



Letter to Shareholders Q3 2025

Martin Migoya, Co-founder & CEO

November 13th, 2025

Hello everyone,

and welcome back as Globant presents its earnings for Q3 2025.

We appreciate your continued interest as we navigate the ever-evolving technology landscape. Our commitment to innovation and reinvention remains at the core of who we are. **The speed of change is only accelerating.** This quarter, we are excited to share how we are not only adapting to market trends, but also proactively shaping the future of our industry. Our focus on sustainable growth and delivering exceptional value continues to drive our efforts as we look ahead.

Our **business fundamentals remain strong**, and we continue to perform by putting **innovation first**.

Our AI Studios bring together our talent to provide a new kind of AI-based solutions, specific to each industry. They transform how consumers interact with brands and how our clients run their businesses.

Our AI Pods are our next-generation offering, designed to deliver agentic AI-based services that scale faster, operate more transparently, and focus on measurable outcomes. They combine the speed and autonomy of AI with the creativity and oversight of our experts—enabling customers to access continuous, outcome-driven transformation at scale.

All of our agentic **AI-based solutions—from our industry-specific AI Studios to our AI Pods**—are orchestrated through Globant Enterprise AI, our central intelligence platform that acts as the golden path for enterprise-wide AI adoption and impact. **Delivered through a transparent, consumption-based model, it transforms AI from isolated experiments into a predictable, scalable, and measurable source of enterprise value.**

Together, these elements form the backbone of Globant's growth to provide value for our customers and shareholder returns.

During Q3, we generated **\$617.1 million in revenue**, 2 million above our most recent guidance. We also launched a **share buyback program**, reflecting how bullish we are on our long-term prospects.

The pipeline has hit another all-time-high, currently at **3.7 billion dollars, representing 30% year-over-year growth**. It marks the solid demand we see for our services, and it grew this quarter despite very strong bookings.

AI continues to emerge as the world's dominant technology. With an expected market of \$4.8 trillion by 2033, it will have made a 25x increase in one decade.

Over the past few months we have seen a **healthy dose of realism in the AI space. There has been a shift beyond hype toward tangible and effective adoption.**

We see a tremendous potential in AI transformation today. While Software as a Service has played a crucial role in corporate technology by providing efficient and scalable solutions, our new AI Pods subscription model represents a significant evolution in how organizations can leverage technology. With our AI Pods, we empower leaders to develop **tailored solutions that effectively address their unique and ever-changing needs.**

Our AI Studios and Core Studios are having these conversations with our clients to provide clarity in **AI transformation, Build vs. Buy, and cost optimization** that are top-of-mind for corporate leaders today.

Since doubling down on our 100-squared strategy this year, we have seen the execution begin to show in bookings and revenue. Our top five clients grew sequentially by 2.1%, exceeding the company's average growth over this period.

The share of clients we have identified as **100-squared potential as part of our total bookings is currently 56.7%, up from 50% last year.**

Today, we have over 1,000 engagements related to gen-AI, core-AI or Data currently running, representing a third of our overall projects. We have over 900 projects related to AI-Readiness in our Pipeline.

The new offering of **AI Pods**, a departure from traditional consultancy engagement models, **has nearly doubled in its share of our pipeline.** This growth significantly outpaced the overall pipeline expansion.

Clients access these solutions via the Globant Enterprise AI platform, which serves as a multi-purpose hub.

First, as an **AI hub: connecting seamlessly with more than 140 LLMs.** Clients can interact with the LLM that is best for their needs, without being locked into a single provider.

Second, it's a **corporate hub that connects with all major corporate information systems** and data lakes like SAP, Salesforce, Data Bricks, and many others.

Third, an **agent hub that allows clients to create agentic workflows** to automate corporate processes.

GEAI can be acquired on a subscription basis. This shift to our subscription revenue model is not just a theoretical goal; it is actively underway in our most valuable client base. **Within our Top 20 customers, a group that collectively represents close to 40% of our total revenue, we are currently embedding our subscription model with 17 of them in meaningful ways.** This is a huge milestone, especially considering we officially launched this methodology in June of this year.

We are encouraged to see how our clients are incorporating this new mode. For example, at **YPF**, the largest shale oil operator in the world outside the United States, we are moving into full execution with **forty-six agents to optimize sourcing, inventory, contract and supplier management**, bringing clarity and efficiency to how the company interacts with its complex supply chain.

As you know, Globant has a talent for applying AI to reinvent the human experience in entertainment, which is why we were particularly proud of our new agreement to bring agentic processes to **LaLiga**, one of the world's top sports leagues. Diego will expand on this later.

A great example of our growing partnerships is our work with **Natura**, the Brazilian multinational cosmetics company. This quarter, we announced that Globant will lead their S/4HANA migration—chosen for our ability to seamlessly **integrate innovation and AI into SAP methodology**, development, and testing, while enhancing traditional implementation efficiency. Together with SAP's Joule, our AI agents and platforms will accelerate delivery, reduce time-to-market, and support the Clean Core strategy by anticipating deviations and suggesting real-time corrections. Governed by our AI agents, this project brings a new vision for how technology can transform SAP implementations and drive business performance.

This month, we also announced an important partnership with **Riot Games**, the company behind global esports phenomena League of Legends and Valorant. Globant will support its advancements in **artificial intelligence, new game development, e-sports experiences, and software engineering capabilities**.

Over the next several years, both companies will push the boundaries of technology to deliver richer, more personalized experiences for millions of players and fans globally.

This partnership is one of the **largest agreements in the history of our Games business**. We are proud to work with a company that continues to shape global esports culture and inspire millions of players.

We are making decisions to unlock the full power in our Core Studios as well. We recently announced that all of Globant's marketing and advertising efforts were consolidated under the **GUT brand umbrella**. Today, Globant and GUT bring a uniquely consistent and complete value proposition to the entire C-suite — empowering CTOs and CEOs to transform their business through technology, while helping CMOs push creativity and marketing performance better than ever.

Just as Amazon transformed the technology landscape by removing friction from how businesses accessed and scaled computing infrastructure—effectively inventing the modern cloud industry—we aim to do the same for technology and professional services through our AI Pods and Subscription Model. **Traditional consulting engagements are filled with friction: lengthy planning cycles, detailed scope definitions, change requests, and constant budget negotiations that slow down execution and dilute impact. Our AI Pods eliminate those barriers by combining agentic AI with expert human oversight in a transparent, token-based subscription model that focuses on outcomes rather than hours.** With defined supervised token capacity and continuous monitoring, execution becomes faster, auditable, and adaptive—allowing our clients to focus on delivering value to their customers instead of managing project logistics.

We are not just redefining consulting; we are leading a revolution in how businesses access technology and professional services.

Thank you for joining us on this exciting journey.



Martín Migoya
Co-founder and CEO

Special Remarks from our CTO

Hello all,

As we look at the third quarter one thing has remained constant: the urgency for enterprises to deliver measurable results through AI.

We have tirelessly enhanced our portfolio of services and products around that very premise: to enable our clients to apply AI faster and effectively to unlock business value at scale.

What we are doing together with LaLiga is a great example. The world's most successful football league is becoming the first global sports organization to adopt agentic models to reinvent its business end-to-end: from talent development, performance analysis, workflow automation, to personalized content creation.

This quarter we also expanded our footprint in immersive, high-impact experiences through our **strategic collaboration with Adobe and Red Sea Global**, Saudi Arabia's vertically integrated real estate developer. Together we're building a connected visitor experience platform. From trip planning to arrival and stay, the platform unites content, data and AI agents to deliver personalised, context-aware journeys at scale.

Globant Enterprise AI is at the core of our AI-centric solutioning and keeps delivering on our commitment to make it the best common gateway for clients to navigate the complex forest of AI: less than a week after Open AI launched the **Agentic Commerce Protocol in late September, we released a new version of Globant Enterprise AI including ACP** and enabling our clients to create AI agents capable of executing commercial transactions safely and intelligently.

Our partner ecosystem remains critical to scaling our AI vision and as we see that our clients' biggest challenge is not a lack of technology, but the

complexity of integrating it for real business outcomes or how to make their long-standing core systems agile, intelligent, and cloud-native without disrupting the business.

With **Unity**, the world's leading platform to create interactive experiences, we joined its Service Partner Program, combining Globant's global footprint with Unity's real-time 3D capabilities to power **new immersive and interactive experiences** in industries such as automotive, healthcare, and manufacturing.

With **AWS**, we achieved the MSP Partner Program designation, recognizing our **ability to deliver end-to-end cloud transformation** and manage mission-critical operations at scale — a fundamental layer for AI adoption. While others provide basic cloud migration, Globant differentiates by focusing on cloud-native development and optimization. We leverage the full stack of AWS services—from serverless computing to their Bedrock AI platform—to build resilient, scalable, and cost-efficient solutions.

With **Microsoft**, we have been appointed as finalists of the **2025 Microsoft Media and Telco Partner of the Year Award**. Globant was honored among more than 4.600 entries from more than 100 countries for demonstrating outstanding Microsoft Cloud applications, services, devices, and AI innovation during the past year.

And by joining the **IBM Quantum Network**, we are preparing our clients to embrace quantum computing and unlock the next computing paradigm, ensuring they remain ahead of the curve as the future of intelligent systems unfolds.

GUT — now powered by Globant's global creative and marketing capabilities — keeps **accelerating cross-selling and elevating leading brands** including AB InBev, P&G, Mercado Libre, ISDIN, Kraft Heinz, Verizon and Havaianas. Also Brazil's team created the first fully AI-generated campaign for Mercado Libre, Latin America's largest e-commerce platform, in partnership with Samsung. Additionally, the official Cannes Lions Report was published, listing GUT as #9 global agency network at Cannes Lions 2025.

Across sectors and geographies, our teams continue to execute with passion and creativity. **Our AI Pods are gaining traction, our AI platform continues to improve, and new industries are embracing our approach to reinvention. We believe the winners will be those who act decisively today – and we are positioning Globant to help them accelerate that journey as we continue shaping the future of enterprise transformation.**

Thank you very much,



Diego Tártara
CTO

Special Remarks from our CFO

Hello and good afternoon, everyone.

I am pleased to discuss our third-quarter results.

During this period, **we increased our top line, expanded profitability, and generated strong free cash flow, all while maintaining a prudent and healthy balance sheet.**

Our revenues reached **\$617.1 million dollars, up 0.4% year-over-year and 0.5% sequentially, exceeding our previous guidance expectations.** Excluding the positive impact of foreign currency, revenue was flat year-over-year.

Turning to profitability, we closed Q3 with an **adjusted gross profit margin of 38.1%, flat relative to our previous quarter, despite significant FX headwinds coming from LATAM currencies.** Our **adjusted operating margin reached 15.5%, an increase of 50 basis points sequentially.** In addition, this quarter we managed to dilute adjusted SG&A by 20 basis points sequentially. The effective tax rate for the quarter stood at 29.4% increasing significantly due to the acceleration of the Argentine peso depreciation during the quarter, which resulted in higher taxes than anticipated. We were able to partially offset this impact with FX hedges. Despite the mentioned tax effect, we achieved an adjusted net income of \$69.7 million dollars, with an 11.3% adjusted net profit margin, flat relative to our previous quarter. **Adjusted diluted EPS for the quarter was \$1.53, based on 45.6 million average diluted shares, in line with our guidance.**

Our balance sheet remains strong, ending the quarter with **\$167.0 million dollars in cash and short-term investments**, or \$205.3 million in net debt. We repaid \$56.7 million of our debt during the quarter, reducing our total leverage. During the third quarter, we generated **\$67.5 million of free cash flow, achieving a free cash flow to adjusted net income ratio exceeding 96%**. This strong performance is consistent with our historical pattern, where free cash flow generation is much stronger in the second half of the year.

Lastly, as mentioned by Martin, we've authorized a **\$125 million share repurchase program, which reflects our belief in our long-term strategic position and our commitment to enhancing shareholder value**.

Now, let's turn to our guidance.

Demand trends across our client base have started to stabilize, though the macro environment remains fluid.

For the **fourth quarter of 2025**, we expect **revenue to be at least \$605 million**, reaffirming the implied guidance provided in our prior Earnings call. **This Q4 guidance implies -5.8% year-over-year growth**, and includes a positive FX impact of 150 basis points. We 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 22.0% to 24.0% range. **Non-IFRS adjusted diluted EPS is expected to be at least \$1.53 per share**, assuming an average of 45.2 million diluted shares outstanding during the fourth quarter.

For the **full year 2025**, we now expect **revenue to be at least \$2,447.4 million, representing 1.3% year-over-year growth**. This expected growth includes a positive FX impact of 30 basis points. 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 23.0% to 25.0% range. Our **full-year non-IFRS adjusted diluted EPS is expected to be at least \$6.12 per share**, assuming a full-year average of 45.2 million diluted shares outstanding.

To conclude, while much of the uncertainty persists, we are confident in our market position and ability to adapt. **Our DNA is built on constant reinvention and industry-leading growth. Based on our operational discipline, we'll continue investing in our AI studios, our subscription model, and top-notch talent to deliver differentiated value to our customers.**

Thank you for your continued support, and we look forward to sharing more updates on our growth and achievements in the coming months.



Juan Urthiague
CFO

Non-IFRS Financial Measures

While the financial figures included in this press release 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 press release 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 September 30, 2025 and December 31, 2024 and its condensed interim consolidated statements of comprehensive income for the three and nine months ended September 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, business optimization costs, 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, 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 press release whether as a result of new information, future events or otherwise.



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