

August 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: Q1 FY 2024-25 Earnings Call presentation**

---

This is in continuation to our communication dated August 13, 2024 about Q1 FY 2024-25 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/>

Kindly take note of the above.

For **Hinduja Global Solutions Limited**

Digitally signed  
by Narendra  
Singh  
Date:  
2024.08.19  
14:38:04 +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  
**Regd. Office:** Tower C (1st floor), Plot C-21, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. India. Telephone: +91-22-6136 0407,  
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

**Q1 FY2025**

---

August 19, 2024

# 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.*



# Overall Performance Update

---

**Partha DeSarkar**

# Company at a Glance

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

- Part of the multi-billion-dollar conglomerate Hinduja Group,
- HGS serves 1K+ brands across BPM, technology and HRO
- 5K+ digital transformations | 1.8K+ 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

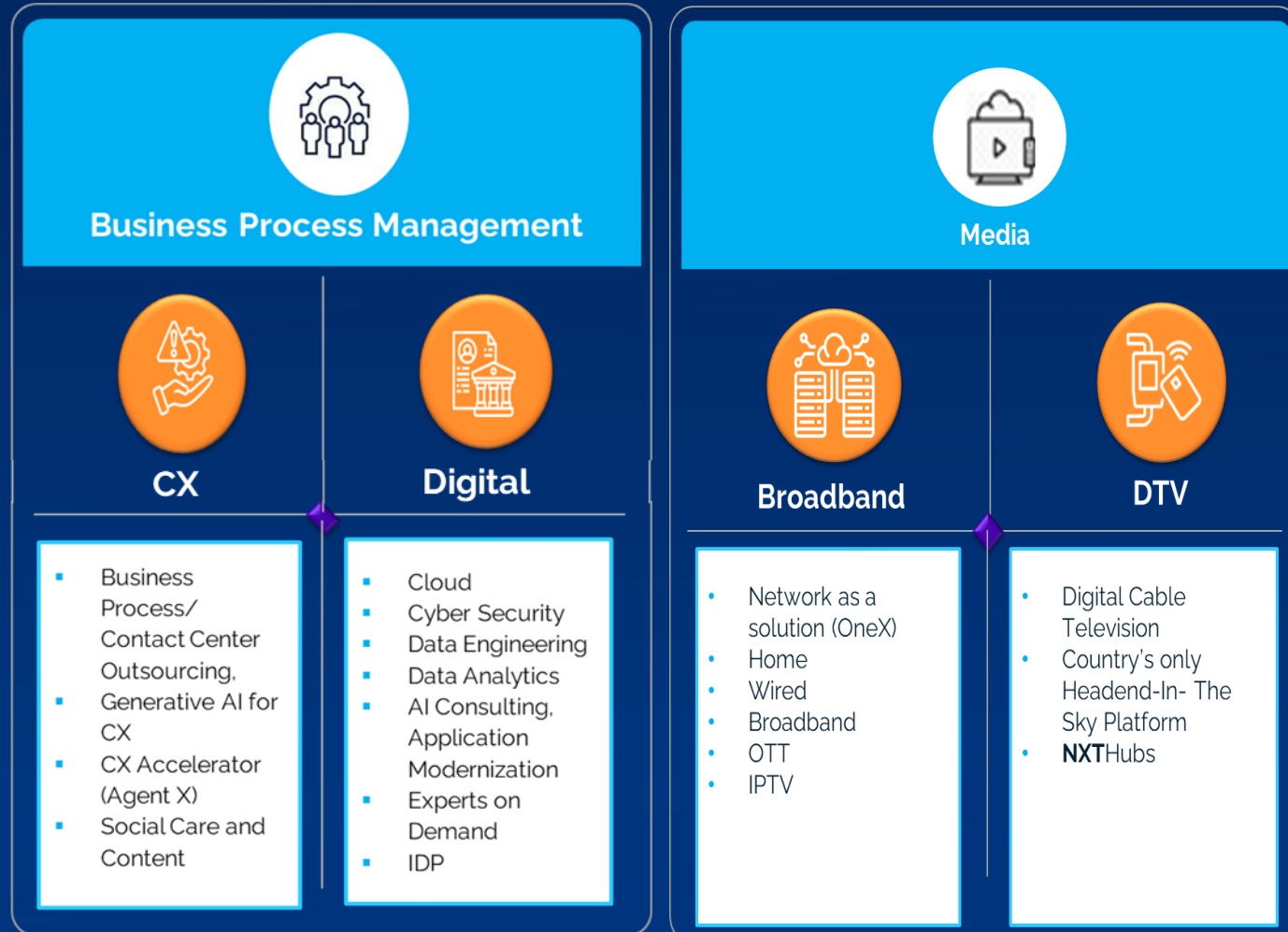
**9 Countries**  
**32 Delivery**  
Centers

**4,500**  
Pincodes covered  
across India

**~1.2 Mn**  
Broadband  
Subscribers

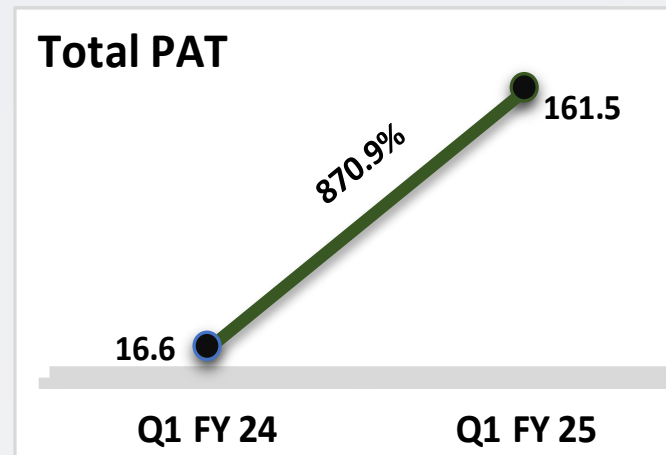
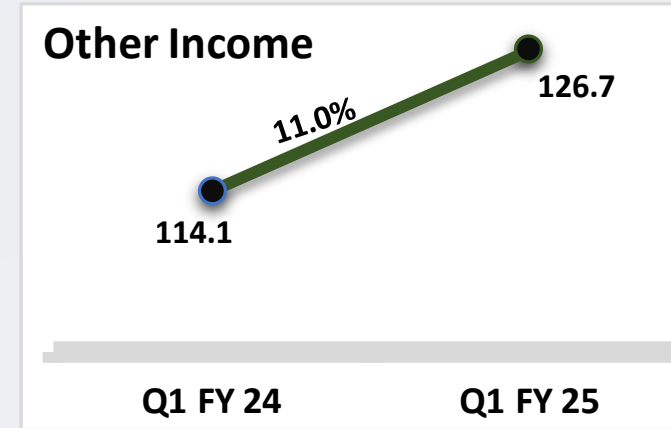
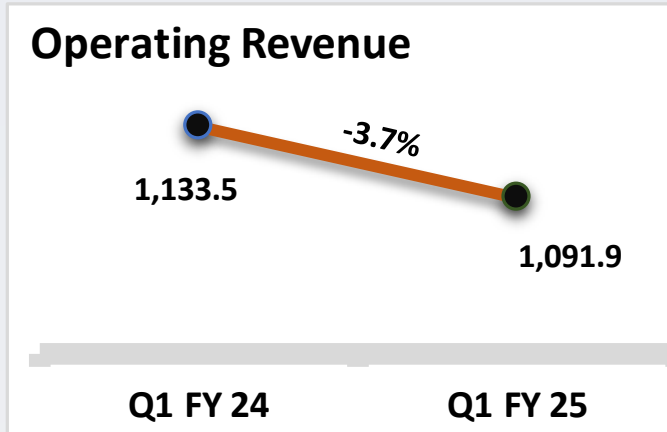
**4.43 Mn+**  
DTV Subscribers

**5,100cr+**  
Net Cash &  
Treasury Surplus



# Snapshot of Q1 FY2025 financial performance

Amount in INR Cr



Total PAT includes profit from continued and discontinued operations

# Key Highlights

---

- Challenges in macro-economy persist with continued volatility and delayed decision-making by some key clients
- However, we are seeing increased demand for our services... signed 24 tech-led CX and 9 HRO new logos
- Technology services – strong traction in Data & Analytics, social care, CCaaS, cybersecurity, etc
- UK is doing better than expected due to higher revenues from key public sector clients
- Began selling digital services in the UK and Australia
- South Africa operations set to begin in Cape Town from Q3 with a UK client
- Made investments in developing tech offerings to support fast growing sectors like TMT, BFSI, retail & consumer and hi-tech.
- Hired senior vertical sales leaders... continuing our efforts in strengthening the sales team

# The Market is Evolving

---

- Technology changes are transforming our industry
- Emergence of Generative AI (Gen AI) and Large Language Models (LLMs)
  - Unveiled in November 2022
  - Potential of completely changing the world we live in
- If used properly, the new technology represents a tectonic shift of how customers can be serviced by human + machine model

## **HGS is investing heavily in building capabilities in AI**

- Setting up AI labs - building models that leverage existing Gen AI tools and embellishing with bespoke domain knowledge of our clients' businesses
- Partnering with clients to redesign their customer journeys –
  - hyper-personalization using customer interaction data
  - conversational BOTs that learn based on call transcripts
  - intelligent automation using image and video processing



# Our People are our Superpower

---

- Focus on building a talent pool of digital natives who can propel HGS to become a technology powerhouse in the CX domain
- Attracting and retaining some of the best minds emerging out the college campuses world-wide
- Massive reskilling effort underway to equip our people with knowledge to harness new technologies

# Way forward

---

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

## CUSTOMER EXPERIENCE

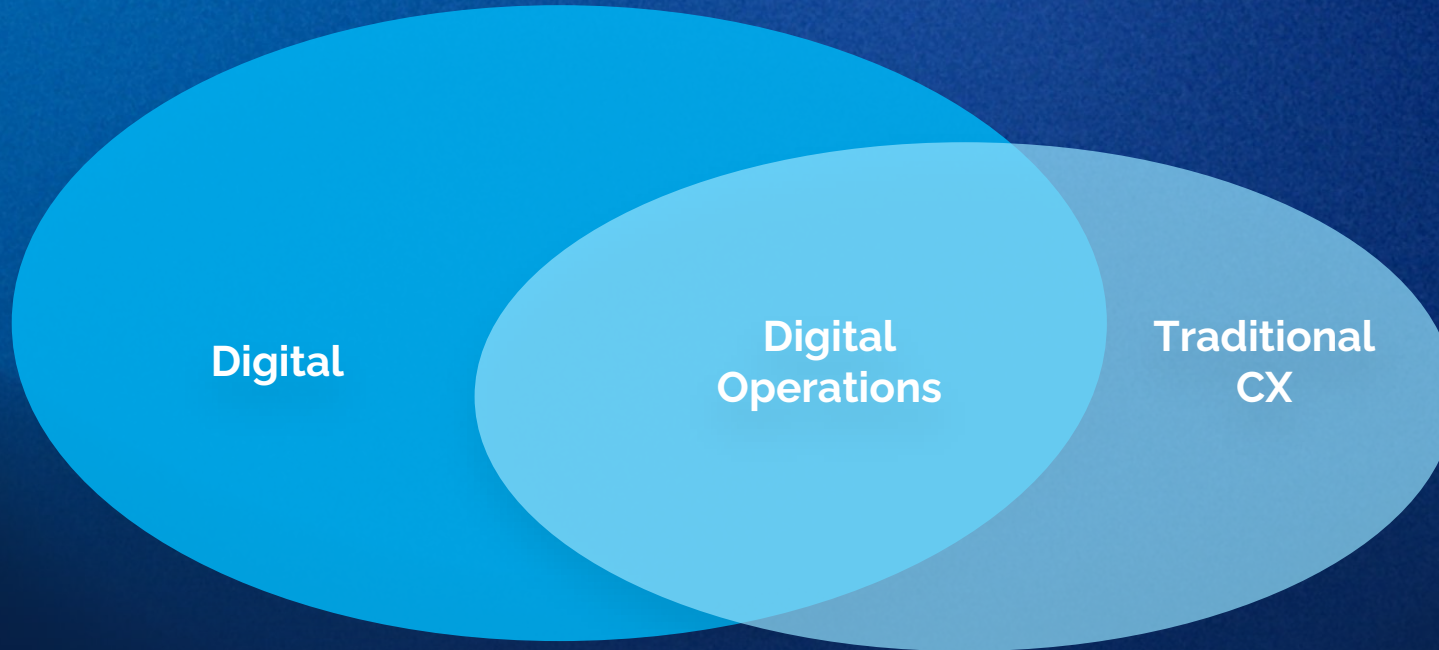
Interactions between the client and their customers during the period of their relationship

## CUSTOMER SERVICE

The assistance and guidance the client's Company provides to customers who are purchasing or utilizing their products or services



# Future State: 2027



## 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

# Optimize our Business

---

01

Change our  
Revenue Mix – led by  
verticalized solutions

02

Increase our pipeline  
aggressively

03

Transform our  
Operating Model – focus  
on offshore, non-linear

04

Be a  
Thought Leader – AI  
enabled conversations



# Digital Media Business: An Update

---

**Vynsley Fernandes**

# Business Environment

## TRAI announces regulatory changes for broadcasting and cable

TRAI has removed the ceilings on Network Capacity Fee (NCF), previously set at Rs 130 for 200 channels and Rs 160 for more than 200 channels. This change allows service providers to set NCF based on factors such as the number of channels, regional considerations, and customer classifications.

In a bid to offer more attractive deals to consumers, Distribution Platform Operators (DPOs) will now be permitted to offer discounts of up to 45% while forming channel bouquets, a significant increase from the previous 15% limit.

Pay channels available for free on the public service broadcaster's platforms will now be declared free-to-air across all addressable distribution platforms, so as to have a level playing field in the industry.

TRAI has also simplified the carriage fee regime, removing the distinction between High Definition (HD) and Standard Definition (SD) channels for fee calculation. Small DPOs will see relaxed regulatory compliance requirements.

The Authority has mandated that the duration of all prepaid subscriptions be specified in number of days for greater clarity. DPOs are now required to display both Distributor Retail Price (DRP) and Maximum Retail Price (MRP) for channels in the electronic programme guide (EPG) and have to publish the charges of services like installation and activation, visiting, relocation and temporary suspension. These measures are intended to enhance transparency and clarity for consumers.

Further, TRAI has introduced financial disincentives for contraventions of the Tariff Order and certain provisions of the Interconnection and Quality of Service Regulations. Service providers are also required to publish all information related to tariff and other charges on their websites and communicate these details to subscribers.

Alongside the regulatory changes, TRAI has issued recommendations to the Ministry of Information and Broadcasting. These include improving channel listings in Electronic Programme Guides and upgrading the DD Free Dish platform to an addressable system for enhanced viewing experience and security.

# Commercial Broadband



The OneBusiness - Commercial Broadband project aims to validate a new market & business model of providing services to MSMEs & SOHOs - adding an additional revenue stream.

Commercial customers give longer duration contracts with higher yield.

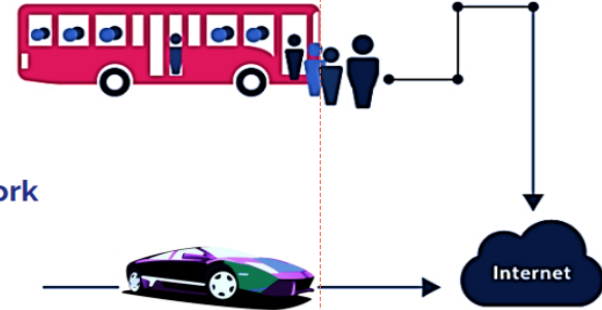
- Main product in the portfolio is an ILL or Internet Leased Line – which is a dedicated connection with higher SLAs and a dedicated customer care team
- Core team on-boarded, trained & deployed
- Proof of Concept underway in key high density SMSE/SOHO markets in Mumbai.
- Deliverables set for measuring success; post which product will be rolled out to rest of Mumbai, Delhi & Bengaluru

## Leased Line vs. Home Broadband: Why Business Needs More

### HOME BROADBAND

#### a Shared Network

- is like riding a public bus
- Quality of service is "best effort"
- Speeds fluctuate throughout the day
- Recommended for residential use



### LEASED LINE

#### a Dedicated Network

is like driving a F1 Car

- Quality of service is controlled
- Speeds are consistent day and night
- Recommended for business use
- Secured

## ONE Business Offerings

### Business Connect

- ✓ **FTTO Technology:** Starts at 100 Mbps with 11 symmetric broadband.
- ✓ **Cost-Effective:** Budget-friendly pricing.
- ✓ **Static IPs:** Available for hosting.
- ✓ **QoS:** Prioritizes key apps.

### Business Connect Pro

- ✓ **Dedicated Connection:** Exclusive use.
- ✓ **Symmetrical Speeds:** Equal upload/download.
- ✓ **High Reliability:** Minimal downtime.
- ✓ **Enhanced Security:** Reduced cyberattack risk.
- ✓ **Low Latency:** Fast data transmission.

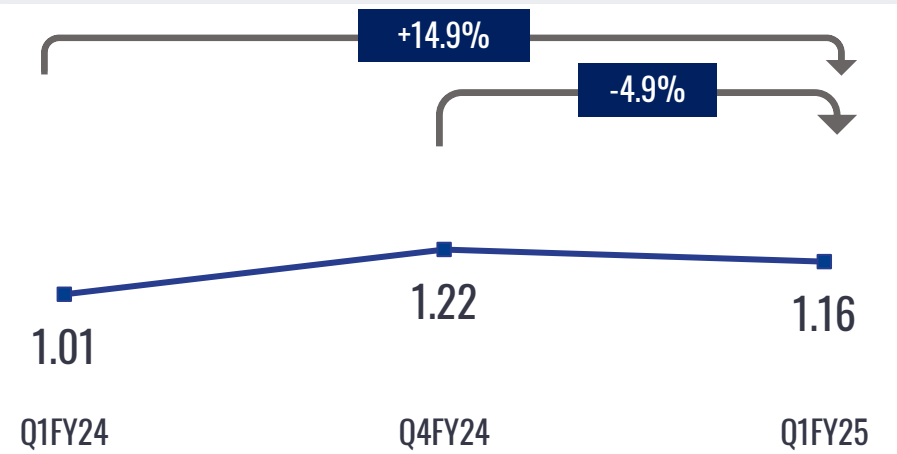




# Media Group KPIs Q1 FY2025

Whilst the broadband & DTV subscriber base continues to grow YoY, there was a marginal dip in Q1 over the preceding quarter on account of two reasons - annual seasonal trend for Q1 where renewals are slow on account of the vacation period and secondly, the planned churn of low yield customers.

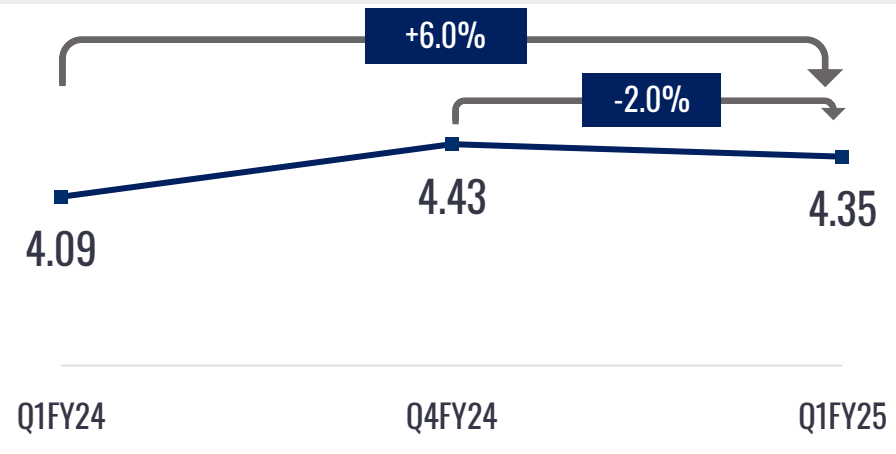
### Broadband Subscriber Base (in Mn)



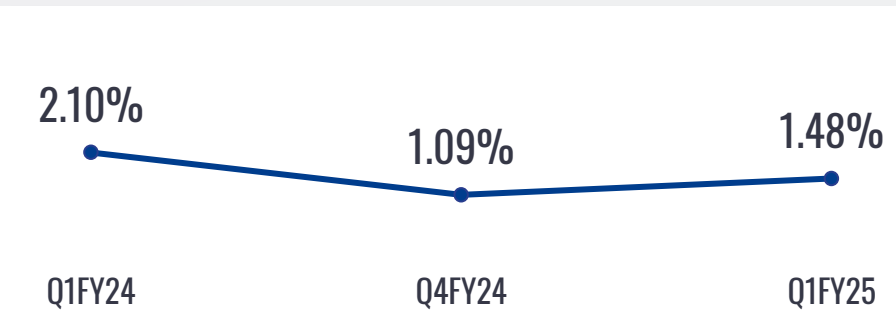
### Broadband Churn (Figs. as Qtr exit in %)



### DTV Subscriber Base (in Mn)



### DTV Churn (Figs. as Qtr exit in %)





# Financial Update

---

**Srinivas Palakodeti**

# Overall Performance : Q1 FY 25 vs Q4 FY 24 vs Q1 FY 24

Amount in INR Cr

Particulars	Actual Q1 FY 25	Actual Q4 FY 24	QoQ Growth %	Actual Q1 FY 24	YoY Growth %
<b>Revenue from operations (\$ Mn)</b>	\$ <b>130.9</b>	\$ <b>132.2</b>	↓ -1.0%	\$ <b>138.0</b>	↓ -5.1%
Revenue from operations	1,091.9	1,098.7	↓ -0.6%	1,133.5	↓ -3.7%
EBITDA	16.7	66.2	↓ -74.7%	76.8	↓ -78.2%
<b>EBITDA %</b>	<b>1.5%</b>	<b>6.0%</b>		<b>6.8%</b>	
Depreciation	131.2	133.4		123.8	
Interest Expense	56.4	50.6		38.8	
Other Income	126.7	159.2	↓ -20.4%	114.1	↑ 11.0%
PBT	(44.2)	41.4		28.3	
Tax	12.8	(46.5)		11.7	
PAT Continuing Operations	(57.0)	87.9		16.6	
PAT from Discontinued Operations	218.5	0.0		0.0	
<b>Total PAT for the period</b>	<b>161.5</b>	<b>87.9</b>	↑ 83.7%	<b>16.6</b>	↑ 870.9%
<b>Exchange Rate</b>	<b>83.43</b>	<b>83.09</b>		<b>82.17</b>	

EBITDA in Q1 FY 25 adversely impacted by certain onetime costs

# Summary Balance Sheet

Amount in INR Cr

Particulars	As at Jun 24	As at Mar 24
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets and leases	1,497.4	1,250.5
Intangibles	1,540.1	1,519.3
Financial assets #	1,229.9	1,200.5
Other non-current assets	621.5	758.2
<b>Total non-current assets</b>	<b>4,888.9</b>	<b>4,728.5</b>
<b>Current assets</b>		
Trade receivables	716.0	744.6
Financial assets-Others #	4,728.9	4,763.7
Other current assets	451.3	213.3
Cash and bank balance	605.5	674.5
<b>Total current assets</b>	<b>6,501.8</b>	<b>6,396.1</b>
<b>Total Assets</b>	<b>11,390.7</b>	<b>11,124.6</b>

Particulars	As at Jun 24	As at Mar 24
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	46.5	46.5
Other equity*	7,772.5	7,595.9
<b>Total Equity</b>	<b>7,819.0</b>	<b>7,642.5</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	140.6	133.5
Other non-current liabilities	757.0	601.9
<b>Total non-current liabilities</b>	<b>897.6</b>	<b>735.5</b>
<b>Current liabilities</b>		
Borrowings	966.9	1,172.4
Trade payables	324.8	296.4
Other current liabilities	1,382.4	1,277.9
<b>Total current liabilities</b>	<b>2,674.1</b>	<b>2,746.7</b>
<b>Total Equity and Liabilities</b>	<b>11,390.7</b>	<b>11,124.6</b>

**Days Sales Outstanding(DSO):**

**Q4 FY 24: 62 days**

**Q1 FY 25: 60 days**

# Financial assets includes investments, loans given and bank balances

\* Other Equity includes Non controlling interest of Rs. 168.2 Cr (June 24) and Rs. 154.7 Cr (Mar 24)

# Summary Cash Flow

Amount in INR Cr

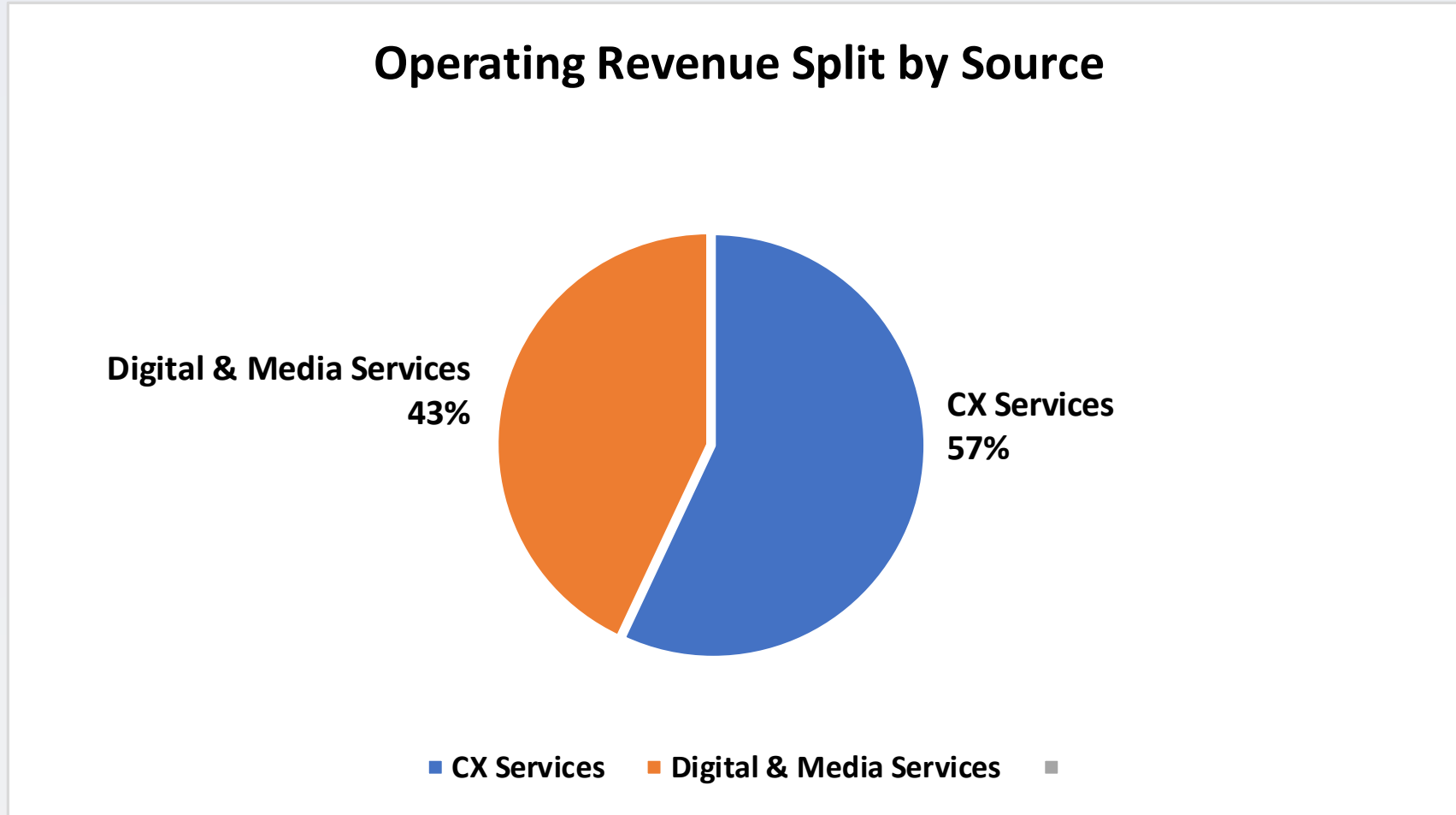
Particulars	Q1 25	FY 24
<b>Profit Before Tax</b>	174.3	110.5
Non-operating adjustments	76.7	293.2
Net change in current assets and liabilities	(35.4)	(147.3)
Income taxes paid (net)	133.3	(64.0)
<b>Cash from operating activities</b>	<b>348.9</b>	<b>192.4</b>
Net Capex Investments	(30.5)	70.5
Net Treasury investments	80.0	222.4
TekLink earnout and other payments	(126.8)	(119.3)
<b>Cash from investing activities</b>	<b>(77.3)</b>	<b>173.6</b>
Share Issue/ (Buyback of shares, taxes & expenses)	-	(1,254.0)
Borrowings and interest	(340.6)	456.6
Dividend Paid	-	(11.1)
<b>Cash from financing activities</b>	<b>(340.6)</b>	<b>(808.5)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(69.0)</b>	<b>(442.5)</b>
<b>Opening Cash and Cash Equivalents</b>	674.5	1,117.0
<b>Cash and cash equivalents at end of the period</b>	<b>605.5</b>	<b>674.5</b>

# Summary Financial Profile

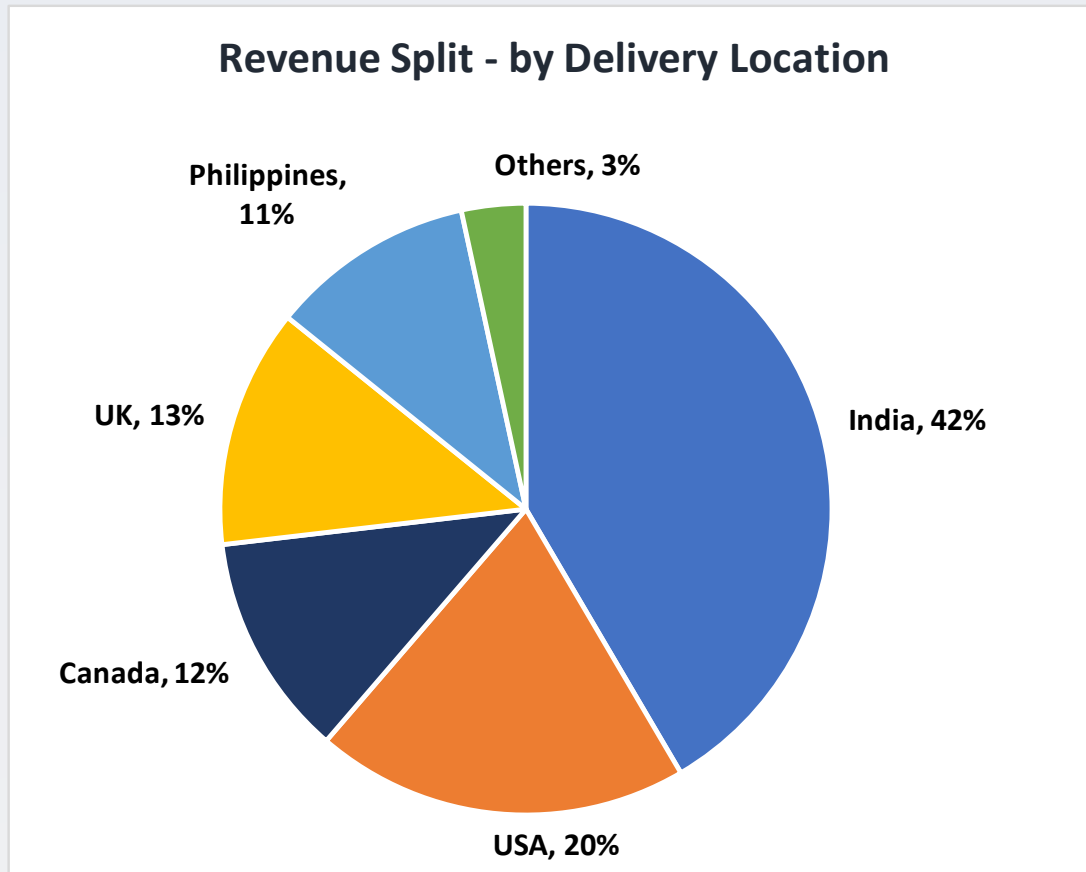
Particulars	HGSL	
	<i>in INR Cr (Except per share data)</i>	<i>in USD Mn (Except per share data)</i>
<b>Shareholder's Fund</b>	7,820.2	937.4
<b>Book value per share</b>	1,681.0	20.1
<b>Price per share</b>	725.1	8.7
<b>EPS (TTM)</b>	43.7	0.5
<b>P/E Ratio (TTM)</b>	16.6	16.6
<b>Gross Debt</b>	1,107.5	132.9
<b>Net Cash &amp; Treasury Surplus</b>	5,177.2	621.1

Particulars	Q1 FY 25	Q4 FY 24	Change
<b>Gross Treasury &amp; Cash Surplus</b>	6,284.7	6,318.5	-33.8
<b>Total Borrowings</b>	1,107.5	1,305.9	-198.4
<b>Net Treasury &amp; Cash Surplus</b>	<b>5,177.2</b>	<b>5,012.6</b>	<b>164.6</b>

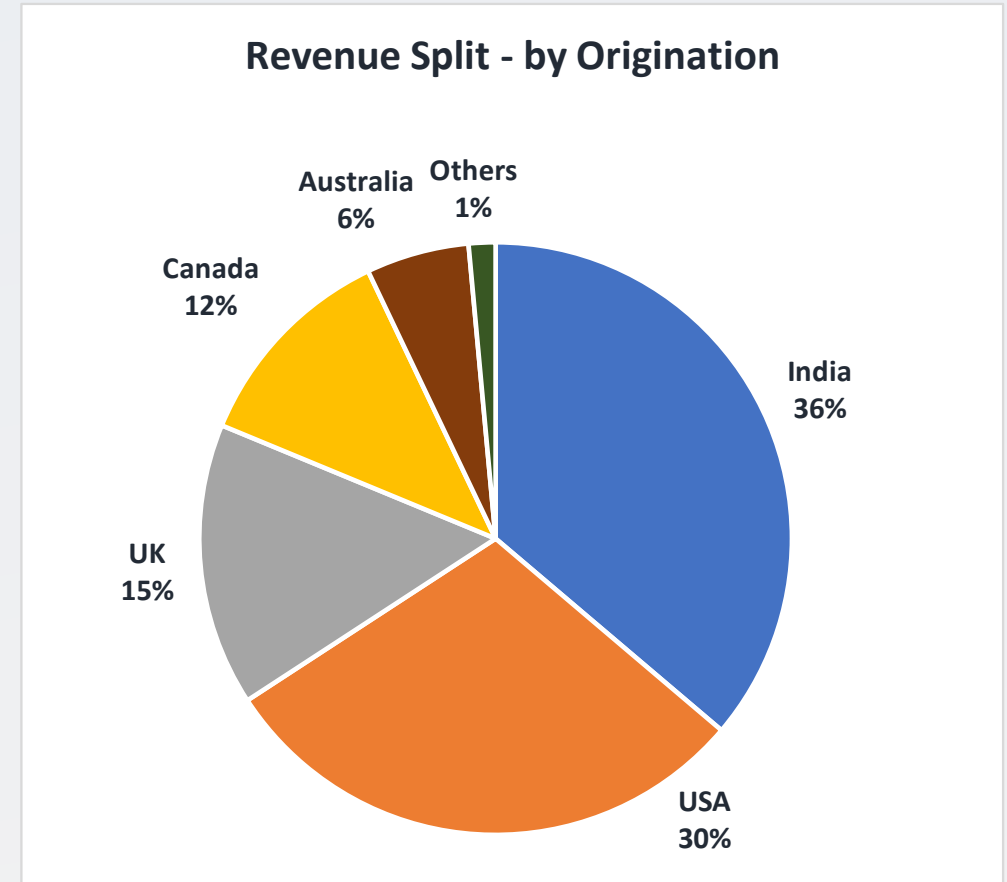
# Q1 FY 2025: Operating Revenue Composition of Rs. 1,092 Cr



# Q1 FY 2025: Operating Revenue Composition of Rs. 1,092 Cr



Others: Jamaica, Colombia

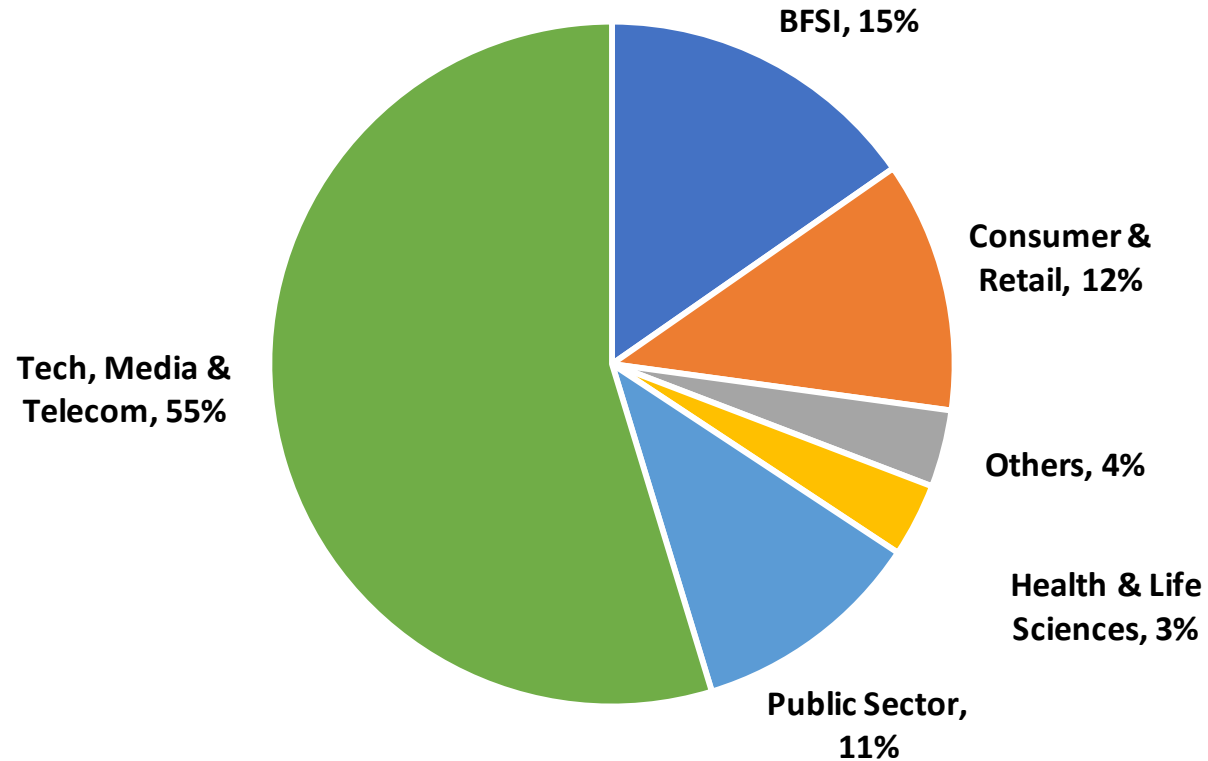


Others : Philippines, Jamaica



# Q1 FY 2025: Operating Revenue Rs. 1,092 Cr - Split by Vertical

Q1 FY25-Revenue Split by Vertical

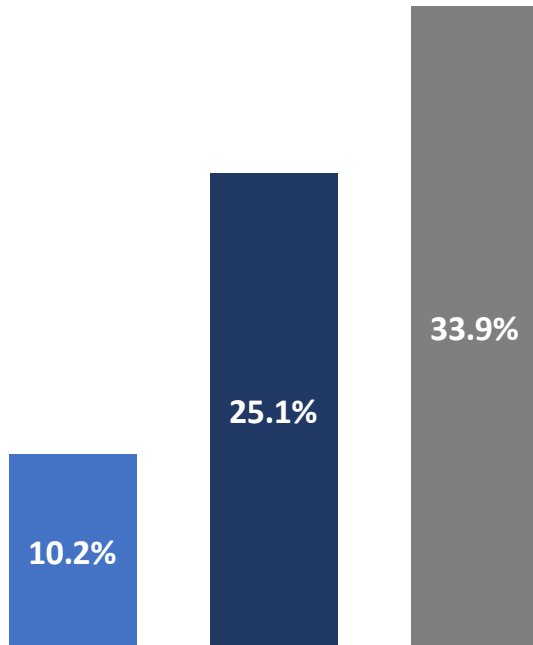


# Q1 FY 2025: Revenue Profile



## Client Concentration

■ Top Customer ■ Top 5 Customers ■ Top 10 Customers

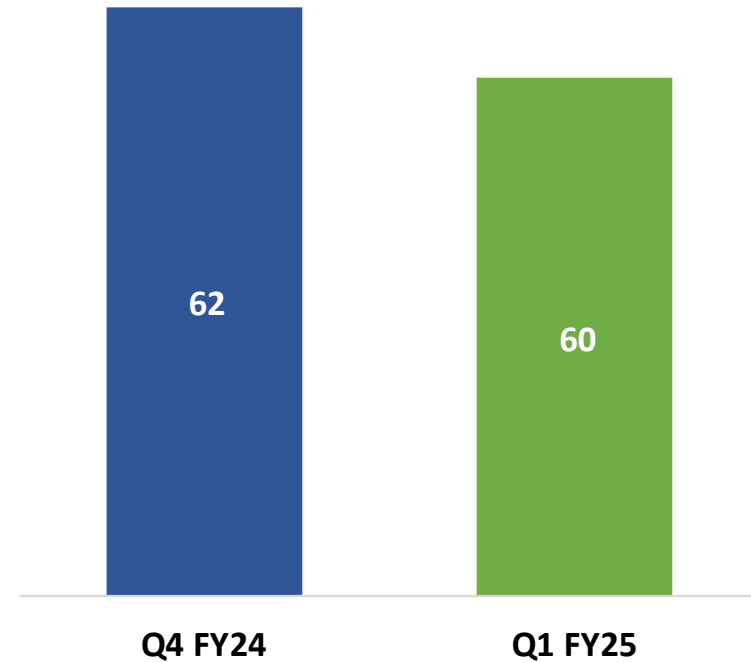


Revenues of Rs 1,092 Cr



## DSO

DSO (In Days)





# Thank You

---

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

