

## DIVIDEND INTIMATION

December 5, 2019

Dear Shareholder,

I am pleased to share with you this business update on HGS' performance and unaudited financial results of the Second Quarter (Q2) and Half Year of FY2020.

Our focus on driving long-term growth is helping us deliver solid results. In Q2 FY2020, HGS posted a robust revenue growth, driven by demand across existing and new clients in Healthcare and CES (Consumer Engagement Services) verticals. From a margin perspective, Q2 EBITDA margins improved to 13.3%.

Below are some highlights from Q2 FY2020:

- HGS reported a YoY revenue growth of 11.4% to Rs. 12,906 million
- EBITDA was Rs. 1,711 million, up by 120.5% YoY; EBITDA margins stood at 13.3%
- Net profit was Rs. 491 million, a YoY increase of 9.7%; Net margins stood at 3.8%
- Capital expenditure for the quarter was Rs. 310 million

Highlights from H1 FY2020:

- Net Sales increased to Rs. 25,811 million, a YoY revenue growth of 14.2%
- EBITDA stood at Rs. 3,207 million; EBITDA margin was 12.4%
- Net profit was Rs. 896 million; Net margins stood at 3.5%

In the past few quarters and specifically last one year, HGS has seen good growth in its digital business. We are seeing significant demand for our solutions such as social care, intelligent automation, analytics and cloud services, and plan to increase our efforts to build capabilities in these growth areas. In Q2, we launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions.

The sales pipeline for H2 looks encouraging, and with Open Enrollment and Holiday Season coming up in Q3, HGS expects to deliver a better second half.

The Board of Directors of HGS, at its meeting held on November 11, 2019, declared a second interim dividend of Rs. 2.50 per equity share of Rs. 10/- each for FY2020. The Record Date for interim dividend entitlement is November 22, 2019 and the dividend payment date December 5, 2019.

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 SECOND QUARTER**

- **Client wins:**
  - Added eight new clients across healthcare, retail, consumer electronics and public sector for core BPM services and six for HRO/ Payroll Processing
  - Expanded engagements with nine existing clients
  - Won contracts from seven clients (new and existing) for RPA, digital, analytics and Social Care services
- **Clientele:** As of 30<sup>th</sup> September, 2019, HGS had 245 core BPM clients and 674 HRO/Payroll processing clients.
- Yashodhan Madhusudan Kale has been named as the Chairman of the HGS Board while Bhumika Batra, Dr. Ganesh Natarajan and Sudhanshu Tripathi are the new Board members. HGS Global CEO Partha DeSarkar has also joined the Board as Whole-time Director (Executive Director).
- **Innovative Solutions:** Launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions to clients
- **Employee Headcount:** 44,218 as on 30<sup>th</sup> September, 2019
- **Delivery Centers:** In Q2, HGS set up a center in Caerphilly, Wales in the UK to support public sector clients. HGS had 71 global delivery centers across seven countries as on 30<sup>th</sup> September, 2019.
- **Awards & Recognition:**
  - Leader: Social Business Collaboration - Services & Solutions USA - IPL study 2019, ISG, June 2019
  - Rising Star, Social Business Collaboration - Services & Solutions Global - IPL study 2019, ISG, June 2019
  - Top 10 Digital Front Office: CX Design, Sales, and Marketing, HFS, July 2019
  - BPS Top 50, up 4 points from 2018, HFS, August 2019
  - Major Contender, Clinical and Care Management (CCM) BPS Services PEAK Matrix™ Assessment 2019, September 2019
  - Best Social Media Brand in the Home & Living category for handling end-to-end digital solutions for five years for a client, #SAMMIE 2019 - Powered by Social Samosa, August 2019