

February 13, 2019

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 - February 13, 2019

This has reference to our letter dated February 11, 2019. Attached is the presentation being made at the Edelweiss 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**



Makarand Dewal
Company Secretary

Encl : a/a.

HINDUJA GLOBAL SOLUTIONS LIMITED.

Corporate Office: Gold Hill Square Software Park, No. 690, 1st Floor, Hosur Road, Bommanahalli, Bengaluru - 560 068, India. Telephone: 91-80-4643 1000 / 4643 1222
Regd. Office: 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 Identity Number: L92199MH1995PLC084610



Investor Presentation Feb, 2019



February 13th 2019

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.



YTD Dec'18 Financial Snapshot



HISTORY

- Part of the Hinduja Group, in the BPM business since 2000
- Erstwhile HTMT, IT & BPM business demerged October 1, 2006
- Rebranded as HGS in 2008

FINANCIAL DETAILS (FY'18 & YTD Dec FY'19)

	FY'18	YTD Dec FY'19
Revenue	INR 38,494 Mn (\$ 597 Mn)	INR 35,321 Mn (\$ 506 Mn)
EBITDA	INR 4,061 Mn (\$ 63 Mn)	INR 2,910 Mn (\$ 42 Mn)
EBITDA Margin (%)	10.5%	8.2% (With Acquisitions)
		10.7% (Without Acquisitions)
Free Cash flow/EBITDA	47%	21%
Net Debt/Equity Ratio	0.04x	0.07x
Gross Debt Reduction	INR 762 Mn	INR 328 Mn

SNAPSHOTS

- CAGR of 10.5% in Revenue (In INR) over FY 13-18.
- **75** Worldwide Centers
- **44,500 +** employees (as on 31st December 2018)
- **254** active clients for the BPM business
(additionally over 647 clients for Payroll & HRO Business) at the end of Q3 Dec FY19.
- **2 Acquisitions** - Axis Point Health & Element Solutions made effective early April 18.

Quarterly Performance - consolidated					
Fig in Rs Mn unless otherwise mentioned					
		Q1 FY 19	Q2 FY 19	Q3 FY 19	YTD FY 19
Excluding Acquisitions	Revenue from operations	10,173	10,874	11,690	32,737
	Total revenue	10,173	10,874	11,690	32,737
	EBITDA	971	1,126	1,412	3,509
	<i>EBITDA %</i>	<i>9.5%</i>	<i>10.4%</i>	<i>12.1%</i>	<i>10.7%</i>
Including Acquisitions	Revenue from operations	11,008	11,586	12,415	35,009
	Other operating income	-	-	311	311
	Total revenue	11,008	11,586	12,726	35,320
	EBITDA	731	792	1,387	2,910
	<i>EBITDA %</i>	<i>6.6%</i>	<i>6.8%</i>	<i>10.9%</i>	<i>8.2%</i>
	Depreciation	355	482	461	1,298
	Interest Expense	95	91	107	293
	Other Income	315	432	-324	423
	PBT	597	651	494	1,742
	<i>PBT %</i>	<i>5.4%</i>	<i>5.6%</i>	<i>3.9%</i>	<i>4.9%</i>
	PAT	403	448	368	1,218
	<i>PAT %</i>	<i>3.7%</i>	<i>3.9%</i>	<i>2.9%</i>	<i>3.4%</i>

Axis Point Health (APH)

- Acquired in early April 2018, to enter the large Clinical Segment
- Losses significantly higher than expected, due to client exits and revenues inadequate to cover overheads
- Cost synergy initiatives (technology costs, offshoring) substantially completed by end Nov 2018.
- Sub scale contracts , sold off in Dec 2018, for US \$ 5.3 mn
- Revenue of US \$ 4.45 mn in Q3 as Other Operating Income
- Focus on revenue synergies and growth

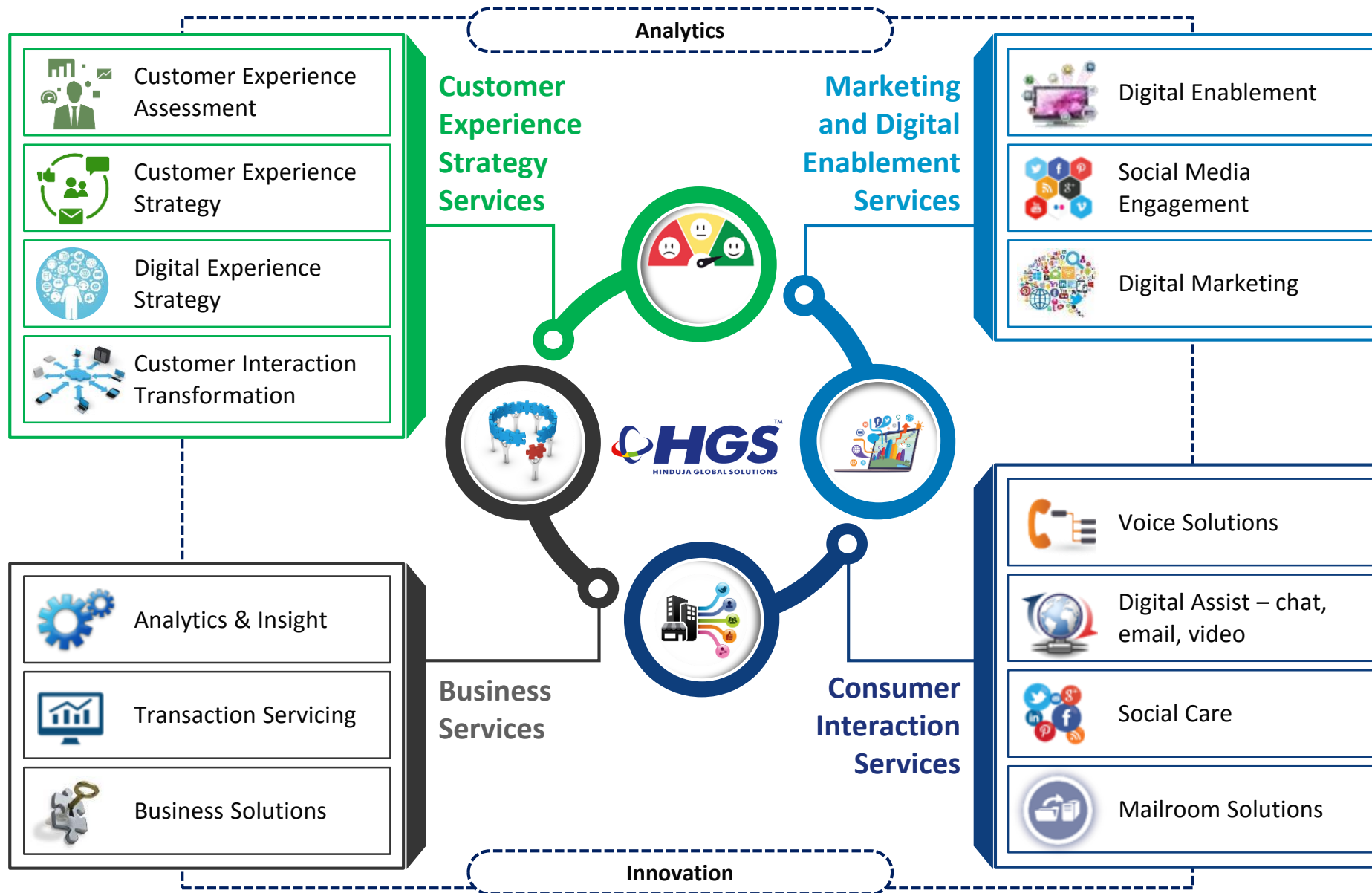
Element Solutions

- Acquired in early April 2018, to enter into digital marketing and other digital services
- Significant growth in the Cloud Services
- Investments in Cloud services in H1, have started delivering results in Q3



HGS Overview

HGS Core Capabilities to Enable the Unified Customer Experience



Healthcare/ Insurance



- **58** Million transactions, **10** Million calls, **2.7** Million emails per annum
- Annual claim payout of **\$11.5** billion USD and **\$1.3** billion USD recoveries initiated for 4 of the Top 10 healthcare payers and several large hospitals/health systems in the US

52.3% of HGS Revenues

Telecommunications



- Providing extensive consumer support for land lines, wireless, satellite, IPTV, hi-speed internet – from supporting the consumer from the point of purchase to end of service
- HGS ranked as a **leader** by Nelson Hall in Customer management service for Telecommunication, Cable and Satellite.

19.8% of HGS Revenues

Consumer Products



- Supporting many consumer electronics manufacturers and distributors from purchase to post-warranty servicing
- Multi-channel service over telephone, white-mail, email, text and social media for a CPG client
- Provides services in the area of automation analytics and channel management to enhance customer experience

12.5% of HGS Revenues

Financial Services



- Only credit card issuer to win the **J.D. Power Award for customer experience 6 consecutive years** driven by HGS's best in class NPS customer service - supporting all aspects of consumer financial transactions
- Providing support to a large Public sector financial services company in UK for their operations

7.8% of HGS Revenues

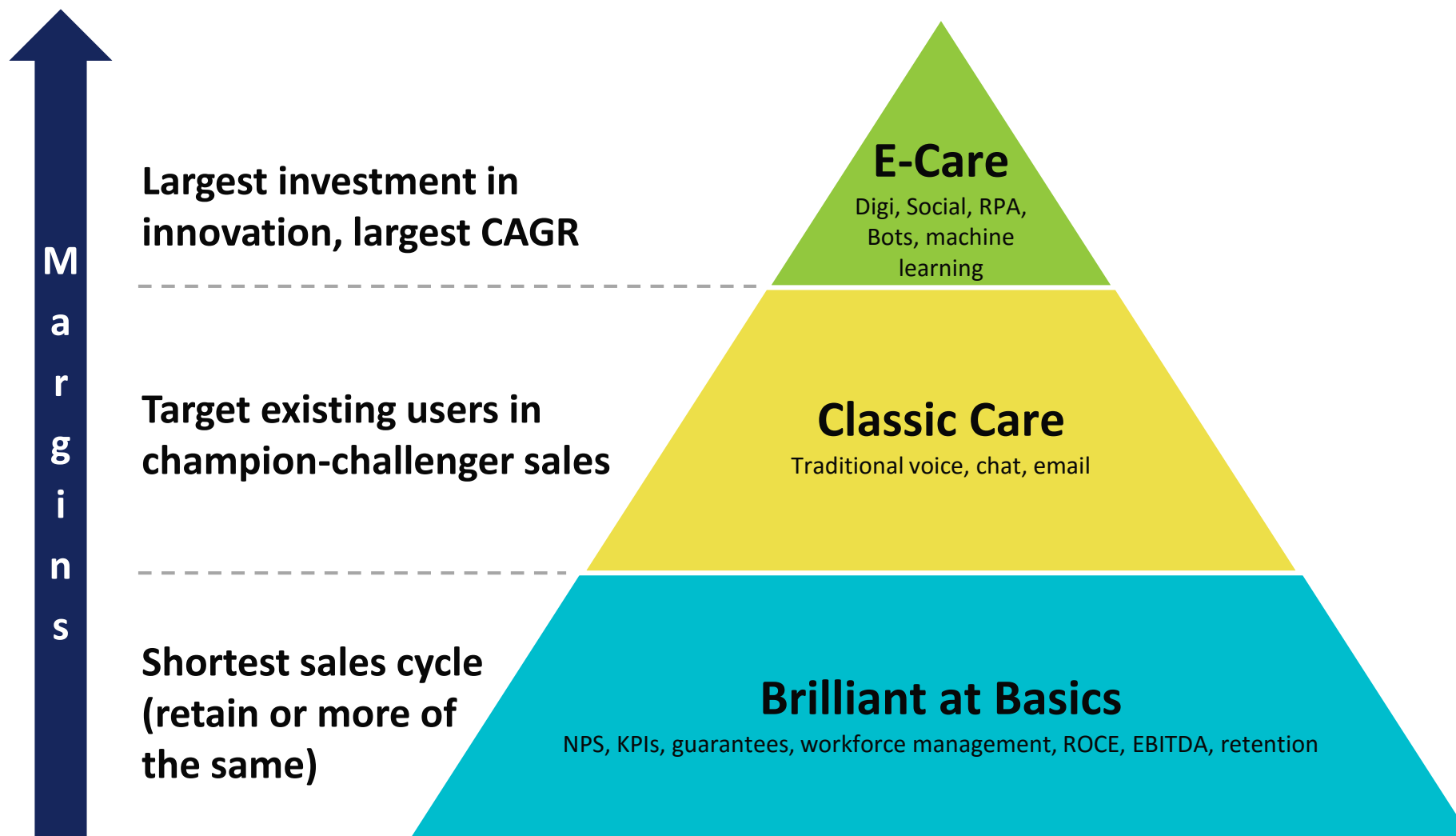
Share of revenues by vertical based on YTD Dec FY 19 results

VERTICALISE Healthcare

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

FOCUS on Consumer Solutions

- Brilliant at Basics
- Traditional + eCare Solutions



Engage

Buy

Care

Bill

Warrant

Retain

E-Care

- 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

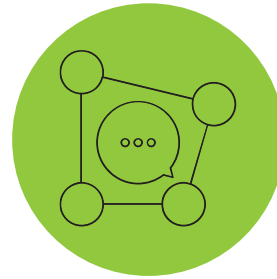
Classic Care

- 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



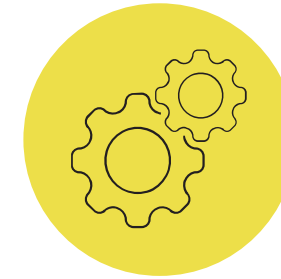
ANALYTICS CoE

- 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

Verticalized business

- ✓ Global Operations
- ✓ One HGS- seamless delivery
- ✓ Healthcare Practice
- ✓ Capability maturity
- ✓ Thought leadership
- ✓ Driving value multipliers

Global Innovation Hub

- ✓ Digital Innovation
- ✓ RPA
- ✓ Analytics
- ✓ Customer Journey Mapping

Acquire/Partner for Capabilities

- ✓ Population Health Management
- ✓ Social Media Marketing
- ✓ Customer Journey Analytics
- ✓ Platform driven Smart Plan Selection

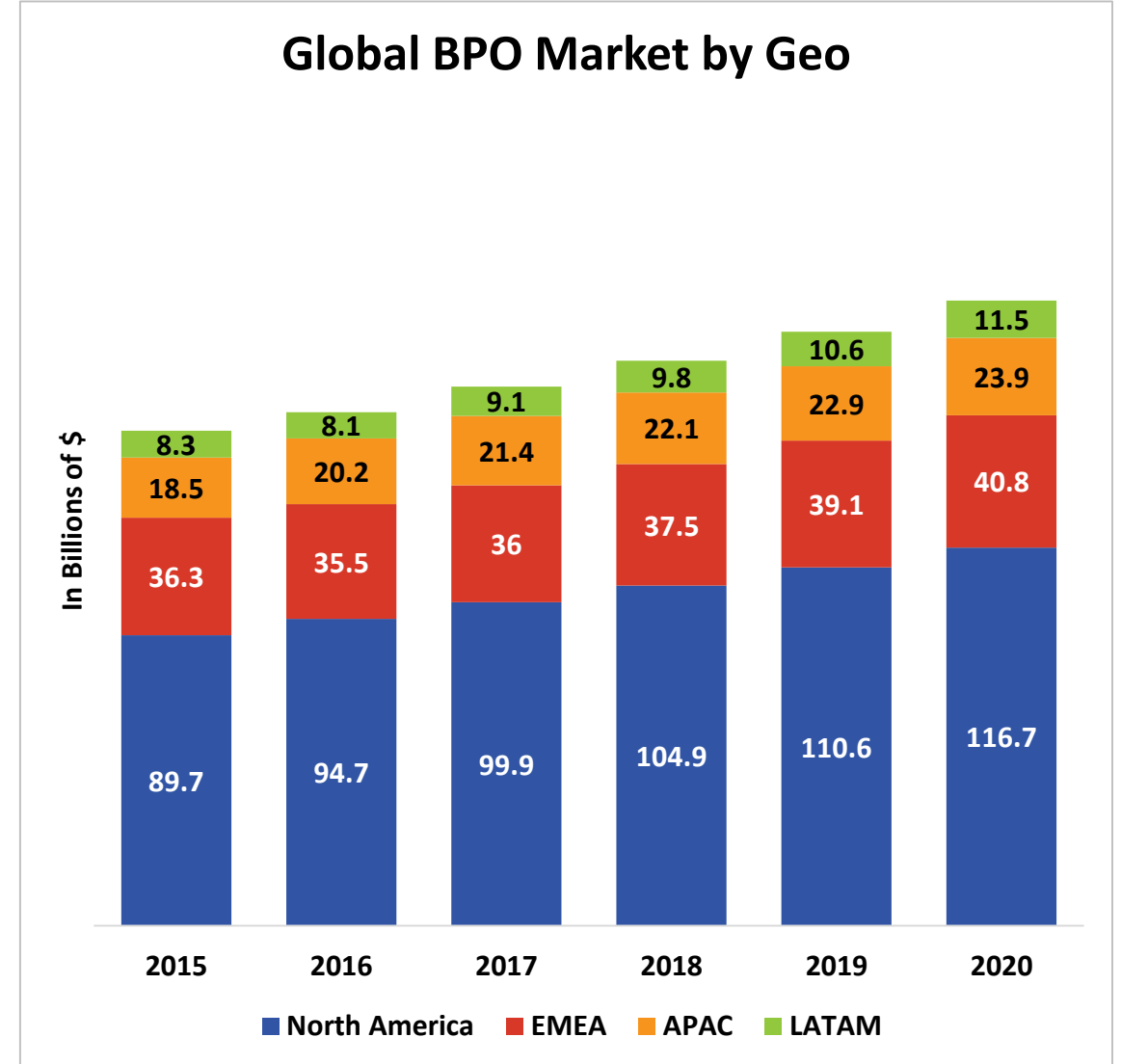
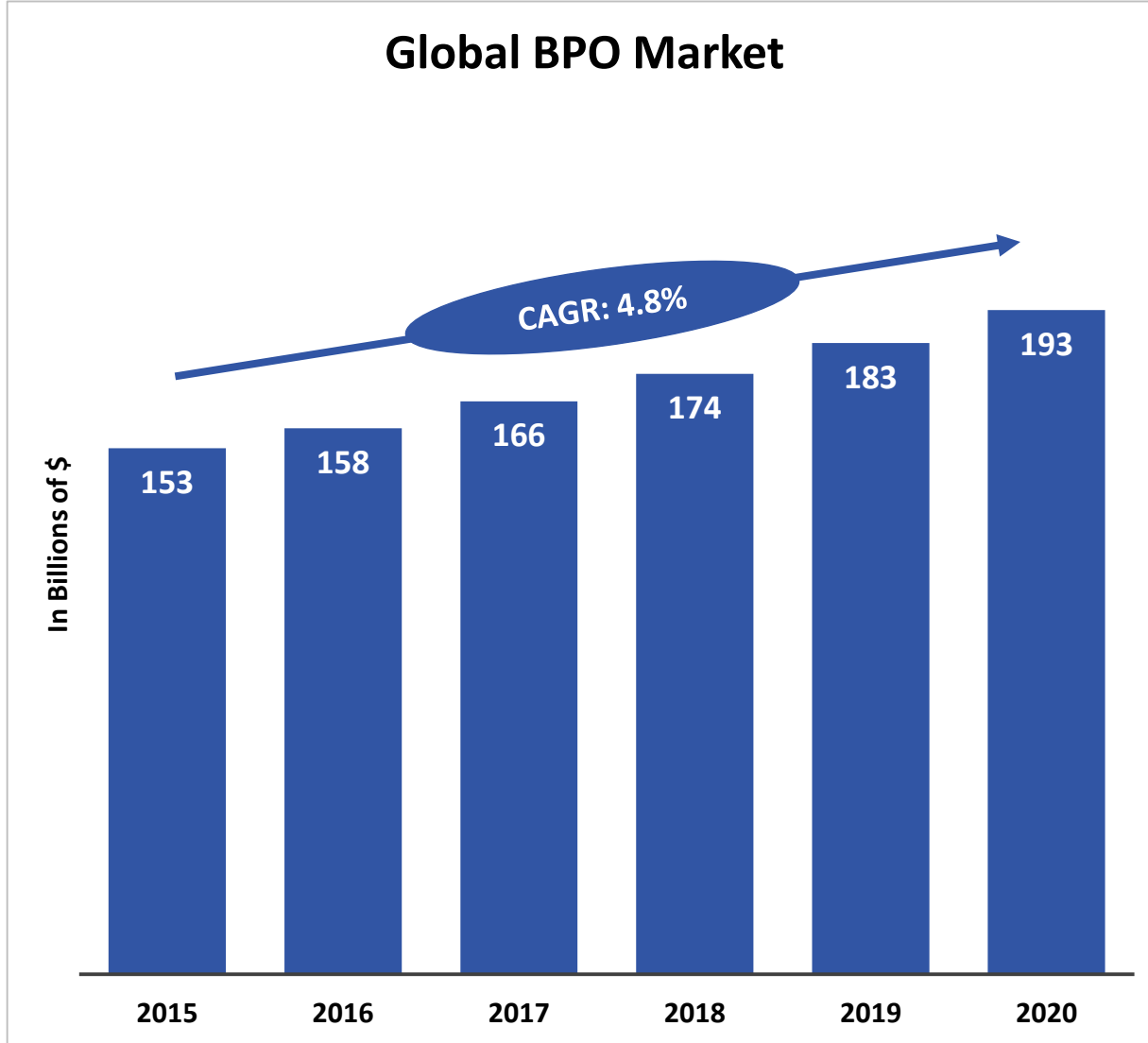


BPO/BPM Market

Marketplace Dynamics

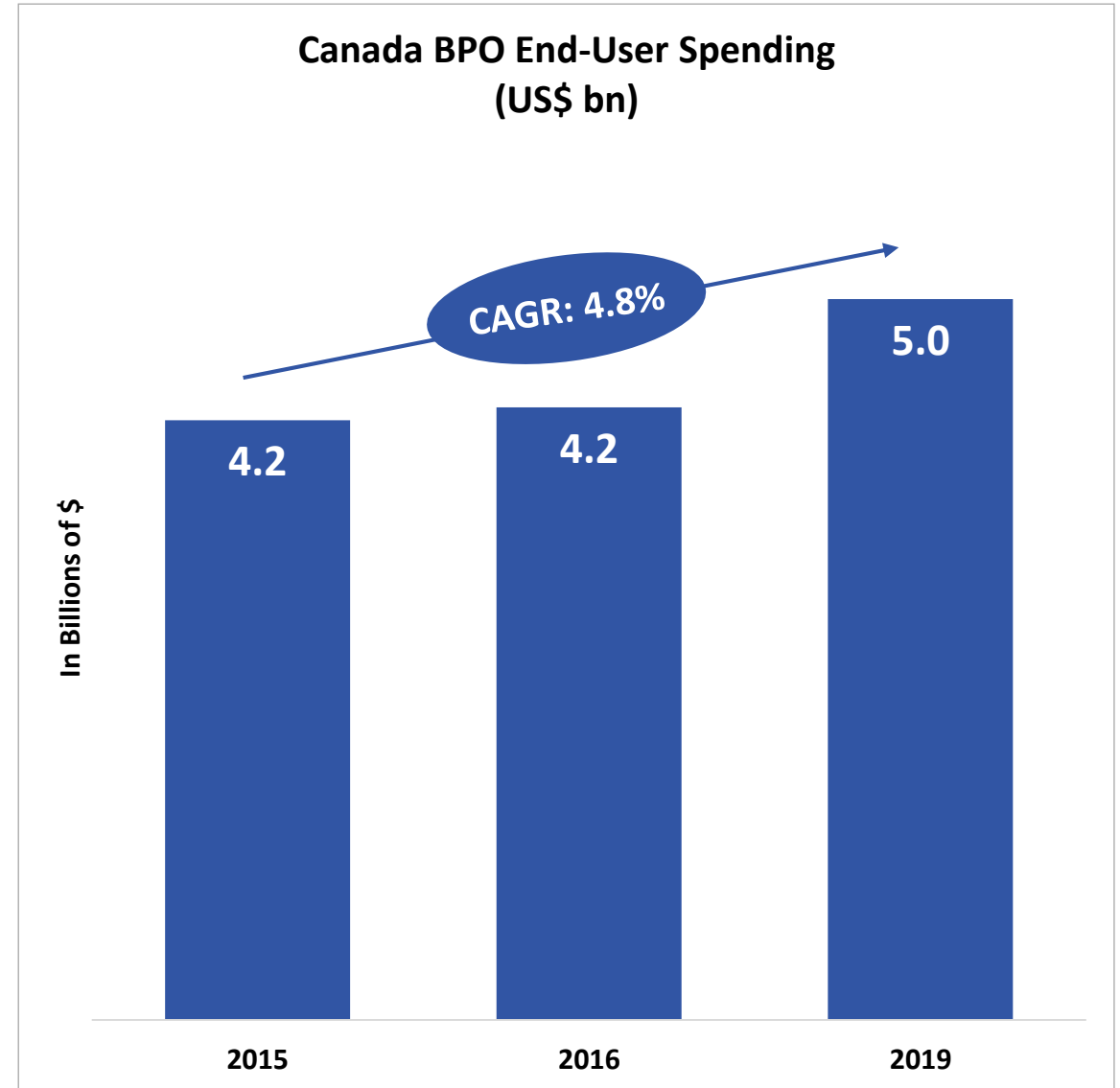
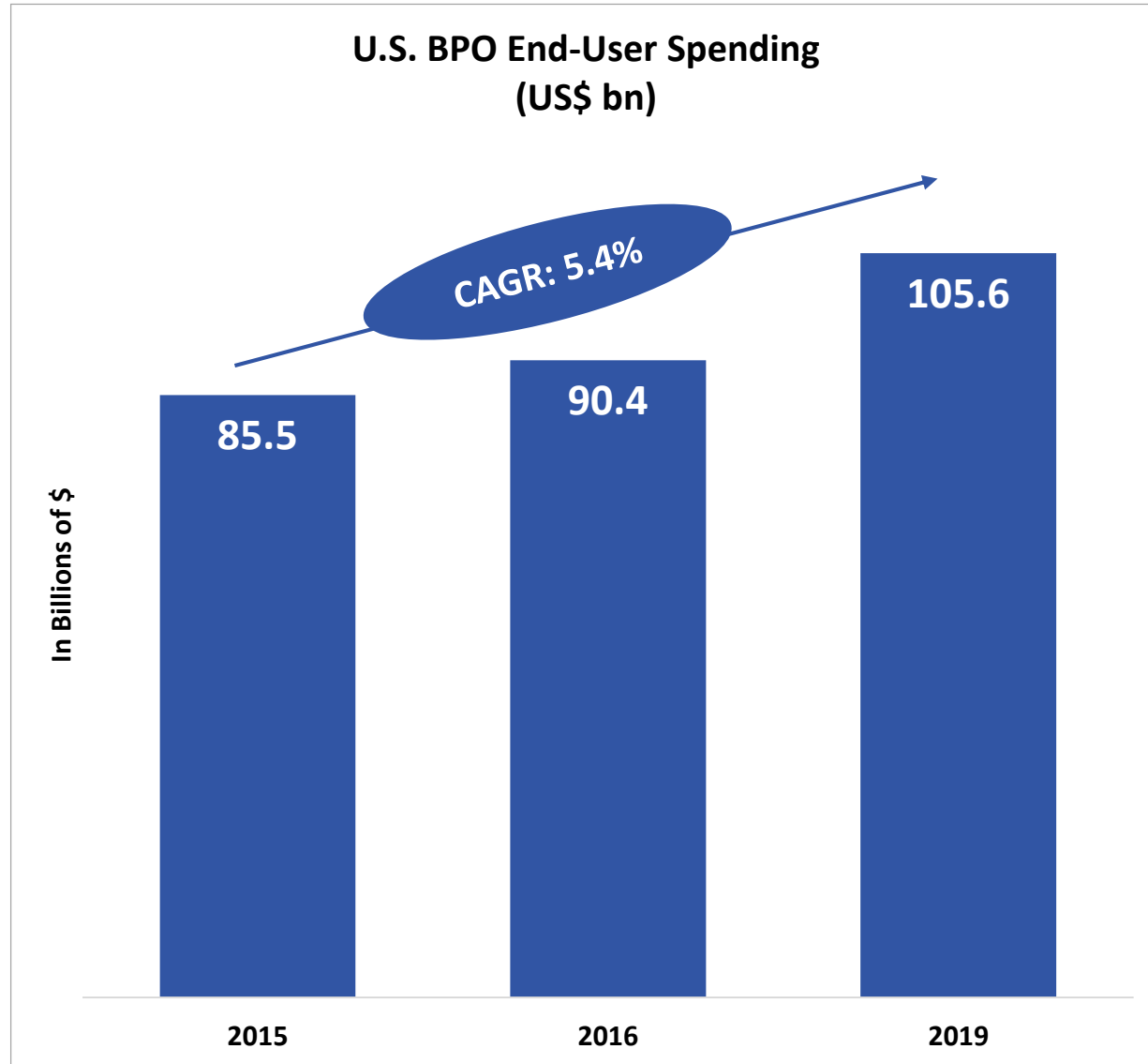
- Total BPM market is over \$160 billion
- In-house BPM 4 times the size of the outsourced BPM market
- Next 5 year CAGR for BPM expected to be 5.9% (Gartner Q1, 2013 forecast)
- Billion Dollar Plus players in this are still only a handful, who grew between 5% to 20%
- Essentially a large, fragmented but growing market, enough for everybody to play in

Source: Gartner



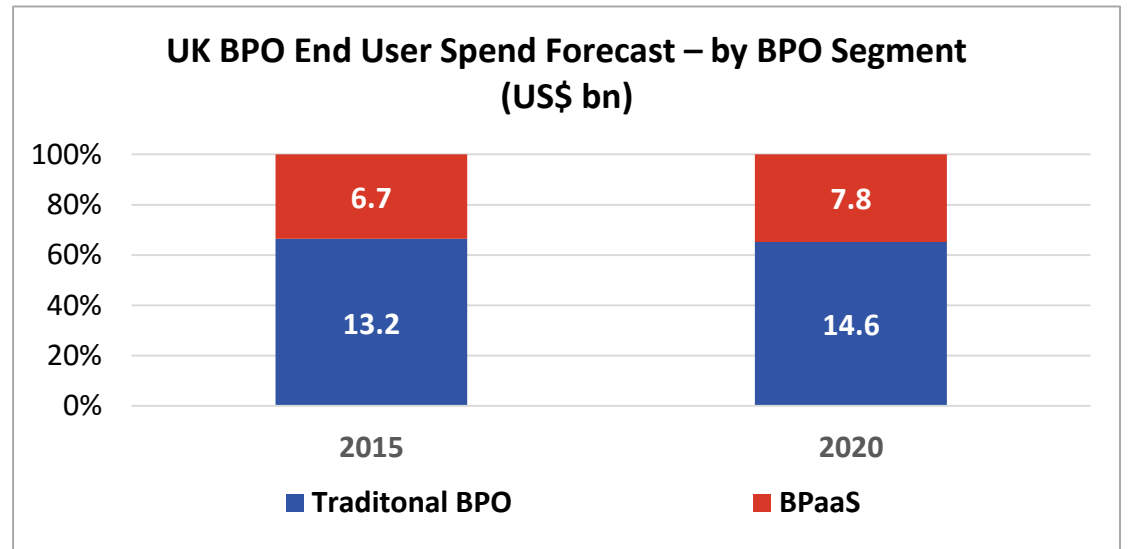
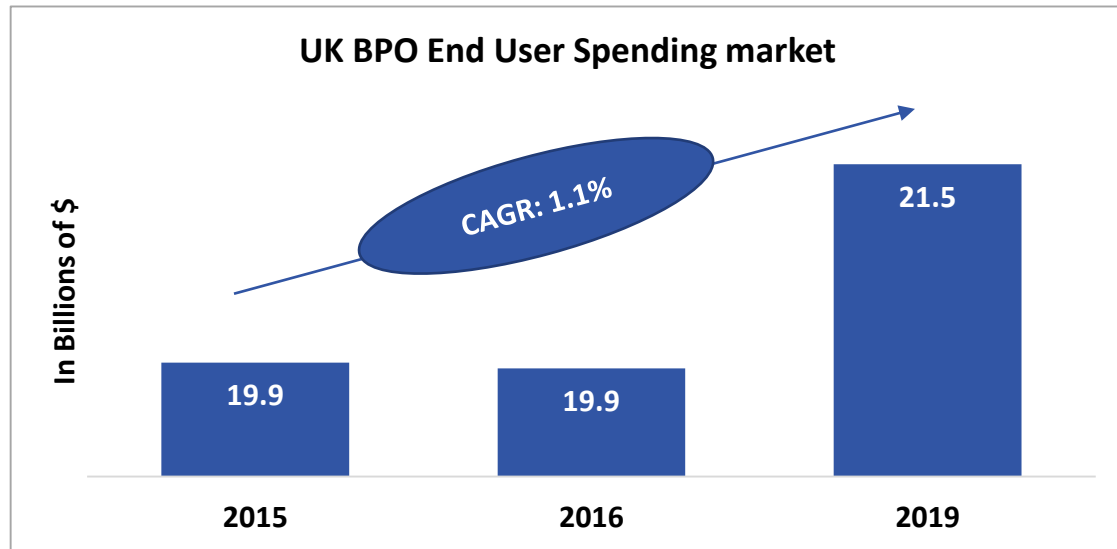
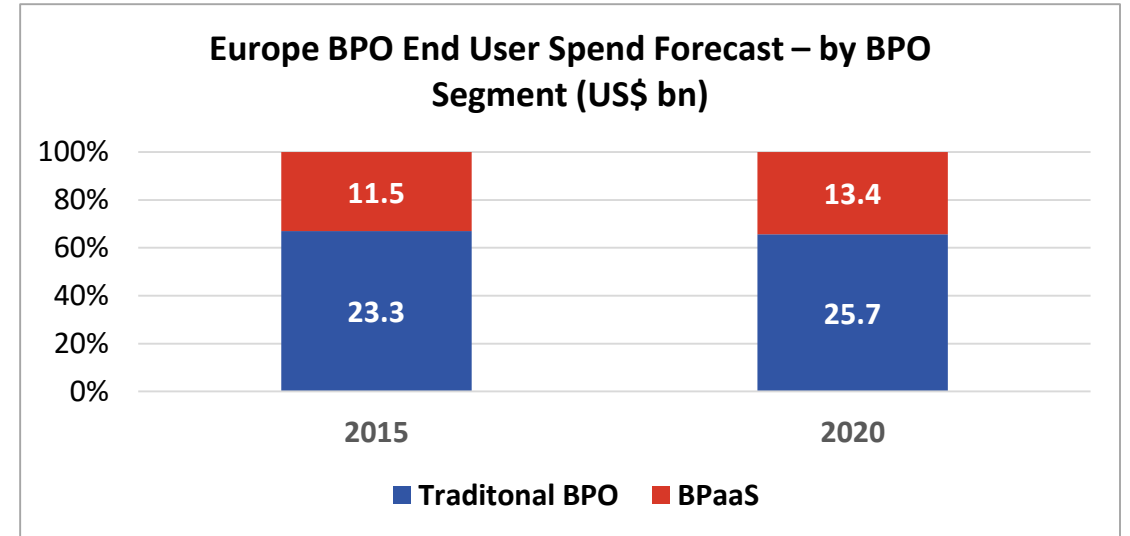
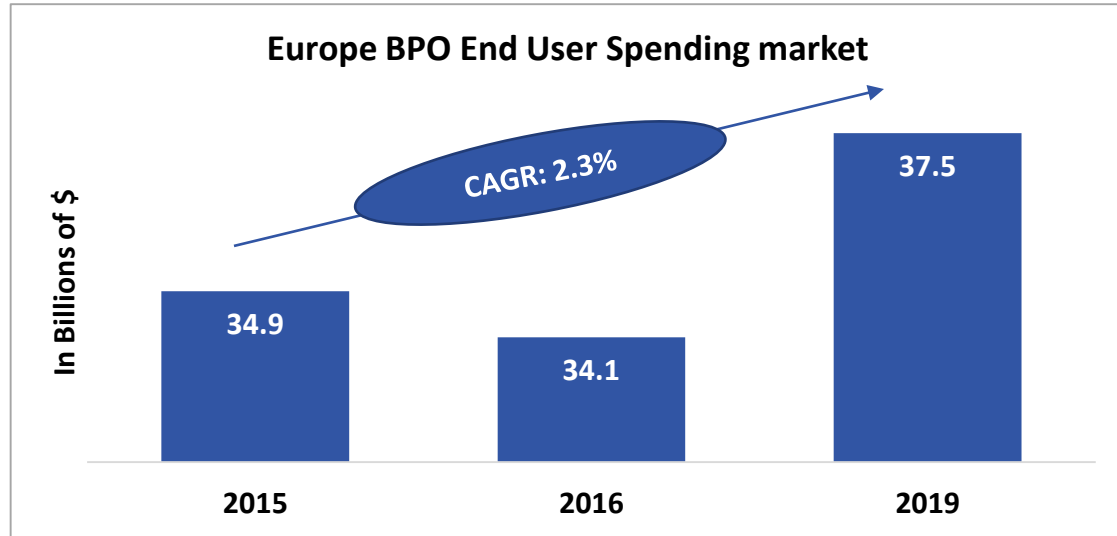
Source: Gartner BPO Revenue Forecast 2013 -2019

North America BPO Spending Macro Market Overview



Gartner Forecast: IT Services by Geography, 2014-2020

Europe – UK BPO Spending Macro Market Overview



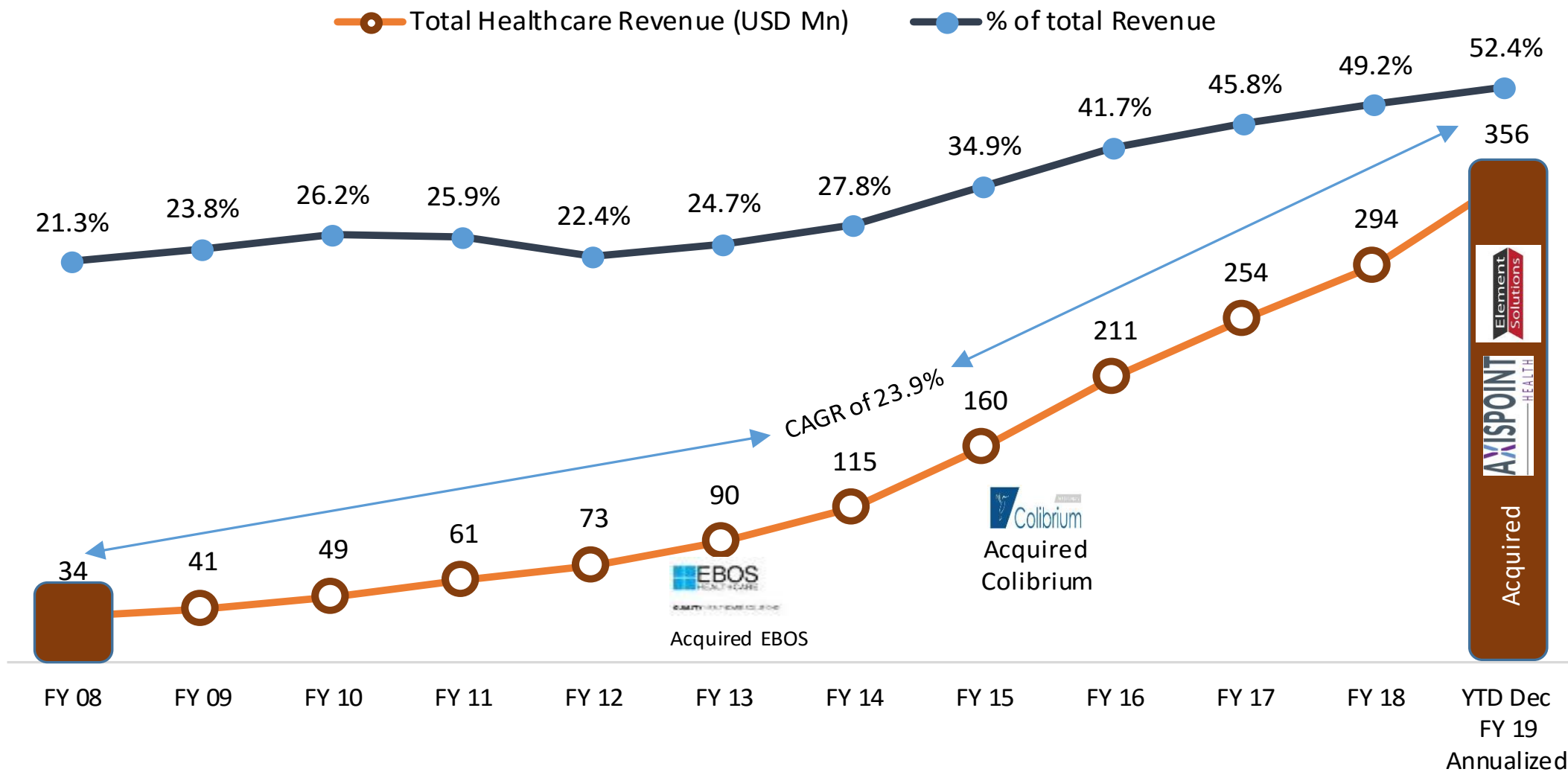
Gartner Forecast: IT Services by Geography, 2014-2020



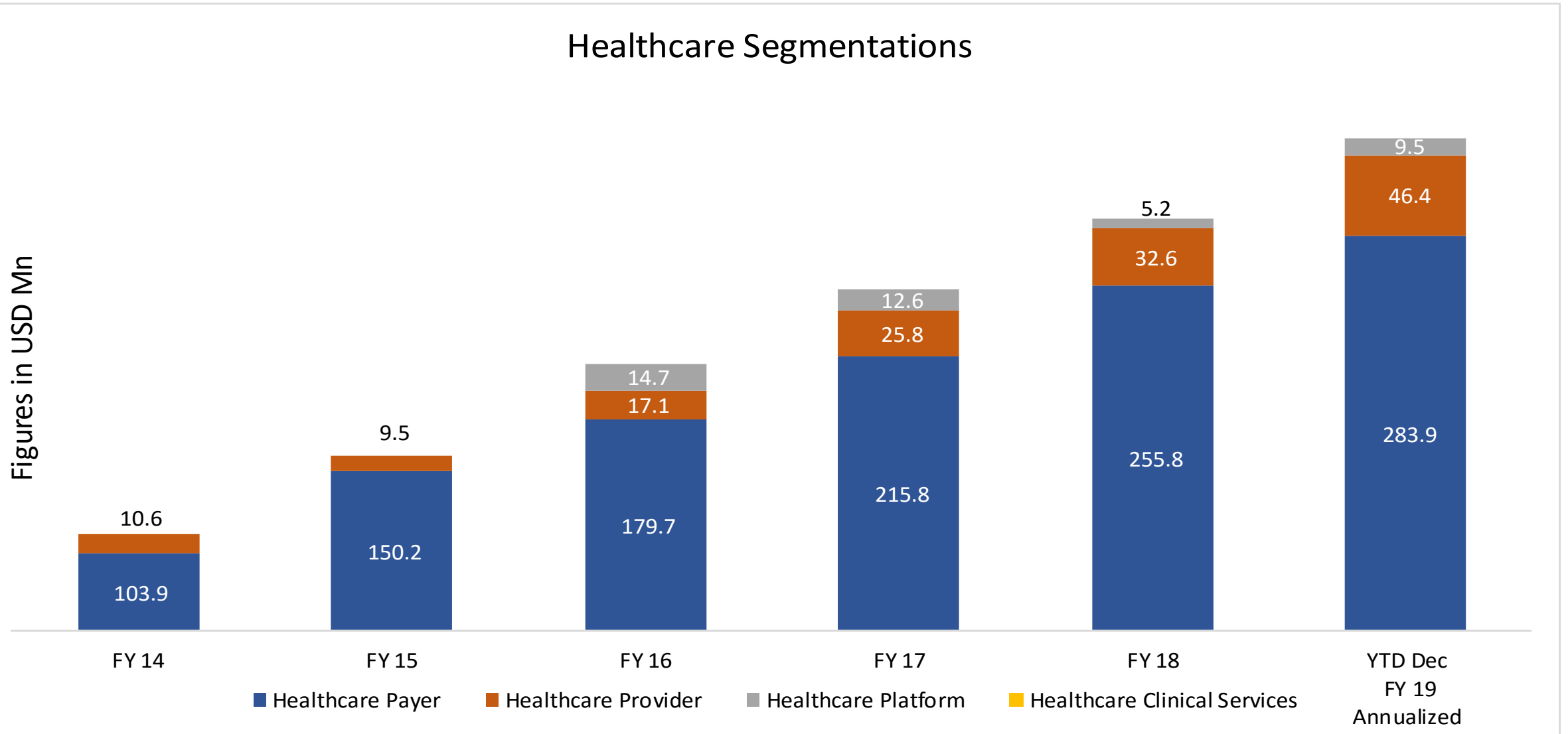
Healthcare Practice overview

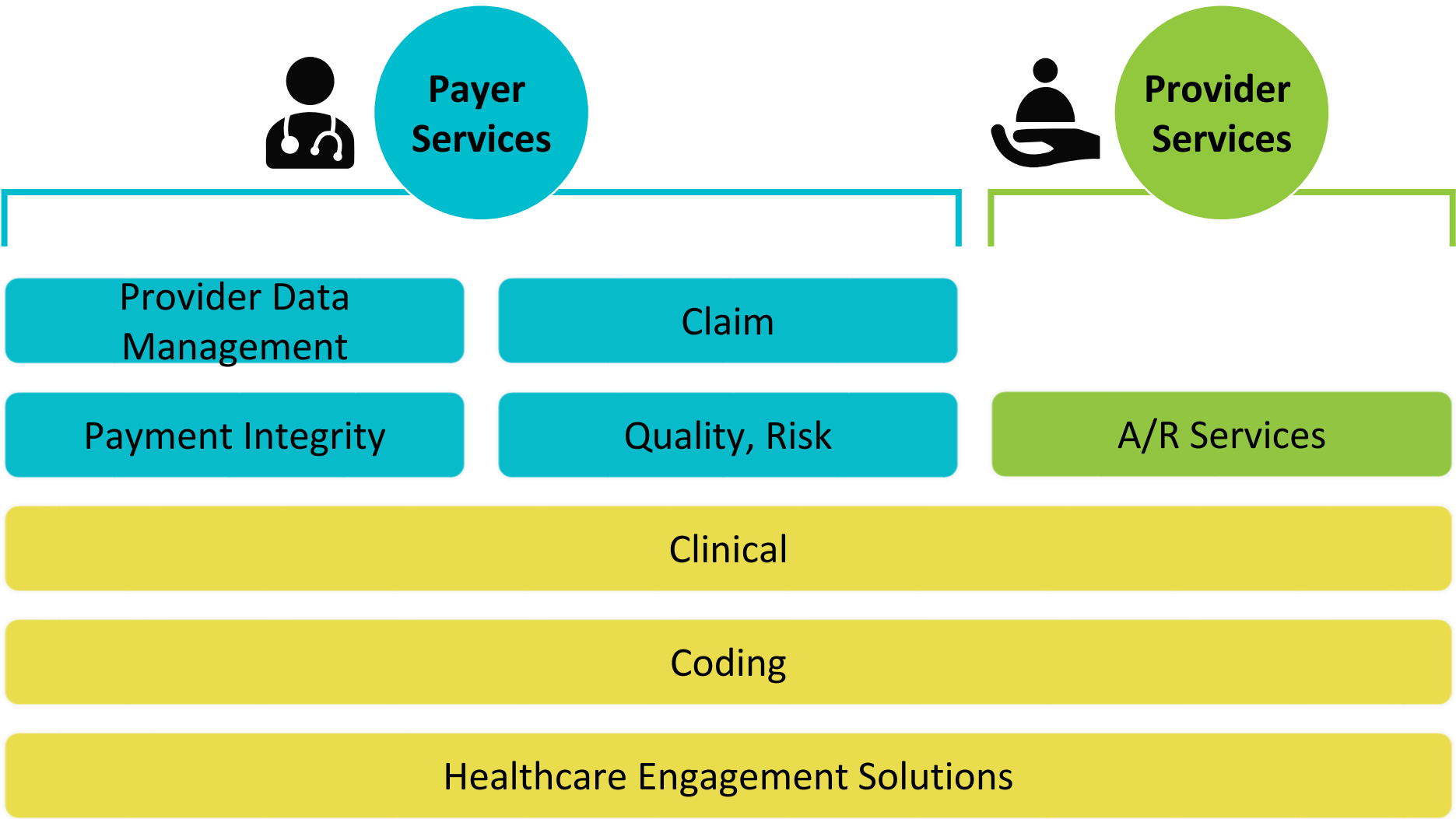
How HGS Healthcare business has grown

HGS Healthcare Vertical Trend



Healthcare Segmentations







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

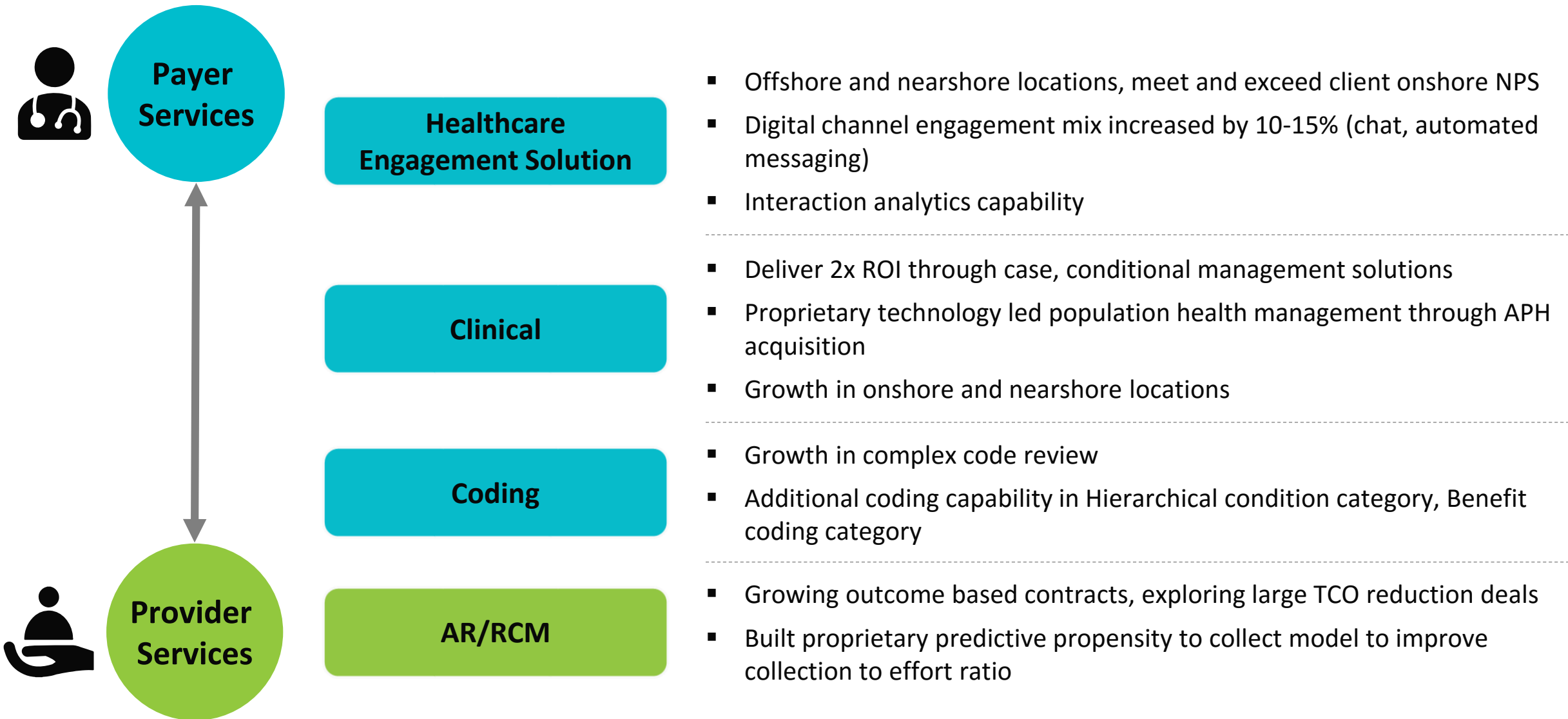
- Proprietary technology led solutions for keeping provider data accurate and current
- Scaled PDM practice across 3 new accounts
- Added Credentialing capability for large national network provider

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

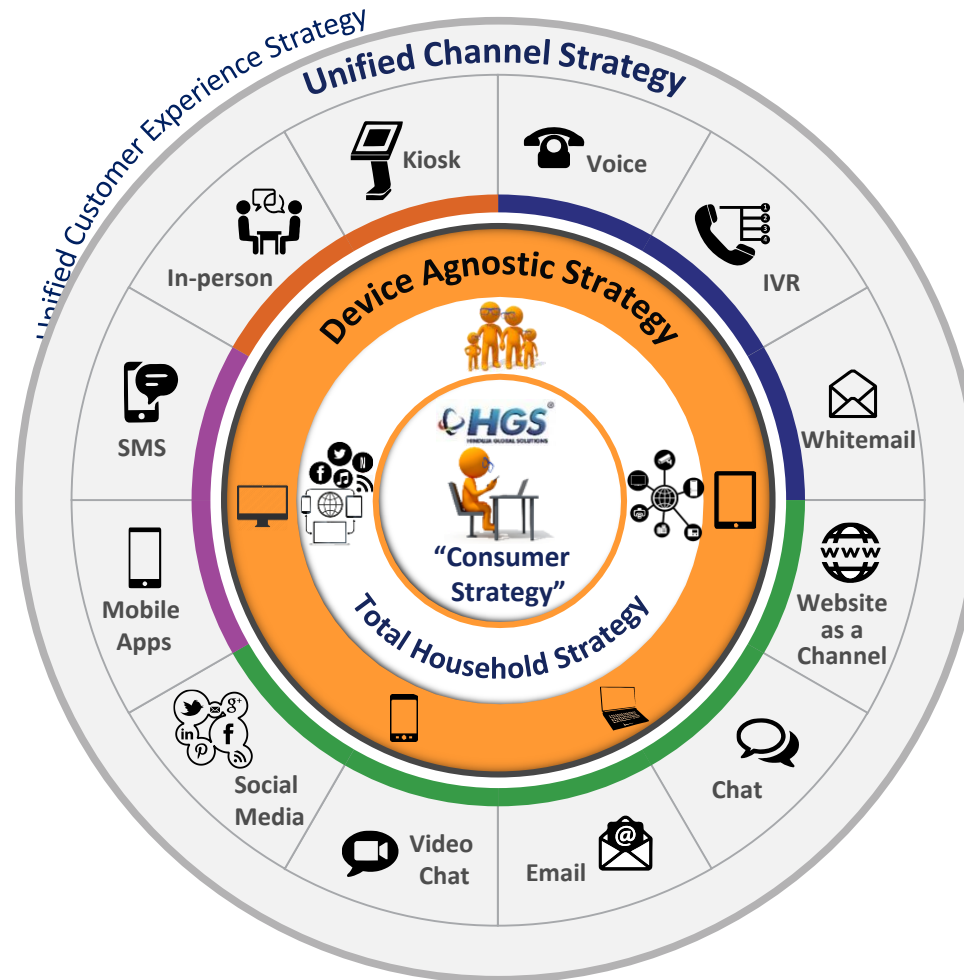
- HCC coding capability along with Risk analytics – proprietary go-to-market solution





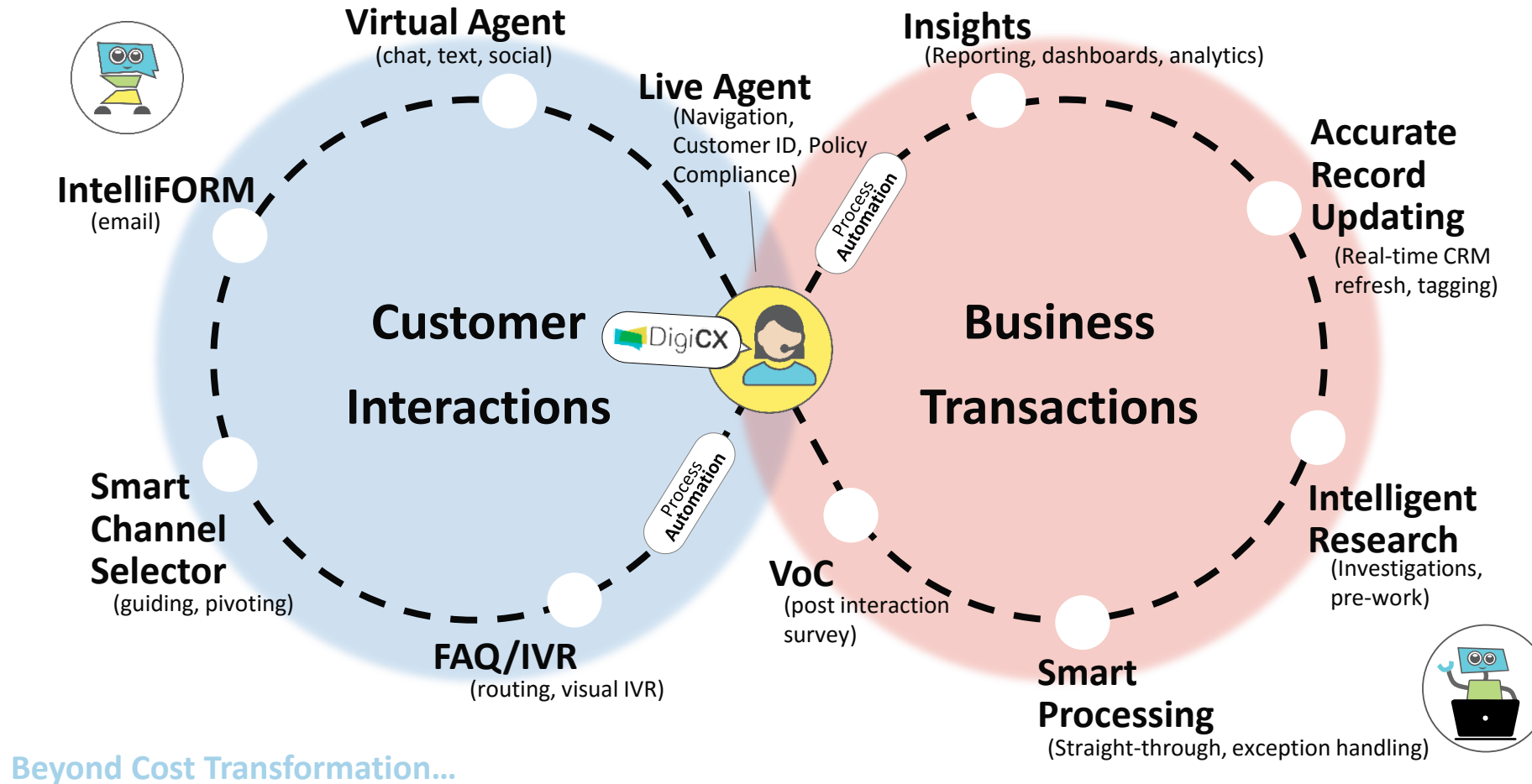
Digital and Automation/RPA

- Enabling the Optimized Consumer Journey... with clear objectives in mind



- ↑ Revenue generation and optimization
- ↑ Customer Experience – with NPS/RTF measure of loyalty
- ↑ Availability – Always open
- ↑ Ease of doing business – How the customer prefers
- ↑ Brand management across consumer channels
- ↓ Business and cost transformation

- Automation everywhere enables each touchpoint through the digital end-to-end journey



Beyond Cost Transformation...



- Always Open
- Agile Business
- Reduce Errors
- Reduce Time
- Optimize CX

AI will help BPaaS penetrate into the core, “heart of the business” processes

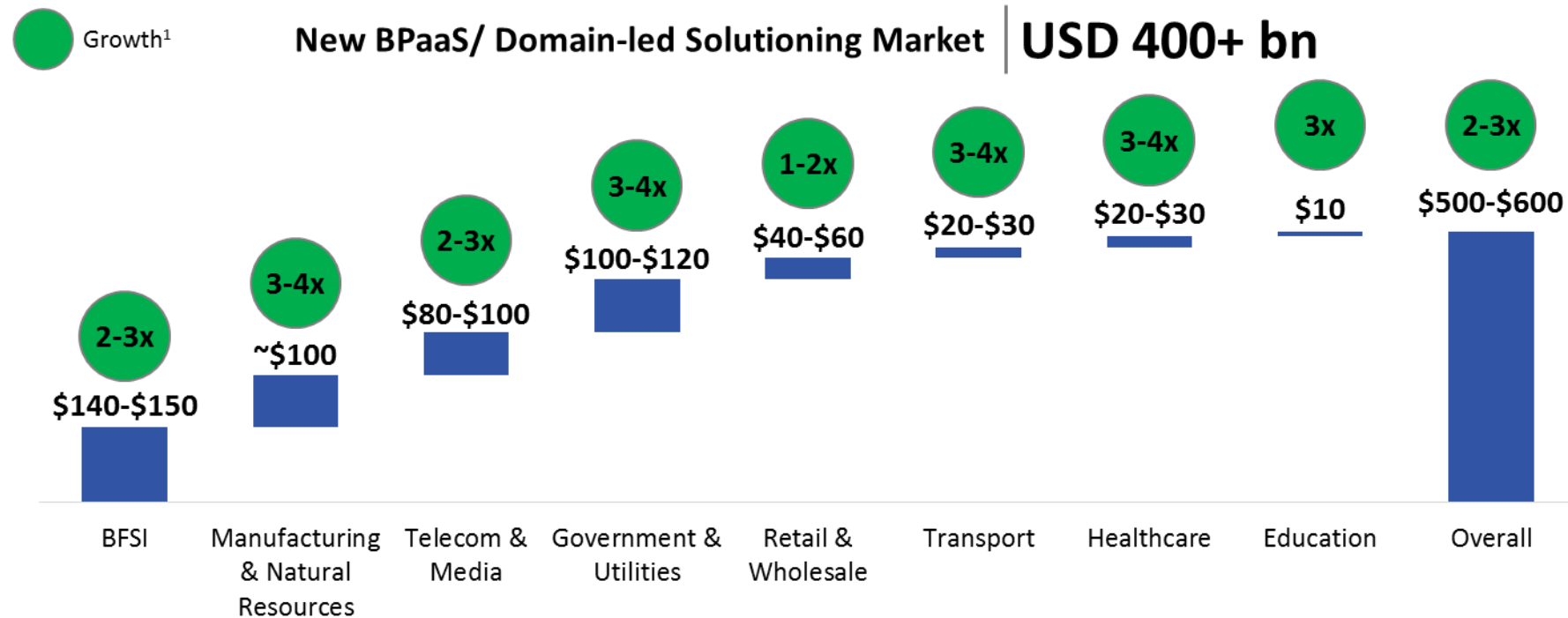
Current scope of BPM/ BPaaS



AI to expand the scope of BPM/ BPaaS 2-3x

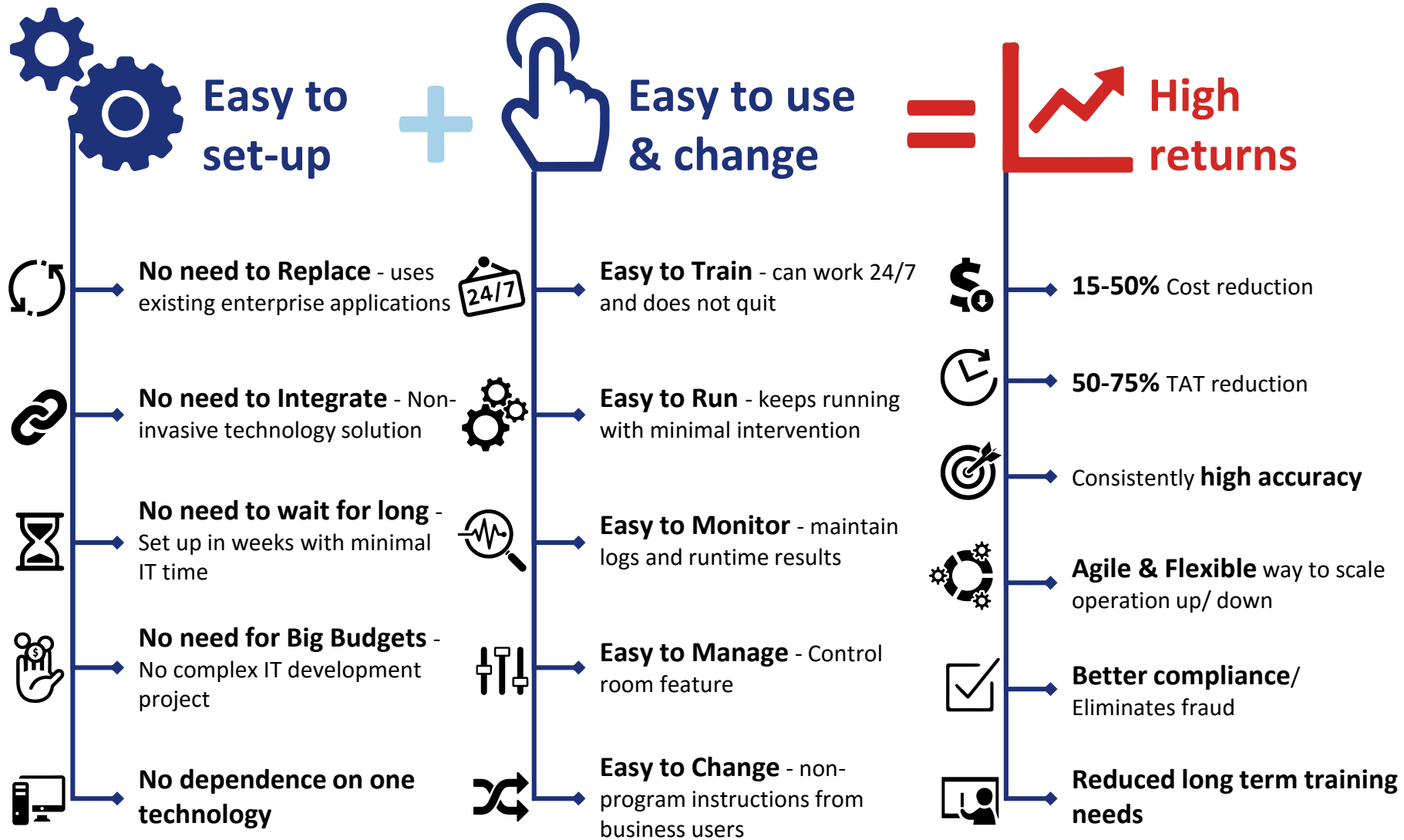


AI-led addressable market – BPaaS/ Domain-led solutioning (USD billion)



1 As a multiple of current market size

Sources: NASSCOM, BCG analysis













Financial Overview









Quarterly Performance - Consolidated (Without Acquisitions)

Figures in Rs Mn unless otherwise indicated

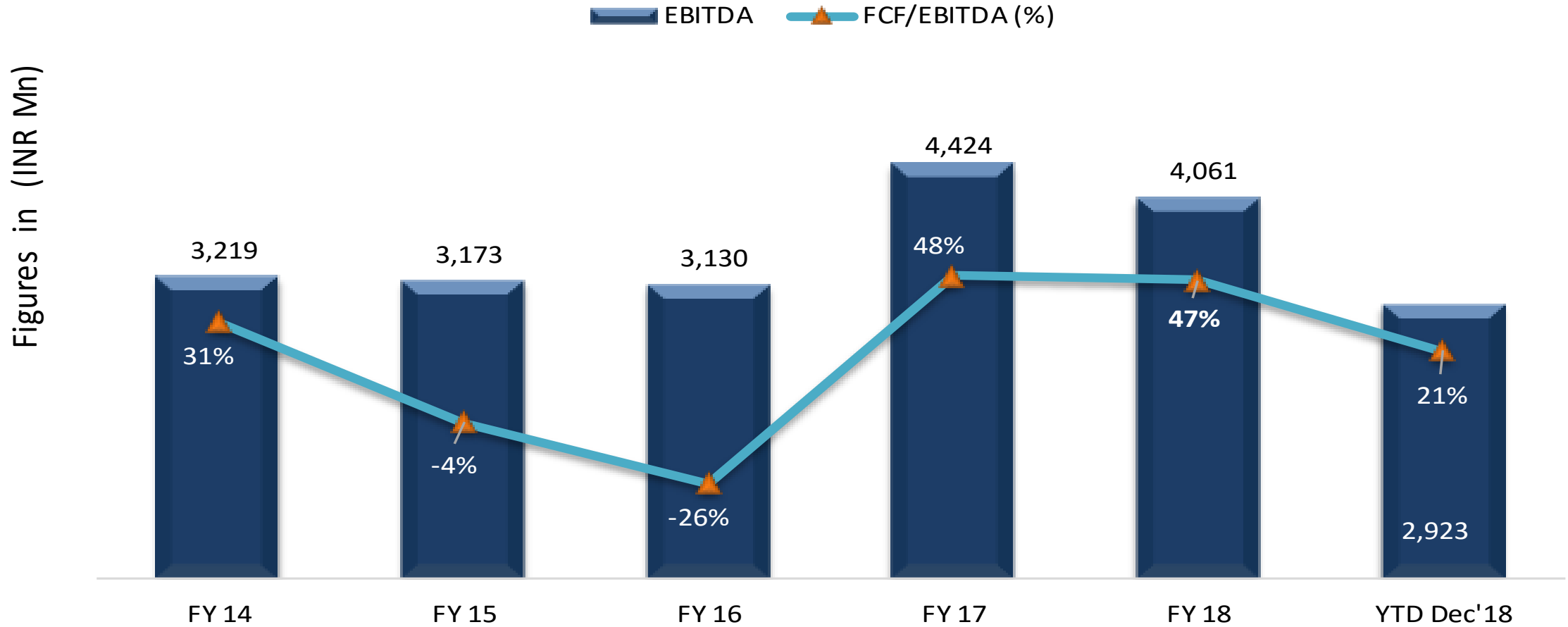
	Actual QE Dec'18	Actual QE Sept'18	Growth %	Actual QE Dec'17	YoY Growth %
Revenue	11,690	10,874	 8%	9,757	 20%
Operating Costs (excl Dep)	10,278	9,748		8,756	
EBITDA	1,412	1,126	 25%	1,001	 41%
EBITDA %	12.1%	10.4%		10.3%	
Depreciation	423	424		374	
Interest Expense	88	64		80	
Other income	(324)	432		9	
PBT	577	1,070	 -46%	556	 4%
PBT %	4.9%	9.8%		5.7%	
Tax	160	281		40	
PAT	417	788	 -47%	516	 -19%
PAT %	3.6%	7.3%		5.3%	

Quarterly Performance - Consolidated (With Acquisitions)

Figures in Rs Mn unless otherwise indicated

	Actual QE Dec'18	Actual QE Sept'18	Growth %	Actual QE Dec'17	YoY Growth %
Revenue from operations	12,415	11,586		9,757	
Other Operating Income	311	-		-	
Total Revenue	12,726	11,586	 10%	9,757	 30%
Operating Costs (excl Dep)	11,340	10,794		8,756	
EBITDA	1,386	792	 75%	1,001	 38%
EBITDA %	10.9%	6.8%		10.3%	
Depreciation	461	482		374	
Interest Expense	107	91		80	
Other income	(324)	432		9	
PBT	494	651	 -24%	556	 -11%
PBT %	3.9%	5.6%		5.7%	
Tax	126	203		40	
PAT	368	448	 -18%	516	 -29%
PAT %	2.9%	3.9%		5.3%	

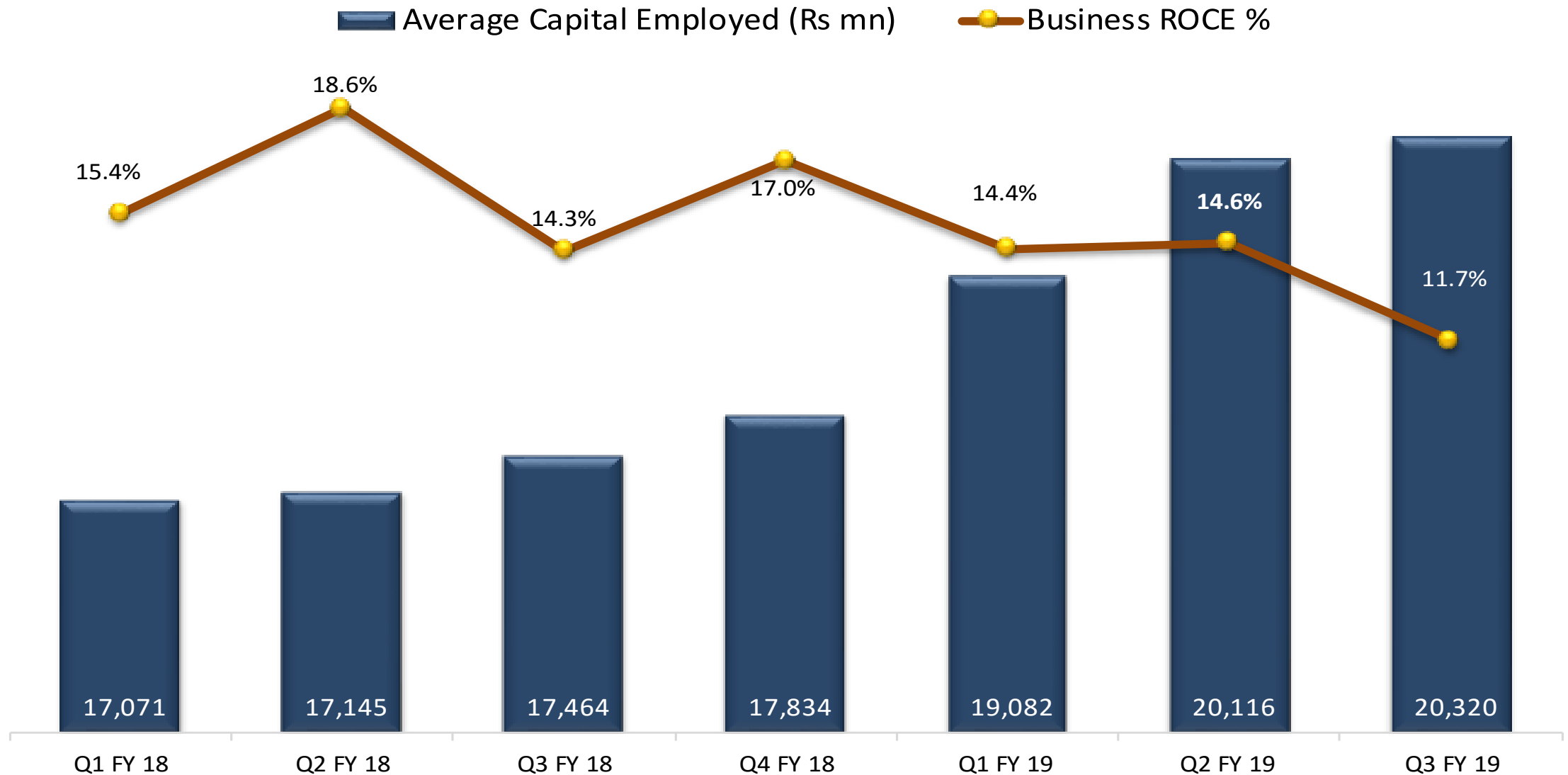
FREE CASH FLOW to EBITDA Ratio



YTD Dec'18 Free Cash flow excludes the impact of Tax refund of Rs 111 Mn and Purchase of UK property of GBP 310 K

Summary Cash Flow Statement

(Rs. Million)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	9M FY 19
Cash flow from Operations and after working capital changes	2,352	1,924	1,589	4,031	3,517	1,819
Cash Flow due to Capex (net)	(1,137)	(1,621)	(2,472)	(1,779)	(1,261)	(1,132)
Total Cash Flow from Operations and Regular Capex	1,215	303	(883)	2,252	2,256	687
For Purchase of building	(400)	0	(44)	---	---	18
Cash Flow paid for acquisition of business	0	(890)	(153)	---	---	(1,172)
Cash Flow due other investing activities	192	451	269	138	143	129
Total Cash Flow from Operations and Investing	1,007	(136)	(811)	2,390	2,399	(339)
Proceeds from share allotment under ESOP scheme	9	36	3	---	25	17
Proceeds/(Repayment) from Borrowings	877	112	1,990	(1,823)	(762)	(422)
Capital Lease Taken Pursuant to Acquisition		(49)		---	---	
Cash from Interest payment, Dividend and others	(1,022)	(997)	(872)	(636)	(598)	(481)
Total Cash Flow from Financing Activities	(1,36)	(898)	1,121	(2,459)	(1,335)	(887)
Net Increase/ (Decrease) in Cash and Cash Equivalents	871	(1,034)	310	(69)	1,111	(1,225)



Summary Financial Profile – As at 31st December 2018

Particulars	HGSL	
	Rs.	USD
Net Worth <i>(in millions)</i>	15,965	229.4
Book value per share	766	11.0
Price per share	603.0	8.5
Dividend per share (FY 18)	2.5	0.04
EPS (TTM)	83.1	1.2
P/E Ratio (TTM)	7.3	7.1
Gross Debt <i>(in millions)</i>	5,526	79.4
Total Cash <i>(in millions)</i>	4,462	64.1
Net Debt (Net Cash) <i>(in millions)</i>	1,064	15.3
Net Debt/ TTM EBITDA	0.27x	0.27x
Total Debt/Equity	0.35x	0.35x

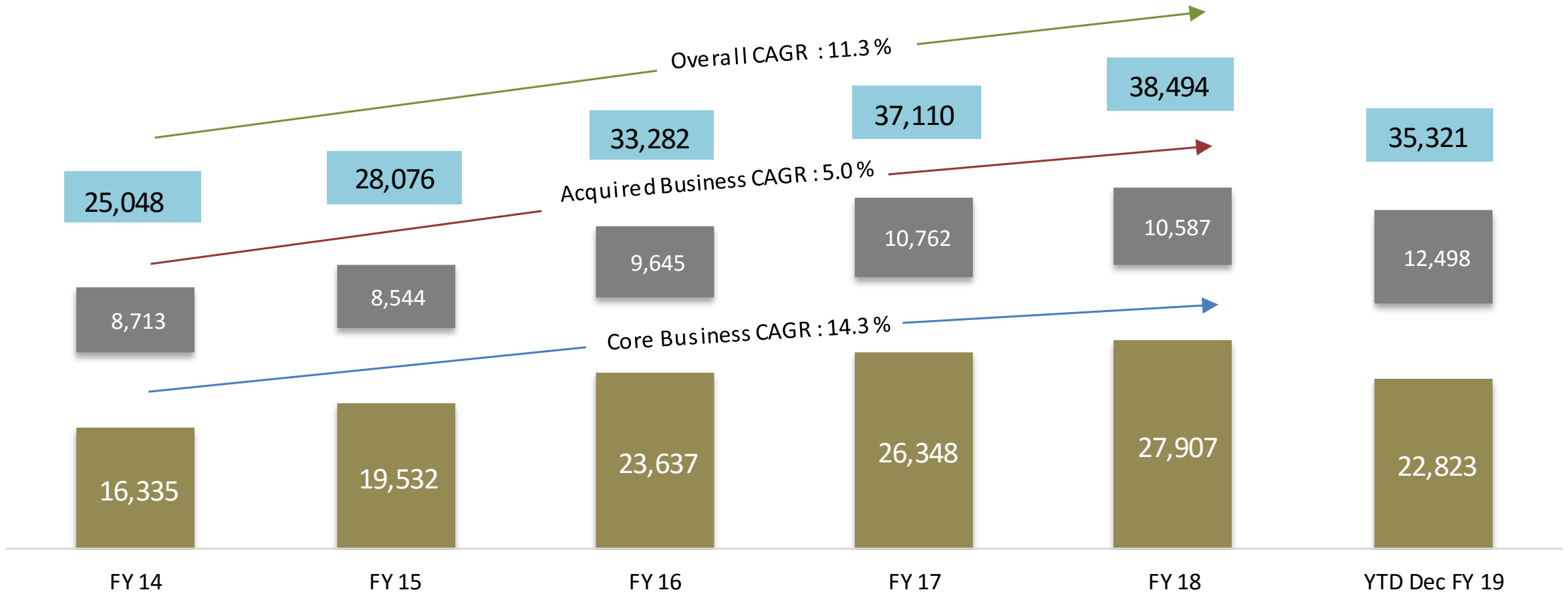
- Book Value taken is as reported on QE December 2018
- Stock prices and USD/INR exchange rate latest available prices
- Total Debt includes foreign currency debt taken at applicable exchange rates



HGS Revenue Profile: FY 14 to YTD Dec 18

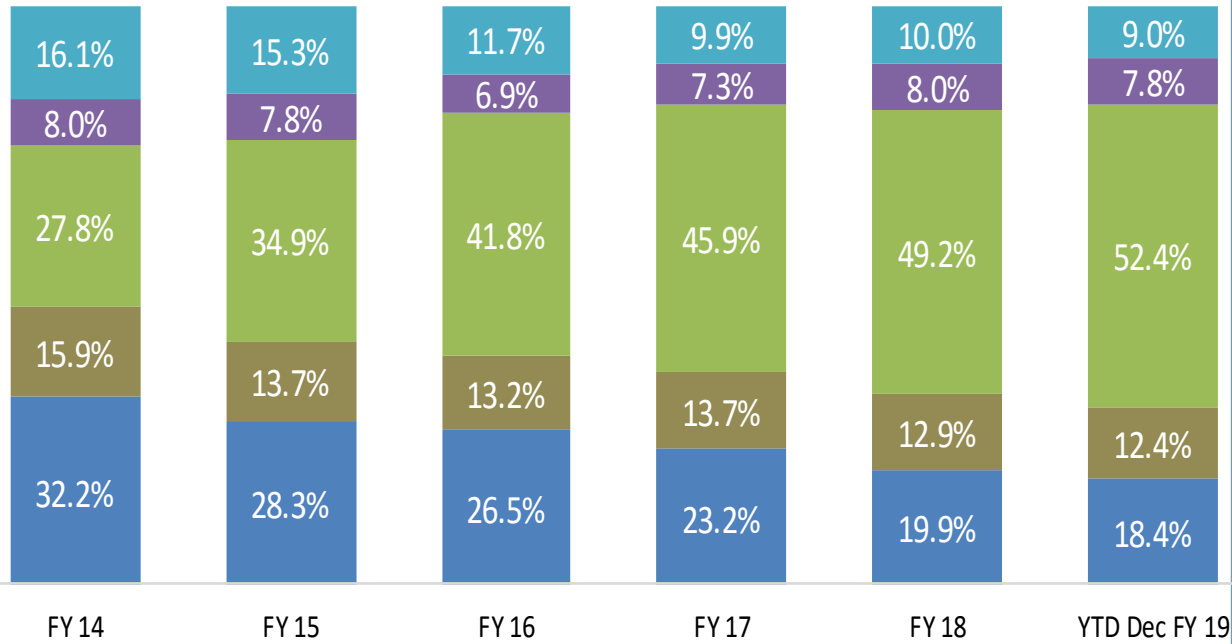
Revenue Trend (In INR Mn.)

- Acquired Business Revenue
- Core Business Revenue



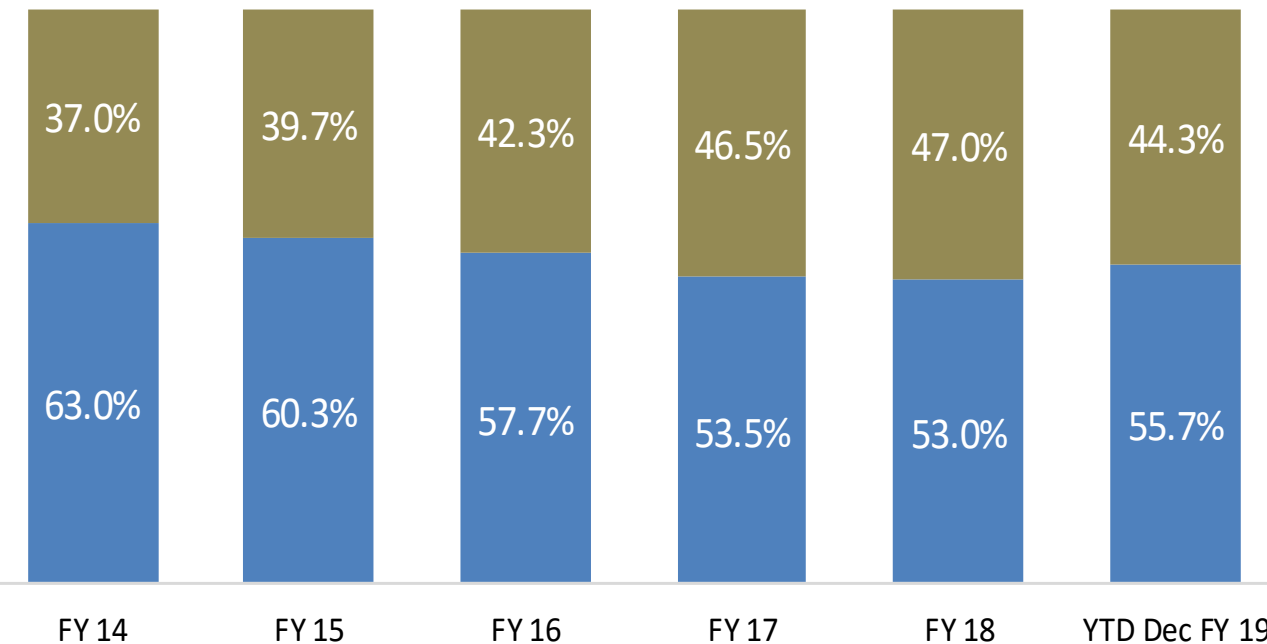
Revenue by Verticals

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



Offshore/Near-shore to Onshore

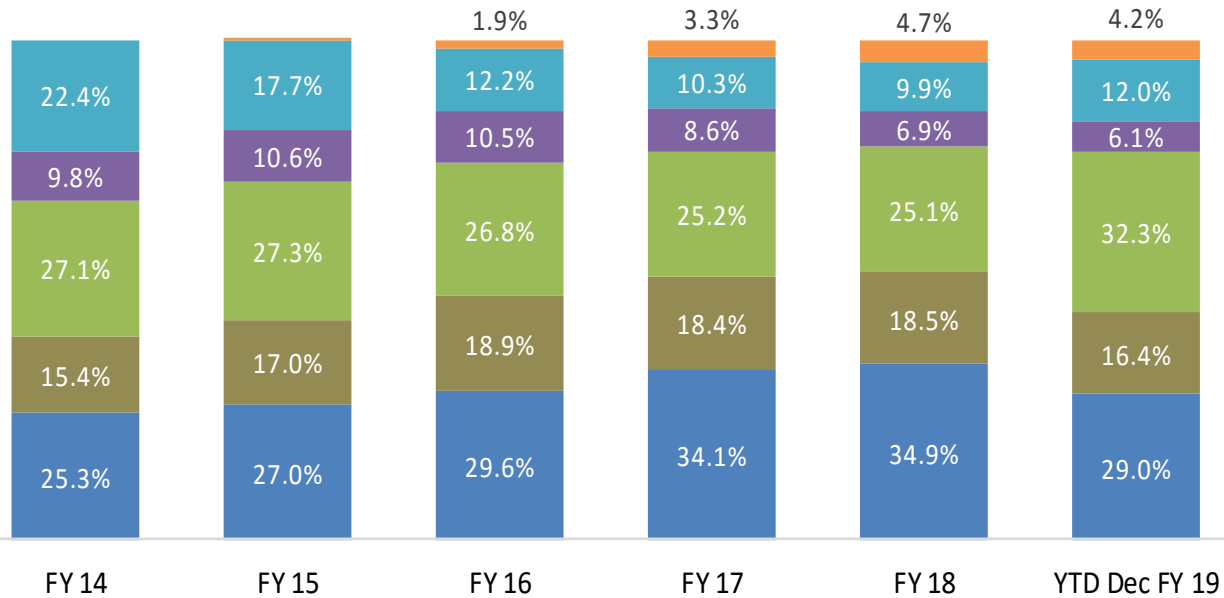
■ Onshore ■ Offshore/Nearshore



Revenue Composition

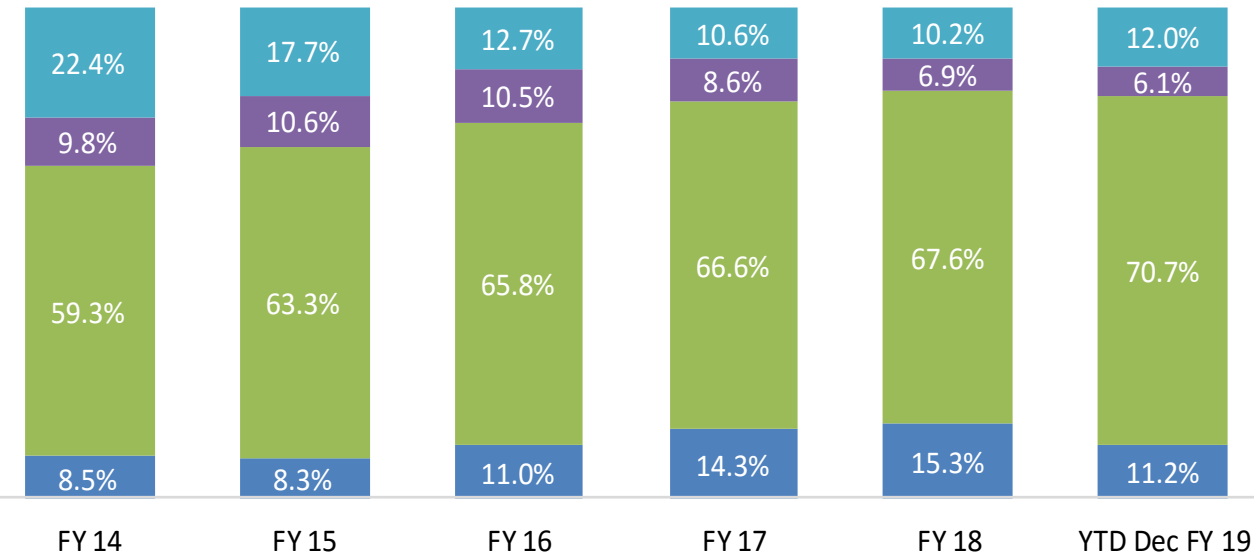
Revenue by Delivery

■ India ■ Philippines ■ USA ■ UK ■ Canada ■ Jamaica

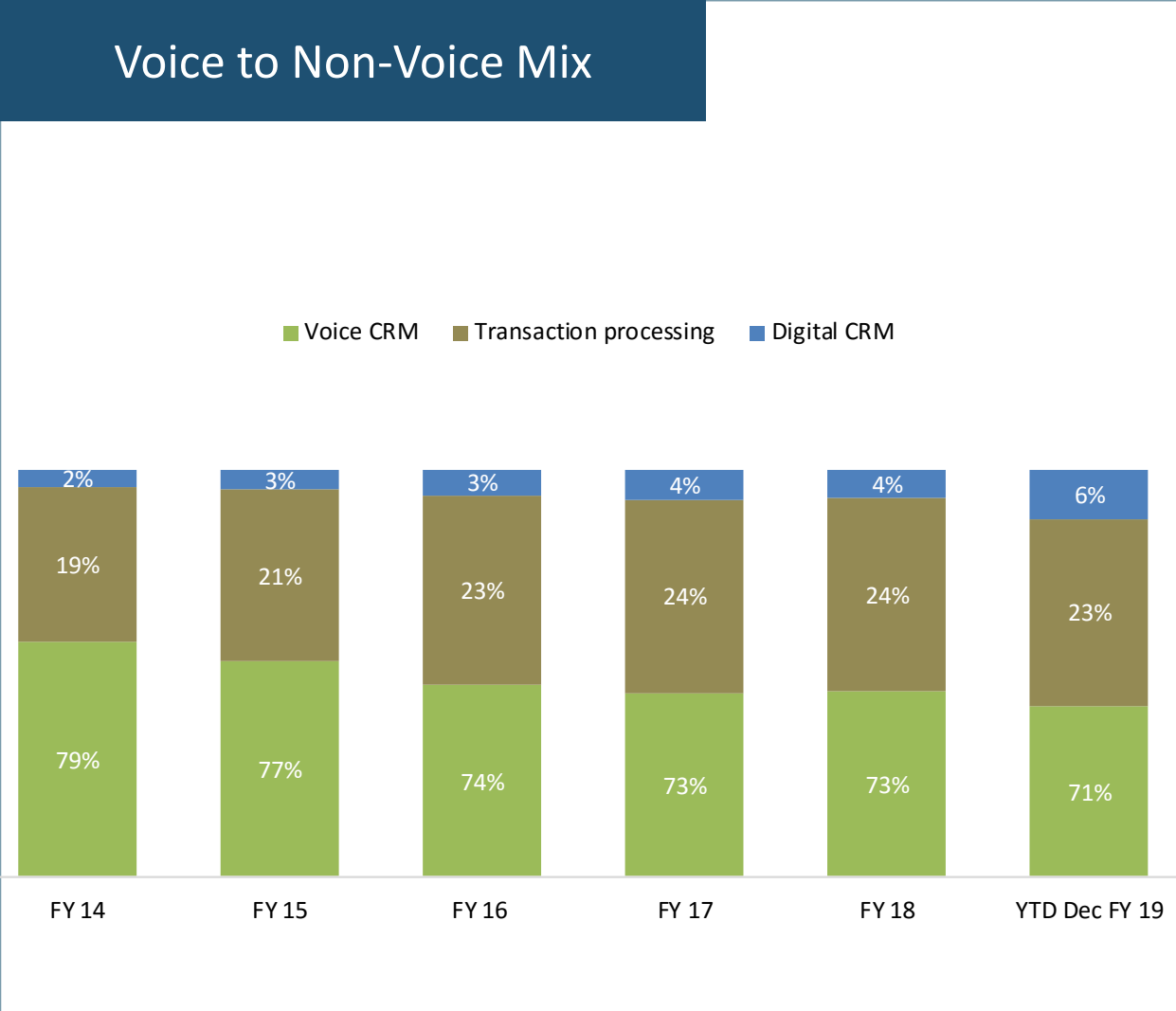


Revenue by Originations

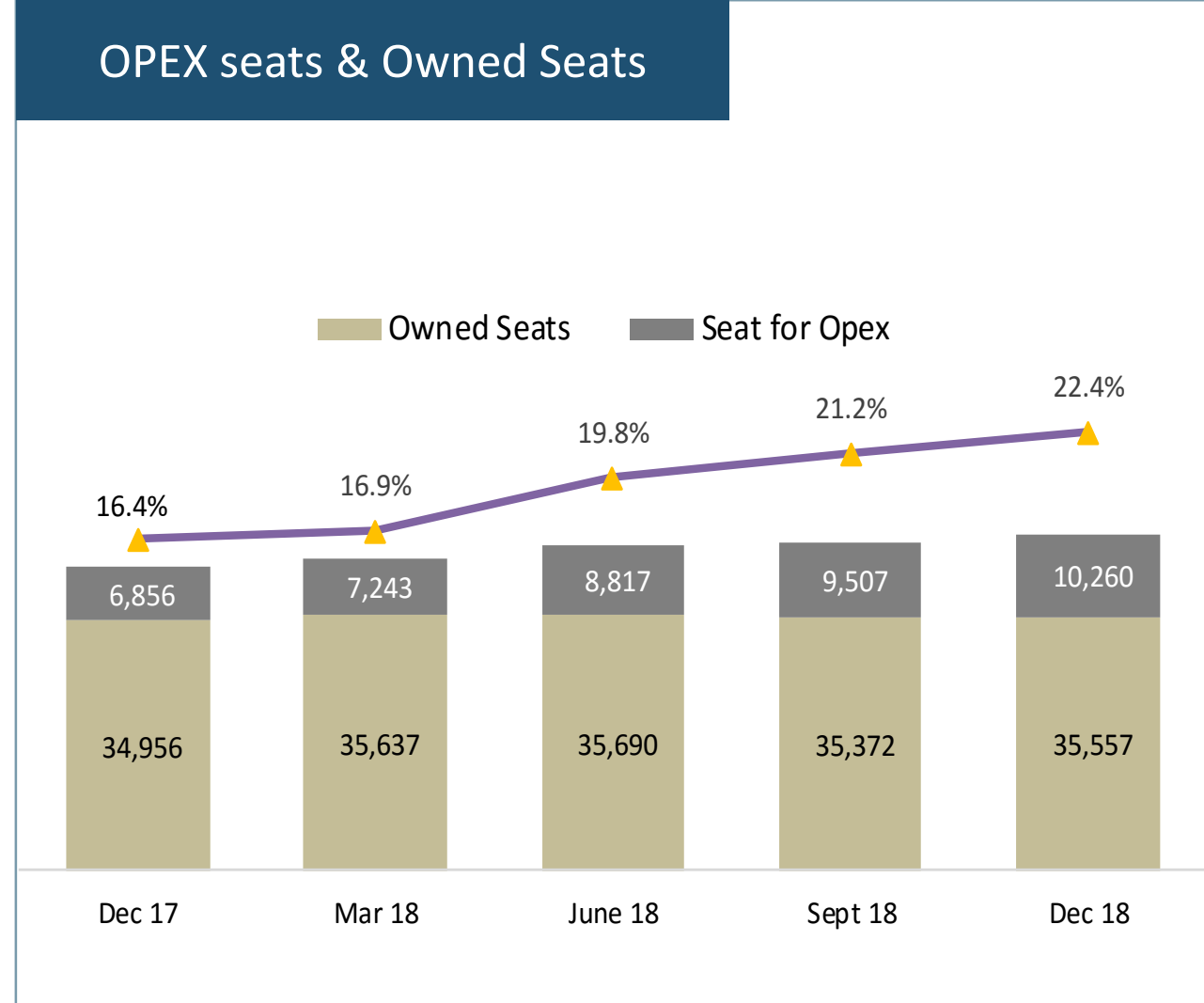
■ INR ■ USD ■ GBP ■ CAD



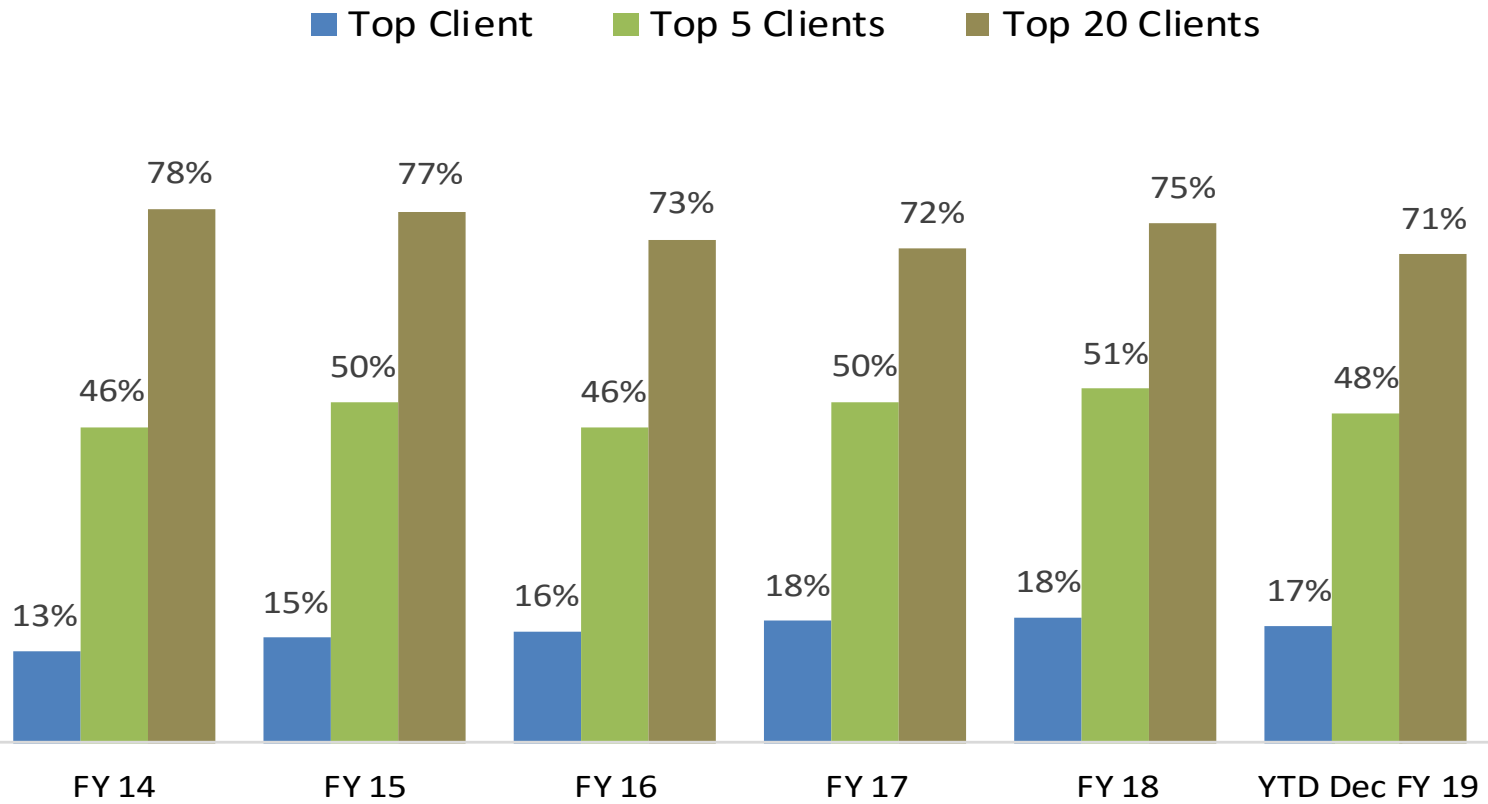
Voice to Non-Voice Mix

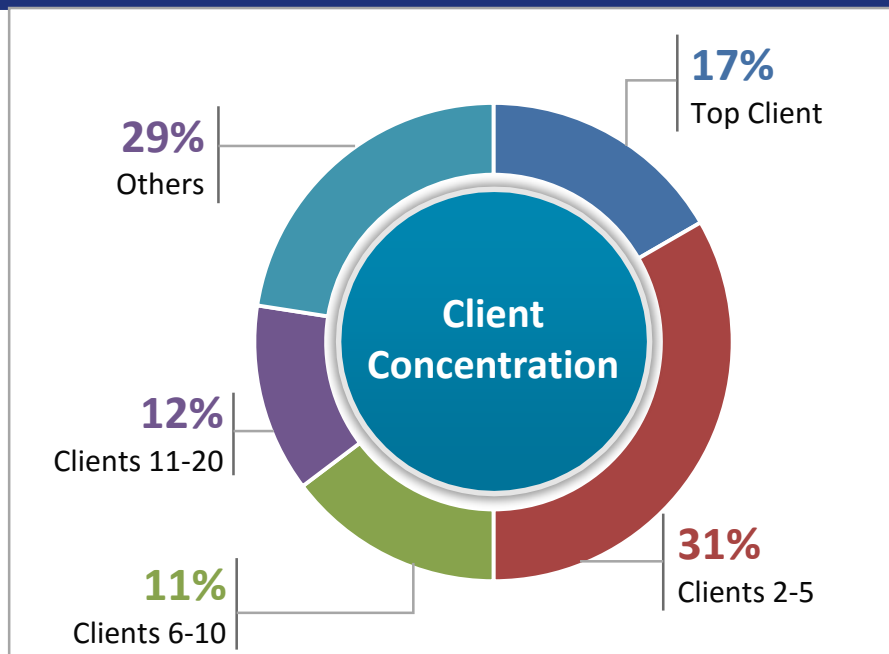


OPEX seats & Owned Seats



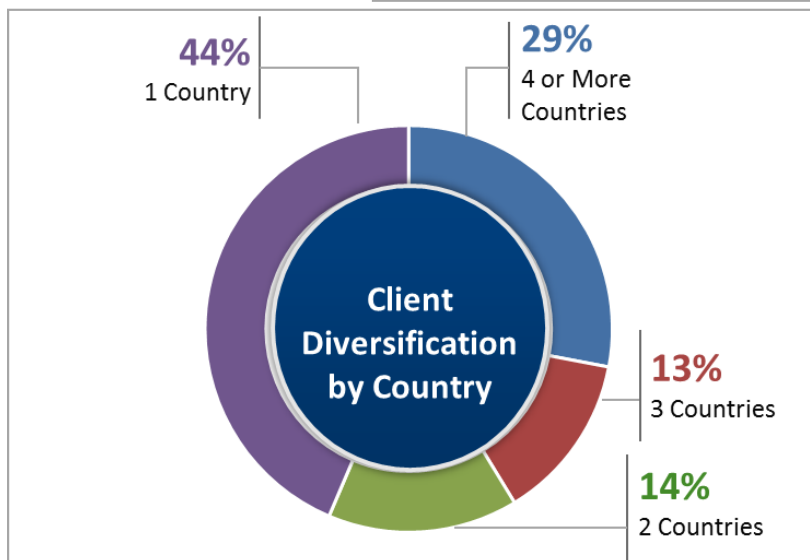
Client Concentration



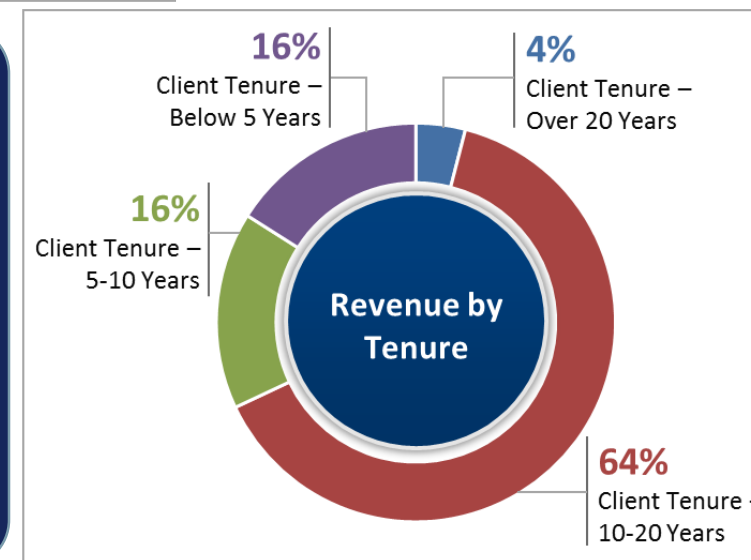


Top 20 clients contribute 71% of the Total Revenue

** Based on YTD Dec FY'19 Financials*



Strong Client relationships demonstrated by tenured and multi-geography engagements





Thank You