eClerx

Investor Relations

Financial Performance – Q4FY23

May 25th, 2023

Financial Summary

Metrics		FY23 Q4	Q-o-Q	FY23	Y-o-Y
Revenue	OPG revenue (USD mm)	$85.6	0.6%	$332.7	16.9%
	OPG revenue (INR mm)	6,931	0.9%	26,479	22.6%
	Total revenue (INR mm)	6,984	-0.9%	27,137	24.2%
Profit	EBITDA (INR mm)	2,119	1.7%	8,097	16.2%
	EBIT (INR mm)*	1,801	0.9%	6,957	17.2%
	Net profit (INR mm)	1,325	1.1%	4,888	17.1%
Margin	EBITDA (%)	30.3%	76 bps	29.8%	-207 bps
	EBIT (%)	25.8%	44 bps	25.6%	-155 bps
	Net profit (%)	19.0%	36 bps	18.0%	-110 bps

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

- Q4 YoY Constant currency (CC) growth by 12.1%; QoQ CC growth of 0%
- Wage increments to be effective 1st April 2023
- Dividend of INR 1 proposed for FY23

Other Income

Figures in INR millions.

Other Income	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY22 Q4
Investment Income	68.6	66.1	42.8	26.0	21.0
Revaluation Income*	-42.2	49.0	153.4	180.5	51.2
Others	26.1	62.7	12.5	12.6	24.7
Total	**52.5**	**177.8**	**208.7**	**219.1**	**96.9**

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

- Decrease in revaluation Income due to appreciation of INR against USD (Q4 exit vs Q3 exit).
- Lease modification impact of Airoli consolidation considered in other income INR 54.6mm in Q3

- **Revaluation and Realised Gain**
  - USD/INR FY23 Q4 Exit: 82.17 vs. FY23 Q3 Exit: 82.73
  - EUR/INR FY23 Q4 Exit: 89.28 vs. FY23 Q3 Exit: 88.74
  - GBP/INR FY23 Q4 Exit: 101.57 vs. FY23 Q3 Exit: 100.11

Business Process as a Service (BPaaS)

Services delivered under “outcome-based” contracts

- Commercials structured around milestones, fixed price projects, or fixed + unit prices
- Differentiators are multi-client tenancy; deep domain; IP (techniques, know-how) and software tools
- Longer term better margin and business retention
- Key to developing product-like services AND sales-arrowheads

Example services

- Client Lifecycle
- Field Tech Operations
- Digital Asset Creation

Data Management Insight Awards USA 2022

Roboworx won the Best Proposition for AI, Machine Learning

NASSCOM AI Game Changer Award 2022

Compliance Manager won in the BFSI Segment

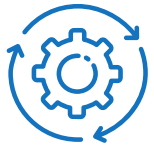
Key FY23 Metrics

REVENUE	**$91mm ($73mm in FY22); 17% organic 3Y CAGR**
CLIENTS	**Over 100; 15 with BPaaS Revenues > $1mm**

Analytics & Automation

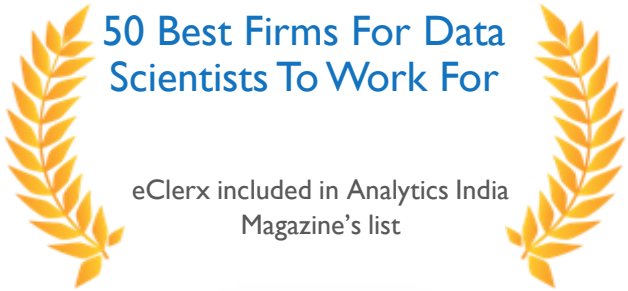
Analytics primary consumers are CMO and COO client organizations

- Services comprise marketing and customer analytics; business intelligence; advanced modeling
- Techniques comprise data design, lineage and engineering; model building; visualization
- Delivery is hybrid onshore and offshore; more complex projects and stronger client engagement
- Primary competition from dedicated offshore analytics providers



Automation primary consumers are business buyers and occasionally IT

- Services comprise consulting; business analysis; platform implementation; custom development; testing
- Includes fees for eClerx tools: FLUiiD4, Compliance Manager, Market360, Billing Manager, Workflow Manager
- Leverages team investments in third party tools and capabilities in RPA, AI/ML



Key FY23 Metrics

Excludes A&A bundled in service lines

REVENUE	**$71mm ($60mm in FY22); 24% organic 3Y CAGR**, highest realization service line
CLIENTS	**Over 100; 14 with A&A revenues > $1mm in FY22**

Hedge Updates

Current Hedge Status

- Total outstanding hedges now $193.8 mm at average INR 82.89/$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	Total FY22	USD	$151.90	76.75
	FY23 Q2		$37.30	77.9
	FY23 Q3		$40.80	78.8
	FY23 Q4		$41.70	79.7
	Total FY23	USD	$159.00	78.55
Outstanding Forwards	FY24Q1		$41.70	80.8
	FY24Q2		$41.70	81.8
	FY24Q3		$33.30	83.0
	FY24Q4		$33.30	83.8
	Total FY24	USD	$150.00	82.24
	FY25Q1		$21.00	84.6
	FY25Q2		$13.50	85.3
	FY25Q3		$6.30	85.9
	FY25 Q4		$3.00	86.4
	Total FY25		$43.80	85.11
Total Outstanding		USD	$193.80	82.89

P&L Comparison

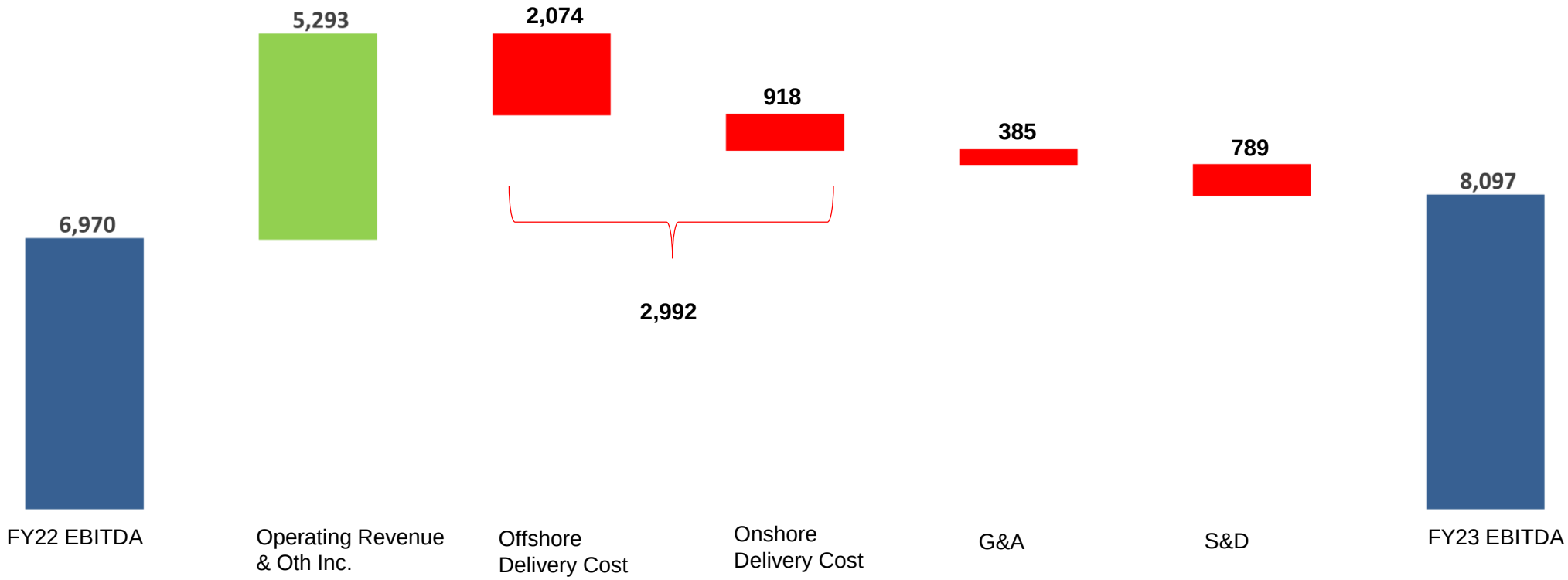
Figures in INR millions.

Operating P&L	FY23 Q4	OPR (%)	FY23 Q3	OPR (%)
Operating Revenue $	85.6		85.1	
Total Revenue*	**6,984**		**7,045**	
Operating Revenue	6,931		6,867	
Cost of Revenues				
Delivery and Support Employees Cost	3,460	49.9%	3,602	52.5%
General and Administrative Expenses				
Facilities (Rent and Electricity)	109	1.6%	96	1.4%
Technological Services (Communications, AMC)	134	1.9%	146	2.1%
Administrative Services (Transport, HK, Security)	61	0.9%	53	0.8%
Legal and Professional Fees	85	1.2%	95	1.4%
Provision / Written off for Bad Debt	4	0.1%	(3)	0.0%
CSR & Donation	13	0.2%	25	0.4%
Others	186	2.7%	171	2.5%
Total G&A	**592**	**8.5%**	**584**	**8.5%**
Selling and Distribution	**812**	**11.7%**	**775**	**11.3%**
EBITDA	**2,119**	**30.3%**	**2,084**	**29.6%**
Depreciation and Amortization (Inc. rent as per IND AS116)	**319**	**4.6%**	**299**	**4.4%**
EBIT	**1,801**	**25.8%**	**1,785**	**25.3%**

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

YoY EBITDA Bridge

Figures in INR millions



- Operating revenue & Oth Inc - Revenue growth
- Delivery cost higher due to HC growth
- G&A – Higher return to office spends.
- S&D – Higher travel & marketing spends, higher bonus payout under Personiv; Includes Earnout payout of INR 29mm

Note:

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

Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 6,563 mm for FY23 vs INR 6,805 mm for FY22
  - Equivalent to INR 136.6 per share FY23 vs INR 205.6 for FY22
  - Net operating cash flow in FY23 is INR 5,050.0 mm vs INR 4,481.7 mm in FY22
    - EBITDA conversion at 62.3% for FY23 vs 64.3% in FY22
  - Capex during FY23 is INR 684 mm vs INR 533 mm in FY22

- EPS
  - Q4 Basic: 27.05 INR ; Diluted: 26.66 INR
  - FY23 Basic: 98.76 INR ; Diluted 97.15 INR

- Current book value per share FY23 INR 357.0 vs. INR 473.6 FY22 (unadjusted)

- CSR Update
  - CSR spend of INR 68.0 mm for existing and new projects in FY23.
  - Areas covered: Education, Skills development
  - Total lives touched / benefited ~ 15k

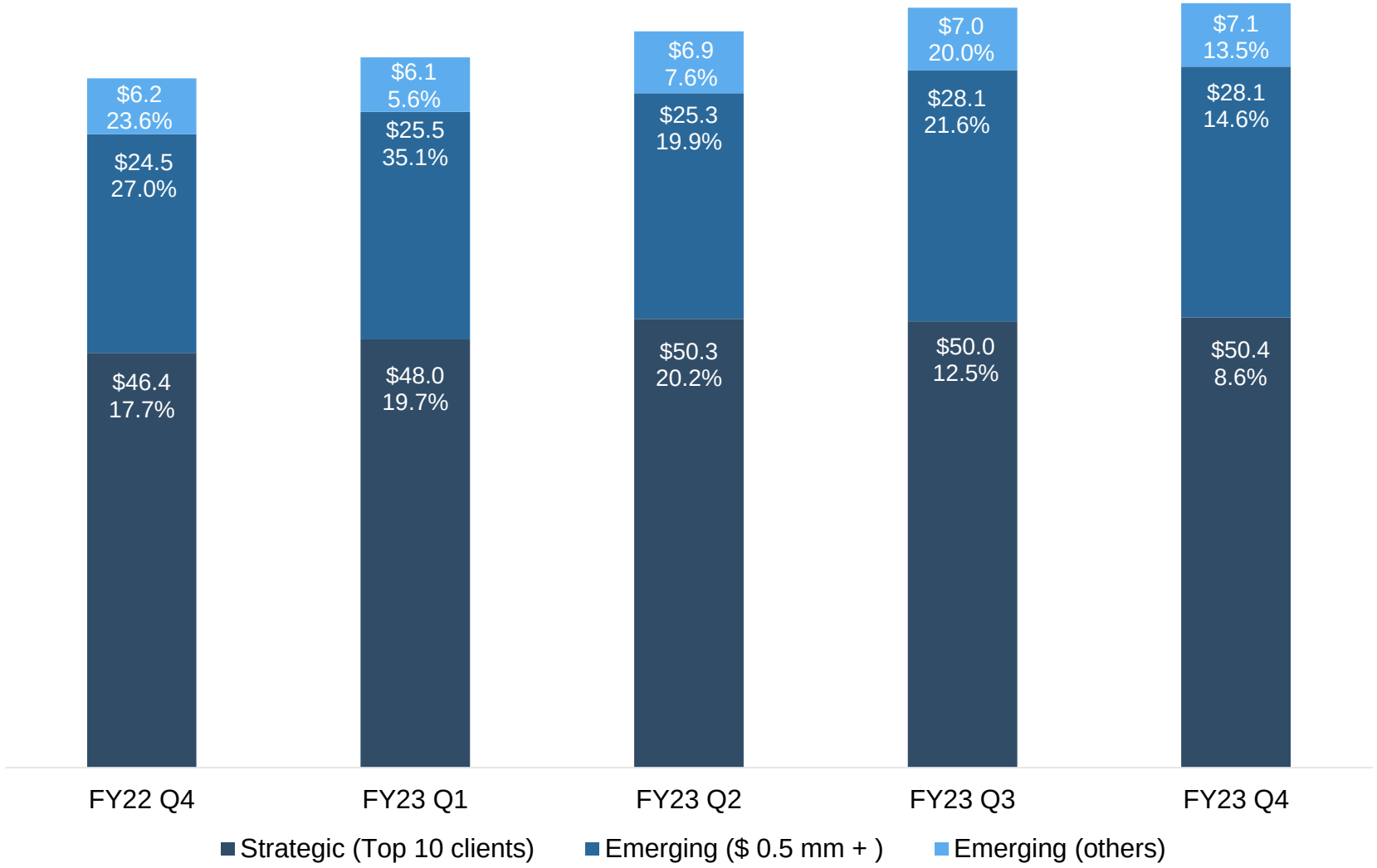
Key Business Metrics

Metrics		FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY22 Q4	FY22 Q3	FY22 Q2	FY22 Q1
Currency Contribution (%) *	USD	83%	82%	83%	82%	81%	80%	80%	80%
	EURO	10%	10%	9%	10%	11%	11%	10%	12%
	GBP	3%	3%	3%	3%	3%	4%	5%	4%
	Others	4%	5%	5%	5%	5%	5%	5%	4%
Geographic Concentration *	North America	71%	71%	72%	70%	69%	70%	69%	70%
	Europe	20%	20%	20%	22%	23%	23%	24%	23%
	ROW	9%	9%	8%	8%	8%	7%	7%	7%
Debtors (including unbilled)	DSO (days)	80	82	75	72	75	66	65	73
Client Concentration	Top 10 contribution	59%	59%	61%	60%	60%	61%	60%	62%
Billing Mix	BPaaS	29%	26%	26%	27%	28%	26%	24%	25%
	Onshore Revenue	18%	19%	20%	21%	20%	19%	20%	20%
Staff Utilization (Delivery)		74.9%	74.7%	73.8%	73.3%	78.5%	78.7%	78.2%	78.0%
Client Contribution (based on TTM revenue)	US$ 500k-1mm Clients	32	31	27	31	25	18	23	21
	US$ 1mm-3mm Clients	26	24	26	21	23	25	20	20
	US$ 3mm ++ Clients	18	17	16	16	16	16	16	15
Offshore Seat Count		11,278	11,278	11,278	10,582^	11,039	11,039	11,039	11,039

**Other smaller currencies, geographies and client contribution not shown*

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

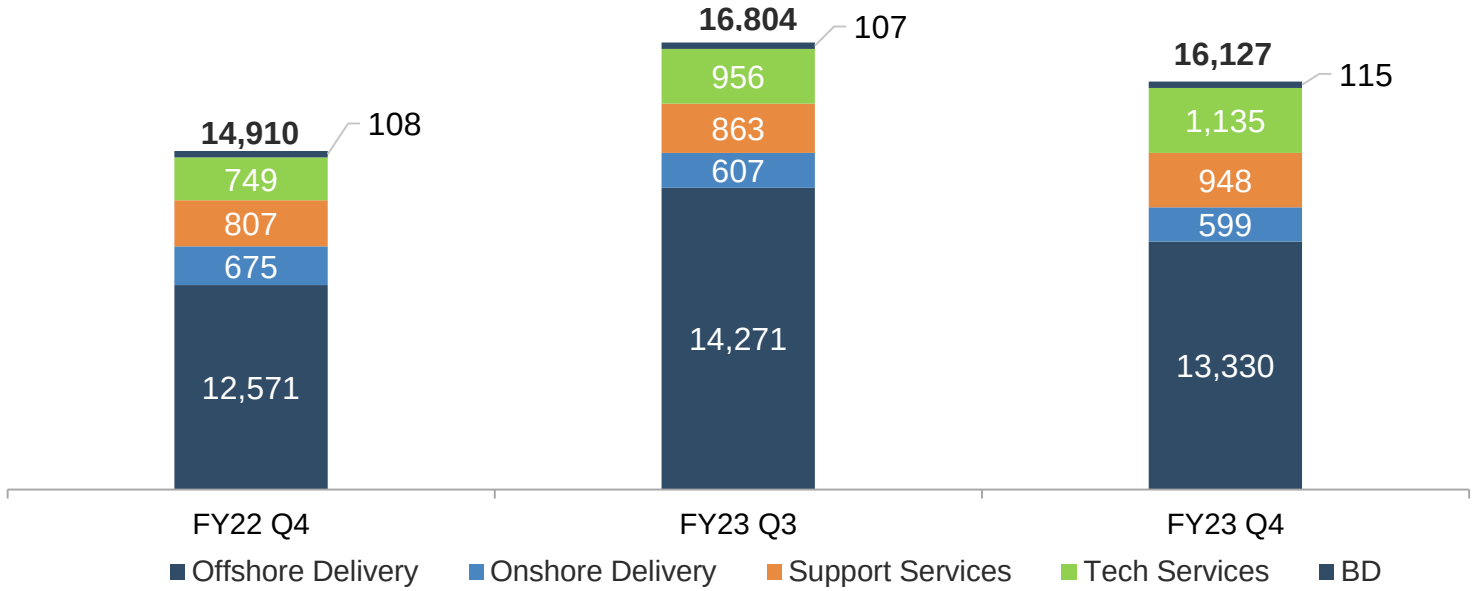
Revenue Mix Trends ($mm)



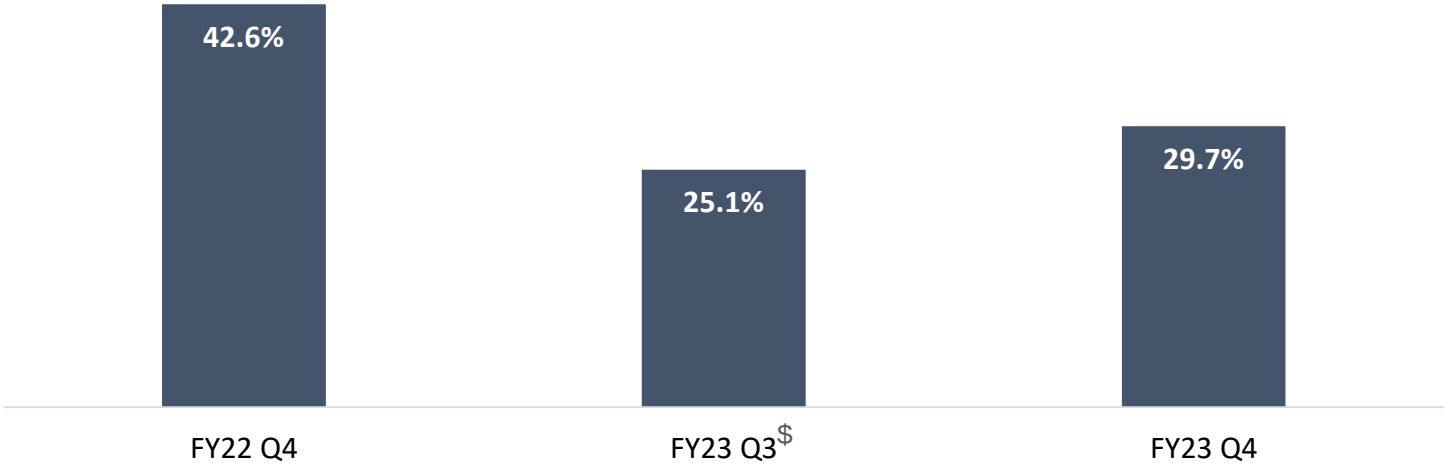
% Growth is measured at quarterly YoY level

Human Resources Update

Headcount*



Offshore Voluntary Attrition^



$ Corrected the FY23 Q3 attrition figure; the previous quarter's deck incorrectly showed the YTD %

** ~250 people reclassed from Analytics Delivery to Analytics Tech in Q4*

^ From Q1FY23 attrition in the bottom quartile is excluded

Balance Sheet Abstract

Figures in INR millions.

Particulars	March 31, 2023	March 31, 2022	% Change
Shareholder's Funds			
Capital	480	331	45%
Minority Interest	17	12	37%
Reserves and Surplus	16,668	15,345	9%
Total Shareholder's Funds	**17,166**	**15,688**	
Application of Funds			
Fixed Assets	6,404	5,953	8%
Right to Use Assets (IND AS116)	1,530	1,194	28%
Lease Liability (IND AS116)	(1,926)	(1,630)	18%
Deferred Tax Assets (net)	403	233	73%
Net Current Assets & Investments	10,755	9,938	8%
Total Application of Funds	**17,166**	**15,688**	

Thank You

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.