

November 11, 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 (E)  
Mumbai - 400 051.  
*Symbol : HGS*

Dear Sirs,

**Sub: Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2019 Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2019**

This has further reference to our letter of even date on outcome of Board Meeting. We are enclosing herewith the following:

- Earning Press Release being issued by the Company
- Q2FY2020 & 1HFY2020 Financials & Fact Sheet

Kindly take the above documents on record.

Thanking you,

Yours truly,  
For Hinduja Global Solutions Limited



S. Mahadevan  
EVP - Legal, Compliance & Company Secretary

Encl: a/a

## Q2 FY2020 EARNINGS PRESS RELEASE

# HGS ANNOUNCES Q2 RESULTS FOR FY2020

**Mumbai, India, November 11, 2019:** Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Second Quarter and Half Year results for FY2020.

Speaking on the results, **Partha DeSarkar, CEO of HGS** said: “HGS posted a robust revenue growth in Q2 FY2020, driven by demand across Healthcare and CES (Consumer Engagement Services) verticals. Overall revenues for Q2 stood at Rs. 12,906 million, an increase of 11.4% YoY. From a margin perspective, Q2 EBITDA margins improved to 13.3% as per expectations.

Led by growth from existing clients and increased operational efficiencies, all our major geographies have shown strong revenue growth and improved profitability. Healthcare vertical posted strong growth, with higher volumes and new clients going live.

We continue to invest significantly in technology-led BPM services. In Q2, we launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions to clients. With seven wins in the quarter, we expect HGS Digital to open up big opportunities for us going forward.

The sales pipeline for H2 looks encouraging, and with Open Enrollment and Holiday Season coming up in Q3, HGS is well-positioned to deliver a better second half.”

### Financial Highlights for Q2 FY2020

- HGS reported a YoY revenue growth of 11.4% to Rs. 12,906 million
- Revenue growth in constant currency terms was 11.5%
- EBITDA was Rs. 1,711 million, up by 120.5% YoY; EBITDA margins stood at 13.3%
- Net profit was Rs. 491 million, a YoY increase of 9.7%; Net margins stood at 3.8% %
- Capital expenditure for the quarter was Rs. 310 million
- Generated 179% of the Q2 FY2020 EBITDA into Free Cash due to collections of receivables
- Reduction in gross debt of Rs. 270 million in H1 FY2020; As on 30th September, 2019 gross debt was Rs 5,726 million and net cash was Rs298mn.
- Second Interim Dividend of Rs 2.50 /share

## Q2 FY2020 EARNINGS PRESS RELEASE

### Financial Highlights for H1 FY2020

- Net Sales increased to Rs. 25,811 million, a YoY revenue growth of 14.2%; and in constant currency, growth was 13.3% YoY
- EBITDA stood at Rs. 3,207 million; EBITDA margin was 12.4%
- Net profit was Rs. 896 million; Net margins stood at 3.5%

### Consolidated Financial Highlights

(Rs Million)	Quarter 2		YOY	Quarter 1	QOQ	First Half	
	FY2019	FY2020	Growth	FY2020	Growth	FY2019	FY2020
Operating Revenues	11,586	12,906.0	11.4%	12,905	0.0%	22,595	25,811
EBITDA	776	1,711.0	120.5%	1,496	14.3%	1,507	3,207
EBITDA Margin	6.7%	13.3%		11.6%		6.7%	12.4%
Profit Before Tax	651	907.5	39.4%	568	59.6%	1,248	1,476
PBT Margin	5.6%	7.0%		4.4%		5.5%	5.72%
Profit After Tax	448	491.3	9.7%	404	21.4%	851	896
PAT Margin	3.9%	3.8%		3.1%		3.8%	3.47%
Basic EPS (Rs)	22.0	22.9	4.2%	19.0	20.66%	41.3	42

Note: EBITDA computed in the above table excludes other income

### Business Highlights for Q2 FY2020

- **Client wins:**
  - Added eight new clients across healthcare, retail, consumer electronics and public sector for core BPM services and six for HRO/ Payroll Processing
  - Expanded engagements with nine existing clients
  - Won contracts from seven clients (new and existing) for RPA, digital, analytics and Social Care services
- **Clientele:** As of 30<sup>th</sup> September, 2019, HGS had 245 core BPM clients and 674 HRO/Payroll processing clients.
- Yashodhan Madhusudan Kale has been named as the Chairman of the HGS Board while Bhumika Batra, Dr. Ganesh Natarajan and Sudhanshu Tripathi are the new Board members. HGS Global CEO Partha DeSarkar has also joined the Board as Wholetime Executive Director.
- **Innovative Solutions:** Launched HGS Digital, a new practice focused on providing high-end digital strategy and transformative digital-first solutions to clients
- **Employee Headcount:** 44,218 as on 30<sup>th</sup> September, 2019
- **Delivery Centers:** In Q2, HGS set up a center in Caerphilly, Wales in the UK to support public sector clients. HGS had 71 global delivery centers across seven countries as on 30<sup>th</sup> September, 2019.
- **Awards & Recognition:**
  - Leader: Social Business Collaboration - Services & Solutions USA - IPL study 2019, ISG, June 2019
  - Rising Star, Social Business Collaboration - Services & Solutions Global - IPL study 2019, ISG, June 2019
  - Top 10 Digital Front Office: CX Design, Sales, and Marketing, HFS, July 2019
  - BPS Top 50, up 4 points from 2018, HFS, August 2019



## Q2 FY2020 EARNINGS PRESS RELEASE

- Major Contender, Clinical and Care Management (CCM) BPS Services PEAK Matrix™ Assessment 2019, September 2019
- Best Social Media Brand in the Home & Living category for handling end-to-end digital solutions for five years for a client, #SAMMIE 2019 - Powered by Social Samosa, August 2019

### **About Hinduja Global Solutions (HGS):**

A global leader in business process management (BPM) and optimizing the customer experience lifecycle, HGS is helping make its clients more competitive every day. HGS combines technology-powered services in automation, analytics and digital with domain expertise focusing on back office processing, contact centers and HRO solutions to deliver transformational impact to clients. Part of the multi-billion dollar conglomerate Hinduja Group, HGS takes a true “globally local” approach, with over 44,218 employees across 71 delivery centers in seven countries making a difference to some of the world’s leading brands across nine key verticals. For the year ended 31st March 2019, HGS had revenues of Rs. 48,167 million (US\$ 689 million).

Visit [www.teamhgs.com](http://www.teamhgs.com) to learn how HGS can help make your business more competitive.

### **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:

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## HGS Q2FY2020 & 1HFY2020 FINANCIALS AND FACT SHEET

<b>Hinduja Global Solutions Limited</b>					
<b>Consolidated Quarterly Profit &amp; Loss Account</b>				<b>Unaudited</b>	
<b>(Rs Million)</b>					
Particulars	Q2FY19	Q1FY20	Q2FY20	QQ Growth	YY Growth
Overseas Revenues	10,311.7	11,743.2	11,607.0	-1.2%	12.6%
Domestic Revenues	1,274.5	1,161.4	1,299.0	11.8%	1.9%
Other Operating Income	0.0	0.0	0.0		
<b>Revenues From Operations</b>	<b>11,586.2</b>	<b>12,904.6</b>	<b>12,906.0</b>	<b>0.0%</b>	<b>11.4%</b>
Employee Costs	8,203.6	8,313.9	8,625.8	3.8%	5.1%
Other Operating Expenses	2,606.8	3,094.3	2,569.5	-17.0%	-1.4%
Total Operating Expenses	10,810.4	11,408.1	11,195.3	-1.9%	3.6%
<b>Op Profit/EBITDA</b>	<b>775.9</b>	<b>1,496.5</b>	<b>1,710.7</b>	<b>14.3%</b>	<b>120.5%</b>
EBITDA Margin	6.7%	11.6%	13.3%		
Depreciation & Amortisation	465.7	748.1	780.4	4.3%	67.6%
Interest & Finance Charges	90.9	246.7	255.9	3.7%	181.7%
Other Income	431.6	66.7	233.1		
Goodwill Impairment	0.0	0.0	0.0		
Profit Before Tax	650.9	568.4	907.5	59.7%	39.4%
Provision for Taxation	203.3	163.9	416.1	153.9%	104.7%
<b>Net Profit/(Loss)</b>	<b>447.6</b>	<b>404.5</b>	<b>491.3</b>	<b>21.5%</b>	<b>9.8%</b>
Shares Outstanding (Mn)	20.82	20.84	20.84		
<b>Earnings/Share (Rs)</b>	<b>22.04</b>	<b>18.97</b>	<b>22.92</b>		
<b>Dividend/Share (Rs)</b>	<b>2.50</b>	<b>2.50</b>	<b>2.5</b>		

<b>Hinduja Global Solutions Limited</b>			
<b>Consolidated Half Year Profit &amp; Loss Account</b>		<b>Unaudited</b>	
<b>(Rs Million)</b>			
<b>Particulars</b>	<b>1HFY2019</b>	<b>1HFY2020</b>	<b>YY Growth</b>
Overseas Revenues	19,999.0	23,350.2	16.8%
Domestic Revenues	2,595.5	2,460.4	-5.2%
Other Operating Income	0.0	0.0	
<b>Revenues From Operations</b>	<b>22,594.5</b>	<b>25,810.6</b>	<b>14.2%</b>
Employee Costs	15,956.5	16,939.7	6.2%
Other Operating Expenses	5,130.7	5,663.8	10.4%
Total Operating Expenses	21,087.2	22,603.4	7.2%
<b>Op Profit/EBITDA</b>	<b>1,507.3</b>	<b>3,207.2</b>	<b>112.8%</b>
EBITDA Margin	6.7%	12.4%	
Depreciation & Amortisation	820.2	1,528.5	86.4%
Interest & Finance Charges	185.4	502.6	171.1%
Other Income	746.5	299.8	-59.8%
Goodwill Impairment	0.0	0.0	
Profit Before Tax	1,248.3	1,475.8	18.2%
Provision for Taxation	397.6	580.0	45.9%
<b>Net Profit/(Loss)</b>	<b>850.7</b>	<b>895.8</b>	<b>5.3%</b>
Shares Outstanding (Mn)	20.823	20.844	
<b>Earnings/Share (Rs)</b>	<b>41.3</b>	<b>41.9</b>	
<b>Dividend/Share (Rs)</b>	<b>5.0</b>	<b>5.0</b>	

<b>Hinduja Global Solutions</b>					
<b>Leverage Profile</b>		<b>Unaudited</b>			
<b>(Rs Million)</b>					
<b>Particulars</b>	<b>Q2FY19</b>	<b>Q3FY19</b>	<b>Q4FY19</b>	<b>Q1FY19</b>	<b>Q2FY20</b>
Total Gross Debt	5,546	5,526	5,996	5,624	5,726
Less Cash & Treasury	4,253	4,462	4,235	5,091	6,024
<b>Net Debt/(Net Cash)</b>	<b>1,293</b>	<b>1,064</b>	<b>1,761</b>	<b>533</b>	<b>(298)</b>
Networth	15,635	15,965	16,512	16,248	16,641
<b>Net Debt/TTM EBITDA</b>	<b>0.36</b>	<b>0.27</b>	<b>0.40</b>	<b>0.10</b>	<b>(0.05)</b>
Gross Debt/ TTM EBITDA	0.35	0.35	0.36	0.35	0.34
Net Debt/Equity	0.08	0.07	0.11	0.03	(0.02)

<b>Hinduja Global Solutions</b>			
<b>Summary Cash Flow Statement</b>	<b>Unaudited</b>		
<b>(Rs Million)</b>			
<b>Particulars</b>	<b>1HFY19</b>	<b>Q1FY20</b>	<b>1HFY20</b>
Cash Flow From Ops. & After WC Changes	1,047.0	1,455.2	4,859.3
Cash Flow Due to Net Capital Expenditure	(764.0)	(129.4)	(439.4)
Cash Flow Due to Other Investing Activities	33.0	0.0	0.0
Other Items	(1,175.0)	4.4	5.5
<b>Cash Flow From Investing Activities</b>	<b>(859.0)</b>	<b>1,330.3</b>	<b>4,425.4</b>
Proceeds/(Repayment) of Debt	(359.0)	(384.7)	(1,006.0)
Cash from Interest & Others	(166.0)	(91.2)	(503.0)
Dividends Paid	(63.0)	0.1	(62.8)
Proceeds From Share Issuance	13.0	1.7	5.3
<b>Cash Flow From Financing Activities</b>	<b>(575.0)</b>	<b>(474.1)</b>	<b>(1,566.4)</b>
Net Inc./ (Dec) in Cash & Cash Equivalents	(1,434.0)	856.2	2,858.9
BOY - Cash & Treasury Surpluses	5,687.0	4,235.0	3,165.4
<b>EOY - Cash &amp; Treasury Surpluses</b>	<b>4,253.0</b>	<b>5,091.2</b>	<b>6,024.3</b>

<b>Hinduja Global Solutions</b>			
<b>Summary Balance Sheet</b>	<b>Unaudited</b>		
<b>(Rs Million)</b>			
<b>Particulars</b>	<b>Q2FY19</b>	<b>Q1FY20</b>	<b>Q2FY20</b>
Shareholders' Funds	15,635.0	16,247.8	16,641.3
Total Gross Debt	5,546.0	5,624.0	5,726.5
Other Current & Non-Current Liabilities	7,691.0	15,720.0	15,993.2
<b>Capital Employed</b>	<b>28,872.0</b>	<b>37,591.8</b>	<b>38,361.0</b>
Fixed Assets & Intangibles	10,880.0	13,513.6	17,440.8
Other Non-Current Assets	3,545.0	6,467.2	3,602.0
Total Non-Current Assets	14,425.0	19,980.8	21,042.8
Sundry Debtors & Other Current Assets	10,194.0	12,520.0	11,293.8
Cash & Treasury Surpluses	4,253.0	5,091.0	6,024.3
Total Current Assets	14,447.0	17,611.0	17,318.2
<b>Capital Deployed</b>	<b>28,872.0</b>	<b>37,591.8</b>	<b>38,361.0</b>

REVENUE BY CURRENCY										
Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
From USD	7,994.5	69.0%	8,938.7	72.0%	9,390.9	73.1%	9,807.5	76.0%	9,444.0	73.2%
From CAD	1,506.2	13.0%	1,613.9	13.0%	1,385.9	10.8%	1,290.5	10.0%	1,404.2	10.9%
From GBP	811.0	7.0%	620.7	5.0%	659.8	5.1%	645.2	5.0%	758.9	5.9%
From INR	1,274.5	11.0%	1,241.5	10.0%	1,409.2	11.0%	1,161.4	9.0%	1,299.0	10.1%

Note: Q2FY20 numbers are unaudited

REVENUE BY DELIVERY										
Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
USA & Jamaica	4,055.2	35.0%	4,717.7	38.0%	5,006.1	39.0%	5,419.9	42.0%	4,904.3	38.0%
India (Domestic)	1,274.5	11.0%	1,241.5	10.0%	1,409.2	11.0%	1,161.4	9.0%	1,299.0	10.1%
India (International)	2,085.5	18.0%	2,234.7	18.0%	2,377.8	18.5%	2,322.8	18.0%	2,452.1	19.0%
<b>India Operations</b>	<b>3,360.0</b>	<b>29.0%</b>	<b>3,476.2</b>	<b>28.0%</b>	<b>3,787.0</b>	<b>29.5%</b>	<b>3,484.2</b>	<b>27.0%</b>	<b>3,751.1</b>	<b>29.1%</b>
Canada	1,390.3	12.0%	1,613.9	13.0%	1,385.9	10.8%	1,290.5	10.0%	1,419.7	11.0%
Philippines	1,969.7	17.0%	1,986.4	16.0%	2,007.0	15.6%	2,064.7	16.0%	2,065.0	16.0%
UK/EU	811.0	7.0%	620.7	5.0%	659.8	5.1%	645.2	5.0%	774.4	6.0%
Middle East	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note: Q2FY20 numbers are unaudited

REVENUE BY VERTICALS										
Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Technology & Telecom	2,085.5	18.0%	2,483.0	20.0%	2,260.9	17.6%	2,051.8	15.9%	2,052.1	15.9%
Healthcare & Insurance	5,909.0	51.0%	6,455.7	52.0%	6,641.3	51.7%	6,497.0	50.3%	6,672.4	51.7%
Consumer & Retail	1,506.2	13.0%	1,489.8	12.0%	1,477.3	11.5%	1,383.8	10.7%	1,403.8	10.9%
Banking & Financials	926.9	8.0%	993.2	8.0%	1,066.2	8.3%	1,068.1	8.3%	1,165.0	9.0%
Media & Entertainment	464.0	4.0%	255.0	2.1%	233.0	1.8%	241.0	1.9%	272.0	2.1%
Chemicals & Biotech	170.0	1.5%	172.0	1.4%	168.0	1.3%	156.0	1.2%	166.0	1.3%
Misc & Others	524.6	4.5%	566.2	4.6%	999.2	7.8%	1,506.9	11.7%	1,174.8	9.1%

Note: Q2FY20 numbers are unaudited

ONSHORE to OFFSHORE REVENUE MIX										
Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Onshore Revenues	6,453.5	55.7%	7,076.5	57.0%	7,158.9	55.7%	7,381.4	57.2%	7,149.9	55.4%
Offshore Revenues *	5,132.7	44.3%	5,338.4	43.0%	5,686.9	44.3%	5,523.2	42.8%	5,756.1	44.6%

Note: Q2FY20 numbers are unaudited. Offshore includes Nearshore as well.

CLIENT CONCENTRATION										
Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms	Rs Million	% terms
Revenue from Top Customer	1,969.7	17.0%	2,110.5	17.0%	2,312.2	18.0%	2,193.8	17.0%	2,323.1	18.0%
Revenue from Top-5 Customers	5,445.5	47.0%	6,083.3	49.0%	6,294.4	49.0%	6,194.2	48.0%	5,936.8	46.0%
Revenue from Top-10 Customers	6,835.9	59.0%	7,448.9	60.0%	7,707.5	60.0%	7,742.8	60.0%	7,356.4	57.0%
Revenue from Top-20 Customers	8,226.2	71.0%	8,814.6	71.0%	8,992.1	70.0%	9,291.3	72.0%	9,034.2	70.0%

Note: Q2FY20 numbers are unaudited



**REGIONWISE EMPLOYEE TRENDS**

Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms
India	26,365	58.8%	25,708	57.7%	23,900	56.6%	24,420	57.6%	24,836	56.2%
Philippines	8,282	18.5%	8,661	19.4%	8,628	20.5%	8,700	20.5%	9,268	21.0%
US/Jamaica	5,360	12.0%	6,036	13.5%	6,143	14.6%	5,846	13.8%	6,298	14.2%
Canada	3,436	7.7%	3,005	6.7%	2,442	5.8%	2,292	5.4%	2,562	5.8%
UK/Europe	1,366	3.0%	1,157	2.6%	1,077	2.6%	1,113	2.6%	1,254	2.8%
<b>Total Headcount</b>	<b>44,809</b>		<b>44,567</b>		<b>42,190</b>		<b>42,371</b>		<b>44,218</b>	

Note: Q2FY20 numbers are unaudited

**CAPEX to OPEX SEATS**

Particulars	Q2FY2019		Q3FY2019		Q4FY2019		Q1FY2020		Q2FY2020	
	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms	Numbers	% terms
Capex Seats	35,372	78.8%	35,557	77.6%	33,000	77.9%	32,968	77.7%	33,577	76.6%
Opex Seats	9,507	21.2%	10,260	22.4%	9,345	22.1%	9,443	22.3%	10,238	23.4%
<b>Total Headcount</b>	<b>44,879</b>		<b>45,817</b>		<b>42,345</b>		<b>42,411</b>		<b>43,815</b>	

Note: Q2FY20 numbers are not audited.

**REVENUE RUN RATE (Numbers)**

	Q2FY2019	Q3FY2019	Q4FY2019	Q1FY2020	Q2FY2020
Above Rs200mn/Quarter	11	9	9	12	12
Above Rs150mn/Quarter	13	14	14	14	14
Above Rs100mn/Quarter	20	20	20	23	24
Above Rs50mn/Quarter	38	40	42	41	40
Above Rs10mn/Quarter	90	93	97	90	95

Note: Q2FY20 numbers are not audited.

**AVERAGE MONTHLY REVENUE PER EMPLOYEE (RUPEES)**

	Q2FY2019	Q3FY2019	Q4FY2019	Q1FY2020	Q2FY2020
India Overall	42,015	45,818	48,879	48,835	50,854
Philippines	76,563	78,960	82,950	80,458	80,235
Jamaica	77,541	79,202	83,065	82,220	82,634
US Domestic *	212,045	300,289	328,394	373,596	388,197
UK/Europe	203,802	175,792	196,895	206,558	213,655
Canada	155,514	166,649	169,618	181,491	192,777
<b>Overall</b>	<b>86,146</b>	<b>95,141</b>	<b>98,711</b>	<b>101,738</b>	<b>99,366</b>

Note: Q2FY20 numbers are not audited. \* - US includes US Domestic + Colibrum + AxisPoint + Elements