



EXL SERVICE HOLDINGS INC. (NASDAQ: EXLS)

May 2020



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We are an

**OPERATIONS
MANAGEMENT**

and **ANALYTICS**
company

We believe there is always a better way. We **look deeper.**
We find it and we make it happen.



Values that pave the way to win



COLLABORATION

- Collaborate across boundaries
- Take a lead in building partnerships
- Grab the first opportunity to offer assistance
- Celebrate others' success
- Leverages the strength of diversity at EXL



EXCELLENCE

- Deliver in all circumstances
- Demonstrate high accountability
- Practice excellence and deliver quality
- Anticipate challenges and opportunities
- Manage effective communication



INNOVATION

- Develop a deep insight into the client's business
- Identify opportunities to find a better way
- Positively challenge the status quo
- Turn opportunities into real action
- Encourage openness and dialogue



RESPECT

- Encourage and accept feedback
- Embrace and respect diversity
- Treat others with dignity
- Deal in a fair, open and honest manner with others
- Demonstrate respect for other organizations



INTEGRITY

- Live the organizational values
- Maintain highest ethical standards
- Abide by rules, regulations and policies
- Demonstrate honesty and consistency
- Preserve confidentiality of information

Benefits our
Clients

Benefits our
Stockholders



Benefits our
Communities

Benefits our
Employees

1999

Established in April

EXLS

NASDAQ listed

800+

Clients

32,600+

Professionals

61

Global delivery centers in 25 locations

~\$115MM

Investments in new geographies, products & platforms and Digital over past 3 years

Our Awards



100 Most Trustworthy Companies in America



Innovation Awards for Business *EXLerator* Framework®



Excellence in Education winner



IAOP distinguished honors for delivery excellence and innovation programs

NASSCOM®

NASSCOM award for Analytics solution on "Preventive Hospitalization"



NCQA Accredited

Our People

4,500+

Data Scientists and Analytics professionals

1,000+

Digital experts

200+

AA&R technology experts and solution architects

2,300+

Nurses, doctors & clinicians

1,000+

Lean Six Sigma Professionals

50+

Actuaries

35+

Attorneys in our legal support services team

Financials

16.5%

Revenue CAGR from 2010-19

16.1%

Adj. EPS CAGR from 2010-19

~80%

Recurring / annuity revenues in 2019

\$120MM

Value creation for shareholders in last 3 years through share repurchase through December 31, 2019

~16%

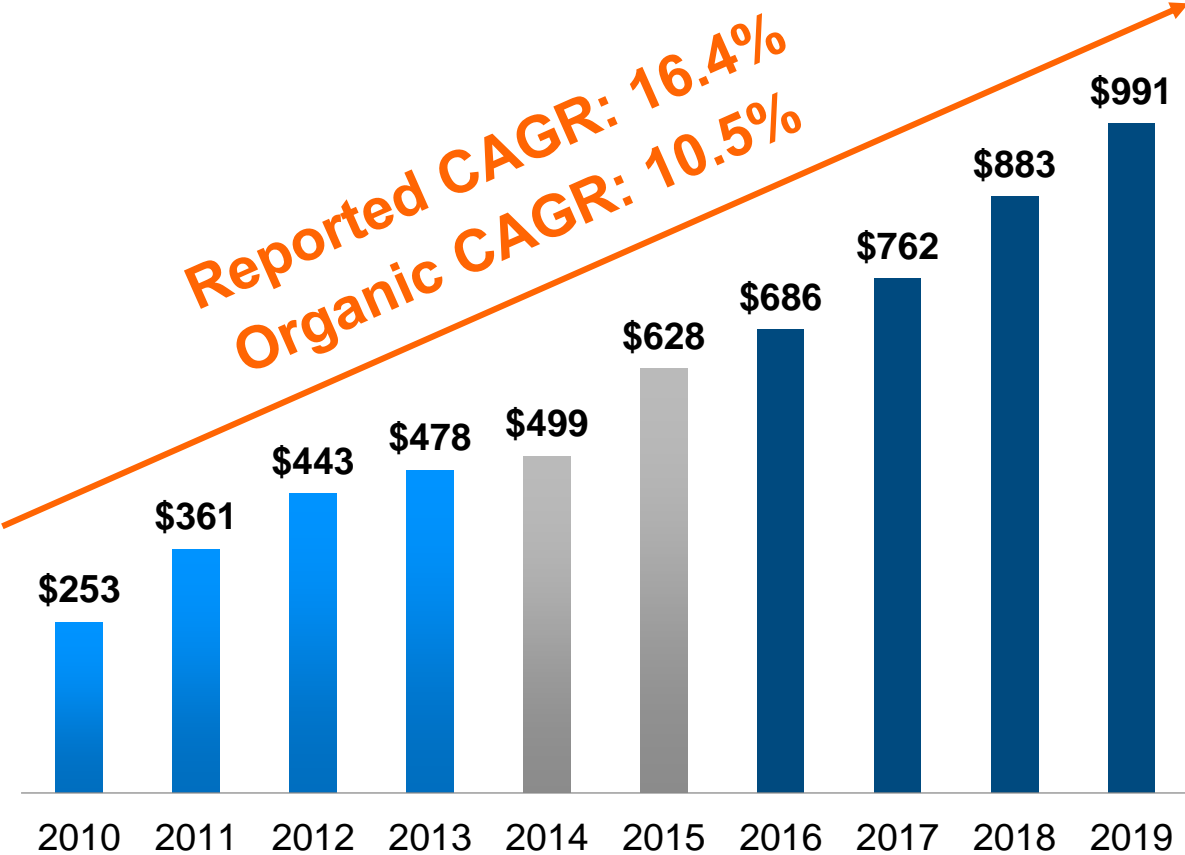
Share price CAGR 2010-19 v/s ~11.5% for Russell 2000 index through December 31, 2019



Lean 6 Sigma
Transformation

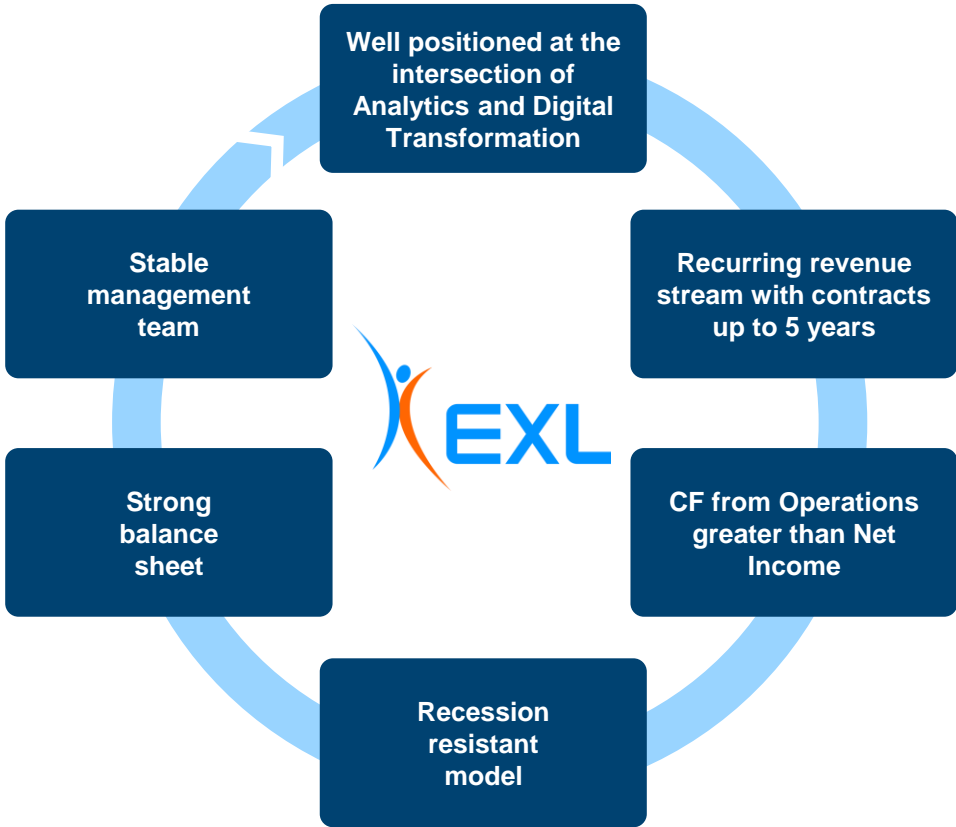
Lift
and Shift

Digital
Transformation



Revenue in \$M

Investment Attributes



BUSINESS TRANSFORMATION OVER THE PAST 5 YEARS



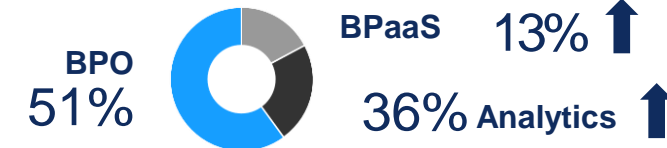
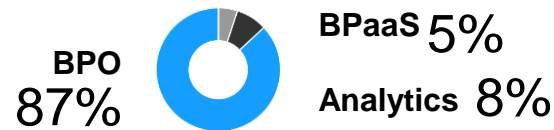
2014

2019

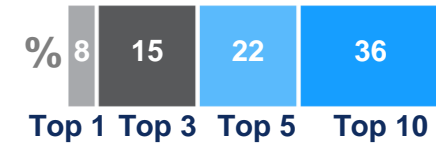
Growth in Strategic Verticals



Diversified Revenue Mix



Reduced Client Concentration



Adj. EBITDA

\$99,426

\$163,175 +64% ↑

Revenue/Employee

\$23,345

\$32,300 +38% ↑

TBP+OBP Rev

21%

36%

Delivery Centers

35

61

New client wins

26

Q1 2020 = 10; 2019 = 28



61
Global delivery
centers in 25
locations

25+
Languages
supported

- **India:** Back-office operations, analytics, finance and accounting (F&A) operations, technology services & contact centers for U.K. and U.S. 21,000 Employees
- **Philippines:** Clinical services, contact centers for US and Australia & Back-office operations 7,600 employees
- **Singapore:** Analytics and consulting
- **Colombia:** Spanish and bilingual contact centers
- **United States:** Analytics, consulting, healthcare, back-office operations, F&A operations, technology services & onshore contact centers 2,200 Employees
- **Eastern Europe:** Contact centers for European languages
- **United Kingdom:** Analytics and consulting
- **South Africa:** Contact centers for the U.K.

KEY FINANCIALS

Analytics

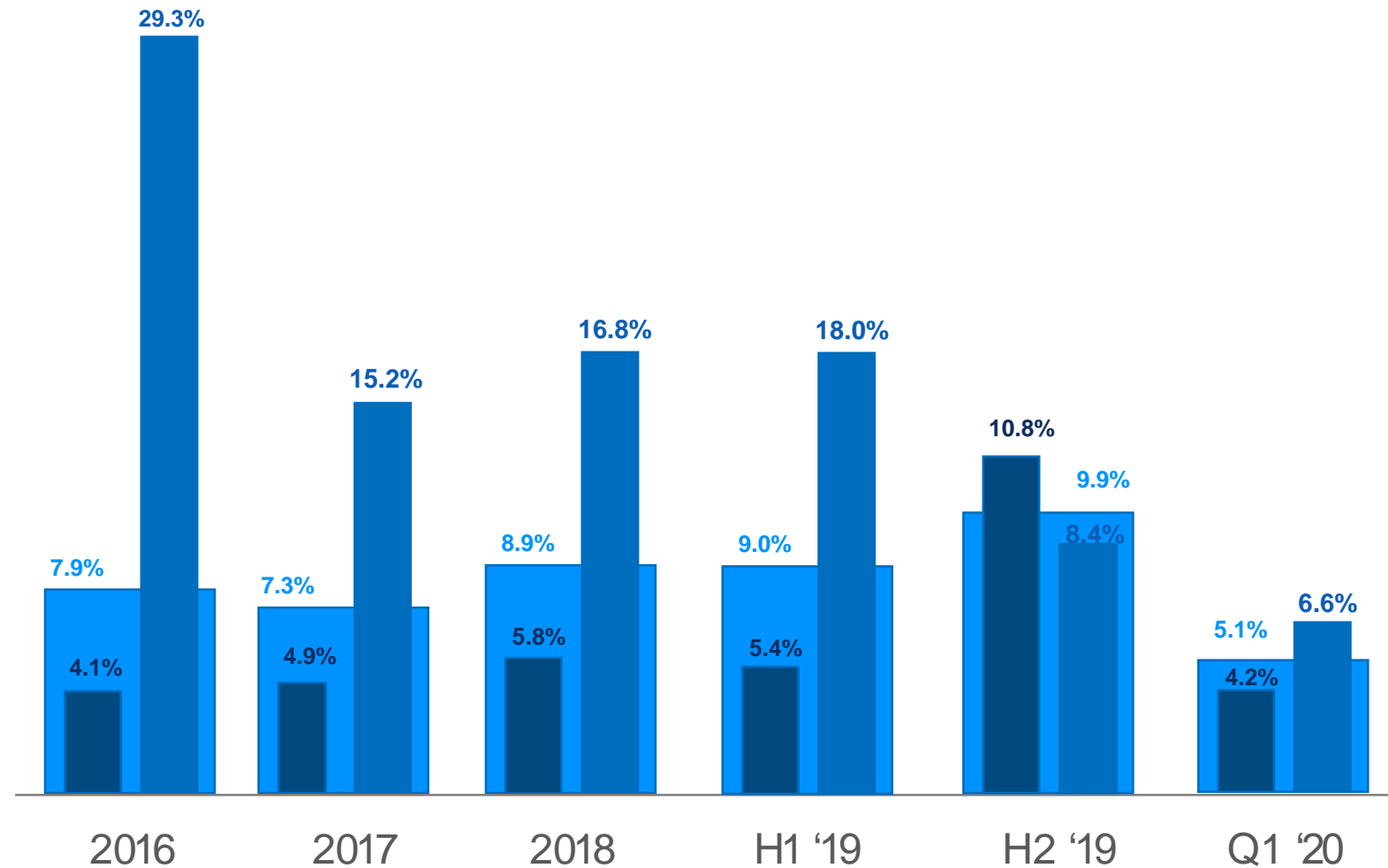
Consistent **15%+** growth for 2017 and 2018 and **13.9%** in FY 2019

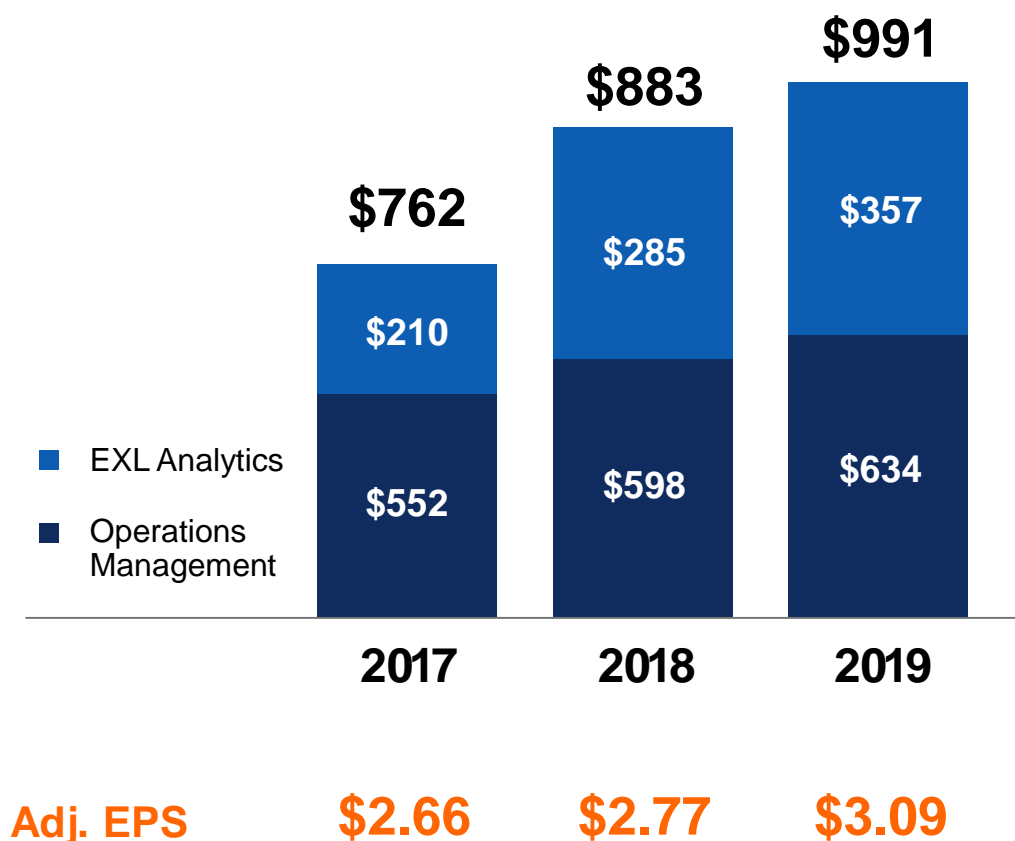
Operations Management

FY'19 growth of **8.1%** driven by double digit growth of **12.4%** in Insurance and **14.5%** in Healthcare

EXL

9.8% FY'19 growth





Excluding Health Integrated wound down on 12/31/19

13.1% Reported and **9.8%** organic
YOY growth in revenue

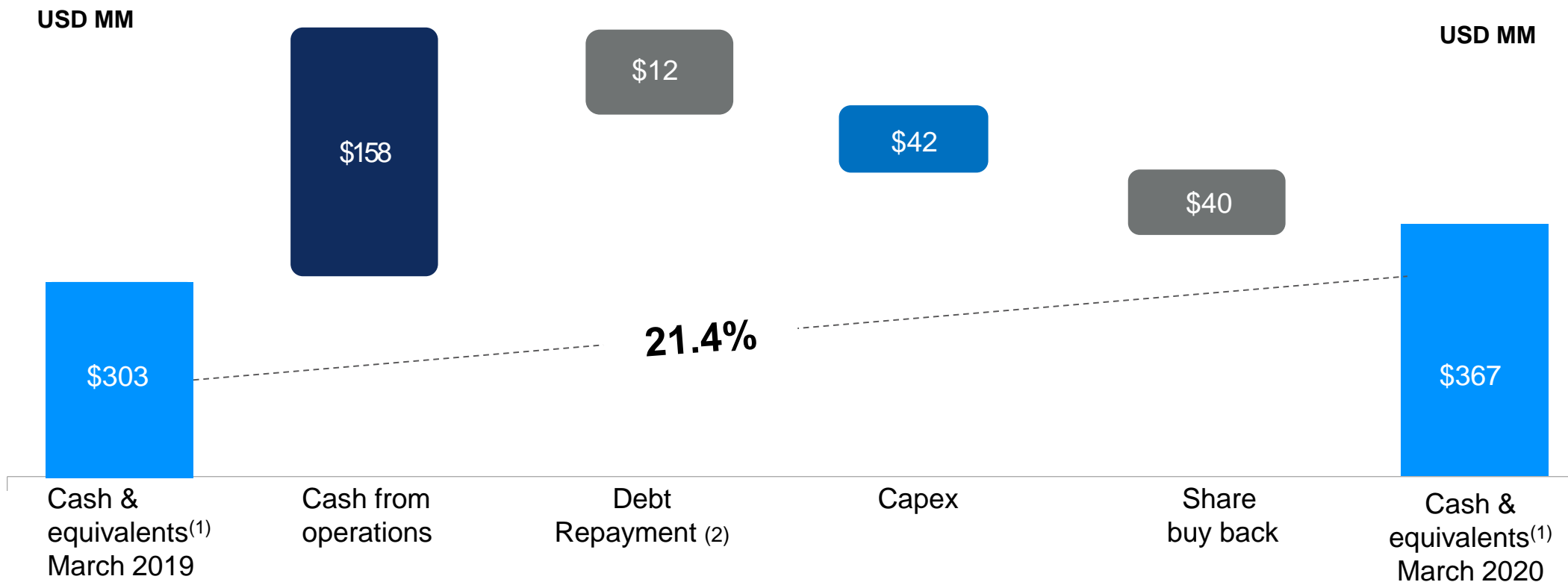
34.8% Gross margin
↑ **10bps** from 2018

14.6% AOPM
↓ **40bps** from 2018

\$3.31% Adjusted EPS, **10.7%**
growth from 2018

Revenue ↑ **2.7% YOY**

GM Headcount ↑ **2.2% YOY**



\$367MM Cash and equivalents after spending \$42MM for capex and adding shareholder value through share buyback of \$40MM.

(1) Cash and equivalents include short term investments

(2) Includes \$100MM of short term additional debt taken to manage liquidity during Covid-19 pandemic, which has already been paid back as of 30th April'20

NET CASH POSITION

Cash	\$225
Short-term investments	<u>142</u>
	367
Credit facility drawn	185.
Convertible bond	<u>150</u>
	335
Net cash	\$32

\$300M CREDIT FACILITY MATURITY NOV, 2022

BANK COVENANTS 12/31/19

Total leverage ratio	1.48x
Interest coverage ratio	14x

QUICK RATIO **2.3x**

FCF/Net Income(1)	139%
FCF Adjusted Net Income(1)	95%

(1) LTM

ANNEXURE

INSURANCE: OUR FOUNDATION – STRENGTH AND SCALE



630+ clients

General Insurance |
Life, Health Annuities,
Retirements | Employee
and Group Benefits

8 of the leading **10**
US Insurers

11 Clients
\$10MM+ each

2 of the leading **5**
UK Insurers

17%
CAGR over 2014-18

2 leading
Australian Insurers

~420M+
~42% of EXL's Revenue



**Industry
Leading
Capability**

\$200M+
business impact delivered
in the last 3 years



**AECUS
INNOVATION
AWARDS**
for innovation

500+
years of cumulative
analytics experience

TPA
licensed in all
U.S. states

End-to-end capability in
operations management
and analytics

Marketing,
Policy
Acquisition

Agency
Support

New
Business,
Underwriting

Policy
Admin

Claims

F&A

Risk &
Compliance



14,000+
Insurance
Professionals

2,100+
employees certified
(AICPCU, CII, LOMA)

4,500+
Data Scientists

2,000+
Claims Specialists

2,700+
F&A Specialists

50+
Actuarial Staff



**Insurance-
as-a-Service**
Solutions

Liss Systems
Datasource
RPM

MedConnectionsm
Subrosource[®]

OSITrac[®]
OSITrac ASPEN[®]

auditStream
auditSmart

Express Surveys
InsightSolutions[™]

We are improving the Member Experience, Enhancing the Quality of Care and Lowering the Cost of Care

Care Management



- Utilization, Case, Disease mgmt. and Behavioral Health services
- Clinical process of outsourcing
- Multi-chronic care management
- CareRadius® care management platform
- Population health analytics
- Patient risk and behavioral analytics
- Performance and outcomes analytics

Deep Domain Talent



- 4,800+ Professionals
- 2,300+ Clinicians
- 600+ Analytics Professionals
- Chief Medical Officer
- Healthcare Academy focused on building clinical expertise

Program Integrity



- Fraud, waste and abuse
- Special Investigations
- Clinical review and claims audit
- Data mining
- Contract compliance
- Subrogation/TPL

Market Dominance



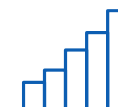
35 Payer clients
5 of the top **10** US insurers
1 in **6** American lives touched by our **Care Management** platform

Customer Experience

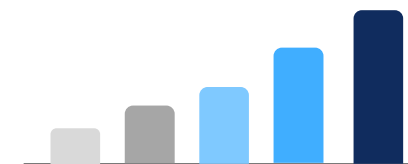


- Digital Customer Acquisition
- Enhance customer engagement in contact center footprint
- Incentive and engagement analytics

Track Record of Consistent Growth



30% Revenue **CAGR**



2014-2018

EXL ANALYTICS: LARGEST PURE-PLAY ANALYTICS PRACTICE WITH END-TO-END CAPABILITIES



Industries



Banking

- 8 of Top 10 in US
- 3 of Top 5 in UK
- 3 of Top 4 Networks



Insurance

- 8 of the top 10 insurers
- 18 of the top 30 US insurers
- 10 US P&C insurers



Healthcare

- 6 of the top 10 US payers
- 30+ hospital networks and integrated delivery systems



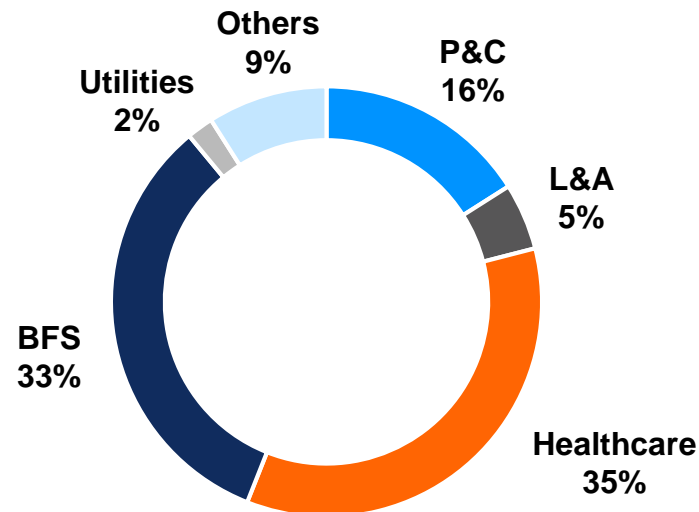
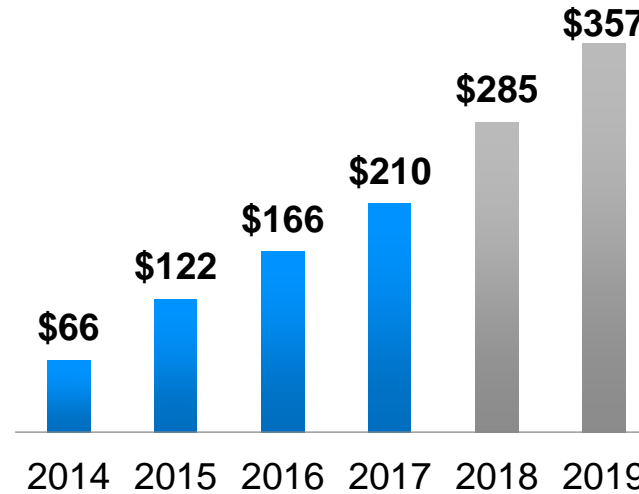
Retail & Media

- Leading specialty department store chains, multi-brand online retailers, shopping centers chain



Travel & Utilities

- Leading travel and logistics companies and UK Utilities



Offerings



Data Management Services

- Strategic gap assessments
- Data Integration & Quality
- Master Data Management
- Cloud / Big Data / Streaming Architecture Design
- Data Operations



Analytics Services

- Maturity Assessments / Roadmap development
- Reporting & Insights
- Strategy development
- Model development
- Model maintenance
- Testing / Platforms
- Regulatory



Outcome-Driven Solutions

- Direct Marketing/Digital Acquisitions
- Payment integrity



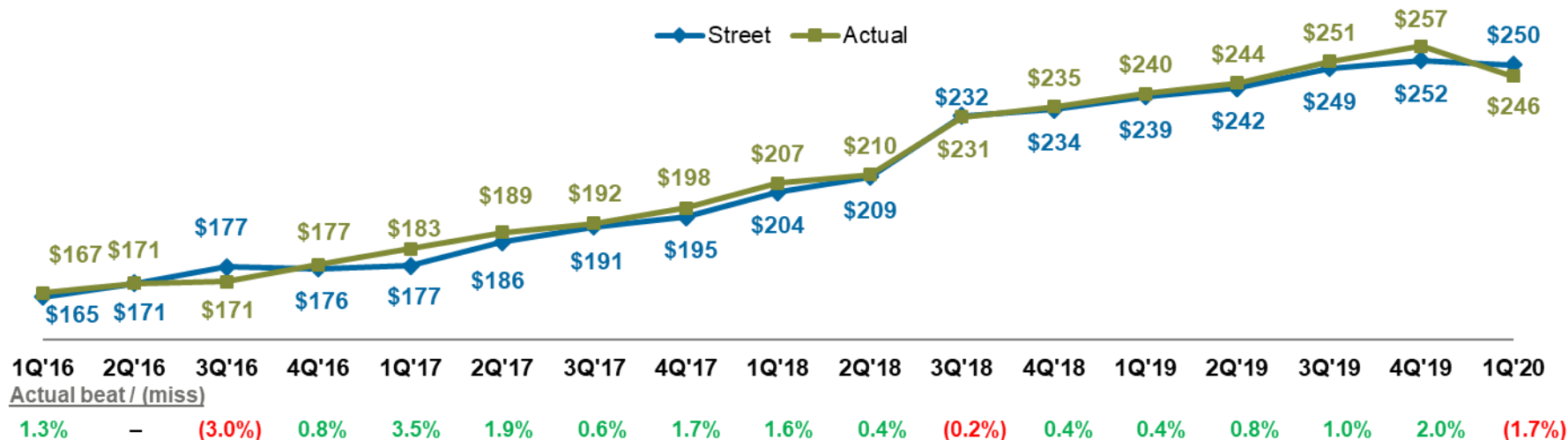
New IP-Enabled Products

- Info extraction
- Cloud platforms for Banks
- Digital collections
- CECL

CONSISTENTLY OUTPERFORMED WALL STREET ESTIMATES

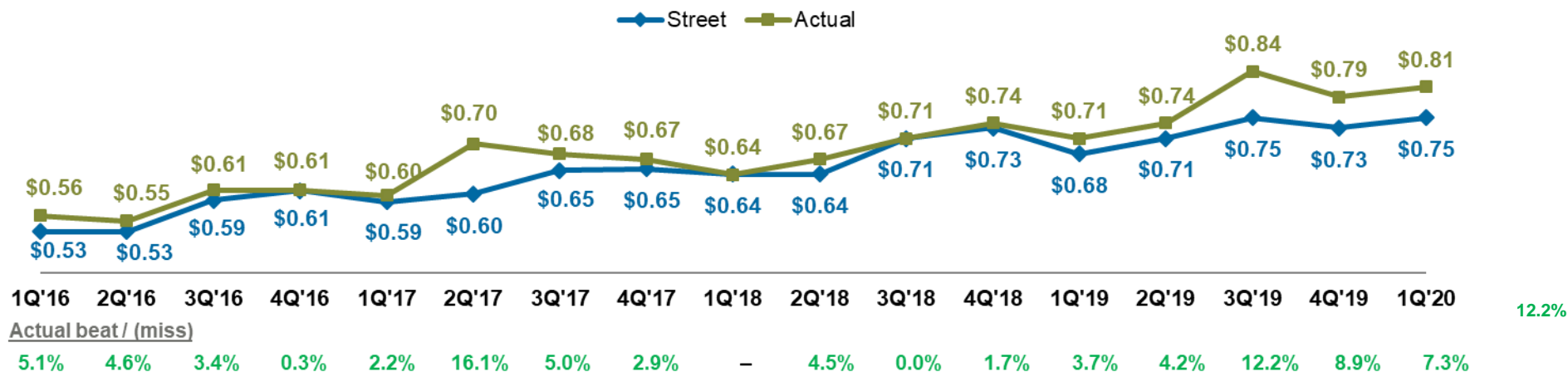


Revenue (\$mm)



Quarterly street estimates vs actual

Adjusted EPS



12.2%

NON-GAAP RECONCILIATION (IN THOUSANDS)



Reconciliation of Adjusted Operating Income and Adjusted EBITDA (amounts in thousands)

	Year ended		Three months ended		
	December 31,		December 31,		September 30,
	2019	2018	2019	2018	2019
Net Income (GAAP)	\$ 67,659	\$ 56,726	\$ 21,356	\$ 3,857	\$ 19,044
add: Income tax expense/(benefit)	15,172	3,397	2,601	(3,399)	5,701
subtract: Interest expense, foreign exchange gain, net, loss from equity-method investment and other income, net	(6,378)	(10,302)	(643)	(2,551)	(2,323)
Income/(loss) from operations (GAAP)	\$ 76,453	\$ 49,821	\$ 23,314	\$ (2,093)	\$ 22,422
add: Stock-based compensation expense	26,070	23,901	4,532	6,590	7,427
add: Amortization of acquisition-related intangibles	21,558	20,377	4,974	5,951	5,502
add: Impairment and restructuring charges (a)	8,671	20,056	1,375	20,056	489
add: Provision for litigation settlement (b)	-	2,400	-	-	-
add: Acquisition-related expenses (c)	-	2,295	-	236	-
Adjusted operating income (Non-GAAP)	\$ 132,752	\$ 118,850	\$ 34,195	\$ 30,740	\$ 35,840
<i>Adjusted operating income margin as a % of Revenues (Non-GAAP)</i>	<i>13.4%</i>	<i>13.5%</i>	<i>13.3%</i>	<i>13.1%</i>	<i>14.3%</i>
add: Depreciation	30,423	28,189	7,541	7,430	7,545
Adjusted EBITDA (Non-GAAP)	\$ 163,175	\$ 147,039	\$ 41,736	\$ 38,170	\$ 43,385
<i>Adjusted EBITDA margin as a % of revenue (Non-GAAP)</i>	<i>16.5%</i>	<i>16.7%</i>	<i>16.2%</i>	<i>16.2%</i>	<i>17.3%</i>

(a) To exclude impairment and restructuring charges related to wind down of the Health Integrated business.

(b) To exclude provision for litigation settlement recorded during the three months ended March 31, 2018.

(c) To exclude acquisition-related expenses.

Reconciliation of Adjusted Operating Income and Adjusted EBITDA (amounts in thousands)

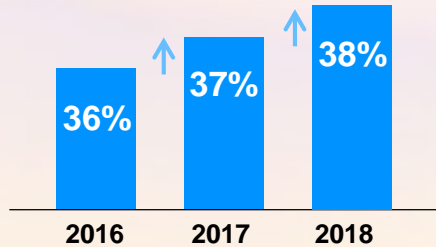
Reconciliation of Adjusted Net Income and Adjusted Diluted Earnings Per Share (Amounts in thousands, except per share data)

	Three months ended		
	March 31,	December	
	2020	2019	2019
Net income (GAAP)	\$ 22,411	\$ 14,695	\$ 21,356
add: Stock-based compensation expense	4,778	6,956	4,532
add: Amortization of acquisition-related intangibles	4,153	5,528	4,974
add: Impairment and restructuring charges (a)	-	1,227	1,375
add: Non-cash interest expense related to convertible senior notes	636	600	636
subtract: Non-recurring tax benefits	-	-	(1,663)
subtract: Tax impact on stock-based compensation expense (b)	(2,733)	(2,481)	(2,144)
subtract: Tax impact on amortization of acquisition-related intangibles	(897)	(1,193)	(1,042)
subtract: Tax impact on impairment and restructuring charges	-	(301)	(352)
subtract: Tax impact on non-cash interest expense related to convertible senior notes	(156)	(147)	(159)
Adjusted net income (Non-GAAP)	\$ 28,192	\$ 24,884	\$ 27,513
Adjusted diluted earnings per share (Non-GAAP)	\$ 0.81	\$ 0.71	\$ 0.79

(a) To exclude impairment and restructuring charges related to wind down of the Health Integrated business.

(b) Tax impact includes \$1,799 and \$1,015 during the three months ended March 31, 2020 and 2019 respectively, and \$1,211 during the three months ended December 31, 2019, related to discrete benefits recognized in income tax expense on adoption of ASU No. 2016-09, Compensation - Stock Compensation.

SOCIAL & DIVERSITY

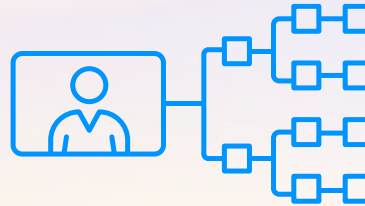


EXL Gender Diversity numbers places us well amongst the ITES industry leaders in overall gender ratio.

29,500 employees (approximately 100% employees) trained on diversity & managing unconscious bias in 2018

EXL engages in numerous educational initiatives in India and the Philippines for students from elementary to secondary school providing computer equipment and mentoring.

GOVERNANCE



EXL's 2019 Proxy has included an amendment to our By-Laws to phase out the present structure of 3 Classes of Directors and institute a new structure to approve our Directors annually.

Diverse Board of Directors: Independent Lead Director, CEO is the only employee member, 30% women, 70% men

Added a new position of Chief Compliance and Ethics Officer in 2019

ENVIRONMENTAL

EXL Centers in India & Philippines are ISO 14001:2015 certified; recognizing the efficient use of natural resources (water, energy, fuel etc.) and reduction of waste

EXL delivery centers are OSHAS 18001:2007 certified; recognizes that EXL has set up policies, procedures and controls needed to achieve the healthy & safe working conditions for employees and suppliers

Five delivery centers in India are ISO 50001:2011 certified; recognizes a systematic approach in order to achieve continual improvement in energy management and energy performance



THANK YOU



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EXL (NASDAQ: EXLS) is a leading operations management and analytics company that helps our clients build and grow sustainable businesses. By orchestrating our domain expertise, data, analytics and digital technology, we look deeper to design and manage agile, customer-centric operating models to improve global operations, drive profitability, enhance customer satisfaction, increase data-driven insights, and manage risk and compliance. Headquartered in New York, EXL has more than 32,600 professionals in locations throughout the United States, the UK, Europe, India, the Philippines, Colombia, Australia and South Africa. EXL serves multiple industries including insurance, healthcare, banking and financial services, utilities, travel, transportation and logistics, media and retail, among others.

For more information, visit www.exlservice.com

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