

**Globant** ▶

# Letter to Shareholders Q1 2026

Martín Migoya, Co-founder & CEO

May 14th, 2026

# Good afternoon,

**We are standing at the beginning of the most important transition the technology services industry has lived through in history.** This nearly \$2 trillion industry is being rewired in front of us, and the signals coming from the AI ecosystem and from the largest software companies are all pointing in the same direction. **The influx of capital, the need for the right talent, and the need to deploy cost effective AI solutions quickly has never been greater. We have been providing AI solutions to some of the world's most important companies for more than a decade.**

Globant was built for this moment. For 23 years we have been building deep engineering capabilities and a profound understanding of our clients' businesses across more than 1,200 customers. We have built on a strong AI-native services practice on top of that foundation. **Enterprises do not need just models, they need AI-native services, delivered by AI agents, supervised by humans, driving their agentic transformation.** That is exactly what Globant has been executing since 2025, and it is exactly what the market is now validating. This is our moment. And we are entering it from a position of strength.

As I meet with our customers around the world, their need to deploy AI solutions that add value and transform their business has never been greater and strengthens my conviction in our innovative business model.

**This is further supported by the convergence of the most influential voices in technology.** Sequoia Capital, through Julien Bek, is calling services the new software, noting that for every dollar spent on software roughly six are spent on services, and that AI lets enterprises buy outcomes instead of tools, with autopilots replacing copilots and meaningfully different unit economics. Satya Nadella is calling 2026 the year agentic systems start to reshape how enterprises consume software, with the boundary between software and services gradually narrowing. And capital is following the thesis: this Monday, OpenAI launched a \$4 billion Deployment Company, and one week earlier Anthropic launched a \$1.5 billion enterprise AI venture with a different group of PE firms. The two most valuable AI companies in the world are putting capital behind delivery, not just behind models. We are proud to be an OpenAI partner since 2025, and every dollar of capital flowing into this layer expands the market for the model we have already built.

**Q1 2026 revenue came in at \$607.1 million, above the high end of our guidance. We are reaffirming the midpoint of our full-year revenue outlook while raising the lower end of the range, narrowing our guidance with greater confidence in our trajectory. Importantly, Q2 guidance returns to sequential growth, with the upper end of our guided range translating into year-over-year growth. Q1 appears to mark the trough of this cycle, and we see Q2 as a meaningful step toward a healthier trajectory.** Free cash flow was strong and operating margin held within our guided range. Our pipeline remains healthy and continues to build with strategic, AI-native opportunities we expect to convert through the rest of 2026.

**On capital allocation, our original share repurchase program announced last September was completed during Q2, and our Board has now authorized a new share repurchase program of up to \$125 million over the following six quarters, representing close to 7.5% of today's market cap, and close to 15% of market cap in aggregate between the two plans.** The program will be executed at management's discretion, balanced against our investment priorities, including the continued build-out of our AI Pods business. We are committed to returning capital to shareholders because we believe Globant is undervalued relative to the trajectory we see in our pipeline and in AI Pods.

A year ago we announced the shift toward AI-native technology services on top of two decades of engineering and industry expertise. Our core business remains the foundation of the company, and the AI-native layer is its natural evolution. Our AI Studios are progressing nicely, layering on non-linear revenue, incorporating talent, sophisticating our offering, and getting closer to what our customers need. For each industry we serve, we are getting deeper. Our global delivery capabilities are helping our clients run the AI transformation they need, with greater leverage, better unit economics, and a more strategic seat at the table.

**Critical differentiators of our enterprise solutions are model independence and token sovereignty.** Our clients are never locked to a single AI provider — our platform routes intelligently across more than 140 models, giving enterprises the freedom to adopt the best available technology as the landscape evolves. And every token consumed stays within the enterprise's own governance. Their data does not train third-party models. Their institutional knowledge remains entirely their own. This is particularly beneficial for many of our innovative clients concerned with their intellectual property in highly competitive environments.

**Our answer to the agentic transformation is the combination of two things: our AI Pods, and our Forward Deploy Engineers. The AI Pods are AI-native service units, each specialized by task and by industry, that deliver outcomes instead of effort. The Forward Deploy Engineers are the human layer that lands inside our customers, embeds AI Pods into their reality, and drives the agentic transformation from the inside.**

**The annual recurring revenue of our AI Pods has reached \$32.8 million as of March, with strong growth versus Q4.** AI Pods is a young, fast-compounding practice in our portfolio, and the percentage growth rates we are seeing at this stage reflect early-base dynamics that will naturally moderate as scale builds. **We have already incorporated the AI Pods business model in 40% of our top 20 revenue-generating accounts, up from 30% from last quarter. The AI Pods pipeline stands at \$352 million, including a clear path to coverage in 70% of our top 20 clients.**

Gross margins on this model continue to run materially above our blended company gross margin. As AI Pods grow as a share of our revenue mix, their structurally higher margin profile can begin to contribute to our blended margin profile over time. AI Pods and AI-native services are an important evolution of how we deliver value, and a meaningful growth lever going forward.

Within our Digital Studios, Data and AI – which includes core AI deployments such as NLP, Analytics, Facial Recognition, Machine Learning, and Data Science – is now our second largest studio by revenue, right after Engineering. Both studios are growing markedly above the company average, with Data and AI growing north of 25% year over year and Engineering in the mid-single digits. This growth mix reflects the priorities shaping enterprise technology investment today.

**AI is present in 100% of our pipeline – every project, without exception, incorporates it either as a core element or as a satellite component.** Within that, 26% of opportunities are AI-core, a figure that rises to 32% when looking only at deals originated in 2026, reflecting the accelerating shift in how clients are coming to us.

We are particularly proud of the evolution of our revenue per Globber. As of Q1 2026, we are run-rating a level north of \$90 thousand, representing 8% year over year growth. This has been supported by the steady expansion of our AI Pods business and the AI tooling we have embedded into our delivery. This is the structural signature of a company moving up the value chain.

What we are seeing in the market reinforces every part of this picture. **Our big deals with large customers continue to gain momentum, and AI transformation programs are now the predominant pattern across our pipeline. Three large pools of demand are converging on AI-native delivery: technical debt and core modernization, estimated at \$1.5 to \$2 trillion across the world's 2000 largest public companies; interface and experience debt across customer-facing surfaces; and agentic process transformation, the redesign of business processes and operating models around agents.** Globant is positioned across all three. We are winning the

modernization pool as an AI-native partner, as the IGT relationship with Apollo demonstrates, and private equity is becoming a structural channel for us. The largest prize, however, is agentic process transformation. AI is now adopted across the vast majority of our projects and the real gains come not from layering AI on top of unchanged processes, but from re-engineering the business around agents and rewiring the organizational chart itself.

**Across our studios, our 100-squared accounts continue to gain traction and maintain momentum. Our top 50 clients grew over 5% year-over-year in Q1, with our top 10 and our two-to-five cohort growing at similar rates, all meaningfully above the company average.** AI Pods are now showing up in concrete ways across every studio. A quick tour.

**In Financial Services,** our work with Banco Galicia, is scaling. They have validated the productivity, speed and quality of our AI Pods and we are now successfully deploying an operating model to manage the high use case backlog. We are now focused on implementing a new AI Pod dedicated to the definition and construction of data products, with an initial use case targeting the reduction of the customer contact rate. We are also applying AI pods in our work with a leading student loan company in the US, to modernize its loan management systems at scale and speed.

**In Healthcare, Life Sciences and Private Equity Studio,** we are migrating five clients to the AI Pods model. At EmployBridge, the first pilot was executed in Q1, and we expect the remaining scope to convert during Q2 into a fully AI Pod engagement. Johnson & Johnson continues to be the largest account in this studio with continued growth.

**In Media, Entertainment, Sports and Hospitality,** our 15-year relationship with the Walt Disney Company continues to expand dialogue with several discussions for AI Pods. We are keen to grow with the company by delivering an interconnected experience anchored by Disney+ and across all core businesses.

The LA Clippers, one of our most visible relationships through our work on the Intuit Dome, is transitioning their full operation to AI Pods.

Our relationship with FIFA is now in its fifth year. Diego Tártara will share how we are progressing our support across FIFA's Business digital initiatives. At the same time, we have expanded our role as their technology partner for the 2026 and 2027 World Cups – enhancing their digital platforms, delivering a new fan engagement mobile application, and bringing our AI-native capabilities to one of the world's most watched sporting events.

The Mexican Football Federation has chosen Globant's Sportian Performance to build the most advanced football intelligence ecosystem including new 'physical AI' applications to further improve sports performance. Our agentic solution implemented in La Liga exemplifies the characteristics of a modern sports organisation and will serve as a lighthouse for the industry.

We now work with all of the Big Three cruise lines, and look forward to growing our work in this space based on our expertise in customer experience.

**In Gaming**, we continue to develop our AI project with RIOT. Since booking the largest deal in this sector with them last year, we are now integrating our AI Pods model into quality assurance.

**In Retail**, we introduced AI Pods into our dialogue with one of the largest retailers in the United States, with whom we have worked for four years. The retailer was previously considering a global compatibility center, but exposure to AI pods shifted the conversation toward an agentic first solution by unlocking more value and efficiency to build a new mobile app and loyalty program.

**In the technology space, we are happy to announce that we are strengthening our strategic partnership and 360-degree relationship with Google, where we are projecting strong growth into new areas.**

**In the energy space**, we continue our three-year relationship with the US Green Building Council, migrating our work on their primary certification,

LEED version 5, to AI Pods. Although the change has been recent, we have already seen significant improvements in process efficiency and we look forward to seeing this growth in the future.

The aviation space has been going through some turbulence by volatility following the sudden rise in fuel prices. This has further reinforced the efficiency gains delivered through our AI Pods model.

Two of our largest airline clients will be transitioning from a traditional delivery model to AI Pods as part of a multi-year commercial and digital transformation. This shift will allow them to increase throughput, reduce cycle times, and operate with a more flexible cost structure, helping to offset fuel-driven margin pressure while continuing to modernize core systems, improve direct channels, and enable more dynamic retailing capabilities.

**In our New Markets region, although our clients face many challenges due to the currently volatile situation in the Middle East, Globant continues steadfast in being a strong and stable partner, focusing on long-term growth.** Our partnership with Qiddiya City has centered on major projects including Six Flags Qiddiya City and Aquarabia, the largest water park in the Middle East, with Globant building the end-to-end digital backbone for the guest journey. We are also partnering with Saudi Arabia's Local Organizing Committee to reinvent the football experience centered on the fan ID ecosystem, focusing on a unified, AI-powered platform connecting identity, venue access, safety, and fan engagement at scale.

**The Enterprise AI Studio anchors the platform layer that powers AI Pods, with multi-cloud integration across Azure, AWS, Oracle and Google Cloud.** Our partnerships with the major hyperscalers, AWS, Google, Microsoft, and Oracle Cloud Infrastructure all expanded this quarter, and we were named Google Cloud Country Partner of the Year in Argentina for the fourth time.

With AWS, this quarter we surpassed the original KPIs from our Strategic Cooperation Agreement signed last September, aimed at several ambitious indicators including Annual Recurring Revenue and New Solution development.

**We also continued to deepen our relationship with NVIDIA, which is central to how we deliver AI-native services at the compute and infrastructure layer.** Together, these alliances make Globant the AI-native orchestration partner that connects model providers, hyperscalers, and the enterprise.

**And finally: our AI-powered network which elevates advertising, marketing strategy and media. GUT kicked off the year with incredible momentum, adding 18 new client logos and delivering groundbreaking work:** a surreal, celebrity-driven music video which became a full-blown cultural event for Cheetos; the Stella Artois's FIFA World Cup 2026 campaign featuring David Beckham in the US; a special project for Bancolombia; and "Pura Magia" a new campaign in partnership with Disney which reimagines the meaning of transformation at Walt Disney World.

Q1 2026 delivered above the high end of our revenue guidance, advanced AI Pods into a clearly strategic position in our portfolio, and gave us additional evidence that the macro shift toward AI-native services is being underwritten by the most credible investors in the technology space.

**In summary, we are reaffirming the midpoint of our full-year revenue outlook, which implies quarter-over-quarter improvement throughout the rest of the year, and also a strong focus on capital allocation and returns, and accelerating the highest-margin product in our portfolio. We are confident in 2026.**

I want to thank our clients for their trust, our partners for their collaboration, and our Globers around the world for the work they do every day.

*Thank you very much,*



**Martín Migoya**  
Co-founder and CEO

## Special Remarks from our CTO

# Hello,

Globant is no longer preparing for the AI era. We are operating within it. We are systematically reinventing our delivery model so that every solution we deliver is secure, scalable, and AI-native from day one. This is what's driving the \$352M pipeline in AI Pods, and the technology layer underneath is what makes this work, and that is where I want to focus today.

### Reinventing our delivery model

We have evolved our signature delivery framework, built on hundreds of autonomous units, to embed AI into every dimension of execution. The three pillars of our delivery model have been overhauled to meet this moment.

#### Talent

Our Globers are not just using AI. They are augmenting their technical domains to become multi-disciplinary orchestrators. We are also expanding to new roles such as our Forward Deploy Engineering team.

#### Process

We have redefined project management with AI-powered observability and agentic workflows that drive measurable efficiency gains.

#### Supervision

AI readiness and accountability are now mandatory across all offerings, evolving our Agile DNA into a truly AI-native model.

### Our Agentic Economy and AI Pods

We are also building what we call our Agentic Economy: an inner-source ecosystem of more than 20 validated, cross-industry agentic solutions that we package as deployable assets directly into AI Pods engagements. Whether it is an IT root-cause analysis tool for airlines or a supply chain agent for Oil and Gas,

these assets are now being replicated across Media, Pharma, and Tech in weeks rather than months. We put special focus on the major demand pools that Martín mentioned: AI delivery, modernization and technical debt.

Our Forward Deploy Engineers are prototyping these solutions in 14 to 21 days. This is the practical mechanism that lets Globant participate in what Sequoia and others have called the services-as-the-new-software era. We are building compounding IP that generates recurring value and positions us as a long-term strategic partner. AI Pods are how that IP gets monetized.

## **FIFA**

As we approach the 2026 World Cup, our work with FIFA is accelerating. AI agent networks with human supervision will power key FIFA platforms, enabling more consistent fan engagement across competitions, smarter activation of partnerships, and faster deployment of new digital experiences.

## **Deportivo Toluca**

In Latin American football, Deportivo Toluca, the current Liga MX champion, has launched a new engagement platform developed by Globant and our sports products division, Sportian. The platform offers supporters live in-match services, ticketing, e-commerce, statistics, and exclusive content, helping the club personalize the fan experience.

## **Grupo Mariposa**

In consumer goods, we are working with Grupo Mariposa, one of the region's leading CPG companies, to transform their marketing model around the consumer. The initiative integrates data, AI, martech, and agile methodologies to enable smarter, faster, more precise decisions. Marketing evolves into a continuously learning system in which creativity and technology adapt together to consumer behavior.

## CMPC

Globant is supporting CMPC, a global leader in sustainable pulp and paper, to deploy an AI-powered solution that enhances supply chain traceability and compliance. End-to-end visibility, regulatory adherence, and a clear sustainability narrative.

## Partnerships and recognitions

Our ecosystem continued to deepen in Q1. We announced a strategic partnership with Adyen for next-generation merchant payment experiences. We obtained the Gen AI Competency from AWS, and achieved Expert status for SAP Business Data Cloud specialization. Our collaboration with Adobe expanded as we became the first Customer Experience Orchestration Partner in LATAM. Our partnership with Autodesk now includes integration with Tandem Digital Twin technology, unlocking new efficiencies in design and operations. Combined with the partnership recognitions Martín shared earlier, this reinforces our position as the AI-native delivery layer connecting model providers, hyperscalers, and the enterprise.

In Q1 we published two new reports through our Research arm: one guiding financial institutions on adopting real-time, AI-driven operations, and another helping airlines transition to modern retail models. Both are available at [reports.globant.com](https://reports.globant.com).

Our role in this market is straightforward. We turn AI from a tool into a delivery model, and we package the IP we generate into assets that our clients can deploy. The technology layer behind AI Pods is now compounding, and that is what gives us conviction in the trajectory Martín described today.

*Thank you very much.*



**Diego Tártara**  
CTO

## Special Remarks from our CFO

# Hello, and good afternoon, everyone.

I am pleased to discuss our results for the first quarter of 2026.

We have begun the year with a focus on stability and execution. We are operating in a discerning client environment, and we are seeing buyers concentrating on high-impact Agentic AI projects and digital transformation, which is exactly where we are positioned. We are executing on the financial front, protecting the bottom line, improving working capital, increasing capex efficiency, and repurchasing our shares.

### Revenue and top client cohort

In the first quarter, our revenue stood at \$607.1 million, representing a 0.7% decrease on a reported basis, coming in above the high end of our guidance, and reflecting a 400 basis point improvement in year-over-year trajectory compared to last quarter. Q1 revenues included 200bps of FX tailwind.

The improvement is most visible in our top accounts. Our top 50 clients grew 5.2% year-over-year, our top 10 grew 4%, and our two-to-five cohort grew 8.2%, all materially above the company average. Many of our top 20 clients returned to positive year-over-year growth this quarter. This is aligned with our 100-squared strategy. Our revenue per employee also increased again this quarter, driven by our pivot into platform and AI-led delivery, which allows us to maintain our revenues with a slightly lower headcount.

### Profitability

Our Adjusted Gross Profit Margin for the quarter was 37.0%. Gross margins continue to be impacted by the relative strength of LATAM currencies, primarily the Mexican Peso, the Colombian Peso, and the Brazilian Real, compared to the prior year, alongside statutory cost increases in our delivery centers. Over time,

as AI Pods grow as a share of our revenue mix, their structurally higher margin profile can begin to contribute to our blended company margins. This is the longer-term margin opportunity we are building toward.

Our Adjusted Operating Margin came in at 14.1% for the quarter, with SG&A at 18.5% of revenues. The effective tax rate for the quarter stood at 23.5%, within our guided range. Our Adjusted Net Income for the quarter was \$65.2 million, representing an Adjusted Net Income margin of 10.7%.

Q1 Adjusted Diluted EPS came in at \$1.50, above the midpoint of our guidance. This number absorbed meaningful FX headwinds, primarily from the Mexican Peso, the Colombian Peso, and the Brazilian Real. On an FX neutral basis, Adjusted EPS would have been higher. The underlying operating performance was consistent with our internal plan.

## **Balance sheet, free cash flow, and capital allocation**

Our balance sheet remains strong, ending the quarter with \$200.5 million in cash and short-term investments, or \$161.2 million in net debt. During the first quarter, we invested \$50 million to repurchase shares, as per the plan announced in October 2025. Our original share repurchase program was completed during Q2.

In Q1 2026, we generated \$36.1 million of free cash flow, achieving a free-cash-flow-to-adjusted-net-income ratio exceeding 55%, compared to negative \$5.7 million of free cash flow in Q1 2025. This is the first time Globant has generated free cash flow in the first quarter since 2019. We expect to continue to generate strong organic free cash flow for the full year 2026.

We will continue to allocate capital with discipline across two priorities: returning capital to shareholders through the newly authorized repurchase program, and investing in high-return growth initiatives, principally the continued build-out of our AI Pods business.

## Outlook

Now let me move to our outlook for Q2 and for the remainder of the year.

For the second quarter of 2026, based on current visibility, we expect revenue to be between \$610 million and \$616 million. The Q2 year-over-year guidance implies, at the midpoint, a positive FX tailwind of 100 basis points. We expect a Non-IFRS adjusted operating margin between 14% and 15%, and the IFRS effective income tax rate is expected to be in the 22% to 24% range. Non-IFRS adjusted diluted EPS is expected to be between \$1.45 and \$1.55 per share, assuming an average of 43.6 million diluted shares outstanding during the second quarter.

With respect to the full year, at the midpoint, we are maintaining our 2026 revenue guidance unchanged. We expect revenues in the range of \$2,462 million to \$2,508 million, implying 0.3% to 2.2% year-over-year growth, with approximately 100 basis points of FX tailwind. Both Q2 and subsequent quarters imply sequential growth and a healthy exit rate more aligned with industry growth averages.

In terms of profitability, we continue to expect our Adjusted Operating Margin for the full year to be between 14% and 15%. Our margins continue to be pressured by the strength of LATAM currencies relative to the dollar. The IFRS effective income tax rate is expected to be in the 21% to 23% range. For the full year, we are also reiterating an Adjusted Diluted EPS range of \$6.10 to \$6.50, assuming an average of 44.1 million diluted shares outstanding for the full year.

To conclude, Q1 was a quarter of steady execution. We are seeing improvements across our top clients. We are executing on the things that we can control, and our balance sheet remains a source of strength. Our focus on embedding AI into the core of our value proposition is clearly resonating with our most strategic partners.

*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 statements of financial position as of March 31, 2026 and December 31, 2025 and its consolidated statements of comprehensive income for the three months ended March 31, 2026 and 2025, 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, 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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