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# Genpact Ltd. (G)

Q4 2025 Earnings Call

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*President, Chief Executive Officer & Director, Genpact Ltd.*

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## OTHER PARTICIPANTS

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**David John Koning**

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**Maggie Nolan**

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day, ladies and gentlemen, and welcome to the 2025 Fourth Quarter Genpact Limited Earnings Conference Call. My name is Carmen, and I will be your conference moderator for today. At this time, all participants are in a listen-only mode. We will conduct a question-and-answer session towards the end of this conference call. As a reminder, this call is being recorded for replay purposes. The replay of the call will be archived and made available on the IR section of Genpact's website.

I would now like to turn the call over to Krista Bessinger, Head of Investor Relations at Genpact. Please proceed.

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**Krista Bessinger**

*Senior Vice President-Investor Relations, Genpact Ltd.*

Thank you, operator. Good afternoon, everyone, and welcome to Genpact's Q4 2025 earnings conference call. We hope you've had a chance to read our earnings press release posted on the Investor Relations section of our website, genpact.com. Today, we have with us BK Kalra, President and CEO; and Mike Weiner, Chief Financial Officer. BK will start with an overview of our results, and then Mike will cover our financial performance in greater detail before we take your questions.

Please note that during this call, we will make forward-looking statements, including statements about our business outlook, strategies, and long term goals. These comments are based on our plans, predictions and expectations as of today, which may change over time. Actual results could differ materially due to a number of important risks and uncertainties, including the risk factors in our 10-K and 10-Q filings with the SEC.

During this call, we will discuss certain non-GAAP financial measures. We have reconciled those to the most directly comparable GAAP financial measures in our earnings press release. These non-GAAP measures are not

intended to be a substitute for our GAAP results. More details on our constant currency growth rates can also be found in our earnings press release and fact sheet, which are posted to our Investor Relations website. And finally, this call in its entirety is being webcast from our Investor Relations website, and an audio replay and transcript will be available on our website in a few hours.

And with that, I'd like to turn it over to BK.

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## Balkrishan Kalra

*President, Chief Executive Officer & Director, Genpact Ltd.*

Thank you, Krista. Hello, everyone, and thank you for joining us today. We delivered a strong close to a record year for Genpact. Focused execution, accelerating innovation and broad-based demand drove \$5.08 billion in revenue, up 6.6% for 2025. Advanced Technology Solutions revenue grew 17% to \$1.2 billion, now accounting for 24% of our total revenue. We also delivered another year of healthy margin expansion.

Gross margin expanded 60 basis points and adjusted operating income margin improved 40 basis points, even with our significant investments for long-term growth. Adjusted diluted EPS increased 11% faster than revenue for the fifth year in a row. In 2025, we built a strong foundation to drive sustainable long term growth, with a deliberate focus on rapidly scaling data, AI, and domain-driven agentic solutions to reimagine how clients operate. The shape of our business is meaningfully changing as a result.

Our performance, pipeline and prospects are increasingly higher quality and strategically aligned with our prioritization of Advanced Technology Solutions and agentic-lead work. We delivered over \$5.5 billion in new bookings, with healthy growth in Advanced Technology Solutions, which now account for more than a third of total bookings. We won 16 large deals and continue to make progress with the next generation of market disruptors.

We are in a very strong position as we enter 2026. Demand is healthy and growing. Our inflows and pipelines are robust, and our backlog has never been higher as more clients see Genpact as a long term strategic partner to transform their mission-critical operations. 2025 was a year of intentional disruption and tremendous achievements. As I look back, I am most proud of what we have built, launched and scaled with our agentic solutions. We are fundamentally reshaping how businesses operate and we are doing so at speed.

Last February, we launched AP Capture, the first module in our accounts payable agentic suite, with AP Advance Trace and Assist made available at the end of June. While it is still early days, we have closed over \$200 million in total contract value just for our AP agentic solutions. Within that, over 40% of awarded contract value came from new clients. And for existing accounts that have rotated from FTE-led to agentic, both revenue and gross margin expansion are notably above what we reported at Investor Day in last June.

With AP Suite, we have built the playbook for delivering sustainable, expanding value for clients and for Genpact, and we are just getting started. Our strong product roadmap of multiple domain specific solutions like AP are clearly aligned to our areas of operational expertise. The Insurance Policy and record to report agentic suite that we announced late last year are just a couple of examples. We believe the most successful companies will be those that leverage AI to achieve higher levels of autonomy and redefine how they run their businesses.

Genpact is shifting the paradigm of how knowledge work gets done. We are pioneering a new operating model. We call it agentic operations. Agentic operations moves beyond automation through a collaborative model between agents and human experts through three main pillars. One, domain-specific agents that autonomously execute tasks and reimagine processes. Two, last-mile experts that validate exceptions, train and advance models and reinforce learnings. And three, clear roles, skills and governance underpinned by responsible AI.

Agentic operations moves from human-processed, human-validated to machine-processed, human-validated. As we enter 2026, a new Genpact is taking shape. We are setting the standard for AI-led transformation. We are uniquely positioned to help clients reimagine the most critical components of their journey, from fundamentally redesigning end-to-end processes, to building data and AI capabilities, to operating at scale through agentic collaboration. The opportunity ahead is significant.

AI is rapidly evolving from generating insights to executing actions, and CXOs face a clear business imperative: translate AI and agentic investments into measurable financial outcomes. In the US alone, the work of more than 70 million knowledge workers will be transformed by a seamless collaboration between AI agents and human expertise, and research indicates that enterprise app integration with domain-specialized agents that are built on last-mile expertise, will increasingly become the norm. It is clear, enterprise transformation demands a parallel focus on process re-engineering, data modernization, agile tech architecture with AI embedded at its core, and the discipline to unlearn legacy ways of working. This is exactly where Genpact shines and where we continue to differentiate.

Through our GenpactNext strategy, we are expanding our capabilities, clients, and catalysts to capitalize on this meaningful opportunity, and moving from meeting clients where they are, to getting clients where they want to be. Let me walk you through key highlights for each. First, our capabilities. Advanced Technology Solutions grew to \$1.2 billion, contributing more than half of total revenue growth in 2025.

Demand for our data and AI expertise is increasing rapidly, with our investments accelerating our ability to deliver. Our AI Gigafactory continues to scale. We now have more than 400 GenAI solutions in market, either deployed or going live, up nearly 3x from last year. And recently, we introduced AI Maestro, a software platform that helps AI builders and AI practitioners embed AI into last-mile business processes at a much faster pace.

Innovations like these are significantly increasing our opportunity set, with our data and AI pipeline up 50% year-over-year. Agentic has grown more rapidly than any other offering in Genpact's history. Our agentic solutions are clearly resonating, demonstrated by traction with new clients, as well as higher volumes and increased scope with our existing accounts. Core Business Services continue to grow, increasing 3.7% in 2025.

Clients look to us to run their mission-critical operations at scale and do the foundational work necessary for AI transformation later because they know there is no artificial intelligence without process intelligence. Our deep domain and industry experience reinforce our competitive position and amplify demand for our Advanced Technology Solutions, especially with large strategic engagements. Coming into 2026, we have been awarded more large deals than at the beginning of any prior fiscal year, further demonstrating how clients trust Genpact to drive real business outcomes.

Next, clients. Clients choose Genpact because of our ability to combine data, AI and agentic with nearly three decades of experience running core operations. Let me walk you through a couple of examples to illustrate. The first demonstrates how our core business services positions us to guide clients through their broader AI-led transformation. Humana is leading American health and well-being company, primarily focused on offering a wide range of healthcare services and insurance products.

They are longstanding digital operation client in finance and accounting. Recently, we expanded our partnership to support Humana's AI-enabled transformation across revenue cycle management, procurement and, of course, finance and accounting. We are leveraging our deep process intelligence and last-mile knowledge to drive efficiency and consistency through process redesign and operating model improvements.

Over time, we see the opportunity to support more advanced AI-enabled operating models, including agentic operations. This aligns directly with Humana's enterprise transformation and AI strategies and create a pathway for Genpact to become a key partner to Humana's future workforce.

The next example is Wesco, which shows just how quickly agentic operations can scale and generate meaningful outcomes. Wesco, another Fortune 500 company and leading provider of business-to-business distribution, logistics, services and supply chain solutions, has partnered with Genpact to reimagine their finance function, including an overhaul of their AP process. At our Investor Day in June, Wesco's CFO spoke about their comprehensive process and technology transformation.

We transitioned their entire AP and procurement organization onto a unified platform and automated their end-to-end process with pre-trained, outcome-oriented agents. Since June, we have made even more progress to drive better accuracy, faster cycle time, and an elevated supplier experience. Wesco has improved touchless processing of their 3 million invoices from 40% to 65%.

They have also now implemented AP Advance, with plans to implement AP Assist soon. HFS Research highlighted our work with Wesco as evidence that accounts payable is no longer just a back office function. Instead, it is becoming a front line for enterprise AI, providing a foundation for real-time visibility and agility across the finance enterprise. These are just a few of the success stories we have seen this past year.

And finally, catalysts. In 2025, partner-related revenue grew nearly 50% year-over-year. Partnering with companies like AWS, Microsoft, GCP, Databricks is accelerating our ability to drive AI-led transformation. We are embedding domain-led solutions into their tech stacks with joint go to market efforts and roadmaps, setting us up to rapidly scale our execution.

We also continue to invest aggressively in AI talent through both hiring technology experts and intentionally training and upskilling our teams. Now, with over 7,000 AI builders and nearly 20,000 AI practitioners, we are quickly building a future-ready workforce that can innovate, collaborate and drive impact at scale.

Looking ahead, 2026 will be a pivotal year for Genpact. Building on momentum of GenpactNext, we expect to deliver another year of strong, high-quality results. Revenue growth of at least 7% year-over-year will be powered by Advanced Technology Solutions growth in at least the high-teens.

We will continue to aggressively invest in our Advanced Technology Solutions, expanding product development across agentic, data and AI, and strengthening our sales and partnership ecosystem. Even with these significant investments, we are committed to again deliver healthy margin expansion. Finally, we expect to drive another year of double-digit adjusted EPs growth while continuing to return a significant portion of operating cash flows to our shareholders.

In closing, let me leave you with a quote from one of our recent tech hires that perfectly captures why we are so excited about this new era. Genpact offers an incredibly unique opportunity to help customers move past the era of AI novelties and into the era of last-mile agentic AI. Customers are realizing we can do what others can't. We bring technology and process into the same room, connecting deep functional and industry understanding, proprietary data, AI, and agentic systems to truly integrate AI and transform their businesses.

With that, let me turn the call over to Mike.

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## Michael Weiner

*Chief Financial Officer, Genpact Ltd.*

Good afternoon, everyone, and thank you for joining us today. We delivered a strong fourth quarter that exceeded our expectations, underscoring the progress we've made throughout the fiscal year. As we consistently execute across our businesses, momentum from GenpactNext strategy continues to build, demonstrating our strategic investments are paying off. In the fourth quarter, total revenue increased 5.6% to \$1.319 billion. Advanced Technology Solutions revenue, which includes data and AI, digital technologies, advisory and agentic, increased 15% to \$323 million, with particular strength in data and AI.

Our Advanced Technology Solutions continue to create incremental value for our clients and generating higher value revenue for Genpact, delivering more than 2 times the revenue per head count compared to the company average. This revenue is also growing more than 2 times faster than Genpact's overall revenue, with roughly 70% annuitized revenue and 70% from non-FTE models. Advanced Technology Solutions is high quality, sticky and, most importantly, strategically aligned to our future direction. Our rapid acceleration in agentic reflects the strong foundation and client trust we have built over years, as well as our leadership in advancing AI-led transformations.

As BK mentioned, we closed over \$200 million in agentic contracts across new and existing clients in 2025, with more than 40% of awarded contract value coming from new clients. Within existing AP clients rotating to agentic-led, we continue to see revenue and margin improvement driven by higher volumes, increased scope or both, demonstrating the expansive opportunity of our agentic investments.

Core Business Services, which includes Digital Operations, decision support services and technology services, grew 2.9% to \$996 million in the fourth quarter, reflecting continued client trust and demand for our domain and industry expertise. Growth in core was offset by softness in decision support services as we continue to work through our go-to-market approach. In the fourth quarter, Data Tech and AI revenue increased 7.4% to \$639 million, and Digital Operations increased 4% to \$681 million.

Non-FTE revenue, which captures our strategic shift to fixed fee consumption and outcome-based deals, represented 48% of fourth quarter revenue. At a segment level, high tech and manufacturing grew 9.9%, followed by financial services growth of 5% and consumer and healthcare revenue growth of 1.5%. Sales execution and demand remained strong as we continue to make progress with new and existing clients. Existing client relationships continue to grow, demonstrated by our improvements in our net revenue retention rate.

Our large deal momentum also continues. As noted earlier, in addition to the deals closed in the fourth quarter, we have a number of large deals awarded that we expect to close in the coming months, including some net new to Genpact. As a reminder, large deals are \$50 million or more in total contract value. And across clients and cohorts, we are seeing a growing mix of Advanced Technology Solutions pipeline and bookings.

Turning to profitability. Gross margin in the fourth quarter expanded by approximately 90 basis points to 36.6%. Over the past two years, our consistent track record of margin expansion reflects our disciplined approach to driving operational efficiencies as well as an increasing contribution from our high-value Advanced Technology Solutions. SG&A expense as a percentage of revenue was 20.3%. Adjusted operating income was \$232 million, with adjusted operating income margin of 17.6% as we continue to self-fund our strategic investments.

Our effective tax rate in the fourth quarter was 24.2%, an increase from our prior-year rate that was favorably impacted by a non-recurring discrete item. Our full-year effective tax rate was 24.3%. Net income for the fourth quarter was \$143 million, and diluted EPs was \$0.81. Adjusted diluted EPS increased 6.6% to \$0.97, faster than revenue growth for yet another quarter. We ended the fourth quarter with \$854 million in cash and cash

equivalents, up \$207 million from a year ago. This quarter, we returned \$129 million to shareholders through \$100 million in share repurchases and \$29 million in dividends.

Turning to the full year. We delivered \$5.08 billion in revenue, up 6.6% year-over-year. Advanced Technology Solutions increased 17% to \$1.204 billion, and Core Business Services revenue grew 3.7% to \$3.876 billion. Data Tech and AI increased 9.3% to \$2.442 billion, and Digital Operations increased 4.1% to \$2.638 billion. In 2025, we drove another 60 basis points of gross margin expansion to 36% through rigorous operational discipline and our strategic focus on driving higher value revenue streams.

SG&A expenses as a percentage of total revenue was 20.3%, consistent with last year. We remain disciplined in managing costs by prioritizing strategic investments. Adjusted operating income grew 9.1% to \$888 million, with adjusted operating income margin expanding 40 basis points year-over-year to 17.5%. Net income grew to \$552 million. Adjusted diluted EPs increased 11.3% to \$3.65, reaching a record high, growing faster than revenue for the fifth consecutive year.

For 2025, we generated operating cash flow of \$813 million, including \$170 million from a client prepayment in the third and fourth quarters. Excluding this impact, cash flow from operations increased 5% year-over-year. Finally, we returned \$401 million to the shareholders through \$283 million in share repurchases and \$118 million in dividends.

Turning to our outlook, which assumes the operating environment will remain relatively consistent. Our strong execution, significant backlog, and rapidly accelerating demand for Advanced Technology Solutions put us in a very strong position entering the year. As a result, we expect to deliver at least 7% growth for 2026 on an as-reported basis. This guide reflects committed revenue in line with historical ranges.

In Advanced Technology Solutions, we expect revenue to grow at least high-teens for the full year, driven by ongoing demand for data and AI, as well as strengthening partnerships and continued momentum with agentic. In Core Business Services, we expect growth to continue, even as we help clients accelerate their AI-led transformations through agentic operations and we increase our focus on driving sustainable growth through advanced technology innovations.

Full year gross margin is expected to further expand by 50 basis points to 36.5%. Adjusted operating income margin is expected to increase 25 basis points to 17.7%, reflecting our continued commitment to self-fund investments for growth. As a result, we expect adjusted diluted EPS to grow approximately 10%, again, faster than revenue.

Regarding our capital allocation strategy, we continue to take a balanced and disciplined approach. We aim to return approximately 50% to shareholders through share repurchases and dividends while maintaining flexibility for strategic investments. As a result, our Board of Directors has approved a 10% increase in our regular quarterly dividend to \$0.1875 per quarter and \$0.75 on an annual basis.

Turning to the first quarter on an as-reported basis. We expect to deliver total revenue between \$1.282 billion and \$1.294 billion, or 6% growth at the midpoint. We expect Advanced Technology Solutions to accelerate from the fourth quarter to high-teens growth year-over-year, and we expect continued growth in Core Business Services. We expect gross margins to expand to 36.3% and adjusted operating income margin to increase to 17.3%. Finally, we expect adjusted diluted EPS of \$0.92 to \$0.93 for the first quarter.

In closing, the unique combination of our last-mile expertise with advanced technology capabilities, allows us to define how enterprises will operate in the future. With our GenpactNext strategy, we're innovating at scale to accelerate high-quality revenue growth and consistently expanding margins, all while further amplifying our differentiated position in the market.

We remain committed to investing aggressively against the most strategic areas of our business to drive sustainable growth and improvements in our margin profile, with long-term partnerships that support improved economics for both Genpact and our clients. All this allows us to continue to grow adjusted diluted EPS double digits, while driving long-term value creation.

With that said, let me turn the call back over to BK.

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## Balkrishan Kalra

*President, Chief Executive Officer & Director, Genpact Ltd.*

Before turning to Q&A, I want to extend my thanks to an incredible leader. Krista Bessinger is transitioning to her new role at Genpact in 2026. Krista, you have made significant impact here at Genpact. Thank you. Thank you for your partnership and I look forward to working with you in your new advisory role.

With that, I also want to welcome Kyle Vikstrom as our Head of Investor Relations and the newest member of our Genpact Leadership Council. Kyle joined us from Microsoft last spring with over 20 years of experience in various finance roles in technology. We are very excited to have her on board.

And now, let me hand it over for Q&A.

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## QUESTION AND ANSWER SECTION

**Operator:** Thank you so much. [Operator Instructions] Our first question comes from the line of Bryan Bergin with TD Cowen. Please proceed.

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### Bryan C. Bergin

*Analyst, TD Cowen*

Q

Hi, guys. Good afternoon. Thank you. Maybe just given the material pressure on the sector from announcements from Anthropic and others, maybe we just start off with whether anything has changed for you on the ground in contracting conversations, whether you see any instances of clients seeking to try to do more themselves. I guess, I'm curious where do you see hype in the market being just that versus where there may be some validity to the risks that some of the traditional models face.

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### Balkrishan Kalra

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Sure, Bryan. Thanks. Let me take that. Look, I would say that we are incredibly excited with what's happening in the Silicon Valley, and because it is accelerating our pivot, it is helping us drive outcomes for our clients faster. And whenever any of these tech shifts happen, it's always nuanced as to how it will apply to various different companies. And we clearly see this as a tailwind for us. We see that in our pipeline. We see that in our conversations.

And if I just step back and maybe this is oversimplifying, Bryan, I see this as two main AI focus areas. One is, let's say, research AI and the other one is task-oriented AI. What you are probably referring to is more – what is getting more attention these days in research AI, which is helping us accelerate our work. Where we come in is more in task-oriented AI, and that's where we are building this agentic operations, where we execute specific tasks within our process and making sure we are bringing in AI into the entire system of work, looking at the data, looking at the context in this complex end-to-end business processes which are unique to every industry.

So fundamentally, if I see it from the operator lens as we speak to many Fortune 500 companies, not just the frontier AI companies, we see our relevance increase and we are seeing that again, how our agentic operations is taken up, how data and AI is taken up. And what I would say is we are only seeing our pivot accelerate and only excited with this.

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**Bryan C. Bergin**

*Analyst, TD Cowen*

Q

Okay. Understood. And my follow up will be on ATS. They had nice solid growth here again in fourth quarter, 15%. Now, you're calling for an acceleration off of that level. So, I want to test just the factors driving that confidence. I heard plenty of activity in your prepared script. Can you just give us a sense of maybe ATS bookings growth, and is there an acceleration of work that's coming out of CBS and into ATS, anything that's kind of mechanically migrating between the two? Thanks.

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**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

I'll answer it in two parts. And, Mike, feel free to give your color. Point number one, I think we are beginning to see – getting into a lot more conversations where we were originally not invited to. And I often have said that we are meeting where clients are. And increasingly, we see that we can take them to where they want to be in a much faster manner. So we are – be it in large deals or mega deals, we have begun to see into the conversation where we were earlier not invited and that we see in our pipelines.

Second, I think just from a Core Business Services standpoint, we continue to see a very, very healthy demand because that's where we see last-mile advantage, that's where we have done mission-critical operations at scale, and that's where we understand the complexities and bring the process and technology conversation in one go. And fundamentally, what we have seen, just agentic contracts grow, including with new clients, 40% of the booking coming in from new clients, so there's contract value. We are really excited. And even for the rotation, we see incremental revenue growth and gross margin growth.

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**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

A

Yeah. So if I may just double click on that for a quick second. So just – if you really want to just think about it from that perspective in the sense of how do we view ourselves in terms of ATS growth at the rate that we're projecting in the high-teens for 2026, it's really driven by the two things BK alluded to. First, momentum we've seen in the agentic ramp-up has been notable, right?

We put forth – we had a TCV of approximately \$200 million in bookings where we ended the year. And that's going to accelerate more as we rollout additional agentic-related solutions. That'll help pivot some of the revenue from the Core Business Services. And a few comments on that. As we talked about in our prepared remarks, the quality and sustainability of that revenue is incredibly important to us. It's highly sticky and continues to grow at a measured pace. It's recurring annual revenue if you want to think about it from that perspective.

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Look, I think maybe what I'm really excited about is how the shape of our business is changing and the pace at which it is changing. And more than a third of the bookings is Advanced Technology Solutions and majority of deals that – in agenting are obviously non-FTE but driving consistent recurring annual revenue stream. So new commercial model is taking hold in a significant way.

**Bryan C. Bergin**

*Analyst, TD Cowen*

Q

Okay. Understood. Thank you.

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Thanks.

**Operator:** Thank you. One moment for our next question. It comes from the line of Maggie Nolan with William Blair. Please proceed.

**Maggie Nolan**

*Analyst, William Blair & Co. LLC*

Q

Hi. Thank you. You mentioned I think 40% of your TCV for the AP suite was new clients. I think that number was maybe closer to 30% last quarter. Are there patterns in who is adopting this? Are they different than the typical clients that would have engaged with Genpact or BPO in general in the past? And then can you give us some data on how you're thinking about addressable market growth as you roll out these solutions?

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Thanks, Maggie. Look, I think it clearly points to significantly expanding our total addressable market. And as I've said that we haven't seen take off of any solution in Genpact history at the pace that we are seeing this. And many of these new clients are obviously net new to Genpact, but a number of them are also existing clients who are not using finance, but they have now begun to use our finance stack. So, fundamentally, it is the enterprise client. It is mid-market clients. It is our existing clients who are not using finance – using us for finance. So combination of all of that is really enhancing. And this is also in many ways getting us into the core foundational work that we need to do for many of these clients.

**Maggie Nolan**

*Analyst, William Blair & Co. LLC*

Q

Okay. Thank you. And then have you noticed any improvements in the sales cycle or ramp times in the last 90 days or so, particularly in large deals? And I'm curious what's contemplated in the full-year guidance with respect to those variables. And you sort of alluded to large deals in January being quite strong. Are those baked into the guide?

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Look, I think large deals have their character. Some move at a very accelerated pace and some take much longer. And especially as we bring more technology and process and data and all of these skills together, especially for larger awards, it doesn't move in 90-day increments. But really thrilled with the number of these conversations. The pipeline across cohorts, including large deals, is at record levels.

**Maggie Nolan**

*Analyst, William Blair & Co. LLC*

Thank you.

Q

**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

May I just quickly add on to that, BK. So Maggie, thanks for the question. Let me just bring this up a little. We're really confident in our guide at 7% from a full year basis, right? So we look at everything that look at all deals. We probability weight them as we move forward and – in our business. But a few things I want to just quickly talk about when we think about the 7% number for us. We look at it in absolute dollar perspective, right?

A

So we grew last year a little over 6.5% and roughly the same number a year ago. So it's not a Herculean effort for us to grow at that rate for next year. But I'd also like to just point out that our committed revenue is in line with historical averages, which is about 75-ish percent, right? And again, this is all built off of a significant backlog, which is at record levels, which takes into account 2025 bookings as well as an exceptionally strong 2023 and 2024. So we feel really good about that on a go forward basis. And specifically regarding your question on is all deals are probability weighted into how we look at the guide on a prospective basis.

**Maggie Nolan**

*Analyst, William Blair & Co. LLC*

Thank you. Congrats.

Q

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

Thank you.

A

**Operator:** Thank you. Our next question comes from the line of Surinder Thind with Jefferies. Please proceed.

**Surinder Thind**

*Analyst, Jefferies LLC*

Thank you. I'd like to touch base on the margins, starting with the gross margins and the expectations of 50 basis points of expansion. Can you walk me through the levers that you're using there? And then what is the potential to kind of continue that trajectory as we look further out into 2027 and 2028?

Q

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

Maybe I'll start. And, Mike, feel free to comment on it. Look, fundamentally, it is shift to Advanced Technology Solutions, which is giving a higher value to our clients, and it is a higher value revenue for Genpact. And we've been talking about it for a bit, and now I think it is – it is picking up the momentum. We see that come through, apart from the disciplined operational capabilities that we are driving, but it is more from Advanced Technology Solutions.

A

And I'll not like to opine on what will happen in 2027, 2028. But fundamentally, our trajectory is clear, as we have demonstrated, Surinder, over the last couple of years and increased the margin by 90 bps or 100 bps over the last two years. And we are very clear that it will certainly grow further in this year as we have guided the Street.

**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

A

Yeah. Two just quick add-ons to that, Surinder. So when – as BK alluded to, right, the increased mix from ATS, right, particularly that we see these non-FTE commercial models really support our margin in that business. In addition to it, if you think of our margin in totality or the AOI margin we lay out, and remember that grew 40 basis points year-over-year, that is net of significant investments we've made in our organization. So we feel very good about our margin trajectory on a go-forward basis.

**Surinder Thind**

*Analyst, Jefferies LLC*

Q

That's helpful. And I guess as a point of clarification, what I was trying to tease out here is this idea that is this predominantly a mix shift benefit that you're receiving, or is there other benefits that you can get from – just from the delivery footprint and the AI advances that we're seeing? I was just trying to understand that component here.

**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

A

Yeah. So correct. So the mix shift component, in the nature of the work we do in ATS, we just alluded to, is one component of it. But if you're thinking about it from a client zero perspective, which is how we think about our organization and using AI and everything and how we're training our internal organization, yeah, that's helped perpetuate the growth and the efficiencies that we're seeing in our own business.

Remember, we come to the term client zero because we're embedding technologies in everything that we do, right? I disproportionately focus on functional areas. And I've seen that technology pay off, right? And we're using some of that benefit to invest in the future of our organization. So I think it's both things. I think you're correct.

**Surinder Thind**

*Analyst, Jefferies LLC*

Q

That's helpful. And then following up on the comment about this is all net of – you're making a lot of investments. And so, obviously, you're still seeing some good adjusted operating income margin expansion. You kind of used the terminology that you're investing aggressively in strategic areas.

Can you elaborate on that in the sense of can you do more? And is it – how do you balance the level that you want here? Because when we look at other – I'll use the extreme example, is just, the hyperscalers. Their CapEx spend this year is coming in much, much higher than anybody's anticipating. So it always seems like there's the ability to invest more. How are you drawing that line?

**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

A

So, I'll kick it off and hand it over. So remember, what we're doing, there's a tremendous amount of CapEx associated when we talk about investments in totality, right? We do want a very disciplined process in the organization, right? We look at the ROIs and the strategic implications of every one of the investments that we do, right? Is there always a greater ask that we're willing to do?

We evaluate that on a quarterly basis and we do it in a very disciplined fashion, right? But what I will say is from an investment perspective and things like partnerships, which we've called out in quarters past to training, we are not pulling back from that by any stretch. We're investing quite a bit of the operating leverage of the business in the future strategic investments and a whole course of things.

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**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

And I think there are clear areas of our investments, Surinder, that we have laid out. Partnerships we have laid out, we continue to invest more and more in that. We have laid out in building the talent. We are increasing that more and more. I talked about agentic ops and so on, so forth. This is all the product investments and the engineering investments that we have done; sales investments and the front end investments we are doing.

So, we are changing the business. That's what I mentioned. The shape of the business is changing very fast. And may I say, we are no longer the company that we were two years ago, and really proud as to the speed and pace at which we are moving.

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**Surinder Thind**

*Analyst, Jefferies LLC*

Q

Thank you.

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**Operator:** Thank you. One moment for our next question, please. And it comes from David Koning with Baird. Please proceed.

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**David John Koning**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah. Hey, guys. Great job. I guess, my first question is really on pricing. And our clients, it seems like coming to you at an increasing pace, that's great. Are they coming with greater expectations of the ability to drive more efficiencies? Are you having to change dynamics like faster kind of efficiency gains in their contracts or anything changing in the dynamics of the backdrop?

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**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Maybe I'll take first and feel free to opine, overall, Mike. Look, fundamentally, how I'll think about it is yes, aspirations are high. Overall aspiration of whatever everybody is reading and therefore what can happen in their businesses is high. And so is true in pricing as well. But what we are able to – so I'll say it in two parts. First thing is think of it as simple as P times Q. I mean, P times Q, yes, we are giving in more productivity to our clients, but our costs are offsetting at a much faster pace and that's what you see in gross margin.

And as far as our top line is concerned, we are getting a bigger share or more scope that – for the same body of work we are able to – that's what we reported that in agentic, our revenue growth is much higher than what we reported in June. So I think there is – that's why we are saying that we are creating higher value solutions for our clients and we are gaining in the process. The second piece I'll also say is, how we are working with our partners and leveraging partner ecosystem as well as embedding solutions at the last-mile. And they are repeatable in nature and, therefore, I think we are gaining as a leverage point there as well. Mike?

**Michael Weiner**

*Chief Financial Officer, Genpact Ltd.*

A

Yeah. The way I think about it is it just – I look at our gross margins, right? And I look at the gross margin expansion that we have and the gross margin expansion that we're guiding for, right? I think that's really the best measure on how we're doing this, right? So, yes, as BK alluded to in the beginning of his comments, there's always productivity asks, right? We've seen nothing dramatically change from the past, but it's always been there and it's not going to go away. And I think our ability to navigate through that thus far and what we're projecting has been quite impressive.

**David John Koning**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah. For sure.

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

...the way structures are taking hold, so that's giving us more leverage.

**David John Koning**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah. Okay. And that's great. I guess in a follow-up question, when a company – let's say they're brand new to outsourcing, they haven't thought of AI too much yet, they're on the forefront of thinking about it. Who do they first turn to? Is it you guys? Is it one of the bigger tech companies? Like, are you at the kind of the tip of the spear like Genpact are first called to like start this all out or who do they go to?

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Look, I think this is what I was referring in one of my earlier comments that over the last year or so, we have begun to see and sit on the table where we were usually not invited because we are bringing the process, technology, data, and how to run mission-critical operations at scale, all in one dialogue, all in one conversation. And that is really accelerating our pipeline.

And you see the progress thereof. And we are talking about Advanced Technology Solutions growing 17%. And we are saying for next year, our view is it'll grow on top of 17% this year, another 17% at least. So we see that in our pipeline. We see that in our momentum. And, yes, I think we are getting invited where we were not earlier invited. So feel really thrilled about that.

**David John Koning**

*Analyst, Robert W. Baird & Co., Inc.*

Q

Yeah. All right. Thanks. Nice job.

**Operator:** Thank you. Our next question comes from the line of Puneet Jain with JPMorgan. Please proceed.

**Puneet Jain**

*Analyst, JPMorgan Securities LLC*

Q

Hey. Thanks for taking my question. I wanted to follow up on agentic solutions when you offer like agentic operations or AP solutions. Who's the decision maker within client organizations? Is it like the business managers or the CIO office? Who's driving the charge towards embracing agentic AI within your clients?

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Yeah. Look, I think it is always a combination of both. When we were just talking about running mission-critical operation, obviously the business voice is much bigger. But fundamentally now as you need to intersect and need to weave in all of these agents into their complex system roadmap, clearly their CIO or CDIO, they are integral part of the equation.

And therefore, that's the other piece where we are getting invited. When a CIO, CDIO looks at how we are thinking about agentic operations, how agents combined with human expertise, how overall underpinned with responsible AI governance, our all of the framework, we are getting invited in more and more dialogues.

**Puneet Jain**

*Analyst, JPMorgan Securities LLC*

Q

And then on the last deals that you have closed this year, what's driving that increase or the trend? Like, are these like deals typically re-badging comp, like do these deals have rebadging components, meaning that they are coming from clients in-house operations? Are these AI-led deals? What type of work you are – you typically see in those deals?

**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Look, operations and, maybe you're referring to talent transfer and others, has been integral part of our model. And there is nothing special about that. Clearly, what is special that a lot more of our clients have begun to see that bringing – we've been running these mission critical operations.

Sometimes they are running themselves. But how we are bringing agentic operations in those mission-critical operations, therefore, some of those demand spigots are opening up more. And we are getting invited into even GCC conversations that, hey, why don't you take up the center and run it for us because that's not what their expertise is in there. That expertise has begun to shine more and more.

**Puneet Jain**

*Analyst, JPMorgan Securities LLC*

Q

Got it. Thank you.

**Operator:** Thank you. And our last question will come from the line of Bradley Clark with BMO Capital Markets. Please proceed.

**Bradley Clark**

*Analyst, BMO Capital Markets Corp.*

Q

Hey. Thanks. Just one for me. I think it's clear that trend with your business are strong right now, and in the BPO industry with really strong pipeline, expect an acceleration in ATS. And I guess I want to shift focus to like long-term durability, like the demand of customers needing help implementing a lot of different solutions, including your own solutions, like your AP solution, into these processes that had previously done mostly manual labor.

And I guess, we want to understand, like what's the tale of these types of projects or services for clients? I mean like once you help them implement the solution, whether it be your AP agentic solution or a third party agentic solution, how did growth come after that?

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**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

A

Yeah. Look, I think these are – what I'm talking is more from an operator lens, what we see every single day. And fundamentally it is – when I'm talking about AP agentic solution or, for that matter, record to report or insurance, these are just very initial solutions that are taking hold. And please understand each of these solutions are building recurring annual revenues for Genpact. And that's what the commercial model is. And these are clearly, as we see it, shaping the business in a very significantly different way.

And like I mentioned in my previous comment, more and more of our clients, especially mega deals, they have begun to see that the benefit of agentic operations, especially running finance, supply chain, some mid-offices, claims operation, underwriting operations, banking operations, it is how we bring in agents with human expertise in a responsible AI framework so that they get enabled at the front end, they can gain market share and they can focus where they need to focus. So we really see this as a long-term change that is building a long-term business for us in a meaningful way.

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**Bradley Clark**

*Analyst, BMO Capital Markets Corp.*

Q

Thank you.

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**Operator:** Thank you so much. And this will end our Q&A session. I will pass it back to management for final comments.

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**Balkrishan Kalra**

*President, Chief Executive Officer & Director, Genpact Ltd.*

Thank you. Thank you, Carmen. Look, I just want to take the opportunity and thank all of the employees across the globe who make what Genpact is becoming possible. So my deepest thanks to all of them, and most importantly to our clients who are choosing Genpact, and also to our shareholders for their ongoing support. 2025 was an incredible year, set us up for even better, credible year in 2026 and beyond, and look forward to showing you more and more of that. And I really do want to thank you all. Thank you.

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**Operator:** This concludes our conference. Thank you for participating. You may now disconnect.

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