

February 14, 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 Sirs/ Madam,

**Sub: Q3 FY2023 Earnings Call presentation**

This has reference to our communication dated February 10, 2023, on Q3 FY2023 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 [www.teamhgs.com/investors](http://www.teamhgs.com/investors)

Kindly take note of the above.

Thanking you,

For **Hinduja Global Solutions Limited**

Digitally signed  
by Narendra  
Singh  
Date:  
2023.02.14  
15:20:19 +05'30'

**Narendra Singh**  
**Company Secretary**  
**F4853**

Encl : As above

**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](http://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:L92199MH1995PLC084610



# HGS Earnings Call Presentation

## Q3 & 9M FY2023

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February 14, 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.*



# **Q3 and 9M FY2023 – Overall Performance Update**

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**Partha DeSarkar**

# Q3 FY2023 – Key highlights

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Consolidated (In INR terms) :

- Total income growth of 8.3% YoY
- EBIDTA growth of 57.1% YoY
- Net profit @ Rs. 51.83 cr (was a loss of Rs. 37.88 cr a year ago)



HGS Board announces Third Interim Dividend of Rs. 2.50/ equity share



BPM business:

- Signed definitive agreement to acquire 100% stake in TekLink
- Set up new center in Colombia



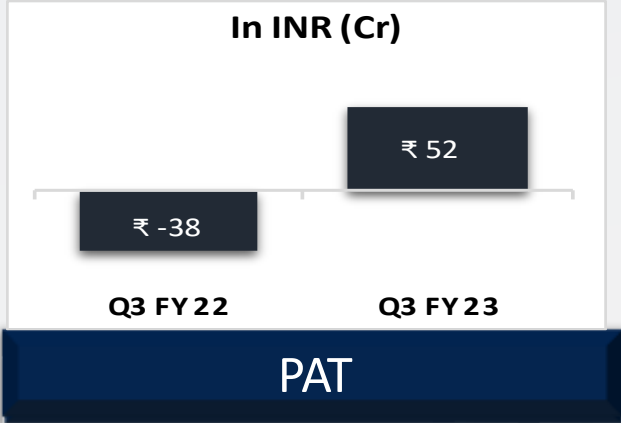
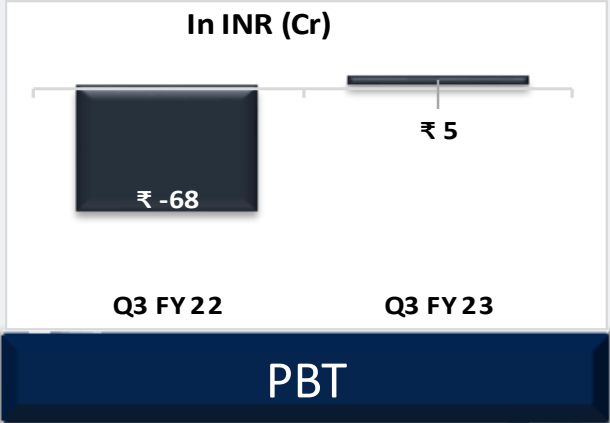
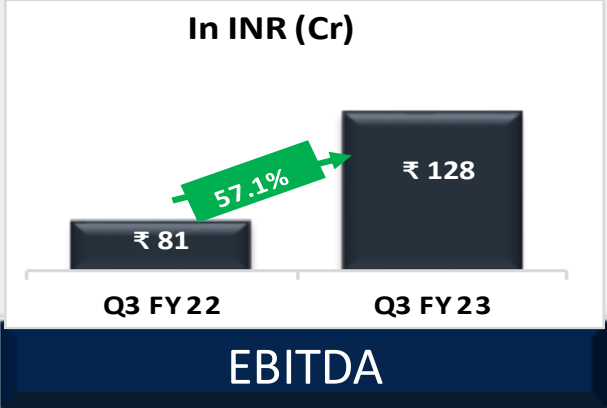
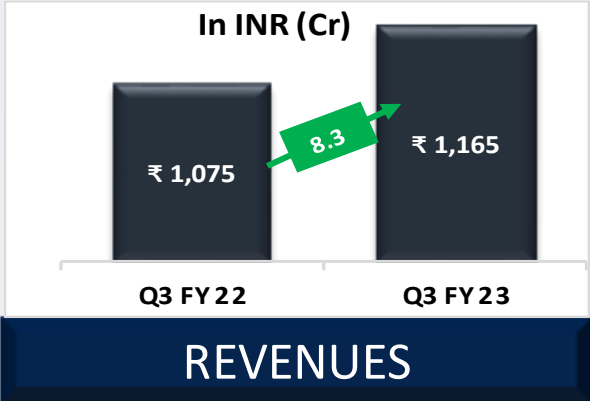
Digital Media business:

- Launched broadband-over-satellite solution "NXTSkyFi" - 1st variant supports education enablement

# Buyback plan

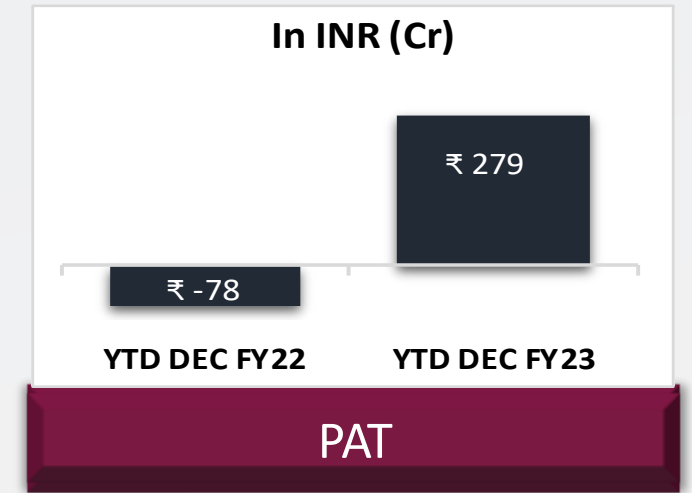
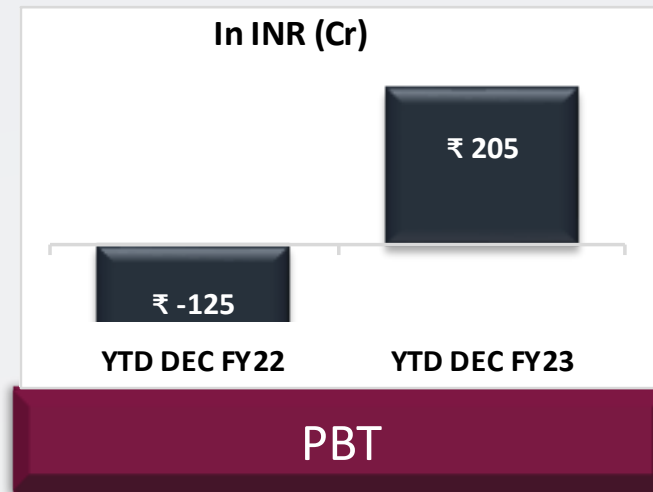
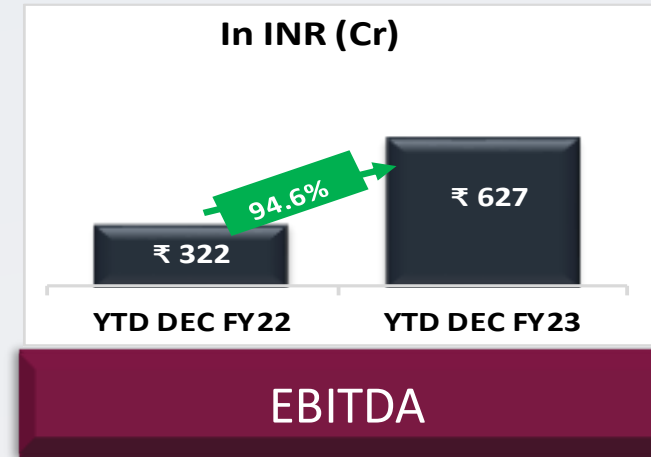
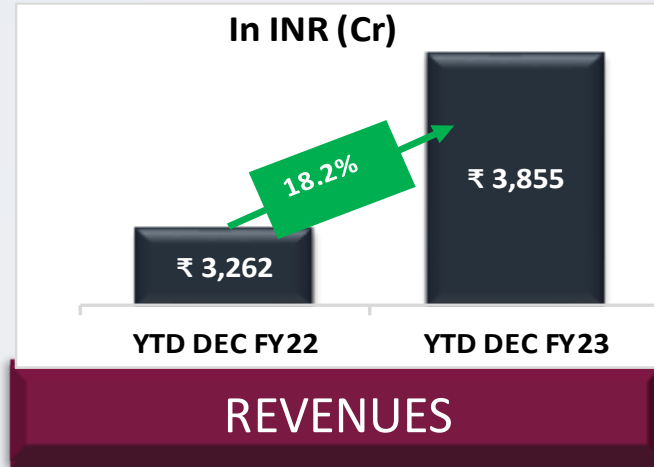
- Final Buyback price fixed @ Rs. 1,700 per equity share
- Aggregate consideration of Rs. 1,020 crores, excl. buyback tax
- Record date is March 6, 2023
- Total number of shares to be bought back in the Buyback shall be up to 60,00,000 equity shares

# Financials – Q3 FY2023 Overall



\* EBITDA includes Other Income

# Financials – YTD Dec FY2023 Overall



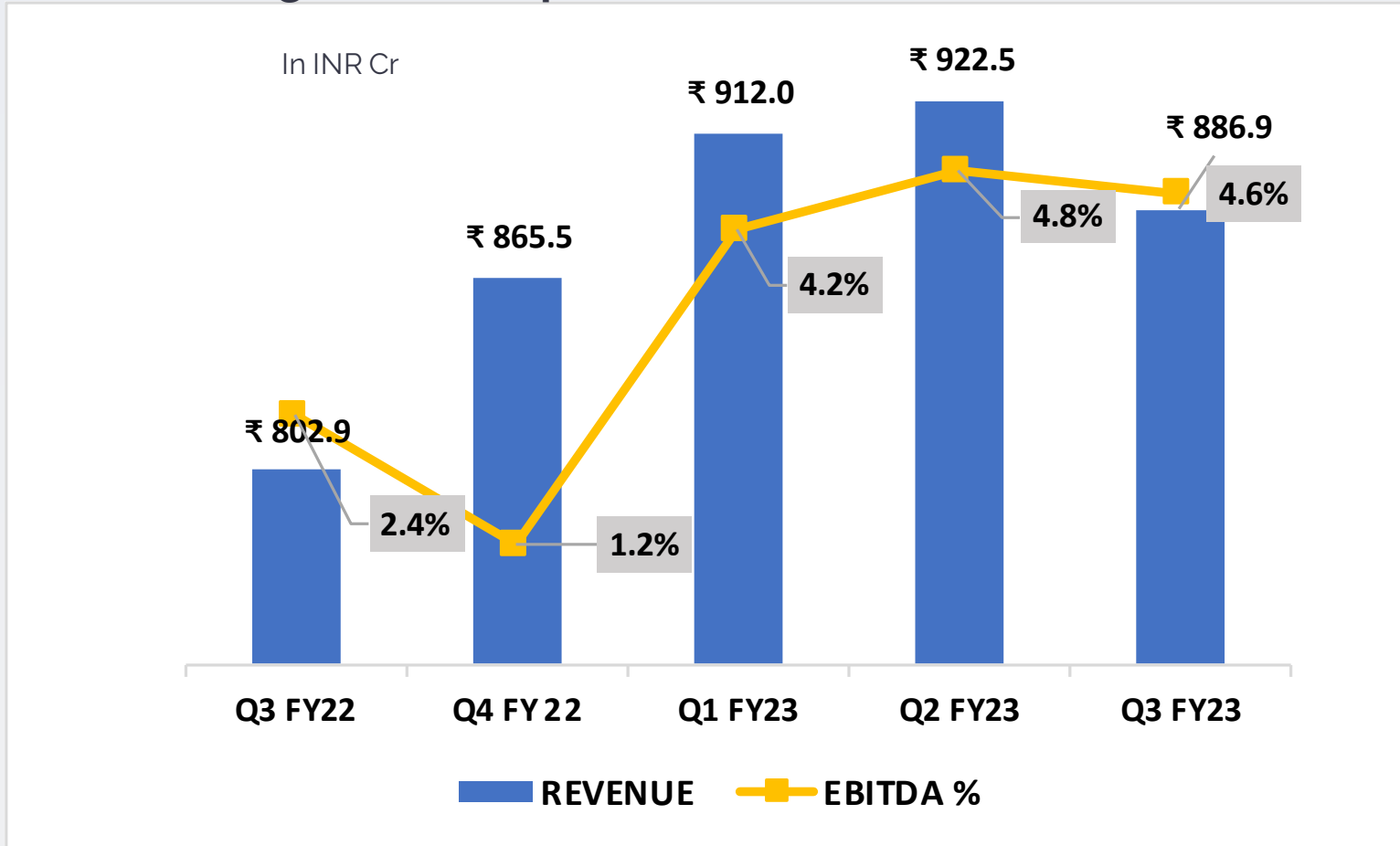
\* EBITDA includes Other Income



# BPM Business : A year after the sale of Healthcare Business



## EBITDA margins have improved

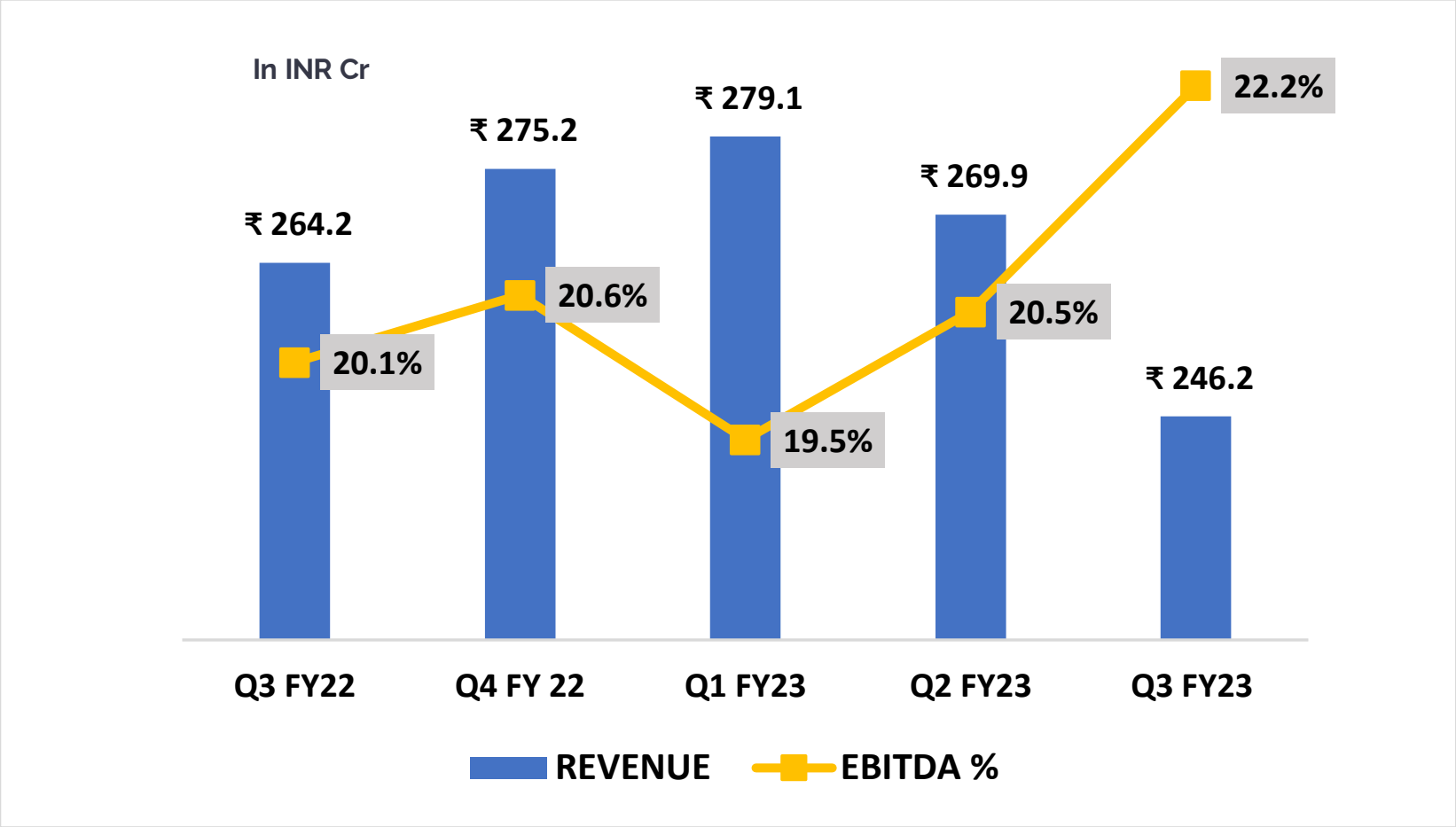


BPM Business YoY performance substantially better with Revenue growth of 10.5% and EBITDA growth of 91% and EBITDA margin expansion by 220 bps.

Revenue & EBITDA excludes Other Income

# Digital Media Business

## REVENUE & EBITDA TREND



While revenues have dropped by 6.8%, EBITDA margins have expanded by 220 bps

Revenue numbers includes Other Income

# Overall good performance in CES business

- Onshore:
  - North America showed steady growth. Significant expansion in existing client accounts and healthy pipeline
  - UK has some headwinds; focus on driving growth in private sector verticals. Patrick Elliott is new CEO for UK... brings extensive experience in outsourcing biz
- Offshore/ Nearshore:
  - Showed strong growth
  - Colombia – new center set up with initial team of 30+; to ramp up in coming months



# Digital Solutions business continues its strong momentum

- Grew revenues by 36% YoY in Q3 and 51.2% YoY in 9M
- Focus on deepening relationships with core digital clients; Drive digital-led solutions for traditional CES clients
- Investing significantly in strengthening integrated sales team
- Continue to focus on longer term deals in areas such as managed services and Cloud.
- TekLink acquisition is expected to close shortly

# Looking to solve digital problems for clients

- We are shifting gears – from being a services-led business into a **'solution accelerators and platforms-led business'**
- Some key solutions we have taken to market in the last 2 years – **Agent X, Cloud Accelerator** and **DaVinci**
- **Addition of TekLink will fast-track this evolution with its diversified portfolio in data and analytics**
- On the lookout for relevant acquisitions that can bring new skillsets and accelerate our growth in this business

# Our clients are delighted!

- Annual CSAT Survey results: HGS scored a NPS of 65... our highest ever!
- HGS' NPS is in 90<sup>th</sup> percentile based on industry benchmarks\*

HGS continues to be a true business partner and demonstrates flexibility and agility with our business needs.

Great collaborators, digital solution experts and SME in contact center processes and technology.

HGS continues to show they have the desire to be a valuable partner and continuously look for ways to help us improve.

HGS is responsive and passionate about us doing well.

HGS' responsiveness, willingness and ability are far beyond anything I have seen with any other partner. Rising to every challenge and exceeding expectation has become a standard.

# Looking ahead

- Continued effort to drive improved margins and profitability at enterprise level
- Demand for BPM services remains strong and we need to ride this wave. Focus on:
  - Investing in an integrated sales and GTM strategy
  - Lead with Digital in client engagements
  - Continue to explore acquisitions to strengthen digital capabilities
- Digital Media services: huge opportunity ahead, especially in areas such as convergence, broadband over satellite, education enablement services, etc



# Digital Media Division – Q3 FY2023 Update

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Vynsley Fernandes



# ONEDIGITAL : Combo Performance

## Combo Performance Q3 FY2023



- **ONEDigital** - India's **first integrated and convergent “combo” product**; offering customers broadband up to 1,000Mbps speeds, 650 digital television channels, international and regional OTT, VoIP/Intercom, CCTV & community/building WiFi.
- ONEDIGITAL has seen **continuous growth in Combos**. Q3 FY2023 combo numbers grew by 304% over Q2.

### Q3 Combo Performance



## NXT Sangram Progress

- NXT has continued accelerating its **“digital upskilling”** program – NXT Sangram; for its franchisees.
- The workshop targeted to cover all 10,000 franchisees addresses the need to **upskill franchisees in new technologies and therefore improve earnings** through a wider portfolio of products

NXT Sangram Progress	Oct-Dec 2022
Workshops	33
Total participants	740
Subscriber base	1,47,518
Non NXTDIGITAL franchisees	83

# Broadband over satellite : Disruptive model

- NXTDIGITAL launched its broadband-over-satellite (BoS) solution “NXTSkyFi” through a retail and innovative enterprise model
- Education Enablement Solution launched in **association with TATA ClassEdge** extended to Jang, Arunachal Pradesh after Tawang & Pulwama. Students have enrolled for Class 10th Crash Course – Math & Science.
- Currently, in **discussions with several state governments to launch similar solutions** in other states.

## VSAT License LOI Issued in Jan 2023

- Can now **directly procure bandwidth from Satellite operators** without having to go through any other VSAT provider as an intermediary. This leads to **reduction in our operating costs** besides reducing our lead times.
- From a market view, it provides us a better standing from a perspective as “**Direct Service Providers**” and not “resellers” of service.



# NXTCONCLAVE 2022: Connect. Converge. Collaborate

NXTDIGITAL set up its first conclave – bringing together independent and pan-India Digital Platform Operators (DPOs) for a day-long summit to share digital transformation trends in the industry as well as define ways to collaborate.

- The event was designed around the theme of “**Connect. Converge. Collaborate**”
- DPOs with a collective subscriber base of ~20 million joined in the summit.
- Various industry experts shared their view on future of the media industry in curated events:
  - A presentation **on state of the Indian Media & Entertainment Industry** by KPMG : there is significant growth still for television
  - A presentation on **Metaverse Continuum** by Accenture on future trends
  - Various panel discussions on:
    - o Emerging Technology Trends
    - o The new digital savvy consumer: What does she want?
    - o Increasing digital adoption - time for true convergence
    - o The Enterprise Business: Leveraging Capabilities and Infrastructure for Growth
    - o Upgrading Digital Skillsets: Now a Necessity
    - o Value Creation - Collaboration is the Key

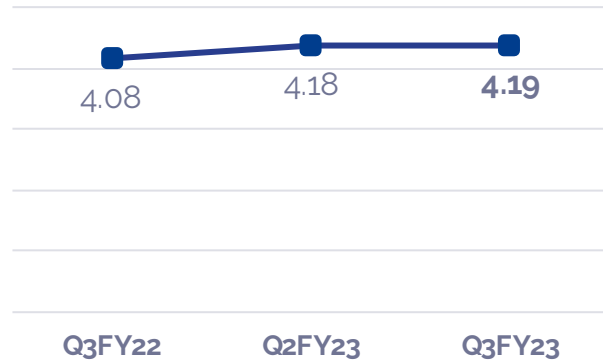


Catch Preview from the NXT Conclave 2022!  
<https://www.youtube.com/watch?v=V2-f44UYRO8>

# Digital Media business ends Q3 with strong KPIs

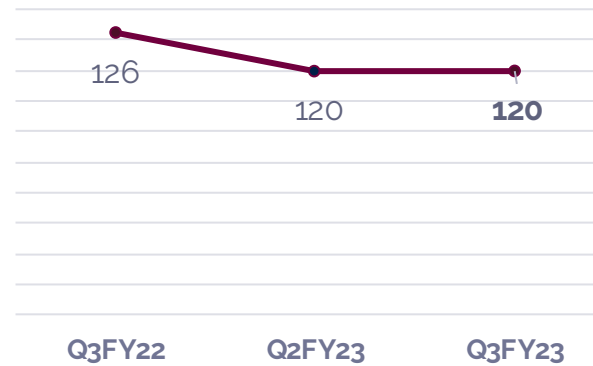
## Subscriber Base (Digital Video)

(in millions)



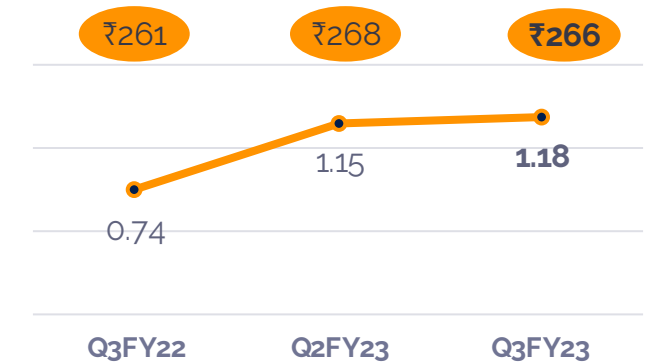
## Digital Video ARPUs

(Exit ARPU in ₹)

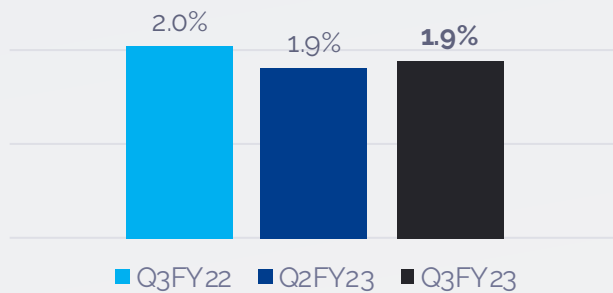


## Broadband Subscriber Base & ARPUs

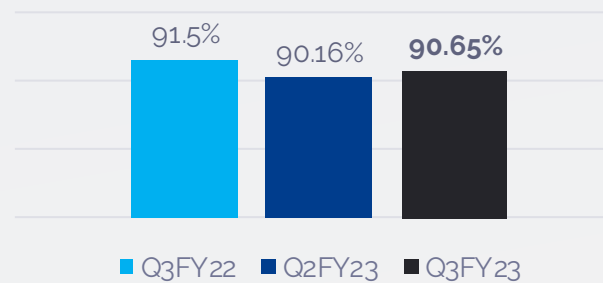
(in millions & exit ARPU in ₹)



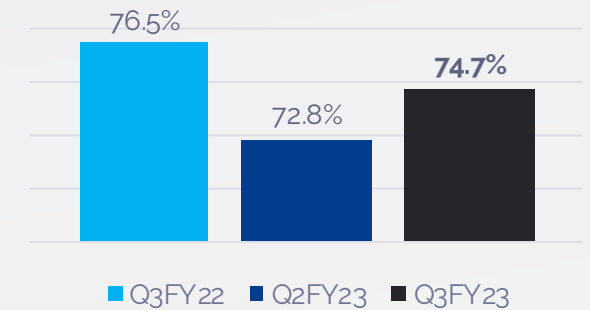
## 90-day Net Churn



## Same Month Renewal



## On-Time Renewal



ARPU ~ Average Revenue Per User



# Financial Update

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**Srinivas Palakodeti**

# Q3 FY2023 Performance : Continuing Operations

Figures in INR Cr unless otherwise indicated

	Actual QE Dec 22		Actual QE Sept 22		QoQ Growth %	Actual QE Dec 21		YoY Growth %		
Revenue from Operations	₹	1,119.1	₹	1,167.5	↓	-4.1%	₹	1,051.9	↑	6.4%
Other Income	₹	45.5	₹	201.4	↓	-77.4%	₹	23.4	↑	94.4%
<b>Total Revenue</b>	₹	<b>1,164.6</b>	₹	<b>1,369.0</b>	↓	<b>-14.9%</b>	₹	<b>1,075.3</b>	↑	<b>8.3%</b>
EBITDA	₹	127.8	₹	276.5	↓	-53.8%	₹	81.4	↑	57.1%
EBITDA %		11.0%		20.2%				7.6%		
Depreciation	₹	117.9	₹	117.6	↑	0.3%	₹	82.1	↑	43.7%
Interest Expense	₹	38.0	₹	35.5	↑	7.1%	₹	40.4	↓	-6.0%
Exceptional Items (Income)/Expense	₹	-32.9	₹	-			₹	26.5		
PBT	₹	4.7	₹	123.4	↓	-96.2%	₹	-67.6		
PBT %		0.4%		9.0%				-6.3%		
Tax	₹	-47.1	₹	-68.9			₹	-29.7		
PAT	₹	51.8	₹	192.3	↓	-73.0%	₹	-37.9		
PAT %		4.5%		14.0%				-3.5%		

# YTD Dec 22 Performance: Continuing Operations

Figures in INR Cr unless otherwise indicated

	Actual		Actual		Variance	
	YTD Dec FY 23		YTD Dec FY 22		%	
Revenue from Operations	₹	3,435.4	₹	3,163.3	↑	8.6%
Other Income	₹	419.6	₹	98.5	↑	325.8%
<b>Total Revenue</b>	₹	<b>3,855.0</b>	₹	<b>3,261.9</b>	↑	<b>18.2%</b>
EBITDA	₹	627.4	₹	322.4	↑	94.6%
EBITDA %		16.3%		9.9%		
Depreciation	₹	341.8	₹	252.0	↑	35.6%
Interest Expense	₹	113.5	₹	119.9	↓	-5.3%
Exceptional Items (Income)/Expense	₹	-32.9	₹	75.6		
PBT	₹	205.0	₹	-125.0		
PBT %		5.3%		-3.8%		
Tax	₹	-73.7	₹	-47.0		
PAT	₹	278.8	₹	-78.0		
PAT %		7.2%		-2.4%		

# Summary Financial Profile

Particulars	HGSL(Incl Digital Media)	
	<i>in INR Cr (Except per share data)</i>	<i>in USD Mn (Except per share data)</i>
<b>Shareholder's Fund</b>	8,880.2	1,073.4
<b>Book value per share</b>	1,692.0	20.5
<b>Price per share</b>	1,300.2	15.7
<b>Dividend per share</b>	2.5	0.03
<b>EPS (TTM)*</b>	61.9	0.7
<b>P/E Ratio (TTM)</b>	21.0	21.0
<b>Gross Debt</b>	329.8	39.9
<b>Total Cash</b>	1,343.8	162.4
<b>Net Cash</b>	1,014.0	122.6

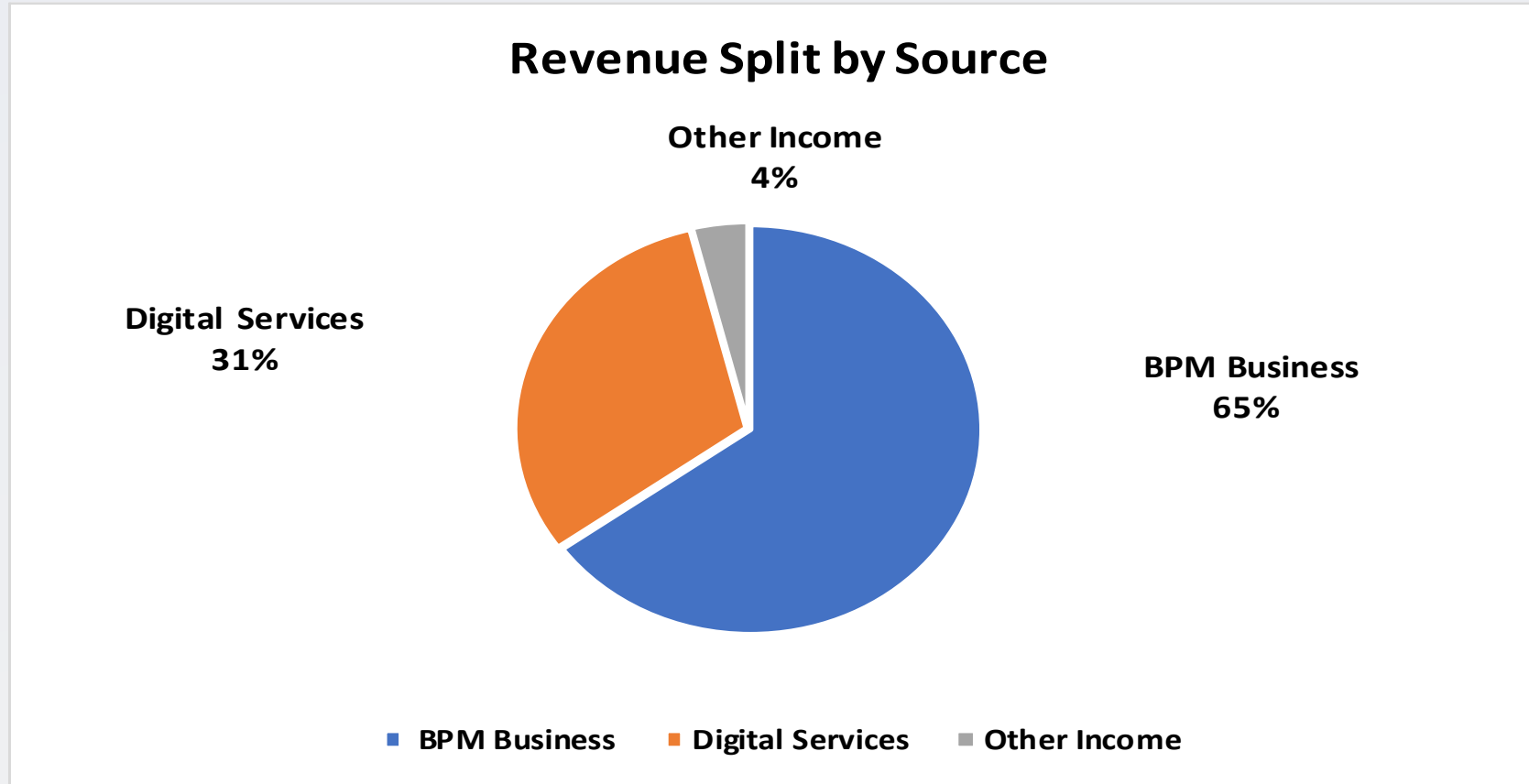
- \*This is Basic EPS for continued operations
- The price per share is as of 10<sup>th</sup> Feb 2023



# Debt & Treasury Snapshot

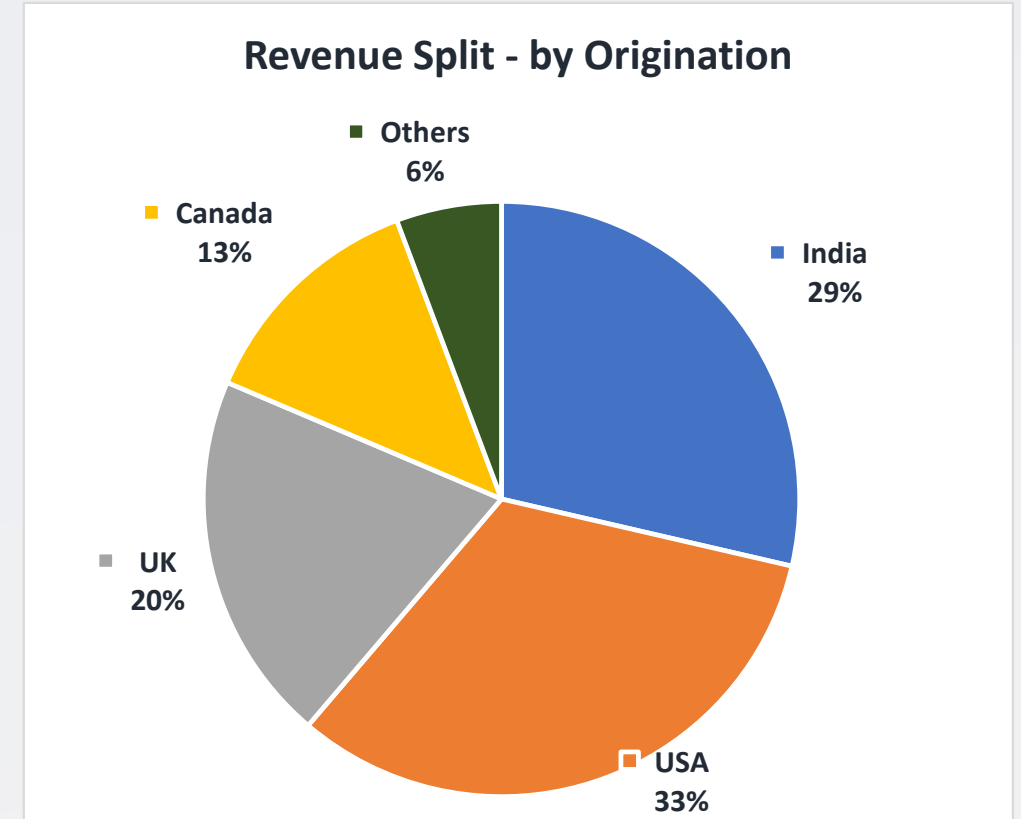
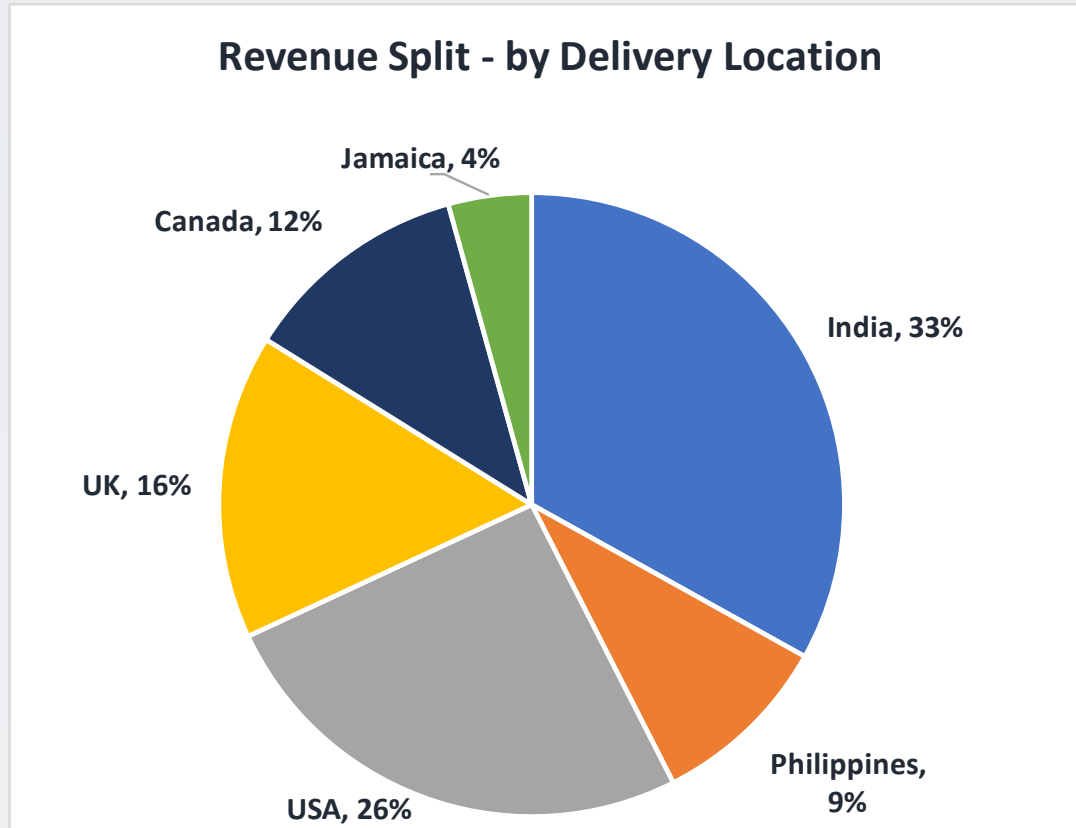
As on 31 <sup>st</sup> Dec 2022 (In INR Cr)	
<b>Borrowings</b>	<b>330</b>
<b>Cash and Treasury Surplus</b>	
Short Term Loans given	2,476
Cash	1,344
Debt Investments	2,896
<b>Total- Cash &amp; Treasury Surplus</b>	<b>6,716</b>

# Revenue Composition of Rs. 1,164.6 Cr



**Q3 FY2023**

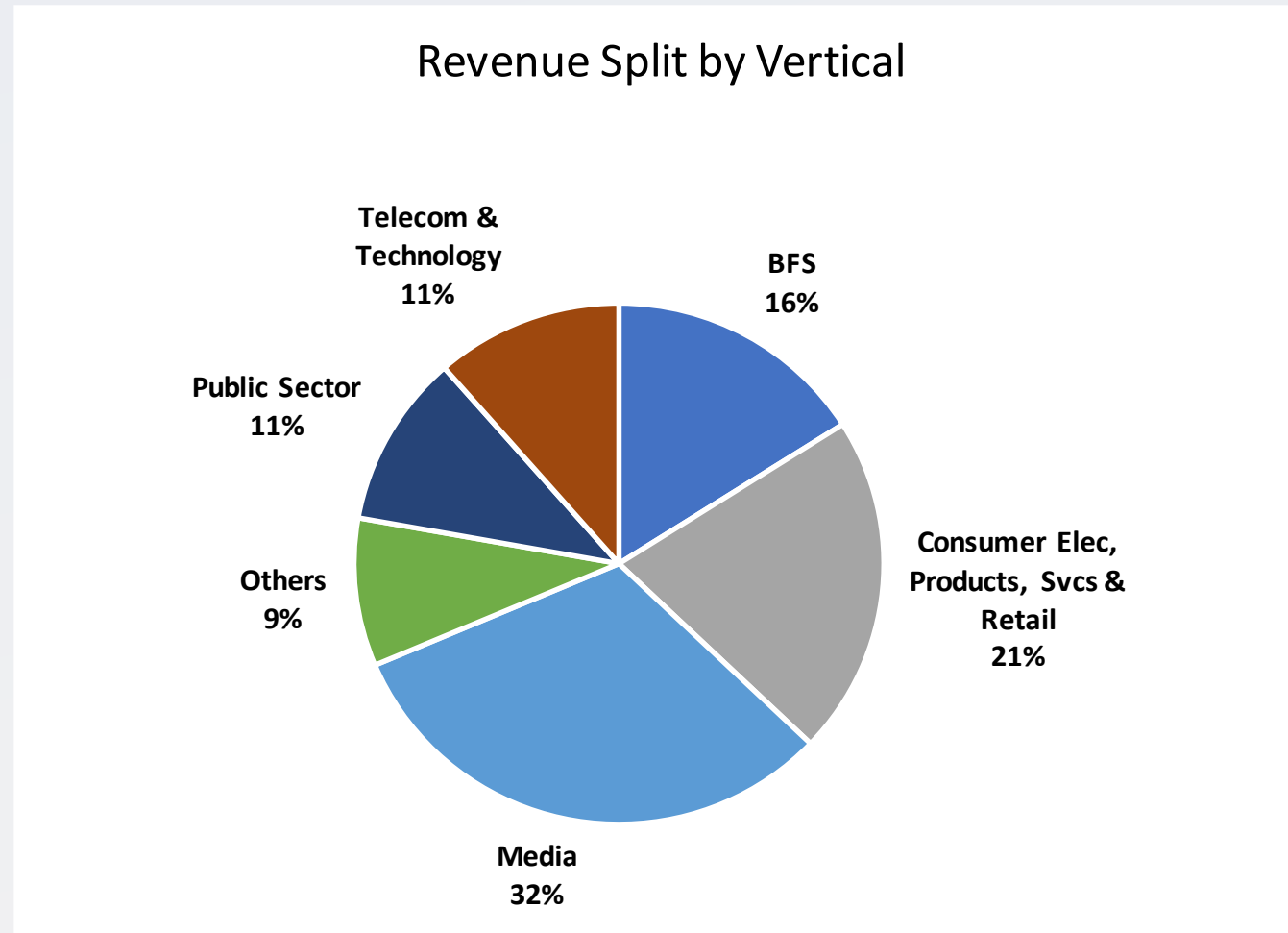
# Operating Revenue Composition of Rs. 1,119.1 Cr



**Q3 FY2023**

- *Others Include revenues originated from Philippines, Jamaica & Diversify*

# Operating Revenue (Rs.1,119.1 Cr) Split by Vertical



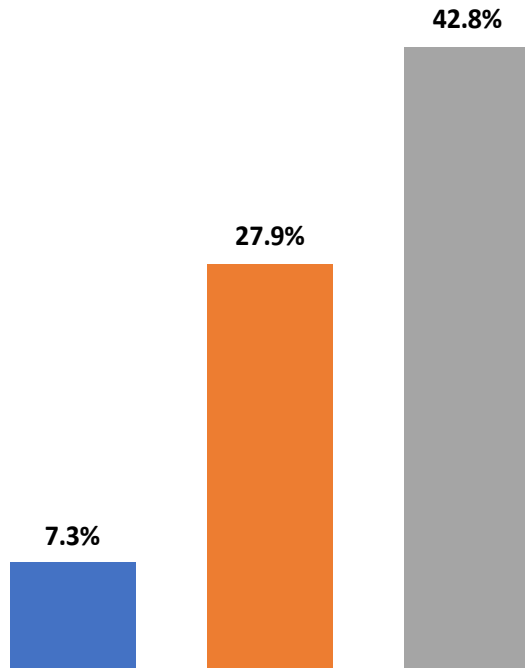
**Q3 FY2023**

# Revenue Profile



## Client Concentration

■ Top Customer ■ Top 5 Customers ■ Top 10 Customers

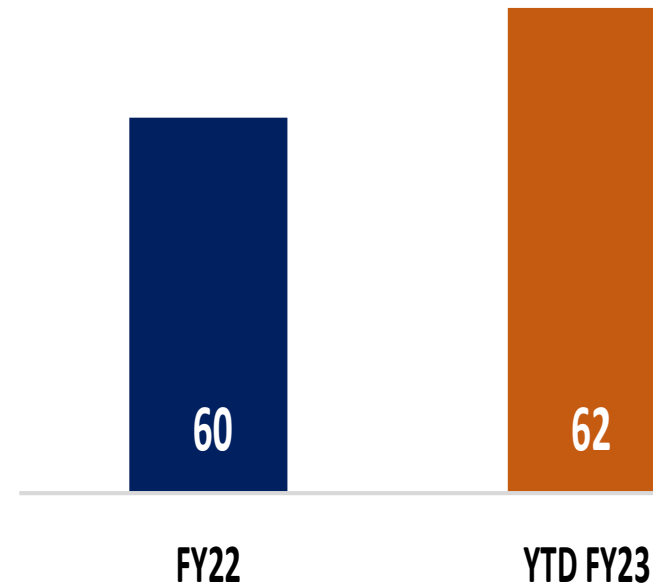


Revenues of Rs. 1119,1 Cr



## DSO

DSO (In Days)



DSO – Overall includes BPM and Digital Media businesses

**Q3 FY2023**

# HGS Share : Performance vs CNXIT and NIFTY 50





# Delivering the Digital Future

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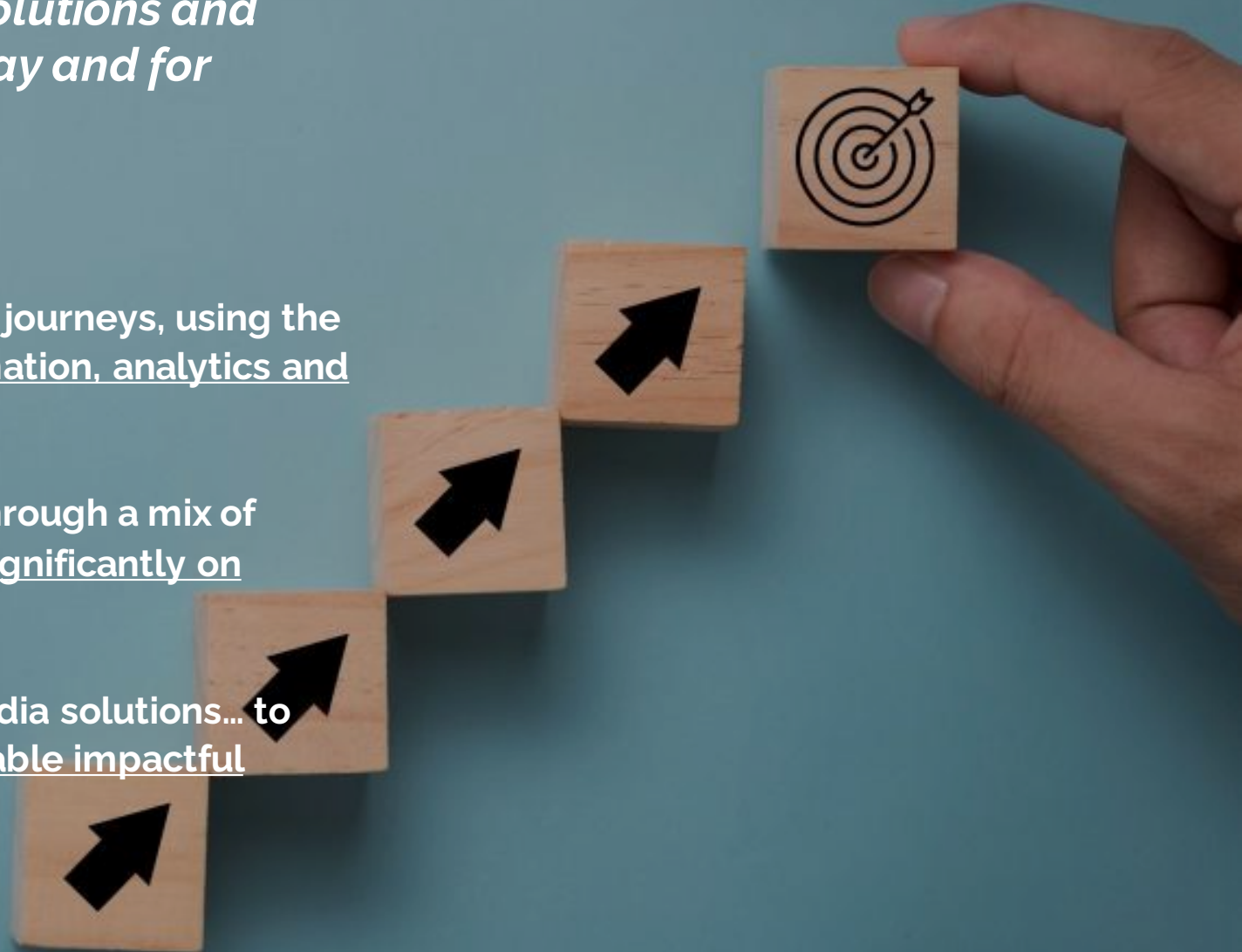
**Partha DeSarkar and Ru Ediriwira**

# Future forward

*“Our GOAL is to deliver compelling digital solutions and services to fulfil clients’ needs globally, today and for the future.”*

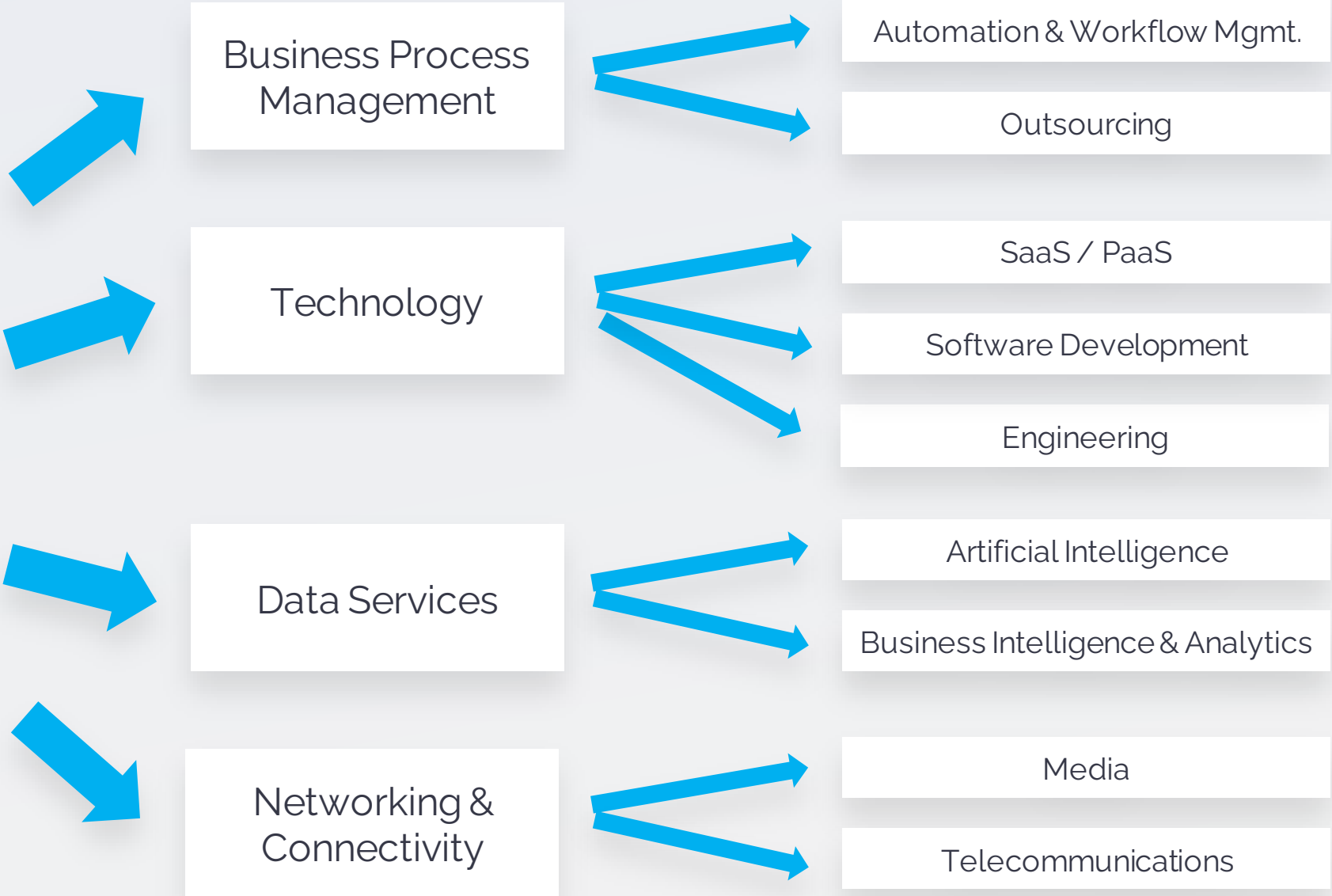
## Our Approach:

- HGS takes pride in providing frictionless customer journeys, using the latest technologies of artificial intelligence, automation, analytics and cloud telephony.
- Will continue to transform as a Digital Company through a mix of organic growth and acquisitions, while investing significantly on technology and talent.
- Enhance our offerings beyond BPM and Digital Media solutions... to provide a range of inter-connected services to enable impactful change to clients’ businesses.





# 360° Strategy



# Building integrated digital offerings

By leveraging the inherent expertise of HGS and NXTDIGITAL, and access to the Hinduja Group's global footprint, we will **develop new service streams to transform existing and new client businesses.**

## A SNAPSHOT OF OUR FIRST INTEGRATED SOLUTION PORTFOLIO

**Value Additions**

**Network Management SaaS/PaaS Service**  
Digital front-end for service procurement, observability and management

**Solutions**

**Work From Home Solution**  
IT and Contact Center Industries

**Live Interactive Education**  
(In partnership with Tata Studi)

**Managed Services**

**SDWAN Portfolio**  
Working with multiple OEMs to offer both Managed or Day 2 Managed solutions

**Infrastructure**

**Pervasive Broadband Network**  
( Owned / Via Partners / 3<sup>rd</sup> party collaboration)

**Broadband Over Satellite**  
To extend reach and back-up to Fiber



**Thank You**

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