Investor Presentation

August 17, 2016

Disclaimer

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 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. Hinduja Global 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.

HGS Overview

About us

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

SNAPSHOT

- FY 17 Q1 Revenues – INR **9,095 mn** (US **$136 mn)**
- FY 17 Q1 EBITDA – INR **1,069 mn** (US **$16 mn)**
- Presence in **11** countries ,across **67** centers
- **40,900 +** employees (as on 30th June 2016)
- **190** active clients for the BPM business (additionally over 500 clients for HRO Business)

VALUE PROPOSITION

- Fastest growing company in the peer group - CAGR of **25%** over last 5 years
- Strong balance sheet with low Debt/Equity ratio of **0.72x**
- Track record of dividends

What we do

Almost all HGS day to day activities relate to consumer transactions and interactions

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

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

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 provides the best service across all partners and internal centers consistently; while another clients operation recently won "**best mid sized call center worldwide**"

Consumer Products

- National technical support organization for industry leading tablets and smartphones
- Supporting many consumer electronics manufacturers and distributors from purchase support to post warranty servicing
- Support over **3000** consumer branded products for **8** European countries for client enquires include telephone, paper, email and social media

Our USP

Domain Expertise

- Technology / Media / Telecom
- Healthcare, Insurance, BFS
- Consumer Electronics & Packaged Goods
- Other Verticals: Government, Publishing, Energy & Utilities, Transportation & Logistics

Operational Excellence

- Only company in the world to have ***eSCM – SP*** 4 certification across 3 geo's simultaneously
- Significant client tenure; with some clients of more than 3 decades!
- Strong client relationships – Around 94% of the revenues from the clients with tenure over 5 years

Success at HGS has 4 distinct cornerstones

1

2

3

4

Easy to do Business

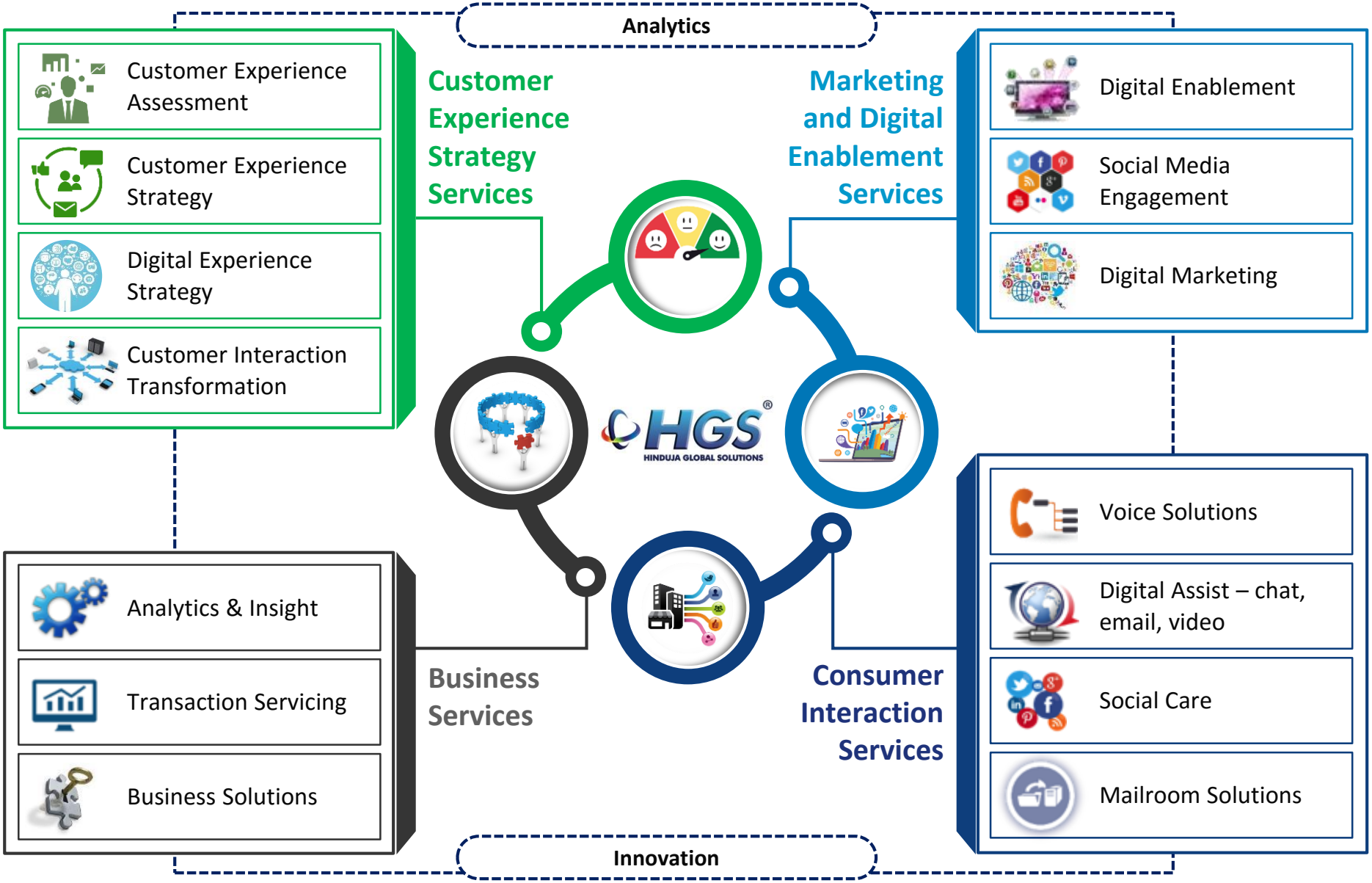
- The hallmark of our success has always been the flexibility and agility with which we approach our customer's dynamic needs, designing solutions to create long-term value
- Classified as a ***"major contender"*** in the BPM space by Everest Group[1]

Globally Local

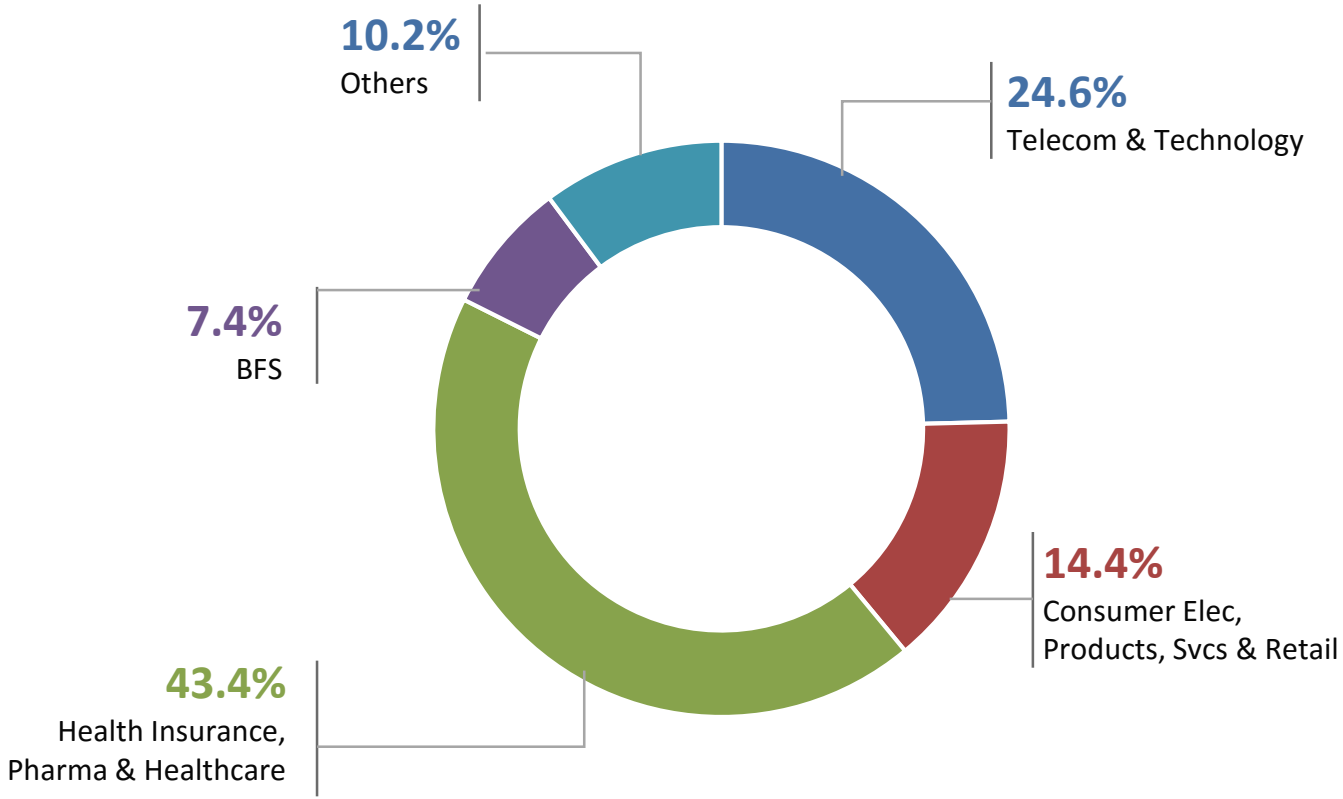
- Presence in India, USA, Canada, UK, Europe, Philippines, and Jamaica
- Philosophy of "***Right Sourcing***": Getting the onshore-offshore mix right for round-the-clock productivity, shorter lead-times, faster response times and cost benefits to clients

[1] As per Everest Group's PEAK Matrix 2014 classification model

HGS Core Capabilities to Enable the Unified Customer Experience



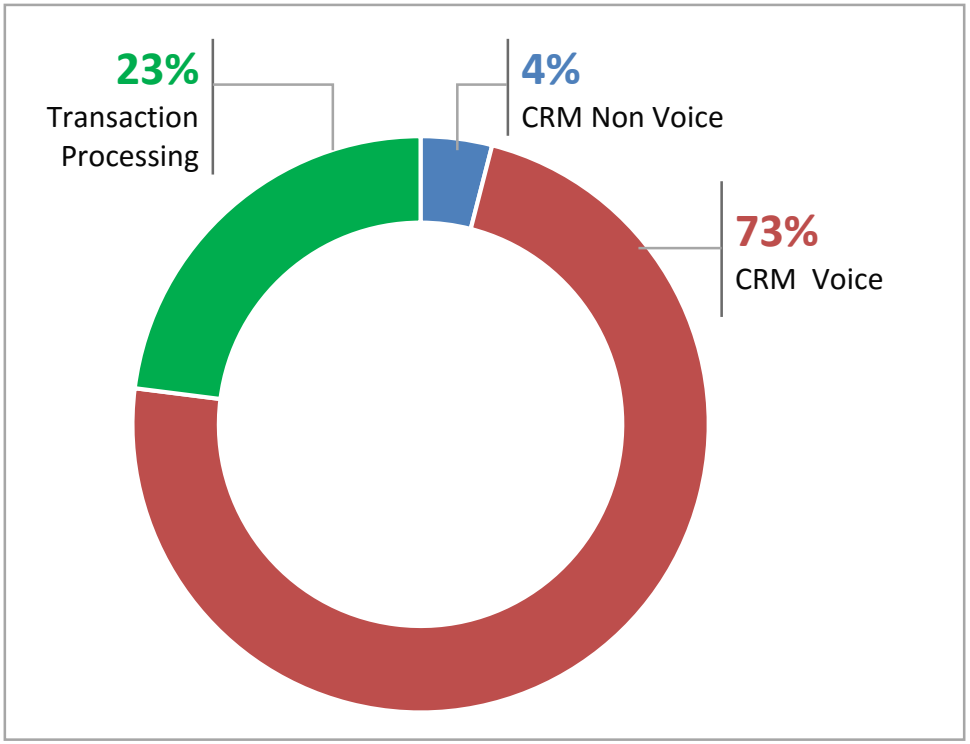
What We Do – Industry Sectors

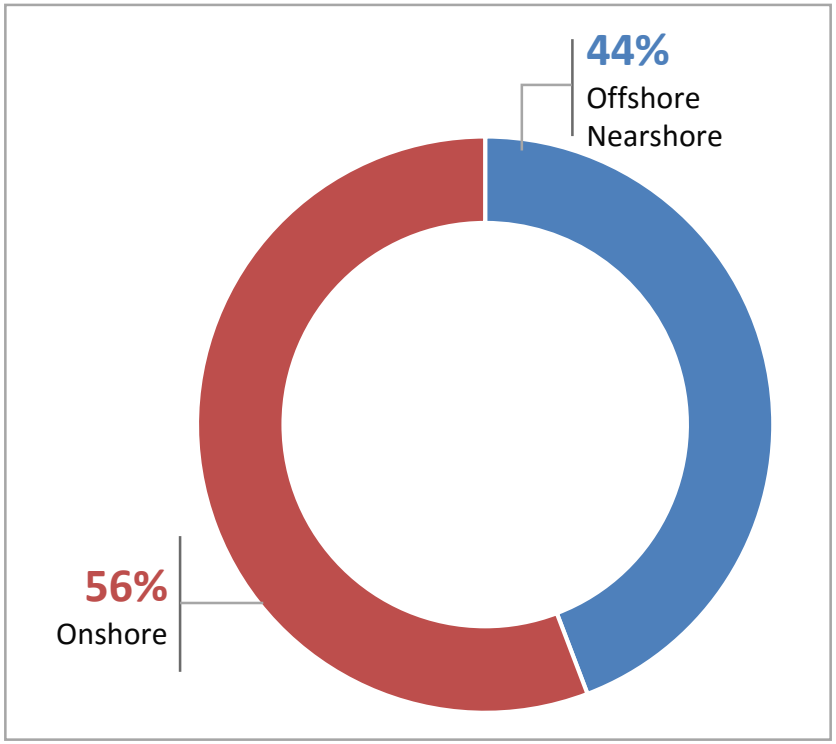


Continued Growth in the Healthcare Sector

**** Based on FY 17 Q1 Financials***

What we do – Our Service offering Mix and delivery model

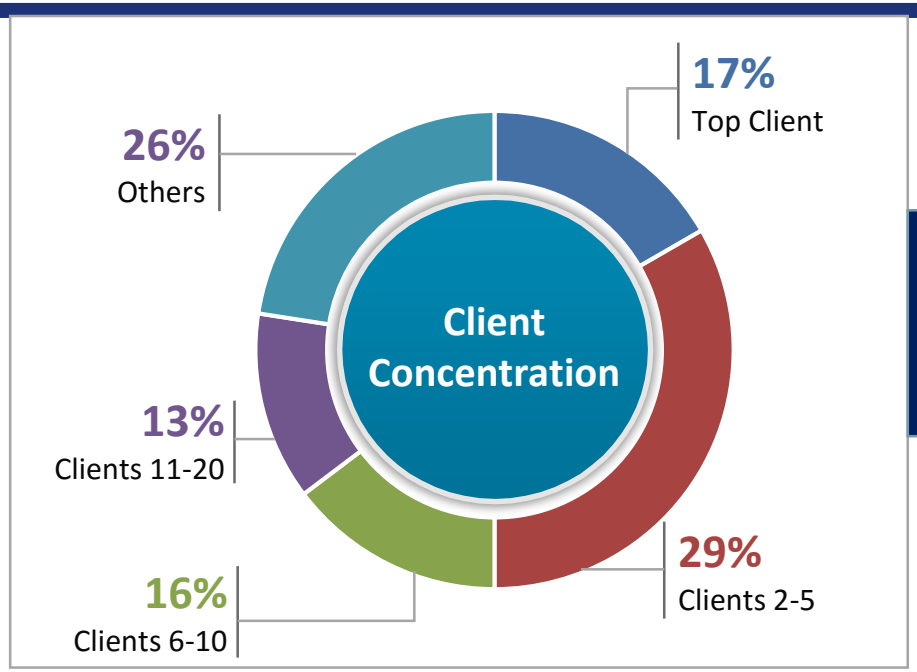




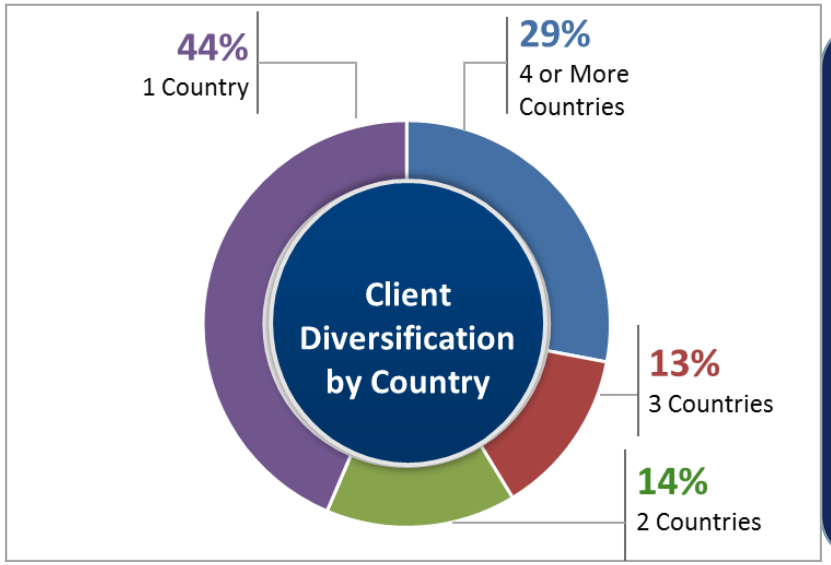
HGS leveraging the onshore presence has been able to grow the Offshore/Nearshore business in the last 2 years (from 34% to 44% of total revenue)

**** Based on Q1 June FY 17 Financials***

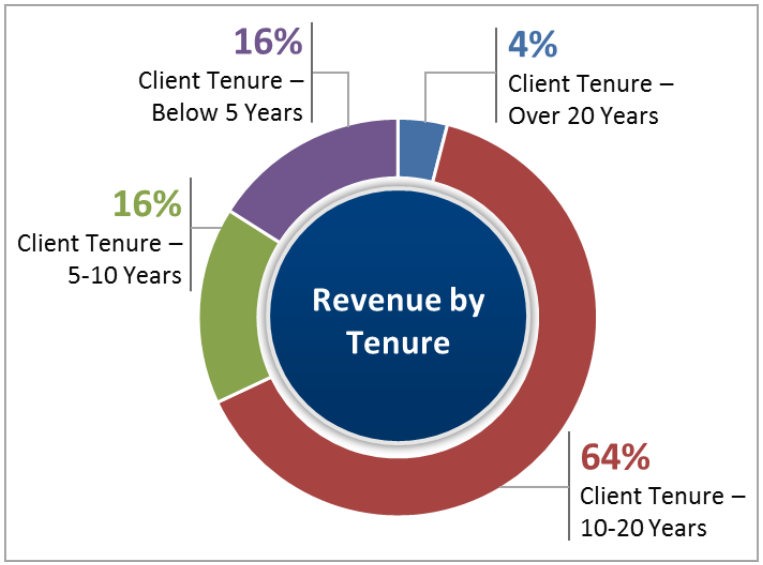
Strong and Tenured Client Relationships



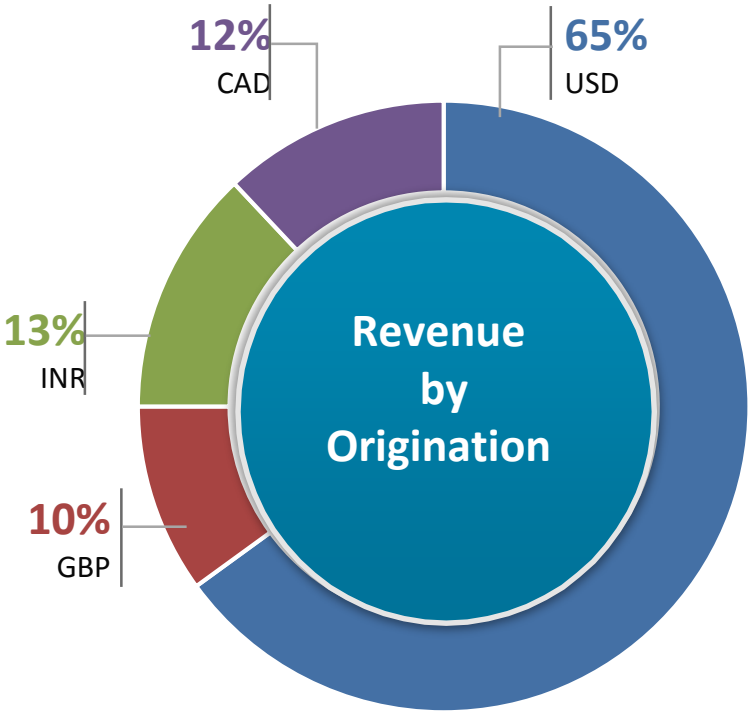
Top **20** clients contribute **72%** of the Total Revenue



Strong Client relationships demonstrated by tenured and multi-geography engagements

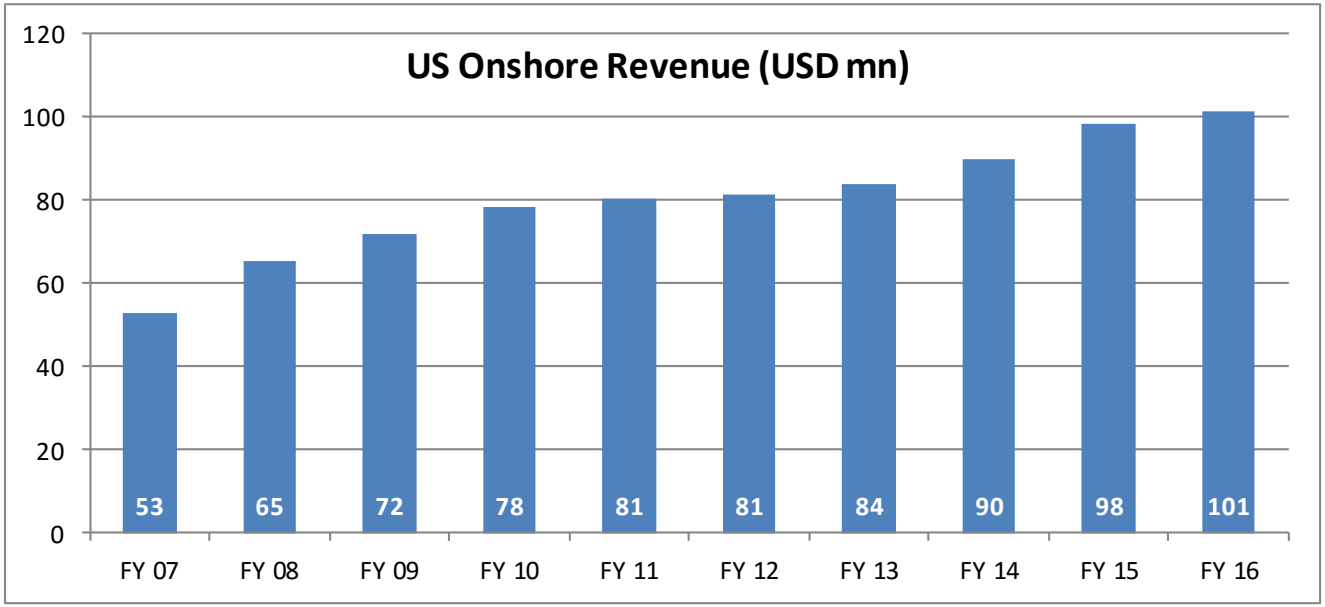


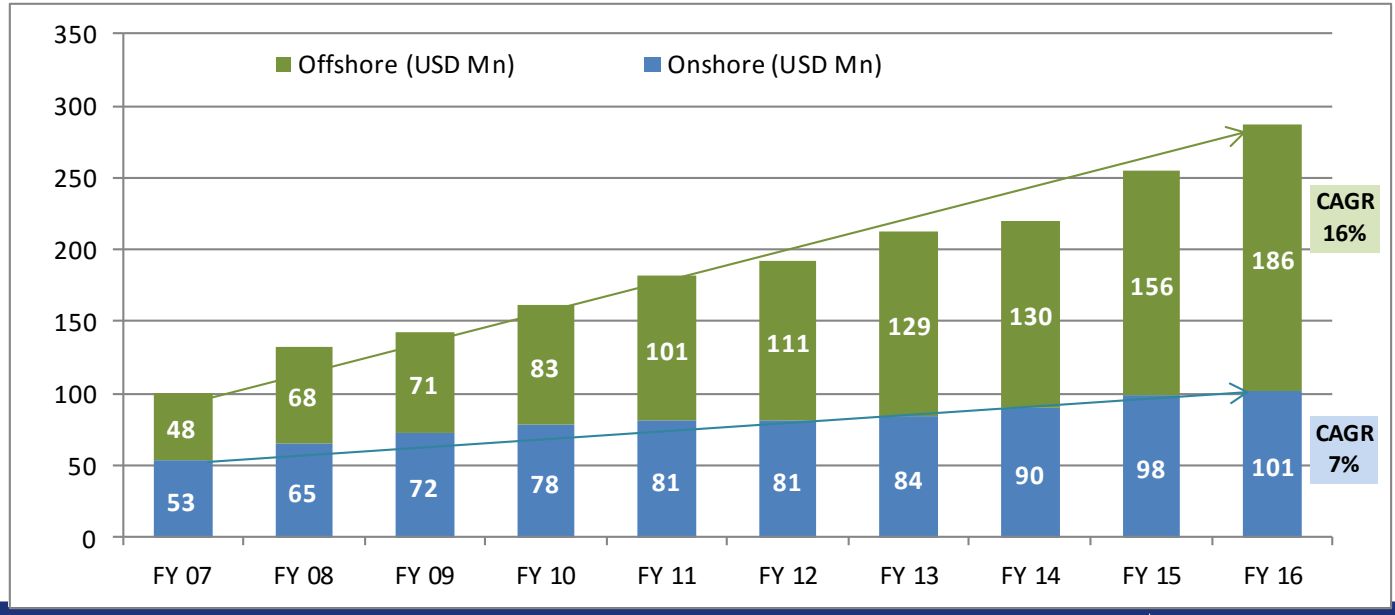
44% of revenues originated have offshore / near shore delivery



** Based on FY 17 Q1 Financials*

US - Onshore Presence Drives Offshore Growth





HGS Engagement Models

- **Pricing Models**
  - **FTE Based Pricing:** Traditional engagement model in which billing is based on number of employees (FTEs) engaged – HGS UK primarily has FTE based pricing
  - **Transaction Based Pricing:** Billing based on Transactions (Calls, Email, Chat, Claims etc.) – Most of the HGS business is based on this model
  - **Outcome based Pricing:** Based on successful achievements of outcomes – Applicable for Collections (EBOS), Outbound sales (Telecom, NGOs)
  - **Hybrid Pricing models:** A combination of more than one of above business models
  - **Nonlinear Business Models:** Platform play through Colibrium, leveraging of resources/investments across multiple engagements/clients (HRO Business)
- **Other Terms of Engagement**
  - **Forex and COLA adjustments:** To protect the margins against Inflation and Forex
  - **Multi Year Contract Tenures:** HGS engagements are mostly multi year (over 70% of the contracts) and a substantial number (over 20%) have a perpetual term
  - **Minimum Guarantee:** Safety net for protection against the volume fluctuations (mostly applicable for Transaction and Outcome based pricing models)

Awards & Accolades

Recognitions

- HGS USA President **Kathy Hamburger** received the **Silver Stevie® Award** in the "**Female Executive of the Year**" category at the 12th Annual Stevie Awards for Women in Business 2015
- HGS Canada was honored with the **Gold Stevie® Award** for the "**Customer Service Department of the Year**" in the 12th Annual International Business Awards
- At the 2015 Contact Center World (CCW) Awards - Global Finals, HGS was recognized with:
  - Ranked 11th among Top 20 IT/BPO Employers : HGS India
  - Best Large Center: Gold – HGS Preston UK
  - Best Customer Service for Small Center: Gold – HGS Chiswick UK
  - Best Medium Outsourced Contact Center: Silver – HGS Canada
  - Best Outsourcing Partnership: Silver – HGS USA
- One of the winners of the **2015 Best Outsourcing Thought Leadership (BOTL) Awards** for **BPO Innovation** by The Outsourcing Institute.

The Marketplace and Demand Outlook

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

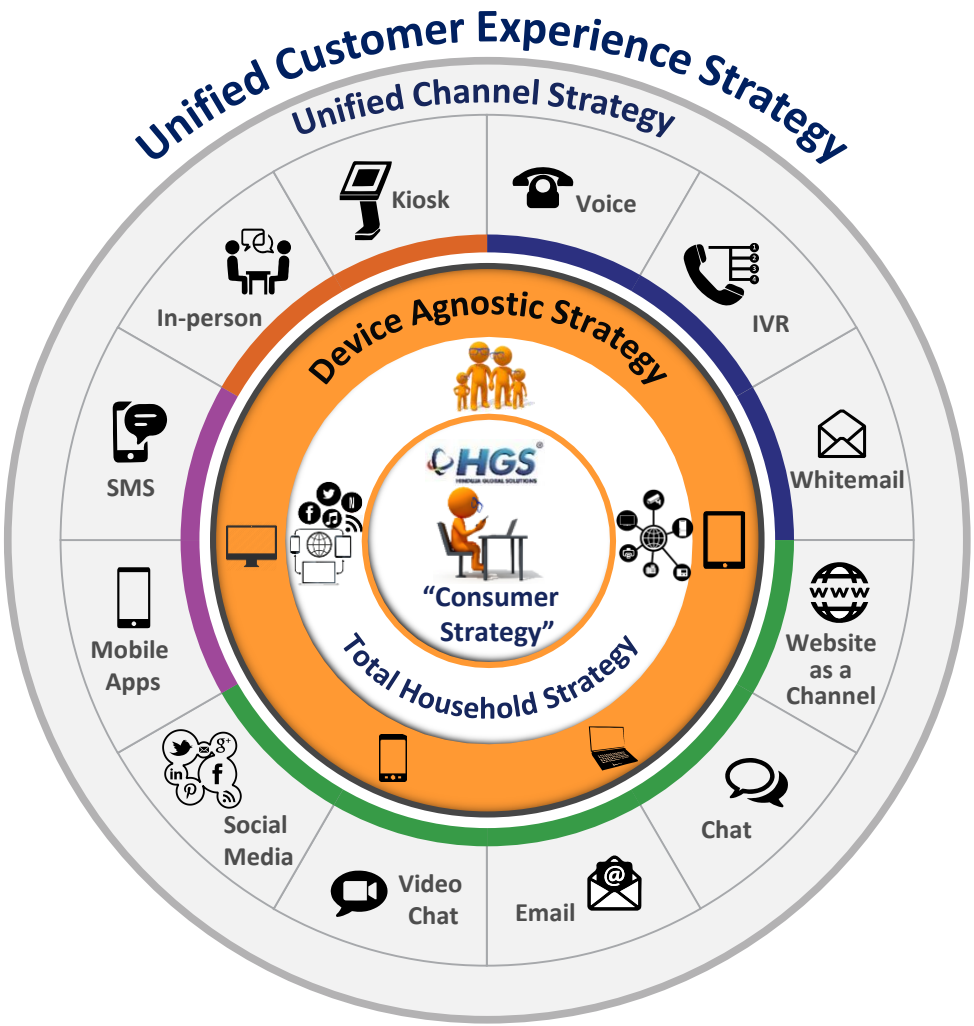
Demand Environment

- Strong U.S recovery driving organic volume growth, both onshore and offshore
- Canada is an under-penetrated market for both outsourcing and offshoring
- Strong growth in UK
- Offshoring momentum strong
- Wait and Watch approach for India Domestic Business

Source: Gartner

*HGS is developing industry leading Digital Customer Experience solutions, c*reating value for our clients, and their customers

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

Colibrium Acquisition – Adds depth to Healthcare Service offerings

- Structural changes in the Health insurance market due to the Affordable Care Act
- Healthcare companies have traditionally been selling insurance as a B2B service to large employer groups, which now transforms to a B2C model
- Colibrium Partners (CP) is a cloud-based sales, service and wellness automation platform that helps consumers to buy insurance. With this platform, the health exchanges, employer groups, and brokers can onboard new clients.
- Multi channel lead generation through the health exchange, web, telesales channel and mobile. Helps brokers and direct customers to enroll for health insurance schemes
- Colibrium Direct - Call Centre Operations staffed by agents and licensed insurance agents to provide services related to sales, premium collection, payments and customer care
- Traditionally, HGS has been in the post-sale services business. The acquisition of Colibrium marks HGS' foray in the customer acquisition space.
- The acquisition offers opportunities to cross sell to existing HGS and Colibrium Clients
- Revenues Apr- Sept 2015 of approx. US $ 7.1mn

Acquisition of Domestic BPO

Summary of the transaction:

- Around 8100 employees added over 99% accepted the offers made.
- 2 telecom clients and 3 NBFC clients added
- Delivery centres in Hindi speaking areas – NOIDA, Raipur, Pune and Indore
- Centres in Bangalore and Mangalore
- Branding complete at all centres
- YTD Mar 2016 – Revenues of Rs 993 mn
- Q1 FY 17 – Revenue of 483 mn, EPS accretive
- Presence of centers in Hindi speaking areas has helped win a ecommerce client

Acquisition of Mphasis Domestic BPO – Pan India Presence

Pan-India delivery presence

- HGS (Existing Centers)
- Acquired Centers
- HGS Presence Post Acquisition

Financial Overview

QE June'16 Performance Vs QE June'15

Quarterly Performance - Consolidated

Figures in Rs Mn unless otherwise indicated

	Actual IndAS QE June '16	Actual IndAS QE June'15	YoY Growth %
Revenue	9,095	7,388	23%
Operating Costs (excl Dep)	8,029	6,844	17%
EBITDA	1,066	544	96%
EBITDA %	11.7%	7.4%	4%
Depreciation	334	296	13%
Interest Expense	118	96	23%
Other income	94	115	-18%
Other income - Tax refund	44		
PBT	753	268	181%
PBT %	8.3%	3.6%	5%
Tax	234	102	129%
PAT	519	166	213%
PAT %	5.7%	2.2%	3%

Summary Cash Flow Statement

(Rs. Million)	FY 2014	FY 2015	FY 2016	Q1 FY 2017
Cash flow from Operations and after working capital changes	**2,352**	**1,924**	**1,589**	**886**
Cash Flow due to Regular Capex	(1,137)	(1,621)	(2,472)	(527)
Total Cash Flow from operations and Capex	**1,215**	**303**	**(883)**	**359**
For Purchase of building	(400)	0	(44)	---
Cash Flow paid for acquisition of business	0	(890)	(153)	---
Cash Flow due other investing activities	192	451	269	92
Total Cash Flow from Operation and investing	**1,007**	**(136)**	**(811)**	**435**
Dividend and dividend distribution tax	(638)	(610)	(468)	---
Proceeds from share allotment under ESOP scheme	9	36	3	---
Proceeds/(Repayment) from Borrowings	877	112	1,990	(407)
Capital Lease Taken Pursuant to Acquisition		(49)		---
Cash from Interest payment and others	(384)	(387)	(404)	(118)
Total Cash Flow from Financing Activities	**(1,36)**	**(898)**	**1,121**	**(525)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**871**	**(1,034)**	**310**	**(74)**

Key Highlights - Q1 FY 17 Performance

- **Robust Growth -** Revenue growth of 23 .1 % over Q1 FY 16. Volume growth of 14 %, 3.2 % due to FX effect and 6 % due to timing difference on the Mphasis BPO Acquisition made in Sept 15
- **Margin Expansion -** EBITDA Margin of 11.7% as compared to 7.3 % in Q1 of FY 16 . EBITDA growth driven by the following factors –
  - HGS Canada has turned profitable for the quarter driven by new contractual terms with the largest client
  - Mphasis BPO integration – Completion of integration of the Mphasis domestic BPO with the existing domestic BPO resulting in cost synergies
  - Improvement in India Domestic business
  - Colibrium – HGS has been investing in developing the Colibrium platform acquired in Mar'15, which led to lower margins in FY 16. With the development mostly done the revenue and profitability from Colibrium is higher as compared to last year
  - Cost Control Measures – HGS has implemented various cost control measures in FY 16, which have started bringing results

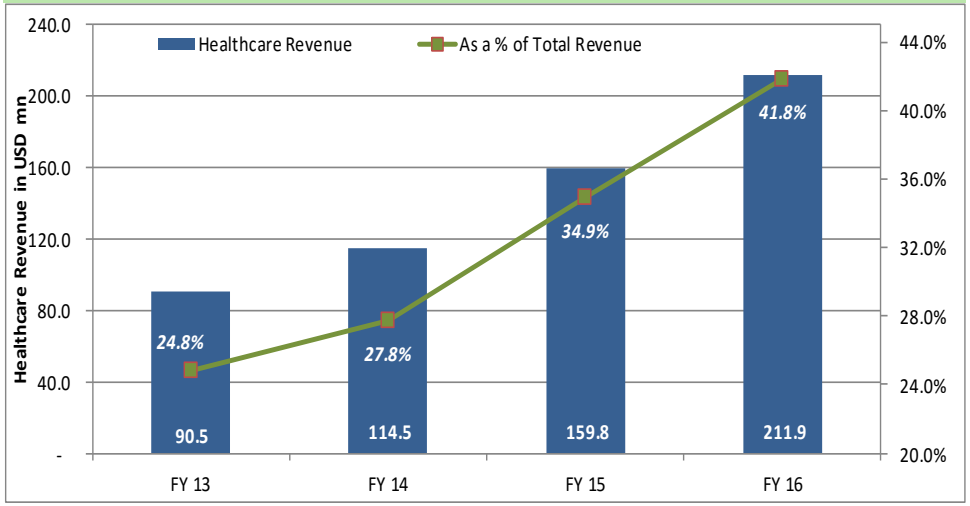
Summary Financial Profile – As at 30th June 2016

Particulars	HGSL	
	Rs.	*USD*
Net Worth *(in millions)*	**12,650**	**187.4**
Book value per share	**611.1**	**9.1**
Price per share	**562.0**	**8.3**
Dividend per share (Q1 FY 17)	**2.5**	**0.0**
EPS (TTM)	**66.47**	**1.0**
P/E Ratio (TTM)	**8.45**	**8.5**
Gross Debt *(in millions)*	**7,993**	**118.4**
Total Cash *(in millions)*	**4,572**	**67.7**
Net Debt (Net Cash) *(in millions)*	**3,421**	**50.7**
Net Debt/EBITDA	**0.94x**	**0.94x**
Total Debt/Equity	**0.63x**	**0.63x**

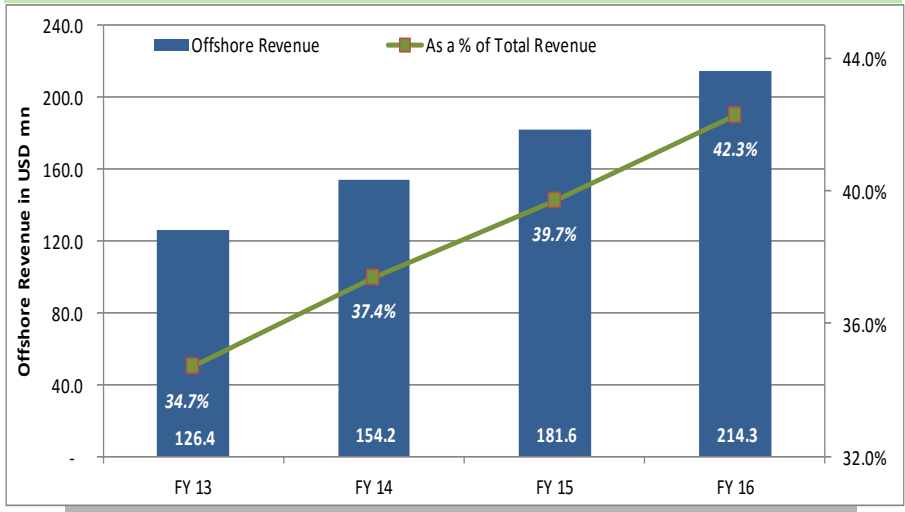
- Book Value taken is as reported on QE June 2016
- Stock prices and USD/INR exchange rate latest available prices
- Total Debt includes foreign currency debt taken at applicable exchange rates

HGS Strategy – Focus on Healthcare and Offshore Business

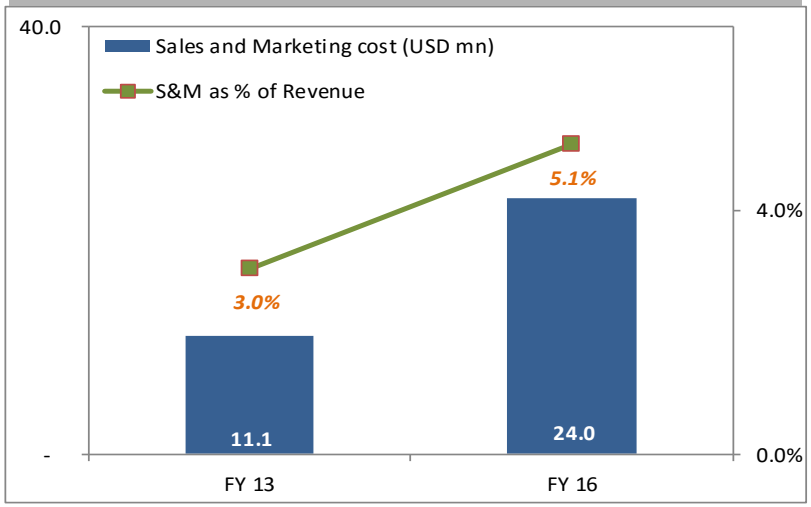
Healthcare growth to be driven by increased depth and breadth of Service Offerings



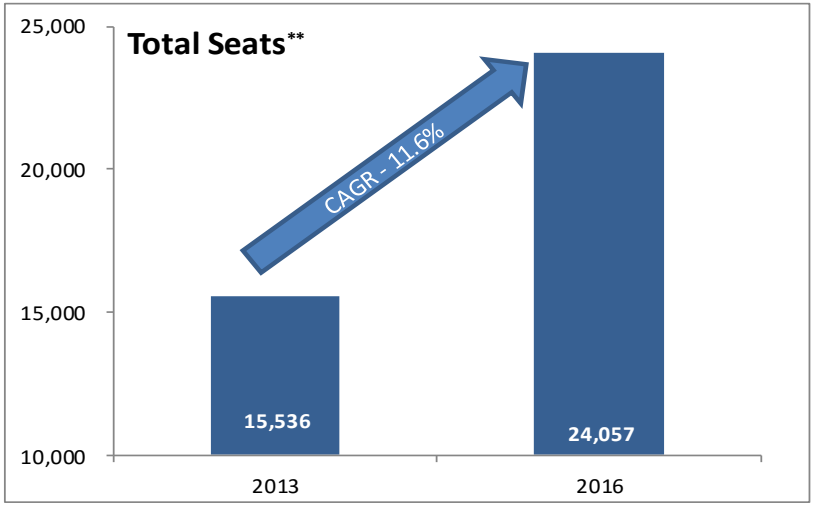
Strong Client relationships and multishore delivery capabilities to further drive offshore/ nearshore growth



Increased investment in Sales and Marketing

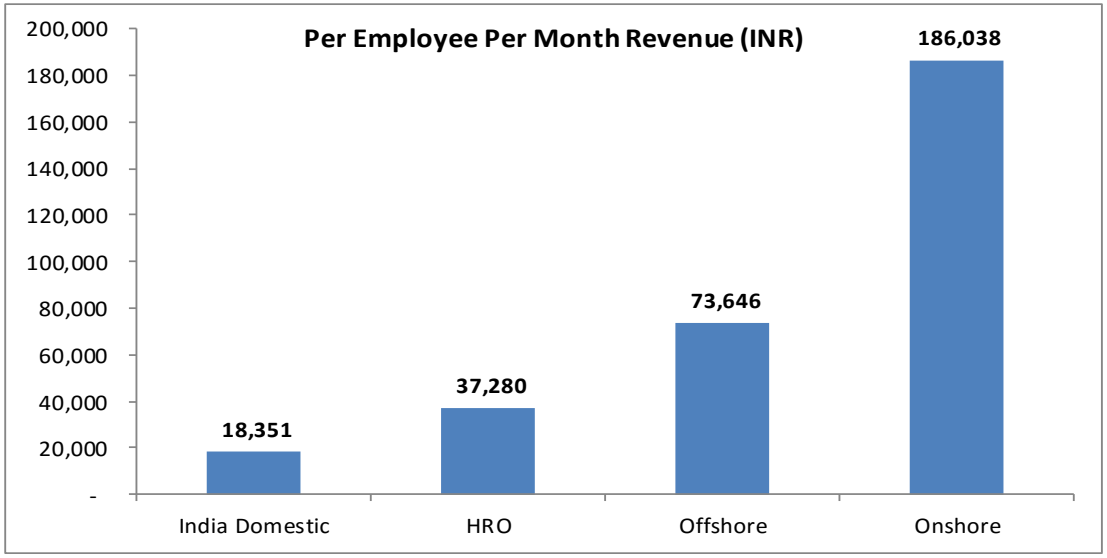


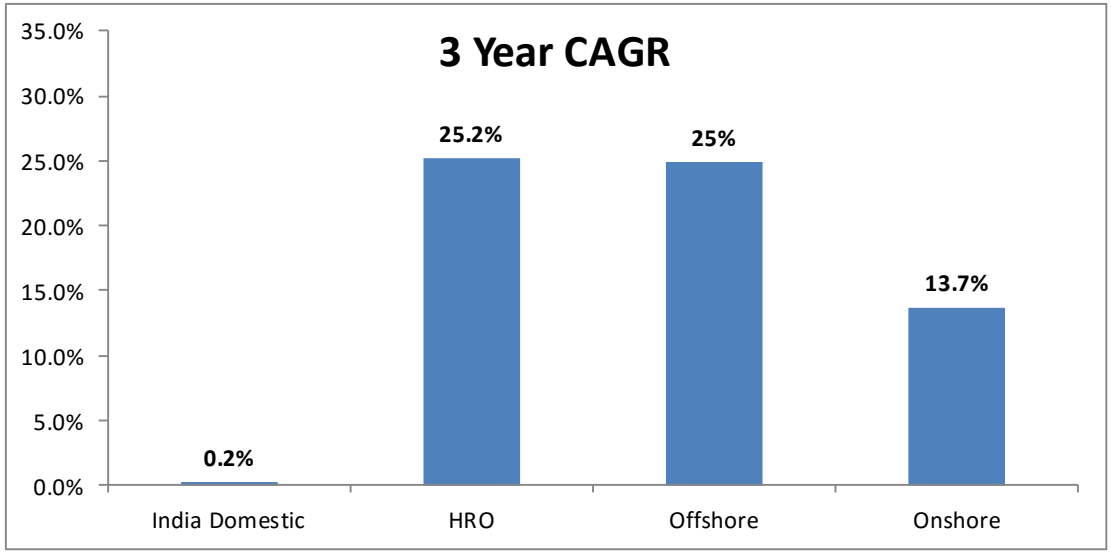
Increased Capacity for Growth



*** Represents seats excluding seats for India Domestic CRM Business*

Per Employee Revenue Across Delivery Models





HGS – Healthcare Business

HGS Payer Capabilities

HGS HINDUJA GLOBAL SOLUTIONS

Sales & Distribution

- Lead mgmt
- Tele-marketing
- Promotional campaigns
- Sales
- Payment

Policy Administration

- Plan Setup
- Policy Maintenance
- Enrollment
- Eligibility

Claims Management

- Fulfillment services
- Adjudication
- Re-pricing
- Financial recovery
- FWA services

Patient Care Management

- Nurse triage
- Utilization mgmt
- Pre-payment clinical reviews
- Care management
- Wellness care support
- Outreach services

Provider Network Management

- Provider credentialing
- Contract review
- Database mgmt
- Online directory services
- Outreach services
- Pre-authorization

HGS Colibrium

HGS Core Healthcare Services

Provider Services Value Chain

HGS HINDUJA GLOBAL SOLUTIONS

Billing Services

- Transcription
- Coding
- Charge capture
- Claim submission

Payment Services

- Financial Clearance
- EOB analysis
- Third party liability
- COB
- Self Pay
  - Balance after Insurance
- Charge integrity
- Coding integrity

AR Services

- Denial management
- Recovery / collections
- Carrier outreach
- Patient outreach
- AR management

HGS EBOS Services

Coding Solutions

- **CPC and CCS coders with ICD, CPT, HCPCS, and DRG coding expertise**
- **E&M coding, Radiology, Pathology, Lab coding, Facility coding**
- **Robust in-house training for certification / re-certification**
- **ICD-1- Training & Readiness**

Payment & A/R Solutions

- **Financial Clearance**
- **Accounts Receivables Management**
- **Legacy A/R Management for system conversions**
- **Administrative and Clinical Denial Appeals**
- **Specialty Payers (Workers Comp / Auto / No Fault / Liability)**
- **Early-Out Customer Services and Self Pay**

Peer Comparison

Peer Comparison: TTM Ending Q1 FY 2017

Particulars *TTM data in $ mn*	HGSL	FirstSource	Genpact	WNS	Sykes	EXL
Net Sales	**526.5**	**505.1**	**2,504.6**	**576.0**	**1,339.9**	**666.81**
TTM Growth	13.8%	3.9%	5.0%	7.2%	2.0%	19.7%
EBITDA	**54.7**	**65.3**	**409.1**	**115.1**	**147.7**	**104.09**
Growth	15.4%	7.8%	10.9%	16.1%	-3.0%	45.1%
EBITDA%	10.4%	12.9%	16.3%	20.0%	11.0%	15.6%
PBT	**31.2**	**48.8**	**318.4**	**80.4**	**84.2**	**85.45**
Growth	12.4%	21.2%	26%	-2.45%	-8.1%	75.2%
PBT%	5.9%	9.7%	12.7%	14.0%	6.3%	12.8%
PAT	**22.9**	**42.4**	**251.6**	**59.3**	**63.1**	**60.16**
Growth	-4.5%	11.3%	26%	0.03%	-6.7%	70.5%
PAT%	4.3%	8.4%	10.0%	10.3%	4.7%	9.0%

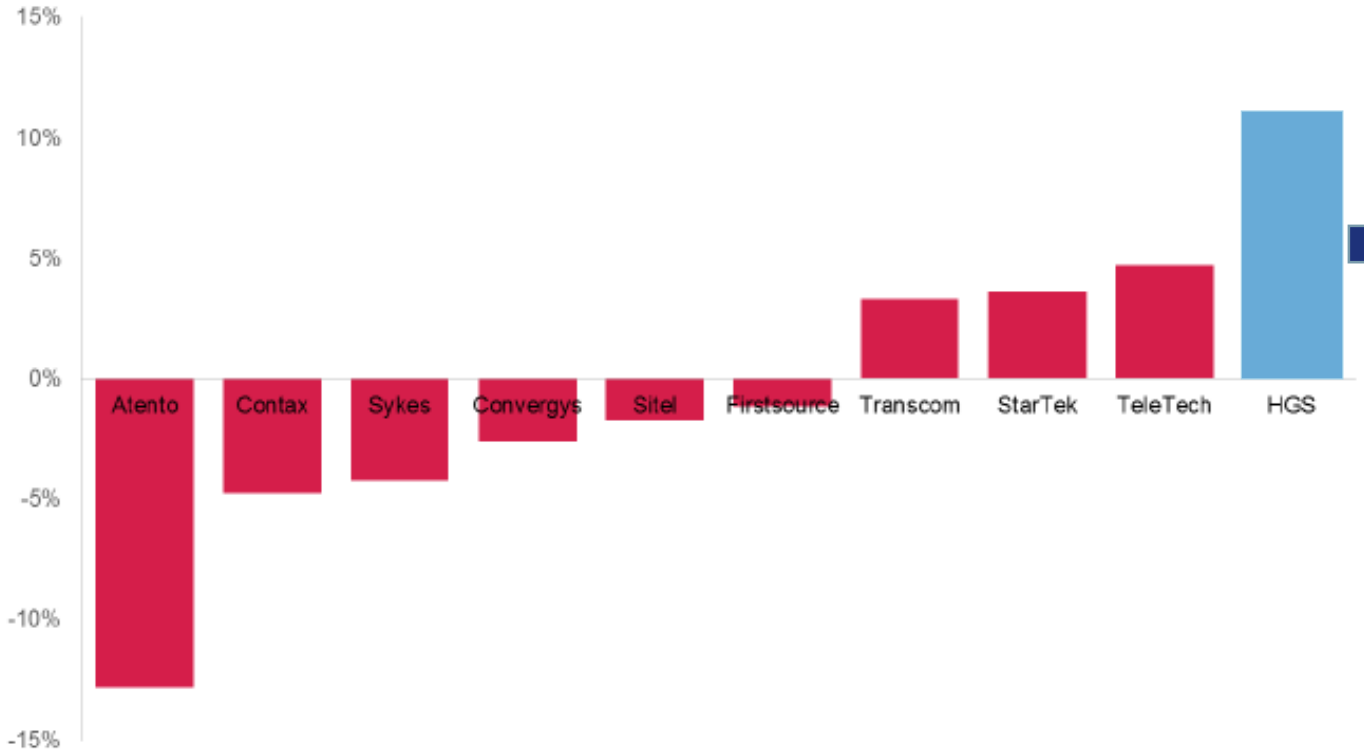
* $/RE exchange rate used – INR 66.49 to the dollar (average for the period July'15 to June'16)

- Revenue Growth rate for EXL higher due to acquisition of RPM Direct in March'15
- Revenue Growth of HGS higher due to acquisition of Mphasis BPO and Colibrium

Analyst Recognitions

HGS recognized by Industry Analysts for leading revenue growth in Q2

Outsourcer reported revenue change, Q2 '15 vs. Q2 '14



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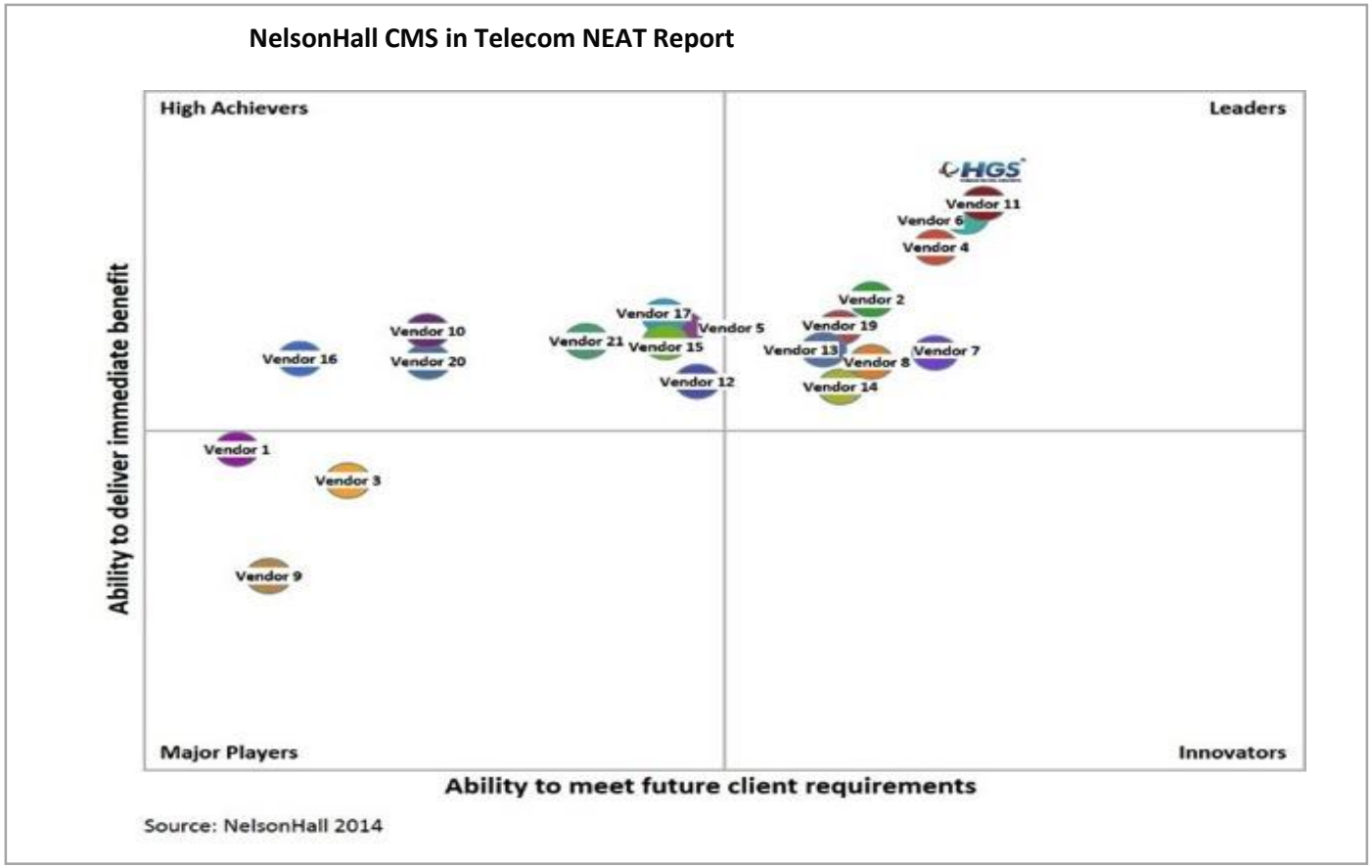
HGS is a Leader, Major Player, Innovator

According to the foremost analysts, HGS is a company on the rise, challenging the status quo to optimize the customer experience and make brands more competitive.

Gartner	NelsonHall	Everest Group	HfS
Magic Quadrant for Customer Management Contact Center BPO, December 2014[1]	**2015 NEAT Leader CMS in Telecom, Healthcare, Marketing BPO (Digital Transformation)**	**2015 PEAK Matrix™ Major Contender Healthcare Payer BPO CCO**	**2015 Healthcare Payer Operations Blueprint 2014 Blue Print High Performer Across Multiple Industries**

1 Gartner, Inc, Magic Quadrant for Customer Management Contact Center BPO, TJ Singh, Brian Manusama, December 2014. Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose

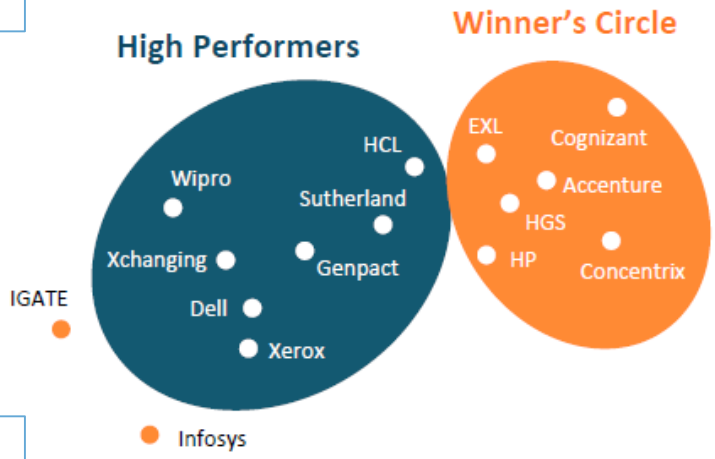
Nelson Hall CMS Telecom Report



HGS was also recognized for Domain expertise

HGS challenges the status quo, helping brands to be more competitive, with better Customer Experience

HfS Winner's Circle for Healthcare Payer Operations



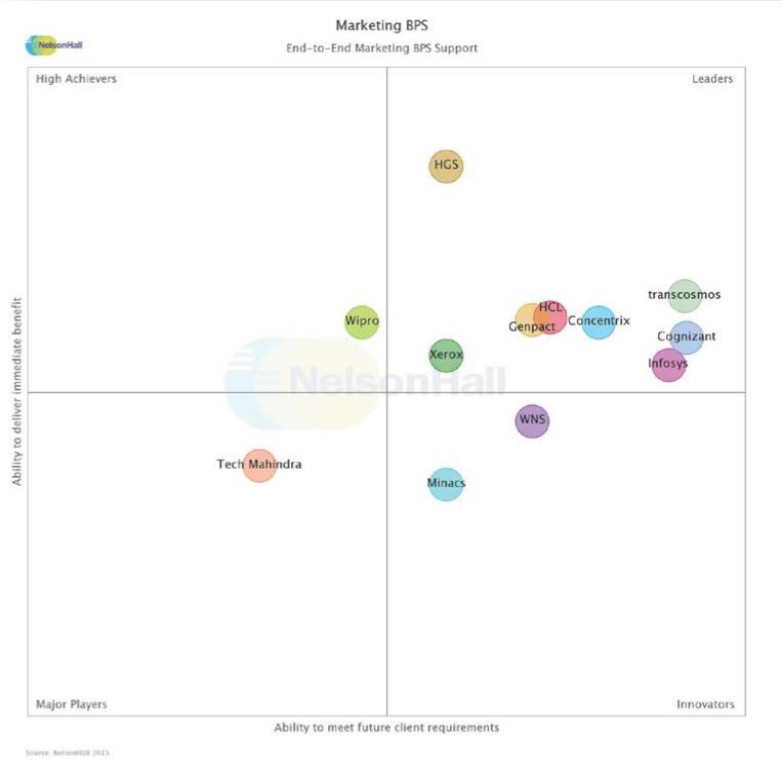
Major Contender Everest 2015 PEAK Matrix for CCO

HGS is respected as a Digital leader

HGS is challenge the status quo, helping brands to be more competitive, with better Customer Experience.

Nelson Hall PEAK Leader for:

- **Digital Transformation**
- **Digital & End-to-End Marketing**
  - Proven ability to provide end to end marketing BPS support
  - Ability to fully run and manage social media marketing campaigns
  - Repeat business from marquee clients
  - Proven e-commerce management
  - Ability to provide creative support.



Everest Group PEAK Matrix – 2015 CCO Market Standings . . . External Awareness, Credibility and Insight is Increasing…

Performance l Experience l Ability l Knowledge

1 Service providers scored using Everest Group's proprietary scoring methodology given on page 22

Note Assessment for Atento, Contax, Convergys, and Transcom excludes service provider inputs on this particular study, and are therefore based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and interaction with buyers

Source: Everest Group (2015)

…And recently included in Everest's TOP 50 Business Process Services providers…

HGS HINDUJA GLOBAL SOLUTIONS

Extensive summary of Horizontal and Industry specific BPS service providers

"What started as a cost optimization concept focusing on "non-core" and "back-office" business processes, today permeates the entire business process value chain addressing a wide variety of business objectives."

– Everest Group, October 2015

..and..HGS was recognized for this thought leadership and business case by the Outsourcing Institute

From Contact Center World Gold to Best Outsourcing Thought Leadership (BOTL)

"Web as a channel" improves sales revenue growth while reducing costs for company versus call center (80-90% resolution), 24x7, easy to do business

Thank You