

Q1 FY2020 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q1 RESULTS FOR FY2020

Mumbai, India, August 5, 2019: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited First Quarter results for FY2020.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: *“HGS’ growth momentum continues in the new fiscal. In Q1 FY2020, our topline grew by 17.2% over Q1 FY2019 while EBITDA more than doubled. Growth was led by organic expansion and new client ramp ups, especially in the US. PAT was flat in the quarter, primarily due to drop in Other Income arising out of adverse exchange rate fluctuations.*

All our geographies are performing as expected, and AxisPoint Health and India domestic businesses continue to show improvement. HGS signed up with eight new clients in the quarter across healthcare, retail and consumer verticals. With eight engagements for our digital and transformative solutions across new and existing clientele, we are very pleased with how this business is shaping up. Our solutions for social care, intelligent automation, analytics and cloud services are seeing big demand from clients. We will increase our investments to build capabilities in these growth areas as we see big opportunities for technology-led services.

Based on the visibility from new wins and a healthy pipeline, we expect to post strong topline growth in the rest of year.”

Financial Highlights for Q1 FY2020

- HGS reported a YoY revenue growth of 17.2% at Rs. 12,905 million
- Revenue growth in constant currency terms was 15.3%
- EBITDA was Rs. 1,496 million, up by 104.6% YoY; EBITDA margins stood at 11.6%
- Net profit was Rs. 404 million, a YoY growth of 0.3%; Net margins stood at 3.1%
- Capital expenditure for the quarter was Rs. 129 million
- Generated 111% of the Q1 FY2020 EBITDA into Free Cash
- Reduction in gross debt of Rs. 371 million in Q1 FY2020; Gross debt as on 30th June, 2019 stood at Rs 5,624 million
- First Interim Dividend of Rs 2.50 /share

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Consolidated Financial Highlights

(Rs Million)	Quarter 1		YOY Growth	Quarter 4 FY2019	QOQ Growth	Full Year	
	FY2019	FY2020				FY2018	FY2019
Op. Revenues	11,008	12,905	17.2%	12,846	0.5%	38,494	48,167
EBITDA	731	1,496	104.6%	1,488	0.6%	4,061	4,411
EBITDA Margin	6.6%	11.6%		11.6%		10.5%	9.2%
Profit Before Tax	597	568	-4.9%	740	-23.2%	2,544	2,481
PBT Margin	5.4%	4.4%		5.8%	-23.5%	6.6%	5.2%
Profit After Tax	403	404	0.3%	546	-25.9%	1,991	1,755
PAT Margin	3.7%	3.1%		4.2%		5.2%	3.6%
Basic EPS (Rs)	19.3	19.3	0.2%	26.3	-26.6%	96.6	85.1

Note: EBITDA computed in the above table excludes other income

Business Highlights for Q1 FY2020

- **Client Wins:**
 - Added eight new clients across healthcare, consumer electronics and retail for core BPM and 12 for HRO/ Payroll Processing
 - Expanded engagements with 18 existing clients
 - Won contracts from eight clients (new and existing) for digital, cloud and intelligent automation services.
- **Clientele:** As of 30th June, 2019, HGS had 241 core BPM clients and 668 HRO/Payroll processing clients.
- **Employee Headcount:** 42,371 as on 30th June, 2019.
- **Delivery Centers:** In Q1, HGS set up a center in Manila, Philippines, where we plan to consolidate operations from four existing centers by early FY2021. HGS had 72 global delivery centers across seven countries as on 30th June, 2019.
- **Awards & Recognition:**
 - BPS Top 50 2019, up 10 points from 2018, Everest Group, April 2019
 - Leader in:
 - Customer Service Buyers, Automation Seekers & Digital Experts Archetypes, ISG, Contact Center / Customer Experience Services Archetype report, April 2019
 - Healthcare and Retail & CPG Analytics BPS, Advanced Analytics BPS NEAT, NelsonHall, June 2019
 - Healthcare Commercial Payer BPS NEAT Overall, NelsonHall, April 2019
 - Star Performer in:
 - Healthcare Payer PEAK Matrix Assessment 2019, Everest Group, April 2019
 - Contact Center Outsourcing (CCO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019, Everest Group, June 2019
 - Major Contender:
 - Customer Experience (CX) Analytics Services PEAK Matrix™ Assessment 2019, Everest Group, May 2019
 - Revenue Cycle Management Business Process Services PEAK Matrix Assessment 2019, Everest Group, (June 2019)



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- Product Challenger, Contact Center / Customer Experience Services Quadrant report, ISG, April 2019
- Asia Pacific Top 15 status in the Booming 15 Sourcing standouts, The ISG Index™ Global Sourcing and As-a-Service Market Insights, First Quarter, Apr 2019
- Recognized with the Business-to-Business Services Stevie Award for Social Media Customer Care that transforms business and delivers growth at American Business Awards

About Hinduja Global Solutions (HGS):

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients. Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true “globally local” approach, with over 42,371 employees across 72 delivery centers in seven countries making a difference to some of the world’s leading brands across nine key verticals. For the year ended 31st March 2019, HGS had revenues of Rs. 48,167 million (US\$ 689 million).

Visit www.teamhgs.com to learn how HGS can help make your business more competitive.

Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

For more information, visit us at www.teamhgs.com or contact:

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