



Q1 FY2017 Earnings Presentation

August 11, 2016

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 FY2017

- Net Sales of Rs. 9,095 million, an increase of 23.1% compared to same period last year
- EBITDA of Rs. 1,066 million with margin of 11.7%
- PAT of Rs. 517 million with margin of 5.7%
- As of June 30, 2016, the Company had Net Debt of Rs. 3,421 million and a Net Worth of Rs. 12,650 million
- The Board declared an interim dividend of Rs. 2.50 per share

Management Perspective

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

"HGS posted a robust performance in the first quarter of FY2017 with revenue growing by 23% y-o-y, EBITDA up by 96 % and Net Profits trebling on y-o-y basis. These strong numbers were driven by multiple factors such as increased offshoring, recovery of Canadian operation, strong performance of India Domestic business and turnaround of Colibrium business.

We continue to remain focused on improving profitability and cash flow generation. Further, our investment in technology-powered innovation to provide a differentiating customer experience is supporting our growth trajectory in coming quarters. The results are evident in the encouraging growth numbers for this quarter."

Q1 FY2017 Business Highlights

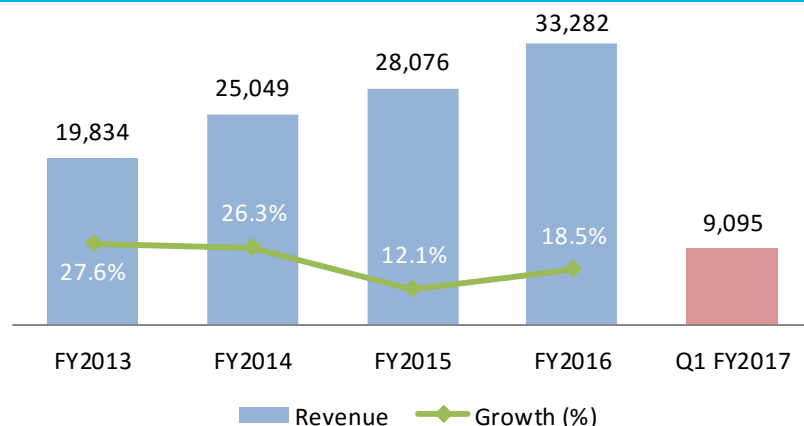
- Launched DigiCX, a suite of CX (Customer Experience) services focused on transforming traditional customer experiences. DigiCX leads with self-service intelligently integrating people to help consumers 'Get the Right Answer Fast' at every moment of truth using analytics, automation and artificial intelligence.
- Being a preferred nearshore location, Jamaica operation continued its robust growth. During the quarter, the operation received additional business from two healthcare clients and one BFS client.
- Colibrium partnered with Health Alliance Medical Plans to implement Colibrium's Tuo® Marketplace to provide a sales-automation solution for individual and group markets.
- Awarded contract from a Fortune 500 e-tailer to provide customer care support to the client's B2C customers from Mysore, India in Kannada and English languages. Program to start in Q2 FY2017 with 200 FTEs.
- Set up three new centers in Q1: Kingston in Jamaica, Chennai and Bangalore in India
- As of June 30, 2016, HGS had 189 core BPM clients and 450 payroll processing clients
- In Q1 FY2017, contribution from Healthcare vertical was 43%, Telecom & Technology 25%, Consumer 14%, Banking & Financial Services 7%, Others 11%
- As of June 30, 2016, total headcount was 40,938: India: 68% (India Offshore 22% and India Domestic 46%), 17% in Philippines, 5% in the US, 6% in Canada and 4% in Europe

Financial Performance Summary

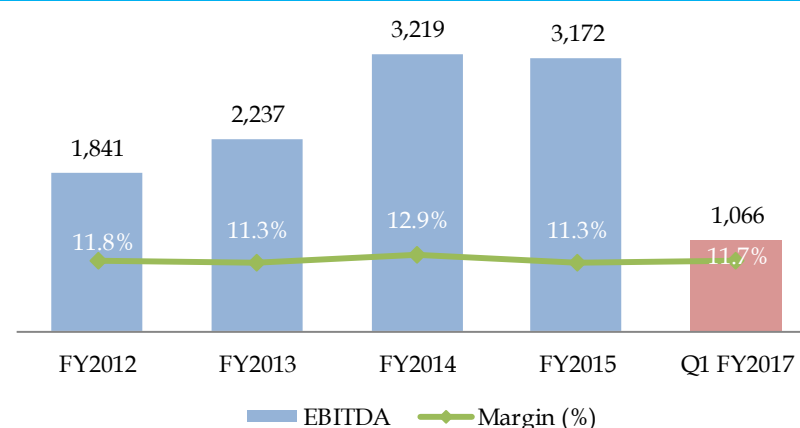
Consolidated Financial Highlights

(Rs. Million)	Q1		y-o-y Growth (%)
	FY2017	FY2016	
Net Sales	9,095	7,388	23.1%
EBITDA	1,066	544	95.8%
Margin (%)	11.7%	7.4%	
Profit Before Tax (PBT)	753	268	181.0%
Margin (%)	8.3%	3.6%	
Profit After Tax (PAT)	517	166	212.4%
Margin (%)	5.7%	2.2%	
Basic EPS (Rs.)	24.95	7.99	212.3%

Annual Revenue Trend (Rs. Million)



Annual EBITDA Trend (Rs. Million)



Note: Q1 FY2017 and Q1 FY2016 financials as per IND-AS, financials for all other periods are as per IGAAP

Region	Geography Highlights
USA, Jamaica and Canada	<p>USA and Jamaica:</p> <ul style="list-style-type: none"> ▪ Added new clients as well as additional business from existing clients in verticals such as insurance, consumer products, car sharing and technology ▪ Also received a contract from a major US government agency ▪ Jamaica operation continued to build on its growth momentum; opened a new center in Kingston with over 500 seats ▪ Continue to see significant traction from clients across sectors, primarily consumer products and BFS verticals <p>Canada:</p> <ul style="list-style-type: none"> ▪ Received additional business from existing clients in the telecom and public sector verticals ▪ In process of ramping down in the Pembroke center for a BFS client; expected to be completed by Q2 FY2017 ▪ Continued focus on improving operational efficiencies
UK and Europe	<ul style="list-style-type: none"> ▪ Strong growth driven by contract wins in the telecom and public sector verticals ▪ Added a temporary site at Preston to support seasonal volumes for public sector clients ▪ Started multi-channel CRM program for a consumer packaged goods client with 40 FTEs ▪ Seasonal demand anticipated to drive growth momentum in coming quarters

Region	Geography Highlights
Philippines	<ul style="list-style-type: none"> Continued expansion mode; added over 600 employees in Q1 Healthcare vertical was the primary growth driver for this operation Added a leading consumer electronics client for providing customer support services; program to start with 25 associates Launched additional lines of business for a leading US-based healthcare client and a home medical equipment services provider Anticipate continued traction in business expansion and growth driven by significant client demand for offshore services from Philippines
India	<p>International:</p> <ul style="list-style-type: none"> Saw additional volumes in existing LoBs of major healthcare accounts; trend expected to continue in Q2, FY 2017 EBOS and Colibrium business recorded robust performance during the quarter EBOS' growth was led by significant demand from a home medical equipment services provider client <p>Domestic:</p> <ul style="list-style-type: none"> Performance of domestic business was driven by volume growth coupled with new business wins across existing and acquired India CRM business Received a contract from a Fortune 100 e-tailer to provide customer care support to the client's B2C customers from Mysore in Kannada and English languages

Recognition from Analyst and Advisor community



- HGS was recognized as a Leader in the NelsonHall Customer Management Services NelsonHall Evaluation Assessment Tool, showcasing both a focus on improving customer experience and taking out cost



- HGS was recognized as a High Performer in the HfS Contact Center Operation Blueprint

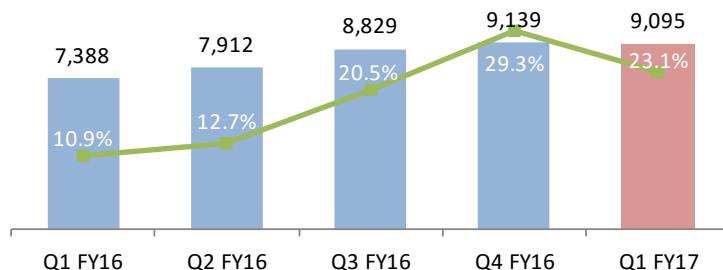


- HGS was included as a “Rising Star” in Gartner Competitive landscape: Building Differentiated Customer Management BPO Services

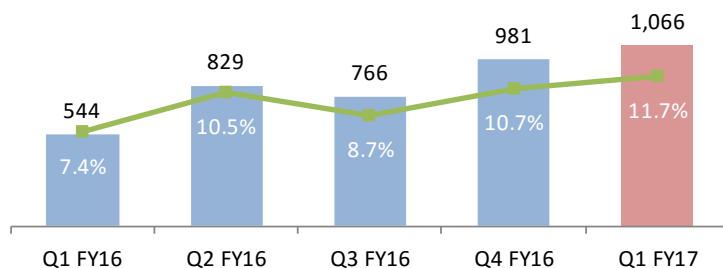
Recognitions

- HGS was ranked 11th on NASSCOM's Top 20 IT/ BPO Employers list for FY2016; HGS advanced from 18th rank in the previous year
- At the Contact Center World Best Practices Americas 2016 competition in Miami (Florida), HGS won two Gold awards for the second year in a row:
 - Gold in the category of Best Outsourcing Partnership based on our partnership with a major electronics company
 - Gold for Best Use of Self-Service Technology
- Six employees in HGS Canada were recognized for their achievements by the Contact Centre Association of Nova Scotia (CCNS) at their annual awards gala

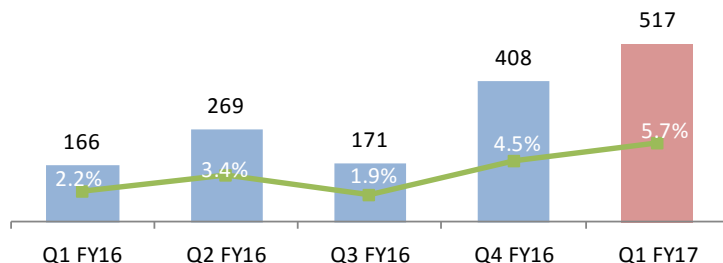
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



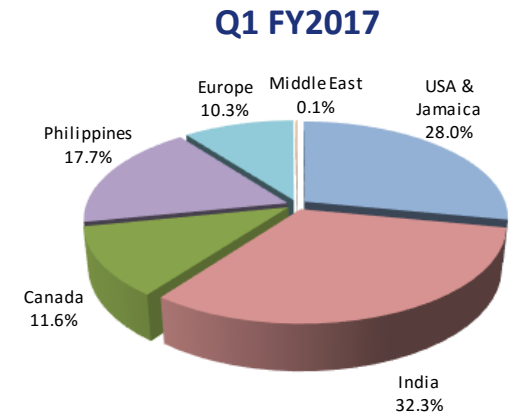
Highlights

- Revenue growth was broad-based across geographies
- Healthcare, consumer and BFS verticals recorded a growth of over 30% y-o-y
- EBITDA improvement was driven by multiple factors such as increased offshoring mix, recovery of Canadian operation and strong performance of India Domestic business
- PAT for the quarter benefitted from better operating profit

Note: Q1 FY2017 and Q1 FY2016 financials as per IND-AS, financials for all other periods are as per IGAAP

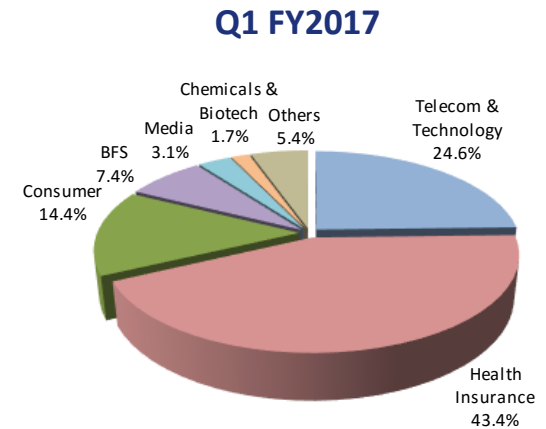
Revenue by Delivery Centers

(Rs. Million)	Q1		y-o-y Growth (%)	Q4	
	FY2017	FY2016		FY2016	q-o-q Growth (%)
USA & Jamaica	2,547	2,190	16.3%	2,564	(0.6)%
India	2,931	1,931	51.8%	2,904	0.9%
Canada	1,057	1,087	(2.7)%	1,002	5.5%
Philippines	1,611	1,399	15.2%	1,720	(6.3)%
Europe	940	763	23.2%	942	(0.2)%
Middle East	8	18	(53.8)%	7	14.9%
Total	9,095	7,388	23.1%	9,139	(0.5)%



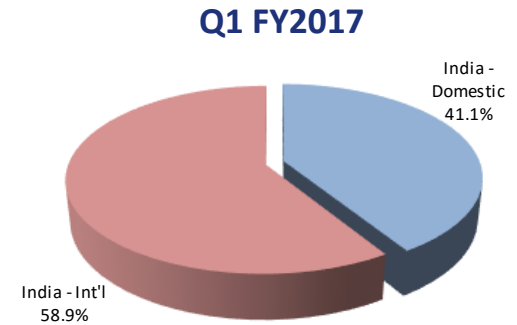
Revenue by Vertical

(Rs. Million)	Q1		y-o-y Growth (%)	Q4	
	FY2017	FY2016		FY2016	q-o-q Growth (%)
Telecom & Technology	2,237	1,829	22.3%	2,419	(7.5)%
Health Insurance	3,943	3,023	30.4%	3,955	(0.3)%
Consumer	1,313	993	32.2%	1,096	19.8%
BFS	669	502	33.4%	601	11.4%
Media	286	340	(15.9)%	236	20.9%
Chemicals & Biotech	154	184	(16.1)%	187	(17.4)%
Others	492	517	(4.7)%	646	(23.7)%
Total	9,095	7,388	23.1%	9,139	(0.5)%



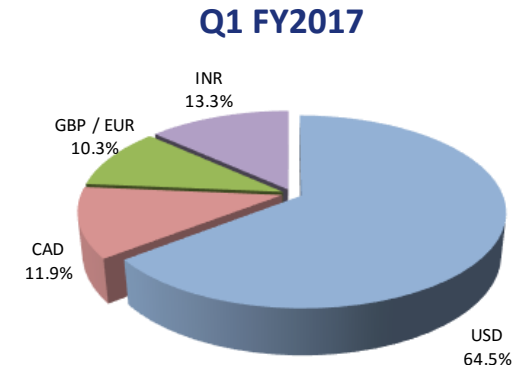
India Based Exposure

(Rs. Million)	Q1		y-o-y	Q4	
	FY2017	FY2016	Growth (%)	FY2016	q-o-q Growth (%)
India - Domestic	1,204	576	108.9%	1,166	3.2%
India - International	1,727	1,355	27.5%	1,737	(0.6)%
Total India	2,931	1,931	51.8%	2,904	0.9%

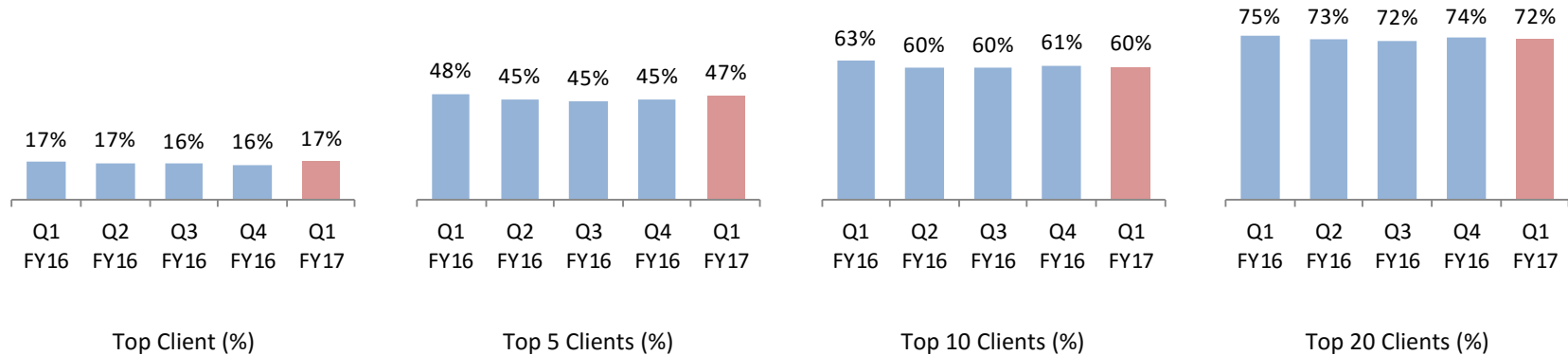


Revenue by Currency Exposure

(Rs. Million)	Q1		y-o-y	Q4	
	FY2017	FY2016	Growth (%)	FY2016	q-o-q Growth (%)
USD	5,870	4,902	19.8%	5,998	(2.1)%
CAD	1,081	1,147	(5.8)%	1,033	4.7%
GBP / EUR	940	763	23.2%	942	(0.2)%
INR	1,204	576	108.9%	1,166	3.2%
Total	9,095	7,388	23.1%	9,139	(0.5)%

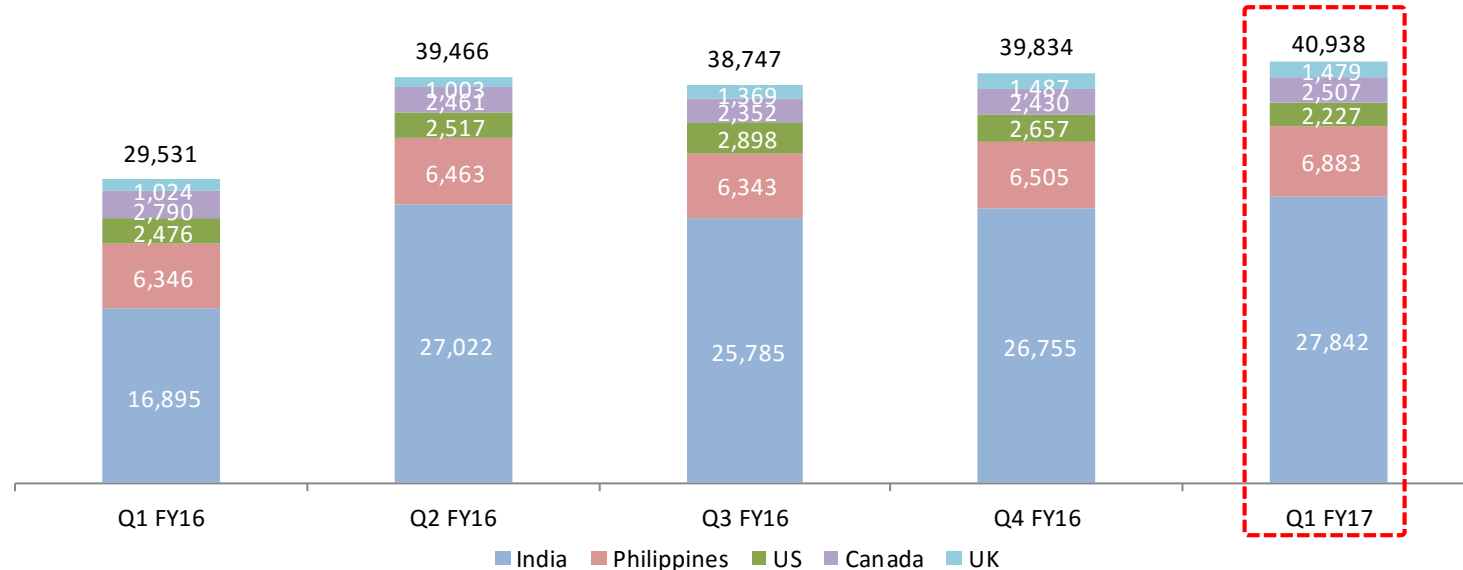


Key Client Metrics

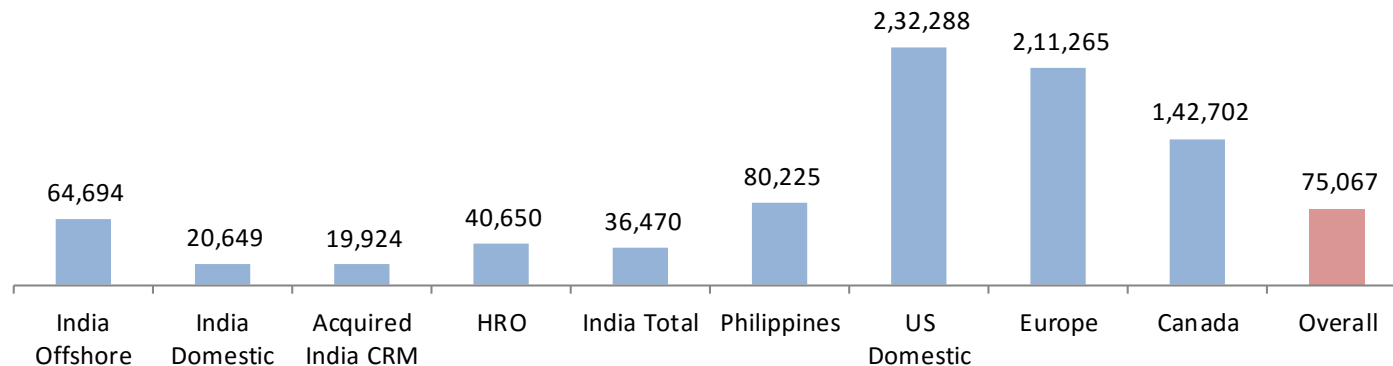


Client contributing revenues	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
> Rs. 200 million during the quarter	8	8	10	11	11
> Rs. 150 million during the quarter	10	10	11	11	12
> Rs.100 million during the quarter	13	16	15	16	17
> Rs.50 million during the quarter	27	29	33	36	33
> Rs.10 million during the quarter	59	59	65	67	62

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Conservative Leverage Profile

(Rs. Million)	30-Jun-16	31-Mar-16
Total Debt	7,993	8,508
Less: Cash & Treasury Surplus	4,572	4,646
Net Debt / (Net Cash)	3,421	3,862
Net Worth	12,650	11,815
Net Debt / EBITDA¹	0.94x	1.23x
Total Debt / Equity	0.63x	0.72x

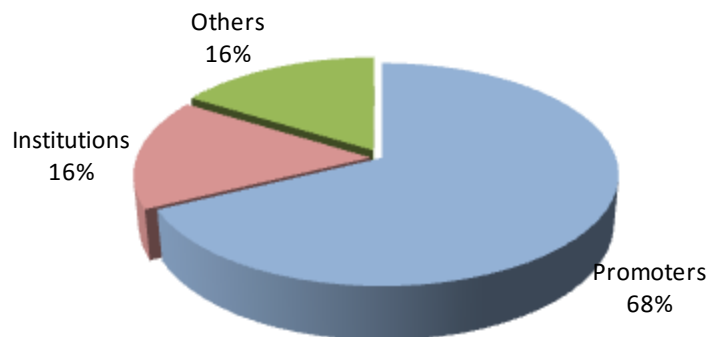
Note(s):

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

Summary Unaudited Cash Flow Statement

(Rs. Million)	Quarter Ended 30-Jun-16
Cash flow from Operations and after working capital changes	886
Cash Flow due to Capex (net)	(527)
Cash Flow due other investing activities	92
Total Cash Flow from Investing Activities	(435)
Proceeds/(Repayment) from Borrowings	(407)
Cash from Interest payment and others	(118)
Total Cash Flow from Financing Activities	(525)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(74)
Cash and Treasury Surplus as on April 1, 2016	4,645
Cash and Treasury Surplus as on June 30, 2016	4,571

Shareholding Pattern (30-June-2016)



Market Data

Market Cap. (Rs. million) (11-Aug-16)	9,070
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (30-Jun-16)	611.6
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Key Shareholders

Apax
PARTNERS


Birla Sun Life
Insurance

 **Dimensional**

 **GRANDEUR PEAK FUNDS**
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 **Merrill Lynch**
Bank of America Corporation

RELIANCE
Mutual Fund

Thank You

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