



Q3 & Nine Months FY2017 Earnings Presentation

February 8, 2017

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the BPM industry including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-timeframe contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hinduja Global Solutions has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Hinduja Global Solutions may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

Conference Call Details: Thursday, February 9, 2017 at 4:00 PM IST

Dial-In Numbers	
Primary Number	+91 22 3960 0620
Local Access Number	3940 3977
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	USA: 1 866 746 2133
	UK: 0 808 101 1573
	Singapore: 800 101 2045
	Hong Kong: 800 964 448

Q3 FY2017 Financial Highlights

- Net Sales of Rs. 9,563 million, an increase of 8.3% compared to same period last year
- EBITDA of Rs. 1,145 million with margin of 12.0%
- PAT of Rs. 472 million with margin of 4.9%
- The Board declared an interim dividend of Rs. 2.50 per share

Nine Months FY2017 Financial Highlights

- Net Sales of Rs. 27,710 million, an increase of 14.8% compared to same period last year
- EBITDA of Rs. 3,175 million with margin of 11.5%
- PAT of Rs. 1,365 million with margin of 4.9%
- As of Dec 31, 2016, the Company had Net Debt of Rs.2,908 million and a Net Worth of Rs. 12,800 million

Management Perspective

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

“HGS had a very strong quarter, driven by high capacity utilization and seasonality. Revenue in Q3 FY2017 grew by 8.3% y-o-y while EBITDA was up by 40.6% and Net Profits by 136.4% on y-o-y basis. These robust numbers were led by significant volume growth from our top 10 clients and new logos in healthcare and consumer products as well as gains from Open Enrollment in the healthcare sector.

We continue to focus on making investments -- in centers, solutions and people -- to drive growth across our geographies.”

Q3 FY2017 Business Highlights

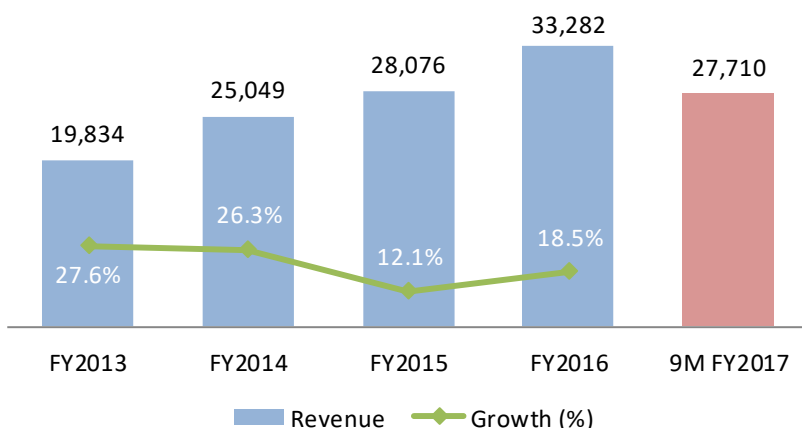
- Won significant new business from clients in North America - across Telecom, Healthcare and Consumer verticals
- Launched W@Home (Work at Home), a new business delivery model in Canada. This is expected to expand the employable labour market exponentially for HGS
- Philippines operation continued to experience strong traction, primarily driven by the Healthcare vertical. Expect seasonal demand in Healthcare and Consumer Electronics vertical to drive growth for remaining part of the fiscal year.
- As of December 31, 2016, HGS had 185 core BPM clients and 607 payroll processing clients
- In Q3 FY2017, contribution from Healthcare vertical was 47%, Telecom & Technology 22%, Consumer 13%, Banking & Financial Services 7%, Others 11%
- As of December 31, 2016, total headcount was 43,750: India: 65% (India Offshore 21% and India Domestic 44%), 18% in Philippines, 9% in the US, 5% in Canada and 3% in Europe

Financial Performance Summary

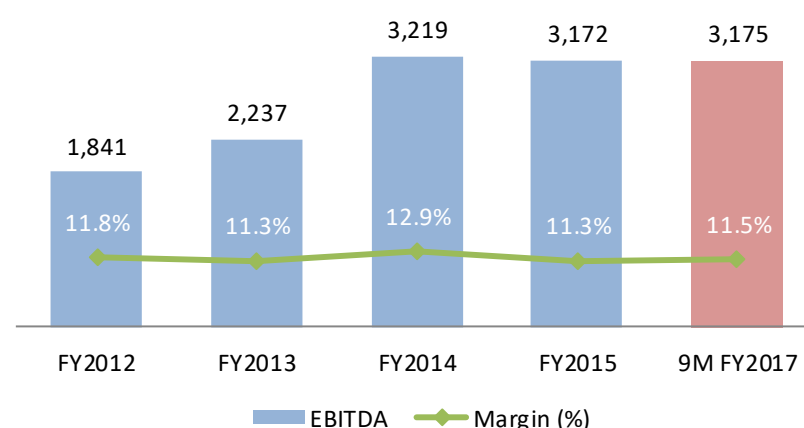
Consolidated Financial Highlights

(Rs. Million)	Q3		y-o-y	Nine Months		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2016	Growth (%)
Net Sales	9,563	8,829	8.3%	27,710	24,143	14.8%
EBITDA	1,145	815	40.6%	3,175	2,248	41.3%
Margin (%)	12.0%	9.2%		11.5%	9.3%	
Profit Before Tax (PBT)	720	329	118.6%	1,966	1,069	83.9%
Margin (%)	7.5%	3.7%		7.1%	4.4%	
Profit After Tax (PAT)	472	200	136.4%	1,365	677	101.6%
Margin (%)	4.9%	2.3%		4.9%	2.8%	
Basic EPS (Rs.)	22.87	10.50	117.8%	65.94	33.54	96.6%

Annual Revenue Trend (Rs. Million)



Annual EBITDA Trend (Rs. Million)



Note: FY2013 to FY2016 financials are as per IGAAP

Region	Geography Highlights
North America and Jamaica	<ul style="list-style-type: none">Received a new multi-million dollar contract from a major Canadian Telecom & Media company to support video legacy customer careNew onshore business from a leading US Payer to support Medicare and Consumer business callsLaunched a new business delivery model in Canada - W@Home. This leverages work from home<ul style="list-style-type: none">Expected to multiply the employable labour market available for HGSPhase 1 rolled out in Canada in December 2016; expect to scale to ~250 FTEs by FY2018Opened a fourth center in Jamaica in January 2017 to cater to additional business received from an existing healthcare client<ul style="list-style-type: none">This site will have over 1,200 seats
UK	<ul style="list-style-type: none">Volumes remained soft in Q3 due to seasonality from two public sector clientsExpect the volumes to continue to remain soft in Q4 but will start picking up towards end of the fiscal yearTo strengthen management team with additions in Operations and Business Development in Q4

Region	Geography Highlights
Philippines	<ul style="list-style-type: none"> Continued to experience robust business expansion, primarily driven by the Healthcare vertical Added 165 FTEs for new lines of business from existing clients across Healthcare and Consumer Products clients vertical Completed 15 years of partnership with a client in BFSI vertical. This long standing relationship is testament to HGS' focus on quality Expect second half of the fiscal year to be better compared to first half driven by seasonal demand in Healthcare and Consumer Electronics vertical
India	<p>International:</p> <ul style="list-style-type: none"> Robust growth supported by significant volume growth in the healthcare vertical Received new business from a leading US Jewellery brand for support in digital production, search marketing and social marketing <p>Domestic:</p> <ul style="list-style-type: none"> Strong revenue growth driven by higher volumes, new client additions Marginal softness in volume from a large telecom client compared to the last quarter

Awards and Accolades



- Frost & Sullivan's 2016 North American Contact Center Outsourcing New Product Innovation Award for HGS' DigiCX suite of solutions
- The award recognized HGS' new approach to applying design thinking and helping its clients optimize their CX, making their businesses more competitive
- Winning the Frost & Sullivan award puts HGS among some of the most elite brands in the industry



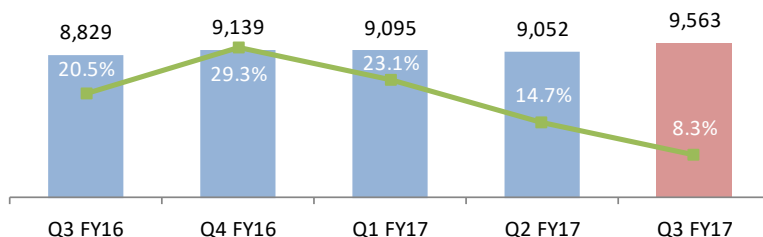
- Received two awards at the Contact Center World Awards in Las Vegas
 - A Silver in the category of Self-Service Technology - Enhancing The Customer Experience - for a self-help solution deployed for an electronics client
 - A bronze in the category of Making Outsourcing Work - Developing a Win : Win Partnership

Recognition from Analyst and Advisor community

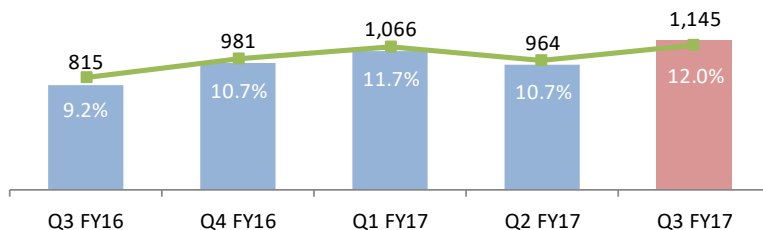


- HGS recognized as “High Performer” In HfS Research Blueprint Report - Digital Marketing Operations 2016, Dec 2016
- HGS recognized as “Leader” In NelsonHall CMS Analytics NEAT 2016 for “Customer Experience capability” and “Cost Optimization capability”, Nov 2016
- HGS achieves Americas Top 15 status in the Breakthrough Sourcing standouts In ISG Outsourcing Index Global 3Q 2016, Oct 2016

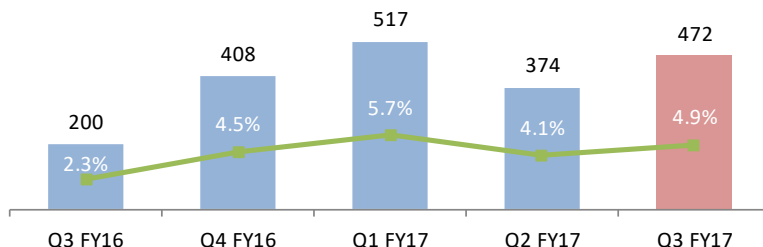
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Highlights

- Revenue growth driven by volume growth across key clients and new client additions in healthcare, consumer products and telecom verticals
- Profitability benefitted from improvement in utilization levels coupled with favourable foreign exchange variations

Break-up of Operating Expenses

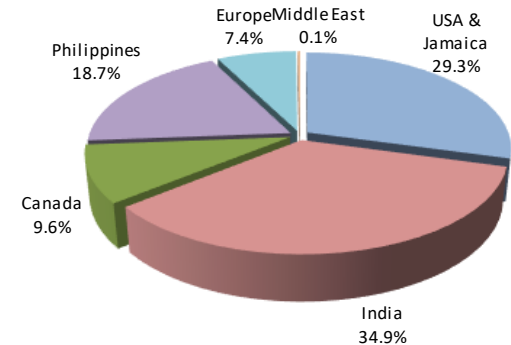
Particulars	YTD FY16	YTD FY17
Rent and Connectivity Cost	31.0%	30.7%
Legal and Professional Charges	13.9%	12.6%
Others	55.2%	56.7%
Total Operating Expenses (Rs. Mn)	5,518	6,078

Note: Q4 FY2016 financials are as per IGAAP

Revenue by Delivery Centers

(Rs. Million)	Q3		y-o-y Growth (%)	Q2	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
USA & Jamaica	2,803	2,541	10.3%	2,526	10.9%
India	3,333	2,706	23.2%	3,073	8.5%
Canada	918	980	(6.3)%	940	(2.3)%
Philippines	1,789	1,583	13.0%	1,642	9.0%
Europe	708	1,011	(30.0)%	865	(18.2)%
Middle East	12	8	49.4%	7	69.3%
Total	9,563	8,829	8.3%	9,052	5.6%

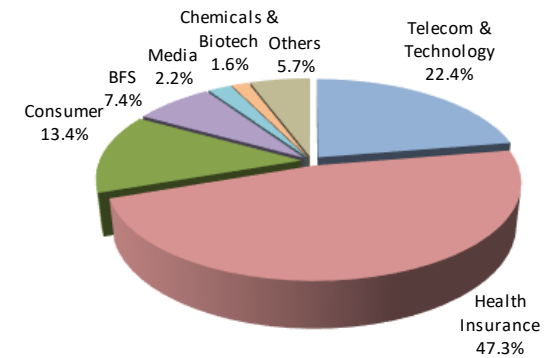
Q3 FY2017



Revenue by Vertical

(Rs. Million)	Q3		y-o-y Growth (%)	Q2	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
Telecom & Technology	2,143	2,569	(16.6)%	2,165	(1.0)%
Health Insurance	4,521	3,605	25.4%	4,033	12.1%
Consumer	1,283	1,138	12.8%	1,236	3.8%
BFS	707	629	12.3%	646	9.4%
Media	213	169	26.5%	230	(7.2)%
Chemicals & Biotech	154	159	(3.1)%	155	(0.6)%
Others	542	561	(3.4)%	587	(7.6)%
Total	9,563	8,829	8.3%	9,052	5.6%

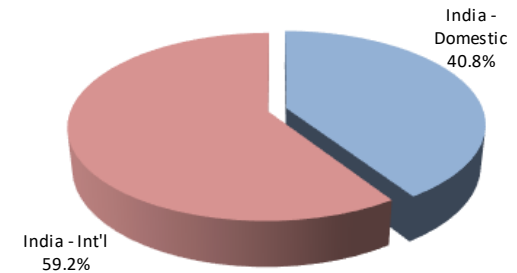
Q3 FY2017



India Based Exposure

(Rs. Million)	Q3		y-o-y	Q2	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
India - Domestic	1,359	1,126	20.7%	1,300	4.5%
India - International	1,974	1,580	24.9%	1,773	11.4%
Total India	3,333	2,706	23.2%	3,073	8.5%

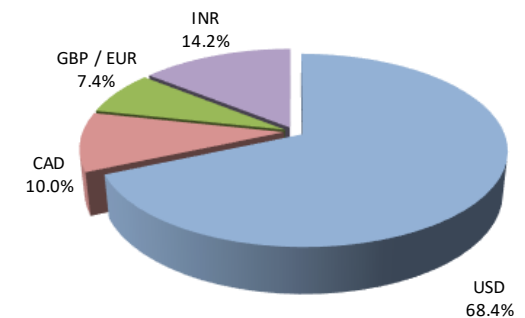
Q3 FY2017



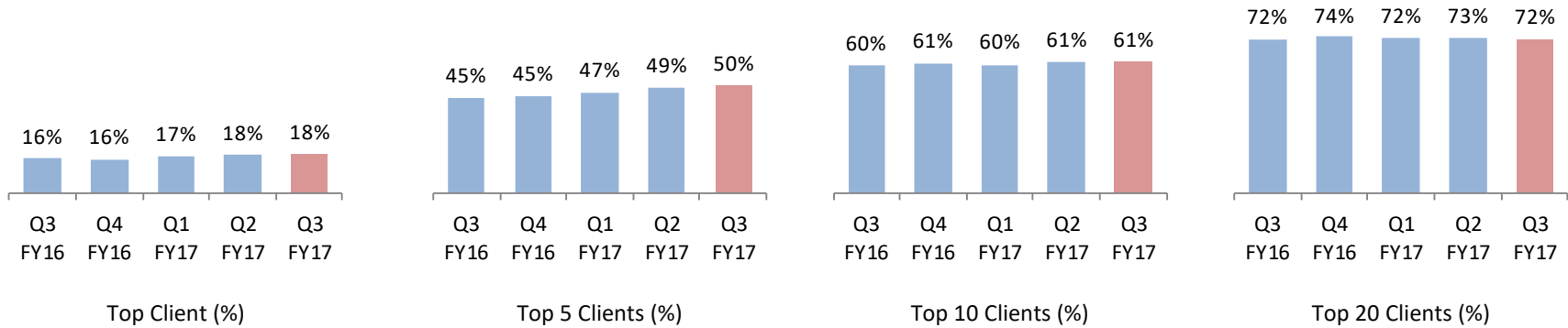
Revenue by Currency Exposure

(Rs. Million)	Q3		y-o-y	Q2	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
USD	6,545	5,672	15.4%	5,930	10.4%
CAD	952	1,020	(6.7)%	958	(0.6)%
GBP / EUR	708	1,011	(30.0)%	865	(18.2)%
INR	1,359	1,126	20.7%	1,300	4.5%
Total	9,563	8,829	8.3%	9,052	5.6%

Q3 FY2017

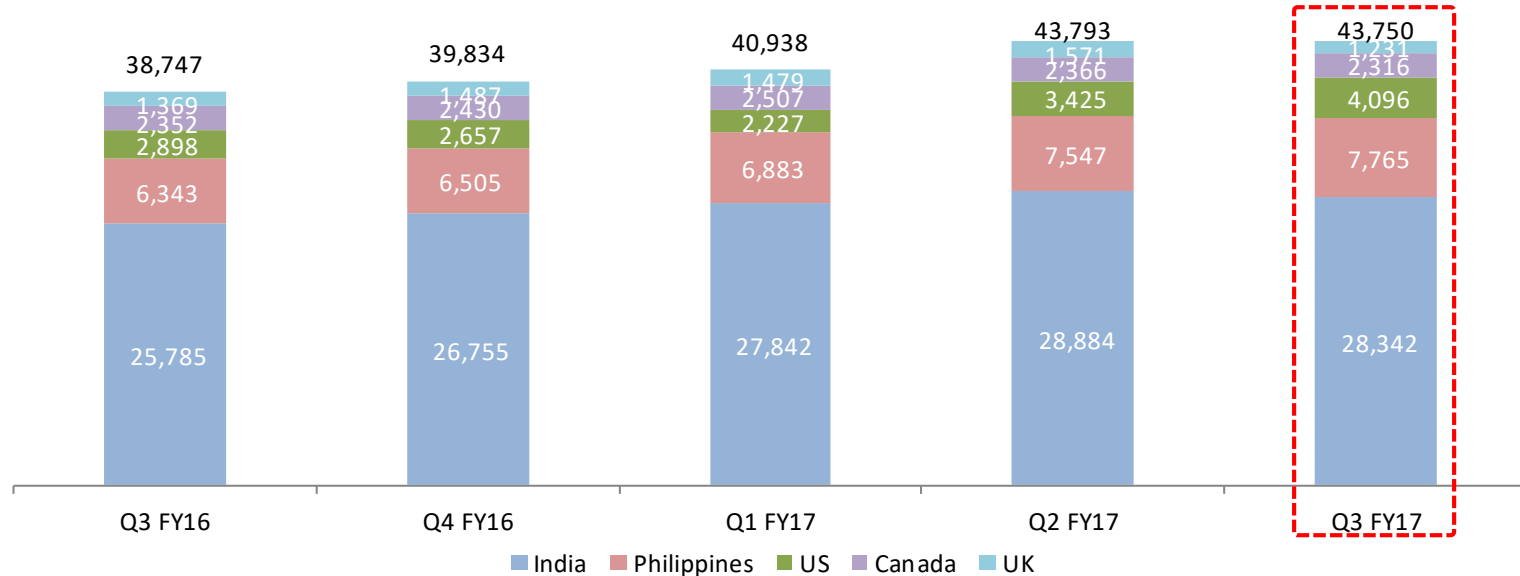


Key Client Metrics

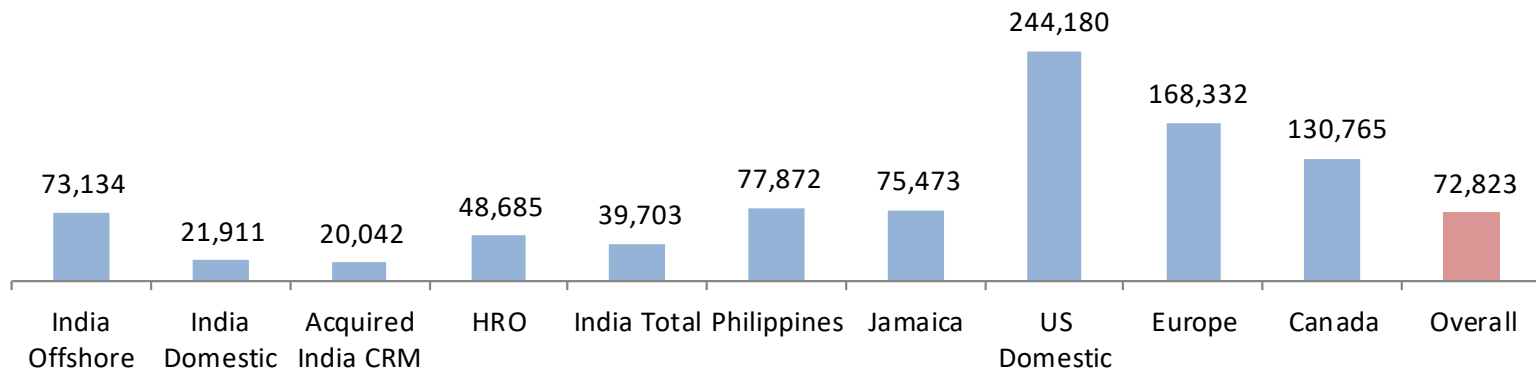


Client contributing revenues	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
> Rs. 200 million during the quarter	10	11	11	10	11
> Rs. 150 million during the quarter	11	11	12	13	14
> Rs.100 million during the quarter	15	16	17	15	19
> Rs.50 million during the quarter	33	36	33	35	39
> Rs.10 million during the quarter	65	67	62	65	70

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Conservative Leverage Profile

(Rs. Million)	31-Dec-16	30-Sep-16
Total Debt	7,345	7,464
Less: Cash & Treasury Surplus	4,436	4,920
Net Debt / (Net Cash)	2,908	2,544
Net Worth	12,800	12,191
Net Debt / EBITDA¹	0.70x	0.67x
Total Debt / Equity	0.57x	0.61x

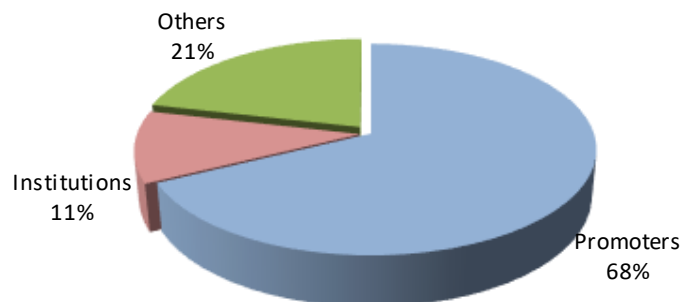
Note(s):

1. LTM EBITDA used for computing net debt / EBITDA ratio

Summary Unaudited Cash Flow Statement

(Rs. Million)	Period Ended 31-Dec-16
Cash flow from Operations and after working capital changes	2,451
Cash Flow due to Capex (net) and investments	(1,273)
Cash Flow due other investing activities	150
Total Cash Flow from Investing Activities	(1,123)
Proceeds/(Repayment) from Borrowings	(1,055)
Cash from Interest payment and others	(482)
Total Cash Flow from Financing Activities	(1,537)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(209)
Cash and Treasury Surplus as on April 1, 2016	4,645
Cash and Treasury Surplus as on December 31, 2016	4,436

Shareholding Pattern (31 December 2016)



Market Data

Market Cap. (Rs. million) (8-Feb-17)	12,448
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (31-Dec-16)	617.1
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Thank You

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