

Hinduja Global Solutions Limited

FY2017 – Consolidated Financial Performance Highlights

Net Sales of Rs. 37,110 million, an increase of 11.5% y-o-y

EBITDA of Rs. 4,424 million with margin of 11.9%* as compared to 9.4% in FY2016

EBITDA growth of 41.3% y-o-y - Very close to what we achieved in FY2014

The Board recommended a final dividend for FY2017 of **Rs. 2.50 per share**, bringing the total dividend for the year to **Rs. 10 per share**

Mumbai, India, May 22, 2017: Hinduja Global Solutions Limited ([HGS](#)) (Listed on NSE & BSE, India) today announced its Audited Full Year Results for FY2017.

Commenting on the performance and outlook, **Mr. Partha DeSarkar, CEO** said:

"FY2017 was a great year for HGS. We delivered strong topline growth of 11.5% y-o-y while expanding EBITDA margins by 250bps to 11.9% and growing PAT by 77.3% on y-o-y basis. These robust numbers were driven by higher volumes, especially in healthcare and telecom verticals, demand for nearshore/offshore services and high capacity utilization. This performance included Q4 FY2017 recording the highest quarterly EBITDA for HGS in the last three years, and was achieved despite a volatile economic environment globally and strengthening of the Rupee.

Looking ahead, the business continues to gain momentum. Domain expertise is our key USP, especially in verticals such as healthcare. Combined with technology-led solutions like HGS RPA and DigiCX, it is driving results consistently for our clients. We are focused on enhancing this unique positioning by making investments in technology & services, centers and people."

Financial Highlights: FY2017

- Net Sales increased by 11.5% y-o-y to Rs. 37,110 million.
- EBITDA was Rs. 4,424 million with margins of 11.9%*.
- PAT was Rs. 1,792 million with margins of 4.8%
- Cashflow from operation and after working capital changes was Rs. 4,031 million.
- Capex and investments was Rs. 1,779 million.
- As of March 31, 2017, HGS had Net Debt of Rs. 1,979 million and a Net Worth of Rs. 13,192 million.
- Repaid debt of Rs. 1,953 million in FY2017. Net Debt/Equity as of 31st March, 2017 is at 0.15x, as against 0.33x at the end of 31st March, 2016.
- At the end of 31st March, 2017, HGS achieved FCF/EBITDA of 48%.

** FY2017 margins are computed on same basis as for FY2016*

FY2017 Press Release



Financial Highlights: Q4 FY2017

- Net Sales increased by 2.9% y-o-y to Rs. 9,400 million.
- EBITDA was Rs. 1,248 million with margins of 13.3%.
- EBITDA margin of 13.3%, is the highest quarterly margin in the last three years.
- PAT was at Rs. 427 million with margins of 4.5%.

Financial Summary

(Rs Million)	Q4		YOY	Q3	QOQ	Full Year		YOY
	FY2017	FY2016	Growth (%)	FY2016	Growth (%)	FY2017	FY2016	Growth (%)
Operating Revenues	9,400	9,139	2.90%	9,563	-1.70%	37,110	33,282	11.50%
EBITDA	1,248	981	27.20%	1,145	9.00%	4,424	3,130	41.30%
EBITDA Margin	13.30%	10.70%		12.00%		11.90%	9.40%	
Profit Before Tax	581	613	-5.20%	721	-19.40%	2,547	1,559	63.40%
PBT Margin (%)	6.20%	6.70%		7.50%		6.90%	4.70%	
Profit After Tax	427	408	4.70%	472	-9.60%	1,792	1,010	77.30%
PAT Margin (%)	4.50%	4.50%		4.90%		4.80%	3.00%	
Basic EPS (Rs)								

Revenue Summary: FY2017

- **Revenue origination:** US: 68.2%, Canada: 9.7%, UK & Europe: 7.1% and India 15%.
- **Revenue by vertical:** Healthcare 48%, Telecom & Technology 22%, Consumer 13%, Banking & Financial Services 7% and Others 10%.
- **Clients:** Top client: 18%, Top 5: 52%, Top 10: 63% and Top 20: 73%.

Business Highlights: FY2017

- **Client Wins:** Signed 15 new clients, who accounted for 2.7% of overall revenue
- **Active Clients:** 183 core BPM clients and 614 payroll processing & HRO clients
- **New Delivery Centers:** Currently, HGS has 68 global delivery centers across seven countries. In FY 2017, HGS opened seven new centers: Jamaica (2), Philippines (1) and India (4 – 1 each in Chennai and Raipur, and 2 in Bangalore).
- **Creation of a North America Region:** Sales, Operations and Shared Services of HGS USA and HGS Canada was brought under a unified North America structure; Has helped streamline decision-making and optimize operations to make our clients more competitive
- **Employee Headcount:** 44,237 as on 31st March, 2017; India: 67% (India Offshore 21% and India Domestic 46%), Philippines: 16%, US: 9%, Canada: 5% and Europe: 3%
- **New Solutions & Innovation:**
 - Launched nine new service offerings – The Automated Enterprise; DigiWEB, DigiSOCIAL, DigiTEXT, DigiCHAT, DigiWEB, DigiMESSAGING, DigiINSIGHT, DigiBOT and DigiAMBASSADOR (all under the DigiCX suite of solutions)
 - Robotics Process Automation (RPA) solution gaining traction – HGS' Automation Center of Excellence currently delivering to eight client engagements in Healthcare and BFSI

- **Recognition:**

- HGS named a Visionary in the 2017 Gartner Magic Quadrant for Customer Management Contact Center BPO, Worldwide, March 2017
- HfS Research put HGS in the Winner's Circle for their Digitally Enabled Contact Center Blueprint, September 2016
- HGS named a Leader in the NelsonHall Customer Management Services Overall NEAT, May 2016
- HGS won Frost & Sullivan's 2016 North American New Product Innovation Award for DigiCX, September 2016
- HfS Research named HGS a High Performer in their Population Health & Care Management Blueprint, July 2016

About Hinduja Global Solutions:

HGS is a leader in optimizing the customer experience and helping our clients to become more competitive. HGS provides a full suite of business process management (BPM) services from traditional voice contact center services and transformational DigiCX services that are unifying customer engagement to platform-based, back-office services and digital marketing solutions. By applying analytics, automation, and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiency, and helps retain valuable customers. HGS expertise spans the telecommunications and media, healthcare, insurance, banking, consumer electronics and technology, retail, and consumer packaged goods industries, as well as the public sector. HGS operates on a global landscape with over 44,200 employees in 68 worldwide locations delivering localized solutions. For the year ended 31st March 2017, HGS had revenues of US\$ 555 million. HGS, part of the multi-billion dollar Hinduja Group, has more than four decades of experience working with some of the world's most recognized brands.

www.teamhgs.com

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:

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