

eClerx/SECD/SE/2024/008

February 1, 2024

BSE Limited Corporate Relationship Department, Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Fort, Mumbai - 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, Block G, Bandra - Kurla Complex Bandra (East), Mumbai – 400 051
---	---

Dear Sir/Madam,

Sub: Earnings Presentation and Press release w.r.t Consolidated and Standalone Un-audited Financial Results for the quarter/period ended December 31, 2023

**Scrip Code: BSE - 532927
 NSE – ECLERX**

Further to our letter number eClerx/SECD/SE/2024/007 dated February 1, 2024, please find attached the earnings presentation and press release w.r.t Consolidated and Standalone Un-audited Financial Results for the quarter/period ended December 31, 2023 for your records.

Since Stock Exchange(s) portal for online submissions does not accept excel documents, we have made the “Investor Sheet” available on our website under the “Investor Relations” section.

Thanking you,

Yours faithfully
For **eClerx Services Limited**



Pratik Bhanushali
VP-Legal & Company Secretary
F8538

Encl: as above



eClerx
Investor
Relations

Financial Performance – Q3FY24

Feb 1st, 2024

Financial Summary

Metrics		FY24 Q3	Q-o-Q	YTD FY24	Y-o-Y
Revenue	OPG revenue (USD mm)	90.5	3.3%	262.0	6.0%
	OPG revenue (INR mm)	7,528	4.3%	21,590	10.4%
	Total revenue (INR mm)	7,735	5.1%	22,014	9.2%
Profit	EBITDA (INR mm)	2,280	4.2%	6,218	4.0%
	EBIT (INR mm)*	1,945	3.1%	5,296	2.7%
	Net profit (INR mm)	1,386	2.0%	3,809	6.9%
Margin	EBITDA (%)	29.5%	-26 bps	28.2%	-141 bps
	EBIT (%)	25.1%	-48 bps	24.1%	-153 bps
	Net profit (%)	17.9%	-55 bps	17.3%	-37 bps

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

- Q3 YoY Constant currency (CC) growth by 5.7%; QoQ CC growth by 3.5%
- Impact of (18.35MM) on account of transfer of personnel to Personiv's client, shown as an exceptional item in the CFS

Other Income

Figures in INR millions.

Other Income	FY24 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3
Investment Income	108.5	76.7	52.3	68.6	66.1
Revaluation Income*	-17.0	46.0	-0.0	-42.2	49.0
Others	116.4	18.8	22.7	26.1	62.7
Total	207.8	141.5	75.0	52.5	177.8

* 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 Others due to gain on lease modification & govt grant
- **Revaluation and Realised Gain**
 - USD/INR FY24 Q3 Exit: 83.19 vs. FY24 Q2 Exit: 83.06
 - EUR/INR FY24 Q3 Exit: 91.88 vs. FY24 Q2 Exit: 87.92
 - GBP/INR FY24 Q3 Exit: 105.92 vs. FY24 Q2 Exit: 101.33

Hedge Updates

Current Hedge Status

- Total outstanding hedges now \$220.2 mm at average INR 84.62/\$; 100% forwards

Contract	Year	Currency	Amount (mm)	Avg. Rate (INR)
Matured Forwards	FY23 Q4		\$41.7	79.73
	Total FY23	USD	\$159.0	78.55
	FY24 Q1		\$41.7	80.83
	FY24 Q2		\$41.7	81.82
	FY24 Q3		\$45.0	82.96
Outstanding Forwards	FY24 Q4		\$45.0	83.65
	Total FY24	USD	\$45.0	83.65
	FY25 Q1		\$47.7	84.23
	FY25 Q2		\$38.1	84.56
	FY25 Q3		\$38.1	84.88
	FY25 Q4		\$24.0	85.28
	Total FY25	USD	\$147.9	84.65
	FY26 Q1		\$16.2	85.73
	FY26 Q2		\$7.5	86.17
	FY26 Q3		\$3.6	86.97
	Total FY26	USD	\$27.3	86.02
Total Outstanding		USD	\$220.2	84.62

P&L Comparison

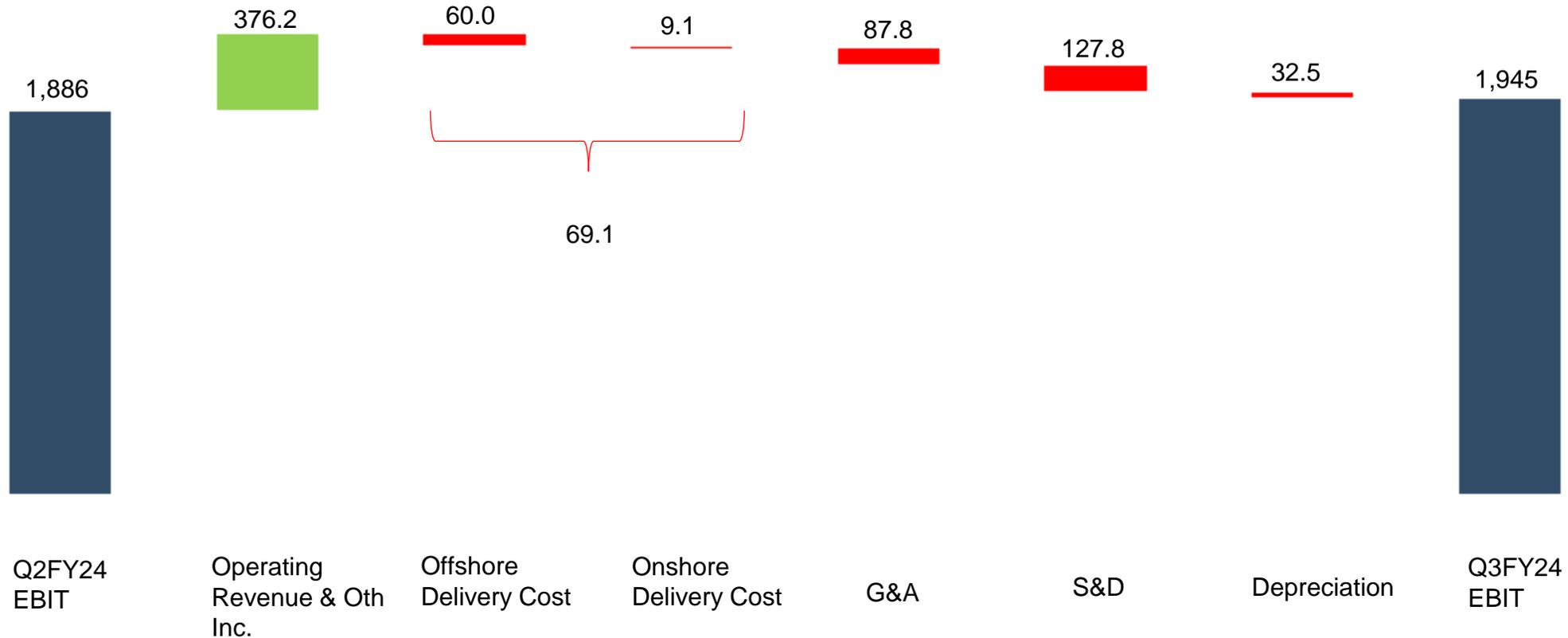
Figures in INR millions.

Operating P&L	FY24 Q3	OPR (%)	FY24 Q2	OPR (%)
Operating Revenue \$	90.5		87.6	
Total Revenue*	7,735		7,359	
Operating Revenue	7,528		7,218	
Cost of Revenues				
Delivery and Support Employees Cost	3,746	49.8%	3,677	50.9%
General and Administrative Expenses				
Facilities (Rent and Electricity)	126	1.7%	118	1.6%
Technological Services (Communications, AMC)	167	2.2%	145	2.0%
Administrative Services (Transport, HK, Security)	82	1.1%	68	0.9%
Legal and Professional Fees	164	2.2%	82	1.1%
Provision / Written off for Bad Debt	-3	0.0%	3	0.0%
CSR & Donation	17	0.2%	35	0.5%
Others	145	1.9%	159	2.2%
Total G&A	697	9.3%	610	8.4%
Selling and Distribution	1,012	13.4%	884	12.3%
EBITDA	2,280	29.5%	2,189	29.7%
Depreciation and Amortization (Inc. rent as per IND AS116)	335	4.5%	303	4.2%
EBIT	1,945	25.1%	1,886	25.6%

* 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 5.1% QoQ
- G&A: most of the increase due to increase in recruitment and placement agency fees
- S&D: increase is due to reclassification from Delivery to Sales, BD hiring and uptick in travel cost

Note:

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

Balance Sheet & Other Updates

- Total Cash and Cash Equivalents of INR 10,664 mm for Q3 FY24 vs INR 9,102 mm for Q2 FY24
 - Equivalent to INR 221.7 per share Q3 FY24 vs INR 188.8 for Q2 FY24
 - Net operating cash flow in Q3 FY24 is INR 1,821.4 mm vs INR 1,605.6 mm in Q2 FY24
 - EBITDA conversion at 79.9 % for Q3 FY24 vs 73.4 % for Q2 FY24
 - Capex during Q3 FY24 is INR 184 mm vs INR 168 mm in Q2 FY24
- EPS
 - Q3 Basic: 28.76 INR ; Diluted: 28.22 INR
- Current book value per share Q3 FY24 INR 442.8 vs. INR 409.4 Q2 FY24
- CSR Update
 - CSR spend of INR 17.4 mm for existing and new projects in Q3 FY24
 - Areas covered: Education, Skills development. Total lives touched / benefited ~ 17.1 k

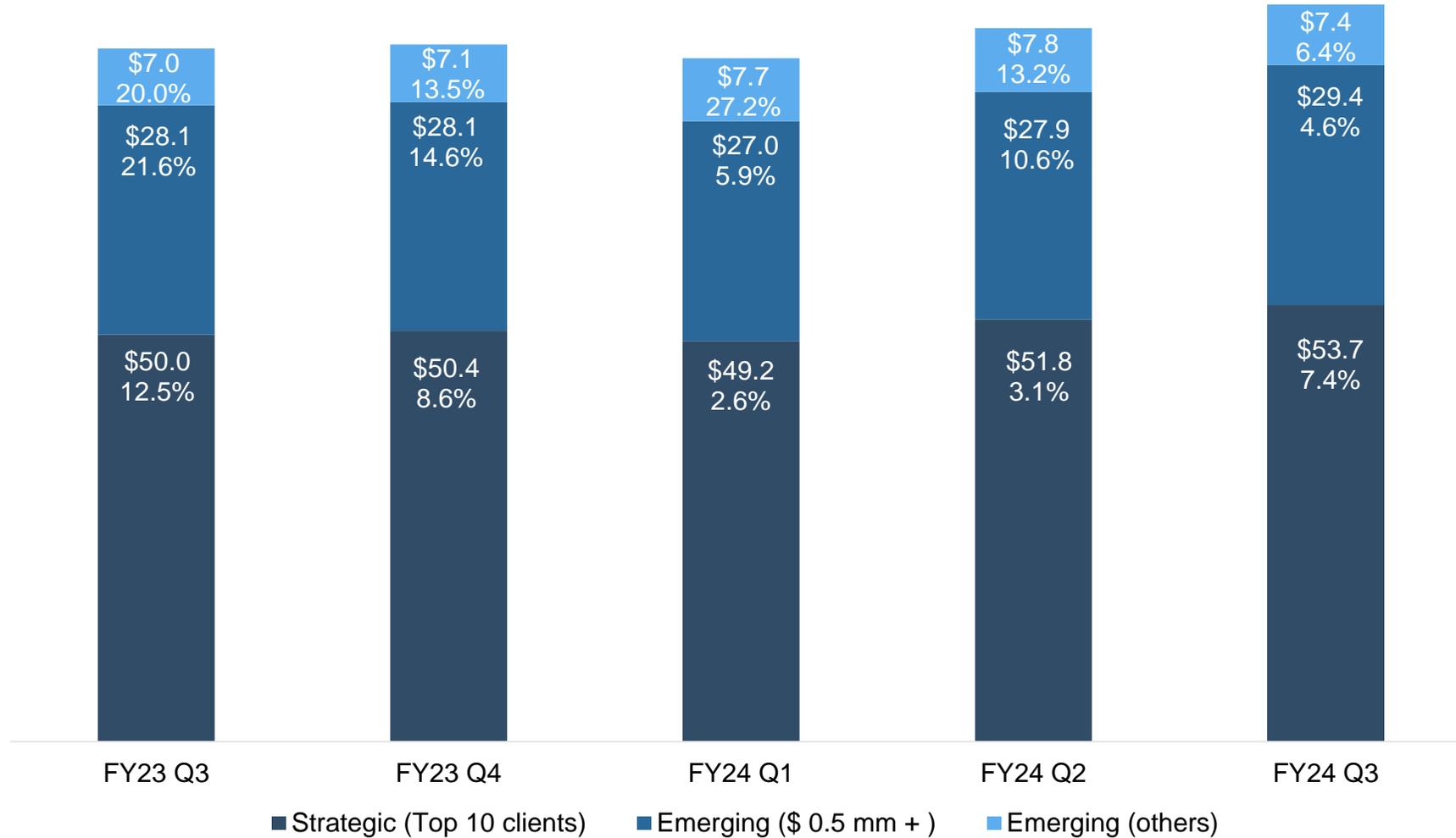
Key Business Metrics

Metrics		FY24 Q3	FY24 Q2	FY24 Q1	FY23 Q4	FY23 Q3	FY23 Q2	FY23 Q1	FY22 Q4
Currency Contribution (%) *	USD	84%	83%	82%	83%	82%	83%	82%	81%
	EURO	9%	10%	10%	10%	10%	9%	10%	11%
	GBP	3%	3%	3%	3%	3%	3%	3%	3%
	Others	4%	4%	5%	4%	5%	5%	5%	5%
Geographic Concentration *	North America	74%	73%	72%	71%	71%	72%	70%	69%
	Europe	18%	19%	20%	20%	20%	20%	22%	23%
	ROW	8%	8%	8%	9%	9%	8%	8%	8%
Debtors (including unbilled)	DSO (days)	73	76	75	80	82	75	72	75
Client Concentration	Top 10 contribution	59%	59%	59%	59%	59%	61%	60%	60%
Billing Mix	BPaaS	24%	24%	25%	26%	25%	24%	25%	27%
	Onshore Revenue	19%	19%	18%	18%	19%	20%	21%	20%
Staff Utilization (Delivery) #		73.9%	75.4%	74.8%	74.5%	74.4%	73.5%	73.1%	78.5%
Client Contribution (based on TTM revenue)	US\$ 500k-1mm Clients	38	39	39	32	32	28	32	25
	US\$ 1mm-3mm Clients	21	22	24	27	25	26	21	23
	US\$ 3mm ++ Clients	20	18	18	18	16	16	16	16
Offshore Seat Count		12,029	11,805	11,808	11,278	11,278	11,278	10,582	11,039

*Other smaller currencies, geographies and client contribution not shown

Staff utilization numbers revised from FY23 Q1

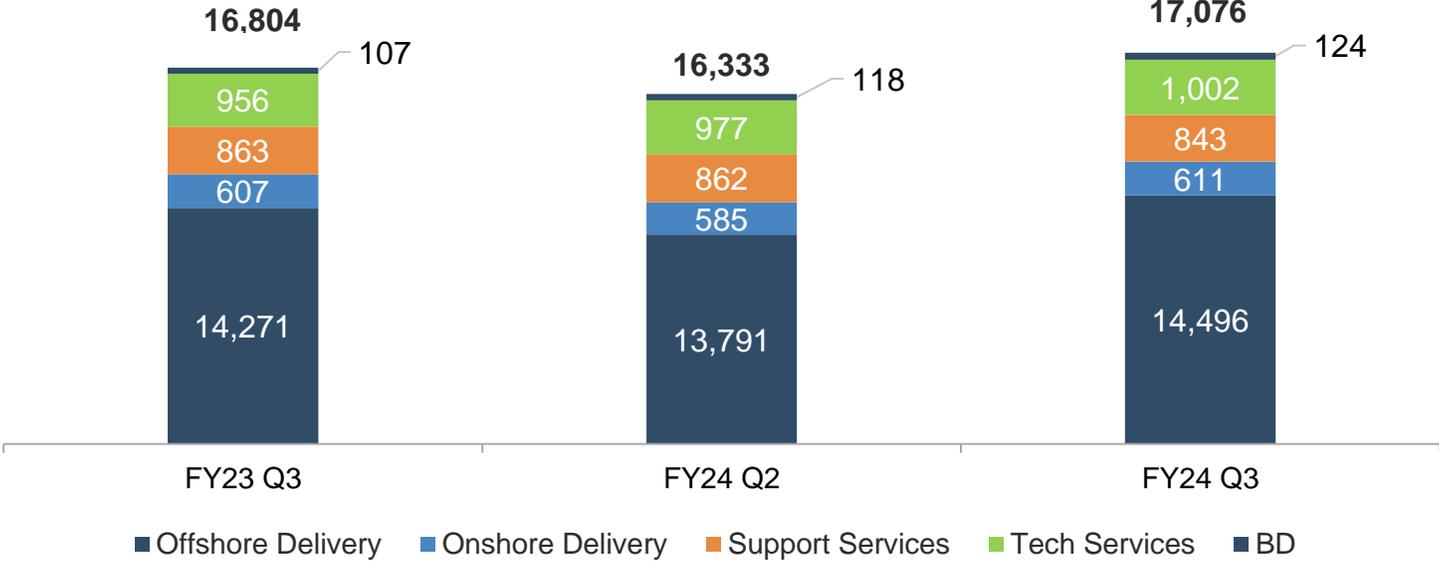
Revenue Mix Trends (\$mm)



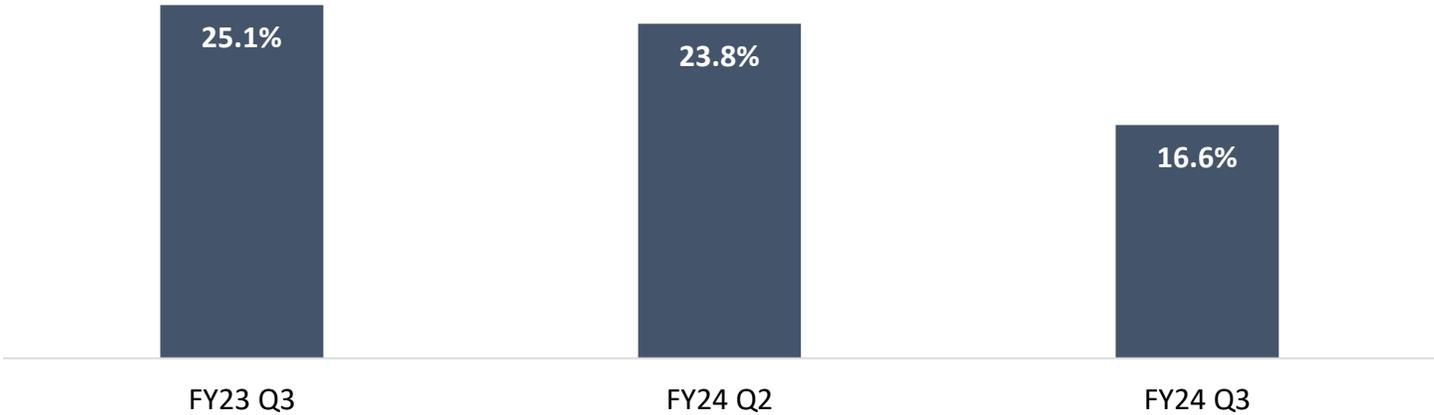
% Growth is measured at quarterly YoY level

Human Resources Update

Headcount



Offshore Voluntary Attrition



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 realized, 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 materialize 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.

eClerx's Q3 FY24 revenue stands at INR 773.5 crore and net profit up by 5.7% at INR 138.6 crore

Mumbai, February 1, 2024: eClerx Services Ltd. (eCx), an industry-focused specialist services firm managing and improving complex data-driven processes, today announced its results for fiscal Q3 2024.

eClerx empowers the world's largest enterprises with intelligent operations and Insights, providing core business process solutions and data analytics from its global delivery centres.

Consolidated financial highlights for the quarter ended December 31, 2023

Operating revenue for the quarter ended December 31, 2023 was INR 752.8 crore vs. INR 686.7 crore corresponding period last year, YoY increase of 9.6%. In USD terms, operating revenue increased by 6.4% to USD 90.5 Million as compared to USD 85.1 Million corresponding period last year. Total revenue including other income for the period was INR 773.5 crore, YoY increase by 9.8%.

- EBIT for the period is INR 194.5 crore, up by 8.9% YoY.
- Profit after tax for the quarter ended December 31, 2023 was INR 138.6 crore compared with INR 131.2 crore in the corresponding period in the previous year, an increase of 5.7% YoY.
- Basic EPS for the quarter ended December 31, 2023 was INR 28.8 as compared to INR 26.4 in the corresponding period last year.
- The total delivery headcount as of December 31, 2023 stands at 16,952 – an increase of 1.5% YoY.

About eClerx Services Ltd:

eClerx provides business process management, automation and analytics services to a number of Fortune 2000 enterprises, including some of the world's leading financial services, communications, retail, fashion, media & entertainment, manufacturing, travel & leisure and technology companies. Incorporated in 2000, eClerx is today traded on both the Bombay and National Stock Exchanges of India. The firm employs about 17,000 people across Australia, Canada, Germany, India, Italy, Netherlands, Philippines, Singapore, Thailand, UK and the USA. For more information, visit www.eclerx.com.

For further information, please contact:

Srinivasan Nadadhur eClerx Services Ltd. Email: srinivasan.nadadhur@eclerx.com	Asha Gupta Ernst & Young LLP Email: asha.gupta@in.ey.com
--	--

Disclaimer: *Certain statements made in this release concerning our future growth prospects may be interpreted as forward looking statements, which involve a number of risks and uncertainties that could cause the actual results to differ materially from those in such forward looking statements. Investors are requested to use their discretion in relying on them. We do not undertake to update any forward-looking statements that may be made from time to time.*