



November 28, 2022

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 Sirs/ Madam,

**Sub: Q2 FY2023 Earnings Call Presentation**

This has reference to our communication dated November 22, 2022, on Q2 FY2023 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 ([www.teamhgs.com/investors](http://www.teamhgs.com/investors)).

Kindly take note of the above.

Thanking you,

For **Hinduja Global Solutions Limited**

Narendra  
ra  
Singh  
Digitally signed  
by Narendra  
Singh  
Date: 2022.11.28  
16:31:32 +05'30'

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

Encl : As above

**HINDUJA GLOBAL SOLUTIONS LIMITED**

Regd. Office: Hinduja House, No. 171, Dr. Annie Besant Road, Worli, Mumbai - 400 018. India. Telephone: 91-022-2496 0707, Fax: 91-22-2497 4208, Website: [www.teamhgs.com](http://www.teamhgs.com)  
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  
Corporate Identity Number: L92199MH1995PLC084610



HINDUJA GROUP



# HGS Earnings Call Presentation

## Q2 & H1 FY2023

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November 28, 2022

# Safe Harbour

*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.*

# HGS is evolving into a new kind of digital CX company

The focus is to expand our digital services business significantly while driving growth in the core CES business – **to become a digital-led**

**Customer Experience  
Transformation Company**

Will leverage **organic expansion** and **acquisitions**



# Acquisition of the NXT Digital Media Business & Buyback Plan

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## Acquisition of the NXT Digital Media Business

- Hon'ble NCLT Order for demerger of **NXTDIGITAL** Limited's (NDL) Media Business into HGS received on 11<sup>th</sup> November 2022
- **1.0689 Crores** Shares allotted to NDL shareholders on November 25, 2022
- New shares allotted are expected to be listed by December 6, 2022
- Share capital of HGS has increased from Rs. 41.79 cr to Rs. 52.48 cr;
- NDL shareholders would own 20.4% of shares of HGS.
- .Promoters' holding in HGS would drop from 67.13% to 66.63%

## Buyback Plan

- Buyback plan to be taken up after completion of listing of shares to NDL shareholders
- Amount earmarked for buyback around Rs 1,050 cr



# About the Digital Media business

- Merger boosts HGS' presence in India, adding nearly 1,200 people and India-originated revenue
- Pan-India reach with presence in over 1,500 cities
- Franchisee base of nearly 10,000
- Digital Services Partners delivering digital services to more than 5 million customers

## Key brands



# The synergies and opportunity

## Huge opportunity to participate in the Digital India Initiative

- Changing Trends in Digital Content Consumption provide limitless possibilities and investment potential –
  - Digital aspirations have spread to “poorly connected” Tier 2, 3 and even rural markets
  - Proliferation of broadband has increased as WFH became the norm
  - Focus on connected services has increased, from e-medicine to e-learning
- **NXTDIGITAL**'s products & services support this revolution; Looking to accelerate the opportunity

## Create a global telecom and media ecosystem to serve B2B and B2C segments

- Cross-leverage expertise and tech capabilities to partner global majors for digital success with a strong focus on customer engagement
- Invest in customer journeys and customer response technologies and services globally
- Support convergence solutions – requiring strong backend processes and CX (for e.g., “**NXTSkyFi** – broadband over satellite solution)





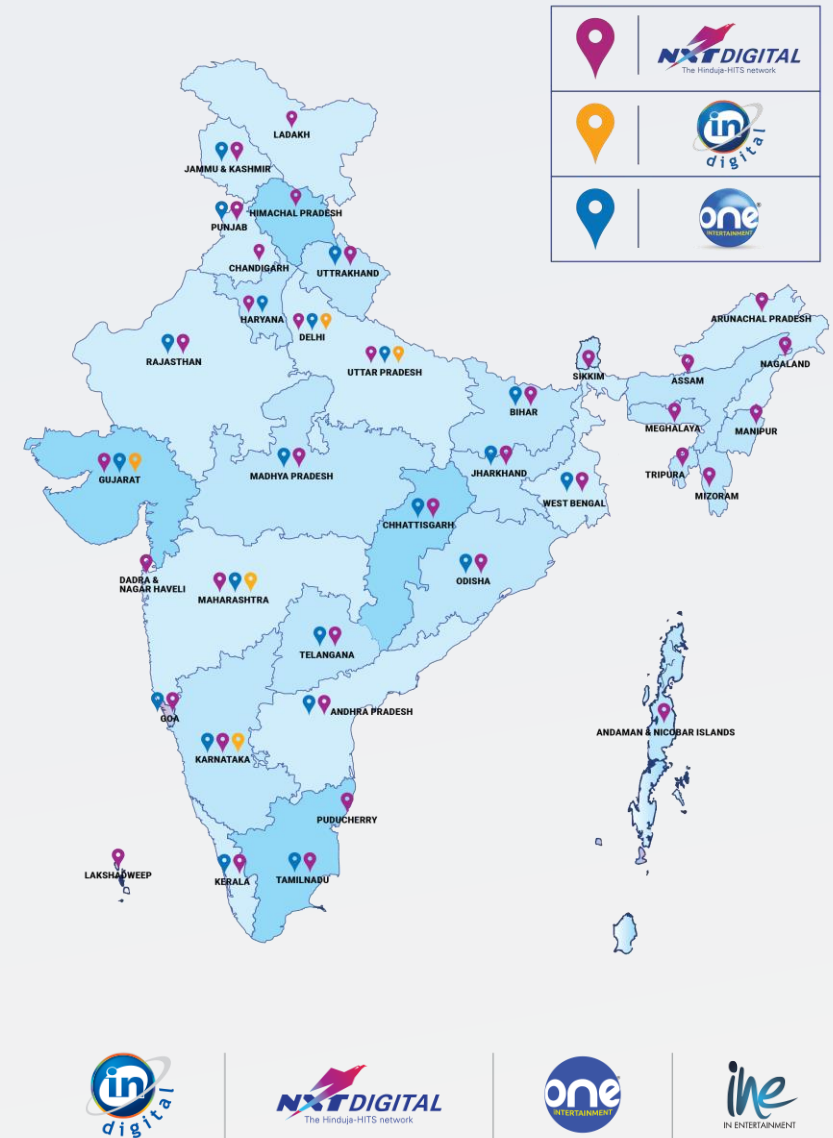
# Digital Media business – Q2 FY2023 Highlights

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**Vynsley Fernandes**

# Digital Media business – a snapshot

- India's premier integrated Digital Delivery Platforms Company and only HITS (Headend-In-The-Sky) platform in Asia
- Pan-India reach with presence in over 1,500 cities
- Franchisee base of nearly 10,000 Digital Services Partners, delivering digital services to more than 5 million customers
- 4 key brands:
  - 1. NXTDIGITAL HITS (Headend-In-The-Sky)**
    - The HITS platform provides digital video to customers across India on Intelsat 39 satellite from a state-of-art broadcasting center in Noida
    - Delivers over 650 Standard & High-Definition Channels to subscribers
    - Validates the mission of establishing "Digital India" with a presence in 4,500+ pin codes
  - 2. OneOTT iNTERTAINMENT**
    - One of India's top 4 private ISPs with a customer base of over 1,000,000
    - Has a presence in 150+ cities and towns.
    - Provides high speed (up to 1000 Mbps) Internet Connectivity through its flagship brand ONE Gigafibre
  - 3. INDigital**
    - Delivers digital television via fibre with 700+ television channels, premium value-added services & radio channels
    - Backbone of over 10,000 kms of hybrid fibre optic networks across major cities and metros of India
  - 4. IN Entertainment India Ltd (INE)**
    - Content Development, Financing & Production company with focus on content syndication & Teleshopping



# ONEDigital launch : True Convergence

- **Digital Media business has launched India's first integrated and convergent "combo" product – ONEDigital**
- The product offers customers...
  - *broadband with speeds up to 1,000Mbps*
  - *up to 650 digital SD & HD television channels*
  - *access to over 300,000 hours of international and regional OTT content*
  - *Voice Over IP/Intercom*
  - *building WiFi and*
  - *bespoke CCTV solutions.*
- Service has commenced in Mumbai as Phase I; to be extended to Delhi, Bengaluru and Hyderabad in Phase II in early 2023.
- In parallel, the business has rolled out its training programme for franchisees "**NXT Sangram**". The programme which has covered 500+ franchisees in 7 cities/towns is aimed to upgrade the "digital" skillsets of its 10,000+ franchisees.



# Broadband over satellite : Disruptive model

- Digital Media business has launched its broadband-over-satellite (BoS) solution “NXTSkyFi” through a retail and innovative enterprise model
- First BoS commercial launch in India offering “bundled” solutions –with TATA studi (for education) and JadooZ (for digital direct cinema)
- Service commenced in connectivity-challenged markets including Pulwama (J&K) and Tawang (Arunachal Pradesh).
- First commercial customer operational – delivering 24x7 remote sensor management data via satellite from a solar farm in Ahmednagar.



- Broadband over Satellite complementing fiber where available, to ensure high uptime
- LO charges for BoS, with earning from “bundles” providing higher ARPU



- Leveraging partnership with JadooZ Cinema to offer superior “interactive” environment for learning
- Leveraging our vast network and franchisees for sales & support



- Providing “differential services” beyond passive broadband infrastructure.
- Std. 10 Crash Course launched in Tawang & Pulwama
- Std. 8/9/10<sup>Th</sup> regular program to follow.

# Digital Media business ends Q2 FY2023 with strong KPIs

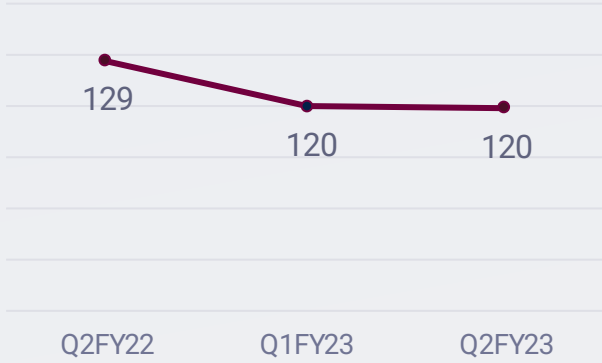
## Subscriber Base (Digital Video)

(in millions)



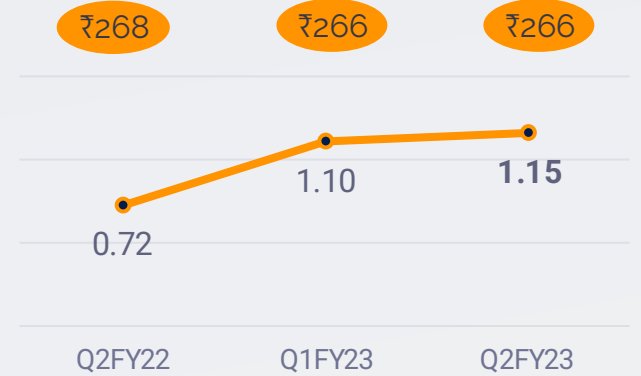
## Digital Video ARPUs

(Exit ARPU in ₹)

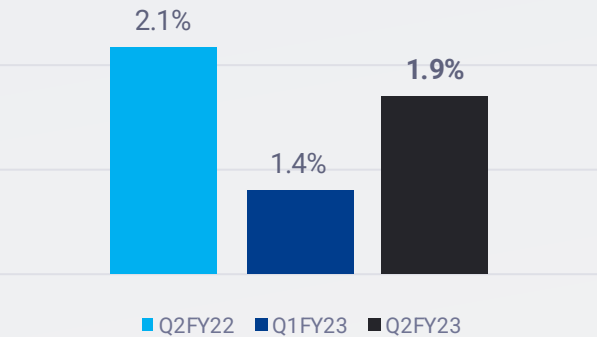


## Broadband Subscriber Base & ARPUs

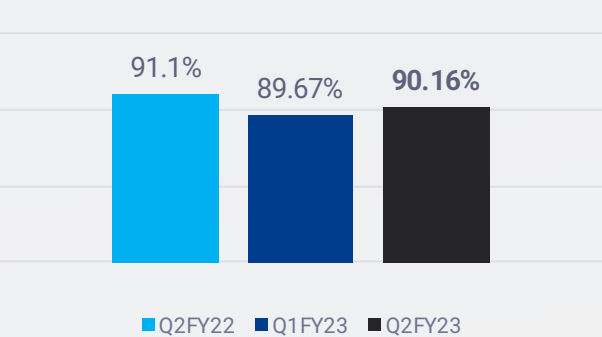
(in millions & exit ARPU in ₹)



## 90-day Net Churn



## Same Month Renewal



ARPU ~ Average Revenue Per User



# **Q2 and H1 FY2023 – Overall Performance Update**

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**Partha DeSarkar**

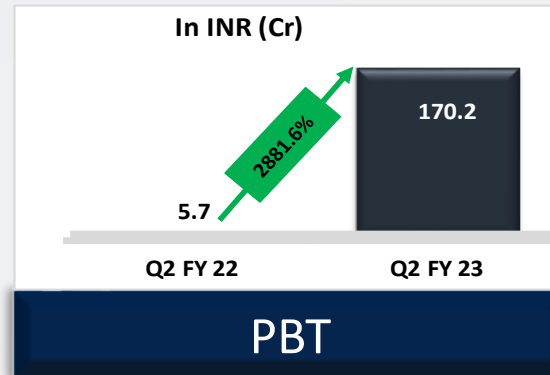
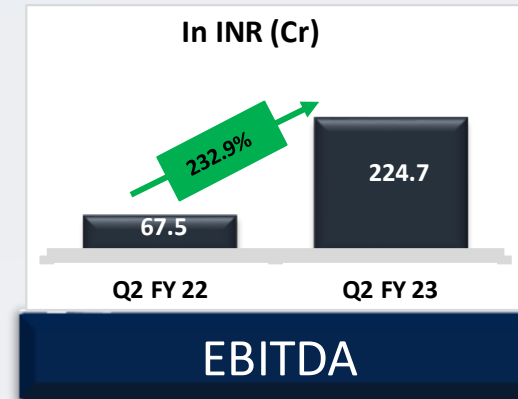
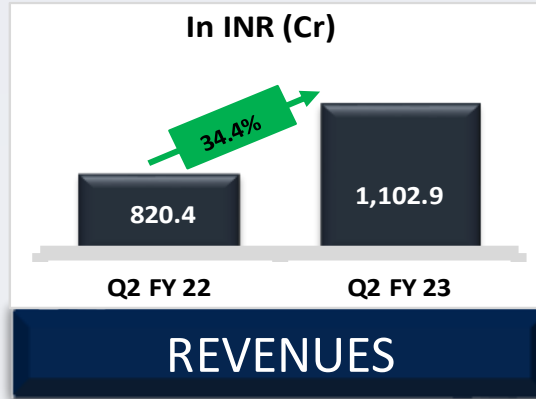
# Highlights from HGS' Q2 FY2023 performance

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- Reporting combined results of the BPM and Digital Media businesses for the first time
- Strong consolidated revenue growth of **25.0%** YoY
- **34.4%** YoY revenue growth in the BPM business
- Consolidated net profit of **Rs. 238.9 cr**, up **118.1%** YoY
- HGS announced Second Interim Dividend of Rs 5/ share to its shareholders; Dividend outgo of Rs. **26.2 cr**
- BPM business added **2** new delivery hubs in Mysuru, India and Belfast in the UK
- Digital Media business – launched **100<sup>th</sup>** owned-and-operated NXTHUB; continues to be the growth driver for broadband, digital television and OTT solutions

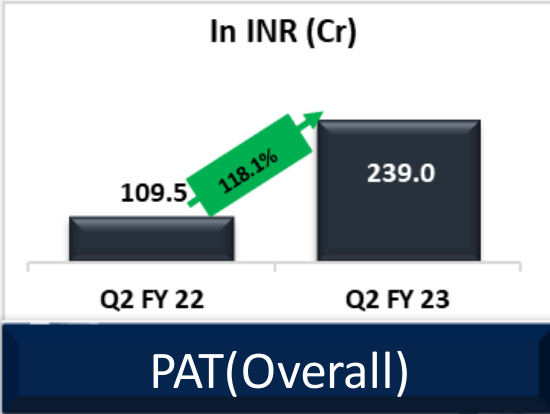
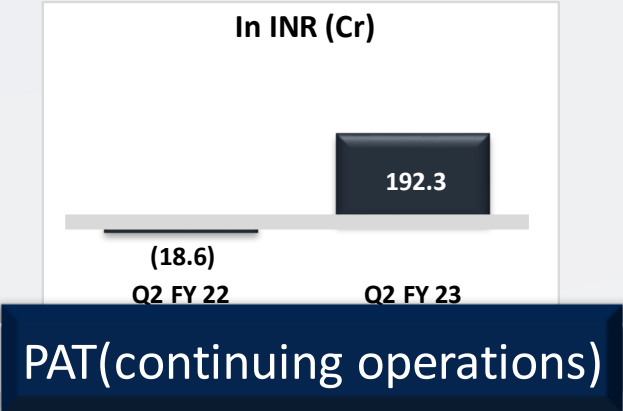
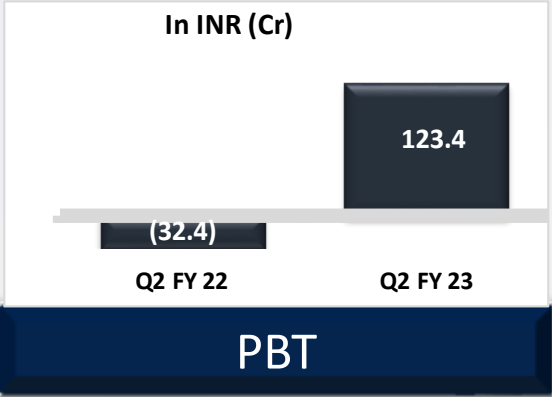
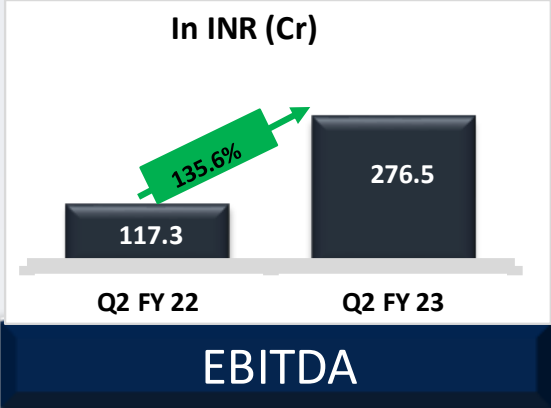
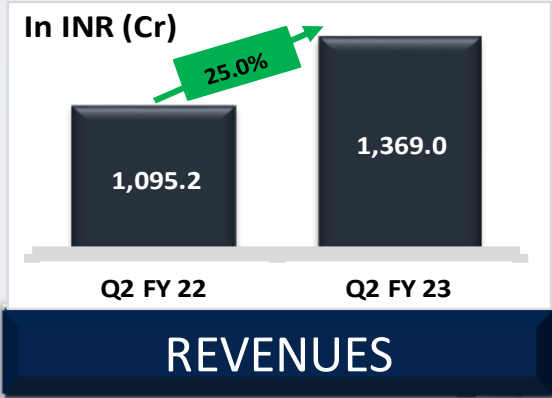
# Financials – Q2 FY2023 (BPM Business)



\* EBITDA includes Other Income

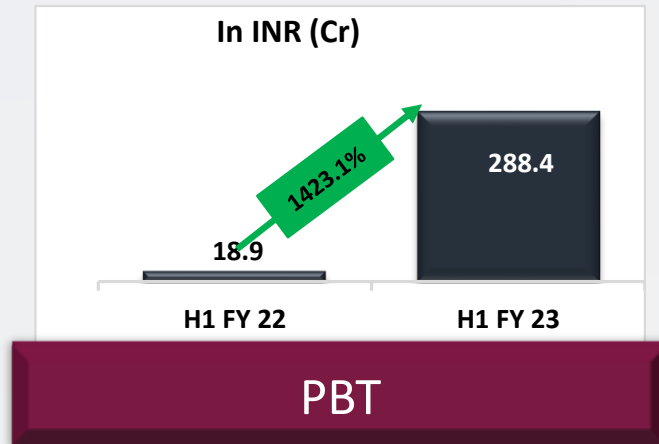
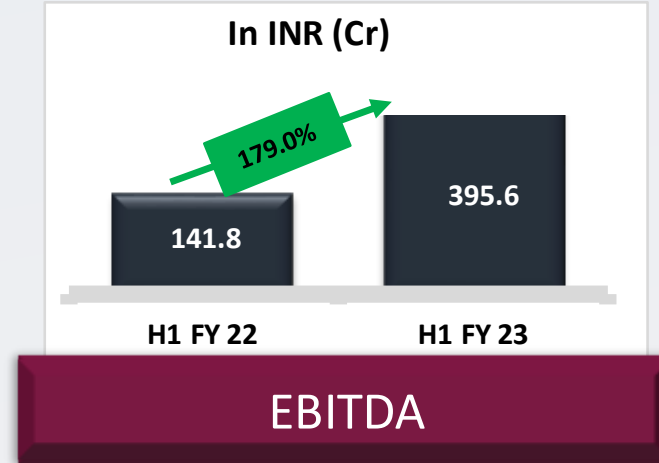
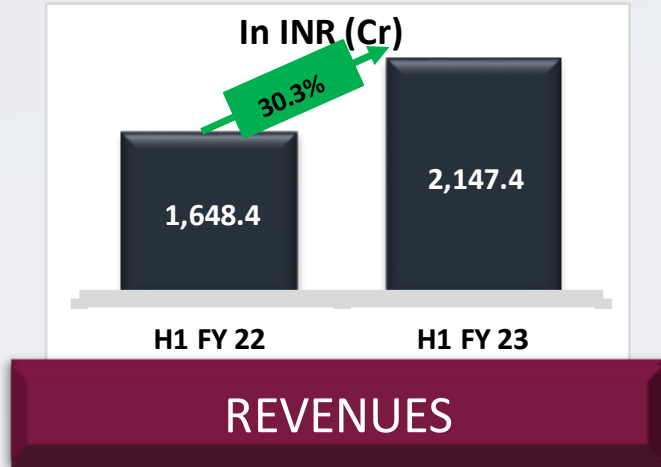


# Financials – Q2 FY2023 (Overall incl. Digital Media Business)



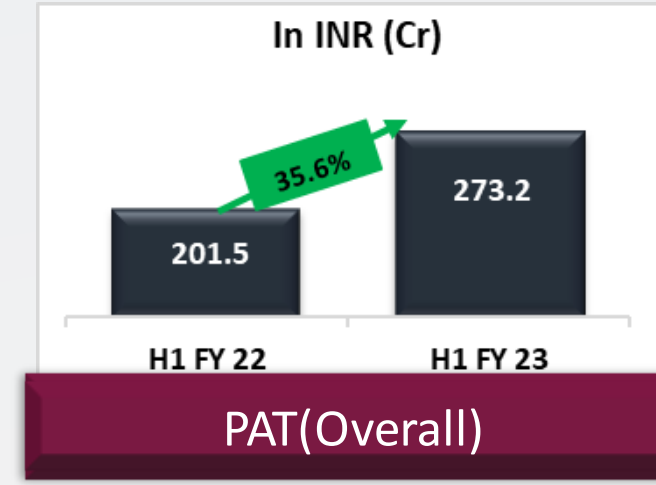
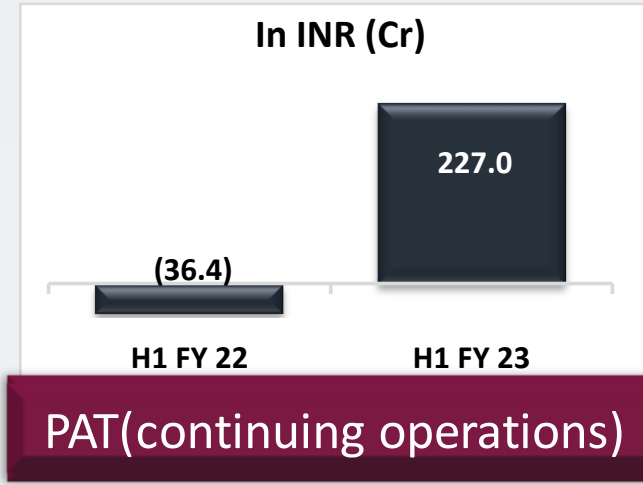
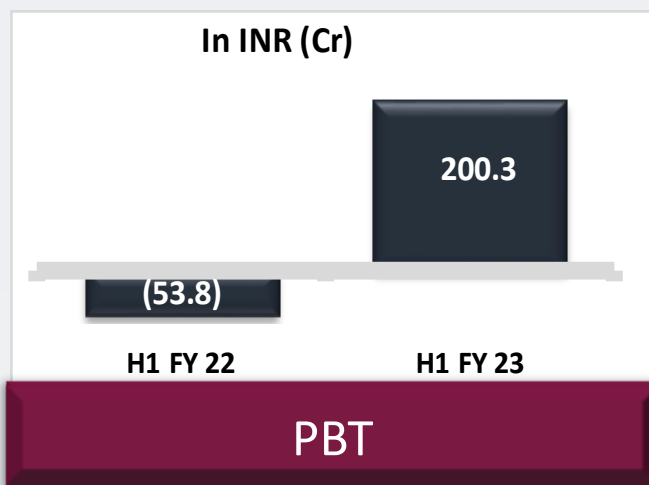
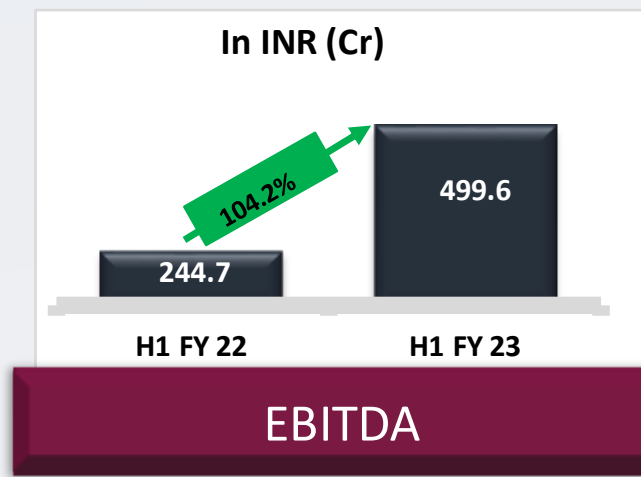
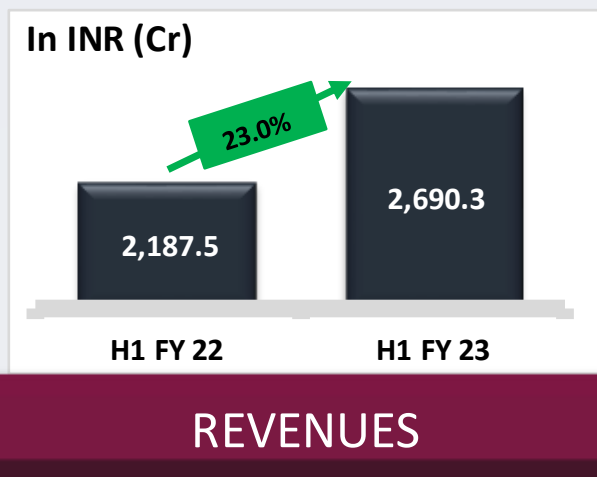
\* EBITDA includes Other Income

# Financials – H1 FY2023 (BPM Business)



*\*Note: All nos. are for HGS' retained business comprising its digital-enabled customer experience (CX) solutions and HRO/ payroll businesses.*

# Financials – H1 FY2023 (Overall incl. Digital Media Business)



# Overall good performance in CES business

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- Onshore: US, Canada and UK saw steady growth. Added 854 employees in the UK in Q2
- Offshore: India, Philippines and Jamaica showed strong growth, especially from existing accounts
- Expansion with 2 new centers – Mysuru (India) and Belfast (UK) to meet increased demand
- Continue to rationalize real estate footprint – closed four centers in Canada
- Setting up operations in Colombia in Q3
- Diversify continues to do well; won nine new logos since April 2022



# Digital Solutions business continues its strong momentum

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- Grew revenues by 63% YoY
- Cloud & Security and Digital Experience practices expanded significantly
- In September quarter, we signed 28 digital-led engagements across existing and new clients
- Pipeline looks healthy
- Rolled out HGS Agent X, a new AI-powered cloud contact center software; Witnessing interest from several clients



# Looking ahead

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## **BPM business:**

- Seen good performance in H1 FY2023; cautiously optimistic for H2
- Some headwinds in certain segments like UK Public Sector
- Demand for Offshore business remains strong
- Continued efforts to drive improved margins
- Focus on –
  - Winning new clients through an integrated sales strategy
  - Hunting for more digital-led client engagements
  - Exploring acquisitions to strengthen digital capabilities and geo expansion

## **Digital Media business:**

- Integrate and drive synergies – people, technology and domain (eg: Cloud, security, digital CX, content, etc.)
- Scheduled to rollout NXTPLAY – its content aggregator app shortly, providing access to international and regional content



# Financial Update

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**Srinivas Palakodeti**

# Q2 FY2023 performance : HGS BPM+ Digital Media

## Quarter Performance - Consolidated

Figures in INR Cr unless otherwise indicated

	Actual QE Sep 22	Actual QE June 22	QoQ Growth %	Actual QE Sep 21	YoY Growth %
<b>Total Revenue (In \$ Mn)</b>	<b>\$171.0</b>	<b>\$170.0</b>	↑ 0.6%	<b>\$148.3</b>	↑ 15.3%
Revenue from Operations	₹ 1,167.5	₹ 1,148.7	↑ 1.6%	₹ 1,066.3	↑ 9.5%
Other Income	₹ 201.4	₹ 172.6		₹ 28.9	
<b>Total Revenue</b>	<b>₹ 1,369.0</b>	<b>₹ 1,321.3</b>	↑ <b>3.6%</b>	<b>₹ 1,095.2</b>	↑ <b>25.0%</b>
EBITDA(Incl. Other Income)	₹ 276.5	₹ 223.2	↑ 23.9%	₹ 117.3	↑ 135.6%
EBITDA %(Incl. Other Income)	20.2%	16.9%		10.7%	
Depreciation & Amortization	₹ 117.6	₹ 106.2		₹ 85.0	
Interest Expense	₹ 35.5	₹ 40.0		₹ 39.9	
Exceptional Items	₹ 0.0	₹ 0.0		₹ 24.8	
<b>PBT</b>	<b>₹ 123.4</b>	<b>₹ 76.9</b>	↑ <b>60.4%</b>	<b>-₹ 32.4</b>	
Tax	-₹ 68.9	₹ 42.2		-₹ 13.8	
<b>PAT from Continuing Operations</b>	<b>₹ 192.3</b>	<b>₹ 34.7</b>	↑ <b>453.9%</b>	<b>-₹ 18.6</b>	
PAT from Discontinued Operations	₹ 46.7	-₹ 0.5		₹ 128.2	
<b>Total PAT</b>	<b>₹ 239.0</b>	<b>₹ 34.2</b>	↑ <b>598.4%</b>	<b>₹ 109.5</b>	↑ <b>118.1%</b>
<b>Exchange Rate</b>	<b>80.06</b>	<b>77.73</b>		<b>73.85</b>	



# H1 FY2023 performance : HGS BPM + Digital Media

## Half Yearly Performance - Consolidated

Figures in INR Cr unless otherwise indicated

	Actual H1 FY 23	Actual H1 FY 22	Variance %
<b>Total Revenue (In \$ Mn)</b>	\$ 341.0	\$ 296.7	↑ 14.9%
Revenue from Operations	₹ 2,316.2	₹ 2,112.4	↑ 9.6%
Other Income	₹ 374.1	₹ 75.1	
<b>Total Revenue</b>	₹ 2,690	₹ 2,188	↑ 23.0%
EBITDA	₹ 499.6	₹ 244.7	↑ 104.2%
EBITDA %	18.6%	11.2%	
Depreciation	₹ 223.8	₹ 169.9	
Interest Expense	₹ 75.5	₹ 79.5	
Exceptional Items	₹ -	₹ 49.1	
<b>PBT</b>	₹ 200.3	₹ -53.8	
Tax	₹ -26.7	₹ -17.4	
<b>PAT from Continuing Operations</b>	₹ 227.0	₹ -36.4	
PAT from Discontinued Operations	₹ 46.2	₹ 237.9	
<b>Total PAT</b>	₹ 273.2	₹ 201.5	
<b>Exchange Rate</b>	<b>78.90</b>	<b>73.73</b>	

# Summary Financial Profile

Particulars	HGSL(Incl Digital Media)	
	<i>in INR Cr (Except per share data)</i>	<i>in USD Mn (Except per share data)</i>
<b>Shareholder's Fund</b>	8,602.4	1,057.1
<b>Book value per share</b>	1,639.0	20.1
<b>Price per share</b>	1,253.5	15.4
<b>Dividend per share</b>	5.0	0.06
<b>EPS (TTM)*</b>	44.1	0.5
<b>P/E Ratio (TTM)</b>	28.4	28.4
<b>Gross Debt</b>	638.5	78.5
<b>Total Cash</b>	2,310.9	284.0
<b>Net Cash</b>	1,672.5	205.5

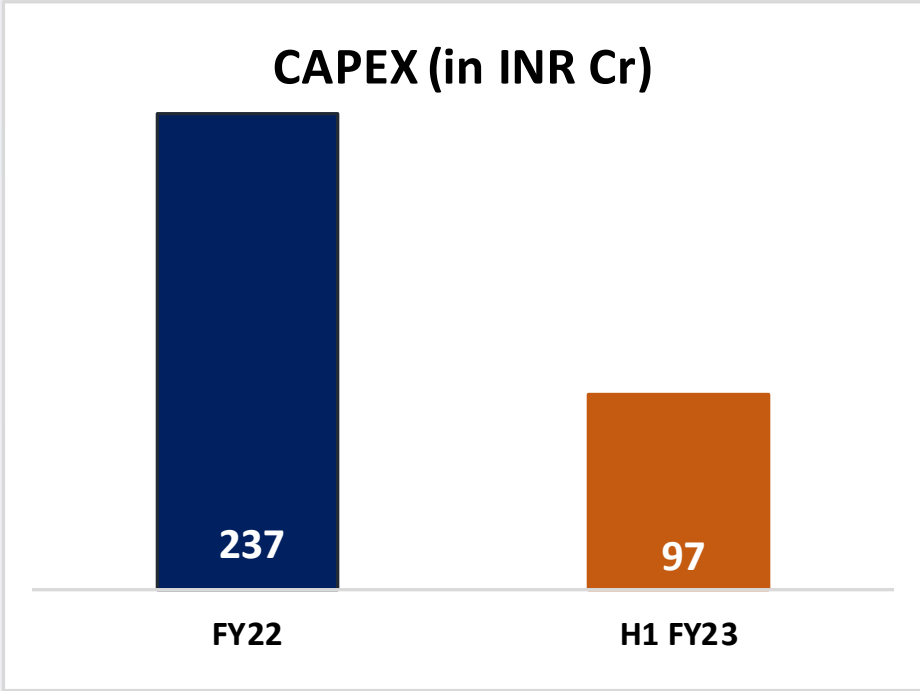
\* This is Basic EPS for continued operations including Digital Media Business

# Debt & Treasury Snapshot : BPM + Digital Media Business

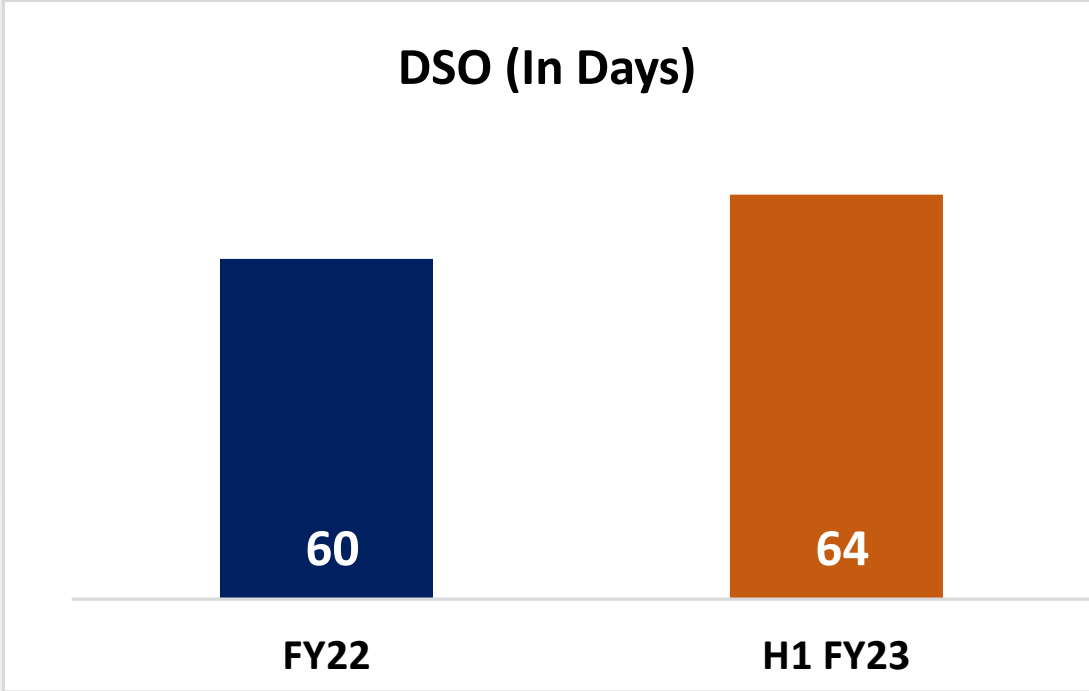
As on 30 <sup>th</sup> Sep 2022 (In INR Cr)	
Debt*	639
Short Term Loans given	2575
Cash	2,311
Debt Investments	2,645

- \*Debt represents Bank Borrowings & ICDs taken

# Other Key Parameters



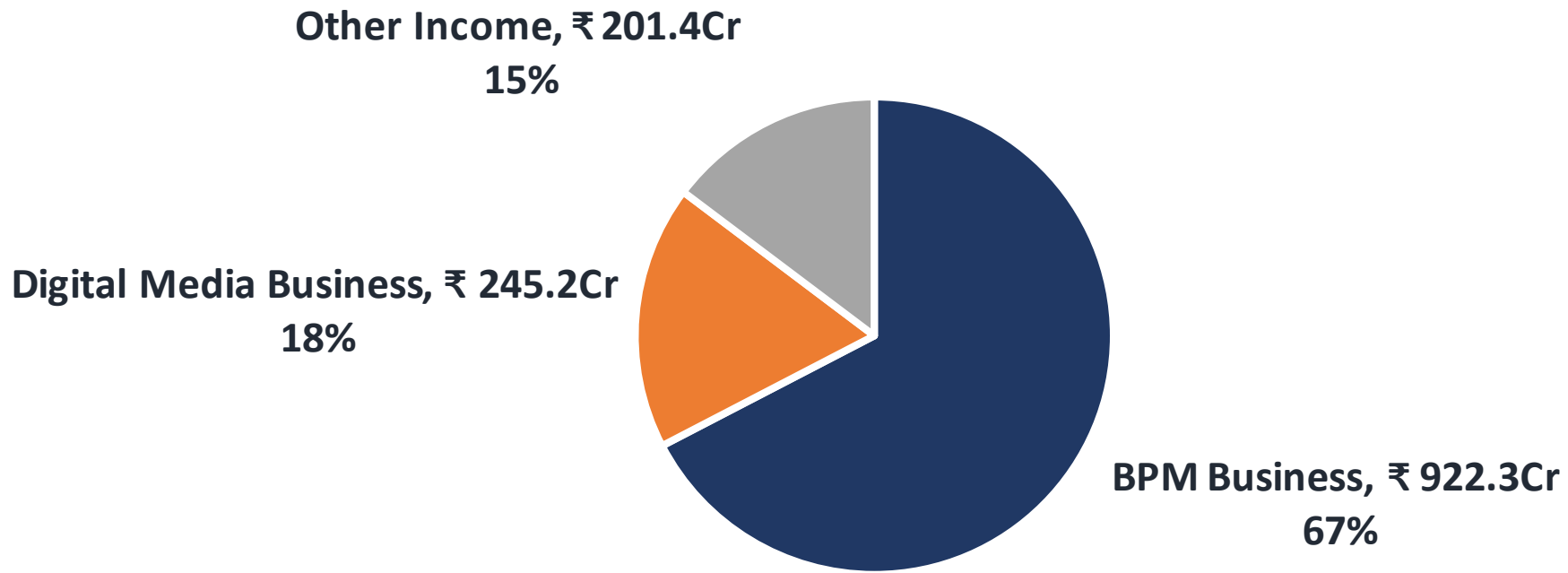
*FY22 include capex for the erstwhile healthcare business.  
H1 FY23 include capex for the NDL Media Business*



*DSO – Overall, includes BPM and Digital Media businesses*

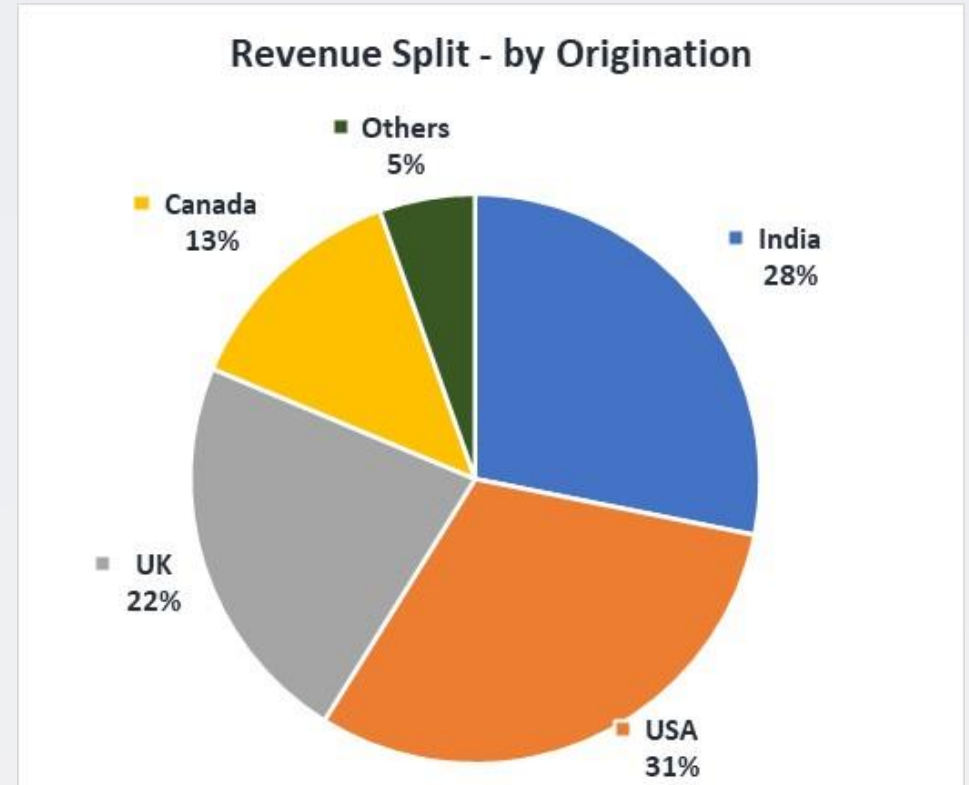
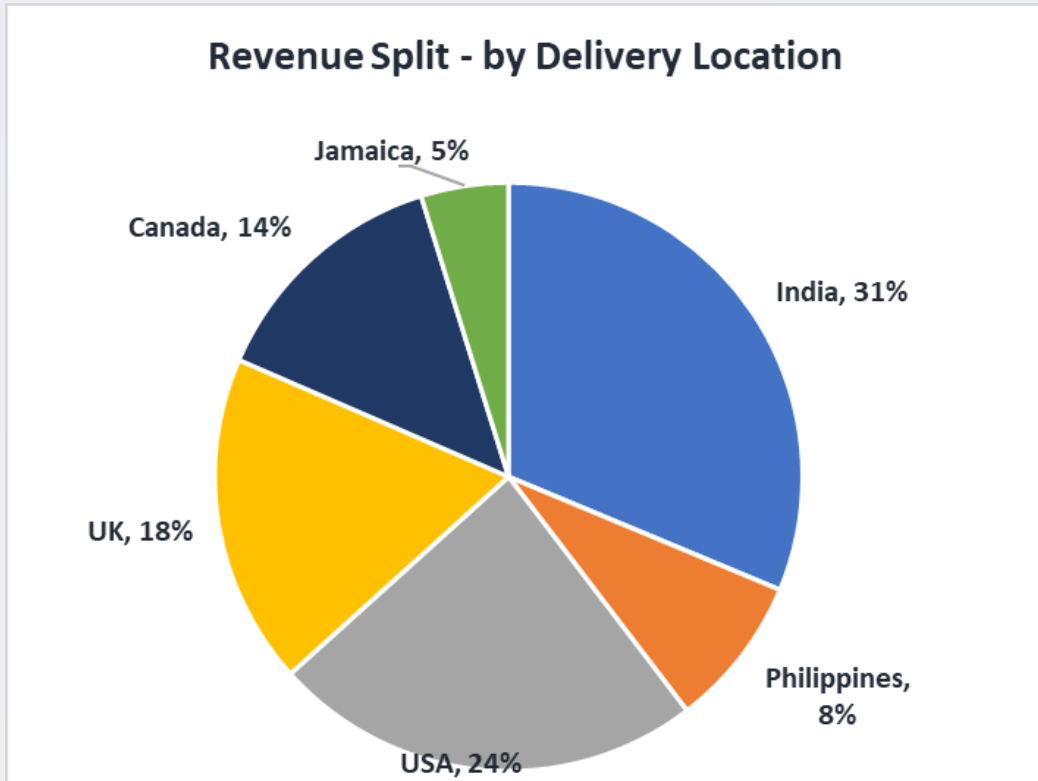
# Revenue Composition by Source

## Revenue Split by Source



**Q2 FY2023**

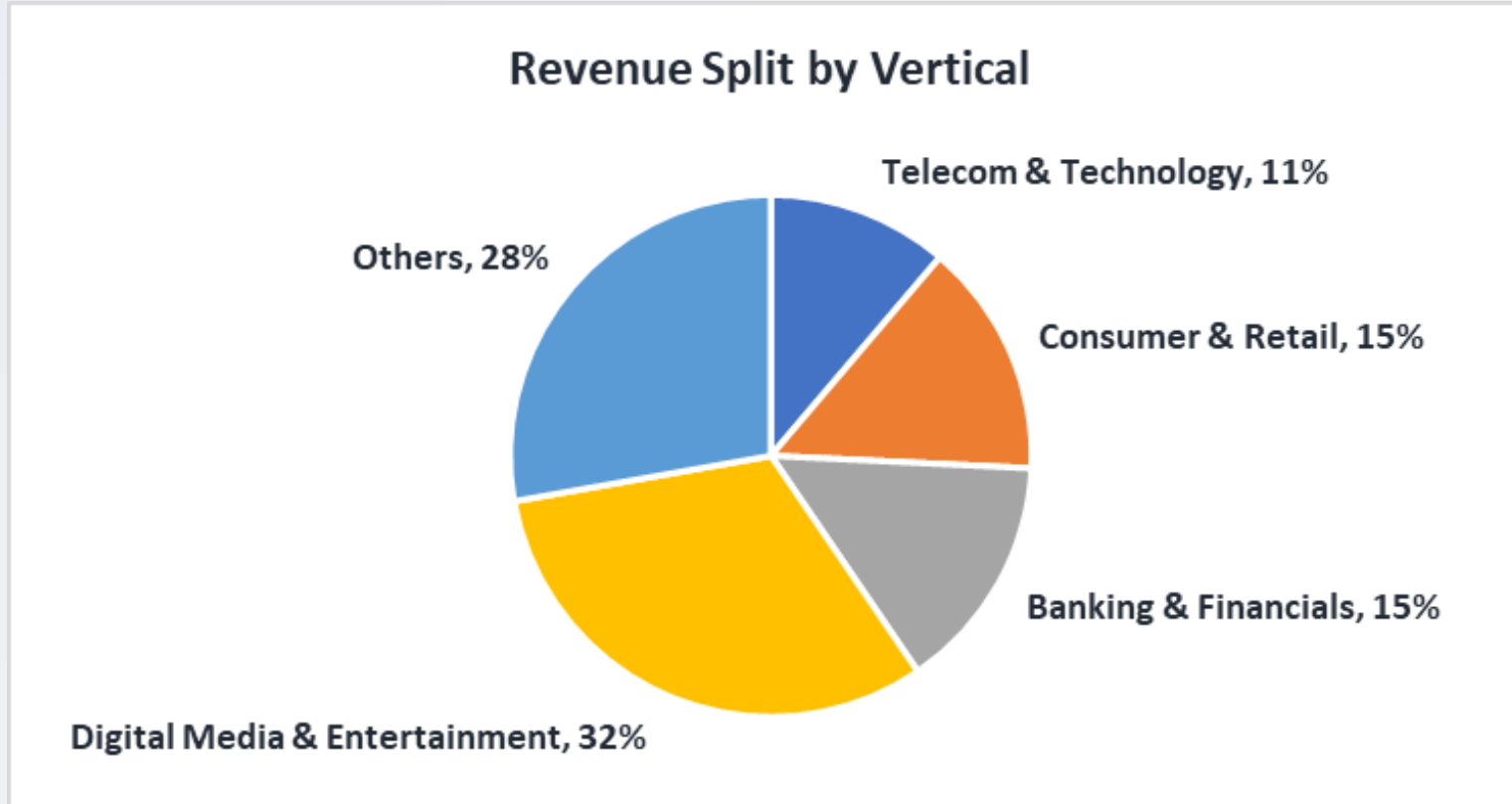
# Operating Revenue Composition of Rs. 1,167.5 Cr



**Q2 FY2023**

- *Others Include revenues originated from Philippines, Jamaica & Diversify*

# Operating Revenue (Rs.1,167.5 Cr) Split by Vertical

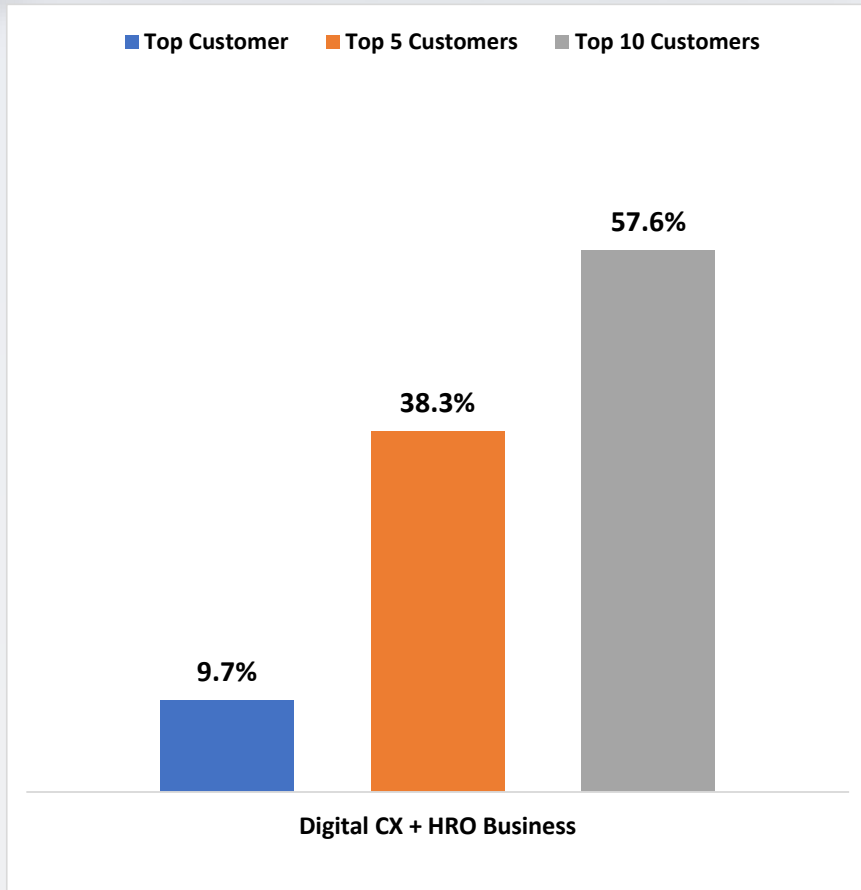


**Q2 FY2023**

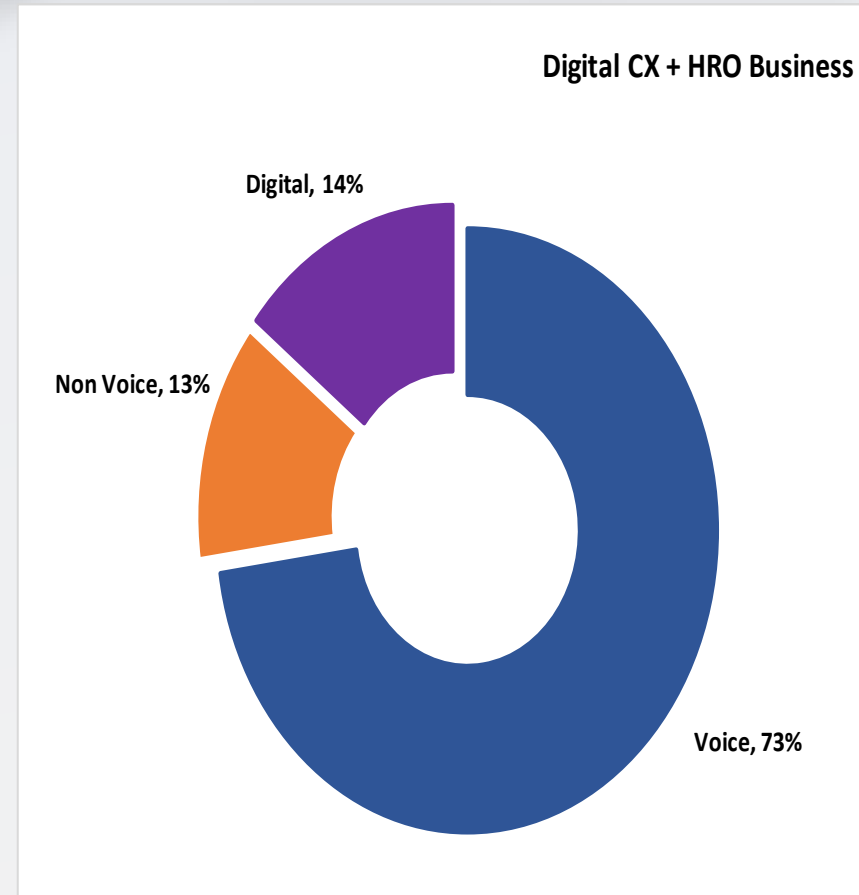
# Revenue Profile for BPM Business



## Client Concentration



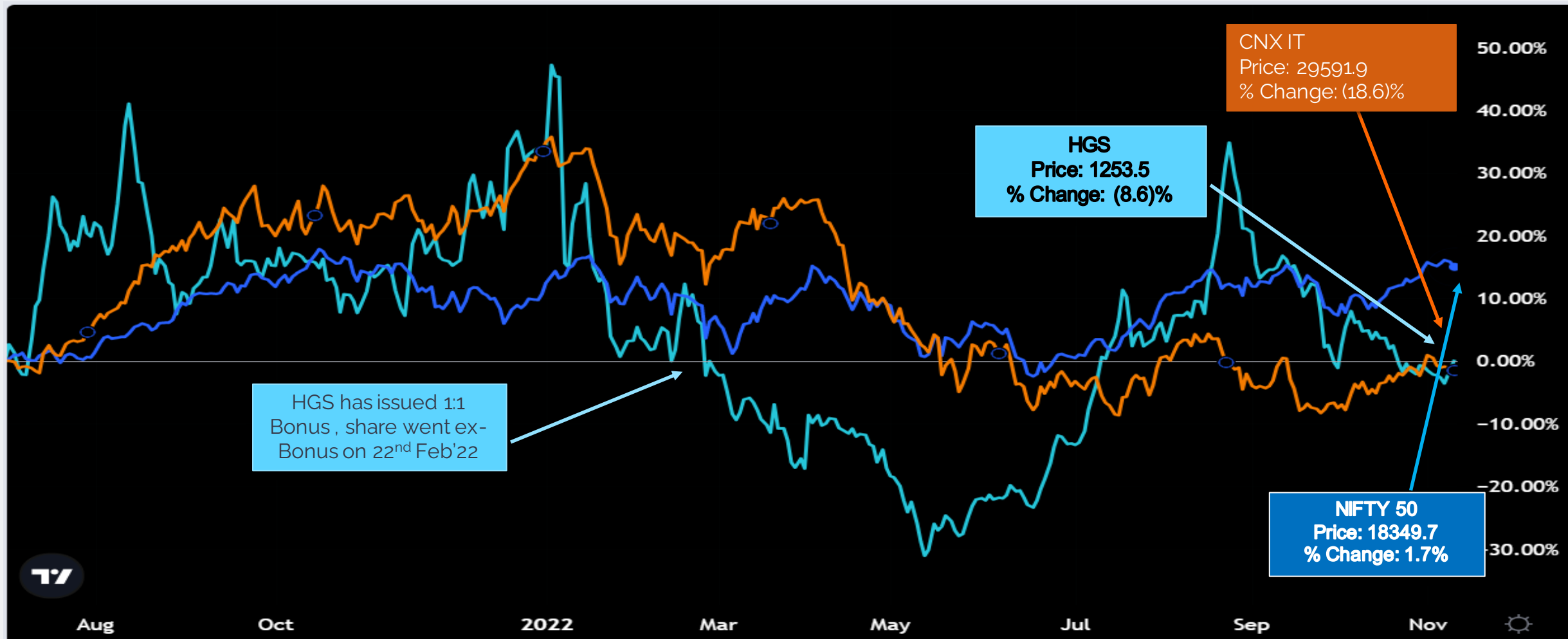
## Channel Mix



**Q2 FY2023**



# HGS Share : Performance vs CNXIT and NIFTY 50





**Thank You**

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[investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com)