

November 19, 2024

BSE Limited  
Corporate Relation Dept.  
P. J. Towers, Dalal Street  
Mumbai 400 001.  
**Scrip Code : 532859**

National Stock Exchange of India Ltd.  
"Exchange Plaza"  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400 051.  
**Symbol : HGS**

Dear Sir/Madam,

**Sub: Q2 FY 2024-25 Earnings Call presentation**

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This is in continuation to our communication dated November 08, 2024 about Q2 and H1 FY 2025 Earnings Call.

We wish to attach herewith the presentation being briefed at the today's Conference Call. The same is also being made available on the Company's website <https://hgs.cx/investors/>

The said Earnings Call is a group meet.

Kindly take note of the above.

For **Hinduja Global Solutions Limited**

Digitally signed  
by Narendra  
Singh  
a Singh  
Date: 2024.11.19  
15:58:32 +05'30'

**Narendra Singh**  
**Company Secretary**  
**F4853**

Encl: As above

**HINDUJA GLOBAL SOLUTIONS LIMITED.**

**Corporate Office:** Gold Hill Square Software Park, No. 690, 1st Floor, Hosur Road, Bommanahalli, Bengaluru - 560 068. India. Telephone: +91-80-4643 1000 / 4643 1222  
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E-mail: [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com) Website: [www.hgs.cx](http://www.hgs.cx) Corporate Identity Number: L92199MH1995PLC084610





# HGS Earnings Call Presentation

## Q2 & H1 FY2025

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November 19, 2024

# Safe Harbour

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*Certain statements in this release concerning HGS' future growth prospects may be seen as forward-looking statements, which are subject to a number of risks, and uncertainties as a result of which actuals could differ materially from such statements. HGS does not undertake to update any such statement that may have been made from time to time by HGS or on its behalf.*



# Overall Performance Update

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**Partha DeSarkar**

# Company at a Glance

A global leader in optimizing the customer experience lifecycle, digital transformation, business process management and digital media ecosystem

- HGS serves 1K+ brands across BPM, technology and HRO
- 7K+ digital transformations | 2K+ analytics projects | 1K+ cloud migrations | 55 technology partners
- 4th largest private ISP - broadband backbone of over 2 lakh kms of own + partner fibre networks across India
- DTV available in 1,500+ cities and towns — with a significant presence in the fastest-growing demographics of semi-urban, semi-rural, and rural India

~18,000+  
Employees

10 Countries  
33 Delivery  
Centers

4,500  
Pincodes covered  
across India

~1.2 Mn  
Broadband  
Subscribers

4.43 Mn+  
DTV Subscribers

5,090 Cr+  
Net Cash &  
Treasury Surplus



## Business Process Management



### CX

- Business Process/ Contact Center Outsourcing,
- Generative AI for CX
- CX Accelerator (Agent X)
- Social Care and Content



### Digital

- Cloud
- Cyber Security
- Data Engineering
- Data Analytics
- AI Consulting, Application Modernization
- Experts on Demand
- IDP



## Media



### Broadband

- Network as a solution (OneX)
- Home
- Wired
- Broadband
- OTT
- IPTV



### DTV

- Digital Cable Television
- Country's only Headend-In- The Sky Platform
- **NXT**Hubs

# Snapshot of HGS' financial performance

## Q2 FY2025

- Total income stood at Rs. 1,207.6 crore (US\$ 144.4 million)
- Operating revenue was Rs. 1,087.2 crore (US\$ 130 million)
- Total EBIDTA was Rs. 154.8 crore (US\$ 18.5 million); EBITDA margins were 12.8%.

## H1 FY2025

- Total income stood at Rs. 2,426.2 crore (US\$ 290.2 million)
- Operating revenue was Rs. 2,179.1 crore (US\$ 260.7 million)
- Total EBIDTA was Rs. 298.3 crore (US\$ 35.7 million) ; EBITDA margins were 12.3%.

# Key Highlights from Q2 FY2025

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- Challenges to revenue growth and profitability persist - macro-economy pressures, delays in decision making on award of contracts and drop in revenue in UK business
- Expansion of engagements with existing clients and pipeline looks healthy
- Signed two major contracts in North America for delivering core technology services
- HGS UK has qualified for the UK G Cloud framework submission; gives access to UK government cloud-based service procurements
- HGS OSS (Diversify) sees strong growth. Witnessing offshoring trend to India by ANZ clients
- Newer geos Colombia and South Africa (SA) are tracking well... promising pipeline for SA
- Forayed into Cybersecurity segment with seven new solution offerings led by AI
- HGS Agent X™ is serving as a big differentiator in winning new business with clients. Deployed over 16 client accounts across Canada, the US and Jamaica.
- Focus on skills training for employees, with an emphasis on digital



# HGS in Cape Town, South Africa

Available to support US, UK, and Australian clients in any industry... Currently, 65+ employees work here

BUSINESS CASE

40-60%

Savings per FTE

CURRENT CAPACITY

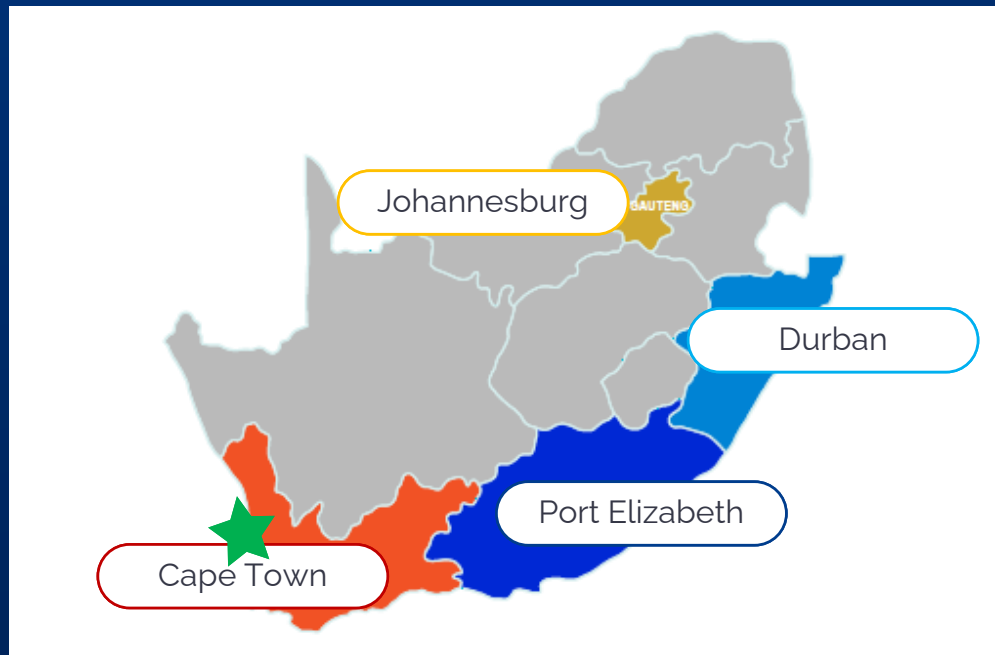
136

Seats

LANGUAGES

4

English, German,  
French, Dutch





# HGS AI Hub in Manila to boost digital experience for clients

- Launched a state-of-the-art 'HGS AI Hub' in Philippines
- Will serve as an interactive space where clients, partners, and employees can leverage advanced technologies, such as automation, analytics, AI, virtual reality, visual AI, and speech AI, to co-create digital solutions



## ANALYST RECOGNITION

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# ISG Identifies HGS as a 'Leader' in Digital Operations, Intelligent Agent Experience, and Intelligent CX



# HGS' Strategic Focus

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- Vertical Specific 'Business Process Improvement'
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- Lean Ops with Intelligent Automation
- Cost Effective Cloud
- Experts OnDemand



- Leaning into the Potential of 'Applied AI'
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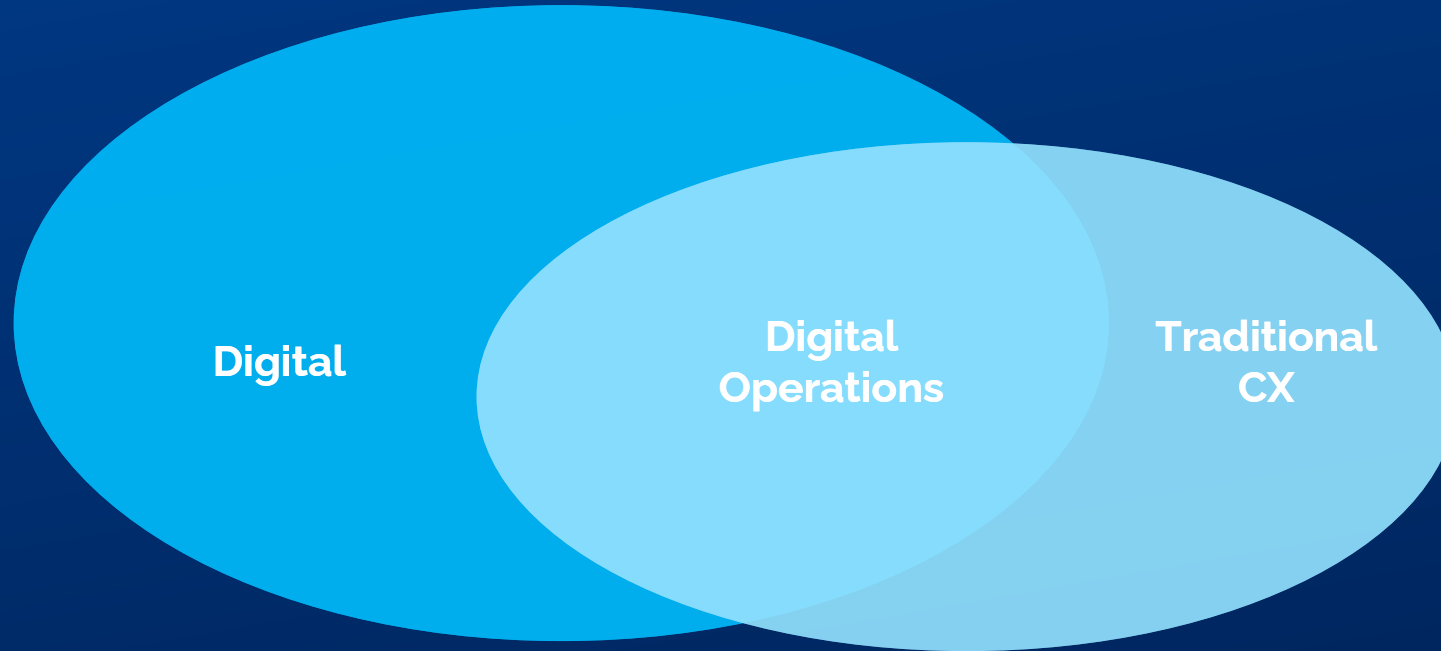
- AI Ignite, powered by Partner Ecosystem
- Agent X + vertical modules
- Dedicated AI Lab



- Growing Global Talent Footprint
- 

- Colombia
- South Africa
- Philippines
- India

# By 2027: Be the preferred DX Transformation Partner for the world's most admired brands



## DIGITAL

- App Development / Maintenance
- Cloud Deployment & Migrations
- Systems Implementations (Content Management, Portals, CRM, Etc.)
- Data Engineering & Analytics
- Cyber Security
- Process Automation

## DIGITAL OPERATIONS

- AI Driven Process Management
- AI Supported Unattended Customer Service (ChatBot / IVA)
- AI Supported Attended Customer Service
- AI Ops (Data Tagging / Labeling)

## TRADITIONAL CX

- Contact Center with heavy workforce deployment
- Manpower driven Back Office Process management
- Technology is seen as a job tool



# Digital Media Business: An Update

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**Vynsley Fernandes**



THE ECONOMIC TIMES | Industry

## India to allot satellite internet spectrum via administrative method

### Synopsis

Telecom Minister Jyotiraditya Scindia announced that spectrum for satellite services in India will be allocated administratively, but it will not be without cost. The pricing and allocation formula will be determined by the Telecom Regulatory Authority of India (TRAI). Scindia emphasized that this approach aligns with global practices, as satellite spectrum is typically shared.

INDIA<sup>TV</sup>

## Satellite internet coming to India next year, TRAI to finalise its recommendation by December 15

Several companies are eager to roll out their satellite internet services in India. However, they are currently awaiting TRAI's recommendations on spectrum allocation, which is set to be finalised by December.



TECHNOLOGY | INDIA

## Can satellite internet bridge India's digital divide?

Murali Krishnan in New Delhi  
10/30/2024

As India prepares to expand satellite broadband internet, millions of people living in rural and deprived areas will have more access to e-commerce and online public services.

Satellite internet access is set to improve the lives of Indians living in remote and underdeveloped areas where traditional internet infrastructure like DSL or cable is unavailable, which reduces access to education, healthcare, and e-commerce.

Although mobile internet penetration is high, with around 876 million mobile broadband users, many of these users still experience issues with connectivity and speed.

An estimated 665 million people in India, around 45% of the population, do not access the [internet](#), according to joint study released in February 2024 by the Internet and Mobile Association of India (IAMI) and Kantar, an analytics firm.

Although more and more Indian are accessing the internet, there is also a [substantial digital divide](#), with connectivity in rural areas limited or non-existent when compared with urban areas.

India has the second-highest number of internet users worldwide.



# New Initiatives | Progress Report



Proof of Concept successful. Model being rolled out to rest of Mumbai

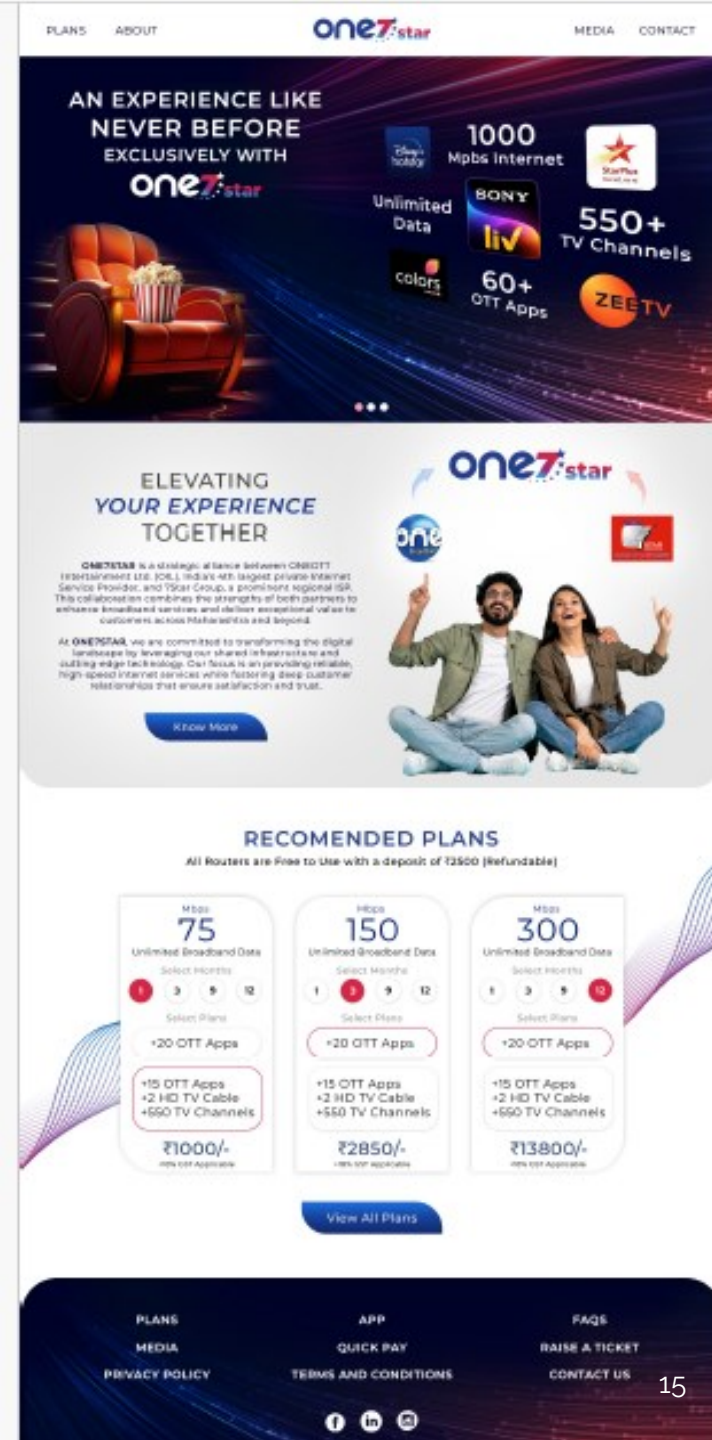
- 3-month Proof-of-Concept (POC) rolled out in Aug '24 to test viability of leveraging existing network to offer commercial broadband to the MSME and SOHO segments.
- POC successfully completed. We now plan to roll it out across key markets.



On track to achieve key targets (business & operational) for FY25

- Rebranding for new business rolled out in Q2FY25 across existing & new markets.
- Multiple operational, technical & business synergies nearing completion.
- ISP License application submitted.

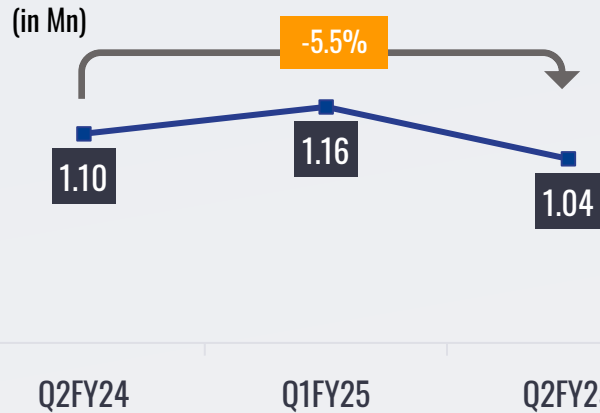




# Media Group | KPIs

Focus continued to remain on quality revenue customers across DTV & BB. **Planned “churn” of low yield customers has had no impact on the revenue targets set for Q2 FY2025.** New strategy has resulted in an **improvement in broadband ARPUs** from `174 in Q2 FY2024 to `189 in Q2 FY2025.

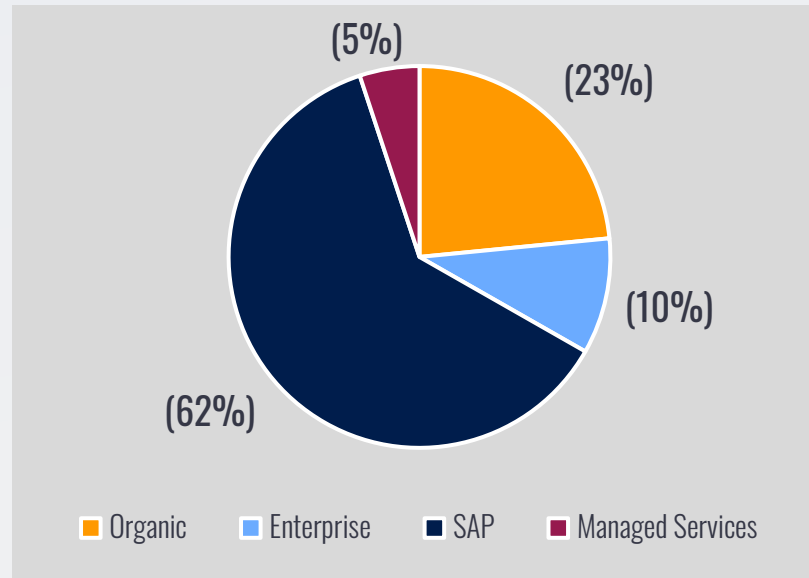
## Broadband Subscriber Base



## Broadband ARPUs (Average Revenue Per User)

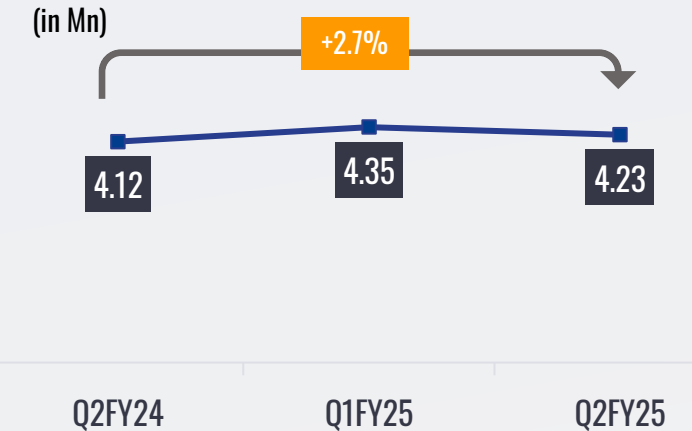


## Broadband Revenue mix by segment (H1FY25)



- Focus on sustainable growth and profitability is evidenced by the enterprise segment which now contributes 10% of the revenues.
- The new managed services segment is already accounting for 5% of the top line.

## DTV Subscriber Base



- The DTV vertical has looked to improve yield through a slew of measures including an increase in package pricing and promoting integrated solutions of DTV + broadband + OTT.



# Financial Update

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**Srinivas Palakodeti**

# Overall Performance : Q2 FY 25 vs Q1 FY 25 vs Q2 FY 24

Amount in INR Cr

Particulars	Actual Q2 FY 25	Actual Q1 FY 25	QoQ Growth %	Actual Q2 FY 24	YoY Growth %
Revenue from operations	1,087.2	1,091.9	↓ -0.4%	1,179.9	↓ -7.9%
Depreciation	133.2	131.2		134.9	
Interest Expense	62.4	56.4		45.7	
Other Income	120.4	126.7	↓ -4.9%	107.5	↑ 12.0%
PBT	(40.7)	(44.2)		24.5	
Tax	9.9	12.8		6.1	
<b>PAT</b>	<b>(50.5)</b>	<b>161.5</b>	↓ -131.3%	<b>18.4</b>	↓ -374.1%
PAT %	-4.2%	13.3%		1.4%	
Total Income	1,207.6	1,218.6	↓ -0.9%	1,287.4	↓ -6.2%
Total EBITDA	154.8	143.4	↑ 8.0%	205.1	↓ -24.5%
Total EBITDA %	12.8%	11.8%		15.9%	
<b>Exchange Rate</b>	<b>83.60</b>	<b>83.43</b>		<b>82.42</b>	

Note: PAT includes profit from discontinued operations.

# Overall Performance : H1 FY 25 vs H1 FY 24

Amount in INR Cr

Particulars	Actual H1 FY 25	Actual H1 FY 24	YoY Growth %
Revenue from operations	2,179.1	2,313.3	↓ -5.8%
Depreciation	264.4	258.7	
Interest Expense	118.8	84.5	
Other Income	247.1	221.7	↑ 11.5%
PBT	(84.9)	52.9	
Tax	22.7	17.8	
<b>PAT</b>	<b>111.0</b>	<b>35.1</b>	↑ 216.6%
PAT %	4.6%	1.4%	
Total Income	2,426.2	2,535.0	↓ -4.3%
Total EBITDA	298.3	396.0	↓ -24.7%
Total EBITDA %	12.3%	15.6%	
<b>Exchange Rate</b>	<b>83.60</b>	<b>82.42</b>	

Note: PAT includes profit from discontinued operations.



# Summary Balance Sheet

Amount in INR Cr

Particulars	As at Sep 24	As at Mar 24
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets and leases	1,425.3	1,250.5
Intangibles	1,545.2	1,519.3
Financial assets #	235.9	1,200.5
Other non-current assets	779.5	758.2
<b>Total non-current assets</b>	<b>3,986.0</b>	<b>4,728.5</b>
<b>Current assets</b>		
Trade receivables	777.8	744.6
Financial assets-Others #	5,835.5	4,763.7
Other current assets	307.4	213.3
Cash and bank balance	621.8	674.5
<b>Total current assets</b>	<b>7,542.5</b>	<b>6,396.1</b>
<b>Total Assets</b>	<b>11,528.5</b>	<b>11,124.6</b>

Particulars	As at Sep 24	As at Mar 24
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	46.5	46.5
Other equity*	7,781.2	7,595.9
<b>Total Equity</b>	<b>7,827.7</b>	<b>7,642.5</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	178.6	133.5
Other non-current liabilities	671.7	601.9
<b>Total non-current liabilities</b>	<b>850.3</b>	<b>735.4</b>
<b>Current liabilities</b>		
Borrowings	1,078.6	1,172.4
Trade payables	353.1	296.4
Other current liabilities	1,418.9	1,277.9
<b>Total current liabilities</b>	<b>2,850.5</b>	<b>2,746.7</b>
<b>Total Equity and Liabilities</b>	<b>11,528.5</b>	<b>11,124.6</b>

## Days Sales Outstanding (DSO):

- Q2 FY 24: 67 days
- Q4 FY 24: 62 days
- Q2 FY 25: 65 days

# Financial assets includes investments, loans given and bank balances

\* Other Equity includes Non controlling interest of Rs. 159.8 Cr (Sep 24) and Rs. 154.7 Cr (Mar 24)

# Summary Cash Flow

Amount in INR Cr

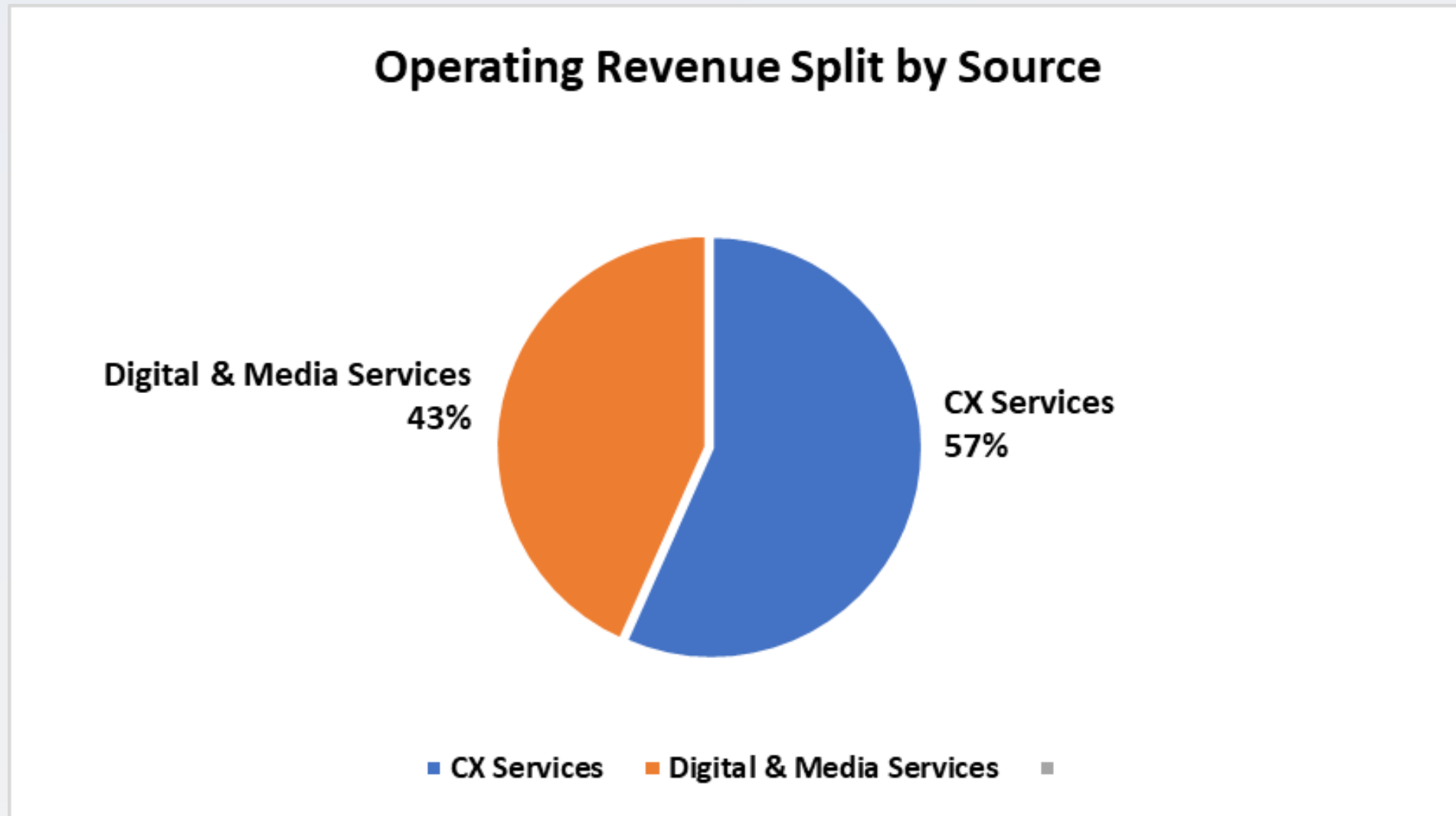
Particulars	YTD Sep 24	YTD Sep 23
<b>Profit Before Tax</b>	133.7	52.9
Non-operating adjustments	(34.3)	167.1
Change in operating assets and liabilities	(14.8)	(164.3)
Income taxes paid (net)	(62.0)	(39.3)
<b>Cash from operating activities</b>	<b>22.5</b>	<b>16.3</b>
Net Capex Investments	(65.7)	(70.7)
Net Treasury investments	511.7	635.2
Payment for acquisition of teklink	(129.5)	(75.8)
<b>Cash from investing activities</b>	<b>316.5</b>	<b>488.7</b>
Share Issue/ (Buyback of shares, taxes & expenses)	(3.1)	(1,247.7)
Borrowings and interest	(399.9)	314.6
Dividend Paid	(0.0)	(1.1)
<b>Cash from financing activities</b>	<b>(403.1)</b>	<b>(934.2)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(64.1)</b>	<b>(429.1)</b>
<b>Opening Cash and Cash Equivalents(after Forex)</b>	685.9	1,106.9
<b>Cash and cash equivalents at end of the year</b>	<b>621.8</b>	<b>677.8</b>

# Summary Financial Profile

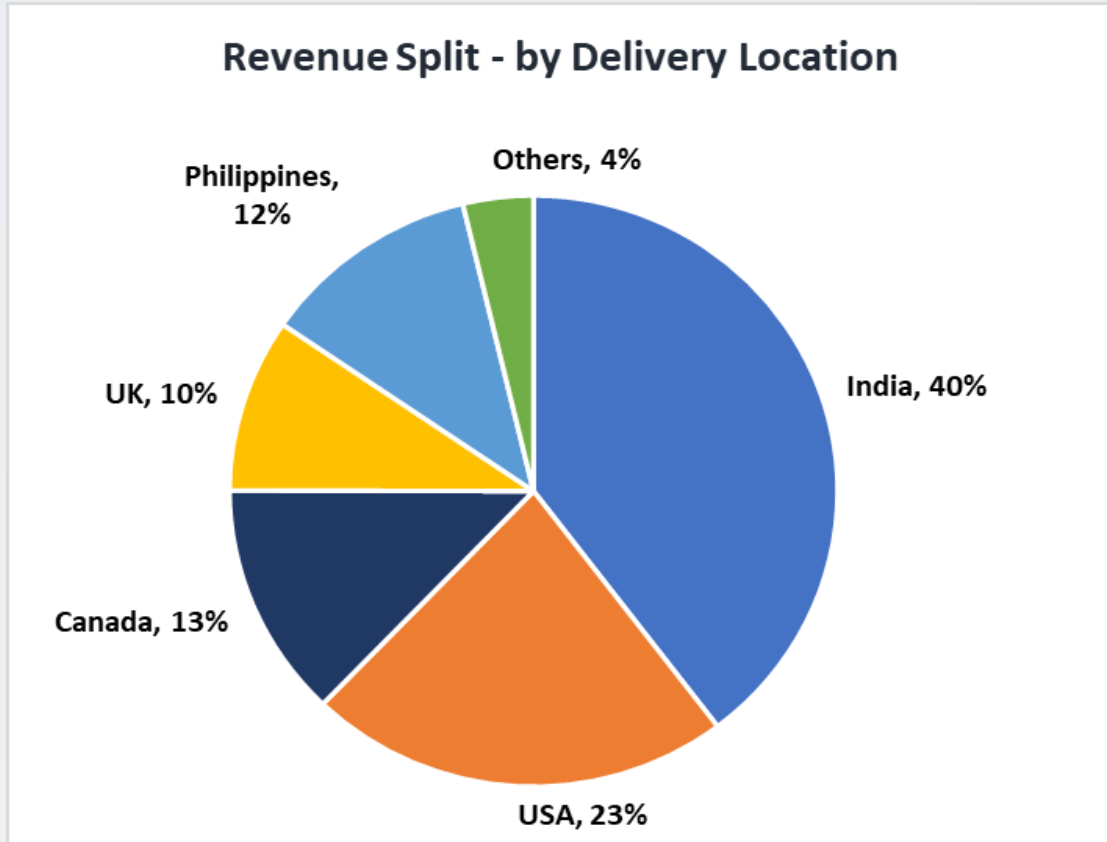
Particulars	HGSL	
	<i>in INR Cr (Except per share data)</i>	<i>in USD Mn (Except per share data)</i>
<b>Shareholder's Fund</b>	7,827.7	936.3
<b>Book value per share</b>	1,682.6	20.1
<b>Price per share</b>	723.5	8.7
<b>EPS (TTM)</b>	46.2	0.6
<b>P/E Ratio (TTM)</b>	15.7	15.7
<b>Gross Debt</b>	1,257.1	150.1
<b>Net Cash &amp; Treasury Surplus</b>	5,090.2	607.7

Particulars	Mar-24	Jun-24	Sep-24
<b>Gross Treasury &amp; Cash Surplus</b>	6,318.5	6,284.7	6,347.3
<b>Total Borrowings</b>	1,305.9	1,107.5	1,257.1
<b>Net Treasury &amp; Cash Surplus</b>	<b>5,012.6</b>	<b>5,177.2</b>	<b>5,090.2</b>

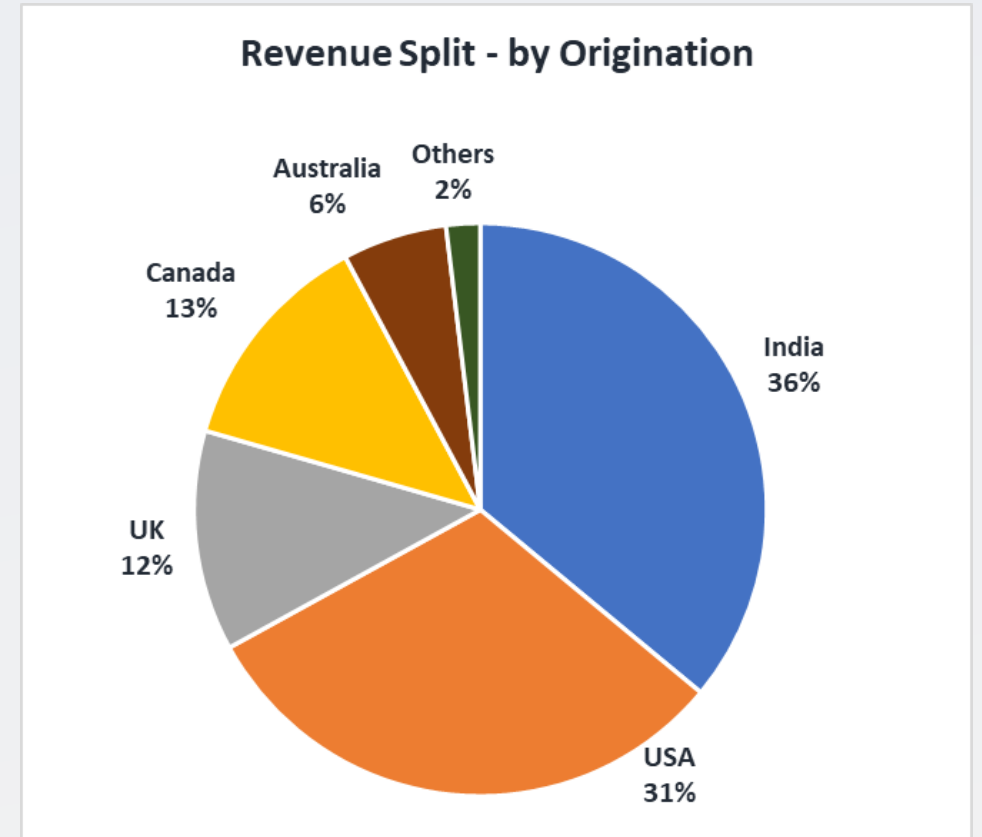
# Q2 FY 2025: Operating Revenue Composition of Rs. 1,087 Cr



# Q2 FY 2025: Operating Revenue Composition of Rs. 1,087 Cr

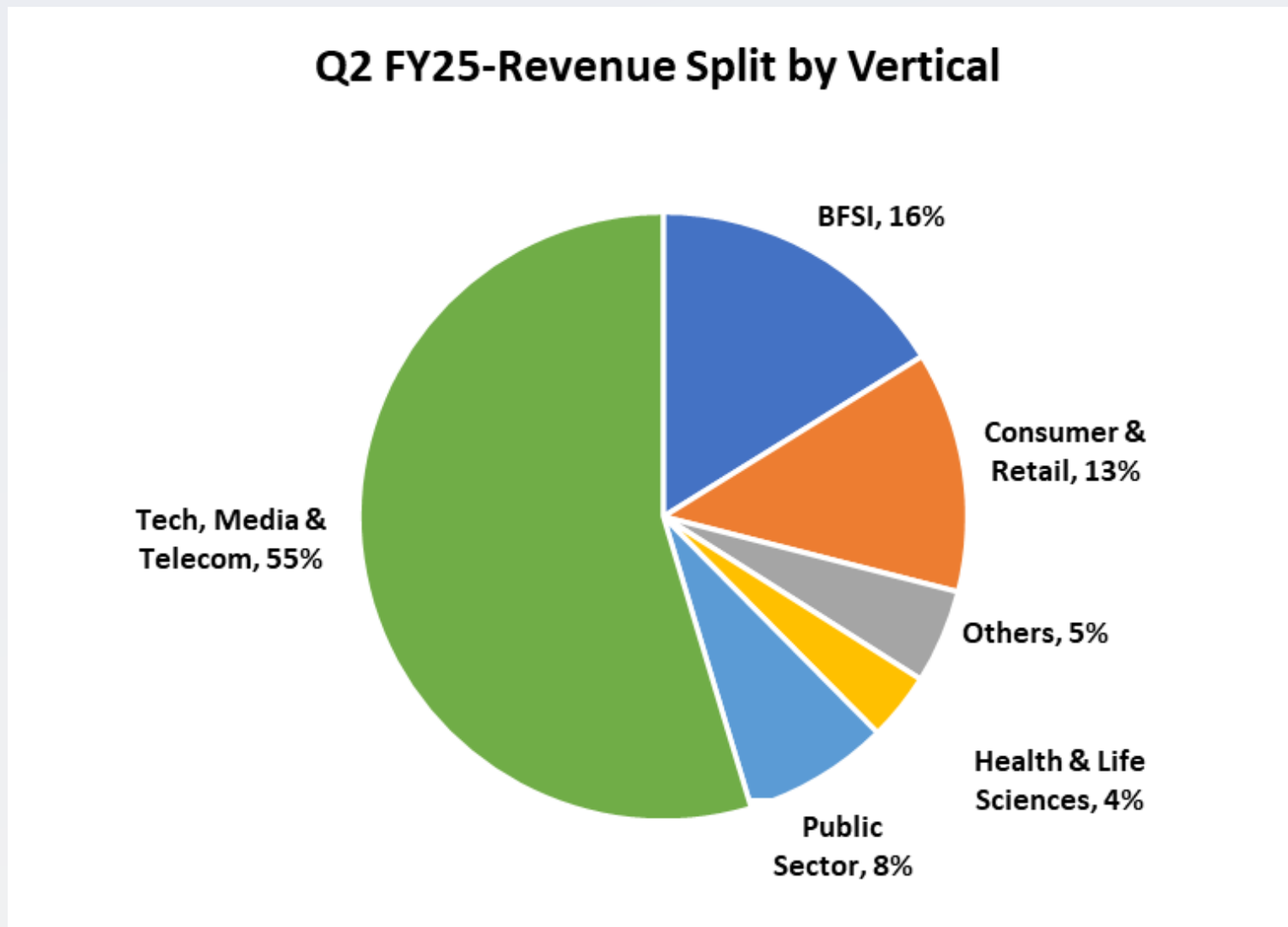


Others: Jamaica, Colombia



Others : Philippines, Jamaica

# Q2 FY 2025: Operating Revenue Rs. 1,087 Cr - Split by Vertical



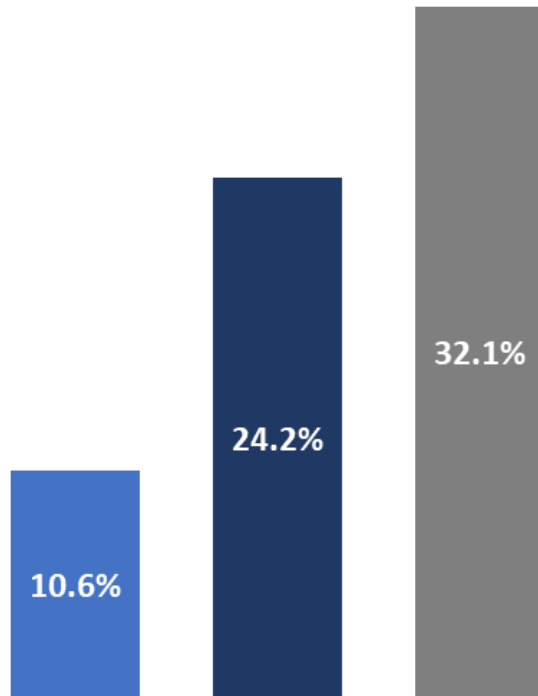


# Q2 FY 2025: Revenue Profile



## Client Concentration

■ Top Customer ■ Top 5 Customers ■ Top 10 Customers

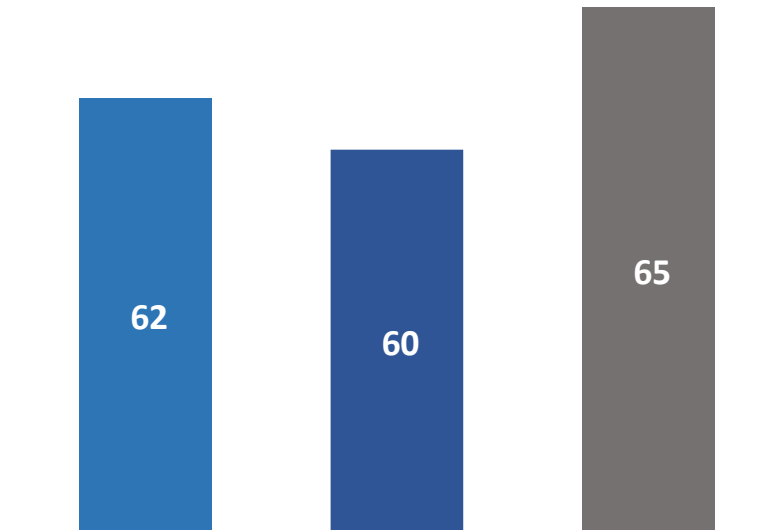


Revenues of Rs 1,087 Cr



## DSO

DSO (In Days)



Q4 FY 24

Q1 FY25

Q2 FY25



# Thank You

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