PL Capital PRABHUDAS LILLADHER

eClerx Services (ECLX IN)

Analyst Meet Update

September 03, 2026

Domain expertise drives deeper client relationships

Key Data

Key Data	ECLE.BO | ECLX IN
BSE Code	532927
NSE Code	ECLERX
52-W High / Low	INR 2,493 / INR 1,391
Face Value	10
Sensex / Nifty	76,570 / 23,914
Market Cap	INR 188.4 bn / $ 1,983.9 mn
Shares Outstanding	94.1 mn
3M Avg. Daily Value	INR 689.0 mn

Shareholding Pattern (%)

Promoter's	51.89
FIIs	11.00
Mutual Funds	22.92
Domestic Institution	0.92
Public & Others	8.42
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	4.8	39.4	28.7	(9.1)
Relative	8.3	37.2	32.6	(5.9)

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25	FY26
Sales (INR mn)	26,479	29,255	33,659	41,170
EBITDA (INR mn)	7,222	7,973	8,103	10,514
Margin (%)	*27.3*	*27.3*	*24.1*	*25.5*
PAT (INR mn)	4,888	5,115	5,411	7,062
EV (INR mn)	57,034	1,06,012	1,25,666	1,21,161
Total Debt (INR mn)	1,936	2,657	3,581	3,850
C&C Eq. (INR mn)	4,279	6,921	7,391	7,380
EPS (INR)	49.4	53.1	57.1	76.2
Gr. (%)	*79.5*	*7.5*	*7.6*	*33.5*
DPS (INR)	0.5	0.5	0.5	1.0
Yield (%)	*0.0*	*0.0*	*0.0*	*0.0*
RoE (%)	*29.8*	*25.8*	*23.8*	*29.0*
RoCE (%)	*40.7*	*32.7*	*28.4*	*34.3*
EV/Sales (x)	2.2	3.6	3.7	2.9
EV/EBITDA (x)	7.9	13.3	15.5	11.5
PE (x)	40.6	37.8	35.1	26.3
P/BV (x)	11.23	8.6	8.3	7.2

Quick Pointers

- Aspiring for growth in top quartile of peer group while maintaining EBITDA margin between 24%-28%
- 82% of top 50 clients deepening relationship into additional areas

We attended eClerx's Analyst Day, where management expressed greater confidence in the BPM space and its relevance in the evolving AI landscape. Against this backdrop, management has set an aspirational goal of doubling its revenue to USD 1bn. It believes eClerx is well positioned, with strong capabilities across Data, Technology and Domain, to capture a higher wallet share from its existing Fortune-500 client base, while also building the foundation to gain access to the small and mid-market segments. ~85% of its revenues are repeatable in nature and are derived largely through client references. The focus is on deepening these client relationships, taking greater ownership and accountability for business outcomes, while infusing AI into business processes. Commercial deal constructs are also shifting from people-led to operational-led or outcome-led models, with the two large deal wins further validating eClerx's ability to participate in such engagements. Management indicated that it may prioritize growth over margins in the near term and pursue low-margin strategic programs, while broadly maintaining EBITDA margins within the guided band (24-28%). Reusable AI agents, tools and products are driving internal efficiencies, complementing its ability to operate within the targeted margin band.

Medium term growth & margin aspiration: Management aspires to deliver higher than peers' growth in the medium term to become a USD 1bn company, supported by productized services driving customer engagement, deep domain knowledge across value chain, and maintaining delivery excellence while maintaining EBITDA margin between 24%-28%.

Investment strategy: Management remains focused on acquisitions that would bring additional value or verticals/segments to its capabilities, which can further enable cross-sell opportunities. The company plans to invest ~1% of revenues in strengthening its sales team and setting up global sales, ~1% of revenues in strengthening capabilities, and ~1.5% of revenues in geographic expansion.

Growing market opportunities: Management highlighted sizeable opportunities across its focus areas, including a USD 4bn Capital markets BPM market size growing at a stable single-digit rate, a USD 56bn CMO market forecasted to grow at 10% CAGR to 2030, a USD 70.2bn global F&A BPO market which is projected to reach USD 142.7bn by 2033, & a USD 120bn CXM market. The company plans to capture these opportunities by improving wallet share & cross selling within existing marquee accounts and adding new logos through deep domain knowledge.

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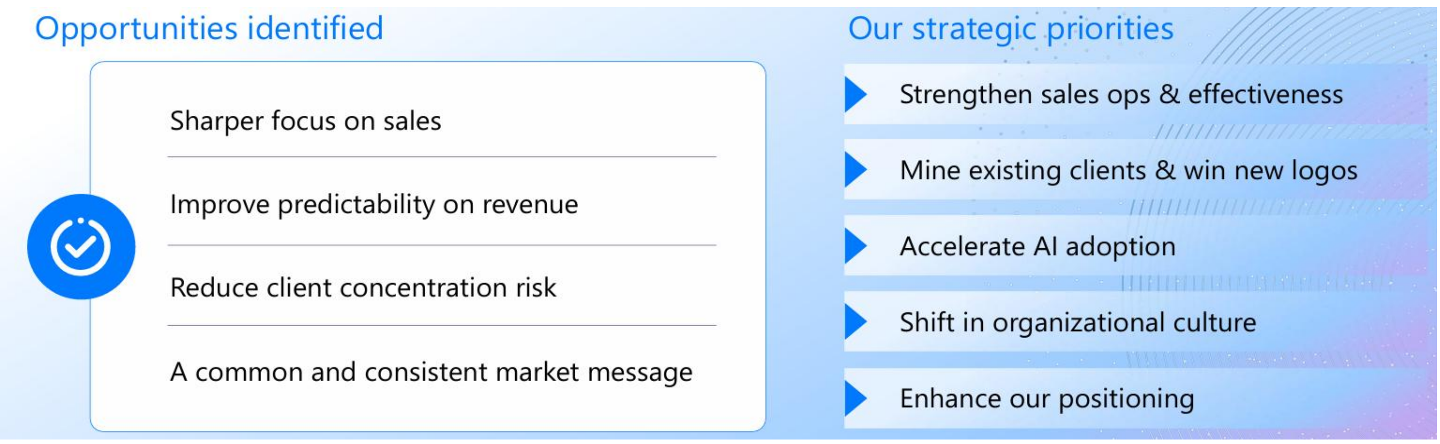
Other KTA's from the event

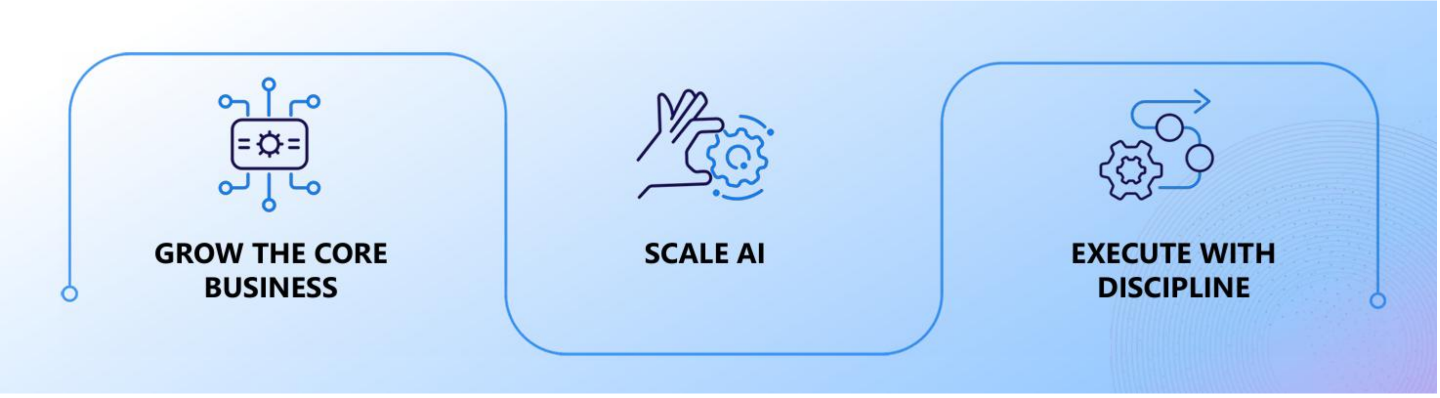
- Management believes that companies with strong domain, data and technology capabilities are better positioned to drive AI adoption, as clients remain under pressure to demonstrate ROI and therefore need to identify the right areas for AI deployment.
- Management identified Data, Knowledge, and Domain as the foundations on which its AI stack is built, enabling it to build a differentiated moat through deep domain knowledge and bringing the best insights.
- Management believes that enterprise workflows should be able to think, adapt, & retain control, stating that its ProcessX workflow can convert unstructured fragmented data into structured processes, facilitating ~40%-60% productivity improvements.
- Management articulated a 4D connected capability model spanning data, decisioning, design and delivery encompassing the entire client marketing supply chain that differentiates it from other agencies, pure-play analytics companies and consultants / integrators providing similar services.
- Management highlighted that 70% of its employees have been trained in GenAI and are completing training in Agentic AI, further stating that ~3k of its ~22k employees are experts in AI.
- Management identified GCC's as an emerging market with scaling demand, that can be leveraged through scaling tech, analytics & AI.
- Management believes that the current environment presents a strong opportunity to expand wallet share currently by leveraging AI-led operations to transform workflows & getting business applications aligned with client requirements.
- Management stated that 85% of its business is generated through references from existing clients, further highlighting that average relationship with its investment banking customers are over 15 years.
- Management highlighted that clients are looking for service providers who can navigate operational complexities while delivering solutions at a competitive cost.

Exhibit 1: Growth blueprint for FY24-FY29



Source: Company, PL

Exhibit 2: 3 pillars strategy identified for the next phase of growth



Source: Company, PL

Exhibit 3: Strategic vision & key bets to build competitive advantage

Source: Company, PL

Exhibit 4: Delivering elevated enterprise value to clients

Source: Company, PL

Exhibit 5: Focused choices and targeted actions to create value

- Strategic **must-have accounts** and AI-first service lines
- Enhanced **analyst relations** and high-performance **outreach muscle**
- **Partnerships** with data, technology, and frontier AI majors
- Elevate eClerx's market **positioning** across **industry forums**
- Industry **advisors & experts** as a growth driver
- **Attract** & nurture existing **sales talent** with impactful assets

Source: Company, PL

Exhibit 6: 4 pillars strategy to turn AI into client and enterprise value

AI-led operations	Client transformation	Solution-embedded products	Employee enablement
Transform the work we deliver today	**Expand what clients trust us to transform**	**Turn domain expertise into reusable IP**	**Transform how our people work**
• Productivity • Quality • Capacity • Controls • Margin	• Wallet share • Higher-value engagements • Deeper relationships	• Scalable revenue • Reusable toolkits • Technology-led economics	• Empower employees with AI • Improve internal productivity
Measurable AI improvement in every major client relationship	Trusted AI transformation partner in domains	Focused portfolio of AI-native products with scalable revenue	AI-native workforce w/ higher productivity and capability
Breadth focus: Visible AI impact across the entire client base	Depth focus: Credibility through highly referenceable engagements	Focus on key products, market proof over breadth	Lower internal effort; capacity redeployed to growth

Source: Company, PL

Exhibit 7: Case studies of Agentic AI-led transformation outcomes

Agentic AI-led transformation across industries and functions

Finance, Accounting, HR and KM

Global hygiene leader
End-to-end F&A transformation
$2.1M monthly billing issues prevented

Global tile manufacturer
PO digitization and automation
~85% faster
~60% more volume delivered

Global utility
Syndicated loan document processing
1,500+ entities a month
24×7

Financial Markets and Compliance

Leading US asset manager
Client onboarding and KYC
100% periodic-review SLA
>98% accuracy

Leading US bank
BPaaS-led KYC transformation
570+ sources automated
Near real time refresh

Global investment bank
Fees and commissions modernization
Accelerated intelligent calculators

Customer Experience

Leading APAC super-app
Next best action engine
12% higher conversion
3× CLV uplift in 2 years

Global sportswear leader
Consumer care intelligence
85% contact reduction target

US media and telecom operator
Quality as a service — QA360
30% lower churn
$71M credits normalized

Operations Excellence and Commerce

Tier-1 fiber operator
NOC intelligence platform
67% lower SLA penalties

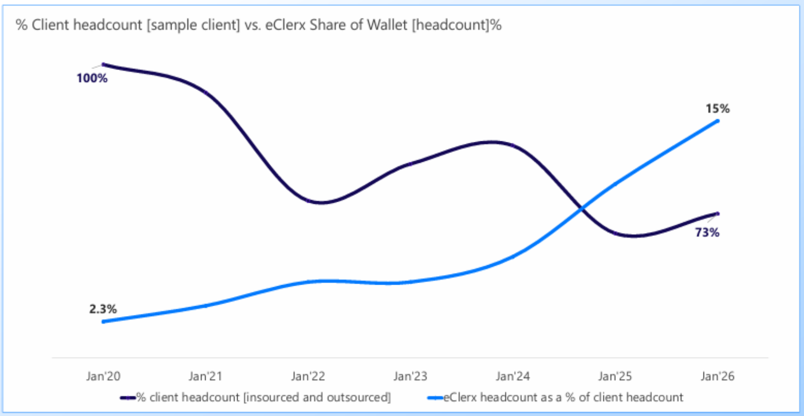
Leading car rental operator
Agentic AI at scale
30% increase in lead qualification
>99% accuracy

Global consumer bank
Autonomous segmentation and personalization
20% higher conversion
8% cross-sell uplift

Source: Company, PL

Exhibit 8: EXCL's headcount pool CAGR improving compared to client headcount pool

The pool contracted — our share expanded.



-5%
Client headcount 6-year CAGR

+37%
eClerx share 6-year CAGR

Defend the base
Gain share through delivery strength.

Expand the remit
New geographies and delivery models widen eligible work.

Cross-sell owned IP
QA360 and Tech360 create revenue beyond seat pricing.

Call and chat volumes declined — we still captured share from competitors because of delivery strength.

Source: Company, PL

Exhibit 9: Intelligent customer operations (CO) growth coming from a US$ 120bn CXM market

Growth comes from both existing and real clients, penetrating under-represented verticals, and scaling higher-growth capabilities.

$120B
CXM market, 2025

~45%
of global CXM from US Market

~20%
of global CXM comes from CMT

200+
client base to cross sell into

In-house vs. outsourced

- ~30% of global CXM outsourced today
- AI and outcome pricing create headroom with both existing and new clients

Geographic opportunity

- Multi-country delivery supports resilience and scale
- US is the core, while UK and EMEA are the natural next growth markets

Vertical penetration

- CMT is core – opportunity to expand into adjacent verticals
- BFSI is the largest CXM pool and where we are least penetrated

New capabilities

- Collections, Sales and Retention broaden the CO proposition
- Attach to Care, FTO, Quality and AI-led delivery — for existing and new clients

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Coforge	BUY	2120	1686
2	Cyient	HOLD	1040	979
3	Fractal Analytics	Buy	1010	845
4	HCL Technologies	HOLD	1160	1221
5	Infosys	BUY	1240	1047
6	KPIT Technologies	SELL	460	639
7	L&T Technology Services	HOLD	3350	3293
8	Latent View Analytics	Accumulate	320	298
9	LTM	Accumulate	4200	4037
10	Mphasis	BUY	2820	2288
11	Persistent Systems	Accumulate	5860	5575
12	Tata Consultancy Services	BUY	2500	2050
13	Tata Elxsi	Reduce	3350	3697
14	Tata Technologies	SELL	610	758
15	Tech Mahindra	BUY	1780	1510
16	Wipro	Reduce	165	178

PL's Recommendation Nomenclature (Absolute Performance)

BUY : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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