

December 06, 2018

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: Analyst and Investor Meet - December 06, 2018**

This has reference to our letter dated November 28, 2018. Attached is the presentation being made at the Analyst and Investor Meet. The same is available on the Company's website (<https://www.teamhgs.com/investors>).

Kindly take note of the above.

Thanking you,

Yours truly,  
For **Hinduja Global Solutions Limited**



**Makarand Dewal**  
Company Secretary

Encl : a/a.

# ANALYST & INVESTOR MEET 2018



# WELCOME AND INTRODUCTION

**Ravi Ramalingam**

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 BPO 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 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. Hinduja Global 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.

<b>Topic</b>	<b>Speaker</b>
<b>HGS Overview -Present and Future</b>	Partha DeSarkar
<b>Healthcare Business @ HGS</b>	Ramesh Gopalan
<b>Business Transformation - A Client and Market Perspective</b>	Tim Schuh + Adam Foster
<b>Transforming Businesses through Innovation</b>	Ram Mohan Natarajan
<b>Talking Digital</b>	Venkatesh Korla + Sachin Karweer
<b>Financial Overview</b>	Srinivas Palakodeti
<b>Wrap up</b>	Partha DeSarkar
<b>Q&amp;A</b>	
<b>Closing remarks</b>	Ramalingam Ravi
<b>Cocktails &amp; Dinner</b>	

# HGS – PRESENT & FUTURE

**PARTHA DESARKAR,  
GLOBAL CEO, HGS**

# Macro shifts create opportunities and risks

- ✓ New Heads of State and new thinking
- ✓ Trade wars
- ✓ Protectionism and tighter visa regimes
- ✓ Volatility of the Indian Rupee, Philippine peso
- ✓ Across the globe increase in minimum wages – gradual in some, sudden in some others
- ✓ Brexit – GDPR, Data Protection conversations globally
- ✓ Increased sophistication of data thieves

## Trending now...

- ✓ Digital is reinventing the experience that clients deliver to customers
- ✓ SMAC creating new frontiers of opportunity
- ✓ Accelerated adoption of customer intelligence technology to drive personalized CX
- ✓ CX and customer outcomes converge
- ✓ Rising use of AI & automation
- ✓ New areas for healthcare focus – Clinical care management and Population health management



- ✓ Huge Market opportunity – CAGR of 5.1% to touch US\$206.7 Bn by 2022
- ✓ Fragmented, nobody big enough to corner disproportionate market share
- ✓ Ongoing market consolidation and PE activity creates opportunity for stable player to nibble away clients from distracted incumbents
- ✓ The New “Gig” economy and its implication on how people work

## **VERTICALISE** Healthcare

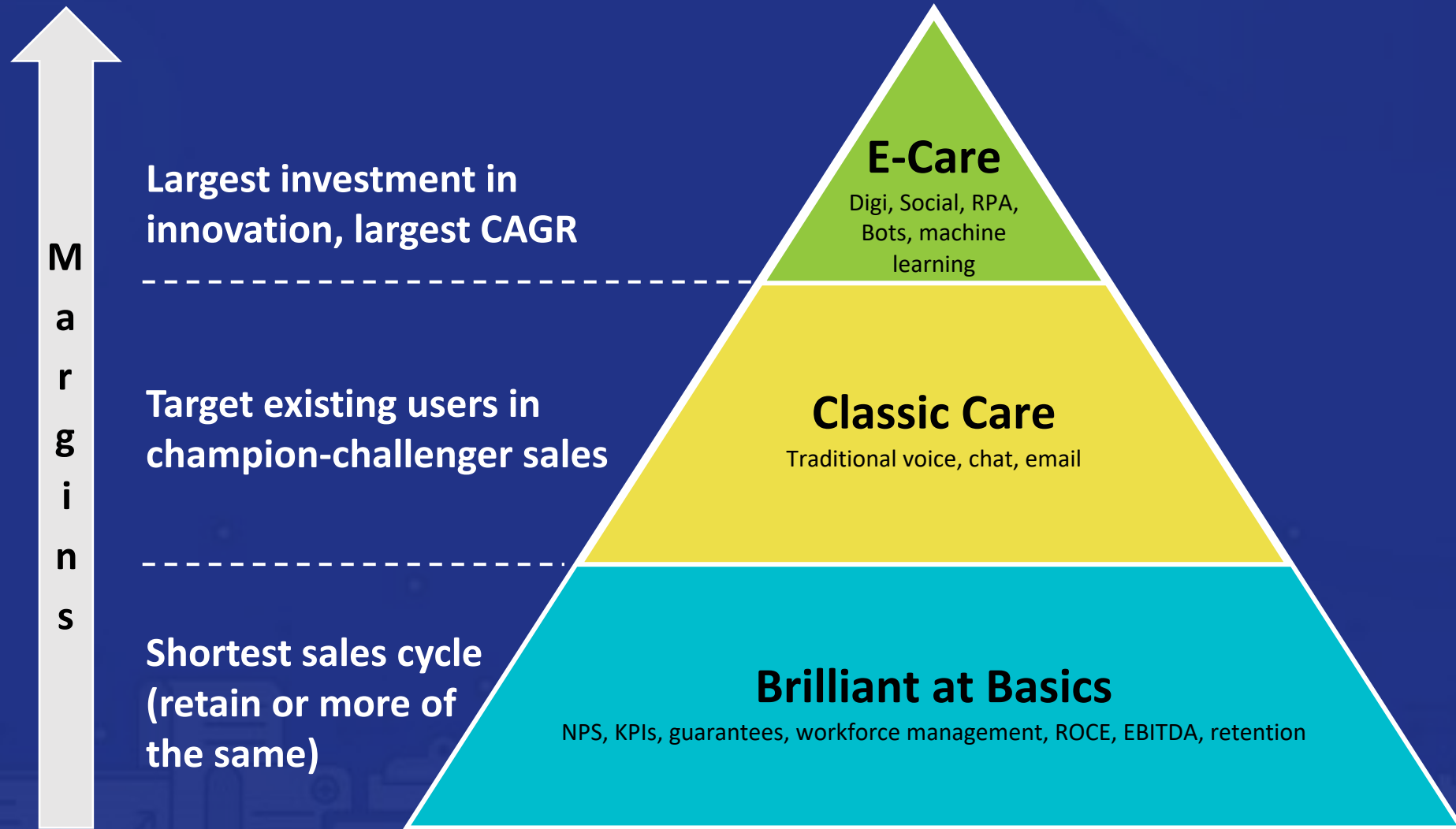
- 8 Practice areas with deep domain expertise
- Expansion of digital & clinical transformative capabilities

**Adding \$42M ABR\***

## **FOCUS** on Consumer Solutions

- Brilliant at Basics
- Traditional + eCare Solutions

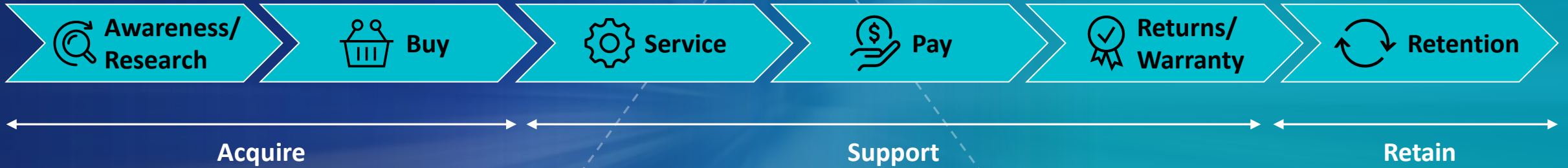
**Adding \$53M ABR\***



# HGS Solutions Aligned to Customer Journey Stages



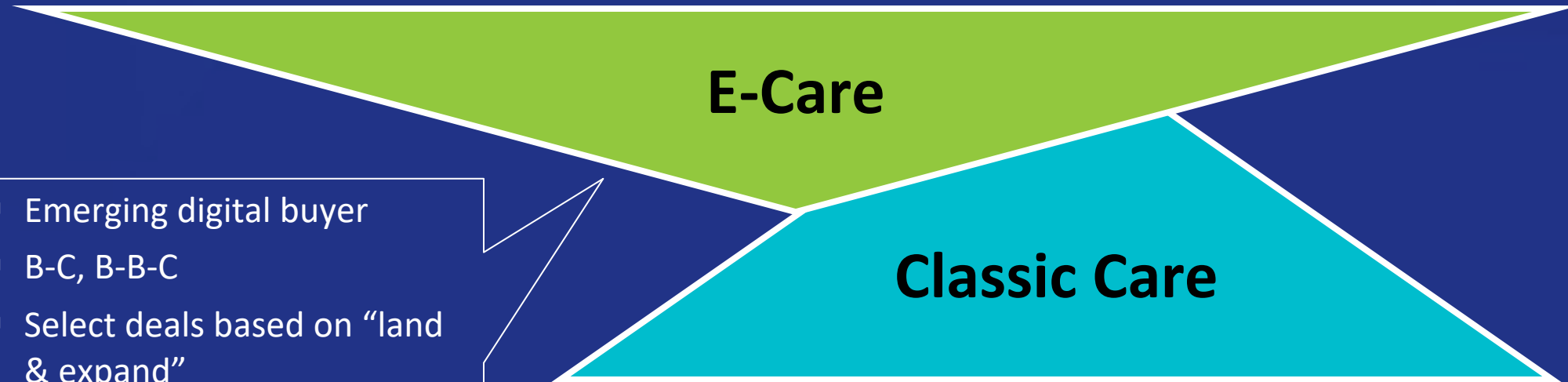
## Predicting the Customer Journey



## Empowering Clients with Solutions



## HGS Capabilities Power Our Solutions



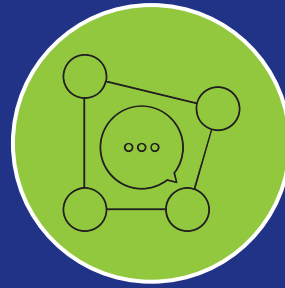
- Emerging digital buyer
- B-C, B-B-C
- Select deals based on “land & expand”
- Travel, hospitality, logistics, retail, selective tech prospects, insurance & large CPG, FinServ

- Late adopters, Smaller enterprises
- Traditional buyers in traditional sales channels
- Select deals based on existing qualification metrics
- Focus on scale deals offshore – Telecom & media, financial services, retail



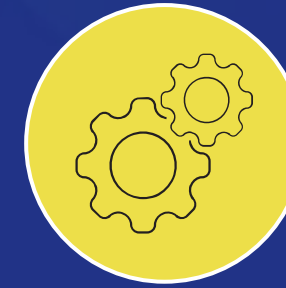
## ANALYTICS CoE

- Interaction Analytics services institutionalized
- Bringing Right Skill-set for Advanced Analytics – Data Scientists, Data Architects, Analytics Consultants etc
- Building partnerships with analytics tech players
- Multiple engagements with clients and prospects



## DIGITAL CoE

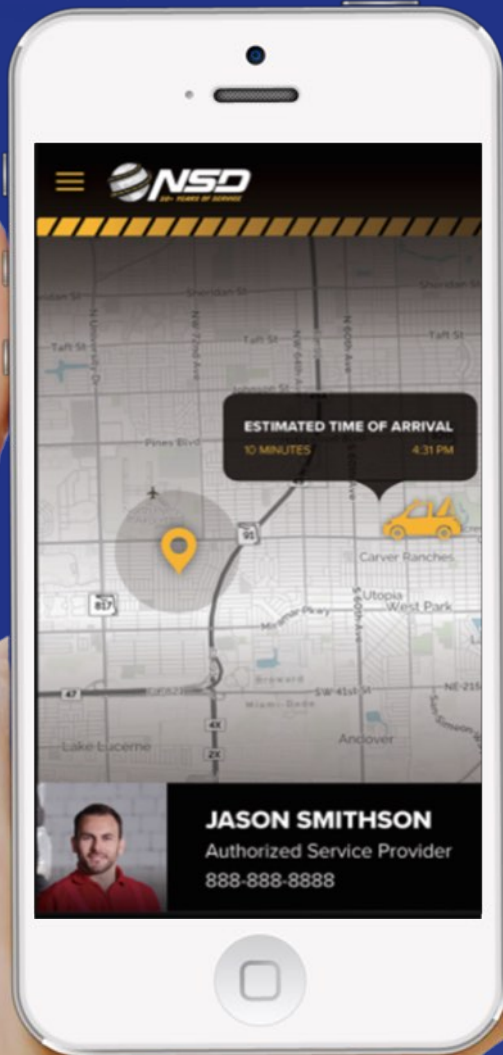
- Launch of DigiCX services suite
- Partnerships with platforms such as Liveperson, Sprinklr, Conversable etc
- Integrated Digital Marketing and Digital Contact Centre Services
- Some key client engagements



## AUTOMATION CoE

- BOTs deployed across clients
- Capability built on multiple systems such as AA, BluePrism, UiPath, Nice etc
- RPA as a Service generating high margin revenues (Gain-share)
- AI, Machine Learning, Cognitive RPA solution concepts being tested – ChatBOTs, Avatars etc

# HGS Opens Consumer Logistics CoE



- ✓ New Site in Jacksonville, Florida
- ✓ Hiring 200+ staff
- ✓ State-of-the-art Digital Emergency Roadside CX
- ✓ Partnering with largest towing network in the US
- ✓ Expect over 650,000 Emergency Roadside Services dispatches in 2019



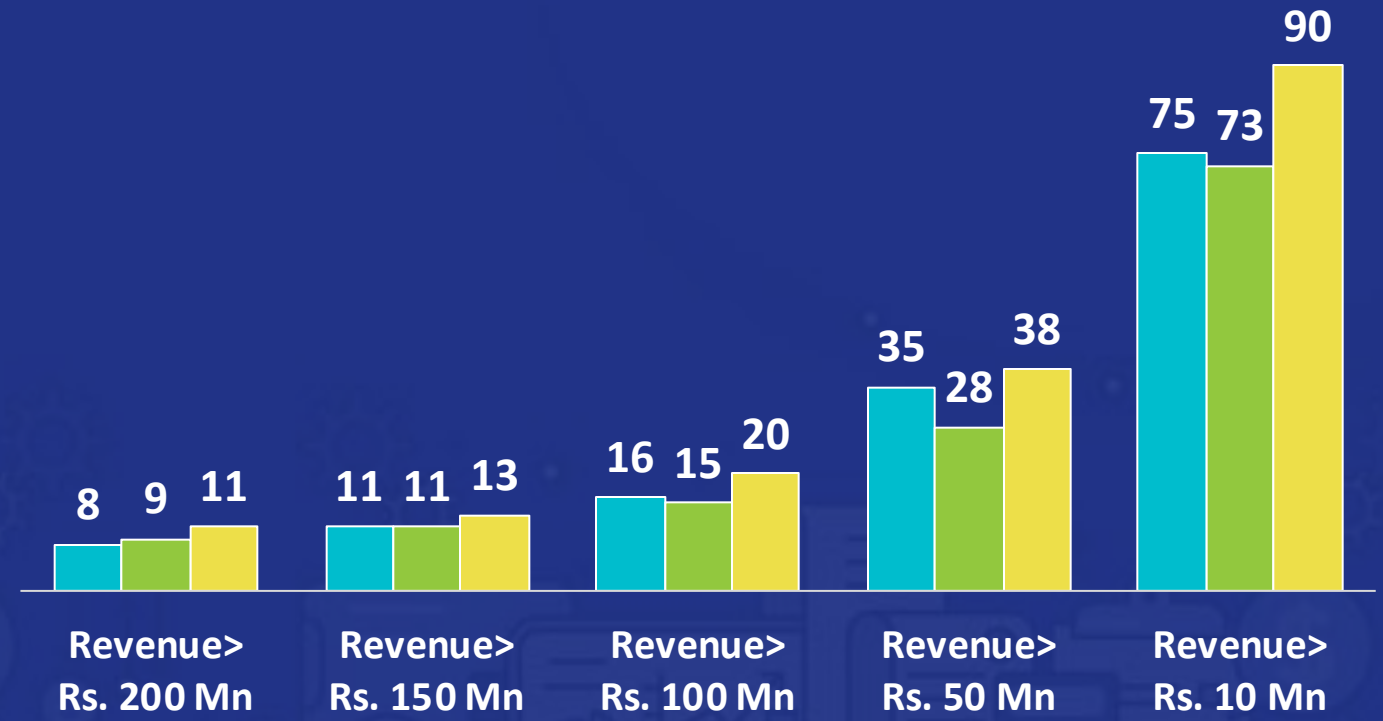
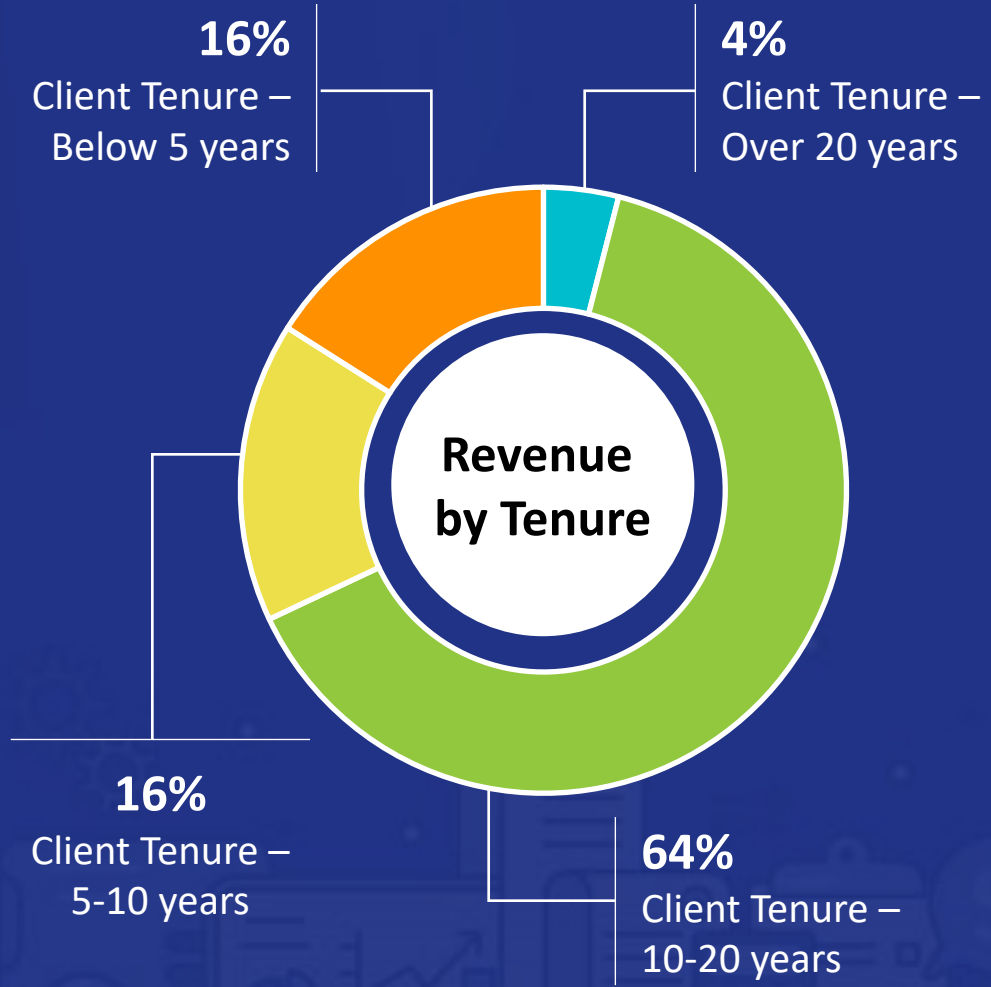
# Delighting Clients

## Focus on building partnerships

Highest ever CSAT for HGS – Ex Index\* of **61.6**

### Quarterly Revenues Contributions

■ Q4 FY 17 ■ Q4 FY 18 ■ Q2 FY 19





# Analyst Endorsement

We stand out as a Leader in our industry because we strive to continually exceed expectations for our clients and their customers.

But don't just take our word for it . . .



Gartner



## Leader ISG Provider Lens™

- Social Media Consulting and Management Services

## Neat Leader

- CMS in Analytics, Multichannel, Digital Marketing, Telecom, Retail, CPG, Healthcare, High Tech
- Business Transformation through RPA & AI for Healthcare & Insurance

## Magic Quadrant for Customer Management Contact Center BPO

## Peak Matrix

- Contact Center Outsourcing
- BPO Healthcare Payer
- BPO Healthcare Provider

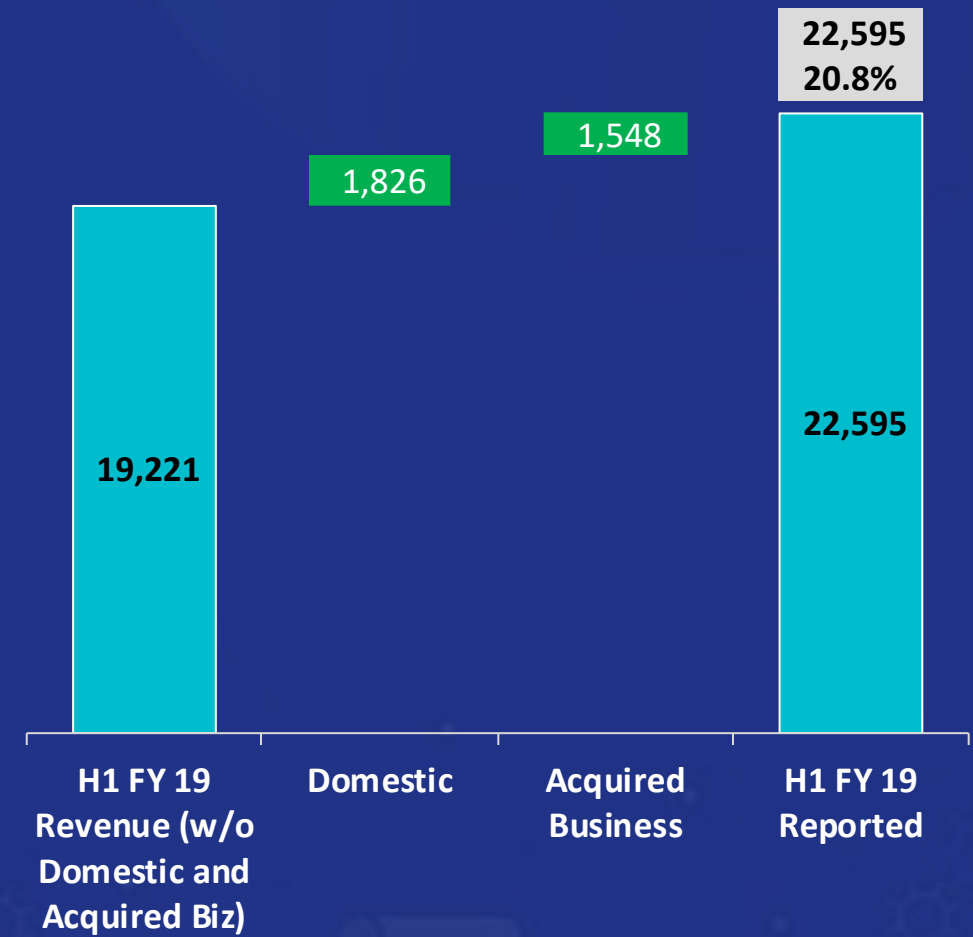
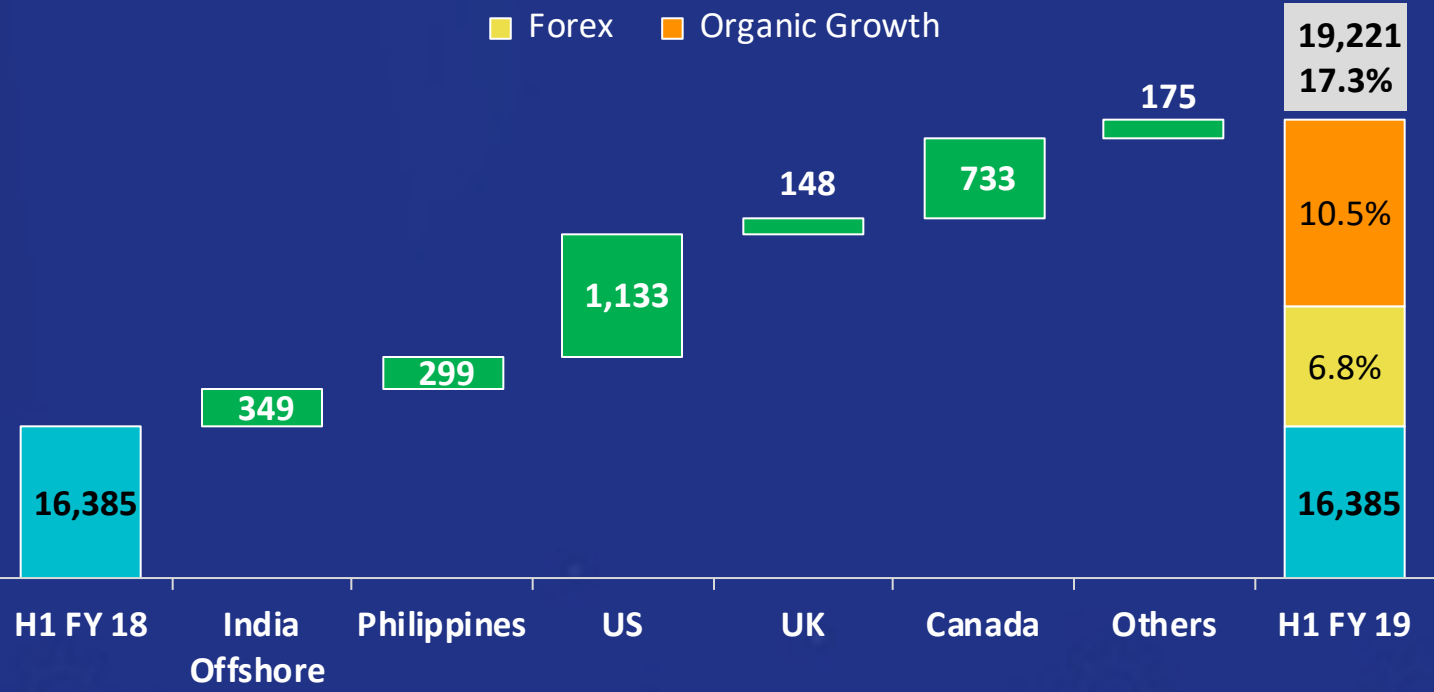
## Blue Print Winner's Circle

- Digitally Enabled Contact Center
- Healthcare Operations

# FY2019 – The Story behind the Numbers

# Revenue bridge – H1 FY 18 to H1 FY 19

Revenue Bridge between H1 FY 18 and H1 FY 19 without Domestic & Acquisitions (in Rs Mn)



- Reported growth of 20.8% - Constant currency organic growth of 6.6%
- Without India domestic, constant currency growth of 10.5%, supported by growth from all major geographies

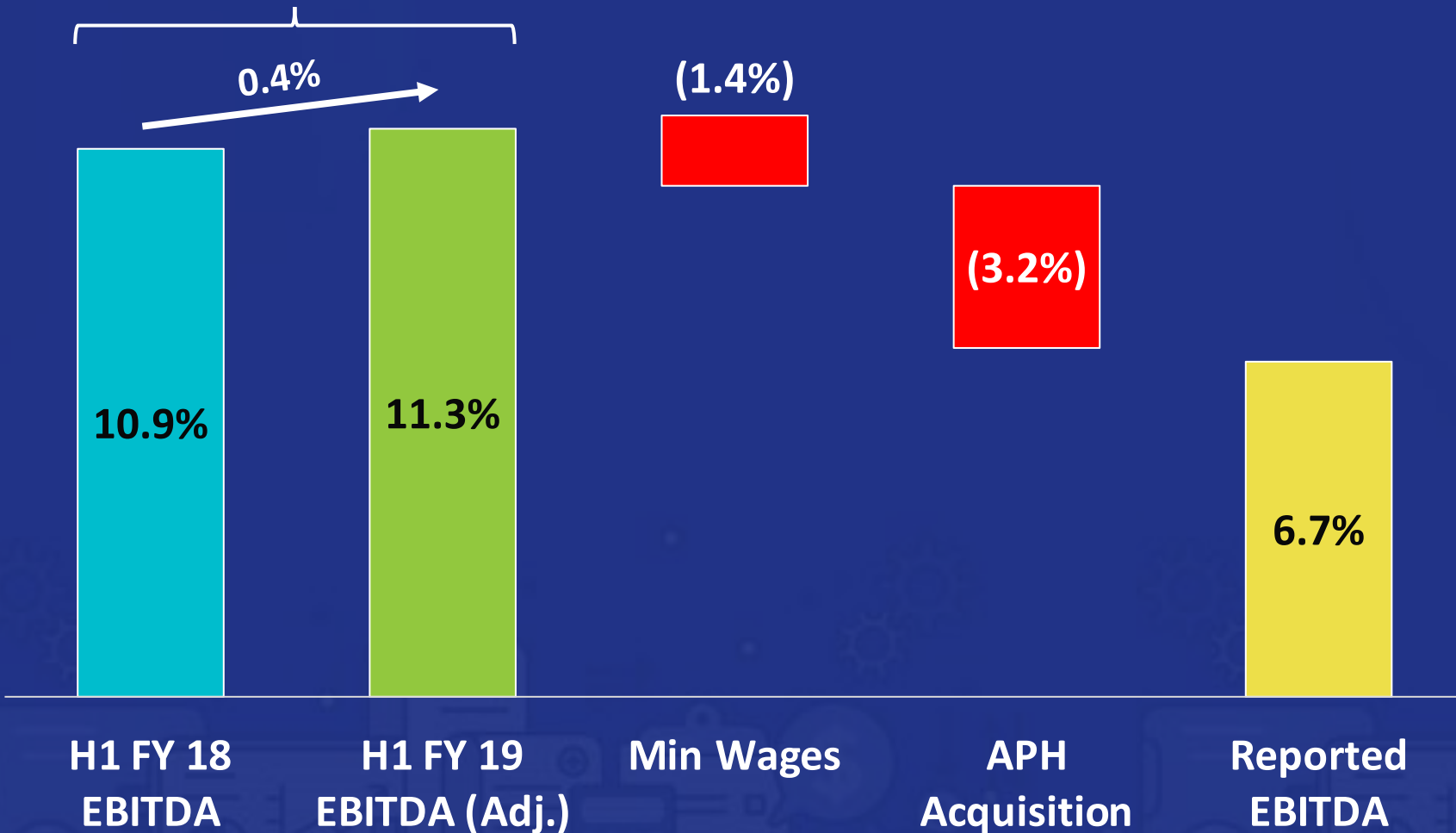
# Performance of Key Delivery Geographies

H1 FY19 as compared to H1 FY18	USA	Canada	UK	India Offshore	Philippines Offshore	Jamaica Nearshore
Growth	27.1%	38.8%	11.0%	9.4%	8.6%	9.0%
Change in Delivery Margins	0.3%	1.0%	5.0%	1.9%	5.0%	-6.6%

- In H1 FY19 Core business margin improved driven by margin improvement from all the key operating geographies
- Strong growth in USA driven by new signings for Onshore delivery
- Margin improvement in Canada muted due to ramp cost related to 40% growth
- Successful turnaround of the UK business driven by operational improvements
- Further improvement in margins from Offshore business
- Delivery margin in Jamaica impacted by wage increases

# EBITDA Margin as compared to H1 FY 18

Improvement in margins from the core business



- The reported EBITDA margin of 6.7% - impacted by impact of minimum wage and AxisPoint acquisition
- Excluding the impact of these the margins have improved by 40 Bps as compared to H1 FY 18

# India Domestic business – A Snapshot

- ✓ Challenge in India CRM business continues due to domestic mobile operators facing pressure
- ✓ Focus on reducing dependency on telecom vertical in India – expect to reduce contribution to India revenue from 70% to 50% by Q4 FY2019
- ✓ BFS vertical more than doubled in revenues for H1 FY2019 compared to H1 FY2018 – accounts for 14.2% of India domestic revenues
- ✓ Focus on premium LoBs and seat consolidation
- ✓ Minimum wages in the state with largest headcount increased by nearly 90%, effective December 2017
- ✓ Impact of wage revision fully provided for - Rs 239 million in H1 FY 2019, Rs 380 million in Jan – Sept 2018
- ✓ Corrective action – price revision or closure of impacted accounts
- ✓ In the event of a favorable High Court order, accrued costs will be reversed

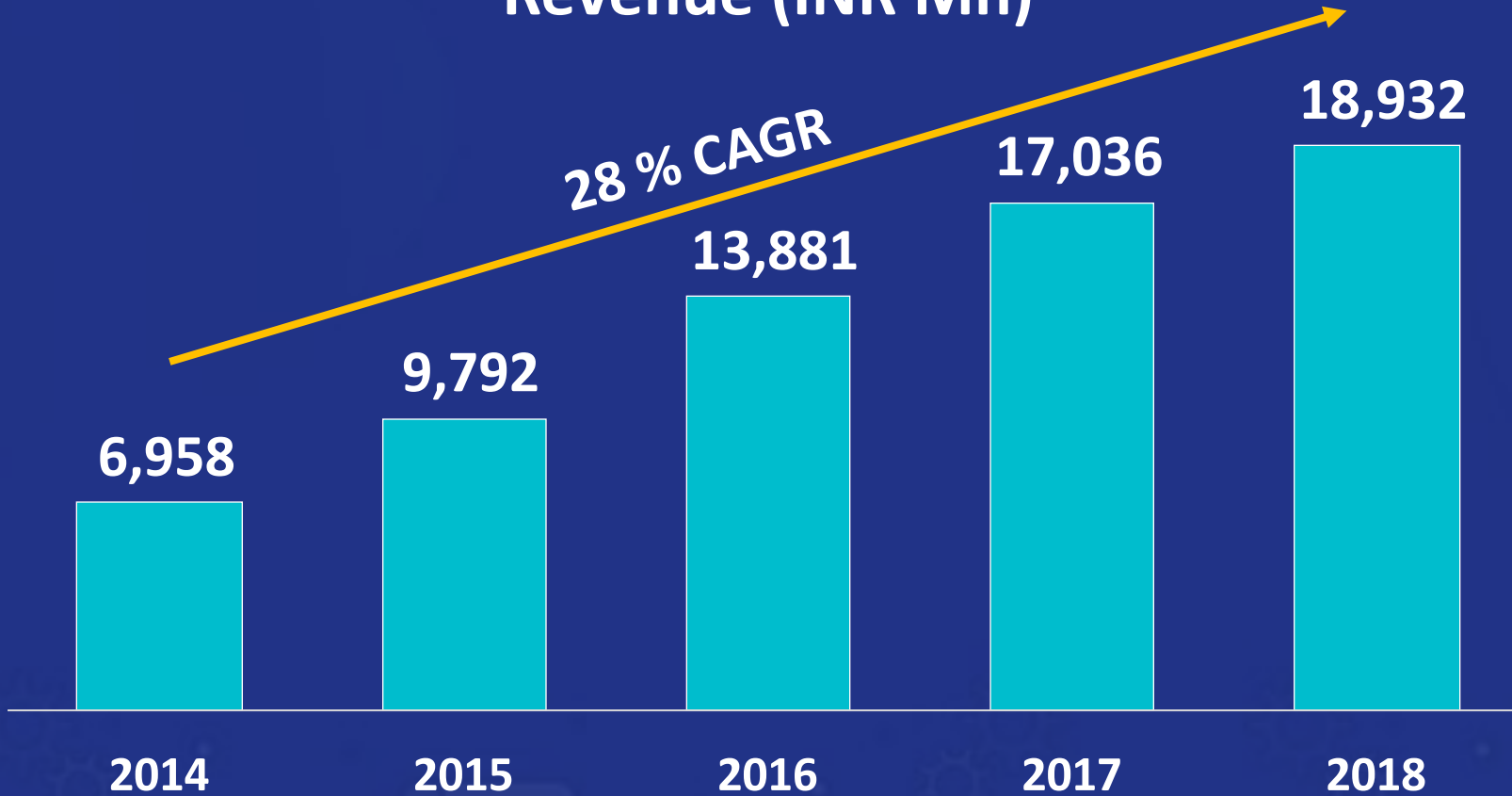
# HEALTHCARE BUSINESS @ HGS

**Ramesh Gopalan**





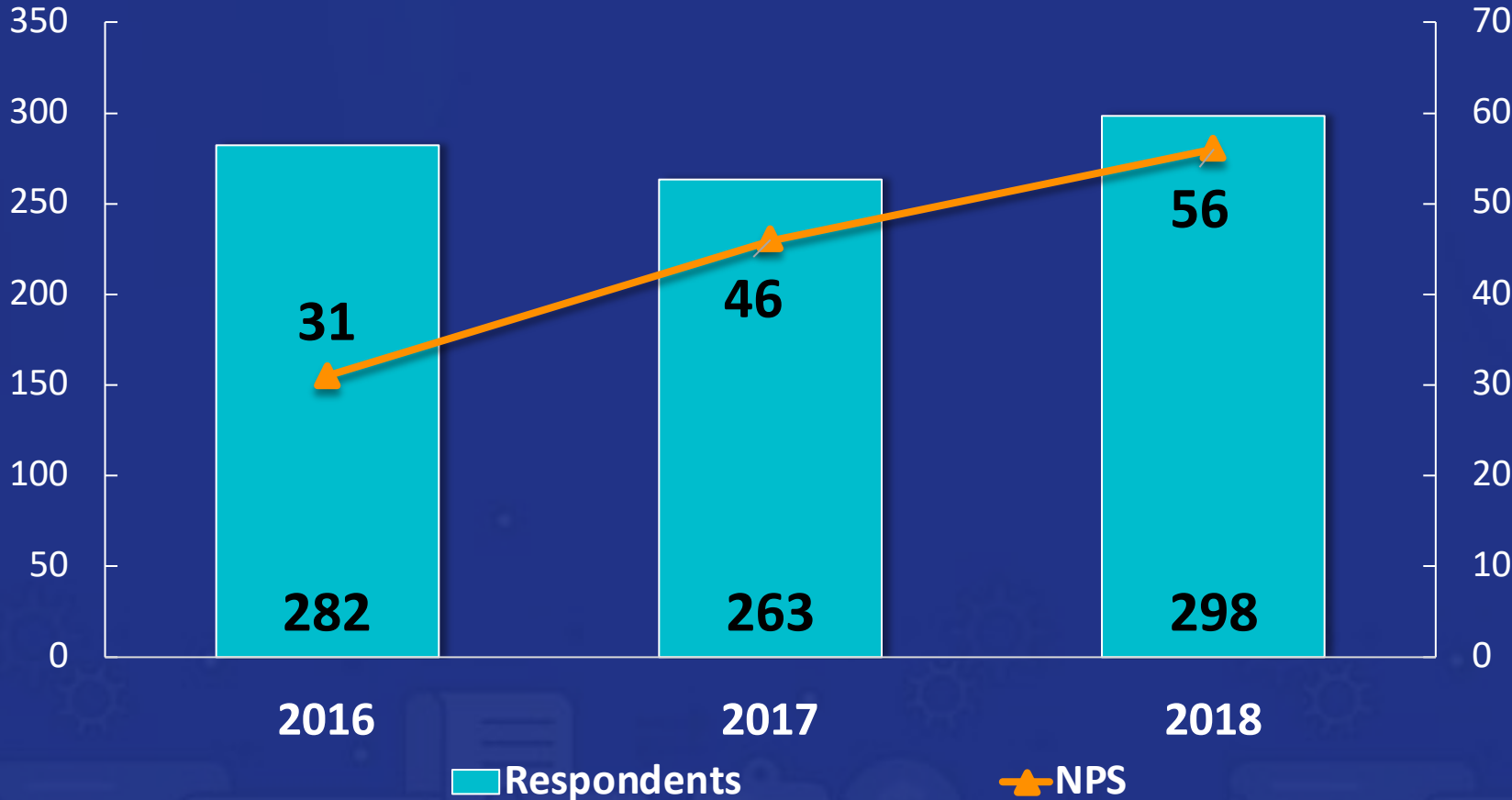
## Revenue (INR Mn)



- **5** delivery geographies
- Healthcare business at scale
  - **75M** claims
  - **120M** interactions
  - **\$836M** in Financial Recovery
- Continued growth of existing client relationships

- 11% growth in FY18; almost doubled revenue between FY15 and FY18
- Provider business share of total healthcare revenue has grown from 7% to 15% between FY15 and FY18

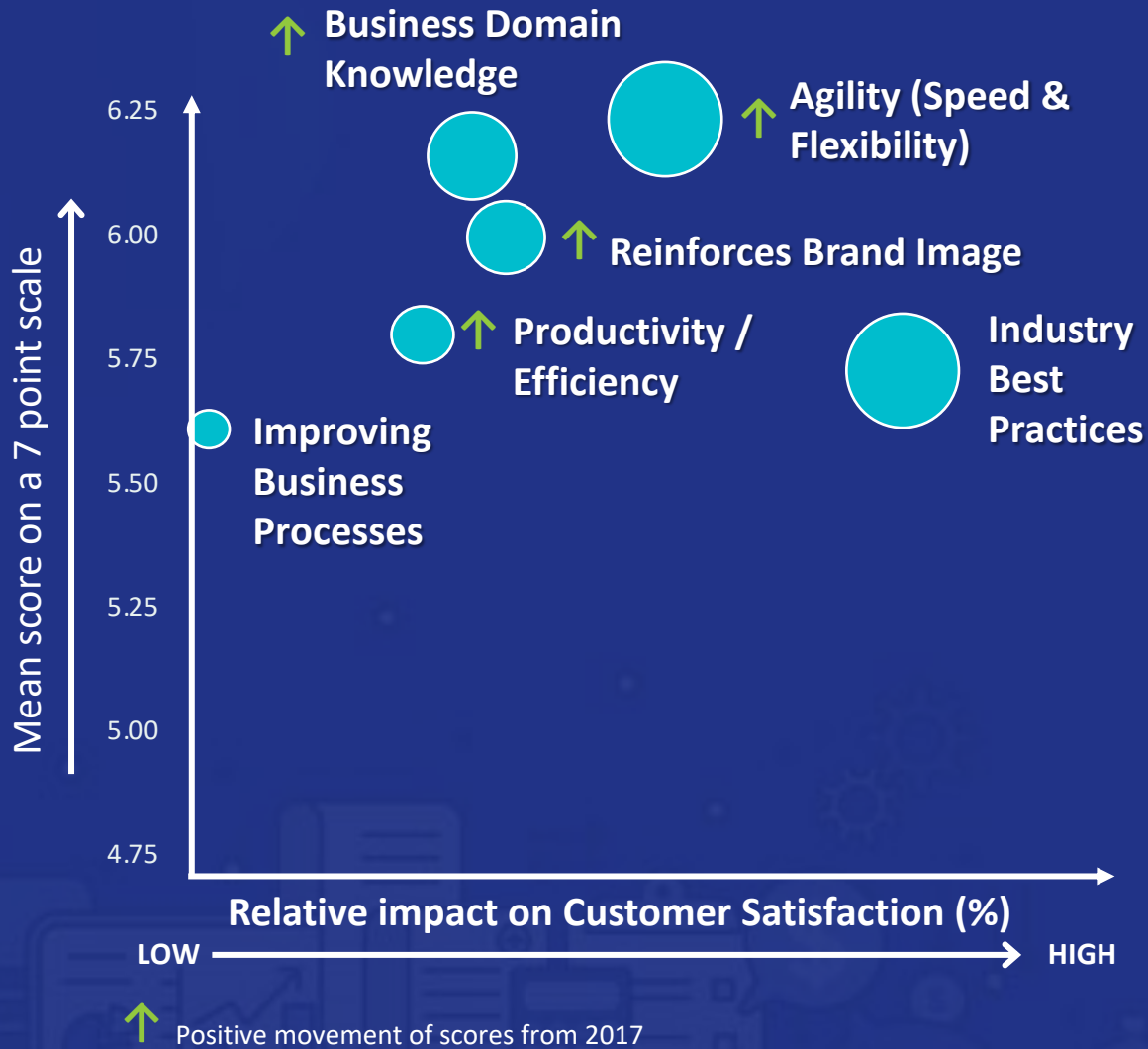
## NPS – Healthcare



HGS Healthcare NPS beats industry benchmark (43) for second year consecutively; results based on a large number of respondents with the response rate in the high 80s

\* Benchmark – HGS works with a third party for the surveys. The benchmark data comprises of 20-22 companies in the BPM space whose clients are surveyed by the same third party

# Bringing in Industry Best Practices – Key contributor to Client Satisfaction



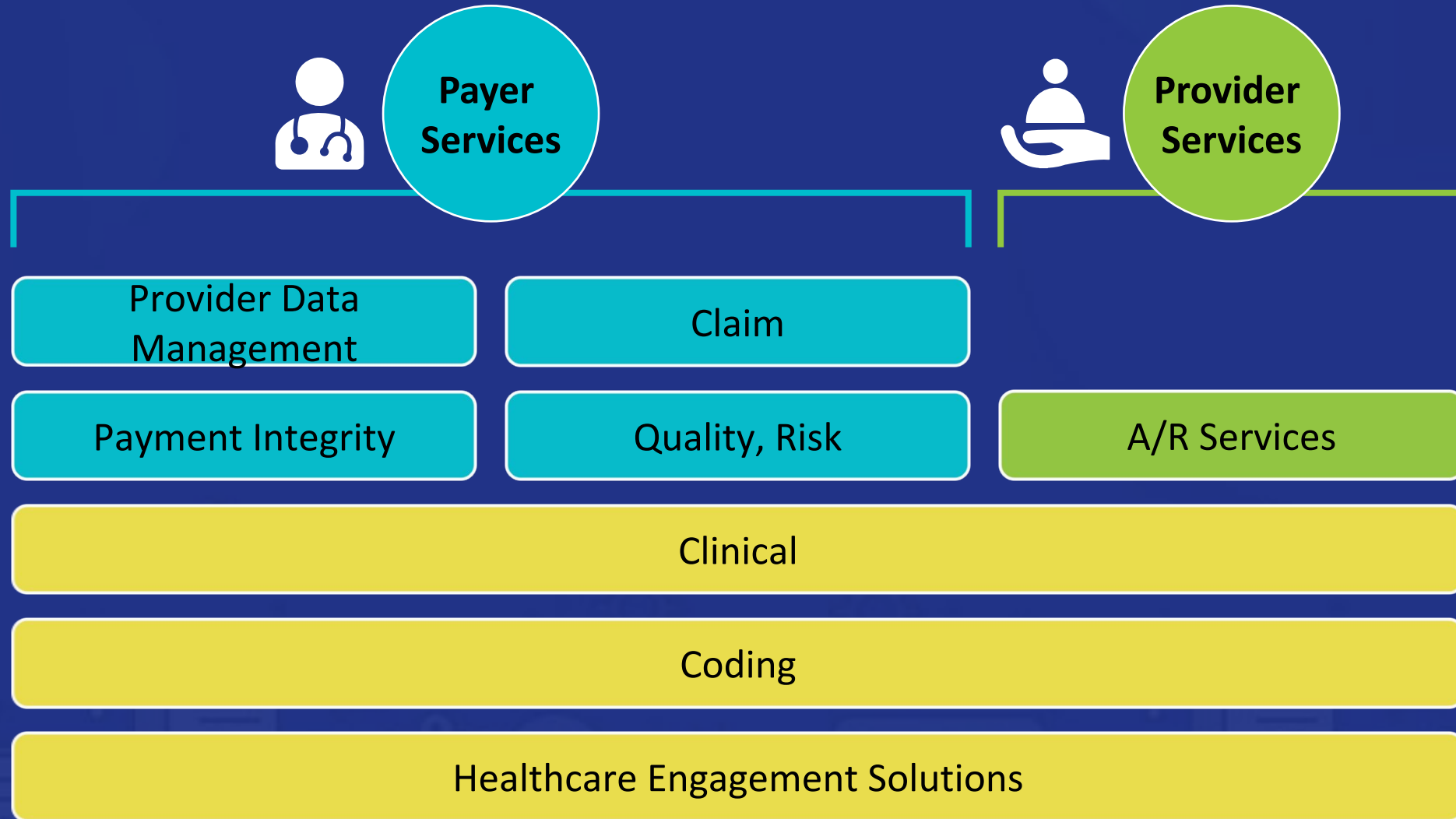
Embedding deep domain knowledge to transform industry practices and add value to a client's business

# Realigning Organization to Partner through Innovation to impact Outcomes

Verticalised business	Global Innovation Hub	Acquire/Partner for Capabilities
<ul style="list-style-type: none"><li>✓ Global Operations</li><li>✓ One HGS- seamless delivery</li><li>✓ Healthcare Practice</li><li>✓ Capability maturity</li><li>✓ Thought leadership</li><li>✓ Driving value multipliers</li></ul>	<ul style="list-style-type: none"><li>✓ Digital Innovation</li><li>✓ RPA</li><li>✓ Analytics</li><li>✓ Customer Journey Mapping</li></ul>	<ul style="list-style-type: none"><li>✓ Population Health Management</li><li>✓ Social Media Marketing</li><li>✓ Customer Journey Analytics</li><li>✓ Platform driven Smart Plan Selection</li></ul>

**Outcomes: 18 Innovative projects** completed; unified training and Business excellence globally; **8 Practices** driving maturity of engagement; Innovative operations as well as thought leadership led value creation

# We have reorganized our Healthcare Practice to focus on solutions that matter to our clients





## Payer Services

### Claims

- Expertise in both US and international claims handling
- Point solutions for inventory control, quality and rework reduction
- Industry benchmarks established

### Provider Data Management

- Proprietary technology led solutions for keeping provider data accurate and current
- Scaled PDM practice across 3 new accounts
- Added Credentialing capability for large national network provider

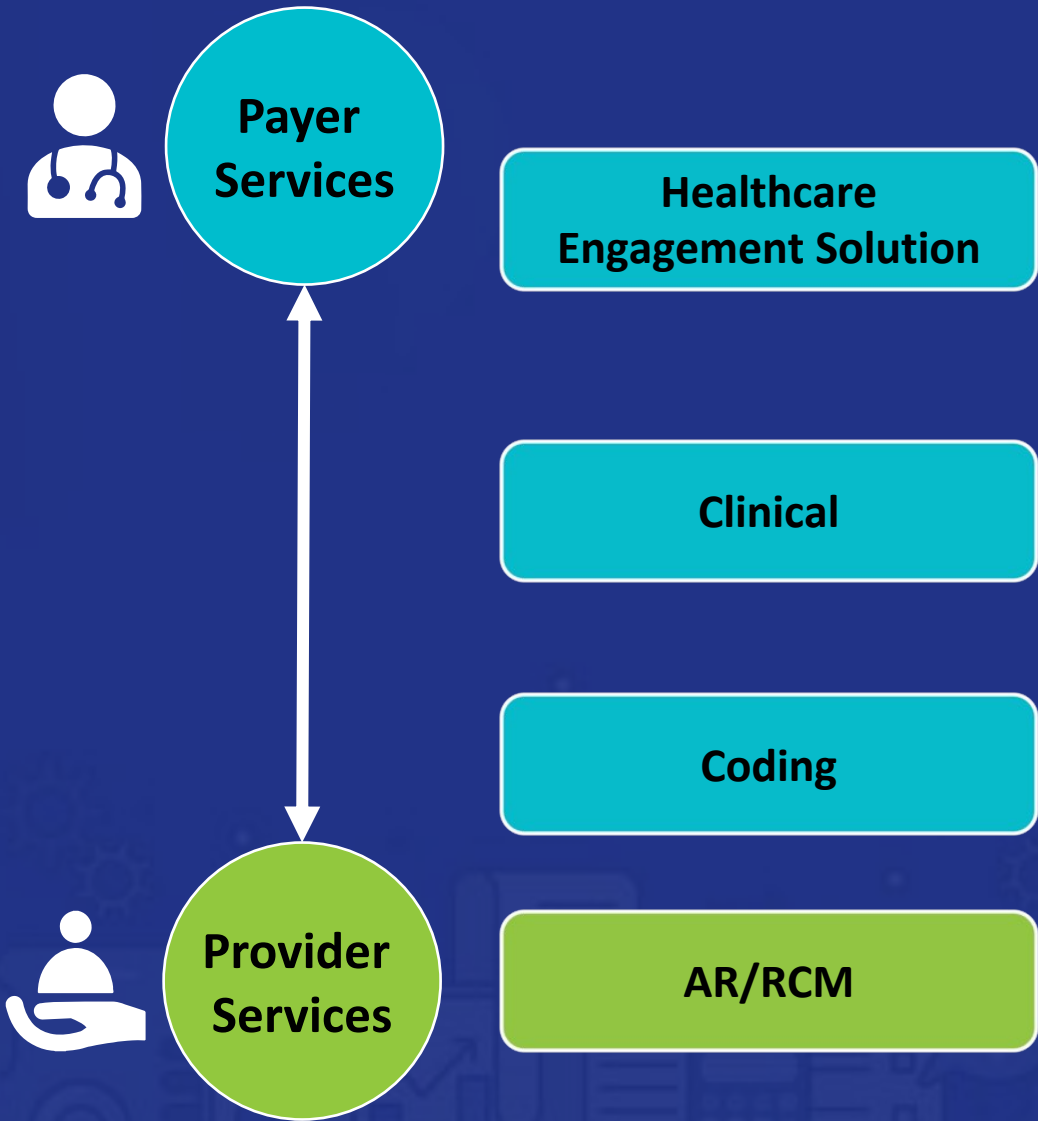
### Payment Integrity

- Proprietary ROI dashboards across all client's vendors for all PI services
- Proprietary algorithms have enabled >\$100M in savings from upcoding, unbundling and medical appropriateness of services

### Quality, Risk

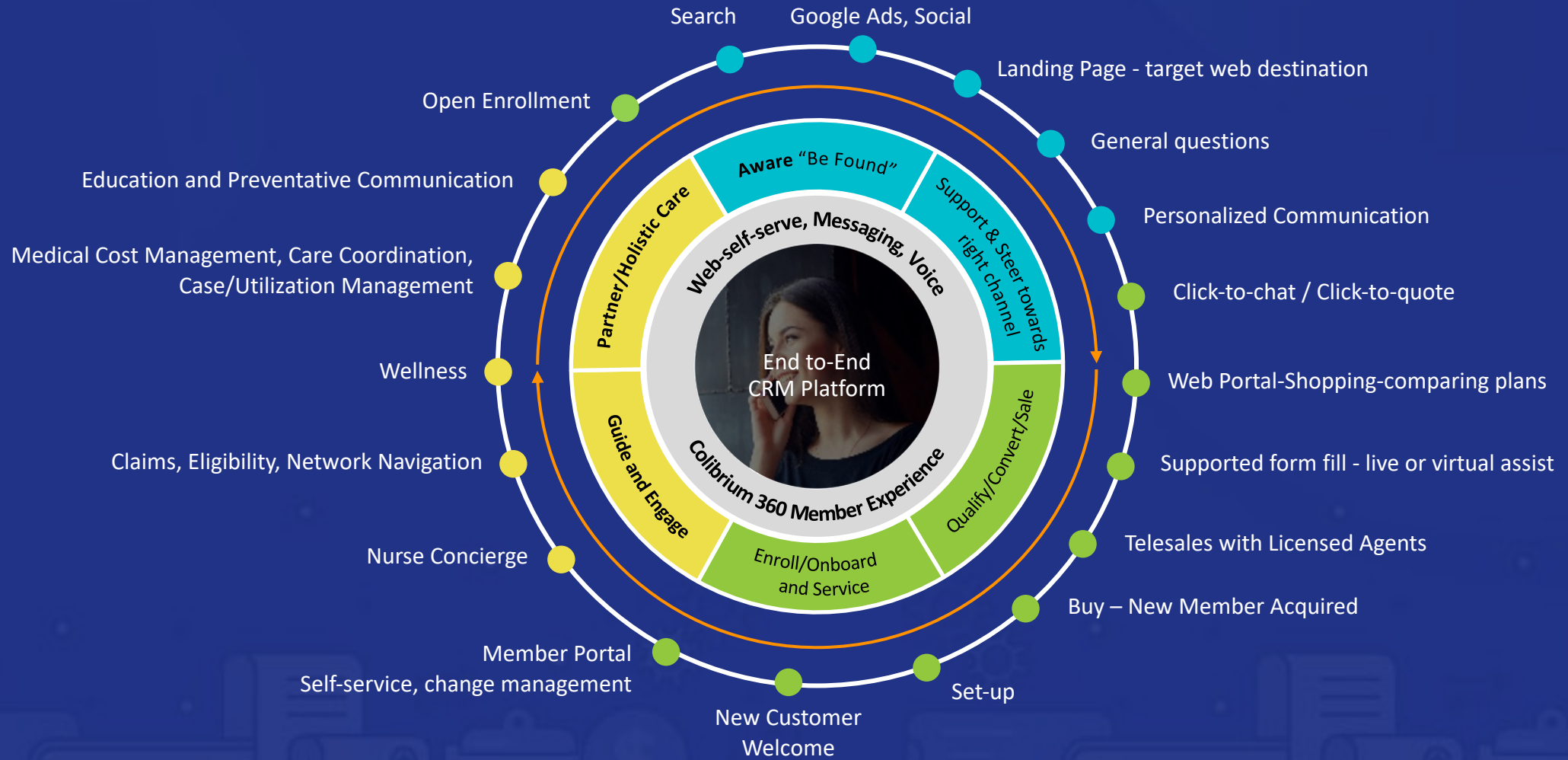
- HCC coding capability along with Risk analytics – proprietary go-to-market solution

# Practices Across Payer and Provider



- Offshore and nearshore locations, meet and exceed client onshore NPS
  - Digital channel engagement mix increased by 10-15% (chat, automated messaging)
  - Interaction analytics capability
- 
- Deliver 2x ROI through case, conditional management solutions
  - Proprietary technology led population health management through APH acquisition
  - Growth in onshore and nearshore locations
- 
- Growth in complex code review
  - Additional coding capability in Hierarchical condition category, Benefit coding category
- 
- Growing outcome based contracts, exploring large TCO reduction deals
  - Built proprietary predictive propensity to collect model to improve collection to effort ratio

# Member Engagement - Leveraging acquisitions and building lifecycle impact



● Element ● Colibrium ● APH



# Case Study - Unlocking the value - through “Deep Partnership”

1-18 months

Year 2-3

Year 3-4

## Key Focus

### Operational Efficiency

### Business reengineering- Proprietary tools

### Strategic Partnership - Consultative engagement & drive business outcomes

## Value Drivers

- Right geo/location – providing cost & cycle time benefits
- Basic automation of transactions
- IVR enhancements

- Rule based workflow enhancement leading to straight through processing & downstream efficiency
- Proprietary denial management solution drive higher collections and manage denials better

- Order to cash lifecycle consulting
- Provide “niche” clinical services driving “patient connect”
- Interaction analytics
- Video based interaction for enhanced “support & care”
- Digital solutions enhancing self-pay
- Innovative technologies for real-time tracking of inventory & delivery

## Outcome

1. 15-20% savings through-automation
2. Analytics insights drive call reduction by ~8%

1. Collections up by 10 -15%
2. Transaction processing time reduction by ~60%

1. Identified > \$35M in revenue leakage and \$4.5M in cost savings opportunities
2. Enhanced NPS (net promoter score)

**Global “order to cash for providers” COE - delivering > 45% reduction in TCO**

# AxisPoint Acquisition

Expands expertise outside of admin spend (15-20% of premium dollars)  
to medical spend (80-85% of premium dollars)

Full suite of offering in the care management space

Onshore clinical delivery capability

## Market Conditions

- **60%** of Americans have at least **1** chronic condition and **>20%** have at least **5** conditions
- **\$750** billion in avoidable healthcare costs annually,
  - **\$210** billion from unnecessary services
  - **\$38** billion from overuse of Emergency Departments (EDs).
- Clinician shortage requiring remote and one to many engagement models
- **>\$500B** spend due to non adherence to treatment and medication regime

## APH Solutions

### CAREPOINT

Condition management and case management solutions to improve health outcomes, increase member satisfaction, and reduce costs

### GUIDEPOINT

Clinically-led and analytically-backed nurse guidance technology and algorithms that can help with, navigation, and member engagement that improves quality and lowers costs

### ANALYTIX

Provides quick and automatic identification of conditions and gaps in care and ensures members are stratified and prioritized for outreach

Clinically led, logic based nurse triage, guidance, navigation and member engagement

## Services

 Referrals and navigation

 Telemedicine referrals

 Outbound campaigns

 Omni-channel access

 Transparent reporting

## Key features

**400+** symptom based algorithms

**4** Modules for Adult, Pediatric, Women's health and Mental Health

**7** End Points from emergency to self-care

## Key benefits

 Repeatable

 Scalable

 Algorithm-Based

 Claims-Based ROI

 Cost Savings

**>2:1**

average Return on Investment across AxisPoint Health's book of business<sup>1</sup>

**>99%**

agreement for each level of care recommendation given by our nurses as compared to on-call physicians<sup>3</sup>

**82%**

of callers with a pre-intent to visit the ED are redirected to a less emergent, clinically-appropriate level of care<sup>2</sup>

**80%**

of callers with a pre-intent to visit the ED follow the nurse's guidance and utilize a less emergent level of care<sup>1</sup>

**73%**

of all callers are redirected to a more appropriate level of care<sup>2</sup>

<sup>1</sup>AxisPoint Health Research & Outcomes Department, 2017

<sup>2</sup>AxisPoint Health Redirection Report, 2017

<sup>3</sup>Archives of Pediatrics & Adolescent Medicine, 2003

## Requirements for real outcomes:

**Utilization** by the right people

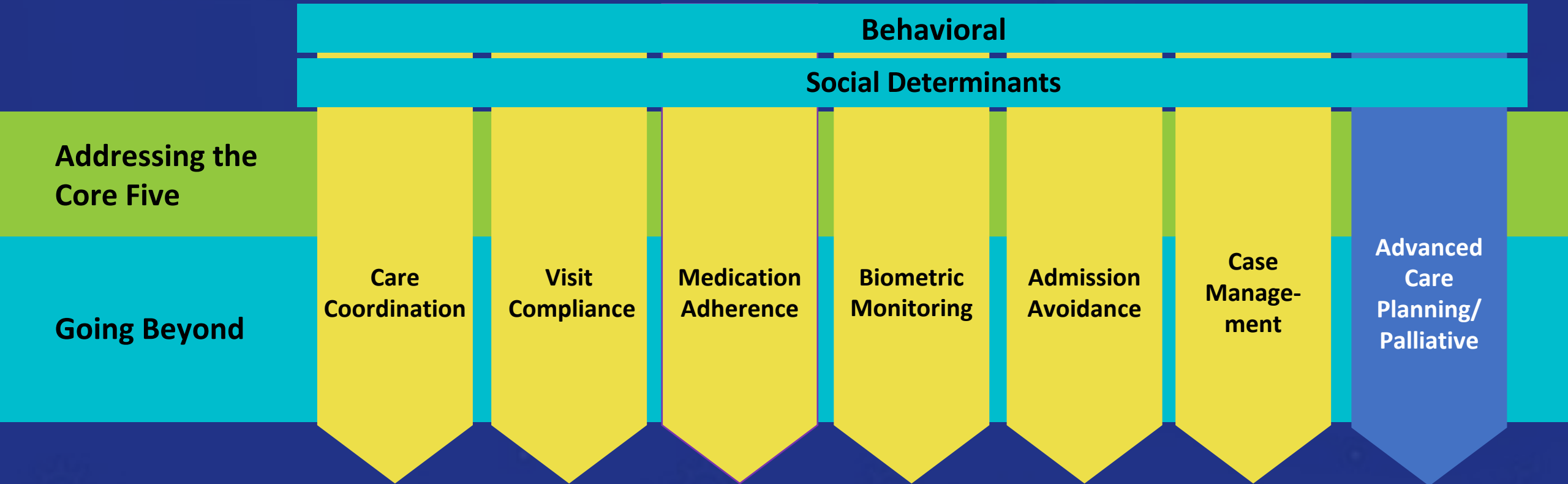
High **redirection** rates that align with physician advice

**Low variation** in clinical level of care recommendations between calls

**Proof** that members actually follow the recommendations provided to them

# CarePoint

Transforming condition and case management with predictive intelligence, laser-focused targeting, and pulsed interventions for individuals and their caregivers and support circles, informed by a mobile app



**Pivoting from condition focus to priority interventions**

Precision aim transcending all conditions and hurdles

Care tracks are chronic + complex condition agnostic

Allows care teams to focus on the most clinical + cost impactful problems



- Health Coach
- Social Worker
- Nurse Generalist
- Behavioral Health Specialist

- Nurse Specialist
- Pharmacist
- Behavioral Health Specialist
- Dietician

## Expert Guidance **WHERE NEEDED**

- Pulsed touches from care manager to drive behavior change
- Person + support circle with their medical team at the center
- Full spectrum of support addressing physical, behavioral, social + spiritual needs
- Boots on the ground to the cloud across all care settings
- Multi-channel communication
- Driving productive engagement



# Digitally Guiding the Consumer Experience

Gathering personal preferences



Ongoing 2-way digital communication



Targeting health information to guide and support



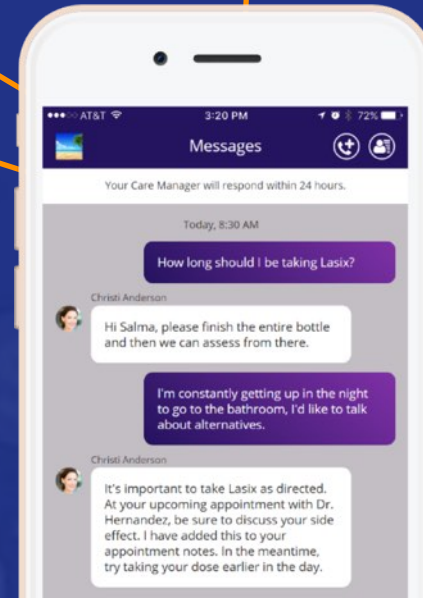
Helping understand health goals



Bringing family and friends in as social support



Reaching out to begin interaction  
Integrating digital channels + features



Elevating + simplifying the consumer experience  
Driving engagement

## Concerns

Losses in FY19 were much higher than anticipated

- Exit of a large contract earlier than expected
- Higher G&A : Technology infrastructure and some support functions
- Unprofitable contracts as a result of lower labour utilization

## Corrective Actions

- Rationalized operational headcount
- Synergy projects under implementation, to be completed end of Q3
  - Telephony integrated with HGS infrastructure
  - Server infrastructure migrated to a more cost effective model
  - Work Force Management and technical support combined with HGS
- Unprofitable contracts : Negotiate favourable terms or exit

**Q4 to be the start of the turnaround in AxisPoint performance;  
H2 to be significantly better than H1**

# BUSINESS TRANSFORMATION – A CLIENT AND MARKET PERSPECTIVE

**Tim Schuh and Adam Foster**

# Market Overview

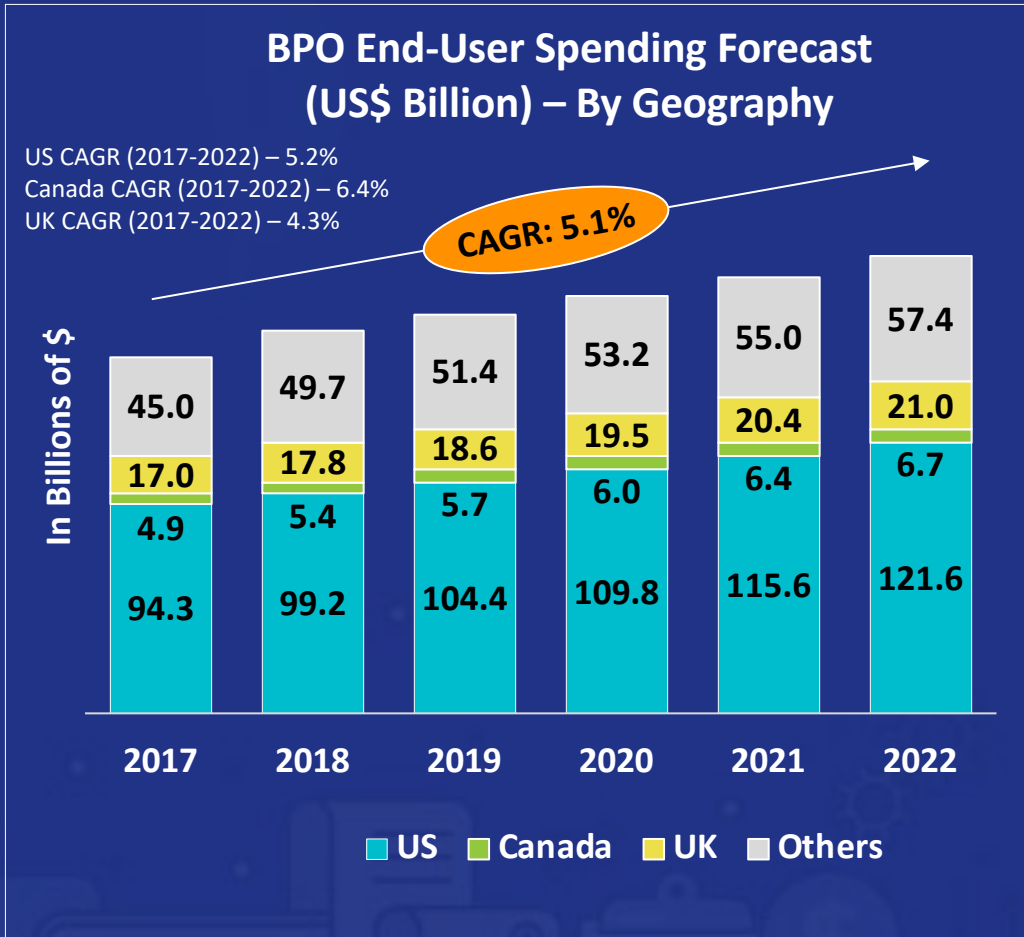
Client demands are shifting in the following ways:



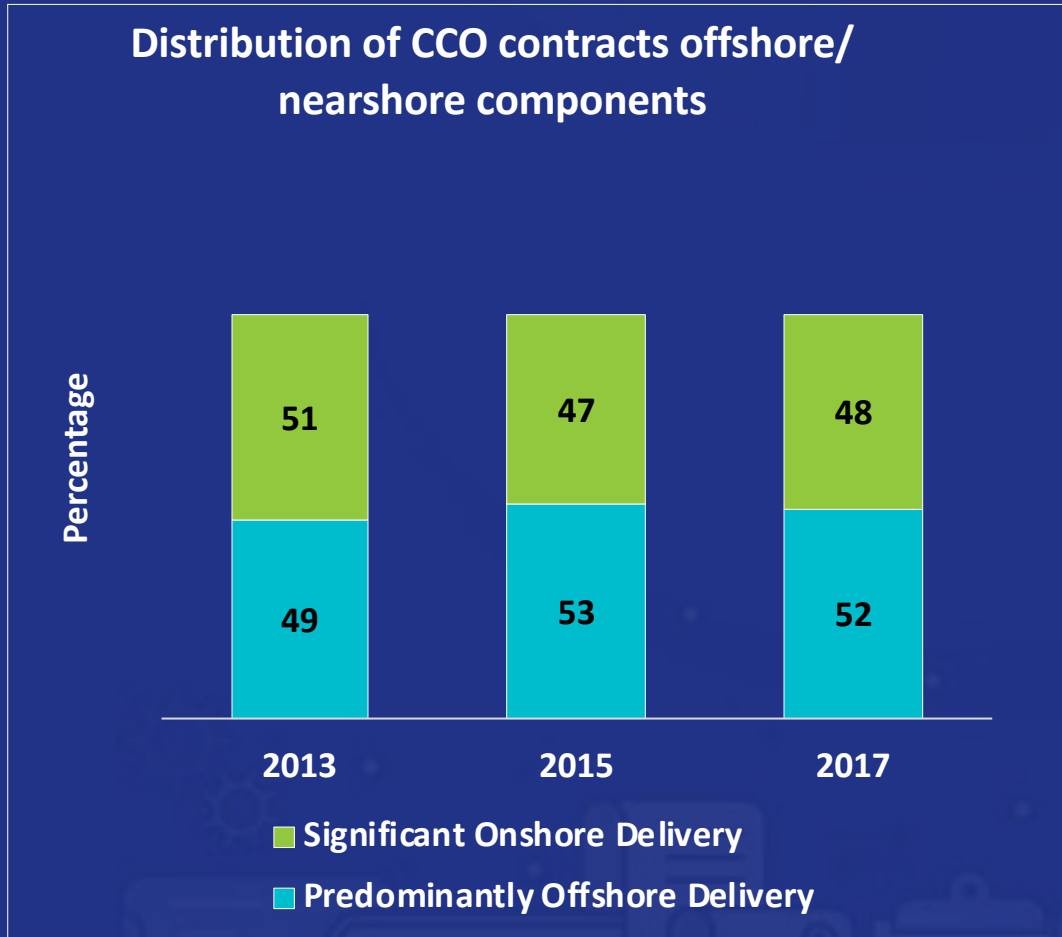
CX is **CHANGING**

# Global BPO Spending Macro Market Overview

Client demands for BPO is growing as the overall volume of interactions grows. Offshore stable.



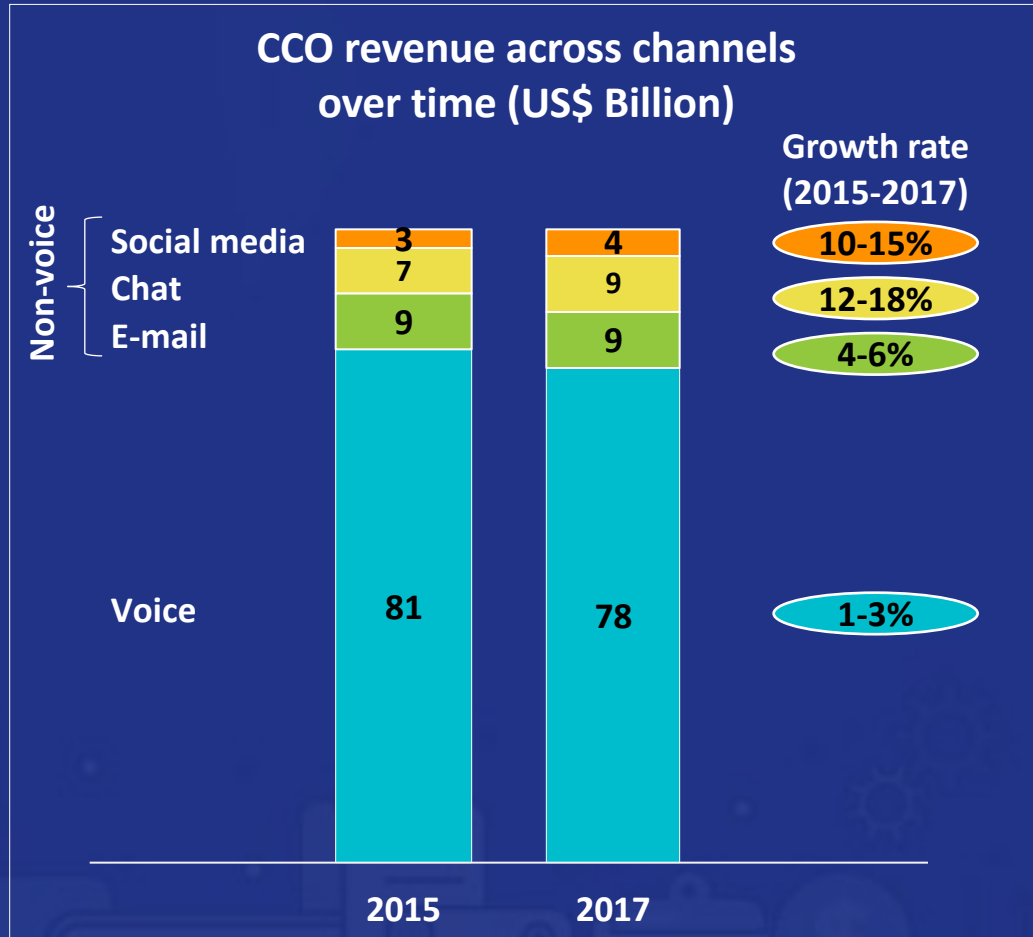
Source: Gartner Service line Forecast 2018Q1



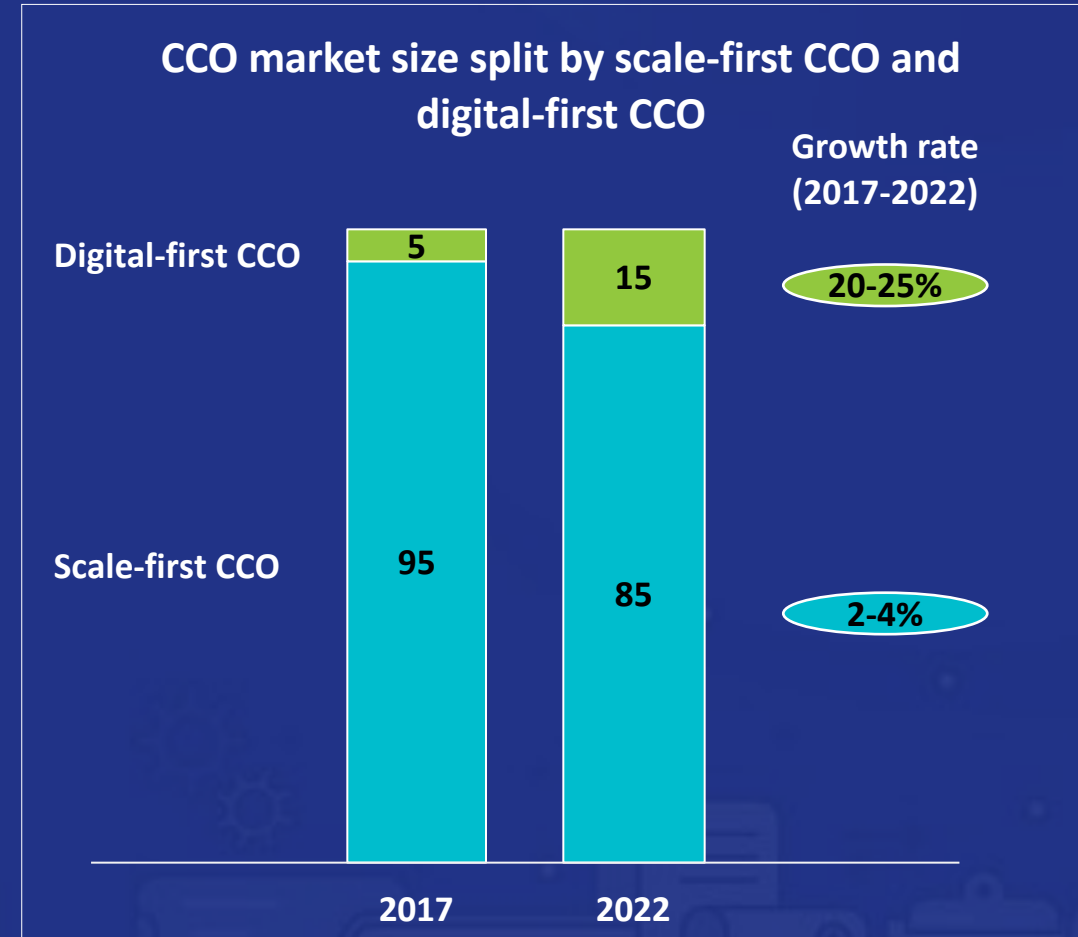
Source: Everest, CCO Annual Report 2018

# Adoption of Digital vs Traditional

Client demand is growing the fastest across digital channels. More businesses are leading with digital.



Source: Everest, CCO Annual Report 2018



Source: Everest, CCO Annual Report 2018

Secure  
specialist  
talent in key  
Sectors

Invest in  
upmarket  
capabilities

Rapid onshore  
& offshore  
expansion

Leverage  
third party  
partnerships –  
sell through

Lean in  
on Social



Exponential  
expansion of  
non-voice  
capabilities



Globalized  
organizational  
structure &  
optimize SG&A

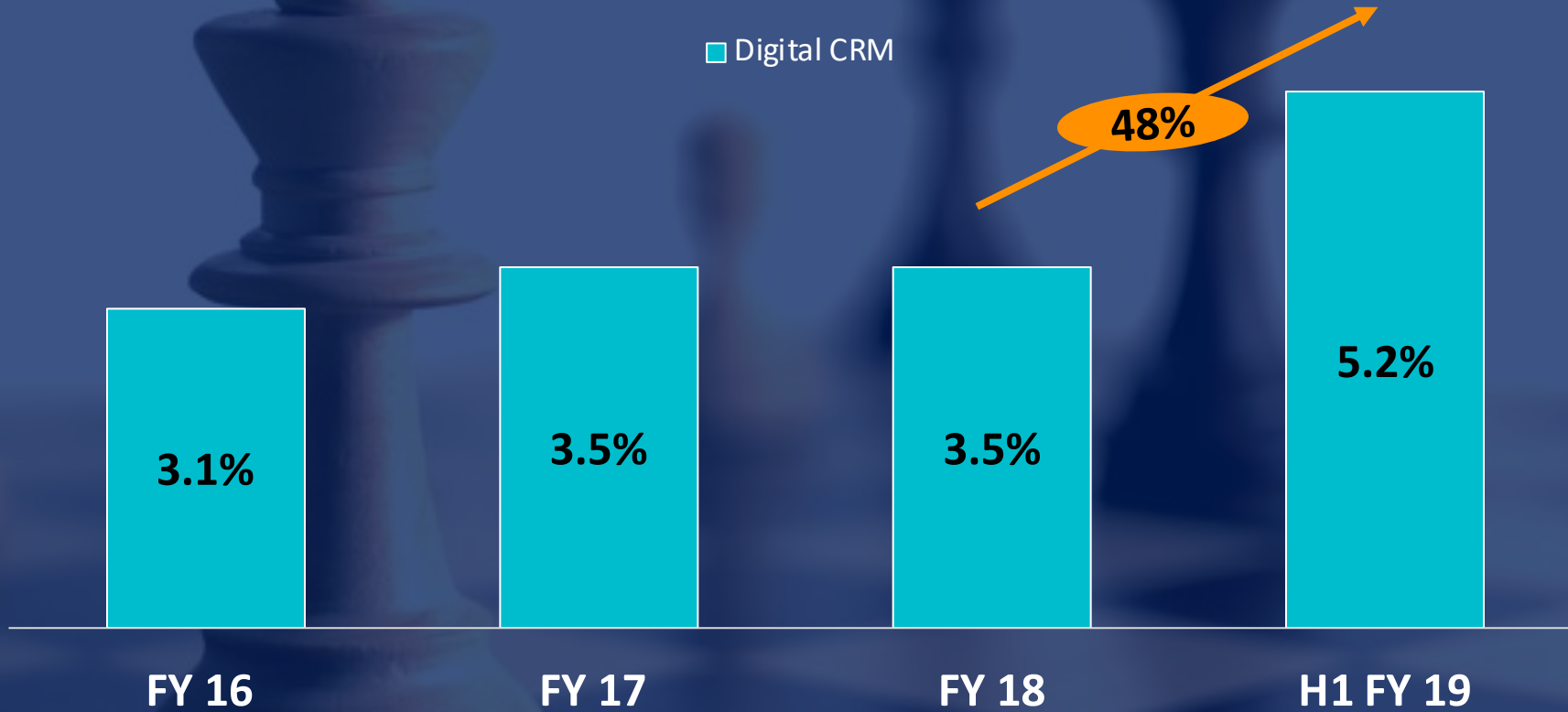




# HGS Growth

Client demands for Digital up 48% YTD. Including social media expansions with large global brands.

## HGS Revenue Channel





Yes!

Can I get the  
CARFAX?

Exclusive provider of 100% non-voice  
(text & chat)

Online lead generation & qualification  
for used car sales.





**30%** increase in number of dealer appointments



**Award Winning**

Driving Results. Consistently.



**Provide customer care support via 5 channels** – phone, email, mail, chat, social media – for 32 UK brands



**Driving Results. Consistently.**



**40%** reduction in volume thanks to Chatbot implementation

**100%** of actionable Social posts responded

**OUTPERFORMED**

all CSAT targets in 2018



**Driving Results. Consistently.**

# HGS – EPIC Social Media Approach



**Engage**

Engage with customers to deepen relationships and answer common questions.



**Protect**

Identifying, escalating and mitigating issues before they become crisis



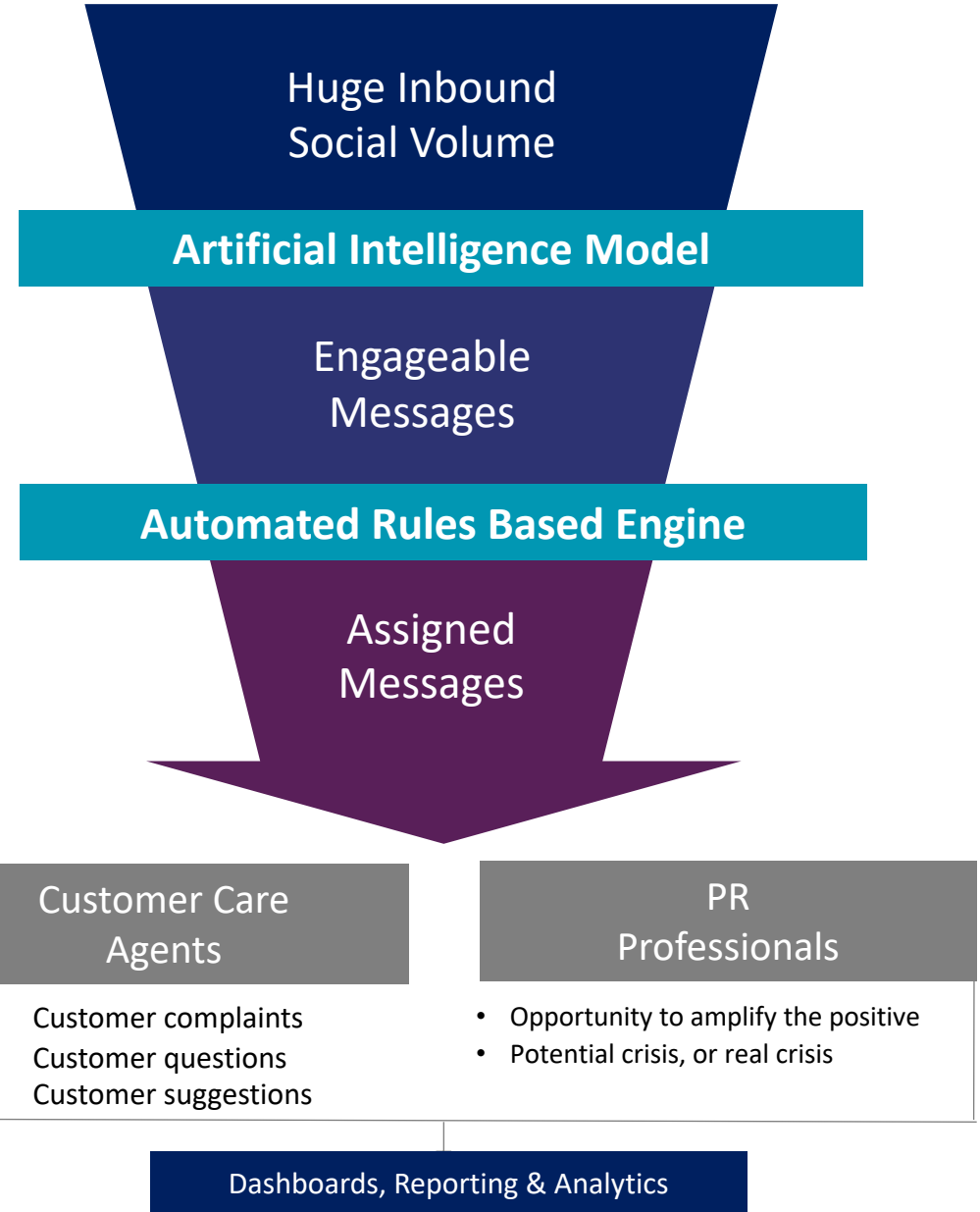
**Inform**

Decode the Voice of the Customer to inform operational business decisions.



**Create**

Engaging with influencers, and amplify positive media coverage.





4M Mentions | 15K Restaurant Pages



**Engage** – to answer customers



**Protect** – the brand from a potential crisis



**Inform** – the business with insights



**\*ISG** Provider Lens™

**Award Winning**



# HGS Strategy – Fortune 200 Quick Service Restaurant Giant



**\$1.2** million cost savings

**150K** likes, shares, comments



**\*iSG** Provider Lens™

**Award Winning**



Driving Results. Consistently.



10M Mentions | 5K Store Pages

Engage, Protect,  
Inform...



+ Create – memorable  
moments



Driving Results. Consistently.

# HGS Strategy – Fortune 10 Retailer



**\$3.5** million savings

**8-10x** more posts filtered via AI

**51%** more customers engaged



Driving Results. Consistently.

# INNOVATION & TRANSFORMATION

**Ram Mohan Natarajan**

# HGS Innovation and Transformation Framework

## Our VISION

To be a globally preferred business process *transformation partner* for our clients, creating value in their business through *innovative outsourcing solutions*

## Our MISSION

Make our clients more *competitive*

## Innovation Focus Areas

### AUTOMATION SOLUTIONS

*'Bots and Brain' Integration*

### AI & ANALYTICS SOLUTIONS

*Predictive, Proactive, Cognitive*

### DIGITAL SOLUTIONS

*Improve 'CX and EX' Index, Personalized*

Reduce  
Operating  
Costs

Increase  
Customer  
Experience

Increase  
Revenues

Reduce  
Customer  
Effort

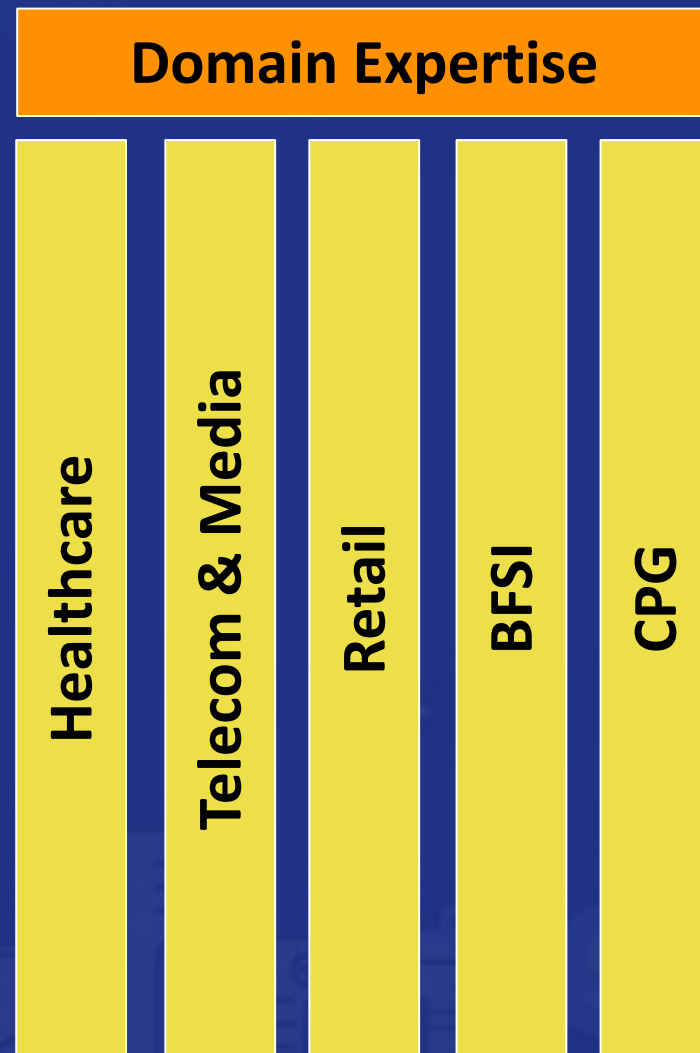
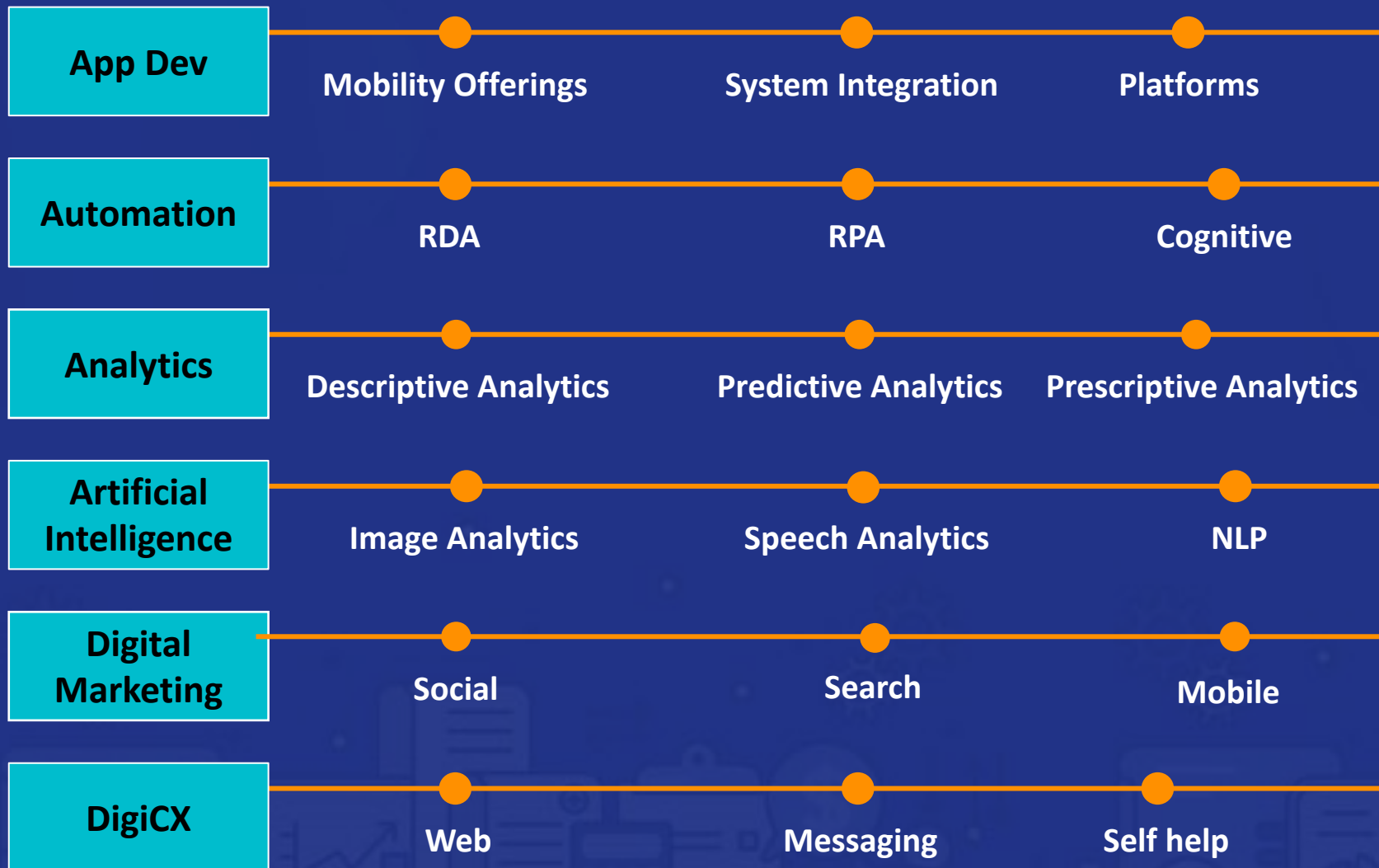
## Our APPROACH

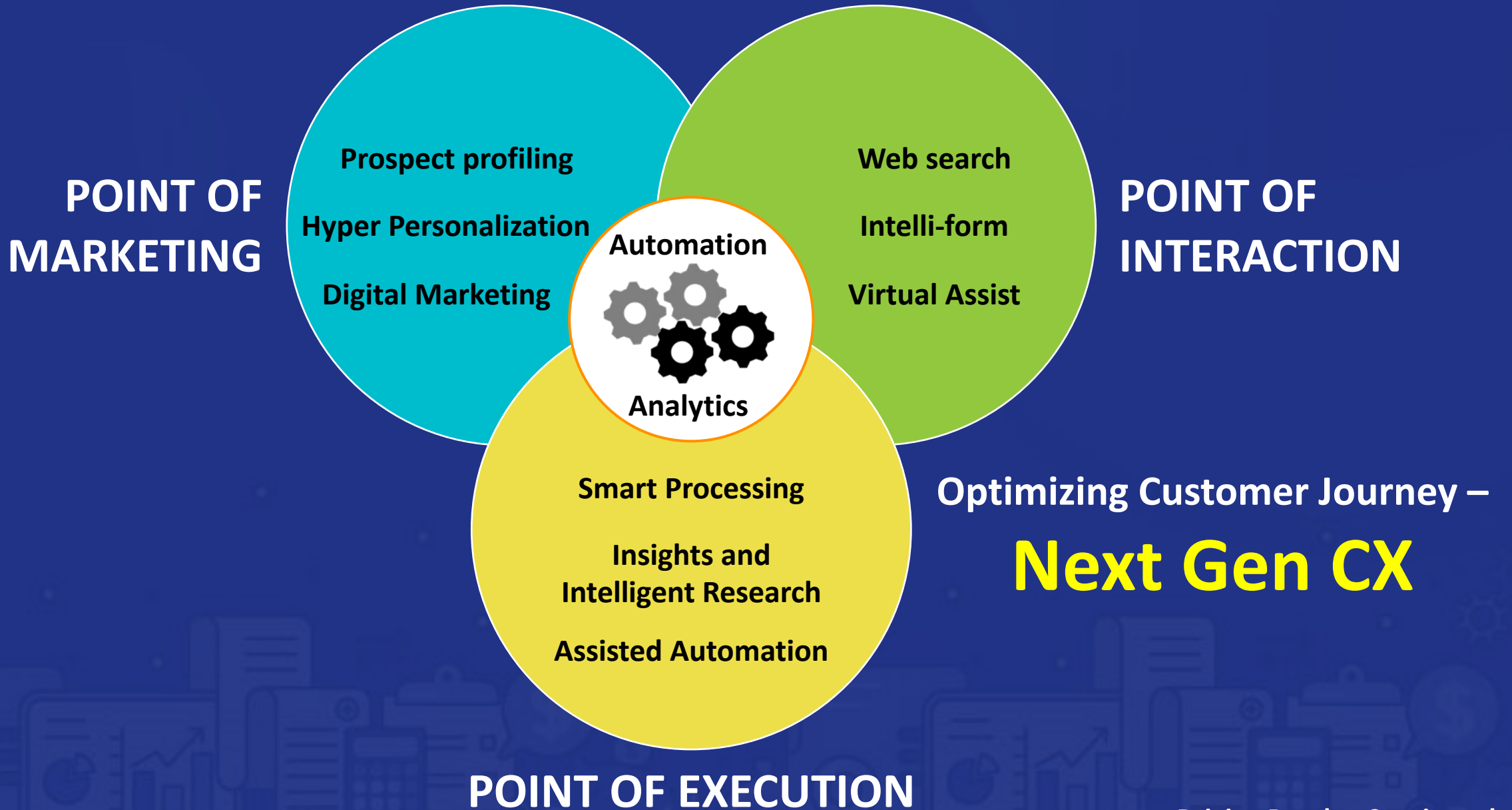
- Innovate/ Co-create: New Concept Incubation and Solution Creation
- Embed: Scale up Proven Solution Deployment



# Innovation & Transformation – Capability Focus Areas

Focus on both Horizontal Capabilities and Domain Expertise





**HGS** has been investing  
in the **CX of Tomorrow**

## DIGITAL SOLUTIONS

*Improve 'CX and EX' Index*

## AI & ANALYTICS SOLUTIONS

*Predictive, Proactive, Cognitive*

## AUTOMATION SOLUTIONS

*'Bots and Brain' Integration*

Significant growth in the **Automation Centre of Excellence**. Saved over \$3 million for a US health insurance client

Multiple new **logo wins** for **RPaaS** (RPA as a Service). Automated over 55 process across life insurance, group insurance and retirement process for a US insurance client

**Investment** in different areas of automation such as Front office Automation, Cognitive, NLP/AI driven Automation etc.

**Automation embedded contracts** in multiple domains



## DIGITAL SOLUTIONS

*Improve 'CX and EX' Index*

## AI & ANALYTICS SOLUTIONS

*Predictive, Proactive, Cognitive*

## AUTOMATION SOLUTIONS

*'Bots and Brain' Integration*

**Interaction Analytics** – Insights from calls, emails, chats, social media interactions

Improvement in collection by 18 % and productivity by 15% by building **Propensity to Collect model**

Built **forecasting models** for over \$ 2 billion collections with much higher accuracy

Analytics capabilities in the area of **Population Health Management, Payment Integrity**

## DIGITAL SOLUTIONS

*Improve 'CX and EX' Index*

## AI & ANALYTICS SOLUTIONS

*Predictive, Proactive, Cognitive*

## AUTOMATION SOLUTIONS

*'Bots and Brain' Integration*

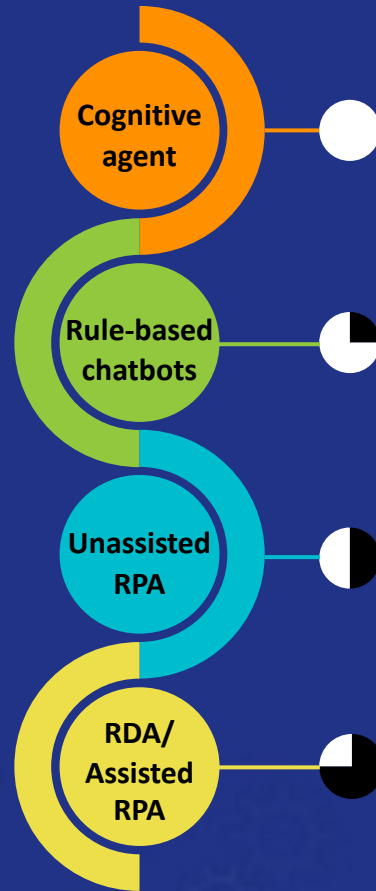
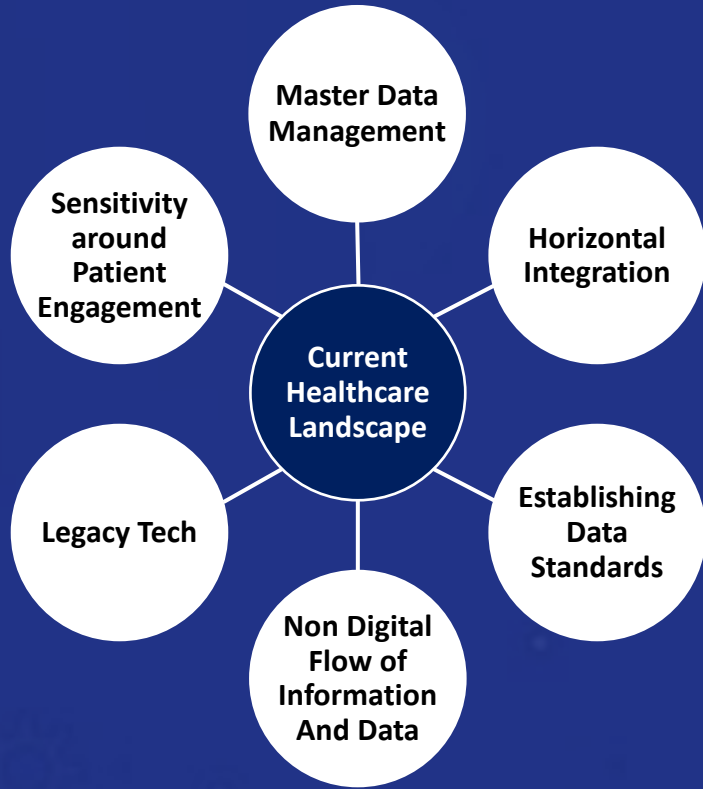
Implemented **Mobile Cam** solution for a US client that resulted in improving the customer experience and handle time significantly

**Social Media capabilities** – Saved \$3.5 million for a client by using automation and analytics

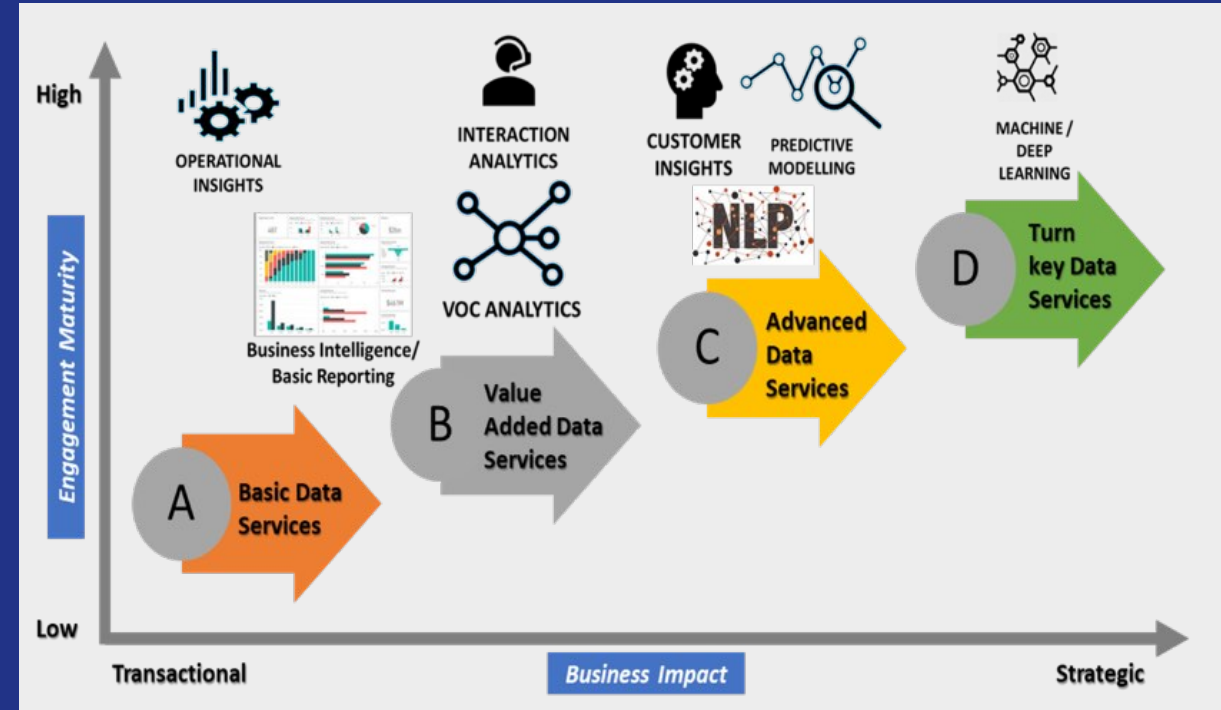
Launched **Multi Channel Survey** and action plan for multiple clients that increased NPS by 11-15 basis points

Digital **e-Learning Solution** that helped reduce training time by 17% and improved speed to proficiency by 3 weeks

# Domain Specific Solutions – An Example



Source: Everest Group, 2017

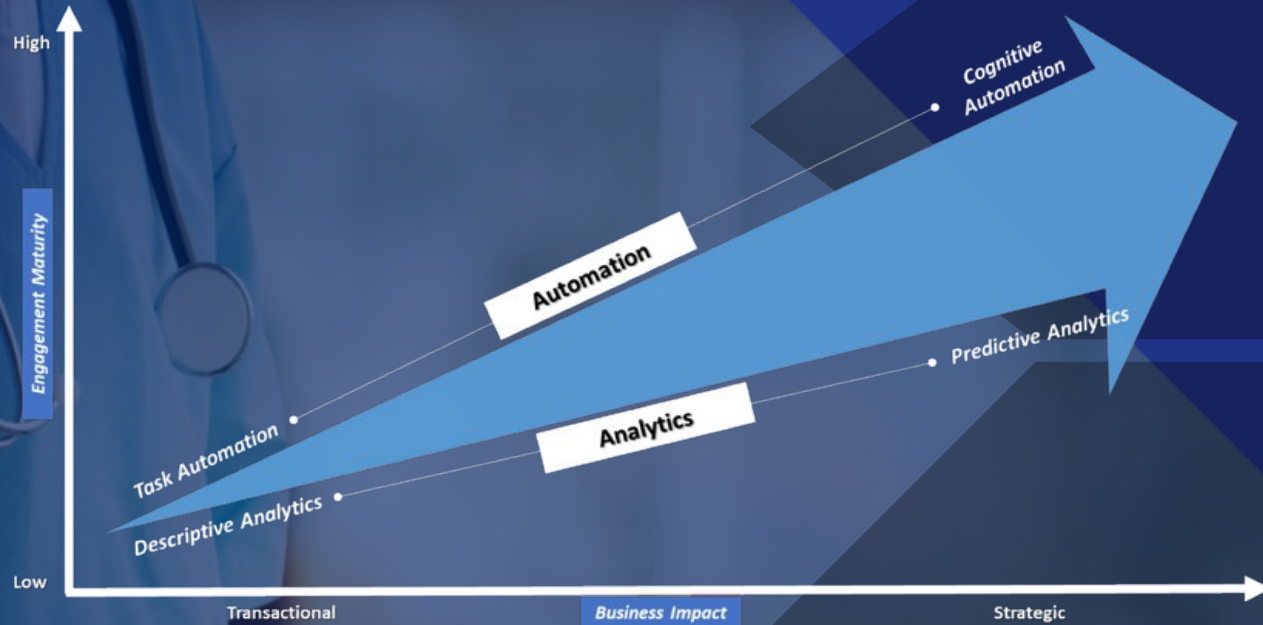


**Create vertically aligned Digital Transformation Strategy**

**Focus on cognitive automation**

**Enable delivery with business insights**

# Domain Specific Solutions – An Example



## Automation Benefits:

- Automated over 30 processes for clients
- Savings of over 3 Mn USD for client

## Analytics Benefits:

- Reduction in variance by over \$1 Million per month
- Improve Collections Days Outstanding

# Recognition



Won in transformation category two years in a row



Best Use of Self Service Technology – Global/ Americas



Cultural Transformation Leader of the Year  
Business Transformation Leader of the Year



Gold Stevie Winner in the American Business Awards for Business to Business services – Innovation



New Product Innovation Award for DigiCX®

# Element

An HGS Company

VENKATESH KORLA, FOUNDER/CEO

DECEMBER 2018

# ANALYST & INVESTOR MEET 2018



Create frictionless digital experiences that solve business problems and improve people's lives.



# HISTORY

2003

**Founded as Element115**

with a vision to transform healthcare through digital experience

2005

**eHealth Accelerator released to market**

A healthcare provider focused digital experience solution released in partnership with Fatwire.

2009

Completed over 100 Healthcare provider web implementations

2011

**Renamed company to Element Solutions**

Changed direction to deliver Digital Experience Solutions across multiple industries

2014

Started Managed Cloud Services Practice

2017

Started Data Driven Intelligence Practice

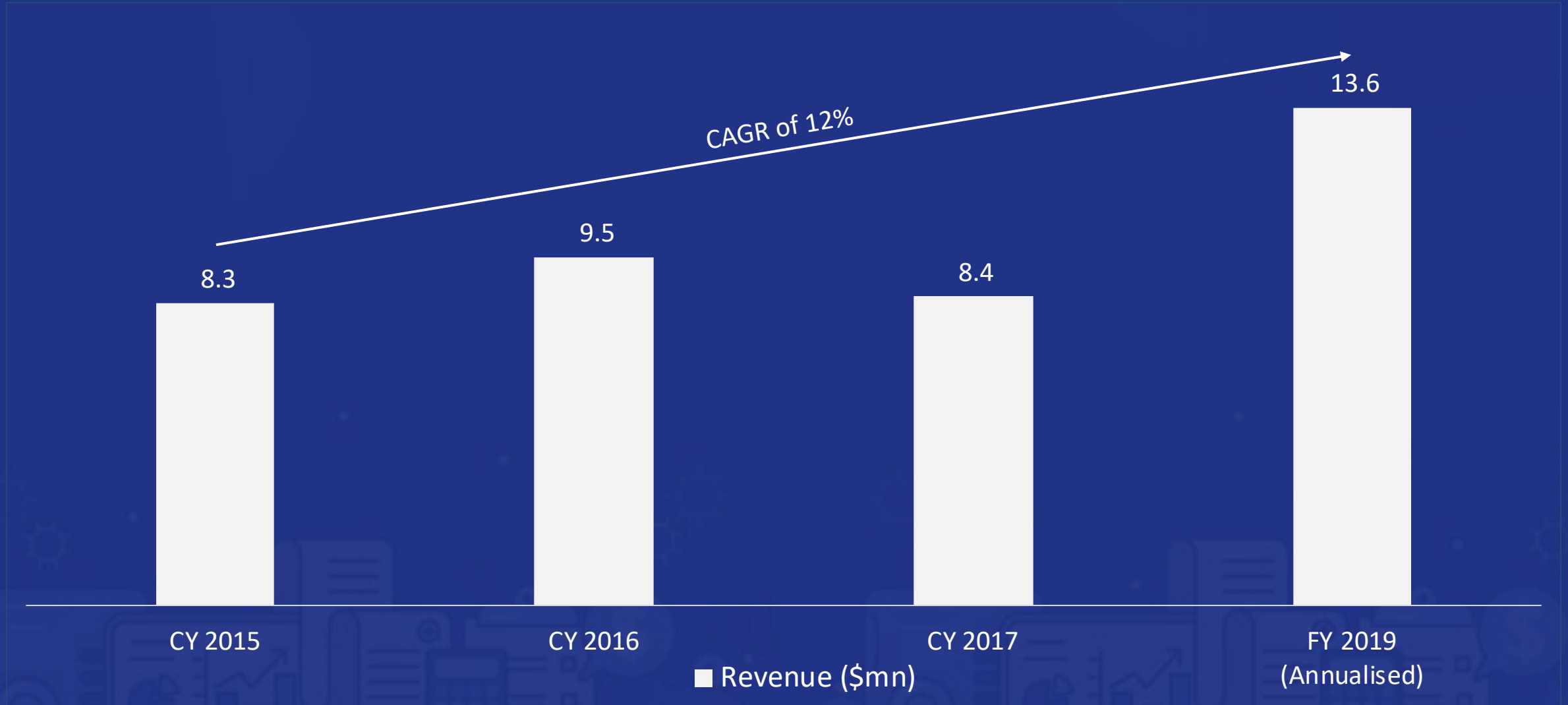
2018

Joined the HGS Family

HGS Interactive & Element Skills have been combined to drive scalability & Augment capabilities



# Element Solutions: Revenue Growth



# Today's Customer Experience

- Chaotic
- Consists of Micro-Moments
- Multi-Channel
- Emotional

**89 %**

Of customers admit they would leave a company after a bad experience

## Optimizing the Experience is Key

Driving Results. Consistently.

# THE EFFORTLESS EXPERIENCE




**DESIGN**



**TECHNOLOGY**




**Insights**



**PEOPLE**

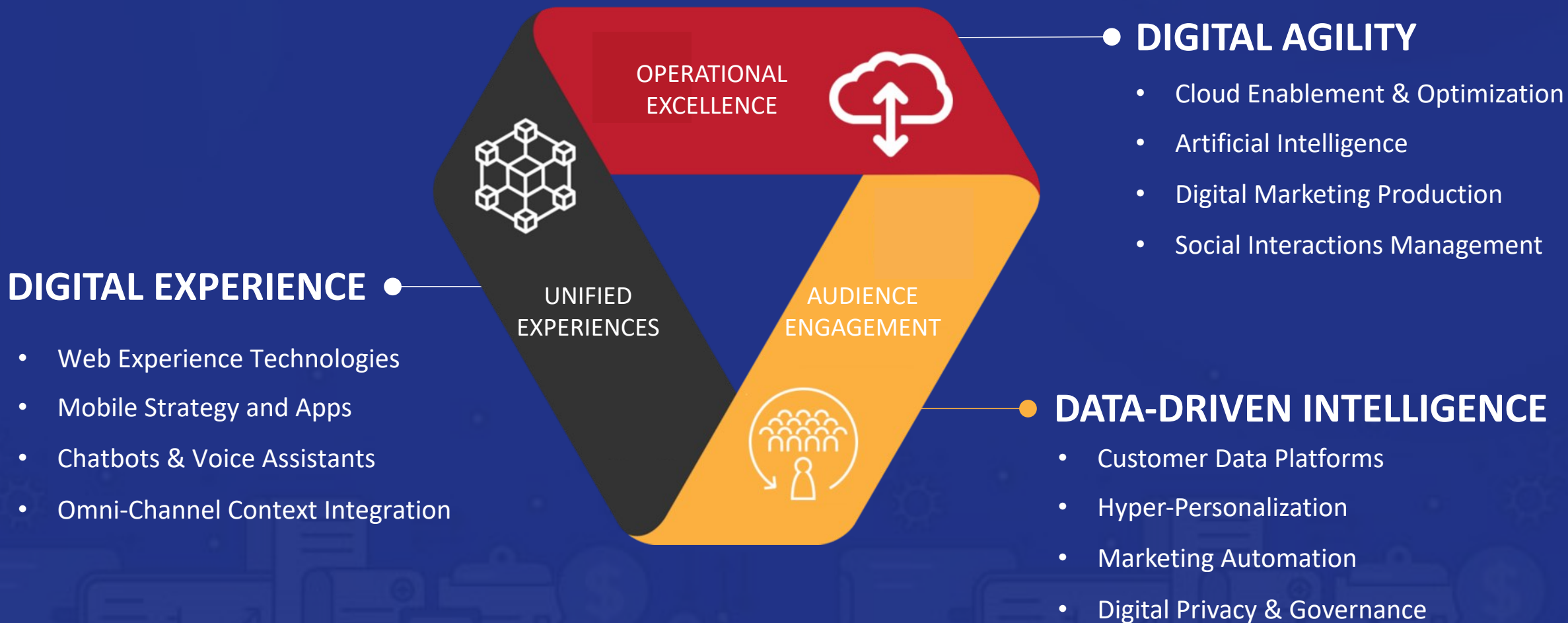


**PROCESS**



**DATA**

# DIGITAL SERVICES



## IMPLEMENTED A MULTI-HOSPITAL SITE INFRASTRUCTURE ON AMAZON WEB SERVICES



Previous site had daily or weekly down-times



**Design** – Web design and content



**Implement** – WebCenter Sites



**Strategize** – Optimal cloud solutions



Driving Results. Consistently.

# A World Leader in Cancer Research & Treatment

# 99.999%

Guaranteed Site Availability



Best-in-Class  
Digital User  
Experience

Intention to Donate

# 183%

Web Traffic

# 10%

Outpatient  
Visits

# 17%

Increase  
Donations

# 23%

# A \$17.6B Semiconductor Company and Market Leader in the U.S.



## IMPROVED THEIR SPEED TO MARKET WITH **CLOUD-BASED CONTENT MANAGEMENT SOLUTION**



Engage

**Establish** a scalable architecture



Protect

**Integrate** cloud & legacy technologies



Inform

**Optimize** cloud environment



**Driving Results. Consistently.**

A \$17.6B Semiconductor Company and Market Leader in the U.S.



**35%**

Reduction in IT Infrastructure costs, year-on-year

- Improved Capabilities
- Delivered Better Customer Experiences
- Realized Optimal ROI

Driving Results. Consistently.



# \$90B Health Insurance Company in the U.S.

## LOWER COSTS AND BETTER SECURITY WITH **CLOUD MIGRATION**



**Drive IT modernization**



**Reduce total cost of ownership**



**Gain flexibility to scale on demand**

A \$17.6B Semiconductor Company and Market Leader in the U.S.

A large background image showing a hiker with a backpack silhouetted against a bright, hazy sky at sunrise or sunset. The hiker is standing on a rocky mountain peak, looking out over a vast landscape of rolling hills and mountains. The sky is filled with soft, golden light and wispy clouds. A large, semi-transparent blue diamond shape is overlaid on the right side of the image, containing the percentage '40%'.

# 40%

Estimated reduction in TCO

- New portals
- New business ventures
- Big data platform migration

Driving Results. Consistently.

# India's Second Largest Paint Company

A 360 DEGREE DIGITAL TRANSFORMATION LED BY  
**CONTENT MARKETING STRATEGY**



**Build** – a profile for the brand



**Equate** – colours to different human senses



**Amplify** – brand reach with the help of influential guest bloggers



Driving Results. Consistently.

# India's Second Largest Paint Company



**500%** growth in website traffic

**15x** increase in Facebook fans

**#1** Twitter handle in Paints industry



Driving Results. Consistently.

## UNIFIED MARKETING CHANNELS TO IMPROVE CUSTOMER ENGAGEMENT



**Align** – all marketing channels



**Recruit** – a team of content writers



**Customize** – responses and make them interactive





**70%** cases closed within 5mins

**20x** improvement in response quality score

**#1** Media brand in terms of positive sentiment



# \$3.2B Donut and Ice Cream Global Brand with 19K stores

## UI/UX PORTAL TRANSFORMATION FOR 20K FRANCHISEES AND EMPLOYEES



New digital experience design



Framework for multi-brands



Better tool/content access



Driving Results. Consistently.

# \$3.2B Donut and Ice Cream Global Brand with 19K stores



- Design work rated “Very successful”
- High-satisfaction from executive committee
- Top ratings from users and stakeholders







# A DATA-DRIVEN EXPERIENCE DEMO

# OMNI-CHANNEL DATA UNIFICATION DRIVES PERSONALIZATION IN CONTEXT



-  **WEB BEHAVIOR**
-  **SOCIAL CONVERSATIONS**
-  **CAMPAIGN ACTIVITY**
-  **CALL CENTER CRM**
-  **DEMOGRAPHICS**
-  **MOBILE APPS & IOT**

-  **INSIGHTS**
-  **SEGMENTATION**
-  **EXPERIMENTATION**
-  **MULTI-CHANNEL CAMPAIGNS**



LESS ARTIFICIAL. MORE **INTELLIGENCE.**

Together, HGS can humanize this data-driven CX world.

# FINANCIAL OVERVIEW

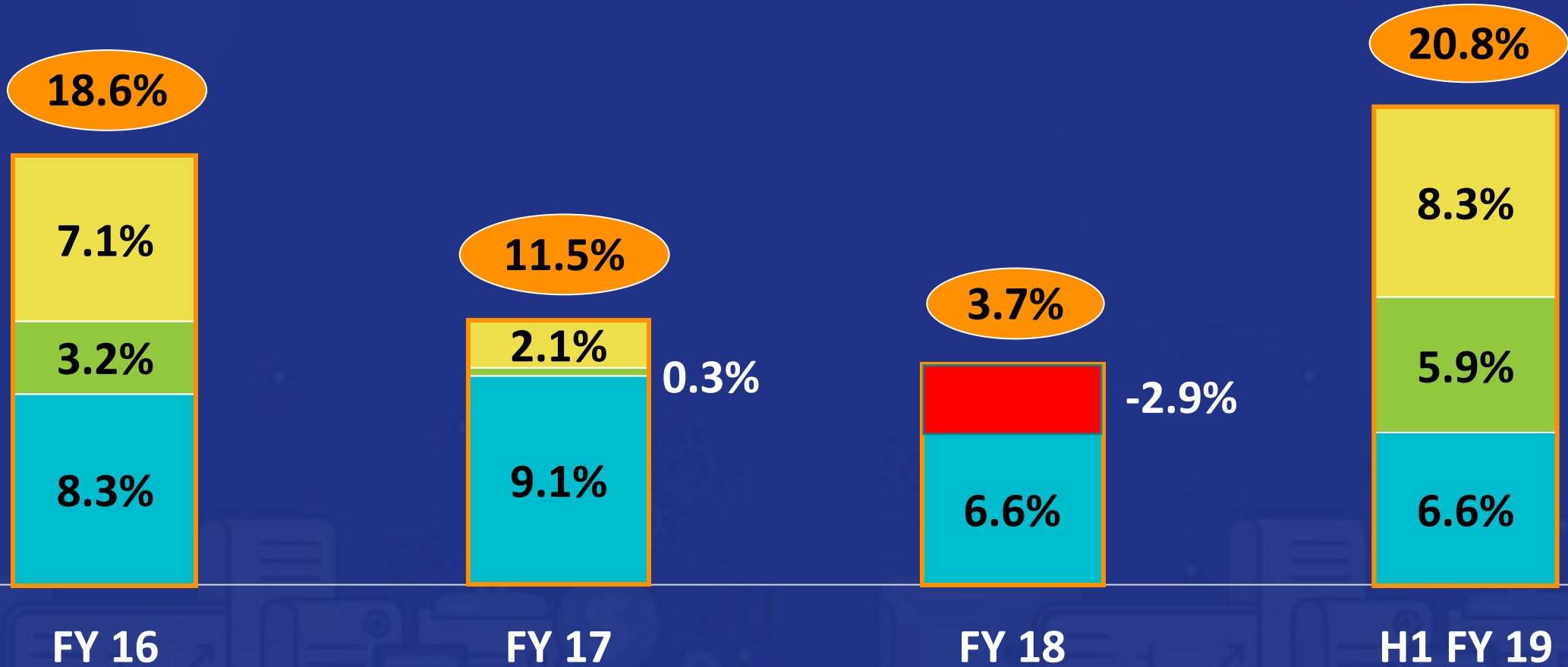
SRINIVAS PALAKODETI, GLOBAL CFO, HGS

# ANALYST & INVESTOR MEET 2018



## Growth Summary

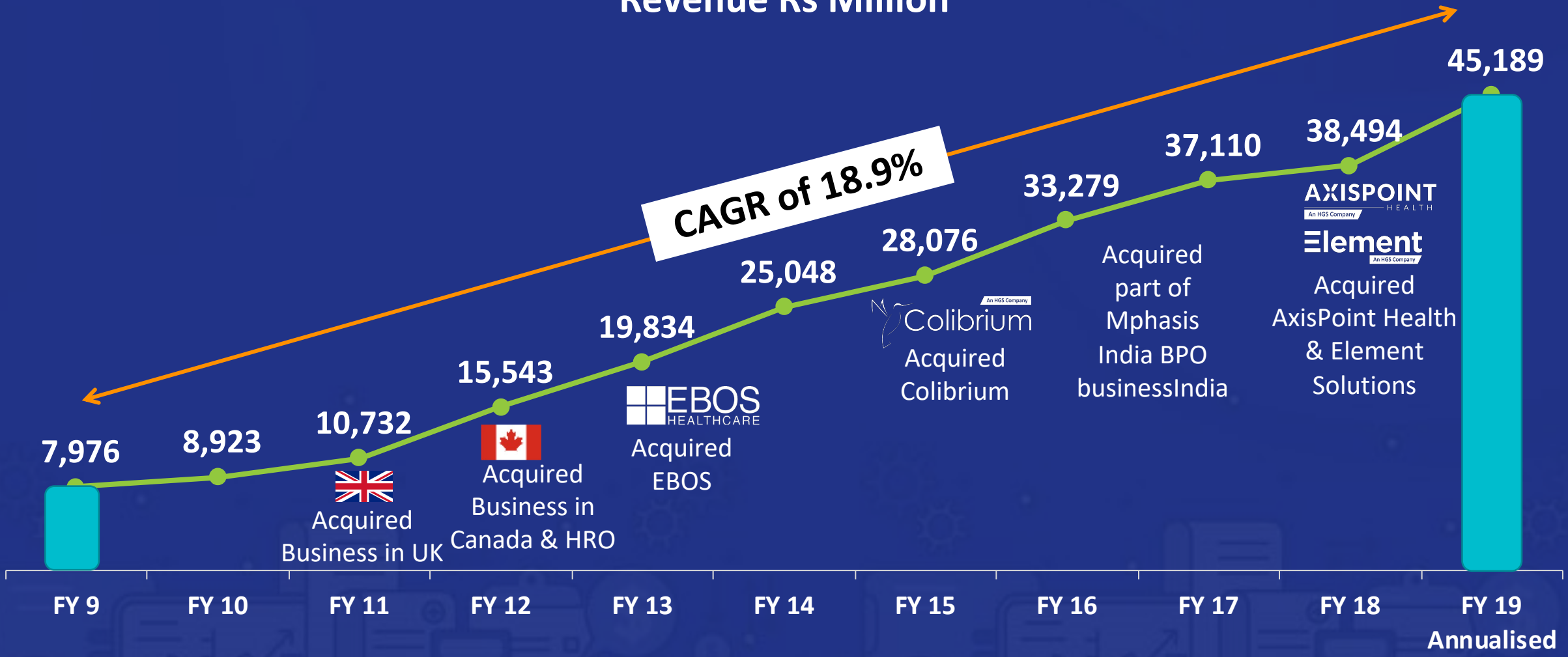
■ Volume Growth   
 ■ FX Impact   
 ■ Impact of Acquisitions



# HGS Revenue Growth Trendline

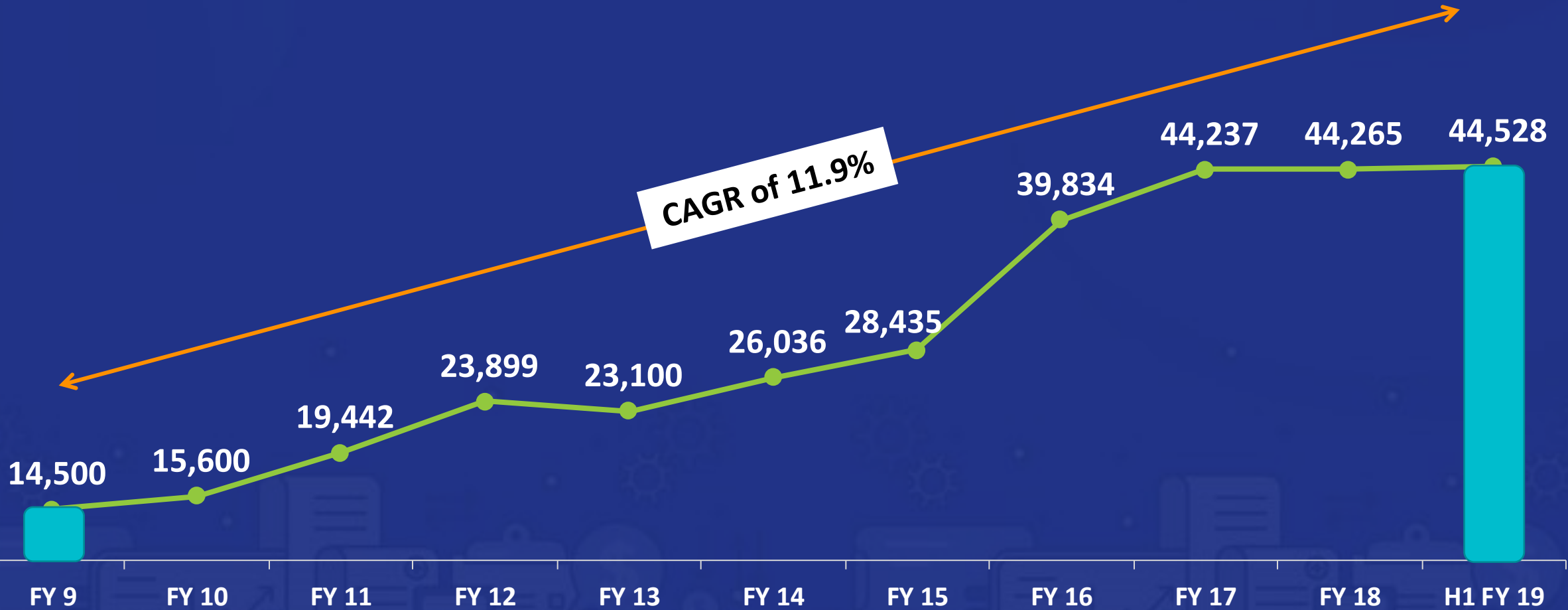
Revenue Rs Million

**CAGR of 18.9%**

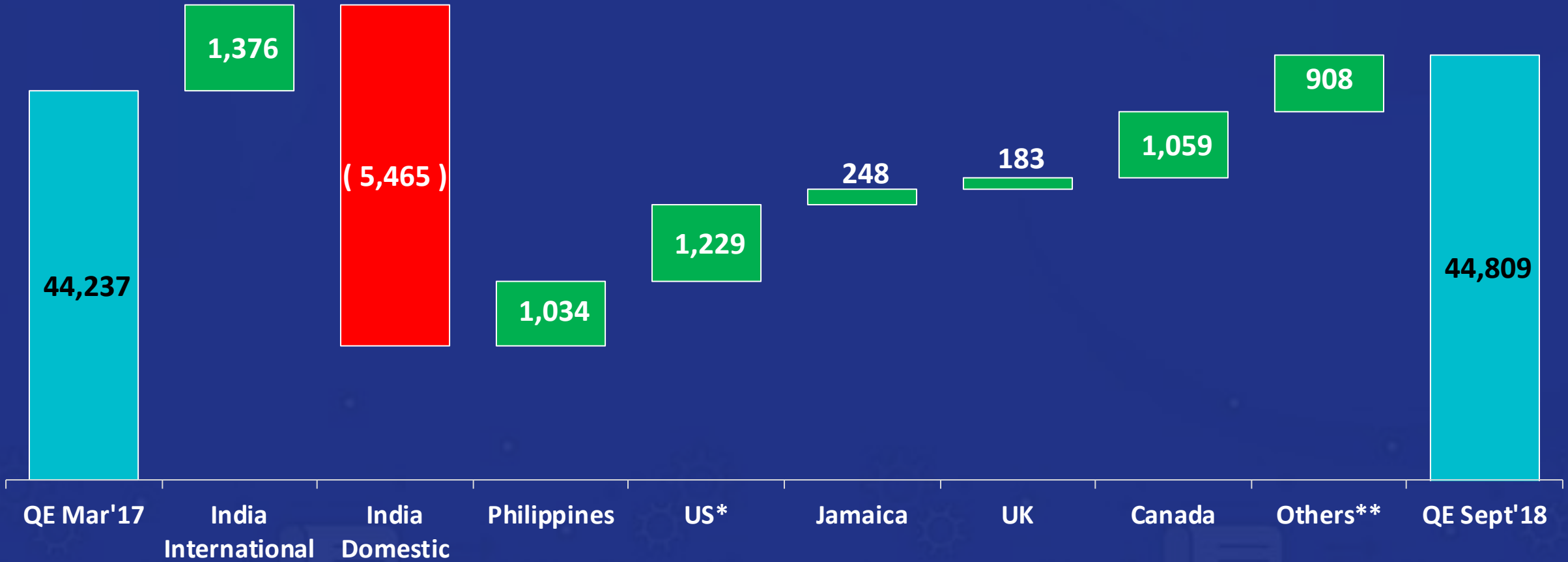


# Last 10 years – Headcount CAGR of 12%

## Headcounts



# QE Mar 17 to QE Sept 18: 23 % Revenue Growth on flat head count !



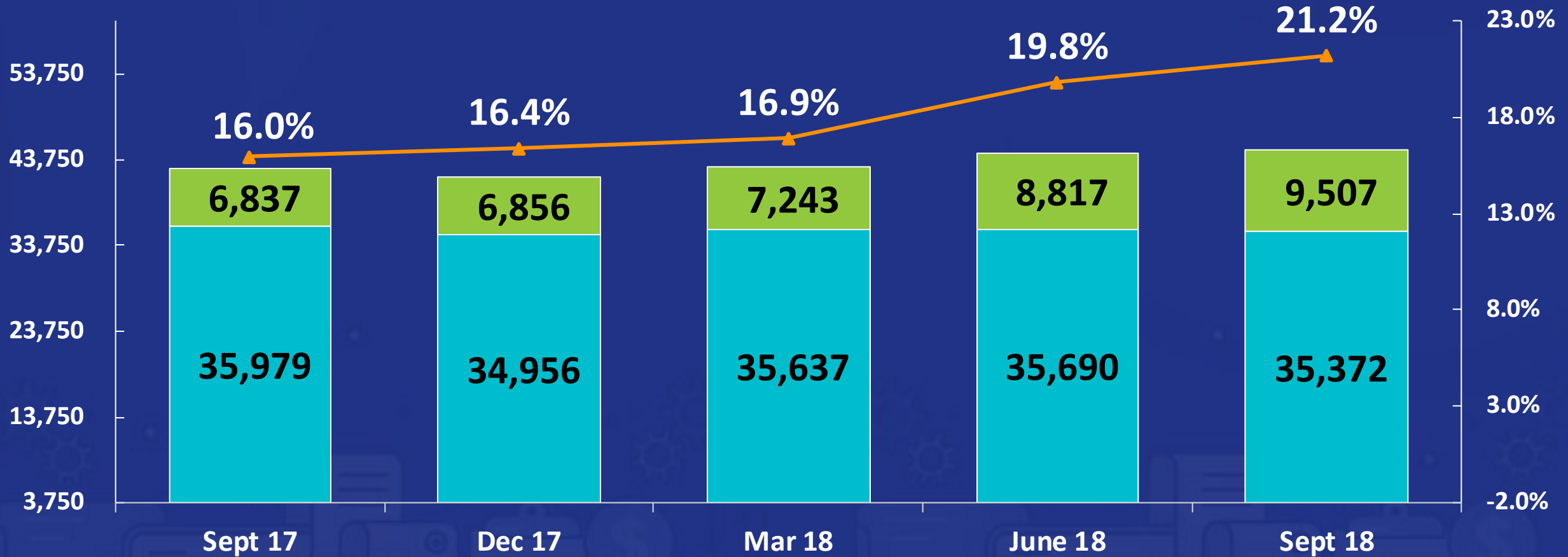
\* US –Headcount includes USA, Colibrum, Axis Point, Element Solutions

\*\* Others – HBS & Shared Services



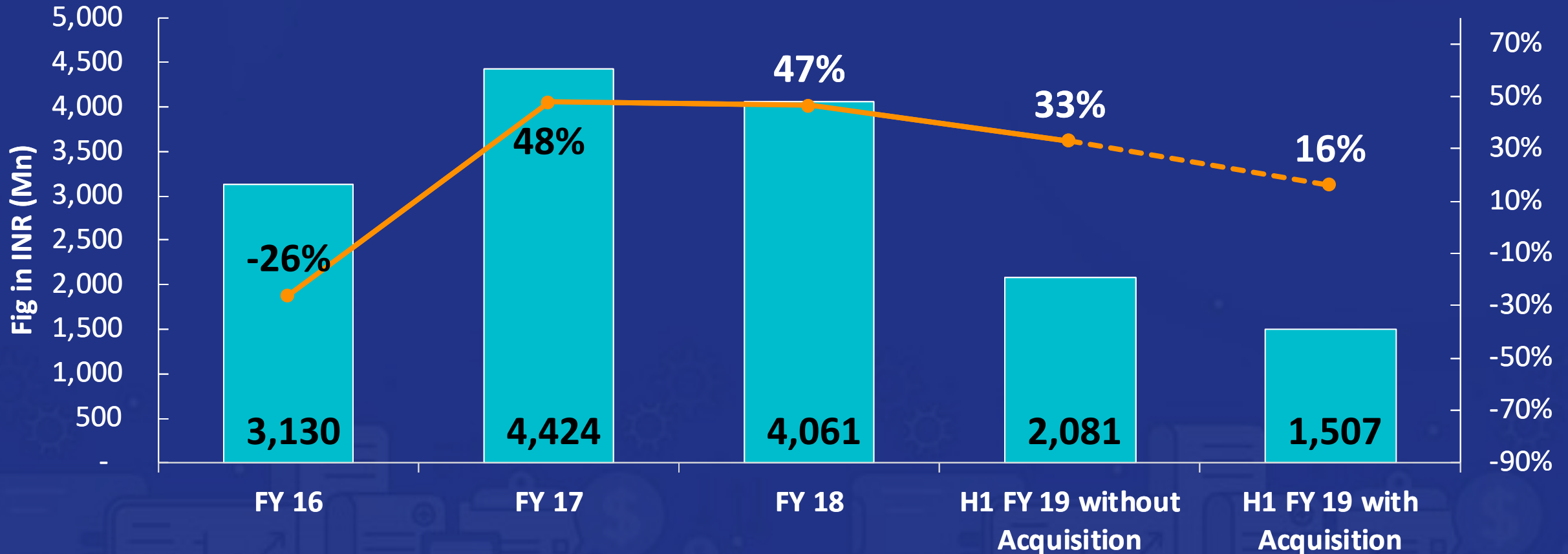
# More Seats On Opex Model, Philippines has made a beginning

Owned Seats    Seat for Opex    % of Opex Seats

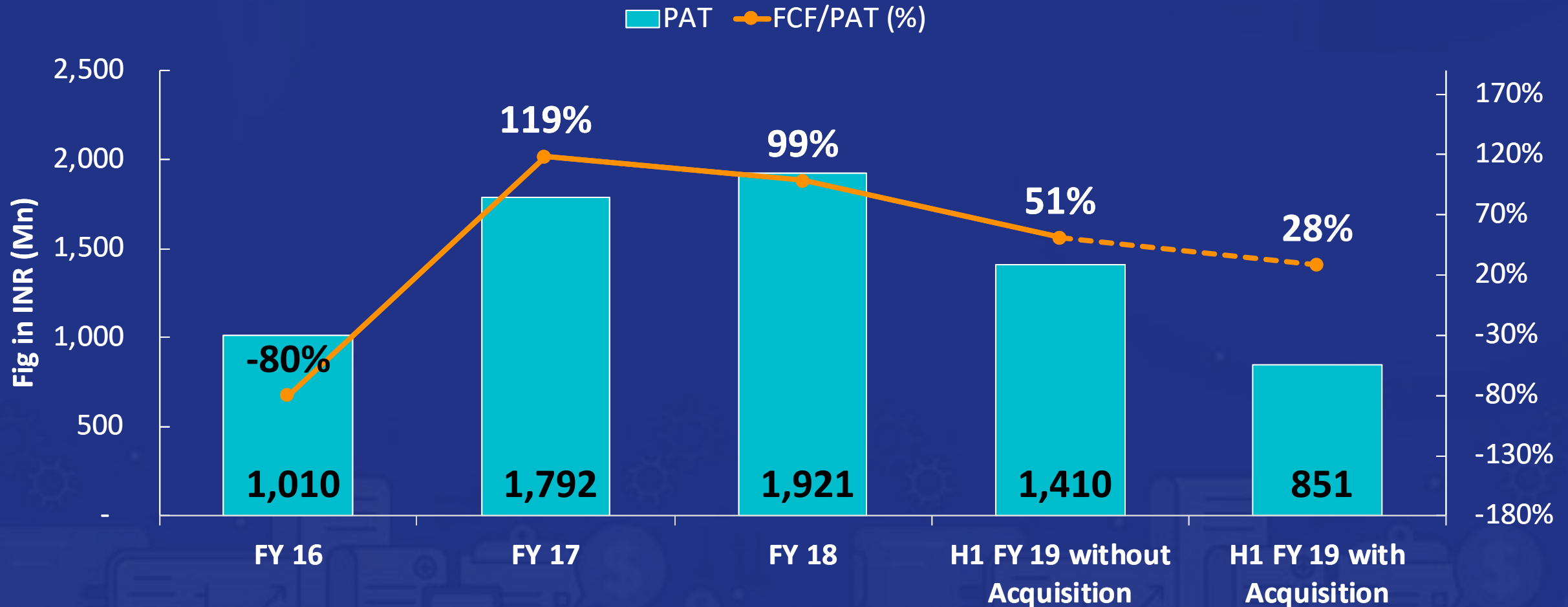


## FREE CASH FLOW to EBITDA Ratio

EBITDA FCF/EBITDA (%)

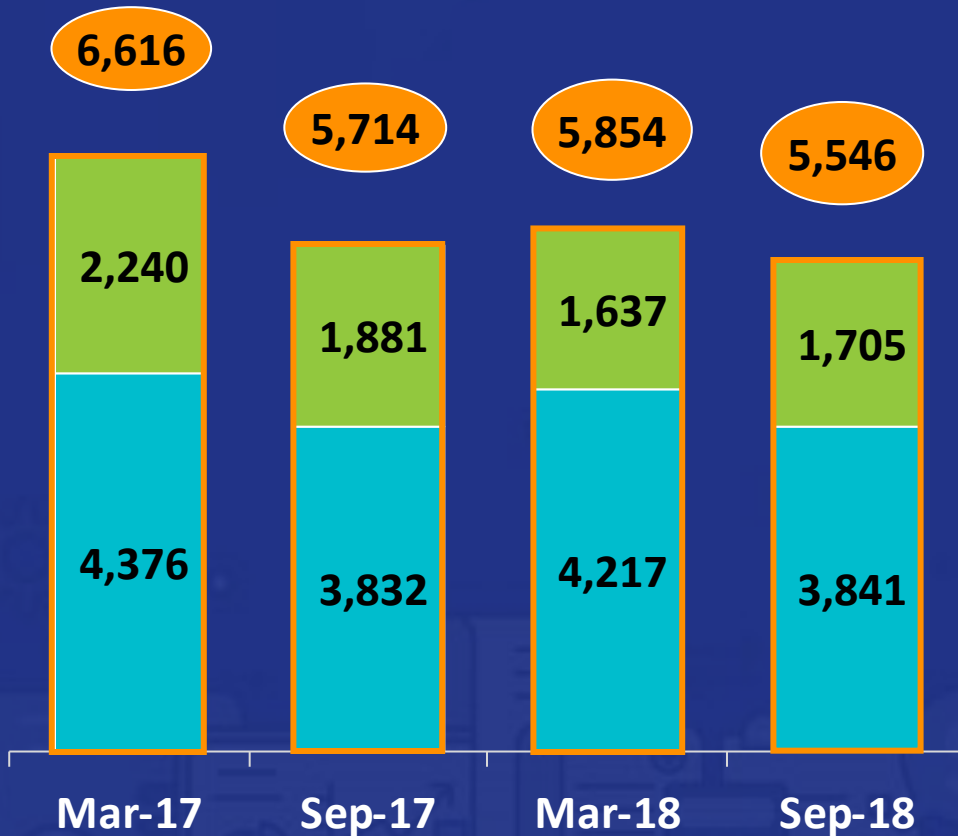


## FREE CASH FLOW to PAT Ratio



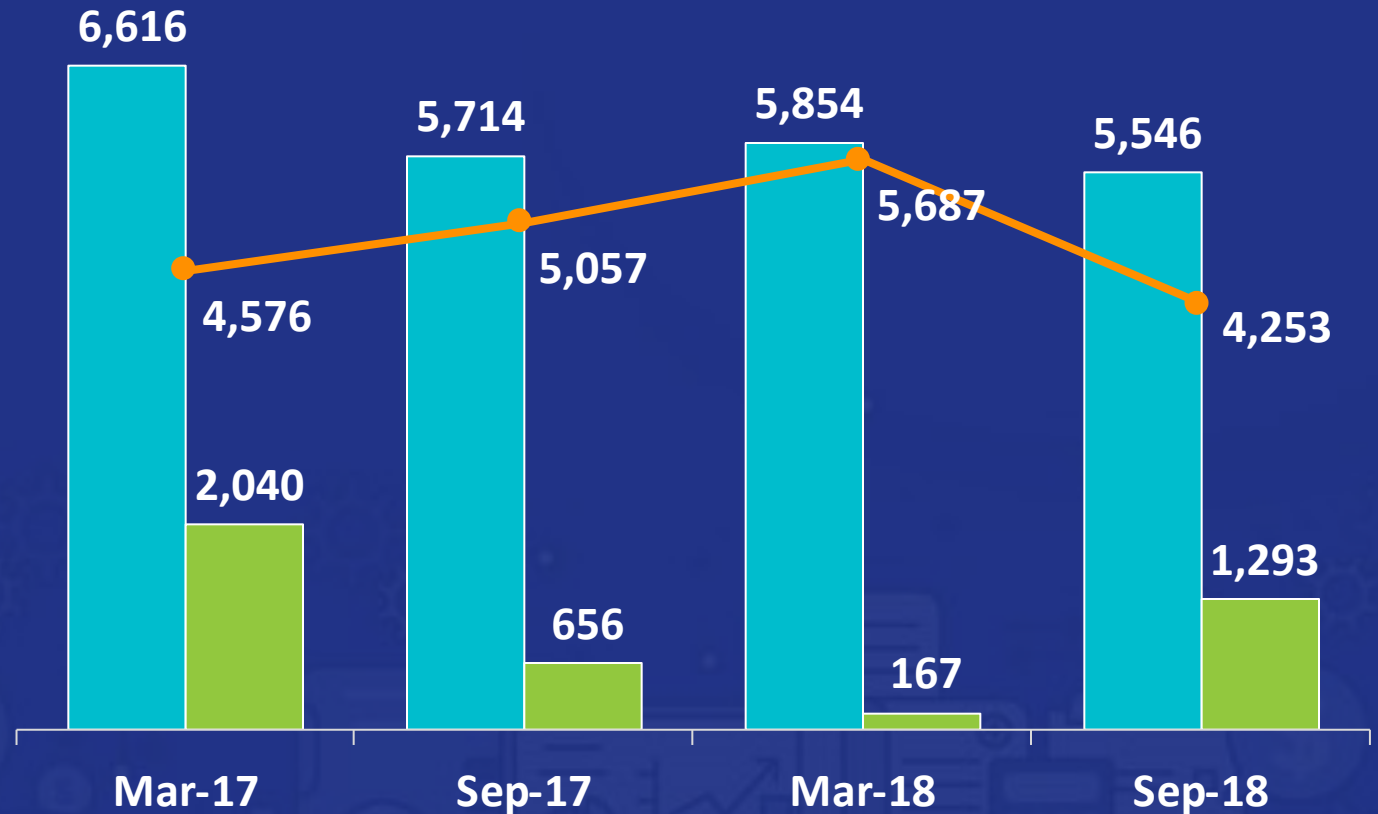
## Debt Movement (In INR Mn)

Working Capital Term Loan



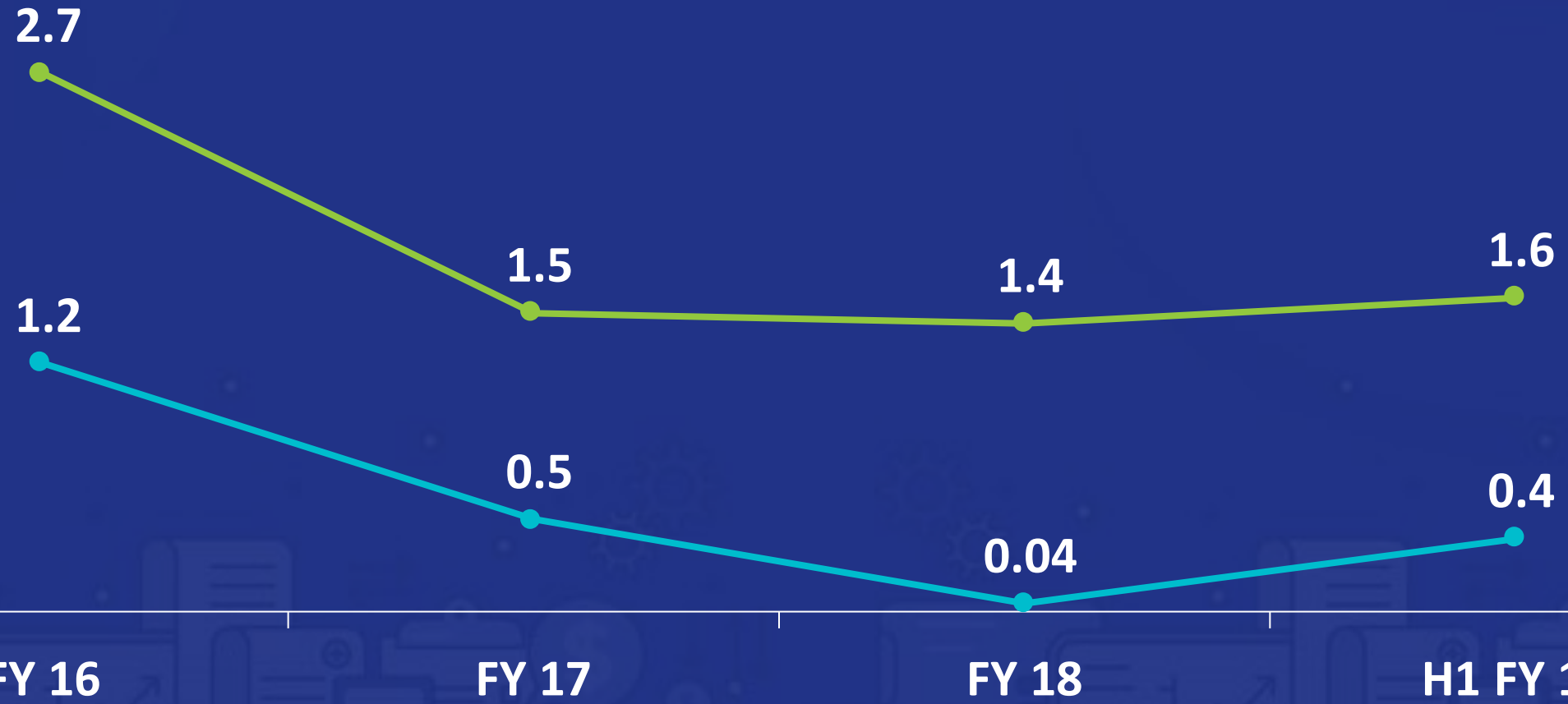
## Gross Debt, Net Debt & Cash movement (In INR Mn)

Gross Debt Net Debt Cash & Cash equivalent



## Leverage ratio

—●— Gross Debt/TTM EBITDA    —●— Net Debt/TTM EBITDA



## Business ROCE & ROE Trend

— Business ROCE (%) — ROE (%) excl Treasury Cash



FY 16

FY 17

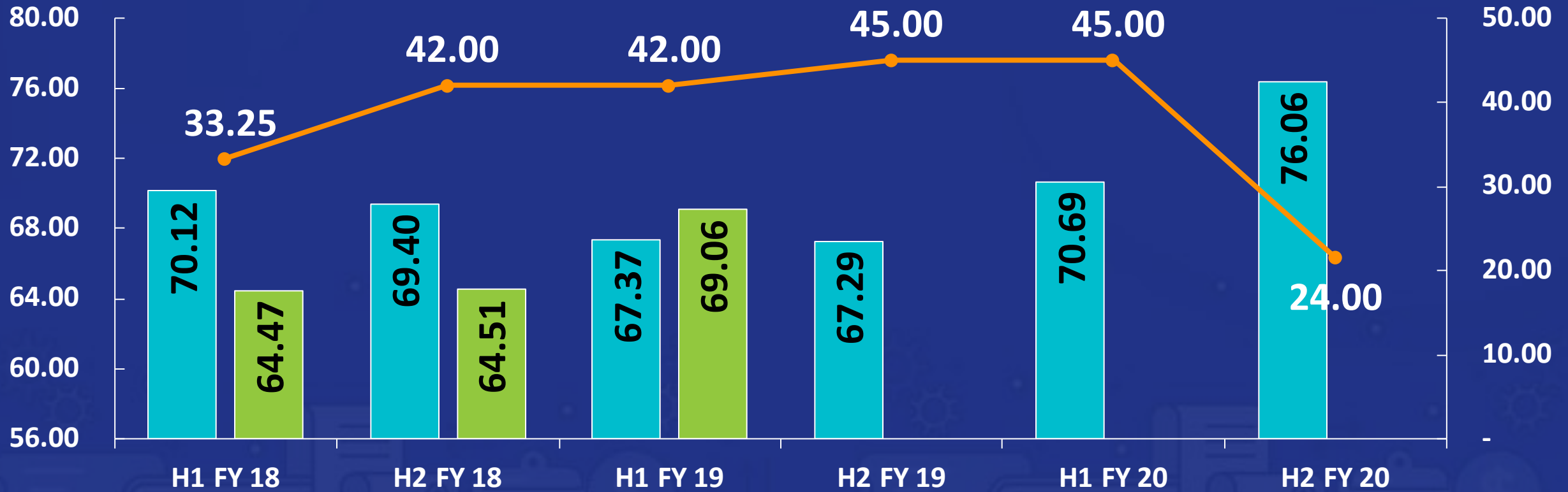
FY 18

H1 FY 19 without  
Acquisition

H1 FY 19 with  
Acquisition

## INDIA

FC rate Spot rate Quantum (In USD Mn)

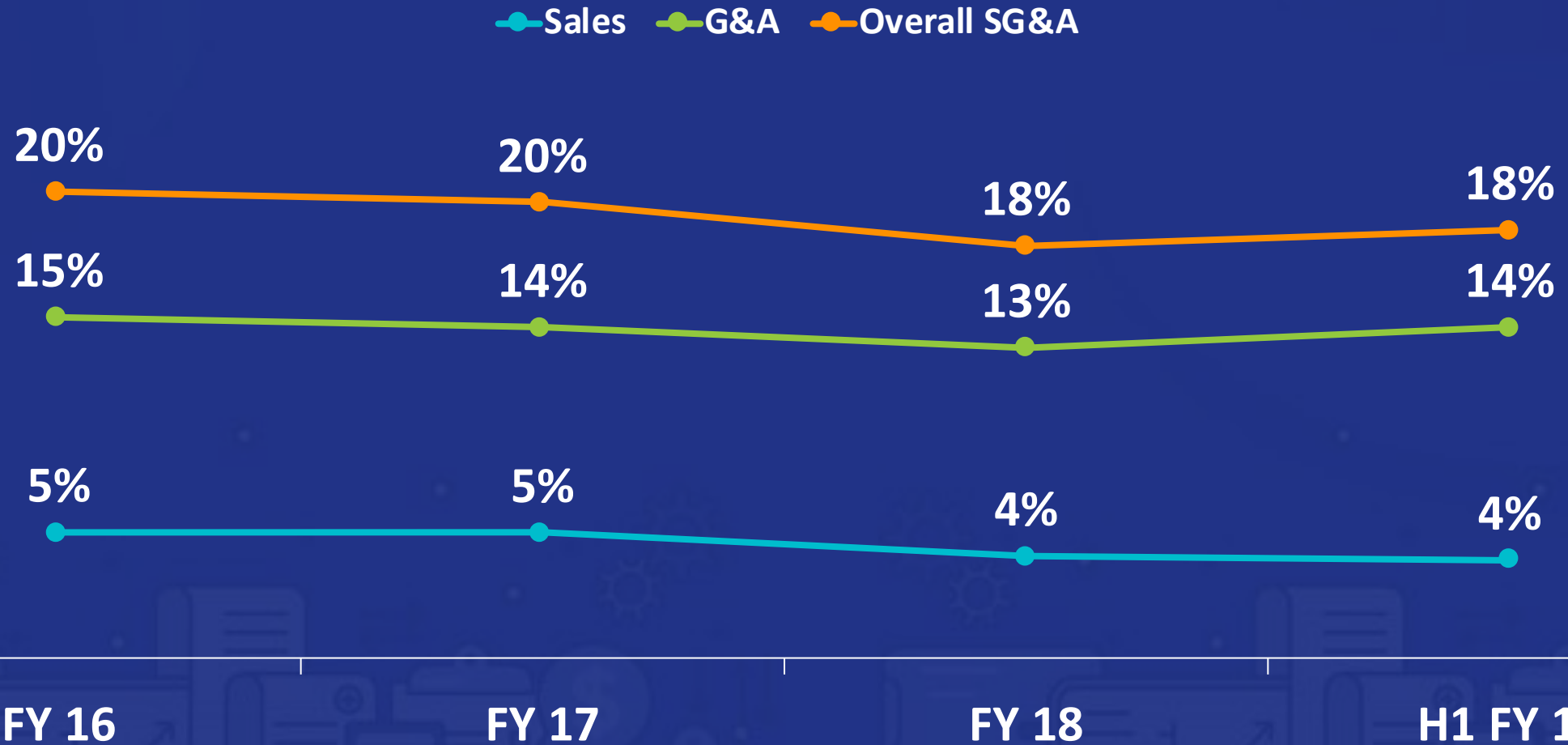


# Book Value & EPS in INR





## Expense as a % of Revenue



# THANK YOU

# WRAP UP

**PARTHA DESARKAR,  
GLOBAL CEO, HGS**

# HGS – A Future of Promise

## Success Mantras

- ✓ A BPM market that shows no sign of slowdown
- ✓ HGS is a pure-play BPM player... An award-winning leader with deep domain knowledge
- ✓ Tenured relationships with clients
- ✓ Recognized for our superior digital transformation expertise
- ✓ Key partnerships with technology companies and start-ups
- ✓ Our diverse, multi-cultural workforce
- ✓ Leadership Tenure

# To Sum Up

- ✓ Core business is strong and profitable
- ✓ Digital revenues growing at a rapid pace
- ✓ Building CoEs for new solutions and verticals
- ✓ APH pulled down profitability in H1; Significant cost synergies completed
- ✓ Improvement in APH profitability expected in Q4 onwards
- ✓ Trend of better H2 than H1 to continue in FY2019
- ✓ Focus on profitable growth and stronger free cash flow generation



THANK YOU





Impacting local communities every day through  
 corporate CSR programs and employee volunteering



HGS' CSR Program directly touches over  
**1,53,000** lives in India

