

Financial Performance
FY16 Q1

August 10, 2015

Data | Domain | Delivery

eClerx
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Financial Summary

Metrics		FY16 Q1	Q-o-Q	Y-o-Y
Revenue	Total revenue (INR mm)	3,142	20%	44%
	OPG revenue (INR mm)	2,983	19%	37%
	OPG revenue (USD mm)	46.4	14%	28%
Profit	EBITDA (INR mm)	1,152	39%	42%
	OPM (INR mm)	891	52%	28%
	Net profit (INR mm)	732	38%	37%
Margin	EBITDA (%)	37%	5%	0%
	OPM (%)	30%	7%	-2%
	Net profit (%)	23%	3%	-1%
EPS	Basic (INR)	24.1	37%	36%
	Diluted (INR)	23.7	38%	37%

- USD revenue up 14.2% Q-o-Q (11% CLX contribution); organic constant currency growth 4%
- OPM at 29.9% (eClerx ~31%; CLX ~19%); OPM 1% higher due to change in goodwill amortization policy.
- EPS at 24.1, up 37% QoQ
- One time changes to other income: FX gain of INR 112 mm and loss of ~48 mm due to reassessment of deferred tax assets, net effect of 64mm

Other Income – FY16 Q1 vs. FY15 Q4

Other Income	FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2
Investment & Other Income	19.9	53.5	51.0	44.6
Hedge Gain / (Loss)	(6.1)	94.0	17.7	42.9
Revaluation and Realised Gain	145.3	(-) 50.9	45.2	16.4
Total	**159.1**	**96.5**	**113.8**	**103.9**

Figures in INR millions.

- Investment Income down due to CLX payment
- Change in Pre AS30 MTM is INR (-) 64.6 mm, which is offset by Pre AS30 Hedge gain of 58.5 mm
- One time realised gain of INR 112 mm due to acquisition fund movement
- Revaluation loss of INR 24 mm for CLX balance sheet items; half of it one-time

Hedge Updates

Current Hedge Status

- Total outstanding hedges now $110.8 mm at average INR 68.59/$; 100% forwards
  - 2.4 times quarter revenue vs. average of 2.7 times in preceding 4 quarters.
  - Since CLX has natural hedge, so effective hedge ratio will remain lower going forward

Contract	Year	Currency	Hedges pre AS30		Hedges under AS30	
			Amount (mm)	Average Rate (INR)	Amount (mm)	Average Rate (INR)
Forwards	FY16	USD	$9.5	69.7	$47.9	66.3
		Euro	€ 1.5	95.9	€ 5.6	81.9
	Total FY16 – Equiv USD		**$11.1**	**72.1**	**$54.1**	**67.1**
	FY17	USD	NA	NA	$36.2	68.8
		Euro	NA	NA	€ 6.3	80.6
	Total FY17 – Equiv USD		**NA**	**NA**	**$43.2**	**69.4**
	FY18	USD	NA	NA	$1.7	71.5
		Euro	NA	NA	€ 0.6	80.9
	Total FY18 – Equiv USD		**NA**	**NA**	**$2.3**	**71.7**
Total			**$11.1**	**72.1**	**$99.7**	**68.2**

Note: EUR / USD taken at 1.12

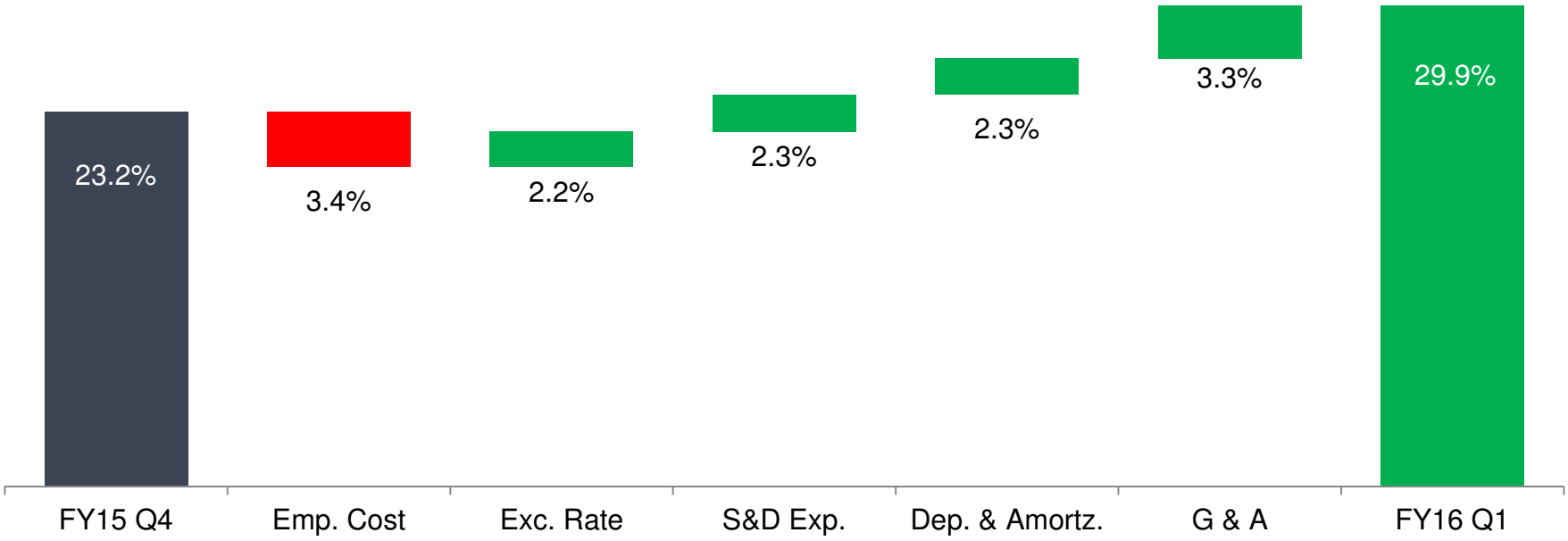
P&L Comparison: FY16 Q1 vs. FY15 Q4

Operating P&L	FY16 Q1	OPR (%)	FY15 Q4	OPR (%)
Operating Revenue	2,982.9		2,513.0	
Cost of Revenues				
Employee Cost	1,191.4	39.9%	948.8	37.8%
General and Administrative Expenses				
Rent	116.2	3.9%	89.8	3.6%
Communication Expenses	42.6	1.4%	36.5	1.5%
Legal and Professional Fees	35.8	1.2%	114.7	4.6%
Electricity	28.4	1.0%	34.6	1.4%
Conveyance	17.6	0.6%	14.3	0.6%
Provision / Written off for Bad Debt	0.0	0.0%	1.5	0.1%
CSR & Donation	14.4	0.5%	15.8	0.6%
Others	108.9	3.7%	91.5	3.6%
Total G&A	**363.9**	**12.2%**	**398.7**	**15.9%**
Selling and Distribution*	434.5	**14.6%**	**435.7**	**17.3%**
Depreciation and Amortization	102.5	**3.4%**	**145.6**	**5.8%**
Total Operating Cost	**2,092.2**	**70.1%**	**1,928.8**	**76.8%**
Operating Profit	**890.7**	**29.9%**	**584.3**	**23.2%**
INR/USD	63.47		62.24	
INR/EUR	70.20		70.26	

Figures in INR millions.

*Selling and Distribution includes employee cost of onsite business development team.

OPM Bridging Analysis: FY16 Q1 vs. FY15 Q4



- **Employee cost:** Increase due to CLX inclusion, annual increments, increase in onshore delivery cost
- **S&D Cost:** Lower proportion in CLX; onshore delivery cost moved to Employee cost; Lower Marketing cost
- **G&A:** reverting closer to average since Q4 legal costs included CLX transaction cost
- **Dep. & Amortz.:** Reduced opening WDV for the year and change in accounting policy of amortisation of Goodwill

Note:

- Bridging analysis in constant currency; impact of currency movement for revenue shown under Exc. rate
- S&D Exp. includes employee cost of onsite business development team

Balance Sheet & Other Updates

- Total Cash and Cash equivalents of INR 3,585 mn (before dividend of 1,288 mm); zero debt
  - Equivalent to INR 118.0 per share;
- Trailing 12 months EPS
  - Basic: INR 82.3; Diluted: INR 80.7
- Current book value per share of INR 262.0 vs. INR 235.6 last quarter

Facility Update

- New Facility
  - FY16 Q1: No. of seat added in Chandigarh –~500

CSR Update

- Provided of INR 12.7 mn for existing and new projects in FY16 Q1 related to India
- Areas covered: Health, Education, Child Labour Protection
- Total Life touched / benefited ~14k

New Initiative

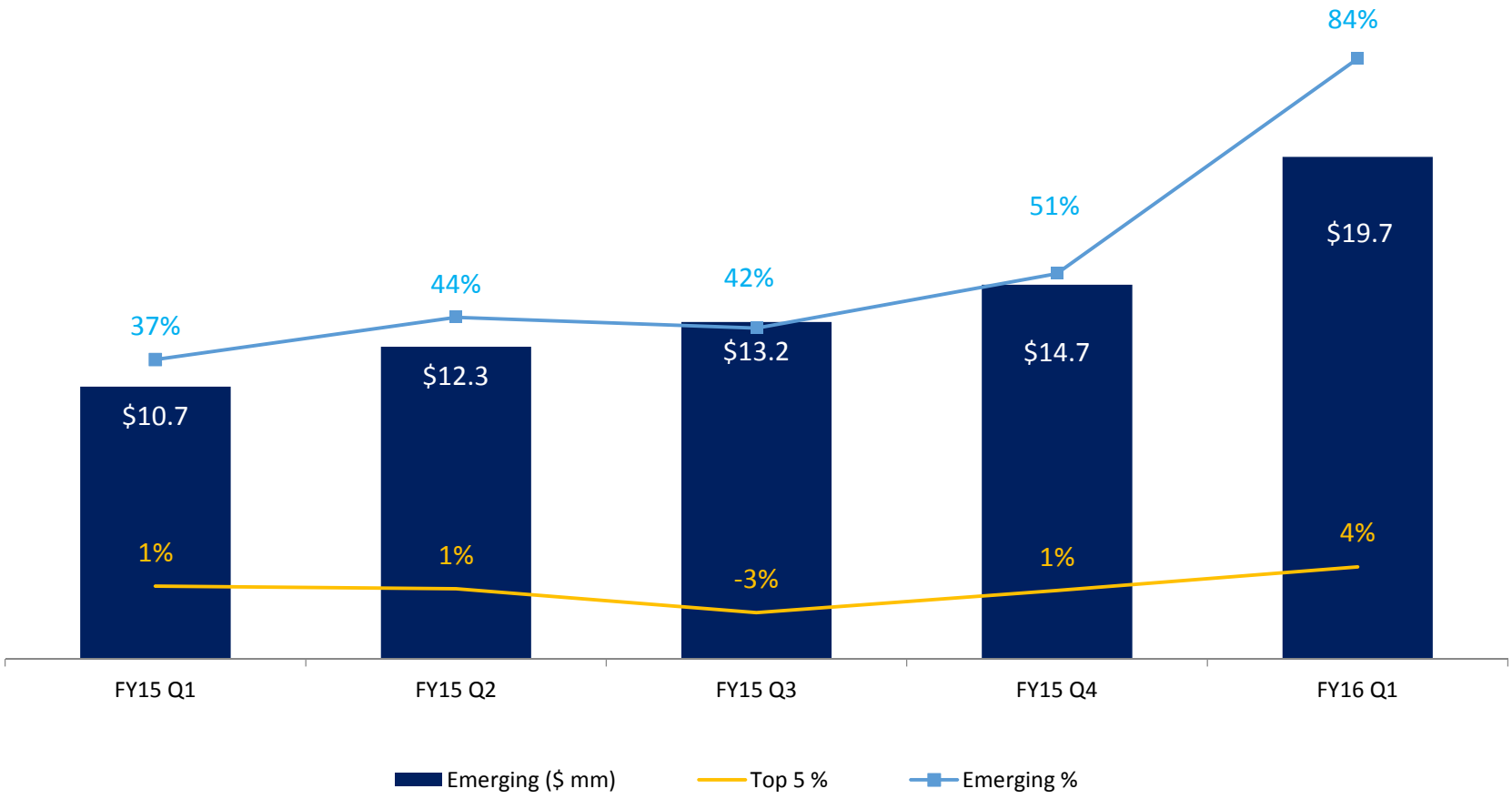
- Board approval for upto Rs 20 mm for employee initiatives towards talent and entrepreneurship encouragement, including equity investments in employee ventures

Key Business Metrics

Metrics		FY 16 Q1	FY 15 Q4	FY 15 Q3	FY15 Q2	FY15 Q1	FY14 Q4
Currency Contribution* (%)	USD	76%	85%	83%	82%	81%	80%
	EURO	18%	10%	12%	13%	14%	14%
	GBP	5%	5%	5%	5%	5%	5%
Geographic Concentration*	North America	72%	78%	78%	74%	73%	74%
	Europe	25%	18%	18%	23%	22%	22%
Debtors (including unbilled)	DSO	78 days	81 days	70 days	82 days	77 days	75 days
Client Concentration	Top 5 contribution	57%	64%	66%	68%	71%	73%
	Top 10 contribution	78%	86%	87%	87%	88%	89%
Billing Mix	FTE	85%	95%	95%	94%	94%	94%
	SEZ Revenue	69%	73%	72%	68%	61%	60%
Staff Utilization		65%	65%	65%	64%	61%	64%
Client Contribution* (based on 12 month accrued revenue)	US$ 500k+ Clients	9	7	6	3	6	6
	US$ 1mm+ Clients	10	7	7	9	7	6
	US$ 5mm+ Clients	7	7	7	6	6	6

*Other smaller currencies, geographies and client contribution not shown

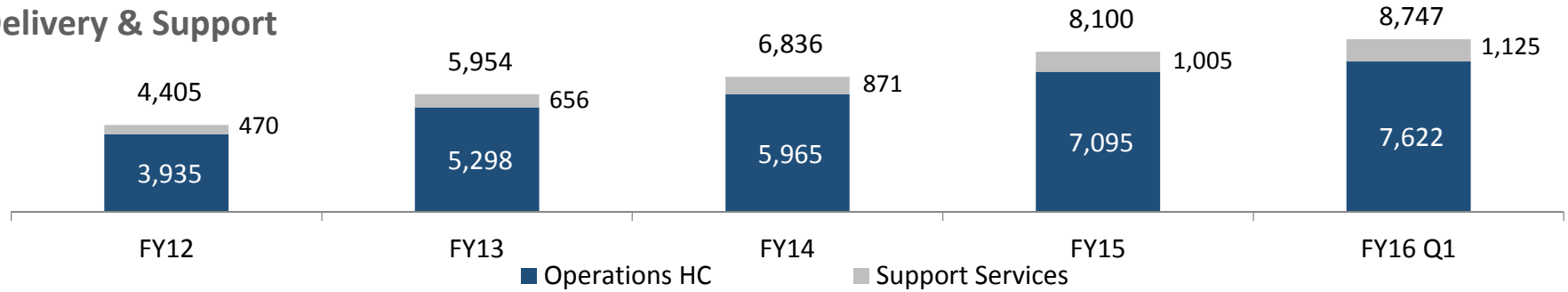
Revenue Mix Trends



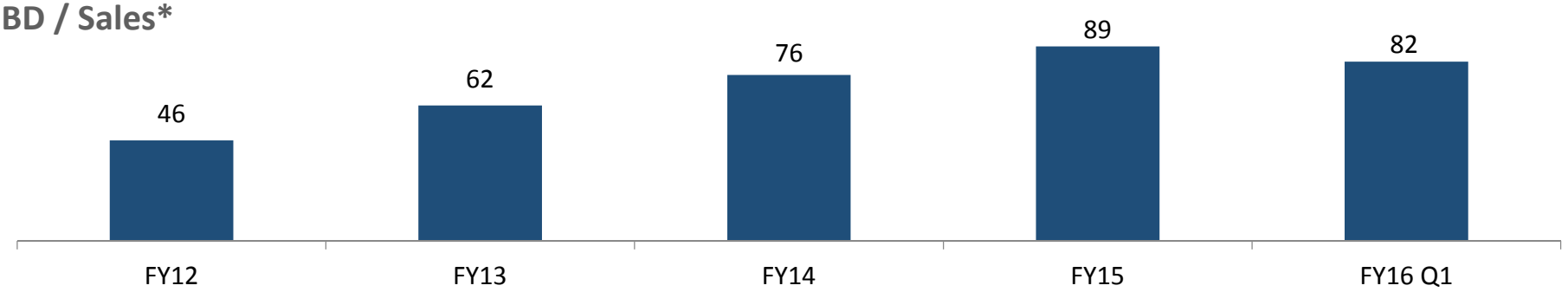
- eClerx Organic Top 5 USD growth 4.5%; Emerging 42.7%
- Organic Top5 YoY constant currency growth- 8% , Emerging – 45%

Human Resources Update

Delivery & Support

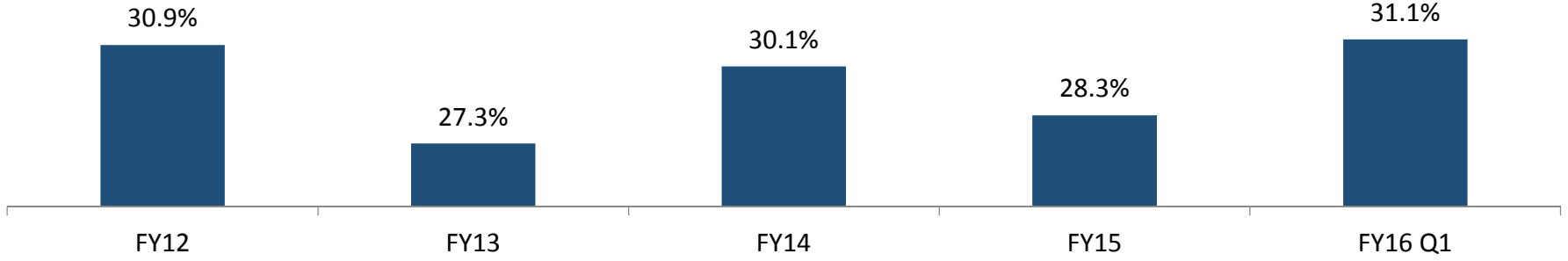


BD / Sales*



* FY16 Q1 decrease in BD/Sales due to realignment of onshore delivery roles and exclusion of onshore admin roles

India Attrition



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.

Thank You

Balance Sheet Abstract

Particulars	30-Jun-15	31-Mar-15	% of Change
Shareholder's Funds			
Capital	303.9	303.5	0.1%
Minority Interest	4.6	-	-
Reserves and Surplus	7,653.2	6,846.5	12%
Total Shareholder's Funds	**7,961.7**	**7,150.0**	**11%**
Application of Funds			
Fixed Assets	3,489.9	1,681.8	108%
Deferred Tax Assets (net)	-12.8	51.6	-125%
Net Current Assets and Investments (Liquid)	4,484.6	5,416.6	-17%
Total Application of Funds	**7,961.7**	**7,150.0**	**11%**

Figures in INR millions.

Net Current Assets & Investments (Liquid) is post net of non-current liabilities INR 145 mm (INR 104 mm for Q4) related to lease equalization

Financial Summary – Quarterly View

Metrics		FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2	FY15 Q1
Revenue	Total Revenue (INR mn)	3,142	2,610	2,530	2,422	2,183
	Opg Revenue (INR mn)	2,983	2,513	2,416	2,318	2,174
	Opg Revenue (USD mn)	46.4	40.7	38.9	38.1	36.2
Profit	EBITDA (INR mn)	1152	826	924	920	809
	OPM (INR mn)	891	584	683	694	694
	Net Profit (INR mn)	732	532	608	623	534
Margin	EBITDA	37%	32%	37%	38%	37%
	OPM	30%	23%	28%	30%	32%
	Net Profit	23%	20%	24%	26%	24%
EPS	Basic	24.1	17.6	20.1	20.6	17.7
	Diluted	23.7	17.2	19.7	20.2	17.3

P&L Comparison – Quarterly View

Operating P&L	FY16 Q1	OPR (%)	FY15 Q4	OPR (%)	FY15 Q3	OPR (%)	FY15 Q2	OPR (%)	FY15 Q1	OPR (%)
Operating Revenue	2,983		2,513		2,416		2,318		2,174	
Cost of Revenues										
Employee Cost	1,191	40%	949	38%	883	37%	847	37%	785	36%
General and Administrative Expenses										
Rent	116	4%	90	4%	107	4%	92	4%	76	4%
Communication Expenses	43	1%	36	1%	34	1%	41	2%	26	1%
Legal and Professional Fees	36	1%	115	5%	45	2%	37	2%	35	2%
Electricity	28	1%	35	1%	24	1%	22	1%	20	1%
Conveyance	18	0.6%	14	0.6%	25	1.1%	16	0.7%	10	0.5%
Provision for Bad Debt	0	0%	2	0%	–	0%	2	0%	–	0%
Others (including CSR)	123	4%	107	4%	104	4%	98	4%	62	3%
Total G&A	**364**	**12%**	**399**	**16%**	**340**	**14%**	**309**	**13%**	**231**	**11%**
Selling and Distribution*	**434**	**15%**	**436**	**17%**	**383**	**16%**	**346**	**15%**	**358**	**16%**
Depreciation, Interest and Amortization	**102**	**3%**	**146**	**6%**	**127**	**5%**	**122**	**5%**	**105**	**5%**
Total Operating Cost	**2,092**	**70%**	**1,929**	**77%**	**1,733**	**72%**	**1,625**	**70%**	**1,479**	**68%**
Operating Profit	**891**	**30%**	**584**	**23%**	**683**	**28%**	**694**	**30%**	**694**	**32%**

*Selling and Distribution includes employee cost of onsite business development team.

Figures in INR millions.

Revenue Quality – Quarterly View

Metrics		FY16 Q1	FY15 Q4	FY15 Q3	FY15 Q2	FY15 Q1	FY14 Q4	FY14 Q3	FY14 Q2
Revenue Growth (%)	USD	14.2%	4.6%	2.1%	5.1%	2.0%	-0.4%	4.7%	3.4%
	Constant Currency	4.0%	6.3%	3.1%	5.6%	1.9%	-0.6%	4.0%	3.1%
Currency Concentration (%)	USD	76%	85%	83%	82%	81%	80%	81%	81%
	EURO	18%	10%	12%	13%	14%	14%	14%	14%
	GBP	5%	5%	5%	5%	5%	5%	5%	4%
	Other	0%	0%	0%	0%	0%	1%	0%	1%
Geographic Concentration	North America	72%	78%	78%	74%	73%	74%	74%	74%
	Europe	25%	18%	18%	23%	22%	22%	21%	21%
	ROW	3%	4%	3%	3%	5%	4%	5%	5%
Debtors	DSO (including Un-billed)	78 days	81 days	70 days	82 days	77 days	75 days	70 days	76 days
Client	Top 5 contribution	57%	64%	66%	68%	71%	73%	74%	75%
	Top 10 contribution	78%	86%	87%	87%	88%	89%	89%	90%
Billing Mix	FTE	85%	95%	95%	94%	94%	94%	95%	95%
	SEZ Revenue	69%	73%	72%	68%	61%	60%	60%	60%
Seat Count		7806	7640	7,439	7,341	7,073	6,391	6,385	6,317
Staff Utilization		65%	65%	65%	64%	61%	64%	66%	65%