

## Q2 FY2020 EARNINGS PRESS RELEASE

# HGS ANNOUNCES Q2 RESULTS FOR FY2020

**Mumbai, India, November 11, 2019:** Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Second Quarter and Half Year results for FY2020.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: “HGS posted a robust revenue growth in Q2 FY2020, driven by demand across Healthcare and CES (Consumer Engagement Services) verticals. Overall revenues for Q2 stood at Rs. 12,906 million, an increase of 11.4% YoY. From a margin perspective, Q2 EBITDA margins improved to 13.3% as per expectations.

Led by growth from existing clients and increased operational efficiencies, all our major geographies have shown strong revenue growth and improved profitability. Healthcare vertical posted strong growth, with higher volumes and new clients going live.

We continue to invest significantly in technology-led BPM services. In Q2, we launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions to clients. With seven wins in the quarter, we expect HGS Digital to open up big opportunities for us going forward.

The sales pipeline for H2 looks encouraging, and with Open Enrollment and Holiday Season coming up in Q3, HGS is well-positioned to deliver a better second half.”

### Financial Highlights for Q2 FY2020

- HGS reported a YoY revenue growth of 11.4% to Rs. 12,906 million
- Revenue growth in constant currency terms was 11.5%
- EBITDA was Rs. 1,711 million, up by 120.5% YoY; EBITDA margins stood at 13.3%
- Net profit was Rs. 491 million, a YoY increase of 9.7%; Net margins stood at 3.8% %
- Capital expenditure for the quarter was Rs. 310 million
- Generated 179% of the Q2 FY2020 EBITDA into Free Cash due to collections of receivables
- Reduction in gross debt of Rs. 270 million in H1 FY2020; As on 30th September, 2019 gross debt was Rs 5,726 million and net cash was Rs298mn.
- Second Interim Dividend of Rs 2.50 /share

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### Financial Highlights for H1 FY2020

- Net Sales increased to Rs. 25,811 million, a YoY revenue growth of 14.2%; and in constant currency, growth was 13.3% YoY
- EBITDA stood at Rs. 3,207 million; EBITDA margin was 12.4%
- Net profit was Rs. 896 million; Net margins stood at 3.5%

### Consolidated Financial Highlights

(Rs Million)	Quarter 2		YOY	Quarter 1	QOQ	First Half	
	FY2019	FY2020	Growth	FY2020	Growth	FY2019	FY2020
Operating Revenues	11,586	12,906.0	11.4%	12,905	0.0%	22,595	25,811
EBITDA	776	1,711.0	120.5%	1,496	14.3%	1,507	3,207
EBITDA Margin	6.7%	13.3%		11.6%		6.7%	12.4%
Profit Before Tax	651	907.5	39.4%	568	59.6%	1,248	1,476
PBT Margin	5.6%	7.0%		4.4%		5.5%	5.72%
Profit After Tax	448	491.3	9.7%	404	21.4%	851	896
PAT Margin	3.9%	3.8%		3.1%		3.8%	3.47%
Basic EPS (Rs)	22.0	22.9	4.2%	19.0	20.66%	41.3	42

*Note: EBITDA computed in the above table excludes other income*

### Business Highlights for Q2 FY2020

- **Client wins:**
  - Added eight new clients across healthcare, retail, consumer electronics and public sector for core BPM services and six for HRO/ Payroll Processing
  - Expanded engagements with nine existing clients
  - Won contracts from seven clients (new and existing) for RPA, digital, analytics and Social Care services
- **Clientele:** As of 30<sup>th</sup> September, 2019, HGS had 245 core BPM clients and 674 HRO/Payroll processing clients.
- Yashodhan Madhusudan Kale has been named as the Chairman of the HGS Board while Bhumika Batra, Dr. Ganesh Natarajan and Sudhanshu Tripathi are the new Board members. HGS Global CEO Partha DeSarkar has also joined the Board as Wholetime Executive Director.
- **Innovative Solutions:** Launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions to clients
- **Employee Headcount:** 44,218 as on 30<sup>th</sup> September, 2019
- **Delivery Centers:** In Q2, HGS set up a center in Caerphilly, Wales in the UK to support public sector clients. HGS had 71 global delivery centers across seven countries as on 30<sup>th</sup> September, 2019.
- **Awards & Recognition:**
  - Leader: Social Business Collaboration - Services & Solutions USA - IPL study 2019, ISG, June 2019
  - Rising Star, Social Business Collaboration - Services & Solutions Global - IPL study 2019, ISG, June 2019
  - Top 10 Digital Front Office: CX Design, Sales, and Marketing, HFS, July 2019
  - BPS Top 50, up 4 points from 2018, HFS, August 2019

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- Major Contender, Clinical and Care Management (CCM) BPS Services PEAK Matrix™ Assessment 2019, September 2019
- Best Social Media Brand in the Home & Living category for handling end-to-end digital solutions for five years for a client, #SAMMIE 2019 - Powered by Social Samosa, August 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 44,218 employees across 71 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](http://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](http://www.teamhgs.com) or contact:

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