

FY2019 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q4 AND FULL-YEAR RESULTS FOR FY2019

Mumbai, India, May 30, 2019: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its audited Fourth Quarter and Full-Year Results for FY2019.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: *"HGS has traditionally reported a strong Q4 and FY2019 was no exception. Our topline in Q4 FY2019 grew by over 28% YoY in rupee terms, EBITDA grew by 43.3% and PAT grew by 6.1%. Of this 28% YoY growth in revenues, organic growth contributed 15.9%, inorganic growth 6.6% and the rest 5.5% came from forex gains. This was led by a robust performance by most of our businesses and geographies. We have seen significant improvement in the performance of AxisPoint Health and India domestic business.*

For the full year FY2019, HGS generated a topline of Rs. 48,167 million, a growth of 25.1% YoY. Of this, around 8.1% came from acquisitions, 7% exchange rate variations and around 10% from organic growth. EBITDA grew by 8.6% to Rs. 4,411 million; however, PAT for the year fell by around 11.4%, mainly on account of losses from the AxisPoint Health business and drop in profitability of the India domestic business. Digital revenues as share of total revenues increased from 4% in FY2018 to 7% in FY2019.

HGS signed 21 new clients during the year, including some large wins in new verticals such as logistics, and expanded its presence in USA, India and Philippines to meet demand. The business outlook for FY2020 remains positive with strong revenue growth.

HGS continues to invest in building capabilities, especially in growth areas such as healthcare and digital. Our solutions such as Social Care and RPA as a Service are seeing good traction. Based on the visibility from new wins and a healthy pipeline, we expect to post strong topline growth in the new fiscal."

Financial Highlights for Q4 FY2019

- HGS reported a YoY revenue growth of 28% at Rs. 12,846 million
- Revenue growth in constant currency terms was 22.5%
- EBITDA was Rs. 1,488 million; EBITDA margins stood at 11.6%
- Net profit was Rs. 545 million, a YoY growth of 6.1%; Net margins stood at 4.2%
- Final Dividend of Rs 2.50 /share

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Financial Highlights for Full Year FY2019

- Revenues increased to Rs. 48,167 million, a YoY revenue growth of 25.1%; in constant currency, growth was 11.3% YoY
- EBITDA was Rs. 4,411 million, up by 8.6%; EBITDA margins stood at 9.3%
- Net profit was Rs. 1,764 million, a drop of 11.4%; Net margins stood at 3.7%
- Capital expenditure for the year was Rs. 1,894 million
- Gross debt increased by Rs. 142 million during FY2019; At the end of 31st March, 2019, Net Debt was Rs 1,716 million, a Net Debt/TTM EBITDA of 0.4x

Consolidated Financial Highlights

(Rs Million)	Quarter 4		YOY Growth	Quarter 3 FY2019	QOQ Growth	Full Year	
	FY2018	FY2019				FY2018	FY2019
Operating Revenues	10,039	12,846	28.0%	12,726	0.9%	38,494	48,167
EBITDA	1,039	1,488	43.3%	1,386	7.4%	4,061	4,411
EBITDA Margin	10.3%	11.6%		10.9%		10.5%	9.2%
Profit Before Tax	670	739	10.4%	493	49.9%	2,544	2,482
PBT Margin	6.7%	5.8%		3.9%	48.5%	6.6%	5.2%
Profit After Tax	513	545	6.1%	367	48.4%	1,991	1,764
PAT Margin	5.1%	4.2%		2.9%		5.2%	3.7%
Basic EPS (Rs)	24.9	26.3	5.5%	17.5	50.1%	96.6	85.1

Note: EBITDA mentioned in the above table excludes FX losses

Business Highlights for FY2019

- Client Wins:** Added 21 new clients across verticals for core BPM and 20 for HRO/ Payroll Processing; Includes wins in Q4 FY2019 for acquired companies AxisPoint Health and Element Solutions.
- Business Transformation & Digital:**
 - Signed several social care engagements, including from a media broadcast company, a telecom service provider and an automobile brand in India, and a large retailer in the US.
 - Won contracts from three new clients in the Middle East to deploy RPA as a Service
- Clientele:** As of 31st March, 2019, HGS had 237 core BPM clients and 656 HRO/Payroll processing clients.
- Mergers & Acquisitions:**
 - April 2018: HGS acquired CMH Services Subsidiary LLC, USA, operating under the trade name of AxisPoint Health, a leading population health management company. Also acquired 57 percent equity stake in Element Solutions LLC, USA, a digital consulting services company.
 - July 2018: HGS Board approved the merger of wholly-owned subsidiary, HGS ISPL with itself.
 - December 2018: HGS sold several nurse advice line contracts, part of the GuidePoint line of business at AxisPoint Health, as they were subscale and adversely impacting margins.
- Employee Headcount:** 42,190 as on 31st March, 2019.
- Delivery Centers:** HGS closed the fiscal with 73 global delivery centers across seven countries.
 - Opened four centers in Pune and Bangalore in India, Jacksonville in the US, and Iloilo, Philippines.
 - Gained five new centers in Chicago (Illinois), Austin (Texas), Denver (Colorado), San Juan (Puerto Rico) and Vishakhapatnam through acquisitions.

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- **Awards & Recognition in Q4 FY2019:**

- HFS Research Customer Engagement Operations, Jan 2019 - Top 3 for Voice of the Customer
- The ISG Index™ Global Sourcing and As-a-Service Market Insights, Fourth Quarter and Full Year 2018, Jan 2019 - Asia Pacific Top 15 status in the Booming 15 Sourcing standouts
- Forrester “Now Tech: Omnichannel Customer Service Outsourcers, Q1 2019”, Jan 2019
- Nelson Hall, HGS – Advances in Analytics BPS Profile, 2019
- HFS Top 10 Healthcare Sector Service Providers, March 2019 - HGS
- 2018 Customer Experience Innovation Award by TMC and CUSTOMER magazine for Intelligent Innovation related to Social Media
- HR Talent Management Awards 2019 by ET Now for Innovative HR Practices, March 2019

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 42,190 employees across 73 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:

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