

eClerx
Investor
Relations

Financial Performance – Q1FY23

Aug 9th, 2022

Financial Summary

Metrics		FY23 Q1	Q-o-Q	Y-o-Y
Revenue	OPG revenue (USD mm)	79.5	3.0%	22.9%
	OPG revenue (INR mm)	6,178	4.4%	27.1%
	Total revenue (INR mm)	6,398	6.4%	29.4%
Profit	EBITDA (INR mm)	1,870	-2.6%	19.7%
	EBIT (INR mm)*	1,621	-1.1%	22.4%
	Net profit (INR mm)	992	-16.5%	8.6%
Margin	EBITDA (%)	29.2%	-2.7%	-2.4%
	EBIT (%)	25.3%	-1.9%	-1.5%
	Net profit (%)	15.5%	-4.2%	-3.0%

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

- Q1 YoY Constant currency (CC) growth by 25.2%; QoQ CC growth of 3.9%
- Sequential reduction in margin due to:
 - Wage hikes and increased offshore bench
 - Personiv earnout related one-off cost of ~INR 215mm (Impact visible only in PAT)
 - PAT without earnout seen at INR 1,162mm (18.2%)
- Bonus issue proposed in the ratio of 1 new equity share for every 2 equity shares held

Other Income

Figures in INR millions.

Other Income	FY23 Q1	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1
Investment Income	26.0	21.0	27.9	34.0	28.8
Revaluation Income*	180.5	51.2	8.2	(24.3)	46.6
Others	12.6	24.7	8.7	7.8	6.1
Total	219.1	96.9	44.8	17.5	81.4

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

- Increase in revaluation of FX assets due to higher USD/INR, and impact of Personiv's revaluation in P&L
- **Revaluation and Realised Gain**
 - USD/INR FY23 Q1 Exit: 79.03 vs. FY22 Q4 Exit: 75.78
 - EUR/INR FY23 Q1 Exit: 82.62 vs. FY22 Q4 Exit: 84.60
 - GBP/INR FY23 Q1 Exit: 96.01 vs. FY22 Q4 Exit: 99.65

Hedge Updates

Current Hedge Status

- Total outstanding hedges now \$184.2 mm at average INR 79.46/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY22 Q2		\$34.98	76.6
	FY22 Q3		\$48.80	76.5
	FY22 Q4		\$39.38	77.2
	Total FY22	USD	\$152.0	76.7
	FY23 Q1		\$39.2	77.7
Outstanding Forwards	FY23 Q2		\$37.3	77.9
	FY23 Q3		\$40.8	78.8
	FY23 Q4		\$30.0	79.0
	Total FY23	USD	\$108.1	78.5
	FY24Q1		\$32.3	80.1
	FY24Q2		\$21.0	80.7
	FY24Q3		\$13.5	81.5
	FY24Q4		\$6.3	82.1
	Total FY24	USD	\$73.1	80.7
	FY25Q1		\$3.0	83.3
Total FY25		\$3.0	83.3	
Total Outstanding		USD	\$184.20	79.46

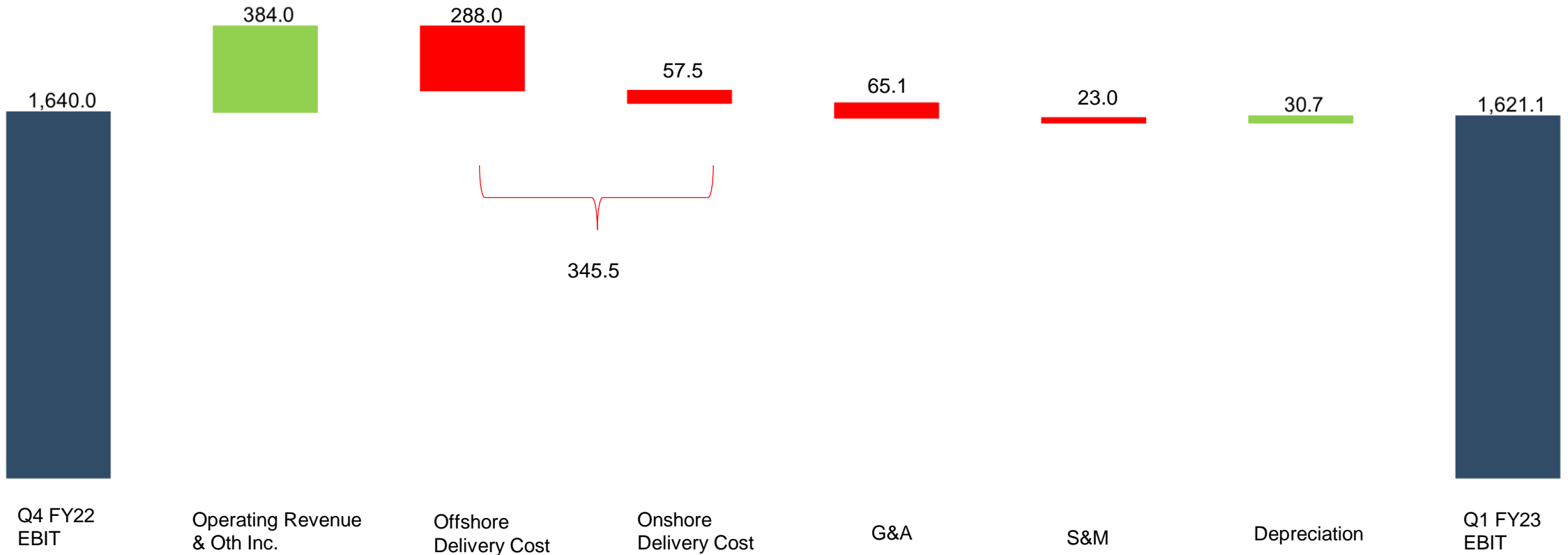
P&L Comparison

Figures in INR millions.

Operating P&L	FY23 Q1	OPR (%)	FY22 Q4	OPR (%)
Operating Revenue \$	\$79.5		\$77.2	
Total Revenue*	6,398		6,014	
Operating Revenue	6,178		5,917	
Cost of Revenues				
Delivery and Support Employees Cost	3,341	54.1%	2,996	50.6%
General and Administrative Expenses				
Facilities (Rent and Electricity)	90	1.5%	84	1.4%
Technological Services (Communications, AMC)	128	2.1%	124	2.1%
Administrative Services (Transport, HK, Security)	47	0.8%	38	0.6%
Legal and Professional Fees	133	2.2%	111	1.9%
Provision / Written off for Bad Debt	2	0.0%	3	0.0%
CSR & Donation	14	0.2%	12	0.2%
Others	138	2.2%	116	2.0%
Total G&A	551	8.9%	486	8.2%
Selling and Distribution	635	10.3%	612	10.3%
EBITDA	1,870	29.2%	1,919	31.9%
Depreciation and Amortization (Inc. rent as per IND AS116)	249	4.0%	279	4.7%
EBIT	1,621	25.3%	1,640	27.3%

* Forex Gain / Loss and gain / loss on sale of tangible assets regrouped as other income/expenses in the press release financials

QoQ EBIT Bridge



- Operating revenue & Oth Inc – INR 130mm from forex gain, balance due to growth in revenue
- Delivery cost has annual increment impact and HC growth
- G&A - Increase in hiring & return to office costs
- S&M - Onshore increment, higher travel spends due to opening up of the economy

Note:

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

Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 7,633 mm for Q1 FY23 vs INR 6,805 mm for Q4 FY22
 - Equivalent to INR 230.5 per share Q1 FY23 vs INR 205.6 for Q4 FY22
 - Net operating cash flow in Q1 FY23 is INR 1,056.5 mm vs INR 848.7 mm in Q4 FY22
 - EBITDA conversion at 56.5% for Q1 FY23 vs 44.2% in Q4 FY22
 - Capex during Q1 FY23 is INR 182 mm vs INR 161 mm in Q4 FY22
- EPS
 - Q1 Basic: 29.97 INR ; Diluted: 29.44 INR
- Current book value per share Q1 FY23 INR 498.4 vs. INR 473.6 Q4 FY22
- CSR Update
 - CSR spend of INR 14.2 mm for existing and new projects in Q1 FY23 related to India
 - Areas covered: Health, Education, Skills development
 - Total lives touched / benefited ~ 6k

New Additional (Independent) Directors

Dr. Naresh Chand Gupta

M.S and Ph.D. in Computer Science from University of Maryland; B.Tech in Computer Science from IIT (Kanpur)

- Founder and CEO of Accuracap Consultancy Services, a technology-oriented public market investment firm. Has extensive experience in AI and deep technologies
- Previously part of Adobe's leadership team. As founding Managing Director of Adobe India, he setup the India R&D centre
- Has also worked at LNK Corporation

Mr. Naval Bir Kumar

MBA from IIM (Calcutta), Bachelor's in Mathematics from Bombay University

- Thirty years of diverse experience in financial services
- Held leadership positions in investment banking, asset management, treasury and consumer banking. Formerly AMFI Board member and worked extensively with SEBI on evolving regulations
- Previously was the CEO of IDFC Mutual Fund and Head of its Consumer Banking business
- Has also worked with Standard Chartered and ANZ Grindlays

Ms. Roshini Bakshi

MBA from IIM (Ahmedabad), B.A. (Hons) in Economics from St. Stephens (Delhi)

- Managing Director, Private Equity at Everstone Capital
- 29 years of general management & marketing experience, strong track record in consumer industries, strategy & operations
- Previously was the CEO and MD for the Walt Disney Company's Consumer, media and retail business for South Asia
- Has also worked with Unilever, American Express, and Mattel

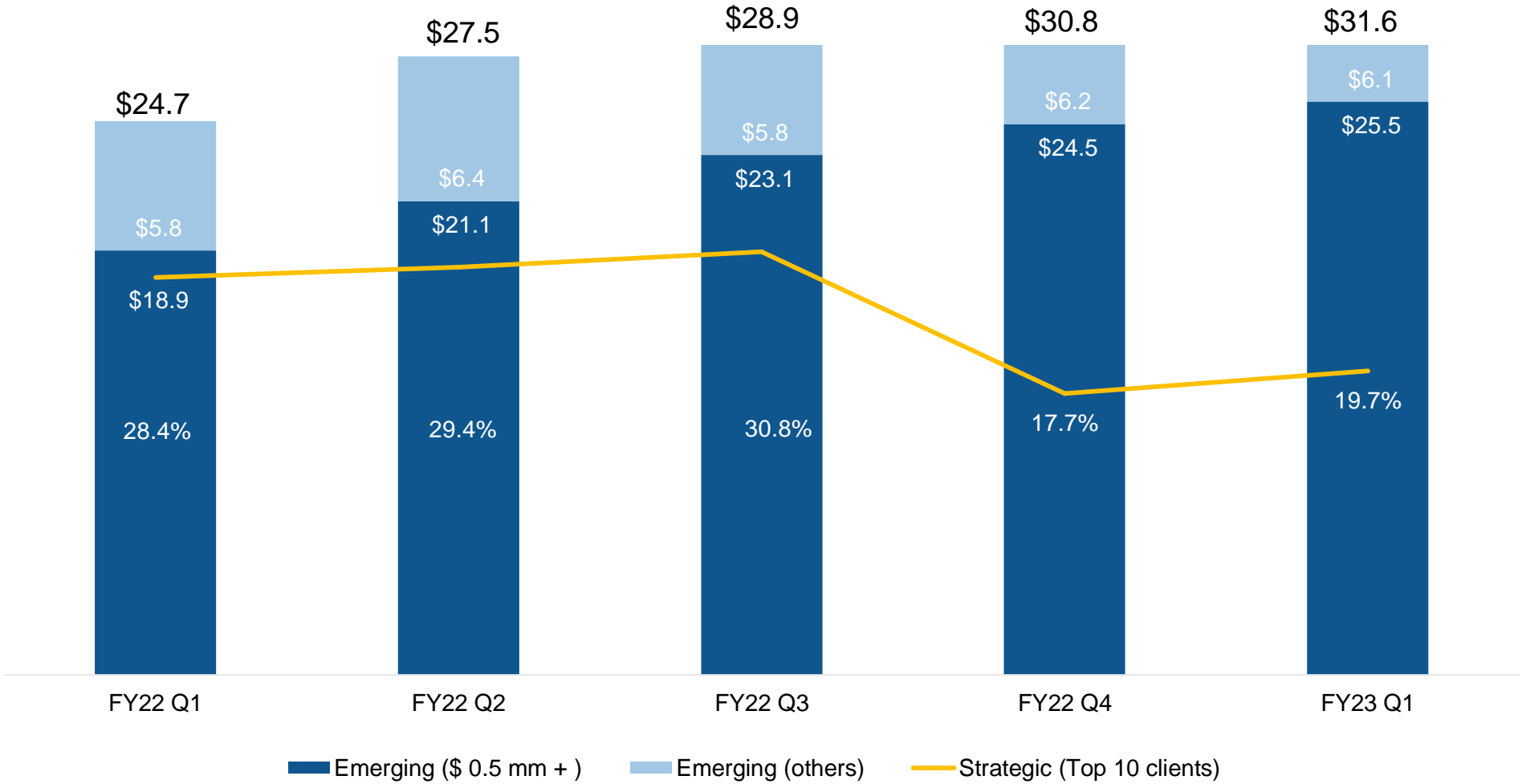
Key Business Metrics

Metrics		FY23 Q1	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1	FY21 Q4	FY21 Q3	FY21 Q2
Currency Contribution (%) *	USD	82%	81%	80%	80%	80%	79%	81%	81%
	EURO	10%	11%	11%	10%	12%	12%	13%	13%
	GBP	3%	3%	4%	5%	4%	4%	4%	5%
	Others	5%	5%	5%	5%	4%	5%	2%	1%
Geographic Concentration *	North America	70%	69%	70%	69%	70%	70%	66%	66%
	Europe	22%	23%	23%	24%	23%	23%	28%	28%
	ROW	8%	8%	7%	7%	7%	7%	6%	6%
Debtors (including unbilled)	DSO (days)	75	75	66	65	73	72	78	74
Client Concentration	Top 10 contribution	60%	60%	61%	60%	62%	62%	64%	67%
Billing Mix	BPaaS	27%	28%	26%	24%	25%	27%	30%	31%
	Onshore Revenue	21%	20%	19%	20%	20%	21%	23%	23%
Staff Utilization (Delivery)		74.4%	78.5%	78.7%	78.2%	78.0%	80.8%	77.4%	75.3%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	31	25	18	23	21	19	17	16
	US\$ 1mm-3mm Clients	22	24	25	20	20	20	16	19
	US\$ 3mm ++ Clients	16	16	16	16	15	13	12	10
Offshore Seat Count		10,582 [^]	11,039	11,039	11,039	11,039	11,273	11,273	9,183

*Other smaller currencies, geographies and client contribution not shown

[^] Temporary reduction in seat count, owing to ongoing facility consolidation

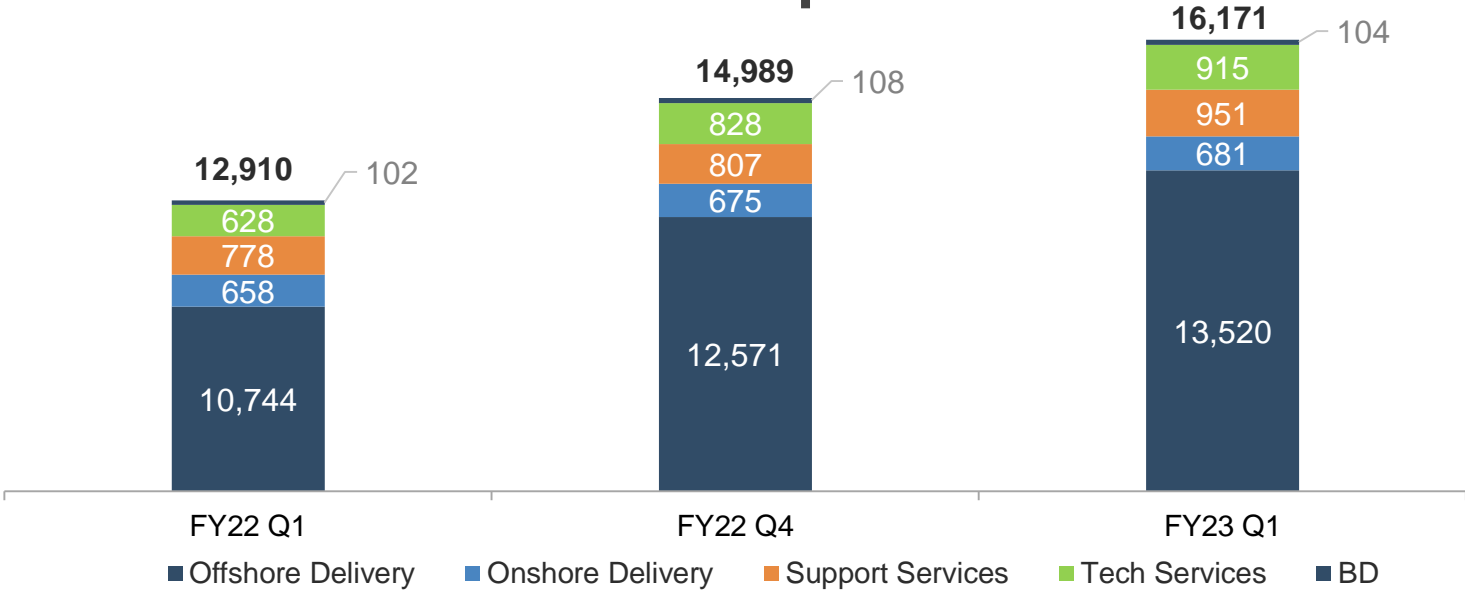
Revenue Mix Trends (\$mm)



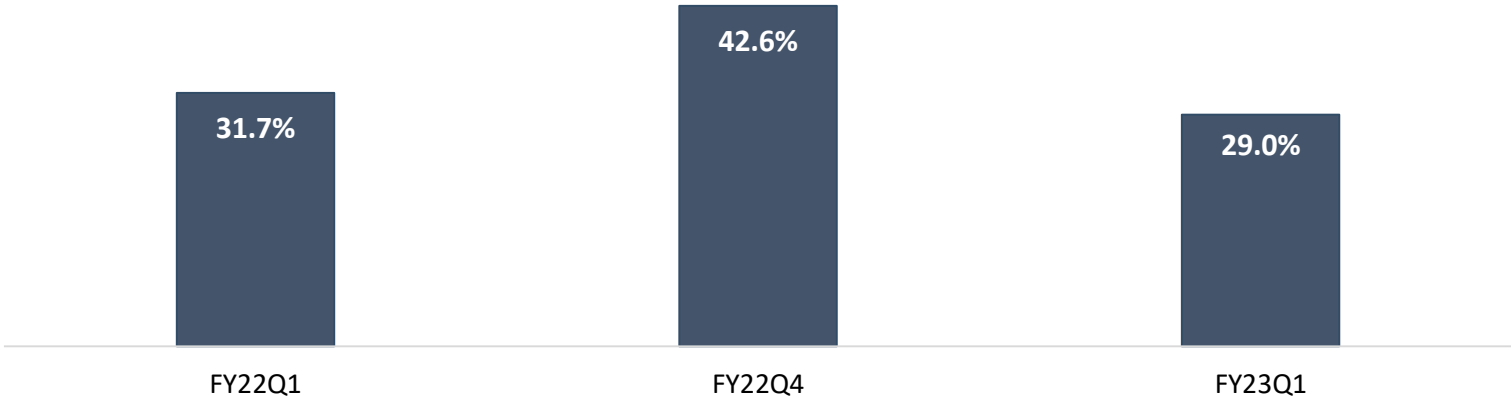
Strategic growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition^



^Attrition includes PH & Thailand (in addition to India) from Q2 FY22
 From Q1FY23 attrition in the bottom quartile is excluded

Thank You

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