



Investor Update Q3 2016

25th October 2016

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 2016

	Q3 2016	Q2 2016	GROWTH QoQ	GROWTH YoY
Revenue	135.24	129.68	4.29%	8.08%
EBITDA* (before ESOP Cost)	24.65	20.86	18.14%	2.50%
EBITDA (after ESOP Cost)	23.58	20.17	16.93%	5.55%
PAT	16.67	14.90	11.93%	-2.23%
EPS Diluted **	3.66	3.29	11.37%	-0.14%

* Excludes ESOP Cost of \$1.07 M in Q3 and \$0.70 M in Q2

Movement of Top 20 Customers

Top 20 Accounts by Revenue for the Quarter (instead of LTM)

Q3 2016 vs. Q2 2016

IN

- UK's leading insurance company
- American multinational conglomerate corporation

OUT

- American investment management firm
- Fortune 500 global corporation

Strategy Proof Points

USD 42 million NN Deal wins in Q3-16

Shrink IT

Automation led Application Management transformation for a global publisher and distributor of Children's books, print and digital material

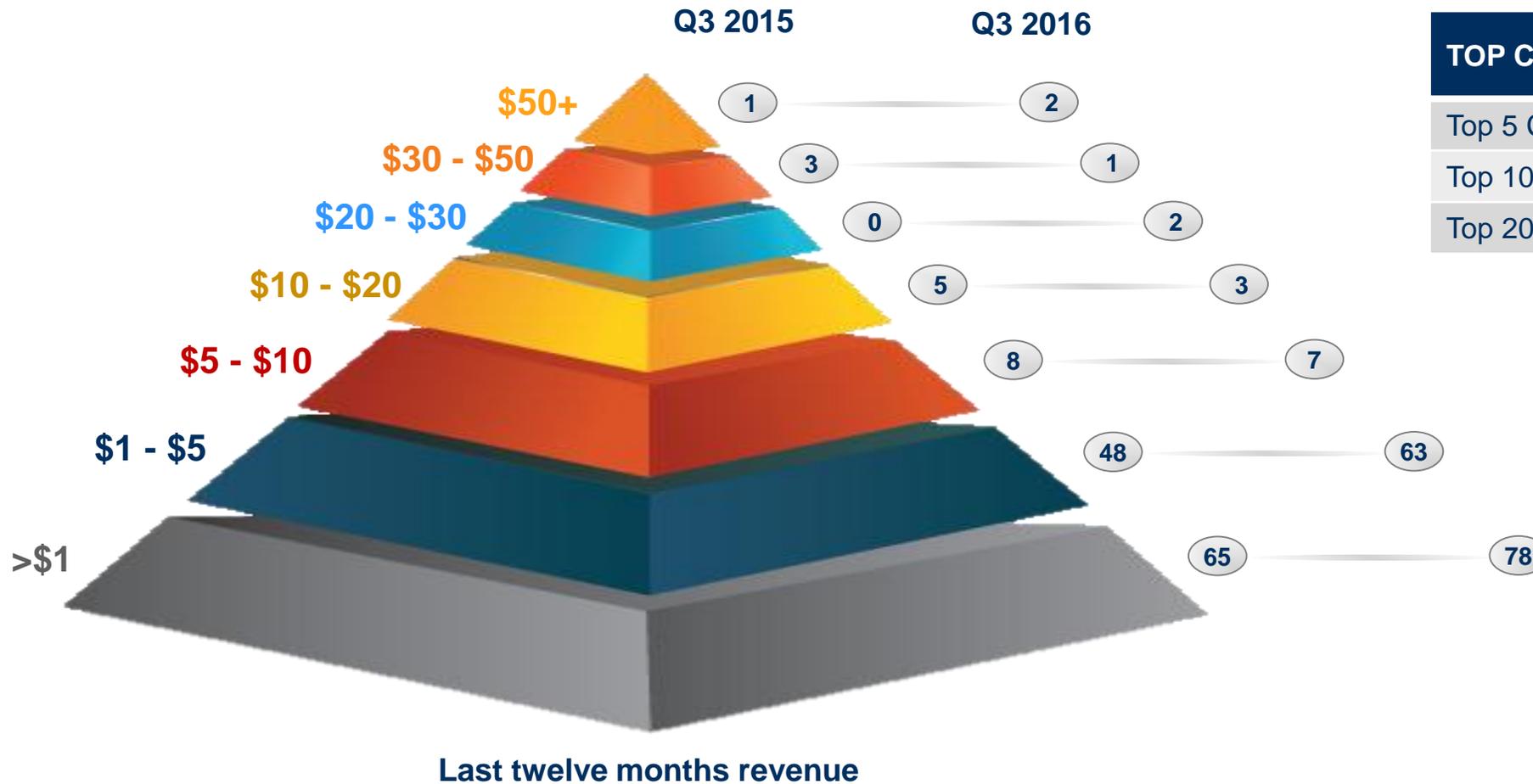
Shrink IT

Human Resources Operation optimization through Automation for one of the largest independent professional employer organizations in North America

Grow Digital

Business Transformation for one of the top skincare lines to initiate and integrate their e-commerce with Order to Cash Process

Improved Depth of Customer Relationships



TOP CLIENTS	GROWTH QoQ
Top 5 Clients	13.9%
Top 10 Clients	10.2%
Top 20 Clients	7.8%

Shareholder Metrics

RETURN ON EQUITY



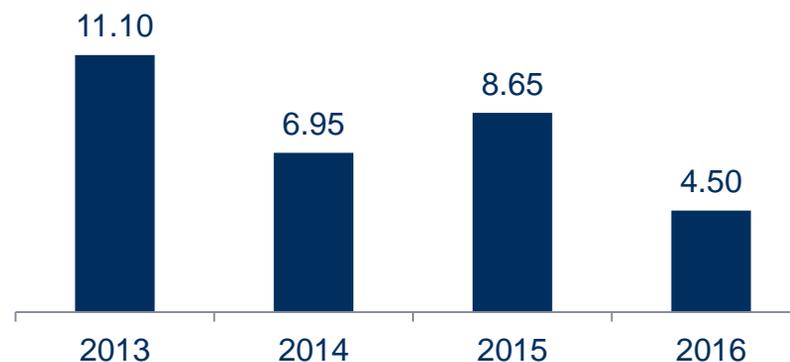
TOTAL SHAREHOLDER RETURNS

Stock price as at the end of each quarter



DIVIDEND PAYOUT

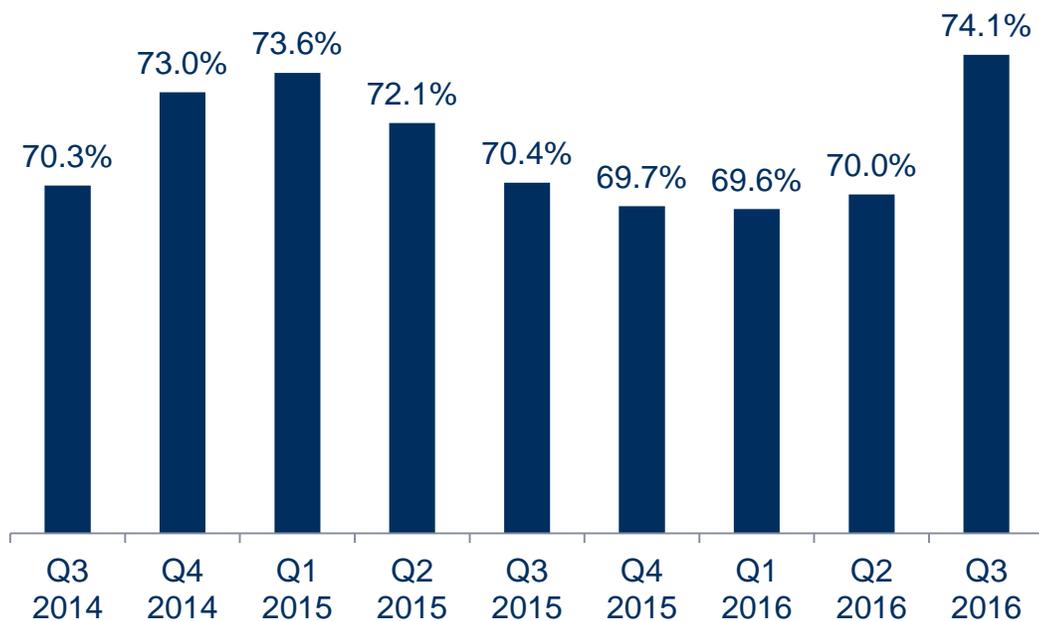
Dividend declared for the year



Employee Metrics

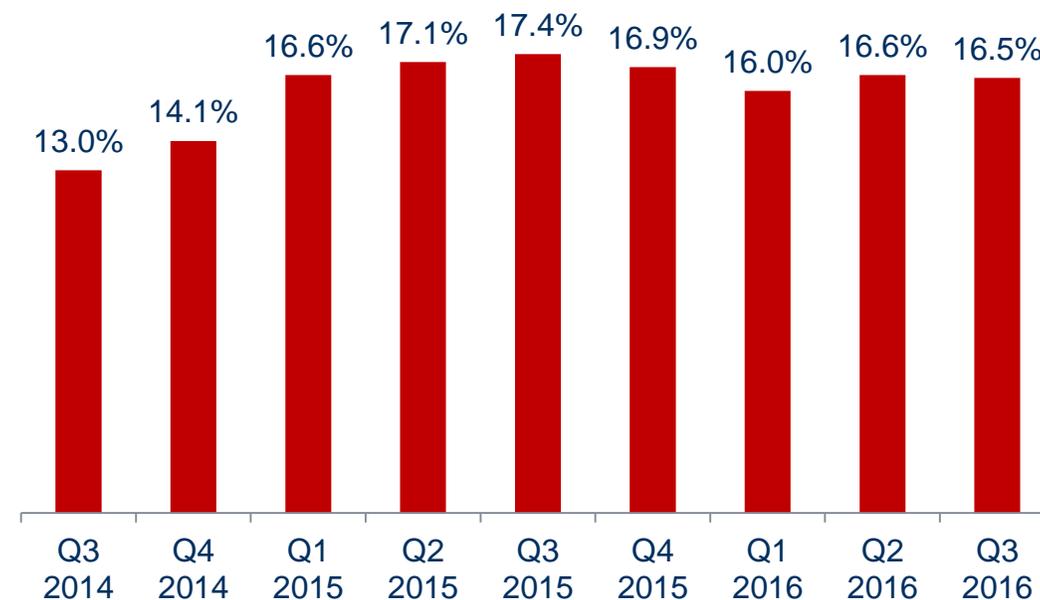
UTILIZATION *

Utilization back to high levels



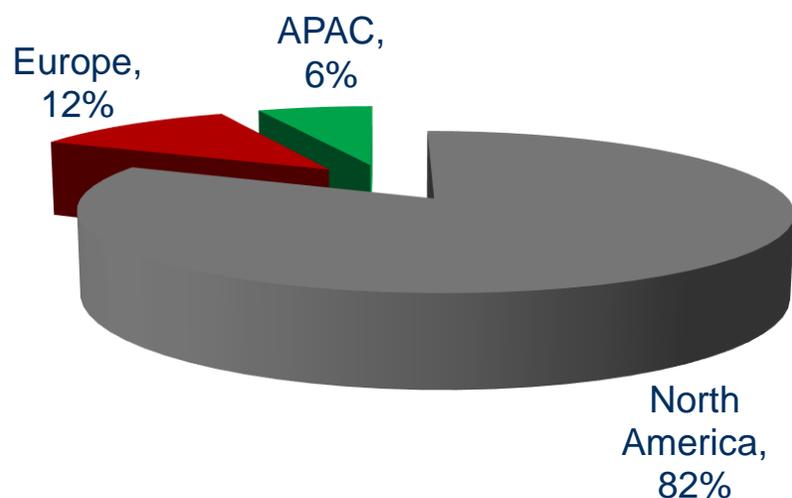
EMPLOYEE ATTRITION

Significant efforts taken to contain attrition



Net headcount addition during the quarter (incl. trainees) – (16)

North America led Growth

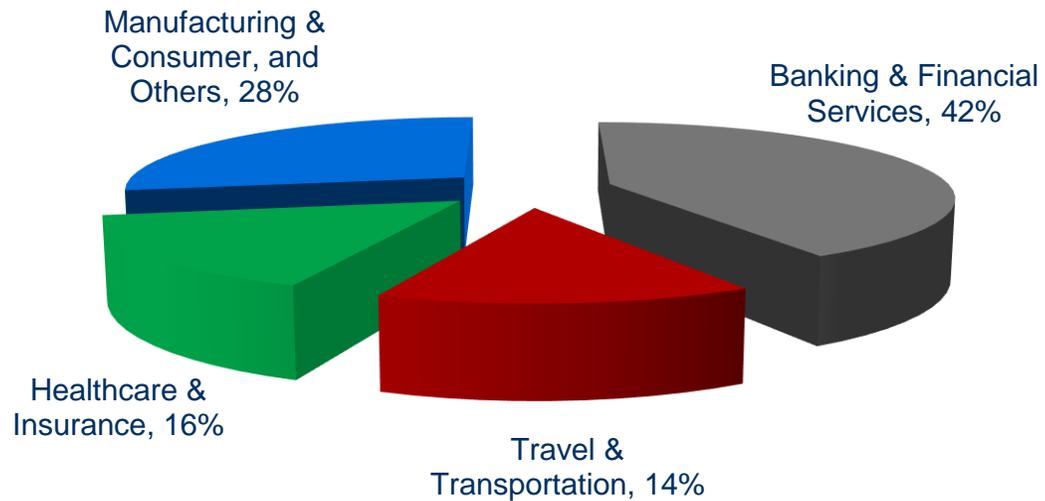


GEOGRAPHY ⁽¹⁾	GROWTH QoQ	GROWTH YoY
North America	5.6%	10.4%
Europe ⁽²⁾	-3.5%	-5.0%
APAC	2.7%	5.5%
TOTAL	4.3%	8.1%

Note:

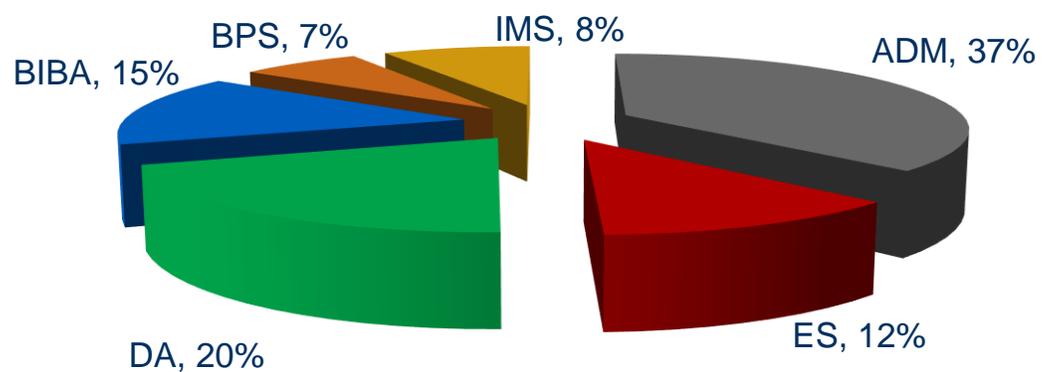
(1) Geographies have been reclassified from Q1-16 and previous period figures have been restated
This reclassification represents our current organization structure
(2) In constant currency terms, Europe remained flat QoQ and grew 1.06% YoY

Banking & Financial Services led Growth



VERTICAL	GROWTH QoQ	GROWTH YoY
Banking & Financial Services	8.6%	19.5%
Travel & Transportation	4.5%	-6.2%
Healthcare & Insurance	-1.9%	5.6%
Manufacturing & Consumer, and Others	1.9%	2.9%
TOTAL	4.3%	8.1%

IMS and BPS led Growth



HORIZONTAL	GROWTH QoQ	GROWTH YoY
Application Development & Maintenance (ADM)	5.3%	8.0%
Enterprise Solutions (ES)	-3.5%	-9.2%
Digital Assurance/ Testing (DA)	4.7%	4.9%
Business Intelligence & Analytics (BIBA)	2.3%	11.8%
Business Process Services (BPS)	9.6%	28.4%
Infrastructure Management Services (IMS)	11.2%	29.7%
TOTAL	4.3%	8.1%

Journey so far

Two Year

	Q2 2016	Q2 2014	GROWTH
Revenue	129.68	101.96	27.2%
EBITDA *	20.86	17.90	16.5%
PAT	14.90	12.77	16.6%
EPS	3.29	2.54	29.7%



9 Quarter

	Q3 2016	Q2 2014	GROWTH
Revenue	135.24	101.96	32.6%
EBITDA *	24.65	17.90	37.7%
PAT	16.67	12.77	30.5%
EPS	3.66	2.54	44.1%

Financial Update

Revenue

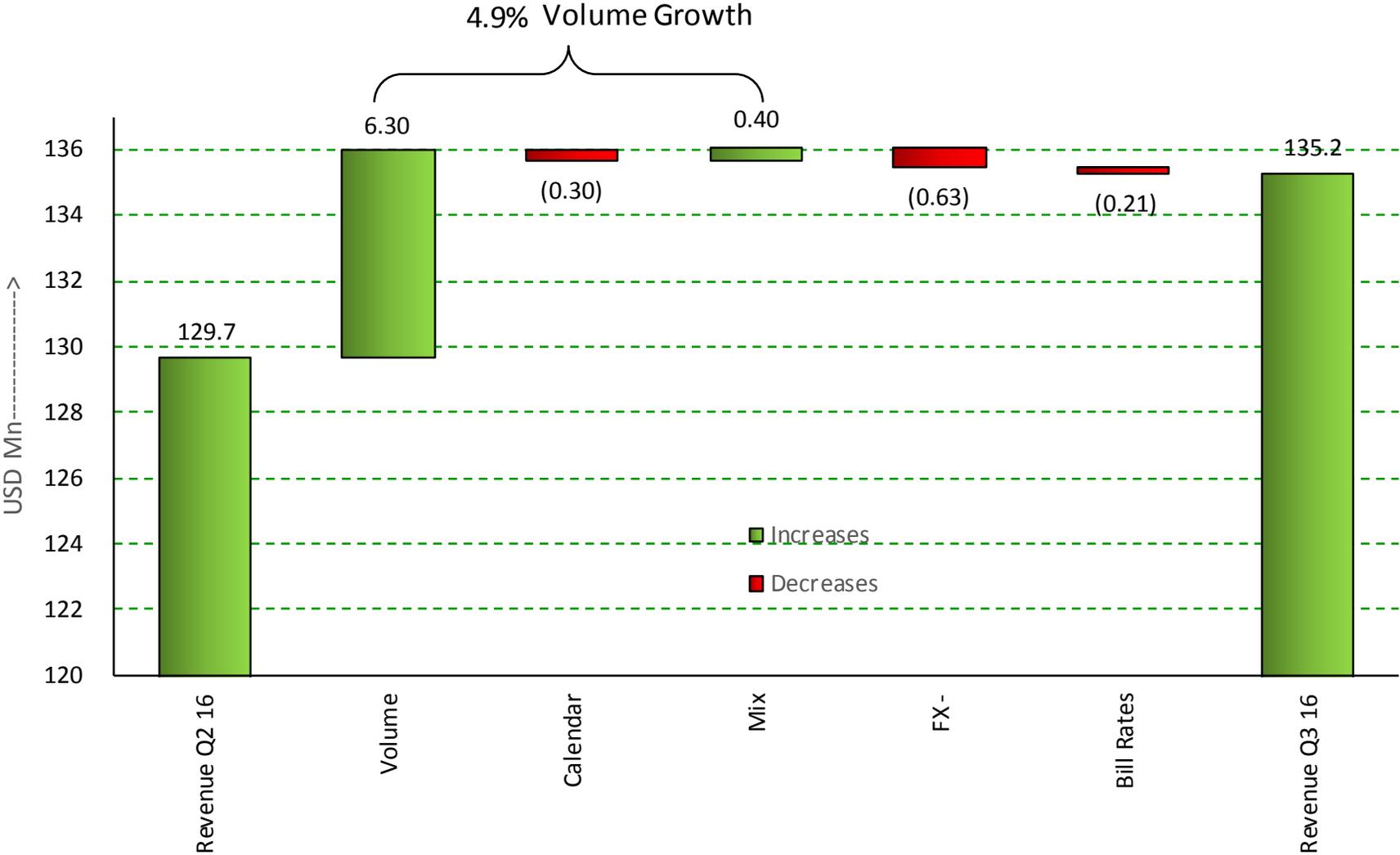
Q3 2016 constant currency revenue at \$135.9 mn; ↑ 4.8% QoQ; ↑ 8.9% YoY

Q3 16 \$ Revenue at \$135.2 mn; ↑ 4.3% QoQ; ↑ 8.1% YoY

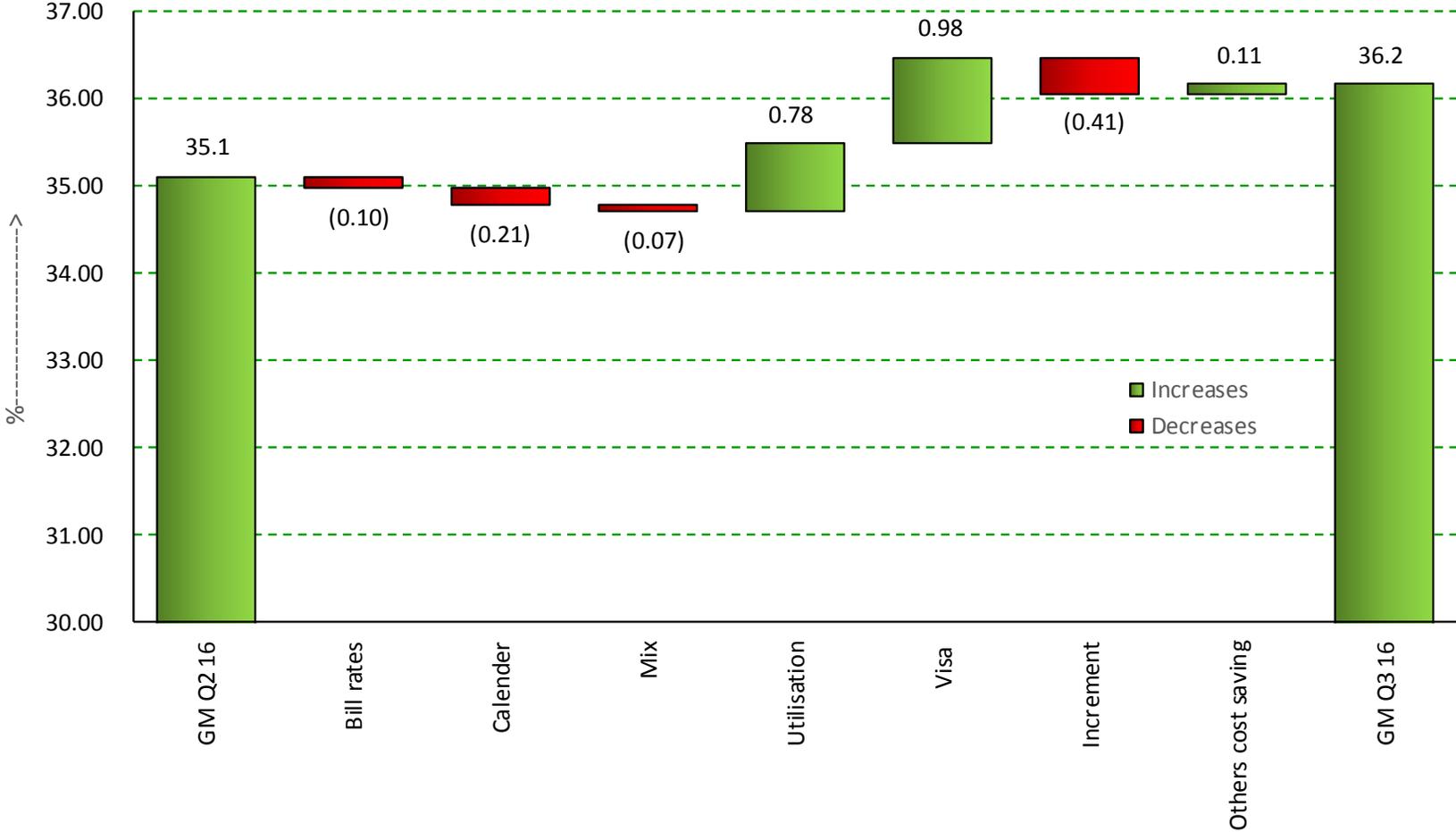
Q3 16 INR Revenue at RS 9041 mn; ↑ 4.0% QoQ; ↑ 10.5% YoY



Revenue Analysis - QoQ



Gross Margin Analysis - QoQ



SG&A ↓ by 100 bps QoQ

Outstanding Hedge Position and Rates

Outstanding Hedge Position

Currency Pair	Amount (Mn.)	Avg. Rate
USDINR (\$)	142.32	72.11
EURNR (€)	4.30	80.64
GBPNR (£)	4.20	105.06
Total (\$)	152.57	

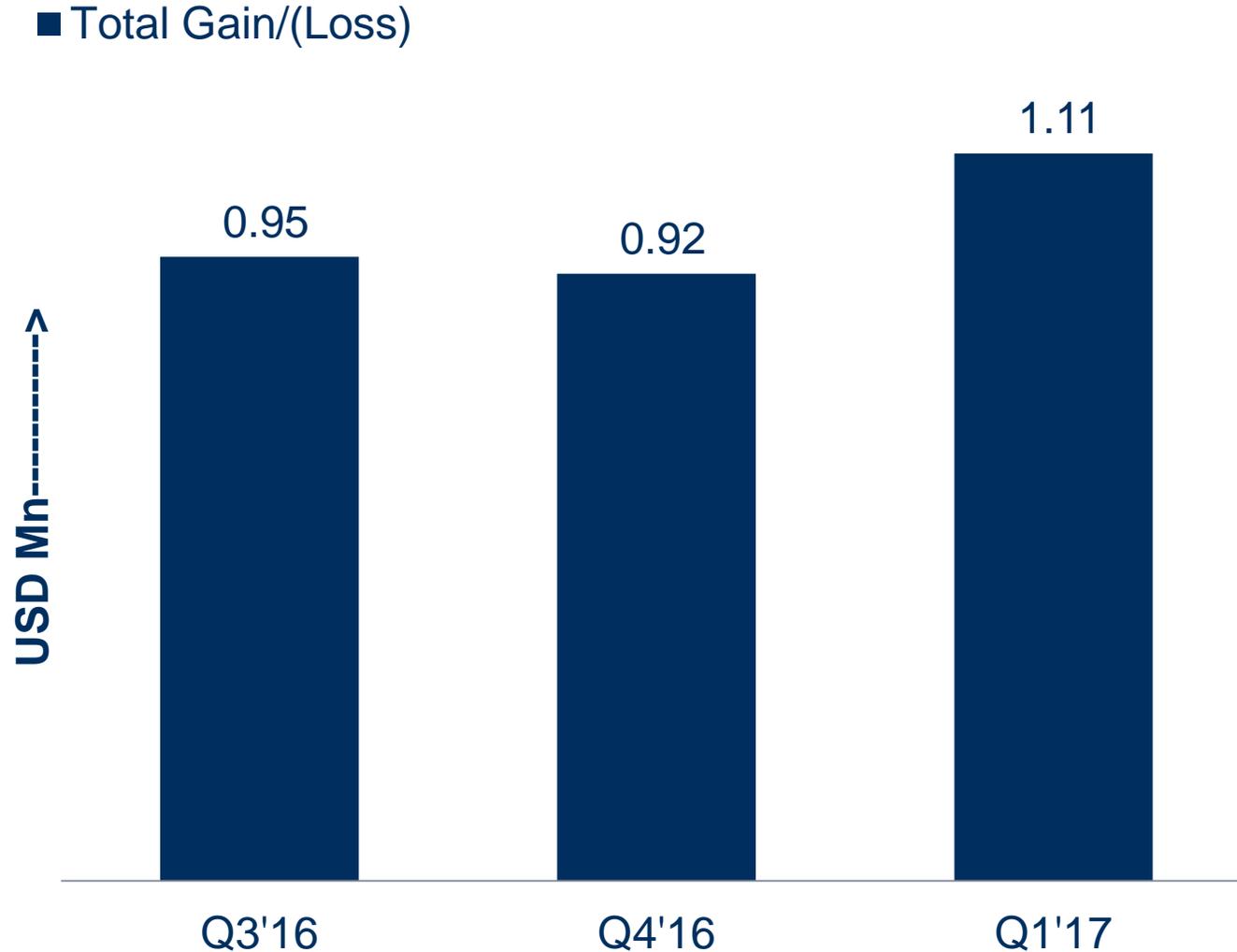
Note -

1. Hedges outstanding are full-term hedges.

2. EUR converted @ 1.1172/USD & GBP converted @ 1.2976/USD.

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

Forex Gain/ (Loss)



- Forex gain of \$0.95 Mn this quarter as against a gain of \$1.82 Mn in Q2'16.
- Forex gain expected ~ \$ 0.92 Mn in Q4'16 and ~\$ 1.11 Mn in Q1'17 at exchange rate of INR 66.6150/USD.

Balance Sheet Updates

CASH & CASH EQUIVALENTS

Cash and Cash Equivalents* at US\$ 51.44 M (INR 3426 M)

DAYS SALES OUTSTANDING

Days Sales Outstanding (DSO) for Q3 2016 at 50 days; 75 days including unbilled

DIVIDEND

INR 1.00 per share (50%)
Dividend Payout including taxes INR 363.4 mn (\$ 5.5 Mn)

Buyback of Shares

Buy back	12.0 % of networth
Offer price	Rs. 240 per equity share payable in cash for an aggregate amount not exceeding Rs. 1,367 million (\$20.5 million)
No of shares being repurchased	5.69 million (representing 1.9% of total equity capital)
It will be on tender basis	
EPS increase	1.9%
Rationale	Buyback is the most efficient way of returning Capital back to the shareholders

Capex 2016

	US\$m	
	Q316	YTD
Siruseri Phase II	2.43	12.25
Hinjewadi - Phase I	3.05	5.84
Computers & Equipments & Others	1.35	5.80
Grand Total	6.83	23.89

US \$18 – 20 Mn of Capex expected in Q4 16, as Chennai / Pune likely to be completed

Tax: ETR is constant @25.8%



Thank you