

Q1 FY2021 EARNINGS PRESS RELEASE

HGS ANNOUNCES Q1 FY2021 RESULTS

Mumbai, India, September 5, 2020: Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited First Quarter Results for FY2021.

Speaking on the results, **Partha DeSarkar, Wholetime Executive Director and CEO of HGS** said: *“Building on its momentum from last year, HGS has started FY2021 on a strong note. The performance in the first quarter was much better than expected, considering the current market conditions. Both Healthcare and CES (Consumer Engagement Services) verticals posted good traction, leading to robust growth in topline (comparable numbers) and profitability.*

Our resilient delivery model and the quick response in shifting to a work from home led model is helping us deliver business as usual services to our clients with no disruption. Despite challenges posed by the pandemic, we continue to see strong demand for our services, and the advantage we have due to our current portfolio mix is helping us win new logos across verticals, both for short-and long-term opportunities. We are making significant progress on our digital journey too. The pandemic has opened up a whole-new potential opportunity for HGS and we are focused on offering new-age solutions that create real outcomes for businesses.

Looking ahead, while we expect a robust Open Enrollment season in the healthcare vertical, given the COVID uncertainties, we are cautiously optimistic for the rest of the financial year.”

Financial Highlights for Q1 FY2021

- Q1 FY2021 revenues stood at Rs. 12,359 million. Revenue growth of 8.7% YoY on like-to-like basis (excluding pass-through revenues and India Domestic CRM business revenues included in Q1 FY2020)
- EBITDA was Rs. 1,458 million. EBITDA margins improved to 11.8% in Q1 FY2021, from 11.6% in Q1 of last year
- Net profit was Rs. 492 million, a growth of 21.7 % YoY; Net margins stood at 4.0%
- Capital expenditure for the quarter was Rs. 349 million, including Rs. 43 million for COVID related work from home expenditure
- Reduction in gross debt of Rs. 265 million in Q1 FY2021; As on 30th June, 2020, Net Cash stood at Rs 629 million.
- Interim Dividend of Rs 6 /share

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Business Highlights for Q1 FY2021

- **Client wins:**
 - Added nine new logos across verticals for core BPM services and five for HRO/ Payroll Processing
 - Signed engagements with 11 clients (new and existing) for HGS Digital services (RPA, digital, analytics and Social Care services)
- **Clientele:** As of 30th June, 2020, HGS had 227 core BPM clients and 691 HRO/Payroll processing clients.
- **New Services:**
 - Launched HGS Pulse, a customer analytics platform for contact centers that provides visibility into business performance and actionable CX insights, and QuickEntry by HGS, a COVID-19 Employee Screener & Mobile App
 - HRO business launched a SaaS-based recruitment and on-boarding module
- **Employee Headcount:** 37,165 as of 30th June, 2020.
- **Delivery Centers:** Overall, HGS had 60 global delivery centers across seven countries as on 30th June, 2020.
- **Awards & Recognition in Q1 FY2021:**
 - Star Performer & Major Contender: Healthcare Payer Operations, PEAK Matrix® Assessment 2020, Everest Group
 - Major Contender: Customer Experience Management (CXM), PEAK Matrix® Assessment 2020, Everest Group
 - Booming 15 – Service & Technology Provider Standouts – EMEA, ISG outsourcing Index Q1 2020
 - Won the 2020 Customer Service Team of the Year, American Business Stevie Award
 - Awarded Excellence in Strategic Partnerships, IAOP 2020
 - Recognized as Outsource Partner of the Year, BI Group - Excellence in Customer Service 2020

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 37,165 employees across 60 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 2020, HGS had revenues of Rs. 52,354 million (US\$ 737 million).

Visit www.teamhgs.com to learn how HGS can help make your business more competitive.

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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 or contact:

Srinivas Palakodeti

Hinduja Global Solutions Limited

Tel: +91 80 4643 1000

Email: pala@teamhgs.com

R. Ravi

Hinduja Global Solutions Limited

Tel: +91 22 2496 0707

Email: ravi.r@teamhgs.com

HGS Q1FY2021 FINANCIALS AND FACT SHEET

| Hinduja Global Solutions Limited | | | | | |
|---|-----------------|-----------------|-----------------|------------------|--------------|
| Consolidated Quarterly Profit & Loss Account | | | | Unaudited | |
| (Rs Million) | | | | | |
| Particulars | Q1FY20 | Q4FY20 | Q1FY21 | QQ Growth | YY Growth |
| Operating Revenues | 12,180.8 | 12,760.4 | 12,358.9 | -3.1% | 1.5% |
| Other Operating Income | 0.0 | 96.6 | 0.0 | | |
| Revenues From Operations | 12,180.8 | 12,857.0 | 12,358.9 | -3.9% | 1.5% |
| Employee Costs | 7,812.4 | 8,804.0 | 8,596.4 | -2.4% | 10.0% |
| Other Operating Expenses | 2,914.2 | 2,274.5 | 2,304.5 | 1.3% | -20.9% |
| Total Operating Expenses | 10,726.6 | 11,078.5 | 10,900.9 | -1.6% | 1.6% |
| Op Profit/EBITDA | 1,454.2 | 1,778.5 | 1,458.0 | -18.0% | 0.3% |
| EBITDA Margin | 11.9% | 13.8% | 11.8% | | |
| Depreciation & Amortisation | 716.3 | 839.2 | 773.8 | -7.8% | 8.0% |
| Interest & Finance Charges | 246.7 | 247.9 | 237.0 | -4.4% | -3.9% |
| Other Income | 64.0 | 89.1 | 307.7 | 245.3% | 380.8% |
| Goodwill Impairment | 0.0 | 31.8 | 0.0 | | |
| Profit Before Tax | 555.2 | 748.7 | 754.9 | 0.8% | 36.0% |
| Provision for Taxation | 159.2 | 442.9 | 262.7 | -40.7% | 65.0% |
| Profit from Discontd Operations | 8.5 | 142.6 | 0.0 | | |
| Net Profit/(Loss) | 404.5 | 448.4 | 492.2 | 9.8% | 21.7% |
| Shares Outstanding (Mn) | 20.84 | 20.87 | 20.87 | | |
| Earnings/Share (Rs) | 18.97 | 20.74 | 22.97 | | |
| Dividend/Share (Rs) | 2.50 | 0.00 | 6.00 | | |

| Hinduja Global Solutions | | | | | |
|---|-------------|----------------|-------------|------------------|----------------|
| Leverage Profile | | | | Unaudited | |
| (Rs Million) | | | | | |
| Particulars | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | Q1FY21 |
| Total Gross Bank Debt (Excl. Lease Liabilities) | 5,624.0 | 5,726.0 | 5,546.0 | 6,042.2 | 5,776.8 |
| Less: Cash and cash equivalents | 5,091.0 | 6,024.0 | 5,222.3 | 5,308.2 | 6,405.7 |
| Net Bank Debt/(Net Cash) | 533.0 | (298.0) | 323.7 | 734.0 | (628.8) |
| Networth | 16,248.0 | 16,641.3 | 17,463.0 | 17,318.4 | 18,051.3 |
| Net Bank Debt/TTM EBITDA | 0.10 | (0.05) | 0.05 | 0.10 | (0.09) |
| Gross Bank Debt/ TTM EBITDA | 1.10 | 0.95 | 0.82 | 0.86 | 0.82 |
| Net Bank Debt/Equity | 0.03 | (0.02) | 0.02 | 0.04 | (0.03) |

| Hinduja Global Solutions | | | |
|---|------------------|-----------------|-----------------|
| Summary Balance Sheet | Unaudited | | |
| (Rs Million) | | | |
| Particulars | Q1FY20 | Q4FY20 | Q1FY21 |
| Shareholders' Funds | 16,247.8 | 17,318.4 | 18,051.3 |
| Total Gross Bank Debt (Excl. Lease Liabilities) | 5,624.0 | 6,042.2 | 5,776.8 |
| Other Current & Non-Current Liabilities | 15,720.0 | 17,357.0 | 17,918.5 |
| Capital Employed | 37,591.8 | 40,717.6 | 41,746.6 |
| Fixed Assets & Intangibles | 13,513.6 | 9,578.4 | 9,685.1 |
| Other Non-Current Assets | 6,467.2 | 10,606.6 | 10,076.9 |
| Total Non-Current Assets | 19,980.8 | 20,185.0 | 19,762.0 |
| Sundry Debtors & Other Current Assets | 12,520.0 | 15,224.4 | 15,578.9 |
| Cash and cash equivalents | 5,091.0 | 5,308.2 | 6,405.7 |
| Total Current Assets | 17,611.0 | 20,532.7 | 21,984.6 |
| Capital Deployed | 37,591.8 | 40,717.6 | 41,746.6 |

| Hinduja Global Solutions | | | |
|---|------------------|------------------|----------------|
| Summary Cash Flow Statement | Unaudited | | |
| (Rs Million) | | | |
| Particulars | Q1FY20 | FY2020 | Q1FY21 |
| Cash Flow From Ops. & After WC Changes | 1,455.2 | 8,837.5 | 1,819.1 |
| Cash Flow Due to Net Capital Expenditure | (129.4) | (1,176.4) | (349.4) |
| Cash Flow Due to Other Investing Activities | 0.0 | (3,093.8) | 329.6 |
| Other Items | 4.4 | 115.1 | 56.6 |
| Cash Flow From Investing Activities | 1,330.3 | 4,682.4 | 1,855.9 |
| Proceeds/(Repayment) of Debt | (384.7) | (300.0) | (265.4) |
| Cash from Interest & Others | (91.2) | (2,127.3) | (497.6) |
| Dividends Paid | 0.1 | (565.9) | 1.0 |
| Proceeds From Share Issuance | 1.7 | 10.6 | 3.6 |
| Cash Flow From Financing Activities | (474.1) | (2,982.6) | (758.4) |
| Net Inc./(Dec) in Cash & Cash Equivalents | 856.2 | 1,699.7 | 1,097.4 |
| Cash and cash equivalents at BOP | 4,234.8 | 3,608.5 | 5,308.2 |
| Cash and cash equivalents at EOP | 5,091.0 | 5,308.2 | 6,405.7 |

| REVENUE BY CURRENCY | | | | | | | | | | |
|---------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms |
| From USD | 9,703.4 | 75.2% | 9,444.1 | 73.2% | 9,765.2 | 73.1% | 9,954.4 | 75.5% | 9,156.9 | 74.1% |
| From CAD | 1,288.8 | 10.0% | 1,403.6 | 10.9% | 1,549.7 | 11.6% | 1,499.8 | 11.4% | 1,448.1 | 11.7% |
| From GBP | 678.5 | 5.3% | 758.6 | 5.9% | 726.5 | 5.4% | 746.8 | 5.7% | 1,173.7 | 9.5% |
| From INR | 1,233.8 | 9.6% | 1,299.7 | 10.1% | 1,316.1 | 9.9% | 984.5 | 7.5% | 580.1 | 4.7% |

Note: Q1FY2021 numbers are unaudited

| REVENUE BY DELIVERY | | | | | | | | | | |
|---------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms |
| USA & Jamaica | 5,329.0 | 41.3% | 4,808.3 | 37.3% | 4,679.5 | 35.0% | 4,962.6 | 37.6% | 4,735.7 | 38.3% |
| India (Domestic) | 1,233.8 | 9.6% | 1,299.7 | 10.1% | 1,316.1 | 9.9% | 984.5 | 7.5% | 580.1 | 4.7% |
| India (International) | 2,269.5 | 17.6% | 2,457.5 | 19.0% | 2,703.9 | 20.2% | 2,702.5 | 20.5% | 2,545.4 | 20.6% |
| India Operations * | 3,503.3 | 27.1% | 3,757.3 | 29.1% | 4,020.0 | 30.1% | 3,687.0 | 28.0% | 3,125.5 | 25.3% |
| Philippines | 2,093.6 | 16.2% | 2,162.5 | 16.8% | 2,305.2 | 17.3% | 2,282.7 | 17.3% | 2,100.6 | 17.0% |
| Canada | 1,288.8 | 10.0% | 1,403.6 | 10.9% | 1,549.7 | 11.6% | 1,499.8 | 11.4% | 1,448.1 | 11.7% |
| UK/EU | 678.5 | 5.3% | 758.6 | 5.9% | 726.5 | 5.4% | 746.8 | 5.7% | 937.6 | 7.6% |
| Middle East | 11.3 | 0.1% | 15.7 | 0.1% | 76.7 | 0.6% | 6.6 | 0.1% | 11.3 | 0.1% |

Note: Q1FY2021 numbers are unaudited. From Q1 to Q4FY20, India Operation does include revenues of India Domestic CRM which were sold on Jan-30th,2020

| REVENUE BY VERTICALS | | | | | | | | | | |
|------------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms |
| Technology & Telecom | 2,052.5 | 15.9% | 2,050.5 | 15.9% | 2,173.7 | 16.3% | 1,943.1 | 14.7% | 1,800.2 | 14.6% |
| Healthcare & Insurance | 6,497.1 | 50.3% | 6,670.7 | 51.7% | 7,260.2 | 54.4% | 7,600.7 | 57.6% | 6,935.2 | 56.1% |
| Consumer & Retail | 1,384.0 | 10.7% | 1,403.4 | 10.9% | 1,417.2 | 10.6% | 1,345.2 | 10.2% | 1,361.8 | 11.0% |
| Banking & Financials | 1,067.9 | 8.3% | 1,165.4 | 9.0% | 1,258.4 | 9.4% | 1,138.1 | 8.6% | 1,038.6 | 8.4% |
| Media & Entertainment | 241.4 | 1.9% | 272.5 | 2.1% | 296.3 | 2.2% | 298.6 | 2.3% | 285.0 | 2.3% |
| Chemicals & Biotech | 156.5 | 1.2% | 165.7 | 1.3% | 160.2 | 1.2% | 177.9 | 1.3% | 203.2 | 1.6% |
| Misc & Others | 1,505.1 | 11.7% | 1,177.9 | 9.1% | 791.5 | 5.9% | 681.8 | 5.2% | 734.8 | 5.9% |

Note: Q1FY2021 numbers are unaudited

| ONSHORE to OFFSHORE REVENUE MIX | | | | | | | | | | |
|---------------------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms |
| Onshore Revenues | 7,338.7 | 56.9% | 7,140.0 | 55.3% | 7,156.8 | 53.6% | 6,742.3 | 51.1% | 6,217.8 | 50.3% |
| Offshore Revenues * | 5,565.9 | 43.1% | 5,766.1 | 44.7% | 6,200.7 | 46.4% | 6,443.2 | 48.9% | 6,141.1 | 49.7% |

Note: Q1FY2021 numbers are unaudited. Offshore includes Nearshore as well.

| CLIENT CONCENTRATION | | | | | | | | | | |
|-------------------------------|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms | Rs Million | % terms |
| Revenue from Top Customer | 2,191.4 | 17.0% | 2,330.4 | 18.1% | 2,650.3 | 19.8% | 2,686.8 | 20.4% | 2,737.1 | 22.1% |
| Revenue from Top-5 Customers | 6,233.2 | 48.3% | 5,937.5 | 46.0% | 6,681.5 | 50.0% | 6,791.4 | 51.5% | 6,373.3 | 51.6% |
| Revenue from Top-10 Customers | 7,790.6 | 60.4% | 7,392.9 | 57.3% | 7,871.8 | 58.9% | 7,950.5 | 60.3% | 7,549.0 | 61.1% |
| Revenue from Top-20 Customers | 9,300.9 | 72.1% | 9,057.3 | 70.2% | 9,307.7 | 69.7% | 9,294.5 | 70.5% | 8,963.3 | 72.5% |

Note: Q1FY2021 numbers are unaudited

| REGIONWISE EMPLOYEE TRENDS | | | | | | | | | | |
|----------------------------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Numbers | % terms | Numbers | % terms | Numbers | % terms | Numbers | % terms | Numbers | % terms |
| India | 24,420 | 57.6% | 24,836 | 56.2% | 25,851 | 56.9% | 18,106 | 48.3% | 17,674 | 47.6% |
| Philippines | 8,700 | 20.5% | 9,268 | 21.0% | 9,792 | 21.6% | 9,351 | 25.0% | 9,315 | 25.1% |
| US/Jamaica | 5,846 | 13.8% | 6,298 | 14.2% | 6,315 | 13.9% | 6,165 | 16.5% | 5,872 | 15.8% |
| Canada | 2,292 | 5.4% | 2,562 | 5.8% | 2,396 | 5.3% | 2,760 | 7.4% | 2,732 | 7.4% |
| UK/Europe | 1,113 | 2.6% | 1,254 | 2.8% | 1,081 | 2.4% | 1,078 | 2.9% | 1,572 | 4.2% |
| Total Headcount | 42,371 | | 44,218 | | 45,435 | | 37,460 | | 37,165 | |

Note: Q1FY2021 numbers are unaudited

| CAPEX to OPEX SEATS | | | | | | | | | | |
|------------------------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|---------------|---------|
| Particulars | Q1FY2020 | | Q2FY2020 | | Q3FY2020 | | Q4FY2020 | | Q1FY2021 | |
| | Numbers | % terms | Numbers | % terms | Numbers | % terms | Numbers | % terms | Numbers | % terms |
| Capex Seats | 32,968 | 77.7% | 33,577 | 76.6% | 33,973 | 76.0% | 21,738 | 61.7% | 21,745 | 62.2% |
| Opex Seats | 9,443 | 22.3% | 10,238 | 23.4% | 10,726 | 24.0% | 13,479 | 38.3% | 13,209 | 37.8% |
| Total Headcount | 42,411 | | 43,815 | | 44,699 | | 35,217 | | 34,954 | |

Note: Q1FY2021 numbers are unaudited

| REVENUE RUN RATE (Numbers) | | | | | |
|----------------------------|----------|----------|----------|----------|----------|
| | Q1FY2020 | Q2FY2020 | Q3FY2020 | Q4FY2020 | Q1FY2021 |
| Above Rs200mn/Quarter | 12 | 12 | 11 | 9 | 9 |
| Above Rs150mn/Quarter | 14 | 17 | 12 | 14 | 14 |
| Above Rs100mn/Quarter | 23 | 24 | 23 | 19 | 21 |
| Above Rs50mn/Quarter | 41 | 40 | 40 | 44 | 40 |
| Above Rs10mn/Quarter | 90 | 95 | 96 | 88 | 80 |

Note: Q1FY2021 numbers are unaudited

| AVERAGE MONTHLY REVENUE PER EMPLOYEE (RUPEES) | | | | | |
|---|----------------|---------------|---------------|----------------|----------------|
| | Q1FY2020 | Q2FY2020 | Q3FY2020 | Q4FY2020 | Q1FY2021 |
| India Overall | 48,835 | 50,854 | 52,874 | 55,918 | 58,236 |
| Philippines | 80,458 | 80,235 | 80,629 | 79,497 | 75,025 |
| Jamaica | 82,220 | 82,634 | 86,241 | 92,813 | 96,008 |
| US Domestic * | 373,596 | 388,197 | 353,401 | 384,293 | 388,432 |
| UK/Europe | 206,558 | 213,655 | 207,436 | 230,612 | 235,876 |
| Canada | 181,491 | 192,777 | 208,371 | 193,917 | 175,789 |
| Overall | 101,738 | 99,366 | 99,328 | 106,042 | 110,409 |

Note: All numbers are un audited. * - US includes US Domestic + Colibrum + AxisPoint + Elements