Jefferies

India | IT Services

Hexaware Technologies

Equity Research
September 3, 2025

Mid-cap Growth With Large-cap Quality; Initiate at BUY

Hexaware offers the growth characteristics of a mid-sized IT firm with well-diversified business mix and quality metrics rivaling large IT firms. Strong client additions/mining, platform-led legacy modernization and expansion in new verticals/regions should support 10%/15% CAGRs in cc revenues/EPS over CY25-27. Superior quality with healthy growth will support premium valuations, in our view. We initiate with BUY rating and PT of Rs930 based on 31x PE.

Mid-sized IT firm with diversified revenue mix: Hexaware is a mid-sized IT Services firm offering end-to-end IT services across four service lines and six industry verticals, with North America region (74% of sales) and Banking and Financial Services (37% of revenues) being its key region and vertical. Its 13% revenue growth over past five years has been equally driven by new client additions and mining of existing client relationships. When compared to other mid-sized IT firms, Hexaware's revenue mix is more diversified across verticals as well as clients.

Well positioned to grow cc revenues at 10% CAGR: Hexaware's balanced vertical mix, focus on quality client additions and strong client mining track record has helped the firm deliver 12/13% CAGR organic cc revenue growth over the past 10/5 years. While growth in CY25 will moderate to 7% levels due to weak macro and client-specific pressures, we expect Hexaware's growth to revert to 10% CAGR over CY25-27 (3rd highest in the industry) as it is well positioned to grow faster than the sector driven by its platform-led approach to legacy modernization, expansion in geographic reach and Hi-Tech vertical as well as scale up of the GCC practice.

Focus on growth to keep margins at 15% levels: While improving onshore-offshore mix and employee pyramid are longer-term margin levers, Hexaware is likely to focus on growth rather than expand margins. We expect EBIT margins to expand by ~70bps over CY25-27 and reach 15.3% in CY27E primarily due to ERP transformation costs discontinuing from CY26. This will drive a 14% EBIT CAGR and 15% profit CAGR over CY25-27E.

Superior quality with healthy growth; Initiate at BUY: Hexaware offers the growth characteristics of a mid-sized IT firm (15% EPS CAGR) with the quality similar to larger IT firms (5th highest ROE, 4th highest FCF conversion, lower variability in growth). Potential Restructuring/privatization of its 2 large US clients is a risk and paring of stakes by dominant shareholders may keep the stock price volatile. In our view, Hexaware's superior quality and growth should support premium valuations. We initiate coverage on Hexaware with BUY rating and PT of Rs930/share based on 31x PE - in line with its average PE since listing and 15% premium to Mphasis due to higher growth (15% vs. 12%), higher ROE and higher FCF conversion.

FY (Dec)	2024A	2025E	2026E	2027E
Rev. (B)	119.7	132.4	147.6	165.0
EBITDA (B)	18.7	22.4	25.7	29.3
EBIT (B)	15.9	19.3	22.1	25.2
Net Profit (B)	12.1	14.3	16.5	18.9

INITIATING COVERAGE

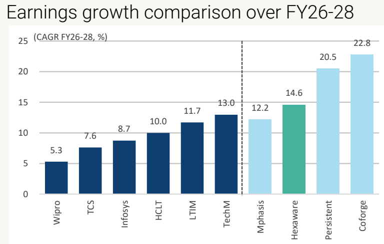
RATING	BUY
PRICE	INR730.00^
PRICE TARGET | % TO PT	INR930 | +27%
52W HIGH-LOW	INR900.15 - INR592.95
FLOAT (%) | ADV MM (USD)	22.8% | 7.31
MARKET CAP	INR444.3B | $5.0B
TICKER	HEXT IN

^Prior trading day's closing price unless otherwise noted.

FY (Dec)	CHANGE TO JEFe		JEF vs CONS	
	2025	2026	2025	2026
REV	NA	NA	NA	NA
EPS	NA	NA	-2%	NM

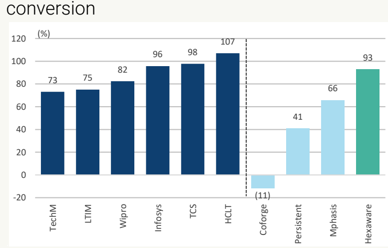
2025 (INR)	Q1	Q2	Q3	Q4	FY
EPS	--	--	--	--	23.50
PREV					

Hexaware offers growth similar to mid-sized IT firms
Earnings growth comparison over FY26-28



Source: Company data, Jefferies estimates. Note: Persistent estimates are from Bloomberg.

Hexaware's FCF conversion rivals large IT firms
Comparison of 5-yr average FCF to PAT conversion



Source: Company data, Jefferies estimates.

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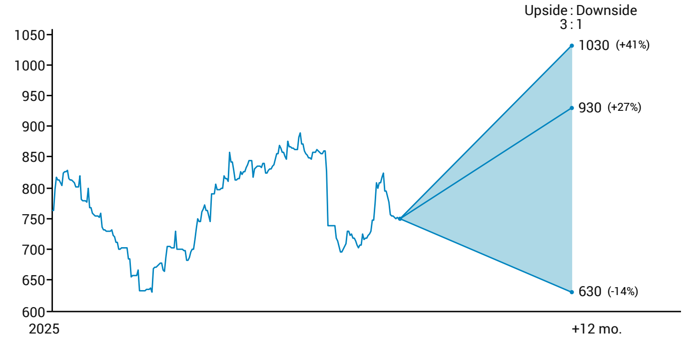
The Long View: Hexaware Technologies

Investment Thesis / Where We Differ

- Hexaware offers the growth characteristics of a mid-sized IT firm with a well-diversified business mix and quality metrics rivaling large IT firms.
- Strong client additions/mining, platform-led legacy modernization and expansion in new verticals/regions should support 10%/15% CAGRs in revenues/EPS over CY25-27.
- Superior quality with healthy growth will support premium valuations in our view.

Risk/Reward - 12 Month View



Base Case,
INR930, +27%

- Revenue growth of 10% CAGR over CY25-27E.
- EBIT margin to remain at 15% levels.
- CY25/26/27E EPS of Rs24/27/31.
- Price target of Rs930 based on 31x 12m fwd EPS.

Upside Scenario,
INR1030, +41%

- Higher-than-expected revenue growth of 12-13% CAGR over CY25-27E.
- EBIT margin at 16%+ levels.
- CY25/26/27E EPS of Rs24/29/33.
- Price target of Rs1030 based on 32x 12m fwd EPS.

Downside Scenario,
INR630, -14%

- Weaker-than-expected revenue growth of 7% CAGR over CY25-27E.
- EBIT margin at 13% levels.
- CY25/26/27E EPS of Rs23/25/27.
- Price target of Rs630 based on 24x 12m fwd EPS.

Sustainability Matters

Top Material Issue(s): Carbon Emissions, Water Neutrality, Skilled-Diverse Global Workforce, ESG Governance, Cybersecurity and Data Privacy.

Company Target(s): 1) Achieve net-zero GHG emissions (scope 1&2) by 2040. **2)** Transition 70% of campus electricity usage to renewable sources by 2030. **3)** Achieve water neutrality by 2030 for owned operations. **4)** Increase the share of women employees to 40% by 2030. **5)** Strive to achieve zero cases of data breach every year. **6)** Achieve 100% employee coverage of code of conduct training annually.

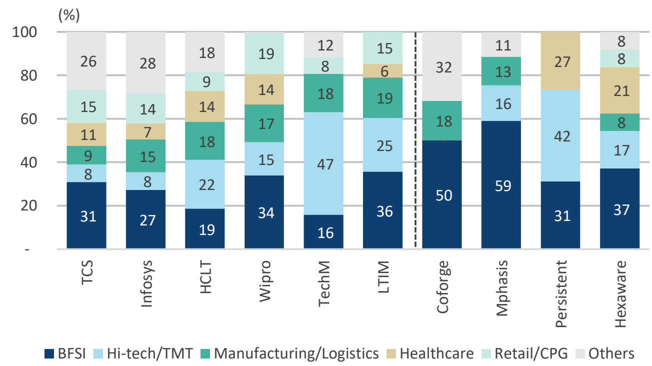
Qs to Mgmt: 1) What are the safeguards in place for the company to protect its IP and ensure security and customer privacy? **2)** How does the company ensure employee engagement and upskilling? **3)** What are some of the environmental initiatives taken by the company to ensure data security and customer privacy?

Catalysts

- Traction in new client addition along with strong account mining leading to higher-than-expected revenue growth
- Better-than-expected cross/up-sell with acquisitions
- Beat in margins
- Favorable US macro
- Favorable currency movement

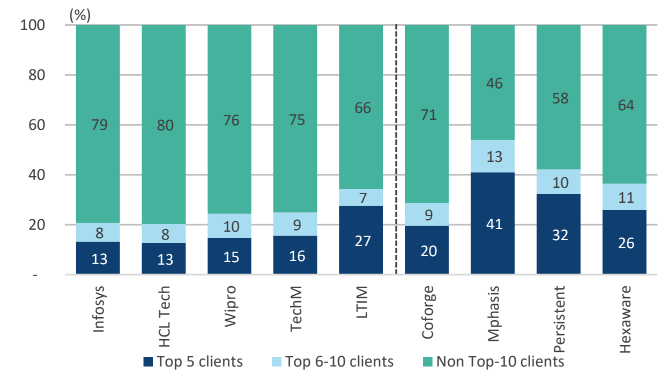
Focus Charts

Exhibit 1 - Hexaware has a well diversified vertical mix...
Vertical mix comparison, CY24



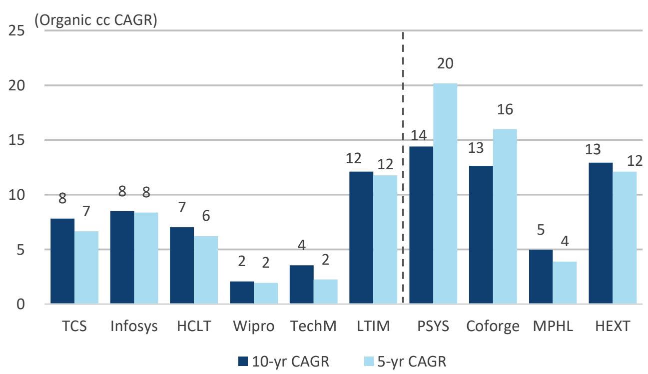
Source: Company data, Jefferies estimates

Exhibit 2 - ... along with lower client concentration
Comparison of client concentration, 1HCY25



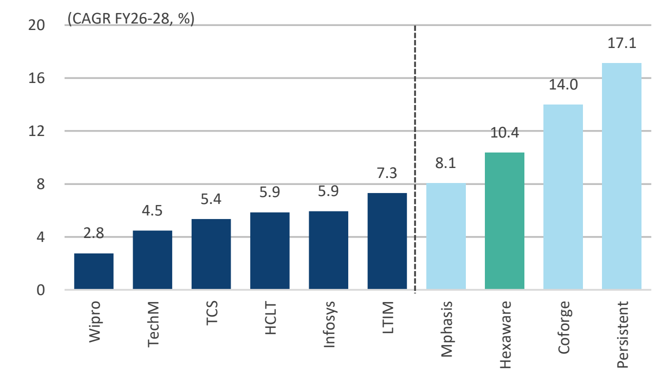
Source: Company data, Jefferies estimates

Exhibit 3 - Hexaware has delivered 12-13% CAGR in revenues over past 5/10 years...
Organic revenue growth comparison



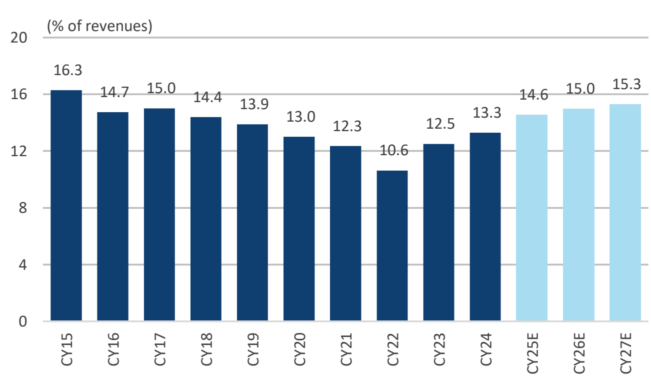
Source: Companies, Jefferies

Exhibit 4 - ... and is well positioned to deliver 10% CAGR over CY25-27
Revenue growth comparison over FY26-28



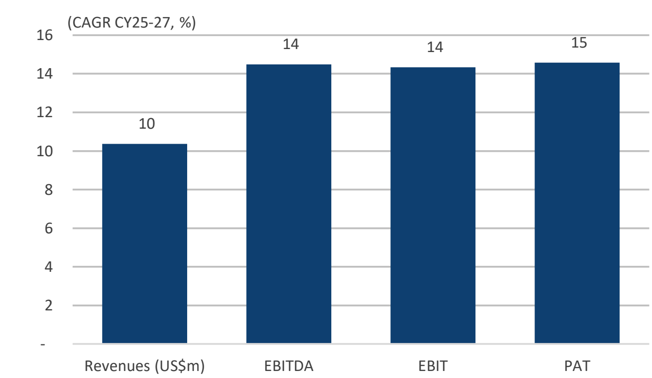
Source: Company data, Bloomberg, Jefferies estimates. Hexaware's revenue growth CAGR is for CY25-27

Exhibit 5 - While margins will rise to 15% levels, further expansion is unlikely given its focus on growth
EBIT margin trends and forecasts



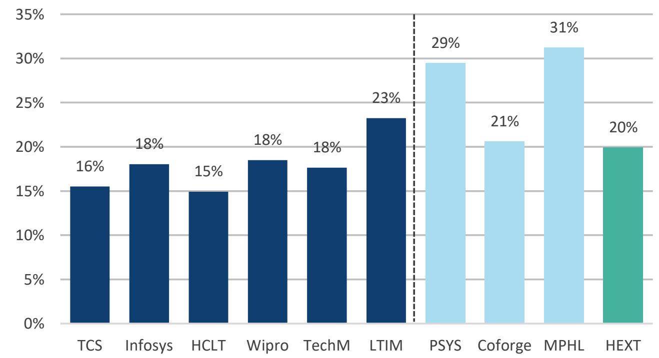
Source: Company data, Jefferies estimates

Exhibit 6 - Expect Hexaware to deliver 15% EPS CAGR over CY25-27
Revenue, EBITDA, EBIT, PAT CAGR



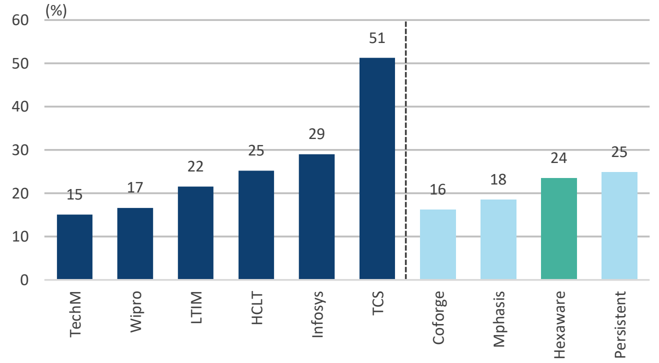
Source: Company data, Jefferies estimates

Exhibit 7 - Hexaware's organic revenue has had lower volatility vs. mid-sized peers
Difference between minimum and maximum revenue growth over past decade



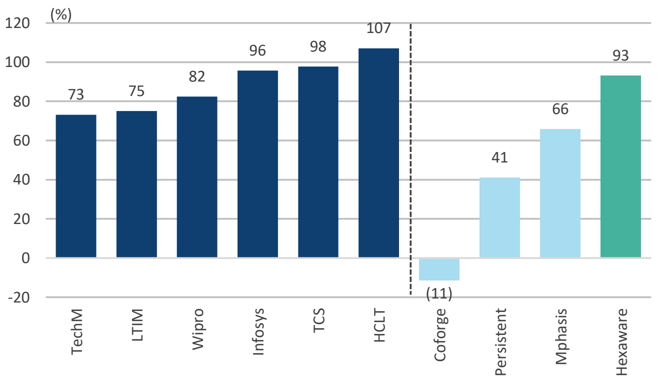
Source: Company data, Jefferies estimates

Exhibit 8 - Hexaware's RoE at 24% is amongst the highest among the mid-sized IT firms
RoE comparison, FY25



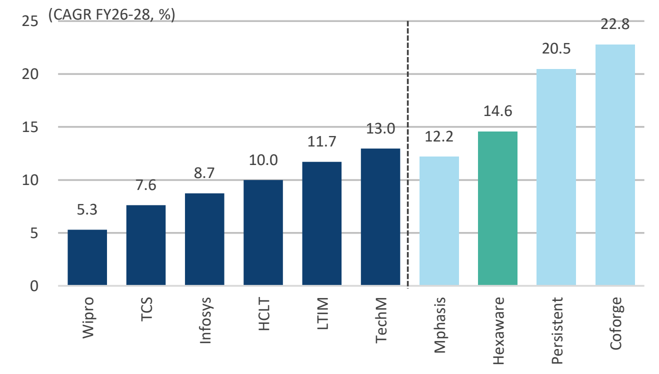
Source: Company data, Jefferies estimates

Exhibit 9 - Hexaware's FCF conversion is the fourth highest in the industry
Comparison of 5-yr average FCF to PAT conversion



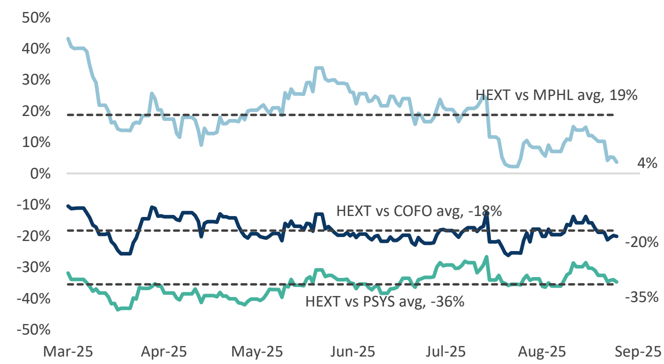
Source: Company data, Jefferies estimates.

Exhibit 10 - Hexaware offers growth similar to mid-sized IT firms
Earnings growth comparison over FY26-28



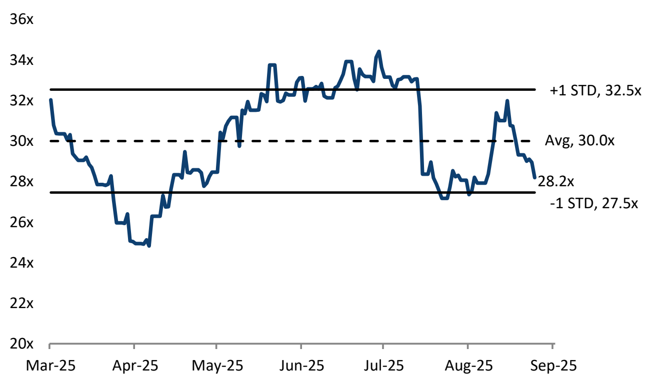
Source: Company data, Jefferies estimates. Note: Persistent estimates are from Bloomberg.

Exhibit 11 - Strong growth with higher quality deserves a higher premium vs. Mphasis
PE premium/discount to other mid-sized IT firms



Source: Company data, Bloomberg, Jefferies estimates

Exhibit 12 - We value Hexaware at 31x PE, largely in line with its average and 15% premium to Mphasis
Hexaware's 1-yr fwd PE



Source: Company data, Bloomberg, Jefferies. Note: Avg since listing

Exhibit 13 - Comparative operational and financial metrics

Particular	Large companies						Mid-sized companies				
Company	TCS	Infosys	HCL Tech	Wipro	TechM	LTIMindtree	Coforge	Mphasis	Hexaware	IKS	Sagility
BBG Ticker	TCS IN	INFO IN	HCLT IN	WPRO IN	TECHM IN	LTIM IN	COFORGE IN	MPHL IN	HEXT IN	IKS IN	SAGILITY IN
Market cap (US$bn)	127	69	44	29	17	18	6	6	5	3	2
Avg. Turnover (US$m)	108	139	58	27	36	15	40	16	7	9	19
Price (Rs/share)	3,096	1,463	1,443	245	1,500	5,210	1,693	2,861	730	1,570	44
PT (Rs/share)	3,480	1,860	1,850	235	1,400	4,865	2,030	3,100	930	1,630	56
Upside / (downside)	12%	27%	28%	-4%	-7%	-7%	20%	8%	27%	4%	28%
Recommendation	Hold	Buy	Buy	UPF	UPF	Hold	Buy	Buy	Buy	Hold	Buy
Operating metrics, FY25											
Revenues (US$m)	30,179	19,277	13,840	10,513	6,264	4,493	1,445	1,682	1,429	316	658
Headcount ('000s)	608	324	223	251	149	84	33	31	32	13	39
Revenue/employee (US$k)	50	60	61	42	43	54	50	52	47	24	18
EBIT/employee (US$k)	12	13	11	7	4	8	7	8	6	6	3
Vertical mix, FY25 (%)											
BFSI	31	28	19	34	16	36	49	60	37	-	-
Retail & Travel	15	14	9	19	8	14	19	12	16	-	-
Comm. & Tech	14	20	23	17	47	25	-	17	25	-	-
Manufacturing	9	15	17	17	17	-	-	-	16	-	-
Others	31	24	32	12	12	25	33	11	5	100	100
Region wise mix, FY25 (%)											
Americas	50	58	65	62	51	75	55	81	74	100	100
Europe	31	21	28	27	24	14	34	11	20	-	-
ROW	19	21	6	11	25	11	11	8	6	-	-
Client concentration (%)											
Top-5	NA	13	12	14	15	28	19	43	26	25	76
Top-10	NA	21	20	23	25	35	30	53	36	38	89
Margin profile, FY25 (%)											
EBITDA	26.4	24.1	21.8	20.3	13.2	17.1	16.6	18.6	15.6	28.9	23.3
EBIT	24.3	21.1	18.3	17.0	9.7	14.5	13.0	15.3	13.3	24.7	14.9
PAT	19.0	16.4	14.9	14.7	8.0	12.1	6.7	12.0	9.8	18.2	9.7
Profitability metrics, FY25 (%)											
ROE	51	29	25	17	15	22	16	18	24	33	7
ROCE	44	24	22	12	12	17	14	14	34	21	6
Cashflow conversion (%) - 5-yr avg.											
Pre tax CFO/EBITDA	99	101	104	103	113	98	89	99	109	71	103
FCF/PAT	98	96	107	82	73	75	(11)	66	93	(34)	56
Capex (incl acq.) /sales	1.6	2.5	3.9	6.4	4.7	3.0	12.1	4.2	3.8	23.9	11.2
Growth metrics (%)											
Org. cc revenue growth - 5-yr CAGR	6.7	8.4	6.2	1.9	2.3	11.8	16.0	3.9	12.1	NA	NA
Org. cc revenue growth - FY26-28	5.4	5.8	5.8	2.8	4.3	7.3	13.9	8.1	9.7	17.1	11.7
Overall cc revenue growth - FY26-28	5.4	5.8	5.8	2.8	4.3	7.3	13.9	8.1	10.0	17.1	11.7
Profit Growth, 5-yr CAGR	8.5	10.0	9.5	6.2	1.1	16.4	12.7	7.5	12.9	28.7	8.1
EPS Growth, FY26-28	7.6	8.7	10.0	5.3	13.0	11.7	22.8	12.2	14.9	28.2	26.5
Valuations											
1-yr fwd PE	21	21	21	19	23	28	35	27	28	36	24
% premium/discount to 5-yr avg.	(22)	(16)	3	(7)	10	(8)	10	5	NA	NA	NA
% premium/discount to 10-yr avg.	(11)	(1)	23	8	32	2	52	33	NA	NA	NA
Dividend yield, FY26	4.3	3.4	4.2	3.5	3.3	1.2	0.9	2.1	2.0	-	-

Source: Company data, Jefferies estimates

Mid-sized IT firm with diversified revenue mix

Hexaware Technologies Limited is a mid-sized IT services firm with US$1.5bn revenues. Serving 31 Fortune 500 clients, Hexaware offers end-to-end IT services across four service lines and six industry verticals, with North America region and Banking and Financial Services being its key region and vertical. Its growth has been driven by hunting new client accounts and mining the existing client relationships, proprietary platforms like RapidX, Tensai, and Amaze, and a strong focus on client mining and ecosystem partnerships.

The company was established in 1992, though its transformation journey started in 2013 when Baring Private Equity Asia acquired a controlling stake and appointed R. Srikrishna (Keech) as CEO in 2014, initiating a strategic overhaul focused on scalable enterprise clients and diversified service offerings. In 2020, Hexaware was delisted from Indian exchanges, and in 2021, the Carlyle Group took over as the new promoter. The company re-listed on stock exchanges in 2025, and has evolved into one of India's top 10 IT services firms by revenue.

Key offerings

Hexaware's 4 service lines, anchored in IT and BPM, along with 3 platforms, delivers cloud-integrated, end-to-end solutions

Hexaware categorizes its services into four key service lines. Its end-to-end IT services are offered through its Design and Build, Secure and Run and Data and AI service lines and its BPM services are offered through the Optimize service line. Cloud as a horizontal cuts across all service lines since there is an element of cloud migration across most engagements that Hexaware takes up. While BPM segment is the fastest growing segment for Hexaware (~12% of revenues), bulk of its revenues (~85% of revenues in 1HCY25) come from the IT services segment. The details of its key offerings within each service line is given below:

Exhibit 14 - Hexaware's key service offerings

Service Lines	Design and Build c.33% of revenues	Digital Strategy	Digital agency & experience design	Digital Software engineering	Creative, Content & Commerce	Digital Enterprise transformation	Cloud services
		New Products	*Core transformation*	*Time to market*	*Developer productivity*		
	Secure and Run c.33% of revenues	Cybersecurity & Resiliency	DevSecOps & Continuous testing	Workplace and employee experience	Hybrid cloud operations	IT Service management and consulting	
		Security	*Agility*	*Employee experience*	*Efficiency*	*Assurance*	
	Data and AI c.22% of revenues	Data strategy and advisory	Data engineering	Data management	AI powered business solutions		
		Agility	*Trust in Data*	*Business outcomes*			
	Optimize c.12% of revenues	Industry specific operations	Digital customer experience	Digital content	Finance & accounting operations	HR operations	
		Experience	*Efficiency*	*Throughput*	*Process standardization*		
Digital Platforms	rapidX	tensai	amaze				

Source: Company data, Jefferies estimates

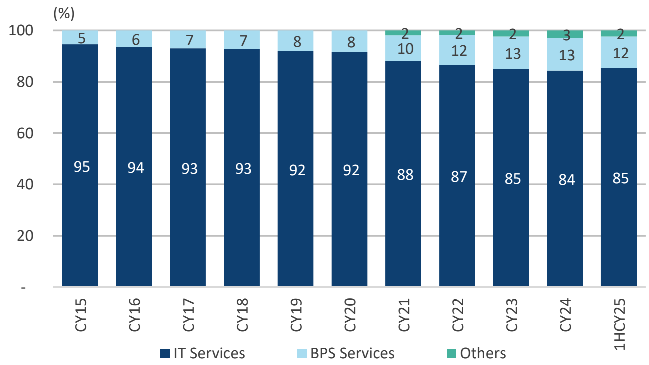
IT is expected to outpace BPS growth as automation impacts BPS volumes, partly offset by new opportunities in Voice AI

Over the past decade, Hexaware's exposure to BPM has increased from 5% in CY15 to 12% in 1HCY25. This was driven by diversification in Hexaware's portfolio to reduce dependence on traditional IT services and to capture growth in the BPS segment particularly in Banking and Financial Services. Growth in global BPS market was led by enterprises seeking cost optimization, operational efficiency, and digital transformation.

Hexaware has capitalized on this by embedding GenAI and automation into its BPM offerings, enabling personalized interactions, advanced analytics, and efficient talent management. Given that revenue per employee is lower in the BPS segment, despite this segment contributing 12% to revenues, it forms 35% of its employee base.

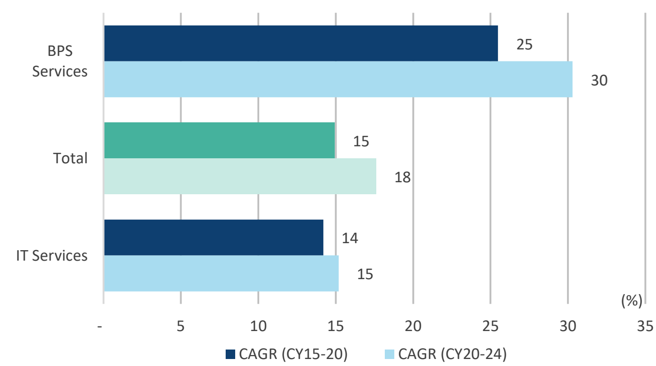
Going forward, management expects IT segment to grow faster than BPS segment as volume in BPS will be impacted on the back of automation around content generation and customer experience which will be partly offset by extra work in Voice AI (Hexaware was not present in this earlier).

Exhibit 15 - Hexaware's BPM exposure increased to 12% from 5% in CY15...
Trends in IT services and BPS revenue mix



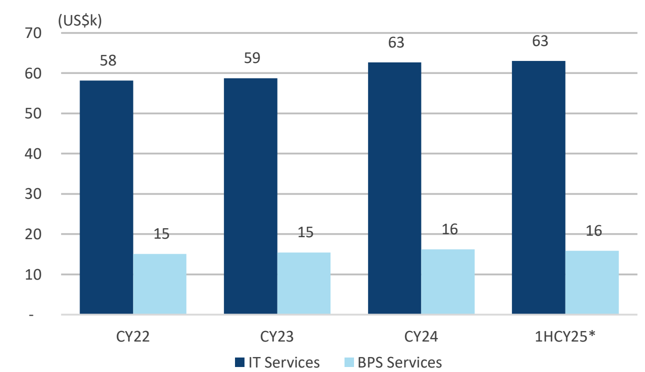
Source: Company data, Jefferies estimates

Exhibit 16 - ... driven by portfolio diversification and to capture growth in BFSI-focused BPS
Business segment wise growth trends



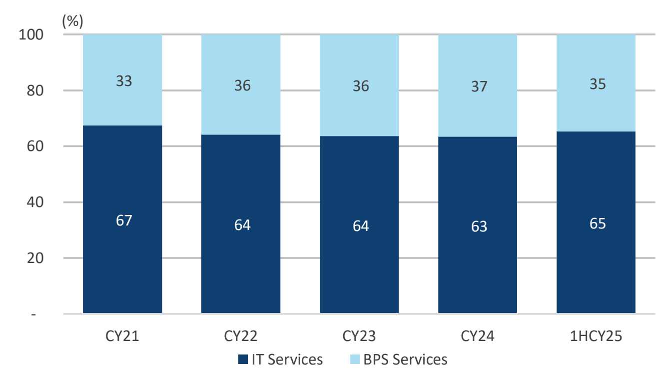
Source: Company data, Jefferies estimates

Exhibit 17 - While BPS' revenue per employee is lower and forms 12% of revenue mix...
Revenue per employee trends



Source: Company data, Jefferies estimates. Note: *annualized

Exhibit 18 - ... it constitutes 35% of the total employee mix
Headcount mix trends



Source: Company data, Jefferies estimates

Platform based service delivery adding to growth

Hexaware's AI-first platforms drive scalable, automated service delivery and help win new are larger clients

Hexaware has evolved from a "shrink IT, grow digital" to an AI-first, cloud-powered approach, integrating automation, cloud and digital transformation solutions. Hexaware has developed proprietary AI-driven platforms such as RapidX, Tensai, and Amaze which have helped break into new and larger clients.

1) RapidX is a Gen AI-based software engineering platform that addresses the full Software Development Lifecycle, going beyond the industry norm of focusing solely on code generation. It features specialized AI agents such as the Code Comprehension Agent for reverse engineering legacy code and the Requirement Agent for accelerating user story creation and requirements elaboration.

2) Tensai is an enterprise IT automation platform designed to enable secure, rapid code releases and autonomous operations. It integrates predictive observability, data aggregation, and continuous orchestration to enhance agility, reduce human dependency, and improve developer and employee experience. It supports a wide range of IT support services including service desk, end-user support, and infrastructure management.

3) Amaze facilitates intelligent cloud transformation through automated cloud-readiness assessments, migration journeys, and modernization of data and applications. It empowers clients to align IT portfolios with business goals and unlock AI-driven efficiencies across the cloud lifecycle.

Well diversified across verticals

Hexaware's four key verticals generate US$200m+ in revenue reflecting a fairly diversified business mix

Hexaware operates across six major verticals, namely Financial Services, Healthcare & Insurance, Manufacturing & Consumer, Hi-Tech & Professional Services, Banking, and Travel & Transportation.

The company's vertical segmentation is slightly different from peers on three key counts. Firstly, Hexaware reports Banking and Financial Services separately. Secondly, it includes Life and Property & Casuality insurance in its Healthcare and Insurance vertical, whilst most IT firms include this in the BFSI vertical. Thirdly, its Hi-Tech and Professional Services vertical comprises mainly professional services (c.70%) with Hi-Tech being a smaller component.

Financial Services, Healthcare & Insurance, Manufacturing & Consumer and Hi-tech & Professional Services are Hexaware's four key verticals generating over US$200m in revenue reflecting a balanced and resilient business mix.

Exhibit 19 - Hexaware's sub-vertical presence and key client group

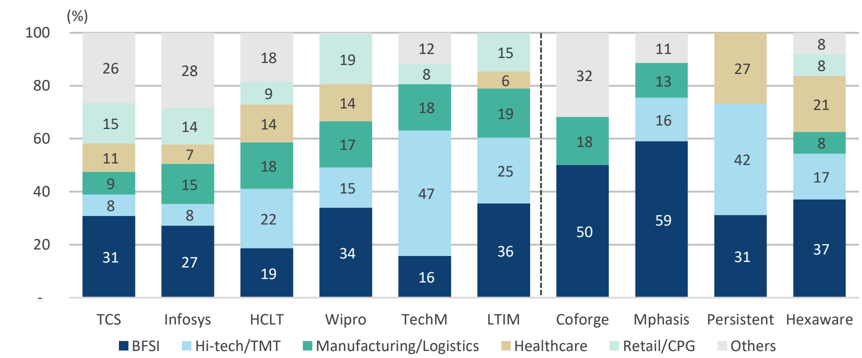
Vertical	% Mix, 1HCY25	Annualized Revenues ($m)	% CAGR (CY20-24)	Sub-segment	Key client group
Financial Services	30	456	10	1) Mortgage and lending, 2) Asset management and servicing, 3) Trade finance, 4) Exchanges, 5) Private equity firms and 6) Global benchmarks and data providers	Serves 11 out of top 50 global asset management firms by AUM
Healthcare and Insurance	21	312	14	1) Property and casualty insurance, 2) Life insurance, 3) Brokerage, 4) Reinsurance, 5) Life sciences, 6) Health insurance or payer and provider	Serves 3 out of the top 10 global life sciences firms and 5 out of the top 20 global insurers by market cap
Manufacturing and Consumer	15	220	13	1) Manufacturing, 2) Retail and consumer, 3) Education, 4) Energy, 5) Telecom and 6) Utilities	Serves 3 out of the top 5 global manufacturing organizations by market cap and 4 out of the top 50 global retail and CPG organizations by revenue
High Tech and Professional Services	17	260	17	1) Independent software vendors (ISV), 2) Platforms and Products, 3) Hyperscalers, 4) Tax, audit and accounting, 5) Legal risk and compliance, and 6) Advertisements and marketing	Serves 6 out of the top 20 global hi-tech companies by market cap, 3 out of the top 6 global audit and advisory firms and 2 out of the top 5 global legal firms
Banking	8	124	33	1) Digital banking, 2) Payments, 3) Cards and 4) Consumer banking	Serves 11 out of the top 60 banks in the US ranked by assets
Travel and Transportation	9	132	14	1) Airlines and airports, 2) Travel technology, 3) Logistics and transportation, 4) Hotels and 5) Entertainment industry	Serves 3 out of the top 5 airlines in North America by revenue

Source: Company data, Jefferies estimates

Hexaware's vertical exposure is more diversified vs. mid-sized IT firms and is closer to the vertical mix of larger IT firms. This is evident from its primary-vertical exposure of 37% vs 42% for Persistent, 60% for Mphasis and Coforge, respectively. Further, four of its verticals generate over US$200m in revenues, reflecting a balanced vertical mix. While higher diversification will limit volatility in Hexaware's revenue growth, it also will limit its ability to outgrow peers if only few verticals are driving tech spends in the market.

Hexaware's greater vertical diversification reduces revenue volatility but may limit outperformance if tech spend is concentrated

Exhibit 20 - Vertical mix comparison, CY24



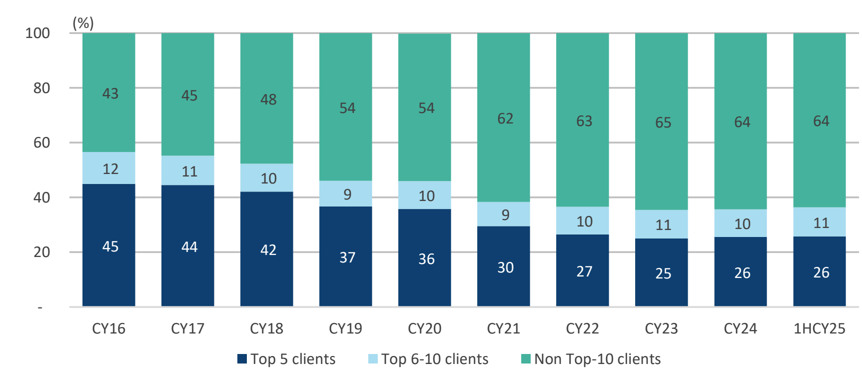
Source: Company data, Jefferies estimates

Well diversified client mix

Over the past decade, Hexaware has meaningfully reduced the client concentration in its business with the share of revenues coming from Top-5 clients falling from 45% in CY16 to 26% in 1HCY25. This is despite its Top-5 clients growing at 6-8% CAGR during this period mainly due to acceleration in new client additions. When compared to mid-sized peers, Hexaware's client concentration is lower than Persistent and Mphasis but slightly higher than Coforge.

Share of revenues from Top-5 clients has moderated to 26%...

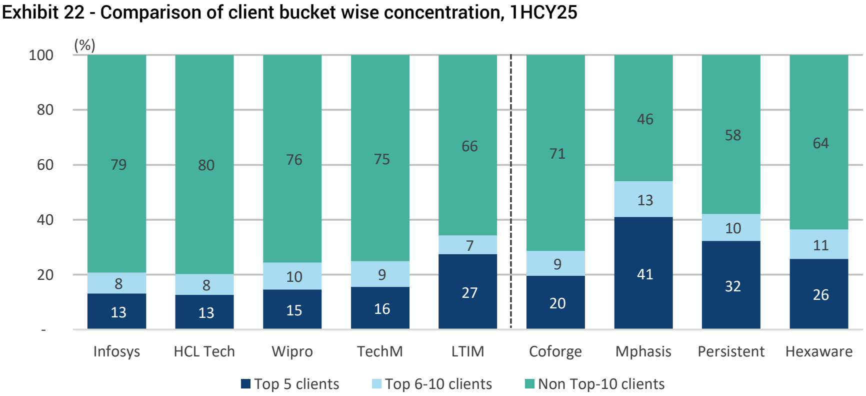
Exhibit 21 - Customer concentration mix trends



Source: Company data, Jefferies estimates

Hexaware's revenue concentration is lower than mid-sized peers

Exhibit 22 - Comparison of client bucket wise concentration, 1HCY25



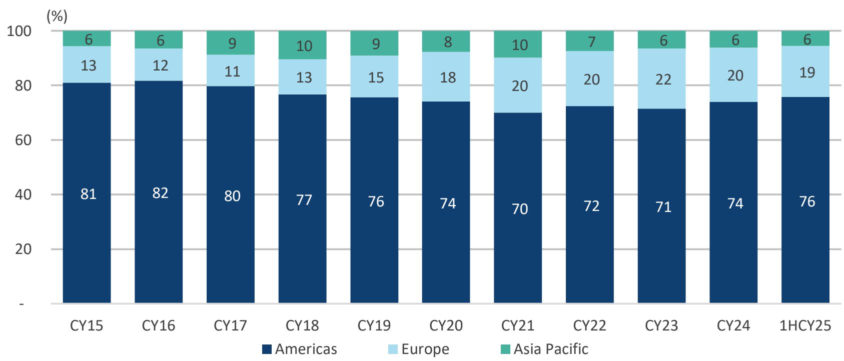
Source: Company data, Jefferies estimates

Revenues skewed towards Americas

Hexaware's revenue mix has a strong skew towards Americas with 76% of revenues coming from this region. Over the past decade, the share of revenues from Americas has declined from 81% in CY15 to 76% 1HCY25. At present, Hexaware region-wise revenue mix is more diversified with higher exposure to Europe (20%) as compared to its mid-sized peers (11% for Mphasis, 8% for Persistent).

While Hexaware's revenue mix is skewed towards America...

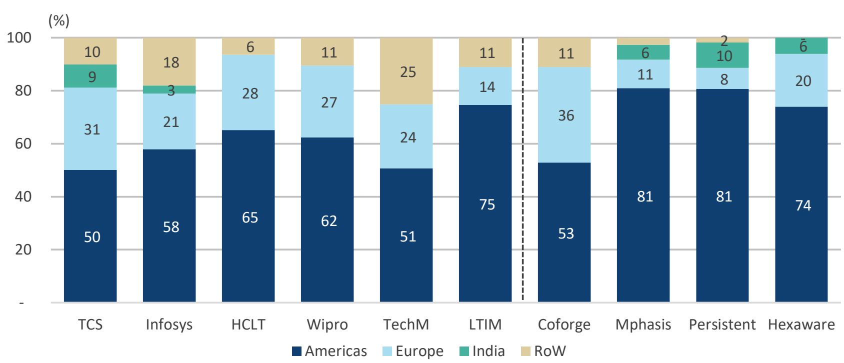
Exhibit 23 - Geography mix



Source: Company data, Jefferies estimates

... it's more diversified with higher Europe exposure compared to its mid-sized peers

Exhibit 24 - Geography mix comparison, CY24



Source: Company data, Jefferies estimates

Time and material contracts dominate revenue mix

T&M contracts form ~75% of revenue, though fixed-price deals are steadily gaining share

Hexaware typically enters into master service agreements with customers, setting the service framework, with separate work orders for individual engagements and associated commercial terms. Further, in its contracts, Hexaware assumes ancillary responsibilities such as maintaining insurance policies, providing testing facilities, and offering round-the-clock IT support. Additionally, the company has a business continuity plan with standard procedures to manage incidents. The company utilizes the following revenue models in SOWs with its clients:

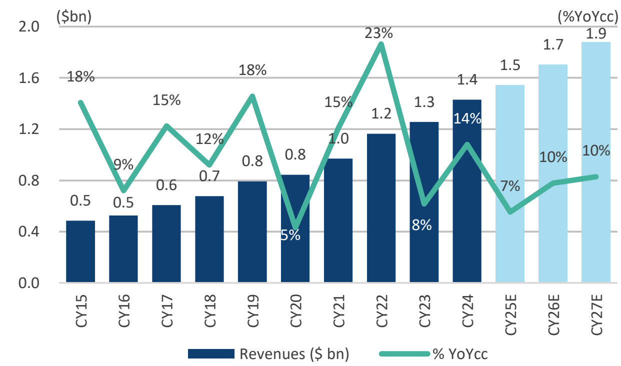
1) **Time-and-material contracts:** Customers are charged based on the number of employees and time spent on an engagement. Company bills clients for employee services based on monthly, daily, or hourly rates that are set when the work starts. These rates depend on how complex the project is, the skills and experience needed, the mix of talent required, and availability of the employees. We understand that T&M contracts form about 3/4th of Hexaware's revenues.

2) Fixed-price contracts: Customers are charged a pre-determined price for specific engagements or milestones, based on an estimate of total project costs. While Fixed Price contracts form a smaller portion of Hexaware's revenues, their share has been rising over the last few years.

Well positioned for growth

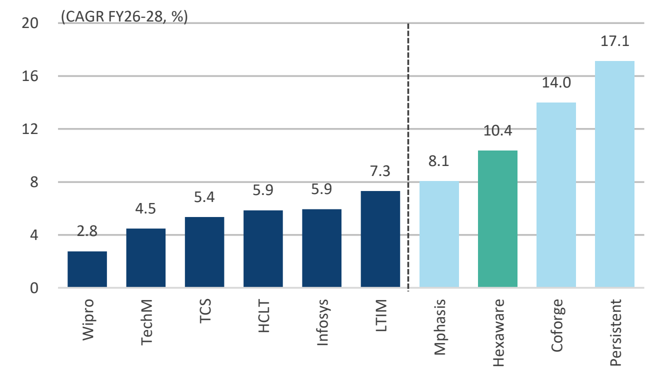
Hexaware's balanced vertical mix, focus on quality client additions and strong client mining track record has helped the firm deliver 12/13% organic cc revenue growth over the past 10/5 years. While growth in CY25 will moderate to 7% levels due to weak macro and client-specific pressures, we expect Hexaware's growth to revert to 10% CAGR over CY25-27 as it is well positioned gain market share driven by its platform-led approach to legacy modernization, expansion in geographic reach and Hi-Tech vertical as well as scale up of the GCC practice.

Exhibit 25 - We expect 10% revenue CAGR over CY25-27E...
Revenue and growth trends



Source: Company data, Jefferies estimates

Exhibit 26 - ... higher than that of Mphasis but lower than Coforge/Persistent
Revenue growth comparison over FY26-28



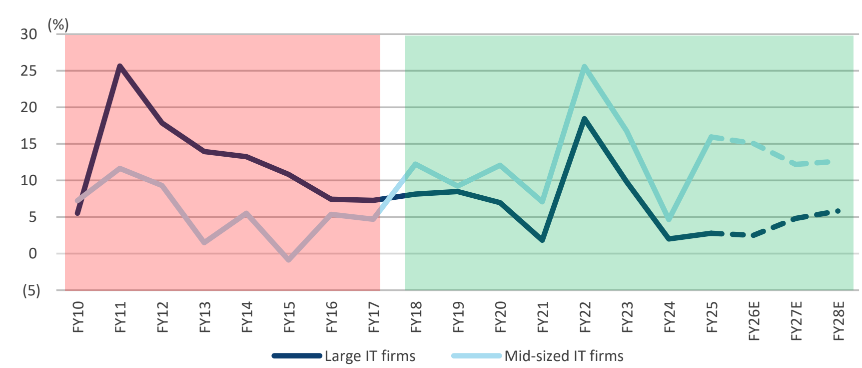
Source: Company data, Bloomberg, Jefferies estimates. Hexaware's revenue growth CAGR is for CY25-27

Among mid-sized IT firms delivering higher growth

Since FY17, mid-sized IT firms have been growing faster than their larger peers in periods of strong demand as well as periods of weak demand. Stronger growth for mid-sized IT firms has been driven by 1) Scale up of revenues to US$1bn+ has helped them break into the consideration set of large-deals, 2) Smaller revenue base not only aids in faster growth but also enables these firms to pivot towards new opportunities faster than their larger peers, 3) Greater focus on growth vs margins, evident from their margins being lower at 13-15% range vs. larger peers at 17%-24% despite similar revenue/employee.

All these structural trends are applicable to Hexaware given it has scaled its revenues to US$1.5bn - opening doors to larger deals, the company is prioritizing growth over margins - evident from its US$3bn revenue target by 2029 and mid-teens margins.

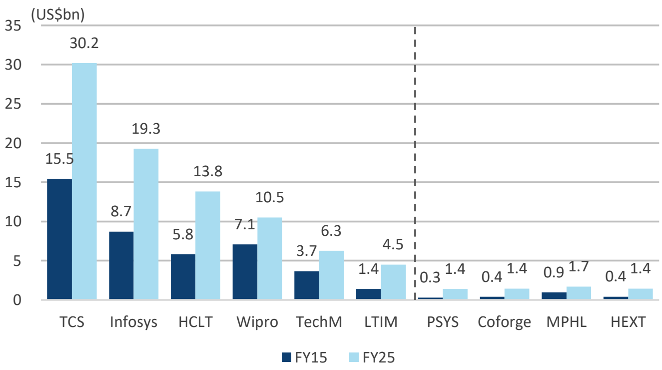
Exhibit 27 - Revenue growth comparison



Source: Company data, Jefferies estimates; Note: Large IT firms include TCS, Infosys, Wipro, HCLT, TechM and LTIM while Mid-sized firms include Coforge, Persistent, Mphasis and Hexaware

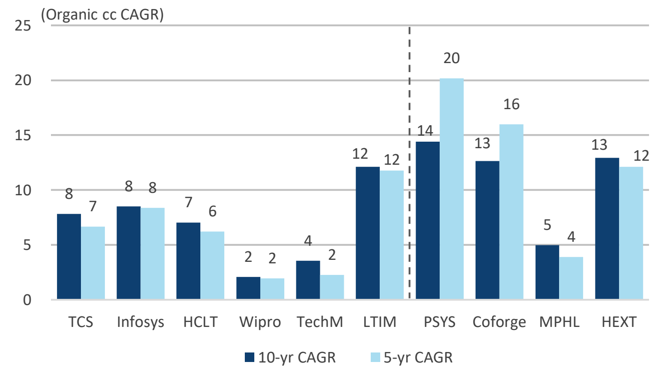
Mid-cap companies continue to outperform Top 6 companies on revenue growth

Exhibit 28 - All Mid-sized IT firms have crossed the US$1bn revenue threshold
Revenue comparison



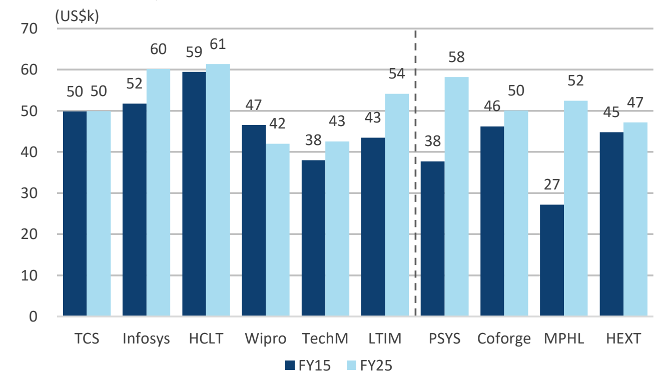
Source: Companies, Jefferies

Exhibit 29 - ...enabling large deal wins and faster growth
Organic revenue growth comparison



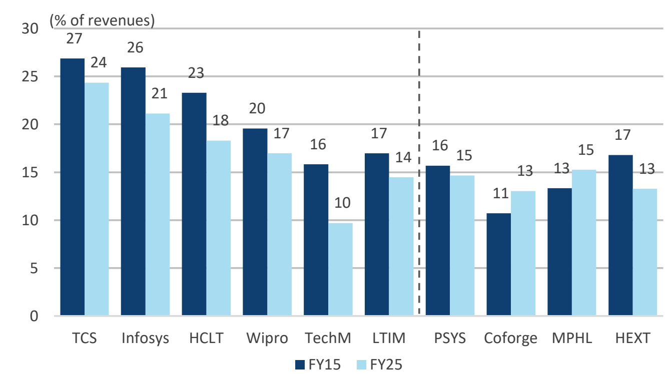
Source: Companies, Jefferies

Exhibit 30 - Mid-sized IT firms have similar revenue/employee...
Revenue per employee comparison



Source: Companies, Jefferies

Exhibit 31 - .. yet lower margins, reflecting their focus on growth over margins
EBIT margin comparison



Source: Companies, Jefferies

Strong client mining and hunting track-record

Hexaware, under Keech's leadership, expanded accounts and deepened client relationships across revenue buckets.

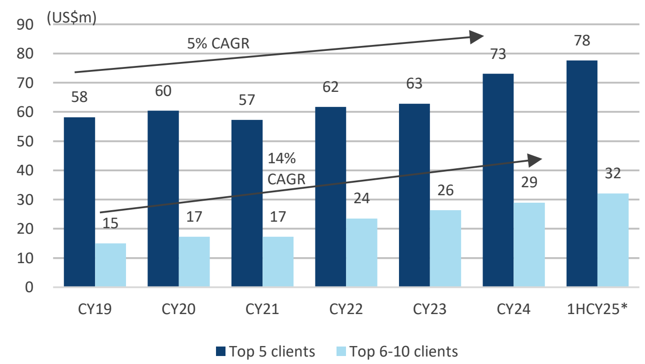
Since the appointment of Srikrishna Karthikeyan (Keech) as CEO in 2014, Hexaware has consistently executed its hunting and farming strategy, driving robust account addition and sustained account mining. The company has demonstrated industry-leading account mining capabilities, having on-boarded 117 clients in the US$1m+ revenue segment between CY14 and CY24. In addition to this, Hexaware has deepened its relationships adding 23 clients in the US $5-10m range, 11 in the US$10-20m bracket, and 8 in the US$20-50m client bucket. The company has made strong progress in growing its largest accounts, now working with three clients that each generate over US$75m in revenue, indicating its consistent ability to build deeper, long-term partnerships.

Growing top-accounts by cross-sell/Up-Sell...

Hexaware has been fairly successful in cross-selling its services to existing clients. This is evident from (1) 5%/14% CAGR in its average relationship size of its Top-5 and Top 6-10 clients over CY19-24, and (2) Consistent additions to its clients in the US$5-10m and US$10-20m relationship bucket.

Exhibit 32 - Avg. relationship size has grown at 5%/14% CAGR for Top-5 and Top 6-10 clients over CY19-24

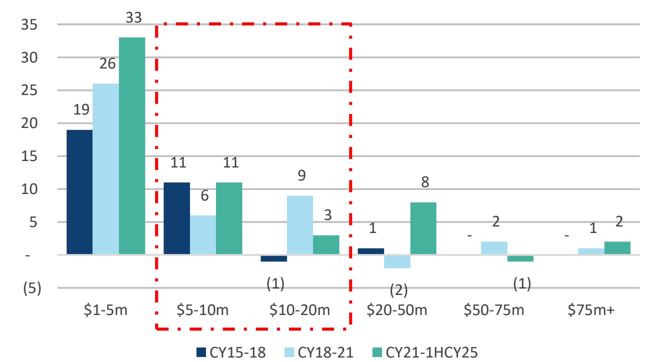
Average relationship size trends



Source: Company data, Jefferies estimates; Data for 1HCY25 is on an annualized basis

Exhibit 33 - Hexaware has been able to consistently add client particularly in US $5-10m and US$10-20m bucket

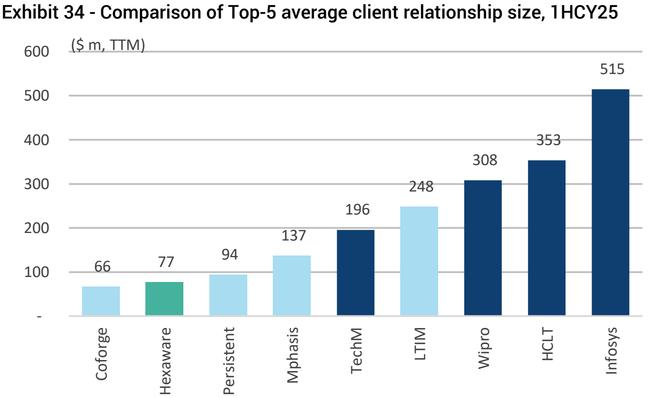
Client bucket wise addition



Source: Company data, Jefferies estimates

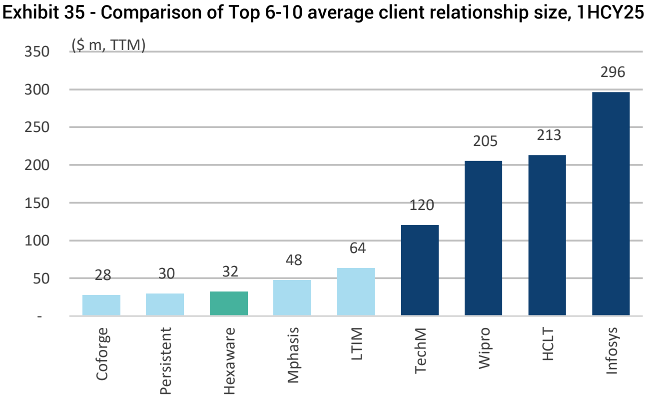
The company has a cross-sell index of 4.5 out of 5.0 for top-10 clients suggesting strong relationship and credibility across multiple service lines. When compared to other mid-sized IT firms, Hexaware's average relationship size across top-10 clients is comparable suggesting similar ability to mine clients.

Exhibit 34 - Comparison of Top-5 average client relationship size, 1HCY25



Source: Company data, Jefferies estimates

Exhibit 35 - Comparison of Top 6-10 average client relationship size, 1HCY25

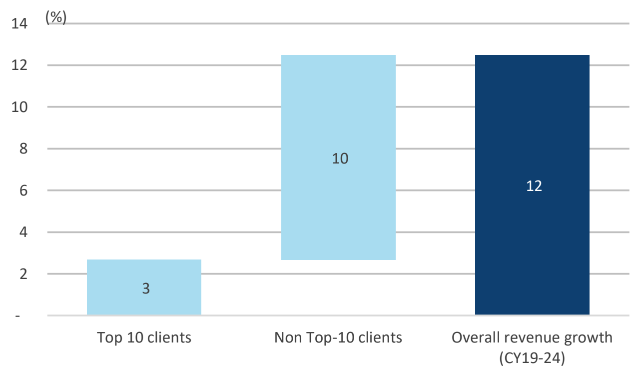


Source: Company data, Jefferies estimates

Over CY19-24, c.3% of Hexaware's 12% revenue CAGR has come from growth in its Top-10 clients implying that client mining is an important growth lever. Given that the average relationship size of its Top 11-20 clients at US$20m and Top-6-10 clients at US$32m are much lower than the average relationship size of its Top-5 clients at US$78m, client mining will continue to be an important growth driver for Hexaware. We understand that nearly 5-7% growth for Hexaware in any year may come from mining existing clients.

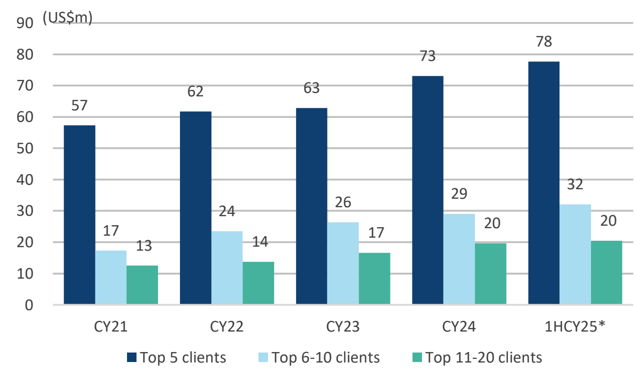
Client mining drives 5-7% annual growth suggesting that it is an important growth lever

Exhibit 36 - 3% of the 12% revenue CAGR is driven by mining Top-10 accounts
Revenue growth driver over CY19-24



Source: Company data, Jefferies estimates

Exhibit 37 - Scale up of Top6-20 accounts offers growth runway from client mining
Average client relationship size



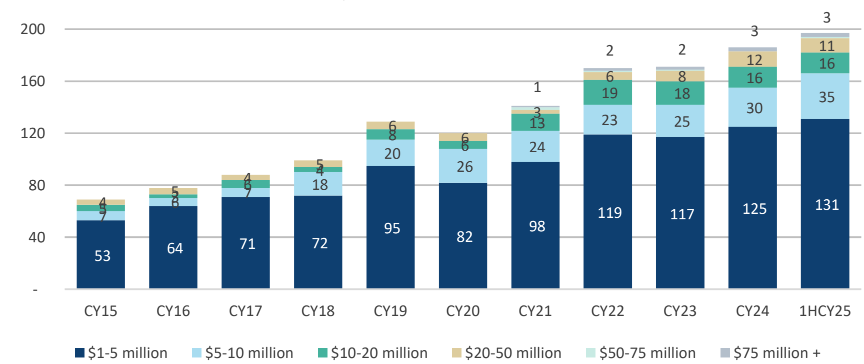
Source: Company data, Jefferies estimates

...with acceleration in new account additions

Hexaware had added 57 US$1m+ accounts over CY19-24, with a clear acceleration in client acquisition across successive three-year intervals (CY15-18, CY18-21, and CY21-1HCY25). Strong growth at the lower end of the client base suggests strong hunting capabilities and this has helped add to the growth it derives from its top accounts. Hexaware's strong client additions has reduced concentration risk with share of revenues coming from Top-5 and Top-10 accounts falling from 37%/46% in CY19 to 26%/36% in CY24.

Hexaware's client growth surged, reducing revenue concentration risk - suggesting strong hunting capabilities

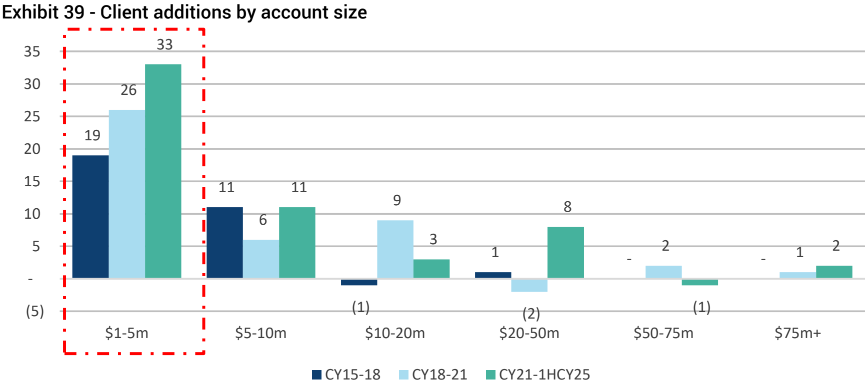
Exhibit 38 - Trend in Hexaware's clients by account size



Source: Company data, Jefferies estimates

Hexaware had added 57 US$1m+ accounts over CY19-24...

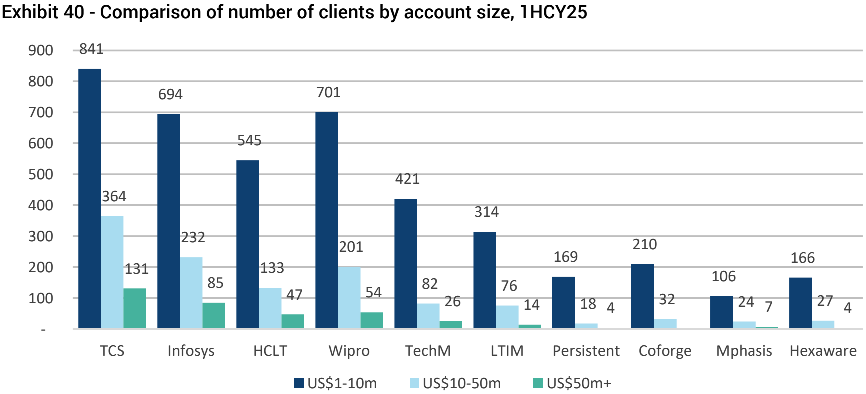
Exhibit 39 - Client additions by account size



Source: Company data, Jefferies estimates

...with a clear acceleration in client acquisition across successive three-year intervals

Exhibit 40 - Comparison of number of clients by account size, 1HCY25



Source: Company data, Jefferies estimates. Note: For Coforge, US$10-50m includes clients with US$50m+ revenues as well.

Hexaware has broadly similar number of clients by account size as compared to other mid-sized IT firms

Streamlining incentives towards high-quality client additions

Hexaware's sales structure targets scalable clients, incentivizes long-term growth, and enhances strategic effectiveness

Hexaware's sales organization is structured to drive growth across geographies and service lines. The New Customer Acquisition and Account Management teams focus on expanding and nurturing relationships in the Americas and Europe, while the Hybrid Sales team manages both new and existing accounts in APAC. Each service line is complemented by an Overlay Sales team that brings deep domain expertise and solution specialization. Supporting these core functions are the Pre-sales, Practice, Global Bid Management, and Marketing teams. These units collectively enhance sales effectiveness bridging technical and commercial capabilities, managing RFPs, driving brand visibility, and generating qualified leads aligned with Hexaware's strategic priorities.

Hexaware is focused on adding high-quality clients capable of scaling to US$5m in revenue within their first year, and targeting enterprises with annual revenues of ~US$2bn to ensure long-term account-mining potential. The company has structured its incentive structure to ensure that sales teams get incentives for accounts that were opened in the past but scaled later. This allows sales-teams to focus on adding high-potential accounts even if the revenues from these accounts in the initial period is negligible.

Focusing on building capabilities

Hexaware's partnerships are stronger than mid-sized peers but trail Top-6 Indian IT firms

Hexaware has deepened its digital transformation capabilities through strategic partnerships with Microsoft Azure, Adobe, Salesforce, Guidewire, and others. These partnerships enhance cloud scalability, customer experience, and AI-driven innovation across industries like Life Sciences, Insurance, and Financial Services. Partner technologies are embedded into proprietary platforms such as RapidX and AgenticAI, enabling GenAI powered automation and engineering. These efforts have accelerated cloud migration, improved customer satisfaction, and earned Hexaware recognition in industry benchmarks, reinforcing its position as a leader in service delivery.

On comparing the partnership ecosystems of Indian IT firms, we note Hexaware has fewer partnership gaps compared to mid-sized IT firms, however Top-6 Indian IT firms have significantly deeper partnerships.

Exhibit 41 - Ecosystem partnership comparison

Upstream tech company	Level of partnerships				TCS	Infosys	HCLT	Wipro	TechM	LTIMindtree	Coforge	Mphasis	Hexaware	Persistent
AWS		Select	Advanced	Premier	Premier	Premier	Premier	Premier	Premier	Premier	Advanced	Premier	Advanced	Premier
Microsoft/Azure			Silver	Gold	Gold	Gold	Gold	Gold	Gold	Gold		Gold	Gold	
Google Cloud (GCP)		Member	Partner	Premier Partner	Premier Partner	Premier Partner	Premier Partner	Premier Partner	Premier Partner	Premier Partner	Premier Partner	Partner	Partner	Premier Partner
IBM	Silver	Gold	Platinum	Blue	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum				Platinum
Oracle	Silver	Gold	Platinum	Diamond	Diamond	Diamond	Platinum	Diamond	Platinum	Platinum		Platinum	Platinum	Platinum
SAP		Silver	Gold	Platinum	Gold	Gold	Gold	Gold	Gold	Gold			Gold	
Salesforce	Base	Ridge	Crest	Summit	Summit	Summit	Summit	Summit	Summit	Summit	Summit	Summit	Summit	Summit
Adobe	Bronze	Silver	Gold	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Silver		Silver	
ServiceNow	Specialist	Premier	Elite	Global Elite	Elite	Global Elite	Elite	Elite	Elite	Elite	Elite		Elite	
Guidewire	Access	Select	Advantage	Premier	Advantage	Select		Select	Advantage	Select			Advantage	
Pega	Authorized	Specialized	Global Elite	Government Elite	Global Elite	Global Elite	Global Elite	Global Elite	Specialized	Global Elite	Global Elite	Specialized	Specialized	
Cisco		Select	Premier	Gold	Gold	Gold	Gold	Gold	Gold	Gold				Select
Snowflake	Registered	Select	Premier	Elite	Elite	Elite	Elite	Premier	Select	Elite	Premier	Select	Premier	Premier
Databricks	Registered	Select	Elite	Global Elite	Global Elite	Global Elite	Select	Global Elite			Registered	Registered	Select	Select

Source: Company data, Jefferies estimates

Selective on acquisitions with focus on capability/reach

Hexaware selectively acquires firms to boost core capabilities and expand globally

Hexaware plans to selectively pursue acquisitions with focus on augmenting core capabilities in data analytics, cybersecurity, product engineering, cloud, and ServiceNow. Hexaware continues to explore opportunities in geographies like Latin America and Eastern Europe. Over the 15 years, Hexaware has acquired only 3 companies - Mobiquity, Softcryllic and SMC group.

In 2019, Hexaware acquired Mobiquity, a customer experience consulting firm that specializes in creating multi-channel digital experiences using cloud technologies. The acquisition aided in Design and Build capabilities in general and customer experience, and cloud-native development capabilities, and added Amsterdam, Netherlands, to its global delivery footprint.

In 2024, it acquired Softcrylic, a data consulting firm headquartered in Minneapolis in the US, with offices in Atlanta and Princeton in the US and Chennai in India. The acquisition aided in data, analytics and marketing capabilities. Softcrylic offers wide range of services, including strategy and advisory, engineering, data and analytics, marketing technology, and provides ongoing data management support.

Recently, Hexaware acquired SMC Squared, a leader in building GCCs. This acquisition will help Hexaware tap the fast-growing India GCC market which is expected to grow at ~9% CAGR to US $100bn over CY24-30 (US$60bn in CY24) and deepen its capability by leveraging the decade old expertise of SMC leadership. Together with SMC, Hexaware sims to deliver end-to-end solutions for clients looking to set up, scale and optimize their GCC operations by integrating SMC's GCC setup capabilities with Hexaware's strengths in AI, analytics, cloud transformation, modernization, and enterprise platforms.

Exhibit 42 - Acquisitions done in last 15 years

Acquired company	Acquired in	Deal size (US$m)	Revenue (US$m)	Description
Mobiquity	Jun-19	182	70	Provides consulting, design and engineering capabilities in customer experience transformation, mobility and analytics in key verticals of banking, retail and pharma
Softcrylic	May-24	160	30	Data consulting firm with marketing stack expertise across Adobe, Google and Salesforce together with engineering capabilities on Azure and AWS
SMC Group	Jul-25	90	23	A leader in building GCCs. SMC Squared specializes in optimizing global workforces for companies by establishing and managing GCCs

Source: Company data, Jefferies estimates

Key growth drivers over the medium term

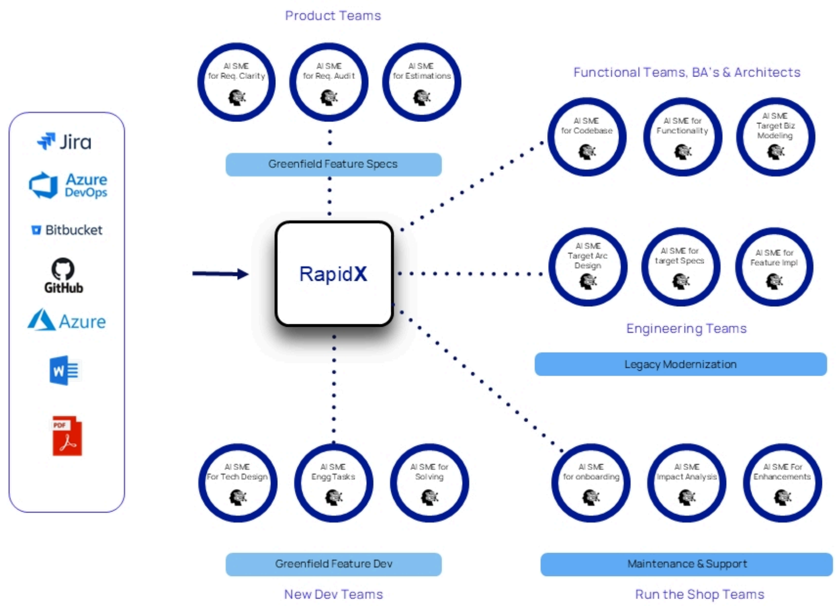
Growth strategy combines market expansion with enhanced service capabilities

Hexaware aims to achieve US$3bn revenues by CY29, implying a 17.5% CAGR over CY25-29, including a 2-2.5% contribution from inorganic growth through 2-3 acquisitions a year. Hexaware's growth strategy focuses on both market expansion and capability enhancement. Key growth levers include:

1. Accelerating legacy modernization: With AI becoming mainstream, clients are increasingly modernizing this legacy applications. Hexaware is seeing increasing traction in this area and its proprietary platform - RapidX - that not only helps reverse engineer existing legacy systems but also fast-tracks the modernisation process at a lower cost - is helping Hexaware gain from this opportunity. Hexaware is actively pursuing 35-40 deals in the application modernization segment.

RapidX platform accelerates legacy modernization at lower cost amid rising AI adoption

Exhibit 43 - Usage of RapidX platform in SDLC



Source: Company data, Jefferies estimates

Hexaware expands globally via delivery centers, subsidiaries, JVs, and acquisitions in key markets

2. Expanding geographic footprint: While Hexaware has a strong presence in the \us and UK, it is actively expanding its geographic footprint, targeting markets such as Canada, continental Europe, the Middle East, and Australia. Hexaware focuses on building a global footprint through a combination of new delivery centers, local subsidiaries, joint ventures, and targeted acquisitions. The company has established 39 delivery centers and 16 offices across 28 countries. Hexaware operates through wholly owned subsidiaries in key markets such as the US, UK, Germany, Canada, Singapore, Mexico, Saudi Arabia, and Hong Kong, enabling compliance with local regulations and delivery of region-specific solutions. Strategic joint ventures in Qatar (with Al-Balagh) and the UAE (with Novelty Group) are helping Hexaware tap into the fast-growing Middle East market, while acquisitions like Mobiquity (Netherlands/US) and Softcrylic (US/India) have strengthened its presence and capabilities in Europe and North America.

Exhibit 44 - Hexaware's approach for expanding its geographic presence

Strategy	Details
Global Delivery Centers	39 centers in 28 countries; new centers in Dehradun, Coimbatore, Mangalore, Colombo, Ahmedabad (GIFT)
Subsidiaries	Entities in USA, UK, Germany, Canada, Singapore, Mexico, Saudi Arabia, Russia, Hong Kong
Joint Ventures	Al-Balagh (Qatar), Novelty Group (UAE)
Acquisitions	Mobiquity (Netherlands/US), Softcrylic (US/India)
Local Talent Development	Mavericks Learning Program, HexaVarsity, regional upskilling

Source: Company data, Jefferies estimates

It expands high-growth services via SMC acquisition, Hi-Tech vertical carve-out, and Private Equity channel leveraging promoter support (Carlyle)

3. Expanding capabilities with focus on high growth service lines: Hexaware also plans to scale its GCC as a service aided by the SMC acquisition. SMC brings over a decade of experience in setting up 30+GCCs for a diverse clientele including F500 companies, MNCs, and high-growth start-ups. SMC has a total workforce of ~500 employees and delivery centers in India (Bengaluru and Hyderabad). The acquisition will aid Hexaware in tapping the India GCC market which is expected to cross US$100bn by 2030. Together with SMC, Hexaware will deliver end-to-end solutions for clients looking to set up, scale and optimize their GCC operations by integrating SMCs GCC setup capabilities with Hexaware's strengths in AI, analytics, cloud transformation, modernization, and enterprise platforms.

4. Scale up of Hi-Tech vertical: Hexaware also plans to carve out High-Tech vertical from HTPS (primarily skewed towards Professional Services currently), mirroring its approach in Banking which used to be part of FS vertical in the past.

5. Doubling down on PE as a channel: Hexaware, majority-owned by Carlyle Group (~75%), plans to expand its Private Equity as a channel by leveraging promoter support to gain access to Carlyle's portfolio companies thereby mirroring successful strategies employed by peers like Mphasis and Persistent.

Challenges in Top 2 clients a temporary glitch

Hexaware's top clients are US GSEs - despite challenges, growth is expected via consolidation opportunities, cost focus, and privatization potential

Hexaware's top 2 clients are two of the largest buyers of mortgages in the secondary market, both being US Government Sponsored Enterprises (GSEs). Hexaware offers a wide range of services to these clients, including managing internal systems and customer platforms, and building and managing custom-made platforms. The largest service line by revenue is Design and Build (building customer applications), followed by Secure & Run (IMS related work), Data & analytics, and BPS.

Both GSEs have faced significant pressure and troubles recently, including the Federal Housing Finance Agency (FHFA) ousting 14 board members and replacing Client 2's CEO. The consolidation deal with Client 1, won last year, saw delays, but deal execution began in 1QCY25. There continues to be large pipeline of opportunities with Client 1 and the ramp-up of deal suggests reduced uncertainties with the new management. Growth from Client 1 is expected to be driven by the ramp-up of previously won consolidation deal and is expected to contribute incremental growth of 1-2% once fully ramped.

Client 2 experienced a sharp ramp-down in 1QCY25, impacting Hexaware's full-year CY25 organic revenue by ~1%. Client 2 is currently focused on cost reduction and vendor consolidation, aiming to reduce its vendor count from over 100 to just 6 vendors. This could be substantial opportunity for Hexaware, with a potential to secure an additional 2% in annualised revenues.

Despite ongoing management challenges, ramp-downs, and a broader slowdown affecting its top two clients, the company's top two clients are on track to grow at ~10% YoY, broadly in line with the company's average growth trajectory. However, a significant long-term factor is the potential for these government-chartered companies to move towards privatization. This could overhaul the vendor ecosystem, leading to revised contracts and potentially boosting Hexaware's growth and margins in the future.

Well positioned to deliver 10% CAGR over CY25-27E

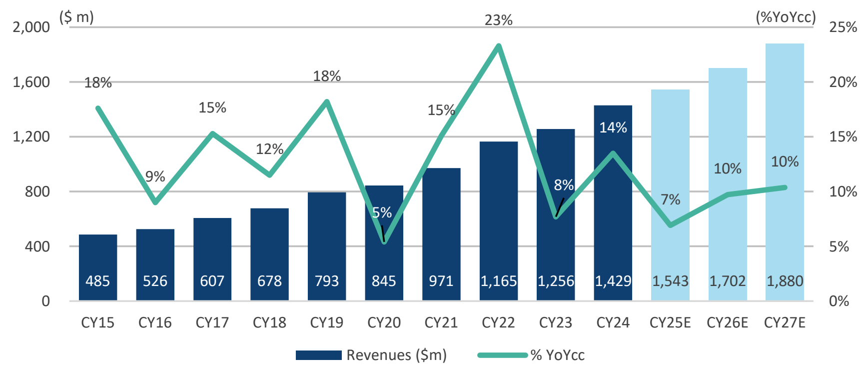
On the back of platform-led approach, GCC scale-up, and geographic expansion...

Hexaware's CY24 organic growth accelerated to 12% YoYcc (~8% YoYcc in CY23) on the back of strong growth in 3 of its largest verticals. However, growth in CY25 is likely to be weaker as macro pressures amidst tariff related uncertainties have impacted the Manufacturing and Consumer vertical (15% of revenues), right shifting of deals. Moreover, pressures among one of the Top-3 clients has also impacted growth by c.1% and delays in closures of the four mega consolidation deals will keep growth muted at 7% US$ revenue growth in CY25.

We do expect growth to pick up to 10% levels from CY26 as Hexaware is well positioned to gain market and grow faster than the industry driven by its platform-led approach to legacy modernization, expansion in geographic reach and Hi-Tech vertical as well as scale up of the GCC practice.

... we expect Hexaware to deliver 10% CAGR over CY25-27E...

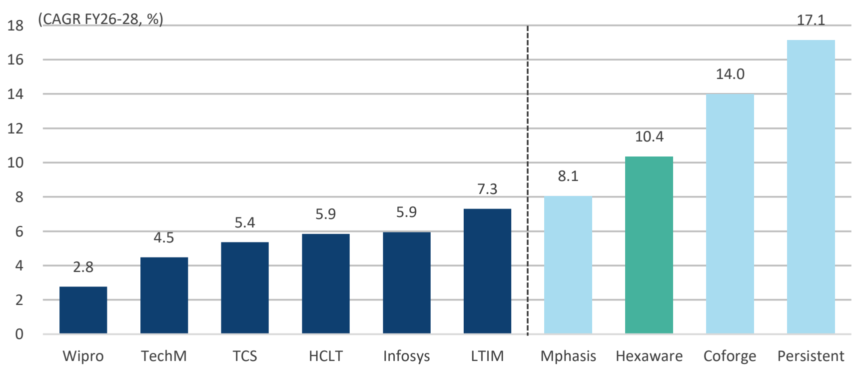
Exhibit 45 - Revenue and growth trends



Source: Company data, Jefferies estimates

Exhibit 46 - Revenue growth comparison over FY26-28

... higher than Mphasis but lower to Coforge/ Persistent



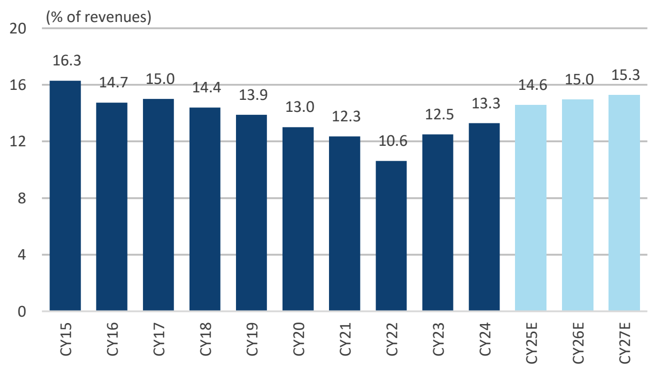
Source: Company data, Bloomberg, Jefferies estimates. Hexaware's revenue growth CAGR is for CY25-27

Expect EBIT margins to stabilize at 15% levels

We believe, Hexaware will focus on growth over margins and expect margins to stabilize at 15%

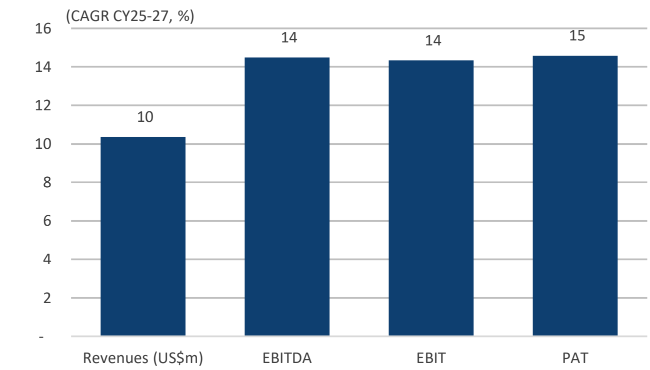
While improving onshore-offshore mix and pyramid are longer term margin levels, Hexaware is likely to focus on growth rather than expand margins. We expect EBIT margins to expand by ~70bps over CY25-27 and reach 15.3% in CY27E primarily driven by discontinuation of ERP costs from CY26. We expect Hexaware to maintain margins around the 15% levels to drive growth. The expansion in margins to 15% levels will drive a 14% EBIT CAGR and 15% profit CAGR over CY25-27E, higher than revenue growth of 10% CAGR.

Exhibit 47 - We expect margins to expand by 70bps over CY25-27E...
EBIT margin trends and forecasts



Source: Company data, Jefferies estimates

Exhibit 48 - ... leading to 14% EBIT CAGR and 15% profit CAGR, higher than 10% revenue growth
Revenue, EBITDA, EBIT, PAT CAGR



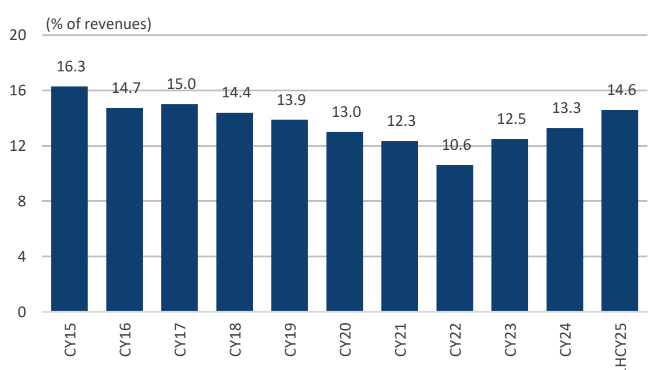
Source: Company data, Jefferies estimates

EBIT margins in line with mid-sized peers

Hexaware's EBIT margins are in-;ine with mid-sized peers but lag Top-4 due to higher delivery costs

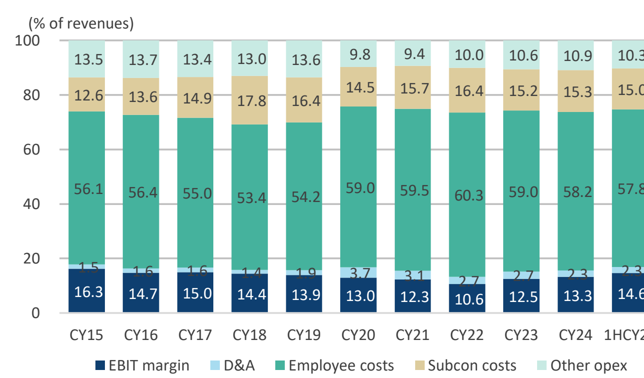
Over CY15 to CY22, Hexaware's EBIT margins were on a declining trend primarily due to higher growth in employee costs due to investments in capabilities and higher subcontracting costs partly due to supply side challenges faced by the industry during Covid. D&A costs also rose due to the acquisition of Mobiquity in 2019. With supply side challenges easing post Covid, Hexaware's normalized EBIT margins have expanded to 14.6% in 1HCY25. At present, Hexaware's EBIT margins are broadly in the similar range as other mid-sized Indian IT firms (13-15%), it is significantly lower to Top-4 IT firms. This divergence is attributable to higher employee costs and higher subcontracting costs while other operating expenses are broadly similar.

Exhibit 49 - EBIT margins are on an uptrend since CY22...
EBIT margin trends



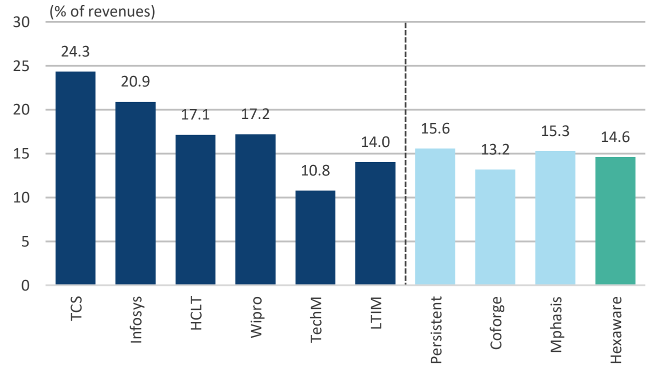
Source: Company data, Jefferies estimates

Exhibit 50 - ... primarily due to reduction in delivery costs
Common-sized PnL trends



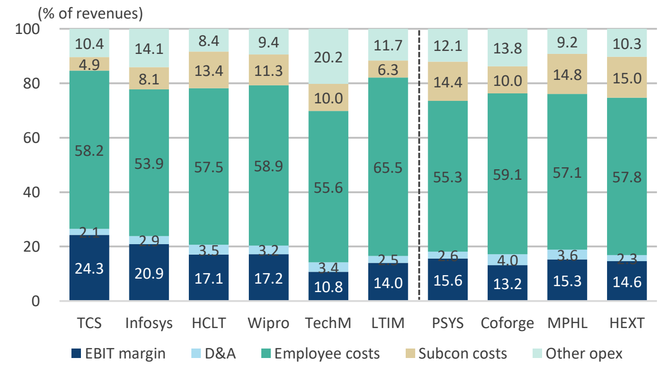
Source: Company data, Jefferies estimates

Exhibit 51 - Hexaware's EBIT margins are broadly similar to other mid-sized IT firms...
EBIT margin comparison, 1HCY25



Source: Company data, Jefferies estimates

Exhibit 52 - ... however is lower to Top-4 IT firms, due to higher delivery costs while other opex is broadly similar
Common-sized PnL comparison of Indian IT firms



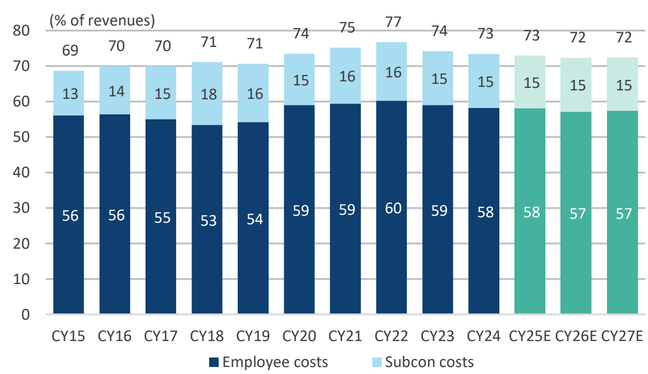
Source: Company data, Jefferies estimates

Higher delivery costs a drag on margins

Hexaware's high subcontracting costs drive higher delivery expenses - impacting margins vs. Top-10 IT firms

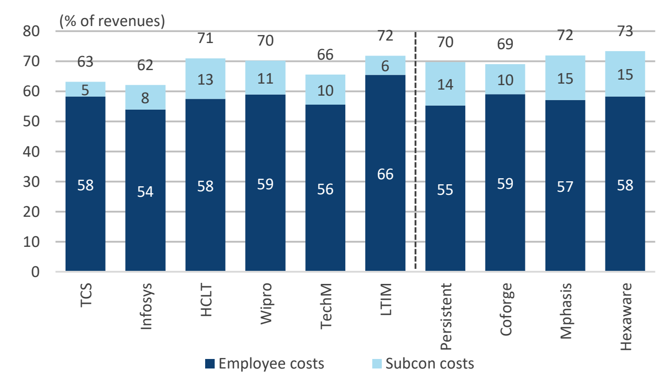
Hexaware's delivery costs (Employee costs and subcontracting costs) at 73% of sales are at the upper end of the Top-10 Indian IT firms and the key reason for lower margins. We note that while its employee costs are largely in line with peers, Hexaware's subcontracting costs at 15% of sales, are among the highest vs. other IT firms and the key reason behind its higher delivery costs.

Exhibit 53 - Delivery costs have reduced since the CY22 peak
Delivery costs: Employee + Subcon costs



Source: Company data, Jefferies estimates

Exhibit 54 - Despite higher onshore presence, Hexaware's employee costs are similar while subcon costs are higher
Delivery cost comparison, 1HCY25



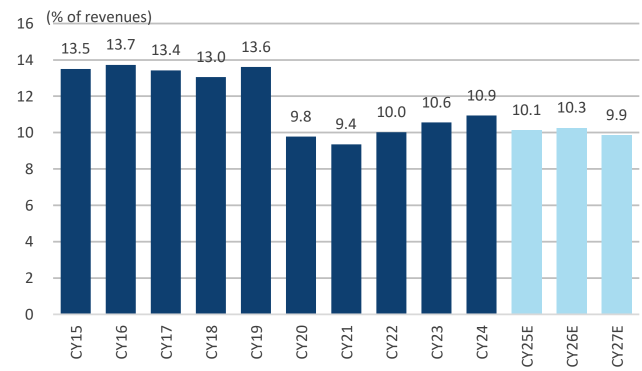
Source: Company data, Jefferies estimates

Other opex comparable to peers

Other operating expense are broadly in-line with peers

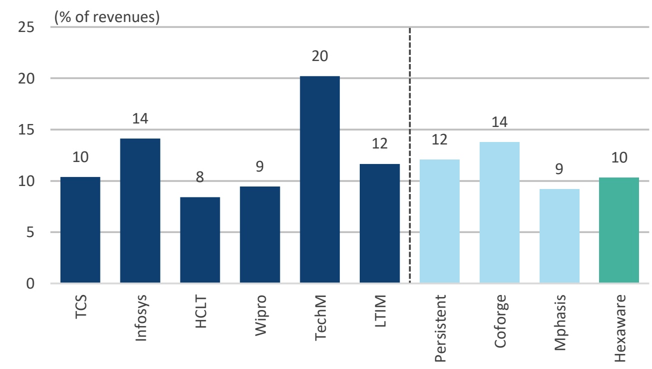
Other costs (ex employee and subcon costs) dropped substantially in CY20 to 10% of revenues from ~14% in CY19 primarily due to lower traveling and visa costs during Covid - which was in line with other Indian IT firms. Comparing other operating costs across Indian IT firms, we note it is broadly at similar levels.

Exhibit 55 - Other costs remain in a narrow band post the fall in CY20...
Other costs (ex employee and subcon costs) trends



Source: Company data, Jefferies estimates

Exhibit 56 - ... and is broadly similar to other Indian IT firms
Other costs comparison, 1HCY25

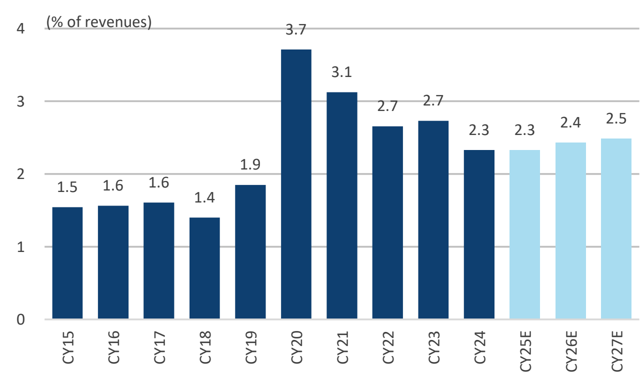


Source: Company data, Jefferies estimates

Fewer acquisitions have kept D&A costs low

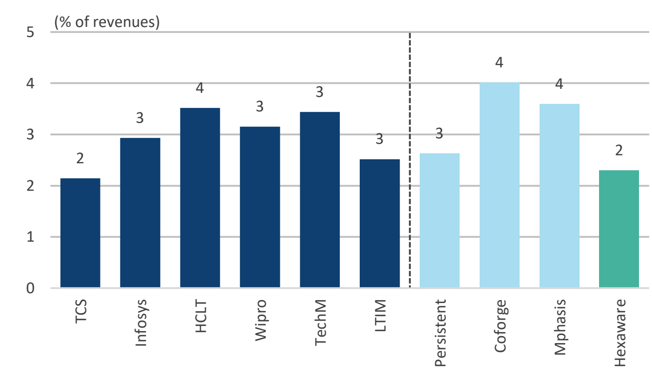
Historically, as Hexaware has not been aggressive on acquisitions, its D&A charges are relatively lower (~2% of revenues) compared to some of the other mid-sized IT firms (3-4% of revenues) and broadly similar to large-sized IT firms.

Exhibit 57 - Hexaware's D&A charges at 2% of revenues...
D&A costs trends



Source: Company data, Jefferies estimates

Exhibit 58 - ... is broadly similar to other India IT firms which are less acquisitive
D&A costs comparison



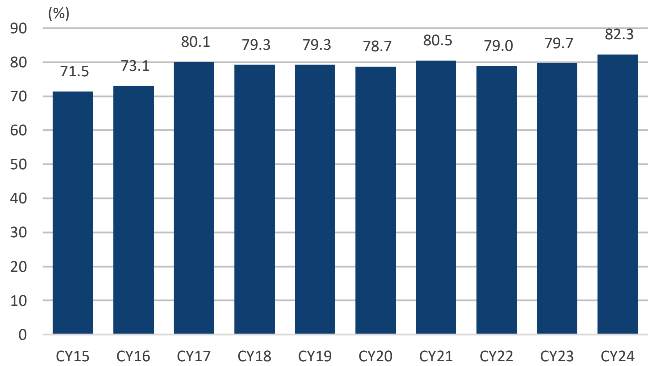
Source: Company data, Jefferies estimates

Utilization/subcontracting costs unlikely to boost margins

Hexaware's high subcontracting cost reflects its onshore strategy; Utilization in mgmt's comfort range limits further margin expansion

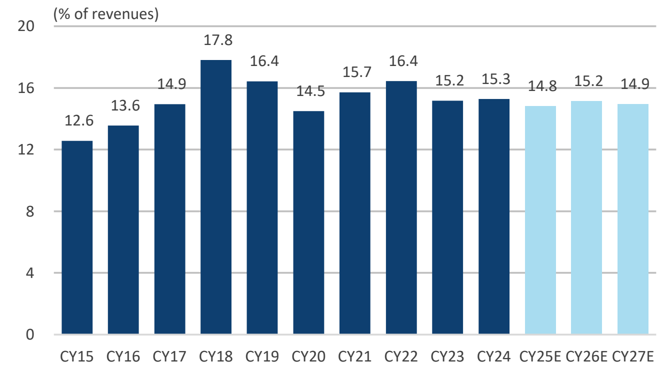
Higher subcontracting costs are partly due to higher presence in Financial Services vertical which requires higher onshore mix. Given that Hexaware's subcontracting costs have remained around 15-16% of sales since CY17, we believe Hexaware prefers subcontracting onshore work rather than risking under-utilized onshore staff. Given this, despite higher subcontracting costs vs. peers, we don't expect these costs to drive margins in the future. Hexaware's utilization levels at 83% is in line with management's comfort rage of 83-84%. Given this, we don't expect further improvement in utilization either.

Exhibit 59 - Given current utilization is in the management's comfort range...
Trends in Utilization of IT business professionals



Source: Company data, Jefferies estimates

Exhibit 60 - ... we expect subcon costs to remain at similar levels
Trend in subcontractors costs



Source: Company data, Jefferies estimates

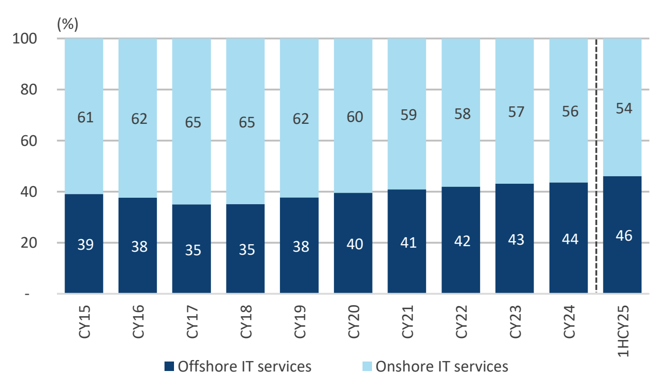
Higher offshoring/pyramid are longer term levers

Hexaware's high onshore mix and employee pyramid impact margins; diversification expected to improve margins over the longer run

Hexaware has a relatively higher share of revenues coming from onshore operations (54%) due to higher onshore work in two of its Top-3 clients. Hexaware has had a long 15-year partnership with these two clients. While this has led to steady revenues and strong engagement, it comes with higher onsite work, which affects margins compared to peers that rely more on offshore delivery. Going forward, as Hexaware diversifies its revenues away from these two clients, its onshore revenue mix will likely fall. This should support margins in the medium term.

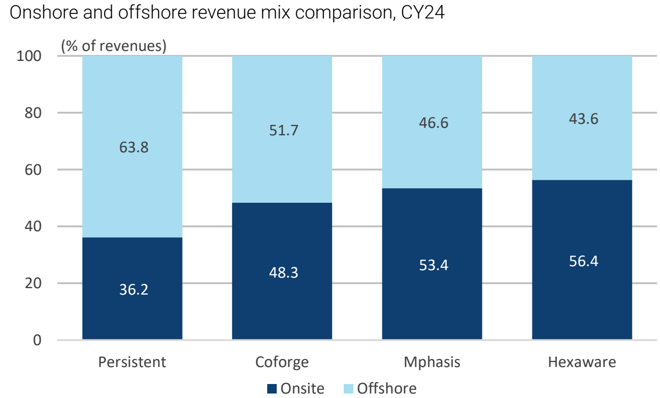
Hexaware also has a fairly adverse employee pyramid with mere 44% of its employees being below the age of 30 years. This is primarily due to higher share of Time and Material contracts in its revenues. As Hexaware's business diversifies away from Fannie-Mae and Freddie-Mac, its onshore mix will improve. Furthermore, as the company scales, a higher share of revenues will start coming from Fixed-price contracts, which will allow Hexaware to improve its pyramid. Both these should help Hexaware improve its margins in the longer run.

Exhibit 61 - Hexaware's onshore presence is reducing but is still high at 54% of revenues
Onshore and offshore revenue mix



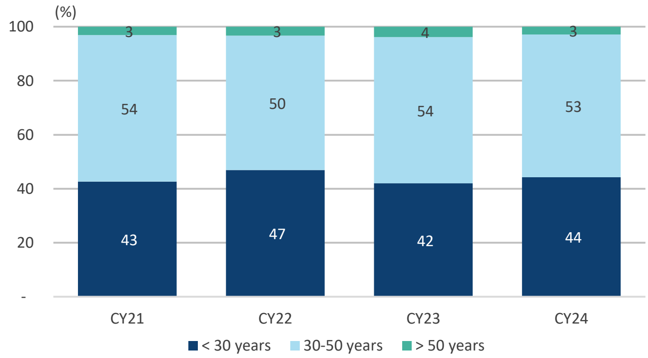
Source: Company data, Jefferies estimates

Exhibit 62 - However, onshore mix is the highest for Hexaware compared to other mid-sized IT firms
Onshore and offshore revenue mix comparison, CY24



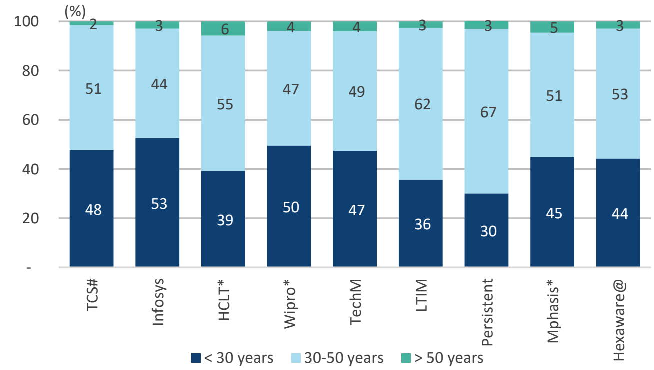
Source: Company data, Jefferies estimates

Exhibit 63 - Due to higher T&M contracts, Hexware's employee pyramid is worsening
Trends in employee pyramid mix



Source: Company data, Jefferies estimates

Exhibit 64 - However, it is slightly better than other mid-sized peers
Employee pyramid comparison, FY25



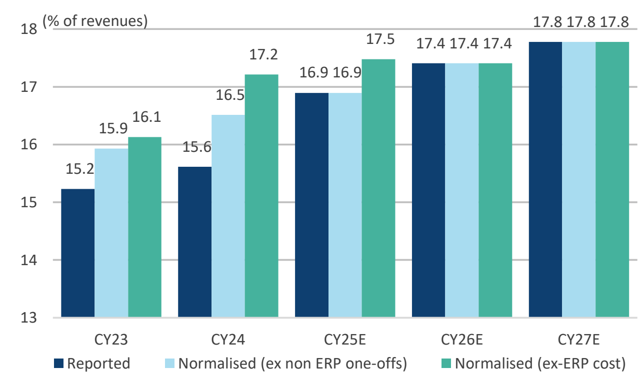
Source: Company data, Jefferies estimates. Note: #only for India employees; *Data for FY24; @Data for CY24

Reduction in ERP costs to boost margins

Hexaware is undergoing an ERP modernisation program which is likely to end in 2HCY25. This program has impacted Hexaware's 1HCY25 margins by 60bps in 1HCY25. While c.50%+ of these costs are recognized in employee costs, the rest are included in legal fees, cost of software licenses and traveling costs. Reduction in ERP transformation cost in CY26 will provide another boost to margins in CY26.

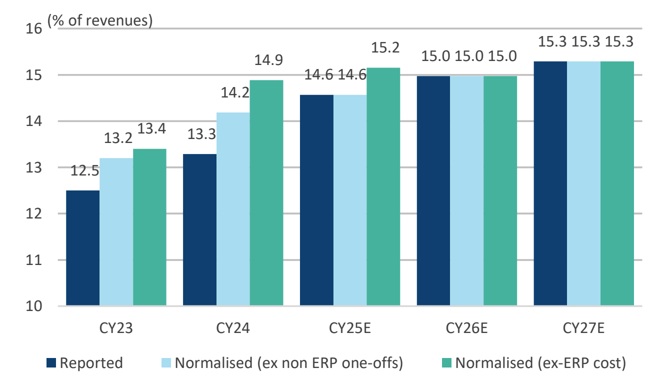
Hexaware's ERP transformation ends 2HCY25 thereby improving CY26 margins

Exhibit 65 - We expect reported EBITDA margins to expand 220bps over CY25-27E
EBITDA margin trends and forecasts



Source: Company data, Jefferies estimates

Exhibit 66 - We expect 70bps EBIT margin expansion over CY25-27E
EBIT margin trends and forecasts



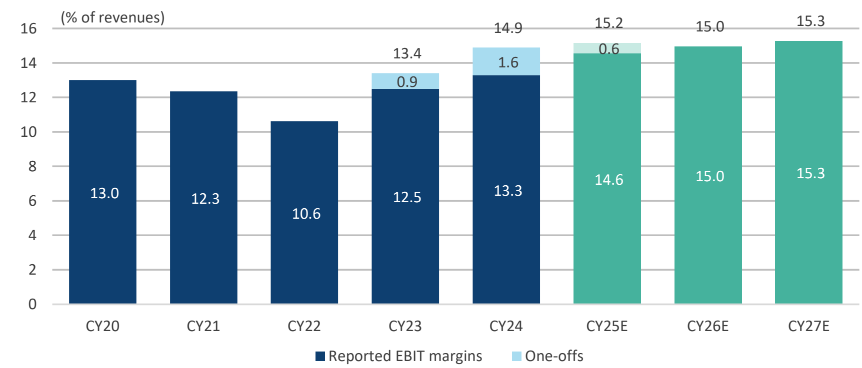
Source: Company data, Jefferies estimates

Focus on growth to keep margins at c.15% levels

We expect EBIT margins to expand by ~70bps over CY25-27 and reach 15.3% in CY27E primarily driven by discontinuation of ERP costs from CY26. While improving onshore-offshore mix and pyramid are longer term margin levels, Hexaware is likely to focus on growth rather than expand margins. We expect Hexaware to maintain margins around the 15% levels, like other mid-sized peers. The expansion in margins to 15% levels will drive a 14% EBIT CAGR and 15% profit CAGR over CY25-27E, higher than revenue growth of 10% CAGR.

We expect Hexaware to maintain margins around 15% similar to other mid-sized peers

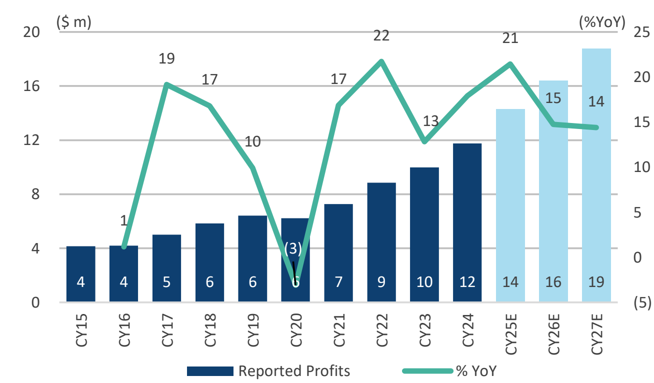
Exhibit 67 - Reported and adjusted for one-offs EBIT margins



Source: Company data, Jefferies estimates

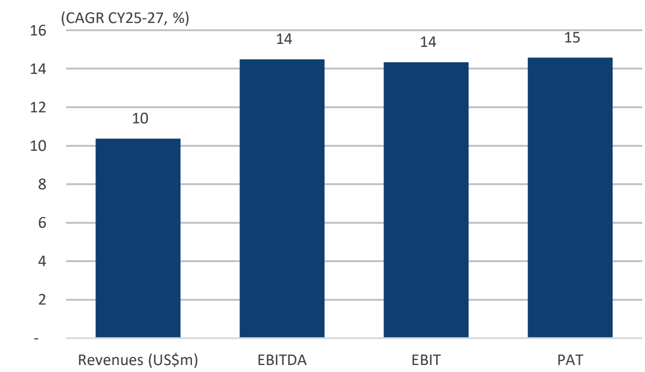
Hexaware's EBIT margin to reach 15.3% by CY27, driven by ERP cost discontinuation

Exhibit 68 - We expect 15% earnings growth CAGR over CY25-27E
Reported earnings growth trends



Source: Company data, Jefferies estimates

Exhibit 69 - We expect 15% earnings CAGR, higher than 10% revenue growth, led by margin expansion
Revenue, EBITDA, EBIT, PAT CAGR

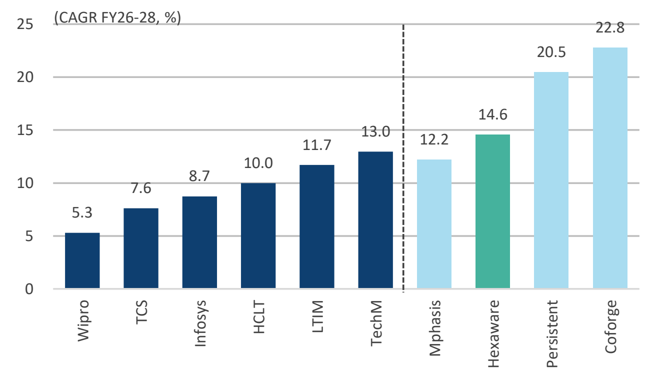


Source: Company data, Jefferies estimates

Initiate coverage with BUY rating

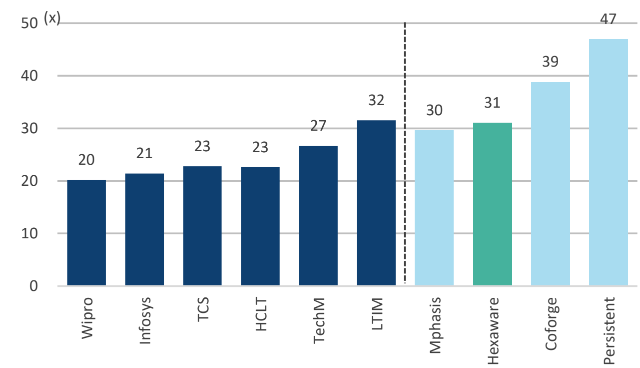
Hexaware offers the growth characteristics of a mid-sized IT firm (15% EPS CAGR) with the quality similar to larger IT firms (4th highest ROE, 2nd best FCF conversion, lower variability in growth). Restructuring of its US Govt. sponsored clients is a risk. Also, the promoters may pare down their stakes over the next few years, which could keep the stock price volatile. In our view, superior quality with healthy growth will support valuations. We initiate coverage on Hexaware with BUY rating and PT of Rs930/share based on 31x PE - in line with its average PE since listing and 15% premium to Mphasis.

Exhibit 70 - Hexaware offers ~15% earnings growth - higher than Mphasis but lower than Coforge's
Earnings growth comparison



Source: Company data, Bloomberg, Jefferies estimates

Exhibit 71 - Hexaware is trading at 31x FY26 PE - 5% premium to Mpahsis and 20% discount to Coforge
FY26 PE comparison



Source: Company data, Bloomberg, Jefferies estimates

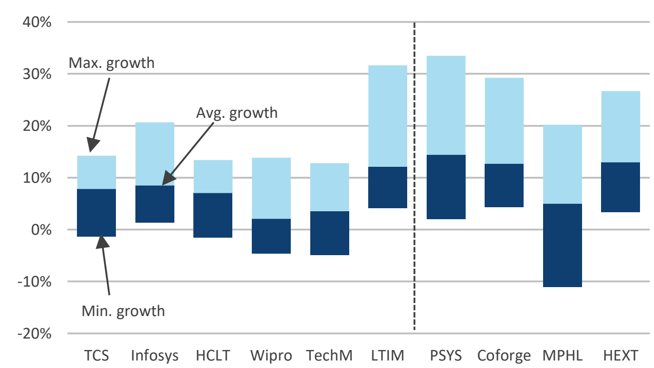
Three areas where Hexaware outscores mid-sized IT firms

Lower volatility in growth vs. mid-sized IT firms

Steady and consistent execution...

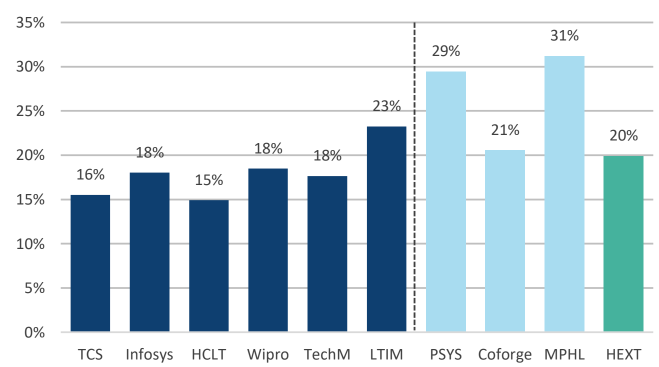
First, even though, Hexaware's average growth has trended between Mphasis and Coforge over the past five years and is expected to follow similar trend over CY25-27, we note that the range of outcomes for Hexaware's growth has been smaller vs. other mid-sized IT firms, suggesting consistent and steady execution. The range of growth for Top-5 IT firms has been 15-18%, whereas the same for mid-sized firms ranges between 21-31%. Hexaware's range of organic growth over the past 10-years at 20% is very similar to large-IT firms, suggesting stronger controls over pipeline management and sales and delivery.

Exhibit 72 - Hexaware's revenue growth performance is fairly consistent...
Range of revenue growth comparison over the last decade



Source: Company data, Jefferies estimates

Exhibit 73 - ... given its range of organic revenue growth is similar to large IT-firms
Range of revenue growth over the last decade



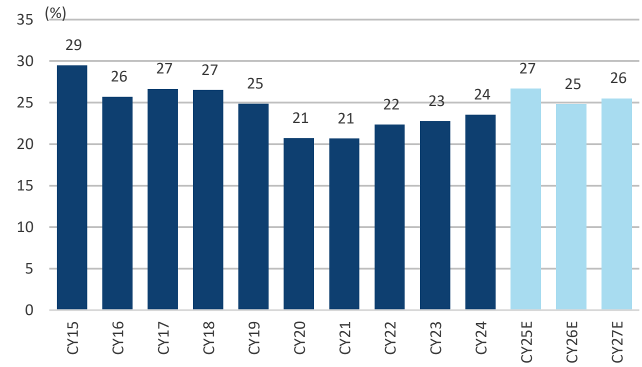
Source: Company data, Jefferies estimates

Higher ROE vs. Mid-sized IT firms

Hexaware's ROE is the 5th highest among the Top-10 IT firms in India and 2nd highest among mid-sized IT firms. This is mainly because, its asset turnover at 1.5x is the 2nd highest after TCS as it has avoided bloating up the balance sheet given it has been selective on big-ticket acquisitions.

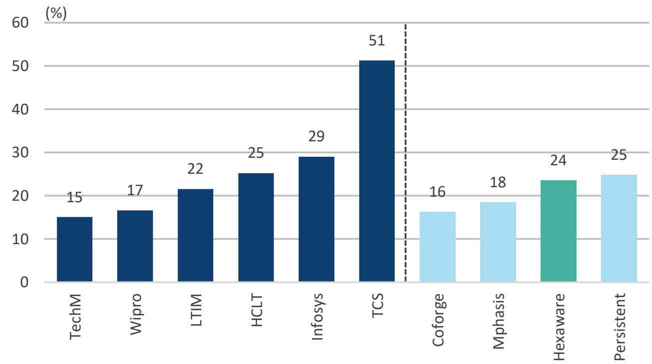
... along with higher RoEs (due to higher asset turns)...

Exhibit 74 - Current RoEs at 24%...
RoE trends



Source: Company data, Jefferies estimates

Exhibit 75 - ... is the highest amongst the mid-sized IT firms
RoE comparison, FY25



Source: Company data, Jefferies estimates

Exhibit 76 - Dupont analysis

Particular	TCS	Infosys	HCL Tech	Wipro	Tech M	LTIM	PSYS	Coforge	Mphasis	Hexaware
Asset turnover	1.6	1.1	1.1	0.7	1.2	1.3	1.5	1.3	1.0	1.5
EBIT margin	24%	21%	18%	17%	10%	14%	15%	13%	15%	13%
PBT/EBIT	1.1	1.1	1.1	1.2	1.1	1.1	1.0	0.8	1.0	1.0
Tax rate	75%	71%	75%	76%	75%	74%	77%	74%	75%	75%
Minority interest	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.0	1.0
Leverage	1.6	1.6	1.5	1.5	1.6	1.4	1.4	1.9	1.6	1.6
RoE (%)	**51%**	**29%**	**25%**	**17%**	**15%**	**22%**	**25%**	**16%**	**18%**	**24%**

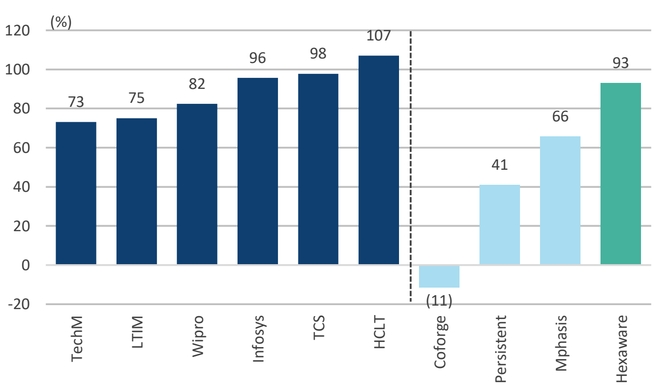
Source: Company data, Jefferies estimates

Superior FCF conversion

Hexaware also stands out on cash flow conversion vs. peers. Over the past five years, Hexaware's average FCF to PAT ratio at 93% and 5-year average pre-tax CFO to EBITDA ratio at 109% being much higher than other mid-sized Indian IT firms and similar to large IT firms. Hexaware's focus on quality clients has helped the company maintain tight control over working capital which in turn has helped the company to deliver superior FCF conversion.

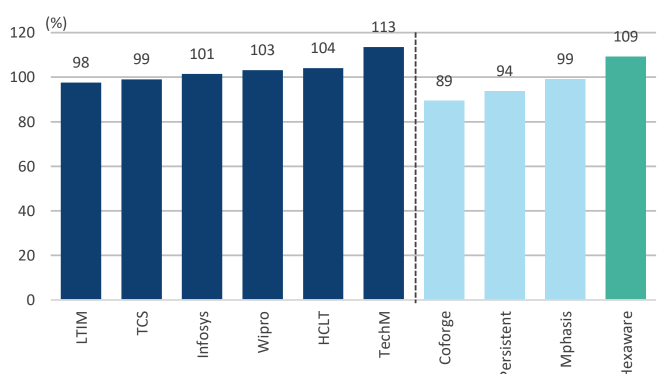
... and superior FCF conversion are the three key reasons where Hexaware outscores mid-sized IT firms

Exhibit 77 - Hexaware's FCF conversion at 93%...
Comparison of 5-yr average FCF to PAT conversion



Source: Company data, Jefferies estimates.

Exhibit 78 - ... and 109% CFO conversion is the highest amongst mid-sized Indian IT firms
Comparison of 5-yr average pre-tax CFO to EBITDA conversion



Source: Company data, Jefferies estimates

Exhibit 79 - Breakup of FCF conversion

Breakup	TCS	Infosys	HCLT	Wipro	TechM	LTIM	Persistent	Coforge	Mphasis	Hexaware
FCF/PAT	**98%**	**96%**	**107%**	**82%**	**73%**	**75%**	**41%**	**-11%**	**66%**	**93%**
CFO/PAT	**109%**	**114%**	**137%**	**125%**	**145%**	**102%**	**108%**	**135%**	**116%**	**143%**
Ebitda/PAT	140%	144%	157%	142%	163%	140%	152%	199%	151%	155%
WC Inv/PAT	-8%	-11%	6%	0%	-3%	-10%	-25%	-22%	-8%	-1%
Tax/PAT	-30%	-32%	-26%	-21%	-39%	-34%	-35%	-43%	-35%	-26%
Others/PAT	7%	13%	0%	5%	25%	6%	16%	0%	7%	15%
Lease payments/PAT	**-3%**	**-6%**	**-8%**	**-8%**	**-19%**	**-8%**	**-7%**	**3%**	**-10%**	**-11%**
Capex/PAT	**-8%**	**-10%**	**-10%**	**-12%**	**-17%**	**-20%**	**-33%**	**-35%**	**-7%**	**-11%**
Acquisition/PAT	**-1%**	**-5%**	**-17%**	**-32%**	**-36%**	**-2%**	**-30%**	**-107%**	**-28%**	**-27%**
Other income/PAT	**0%**	**2%**	**4%**	**10%**	**-1%**	**3%**	**3%**	**-8%**	**-5%**	**0%**

Source: Company data, Jefferies estimates

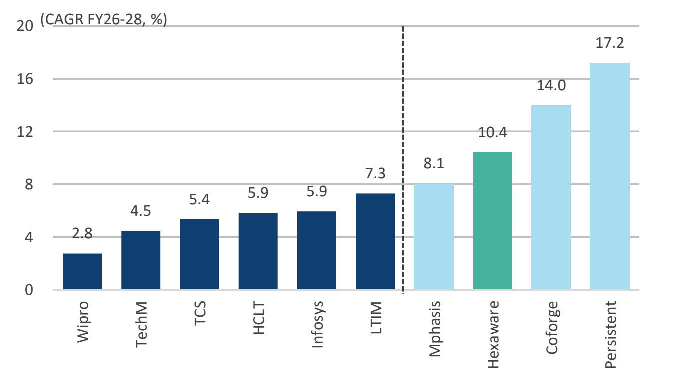
Hexaware's focus on quality client drives strong working capital and better FCF conversion

Quality deserves valuation premium; Initiate at BUY

Hexaware's revenue/earnings growth at 10%/15% CAGR over CY25-27E - is higher than Mphasis but lower than Coforge/Persistent. As a result, the market seems to ascribe a PE multiple which is at a 20% premium to Mphasis and 20% discount to Coforge. Hexaware's greater stability in revenue growth, higher RoEs due to higher asset turns and higher FCF conversion vs mid-sized IT peers warrants a valuation premium for similar earnings growth.

Exhibit 80 - We expect revenues to grow at 10.5% CAGR - higher than that of Mphasis

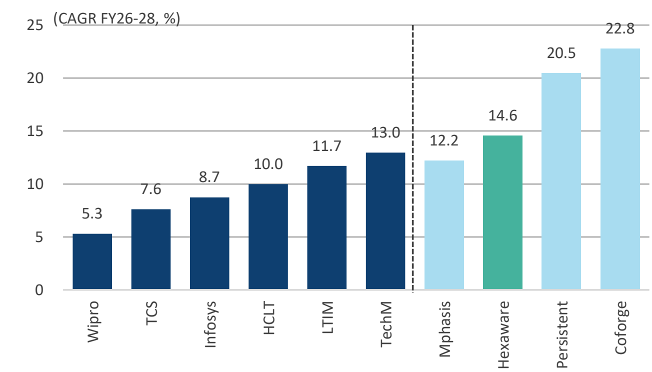
Revenue growth comparison over FY26-28



Source: Company data, Bloomberg, Jefferies estimates. Hexaware's revenue growth CAGR is for CY25-27; Persistent estimates are from Bloomberg.

Exhibit 81 - ... resulting in 13.5% earnings growth

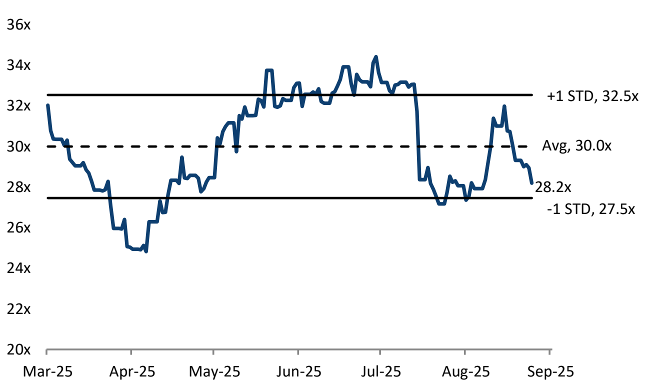
Earnings growth comparison over FY26-28



Source: Company data, Jefferies estimates. Note: Persistent estimates are from Bloomberg.

Exhibit 82 - Hexaware is trading at 28x 1-yr fwd PE...

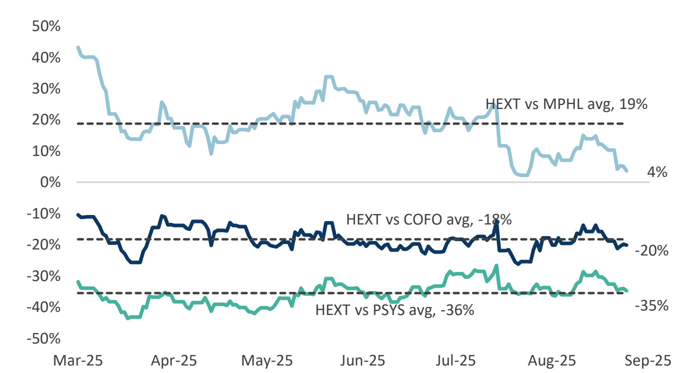
Hexaware's 1-yr fwd PE



Source: Company data, Bloomberg, Jefferies. Note: Avg since listing

Exhibit 83 - ... at a 5% premium to Mphasis and 20%/35% discount to Coforge/ Persistent

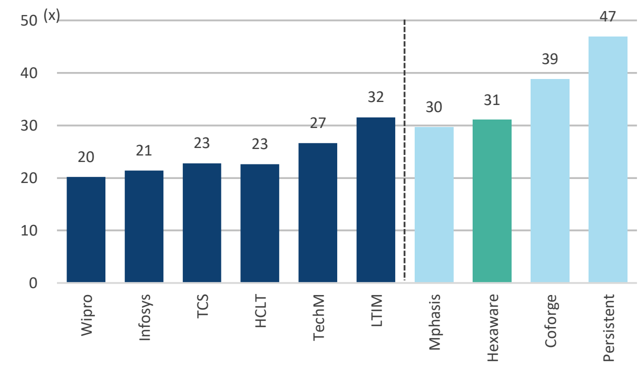
PE premium/discount to other mid-sized IT firms



Source: Company data, Bloomberg, Jefferies estimates

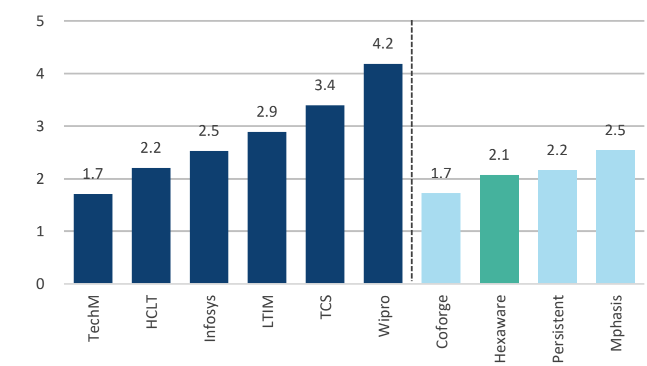
Hexaware is currently trading at 31x CY25 PE, 5% premium to Mphasis and 20% discount to Coforge given that its earnings growth at 14.5% CAGR is higher than that of Mphasis at 12% CAGR and lower than that of Coforge at 23% CAGR. Given Hexaware's consistent double-digit growth, superior FCF conversion and ROEs, Hexaware offers growth of a mid-sized IT firm with the quality of the large IT firm - which in our view deserves a premium for similar earnings growth. Hence, we value Hexaware at 31x PE - 15% premium to Mphasis (despite slightly higher earnings growth) and 10% discount to Coforge. Our target PE is largely in line with its average 1-yr fwd PE since listing. We initiate coverage on Hexaware with a BUY rating and PT of Rs930/share.

Exhibit 84 - Hexaware is trading at 31x FY26 PE - 5% premium to Mphasis
FY26 PE comparison



Source: Company data, Bloomberg, Jefferies estimates

Exhibit 85 - On PEG basis, Hexaware is trading at 2.1 - above Coforge but lower to Mphasis/Persistent
PEG comparison



Source: Company data, Bloomberg, Jefferies estimates. Note: PEG is the ratio FY26 PE and FY27 EPS growth

Exhibit 86 - Hexaware - Jefferies vs consensus

Rs m	Jefferies			Consensus			JeFe vs Consensus (%)		
	CY25E	CY26E	CY27E	CY25E	CY26E	CY27E	CY25E	CY26E	CY27E
Revenue	132,436	147,635	164,983	133,546	146,735	164,192	(0.8)	0.6	0.5
EBITDA	22,376	25,697	29,330	21,458	25,158	28,457	4.3	2.1	3.1
EBITDA Margin (%)	16.9	17.4	17.8	16.1	17.1	17.3	83bps	26bps	45bps
EBIT	19,295	22,105	25,224	18,407	21,709	25,079	4.8	1.8	0.6
EBIT Margin (%)	14.6	15.0	15.3	13.8	14.8	15.3	79bps	18bps	1bps
PAT	14,297	16,473	18,915	14,392	16,428	18,679	(0.7)	0.3	1.3

Source: Company data, Bloomberg, Jefferies estimates

Key risks

1) Restructuring exercise in 2 of its Top-3 clients, 2) Key man risk, and 3) Promoter looking to pare down its stake (~75%).

Besides the industry-related risks of uncertain macro and the impact of AI on the business, we see three key risks to our recommendation. Firstly, Hexaware's long-standing relationships with two of its top-3 clients (both GSEs) could face risks if restructuring or privatization efforts under the Trump administration reduce their IT outsourcing needs, potentially impacting Hexaware's revenue. Secondly, since joining in 2014, Hexaware's CEO has played a pivotal role in Hexaware's transformation and growth. A sudden departure may hurt sentiment around the stock. Thirdly, the promoter (Carlyle Group) holds ~75% of stake in Hexaware. Promoter may look to pare down their stakes over the next few years, which could keep the stock price volatile.

Exhibit 87 - Valuation matrix

	Ticker	Currency	Price	Rating	PT	Upside	MCAP	Turnover	FY26-28E		EV/Sales			P/E			Div. Yield	ROE	
							(US$bn)	(US$m)	Sales Cagr	EPS Cagr	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY26	FY27
Large Indian IT services firms																			
TCS	TCS IN	Rs	3,096	Hold	3,480	12%	127	108	5.4	7.6	4.2	3.9	3.7	22.8	21.4	19.7	4.3	49.6	50.1
Infosys	INFO IN	Rs	1,463	Buy	1,860	27%	69	139	5.9	8.7	3.4	3.2	2.9	21.4	19.8	18.1	3.4	27.9	27.6
HCL Tech	HCLT IN	Rs	1,443	Buy	1,850	28%	44	58	5.9	10.0	2.9	2.7	2.6	22.6	20.5	18.7	4.2	23.9	25.5
Wipro	WPRO IN	Rs	245	UPF	235	-4%	29	27	2.8	5.3	2.4	2.3	2.3	20.2	19.2	18.2	3.5	14.4	14.6
TechM	TECHM IN	Rs	1,500	UPF	1,400	-7%	17	36	4.5	13.0	2.6	2.4	2.3	26.6	23.0	20.9	3.3	17.1	19.1
LTIMindtree	LTIM IN	Rs	5,210	Hold	4,865	-7%	18	15	7.3	11.7	3.6	3.3	3.0	31.6	28.4	25.3	1.2	19.0	18.6
Average									**5.3**	**10.0**	**3.4**	**3.2**	**3.0**	**22.2**	**21.0**	**19.6**	**3.8**	**29.3**	**29.8**
Mid-size Indian IT services firms																			
Persistent	PSYS IN	Rs	5,294	NC	NA		9.4	31	17.1	20.5	5.7	4.9	4.2	46.9	38.5	32.3	0.8	25.1	26.1
Coforge	COFORGE IN	Rs	1,693	Buy	2,030	20%	6.4	40	14.0	22.8	3.7	3.2	2.8	38.8	31.7	25.7	0.9	16.2	17.3
Mphasis	MPHL IN	Rs	2,861	Buy	3,100	8%	6.2	16	8.1	12.2	3.4	3.1	2.9	29.6	26.5	23.6	2.1	17.5	18.0
Hexaware	HEXT IN	Rs	730	Buy	930	27%	5.0	7	10.4	14.9	3.3	2.9	2.6	31.0	27.0	23.5	2.0	25.4	26.3
L&T Technology Services	LTTS IN	Rs	4,173	NC	NA		5.0	4	11.8	17.3	3.5	3.1	2.8	32.2	27.0	23.4	1.4	21.3	22.6
KPIT Tech	KPITTECH IN	Rs	1,225	NC	NA		3.8	17	15.5	20.5	5.0	4.3	3.7	40.2	32.9	27.7	0.8	25.7	26.2
Zensar	ZENT IN	Rs	780	NC	NA		2.0	6	11.7	18.6	2.7	2.5	2.2	24.9	21.6	17.7	1.5	16.4	17.0
Cyient	CYL IN	Rs	1,183	NC	NA		1.5	6	7.4	15.9	1.8	1.6	1.5	20.8	17.6	15.5	2.9	11.3	12.8
BirlaSoft	BSOFT IN	Rs	374	NC	NA		1.2	8	9.0	20.8	1.6	1.5	1.4	21.6	17.1	14.8	2.0	13.5	15.5
Average									**10.3**	**16.2**	**3.2**	**2.9**	**2.6**	**48.2**	**41.5**	**36.4**	**1.8**	**19.0**	**20.2**
BPO																			
Sagility	SAGILITY IN	Rs	44	Buy	56	28%	2.3	19	11.7	26.5	3.9	3.1	2.8	27.2	20.8	17.0	0.0	8.6	10.3
First Source	FSOL IN	Rs	362	NC	NA		2.9	5	13.9	22.9	2.9	2.5	2.2	33.6	26.8	22.2	1.4	17.3	19.6
eClerx	ECLX IN	Rs	4,439	NC	NA		2.4	6	13.9	17.6	5.2	4.5	4.0	33.2	27.9	24.0	1.4	25.6	26.3
IKS	IKS IN	Rs	1,570	Hold	1,630	4%	3.1	9	17.1	28.2	10.4	9.0	7.5	40.4	30.6	24.6	0.0	30.9	30.9
Genpact	G US	US$	45	Buy	56	24%	7.9	74	7.0	10.6	1.7	1.6	1.5	12.7	11.6	10.4	1.5	24.2	21.0
WNS	WNS US	US$	75	Hold	77	1%	3.2	131	9.7	7.5	2.8	2.5	2.3	16.7	16.3	14.4	0.0	21.3	19.2
Teleperformance	TEP FP	EUR	66	NC	NA		4.6	29	2.6	8.7	0.8	0.8	0.8	4.7	4.3	4.0	6.6	16.8	16.6
EXL Service	EXLS US	USD	44	Buy	56	28%	7.0	93	11.2	13.3	3.4	3.1	2.8	22.9	20.2	17.9	0.0	42.1	27.7
Average									**6.1**	**19.1**	**4.3**	**3.7**	**3.2**	**13.9**	**12.5**	**11.3**	**1.5**	**20.6**	**19.3**
Global Peers																			
IBM	IBM US	US$	244	Hold	280	15%	227	1,194	4.4	6.2	4.2	4.0	3.8	22.0	20.6	19.5	2.7	33.7	30.7
Accenture	ACN US	US$	254	Hold	295	16%	158	1,069	4.6	6.2	2.2	2.0	2.0	18.4	17.1	16.3	2.5	26.2	25.2
Cognizant	CTSH US	US$	72	Buy	95	32%	35	273	5.3	10.8	1.6	1.6	1.5	13.9	12.9	11.9	1.7	16.6	16.1
Capgemini	CAP FP	EUR	190	Hold	134	-29%	25	68	4.0	7.1	1.1	1.1	1.0	10.7	10.1	9.3	2.8	15.2	15.8
Endava	DAVA US	USD	14	NC	NA		1	11	2.4	10.0	1.0	1.0	0.9	12.9	12.7	10.6	0.0	10.0	8.4
EPAM	EPAM US	USD	174	Buy	230	32%	10	114	8.2	11.0	1.6	1.5	1.4	15.7	14.3	12.8	0.0	15.1	14.2
Globant	GLOB US	USD	64	Buy	80	25%	3	114	5.9	6.3	1.3	1.3	1.2	10.4	10.0	9.2	0.0	11.5	10.5
Average									**4.5**	**20.9**	**2.6**	**2.4**	**2.3**	**18.4**	**17.0**	**15.8**	**2.5**	**24.5**	**23.4**

Source: Company data, Bloomberg, Jefferies estimates. Prices are as of 4-Sep closing

Appendix 1 - Details of service offerings

Hexaware categorizes its services into four key service lines. Its end-to-end IT services are offered through its Design and Build, Secure and Run and Data and AI service lines and its BPM services are offered through the Optimize service line. Cloud as a horizontal cuts across all service lines since there is an element of cloud migration across most engagements that Hexaware takes up. While BPS segment is the fastest growing segment for Hexaware (~12% of revenues), bulk of its revenues (~85% of revenues in 1HCY25) come from the IT services segment. The details of its key offerings within each service line is given below:

1) Design and Build: Hexaware helps companies to create new products and modernize their operations using digital tools, including custom software and ready-made solutions like ERP softwares.

2) Secure and Run: Company helps secure, run and optimize IT operations for customers' complex IT estates spanning across applications, middle-ware, data, end user devices and hybrid cloud infrastructure.

3) Data and AI: Hexaware builds strong data foundations that help clients unlock value, improve agility, and gain confidence in their insights. By leveraging AI and ML, it turns data into meaningful predictions and actionable intelligence.

4) Optimize: Hexaware's business process services, enhanced by GenAI, deliver personalized engagement, streamlined communication, automated workflows, advanced analytics, and effective talent management across a broad range of industries.

5) Cloud Services: Cloud services is the backbone of all their service lines spanning across cloud strategy, modernization, migration, and managed services, enabling scalable and efficient digital transformation for clients.

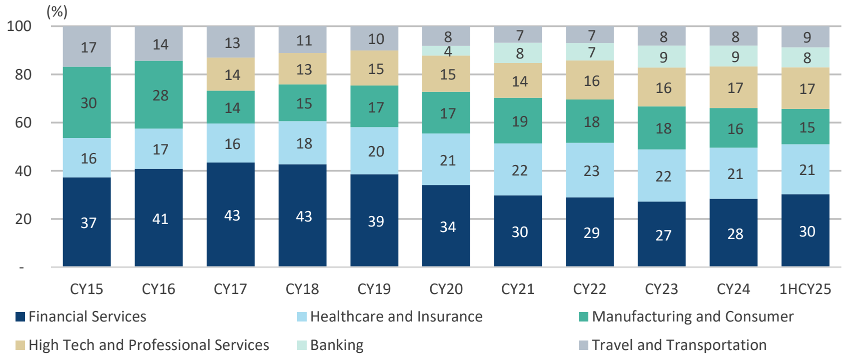
Exhibit 88 - Details of service offerings

Service line	Key offerings	Description
Design & Build	Digital strategy	Hexaware helps customer define their digital strategy for their business models, products, technologies and enterprise architecture, as well as their digital branding and marketing strategies.
	Digital agency and experience design	Offerings include user research, product user experience, visual design and product management. Hexaware leverages domain-specific blueprints for personas and journeys for experience design.
	Digital software engineering	Hexaware develops cloud-native products, leveraging a comprehensive suite of custom development technologies as well as RapidX, which provides improved development and developer productivity. It supports their customers across the full lifecycle (architecture, design, development, test and release management).
	Digital enterprise transformation	It enables enterprise to modernize and transform their core business systems. Capabilities include rearchitecting legacy applications (cloud), migrating applications to modular architecture, improving reusability of technology components as well as improving scalability, security, performance and experience.
	Creative, content and commerce	Hexaware enables customer to launch and enhance their digital sales, service, commerce and other customer engagement platforms by leveraging third-party products. Services include assessments and consultations, product selection, product implementation, product enhancements and support.
	Enterprise resource management and packaged products	Hexaware offers consulting, implementation, roll-out and upgrade of packaged products and platforms that include Business Process Management Platforms, Low Code / No Code platforms and platforms such as Oracle, SAP and Workday.
Secure & Run	Cybersecurity and resiliency	Cybersecurity services help enterprises fortify their critical infrastructure with robust defenses and achieve swift recovery. Key offerings include governance, risk and compliance, hybrid cloud security and digital workplace security.
	DevSecOps and continuous testing	DevSecOps services help customers ensure agile, secure development by integrating security testing at every phase of the lifecycle, aligning the software development process and improving cyber resilience and threat detection. Testing services span advisory and consulting, managed testing services, non-functional testing, test automation and autonomous testing, API testing and service virtualization, product and packaged application testing and data-centric testing.
	Workplace and employee experience	Helps customer develop a digital, experience-driven strategy for their workplace services powered by agile tools and service platforms. Capabilities span service desk and desktop support, workplace and mobility consulting, digital resolver consulting, messaging and collaboration engineering and workplace and mobility engineering.
	Hybrid cloud operations	Hexaware helps customer modernize their legacy data centers with cloud enablement,creating a seamless hybrid fabric across private and public platforms. Cloud optimization suite also enables customers to manage costs and maximize business value on hybrid clouds.
	IT Service Management and Consulting	Company enables customer to achieve process standardization, reduce overall cost of service management and implement, manage, optimize and automate their IT services.
Data & AI	Data strategy and advisory	It helps customer develop tailored data and AI strategies that are aligned with their business goals. Services include conducting data assessments to identify gaps, strengths and potentials, designing data strategy roadmaps and implementing data quality processes and governance protocols.
	Data engineering	Company designs scalable and secure data architectures and build and modernize data storage and analytics ecosystems. It helps customer migrate data to cloud platforms and cloud native extract, transform, load solutions, leveraging Amaze platform.
	Data management	Data management capabilities include cloud data integration, which allows customers to merge disparate data sources, and data governance, which enables customers to maintain the integrity, security and compliance of data assets.
	AI-powered business solutions	It leverages AI to empower customers with predictive analytics, NLP and real-time data analysis and help customers streamline operations with ML operations, simplify AI deployment and leverage industry-centric AI and ML implementations.
Optimize	Industry-specific operations	Company offers industry-specific operations for the banking, financial services, insurance and healthcare industries.
	Digital customer experience	Hexaware offers GenAI-powered customer experience solutions, including intelligent virtual agents, digital multilingual bots, e-mail managers, real-time translation, agent assistance, smart tutors, knowledge base content creators, and speech and text analytics. It helps customer implement omnichannel contact center solutions that enhance the efficiency and personalization of their customer engagement strategies.
	Digital content	Gen AI-led content solutions help customers reduce effort in content creation, expand content discovery and reach and moderate content for safe consumption. Hexaware tackles end-to-end content optimization needs, streamlining processes, reducing costs, and creating audience-centric content for diverse markets.
	Finance & Accounting Operations	Finance and accounting operations offerings cover the full spectrum of finance and accounting services including vendor setups, invoice processing, payments, collections, cash application, deductions, financial close, financial planning and analysis.
	HR operations	HR operations capabilities span employee data management, compensation and benefits administration, payroll processing and management, learning management, and employee engagement services.
Cloud Services	Cloud Strategy	Hexaware crafts tailored cloud adoption plans that align with each customer's unique goals and requirements and help customers leverage cloud-based solutions to optimize cost efficiency, enhance security, scale operations and modernize businesses, infrastructure and applications.
	Cloud Modernization and Migration	Hexaware helps customer upgrade legacy infrastructure and applications to the cloud. It owns the end-to-end migration from assessment to execution. It automates cloud migration journeys, rearchitect applications to work on the cloud and protect assets from data loss during the process.
	Cloud Managed Services	It provides post-migration optimization and support for hybrid cloud landscapes, promoting sustained efficiency and reliability in the cloud environment. Cloud cost management solutions optimize spending, ensuring that customers only pay for the cloud resources and services that they consume.

Source: Company data, Jefferies

Appendix 2 - Vertical wise service offerings

Exhibit 89 - Vertical mix



Source: Company data, Jefferies estimates

Financial Services

Hexaware has the highest exposure to financial services segment operating across mortgage and lending, asset management and servicing, trade finance, and global benchmarks and data providers. ~50% of the Financial Services' exposure is towards the mortgage sub-segment. Hexaware serves 11 of the top 50 global asset management firms by AUM. Key capabilities include:

- Digital customer onboarding for asset and wealth managers
- Enterprise data management and AI-led analytics supported by pre-built data dictionaries
- ESG integration into portfolio construction, risk management, and compliance processes
- Legacy application and data landscape modernization to cloud
- Technology-driven regulatory reporting for efficient compliance
- Secondary market operations including claims validation, securitization support, credit trenching, income processing

Healthcare and Insurance

This segment includes the life-sciences, healthcare and insurance industries with 50-50% exposure to Healthcare Pharma and Insurance sub-segment. Within the life-sciences and healthcare industries, Hexaware delivers solutions for lifesciences, pharma and biotech companies, as well as healthcare payers and providers. Company serves 3 of the top 10 global life sciences firms and 5 of the top 20 global insurers by MCap. Key capabilities include:

- Omni-channel patient engagement platform and solutions, providing personalized and timely access to care as well as a 360-degree view of the patient's medical profile
- Digital health apps such as IoT-enabled connected health, digital therapeutics, and medical apps
- Virtual trial platform for enabling and optimizing clinical trial processes
- GenAI-powered research solution that can extract and filter data from various sources, generating reports with AI web scraping and LLM-driven chat prompts
- Data landscape transformation and migration to cloud
- AI-powered revenue cycle management

Within the Insurance vertical, it caters to the commercial and specialty, personal lines and life, retirement and health segments and have also partnered with third-party insurance product companies. Key capabilities include:

- Implementation, roll out and upgrade of core insurance platforms
- Customer experience apps and digital engagement channels

- Data and analytics solutions for predicting customer behavior, optimizing pricing models and detecting fraud
- AI-powered assisted underwriter that empowers underwriters in assessing risks and making informed decisions
- Core business process operations across member onboarding, policy servicing and claims management

Manufacturing and Consumer

This segment covers the manufacturing, retail and consumer, education, telecom and utilities industries with 50-50% exposure to Manufacturing and Consumer segment. Manufacturing includes some exposure to Utilities segment while there is no exposure to Energy sub-segment. Hexaware serves 3 of the top five global manufacturing organizations by MCap and 4 of the top 50 global retail and CPG organizations by revenue. Key capabilities include:

- Unified experiences and omnichannel commerce
- Sales, marketing and customer analytics and data science solutions
- AI-led supply chain planning and execution
- Building connected manufacturing ecosystems leveraging cloud platforms, IoT, digital twins and predictive analytics
- IoT-led smart routing, assets tracking, and preventive maintenance
- Field service management solutions

Hi-tech and Professional Services

Within this segment, Hexaware focuses on ISVs, Platforms and products, Tax, audit and accounting, Legal risk and compliance, and advertising and marketing with 30% exposure to Hi-tech and 70% to Professional services. Management aims to grow this segment with particular focus on ISVs. Company serves 6 of the top 20 global hi-tech companies by MCap, 3 out of the top six global audit and advisory firms and 2 out of the top five global legal firms. Key capabilities include:

- Product and platform engineering leveraging cloud native platforms, API technologies and AI
- Customer experience transformation leveraging remote, immersive, and touchless technology
- Domain-specific applications for audit and tax
- Legacy modernization on cloud
- Predictive and prescriptive analytics using AI
- Digital assurance and autonomous testing
- Infrastructure and network support operations

Banking

Banking vertical focuses on digital banking, payments, cards and consumer banking. Capaibilities in Banking has been expanded from the Mobiquity acquisition (acquired in Jun-19). While Europe was leading on growth since last 3 years, it has been relatively slow and impacted due to heightened macro uncertainties and currentlyl North America is leading the growth. Banking vertical was carved out in 2021 and serves 11 of the top 60 banks in the US ranked by assets. Key capabilities include:

- Banking as a service by building neo banks, leveraging products, such as Backbase, and API technologies, and enabling customer experience transformation
- Front to back office operations and transformation across account onboarding and maintenance, fraud and disputes, Know Your Customer and anti-money laundering, funds transfers and payments and transaction services and collections
- Contact center transformation and customer experience services
- Credit card analytics for retail cards and merchant services
- Digital payment solutions

- Predictive analytics, regulatory compliance assessments, and risk modeling for the banking industry

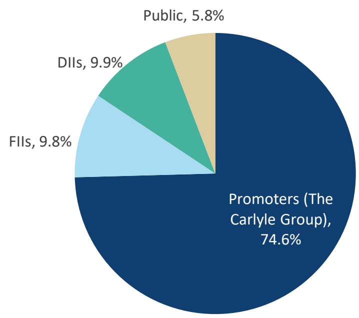
Travel and transportation

Travel and Transportation operating segment focuses on providing solutions and services for airlines, airports and the travel technology, logistics, transportation, hotels and entertainment industries. While Travel and transportation vertical grew well in last 2 years especially after Covid, it will be impacted in the near term mainly due to geopolitical issues. Hexaware serves 3 of the top five airlines in North America by revenue. Key capabilities include:

- Guest experience apps from pre-booking to post checkout
- AI-led analytics and data science solutions for customer insights, predictive maintenance, repair and operations
- Development, implementation and modernization of core business systems such as booking and reservations, cargo management, route planning, parcel tracking, manifesting, and payment & invoicing
- Integration services with partner and third-party services platforms
- Legacy application and data landscape modernization

Appendix 3 - Shareholding pattern

Exhibit 90 - Post the IPO, promoters own 75% of the company



Source: Company data, Jefferies

Appendix 4 - Board of Directors and Management team

Exhibit 91 - Board of Directors

Name	Designation	Profile
Larry Quinlan	Non Executive Chairman	Larry Quinlan is a highly experienced technology leader with over 35 years in digital transformation, enterprise systems, and cybersecurity. He served as Global CIO at Deloitte, where he led a global IT team and oversaw major technology programs, including large-scale ERP and CRM implementations. He currently serves on the board of ServiceNow and is actively involved in nonprofit organizations focused on education and community development. Larry holds an MBA from Baruch College, City University of New York, and a BSc (Hons) from the University of the West Indies, which also awarded him an Honorary Doctor of Laws (LLD) in 2018 for his contributions to industry leadership.
Srikrishna Ramakarthikeyan	CEO & Executive Director	Srikrishna Ramakarthikeyan is the Whole-time Director and Chief Executive Officer of the company, bringing over 30 years of industry experience. He holds a Bachelor of Technology in Electrical and Electronics Engineering from the Indian Institute of Technology, Madras, and a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta. Prior to his current role, he was associated with HCL America Inc. and currently serves as Director in several company subsidiaries. In recognition of his leadership, he was named Young Global Leader by the World Economic Forum in 2010.
Neeraj Bharadwaj	Director	Neeraj Bharadwaj is the Managing Director of Carlyle India Advisors Private Limited, where he focuses on growth capital and buyout opportunities across sectors in India. He joined Carlyle in 2012, following leadership roles at Accel Partners and Apax Partners, where he served as a Partner in the U.S. and later as Country Head for India. Earlier in his career, he was an engagement manager at McKinsey & Co. Mr. Bharadwaj holds an MBA with distinction from Harvard Business School and graduated summa cum laude with a BS in Economics from the Wharton School, University of Pennsylvania. He has served on the boards of several prominent companies including Hexaware, Indegene, Delhivery, and Metropolis Healthcare, and is actively involved in advisory and nonprofit boards such as ISB, OGQ, and the World Economic Forum.
Sandra Horbach	Director	Sandra Horbach is Managing Director and Co-Head of U.S. Buyout & Growth at The Carlyle Group, overseeing $60 billion in capital across the firm's largest private equity funds. Since joining Carlyle in 2005, she has led investments across consumer, healthcare, industrials, aerospace, and technology sectors, with notable deals including Beats Electronics and Dunkin' Brands. Previously, she was a General Partner at Forstmann Little & Co. and worked in M&A at Morgan Stanley. Sandra holds an MBA from Stanford University and a BA from Wellesley College. She serves on the board of Novolex and is active in diversity and education initiatives through Carlyle and institutions like Rockefeller University and Wellesley College.
Julius Genachowski	Director	Julius Genachowski is a Managing Director in the U.S. Buyout team at The Carlyle Group, where he focuses on investments in global technology, media, and telecommunications. He previously served as Chairman of the U.S. Federal Communications Commission (2009–2013), leading major initiatives in broadband expansion, spectrum policy, and cybersecurity. Earlier in his career, he was a senior executive at IAC/InterActiveCorp and worked in M&A at Morgan Stanley. He has also held academic and advisory roles at Harvard and the Aspen Institute. Julius holds a BA with highest honors from Columbia College and a JD from Harvard Law School, where he served on the Harvard Law Review alongside President Barack Obama.
Lucia Soares	Director	Lucia Soares is Managing Director and Chief Information Officer – Global Investment Resources at The Carlyle Group, advising investment teams and portfolio companies on using technology to improve business outcomes. Based in Menlo Park, she previously held leadership roles at Health2047 and spent 15 years at Johnson & Johnson, where she served as CIO and board member for several high-growth medical device businesses. She began her career at USWeb/marchFIRST, building early web solutions. Lucia holds an MBA and BA from San Jose State University, a Master's in Literature from UC Santa Cruz, and completed Executive Education at Harvard Business School.
Kapil Modi	Director	Kapil Modi is a Managing Director at The Carlyle Group, based in Mumbai, where he advises on private equity opportunities across sectors in India. Since joining Carlyle in 2008, he has been involved in $1.7 billion worth of investments across companies such as Nxtra Data, SBI Life, SBI Cards, PNB Housing Finance, Visionary RCM, Cyient, and Tirumala Milk. He currently serves on the boards of Nxtra Data and PNB Housing Finance. Kapil holds an MBA from the Indian Institute of Management, Ahmedabad, where he was awarded the Gold Medal for academic excellence, and a Bachelor of Technology in Computer Science from IIT Kharagpur, where he graduated with the Silver Medal for topping his department.
Shawn Devilla	Director	Shawn Devilla is a Vice President in the Technology, Media, and Telecom (TMT) group at The Carlyle Group, based in Menlo Park, California. He focuses on buyout and growth equity investments in software and information services, and has been actively involved in deals including NEOGOV, Hexaware, Jagex, HireVue, Veritas, and PK (formerly ProKarma). He currently serves on the boards of Hexaware, Jagex, and Veritas. Prior to joining Carlyle in 2014, Shawn worked in Credit Suisse's TMT investment banking group in New York. He holds an MBA from Stanford Graduate School of Business and a BBA with honors from the University of Michigan's Ross School of Business.
Milind Sarwate	Independent Director	Milind Sarwate is the Founder & CEO of Increate Value Advisors LLP, an advisory firm he launched in 2015 to help organizations and individuals unlock business and social value. With over 36 years of experience, including leadership roles at Marico and Godrej, he advises on private equity, governance, IPOs, and CSR. He serves on the boards of companies like Mahindra Finance, Glenmark, Metropolis, and Matrimony.com, and supports startups and NGOs. A Chartered Accountant, Cost Accountant, and Company Secretary, Milind is also a CII-Fulbright Fellow from Carnegie Mellon University and has received multiple CFO awards.
Vivek Sharma	Independent Director	Vivek Sharma is a Senior Advisor for AI at Advent International and serves on the boards of Kaiser Permanente, JetBlue Airways (NASDAQ: JBLU), and Hexaware Solutions. He is also an adjunct professor of data science at USC and a member of Caltech's IST advisory council. Previously, he was CEO and co-founder of InStride, an EdTech firm recognized by Fortune for its global impact, and held senior roles at The Walt Disney Company, Yahoo, and McKinsey & Company. Vivek is the author of two books and several articles on AI and digital strategy. He holds a BTech from IIT Delhi and an MBA from INSEAD.
Sukanya Kripalu	Independent Director	Sukanya Kripalu is a business strategy and marketing consultant with extensive experience across leading companies such as Nestlé, Cadbury, and Kellogg. She formerly served as CEO of Quadra Advisory, a WPP group company, and has advised clients across sectors including FMCG, media, financial services, and oil & gas. She currently serves on the boards of UltraTech Cement, Colgate India, CEAT, Aditya Birla Fashion & Retail, Entertainment Network India, and Hindalco Industries (effective September 2024), often chairing Nomination and Remuneration Committees. Sukanya holds a Mathematics degree from St. Xavier's College, Mumbai, and a postgraduate degree from IIM Calcutta.

Source: Company data, Jefferies

Exhibit 92 - Management team

Name	Designation	Profile
Srikrishna Ramakarthikeyan	CEO & Executive Director	Srikrishna Ramakarthikeyan is the Whole-time Director and Chief Executive Officer of the company, bringing over 30 years of industry experience. He holds a Bachelor of Technology in Electrical and Electronics Engineering from the Indian Institute of Technology, Madras, and a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta. Prior to his current role, he was associated with HCL America Inc. and currently serves as Director in several company subsidiaries. In recognition of his leadership, he was named Young Global Leader by the World Economic Forum in 2010.
Vikash Jain	Chief Financial Officer	Vikash Kumar Jain is the Chief Financial Officer of the company since September 2018, with over 20 years of experience. He oversees key financial and legal functions including corporate finance, taxation, M&A, and investor relations. A commerce graduate from the University of Calcutta and a Chartered Accountant, he previously worked at Hewlett-Packard India and Wipro. In 2024, he received the CA CFO Award in the Large Corporate – Services category.
Vinod Chandran	Chief Operating Officer	Vinod Chandran is the President and Chief Operating Officer of the company, associated since March 2015. He oversees key operational functions including workforce management, global recruitment, enterprise risk, ESG, CSR, and corporate affairs, driving performance and scalability for sustainable growth. Vinod holds a bachelor's degree in engineering from the University of Mysore and a postgraduate diploma in business management from XLRI, Jamshedpur. He was previously associated with HCL Technologies.
Nidhi Alexander	Chief Marketing Officer	Nidhi Alexander, Chief Marketing Officer since January 2020, leads brand strategy, digital marketing, content creation, and corporate communications. She holds a BA (Honors) from the University of Delhi and a PG Diploma in English Journalism from the Indian Institute of Mass Communication. Her prior roles span Mindtree, Intellect Design Arena, Infosys, and STAR India. She has received the Infosys Award for Excellence in Brand Management (2012) and the Chairman's Award for Business Enabler of the Year (2016–17) at Mindtree.
Nita Nambiar	Chief People Officer	Nita Nambiar is the Chief People Officer of the company, having joined in October 2023. She is responsible for shaping HR practices and fostering a culture of growth and empowerment. She holds a BA (Honors) from the University of Calcutta and a PG Diploma in Personnel Management and Industrial Relations from XLRI, Jamshedpur. Her previous experience includes leadership roles at Cognizant Technology Solutions, Standard Chartered Bank, and HCL Technologies.
Uma Thomas	Chief Risk Officer	Uma Thomas is the Chief Risk Officer of the company, a role she has held since April 2008. She leads the company's quality, information security, and ESG functions. Uma holds a Bachelor of Technology in Electronics Engineering from the National Institute of Technology, Calicut. Prior to joining the company, she worked with Infosys Technologies Limited and KPIT Cummins Infosystems Limited.
Satyajith M	Chief Technology Officer	Satyajith M., Global CTO at Hexaware, brings over 24 years of experience in digital transformation, IT optimization, and automation. He leads generative AI initiatives and global teams to deliver scalable, business-aligned solutions. His expertise spans IT operations, AIOps, data strategy, and business transformation, with a strong track record of driving efficiency and growth.

Source: Company data, Jefferies

Appendix 5 - Key events and milestones

Exhibit 93 - Hexaware: Key events and milestones

Calendar Year	Events and Milestones
1992	Incorporated as Aptech Information Systems Limited
1994	Expanded operations to the US
1996	The information technology division of Apple Industries Limited was merged with the Company (then known as Aptech Information Systems Limited) wef July 1, 1995.
1997	Listing on BSE and NSE
1998	Expanded operations to the UK
2001	The training division of the Company (then known as Aptech Limited) was demerged into Aptech Training Limited and the erstwhile Hexaware Technologies Limited was merged with the Company wef April 1, 2001
2002	Company name changed to Hexaware Technologies Limited
2013	HT Global IT Solutions Holdings Limited and Parel Investment Holdings Limited (affiliates of erstwhile Baring Private Equity Asia) acquired 70.87% of the share capital via on open offer
2019	Acquisition of Mobiquity Inc.
2020	Voluntary delisting of equity shares from the BSE and the NSE
	Launch of Amaze (a cloud migration, cloud transformation, data and application modernization platform)
2021	Launch of Tensai (an automation platform designed to transform enterprise IT processes and enable secure, rapid and automated release of code; efficient and AI-driven operations)
2021	CA Magnum Holdings (The Carlyle group - Promoter), acquired 95.51% of the shareholding of the Company from HT Global IT Solutions Holdings Limited
2022	Launch of RapidX (a Gen AI-based platform for modern software engineering)
2024	Acquisition of Softcrylic LLC and Softcrylic Technology Solutions India Private Limited
2025	Relisting on the BSE and the NSE
	Acquisition of SMC group

Source: Company data, Jefferies

Exhibit 94 - Hexaware: Financial Summary

Rs m	CY22	CY23	CY24	CY25	CY26	CY27
P&L						
USDINR	79.0	82.6	83.8	85.8	86.8	87.8
Revenue (US$m)	**1,165**	**1,256**	**1,429**	**1,543**	**1,702**	**1,880**
Revenue	91,996	103,803	119,744	132,436	147,635	164,983
EBITDA	12,217	15,811	18,698	22,376	25,697	29,330
EBIT	**9,773**	**12,975**	**15,910**	**19,295**	**22,105**	**25,224**
PBT (Reported)	11,230	12,685	15,603	18,802	22,006	25,271
PAT (Reported)	8,842	9,976	11,764	14,297	16,473	18,915
PAT (Recurring)	8,842	9,976	12,064	14,323	16,473	18,915
Recurring EPS	**14.6**	**16.4**	**19.9**	**23.5**	**27.1**	**31.1**
Balance Sheet						
Networth	41,230	46,352	53,569	59,029	66,065	73,716
Minority interest	0	0	(23)	(31)	(43)	(55)
Gross debt	827	0	0	0	0	0
Lease liabilities	3,738	3,936	5,742	5,797	5,802	5,880
Current liabilities	18,853	20,773	27,682	29,154	32,607	36,431
Other liabilities	468	960	2,975	1,310	1,310	1,310
Total Liabilities	**65,116**	**72,021**	**89,945**	**95,259**	**105,742**	**117,282**
PPE+ROU	9,926	9,570	11,666	12,000	11,937	11,935
Receivables	18,818	18,458	19,755	23,316	26,077	29,135
Cash and Investments	13,668	21,019	21,136	18,082	21,731	30,273
Goodwill	14,205	14,290	23,871	23,910	23,910	23,910
Intangible assets	1,807	1,227	3,366	6,176	9,488	8,519
Other assets	6,692	7,457	10,151	11,775	12,598	13,510
Total assets	**65,116**	**72,021**	**89,945**	**95,259**	**105,742**	**117,282**
Cash Flow Statement						
CFO	8,206	15,156	15,480	13,420	20,020	22,815
CFI	(151)	(2,996)	(6,690)	(5,576)	(5,358)	(1,414)
Capex	(1,190)	(634)	(1,312)	(1,864)	(2,187)	(2,310)
Acquisitions	(227)	0	(8,268)	(4,407)	(3,915)	0
CFF	(7,211)	(7,501)	(6,819)	(11,436)	(11,012)	(12,859)
FCFE	**5,880**	**13,414**	**4,638**	**6,089**	**13,086**	**19,805**
Growth						
US$ revenue growth (%YoY)	20.0	7.8	13.7	8.0	10.3	10.5
Revenue growth (%YoYcc)	23.3	7.7	13.5	6.9	9.7	10.4
Revenue growth (Organic %YoYcc)	23.3	7.7	12.1	5.6	9.0	10.4
INR Revenue growth (%YoY)	28.2	12.8	15.4	10.6	11.5	11.8
EBITDA Growth (%YoY)	10.0	29.4	18.3	19.7	14.8	14.1
EBIT Growth (%YoY)	10.3	32.8	22.6	21.3	14.6	14.1
PAT Grwoth (%YoY)	21.7	12.8	17.9	21.5	15.2	14.8
Recurring EPS growth (%YoY)	21.5	12.0	21.2	18.4	15.0	14.8
Margin						
EBITDA Margin (%)	13.3	15.2	15.6	16.9	17.4	17.8
EBIT Margin (%)	10.6	12.5	13.3	14.6	15.0	15.3
Reported PAT Margin (%)	9.6	9.6	9.8	10.8	11.2	11.5
Return ratios						
ROE	22.4	22.8	23.5	25.4	26.3	27.1
ROA	14.5	14.5	14.5	15.4	16.4	17.0
ROIC	28.9	38.0	41.8	40.0	38.8	43.0
ROCE	24.7	32.5	33.8	32.9	33.3	37.0
Per share						
EPS	14.6	16.4	19.4	23.5	27.1	31.1
DPS	10.9	8.8	13.0	14.8	16.6	19.6
BPS	67.9	76.4	88.3	88.0	108.5	121.1
FCF/share	9.7	22.1	7.6	10.0	21.6	32.6
Valuation						
PE	49.7	44.4	36.6	30.9	26.9	23.4
PB	10.7	9.5	8.2	8.3	6.7	6.0
P/sales	4.8	4.3	3.7	3.3	3.0	2.7
P/FCF	75.2	32.9	95.3	72.6	33.8	22.3
FCF yield	1.3	3.0	1.0	1.4	3.0	4.5
Dividend yield	1.5	1.2	1.8	2.0	2.3	2.7

Source: Company data, Jefferies estimates

We would like to thank Harish Mundada, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

Company Description

Hexaware Technologies

Hexaware Technologies, founded in 1990, is an IT and business process outsourcing company headquartered in India. Serving 31 Fortune 500 clients, Hexaware operates across six key industry verticals: Financial Services, Healthcare & Insurance, Manufacturing & Consumer, Hi-Tech & Professional Services, Banking, and Travel & Transportation. In 2020, Hexaware was delisted from Indian exchanges, and in 2021, the Carlyle Group took over as the new promoter. The company re-entered public markets in 2025, having evolved into one of India's top 10 IT services firms by revenue.

Company Valuation/Risks

Hexaware Technologies

Our Rs930 price target is based on 31x 12m fwd EPS. Risks include 1) Restructuring exercise in 2 of its Top-3 clients, 2) Key man risk, and 3) Promoter might look to pare down its stake (~75%).

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(Article 3(1)e and Article 7 of MAR)

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- Coforge Limited (COFORGE IN: INR1,731.05, BUY)
- Cognizant Technology Solutions Corp. (CTSH: $71.82, BUY)
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- Genpact Ltd. (G: $45.20, BUY)
- Globant (GLOB: $64.04, BUY)
- HCL Technologies (HCLT IN: INR1,466.20, BUY)
- Hexaware Technologies Ltd (HEXT IN: INR730.00, BUY)
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- International Business Machines Corporation (IBM: $244.10, HOLD)
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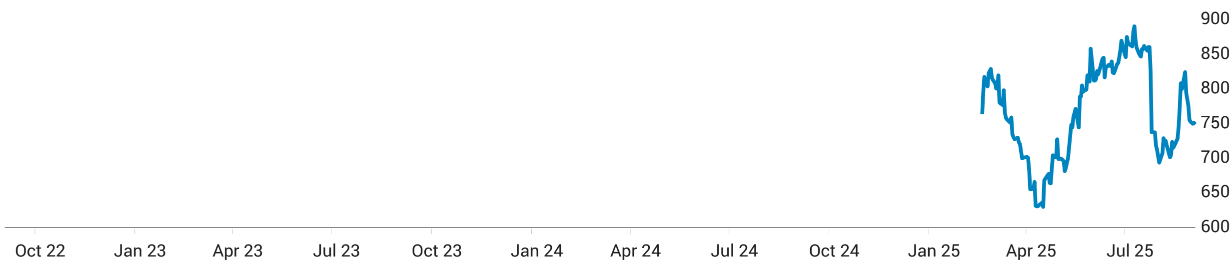
- Wipro (WPRO IN: INR249.60, UNDERPERFORM)

Rating and Price Target History for: Hexaware Technologies Ltd (HEXT IN) as of 09-03-2025



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			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2109	60.60%	374	17.73%	120	5.69%
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