



eClerx

Financial Performance – Q2FY22

November 2nd , 2021

Financial Summary

Metrics		FY22 Q2	Q-o-Q	FY22 H1	Y-o-Y
Revenue	OPG revenue (USD mm)	\$69.3	7.2%	\$134.0	43.6%
	OPG revenue (INR mm)	5,233	7.6%	10,095	44.8%
	Total revenue (INR mm)	5,250	6.2%	10,194	43.9%
Profit	EBITDA (INR mm)	1,666	6.7%	3,228	59.3%
	EBIT (INR mm)*	1,414	6.8%	2,739	65.4%
	Net profit (INR mm)	1,007	10.3%	1,920	70.3%
Margin	EBITDA (%)	31.7%	0.1%	31.7%	3.1%
	EBIT (%)	26.9%	0.1%	26.9%	3.5%
	Net profit (%)	19.2%	0.7%	18.8%	2.9%

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

- Q2 YoY Constant currency (CC) growth by 42.2%; QoQ CC growth of 7.6%
- Dividend paid during Q2 @ INR 1 per share amounting to INR 32mm; Buyback of INR 3030mm now completed

Other Income

Figures in INR millions.

Other Income	FY22 Q2	FY22 Q1	FY21 Q4	FY21 Q3	FY21 Q2
Investment Income	34.0	28.8	24.6	47.3	59.6
Revaluation Income*	(24.3)	46.6	4.9	(20.2)	(64.5)
Others	7.8	6.1	7.9	5.8	1.2
Total	17.5	81.4	37.5	32.9	(3.7)

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

- Increase in investment income due to gain on fair valuation of current investments
- Decrease in revaluation of FX assets
- **Revaluation and Realised Gain**
 - USD/INR FY'22 Q2 Exit: 74.19 vs. FY'22 Q1 Exit: 74.33
 - EUR/INR FY'22 Q2 Exit: 85.89 vs. FY'22 Q1 Exit: 88.09
 - GBP/INR FY'22 Q2 Exit: 99.91 vs. FY'22 Q1 Exit: 102.62

P&L Comparison

Figures in INR millions.

Operating P&L	FY22 Q2	OPR (%)	FY22 Q1	OPR (%)
Operating Revenue \$	\$69.3		\$64.7	
Total Revenue	5,250		4,944	
Operating Revenue	5,233		4,863	
Cost of Revenues				
Delivery and Support Employees Cost	2,601	49.7%	2,453	50.5%
General and Administrative Expenses				
Facilities (Rent and Electricity)	78	1.5%	90	1.8%
Technological Services (Communications, AMC)	129	2.5%	121	2.5%
Administrative Services (Transport, HK, Security)	27	0.5%	20	0.4%
Legal and Professional Fees	101	1.9%	90	1.9%
Provision / Written off for Bad Debt	1	0.0%	2	0.0%
CSR & Donation	13	0.2%	12	0.3%
Others	115	2.2%	111	2.3%
Total G&A	464	8.9%	446	9.2%
Selling and Distribution	519	9.9%	483	9.9%
EBITDA	1,666	31.7%	1,562	31.6%
Depreciation and Amortization (Inc. rent as per IND AS116)	252	4.8%	237	4.9%
EBIT	1,414	26.9%	1,325	26.8%

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

Hedge Updates

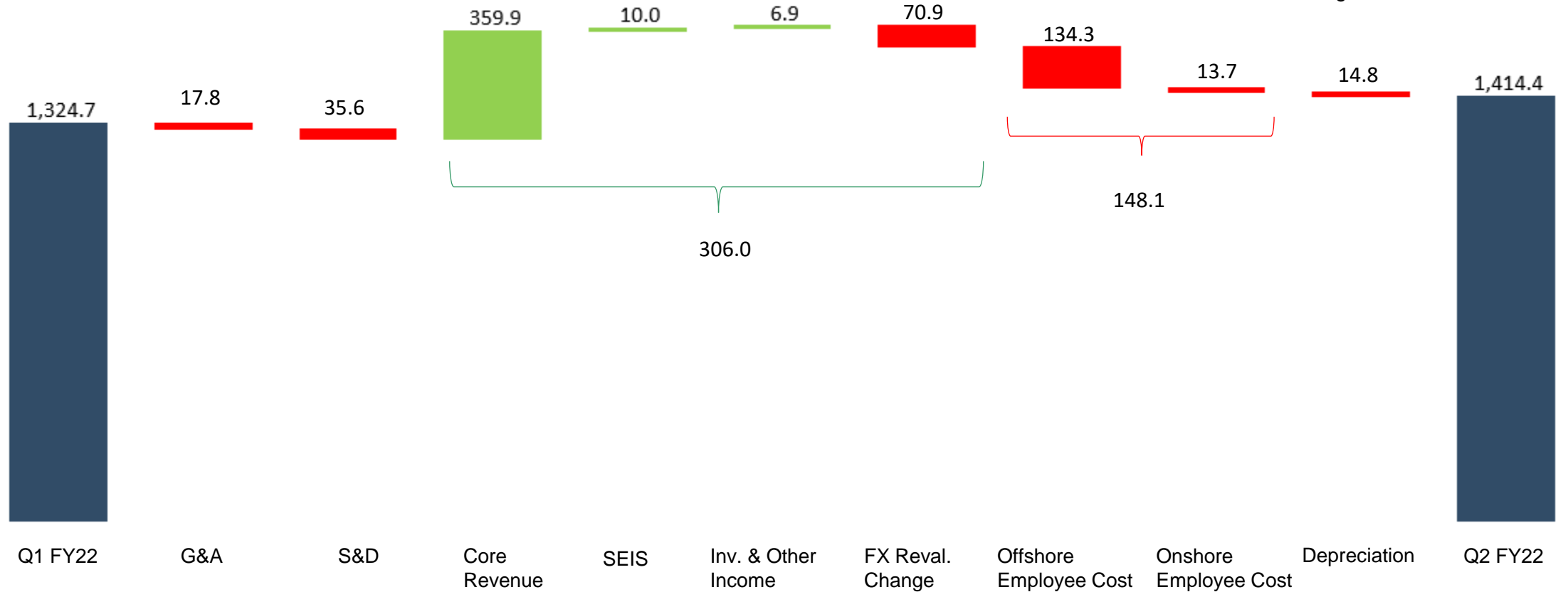
Current Hedge Status

- Total outstanding hedges now \$158.8mm at average INR 78.0/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	Total FY21	USD	\$99.7	74.6
	FY22 Q1		\$28.8	76.7
	FY22 Q2		\$35.1	76.6
	FY22 Q3		\$40.7	76.8
	FY22 Q4		\$31.7	77.4
Outstanding Forwards	Total FY22	USD	\$72.4	77.1
	FY23 Q1		\$26.1	78.2
	FY23 Q2		\$25.4	78.3
	FY23 Q3		\$16.6	79.0
	FY23 Q4		\$10.8	79.6
	Total FY23	USD	\$78.9	78.6
	FY24 Q1		\$5.1	80.5
	FY24 Q2		\$2.4	81.0
	Total FY24	USD	\$7.5	80.7
	Total Outstanding		USD	\$158.8

QoQ EBIT Bridge

Figures in INR millions



- G&A – Higher L&P due to increase in recruitment
- S&D cost higher due to bonus provisions in line with H1 growth
- Core Revenue higher due to higher offshore and Tech revenue
- Offshore Employee cost higher due to increase in Headcount (10,099 in Q2 vs 9,495 in Q1)

Note:

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

Balance Sheet & Other Updates

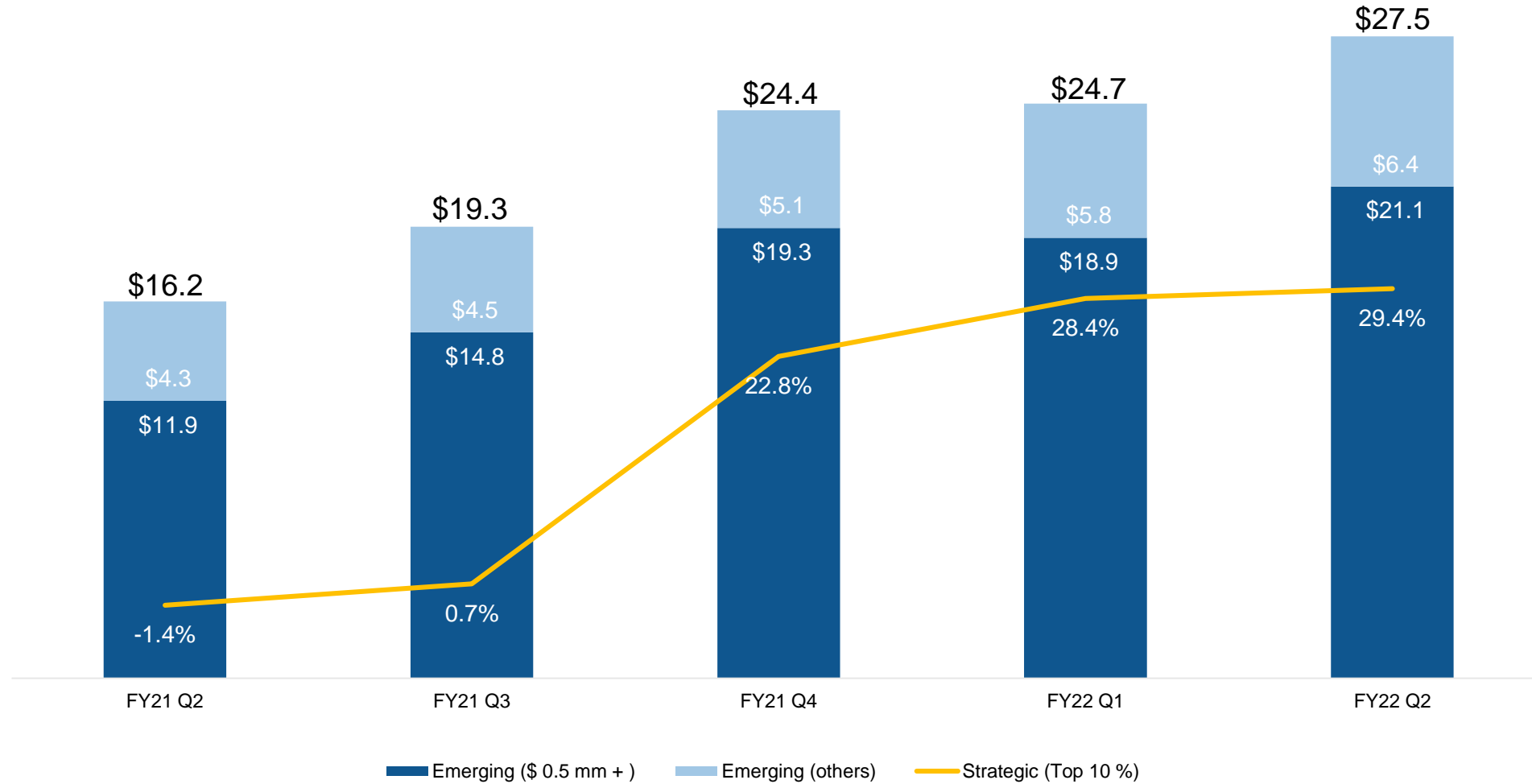
- Total Cash and Cash Equivalents of INR 8,052 mm for Q2 FY'22 vs INR 7,268 mm for Q1 FY'22
 - Equivalent to INR 235.5 per share Q2 FY'22 vs INR 213.0 for Q1 FY'22
 - Net operating cash flow in Q2 FY'22 is INR 1,404 mm vs INR 744 mm in Q1 FY'22
 - EBITDA conversion at 84.3% for Q2 FY'22 vs 47.6% in Q1 FY'22
 - Capex during Q2 FY'22 is INR 90 mm vs INR 171 mm in Q1 FY'22
- EPS
 - Q2 Basic: 29.50 INR ; Diluted: 28.96 INR
- Current book value per share Q2 FY'22 INR 501.6 vs. INR 473.0 Q1 FY'22
- CSR Update
 - Spent INR 12.5 mm for existing and new projects in Q2FY'22 related to India
 - Areas covered: Health, Education, Skills development
 - Total lives touched / benefited ~ 21k

Key Business Metrics

Metrics		FY22 Q2	FY22 Q1	FY21 Q4	FY21 Q3	FY21 Q2	FY21 Q1	FY20 Q4
Currency Contribution (%) *	USD	80%	80%	79%	81%	81%	85%	82%
	EURO	10%	12%	12%	13%	13%	9%	12%
	GBP	5%	4%	4%	4%	5%	4%	5%
	Others	5%	4%	5%	2%	1%	2%	1%
Geographic Concentration *	North America	69%	70%	70%	66%	66%	71%	68%
	Europe	24%	23%	23%	28%	28%	23%	26%
	ROW	7%	7%	7%	6%	6%	6%	6%
Debtors (including unbilled)	DSO (days)^	65	73	75	78	74	83	88
Client Concentration	Top 10 contribution	60%	62%	62%	64%	67%	70%	67%
Billing Mix	Managed Services	24%	25%	27%	30%	31%	24%	28%
	Onshore Revenue	20%	20%	21%	23%	23%	21%	23%
Staff Utilization (Delivery)		81.8%	81.0%	83.8%	81.2%	79.1%	72.9%	75.1%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	23	21	19	17	16	18	21
	US\$ 1mm-3mm Clients	20	20	20	16	19	16	17
	US\$ 3mm ++ Clients	16	15	13	12	10	11	11
India Seat Count		11,039	11,039	11,273	11,273	9,183	9,601	9,601

*Other smaller currencies, geographies and client contribution not shown

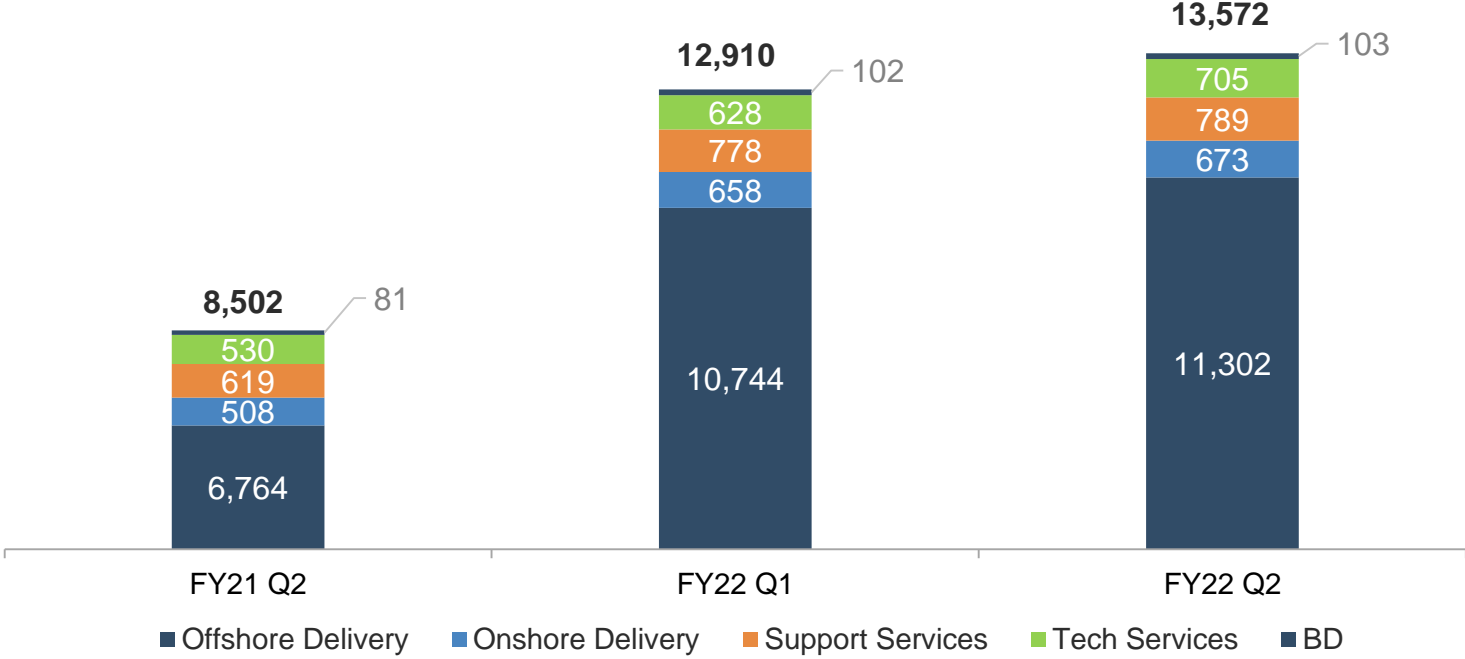
Revenue Mix Trends (\$mm)



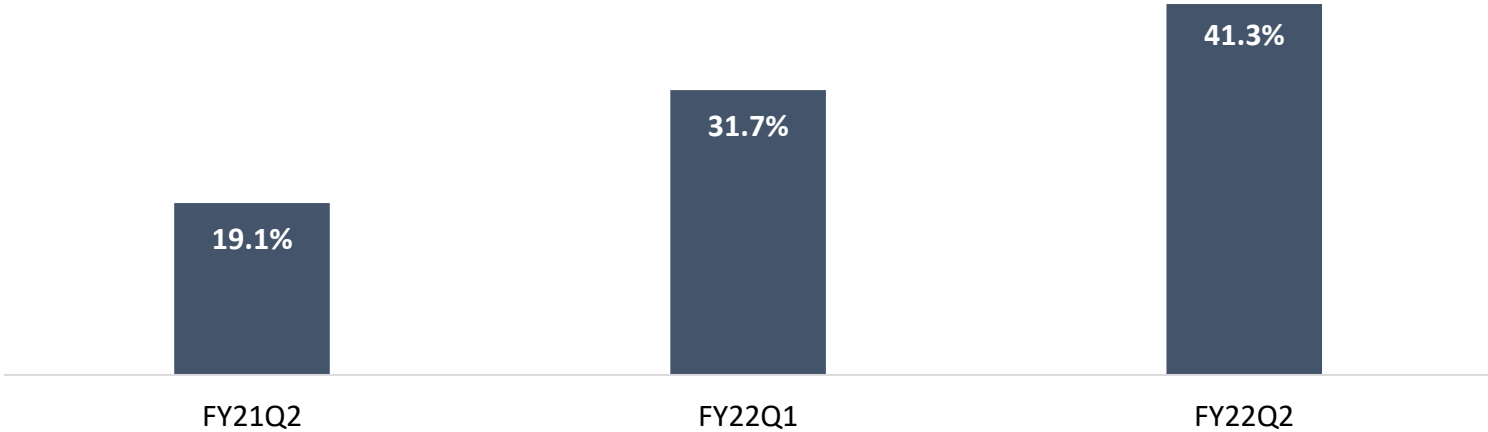
Strategic growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition^



^Attrition includes PH & Thailand (in addition to India) from Q2

Balance Sheet Abstract

Figures in INR millions.

Particulars	September 30, 2021	March 31, 2021	% Change
Shareholder's Funds			
Capital	342	340	1%
Minority Interest	16	9	78%
Reserves and Surplus	16,807	14,668	15%
Total Shareholder's Funds	17,164	15,017	
Application of Funds			
Fixed Assets	5,989	5,958	1%
Right to Use Assets (IND AS116)	1,335	1,327	1%
Lease Liability (IND AS116)	(1,758)	(1,742)	1%
Deferred Tax Assets (net)	182	164	11%
Net Current Assets & Investments	11,417	9,310	23%
Total Application of Funds	17,164	15,017	

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.