



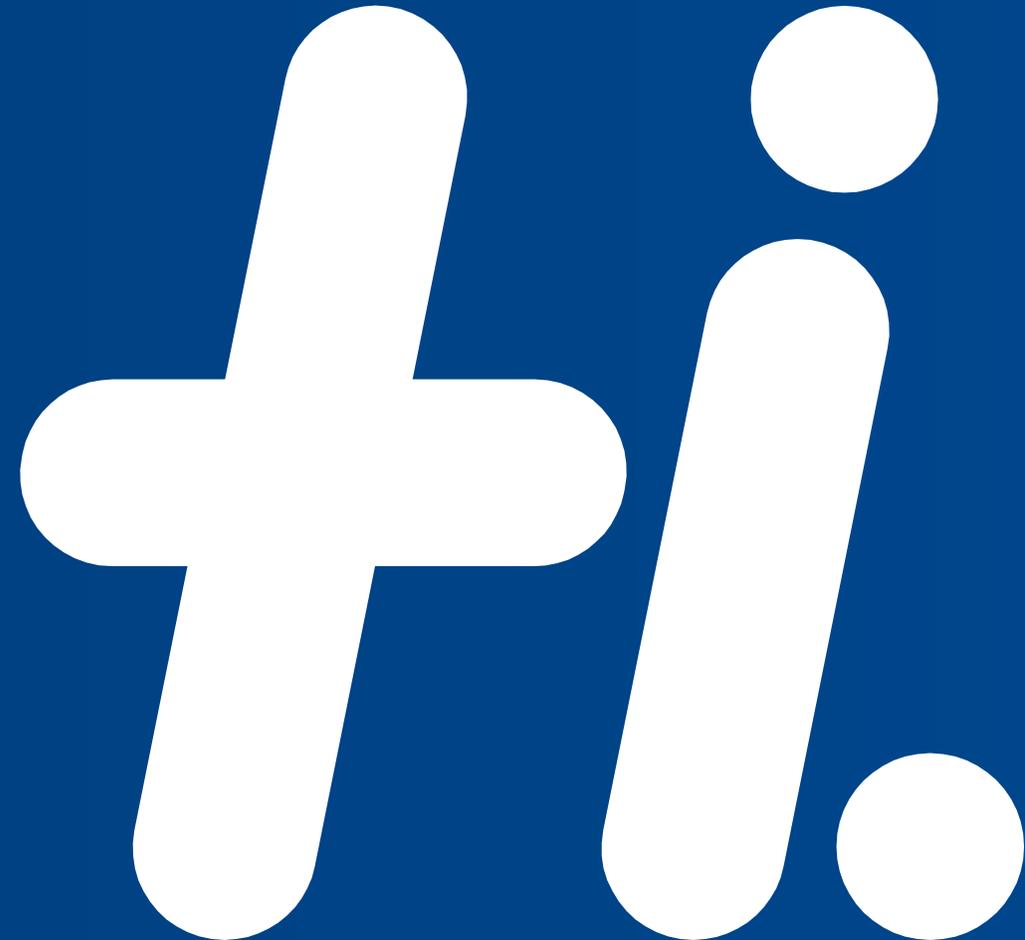
# Investor Update Q4 2017

7<sup>th</sup> February 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

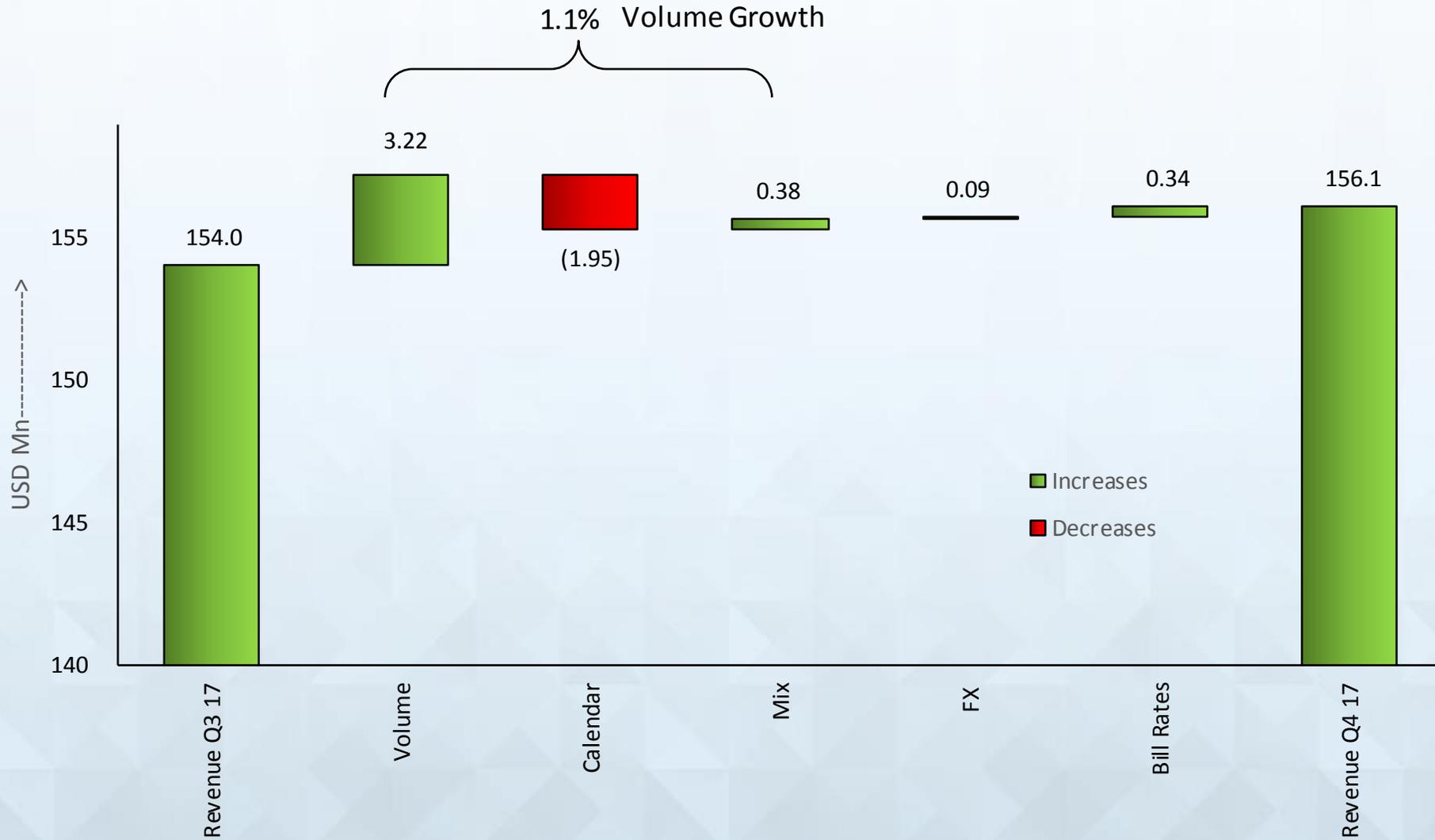
# Business Update Q4



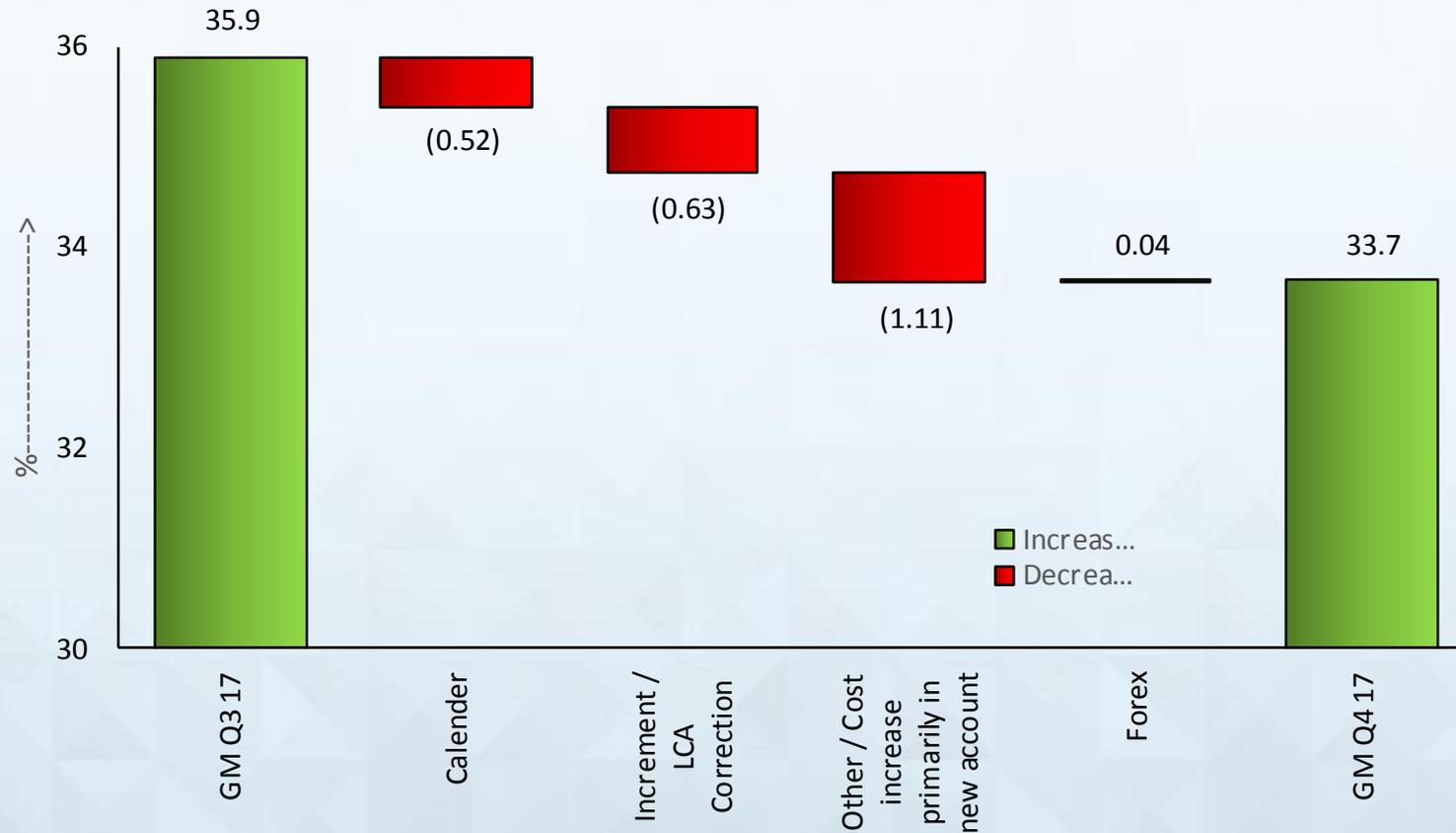
# Key Financials for Q4 2017

	Q4 2017	Q3 2017	GROWTH QoQ	GROWTH YoY
<b>Revenue</b>	<b>156.1</b>	<b>154.0</b>	<b>1.3%</b>	<b>12.3%</b>
EBITDA * (before ESOP cost)	26.3	28.1	-6.6%	5.1%
<b>EBITDA * %</b>	<b>16.8%</b>	<b>18.3%</b>	<b>-1.5%</b>	<b>-1.2%</b>
EBITDA (after ESOP cost)	24.8	26.9	-7.5%	2.7%
<b>EBITDA %</b>	<b>15.9%</b>	<b>17.4%</b>	<b>-1.5%</b>	<b>-1.5%</b>
PAT	18.8	22.0	-14.7%	3.5%
<b>PAT %</b>	<b>12.0%</b>	<b>14.3%</b>	<b>-2.3%</b>	<b>-1.1%</b>
<b>Diluted EPS (INR)</b>	<b>4.02</b>	<b>4.74</b>	<b>-15.19%</b>	<b>-0.5%</b>

# Revenue Analysis - QoQ



# Gross Margin Analysis - QoQ



## SG&A ↓ 77 bps QoQ

SG&A at \$ 26.4 mn in Q4 17 vs \$27.2 mn in Q3 17

Savings due to higher branding cost/ CSR in Q3 and other savings including volume impact even though there was high travel cost.

# Movement of Top 20 Customers

## Top 20 Accounts by LTM Revenue

Q4 2017 vs. Q4 2016

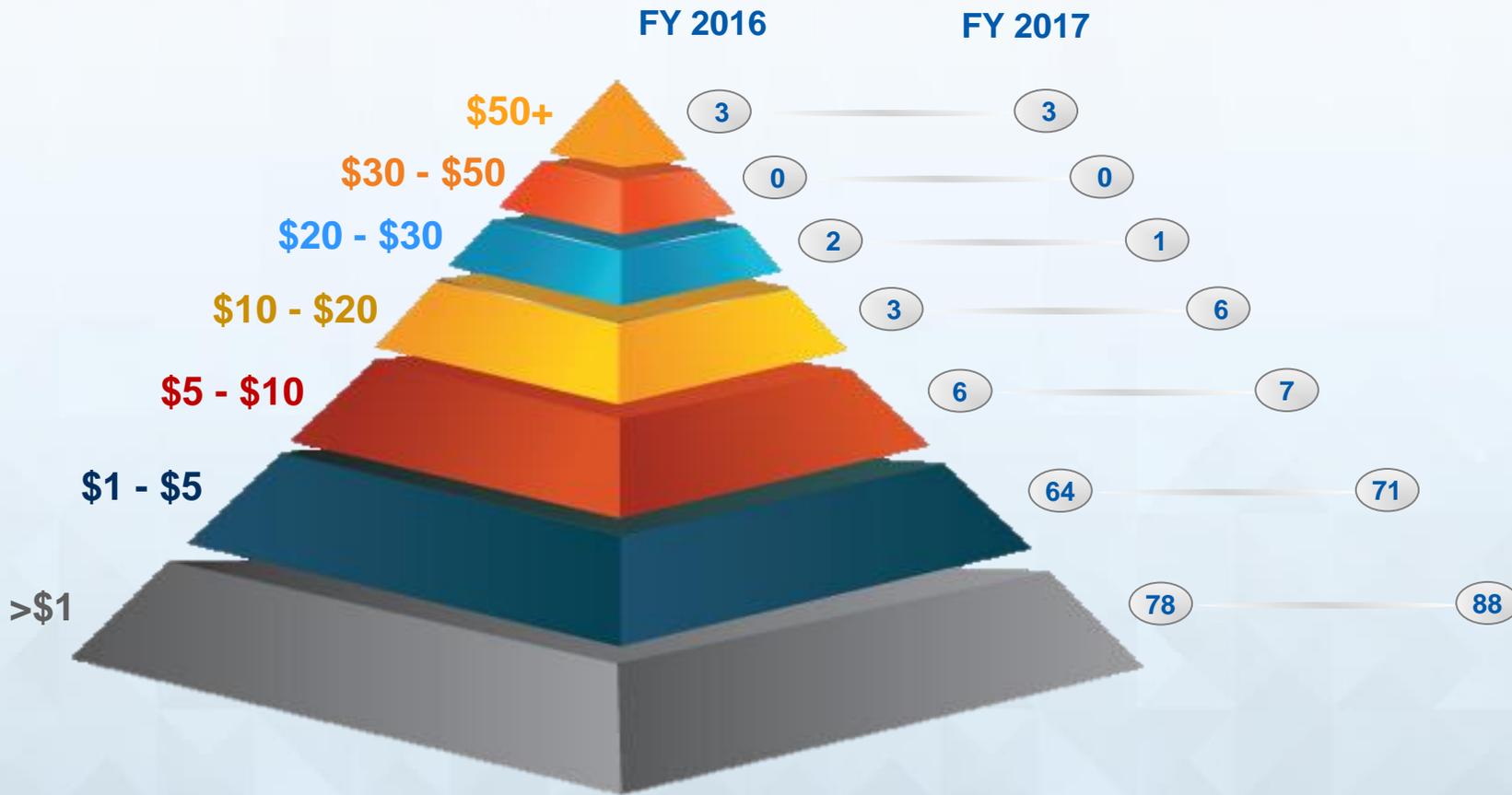
### In

- Specialized Payment Products and Services Provider
- World's leading Airline
- Premier Chain of Fitness Centers
- Multinational Information Technology Company
- Worldwide Financial Services company
- European Public Finance Company
- Top 5 Belgian Insurance Company

### Out

- Foremost Healthcare Solutions provider
- Leading Canadian Airline
- Global Banking & Financial Services Co.
- Multinational Insurance Firm
- Actuarial, underwriting & other services provider to insurers
- Multinational conglomerate
- Largest OEM-Independent Leasing Company

# Improved Depth of Customer Relationships



TOP CLIENTS	CONTRIBUTION GROWTH	GROWTH QoQ
Top 5 Clients	-0.6%	-0.1%
Top 10 Clients	-1.9%	-2.1%
Top 20 Clients	-1.7%	-1.3%
Other Clients	1.7%	6.4%

TOP CLIENTS	REVENUE GROWTH QoQ	REVENUE GROWTH YoY
Top 5 Clients	0.1%	6.4%
Next 5 Clients	8.0%	107.4%
Next 10 Clients	-9.7%	-5.8%

# Strategy Proof Points

**USD 72 million NN Deal wins in Q4-17**

**FY 17 NN Booking of USD 180mn**

**YoY Growth of 17.6%**



## Shrink IT

- Global Service Desk for a leading pharmaceutical company
- Operations Transformation for a financial admin outsourcing and software company
- Infrastructure support for a communications services provider



## Grow Digital

- Digital Workplace services for a facilities management services company
- Innovation and Transformation for a global imaging technology provider

# Employee Metrics

## UTILIZATION \*

Utilization maintained at high levels



## EMPLOYEE ATTRITION

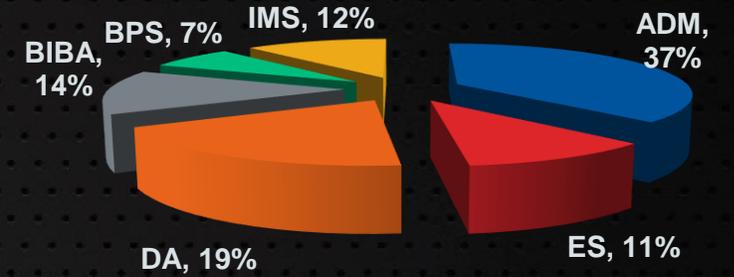
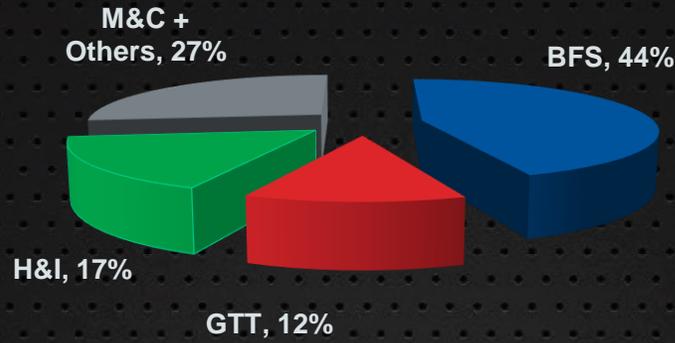
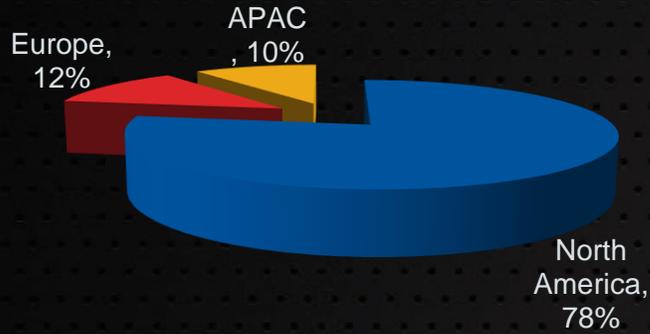
Attrition back to low levels



**Net headcount addition during the quarter (incl. trainees) – 217**

\* Including trainees

# Europe, BFS and IMS led Growth



VERTICAL	GROWTH QoQ	GROWTH YoY
BFS	3.9%	18.6%
GTT	-7.5%	2.3%
H&I	2.2%	14.2%
M&C + Others	1.1%	6.6%
<b>TOTAL</b>	<b>1.3%</b>	<b>12.3%</b>

HORIZONTAL (1)	GROWTH QoQ	GROWTH YoY
ADM	3.8%	14.7%
ES	-3.5%	-4.3%
DA	-1.3%	4.4%
BIBA	1.2%	9.9%
BPS	-2.6%	16.2%
IMS	5.7%	45.1%
<b>TOTAL</b>	<b>1.3%</b>	<b>12.3%</b>

GEOGRAPHY	GROWTH QoQ	GROWTH YoY
North America	-0.4%	5.8%
Europe	8.2%	22.7%
APAC	8.1%	78.9%
<b>TOTAL</b>	<b>1.3%</b>	<b>12.3%</b>



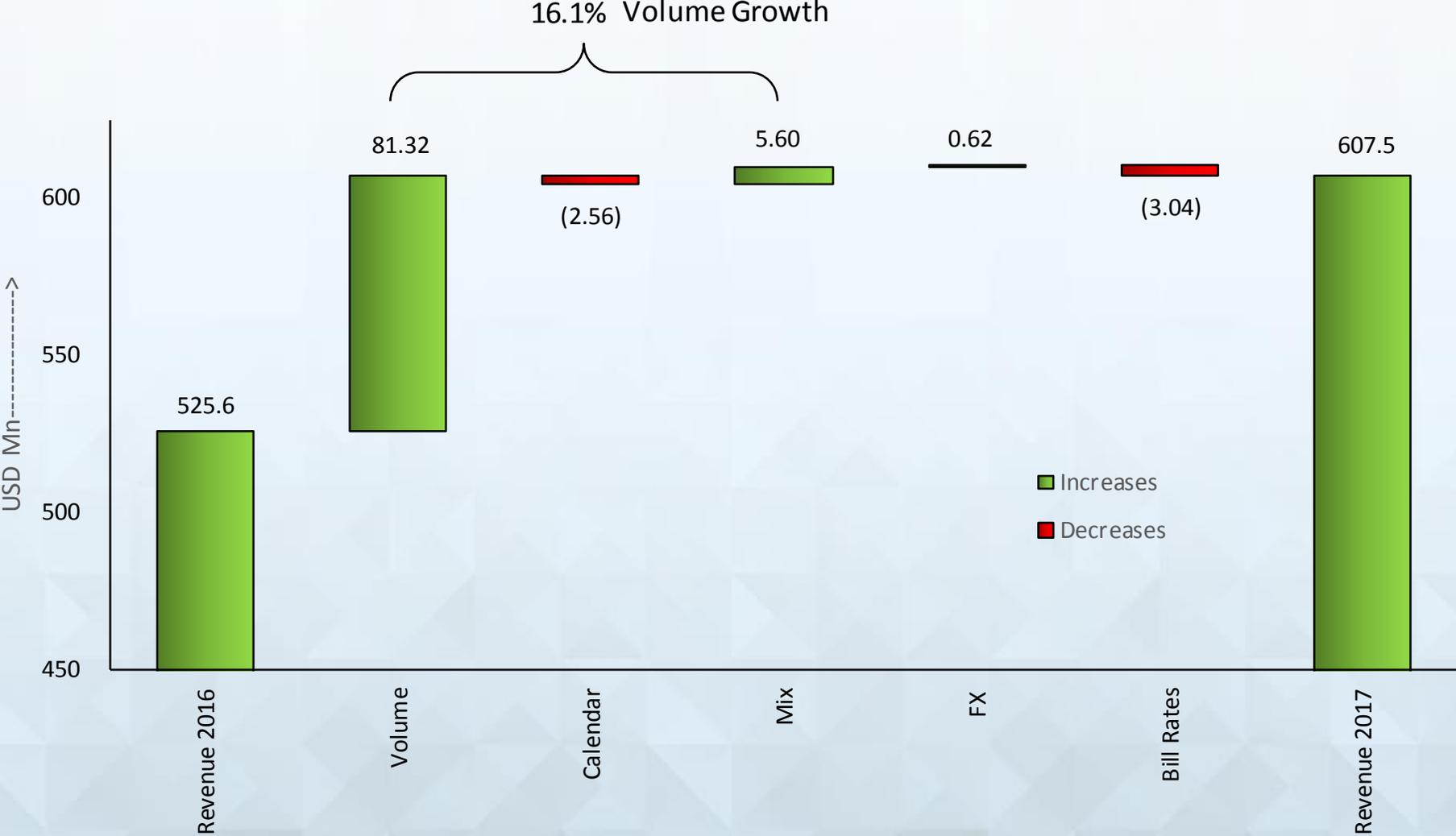
# Business Update FY 17



# Financials for FY 2017

	FY 2017	FY 2016	GROWTH
Revenue	607.5	525.6	15.6%
EBITDA * (before ESOP cost)	106.4	89.4	19.0%
EBITDA * %	17.5%	17.0%	0.5%
EBITDA (after ESOP cost)	101.0	85.8	17.8%
EBITDA %	16.6%	16.3%	0.3%
PAT	77.0	62.4	23.5%
PAT %	12.7%	11.9%	0.8%
Diluted EPS (INR)	16.6	13.8	20.5%

# Revenue Analysis - 2017



# Guidance vs Actuals

## Actuals 2017

Revenue – 15.6%

EBITDA – 17.8%

## July 2017

Revenue – 14 to 15%

EBITDA – 14 to 15%

## Sep 2017

Revenue – Upper end of 14 to 15%

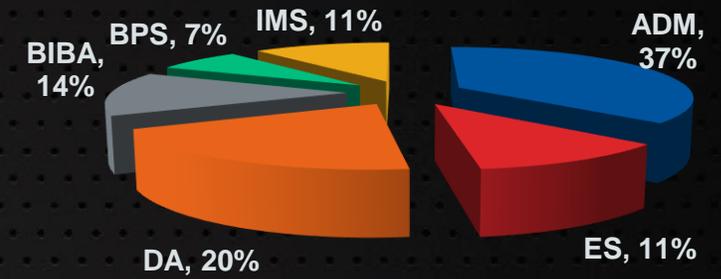
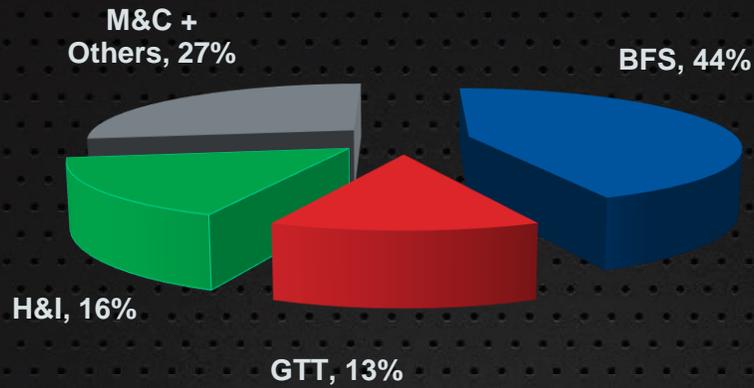
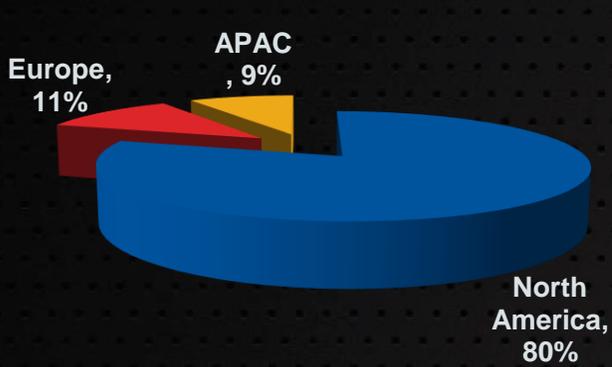
EBITDA – 16.5 to 17.5%

## Feb 2017

Revenue – 10 to 12%

EBITDA – 10 to 12%

# FY 17 – APAC, BFS, IMS led growth



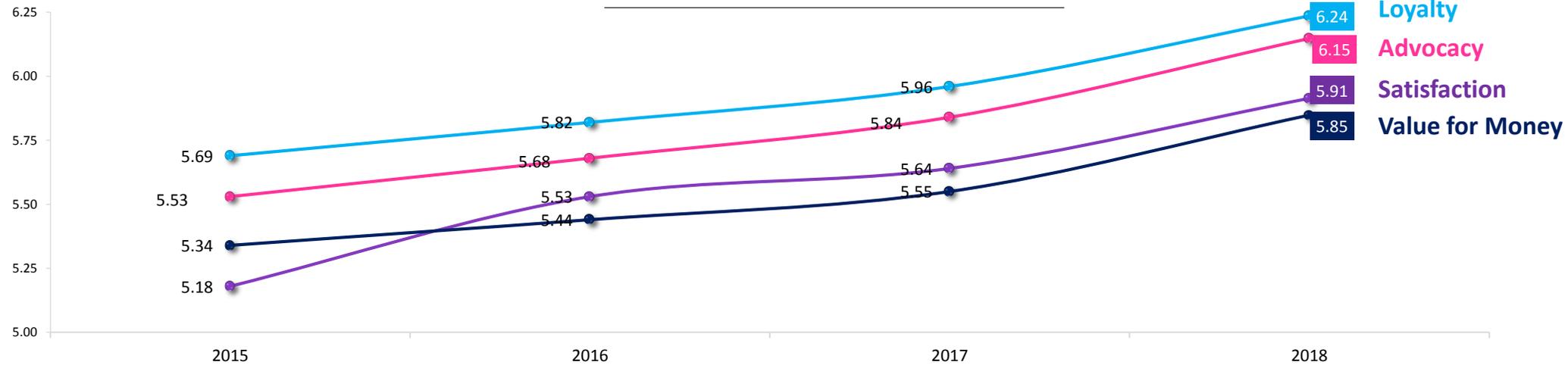
GEOGRAPHY	GROWTH
North America	12.8%
Europe	12.1%
APAC	56.8%
<b>TOTAL</b>	<b>15.6%</b>

VERTICAL	GROWTH
BFS	23.2%
GTT	5.2%
H&I	11.6%
M&C + Others	12.2%
<b>TOTAL</b>	<b>15.6%</b>

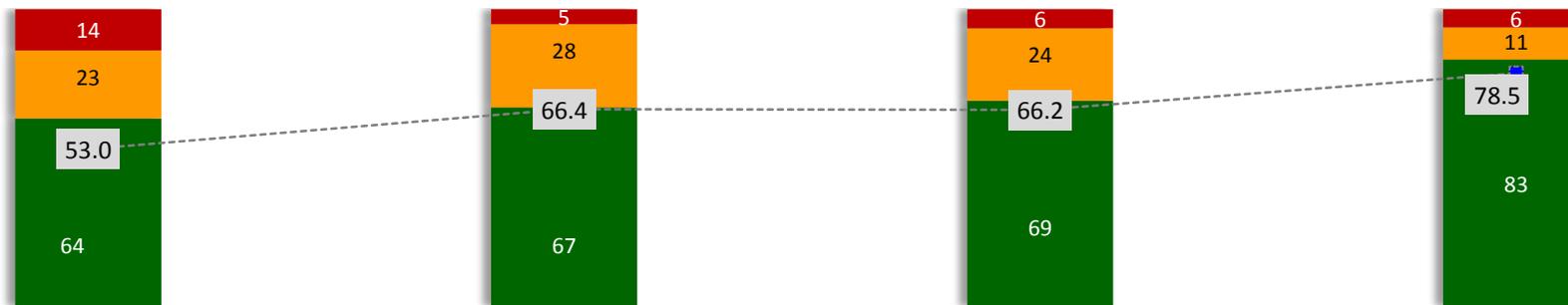
HORIZONTAL (1)	GROWTH
ADM	15.3%
ES	0.6%
DA	13.3%
BIBA	6.7%
BPS	24.3%
IMS	55.7%
<b>TOTAL</b>	<b>15.6%</b>

# Significant improvement seen across key business metrics; Loyalty & Advocacy impressions high. Ex Index up by 12-points owing to increase in delight proportion.

Key Business Metrics



Customer Experience Grouping



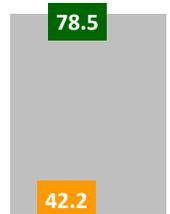
INDUSTRY SCORES\*

High	Low
6.24	5.47
6.15	5.42
5.91	5.17
5.85	5.10

Hexaware scores top industry\* levels – important to see this in the context of customer expectations

INDUSTRY SCORES

High	Low
------	-----



IT Industry

# New Leadership Additions in 2017



**Aravind Kashyap**  
Senior Vice President & Global Head  
- Manufacturing & Consumer



**Arun Ramchandran**  
Executive Vice President & Global  
Head - Professional Services



**Sastry PKV**  
Global Delivery Head - Manufacturing  
& Consumer, Travel & Transportation



**Prasan Prabhakaran**  
Senior Vice President & Global Head  
- Enterprise Solutions



**Ravi Srinivasan**  
Senior Vice President & Global  
Delivery Head - Banking & Financial  
Services



**Krishna Kumar**  
Chief Technology Officer



**Gopi Santhanam**  
Global Delivery Head - Professional  
Services



**Anurag Gupta**  
Senior Vice President - Sales



**Alexander Mueller Herbst**  
Vice President – Europe Sales



**Rupesh Mithani**  
Vice President & Global Head –  
Digital Customer

# 2018 Guidance

- Revenue & EPS – 10 to 12% growth
- Capital Return
  - INR 8 per share for the year
  - Mix of dividend and likely buy-back
- Majority of growth will happen in Q2 and Q3.
  - Calendar impact (calendar in 2017 was flat across quarters)
  - Impact of Q4 deal ramp-up.

# Finance Update



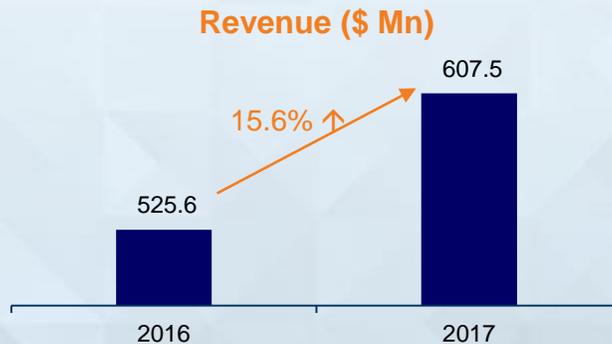
# Revenue

## 2017

- CC revenue at \$ 606.1 mn; ↑ 15.3% YoY
- \$ Revenue at \$ 607.5 mn; ↑ 15.6% YoY
- ₹ Revenue at Rs 39,420 mn; ↑ 11.5% YoY

## Q4 2017

- CC revenue at \$156.0 mn; ↑ 1.3% QoQ; ↑ 10.9% YoY
- \$ Revenue at \$156.1 mn; ↑ 1.3% QoQ; ↑ 12.3% YoY
- ₹ Revenue at Rs 10,048 mn; ↑ 1.2% QoQ; ↑ 6.8% YoY



# Outstanding Hedge Position and Rates

## Outstanding Hedge Position

Currency Pair	Amount (Mn.)	Avg. Rate
USDINR (\$)	152.88	70.98
EURNR (€)	3.90	82.16
GBPNR (£)	7.50	91.87
<b>Total (\$)</b>	<b>167.68</b>	

*Note -*

- 1. Hedges outstanding are full-term hedges.*
- 2. EUR converted @ 1.1980/USD & GBP converted @ 1.3508/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 \$2.61 Mn in Q3'17, the forex gain this quarter was \$1.98 Mn.
- Forex gains expected are ~\$2.24 Mn in Q1'18 and ~\$2.23 Mn in Q2'18 at exchange rate of INR 63.8750 / USD.

# Balance Sheet Updates

## CASH & CASH EQUIVALENTS

Cash and Cash Equivalents\* at US\$ 86.4 Mn ( ₹ 5,521 Mn)

## DAYS SALES OUTSTANDING

Days Sales Outstanding (DSO) for Q4 2017 at 49 days; 71 days  
including unbilled

## DIVIDEND

INR 1.00 per share (50%)

Dividend Payout including taxes ₹ 357.2 Mn (\$ 5.6 Mn)

**Tax:** : ETR at 22.9% in Q4 17 vs 18.9% in Q3 17 – One time increase due to Tax reforms in US / ESOP credits / NOL in RT adjusted – Underlying ETR – 20.5%

**Capex** : \$1.92 Mn capex in Q4 2017 – YTD capex spend- US\$ 14.5 Mn.



**Innovative  
Services**

**Passionate  
Employees**

**Delighted  
Customers**

**Thank you**