ExlService

NASDAQ: EXLS · DATA ANALYTICS & DIGITAL OPERATIONS

EXCEPTIONAL 5/5 SERIES CANDIDATE

SECTOR	INDUSTRY	HQ	MARKET CAP
Technology	IT Services	New York, NY	$5.3bn

THE ONE-MINUTE VERSION

ExlService runs the data work and back-office operations that insurers and healthcare payers depend on but do not want to run themselves — claims processing, underwriting support, policy servicing, and the analytics layered on top of all of it.

WHAT IS IT?

ExlService runs the data work and back-office operations that insurers and healthcare payers depend on but would rather not run themselves: claims processing, underwriting support, policy servicing, premium audit, and the analytics built on top of that data.

HOW IT CREATES VALUE

It gets paid to run a process, and then paid again for knowing more about that process than the client does. The analytics are worth more where they sit on operations the same company already runs.

THE MOAT

Being inside the process. Once a company runs its claims or policy operations through a provider, moving them means re-engineering a live regulated workflow — expensive, risky, and rarely worth it for a marginal price difference.

THE TREND SHAPING ITS MARKET

Insurers and healthcare payers hold enormous quantities of data and comparatively little capacity to use it. **Every process that moves from manual handling to an analytics-driven one is work that moves to a specialist**, and few of them want to build that capability in-house.

THE STRUCTURAL BOTTLENECK

Not technology — **domain knowledge and trust**. Handling claims and policy data means regulated data and real consequences for getting it wrong, so a client is buying a track record as much as a capability.

THE COMPETITION — THE HONEST BIT

Accenture, Cognizant and Genpact all compete for the same budgets, and several are far larger. **EXL's answer is depth in insurance and healthcare rather than breadth** — which is a real position, but a narrower one, and it concentrates the business in two end markets.

THE FIVE STRUCTURAL TESTS — EVERY COMPANY, THE SAME FIVE

COMPOUNDING	EARNINGS QLTY	BALANCE SHEET	CAPITAL ALLOC.	PER-SHARE VAL.
PASS	PASS	PASS	PASS	PASS

TRAJECTORY · IMPROVING ↑ EPS grew 27.3% over the latest reported year, against 10.0% the year before. The rate of growth is rising, not just the earnings.

THE COMPOUNDING RECORD — SAME FIVE METRICS FOR EVERY COMPANY IN THE SERIES

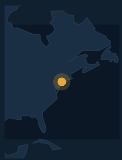
EPS CAGR, 11 YRS	YEARLY COMPARISONS UP	WORST EARNINGS DRAWDOWN	NET MARGIN	NET DEBT / EQUITY
17.3%	100%	6%	12.0%	0.44×

The Exceptional Company Series is where The Conviction Play profiles the small number of businesses whose economics we judge genuinely exceptional — companies that pass all five of our structural tests and have compounded earnings through a full cycle. The premise is simple: **conviction is built on business quality and an enduring competitive advantage**, not on a price forecast. We publish what the moat is, how it is defended, and what would change our mind — dated. What we never publish is a price target.

— EXPLORE	— ARCHIVE	— SUBSCRIBE
The seven forces & twenty-two themes	Every company profile to date	convictionplay.substack.com

Not a buy signal — exceptional can also be expensive, and capital is at risk. What this is and what it is not, overleaf.

HEAD OFFICE

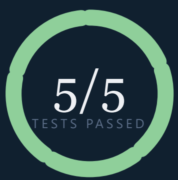


New York City, New York, United States

Technology · IT Services

ROIC	17.9%
REVENUE GROWTH	+13.6%
EPS GROWTH	+27.3%
INTEREST COVER	17.8×
FINANCIAL STRENGTH	5 / 5
WEBSITE	www.exlservice.com

THE CONVICTION WHEEL



COMPOUNDING
Revenue +13.6%, EPS +27.3%

EARNINGS QLTY
FCF/NI 119%

BALANCE SHEET
Interest covered 17.8x

CAPITAL ALLOC.
17.9% return on capital

PER-SHARE VAL.
FCF/share +36.8%/yr, 3y

PEER GROUP — ANALYTICS AND DIGITAL OPERATIONS

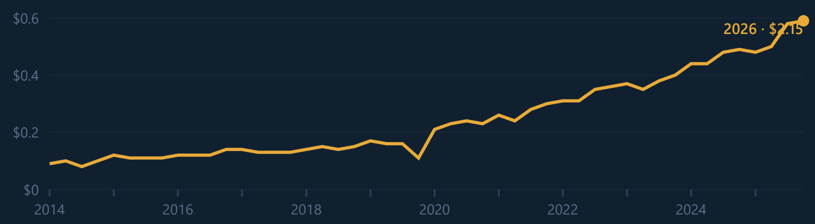
EXLS · profiled | ACN Accenture | G Genpact | CTSH Cognizant

WHY THE ECONOMICS ARE EXCEPTIONAL

Share price, 5 years of monthly closes — shorter than the earnings chart below (our price history only reaches back 5 years; the EPS record below covers the full twelve).

Not a valuation. Marker = date profiled. Refreshes quarterly.

Trailing twelve-month EPS, twelve years of quarterly data. **In every one of the last 11 years, this line went up.**



Weakest point: 2020, 6% off the prior peak.

WHAT THIS IS, AND WHAT IT IS NOT

An assessment of business quality — how durable the economics are, and how consistently they have become earnings. Produced by Legend, our rules-based framework, applied identically to every company.

Not a buy signal. Not a valuation, price target, forecast or recommendation, and no view on the share price. Exceptional can also be expensive: this company fell 30% from its December 2022 high and took 22 months to regain that price, while its earnings kept rising. Capital is at risk.

WHERE TO READ MORE — NOT BY US

Mauboussin, *Measuring the Moat* (Morgan Stanley) — how to judge a competitive advantage rather than assert one. Free. · **Thorndike, *The Outsiders*** — capital allocation as the job. · **Berkshire shareholder letters** — free at berkshirehathaway.com.

Company facts and financial data: Legend, from company filings and market data, as at 01 September 2026. Structural assessment computed by Legend from reported earnings history. **A point-in-time snapshot** — recalculated as companies report, and it can change on any earnings release. Nothing here updates itself. Full method at theconvictionplay.com/exceptional.

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