



Letter to Shareholders Q2 2025

Martin Migoya, Co-founder & CEO

August 14th, 2025

Good afternoon everyone,

It's always a pleasure to connect and share how we're continuing to evolve and improve. For us, innovation and reinvention aren't occasional events — they're part of our DNA. And right now, we're building on that tradition with a clear and steady focus on the future.

In the second quarter, we delivered revenue of \$614.2 million, representing 4.5% year-over-year growth.

Our pipeline is at an all-time high — \$3.7 billion — up 25% from last year. Although the macro environment has extended sales cycles our teams are laser-focused on converting this pipeline into signed work in the coming quarters with large potential deals in Healthcare, Financial Services, CPG and Gaming among others. These large engagements, many already in advanced stages, position us well for conversion in the coming months, reinforcing our focus on high-value clients with strategic impact.

Internally, we're fine-tuning the organization to be not only more efficient and profitable, but also more nimble and better aligned with the needs of the next generation of business models. **Our aim is to ensure Globant is structurally agile and positioned to compete and win in an evolving landscape, while continuing to deliver stronger results for our shareholders.**

Globant's AI Pods, which I introduced last quarter, are the virtual teams for the digital workforce. They are powered by agentic AI and orchestrated by our experts. The way companies access our AI Pods is unique in the industry — through our monthly subscription model. It is a consumption-based, outcome-aligned pricing that provides guaranteed time and cost savings, shifting the value proposition to concrete results. **After just one quarter, we already have 18 clients who have chosen this new model, and our subscription model accounts for a significant portion of our recent pipeline growth.** We look forward to expanding this in the future.

The AI world is moving at incredible speed, and there are two major races going on. The first is over who builds the best foundational models or agents—OpenAI, Anthropic, Meta, xAI, and other contenders. Every week, new models, frameworks, and tools emerge. But this is not our race.

The second, is about who applies AI better, faster, and with greater ROI on specific business cases for every company in each industry.

For companies, the expansion of all these new foundational models presents an immense opportunity — but also a challenge of determining the right combination of models, tools, and approaches for their specific needs, while managing data privacy and compliance. It's more like entering a dense and constantly changing forest, where familiar paths disappear and new ones open overnight. In that environment, you need not just a map, but an experienced guide who knows how to adapt the route as the terrain shifts. At Globant, we take on that role, helping our clients find the safest and most effective path forward. **We remain 100% client-centric, while leveraging our deep partnerships with all major AI leaders to ensure our clients get the best of each ecosystem.** This means we can select — or combine — the most advanced models and capabilities available in the market, integrating them in ways that are tailored to each unique task and business context.

Globant Enterprise AI is the toolkit we bring into that complex forest. It is the golden path for Generative AI adoption and impact. Offering seamless access to all major LLMs, it provides traceability, auditability, and granular

access and cost control. It includes a library of hundreds of industry-tailored, plug-and-play business processes and a state-of-the-art Retrieval-Augmented Generation pipeline optimized for proprietary corporate data, delivering faster, more relevant, and contextually precise insights. **Enterprise AI integrates with major enterprise platforms (SAP, Salesforce, ServiceNow, Oracle, Workday, etc.), manages AI-driven workflows across departments, connects human teams with intelligent agents, and is fully compatible with A2A protocols and MCP servers.** The platform uses a token-based execution model that aligns AI usage to measurable business value. We launched the 2.0 version of GEAI.

When you combine that with the industry-specific expertise of our **AI Studios**, you get a fully integrated engine for transformation across the entire AI value chain. We go beyond offering AI services — we architect and connect every layer of the AI stack, then deliver it as a scalable, subscription-first solution. **Our AI Studios continue to drive deeper engagement with major global clients, unlocking cross-selling opportunities and deploying specialized talent from across our global network, unrestricted by regional boundaries.**

Part of growing is partnering with the best. A couple of weeks ago, we announced a multi-year collaboration with OpenAI as one of their few global services partners. By combining their world-class models with our engineering capabilities, we're delivering secure, responsible, and scalable AI adoption worldwide. We're already integrating GPT-5 across all layers of our Enterprise AI platform and embedding it into our AI Pods processes.

Along a similar line, days ago, we took a big step forward by becoming one of the few global partners to sign a Strategic Collaboration Agreement with Amazon Web Services.

We've teamed up with LA LIGA, Spain's premier football league, on a multi-year transformation program through Sportian, our sports-tech joint venture. This is not just a technology project — it's a game-changer. By embedding our AI PODs at the heart of their operations, we'll unlock the full power of AI agents in sports to boost team performance, deepen fan engagement, and

drive operational excellence across the league. It's a clear example of how Globant Enterprise AI is helping world-class organizations to embrace AI at scale and win in the most complex, high-profile arenas.

We have strengthened our position in the robotics and AI ecosystem by investing in InOrbit, a leading robotics integration company. This expands our capabilities, enabling advanced orchestration of different fleets of robots and autonomous systems across industries. It ensures we can integrate physical automation into enterprise workflows at scale, connecting AI agents not only to digital processes but also to real-world robotic operations.

Today, our revenue mix is more diverse than ever:

- **North America** remains our largest market at 54.1% of revenue.
- **Latin America** accounts for 19.7% and is showing strong recovery with new records in bookings.
- **Europe** represents 19.6% and is our fastest-growing region sequentially, up 8.1%, with major wins in aviation and financial services.
- **New Markets** grew an impressive 84% year-over-year, and is currently 6.6% of our total revenue. The Middle East leads this surge, driven by our work on several gigaprojects.

Our 100 Squared program continues to gain momentum, with our client base growing and diversifying:

- 49 clients now generate more than \$10 million in annual revenue, up from 39 a year ago.
- 339 clients generate over \$1 million annually, up from 329 last year.

Over the past 21 years, we have earned a unique position in our industry by fusing advanced technology, human creativity, and a deep understanding of our clients' needs. In 2025, the complexity of the environment is matched only by the scale of the opportunity, as AI redefines business models, value chains, and competitive advantage. Our mandate is to help clients navigate this change with precision and foresight, capturing value across every layer of the AI stack. **With AI Pods, our subscription model, AI Studios, and the 100 Squared approach, we are delivering Globant as a full-stack AI company – one that designs, builds, and integrates technology, platforms, and industry-specific expertise into scalable solutions.** This integrated model ensures we remain not just relevant, but indispensable, as enterprises embrace the AI-powered future.

We are as energized by the challenges ahead as we are by the opportunities. And with this team, I have no doubt we will capture them all.

Thank you very much,



Martín Migoya
Co-founder and CEO

Special Remarks from our CTO

Hello all,

I want to expand on the offering of Globant's Enterprise AI's 2.0 version that now includes MCP, A2A and a marketplace of agents for its users, among other new features. It enables a full AI adoption addressing three core needs of our clients.

First: Governance. Organizations need to be in control of their own AI journey, with strong security, risk management, traceability, and guardrails for both models and conversations. GEAI provides leaders with the control they need to map their exposure to both cost and risk.

Second: Build capability. Companies need the tools to create and deploy solutions connected to enterprise systems. **The GEAI platform is home to The Lab for agent creation, orchestration and ensuring interoperability.** As of this quarter, this lab now supports the Model Context Protocol (MCP) and the Agent2Agent Protocol. These enhancements allow seamless integration of agents and tools from across the AI ecosystem like Google Cloud, Azure AI Foundry, and Amazon Bedrock.

And third: Impact. The ability to explore, combine, and share solutions, and to operate them so they generate measurable business outcomes. This is where AI moves from pilot to scaled adoption, ensuring that investments translate into tangible value across the organization. **In this layer, we have recently launched a specific module for our clients called The Station. It offers a curated, searchable library of in-house built AI Agents tailored to diverse business and industry needs, streamlining discovery while removing friction.** With just a few clicks, users can deploy agents via intuitive orchestration tools, speeding time to experimentation and value.

Organizations using GEAI have reported an 80% reduction in legacy system modernization times and a 50% decrease in software development costs.

Globant Enterprise AI also powers a lineup of hundreds of industry-specific agents, along with three flagship agents tailored to each of our Core Studios:

- **Globant CODA** is our agentic suite for our Digital Studios, a key component of how we reimagined the software development lifecycle and how we deliver value
- **Navigate** is for our Enterprise Studio: It optimizes business operations and performance
- **Fusion**, from GUT Studio. Launched at Cannes Lions this year, it enhances full-funnel marketing, communications, and advertising. It streamlines processes from content creation to campaign optimization

Now, let's discuss our work with some fascinating clients as we partner with them on their reinvention journey.

In gaming, we are working with one of the leaders in producing real-time, 3D content to deliver interactive solutions to high-growth sectors, including digital twins, automotive, healthcare, life sciences and manufacturing. By employing our global delivery network, we will be helping this company to expand to new commercial markets, unlocking new business for them. On the technology side, we will be integrating their products into enterprise technology stacks, supporting new go-to-market strategies and co-developing tailored solutions.

Our Sustainable Business Studio is proud to be collaborating with the World Wide Fund for Nature. Together we are developing tools that link traceability with carbon footprint assessments. This initiative engaged multiple stakeholders, including national agribusiness entities, industry leaders, and civil society, facilitating the transition toward more sustainable meat production practices.

The complexity and the time-sensitive nature of the challenges the WWF faced led them to enlist our low-code GeneXus platform. This collaborative effort will accelerate the adoption of sustainable practices, support regulatory compliance, and empower producers globally.

We are excited to announce a partnership with a world leader in premium spirits to develop a generative AI-powered Commercial Insights Agent.

This innovative tool will provide our client's employees with immediate access to critical data insights, streamlining decision-making in product development, marketing, sales, and strategy.

By automating data retrieval, we are helping them to reduce the time and costs of traditional business intelligence workflows, allowing their teams to focus on strategic initiatives. The agent will enhance efficiency through self-service decision support and tailored recommendations.

This initiative is just the beginning, as the Commercial Insights Agent will lay the groundwork for future applications in brand planning, commercial forecasting, and innovation. We are redefining the potential of AI-powered enterprises and unlocking new growth opportunities.

Regarding our partnerships, days ago, we advanced our relationship with AWS by establishing a Strategic Collaboration Agreement to accelerate AI adoption and enable Globant to provide clients in specific industries with enhanced support for cloud migrations, generative AI adoption, industry-specific solutions, while helping them to optimize their cloud usage and manage expenses efficiently worldwide.

We are collaborating with Salesforce to deploy Agentforce and Data Cloud across multiple industries, automating their teams and enhancing their ability to support their customers, tailor marketing journeys, and better segment their clients.

As Globant's creative industry pillar, GUT advanced on large-scale projects for top brands including Progressive, Procter & Gamble, DoorDash, and more, as well as new projects for Havaianas, Rimowa, among others.

Thank you everyone,



Diego Tártara
CTO

Special Remarks from our CFO

Hello everyone,

Our performance this quarter is very aligned with our expectations back in May. Revenue for the second quarter came in at \$614.2 million, representing 4.5% year-over-year growth, or 1.0% in organic constant currency, and 0.5% growth sequentially.

Our non-IFRS adjusted operating margin was **15.0%** for the quarter, holding steady despite some FX headwinds in Latam currencies and demonstrating pricing and cost discipline in a tough market environment. Non-IFRS adjusted diluted EPS for the quarter was **\$1.53**, an increase from the \$1.51 we reported in the second quarter of 2024.

Turning to the balance sheet, our cash and cash equivalents and short-term investments totaled **\$174.2 million**. Net debt as of June 30th was \$255.0 million. During this quarter we increased our debt capacity to up to \$1.1 billion. Free cash flow for the quarter was -2.9 million, compared to -28.0 million from the same period last year. As always, we expect to generate strong free cash flow during the second half of the year.

This quarter, we executed a **Business Optimization Plan**. As explained by Martin, during Q2, we launched a **new go-to-market** strategy, centered on our **AI industry studios** and our **100 squared accounts**. The recently launched Globant Subscription Model, based on **AI pods and our proprietary Globant Enterprise AI platform**, is getting traction with our customers. While we've delivered strong growth for many years, we have observed a **more tempered demand environment** over the last few quarters.

The Business Optimization Plan is part of our response to these organizational and demand changes, and to best position ourselves for the next wave of growth. The primary goal of this plan is not only to protect our

near-term profitability but, more importantly, to create the capacity to increase our investments in strategic growth areas for the rest of 2025 and beyond. This plan ensures we have the right talent and resources to execute on our AI-centric strategy and capture future opportunities while managing our costs based on the current market.

The main actions under this plan included:

- A comprehensive review of our workforce to align skills and size with our strategic priorities, which resulted in a reduction of approximately **1,000 employees**, or 3% of our workforce, during Q2.
- A consolidation of our global office footprint based on an analysis of our facilities and lease contracts.
- A strategic prioritization of our delivery centers to support future expansion.

In connection with these actions, we recorded a one-time charge of **\$47.6 million** in the second quarter.

This plan should generate **\$80 million in annualized savings**. These savings will be critical in protecting our profitability in the short term despite FX headwinds in LATAM, and will also be reinvested to fuel our growth engines—specifically, our AI platform development and our people. **We are taking decisive action now to build a more resilient and agile organization, ready to lead when the market accelerates.**

Now, let's talk about our business going forward.

Based on current visibility, for the third quarter of 2025, we expect revenue to be at least **\$615 million**, which implies 0.1% year-over-year growth. This expected growth includes a positive FX impact of 50 basis points. We expect a **Non-IFRS adjusted operating margin to be at least 15.0%**, and the IFRS effective income tax rate is expected to be in the 20.0% to 22.0% range. Non-IFRS adjusted diluted EPS is expected to be at least **\$1.53** per share, assuming an average of 45.6 million diluted shares outstanding during the third quarter.

For the full year 2025, we now expect revenue to be at least \$2.445 billion, representing 1.2% year-over-year growth. This expected growth includes a positive FX impact of 25 basis points.

For the full year, we now expect our **Non-IFRS adjusted operating margin to be at least 15.0%**, and the IFRS effective income tax rate is expected to be in the 20.0% to 22.0% range. Our full-year non-IFRS adjusted diluted EPS is expected to be at least **\$6.12** per share, assuming 45.5 million diluted shares outstanding during 2025.

Thank you for your continued support,



Juan Urthiague
CFO

Non-IFRS Financial Measures

While the financial figures included in this letter have been computed in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), this announcement does not contain sufficient information to constitute an interim financial report as defined in International Accounting Standards 34, "Interim Financial Reporting" or a financial statement as defined by International Accounting Standards 1 "Presentation of Financial Statements". The financial information in this letter has not been audited.

Globant provides non-IFRS financial measures in addition to reported IFRS results prepared in accordance with IFRS Accounting Standards. Management believes these measures help illustrate underlying trends in the company's business and uses the non-IFRS financial measures to establish budgets and operational goals, communicated internally and externally, for managing the company's business and evaluating its performance. The company anticipates that it will continue to report both IFRS and certain non-IFRS financial measures in its financial results, including non-IFRS measures that exclude share-based compensation expense, depreciation and amortization, acquisition-related charges, business optimization costs, and the related effect on income taxes of the pre-tax adjustments. Because the company's non-IFRS financial measures are not calculated according to IFRS, these measures are not comparable to IFRS and may not necessarily be comparable to similarly described non-IFRS measures reported by other companies within the company's industry. Consequently, Globant's non-IFRS financial measures should not be evaluated in isolation or supplant comparable IFRS measures, but, rather, should be considered together with its condensed interim consolidated statements of financial position as of June 30, 2025 and December 31, 2024 and its condensed interim consolidated statements of comprehensive income for the three and six months ended June 30, 2025 and 2024, prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting".

Globant is not providing a quantitative reconciliation of forward-looking Non-IFRS Adjusted Profit from Operations Margin or Non-IFRS Adjusted Diluted EPS to the most directly comparable IFRS measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, share-based compensation expense, acquisition-related charges, and the tax effect of non-IFRS adjustments. These items are uncertain, depend on various factors, and could have a material impact on IFRS reported results for the guidance period.

Forward Looking Statements

In addition to historical information, this release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," "predict," "potential," or the negative of these terms or other similar expressions. These statements include, but are not limited to, statements regarding our future financial and operating performance, including our outlook and guidance, our pipeline, and our strategies, priorities and business plans. Our expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Factors that could impact our actual results include: our ability to maintain current resource utilization rates and productivity levels; our ability to manage attrition and attract and retain highly-skilled IT professionals; our ability to accurately price our client contracts; our ability to achieve our anticipated growth; our ability to effectively manage our rapid growth; our ability to retain our senior management team and other key employees; our ability to continue to innovate and remain at the forefront of emerging technologies and related market trends; our ability to retain our business relationships and client contracts; our ability to manage the impact of global adverse economic conditions; our ability to manage uncertainty concerning the instability in the current economic, political and social environment in Latin America; and other factors discussed under the heading "Risk Factors" in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission and any other risk factors we include in subsequent reports on Form 6-K. Because of these uncertainties, you should not make any investment decisions based on our estimates and forward-looking statements. Except as required by law, we undertake no obligation to publicly update any forward-looking statements for any reason after the date of this letter whether as a result of new information, future events or otherwise.



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