

Hexaware Technologies (HEXT) – BUY

Initiating coverage

Current Market Price (CMP) Rs.870	Target Price Rs.940
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Rationale:

- Our positive view is based on a well-rounded & consistent performance with equal emphasis on revenue growth, margins & FCF generation.
- Strengthened multiple facets of business to emerge as a credible challenger.
- The business model has strengthened across all dimensions & is well equipped to outperform peers on growth consistently over the next few years.
- We initiate coverage on Hexaware with a BUY rating and a 12-month Fair Value of Rs940, based on 30x March 2027E EPS.

Initiating coverage:

Positives:

- Hexaware will deliver above average revenue growth, margin performance & FCF generation.
- Well-equipped in the age of gen AI, given early emphasis on automation and AI.

Negatives:

- Discontinuity in the top leadership, especially the CEO, can impede execution.
- The company faces the standard sector risks, such as gen AI disruption, insourcing, INR appreciation against the USD, etc.

EPS: Earning Per Share. M&A: Merger and Acquisition. AI: Artificial Intelligence. FCF: Free Cash Flow. CEO: Chief executive Officer.

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For detailed report dated 18th May 2025. Note: CMP & valuation may differ due to difference in dates



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