

Globant ▶

Letter to Shareholders Q4 & FY 2025

Martín Migoya, Co-founder & CEO

February 26th, 2026

Hello everyone,

Globant has spent twenty years helping the world's leading companies build and transform their technology – developing deep engineering capability, real industry expertise, and long-term client partnerships along the way. That is and will always be our foundation. Over the past year, we have been adding a new layer on top of it – and what I want to share today is how that layer is already changing our trajectory.

Enterprises are moving from AI experimentation to AI execution. After a period of significant investment with limited returns, our clients are now deciding with greater clarity. They understand AI's potential and they are seeking partners who can deliver real outcomes – not just pilots, but production-grade solutions built with knowledge of their industry, their systems, and their business logic. That is exactly what we built with our AI Pods, running on top of our industry-specialized AI Studios. And that is why we believe Globant is the AI-native technology solutions company – the partner enterprises are choosing to close the gap between AI investment and AI impact.

We launched our AI Pods nine months ago and it is already proving real success with our customers. In 2025, we achieved both our highest revenue and strongest free cash flow generation ever, while simultaneously restructuring our delivery organization and transforming our delivery model. In Q4 we produced the highest quarterly bookings of the year; up 32.4 % year-over-year. Our pipeline remains robust at \$3.4 billion.

I. The Macro Landscape: A Structural Shift Creating Opportunity

The IT professional services industry faces a structural shift. Technology capital is flowing overwhelmingly toward AI infrastructure – with Gartner projecting IT services to grow just 4.4% in 2026, less than half the rate of overall IT spending. However, the big four hyperscalers are approaching \$700 billion in combined 2026 capex, nearly triple the level of just two years ago.

The scale of that investment is extraordinary, but it also created a massive “implementation gap”. In 2025, MIT research showed that most enterprise AI pilots did not deliver measurable P&L impact yet, and a significant number of companies paused or restructured their AI initiatives during last year. Meanwhile, technical debt across the Forbes Global 2000 stands at \$1.5 to \$2 trillion according to HFS Research, and Forrester reports US customer experience quality at an all-time low after four consecutive years of decline.

What this tells us is not that AI is failing – it is that the industry is entering its execution phase. **After an eighteen-month cycle of experimentation, enterprises now understand what AI can do for their business and are actively seeking the capability to implement it at scale. This shift from exploration to execution is currently driving our record bookings.**

II. Adding an AI-Native Layer to a Business Built to Last

We are living through a generational transition. Think about what happened when AWS launched. It did not just offer cheaper servers – it gave birth to an entirely new industry. Cloud-native companies, modern SaaS, the entire startup ecosystem of the last fifteen years – none of that existed before AWS made elastic, accessible infrastructure possible. That is the moment we are at now in technology services. **AI-native delivery – intelligent agents supervised by domain experts, operating on a token subscription model – is not a better way to do what we already do. It is the foundation of an industry that does not yet fully exist. Globant has been the first to define what AI-native technology services look like – and 2026 is the year the market begins to validate that bet.**

Our core business — deep software engineering, digital transformation, and domain expertise built over two decades — is not going anywhere. Enterprises will continue to need that capability for many years to come, and we will continue to grow it. What we are doing now is adding a new and powerful layer on top of that foundation: an AI-native offering that scales with the AI opportunity itself.

III. Why Demand Is Accelerating — And Why Globant Is Positioned to Capture It

For years, a company's digital products were its moat. Building differentiated software required hundreds of top engineers and hundreds of millions of dollars. AI has made it faster and more accessible to build — and that is actually a demand accelerant for the entire industry. When every company can build software more efficiently, differentiation no longer comes from whether you can build — it comes from how much you build, how fast you iterate, and how continuously you evolve. **We are entering an era of dramatically more software creation and dramatically faster competitive cycles. Our deep engineering expertise and two decades of domain knowledge — now supercharged by AI — position us perfectly to meet that demand.**

Against that backdrop, we see four clear and growing avenues of demand:

- 1. Agentic workflow orchestration.** Enterprises need autonomous AI agents coordinated across complex systems — not point solutions, but end-to-end workflows that actually move business processes forward.
- 2. Core Modernization at AI speed.** The Global 2000 carries \$1.5 to \$2 trillion in accumulated technical debt—a massive anchor on innovation. AI-native delivery allows us to attack this backlog at a pace previously thought impossible, enabling the enterprise agility our clients need to compete and win.
- 3. Custom software reclaiming ground from SaaS.** For years, SaaS was the default answer for enterprise software needs. AI-native delivery is now expanding the range of what enterprises can build economically — making highly personalized software viable for use cases that were

previously only practical with off-the-shelf platforms. This is not about replacing SaaS. It is about enterprises having more options: more control over their data, their workflows, and their competitive differentiation. SaaS and custom software are increasingly complementary, and we are uniquely positioned to deliver both.

4. AI governance and corporate sovereignty. As enterprises deploy agents from multiple vendors across departments, data scatters and control erodes. They need a trusted orchestration partner to govern it all and keep every interaction under their control.

Our partnerships with NVIDIA, OpenAI, AWS, Salesforce, SAP, Oracle, Microsoft, Google, Adobe and others are central to this strategy. We are the AI-Native orchestration layer that makes it work for our clients.

IV. Our AI Pods & Globant Enterprise AI: The Engine of Reinvention

Our AI Pods are AI-powered service units, specialized by task and industry. AI Pod Software creates and evolves technology – AI agent workflows supervised by Globant experts produce working software artifacts on a token subscription model. AI Pod Ops automates business processes in production, with institutional knowledge compounding with every token consumed. The customer owns everything. No seats. Only usage.

Unlike traditional models, our AI Pods operate on a subscription-based capacity model. Clients subscribe to a dedicated tier of orchestrated output with a defined token consumption cap.

The delivery engine powering both is Globant Enterprise AI – our proprietary platform with four interconnected hubs: the Enterprise Hub connecting securely to all corporate systems; the AI Hub routing intelligently across 140+ LLMs while preserving full data sovereignty; the Agent Hub where we build and publish industry-specific agents encoding 20 years of domain expertise; and the AI Pods Hub where clients subscribe and scale.

What I want to be explicit about is that this platform did not appear overnight. We have been investing in Globant Enterprise AI for years – building real product, real orchestration infrastructure, real security and compliance architecture. That investment is embedded in our operating expenses and reflected in our current EBIT margin. In other words: the margin profile you see today already carries the cost of building a proprietary AI platform.

Twelve months ago, AI Pods revenue was zero. In 2025, we have reached an exit-rate ARR of \$20.6 million – with gross margins between 45% and 60%, compared to our blended gross margin of 38%. This is not an experiment. This is a business.

For 2026, we are targeting between \$60 and \$100 million in AI Pods exit-rate ARR.

On top of that, we expect that margin profile to improve further as the subscription model scales and the cost per token continues to decline. This represents a fundamental shift in our structural profitability DNA. As AI Pods scale as a share of revenue, they are expected to expand our overall margin profile.

Our AI pods pipeline reached \$283 million in Q4 – up 34% over Q3 – and now represents 8% of the total pipeline versus just 3% in Q2. Over 60 AI Pods operate across clients globally, with 24 new subscription offerings closed last quarter alone. Several of our top 10 clients have completed rigorous security and procurement approvals and are actively running AI Pods on the platform today. The pipeline is converting. The revenue is flowing. And we are just getting started.

Based on the record bookings we are reporting today, the accelerating AI Pods adoption across our client base, and the improving pipeline conversion trends, we have a clear line of sight to returning to positive year-over-year organic revenue growth by mid-2026. This is not a hope – it is supported by the bookings we have already signed and the pipeline that is converting.

V. 100 Squared

Our 100 squared accounts drove 73% of total bookings this quarter — a clear reflection of the market's shift toward high-value, long-term transformations.

Underlying these record bookings is our reorganization around AI Studios by industry. The record bookings we are reporting today are a direct reflection of that organizational transformation we did last year.

VI. Clients Embracing the Model

Several of our top clients have already moved past the pilot phase and are scaling AI Pods across their entire operations.

Let me share a few examples:

EmployBridge

With Employbridge, an Apollo-backed portfolio company, we are driving AI-led transformation through our AI Pods subscription model. After the successful pilot phase, EmployBridge decided for AI Pods as their core operating layer — accelerating delivery and driving rapid adoption across the business.

Banco Galicia

We are also working with Banco Galicia, one of Latin America's most prominent banks. After the pilot phase with our AI Pods, they performed an assessment to gauge the efficiency of the model among other vendors and similar teams. Our AI Pods ranked first in nearly every criterion, leading the institution to move to the decision to move to a scaled phase.

YPF

With YPF, Argentina's century-old state oil company. With our human-supervised AI agents, we created a resource orchestration platform to help YPF better coordinate their complex supply chain reaching over 5,000 providers.

Our solution has already helped them reduce the requirement to contract process cycle by 30% to 40%, as well as boost the productivity of their supply buyers by up to 50%. Through the use of AI on Globant's orchestrated platform, we are helping them with inventory optimization, enabling YPF's managers to obtain the best possible products for the task at hand, before ordering new inventory.

FIFA

We have a long-standing relationship with FIFA, helping them enrich their fan engagement channels in the digital age. Through the deployment of AI Pods, we were able to move beyond traditional consulting services and achieve a major financial milestone for the organization: reducing costs by 20% without compromising the velocity or quality of our engineering output.

LA LIGA

Our initiative with La Liga demonstrates how AI Pods rapidly transform an entire ecosystem. In just three months, we moved from concept to execution, deploying AI Agents across critical functions like budget preparation, contract analysis, and audience data. The result is a massive leap in institutional productivity.

By moving from traditional services to AI-native solutions, we are enabling La Liga to shift new functionality at a speed previously deemed impossible.

SANTANDER

We also applied our AI Pods model to our long-standing partnership with Santander to power their new digital payment platform, Santander Pay. By deploying a specialized Product Definition AI Agent within the Pod, we cut the projected time for the app's product definition in half. This AI-native approach drove a 50% increase in the client team's overall productivity. In summary, it clearly demonstrated how we can accelerate the software development life cycle for one of the world's leading financial institutions.

The professional services industry is being restructured. Right now. The companies that own the orchestration, the domain expertise, and the talent to supervise AI at scale will define what comes next.

We will be relentless in delivering value for our clients, our partners, and our shareholders. We will be disciplined in how we invest. And we are determined to build what we believe is the defining AI-native technology services company of the next decade.

Globant has spent twenty years building the foundation for this moment. We have the platform. We have the people. We have the offering.

Thank you very much.



Martín Migoya
Co-founder & CEO

Special Remarks from our CTO

Hello everyone,

Following Martin's perspective for the industry, we keep on firmly executing on our own reinvention and those of our clients: listening to customers, helping them understand their gaps, and curating tailored solutions that create real business value. This goes beyond cost savings and efficiencies and into strategic areas such as increasing market share or improving customer satisfaction.

To do this, Globant has overhauled our delivery model to ensure that the quality of our delivery is both technology focused and client-centric.

The teams that previously executed under the delivery and operational areas have now been brought under the technology umbrella. This way our teams operate without siloed priorities and have more cohesion between offering, solution quality, and delivering results on time.

The result has been tech-powered solutions for our clients that have a stronger operational backing.

I'd like to share a few examples with you.

Leading bank in NA

We are working with a leading bank in North America that is launching a strategic, enterprise-level modernization of its credit and debit card platform, moving from Gen2 to Gen3 accounts on AWS. Globant has been selected as the strategic partner to lead this migration, delivering a next-generation cloud blueprint that elevates performance, accelerates delivery, and positions this line of business for continuous innovation at scale. **This project showcases our strength in helping financial institutions that are already in the cloud—and at the forefront of innovation—to continue pioneering the industry.**

Trafilea

We have also been working with Trafilea, a global e-commerce group that builds and scales direct-to-consumer brands, needed to rapidly migrate new clients' stores to their Trafilea platform. **We built an AI-powered solution that automates the entire process, resulting in a 40x faster migration. This not only saved Trafilea significant time and resources but also enabled faster onboarding of new customers.**

PharmaMar

In the pharmaceutical industry, we are working with PharmaMar, world leader in the discovery, development and commercialization of marine-derived anti-cancer drugs, to accelerate oncology research with AI. Through Globant Enterprise AI, together we created a multi-agent AI system that delivers more than 90% accuracy in complex data retrieval and reduces time to insights up to 15-fold, helping scientists select high-potential drug candidates for clinical development in a fraction of the time previously required. This intelligent system integrates information from internal databases, scientific publications, and regulators such as the FDA and EMA, allowing PharmaMar's teams to identify promising treatment combinations and make more informed, faster decisions.

We also partnered with TOURISE to develop the foundations of the world's first universal Agentic Protocol for Tourism. AWS, Salesforce, Amadeus, Red Sea Global, and Riyadh Air, among others are also part of the initiative. We presented it at Davos, in Switzerland, to over 30 global CEOs, and it is gaining strong traction as the standard for how AI delivers seamless, personalized traveler experiences at scale.

GUT had a landmark 2025. The agency closed the year with breakthrough campaigns for some of the world's most high-profile brands – including a fully integrated 360-degree campaign, Renaissance of Snacking, that took over the Las Vegas Sphere and launched Cheetos and Doritos' Simply NKD product line. GUT is a genuine competitive differentiator, and its creative momentum continues to grow.

Strengthening our partnerships with leading AI model developers, enterprise platforms and hyperscalers remains a key priority.

Globant continues to present its strategic partnership with Open AI to top clients in its key markets. Weeks ago, we hosted their first multi-industry event in Spain to discuss opportunities with over 60 current and potential clients in that region.

In December, AWS granted us Competency certifications in both Financial Services and Media & Entertainment, further solidifying the autonomy and quality of solutions of our AI Studios. We also received the SAP Excellence Award 2025 for Delivery Quality in Latin America, thereby becoming the most certified SAP partner in the region. Our Salesforce ecosystem capabilities also expanded significantly, reaching expert-level implementation distinctions across MuleSoft Anypoint, Data Cloud, and Agentforce, along with top-tier partnership status across multiple Salesforce clouds.

Our teams will take the stage at the Nvidia GTC in March to share how LALIGA is transforming its business through the most ambitious AI program in global sport, using agentic AI to build connected intelligence across operations, competition management, content, marketing, sporting performance, broadcast, and fan engagement.

In such a disruptive year, we considered it especially important to share our perspective with the global business community. In Q4 we published industry reports on Retail, Games, and our annual Tech Trends outlook. You can download all of them at reports.globant.com

While AI continues to dominate many conversations, the real differentiator in 2026 will be execution. Companies that want to remain relevant must accelerate their transformation journeys. Over the past year we've evolved Globant to be the partner of choice for organizations ready to act and set the pace for the next decade.

Thank you very much.



Diego Tártara
CTO

Special Remarks from our CFO

Hello everyone,

I am pleased to discuss our fourth quarter results.

We are encouraged by the stabilization of our top-line performance and a shift toward more optimistic client sentiment, which represents a meaningful improvement over the conversations we were having nine months ago. We closed the year with a solid quarter in terms of operational discipline, with revenues, operating margin and free cash flow metrics above our initial estimates.

In the fourth quarter, our revenue stood at **612.5 million dollars**, coming in above our guidance of 605 million dollars. This represents a **4.7%** year-over-year decline, including a positive FX tailwind of 180 basis points.

Now, let's turn to profitability. Our **Adjusted Gross Profit Margin** for the quarter was **37.6%**. Gross margins were slightly impacted by the USD weakness relative to LATAM currencies and to a lesser extent, by statutory cost increases in two of our main delivery centers, Colombia and India. However, our **Adjusted Operating Margin** remained at **15.5%** for the quarter, flat sequentially. We successfully optimized our delivery pyramid and tightly managed our SG&A, allowing us to protect the bottom line while we work on accelerating our growth.

The effective tax rate for the quarter stood at **23.5%**, and our **Adjusted Net Income** for the quarter was **68.9 million dollars**, representing an Adjusted Net Income margin of 11.3%. Adjusted Diluted EPS was **\$1.54**, consistent with our profitability targets.

I am particularly proud of our cash generation mechanics this quarter. During the fourth quarter, we generated **152.8 million dollars** of free cash flow, marking the highest quarterly figure in our company's history, and

achieving a free cash flow to adjusted net income ratio of **221.6%** for the fourth quarter, or **355.3%** on an IFRS basis. On a full-year basis, free cash flow reached a record **211.7 million dollars**, translating to **76.6%** of Adjusted Net Income and **203.6%** on an IFRS basis.

During the fourth quarter, we invested **50 million dollars** to repurchase shares, as per the plan announced in October 2025. We plan to continue executing on the share repurchase program.

A significant improvement in our **Days Sales Outstanding** combined with working capital and capex efficiencies helped drive an improvement in our liquidity. We ended the year with **250.3 million dollars in cash and short-term investments**, an increase of nearly **83.3 million sequentially**. With a modest total net debt position of **116.4 million dollars** our balance sheet remains strong, providing us with the flexibility to continue our disciplined capital allocation strategy, including our share repurchase program.

Now, let's move to our outlook. Let's start with our 2026 full year guidance.

Based on current market conditions, we are providing a revenue range of **2,460** million dollars to **2,510** million dollars, implying **0.2%** to **2.2%** year-over-year revenue growth, with approximately **100** basis points of FX tailwind. We have set the lower end of our range as a prudent baseline. The upper end reflects the conversion trends we are already seeing in our pipeline and the accelerating adoption of AI Pods across our client base.

In terms of profitability, we are expecting an adjusted operating margin to be between **14%** and **15%**. This range includes the impacts of USD weakness and statutory cost increases in Colombia and India. We view the lower end as a stress-test scenario as it assumes a further appreciation of local currencies beyond today's spot rates. The upper end contemplates a more positive currency environment and the benefits of our ongoing efforts in SG&A dilution and increased utilization. We continue to prioritize our operational discipline to offset these headwinds and drive toward the higher end of our margin target.

The 2026 IFRS effective income tax rate is expected to be in the **21% to 23%** range. Finally, we are guiding an Adjusted Diluted EPS of **\$6.10 to \$6.50** assuming an average of **44.2 million** diluted shares. The lower end incorporates the conservative margin assumptions I mentioned earlier, specifically the potential for continued USD weakness. At the same time, the upper end reflects the operating leverage we expect as we scale.

For Q1 2026, we expect revenues in the range of **598 million to 604 million dollars**. This is an improvement relative to prior years, where the Q1 decline was more significant. The Q1 year-over-year guidance implies, at the midpoint, a **300** basis points improvement relative to the Q4 year-over-year performance.

For Q1, we expect our adjusted operating margins to be between **14% and 15%**. Gross margins will be slightly impacted by the weakness of the USD plus certain statutory cost increases in Colombia and India, as mentioned before. The IFRS effective income tax rate is expected to be in the **22% to 24%** range, and Adjusted Diluted EPS for the first quarter is expected to be between **\$1.44 to \$1.54**, assuming an average of **43.7 million** diluted shares.

To conclude, 2025 was a year of consolidation and evolution. We have diversified our revenue streams, shifted our go to market, streamlined our operations, and strengthened our financial foundation.

We enter 2026 with a healthy pipeline, a more efficient delivery model which embeds AI in all our projects, and the financial strength to capture the opportunities ahead.

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.

Globant 

Technology that dares to delight

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