



September 28, 2020

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: Investor Conference - September 28, 2020

This has reference to our letter dated September 25, 2020. Attached is the presentation being made at the Motilal Oswal Institutional Investor Conference. 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**

S. Mahadevan
EVP-Legal, Compliance & Company Secretary

HINDUJA GLOBAL SOLUTIONS LIMITED

Regd. Office: Hinduja House, No. 171, Dr. Annie Besant Road, Worli, Mumbai - 400 018. India. Telephone: 91-022-2496 0707, Fax: 91-22-2497 4208, Website: www.teamhgs.com
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

Corporate Identity Number:L92199MHI995PLC084610



HINDUJA GROUP

Motilal Oswal Investor Conference

Sept 28th 2020



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



Quick Overview



HISTORY

- Part of the Hinduja Group, in the BPM business since 2000
- HGS is in the business of inbound Voice & Non Voice (Transaction processing+ Digital)
- 53% of revenues from Healthcare , balance from Telecom & Media, Consumer, BFS
- Miniscule exposure travel and hospitality
- India Domestic CRM business sold off in Jan 2020

FINANCIAL SUMMARY

	FY'20	Q1 FY'21
Revenue	INR 52,354 Mn (\$ 737 Mn)	INR 12,359 Mn (\$ 164 Mn)
EBITDA	INR 7,165 Mn (\$ 101 Mn)	INR 1,458 Mn (\$ 19 Mn)
EBITDA Margin	13.7%	11.8%
Free Cash flow/EBITDA	60%	112%
Gross Debt increased, /Decreased ↓	INR 131 Mn ↑	INR 265 Mn ↓
Net Debt/ (Net Cash)	INR 734 Mn	INR (629) Mn
Dividend/Share	INR 20	INR 6 (Interim)

SNAPSHOT

- CAGR of 13.3 % in Revenue over FY 15-20.
- Digital revenues has grown 25% over FY 2019 and account for 8.3% of FY 20 revenues.

As on 30th June 2020:

- **60** Worldwide Centers
- **37,100 +** employees (as on 30th June 2020)
- **227** active clients for the BPM business
(additionally over 691 clients for Payroll & HRO Business)



Work@Home(TM) Solution Overview

1. IT Assets Deployment

- Over 30,000 IT assets transported to employee homes in 3 weeks
- Assets hired where required
- Dongles, Hotspots procured, transported and activated on emergency basis

3. IT enablement

- IT Help Desk Scaled up
- IT tool kits provided to employees
- Licensing of collaboration tools
- VPN connectivity

5 Overall

- Clients extremely happy with HGS
- Better than peers and captive sites
- High level of Employee satisfaction
- Has helped win new business



2. Approvals

- Client consents received
- Force Majeure conditions negotiated
- Approvals from regulatory authorities

4. Employees

- Employee safety ensured
- Additional facilities for employees who could not work from home
- Cross Training to cope with enhance work load for Technology team

1. Launched in 2016

- 1,200+ agents in North America and 200+ Shared service employees in India prior to COVID-19 gave HGS a strong foundation during the pandemic.

3. COVID Key Milestones

- Almost all employees are working from home
- 5771 agents hired globally during (Apr-Aug 2020)
- 500 support staff trained to hire, train and do QA virtually
- 1600 frontline supervisors trained to manage remote work force

5. Evolving long term Strategy

- ~50% of HGS workforce to Move to Work@Home, subject to Regulatory & Client approvals
- Blend of Hub and Spoke Model & Virtual Work@Home model
- De-clustering of sites
- Maintaining data security & compliance norms



2. Global COE

- CoE goal is to design scalable processes, benchmark best practices and develop new-age tech solutions
- CoE is focused on mitigating numerous challenges and improve Work@Home efficacy

4. Mid term Strategy

- Virtual Hiring & Training practices
- Increase penetration of e-learning and self paced training content
- Scaled up Tech Infra & Connectivity
- Setup global Logistic Hub for equipment distribution and recovery

Key Tenets to enable Work @ Home



Type of Work

- Extent of process Standardization
- Automation Assessment
- Nature of work assessment
- Information Access



Technology

- Digital tool penetration for coaching and engaging associates
- AI driven IT and enterprise service management platform to maintain Data security and compliances
- Cloud Adoption
- HGS-provided equipment to be setup at Work@Home. Decision of provisioning Internet connectivity based on geographical nuances



Talent

- Evaluate Workforce maturity and Best fit for Work@Home
- Adoption of agile methods of working
- Extend benefits and incentives to all employees
- Collaboration strategy with adoption of newer platforms e.g. MS Teams and Zoom



Real Estate

Managing current Infra (Specially in offshore location)

- Operate @ less than 50% of capacity
- SOP for quick management of sites in case of COVID events
- Office Space design to accommodate social distancing

Evolving long Term options

- Set up Hub & Spoke model or alternative models in diversified smaller cities
- Option to work out of Co-work space, internet cafes, business center and other alternatives in offshore geos

Challenges

1 Connect with talent as Lockdown restricts resource movement

2 Ghost/fraudulent Candidates

3 Communication challenge/call drops

HGS Solutions

- **Programmatic Job advertising:**
- Partner with pioneer platform providers to source talent faster and primarily target the passive applicant with right competency using predictive algorithms and Artificial Intelligence.
- **Online proctored assessments & synchronous interviews:**
- Blend the **power of AI and science of psychometric** to optimize our skill assessment and interview process. Platform is live across all geographies.
- **Recruitment chatbot:** HGS is developing a platform to deliver **conversational experiences** to prospective candidates with the help of a chatbot. This will include online application, pre-screening, home internet bandwidth test and scheduling interviews.

Challenges

1 Similar Training Engagement level as in Brick & Mortar environment

2 Non availability of face-to-face interaction

3 Delivering training through right learning blend - Self paced vs. virtual instructor led

HGS Solutions

▪ Playbook for Work@Home training:

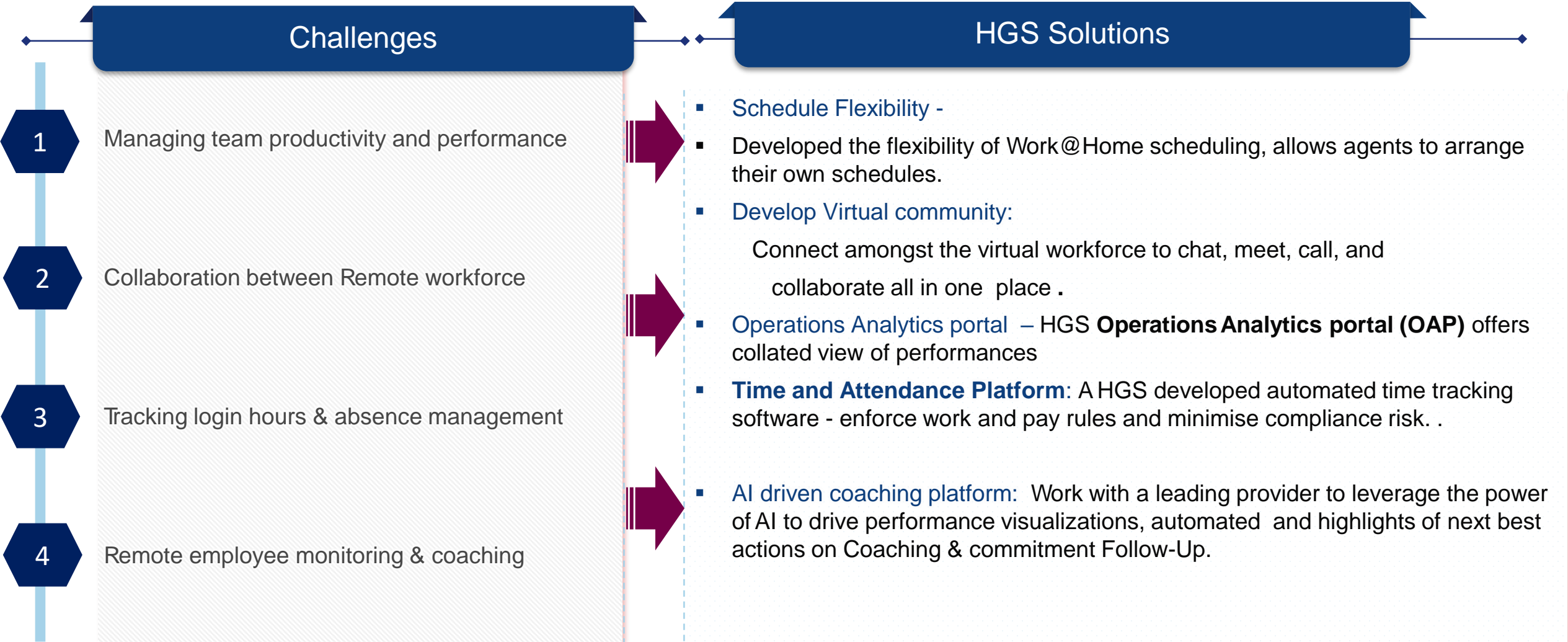
- Macro level standard practices like tailored trainer profile, their selection and certification, content design, training ratios, etc. for virtual training
- Nesting and OJT practices which prescribed SME support ratios, utilizing monitoring console , virtual Y jacking to monitor agent while he is taking live calls and use of break-out rooms for evaluation and feedbacks.

▪ Virtual Product and Process training:

- Train the Work@Home employees through **MS team and Zoom as** collaboration platforms and utilizing features like break-out rooms, live audio/video chats etc.

▪ Learning technology solutions:

- Utilize **HGS proprietary LMS platform** to ensure greater accessibility to virtualized and interactive training content.
- Rapid virtualization of existing content
- Deployment of assessment engines
- Migrating to advanced learning platform to leverage mobile learning, gamification, localization, micro learning, rapid authoring , simulations etc.



Challenges

HGS Solutions

1 Securing Work@Home devices from cybersecurity threats

▪ Lockdown End point:

▪ Use VDI environment to Secure data connection with 2FA implemented. Encrypted data security and restricted access to official device outside office Hours are the key features.

2 Managing IT downtime and resolving user queries

▪ Service Desk: HGS Global service desk located in Manila and India.

▪ Testing a **conversational AI** solution to recognize-the problem and fire an automated resolution orchestration for repetitive issues

3 Handling of customer sensitive information

▪ 360 Virtual inspection: Conduct random inspection using webcams . Employee asked to give a real time 360 view of their work area, to ensure adherence to work area policy e.g. clean desk, device in-area etc.

4 Data security

▪ Maintain Data security: Partnering with Vendors on solutions that empower desktop monitoring, camera detection, masking of sensitive data and generate data breach alerts.

Challenges

HGS Solutions

1

Work@Home power & connectivity



▪ **Enabling guidelines and Policies:**

- Ergonomics
- InfoSec
- Connectivity tools – dongles, hotspots ...
- Tech Assets repair

2

Work@Home Health & Wellness



▪ **Employee Assistance Program:** HGS provides an Employee Assistance Program (EAP), a professional counseling and referral service for all HGS employees across the geographies.

3

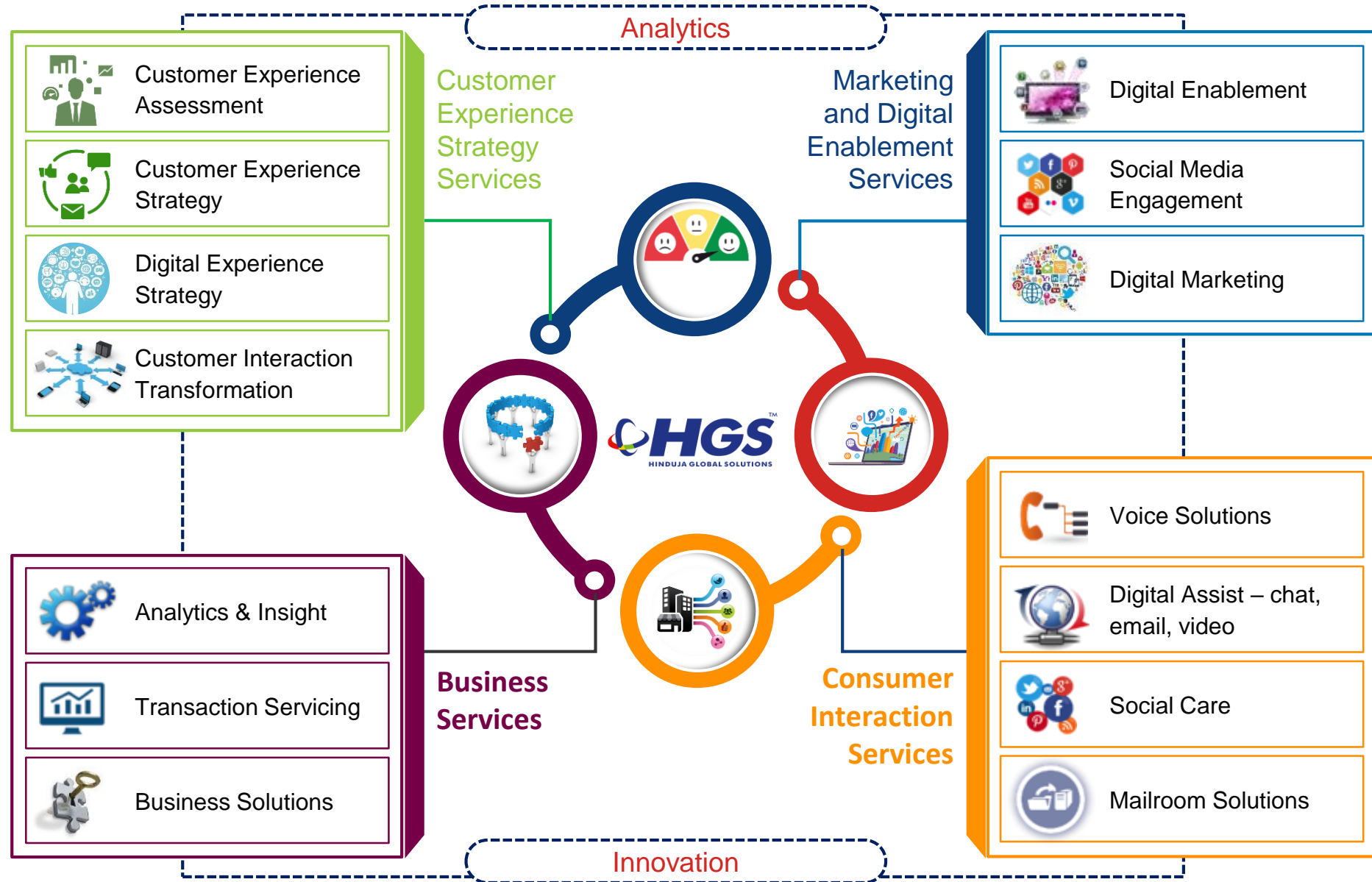
Work@Home Employee engagement



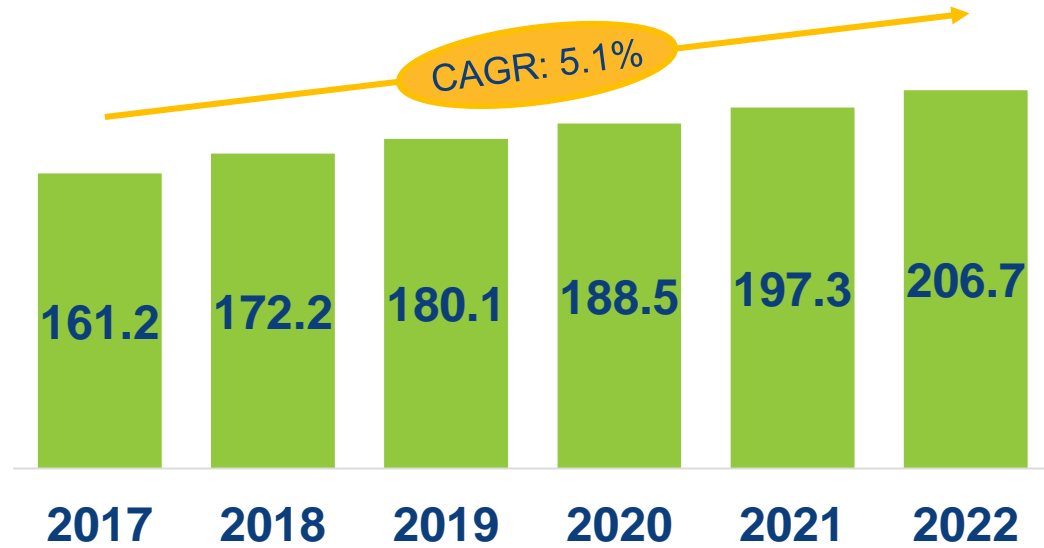
▪ **Employee Engagement:** Fun Events, Reward & Recognitions, CSR volunteering continue in the virtual world



HGS Overview



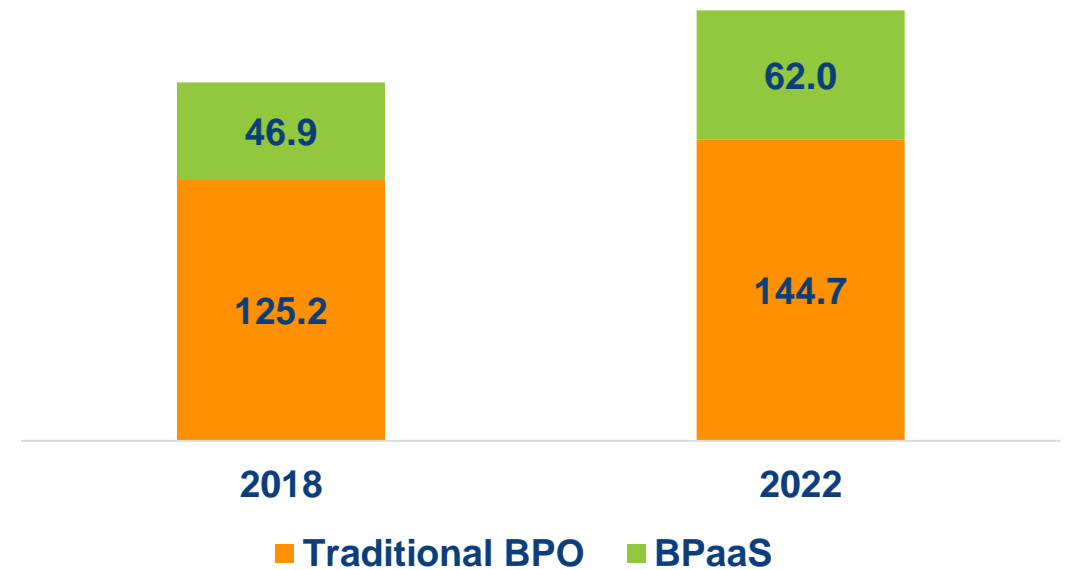
Global BPM Spending (\$Bn)



Source: Gartner Service line Forecast 2018 Q1

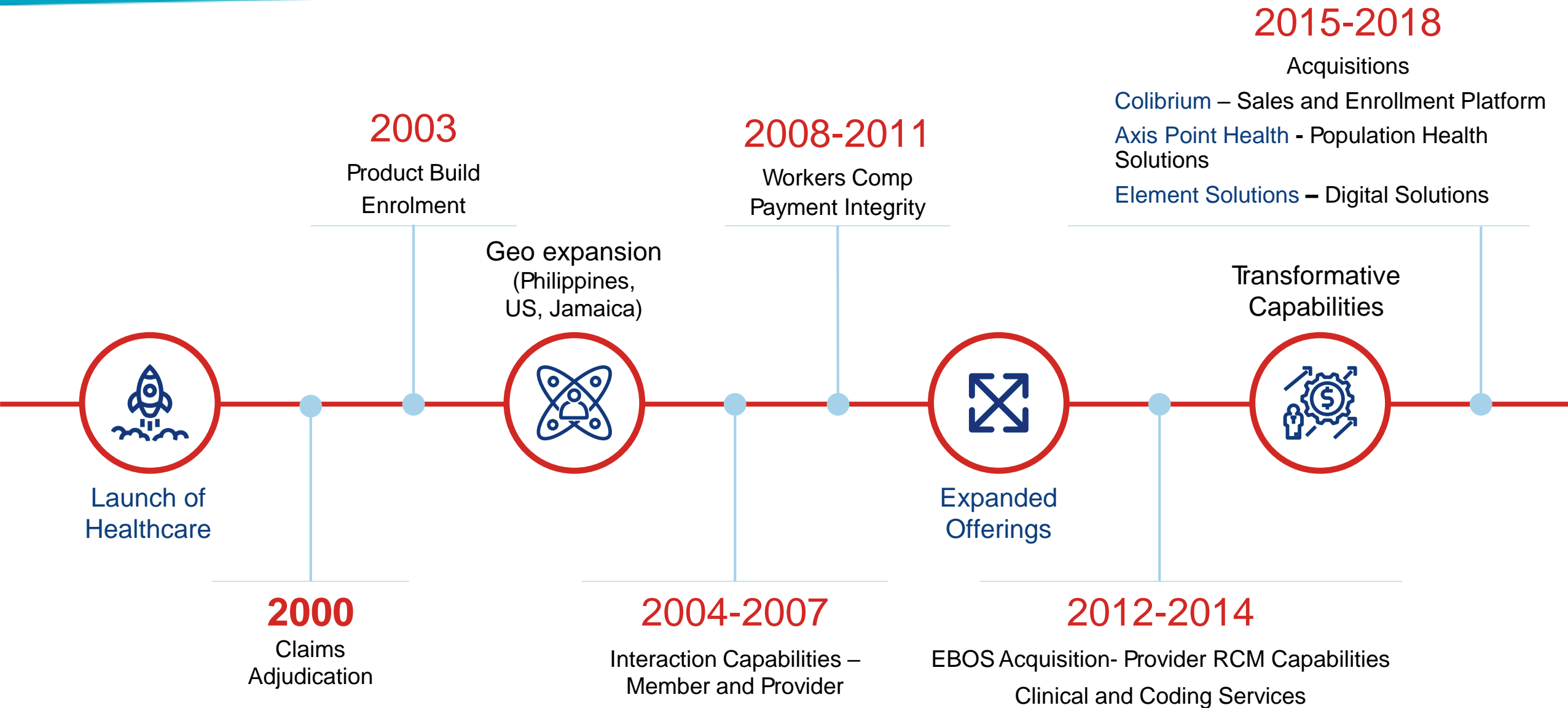
Traditional BPM market dominates the BPM market

Global BPM Services Forecast (\$Bn)

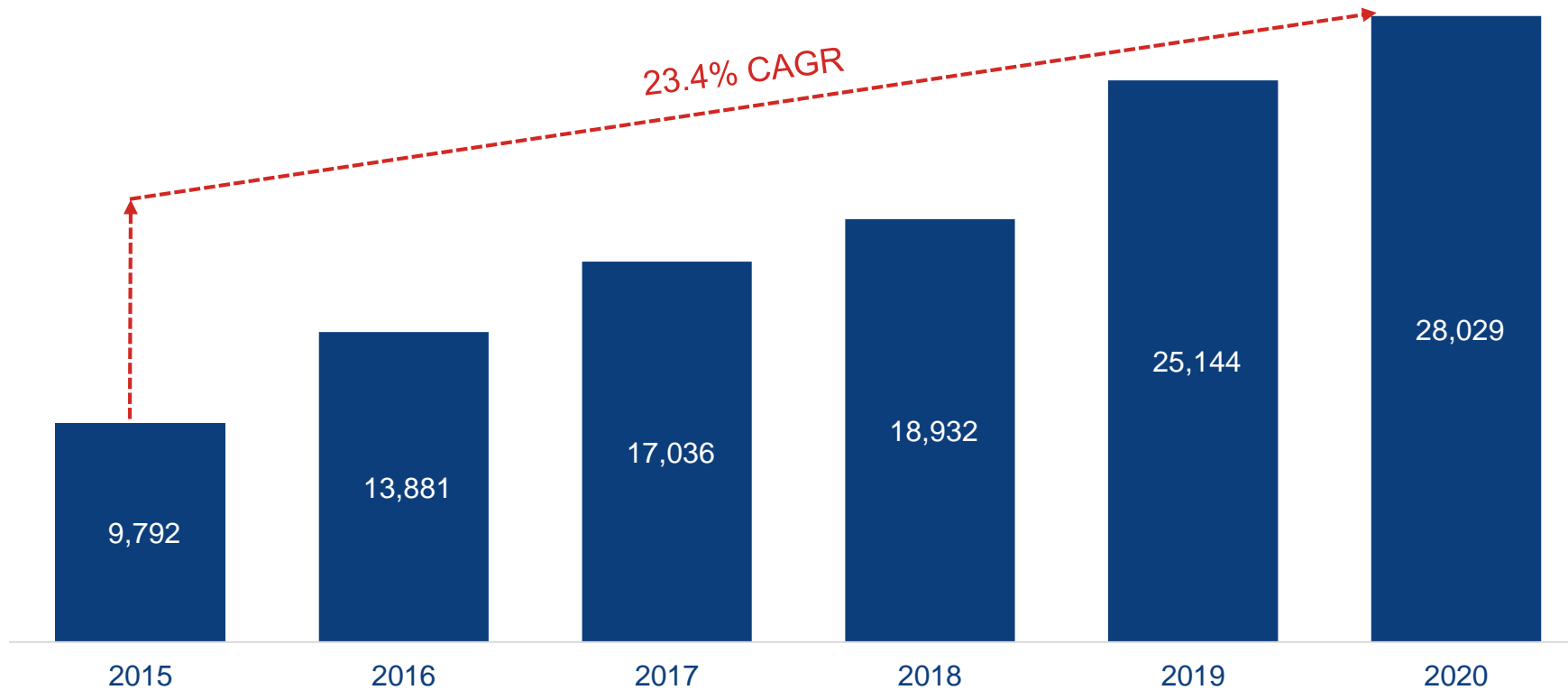




Healthcare Practice Overview



Revenue (INR Mn)



As at 31st March 2020

20+ Years

5 Delivery Geos

46 Clients

20,031 Employees

In FY 20, Healthcare contribution was 53.5% & in Q1 FY 21 it was 56.1% of the total HGS revenue

HGS Recognized as a Leading Partner in Healthcare Payer, Workers Compensation Gaining Credibility



- The prestigious NCQA Accreditation for Population Health and Disease Management Programs deployed for our Health Plan clients



- NCQA Accreditation for Case Management assures industry best practices implementation for clinical case management



- Ranked as **Top 10 performer** in 2019 in building collaborative culture between payer and provider
- HGS positioned in **Winner's Circle**, for Healthcare Payer Ops for last four years
- High Performer in **Population Health Management**



- 2018 IAOP Global Outsourcing 100® for the 8th year in a row
- This year, **HGS was called out as a Super Star of the Global Outsourcing 100** for Sustained Excellence



- HGS positioned as **Leader** across Healthcare Payer, Provider (2015, 2016, 2018)
- HGS is a **Leader** in Nelson Hall Digital Marketing Services NEAT 2018
- **Leader** in cost take out focus in 2019



- Americas Top 15 status in the Breakthrough Sourcing standouts in ISG Outsourcing Index Global



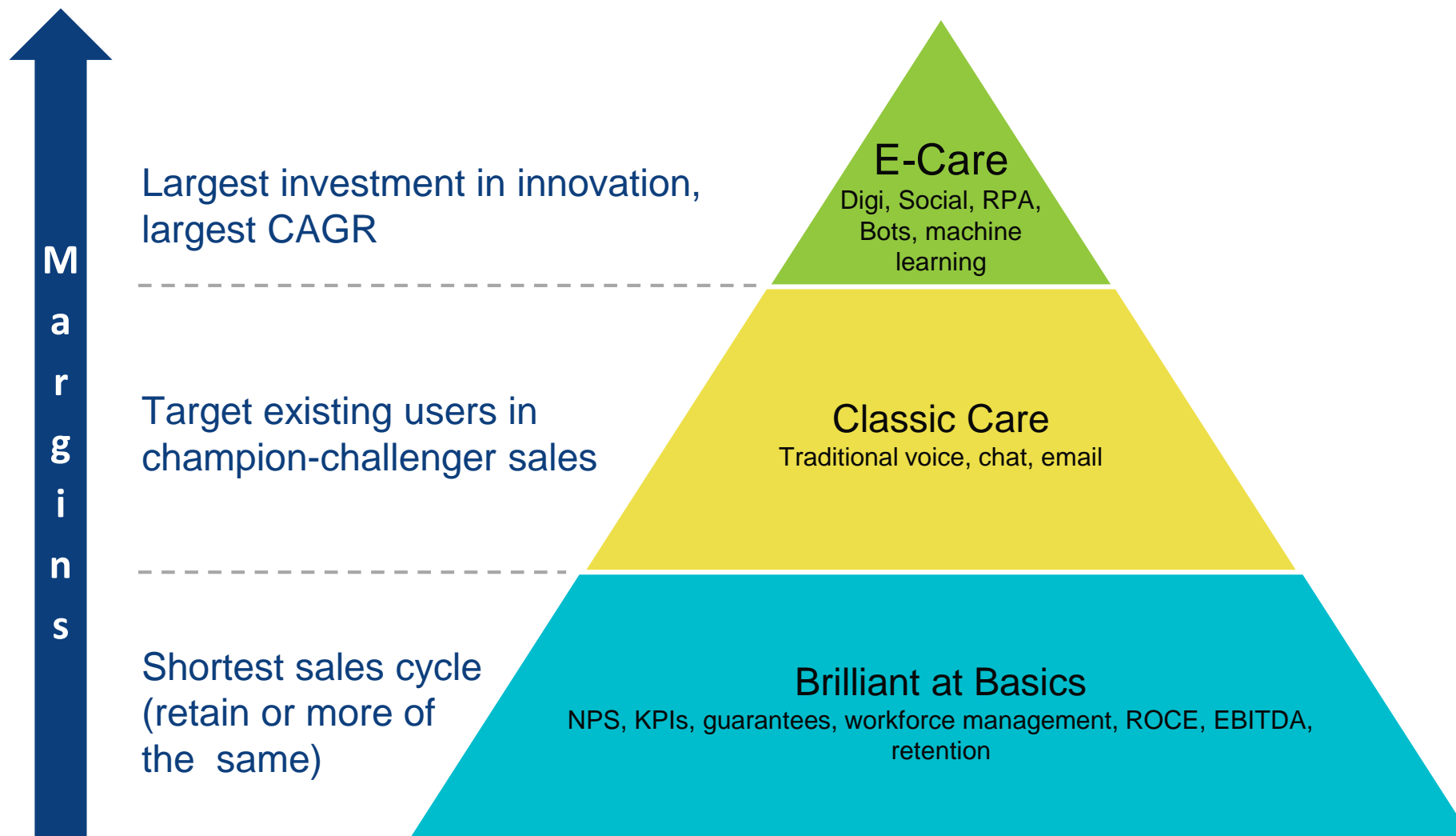
- Major Contender, **Rising Star** in Healthcare Payer BPO PEAK Matrix™ (2017, 2018)



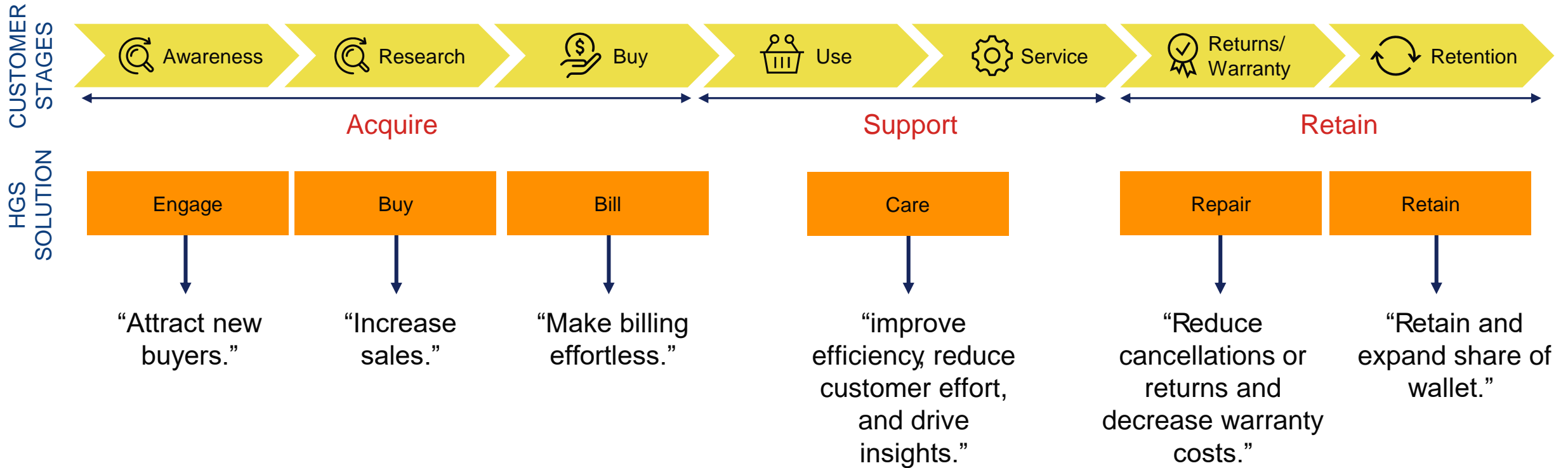
- HGS cited as a **Consulting Provider** in **Robotic Process Automation**



CES - Innovating in Core Customer Service



Educate buyers to increase client revenue and improve share of buyer wallet



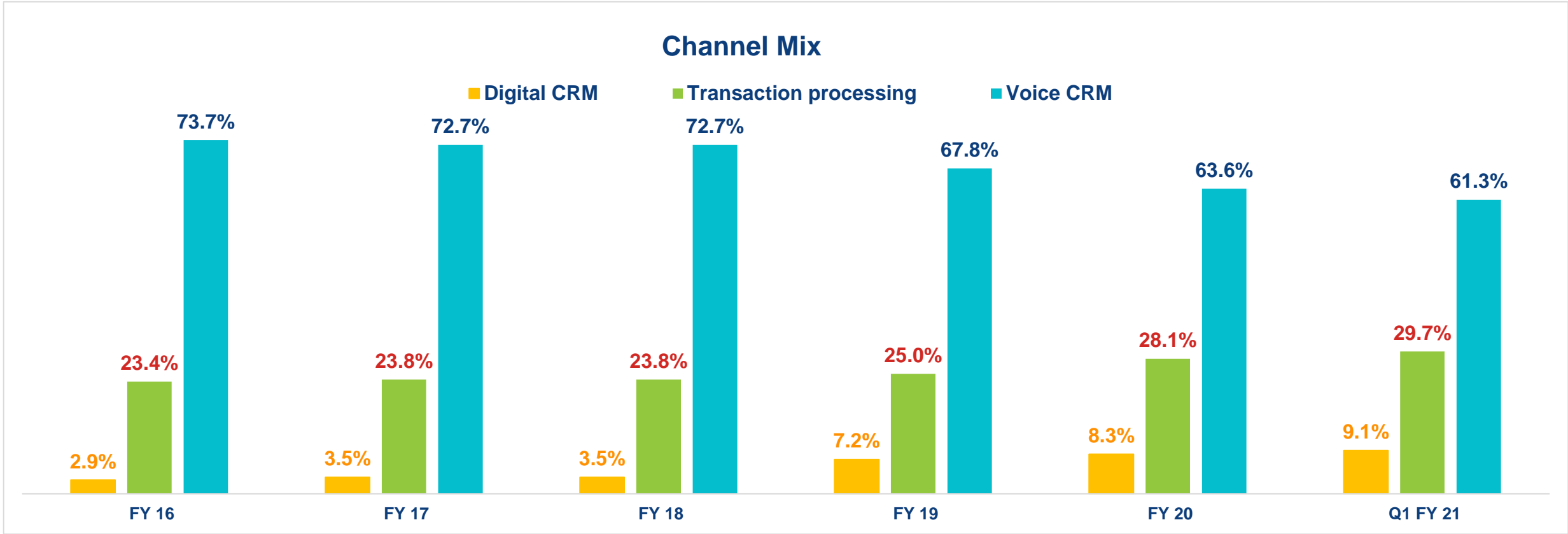


“HGS has developed an **industry-leading social media and employee recruitment model**. The company has built a **world-class talent profile** for hiring the agents best suited for social media work. The profile and recruitment model are **both clear competitive differentiators**.”

Michael DeSalles, Principal Analyst



Non voice revenues are growing , account of 38.8% of Total Revenues



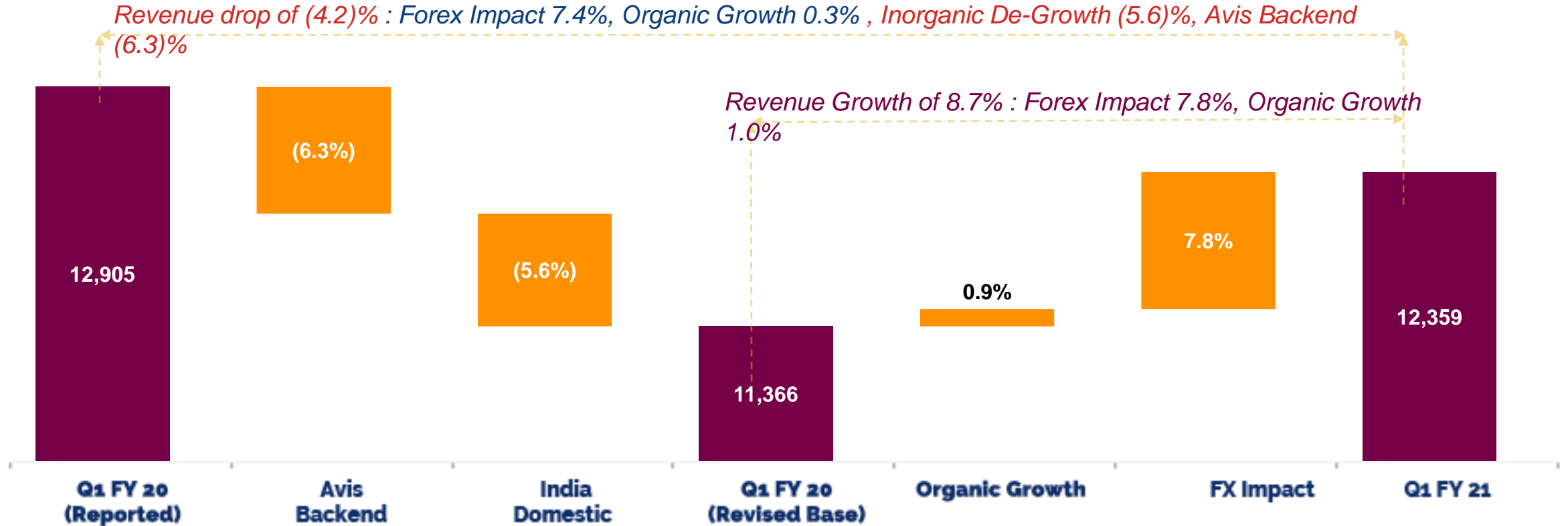
HGS Non-voice revenues have grown significantly for HGS in the last 5 years... 38.8% of our revenues are non-voice today



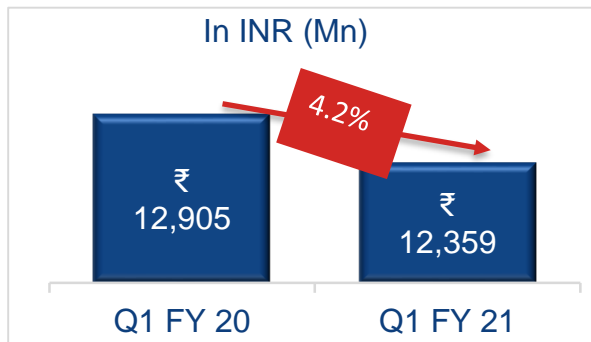
Financial Overview

Q1 FY 21 Revenue Growth

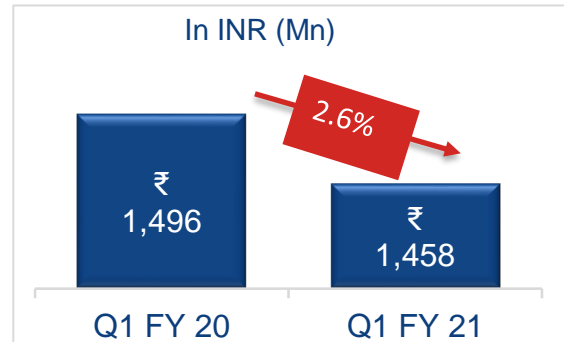
Q1 FY 20 to Q1 FY 21 Growth (In Rs Mn)



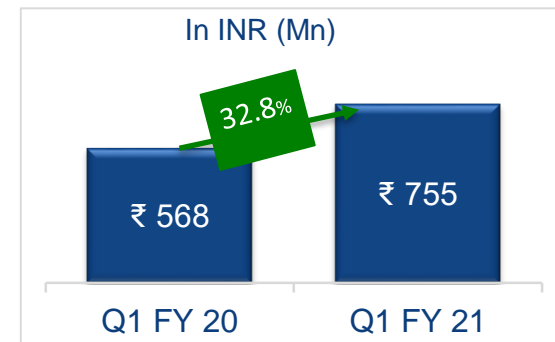
HGS Performance: Q1 FY 2020 vs Q1 FY 2021



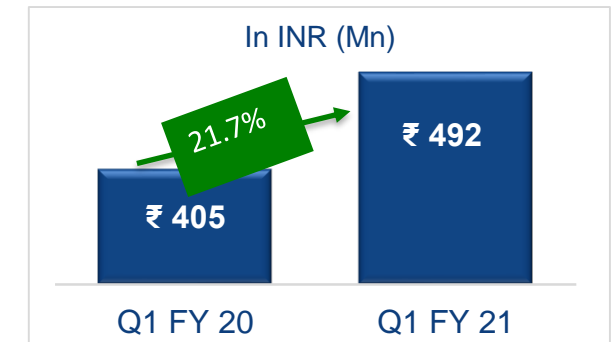
REVENUES



EBITDA

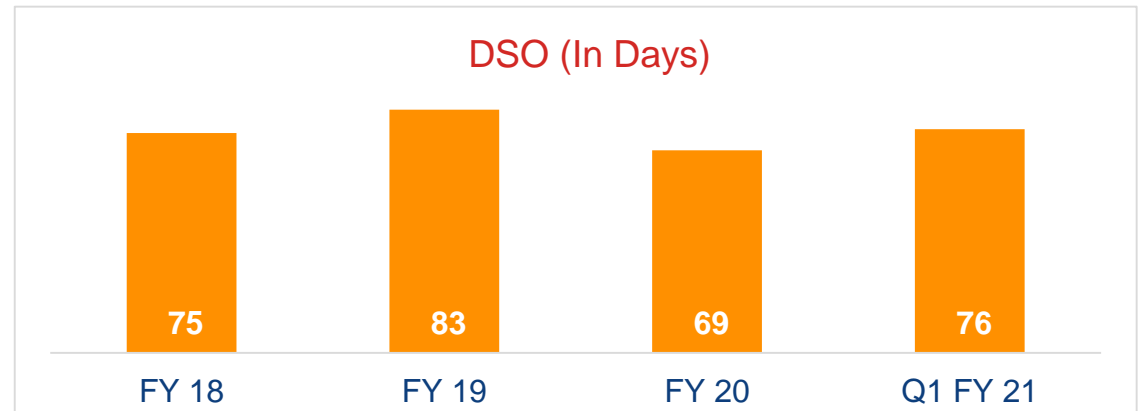
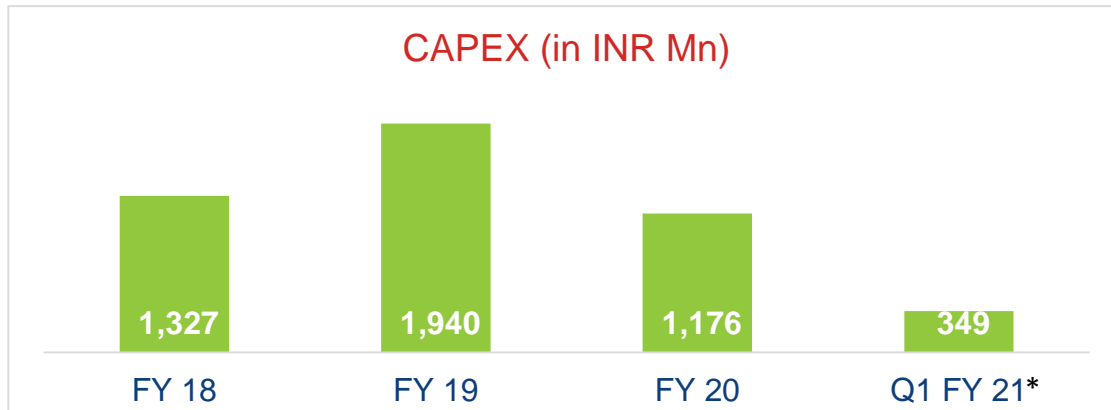


PBT



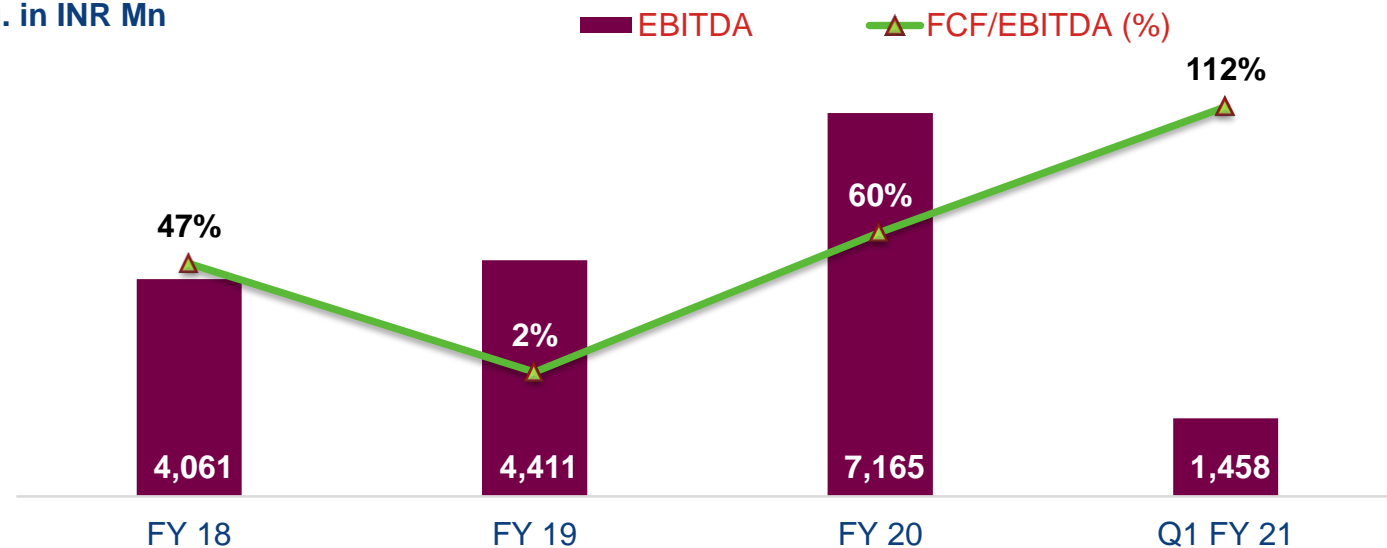
PAT

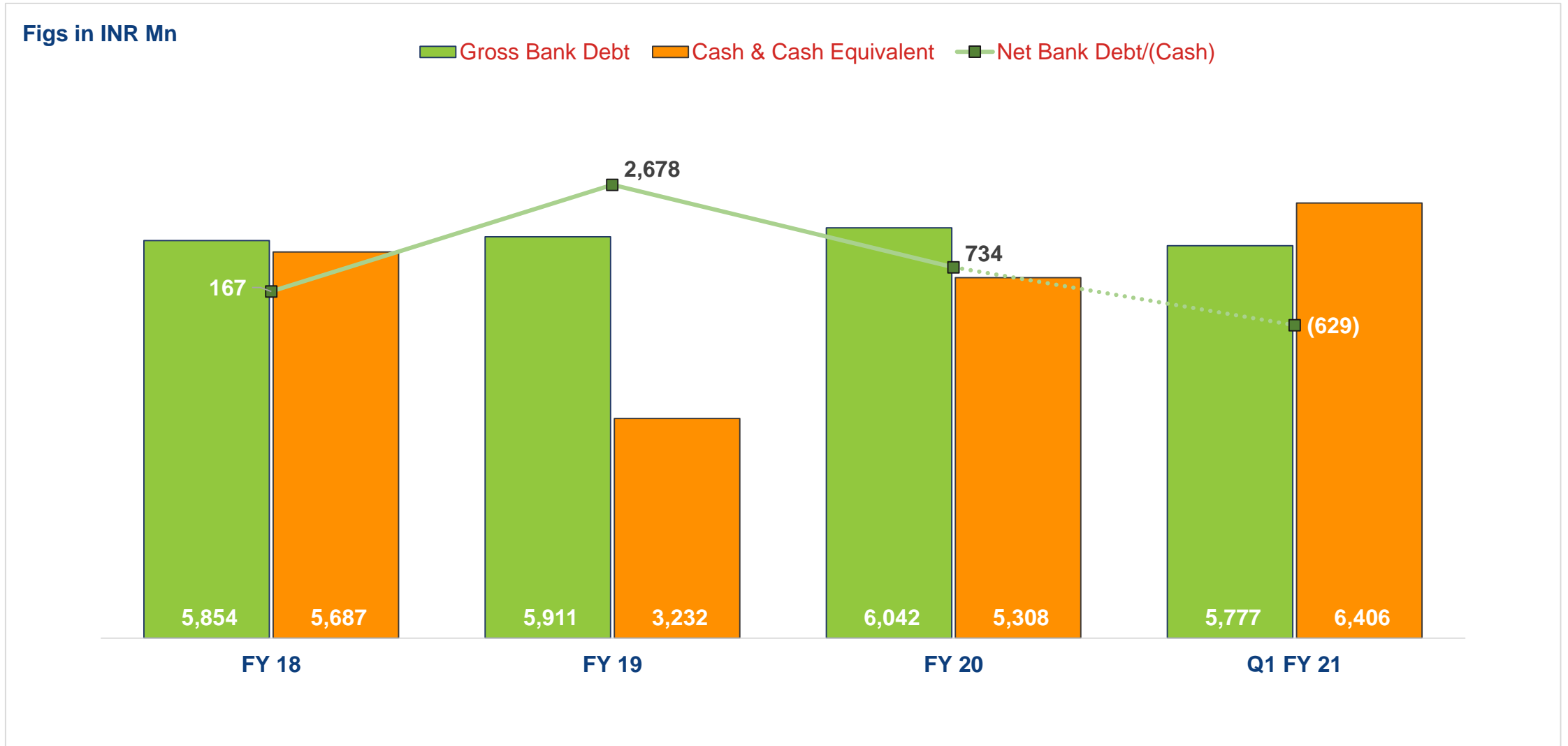
Free Cash Flow to EBITDA Conversion: Sharp improvement



*Q1 FY 21 Capex includes Rs 43 mn Covid-19 related Capex

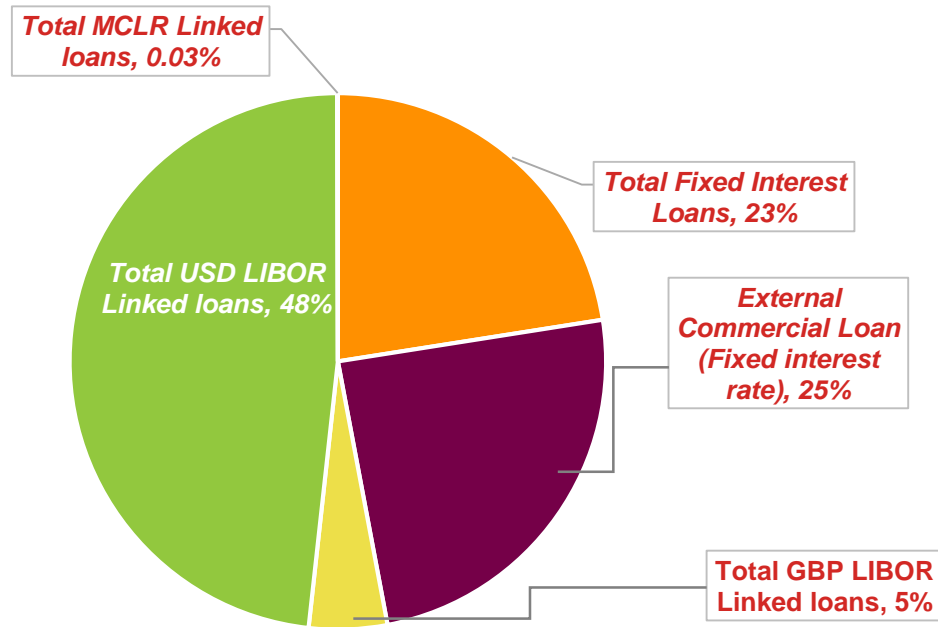
Fig. in INR Mn



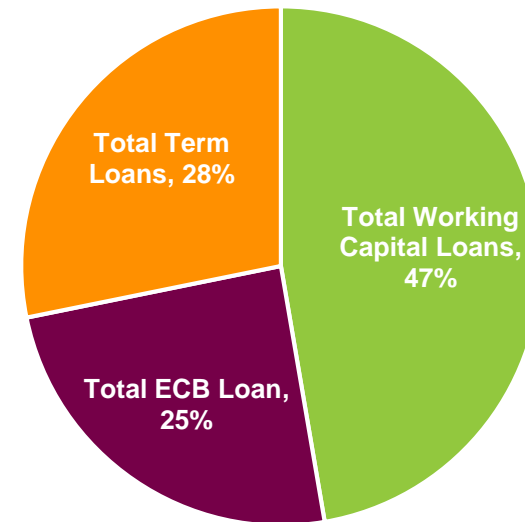


Debt of Rs 5,777 mn: 53 % are Term Loans

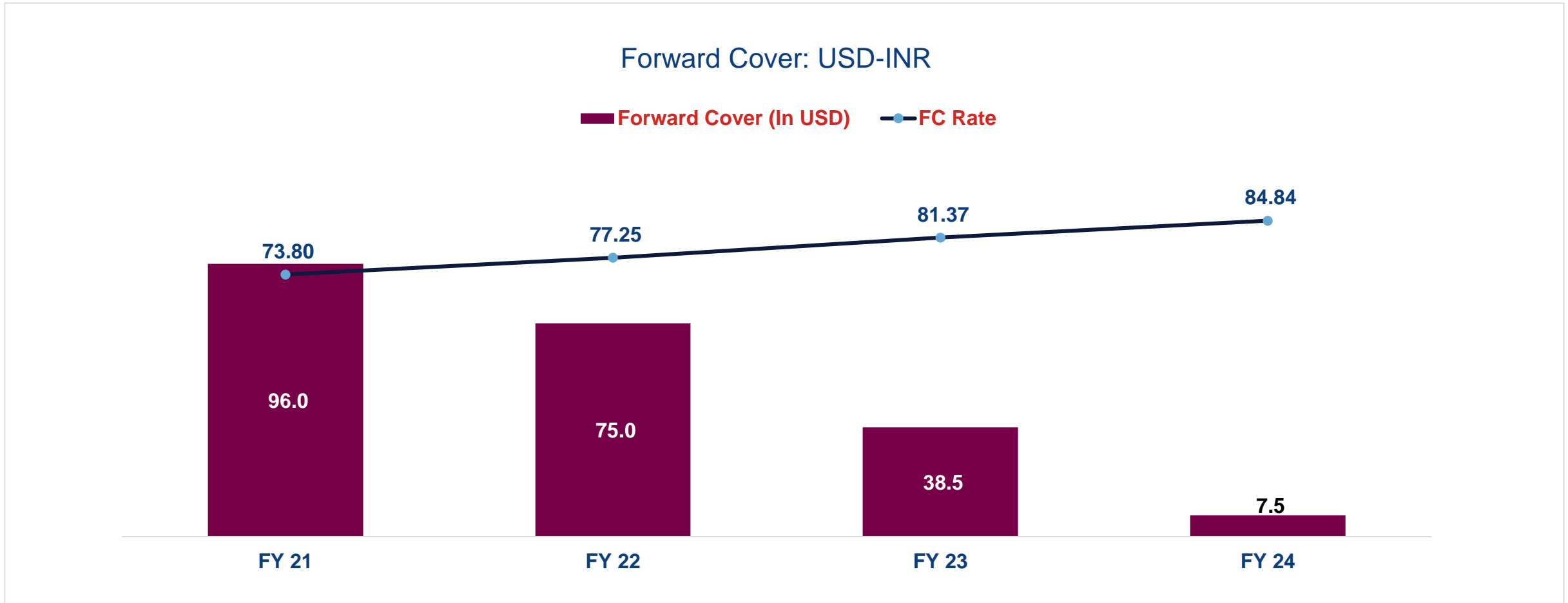
Consolidated Debt description by Type



Consolidated Debt description by Categories




- Q1 FY 21 Quarter end, Total debt stood at Rs 5,777 Mn which is USD 76.49 Mn



Summary Financial Profile – As at 30th June 2020

Particulars	HGSL	
	Rs.	USD
Net Worth (in millions)	18,051	239.0
Book value per share	865	11.5
Price per share	708.0	9.6
Dividend per share	6.0	0.08
EPS (TTM)	102.6	1.4
P/E Ratio (TTM)	6.9	7.1
Gross Debt (in millions)	5,777	76.5
Total Cash (in millions)	6,406	84.8
Net Debt (Net Cash) (in millions)	(629)	(8.3)
Gross Debt / Equity	0.32x	0.32x

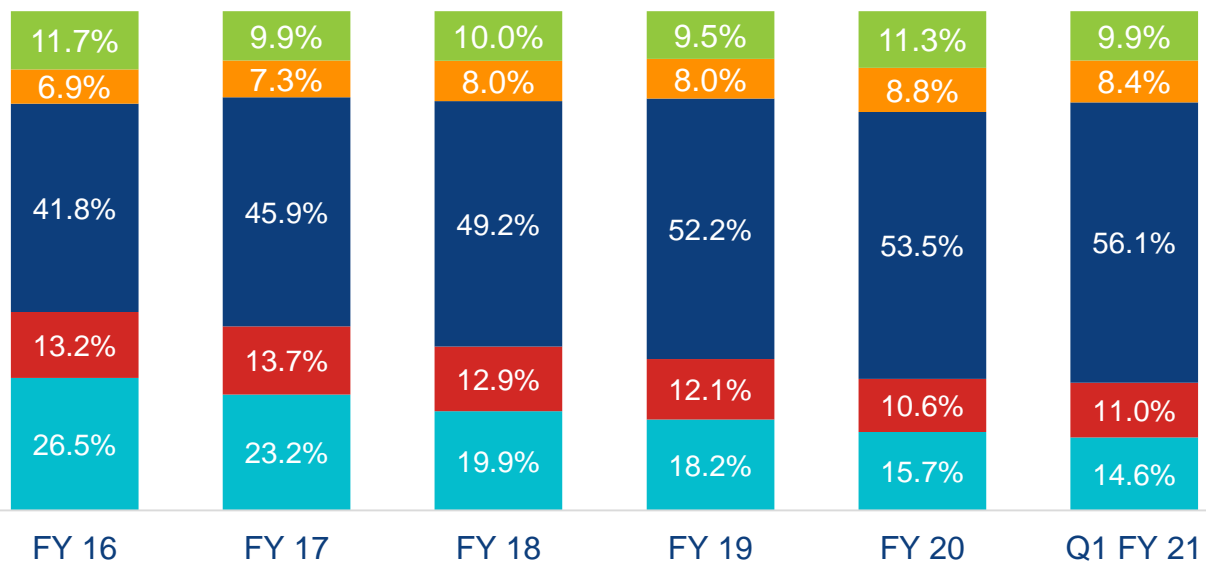
- P/E calculated as per CMP of Rs 700 (25th Sept 2020)
- USD/INR exchange rate of 75.52
- Total Debt includes foreign currency debt taken at applicable exchange rates



HGS Revenue Profile: FY 16 to Q1 FY 21

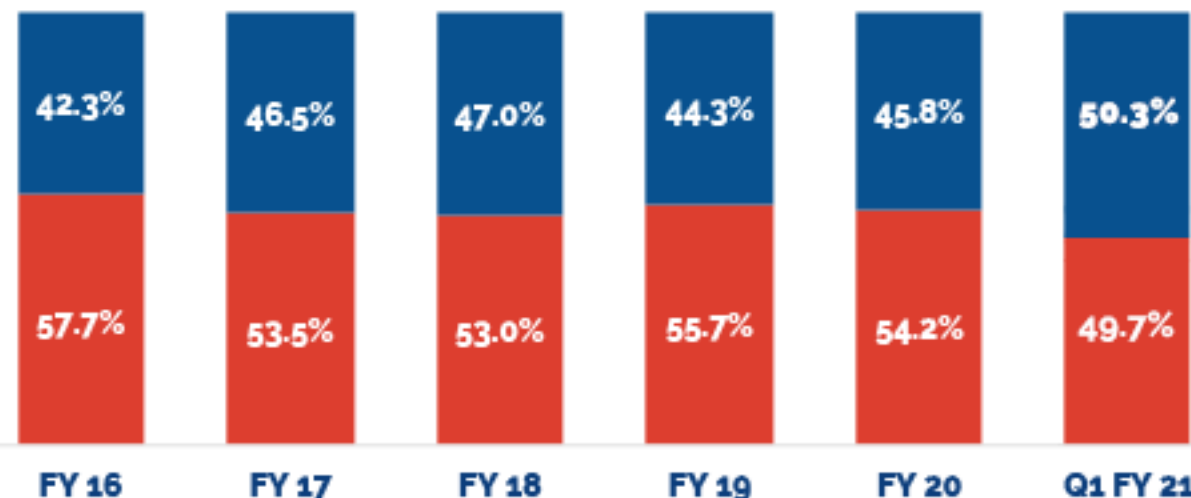
Revenue by Verticals

■ Telecom & Technology ■ Consumer Products ■ Healthcare ■ BFS ■ Others



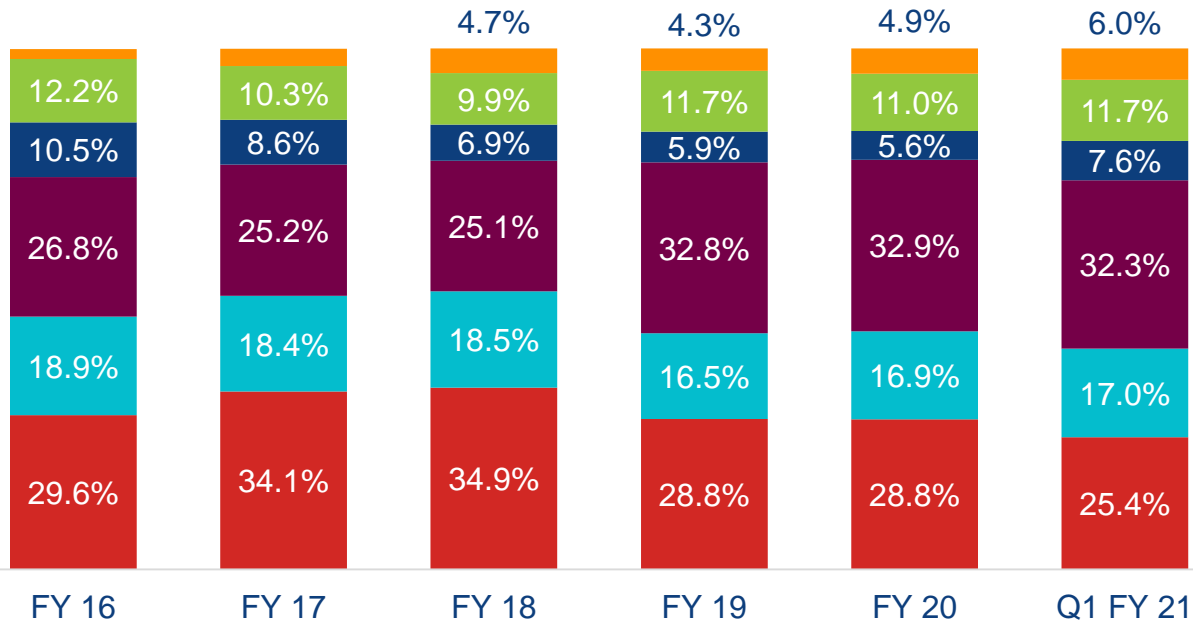
Offshore/Near-shore to Onshore

■ Onshore ■ Offshore/Nearshore



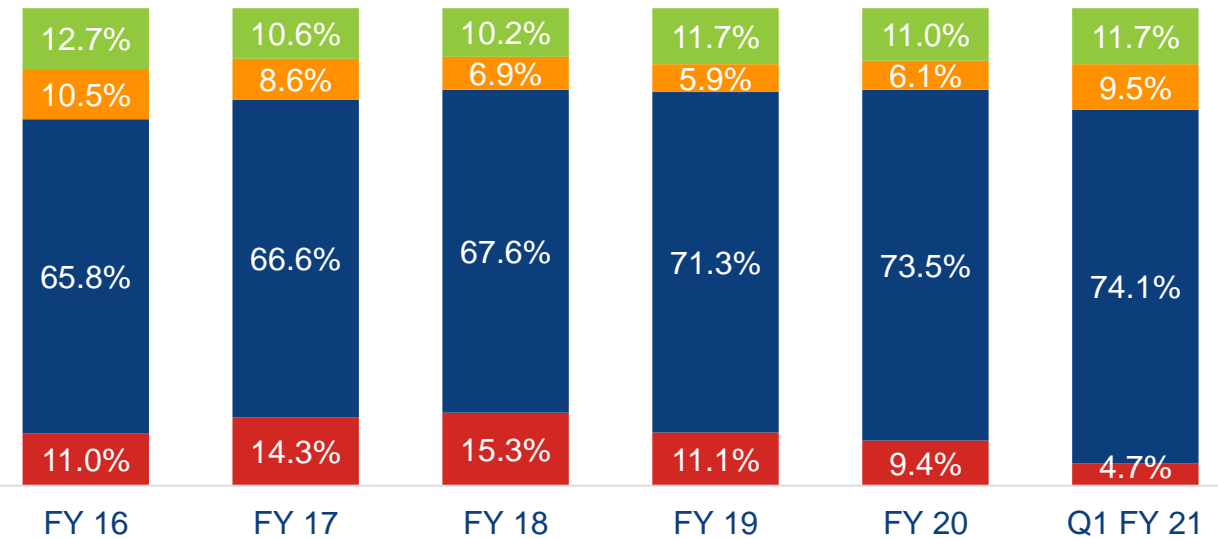
Revenue by Delivery

India Philippines USA UK Canada Jamaica

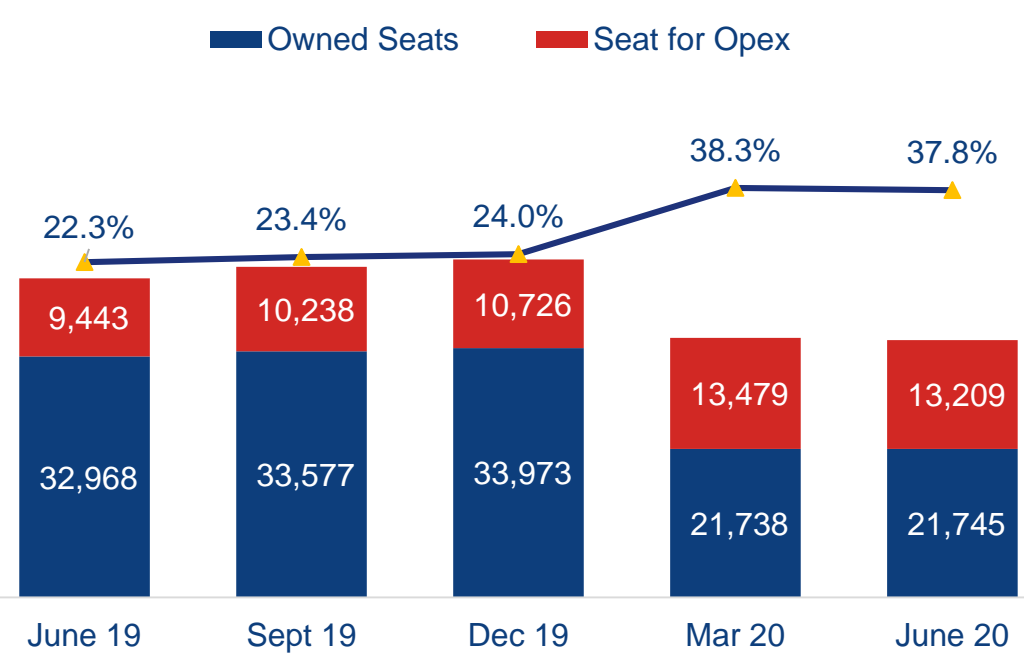


Revenue by Currency

INR USD GBP CAD

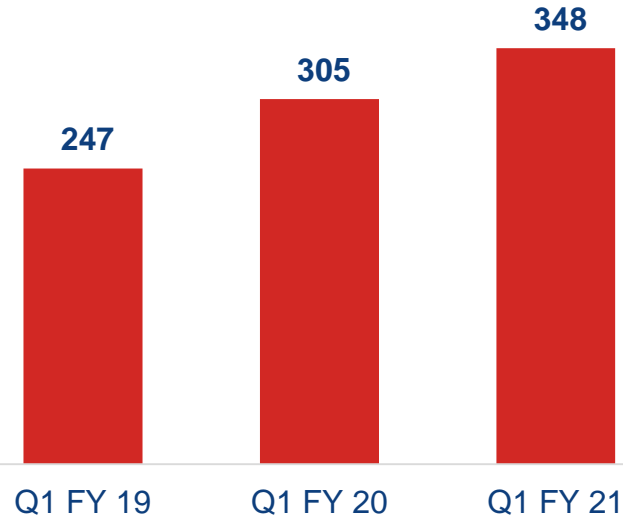


OPEX seats & Owned Seats

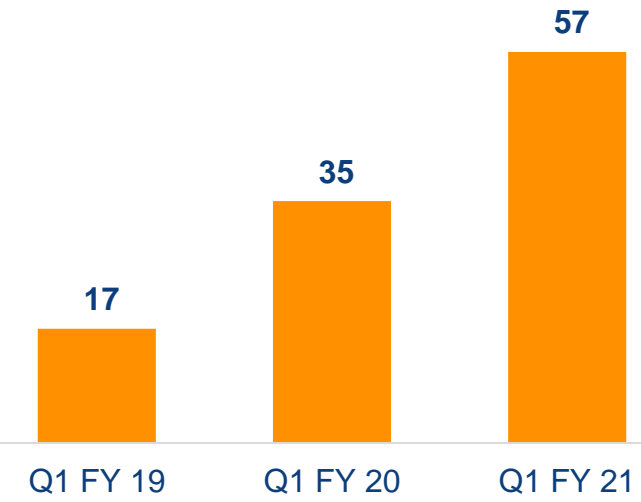


Revenue & EBITDA Per Employee

Revenue Per Employee Per Quarter (INR 000s)



EBITDA Per Employee Per Quarter (INR 000s)





Peer Analysis

	In USD Mn	Revenue			EBITDA			PAT		
		QE June 2019	QE June 2020	YoY Growth %	QE June 2019	QE June 2020	YoY Growth %	QE June 2019	QE June 2020	YoY Growth %
GENPACT <small>INTELLIGENT ENTERPRISES POWERED BY PROCESS</small>		881.8	900.1	↑ 2.1%	138.0	149.6	↑ 8.4%	73.8	62.2	↓ -15.7%
WNS <small>Extending Your Enterprise</small>		214.6	207.8	↓ -3.1%	38.7	23.1	↓ -40.4%	27.6	14.8	↓ -46.3%
SYKES <small>Real People. Real Solutions.</small>		389.0	416.8	↑ 7.2%	32.6	45.7	↑ 40.5%	11.3	22.2	↑ 97.3%
firstsource		141.2	140.8	↓ -0.3%	23.9	22.1	↓ -7.4%	13.1	11.8	↓ -10.5%
HGS <small>HINDQAS GLOBAL SOLUTIONS</small>		186.0	163.9	↓ -11.9%	21.6	19.3	↓ -10.4%	5.8	6.5	↑ 11.6%

- Revenue, EBITDA & PAT based on latest data available
- USD/INR exchange rate used – QE June 2019: 69.39 &
QE June 2020: 75.42

