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eClerx

Financial Performance - FY19 H1
1st November, 2018

Financial Summary



Metrics		FY19 Q2	Q-o-Q	FY19 H1	Y-o-Y
Revenue	OPG revenue (USD mm)	50.0	2%	99.3	2%
	OPG revenue (INR mm)	3,559	1%	7,078	7%
	Total revenue (INR mm)	3,752	1%	7,456	9%
Profit	EBITDA (INR mm)	1,024	6%	1,992	-9%
	Operating EBITDA (INR mm)	831	6%	1,614	-18%
	OPM (INR mm)	728	6%	1,418	-18%
	Net profit (INR mm)	699	16%	1,301	-23%
Margin	EBITDA (%)	27.3%	1.2%	26.7%	-5.1%
	Operating EBITDA (%)	23.4%	1.1%	22.8%	-6.7%
	OPM (%)	20.5%	0.9%	20.0%	-6.0%
	Net profit (%)	18.6%	2.4%	17.5%	-7.0%

**Operating EBITDA Excludes Other Income, whereas EBITDA includes Total Revenue*

- Constant currency QoQ growth of 2.2%
- Q-o-Q INR operating revenue grew by INR 40 mm despite sequential decrease of:
 - INR 77 mm in SEIS accrual
 - INR 15 mm in hedge maturity rates
- Pune facility consolidation added INR 31mm to OPM; this one time gain will get more than offset in H2 due to overlapping rental costs; Rent cost to be steady state from Q1FY20
- Effective tax rate of H1FY19 is 27.6%; FY19 to be 28-30%

Other Income – FY19 Q2 vs. FY19 Q1

Figures in INR millions.

Other Income	FY19 Q2	FY19 Q1	FY18 Q4	FY18 Q3	FY18 Q2
Investment Income	79.3	67.5	82.7	69.9	70.3
Revaluation and Realised Gain	109.3	98.3	57.8	(70.8)	55.9
Other Misc. Income	4.1	19.1	29.1	7.1	14.8
Total	192.7	184.9	169.6	6.2	141.0

- Increase in other income due to exchange rate movement and higher investment income
- **Revaluation and Realised Gain**
 - USD/INR FY'19 Q2 Exit: 72.54 vs. FY'19 Q1 Exit: 68.47
 - EUR/INR FY'19 Q2 Exit: 84.22 vs. FY'19 Q1 Exit: 80.05
 - GBP/INR FY'19 Q2 Exit: 94.51 vs. FY'19 Q1 Exit: 90.43

Note: For analysis purpose we have grouped any (losses) or gain under Other Income, whereas in published financial results any (losses) are grouped under Other Expenses

Current Hedge Status

- Total outstanding hedges now \$150.7 mm at average INR 70.5/\$; 100% forwards
 - Q1 Hedge matured at INR 69.20 and Q2 Hedge matured at INR 68.70

Contract	Year	Amount (mn)	Avg. Rate (INR)
Forwards	Total FY19 H2	\$62.1	69.0
	Total FY19	\$62.1	69.0
	Total FY20 H1	\$52.7	70.4
	Total FY20 H2	\$28.6	72.7
	Total FY20	\$81.2	71.2
	Total FY21 H1	\$7.4	75.4
	Total FY21 H2	-	-
	Total FY21	\$7.4	75.4
	Total USD	\$150.7	70.5

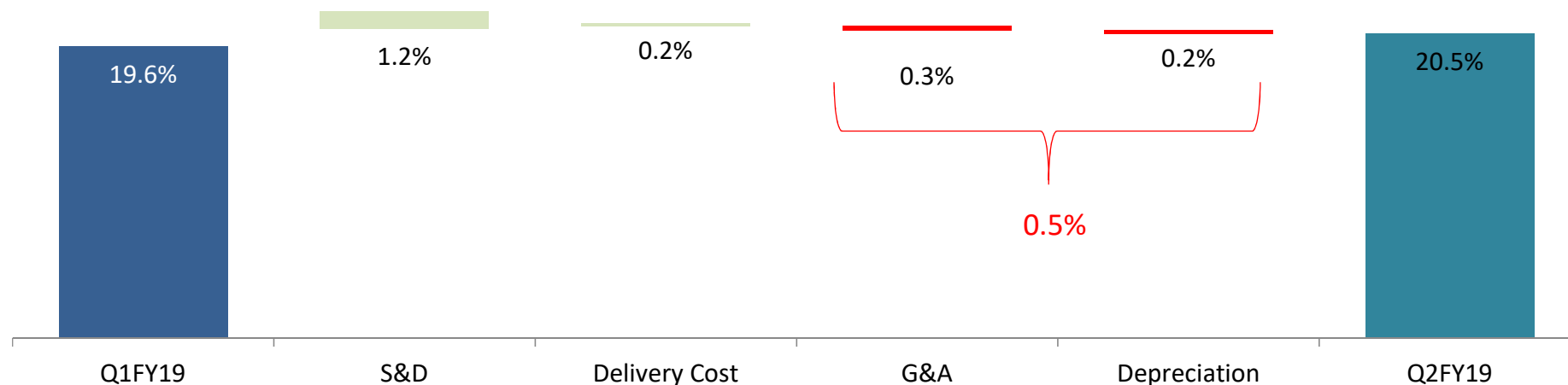
P&L Comparison: FY19 Q2 vs. FY19 Q1



Figures in INR millions.

Operating P&L	FY19 Q2	OPR (%)	FY19 Q1	OPR (%)
Operating Revenue	3,559		3,519	
Cost of Revenues				
Delivery and Support Employees Cost	1,730	48.6%	1,725	49.0%
General and Administrative Expenses				
Facilities (Rent and Electricity)	130	3.6%	168	4.8%
Technological Services (Communications, AMC)	106	3.0%	91	2.6%
Administrative Services (Transport, HK, Security)	54	1.5%	44	1.2%
Legal and Professional Fees	55	1.6%	76	2.2%
Provision / Written off for Bad Debt	4	0.1%	(0)	0.0%
CSR & Donation	24	0.7%	12	0.4%
Others	98	2.7%	66	1.9%
Total G&A	471	13.2%	457	13.0%
Selling and Distribution	527	14.8%	554	15.7%
Depreciation and Amortization	103	2.9%	93	2.7%
Total Operating Cost	2,831	79.5%	2,830	80.4%
Operating Profit	728	20.5%	690	19.6%
INR/USD (Avg)	70.12		67.00	
INR/EUR (Avg)	81.53		79.85	
INR/GBP (Avg)	91.34		91.13	

OPM Bridging Analysis: Q-o-Q FY19 Q2 vs. FY19 Q1



- S&D lower due to lower travelling cost in the quarter
- Positive Fx. impact offset by hedges; hence not shown above
- Higher G&A due to one off costs in Pune facilities
- Depreciation increase of ~INR 9 mm due to Fay and Pune Consolidation; Likely to increase till Q1

Note:

- Bridging analysis in constant currency
- S&D Exp. includes employee cost of onsite business development team

- Total Cash and Cash equivalents of INR 6,531 mm vs INR 6,067 mm for FY'19 Q1;
 - Equivalent to INR 172.0 per share vs INR 159.2 for FY'19 Q1
 - Net operating cash flow in Q2FY'19 is INR 937.0 mm vs INR (225.9) mm in Q1FY19
 - Capex during FY'19 Q2 is INR 64.4 mm vs INR 47.8 mm in FY'19 Q1
- EPS
 - Q2 Basic: INR 18.38; Diluted: INR 18.35
- Current book value per share of INR 333.97 vs. INR 323.05 FY'19 Q1

ESOP Trust

- Loan from company of INR 900 mm
- Total no. of shares held 705,060
- Average cost per share 1268.07
- Shareholders approved INR 600 mm additional loan

CSR Update

- Spent INR 35.8 mm for existing and new projects in H1FY'19 related to India
- Areas covered: Health, Education, Skills development
- Total Life touched / benefited ~21k

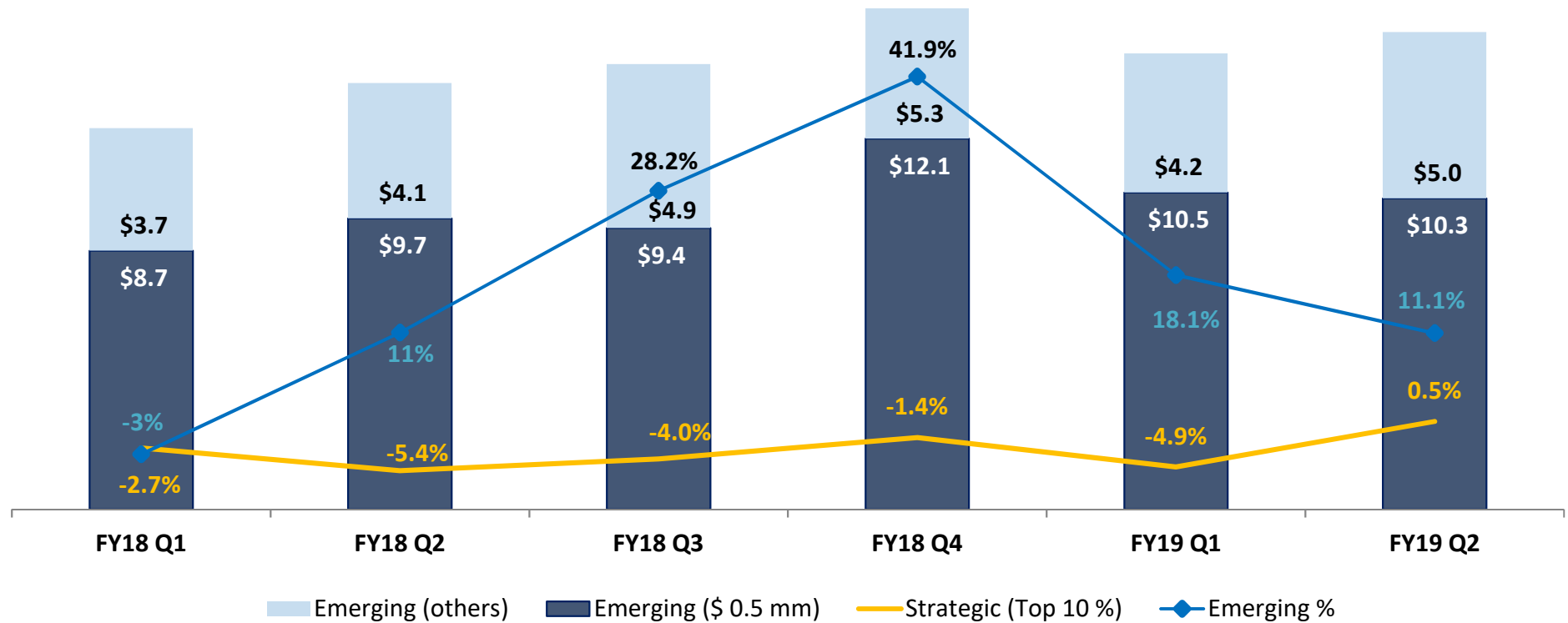
Key Business Metrics



Metrics		FY 19 Q2	FY 19 Q1	FY 18 Q4	FY 18 Q3	FY 18 Q2	FY 18 Q1	FY 17 Q4	FY 17 Q3	FY 17 Q2	FY 17 Q1
Revenue Growth (%)	USD	1.6%	-6.2%	7.4%	1.2%	-0.9%	1.9%	1.5%	-3.5%	-2.6%	-1.1%
	Constant Currency	2.2%	-5.7%	6.5%	1.1%	-1.8%	1.4%	1.6%	-2.6%	0.8%	-1.6%
Currency Contribution (%)	USD	82%	82%	79%	83%	82%	84%	84%	75%	73%	72%
	EURO	10%	10%	13%	10%	10%	9%	10%	17%	19%	19%
	GBP	6%	6%	6%	6%	6%	6%	6%	7%	8%	9%
	Others	2%	2%	2%	1%	2%	1%	0%	1%	0%	0%
Geographic Concentration	North America	64%	64%	59%	65%	65%	69%	67%	69%	68%	66%
	Europe	29%	28%	35%	28%	29%	26%	28%	27%	29%	30%
	ROW	7%	7%	6%	7%	6%	5%	5%	4%	3%	4%
Debtors (including unbilled)	DSO	89 days	93 days	89 days	81 days	81 days	88 days	85 days	78 days	74 days	80 days
Client Concentration	Top 10 contribution	70%	70%	67%	71%	71%	75%	74%	76%	75%	74%
Billing Mix	Managed Services	26%	23%	27%	22%	21%	20%	18%	15%	15%	14%
	Onshore revenue	22%	22%	23%	19%	18%	15%	14%	13%	14%	13%
Staff Utilization (Delivery)		72.5%	72.4%#	72.4%	72.9%	73.8%	76.8%	76.0%	78.5%	69.4%	68.7%
Client Contribution* (based on 12 month accrued revenue)	US\$ 500k+ Clients	17	19	17	16	14	14	14	15	18	18
	US\$ 1mm+ Clients	18	16	17	16	17	17	18	18	17	18
	US\$ 5mm+ Clients	7	7	6	6	6	6	6	6	7	7
Seat Count		8,914	8,900	8,919	8,904	8,926	8,941	9,035	9,023	8,632	8,626

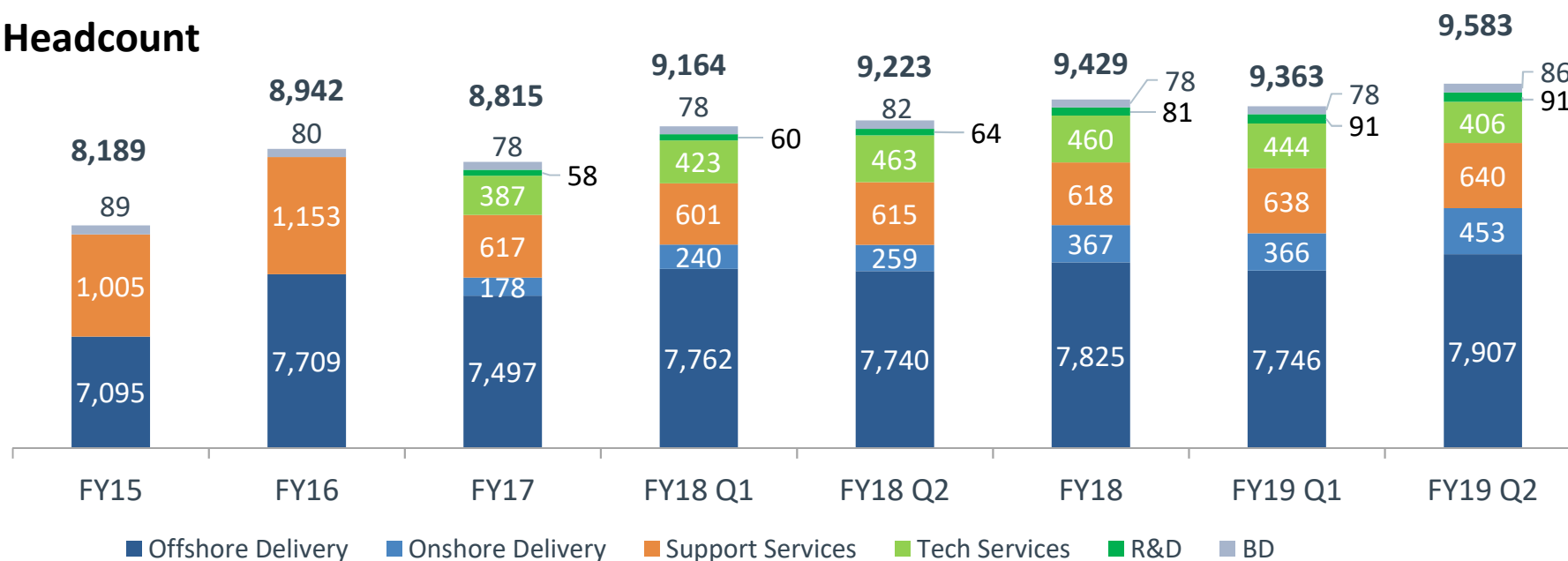
*Other smaller currencies, geographies and client contribution not shown; # Previous quarter normalized for managed services

Revenue Mix Trends – Consol

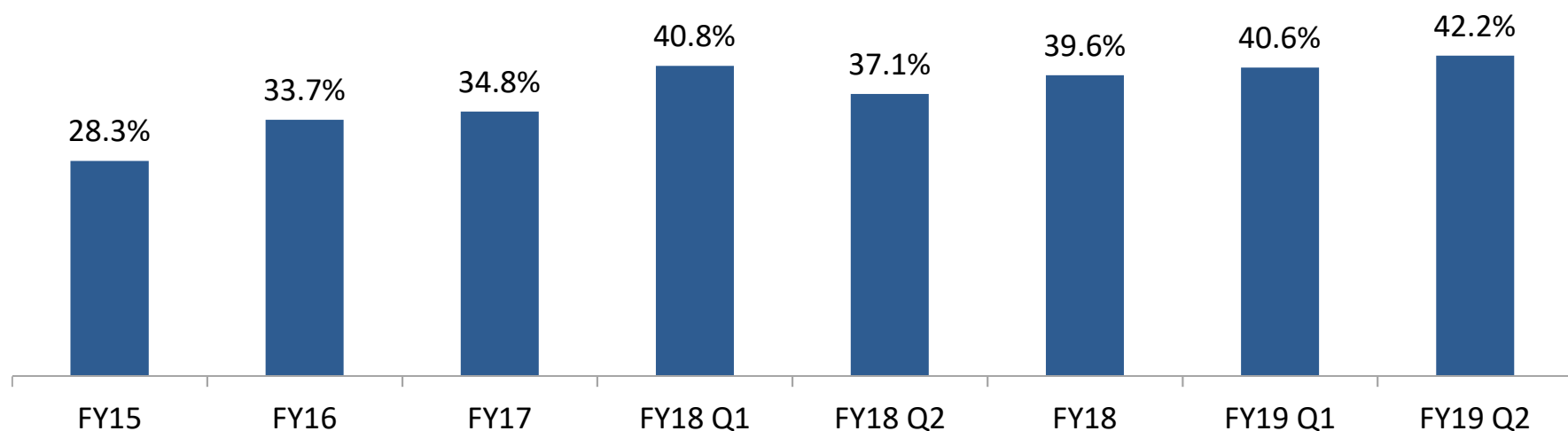


- Strategic (Top 10) clients Y-o-Y increase of 0.5% in USD & 0.6% in CC
- Emerging client Y-o-Y growth in USD by 11.1% and 12% in CC

Headcount



Offshore 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

Figures in INR millions.

Particulars	Sept 30, 2018	March 31, 2018	% of Change
Shareholder's Funds			
Capital	380	381	(0.4%)
Minority Interest	6	5	3%
Reserves and Surplus	12,305	11,666	5%
Total Shareholder's Funds	12,690	12,053	5%
Application of Funds			
Fixed Assets	3,478	3,435	(1%)
Deferred Tax Assets (net)	244	(31)	(886%)
Net Current Assets & Investments (Liquid)	8,968	8,649	4%
Total Application of Funds	12,690	12,053	5%

Financial Summary – Quarterly View



Metrics		FY19 Q2	FY19 Q1	FY18 Q4	FY18 Q3	FY18 Q2	FY18 Q1
Revenue	OPG revenue (USD mm)	50.2	49.2	52.5	48.9	48.3	48.8
	OPG revenue (INR mm)	3,559	3,519	3,611	3,399	3,309	3,332
	Total revenue (INR mm)	3,752	3,704	3,781	3,405	3,450	3,413
Profit	OPM (INR mm)	728	690	676	778	835	895
	EBITDA (INR mm)	1,024	968	975	911	1,095	1,085
	Operating EBITDA (INR mm)	831	783	805	904	954	1,004
	Net profit (INR mm)	699	602	644	575	887	793
Margin	OPM (%)	20.5%	19.6%	18.7%	22.9%	25.2%	26.9%
	EBITDA (%)	27.3%	26.1%	27.0%	26.8%	33.1%	32.6%
	Operating EBITDA (%)	23.4%	22.3%	22.3%	26.6%	28.8%	30.1%
	Net profit (%)	18.6%	16.2%	17.0%	16.9%	25.7%	23.2%

P&L Comparison – Quarterly View



Figures in INR millions.

Operating P&L	FY19 Q2	OPR (%)	FY19 Q1	OPR (%)	FY18 Q4	OPR (%)	FY18 Q3	OPR (%)	FY18 Q2	OPR (%)
Operating Revenue	3,559		3,519		3,611		3,399		3,309	
Cost of Revenues										
Delivery and Support Employees Cost	1,730	49%	1,725	49%	1,712	47%	1,547	46%	1,490	45%
General and Administrative Expenses										
Facilities (Rent and Electricity)	130	4%	168	5%	168	5%	159	5%	153	5%
Technological Services (Communications, AMC)	106	3%	91	3%	97	3%	99	3%	95	3%
Administrative Services (Transport, HK, Security)	54	2%	44	1%	41	1%	35	1%	39	1%
Legal and Professional Fees	55	2%	76	2%	86	2%	58	2%	30	1%
Provision / Written off for Bad Debt	4	0%	(0)	0%	22	1%	-	0%	-	0%
CSR & Donation	24	1%	12	0%	20	1%	20	1%	25	1%
Others	98	3%	66	2%	60	2%	68	2%	63	2%
Total G&A	471	13%	457	13%	495	14%	439	13%	406	12%
Selling and Distribution	527	15%	554	16%	600	17%	509	15%	459	14%
Depreciation and Amortization	103	3%	93	3%	129	4%	126	4%	119	4%
Total Operating Cost	2,831	80%	2,830	80%	2,935	81%	2,620	77%	2,474	75%
Operating Profit	728	20%	690	20%	676	19%	778	23%	835	25%

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