

Q3 FY2020 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q3 RESULTS FOR FY2020

Mumbai, India, February 7, 2020: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Third Quarter and Nine Months results for FY2020.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: “HGS posted a strong revenue growth in Q3 FY2020 to touch Rs. 13,358 million, up by 5% YoY. Our margins continue to improve significantly with Q3 EBITDA margins at 15.5%. Over the last 3 quarters, EBITDA margins have expanded by 390bps.

The growth was led by demand in both Healthcare and CES (Consumer Engagement Services) verticals across geographies. While CES had ramp ups from recent client wins and the festive season, the Healthcare business saw strong growth driven by a strong Open Enrollment season across US, Jamaica, Philippines and India.

In November 2019, we announced our exit from the India Domestic CRM market by selling our business here to Altruist. The transaction closed on 31st January, 2020, as planned. This divestment is in line with our strategy to focus on driving profitable and high-value services-led growth.

During the quarter, we continued to see traction in partnering with clients, both new and existing, especially for HGS Digital services. With technology disrupting the market and clients demanding technology-led services, it is only natural that we have brought digital to the center of all the solutions that we offer global brands. The HGS Digital brand is the culmination of our sharp focus on innovation, technology expertise and client centricity, and will be fundamental to our growth in the years to come.”

Financial Highlights for Q3 FY2020

- HGS reported a YoY revenue growth of 5% to Rs. 13,358 million
- Revenue growth in constant currency terms was 3%
- EBITDA was Rs. 2,076 million, up by 50% YoY; EBITDA margins stood at 15.5%
- Net profit was Rs. 712 million, a YoY increase of 89%; Net margins stood at 5.2%
- Capital expenditure for the quarter was Rs. 360 million
- Reduction in gross debt of Rs. 180 million in Q3 FY2020; As on 31st December, 2019 gross debt was Rs. 5,546 million and net debt was Rs.324 million.
- **Declared Interim Dividend of Rs15 per share.**

Q3 FY2020 EARNINGS PRESS RELEASE

Financial Highlights for Nine Months FY2020

- Net Sales increased to Rs. 39,168 million, a YoY revenue growth of 10.9%; In constant currency, growth was at 9.4%YoY
- EBITDA stood at Rs. 5,284 million; EBITDA margin was 13.5%
- Net profit was Rs. 1,608 million; Net margins stood at 4.2%.
- Generated 72% of YTD EBITDA into Free Cash.

Consolidated Financial Highlights

	Quarter 3		YOY	Quarter 2	QOQ	Nine Months		YOY
(Rs Million)	FY2019	FY2020	Growth	FY2020	Growth	FY2019	FY2020	Growth
Operating Revenues	12,726	13,358	5.0%	12,906	3.5%	35,321	39,168	10.9%
EBITDA	1,386	2,076	49.8%	1,711	21.4%	2,924	5,284	80.7%
EBITDA Margin	10.9%	15.5%		13.3%		8.3%	13.5%	
Profit Before Tax	494	1,042	110.8%	907	14.8%	1,742	2,518	44.5%
PBT Margin	3.9%	7.8%		7.0%	10.9%	4.9%	6.4%	
Profit After Tax	368	712	93.7%	491	44.9%	1,218	1,608	32.0%
PAT Margin	2.9%	5.3%		3.8%		3.4%	4.1%	
Basic EPS (Rs)	17.5	34.2	95.4%	22.9	49.4%	58.8	76.1	29.6%

Note: EBITDA computed in the above table excludes other income

Business Highlights for Q3 FY2020

- **Client wins:**
 - Added eight new clients across healthcare, BFSI and media & technology for core BPM services and six for HRO/ Payroll Processing
 - Expanded engagements with 16 existing clients
 - Won contracts from 10 clients (new and existing) for RPA, digital, analytics and Social Care services
- **Clientele:** As of 31st December, 2019, HGS had 245 core BPM clients and 674 HRO/Payroll processing clients.
- **Employee Headcount:** 45,435 as on 31st December, 2019.
- **Delivery Centers:** HGS had 71 global delivery centers across seven countries as on 31st December, 2019.
- **M&A Update:** Announced sale of India Domestic Customer Relationship Management (CRM) business to Altruist Technologies Private Limited in November 2019. As part of the transaction, HGS has transferred client contracts, over 7,300 employees and assets at nine delivery centers across Bangalore, Hyderabad, Pune, Mumbai, Noida, Indore and Raipur. **Post closure of sale of India Domestic CRM business on 31st January, 2020:**
 - HGS has 245 clients for BPM services
 - Headcount stands at 38,872
 - Number of delivery centers is 61

Q3 FY2020 EARNINGS PRESS RELEASE

- **Awards & Recognition:**

- Leader: CX Services in Retail & CPG NEAT 2019, NelsonHall
- Top 10 Retail and CPG Service Providers 2019, HFS
- Awarded in two categories - CSR Project of the Year and Best CSR Practice at CSR Summit & Awards 2019 organized by UBS Forums
- Recognized at the Software Park of India (STPI) Karnataka IT Exports Awards 2019 in two ITeS-related categories - 'Highest New Jobs Creator' and 'Highest Growth In Women Employment'
- Winner of Best Customer Engagement Initiative award at the ECCCSA Awards
- Winner in the category of Woman of the Year – Business Services at the Stevie Awards
- 2019 Social Media Consulting and Brand Management Customer Services Leadership Award at the Frost & Sullivan Best Practices Awards
- Social Customer Service Team of the Year winner at UKCCF Awards

About Hinduja Global Solutions (HGS):

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients. Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true “globally local” approach, with over 38,872 employees across 61 delivery centers in seven countries making a difference to some of the world’s leading brands across nine key verticals. For the year ended 31st March 2019, HGS had revenues of Rs. 48,167 million (US\$ 689 million).

Visit www.teamhgs.com to learn how HGS can help make your business more competitive.

Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

For more information, visit us at www.teamhgs.com or contact:

Srinivas Palakodeti

Hinduja Global Solutions Limited

Tel: +91 80 4643 1000

Email: pala@teamhgs.com

R. Ravi

Hinduja Global Solutions Limited

Tel: +91 22 2496 0707

Email: ravi.r@teamhgs.com