

FY2018 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q4 AND FULL-YEAR RESULTS FOR FY2018

Mumbai, India, May 30, 2018: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Fourth Quarter and Full-Year Results for FY2018.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: *“HGS continued its growth momentum in the fourth quarter of FY2018. Topline grew by 6.8 % (in rupee terms) y-o-y to cross Rs. 10,000 million in a single quarter for the first time. This was driven primarily by robust performance in the Healthcare vertical, which contributed over 50% of overall revenue for the second quarter in a row. Q4 margins were muted due to the one-time costs of the acquisitions while PAT was impacted by a one-time exception charge.*

For the full year, HGS generated a topline of Rs. 38,494 million, a growth of 3.7 % (in rupee terms) and 6.6% in constant currency terms. Although there has been softening of EBITDA margins in FY2018 due to performance of the UK and India Domestic business, PAT for FY2018 grew by 7.2 % due to lower depreciation, interest and tax costs. We had some large wins from new logos especially in the second half of FY2018, which will provide a strong base for revenue growth in FY2019.

HGS continues to invest in building capabilities, especially in growth areas such as healthcare and digital, as evinced by our recent acquisitions. The integration of these acquisitions made in early April is on track. In terms of outlook, we expect to post strong topline growth in the new fiscal, based on the visibility we have from new wins and a healthy pipeline. We do, however, expect some adverse impact from the recent minimum wage hikes on the India domestic business.”

Financial Highlights for Q4 FY2018

- HGS reported a YoY revenue growth of 6.8% at Rs. 10,039 million
- Revenue growth in constant currency terms was 7.9%
- EBITDA was Rs. 1,019 million; EBITDA margins stood at 10.2%
- Net profit (after exceptional item of Rs 120 million) was at Rs. 483 million, a YoY growth of 13.1%; Net margins stood at 4.8%
- Final Dividend of Rs 2.50 /share

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Financial Highlights for Full Year FY2018

- Revenues increased to Rs. 38,494 million, a YoY revenue growth of 3.7%; in constant currency, growth was 6.6% YoY
- EBITDA was Rs. 4,061 million; EBITDA margins stood at 10.5%
- Net profit was Rs. 1,921 million; Net margins stood at 5%
- Capital expenditure for the year was Rs. 1261 million
- Generated 46.6% of the FY2018 EBITDA into Free Cash
- Gross debt reduction of Rs. 700million during FY2018; At the end of 31st March, 2018, Net Debt was Rs 156 million, a Net Debt/TTM EBITDA of 0.04x

Consolidated Financial Highlights

(Rs Million)	Quarter 4		YOY	Quarter 3	QOQ	Full Year	
	FY2017	FY2018	Growth	FY2018	Growth	FY2017	FY2018
Operating Revenues	9,400	10,039	6.8%	9,757	2.9%	37,110	38,493
EBITDA	1,248	1,019	-18.4%	1,001	1.8%	4,424	4,061
EBITDA Margin	13.3%	10.2%		10.3%		11.9%	10.5%
Profit Before Tax	581	670	15.3%	556	20.5%	2,547	2,544
PBT Margin	6.2%	6.7%		5.7%		6.9%	6.6%
Profit After Tax	427	483	13.1%	490	-1.4%	1,792	1,921
PAT Margin	4.5%	4.8%		5.0%		4.8%	5.0%
Basic EPS (Rs)	20.6	23.2	12.7%	23.6	-1.4%	86.40	92.30

Note: EBITDA mentioned in the above table excludes FX losses

Business Highlights for FY2018

- **Client Wins:** Added 20 new clients across verticals
- At the end of 31st March, 2018, HGS had 190 core BPM clients and 636 HRO/Payroll processing clients.
- **New Delivery Centers:** HGS had 70 global delivery centers across seven countries. In FY2018, HGS opened centers in Bangalore, Durgapur, Mumbai, Hyderabad and Indore.
- **Mergers & Acquisitions:**
 - Acquired CMH Services Subsidiary LLC, USA, operating under the trade name of AxisPoint Health, a leading population health management company
 - Acquired 57 percent equity stake in Element Solutions LLC, USA, a digital consulting services company
 - Subject to necessary approvals, the Board approved the merger of wholly-owned subsidiary, HGS ISPL with itself. The process is expected to be completed during the first half of FY2019.
- **Employee Headcount:** 44,265 as on 31st March 2018.

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- **Awards & Recognition in Q4 FY2018:**

- Americas Top 15 status in the Breakthrough Sourcing standouts in ISG Outsourcing Index Global, 1Q 2018
- “High Performer” In HfS Research Blueprint Report - Retail Customer Engagement services 2018, March 2018
- “Leader” In NelsonHall Digital Marketing Services NEAT 2018, January 2018
- 2018 IAOP Global Outsourcing 100® for the 8th year in a row. This year, HGS was called out as a Super Star of the Global Outsourcing 100 for Sustained Excellence
- Top honors at ET Now CSR Leadership Awards 2018 in two categories – Concern for Health and Community Development

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 44,265 employees across 70 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 2018, HGS had revenues of Rs. 38,494 million (US\$ 597 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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