Investor Update
Q2 2019
8th August 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.
Use of Non-GAAP Financials

Hexaware has included 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 also provide robust and detailed 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.
Q2 2019 Business Update
Key Highlights

Q2 Revenue
$ 188.5M
- Q/Q growth of 4.7%; 5.0% in CC
- Y/Y growth of 12.0%; 13.0% in CC

Q2 EBITDA*
16.2%
- Q2 EBITDA of $ 30.5M
- EBITDA % expansion of 121 bps Q/Q and 63 bps Y/Y

Q2 EPS
₹ 5.08
- Q/Q EPS growth of 9.2%
- Non GAAP EPS of ₹ 5.55; Q/Q growth of 19.3%

NN Wins
$ 36M
- High growth potential clients added

Closing Headcount
18,294#
- Q2 net addition – 1,785
- Freshers added – 206

Dividend
₹ 1.50
- Interim Q2 dividend of Rs 1.50

* EBITDA (post ESOP cost)
# Net Addition including Mobiquity
### Q2 19 | Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>Amounts in US$ Mn</th>
<th>Q2 2019</th>
<th>Q1 2019</th>
<th>GROWTH QoQ</th>
<th>Q2 2018</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>188.5</td>
<td>180.0</td>
<td>4.7%</td>
<td>168.3</td>
<td>12.0%</td>
</tr>
<tr>
<td>EBITDA (before ESOP cost)</td>
<td></td>
<td>31.1</td>
<td>27.6</td>
<td>12.8%</td>
<td>27.6</td>
<td>12.6%</td>
</tr>
<tr>
<td>EBITDA %</td>
<td></td>
<td>16.5%</td>
<td>15.3%</td>
<td>1.2%</td>
<td>16.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>EBITDA (after ESOP cost)</td>
<td></td>
<td>30.5</td>
<td>27.0</td>
<td>13.2%</td>
<td>26.2</td>
<td>16.5%</td>
</tr>
<tr>
<td>EBITDA %</td>
<td></td>
<td>16.2%</td>
<td>15.0%</td>
<td>1.2%</td>
<td>15.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Transaction Expenses</td>
<td></td>
<td>2.4</td>
<td>0.0</td>
<td>NA</td>
<td>0.0</td>
<td>NA</td>
</tr>
<tr>
<td>PAT</td>
<td></td>
<td>21.8</td>
<td>19.8</td>
<td>10.1%</td>
<td>22.7</td>
<td>-4.0%</td>
</tr>
<tr>
<td>PAT %</td>
<td></td>
<td>11.6%</td>
<td>11.0%</td>
<td>0.6%</td>
<td>13.5%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>EPS Basic (INR)</td>
<td></td>
<td>5.08</td>
<td>4.65</td>
<td>9.2%</td>
<td>5.17</td>
<td>-1.7%</td>
</tr>
</tbody>
</table>
Revenue Walk I QoQ

180.0
180.0
188.5

Q1 19 Forex Calendar Volume Q2 19
Increases Decreases
(0.5) 2.1 7.0
EBITDA Walk | QoQ

*EBIDTA (post ESOP cost)*

<table>
<thead>
<tr>
<th>Q1 19</th>
<th>Forex</th>
<th>H1B Visa</th>
<th>Calendar</th>
<th>Bill Rates</th>
<th>Mix</th>
<th>Utilization</th>
<th>Other costs</th>
<th>SG&amp;A</th>
<th>Q2 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.0</td>
<td>(0.2)</td>
<td>(0.7)</td>
<td>0.9</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
<td>0.4</td>
<td>(0.9)</td>
<td>16.2</td>
</tr>
</tbody>
</table>

% of revenue

Increases
Decreases
# GAAP to Non-GAAP Results Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q2 ’19</th>
<th>Q1 ’19</th>
<th>Q2 ’18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PBT ($M)</td>
<td>Tax ($M)</td>
<td>PAT ($M)</td>
</tr>
<tr>
<td>Reported (GAAP numbers)</td>
<td>26.5</td>
<td>4.7</td>
<td>21.8</td>
</tr>
<tr>
<td><strong>Q2 ’19 GAAP EPS Change</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP Adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction Cost</td>
<td>2.4</td>
<td>0.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>0.3</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>NPV of deferred payments</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Adjusted Non-GAAP</strong></td>
<td>29.3</td>
<td>5.5</td>
<td>23.8</td>
</tr>
<tr>
<td><strong>Q2 ’19 Non-GAAP EPS Change</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Basic EPS
Improved Depth of Customer Relationships

Q2 2018 vs Q2 2019 Top 20 accounts

<table>
<thead>
<tr>
<th>Top Clients</th>
<th>Contribution Change QoQ</th>
<th>Revenue Growth QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>-0.02%</td>
<td>2.53%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>-0.41%</td>
<td>1.67%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>-0.05%</td>
<td>2.48%</td>
</tr>
</tbody>
</table>

Q2 19 Top 20 accounts vs their prior performance

<table>
<thead>
<tr>
<th>Top Clients</th>
<th>Revenue Growth QoQ</th>
<th>Revenue Growth YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Clients</td>
<td>2.53%</td>
<td>8.32%</td>
</tr>
<tr>
<td>Top 10 Clients</td>
<td>2.61%</td>
<td>12.70%</td>
</tr>
<tr>
<td>Top 20 Clients</td>
<td>3.50%</td>
<td>13.83%</td>
</tr>
</tbody>
</table>

Note: Just for the purpose of this slide, Mobiquity revenues are for the whole period (Q2 19 - Q2 18)
NN Wins

USD 36 million NN Deal wins in Q2-19

- Private Cloud Implementation for a managed healthcare company
- Guidewire Managed Testing for a European insurance company
- Customer Experience Transformation for a US-based housing company
- RPA and Accounts Payable Automation for a US-based grocery distributor and retailer
- Automated Testing for an American Legal firm
Employee Metrics

**UTILIZATION**

- Uptick in Utilization
- Q2 2017: 80.8%
- Q3 2017: 79.7%
- Q4 2017: 80.9%
- Q1 2018: 81.3%
- Q2 2018: 78.2%
- Q3 2018: 79.0%
- Q4 2018: 78.7%
- Q1 2019: 79.0%
- Q2 2019: 80.7%

**EMPLOYEE ATTRITION**

- Attrition maintained at steady rate
- Q2 2017: 13.8%
- Q3 2017: 13.7%
- Q4 2017: 13.1%
- Q1 2018: 13.4%
- Q2 2018: 14.4%
- Q3 2018: 15.7%
- Q4 2018: 17.0%
- Q1 2019: 18.2%
- Q2 2019: 18.2%
Q2 19 | Broad based growth across portfolio

**GEOGRAPHY GROWTH**

<table>
<thead>
<tr>
<th>Region</th>
<th>GROWTH QoQ</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>5.8%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Europe</td>
<td>16.1%</td>
<td>23.1%</td>
</tr>
<tr>
<td>APAC</td>
<td>-14.6%</td>
<td>0.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4.7%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

**VERTICAL GROWTH**

<table>
<thead>
<tr>
<th>Vertical</th>
<th>GROWTH QoQ</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS</td>
<td>2.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>GTT</td>
<td>11.0%</td>
<td>1.3%</td>
</tr>
<tr>
<td>H&amp;I</td>
<td>10.1%</td>
<td>25.7%</td>
</tr>
<tr>
<td>M&amp;C</td>
<td>-2.5%</td>
<td>11.1%</td>
</tr>
<tr>
<td>PS</td>
<td>10.2%</td>
<td>30.9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4.7%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

**HORIZONTAL GROWTH**

<table>
<thead>
<tr>
<th>Horizontal</th>
<th>GROWTH QoQ</th>
<th>GROWTH YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADM</td>
<td>12.1%</td>
<td>13.0%</td>
</tr>
<tr>
<td>ES</td>
<td>3.5%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>DA</td>
<td>6.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>BIBA</td>
<td>-1.5%</td>
<td>2.2%</td>
</tr>
<tr>
<td>BPS</td>
<td>10.6%</td>
<td>24.8%</td>
</tr>
<tr>
<td>IMS</td>
<td>-8.1%</td>
<td>27.0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4.7%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
# H1 ‘19 in Perspective

<table>
<thead>
<tr>
<th>Amounts in $M</th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS</td>
<td>148.5</td>
<td>142.9</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other Verticals</td>
<td>220.0</td>
<td>187.6</td>
<td>17.3%</td>
</tr>
<tr>
<td>Total</td>
<td>368.5</td>
<td>330.5</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

**Guidance Update:**

- FY 19 revenue growth of ~19% (still within original guidance for organic growth)
- EBITDA% in-line with revenue growth
- Improved EPS due to lower ETR
Mobiquity Update
Mobiquity | Purpose & Services

Transforming Customer Experience

Continuous Experience Delivery
- Commerce Management
- Content and Creative production
- Marketing Analytics and Measurement Services
- Machine Learning Driven Optimization
- Always-on Digital Innovation

Experience First
- Digital Products & Services Design
- Shoppable Experience, Personalization
- Digital Ergonomics (Accessibility, Voice Enablement, Visual clues etc.)

Engineering Transformation
- Digital Marketing and Commerce Platforms
- Augmenting Experience through AR/VR
- AI/ML Driven Personalization
- Continuous Integration and Delivery
Mobiquity | Purpose & Services

From
FRONT-END APPLICATIONS TO BACK-END SYSTEMS

With scalable, adaptable and reusable architecture to ensure you are always ready to deliver the right experience.
Mobiquity | Strong Partnerships

AMAZON WEB SERVICES

- AWS Premier Consulting Partner, among top tier of AWS partners globally
- Recognized for digital engagement expertise
- Launch partner for digital services, including Alexa for Business and AWS AppSync

Relevant work
- Official AWS re:Invent mobile app
- CloudWatch skill for Alexa for Business referenced during re:Invent keynote
- AWS News skill for Alexa
- 2nd Alexa skill to integrate with Amazon Pay
- Alexa templates and EBC sessions

BACKBASE – a leading omnichannel digital banking platform

- Partner with Backbase internal engineering and professional services departments
- 100+ people working on Backbase engagements
- Work on direct engagements with clients

Relevant work
- Implementation and customization of the platform for key Backbase clients
- Marketing, Design and Engineering for a new digital bank
- Revamped legacy mobile and web applications to create omnichannel banking platform for large Asia Pacific bank
- Expanding team in the US with large credit unions and mid-tier banks

ADOBE – fastest growing practice in Mobiquity

- 80% Adobe certified
- Projected velocity of 125 by Q1 2020
- Accelerators and frameworks for upgrades & adoptions

Our experience
- Practice Leadership engaged in adobe experience manager since 2009
- Team member’s average adobe experience – 5 years
- Analytics and Dynamic Tag Manager Specialists with extensive experience in some of the most Complex implementations
- Target, Audience Manager, and Campaign Specialists
## Mobiquity | A Diverse Eco System of Capabilities

<table>
<thead>
<tr>
<th>FRONT END FRAMEWORKS</th>
<th>MARKETING CLOUD / CONTENT MANAGEMENT</th>
<th>COMMERCE</th>
<th>SEARCH</th>
<th>CROSS-CHANNEL ANALYTICS / DTM</th>
<th>RELATIONSHIP MARKETING, CAMPAIGN MANAGEMENT</th>
<th>SOCIAL &amp; COLLABORATION</th>
<th>INTEGRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTML, CSS, AngularJS, Backbone.js, JavaScript, etc.</td>
<td>Adobe Marketing Cloud, Sitecore, Salesforce, Marketing Cloud, etc.</td>
<td>Magento + AAdobe, Salesforce Commerce Cloud, Hybris, IBM WebSphere Commerce, Oracle ATG Web Commerce</td>
<td>Solr, Enigma, Google, Coveo, Elasticsearch, Adobe</td>
<td>Adobe, Google, Unica, Ensignet, Tealium, HP</td>
<td>Unica, Genesys, Silverpop, Adobe Campaign, Oracle Responsys, Sitecore</td>
<td>SharePoint, Gigya, Bazaarvoice, Office365, etc.</td>
<td>Apige, Node.js, MuleSoft, AWS, REST APIs, IBM, Hosting / Edge NW</td>
</tr>
</tbody>
</table>
Finance Update
Revenue

Key Highlights

- Q2’19 revenue of $188.5 M
  - Q/Q growth of 4.7%, 5.0% in CC
  - Y/Y growth of 12.0%, 13.0% in CC
- Q2’19 revenue of INR 13,083 M
  - Q/Q growth of 3.5% and Y/Y growth of 15.1%
# Outstanding Hedge Position and Rates

## Outstanding Hedge Position

<table>
<thead>
<tr>
<th>Currency Pair</th>
<th>Q2'19 Avg Rate</th>
<th>Amount (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDINR ($)</td>
<td>70.81 71.83 72.93 73.54</td>
<td>197.20</td>
</tr>
<tr>
<td>EURNR (€)</td>
<td>86.91 88.22 89.08 89.57</td>
<td>6.18</td>
</tr>
<tr>
<td>GBPNR (£)</td>
<td>97.16 98.70 99.11 99.27</td>
<td>13.08</td>
</tr>
<tr>
<td><strong>Total ($M)</strong></td>
<td></td>
<td><strong>220.83</strong></td>
</tr>
</tbody>
</table>

## Note

1. Hedges outstanding are full-term hedges
2. EUR converted @ 1.1377/USD & GBP converted @ 1.2687
3. Average Rate represents the average of the rates at which forwards hedges have been booked on every quarter end
Forex Gain/(Loss)

- Q2’19 registered a forex gain of $1 M

- Forex Gains expected in next two quarters basis Q2 closing exchange rate of INR 69.02 per USD are:
  - Q3’19 ~ $1.7 M
  - Q4’19 ~ $1.1 M
# Mobiquity Accounting Update

<table>
<thead>
<tr>
<th>Deal consideration <em>(incl. deferred &amp; earnout)</em></th>
<th>US$ M</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>181.9</td>
</tr>
</tbody>
</table>

**Deal consideration application towards:**

<table>
<thead>
<tr>
<th>Description</th>
<th>USD M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets acquired</td>
<td>14.7</td>
</tr>
<tr>
<td>Intangibles</td>
<td>36.5</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>140.5</td>
</tr>
</tbody>
</table>
Balance Sheet & Other Updates

**Cash Balance ($M)**

- Q2’18: $108.4M
- Q3’18: $100.6M
- Q4’18: $119.5M
- Q1’19: $125.9M
- Q2’19: $7.8M

*Cash balance after payment towards acquisition

**DSO (days)**

- Q2’18: 47 days
- Q3’18: 58 days
- Q4’18: 60 days
- Q1’19: 51 days
- Q2’19: 54 days

**Dividend (INR per share)**

- Q2’18: $2.5
- Q3’18: $2.5
- Q4’18: $2.5
- Q1’19: $2.5
- Q2’19: $1.5

**Effective Tax Rate (%)**

- FY’16: 25.2%
- Q2’18: 22.0%
- FY’17: 19.7%
- Q1’19: 18.4%
- FY’18: 17.9%

- FY 19 base ETR revision downwards to 18.5%

**Capex: $4.6M in Q2’19**
Hexaware Analyst Meet 2019 is scheduled for 23rd September in Mumbai.
We look forward to meeting you there!
Innovative Services

Passionate Employees

Delighted Customers

Thank you

www.hexaware.com