

Rating: Subscribe for long term

Issue Offer

OFS of 12,35,87,571 shares by Promoters group making total issue size of INR 87,500 Mn.

Issue Summary

Price Band (INR)	674-708
Face Value (INR)	1
Implied Market Cap (INR Mn)	4,30,247.8
Market Lot	21
Issue Opens on	February 12, 2025
Issue Close on	February 14, 2025
No. of share pre-issue	60,76,94,668
No. of share post issue	60,76,94,668
Listing	NSE , BSE

Issue Break-up (%)

QIB Portion	≤50
NII Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Kotak Mahindra Capital Company Ltd
Citigroup Global Markets India Pvt Ltd
J.P Morgan India Pvt Ltd
HSBC Securities and Capital Markets Pvt Ltd
IIFL Securities Ltd

Registrar

Kfin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	95.05%	74.41%
Public & Others	4.95%	25.29%

Objects of the issue

- Improve company's visibility and strengthen its brand presence in the market.
- The company will not receive any proceeds from the offer.
- Offers liquidity to existing shareholders.

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Heli Shah

Hexaware Technologies is IT firm specializing in global digital and AI-driven services with a focus on industries like Financial Services, Healthcare, Manufacturing, and Travel. It was founded in 1992. It operates 39 centers worldwide and offers AI-powered platforms such as RapidX (digital transformation), Tensai (automation), and Amaze (cloud adoption). Its services include digital transformation, IT operations optimization, data & AI insights, Gen AI-powered business processes, and cloud integration. The company is expanding its presence in Tier 2 cities like Ahmedabad, Tamil Nadu, Uttarakhand, Dehradun and more.

Investment Rationale

In House AI Powered Digital Platforms with Innovation in Focus: The company have developed three AI based digital platforms to enhance operational efficiency and help business to develop and grow. RapidX is a Gen AI powered software engineering platform that improves the software development lifecycle (SDCL) by automating tasks beyond code generation. Tensai is an enterprise automation platform that simplify IT operations, enhances efficiency. Amaze facilitates cloud migration, transformation and modernization allowing business to support AI powered automation for flawless cloud adoption.

Expansion in New Regions with Strategic Partnership: The company provides their solutions across North America, Europe and APAC with major focus on US and UK. The company is expanding in Germany and Belgium by acquiring new customers and strengthening existing relationships. The company formed joint venture with Al-Balagh to combine their digital expertise with Al Balagh's industry knowledge to offer solutions in Qatar and Novelty Group to provide digital transformation services to UAE targeting Middle Eastern markets. This diversification reduce dependency on singular markets.

Diversified customer base: The company focus is on maintaining a diversified customer base across the geographies and industries. The company strategy is customer acquisition and expansion. Prior to FY22, the major revenue from operations came from top clients, but with company current go to strategy, the source of revenue is distributed.

Enhance Talent and Optimize Cost Efficiency: The company is investing in talent development programs like Hexa Varisty and Mavericks Learning programs and offers to campus graduates with industry related skills to develop skilled employees and reduce the need for external hiring.

Valuation and View: Hexaware Technologies is ranked in top 10 IT sector companies in India. Leveraging a strong global presence and networks in key markets in India, US and UK, the company continue to innovate in AI technologies. The company's revenue has increased, with a focus on maintaining profitability through efficient execution and cost management. At the upper band of INR 708, the issue is valued at a P/E ratio of 37.82x, based on a annualized Sept 24 EPS of INR 18.72. We are recommending a "Subscribe for long term" for this issue.

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Stock Rating Scale	Absolute Return
BUY	
ACCUMULATE	
HOLD	
NEUTRAL	
REDUCE	
SELL	

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