



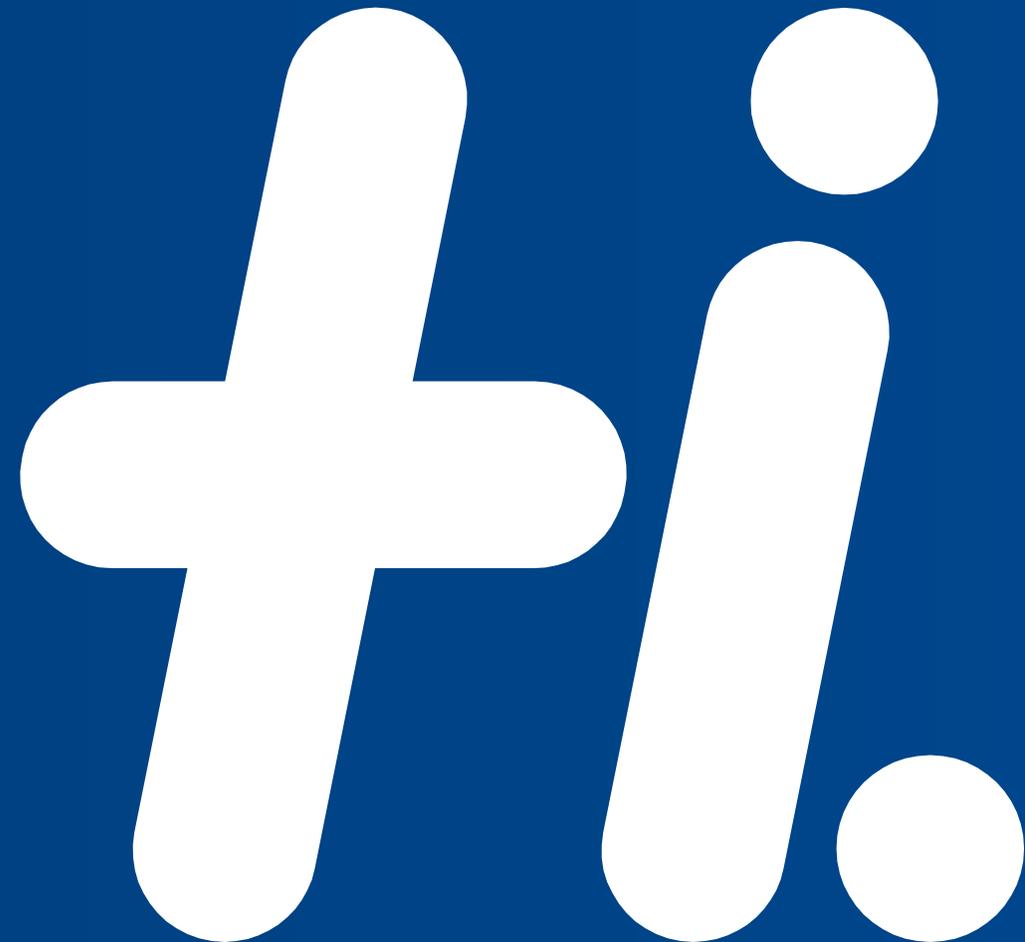
Investor Update Q1 2019

24th April 2019

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

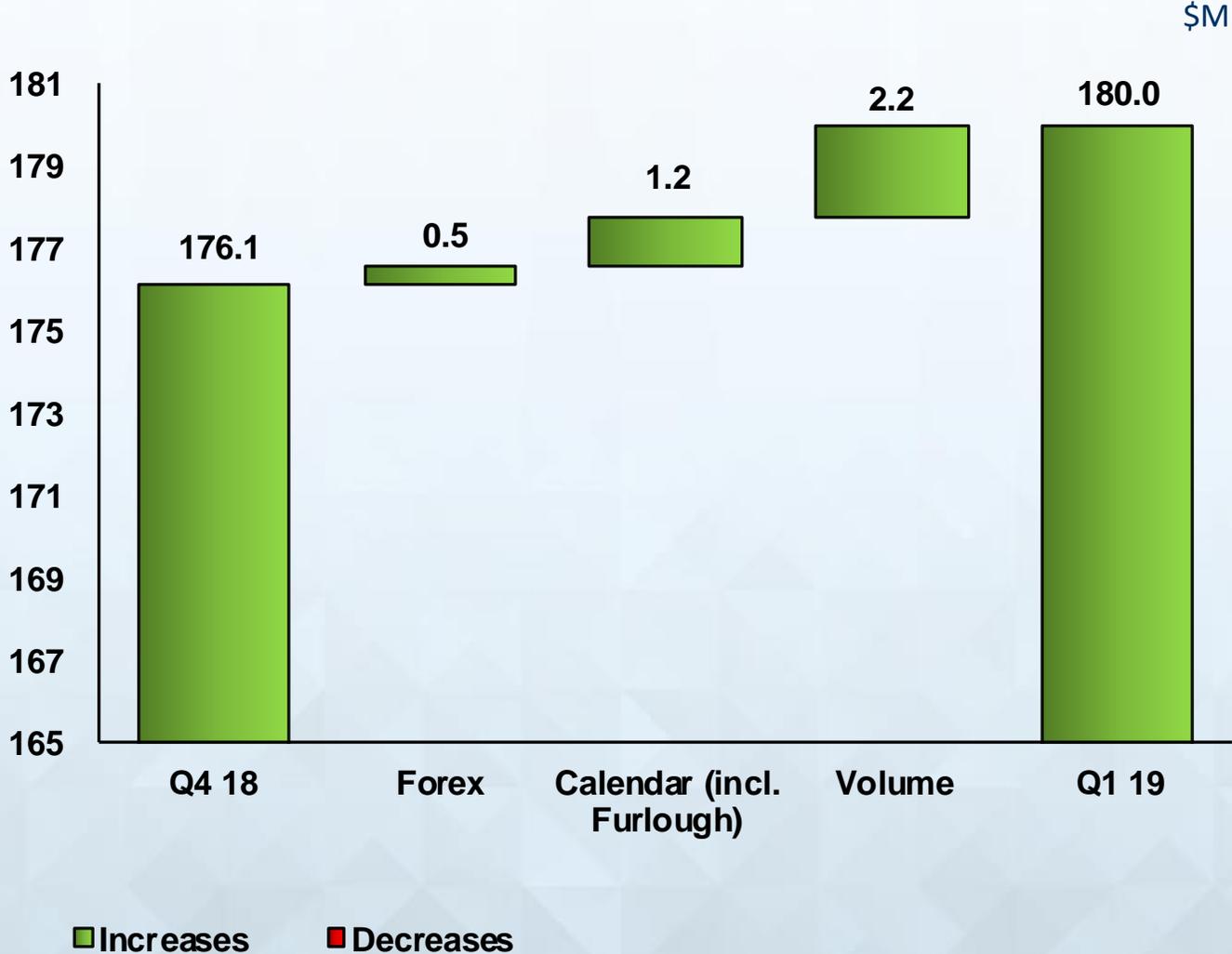
- Interim Q1 dividend of Rs 2.5

* EBIDTA (post ESOP cost)

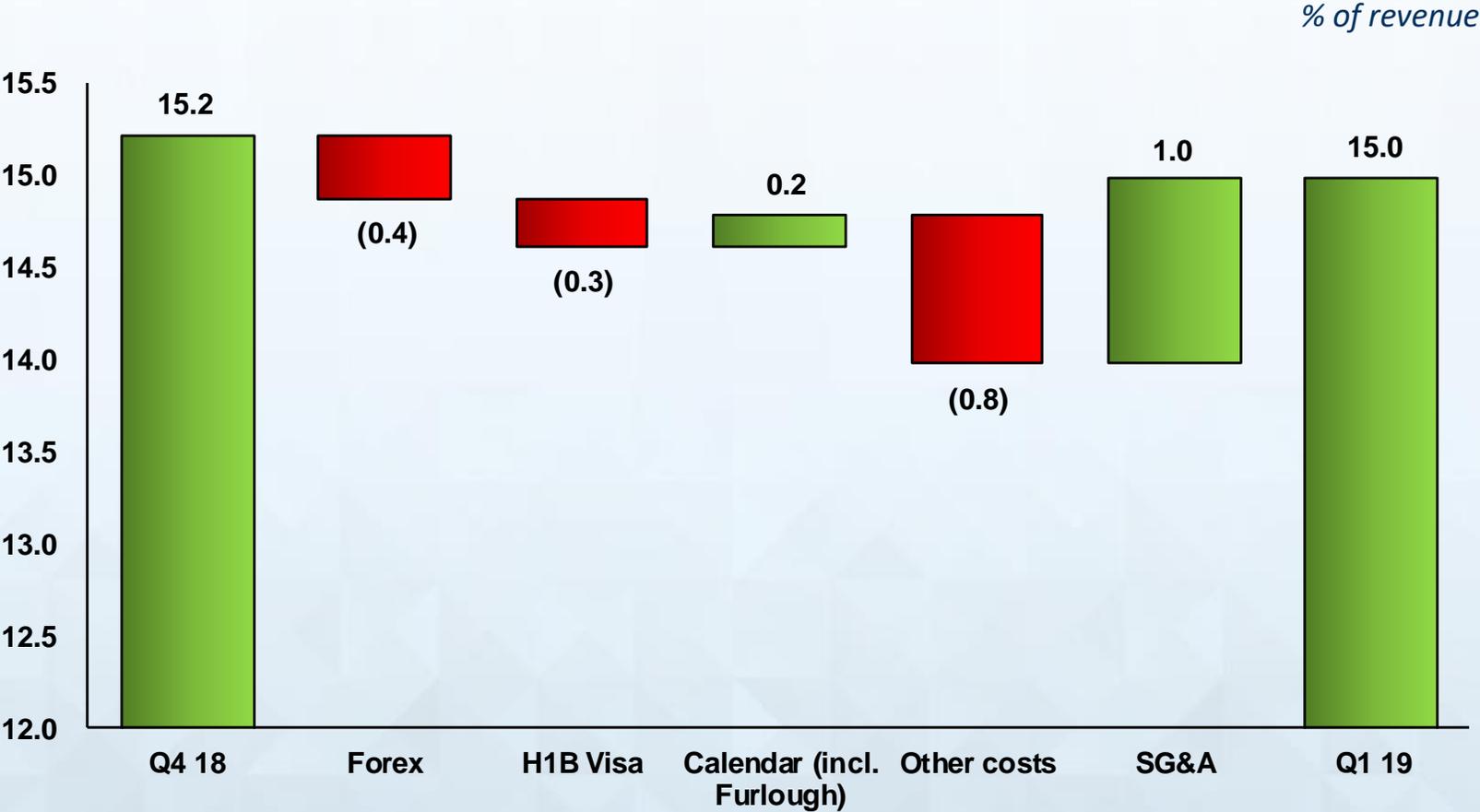
Q1 19 | Financial Performance

<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%
EBITDA %	15.3%	15.9%	-0.6%	16.4%	-1.1%
EBITDA (after ESOP cost)	27.0	26.8	0.6%	25.1	7.4%
EBITDA %	15.0%	15.2%	-0.2%	15.5%	-0.5%
PAT	19.8	17.2	15.2%	20.7	-4.6%
PAT %	11.0%	9.8%	1.2%	12.8%	-1.8%
EPS Basic (INR)	4.65	4.15	12.0%	4.52	2.8%

Revenue Walk I QoQ



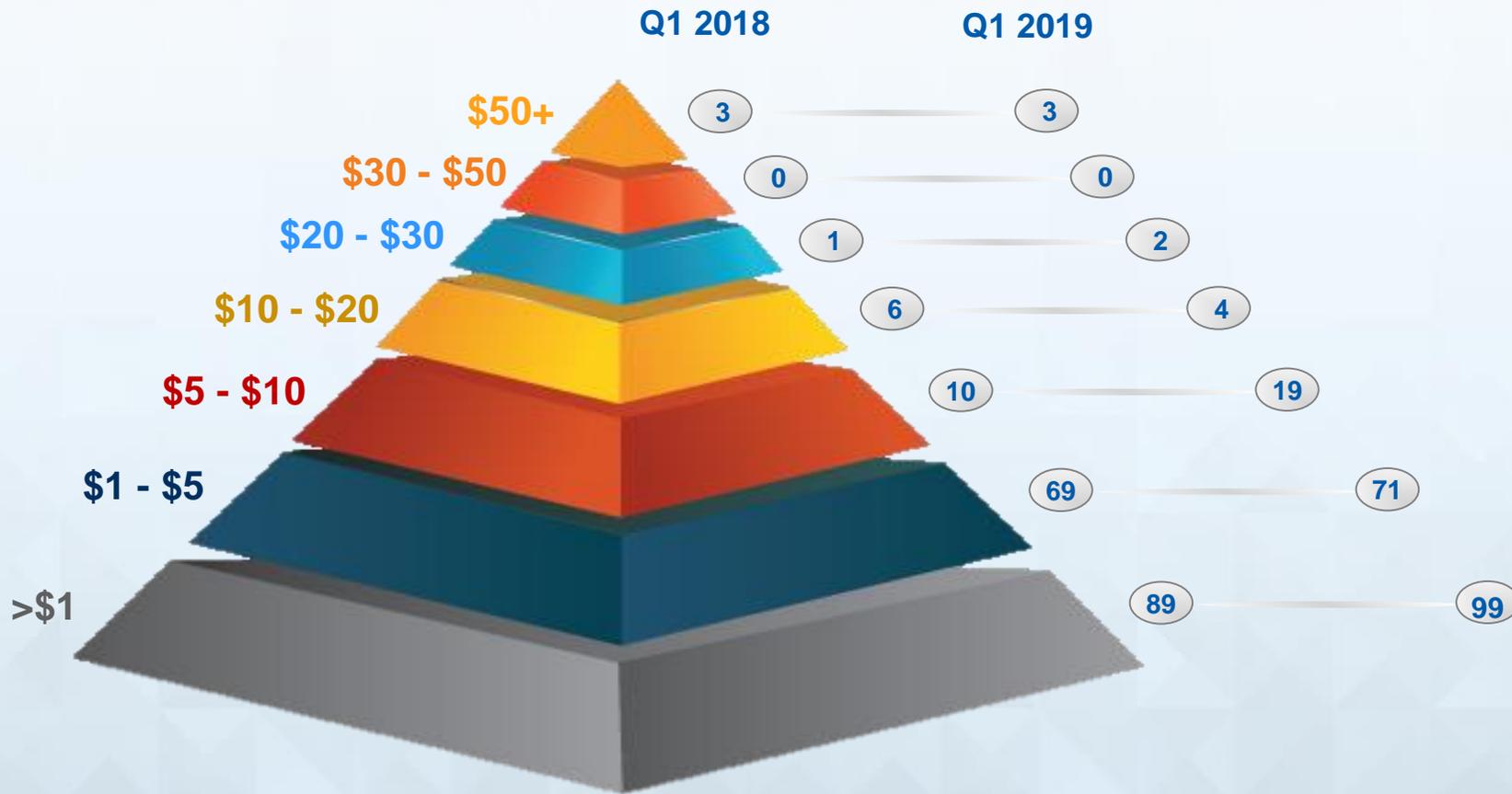
EBITDA* Walk I QoQ



■ Increases ■ Decreases

* EBITDA (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%

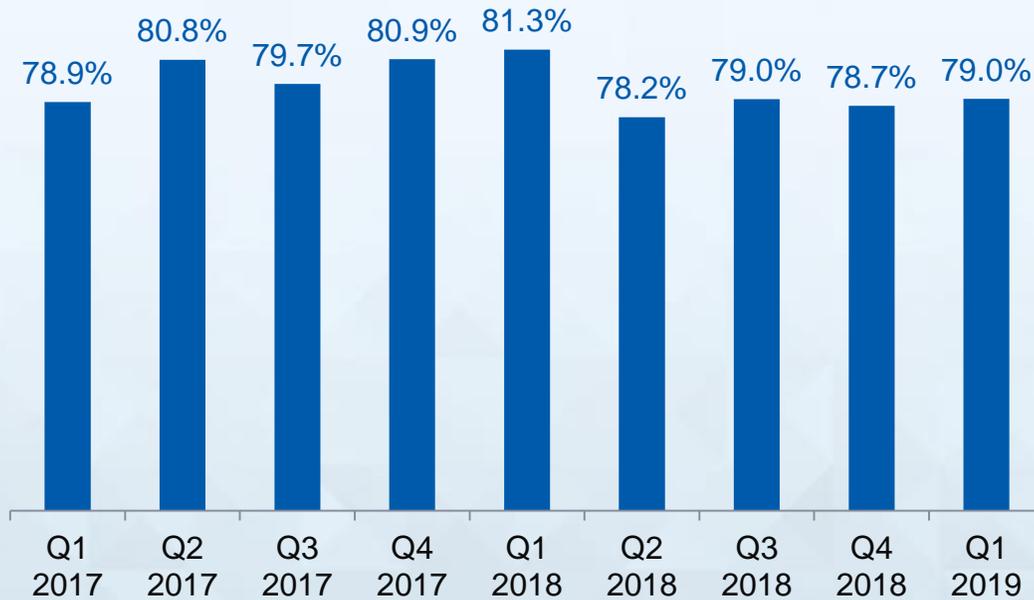
USD 36 million NN Deal wins in Q1-19

- 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



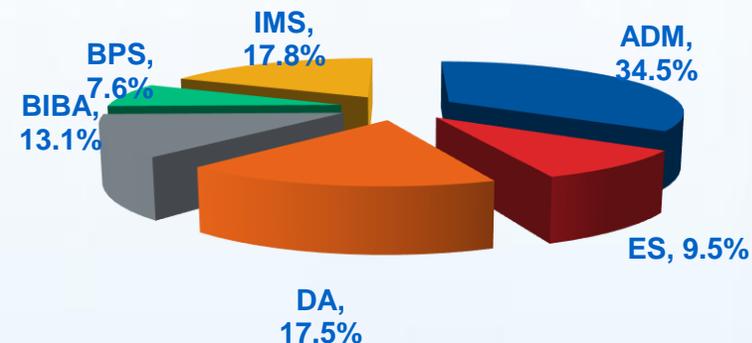
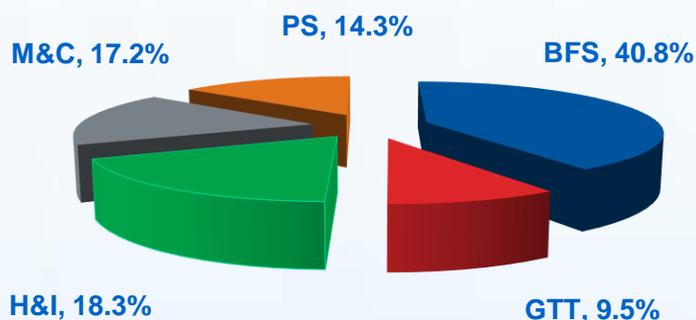
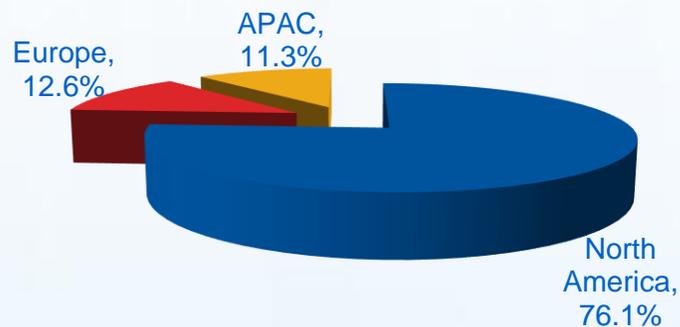
EMPLOYEE ATTRITION

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%
TOTAL	2.2%	10.9%

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%
TOTAL	2.2%	10.9%

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%
TOTAL	2.2%	10.9%

Guidance Update

CQGR ask to deliver

FY 13% Y/Y Growth

<i>Amounts in \$ M</i>	Q1 2019	
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%

* EBIDTA (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
Total (\$ M)					221.27

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



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