

Hexaware

FOR IMMEDIATE RELEASE

## Hexaware Delivers Strong CY24 Performance with \$1,429 Mn Revenue Up 13.7% YoY

**Q4CY24 Revenue at \$372.3 Mn Up 18.5% YoY | Q4CY24 EBITDA Expansion of 326 bps YoY**

**Q4CY24 EPS at INR 5.25 Expansion of 65.1% YoY**

**Mumbai, March 06, 2025** – Hexaware Technologies (NSE: HEXT), a leading global provider of IT solutions and services, today announced financial results for the fourth quarter of calendar year 2024 ended December 31, 2024.

### Financial Summary and Highlights

	USD Mn			INR Mn		
	Q4CY24	QoQ (%)	YoY (%)	Q4CY24	QoQ (%)	YoY (%)
Revenue	372.3	(0.5%)	18.5%	31,544	0.6%	20.6%
EBITDA	60.7	1.3%	48.0%	5,140	2.3%	50.7%
PAT	38.0	6.4%	64.5%	3,207	7.0%	66.3%

CY24	USD Mn	
	CY24	YoY (%)
Revenue	1,428.9	13.7%
EBITDA	227.2	18.1%
PAT	140.1	16.2%

Constant Currency Growth	CY24	Q4CY24	
	YoY %	QoQ %	YoY %
Revenue	13.5%	0.2%	18.8%

### Revenue:

- Q4CY24: USD 372 Mn | INR 31,544 Mn
  - **USD:** (0.5%) QoQ and +18.5% YoY | **INR:** +0.6% QoQ and +20.6% YoY
  - **Constant Currency:** +0.2% QoQ and +18.8% YoY
- CY24: \$1,429 Mn | INR 119,744 Mn
  - **USD:** +13.7% YoY | **INR:** +15.4% YoY
  - **Constant Currency:** +13.5% YoY

## Profitability:

- **Reported EBITDA:**
  - **Q4CY24:** 16.3% | +2.3% QoQ & +50.7% YoY in absolute terms | +28 bps QoQ & +326 bps YoY in % terms
  - **CY24:** 15.9% | +19.8% YoY in absolute terms | +59 bps YoY in % terms
- **Basic EPS:**
  - **Q4CY24:** INR 5.25 | +5.4% QoQ & +65.1% YoY
  - **CY24:** INR 19.37 | +17.8% YoY

## Key Client Metrics:

- Added 1 customer in the \$100 Mn+ category
- Added 4 customers in the \$20 Mn+ category: 15 in CY24 vs 11 in CY23
- Top 10 customers revenue concentration: 35.8% in CY24

## Key People Metrics:

- Closing Headcount: 32,309, Net added 4,017 since Q4CY23
- Voluntary Attrition for IT<sup>(1)</sup>: 10.8%
- Q4CY24 Utilization Rate for IT<sup>(2)</sup>: 81.6%

## Other Key Metrics:

- DSO (Billed + Unbilled) at 65 in Q4CY24, of which Billed is 38
- CY24 Adjusted Cash Conversion % at 74.5%
- Strong Cash and Cash Equivalents position as of 31<sup>st</sup> December 2024 INR 1,977 Cr
- INR 8.75 per share of dividend paid in CY24

## Leadership Speak

*"We are delighted to be public again. Materially outperforming industry growth with 18.5% YoY Q4CY24 revenue growth reflects the strength of Hexaware's foundations: putting clients first, creating a home for great talent, and using platforms for real impact. We look forward to building on this momentum for a great CY25."*

R. Srikrishna, CEO

*"CY24 performance underlines the resilience of our business model. We clocked strong revenue growth of 13.7% YoY for CY24 while expanding margins at the same time and delivering 18.1% operating margin growth YoY. Our razor-sharp focus on cash flow helped yield OCF to Adjusted EBITDA of 74%+."*

Vikash Jain, CFO

Notes: (1) Voluntary attrition rate for the IT service line is calculated as the total number of IT business professionals and support function professionals who left the company voluntarily during a period, divided by the average number of IT business professionals and support function professionals during the period, computed on a trailing twelve-month basis. (2) Utilization rate for IT is calculated as the total hours IT business professionals spend on customer-billed assignments, divided by the total available base hours. IT business professionals designated as Mavericks (campus hires) are included in the utilization computation after the completion of an initial training period of up to four months.

## Financial Performance

### Revenue Performance by Vertical

In USD Million	Q4CY24 QoQ	Q4CY24 YoY	CY24 YoY
Financial Services	3.5%	25.0%	19.1%
Healthcare and Insurance	(2.4%)	16.0%	10.9%
Manufacturing and Consumer	(6.9%)	(0.8%)	4.5%
High Tech and Professional Services	1.4%	38.4%	22.5%
Banking	6.4%	15.0%	7.6%
Travel and Transportation	(7.6%)	11.2%	13.3%
<b>Total Revenue</b>	<b>(0.5%)</b>	<b>18.5%</b>	<b>13.7%</b>

### Revenue Performance by Geography

In USD Million	Q4CY24 QoQ	Q4CY24 YoY	CY24 YoY
Americas	2.3%	24.1%	17.7%
Europe	(9.7%)	2.7%	3.0%
Asia Pacific	(4.0%)	8.3%	6.5%
<b>Total Revenue</b>	<b>(0.5%)</b>	<b>18.5%</b>	<b>13.7%</b>

### Key Wins

- Modernizing workflows and user interfaces by replacing Appian with AWS cloud-native solutions and implementing ServiceNow ITSM for a large secondary mortgage provider in the US
- GenAI-based legacy modernization project using our proprietary GenAI model to extract business rules and blueprint the application to a new technology stack for a major airline in the US
- Infrastructure operations with AI-first transition to mitigate operational risks and enhance service quality for a global supply chain management and logistics services company in the US
- Digital banking implementation and maintenance for a large bank in Southeast Asia
- Cybersecurity services for a UK-based global provider of financial markets data and infrastructure
- Redesigning and rebuilding the eDiscovery platform and workflow, leveraging our AI-driven platform engineering and product road-mapping expertise for a global leader in eDiscovery, document review, risk management, and legal consulting services

## Condensed Consolidated Statements of Financial Position

### Consolidated Statement of Profit and Loss – Quarterly

In INR million unless stated otherwise	Q4CY24	Q3CY24	Q4CY23	Change	
				QoQ (%)	YoY (%)
<b>Revenue (USD Mn)</b>	<b>372.3</b>	<b>374.2</b>	<b>314.1</b>	(0.5%)	18.5%
Revenue – Constant Currency				0.2%	18.8%
<b>Revenue (INR Mn)</b>	<b>31,544</b>	<b>31,357</b>	<b>26,160</b>	0.6%	20.6%
Other Income	236	112	100	110.7%	136.0%
Total Income	31,780	31,469	26,260	1.0%	21.0%
(-) Employee Benefits Expense	18,196	18,091	15,725	0.6%	15.7%
(-) Other Expenses	8,444	8,355	7,124	1.1%	18.5%
<b>EBITDA</b>	<b>5,140</b>	<b>5,023</b>	<b>3,411</b>	2.3%	50.7%
<i>EBITDA Margin (%)</i>	<i>16.3%</i>	<i>16.0%</i>	<i>13.0%</i>	28 bps	326 bps
(-) I + Adjustments	240	453	634	(47.0%)	(62.1%)
<b>Adjusted EBITDA</b>	<b>5,380</b>	<b>5,476</b>	<b>4,045</b>	(1.8%)	33.0%
<i>Adjusted EBITDA Margin (%)</i>	<i>17.1%</i>	<i>17.5%</i>	<i>15.5%</i>	(41 bps)	159 bps
(-) D&A	763	738	939	3.4%	(18.7%)
<b>EBIT</b>	<b>4,377</b>	<b>4,285</b>	<b>2,472</b>	2.1%	77.1%
<i>EBIT Margin (%)</i>	<i>13.9%</i>	<i>13.7%</i>	<i>9.4%</i>	21 bps	443 bps
(-) Finance Costs	207	226	72	(8.4%)	187.5%
<b>Profit before Tax</b>	<b>4,170</b>	<b>4,059</b>	<b>2,400</b>	2.7%	73.8%
Total Tax Expense	963	1,062	472	(9.3%)	104.0%
<b>Reported Profit</b>	<b>3,207</b>	<b>2,997</b>	<b>1,928</b>	7.0%	66.3%
<i>Reported Profit Margin (%)</i>	<i>10.2%</i>	<i>9.6%</i>	<i>7.4%</i>	61 bps	280 bps
<b>Adjusted Profit</b>	<b>3,567</b>	<b>3,504</b>	<b>2,738</b>	1.8%	30.3%
<i>Adjusted Profit Margin (%)</i>	<i>11.3%</i>	<i>11.2%</i>	<i>10.5%</i>	13 bps	84 bps
Basic EPS (INR)	5.25	4.98	3.18	5.4%	65.1%
Adjusted EPS (INR)	5.84	5.81	4.51	0.5%	29.5%

## Consolidated Statement of Profit and Loss – Yearly

In INR million unless stated otherwise	CY24	CY23	Change
			YoY (%)
<b>Revenue (USD Mn)</b>	<b>1,428.9</b>	<b>1,256.4</b>	13.7%
Revenue – Constant Currency			13.5%
<b>Revenue (INR Mn)</b>	<b>119,744</b>	<b>103,803</b>	15.4%
Other Income	749	88	751.1%
Total Income	120,493	103,891	16.0%
(-) Employee Benefits Expense	69,649	61,282	13.7%
(-) Other Expenses	31,793	26,710	19.0%
<b>EBITDA</b>	<b>19,051</b>	<b>15,899</b>	19.8%
<i>EBITDA Margin (%)</i>	<i>15.9%</i>	<i>15.3%</i>	59 bps
(-) / + Adjustments	1,714	953	79.9%
<b>Adjusted EBITDA</b>	<b>20,765</b>	<b>16,852</b>	23.2%
<i>Adjusted EBITDA Margin (%)</i>	<i>17.3%</i>	<i>16.2%</i>	111 bps
(-) D&A	2,788	2,836	(1.7%)
<b>EBIT</b>	<b>16,263</b>	<b>13,063</b>	24.5%
<i>EBIT Margin (%)</i>	<i>13.6%</i>	<i>12.6%</i>	100 bps
(-) Finance Costs	660	378	74.6%
<b>Profit before Tax</b>	<b>15,603</b>	<b>12,685</b>	23.0%
Total Tax Expense	3,863	2,709	42.6%
<b>Reported Profit</b>	<b>11,740</b>	<b>9,976</b>	17.7%
<i>Reported Profit Margin (%)</i>	<i>9.8%</i>	<i>9.6%</i>	19 bps
<b>Adjusted Profit</b>	<b>13,744</b>	<b>11,326</b>	21.3%
<i>Adjusted Profit Margin (%)</i>	<i>11.5%</i>	<i>10.9%</i>	57 bps
Basic EPS (INR)	19.37	16.45	17.8%
Adjusted EPS (INR)	22.67	18.68	21.4%

## Consolidated Balance Sheet Statement

In INR million	As of period ending		
	Dec'24	Sep'24	Dec'23
<b>Assets</b>			
Property, plant and equipment and intangible	8,128	8,370	6,484
Right-of-use assets	5,596	5,038	3,761
Goodwill	23,871	23,366	14,290
Capital work-in-progress	1,308	1,106	552
Deferred tax assets (net)	2,682	3,032	2,727
Other non-current assets & investments in associates	2,338	2,130	2,130
Trade receivables and unbilled revenue	22,531	24,394	19,101
Other current assets	3,568	3,376	2,573
Cash and cash equivalents (inc. restricted)	19,923	15,130	20,403
<b>Total Assets</b>	<b>89,945</b>	<b>85,942</b>	<b>72,021</b>
<b>Equity and Liabilities</b>			
Equity	608	607	607
Other equity and reserves	52,961	52,205	45,745
Non-controlling Interests	(23)	(42)	-
<b>Total Equity</b>	<b>53,546</b>	<b>52,770</b>	<b>46,352</b>
Non-current liabilities	228	183	69
Deferred tax liabilities (net)	0.0	0.0	-
Lease liabilities	5,742	5,175	3,936
Trade payables	9,140	7,876	6,595
Other current liabilities	13,981	12,406	11,597
Deferred consideration	4,140	4,216	391
Provisions	3,168	3,316	3,081
<b>Total Liabilities</b>	<b>36,399</b>	<b>33,172</b>	<b>25,669</b>
<b>Total Equity and Liabilities</b>	<b>89,945</b>	<b>85,942</b>	<b>72,021</b>

## Consolidated Statement of Cash Flows

In INR million	CY 24	CY 23
Profit before tax	15,603	12,685
D&A, ESOP cost, Finance cost & other items	3,627	3,827
Changes in working capital	(628)	1,223
Taxes	(3,122)	(2,579)
<b>Cashflow from operation (OCF)</b>	<b>15,480</b>	<b>15,156</b>
Capex	(1,312)	(634)
Investment in MFs and Interest on Fixed Deposits	2,890	(2,362)
Business acquisition	(8,268)	-
<b>Cash used in investing activities</b>	<b>(6,690)</b>	<b>(2,996)</b>
Proceeds from issue of shares	1	3
Borrowings and lease payments	(1,506)	(2,006)
Dividend	(5,314)	(5,308)
RSU one-time cash settlement	-	(190)
<b>Cash used in financing activities</b>	<b>(6,819)</b>	<b>(7,501)</b>
<b>Net cash flow</b>	<b>1,971</b>	<b>4,659</b>

## Conference Call Information

Hexaware Technologies will host a Q4 and year-end financial earnings conference call for 2024 on March 07, 2025, at 8:00 AM (IST) for investors and analysts following the announcement of results to the stock exchanges.

The Management will also be hosting a webcast presentation. Here is the link to access the webcast: <https://links.ccwebcast.com/?EventId=HEX070325>.

Participants may use the dial-in numbers below to join the conference call if they prefer to listen in only.

### Universal Dial-in (Toll-Free)

INDIA: 0008 0010 08443

### International Dial-in (Toll-Free)

HONG KONG: 800 966 806

SINGAPORE: 800 101 2785

UNITED KINGDOM: 0800 051 8245

USA/CANADA: 1 855 881 1339

Furthermore, the presentation for investors (s) / analysts (s), along with the transcript of the call, will be available on the company's website at [www.hexaware.com](http://www.hexaware.com).

## About Hexaware

We are a global digital and technology services company with artificial intelligence ("AI") at its core. We leverage technology to deliver innovative solutions that help our customers in their digital transformation journey and subsequent operations. We embed AI into every aspect of our solutions and have created a suite of platforms and tools that allow our customers to adapt, innovate, and optimize in this AI-first era. We serve a diverse range of customers, including 31 Fortune 500 organizations. With a team of 32,309 employees in 28 countries, our presence is spread across major countries, nationalities, languages, time zones, and regulatory zones. For more information, please visit <https://hexaware.com/>

## Forward-looking Statements

Certain statements in this press release 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, and unauthorized use of our



intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward statements. We do not undertake to update any forward statements that may be made from time to time by us or on our behalf unless required under the law.

## **Disclaimer**

### **Use of Non-GAAP Financials**

Hexaware has included certain non-GAAP financial measures in this presentation to supplement Hexaware's consolidated financial statements presented on a GAAP basis. These non-GAAP financial measures may have limitations as analytical tools, and these measures should not be considered in isolation or as a substitute for analysis of Hexaware's results as reported under GAAP.

The non-GAAP financial information that we provide also may differ from the non-GAAP information provided by other companies. We compensate for the limitations on our use of these non-GAAP financial measures by relying primarily on our GAAP financial statements and using non-GAAP financial measures only supplementally. We have provided reconciliations of non-GAAP earnings to the most directly comparable GAAP earnings, and we encourage investors to review those reconciliations carefully.

We believe that providing these non-GAAP financial measures in addition to the related GAAP measures provides investors with greater transparency. We further believe that providing this information better enables investors to understand Hexaware's operating performance and financial condition.

### **Rounding off**

Certain amounts and percentage figures included in this presentation have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

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