

November 12, 2021

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

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

Dear Sirs,

Sub: Earnings Press Release and Fact Sheet on Un-audited Standalone and Consolidated Financial Results of the Company for the quarter and half-year ended September 30, 2021

This is in continuation to our letter of even date on outcome of Board Meeting.

We are enclosing herewith the following:

- Q2FY2022 Earnings Press Release being issued by the Company
- Q2FY2022 Financials & Fact Sheet

Kindly take the above information on record.

Thanking you,

For **Hinduja Global Solutions Limited**



Narendra Singh
Company Secretary

Encl: As above

Q2 FY2022 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q2 FY2022 RESULTS

Mumbai, India, November 12, 2021: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Second Quarter Results for FY2022.

Speaking on the results, **Partha DeSarkar, Executive Director and Global CEO of HGS** said: *“HGS reported an excellent performance in Q2 FY2022. Overall revenue for the quarter stood at Rs. 15,826 million, an increase of 18.8% YoY, while EBITDA grew by 21.2% YoY to Rs 2,269 million and PAT by 67.9% YoY to Rs 1,365 million.*

The performance was driven by robust growth in revenues and margins of our UK business, our digital business as well as the healthcare business. Strong revenue growth coupled with savings from the hybrid working model helped us mitigate challenges arising from talent supply constraints to report increased EBITDA margins in Q2.

Today’s market continues to witness a strong demand for high value customer experience services. Our sustained investments in priority verticals, such as the UK public sector, and the 3As (automation, analytics and AI) in a cloud first model are creating newer opportunities for us. Clients want engagements that help them innovate, optimize and grow. The deals we have won in the last few months and our healthy pipeline exemplify this trend. Going forward, our strategy is to continue to invest in intelligently integrating people with technology to design enhanced experiences and position HGS as a preferred growth partner for our clients.”

Update on the divestment of the Healthcare Services business:

HGS’ Board of Directors at its meeting held on August 9, 2021 approved and entered into definitive agreements to sell the Healthcare Services business to the subsidiaries of Betaine BV, which is owned by funds affiliated with Baring Private Equity Asia (BPEA). The transaction is based on an enterprise value of US\$ 1,200 million and subject to closing adjustments, shareholder and other regulatory approvals. The divestment has been approved by the shareholders at the meeting held on September 23, 2021. The Company along with Betaine BV and its subsidiaries (the Buyer) are in the process of obtaining the required regulatory approvals in multiple geographies to complete the above transaction.

Financial Highlights for Q2 FY2022

- Q2 FY2022 revenues stood at Rs. 15,826 million, a growth of 18.8% YoY.
- EBITDA for Q2 FY2022 was Rs. 2,269 million, a growth of 21.2% YoY.
- EBITDA margins stood at 14.3% in Q2 FY2022.
- Net profit for Q2 FY2022 was Rs. 1,365 million, a growth of 67.9% YoY; Net margins stood at 8.6%.
- Capital expenditure for the quarter was Rs. 744 million.

Q2 FY2022 EARNINGS PRESS RELEASE

- Reduction in gross debt of Rs.345 million in Q2 FY2022; As on September 30, 2021, Net Cash stood at Rs. 5,008 million.
- Second Interim Dividend of Rs. 10/share.

Financial Highlights for H1 FY2022

- Revenues increased to Rs. 31,331 million, a growth of 22.0% YoY.
- EBITDA stood at Rs. 4,590 million, a growth of 37.9% YoY. EBITDA margins was 14.6%.
- Net profit stood at Rs. 2,535 million, a growth of 94.2% YoY. Net margins was 8.1%.

Business Highlights for Q2 FY2022

- **Client wins:**
 - Added 10 new logos across verticals for core BPM services and seven for HRO/ Payroll Processing
 - Signed 14 engagements with new and existing clients for HGS Digital services (RPA, digital, analytics and Social Care services)
- **Clientele:** As of September 30, 2021, HGS had 262 core BPM clients and 724 HRO/Payroll processing clients.
- **Employee Headcount:** 46,698 as of September 30, 2021, an increase of 3,929 from Q1, FY2022.
- **Delivery Centers:** HGS had 52 global delivery centers across seven countries as on September 30, 2021.
- **Awards & Recognition in Q2 FY2022:**
 - Included in Digital contact center services—Top 10: CX Services in the Pandemic Economy—The Best of the Best Service Providers, HFS
 - Major Contender in Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021, Everest
 - Included in 2021 Everest Group BPS Top 50™
 - Major Contender in CXM – Service Provider Landscape with Services PEAK Matrix® Assessment 2021, Everest
 - Booming 15 - Service & Technology Provider Standouts—Global, the ISG Index™ Global Sourcing and As-a-Service Market Insights – Q2 2021, ISG
 - Awarded –
 - 2021 Excellence in Strategic Partnership, IAOP
 - Silver in COVID-19: Most Exemplary Employer category and Bronze in Innovative Achievement in Customer Satisfaction category, APAC Stevie Awards
 - Winner in Gender Equability and D&I Company of the year categories, Transformance 3rd D&I Summit and Awards

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



Q2 FY2022 EARNINGS PRESS RELEASE

to deliver transformational impact to clients. Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true “globally local” approach, with over 46,698 employees across 52 delivery centers in seven countries making a difference to some of the world’s leading brands across nine key verticals. For the year ended March 31, 2021, HGS had revenues of Rs. 55,889 million (US\$ 753.9 million).

Visit <https://hgs.cx> 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, contact:

Investor queries:

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HGS Q2 FY2022 FINANCIALS AND FACT SHEET

Hinduja Global Solutions Limited					
Consolidated Quarterly Profit & Loss Account				Unaudited	
(Rs Million)					
Particulars	Q2 FY21	Q1 FY22	Q2 FY22	QQ Growth	YY Growth
Operating Revenues	13,325.9	15,505.2	15,825.6	2.1%	18.8%
Other Operating Income	0.0	0.0	0.0		
Revenues from Operations	13,325.9	15,505.2	15,825.6	2.1%	18.8%
Employee Costs	8,999.7	10,677.5	10,963.2	2.7%	21.8%
Other Operating Expenses	2,454.9	2,506.6	2,593.6	3.5%	5.7%
Total Operating Expenses	11,454.5	13,184.1	13,556.9	2.8%	18.4%
Op Profit/EBITDA	1,871.4	2,321.1	2,268.8	-2.3%	21.2%
EBITDA Margin	14.0%	15.0%	14.3%		
Depreciation & Amortisation	745.5	759.4	757.6	-0.2%	1.6%
Interest & Finance Charges	224.0	193.3	196.3	1.6%	-12.3%
Other Income	150.2	273.4	390.6	42.9%	160.1%
Exceptional Item	147.9	0.0	0.0		
Profit Before Tax	904.2	1,641.8	1,705.4	3.9%	88.6%
Provision for Taxation	91.0	471.6	340.4	-27.8%	274.0%
Profit from Discontd Operations	0.0	0.0	0.0		
Net Profit/(Loss)	813.2	1,170.2	1,365.0	16.6%	67.9%
Shares Outstanding (Mn)	20.87	20.88	20.88		
Diluted Earnings/Share (Rs)	39.02	55.97	65.28		
Dividend/Share (Rs)	6.00	7.00	10.00		
Special Dividend/Share (Rs)	-	-	-		
Total Dividend/Share (Rs)	6.00	7.00	10.00		

Hinduja Global Solutions Limited			
Consolidated Half Year Profit & Loss Account			Unaudited
(Rs Million)			
Particulars	H1 FY 2021	H1 FY 2022	YY Growth
Operating Revenues	25,684.8	31,330.8	22.0%
Other Operating Income	0.0	0.0	
Revenues from Operations	25,684.8	31,330.8	22.0%
Employee Costs	17,596.1	21,640.7	23.0%
Other Operating Expenses	4,759.3	5,100.2	7.2%
Total Operating Expenses	22,355.4	26,740.9	19.6%
Op Profit/EBITDA	3,329.4	4,589.9	37.9%
EBITDA Margin	13.0%	14.6%	
Depreciation & Amortisation	1,519.3	1,517.0	-0.1%
Interest & Finance Charges	461.0	389.6	-15.5%
Other Income	457.9	663.9	45.0%
Exceptional Item	147.9	0.0	
Profit Before Tax	1,659.1	3,347.1	101.7%
Provision for Taxation	353.6	812.0	129.6%
Profit from Discontd Operations	-	0.0	
Net Profit/(Loss)	1,305.5	2,535.2	94.2%
Shares Outstanding (Mn)	20.87	20.88	
Diluted Earnings/Share (Rs)	61.99	121.25	
Dividend/Share (Rs)	12.00	17.00	
Special Dividend/Share (Rs)	-	-	
Total Dividend/Share (Rs)	12.0	17.0	

Hinduja Global Solutions					
Leverage Profile					Unaudited
(Rs Million)					
Particulars	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22	Q2 FY22
Total Gross Bank Debt (Excl. Lease Liabilities)	5,453.8	4,943.7	3,935.8	3,790.4	3,444.7
Less: Cash and cash equivalents	6,078.0	5,411.1	5,300.4	7,990.1	8,452.9
Net Bank Debt/(Net Cash)	(624.1)	(467.4)	(1,364.5)	(4,199.7)	(5,008.2)
Networth	19,106.9	19,978.1	20,848.7	22,008.2	22,600.8
Net Bank Debt/TTM EBITDA	NA	NA	NA	NA	NA
Gross Bank Debt/ TTM EBITDA	0.77	0.69	0.51	0.44	0.38
Gross Bank Debt/Equity	0.29	0.25	0.19	0.17	0.15

Hinduja Global Solutions			
Summary Balance Sheet			Unaudited
(Rs Million)			
Particulars	Q2 FY21	Q1 FY22	Q2 FY22
Shareholders' Funds	19,106.9	22,008.2	22,600.8
Total Gross Bank Debt (Excl. Lease Liabilities)	5,453.8	3,790.4	3,444.7
Other Current & Non-Current Liabilities	17,684.7	19,769.5	20,224.3
Capital Employed	42,245.5	45,568.1	46,269.8
Fixed Assets & Intangibles	9,270.9	8,909.7	8,998.5
Other Non-Current Assets	9,938.7	9,468.8	9,581.4
Total Non-Current Assets	19,209.7	18,378.6	18,579.9
Sundry Debtors & Other Current Assets	16,957.9	19,199.4	19,237.0
Cash and cash equivalents	6,078.0	7,990.1	8,452.9
Total Current Assets	23,035.8	27,189.5	27,689.9
Capital Deployed	42,245.5	45,568.1	46,269.8

Hinduja Global Solutions			
Summary Cash Flow Statement			Unaudited
(Rs Million)			
Particulars	H1 FY 2021	FY2021	H1 FY 2022
Cash Flow from Ops. & After WC Changes	3,627.4	6,916.1	6,383.8
Cash Flow due to Net Capital Expenditure	(575.8)	(1,580.6)	(1,191.9)
Cash Flow due to Other Investing Activities	(870.8)	(1,273.4)	(81.5)
Other Items	75.3	349.5	211.6
Cash Flow from Investing Activities	2,256.1	4,411.5	5,322.0
Proceeds/(Repayment) of Debt	(476.1)	(2,003.6)	(491.2)
Cash from Interest & Others	(1,014.3)	(2,046.3)	(1,138.2)
Dividends Paid	0.5	(375.0)	(542.2)
Proceeds from Share Issuance	3.6	5.5	2.1
Cash Flow from Financing Activities	(1,486.4)	(4,419.4)	(2,169.5)
Net Inc./(Dec) in Cash & Cash Equivalents	769.7	(7.9)	3,152.5
Cash and cash equivalents at BOP	5,308.2	5,308.2	5,300.4
Cash and cash equivalents at EOP	6,078.0	5,300.4	8,452.9

REVENUE BY CURRENCY

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
From USD	10,075.1	75.6%	11,097.4	76.2%	11,173.1	71.5%	10,689.6	68.9%	11,035.0	69.7%
From CAD	1,572.0	11.8%	1,732.7	11.9%	1,632.8	10.4%	1,566.7	10.1%	1,466.2	9.3%
From GBP	1,091.3	8.2%	1,114.4	7.6%	2,133.3	13.6%	2,510.5	16.2%	2,503.4	15.8%
From INR	587.6	4.4%	624.0	4.3%	696.7	4.5%	738.3	4.8%	821.0	5.2%

Note: From Q2FY2021 to Q4FY2021 numbers are audited

REVENUE BY DELIVERY CENTERS

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
USA & Jamaica	4,782	35.9%	5,461	37.5%	5,711	36.5%	5,268	34.0%	5,515	34.9%
India (Domestic)	588	4.4%	624	4.3%	697	4.5%	738	4.8%	821	5.2%
India (International)	2,786	20.9%	2,911	20.0%	2,797	17.9%	2,955	19.1%	3,035	19.2%
India Operations *	3,373	25.3%	3,535	24.3%	3,494	22.3%	3,693	23.8%	3,856	24.4%
Philippines	2,488	18.7%	2,717	18.6%	2,662	17.0%	2,460	15.9%	2,478	15.7%
Canada	1,572	11.8%	1,733	11.9%	1,633	10.4%	1,567	10.1%	1,466	9.3%
UK/EU	1,087	8.2%	1,111	7.6%	2,130	13.6%	2,506	16.2%	2,499	15.8%
Middle East	24	0.2%	12	0.1%	7	0.05%	11	0.1%	11	0.1%

Note: From Q2FY2021 to Q4FY2021 numbers are audited

REVENUE BY VERTICALS

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Technology & Telecom	1,930.0	14.5%	2,172.8	14.9%	2,065.7	13.2%	1,921.9	12.4%	1,597.6	10.1%
Healthcare & Insurance	7,419.7	55.7%	8,156.0	56.0%	8,708.5	55.7%	7,835.0	50.5%	8,206.7	51.9%
Consumer & Retail	1,391.6	10.4%	1,426.0	9.8%	1,388.5	8.9%	1,291.0	8.3%	1,225.9	7.7%
Banking & Financials	1,074.7	8.1%	1,132.4	7.8%	1,331.2	8.5%	1,425.7	9.2%	1,455.3	9.2%
Media & Entertainment	346.9	2.6%	330.0	2.3%	314.5	2.0%	419.9	2.7%	456.6	2.9%
Chemicals & Biotech	215.7	1.6%	241.8	1.7%	285.1	1.8%	351.9	2.3%	395.4	2.5%
Misc. & Others	947.4	7.1%	1,109.3	7.6%	1,542.4	9.9%	2,259.8	14.6%	2,488.1	15.7%

Note: From Q2FY2021 to Q4FY2021 numbers are audited

From Q1FY2022 onwards Healthcare vertical which was not the part of Sale of Healthcare Business got reclassified to Others

ONSHORE to OFFSHORE REVENUE MIX

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Onshore Revenues	7,520.9	48.1%	7,566.6	48.8%	8,371.8	52.9%	8,019.6	51.7%	7,993.8	50.5%
Offshore Revenues *	8,115.0	51.9%	7,938.7	51.2%	7,453.9	47.1%	7,485.6	48.3%	7,831.8	49.5%

Note: From Q2FY2021 to Q4FY2021 numbers are audited. Offshore includes Nearshore as well.

CLIENT CONCENTRATION

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Revenue from Top Customer	3,492.3	22.3%	3,280.9	21.2%	3,169.9	20.0%	2,922.0	18.8%	3,112.9	19.7%
Revenue from Top-5 Customers	8,150.7	52.1%	8,323.6	53.7%	8,709.7	55.0%	7,717.0	49.8%	7,986.3	50.5%
Revenue from Top-10 Customers	9,753.4	62.4%	9,859.8	63.6%	10,286.7	65.0%	10,028.8	64.7%	10,393.7	65.7%
Revenue from Top-20 Customers	11,513.3	73.6%	11,661.5	75.2%	12,033.8	76.0%	11,913.6	76.8%	12,231.2	77.3%

Note: From Q2FY2021 to Q4FY2021 numbers are audited

REGIONWISE EMPLOYEE/HEADCOUNT TRENDS

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms
India	17,806	45.0%	17,989	43.8%	18,441	46.2%	19,613	45.9%	20,334	43.5%
Philippines	9,871	24.9%	10,538	25.6%	9,439	23.7%	9,771	22.8%	10,696	22.9%
US/Jamaica	7,427	18.8%	7,511	18.3%	6,876	17.2%	7,661	17.9%	10,393	22.3%
Canada	1,557	3.9%	2,291	5.6%	2,357	5.9%	2,678	6.3%	2,479	5.3%
UK/Europe	2,914	7.4%	2,778	6.8%	2,773	7.0%	3,044	7.1%	2,796	6.0%
Middle East	3	0.0%	3	0.0%	3	0.0%	2	0.0%	0	0.0%
Total Headcount	39,578		41,110		39,889		42,769		46,698	

Note: From Q2FY2021 to Q4FY2021 numbers are audited

CAPEX to OPEX SEATS

Particulars	Q2 FY2021		Q3 FY2021		Q4 FY2021		Q1 FY2022		Q2 FY2022	
	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms
Capex Seats	20,958	60.9%	21,354	62.0%	19,357	59.0%	19,078	60.0%	18,531	57.6%
Opex Seats	13,448	39.1%	13,088	38.0%	13,458	41.0%	12,726	40.0%	13,645	42.4%
Total Headcount	34,406		34,442		32,815		31,804		32,176	

Note: From Q2FY2021 to Q4FY2021 numbers are audited

REVENUE RUN RATE (Numbers)

	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022
Above Rs200mn/Quarter	9	14	13	14	14
Above Rs150mn/Quarter	15	24	16	17	18
Above Rs100mn/Quarter	23	24	21	20	21
Above Rs50mn/Quarter	37	44	43	44	40
Above Rs10mn/Quarter	83	80	81	78	83

Note: From Q2FY2021 to Q4FY2021 numbers are audited

AVERAGE MONTHLY REVENUE PER EMPLOYEE (RUPEES)

	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY2022	Q2 FY2022
India Overall	63,383	65,838	63,934	64,702	64,346
Philippines	86,439	88,747	88,820	85,385	80,718
Jamaica	97,511	97,295	1,05,102	91,940	88,443
US Domestic *	3,52,231	3,64,293	4,09,693	3,94,105	3,17,315
UK/Europe	2,31,700	1,92,415	3,05,526	3,09,372	2,85,275
Canada	1,85,618	2,02,938	1,96,100	1,91,611	1,89,544
Overall	1,15,762	1,20,369	1,28,692	1,25,055	1,17,923

Note: US includes US Domestic + Colibrum + Axis Point + Elements