Hexaware Technologies

Stronger, better, faster?

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Stronger, better, faster?

- Hexaware (HEXT) is one of the leading mid-tier IT services providers, and is re-entering the Indian stock market following a four-year hiatus. HEXT has delivered consistent growth with a 14% CAGR in USD revenue over CY20-24, supported by robust ecosystem partnerships, a focused go-to-market (GTM) strategy, and diversified service lines across Design & Build, Secure & Run, Data & AI, and BPO.
- With a focus on high-value, scalable enterprise clients, the company has consistently expanded its revenue base. Its "Land, Ramp, and Expand" strategy has been instrumental in driving growth. While some key accounts, like Fannie Mae, have faced challenges, HEXT has navigated these headwinds by doubling down on diversification and client mining. Its mid-tier and smaller clients, growing at a strong 13-17% CAGR, have more than made up for the pressure, keeping overall growth on track.
- With an EPS CAGR of 20.8% over CY24-CY26E, higher than the Tier-I/Tier-II average of 10.0%/13.5%, HEXT is in the top quadrant of performance within the industry. Given its strong execution, diversified vertical exposure and improving margin profile, we initiate coverage with a BUY rating. We value HEXT at 32x Mar’27E EPS with a TP of INR950 (19% upside).

Hexaware Technologies

BSE Sensex	S&P CNX
81,721	24,853

CMP: INR795 **TP: INR950 (+19%)** **Buy**

Bloomberg	HEXT IN
Equity Shares (m)	608
M.Cap.(INRb)/(USDb)	483.2 / 5.7
52-Week Range (INR)	850 / 590
1, 6, 12 Rel. Per (%)	17/-/-
12M Avg Val (INR M)	1362

Financials & Valuations (INR b)

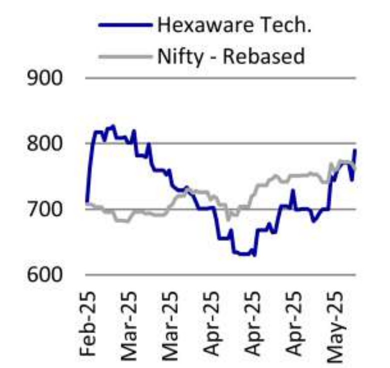
Y/E Mar	CY25E	CY26E	CY27E
Sales	135.6	153.9	174.2
EBIT Margin (%)	14.6	15.0	15.3
PAT	14.8	17.4	20.1
EPS (INR)	23.9	28.1	32.5
EPS Gr. (%)	24.1	17.6	15.3
BV/Sh. (INR)	100.3	114.6	131.1
Ratios			
RoE (%)	25.9	26.6	26.9
RoCE (%)	16.3	17.2	17.8
Payout (%)	50.0	50.0	50.0
Valuations			
P/E (x)	33.2	28.3	24.5
P/BV (x)	7.9	6.9	6.1
EV/EBITDA (x)	20.0	17.0	14.5
Div Yield (%)	1.5	1.8	2.0

Shareholding Pattern (%)

As On	Mar-25
Promoter	74.7
DII	9.1
FII	10.6
Others	5.7

FII includes depository receipts

Stock's performance (one-year)



Stronger, better, faster?

- **Hexaware (HEXT) is one of the leading mid-tier IT services providers, and is re-entering the Indian stock market following a four-year hiatus. HEXT has delivered consistent growth with a 14% CAGR in USD revenue over CY20-24, supported by robust ecosystem partnerships, a focused go-to-market (GTM) strategy, and diversified service lines across Design & Build, Secure & Run, Data & AI, and BPO.**
- **With a focus on high-value, scalable clients, the company has consistently expanded its revenue base. Its "Land, Ramp, and Expand" strategy has been instrumental in driving growth. While some key accounts, like Fannie Mae, have faced challenges, HEXT has navigated these headwinds by doubling down on diversification and client mining. Its mid-tier and smaller clients, growing at a strong 13-17% CAGR, have more than made up for the pressure, keeping overall growth on track.**
- **A strategic transformation, initiated before delisting and led by R Srikrishna (Keech) since CY15, has shaped HEXT's trajectory. Its diversified service offerings—Design & Build (~33% of revenue), Secure & Run (~33%), Data & AI (~18%), and BPO—position it well for continued growth. Notably, Data & AI is its fastest-growing segment, fueled by acquisitions like Softcrylic.**
- **What sets it apart is its consistent growth, robust ecosystem partnerships, client mining, and its diversified vertical presence. While client sentiment remains cautious in the near term, the company is gaining ground in vendor consolidation deals against incumbents, particularly in Financial and Professional Services.**
- **We estimate a CAGR of ~12.2% in USD revenue for HEXT over CY24-26E, outperforming the Tier-1 average of 4.1% and in-line with tier-2 average of 12.6%. Additionally, its EBIT margin is set to improve steadily from 14.6% in CY25E to 15.3% in CY27E, supported by operating leverage and offshore expansion.**
- **With an EPS CAGR of 20.8% over CY24-CY26E, higher than the Tier-I/Tier-II average of 10.0%/13.5%, HEXT is in the top quadrant of performance within the industry. Given its strong execution, diversified vertical exposure and improving margin profile, we initiate coverage with a BUY rating. We value HEXT at 32x Mar'27E EPS (15% discount to Coforge's P/E multiple) with a TP of INR950 (19% upside).**
- **Key downside risks: The ongoing trade war, coupled with a slower-than-anticipated Fed rate cut cycle, has added to the pressure on Indian IT services. While the full implications will take time to play out, discretionary IT spending is likely to remain on hold as macro uncertainty continues to weigh on decisions. This presents near-term headwinds, but HEXT's diversified service offerings, broad vertical exposure, and focus on high-value clients provide a buffer. Despite this tough setup, we believe HEXT is structurally well-placed for the medium term.**

A decade of strategic growth and transformation

- Since 2014, the company has undergone a significant transformation, evolving from a founder-led business into a professionally managed enterprise. Under the leadership of CEO R. Srikrishna, HEXT has sharpened its focus on diversification, a more targeted GTM strategy, and an expanded service portfolio, setting the stage for steady growth.
- This momentum accelerated further when **The Carlyle Group** acquired HEXT in 2021, bringing in its global expertise to drive the company's next phase of expansion.

- A key driver of HEXT’s success has been its "Land, Ramp, Expand" strategy, which has played a pivotal role in scaling its client base. Since 2015, the company has added 130 accounts exceeding USD1m in revenue, successfully growing 23 of them beyond the USD10m mark, with three even surpassing USD75m.
- Additionally, HEXT has also strengthened its position in the industry through strategic partnerships with leading technology providers like Adobe, Microsoft Azure, AWS, and Backbase. These collaborations bring complementary strengths, ensuring the company remains competitive.
- At the same time, HEXT is now actively optimizing its operations to improve margins. This includes optimizing its delivery model - refining the onshore-offshore mix (even though that is a bit constrained in the short term due to high onshore exposure), operating leverage, enhancing workforce utilization, hiring talent from Tier-2 cities, and strategically balancing its employee-contractor mix.

How HEXT stacks up against peers

- HEXT is positioned as the second-largest mid-tier IT services provider, trailing only Mphasis. It competes closely with peers like Coforge and Persistent Systems in terms of revenue scale and service offerings. The company has delivered a 14.0% CAGR during CY20-24, supported by a diversified revenue mix across verticals.
- Compared to peers, HEXT benefits from a more balanced geographical presence, particularly in Europe, reducing its reliance on the Americas. It also maintains a diversified clientele, with 25.8% of revenue coming from the top 5 customers - lower than certain peers - indicating lower client concentration risk.
- HEXT also stands out on cash flow metrics, delivering an average OCF/EBITDA conversion of 94% over CY20-24, underscoring its operational discipline and strong execution.
- While margin improvement remains a work in progress and top-account growth has slowed, HEXT’s disciplined, organic approach - unlike the more aggressive acquisition-led playbooks of peers - positions it well for steady growth.

Valuation and view: Initiate coverage with Buy rating

- Backed by a strong foundation of strategic partnerships, differentiated capabilities, and a well-diversified revenue mix, HEXT is well-positioned within the mid-tier IT services space. What sets it apart is its sharp GTM strategy aimed at scalable growth, robust cash conversion, and deep client mining capabilities.
- However, the near-term outlook remains fluid, with discretionary tech spending still unfolding - particularly across key verticals like US Banking, Healthcare, and Hi-Tech. HEXT’s strong execution, ongoing vendor consolidation wins, and mid-tier account traction provide resilience.
- We estimate a CAGR of ~12.2% in USD revenue for HEXT over CY24-26E, outperforming the Tier-1 average of 4.1% and in-line with tier-2 average of 12.6%. Additionally, its EBIT margin is set to improve steadily from 14.6% in CY25E to 15.3% in CY27E, supported by operating leverage and offshore expansion.
- With an EPS CAGR of 20.8% over CY24-CY26E, higher than the Tier-I/Tier-II average of 10.0%/13.5%, HEXT is in the top quadrant of performance within the

industry. Given its strong execution, diversified vertical exposure and improving margin profile, we initiate coverage with a BUY rating. We value HEXT at 32x Mar'27E EPS (15% discount to Coforge's P/E multiple) with a TP of INR950 (19% upside).

- **Key risks:** 1) Top-5 accounts, particularly Fannie Mae, could impact financial performance if client spending slows; 2) Discretionary IT spending remains in flux, particularly among large enterprises, as businesses adopt a "wait-and-watch" approach amid macro uncertainties; 3) Rising competition from both IT service providers and in-house IT teams poses a challenge to maintaining market share and pricing power; 4) Insourcing trend: As enterprises explore insourcing over outsourcing, HEXT must continuously innovate and deliver value-driven solutions to sustain long-term engagements; 5) Shifting interest rate expectations, potential policy changes, and global trade tensions could impact client decision-making in key markets like the US and Europe.

Exhibit 1: Comparative Valuations

Companies Name	CC YoY Growth (%)			CAGR. % FY25-27E	EBIT Margin (%)			EPS			EPS CAGR. % FY25-27E	P/E		
	FY25	FY26E	FY27E		FY25	FY26E	FY27E	FY25	FY26	FY27E		FY25	FY26E	FY27E
TCS	4.2	-0.2	6.5	3.1	24.3	25.3	25.5	134.2	142.5	153.1	6.8	26	25	23
Infosys	4.2	2.7	6.4	4.5	21.1	21.4	21.5	63.9	66.9	71.9	6.1	24	23	22
Wipro	-2.3	-1.9	3.1	0.4	17.0	17.2	17.4	12.5	12.1	12.6	0.2	20	21	20
HCLT	4.7	4.6	6.9	5.9	18.3	18.5	18.6	63.9	68.8	75.0	8.4	26	24	22
TechM	0.3	1.6	6.4	3.9	9.7	12.2	14.5	47.9	60.9	77.0	26.7	33	26	21
LTIM	5.0	5.1	8.5	6.8	14.5	15.0	15.6	155.3	172.4	193.6	11.6	32	29	26
LTTS	8.9	14.3	10.6	11.6	14.9	14.6	15.5	119.0	140.6	162.3	16.8	38	32	28
Mphasis	4.4	9.0	10.5	9.7	15.3	14.9	15.1	89.3	98.0	108.5	10.3	28	26	23
HEXT*	**13.3**	**10.8**	**14.0**	**12.2**	**13.0**	**14.6**	**15.0**	**19.3**	**23.9**	**28.1**	**20.8**	**41**	**33**	**28**
Coforge	32.0	28.2	20.3	24.2	13.1	13.5	14.1	126.2	231.6	290.5	51.7	66	36	29
Persistent	19.0	18.8	18.9	19.3	14.7	15.4	16.0	90.2	114.0	141.2	25.1	63	50	40
Zensar	5.1	6.0	8.9	7.5	13.5	13.9	14.1	28.4	31.9	35.2	11.4	30	26	24
Cyient^	-3.7	1.1	5.8	3.4	13.5	13.5	13.7	55.0	59.1	59.7	4.2	24	23	22

Note: * Hexaware figures are for CY24/CY25/CY26; ^DET Business' USD revenue growth

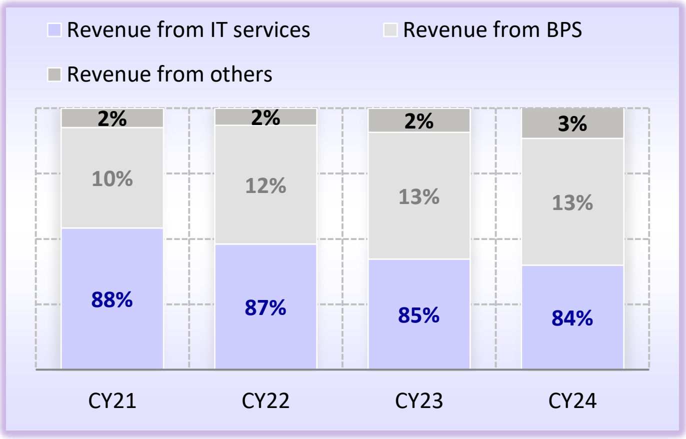
Exhibit 2: HEXT commands a strong position in the mid-tier pack

Particulars	CC YoY Growth (%)			Revenue CAGR CY24-CY26E (%)	EBIT Margin (%)			EPS CAGR CY24-CY26E (%)
	CY24	CY25E	CY26E		CY24	CY25E	CY26E	
HEXT	**13.3%**	**10.8%**	**14.0%**	**12.2%**	**13.0%**	**14.6%**	**15.0%**	**20.8%**
Avg. Tier-1	2.7%	2.0%	6.3%	4.1%	17.5%	18.3%	18.8%	10.0%
Avg. Tier-2	11.0%	12.9%	12.5%	12.6%	14.2%	14.3%	14.7%	13.5%

Source: MOFSL; Note: Tier -1 includes TCS, INFO, HCLT, WPRO, TECHM and LTIM; Tier-2 includes LTTS, COFORGE, MPHL, PSYS, ZENT and CYL.

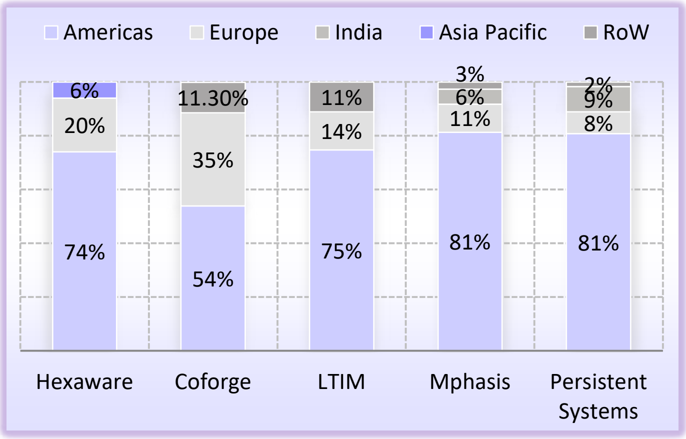
STORY IN CHARTS

HEXT revenue share (%)



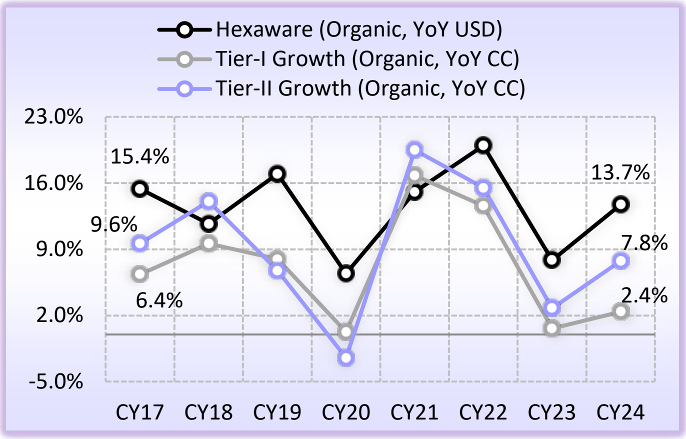
Source: Company, MOFSL

Fairly diversified geography exposure compared to most peers



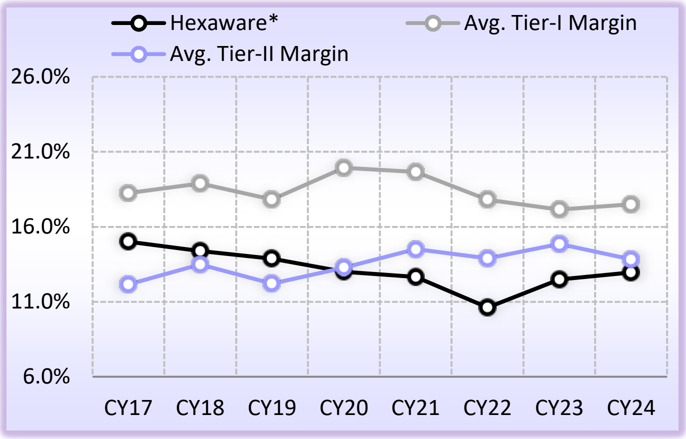
Source: Company, MOFSL

Revenue growth comparison with Tier-I and Tier-II companies



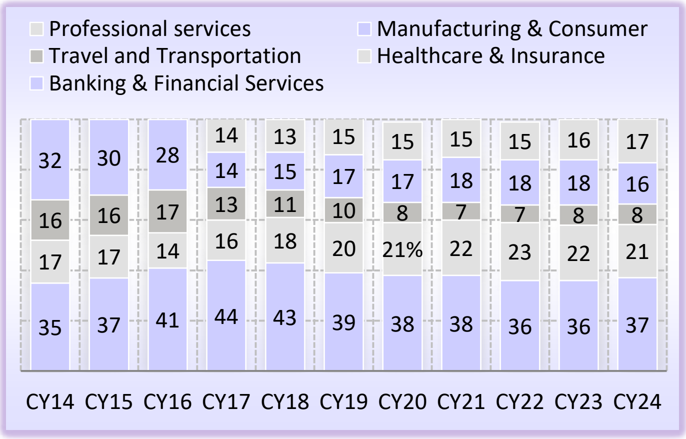
Source: Company, MOFSL

Margin comparison with Tier-I and Tier-II margins



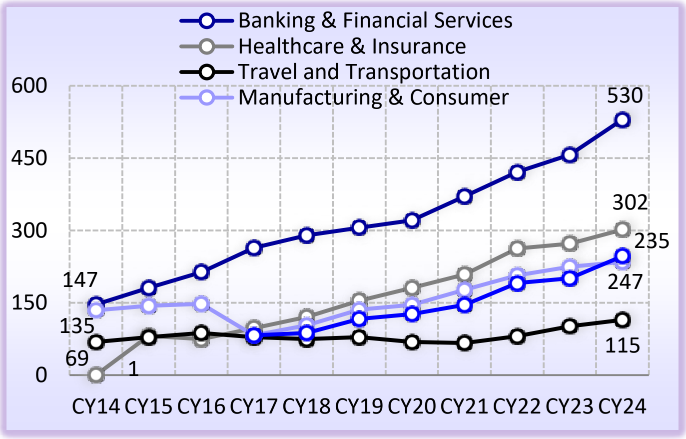
Source: Company, MOFSL

HEXT like its peers has increased its exposure to core verticals



Source: Company, MOFSL

BFSI vertical saw a 5-year CAGR of 12% due to some headwinds in Fannie Mae



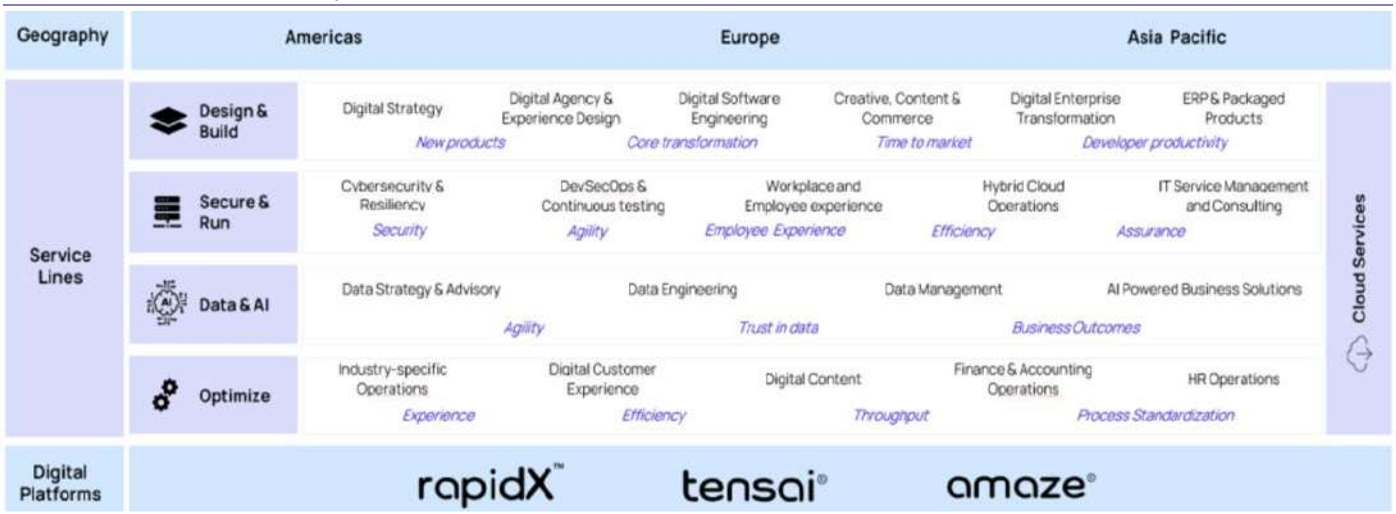
Source: Company, MOFSL

Company overview

Offerings include front-end, mid-end and back-end services across the following service lines: Design & build, Secure & run, Data & AI, Optimize and Cloud Services.

- HEXT is a global outsourcing and digital technology services company, providing solutions across six key sectors: Financial Services, Healthcare & Insurance, Manufacturing & Consumer, Hi-Tech & Professional Services, Banking, and Travel & Transportation.
- Offerings include front-end, mid-end and back-end services across the following service lines: Design & build, Secure & run, Data & AI, Optimize and Cloud Services.
- The company derives 30.5% of revenue from the Financial Services vertical, 20.8% from Healthcare and Insurance, 17.3% from Hi-Tech and Professional Services, and 7.8% from Banking.
- HEXT has a stronger presence in Europe compared to its peers, reducing its reliance on the Americas.
- Additionally, the company has a higher proportion of revenue from onshore resources, which presents opportunities to expand its offshore mix over time. However, given its large onshore client base, a shift in the near term remains challenging**.**
- Additionally, HEXT maintains a balanced revenue distribution across verticals, with four key sectors - Financial Services, Healthcare & Insurance, Manufacturing & Consumer, and Hi-Tech & Professional Services - generating over USD200mn in revenue each.

Exhibit 3: HEXT's business snapshot



Source: Company, MOFSL

- Additionally, HEXT delivers its services offerings through proprietary AI-enabled digital platforms, such as RapidX™ for digital transformation, Tensai® for AI-powered automation, and Amaze® for cloud adoption.
- HEXT's capabilities are strengthened by the core ecosystem of partnerships such as Adobe, Guidewire, Microsoft Azure, Backbase, AWS, GCP, Duck Creek Technologies, etc.
- The company leverages its deep domain expertise across sub-verticals within each operating vertical, developing specialized capabilities to address the unique requirements of these sub-verticals.

Exhibit 4: HEXT's best-in-class ecosystem partnership among its peers and strategic partnerships like Backbase enhance its value proposition

Upstream tech company	Level of partnerships				TCS	CTSH	Infosys	HCLT	Wipro	TechM	LTIMindtree	MphasiS	Hexaware	Coforge	Persistent	Mastek	Zensar
AWS	N/A	Registered	Advanced	Premier	Premier	Premier	Premier	Premier	Premier	Premier	Advanced	Premier	Advanced	Advanced	Premier	Advanced	Advanced
Oracle	N/A	Silver	Gold	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	N/A	N/A	Platinum	Platinum
SAP	N/A	Silver	Gold	GSP(2)	GSP	GSP	GSP	GSP	GSP	GSP	GSP	Silver	Gold	N/A	N/A	N/A	Gold
IBM	N/A	Silver	Gold	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	Platinum	N/A	N/A	Silver	Platinum	N/A	Platinum
Microsoft/Azure	N/A	Member	Silver	Gold/ MSP	Gold/ MSP	Gold	Gold/ MSP	Gold	Gold/ MSP	Gold	Gold	Gold- Solution Partner	Gold	Gold	Gold	Gold/ MSP	Gold
Google Cloud (GCP)	N/A	Member	Partner	Premier/ MSP(4)	Premier/ MSP	Premier/ MSP	Premier/ MSP	Premier/ MSP	Premier/ MSP	Premier	Premier	Partner	Partner	Partner	Premier/ MSP	N/A	Partner
Salesforce.com	N/A	Gold	Platinum	GSP (6)	Platinum	GSP	GSP	GSP	GSP	N/A	Platinum	Platinum	GSP	N/A	Platinum	GSP	Platinum
Cisco	N/A	Member	Premier	Gold	Gold	Premier	Premier	Gold	Gold	Gold	Premier	N/A	N/A	N/A	N/A	N/A	Premier
Snowflake	Registered	Select	Premier	Elite	Elite	Elite	Elite	Elite	Elite	Premier	Elite	Select	Premier	Premier	Premier	Premier	Select
Data bricks	Registered	Select	Elite	Global Elite	Global Elite	Global Elite	Global Elite	Elite	Global Elite	Registered	Elite	Select	Registered	Registered	Registered	Registered	Registered
GitHUB Copilot	N/A	No	N/A	Yes	Yes	Yes	Yes	Yes	No	No	No	N/A	No	No	No	Yes	No
Duck Creek	N/A	Select	Premier	Elite	N/A	Premier	N/A	Select	Select	N/A	Premier	N/A	Select	Premier	N/A	N/A	N/A
ServiceNow	Registered	Specialist	Premier	Elite	Elite	Elite	Elite	N/A	Elite	Elite	Elite	Registered	Elite	Elite	Registered	Premier	Premier
Guidewire	N/A	Select	Advantage	Global Premier	Advantage	Global Premier	Select	N/A	Select	Advantage	Select	Select	Advantage	N/A	N/A	N/A	Advantage
Pega	Registered	Authorized	Specialized	Global Elite	Global Elite	Registered	Registered	Global Elite	Global Elite	Specialized	Global Elite	Specialized	Specialized	Global Elite	N/A	N/A	Registered

Source: Company, MOFSL

Exhibit 5: HEXT's presence across sub-verticals

Verticals	USD revenue CAGR during CY21-24 (%)	Sub-verticals
Financial Services	12.4	❖ Mortgage and lending, asset management and servicing, trade finance, exchanges, private equity firms and global benchmarks and data providers
Healthcare and Insurance	13.0	❖ Property and casualty insurance, life insurance, brokerage, reinsurance and diversified, life sciences, health insurance or payer and provider.
Manufacturing and Consumer	9.8	❖ Manufacturing, retail and consumer, education, energy, telecom and utilities
Hi-Tech and Professional Services	19.0	❖ Independent software vendors, platforms and products, hyperscalers, tax, audit and accounting, legal risk and compliance, and advertising and marketing
Banking	13.3	❖ Digital banking, payments, cards and consumer banking
Travel and Transportation	19.9	❖ Airlines and airports, travel technology, logistics and transportation, hotels and the entertainment industry

Source: Company, MOFSL

Exhibit 6: HEXT serves top clientele across verticals

Verticals	Key clientele
Financial Services	❖ Serves 11 out of top 50 global asset management firms by AUM
Healthcare and Insurance	❖ Serves three out of the top 10 global life sciences firms and five out of the top 20 global insurers by market capitalization
Manufacturing and Consumer	❖ Serves three out of the top five global manufacturing organizations by market capitalization and four out of the top 50 global retail and CPG organizations by revenue
Hi-Tech and Professional Services	❖ Serves six out of the top 20 global hi-tech companies by market capitalization, three out of the top six global audit and advisory firms and two out of the top five global legal firms
Banking	❖ Serves 11 out of the top 60 banks in the US ranked by assets
Travel and Transportation	❖ Serves three out of the top five airlines in North America by revenue

Source: Company, MOFSL

- HEXT's transformation journey began in 2014 when Baring Private Equity Asia (BPEA) acquired a controlling stake from founder Atul Nishar. This marked a strategic shift from a founder-led to a professionally managed organization. In the same year, BPEA appointed R Srikrishna (Keech), an HCL veteran, as CEO to lead the company's transformation.
- Under his leadership, HEXT underwent a structural revamp, focusing on diversification, a refined GTM strategy, and an expanded service portfolio. These changes set the stage for the company's continued evolution, even beyond its 2020 delisting.
- **The Carlyle Group's acquisition in 2021 further reinforced this trajectory, leveraging its global expertise to drive HEXT's next phase of growth.**

Exhibit 7: Promotor changes in Hexaware Technologies since 2014

Year	Promoter/Owner	Change Description
2014	Publicly Traded	❖ HEXT was a listed company with a diverse shareholder base.
2013-2018	Baring Private Equity Asia (BPEA)	❖ BPEA acquired a majority stake in HEXT from Atul Nishar, the founder.
2020	Baring Private Equity Asia (BPEA)	❖ BPEA completed a voluntary delisting from NSE and BSE at ₹475 per share.
2021	The Carlyle Group	❖ Carlyle acquired a controlling stake from BPEA, making HEXT its portfolio company.
2024	The Carlyle Group (pre-IPO)	❖ HEXT filed for an IPO, with Carlyle-backed CA Magnum Holdings selling shares.
2025	Public Shareholding (Post-IPO)	❖ HEXT re-entered the public markets through an IPO, reducing Carlyle's stake.

Source: Company, MOFSL

HEXT offerings cover wide ground

Within these lines, the company has developed a comprehensive front, mid, and end tech stack for enterprises, covering both "change the business" and "run the business" spending.

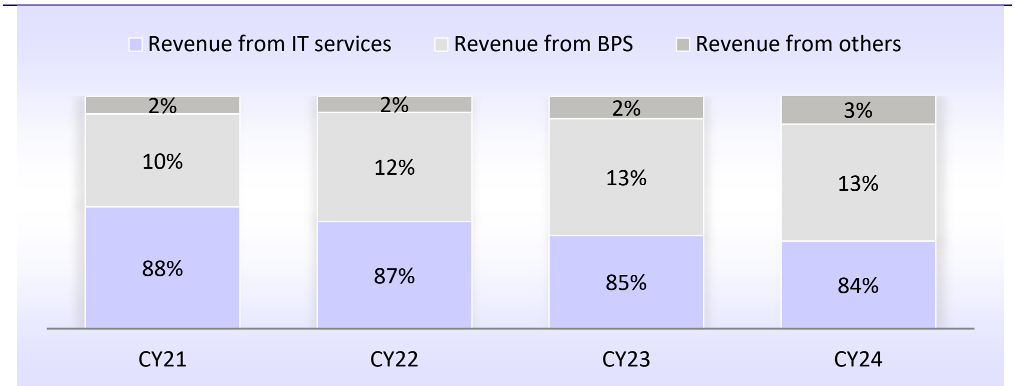
- HEXT's service offerings encompass both IT and BPS service lines. Within these lines, the company has developed a comprehensive front, mid, and end tech stack for enterprises, covering both "change the business" and "run the business" spending.
- HEXT's services span across Design & Build, Secure & Run, and Data & AI services within its IT business, while its BPS business focuses on Optimize services. Additionally, the company offers cloud solutions across both IT and BPS domains.

Exhibit 8: HEXT service offerings cover both "change the business" and "run the business" spending

Service	Business line	Key Offerings
Design and Build	IT	❖ Helps companies launch new products and drive core transformations through digital technologies, leveraging custom software development as well as implementation and enhancement of commercial off-the-shelf software such as Enterprise Resource Planning.
Secure & Run	IT	❖ Secures, runs and optimizes IT operations for customers' complex IT estates spanning applications, middleware, data, end user devices and hybrid cloud infrastructure.
Data & AI	IT	❖ Establishes robust data foundations for its customers, enabling sustainable data value creation while ensuring agility and trust in data and business insights. It leverages AI and machine learning (ML) to transform data into actionable insights and informed predictions.
Optimize	BPS	❖ Powered by generative AI (GenAI), enable personalized interactions, impactful communications, task automation, advanced analytics and effective talent management across diverse industries.
Cloud services	IT and BPS	❖ Encompasses cloud strategy, cloud modernization and migration and cloud managed services.

Source: Company, MOFSL

Exhibit 9: HEXT revenue share (%)



Source: Company, MOFSL

Platforms:

- HEXT has proprietary AI-driven digital platforms, including RapidX™ for digital transformation, Tensai® for AI-powered automation, and Amaze® for seamless cloud adoption.

Exhibit 10: Built in-house AI-led digital capabilities and platforms

Platform	Description	Key Features	Benefits
RapidX™	❖ Gen AI-based platform for modern software engineering, covering the full software development lifecycle (SDLC).	❖ AI subject matter experts & agents, Code Comprehension Agent (reverse engineering), Requirement Agent (user story creation).	❖ Improves efficiency & quality, automates SDLC tasks, and accelerates legacy code understanding & requirement elaboration.
Tensai®	❖ AI-powered automation platform for enterprise IT processes, enabling secure & rapid code release.	❖ AI-driven predictive observability, automation framework, continuous application orchestration, seamless data aggregation.	❖ Enhances efficiency & agility, reduces human dependence, and enables autonomous IT operations.
Amaze®	❖ Cloud migration, transformation, and modernization platform for IT portfolio transformation.	❖ Automates cloud-readiness assessments, migration, data & application modernization.	❖ Streamlines cloud operations, enhances automation, and leverages AI for transformation.

Source: Company, MOFSL

Long-term relationships with diversified customer base

- HEXT has a diverse customer base, including 31 Fortune 500 companies. About 62% of its revenue came from customers with revenue exceeding USD5b, while nearly 83% was generated from those with revenue of over USD1b.
- One of HEXT's key strengths lies in its well-balanced revenue mix. No single client has contributed more than 10% of its total revenue over the past three financial years, ensuring that its fortunes are not tied to just one or two major accounts.
- The company also boasts long-standing partnerships, with an average tenure of 15 years among its top five and top 10 customers, and 12 years among its top 20 customers.

Exhibit 11: HEXT's well-diversified customer base

Customers mix	CY24	CY23	CY22	CY21
Top 5 customers	25.7%	25.0%	26.5%	29.5%
Top 10 customers	35.8%	35.5%	36.6%	38.4%
Top 20 customers	49.7%	48.7%	48.4%	51.3%

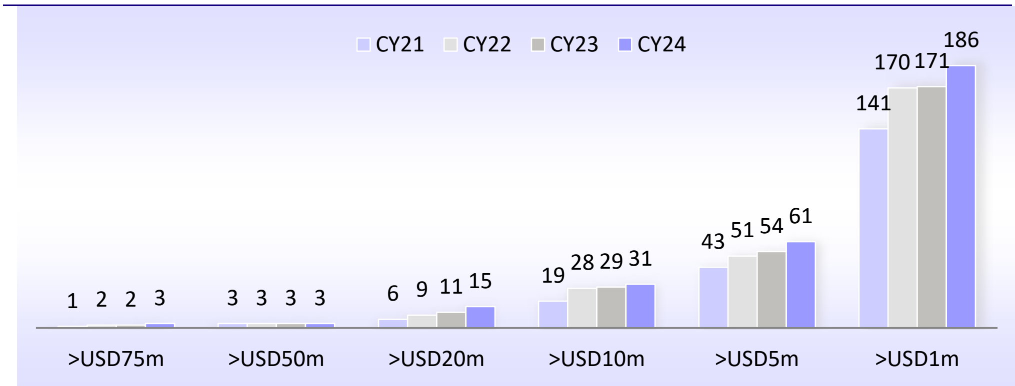
Source: Company, MOFSL

Exhibit 12: HEXT's enduring customer relationships drive revenue predictability and cross-selling opportunities

Customers mix	Avg. duration of relationship
Top 5 customers	15 years
Top 10 customers	15 years
Top 20 customers	12 years

Source: Company, MOFSL

Exhibit 13: HEXT grew its clientele steadily across customer brackets



Source: Company, MOFSL

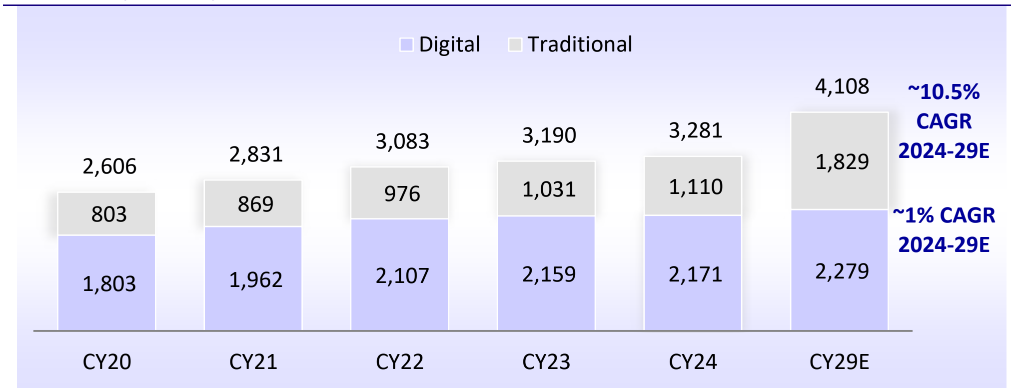
Industry overview

Spending on technology services by global enterprises

The digital services segment is estimated to account for 33.8% of total technology services spending by global enterprises in CY24 and is expected to grow at a higher rate than traditional services.

- Technology-related spending by global enterprises (including IT services, business process services, software and hardware) is expected to clock a CAGR of 7.3% during CY24-29E to account for a total market size of ~INR630.7t (USD7,552.7b), as per Everest Group estimates.
- The digital services segment is estimated to account for 33.8% of total technology services spending by global enterprises in CY24 and is expected to grow at a higher rate than traditional services, reaching ~44.5% by CY29.

Exhibit 14: Overall global enterprise technology services spend – digital vs. traditional(USD,bn)



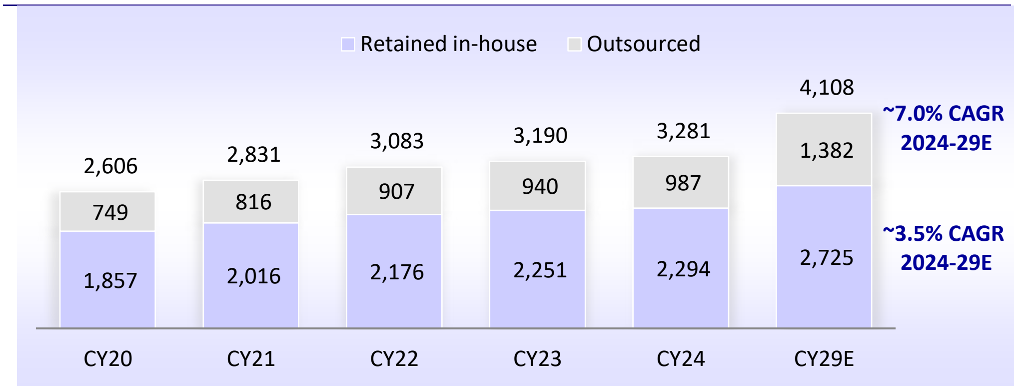
Source: Everest Group, MOFSL

Exhibit 15: A shift from traditional to digital services

	CY20	CY21	CY22	CY23	CY24	CY29E
Digital	30.8%	30.7%	31.6%	32.3%	33.8%	44.5%
Traditional	69.2%	69.3%	68.4%	67.7%	66.2%	55.5%

Source: Everest Group, MOFSL

Exhibit 16: Overall global enterprise technology services spend – In-house Vs Outsourced(USD,bn)



Source: Everest Group, MOFSL

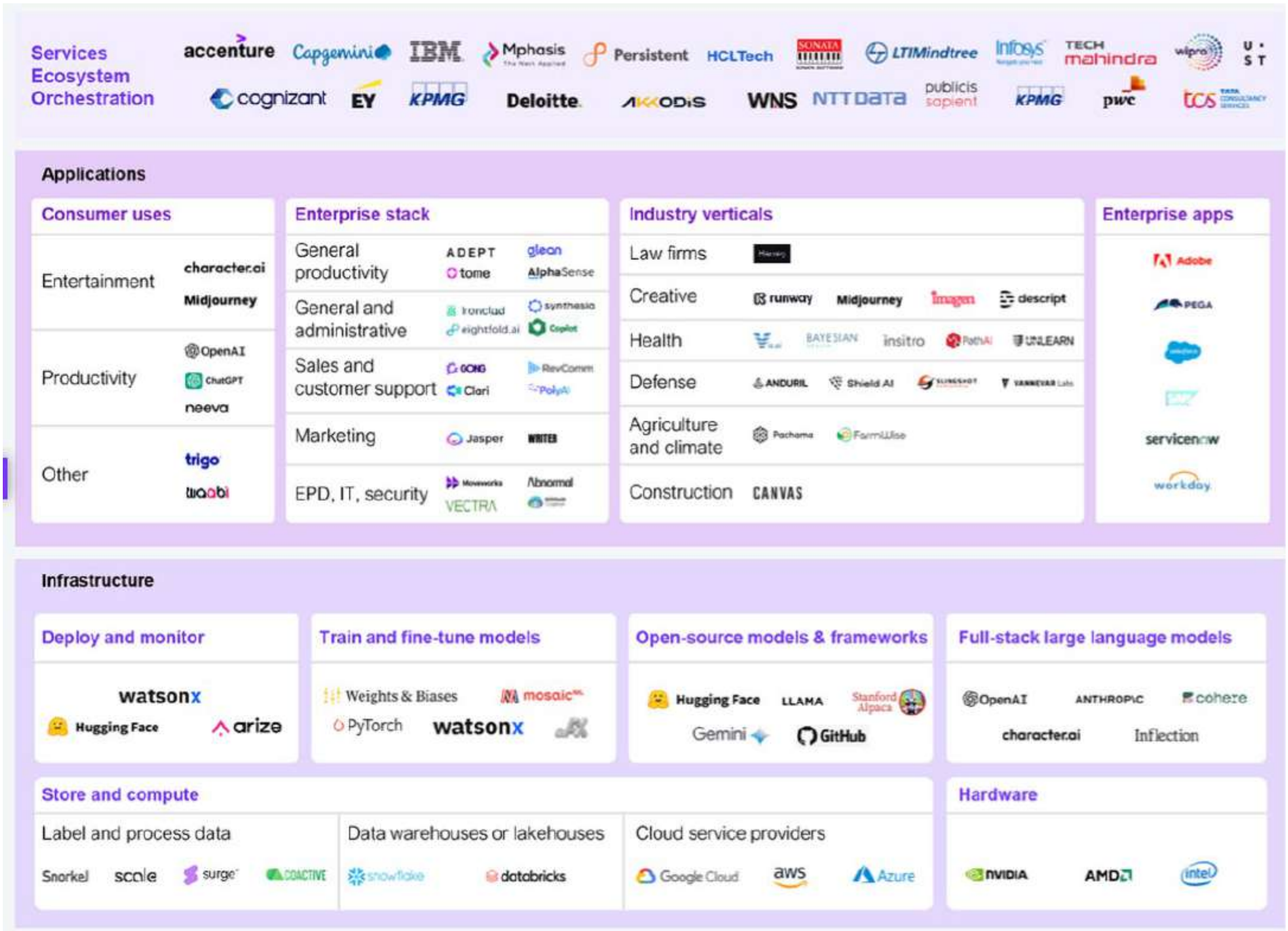
There are two key use cases for GenAI: cost-saving and revenue-accretive applications. Without deploying GenAI at scale, cost reduction deals are the most straightforward way to lower expenses for clients.

GenAI: Massively disruptive; to be gradual in the short term and FAST in the long term

GenAI represents a significant large-scale disruption, though it is not necessarily a sudden one, especially at the enterprise level. Multiple factors inhibit large-scale GenAI adoption, with data engineering needs and cybersecurity risks being the top concerns. However, we believe the primary barrier currently is the lack of a clear business case. There are two key use cases for GenAI: cost-saving and revenue-accretive applications. Without deploying GenAI at scale, cost reduction deals are the most straightforward way to lower expenses for clients. On the other hand, revenue-accretive GenAI requires both a demand recovery and a pressing business need to catch up.

That said, the GenAI ecosystem (once the hardware and the computing components are in place) will be built, invariably, on top of the cloud ecosystem, and clients with a modernized data estate could swiftly adapt to this new ecosystem, in our opinion.

Exhibit 17: The GenAI ecosystem stack will be built on top of the cloud ecosystem stack; thus companies with strong hyperscaler partnerships will have an upper hand



Source: HFS Research

How will GenAI scale up?

The Indian IT sector's relevance to GenAI can be anticipated through two phases of technological adoption: Innovation and Inflection.

Innovation Phase: GenAI

We believe service vendors with a first-mover advantage in creating platformized solutions, which can be used off the shelf, will benefit in this phase.

Currently, GenAI is in its innovation phase, akin to cloud computing during 2014-2019. During this period, cloud technology existed, but the supporting ecosystem for cloud migration was still developing. The pandemic spurred an inflection point for cloud, but major hyperscalers already had robust ecosystems of domain-specific tools and platforms in place, facilitating the migration.

For GenAI, the ecosystem is just beginning to form, suggesting that it may not yet be a significant growth contributor to IT services companies. However, potential revenue streams during this phase include:

- **Streamlining the data estate:** Preparing enterprise data for GenAI by moving data to the cloud or creating data warehouses and data lakes.
- **Proof of Concept (PoC) GenAI experiments:** Enterprises may run several pilots/PoCs to implement GenAI, but the revenue potential for IT services companies might be limited by the scope of these projects.
- **GenAI readiness consulting and strategic inputs:** Primarily the domain of large enterprises; this involves providing expertise on how to prepare for and integrate GenAI.

We believe service vendors with a first-mover advantage in creating platformized solutions, which can be used off the shelf, will benefit in this phase. **We also prefer companies with data engineering capabilities, as a significant chunk of the pre-GenAI spending will revolve around data.**

Inflection Phase: GenAI

We believe there will be ample opportunities to implement the enterprise-wide adoption of GenAI once the ecosystem is in place.

The inflection phase begins when organizations are ready to deploy GenAI enterprise-wide. Enterprises will move to this phase when…

- **Data estate is in place:** Enterprises with scattered legacy data systems may find it challenging to implement GenAI due to its high compute demands.
- **Cybersecurity measures are in place:** Particularly relevant in highly regulated sectors like banking, where strict cybersecurity measures are required.
- **GenAI's ecosystem makes platformized solutions possible:** Top-tier ecosystem partnerships with hyperscalers allowed IT services companies (both large and small) to participate in the cloud journey. We believe there will be ample opportunities to implement the enterprise-wide adoption of GenAI once the ecosystem is in place.

During this phase, while certain business lines like low-level coding and BPO may face existential threats, there are significant revenue opportunities for the right players, including:

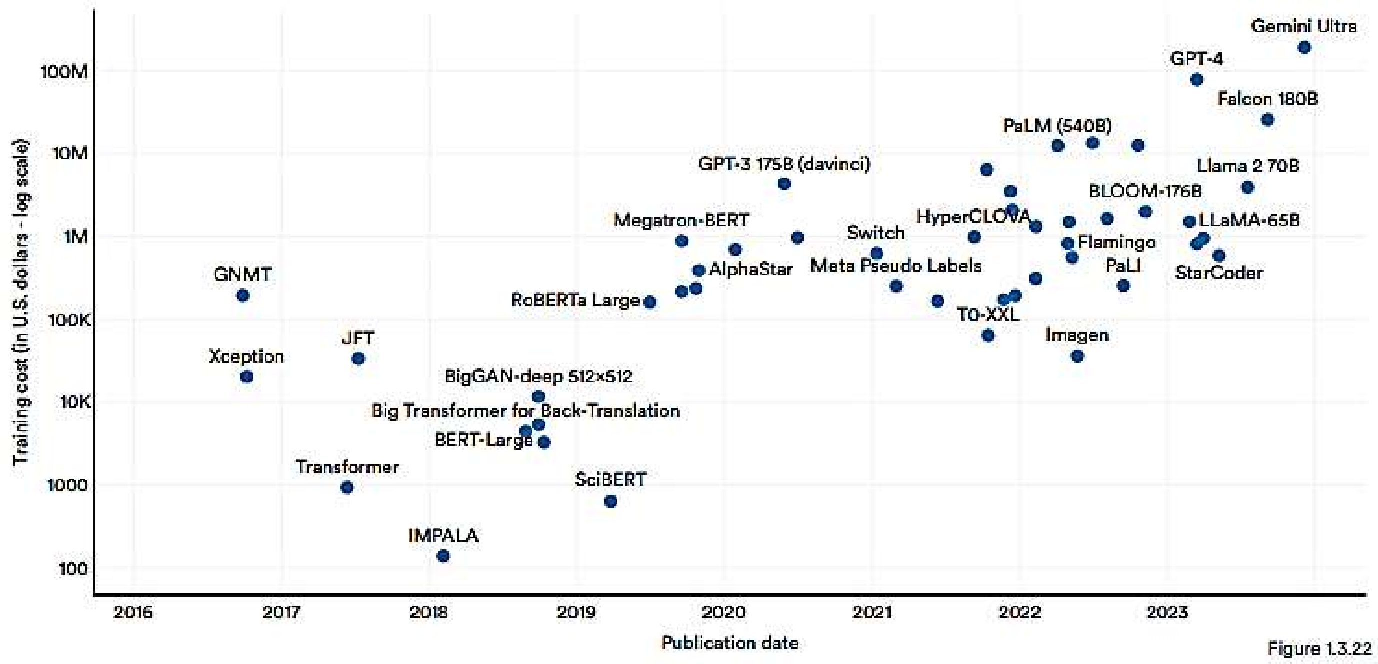
- **Training LLMs:** Providing services to train large language models (LLMs).
- **Reducing the cost of compute:** Offering solutions to make computing more cost-efficient. Frontier models currently are in a race to the top, and this is

leading to burgeoning costs of compute. We believe reducing the cost of implementing LLMs will be a massive revenue growth driver over the medium to long term.

- **Cloud Migration:** Assisting enterprises in moving their operations to the cloud.
- **Maintaining LLMs:** Ongoing maintenance and updates for LLMs.

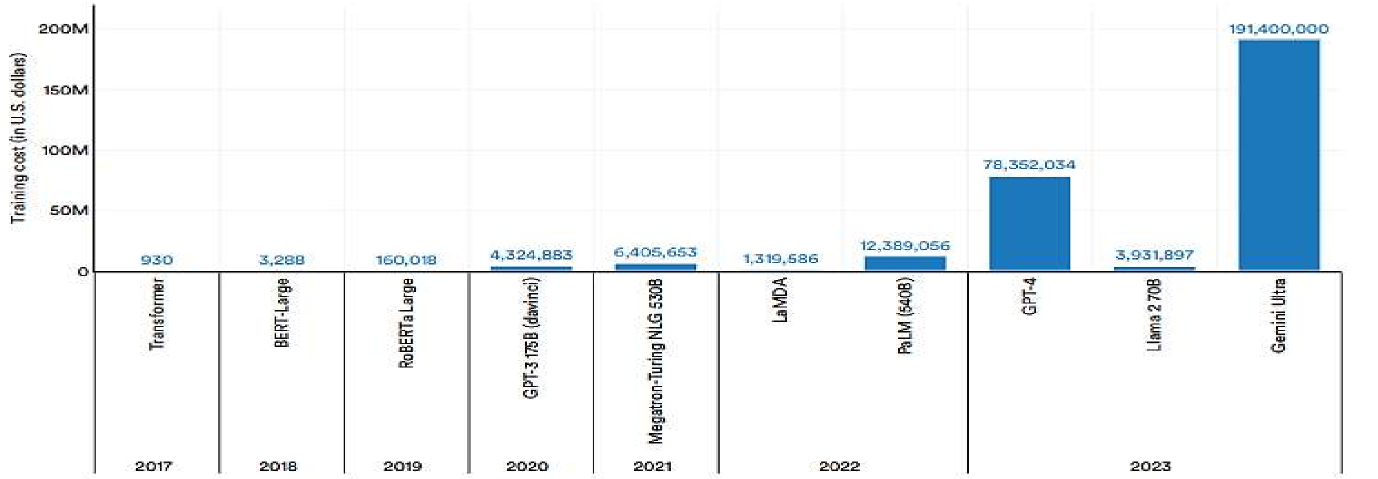
The comparison with the cloud adoption timeline indicates that while the current focus is on building the GenAI ecosystem, the inflection phase will bring substantial opportunities for growth and revenue generation in the IT services sector.

Exhibit 18: Estimated training cost of select AI models, 2016-23



Source: Stanford AI index report

Exhibit 19: Estimated training cost of select AI models, 2017-23



Source: Stanford AI index report

Investment thesis

A) HEXT's targeted GTM strategy fuels better client mining and scalable growth

- HEXT's GTM strategy is centered on acquiring high-value, scalable enterprise customers with substantial IT budgets:
  1) **High quality of accounts:** Large enterprise customers, preferably with over USD 2bn in annual revenue.
  2) **High quality of revenue**: Accounts with substantial IT budgets that can potentially ramp up to USD5m in annual recurring revenue in the first year.
- This focused approach, driven by its "Land, Ramp, and Expand" model, has been instrumental in building scaled customer accounts.

Exhibit 20: Go-to-market strategy of "Land, Ramp and Expand"

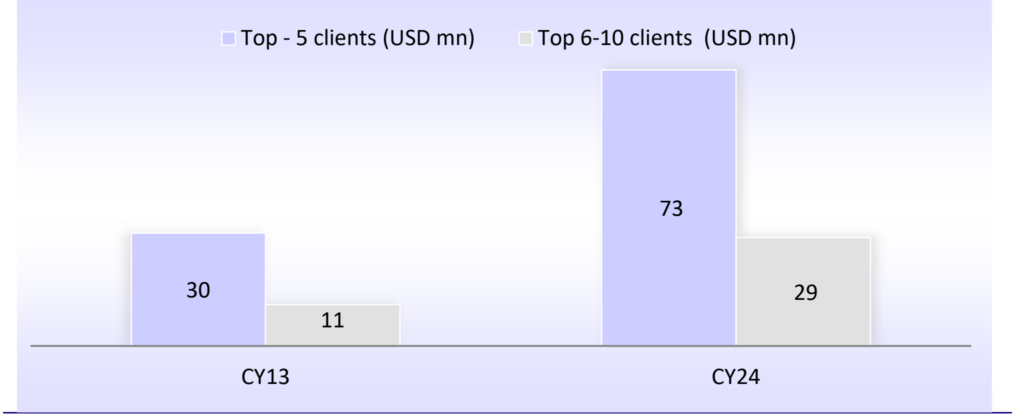
Phase	Focus Area	Key Activities
Land	Customer Acquisition	❖ Sales teams target new customers across geographies using marketing, partnerships, influencer relations, employee referrals, and customer alumni.
Ramp	Relationship Building & Service Delivery	❖ Establish trust with multiple stakeholders, ensure executive engagement, and identify adjacent customer needs.
Expand	Wallet-share gains & Cross-Selling	❖ Increase wallet-share gains and cross-sell index by expanding service offerings and addressing additional customer needs across geographies.

Source: Company, MOFSL

HEXT has successfully scaled accounts across all revenue brackets, with notable growth in high-value customer segments.

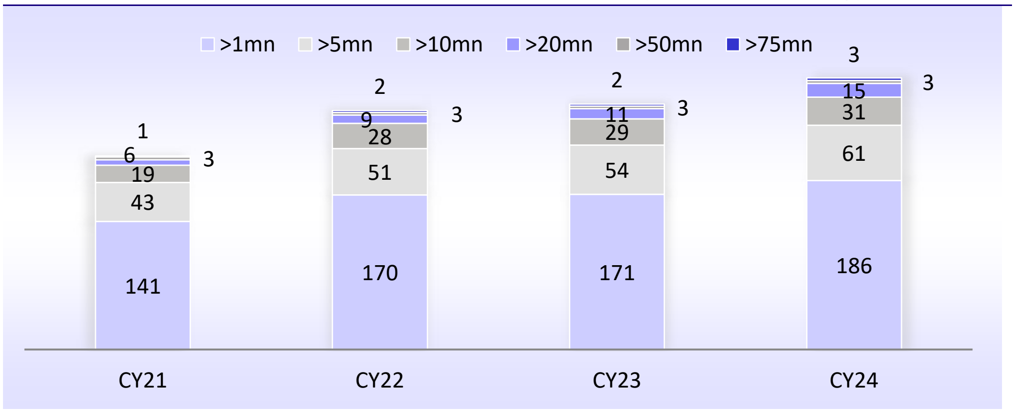
- This strategy has driven consistent revenue growth, with ~62% of revenue from USD5b+ enterprises and ~83% from USD1b+ enterprises, according to the Everest Report. Notably, HEXT's top 20 customers in CY24 included two acquired in the last three years, reflecting its ability to scale and retain high-value accounts.
- HEXT has successfully scaled accounts across all revenue brackets, with notable growth in high-value customer segments. The number of clients contributing over USD10m in annual revenue increased from 19 in CY21 to 31 in CY24**,** demonstrating its ability to deepen engagements.
- HEXT has scaled across all customer brackets from >USD1m to >USD75m. HEXT has scaled 18/13/7 of USD1m+ accounts to USD5m+/USD10m+/USD20m+ ARR. The company added 30/11/10 in USD1m+/USD5m+/USD10m+ accounts.
- **A key metric reflecting HEXT's penetration within its top accounts is its cross-sell index of 4.5 out of 5**, indicating strong multi-service adoption among the top 10 clients. While this signals strong customer relationships, it also suggests that incremental growth within these accounts may become more challenging, requiring new avenues for expansion beyond traditional IT services.
- Despite these achievements, HEXT faces potential headwinds. Large enterprises, especially in discretionary IT spending areas, have adopted a cautious approach amid macroeconomic uncertainties**.**
- Additionally, its aggressive scaling in higher-revenue brackets means that any slowdown in client expansion - particularly in the USD5m+ and USD10m+ ARR segments - could affect overall growth rates.

Exhibit 21: Growing average revenue contribution (USD mn) from large-scale clients



Source: Company, MOFSL

Exhibit 22: Healthy increase in each client bucket driven by its "Land" strategy



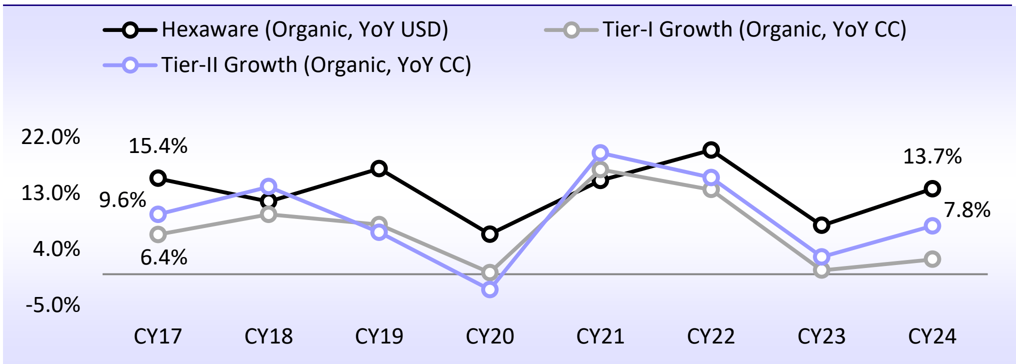
Source: Company, MOFSL

B) HEXT's consistent growth warrants a premium valuation

HEXT's growth has been predominantly organic, driven by its strategic focus on expanding key accounts, diversifying service offerings, and effective cross-selling.high-value customer segments.

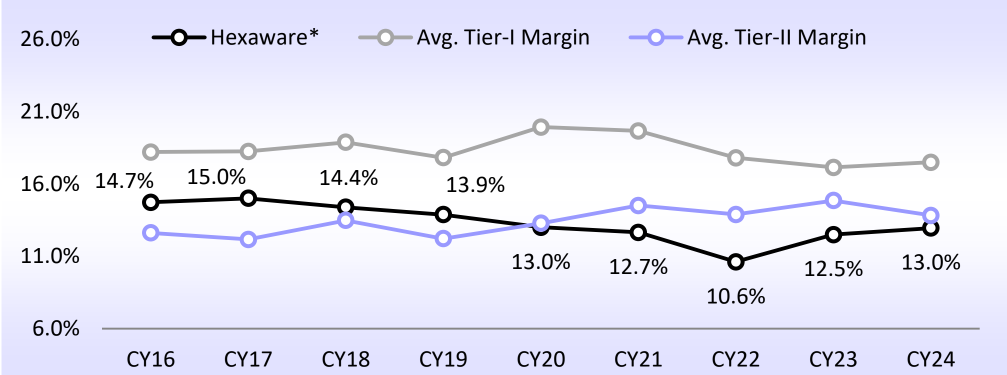
- The company has consistently delivered strong revenue growth, achieving a USD revenue CAGR of 12.8% from CY15 to CY24, outpacing Tier-I (7.4% over FY15-25) and Tier-II (9.5% over FY15-25) peers. This growth has been predominantly organic, driven by its strategic focus on expanding key accounts**,** diversifying service offerings, and effective cross-selling**.**

Exhibit 23: Revenue growth comparison with Tier-I and Tier-II companies



Source: Company, MOFSL; Note: *Hexaware follows CY.

Exhibit 24: Margin comparison with Tier-I and Tier-II margins



Source: Company, MOFSL.

Strategic initiatives such as optimizing offshore delivery, improving utilization rates, and balancing the mix between full-time employees and contractors could enhance profitability.

- Despite its ability to sustain double-digit revenue growth**,** HEXT's margin profile presents opportunities for improvement. Its CY24 EBIT margin stood at 13.0%, which was below Tier-I peers (17.5% for FY25) and Tier-II players (13.8% for FY25). Strategic initiatives such as optimizing offshore delivery, improving utilization rates, and balancing the mix between full-time employees and contractors could enhance efficiency and profitability.
- HEXT's consistent growth and strong client relationships highlight its effective execution. However, to stay competitive with Tier-I and mid-tier peers, the company needs to focus on improving margins to close the gap with larger players.
- Given HEXT's scale, consistent revenue growth (12.8% CAGR vs. 7.4%/9.5% for Tier-I/Tier-II), and potential for margin improvement, we believe the company deserves a premium valuation**.**

C) Mid-tier benchmarking puts HEXT in the top-quartile performance

HEXT has firmly established itself in the top quartile of mid-tier IT service providers, backed by robust revenue growth, a diversified client and geographic base, and solid cash conversion. That said, it faces challenges in improving profitability, slowdown in some of its top accounts, and higher onshore exposure. While its approach has been more conservative compared to aggressive peers like Coforge/Persistent, its financial discipline positions it well for sustainable long-term growth.

- HEXT stands out in the mid-tier IT services space, ranking among the top performers. With revenue of USD1.4b, HEXT would become the second largest mid-tier company in our coverage after MPHL. HEXT's business is broadly aligned with service providers of different sizes, but it closely competes with mid-sized IT service providers such as Coforge, LTIMindtree, Mphasis, and Persistent, which have revenues in the range of USD1-5b and similar scales of offerings.

Exhibit 25: Brief overview of HEXT's peers

	Coforge	LTIMindtree	Mphasis	Persistent Systems
Overview	Coforge, formerly known as NIIT Technologies, is a global digital services provider that takes a product engineering approach that integrates cloud, data, integration, and automation technologies.	LTIMindtree, created through the merger of L&T Infotech and Mindtree, is known for its expertise in digital transformation, cloud, and data analytics.	Mphasis is a global technology services provider offering integrated solutions in applications, infrastructure services, and business process outsourcing.	Persistent Systems is a global technology services company, specializing in digital engineering, enterprise modernization.
Offerings	AI, Digital, Data and Analytics, Digital Process Automation, Salesforce Ecosystem, Cloud and Infrastructure, Management Services, Cybersecurity Services, Business Process Solutions, Quality Engineering Services, SAP Services, and Metaverse	Cloud and Infrastructure, Consulting, Customer Success, Low Code, Cybersecurity, Data and Analytics, Digital Engineering, Enterprise Applications, Platform Operations, RPA, and Quality Engineering	Application Services, Blockchain, Business Process Services, Cognitive, Cybersecurity, DevOps, DevOps Automation Services, AI, Digital, Enterprise Automation, Experience Design, Governance, Risk & Compliance, Infrastructure Services, Modernization, Next-Gen Data, Agile IT Operations, Product Engineering, Platforms & Protocols – XAAP, Microsoft COE, Salesforce Consulting and Services COE, Cloud, AWS Services, Azure Services, GCP Services, VMware Tanzu Services	Application Development & Management, Cloud & Infrastructure, Consulting, CX Transformation, Data & Analytics, Enterprise Integration, Enterprise IT Security, Intelligent Automation, Persistent.AI, Open-Source Hub, Software Product Engineering
Presence	21 countries with 26 delivery centers across 9 countries	38 countries and 117 offices globally	88 offices across 27 countries	20 countries

Source: Company, MOFSL

HEXT's business is broadly aligned with service providers of different sizes, but it closely competes with mid-sized IT service providers such as Coforge, LTIMindtree, Mphasis, and Persistent.

- One of HEXT's notable features is its impressive growth trajectory. The company has delivered a 13.7% CAGR during 2021-23, reflecting its ability to scale up core-verticals effectively - that too without doing fewer acquisitions than its peers.

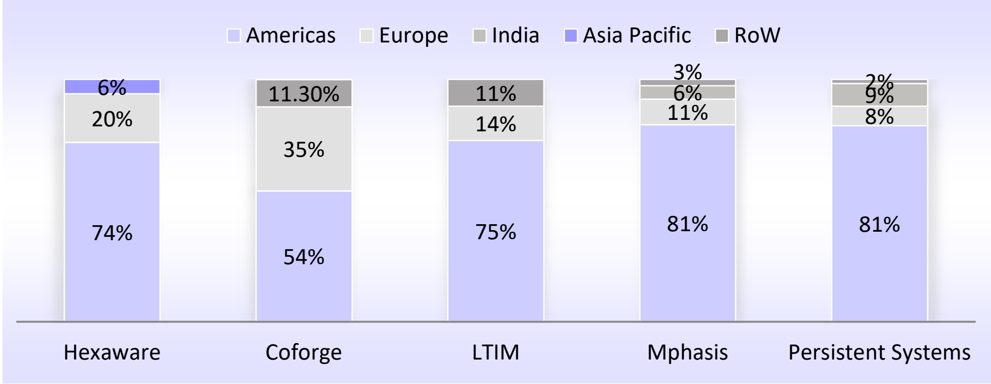
Exhibit 26: Financial snap shot of HEXT's peers

Latest FY	LTIM	Mphasis	HEXT	Persistent Systems	Coforge
Revenue (USD m)	4,493	1,680	1,429	1,409	1,445
L5Y USD revenue CAGR	11%	6%	16%	23%	20%
EBIT Margin	14.5%	15.2%	13.0%	14.7%	13.1%
PAT Margin	12.1%	11.9%	9.8%	11.7%	8.5%
DSO	55	75	39	58	66

Source: Company, MOFSL; Note: HEXT data is for CY24 and the data for peers is for FY25.

- HEXT has a fairly diversified geographical presence, with a higher exposure to Europe compared to most peers, just behind Coforge, reducing its dependency on the Americas and mitigating regional economic risks. Despite its strengths, HEXT faces certain challenges.
- While its growth rate is competitive, it lags behind Persistent Systems, which has achieved a higher five-year CAGR (23% vs. 16%). Additionally, its EBIT margin (13.0%) and PAT margin (9.8%) are lower than those of Mphasis and Persistent Systems, suggesting room for operational efficiency improvements.

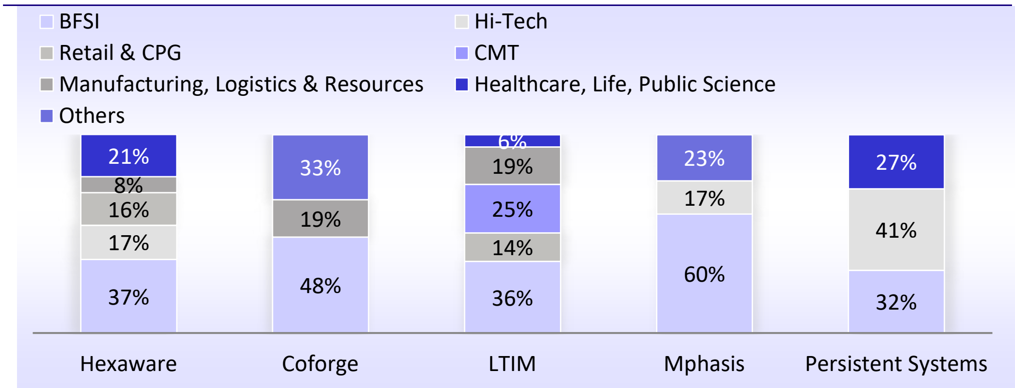
Exhibit 27: Fairly diversified geography exposure compared to most peers



Source: Company, MOFSL

- HEXT also has a good mix of revenue across verticals with four verticals, namely, Financial Services, Healthcare and Insurance, Manufacturing and Consumer, and Hi-tech and Professional Services, generating over USD200m in revenue. Among midcaps, HEXT is highly diversified across verticals, thus de-risking it from a slowdown in any industry.

Exhibit 28: Most diversified mix of revenue among its peers



Source: Company, MOFSL

- HEXT's customer concentration as of Mar'25, with 25.7% of revenue from the top 5 customers and 36.2% from the top 10 customers, is lower than that of two of the four key peers, highlighting a more diversified revenue base.
- HEXT also generated more than USD10m in revenue from 30 customers and more than USD5m in revenue from 66 customers in the 12-month period ended Mar'25. ~62% of HEXT's revenue from operations was derived from customers with over USD5,000m in revenue, and nearly 83% was generated from customers with over USD1,000m in revenue.

Exhibit 29: HEXT well-positioned clientele base

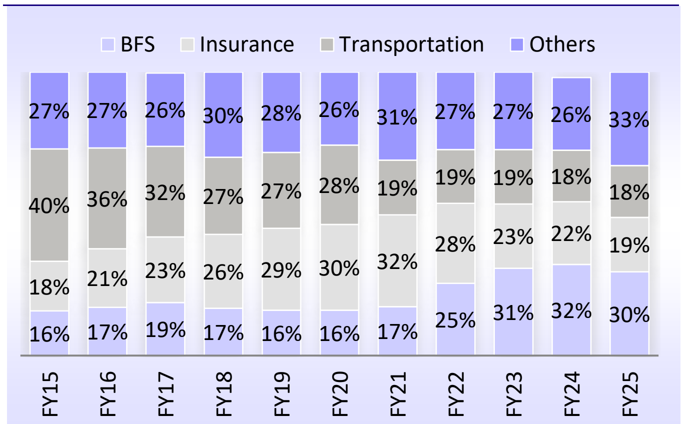
Customer concentration	HEXT	Coforge	LTIM	Mphasis	Persistent Systems
Top 5 (%)	26	19	28	43	31
Top 10 (%)	36	29	34	53	42
Top 20 (%)	49		45		52
>USD1m	186	239	410	140	191
>USD5m	59	66	154	47	34
>USD10m	31	31	89	29	11
>USD20m	15	0	40	11	6
>USD50m	3	0	14	5	0
>USD75m	3	0	2	5	4

Source: Company, MOFSL

Coforge and Persistent have gone through similar challenges and deployed similar strategies to get out of them – focusing on large IT spending verticals, having large services boutique and better partnership ecosystem.

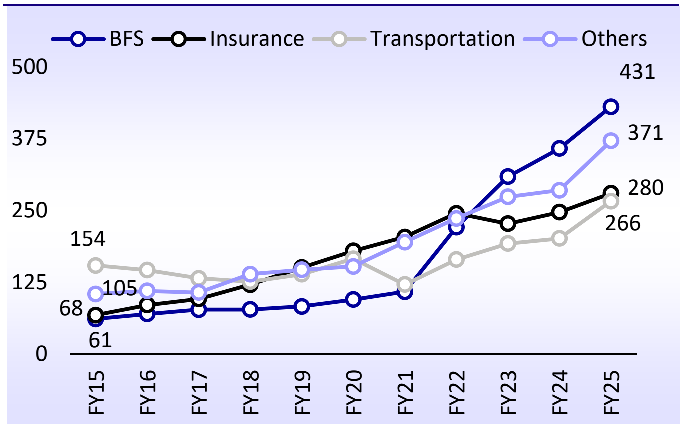
- We benchmark HEXT against peers of similar scale, cost structure, and vertical exposure. Specifically, we compare HEXT (~USD1.4b in CY24 revenue) with Coforge (~USD1.4b) and PSYS (~USD1.4b) across key metrics such as vertical and geographical mix, revenue growth, scale, margins, and client base.
- Coforge and Persistent have gone through similar challenges and deployed similar strategies to get out of them – focusing on large IT spending verticals, having large services boutique and better partnership ecosystem. Coforge has reduced its allocation to Transportation vertical from 37% in FY14 to 18% in FY25 and focused on BFSI vertical, which offers more stable growth opportunities.
- Another area where HEXT trails peers is large-scale acquisitions. Unlike Coforge, which has aggressively expanded through acquisitions in BFSI and other verticals, HEXT has taken a more organic approach. This cautious expansion strategy has allowed for better cash conversion and financial discipline, but it may also limit rapid-scale expansion compared to its more acquisitive peers.
- From a vertical exposure perspective, HEXT has faced challenges similar to Coforge in its earlier years, particularly in its BFSI segment, where exposure has been skewed toward non-banks and insurance players rather than large financial institutions.

Exhibit 30: Coforge has increased its exposure to BFSI while reducing dependency on Transport vertical



Source: Company, MOFSL

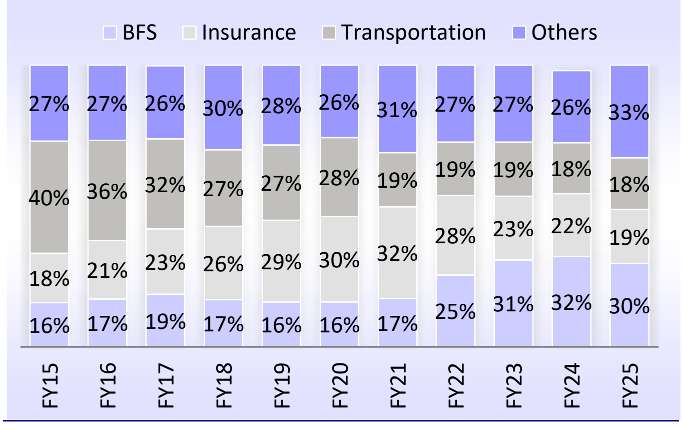
Exhibit 31: BFSI vertical saw a CAGR of 22%/35% for 10/5-year periods



Source: Company, MOFSL

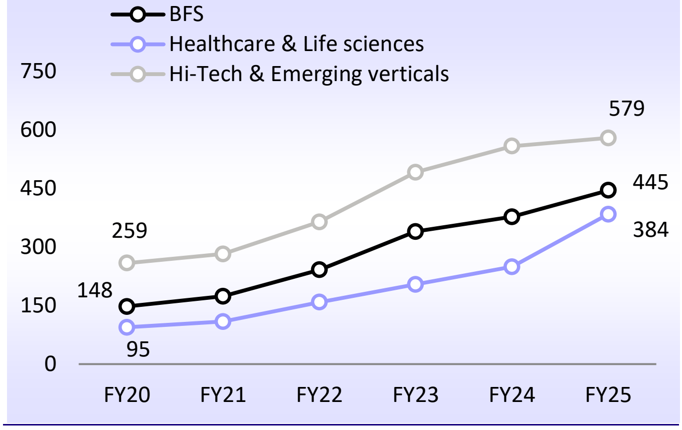
- Coforge grew its target vertical, BFS, to USD350+m ARR with few large acquisitions. Insurance/Transportation also reached close to USD250+/USD200+ ARR. The difference is that Coforge has been more acquisitive in nature to accelerate its vertical diversification aspirations.

Exhibit 32: PSYS' increased exposure to core verticals like BFSI/Healthcare



Source: Company, MOFSL

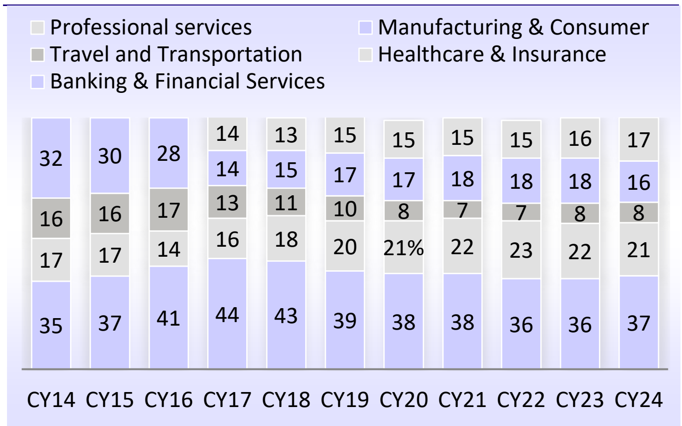
Exhibit 33: BFSI vertical posted a 5-year CAGR of 25%



Source: Company, MOFSL

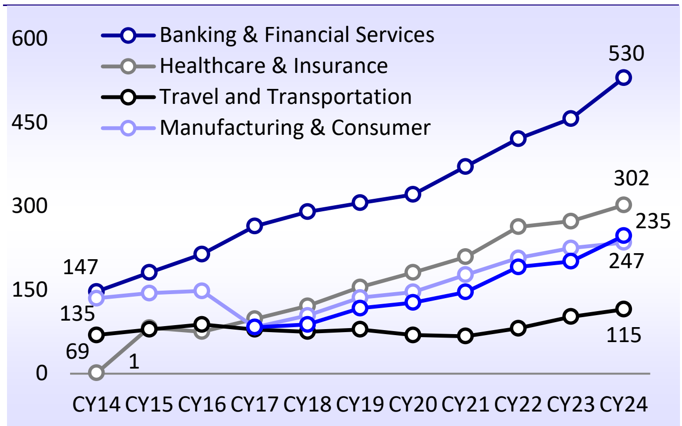
- Similarly, PSYS has pursued a strategy more focused on its core verticals—BFSI and Healthcare. This approach has paid off with a strong CAGR of 25% and 23%, respectively, over the past five years.
- While both companies have made significant strides in strengthening their verticals, the trade-off between acquisition-driven expansion and organic growth remains a key differentiator in HEXT and its peers.

Exhibit 34: HEXT like its peers has increased its exposure to core verticals



Source: Company, MOFSL

Exhibit 35: BFSI vertical saw a 5-year CAGR of 12% due to some headwinds in Fannie Mae

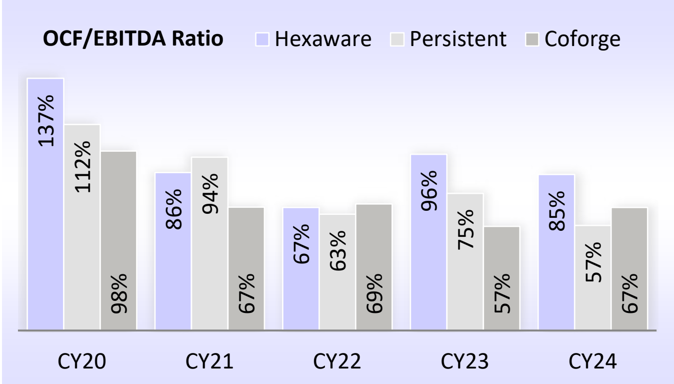


Source: Company, MOFSL

- HEXT, like its peers, faced issues before its transformation - exposure to non-core verticals such as travel, BFSI exposure skewed toward non-banks and insurance, and stagnant client bucket movement. Importantly, four of HEXT's operating segments - Financial Services, Healthcare and Insurance, Manufacturing and Consumer, and Hi-Tech and Professional Services - each contributed USD200m+ in revenue.

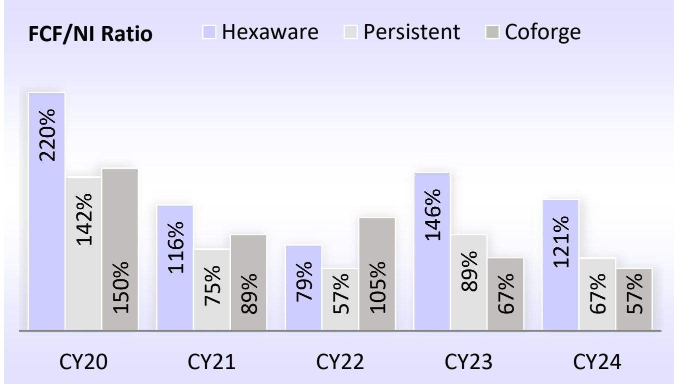
- HEXT has delivered robust cash conversion, with an average OCF/EBITDA ratio of 94% over CY20-24, outperforming its peers. The company also maintains a robust FCF to PAT conversion, averaging ~130% over CY20-24, supported by disciplined capital allocation and controlled acquisition-related cash outflows.

Exhibit 36: Better OCF/EBITDA conversion than peers averaging at 94% over last five years



Source: Company, MOFSL

Exhibit 37: Healthy PAT to FCF conversion due to subdued cash outflows toward acquisitions



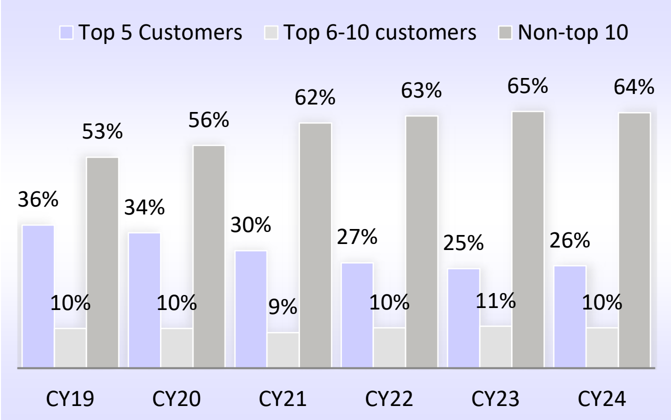
Source: Company, MOFSL

D) Exposure to Freddie Mae adds uncertainty amid federal budget tightening

Given HEXT's exposure to Fannie Mae as one of top accounts, we see short-term uncertainty and a possible risk to revenue estimates if spending slows or contracts are re-evaluated.

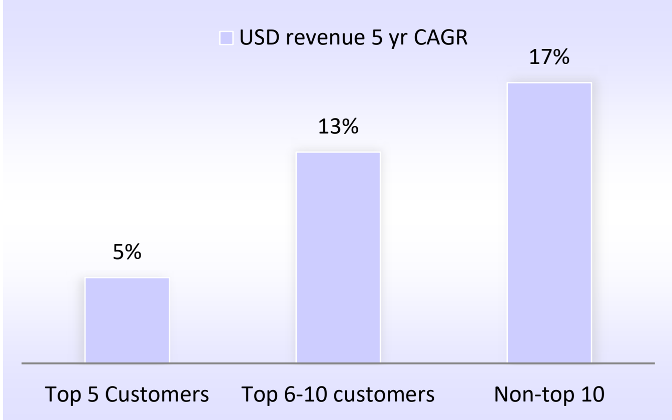
- The recent board shake-up at Freddie Mac and Fannie Mae has introduced uncertainty around IT spending priorities, particularly in light of tightening US federal budgets. Given HEXT's exposure to Fannie Mae as one of top accounts, we see short-term uncertainty and a possible risk to revenue estimates if spending slows or contracts are re-evaluated.
- Over the last five years, HEXT's top five accounts have grown at a modest 5% CAGR, largely due to slower expansion within Fannie Mae. This reinforces the potential downside risk if management changes lead to delays in deal renewals or budget reprioritization in the US mortgage sector.
- Despite headwinds in top accounts, HEXT has successfully offset slower growth by accelerating mid-tier and smaller client contributions, which have grown at a CAGR of 13% and 17%, respectively. This broad-based growth strategy reduces dependence on any single client and provides some insulation from federal budget-driven volatility.
- These dynamics also corroborate Accenture's recent 2QFY25 commentary, where the company flagged a slowdown in new federal procurement actions amid growing scrutiny of consulting contracts. As part of a broader government push for efficiency, agencies - under GSA guidance - are reassessing relationships with top vendors. The impact has been visible, with new bookings under pressure and revenue growth taking a hit.

Exhibit 38: Exposure to non-top 5 accounts is steadily increasing



Source: Company, MOFSL

Exhibit 39: Top 5 accounts could grow slower than the company's growth



Source: Company, MOFSL

To maintain momentum, HEXT needs to double down on client mining, invest in core verticals, and deepen engagements across a broader customer base.

- To maintain momentum, HEXT needs to double down on client mining, invest in core verticals, and deepen engagements across a broader customer base. Expanding relationships in Financial Services, Healthcare & Insurance, Manufacturing and Professional Services projects will be critical in balancing any potential softness from Fannie Mae.
- While the Fannie Mae exposure presents an uncertainty, HEXT's diversified client base, strong execution, and mid-tier account expansion provide a buffer. We remain watchful of further developments here.

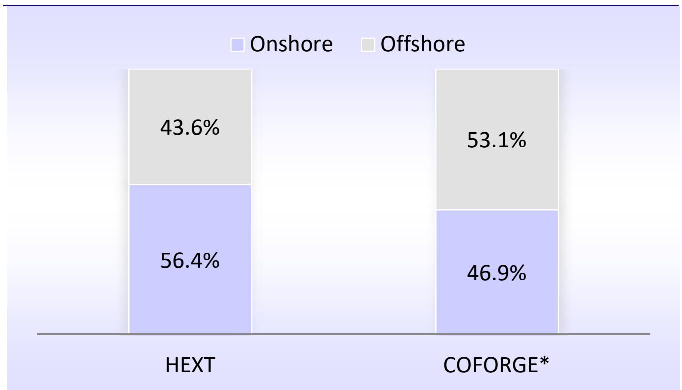
E) Strategic levers and operational improvement to drive margin expansion

- **Onshore-offshore mix:** A greater shift toward offshore delivery is one of the key levers for HEXT, given that it has more room than some peers to increase offshore revenue. This strategy is expected to improve margins while ensuring cost-effective service delivery.
- HEXT's long-standing relationship with Fannie Mae - one of its top three clients - has been a double-edged sword. On one hand, this 15-year partnership has provided stable revenue and deep engagement. On the other hand, it has also resulted in heavy onsite exposure, which has dented margins compared to more offshore-centric competitors.

A greater shift toward offshore delivery is one of the key levers for HEXT, given that it has more room than some peers to increase offshore revenue.

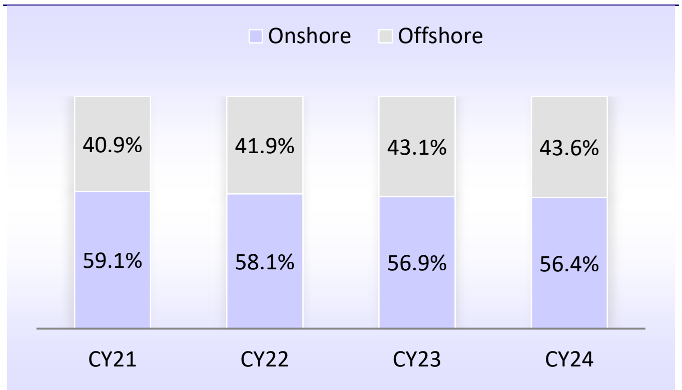
- Looking ahead, there are potential risks tied to Fannie Mae's future. If the organization undergoes restructuring or privatization - especially under the Trump administration known for cost-cutting in government-backed entities - it could scale back IT outsourcing, directly impacting HEXT's business.
- However, if these changes lead to reduced onshore IT spending, HEXT may have an opportunity to rebalance its delivery model by shifting more work offshore, which could improve margins over time.
- While the long-term impact remains uncertain, HEXT's ability to proactively manage this shift - by diversifying its client base and optimizing offshore delivery - will be key to mitigating risks and driving sustainable growth.

Exhibit 40: HEXT can optimize offshore delivery mix to enhance margins



Source: Company, MOFSL; Note* as of 4QFY25, HEXT is as of CY24.

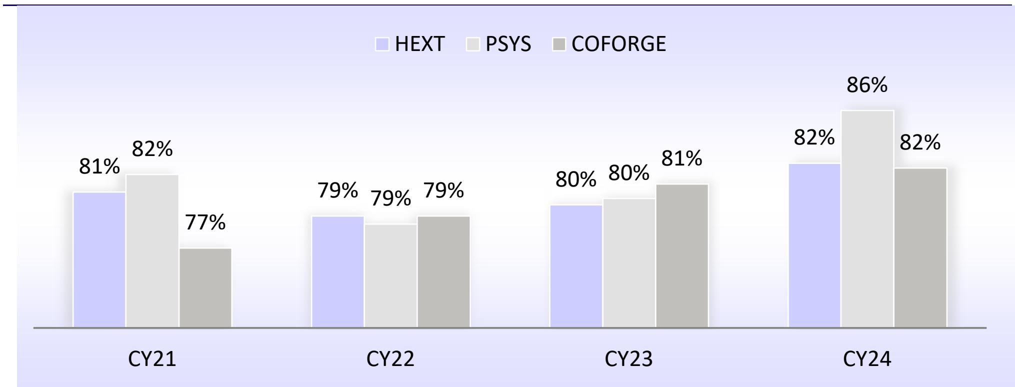
Exhibit 41: HEXT's onshore-offshore delivery mix over CY21-24



Source: Company, MOFSL

- **Utilization:** HEXT has been improving its utilization, with IT business professionals operating at 79.7% in CY23 and 82.3% in CY24. Further optimization in bench management and fulfillment velocity could provide additional margin improvements, though it depends on the demand environment.

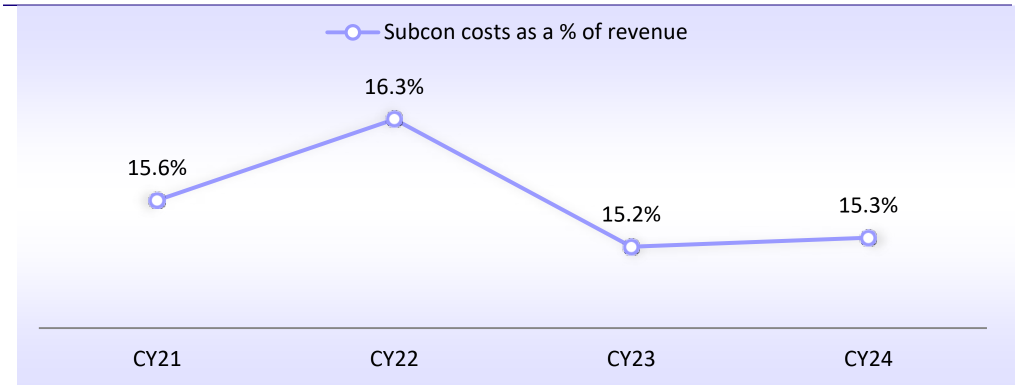
Exhibit 42: HEXT's utilization rate hovers around the normal level of 80-82%



Source: Company, MOFSL

- **Employee-contractor mix:** A strategic balance between full-time employees and contractors is helping drive cost efficiency. Replacing expensive onsite contractors with offshore consultants is a key initiative that could contribute to margin expansion.

Exhibit 43: Sub-con costs hovering in the 15-16% range; nonetheless, return of growth could lead to higher sub-con costs



Source: Company, MOFSL

F) Experienced business unit leadership driving execution excellence

- HEXT's experienced and long-tenured leadership team provides stability, deep industry expertise, and strong execution capabilities, with **over 70% of senior management having more than five years of tenure.**
- The company's business unit heads bring extensive experience across key verticals, including **Banking, Financial Services, Healthcare, Manufacturing, Travel, and AI-driven Consulting**, enabling Hexaware to drive specialized solutions and sustainable growth.

Exhibit 44: HEXT's business unit heads

Name	Role	Description
Mr. Amrinder Singh	President Head-EMEA & APAC Operations	❖ Mr. Singh has been President and Head of EMEA & APAC Operations since October 2013 and leads business development, service delivery, and strategic partnerships across these regions. He holds an electrical engineering degree from Punjab University and a PG diploma in management from IIM Calcutta. Before joining the company, he was associated with HCL Great Britain.
Mr. Chinmoy Banerjee	President & Global Head - Banking, Sales Transformation & North America Sales	❖ Mr. Banerjee has been with the company since August 2013. He leads the banking vertical, North America sales, and sales transformation, while overseeing strategy and governance for business process outsourcing. He holds a science degree from the University of Calcutta and an MBA from TRIUM Global (NYU Stern, LSE, and HEC Paris). Previously, he worked with Infosys BPO and IBM.
Mr. Eswar Venkatachalam	Executive Vice President & Global Head – Travel & Transportation	❖ Mr. Venkatachalam has been with the company since October 1998. He oversees the travel, hospitality, transportation, and logistics verticals. Holding a science degree in chemistry from Madurai Kamaraj University and a PG diploma in computer applications from Colt Computer Centre, he previously worked with Colt Computer Centre and DSQ Software.
Mr. Ravi Vaidyanathan	President & Global Head – Financial Services	❖ Mr. Vaidyanathan has been associated with the company since January 1999. He leads the financial services and capital markets vertical. Holding a mechanical engineering degree from the University of Allahabad, he previously worked with Softek Limited and DSQ Software.
Mr. Kamal Maggon	President & Global Head – Manufacturing & Consumer	❖ Mr. Maggon has been with the company since December 2019. He leads the manufacturing and consumer vertical. Holding a mechanical engineering degree from the University of Delhi and a PG diploma in computer-aided management from IIM Calcutta, he previously worked with Symphony Teleca Service Inc., HCL, and Harman Connected Services Inc.
Mr. Arun 'Rak' Ramchandran	President & Global Head – Consulting & GenAI Practice, High Tech & Professional Services	❖ Mr. Ramchandran leads the HTPS vertical, driving innovation and strategic growth. He holds a B.Tech in Electrical Engineering from IIT Bombay and a PGDM from IIM Calcutta. Previously, he worked with Capgemini US and Infosys.
Mr. Milan Bhatt	President & Global Head – Modernization & Healthcare & Insurance	❖ Mr. Bhatt leads the healthcare, life sciences, and insurance verticals. He holds a B.Tech in Electronics & Communication Engineering from Mahatma Jyotiba Phule Rohilkhand University and a PG diploma in business management from IMT Ghaziabad.
Mr. Girish Pai	Executive Vice President & Global Head – Data & AI	❖ During his 28-year career, Mr. Pai has demonstrated remarkable growth leadership in IT, digital strategy, and data and analytics. He is responsible for HEXT's service offerings that enable enterprises to transform their business with data and AI. He holds a bachelor's in engineering from University of Mysore and earned his MBA at Chicago Booth.

Source: Company, MOFSL

Valuation and view: Initiate coverage with a Buy rating

- Backed by a strong foundation of strategic partnerships, differentiated capabilities, and a well-diversified revenue mix, HEXT is well-positioned within the mid-tier IT services space. What sets it apart is its sharp GTM strategy aimed at scalable growth, robust cash conversion, and deep client mining capabilities.
- However, the near-term outlook remains fluid, with discretionary tech spending still unfolding - particularly across key verticals like US Banking, Healthcare, and Hi-Tech. HEXT's strong execution, ongoing vendor consolidation wins, and mid-tier account traction provide resilience.
- We estimate a CAGR of ~12.2% in USD revenue for HEXT over CY24-26E, outperforming the Tier-1 average of 4.1% and in-line with tier-2 average of 12.6%. Additionally, its EBIT margin is set to improve steadily from 14.6% in CY25E to 15.3% in CY27E, supported by operating leverage and offshore expansion.
- With an EPS CAGR of 20.8% over CY24-CY26E, higher than the Tier-I/Tier-II average of 10.0%/13.5%, HEXT is in the top quadrant of performance within the industry. Given its strong execution, diversified vertical exposure and improving margin profile, we initiate coverage with a BUY rating. We value HEXT at 32x Mar'27E EPS (15% discount to Coforge's P/E multiple) with a TP of INR950 (19% upside).

Exhibit 45: Comparative Valuations

Companies Name	CMP	Target Price	Rating	CC YoY Growth (%)			CAGR (%) FY25-27E	EBIT Margin (%)			EPS			EPS CAGR (%) FY25-27E	P/E		
				FY25E	FY26E	FY27E		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E		FY25E	FY26E	FY27E
TCS	3,515	3,850	Buy	4.2	-0.2	6.5	3.1	24.3	25.3	25.5	134.2	142.5	153.1	6.8	26	25	23
Infosys	1,565	1,600	Neutral	4.2	2.7	6.4	4.5	21.1	21.4	21.5	63.9	66.9	71.9	6.1	24	23	22
Wipro	247	215	Sell	-2.3	-1.9	3.1	0.4	17.0	17.2	17.4	12.5	12.1	12.6	0.2	20	21	20
HCLT	1,648	1,800	Buy	4.7	4.6	6.9	5.9	18.3	18.5	18.6	63.9	68.8	75.0	8.4	26	24	22
TechM	1,580	1,950	Buy	0.3	1.6	6.4	3.9	9.7	12.2	14.5	47.9	60.9	77.0	26.7	33	26	21
LTIM	5,046	5,150	Buy	5.0	5.1	8.5	6.8	14.5	15.0	15.6	155.3	172.4	193.6	11.6	32	29	26
LTTS	4,483	4,400	Neutral	8.9	14.3	10.6	11.6	14.9	14.6	15.5	119.0	140.6	162.3	16.8	38	32	28
Mphasis	2,541	2,700	Neutral	4.4	9.0	10.5	9.7	15.3	14.9	15.1	89.3	98.0	108.5	10.3	28	26	23
HEXT*	**795**	**950**	**Buy**	**13.3**	**10.8**	**14.0**	**12.2**	**13.0**	**14.6**	**15.0**	**19.3**	**23.9**	**28.1**	**20.8**	**41**	**33**	**28**
Coforge	8,322	11,000	Buy	32.0	28.2	20.3	24.2	13.1	13.5	14.1	126.2	231.6	290.5	51.7	66	36	29
Persistent	5,662	6,450	Buy	19.0	18.8	18.9	19.3	14.7	15.4	16.0	90.2	114.0	141.2	25.1	63	50	40
Zensar	843	740	Neutral	5.1	6.0	8.9	7.5	13.5	13.9	14.1	28.4	31.9	35.2	11.4	30	26	24
Cyient^	1,333	1,120	Sell	-3.7	1.1	5.8	3.4	13.5	13.5	13.7	55.0	59.1	59.7	4.2	24	23	22

Note: * Hexaware figures are for CY24/CY25/CY26; ^DET Business' USD revenue growth.

Exhibit 46: HEXT commands a strong position in the mid-tier pack

Particulars	CC YoY Growth (%)			Revenue CAGR CY24-CY26E (%)	EBIT Margin (%)			EPS CAGR CY24-CY26E (%)
	CY24	CY25E	CY26E		CY24	CY25E	CY26E	
HEXT	**13.3%**	**10.8%**	**14.0%**	**12.2%**	**13.0%**	**14.6%**	**15.0%**	**20.8%**
Avg. Tier-1	2.7%	2.0%	6.3%	4.1%	17.5%	18.3%	18.8%	10.0%
Avg. Tier-2	11.0%	12.9%	12.5%	12.6%	14.2%	14.3%	14.7%	13.5%

Source: MOFSL; Note: Tier -1 includes TCS, INFO, HCLT, WPRO, TECHM and LTIM; Tier-2 includes LTTS, COFORGE, MPHL, PSYS, ZENT and CYL.

Key risks

- HEXT's long-standing relationship with Fannie Mae, one of its top three customers, faces potential risks due to restructuring efforts under the Trump administration. If Fannie Mae undergoes changes or is privatized, it may reduce its IT outsourcing needs, impacting HEXT's revenue.
- HEXT has ~20.8 million employee stock options outstanding under its 2024 scheme, with an exercise price of INR382.5. If exercised in large numbers, these options could significantly increase employee benefit expenses, affecting EBITDA margins and overall profitability.
- With over 90% of its revenue coming from the US and Europe, HEXT is highly exposed to economic volatility and currency fluctuations in these key markets. Adverse economic conditions or unfavorable exchange rate movements could impact client budgets and IT spending, posing financial risks.
- Clients are increasingly opting to insource IT services for better cost control and operational alignment. This shift poses a direct challenge to HEXT's outsourcing model, requiring the company to showcase superior technological capabilities and cost efficiencies to retain and attract clients.

ESG initiatives

Environment

- HEXT acknowledges reducing its environmental footprint, maintaining good governance and fostering diversity.
- HEXT has set up a goal to achieve net zero GHG emissions (Scope 1 and 2) by 2040. It also aims to transition 70% of campus electricity usage to renewables and achieve water neutrality for owned operations by 2030.
- It ensures compliance with all applicable laws and regulations while promoting green initiatives among employees. The company avoids hazardous materials whenever possible, seeks safer alternatives, and ensures proper handling.
- It also sets energy performance indicators and targets while conducting energy and environmental due diligence for mergers and acquisitions.
- As of CY23, HEXT had 39% of total energy consumed sourced from wind and solar usage. Its continuous efforts have helped to maintain its campuses free from single-use plastics.

Social

- HEXT recognizes that it is essential to attract, nurture and retail diverse workforce.
- It plans to train 80% of employees in digital and new technologies by 2025. It also aims to raise women's workforce participation to 40% by 2030.
- The company has already achieved the goal of making employees digital and tech enabled through trainings and learning programs. It has trained 80.4% of its workforce by CY23 end, with 33% of them being women employees.
- Continuous learning initiatives like Gen Learning and SONIC certification helped the company strengthen employee engagement. The Mavericks Program underscores efforts for cross-cultural sensitivity, necessary for global engagement of employees.

Governance

- HEXT prioritizes maintaining transparency and security by following ethical standards. The company works to manage risks effectively and build trust with customers and communities.
- The company has set a goal of screening 100% of critical suppliers on ESG criteria by 2025. It also aims to achieve zero data breaches annually and 100% employee coverage in critical trainings such as information security and code of conduct.
- HEXT's board and leadership team are actively involved in decision-making and strategy development, ensuring clear communication of the company's vision, strategy, culture, and values to employees. The board comprises members of different ages, genders, ethnicities and cultural backgrounds.

Bull and Bear cases

Bull Case

- Revenue is projected to grow at a 13.4% CAGR over CY24-27E, supported by expansion in mid-tier accounts, wallet share gains in vendor consolidation deals, and focused GTM strategy.
- EBITDA margins are expected to expand by 260bp from CY24 to 17.9% by CY27E, driven by operating leverage, improving offshore mix, and cost optimization.
- EPS is forecast to grow at a 20.3% CAGR(CY24-27E), reflecting strong operating performance and margin gains.
- TP of INR1,150 implies an upside of 46% from the current level.

Bear Case

- Revenue is expected to grow at a slower 10.1% CAGR, due to persistent weakness in discretionary tech spending and delayed recovery in top accounts.
- EBITDA margins are likely to expand modestly by 120bp from CY24 to 16.5% in CY27E, with higher onshore costs and slower execution on margin levers.
- EPS is expected to clock 14% CAGR(CY24-27E), impacted by slower growth and lower margin gains.
- TP of INR800 implies a downside of 1% from the current level.

Scenario Analysis: Base | Bull | Bear

	Bear				Base			Bull		
INRm, except mentioned	**CY24**	**CY25E**	**CY26E**	**CY27E**	**CY25E**	**CY26E**	**CY27E**	**CY25E**	**CY26E**	**CY27E**
Revenue (USD m)	1,429	1,562	1,722	1,912	1,581	1,798	2,035	1,605	1,809	2,063
Growth YoY CC(%)		9.5%	10.5%	11.0%	10.8%	14.0%	13.1%	12.5%	13.0%	14.0%
USD/INR	83.78	84.73	84.00	84.00	85.79	85.60	85.60	84.73	86.00	86.00
Revenue	1,19,744	1,32,385	1,44,655	1,60,567	1,35,641	1,53,931	1,74,155	1,36,017	1,55,614	1,77,400
EBITDA	18,302	20,917	23,579	26,494	22,931	26,588	30,592	23,123	27,232	31,755
EBITDA Margin (%)	15.3%	15.8%	16.3%	16.5%	16.9%	17.3%	17.6%	17.0%	17.5%	17.9%
EBIT	15,514	18,137	20,541	23,282	19,814	23,047	26,586	19,858	23,625	27,674
EBIT Margin	13.0%	13.7%	14.2%	14.5%	14.6%	15.0%	15.3%	14.6%	15.2%	15.6%
EBT	15,603	18,060	20,695	23,456	19,738	23,201	26,761	19,782	23,779	27,849
Tax Rate(%)	24.8%	25.0%	25.5%	25.5%	25.0%	25.0%	25.0%	25.5%	26.0%	26.0%
PAT	11,740	13,545	15,418	17,475	14,802	17,401	20,070	14,738	17,596	20,608
EPS(INR)	19.29	22.09	25.14	28.50	23.94	28.14	32.46	24.03	28.70	33.61
Growth(%)		15%	14%	13%	24%	18%	15%	25%	19%	17%
P/E Multiple				28			32			35
TP				800			950			1,150
Upside /Downside				1%			19%			46%

SWOT analysis

- ☑ Balanced exposure across key verticals
- ☑ GTM strategy focuses on account mining
- ☑ Long standing relationships with customers with average tenure of over 10 years
- ☑ Leveraging three AI-enabled digital platforms for digital transformation and automation
- ☑ Alliances with tech majors like Microsoft Azure, AWS, and Adobe enhance service capabilities and competitive positioning

- ☑ Limited traction in top-five accounts (notably Fannie Mae) creates revenue headwinds
- ☑ Larger onshore mix weighs on margins
- ☑ Larger proportion of sub-contracting expenses indicates low-margin contracts
- ☑ Relatively fewer acquisitions compared to peers may constrain rapid scale-up in newer verticals or geographies

- ☑ Improve wallet share from existing clients by identifying adjacent needs
- ☑ Explore untapped geographies and build new client relationships
- ☑ Improve margins using levers such as off-shoring, optimizing pyramid, cost optimization
- ☑ Expansion into Tier 2 & non-Metro cities for lower-cost talent base and lower attrition

- ☑ Slow recovery in US discretionary spend and elongated decision-making cycle by clients may impact demand environment
- ☑ Increasing enterprise interest in insourcing could limit external vendor opportunities
- ☑ Intense competition in mid-tier IT space may lead to pricing challenges and wallet share loss

Management team

Mr. Srikrishna Ramakarthikeyan
Executive Director and CEO

Mr. Ramakarthikeyan, Whole-time Director and CEO of the company, holds a B.Tech in Electrical and Electronics Engineering from IIT Madras and a PGDM from IIM Calcutta. With over 30 years of experience, he serves as a Director in some subsidiaries and previously worked with HCL America Inc.

Mr. Vikash Kumar Jain
CFO

Mr. Jain has been CFO of the company since Sep'18. He holds a commerce degree from the University of Calcutta and is a Chartered Accountant with the ICAI. With over 20 years of experience, he oversees corporate finance, taxation, treasury, M&A, risk management, and investor relations. He previously worked with Hewlett-Packard India Sales and Wipro.

Mr. Vinod Chandran
COO

Mr. Chandran has been COO of the company since Mar'15. He holds an engineering degree in Instrumentation Technology from the University of Mysore and a PGDM from XLRI, Jamshedpur. He oversees Workforce Management, Global Recruitment, People Function, Global Systems, Enterprise Risk, ESG, CSR, and Corporate Affairs. He previously worked with HCL Technologies.

Mr. Satyajith M
Chief Technology Officer

Mr. Satyajith M. has over 24 years of experience in enterprise digital transformation, IT optimization, and automation. He leads generative AI initiatives and global teams, aligning next-gen solutions with business goals. With expertise in IT operations, AIOps, data strategy, and business transformation, he has a proven track record of managing large-scale technology programs.

Ms. Nidhi Alexander
Chief Marketing Officer

Ms. Alexander has been Chief Marketing Officer of the company since Jan'20. She holds an arts degree from the University of Delhi and a PG diploma in English journalism from the Indian Institute of Mass Communication. She oversees brand management, content creation, digital marketing, corporate initiatives, analyst and media relations, market research, and demand generation.

Ms. Nita Nambiar
Chief People Officer

Ms. Nambiar has been Chief People Officer since Oct'23. She leads the company's human resources strategy, focusing on growth and empowerment. With a background in personnel management from XLRI, Jamshedpur, and an arts degree from the University of Calcutta, she brings experience from roles at Cognizant, Standard Chartered Bank, and HCL Technologies.

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Total Income from Operations	**71,777**	**91,996**	**1,03,803**	**1,19,744**	**1,35,641**	**1,53,931**	**1,74,155**
Change (%)	14.6	28.2	12.8	15.4	13.3	13.5	13.1
Employees Cost	42,772	55,582	61,282	69,649	78,406	88,553	1,00,025
Total Expenditure	**42,772**	**55,582**	**61,282**	**69,649**	**78,406**	**88,553**	**1,00,025**
% of Sales	59.6	60.4	59.0	58.2	57.8	57.5	57.4
Gross Profit	**29,005**	**36,414**	**42,521**	**50,095**	**57,235**	**65,378**	**74,131**
SG&A	17,676	24,197	26,710	31,793	34,304	38,791	43,539
EBITDA	**11,329**	**12,217**	**15,811**	**18,302**	**22,931**	**26,588**	**30,592**
% of Sales	15.8	13.3	15.2	15.3	16.9	17.3	17.6
Depreciation	2,241	2,444	2,836	2,788	3,117	3,540	4,006
EBIT	**9,088**	**9,773**	**12,975**	**15,514**	**19,814**	**23,047**	**26,586**
% of Sales	12.7	10.6	12.5	13.0	14.6	15.0	15.3
Other Income	324	1,457	-290	89	-76	154	174
PBT	**9,412**	**11,230**	**12,685**	**15,603**	**19,738**	**23,201**	**26,761**
Total Tax	1,924	2,388	2,709	3,863	4,936	5,800	6,690
Tax Rate (%)	20.4	21.3	21.4	24.8	25.0	25.0	25.0
Reported PAT	**7,488**	**8,842**	**9,976**	**11,740**	**14,802**	**17,401**	**20,070**
Change (%)	26.0	18.1	12.8	17.7	26.1	17.6	15.3
Margin (%)	10.4	9.6	9.6	9.8	10.9	11.3	11.5
Minority Interest	0	0	0	0	0	0	0
Adjusted PAT	**7,488**	**8,842**	**9,976**	**11,740**	**14,802**	**17,401**	**20,070**
Tax Rate (%)	26.0	18.1	12.8	17.7	26.1	17.6	15.3

Consolidated - Balance Sheet

(INR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Equity Share Capital	603	604	607	608	608	608	608
Total Reserves	37,276	40,626	45,745	52,961	60,362	69,062	79,098
Net Worth	**37,879**	**41,230**	**46,352**	**53,569**	**60,970**	**69,670**	**79,706**
Minority Interest	0	0	0	-23	-23	-23	-23
Borrowings	0	0	0	0	0	0	0
Other Long term liabilities	4,328	4,363	4,111	7,678	7,973	8,313	8,688
Capital Employed	**42,207**	**45,593**	**50,463**	**61,224**	**68,920**	**77,960**	**88,371**
Net Fixed Assets	**9,964**	**9,863**	**9,018**	**10,358**	**9,838**	**9,246**	**8,575**
Goodwill	12,252	14,205	14,290	23,871	23,871	23,871	23,871
Capital WIP	121	63	552	1,308	1,308	1,308	1,308
Other Assets	5,075	6,490	6,144	8,897	9,631	9,906	11,416
Curr. Assets, Loans&Adv.	**29,323**	**34,519**	**42,017**	**45,511**	**53,018**	**63,949**	**75,339**
Account Receivables	13,669	18,818	18,458	19,755	22,297	25,304	28,628
Cash and Bank Balance	11,787	12,916	17,734	19,766	24,166	31,313	38,520
Current Investments	2,010	291	2,724	711	791	791	791
Other Current Assets	1,857	2,494	3,101	5,279	5,763	6,541	7,400
Curr. Liability & Prov.	**14,528**	**19,547**	**21,558**	**28,721**	**28,746**	**30,320**	**32,139**
Account Payables	3,877	5,357	6,595	9,140	8,857	10,003	11,299
Other Current Liabilities	9,227	12,369	12,676	17,165	17,473	17,901	18,424
Provisions	1,424	1,821	2,287	2,416	2,416	2,416	2,416
Net Current Assets	**14,795**	**14,972**	**20,459**	**16,790**	**24,272**	**33,629**	**43,200**
Appl. of Funds	**42,207**	**45,593**	**50,463**	**61,224**	**68,920**	**77,960**	**88,371**

Financials and valuations

Ratios

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
Basic EPS (INR)	12.3	14.5	16.4	19.3	23.9	28.1	32.5
Cash EPS	16.0	18.5	21.1	23.9	29.0	33.9	38.9
BV/Share	62.8	68.3	76.4	88.1	100.3	114.6	131.1
DPS	4.0	11.0	8.8	8.7	12.0	14.1	16.2
Payout (%)	32.5	75.7	53.3	45.3	50.0	50.0	50.0
Valuation (x)							
P/E	64.5	54.7	48.5	41.2	33.2	28.3	24.5
Cash P/E	49.7	42.9	37.7	33.3	27.4	23.5	20.4
P/BV	12.7	11.6	10.4	9.0	7.9	6.9	6.1
EV/Sales	6.5	5.1	4.4	3.9	3.4	2.9	2.6
EV/EBITDA	41.1	38.2	28.8	25.2	20.0	17.0	14.5
Dividend Yield (%)	0.5	1.4	1.1	1.1	1.5	1.8	2.0
Return Ratios (%)							
RoE	39.5	22.4	22.8	23.5	25.9	26.6	26.9
RoCE	26.1	13.0	15.3	14.8	16.3	17.2	17.8

Consolidated - Cash Flow Statement (INR m)

Y/E March	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E
OP/(Loss) before Tax	9,412	11,230	12,685	15,603	19,738	23,201	26,761
Depreciation	2,241	2,444	2,836	2,788	3,117	3,540	4,006
Interest & Finance Charges	315	322	315	284	76	-154	-174
Direct Taxes Paid	-2,019	-2,435	-2,579	-3,122	-4,936	-5,800	-6,690
(Inc)/Dec in WC	-1,580	-3,824	1,223	-628	-3,507	-2,203	-3,613
Others	1,429	469	676	555	0	0	0
CF from Operations	**9,798**	**8,206**	**15,156**	**15,480**	**14,488**	**18,584**	**20,289**
(Inc)/Dec in FA	-1,084	-1,190	-634	-1,312	-2,597	-2,948	-3,335
Free Cash Flow	**8,714**	**7,016**	**14,522**	**14,168**	**11,891**	**15,637**	**16,954**
(Pur)/Sale of Investments	3,408	9,054	3,778	19,696	0	0	0
Others	-4,570	-8,015	-6,140	-25,074	-177	38	46
CF from Investments	**-2,246**	**-151**	**-2,996**	**-6,690**	**-2,775**	**-2,910**	**-3,289**
Issue of Shares	3	1	3	1	0	0	0
Inc/(Dec) in Debt	-2,858	-59	-1,870	-1,370	87	173	242
Interest Paid	-65	-56	-136	-136	0	0	0
Dividend Paid	-2,409	-6,637	-5,308	-5,314	-7,401	-8,700	-10,035
Others	-691	-460	-190	0	0	0	0
CF from Fin. Activity	**-6,020**	**-7,211**	**-7,501**	**-6,819**	**-7,314**	**-8,527**	**-9,793**
Inc/Dec of Cash	**1,532**	**844**	**4,659**	**1,971**	**4,400**	**7,147**	**7,207**
Forex Adjustment	141	285	159	61	0	0	0
Opening Balance	10,114	11,787	12,916	17,734	19,766	24,166	31,313
Closing Balance	**11,787**	**12,916**	**17,734**	**19,766**	**24,166**	**31,313**	**38,520**

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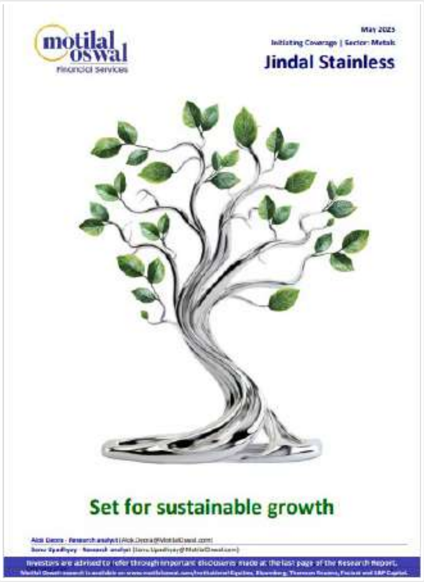

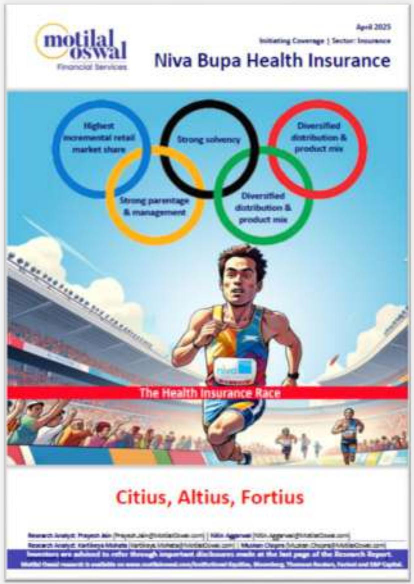

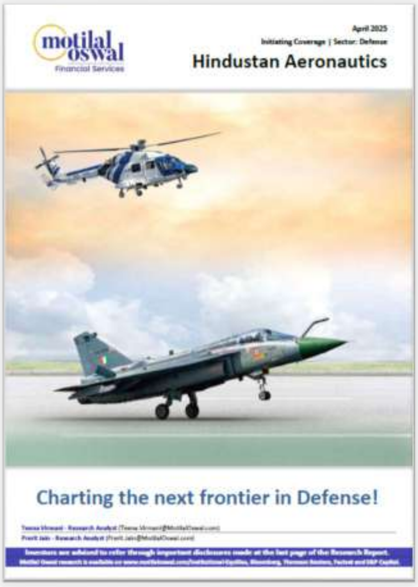

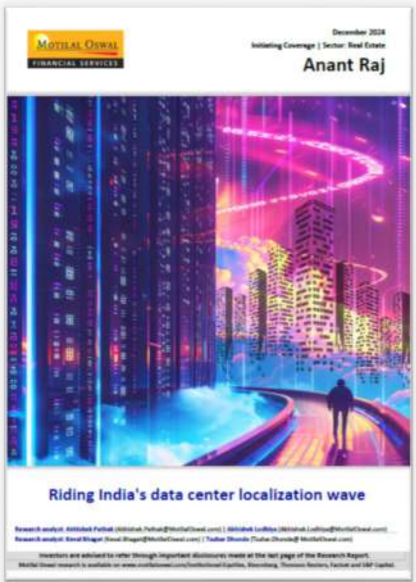

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