

November 16, 2021

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,

**Sub: Q2 & H1FY22 Earnings Call Presentation**

This has reference to our letter dated November 9, 2021.

We wish to attach herewith the presentation being made at the today's Conference Call. The same is being 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 Singh**  
**Company Secretary**

Encl : As above



# HGS Earnings Call Presentation

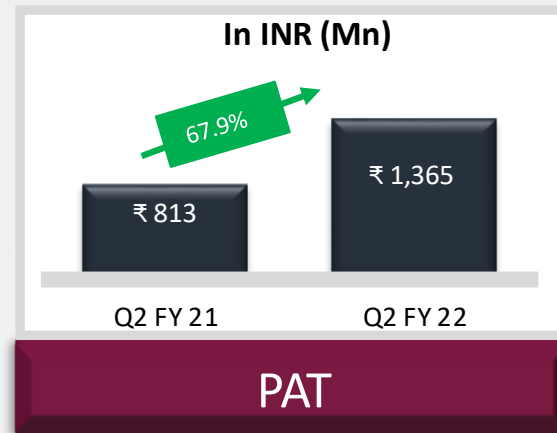
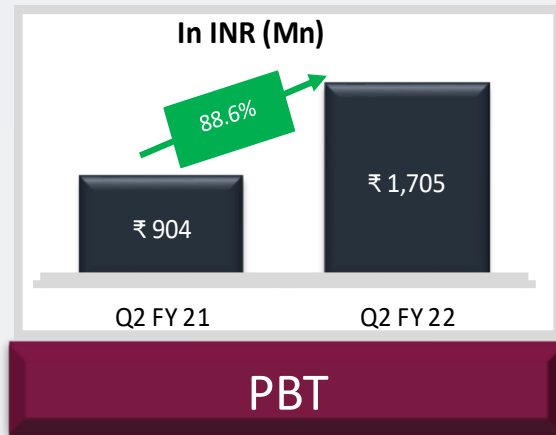
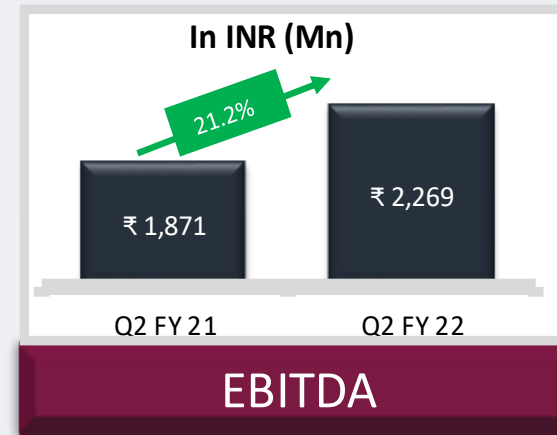
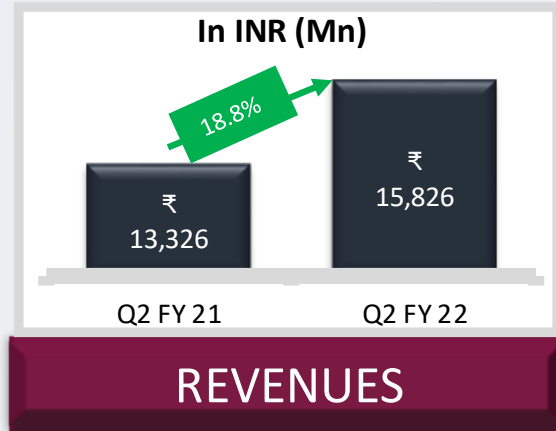
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Q2 and H1 FY2022

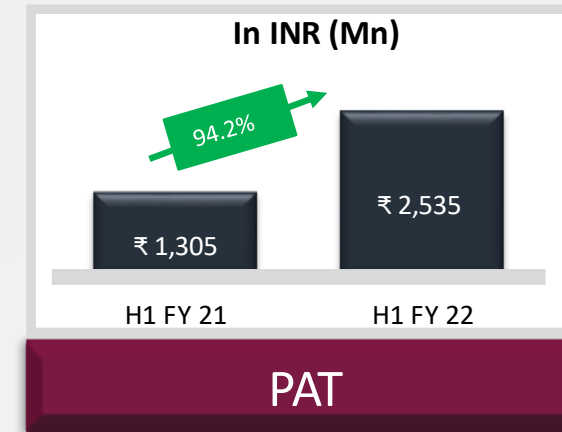
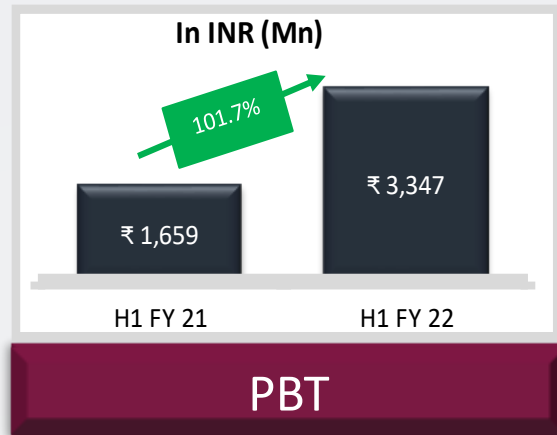
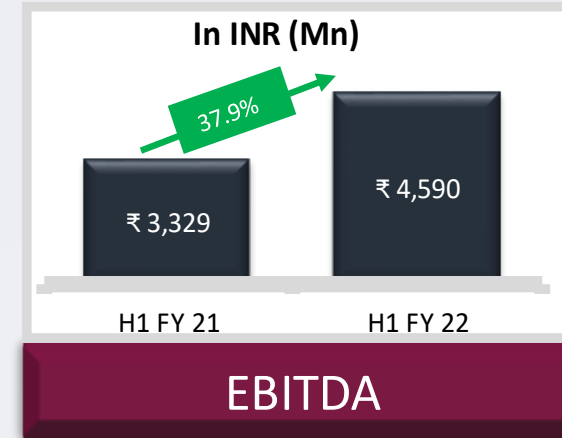
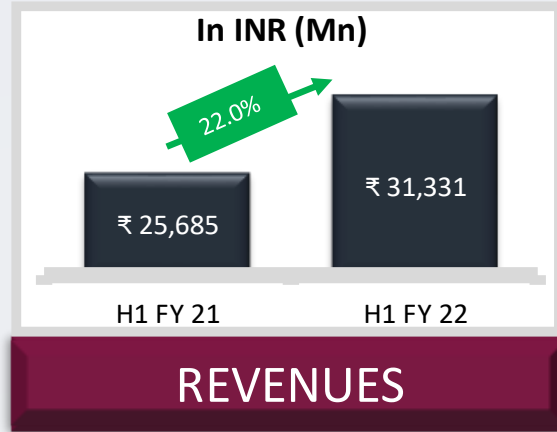
16<sup>th</sup> November 2021

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in the BPM industry including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-timeframe contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Hinduja Global Solutions (HGS) has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. HGS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

# Strong growth for HGS - Q2 FY2022 vs Q2 FY2021



# HGS Performance Summary - H1 FY2022 vs H1 FY2021



# Q2 FY2022: Continuing Our Growth Momentum

- Robust volumes in Healthcare and Public Sector – leading to significant growth and ramp ups
- UK – spectacular performance, Q2 revenue growth of 102% YoY
- Digital business is doing well
  - Signed 14 engagements with new and existing clients for digital services
- Solid traction in client wins
  - Added 10 new logos across verticals for core BPM services and 7 for HRO/ Payroll Processing in Q2
- Hybrid work model continues to help support growth
- Headcount - 46,698 as on September 30, 2021, an increase of 3,929 from last quarter



# Looking ahead – Rest of the Year

- All-round great performance in H1 FY2022
- Strong client demand scenario
- Healthy sales pipeline
  
- Focus on aggressive growth in CES and Digital businesses – revenue, profitability, margins
- Expansion – Setting up two new centers (Jamaica and Northern Ireland (Belfast))
- Continue to reduce debt
- Explore some form of reward for shareholders





# Divestment of the Healthcare Services business

## An Update

- 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).
- 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 AGM 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 Update

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# Q2 FY2022: Compared to Q2 FY2021 and Q1 FY2022



## Quarter Performance - Consolidated

Figures in Mn unless otherwise indicated

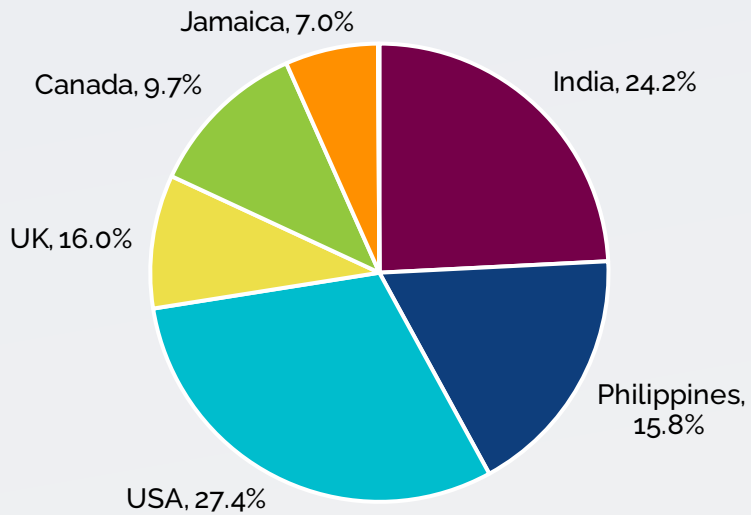
	Actual QE Sept 21	Actual QE June 21	QoQ Growth %	Actual QE Sept 20	YoY Growth %
<b>Total Revenue (In \$ Mn)</b>	\$ 214.3	\$ 210.6	↑ 1.7%	\$ 180.1	↑ 19.0%
Revenue from Operations	₹ 15,826	₹ 15,505	↑ 2.1%	₹ 13,326	↑ 18.8%
Other Operating Revenue	₹ -	₹ -		₹ -	
<b>Total Revenue</b>	₹ 15,826	₹ 15,505	↑ 2.1%	₹ 13,326	↑ 18.8%
EBITDA	₹ 2,269	₹ 2,321	↓ -2.3%	₹ 1,871	↑ 21.2%
EBITDA %	14.3%	15.0%		14.0%	
Depreciation	₹ 758	₹ 759		₹ 745	
Interest Expense	₹ 196	₹ 193		₹ 224	
Other income	₹ 391	₹ 273		₹ 150	
Exceptional Items	₹ -	₹ -		₹ 148	
PBT	₹ 1,705	₹ 1,642	↑ 3.9%	₹ 904	↑ 88.6%
PBT %	10.8%	10.6%		6.8%	
Tax	₹ 340	₹ 472		₹ 91	
PAT	₹ 1,365	₹ 1,170	↑ 16.6%	₹ 813	↑ 67.9%
PAT %	8.6%	7.5%		6.1%	
<b>Exchange Rate</b>	<b>73.85</b>	<b>73.62</b>		<b>74.00</b>	

# H1 FY2022: Compared to H1 FY2021

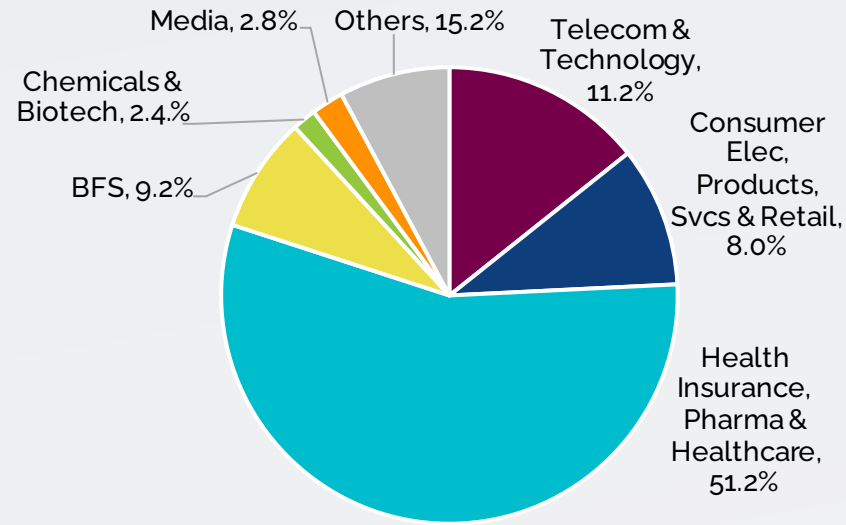
<b>Half Yearly Performance - Consolidated</b>					
<i>Figures in Mn unless otherwise indicated</i>					
	<b>Actual</b>		<b>Actual</b>		<b>Variance</b>
	<b>H1 FY 22</b>		<b>H1 FY 21</b>		<b>%</b>
<b>Total Revenue (In \$ Mn)</b>	\$	<b>424.9</b>	\$	<b>343.8</b>	↑ 23.6%
Revenue from Operations	₹	31,331	₹	25,685	↑ 22.0%
Other Operating Revenue	₹	-	₹	-	
<b>Total Revenue</b>	₹	<b>31,331</b>	₹	<b>25,685</b>	↑ <b>22.0%</b>
EBITDA	₹	4,590	₹	3,329	↑ 37.9%
EBITDA %		14.6%		13.0%	
Depreciation	₹	1,517	₹	1,519	
Interest Expense	₹	390	₹	461	
Other income	₹	664	₹	458	
Exceptional Items	₹	-	₹	148	
PBT	₹	3,347	₹	1,659	↑ 101.7%
PBT %		10.7%		6.5%	
Tax	₹	812	₹	354	
PAT	₹	2,535	₹	1,305	↑ 94.2%
PAT %		8.1%		5.1%	
<b>Exchange Rate</b>		<b>73.73</b>		<b>74.71</b>	

# Revenue Composition – Healthcare vertical continues to grow, UK is now second-largest market by origination

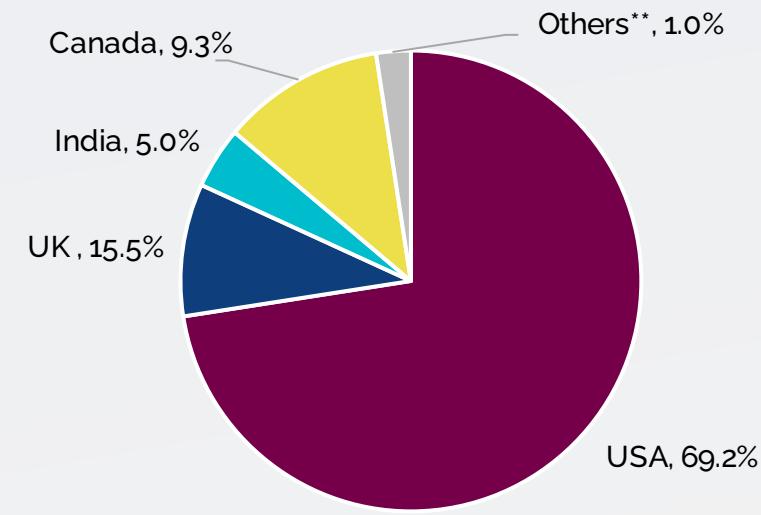
**Revenue Split - by Delivery Location**



**Revenue Split - by Vertical\***



**Revenue by Origination**



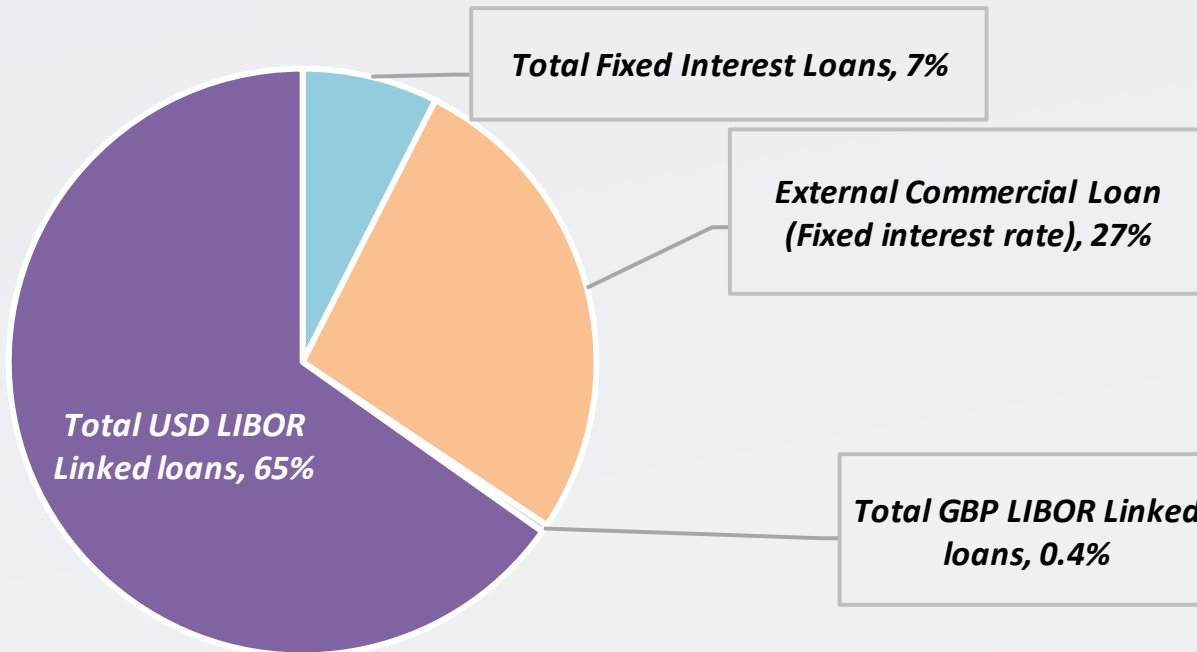
**Fig. as on H1 FY2022**

\* FY 2022, Some of the Healthcare vertical clients do not the part of Sale of Healthcare Business has been reclassified to Others

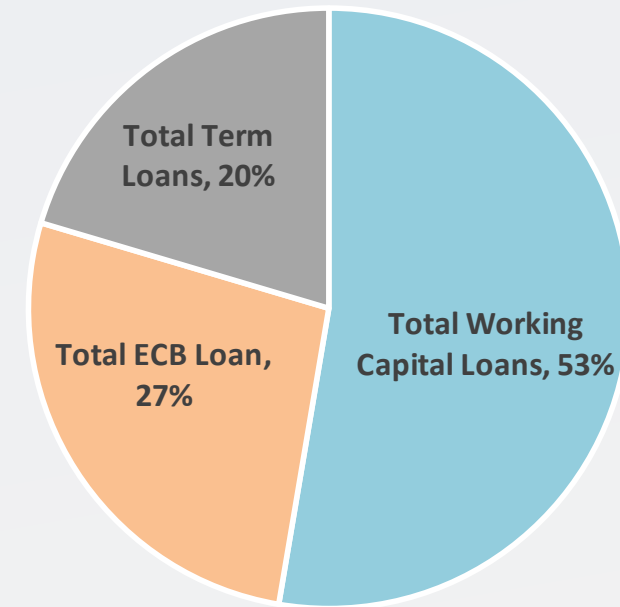
\*\* Others Include revenues originated from Philippines, Jamaica & MENA

# As on Sept 30, 2021: Debt of Rs 3,445 mn: 47% are Term Loans

### Consolidated Debt description by Type

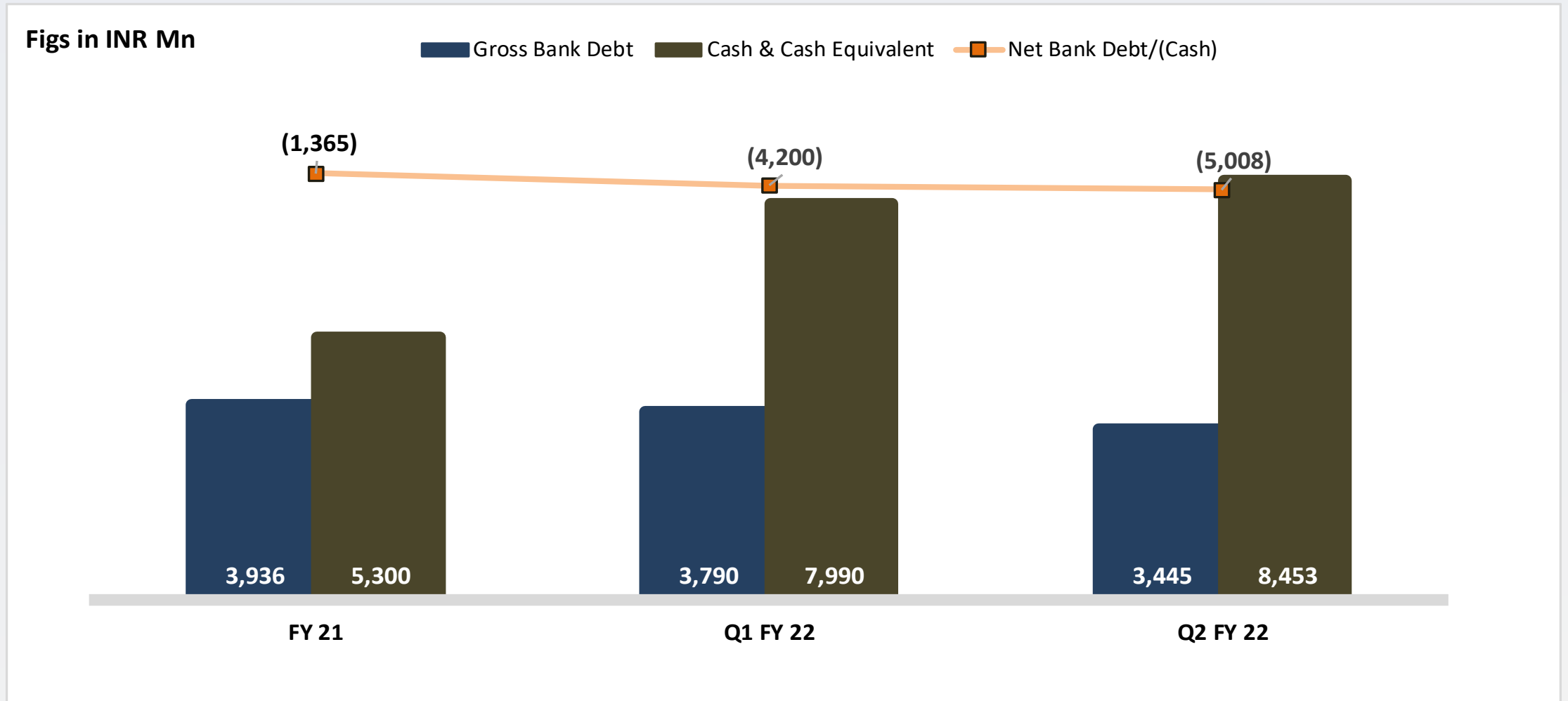


### Consolidated Debt description by Categories



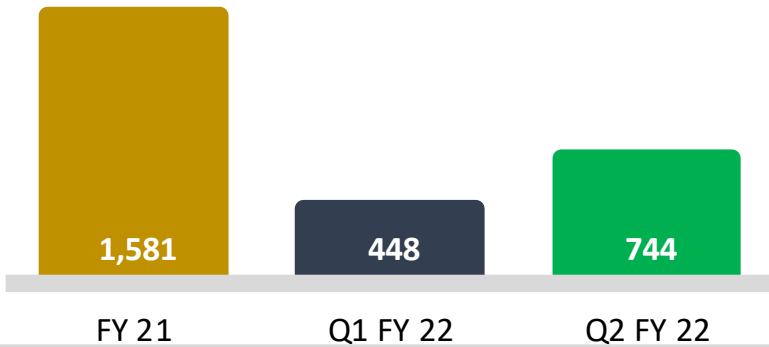
- As on Sept 30, 2021: Total debt stood at Rs 3,445 Mn, i.e., US\$ 46.4 Mn
- As on June 30, 2021: Total debt stood at Rs 3,790 Mn, i.e., US\$ 51.0 Mn

# Debt reduction of Rs 491 mn in H1 FY22



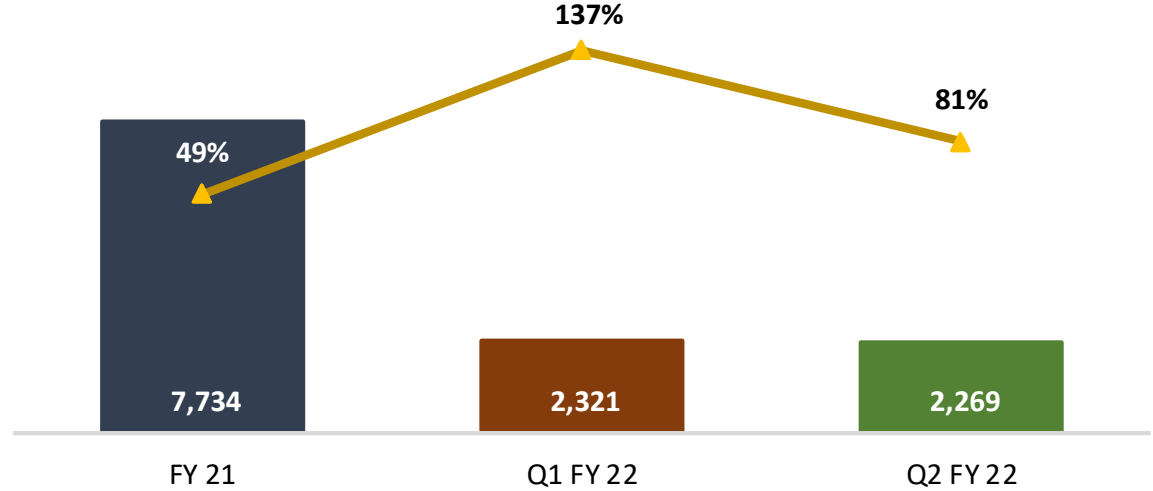
# Strong Cash Flow Generation, Increasing ROCE

CAPEX (in INR Mn)

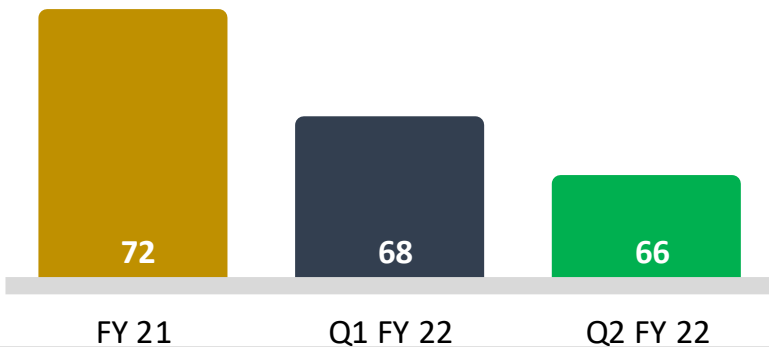


**Free Cash Flow to EBITDA**

Fig. in INR Mn

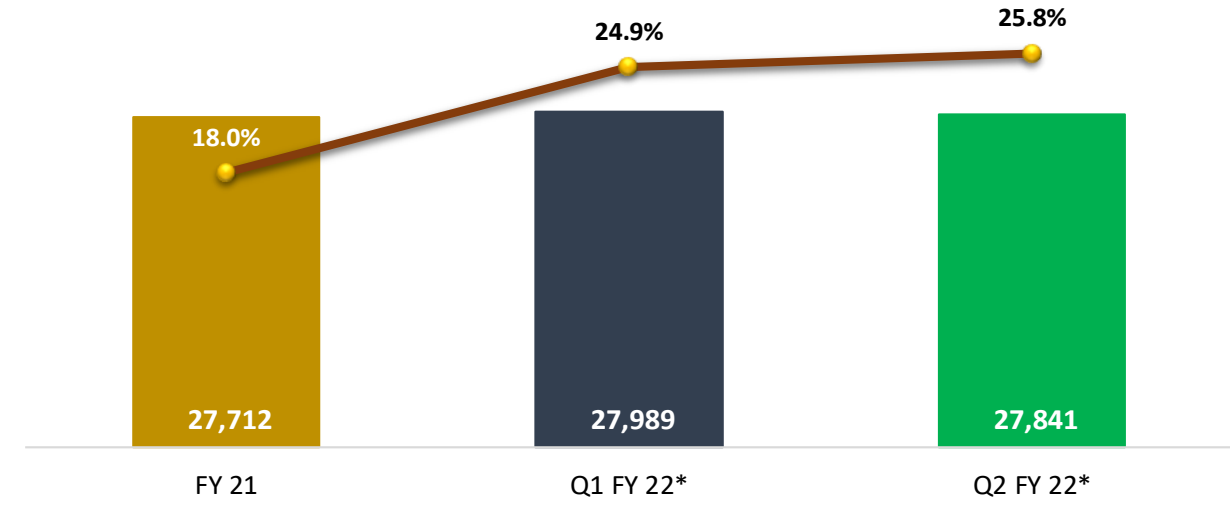


DSO (In Days)



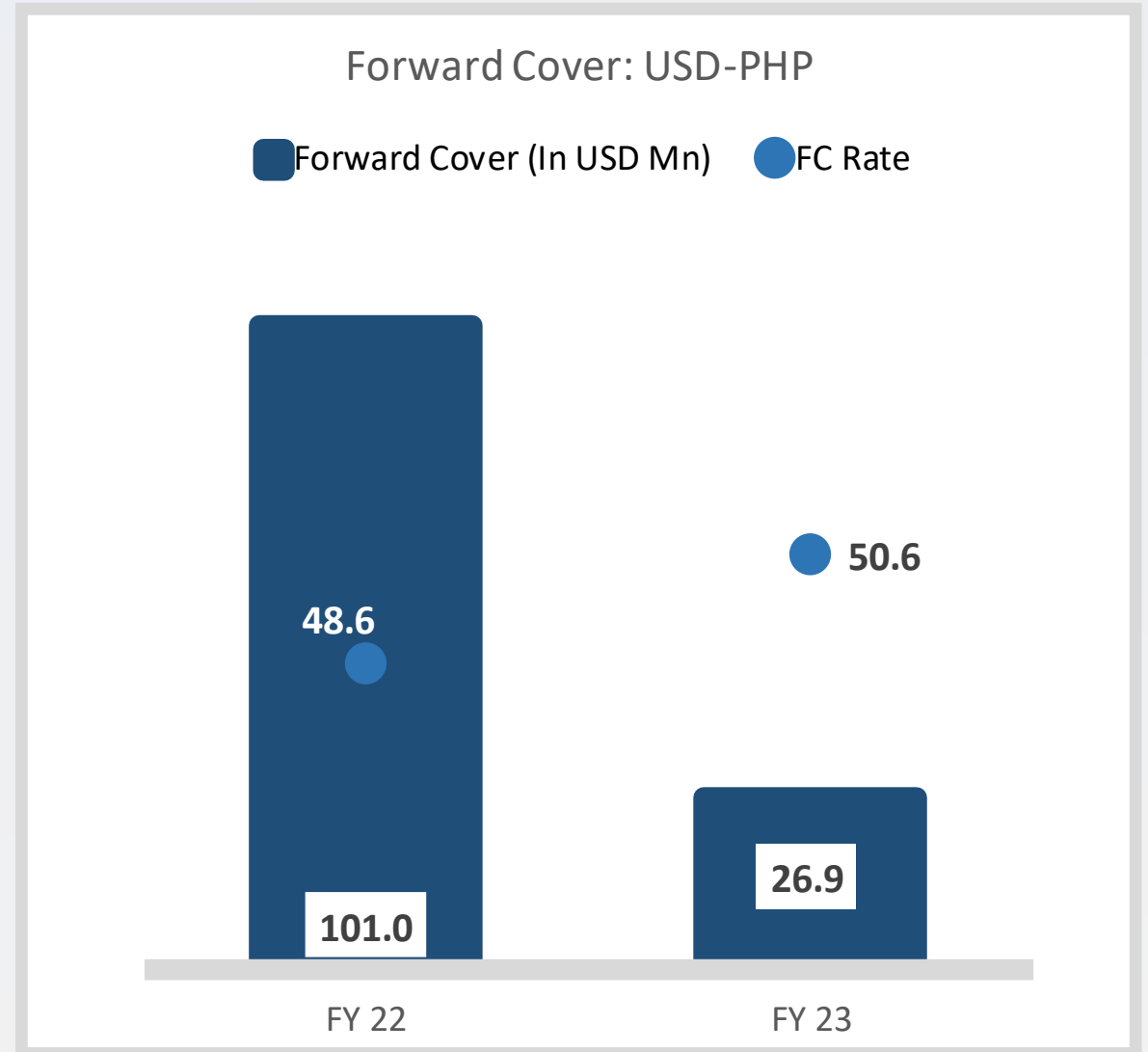
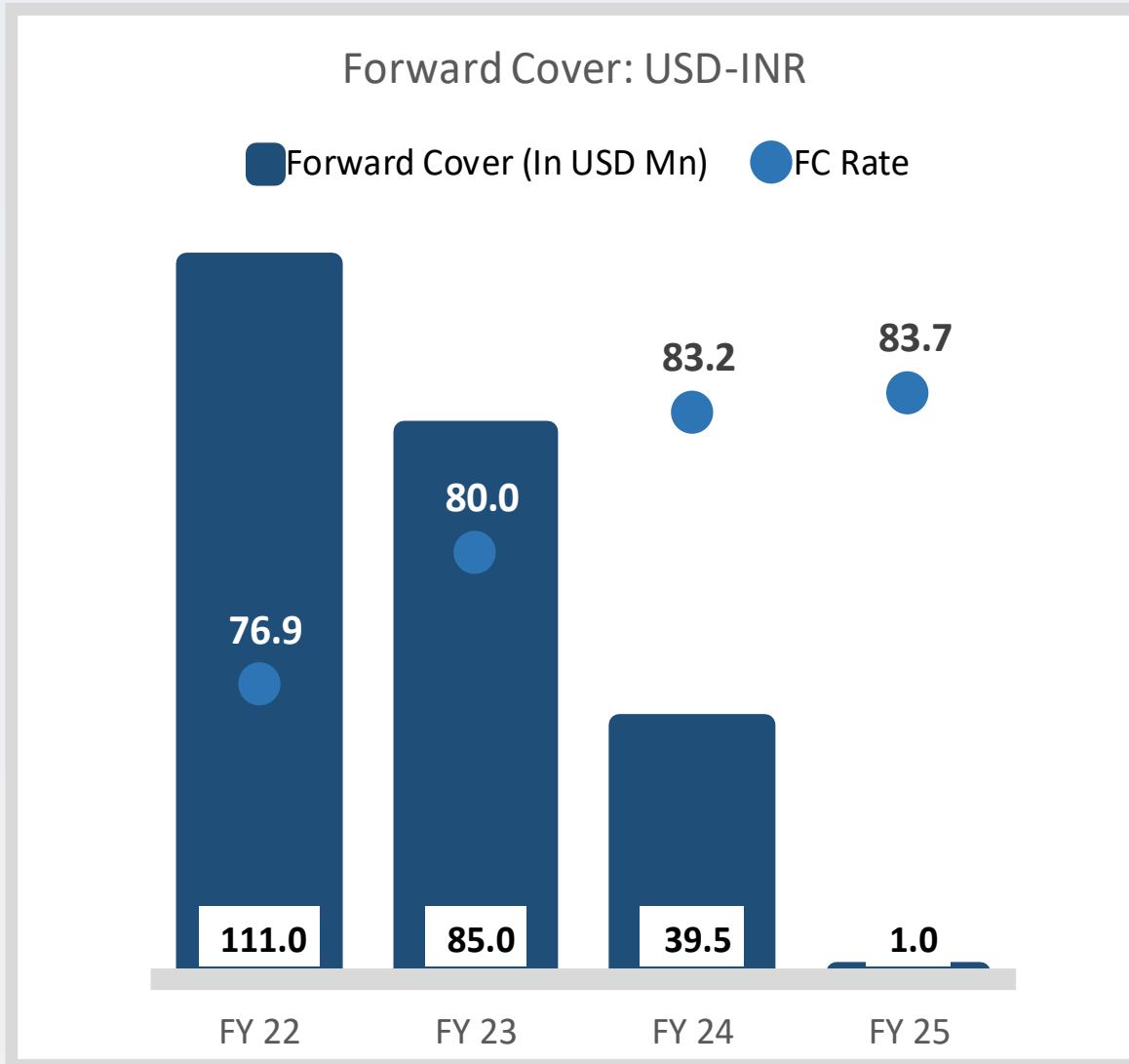
**Business ROCE**

Average Capital Employed (INR Mn)      Business ROCE %





# Forward Cover: USD-INR & USD-PHP



# Summary Financial Profile – As on 12th November 2021



Particulars	HGSL	
	Rs.	USD
Net Worth <i>(in millions)</i>	22,601	304.6
Book value per share	1,082	14.6
Price per share	2,765.0	37.2
Dividend per share	17.0	0.23
EPS (TTM)	219.8	3.0
P/E Ratio (TTM)	12.6	12.6
Gross Debt <i>(in millions)</i>	3,445	46.4
Total Cash <i>(in millions)</i>	8,453	113.9
Net Debt (Net Cash) <i>(in millions)</i>	(5,008)	(67.5)
Gross Debt / Equity	0.15x	0.15x

- P/E calculated as per CMP of Rs 2,765.0 (November 12, 2021)
- USD/INR exchange rate
 

73.64	for the TTM
74.19	month end-Sept
74.41	Spot Rate-Today
- Total Debt includes foreign currency debt taken at applicable exchange rates

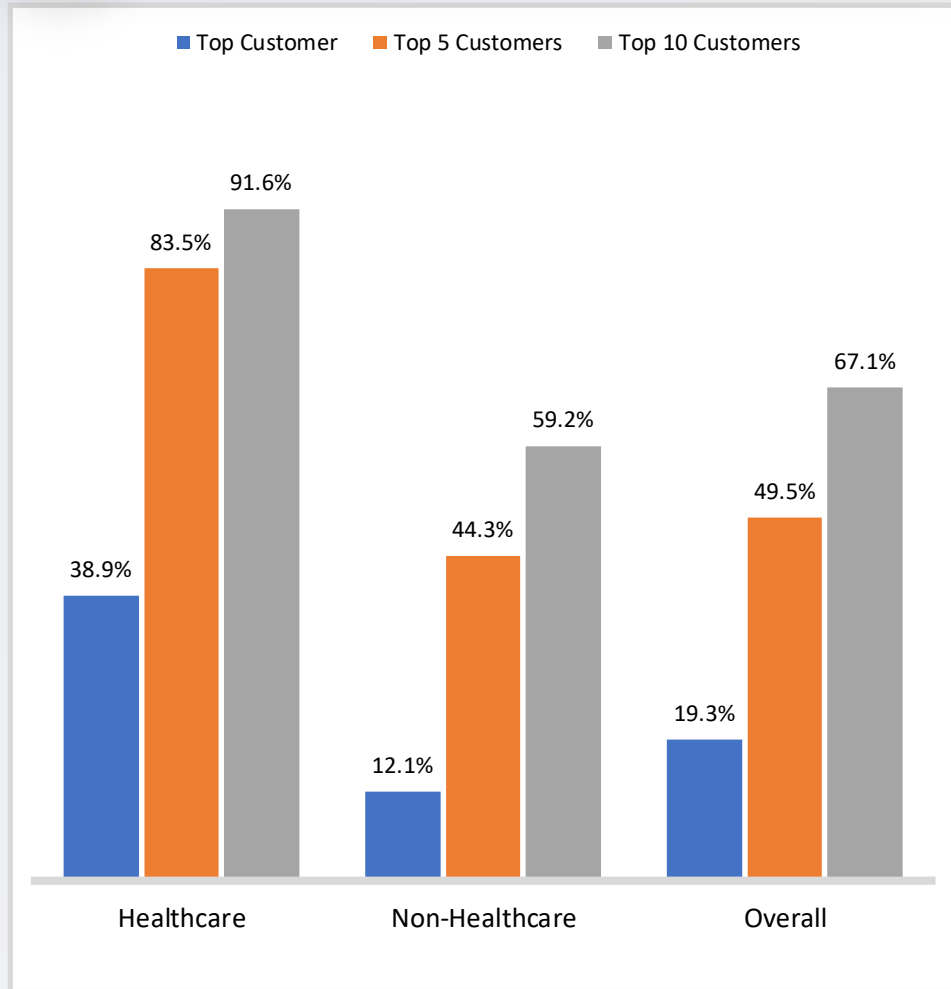
# Revenue Profile

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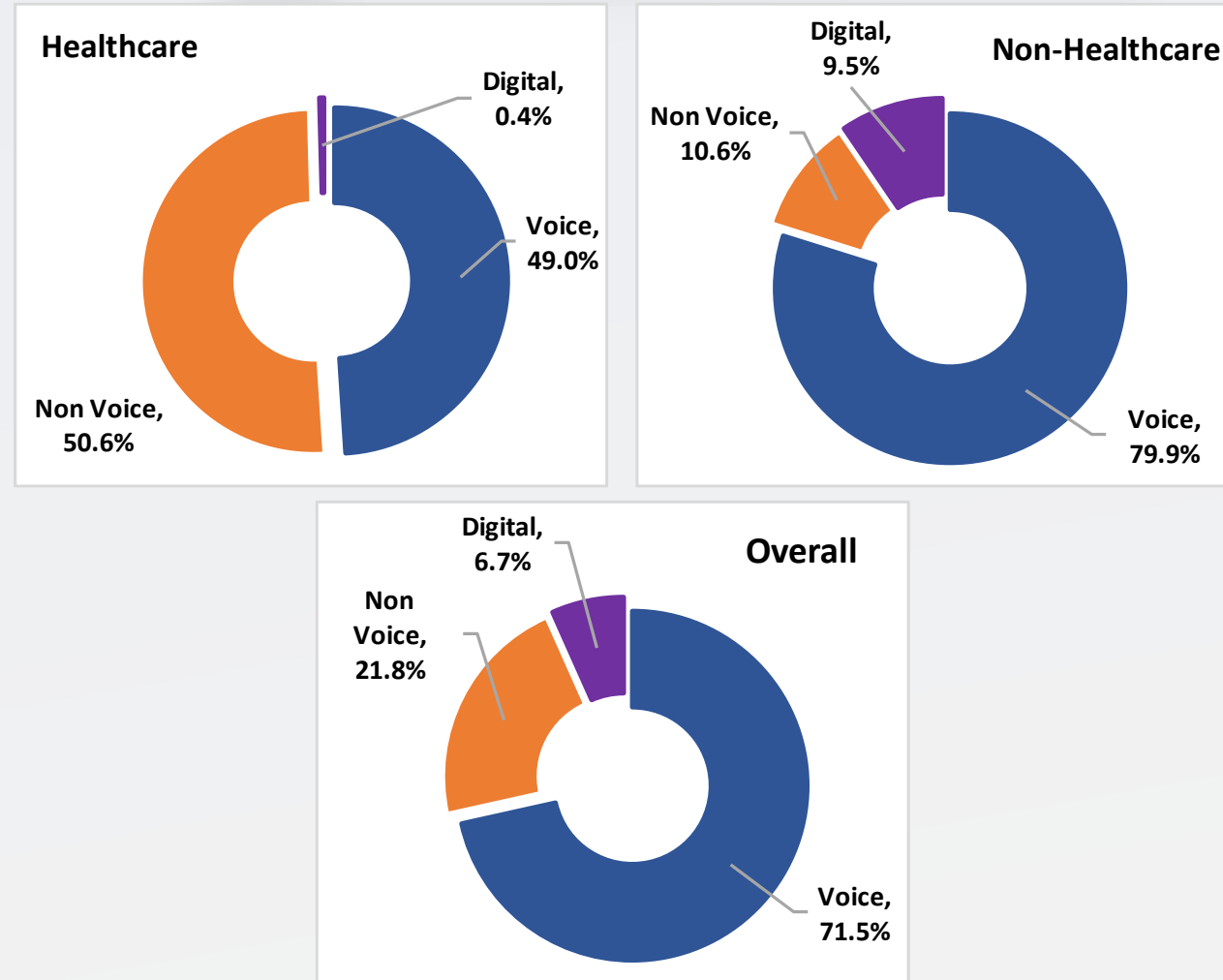
# H1 FY2022: Revenue Profile



## Client Concentration



## Channel Mix

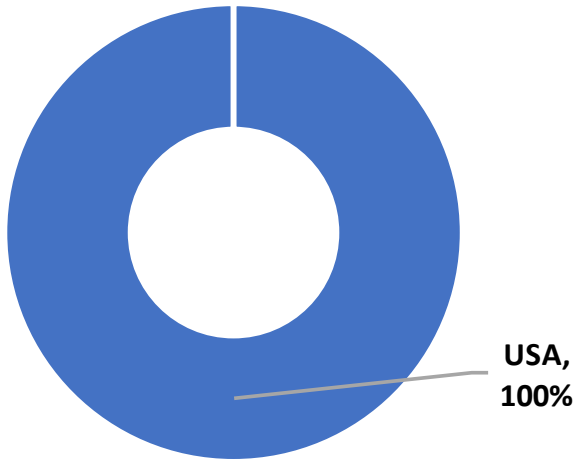


# H1 FY2022: Revenue Profile

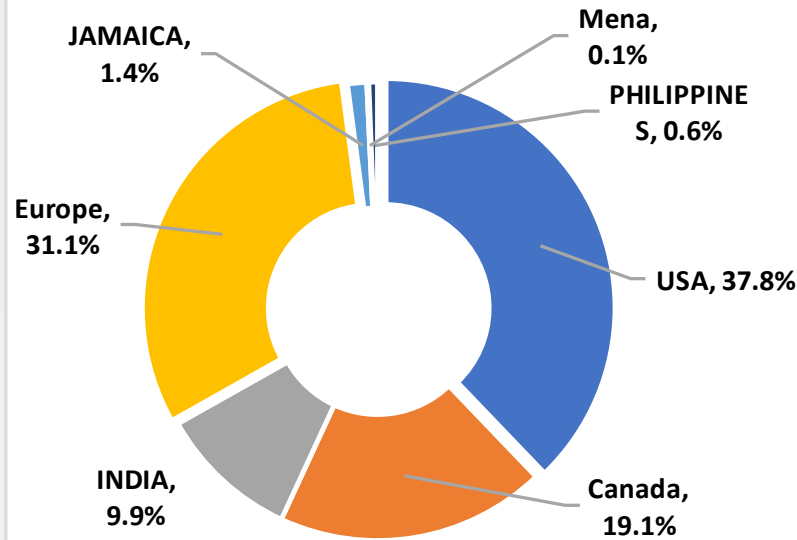


## Revenue by Origination

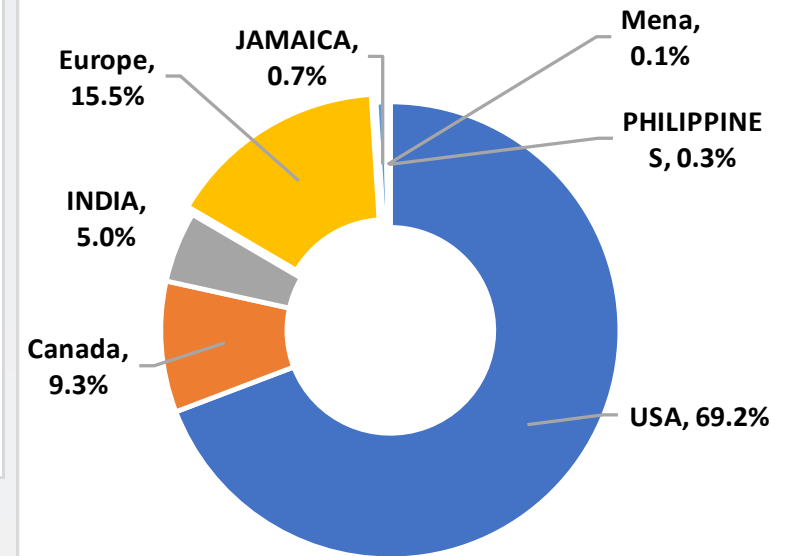
### Healthcare



### Non-Healthcare



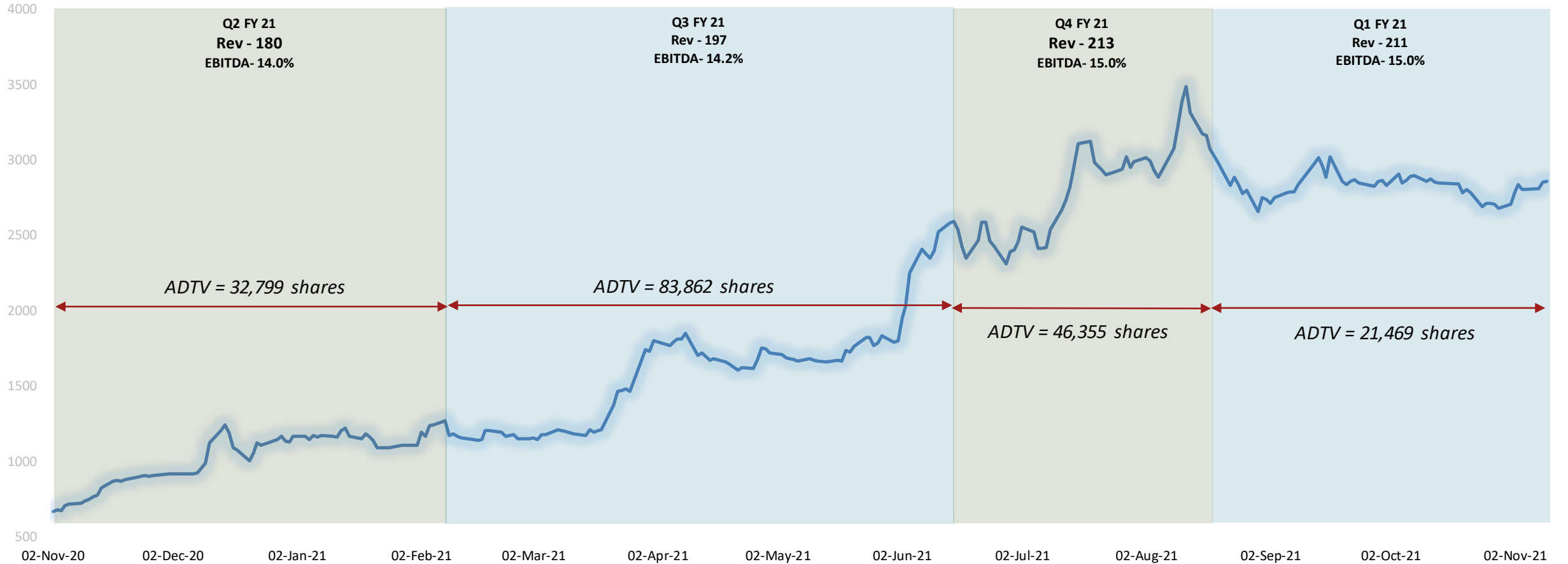
### Overall



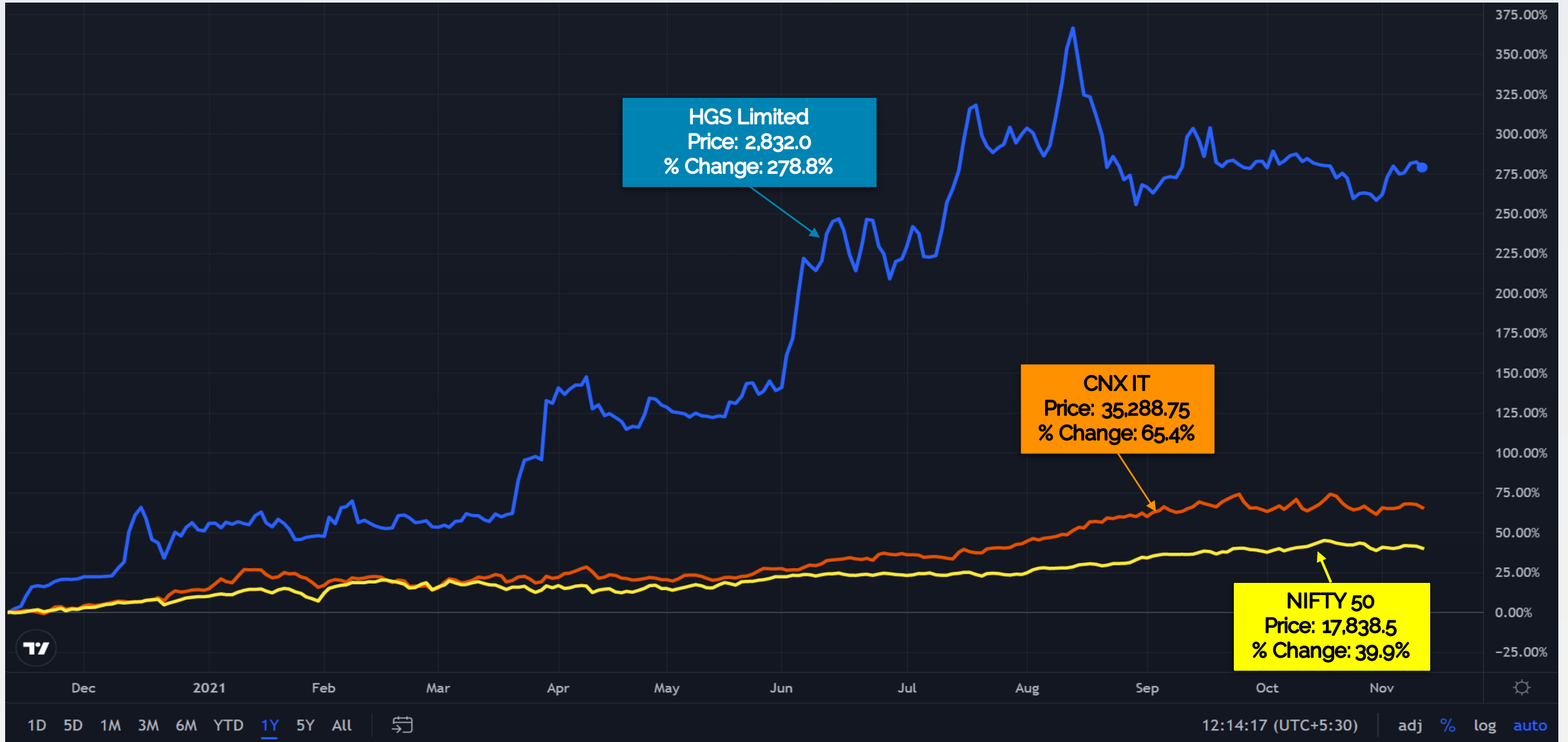
# HGS share price movement in last 12 months



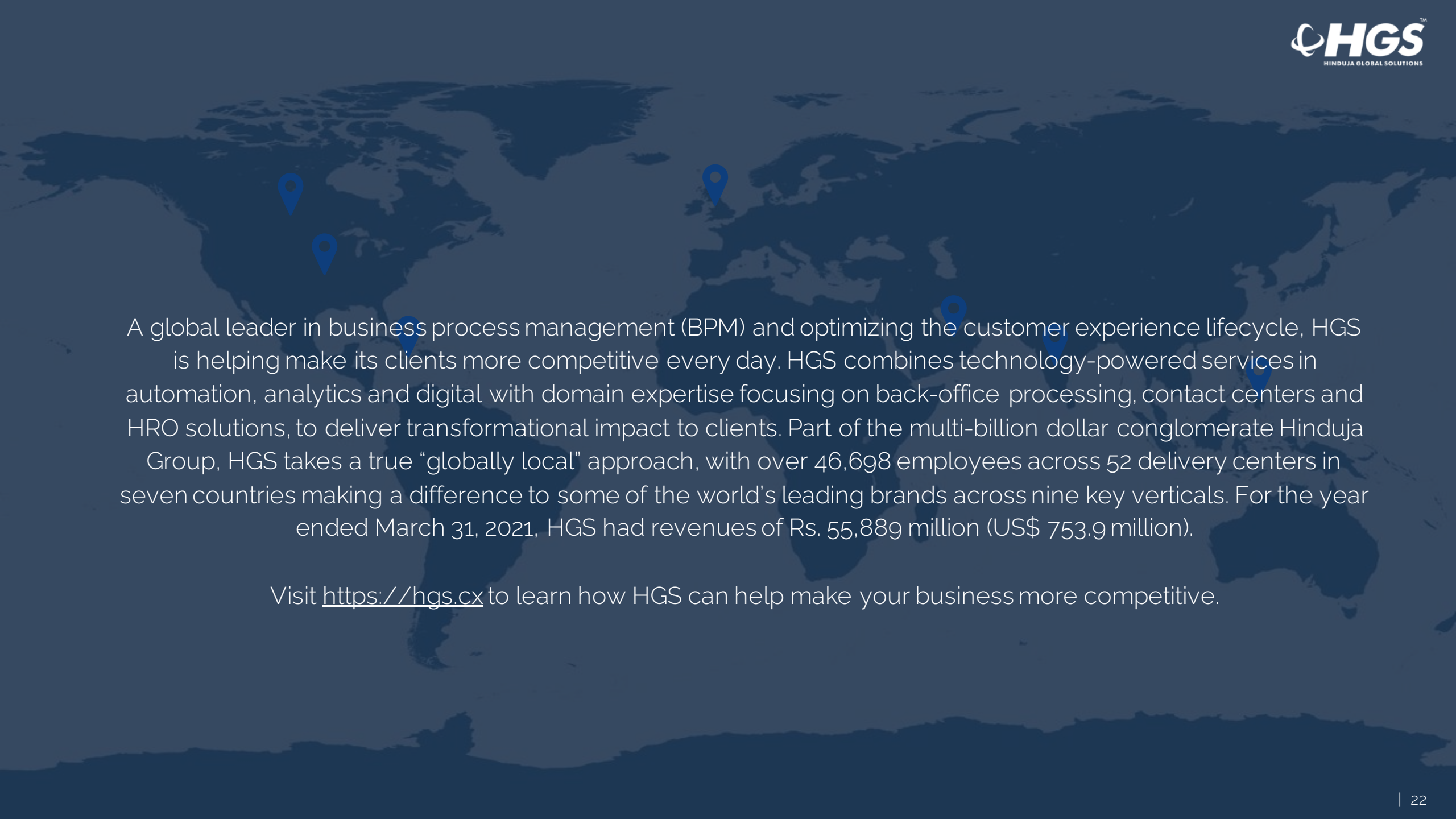
Revenues in US \$ Mn.  
Share Price in INR on LHS



# HGS Share: Performance vs CNXIT and NIFTY 50 !!





A dark blue world map with several blue location pins placed across North America, Europe, and Asia.

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, 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.



**Thank You**

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