

IPO ANALYSIS	
Sector: Information Technology	
Issue Price: INR 674 to INR 708	
Issue Size: INR 8,750 cr	
Issue Opens/Closes: February 12 / February 14	
IPO Basics	
Promoters: CA Magnum Holdings	
Selling Shareholders: CA Magnum Holdings	
Lead Managers: Kotak Mahindra Capital, Citigroup Global Markets India, J.P. Morgan India, HSBC Securities and Capital Markets (India), IIFL Securities	
Registered Office: Navi Mumbai, Maharashtra	
Registrar: KFin Technologies	
Listing: BSE and NSE	

IPO Capital Structure	
Fresh Issue	NA
Offer for Sale	12,37,20,440 equity shares upto INR 8,750 Cr
Total Issue as % of total capital (Post-Issue)	20.33%
Post Issue No. of Shares	607,694,668
Post Issue Market Cap	INR 40,959 Cr – INR 43,025 Cr
Employee Reservation	12,71,186 equity shares upto INR 90 Cr
Employee Discount	INR 67 per share
Face Value	INR 1
Issue Route	Book Build Issue
All values calculated at upper band	

Financial Snapshot (INR in crs)			
Y/E Dec	CY22	CY23	H1CY24
Share Capital	60.40	60.70	60.70
Reserves	3,717.70	4,170.20	4,815.30
Net Worth	3,778.10	4,230.90	4,876.00
Revenue from ops	9,199.60	10,380.30	8,820.00
Revenue Growth (%)	28.20%	12.80%	13.60%
EBITDA	1,400.90	1,589.90	1,391.10
EBITDA (%)	15.20%	15.30%	15.80%
Net Profit	884.20	997.60	853.30
Net Profit (%)	9.60%	9.60%	9.70%
Basic EPS	14.65	16.45	14.12*
Diluted EPS	14.53	16.41	14.06*
Basic NAV (INR)	62.61	69.77	80.32
Diluted NAV (INR)	62.09	69.60	79.92
ROE (%)	23.40%	23.60%	17.60%*
P/E (Based on Upper Band)			43.14
Average Industry P/E			55.00
P/B (Based on Upper Band)			8.85
Shareholding Pattern			
Holders		Pre-Issue	Post Issue
Promoters		95.05%	74.69%
Public		4.95%	25.31%
Total		100.00%	100.00%

Source: RHP, *not annualized, PE/PB based on upper price band, H1FY24 revenue growth compared with H1FY23

Particulars	Retail Category	NII bid between INR 2 lakhs- INR 10 lakhs	NII bid above INR 10 lakhs
Minimum Bid Lot (Shares)	21	294	1,428
Minimum Bid Lot Amount	INR 14,868	INR 2,08,152	INR 10,11,024
No of Applications for 1x	20,38,606	20,802	41,604

Hexaware Technologies Limited

Feb 10, 2025

Issue Highlights:

- Hexaware Technologies was incorporated as 'Aptech Information Systems Limited' on November 20, 1992, and became publicly listed on BSE and NSE in 1997. The company changed its name to 'Hexaware Technologies Limited' on April 2, 2002, reflecting its focus on technology services. In November 2020, the equity shares of Hexaware were voluntarily delisted. Over the years, the company has grown into a global digital and technology services provider with a strong emphasis on artificial intelligence (AI).
- Hexaware Technologies specializes in delivering AI-driven digital and technology services to support customers in their digital transformation and operational processes. The company operates across six key industry segments: Financial Services, Healthcare and Insurance, Manufacturing and Consumer, Hi-Tech and Professional Services, Banking, and Travel and Transportation. This diversified industry presence allows Hexaware to cater to a wide range of clients and provide specialized solutions tailored to industry needs.
- The company's service offerings are structured into five broad categories: Design & Build, Secure & Run, Data & AI, Optimize, and Cloud Services. These services form the foundation of Hexaware's technology solutions, helping organizations enhance efficiency, security, and scalability in their digital operations. With a strong focus on innovation, the company integrates advanced technology and AI-driven processes to optimize customer experiences and business performance across industries.
- Hexaware Technologies serves a diverse global client base, including 31 Fortune 500 companies. The company operates 39 delivery centers, supported by 16 offices across the Americas, Europe, and the Asia-Pacific region. It has secured 20 patents and registered 119 trademarks in various countries, along with two registered copyrights in India and 49 domain names worldwide. Additionally, Hexaware has filed applications for 45 patents and 23 trademarks, reflecting its commitment to intellectual property and innovation.
- The company has demonstrated strong financial growth, with revenue from operations surpassing US\$1 billion in the financial years 2022 and 2023, making it the fastest-growing India-headquartered technology services company. Hexaware's customer base remains diversified, with its top five customers contributing 25.8% of revenues and the top ten customers contributing 35.7% as of September 30, 2024. The company's revenue grew at a CAGR of 13.7%, reaching INR 10,380.30 crs (US\$1,256.4 million) in the financial year 2024, compared to INR 7,177.70 crs (US\$971.2 million) in the financial year 2021.

Key Risks:

- Economic volatility in key markets can reduce client budgets and IT spending, directly affecting Hexaware's revenue and financial stability
- Currency fluctuations impact profitability as revenues in foreign currencies and expenses in Indian rupees create financial risks.

Particulars	No of Shares at Lower band (cr)	No of Shares at Upper band (cr)	Issue size amount (Rs cr)	% Of Issue
QIB	6.42	6.12	4,330.00	50%
NIB	1.93	1.83	1,299.00	15%
-NIB2 (Bid above INR 10 Lakhs)	1.28	1.22	866.00	-
-NIB1 (Bid between INR 2 to 10 Lakhs)	0.64	0.61	433.00	-
Retail	4.50	4.28	3,031.00	35%
Employee	0.15	0.14	90.00	-
Total	13.00	12.37	8,750.00	100.00%

An Indicative Timetable Post Issue Closing	
Particulars	Tentative Date
Finalization of Basis of Allotment	February 17, 2025
Refunds/un-blocking of ASBA Accounts	February 18, 2025
Credit of Equity Shares to DP Ac	February 18, 2025
Trading Commences	February 19, 2025

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**Company and Directors**

The Company was incorporated as 'Aptech Information Systems Limited' on November 20, 1992, and renamed 'Aptech Limited' on August 5, 1996. It was listed on BSE and NSE in 1997 and later renamed 'Hexaware Technologies Limited' on April 2, 2002. The company voluntarily delisted from BSE and NSE in October 2020 under SEBI Delisting Regulations. Hexaware is a global digital and technology services company with AI at its core, driving digital transformation for customers.

Brief History of Change in Control of the Company

In 2013, HT Global IT Solutions Holdings Ltd and Parel Investment Holdings Ltd acquired 70.87% of the company via an open offer, becoming its promoters. The company voluntarily delisted in November 2020 at an exit price of INR475 per share. In November 2021, CA Magnum Holdings acquired 92.72% of the company at INR770.26 per share, followed by an additional 2.07% in December 2021 at INR790.61 per share. In May 2024, the company announced a share split from INR2 to INR1 face value.

Brief Biographies of Directors & Key Managerial Personnel

Joseph McLaren Quinlan is the Non-Executive Independent Director and Chairman of the Company. Currently, he is also associated with ServiceNow Inc., Jones Lang LaSalle Inc. and Booking Holdings Inc. He was previously associated with Deloitte LLP.

Srikrishna Ramakarthikeyan is a Whole-time Director and the Chief Executive Officer of the Company. He has over 30 years of experience. Currently, he is a director in multiple Subsidiaries of the Company and was previously associated with HCL America Inc.

Neeraj Bharadwaj is a Non-Executive Non-Independent Director of the Company. 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 Pvt. Ltd.

Sandra Joy Horbach is a Non-Executive Non-Independent Director of the Company. She is a partner and the Chair of Americas Corporate Pvt. Equity at Carlyle where she serves on the investment committees of Carlyle's US Corporate Pvt. Equity (CPE) funds.

Julius Michael Genachowski is a Non-Executive Non-Independent Director of the Company. Currently, 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 is a Non-Executive Non-Independent Director of the Company. Currently, 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 is a Non-Executive Non-Independent Director of the Company. He is a whole-time director on the board of Carlyle India Advisors Pvt. Ltd and has been associated with Carlyle since 2008. He has been involved in investments across multiple companies such as PNB Housing Finance Ltd and Nxtra Data Ltd.

Shawn Albert Devilla is a Non-Executive Non-Independent Director of the Company. Currently, 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 is a Non-Executive Independent Director of the Company. He is the founder and CEO of Increate Value Advisors LLP and Increate Social Value Advisors & Resourcers LLP. He was previously associated with Godrej Soaps Ltd and Marico Ltd.

Vivek Sharma is a Non-Executive Independent Director of the Company. Currently, he serves as a director on the boards of JetBlue Airways and Kaiser Permanente and was previously associated with Disney Worldwide Services, Inc. and Yahoo! Inc.

Sukanya Kripalu is a Non-Executive Independent Director of the Company. Currently, she is a director on the board of Ultratech Cement Ltd, CEAT Ltd, Aditya Birla Fashion & Retail Ltd, Hindalco Industries Ltd, Entertainment Network (India) Ltd and Colgate-Palmolive (India) Ltd.

Vikash Kumar Jain is the Chief Financial Officer of the Company. He has been associated with the Company since September 2018. He has over 20 years of experience. Previously he was associated with Hewlett-Packard India Sale Pvt Ltd, and Wipro Limited.

Gunjan Methi is the Company Secretary and Compliance Officer of the Company. She has been associated with the Company since March 2007. She has over 18 years of experience. She was previously associated with Gammon India Ltd.

OFFER DETAILS

Offer for Sale by:	No. of Shares	WACA per Equity Share (INR)
CA Magnum Holdings– Promoter Selling Shareholder	Up to 12,37,20,440 ^ Equity Shares	385.35

SHAREHOLDING PATTERN

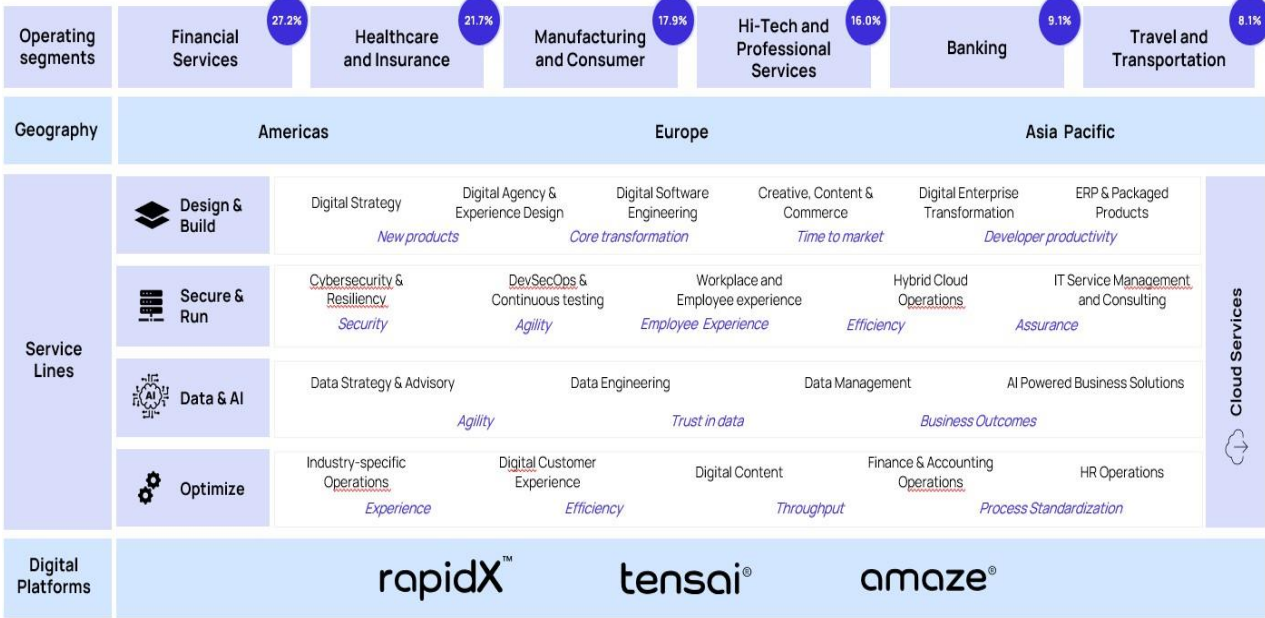
Shareholders	Pre-offer		Offer for Sale of Equity Shares^	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter and Promoters Group					
Promoter	57,76,04,202	95.05%	12,37,20,440	45,38,83,762	74.69%
Promoters Group	-	-	-	-	-
Total for Promoter and Promoter Group	57,76,04,202	95.05%	12,37,20,440	45,38,83,762	74.69%
Public - Others	3,00,90,466	4.95%	-	15,38,10,906	25.31%
Total for Public Shareholder	3,00,90,466	4.95%	-	15,38,10,906	25.31%
Total Equity Share Capital	60,76,94,668	100.00%	12,37,20,440	60,76,94,668	100.00%

(^ at upper price band)

BUSINESS OVERVIEW

Hexaware Technologies is a global digital and technology services company with AI at its core. It delivers innovative solutions to support customers in their digital transformation journey. The company embeds AI into its solutions, offering platforms and tools that enable customers to adapt, innovate, and optimize in the AI-first era.

The company operates through six industry-based segments: Financial Services, Healthcare and Insurance, Manufacturing and Consumer, Hi-Tech and Professional Services, Banking, and Travel and Transportation. Its five core service offerings are Design & Build, Secure & Run, Data & AI, Optimize, and Cloud Services. Hexaware delivers services through AI-enabled digital platforms such as RapidX™ for digital transformation, Tensai® for AI automation, and Amaze® for cloud adoption. The company serves customers across the Americas, Europe, and APAC, leveraging a broad ecosystem of partnerships to enhance customer offerings and market reach.



Source: RHP

The company serves a diverse range of customers, including 31 of the Fortune 500 organizations. The company serves prominent enterprises across the industries in which it operates, which include:

- 11 of the top 50 global asset management firms by assets under management (“AUM”);
- 3 of the top 10 global life sciences firms by market capitalization;
- 5 of the top 20 global insurers by market capitalization;
- 3 of the top 5 global manufacturing organizations by market capitalization;
- 4 of the top 50 global retail and CPG organizations by revenue;
- 6 of the top 20 global hi-tech companies by market capitalization;
- 3 out of the top 6 global audit and advisory firms;
- 2 out of the top 5 global legal firms;
- 11 of the top 60 banks in the United States ranked by assets; and
- 3 of the top 5 airlines in North America by revenue.

The company’s customer-centric approach has enabled it to build strong relationships with its customers and continually expand the company’s customer base.

Revenue from operations bracket	For 9 months ended Sept 30th,		For the Year ended December 31st,		
	2024	2023	2023	2022	2021
>US\$75 million	3	2	2	2	1
>US\$50 million	3	3	3	3	3
>US\$20 million	15	11	11	9	6
>US\$10 million	31	27	29	28	19
>US\$5 million	59	55	54	51	43
>US\$1 million	186	172	171	170	141

Source: RHP

The company’s NPS, measuring customer loyalty, reached 72 in 2024, with 76% promoters and 4% detractors. This marks an increase from 54 in 2023 and is 30 points above the industry median of 42.

As of September 30, 2024, the company operated 39 delivery centers and 16 offices across the Americas, Europe, and APAC, with a team of 32,536 employees in 28 countries.

According to Everest, the company was India’s fastest-growing technology services firm, exceeding US\$1,000 million in revenue for 2023 and 2022. Its revenue grew at a 13.7% CAGR from 2021 to 2023, outpacing the global outsourced IT-BP industry’s 7.3% CAGR.

KEY OPERATIONAL PARAMETERS

Particulars	For 9 months ended Sept 30th,		For the year ended December 31st,		
	2024	2023	2023	2022	2021
Revenue from operations (US\$ Mn)	1,056.6	942.3	1,256.4	1,165.0	971.2
Revenue from operations (INR Cr)	8,820.0	7,764.3	10,380.3	9,199.6	7,177.7
Growth in revenue from operations (%)	13.6%	-	12.8%	28.2%	-
Revenue from operations (INR Cr)					
Americas	6,471.1	5,529.5	7,419.1	6,719.2	5,032.9
Europe	1,805.8	1,728.9	2,289.7	1,866.9	1,473.5
Asia-Pacific	543.1	505.9	671.5	613.5	671.3
Revenue from operations (INR Cr)					
From IT services	7,444.6	6,589.6	8,826.1	7,961.1	6,326.0
From Business Process Services (BPS)	1,096.0	972.9	1,309.1	1,081.6	716.5
From Others	279.4	201.8	245.1	156.9	135.2
EBITDA (INR Cr)	1,391.1	1,248.8	1,589.9	1,400.9	1,199.8
EBITDA margin (%)	15.8%	16.1%	15.3%	15.2%	16.7%
Adjusted EBITDA (INR Cr)	1,538.5	1,280.7	1,685.2	1,466.4	1,363.7
Adjusted EBITDA margin (%)	17.4%	16.5%	16.2%	15.9%	19.0%
Profit for the period/year (INR Cr)	853.3	804.8	997.6	884.2	748.8
Profit margin (%)	9.7%	10.4%	9.6%	9.6%	10.4%
Adjusted profit for the period/year (INR Cr)	1,017.7	858.8	1,132.6	954.5	828.2
Adjusted profit margin (%)	11.5%	11.1%	10.9%	10.4%	11.5%
Days Sales Outstanding	42	54	49	55	52
Utilization rate of IT business professionals (%)	82.6%	79.1%	79.7%	79.0%	80.5%
Voluntary attrition rate of IT business professionals (%)	11.3%	16.1%	14.7%	23.2%	22.1%

Source: RHP

DESCRIPTION OF BUSINESS

SERVICES

The company provides IT and Business Process Services (BPS) through its Optimize service line. It offers Design & Build, Secure & Run, and Data & AI services via IT, while Cloud services are provided across both IT and BPS.

Design & Build

- **Digital strategy:** Helps customers define business models, technology, and branding strategies.
- **Digital agency & experience design:** Includes user research, UX design, and product management.
- **Digital software engineering:** Develops cloud-native products using RapidX™.
- **Digital enterprise transformation:** Modernizes core business systems with cloud migration.
- **Creative, content & commerce:** Enhances customer engagement platforms using third-party products.
- **Enterprise resource management & packaged products:** Implements and upgrades platforms like Oracle, SAP, and Workday.

Secure & Run - The company secures, runs and optimizes IT operations for the customers' complex IT estates spanning applications, middleware, data, end-user devices and hybrid infrastructure. The company's Secure & Run offerings encompass the following:

- **Cybersecurity & resiliency:** Strengthens infrastructure security with governance and risk compliance.
- **DevSecOps & continuous testing:** Integrates security testing in software development.
- **Workplace & employee experience:** Enhances workplace services with agile tools.
- **Hybrid cloud operations:** Modernizes legacy data centers with cloud solutions.
- **IT service management & consulting:** Standardizes processes and optimizes IT services.

Data & AI - The company builds strong data foundations, enabling sustainable value creation, agility, and trust in business insights. It leverages AI and ML to transform data into actionable insights and predictions. The Data & AI offerings include:

- **Data strategy & advisory:** Develops AI-driven data strategies.
- **Data engineering:** Designs secure, scalable data architectures.
- **Data management:** Integrates and governs cloud data.
- **AI-powered business solutions:** Leverages AI for predictive analytics and real-time insights.

Optimize - The company's Gen AI-powered business process services enhance personalization, communication, automation, analytics, and talent management across industries. The Optimize offerings include:

- **Industry-specific operations:** Covers banking, financial services, insurance, and healthcare.
- **Digital customer experience:** Uses AI-powered chatbots, virtual agents, and analytics.
- **Digital content:** Automates content creation, discovery, and moderation.
- **Finance & accounting operations:** Manages vendor setups, invoicing, and financial planning.
- **HR operations:** Covers payroll, learning management, and employee engagement.

Cloud Services - The company's Cloud Services form the foundation of its offerings, and the company leverages its cloud capabilities across its service lines. The company's Cloud Services offerings encompass the following:

- **Cloud Strategy:** Develops cloud adoption plans to enhance efficiency and security.
- **Cloud Modernization & Migration:** Automates legacy infrastructure and application migration.
- **Cloud Managed Services:** Provides optimization and support for hybrid cloud environments.

Amaze® is key to Cloud Services, offering advanced capabilities with a platform-driven approach for centralized control and governance.

PLATFORMS

The company leverages three platforms—RapidX™, Tensai®, and Amaze®—to enhance its services.

RapidX™ - RapidX™, launched in 2022, is a Gen AI-powered platform that accelerates idea-to-application conversion. Integrated into the company's Design & Build services, it enhances product functionality, developer productivity, and code quality through an AI-assisted SDLC. Designed as a set of AI agents, RapidX™ spans the entire SDLC, from vision crafting to UX design, development, and enhancements. Its suite of tools includes:

- **Code Comprehension:** AI-driven knowledge repository for software insights.
- **Requirements Clarity:** Automates user story generation for product development.

Tensai® - Tensai®, launched in 2021, is an AI-powered automation platform that helps organizations streamline IT and business processes. Using AI, ML, and NLP, it automates tasks, optimizes workflows, and enhances decision-making. Its offerings include:

- **Agility:** AI-driven low-code DevSecOps for secure software delivery.
- **Efficiency:** AI-powered IT operations automation.
- **Experience:** Automates digital workplace solutions like chatbots and self-service portals.
- **Assurance:** Enables autonomous software testing.
- **Gen AI:** Enhances predictive analytics and self-healing capabilities.

Amaze® - Amaze®, launched in 2020, is a cloud migration and modernization platform enabling business-aligned IT transformation. It automates cloud assessments, migrations, and application modernization, helping customers streamline operations and leverage AI. The platform is categorized into three modules:

- **Assessment:** Evaluates cloud readiness for applications.
- **Migration:** Automates cloud migration of applications and data.

- **Modernization:** Automates code refactoring to transform legacy applications

COMPETITIVE STRENGTHS

Deep domain expertise delivered through comprehensive solutions across industries

The company serves six industries with deep expertise across multiple sub-verticals, addressing unique customer needs.

- **Financial Services:** Mortgage & lending, asset management, trade-finance, private equity, global benchmarks & data providers.
- **Healthcare & Insurance:** Property & casualty insurance, life insurance, brokerage, reinsurance, life sciences, health insurance (payer & provider).
- **Manufacturing & Consumer:** Manufacturing, retail, consumer, education, energy, telecom & utilities.
- **Hi-Tech & Professional Services:** Software vendors, platforms, hyperscalers, tax, audit, legal, risk & compliance, advertising & marketing.
- **Banking:** Digital banking, payments, cards & consumer banking.
- **Travel & Transportation:** Airlines, airports, travel tech, logistics, hotels & entertainment.

Revenue from these six segments has grown from FY21 to FY23 and 9M FY24. Four segments—Financial Services, Healthcare & Insurance, Manufacturing & Consumer, and Hi-Tech & Professional Services—each generated over \$200M in FY23 revenue. The company partners with ServiceNow for AI-powered business solutions and Backbase for banking fintech, enhancing its value proposition.

AI-led digital capabilities and platforms built in-house with innovation as a strategic pillar

The company has developed three AI-enabled platforms:

- **RapidX™:** Gen AI-based software engineering platform with AI agents for efficiency and quality.
- **Tensai®:** AI-powered automation for IT processes, secure code releases, and enhanced operations.
- **Amaze®:** Cloud migration, transformation, and modernization platform with intelligent automation.

The company holds 20 granted patents, 119 registered trademarks, 2 copyrights in India, and 49 domain names worldwide. It has 45 patent applications and 23 pending trademarks. Gen AI training is a focus, with 78% of the IT workforce trained and 15,722 Gen AI Foundation and 3,417 Advanced certifications through HexaVarsity.

Long-term and embedded relationships with diversified blue-chip customer base

The company serves 31 Fortune 500 organizations. In FY23, 62% of revenue came from customers with over \$5B in revenue, and 83% from those with over \$1B. It has a diversified global presence across the Americas, Europe, APAC, the Middle East, Africa, and Latin America.

Geography-wise Revenue	For 9 months ended Sept 30th,				For the year ended December 31st,					
	2024		2023		2023		2022		2021	
	(INR Cr)	%	(INR Cr)	%	(INR Cr)	%	(INR Cr)	%	(INR Cr)	%
Americas	6,471.1	73.4%	5,529.5	71.2%	7,419.1	71.5%	6,719.2	73.0%	5,032.9	70.1%
Europe	1,805.8	20.5%	1,728.9	22.3%	2,289.7	22.1%	1,866.9	20.3%	1,473.5	20.5%
Asia	543.1	6.1%	505.9	6.5%	671.5	6.4%	613.5	6.7%	671.3	9.4%
Total revenue from operations	8,820.0	100.0%	7,764.3	100.0%	10,380.3	100.0%	9,199.6	100.0%	7,177.7	100.0%

Source: RHP

(INR Cr)

Particulars	For 9 months ended Sept 30th,				For the year ended December 31st,					
	2024	%	2023	%	2023	%	2022	%	2021	%
Financial Services	2,494.9	28.3%	2,104.3	27.1%	2,826.4	27.2%	2,661.7	28.9%	2,120.4	29.5%
Healthcare and Insurance	1,869.6	21.2%	1,689.1	21.8%	2,251.6	21.7%	2,079.5	22.6%	1,547.8	21.6%
Manufacturing and Consumer	1,496.9	17.0%	1,391.0	17.9%	1,854.8	17.9%	1,640.1	17.8%	1,308.9	18.2%
Hi-Tech and Professional Services	1,490.0	16.9%	1,253.2	16.1%	1,663.8	16.0%	1,508.5	16.4%	1,083.1	15.1%
Banking	752.9	8.5%	707.3	9.1%	944.5	9.1%	671.3	7.3%	624.3	8.7%
Travel and Transportation	715.7	8.1%	619.4	8.0%	839.2	8.1%	638.5	7.0%	493.2	6.9%
Total revenue from operations	8,820.0	100.0%	7,764.3	100.0%	10,380.3	100.0%	9,199.6	100.0%	7,177.7	100.0%

Source: RHP

The company has longstanding customer relationships, with no single customer contributing over 10% of revenue in 9M FY24, FY23, FY22, or FY21. In FY23, the average tenure with its top five, 10, and 20 customers was ~15, 15, and 12 years. Multi-year contracts with top customers provide stable billings, revenue visibility, and cross-selling opportunities.

Revenues Contributed by top customers (%)	For 9 months ended Sept 30th,		For the year ended December 31st,		
	2024	2023	2023	2022	2021
Top 5 customers	25.8%	25.2%	25.0%	26.5%	29.5%
Top 10 customers	35.7%	35.7%	35.5%	36.6%	38.4%
Top 20 customers	49.4%	48.3%	48.7%	48.4%	51.3%

Source: RHP

Go-to-market strategy focused on customer acquisition and expansion

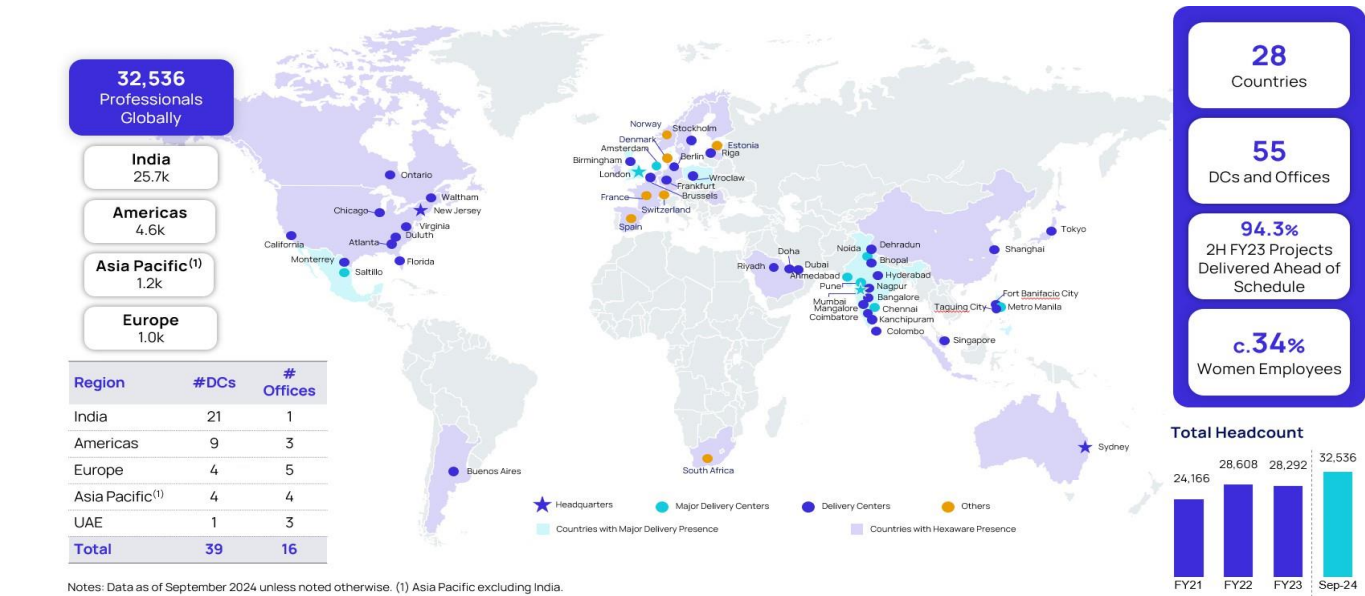
The company expands across the Americas, Europe, and APAC through collaborative engagement, driven by its New Customer Acquisition, Account Management, Hybrid Sales, and Overlay Sales teams.

- New Customer Acquisition and Account Management:** In the Americas and Europe, the New Customer Acquisition team secures new customers, while the Account Management team oversees service delivery and identifies additional needs.
- Hybrid Sales:** In APAC, the Hybrid Sales team handles both new acquisitions and existing customer growth.
- Overlay Sales:** Supports all sales teams globally, providing specialized expertise to strengthen relationships and drive cross-selling and up-selling.

In FY23, two of the company’s top 20 customers were acquired within the last three years. The company has a cross-sell index of 4.5/5 for its top 10 customers and regularly assesses its business lines against competitors.

Global, scalable, flexible delivery model with a certified and skilled talent pool

The company’s global delivery model enables innovative, cost-effective solutions through an efficient onshore-offshore mix. As of September 30, 2024, the company had 32,536 employees across 39 delivery centers and 16 offices in 28 countries. Since 2023, it has opened three delivery centers in India (Dehradun, Coimbatore, Mangalore) and one in Colombo, Sri Lanka.



Source: RHP

Experienced and tenured leadership driving a people-first and thriving organizational culture

The company’s experienced leadership oversees 32,536 employees as of September 30, 2024. Over 70% of senior management has been with the company for over five years. The leadership fosters a people-first culture, reflected in a Glassdoor rating of 3.8/5 (median: 3.5 for mid-size IT peers) and a CEO approval rating of 88% (median: 74%).

Track record of growth and cash generation

In FY23, revenue was INR10,380.30 Cr (US\$1,256.4 mn), growing at a 13.7% USD CAGR since FY21, outpacing the global outsourced IT-BP industry's 7.3% CAGR. Adjusted EBITDA margin rose to 17.4% for the 9 months ended September 30, 2024, from 16.5% in the prior year and to 16.2% in FY23 from 15.9% in FY22.

KEY BUSINESS STRATEGIES

- **Continuously improve the offerings and platforms**

The company enhances its offerings and platforms to expand capabilities and market reach. It provides AI-led solutions across industries, such as AI-driven background research for insurance, Agenda Builder for travel, AI-generated product descriptions for e-commerce, and protocol-authoring for life sciences.

- **Deepen and expand relationships with existing customers**

The company strengthens customer relationships by addressing new challenges. In FY23, ~62% of revenue came from customers with over US\$5,000 million in revenue, and ~83% from those exceeding US\$1,000 million. The cross-sell index for its top 10 customers was 4.5/5. Customers generating over US\$10 million in revenue grew from 19 in FY21 to 29 in FY23.

- **Acquire new customers with a focus on large customers to tap high-value opportunities**

The company targets large customers (US\$2,000+ million annual revenue), serving 31 Fortune 500 firms. Two of its top 20 customers in FY23 were acquired in the last three years. Demand generation is driven by sales teams, Analyst and Advisory Relations, Strategic Partnerships, and client alumni networks.

- **Strategically expand into untapped geographies and industries**

The company operates in North America, Europe, and APAC, with key markets in the U.S. and U.K. It is expanding into Canada, continental Europe, the Middle East, and Australia. Recent joint ventures with Al-Balagh (Qatar) and Novelty Group (UAE) aim to strengthen its Middle East presence. The company has also entered hi-tech, hospitality, and telecom.

- **Create and develop advanced talent and optimize cost of delivery**

Through the Mavericks Learning Program, the company trains employees in digital and new technologies. By 2025, all IT business professionals will be trained. Internal fulfillment improved from ~51.6% in FY21 to ~74.1% by September 30, 2024, enhancing productivity and reducing hiring costs.

Focus on operational improvement

The company drives margin expansion through:

- Increasing offshore delivery,
- Improving IT utilization (79.7% in FY23),
- Reducing attrition via engagement initiatives,
- Optimizing employee-contractor balance,
- Managing an effective employee pyramid through campus hiring,
- Expanding in Tier-2 cities for cost efficiency and lower attrition.

Since 2023, it has opened delivery centers in Dehradun, Coimbatore, Mangalore, and Colombo, with plans for a new center in Ahmedabad (GIFT City) for Banking and Financial Services.

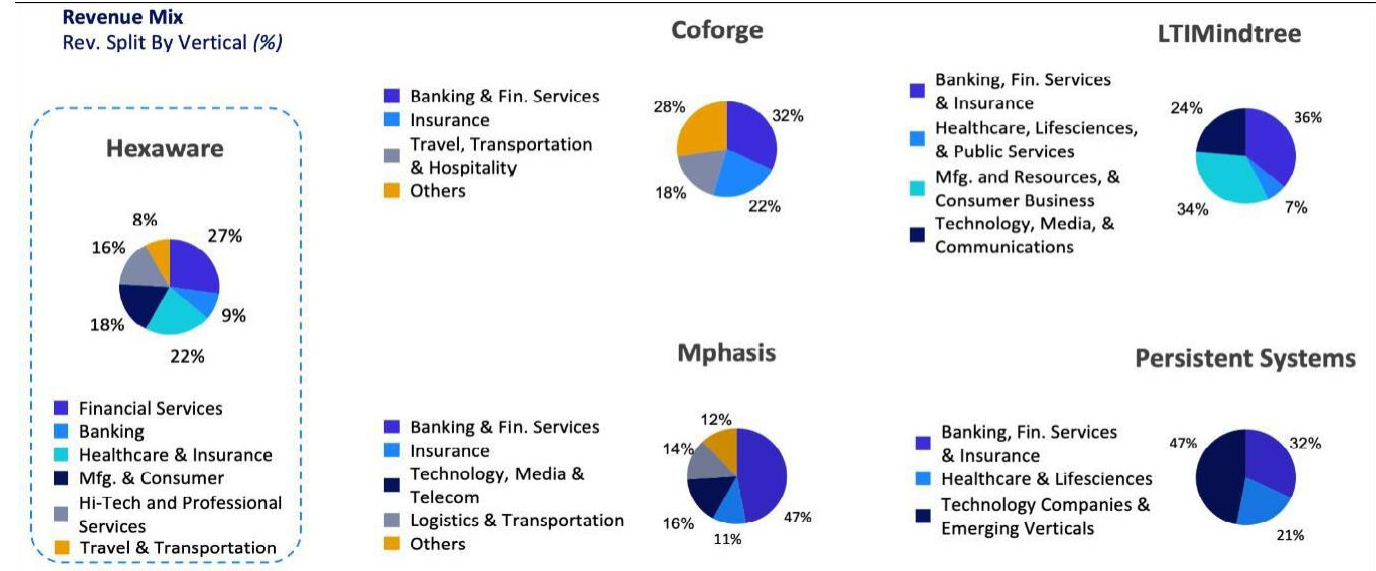
- **Strategic M&A aimed at new capabilities and expanded geographic footprint**

The company has executed acquisitions to gain synergies, networks, technologies, and talent. In 2019, it acquired Mobiquity for cloud-based customer experiences. In 2024, it acquired Softcrylic, a U.S.-based data consulting firm, strengthening its data, analytics, and marketing capabilities.

COMPETITION

The company aligns more closely with mid-sized IT service providers like Coforge, LTIMindtree, Mphasis, and Persistent Systems, with revenues between US\$1,000–5,000 million and similar service scales.

COMPARISON OF REVENUE MIX VS. PEERS



Source: RHP

COMPARISON WITH INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Company	Face Value (INR)	P/E Ratio (x)	Revenue from Ops. (INR Cr)	EPS (INR)		RONW (%)	NAV (INR)
				Basic	Diluted		
Hexaware Technologies^	1.00	43.17	10,380	16.45	16.41	23.6%	69.77
Persistent Systems	5.00	84	9,822	72.44	71.07	22.1%	321.82
Coforge	10.00	64	9,179	131.56	129.59	23.0%	586.63
LTIMindtree	1.00	38	35,517	154.85	154.48	22.9%	676.55
Mphasis	10.00	34	13,279	82.42	81.83	17.7%	465.33

Source: RHP; ^ Hexaware Technologies data is for the financial year ended Dcember'23, while peer group data for the year ended March 31, 2024 *CMP as of February 4, 2025., P/E of Hexaware based on upper price band. P/E of peers based on respective CMP

Restated Consolidated Statement of Assets and Liabilities

(INR Cr)

Particulars	For 9 months ended Sept 30th,		For the year ended December 31st,		
	2024	2023	2023	2022	2021
ASSETS					
Non-current assets					
Property, plant and equipment	485.5	538.4	525.7	598.5	599.4
Capital work-in-progress	110.6	11.8	55.2	6.3	12.1
Right-of-use assets	503.8	404.3	376.1	387.8	397.0
Goodwill	2,336.6	1,426.1	1,429.0	1,420.5	1,225.2
Other intangible assets	351.5	137.2	122.7	180.7	169.7
Investments	0.4	0.4	0.4	0.3	0.3
Other financial assets	75.6	67.4	66.0	57.0	69.7
Deferred tax assets (net)	303.2	269.9	272.7	260.3	210.5
Income tax assets (net)	39.0	42.7	43.9	34.4	28.4
Other non-current assets	149.9	112.3	108.7	116.3	28.9
Total non-current assets	4,351.1	3,010.5	3,000.4	3,062.1	2,741.2
Current assets					
Investments	161.0	258.1	250.6	-	122.4
Trade receivables					
Billed	1,352.6	1,527.0	1,386.3	1,384.6	1,019.3
Unbilled	840.8	538.0	459.5	497.2	347.6
Cash and cash equivalents	1,335.7	1,308.2	1,773.4	1,291.6	1,178.7
Other bank balances	10.4	10.4	10.3	11.2	22.4
Other financial assets	55.7	15.0	11.5	17.9	56.2
Income tax assets (net)	20.4	18.0	30.6	7.7	11.1
Other current assets	466.5	336.0	279.5	241.7	174.6
Total current assets	4,243.1	4,010.7	4,201.7	3,451.9	2,932.3
TOTAL ASSETS	8,594.2	7,021.2	7,202.1	6,514.0	5,673.5
EQUITY AND LIABILITIES					
Equity					
Equity share capital	60.7	60.7	60.7	60.4	60.3
Other Equity	5,220.5	4,623.8	4,574.5	4,062.6	3,727.6
Equity attributable to shareholders of the Company	5,281.2	4,684.5	4,635.2	4,123.0	3,787.9
Non-controlling interests	(4.2)	-	-	-	-
Total equity	5,277.0	4,684.5	4,635.2	4,123.0	3,787.9
Non-current liabilities					
Lease liabilities	414.3	317.5	315.1	306.8	324.4
Other financial liabilities	210.6	21.1	16.6	63.2	1.3
Deferred tax liabilities (net)	^	-	-	-	-
Provisions	73.8	90.5	79.4	66.3	103.6
Other non-current liabilities	-	-	-	-	3.5
Total non-current liabilities	698.7	429.1	411.1	436.3	432.8
Current liabilities					
Borrowings (secured)	-	-	-	82.7	-
Lease liabilities	103.2	80.8	78.5	67.0	49.9
Trade payables	787.6	598.2	659.5	535.7	387.7
Other financial liabilities	932.9	602.9	678.9	631.7	476.6
Other current liabilities	293.3	238.8	332.7	323.9	286.1

Provisions	257.8	201.4	228.7	182.1	142.4
Income tax liabilities (net)	243.7	185.5	177.5	131.6	110.1
Total current liabilities	2,618.5	1,907.6	2,155.8	1,954.7	1,452.8
Total liabilities	3,317.2	2,336.7	2,566.9	2,391.0	1,885.6
TOTAL EQUITY AND LIABILITIES	8,594.2	7,021.2	7,202.1	6,514.0	5,673.5

Source: RHP; ^ value less than INR. 0.5 million

Restated Consolidated Statement of Profit & Loss

(INR Cr)

Particulars	For 9 months ended Sept 30th,		For the year ended December 31st,		
	2024	2023	2023	2022	2021
INCOME					
Revenue from operations	8,820.0	7,764.3	10,380.3	9,199.6	7,177.7
Other income	51.3	-1.2	8.8	179.2	66.9
Total Income	8,871.3	7,763.1	10,389.1	9,378.8	7,244.6
EXPENSES					
Employee benefits expense	5,145.3	4,555.7	6,128.2	5,558.2	4,277.2
Finance costs	45.3	30.6	37.8	33.5	34.5
Depreciation and amortization expense	202.5	189.7	283.6	244.4	224.1
Other expenses	2,334.9	1,958.6	2,671.0	2,419.7	1,767.6
Total Expenses	7,728.0	6,734.6	9,120.6	8,255.8	6,303.4
Profit Before Tax	1,143.3	1,028.5	1,268.5	1,123.0	941.2
Total tax expense	290.0	223.7	270.9	238.8	192.4
Profit for the Period/Year	853.3	804.8	997.6	884.2	748.8
Other Comprehensive Income (OCI)	(6.5)	40.7	55.6	56.4	59.5
Total Comprehensive Income for the Period/Year	846.8	845.5	1,053.2	940.6	808.3
Earnings per share					
Basic	14.12*	13.28*	16.45	14.65	12.43
Diluted	14.06*	13.24*	16.41	14.53	12.32

Source: RHP, *not annualized

Restated Consolidated Statement of Cash Flows

(INR Cr)

Particulars	For 9 months ended Sept 30th,		For the year ended December 31st,		
	2024	2023	2023	2022	2021
Restated Profit/(Loss) before tax	1,143.3	1,028.5	1,268.5	1,123.0	941.2
Adjustments Related to Non-Cash & Non-Operating Items	263.8	250.4	382.7	323.5	398.5
Operating Profits Before Working Capital Changes	1,407.1	1,278.9	1,651.2	1,446.5	1,339.7
Adjustments for Changes in Working Capital	(482.0)	(324.9)	122.3	(382.4)	(158.0)
Net cash generated from operations before tax	925.1	954.0	1,773.5	1,064.1	1,181.7
Income tax paid – (net)	(222.6)	(190.9)	(257.9)	(243.5)	(201.9)
Net cash generated from operating activities (a)	702.5	763.1	1,515.6	820.6	979.8
Net cash used in investing activities (b)	(785.0)	(288.3)	(299.6)	(15.1)	(224.6)
Net cash used in financing activities (c)	(374.1)	(461.7)	(750.1)	(721.1)	(602.0)
Net (dec.) / inc. in cash & cash equivalents during the period (a+b+c)	(456.6)	13.1	465.9	84.4	153.2
Cash and Cash Equivalents at the Beginning of the Year	1,773.4	1,291.6	1,291.6	1,178.7	1,011.4
Exchange difference on translation of forex cash and cash equivalents	18.9	03.5	15.9	28.5	14.1
Cash and Cash Equivalents at the End of the Year	1,335.7	1,308.2	1,773.4	1,291.6	1,178.7

Source: RHP

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