

February 18, 2025

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: Q3 & 9M FY 2024-25 Earnings Call presentation**

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This is in continuation to our communication dated February 11, 2025 about Q3 & 9M FY 2025 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/>

The said Earnings Call is a group meet.

Kindly take note of the above.

For **Hinduja Global Solutions Limited**

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DRA  
SINGH  
Digitally signed  
by NARENDRA  
SINGH  
Date:  
2025.02.18  
14:40:13 +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,  
E-mail: [investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com) Website: [www.hgs.cx](http://www.hgs.cx) Corporate Identity Number: L92199MH1995PLC084610





# HGS Earnings Call Presentation

## Q3 & 9M FY2025

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February 18, 2025

# Safe Harbour

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*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

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Partha DeSarkar

# Company at a Glance

A global leader in optimizing the customer experience lifecycle, digital transformation, business process management and digital media ecosystem

- HGS serves 1K+ brands across BPM, technology and HRO
- 7K+ digital transformations | 2K+ analytics projects | 1K+ cloud migrations | 55 technology partners
- 4th largest private ISP - broadband backbone of over 2 lakh kms of own + partner fibre networks across India
- DTV available in 1,500+ cities and towns — with a significant presence in the fastest-growing demographics of semi-urban, semi-rural, and rural India

~18,000+  
Employees

10 Countries  
33 Delivery  
Centers

4,500  
Pincodes covered  
across India

~1.05 Mn  
Broadband  
Subscribers

4.16 Mn+  
DTV Subscribers

INR 5,152 Cr+  
Net Cash &  
Treasury Surplus



## Business Process Management



### CX

- Business Process/ Contact Center Outsourcing,
- Generative AI for CX
- CX Accelerator (Agent X)
- Social Care and Content



### Digital

- Cloud
- Cyber Security
- Data Engineering
- Data Analytics
- AI Consulting, Application Modernization
- Experts on Demand
- IDP



## Media



### Broadband

- Network as a solution (OneX)
- Home
- Wired
- Broadband
- OTT



### DTV

- Digital Cable Television
- Country's only Headend-In- The Sky Platform
- **NXT**Hubs



# Snapshot of HGS' financial performance

## Q3 FY2025

- Total income stood at Rs. 1,234.9 crore (US\$ 147 million)
- Operating revenue was Rs. 1,064.1 crore (US\$ 126.7 million)
- Total EBIDTA was Rs. 234 crore (US\$ 29.9 million); EBITDA margins were 19%.

## 9M FY2025

- Total income stood at Rs. 3,661.0 crore (US\$ 435.9 million)
- Operating revenue was Rs. 3,243.1 crore (US\$ 386.2 million)
- Total EBIDTA was Rs. 532.6 crore (US\$ 63.4 million); EBITDA margins were 14.5%.



## Key business highlights

- While delays in decision-making on award of contracts persist, we have won some significant deals in the technology services segment in Q3
  - Led by HGS Agent X™, AI, cloud, digital marketing, and analytics & planning services
  - Signed a core IT services engagement with a BFSI organization in the Americas
- Sales pipeline continues to grow
- Offshoring demand is healthy; HGS OSS (Diversify) and APAC region show robust growth
- Merger of five US wholly-owned subsidiaries with HGS CX Technologies Inc., a step down wholly-owned subsidiary of HGS has been completed, effective 6pm EST, February 14, 2025





## We are Expanding...

- Our new geo **South Africa** is tracking well... Due to increased interest, we **will double delivery capacity in Cape Town** over the next few months
- **New center inaugurated in Bengaluru, India in January 2025** - Focused on delivering core IT and AI Platform services to clients
- **Delivery center coming up in April 2025 in Waterloo, Canada** - Focused on delivering digital and CX services to clients, including public sector



A hand holding a glowing AI chip with circuitry and a network background. The background is a dark blue gradient with a network of white dots and lines. The AI chip is a glowing purple square with the letters 'Ai' in white. The hand is a light blue silhouette, holding the chip from below. The overall image has a futuristic, technological feel.

# **Major Business Transformation in progress @ HGS**

**Leading to a  
“Sustainable Technology Driven Business”  
Profile**

# Sustainable Technology Driven Business

## Technology Services

Expand Capabilities & Increase  
Recurring Revenue

- Move from Projects to Managed Services for Recurring Revenue
- Total IT Outsourcing / GCC
- New Capabilities - Cyber Security
- AI based Dev & Implementation Services

## Digital Operations

Transition BPM Services into  
Verticalized AI Driven PaaS

- AI Based Unattended Customer Service (ChatBot / IVA)
- AI Driven Vertical Process Management Solutions
- AI Ops (Data Tagging / Labeling)

## Traditional CX

Drive Client Retention & Higher  
Margins from BPM Clients

- Move Headcount Based Contact Centers to AI supported Automation
- Drive Costs down through Global Shoring
- Migrate to Transaction based Pricing

**Lower Revenues in the Short Term with Increasing Margins over time**

**Position to drive Non-Linear Recurring Revenue**

# Traditional CX

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*Drive Client Retention & Higher Margins from BPM Clients*

## Global Shoring

- Existing Clients increasingly transitioning to South Africa/ Colombia and Philippines
  - Several new deals are offshore-based
  - Support functions are being centralized from Philippines/ India
- 

## AI Supported CX

- Agent X - Knowledge Assist & Training deployed across the Americas (Canada, US, Jamaica and Colombia)
  - All new deals include Agent X as part of the Service to enhance margin while staying competitive
  - Multiple Proof of Concepts in progress with clients to augment Conversational AI
- 

## New Capabilities in Agent X

- 250 Languages support through AI Translation, reducing the need for language talent
- Human like Intelligent Voice and Chat Assistant with Human in the Loop Command Center
- Voice Authentication & Deep Fake detection
- Fully Automated QA & Compliance Management increasing coverage from 1% to 25% of interactions



# Digital Operations

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*Transition BPM Services into Verticalized AI Driven PaaS*

## AI Driven Unattended CX

- Fully automated Quality Assurance (QA)
- Disclosure Bot expanded beyond HGS agents to their Global footprint
- Multiple Pilots in Unattended CX and automated QA
- Voice Auth, Automated QA and Voice Translation

Note – All the above-mentioned opportunities are transaction based and not dependent on head count

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## Vertical PaaS Solutions

### BFSI

- Fully functional Anti Money Laundering Solution
- Loan Origination Solution Accelerator

### Telco

- Customer 360 solution Accelerator for hyper personalization in Telecom

### Consumer Goods & Retail

- Knowledge Co-Pilot Solution using Gen AI

# Technology Services

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*Expand Capabilities & Increase Recurring Revenue*

## Move to Recurring Revenue

- Managed Services proposal out to multiple technology services (DX / Analytics) clients
- Closed a multi-year deal with a Bank for core IT Services

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## New Capability Development

### IT Outsourcing/ Global Capability Center

- Developed a process to hire 100 technology resources a month
- Developed an approach to build out technology clean room to support a GCC

### Cybersecurity Practice and Security Operations Center

- Created a Cybersecurity bench
- Established partnerships with market-leading vendors such as Sentinel One
- SOC services to group companies as a basis to establish credibility in external market

# Strategic Developments

*Verticalization, Consulting, and Partnerships bolster HGS credentials in new target markets.*

## Verticalization of Sales / Account Mngt

- **Improved Customer Engagement:** Vertical-specific strategies have enhanced customer engagement in BFSI, TMT, and Consumer Goods & Retail.
- **Pipeline Growth:** Verticalization has led to increased visibility and pipeline in strategic markets.
- **Bespoke Industry-Specific Solutions:** Strategic hires and partnerships drive tailored-innovation within each vertical.

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## Pre-Sales Consulting Team established

- **Consultative Approach:** Shifting perception of brand as pure-play BPO and establishing trust as a process improvement and AI expert.
- **Proof of Concept:** Pilot projects showcase solutions and improve ease of doing business.
- **Credibility:** Secure recognition as leader for Digital Agent Workplace solution provider.

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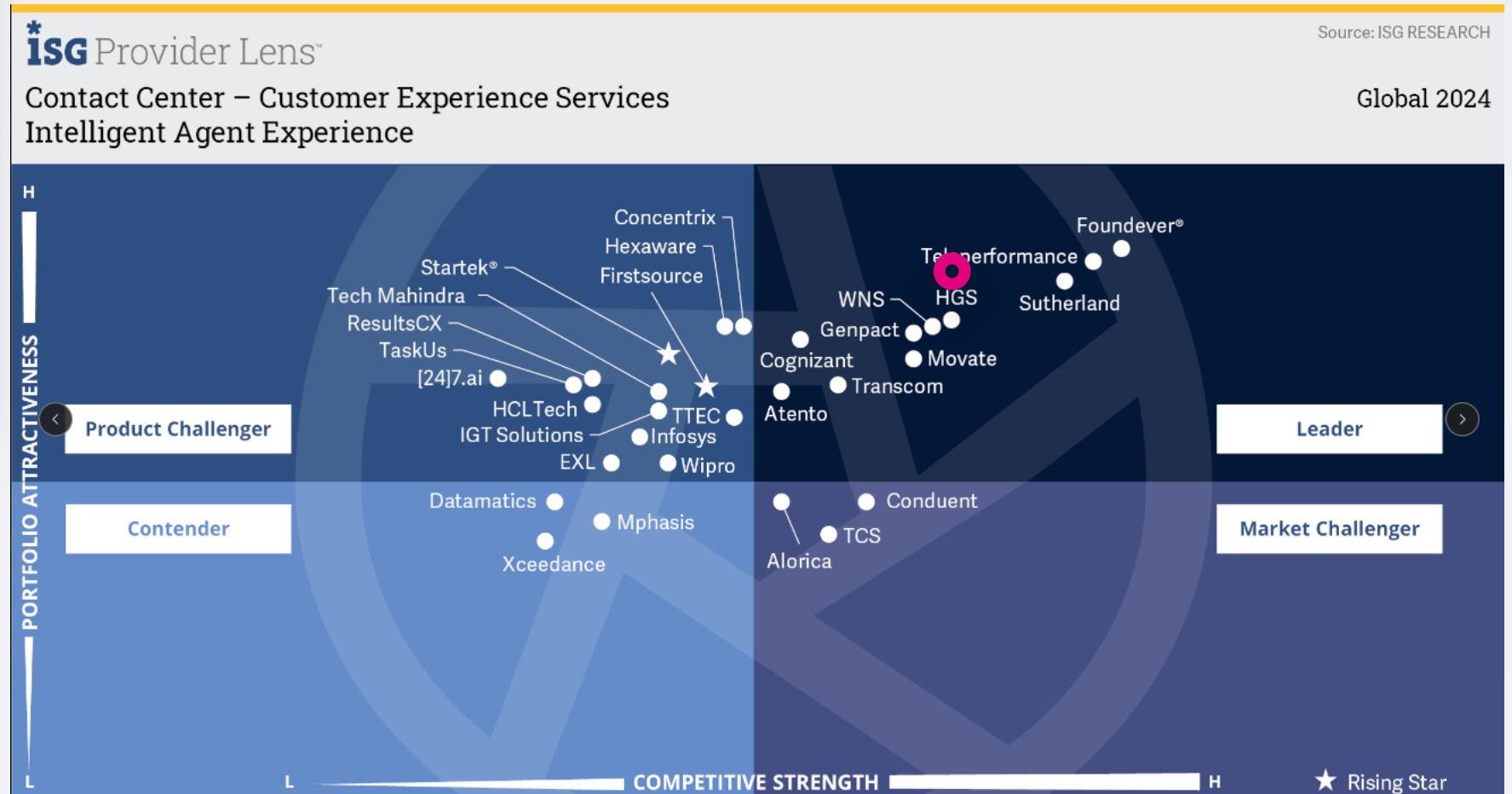
## Partnerships team established

- **Select Channel Partners:** Driving pipeline opportunities - SAP, Snowflake, Genesys, KPMG
- **Strategic Collaborations:** Leading technology providers help deliver enhanced professional services and drive value for customers – Microsoft, AWS.
- **AI Lab:** Fostering collaboration between partners and HGS operations, sales, and delivery teams, with a unified approach to innovation and growth.



# Building Industry-Leading in Digital Ops & CX Innovation

Recognized by leading industry analysts as a leader amongst the largest organizations in the market.



# Recognized for our Experiences and Talent



SOLE GOLD WINNER IN  
CONTACT CENTER SOLUTION CATEGORY  
(FOR HGS AGENT X)



MOST INNOVATIVE BEST PRACTICE' IN THE  
'CUSTOMER EXPERIENCE EXCELLENCE THROUGH  
DIGITAL TRANSFORMATION



CERTIFIED - G.P.T.W.:  
CANADA & PHILIPPINES



**BEST COMPANIES  
TO WORK FOR  
IN ASIA 2024**

2024 WINNER FOR PROVIDING BEST  
EMPLOYEE EXPERIENCE AND A SAFE AND  
HEALTHY WORKPLACE



# Digital Media Business: An Update

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Vynsley Fernandes



# Industry & Environment

## ETNOW

### **Budget 2025 Impact on Telecom Sector: Customs duty cut on ethernet switches to boost telecom infrastructure & rural broadband**

Budget 2025 Impact on Telecom Sector: In a move to reduce the cost of broadband expansion, Finance Minister Nirmala Sitharaman has proposed halving the basic customs duty (BCD) on carrier-grade Ethernet switches from 20% to 10% in the 2025 Union Budget. This change is expected to lower the cost of establishing telecom infrastructure, especially for rural and home broadband services.



### **Government to provide broadband connectivity to rural schools and PHCs under BharatNet**

*"Broadband connectivity will be provided to all government secondary schools and PHCs in rural areas under the BharatNet project," she said while presenting the Union Budget for 2025-26 in Parliament.*

BharatNet, originally approved by the Union Cabinet on October 25, 2011, is an ambitious initiative designed to provide high-speed and affordable Internet access to every gram panchayat (village block) nationwide.

# Broadband KPIs

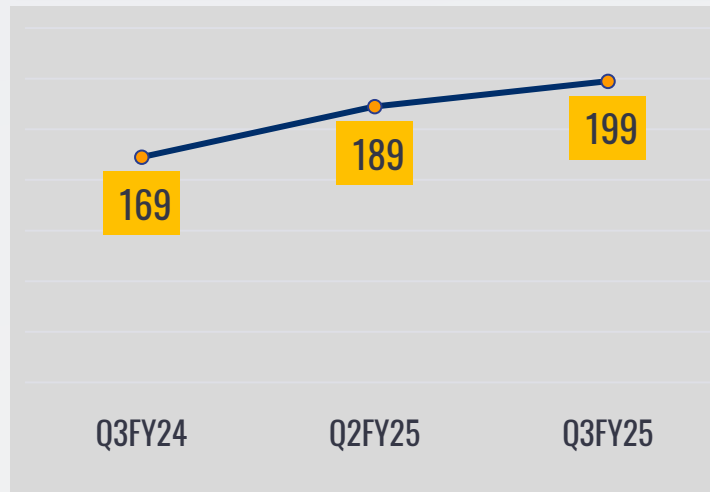
The Broadband vertical continued to see positive traction in Q3 FY2025, **improving on all KPIs**, most notably in the **ARPU of the retail business segment**.

- The vertical continued to build a robust diversified portfolio – with the **high ARPU “enterprise” segment contributing 10%** of the revenues for the 9M FY2025 period.
- **OneBusiness**, the division catering to the MSME & SOHO segments, was **commercially launched in December, 2024 in Mumbai**.

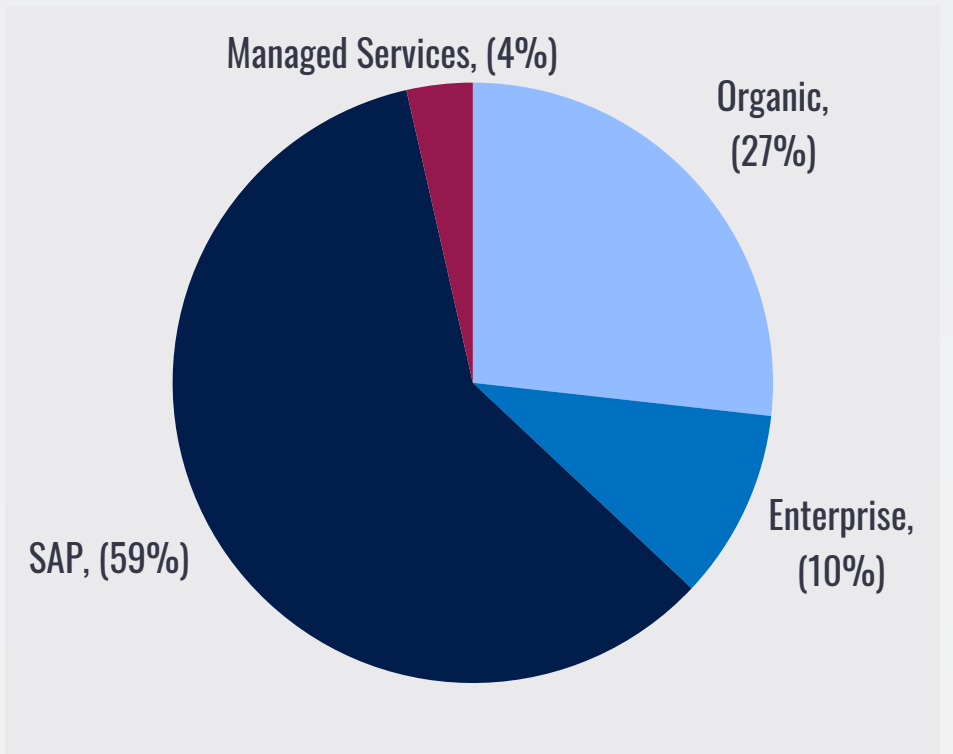
Broadband Subscriber Base\* (in mn)



Broadband ARPUs (in Rs/p.m.)



Broadband revenue contribution %age by business segment (9mFY25)

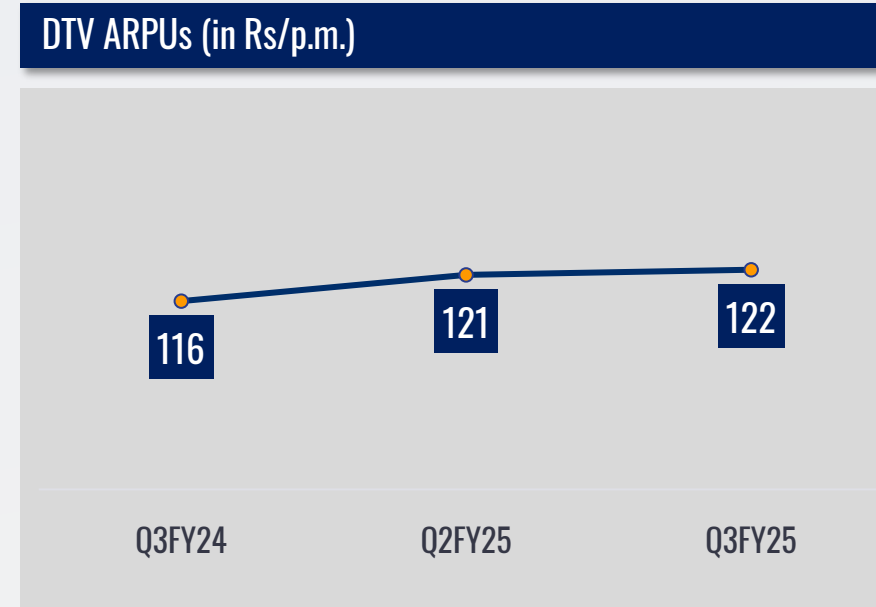
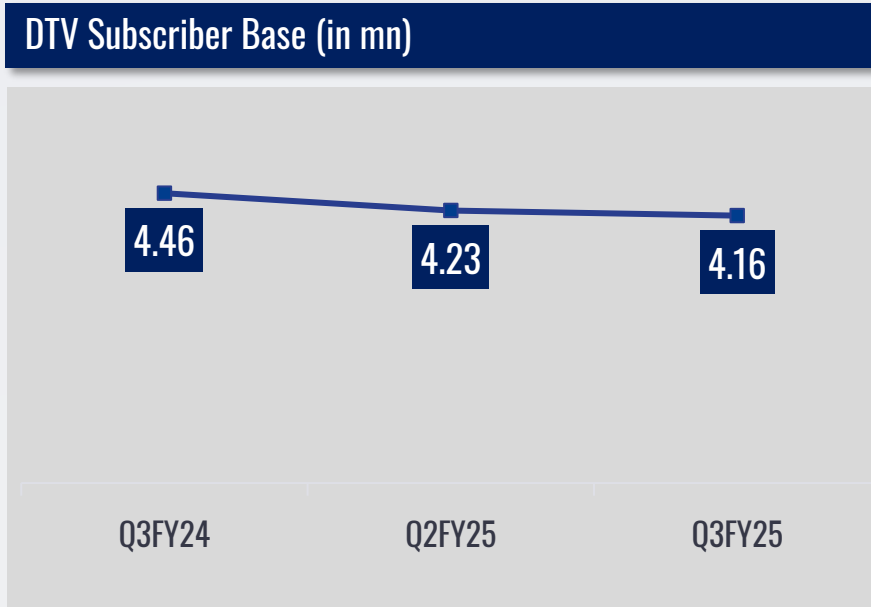


\* Includes subscribers availing internet via BBW (bulk bandwidth) services provided by OIL to SAP (Strategic Alliance Partners), and managed services customers

# DTV KPIs

The **Digital Television (DTV) vertical** continued its focus on “retention” in Q3 FY2025 – focusing on improving ARPUs through several key marketing initiatives, including a **renewed push of the integrated product – combining broadband & DTV**.

These initiatives delivered **lower (better) churn in Q3 FY2025**, with an overall **improvement in ARPUs**.





# Financial Update

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**Srinivas Palakodeti**



# Overall Performance : Q3 FY 25 vs Q2 FY 25 vs Q3 FY 24

Amount in INR Cr

Particulars	Actual Q3 FY 25	Actual Q2 FY 25	Actual Q3 FY 24
Revenue from Operations	1,064.1	1,087.2	1,203.7
Depreciation	137.5	133.2	141.9
Interest Expense	55.6	62.4	48.5
Other Income	170.8	120.4	91.2
PBT	41.3	(40.7)	16.2
Tax	49.9	9.9	8.0
PAT	(8.6)	(50.5)	8.2
Total Income	1,234.9	1,207.6	1,294.9
Total EBITDA	234.4	154.8	206.6
Total EBITDA %	19.0%	12.8%	16.0%
<b>Exchange Rate</b>	<b>83.98</b>	<b>83.60</b>	<b>82.71</b>

# Overall Performance : YTD Dec 2024 vs YTD Dec 2023

Amount in INR Cr

Particulars	Actual YTD Dec 2024	Actual YTD Dec 2023
Revenue from Operations	3,243.1	3,517.0
Depreciation	401.9	400.6
Interest Expense	174.4	133.0
Other Income	417.9	312.9
PBT	(43.6)	69.1
Tax	72.5	25.8
<b>PAT</b>	<b>102.4</b>	<b>43.2</b>
Total Income	3,661.0	3,829.9
Total EBITDA	532.6	602.6
Total EBITDA %	14.5%	15.7%
<b>Exchange Rate</b>	<b>83.98</b>	<b>82.71</b>

Note: PAT includes profit from discontinued operations.

# Balance Sheet: Overall

Particulars	As at Dec 24	As at Mar 24
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets and leases	1,478.1	1,250.5
Intangibles	1,515.5	1,519.3
Financial assets #	276.7	1,200.5
Other non-current assets	774.5	758.2
<b>Total non-current assets</b>	<b>4,044.7</b>	<b>4,728.5</b>
<b>Current assets</b>		
Trade receivables	711.1	744.6
Financial assets-Others #	5,797.2	4,763.7
Other current assets	310.2	213.3
Cash and bank balance	616.5	674.5
<b>Total current assets</b>	<b>7,435.0</b>	<b>6,396.1</b>
<b>Total Assets</b>	<b>11,479.6</b>	<b>11,124.6</b>

Amount in INR Cr

Particulars	As at Dec 24	As at Mar 24
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	46.5	46.5
Other equity*	7,784.8	7,595.9
<b>Total Equity</b>	<b>7,831.3</b>	<b>7,642.5</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	183.3	133.5
Other non-current liabilities	593.4	601.9
<b>Total non-current liabilities</b>	<b>776.7</b>	<b>735.4</b>
<b>Current liabilities</b>		
Borrowings	1,029.3	1,172.4
Trade payables	379.1	296.4
Other current liabilities	1,463.3	1,277.9
<b>Total current liabilities</b>	<b>2,871.7</b>	<b>2,746.7</b>
<b>Total Equity and Liabilities</b>	<b>11,479.7</b>	<b>11,124.6</b>

# Financial assets includes investments, loans given and bank balances

\* Other Equity includes Non controlling interest of Rs. 152.8Cr\$(Dec 24) and Rs. 154.7Cr\$(Mar 24)

# Cash Flow: Overall

Amount in INR Cr

	9 months Ending	12 months Ending
Particulars	31st Dec 2024	31st Mar 2024
<b>Profit Before Tax</b>	174.9	110.5
Non-operating adjustments	75.9	293.2
Change in operating assets and liabilities	119.3	(147.3)
Income taxes paid (net)	(98.3)	(64.0)
<b>Cash from operating activities</b>	<b>271.8</b>	<b>192.4</b>
Capex Investments (Net)	(67.0)	70.5
Net Treasury investments	530.9	222.4
Payment for acquisition of teklink	(129.5)	(119.3)
<b>Cash from investing activities</b>	<b>334.4</b>	<b>173.6</b>
Share Issue/ (Share Purchase)	(3.1)	(1,254.0)
Lease liabilities, Borrowings and interest	(657.4)	456.6
Dividend Paid	(32.5)	(11.1)
<b>Cash from financing activities</b>	<b>(693.0)</b>	<b>(808.5)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(86.8)</b>	<b>(442.5)</b>
<b>Opening Cash and Cash Equivalents(after Forex)</b>	703.2	1,117.0
<b>Cash and cash equivalents at end of the year</b>	<b>616.5</b>	<b>674.5</b>



# Summary Financial Profile

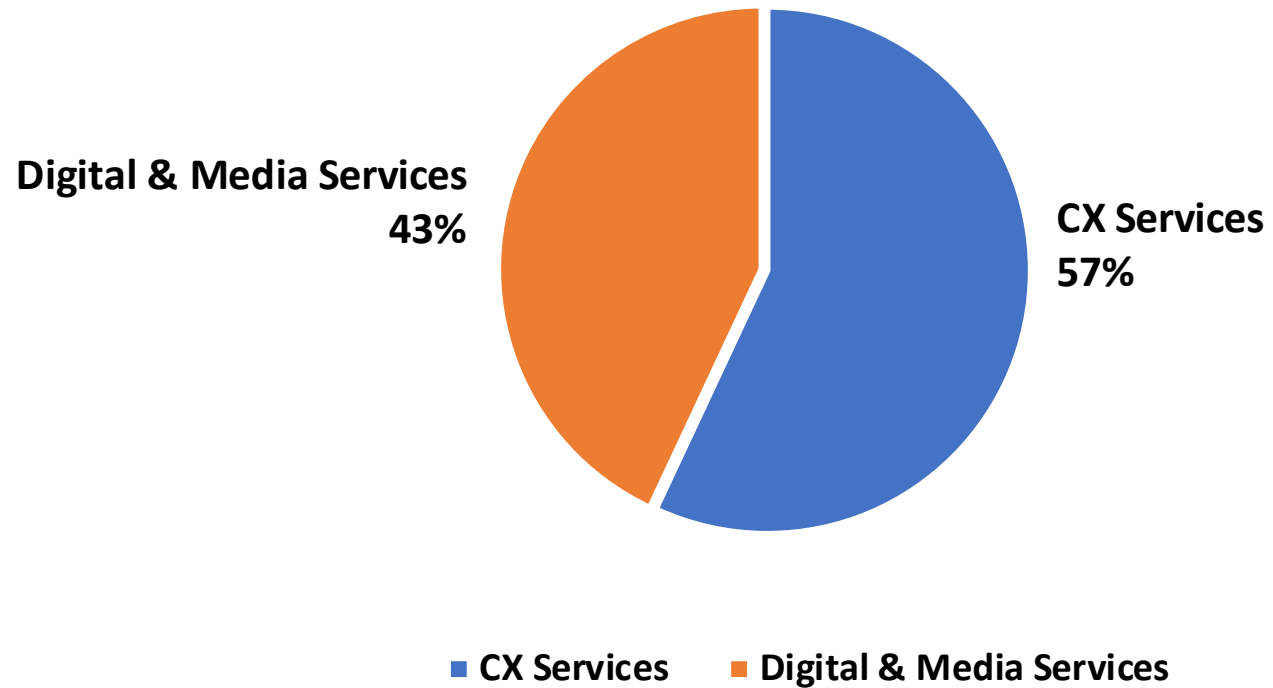
Particulars	HGSL	
	<i>in INR Cr (Except per share data)</i>	<i>in USD Mn (Except per share data)</i>
<b>Shareholder's Fund</b>	7,831.3	932.5
<b>Book value per share</b>	1,683.4	20.0
<b>Price per share</b>	574.8	6.8
<b>EPS (TTM)</b>	43.8	0.5
<b>P/E Ratio (TTM)</b>	13.1	13.1
<b>Gross Debt</b>	1,212.6	141.7
<b>Net Cash &amp; Treasury Surplus</b>	5,152.5	602.1

Price per share is as of 17th Feb 2025 Closing

Particulars	Amount in INR Cr		
	Dec-24	Sep-24	Change
<b>Gross Treasury &amp; Cash Surplus</b>	6,365.1	6,347.3	17.8
<b>Total Borrowings</b>	1,212.6	1,257.1	-44.5
<b>Net Treasury &amp; Cash Surplus</b>	<b>5,152.5</b>	<b>5,090.2</b>	<b>62.3</b>

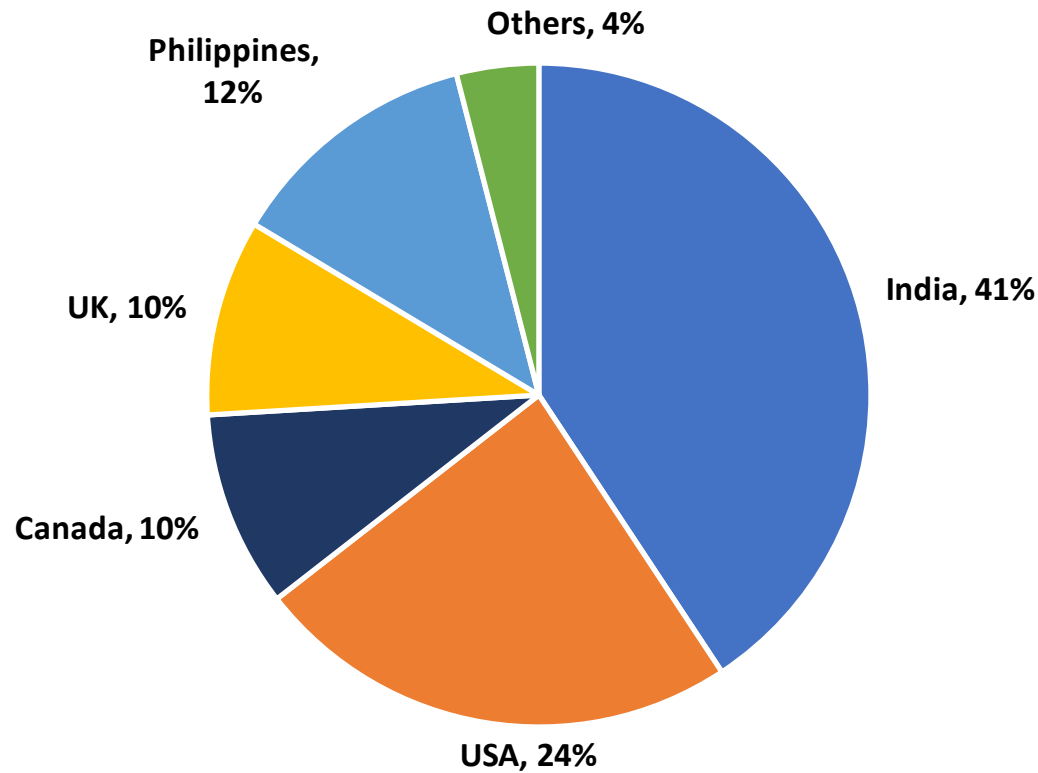
# Q3 FY2025: Operating Revenue Composition of Rs. 1,064 Cr

## Operating Revenue Split by Source



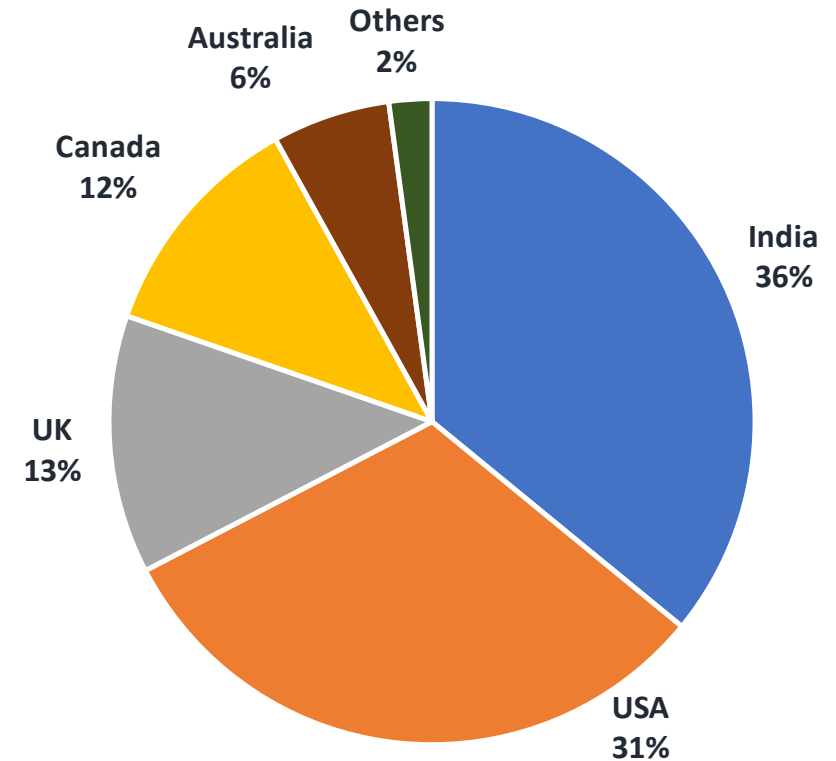
# Q3 FY2025: Operating Revenue Composition of Rs. 1,064 Cr

## Revenue Split - by Delivery Location



Others: Jamaica, Colombia

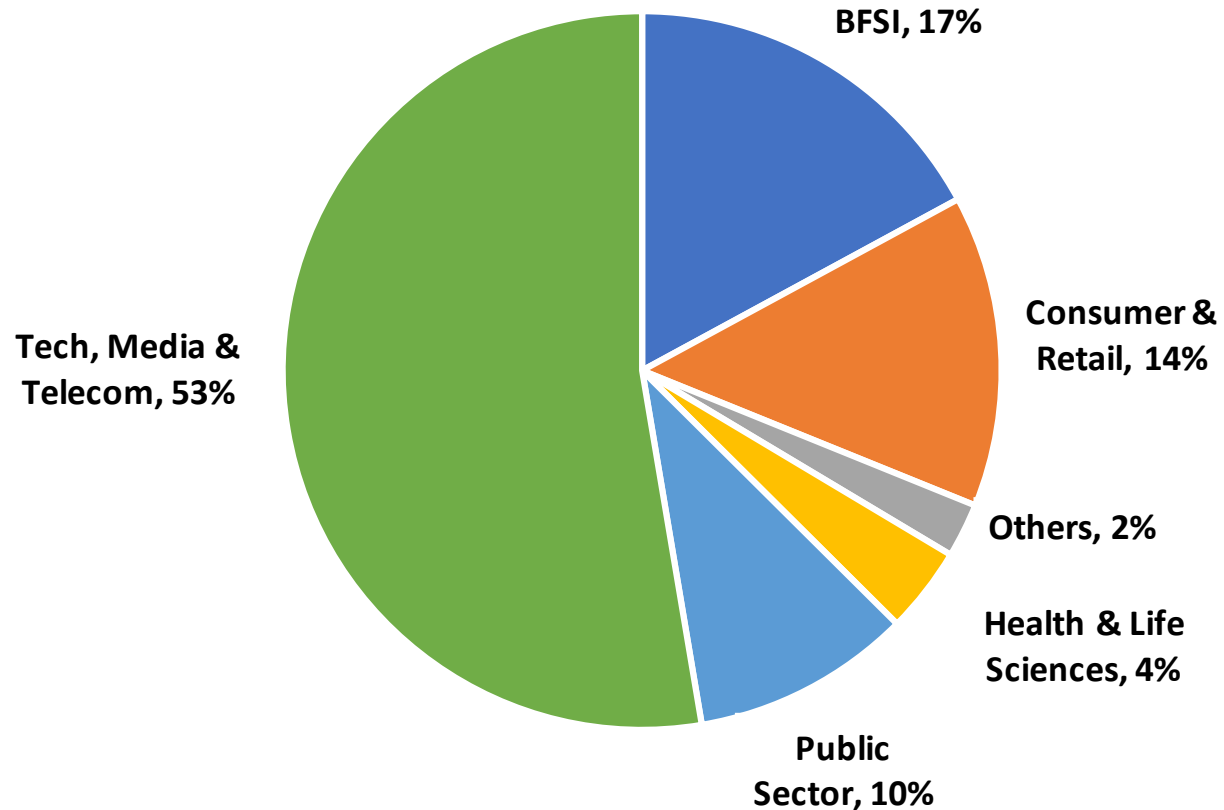
## Revenue Split - by Origination



Others : Philippines, Jamaica

# Q3 FY2025: Operating Revenue Rs. 1,064 Cr - Split by Vertical

## Q3 FY25-Revenue Split by Vertical



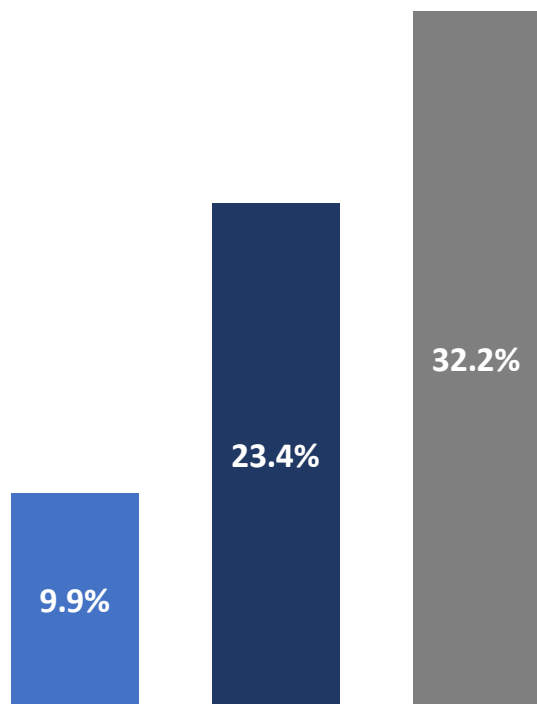


# Q3 FY2025: Revenue Profile



## Client Concentration

■ Top Customer ■ Top 5 Customers ■ Top 10 Customers

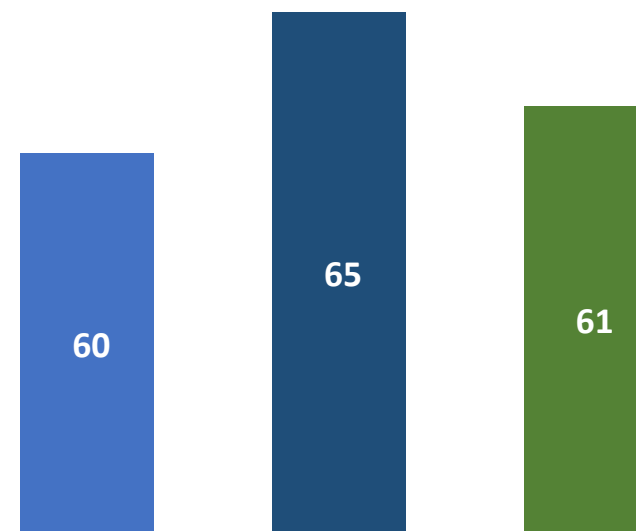


Revenues of Rs 1,064 Cr



## DSO

DSO (In Days)



Q1 FY25

Q2 FY25

Q3 FY25



# Thank You

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[investor.relations@teamhgs.com](mailto:investor.relations@teamhgs.com)

