



Investor Presentation Aug, 2018



September 1, 2018

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 (HGS) 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. HGS 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.



HGS Overview



HISTORY

- Part of the Hinduja Group, in the BPM business since 2000
- Erstwhile HTMT, IT & BPM business demerged October 1, 2006
- Rebranded as HGS in 2008

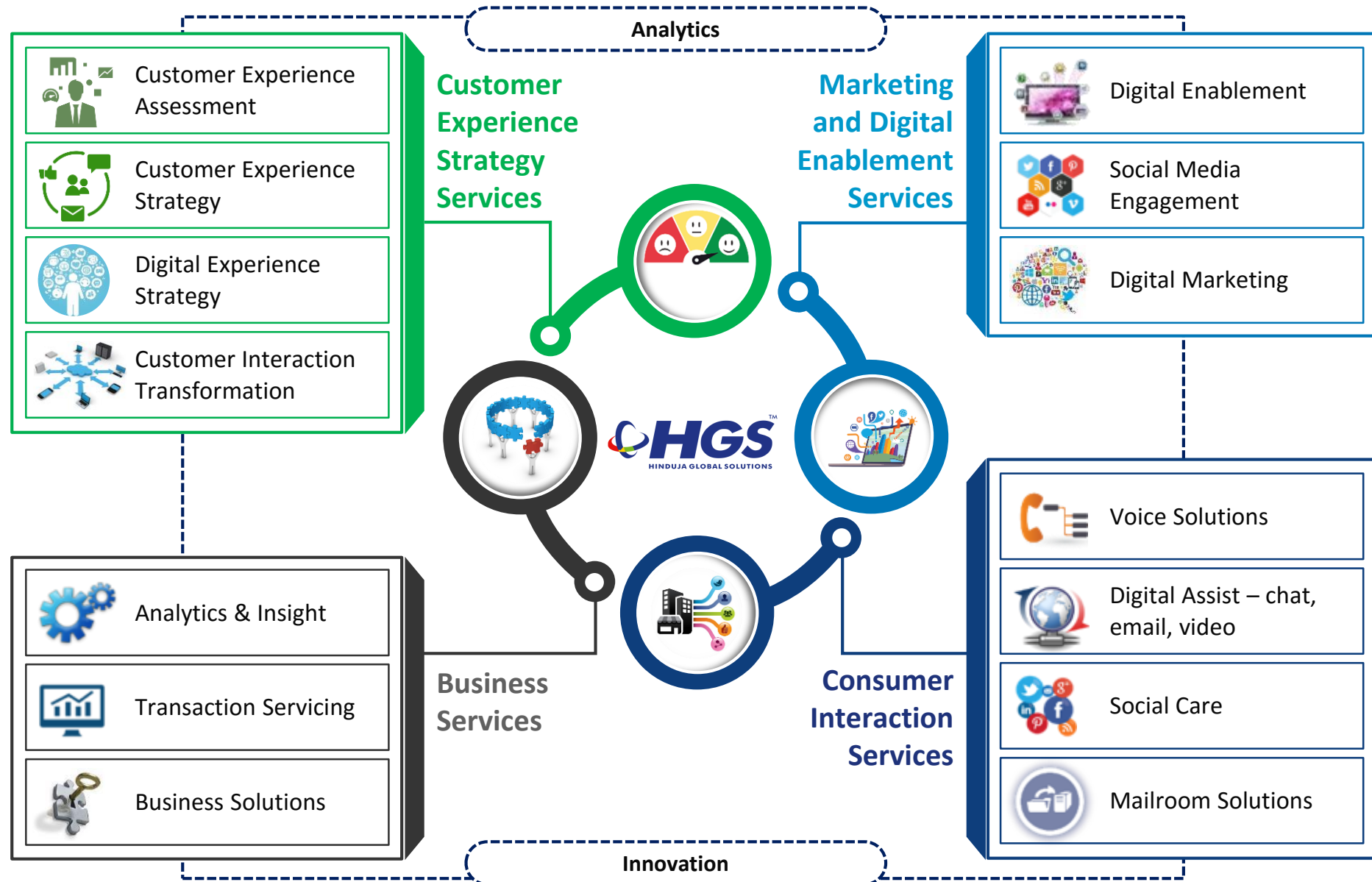
FINANCIAL DETAILS (FY'18 & Q1 FY'19)

	FY'18	Q1 FY'19
Revenue	INR 38,494 Mn (\$ 597 Mn)	INR 11,008 Mn (\$ 163 Mn)
EBITDA	INR 4,061 Mn (\$ 63 Mn)	INR 731 Mn (\$ 11 Mn)
EBITDA Margin (%)	10.5%	6.6% (With Acquisition)
EBITDA Margin (%)	10.5%	9.5% (Without Acquisition)
Free Cash flow/EBITDA	47%	19%
Net Debt/Equity Ratio	0.04x	0.08x
Gross Debt Reduction	INR 762 Mn	INR 6 Mn

SNAPSHOTS

- In INR term, CAGR of 10.4% in Revenue over last 5 years
- **70** Worldwide Centers
- **44,800 +** employees (as on 30th June 2018)
- **190** active clients for the BPM business
(additionally over 636 clients for Payroll & HRO Business) at the end of FY18
- **2 Acquisitions** - Axis Point Health & Element Solutions made effective early April 18.

HGS Core Capabilities to Enable the Unified Customer Experience



Almost all HGS day to day activities relate to consumer transactions and interactions

Healthcare/ Insurance



- **58** Million transactions, **10** Million calls, **2.7** Million emails per annum
- Annual claim payout of **\$11.5** billion USD and **\$1.3** billion USD recoveries initiated for 4 of the Top 10 healthcare payers and several large hospitals/health systems in the US

Contributes 53.8% of HGS Revenue

Telecommunications



- Providing extensive consumer support for land lines, wireless, satellite, IPTV, hi-speed internet – from supporting the consumer from the point of purchase to end of service
- HGS ranked as a **leader** by Nelson Hall in Customer management service for Telecommunication, Cable and Satellite.

Contributes 17.2% of HGS Revenue

Consumer Products



- Supporting many consumer electronics manufacturers and distributors from purchase to post-warranty servicing
- Multi-channel service over telephone, white-mail, email, text and social media for a CPG client
- Provides services in the area of automation analytics and channel management to enhance customer experience

Contributes 12.1% of HGS Revenue

Financial Services



- Only credit card issuer to win the **J.D. Power Award for customer experience 6 consecutive years** driven by HGS's best in class NPS customer service - supporting all aspects of consumer financial transactions
- Providing support to a large Public sector financial services company in UK for their operations

Contributes 7.7% of HGS Revenue

Share of revenue by vertical based on Q1 FY 19 results

Who we are

A focused global business services (BPS) company with proven ability to deliver sustainable results

Providing domain expertise and operational excellence to assist our clients to transform their business across customer interaction channels with enhanced customer experiences



Core Business

Global provider of industry specific business process services and end to end multi channel 'consumer servicing' services



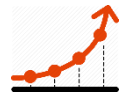
Scale

44,800 employees with **70** centers located in **7** countries



Significant Local Operations

46% of HGS's revenue is delivered in **18** local delivery centers in NA and **3** in UK



Consistent Growth

HGS has grown **10X** in **10 years** to **\$597M** revenue



Financial Stability

Publicly listed company controlled by a **multi-billion** dollar conglomerate - financially sound, strong balance sheet and committed long term ownership structure



Long Term Relationships

Heritage of growing long term client relationship based upon delivery value to our clients. **75%** of the clients are with HGS for more than **10** years

Industries We Serve



Consumer Electronics & Technology



Telecom & Media



Retail



Healthcare



Consumer Packaged Goods



Public Sector



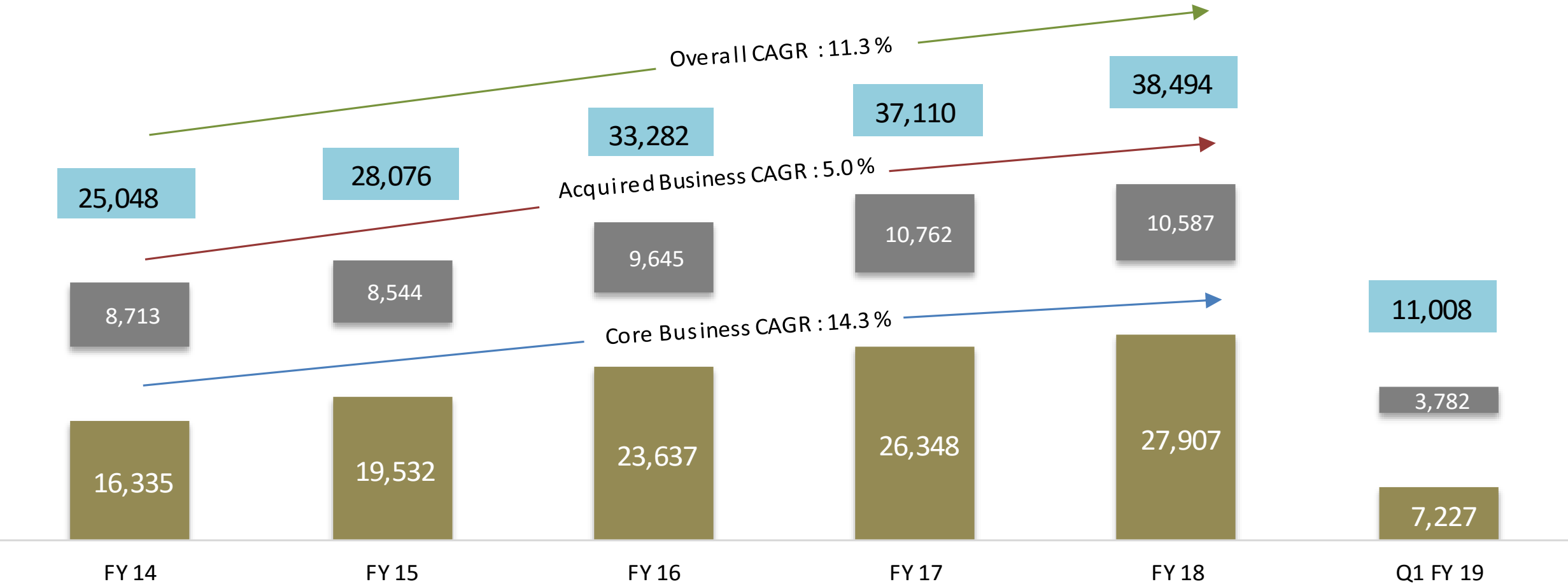
Banking



Insurance

Revenue Trend (In INR Mn.)

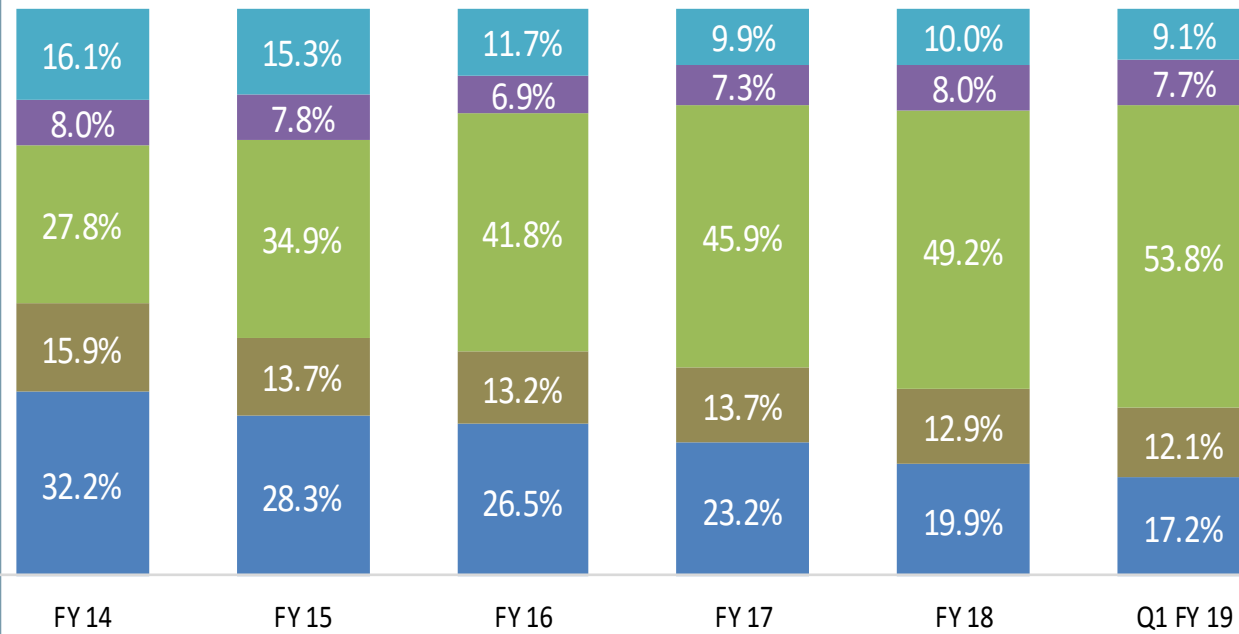
- Acquired Business Revenue
- Core Business Revenue



Revenue Composition

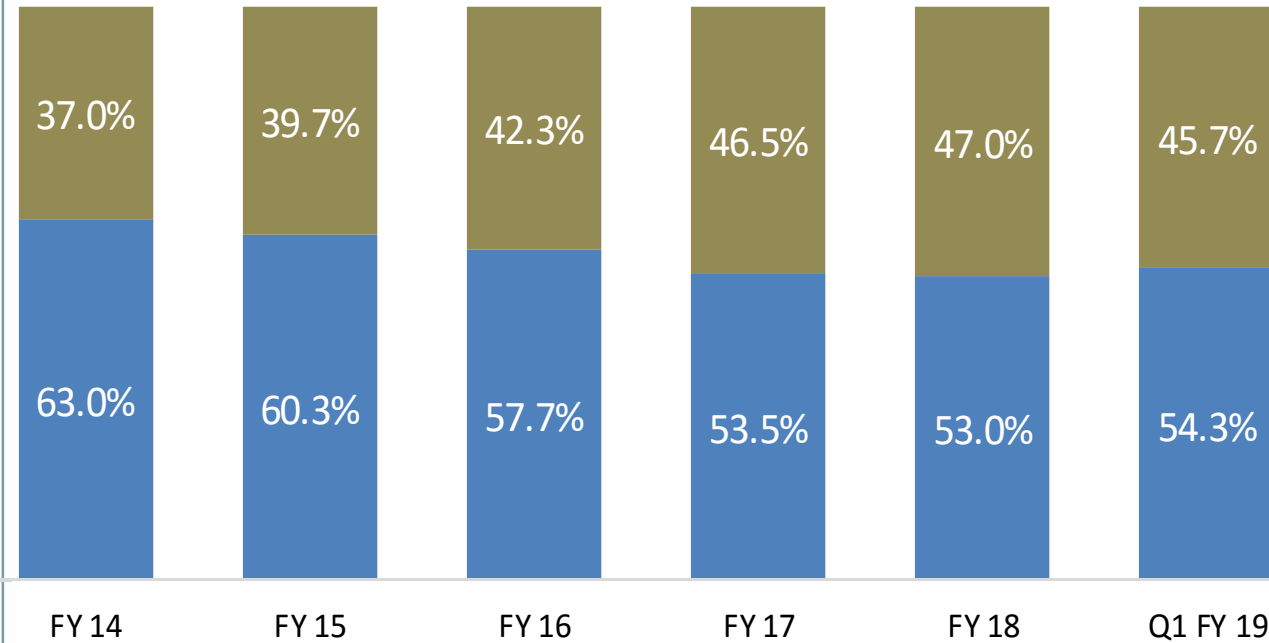
Revenue by Verticals

■ Telecom & Technology ■ Consumer Products ■ Healthcare ■ BFS ■ Others



Offshore/Near-shore to Onshore

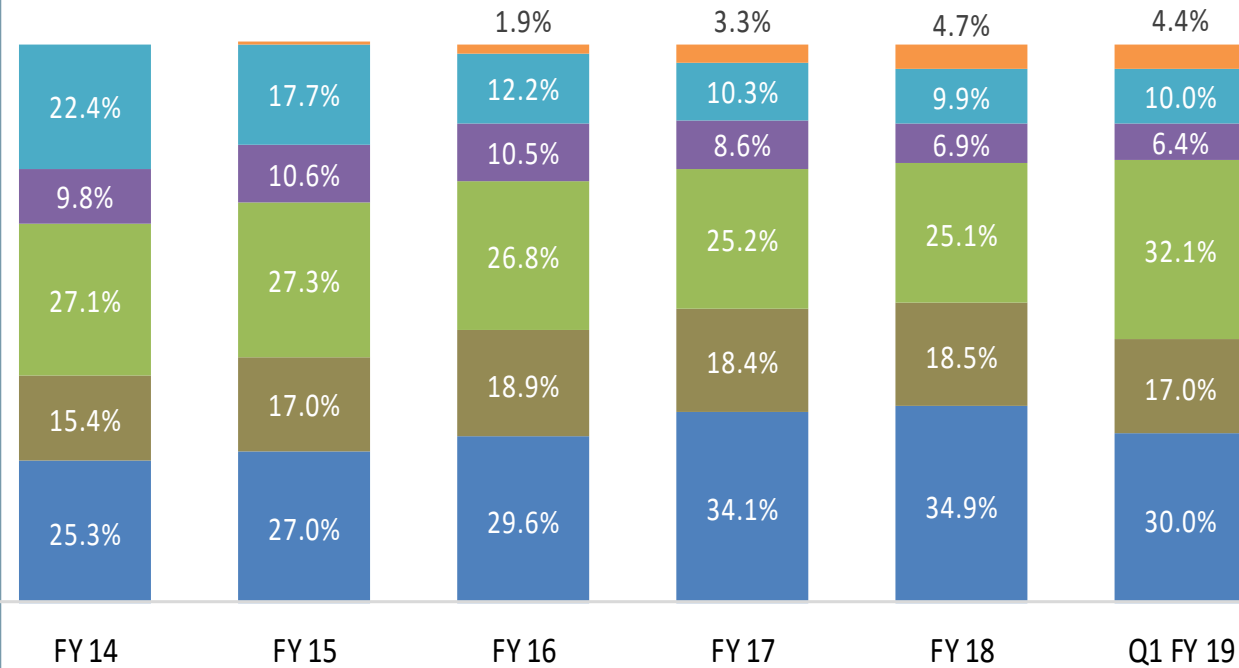
■ Onshore ■ Offshore/Nearshore



Revenue Composition

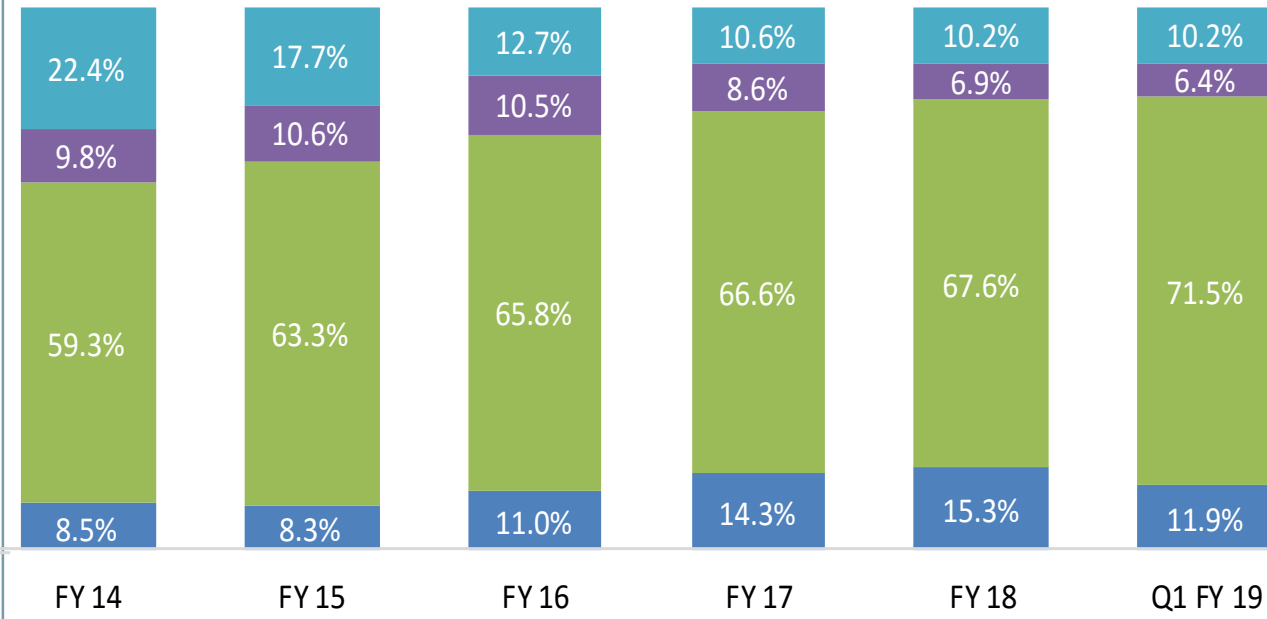
Revenue by Delivery

India Philippines USA UK Canada Jamaica



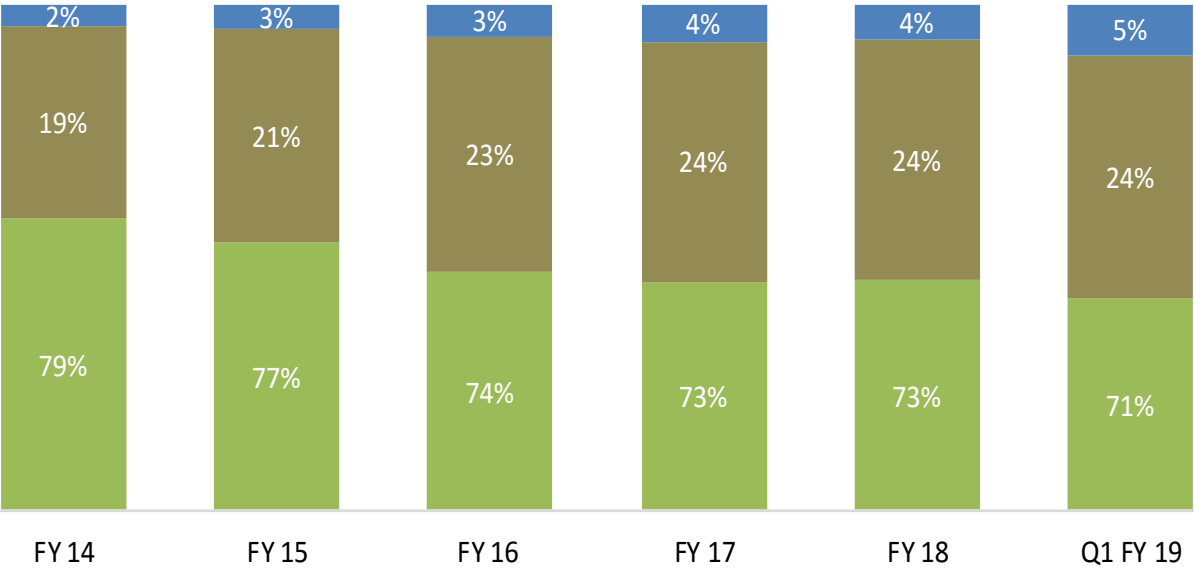
Revenue by Originations

INR USD GBP CAD



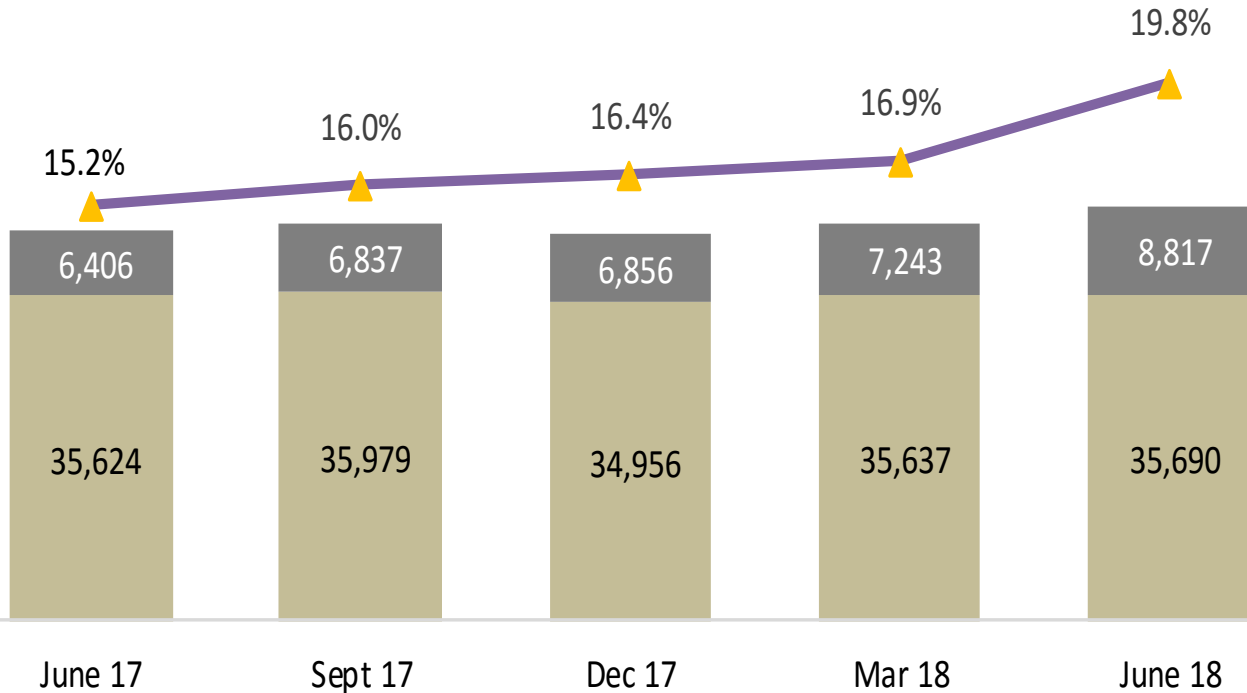
Voice to Non-Voice Mix

Voice CRM Transaction processing Digital CRM



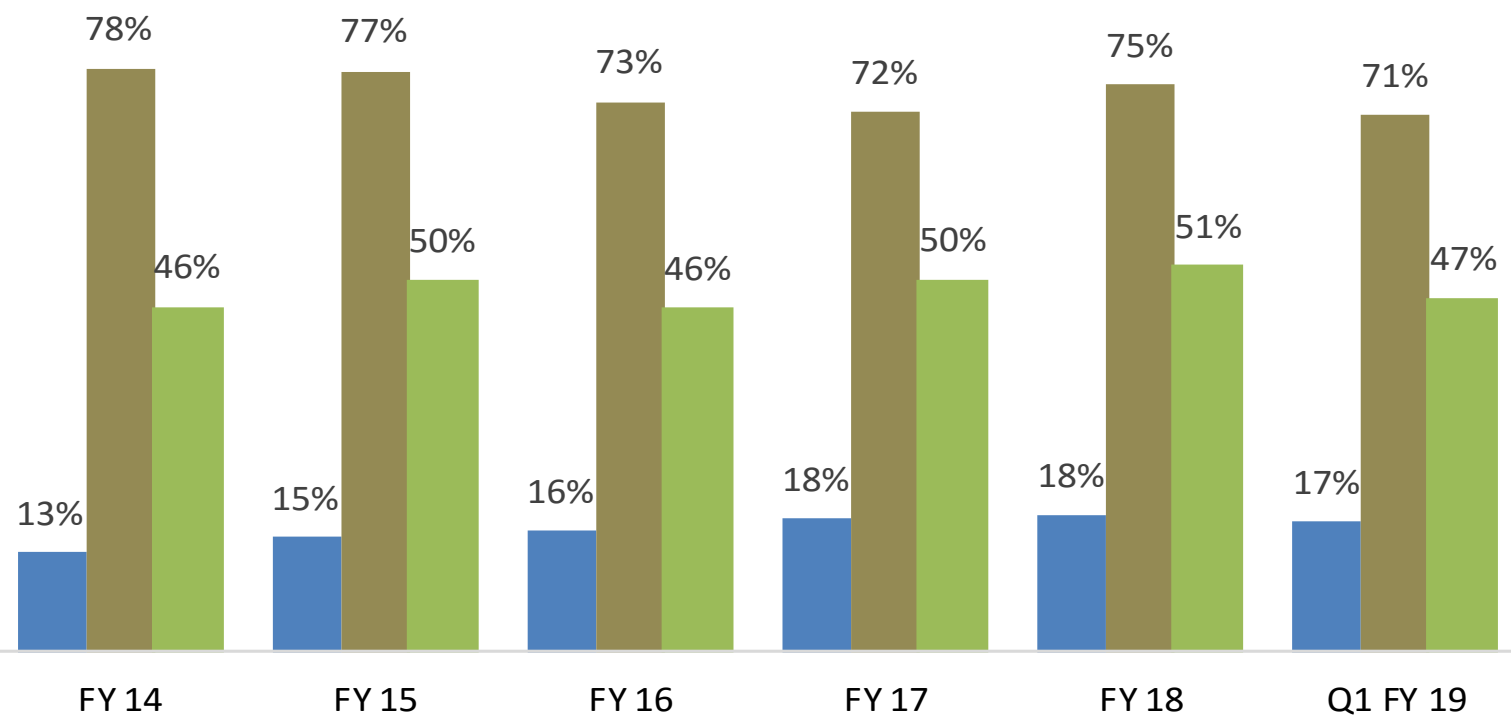
OPEX seats & Owned Seats

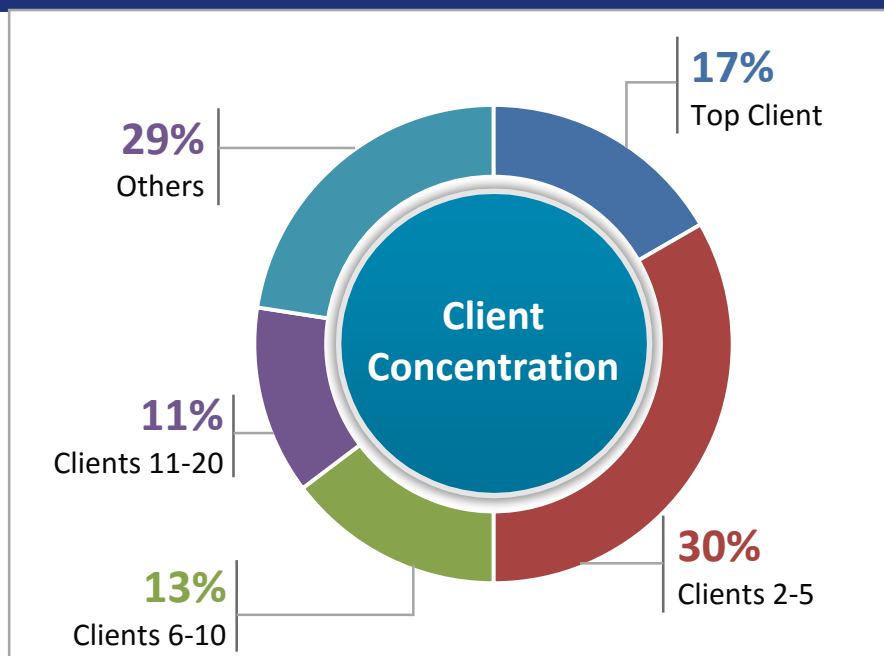
Owned Seats Seat for Opex



Client Concentration

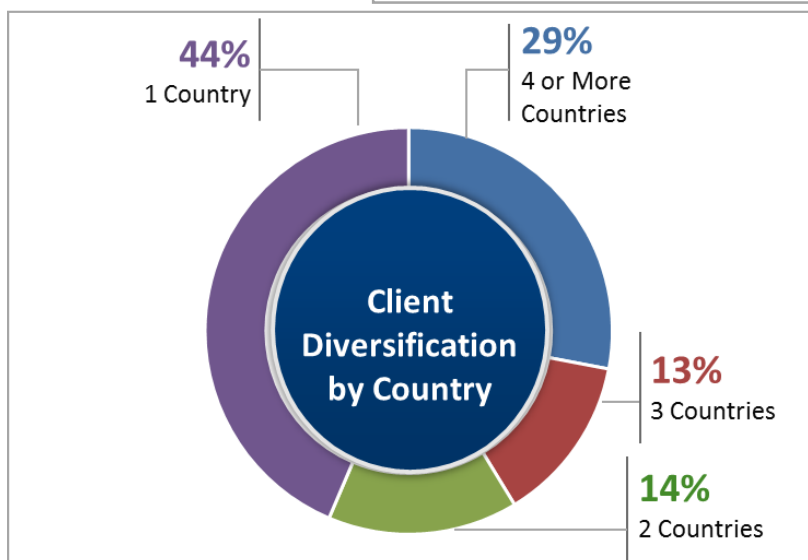
■ Top Clients ■ Top 20 Clients ■ Top 5 Clients



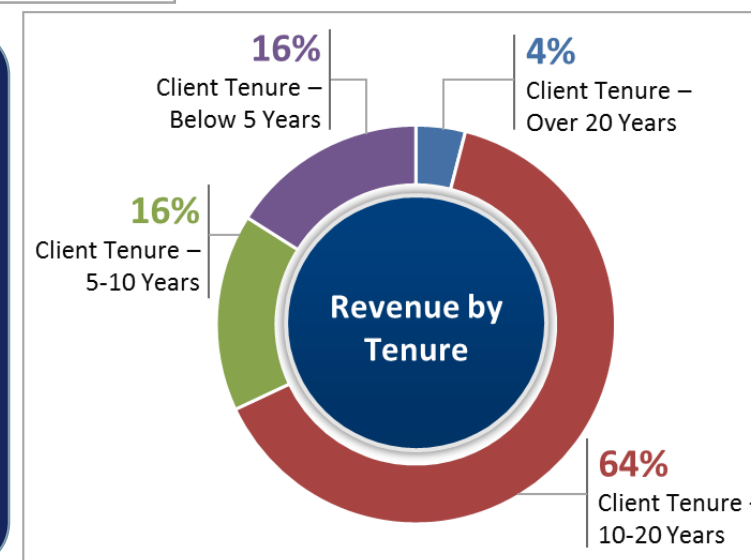


Top 20 clients contribute **71%** of the Total Revenue

** Based on Q1 FY'19 Financials*



Strong Client relationships demonstrated by tenured and multi-geography engagements





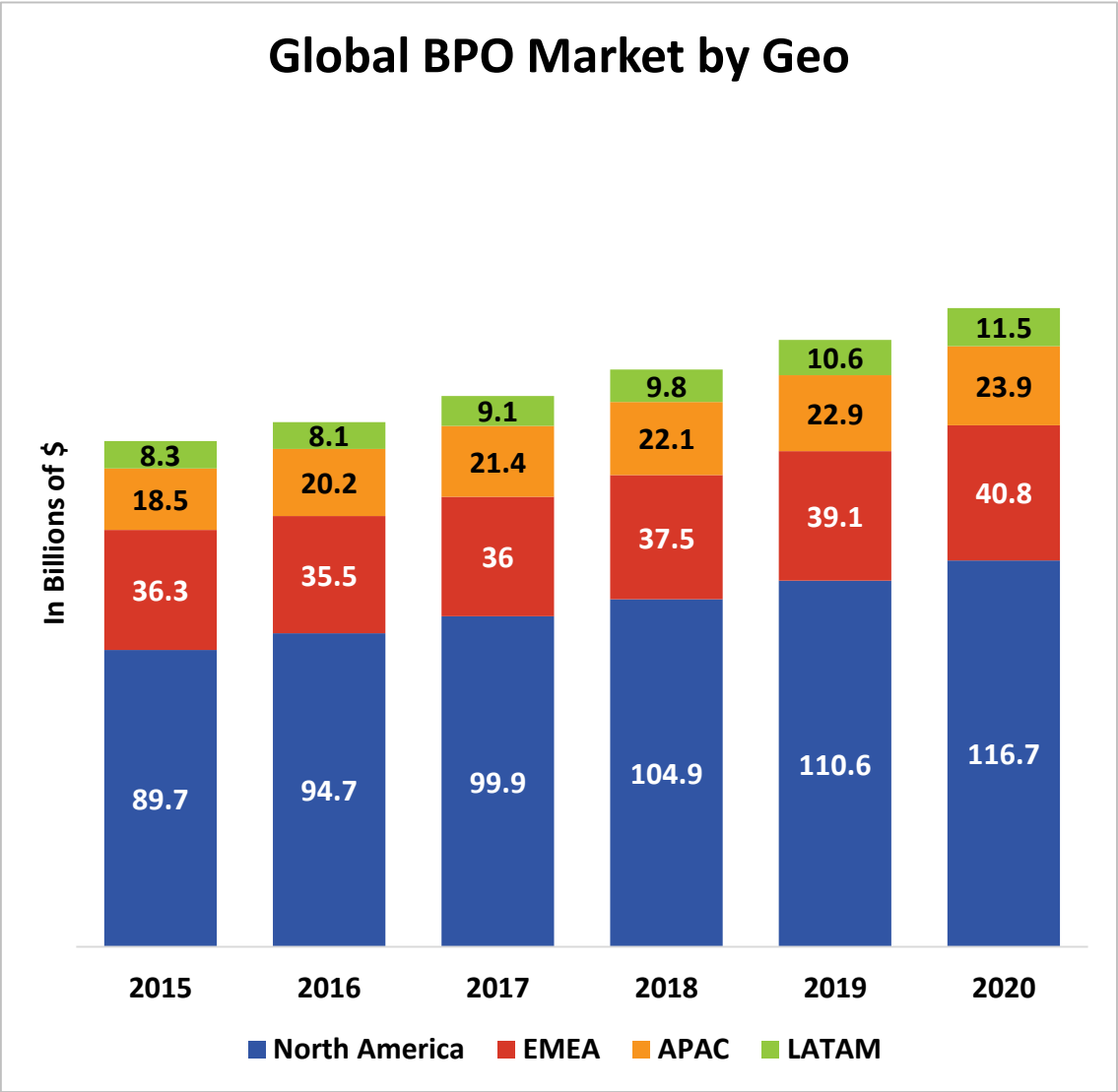
BPO/BPM Market

Marketplace Dynamics

- Total BPM market is over \$160 billion
- In-house BPM 4 times the size of the outsourced BPM market
- Next 5 year CAGR for BPM expected to be 5.9% (Gartner Q1, 2013 forecast)
- Billion Dollar Plus players in this are still only a handful, who grew between 5% to 20%
- Essentially a large, fragmented but growing market, enough for everybody to play in

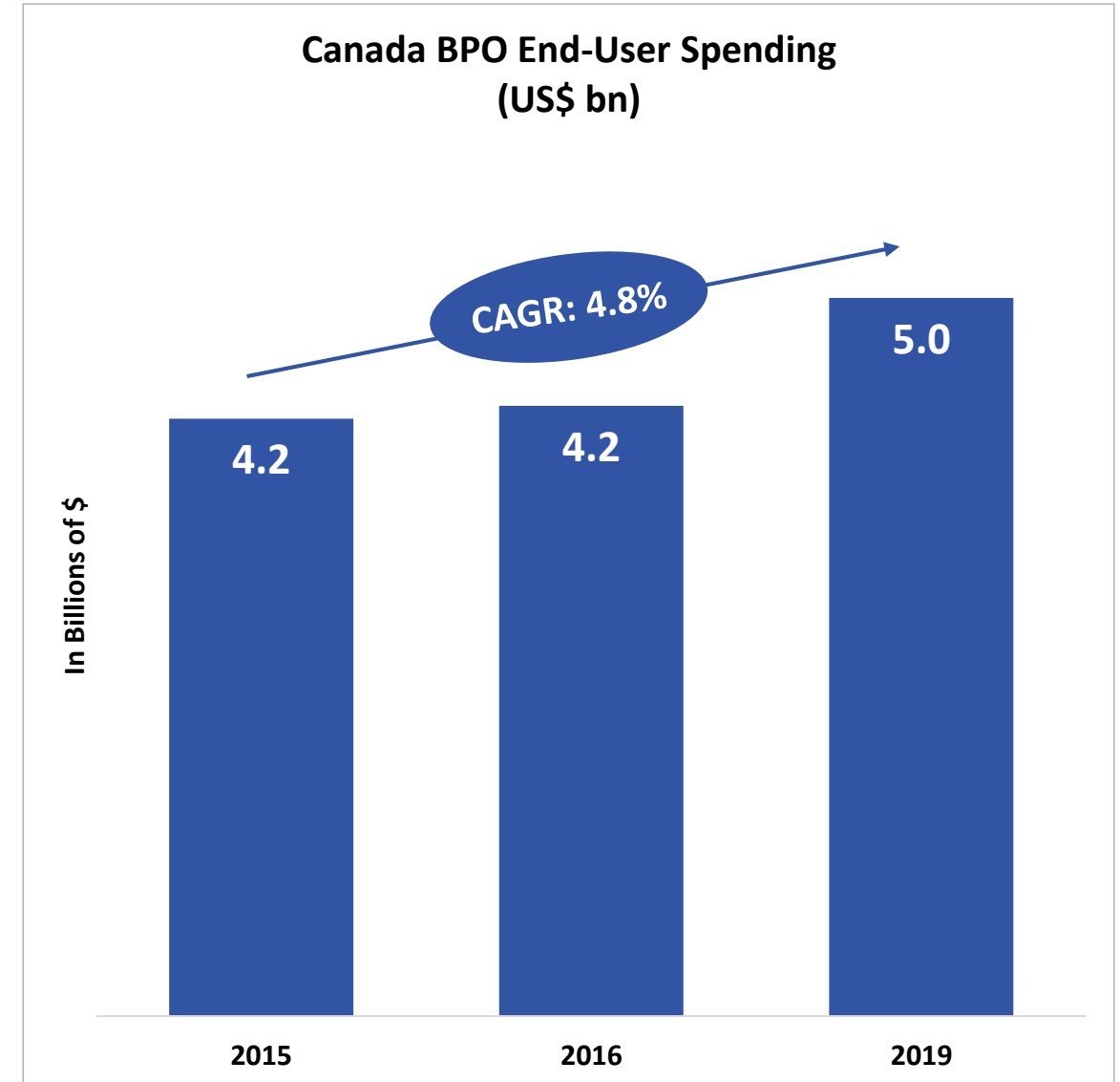
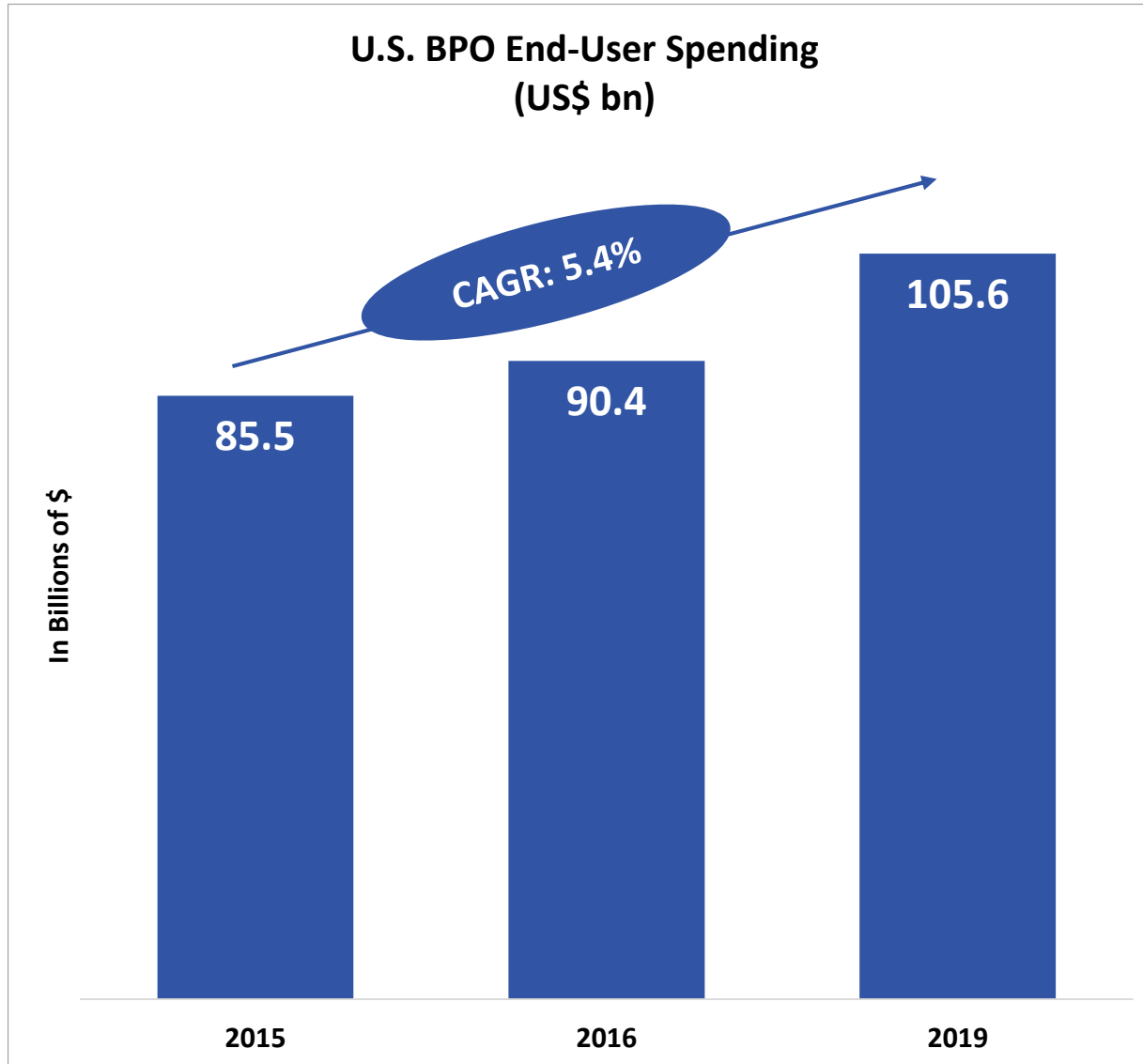
Source: Gartner

Global BPO/BPM Market: Industry Estimates for Growth



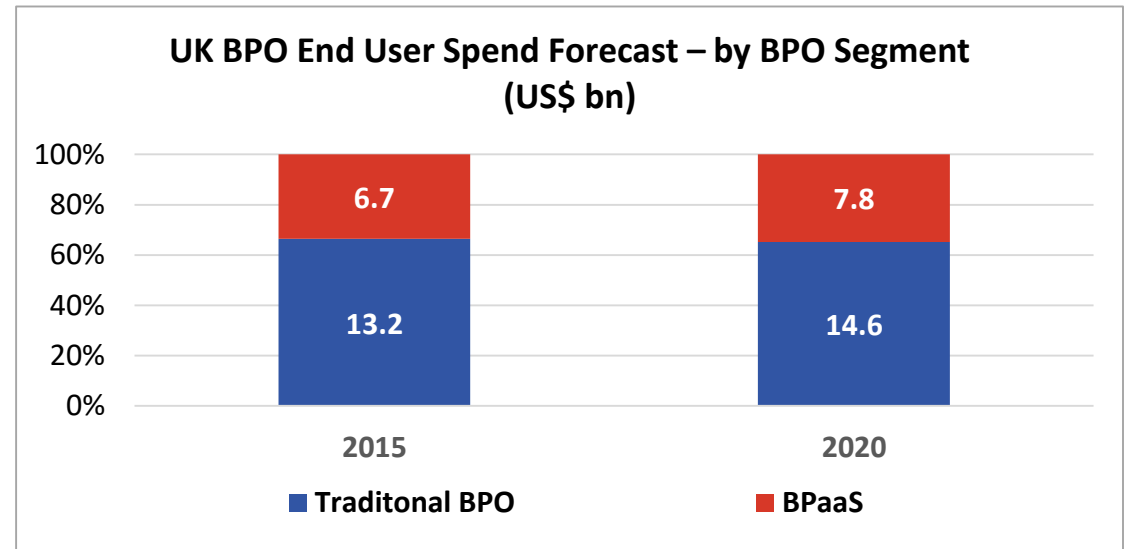
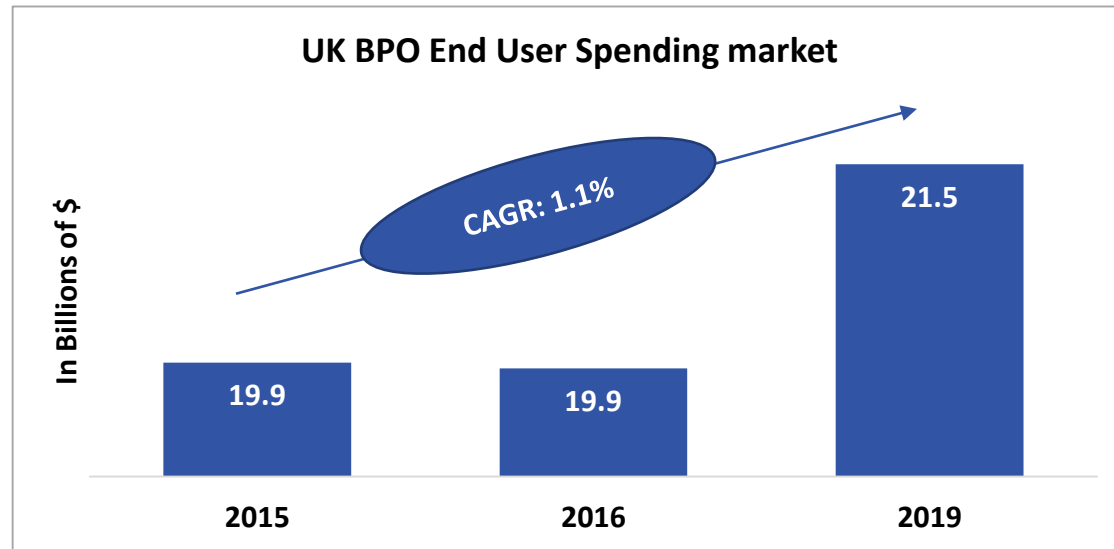
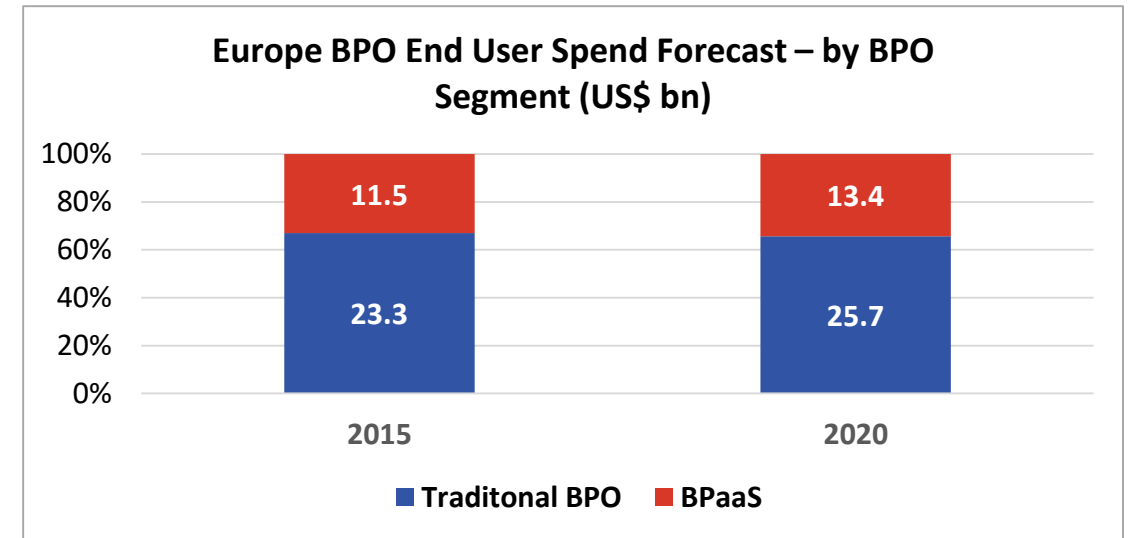
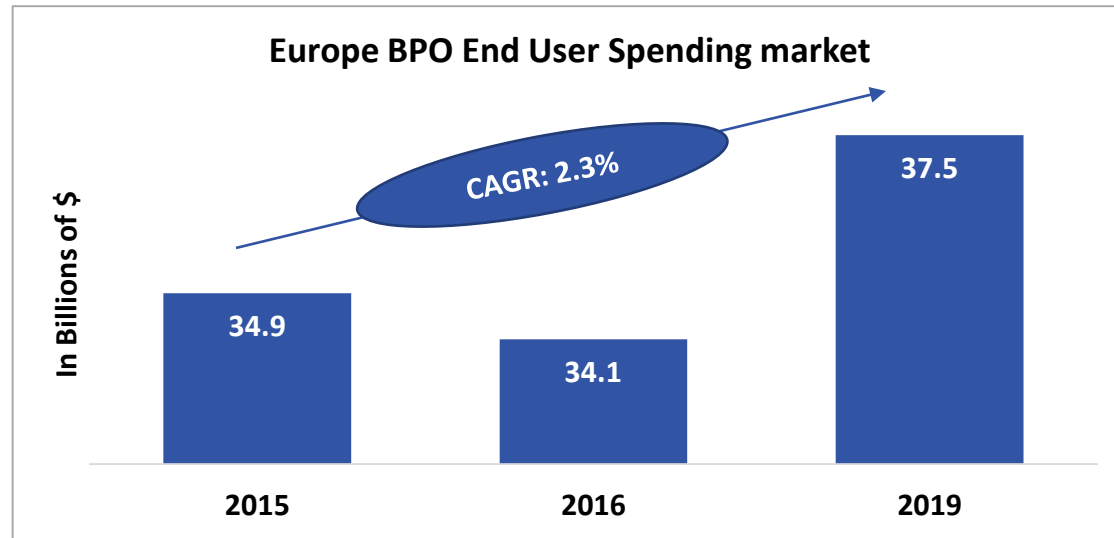
Source: Gartner BPO Revenue Forecast 2013 -2019

North America BPO Spending Macro Market Overview



Gartner Forecast: IT Services by Geography, 2014-2020

Europe – UK BPO Spending Macro Market Overview

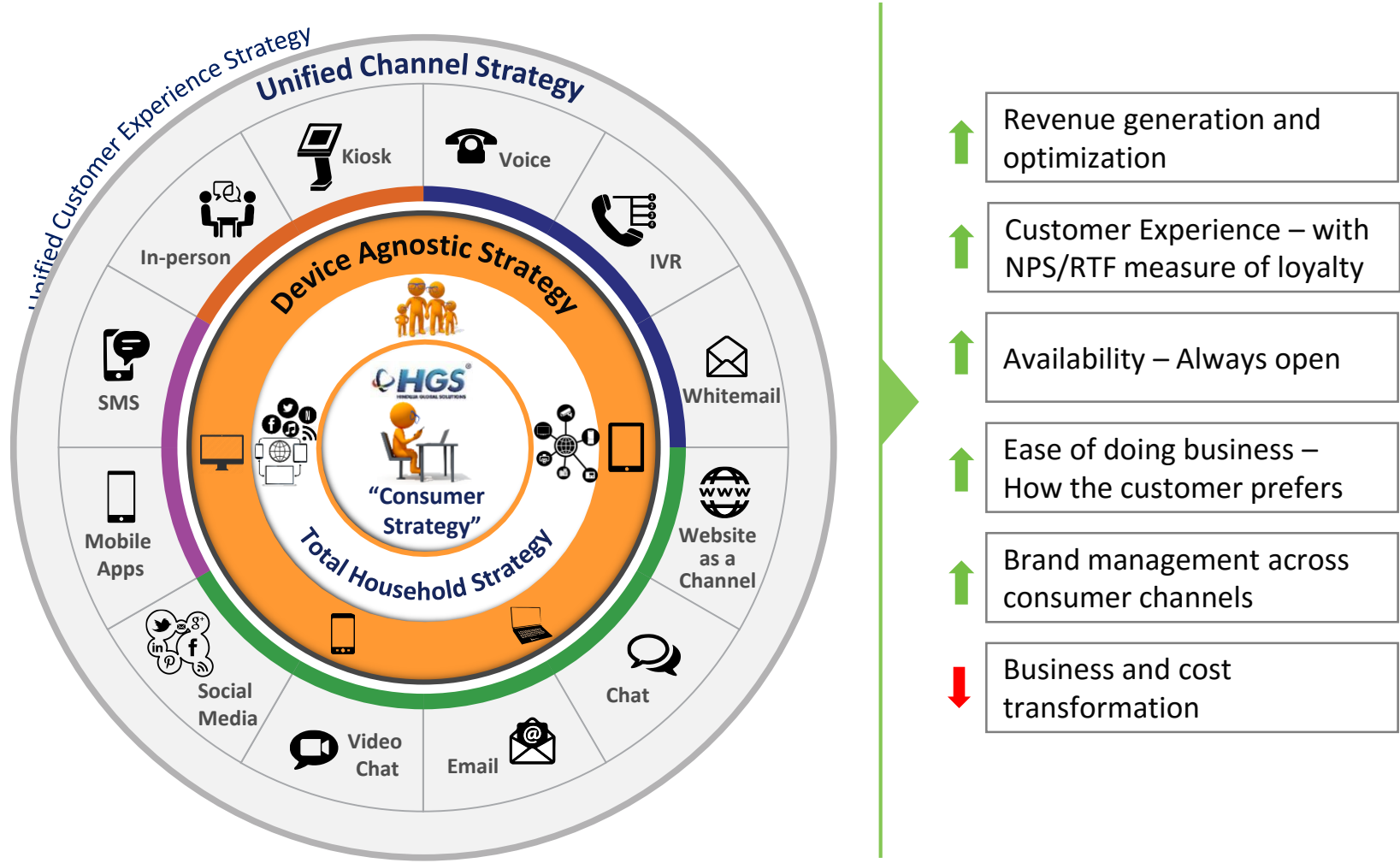


Gartner Forecast: IT Services by Geography, 2014-2020

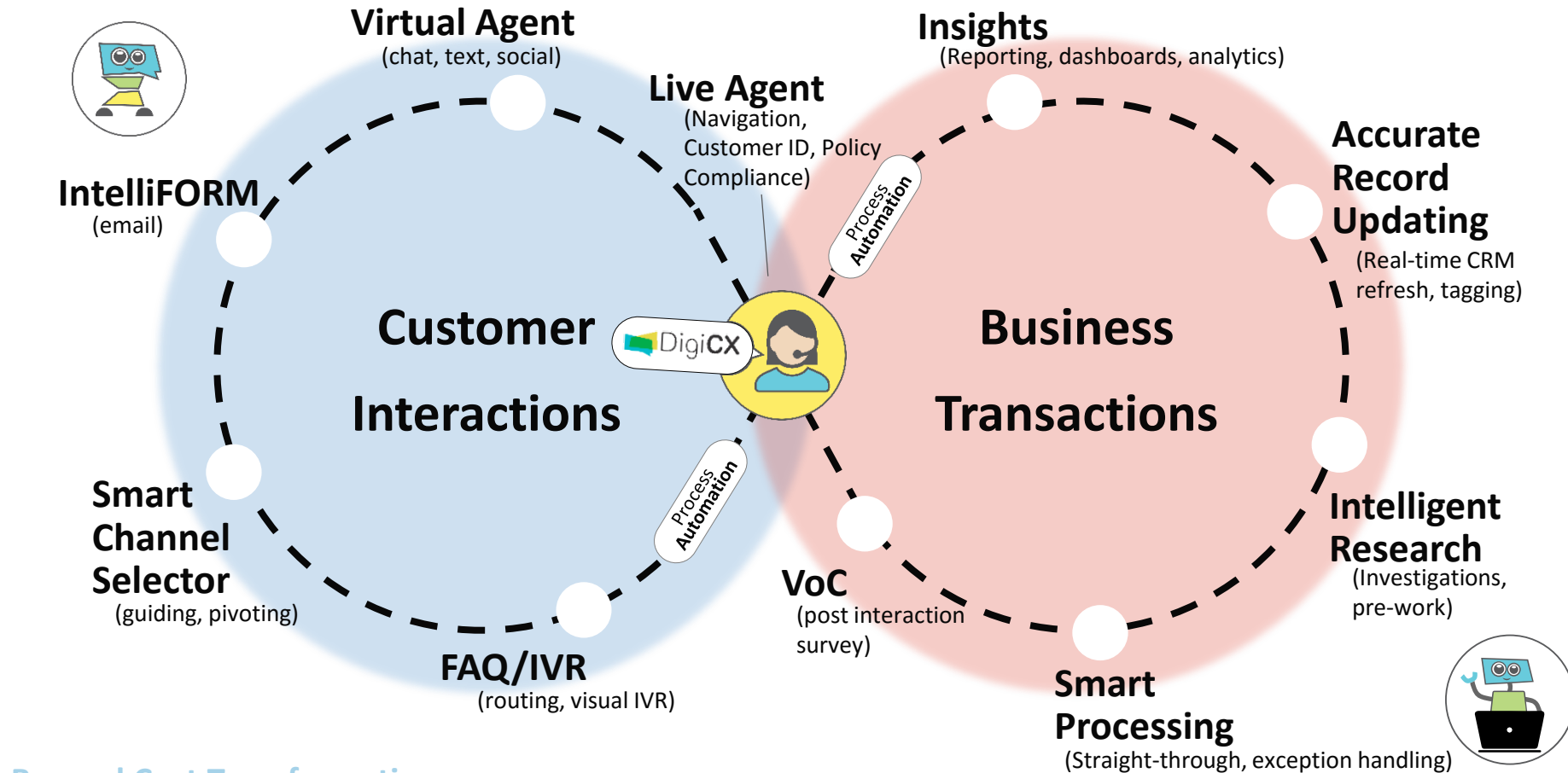


Digital and Automation/RPA

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



- Automation everywhere enables each touchpoint through the digital end-to-end journey



Beyond Cost Transformation...



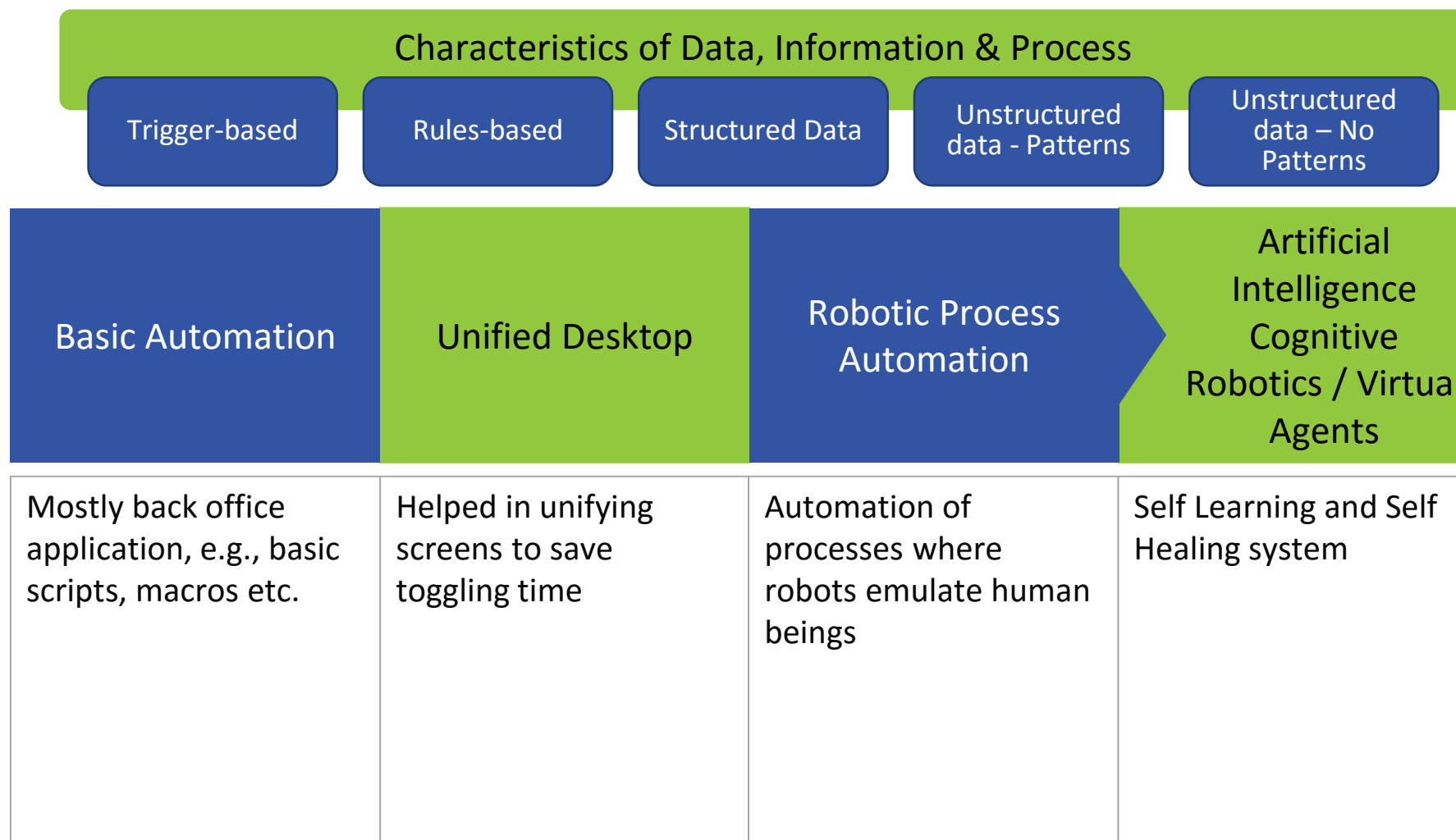
Always Open

Agile Business

Reduce Errors

Reduce Time

Optimize CX



HGS expertise in Automation Design

AI will help BPaaS penetrate into the core, “heart of the business” processes

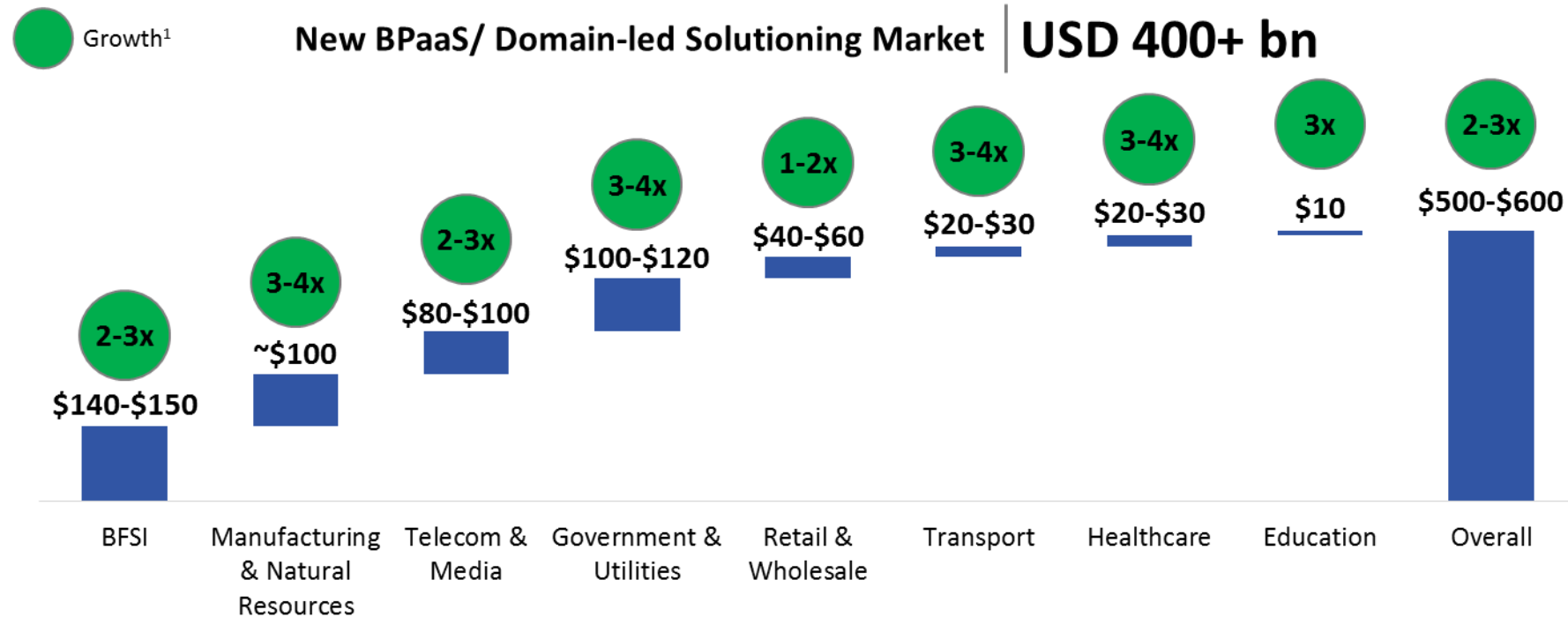
Current scope of BPM/
BPaaS



AI to expand the scope of
BPM/ BPaaS 2-3x

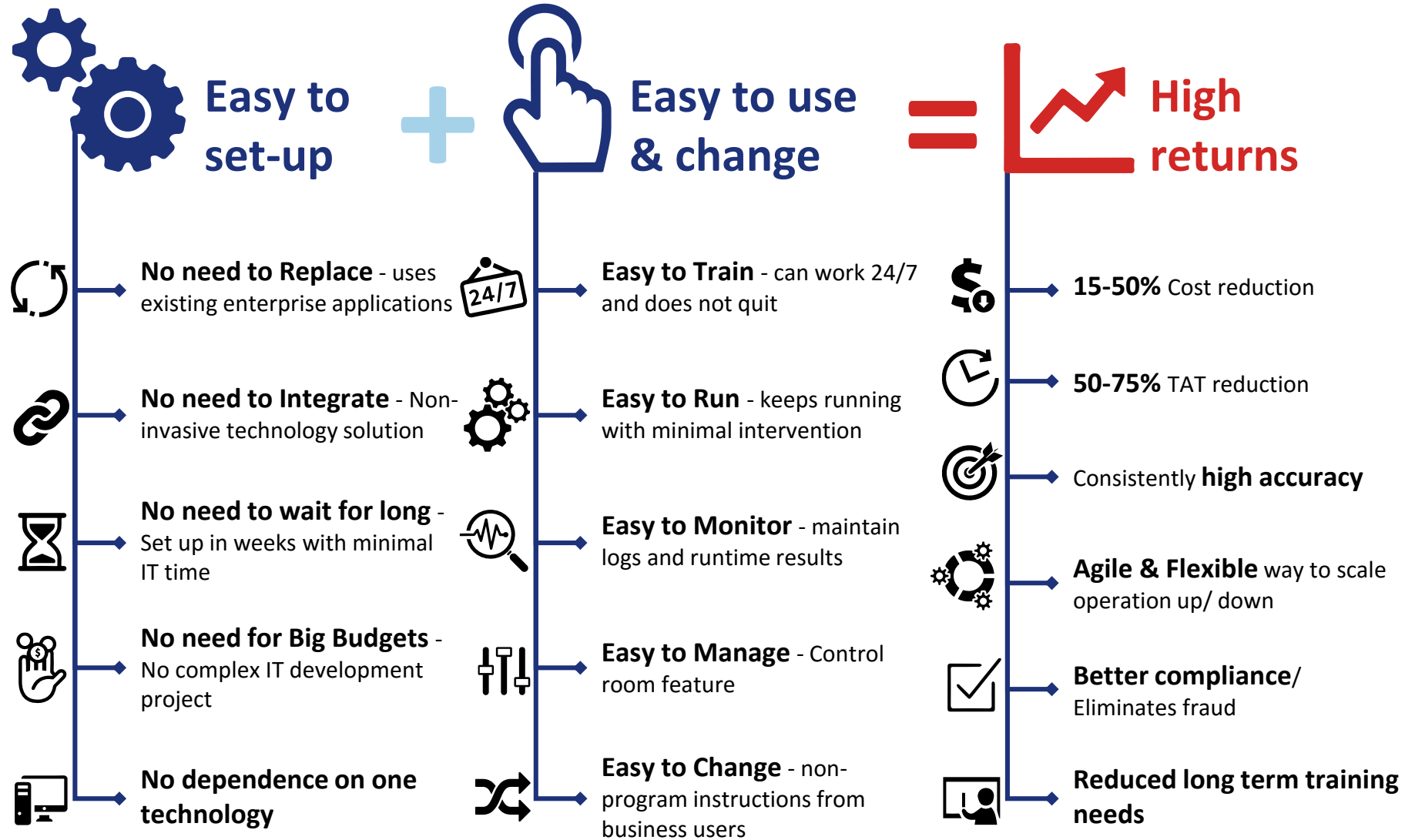


AI-led addressable market – BPaaS/ Domain-led solutioning (USD billion)



¹ As a multiple of current market size

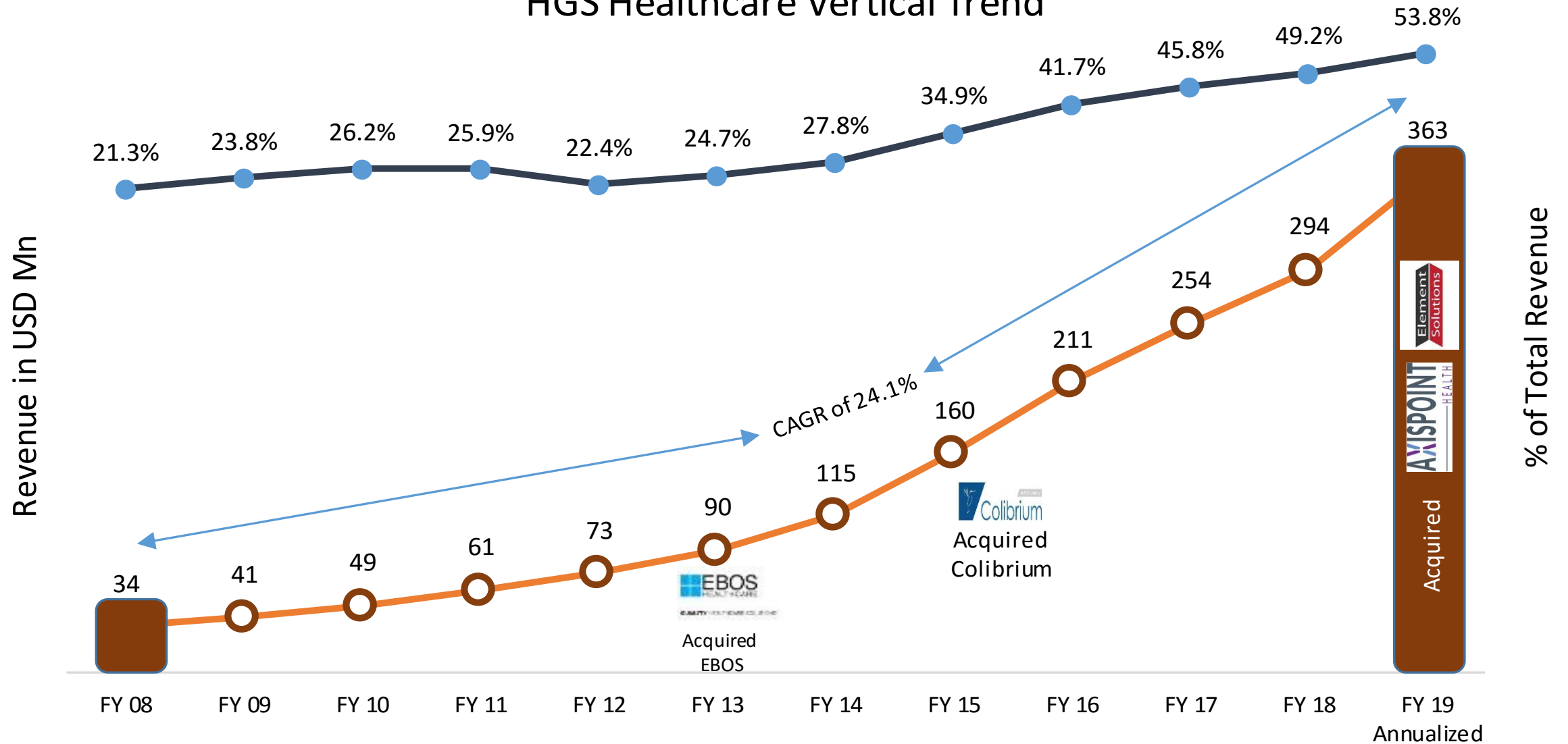
Sources: NASSCOM, BCG analysis

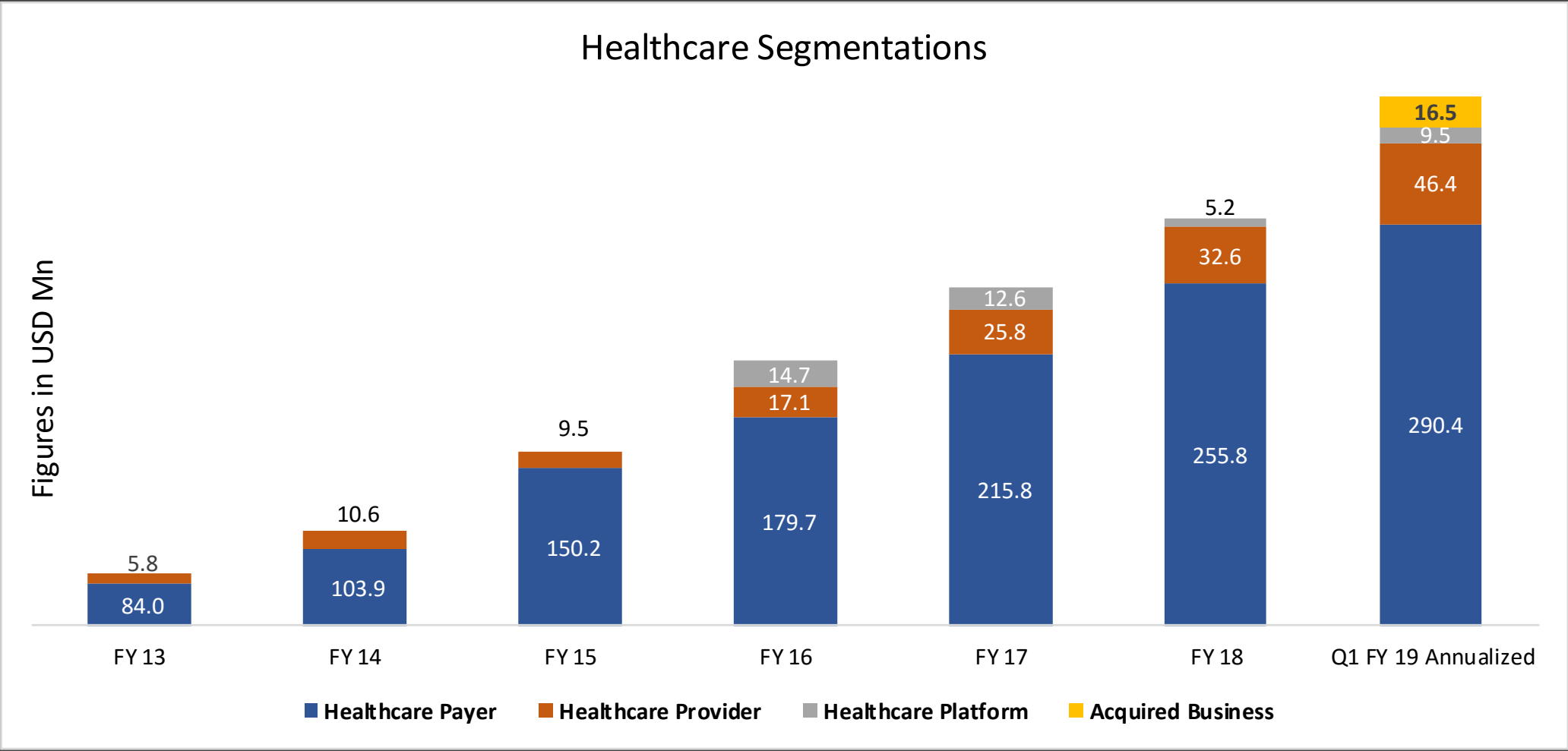




Healthcare Practice overview

HGS Healthcare Vertical Trend

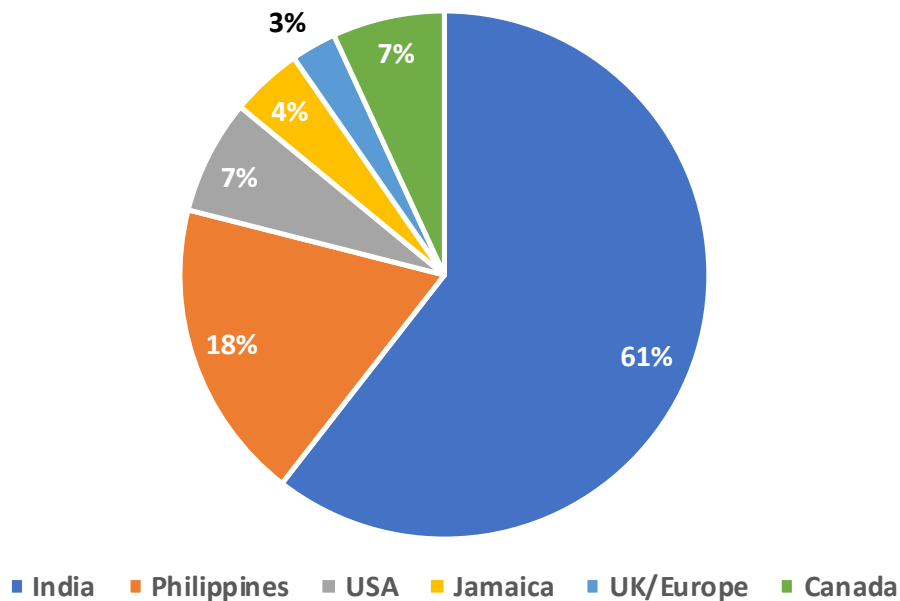




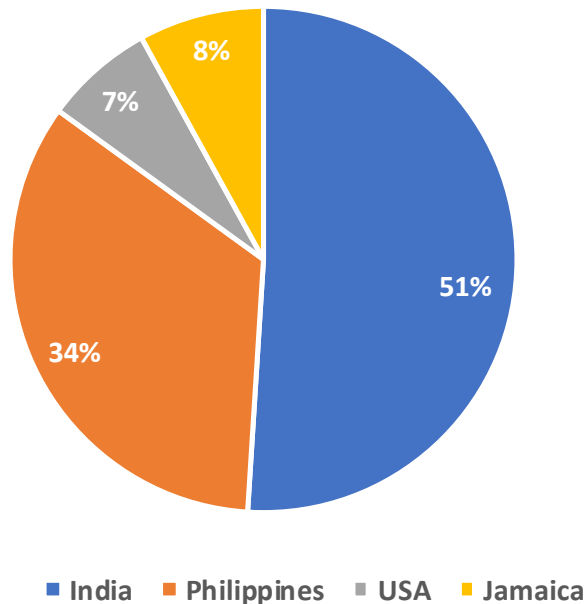
Acquired business to provide HGS entry into Clinical and Digital services for Healthcare Vertical

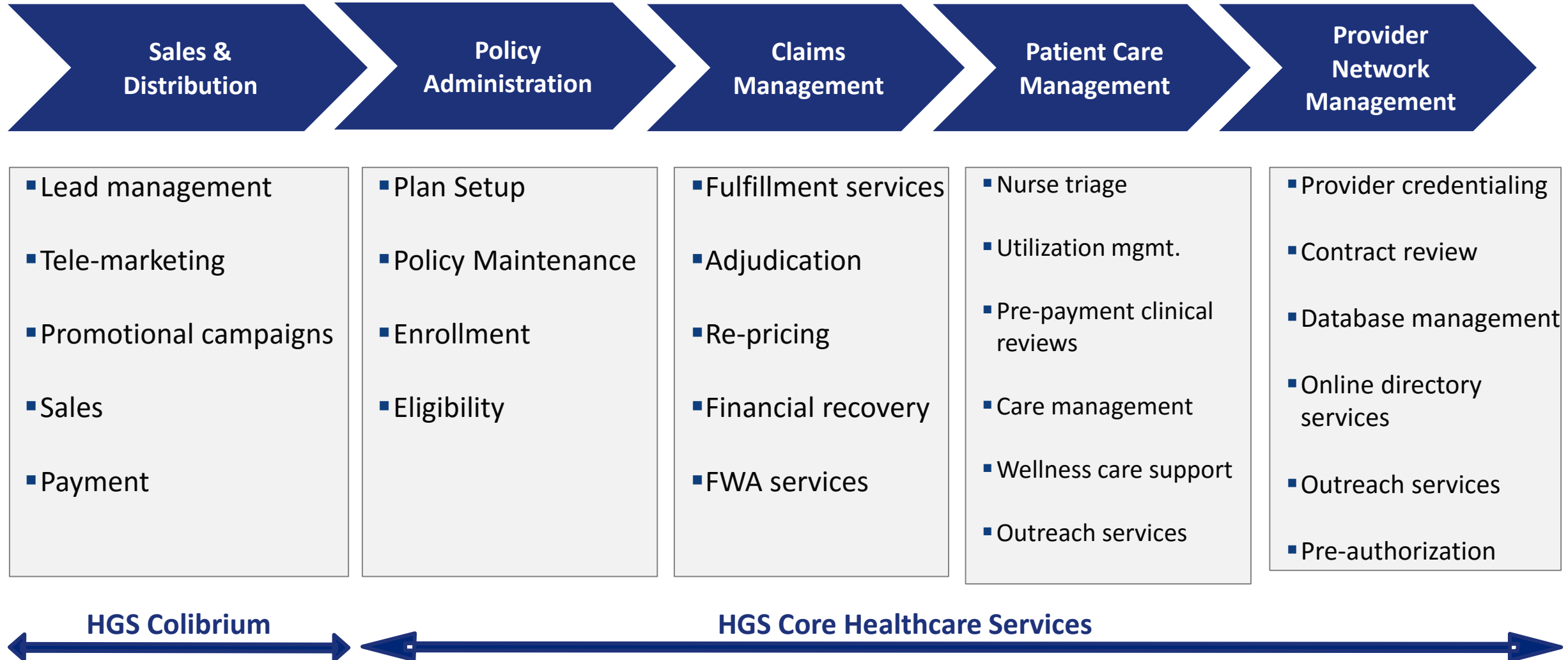
Employee Distribution as of 30th June 2018

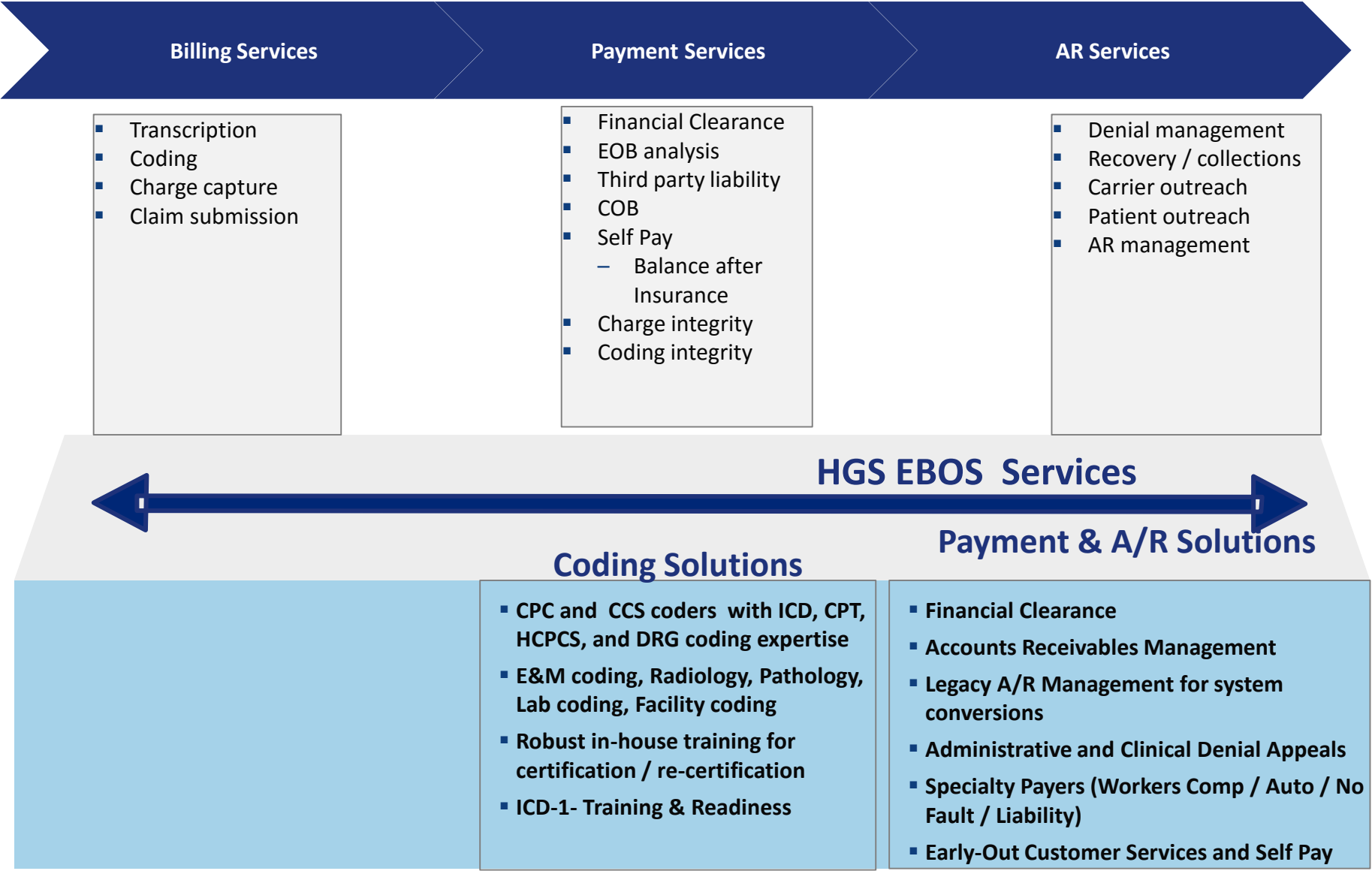
HGS Overall Employee Break-up



Healthcare Employee Break-up









Financial Overview

Q1 FY 19 Actuals vs Q4 FY 18 vs Q1 FY 18 Actuals – Without Acquisition

Quarterly Performance - Consolidated (Without Acquisition)

Figures in Rs Mn unless otherwise indicated

	Actual QE June'18	Actual QE Mar'18	Growth %	Actual QE June'17	YoY Growth
Revenue	10,173	10,039	↑ 1%	9,272	↑ 10%
Operating Costs (excl Dep)	9,202	9,019		8,270	
EBITDA	971	1,019	↓ -5%	1,002	↓ -3%
EBITDA %	9.5%	10.2%		10.8%	
Depreciation	323	319		367	
Interest Expense	90	89		92	
Other income	314	178		36	
Exceptional Items		120			
PBT	872	670	↑ 30%	579	↑ 51%
PBT %	8.6%	6.7%		6.2%	
Tax	250	156		135	
PAT	622	514	↑ 21%	443	↑ 40%
PAT %	6.1%	5.1%		4.8%	

Q1 FY 19 Actuals vs Q4 FY 18 vs Q1 FY 18 Actuals – With Acquisition

Quarterly Performance - Consolidated (With Acquisition)

Figures in Rs Mn unless otherwise indicated

	Actual QE June '18	Actual QE Mar '18	Growth %	Actual QE June '17	YoY Growth
Revenue	11,008	10,039	↑ 10%	9,272	↑ 19%
Operating Costs (excl Dep)	10,277	9,019		8,270	
EBITDA	731	1,019	↓ -28%	1,002	↓ -27%
EBITDA %	6.6%	10.2%		10.8%	
Depreciation	355	319		367	
Interest Expense	95	89		92	
Other income	315	178		36	
Exceptional Items		120			
PBT	597	670	↓ -11%	579	↑ 3%
PBT %	5.4%	6.7%		6.2%	
Tax	194	156		135	
PAT	403	514	↓ -22%	443	↓ -9%
PAT %	3.7%	5.1%		4.8%	

QoQ

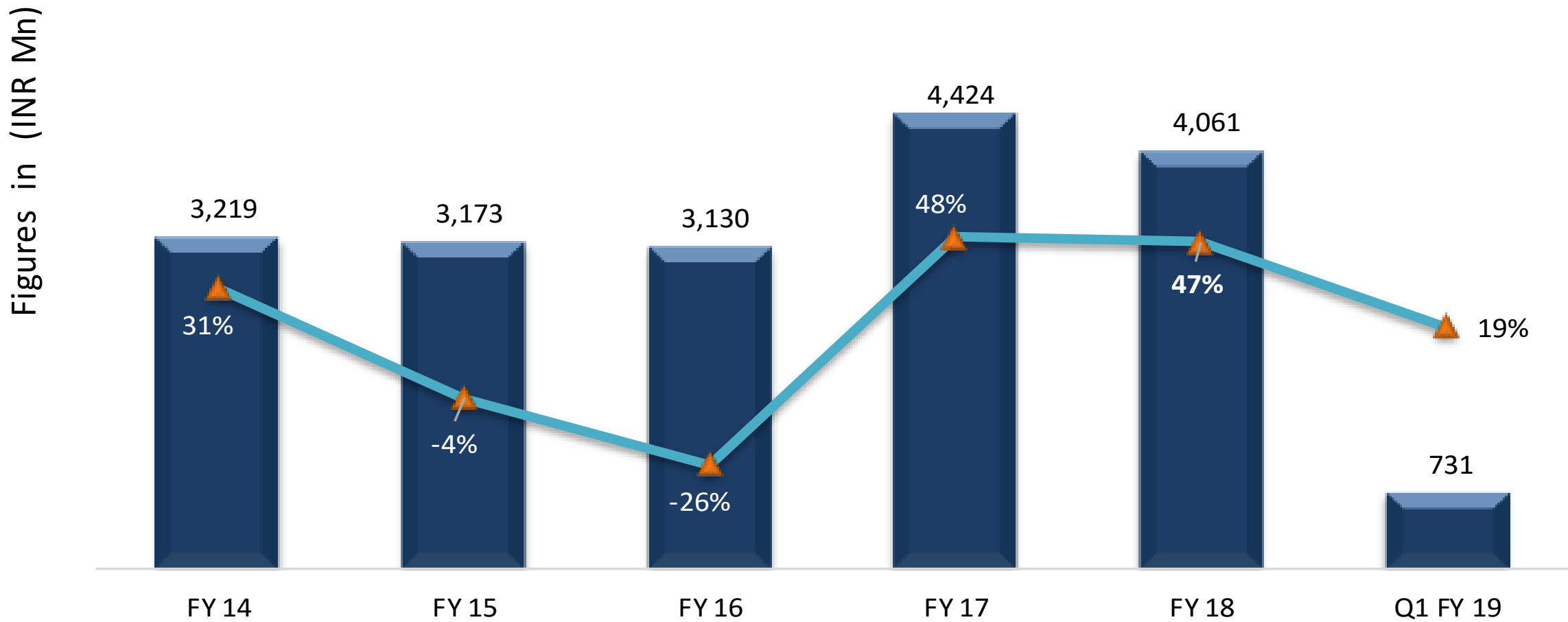
Organic De-Growth – 2.0%
 FX Growth – 3.4%
 Inorganic Growth – 8.3%

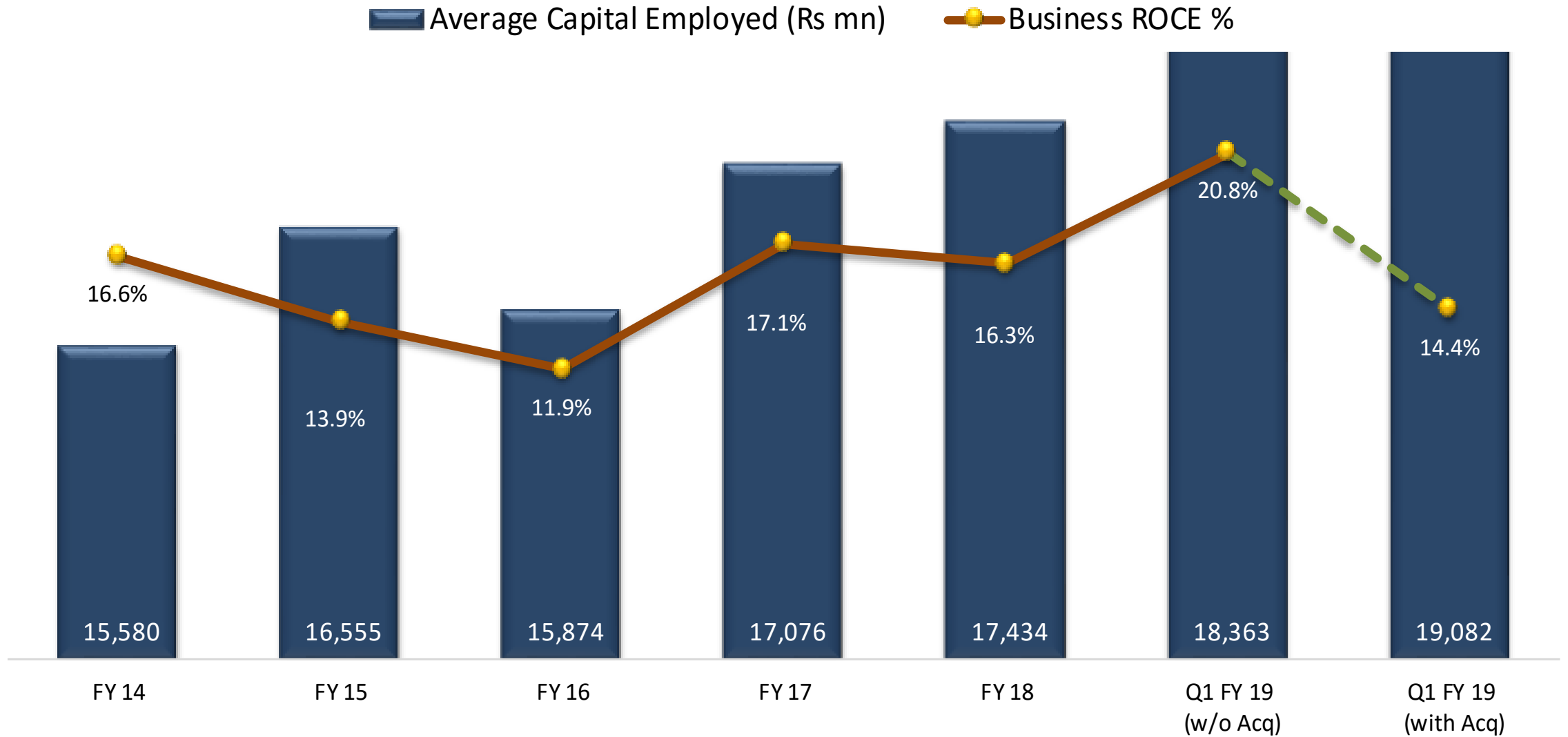
YoY

Organic Growth – 5.0%
 FX Growth – 4.7%
 Inorganic Growth – 9.0%

FREE CASH FLOW to EBITDA Ratio

EBITDA FCF/EBITDA (%)





Summary Cash Flow Statement

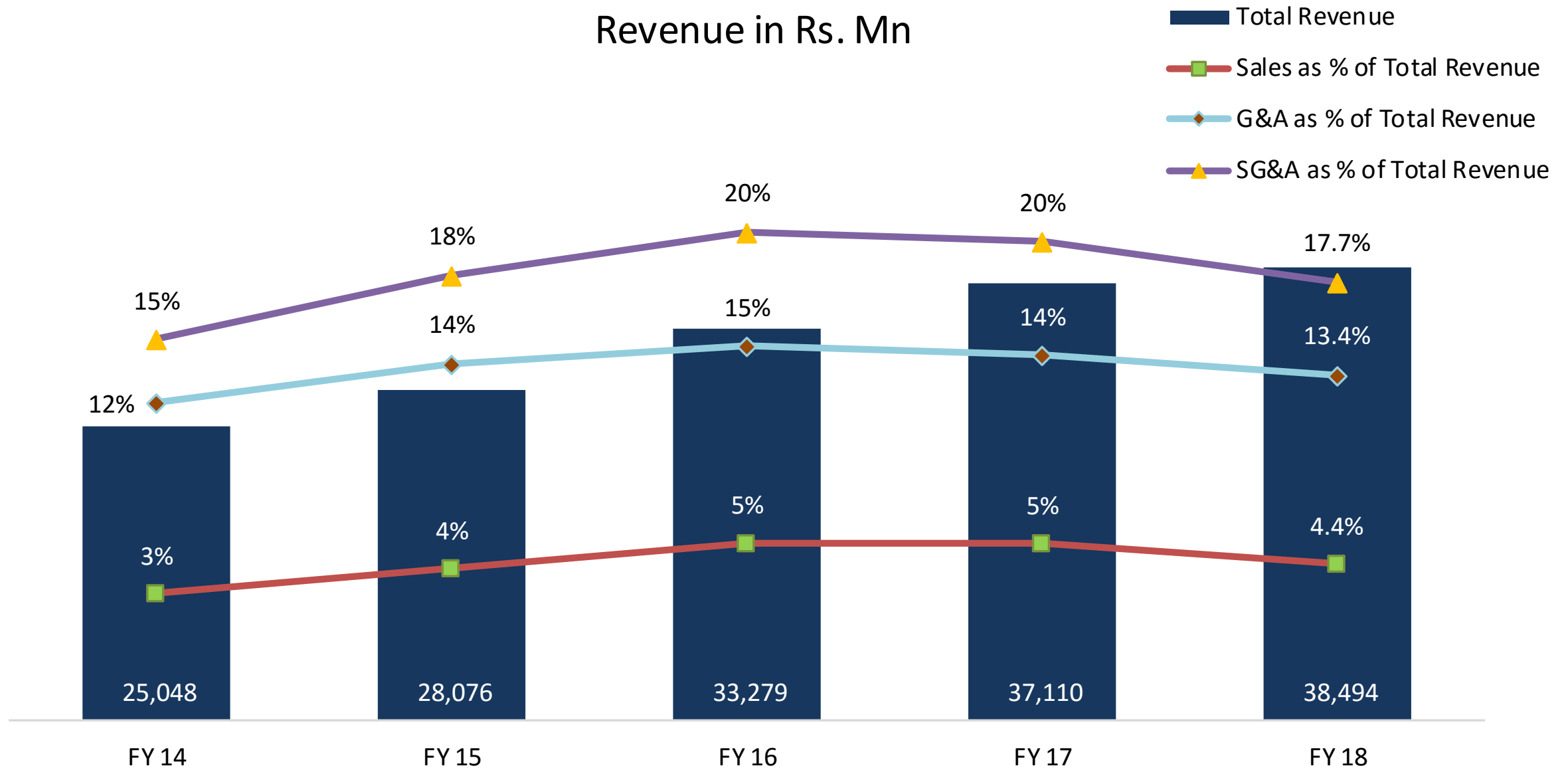
(Rs. Million)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Q1 FY 19
Cash flow from Operations and after working capital changes	2,352	1,924	1,589	4,031	3,517	555
Cash Flow due to Capex (net)	(1,137)	(1,621)	(2,472)	(1,779)	(1,261)	(393)
Total Cash Flow from Operations and Regular Capex	1,215	303	(883)	2,252	2,256	162
For Purchase of building	(400)	0	(44)	---	---	
Cash Flow paid for acquisition of business	0	(890)	(153)	---	---	(1,144)
Cash Flow due other investing activities	192	451	269	138	143	15
Total Cash Flow from Operations and Investing	1,007	(136)	(811)	2,390	2,399	(967)
Proceeds from share allotment under ESOP scheme	9	36	3	---	25	8
Proceeds/(Repayment) from Borrowings	877	112	1,990	(1,823)	(762)	(6)
Capital Lease Taken Pursuant to Acquisition		(49)		---	---	
Cash from Interest payment and others	(1022)	(997)	(872)	(636)	(598)	(95)
Total Cash Flow from Financing Activities	(1,36)	(898)	1,121	(2,459)	(1,335)	(93)
Net Increase/ (Decrease) in Cash and Cash Equivalents	871	(1,034)	310	(69)	1,111	(1,060)

Summary Financial Profile – As at 30th June 2018

Particulars	HGSL	
	Rs.	USD
Net Worth <i>(in millions)</i>	15,187	221.8
Book value per share	730	10.7
Price per share	767.0	10.9
Dividend per share (FY 18)	2.5	0.04
EPS (TTM)	93.2	1.4
P/E Ratio (TTM)	8.2	8.0
Gross Debt <i>(in millions)</i>	5,848	85.4
Total Cash <i>(in millions)</i>	4,626	67.6
Net Debt (Net Cash) <i>(in millions)</i>	1,221	17.8
Net Debt/TTM EBITDA	0.32x	0.32x
Total Debt/Equity	0.39x	0.39x

- Book Value taken is as reported on QE June 2018
- Stock prices and USD/INR exchange rate latest available prices
- Total Debt includes foreign currency debt taken at applicable exchange rates

Revenue in Rs. Mn

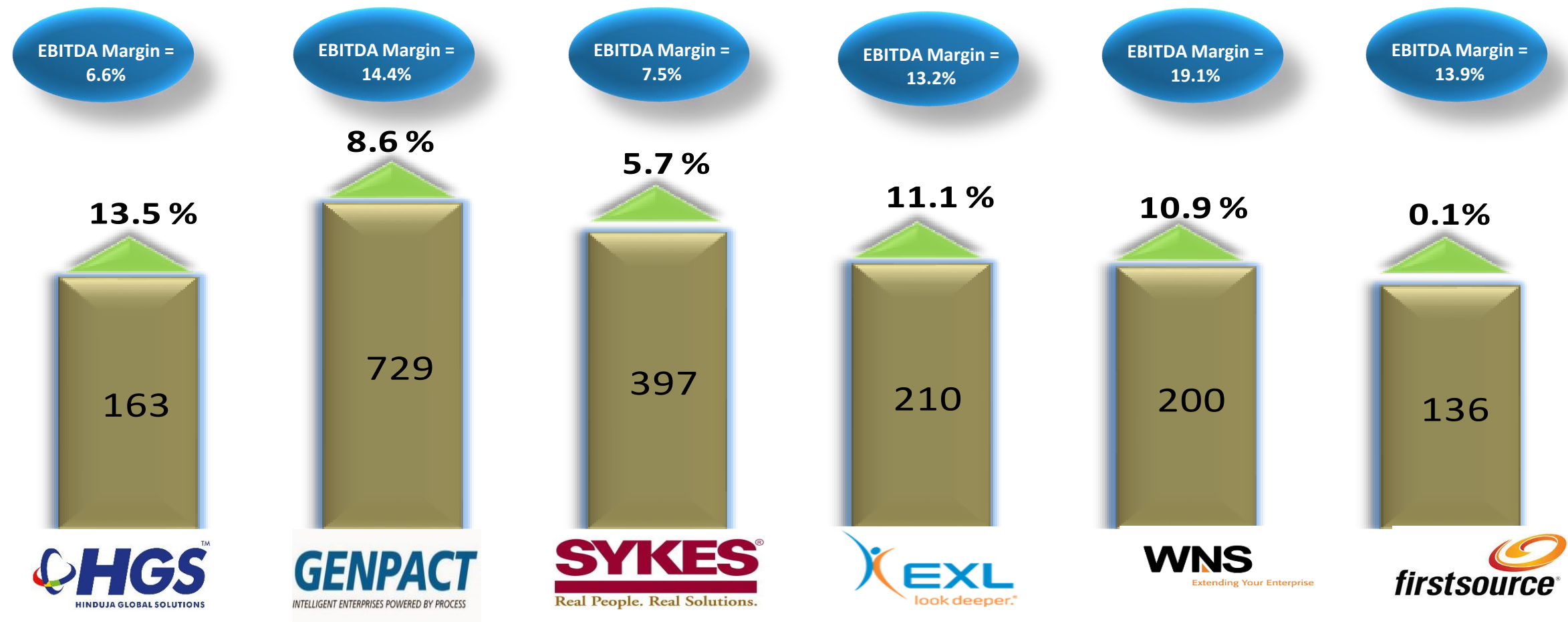




Peer Comparison

Peer Comparison: QE June 2018

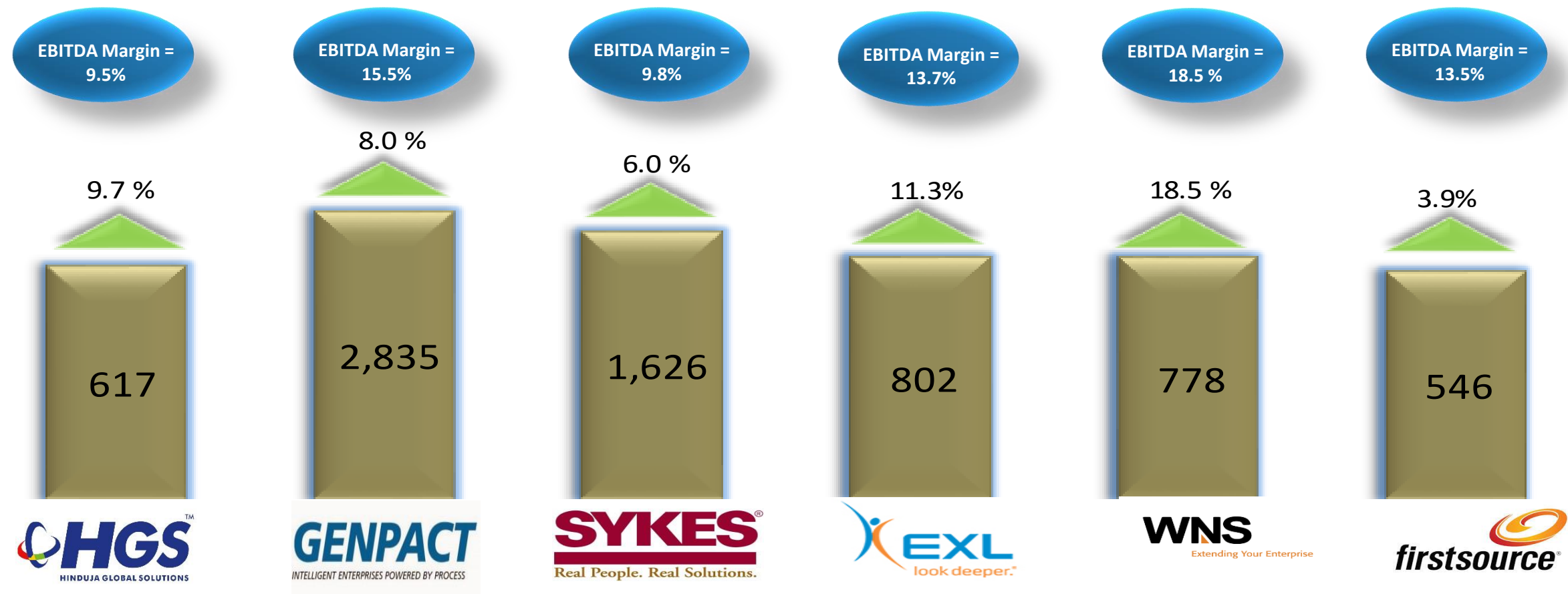
Revenue (In \$ Mn) YoY Revenue Growth (%)



* \$/RE exchange rate used – INR 67.46 to the dollar for QE June 18)

Peer Comparison: TTM Ending June 2018

Revenue (In \$ Mn) TTM Revenue Growth (%)

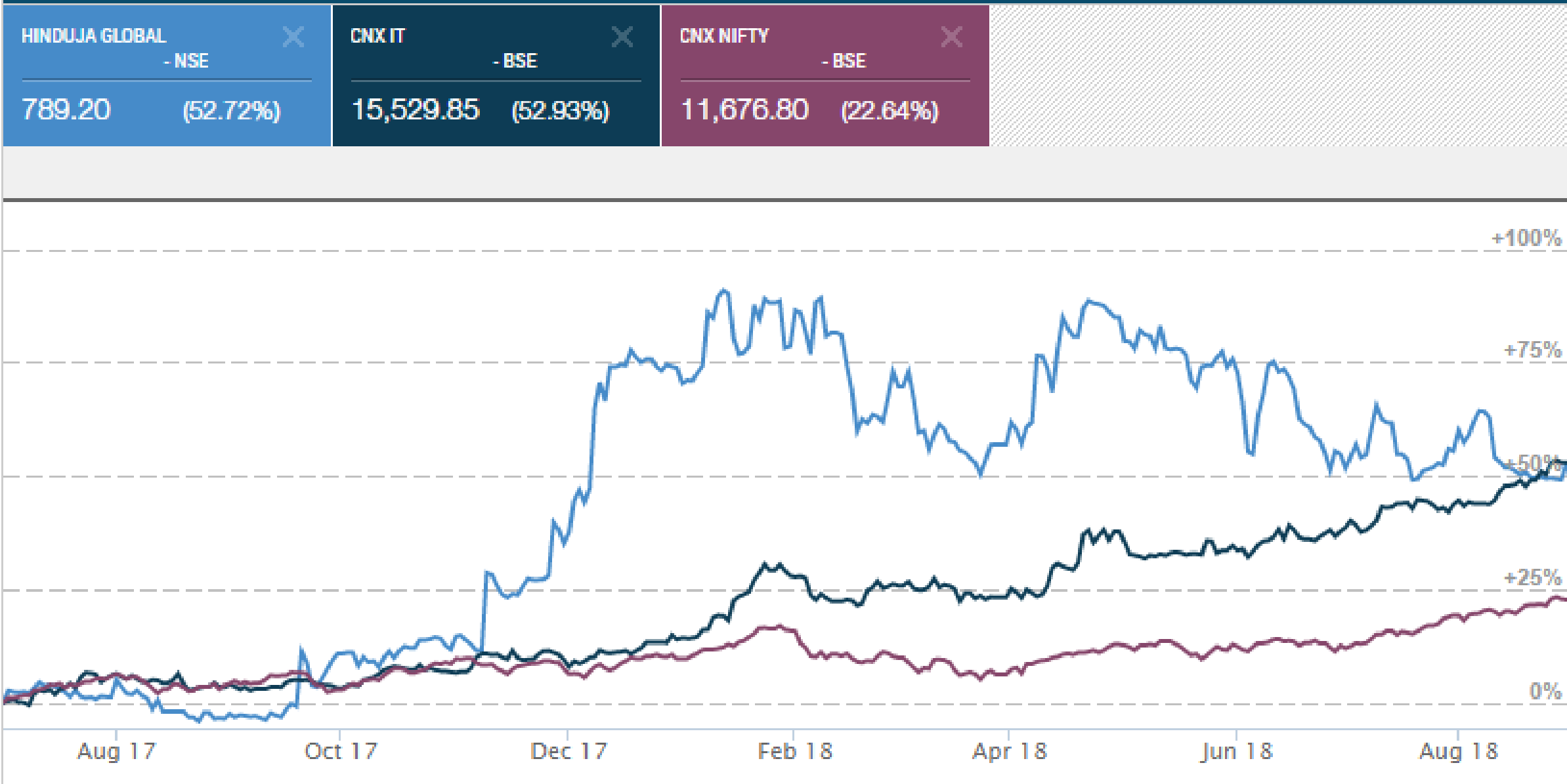


* \$/RE exchange rate used – INR 65.24 to the dollar (average for the period Sept 17 to June 18)



Stock price movement

Share price up 53% over the last 12 months





Philippines and Jamaica as Delivery Destinations

Why clients prefer Philippines?

Scalable Educated Talent Pool

- 3rd largest English speaking country, 101M+ population with 96% literacy rate
- Western-based legal, education, accounting curriculum & certification



Cost Competitiveness

- Labor cost for English speaking professional among the lowest in the world
- Predictable & Manageable inflation



Government Support

- Government support in education (TESDA, CHED), locator support (PEZA, BOI), industry development (ICTO)
- Income tax holiday (4-8 years), 5% tax on gross income post holiday, VAT exemption



Filipino Workforce

- Service Culture & Adaptability
- Loyal, Compassionate & caring by nature

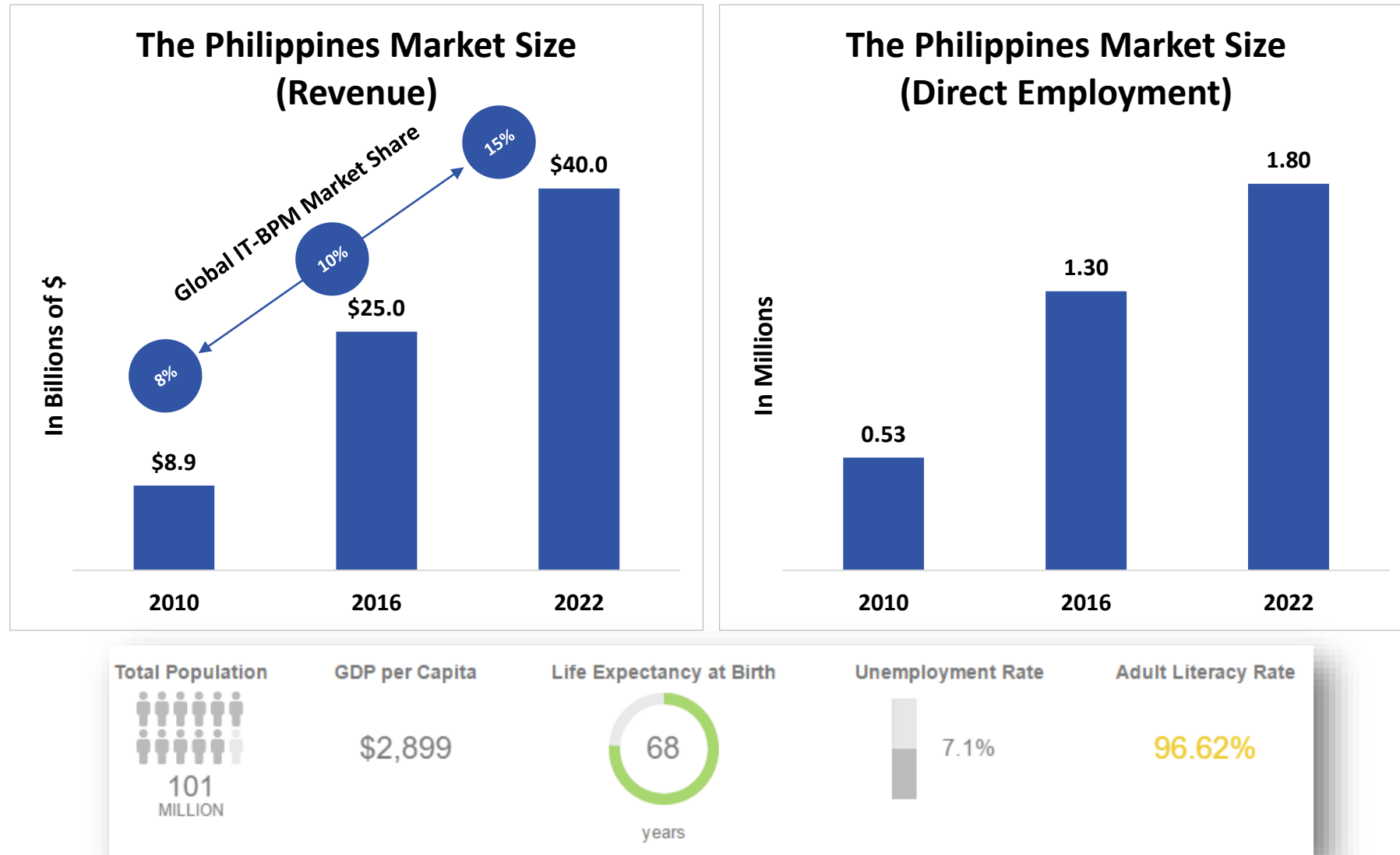
Excellent Infrastructure

- Abundant low-cost & high quality real estate in several urban areas
- Reliable, redundant, low cost telco infrastructure, reliable power & building 100% - 200% back-up as a standard



Proven Track Record

- No. 1 in voice: customer care, tech, financial services, sales, collections
- Mature growing industry specific & cross industry capabilities: IT, F&A, HR, Healthcare BPM, Procurement, Banking, Utilities, Telco, Media, Analytics & KPO capabilities



Source: IT-BPM Industry Road Map 2016 (public version) & <http://itbpm-roadmap2022.ibpap.org/> & <http://country-facts.findthedata.com/compare/111-122/Philippines-vs-India>

TALENT

- 2.7 million population
 - **1.3** million English-speaking workforce



LOCATION

Kingston is strategically located with several **1.5 to 3.5 hours** direct flights from key US destinations



Unemployment & Attrition

- Youth unemployment rate is **29%**
- 30% - 35%** annualized attrition (industry best)

BPO Data

- BPO companies in Jamaica employ more than **20,500** people

Economic Indicators

- GDP (PPP): \$24.58 billion (2014 est.), GDP Growth Rate: 1.5% (2014)
- Interest rate: 5.5%, 1USD = 129 JMD
- Literacy rate - **91%** and Inflation - 8%

Recognition by World Bank in DBR (Doing Business Report)

- Moved up 36 places in the ranking (from 94 in 2014)
- Jamaica is the highest ranking performer among its CARICOM neighbors

Doing Business Index

Jamaica ranks 58th

Confidence

- Jamaicans carry pride on their shoulders, which brings out confidence clearly in their conversations.
- Their innate curiosity to ask questions around not just 'WHAT' they have to do but also 'WHY?' enables them to have a deeper understanding of what they are learning.

Conversational skill

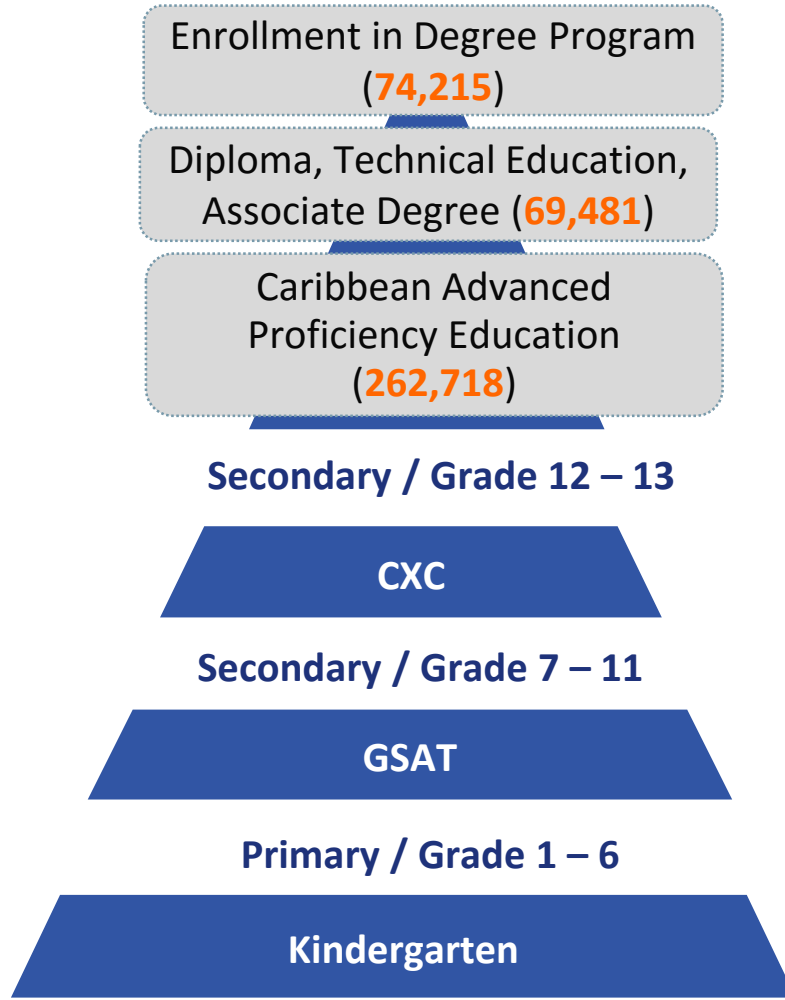
- Being near shore to the USA, Jamaicans have a higher exposure to American culture.
- Jamaicans consume the same media as Americans do; be it 'dancing with moms', 'The Voice', 'Scandal', they know it all. They use the same consumer products as Americans do.
- Many of these aspects enables Jamaicans to have a natural conversation with Americans.

Location Advantages

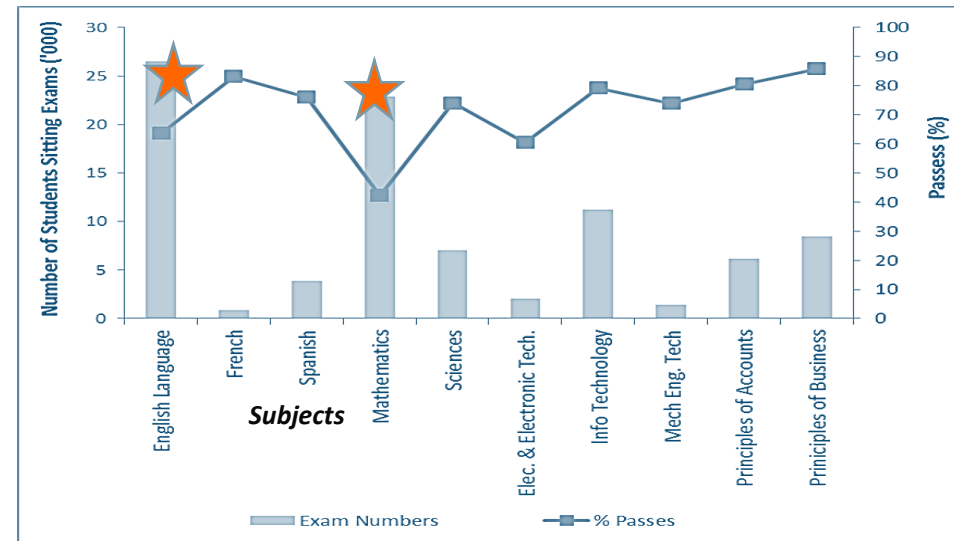
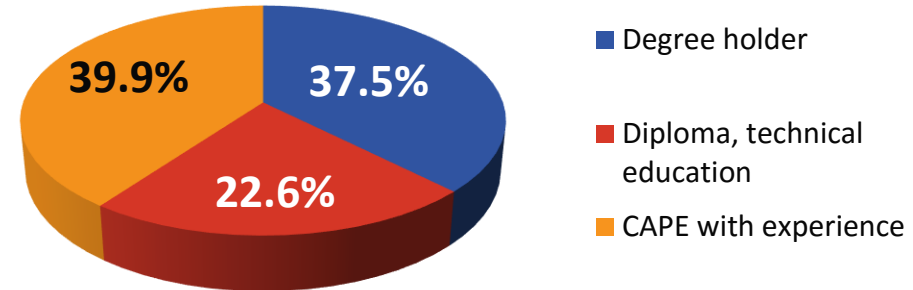
- **Cultural affinity** with North America
- **Natural conversational ability and confidence**
- Global and reliable connectivity
- Truly near-shore to North America

HGS Jamaica Advantages

- HGS is a **preferred employer** in Jamaica with highest base pay compensation.
- **Deeper engagement with employees**
- Fast ramp-up capabilities



Current HGS Jamaica employees qualification split





Thank You