

HGS ANNOUNCES RESULTS FOR Q3 FY2018

Mumbai, India, February 8, 2018: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Third Quarter and Nine Months Results for FY2018.

"HGS reported revenues of Rs. 9,757 million for Q3 FY2018, reflecting a 5.2% constant currency growth on YoY basis. The Healthcare vertical contributed 51% of Q3 revenues, led by the Open Enrollment season and strong onshore delivery. EBITDA margins for the quarter at 10.3% were muted due to the strong Rupee growth and onshore Healthcare growth. Profitability was also depressed due to the cost of empty seats in the UK and performance of the Healthcare platform business," said **Partha DeSarkar, CEO of HGS**. *"During the latter half of FY2018, we have had several large wins, which augurs well for growth in FY2019. Our focus continues to be on providing clients with differentiated customer experience services powered by technology-led solutions."*

Financial Highlights for Q3 FY2018

- HGS reported a YoY revenue growth of 2% at Rs. 9,757 million
- Revenue growth in constant currency terms was 5.2 %
- EBITDA was Rs. 1,001 million; EBITDA margins stood at 10.3%
- Net profit was Rs. 490 million, a YoY growth of 3.84%; Net margins stood at 5.0%
- Capital expenditure for the quarter was Rs. 156million
- Generated 36 % of the YTD FY2018 EBITDA into Free Cash
- Gross debt reduction of Rs. 206 million in Q3 FY2018 and gross debt reduction of Rs. 1,039 million in the last nine months
- Net Debt as of Q3 FY2018 was Rs 842 million, a Net Debt/TTM EBITDA of 0.2
- Third Interim Dividend of Rs 2.50 /share
- With a view to achieve synergies in operations, reduction in costs and combination of resources etc, the Board has approved the merger of its wholly-owned subsidiary, HGS ISPL with itself. The transaction is subject to requisite approvals, will have 1st April, 2017 as the appointed date.

Financial Highlights for Nine Months FY2018

- Revenues increased to Rs. 28,455 million, a YoY revenue growth of 2.7%; in constant currency, growth was 6% YoY
- EBITDA was Rs. 3,022 million; EBITDA margins stood at 10.6%
- Net profit was Rs. 1,438 million; Net margins stood at 5.1%

Q3 FY2018 EARNINGS PRESS RELEASE



Consolidated Financial Highlights

(Rs Million)	Quarter 3		YOY Growth	Quarter 2 FY2018	QOQ Growth	Nine Months	
	FY2017	FY2018				FY2017	FY2018
Operating Revenues	9,563	9,757	2.00%	9,426	3.50%	27,710	28,455
EBITDA	1,145	1,001	-12.60%	1,038	-3.60%	3,175	3,022
EBITDA Margin	12.00%	10.30%		11.00%		11.50%	10.60%
Profit Before Tax	720	556	-22.80%	739	-24.80%	1,966	1,874
PBT Margin	7.50%	5.70%		7.80%		7.10%	6.60%
Profit After Tax	472	490	3.70%	533	-8.20%	1,365	1,438
PAT Margin	4.90%	5.00%		5.70%		4.90%	5.10%
Basic EPS (Rs)	22.8	23.6	3.50%	25.7	-8.30%	65.94	69.23

Note: EBITDA mentioned in the above table excludes FX losses

Business Highlights for Q3 FY2018

- Client Wins:
 - Signed six new clients across BFSI, Energy and Telecom & Media verticals till date
 - Expanded engagements with five existing clients
 - Won two DigiCX deals
- At the end of Q3 FY2018, HGS had 191 core BPM clients and 633 HRO/Payroll processing clients.
- Currently, HGS has 69 global delivery centers across seven countries.
- Employee Headcount was 46,321 as on 31st December 2017, a net addition of 395 people in Q3
- **Awards & Recognition:**
 - HfS “Winners’ Circle” in their Healthcare Business Operations Blueprint
 - ISG Rising Star in their Contact Center Services Provider Lens Quadrant report
 - ISG Leader for “Digital Enthusiast” & “Automation Seeker” Archetypes in Contact Center CX Provider Lens Report
 - Everest Research Major Contender in both Healthcare Provider & Healthcare Payer BPO Peak Matrixes
 - Contact Center World Global Awards: Best Outsourcing Partnership and Best Use of Self-Service Technology
 - UBS Business Transformation Summit & Awards 2017: Ramesh Gopalan, President – Global Healthcare and India Business, HGS adjudged Cultural Transformation Leader of the Year; Ram Mohan Natarajan, Sr. VP - Business Transformation & Innovation, HGS recognized as Business Transformation Leader of the Year

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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 46,000 employees across 69 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 2017, HGS had revenues of Rs. 3,711 crore (US\$ 555 million).

Log in to <https://www.teamhgs.com/> to know how we can help make you 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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