



Investor Update Q3 2015

4 November 2015

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

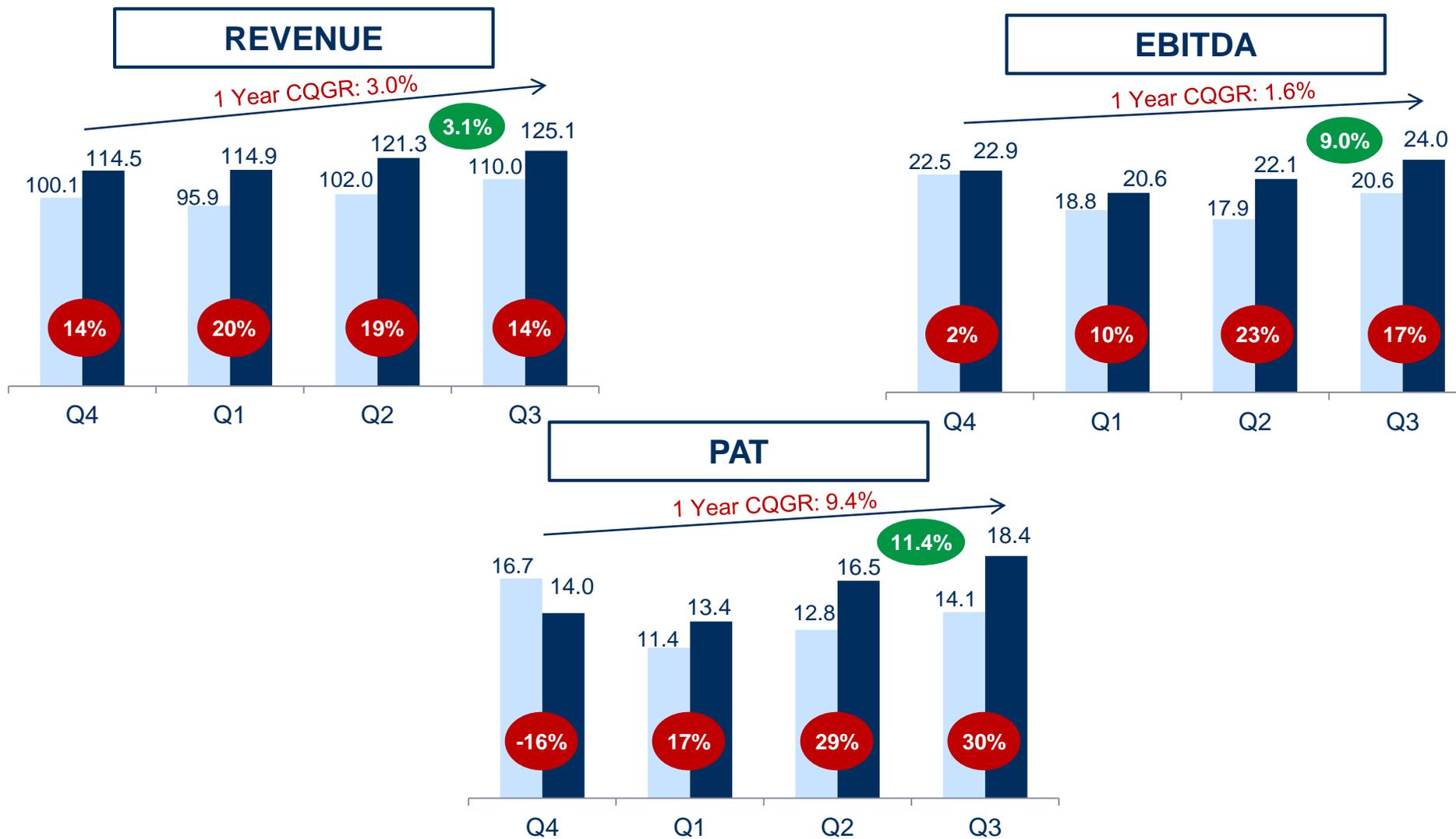
Key Financials for Q3 2015

	Q3 2015	Q2 2015	GROWTH QoQ	GROWTH YoY
Revenue	125.13	121.31	3.15%	13.72%
EBITDA* (before ESOP Cost)	24.05	22.06	9.02%	16.73%
EBITDA (after ESOP Cost)	22.34	20.80	7.42%	8.45%
PAT	15.51	17.05	9.92%	20.68%
EPS Diluted **	3.67	3.25	12.92%	28.77%

* Excludes ESOP Cost of \$1.71 M in Q3, and \$1.26 M in Q2

Performance Highlights (1/2)

Before ESOP Cost



Performance Highlights (2/2)

After ESOP Cost

REVENUE

1 Year CQGR: 3.0%



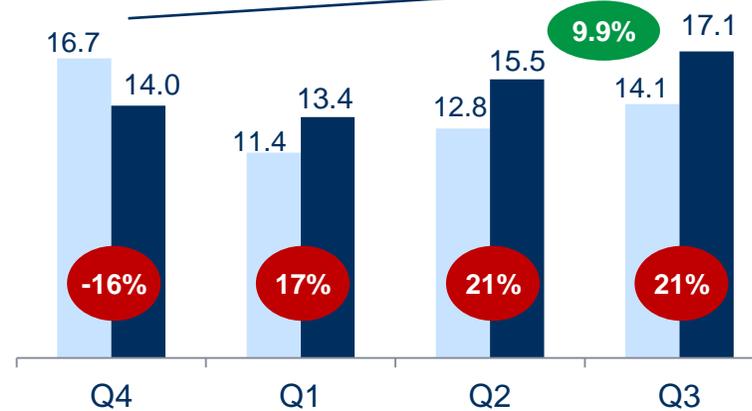
EBITDA

1 Year CQGR: -0.8%



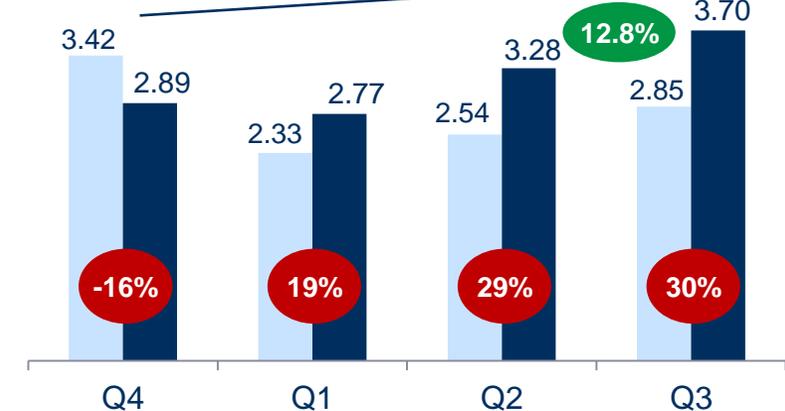
PAT

1 Year CQGR: 6.7%

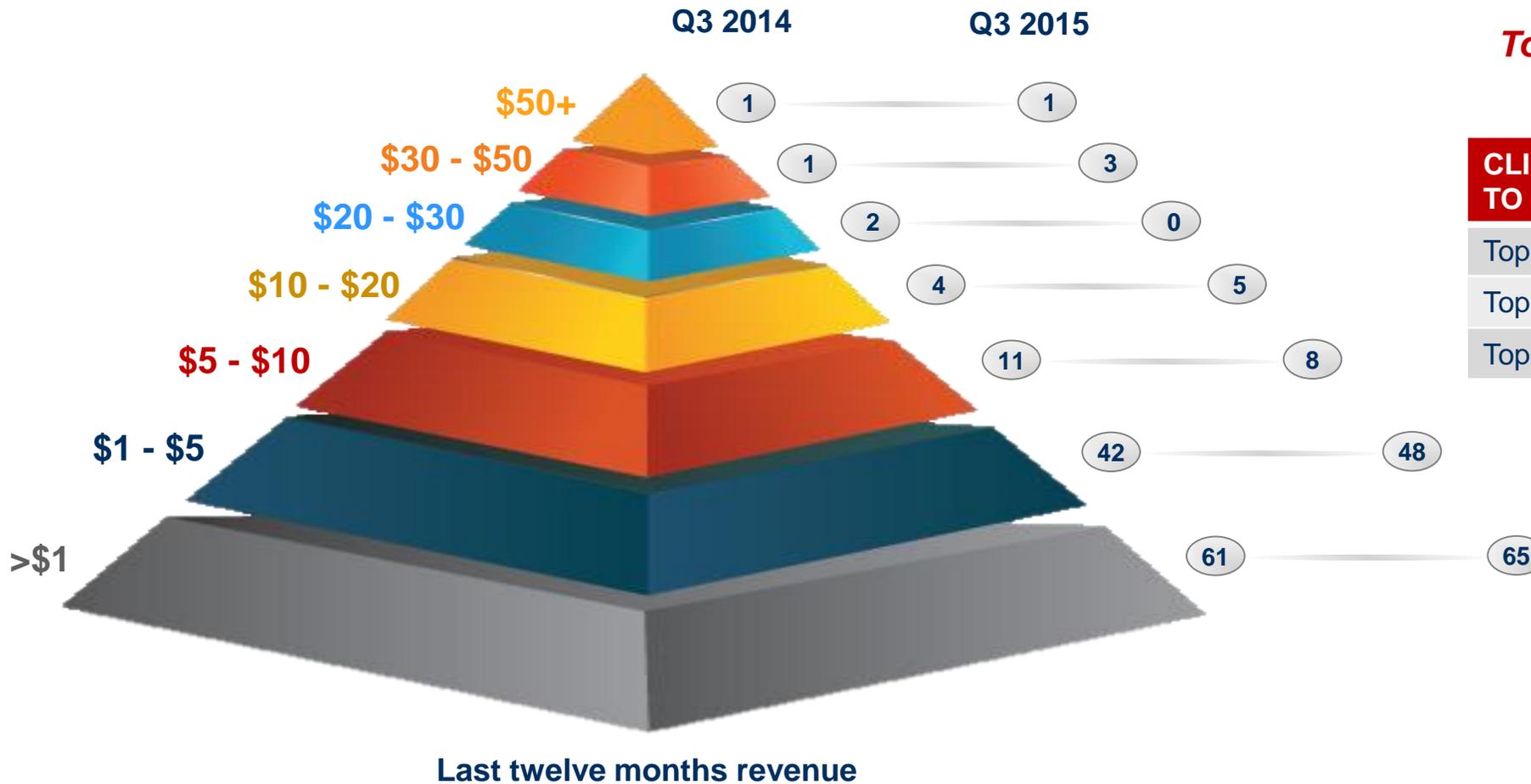


EPS Basic (in INR)

1 Year CQGR: 8.6%



Improved Depth of Customer Relationships

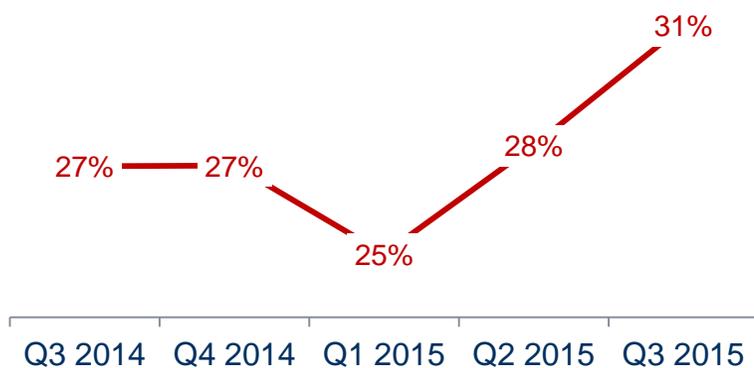


Top 20 Customers grow faster than Company Average

CLIENT CONTRIBUTION TO REVENUE	GROWTH QoQ
Top 5 Clients	2.31%
Top 10 Clients	3.27%
Top 20 Clients	3.82%

Shareholder Metrics

RETURN ON EQUITY



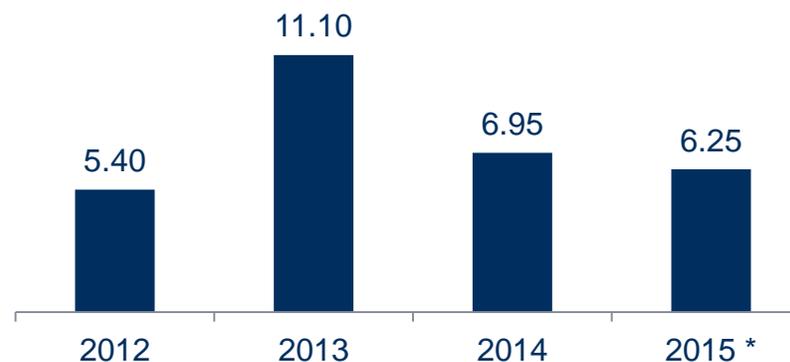
TOTAL SHAREHOLDER RETURNS

Stock price as at the end of each quarter



DIVIDEND PAYOUT

Dividend declared for the year



Business Updates

YTD NN Deals exceed USD 100 million

NEW WINS IN Q3 2015

- Multi-year infrastructure technology services outsourcing deal for one of the largest commercial real estate and finance groups
- Securitization development and production support deal a leading mortgage corporation
- Multi-year multi-million product maintenance and enhancement in Agile for a leading multimedia company
- Enterprise Data Warehousing for a global provider of drug dealing technology

NEW CLIENTS ADDED IN Q3 2015

GEOGRAPHY	NEW ADDS
North America	4
Europe	4
APAC	1

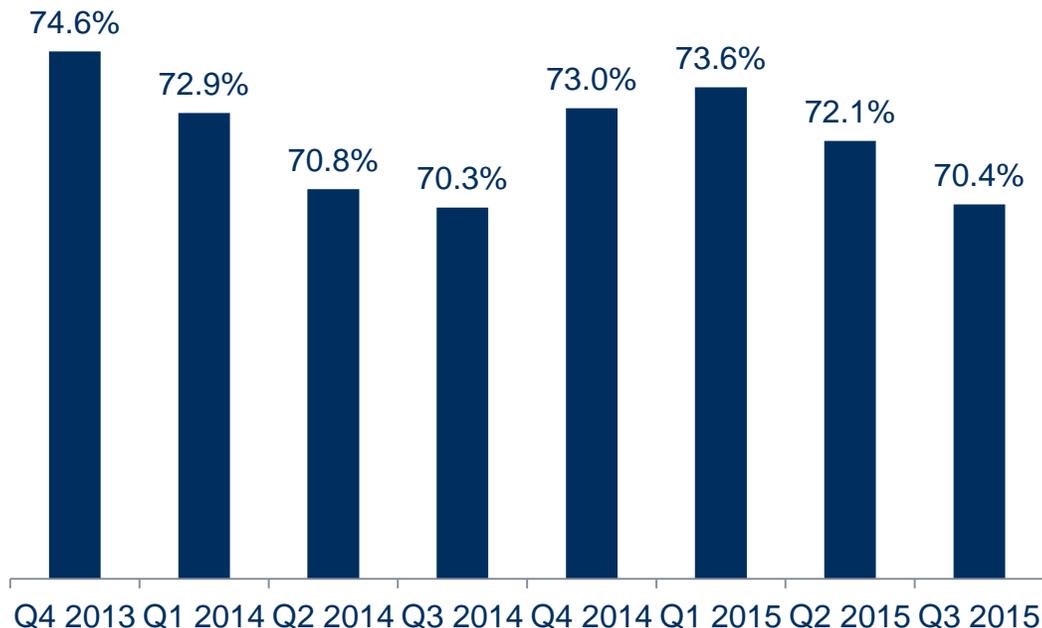
VERTICAL	NEW ADDS
Manufacturing & Consumer	5
Global Travel & Transportation	1
Healthcare & Insurance	1
Banking & Financial Services	2

HORIZONTAL	NEW ADDS
Infrastructure Management	2
Enterprise Solutions	2
Application Development & Maintenance	2
Quality Assurance & Testing	3

Employee Metrics

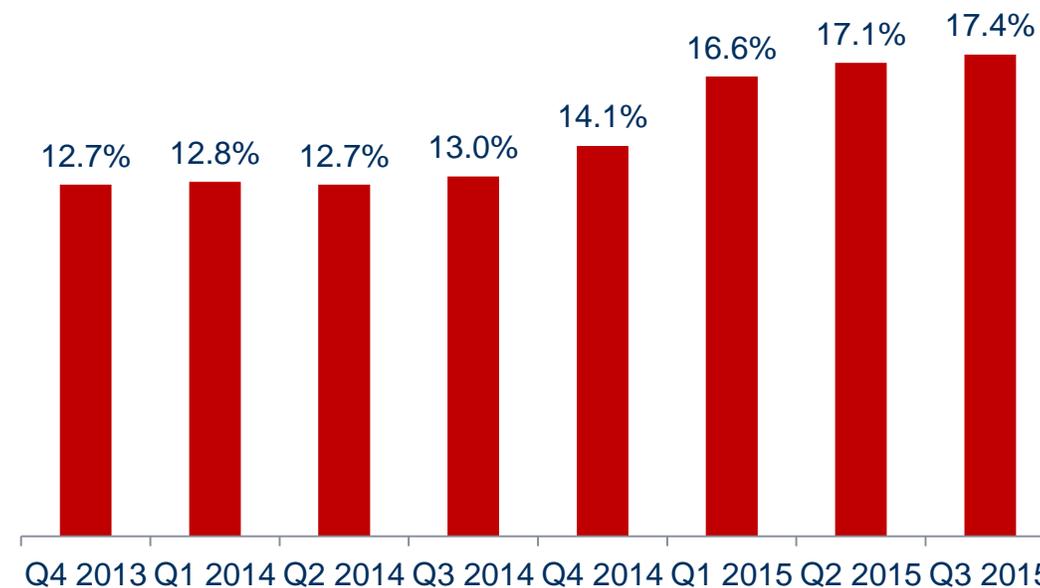
UTILIZATION

Range Bound



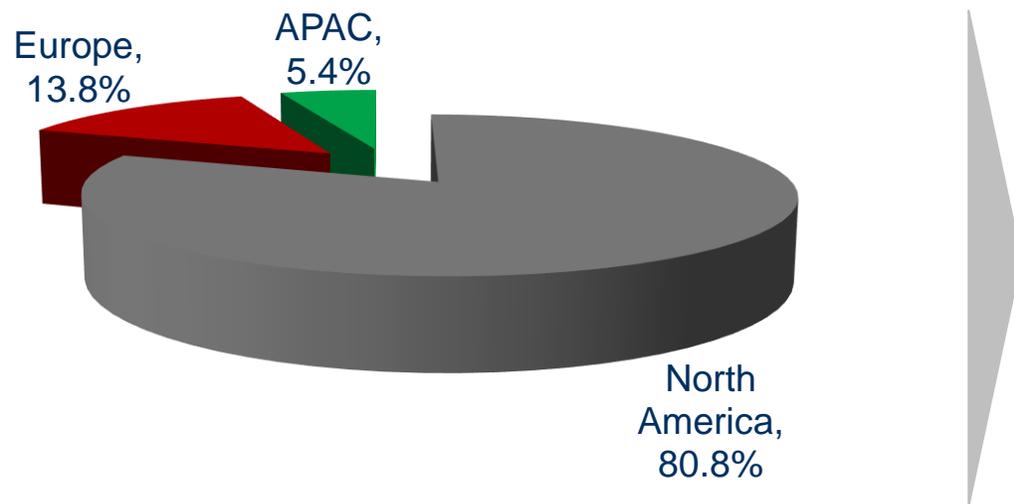
EMPLOYEE ATTRITION

Significant efforts taken to contain attrition



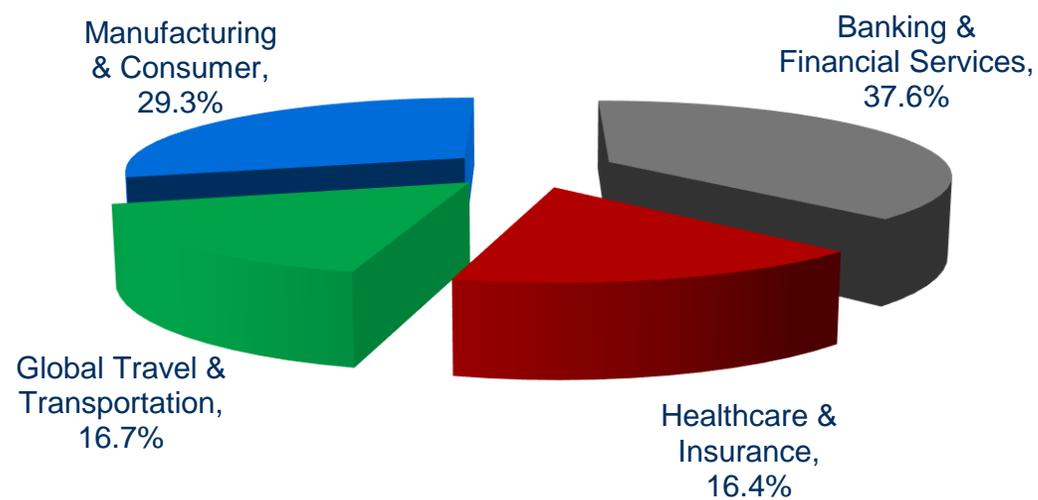
Net headcount addition during the quarter (incl. trainees) - 332

Geography Split



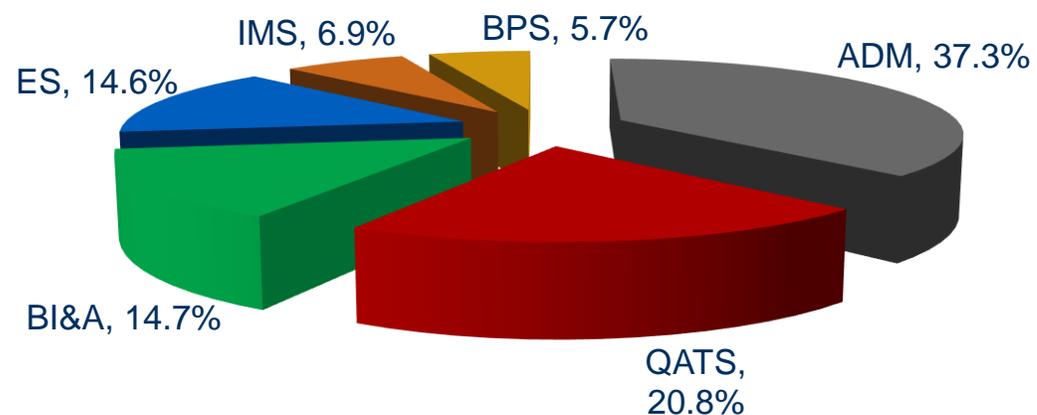
GEOGRAPHY	Q3 2015	GROWTH	
		QoQ	YoY
North America	101.08	2.93%	16.57%
Europe	17.29	6.01%	9.60%
APAC	6.76	-0.54%	-10.38%
TOTAL	125.13	3.15%	13.72%

Broad based Growth across Verticals



VERTICAL	Q3 2015	GROWTH	
		QoQ	YoY
Banking & Financial Services	47.07	5.60%	17.86%
Healthcare & Insurance	20.55	7.75%	17.84%
Global Travel & Transportation	20.88	-0.91%	17.75%
Manufacturing & Consumer	36.63	0.10%	4.90%
TOTAL	125.13	3.15%	13.72%

Broad based Growth across Service Lines



HORIZONTAL	Q3 2015	GROWTH	
		QoQ	YoY
Application Development & Maintenance (ADM)	46.67	1.66%	15.20%
Quality Assurance & Testing Services (QATS)	26.05	2.86%	16.91%
Business Intelligence & Analytics (BI&A)	18.35	0.03%	9.58%
Enterprise Services (ES)	18.24	5.30%	-3.01%
Infrastructure Management Services (IMS)	8.65	6.41%	21.75%
Business Process Services (BPS)	7.18	14.13%	56.53%
TOTAL	125.13	3.15%	13.72%

Awards & Recognition

Hexaware has been declared as the Winner of '**Golden Peacock Award for Excellence in Corporate Governance**' for the year 2015, by the Golden Peacock Awards Secretariat - Institute of Directors

Hexaware has been mentioned in the **Ovum report** titled, "India IT Services Vendor Quarterly, 2Q15" dated 31 August 2015, by analyst Hansa Iyengar

Various **Gartner reports** during Q2 2015 mentioned Hexaware. These reports are titled:

1. "Hype Cycle for Application Services, 2015", dated 16 July 2015
2. "Hype Cycle for Business Process Services and Outsourcing, 2015", dated 29 July 2015
3. "Market Guide for BI and Analytics Service Providers", dated 06 August 2015
4. "Innovation Insight for Digital Insurance Services in the P&C and Life Insurance Market", dated 27 August 2015

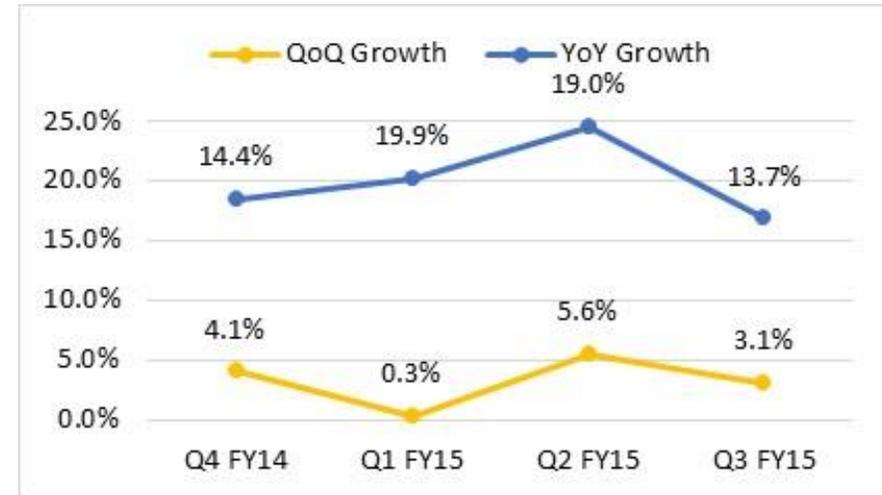
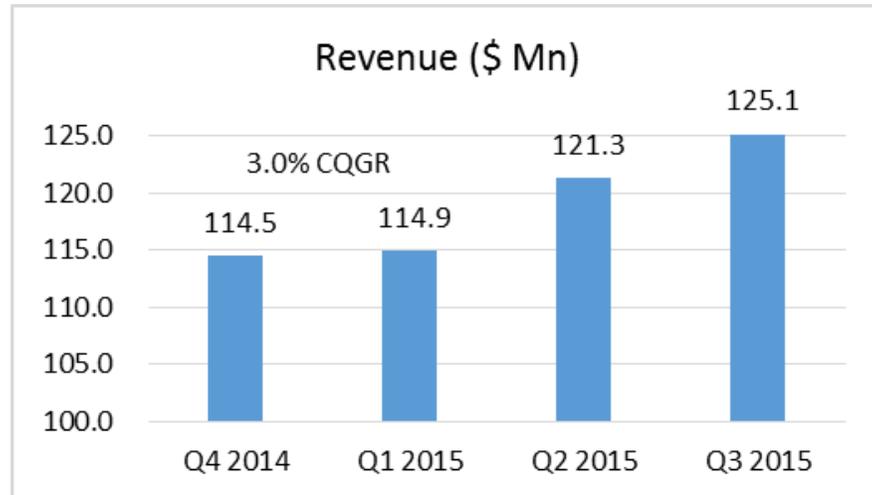
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Financial Update

Revenue

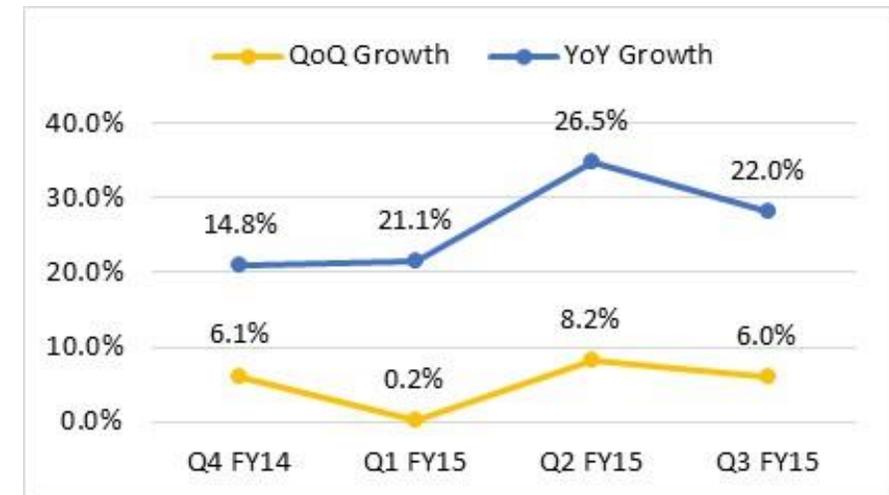
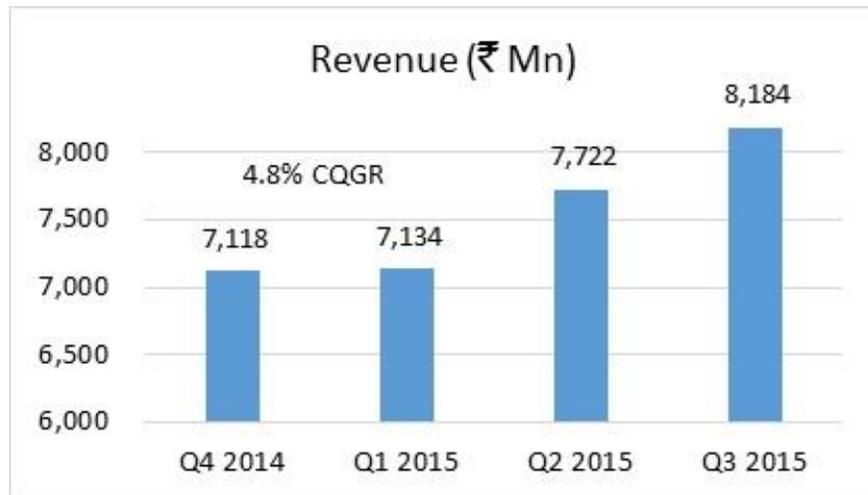
Q3 2015(JAS) Revenue in US\$ terms at \$ 125.3 mn; up 3.1% QoQ; up 13.7 % YoY

Q3 Constant Currency Revenue at \$125.5mn; up 3.5% QoQ; up 16.4% YoY

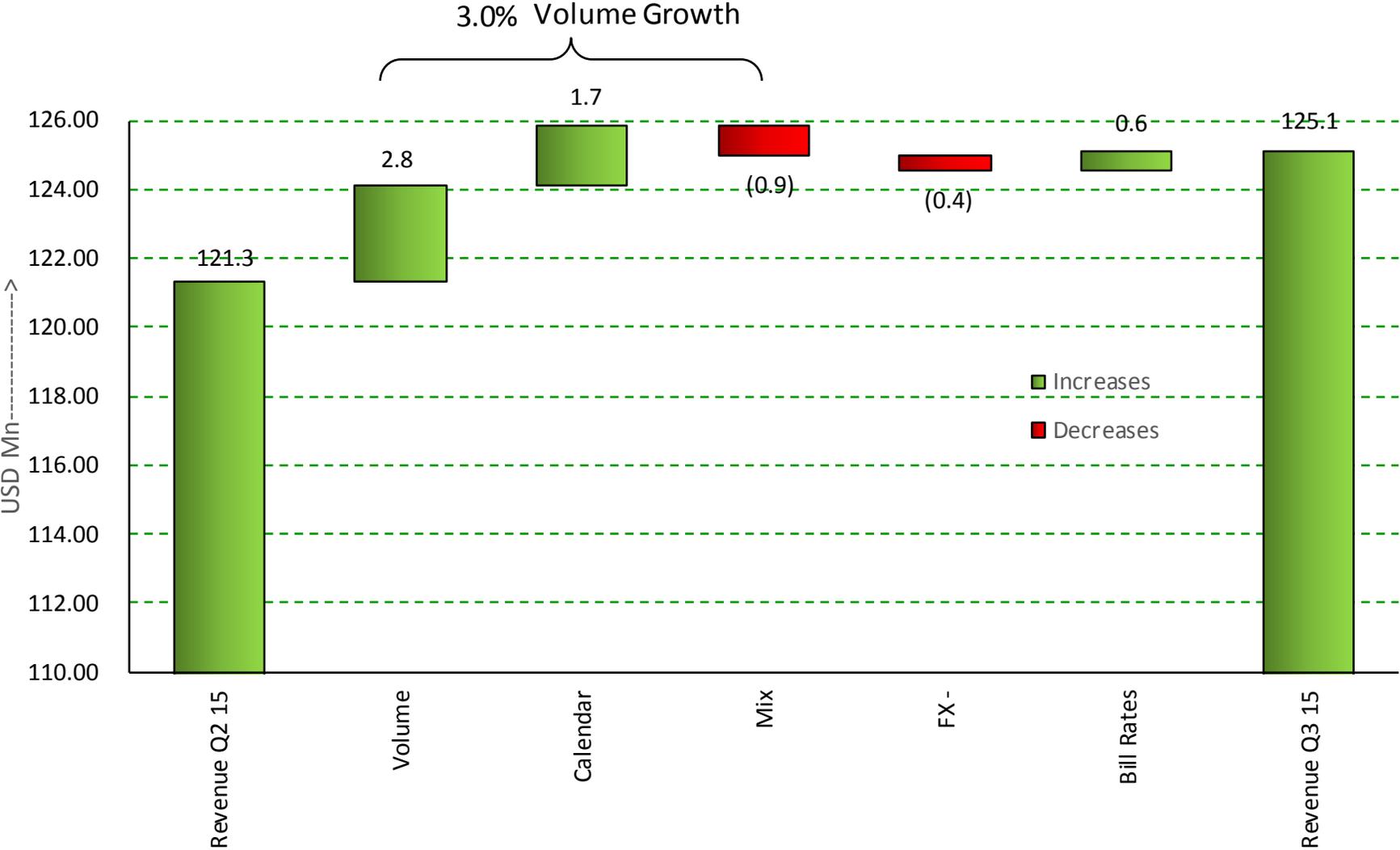


Revenue

Q3 2015(JAS) Revenue in INR terms at ₹8,184 mn; up 6.0% QoQ; up 22.0 % YoY



Revenue Analysis - QoQ



EBITDA Margin Walk

- EBITDA* margin for the quarter was 19.2%(Excludes ESOP cost), 100 bps higher than last quarter
- Gross margin for Q3 2015 at 36.6%; higher by 60 bps mainly due to following reasons

	bps
Calendar	72
Lower utilisation	-132
One time Termination Cost in Q2	82
One time H1B visa Cost in Q2	59
Forex gain	56
Increments at offshore	-38
Gratuity & Other cost increase	-39

- SG&A cost is 17.4% vs 17.9% in Q2 15. In spite of doing investment in marketing by adding 30 personnel, SG&A% has come down due to forex gain of 21 BPS and volume leverage.

Tax: ETR @22.4% vs. 23.5% in Q2, ETR ↓ 110 bps due to increase in SEZ 100% tax exempt income in India & prior year provision reversal of \$155k in HTI - US.

Outstanding Hedge Position and Rates

Outstanding Hedge Position

Currency Pair	Amount (Mn.)	Avg. Rate
USDINR (\$)	147.30	68.17
EURNR (€)	5.70	75.63
Total (\$)	153.69	

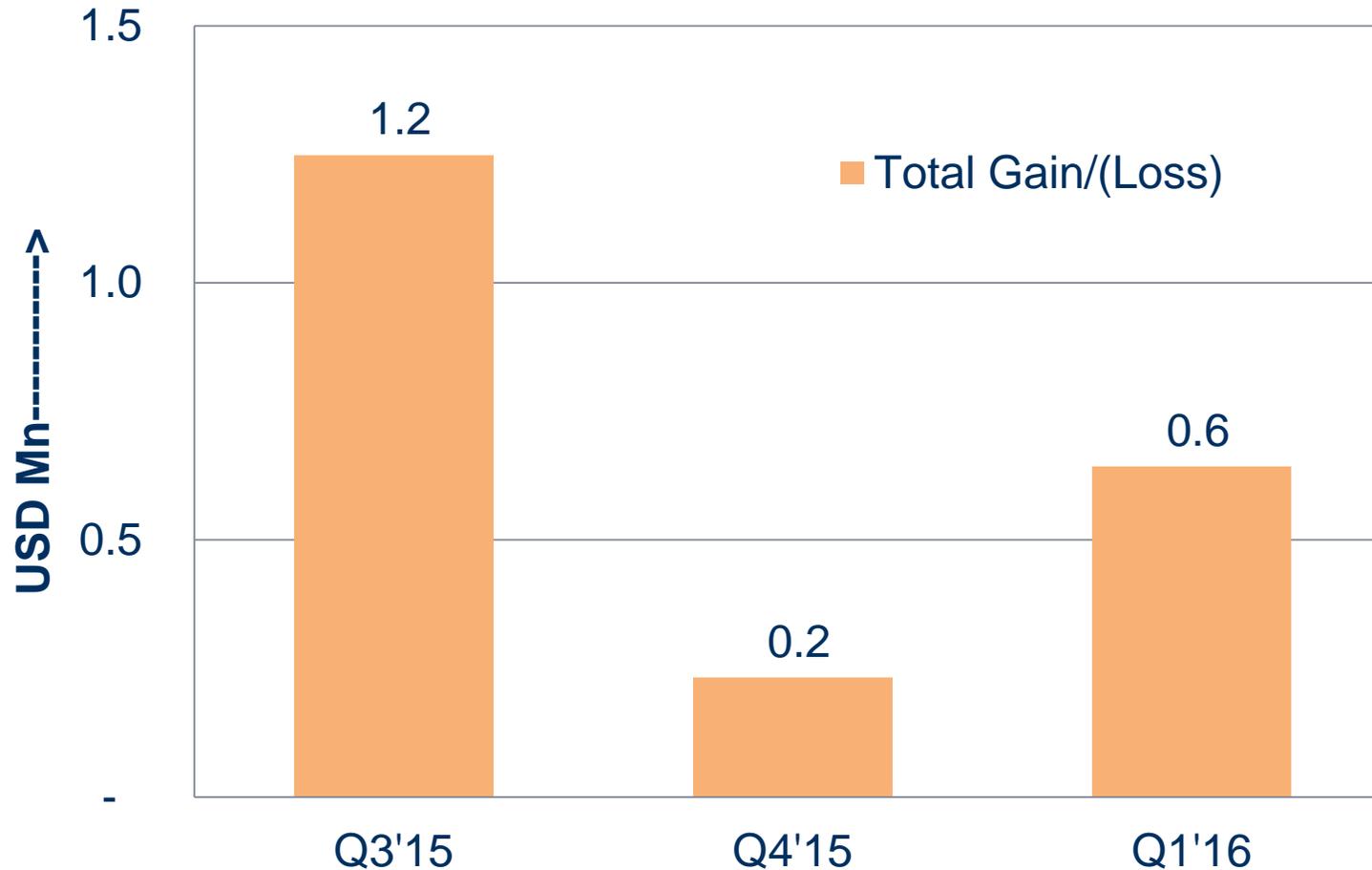
Note -

1. Hedges outstanding are full-term hedges.

2. EUR converted to USD @ 1.1206.

3. Avg. Rate = Avg. of the forward rate at which the hedges have been booked with the banks.

Forex Gains/(Losses)



- Forex gain of \$1.2 Mn this quarter as against a gain of \$1.0 Mn in Q2'15.
- All hedges are full-term hedges.
- Forex gain expected ~ \$ 0.2 Mn in Q4'15 and ~\$ 0.6 Mn Q1'16 at exchange rate of INR 65.5875/USD.

Balance Sheet Updates

CASH & CASH EQUIVALENTS

Cash and Cash Equivalents* at US\$ 58.19 M (INR 3816 M)

DAYS SALES OUTSTANDING

Days Sales Outstanding (DSO) for Q3 2015 at 54 days; 80 days
including unbilled

DIVIDEND

INR 2.25 per share (112.5%)

Dividend Payout including taxes INR 816.5 mn (\$ 12.45 Mn)

Dividend Payout Ratio: 73%

Capex 2015

Rs. In Crores

Particulars	Q1-2015	Q2-2015	Q3-2015	YTD
SiruSeri	29.2	10.4	14.7	54.3
Pune - Hinjewadi	-	1.0	1.2	2.2
Computers & Equipements	4.8	7.5	14.8	27.0
Total	33.92	18.84	30.70	83.46
USD (Mn)	5.17	2.87	4.68	12.73

Overall Likely Capex Spend for 2015 – \$ 21 mn (Rs 138 crs)



Thank you