

**HEXAWARE**

# Investor Presentation – Q4CY24

March 2025

## Safe Harbor Statement / Forward-looking and Cautionary Statement / Disclaimer

Certain statements in 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, 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.

### 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.

# Key Financial and Business Highlights

## Financial Highlights

### Revenue:

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

### Profitability:

- 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

Closing cash balance as of 31<sup>st</sup> December 2024<sup>(3)</sup> : INR 1,977 Cr

## Business Highlights

### Key People Metrics:

- Closing Headcount: 32,309, Net added 4,017 in CY24
- Voluntary Attrition for IT<sup>(1)</sup>: 10.8%
- Q4CY24 Utilization Rate for IT<sup>(2)</sup>: 81.6%

### Key Customer Metrics:

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

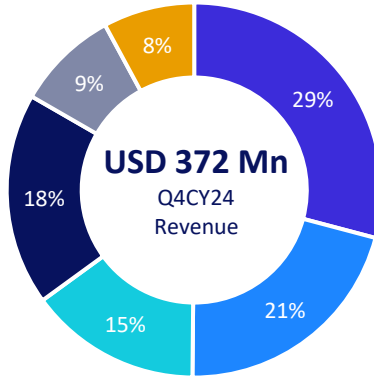
### Other Recent Developments:

- Recognized among the World's Top 25 Most Valuable IT Services Brands globally according to the Brand Finance IT Services 25, 2025 report
- Ranked first in "general satisfaction" according to a study from Whitelane<sup>(4)</sup> — highlighting our client-centric innovation and value-driven service delivery

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. (3) Excludes restricted cash balance (4) Source: Whitelane Research 2024/2025 IT Sourcing Study for Europe

## Diverse Presence Across Verticals and Geographies

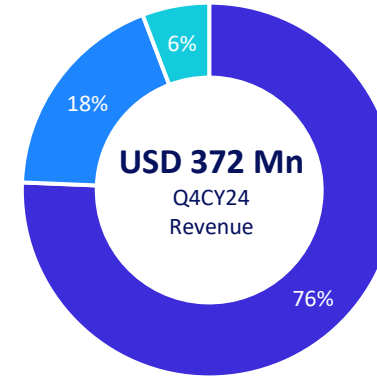
### Vertical Split (%)



Growth (%) <sup>(1)</sup>	Q4CY24		CY24
	QoQ	YoY	YoY
Financial Services	3.5%	25.0%	19.1%
Healthcare & Insurance	(2.4%)	16.0%	10.9%
Manufacturing & Consumer	(6.9%)	(0.8%)	4.5%
High Tech & Professional Services	1.4%	38.4%	22.5%
Banking	6.4%	15.0%	7.6%
Travel & Transportation	(7.6%)	11.2%	13.3%

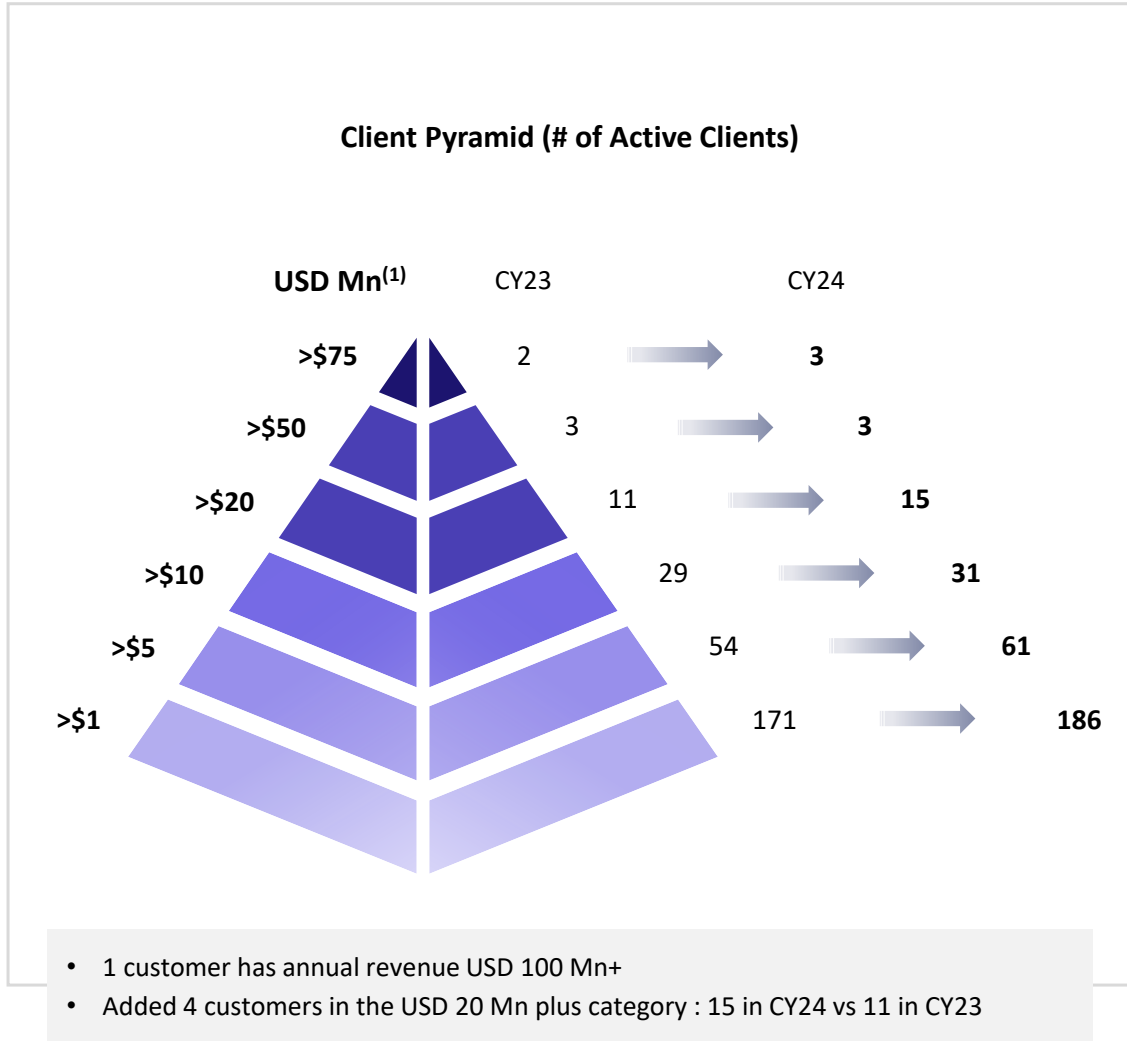
Note: (!) In USD terms

### Geographic Split (%)

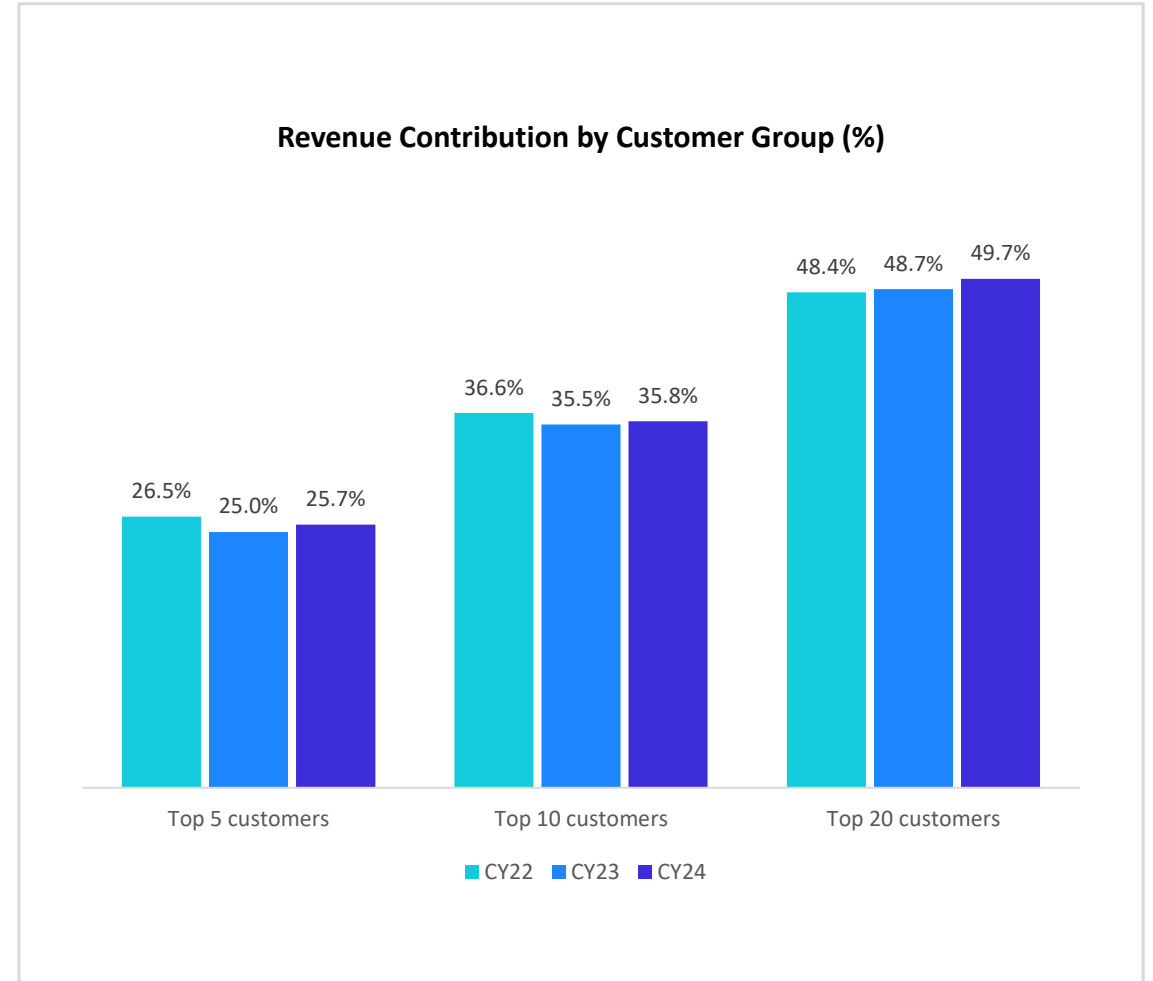


Growth (%) <sup>(1)</sup>	Q4CY24		CY24
	QoQ	YoY	YoY
Americas	2.3%	24.1%	17.7%
Europe	(9.7%)	2.7%	3.0%
Asia Pacific	(4.0%)	8.3%	6.5%

Diverse Clientele with Strong Partnerships



Note: (1) Represents revenue earned from customers.



Winning Across Domains: Key Successful Deals

**Large secondary mortgage provider in the US**

Modernizing workflows and user interfaces by replacing Appian with AWS cloud-native solutions  
 +  
 ServiceNow ITSM implementation and catalog transformation

**Major airline 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

**Global supply chain management and logistics services company in the US**

Infrastructure operations with an AI-first transition to mitigate operational risks, providing swift aid and integrating service quality squads with automation and AI squads for programmatic operations

**Large bank in Southeast Asia**

Digital banking implementation and maintenance

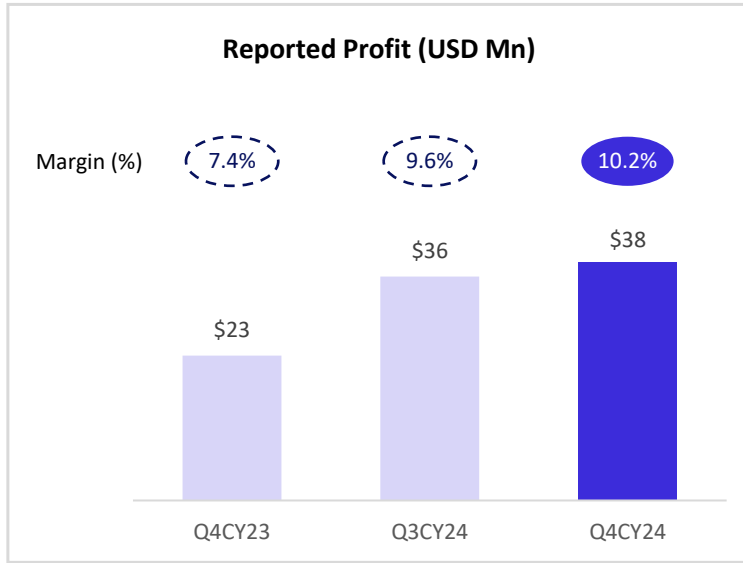
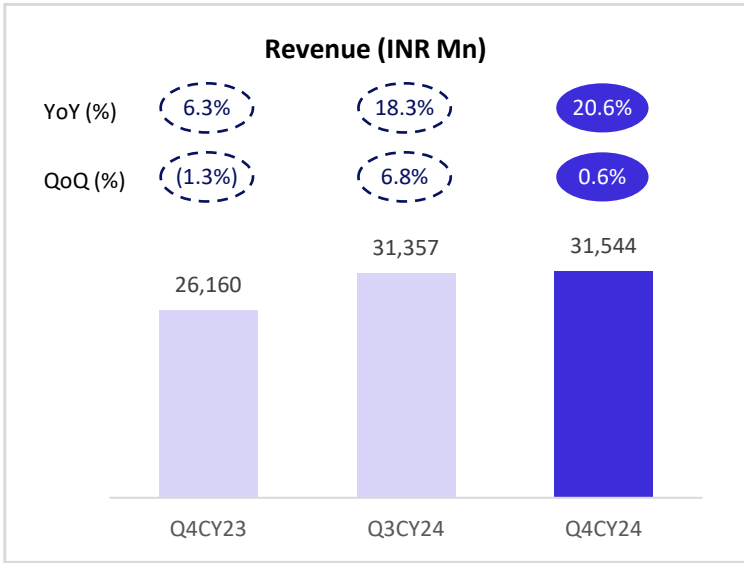
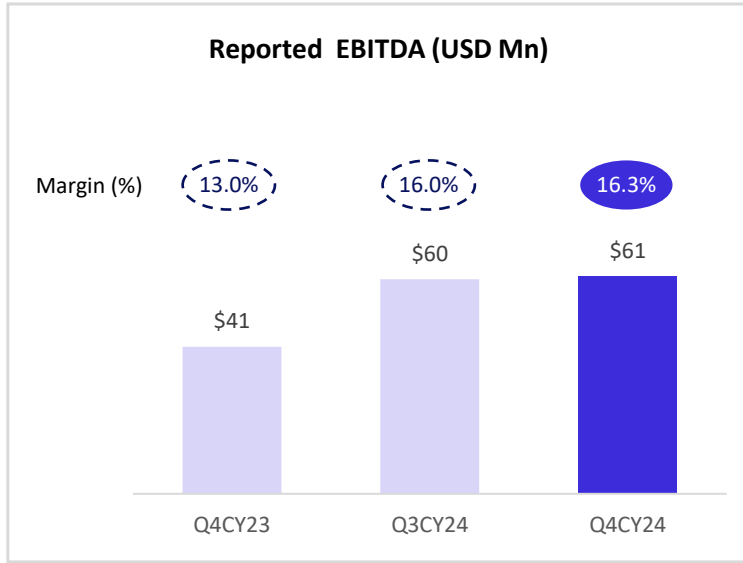
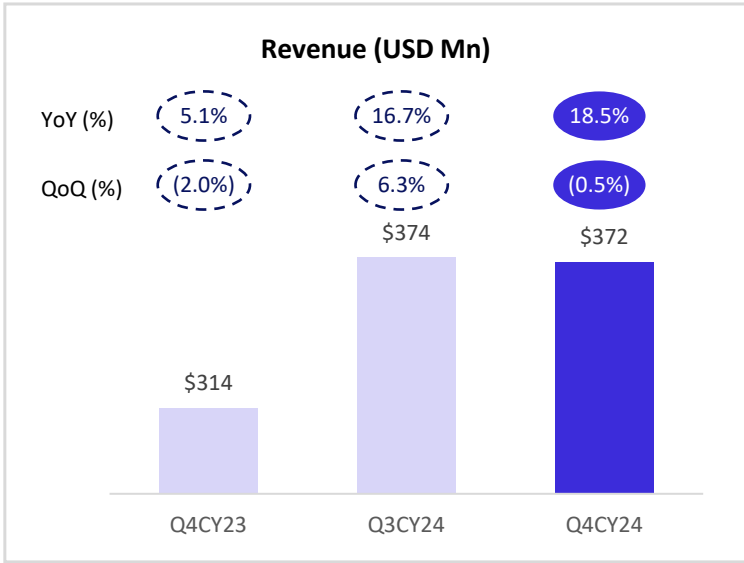
**UK-based global provider of financial markets data and infrastructure**

Cyber security services

**Global leader in eDiscovery, document review, risk management, and legal consulting services**

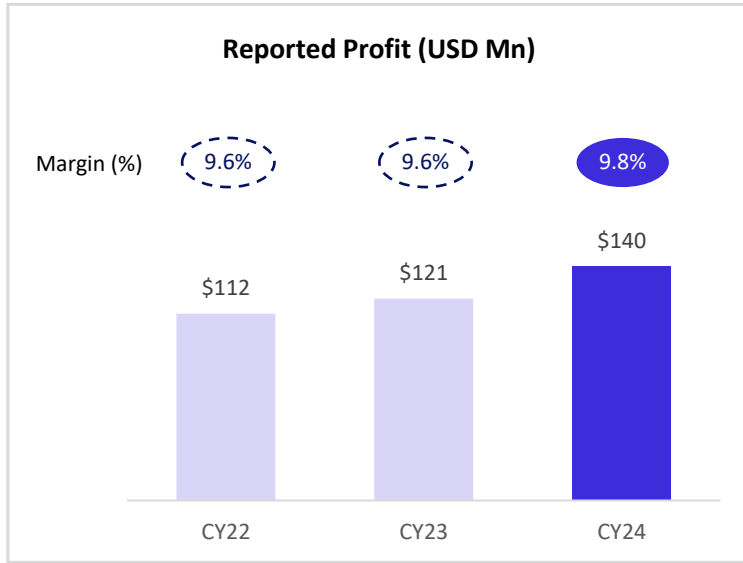
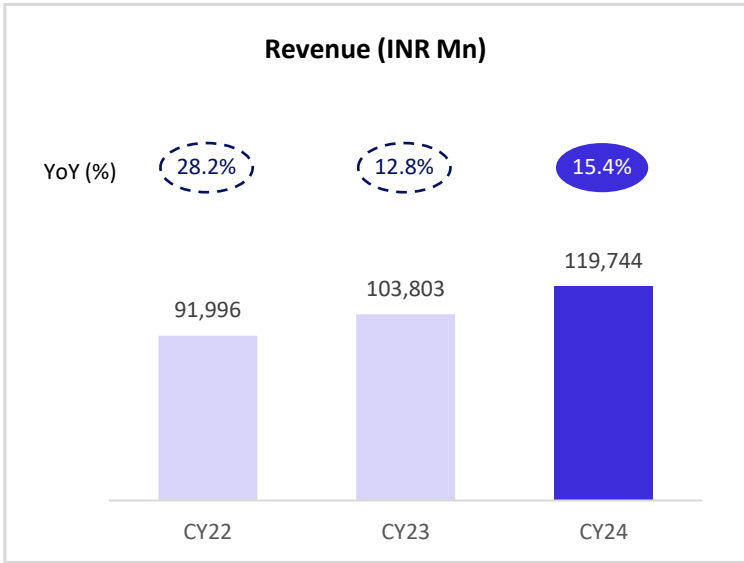
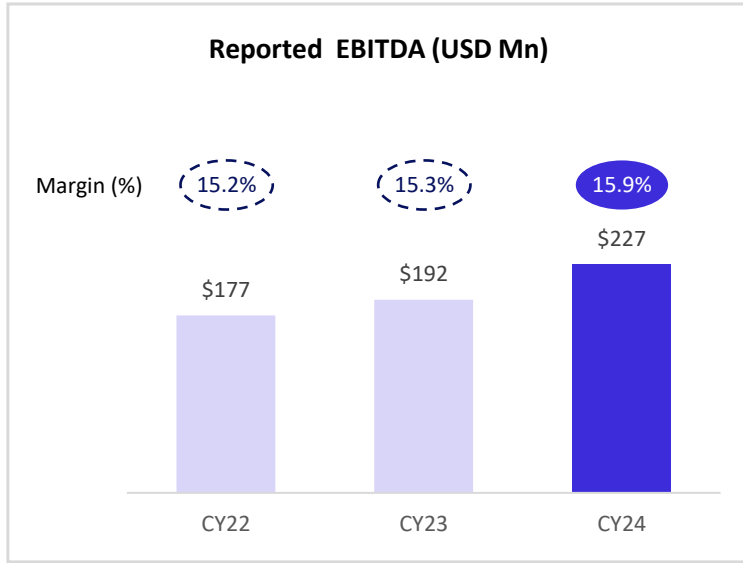
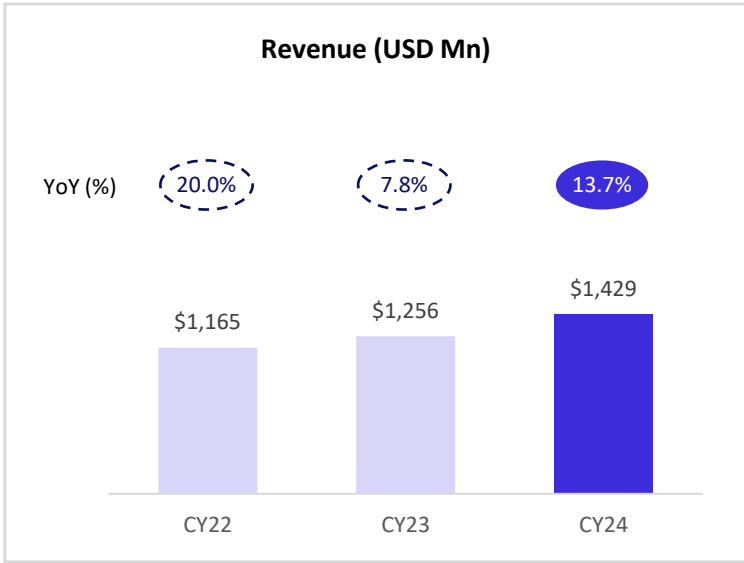
Redesigning and rebuilding the client's eDiscovery platform and workflow, leveraging our AI-driven platform engineering and product road-mapping expertise

Q4CY24 Financial Highlights



- Reported EBITDA +48.0% YoY growth (325 bps)
- Reported Net Profit +64.5% YoY growth (285 bps)
- ERP implementation cost is the only non-recurring expense left. Will reduce to zero by H2CY25.

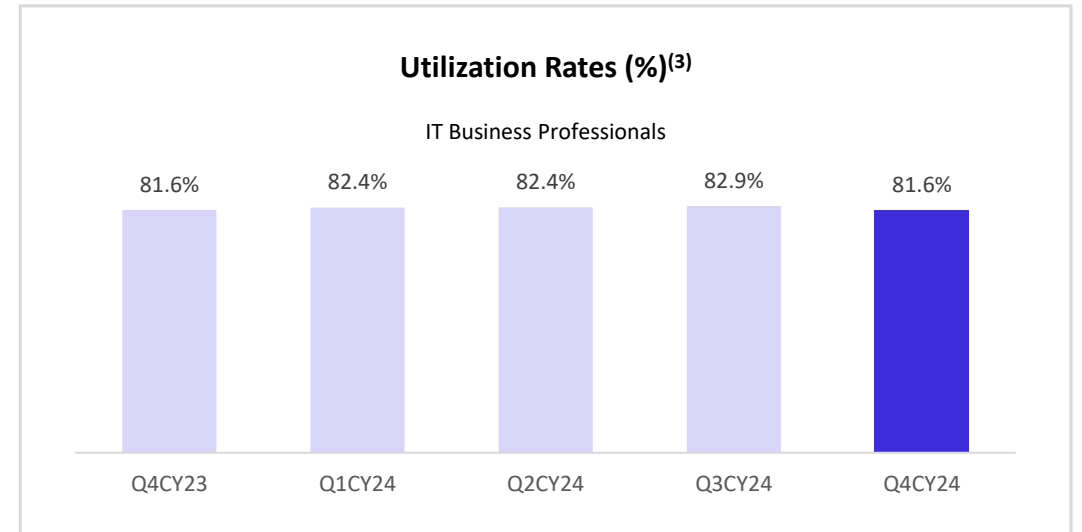
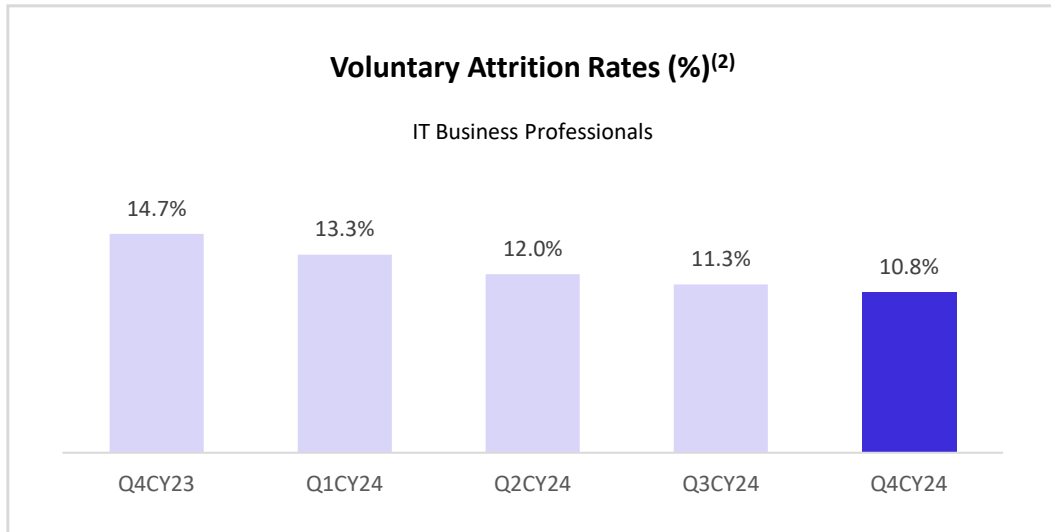
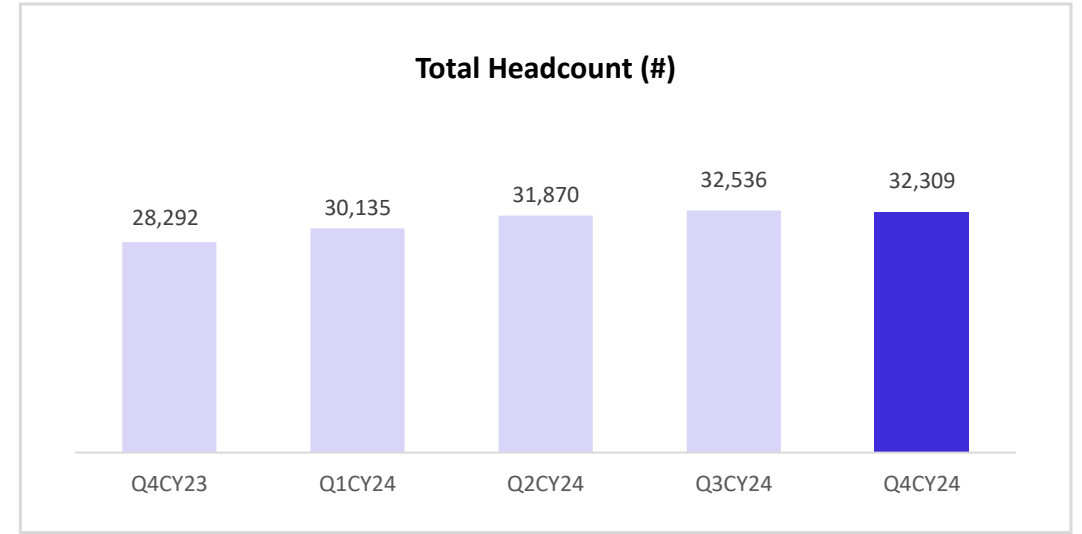
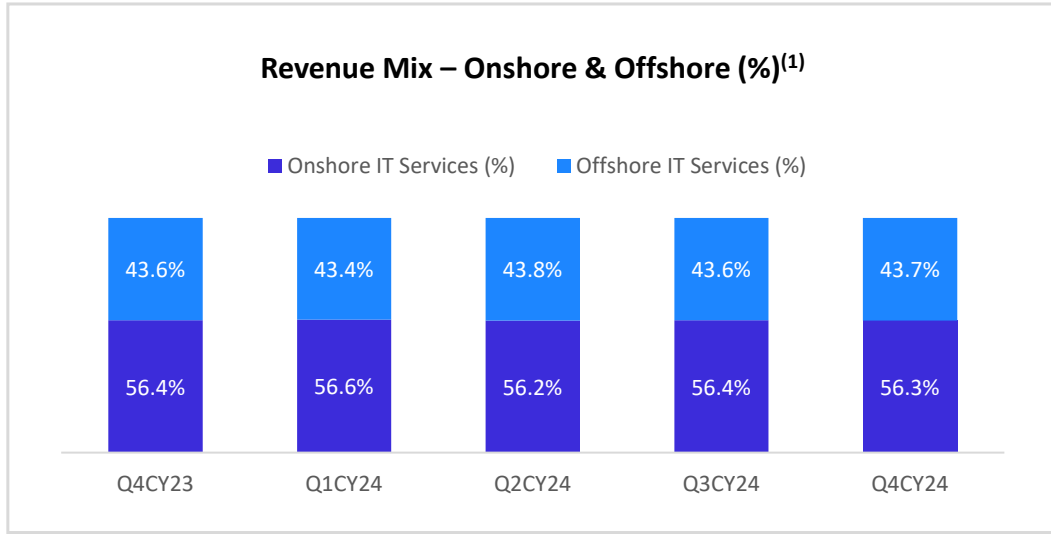
CY24 Financial Highlights



- EBITDA +18.1% YoY growth (59 bps)
- Net Profit +16.2% YoY growth (21 bps)

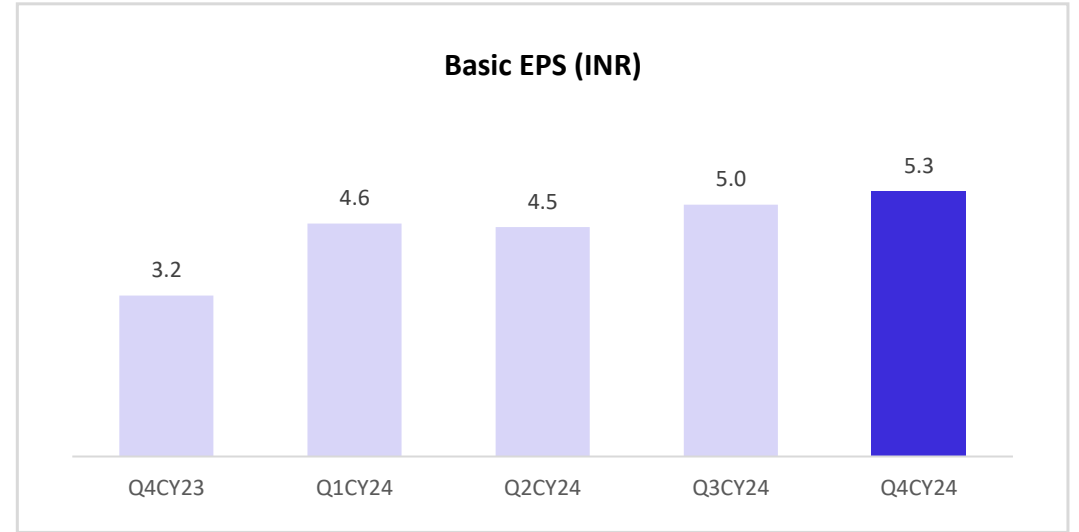
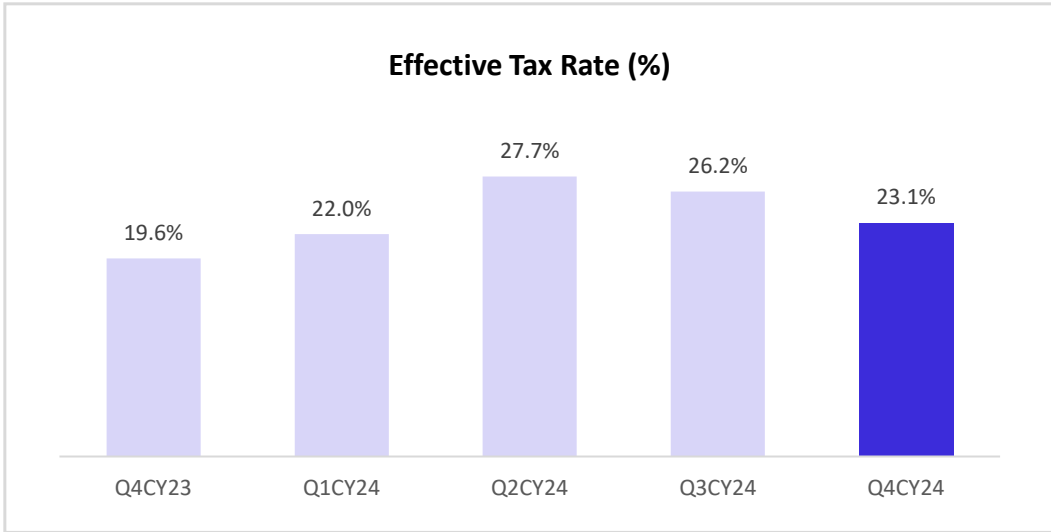
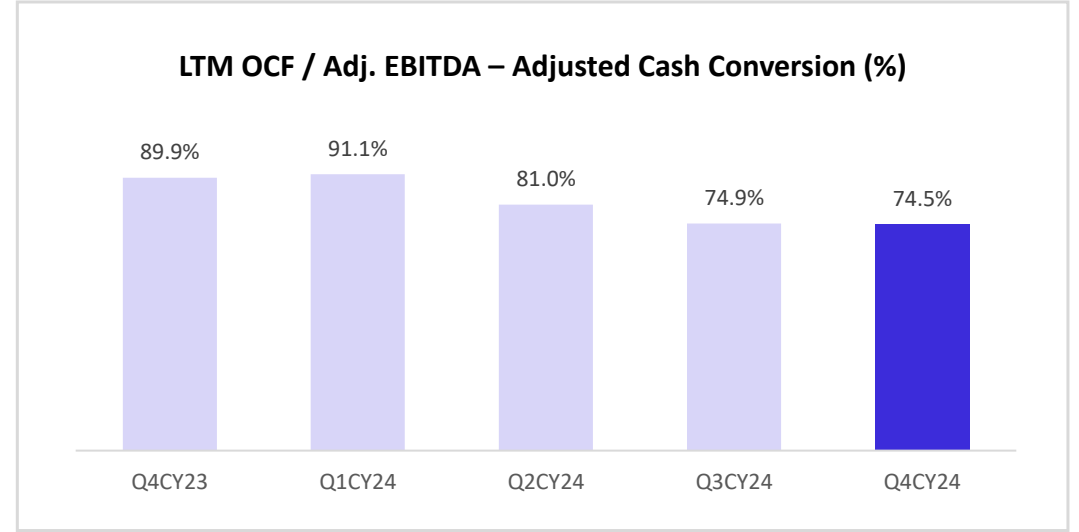
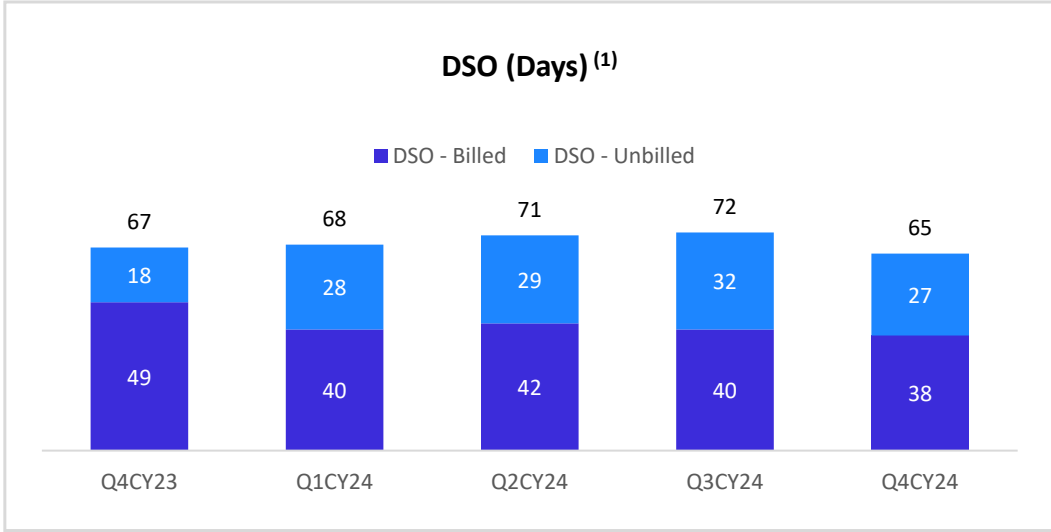


# Enhancing Operational Efficiency Through Revenue Optimization and Talent Management



Notes: (1) For IT Services (2) 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. (3) 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.

Cash Flow, ETR, and EPS Metrics



Notes: DSO: Days Sales Outstanding; OCF: Operating Cashflows; EPS: Earnings Per Share. (1) DSO is computed based on trailing 3 months of USD revenue

## CY25 View

- Typical patterns in most years:
  - Q1 and Q4 are seasonally low quarters, and Q2 and Q3 have best sequential performance
  - YoY for quarter and FY are the best measure to account for seasonality
  - Q3 is the wage hike quarter
- H2 CY24 YoY rates are elevated due to the weak performance in H2 CY23, which is secular for the industry
- Our Q4 exit is strong at >4%
- Macros have trended marginally negative in the last few weeks. However, we expect CY25 performance to be resilient to modest macro changes
  - 2 of our top 3 customers are going through consolidation, which we have won. We expect some ramp-up in Q2 and the majority in Q3
  - 2 more significant consolidation deals are in progress, with a ramp-up expected in H2/Q4 if we win
- EBIDTA
  - ERP implementation cost is the only non-recurring expense left. Will reduce to zero by H2CY25.

# Appendix

Reconciliation of Adj. EBITDA and Adj. Profit – Q4CY24 and CY24

% of Revenue	EBITDA		Profit	
	Q4CY24	CY24	Q4CY24	CY24
<b>Reported Margin</b>	<b>16.3%</b>	<b>15.9%</b>	<b>10.2%</b>	<b>9.8%</b>
Add: ESOP compensation cost	0.4%	0.3%	-	-
Add: Non-recurring employee benefits and severance costs	-	0.4%	-	0.4%
Add: ERP transformation cost <sup>(1)</sup>	0.7%	0.7%	0.7%	0.7%
Add: Specific provisions for customers and onerous vendor contracts	-	0.1%	-	0.1%
Add: Acquisition related costs <sup>(2)</sup>	0.0%	0.3%	0.0%	0.3%
Add: IPO related costs	-	0.0%	-	0.0%
Add: Regulatory fees <sup>(3)</sup>	-	0.1%	-	0.1%
Less: Other income (excluding exchange rate difference (net))	(0.3%)	(0.5%)	-	-
Add: Amortization of intangible assets acquired in business combination	-	-	0.7%	0.6%
Less: Tax Impact on above <sup>(4)</sup>	-	-	(0.3%)	(0.6%)
<b>Adjusted Margin</b>	<b>17.1%</b>	<b>17.3%</b>	<b>11.3%</b>	<b>11.5%</b>

Note: (1) ERP transformation cost consists of professional fees, travel costs, license costs, and the cost of employees working on the implementation of new ERP software (2) Acquisition-related costs consist of professional fees incurred in relation to M&A activities (3) Regulatory fees represents the amount paid in respect of compounding order (4) Tax impact for a period/year is computed using the consolidated effective tax rate for the period/year

# Awards and Recognition

 <p>2025 Brand Finance® TOP 25 MOST VALUABLE IT SERVICES BRAND</p> <p>Recognized among the World's Top 25 Most Valuable IT Services Brands globally Brand Finance 25, 2025 report</p>	 <p>NAMED BEST TECH BRANDS 2024</p> <p>Named among the Best Tech Brands of 2024 by ET Edge for the second consecutive year</p>	 <p>BRONZE 2024 STEVIE WINNER</p> <p>Won Bronze Stevie Award at the 2024 American Business Awards</p>	<p>THE AI CONICS AI Implementer of the Year</p> <p>Named AI Implementer of the Year at The Alconics Awards 2024</p>	 <p>ISG Star of Excellence Global Region   2024 Winner</p> <p>Hexaware Wins 2024 ISG Star of Excellence™ Universal (Global) Region Award with 86.7 CX Score</p>	 <p>Hexaware recognized in the 2025 Gartner® Report "Emerging Tech: Adoption Trends for Generative AI," Published: 28 January 2025, ID: G00809924, Analysts: Vibha Chitkara, Ethan Cai, et al.</p>	 <p>Hexaware recognized in the 2025 Gartner® Report "Midmarket Context for Europe: Magic Quadrant for Outsourced Digital Workplace Services", Published: 24 January 2025, ID: G00798262, Analysts: William Maurer, et al.</p>
 <p>Recognized as one of the Best Organizations for Women 2024 for the second consecutive year by ET Now</p>	 <p>Achieved Silver Rating from EcoVadis in 2024 for improved ESG and sustainability practices</p>	 <p>10<sup>th</sup> EDITION CORPORATE SOCIAL RESPONSIBILITY SUMMIT &amp; AWARDS 2024</p> <p>Best Practices in CSR award at the 10<sup>th</sup> Annual CSR Summit and Awards</p>	 <p>Hexaware Named a Leader in Strategy and Consulting Services- Midsize in ISG Provider Lens™ Generative AI Services 2024 US Quadrant Report</p>	 <p>Hexaware Named a Leader in Development and Deployment Services - Midsize in ISG Provider Lens™ Generative AI Services 2024 US Quadrant Report</p>	 <p>Hexaware Named a Leader in Data Modernization Services- Midsize in ISG Provider Lens™ Advanced Analytics and AI Services 2024 US Quadrant Report</p>	 <p>Hexaware Named a Leader in Data Modernization Services- Midsize in ISG Provider Lens™ Advanced Analytics and AI Services 2024 US Quadrant Report</p>
 <p>Ranked #1 in General Satisfaction in the Whitelane IT Sourcing Study for Europe 2024/25</p>	 <p>Won five awards at the 2024 Brandon Hall Group™ HCM Excellence Awards®</p>	 <p>CEO R Srikrishna recognized at the Asian Business Leaders Conclave by ET</p>	 <p>Hexaware Named a Leader in Platform and Application Services in ISG Provider Lens™ Digital Engineering Services 2024 US Quadrant Report</p>	 <p>Hexaware Named a Leader in Agile Application Development Projects in ISG Provider Lens™ Next-Gen ADM Services 2024 US Quadrant Report</p>	 <p>Hexaware Named a Leader in Managed Services for Azure in ISG Provider Lens™ Microsoft Cloud Ecosystem 2024 US Quadrant Report</p>	 <p>Hexaware Recognized in Forrester's Landscape Report: The Application Modernization And Multicloud Managed Services Landscape, Q4 2024, Published October 24th, 2024, Analysts: Bill Martorelli, et al.</p>

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## Creating Meaningful Impact Beyond Business

### ESG and Sustainability Awards

- Ecovadis Assessment: Hexaware is in the top 15% globally, awarded a silver medal with a score of 70, placing in the 92<sup>nd</sup> percentile worldwide
- Net Zero Summit – UBS Forums 2024: Won the “Sustainable Organization of the Year 2024” award

### Adopting Global Best Practices

- Committed to near-term, long-term, and Net Zero targets approved by the Science Based Targets Initiative (SBTi)
- Aligned with the frameworks of TCFD, GRI, and UN SDGs
- Submit an annual “Communication on Progress (CoP)” to the United Nations Global Compact (UNGC)

### Bringing Smiles to the Planet and Communities We Live In

- Achieve net zero greenhouse gas (GHG) emissions (Scope 1 and 2) by 2040
- Transition 70% of campus electricity usage to renewable sources by 2030
- Achieve water neutrality for owned operations by 2030 and zero waste to landfill at owned facilities by 2025
- Increased electricity usage from renewable energy across all India locations from 39.7% in 2023 to 57.5% in 2024
- Increased our renewable energy usage from 59% in 2023 to 71% in 2024 at our campuses in Chennai, Pune, and Nagpur

### 93,746 Lives Benefitted Through Our CSR Efforts

Educational Initiatives and Skill Development

Healthcare Initiatives

Environmental Stewardship

Women’s Empowerment

Sports Initiatives

# Thank You

Please direct all inquiries to

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