



Webinar Topic

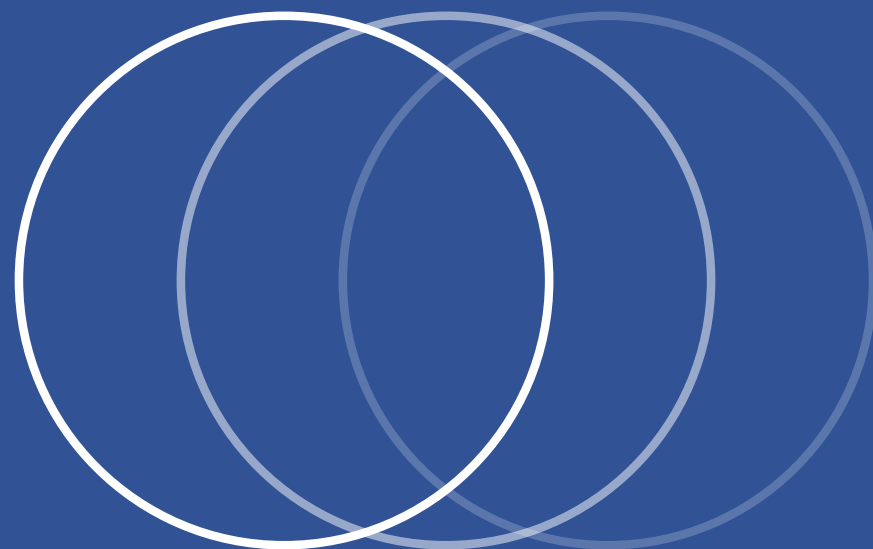
A Compelling Investment Case - Hexaware Technologies

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Matters on the Docket

A brief look at what we will discuss on this report



01 Journey since Inception - Milestones

02 Highlights - Financials, Revenue Mix

03 Product Offerings

04 Delisting

05 Hexaware - Compelling Investment Case

06 How does the Current valuation play out?

How has the industry grown ?

Comparing growth across top IT firms

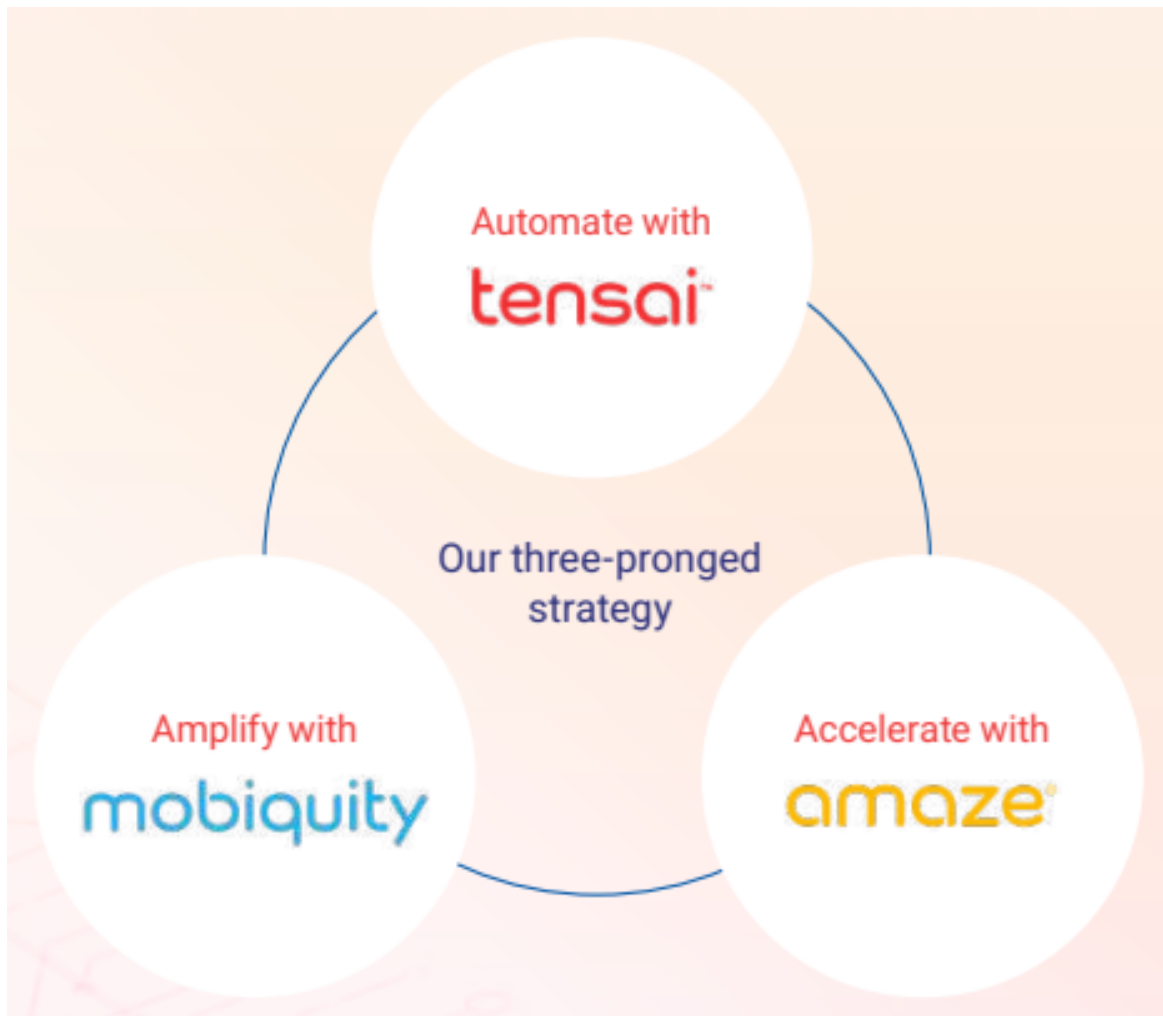


Research firm Gartner says that from 2012–20, global spending on IT grew by only 2.5% every year. But that's expected to grow by over 9% in the next three years now

What has changed post pandemic ?

- Companies will face digital challenges if they want their employees to be **able to work remotely**. This will require **automating and digitizing** tons of systems and processes
- Another issue is **moving to cloud platforms**. It is imperative that everyone on the team has access to all the data on the go. Tata Consultancy Services (TCS) recently stated only 20% of big companies were on the cloud before the pandemic. But now, that has jumped to nearly 35%.
- Then there is the fact that many existing players have doubled down on IT as the world has changed around them - **digital storefront, digital payments, digital marketing, digital everything**.

Product Portfolio



Automate with tensai

Tensai™ Is an end-to-end automation platform built using open-source components.

Accelerate with amaze

Amaze® is a suite of offerings supporting all the major stages of the cloud transformation process

Amplify with mobiquity

Mobiquity combines the best of human-focused design and data-driven technology

Services



Digital Product Engineering (DPE)

Cloud Transformation

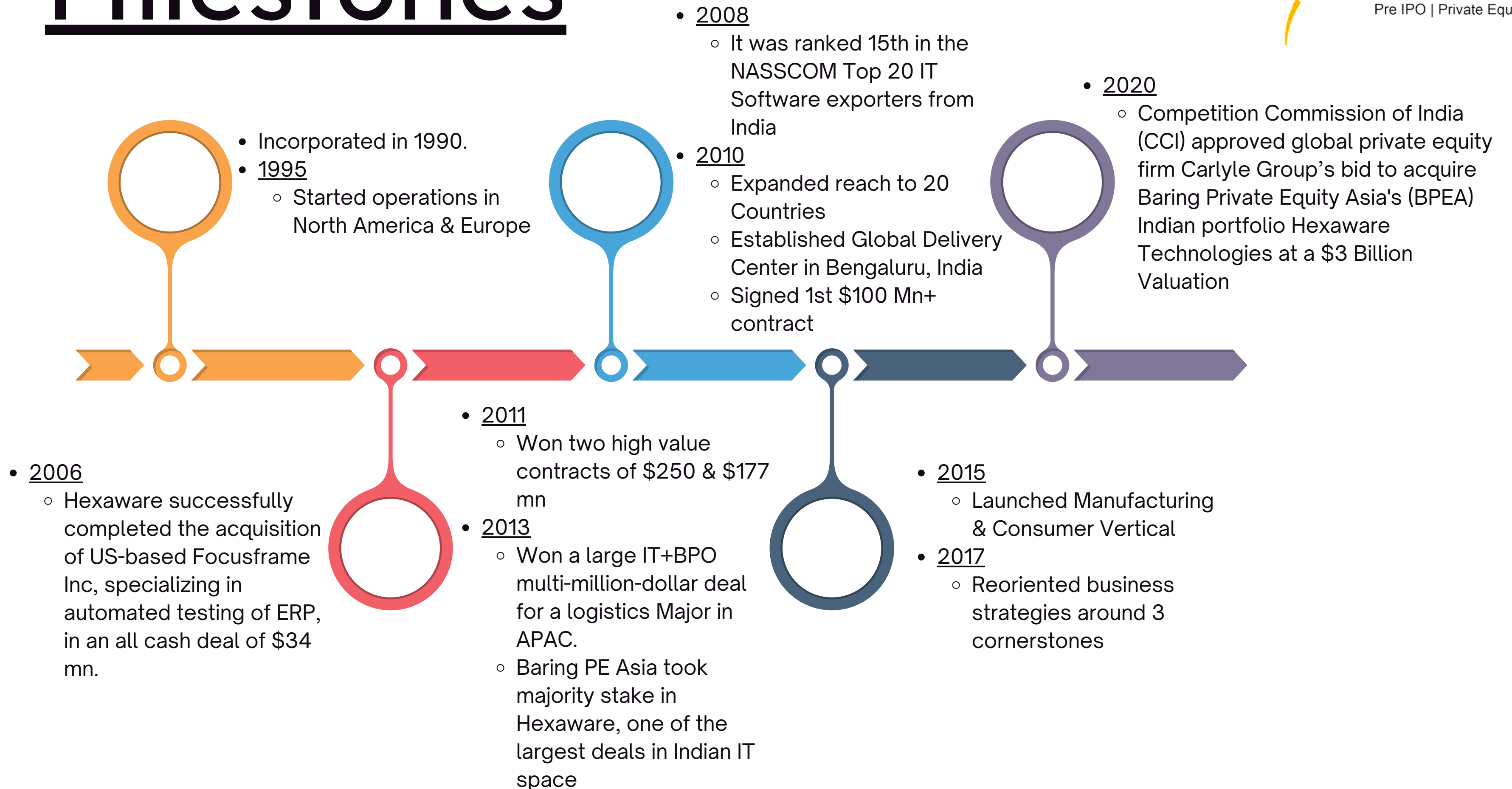
Digital Core Transformation (DCT)

Enterprise & Next Generation Services (E&NGS)

Business Process Services (BPS)

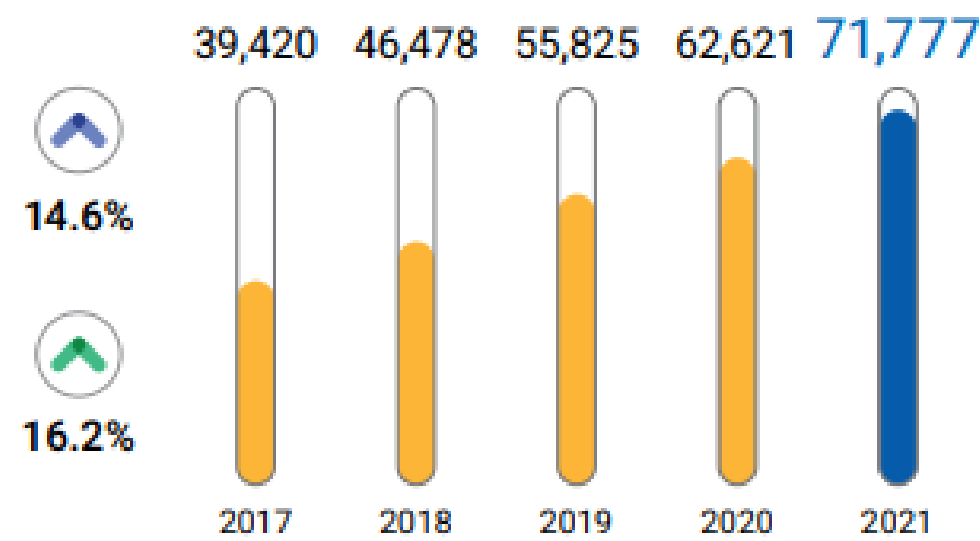
Digital IT Operations (ITO) & Others

Milestones

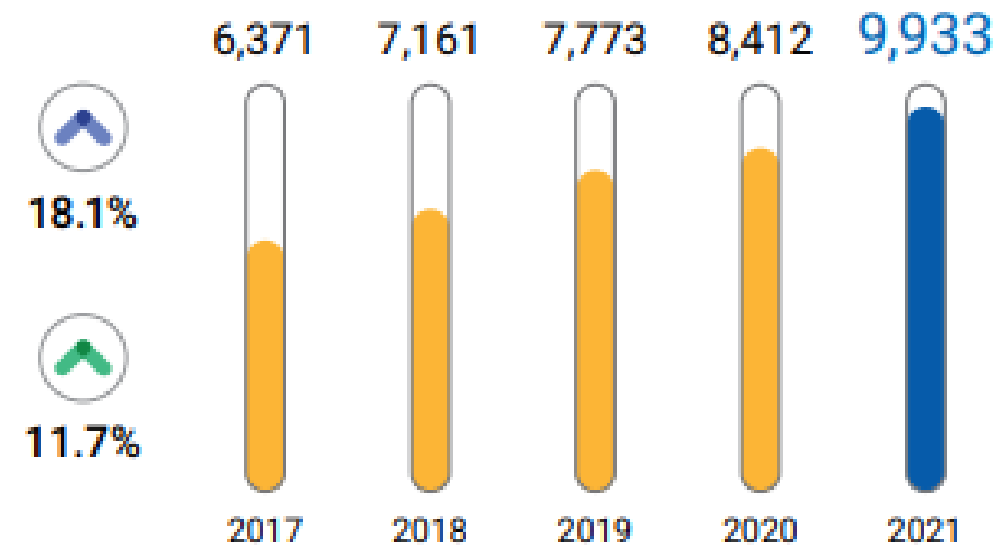


Financial Highlights

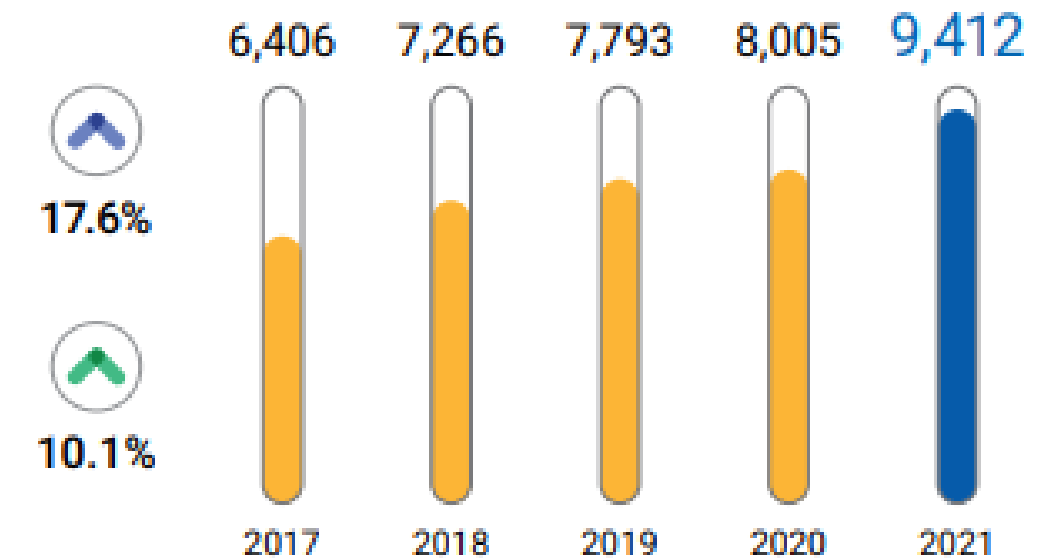
Revenue (₹ in million)



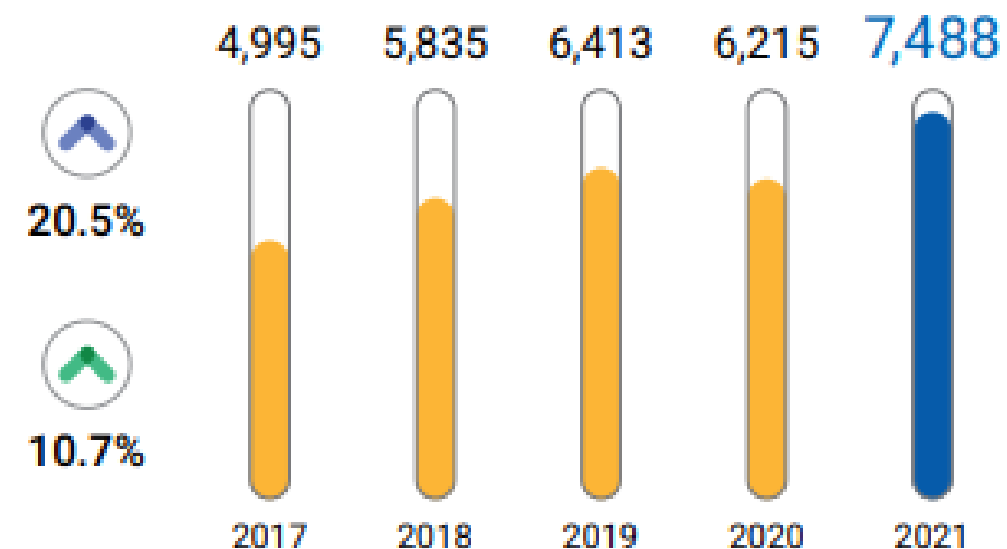
EBIT (₹ in million)



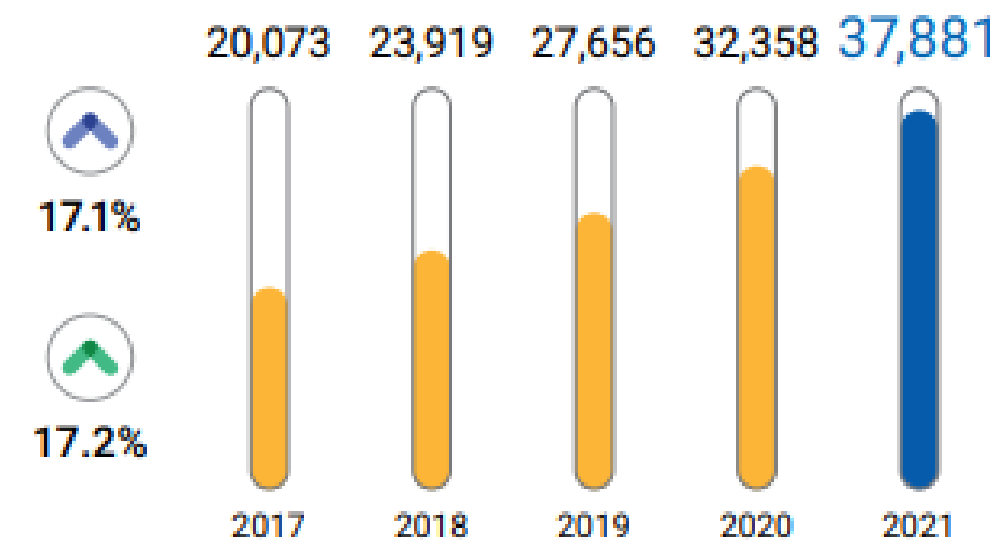
PBT (₹ in million)



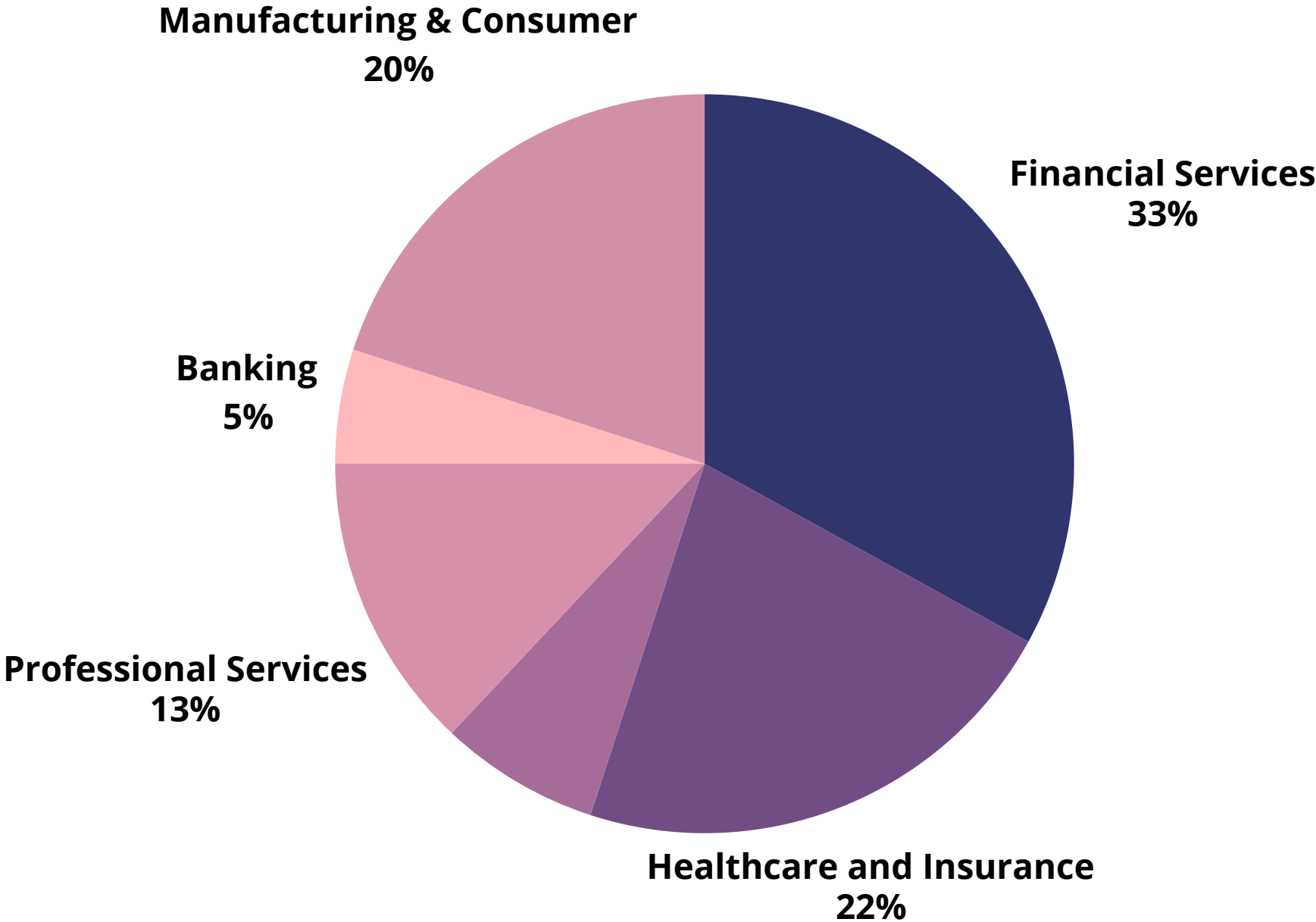
PAT (₹ in million)



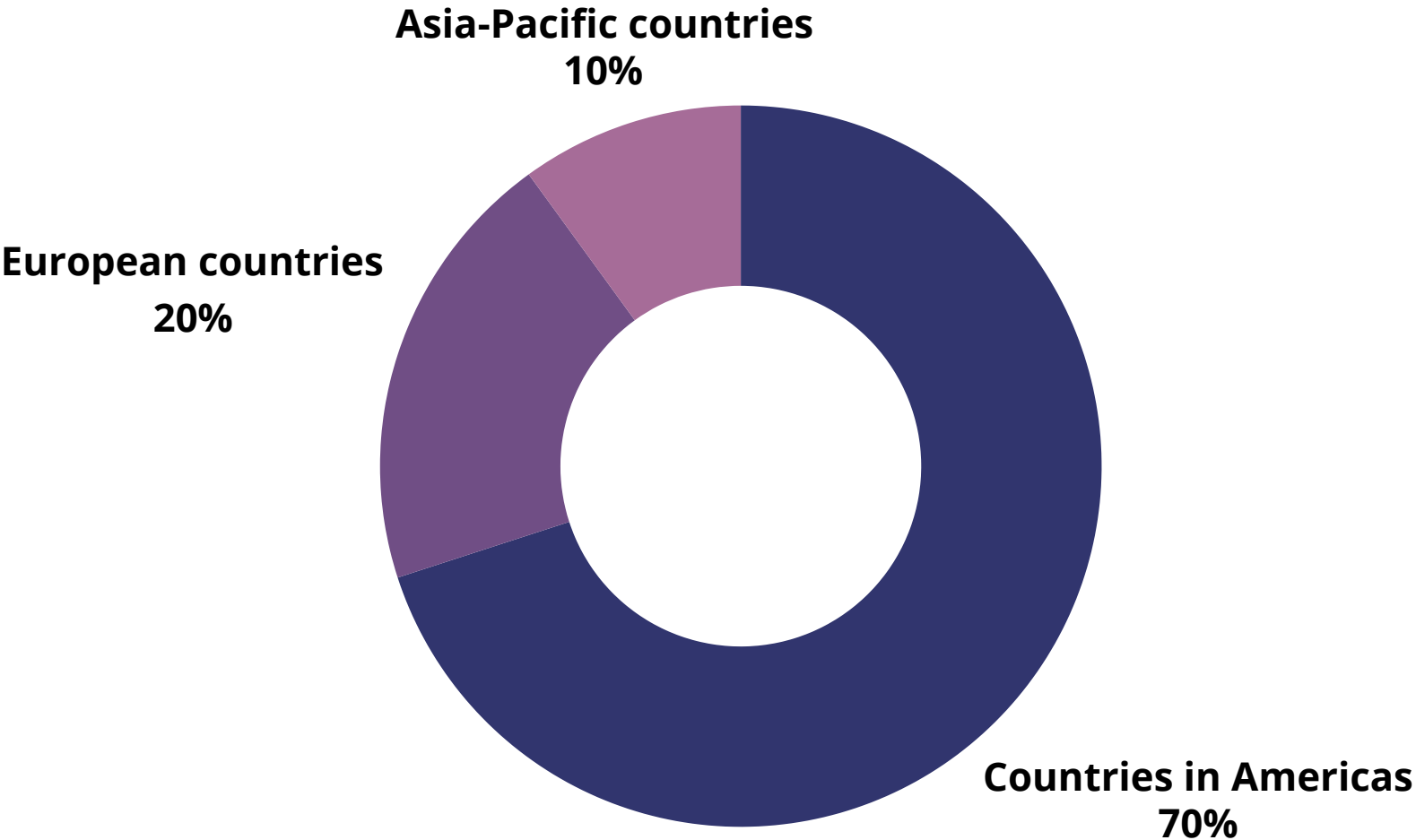
Net worth (₹ in million)



Revenue Mix



Segment Revenue Mix



Geographical Footprint

Business Verticals

Financial Serv.

Revenue - ₹2,368 Cr
Contribution to Overall
Revenue - 33%

Provide financial services customers with a gamut of transformative technology solutions, including ESG compliance, Regulatory reporting, Cybersecurity.

Major Offerings

- Amaze® for capital markets - Data management platform that leverages cloud, AI/ML and intelligent automation technologies, to deliver a superior end-user experience and productivity
- Advanced analytics and monetisation of data - To organise data, Hexaware facilitate advanced analytics, and predictive analytical models on large volumes of data

Healthcare & Insurance

Revenue - ₹1,549.8 Cr
Contribution to Overall
Revenue - 22%

Intelligent customised high-level data and business information solutions as well as value-added services, such as data management and analytics, and AI/ML consultancy.

Major Offerings

- Decentralized clinical trials for pharma companies and contract research organisations
- Solutions help insurers in providing the best claims settlement experience as well as mid-term adjustment experience, leveraging the power of cloud technology, and some of the industry-leading SaaS platforms

Manufacturing & Consumer

Revenue - ₹1,443.8 Cr
Contribution to Overall
Revenue - 20%

Hexaware is uniquely positioned to help manufacturers with their domain expertise and experienced technology practitioners, to resolve complex business challenges.

Major Offerings

- Smart Field Service - enables the transformation of the field service and aftersales areas of the passenger and commercial automotive value chain.
- Anything-as-a-Service (XaaS) - . A combination of hardware, software, services, labour, and support is bundled to ensure a recurring stream of payment

Hi-Tech & Professional Services

Revenue - ₹951.9 Cr
Contribution to Overall
Revenue - 13%

Provides industry-leading frameworks and PoVs lend perspective on how to position and leverage technology to elevate quality of services.

Major Offerings

- Their flagship product offering, Collab helps power customer engagements with flexible, controllable and accountable workflows - is ready for action with GTM plans in motion.
- They are also engaged in building out data visualisation solutions with LC/NC platforms, RPA initiatives on ERP, and other legacy modernisation initiatives.

Travel & Transportation

Revenue - ₹492.4 Cr
Contribution to Overall
Revenue - 7%

Hexaware helps in transforming and optimising IT processes, applications, and infrastructure of customers in airlines, logistics and the hospitality industry.

Major Offerings

- Contactless passenger processing - Developed mobile-enabled, self-service solution framework for a contactless experience
- Remote assistant through HMD - Knowledge-sharing platform that allows technicians to work remotely by collaborating with specialists for real-time inspections and audits

Banking

Revenue - ₹317.2 Cr
Contribution to Overall
Revenue - 5%

This vertical provides IT services for consumer banking, corporate banking, payments and cards, mortgage, and risk and compliance.

Major Offerings

- Amaze® for Banking - Proprietary solution Amaze® for Banks has for our clients based on the complexity of the issues in question.
- H.A.R.V.I.S - Hexaware Automation Research Virtual Innovation Services (H.A.R.V.I.S.) gives us a competitive advantage with an in-house, cloud-based lab to develop solutions for addressing domain-specific challenges.

Delisting of the Company.

Delisting Details (BSE).

Delisting Date - November 09, 2020.

Exit Price - Rs 475/share.

(Exit Offer was open to all residual investors for the period of one year).

Reasons for Delisting

- Delisting makes the process of change of ownership much smoother, due to acquisition of Carlyle
- Re-channel management bandwidth towards business growth which also help in cost savings business in COVID scenario.

Compelling Investment Case



- **Sustainable Strong Growth** - Robust financial fundamentals acting as a pillar of growth.
- **Client Base** - A base of **320+ active clients** with close to **92.4% revenue derived from repeat business**.
- **Geographical Footprint** - Presence across **27 countries in 4 continents**.
- **Diverse Product Offering** - **Strong domain expertise** to provide **best-in-class offerings**.
- **Team of Skilled professionals** - The team comprises people from different regions of the world with diverse skillsets that give strong impetus for growth with a headcounts of 24,000.



Carlyle's Acquisition:

- Carlyle Group, a US-based PE firm, bought Baring Private Equity Asia stake in the IT firm for reportedly close to \$3 billion.
- Private equity offers clear added value to a company. These are experts who constantly analyze businesses.
- Most private equity funds are extremely focussed on timelines and this ensures that the portfolio company either goes for an IPO or a secondary buyout.

Valuation

Hexaware is available in the Pre-IPO Markets at ~Rs 635 - 620/share, valuing the company at ~Rs 19,500 Cr. much lower than what Carlyle paid to acquire majority stake.

<u>Particulars</u>	<u>Hexaware</u>	<u>Infosys</u>	<u>Industry Average</u>
P/E Ratio	24.9x	30x	33x
Dividend Yield	2.25%	2.04%	~1.5%

This makes Hexaware's current valuation attractive as when the company goes for a IPO, a re-rating would be likely with the PE ratio going up from 24 to industry standards, leading to an additional 30-50% upside for investors.



Do you have any questions?

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