

eClerx Investor Relations

Financial Performance – Q2FY24

Nov 9th, 2023

Financial Summary

Metrics		FY24 Q2	Q-o-Q	FY24H1	Y-o-Y
Revenue	OPG revenue (USD mm)	87.6	4.4%	171.5	5.9%
	OPG revenue (INR mm)	7,218	5.4%	14,063	10.9%
	Total revenue (INR mm)	7,359	6.4%	14,279	8.9%
Profit	EBITDA (INR mm)	2,189	25.1%	3,938	1.2%
	EBIT (INR mm)*	1,886	28.7%	3,351	-0.6%
	Net profit (INR mm)	1,360	27.9%	2,423	7.6%
Margin	EBITDA (%)	29.7%	445 bps	27.6%	-212 bps
	EBIT (%)	25.6%	445 bps	23.5%	-224 bps
	Net profit (%)	18.5%	311 bps	17.0%	-20 bps

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

- Q2 YoY Constant currency (CC) growth by 5.4%; QoQ CC growth by 4.4%
- Dividend paid during Q2 @ INR 1 per share amounting to INR 44.7 mm
- Sequential improvement in margin due to:
 - Strong revenue growth with flat delivery costs, operating leverage
 - Supported by INR depreciation

Other Income

Figures in INR millions.

Other Income	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY23 Q2
Investment Income	76.7	52.3	68.6	66.1	42.8
Revaluation Income*	46.0	-0.0	-42.2	49.0	153.4
Others	18.8	22.7	26.1	62.7	12.5
Total	141.5	75.0	52.5	177.8	208.7

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

- Increase in investment income due to higher investible base.
- Increase in revaluation Income due to depreciation of INR against USD (Q2 exit vs Q1 exit).
- **Revaluation and Realised Gain**
 - USD/INR FY24 Q2 Exit: 83.06 vs. FY24 Q1 Exit: 82.06
 - EUR/INR FY24 Q2 Exit: 87.92 vs. FY24 Q1 Exit: 89.54
 - GBP/INR FY24 Q2 Exit: 101.33 vs. FY24 Q1 Exit: 104.33

Hedge Updates

Current Hedge Status

- Total outstanding hedges now \$214.8 mm at average INR 84.17/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY23 Q3		\$40.8	78.8
	FY23 Q4		\$41.7	79.7
	Total FY23	USD	\$159.0	78.6
	FY24 Q1		\$41.7	80.8
	FY24 Q2		\$41.7	81.8
	FY24 Q3		\$45.0	82.9
Outstanding Forwards	FY24 Q4		\$45.0	83.7
	Total FY24	USD	\$90.0	83.3
	FY25 Q1		\$36.0	84.3
	FY25 Q2		\$38.1	84.5
	FY25 Q3		\$24.0	85.0
	FY25 Q4		\$15.6	85.4
	Total FY25	USD	\$113.7	84.7
	FY26 Q1		\$7.5	85.8
	FY26 Q2		\$3.6	86.0
	Total FY26		\$11.1	85.9
Total Outstanding		USD	\$214.8	84.2

P&L Comparison

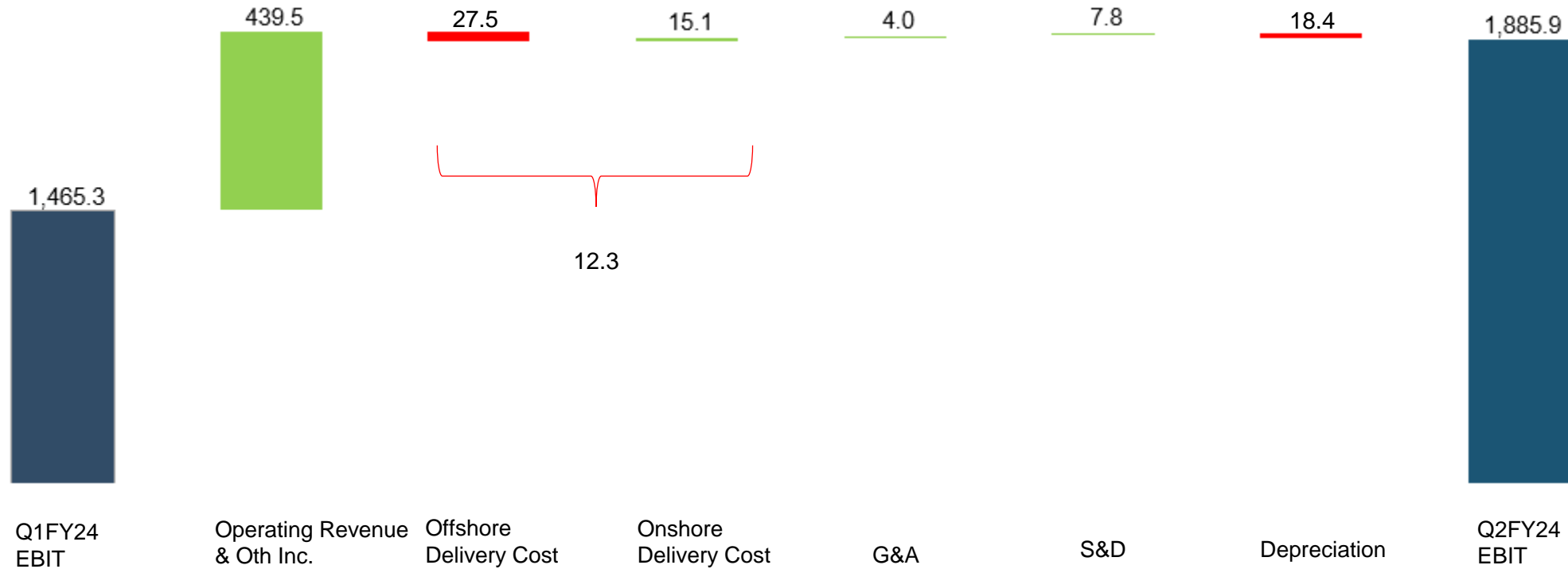
Figures in INR millions.

Operating P&L	FY24 Q2	OPR (%)	FY24 Q1	OPR (%)
Operating Revenue \$	87.6		83.9	
Total Revenue*	7,359		6,920	
Operating Revenue	7,218		6,845	
Cost of Revenues				
Delivery and Support Employees Cost	3,677	50.9%	3,664	53.5%
General and Administrative Expenses				
Facilities (Rent and Electricity)	118	1.6%	110	1.6%
Technological Services (Communications, AMC)	145	2.0%	144	2.1%
Administrative Services (Transport, HK, Security)	68	0.9%	70	1.0%
Legal and Professional Fees	82	1.1%	103	1.5%
Provision / Written off for Bad Debt	3	0.0%	-1	0.0%
CSR & Donation	35	0.5%	18	0.3%
Others	159	2.2%	169	2.5%
Total G&A	610	8.4%	614	9.0%
Selling and Distribution	884	12.3%	892	13.0%
EBITDA	2,189	29.7%	1,750	25.3%
Depreciation and Amortization (Inc. rent as per IND AS116)	303	4.2%	284	4.2%
EBIT	1,886	25.6%	1,465	21.2%

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

QoQ EBIT Bridge

Figures in INR millions



- Operating revenue up by 5.4% qoq, delivery costs flat
- Delivery: 50 HC added onshore
- G&A: Decrease by 60bps on account of reduced recruitment expense and tax advisory services in Q2
- Depreciation up by 6.5% - on account of full quarter impact of Airoli consolidation in Q2.

Note:

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

Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 9,102 mm for Q2 FY24 vs INR 7,911 mm for Q1 FY24
 - Equivalent to INR 188.8 per share Q2 FY24 vs INR 164.7 for Q1 FY24
 - Net operating cash flow in Q2 FY24 is INR 1,605.6 mm vs INR 1,226.6 mm in Q1 FY24
 - EBITDA conversion at 73.4% for Q2 FY24 vs 70.1% for Q1 FY24
 - Capex during Q2 FY24 is INR 168 mm vs INR 351 mm in Q1 FY24
- EPS
 - Q2 Basic: 28.20 INR ; Diluted: 27.85 INR
- Current book value per share Q2 FY24 INR 409.4 vs. INR 384.7 Q1 FY24
- Published our first BRSR (Business Responsibility and Sustainability Reporting) report
 - 32% energy from renewable sources
 - 30% reduction in waste compared to FY22
- CSR Update
 - CSR spend of INR 34.9 mm for existing and new projects in Q2 FY24
 - Areas covered: Education, Skills development. Total lives touched / benefited ~ 12.1 k

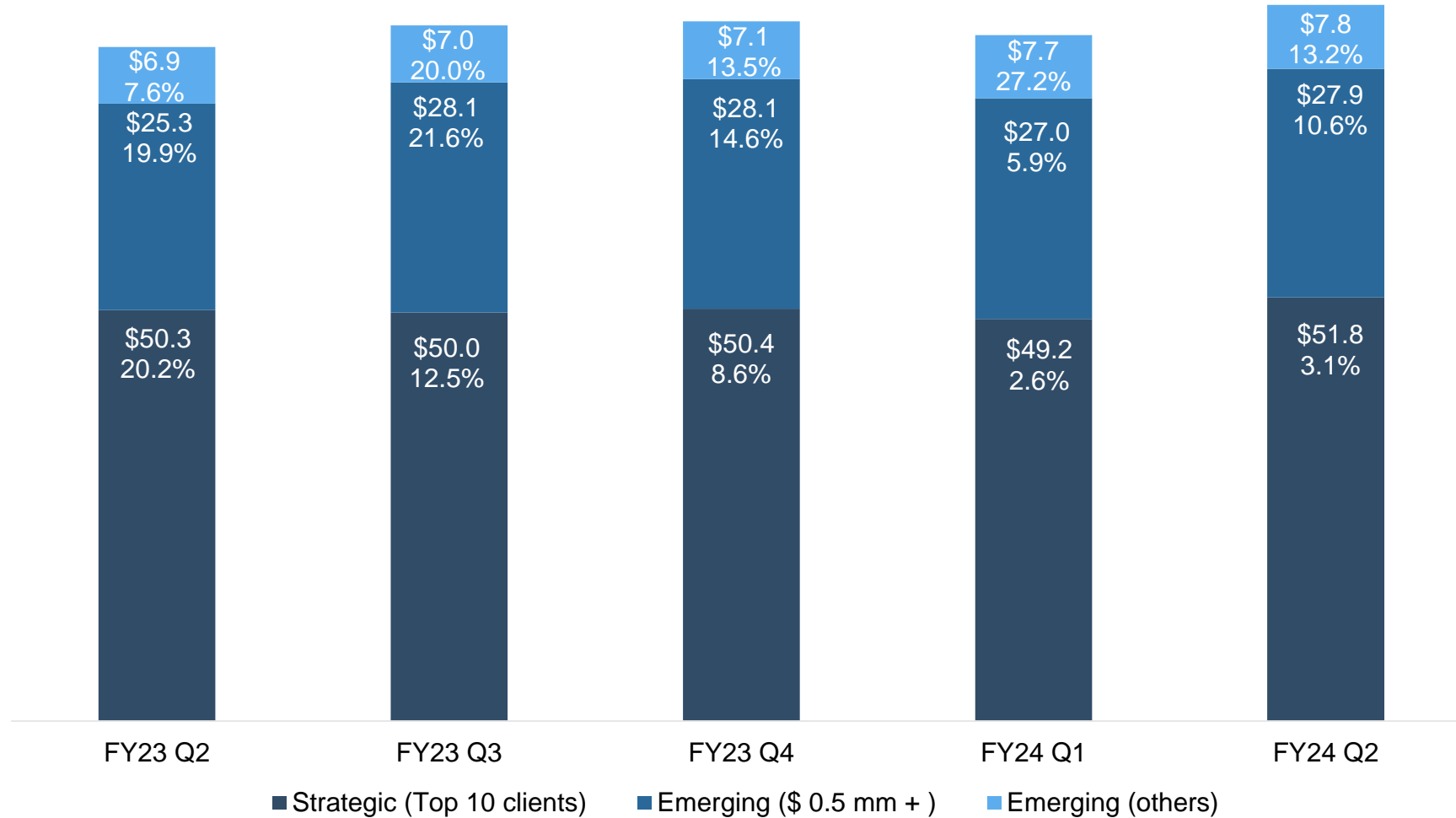
Key Business Metrics

Metrics		FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY22 Q4	FY22 Q3
Currency Contribution (%) *	USD	83%	82%	83%	82%	83%	82%	81%	80%
	EURO	10%	10%	10%	10%	9%	10%	11%	11%
	GBP	3%	3%	3%	3%	3%	3%	3%	4%
	Others	4%	5%	4%	5%	5%	5%	5%	5%
Geographic Concentration *	North America	73%	72%	71%	71%	72%	70%	69%	70%
	Europe	19%	20%	20%	20%	20%	22%	23%	23%
	ROW	8%	8%	9%	9%	8%	8%	8%	7%
Debtors (including unbilled)	DSO (days)	76	75	80	82	75	72	75	66
Client Concentration	Top 10 contribution	59%	59%	59%	59%	61%	60%	60%	61%
Billing Mix	BPaaS	24%	25%	26%	25%	24%	25%	27%	26%
	Onshore Revenue	19%	18%	18%	19%	20%	21%	20%	19%
Staff Utilization (Delivery) #		75.4%	74.8%	74.5%	74.4%	73.5%	73.1%	78.5%	78.7%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	39	39	32	31	28	32	25	18
	US\$ 1mm-3mm Clients	22	24	27	24	26	21	23	25
	US\$ 3mm ++ Clients	18	18	18	17	16	16	16	16
Offshore Seat Count		11,805	11,808	11,278	11,278	11,278	10,582	11,039	11,039

*Other smaller currencies, geographies and client contribution not shown

Staff utilization numbers revised from FY23 Q1

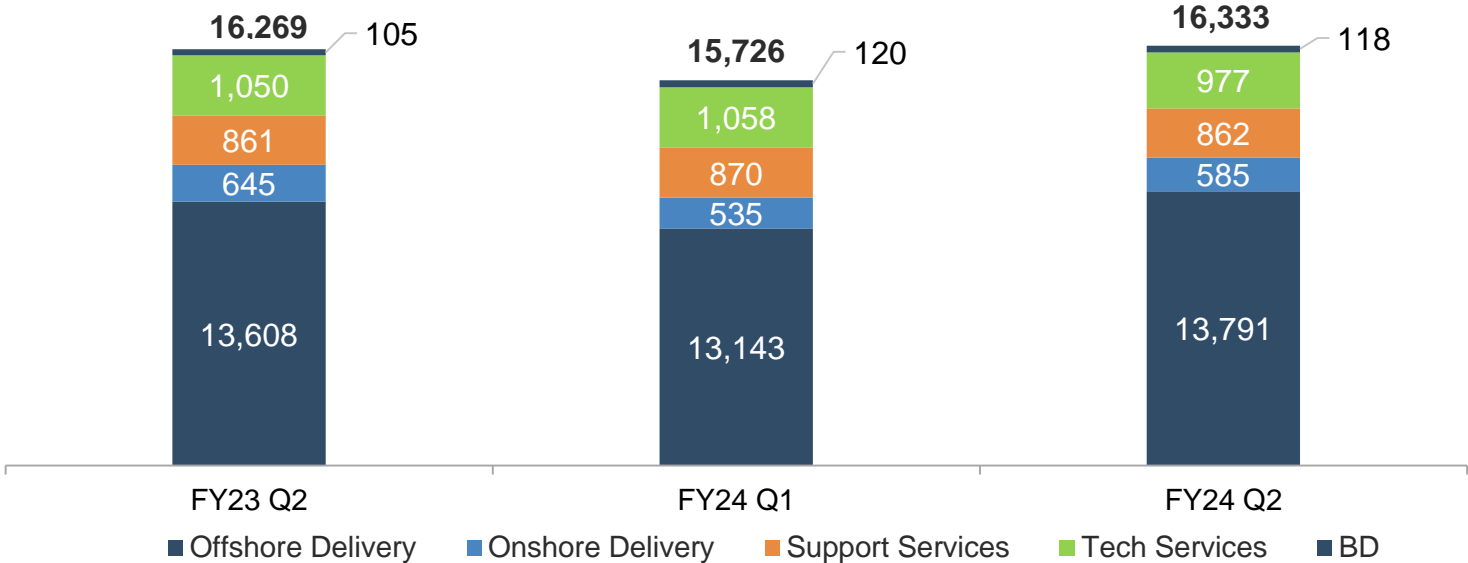
Revenue Mix Trends (\$mm)



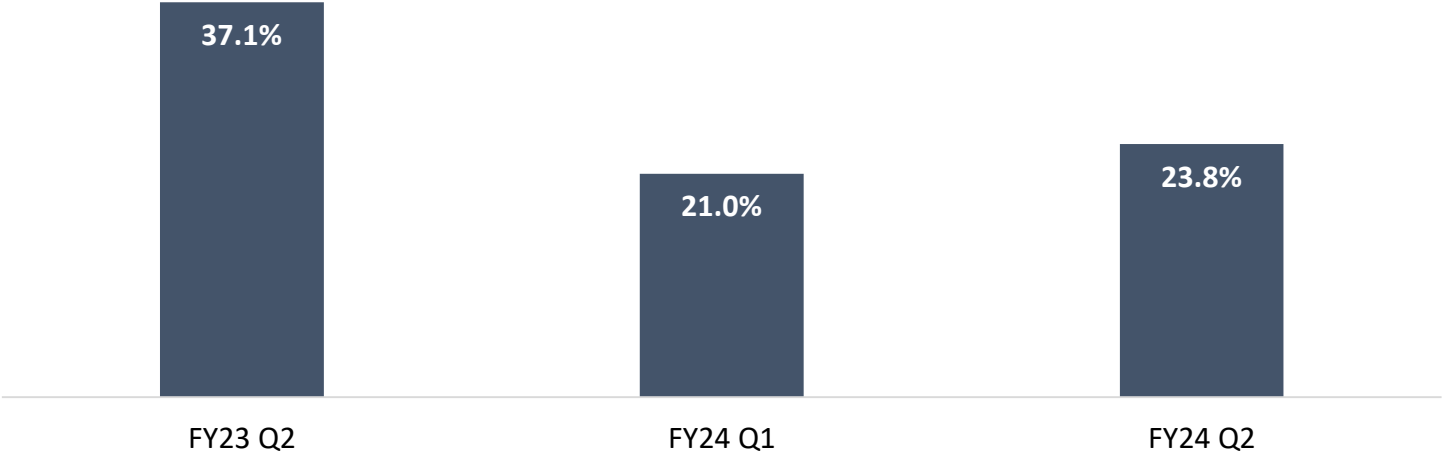
% Growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition



Balance Sheet Abstract

Figures in INR millions.

Particulars	September 30, 2023	March 31, 2023	% Change
Shareholder's Funds			
Capital	482	480	0%
Minority Interest	21	17	26%
Reserves and Surplus	19,252	16,668	16%
Total Shareholder's Funds	19,755	17,166	
Application of Funds			
Fixed Assets	6,378	6,404	0%
Right to Use Assets (IND AS116)	1,749	1,530	14%
Lease Liability (IND AS116)	(2,148)	(1,926)	12%
Deferred Tax Assets (net)	434	403	8%
Net Current Assets & Investments	13,342	10,755	24%
Total Application of Funds	19,755	17,166	

Thank You

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