Investor Update
Q1 2016

Launching RAISE IT™

5 May 2016
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
## Key Financials for Q1 2016

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q4 2015</th>
<th>GROWTH QoQ</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>121.69</td>
<td>124.11</td>
<td>-2.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>EBITDA* (before ESOP Cost)</td>
<td>18.91</td>
<td>19.85</td>
<td>-4.8%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>EBITDA (after ESOP Cost)</td>
<td>17.82</td>
<td>19.73</td>
<td>-9.7%</td>
<td>-12.8%</td>
</tr>
<tr>
<td>PAT</td>
<td>12.56</td>
<td>14.68</td>
<td>-14.5%</td>
<td>-6.3%</td>
</tr>
<tr>
<td>EPS Diluted **</td>
<td>2.77</td>
<td>3.27</td>
<td>-15.3%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

* Excludes ESOP Cost of $1.09 M in Q1 and $0.12 M in Q4
Revenue Analysis - QoQ

-2.2% Volume Growth

USD Mn

118.00 119.00 120.00 121.00 122.00 123.00 124.00 125.00

Revenue Q4 15
Volume
Calendar
Mix
FX -
Bill Rates
Revenue Q4 15

Increases
Decreases
(1.01)
0.18
(1.84)
(0.19)
0.45
121.7

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EBITDA Margin Walk - QoQ

- EBITDA margin for the quarter was 15.5% (Excludes ESOP cost), 50 bps lower than last quarter.
- Gross margin for Q1 2016 at 34.5%; lower by 30 bps mainly due to following reasons

- SG&A cost is 19.0% vs 18.8% in Q4 15 due to Sales Training (15 bps) & other marketing investments
Movement of Top 20 Customers

Top 20 Accounts by Revenue for the Quarter
(instead of LTM)

Q1 2016 vs. Q4 2015

<table>
<thead>
<tr>
<th>IN</th>
<th>OUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Banking and Financial Services</td>
<td>Multinational Insurance Firm</td>
</tr>
</tbody>
</table>
Strategy Proof Points

Q1-16 NN Deal wins at USD 36 million

Automation
Automation led Multi-year Multi-million Procurement, Finance and HR Shared Services deal for a global logistics company

Digital
Multi-year Multi-million Digital Transformation deal for a top ten pharmacy benefit manager and provider of prescription mail order and specialty pharmacy services

Transformation
Multi-year Multi-million Strategic HCM Transformation deal for a leading pharma company
Improved Depth of Customer Relationships

Last twelve months revenue

CLIENT CONTRIBUTION TO REVENUE | GROWTH QoQ
--- | ---
Top 5 Clients | -1.1%
Top 10 Clients | -1.7%
Top 20 Clients | -2.0%

Amounts in USD million

Q1 2016

Q4 2015

$50+

$30 - $50

$20 - $30

$10 - $20

$5 - $10

$1 - $5

>$1
## Shareholder Metrics

### RETURN ON EQUITY

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>Q2</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL SHAREHOLDER RETURNS

Stock price as at the end of each quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>312.6</td>
<td>269.2</td>
</tr>
<tr>
<td>Q2</td>
<td>255.5</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>247.6</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>243.5</td>
<td></td>
</tr>
</tbody>
</table>

### DIVIDEND PAYOUT

Dividend declared for the year

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>11.10</td>
<td>6.95</td>
<td>8.65</td>
<td>2.25</td>
</tr>
</tbody>
</table>

Amounts in INR per share
Employee Metrics

**UTILIZATION**

Range Bound

- Q2 2014: 70.8%
- Q3 2014: 70.3%
- Q4 2014: 73.0%
- Q1 2015: 73.6%
- Q2 2015: 72.1%
- Q3 2015: 70.4%
- Q4 2015: 69.7%
- Q1 2016: 69.6%

**EMPLOYEE ATTRITION**

Significant efforts taken to contain attrition

- Q2 2014: 12.7%
- Q3 2014: 13.0%
- Q4 2014: 14.1%
- Q1 2015: 16.6%
- Q2 2015: 17.1%
- Q3 2015: 17.4%
- Q4 2015: 16.9%
- Q1 2016: 16.0%

*Net headcount addition during the quarter (incl. trainees) - 224*
North America led YoY Growth

While reporting the earnings for quarter ending March 31, 2016 (Q1 2016), Hexaware had provided a growth distribution by region. Underlying this was a transfer of customers from North America and Europe to APAC for better customer management.

The normalized numbers for each region are as follows, if the accounts had not been transferred. This is provided as a one-time bridge.

<table>
<thead>
<tr>
<th>Geo</th>
<th>Q1 2016 Reported</th>
<th>Adjustments</th>
<th>Q1 2016 Underlying</th>
<th>QoQ Growth</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>81.4%</td>
<td>0.7%</td>
<td>82.1%</td>
<td>-1.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>12.0%</td>
<td>0.6%</td>
<td>12.6%</td>
<td>-5.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>6.6%</td>
<td>-1.3%</td>
<td>5.3%</td>
<td>-6.5%</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>0.0%</td>
<td>100.0%</td>
<td>-2.0%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

GEOGRAPHY | GROWTH QoQ | GROWTH YoY
North America | -1.0% | 7.5%
Europe | -5.9% | 1.7%
APAC | -6.5% | -7.2%
TOTAL | -2.0% | 5.9%
Banking & Financial Services led Growth

<table>
<thead>
<tr>
<th>VERTICAL</th>
<th>GROWTH QoQ</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking &amp; Financial Services</td>
<td>2.5%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Global Travel &amp; Transportation</td>
<td>-9.3%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Healthcare &amp; Insurance</td>
<td>-1.1%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Manufacturing &amp; Consumer</td>
<td>-4.1%</td>
<td>-2.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-2.0%</strong></td>
<td><strong>5.9%</strong></td>
</tr>
</tbody>
</table>

Manufacturing & Consumer, 28%
Banking & Financial Services, 39%
Global Travel & Transportation, 15%
Healthcare & Insurance, 18%
### Business Intelligence & Analytics led Growth

<table>
<thead>
<tr>
<th>Service</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Development &amp; Maintenance (ADM)</td>
<td>-2.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Enterprise Solutions (ES)</td>
<td>-5.9%</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Quality Assurance &amp; Testing Services (QATS)</td>
<td>-4.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Business Intelligence &amp; Analytics (BIBA)</td>
<td>6.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Business Process Services (BPS)</td>
<td>-0.6%</td>
<td>28.5%</td>
</tr>
<tr>
<td>Infrastructure Management Services (IMS)</td>
<td>-1.7%</td>
<td>27.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-2.0%</strong></td>
<td><strong>5.9%</strong></td>
</tr>
</tbody>
</table>

**QATS, 20%**

**BPS, 6%**

**IMS, 7%**

**ADM, 38%**

**BIBA, 15%**

**ES, 14%**
Awards & Recognition

• Hexaware has yet again proven its leadership in the Business Process Outsourcing industry by winning 5 awards at the recently concluded ‘Asia Outsourcing Congress & Awards 2015-16’. The Company received the recognitions and awards in the following categories:
  • Fastest Growing Outsourcing Company of the Year 2015
  • Best Customer Experienced Delivered by a Contact Center
  • Excellence in Customer Services in the Outsourcing Industry
  • Health Insurance BPO Provider
  • Non-Voice Excellence Company of the Year

• Hexaware also won an Award for Excellence in Customer Service and a Certification of Recognition for- Outsourcing organization of the Year at the recently concluded Golden Globe Tiger Awards (For Outsourcing Excellence) in Malaysia

• Hexaware has been mentioned as one of the major IT services providers to North American insurers in the Novarica report titled, ”IT SERVICES PROVIDERS FOR INSURERS”, dated February 2016, by analysts Rob Mclsaac and Alex Effgen

• Hexaware has been mentioned in the Forrester report titled “The Future of Consulting Through 2020”, dated 11 February 2016, by analyst Marc Cecere

• Hexaware has been mentioned in High potential quadrant in HfS Bluprint Grid for Successfactors services, dated March 2016, by analysts Khada De Souza and Charles Sutherland
RAISE IT
Run-Automated-Informed-Secured-Enterprise IT
“RAISE IT” – Unified e2e IT Automation Platform

Build IT
On-Demand Provisioning/ Deployment, CI/ CD, Multi-tenant Agile Architecture
40% reduction in Infrastructure Build activities

Operate IT
Intelligent Monitoring, Intelligence Grid, AI, Machine Learning, Cognitive Knowledge, Robotic Process/ Workflow Automation

Orchestrate IT
Dynamic Workload Distribution & Management in Hybrid Cloud, As a Service Orientation, Release Automation

Brokerage IT
Integration of Multiple Clouds, Single Pane of View & Performance, Metering, Show back, Chargeback

Reporting
Bring your own Analytics (BYOA), Advanced Analytics, Live Dashboard

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How do we deliver? – Operate IT
Run Automated Informed Secured Enterprise IT

Discover
Automatic Discovery Application-Infrastructure Map Application to Infrastructure dependency 2 Way integration with CMDB Continues change Monitoring

Intelligent Monitoring
App Down monitoring App-Disk Service Mapping Blueprint based thresholding

Report
Live Dashboard Build-Your-Own-Analytics (BYOA), Advanced Operations Analytics

Knowledge & Best Practice Engine
Knowledge Articles Industry Best Practice Updated documentation

Automation Suite
The automation Suite bring in the design studio, automation script and execution Engine.

Discover

Intelligence Grid
Feed from all available event streams Big Data Platform Undertake Complex Event Processing Advance anomaly detection Prevent Outages

Service Management H2O
Incident Management, Change Management, Configuration Management, CMDB, Workflow Management

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Focus is on Application down visibility: Application to Disk mapping for all applications.

Increase prevention of outages by at least 20% in Year 1 through early anomaly detection via machine learning.

Dramatically drop lapsed time from response to Resolve (r to R) to less than 15 minutes for over 50-70% of the situations.

Reduce human intervention for 50-70% of the incidents/changes via AI driven automation, thereby the cost of the service by up to 2X.

Far quicker, certain RCA’s significantly reduce human errors and 24x7 dependence on Level 3 SMEs for operational activities. Free up your critical people to focus on business centric functions.
Financial Update
Revenue

Q1 2016 constant currency revenue at $121.8 mn; down 1.8% QoQ; up 6.5% YoY

Q1 Revenue at $121.7 mn; down 2.0% QoQ; up 5.9% YoY
Revenue

Q1 Revenue at `8,202 mn; up 0.1% QoQ; up 15.0% YoY
# Outstanding Hedge Position and Rates

## Outstanding Hedge Position

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Amount (Mn.)</th>
<th>Avg. Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDINR ($)</td>
<td>147.01</td>
<td>70.68</td>
</tr>
<tr>
<td>EURNR (€)</td>
<td>5.00</td>
<td>77.95</td>
</tr>
<tr>
<td>GBPNR (£)</td>
<td>4.20</td>
<td>106.69</td>
</tr>
<tr>
<td><strong>Total ($)</strong></td>
<td><strong>158.75</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note -**

1. Hedges outstanding are full-term hedges.

2. EUR converted @ 1.1380/USD & GBP converted @ 1.4410/USD.

3. Avg. Rate = Average of the forward rate at which the hedges have been booked with the banks.
Forex Gain/(Loss)

- Forex gain of $0.63 Mn this quarter as against a gain of $0.68 Mn in Q4’15.

- Forex gain expected ~ $ 0.66 Mn in Q2’16 and ~$ 0.68 Mn in Q3’16 at exchange rate of INR 66.2550/USD.
Balance Sheet Updates

**CASH & CASH EQUIVALENTS**
Cash and Cash Equivalents* at US$ 46.47 M (INR 3079 M)

**DAYS SALES OUTSTANDING**
Days Sales Outstanding (DSO) for Q1 2016 at 49 days; 78 days including unbilled

**DIVIDEND**
INR 2.50 per share (125%)
Dividend Payout including taxes INR 908.1 mn ($ 13.71 Mn)

* includes Restricted cash balances and balances in Mutual funds
## Capex 2015

<table>
<thead>
<tr>
<th>Item</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siruseri</td>
<td>5,247</td>
</tr>
<tr>
<td>Pune Hinjewadi</td>
<td>1,456</td>
</tr>
<tr>
<td>Computers &amp; Equipments &amp; Others</td>
<td>2,388</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9,091</td>
</tr>
</tbody>
</table>

**Overall Likely Capex Spend for 2016 – $40 mn (Rs 268 crs)**

**Tax:** ETR @24.2% vs. 21.0% in Q4 due to higher profit in SEZ
Thank you