

DIVIDEND INTIMATION

October 1, 2020

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 FY2021.

Our focus on driving long-term growth and sustainable profitability is helping us deliver solid results. Despite the COVID-19 pandemic led disruption, HGS had a better than expected start to the current financial year, in terms of revenues, profitability and free cash flow generation. On a like to like basis, the revenues were up by 8.7% for Q1 FY2021, with EBITDA margins modestly inching up in Q1 over the last year's first quarter. The growth was the result of various factors, including higher volumes than expected, new win ramp ups and better cost management.

Highlights from Q1 FY2021:

- Q1 FY2021 revenues stood at Rs. 12,359 million. Revenue growth of 8.7% YoY on like -to-like basis (excluding pass-through revenues and India Domestic CRM business revenues included in Q1 FY2020)
- EBITDA was Rs. 1,458 million. EBITDA margins improved to 11.8% in Q1 FY2021, from 11.6% in Q1 of last year
- Net profit was Rs. 492 million, a growth of 21.7 % YoY; Net margins stood at 4.0%
- Capital expenditure for the quarter was Rs. 349 million, including Rs. 43 million for COVID related work from home expenditure

We would like to inform you that our resilient delivery model and the quick response in shifting to a work from home led model is helping us deliver business as usual services to our clients with no disruption. We continue to see strong demand for our services, and the advantage we have due to our current portfolio mix is helping us win new logos across verticals, both for short-and long-term opportunities. Looking ahead, we expect a robust Open Enrolment season in the healthcare vertical. However, given the COVID uncertainties, we are cautiously optimistic for the rest of the financial year.

The Board of Directors of HGS, at its meeting held on September 5, 2020, declared an interim dividend of Rs.6/- per equity share of Rs.10/- each for FY2021. The Record Date for interim dividend entitlement is September 23, 2020 and the dividend payment date by October 3, 2020.

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

Yours Sincerely,



Partha DeSarkar

Chief Executive Officer.

[PTO]

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HINDUJA GROUP

Business Highlights From The First Quarter

- **Client wins:**

- ✓ Added nine new logos across verticals for core BPM services and five for HRO/ Payroll Processing
- ✓ Signed engagements with 11 clients (new and existing) for HGS Digital services (RPA, digital, analytics and Social Care services)

Clientele: As of 30th June, 2020, HGS had 227 core BPM clients and 691 HRO/Payroll processing clients.

- **New Services:**

- ✓ Launched HGS Pulse, a customer analytics platform for contact centers that provides visibility into business performance and actionable CX insights, and QuickEntry by HGS, a COVID-19 Employee Screener & Mobile App
- ✓ HRO business launched a SaaS-based recruitment and on-boarding module

- **Employee Headcount:** 37,165 as of 30th June, 2020.

- **Delivery Centers:** Overall, HGS had 60 global delivery centers across seven countries as on 30th June, 2020.

- **Awards & Recognition in Q1 FY2021:**

- ✓ Star Performer & Major Contender: Healthcare Payer Operations, PEAK Matrix® Assessment 2020, Everest Group
- ✓ Major Contender: Customer Experience Management (CXM), PEAK Matrix® Assessment 2020, Everest Group
- ✓ Booming 15 – Service & Technology Provider Standouts – EMEA, ISG outsourcing Index Q1 2020
- ✓ Won the 2020 Customer Service Team of the Year, American Business Stevie Award
- ✓ Awarded Excellence in Strategic Partnerships, IAOP 2020
- ✓ Recognized as Outsource Partner of the Year, BI Group - Excellence in Customer Service 2020