



Q2 & Half Year FY2017 Earnings Presentation

November 9, 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

Conference Call Details: Thursday, November 10, 2016 at 5:00 PM IST

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The numbers listed above are universally accessible from all networks and all countries	
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Q2 FY2017 Financial Highlights

- Net Sales of Rs. 9,052 million, an increase of 14.7% compared to same period last year
- EBITDA of Rs. 964 million with margin of 10.7%
- PAT of Rs. 374 million with margin of 4.1%
- The Board declared an interim dividend of Rs. 2.50 per share

H1 FY2017 Financial Highlights

- Net Sales of Rs. 18,147 million, an increase of 18.8% compared to same period last year
- EBITDA of Rs. 2,031 million with margin of 11.2%
- PAT of Rs. 891 million with margin of 4.9%
- As of Sep 30, 2016, the Company had Net Debt of Rs.2,544 million and a Net Worth of Rs. 12,191 million

Management Perspective

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

"HGS continued its strong trajectory of topline growth at 14.7% y-o-y in the second quarter of FY2017, led by robust performance in Healthcare vertical and Offshore business. PAT was slightly impacted by currency volatility, one-time cost of a client exit in Europe and ramp ups. Looking beyond these factors, we see demand for our services only rising across our key service offerings, geographies and verticals. Our shift toward becoming a digital transformation enabler for clients with the recently-launched DigiCX solutions is helping us create a differentiator in the market.

HGS' fundamentals remain strong and we believe that H2 will see a better performance, led by open enrolment in healthcare and focused operational improvements."

Q2 FY2017 Business Highlights

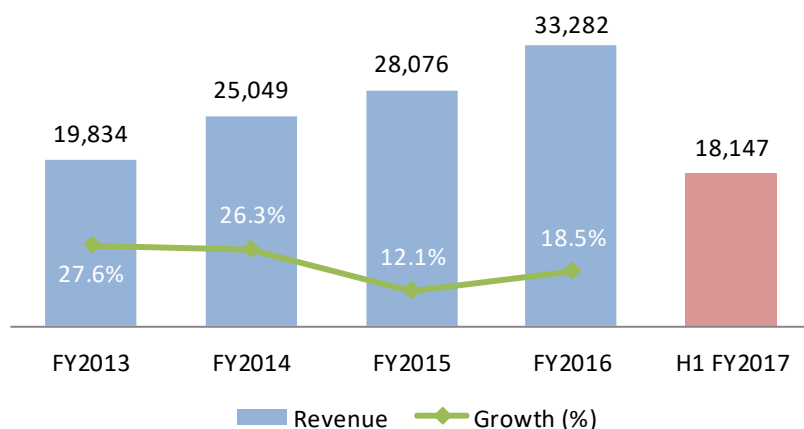
- The US operation continued to expand business across verticals; Launched a technical support program for a consumer electronics major from Peoria to support operation of their consumers' home theatre display and audio products from anywhere in their home.
- Canadian operation expanded existing relationships with clients in telecom and public sector verticals
- HGS Philippines was recognized as #1 performing vendor across the enterprise for a BFS client. HGS has been chosen as a strategic partner by an existing consumer electronics client to provide customer service for their holiday season sales.
- The performance of the Indian operation was in-line with management expectations. EBOS business experienced strong growth, primarily driven by a recently added healthcare client
- As of September 30, 2016, HGS had 185 core BPM clients and 607 payroll processing clients
- In Q2 FY2017, contribution from Healthcare vertical was 45%, Telecom & Technology 24%, Consumer 14%, Banking & Financial Services 7%, Others 10%
- As of September 30, 2016, total headcount was 43,793: India: 66% (India Offshore 20% and India Domestic 46%), 17% in Philippines, 8% in the US, 5% in Canada and 4% in Europe

Financial Performance Summary

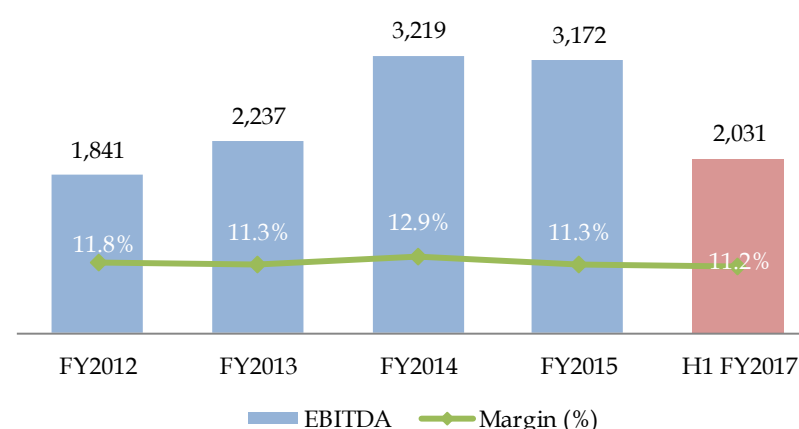
Consolidated Financial Highlights

(Rs. Million)	Q2		y-o-y	H1		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2016	Growth (%)
Net Sales	9,052	7,890	14.7%	18,147	15,278	18.8%
EBITDA	964	853	13.0%	2,031	1,398	45.2%
Margin (%)	10.7%	10.8%		11.2%	9.2%	
Profit Before Tax (PBT)	492	473	4.0%	1,245	739	68.4%
Margin (%)	5.4%	6.0%		6.9%	4.8%	
Profit After Tax (PAT)	374	316	18.5%	891	479	86.0%
Margin (%)	4.1%	4.0%		4.9%	3.1%	
Basic EPS (Rs.)	18.12	15.05	20.4%	43.07	22.94	87.7%

Annual Revenue Trend (Rs. Million)



Annual EBITDA Trend (Rs. Million)



Note: FY2013 to FY2016 financials are as per IGAAP

Region	Geography Highlights
USA, Jamaica and Canada	<p>USA and Jamaica:</p> <ul style="list-style-type: none">▪ Continued growth momentum across verticals, led by healthcare vertical▪ Added a new client in the consumer electronics vertical▪ Experiencing significant traction for additional business, in particular consumer and BFS verticals▪ Pipeline continues to remain strong for verticals such as retail, media, technology and consumer <p>Canada:</p> <ul style="list-style-type: none">▪ Expanded our relationship with existing clients in the telecom and public sector verticals▪ The pipeline is very encouraging with opportunities primarily in telehealth, postal, insurance and energy verticals
UK and Europe	<ul style="list-style-type: none">▪ Robust growth in revenues on a y-o-y basis▪ Closed four delivery centers in Europe▪ Peak season for two of the public sector clients. Temporary site at Preston to ramp-down in Q3▪ Plan to start servicing a new client in the food and beverages vertical from Chiswick site

Region	Geography Highlights
Philippines	<ul style="list-style-type: none"> Continued robust performance with healthcare being the major growth driver Started 9th delivery location to cater to the demand from healthcare clients Added two new clients in the healthcare vertical, coupled with additional business from existing clients in the healthcare, fitness products & consumer electronics verticals Second half of the fiscal year to be better than first half led by seasonality demand in the healthcare and consumer verticals A consumer electronics client to ramp-up significantly in H2 with operations spread in two locations
India	<p>International:</p> <ul style="list-style-type: none"> Robust growth momentum, primarily led by the healthcare vertical Significant growth in headcount of the EBOS business, led by a recently added healthcare client <p>Domestic:</p> <ul style="list-style-type: none"> Continued to build on its growth momentum An existing ecommerce client experienced volume growth in Indore and has also expanded operations into Mysore with both voice and chat operations The acquired India CRM business continues to perform as per management expectations Our digital arm, HGS Interactive, won a contract to develop and manage an ecommerce portal for a leading jewellery brand in India HRO/F&A business won seven new clients across BFSI, consumer products and energy verticals

Awards and Accolades

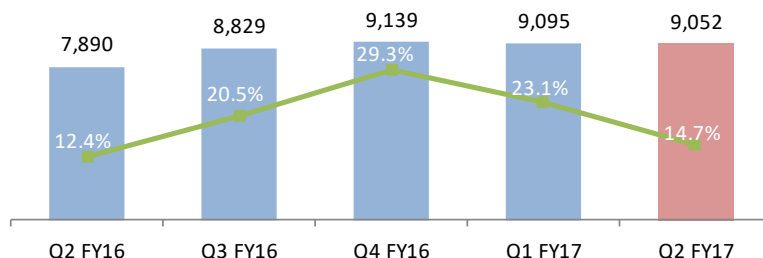


- HGS received Frost & Sullivan 2016 North American New Product Innovation Award for DigiCX, September 2016
- DigiCX is a suite of customer experience (CX) services designed to transform traditional call center approaches by unifying customer engagement regardless of channel or device

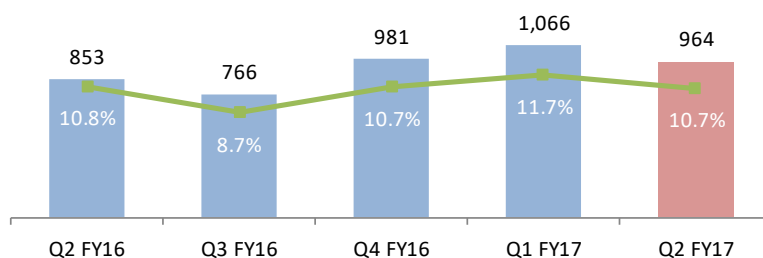
Recognition from Analyst and Advisor community

- HGS achieved Americas Top 15 status in the Breakthrough Sourcing standouts In ISG Outsourcing Index Global Q3 2016 (Sept 2016)
- HGS recognized in the “Winner’s Circle” in HfS Digitally Enabled Contact Center Blueprint 2016 (Sept 2016)
- HGS recognized as “Major Contender” in Everest Group Healthcare Payer BPO Service Provider Profile Compendium (Aug 2016)
- HGS ranked as “Leader” In NelsonHall CMS in Retail & CPG NEAT Overall 2016 (July 2016)
- HGS recognized in Everest Group BPS Top 50 2016 list (July 2016)
- HGS recognized as “High Performer” in HfS Blueprint 2016 – Population Health & Care Management (July 2016)

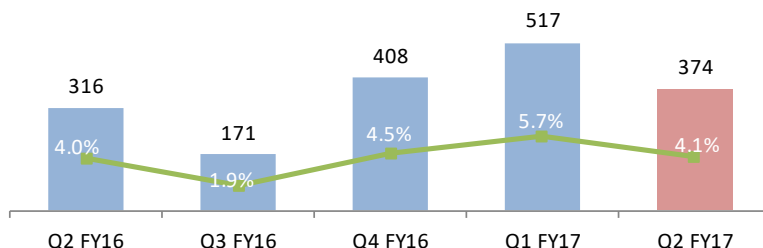
Revenue (Rs. Million) and Y-o-Y Growth (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Highlights

- Revenue growth driven by robust performance of healthcare and offshore business
- PAT included impact of currency volatility due to Brexit, one-time cost of a client exit in Europe and ramp ups in US, Philippines and India

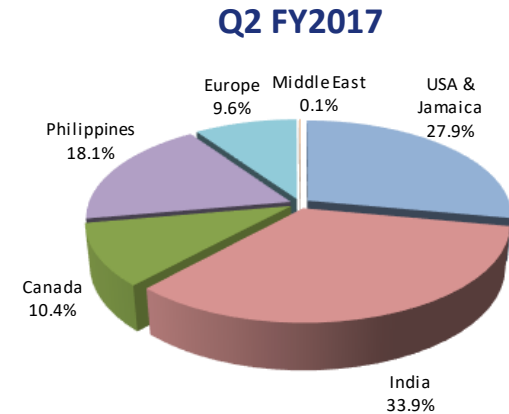
Break-up of Operating Expenses

Particulars	Q2 FY16	Q2 FY17
Rent and Connectivity Cost	30.7%	30.8%
Legal and Professional Charges	12.5%	11.8%
Others	56.8%	57.4%
Total Operating Expenses (Rs. Mn)	1,758	2,021

Note: Q2 FY2016, Q1 FY2017 and Q2 FY2017 financials as per IND-AS, financials for all other periods are as per IGAAP

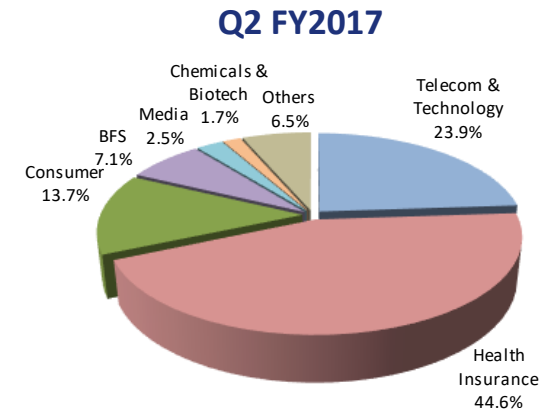
Revenue by Delivery Centers

(Rs. Million)	Q2		y-o-y Growth (%)	Q1	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
USA & Jamaica	2,526	2,272	11.2%	2,547	(0.8)%
India	3,073	2,291	34.1%	2,931	4.8%
Canada	940	976	(3.7)%	1,057	(11.1)%
Philippines	1,642	1,579	3.9%	1,611	1.9%
Europe	865	766	12.8%	940	(8.0)%
Middle East	7	5	38.4%	8	(13.3)%
Total	9,052	7,890	14.7%	9,095	(0.5)%



Revenue by Vertical

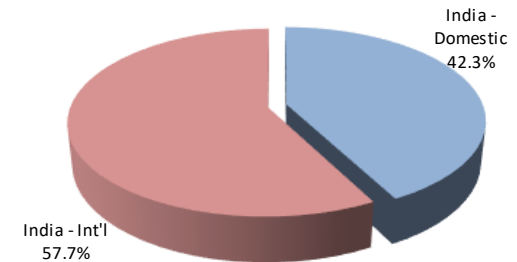
(Rs. Million)	Q2		y-o-y Growth (%)	Q1	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
Telecom & Technology	2,165	1,989	8.9%	2,237	(3.2)%
Health Insurance	4,033	3,310	21.8%	3,943	2.3%
Consumer	1,236	1,161	6.5%	1,313	(5.9)%
BFS	646	552	17.1%	669	(3.4)%
Media	230	167	37.8%	286	(19.5)%
Chemicals & Biotech	155	181	(14.7)%	154	0.2%
Others	587	530	10.8%	492	19.1%
Total	9,052	7,890	14.7%	9,095	(0.5)%



India Based Exposure

(Rs. Million)	Q2		y-o-y	Q1	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
India - Domestic	1,300	781	66.5%	1,204	8.0%
India - International	1,773	1,511	17.3%	1,727	2.6%
Total India	3,073	2,291	34.1%	2,931	4.8%

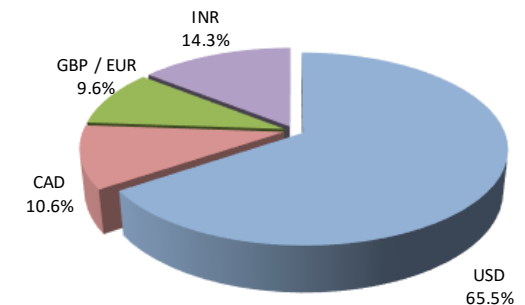
Q2 FY2017



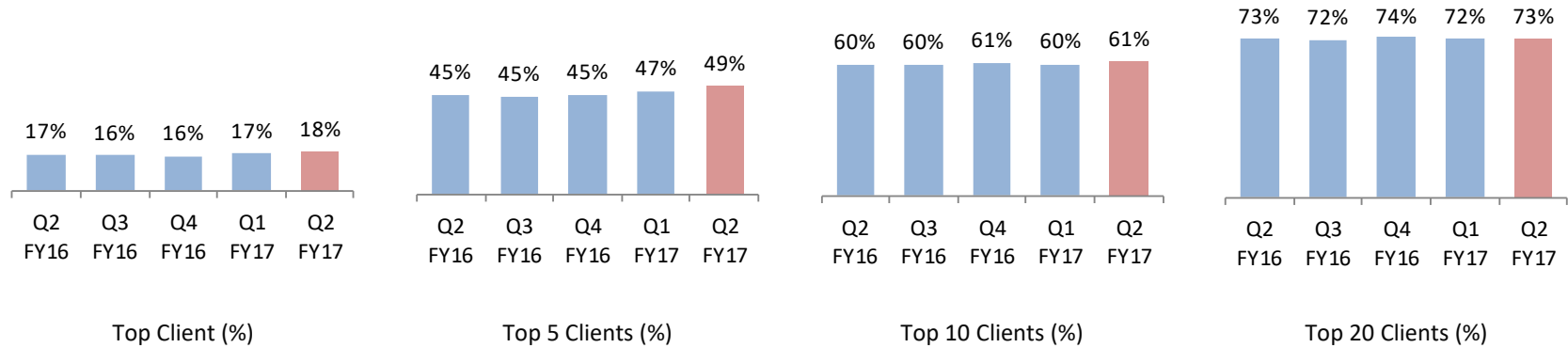
Revenue by Currency Exposure

(Rs. Million)	Q2		y-o-y	Q1	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
USD	5,930	5,314	11.6%	5,870	1.0%
CAD	958	1,029	(6.9)%	1,081	(11.4)%
GBP / EUR	865	766	12.8%	940	(8.0)%
INR	1,300	781	66.5%	1,204	8.0%
Total	9,052	7,890	14.7%	9,095	(0.5)%

Q2 FY2017

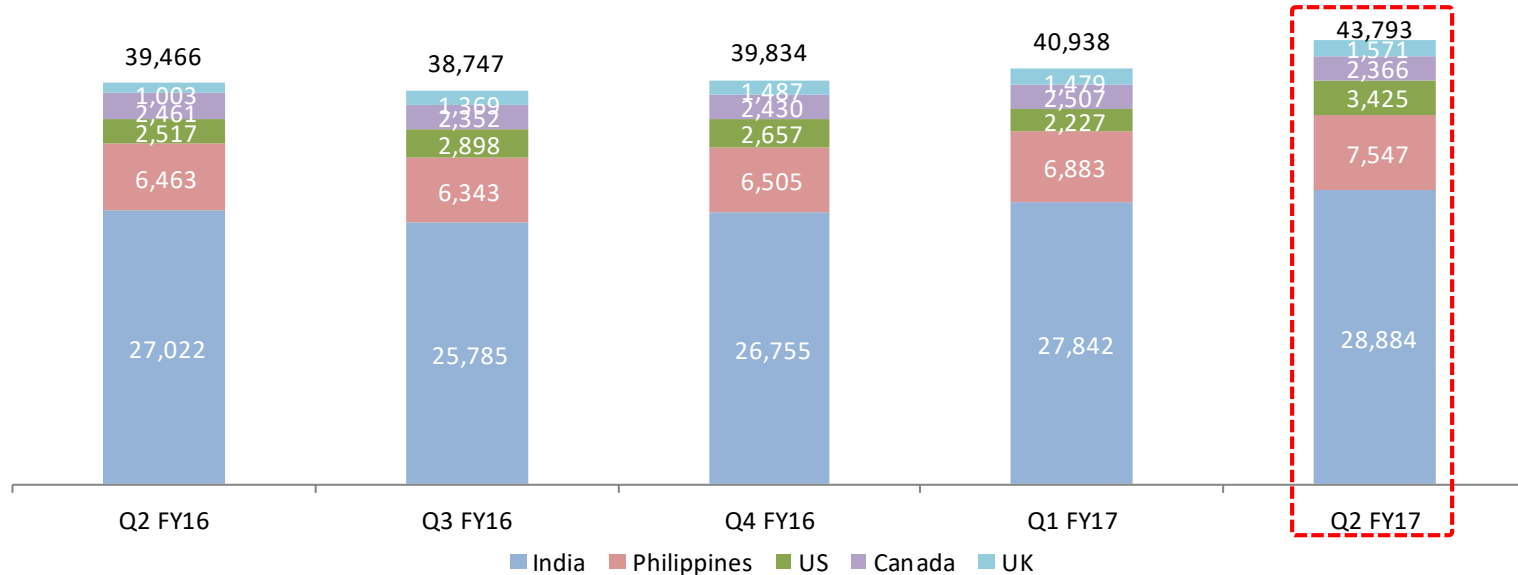


Key Client Metrics

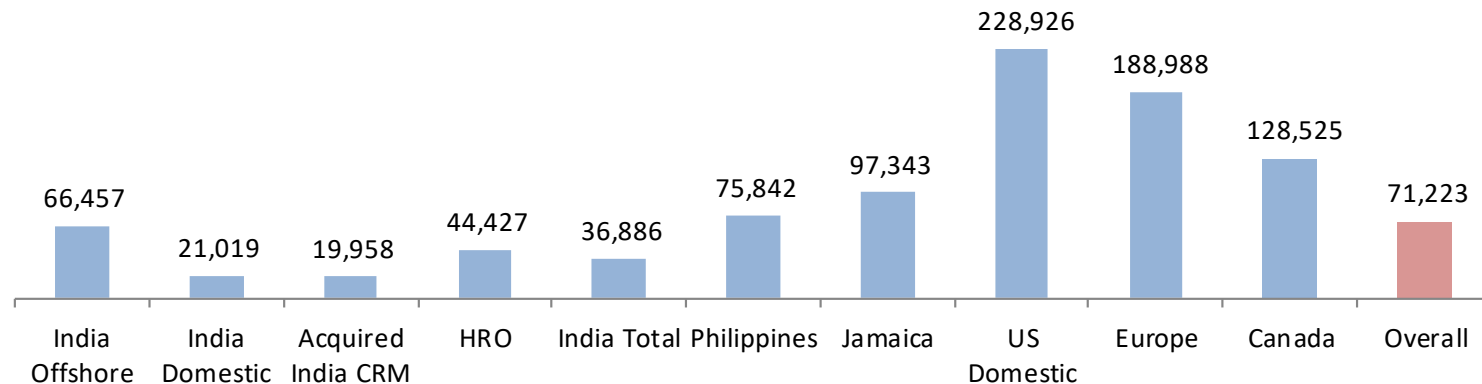


Client contributing revenues	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17
> Rs. 200 million during the quarter	8	10	11	11	10
> Rs. 150 million during the quarter	10	11	11	12	13
> Rs.100 million during the quarter	16	15	16	17	15
> Rs.50 million during the quarter	29	33	36	33	35
> Rs.10 million during the quarter	59	65	67	62	65

Employee Trend by Geography



Average Monthly Revenue / Employee (Rs.)



Conservative Leverage Profile

(Rs. Million)	30-Sep-16	30-Jun-16
Total Debt	7,464	7,993
Less: Cash & Treasury Surplus	4,920	4,572
Net Debt / (Net Cash)	2,544	3,421
Net Worth	12,191	12,650
Net Debt / EBITDA¹	0.67x	0.94x
Total Debt / Equity	0.61x	0.63x

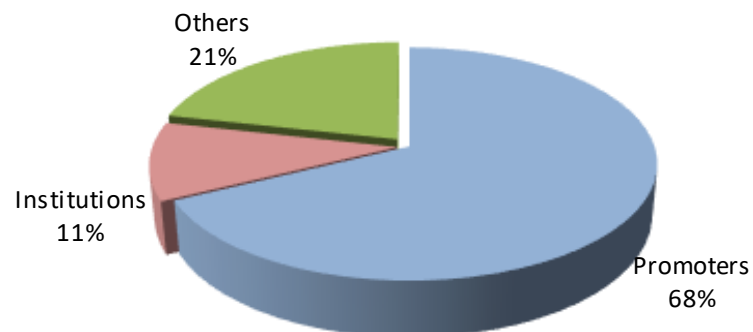
Note(s):

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

Summary Unaudited Cash Flow Statement

(Rs. Million)	Period Ended 30-Sep-16
Cash flow from Operations and after working capital changes	2,264
Cash Flow due to Capex (net) and investments	(943)
Cash Flow due other investing activities	118
Total Cash Flow from Investing Activities	(825)
Proceeds/(Repayment) from Borrowings	(939)
Cash from Interest payment and others	(225)
Total Cash Flow from Financing Activities	(1,164)
Net Increase/ (Decrease) in Cash and Cash Equivalents	275
Cash and Treasury Surplus as on April 1, 2016	4,645
Cash and Treasury Surplus as on September 30, 2016	4,920

Shareholding Pattern (30 September 2016)



Market Data

Market Cap. (Rs. million) (9-Nov-16)	11,298
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (30-Sep-16)	610.2
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Thank You

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