



Investor Update Q1 2017

24 Apr 2017

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

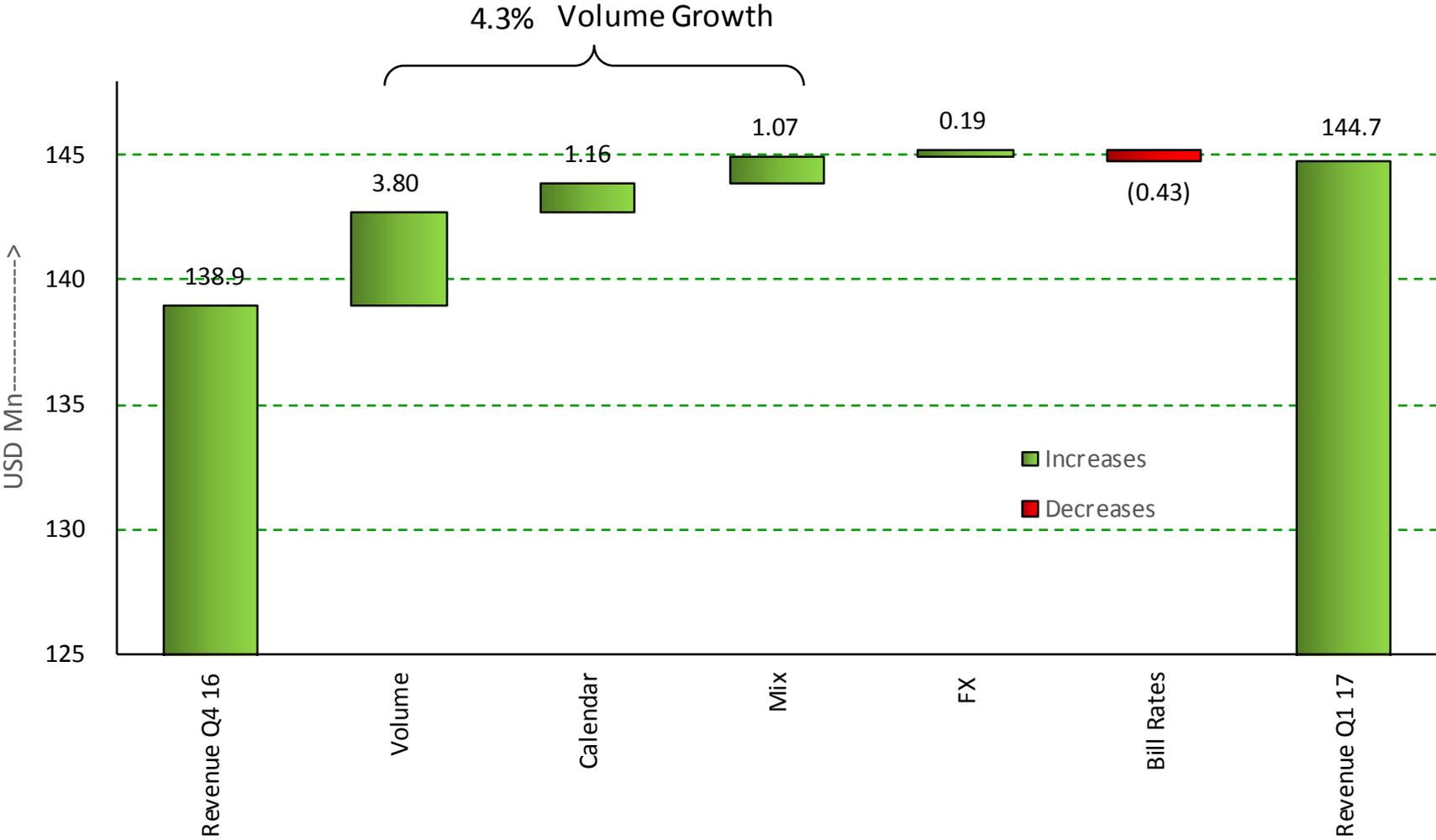
Business Update

Key Financials for Q1 2017

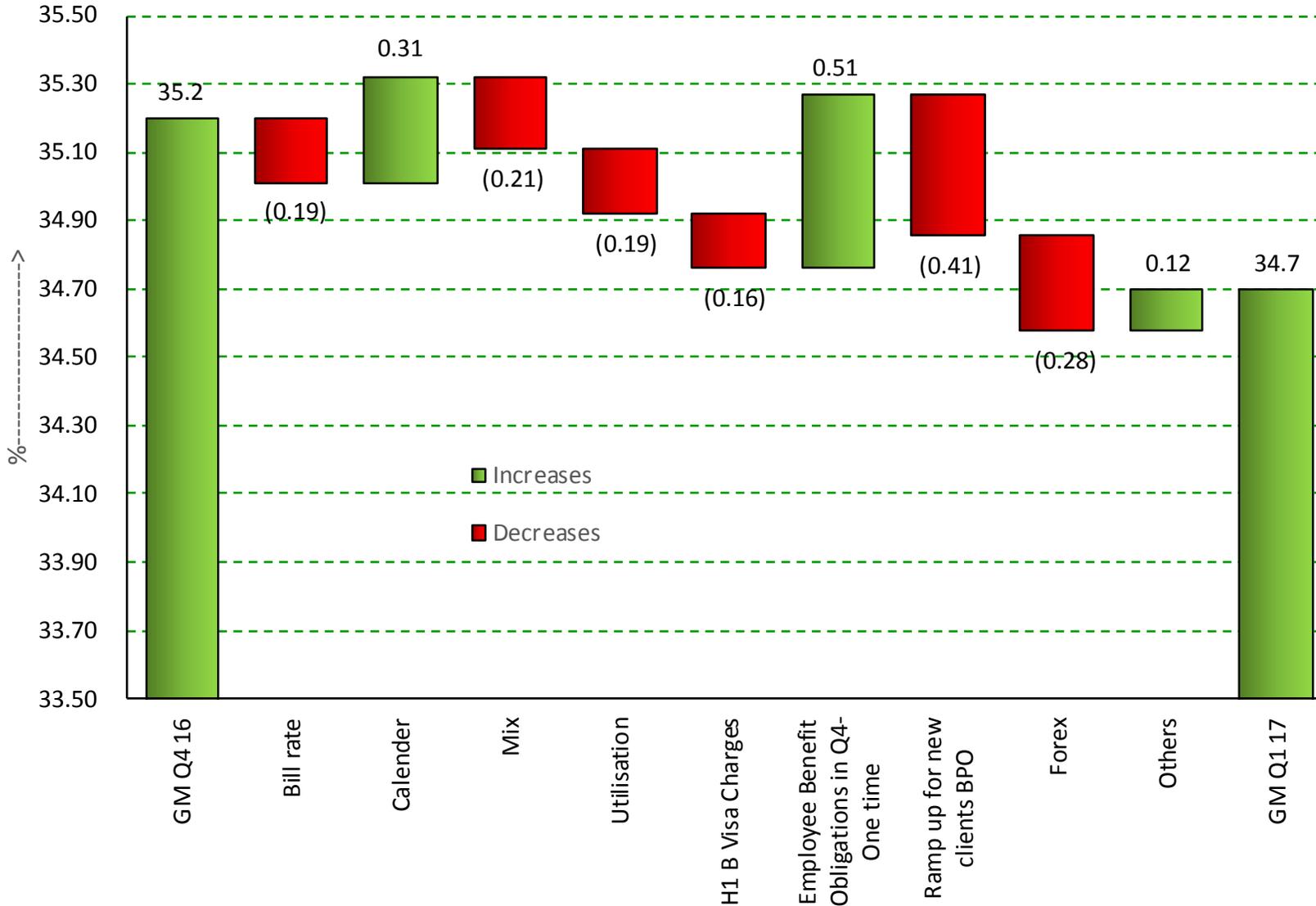
	Q1 2017	Q4 2016	GROWTH QoQ	GROWTH YoY
Revenue	144.75	138.95	4.2%	19.0%
EBITDA* (before ESOP Cost)	25.35	24.99	1.5%	34.7%
EBITDA (after ESOP Cost)	24.54	24.17	1.5%	38.4%
PAT	17.23	18.15	-5.1%	37.8%
EPS Diluted (in INR)	3.77	4.04	-6.8%	36.6%

* Excludes ESOP Cost of \$ 0.81 M in Q1 and \$0.82 M in Q4

Revenue Analysis - QoQ



Gross Margin Analysis - QoQ



SG&A ↓ 10 bps QoQ

SG&A at \$ 24.8 mn in Q1 17 vs \$23.9 mn in Q4 16

- Investment in Sales & Provision for debtors (37) bps
- Forex (15) bps

Lower SG&A% mainly on account of volume impact

Movement of Top 20 Customers

Top 20 Accounts by Revenue for the Quarter

Q1 2017 vs. Q4 2016

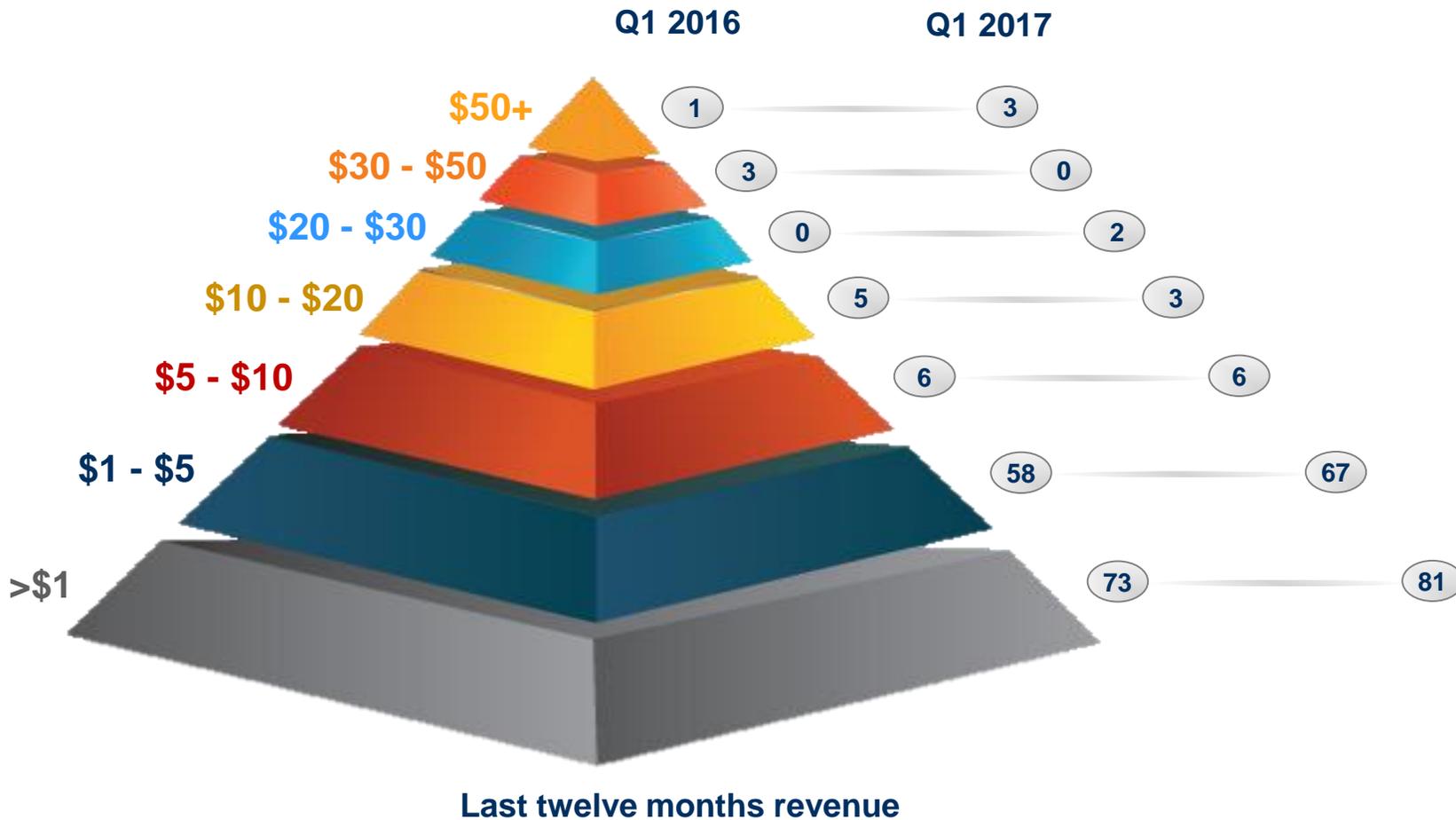
In

- Specialized Payment products and services Provider
- Premier Chain of Fitness Centers
- World's leading Airline

Out

- European telecommunications operator
- American investment management firm
- Leading data analytics and risk assessment firm

Improved Depth of Customer Relationships



Clients remain unchanged

TOP CLIENTS	CONTRIBUTION GROWTH	GROWTH QoQ
Top 5 Clients	-0.7%	2.6%
Top 10 Clients	-0.6%	3.0%
Top 20 Clients	-0.5%	3.5%
Other Clients	0.5%	5.6%

Clients changed based Q1 2017

TOP CLIENTS	CONTRIBUTION GROWTH	GROWTH QoQ
Top 5 Clients	-0.7%	2.7%
Top 10 Clients	0.2%	4.5%
Top 20 Clients	1.2%	6.1%
Other Clients	-1.2%	0.4%

Strategy Proof Points

USD 25 million NN Deal wins in Q1-17

>Shrink IT<

Grow Digital>>

Second Gen Application Modernization, Support and Product Engineering for a global GRC software company

Won from top 3 IOP

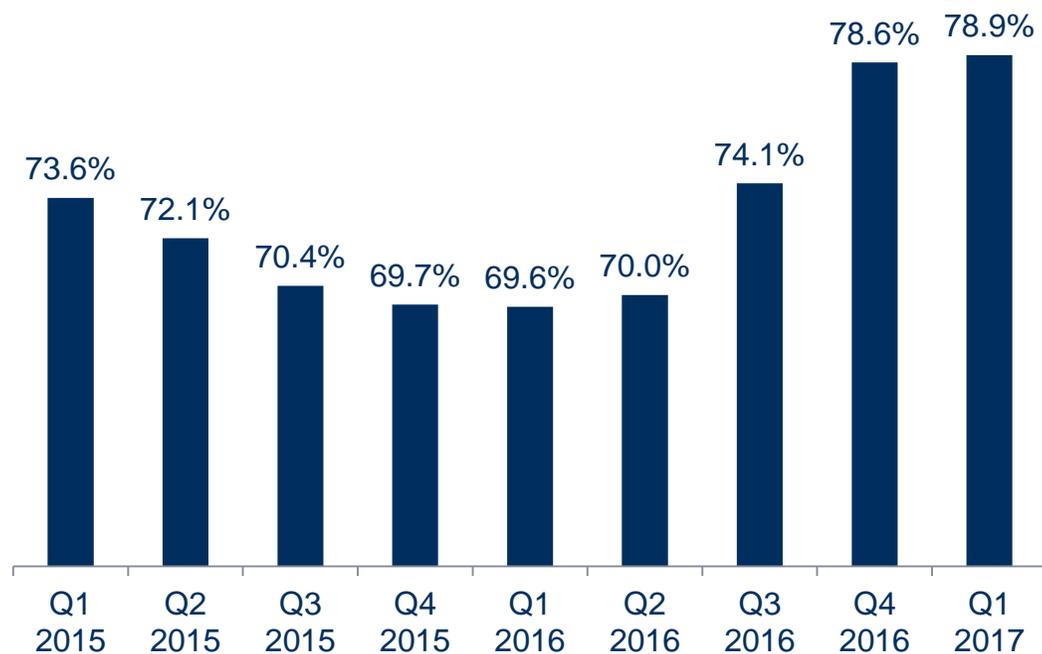
Managing Customer Experience in the Digital Channel for a leading ecommerce firm in India

Won against top 3 IOP

Employee Metrics

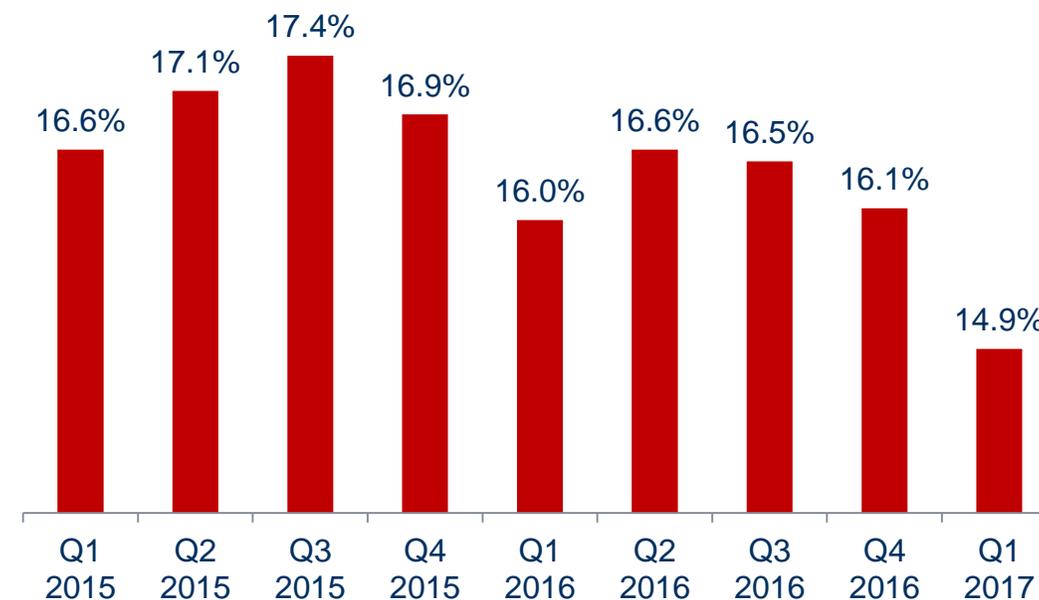
UTILIZATION *

Utilization maintained at high levels



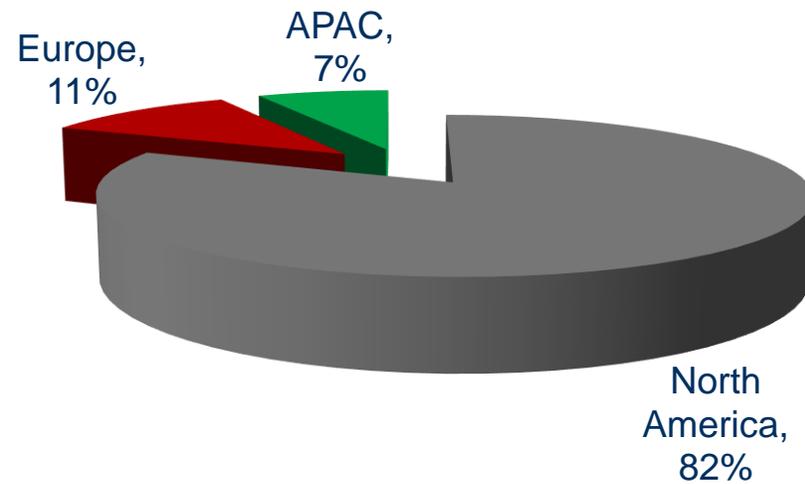
EMPLOYEE ATTRITION

Attrition back to low levels



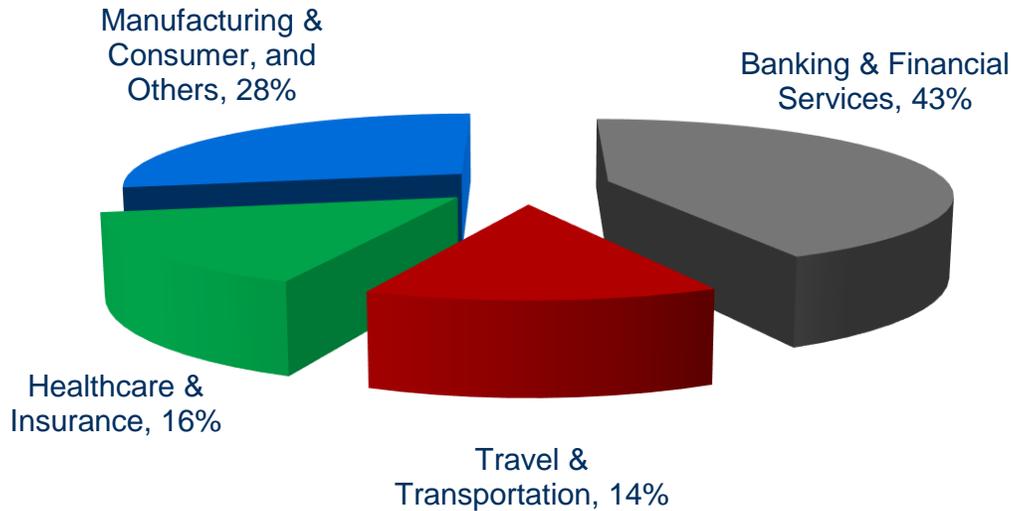
Net headcount addition during the quarter (incl. trainees) – 579

APAC led Growth



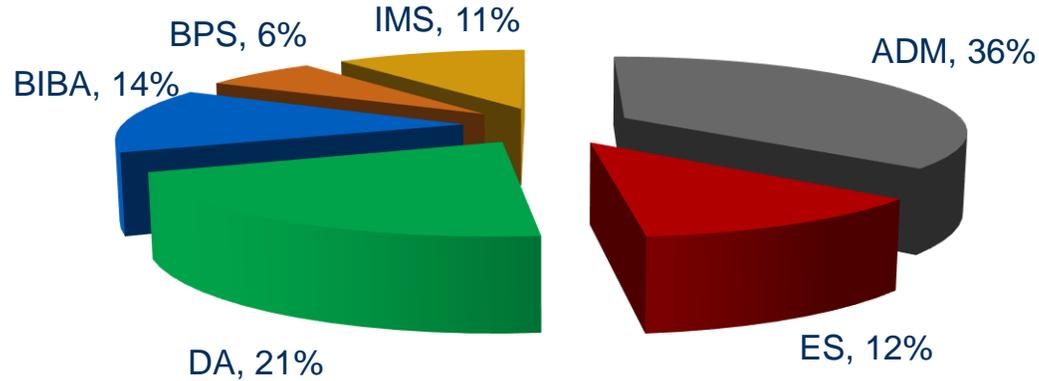
GEOGRAPHY	GROWTH QoQ	GROWTH YoY
North America	3.1%	19.3%
Europe	3.4%	9.0%
APAC	19.7%	33.5%
TOTAL	4.2%	19.0%

Travel & Transportation led Growth



VERTICAL	GROWTH QoQ	GROWTH YoY
Banking & Financial Services	5.6%	29.4%
Travel & Transportation	7.5%	5.8%
Healthcare & Insurance	-0.9%	6.4%
Manufacturing & Consumer, and Others	3.3%	19.3%
TOTAL	4.2%	19.0%

IMS led Growth



HORIZONTAL ⁽¹⁾	GROWTH QoQ	GROWTH YoY
Application Development & Maintenance (ADM)	3.3%	13.9%
Enterprise Solutions (ES)	-0.1%	4.9%
Digital Assurance/ Testing (DA)	4.1%	22.9%
Business Intelligence & Analytics (BIBA)	2.1%	7.8%
Business Process Services (BPS)	-1.4%	31.7%
Infrastructure Management Services (IMS)	21.4%	74.2%
TOTAL	4.2%	19.0%

Financial Update

Revenue

Q1 2017 constant currency revenue at \$144.6 mn; ↑ 4.0% QoQ; ↑ 19.9% YoY

Q1 17 \$ Revenue at \$144.7 mn; ↑ 4.2% QoQ; ↑ 19.0% YoY

Q1 17 INR Revenue at Rs 9,605 mn; ↑ 2.1% QoQ; ↑ 17.1% YoY



Outstanding Hedge Position and Rates

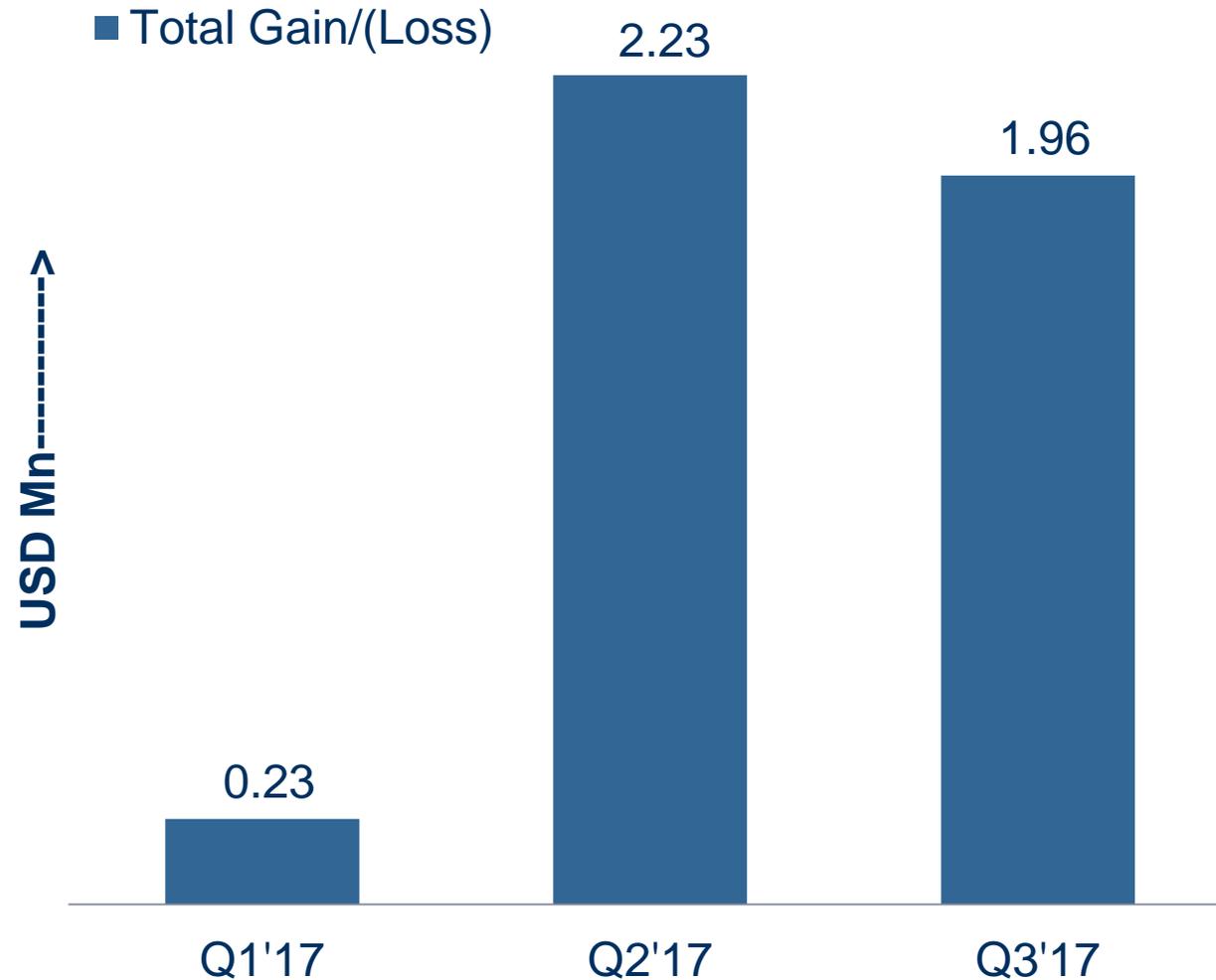
Outstanding Hedge Position

Currency Pair	Amount (Mn.)	Avg. Rate
USDINR (\$)	141.66	72.77
EURNR (€)	4.10	81.36
GBPNR (£)	4.20	99.08
Total (\$)	151.28	

Note -

- 1. Hedges outstanding are full-term hedges.*
- 2. EUR converted @ 1.0685/USD & GBP converted @ 1.2475/USD.*
- 3. Avg. Rate = Average of the forward rate at which the hedges have been booked with the banks.*

Forex Gain/(Loss)



- As compared to the forex gain of \$1.85 Mn in Q4'16, the forex gain this quarter was \$0.23 Mn.
- Forex gains expected are ~\$ 2.23 Mn in Q2'17 and ~\$ 1.96 Mn in Q3'17 at exchange rate of INR 64.85 / USD.

Balance Sheet Updates

CASH & CASH EQUIVALENTS

Cash and Cash Equivalents* at US\$ 50 Mn (INR 3,231 Mn)

DAYS SALES OUTSTANDING

Days Sales Outstanding (DSO) for Q1 2017 at 46 days; 74 days including unbilled

DIVIDEND

INR 1.00 per share (50%)
Dividend Payout including taxes INR 356.7 Mn (\$ 5.5 Mn)

Tax: ETR at 23.7% in Q1 17 vs 25.1% in Q4 16 due to more business in new SEZ & reduction in non SEZ business.

Capex : \$6.6 Mn capex in Q1 2017



Thank You