
Revenue	Opg Revenue (USD mn)	47.9	47.2	48.9	50.2	50.8
	Opg Revenue (INR mn)	3,315	3,247	3,335	3,403	3,432
	Total Revenue (INR mn)	3,243	3,359	3,383	3,503	3,505
Profit	OPM (INR mn)	979	910	1,141	1,140	1,200
	EBITDA (INR mn)	1,043	1,156	1,317	1,360	1,427
	Net Profit (INR mn)	750	860	971	959	1,006
Margin	OPM	30%	28%	34%	33%	35%
	EBITDA	32%	34%	39%	39%	41%
	Net Profit	23%	26%	29%	27%	29%
EPS	Basic	18.9	21.1	23.8	23.5	24.7
	Diluted	18.7	20.8	23.5	23.2	24.2

Note: Previous year quarters numbers are restated as per IND AS

P&L Comparison – Quarterly View



Operating P&L	FY17 Q4	OPR (%)	FY17 Q3	OPR (%)	FY17 Q2	OPR (%)	FY17 Q1	OPR (%)
Operating Revenue	3,315		3,247		3,335		3,403	
Cost of Revenues								
Delivery and Support Employees Cost	1,316	40%	1,339	41%	1,266	38%	1,325	39%
General and Administrative Expenses								
Facilities (Rent and Electricity)	152	5%	148	5%	149	4%	153	4%
Administrative Services (Transport, HK, Security)	43	1%	42	1%	45	1%	44	1%
Technological Services (Communications, AMC)	94	3%	89	3%	90	3%	87	3%
Legal and Professional Fees	47	1%	39	1%	46	1%	75	2%
Provision / Written off for Bad Debt	-	0%	-	0%	-	0%	-	0%
CSR & Donation	10	0%	36	1%	13	0%	6	0%
Others	74	2%	59	2%	50	1%	57	2%
Total G&A	420	13%	413	13%	392	12%	422	12%
Selling and Distribution*	463	14%	452	14%	407	12%	396	12%
Depreciation and Amortization	137	4%	134	4%	128	4%	119	4%
Total Operating Cost	2,336	71%	2,337	72%	2,194	66%	2,263	67%
Operating Profit	979	29%	910	28%	1,141	34%	1,140	33%

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

Figures in INR millions.

Key Business Metrics – Quarterly View



Metrics		FY17 Q4	FY17 Q3	FY17 Q2	FY17 Q1	FY16 Q4	FY16 Q3	FY16 Q2	FY16 Q1
Revenue Growth (%)	USD	1.5%	-3.5%	-2.6%	-1.1%	-2.0%	3.2%	8.1%	14.2%
	Constant Currency	1.6%	-2.6%	-0.4%	-0.6%	-2.5%	4.2%	7.7%	4.0%
Currency Concentration (%)	USD	84%	75%	73%	72%	72%	73%	74%	76%
	EURO	10%	17%	19%	19%	19%	18%	18%	15%
	GBP	6%	7%	8%	9%	9%	9%	8%	9%
	Other	0%	0%	0%	0%	0%	0%	0%	0%
Geographic Concentration	North America	67%	69%	68%	66%	67%	67%	67%	72%
	Europe	28%	27%	29%	30%	30%	29%	29%	25%
	ROW	5%	4%	4%	3%	3%	4%	4%	3%
Debtors	DSO (including Un-billed)	85 days	78 days	74 days	80 days	73 days	71 days	80 days	78 days
Client	Top 10 contribution	74%	76%	75%	74%	76%	77%	75%	78%
Billing Mix	FTE	81%	83%	81%	81%	80%	82%	81%	85%
	SEZ Revenue	61%	64%	64%	66%	66%	66%	67%	69%
Seat Count		9035	9023	8,632	8,626	8,574	8,522	8,601	7,806
Staff Utilization (Delivery)		76.0%	78.5%	79.5%	79.1%	77.8%	79.0%	76.4%	74.3%

Note: Previous quarters numbers are restated as per IND AS