

Date: 24th April, 2019

To,  
The Manager Listing,  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort,  
Mumbai – 400 023

To,  
The Manager Listing,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

Subject: Presentation to Analysts on the financial results for the quarter and year ended 31<sup>st</sup> March, 2019

Dear Sir / Madam,

This is with reference to and in continuation of our letter dated April 11, 2019, wherein we have intimated that Company will hosting conference call with Analyst on 24<sup>th</sup> April, 2019 at 3.00 pm for discussion on the financial results of the Company for the quarter ended March 31, 2019.

In this regard, we have enclosed the presentation to be made to Analysts during the conference call on the financial results and performance of the Company for the quarter ended March 31, 2019

This is also being made available at the website of the Company i.e [www.hexaware.com](http://www.hexaware.com)

Kindly take the same on your record.

Thanking you,  
Yours faithfully,  
For **Hexaware Technologies Limited**



**Gunjan Methi**  
Company Secretary





**ti.**  
HEXAWAR

**Investor  
Update  
Q1 2019**

**24<sup>th</sup> April 2019**

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## Safe Harbor Statement



Certain statements on this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hexaware has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

# Q1 2019 Business Update

# +



# Key Highlights



**Q1 Revenue**  
**\$ 180.0M**

- Q/Q growth of 2.2%; 2.0% in CC
- Y/Y growth of 10.9%; 13.0% in CC



**Q1 EBITDA\***  
**15.0%**

- Q1 EBITDA of \$ 27M
- Q/Q change of -0.2%



**Q1 EPS**  
**₹ 4.65**

- Q/Q EPS growth of 12.0%



**NN Wins**  
**\$ 36M**

- High growth potential clients added



**Closing Headcount**  
**16,509**

- Q1 net addition – 304
- Freshers added – 119



**Dividend**  
**₹ 2.5**

- Interim Q1 dividend of Rs 2.5

\* EBITDA (post ESOP cost)

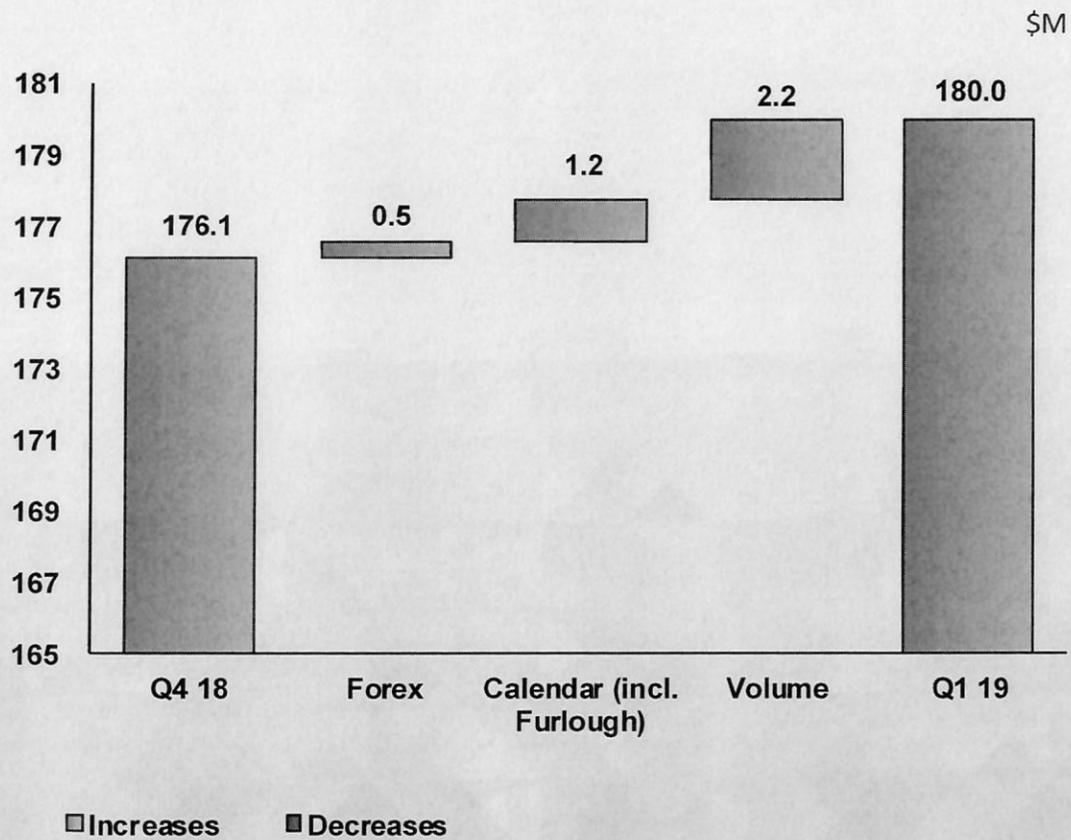
# Q1 19 | Financial Performance



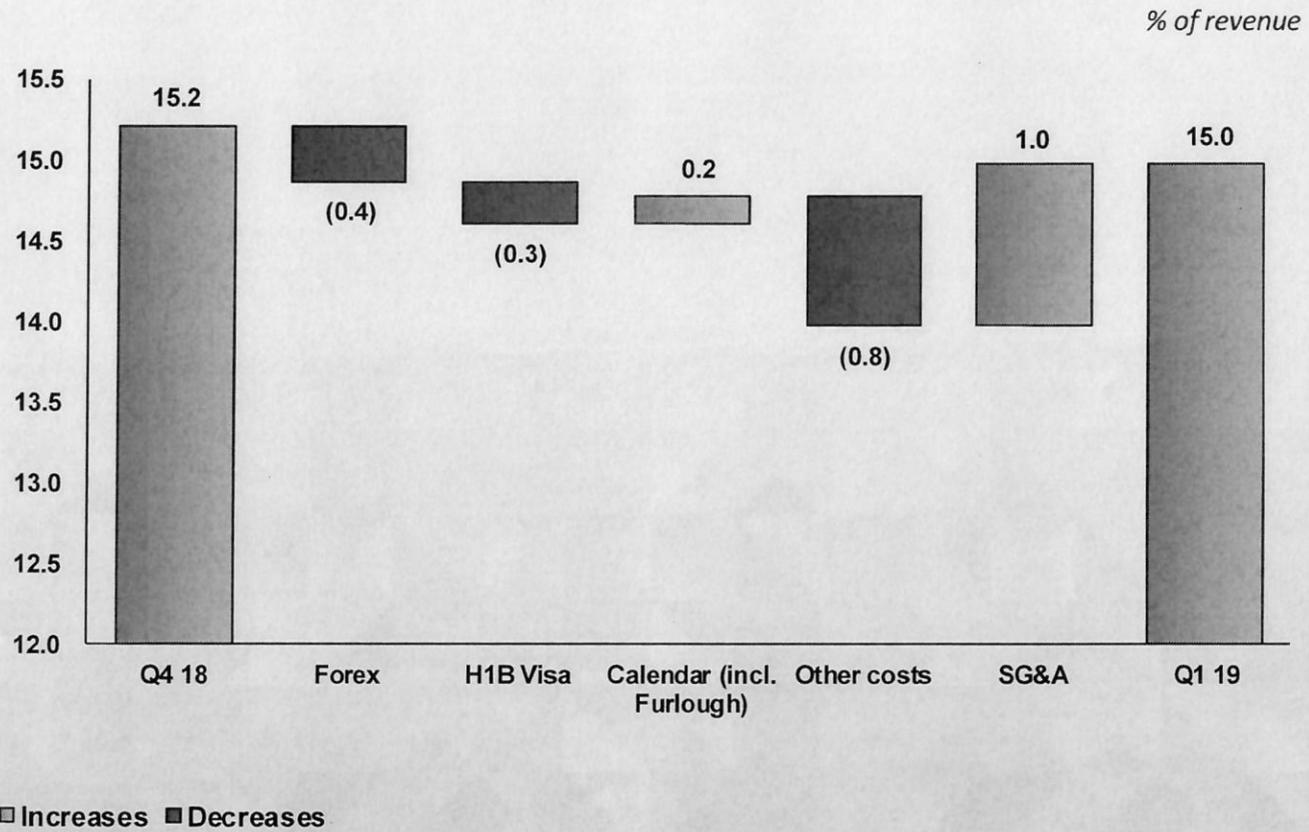
<i>Amounts in US\$ Mn</i>	Q1 2019	Q4 2018	GROWTH QoQ	Q1 2018	GROWTH YoY
Revenue	180.0	176.1	2.2%	162.2	10.9%
EBITDA (before ESOP cost)	27.6	28.1	-1.8%	26.5	3.9%
<b>EBITDA %</b>	<b>15.3%</b>	<b>15.9%</b>	<b>-0.6%</b>	<b>16.4%</b>	<b>-1.1%</b>
EBITDA (after ESOP cost)	27.0	26.8	0.6%	25.1	7.4%
<b>EBITDA %</b>	<b>15.0%</b>	<b>15.2%</b>	<b>-0.2%</b>	<b>15.5%</b>	<b>-0.5%</b>
PAT	19.8	17.2	15.2%	20.7	-4.6%
<b>PAT %</b>	<b>11.0%</b>	<b>9.8%</b>	<b>1.2%</b>	<b>12.8%</b>	<b>-1.8%</b>
EPS Basic (INR)	4.65	4.15	12.0%	4.52	2.8%



# Revenue Walk I QoQ

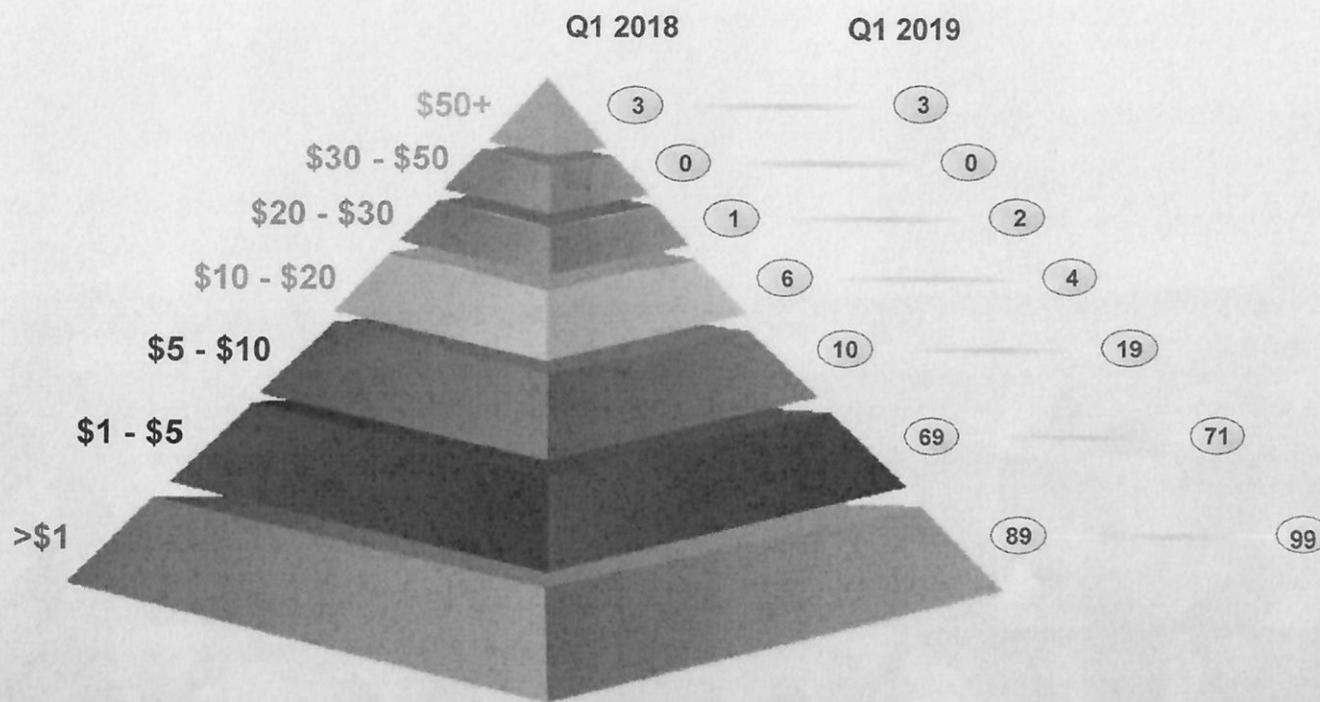


# EBITDA\* Walk I QoQ



\* EBIDTA (post ESOP cost)

# Improved Depth of Customer Relationships



Q1 19 vs Q1 18 Top 20 accounts

TOP CLIENTS	CONTRIBUTION GROWTH QoQ	GROWTH QoQ
Top 5 Clients	-0.3%	1.5%
Top 10 Clients	-0.5%	1.2%
Top 20 Clients	0.2%	2.6%
Other Clients	-0.2%	1.6%

Q1 19 Top 20 accounts vs their performance in Q1 18

TOP CLIENTS	REVENUE GROWTH QoQ	REVENUE GROWTH YoY
Top 5 Clients	1.5%	15.1%
Top 10 Clients	2.1%	14.8%
Top 20 Clients	2.5%	15.3%

# NN Wins



*USD 36 million NN Deal wins in Q1-19*

- Digital consulting for a management consulting company
- Cloud native development for a shipping services company
- Consulting and creating data lake for a multinational commercial bank
- Application modernization using MuleSoft for an insurance and financial services company

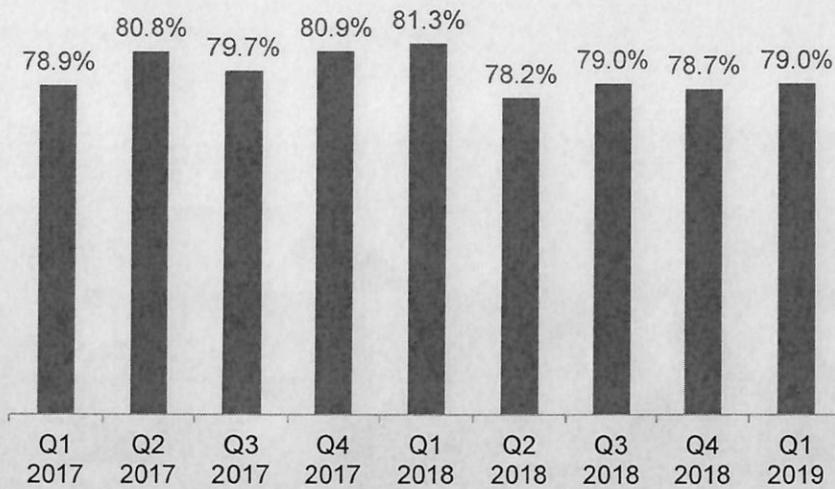


# Employee Metrics



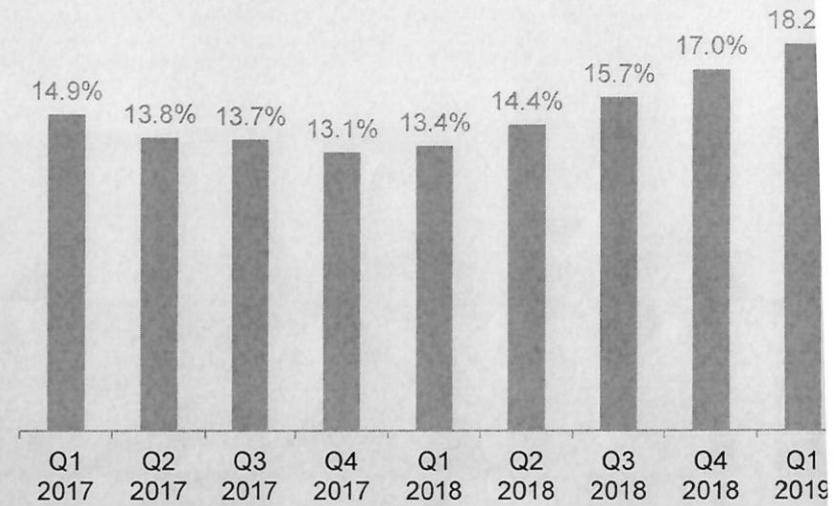
## UTILIZATION

Utilization maintained at steady rate



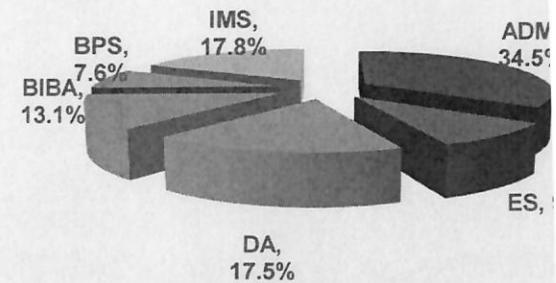
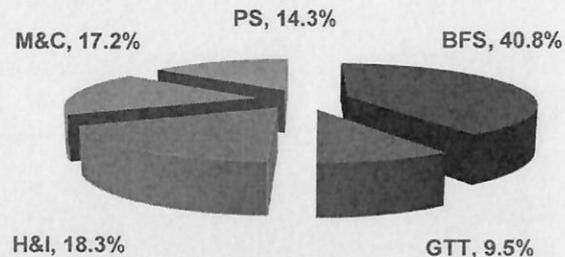
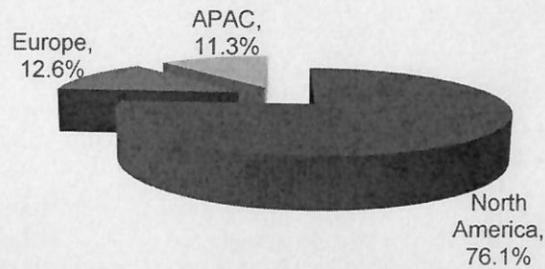
## EMPLOYEE ATTRITION

Uptick in Attrition



**Net headcount addition during the quarter (incl. trainees) – 304**

# Q1 19 | Broad based growth across portfolio



GEOGRAPHY	GROWTH	
	QoQ	YoY
North America	1.1%	12.1%
Europe	-1.2%	11.8%
APAC	15.2%	2.8%
<b>TOTAL</b>	<b>2.2%</b>	<b>10.9%</b>

VERTICAL	GROWTH	
	QoQ	YoY
BFS	-0.9%	3.8%
GTT	-1.6%	-19.8%
H&I	-2.1%	26.6%
M&C	15.6%	26.7%
PS	5.5%	29.8%
<b>TOTAL</b>	<b>2.2%</b>	<b>10.9%</b>

HORIZONTAL	GROWTH QoQ	GROWTH YoY
ADM	0.5%	6.6%
ES	2.0%	-2.9%
DA	2.5%	1.8%
BIBA	2.0%	2.6%
BPS	7.0%	22.9%
IMS	3.5%	50.5%
<b>TOTAL</b>	<b>2.2%</b>	<b>10.9%</b>

# Guidance Update



<i>Amounts in \$ M</i>	<b>Q1 2019</b>	<b>CQGR ask to deliver</b>
		<b>FY 13% Y/Y Growth</b>
Revenue	180.0	4.1%
EBITDA*	27.0	7.5%

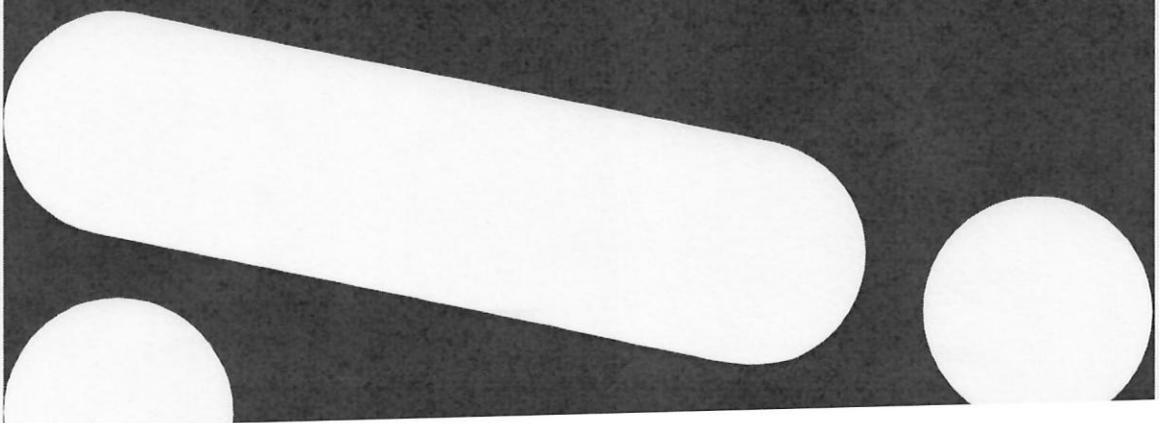
*Target as mid-point of guidance*

EPS growth to be faster than EBITDA\* growth, driven by:

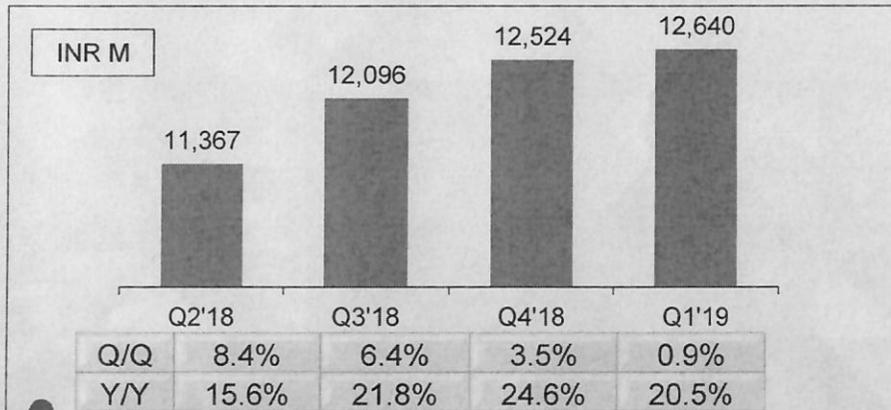
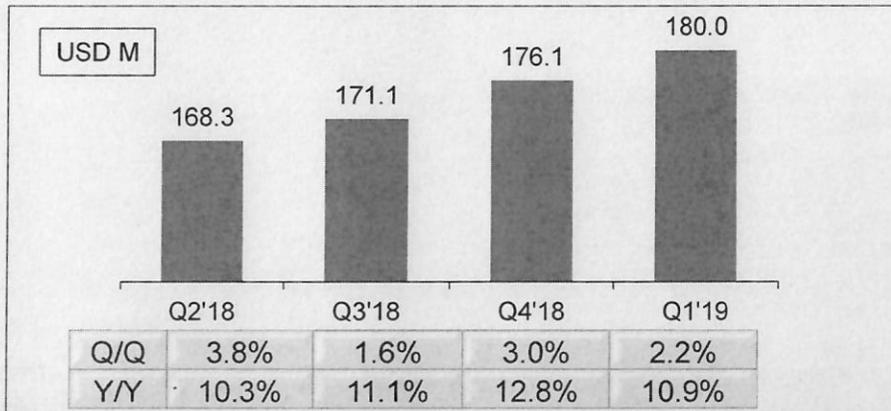
- Forex hedge gains (*assumes exchange rates for Q2-Q4 to be same as Q1 closing rates*)
- ETR downward revision to 20%

\* EBITDA (post ESOP cost)

# Finance Update



# Revenue



## Key Highlights

- Q1'19 revenue of \$ 180 M
  - Q/Q growth of 2.2%, 2.0% in CC
  - Y/Y growth of 10.9%, 13.0% in CC
- Q1'19 revenue of INR 12,640 M
  - Q/Q growth of 0.9% and Y/Y growth of 20.5%

# Outstanding Hedge Position and Rates



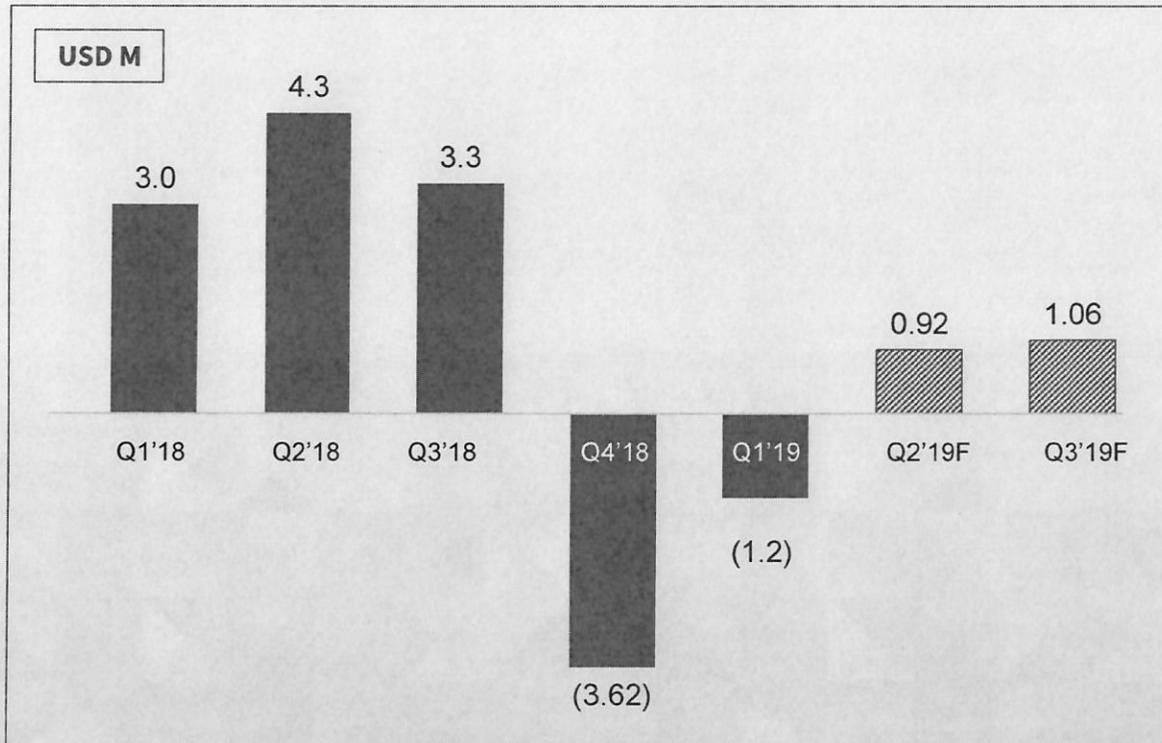
## Outstanding Hedge Position

Currency Pair	Avg. Rate				Q1' 19 Amount \$M.
	Q2'18	Q3'18	Q4'18	Q1'19	
USDINR (\$)	70.14	70.81	71.83	72.93	196.80
EURNR (€)	85.61	86.91	88.22	89.08	6.54
GBPNR (£)	95.37	97.16	98.70	99.11	13.08
<b>Total (\$ M)</b>					<b>221.27</b>

Note -

1. Hedges outstanding are full-term hedges
2. EUR converted @ 1.1232/USD & GBP converted @ 1.3090
3. Average Rate represents the average of the rates at which forwards hedges have been booked on every quarter end

# Forex Gain/(Loss)

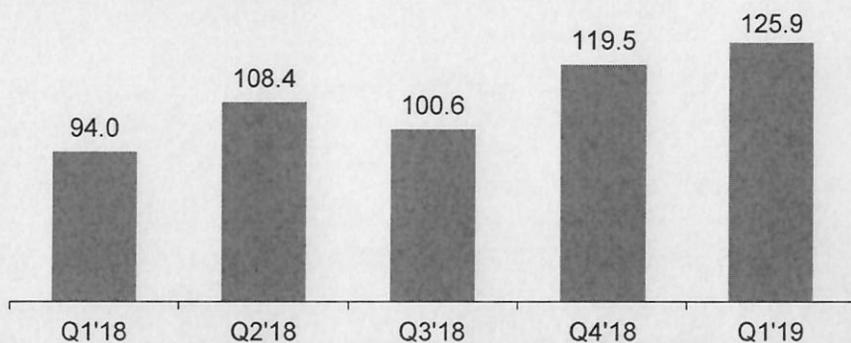


- Q1'19 registered a forex loss of \$ 1.2 M
- Forex Gains expected in next two quarters basis Q1 closing exchange rate of INR 69.16 per USD are:
  - Q2'19 ~ \$ 0.92M
  - Q3'19 ~ \$1.06M

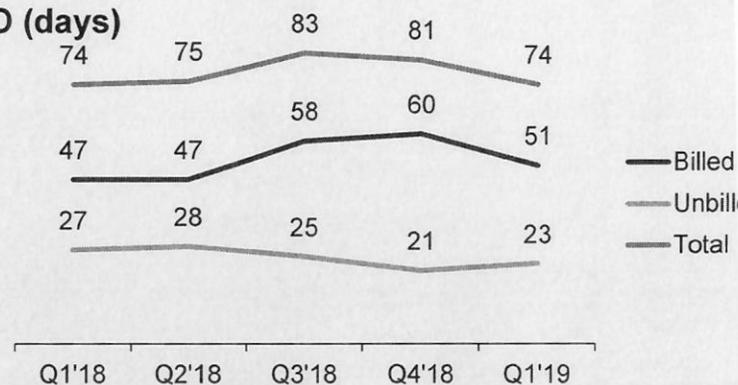
# Balance Sheet & Other Updates



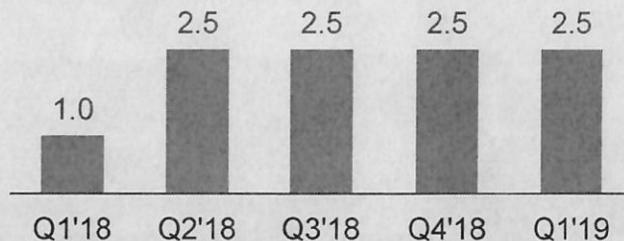
**Cash Balance (\$M)**



**DSO (days)**

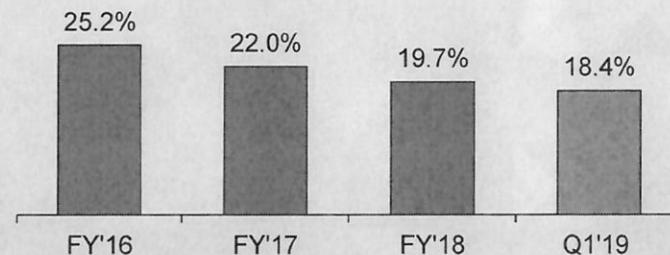


**Dividend (INR per share)**



	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
\$M	5.5	13.1	12.2	12.8	13.0
%	50%	125%	125%	125%	125%

**Effective Tax Rate (ETR)**



- Q1 19 ETR of 18.4% vs 19.7% in FY 18
- Base ETR revised downwards to 20%

Capex: \$3.5M in Q1'19



**HEXWARE**

*Innovative Services*

*Passionate Employees*

*Delighted Customers*

*Thank you*

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