

Chairman's Message to Shareholders

Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company during FY 2018. We had an excellent year with good growth in revenue and profit, which has been the result of the strategic building blocks we have put in place – Automate Everything, Cloudify Everything and Transform Customer Experience.

On a global scale, more and more companies continue to invest increased budgets in digital technologies. Investments are significantly higher in new technologies such as cloud storage, in data analytics, in artificial intelligence, and in robotics.

Solid Industry Growth

The IT industry is set to post a double-digit sales growth over FY 2019-20. Business flow from the US region is increasing, and while there is some uncertainty in Europe because of Brexit, business from the region is likely to continue growing. Analytics, cloud services and robotics will be among the major growth drivers for the industry. The Indian IT industry is clearly at a very attractive stage right now – due to high growth, superior margins, earnings in strong currencies, superior governance and availability of high quality management talent who can professionally run businesses. Digital has clearly been the driver of growth during the year. To enhance digital capabilities, the industry has been investing in setting up centres of excellence and innovation hubs in key markets.

A key growth driver for the industry is the prediction of Digital Transformation. Worldwide spending on technologies and services enabling digital transformation of business practices, products and organisations is forecast to reach USD 1.97 trillion by 2022. This indicates a 5-year CAGR of 16.7%. It is predicted that by 2020, about 30% of G2000 companies would have allocated capital budget equal to at least 10% of their revenue to fuel their digital strategies, realising digital transformation as a long-term investment. According to the Gartner report, worldwide IT spending is projected to total USD 3.8 trillion in 2019, rising by 3.2% from the expected spending of USD 3.7 trillion in 2018.

The Hexaware Advantage

We are one of the fastest growing IT services company with consistent growth on the back of increased order wins and geographical expansion and with a vision of having 50% digital workforce and strong culture of innovation. We are creating a culture of automation first approach, building capabilities and focusing on products and alliances to transform how IT services are delivered. We are enabling this through excellent client relationships and strong execution capabilities that helps us build trust with our clients and within client organisations. Our solidity in client mining helps us in providing entrance to new organisations which in turn helps us drive new businesses and reduce the risk of client concentration and dependencies.

On a Growth Trajectory

Changing landscape of technology has been a reality of our times, and we at Hexaware, are continuing our focus towards meeting customers' needs through investment in innovation. We have been on a growth trajectory despite a globally weak business environment. We possess the R&D flexibility to boost digital transformational capabilities. At Hexaware, we have always focussed on segments that could provide differentiated services to our clients, compared to multinational corporations. I am pleased that the differentiated strategy we are pursuing has worked well with our clients.

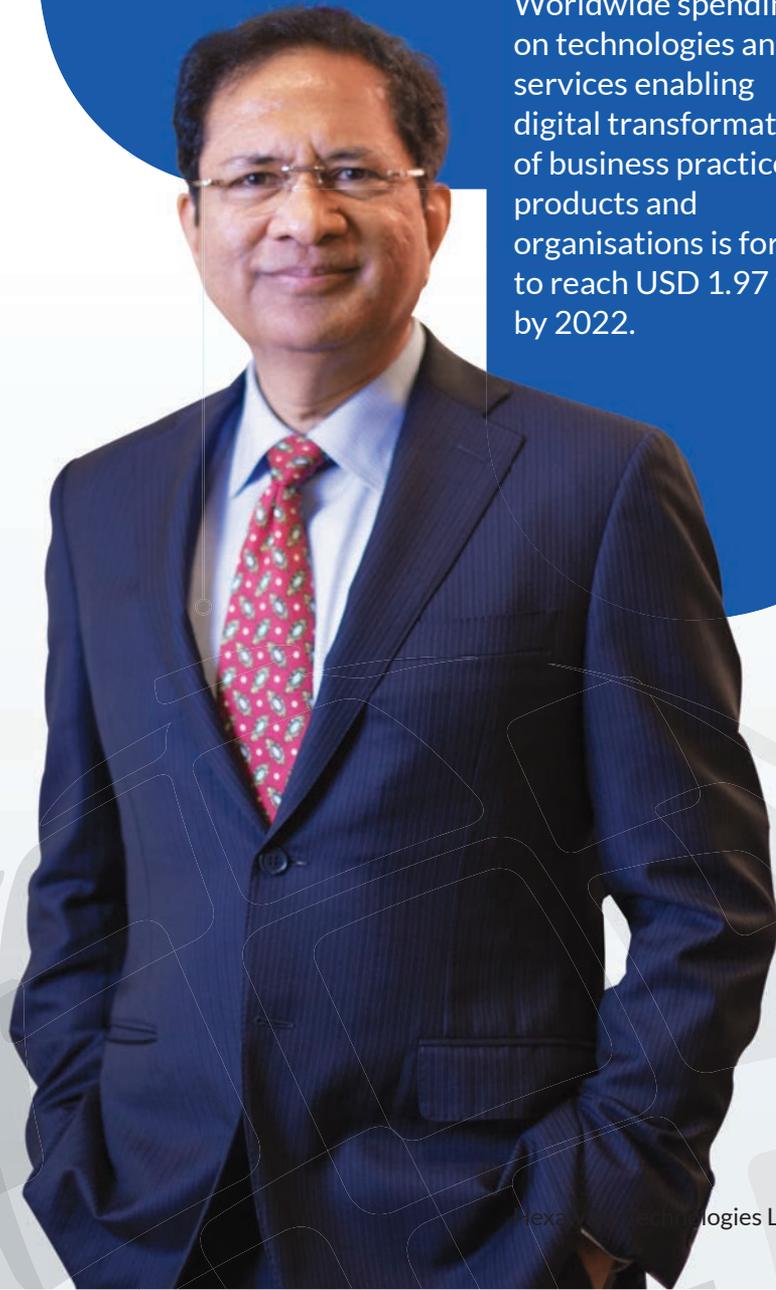
To steer our growth strategy forward, we are aiming towards systematic synergisation of various elements and our "Inside Out, Outside In" strategy to become a large IT player in the decade to come.

We have been combining innovative technology with deep industry expertise, underpinned by security and trust. We express our gratitude to our cherished clients, and to thousands of Hexawarians whose brilliance makes it possible for us to achieve our goals.

We are truly optimistic about our technology, our clients, and about the world we are building together. We are also devoted in earning the trust and respect of our shareholders, customers, employees and the communities we serve every single day.

With Warm Regards,

Atul Nishar
Chairman



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