

Investor Day 2018

New York Stock Exchange

May 31st, 2018



Tracy Krumme

VP, Investor Relations

BRIGHT MINDS
SHARP SOLUTIONS



LXFT
LISTED
NYSE

Disclaimer

Safe Harbor

Non-GAAP Financial Measures

To supplement our financial results presented in accordance with US GAAP, this presentation includes the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: earnings before interest, tax, depreciation and amortization (EBITDA); adjusted EBITDA; non-GAAP net income; non-GAAP diluted Earnings per share (EPS) and Free Cash Flow (FCF). EBITDA is calculated as earnings before interest, tax, depreciation and amortization, where interest includes unwinding of the discount rate for contingent liabilities. Prior year amounts were amended accordingly. Non-GAAP net income and non-GAAP EPS exclude stock-based compensation expense, amortization of fair value adjustments to intangible assets and impairment thereof and other acquisitions related costs that may include changes in the fair value of contingent consideration liabilities. Non-GAAP diluted EPS are calculated as non-GAAP net income divided by weighted average number of diluted shares. Free Cash Flow is calculated as operating cash flow less capital expenditure which consists of purchases of property, plant and equipment and intangible assets as defined in the cash flow statement.

We adjust our non-GAAP financial measures to exclude stock based compensation, because it is a non-cash expense. We also adjust our non-GAAP financial measures to exclude the change in fair value of contingent consideration, because we believe these expenses are not indicative of what we consider to be normal course of operations. Our non-GAAP financial measures are adjusted to exclude amortization of purchased intangible assets in order to allow management and investors to evaluate our results from operating activities as if these assets have been developed internally rather than acquired in a business combination. Finally, we adjust our non-GAAP financial measures to exclude acquisition-related costs, which comprise payments to consulting firms as well as fees paid upon successful completion of acquisition; as well as certain incentive payments for members of management of the acquired companies as provided for in the acquisition agreements. These payments are based on performance of the acquired businesses and are classified as part of management compensation rather than part of purchase consideration. These costs vary with the size and complexity of each acquisition and are generally inconsistent in amount and frequency, and therefore, we believe that they may not be indicative of the size and volume of future acquisition-related costs.

We provide these non-GAAP financial measures because we believe that they present a better measure of our core business and management uses them internally to evaluate our ongoing performance. Accordingly, we believe that these non-GAAP measures are useful to investors in enhancing and understanding of our operating performance. These non-GAAP measures should be considered in addition to, and not as a substitute for, comparable US GAAP measures. The non-GAAP results and a full reconciliation between US GAAP and non-GAAP results are provided in the tables at the end of the press release issued by the Company on February 13, 2018.

Forward-Looking Statements

In addition to historical information, this presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include information about possible or assumed future results of our business and financial condition, as well as the results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "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: the persistence and intensification of competition in the IT industry; the future growth of spending in IT services outsourcing generally and in each of our industry verticals, application outsourcing and custom application development and offshore research and development services; the level of growth of demand for our services from our clients; the level of increase in revenues from our new clients; seasonal trends and the budget and work cycles of our clients; general economic and business conditions in our locations, including geopolitical instability and social, economic or political uncertainties, particularly in Russia and Ukraine, and any potential sanctions, restrictions or responses to such conditions imposed by some of the locations in which we operate; the levels of our concentration of revenues by vertical, geography, by client and by type of contract in the future; the expected timing of the increase in our corporate tax rate, or actual increases to our effective tax rate which we may experience from time to time; our expectations with respect to the proportion of our fixed price contracts; our expectation that we will be able to integrate and manage the companies we acquire and that our acquisitions will yield the benefits we envision; the demands we expect our rapid growth to place on our management and infrastructure; the sufficiency of our current cash, cash flow from operations, and lines of credit to meet our anticipated cash needs; the high proportion of our cost of services comprised of personnel salaries; our plans to introduce new products for commercial resale and licensing in addition to providing services; our anticipated joint venture with one of our clients; and our continued financial relationship with IBS Group Holding limited and its subsidiaries including expectations for the provision and purchase of services and purchase and lease of equipment; and other factors discussed under the heading "Risk Factors" in the Annual Report on Form 20-F for the year ended March 31, 2017 and other documents filed with or furnished to the Securities and Exchange Commission. Except as required by law, we undertake no obligation to publicly update any forward-looking statements for any reason after the date of this presentation whether as a result of new information, future events or otherwise.

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Unless otherwise stated, all data in this presentation is as of December 31, 2017.

Investor Day Agenda

Presentations 1:00pm-3:30pm
Q&A 3:30pm-4:30pm

Speaker	Description
Tracy Krumme	Introduction
Dmitry Loschinin	Intro & Company Overview
Sachin Lawande	Keynote Speaker, Visteon CEO
Alwin Bakkenes	Automotive
Roman Trachtenberg	Financial Services
Break and Demo Presentations	
Sam Mantle	Digital Enterprise
Vasily Suvorov	Blockchain Discussion
Evgeny Fetisov	Financial Outlook
Dmitry, Evgeny, Sachin, & all others	Q&A
4:30 – 5:30pm Cocktail Reception	

Dmitry Loschinin

CEO, Luxoft Holding, Inc

BRIGHT MINDS
SHARP SOLUTIONS



LXFT
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NYSE

Global Leader in Innovative Tech Consulting, IT Services & SW Development

Driving significant outcomes for clients



13,090

Employees Worldwide



280+

Active Clients, FY18
>50% from Fortune 500



\$907M

Revenue FY'18E



>23%

4-Year Top-Line CAGR



STRONG GLOBAL DELIVERY PLATFORM

5

Continents

21

Countries

42

Cities



DEEP INDUSTRY FOCUS

We understand your problems



AGILE

Flexible & efficient go-to-market & engagement model



TOP ENGINEERING TALENT

Deep domain experience across the globe

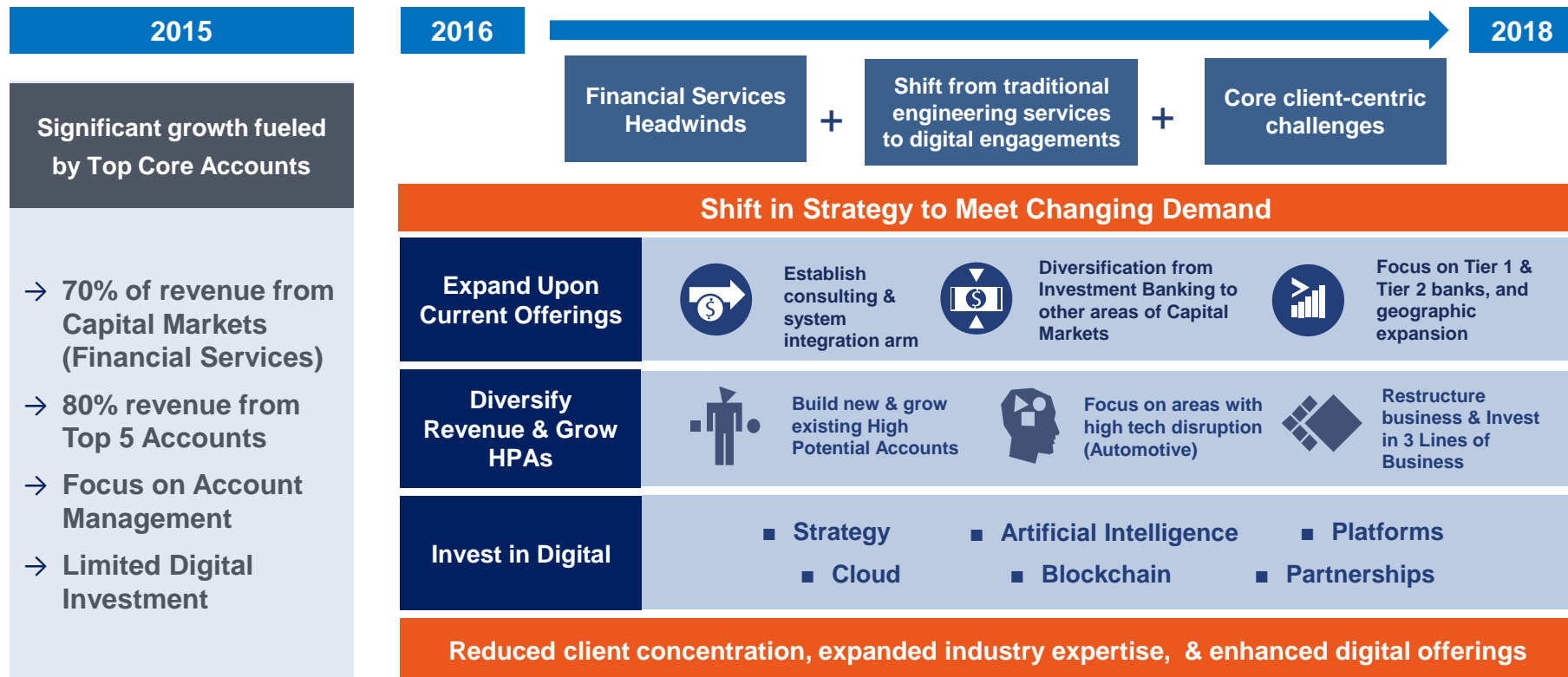


PARTNERSHIP APPROACH

Strong client relationships

Delivering High Quality Innovation at Scale

Transforming the Business to Align with Changing Markets



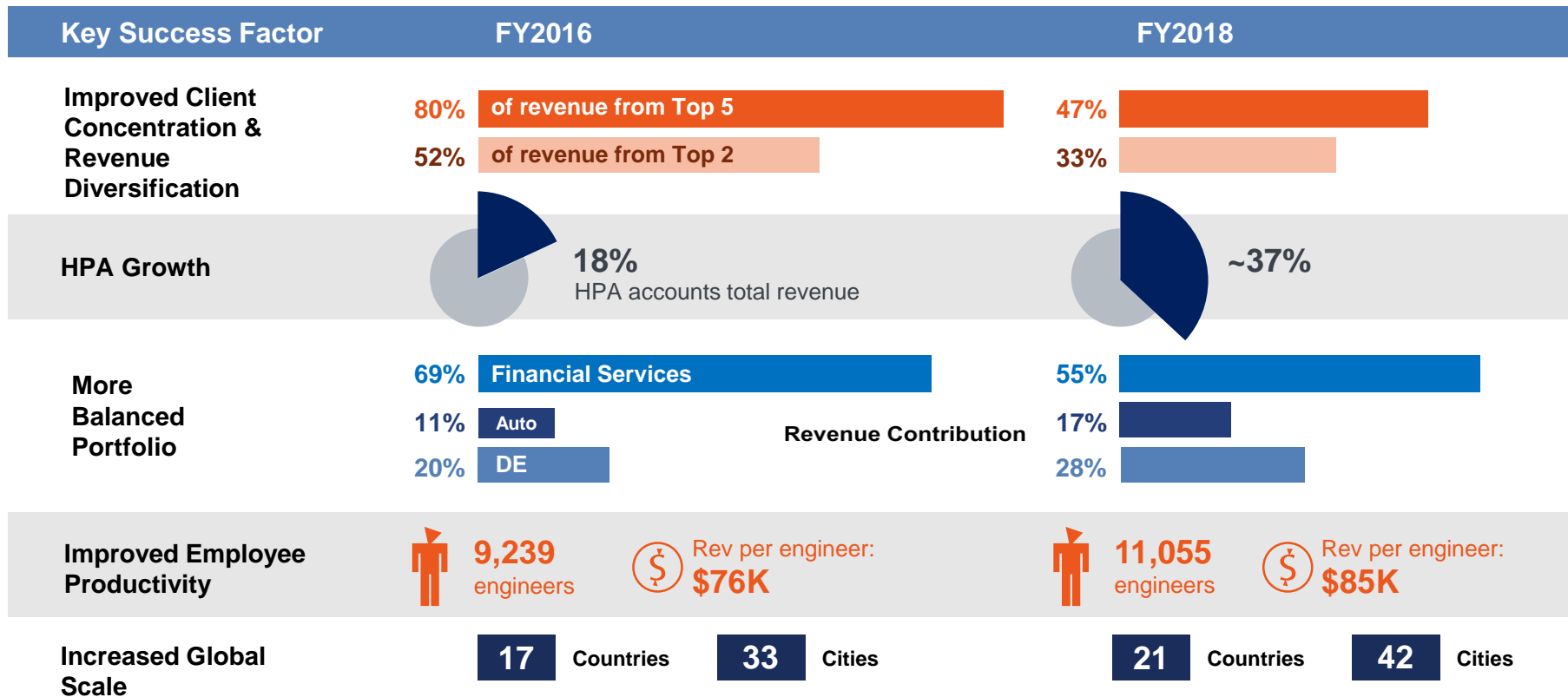
Strengthening Sales, Marketing & Digital Capabilities

Enhanced LOB Sales & Marketing Approach

2016	Current
General purpose marketing	Enable sales and marketing with targeted tools
Little emphasis on B2B	B2B a primary focus aligned at LOB level
Disconnected sales organization	New executive leadership and 2x salesforce
Account management focus	Growth and share gain focus
Horizontal offerings	Digital opportunities across LOBs
Fragmented Centers of Excellence	Silos eliminated – digital first agenda
Engineering emphasis	Digital emphasis
Unfocused approach	Emphasis on scalable digital business

Investments in Digital

Significant Progress to Date



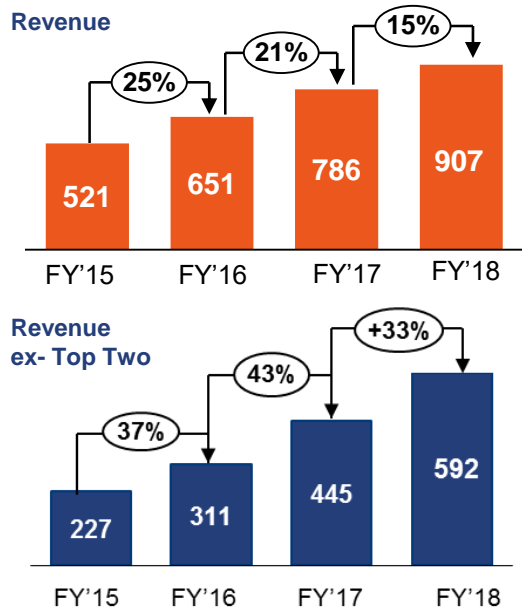
Improved Client Portfolio

Revenue (\$)	2016	2018
Total Clients	183	282
<5M	169	250
5-15M	8	22
15-30M	3	5
30-70M	1	3
>70M	2	2

Grew client base by over 50% in 2 years

Fiscal 2018 In-Line with Transformation Efforts

Revenue Growth



Strong Growth Across Lines Of Business



39% revenue growth ex- Top Two

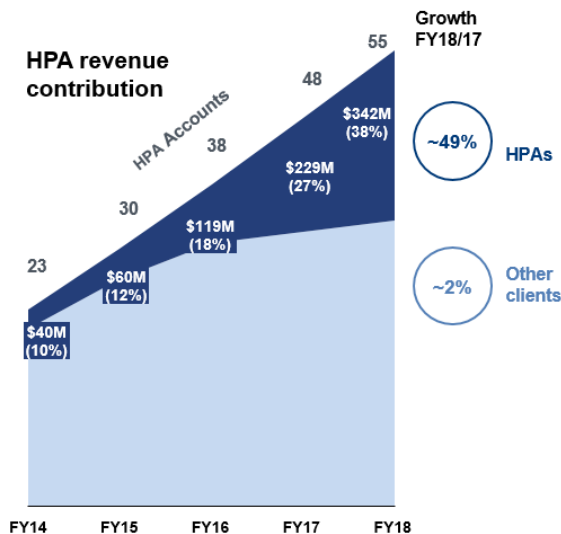


43% revenue growth



23% revenue growth

Growth of High-Potential Accounts (HPAs)



Further progress despite impact of select client challenges

M&A Delivering Strategic Value & Strengthen Offerings

excelian

Feb 2015



SYMTA VISION

Feb 2016

Results:

- ✓ Top Two global Murex partner
- ✓ Vendor Solutions & Technical Consulting
- ✓ EBITDA margin +6% in a year, Accelerated revenue growth > 20% Y/Y

Results:

- ✓ Core of Autonomous Drive practice
- ✓ Expand footprint with new OEMs
- ✓ 2-3% of Auto revenue in FY2017; Expect 15-20% in FY2019



Jul 2016

Results:

- ✗ Weaker than expected growth due to downsizing at large client
- ✓ Foundation for new Healthcare & Life Sciences business
- ✓ Effective deal structure limited total transaction cost paid due to earn-out



PELAGICORE
Experience Change

Sep 2016

Results:

- ✓ Core for Digital Cockpit
- ✓ Thought leader & innovative partner of OEMs & Tier 1s
- ✓ High quality leadership team leading Automotive business



Jan 2017

Results:

- ✗ Budget cuts & changes at key telecom client impacted growth
- ✓ Effective deal structuring limited total transaction cost paid due to earn-out



Aug 2017

Results:

- ✓ Consolidated leading global position in Murex
- ✓ India/APAC delivery footprint expansion facilitates new wins



Sep 2017

Results:

- ✓ Wealth mgmt core experience
- ✓ Avaloq core banking solution expertise
- ✓ Synergies with derivIT APAC platform

FY2019 & beyond

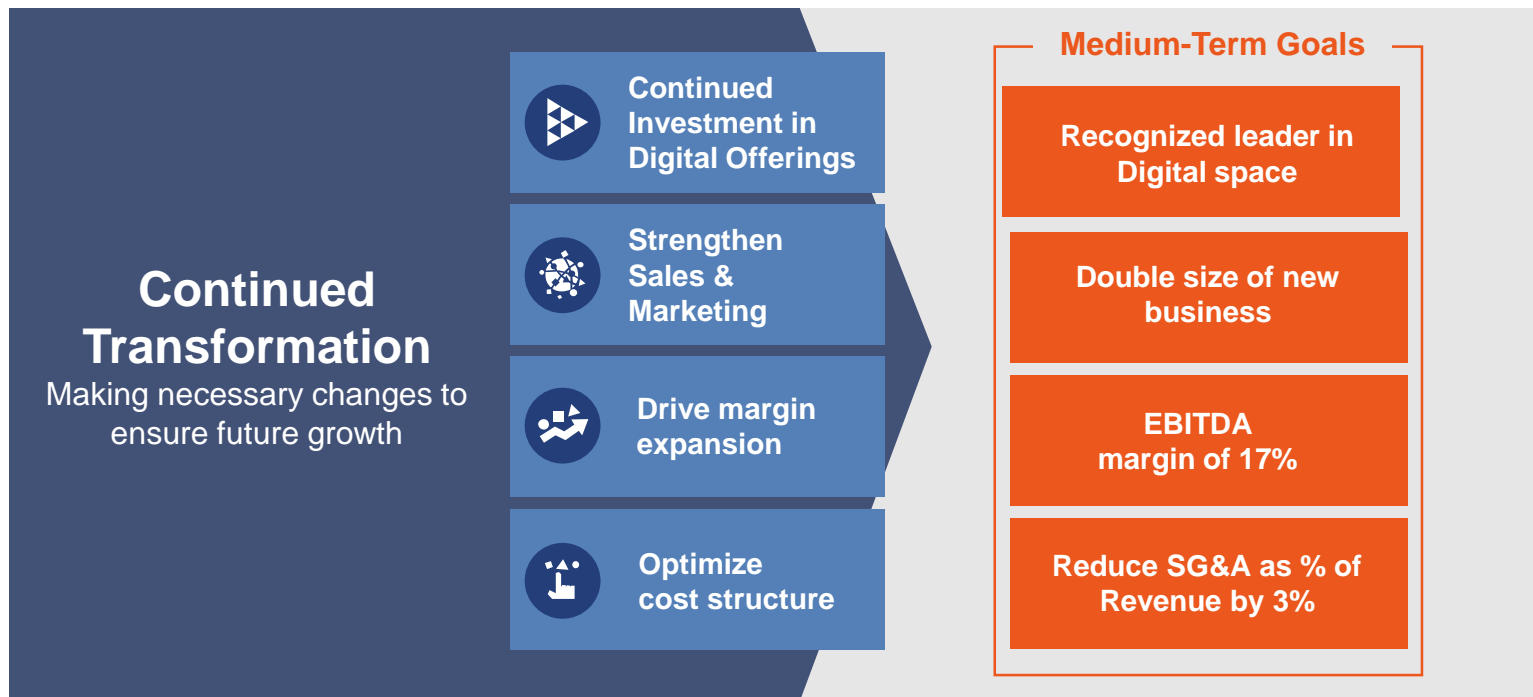
- ✓ Targeted, bolt-on acquisitions to boost core offerings
- ✓ Combining deep subject matter expertise and thought leadership with Luxoft's scalable global platform

Attractive average IRR of 25% for M&A transactions

Strong Management Team Across the Globe



2019: Building a Solid Foundation



Building a Stronger Luxoft

- ◆ Focus on **high growth areas** with significant technology disruption
- ◆ **Well defined strategy** and purpose for each of the business segments
- ◆ Clear **accountability** to mid-term goals & strong, **well aligned** management team
- ◆ **Strengthening** sales & marketing
- ◆ **Continued investment** in Digital offerings to ensure leadership position
- ◆ **Driving improved execution** and operational efficiency

We are setting ourselves up to succeed in 2020 and beyond

Auto Electronics Trends – Supplier Perspective

Luxoft Investor Day

Sachin Lawande, President and CEO
May 31, 2018



Visteon®



Leading supplier of cockpit electronics and autonomous driving systems to carmakers across the world



\$3.15B annual sales



10,000 employees



18 countries



19 manufacturing locations

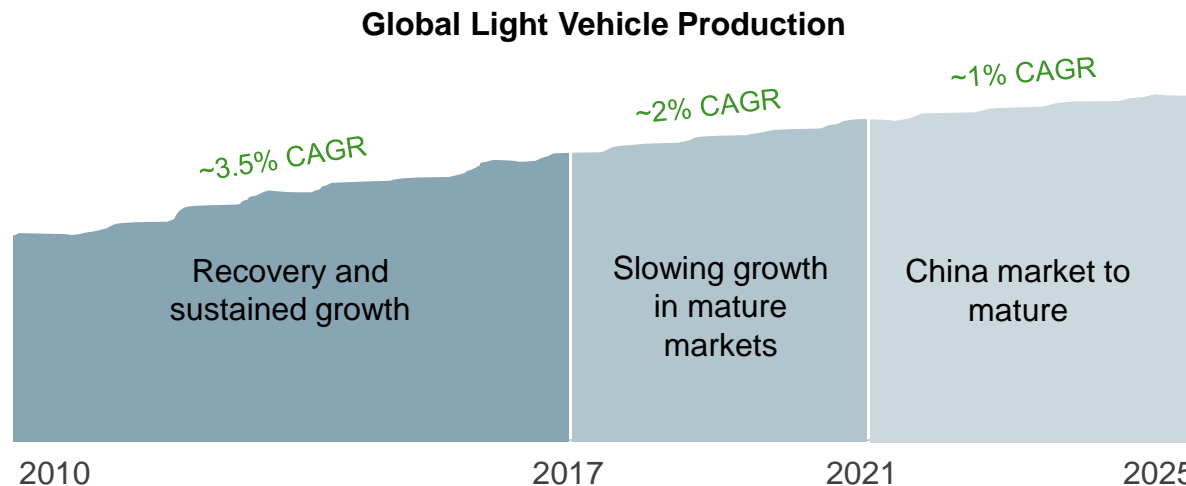


18 technical centers



Total shareholder returns of ~160% from 2015 – 2017;
Significantly outperformed peer group and S&P 500

Slowing Vehicle Production Growth Environment



- Growth from recovery following 2009 downturn is running out of steam in mature markets
- World's largest market, China, is slowing down after approaching 30M units
- Market growth to steadily decrease to ~1% CAGR in outer years

Supplier revenue growth will depend on product portfolio and content per vehicle

Key Trends in Automotive

Visteon®



Autonomous

- Industry evolving from Level 1 and 2 to higher levels of automated driving
- Sensor fusion and neural networks emerging as key new technologies
- Level 3 expected to launch by 2020



Connected

- Cloud and streaming content for navigation and media
- HTML5 and Android emerging as key technologies
- Most new cars to be connected by 2020



Electric

- Battery EVs expected to grow quickly as prices decrease
- EV development takes priority with all automotive manufacturers
- China mandate for 12% of passenger vehicles sold by 2020

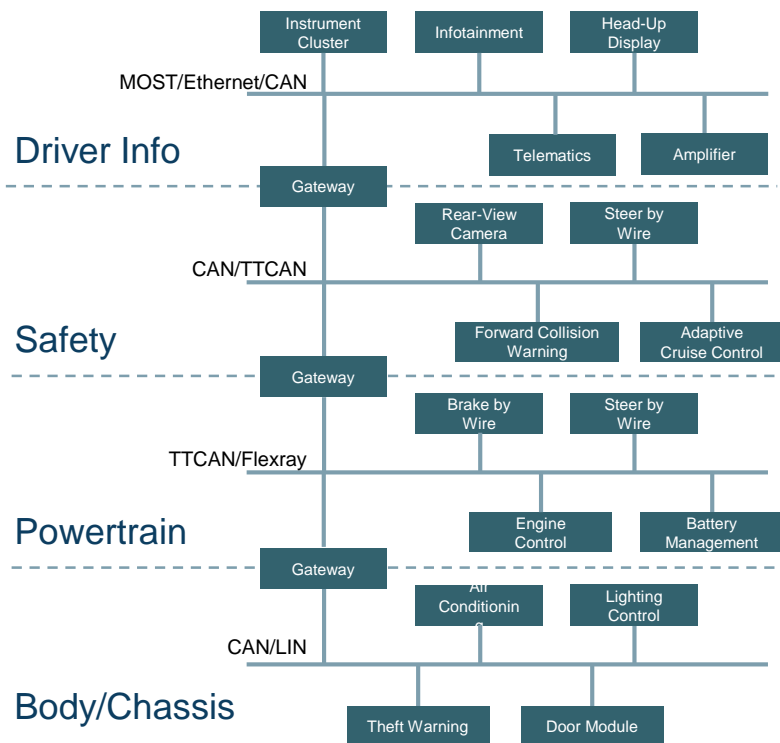


Shared

- Ride and car sharing to grow, especially in urban areas
- Cloud tech giants and carmakers to compete for share of this market
- ~10% of miles traveled by 2025

Autonomous and connected car are key trends for technology suppliers

Unique Challenges of Automotive Electronics



Electronic Control Unit (ECU)



- **Vastly different requirements for software**
 - Latest consumer electronics features for *Driver Info*
 - Fast and reliable object detection and classification for *Safety*
 - Precise real-time messaging for *Powertrain*
- **Different software operating systems and frameworks**
 - AutoSAR, QNX, Linux, Android, Graphics, AI
 - MOST, CAN, Ethernet, etc. network technologies
- **Rapid growth in number of ECUs**
 - 30-150 ECUs in cars today ... and growing
- **Large software code base**
 - 100+ million lines of code in premium cars
 - More than any consumer electronics device

Automotive electronics is the most complex system built for consumer use

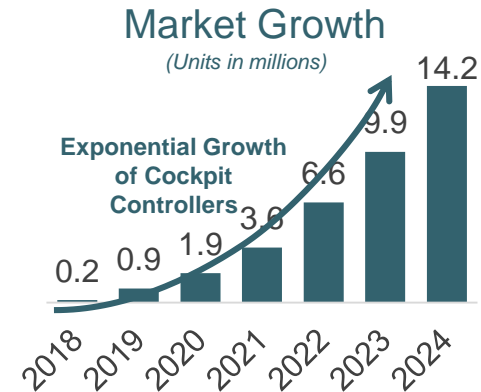
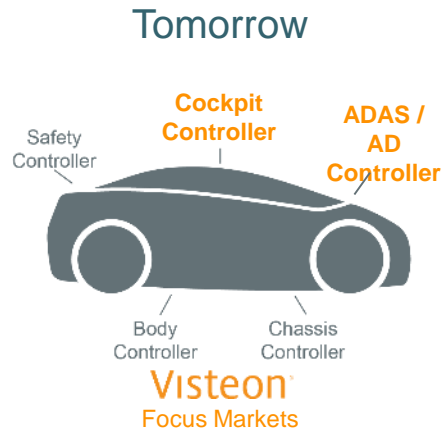
Key Domains of Automotive Electronics

Domain	Function/Product
Driver Info	Instrument Cluster, Infotainment, Head-Up Display, Center Information Display, Telematics
Safety	ABS Braking, Forward Collision Warning, Lane Departure Warning, Rear Camera, E-Call, V2V/V2X, Autonomous Driving
Body/Chassis	Heating, Ventilation, Air Conditioning, Lighting Control, Power Seats/Doors/Windows, Remote Key
Powertrain	Engine Control, Transmission Control, Steering Control, Starter

Driver info and safety are faster growing domains within automotive electronics

ECU Consolidation in Automotive Electronics

Visteon®



30 - 150
ECUs in car

Consolidation of ECUs into domain controllers

Reduces cost, weight and power consumption

Leverages silicon and software innovations

SmartCore™ Introduction



Visteon launched industry-first cockpit domain controller on Mercedes-Benz A-Class in Q1 2018

Integrated domain controllers replacing individual ECUs

Key Trends in Driver Info

2015

2020

2023

Analog Cluster



Digital Cluster



From analog meter to all-digital cluster

AM/FM Radio



Display Audio



From AM/FM radio to connected infotainment

Integrated Digital Cluster and Display Audio



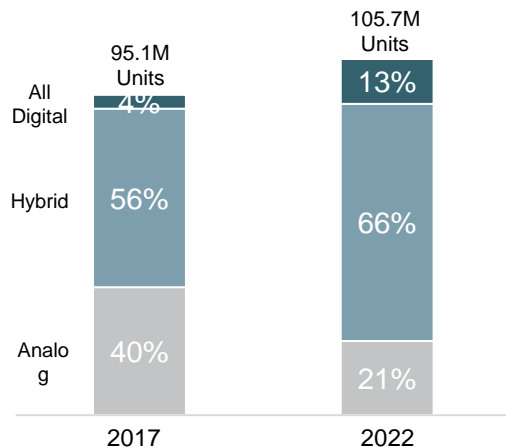
**Integrated cockpit domain controller
powered by single ECU**

Single integrated ECU powering all cockpit electronics instead of multiple discrete ECUs

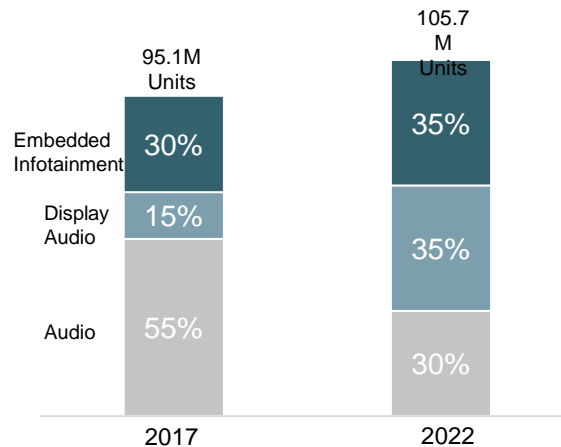
Growth of Driver Info Market



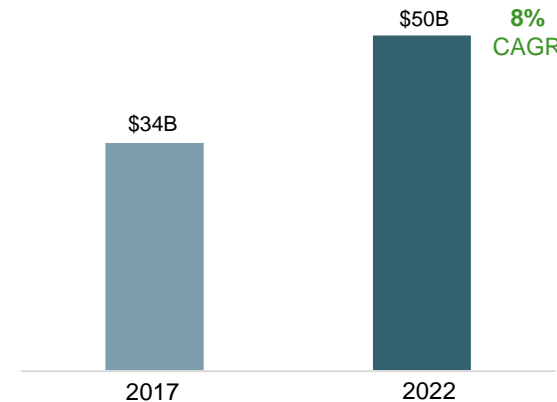
Growth of Instrument Clusters



Growth of Infotainment



Growth of Driver Info

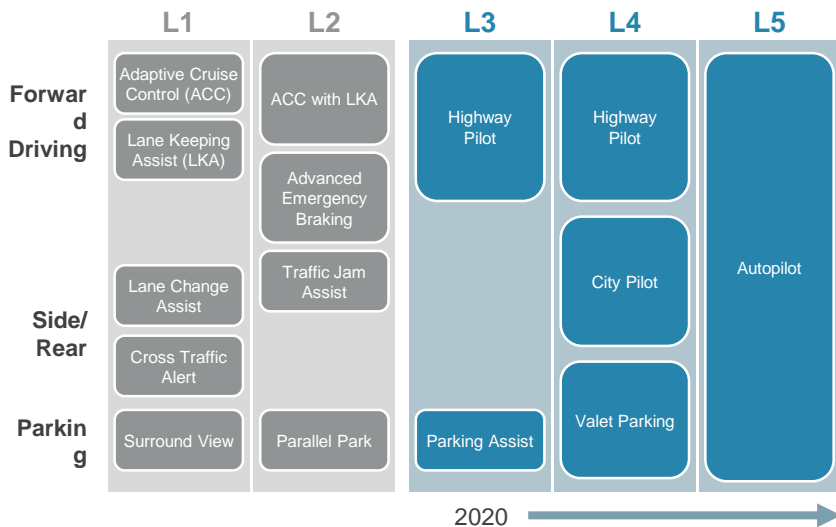


- Hybrid and all-digital clusters growing faster while analog clusters decrease
- Display Audio is fastest growing segment of infotainment
- Increase in ASP drives higher growth of Driver Info market

Digital clusters and connected infotainment driving growth in driver info market

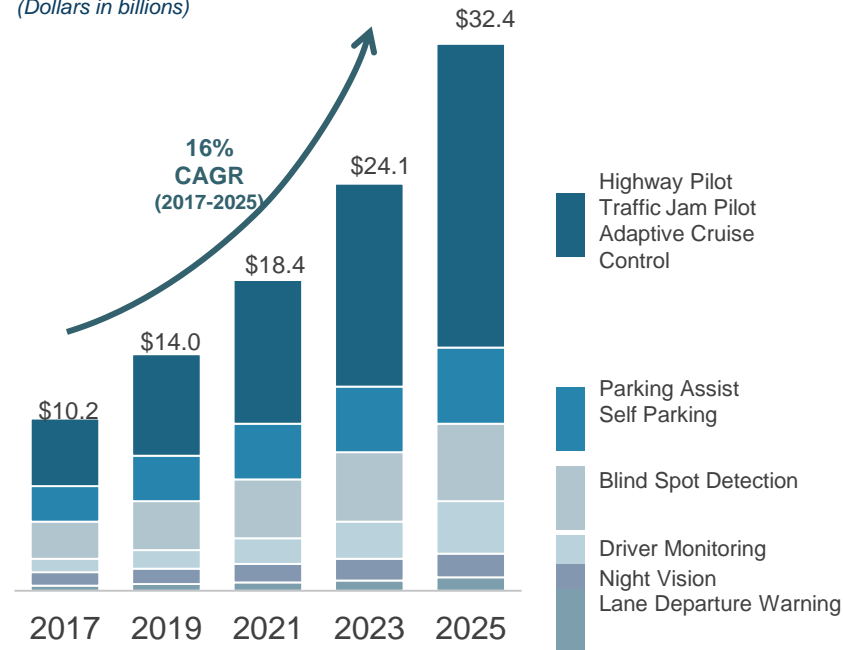
Evolution of Safety Features

Autonomous Driving Market Roadmap



Autonomous Driving Market by Features

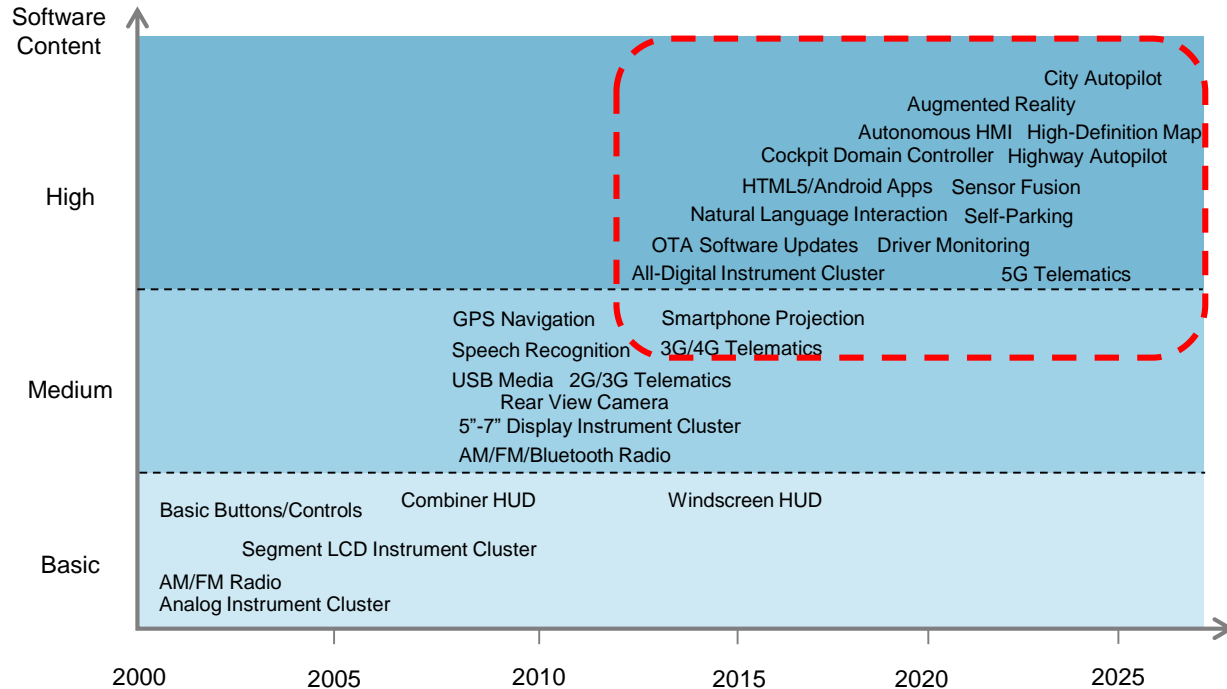
(Dollars in billions)



Data Source: Roland Berger, July 2016

Level 3 autonomous systems expected to launch starting in 2020

Key Challenge – Increasing Reliance on Software



Drivers of Software Complexity

- Convergence of automotive cockpit and consumer electronics
- Increasing pace of new feature introduction in cockpit
- Transition to cockpit domain controllers
- Evolution to Level 3 autonomous driving features require new software technologies
- High cost of field updates for error correction

Software competence is critical to automotive suppliers' future

Implications for Suppliers in Auto 2.0



Shift from systems integrator to IP creator

- ▶ Technology cycles compressing rapidly
- ▶ Focus on core areas of technology
- ▶ Develop differentiated IP in focus areas



Transform into software technology company

- ▶ Cultural mindset change across the whole organization
- ▶ Changes required for business and engineering processes
- ▶ Core set of software platforms instead of point solutions



Develop software talent globally

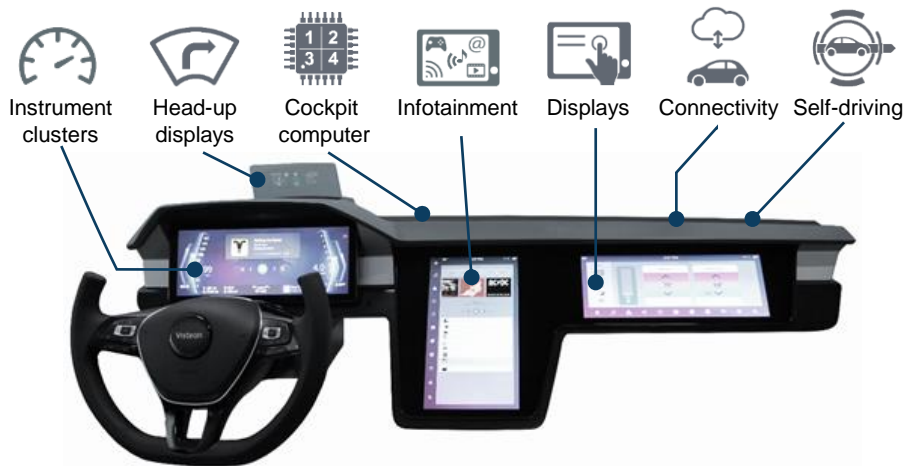
- ▶ Compete with industry and other tech companies for talent
- ▶ Build global footprint to tap into worldwide talent pool
- ▶ Develop strategic partnerships with like-minded software services companies

Auto suppliers will need to transform into software companies

Visteon Product and Technology Strategy



Complete Product Portfolio



- Focus on Driver Info and Safety domains
- Software platforms drive innovation across all products
- Global engineering footprint supported by key strategic partners

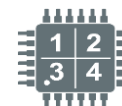
Core Technology Platforms



dicore™



phoenix™



smartcore™



drivecore™

Only pure-play in Driver Info and Safety technologies for automotive

In Conclusion...



Auto industry is going through a significant transformation with multiple, simultaneous trends – ACES

Auto electronics suppliers will have to adapt to new challenges to thrive in the new environment

Business is evolving from primarily hardware to software, which in turn will drive consolidation of the supplier base

Significant growth opportunities for suppliers that can make the transition successfully to software oriented business

Automotive Business Update

Alwin Bakkenes

Managing Director, Automotive

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PERSONAL DIGITAL LIFESTYLE

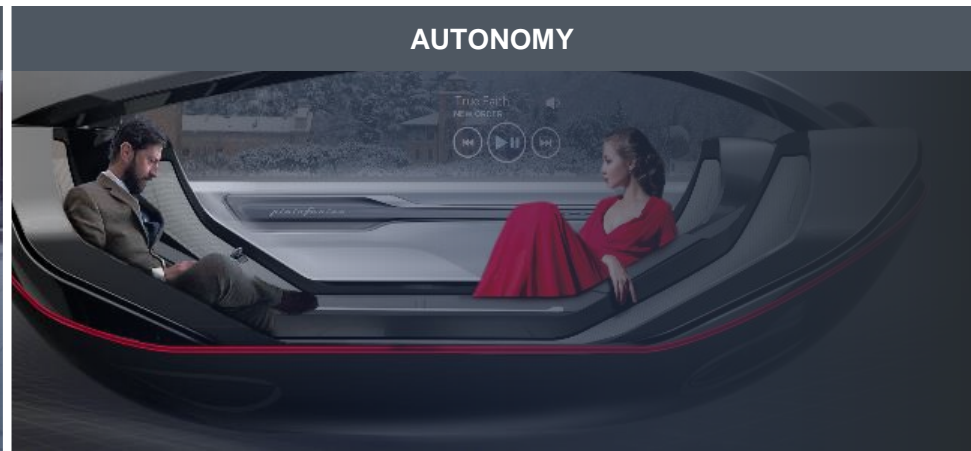


ELECTRIFICATION

The Mobility Revolution



SHARING ECONOMY



AUTONOMY

Our strategy

**We co-create smart solutions
that empower our clients to make the
transition to sustainable mobility.**



Personal Digital Lifestyle

Digital Cockpit

- Best-in-class UX Design Team
- Reference Platforms for Digital Cockpit
- Software House with Scaled Agile Delivery Model
- Founding member of SDL consortium



Autonomy

Autonomous Drive

- System Architecture & Network Design
- Large scale integration of autonomous technologies for Tier-1 suppliers
- Highly Automated Data Annotation (HADA) & Validation
- Safety Critical System Design



Sharing Economy

Connected Mobility

- Support Car Makers to make the transition from UX to CX
- Integrating Intelligent assistants into vehicle applications
- Telematics, Diagnostics & Cyber Security

The Foundations of Our Business

CO-CREATION OF TECHNOLOGY PLATFORMS

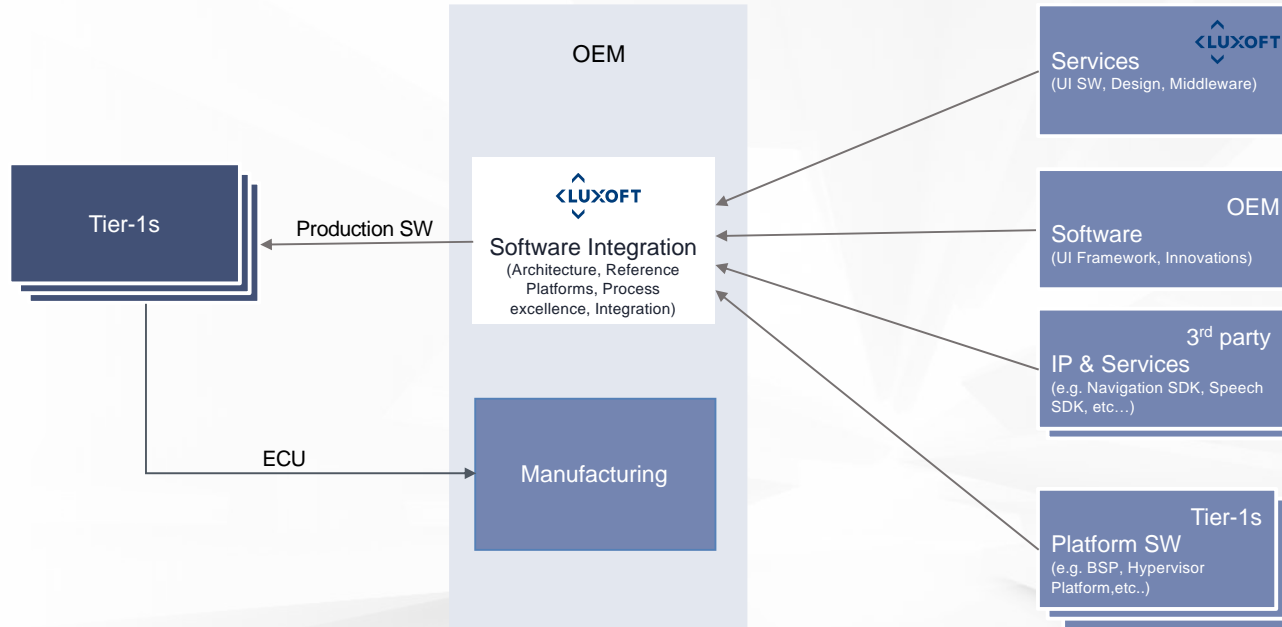
- ▶ Automotive Reference Platform Development
- ▶ Technology partners and co-invests such as Qt Automotive Suite
- ▶ Industry initiatives such as AUTOSAR, GENIVI, ...

TRUSTED DEPLOYMENT PARTNER TO PUT TECHNOLOGY ON THE ROAD

- ▶ Software House based on blueprints
- ▶ Scaled Agile Project Reference Model
- ▶ Fast scaling potential both on-site and near-shore

EXCELLENCE & PARTNERSHIPS

- ▶ Long term, strategic relationships
- ▶ Trust and Transparency
- ▶ Aligned objectives
- ▶ Business model evolution to align with new challenges



BACKGROUND & OBJECTIVES

- Today, many vendors bring multiple technology stacks
- Enabling OEMs to take control of the Software that powers their digital strategy
- Save cost and improve innovation through re-use



APPROACH

- Scaled Agile Project Reference Model
- Co-Created Reference Platforms
- Trusted Deployment part with ability to scale and transparent business model

Automotive at a Glance

DAIMLER



Visteon

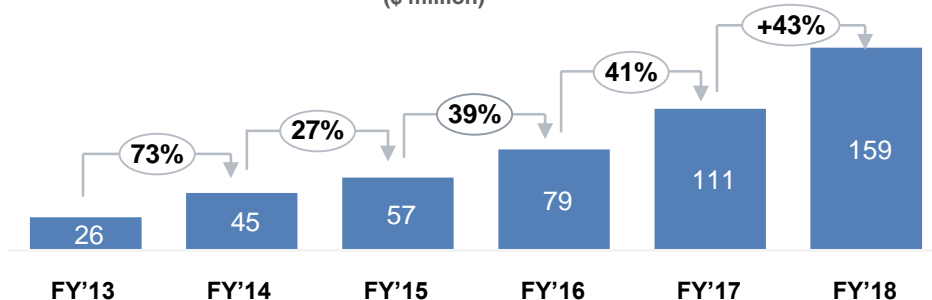


↑ +6 OEM Clients

↑ +6 Tier-1 Clients

REVENUE DEVELOPMENT

(\$ million)



Number
of Clients

	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
OEM	1	1	1	4	9	15
Tier1	3	3	5	6	12	18

Our strengths

- Deep industry & technology know-how
- Focused on high-value segments of business
- Co-creation and Deployment partner
- Top-tier customer base
- Global delivery centers
- Effective Integration of M&As
- Independent partner to OEMs & Tier-1s

Our next steps

- Scale geographical footprint & client base
- Scale up new accounts with extended offerings
- Establish industry-wide reference platforms with partners

MBUX – The Benchmark in User Experiences



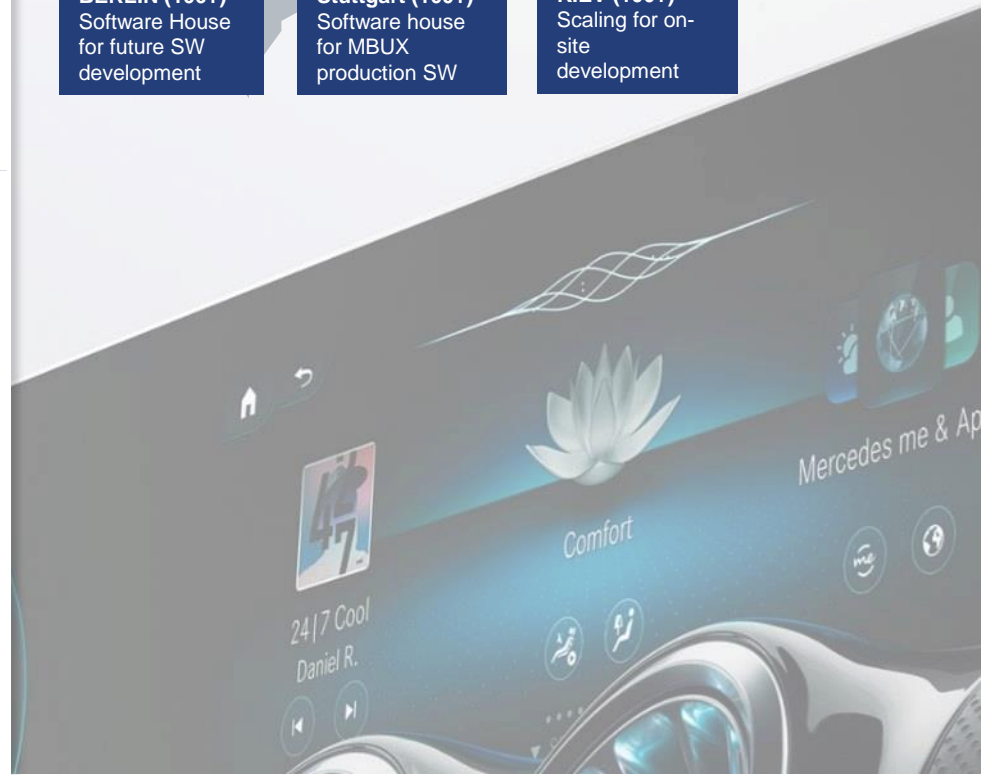
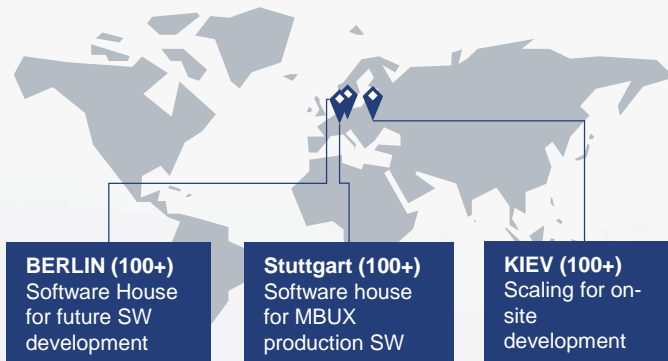
CHALLENGE

- Design & Develop the best User-Experience (UX) in the industry
- In-source development of UI Software to the OEM
- Ensure long-term innovation with eco-system of partners



ACHIEVEMENTS

- Co-creation of the SW Platform on which MBUX is build
- Scaling a large project team to implement and deliver complete #MBUX software on behalf of Daimler
- **TechCrunch:** *"If you'd have told me a week ago that one of my favorite things from CES would be an automaker's infotainment software, I'd have laughed, but here we are."*
- Software House using Scaled Agile way of working enabling integration of 3rd party innovations for coming product generations



Valeo – Deployment Partner Autonomous Technologies



CHALLENGE

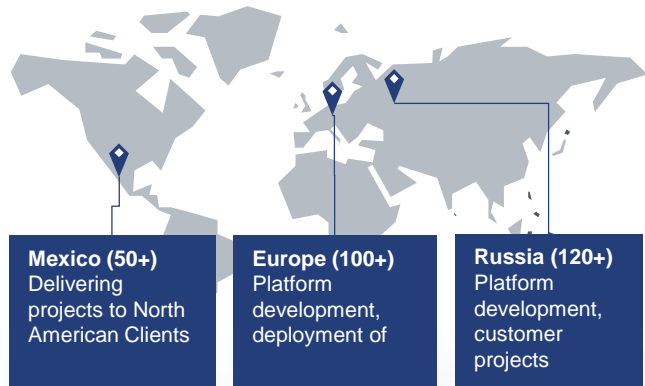
- Valeo is a leader in Development of Autonomous Drive sensor technology – receiving a PACE award for first production LIDAR system.
- Support the deployment of the Valeo innovations into its OEM customer portfolio



ACHIEVEMENTS

- Technical & Domain know-how for vehicle integration software in OEM architectures
- Established a strong delivery team of over 200 engineers in less than one year
- Delivery in multiple programs to clients on multiple continents, aligned to customer footprint

Project Geography



Connecting Customers to Your Brand – From UX to CX



CHALLENGE

- Enable car makers to take ownership of the customer journey for mobility services
- Enable real-time analysis of customer journey gain- and pain points



SOLUTION

- PEGA and Luxoft have invested in an end to end mobility platform
- Combining the Luxoft PELUX Reference platform with the PEGA platform
- Solution works across all channels: in-car, mobile, point of sale, web, etc...
- PEGA AI powered next-best action enables optimal automation & customer interaction
- Luxoft Digital is a PEGA deployment partner



Executing On Our Strategic Goals

Growth Strategy



Growing the newly opened accounts



Geographical expansion in Americas and JAPAC



Grow our share of the OEM business with our unique offering



New client acquisition through technology partners



Expand offering for Mobility Services for future growth



Selective M&A focusing on unique skills & services

Objective

Establish ourselves as the leading software development company **empowering the mobility revolution**



Continued **35%+**
organic growth
with sustained margins

Roman Trachtenberg

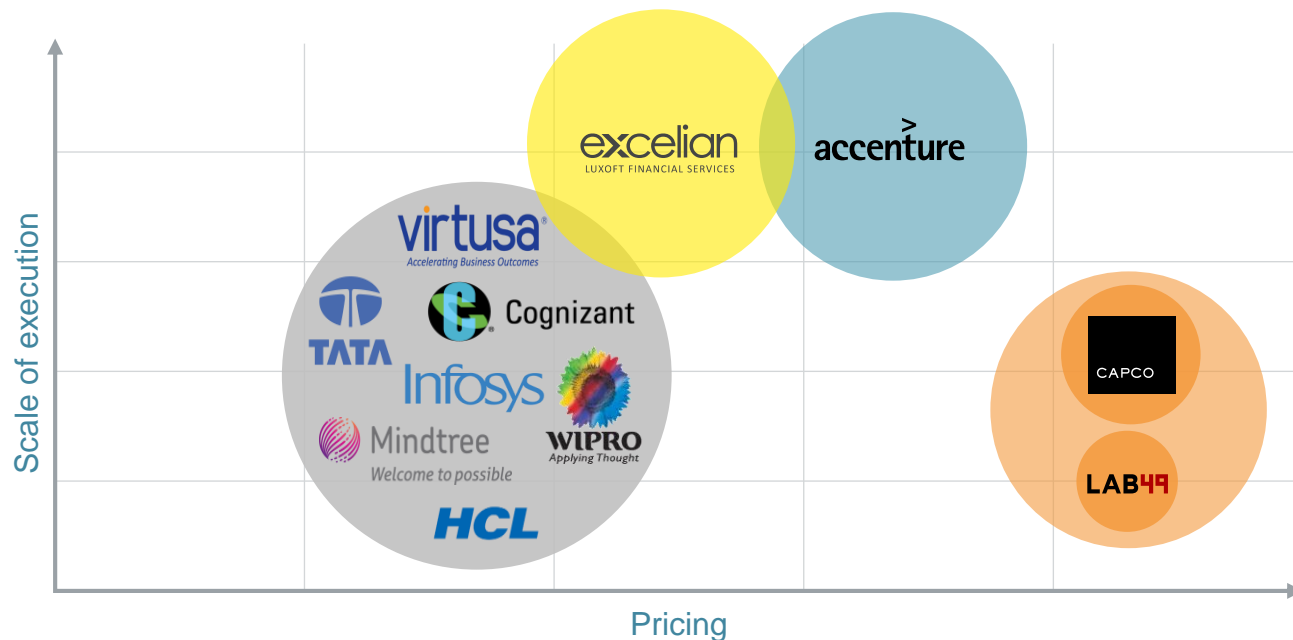
Managing Director, Financial Services
Luxoft Holding, Inc



Accelerating global business in Capital Markets and beyond

Our Business at a Glance

We specialize in **Capital Markets and Investment Banking front office technology**, and are one of the most recognized and largest companies in the field



Experts in capital markets:

- ◆ every assets class
- ◆ majority of products
- ◆ every functional area of the front and middle office
- ◆ adopted service strategies

1

Technology excellence ability to recruit and deploy senior talent globally

2

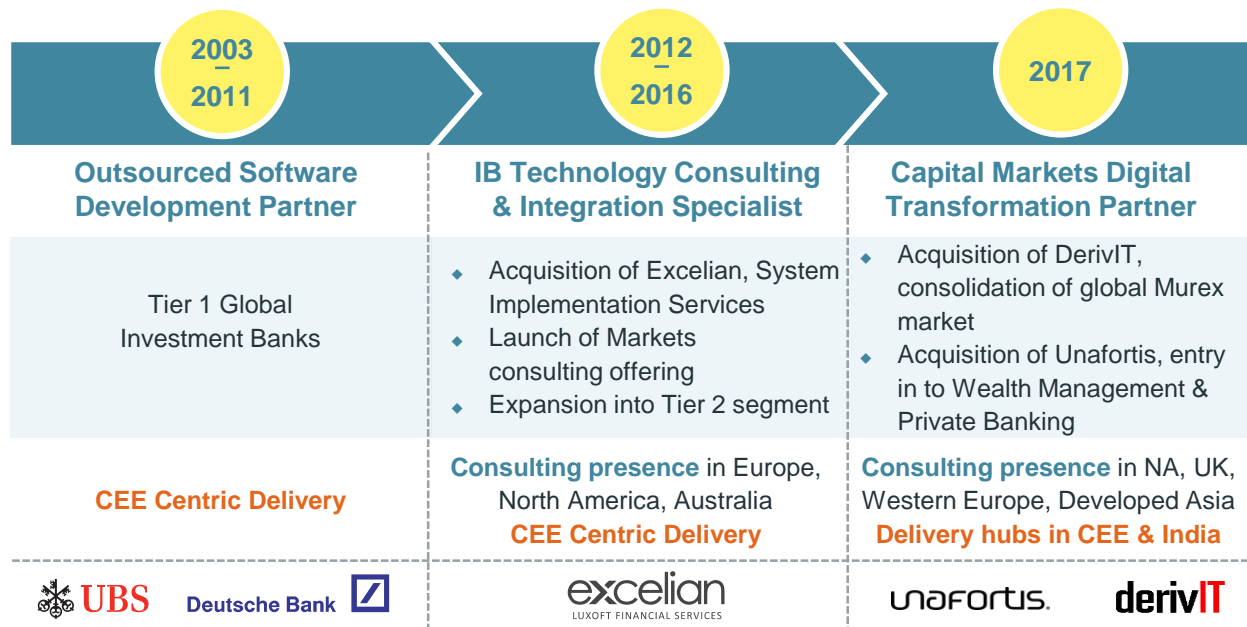
Technology excellence ability to recruit and deploy senior talent globally

3

Accelerating global business in Capital Markets and beyond

Our Business at a Glance

We specialize in **Capital Markets and Investment Banking** front office technology, and are one of the most recognized and largest companies in the field



Accelerating global business in Capital Markets and beyond

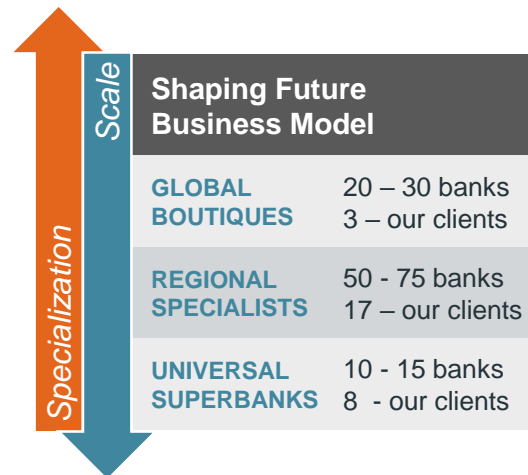
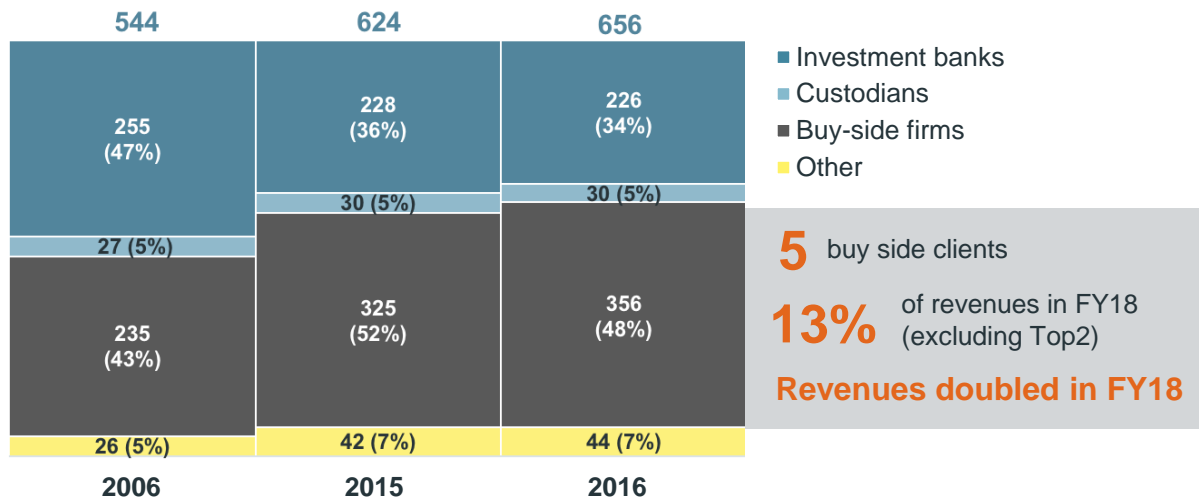
Capital Markets Ecosystem

- ◆ **Capital Markets is a massive industry** (~ 700B rev. in 2017), expected growth rate of 2-3%
- ◆ **Technology is at the core, digital capabilities & automation critical to the future market success**

◆ Value in the ecosystem is shifting:

- ◆ Buy side firms move center stage (~ 10% growth) as investment banks pull back (~5% decline)
- ◆ Emergence of specialized IB's (predominantly in advisory, M&A)
- ◆ Rise of markets franchises within Regional / National Banks
- ◆ Cost mutualization, and the rise of FMUs

The Value Migration Continues to Prevail Industry revenues (\$billions)



Accelerating global business in Capital Markets and beyond

Asset Management & Wealth Management



Asset Mgmt

High growth industry, AUM expected to grow **7-10%** (Fastest growth in APAC and US)

Margin compression (~8%), is pressure is expected to accelerate:

- ◆ Shift to passive investment strategies
- ◆ Proliferation of low fee products
- ◆ Paying more for alpha, less for beta
- ◆ Push for transparency by consumers & regulators (RDR, MIFIDII)



Wealth Mgmt

High growth industry (AUM growth of 7% in 2016), but growth is expected to slow and structural industry challenges will persist:

- ◆ Squeezed trading and managed account fee levels
- ◆ GenX and Millennials. Digital generation
- ◆ Compliance costs, regulation (DOL), de-offshoring

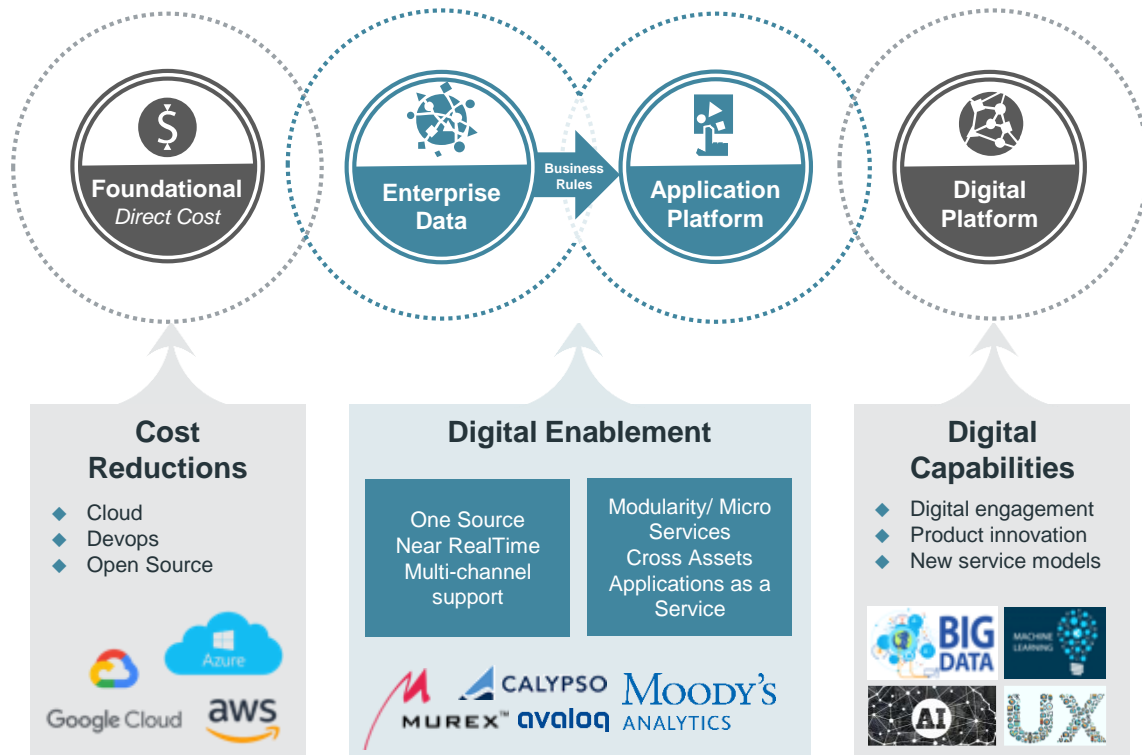
Industry response has massive impact on technology



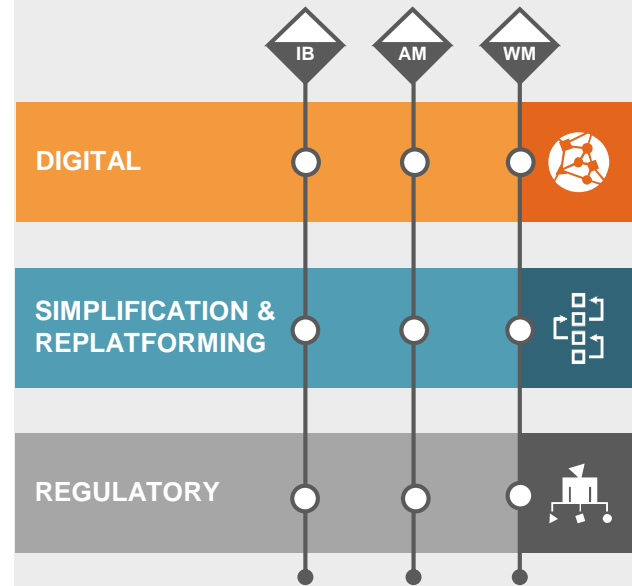
75 – 100 firms in Excelian focus regions, with IT budgets supporting recurring annual spending of **5M +** in our service segment

Accelerating global business in Capital Markets and beyond

Digital Opportunity: Next Generation Architecture



Value at stake from Digital stands @ 20-30% in P&L improvements*



Financial Services is a Virtual Data Industry

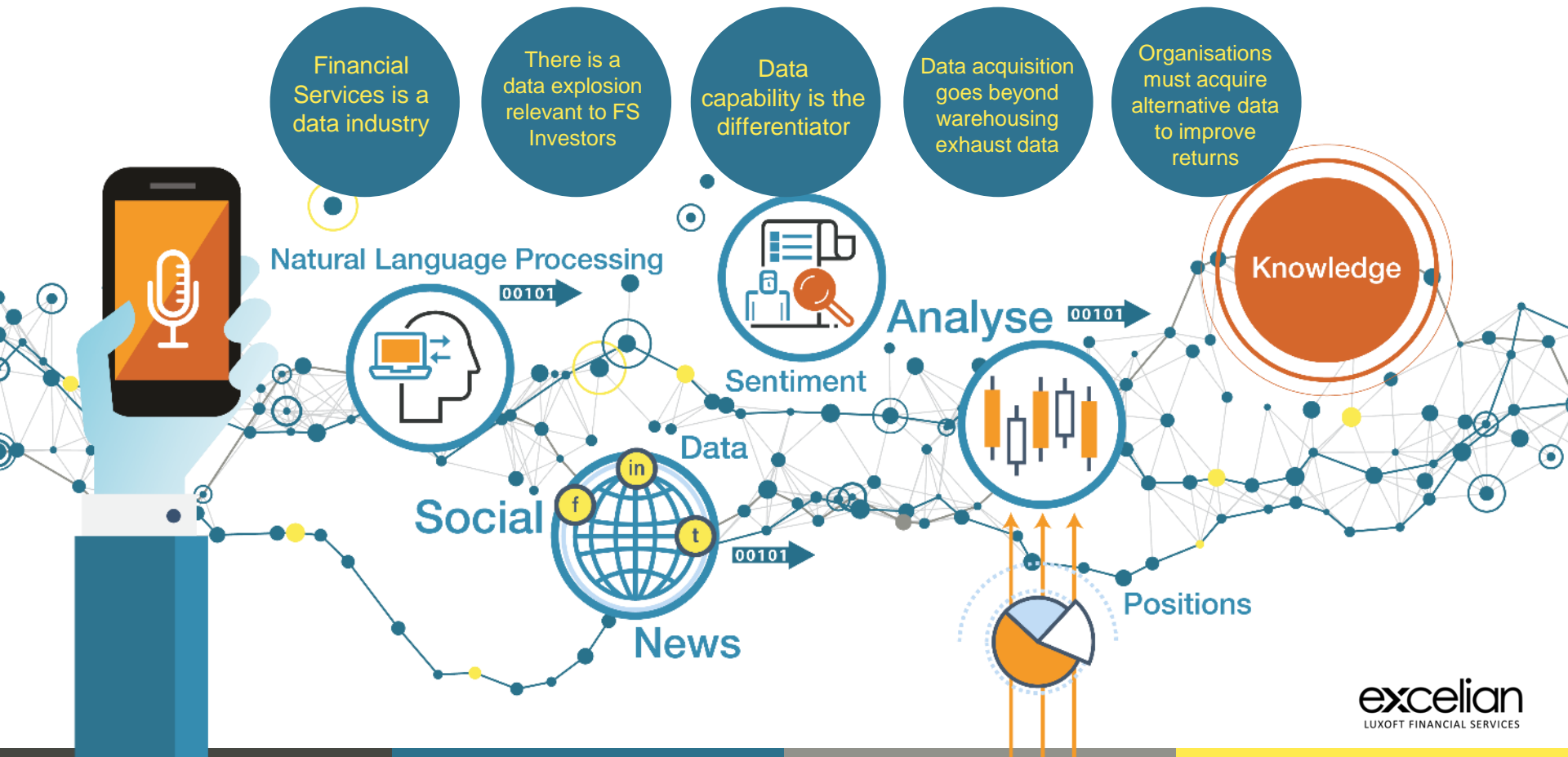


Knowledge is the differentiator

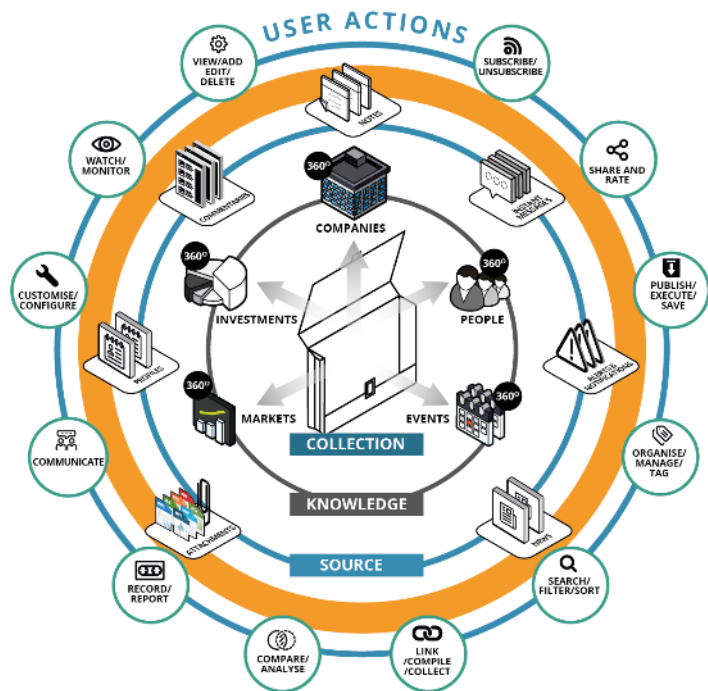
Digital Consulting

Data is Now

50

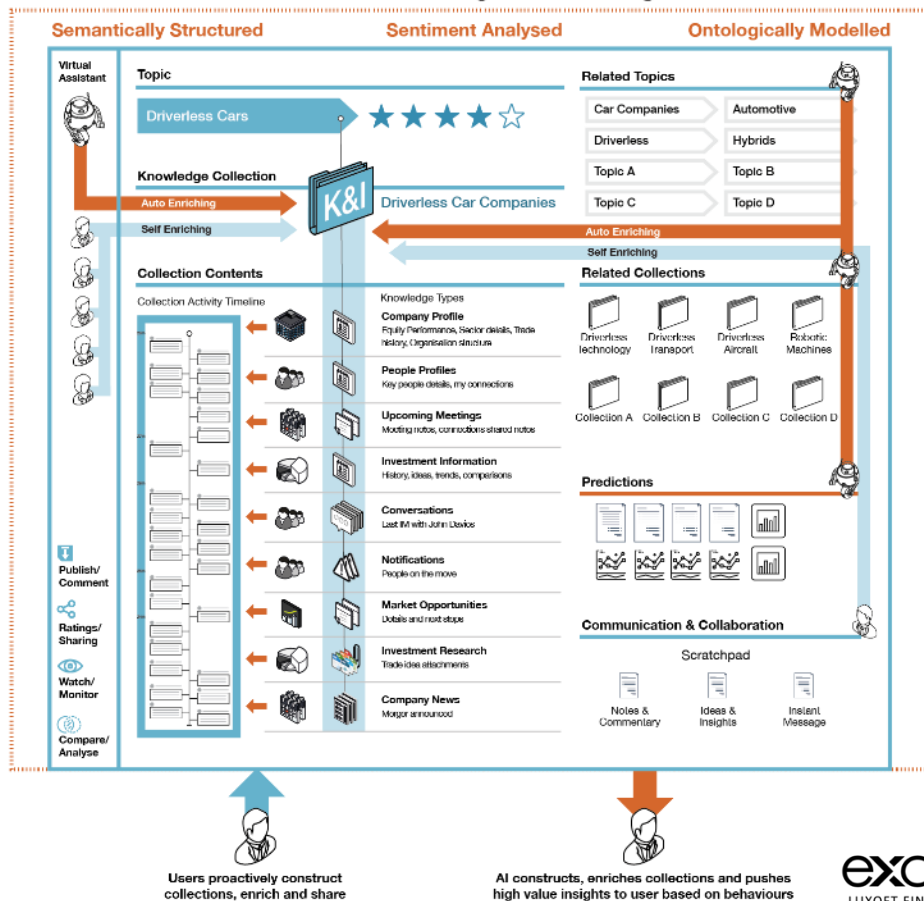


Machine Learning is Next

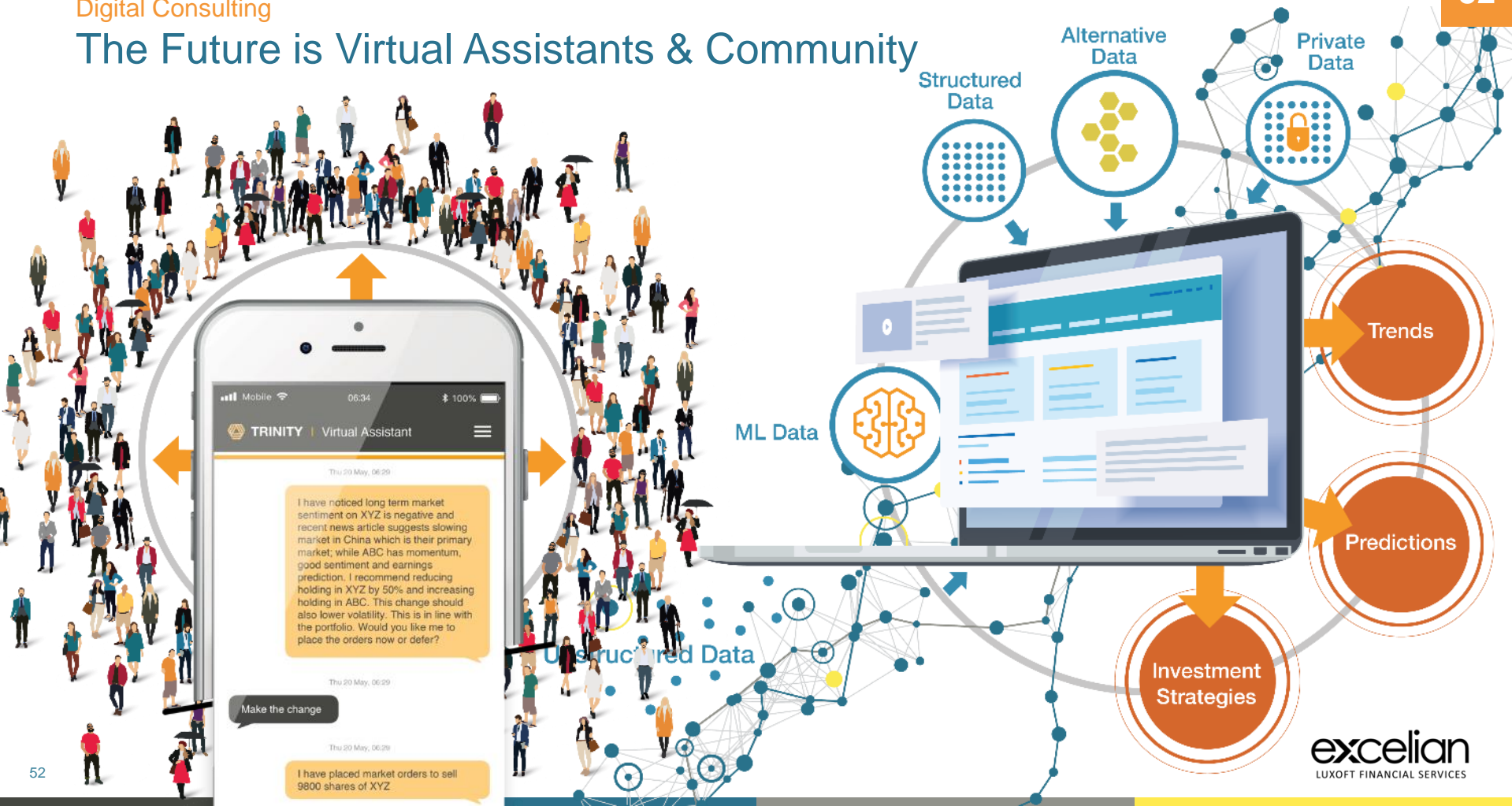


Technology is required to process data real-time (humans can't do this anymore) this includes ML, for example using NLP to shred news articles

AI Curated Knowledge & Intelligence



The Future is Virtual Assistants & Community



Accelerating global business in Capital Markets and beyond

Execution On Strategic Goals*: FY19

*Outside Top Two

2



ACCELERATE SALES

- ◆ APAC > 45%
- ◆ North America > 40%

2



DIVERSIFY CLIENT BASE

- ◆ Investment Banking: >20 %YOY
- ◆ Asset Managers: >35 % YOY
- ◆ Wealth Managers: >30 %YOY

3



GROW DIGITAL,
CONSULTING & PLATFORMS

- ◆ Core Banking: >50 %YOY
- ◆ Digital & Consulting: > 40 %YOY

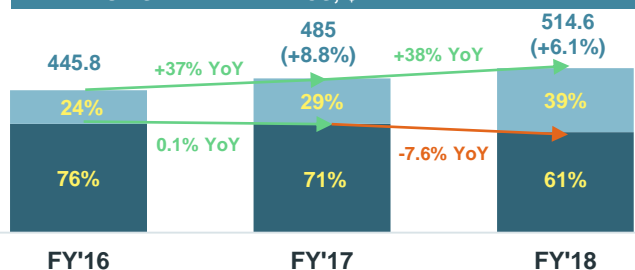


4



MAINTAIN QUALITY & CUSTOMER SATISFACTION

REVENUE SHARE DYNAMICS, \$M



FY'16
■ Top-2 ■ Other

Revenue	FY'15	FY'18
\$20 MM+	2	3
\$10 MM - \$20 MM	1	3
\$5 MM - \$10 MM	2	7
\$1 MM - \$5 MM	8	26
Less then \$1 MM	57	57
	70	96

① Medium to long term growth rate > 25% (outside of top2)

② > 30% expected growth outside of Top-2 in FY'19

Intermission



Sam Mantle

Managing Director, Digital Enterprise
Luxoft Holding, Inc



Positioned at the Forefront of the Digital Agenda

Digital Transformation is a Key CEO Priority across all industries, enabling:

- New business models
- New employee & customer engagement
- New products and services

Digital Opportunity

\$1.2 Trillion

spending in 2017

17.8%

CAGR over 2016

\$2.0 Trillion

in 2020

2X Growth

in revenue from Digital products and services compared to traditional product portfolio

75%

of total IT spend allocated towards 3rd Platform Technologies and Services

Our Value Proposition

- ◆ Great execution engine and reputation with enterprise clients
- ◆ Domain knowledge enables us to speak our clients language
- ◆ Agility to quickly design and implement complex solutions to transform businesses
- ◆ Ability to navigate the legacy environments and integrate new digital technologies and solutions at scale

We are well placed to help clients navigate their Digital Journey

Digital Enterprise – Our Transformational Journey

GENERAL SOFTWARE SERVICES + OUTSOURCING

- ♦ Strong but generic offering
- ♦ Siloed teams
- ♦ Decreasing margins
- ♦ No longer enough to stay above the commodity line

ENERGY & UTILITIES

NETWORKS

MANUFACTURING & LOGISTICS

TRAVEL & HOSPITALITY

AGRICULTURE & FOOD

HEALTHCARE & LIFE SCIENCES*

MEDIA & COMMUNICATIONS**

'07 '08 '09 '10 '14 '16 '17

*Insys acquisition

**Intropo acquisition

FOCUSED DIGITAL SOLUTIONS ADDRESSING KEY INDUSTRY TRENDS + OPPORTUNITIES

- ♦ Differentiating solutions
- ♦ Improved marginality
- ♦ Drive sustainable growth momentum

One Digital Enterprise Organization

- Industry practices
- Dedicated sales & account management
- Focus on digital agenda

ENABLED BY TECHNOLOGY BLUEPRINTS & DIGITAL ACCELERATORS

TRANSFORMATION
OF DIGITAL
ENTERPRISE
BUSINESS

'18

'19

- ♦ Elimination of low margin staffing
- ♦ Reduction of legacy of generic engineering
- ♦ Invest in domain specific knowledge and sales
- ♦ Increase of design + advisory services

Path to Success

We will repeat the success story of the Automotive business by:



- ♦ Established market presence through large accounts
- ♦ Focus on digital trends

Leveraging key knowledge of existing accounts + domains



SoftBank



Increasing industry knowledge + exposure

- Sales + Marketing
- Subject Matter Experts
- Consulting + Advisory capability

Continued investment in broad technology capabilities + innovation engine



Appian



DIGITAL ENTERPRISE

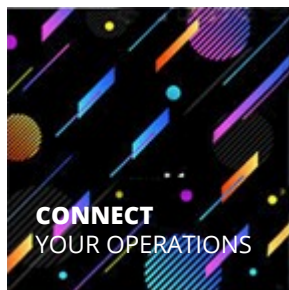
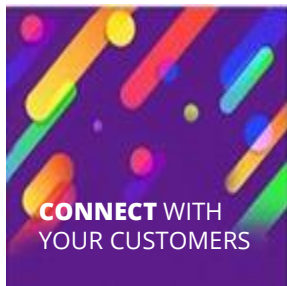
LUXOFT DIGITAL

- ♦ Systematic review of digital opportunities across each industry
- ♦ Prioritization of areas of greatest opportunity
- ♦ Development of industry solutions & common technology accelerators

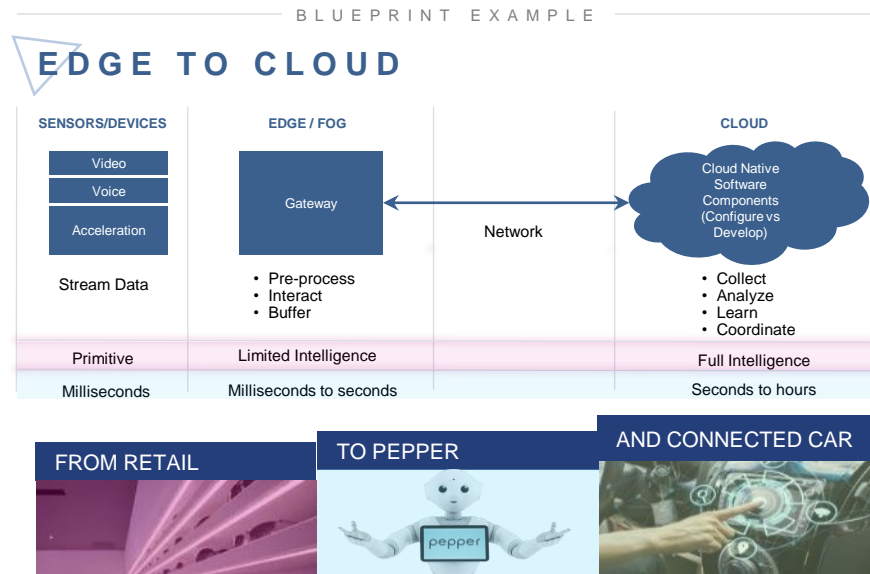
Our Methodology

We have the domain + technology capabilities to view digital opportunities & challenges from client perspective

- ♦ We approach the development of solutions through the following lenses:



- ♦ Our technology accelerators can be applied to digital solutions across industries
 - Key enabler of our agility & replicability of success



Industry Practice Framework

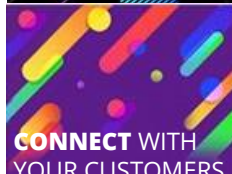
Blueprints for Healthcare & Life Sciences



Evidence-Based Medicine – Applying data to patient care profiles in order to come to an accurate diagnosis faster and more efficiently.



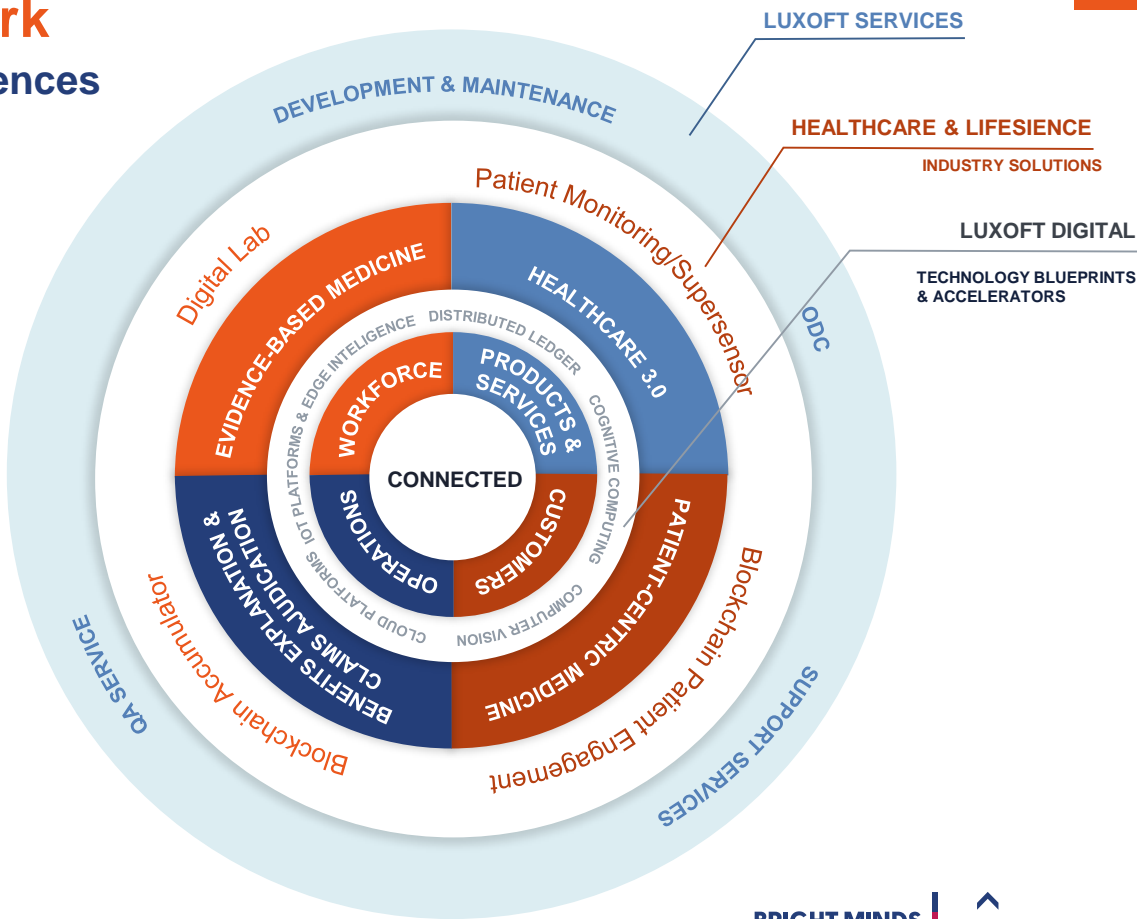
Eligibility, Benefits Explanation & Claims Adjudication – Improving the experience between payers and members related to explanation of benefits (EOB, submitted claims for services, and out-of-pocket charges).



Ecosystem Interoperability – Empowering patients and enabling trusted exchange of data and products to support new oncology business models. Adopting a more patient centric approach in Pharmaceutical and Life Sciences companies



Healthcare 3.0 – Using IoT, machine vision and AI to provide new types of health care service.



Scalable Digital Solutions

CONNECT YOUR WORKFORCE



Intelligent Dialog
Framework for Field
Support Services

CONNECT YOUR OPERATIONS



Predictive Maintenance
for transportation fleet

CONNECT WITH YOUR CUSTOMERS



Pepper – Receptionist
Robot

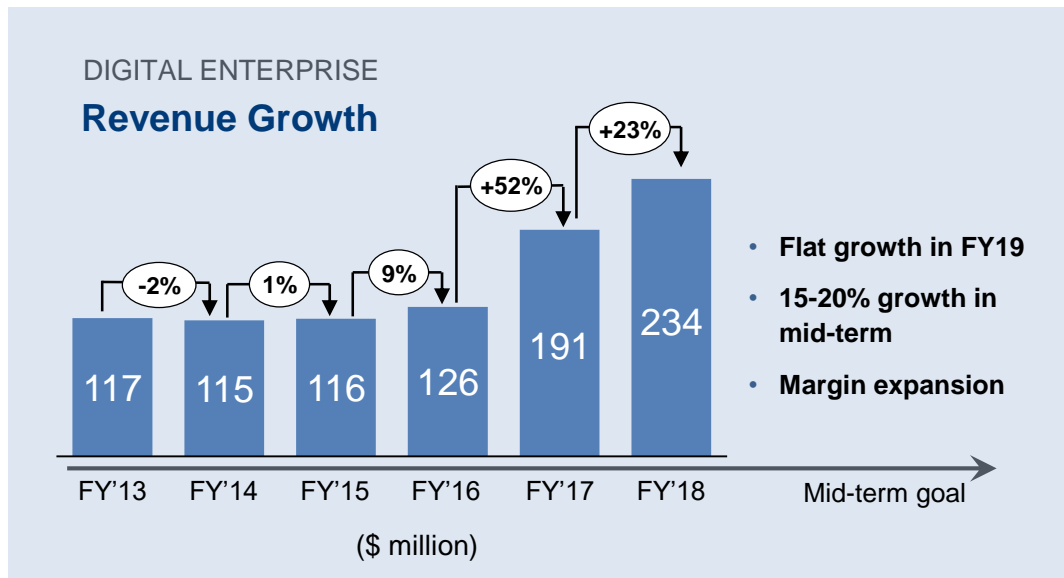
CONNECTED PRODUCTS & SERVICES



Precision Agriculture:
the future of farming

Executing on Our Strategy

- ♦ 2018 is a transition year where we are **repositioning our business & market value proposition**
- ♦ Investment in capabilities to enable sustainable growth in higher margin digital business
 - Domain focused sales force with global reach
 - Domain expertise to share our digital solutions
 - Technology depth to ensure agility, high quality + replicable services



- ♦ **Our industry footprint, client base, & reputation is strong**
- ♦ **Our technical capabilities are excellent**
- ♦ **The market potential & addressable opportunities are within reach**

Vasily Suvorov

VP, Technology Strategy

Luxoft Holding, Inc

BRIGHT MINDS
SHARP SOLUTIONS



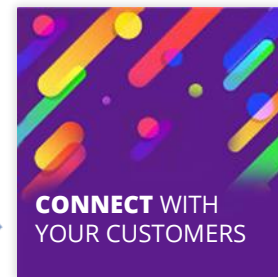
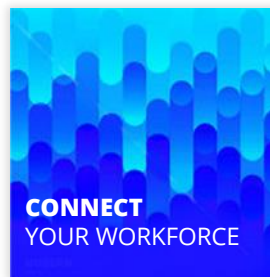
LXFT
LISTED
NYSE

We Help Our Customers Change the World

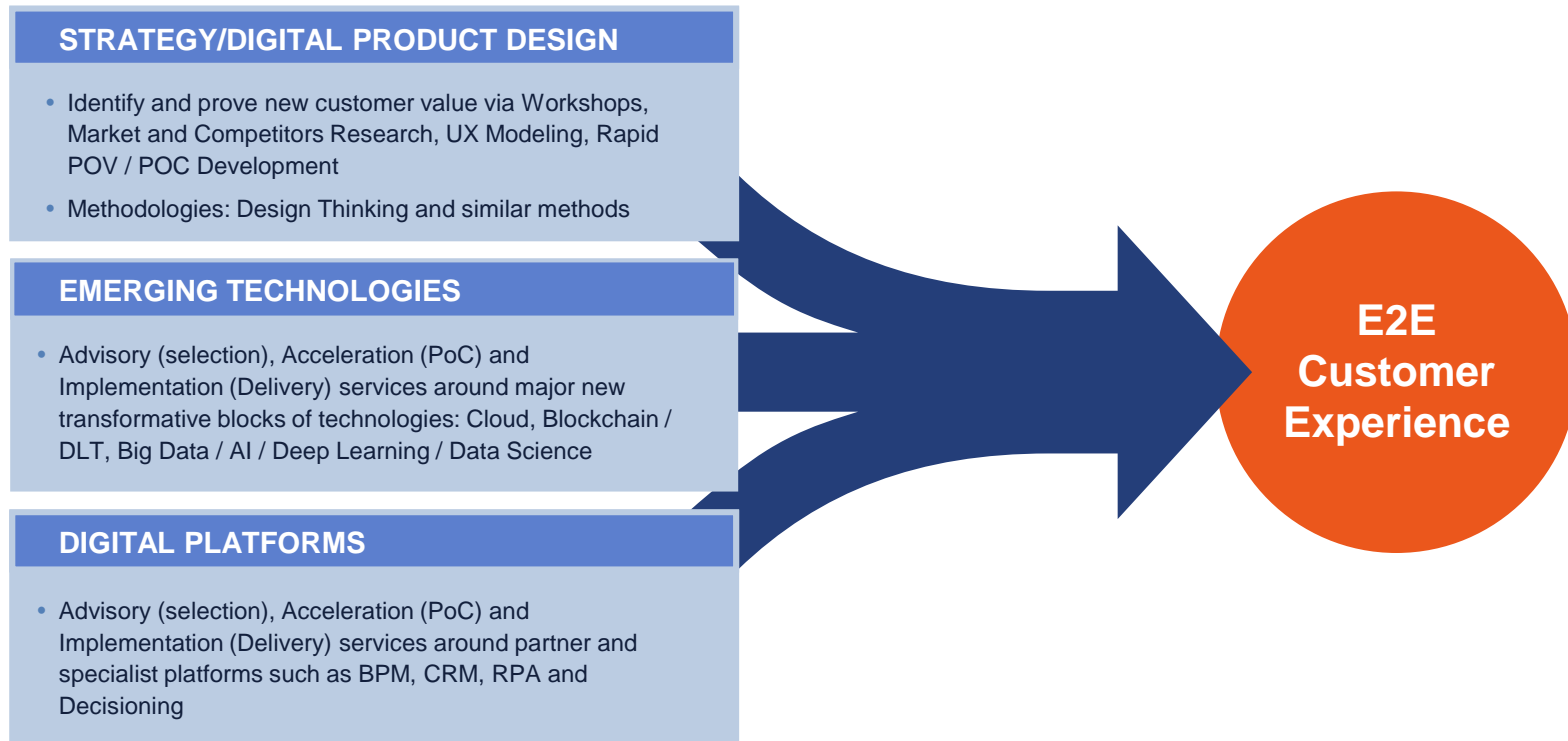


LUXOFT DIGITAL STRATEGY BLUEPRINTS PARTNERSHIPS







We enable
monumental changes
to established business patterns through
the application of innovative technology



Luxoft Digital Transformation – 3 Component Architecture



Tailwinds from Strong Macro Trends

MARKET CAGR		
LEADING EDGE		
 Blockchain	62%**	(2018-2021)
 Artificial Intelligence	50%*	(2018-2021)
 Cloud	21%*	(2018-2021)
ESTABLISHED		
 DevOps	18%***	(2017-2023)
 Data Analytics	12%*	(2018-2020)
INDUSTRY DRIVEN		
 Internet-of-Things	22%**	(2017-2022)

Our portfolio of technologies is well aligned with the trends

We have recognized the potential early

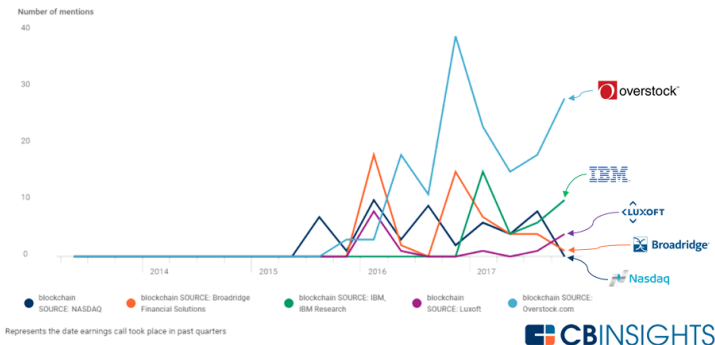
"IDC expects blockchain spending to grow at a robust pace over the 2016-2021 forecast period with a five-year compound annual growth rate (CAGR) of 81.2% and total spending of \$9.7 billion in 2021."

24 JAN 2018

& invested in vision supported by Blueprints, Alliances & Partnerships

Luxoft is profiled in Gartner's "Guide for Blockchain Consulting and Prove-of-Concept Development Services"
March 2018

Overstock talks the most about blockchain



DIFFERENTIATORS

- **Platform Agnostic**
- **Early Adopters**
- **Members of Alliances**
- **Accelerators / Blueprints**
- **Integrated Approach** – Integrating with Cloud and IoT
- **Scalable** – Nearshore Dev Team

BLUEPRINTS

- Blockchain Loyalty
- Decentralized Identity (Corda)
- BPM Adapter Framework
- e-Voting Solution
- Smart Cities / IoT Configuration Management

PARTNERSHIPS

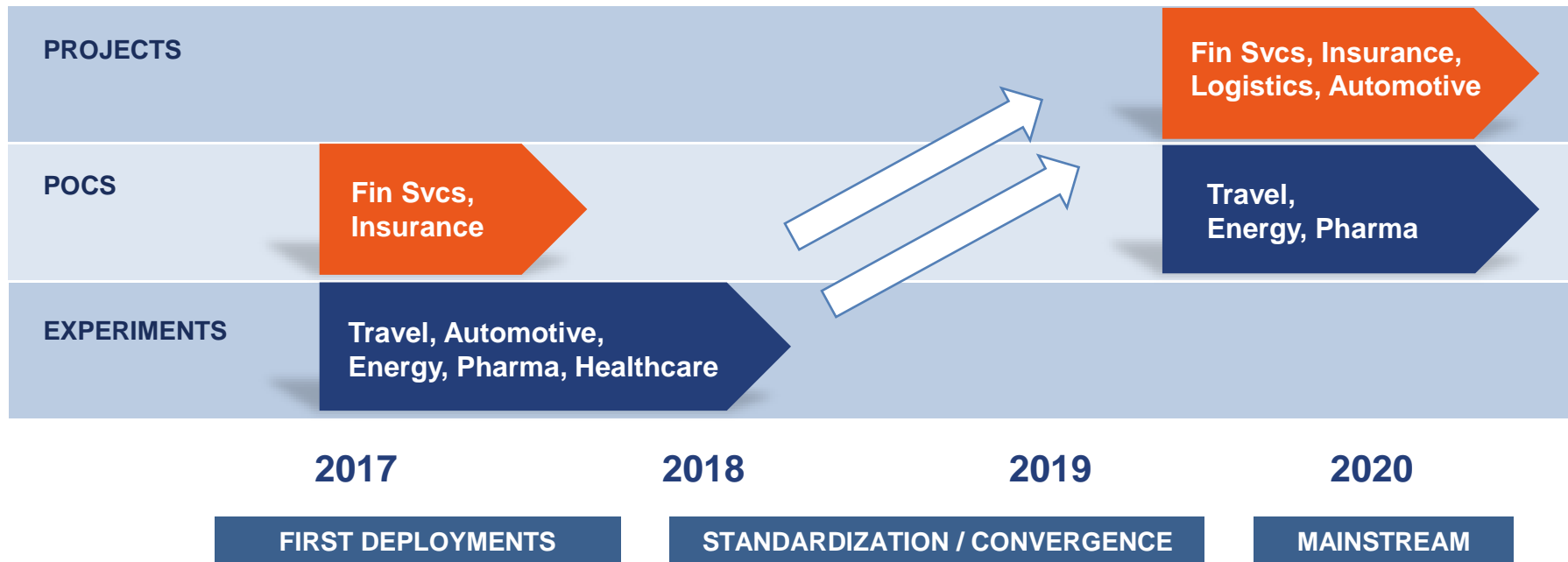


ALLIANCES/COMMUNITIES



Distributed Ledger Technology Adoption – Luxoft View on Trends

We got it mostly right in 2016!



Making Inroads with Clients on Blockchain Projects

DELIVERED / ACTIVE

#Healthcare & Insurance

Blockchain technology consulting and a pilot for a large Healthcare services company in North America

#Smart City / Wireless IoT

DLT consulting & development for a secured and trusted update of Smart City networks

#Leading Blockchain Startup

Partnering with blockchain software technology companies to develop solutions enabling decentralized governance across various industries

#e-Government

DLT-based e-Voting PoC development for e-Government

PROSPECTING

#Pharma #Decentralized Identity

DLT consulting & prototyping for a multi-national Pharma

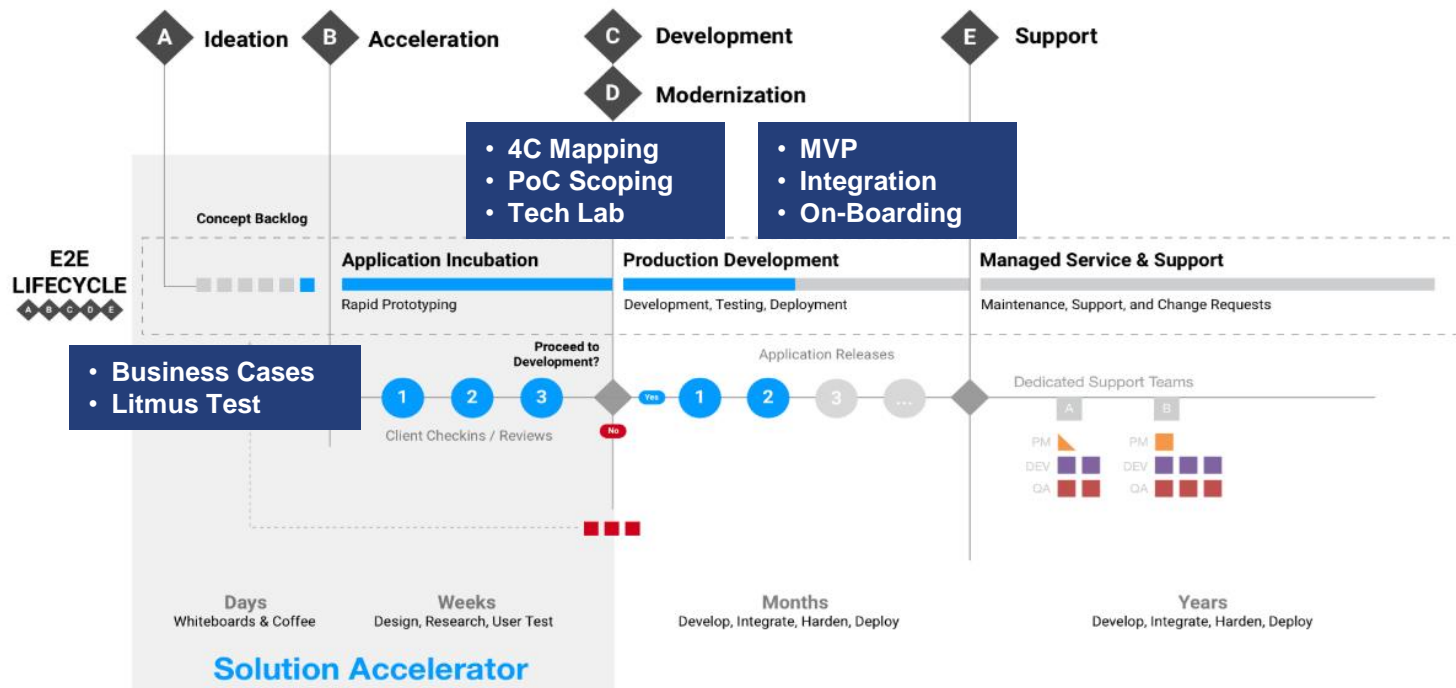
DLT strategy for personalized medicine process and identity management, architecture design and technology selection

#Media #Loyalty

Technology evaluation for a DLT based loyalty program in Entertainment

Customer Engagement Methodology

From PoC to Scalable Deployment



Key Takeaways

Luxoft is focusing on the combination of deep technology knowledge & business relevance

- ◆ Digital Disruption is accelerating & things will change
- ◆ Sustainable high growth opportunities come from adoption of disrupting technologies
- ◆ Deep technical expertise and ability to guide customer is a big differentiator
- ◆ Agile, “fast time to value” engagement approach is very important
- ◆ Successful Digital Transformation pilots will lead to sustainable, high growth business engagements

Leveraging the CORE – Innovation at Scale Capability



Evgeny Fetisov

CFO, Luxoft Holding, Inc



LXFT
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Creating Shareholder Value - Going Forward

Profitable revenue growth

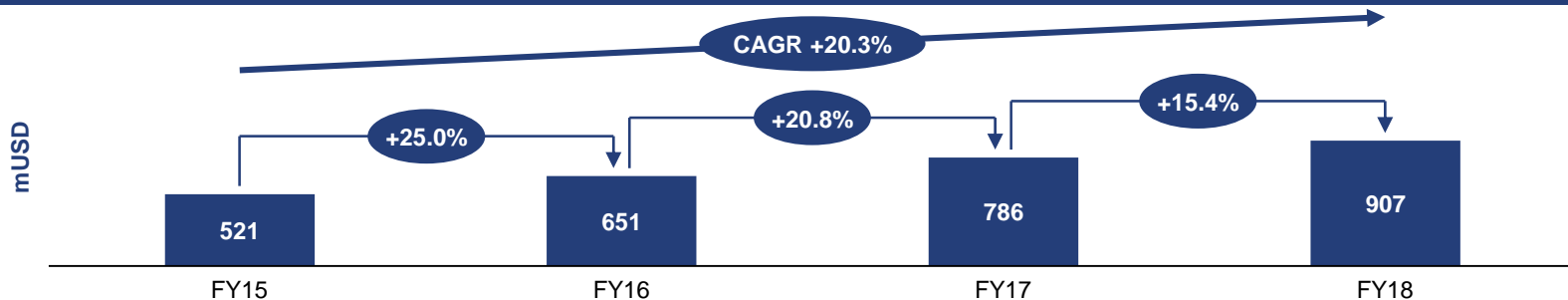
Build a Sustainable & Leading Cost Structure

Free Cash Flow Generation

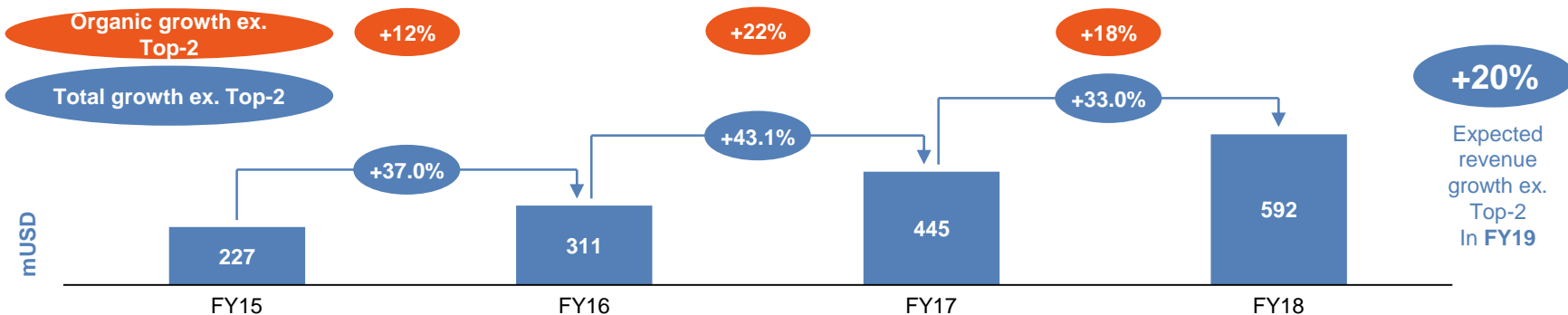
Revenue Growth in FY15 - FY18

- Luxoft showed solid top line growth in FY15-FY18 (CAGR +20%)
- In FY19, Luxoft expects at least 20% revenue growth ex. Top-2

Revenue Growth: FY15 - FY18

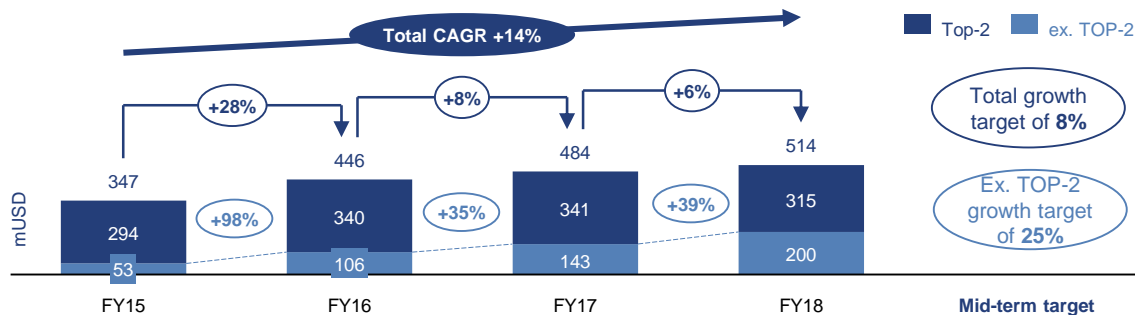


Revenue Growth excl. TOP-2 clients: FY15 - FY18

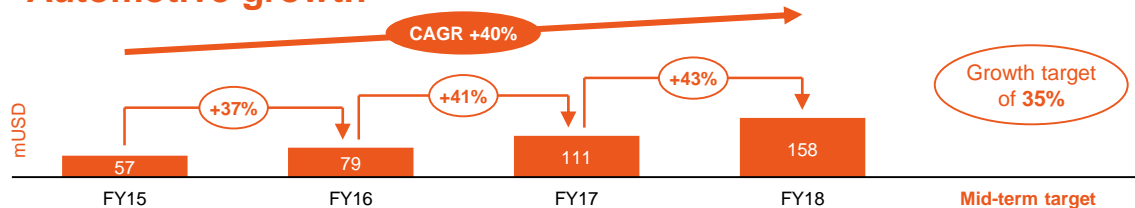


Relaunching High-Speed Organic Growth

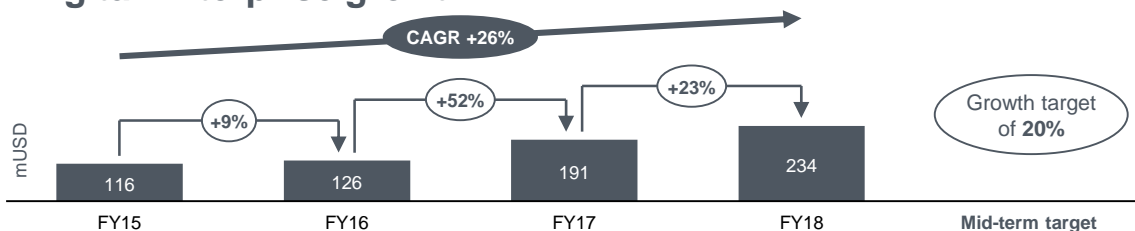
Financial Services growth



Automotive growth



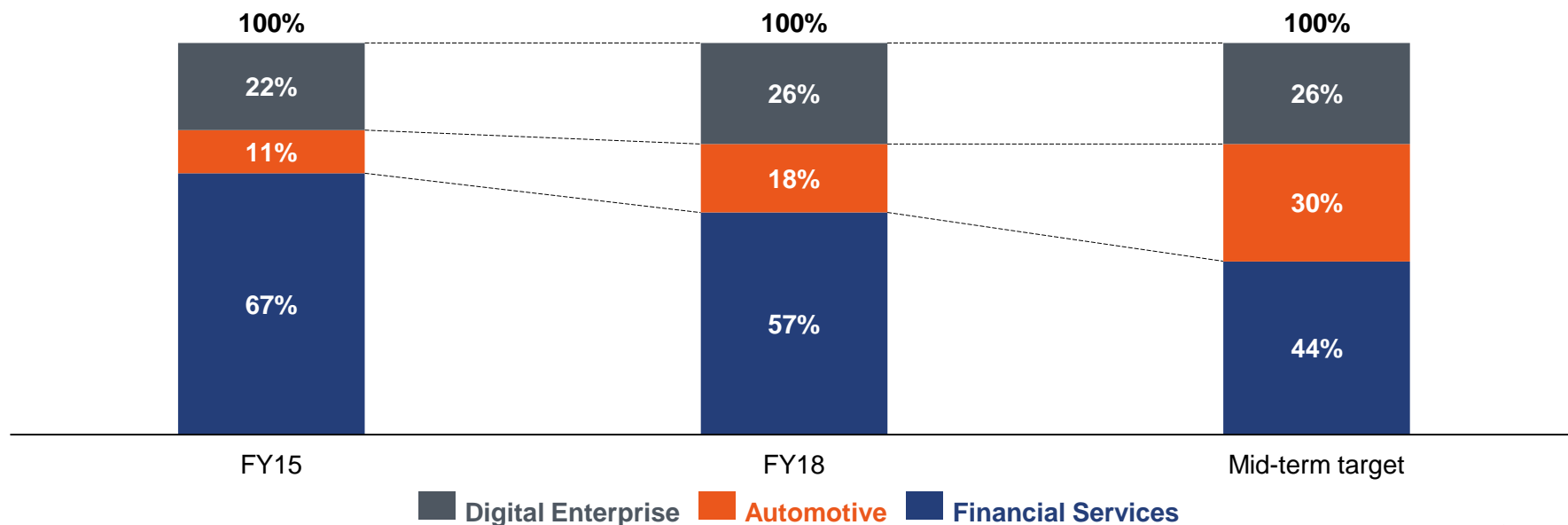
Digital Enterprise growth



Luxoft mid-term organic growth target is 17.5%

Continued De-Risking of Client Concentration

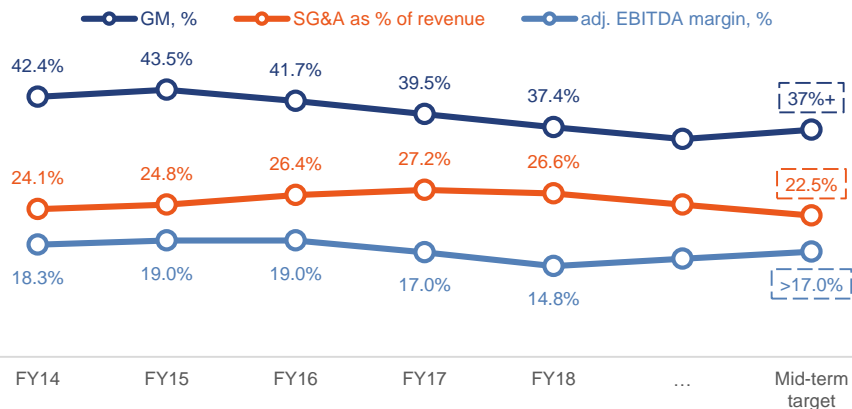
- ♦ TOP-1 concentration to reach 10% of revenue in the mid-term
- ♦ Financial Services less than 50%, Automotive – over 25%



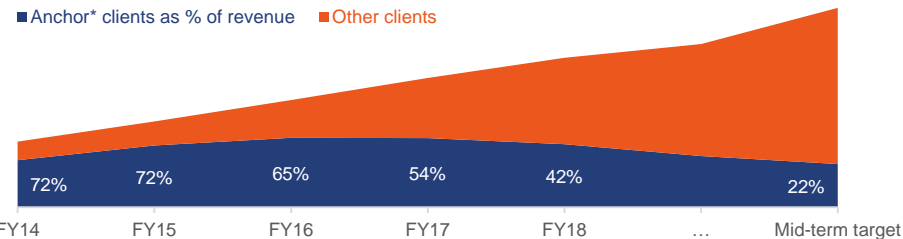
Margins History and Guidance

► Medium-term Gross Margin Target is 37% and EBITDA 17%

Gross Margin, EBITDA and SG&A dynamics



Anchor* clients % share



Note: * Anchor clients: DB, UBS, Harman, Avaya, Boeing

What affected Luxoft's margins in FY17 - FY18:

- ◆ Decreasing share of high-margin anchor clients from 72% in FY14 to 42% in FY18
- ◆ Growth of consulting business
- ◆ Continuing investments into other portfolio growth: Sales, R&D, Digital practices + M&A
- ◆ Utilization impact of DB

Why Gross Margin shall be stable:

- Non-anchor portfolio is achieving enough scale to compensate negative GM,% trend:
 - ◆ Scale of Automotive business brings higher margins
 - ◆ Investments represents less % of revenue
 - ◆ Portfolio rebalancing towards higher margin digital services
 - ◆ Utilization is back to normal

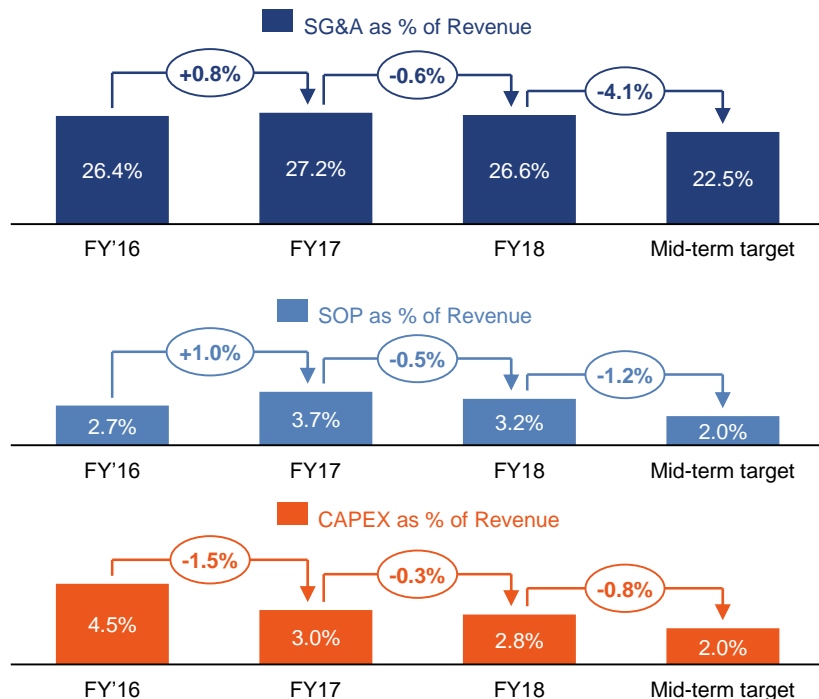
Why EBITDA margin will improve:

- All-company cost optimization program, affecting:
 - ◆ Back-office expenses
 - ◆ SOP
 - ◆ CAPEX

Actively Managing Costs to Drive Margin Improvement

► Luxoft focuses on the company-wide cost optimization program to support margin recovery

SG&A and other cost improvements in the mid-term



Cost optimization will be mainly driven by:

SG&A

- ◆ Implementation of business-centric approach for all core services
- ◆ Marketing & Sales functions transformation
- ◆ Reduction of non-billable staff share in total headcount
- ◆ Processes improvement and digitalization

SOP

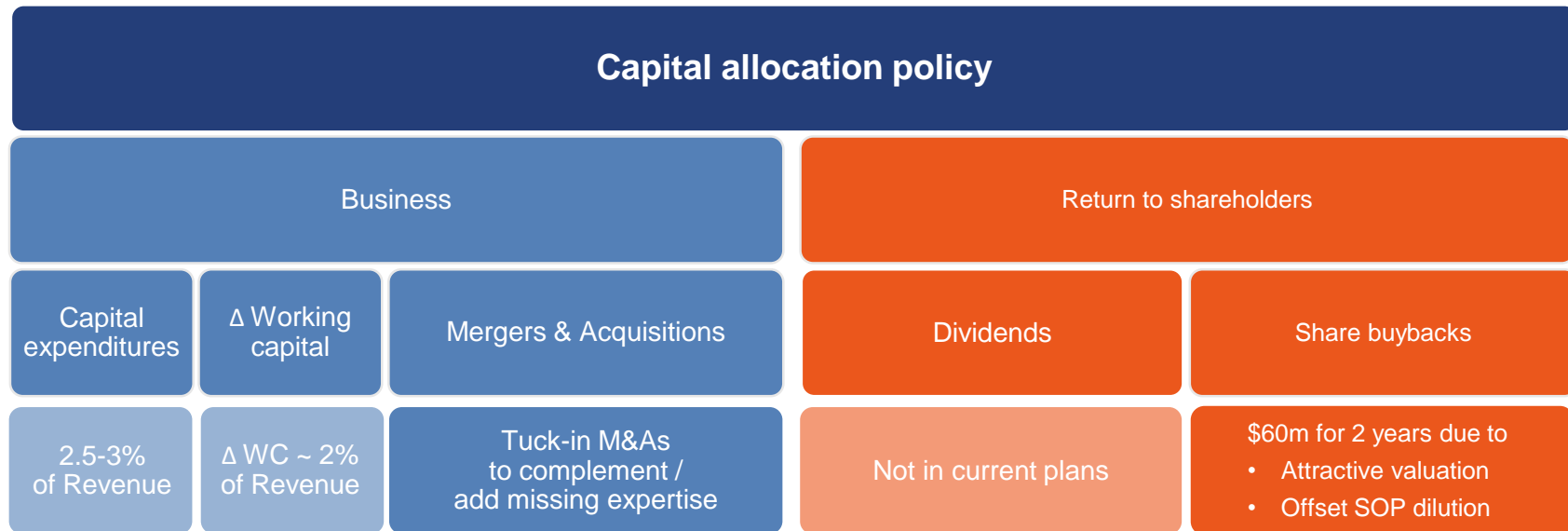
- ◆ SOP expenses are targeted at around FY18 levels in absolute terms leading to the decline as a percent of revenue

CAPEX

- ◆ Implementation of unified vendor policy
- ◆ Purchase process optimization using enhanced benchmarking

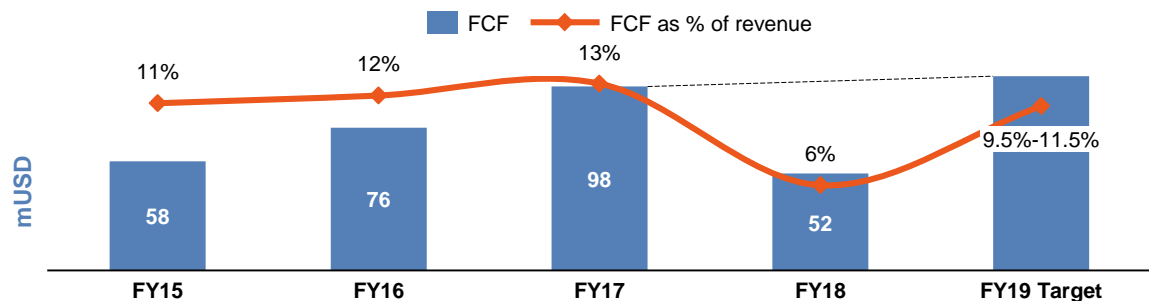
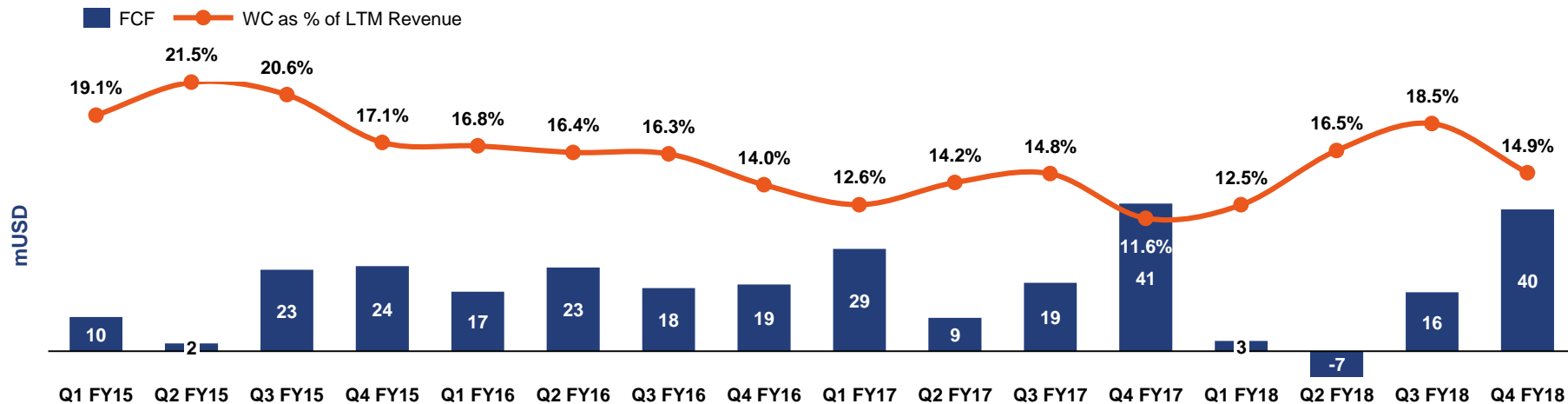
Luxoft's Capital Allocation Policy

- **Balanced approach to utilize free cash generated by business**



FCF and Working Capital

► Normalization of cash flows began in Q3-Q4 FY18 and will complete in FY19



FY19 DSO is targeted at FY17 levels (75 days or less on a quarterly basis)

Looking Ahead into FY2019 | Targeted Initiatives

- ◆ **Rebuilding investor confidence through:**
 - ◆ Consistent performance of three business units with accelerating organic growth rate
 - ◆ Continuing diversification of customer geographies and industries portfolio
 - ◆ Optimization of cost structure to drive margin improvement
 - ◆ Focus on FCF and working capital improvements
 - ◆ Returning cash to shareholders
 - ◆ Focus on EPS growth

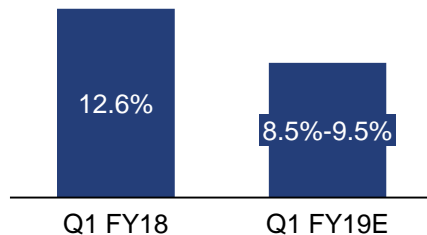
Taking right steps to maximize shareholder value

Appendix

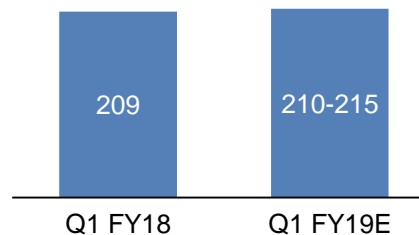
Q1 FY19 Guidance

► Margins are planned for sequential improvement after bottoming out in Q1 FY19

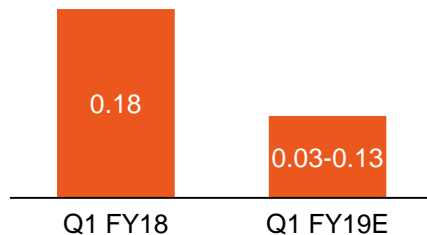
EBITDA adj.,%



Revenue, \$ mln



EPS GAAP, \$



FY19 focus on:

- Rebalancing of client portfolio, driving higher margin business
- All-company overhead costs optimization

Q&A

**BRIGHT MINDS
SHARP SOLUTIONS**



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