



eClerx

Financial Performance – Q3FY21  
January 28<sup>th</sup>, 2021

# Financial Summary

Metrics		FY21 Q3	Q-o-Q	YTD FY21	Y-o-Y
Revenue	OPG revenue (USD mm)	53.3	9.9%	146.6	(4.0%)
	OPG revenue (INR mm)	3,943	9.3%	10,917	0.5%
	Total revenue (INR mm)	3,976	10.3%	11,061	(0.8%)
Profit	EBITDA (INR mm)	1,210	12.3%	3,236	17.3%
	EBIT (INR mm)*	1,008	14.4%	2,664	19.3%
	Net profit (INR mm)	710	16.5%	1,838	19.7%
Margin	EBITDA (%)	30.4%	0.5%	29.3%	4.5%
	EBIT (%)	25.3%	0.9%	24.1%	4.1%
	Net profit (%)	17.9%	0.9%	16.6%	2.8%

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

- Q3 YoY Constant currency (CC) growth by 1.9% (organic 0.8%); QoQ CC growth of 9.5% (organic 8.4%)
- Q3 YoY CC revenue growth of 5.2% offshore (organic 3.8%) and decline of 8.2% onshore
- Acquisition of Personiv completed on 23<sup>rd</sup> December
  - Revenue for 8 days was \$543K; less than usual runrate due to low volume during holidays
  - Q3 impact on profit negligible
  - One time legal cost incurred for acquisition - INR 24 mm in Q3 and INR 44 mm for YTD FY21
- Q3 Margin improvement due to strong organic revenue growth and operating leverage

# Other Income

Figures in INR millions.

Other Income	FY21 Q3	FY21 Q2	FY21 Q1	FY20 Q4	FY20 Q3
Investment Income	47.3	59.6	107.9	88.9	84.4
Revaluation Income*	(20.2)	(64.5)	(6.1)	75.9	22.3
Others	5.8	1.2	13.6	5.1	8.0
<b>Total</b>	<b>32.9</b>	<b>(3.7)</b>	<b>115.4</b>	<b>169.9</b>	<b>114.7</b>

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

- Decrease in investment income due to lower investible base due to acquisition and decreasing yields

- **Revaluation and Realised Gain**

- USD/INR FY'21 Q3 Exit: 73.02 vs. FY'21 Q2 Exit: 73.56
- EUR/INR FY'21 Q3 Exit: 89.34 vs. FY'21 Q2 Exit: 86.24
- GBP/INR FY'21 Q3 Exit: 99.80 vs. FY'21 Q2 Exit: 95.02

# P&L Comparison

Figures in INR millions.

Operating P&L	FY21 Q3	OPR (%)	FY21 Q2	OPR (%)
<b>Total Revenue</b>	<b>3,976</b>		<b>3,604</b>	
Operating Revenue	3,943		3,608	
<b>Cost of Revenues</b>				
Delivery and Support Employees Cost	1,950	49.4%	1,793	49.7%
<b>General and Administrative Expenses</b>				
Facilities (Rent and Electricity)	75	1.9%	72	2.0%
Technological Services (Communications, AMC)	77	2.0%	100	2.8%
Administrative Services (Transport, HK, Security)	28	0.7%	16	0.4%
Legal and Professional Fees	77	2.0%	52	1.4%
Provision / Written off for Bad Debt	(3)	(0.1%)	1	0.0%
CSR & Donation	12	0.3%	13	0.4%
Others	77	2.0%	96	2.7%
<b>Total G&amp;A</b>	<b>345</b>	<b>8.7%</b>	<b>350</b>	<b>9.7%</b>
<b>Selling and Distribution</b>	<b>472</b>	<b>12.0%</b>	<b>384</b>	<b>10.6%</b>
<b>EBITDA</b>	<b>1,210</b>	<b>30.4%</b>	<b>1,077</b>	<b>29.9%</b>
<b>Depreciation and Amortization (Inc. rent as per IND AS116)</b>	<b>202</b>	<b>5.1%</b>	<b>196</b>	<b>5.4%</b>
<b>EBIT</b>	<b>1,008</b>	<b>25.3%</b>	<b>881</b>	<b>24.4%</b>

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# Hedge Updates

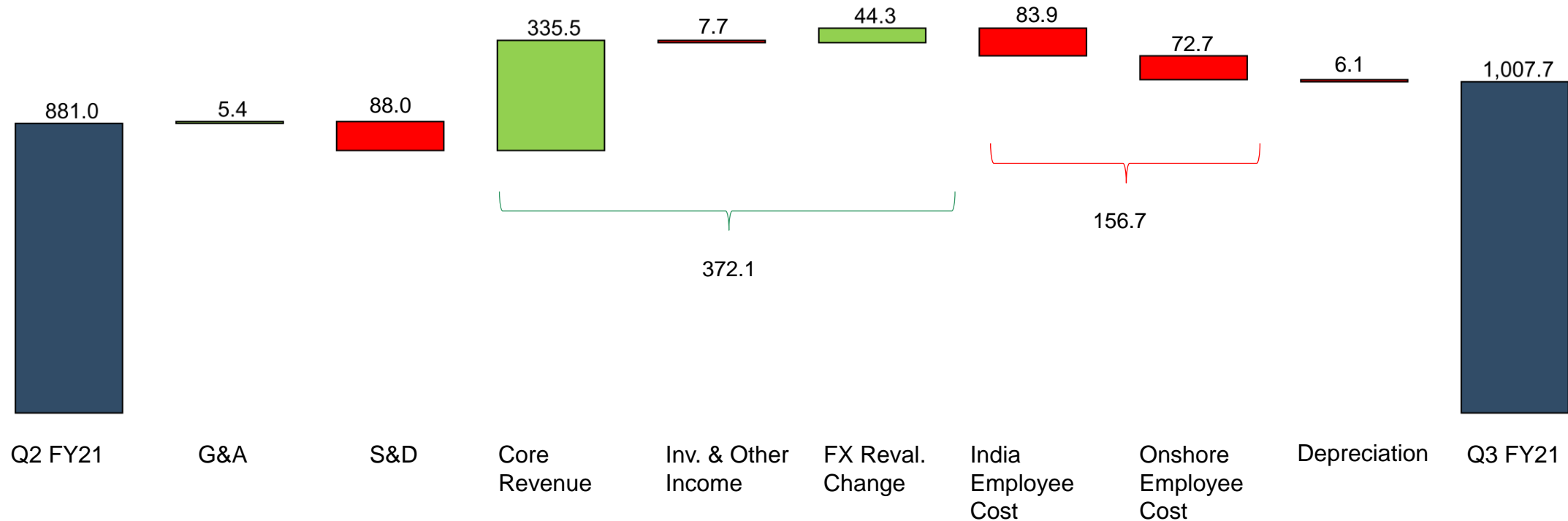
## Current Hedge Status

- Total outstanding hedges now \$130.8 mm at average INR 77.4/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	<b>Total FY20</b>	<b>USD</b>	<b>\$116.8</b>	<b>71.8</b>
	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	<b>Total FY21</b>	<b>USD</b>	<b>\$25.6</b>	<b>75.3</b>
	FY22 Q1		\$28.8	76.7
	FY22 Q2		\$22.7	77.6
	FY22 Q3		\$23.1	78.1
	FY22 Q4		\$15.0	78.9
	<b>Total FY22</b>	<b>USD</b>	<b>\$89.6</b>	<b>77.6</b>
	FY23 Q1		\$9.0	79.7
	FY23 Q2		\$4.5	80.0
	FY23 Q3		\$2.1	80.3
	<b>Total FY23</b>	<b>USD</b>	<b>\$15.6</b>	<b>79.8</b>
<b>Total Outstanding</b>		<b>USD</b>	<b>\$130.8</b>	<b>77.4</b>

# QoQ EBIT Bridge

Figures in INR millions



- S&D cost higher due to higher year end bonus provisions and wage hikes
- G&A – higher acquisition related legal costs offset by one off client reimbursement for WFH assets
- Core Revenue higher due to higher offshore Revenue and lower roll offs
- India Employee Cost higher due to senior management increments and higher Head Count to support offshore growth
- Onshore Employee Cost higher due to increment, higher Fay headcount and inclusion of Personiv

**Note:**

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

# Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 5,886 mm for Q3FY'21 vs INR 6,682 mm for Q3FY'20
  - Equivalent to INR 173.1 per share Q3FY'21 vs INR 185.1 for Q3FY'20
  - Net operating cash flow in Q3FY'21 is INR 884.9 mm vs INR 798.1 mm in Q3FY'20
    - EBITDA conversion at 73.1% for Q3FY'21 vs 69.6% in Q3FY'20
  - Capex during Q3FY'21 is INR 38.5 mm vs INR 29.3 mm in Q3FY'20
- **EPS**
  - Q3 Basic: 20.89 INR ; Diluted: 20.79 INR
  - Q2 Basic: 17.74 INR ; Diluted: 17.71 INR
- Current book value per share Q3FY'21 INR 413.6 vs. INR 351.3 Q3FY'20
- **CSR Update**
  - Spent INR 12.4 mm for existing and new projects in Q3FY'21 related to India
  - Areas covered: Health, Education, Skills development
  - Total Life touched / benefited ~ 19k

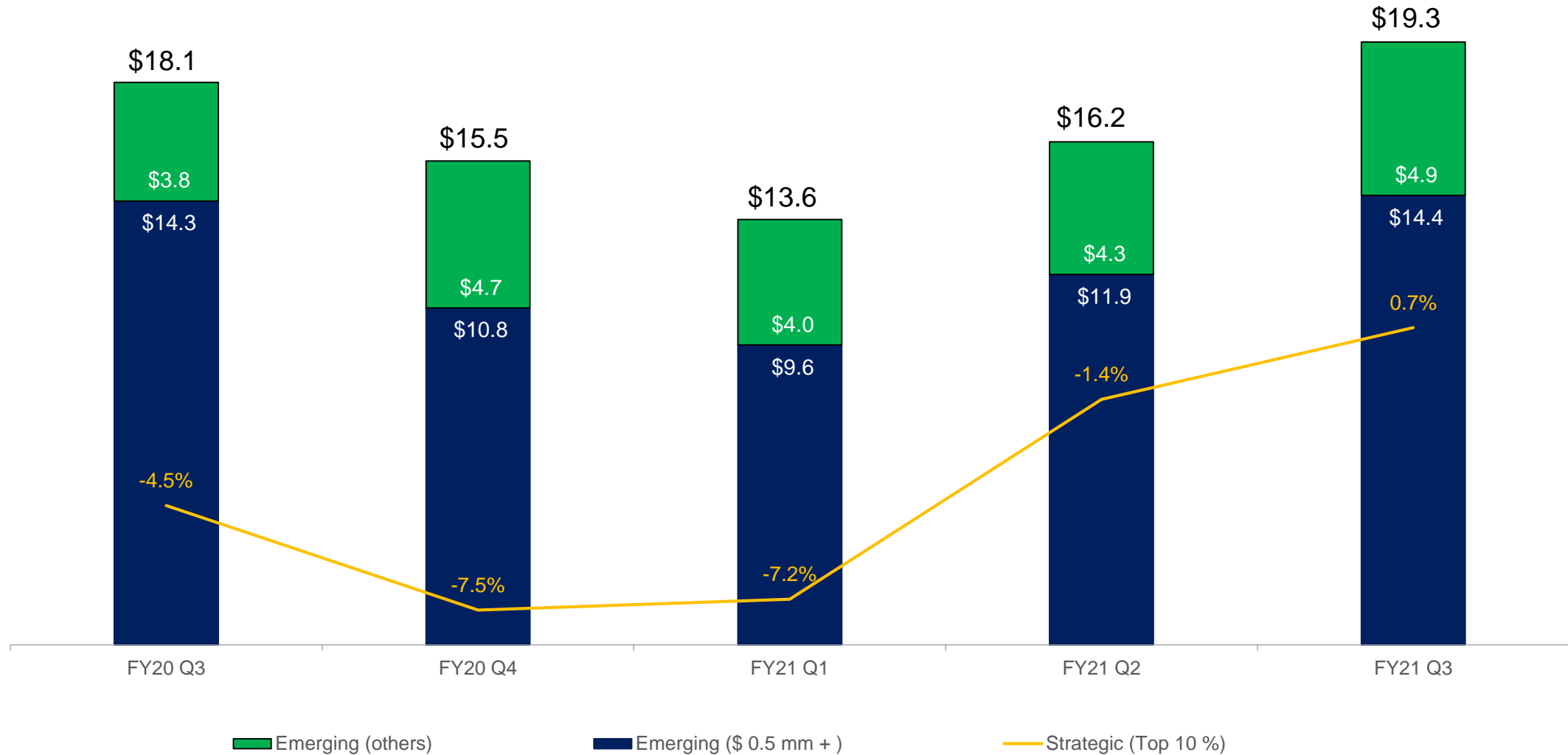
# Key Business Metrics

Metrics		FY21 Q3	FY21 Q2	FY21 Q1	FY20 Q4	FY20 Q3	FY 20 Q2
Currency Contribution (%) *	USD	81%	81%	85%	82%	80%	81%
	EURO	13%	13%	9%	12%	12%	11%
	GBP	4%	5%	4%	5%	6%	6%
	Others	2%	1%	2%	1%	2%	2%
Geographic Concentration *	North America	66%	66%	71%	68%	66%	67%
	Europe	28%	28%	23%	26%	28%	27%
	ROW	6%	6%	6%	6%	6%	6%
Debtors (including unbilled)#	DSO (days)	78	74	83	88	78	78
Client Concentration	Top 10 contribution	64%	67%	70%	67%	65%	65%
Billing Mix	Managed Services	34%	31%	24%	28%	31%	28%
	Onshore Revenue	23%	23%	21%	23%	25%	25%
Staff Utilization (Delivery) #		81.2%	79.1%	72.9%	75.1%	77.2%	71.9%
Client Contribution (based on TTM revenue)*	US\$ 500k-1mm Clients	17	16	17	21	21	22
	US\$ 1mm-3mm Clients	16	19	16	17	18	18
	US\$ 3mm ++ Clients	12	10	11	11	10	10
India Seat Count#		9,209	9,183	9,601	9,601	9,601	9,601

\* Other smaller currencies, geographies and client contribution not shown; # Personiv impact is not included



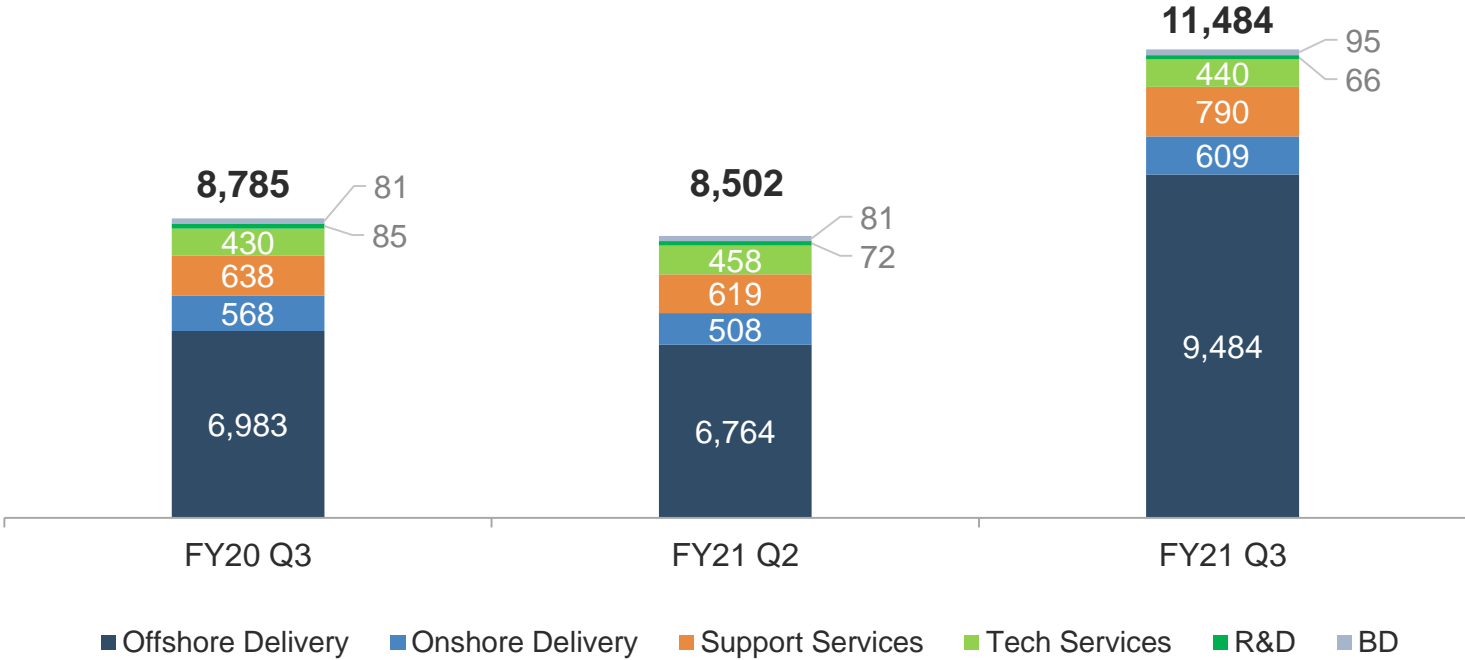
# Revenue Mix Trends (\$mm)



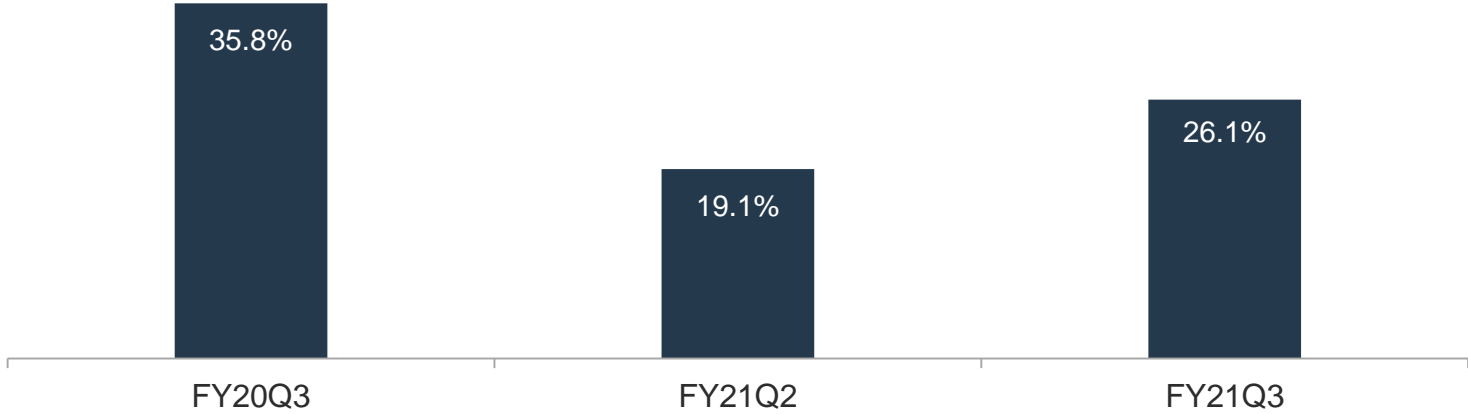
Strategic growth is measured at quarterly YoY level; Q3 Emerging (others) includes entire Personiv revenue

# Human Resources Update

## Headcount



## Offshore Voluntary Attrition\*



\*Does not include Personiv

# Thank You

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