

DIVIDEND INTIMATION



August 30, 2021

Dear Shareholder,

I am pleased to share with you this business update on HGS' performance and unaudited financial results of the first quarter (Q1) of FY2022.

Building on the momentum from FY2021, HGS has started this year on a strong note. Our performance in the first quarter was better than expected, with double-digit growth YoY across all financial parameters. The strong growth was boosted by robust volumes in the Healthcare and UK businesses, and resilient Work@Home-led delivery. I believe that the results demonstrate the successful execution of our new operational model for the new normal, based on the experiences we have had as an organization from last year and led by Cloud.

Highlights from Q1 FY2021:

- Revenues stood at Rs. 15,505 million, a growth of 25.5% YoY.
- EBITDA was Rs. 2,321 million, a growth of 59.2% YoY
- EBITDA margins stood at 15%.
- Net profit was Rs. 1,170 million, a growth of 137.7% YoY; Net margins stood at 7.5%.
- Capital expenditure for the quarter was Rs. 448 million.

The Board of Directors of HGS, at its meeting held on August 9, 2021, declared an interim dividend of Rs. 7/- per equity share of Rs. 10/- each for FY2022. The Record Date for interim dividend entitlement is August 20, 2021 and the dividend payment date is August 30, 2021.

Looking ahead, there's still a lack of clear visibility on whether the COVID-19 situation globally is improving or not. With employee safety being our top priority, we will continue to leverage the Work@Home-led delivery model for the near term.

I thank you for your invaluable support and look forward to the same in future.

Yours Sincerely,

Partha DeSarkar
Chief Executive Officer

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Business Highlights for Q1 FY2022:

- **Client wins:**
 - Added two new logos across verticals for core BPM services and nine for HRO/ Payroll Processing
 - Signed nine engagements with new and existing clients for HGS Digital services (RPA, digital, analytics and Social Care services)
- **Clientele:** As of June 30, 2021, HGS had 252 core BPM clients and 717 HRO/Payroll processing clients.
- **Employee Headcount:** 42,769 as of June 30, 2021, an increase of 2,880 from Q4, FY2021.
- **Delivery Centers:** HGS had 55 global delivery centers across seven countries as on June 30, 2021.
- **Awards & Recognition:**
 - ✓ "Innovators" in RCM Business Process Transformation 2021 RadarView report, Avasant
 - ✓ "High Achiever" in Healthcare Payer NEAT 2021, NelsonHall
 - ✓ "Booming 15 - Service & Technology Provider Standouts –EMEA", the ISG Index™ Global Sourcing and As-a-Service Market Insights – Q1 2021, ISG
 - ✓ *Awarded –*
 - 2021 Impact Sourcing Company to Watch – IAOP
 - Recognized as the Best Robotic Process Automation Company at the AI Breakthrough Awards
 - Awarded the 2020 North American Customer Value Leadership award for our Social Media Customer Care Solution from Frost & Sullivan