

November 10, 2023

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 Sir/Madam,

Sub: Q2 FY2024 Earnings Call presentation

This has reference to our communication dated November 3, 2023, on Q2 FY2024 Earnings Call.

We wish to attach herewith the presentation being briefed at the today's Conference Call. The same is also being made available on the Company's website <https://hgs.cx/investors/financial-reports/>

You are requested to take note of the above please.

For **Hinduja Global Solutions Limited**

Narendra
ra
Singh

Digitally signed
by Narendra
Singh
Date: 2023.11.10
14:23:45 +05'30'

Narendra Singh
Company Secretary
F4853

Encl : As above

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: Tower C (1st floor), Plot C-21, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051. India. Telephone: +91-22-6136 0407, Website: www.hgs.cx

Corporate Identity Number: L92199MH1995PLC084610



HGS Earnings Call Presentation

Q2 and H1 FY2024

November 10, 2023

Safe Harbour

Certain statements in this release concerning HGS' future growth prospects may be seen as forward-looking statements, which are subject to a number of risks, and uncertainties as a result of which actuals could differ materially from such statements. HGS does not undertake to update any such statement that may have been made from time to time by HGS or on its behalf.



Overall Performance Update

Partha DeSarkar

H1 FY2024 Summary – BPM business

- Global economic uncertainty has led to client spending cuts and delayed decision-making industry-wide.
- New logo acquisition for big deals has been a challenge; Existing clients continue to expand.
- We expect a muted revenue growth this year, led by these factors.
- Our focus is on managing costs and improving margins.
- To build impetus on growth, we have hired two seasoned business development professionals, both in the US and UK to head the function.
- Real estate rationalization efforts continue - sold a property in Lisle, Illinois.
- Hybrid working model –
 - All onshore geographies are now 99% work from home
 - Offshore geographies, in contrast, are mostly work from office. Most of our sites are now full, except for a site in Cebu, Philippines.
- Summing up, we had slower growth of revenues in Q2, but have improved margins by focusing on cost rationalization, real estate footprint reduction and overhead management.

Overall steady performance in CX business

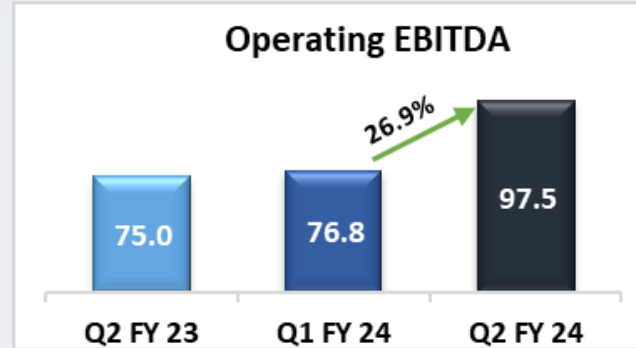
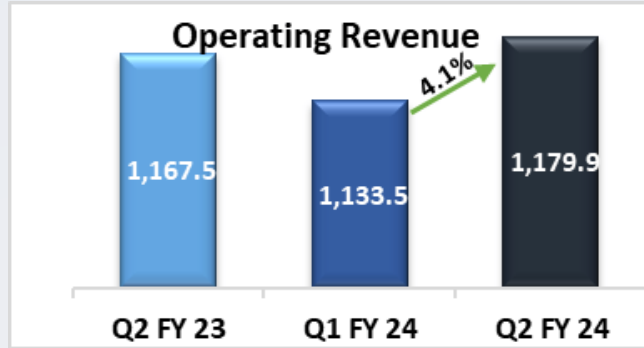
- Strong Performance by the Canadian Business, led by higher volumes
- Focus on growing offshore/ nearshore business – APAC is doing very well... Diversify shows improvement; Colombia and Jamaica sees steady progress
- Onshore US and UK business remain muted in both revenue and profitability
- Signed some new logo wins and key renewals in the UK – but the challenge is to replace the COVID/ public health-related revenue in FY2021-FY2023 and subsequent ramp down
- Change of business mix, real estate rationalization and cost containment has led to YoY and QoQ EBITDA margin improvement

Modest performance in Technology Solutions business

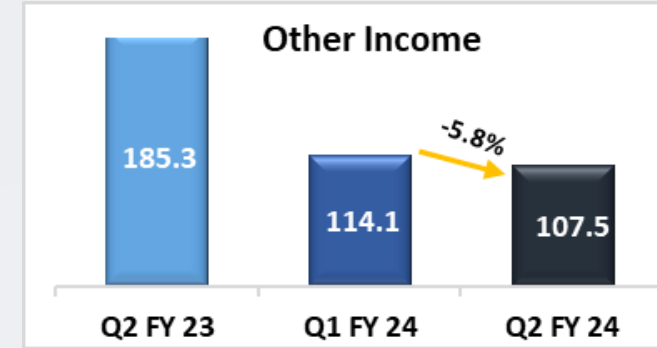
- TekLink doing very well –
 - EBITDA of 20%+ in Q2
 - Won four new logos in Q2
 - Cross-sell opportunities – signed several engagements with existing clients.
- Continue to focus on longer term deals in areas like managed services and referral-based leads
- Encouraging pipeline, led by cross-selling efforts and sales enablement
- Strong interest for our new solutions - HGS Agent X and HGS Interactive's proprietary collaborative agency partner solution
- Slower client spending cadence due to economic uncertainty; Significant spend reduction by one of our largest social media clients and delayed project starts have softened FY2024 revenue.

HGS Cons. – Snapshot of Q2 FY2024 financial performance

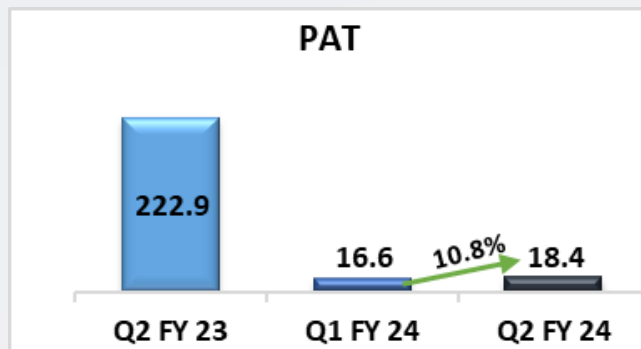
INR Cr



Operating EBITDA improved by 30% YoY;
Margins improved to 8.3% from 6.4% YoY



| Other Income Breakup | Q2 FY 23 | Q2 FY 24 |
|--------------------------|--------------|--------------|
| Interest Income | 69.1 | 56.2 |
| Profit on sale of assets | 28.7 | 2.4 |
| Forex and Others | 88 | 49 |
| Total | 185.3 | 107.5 |

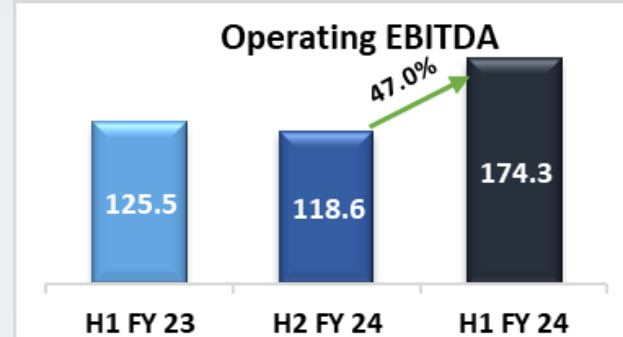
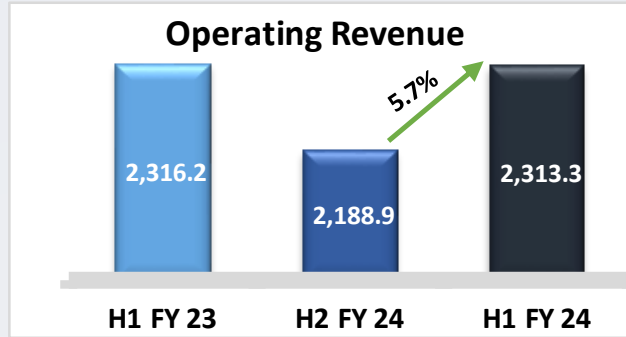


| PAT- Q2 FY 23 | in INR Cr |
|-------------------------|--------------|
| Continuing Operations | 107.2 |
| Tax Reversals | 68.9 |
| Discontinued Operations | 46.7 |
| Total | 222.9 |

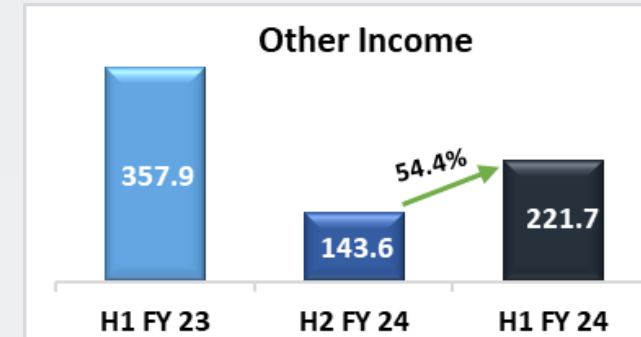
Other income in Q2 FY2023 was higher by
Rs. 77.8 Crs

HGS Cons. – Snapshot of H1 FY2024 financial performance

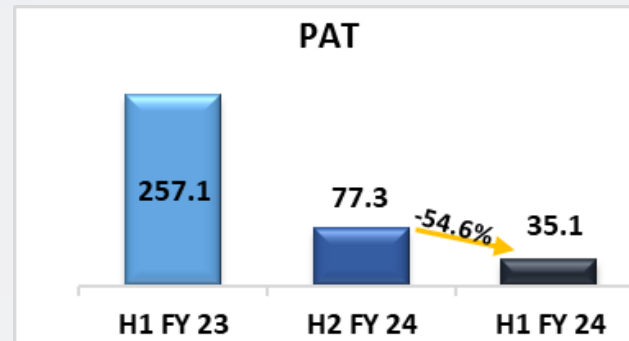
INR Cr



Operating EBITDA improved by 38.9% YoY;
Operating EBITDA margins improved from 5.4% to 7.5%.



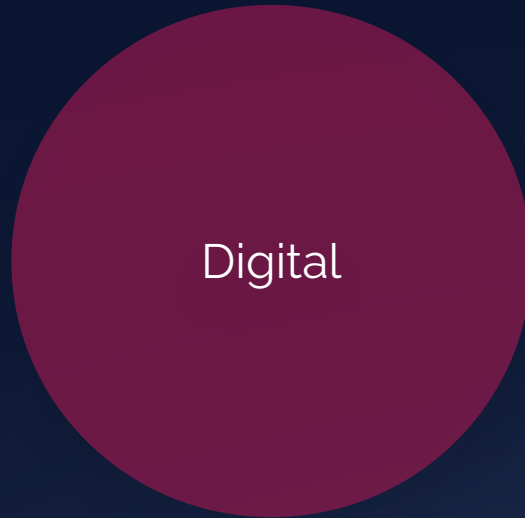
| Other Income Breakup | H1 FY 23 | H1 FY 24 |
|--------------------------|--------------|--------------|
| Interest Income | 124.3 | 128.1 |
| Profit on sale of assets | 44.1 | 2.4 |
| Forex and Others | 189.6 | 91.3 |
| Total | 357.9 | 221.7 |



| PAT- H1 FY 23 | in INR Cr |
|-------------------------|--------------|
| Continuing Operations | 184.1 |
| Tax Reversals | 26.7 |
| Discontinued Operations | 46.2 |
| Total | 257.1 |

Other income in H1 FY2023 was higher by Rs. 136.2 Crs

HGS - Current State

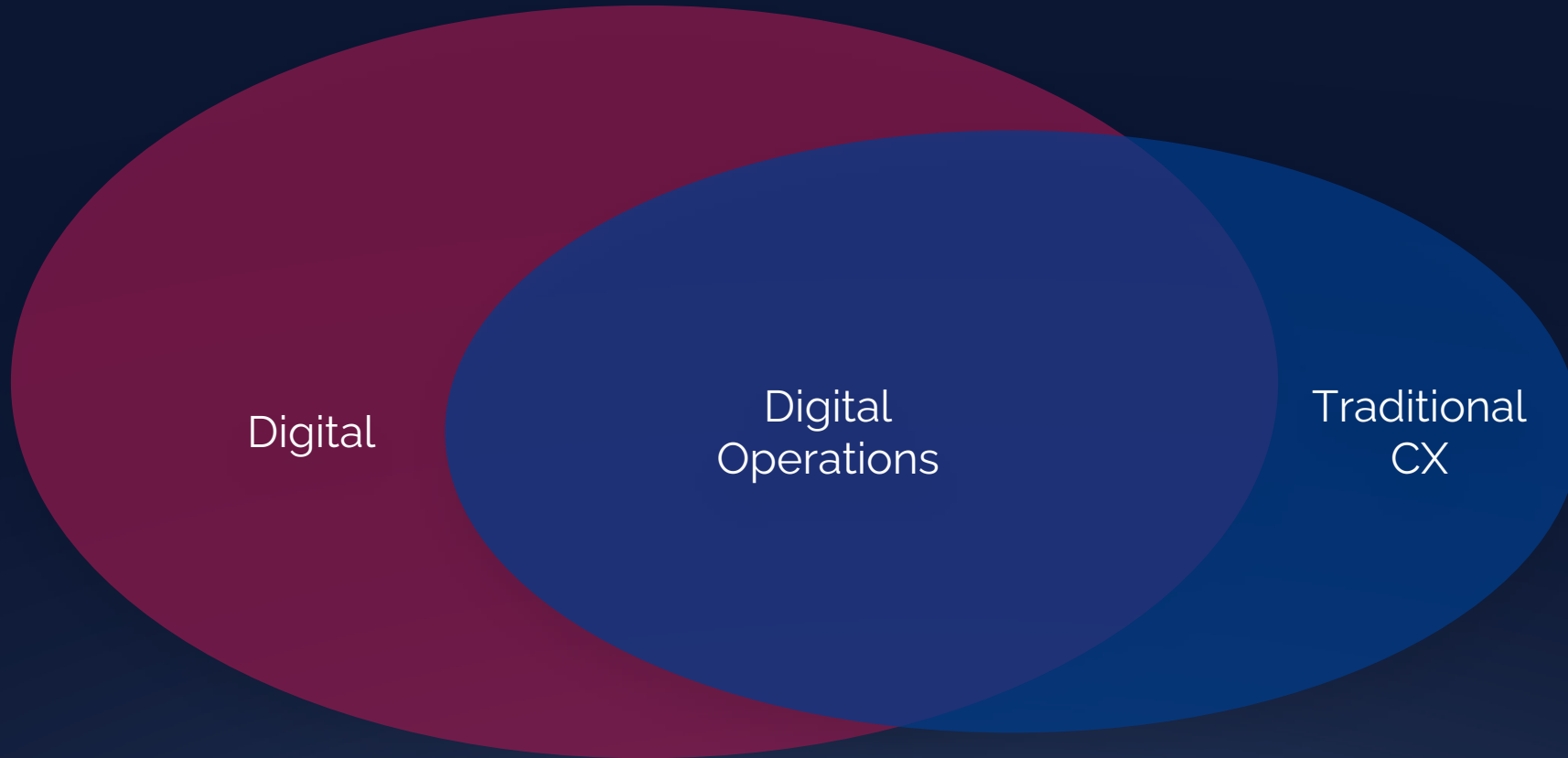


- App Development / Maintenance
- Cloud Deployment & Migrations
- Systems Implementations (Content Management, Portals, CRM, Etc.)
- Data Engineering & Analytics
- Cyber Security
- Process Automation



- Contact Center with heavy workforce deployment
- Manpower driven Back Office Process management
- Technology is seen as a job tool

HGS - Future State



- App Development / Maintenance
- Cloud Deployment & Migrations
- Systems Implementations (Content Management, Portals, CRM, Etc.)
- Data Engineering & Analytics
- Cyber Security
- Process Automation

- AI Driven Process Management
- AI Supported Unattended Customer Service (ChatBot / IVA)
- AI Supported Attended Customer Service
- AI Ops (Data Tagging / Labeling)

- Contact Center with heavy workforce deployment
- Manpower driven Back Office Process management
- Technology is seen as a job tool

Generative AI @ HGS – current state

The world's fascination with ChatGPT proves generative AI will continue to dominate CX strategy.

HGS is deploying AI for monitoring, reporting, and improving CX across front and back-office processes, while driving transformation for clients.

Faster handle times –
lesser customer
complaints

Refined & smarter
professional responses

Training for success –
personal trainer for
agents

Enhanced Self-service
– saves time and effort

Internally, HGS is investing significantly in adopting AI even as we put specific safeguards to maintain organizational and personal security .

- Ongoing exercise to embed AI in our internal applications, wherever possible – includes data analytics platform, HR apps, training portals, etc
- Adopted hybrid model – open-source AI on subscription basis and internal AI development
- Small labs in Bengaluru and New York
- Use Cases:
 - Initial work with NLP and ML – to improve CVs database
 - Fit Index and Early Warning System
 - Focus on predictive & cognitive analytics, cloud migration, social, contact center telephony, etc
- Published AILLM policy for employees



Digital Media Business – An Update

Vynsley Fernandes

INTRODUCING

celerityx

Simplifying Complexity, Powering Success

With our cutting-edge connectivity solutions,
we empower businesses to achieve new
heights of efficiency and performance.



CelerityX launched!

VALUE PROPOSITION

CelerityX offers a comprehensive suite of Enterprise-Wide Area Network (WAN) solutions, delivering simplified, secure, and high-performing application experiences across on-premises, cloud, and platform economy environments.



SkyX - Broadband over Satellite solutions: Get superfast connectivity in remote areas with SkyX, India's premier Broadband-over-Satellite solution. SkyX gives you high-quality video calling with over 1TB data usage and lightning-fast speeds of up to 20 Mbps. Seamlessly connect your business to the internet and leverage the full suite of office applications with SkyX!



OneX - Network-In-a-Box Solution: Seamlessly connect your retail outlets in different locations without compromising security with OneX. You can leverage bandwidth aggregation across wireless and wireline networks to create a seamless and highly reliable connection for your retail operations. OneX has built-in Unified Threat Management (UTM) features such as a stateful firewall, IDS/IPS, and end-point security.



NetX - Enterprise-Grade MESH Connectivity: NetX is a single provider for feasibility, delivery, project management, and billing across multiple service providers over fibre, RF, 4G/5G, and Broadband-over-Satellite. Our digitally enabled portal offers seamless integration via APIs and includes GST reconciliation for streamlined operations.



HomeX - Work-From-Home Solutions: With HomeX, monitor and secure your employees' home networks easily. It has stateful firewalls, end-point security, and Mac address-based access to core applications, which ensures data integrity and protects sensitive information. It also offers SIM-based backup, network segmentation, and intelligent application prioritisation, allowing users to remain productive at home.

Press coverage

ONEOTT forays into enterprise solutions segment in India

CelerityX will offer a comprehensive suite of enterprise solutions, including Broadband Satellite (BSat), Fiber and 3G mesh networks, as well as zero-touch digitally enabled solutions, across on-premise, cloud and platform economy environments. ONEOTT

ONEOTT Expands into Enterprise Solutions Segment with CelerityX

DALAL STREET INVESTMENT JOURNAL
DEMOCRATIZING WEALTH CREATION

This BPO/KPO company launches its enterprise networking solutions brand CelerityX; scrip jumps over 3 per cent!

ONEOTT INTERENTAINMENT launches its enterprise networking solutions brand "CELERITYX"

CelerityX offers tailor-made, personalised digital solutions for enterprise customers

ONEOTT INTERENTAINMENT launches enterprise networking solutions brand 'CelerityX'

By The News Desk | August 22, 2023

The company has a good return on equity (ROE) track record with 3-year ROE of 45.9 per cent and has been maintaining a healthy dividend payout of 20.8 per cent.

celerityx

Hinduja Global Solutions' broadband subsidiary ONEOTT INTERENTAINMENT Limited (OIL), the broadband subsidiary of Hinduja Global Solutions (HGS) announced that it is foraying into the fast-growing enterprise solutions segment in India, leveraging its expertise in technology and domain knowledge gained through its B2C business.

The new brand - CelerityX offers a portfolio of bespoke digital solutions for enterprise customers of any scale or strength.

India's 4th largest private Internet Service Provider ONEOTT INTERENTAINMENT Limited (OIL), the broadband subsidiary of Hinduja Global Solutions (HGS) announced that it is foraying into the fast-growing enterprise solutions segment in India, leveraging its expertise in technology and domain knowledge gained through its B2C business.

10:54 AM Hinduja Global Solutions' Oneott intertainment launches its enterprise networking solutions brand "CELERITYX"

Hinduja Global Solutions Ltd.

1032.50 ▲ 21.95 (2.17%)

ONEOTT INTERENTAINMENT launches "CELERITYX"

India's 4th largest private Internet Service Provider ONEOTT INTERENTAINMENT Limited (OIL), the broadband subsidiary of Hinduja Global Solutions (HGS) announced that it is foraying into the fast-growing enterprise solutions segment in India, leveraging its expertise in technology and domain knowledge gained through its B2C business.

The new brand - CelerityX offers a portfolio of bespoke digital solutions for enterprise customers of any scale or strength.

"CelerityX" combines the word "Celerity", meaning swiftness or speed, with the letter "X", which connotes advanced, cutting-edge technology. The brand name reinforces the strong focus on speed, agility, and technology.

Corporate News

Hinduja Global Solutions announced that its broadband subsidiary, ONEOTT INTERENTAINMENT is foraying into the fast-growing enterprise solutions segment in India, leveraging its expertise in technology and domain knowledge gained through its B2C business. The new brand - CelerityX offers a portfolio of bespoke digital solutions for enterprise customers of any scale or strength. "CelerityX" combines the word "Celerity", meaning swiftness or speed, with the letter "X", which connotes advanced, cutting-edge technology. The brand name reinforces the strong focus on speed, agility, and technology.

NLD Backbone for Broadband

Plan

- 8,000 kms across 10 states
- Covers 150+ cities and towns enroute using OPGW & Underground connectivity
- Will deliver 1 Tbps capacity with DWDM/IPoDWDM

Progress to date

- >6,000 kms of NLD networks commissioned and “operationalized” connecting 125 cities and multiple towns and villages enroute.
- >800 Gigs of capacity created for existing and new customers
- High capacity, scalable and robust NLD network for improved quality of services
- No additional costs from telcos for connecting customers in these locations
- Key Routes & key cities “live”:
 - Mumbai – Nagpur : 41 cities
 - Delhi - Patna : 38 cities
 - Delhi – Dehradun : 6 cities
 - Mumbai – Delhi : 20 cities
 - Mumbai – Goa : 20 cities



KPIs – Q2 FY2024

Both key business verticals viz. Digital Television (DTV) and Broadband (BB) have shown growth in Q2FY24 on the back on new initiatives including expansion in new markets and customized packaging.

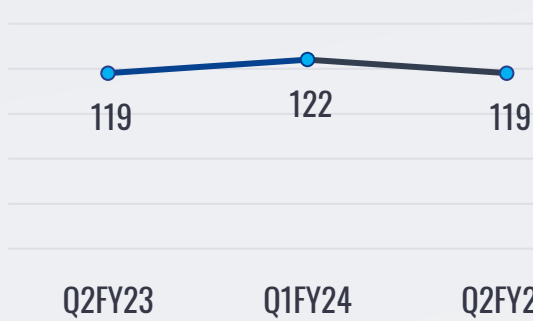
Digital Television (DTV) Subscriber Base

(in millions)



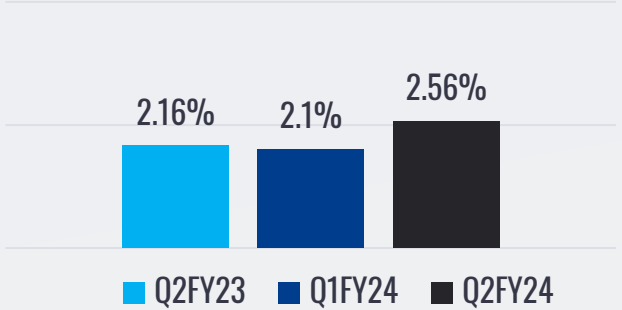
DTV ARPUs (Average Revenue Per User)

(Exit ARPU in ₹)



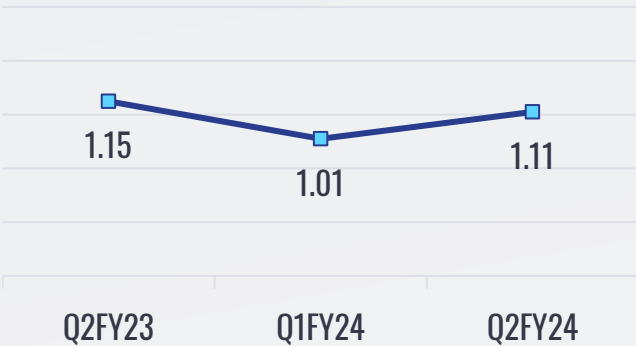
DTV 90-days Net Churn

(Figs. As Qtr exit in %)



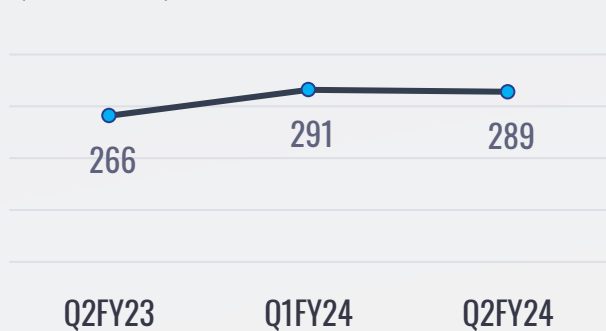
Broadband Subscriber Base

(in millions)



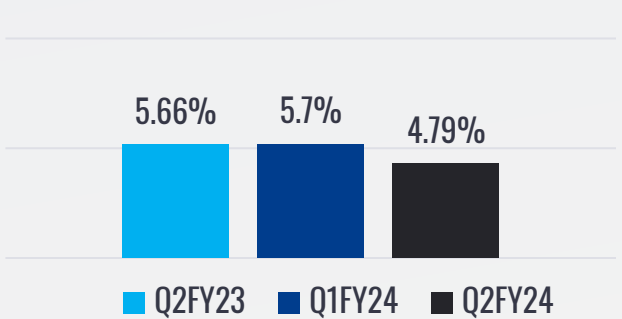
Broadband ARPUs (Average Revenue Per User)

(Exit ARPU in ₹)



Broadband 90-days Churn - Franchise

(Figs. As Qtr exit in %)





Financial Update

Srinivas Palakodeti

Since the sale of Healthcare Business in January 2022...

US\$ 28 million

Acquired Diversify in Australia

US\$ 57 million

(paid till date)

Acquired Teklink

For shares of HGSL

Acquired Digital Media Business (**NXTDIGITAL**)

Rs. 548.2 crore

Dividends Paid

Rs. 1,246 crore

Buyback + Taxes

Rs. 4,874.7 crore

(Net Cash & Treasury Surplus as on September 30th, 2023)

Available for Future Growth

Q2 FY2024 Performance

| | Actual | Actual | QoQ Growth | Actual | YoY Growth |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 FY 24 | Q1 FY 24 | % | Q2 FY 23 | % |
| Revenue from Operations | 1,179.9 | 1,133.5 | ↑ 4.1% | 1,167.5 | ↑ 1.1% |
| Other Income | 107.5 | 114.1 | ↓ -5.8% | 185.3 | ↓ -42.0% |
| Total Income | 1,287.4 | 1,247.6 | ↑ 3.2% | 1,352.8 | ↓ -4.8% |
| Total EBITDA | 205.1 | 191.0 | ↑ 7.4% | 260.3 | ↓ -21.2% |
| Total EBITDA % | 15.9% | 15.3% | | 19.2% | |
| Depreciation | 134.9 | 123.8 | ↓ 8.9% | 117.6 | ↓ 14.7% |
| Interest Expense | 45.7 | 38.8 | ↓ 17.8% | 35.5 | ↓ 28.8% |
| PBT | 24.5 | 28.3 | ↓ -13.5% | 107.2 | ↓ -77.1% |
| PBT % | 1.9% | 2.3% | | 7.9% | |
| Tax | 6.1 | 11.7 | | (68.9) | |
| PAT from continuing Operations | 18.4 | 16.6 | ↑ 10.8% | 176.2 | ↓ -89.5% |
| PAT (incl discontinued Operations) | 18.4 | 16.6 | | 222.9 | |
| <i>Operating EBITDA</i> | <i>97.5</i> | <i>76.8</i> | <i>↑ 26.9%</i> | <i>75.0</i> | <i>↑ 30.0%</i> |
| <i>Operating EBITDA %</i> | <i>8.3%</i> | <i>6.8%</i> | | <i>6.4%</i> | |

INR Cr

H1 FY2024 Performance

| | INR Cr | | |
|---------------------------------|----------------|----------------|----------------|
| | H1 FY 24 | H1 FY 23 | Var % |
| | Total | Total | Total |
| Revenue from Operations | 2,313.3 | 2,316.2 | ● -0.1% |
| Other Income | 221.7 | 357.9 | ● -38.1% |
| Total Income | 2,535.0 | 2,674.2 | ● -5.2% |
| Total EBITDA | 396.0 | 483.5 | ● -18.1% |
| Total EBITDA % | 15.6% | 18.1% | |
| Depreciation | 258.7 | 223.8 | ● 15.6% |
| Interest Expense | 84.5 | 75.5 | ● 11.9% |
| PBT | 52.9 | 184.1 | |
| Tax | 17.8 | (26.7) | |
| PAT from continuing Operations | 35.1 | 210.9 | ● -83.4% |
| PAT % | 1.4% | 7.9% | |
| Total PAT for the period | 35.1 | 257.1 | |
| <i>Operating EBITDA</i> | <i>174.3</i> | <i>125.5</i> | ● <i>38.9%</i> |
| <i>Operating EBITDA %</i> | <i>7.5%</i> | <i>5.4%</i> | |
| Exchange Rate | 82.42 | 78.90 | |

H1 FY 23 had DPI reversal of Rs. 25 Crs. Adjusted for which, H1 FY 23 Operating EBITDA was **Rs. 100.5 Crs** resulting in **73.4 %** Growth YoY

Balance Sheet Sep 23 vs March 23: Overall

| Summary Balance Sheet as at | In INR Cr | In INR Cr |
|--|-----------------|-----------------|
| Particulars | Sep-23 | Mar-23 |
| Shareholders' Funds | 7,487.8 | 8,702.3 |
| Share Capital | 46.5 | 52.5 |
| Other Equity & Non controlling Interest | 7,441.3 | 8,649.8 |
| Bank Borrowings & ICDs | 873.3 | 320.8 |
| Other Current & Non-Current Liabilities | 2,471.0 | 2,341.3 |
| Capital Employed | 10,832.1 | 11,364.4 |
| Fixed Assets & Intangibles & Right To Use assets | 2,900.9 | 2,802.1 |
| Other Non-Current Assets(including Noncurrent Treasury Surp) | 4,070.7 | 3,482.9 |
| Total Non-Current Assets | 6,971.6 | 6,285.0 |
| Sundry Debtors & Other Current Assets | 1,293.9 | 1,045.9 |
| Current Treasury Surplus(incl Loans & Investments) | 1,890.3 | 2,921.1 |
| Cash and Cash Equivalents | 676.4 | 1,112.4 |
| Total Current Assets | 3,860.6 | 5,079.3 |
| Capital Deployed | 10,832.1 | 11,364.4 |

Reduction in Shareholder's funds is mainly due to reduction of Other Equity as a result of Buyback of Shares

Reduction in Treasury Surplus is mainly due to funds used for Buyback of Shares and additional payment to TekLink sellers

Cash Flow Statement Sep 23 vs Sep 22: Overall

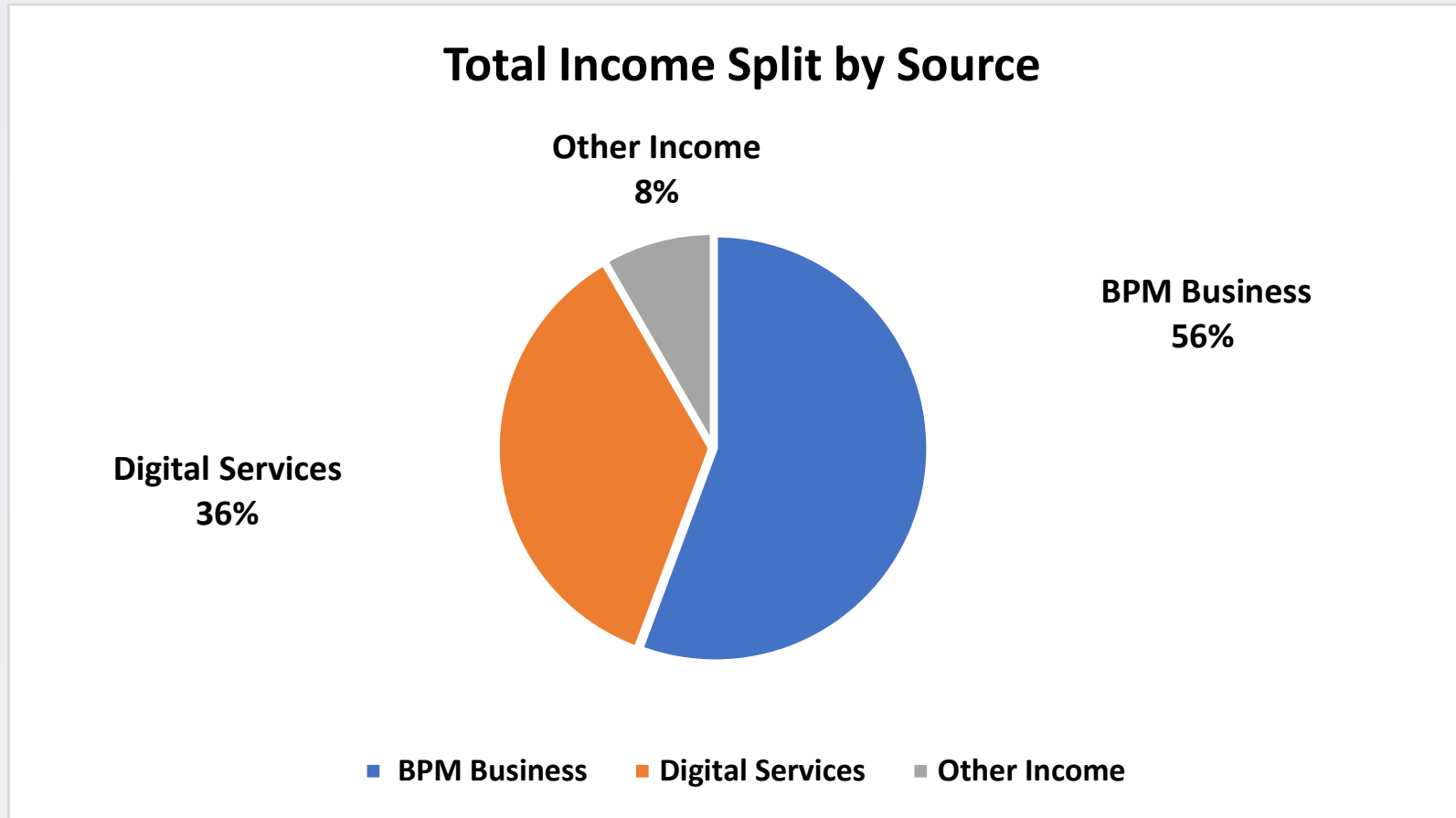
| | <i>In INR Cr</i> | <i>In INR Cr</i> |
|---|------------------|------------------|
| <i>Summary Cash flow as at</i> | <i>Sep-23</i> | <i>Sep-22</i> |
| EBITDA | 396.0 | 493.1 |
| Impact of Working Capital Changes and Other Adjustments | (364.3) | (521.4) |
| Cash flow from Operations | 31.7 | (28.3) |
| Capex (Investments)/Proceeds | (70.7) | 71.6 |
| Treasury (Investments)/Proceeds | 549.7 | 480.9 |
| Total Investments | 479.0 | 552.5 |
| Cash flow from Operating and Investing activities | 510.7 | 524.2 |
| Borrowings (net of repayments) | 552.5 | (180.7) |
| Dividend | (1.1) | (18.7) |
| Buyback and related expenses | (1,254.8) | - |
| Others | (237.8) | (174.3) |
| Cash flow from Financing activities | (941.2) | (373.8) |
| Net increase/ (decrease) in cash and cash equivalents | (430.5) | 150.4 |
| Cash and Cash Equivalents at the beginning of the financial year | 1,112.4 | 2,076.8 |
| Cash and Cash Equivalents at end of the year(net of Forex) | 676.4 | 2,235.9 |

Summary Financial Profile

| Particulars | HGSL | |
|--|--|--|
| | <i>in INR Cr (Except per share data)</i> | <i>in USD Mn (Except per share data)</i> |
| Shareholder's Fund | 7,487.8 | 908.5 |
| Book value per share | 1,609.6 | 19.5 |
| Price per share | 949.0 | 11.5 |
| EPS (TTM) | 21.4 | 0.3 |
| P/E Ratio (TTM) | 44.2 | 44.2 |
| Gross Debt | 873.3 | 105.9 |
| Net Cash & Treasury Surplus | 4,874.7 | 591.4 |

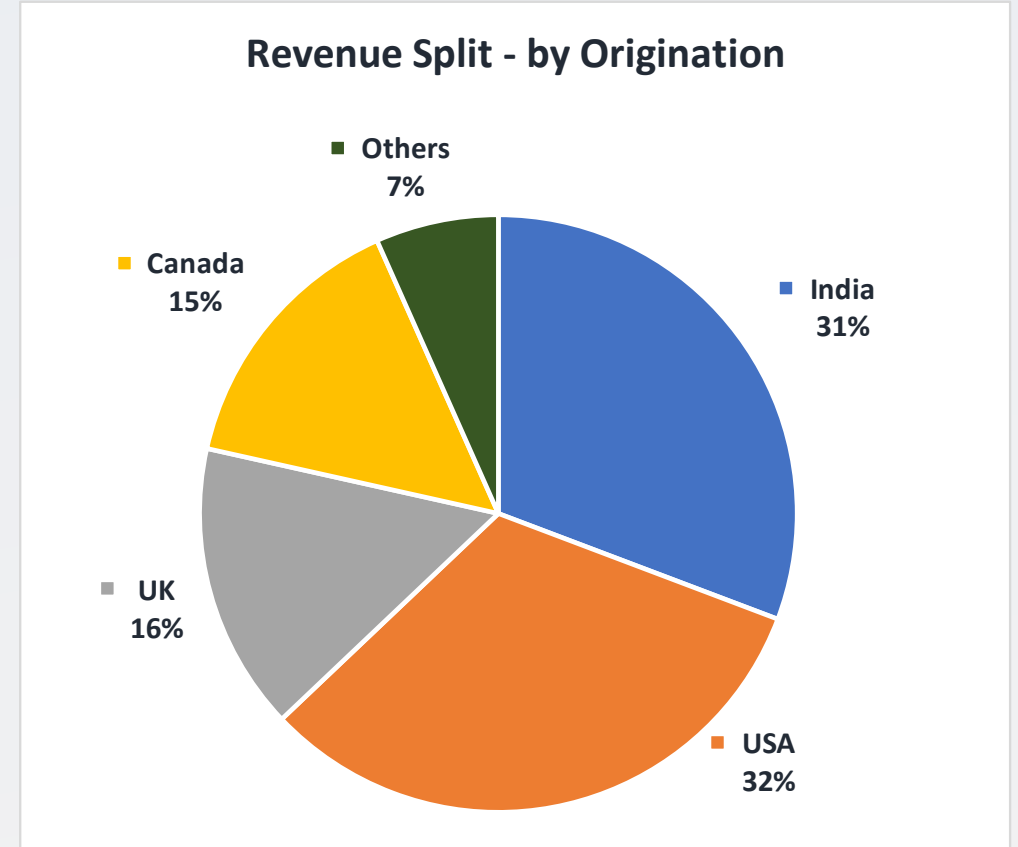
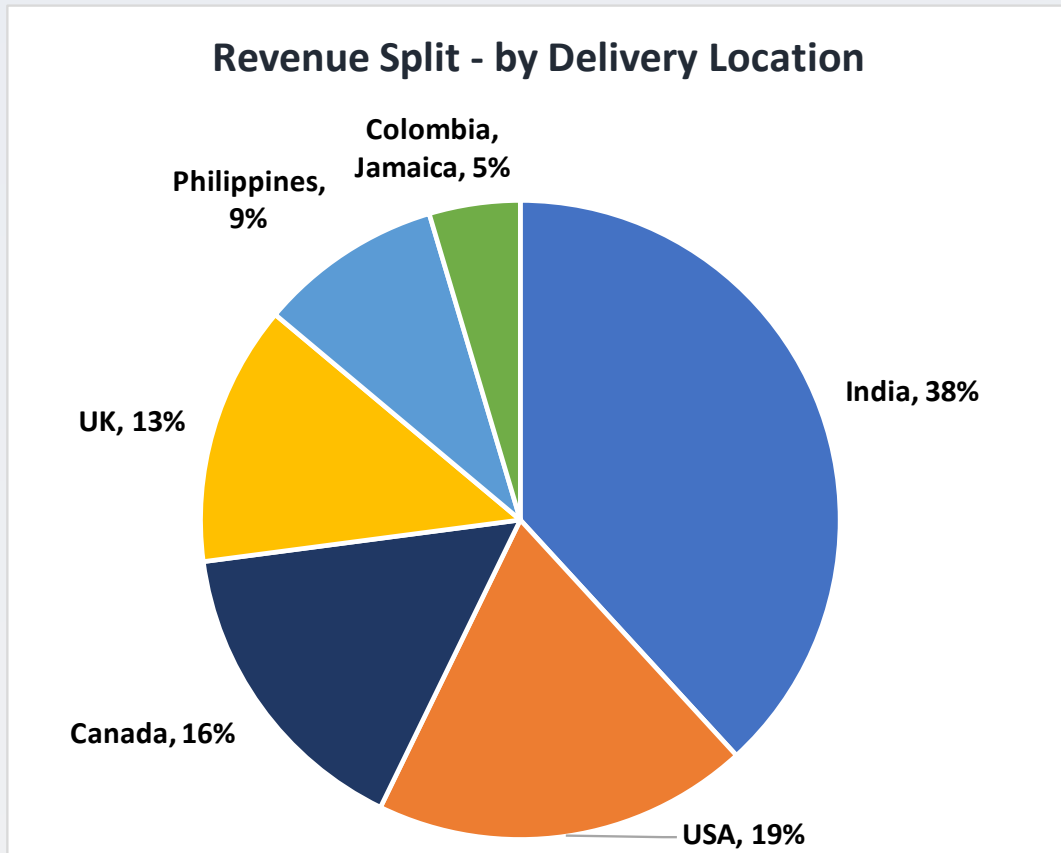
| Net Cash & Treasury Surplus | INR Cr |
|--|---------------|
| As at 30 Sep 2023 | 4,875 |
| As at 30 June 2023 | 4,962 |
| Movement | -87 |

Q2 Total Income Composition of Rs. 1,287.4 Cr



Q2 FY2024

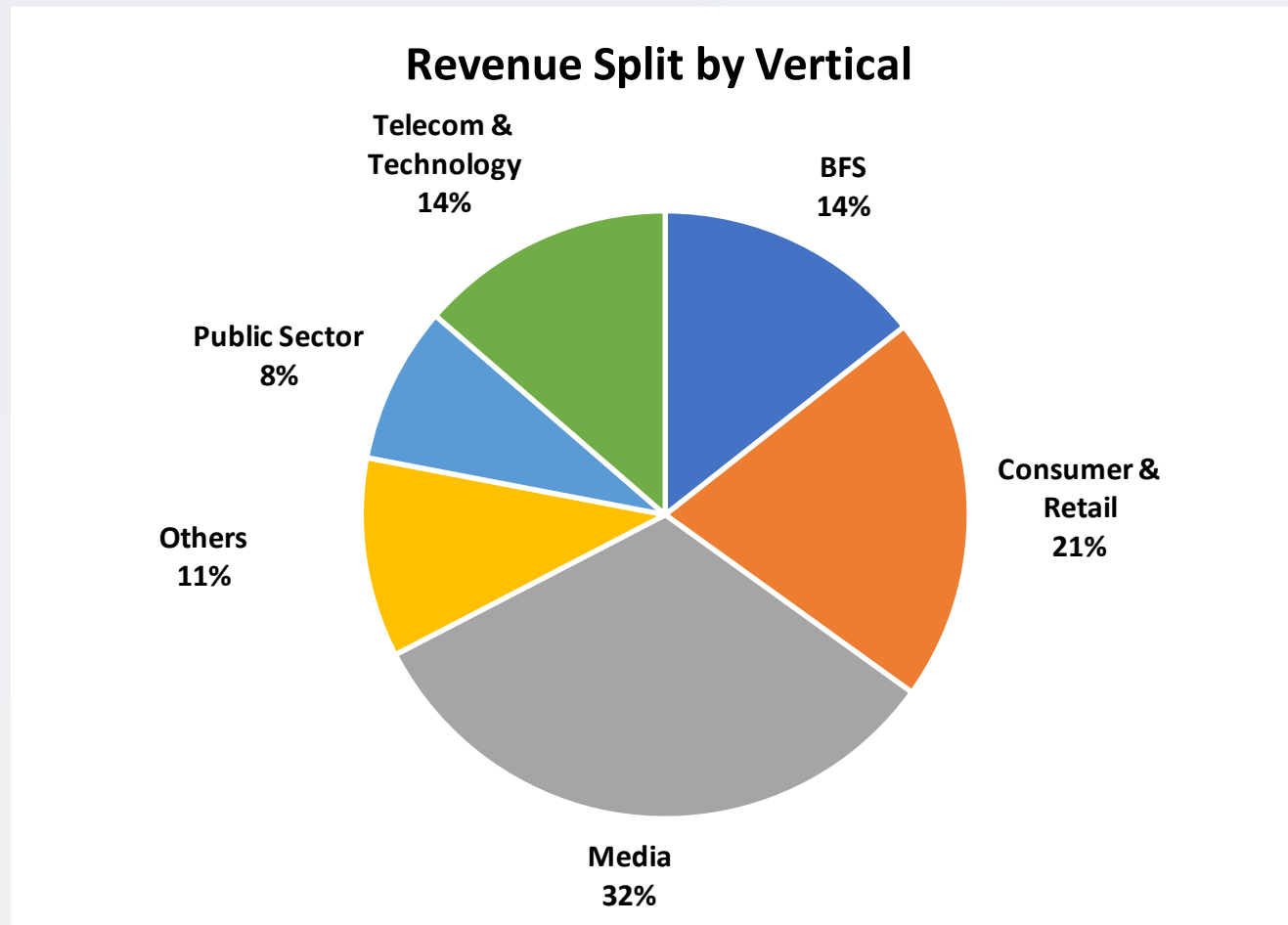
Q2 Operating Revenue Composition of Rs. 1,179.9 Cr



Others : Philippines, Jamaica & Australia

Q2 FY2024

Operating Revenue (Rs. 1,179.9 Cr) Split by Vertical



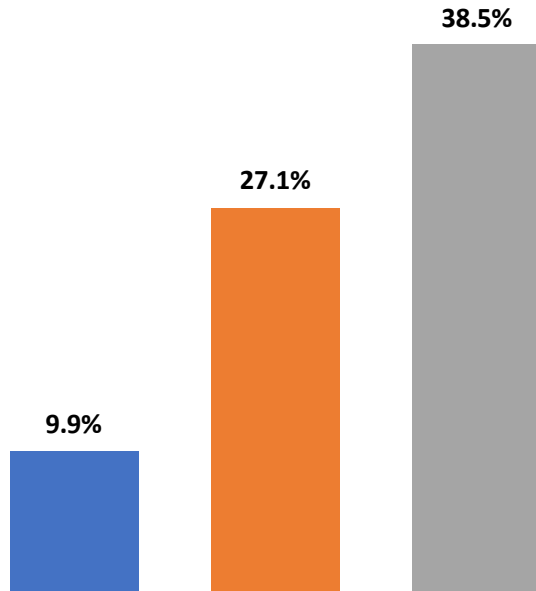
Q2 FY2024

Revenue Profile



Client Concentration

■ Top Customer ■ Top 5 Customers ■ Top 10 Customers

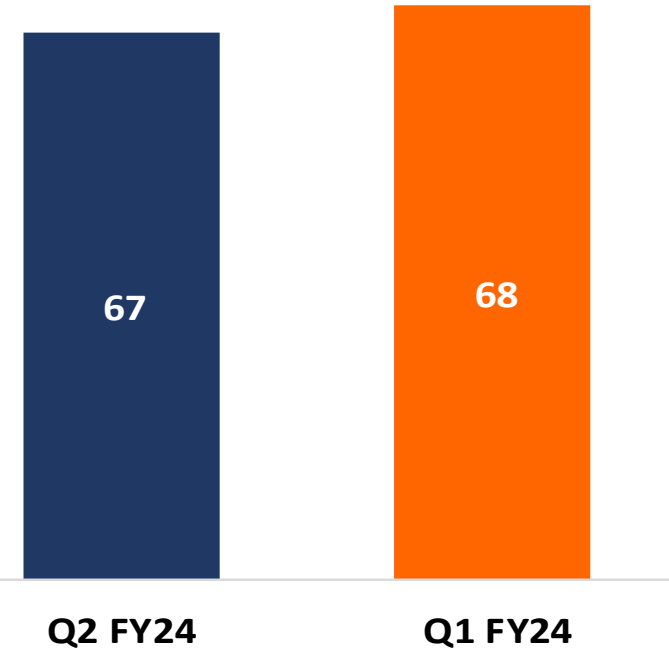


Revenues of Rs 1,179.9 Cr



DSO

DSO (In Days)



DSO – Overall includes BPM and Digital Media businesses

Q2 FY2024



Thank You

investor.relations@teamhgs.com