

February 08, 2017

**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 (E)  
Mumbai - 400 051.  
*Symbol : HGS*

Dear Sirs,

**Sub: Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2016**

This has further reference to our letter of even date on Q3 financial results, we are enclosing herewith the following:

- Press Release being issued by the Company
- Earning Presentation

You are requested to kindly put up above documents on your Website.

Thanking you,

Yours truly,  
For Hinduja Global Solutions Limited

  
**Makarand Dewal**  
Company Secretary

Encl: a/a.

### Hinduja Global Solutions Limited

#### **Consolidated Financial Performance: Highlights of Q3 FY2017**

Net Sales of Rs. 9,563 million, an increase of 8.3% y-o-y

EBITDA of Rs. 1,145 million with margins of 12.0%

PAT of Rs. 472 million with margins of 4.9%

The Board declared an interim dividend of Rs. 2.50 per share

**Mumbai, India, February 8, 2017:** Hinduja Global Solutions Limited ([HGS](#)) (Listed on NSE & BSE, India) today announced its Unaudited Third Quarter and Nine Months Results for FY2017.

Commenting on the performance and outlook, **Mr. Partha DeSarkar, CEO** said:

*"HGS had a very strong quarter, driven by high capacity utilization and seasonality. Revenue in Q3 FY2017 grew by 8.3% y-o-y while EBITDA was up by 40.6% and Net Profits by 136.4% on y-o-y basis. These robust numbers were led by significant volume growth from our top 10 clients and new logos in healthcare and consumer products as well as gains from Open Enrollment in the healthcare sector.*

*We continue to focus on making investments -- in centers, solutions and people -- to drive growth across our geographies."*

#### **Financial Highlights: Q3 FY2017**

- Net Sales increased by 8.3% y-o-y to Rs. 9,563 million.
- EBITDA was Rs. 1,145 million with margins of 12.0%.
- PAT was Rs. 472 million with margins of 4.9%.
- The Board declared an interim dividend of Rs. [•] per share

#### **Financial Highlights: Nine Months FY2017**

- Net Sales increased by 14.8% y-o-y to Rs. 27,710 million.
- EBITDA was Rs. 3,175 million with margins of 11.5%.
- PAT was Rs. 1,365 million with margins of 4.9%.
- Cashflow from operation and after working capital changes was Rs. 2,451 million
- Capex and investments was Rs. 1,273 million
- As of December 31, 2016, the Company had Net Debt of Rs. 2,908 million and a Net Worth of Rs. 12,800 million.

## Financial Summary

(Rs. Million)	Q3		y-o-y	Nine Months		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2016	Growth (%)
Net Sales	9,563	8,829	8.3%	27,710	24,143	14.8%
EBITDA	1,145	815	40.6%	3,175	2,248	41.3%
Margin (%)	12.0%	9.2%		11.5%	9.3%	
Profit Before Tax (PBT)	720	329	118.6%	1,966	1,069	83.9%
Margin (%)	7.5%	3.7%		7.1%	4.4%	
Profit After Tax (PAT)	472	200	136.4%	1,365	677	101.6%
Margin (%)	4.9%	2.3%		4.9%	2.8%	
Basic EPS (Rs.)	22.87	10.50	117.8%	65.94	33.54	96.6%

## Revenue Summary: Q3 FY2017

- **Revenue origination:** US: 68.4%, Canada: 10.0%, UK & Europe: 7.4% and India 14.2%.
- **Revenue by vertical:** Healthcare 47.3%, Telecom & Technology 22.4%, Consumer 13.4%, Banking & Financial Services 7.4% and Others 9.5%.
- **Clients:** Top client: 18%, Top 5: 50%, Top 10: 61% and Top 20: 72%.

## Business Highlights: Q3 FY2017

- **Active Clients:** 185 core BPM clients and 607 payroll processing clients.
- **New Business Won:**
  - New multi-million-dollar contract from a major Canadian telecom client to support video legacy customer care
  - Onshore business from a leading US payer to support Medicare and Consumer business calls
  - Integrated a significant portion of business for a US based Tobacco Manufacturer, thus bringing all contact volumes for this brand to HGS
  - Additional business from existing healthcare client to be serviced from new center opened in Kingston
  - New business from a leading US Jewelry brand for support in digital production, search marketing and social marketing
- **New Delivery Centers:** Currently, HGS has 66 global delivery centers across seven countries.
- **Employee Headcount:** 43,750 as on 31<sup>st</sup> December, 2016; India: 65% (India Offshore 21% and India Domestic 44%), Philippines: 18%, US: 9%, Canada: 5% and Europe: 3%.

### Other Highlights:

- Received Frost & Sullivan's 2016 North American Contact Center Outsourcing New Product Innovation Award for HGS DigiCX suite of solutions
- Won two awards at the Contact Center World Awards in Las Vegas –
  - A Silver in the category of Self-Service Technology - Enhancing The Customer Experience; for a self-help solution deployed for an Electronics client
  - A bronze in the category of Making Outsourcing Work - Developing a Win:Win Partnership
- Recognized as "High Performer" In HfS Research Blueprint Report - Digital Marketing Operations 2016, Dec 2016
- Recognized as "Leader" In NelsonHall CMS Analytics NEAT 2016 for "Customer Experience capability" and "Cost Optimization capability", Nov 2016
- Achieved Americas Top 15 status in the Breakthrough Sourcing Standouts In ISG Outsourcing Index Global 3Q 2016, Oct 2016

### **About Hinduja Global Solutions:**

HGS is a leader in optimizing the customer experience and helping our clients to become more competitive. HGS provides a full suite of business process management (BPM) services from traditional voice contact center services and transformational DigiCX services that are unifying customer engagement to platform-based, back-office services and digital marketing solutions. By applying analytics, automation, and interaction expertise to deliver innovation and thought leadership, HGS increases revenue, improves operating efficiency, and helps retain valuable customers. HGS expertise spans the telecommunications and media, healthcare, insurance, banking, consumer electronics and technology, retail, and consumer packaged goods industries, as well as the public sector. HGS operates on a global landscape with around 44,000 employees in 66 worldwide locations delivering localized solutions. For the year ended 31<sup>st</sup> March 2016, HGS had revenues of US\$ 507 million. HGS, part of the multi-billion dollar Hinduja Group, has more than four decades of experience working with some of the world's most recognized brands.

[www.teamhgs.com](http://www.teamhgs.com)

### **Safe Harbour**

*Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.*

For more information, visit us at [www.teamhgs.com](http://www.teamhgs.com) or contact:

#### **Srinivas Palakodeti**

Hinduja Global Solutions Limited

Tel: +91 80 4643 1000

Email: [pala@teamhgs.com](mailto:pala@teamhgs.com)

#### **R. Ravi**

Hinduja Global Solutions Limited

Tel: +91 22 2496 0707

Email: [ravi.r@teamhgs.com](mailto:ravi.r@teamhgs.com)

#### **Bijay Sharma**

Churchgate Partners

Tel: +91 22 6169 5988

Email: [HGS@churchgatepartners.com](mailto:HGS@churchgatepartners.com)



# Q3 & Nine Months FY2017 Earnings Presentation

February 8, 2017

*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 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 Solutions 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*

## Conference Call Details: Thursday, February 9, 2017 at 4:00 PM IST

Dial-In Numbers	
Primary Number	+91 22 3960 0620
Local Access Number	3940 3977
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

## Q3 FY2017 Financial Highlights

- Net Sales of Rs. 9,563 million, an increase of 8.3% compared to same period last year
- EBITDA of Rs. 1,145 million with margin of 12.0%
- PAT of Rs. 472 million with margin of 4.9%
- The Board declared an interim dividend of Rs. 2.50 per share

## Nine Months FY2017 Financial Highlights

- Net Sales of Rs. 27,710 million, an increase of 14.8% compared to same period last year
- EBITDA of Rs. 3,175 million with margin of 11.5%
- PAT of Rs. 1,365 million with margin of 4.9%
- As of Dec 31, 2016, the Company had Net Debt of Rs.2,908 million and a Net Worth of Rs. 12,800 million

## Management Perspective

Commenting on the performance and outlook, **Mr. Partha DeSarkar, CEO, Hinduja Global Solutions** said:

“HGS had a very strong quarter, driven by high capacity utilization and seasonality. Revenue in Q3 FY2017 grew by 8.3% y-o-y while EBITDA was up by 40.6% and Net Profits by 136.4% on y-o-y basis. These robust numbers were led by significant volume growth from our top 10 clients and new logos in healthcare and consumer products as well as gains from Open Enrollment in the healthcare sector.

We continue to focus on making investments -- in centers, solutions and people -- to drive growth across our geographies.”

## Q3 FY2017 Business Highlights

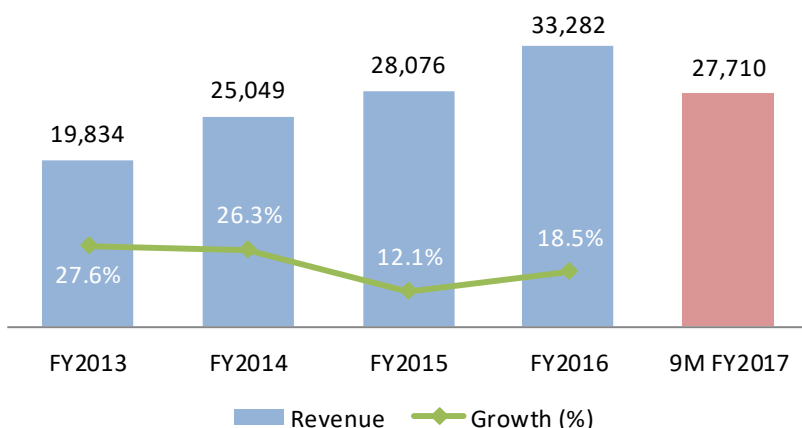
- Won significant new business from clients in North America - across Telecom, Healthcare and Consumer verticals
- Launched W@Home (Work at Home), a new business delivery model in Canada. This is expected to expand the employable labour market exponentially for HGS
- Philippines operation continued to experience strong traction, primarily driven by the Healthcare vertical. Expect seasonal demand in Healthcare and Consumer Electronics vertical to drive growth for remaining part of the fiscal year.
- As of December 31, 2016, HGS had 185 core BPM clients and 607 payroll processing clients
- In Q3 FY2017, contribution from Healthcare vertical was 47%, Telecom & Technology 22%, Consumer 13%, Banking & Financial Services 7%, Others 11%
- As of December 31, 2016, total headcount was 43,750: India: 65% (India Offshore 21% and India Domestic 44%), 18% in Philippines, 9% in the US, 5% in Canada and 3% in Europe



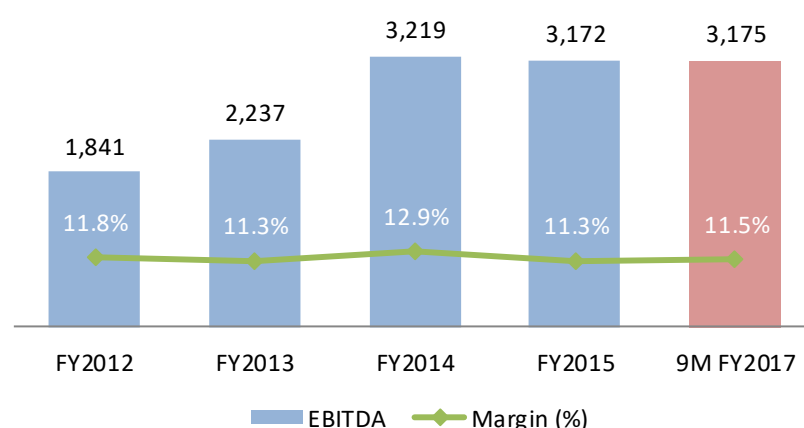
## Consolidated Financial Highlights

(Rs. Million)	Q3		y-o-y	Nine Months		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2016	Growth (%)
Net Sales	9,563	8,829	8.3%	27,710	24,143	14.8%
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Profit After Tax (PAT)	472	200	136.4%	1,365	677	101.6%
Margin (%)	4.9%	2.3%		4.9%	2.8%	
Basic EPS (Rs.)	22.87	10.50	117.8%	65.94	33.54	96.6%

## Annual Revenue Trend (Rs. Million)



## Annual EBITDA Trend (Rs. Million)



Note: FY2013 to FY2016 financials are as per IGAAP

Region	Geography Highlights
North America and Jamaica	<ul style="list-style-type: none"><li>Received a new multi-million dollar contract from a major Canadian Telecom &amp; Media company to support video legacy customer care</li><li>New onshore business from a leading US Payer to support Medicare and Consumer business calls</li><li>Launched a new business delivery model in Canada - W@Home. This leverages work from home<ul style="list-style-type: none"><li>Expected to multiply the employable labour market available for HGS</li><li>Phase 1 rolled out in Canada in December 2016; expect to scale to ~250 FTEs by FY2018</li></ul></li><li>Opened a fourth center in Jamaica in January 2017 to cater to additional business received from an existing healthcare client<ul style="list-style-type: none"><li>This site will have over 1,200 seats</li></ul></li></ul>
UK	<ul style="list-style-type: none"><li>Volumes remained soft in Q3 due to seasonality from two public sector clients</li><li>Expect the volumes to continue to remain soft in Q4 but will start picking up towards end of the fiscal year</li><li>To strengthen management team with additions in Operations and Business Development in Q4</li></ul>

Region	Geography Highlights
Philippines	<ul style="list-style-type: none"><li>Continued to experience robust business expansion, primarily driven by the Healthcare vertical</li><li>Added 165 FTEs for new lines of business from existing clients across Healthcare and Consumer Products clients vertical</li><li>Completed 15 years of partnership with a client in BFSI vertical. This long standing relationship is testament to HGS' focus on quality</li><li>Expect second half of the fiscal year to be better compared to first half driven by seasonal demand in Healthcare and Consumer Electronics vertical</li></ul>
India	<p><b>International:</b></p> <ul style="list-style-type: none"><li>Robust growth supported by significant volume growth in the healthcare vertical</li><li>Received new business from a leading US Jewellery brand for support in digital production, search marketing and social marketing</li></ul> <p><b>Domestic:</b></p> <ul style="list-style-type: none"><li>Strong revenue growth driven by higher volumes, new client additions</li><li>Marginal softness in volume from a large telecom client compared to the last quarter</li></ul>

## Awards and Accolades



- Frost & Sullivan's 2016 North American Contact Center Outsourcing New Product Innovation Award for HGS' DigiCX suite of solutions
- The award recognized HGS' new approach to applying design thinking and helping its clients optimize their CX, making their businesses more competitive
- Winning the Frost & Sullivan award puts HGS among some of the most elite brands in the industry



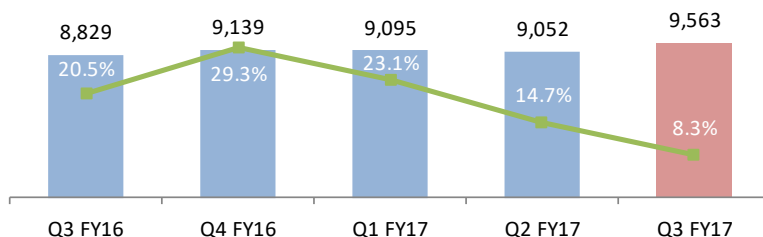
- Received two awards at the Contact Center World Awards in Las Vegas
  - A Silver in the category of Self-Service Technology - Enhancing The Customer Experience - for a self-help solution deployed for an electronics client
  - A bronze in the category of Making Outsourcing Work - Developing a Win : Win Partnership

## Recognition from Analyst and Advisor community

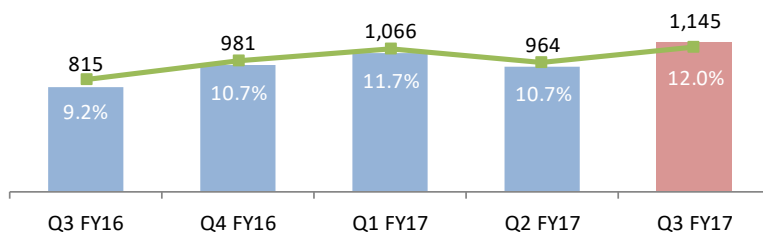


- HGS recognized as “High Performer” In HfS Research Blueprint Report - Digital Marketing Operations 2016, Dec 2016
- HGS recognized as “Leader” In NelsonHall CMS Analytics NEAT 2016 for “Customer Experience capability” and “Cost Optimization capability”, Nov 2016
- HGS achieves Americas Top 15 status in the Breakthrough Sourcing standouts In ISG Outsourcing Index Global 3Q 2016, Oct 2016

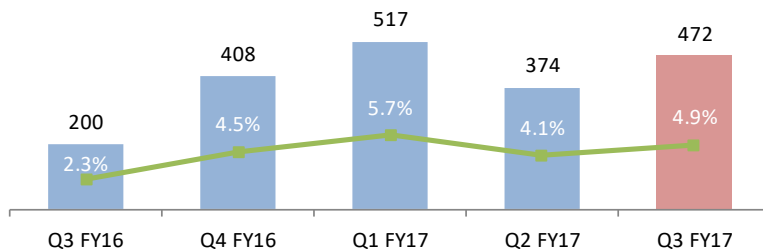
## Revenue (Rs. Million) and Y-o-Y Growth (%)



## EBITDA (Rs. Million) and Margin (%)



## PAT (Rs. Million) and Margin (%)



## Highlights

- Revenue growth driven by volume growth across key clients and new client additions in healthcare, consumer products and telecom verticals
- Profitability benefitted from improvement in utilization levels coupled with favourable foreign exchange variations

## Break-up of Operating Expenses

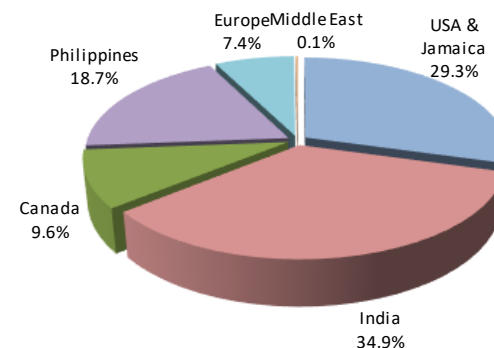
Particulars	YTD FY16	YTD FY17
Rent and Connectivity Cost	31.0%	30.7%
Legal and Professional Charges	13.9%	12.6%
Others	55.2%	56.7%
<b>Total Operating Expenses (Rs. Mn)</b>	<b>5,518</b>	<b>6,078</b>

Note: Q4 FY2016 financials are as per IGAAP

## Revenue by Delivery Centers

(Rs. Million)	Q3		y-o-y	Q2	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
USA & Jamaica	2,803	2,541	10.3%	2,526	10.9%
India	3,333	2,706	23.2%	3,073	8.5%
Canada	918	980	(6.3)%	940	(2.3)%
Philippines	1,789	1,583	13.0%	1,642	9.0%
Europe	708	1,011	(30.0)%	865	(18.2)%
Middle East	12	8	49.4%	7	69.3%
<b>Total</b>	<b>9,563</b>	<b>8,829</b>	<b>8.3%</b>	<b>9,052</b>	<b>5.6%</b>

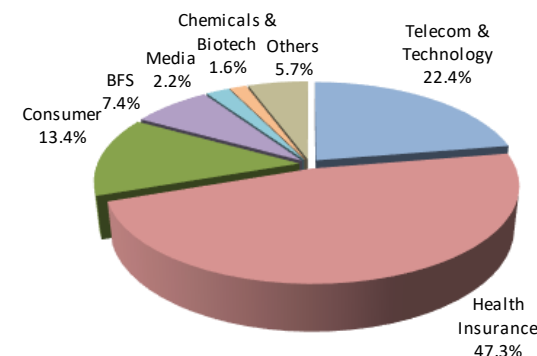
### Q3 FY2017



## Revenue by Vertical

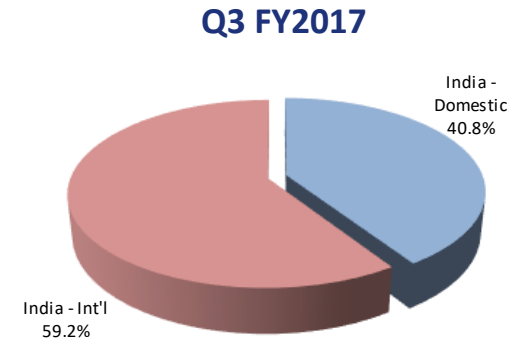
(Rs. Million)	Q3		y-o-y	Q2	
	FY2017	FY2016	Growth (%)	FY2017	q-o-q Growth (%)
Telecom & Technology	2,143	2,569	(16.6)%	2,165	(1.0)%
Health Insurance	4,521	3,605	25.4%	4,033	12.1%
Consumer	1,283	1,138	12.8%	1,236	3.8%
BFS	707	629	12.3%	646	9.4%
Media	213	169	26.5%	230	(7.2)%
Chemicals & Biotech	154	159	(3.1)%	155	(0.6)%
Others	542	561	(3.4)%	587	(7.6)%
<b>Total</b>	<b>9,563</b>	<b>8,829</b>	<b>8.3%</b>	<b>9,052</b>	<b>5.6%</b>

### Q3 FY2017



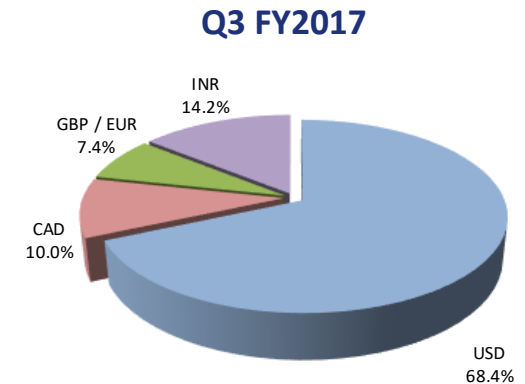
## India Based Exposure

(Rs. Million)	Q3		y-o-y Growth (%)	Q2	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
India - Domestic	1,359	1,126	20.7%	1,300	4.5%
India - International	1,974	1,580	24.9%	1,773	11.4%
<b>Total India</b>	<b>3,333</b>	<b>2,706</b>	<b>23.2%</b>	<b>3,073</b>	<b>8.5%</b>



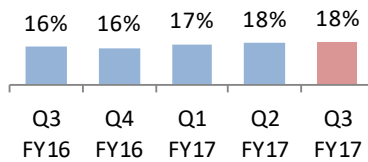
## Revenue by Currency Exposure

(Rs. Million)	Q3		y-o-y Growth (%)	Q2	
	FY2017	FY2016		FY2017	q-o-q Growth (%)
USD	6,545	5,672	15.4%	5,930	10.4%
CAD	952	1,020	(6.7)%	958	(0.6)%
GBP / EUR	708	1,011	(30.0)%	865	(18.2)%
INR	1,359	1,126	20.7%	1,300	4.5%
<b>Total</b>	<b>9,563</b>	<b>8,829</b>	<b>8.3%</b>	<b>9,052</b>	<b>5.6%</b>

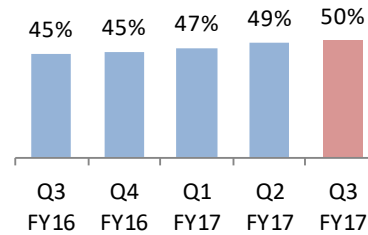




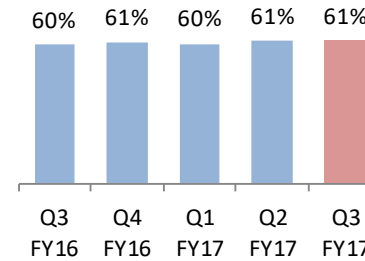
## Key Client Metrics



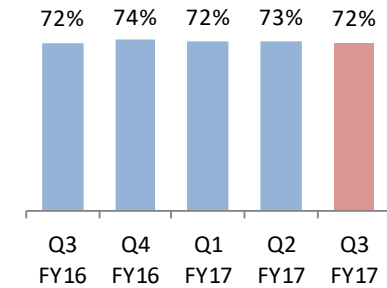
Top Client (%)



Top 5 Clients (%)



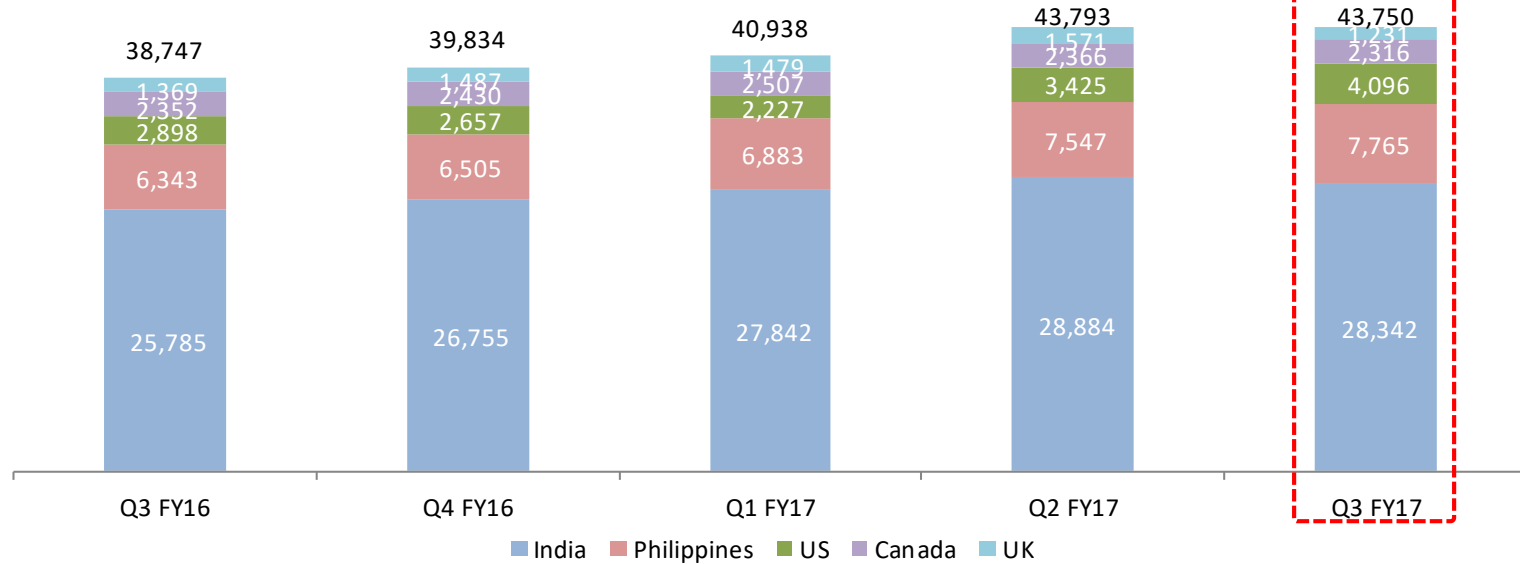
Top 10 Clients (%)



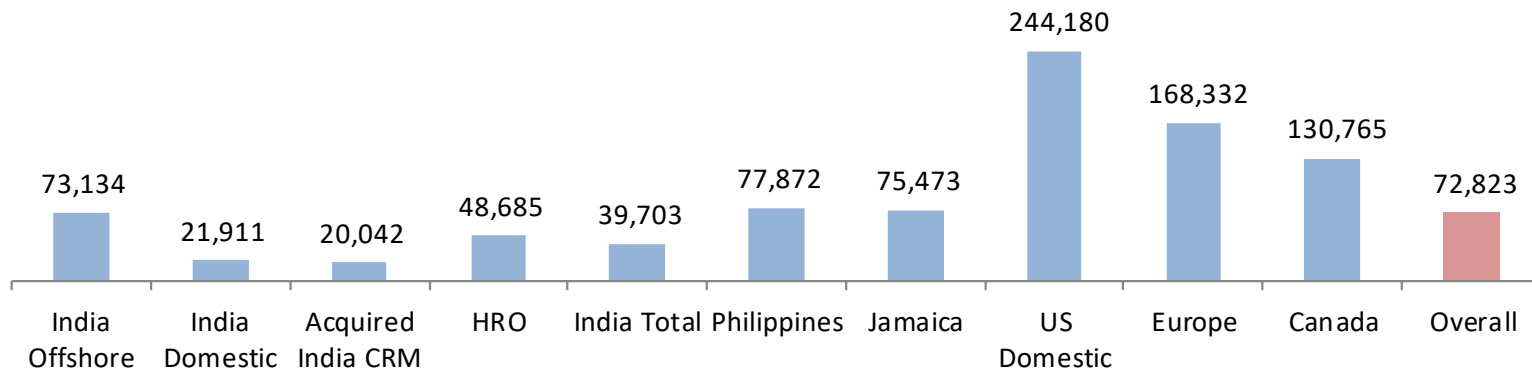
Top 20 Clients (%)

Client contributing revenues	Q3 FY16	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17
> Rs. 200 million during the quarter	10	11	11	10	11
> Rs. 150 million during the quarter	11	11	12	13	14
> Rs.100 million during the quarter	15	16	17	15	19
> Rs.50 million during the quarter	33	36	33	35	39
> Rs.10 million during the quarter	65	67	62	65	70

## Employee Trend by Geography



## Average Monthly Revenue / Employee (Rs.)



## Conservative Leverage Profile

(Rs. Million)	31-Dec-16	30-Sep-16
<b>Total Debt</b>	<b>7,345</b>	<b>7,464</b>
Less: Cash & Treasury Surplus	4,436	4,920
<b>Net Debt / (Net Cash)</b>	<b>2,908</b>	<b>2,544</b>
<b>Net Worth</b>	<b>12,800</b>	<b>12,191</b>
<b>Net Debt / EBITDA<sup>1</sup></b>	<b>0.70x</b>	<b>0.67x</b>
<b>Total Debt / Equity</b>	<b>0.57x</b>	<b>0.61x</b>

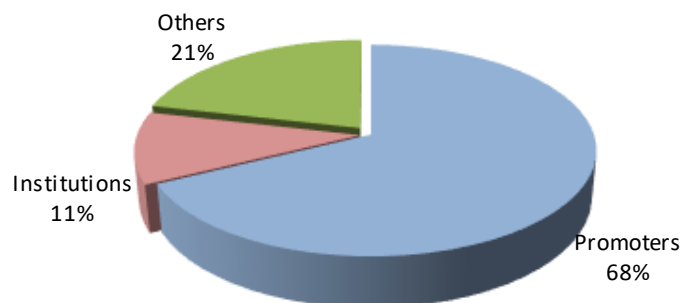
Note(s):

1. LTM EBITDA used for computing net debt / EBITDA ratio

# Summary Unaudited Cash Flow Statement

(Rs. Million)	Period Ended 31-Dec-16
<b>Cash flow from Operations and after working capital changes</b>	<b>2,451</b>
Cash Flow due to Capex (net) and investments	(1,273)
Cash Flow due other investing activities	150
<b>Total Cash Flow from Investing Activities</b>	<b>(1,123)</b>
Proceeds/(Repayment) from Borrowings	(1,055)
Cash from Interest payment and others	(482)
<b>Total Cash Flow from Financing Activities</b>	<b>(1,537)</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>(209)</b>
Cash and Treasury Surplus as on April 1, 2016	4,645
<b>Cash and Treasury Surplus as on December 31, 2016</b>	<b>4,436</b>

## Shareholding Pattern (31 December 2016)



## Market Data

Market Cap. (Rs. million) (8-Feb-17)	12,448
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (31-Dec-16)	617.1
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

# *Thank You*

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For further information please contact:

**Srinivas Palakodeti**

Chief Financial Officer

Email: [pala@teamhgs.com](mailto:pala@teamhgs.com)

Tel: +91 80 4643 1000

**R. Ravi**

Vice President – Investor Relations

Email: [ravi.r@teamhgs.com](mailto:ravi.r@teamhgs.com)

Tel: +91 22 2496 0707

**Bijay Sharma**

Churchgate Partners

Email: [HGS@churchgatepartners.com](mailto:HGS@churchgatepartners.com)

Tel: +91 22 6169 5988