

04 March 2026

India | Equity Research | Initiating Coverage

Hexaware Technologies

Technology

Well-balanced and strengthened business model

We initiate coverage on Hexaware with a BUY rating and TP of INR 570 based on 20x CY27E EPS of INR 29. We like Hexaware for its diversified vertical mix, expertise in select sub-segments across each vertical, broad-based service mix, early move into Generative and Agentic AI services, stable leadership and better cash flow conversion versus mid-tier peers. This has led to new large logo wins and scale-up within existing large accounts, high NPS scores reflecting service quality and higher employee satisfaction. We believe that mid-sized IT companies like Hexaware are favourably positioned to challenge incumbents for large multi-service line engagements leveraging agentic AI solutions. The stock trades at attractive valuation (16x CY27E EPS), representing an 8%/11% discount to Mphasis/LTM.

Diversified mix and vertical expertise drive consistent revenue

Hexaware has the most diversified vertical mix and expertise in select sub-segments across each vertical within our coverage universe. This is quite contrary to the heavy 'anchor vertical' exposure seen in mid-tier peers. This diversification extends to geography, where Hexaware holds the second-best revenue mix, after Coforge. This strategic breadth has fuelled consistent, broad-based growth, with all four major verticals reaching an annual revenue run-rate of ~USD 230mn.

At the forefront in launching next-gen services

Pre-2014, Hexaware was largely recognised as a PeopleSoft implementation specialist. And since, it has transformed into a broad-based, next-gen technology provider with a well-balanced service portfolio. This evolution was steered by a sequence of agile business strategies – 'shrink IT, grow digital' prior to 2018, to 'automate, cloudify and transform customer experience' between 2018–21, to an 'AI-first cloud-powered' approach between 2022–23. Hexaware has pioneered launching AI offerings such as legacy modernisation, vibe coding and Zero Licensing. Notably, it is winning share in the customer support sector—a space where it previously had no presence—through agentic AI solutions. This technological edge recently helped it secure a deal with a global top-five banking client for its Amaze platform's ability to automate cloud migration through AI – winning against larger peers.

Financial Summary

Y/E Dec (INR mn)	CY24A	CY25A	CY26E	CY27E
Net Revenue	1,19,744	1,34,304	1,49,585	1,70,642
EBITDA	18,302	19,114	24,826	29,428
EBITDA Margin (%)	15.3	14.2	16.6	17.2
Net Profit	11,740	13,683	14,442	17,726
EPS (INR)	19.3	18.0	23.7	29.1
EPS % Chg YoY	17.5	(6.5)	31.6	22.7
P/E (x)	24.2	25.9	19.7	16.0
EV/EBITDA (x)	14.5	13.8	10.6	8.8
RoCE (%)	23.4	20.0	22.9	26.0
RoE (%)	23.5	18.8	22.1	25.4

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Market Data

Market Cap (INR)	285bn
Market Cap (USD)	3,116mn
Bloomberg Code	HEXW IN
Reuters Code	HEXW.BO
52-week Range (INR)	900 /430
Free Float (%)	24.0
ADTV-3M (mn) (USD)	8.3

Price Performance (%)	3m	6m	12m
Absolute	(36.5)	(38.0)	(42.3)
Relative to Sensex	(30.8)	(38.1)	(51.9)

ESG Score	2024	2025	Change
ESG score	NA	63.1	NA
Environment	NA	50.6	NA
Social	NA	57.0	NA
Governance	NA	74.3	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Successfully executing land and expand strategy

Hexaware has focussed on winning large fortune 500 logos and scaling up these logos. It serves 31 of fortune 500 organisations. The average tenure of its relationships with top five, 10 and 20 customers is 15, 15 and 12 years, respectively. It has scaled up well across client buckets – its USD 20mn+ accounts at 15, USD 10mn+ accounts at 32 and USD 5mn+ accounts at 65 are higher than Mphasis and Persistent. Its strong work credentials among clients have helped them win several vendor consolidation deals in CY25 against incumbent IT services peers.

Hexaware's senior management boasts an average tenure of 11 years, providing the stability and 'tacit' business knowledge required to navigate industry shifts and maintain strong client relationships. This low leadership attrition ensures business continuity, significantly enhancing the company's ability to drive effective account mining during complex technology transformations.

Operating metrics comparison – scoring higher on employee satisfaction and cash conversion

Hexaware has been reporting one of the lowest employee attritions for last two years across large cap and mid-cap IT services players. Low attrition levels support margins and help maintain service consistency. Hexaware has one of the lowest DSO among peers. It has also reported highest OCF/EBITDA and FCF/PAT conversion among mid-tier peers over FY22-25 validating its disciplined execution.

Valuation

Hexaware has reported consistent healthy revenue growth with 12.4% CAGR over CY18 to CY25. Its revenue growth has been ahead of larger-sized peers LTIM and Mphasis and lower than high growing peers Coforge and Persistent over CY21-24. CY25 was an exception to this trend, but we believe that this trend could continue and model USD revenue 10.7% CAGR over CY25-27E. We model EBIT margin to be between 13-14% over CY26-27, in line with the company's guidance, Margin improvement would be driven by support from revenue growth leverage, scope to reduce subcontracting costs, improve utilisation and investments for senior leadership in the base with partial offset from investments in large deal ramp-ups and AI capability building. We model 13.8% EPS CAGR over CY25-27.

Hexaware has limited trading history and is currently trading at attractive valuation of 16x CY27E EPS. We assign target P/E multiple of 20x, in line with the current one-year forward earnings multiple of Mphasis and 7% / 13% / 38% discount to LTIMindtree / Coforge / Persistent. We value Hexaware at 20x on CY27E EPS of INR 29 to arrive at TP of INR 570 and assign **BUY** rating.

Sector valuation multiples have de-rated significantly over the past month, driven by investor concerns regarding the long-term growth outlook in light of recent advancements in agentic AI. While we maintain that IT services face no existential threat, valuation multiples are likely to remain suppressed in the near term. Consequently, stock price returns will likely be driven by earnings CAGR, unless there is credible evidence that net-new AI use cases are meaningfully accelerating the sector's growth trajectory. In this environment, we expect mid-tier peers to continue trading at a valuation premium relative to large-caps. Their superior revenue growth outlook is supported by: 1) Minimal drag from legacy systems and a lower base effect., 2) Greater agility and client-centricity. 3) The equalizing power of Gen AI, which allows nimbler players to compete effectively against larger incumbents.

Risks

Key downside risks: **1)** Change in top leadership could temporarily slowdown execution, **2)** Lower margin profile vs mid-tier IT services peers leave lower room for investments in competitive demand environment, **3)** Unfavourable vendor consolidation outcome or insourcing by top clients could adversely impact revenue for Hexaware, **4)** Gen AI led deflationary impact.

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Investment thesis

Niche sub-segment expertise across sectors

Hexaware has built expertise in chosen sub-segments spanning all key sectors. This has fuelled broad-based growth across sectors, with four major verticals (financial services, healthcare & insurance, manufacturing and consumer and hi-tech and public services) surpassing an ~USD 230mn annual run-rate, as on Q4CY25.

Financial services and banking: Hexaware has demonstrated expertise in two key sub-segments – mortgage and lending, and asset management and servicing – within financial services. Its top two clients are two large GSEs in US housing mortgage market. It serves 11 of the top 50 global asset management firms by AUM. Within financial services, it also has a presence in trade finance, exchanges, private equity firms and global benchmarks and data providers sub-segments.

Traditionally, Hexaware has had a small footprint among banks; but CEO Mr. R Srikrishna, focussed on scaling banking vertical. The banking vertical was carved out from the financial services and banking practice in CY21. Hexaware acquired Mobiquity in CY19 (first-ever acquisition) to bolster its stance in banking. Further, to enhance its stride in this direction, the company brought on leaders with 22+ years' experience in larger peers – Mr. Balamurugan Kannan (joined in 2020) and Mr. RaviShankar Subramanian (joined in 2021) to lead the expansion of Banking vertical.

Since 2021, banking has scaled up to 1.8x and reached a USD 152mn annual run-rate as of Q4CY25. In CY25, **Hexaware has made inroads into one of the top 5 banks in US for IT services work, competing against larger incumbents, with whom it had exposure in BPO services.**

Healthcare and insurance: Within insurance, Hexaware has a presence in life insurance, property and casualty, non-life insurance. It serves 5 of the top 20 global insurers by market cap. Within healthcare, Hexaware is present in the payer, provider and life sciences segments. It services 3 of the top 10 global life sciences firms by market cap. Traditionally, Hexaware has had higher exposure in the insurance segment and lower in healthcare. It onboarded a new leader, Mr. Shantanu Baruah, as President & Global Head – Healthcare, Life Sciences & Insurance (H&I) in Aug'25, from HCLT, to improve Hexaware's presence in healthcare and life sciences.

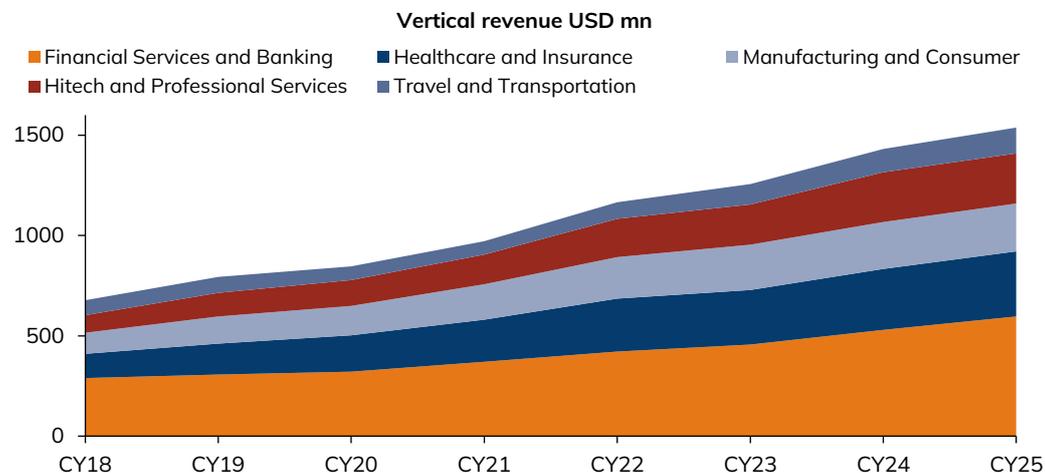
Manufacturing and consumer: Within this segment, Hexaware has ~50% exposure to manufacturing and ~50% to a combination of consumer, telecom, media and education. It works with 3 of the top 5 global manufacturing organizations by market cap; and 4 of the top 50 global retail and CPG organisations by revenue. It also works with the world's largest online retailer.

Hitech and professional services: In this segment, Hexaware has greater exposure to professional services (~75% of this segments revenue) and a lower presence in hi-tech. It works with 3 out of the top 6 global audit and advisory firms and 2 out of the top 5 global legal firms. Hexaware has appointed a new leader for hi-tech, Mr. Eravi Gopan, effective 20 Oct'25. The focus is on improving scale in hi-tech, products and platforms. Mr. Gopan has led high-growth teams in venture-funded Silicon Valley start-ups, large global enterprises – served in Wipro for 18 years, and partnered deeply with foundational technology companies.

Hexaware has carved out the hi-tech segment and renamed it as Technology, Products and Platforms; it plans to report the segment's performance from Q1CY27.

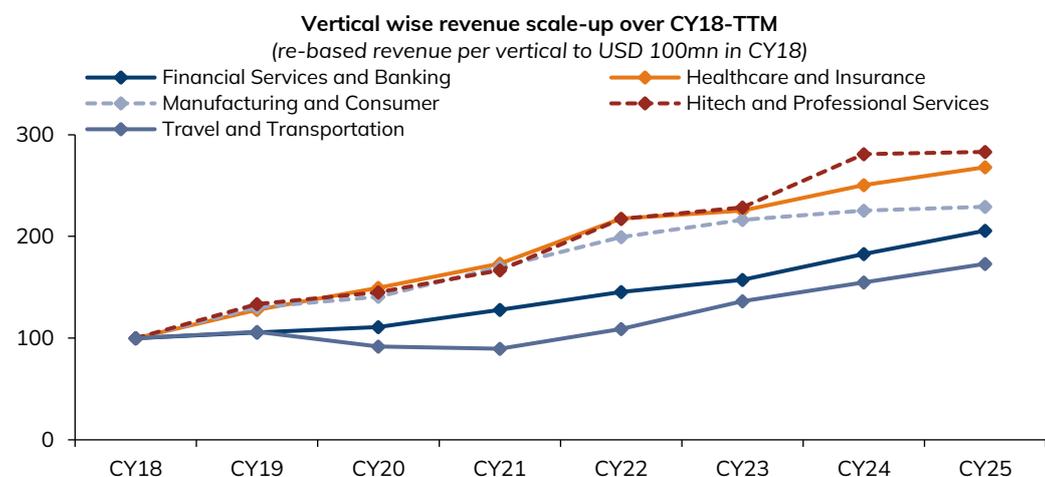
Travel and transportation: Hexaware has higher exposure to airlines. It serves 3 of the top 5 airlines in North America, by revenue. Hexaware recently won a deal against its mid-cap peer with India's largest airline. It also has presence in airlines and airports, travel technology, logistics and transportation, hotels and entertainment industry.

Exhibit 1: Broad-based revenue growth across verticals



Source: I-Sec research, Company data

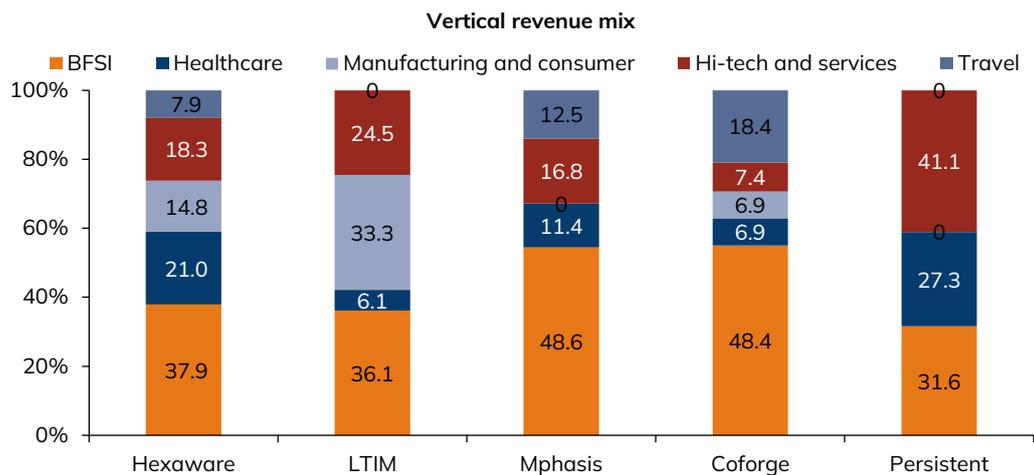
Exhibit 2: Segments that were smaller in size have scaled up faster over CY18–25 – healthcare and insurance, manufacturing and consumer, hi-tech, and professional services



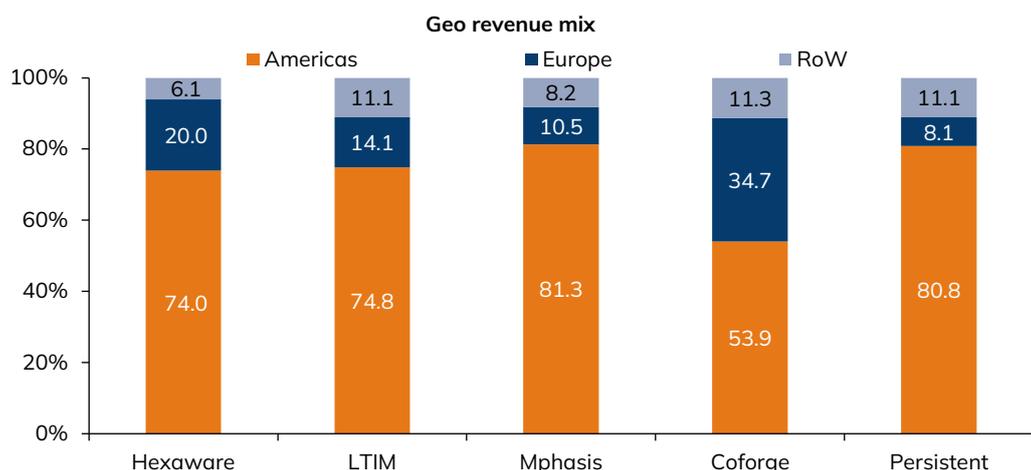
Source: I-Sec research, Company data

Most diversified revenue mix enables consistent revenue growth

Hexaware's sub-segment expertise across sectors yields the broadest vertical diversification in our mid-cap IT coverage. Unlike its mid-cap peers who have higher exposure to their anchor verticals – Mphasis (~49% exposure to BFSI), Coforge (~48% exposure to BFSI) and Persistent (41% exposure to Hitech). Within geographies, as well, it has the second-best-diversified revenue mix (first being Coforge) among mid-cap peers. This diversification acts as a natural hedge in the event of a single sector and/or geo-specific slowdown, helping it balance growth from other less impacted verticals; thus, allowing the company to maintain a steady healthy growth profile (**Exhibit 5**). Revenue growth for Hexaware has been less volatile and above mid-cap IT services' revenue growth average in four out of the last five years (**Exhibit 6**).

Exhibit 3: Hexaware – most diversified vertical mix vs. mid-cap peers

Source: I-Sec research, Company data

Exhibit 4: Hexaware – second-best-diversified geo mix (first being Coforge) among mid-caps

Source: I-Sec research, Company data

Exhibit 5: Balanced healthy revenue growth – slowdown in one vertical offset by healthy performance in others

Hexaware	CY19	CY20	CY21	CY22	CY23	CY24	CY25
Revenue YoY USD	18.2%	5.4%	15.1%	23.3%	7.7%	13.5%	7.6%
Organic revenue YoY USD	10.6%	3.2%	15.1%	23.3%	7.7%	12.7%	6.6%
Vertical wise growth YoY USD							
Banking & Financial services	6%	5%	15%	14%	8%	16%	13%
Healthcare and Insurance	28%	17%	16%	26%	4%	11%	7%
Manufacturing and Consumer	30%	8%	21%	17%	8%	4%	2%
High Tech and Professional Services	33%	9%	15%	30%	5%	23%	1%
Travel and Transportation	6%	-14%	-2%	22%	25%	14%	12%

Source: I-Sec research, Company data

Exhibit 6: Revenue growth for Hexaware has been less volatile vs peers

Benchmarking revenue growth	FY20/ CY19	FY21/ CY20	FY22/ CY21	FY23/ CY22	FY24/ CY23	FY25/ CY24	FY26E/ CY25
Revenue (USD mn)							
LTIMindtree	2,613	2,747	3,502	4,106	4,287	4,493	4,773
Mphasis	1,239	1,309	1,593	1,718	1,610	1,681	1,798
Hexaware	793	845	971	1,165	1,256	1,429	1,537
Coforge	593	629	867	1,002	1,119	1,445	1,876
Persistent	502	566	766	1,036	1,186	1,409	1,654
CC YoY growth							
LTIMindtree	11.2%	5.1%	27.5%	20.0%	4.2%	4.9%	6.3%
Mphasis	11.7%	4.9%	21.2%	9.7%	-6.6%	4.7%	7.0%
Hexaware	18.2%	5.4%	15.1%	23.3%	7.7%	13.5%	7.1%
Coforge	17.2%	6.0%	37.6%	22.4%	13.2%	32.0%	30.4%
Persistent	4.3%	12.8%	35.2%	35.3%	14.4%	19.0%	17.4%
Organic YoY USD growth							
LTIMindtree	10.6%	5.0%	27.5%	17.2%	4.4%	4.8%	6.3%
Mphasis	10.2%	5.4%	19.3%	4.1%	-8.4%	1.4%	7.0%
Hexaware	10.6%	3.2%	15.1%	23.3%	7.7%	12.7%	6.6%
Coforge	8.3%	4.9%	27.5%	14.9%	11.7%	15.4%	28.1%
Persistent	3.4%	11.7%	31.5%	24.4%	14.3%	17.9%	16.1%

Source: I-Sec research, Company data

Successfully executing land and expand strategy

Hexaware has focussed on winning large fortune 500 logos and scaling up within these logos. It serves 31 of fortune 500 organisations. In CY23, ~62% of Hexaware's revenue from operations was derived from customers with over USD 5bn revenues, and ~83% was generated from customers with over USD 1bn revenues. The average tenure of its relationships with top 5/10/20 customers is 15/15/12 years.

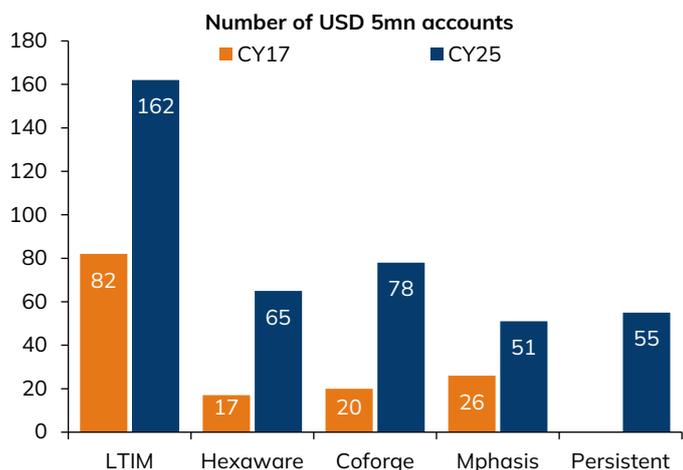
The company has scaled effectively and has longstanding relationships with its large clients. For example, its association with Fannie Mae, a secondary mortgage provider in the US, began in 2008 with services related to software development, data platform development and application modernisation services. Hexaware has gradually expanded its services for Fannie Mae into other areas, including application development, enterprise data management, implementation of backend systems such as PeopleSoft, cloud transformation and modernisation of their legacy applications, leveraging Amaze and RapidX in service delivery. Hexaware also contributes to several of their strategic initiatives in business functions such as developing and supporting mortgage forecasts and supporting risk controls. Fannie Mae is now one of the top three customers.

Hexaware has also expanded robustly across client buckets: 1) Its USD 20mn+ / 10mn+ / USD 5mn+ accounts at 16 / 32 / 65, are higher than peers Mphasis and Persistent. 2) USD 50mn+ accounts are steady at 4 (vs. 8 for Mphasis and 4 for Persistent) – room to improve.

Its strong work credentials among clients have helped the company win several vendor consolidation deals in CY25. For example, it won a vendor consolidation deal from a trans-national bank that provides aid; where, Hexaware was one of the seven vendors and only non-incumbent vendor which was retained. In Q4CY25, it won a large consolidation deal from a global technology giant. The increase in its **NPS from 54 in 2023 to 72 in 2024, 30 points higher than the industry median of 42 also underscores its service quality credentials** (Source: Customer Delight Survey – 2024 by Feedback Insights)

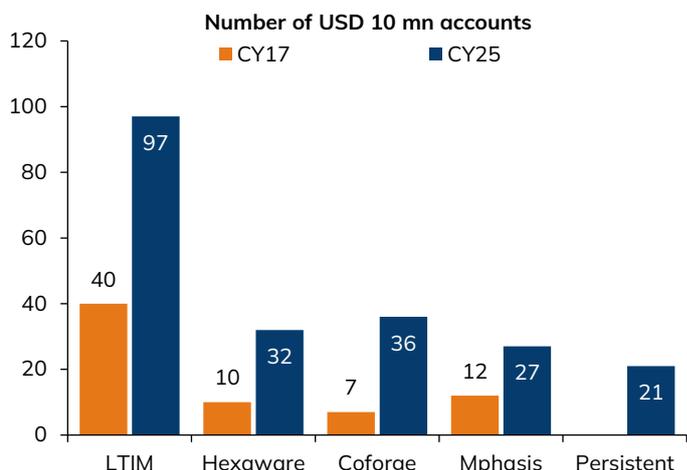
Hexaware’s sales incentives for hunting team are aligned to add large new logos that have strong potential for scaling up revenue. New logo hunting teams get incentivised when the large accounts added by them are growing well, even after being handed over to the farming team, post completion of two years of the relationship with the account. Farming team’s sales incentives are aligned based on TCV and conversion of TCV to revenue.

Exhibit 7: Hexaware has higher number of USD 5mn than Mphasis and Persistent



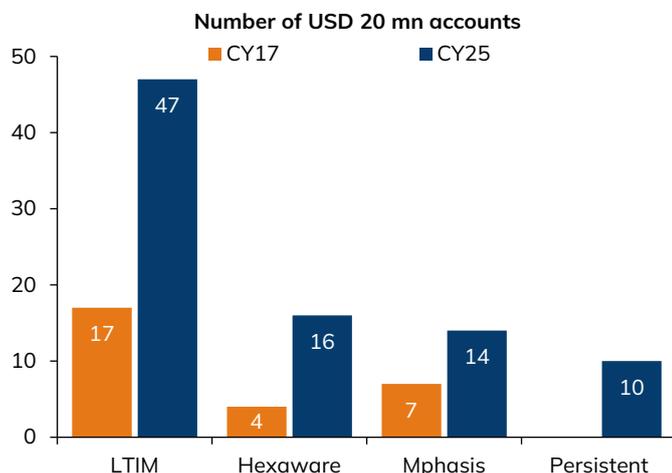
Source: Company data, I-Sec research

Exhibit 8: Hexaware has similar number of USD 10mn accounts as Coforge and Mphasis



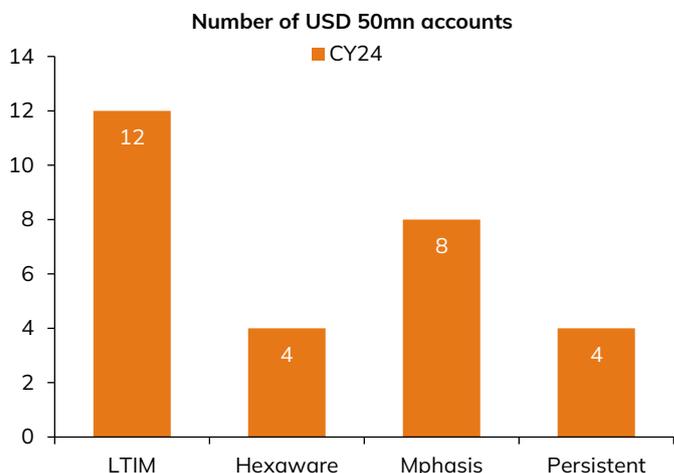
Source: Company data, I-Sec research

Exhibit 9: Hexaware has sixteen USD 20mn accounts higher than Mphasis



Source: Company data, I-Sec research

Exhibit 10: Hexaware has scope to improve USD 50mn accounts



Source: Company data, I-Sec research

Broad-based service offerings; focus on next-gen services

Prior to 2014, before CEO Mr. R Srikrishna joined the company, Hexaware was known as Peoplesoft implementation partner. Mr. R Srikrishna transformed Hexaware into a broad-based next-gen technology solutions provider with a well-balanced service mix of – 1) digital and software i.e. application development and product engineering; 2) secure and run i.e. optimises and secures IT operations across applications, middleware, data, devices, and hybrid cloud infrastructures; 3) data and analytics; 4) BPS; and 5) cloud services. Now, less than 4% of its revenue comes from Peoplesoft implementation partnership.

Hexaware's service portfolio evolution has been guided by its business strategy, which has been to quickly adapt to the changing technology landscape from 'shrink IT, grow digital' strategy prior to 2018, to 'automate, cloudify and transform customer experience' strategy between 2018 and 2021, to an 'AI-first cloud-powered' approach between 2022 and 2023. Hexaware has developed proprietary platforms in line with its service portfolio's evolution strategy, which act like solution accelerators.

- **RapidX** (launched in CY22): Focuses on accelerating the development and deployment of digital solutions by providing a comprehensive suite of tools, including agentic AI platform for agile and efficient software delivery.
- **Tensai** (launched in May'21): AI-driven automation platform, leverages intelligent automation to streamline and optimise IT operations, reducing manual effort and enhancing productivity.
- **Amaze** (launched in May'20): Cloud transformation platform, designed to facilitate seamless migration and modernisation of applications to cloud environments.
- **AgentVerse**: AgentVerse is an enterprise AI agent platform with 560+ ready-to-use agents. It connects to CRM, ITSM, knowledge bases, data platforms, and communication tools—then uses advanced orchestration to automate conversations, understand process documents, and run back-office actions.

Exhibit 11: Hexaware platform client case studies

Platform	Client case studies
RapidX	Hexaware reduced SME dependency for a fintech campus payments provider by up to 60% and onboarded transition teams twice as fast through GenAI knowledge capture. This was achieved by analysing the client's entire IT portfolio, mapping out domain knowledge, and making it accessible through an intuitive 'Talk to SME' interface. The solution developed was equivalent to having a virtual tech lead on-call 24/7.
	Hexaware's solution for a US government enterprise modernised their loan system, resulting in a 30% improvement in processing time and 40% fewer data errors.
	Hexaware accelerated legacy modernisation for a leading US airline.
Tensai	For a major global investment bank and financial services firm, based in Europe, Hexaware provided end-to-end financial services automation leading to automated provisioning of >10k requests p.a., 70% reduction in manual intervention and effort and 37% savings in opex.
	Major US healthcare insurer leveraged Tensai for automation across 5k+ workloads, achieving 47% TCO savings, 98% faster VM cycles and zero-downtime migration.
	Hexaware's solution helped a European stock exchange achieve a 50% improvement, in-line manager efficiency through centralisation and technology transformation after an acquisition.
Amaze	Hexaware streamlined cloud migration and data modernisation processes for a global brewing company, resulting in a 60% reduction in manual efforts, enhancing deployment efficiency. Client also realised 40% reduction for access to business data and its maintenance costs, improving financial efficiency and resource allocation.
	Hexaware transformed a monolithic application to microservices for Fortune 500 financial services firm. Hexaware leveraged Amaze to automate cloud modernization of the application from on-premises to cloud. Client is now able to process loan acquisition requests from lenders 40% faster and achieved a 30% reduction in Total Cost of Ownership, with cost-efficiency and effectiveness.
	Hexaware co-engineered the world's first Industry Data Sciences Cloud (IDSC) for a global clinical research leader—migrating 98% of workload to cloud using Amaze, delivering 3X faster intelligence, 90% reduction in analytics latency, and 5X faster Covid-19 patient identification.
Agentverse	Hexaware implemented an advanced AWS data and AI environment for a global corporate payments company's vehicle payments platforms business to better understand its users. It changed client's outlook on the time it takes for data modernisation and AI adoption, setting a benchmark for what comes next for them in the AI space
	Global health-IT leader partnered with Hexaware to embed GenAI self-service support and QA automation via Decode/Encode AI + Tensai, achieving 15% fewer tickets, 60% faster feature launches, and ~90% reduction in manual testing
	Hexaware's agentic AI solution is transforming post-funding mortgage reviews at scale for a leading government-sponsored enterprise in the US housing market. This solution is saving 90% of the time spent per audit and processing over 100,000 complex loan files monthly.

Source: I-Sec research, Company data

Hexaware has cultivated healthy partnerships with major software technology providers such as Azure, AWS, Salesforce, Snowflake, Workday and Databricks. It has developed strong capabilities in data, automation and AI.

Microsoft: Hexaware has 9,000+ Microsoft-certified consultants and five solution partner designations, including business applications, data and AI, digital and app innovation, infrastructure, and security. Hexaware is a Microsoft Fabric featured partner, and has a team of 250+ certified Fabric consultants globally. The company collaborates with Microsoft on developing high-precision, secure AI solutions, including the launch of Tensai GPT, which is powered by Microsoft Azure OpenAI Service. Hexaware was recognised for its expertise, winning 'Top 5' and 'Noteworthy Solutions' awards for Loan Audit Automation at the Microsoft AI Solutions Foundry, a program for developing advanced AI solutions.

Amazon AWS: Hexaware is a AWS Premier Tier Services partner with 800+ AWS certifications, 100+ AWS customer launches and a dedicated AWS Centre of Excellence.

Google Cloud: Hexaware is a Google Cloud consulting partner for GCP Data & Analytics services.

Salesforce: Hexaware has 347 Salesforce-certified experts having 1,353 Salesforce certifications. The company has developed various industry-specific solutions and accelerators on Salesforce's platform. It is a key partner for implementing Salesforce's Agentforce, helping the enterprises deploy autonomous AI agents that manage end-to-end business processes in sales, service, and marketing.

ServiceNow: Hexaware is ELITE partner of ServiceNow in 'Service Provider' and 'Consulting & Implementation' segments. It has 165 ServiceNow certified application developers. It has 187/240/191 pre-sales, sales and delivery accreditations from ServiceNow.

Snowflake - Hexaware is a Snowflake ELITE Partner with 317+ certifications and a focus on financial services and manufacturing & industrial.

Databricks: Hexaware has over 200 Databricks certifications, over 20 professional certifications, and 10 recognitions as a Databricks Champion. Additionally, it is selected as a partner for the 'Databricks Delivery Provider Program' to scale Databricks' Professional Services by delivering services and packages on their behalf. In addition to the growing number of core certifications, Hexaware is also one of the few Databricks partners certified in Mosaic AI, leading the way in GenAI and LLM innovation on the Databricks platform.

Backbase: Hexaware is one of the largest Backbase partners globally, with implementations spanning across Asia and Europe. Hexaware has a decade of experience, 500+ trained consultants, and successful collaborations with leading global banks on Backbase. Backbase provides AI-powered engagement banking software. It provides a comprehensive, unified digital platform that helps banks and financial institutions modernise their customer experiences across retail, SME, corporate, and wealth management lines of business.

Exhibit 12: Hexaware has strong partnership in Workday vs peers, and scores better vs mid-cap peers in Microsoft Azure competencies

Hyperscaler and SaaS competencies	LTIM	Mphasis	Hexaware	Coforge	Persistent
AWS					
AWS Competencies	12	8	6	3	7
AWS Partner Programs	3	2	1	2	4
AWS Service Validations	17	11	7	0	7
AWS Certifications (greater than)	2200	600	800	200	2100
As % of employees	2.50%	1.90%	2.40%	0.60%	7.90%
AWS Customer launches (greater than)	400	100	100	50	50
Total AWS score	72	31	24	10	24
Microsoft Azure					
Microsoft specializations	11	4	6	2	5
Azure Expert MSP	1	0	0	1	0
Microsoft solutions partner designation	6	5	5	6	5
Total Microsoft Azure score	18	9	11	9	10
Google Cloud					
Premier partner for google's products	3	2	0	1	2
Google product competencies	3	1	1	2	4
Industry expertise	0	0	0	1	0
Service line specializations and expertise	0	7	5	0	4
Total Google Cloud score	6	10	6	4	10
Salesforce					
Certified experts	2287	777	347	840	2481
as % of employees	2.60%	2.50%	1.00%	2.40%	9.30%
Total certifications	9735	2418	1353	2569	10804
Projects completed	730	402	265	149	511
Total Salesforce score	17	7	4	4	17
Servicenow					
Number of segments with Premier partnership	0	NA	0	1	1
Number of segments with ELITE partnership	3	NA	2	2	0
Certified technical architect	12	NA	6	21	NA
Certified master architect	4	NA	NA	4	NA
ServiceNow Certified Application Developer	276	NA	165	151	14
As of total employees	0.30%	NA	0.50%	0.40%	0.10%
Presales accreditation	150	NA	187	111	4
Sales accreditation	175	NA	240	97	9
Delivery accreditation	443	NA	191	210	19
Total Servicenow score	27	NA	14	32	1
Snowflake					
Snowpro Core Certifications	557	15	317	78	167
Snowpro Advanced Certifications	72	2	20	6	10
Partnership level	2	1	2	3	3
Total snowflake score	2.6	1.0	2.3	3.1	3.2
Workday partner since (Year)	NA	NA	2013	2025	NA

Source: Company data, I-Sec research

Hexaware has developed capabilities across GenAI and Agentic AI solutions, which are helping it to make inroads in newer service lines and larger clients.

Hexaware has infused AI capabilities in its key platforms (Amaze, RapidX, Tensai). It is seeing traction in **legacy modernisation, vibe coding and customer support automation**. For example, Hexaware was non-existent in customer service support, it is now entering this space and disrupting through Agentic AI solutions. Hexaware also made inroads to one of the banking clients on back of its Amaze platform (AI-driven automation for cloud migration). Hexaware has recently launched new vibe coding service that significantly reduces cost and time in the early cycle of greenfield software development. In Jan'26, Hexaware launched a **revolutionary offering 'Zero License'**, an offering that would replace higher cost point-solution and custom SaaS tools with low-cost agentic AI solutions in a few months-time for its clients.

Hexaware has launched multiple industrial domain AI solutions and contact centre transformation solutions, with three solutions receiving strong acceptance among customers. For example, Hexaware has built Agentic AI solution to help wealth

managers thrive in a fast-paced, data-driven industry. With features such as data integration from external sources, autonomous monitoring, proactive identification of impact areas, contextualization, and personalized content generation, the solution enables wealth managers to anticipate client needs, deliver tailored recommendations, and streamline operations. Its ability to autonomously suggest and implement next steps further accelerates decision-making and enhances efficiency.

Hexaware launched **AI-first multi-lingual global help desk** for its 33K global employees – among the first few companies to put such a help desk in production. It is also re-skilling its workforce in AI skills and is currently in the second generation of retraining workforce on AI. The company has 20 patents granted and 45 patent applications are pending.

Hexaware has strategic partnerships with AI industry leaders, including AI21 Labs, Cohere, Replit, NVIDIA, AWS, Microsoft Azure. In Feb'26 Hexaware **launched an open version of RapidX**, featuring **native integration with Replit**, an AI platform that lets anyone turn natural-language descriptions into secure, production-ready enterprise software. This enables RapidX, Hexaware's agentic AI platform for software engineering, to help enterprises move faster, from rapid prototyping to production-ready applications.

It has been recognized as a Leader in two key quadrants—**Strategy and Consulting Services – Midsize** and **Development and Deployment Services – Midsize**—in the **ISG Provider Lens Generative AI Services 2025 and 2024 report**. The recognition highlights Hexaware's expertise in guiding midsize enterprises globally through GenAI transformations.

Exhibit 13: Key Gen AI engagements of Hexaware

Client	Description
Multinational industrial technology	Hexaware leveraged Azure Open AI to create an interactive web interface and personalised knowledge chat for the client, reducing the effort of knowledge centre associates by 40%. This solution also improved the onboarding experience of new employees by reducing onboarding time by 60%
Global health-IT leader	Client partnered with Hexaware to embed GenAI self-service support and QA automation via Decode/Encode AI + Tensai, achieving 15% fewer tickets, 60% faster feature launches, and ~90% reduction in manual testing
Global wholesaler	Hexaware automated process of generating product descriptions. This would save time and resources and ensure product descriptions were informative, engaging, and optimized for different sales channels and target audiences. This cut manual efforts by 75% and increased conversion rates by 20%
Belgian insurer	Client deployed Hexaware's Azure-OpenAI driven GenAI chatbot to replace fragmented info systems—providing instant product answers, boosting agent productivity, reducing response times, and surfacing rich customer insights from feedback

Source: I-Sec research, Company data

Exhibit 14: Hexaware's AI competencies similar to mid-tier peers in AWS and Microsoft Azure

AI competencies	TCS	Infosys	HCLT	Wipro	TechM	LTIMindtree	Hexaware	Mphasis	Coforge	Persistent	Accenture	Cognizant	Capgemini
AWS													
Conversational AI Services Competency	✓										✓		
AI Services competency	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓
AWS Certified AI practitioner	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Microsoft Azure													
AI Apps on Microsoft Azure		✓	✓		✓	✓	✓					✓	✓
AI Platform on Microsoft Azure	✓	✓	✓		✓	✓			✓	✓	✓	✓	✓
Agentic DevOps with Microsoft Azure and GitHub	✓	✓	✓	✓					✓		✓	✓	✓
Microsoft solution partner designation: Data & AI (Azure)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Google													
Generative AI services specialization	✓		✓	✓							✓		

Source: Company data, I-Sec research

BPO service line has grown at a strong pace between CY21–24; growth is likely to be slower vs. IT services from CY26

Hexaware does more of IT back-office operations work in the BPO service line vs. the traditional customer service support work. Therefore, it is not seeing deflationary impact from agentic AI automation in customer support; on the contrary, it is winning net new business in this space. Its BPO service line revenue has grown at a strong rate of 17% over CY21–25 higher than Indian peers, aided by lower base and favourable BPO service mix. In CY25, growth slowed down due to client-specific challenges in a couple of MNC clients and deflationary impact from AI. Going forward, the company expects IT services growth to be higher than BPO.

Exhibit 15: Hexaware's BPO service line has grown faster than peers

BPO Services	FY22 / CY21	FY23 / CY22	FY24 / CY23	FY25 / CY24	FY26E / CY25	FY22-26 CAGR
Revenue (in USD mn)						
Hexaware	97	137	158	180	184	17%
TechM	892	892	931	1,006	986	3%
Mphasis	401	332	266	271	263	-10%
Coforge	93	99	98	118	145	12%
FirstSource	795	750	765	944	1,086	8%
E-clerx	285	333	354	398	481	14%
Revenue YoY						
Hexaware		41%	16%	14%	2%	
TechM		0%	4%	8%	-2%	
Mphasis		-17%	-20%	2%	-3%	
Coforge		7%	-1%	21%	22%	
FirstSource		-6%	2%	23%	15%	
E-clerx		17%	6%	12%	21%	

Source: Company data, I-Sec research Note: FY26 values for Firstsource and E-clerx are consensus expectations and for TechM, Mphasis and Coforge are ISEC estimates based on 9MFY26 YoY growth

Mid-tier players growing faster

We note that mid-tier IT services are growing faster than tier-1, with growth in relative revenue market share of 460bps over last 10 years from 5.9% to 10.5% (Exhibit 16). Share in incremental revenue added is also picking up with aggregate revenue share of mid-tier IT services at 20% in FY25 vs 9% in FY16 (Exhibit 17)

We would monitor revenue market share gains for the mid-cap pack in incremental revenue added, as it is likely to improve given – 1) their ability to compete and disrupt managed services, leveraging GenAI and Agentic AI, where mid-cap companies had a lower presence; 2) potential in providing better client engagement to top 10–20 clients, as they form ~40–60% of revenue for mid-caps; 3) mid-tier companies have developed capabilities in certain niche verticals and service lines, where they can compete with tier-1 players; and 4) leadership infusion from tier-1 peers having sharp sales focus has helped mid-caps scale revenue faster.

GenAI has also become key catalyst, enabling mid-tier players compete with larger incumbents in areas such as application maintenance and customer support – where mid-tier players were not present earlier but can now offer competitive solutions leveraging AI and GenAI. Hexaware was non-existent in customer service support, but is now entering this space and disrupting through AI solutions.

Exhibit 16: Growing relative revenue market share of mid-tier IT services companies

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue (USD mn)											
Accenture managed services	14,844	15,015	16,096	18,013	19,037	20,100	23,196	27,518	30,499	31,701	34,567
TCS	15,454	16,545	17,576	19,089	20,913	22,031	22,174	25,706	27,927	29,080	30,179
Infosys	8,711	9,501	10,208	10,939	11,799	12,780	13,562	16,310	18,212	18,562	19,277
Capgemini	10,573	11,915	12,539	12,792	15,587	15,812	18,094	21,479	23,166	24,358	23,903
Cognizant	10,260	12,416	13,487	14,810	16,125	16,783	16,652	18,507	19,428	19,353	19,736
HCLT	5,822	6,235	6,975	7,837	8,633	9,936	10,175	11,481	12,586	13,270	13,840
Wipro	7,082	7,346	7,704	7,895	8,120	8,256	8,137	10,356	11,234	10,805	10,512
TechM	3,664	4,037	4,351	4,771	4,971	5,182	5,111	5,998	6,606	6,277	6,264
LTIM	1,394	1,602	1,751	1,979	2,351	2,613	2,747	3,502	4,106	4,287	4,493
Mphasis	944	925	894	989	1,119	1,239	1,309	1,593	1,718	1,610	1,681
Hexaware	486	525	586	678	793	845	971	1,165	1,256	1,429	1,430
Coforge	383	408	411	457	531	593	629	867	1,002	1,119	1,445
Persistent	309	352	429	471	481	502	566	766	1,036	1,186	1,409
EPAM	914	1,160	1,450	1,843	2,294	2,660	3,758	4,825	4,691	4,728	4,729
Globant	200	254	323	413	522	659	814	1,297	1,780	2,096	2,416
Endava	133	171	202	293	373	442	601	871	958	918	989
Relative market share											
Accenture managed services	18%	17%	17%	17%	17%	17%	18%	18%	18%	19%	20%
TCS	19%	19%	19%	18%	18%	18%	17%	17%	17%	17%	17%
Infosys	11%	11%	11%	11%	10%	11%	11%	11%	11%	11%	11%
Capgemini	13%	13%	13%	12%	14%	13%	14%	14%	14%	14%	14%
Cognizant	13%	14%	14%	14%	14%	14%	13%	12%	12%	11%	11%
HCLT	7%	7%	7%	8%	8%	8%	8%	8%	8%	8%	8%
Wipro	9%	8%	8%	8%	7%	7%	6%	7%	7%	6%	6%
TechM	5%	5%	5%	5%	4%	4%	4%	4%	4%	4%	4%
Large cap	94.1%	93.9%	93.6%	93.1%	92.6%	92.1%	91.1%	90.2%	90.0%	89.8%	89.5%
LTIM	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%	3%
Mphasis	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Hexaware	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Coforge	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
Persistent	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
EPAM	1%	1%	2%	2%	2%	2%	3%	3%	3%	3%	3%
Globant	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%	1%
Endava	0%	0%	0%	0%	0%	0%	0%	1%	1%	1%	1%
Mid cap	5.9%	6.1%	6.4%	6.9%	7.4%	7.9%	8.9%	9.8%	10.0%	10.2%	10.5%

Source: Company data, I-Sec research

Exhibit 17: Market share in incremental revenue added has grown faster in FY24 and FY25 for Mid-tier IT services

Incremental revenue added YoY (USD mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Accenture managed services	171	1,081	1,917	1,024	1,063	3,096	4,323	2,980	1,202	2,866
TCS	1,091	1,031	1,513	1,824	1,118	143	3,532	2,221	1,153	1,099
Infosys	790	707	731	860	981	782	2,748	1,902	350	715
Capgemini	1,342	624	253	2,795	225	2,282	3,385	1,687	1,192	(455)
Cognizant	2,156	1,071	1,323	1,315	658	(131)	1,855	921	(75)	383
HCLT	414	740	862	795	1,303	239	1,306	1,105	684	570
Wipro	265	357	191	226	135	(118)	2,219	879	(429)	(294)
TechM	374	314	420	200	211	(71)	887	608	(329)	(13)
LTIM	208	149	228	371	263	133	755	604	182	205
Mphasis	(19)	(31)	95	130	121	70	284	125	(108)	71
Hexaware	40	61	91	116	52	126	194	91	173	1
Coforge	25	3	46	74	62	35	238	135	117	327
Persistent	43	77	42	10	21	64	199	271	150	223
EPAM	246	290	393	451	366	1,098	1,067	(134)	37	1
Globant	54	69	90	109	137	155	483	483	316	320
Endava	38	31	91	80	69	159	270	87	(40)	71
Incremental revenue market share YoY	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Accenture managed services	2%	16%	23%	10%	16%	38%	18%	21%	26%	47%
TCS	15%	16%	18%	18%	16%	2%	15%	16%	25%	18%
Infosys	11%	11%	9%	8%	14%	10%	12%	14%	8%	12%
Capgemini	19%	9%	3%	27%	3%	28%	14%	12%	26%	-7%
Cognizant	30%	16%	16%	13%	10%	-2%	8%	7%	-2%	6%
HCLT	6%	11%	10%	8%	19%	3%	6%	8%	15%	9%
Wipro	4%	5%	2%	2%	2%	-1%	9%	6%	-9%	-5%
TechM	5%	5%	5%	2%	3%	-1%	4%	4%	-7%	0%
Tier 1	91%	90%	87%	87%	84%	77%	85%	88%	82%	80%
LTIM	3%	2%	3%	4%	4%	2%	3%	4%	4%	3%
Mphasis	0%	0%	1%	1%	2%	1%	1%	1%	-2%	1%
Hexaware	1%	1%	1%	1%	1%	2%	1%	1%	4%	0%
Coforge	0%	0%	1%	1%	1%	0%	1%	1%	3%	5%
Persistent	1%	1%	1%	0%	0%	1%	1%	2%	3%	4%
EPAM	3%	4%	5%	4%	5%	14%	4%	-1%	1%	0%
Globant	1%	1%	1%	1%	2%	2%	2%	3%	7%	5%
Endava	1%	0%	1%	1%	1%	2%	1%	1%	-1%	1%
Mid-Tier	9%	10%	13%	13%	16%	23%	15%	12%	18%	20%

Source: Company data, I-Sec research

Operating metrics comparison – scoring higher on employee satisfaction and cash conversion

Hexaware has been reporting one of the lowest employee attritions for the last two years across large cap and mid-cap IT services players. It scores well on ratings from the employment review website, Glassdoor. Hexaware has a Glassdoor rating of 3.8 as of Jan'26, higher than its peers' average. Percentage of Glassdoor reviewers, who approved of the CEO as of Jan'26, is one of the highest among mid-tier peers at 86%.

Exhibit 18: LTM attrition lowest among IT services peers in CY24 and CY25

LTM Attrition	CY15/ FY16	CY16/ FY17	CY17/ FY18	CY18/ FY19	CY19/ FY20	CY20/ FY21	CY21/ FY22	CY22/ FY23	CY23/ FY24	CY24/ FY25	Dec-25
TCS	14.7%	10.5%	11.0%	11.3%	12.1%	7.2%	17.4%	20.1%	12.5%	13.3%	13.5%
Infosys		17.1%	19.5%	20.4%	17.4%	10.9%	27.7%	20.9%	12.6%	14.1%	12.3%
HCL Tech	17.3%	16.9%	15.5%	17.7%	16.3%	9.9%	21.9%	19.5%	12.4%	13.0%	12.4%
Tech Mahindra	21.1%	16.5%	18.1%	20.8%	19.1%	13.3%	24.0%	14.8%	10.0%	11.8%	12.3%
LTIMindtree							23.8%	20.2%	14.4%	14.4%	13.8%
Coforge			10.5%	12.2%	11.8%	10.5%	17.7%	14.1%	11.5%	10.9%	10.9%
Hexaware	16.9%	14.1%	14.1%	17.0%	15.8%	11.9%	22.1%	23.2%	14.7%	10.8%	11.0%
Persistent	16.4%	15.7%	14.7%	16.7%	14.3%	11.7%	26.6%	19.8%	11.5%	12.9%	13.5%

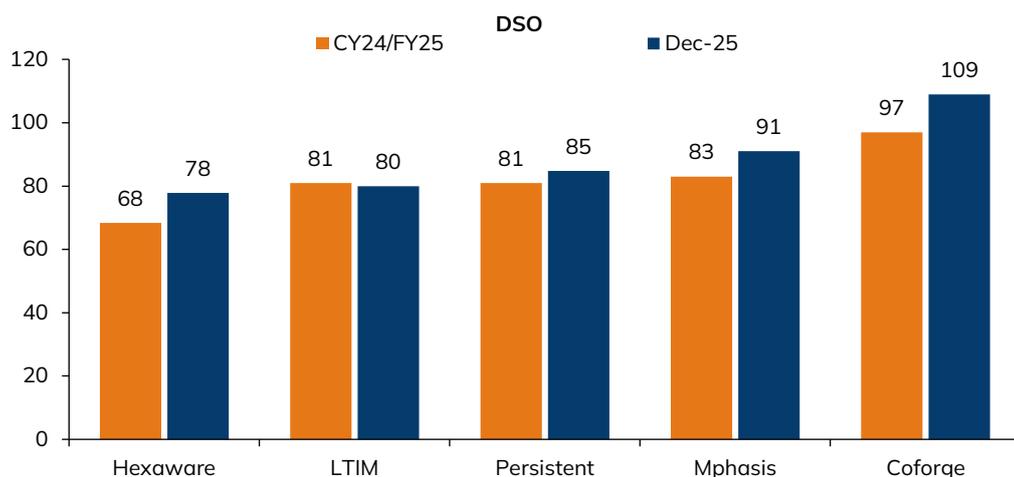
Source: Company data, I-Sec research

Exhibit 19: Hexaware scores well in Glassdoor ratings (as of Jan 2026)

Glassdoor ratings	Glassdoor rating	% of Glassdoor reviewers who approved CEO
Persistent	4.0	89%
Hexaware	3.8	86%
Mphasis	3.5	77%
Coforge	3.5	75%
LTIMindtree	3.4	69%

Source: Company data, I-Sec research

Hexaware has one of the lowest DSO among peers. It has also reported the highest OCF/EBITDA and FCF/PAT conversion among mid-tier peers over FY22–25.

Exhibit 20: Hexaware has lowest DSO among peers


Source: I-Sec research, Company data

Note: DSO = (trade receivables + unbilled revenue + contract assets)/revenue *365.

Exhibit 21: Hexaware has superior cash conversion metrics vs. peers

Cash conversion metrics	CY21 / FY22	CY22 / FY23	CY23 / FY24	CY24 / FY25	9MFY26 / CY25
OCF/EBITDA					
Hexaware	86%	67%	96%	85%	91%
LTIMindtree	62%	51%	89%	70%	62%
Mphasis	85%	59%	88%	72%	47%
Coforge	67%	68%	60%	62%	60%
Persistent	88%	63%	71%	56%	67%
FCF/ Net profit					
Hexaware	116%	79%	145%	121%	115%
LTIMindtree	56%	49%	106%	78%	78%
Mphasis	112%	82%	134%	108%	78%
Coforge	92%	114%	79%	77%	58%
Persistent	67%	57%	83%	66%	88%
FCF considering acquisition related payments / Net profit (%)					
Hexaware	116%	77%	145%	50%	60%
LTIMindtree	51%	46%	105%	78%	78%
Mphasis	75%	82%	55%	92%	63%
Coforge	-37%	97%	79%	-180%	56%
Persistent	-23%	10%	67%	62%	88%

Source: Company data, I-Sec research

Tenured leadership

Hexaware is anchored by a stable and seasoned management team with an average tenure of 11 years (Exhibit 22). The extensive experience and tenure of the senior management team and key personnel provide the company with stability and deep institutional knowledge, allowing it to navigate industry changes effectively and maintain strong customer relationships. The lower attrition rate in senior leadership helps in account mining by ensuring better business continuity for clients during technology transformation.

Exhibit 22: Average tenure of senior leaders in Hexaware is 11 years

Name	Designation	Year of joining Hexaware	Years at Hexaware
Srikrishna Ramakarthikeyan	CEO	2014	10
Vinod Chandran	COO	2015	9
Vikas Jain	CFO	2018	6
Vertical Heads			
Ravi Vaidyanathan	President Global Head Financial Services	1999	25
Shantanu Baruah	President & Global Head – Healthcare, Life Sciences, & Insurance	2000	25
Kamal Maggon	Global Head Manufacturing & Consumer	2019	5
Eswar Venkatchalam	Global Head Travel and Transportation	2005	19
Eravi Gopan	President & Global Head – Technology, Products, & Platforms	2025	0.5
Kush Gupta	Senior Vice President & Global Head – Professional Services	2001	25
Amrinder Singh	Head EMEA & APAC operations	2013	11
Amit Vij	Chief Private Markets Officer	2026	0
Service Lines			
Sanjay Salunkhe	Global Head Digital and Software Services	2022	2
Siddharth Dhar	Global Head Digital IT Operations	2016	8
Srinivasan Panchapakesan	Senior Corporate Vice President & Global Delivery Head – Digital & Software	1998	27
Girish Pai	Executive Vice President & Global Head – Data	2023	2.5
Suresh Bennet Kumar	Global Head of BPS	2010	14
Raghu Mocherla	Senior Vice President – Digital & Software	2025	0
Function Heads			
Nidhi Alexander	Chief Marketing Officer	2020	6
Vidya Srinivasan	Executive Vice President - Chief of Staff & Head of Global Bid Management	2014	11
Satyendu Mohanty	Executive Vice President & Global Head – Talent Management	2007	18
Satyajith M	Chief Technology Officer	2010	15

Source: Company data, I-Sec research

M&A strategy: Capability-led tuck-in acquisitions

Hexaware's M&A strategy focusses on investments to augment capabilities in potential high-growth areas, or to plug in white-spaces in its portfolio. The company's acquisition intensity was much lower prior to CY24, with only one acquisition of Mobiquity done in Jun'19 to expand its presence in the banking segment and augment digital product engineering capabilities. Over CY24–25, it acquired three companies for adding capabilities in: 1) AI-led cyber security; 2) GCC (Global Capability Centres) offering; and 2) data consulting.

Hexaware is likely to do one to two tuck-in acquisitions every year over CY26–29, funded by internal accruals to augment its portfolio towards high-growth service lines of data analytics, cybersecurity, product engineering, cloud, and cyber security (in our view).

Exhibit 23: Acquisition intensity of Hexaware increased from CY24

Target company	Date of announcement	Revenue of target company (USD mn)	Consideration (USD mn)	Valuation (EV/Sales)	Rationale
CyberSolve	Nov-25	25.8	66.0	2.6	CyberSolve is a global provider of Identity Access Management (IAM) solutions, with expertise in Identity Governance, Privileged Access Management, and Zero Trust Access. The acquisition strengthens Hexaware's ability to offer comprehensive, AI-led cybersecurity, specifically in managing complex digital identities.
SMC Squared	Jul-25	22.6	120.0	5.3	SMC squared acquisition aims to bolster Hexaware's "GCC 2.0" services by combining AI-driven digital solutions with human-centric expertise to support clients, particularly in the mid-market segment.
Softcrylic	May-24	36.0	160.0	4.4	Data consulting firm with marketing stack expertise across Adobe, Google, and Salesforce together with engineering capabilities on Azure and AWS
Mobiquity	Jun-19	70.0	182.0	2.6	Provides consulting, design and engineering capabilities in customer experience transformation, mobility and analytics in key verticals of banking, retail and pharma

Source: I-Sec research, Company data

CyberSolve

CyberSolve is a global specialist Identity Access Management (IAM) solutions provider. It brings nearly a decade of focused work in large identity programs, with 230+ specialists, 20+ IAM tech alliances, and 650+ implementations across sectors. Through this acquisition, Hexaware adds consulting depth, engineering excellence, and 24x7 cybersecurity and resilience operations, spanning GRC, cloud security, and DevSecOps—helping clients move from isolated fixes to an integrated identity capability that reduces risk and accelerates growth at global scale.

SMC squared

Hexaware acquired SMC squared to augment its GCC offering. SMC Squared operates through engagement models, such as managed services, build-optimize-transfer, and hybrid solutions, which lower operating costs while assembling GCC teams that act as seamless extensions of every client's strategic agenda. This aligns with Hexaware's vision to offer fully integrated, high-value GCC operations. Together, the companies expect to drive significant growth and unlock synergy potential across large accounts in the near future.

India's GCC market is projected to reach USD 105bn by 2030, up from USD 64.6bn in FY24, driven by AI adoption, R&D, and expansion of global roles as per Nasscom-Zinnov report. The report also highlights that the number of GCCs in India will likely grow to 2,100–2,200, hosting 17% of global tech capabilities and employing up to 2.8mn people. Growing GCC landscape in India is both an opportunity and competition

for Indian IT services providers. Hexaware plans to participate in the growth opportunities offered by GCCs in the initial few years of their set-up.

Hexaware won a GCC deal aided by capabilities of SMC squared in Sep'25 quarter. It secured a GCC opportunity with a leading global marketing agency.

Softcrylic

Softcrylic is a data consulting firm that helps organizations understand and leverage the power of their data, headquartered in Minneapolis. Softcrylic specializes in tackling complex data challenges, from data capture and validation to data modelling and activation. With multi-tiered marketing stack expertise across Adobe, Google, and Salesforce, coupled with their engineering capabilities on Microsoft Azure and Amazon AWS, Softcrylic empowers organizations to harness their data and gain deeper insights through advanced data activation techniques.

In Q4CY25, Hexaware recorded a INR 3,820mn gain from reducing Softcrylic's earnout payable due to its post-acquisition underperformance. This underperformance was on account of high exposure to consumer vertical, where technology spending was lower due to macro headwinds and execution gap. The company also re-assessed carrying value of customer relations recognised on the Softcrylic acquisition and has provided for an impairment loss of INR 1,473mn.

Hexaware expects the data service line to revive given AI adoption. leading to increasing demand for creating 'AI-ready' data foundations.

Mobiquity

Mobiquity, headquartered in US, is a customer experience consulting firms that specialises in creating frictionless multi-channel digital experiences using cloud technologies. It is one of the very few Digital Customer Experience Consulting Partners for AWS, and are experts at leveraging some of the most sophisticated capabilities of AWS. Mobiquity has created digital products for some of the most well-known brands in the world, such as Amazon Web Services, Rabobank, Philips, Wawa, Backbase and Otsuka.

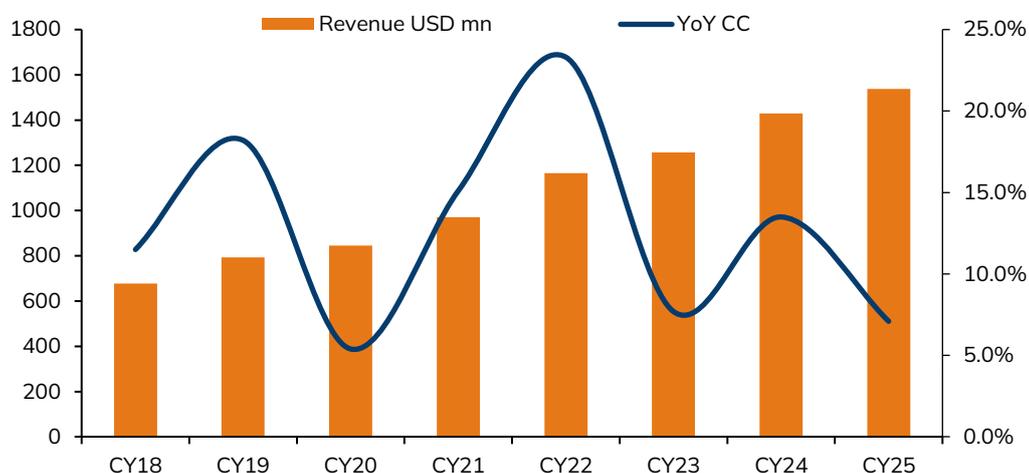
Mobiquity acquisition strengthened two key strategic offerings for Hexaware: "Cloudify Everything", "Transform customer experiences". This acquisition also helped Hexaware expand in the banking vertical.

Financial analysis and valuation

Hexaware's revenue has grown at a healthy rate of 12.4% CAGR in USD terms over CY18–25, reaching USD 1.5bn in CY25. Its revenue has been resilient over CY23–25 expanding at 9.7% CAGR amidst the impact of a sluggish discretionary spend environment. Revenue growth has been broad-based across key verticals over the last seven years, with four key verticals expanding at a 11–16% CAGR over CY18–25.

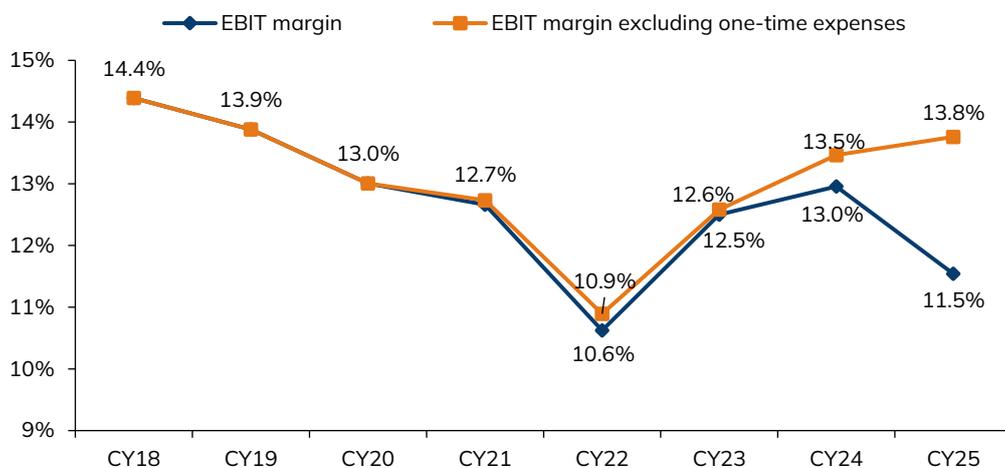
The company's EBIT margins (excluding one-time charges) have improved in CY24 and CY25, but have been lower than mid-tier peers (LTM, Mphasis and Persistent) likely due to: 1) higher onsite presence because of exposure to GSE clients where delivery is 100% onsite; 2) higher sales and marketing investments over past two years; 3) higher sub-contracting costs vs. mid-tier peers (Exhibit 26 and 27); and 4) lower utilisation (Exhibit 28). The company plans to improve margins consistently at 50bps per year going forward.

Exhibit 24: Hexaware – revenue expanded at a healthy 12.4% CAGR over CY18–25



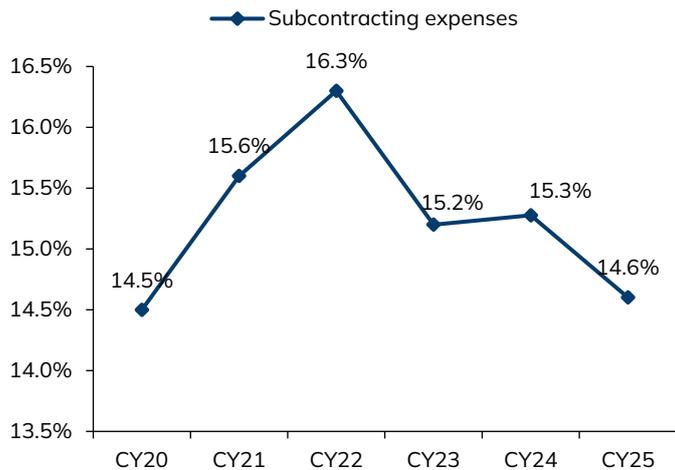
Source: I-Sec research, Company data

Exhibit 25: EBIT margin excluding one-time expenses improved in CY24 and CY25



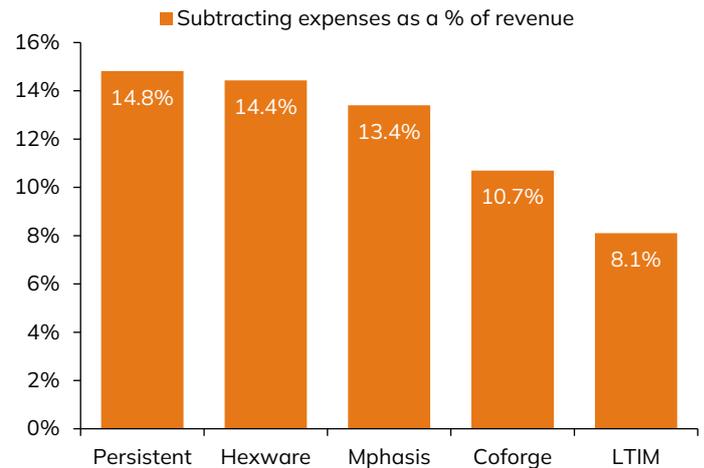
Source: I-Sec research, Company data

Exhibit 26: Hexaware has brought down subcontracting costs over last three years by ~230bps...



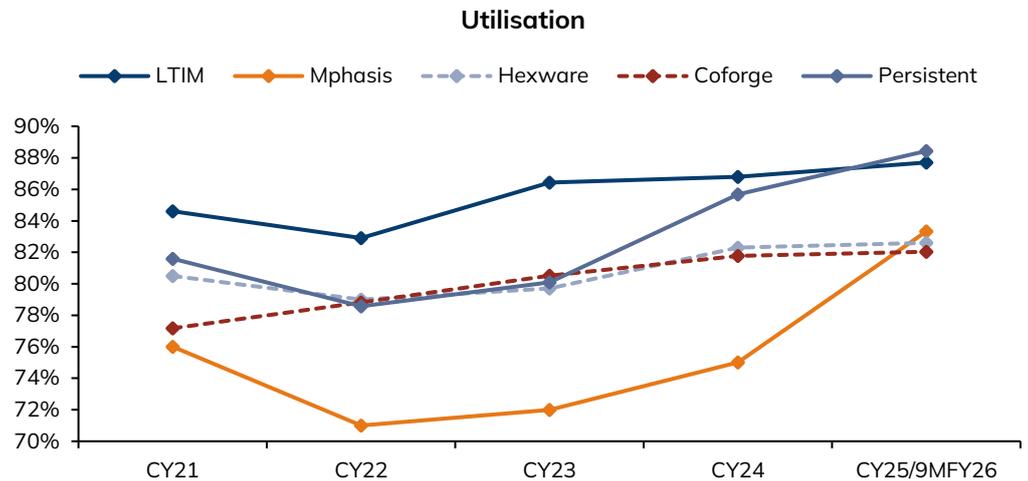
Source: I-Sec research, Company data

Exhibit 27: ...But there is further scope to reduce this cost



Source: I-Sec research, Company data

Exhibit 28: Hexaware has scope to improve utilisation



Source: I-Sec research, Company data, Note: Coforge and Persistent reports utilisation including trainees, Hexaware reports utilisation including freshers post 4 months of training, For Mphasis we have considered offshore utilisation including trainees, LTIM reports utilisation excluding trainees

Near-term outlook

In Q4CY25, revenue declined 1.4% QoQ CC. The performance was below the company's expectation because of headwinds from: 1) budget cuts, starting mid-Dec'25, at one of its top two GSE clients; 2) a client that usually does not indulge in furloughs, chose to do so; 3) passthrough revenues being materially lower than the normal range.

CY25 revenue growth was lower than the company's aspirational growth target of 12–13% due to client-specific budget cuts in GSE, professional services and consumer sub-segments.

We expect growth to improve in CY26 led by healthy deal bookings, strong deal pipeline crossing USD 4bn with potential to gain a couple of large consolidation wins in the pipeline. Management expects growth to recover for manufacturing and consumer and hi-tech and professional services, which were impacted the most in CY25 due to client-specific issues in base, and improving demand outlook in these verticals. Deal-win rate is stable and has slightly improved.

Q4CY25 reported EBIT margin stands at 13.5%. EBIT margin (excluding other-income and one-time charges) stood at 13.2%, down 150bps QoQ, led by headwinds of lower calendar days of 60bps, lower utilisation of 60bps and annual wage hikes of 90bps.

One-time charges include 585bps impact from – 1) CyberSolve acquisition related cost; 2) provisions for customer payments; 3) impairment pertaining to Softcrylic acquisition; and 4) accelerated amortisation of office leases in Europe.

Hexaware provided EBIT margin guidance of 13–14% for CY26. Guidance factors in headwinds from lower calendar days in Q1CY26, large deal ramp-ups including rebadging deals in H1CY26. The company expects margins to be better in H2CY26 vs. H1CY26 supported by operating leverage from improving revenue growth.

Long-term goals

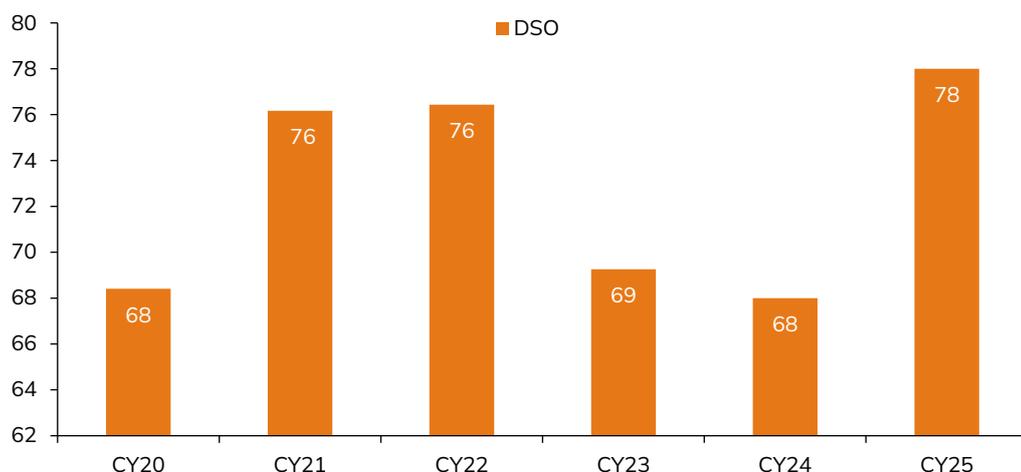
Hexaware has set long-term growth ambition of reaching USD 3bn by CY29, ask rate of the same is high at 18.2% CAGR. We believe that the company could likely achieve organic revenue growth of 12-13% CAGR over next 4 years. Scale-up in net new AI demand and synergistic acquisitions could lift up the revenue growth trajectory to the required 18% CAGR to achieve its long-term goal.

Key focus areas for the company over medium term include – 1) Gain market share in each customer and win large new logos which have high potential to become mega accounts. 2) Staying ahead of peers in capturing net new AI use cases such as legacy modernization, video coding and zero license offering. 3) Growing Private Equity Sales channel. 4) Expanding footprint in Hi-tech, which has been recently carved out as a separate vertical and renamed to High Tech, Products, and Platforms. 5) Expanding presence in Middle and India – a) Hexaware has formed couple of JVs for expansion in Middle East, b) Company is also participating to capturing GCC demand in India.

Healthy cash flow conversion trend to continue

DSO days has been one of the lowest in the industry and we expect that trend to continue. Cash conversion has also been healthy and higher than mid-tier peers (Exhibit 20 and 30). We expect similar trends to continue.

Exhibit 29: Hexaware DSO range between 68 to 78 days

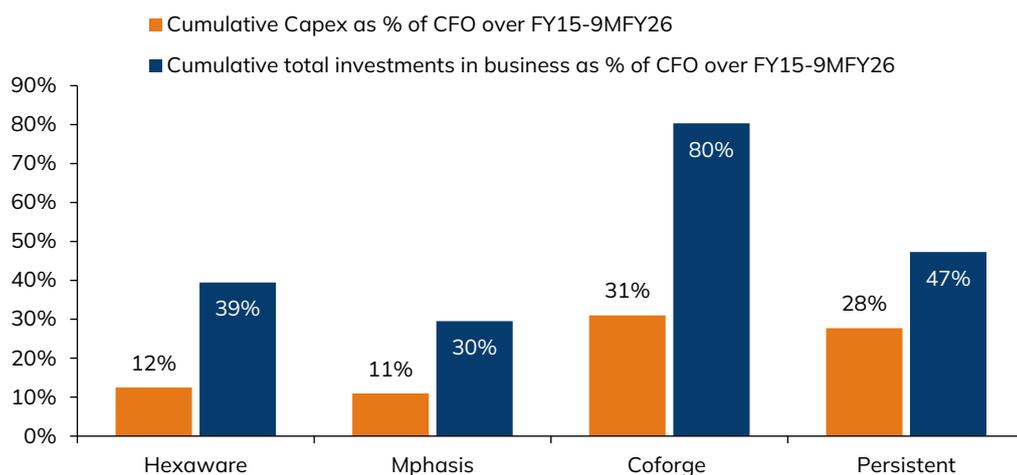


Source: I-Sec research, Company data, Note: DSO is calculated as $(\text{trade receivables} + \text{unbilled revenue} + \text{contract assets}) / \text{revenue} * 365$.

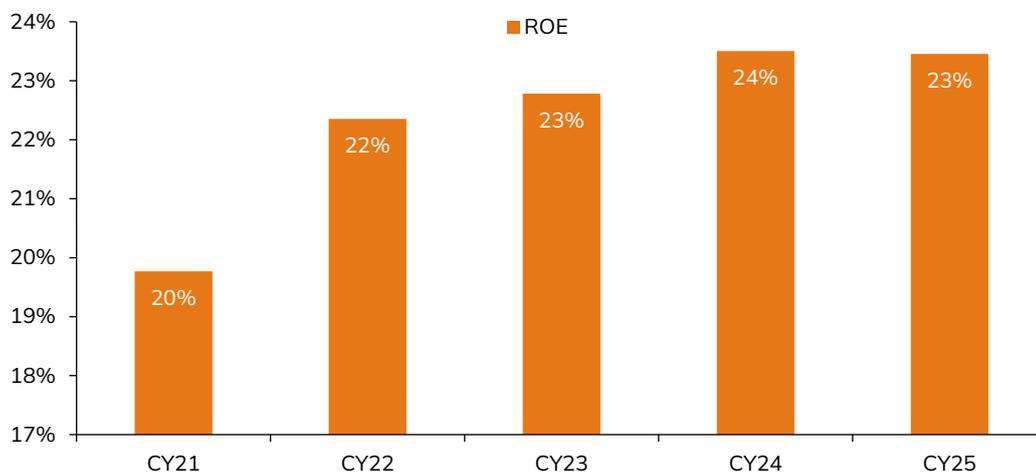
Exhibit 30: Hexaware has superior cash conversion metrics vs. peers

Cash conversion metrics	CY21 / FY22	CY22 / FY23	CY23 / FY24	CY24 / FY25	9MFY26 / CY25
OCF/EBITDA					
Hexaware	86%	67%	96%	85%	91%
LTIMindtree	62%	51%	89%	70%	62%
Mphasis	85%	59%	88%	72%	47%
Coforge	67%	68%	60%	62%	60%
Persistent	88%	63%	71%	56%	67%
FCF/ Net profit					
Hexaware	116%	79%	145%	121%	115%
LTIMindtree	56%	49%	106%	78%	78%
Mphasis	112%	82%	134%	108%	78%
Coforge	92%	114%	79%	77%	58%
Persistent	67%	57%	83%	66%	88%
FCF considering acquisition related payments / Net profit (%)					
Hexaware	116%	77%	145%	50%	60%
LTIMindtree	51%	46%	105%	78%	78%
Mphasis	75%	82%	55%	92%	63%
Coforge	-37%	97%	79%	-180%	56%
Persistent	-23%	10%	67%	62%	88%

Source: Company data, I-Sec research

Exhibit 31: Hexaware could improve investments in business, which are currently equivalent to Mphasis and lower than high growth peers – Coforge and Persistent


Source: I-Sec research, Company data

Exhibit 32: Improving ROE trend


Source: I-Sec research, Company data

Valuation

We like Hexaware given its strongly diversified verticals and geo mix, vs. peers, with domain expertise across select sub-segments across each vertical, helping it maintain consistent healthy revenue growth. It has scaled up meaningfully across client buckets and has longstanding relationships with large clients. It has been at the forefront of launching newer services to adapt to the changing technology landscape – be it digital transformation, shift to cloud or generative and agentic AI waves. It has the lowest DSO, better cashflow conversion and lowest attrition among mid-tier peers.

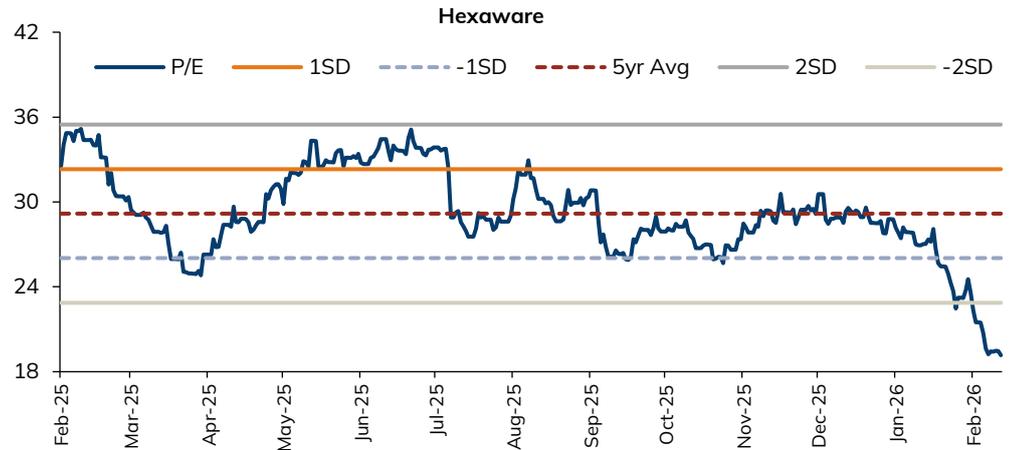
Carlyle PE owns 74% stake in the company. We believe that having a PE investor on the board is positive from execution rigour and corporate governance perspective; thus, improving investor confidence. Six out of the eleven members on the board of Hexaware are from PE owner Carlyle, which is likely to help the company with strategic direction and client introductions.

Hexaware has reported consistent healthy revenue growth with 12.4% CAGR over CY18 to CY25. Its revenue growth has been ahead of larger-sized peers LTIM and Mphasis and lower than high growing peers Coforge and Persistent over CY21-24. CY25 was an exception to this trend, but we believe that this trend could continue and model USD revenue 10.7% CAGR over CY25-27E. We model EBIT margin to be between 13-14% over CY26-27, in line with the company's guidance, Margin improvement would be driven by support from revenue growth leverage, scope to reduce subcontracting costs, improve utilisation and investments for senior leadership in the base with partial offset from investments in large deal ramp-ups and AI capability building. We model 13.8% EPS CAGR over CY25-27.

Hexaware has limited trading history and is currently trading at attractive valuation of 16x CY27E EPS. We assign target P/E multiple of 20x, in line with the current one-year forward earnings multiple of Mphasis and 7% / 13% / 38% discount to LTIMindtree / Coforge / Persistent. We value Hexaware at 20x on CY27E EPS of INR 29 to arrive at TP of INR 570 and assign BUY rating.

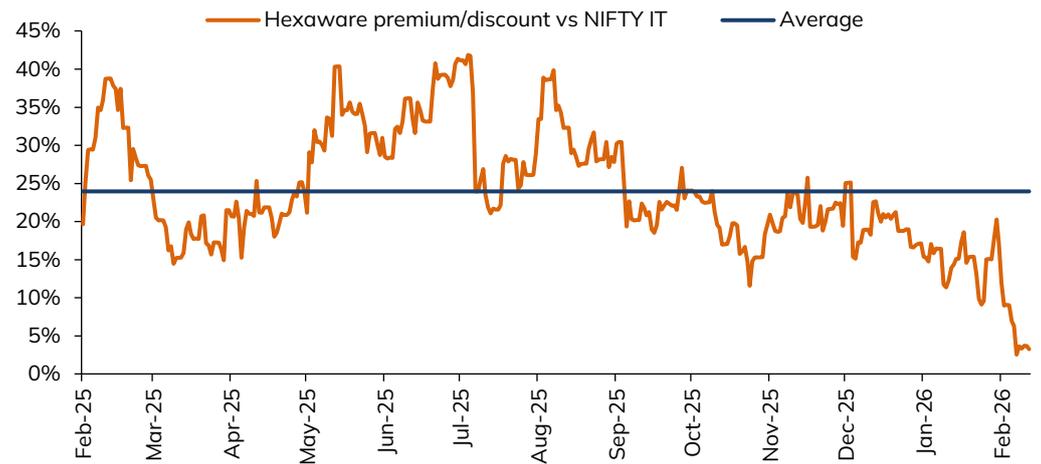
Sector valuation multiples have de-rated significantly over the past month, driven by investor concerns regarding the long-term growth outlook in light of recent advancements in agentic AI. While we maintain that IT services face no existential threat, valuation multiples are likely to remain suppressed in the near term. Consequently, stock price returns will likely be driven by earnings CAGR, unless there is credible evidence that net-new AI use cases are meaningfully accelerating the sector's growth trajectory. In this environment, we expect mid-tier peers to continue trading at a valuation premium relative to large-caps. Their superior revenue growth outlook is supported by: 1) Minimal drag from legacy systems and a lower base effect., 2) Greater agility and client-centricity. 3) The equalizing power of Gen AI, which allows nimbler players to compete effectively against larger incumbents.

Exhibit 33: Hexaware is trading at 19.2x (one-year forward P/E) below its Avg-2SD of 23x



Source: Company data, Bloomberg, I-Sec research

Exhibit 34: Hexaware is trading at 3% premium vs NIFTY IT, substantially below average premium of 24%



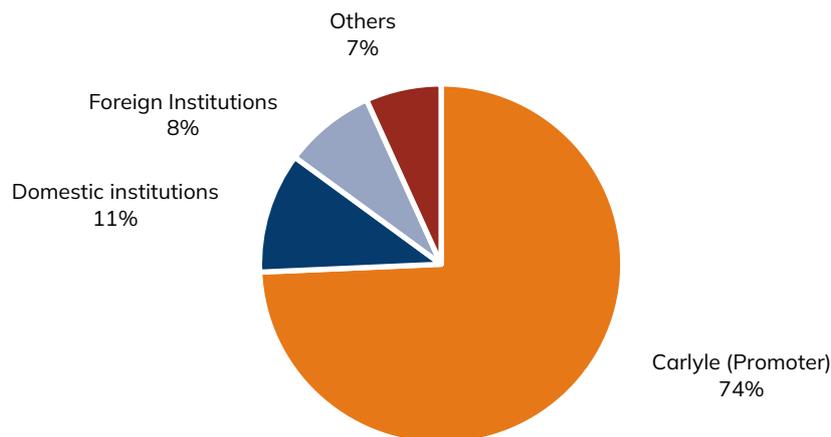
Source: Bloomberg, Company data, I-Sec research

Exhibit 35: Peer comparison

	One-year forward P/E			ISEC FY26-28 CAGR	
	Current	5-year average	10-year average	USD Revenue	EPS
LTIM	21.0	30.7	24.7	10.0%	15.2%
Mphasis	20.1	26.3	20.9	9.2%	16.4%
Coforge	21.9	32.9	24.3	29.9%	24.3%
Persistent	32.3	39.5	27.1	15.1%	18.6%
Hexaware	18.9	NA	NA	10.7%	13.8%

Source: Bloomberg, Company data, I-Sec research

Exhibit 36: Shareholding



Source: I-Sec research, Company data

Risks

Company-specific risks

- Change in top leadership – CEO Mr. R. Srikrishna has been instrumental in improving the service profile of the company over last nine years. Change in CEO and/or top leaders reporting to CEO could temporarily slowdown execution.
- Lower margin profile vs. mid-tier IT services peers leaves lesser room for investments in competitive demand environment.
- Higher client concentration – with Top 5/10 clients contributing 25.7%/35.8% of revenue in CY24 – though lower than other mid-tier IT services peers. Unfavourable vendor consolidation outcome or insourcing by top clients could adversely impact Hexaware's revenue.

Sector-specific risks

- GenAI-led deflationary impact.
- Slowdown in developed economies impacting technology spends of clients.
- Competition from rising GCC set-ups in India.
- Increasing competitive intensity as GenAI and agentic AI create a level playing field, enabling IT service providers to develop agentic AI solutions at speed.
- INR appreciation against USD.

About the company

Hexaware is a digital and technology services company that helps customers in their digital-transformation journey.

The company has six operating segments based on the industries it serves – financial services, healthcare and insurance, manufacturing and consumer, hi-tech and professional services, banking, and travel and transportation.

Its offerings encompass five broad services – design & build, secure & run, data & ai, optimize, and cloud services, which form the foundation for our offerings. The company delivers its services through AI-enabled digital platforms such as RapidX for digital transformation, Tensai for AI-powered automation and Amaze for cloud adoption.

Hexaware serves customers across the Americas, Europe and Asia-Pacific (including India and the Middle East) (APAC). Hexaware serves a diverse set of clients, including 31 Fortune 500 organisations. As of Dec'25, the company had 33,844 employees. Employees are spread across 44 delivery centres and 16 offices in 28 countries.

Exhibit 37: Key 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 with effect from July 1, 1995. The name was changed to Aptech Limited
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 and the erstwhile Hexaware Technologies Limited was merged with effect from April 1, 2001
2002	Renamed to Hexaware Technologies Limited
2013	HT Global IT Solutions Holdings Limited and Parel Investment Holdings Limited (affiliates of Baring Private Equity Asia) acquired 70.87% of share capital via an open offer
2019	Acquisition of Mobyquity Inc
2020	Voluntary delisting of equity shares from the BSE and the NSE
2020	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 (Promoter), acquired 95.51% of the shareholding of the Company from erstwhile promoters, HT Global IT Solutions Holdings Limited and HT Global Holdings B.V.
2023	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 Indian stock exchanges
2025	Acquisition of Cybersolve and SMC squared

Source: Company data, I-Sec research

Directors and KMP

Exhibit 38: Six out of eleven board members are from PE owner Carlyle; three board members are non-executive and non-independent directors

Name	Designation	Education	Experience
Joseph McLaren Quinlan	Chairman and Non-Executive Independent Director	Bachelor of science degree in management studies from the University of the West Indies Master's degree in business administration from the Bernard M. Baruch College, City University of New York	He is associated with ServiceNow Inc., Jones Lang LaSalle Inc. and Booking Holding. He was previously associated with Deloitte LLP
Srikrishna Ramakarthykeyan	Whole-time Director and the CEO	Bachelor of technology degree in electrical and electronics engineering from the Indian Institute of Technology, Madras Post-graduate diploma in management from the Indian Institute of Management, Calcutta	He has over 30 years of experience and was previously associated with HCL America Inc. He was named as Young Global Leader of the Year by the World Economic Forum in 2010.
Neeraj Bharadwaj	Non-Executive Non-Independent Director	Bachelor of science degree in economics from the University of Pennsylvania Master's degree in business administration from Harvard University	He has several years of experience in private equity. He is a managing director at Carlyle and is a director on the board of Carlyle India Advisors Private Limited
Sandra Joy Horbach	Non-Executive Non-Independent Director	Bachelor's degree in arts from Wellesley College	She is a partner and the Chair of Americas Corporate Private Equity at Carlyle where she serves on the investment committees of Carlyle's US Corporate Private Equity (CPE) funds. Previously, she was Co-Head of Americas Corporate Private Equity. She is a founding member of Carlyle's Diversity, Equity and Inclusion Council. Prior to joining Carlyle, she was a partner at Forstmann Little & Co.
Julius Michael Genachowski	Non-Executive Non-Independent Director	Bachelor's degree in arts from the University of Columbia Juris doctor degree in law from Harvard University	He is associated with Carlyle as a managing director and is on the board of directors of Mastercard Inc. and Sonos Inc. He was previously the Chairman of the U.S. Federal Communications Commission
Lucia De Fatima Soares	Non-Executive Non-Independent Director	Bachelor's degree in arts from San Jose State University Master's degree in arts from University of California, Santa Cruz Master's degree in business administration from San Jose State University	She is associated with Carlyle as the chief information officer and head of technology transformation and was previously associated with Health2047, Inc. and Johnson & Johnson
Kapil Modi	Non-Executive Non-Independent Director	Bachelor's degree in technology (honours) in computer science and engineering from the Indian Institute of Technology, Kharagpur Post-graduate diploma in management from the Indian Institute of Management, Ahmedabad Master's degree in business laws from the National Law School of India University, Bangalore	He is a whole-time director on the board of Carlyle India Advisors Private Limited and has been associated with Carlyle since 2008. He has been involved in investments across multiple companies such as PNB Housing Finance Limited and Nxtra Data Limited. He is also a chartered financial analyst charterholder with the Charter Financial Analyst Institute
Shawn Albert Devilla	Non-Executive Non-Independent Director	Bachelor's degree in business administration from the Stephen M. Ross School of Business at the University of Michigan Master's degree in business administration from the Leland Stanford Junior University	He is associated with the technology, media and telecom group at Carlyle and is also on the board of directors of Veritas Technologies.
Milind Shripad Sarwate	Non-Executive Independent Director	Bachelor's degree in commerce from the University of Bombay	He is the founder and chief executive officer of Increate Value Advisors LLP and Increate Social Value Advisors & Resources LLP. He was previously associated with Godrej Soaps Limited and Marico Limited
Vivek Sharma	Non-Executive Independent Director	Bachelor of technology degree in textile technology from the Indian Institute of Technology, Delhi Master's degree in business administration from Institute of European d'Administration des Affaires	He serves as a director on the boards of JetBlue Airways and Kaiser Permanente was previously associated with Disney Worldwide Services, Inc. and Yahoo! Inc
Sukanya Kripalu	Non-Executive Independent Director	Bachelor's degree in science from the University of Bombay Post-graduate diploma in management from the Indian Institute of Management, Calcutta, West Bengal	She is a director on the board of directors of Ultratech Cement Limited, Ceat Limited, Aditya Birla Fashion & Retail Limited, Hindalco Industries Limited, Entertainment Network (India) Ltd and ColgatePalmolive (India)

Source: Company data, I-Sec research

Exhibit 39: Key Managerial Personnel

Name	Designation	Education	Experience
Srikrishna Ramakarthikeyan	Whole-time Director and CEO	Bachelor of technology degree in electrical and electronics engineering from the Indian Institute of Technology, Madras Post-graduate diploma in management from the Indian Institute of Management, Calcutta	He has over 30 years of experience and was previously associated with HCL America Inc. He was named as Young Global Leader of the Year by the World Economic Forum in 2010.
Vikash Kumar Jain	CFO	Bachelor's degree in commerce from University of Calcutta and is a chartered accountant with the Institute of Chartered Accountants of India	He has over 20 years of experience and has been associated with the company since September 2018. He is responsible for key financial and legal aspects in the company including corporate finance, taxation, treasury, mergers and acquisitions, risk management and investor relations. He was previously associated with Hewlett-Packard India Sale Pvt Ltd, and Wipro Limited.
Vinod Chandran	President and COO	Bachelor's degree in engineering (instrumental technology) from University of Mysore Post-graduate diploma in business management from XLRI, Jamshedpur	He has been associated with the company since March 2015. He is responsible for driving performance and scalability of company's operating model to enable sustainable growth. He was previously associated with HCL Corporation Ltd.
Amrinder Singh	President & Head EMEA & APAC operations	Bachelor's degree in electrical engineering from Punjab University Post-graduate diploma in management from the Indian Institute of Management, Calcutta	He has been associated with the company since October 2013. He is responsible for business functions across EMEA & APAC regions, including driving business development, overseeing service delivery for our clients, driving partnerships and alliances. He was previously associated with HCL Great Britain Limited.
Nidhi Alexander	Chief Marketing Officer	Bachelor's degree in arts (honours) from University of Delhi Post-graduate diploma in English journalism from Indian Institute of Mass Communication	She has been associated with the company since January 2020. She is responsible for brand management, content creation, digital marketing, social media engagement, corporate initiatives, analyst and media relations, market research, field marketing, and omnichannel demand generation. She was previously associated with Mindtree Limited, Intellect Design Arena (India) Limited, Infosys Technologies Limited and STAR India Private Limited.
Ravi Vaidyanathan	President & Global Head - Financial Services	Bachelor's of engineering degree in mechanical engineering from the University of Allahabad	He has been associated with the company since January 1999. He is responsible for leading the financial services and capital markets vertical. He was previously associated with Softek Limited and DSQ Software Limited.
Shantanu Baruah	President & Global Head – Healthcare, Life Sciences, & Insurance	He holds a bachelor's degree in zoology and a master's degree in computer applications.	He brings over 25 years of experience in the healthcare and life sciences industry, with a strong track record in building high-performing global teams and leading complex client transformations. Prior to joining Hexaware, he served as Executive Vice President at HCLTech, where he led the Healthcare business in North America.
Kamal Magoon	President & Global Head –Manufacturing & Consumer	Bachelor's degree in engineering (mechanical) from the University of Delhi Post-graduate diploma in computer aided management from the Indian Institute of Management, Calcutta	He has been associated with Hexaware since December 2019. He is responsible for leading the manufacturing and consumer vertical. He was previously associated with Symphony Teleca Service, HCL and Harman Connected Services Inc.
Eswaran Venkatachalam	Executive Vice-President & Global Head - Travel & Transportation	Bachelor of science degree in chemistry from the Madurai Kamaraj University Post graduate diploma in computer applications from Colt Computer Centre Private Limited	He has been associated with Hexaware since October 1998. He was previously associated with Colt Computer Centre Private Limited and DSQ Software Limited.
Eravi Gopan	President & Global Head – Technology, Products, & Platforms	He holds degrees in electronics engineering and business management	He brings extensive leadership experience across venture-funded startups and global enterprises. Before joining Hexaware, he was the Chief Revenue Officer at a Google Ventures-backed SaaS platform, where he led a successful transformation and acquisition, and the first Chief Commercial Officer at an Accel-backed enterprise AI startup. Earlier, Eravi spent a long tenure at Wipro Technologies, where he built new businesses across industries and served as the Global Business Head for Platforms and Software Products.
Kush Gupta	Senior Vice President & Global Head – Professional Services	Bachelor's degree in electronics and telecommunication engineering from the University of Mumbai	He joined Hexaware in January 2001 and is responsible for growth and transformation across professional services vertical
Vidya Srinivasan	Executive Vice President - Chief of Staff & Head of Global Bid Management	Industrial Engineering graduate from College of Engineering, Guindy, Anna University, and completed an Executive Education Management program from	Vidya joined Hexaware in 2014 and has over twenty-five years of experience in the intersection of technology and core industries. She has worked at multi-business conglomerates

Name	Designation	Education	Experience
		Fuqua School of Business, Duke University. She is also a certified Six Sigma Black Belt and Master Black Belt, and certified in Quality and Organizational Excellence from the American Society for Quality.	such as SRF and Titan, and IT services organizations of HCL and Satyam/Tech Mahindra.
Sanjay Salunkhe	President & Global Head – Digital & Software Services	Bachelor's degree in mechanical engineering from the University of Bombay Master's degree in marketing management from the University of Mumbai	He has been associated with the company since December 5, 2022. He is responsible for leading the digital and software services business unit. He was previously associated with Capgemini.
Siddharth Dhar	President and Global Head of Digital IT Operations	Bachelor's degree in petrochemical engineering from the University of Pune	He has been associated with Hexaware since June 2016. He was previously associated with HCL Comnet Limited.
Srinivasan Panchapakesan	Senior Corporate Vice President & Global Delivery Head – Digital & Software	Bachelor's degree in Physics and Masters in Computer Science	He has been with Hexaware for over 25 years. He is responsible for its growth by enhancing customer digital adoption, product engineering and user experience, delivery excellence, and employee engagement. In his earlier role, he innovated Hexaware's automation-led Amaze® platform, designed to provide rapid and highly cost-efficient cloud solutions.
Girish Pai	Executive Vice President & Global Head – Data	Girish holds a bachelor's in engineering from University of Mysore and earned his MBA at Chicago Booth.	Prior to Hexaware, Girish served as Chief Customer Officer at Tredence Inc, Vice President, Retail and CPG at Infosys and held leadership roles at a couple startups in the digital marketing space.
Suresh Bennet Kumar	Executive Vice President and Global Head of Business Process Services	Bachelor's degree in electrical and electronics engineering from Madurai Kamaraj University Master's degree in business administration from Bharathidasan University	He has been associated with the company since February 2014, prior to which he was associated with one of the subsidiaries since September 2010. He was previously associated with firms like Anantara Solutions Private Limited, Tech Mahindra and Tata Consultancy Services Limited, among others.

Source: Company data, I-Sec research

Exhibit 40: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	74.6	74.6	74.3
Institutional investors	19.6	19.4	19.5
MFs and other	9.2	10.4	10.8
Banks/ FIs	0.2	0.1	0.2
Insurance Cos.	0.4	0.6	0.4
FII's	9.8	8.3	8.2
Others	5.8	6.0	6.2

Source: Bloomberg, I-Sec research

Exhibit 41: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 42: Profit & Loss

(INR mn, year ending Dec)

	CY24A	CY25A	CY26E	CY27E
Net Sales (USD mn)	1,429	1,537	1,662	1,886
Net Sales (INR. mn)	1,19,744	1,34,304	1,49,585	1,70,642
Operating Expense	1,01,442	1,15,190	1,24,758	1,41,214
EBITDA	18,302	19,114	24,826	29,428
EBITDA Margin (%)	15.3	14.2	16.6	17.2
Depreciation & Amortization	2,788	3,613	5,173	5,540
EBIT	15,514	15,501	19,653	23,888
Interest expenditure	660	1,005	1,232	1,244
Other Non-operating Income	-	-	-	-
Recurring PBT	15,603	14,559	19,002	23,324
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	3,863	3,585	4,561	5,598
PAT	11,740	10,974	14,442	17,726
Less: Minority Interest	-	-	-	-
Net Income (Reported)	11,740	13,683	14,442	17,726
Extraordinaries (Net)	-	2,709	-	-
Recurring Net Income	11,740	10,974	14,442	17,726

Source Company data, I-Sec research

Exhibit 43: Balance sheet

(INR mn, year ending Dec)

	CY24A	CY25A	CY26E	CY27E
Total Current Assets	45,511	50,477	56,465	65,274
of which cash & cash eqv.	19,766	19,708	20,438	24,560
Total Current Liabilities & Provisions	27,682	33,828	35,580	39,186
Net Current Assets	17,829	16,649	20,885	26,089
Investments	765	884	884	884
Net Fixed Assets	4,762	6,789	6,829	6,869
ROU Assets	5,596	6,116	6,116	6,116
Capital Work-in-Progress	1,308	505	505	505
Goodwill	23,871	35,768	35,768	35,768
Other assets	4,766	5,881	5,881	5,881
Deferred Tax Assets	-	-	-	-
Total Assets	62,263	75,218	79,534	84,818
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
provisions	752	2,041	2,041	2,041
other Liabilities	2,223	3,244	3,244	3,244
Minority Interest	(23)	(32)	(32)	(32)
Equity Share Capital	608	609	609	609
Reserves & Surplus*	52,961	62,549	66,794	71,888
Total Net Worth	53,569	63,158	67,403	72,497
Total Liabilities	62,263	75,218	79,534	84,818

Source Company data, I-Sec research

Exhibit 44: Quarterly trend

(INR mn, year ending Dec)

	Mar-25	Jun-25	Sep-25	Dec-25
Net Sales	32,079	32,607	34,836	34,782
% growth (YOY)	16.7%	11.1%	11.1%	10.3%
EBITDA	5278	4044	6013	3779
Margin %	16.5%	12.4%	17.3%	10.9%
Other Income	44	1600	103	-97
Extraordinaries	0	0	0	1,111
Adjusted Net Profit	3,271	3,797	3,699	3,749

Source Company data, I-Sec research

Exhibit 45: Cashflow statement

(INR mn, year ending Dec)

	CY24A	CY25A	CY26E	CY27E
CFO before WC changes	19,230	20,968	24,826	29,428
CFO after WC changes	18,602	21,072	21,391	28,535
Tax Paid	(3,122)	(3,681)	(4,561)	(5,598)
Cashflow from Operations	15,480	17,391	16,831	22,938
Capital Commitments	1,333	1,675	5,253	5,620
Free Cashflow	14,147	15,716	11,578	17,318
Other investing cashflow	(5,357)	(8,287)	581	680
Cashflow from Investing Activities	(6,690)	(9,962)	(4,672)	(4,940)
Dividend and Buyback Inc (Dec) in Borrowings	(5,314)	(6,995)	(10,197)	(12,632)
Others	(1,505)	(1,313)	(1,232)	(1,244)
Cash flow from Financing Activities	(6,819)	(8,308)	(11,429)	(13,876)
Chg. in Cash & Bank balance	2,032	(58)	730	4,122
Closing cash & balance	19,766	19,708	20,438	24,560

Source Company data, I-Sec research

Exhibit 46: Key ratios

(Year ending Dec)

	CY24A	CY25A	CY26E	CY27E
Per Share Data (INR)				
Reported EPS	19.3	18.0	23.7	29.1
Diluted EPS	19.0	17.8	23.4	28.7
Cash EPS	23.9	24.0	32.2	38.2
Dividend per share (DPS)	-	17.2	16.8	20.8
Book Value per share (BV)	88.0	103.7	110.7	119.1
Dividend Payout (%)	-	97.0	71.6	72.3
Growth (%)				
Net Sales	15.4	12.2	11.4	14.1
EBITDA	15.8	4.4	29.9	18.5
EPS	17.5	(6.5)	31.6	22.7
Valuation Ratios (x)				
P/E	24.2	25.9	19.7	16.0
P/CEPS	19.6	19.5	14.5	12.2
P/BV	5.3	4.5	4.2	3.9
EV / EBITDA	14.5	13.8	10.6	8.8
P/S	2.4	2.1	1.9	1.7
Dividend Yield (%)	-	3.7	3.6	4.4
Operating Ratios				
EBITDA Margins (%)	15.3	14.2	16.6	17.2
EBIT Margins (%)	13.0	11.5	13.1	14.0
Effective Tax Rate (%)	24.8	24.6	24.0	24.0
Net Profit Margins (%)	9.8	8.2	9.7	10.4
Inventory Turnover Days	-	-	-	-
Fixed Asset Turnover (x)	20.2	20.1	20.5	23.2
Receivables Days	58	55	57	59
Payables Days	24	26	25	24
Working Capital Days	2	(7)	(3)	2
Net Debt / EBITDA (x)	(7.1)	(5.5)	(4.0)	(4.4)
Profitability Ratios				
RoCE (%)	23.4	20.0	22.9	26.0
RoIC (%)	37.2	27.4	32.3	38.3
RoNW (%)	23.5	18.8	22.1	25.4

Source Company data, I-Sec research

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