



Q1 FY2016 Earnings Presentation

August 12, 2015

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

Consolidated Financial Highlights: Q1 FY2016

- Net Sales of Rs. 7,388 million, an increase of 10.9% y-o-y
- EBITDA of Rs. 541 million with margin of 7.3%
- PAT of Rs. 162 million with margin of 2.2%
- As of June 30, 2015, the Company had Net Debt of Rs. 2,195 million and Net Worth of Rs. 11,177 million
- The Board declared interim dividend for FY2016 of Rs. 5 per share

Management Perspective

Commenting on the results, **Mr. Partha DeSarkar, CEO, Hinduja Global Solutions Limited** said:

“Revenues for the first quarter of FY2016 grew by almost 11%. Our profitability has been below expectations due to lower than anticipated volumes in some geographies and increased cost of operation.

We believe these volume fluctuations are short-term and expect volumes to improve over the rest of the year along with increase in profitability. We have introduced cost containment measures to further strengthen our profitability.”

Business Highlights for the Quarter

- In end-June, HGS signed definitive agreements to acquire a significant part of Mphasis Group's BPM business in India. HGS has recently received approval for the acquisition from the Competition Commission of India (CCI) and the transaction is expected to be closed in the quarter ending 30th September 2015.
- **HGS US** continued build a strong pipeline with a good mix of both new business from existing clients as well as new client wins
- **HGS Canada's** performance remained soft due to seasonal reduction in volumes from telecom clients and minimum wage increase. Volumes across clients may improve for the remaining part of the fiscal year.
- **HGS UK** continues to gain strong traction with clients. Won two significant contracts in the public sector
- **HGS Philippines** commissioned two new centers in Manila and Iloilo. It also received new lines of business from two existing healthcare clients and is expected to start service support in Q2 FY2016.
- **HGS EBOS** business added two new clients during the quarter and continues to generate strong traction
- **India Domestic** business continued to perform in line with management's expectations
- HGS UK won seven awards at the Contact Center World Awards EMEA, including in the Best Large Contact Center, Best in Customer Service and Best Outsourcing Partnership categories
- As of June 30, 2015, HGS had 172 active clients (excluding payroll processing clients)
- As of June 30, 2015, contribution from Healthcare vertical is 41%, Telecom & Technology 25%, Consumer Electronics 13%, BFS 7%, Media 5%, Chemicals & Biotech 2% and 7% from other verticals.
- As of June 30, 2015, total headcount was 29,531. 57% in India, 22% in Philippines, 8% in the US, 9% in Canada and 4% in Europe

Region	Highlights
USA and Canada	<p>US:</p> <ul style="list-style-type: none">▪ Performance remained muted due to lower volumes in May 2015▪ Strong momentum seen from a recently acquired fitness product client; performing better than expectations▪ Sales pipeline continues to be strong with a good mix of both new business from existing clients as well as new client wins <p>Canada:</p> <ul style="list-style-type: none">▪ Experienced a seasonal decline in volumes from telecom clients. Expected to improve by the mid of next quarter▪ Added a new client in public sector vertical; Expect to start support in Q3 FY2016 with 140 FTEs▪ Expect volumes across existing clients to improve for the remaining part of the fiscal year
UK and Europe	<ul style="list-style-type: none">▪ Organic growth driven by a strong pipeline▪ Development of pipeline in the UK and Ireland healthcare market▪ Received a contract from a UK high street retailer for provision of services to support its telecom product▪ Also received a contract to support the launch of a telecom company in Ireland▪ Ramping up at the Preston and Selkirk sites to drive business growth, which is anticipated to result in strong topline in the second half of the fiscal year

Region	Highlights
Philippines	<ul style="list-style-type: none">▪ Commissioned two new delivery centers in Manila and Iloilo<ul style="list-style-type: none">○ Manila center would primarily cater to a telecom client and a healthcare client○ Iloilo center will also service a new healthcare client▪ Good momentum expected in ramp-ups with key client accounts across verticals<ul style="list-style-type: none">○ Won new lines of businesses from two existing healthcare clients and expect to start servicing them in Q2 FY2016
India	<p>International:</p> <ul style="list-style-type: none">▪ Decline in volumes from an existing large healthcare client was offset by higher volumes from other clients and new logo additions▪ EBOS business added two new clients during the quarter and continues to generate strong traction <p>Domestic:</p> <ul style="list-style-type: none">▪ The operation continues to perform as per management expectation▪ Added three new clients in FMCG, food and NGO verticals▪ The profitability of the business is expected to improve gradually going forward

Recognition from Analyst and Advisor community

- HGS was named as a Leader in every market segment for the Nelson Hall Healthcare Customer Management Services NEAT report. This includes Payer & Provider CMS and back office and evaluated a total of 10 vendors. HGS is seen as the foremost leader with the ability to meet future requirements for Healthcare Payer Back office.
- HGS is included in the HfS Population Health & Care Management Blueprint report and is one of the top 3 out of 8 vendors evaluated on ability to execute
- HGS included in the first ever Everest Research note on “North America Domestic Outsourcing Services: Providers Embrace Onshoring – Is the World Still Flat?” which was also presented at the RevAmerica conference in New Orleans, LA

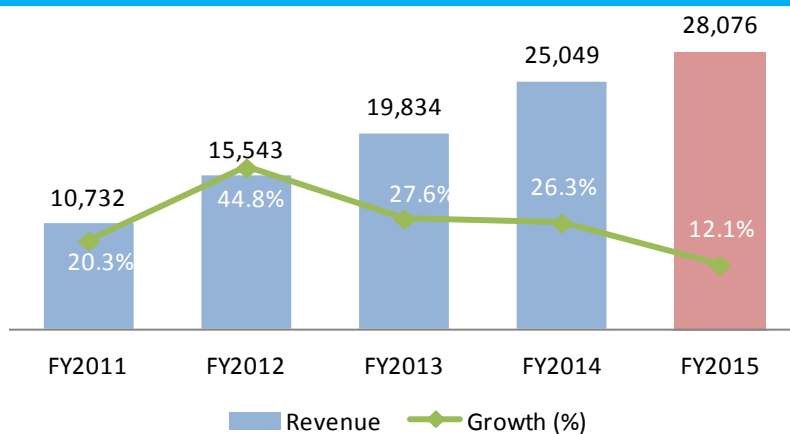


Financial Performance Summary

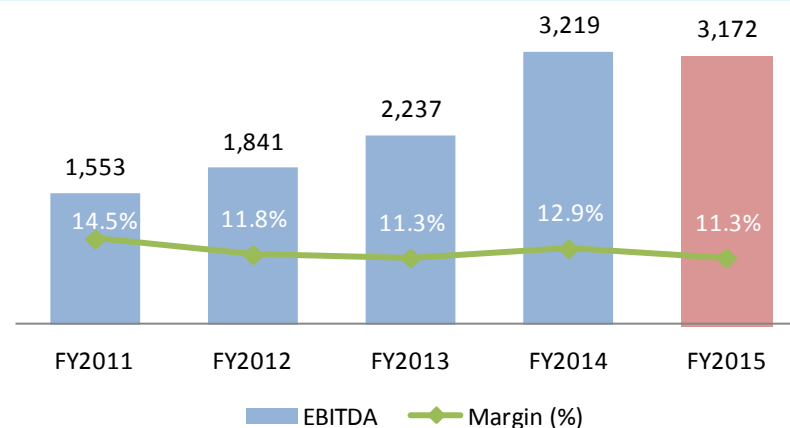
Consolidated Financial Highlights

(Rs. Million)	Q1		y-o-y Growth (%)	Q4	
	FY2016	FY2015		FY2015	q-o-q Growth (%)
Net Sales	7,388	6,662	10.9%	7,068	4.5%
EBITDA	541	765	(29.3)%	693	(22.0)%
Margin (%)	7.3%	11.5%		9.8%	
Profit Before Tax (PBT)	251	458	(45.2)%	367	(31.6)%
Margin (%)	3.4%	6.9%		5.2%	
Profit After Tax (PAT)	162	325	(50.3)%	413	(60.9)%
Margin (%)	2.2%	4.9%		5.8%	
Basic EPS (Rs.)	7.80	15.76	(50.5)%	19.98	(60.9)%

Annual Revenue Trend (Rs. Million)

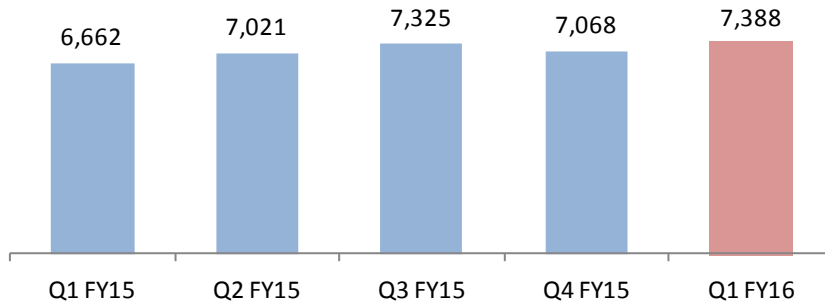


Annual EBITDA Trend (Rs. Million)

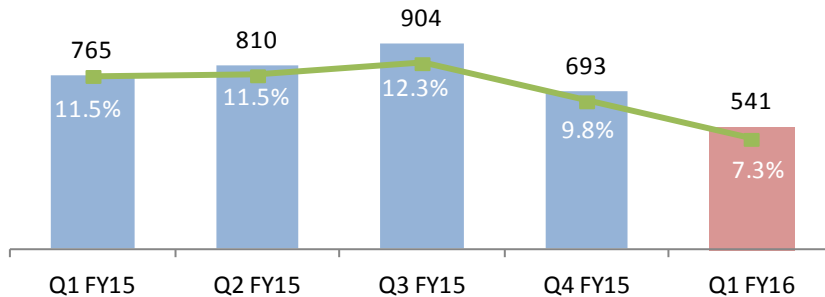


Financial Performance Summary

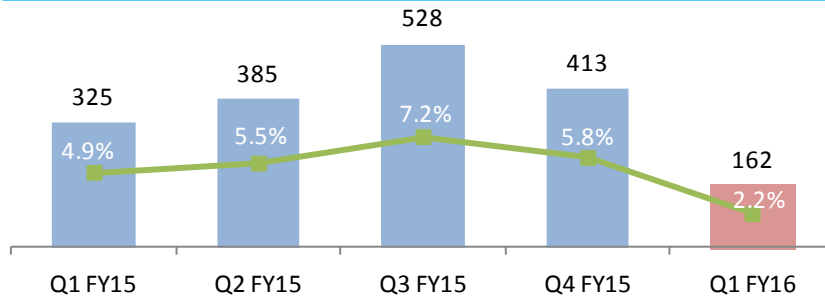
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)

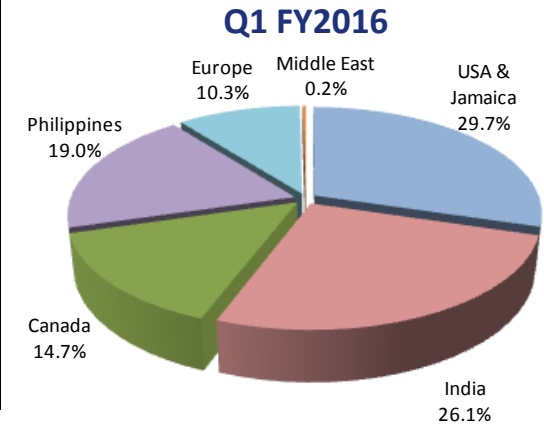


Key Highlights

- Revenue for the quarter grew by 10.9% y-o-y
- This growth was primarily driven by increased contribution from the healthcare vertical
- EBITDA for the quarter declined by 29.3% primarily due to the seasonality
- Volumes from key geographies such as the US and Canada was muted which impacted the EBITDA
- Q1 FY2016 PAT declined by 50.3% primarily due to lower operating profit

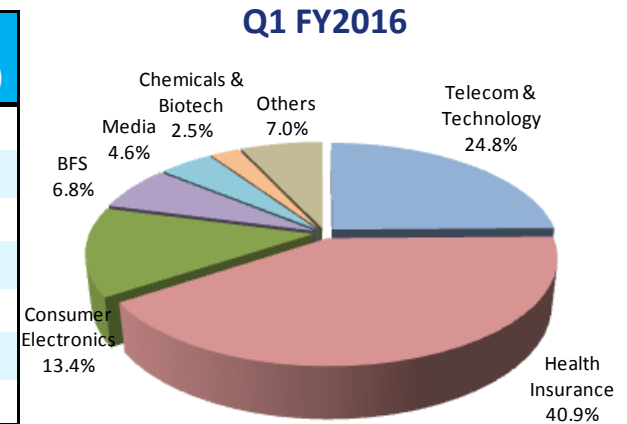
Revenue by Delivery Centers

(Rs. Million)	Q1		y-o-y Growth (%)	Q4	
	FY2016	FY2015		FY2015	q-o-q Growth (%)
USA & Jamaica	2,190	1,830	19.7%	2,031	7.8%
India	1,931	1,749	10.4%	1,926	0.3%
Canada	1,087	1,249	(13.0)%	1,034	5.1%
Philippines	1,399	1,105	26.7%	1,308	6.9%
Europe	763	730	4.6%	750	1.8%
Middle East	18	na	n/a	18	(0.3)%
Total	7,388	6,662	10.9%	7,068	4.5%



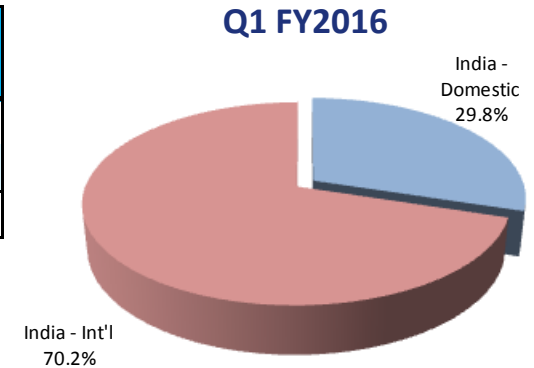
Revenue by Vertical

(Rs. Million)	Q1		y-o-y Growth (%)	Q4	
	FY2016	FY2015		FY2015	q-o-q Growth (%)
Telecom & Technology	1,829	1,960	(6.7)%	1,866	(2.0)%
Health Insurance	3,023	2,113	43.1%	2,694	12.2%
Consumer Electronics	993	974	2.0%	976	1.8%
BFS	502	535	(6.3)%	543	(7.6)%
Media	340	438	(22.5)%	334	1.9%
Chemicals & Biotech	184	175	5.4%	175	4.8%
Others	517	467	10.6%	479	7.8%
Total	7,388	6,662	10.9%	7,068	4.5%



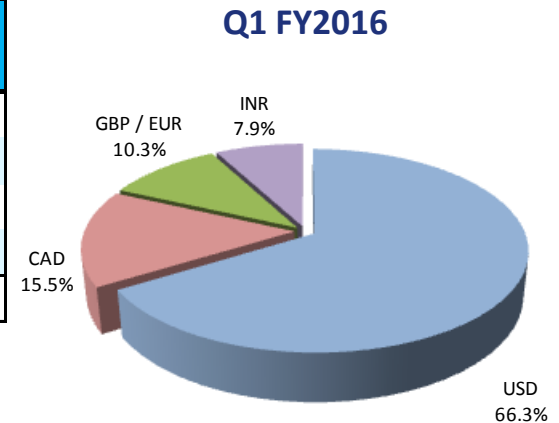
India Based Exposure

(Rs. Million)	Q1		y-o-y	Q4	q-o-q
	FY2016	FY2015	Growth (%)	FY2015	Growth (%)
India - Domestic ¹	576	555	3.8%	590	(2.4)%
India - International	1,355	1,193	13.6%	1,336	1.4%
Total India	1,931	1,749	10.4%	1,926	0.3%



Revenue by Currency Exposure

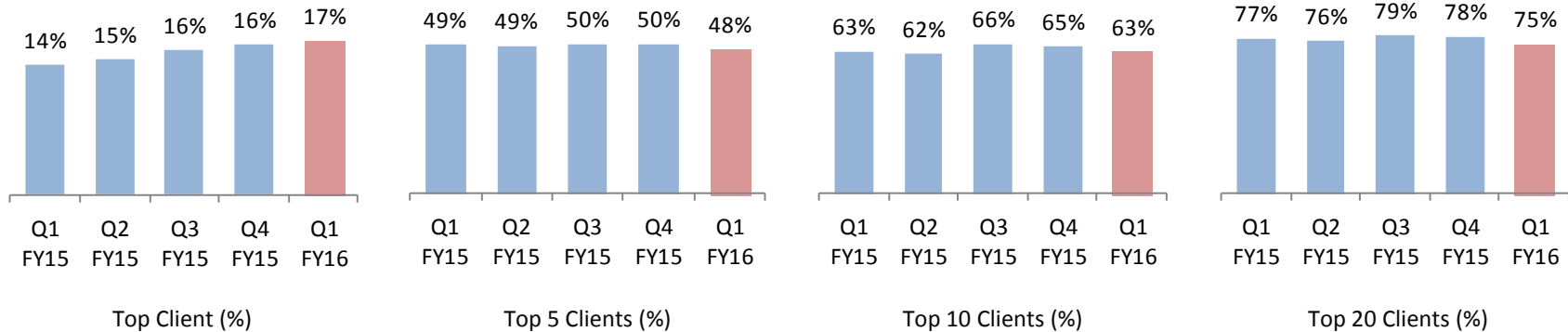
(Rs. Million)	Q1		y-o-y	Q4	q-o-q
	FY2016	FY2015	Growth (%)	FY2015	Growth (%)
USD	4,902	4,128	18.8%	4,694	4.4%
CAD	1,147	1,249	(8.2)%	1,034	10.9%
GBP / EUR	763	730	4.6%	750	1.8%
INR	576	555	3.8%	590	(2.4)%
Total	7,388	6,662	10.9%	7,068	4.5%



Note(s):

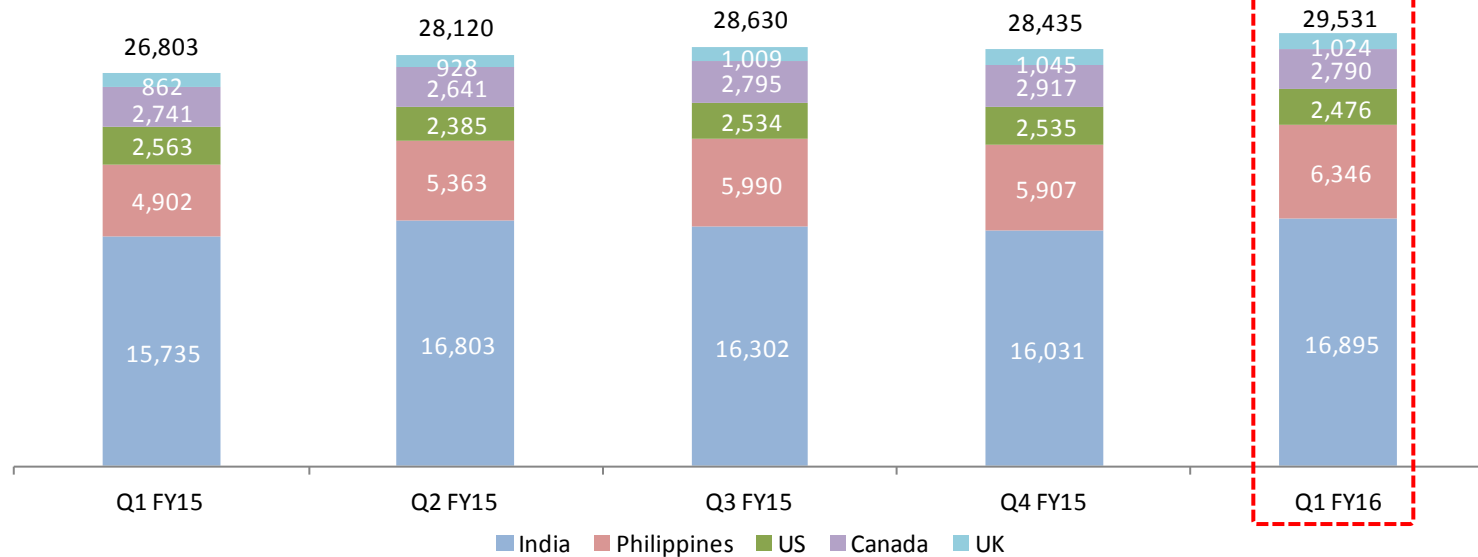
1. Includes revenues from HGS Business Services

Key Client Metrics

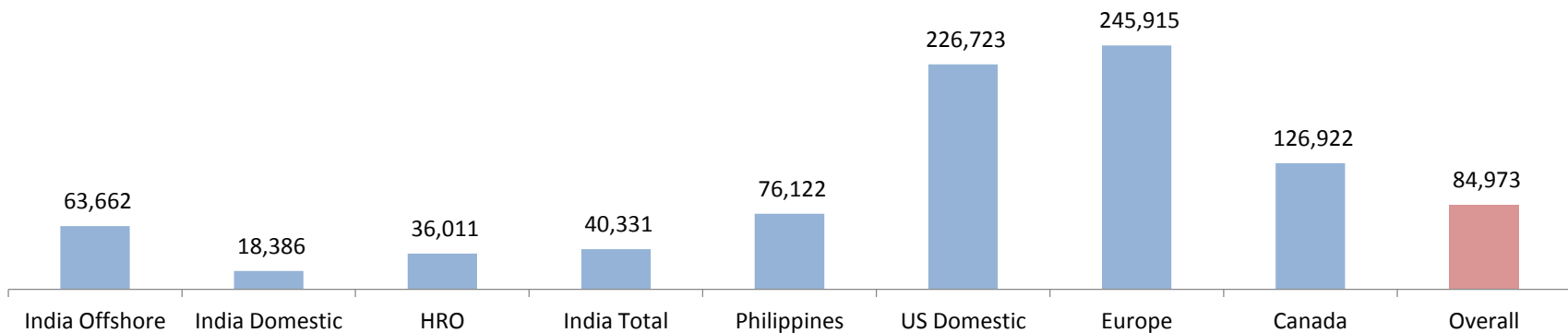


Client contributing revenues	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	Q1 FY16
> Rs. 200 million during the quarter	7	7	8	8	8
> Rs. 150 million during the quarter	9	11	9	12	10
> Rs.100 million during the quarter	14	15	13	16	13
> Rs.50 million during the quarter	25	25	27	28	27
> Rs.10 million during the quarter	57	60	56	60	59

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Conservative Leverage Profile

(Rs. Million)	30-Jun-15	31-Mar-15
Total Debt	7,276	6,458
Less: Cash & Treasury Surplus	5,081	4,336
Net Debt / (Net Cash)	2,195	2,122
Net Worth	11,177	10,742
Net Debt / EBITDA¹	0.74x	0.67x
Total Debt / Equity	0.65x	0.60x

Note(s):

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

Summary Unaudited Balance Sheet

(Rs. Million)	30-Jun-15	31-Mar-15
Shareholder's Funds	11,177	10,742
Total Debt	7,276	6,458
Other Current and Non Current Liabilities	3,503	3,532
Total Equity and Liabilities	21,956	20,732
Net Fixed Assets and Intangibles	8,316	7,751
Other Non Current Assets	1,986	1,980
Total Non Current Assets	10,302	9,731
Trade Receivables and Other Current Assets	6,573	6,665
Cash and Treasury Surplus ¹	5,081	4,336
Total Current Assets	11,654	11,011
Total Assets	21,956	20,732

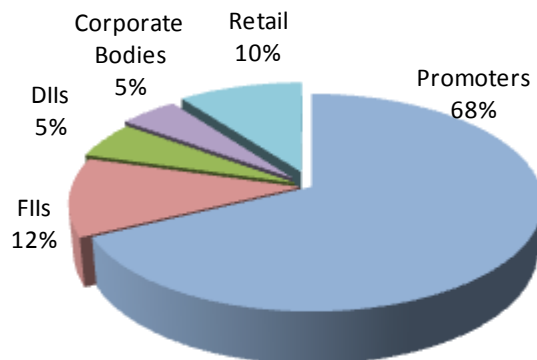
Notes:

1. Includes \$37 million of HGS International, Mauritius deposited with Bank of Baroda London

Summary Unaudited Cash Flow Statement

(Rs. Million)	Quarter Ended 30-Jun-15
Cash flow from Operations and after working capital changes	543
Cash Flow due to Capex (net)	(462)
Cash Flow due other investing activities	18
Total Cash Flow from Investing Activities	(444)
Proceeds/(Repayment) from Borrowings	822
Cash from Interest payment and others	(95)
Total Cash Flow from Financing Activities	727
Net Increase/ (Decrease) in Cash and Cash Equivalents	827
Cash and Treasury Surplus as on April 1, 2015	4,336
Adjustments for exchange rate variations	(82)
Cash and Treasury Surplus as on June 30, 2015	5,081

Shareholding Pattern

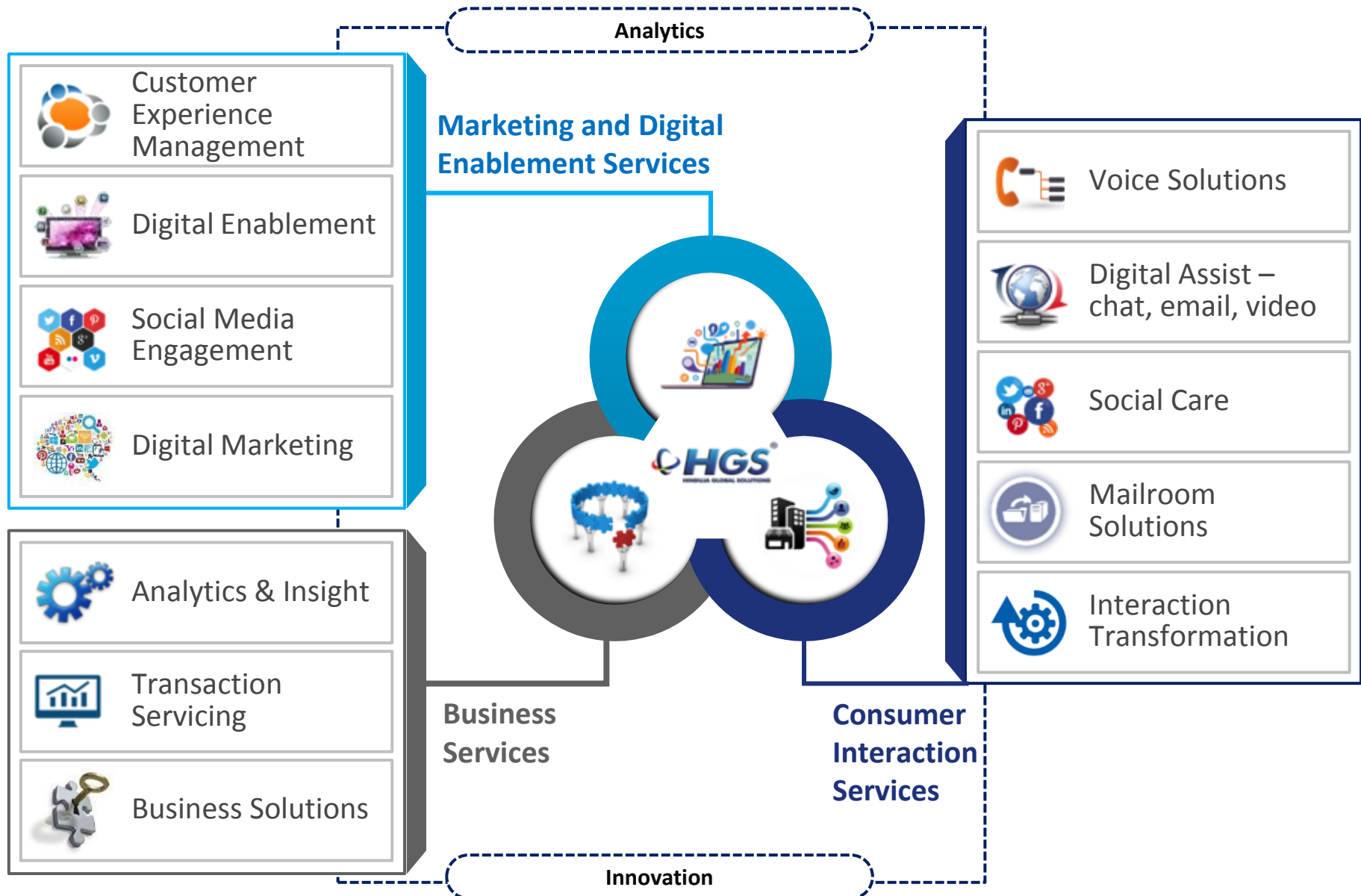


Market Data

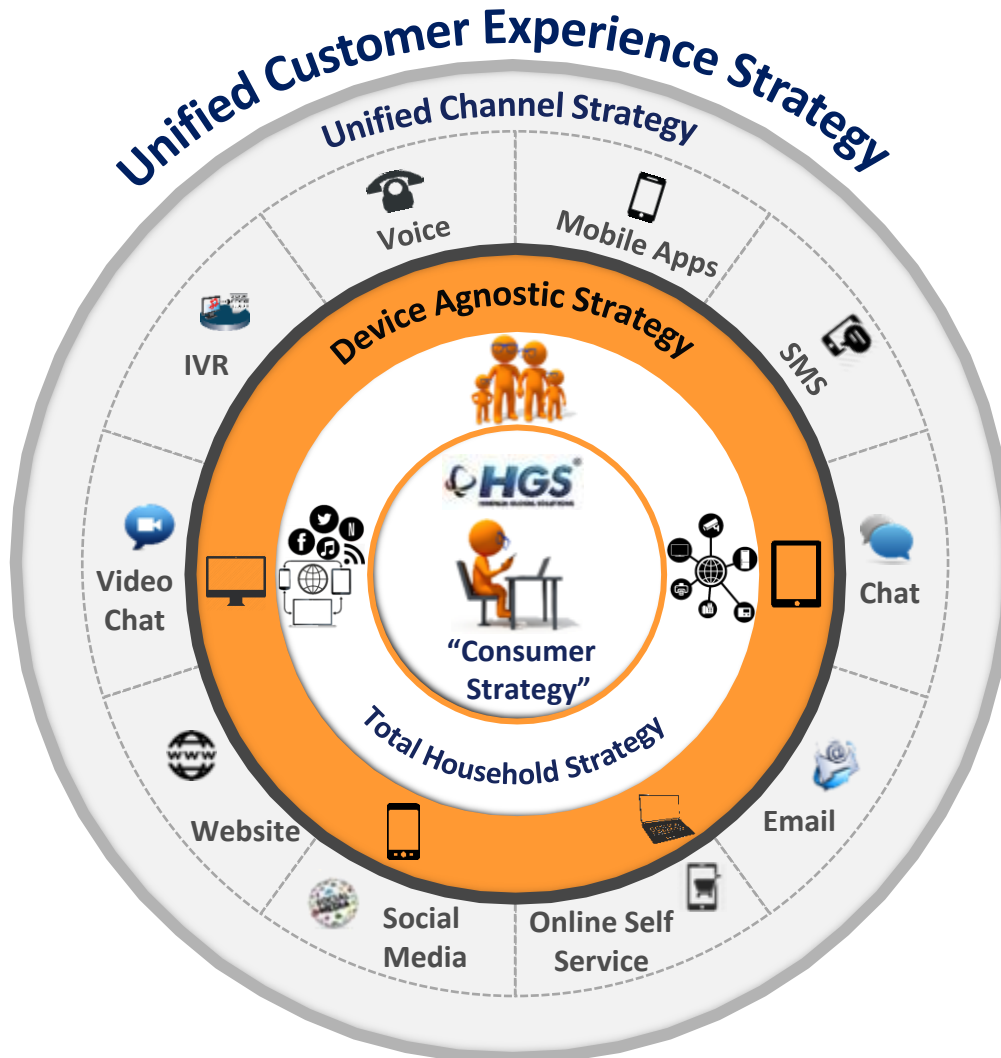
Market Cap. (Rs. million) (12-Aug-15)	11,132
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (30-Jun-15)	518.5
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Shareholders	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15
Promoters	68.0%	67.9%	67.8%	67.7%	67.7%
Foreign Institutional Investors (FIIs)	16.1%	16.7%	12.0%	12.0%	11.7%
Domestic Institutional Investors (DIIs)	0.0%	0.6%	5.0%	5.0%	5.5%
Corporate Bodies	5.7%	5.1%	4.8%	5.1%	4.8%
Retail	10.2%	9.7%	10.4%	10.2%	10.3%
Total Shares (Million)	20.62	20.65	20.68	20.72	20.72

Hinduja Global Solutions: At a Glance



Enabling the Optimized Consumer Journey... with clear objectives in mind



- ↑ Revenue generation and optimization
- ↑ Customer Experience – with NPS/RTF measure of loyalty
- ↑ Availability – Always open
- ↑ Ease of doing business – How the customer prefers
- ↑ Brand management across consumer channels
- ↓ Business and cost transformation

Thank You

For further information please contact:

Srinivas Palakodeti

Chief Financial Officer

Email: pala@teamhgs.com

Tel: +91 80 2573 2620

Bijay Sharma

Churchgate Partners

Email: HGS@churchgatepartnersindia.com

Tel: +91 22 6169 5988