

eClerx/SECD/SE/2020/100

December 11, 2020

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

Dear Sir/Madam,

**Sub: Intimation regarding acquisition of Personiv**

**Reg: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

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

Pursuant to Regulation 30 of the Listing Regulations, eClerx announces that it has entered in to a Share/Membership Interest Purchase agreement to acquire 100% stake in Eclipse Global Holdings LLC (dba Personiv) (“Personiv”), a Delaware Company headquartered in Austin, Texas, USA, through its wholly owned subsidiary viz. eClerx LLC, USA.

In this regard, please find enclosed herewith:

- Disclosure containing the details pursuant to Regulation 30 of the Listing Regulations read with Schedule III and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 as **Annexure I**
- A brief presentation on the captioned acquisition as **Annexure II**

Details of the Analyst call to be held for this matter is given hereinbelow, which also be made available on the Company’s website [www.eclerx.com](http://www.eclerx.com)

**Date:** December 14, 2020

**Time (IST):** 6.00 PM – 7.00 PM

[Click Here](#) to Register for this call (Zoom Webinar)

After registering, you will receive a confirmation email containing information about joining the webinar.

This is for your information and records.

Thanking you,

Yours faithfully  
For **eClerx Services Limited**



**Pratik Bhanushali**  
**Company Secretary and Compliance Officer**  
**F8538**

Encl: As above

Sr. No.	Disclosure required	Description
1.	Full Name of the entity to be acquired, details in brief such as size, turnover etc.	eClerx LLC, USA, a Wholly Owned Subsidiary (WOS) of eClerx Services Limited ("eClerx") has entered in to a Share/Membership Interest Purchase Agreement to acquire 100% shares/membership interest of Eclipse Global Holdings LLC (dba Personiv), a Delaware Limited Liability Company headquartered in Austin, Texas, USA, along with all of its subsidiaries (all entities hereinafter referred to as "target"). Its consolidated turnover for the financial year ended 31 <sup>st</sup> December 2019 was USD 31.94 million.
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms' length"	The acquisition does not classify as a Related Party Transaction.  The Promoter / Promoter Group has no interest in the entity being acquired.
3.	Industry to which the entity being acquired belongs	IT and IT enabled services
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Leverage synergies in Digital and Customer Experience services, leverage client relationships and Business expansion
5.	Brief details of any governmental or regulatory approvals required for the acquisition	None for the acquisition.  However, since the target has two Indian subsidiaries, approval from Reserve Bank of India was required for the purpose of further investment in our WOS so as to facilitate this acquisition, which has already been obtained.
6.	Indicative time period for completion of the acquisition	This transaction is expected to close by December 29, 2020.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
8.	Cost of acquisition or the price at which the shares are acquired	The Enterprise value is <b>USD 34 Million</b> . Earnouts may be payable for next 2 years based on revenue and profitability targets.

9.	Percentage of shareholding / control acquired and / or number of shares acquired	100% shareholding of the target shall be acquired
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Eclipse Global Holdings LLC, the holding entity of target group was founded in 2012. It has offshore delivery centers in Manila, Coimbatore and Gurugram. Its main Service offerings include digital, creative, back office and customer contact. The target has approx. 2100 employees globally, and has 4 offices in 3 countries. Consolidated revenue of the group for last 3 fiscal years is as given below;</p> <p>CY 2019: USD 31.94 million            CY 2018: USD 31.38 million            CY 2017: USD 19.61 million</p>

For eClerx Services Limited



**Pratik Bhanushali**  
**Company Secretary and Compliance Officer**  
**F8538**

— ANALYST CALL ON 14 DECEMBER 2020 —

# eClerx to acquire Personiv

# Transaction Summary



- eClerx to acquire Personiv, through purchase of **Eclipse Global Holdings LLC**
- **Personiv** provides digital marketing, back office and customer support outsourced services
- Transaction is all cash, expected value circa USD 34mn, with earn-out provisions over two years
- Acquisition is on a debt free, cash free basis (subject to working capital provisions)
- Definitive agreements signed on Dec 11, 2020; Closing expected around Dec 29, 2020
- Acquired company revenues will be consolidated fully in eClerx Q4 2021
- Transaction anticipated to be EPS accretive

# The Business

- Personiv provides digital, creative, back office and customer contact solutions
  - Digital - content creation, social media campaigns, SEM, CX
  - Creative – graphic design, print ads, photo retouch
  - Back office – finance and accounting, transaction processing
  - Customer contact – voice services across functions
- 2100 employees across three delivery centers in Manila, Gurugram and Coimbatore
- Derive 85% of revenue from their top5, many of whom have been clients for over 5 years
- CY 2019 revenues of USD 32mm, CY 2020 expected at USD 28mm given Covid-impact

## Company Financials

- \* CY20 EBITDA impacted due to one off accounting treatment on office lease related cost rationalization
- Normalized EBITDA for CY20 expected to be 20%+

	CY18	CY19	CY20 (Sep YTD)
Revenue USD mn	31.4	31.9	21.0
EBITDA %	25.0%	22.5%	14.1%*

# Strategic Rationale

- Attractive business demographics
  - Clients: Scaled and tenured clients, and “deep mining” focus (like ours)
  - Services: Mix closely matches ours, particularly Digital and Customer Ops
  - Client Geography: North America, our strategically most important geography
  - Sales Effectiveness: Demonstrated win-ability vs. large competitors at key clients
  - Strategy: Mine existing clients + add new clients (primarily) in less competed SMB sector
  - Business stickiness: Demonstrated resilience during Covid-affected 2020
  - Firm Management: Efficiently managed with strong management team
- Synergies
  - Locations: Adds two India delivery locations + Philippines for ex-India diversification
  - Cost savings: Offices consolidation (e.g. Austin)
  - Cross + upsell: Opportunity to take automation, analytics and other managed services to Personiv clients
  - Management: Adds to eClerx senior leadership team
  - Diversification: Changes top 10 list, adds SMB sector to our mix of clients
  - Culture: “EPIC” match – focus as ours on excellence, people, integrity and being client centric
  - Financial: Adds scale to our business, is EPS accretive without any dilution of shareholders



Thank You

