eClerx

INVESTOR RELATIONS

AUG 2024

FINANCIAL PERFORMANCE – Q1 FY25

AUG 13, 2024

Financial Summary

Metrics		FY25 Q1	Q-o-Q	Y-o-Y
Revenue	OPG revenue (USD mm)	93.3	1.5%	11.1%
	OPG revenue (INR mm)	7,819	2.0%	14.2%
	Total revenue (INR mm)	8,031	1.7%	16.1%
Profit	EBITDA (INR mm)	1,873	-14.3%	7.0%
	EBIT (INR mm)*	1,556	-15.9%	6.2%
	Net profit (INR mm)	1,116	-14.5%	5.0%
Margin	EBITDA (%)	23.3%	-437 bps	-197 bps
	EBIT (%)	19.4%	-406 bps	-180 bps
	Net profit (%)	13.9%	-263 bps	-147 bps

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

- Q1 YoY Constant currency (CC) growth by 11.3%; QoQ CC growth by 1.6%
- Contributors to EBITDA drop (QoQ)
  - Wage hikes
  - Full-quarter impact senior management hires seen in this quarter

Other Income

Figures in INR millions.

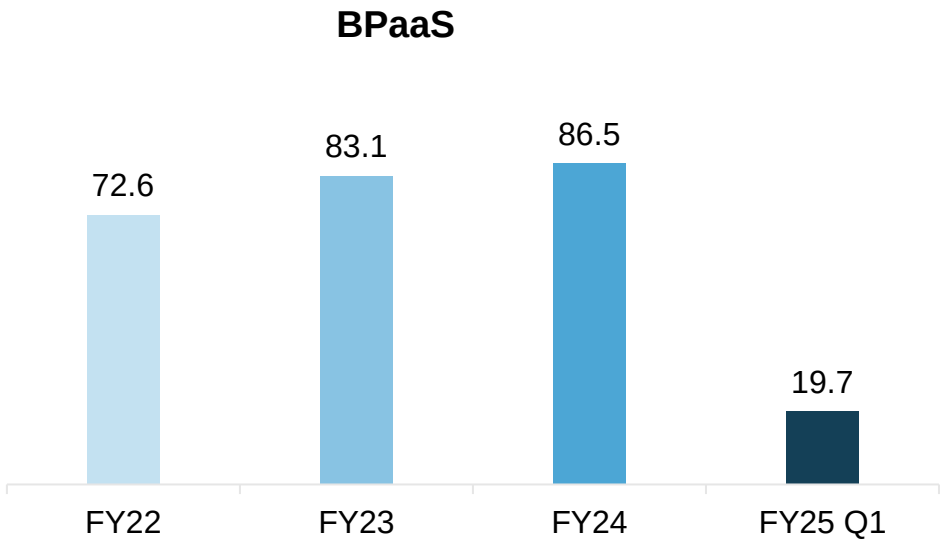
Other Income	FY25 Q1	FY24 Q4	FY24 Q3	FY24 Q2	FY24 Q1
Investment Income	147.3	133.8	108.5	76.7	52.3
Revaluation Income*	6.8	-7.8	-17.0	46.0	-0.0
Others	58.1	104.3	116.4	18.8	22.7
Total	**212.2**	**230.3**	**207.8**	**141.5**	**75.0**

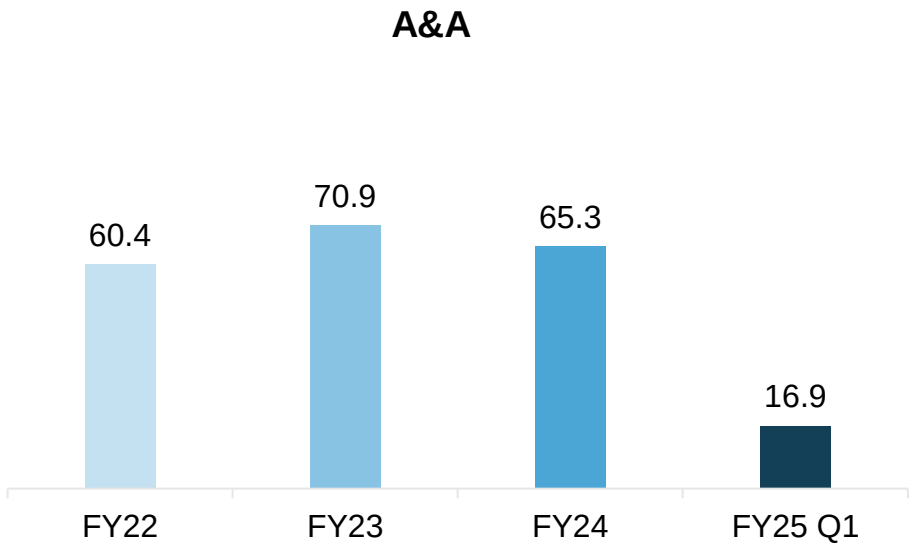
** Gain / Loss regrouped as other income/expenses based on profit or loss position in the press release financials*

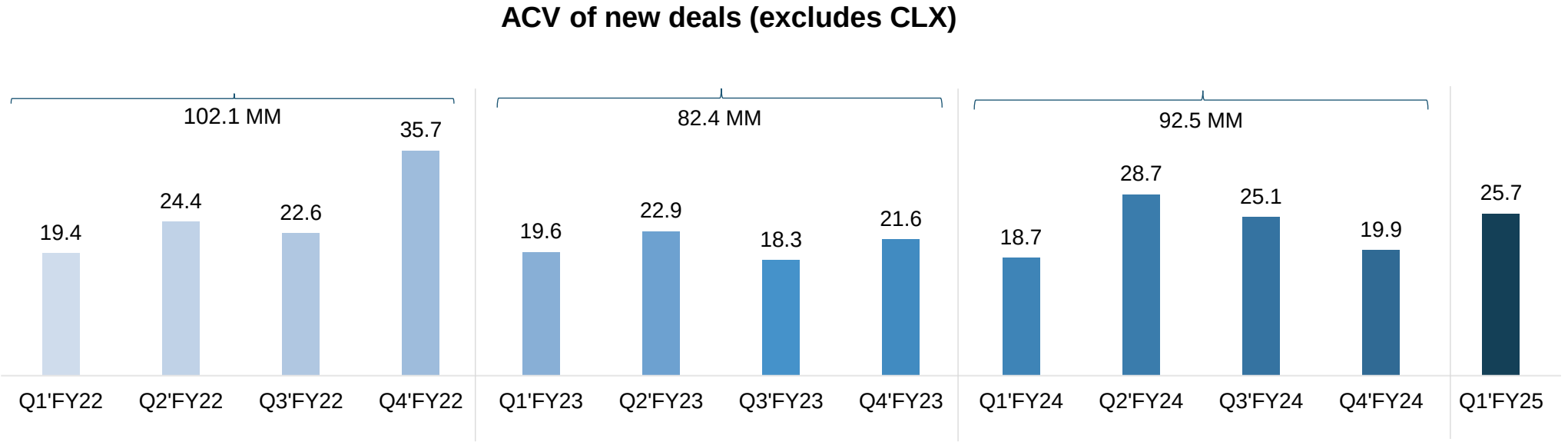
- Increase in Investment Income due to higher investible base.
- Q4 others included one-time reimbursement

- **Revaluation and Realised Gain**
  - USD/INR FY25 Q1 Exit: 83.35 vs. FY24 Q4 Exit: 83.35
  - EUR/INR FY25 Q1 Exit: 89.25 vs. FY24 Q4 Exit: 90.10
  - GBP/INR FY25 Q1 Exit: 105.41 vs. FY24 Q4 Exit: 105.23

BPaaS, A&A and ACV







Amounts in $ mm

Hedge Updates

Current Hedge Status

- Total outstanding hedges now $231.0 mm at average INR 85.06/$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY24 Q1		$41.7	80.83
	FY24 Q2		$41.7	81.82
	FY24 Q3		$45.0	82.96
	FY24 Q4		$45.0	83.65
	Total FY24	**USD**	**$173.4**	**82.35**
Outstanding Forwards	FY25 Q1		$47.7	84.23
	FY25 Q2		$47.7	84.38
	FY25 Q3		$49.8	84.66
	FY25 Q4		$38.1	84.99
	Total FY25	**USD**	**$135.6**	**84.65**
	FY26 Q1		$39.9	85.19
	FY26 Q2		$26.4	85.59
	FY26 Q3		$17.1	86.06
	FY26 Q4		$7.8	86.46
	Total FY26	**USD**	**$91.2**	**85.58**
	FY27 Q1		$4.2	86.78
	Total FY27	**USD**	**$4.2**	**86.78**
Total Outstanding		**USD**	**$231.0**	**85.06**

P&L Comparison

Figures in INR millions.

Operating P&L	FY25 Q1	OPR (%)	FY24 Q4	OPR (%)
Operating Revenue $	93.3		91.9	
Total Revenue*	**8,031**		**7,896**	
Operating Revenue	7,819		7,665	
Cost of Revenues				
Delivery and Support Employees Cost	4,323	55.3%	3,942	51.4%
General and Administrative Expenses				
Facilities (Rent and Electricity)	150	1.9%	117	1.5%
Technological Services (Communications, AMC)	174	2.2%	163	2.1%
Administrative Services (Transport, HK, Security)	96	1.2%	92	1.2%
Legal and Professional Fees	139	1.8%	130	1.7%
Provision / Written off for Bad Debt	6	0.1%	11	0.1%
CSR & Donation	26	0.3%	24	0.3%
Others	196	2.5%	215	2.8%
Total G&A	**788**	**10.1%**	**751**	**9.8%**
Selling and Distribution	**1,048**	**13.4%**	**1,016**	**13.3%**
EBITDA	**1,873**	**23.3%**	**2,186**	**27.7%**
Depreciation and Amortization (Inc. rent as per IND AS116)	**317**	**4.0%**	**335**	**4.4%**
EBIT	**1,556**	**19.4%**	**1,850**	**23.4%**

** 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 14.2% YoY
- Delivery Cost: Increase due to annual wage hike + additional hiring
- G&A: Increase in India rent, electricity and onshore L&P expenses
- S&D: Full quarter impact of Snr. Management hiring in Mar'24

Note:

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

Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 10,893 mm for Q1 FY25 vs INR 10,839 mm for Q4 FY24
- Equivalent to INR 225.4 per share for Q1 FY25 vs INR 224.7 per share for Q4 FY24
- Net operating cash flow for Q1 FY25 at INR 853.9 mm vs INR 605.2 mm for Q4 FY24
    - EBITDA conversion at 45.6 % for Q1 FY25 vs 27.7% for Q4 FY24
    - Capex for Q1 FY25 is INR 244 mm vs INR 161 mm for Q4 FY24

- EPS
    - Q1 Basic: 23.13 INR ; Diluted: 22.72 INR

- Current book value per share for Q1 FY25 INR 488.8 vs. INR 466.0 for Q4 FY24

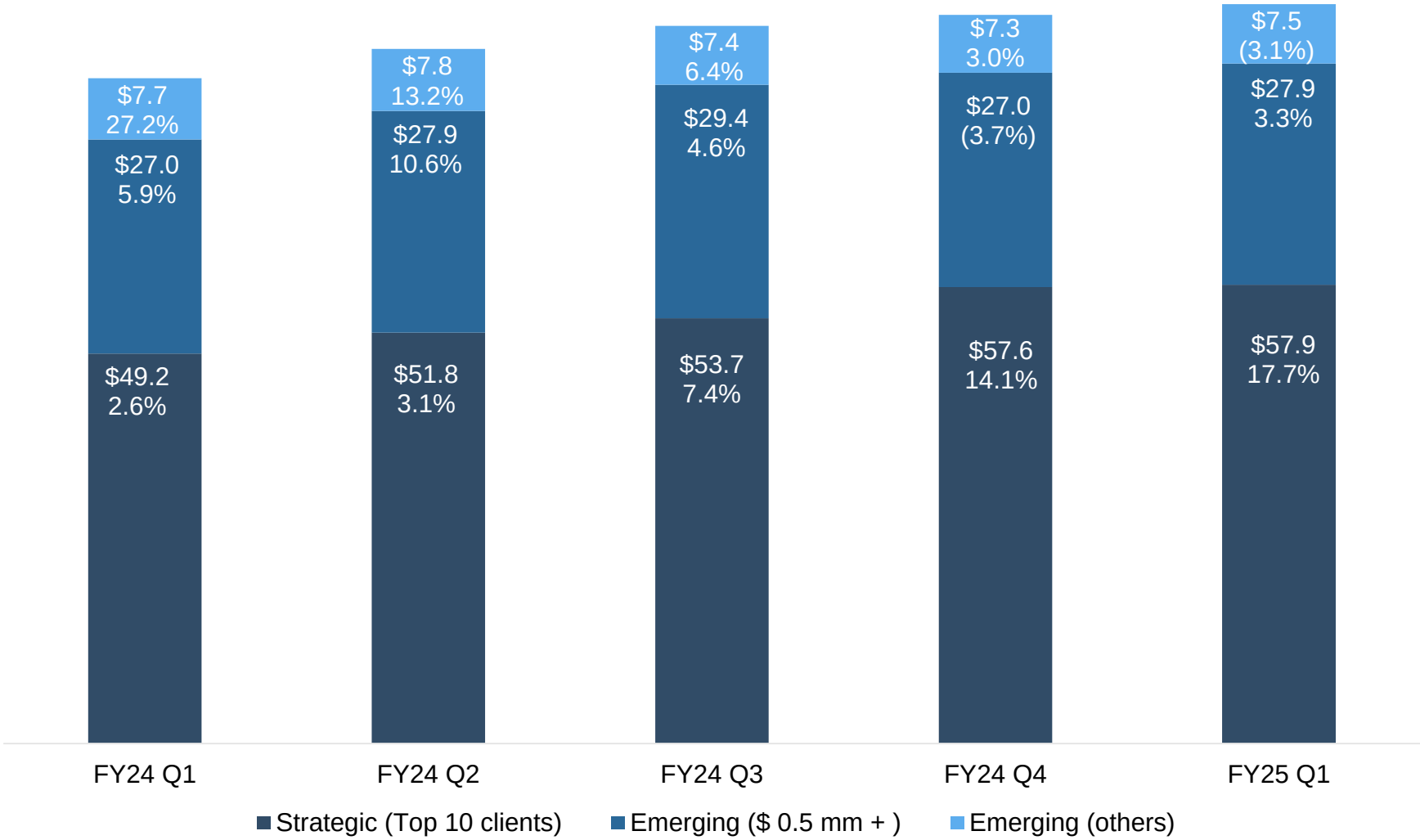
- CSR Update
    - CSR spend of INR 26.2 mm for existing and new projects in Q1 FY25
    - Areas covered: Education, Skills development. Total lives touched / benefited ~ 5.5 k

Key Business Metrics

Metrics		FY25 Q1	FY24 Q4	FY24 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY23 Q2
Currency Contribution (%) *	USD	86%	86%	84%	83%	82%	83%	82%	83%
	EURO	9%	9%	9%	10%	10%	10%	10%	9%
	GBP	3%	3%	3%	3%	3%	3%	3%	3%
	Others	2%	2%	4%	4%	5%	4%	5%	5%
Geographic Concentration *	North America	75%	74%	74%	73%	72%	71%	71%	72%
	Europe	17%	18%	18%	19%	20%	20%	20%	20%
	ROW	8%	8%	8%	8%	8%	9%	9%	8%
Debtors (including unbilled)	DSO (days)	81	84	73	76	75	80	82	75
Client Concentration	Top 10 contribution	62%	63%	59%	59%	59%	59%	59%	61%
Billing Mix	BPaaS	21%	24%	24%	24%	25%	26%	25%	24%
	Onshore Revenue	20%	19%	19%	19%	18%	18%	19%	20%
Staff Utilization (Delivery)		72.1%	73.5%	73.9%	75.4%	74.8%	74.5%	74.4%	73.5%
Client Contribution (based on TTM revenue)	US$ 500k-1mm Clients	37	41	38	39	39	32	32	28
	US$ 1mm-3mm Clients	22	23	21	22	24	27	25	26
	US$ 3mm ++ Clients	19	18	20	18	18	18	16	16
Offshore Seat Count		11,999	11,635	12,029	11,805	11,808	11,278	11,278	11,278

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

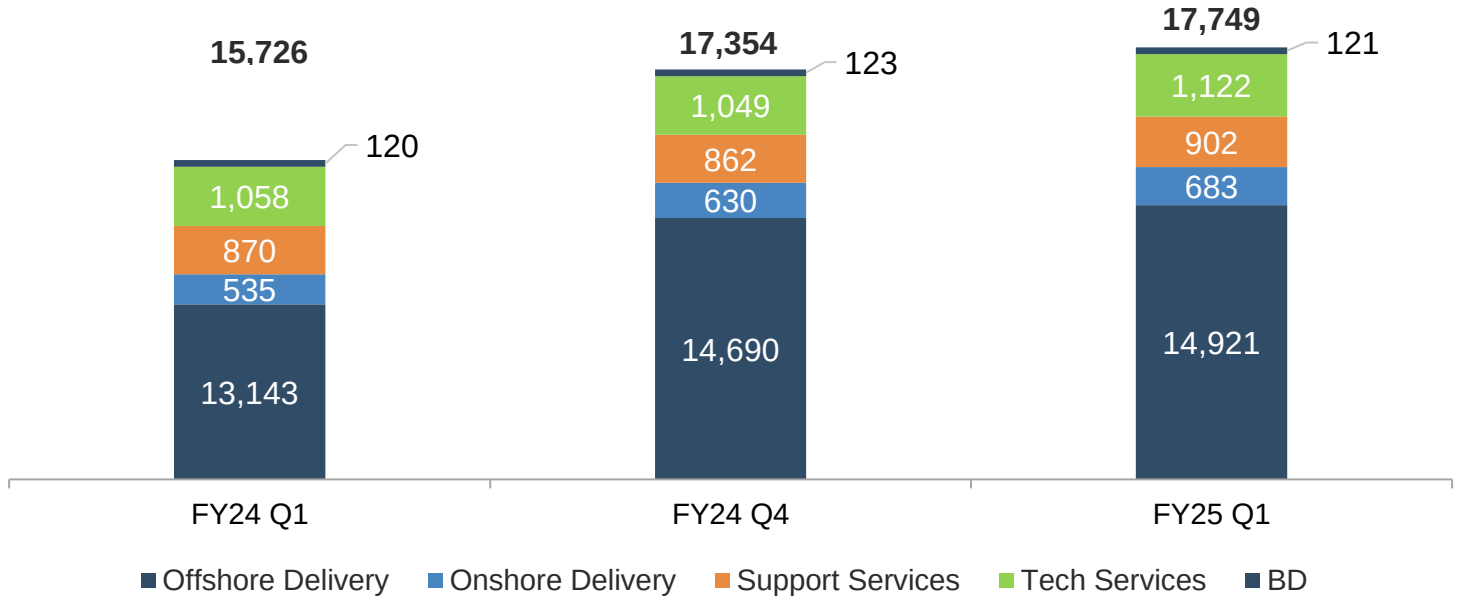
Revenue Mix Trends ($mm)



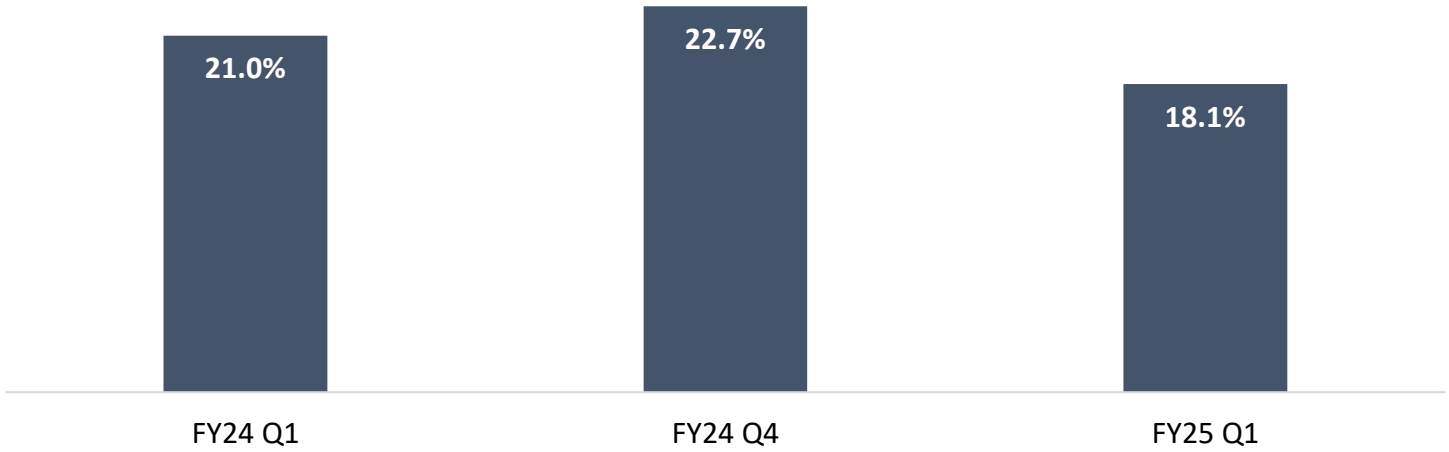
% Growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition



Attrition excludes Apprentice

Thank You

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