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Hexaware Technologies Limited

The Future is in the Cloud

Industry : FinTech & Artificial Intelligence (AI)



Presentation Roadmap

- | | | | |
|----|------------------------------------------------|----|-----------------------------------------------|
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| 03 | Shareholding Pattern | 04 | Leadership and Management |
| 05 | Fintech & AI | 06 | Products and Services |
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Industry Overview

- The IT service industry is a high growth protentional sector in India. The Indian IT industry accounted for 8% of India's GDP in 2020 and is expected to contribute 10% of India's GDP by 2025.
- The Indian IT industry revenue is expected to reach ~ ₹ 26,90,000 Crores by 2025 on the back of increasing digitization, increasing mobile penetration and affordable data cost, among others.
- The biggest sectors driving IT spending are enterprise software, data centers and IT services, growing at 13.6%, 8.3% and 8% respectively.
- India's cloud market is expected to grow 3x to reach ~ ₹ 53,796 Crores by 2022, driven by the demand for Big Data, Data Analytics, Artificial Intelligence (AI) and IoT.
- Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative FDI inflows worth ₹ 4,57,681 Crores between April 2000 to September 2020.
- India accounts for ~55.0% market share (₹ 1,831 Crores) of the global services sourcing business in FY20. The market is expected to reach ~ ₹ 51,247 Crores by 2030 due to accelerated domestic demand for AI.

(Source: Annual Report, Invest India, Business Standard)

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About Hexaware Technologies Limited (HTL)

ISIN : INE093A01033

CIN: U72900MH1992PLC069662

Face value: ₹ 2/-

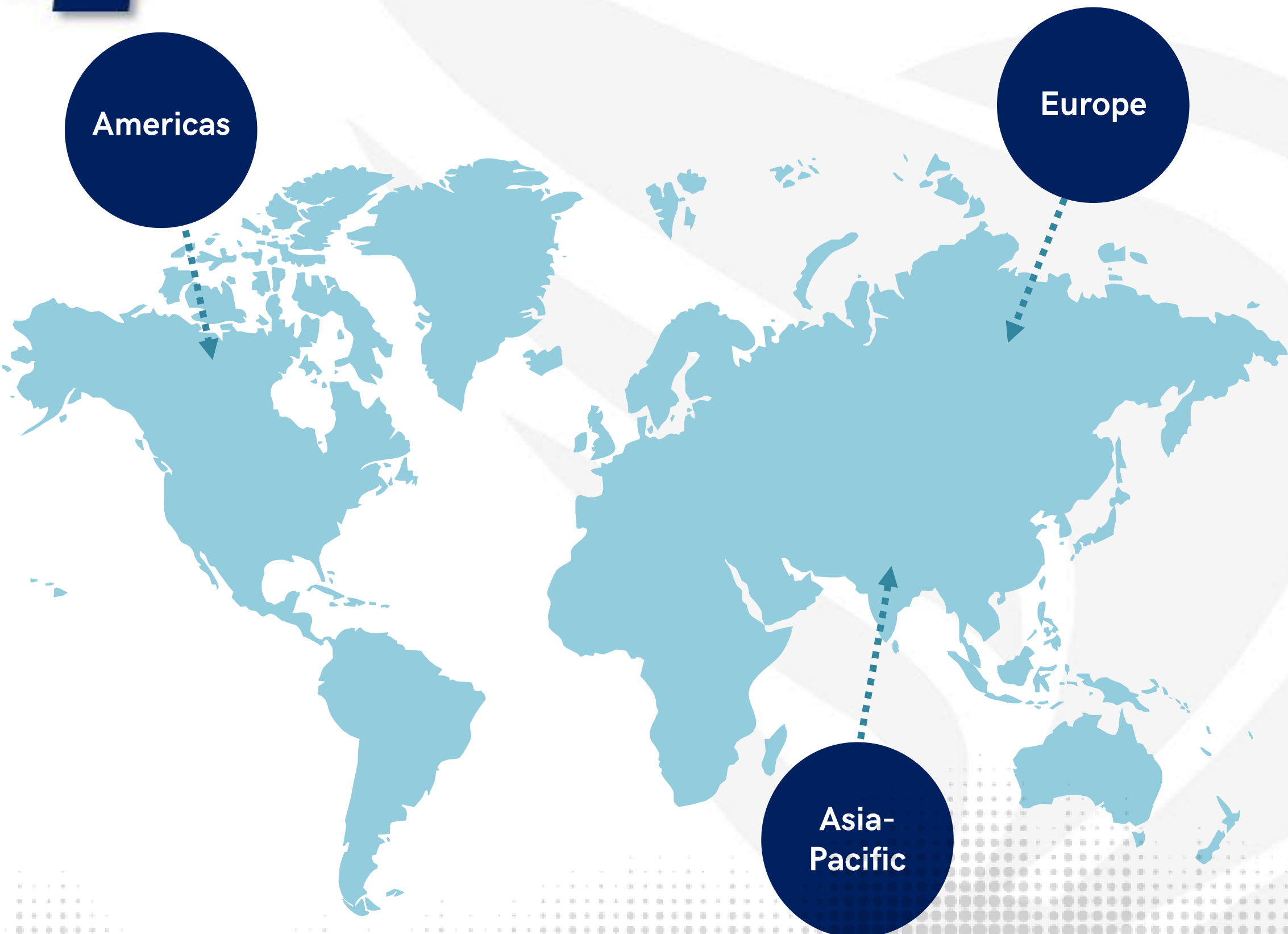
MCAP: ₹ 14,266 Crores

- HTL is the fastest growing next-generation provider of IT, Cloud services, AI, BPO and consulting services, incorporated in 1992 as a public limited Company.
- In 2020, HTL voluntarily delisted their publicly traded shares from the Stock Exchanges with an exit price of ₹ 475/- per share to enable the promoters to obtain full ownership of the Company and provide increased operational flexibility to support the business and save costs.
- HTL is built around three pillar strategy—'Automate Everything, Cloudify Everything and Transform Customer Experiences'.
- As of June 2021, HTL has been ranked 9th in IT services in the latest India 100 report by Brand Finance, the world's leading brand valuation consultancy.
- HTL serves customers in over two dozen languages, from every major time zone and every major regulatory zone. Their aim is to be the first IT services company in the world to have a 50% digital workforce.
- In 2021, The Carlyle Group, a multinational private equity, alternative asset management and financial services corporation, headquartered in United States have got The Competition Commission of India (CCI) approval permitting to acquire HTL with a stake of 95.4%. The deal is expected to be in the range of ~ ₹ 22,874 Crores.



Geographical Spread

HTL have structured their geographical presence across 3 key regions and has total of 37 offices scattered over more than 20 countries to provide clear customer interfaces and faster time to market.



Americas

Europe

Asia-Pacific

AMERICAS

Offices Spread - 12

Share Revenue % - 70 **74**

Countries of Presence - 4

EUROPE

Offices Spread - 15

Share Revenue % - 20 **18**

Countries of Presence - More than 15

ASIA-PACIFIC

Offices Spread - 16

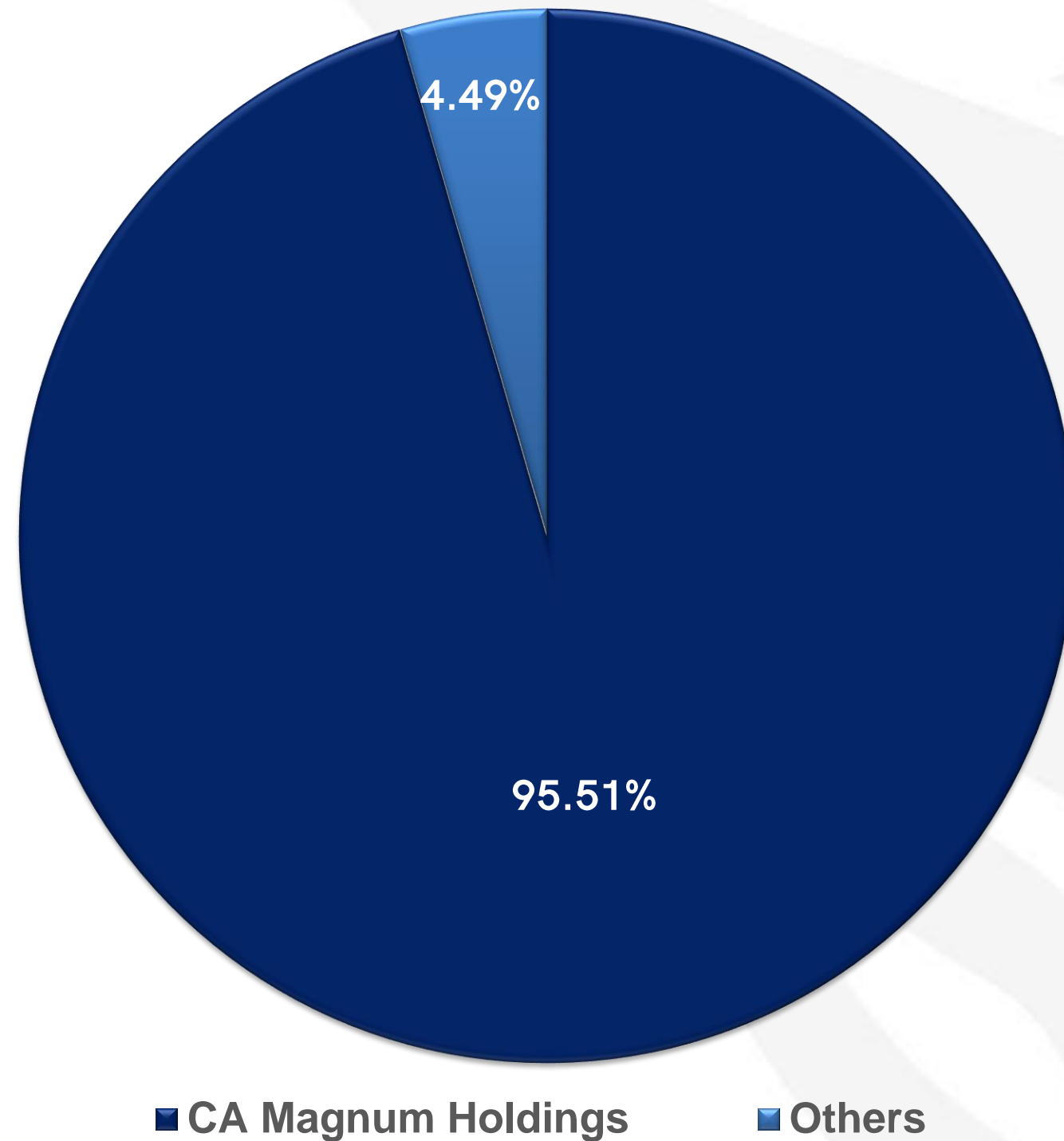
Share Revenue % - 10 **8**

Countries of Presence - More than 8

2021 2020



Shareholding Pattern



NAME OF SHAREHOLDER	HOLDING
CA Magnum Holding (Parent Company)	95.51%
Others	4.49%

- The above shareholding pattern is for the Calendar Year (CY) 2021.
- The Carlyle Group have got CCI approval permitting to acquire HTL with a stake of 95.4% in 2021.

Leadership and Management



Michael Bender

Non Executive Chairman

- B.A. in Economics from Harvard
- M.Phil in Economics from Oxford
- Senior Partner Emeritus of McKinsey



Julius Genachowski

Director

- Grad from Columbia College and Harvard Law School
- Chairman of the U.S. Federal Communications Commission



R. Srikirshna

Chief Executive Officer

- Electrical engineering from IIT Madras
- MBA from IIM, Calcutta
- Over 25 years of IT experience



Ram Singampalli

Chief Operating Officer

- B. Tech in Chemical Engineering from Andhra University
- MS in Computer Science from IIT.
- Ex-Chief Delivery Officer at Atos Syntel's Global delivery.

FinTech & Artificial Intelligence (AI)

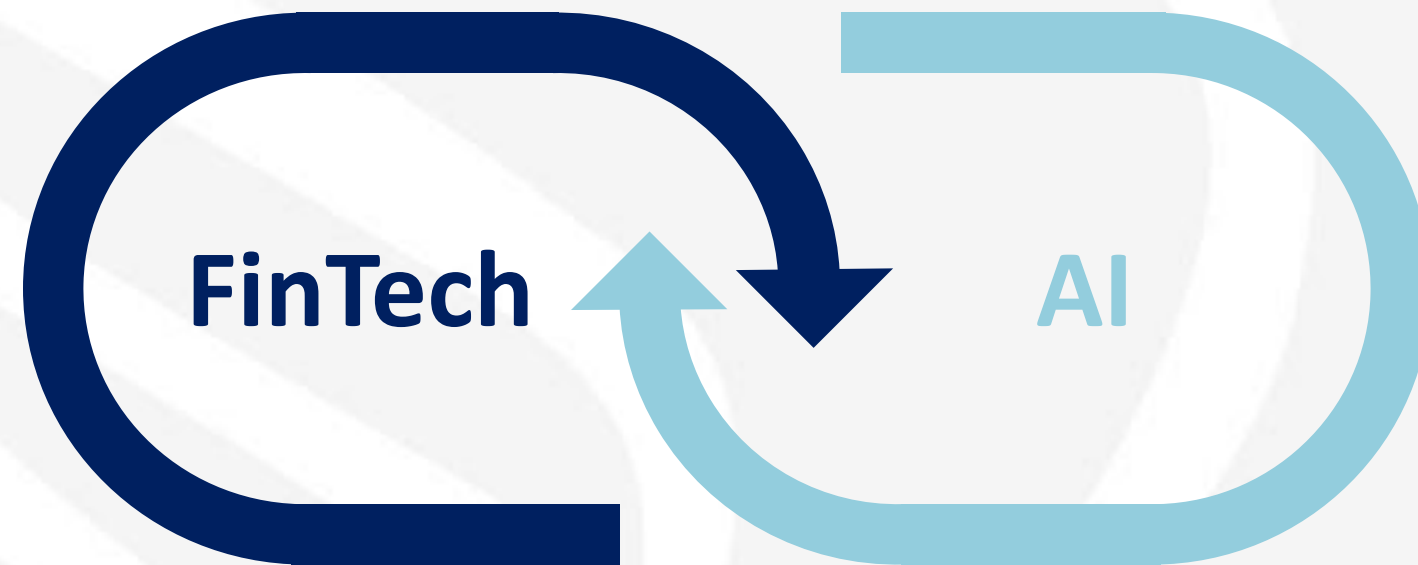


Fintech basically means use of technology in improving systems and processes.

Fintech enables businesses to better manage their financial processes and operations.

Fintech is used in crowdfunding platforms, mobile payments, cryptocurrency, blockchain and insurance.

Key areas that have applied fintech to improve their operations include banking and financial services, insurance, risk management and trading.



AI refers to the simulation of human intelligence in machines to mimic human actions or any machines that display human beings' traits, more-so problem-solving traits.

AI helps businesses execute tasks without the need for human performance.

AI is used in platforms like Siri, Alexa, Tesla, Cogito, Amazon, Netflix and Pandora.

Applications of artificial intelligence are used in fields of civil security, transportation, public security, self-driving cars, intelligent robots, and telecommunications industries.

Products



Automate with Tensai

15+ AI Projects executed

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

How does Tensai benefit clients?

- Ability to scale up and run test cases any number of times
- Substantial effort reduction
- Improved accuracy leading to customer satisfaction
- Annual cost savings



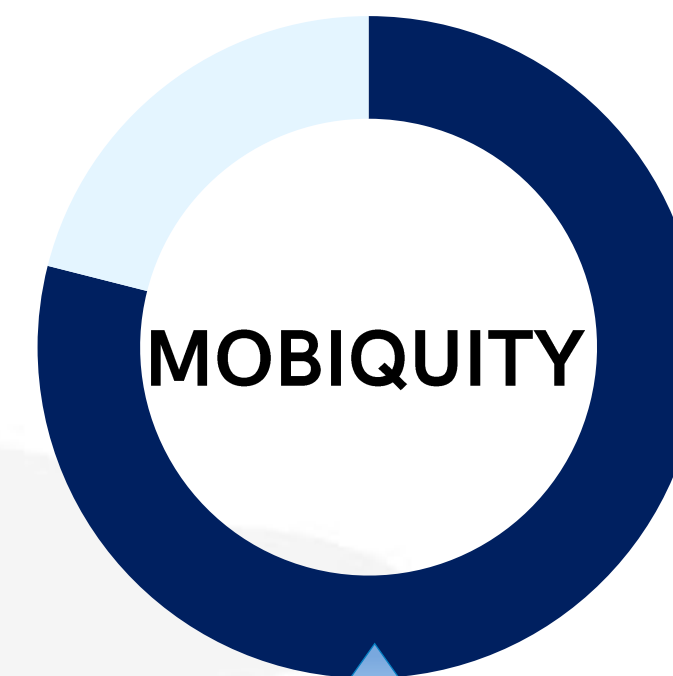
Accelerate with Amaze

20+ Active Cloud Projects

Amaze supports all the major stages of cloud transformation process and helps the customer transition to cloud faster at a substantially lower cost.

How does Amaze benefit clients?

- Reduces time and cost
- Makes it possible to scan, review and re-factor millions of lines of code with high efficiency and drastically reduced timelines
- Zero impact on business functionality
- High flexibility for customization



Amplify with Mobiquity

63+ FinTech Projects delivered

Mobiquity combines the best of human-focused design and data-driven technology, helping the customers drive meaning for their business.

How does Mobiquity benefit clients?

- Provides solutions that help in transforming customer experience
- Holistic offerings around commerce management, content and creative production, marketing analytics and machine learning driven optimization



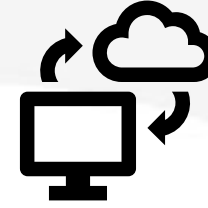
Key Sectors and Respective Services



**Banking and
Financial Sector**



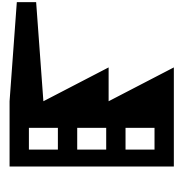
**Healthcare and
Insurance**



**Hi-Tech and
Professional Sector**



**Travel and
Transportation**



**Manufacturing
and Consumer**

**Application
Transformation
Management Services**

(Mobiquity and AMAZE)

**Business Intelligence
(BI) and
Analytics**

(Tensai and AMAZE)

**Business Process
Services**

(Tensai and AMAZE)

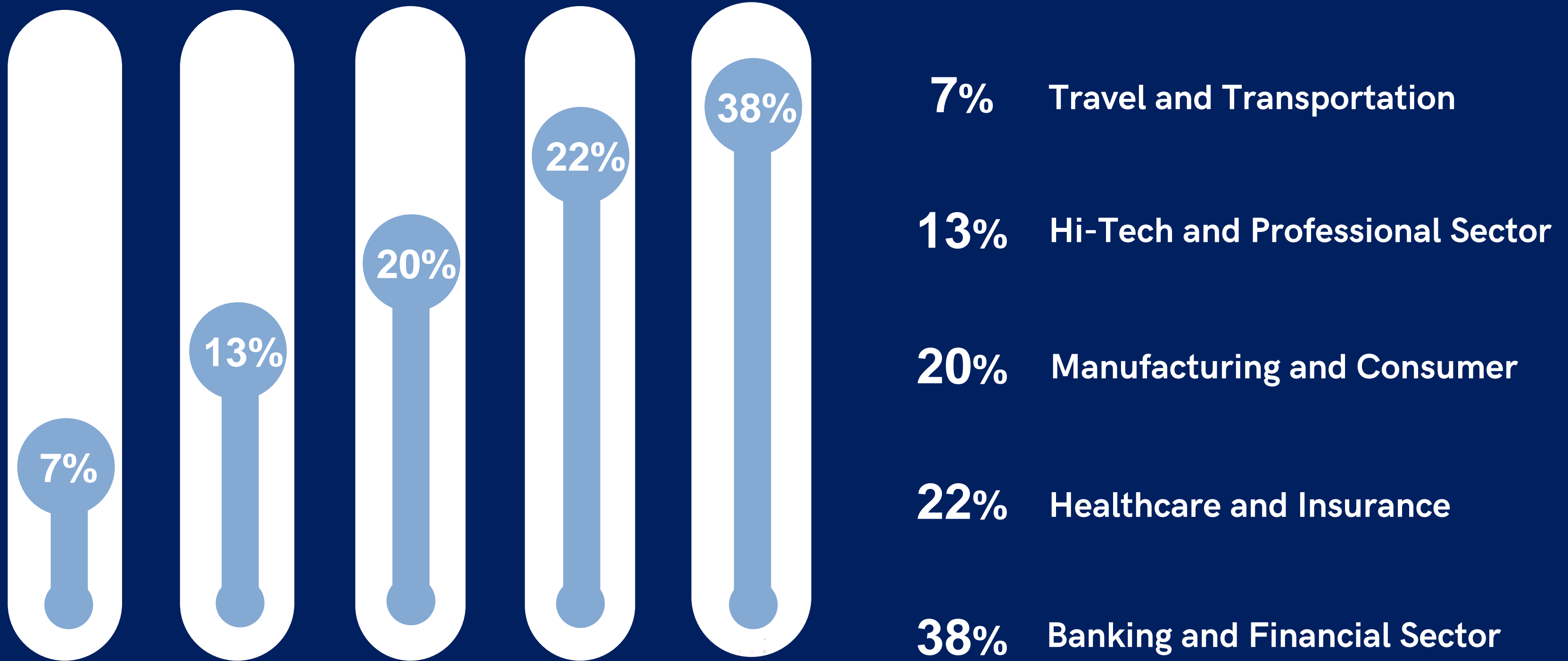
**Digital Assurance
Services and
Enterprise Solutions
Services**

(Mobiquity and AMAZE)

**Infrastructure
Management
Services**

**(Tensai and
AMAZE)**

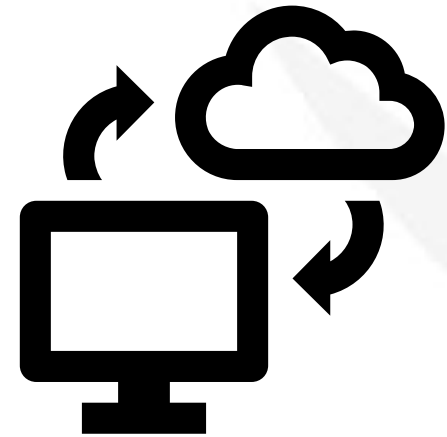
Sectorial – Revenue Bifurcation





Services

Digital Core Transformation (DCT)

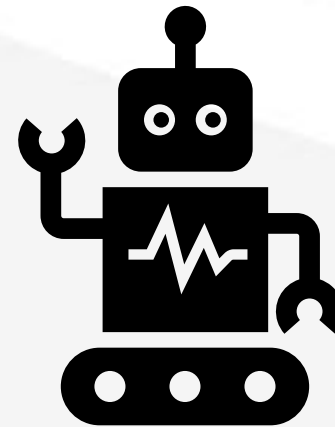


- Enables application transformation, development and ongoing management.
- They are designed to leverage new technologies.

Key Offerings

- Cloudify applications
- API and integration
- Application managed services
- Design & development of APIs, micro services, integration
- Cloud native development

Digital Product Engineering (PDE)



- Offers enterprises end-to-end quality assurance of their products or applications across the different verticals to ensure sustained and predictable quality.

Key Offerings

- Autonomous software testing
- Web or mobile experience design and front-end development
- Digital agency and experience design
- Automated testing of data
- Usability testing services

Digital IT Operations (ITO) & Others



- Infrastructure management services provide enterprises with innovative solutions for digitization, big data, infrastructure modernization and process harmonization.

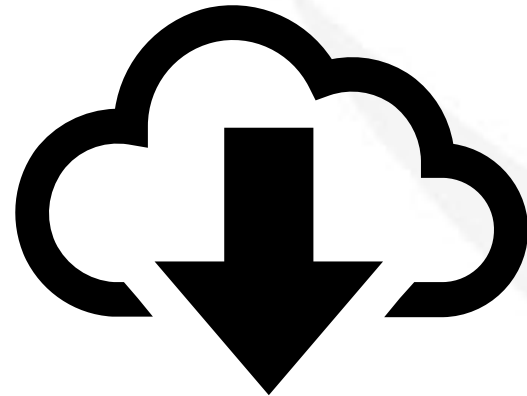
Key Offerings

- Digital workplace
- Enterprise service management
- Software asset management
- Cyber security resilience services
- Experience consulting services
- Automation as a service



Services

Cloud Transformation

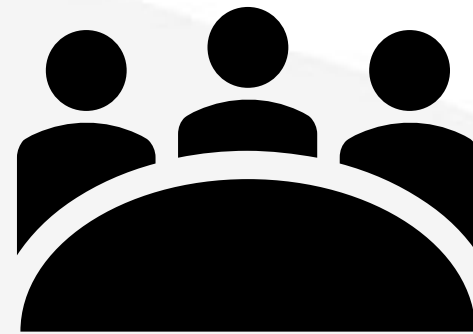


- Helps to understand trends, predict the future, analyze risks, differentiate themselves and their offerings using next generation technologies which boost enterprise's return on investment.

Key Offerings

- AMAZE for data and AI
- Data modernization
- Data visualization
- Consulting-led migration service to enable Cloudify Everything vision for customers

Business Process Services



- Empower enterprises by delivering innovative and cost-effective business process services while increasing revenue and reducing errors to fuel their growth.

Key Offerings

- Customer experience services
- Finance & Accounting (F&A) transformation
- Marketing operations services
- Translation services
- Revenue cycle management

Enterprise & Next Generation Services (E&NGS)



- Offers customized digital architecture which modernizes client applications and facilitates risk-free and accelerated transformation.

Key Offerings

- Business process management
- Oracle cloud services
- Oracle e-business suite services
- PeopleSoft services
- SAP services
- Workday services



Key Alliances and Partnerships



- The Company has more 70+ alliances and partnerships of which some of the major Alliances are mentioned above.
- These alliances help HTL to grow in scale and develop superior products.

Key Financial Metrics



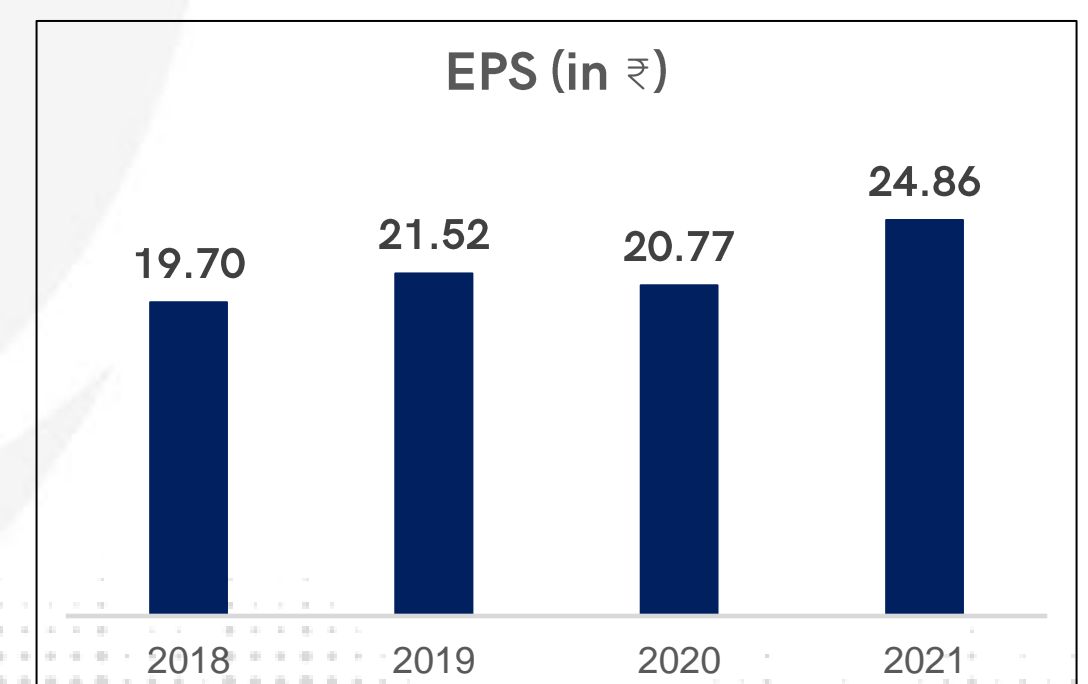
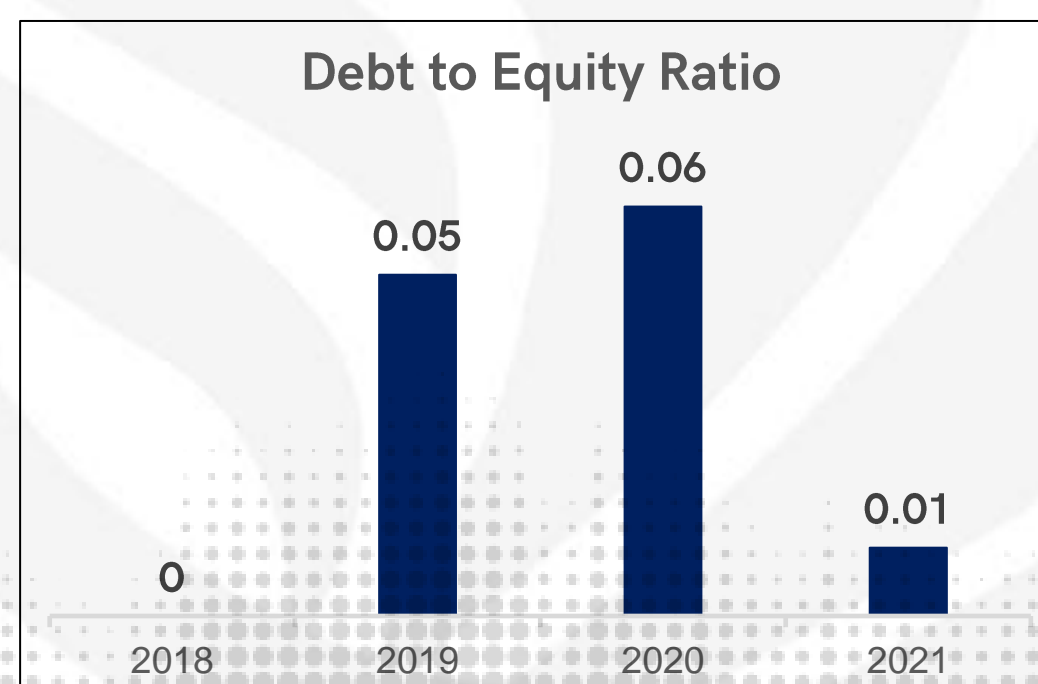
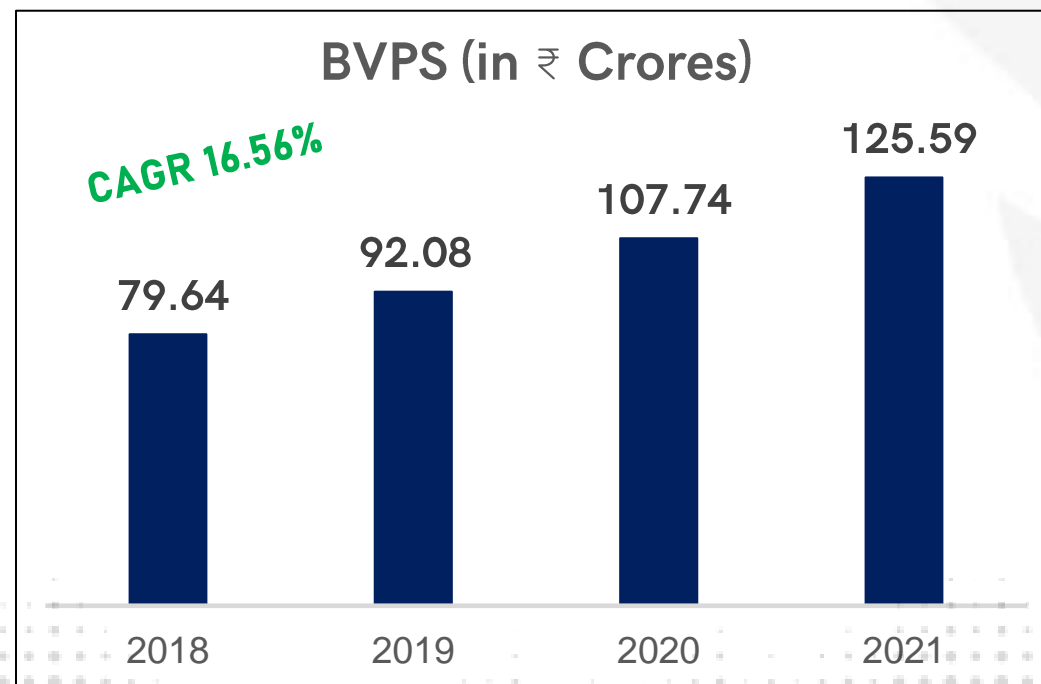
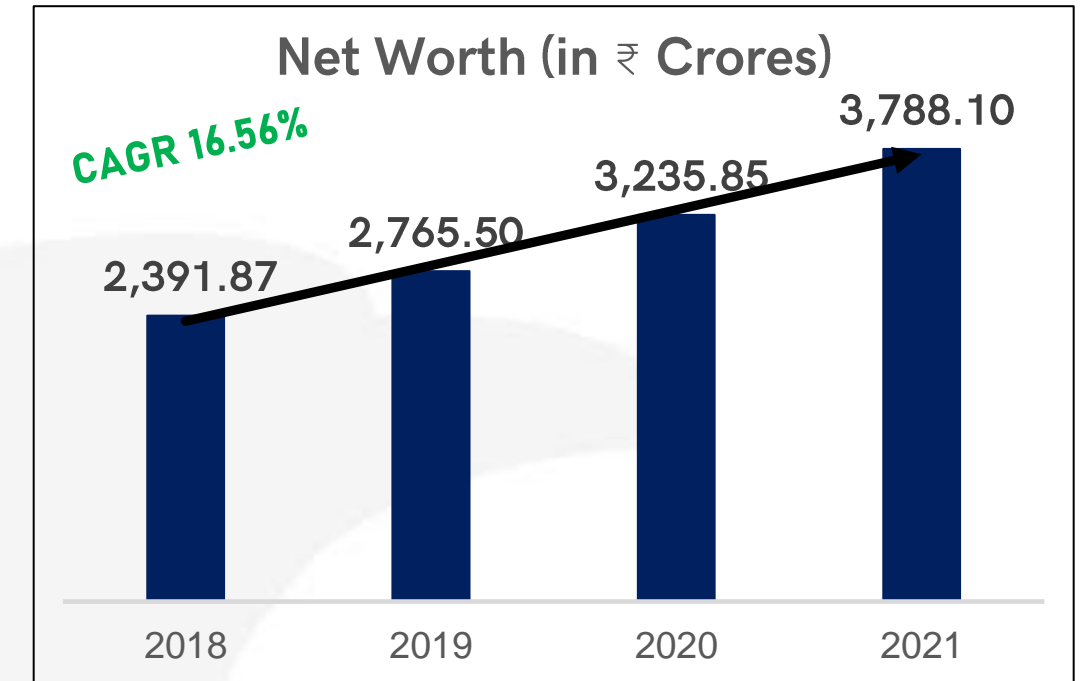
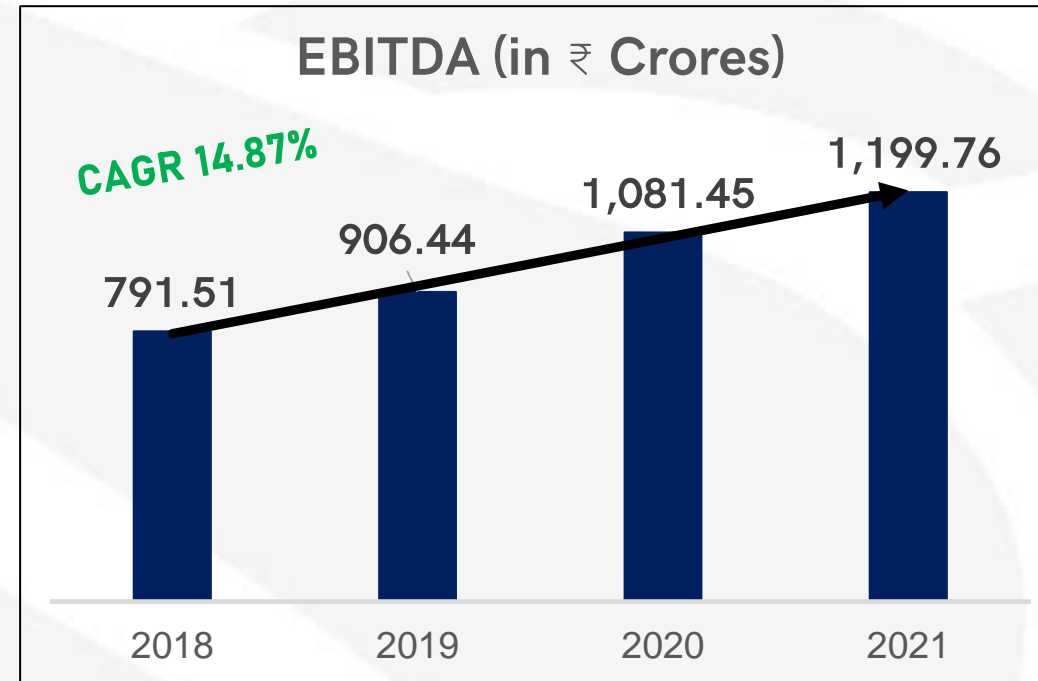
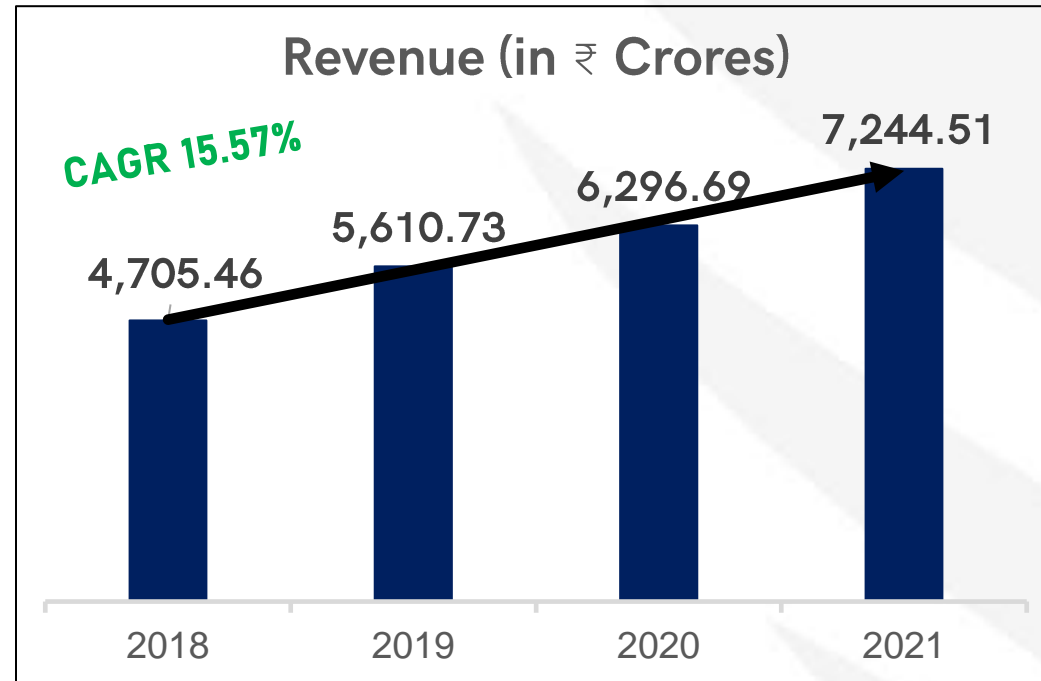
In ₹ Crores

Metrics	2021	2020	2019	2018	CAGR
Market Capitalisation*	19,001.75	-	-	-	
Net worth	3,788.10	3,235.80	2,765.50	2,391.90	16.56%
Total Revenue	7,244.51	6,296.69	5,610.73	4,705.46	15.47%
EBITDA	1,199.76	1,081.45	906.44	791.51	14.87%
Net Profit	748.83	621.50	641.34	583.46	8.67%
Basic EPS	24.86	20.77	21.52	19.65	8.15%
Book Value Per Share	125.59	107.74	92.08	79.64	16.56%
Debt to Equity Ratio**	0.01	0.06	0.05	-	-
ROE	19.77%	19.21%	23.19%	24.39%	-6.77%
Net Cash Flows	153.03	773.57	-570.16	253.03	-15.43%

• The Company allotted 12,82,804 equity shares of ₹ 2/- each to the employees under ESOP exercise.

** No borrowings in 2018

Financial Snapshot



Peer Comparison



Unlisted Companies

Listed Companies

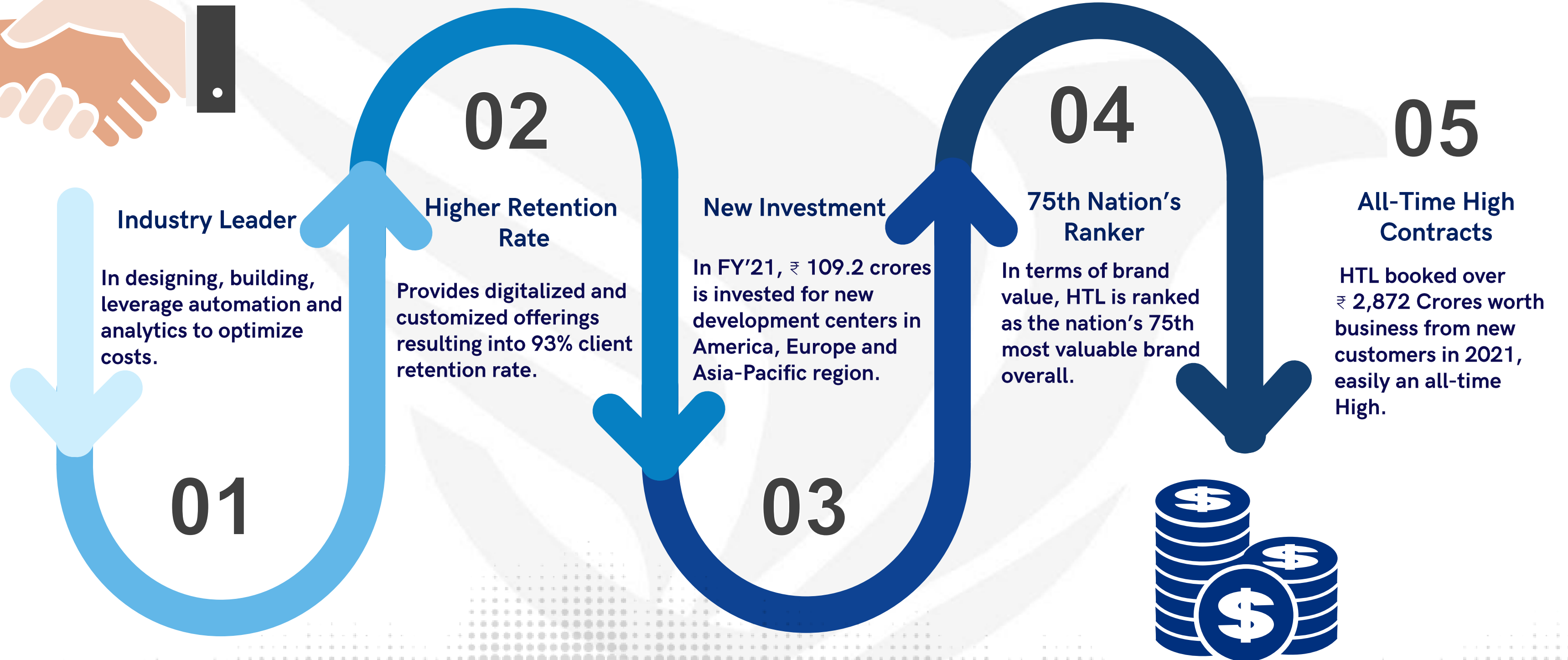
In ₹ Crores

Metrics	Hexaware	Tata Technologies	Wipro	Zensar Technologies
Market Capitalisation*	19,001.75	25,084.19	3,25,186.87	8,359.23
Total Revenue	7,244.51	2,425.74	64,325.60	3,806.84
EBITDA	1,199.76	430.54	17,162.10	710.28
Net Profit	748.83	239.18	10,868.00	306.98
Basic EPS	24.86	57.21	19.11	13.31
Book Value Per Share	125.59	512.40	100.47	105.09
Debt to Equity Ratio	0.01	0.11	0.16	0.15
ROE	19.77%	11.17%	19.74%	12.95%
ROCE	25.42%	14.00%	16.99%	11.28%
(P/E) x	25.34	103.13	31.06	27.84
(P/B) x	5.02	11.51	5.91	3.53

Key Investment Considerations



NON - FINANCIAL TERMS



Key Investment Considerations



FINANCIAL METRICS

Net Worth

The Net worth of the Company has increased to ₹ 3,788.10 Crores in CY'21 from ₹ 2391.9 Crores in CY'18 with a CAGR of 16.56%.

CAGR
17%

Dividend

The Company approved an overall dividend of 400% amounting to ₹ 8 per share (including third interim dividend for 2020). It paid total dividend amounting to ₹ 240.09 Crores with a dividend payout ratio of 32% in CY'21.

Dividend
Payout
32%

Virtually Debt - Free

The Company is virtually debt free with Debt to Equity of 0.01 in CY'20.

D/E
0.01

Book Value Per Share

The book value per share of the Company's has increased from ₹ 7.96 per share in CY'18 to ₹ 125.59 per share in CY'21 which is ~16% increase on CAGR basis.

CAGR
16%

Net Profit

The Net Profit of the Company stood at ₹ 748.83 Crores for CY'21 with a CAGR of ~9% from 2018 to 2021 despite headwinds on account of pandemic.

CAGR
9%

Total Revenue

The Total Revenue increased at the rate of 15.47% CAGR to ₹ 7,244.51 Crores in CY'21 from ₹ 4,647.76 Crores in CY'18.

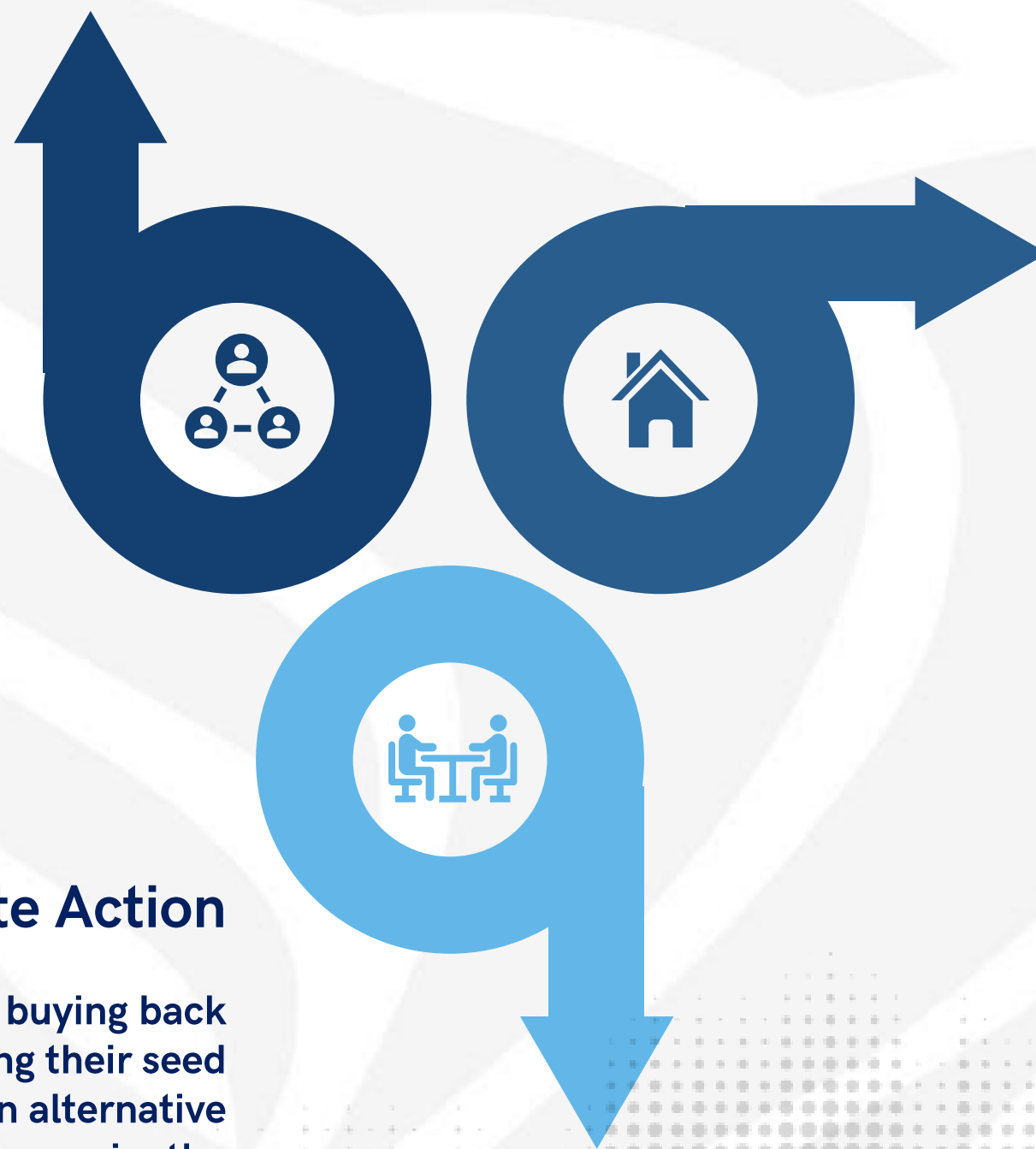
CAGR
15%

Exit Strategies



Third - Party Sale

This option can be exercised as a trade sale or strategic sale of investor shares to a third party buyer from the same industry or sale to financial investors. It is also a relatively hassle-free process since it is not subject to an array of legal/regulatory compliances as in the case of IPO or company buy back transactions.



Sale to Private Equity Funds

This option is exercised when a Company is taken over by a Private Equity (PE) Firm. The investors can sell back their shares to these PE firms and settle their trade.

Corporate Action

The Company can take an action of buying back shares which was sold initially during their seed or early stage investment as an alternative finance solution. In such a scenario, the investors can exit from Company's shares.

Risk Disclosure



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