



HGS Earnings Call Presentation

Q4 and Full-year FY2022

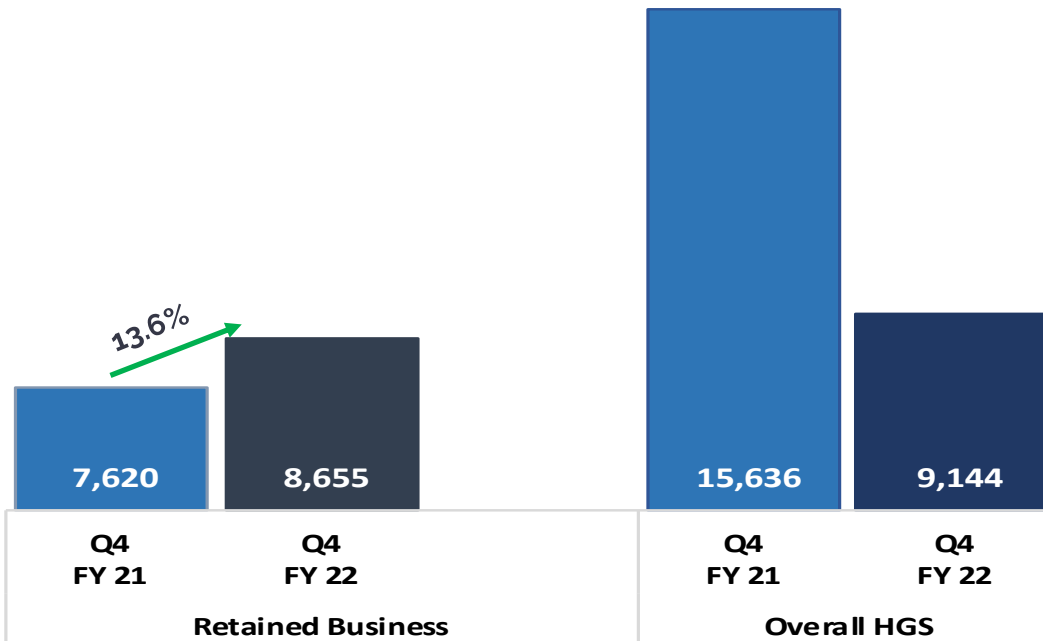
May 30, 2022

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.

HGS posts strong growth

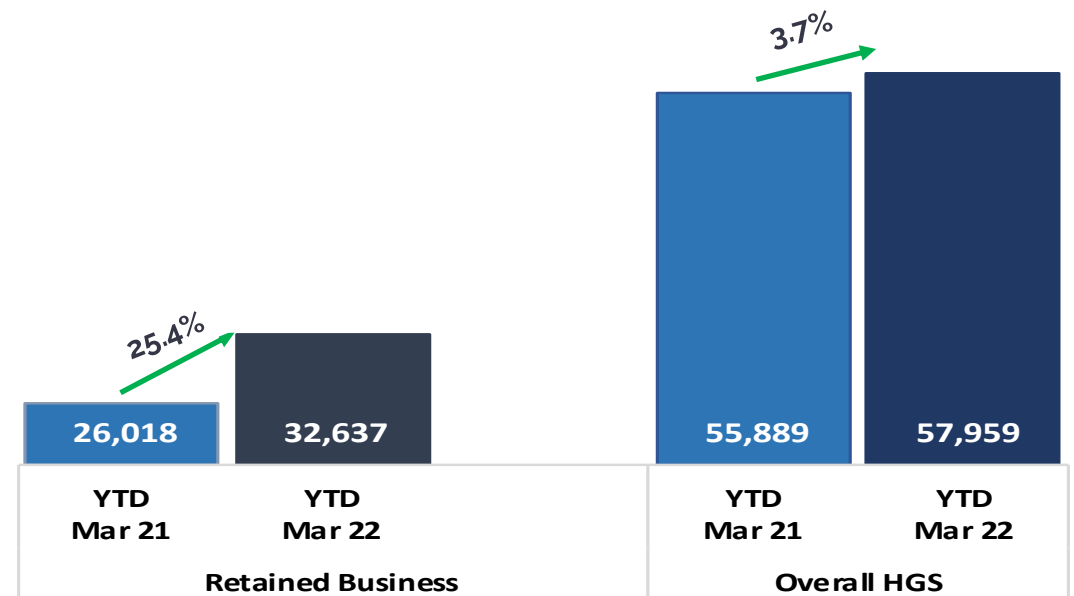
Y-o-Y Quarterly Revenue Performance

In INR Mn

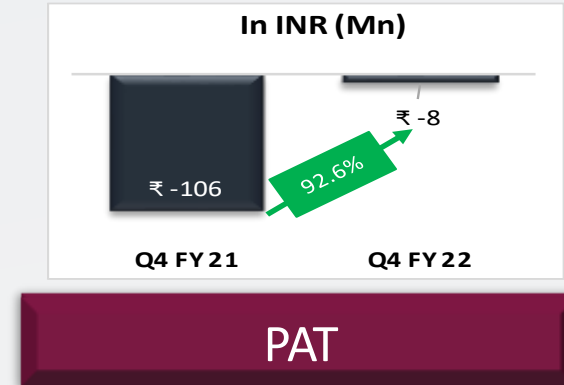
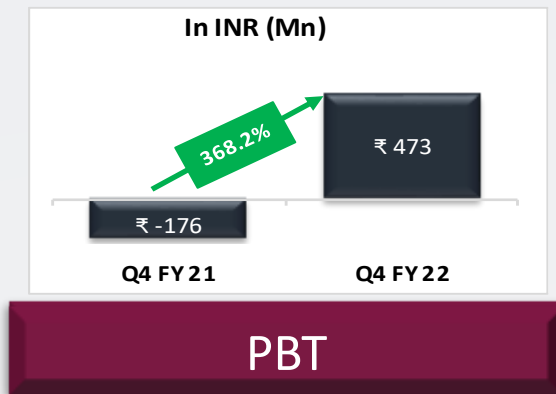
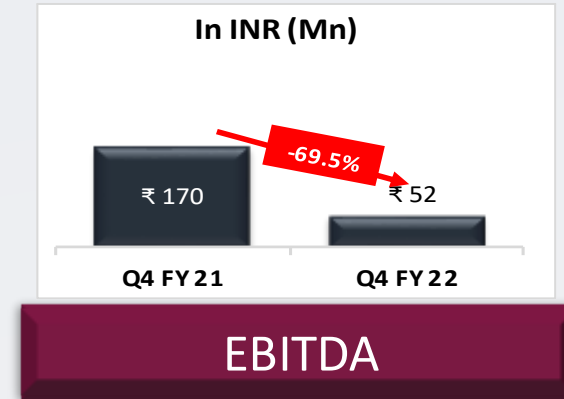
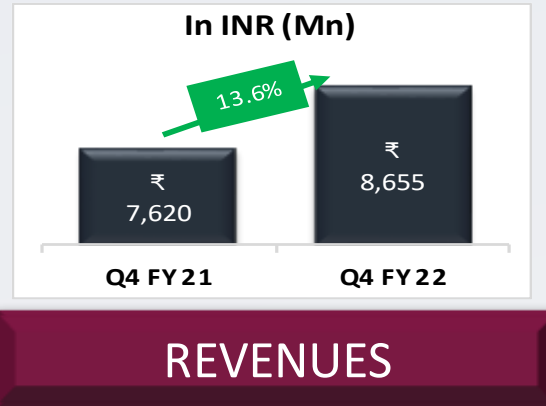


Y-o-Y YTD Mar Revenue Performance

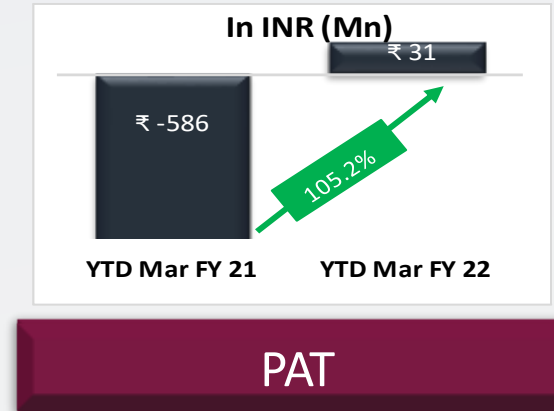
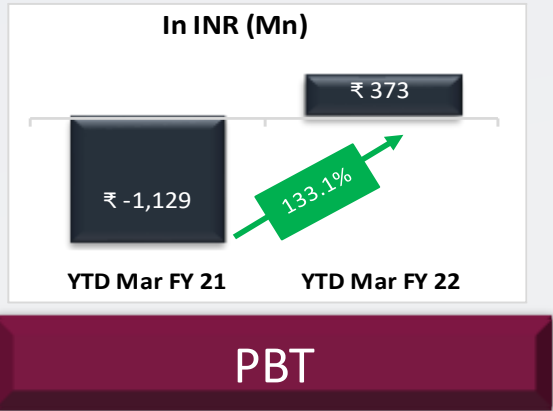
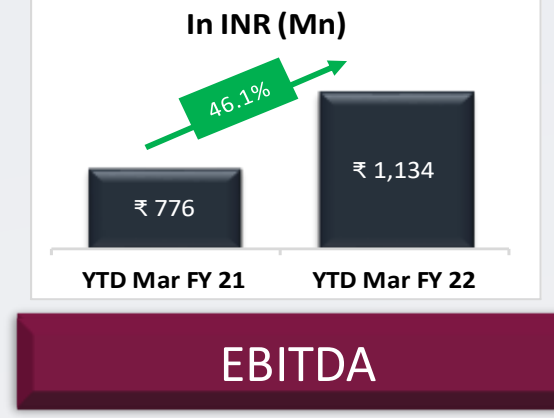
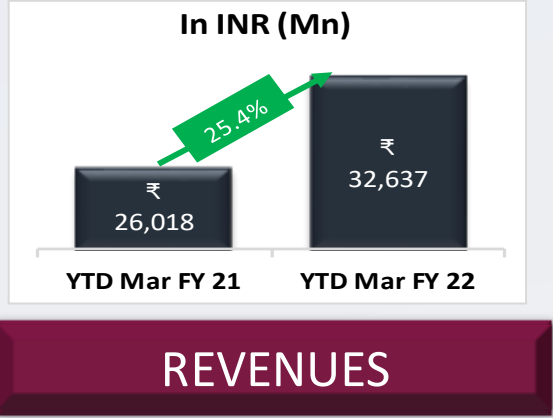
In INR Mn



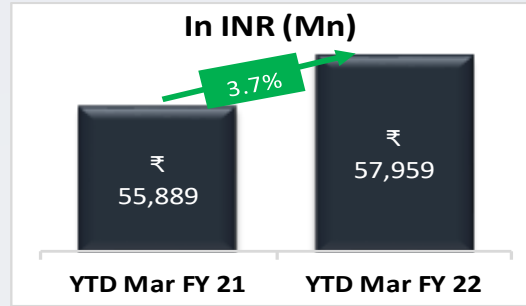
Q4 FY22 vs Q4 FY 21 (Retained Business)



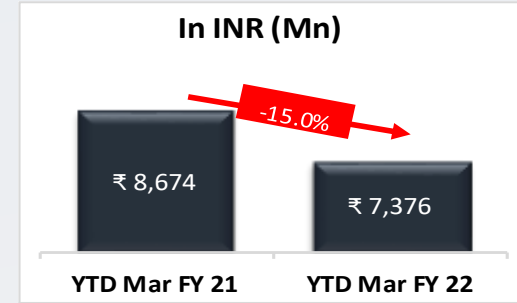
FY22 vs FY 21 : Retained Business



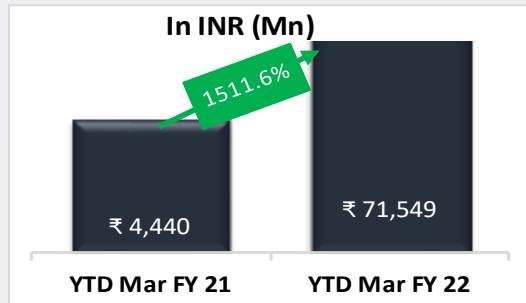
FY22 vs FY 21 : Overall, including divested healthcare biz



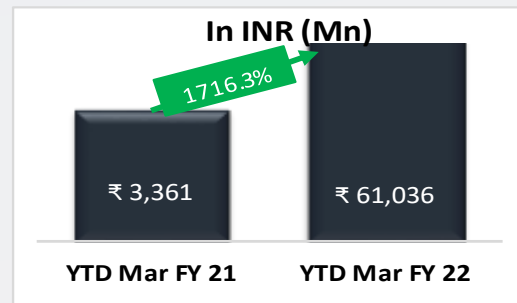
REVENUES



EBITDA



PBT



PAT



- Healthcare business divested to unlock significant shareholder value (effective January 6th, 2022)
 - enterprise value of US\$ 1,200 mn, subject to closing adjustments
- 40% of purchase consideration received in India, rest overseas

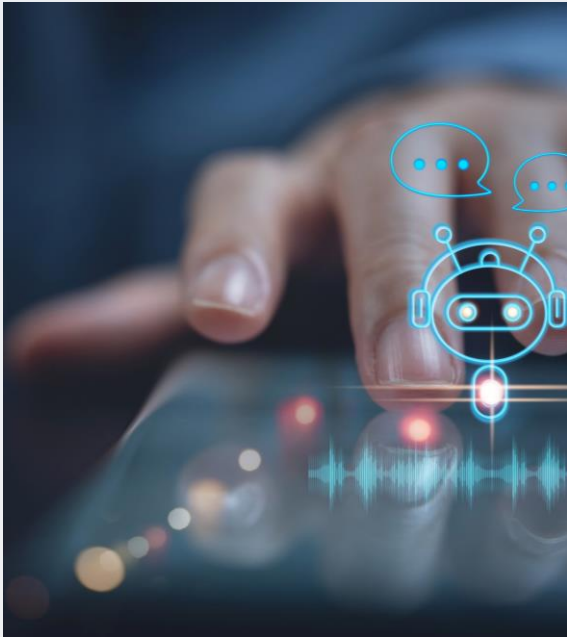
Sale of healthcare business	(Rs. mn)
PBT	65,543
Taxes	801
PAT	64,742

CES business shows strong growth



- Consumer Engagement Solutions business – growth led by the UK and US geos... both onshore and offshore
- UK business:
 - spectacular performance in revenue & profitability... YoY revenue growth of 36.5%
 - EBITDA around 3.8x over FY2021
 - One of the biggest wins for HGS' public sector team... potential total contract value of up to £211 million (Rs. 2,100 crores), employing over 2,000 Work@Home positions across the UK
- Acquisition of Diversify Offshore, Australia created new client market for HGS – effective February 25, 2022
 - Integration in progress
 - Healthy sales pipeline; Since acquisition, signed 6 new clients across retail, power & utilities, BFSI, etc.

Digital services witnesses robust growth



- Digital services business grew revenue by 28.2% YoY
- Multiple new clients signed up in the year
- Won biggest client for HGS Digital in Q3 (offering cloud related services)
- Great demand for digital solutions led by Cloud and the 3As (Analytics, Automation and AI)
- Launched 2 new solutions – Cloud Accelerator and HGS Agent X

HGS Snapshot – FY2022



Big enough to deliver globally, strong enough to invest, but small enough to really care

38
delivery centers

7
countries

\$439 M
in revenue

750+
digital transformation
consultants

~22K
employees

200+
BPM clients
730+
HRO & payroll clients

Rs. 245/share
total dividend given in FY2022
(pre bonus basis)

17
languages

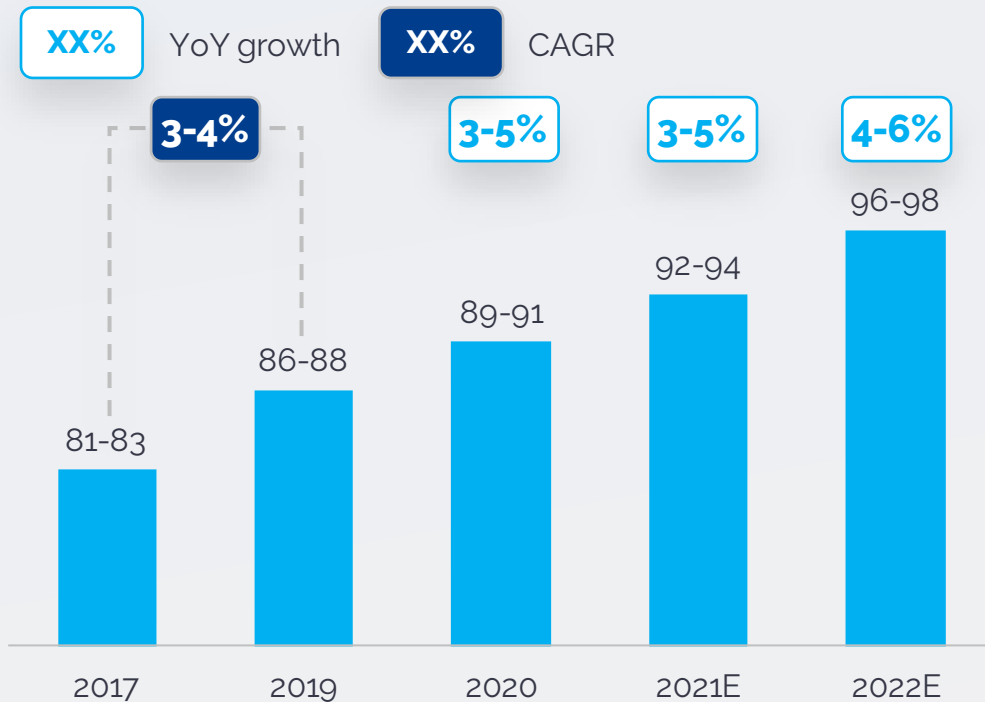


Driving our new journey as HGS 2.0

Way Forward

Market scenario: CXM market is growing but shifting

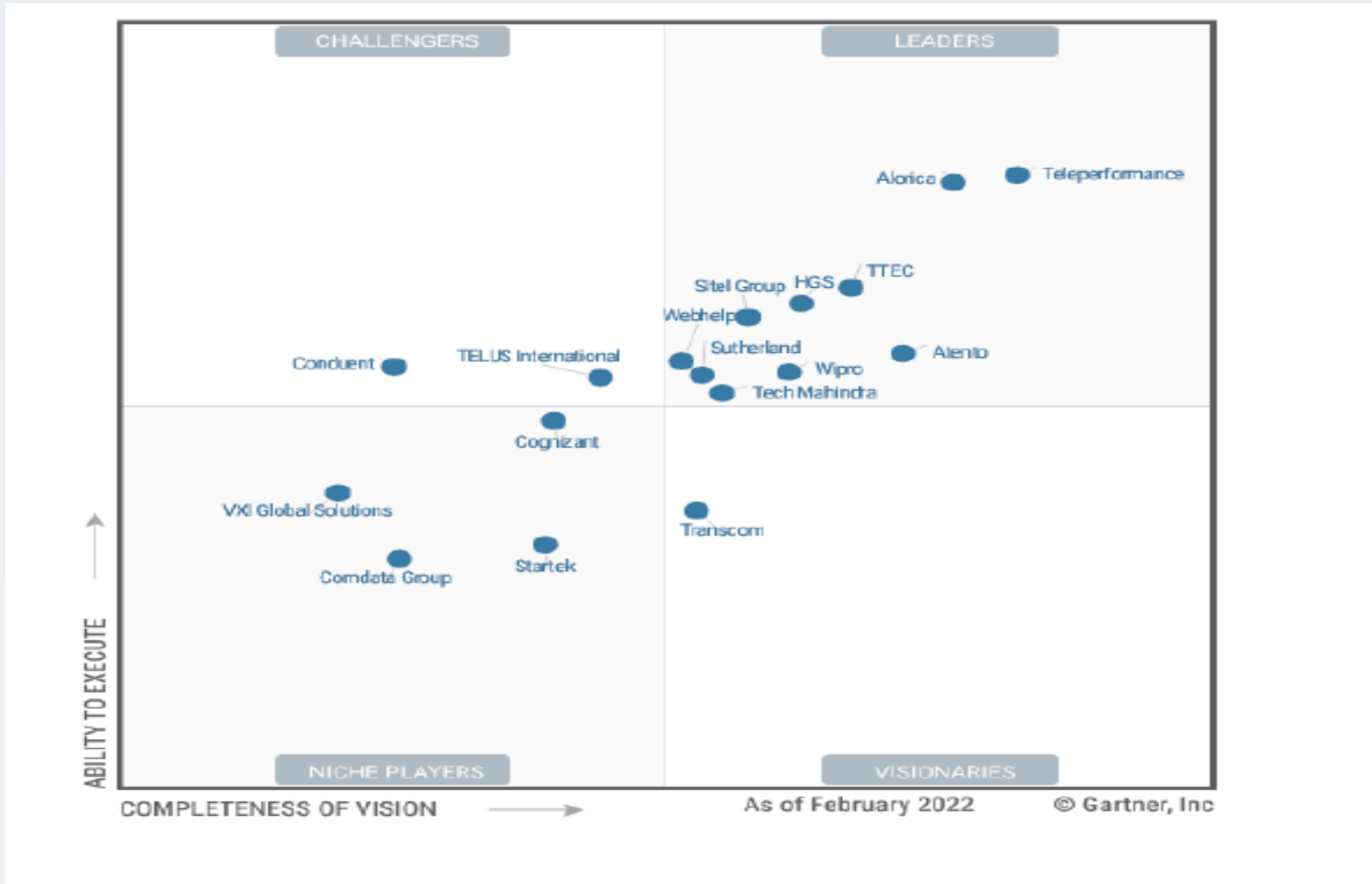
Outsourced CXM market size and growth
2017-22E; revenue in US\$ billion



SOURCE: Everest Group (2021)

- Despite the effects of the pandemic, CXM outsourced market is expected to grow by 4-6%, to reach ~\$96B (Everest Group)
- Digital demand is the driving force for growth, led by aggressive client activity
- Share of digital CXM in deals is getting bigger
- Increase in digital CXM transformation projects for personalization of CX and end-to-end managed services

HGS recognized as a Leader in 2022 Gartner® Magic Quadrant™ for Customer Service BPO



Going forward, we want to...

- Become a Digital-led Customer Experience Transformation Company
- Scale our Digital CX capabilities in AI, Analytics, Automation, Cloud and Mixed Reality for Metaverse, leveraging our base book of retained business
- Make strategic/ tuck-in acquisitions to create a comprehensive digital capability and expand markets
- Focus on specific industry verticals/ micro-verticals – determine "where to play" and "how to play"

Driven by 3 Pillars

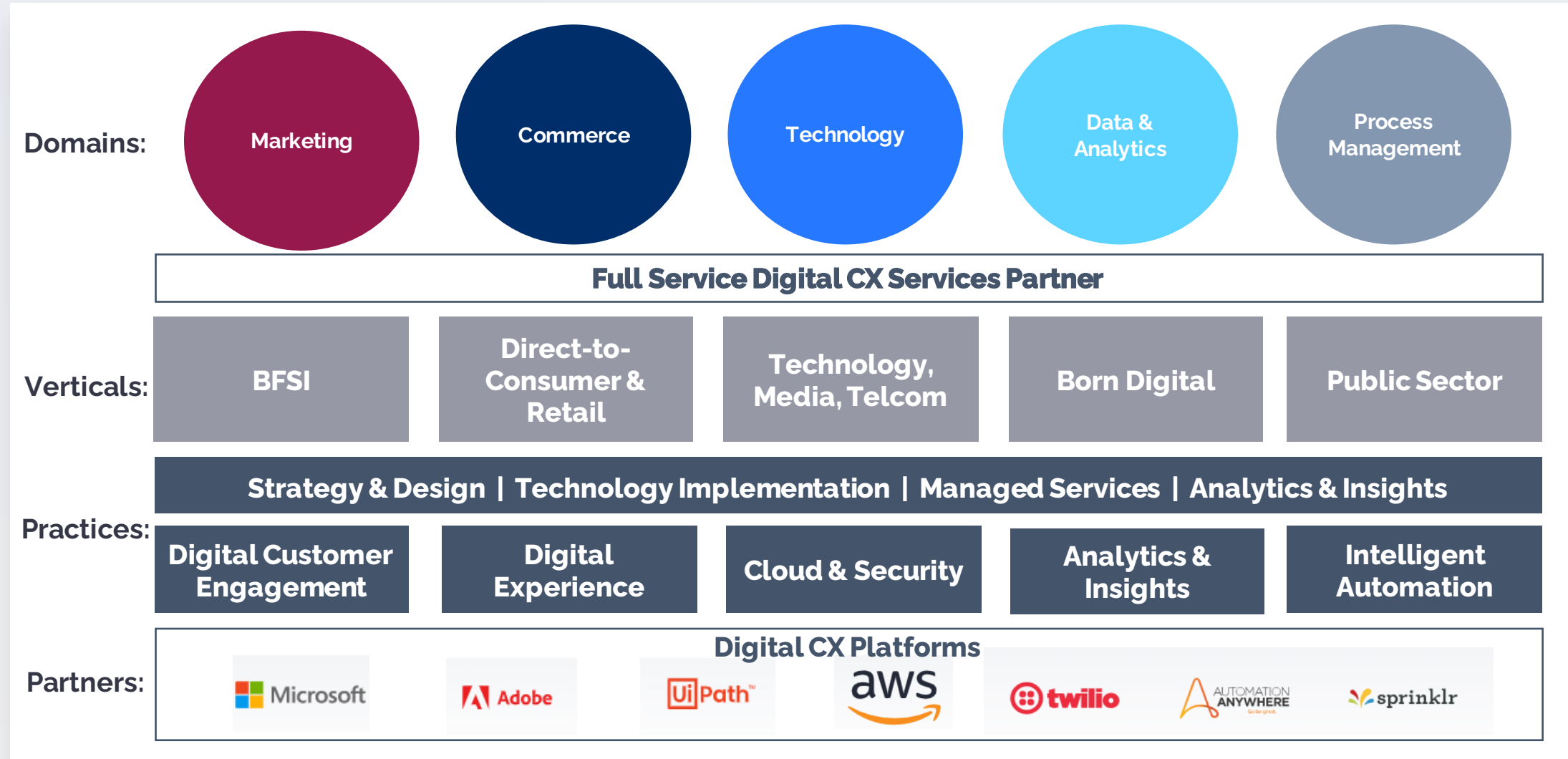
Generating significant growth

Achieving operational efficiency

Focus on successful M&As

HGS will deliver frictionless experiences @ scale

A distinctive set of end-to-end services are needed under each area to deliver modern digital experiences





Financial Update

Q4 FY 22. Vs Q3FY22 Vs Q4 FY 21 (Retained Business)

Quarter Performance - Consolidated

Figures in Mn unless otherwise indicated

	Actual QE Mar 22	Actual QE Dec 21	QoQ Growth %	Actual QE Mar 21	YoY Growth %
Total Revenue (In \$ Mn)	\$ 114.9	\$ 107.3	↑ 7.1%	\$ 104.0	↑ 10.4%
Revenue from Operations	₹ 8,655	₹ 8,029	↑ 7.8%	₹ 7,620	↑ 13.6%
Other Operating Revenue	₹ -	₹ -			
Total Revenue	₹ 8,655	₹ 8,029	↑ 7.8%	₹ 7,620	↑ 13.6%
EBITDA	₹ 52	₹ 195	↓ -73.5%	₹ 170	↓ -69.5%
EBITDA %	0.6%	2.4%		2.2%	
Depreciation	₹ 334	₹ 261		₹ 292	
Interest Expense	₹ 86	₹ 66		₹ 82	
Other income	₹ 859	₹ 107		₹ 268	
Exceptional Items	₹ 17	₹ 265		₹ 240	
PBT	₹ 473	₹ -289	↑ 263.6%	₹ -176	↑ 368.2%
PBT %	5.5%	-3.6%		-2.3%	
Tax	₹ 481	₹ -162		₹ -70	
PAT	₹ -8	₹ -127	↑ 93.8%	₹ -106	↑ 92.6%
PAT %	-0.1%	-1.6%		-1.4%	

Exchange Rate

75.33

74.84

73.24

FY 22 vs FY21 Performance (Retained Business)

YTD Performance - Consolidated					
<i>Figures in Mn unless otherwise indicated</i>					
	Actual		Actual		YoY Growth
	YTD Mar FY 22		YTD Mar FY 21		
Total Revenue (In \$ Mn)	\$	438.6	\$	351.0	↑ 25.0%
Revenue from Operations	₹	32,637	₹	26,018	↑ 25.4%
Other Operating Revenue	₹	-	₹	-	
Total Revenue	₹	32,637	₹	26,018	↑ 25.4%
EBITDA	₹	1,134	₹	776	↑ 46.1%
EBITDA %		3.5%		3.0%	
Depreciation	₹	1,209	₹	1,173	
Interest Expense	₹	276	₹	351	
Other income	₹	1,498	₹	712	
Exceptional Items	₹	773	₹	1,092	
PBT	₹	373	₹	-1,129	↑ 389.5%
PBT %		1.1%		-4.3%	
Tax	₹	343	₹	-543	
PAT	₹	31	₹	-586	↑ 501.7%
PAT %		0.1%		-2.3%	
Exchange Rate		74.41		74.13	

Summary Financial Profile

Particulars	HGSL	
	Rs.	USD
Net Worth (in millions)	78,084	1,066.1
Book value per share	1,868	25.5
Price per share	955.0	12.3
Dividend per share	220.0	3.00
EPS (TTM)	103.1	1.4
P/E Ratio (TTM)	9.3	9.3
Gross Debt (in millions)	35	0.5
Total Cash (in millions)	35,209	480.7
Net Debt (Net Cash) (in millions)	35,175	480.3
Gross Debt / Equity	0.00x	0.00x

- P/E calculated as per CMP of Rs 955.0 (May 30, 2022)

- USD/INR exchange rate

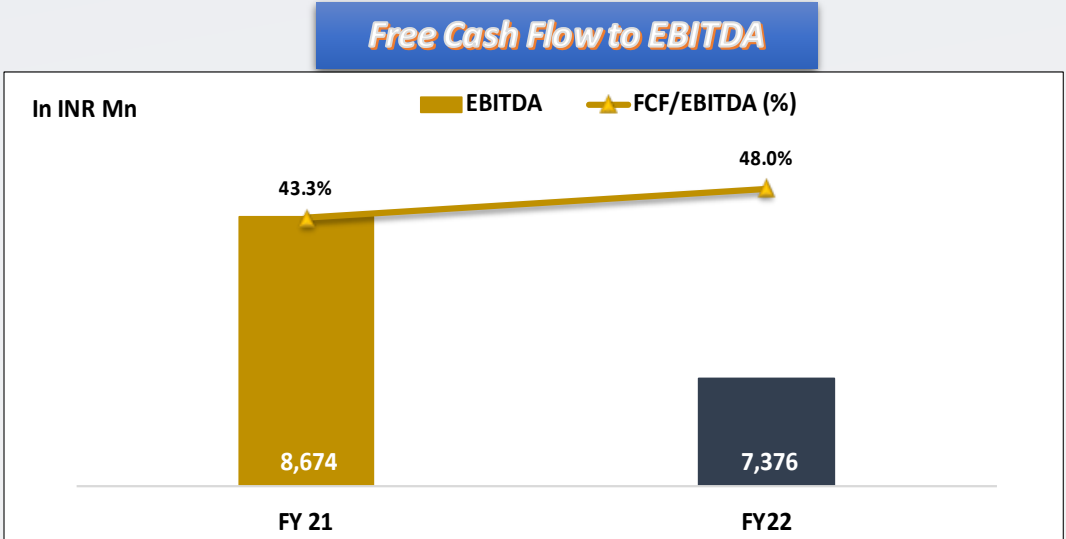
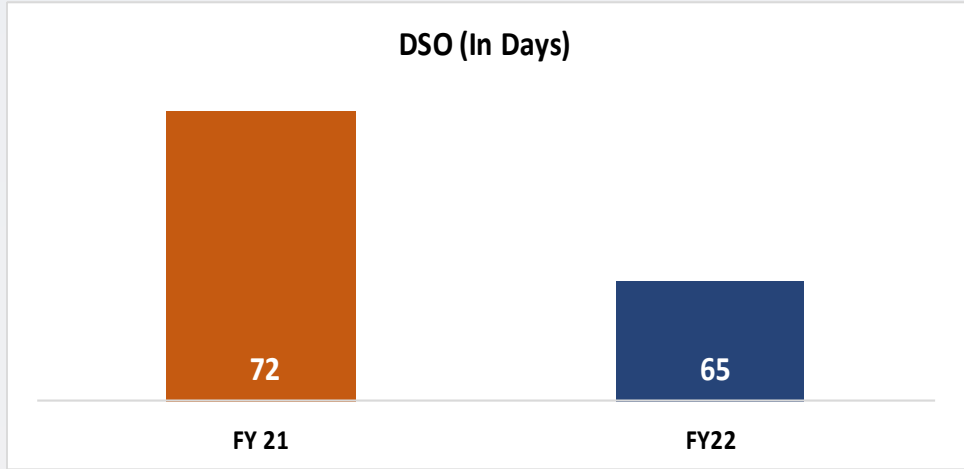
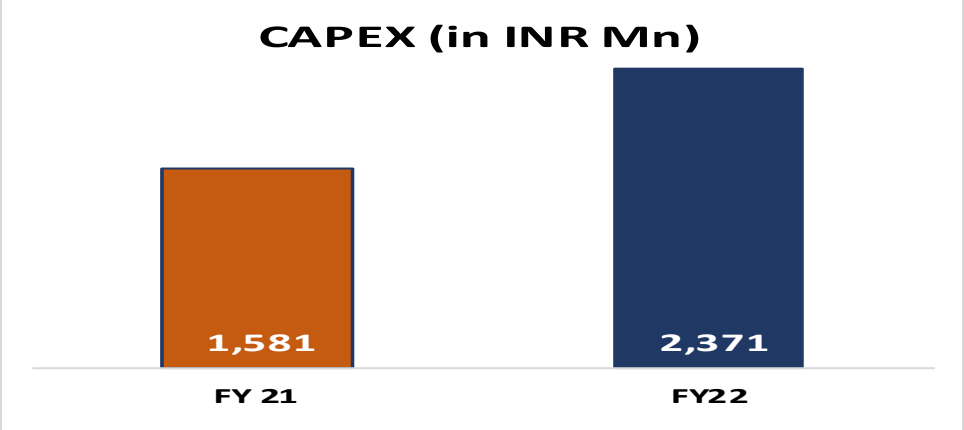
74.13	for the TTM
73.24	month end-Mar
77.54	Spot Rate- Today

- Total Debt includes foreign currency debt taken at applicable exchange rates

Debt & Treasury Snapshot

	As on 31 st December 2021 (In INR Mn)	As on 31 st March 2022 (In INR Mn)
Debt	2,080	35
ICDs to Related Parties	3,893	11,245
Cash	2080	35,209
Debt Investments		24,668

Other Key Parameters



Buyback : Max Amount of Rs 9,750 Mn

	HGSL	
	StandAlone	Consolidated
	Rs mn	Rs mn
Share Capital	418	418
Share Premium	143	143
General Reserves	5,380	5,380
Retained Earnings	33,080	67760
Total Applicable Networth'	39,021	73,701
25% of Networth	9,750	18,425
Permissible Amount	9,750	

For Shareholders

Dividend/Share	
1 st Interim	7
2 nd Interim	10
3 rd Interim	150
4 th Interim	28
Final*	25*
Total	220**

* Effectively Rs 50/share on pre 1:1 Bonus

** Effectively Rs 245/ share on pre 1:1 Bonus

Total Dividend Outgo : Rs 5,120 mn

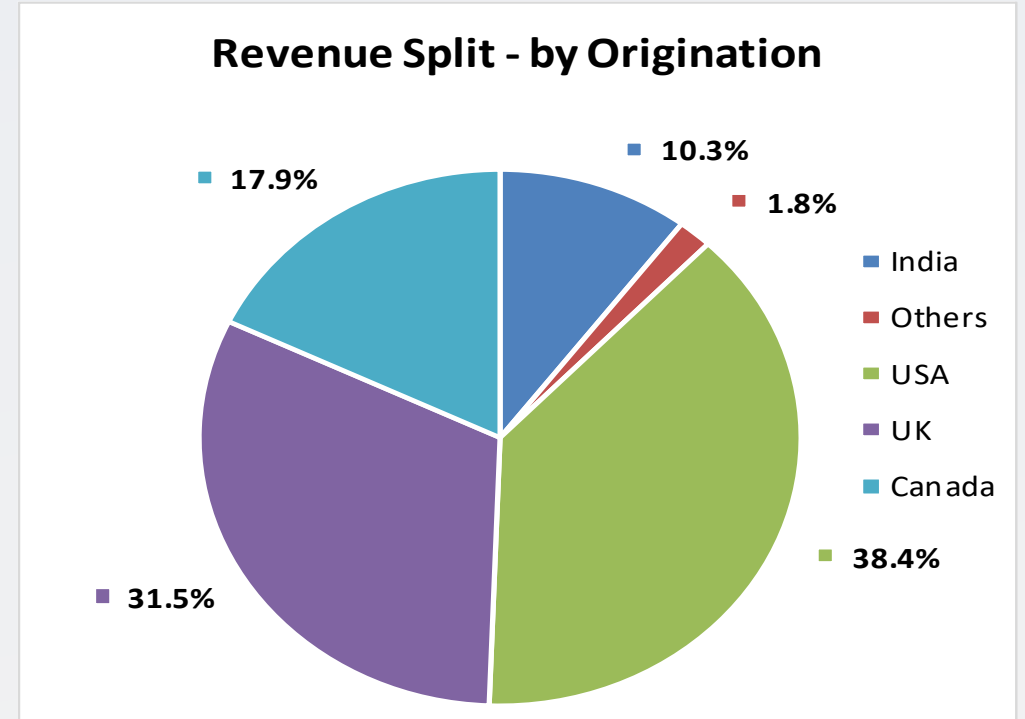
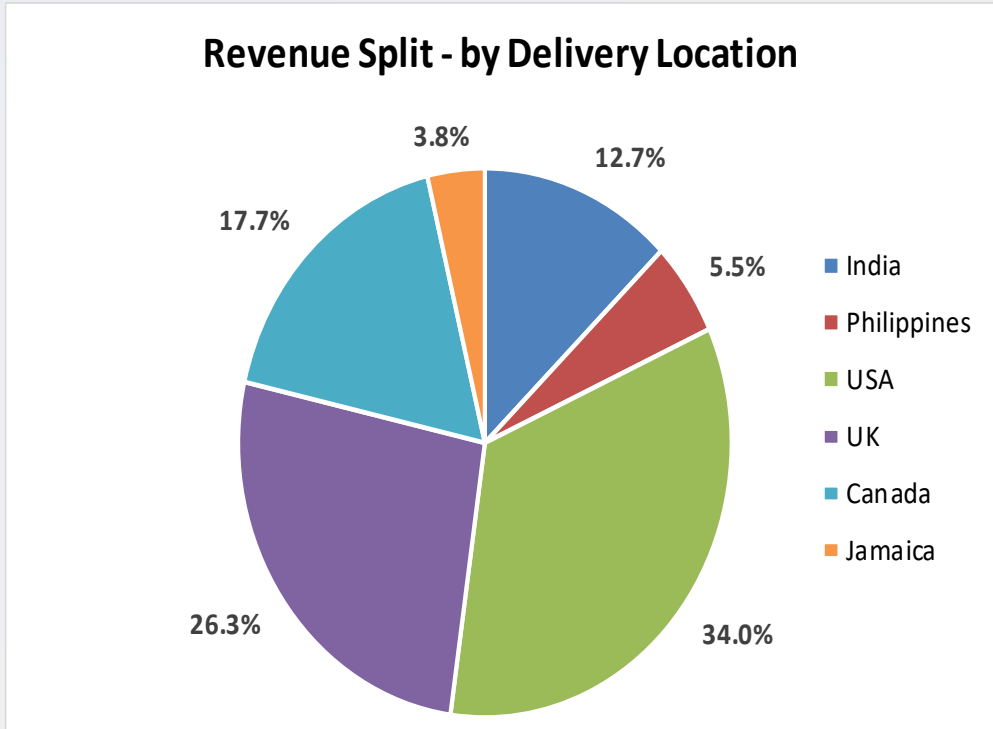
1:1 Bonus

Buyback :

Of around Rs 9,750 mn based on FY 22
Audited Financials

*Detailed buyback process shall be
announced later.*

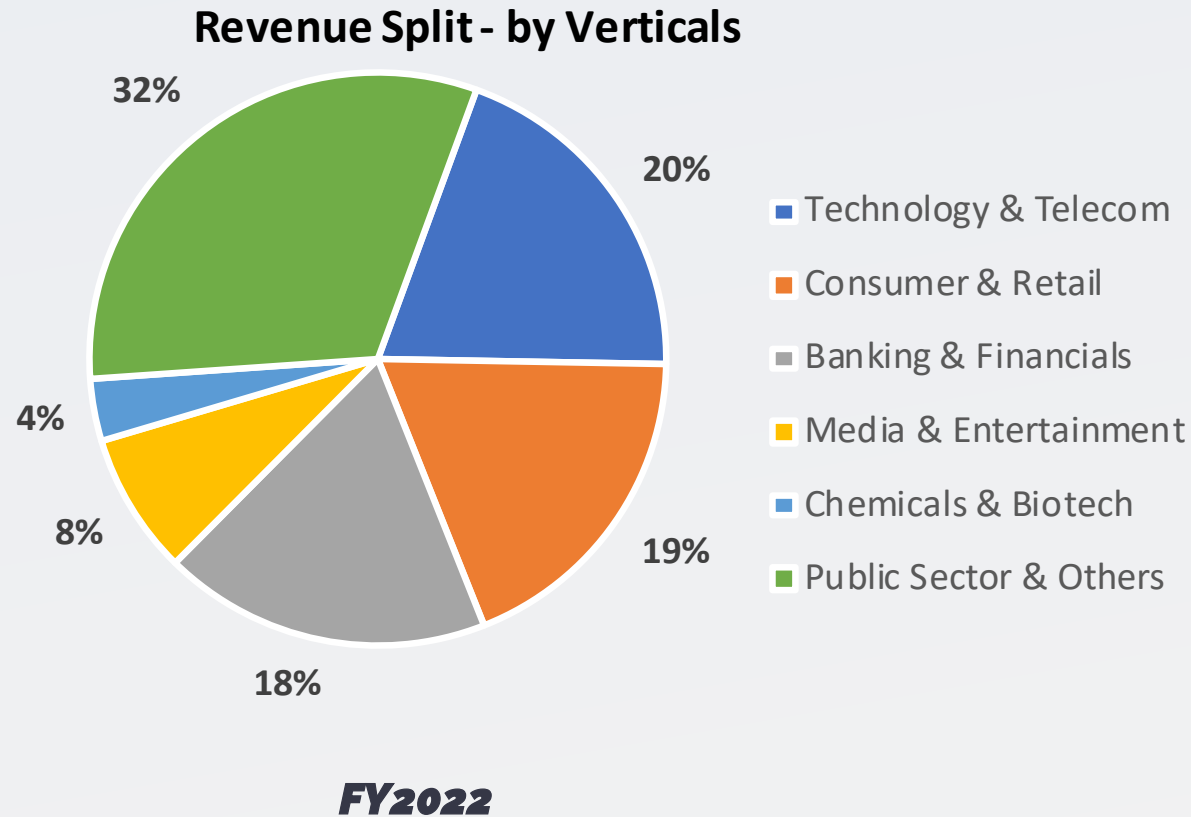
Retained Business: Revenue Composition



FY2022

* Others Include revenues originated from Philippines, Jamaica & MENA

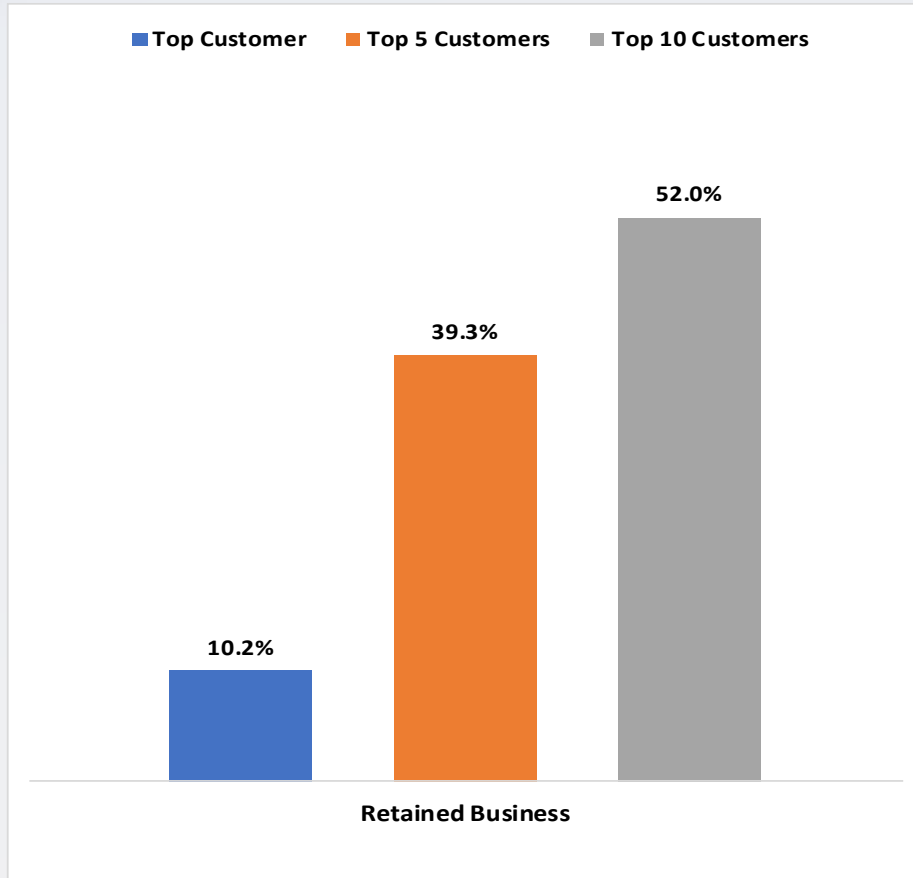
Revenue by Vertical for Retained Businesses



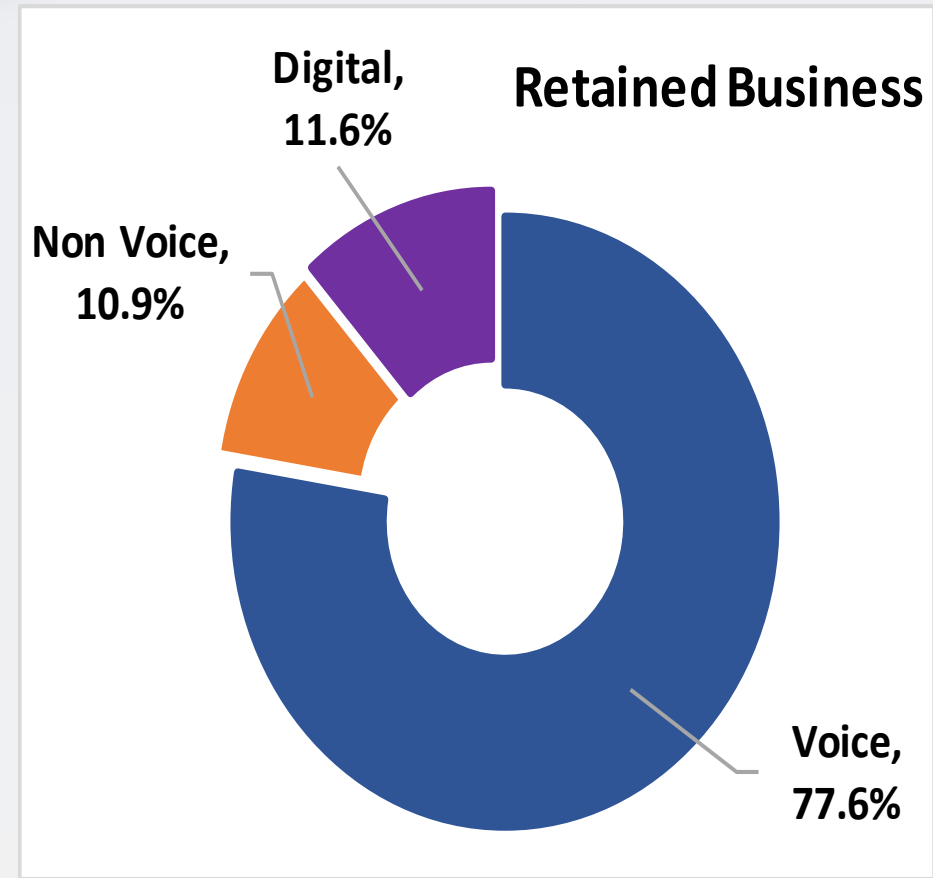
Revenue Profile for Retained Business



Client Concentration



Channel Mix



FY2022

Transaction with NXT Digital

Acquisition of NXTDIGITAL media Business

Transaction approved by the Boards of
HGS and NXTDIGITAL in Feb 2022

On Completion of the transaction with
NXT Digital :

Share capital of HGSL will increase from
41.97 mn shares to 52.48 mn shares

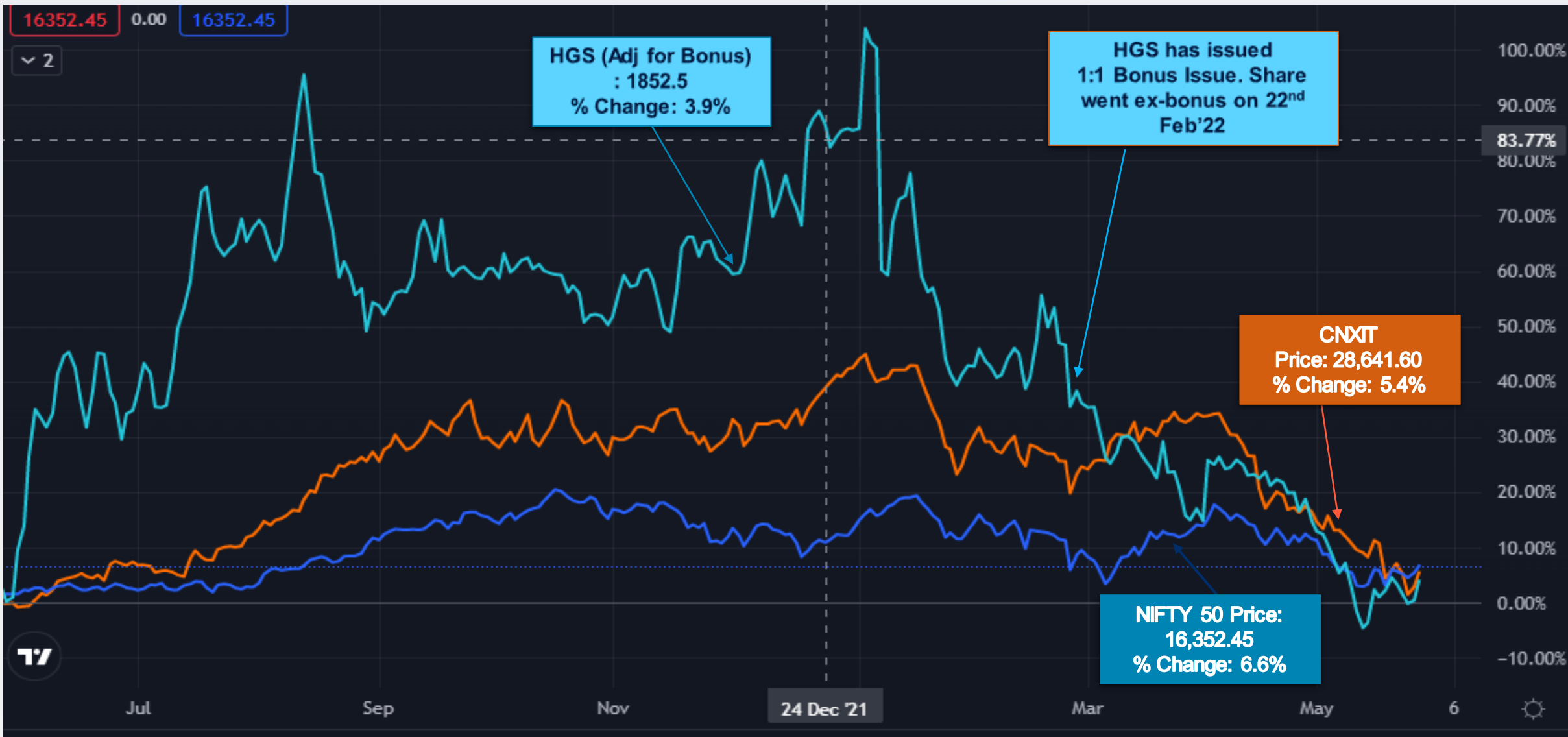
NXT Digital shareholders would own
20.4% of shares of HGSL

Shareholders of NXTDIGITAL to receive 20
Shares of HGS for every 63 NXT Digital
shares held

Approvals from Securities Exchange Board
of India (SEBI) and other regulatory bodies
awaited

Promoters' holding would drop
from 67.13%
to 64.67%

HGS Share : Performance vs CNXIT and NIFTY 50 !!





Thank You

investor.relations@teamhgs.com