



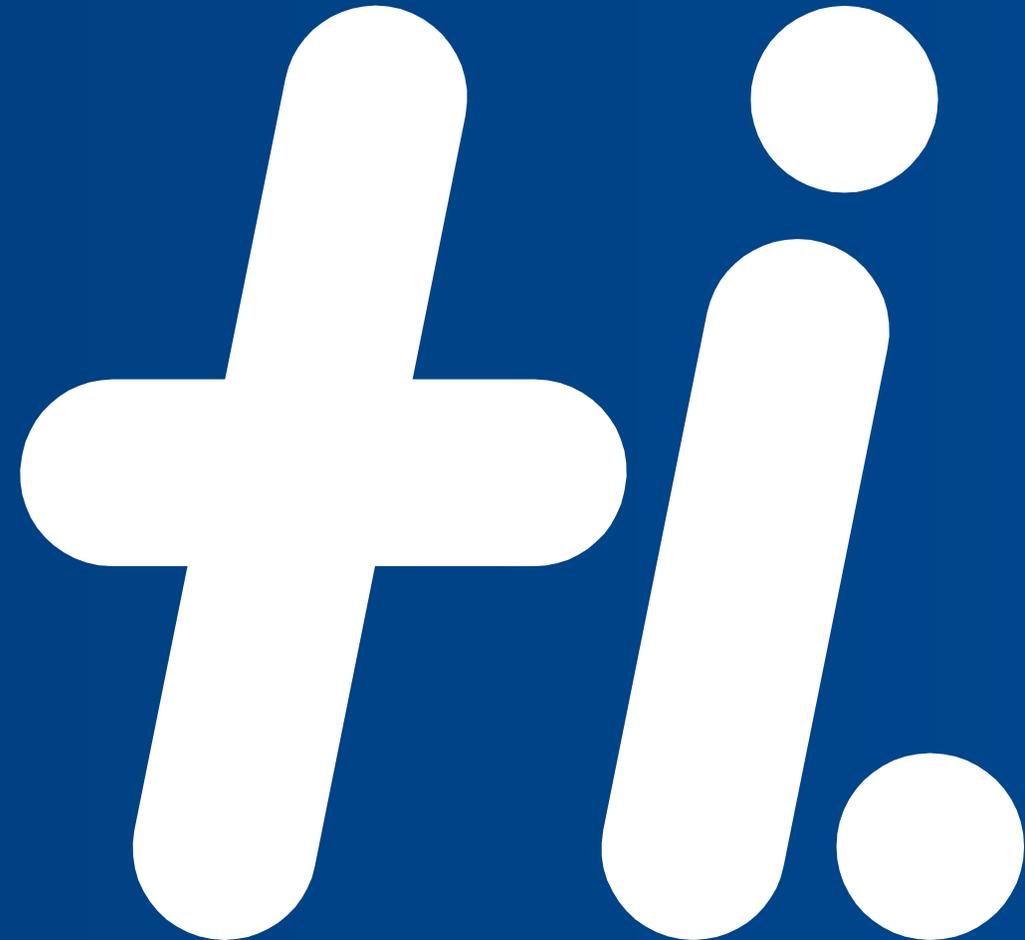
Investor Update Q4 2018

30th January 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

**Q4 2018
Business
Update**



Key Highlights



Q4 Revenue
\$ 176.1M

- Q/Q growth of 3.0%; 3.4% in CC
- Y/Y growth of 12.8%; 14.2% in CC



FY 18 Revenue
\$ 677.7M

- Y/Y growth of 11.6%



FY 18 EPS
₹ 19.65

- FY EPS growth of 17.0%
- EPS of INR 20.33, 21.1% Y/Y growth at Sept rates*; Beat guidance of 20% Y/Y EPS growth at Sept rates



Key Wins
\$ 210M

- NN TCV – FY18 \$ 210M vs FY17 \$ 180M
- First 100M+ New Logo deal win
- FY18 saw largest New Logo and Existing client deal win for the company - \$100M+ deals each



Closing Headcount
16,205

- Y/Y net addition – 2500
- Q4 net addition – 155
- Freshers added: Q4 – 186, FY – 662



Dividend
₹ 8.50

- Q4 dividend of Rs 2.50 (125%)
- FY dividend payout of Rs 8.50 (425%); above the guidance of Rs 8.00 given at the beginning of year

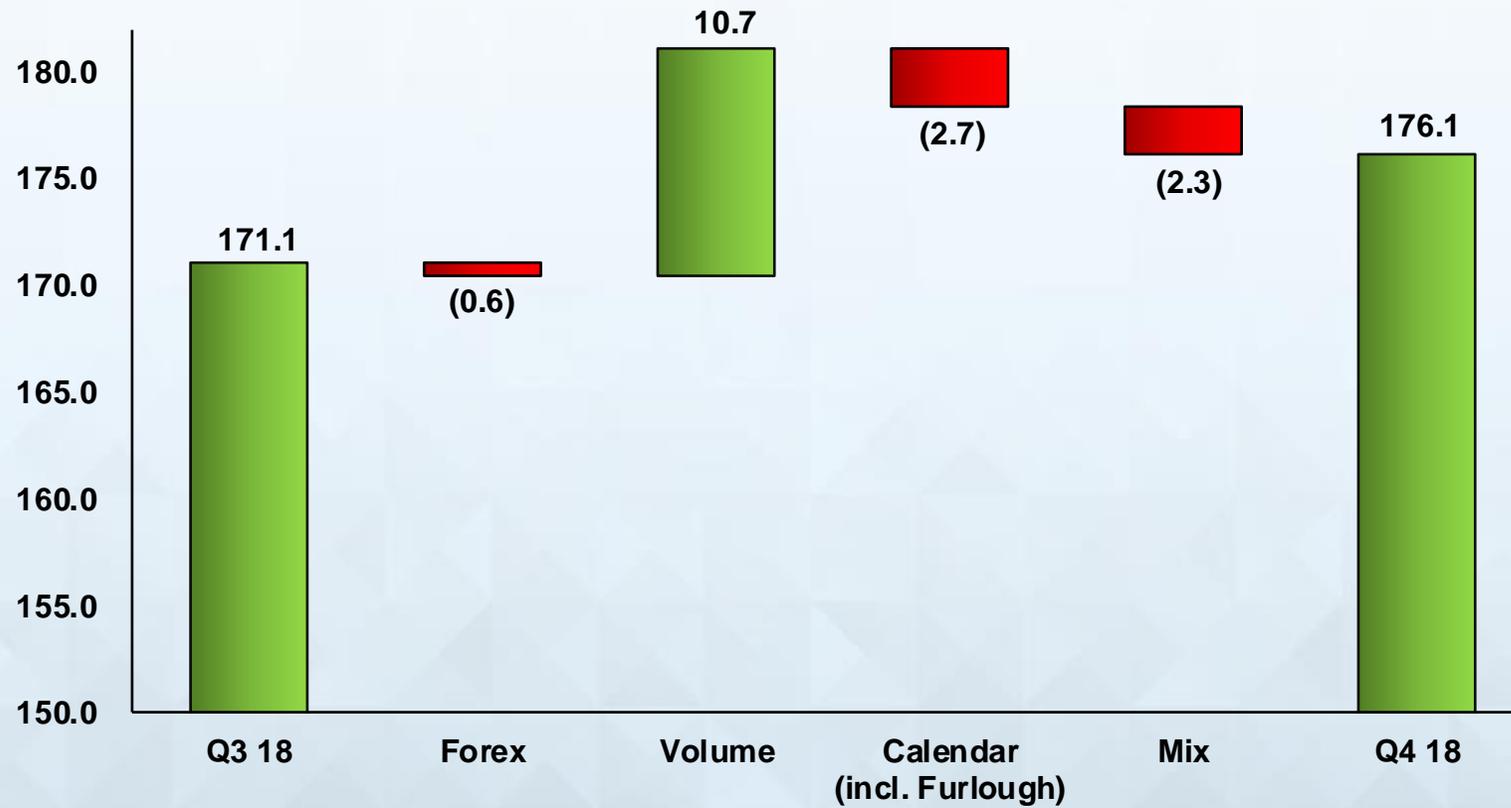
*3 quarter of actuals plus Q4 at Sept rates
Q4 EPS is impacted by rupee appreciation vs Sept closing rates and Forex loss on translation of monetary assets at Q4 end

Q418 | Financial Performance

<i>Amounts in \$ M</i>	Q4 2018	Q3 2018	GROWTH QoQ	Q4 2017	GROWTH YoY
Revenue	176	171	3.0%	156	12.8%
EBITDA (Before ESOP Cost)	28	30	-6.1%	26	6.9%
EBITDA %	15.9%	17.5%	-1.6%	16.8%	-0.9%
EBITDA (After ESOP Cost)	27	29	-6.2%	25	7.9%
EBITDA %	15.2%	16.7%	-1.5%	15.9%	-0.7%
PAT	17	24	-29.3%	19	-8.6%
PAT %	9.8%	14.2%	-4.4%	12.0%	-2.2%
EPS Basic (INR)	4.15	5.80	-28.4%	4.08	1.9%

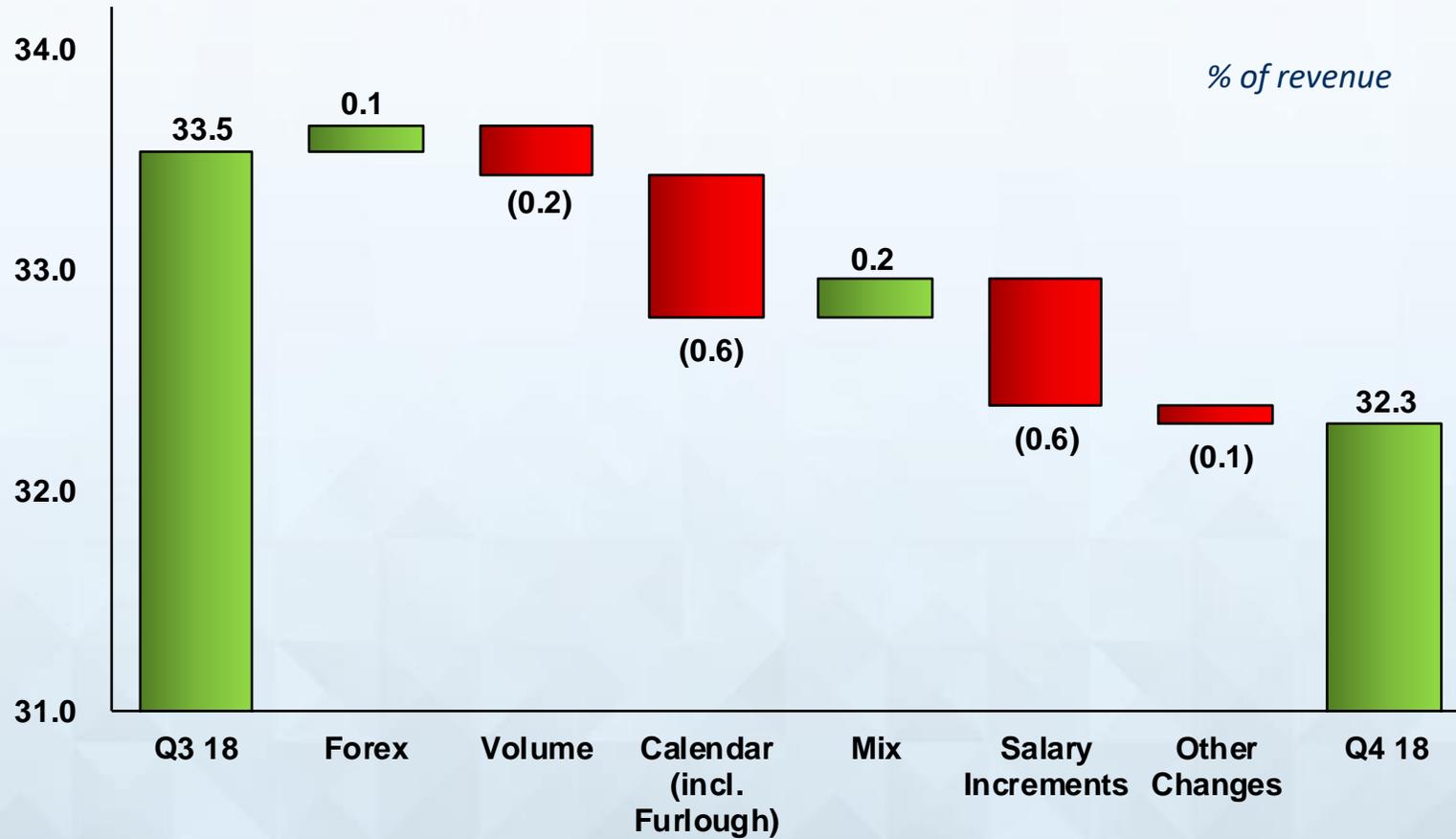
Revenue Walk I QoQ

In \$ Mn



■ Decreases ■ Increases

Gross Margin Walk I QoQ

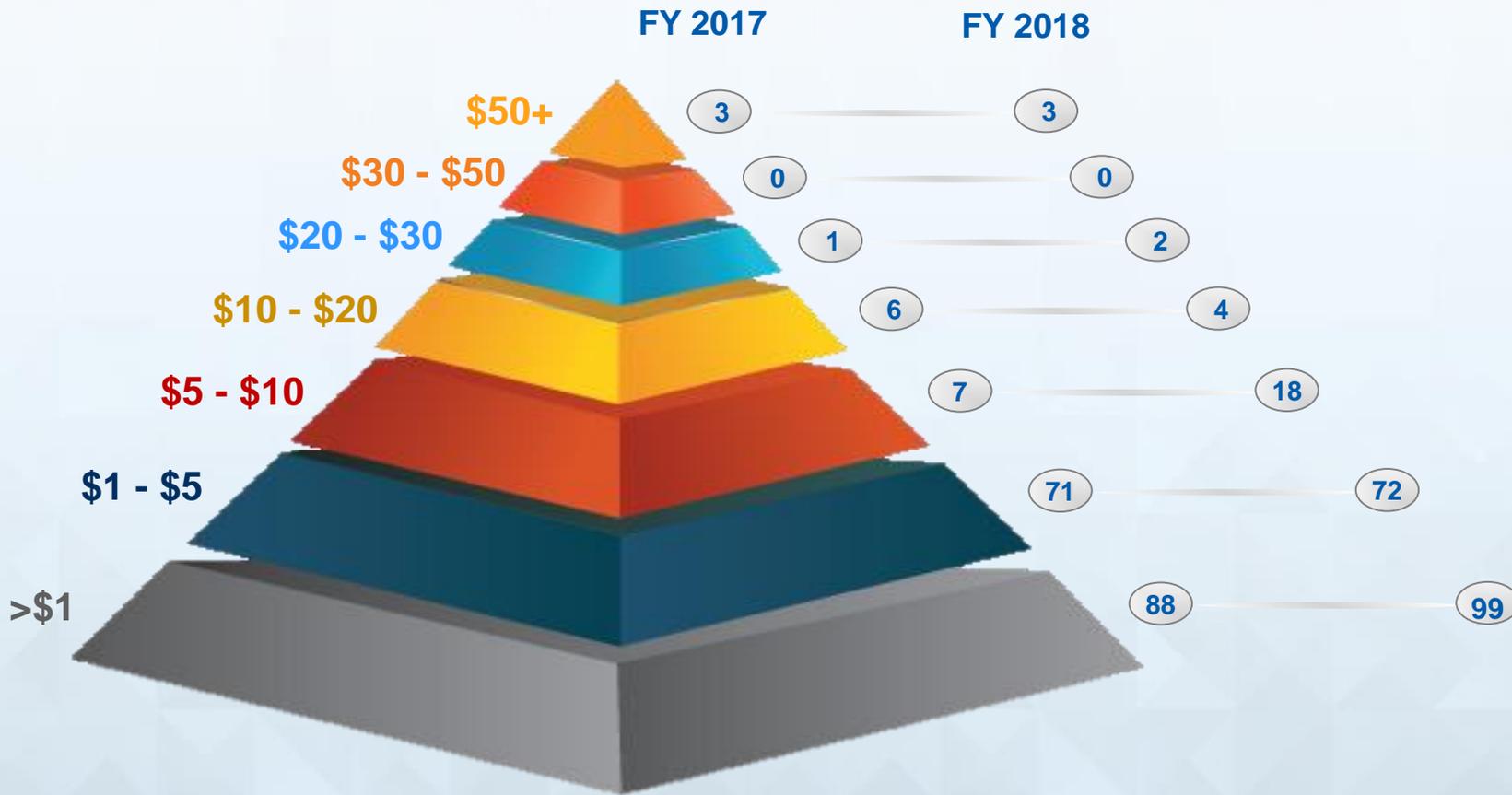


SG&A ↑ 26 bps QoQ

	Impact
Rentals for new facilities	24
Other Cost	02
Total	26

■ Decreases ■ Increases

Improved Depth of Customer Relationships



Q4 18 vs Q4 17 Top 20 accounts

TOP CLIENTS	CONTRIBUTION GROWTH QoQ	GROWTH QoQ
Top 5 Clients	-0.1%	2.7%
Top 10 Clients	-0.6%	1.8%
Top 20 Clients	-0.7%	1.8%
Other Clients	0.7%	4.8%

Q4 18 Top 20 accounts vs their performance in Q4 17

TOP CLIENTS	REVENUE GROWTH QoQ	REVENUE GROWTH YoY
Top 5 Clients	2.7%	15.0%
Top 10 Clients	1.3%	13.6%
Top 20 Clients	2.7%	14.6%

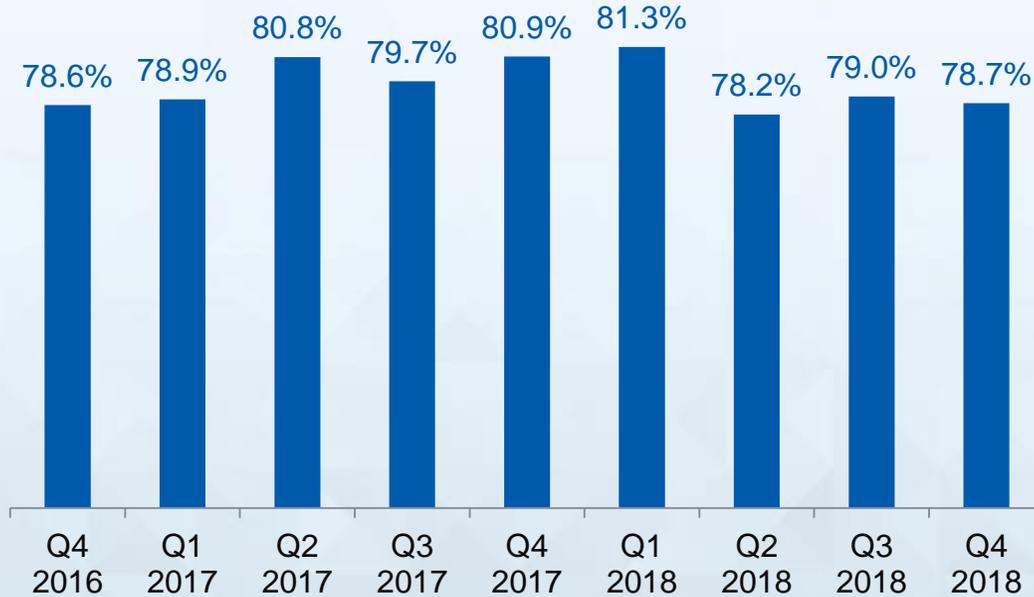
USD 116 million NN Deal wins in Q4-18

- Operations transformation for a Nordic financial admin outsourcing and software company
- End to End IT outsourcing for a European shipping services company
- DevOps implementation for an American financial market company
- Agile application development & transformation program for a Global manufacturing services company
- Application management for a European insurance company

Employee Metrics

UTILIZATION

Utilization maintained at steady rate



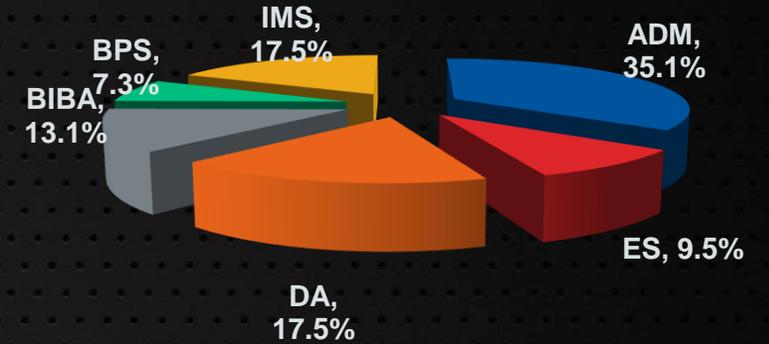
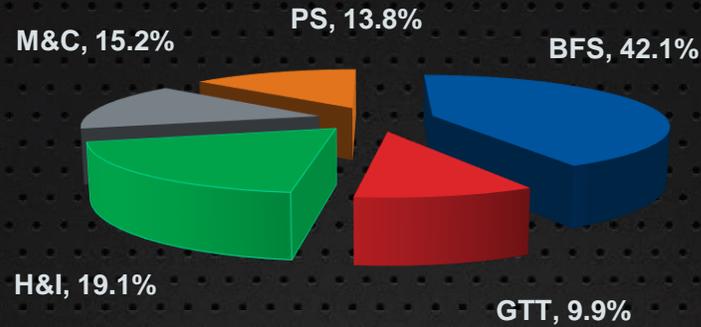
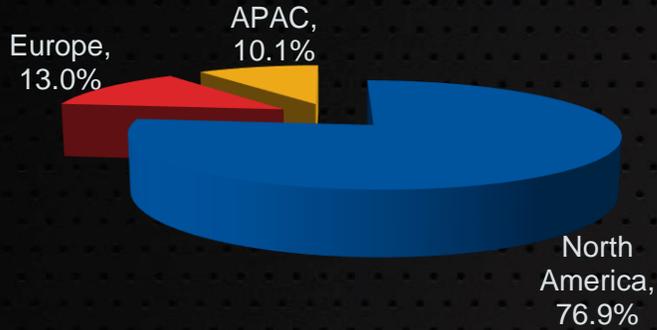
EMPLOYEE ATTRITION

Uptick in Attrition



Net headcount addition during the quarter / full year (incl. trainees) – 155 / 2500

Q4 18 | Broad based growth across portfolio

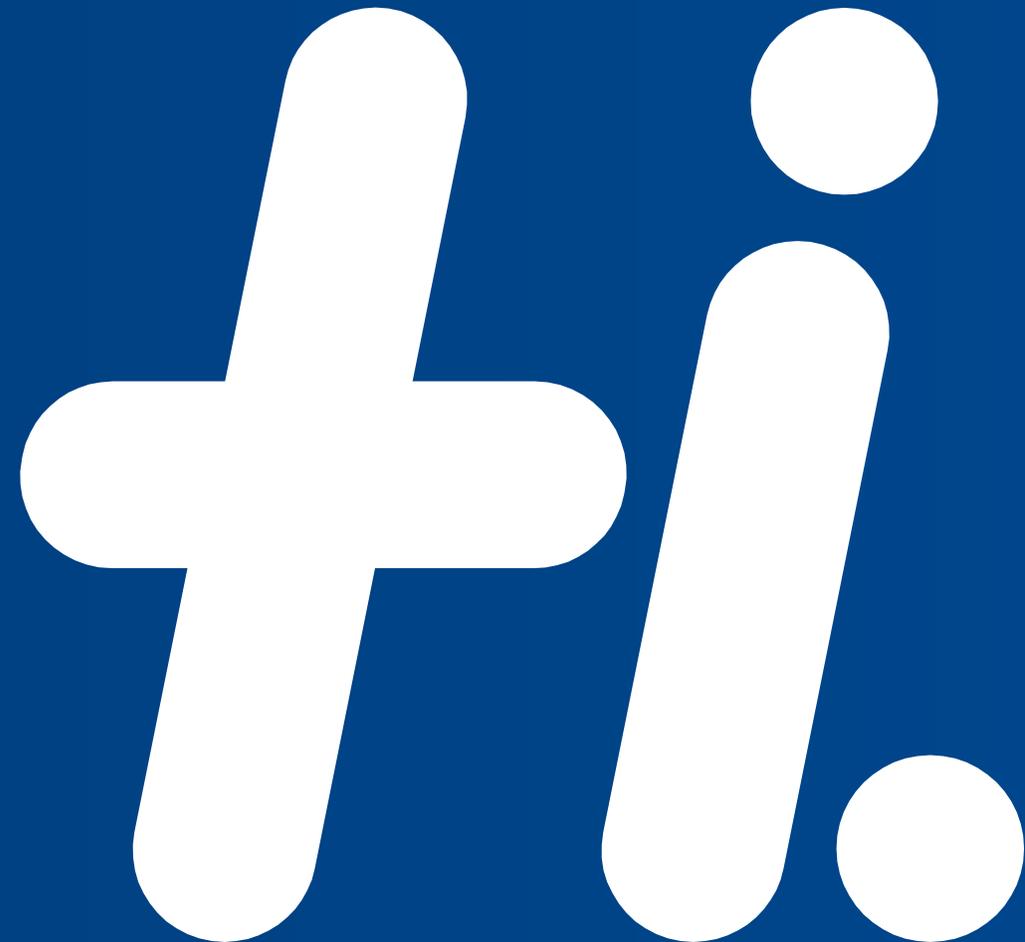


GEOGRAPHY	GROWTH	
	QoQ	YoY
North America	2.3%	11.7%
Europe	0.8%	21.5%
APAC	11.0%	11.2%
TOTAL	3.0%	12.8%

VERTICAL	GROWTH	
	QoQ	YoY
BFS	1.9%	6.9%
GTT	-3.5%	-7.3%
H&I	4.7%	28.7%
M&C	4.7%	23.8%
PS	7.1%	19.4%
TOTAL	3.0%	12.8%

HORIZONTAL	GROWTH	
	QoQ	YoY
ADM	0.5%	6.4%
ES	1.3%	-0.4%
DA	2.0%	1.4%
BIBA	-6.8%	7.3%
BPS	1.7%	17.8%
IMS	21.4%	67.4%
TOTAL	3.0%	12.8%

**FY 2018
Business
Update**



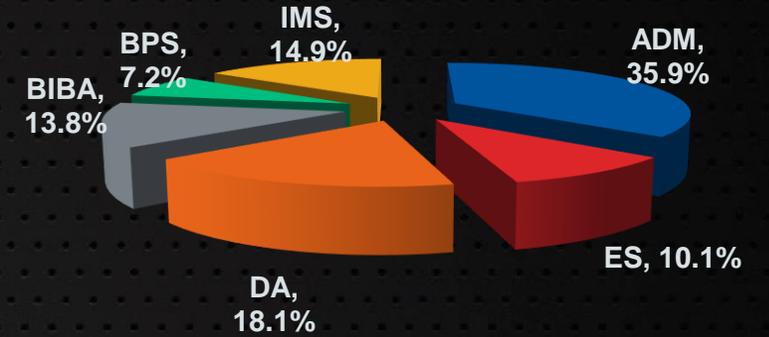
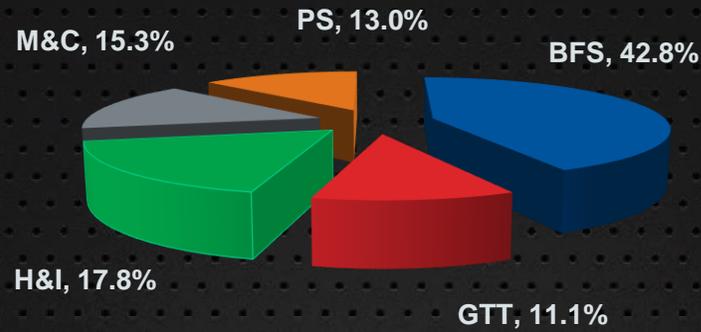
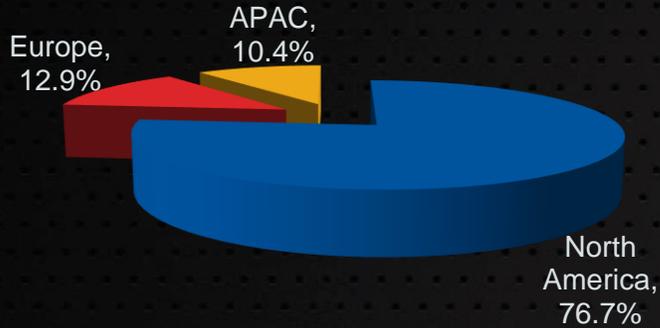
FY18 | Financial Performance

<i>Amounts in \$ M</i>	FY 2018	FY 2017	GROWTH YoY
Revenue	678	607	11.6%
EBITDA (Before ESOP Cost)	112	106	5.4%
EBITDA %	16.5%	17.5%	-1.0%
EBITDA (After ESOP Cost)	107	101	5.6%
EBITDA %	15.7%	16.6%	-0.9%
PAT	85	77	10.2%
PAT %	12.5%	12.7%	-0.2%
Basic EPS (INR) <i>(Note below)</i>	19.65	16.79	17.0%

Note:

- FY EPS of INR 20.33 (3 quarter of actuals plus Q4 at Sept rates) - 21.1% Y/Y growth at Sept rates
- Q4 EPS is impacted by rupee appreciation vs Sept closing rates and Forex loss on translation of monetary assets at Q4 end

FY 18 | Broad based growth across portfolio



GEOGRAPHY	GROWTH
North America	7.2%
Europe	26.0%
APAC	32.1%
TOTAL	11.6%

VERTICAL	GROWTH
BFS	9.8%
GTT	-4.7%
H&I	22.9%
M&C	25.8%
PS	5.3%
TOTAL	11.6%

HORIZONTAL	GROWTH
ADM	9.6%
ES	-1.3%
DA	1.2%
BIBA	11.3%
BPS	15.5%
IMS	47.7%
TOTAL	11.6%

Guidance for 2019

- Revenue:
 - FY Revenue growth of 12-14% organically
 - Majority of growth will happen in later part of the year (calendar impact, impact of Q4 deal ramp-up)
- EBITDA:
 - In line with revenue growth
- Dividend:
 - Inline with FY18, subject to M&A activity



Finance Update



FY 2018 Performance

Key Highlights

- ❑ Q4 revenue of \$ 176.1M
 - Q/Q growth of 3.0%, 3.4% in CC
 - Y/Y growth of 12.8%, 14.2% in CC
- ❑ FY Revenue of \$ 677.7M
 - Y/Y growth of 11.6%, 11.5% in CC
- ❑ Q4 revenue of INR 12,524M
 - Q/Q growth of 3.5% and Y/Y growth of 24.6%
- ❑ FY Revenue of INR 46,478M
 - Y/Y growth of 17.9%



Outstanding Hedge Position and Rates

Currency Pair	Average Rate				Q4'18 Amount (\$M)
	Q1'18	Q2'18	Q3'18	Q4'18	
USDINR (\$)	70.03	70.14	70.81	71.83	162.1
EURINR (€)	84.51	85.61	86.91	88.22	5.8
GBPINR (£)	94.18	95.37	97.16	98.70	11.3
Total (\$M)					183.3

Note -

1. Hedges outstanding are full-term hedges
2. EUR converted @ 1.1464 per USD & GBP converted @ 1.2764 per USD
3. Average Rate represents the average of the rates at which forwards hedges have been booked on every quarter end

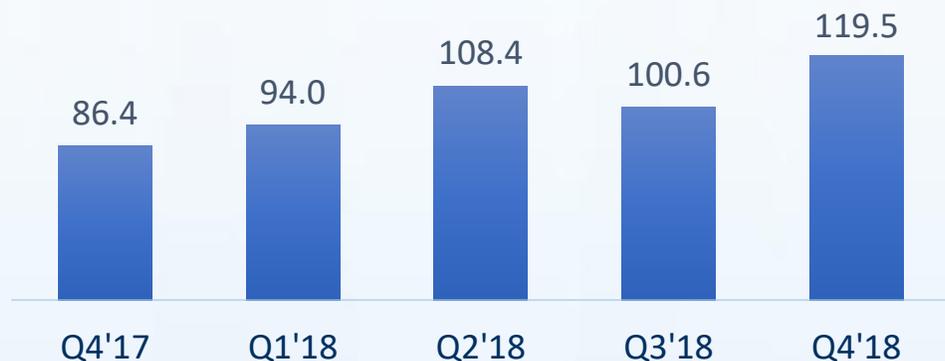
Forex Gain/(Loss)



- Q4'18 registered a forex loss of \$3.6M
- Forex Gains expected in next two quarters basis Q4 closing exchange rate of INR 69.78 per USD are:
 - Q1'19 ~ \$0.15M
 - Q2'19 ~ \$0.40M

Balance Sheet & Other Updates

Cash Balance (\$M)



DSO (days)

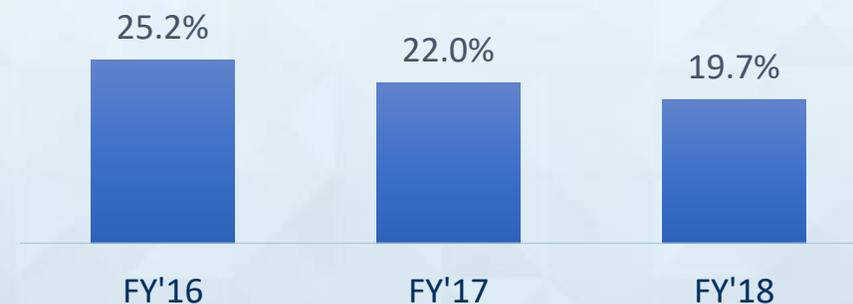


Dividend (INR per share)



	Q1'18	Q2'18	Q3'18	Q4'18
\$M	5.5	13.1	12.2	12.8
%	50%	125%	125%	125%

Effective Tax Rate (ETR)



- Q418 ETR of 19.9% vs 19.1% in Q3 18
- Base ETR continues to be ~20.5%

Capex: \$2.5M in Q4'18, \$8.8M in FY18



**Innovative
Services**

**Passionate
Employees**

**Delighted
Customers**

Thank you