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# We are GLOBANT

Empowering organizations **for a digital and cognitive revolution**

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# Forward looking disclosure

In addition to historical information, this release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential,” or the negative of these terms or other similar expressions. These statements include, but are not limited to, statements regarding our future financial and operating performance, including our outlook and guidance, and our strategies, priorities and business plans. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that could impact our actual results include: our ability to maintain current resource utilization rates and productivity levels; our ability to manage attrition and attract and retain highly-skilled IT professionals; our ability to accurately price our client contracts; our ability to achieve our anticipated growth; our ability to effectively manage our rapid growth; our ability to retain our senior management team and other key employees; our ability to continue to innovate and remain at the forefront of emerging technologies and related market trends; our ability to retain our business relationships and client contracts; our ability to manage the impact of global adverse economic conditions; our ability to manage uncertainty concerning the instability in the current economic, political and social environment in Latin America; and other factors discussed under the heading “Risk Factors” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission. Because of these uncertainties, you should not make any investment decisions based on our estimates and forward-looking statements. Except as required by law, we undertake no obligation to publicly update any forward-looking statements for any reason after the date of this press release whether as a result of new information, future events or otherwise.

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# Today's challenge

We are experiencing two disruptive revolutions at the same time. The **digital and cognitive revolutions** are affecting how companies connect with consumers and employees.

These revolutions are leveraging new technologies that didn't exist a few years ago.

**The AI Revolution**

**The Rise of Screenless UX**

**Connected ubiquitous experiences**

**Augmented and Virtual Reality**

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# The opportunity

Companies need to face profound

» **Digital & Cognitive Transformations**

to stay ahead of their markets

This is not a traditional game.

You need a pure digital and cognitive player.

One that has been involved in amazing transformations...

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# Large and fast growing addressable markets

- By 2022, 60%+ of global GDP will be digitized, with growth in every industry driven by digitally enhanced offerings, operations, and relationships and almost **$7 trillion in IT-related spending in 2019–2022.**

*Source: IDC FutureScape: Worldwide IT Industry 2019 Predictions*

- Digital Services market expected to be a **$154.4B market** by 2022 and to grow at **19.2% per year**.

**Worldwide Digital Strategy and Agency Services Spending by Foundation Use Case, 2016-2022 ($B)**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2017-2022 CAGR (%) |
|---|---|---|---|---|---|---|---|---|
| **Digital Operations** | 22.7 | 28.3 | 33.6 | 41.5 | 48.5 | 57.6 | 63.2 | 17.4 |
| **Customer and brand engagement** | 14.9 | 18.7 | 25.7 | 30.7 | 36.7 | 46.1 | 52.4 | 22.9 |
| **Digital products and services** | 14.6 | 17.3 | 20.2 | 24.0 | 31.1 | 34.7 | 38.8 | 17.5 |
| **Total** | **52.2** | **64.3** | **79.4** | **96.1** | **116.3** | **138.3** | **154.4** | **19.2** |

*Source: IDC, 2018*

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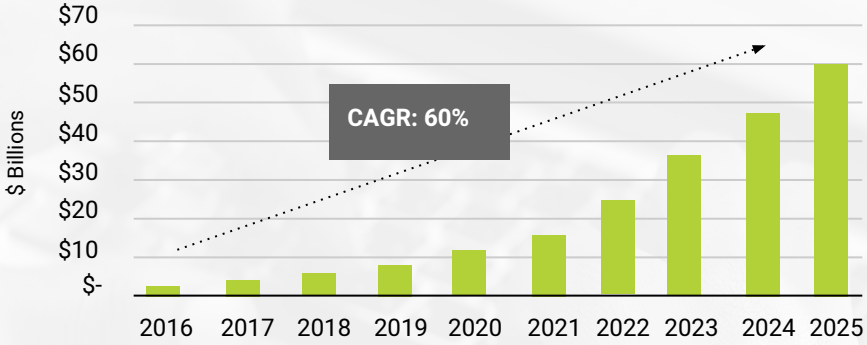
# Large and fast growing addressable markets

Artificial Intelligence Revenue is expected to grow at a **60% CAGR through 2025.**




Source: Tractica

Digi-Capital forecasts that AR/VR could reach $80 billion to $90 billion by 2023.

Source: Digi-Capital

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# Industry predictions

- **Digitized economy.** By 2022, 60%+ of global GDP will be digitized, with growth in every industry driven by digitally enhanced offerings, operations, and relationships and almost $7 trillion in IT-related spending in 2019–2022.
- **Expand to the edge.** By 2022, 25% of endpoint devices and systems will execute AI algorithms.
- **New developer class.** By 2024, a new class of professional developers producing code without custom scripting will expand the developer population by 30%, accelerating digital transformation.
- **Digital innovation explosion.** From 2018 to 2023, 500 million new logical apps will be created, equal to the number built over the past 40 years.
- **Artificial intelligence (AI) is the new user interface (UI).** By 2024, AI-enabled user interfaces and process automation will replace one-third of today's screen-based apps.
- **Expanding and scaling trust**. By 2022, 50% of servers will encrypt data at rest and in motion, over 50% of security alerts will be handled by AI-powered automation, and 150 million people will have blockchain-based digital identities.

*Source: IDC FutureScape: Worldwide IT Industry 2019 Predictions*

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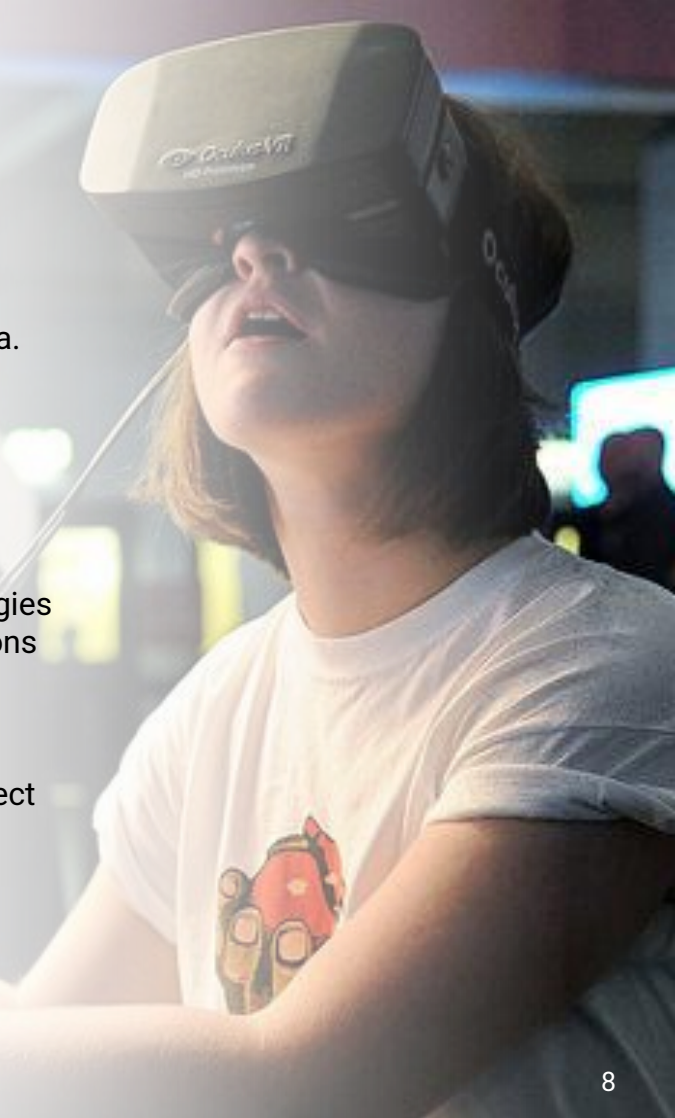
# We are a pure play on the digital and cognitive space

- We are disruptors on the professional services arena.
- We are the place where engineering, innovation and design meet scale.
- We leverage the latest technologies and methodologies in the digital and cognitive space to help organizations transform in every aspect.
- We create software products that emotionally connect our customers with millions of consumers and employees, and we work with them to improve their efficiency.
- We commit to Be Kind: Be Kind to the planet, to our peers and to humanity, in order to make the world a better place by transforming people's lives.



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# At a glance

## Key Statistics

**$659M**
2019 total Revenue

**27%**
2015 – 2019 Revenue CAGR

**$70k**
2019 annual Revenue per IT Professional

**40.4%**
2019 Adj. Gross Profit Margin Percentage

**17%**
2019 Adj. Profit from Operations Margin Percentage

**11,800+**
Total Employees as of Dec 31, 2019

**822**
2019 Total Active Customers Served

**107**
2019 Customers with over $1M in Annual Revenue

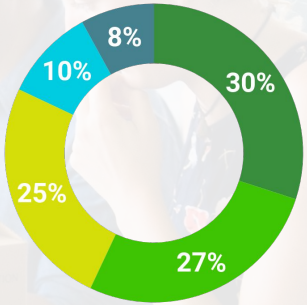
**91%**
of 2019 Revenue from Existing Customers in 2018

## Global Delivery Model

***57 offices in 37 cities throughout 17 countries***

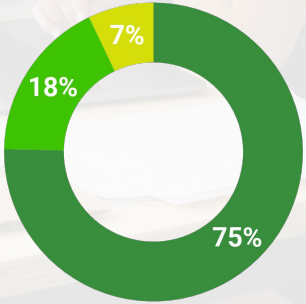
### Headcount Distribution (as of Dec'19)

- Argentina
- Colombia
- Other Latam
- India
- US & Europe




### Revenue by Geography (2019)

- North America
- Latam and Others
- Europe




Note: Adjusted Gross Profit Margin Percentage excludes depreciation and amortization and share-based compensation expense.
Adjusted Profit from Operations Margin Percentage excludes share-based compensation expense, impairment of assets and acquisition-related charges.

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# Investment highlights

- Pure play on the digital and cognitive space
- Global presence, leveraging next-gen software and the right talent and skills
- Organized by Studios, delivering domain expertise in emerging technologies
- Recurring and blue-chip customer base
- Substantial customer penetration and international expansion opportunity
- Rapid revenue growth and industry leading margins
- Experienced and founder led management team

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# Today

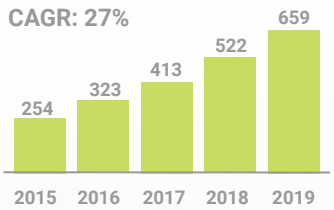
## Select Clients

EA · BBVA · Santander · Southwest · pwc · OLX · Nestlé · Google · mercado libre · FOX · American Express · Dell · LinkedIn · Rockwell Automation · GAP · PUMA · Coca-Cola · National Geographic · Walmart · Ubisoft · amadeus · PR Newswire · Galicia · YPF · LATAM Airlines · AEP Energy · Embraer

## Employees

11,800+

## Revenue Growth ($M)




## Case Studies

Stanford University · IDC Analyze the Future · MIT Sloan Management · Harvard

## GLOBANT'S HISTORY

**2003** Founded

**2006** Signed Google

**2008** Riverwood Capital and FTV Capital invested

**2009** Studios launch

**2012** WPP Invested

**2014** Listed on NYSE

**2015** 2 Follow ons

**2016** SoP launched

**2017** Worldwide Leader of Digital Strategy Consulting Services by IDC MarketScape report

**2018** 3rd Follow on

**2019** Cybersecurity Tech Accord Member

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# Leading this dream, our management team

## BOARD OF DIRECTORS

**Martín Migoya**
Chairman of the board, CEO & Co-Founder

**Martín Gonzalo Umaran**
Director. Chief of Staff, Head of M&A and Co-Founder

**Guibert Andrés Englebienne**
Director. CTO & Co-Founder

**Mario Eduardo Vázquez**
Former partner and general director of Arthur Andersen and Chief Executive Officer of Grupo Telefónica in Argentina

**Francisco Álvarez-Demalde**
Founder and general partner of Riverwood Capital

**Marcos Galperin**
CEO and Co-Founder of Mercadolibre, Inc.

**Richard Haythornthwaite**
Currently Non-executive chairman of Mastercard Incorporated and Centrica plc

**Philip A. Odeen**
Former chairman of the board of directors and lead independent director of AES Corporation and Convergys Corporation

**Linda Rottemberg**
Co-Founder and CEO of Endeavor

## SENIOR MANAGEMENT

**Martín Migoya**
CEO & Co-Founder

**Martín Gonzalo Umaran**
Chief of Staff, Head of M&A and Co-Founder

**Guibert Andrés Englebienne**
CTO & Co-Founder

**Guillermo Marsicovetere**
Chief Strategy Officer

**Patricia Pomies**
Chief Delivery Officer

**Sol Mariel Noello**
General Counsel

**Juan Urthiague**
Chief Financial Officer

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# OUR SECRET SAUCE

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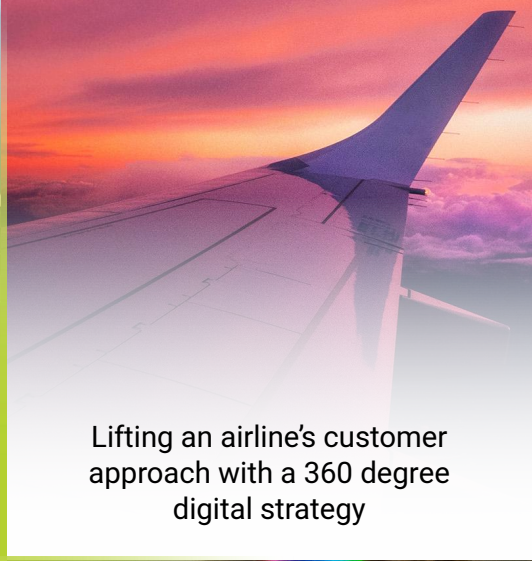
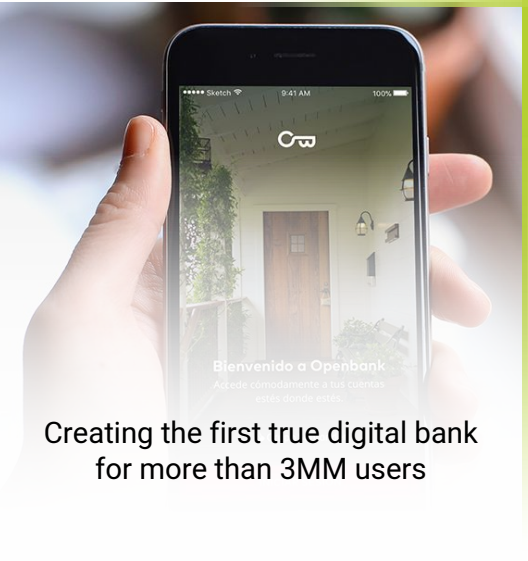
# Innovate solutions

Engineering the digital transformation for one of the largest amusement parks in the world

Partnering with EA for FIFA, UFC, NHL and other AAA games



Lifting an airline's customer approach with a 360 degree digital strategy




Creating the first true digital bank for more than 3MM users

Becoming the first partner outside the Googleplex to work with Google

Helping a US online education company to communicate better with students through Artificial intelligence

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# Our expertise approach

# STUDIOS

...is an effective way of organizing our company into smaller operating units, fostering creativity and innovation while allowing us to build, enhance and consolidate expertise in emerging technologies. Each Studio has specific **domain knowledge and delivers tailored solutions focused on specific technology challenges**.

**Advantages**

Designed to foster and nurture expertise on cutting-edge technologies at scale. **Depth.**

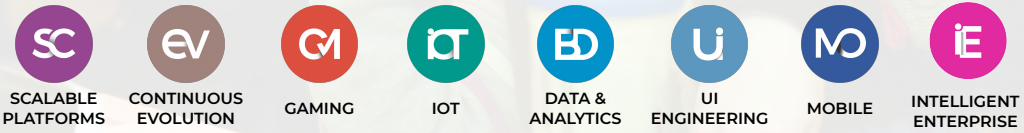
Unique set of expertise that can be combined to delivery tailored and innovative solutions. **Breadth.**

Ever evolving in order to stay ahead of the curve. **Stay Relevant.**

## ORGANIZATIONAL FITNESS

## STRATEGY

## BUILD AND EVOLVE




## PUSH IT LIVE

## AI / PROCESS AUTOMATION

# THE STUDIO MODEL

## SUPPORTS CUSTOMER ORGANIZATIONAL FITNESS LIFECYCLE

PUSH IT LIVE

ORGANIZATIONAL FITNESS

AI / PROCESS AUTOMATION

STRATEGY

BUILD & EVOLVE

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# Our agile pods

## WHAT IS A POD?

Agile team with blended skills of 8-10 people.

Self organized to meet strategic, creative or production goals, drive excellence and growth reducing risk.

Fully responsible for service delivery at their associated level.

## WHY PODs?

Organic ecosystem to foster, realize and sustain effective delivery and innovation.

Equipped with core Lean/Agile mindset and associated competencies.

Measured to evolve per engagement goals.

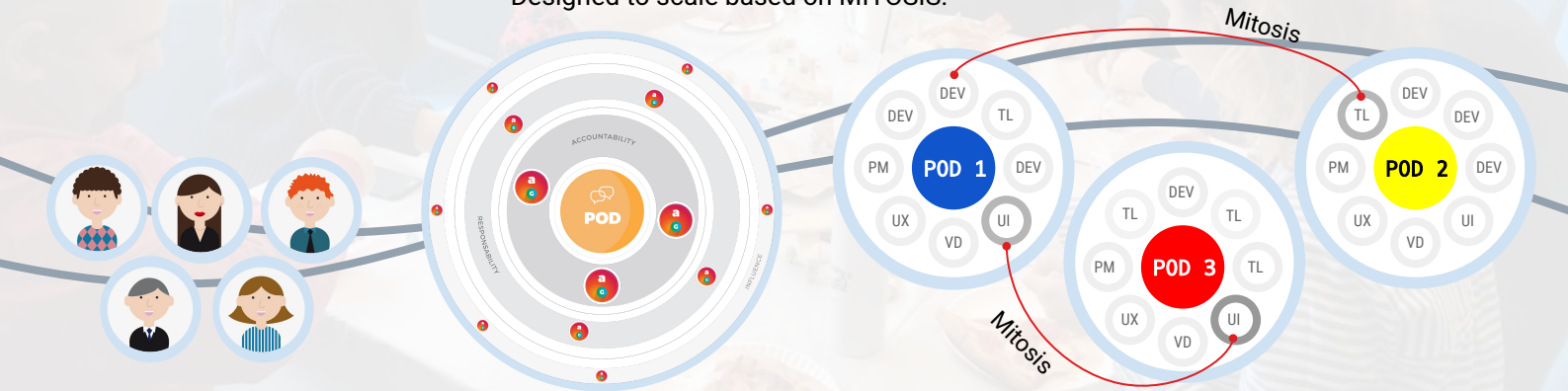
Designed to scale based on MITOSIS.

## MATURITY

F [ + ]

*GROWTH*
Doing the RIGHT THINGS

*EXCELLENCE*
Doing THINGS RIGHT




Areas of focus assigned per POD type
(STRATEGY | JOURNEY | BUILD)

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# Our platforms

StarMeUp OS

StarMeUP BetterME BEThere TakePART BriefME

AUGMENTED Globant

ACÁMICA

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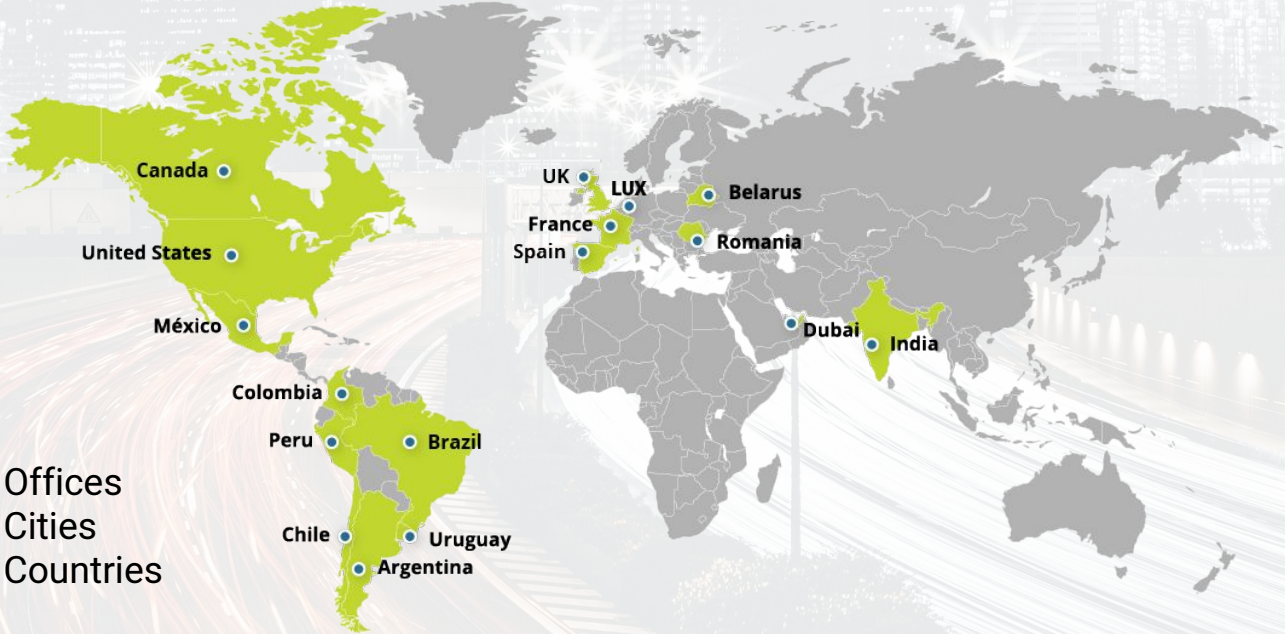
# Global delivery model

» Multiple time zones enable us to deliver agile services to our customers and global partners.

» We benefit from diversity and a strong history of innovation.

» We have access to a huge talent pool of highly educated IT professionals.




**57** » Offices
**37** » Cities
**17** » Countries

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# Global delivery model

Total Headcount Geodispersion (%)

| Country | Dec-14 | Dec-15 | Dec-16 | Dec-17 | Dec-18 | Dec-19 |
|---|---|---|---|---|---|---|
| Argentina | 69 | 57 | 49 | 39 | 34 | 30 |
| Colombia | 8 | 11 | 15 | 21 | 25 | 27 |
| Mexico | 4 | 6 | 7 | 9 | 10 | 11 |
| India | - | 9 | 8 | 10 | 12 | 10 |
| USA | 5 | 5 | 8 | 9 | 7 | 5 |
| Peru | 2 | 1 | 1 | 1 | 1 | 5 |
| Uruguay | 11 | 8 | 8 | 6 | 5 | 4 |
| Chile | - | 1 | 2 | 2 | 3 | 4 |
| Brazil | 1 | 1 | 1 | 1 | 1 | 2 |
| Romania | - | - | - | - | 1 | 1 |
| Spain | - | - | 1 | 1 | 1 | 1 |
| Belarus | - | - | - | - | 1 | 1 |
| UK | - | - | 1 | 1 | 1 | 1 |

Along our journey, we have diversified our talent base to build a strong global presence

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# FINANCIAL REVIEW

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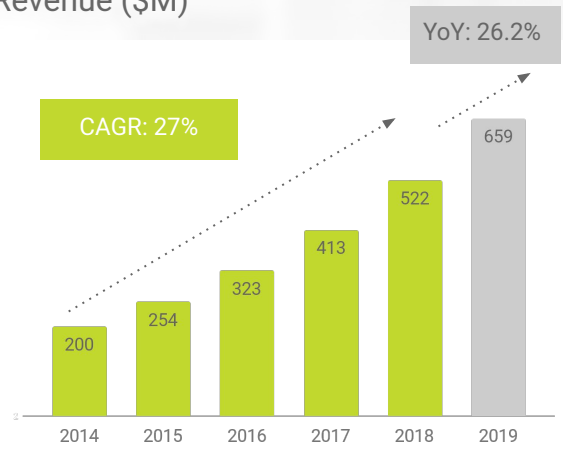
# Significant Revenue Growth

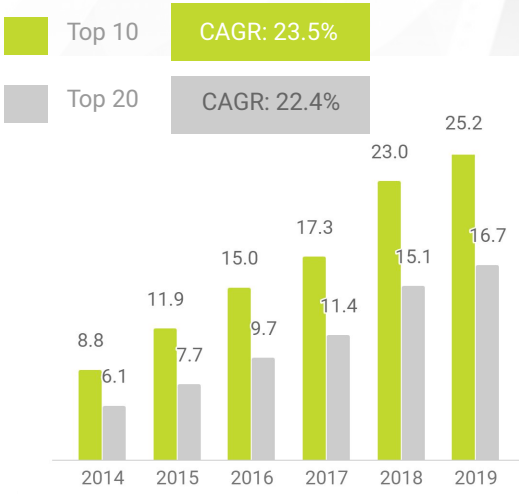
Revenue ($M)



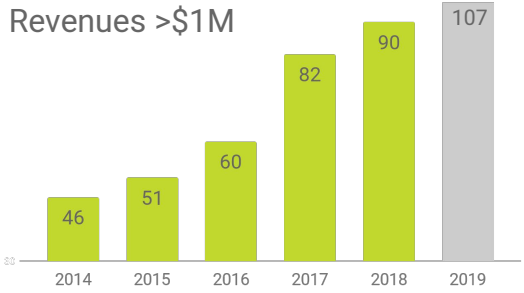

Client Revenue Contribution (%)

| Clients | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| Top 1 | 9 | 12 | 10 | 10 | 11 | 11 |
| **Top 5** | 27 | 33 | 34 | 29 | 32 | 26 |
| Top 10 | 44 | 47 | 47 | 42 | 44 | 39 |

Average Revenue by Client ($M)




Revenues >$1M



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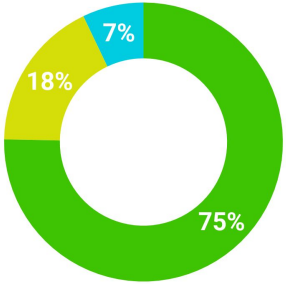
# Revenue Breakdown (2019)

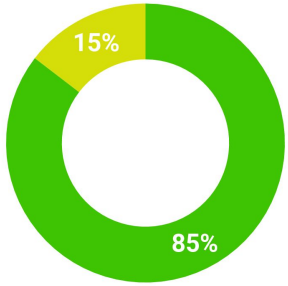
## Geography

- North America
- Latam and Others
- Europe



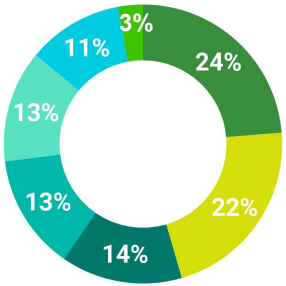

## Currency

- USD
- Others



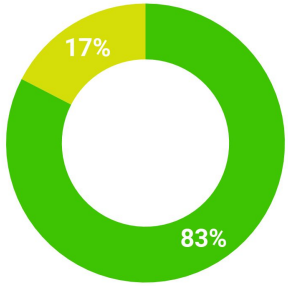

## Industry

- Media & Entertainment
- Banks & Financial Ss.
- Travel
- Tech. & Telecomm.
- Consumer, Retail & Manufacturing
- Professional Services
- Others




## Contract type

- Time & Materials
- Fixed Price



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# Strong ability to develop accounts

Increasing # of multimillion $ accounts

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **$20M+** | 0 | 1 | 2 | 3 | 5 | 7 |
| $10M+ | 2 | 5 | 6 | 9 | 9 | 14 |
| **$5M+** | 10 | 10 | 11 | 18 | 21 | 26 |
| $1M+ | 46 | 51 | 60 | 82 | 90 | 107 |

» $50^2$ strategy

» Dedicated onsite teams

» Strategic partner

» Increased visibility

Annual revenues of select top 20 customers since the launch of **$50^2$ strategy in 2016**

| | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|
| **Customer A** | 31 | 42 | 59 | 74 |
| Customer B | 12 | 13 | 15 | 23 |
| **Customer C** | 0 | 1 | 10 | 18 |
| Customer D | 3 | 11 | 14 | 16 |
| **Customer E** | 2 | 5 | 8 | 11 |

» Studio cross-selling

» POD model penetration

» Increasing number of projects

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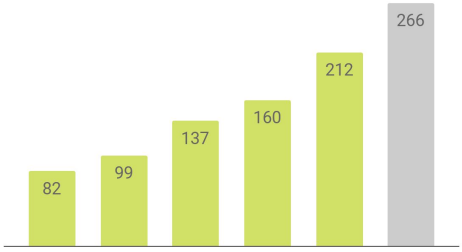
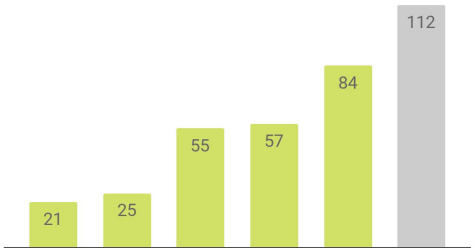
# Attractive Profitability

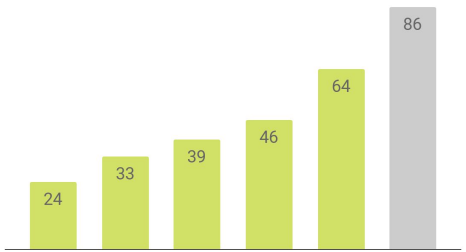
## Adjusted Gross Profit ($M)




## Adjusted Profit from Operations ($M)




## Adjusted Net Income ($M)




Note: Adjusted Gross Profit excludes depreciation and amortization and share-based compensation expense.
Adjusted Profit from Operations excludes share-based compensation expense, impairment of assets and acquisition-related charges.
Adjusted Net Income excludes share-based compensation expense, impairment of assets, US settlement agreement, net, Expenses related to secondary share offering and acquisition-related charges.

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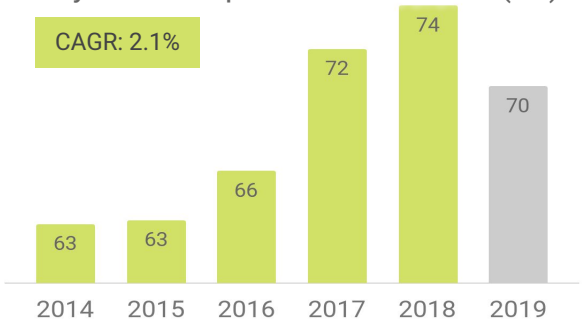
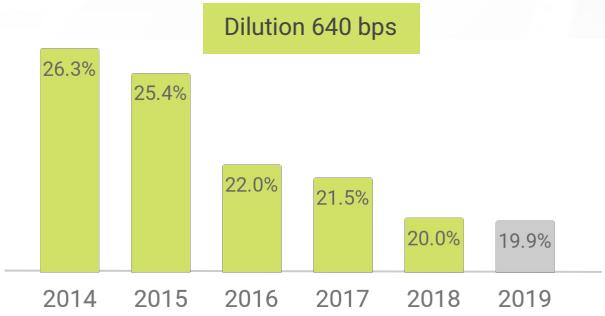
# Operating Levers

## Yearly Revenue per IT Professional ($K)



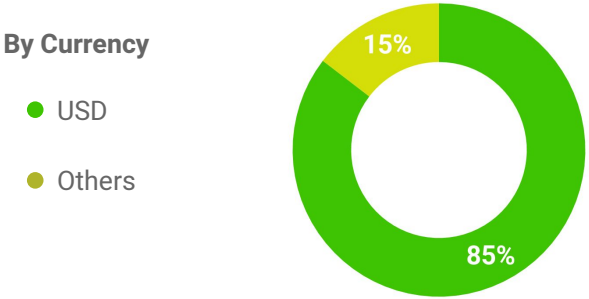

## Adjusted SG&A (% of revenues)




## Revenues in Hard Currencies with Costs in Emerging Markets

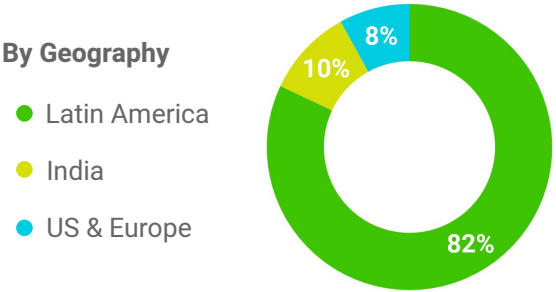
### Revenues 2019

**By Currency**




### Headcount distribution as of Dec'19

**By Geography**




Note: Adjusted SG&A excludes depreciation and amortization, share-based compensation expense and acquisition-related charges.

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# Our growth strategy

- Focus on $50^2$: 50 accounts with potential revenues of $50M+
- Studio cross-selling
- Pure play on the digital and cognitive space
- State of the art development centers
- Key sales offices (London, New York, Dallas, San Francisco, Seattle, Pune, São Paulo, Bogota, Mexico City, Madrid, Paris and Buenos Aires)

## Strategic Acquisitions

- **Belatrix (PE) - 2019**
- **Avanxo (CO) - 2019**
- **PointSource (US) - 2017**
- **Ratio (US) - 2017**
- **L4 Digital (US) - 2016**
- **WAE (US & UK) - 2016**
- **Clarice (India) - 2015**

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**Tap into the potential of technology for your industry**

# WE HELP YOU STAY RELEVANT