HGS®
HINDUJA GLOBAL SOLUTIONS

August 14, 2017

BSE Limited
Corporate Relation Dept.
P. J. Towers, Dalal Street
Mumbai – 400 001.
Scrip Code: 532859

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051.
Symbol: HGS

Dear Sirs,

Sub: Revised Earning Presentation

Further to our letter dated August 11, 2017, please find attached the revised Earning Presentation.

Thanking you,

Yours truly,
For **Hinduja Global Solutions Limited**

Makarand Dewal
Company Secretary
Encl: a/a

Quarter 1 FY2018
Earnings Presentation

August 11, 2017

Cautionary Statement

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 Solutions 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 Solutions 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

Conference Call Details: Monday, August 14, 2017 at 4:00 PM IST

Dial-In Numbers	
Primary Number	+91 22 3938 1066
Local Access Number	3940 3977
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

Highlights

Q1 FY2018 Financial Highlights

- Operating revenues of Rs9272mn, growth of 1.9%, as compared to same period last year.
- EBITDA of Rs1002mn with margin of 10.8%. *(EBITDA margin of 10.8% is based on pro-forma basis).*
- PAT of Rs415mn with margin of 4.5%. Sequentially declined by 2.9%,
- As of June 30, 2017 HGS had Net Debt of Rs1329mn, and a Net Worth of Rs13,854mn.
- FCF to EBITDA factor, works out to 75% for Q1FY18. Items like tax refunds.
- The Board declared a interim dividend of Rs2.5per share

Management Perspective

Commenting on the performance and outlook, **Mr. Partha DeSarkar, CEO, Hinduja Global Solutions** said:

"Q1 has been traditionally been a soft quarter for HGS. In line with trends, revenues, in Q1FY2018 grew at 6.4%YoY in constant currency terms. The revenue growth in Q1 in rupee terms has been muted, mainly due to FX impact. This impacted the margins and lower profitability of India Domestic business too had a bearing on the margins. Looking ahead we see a robust pipeline led by our investments in clients facing technology led solutions in Automation, Digital and Analytics.

In line with the previous years, we expect H2 to be better than H1 in the current fiscal as well. We continue to remain focused on improving profitability, cash flow generation and reducing debt. Over the last 1 year we have pared down Rs2.03bn of gross debt and net debt has been reduced by Rs2.23bn. Our investments in technology powered innovation to provide a differentiating customer experience is supporting our growth.

Highlights

Q1 FY2018 Business Highlights

- Won new business from clients in North America, in consumer and automotive retailing verticals.
- Won engagements to provide customer support and chat service in Jamaica
  - For a consumer electronics firm, based out of Canada.
  - For a leading healthcare client, based out of US.
- Philippines operation continued to experience good traction in Q1FY18.
  - Added new business worth 100FTE across healthcare and retail.
  - A speech Analytics project launched for a US based healthcare client.
- As of June 30, 2017, HGS had **187** core BPM clients and **618** payroll processing clients
- In Q1 FY2018, contribution from Healthcare vertical was 47%, Telecom & Technology 22%, Consumer 13%, Banking & Financial Services 8%, Others 10%
- As of June 30, 2017, total headcount was 44877: India: 67% (India Offshore 20% and India Domestic 47%), 16% in Philippines, 5% in the US, 5% in Canada, 4% in Jamaica and 3% in Europe

Financial Performance Summary

Consolidated Financial Highlights

(Rs Million)	Q1 FY2017	Q1 FY2018	YOY Growth (%)	Q4 FY2017	QOQ Growth (%)	Financial Year FY2017	Financial Year FY2016	YOY Growth (%)
Operating Revenues	9,095	9,272	1.9	9,400	(1.4)	37,110	33,282	11.5%
EBITDA	1,066	1,002	(6.0)	1,248	(19.7)	4,424	3,130	41.3%
EBITDA Margin *	11.7%	10.8%		13.3%		11.9%	9.4%	
Profit Before Tax	753	579	(23.2)	581	(0.4)	2,547	1,559	63.4%
PBT Margin (%)	8.3%	6.2%		6.2%		6.9%	4.7%	
Profit After Tax	519	415	(20.0)	427	(2.9)	1,792	1,010	77.3%
PAT Margin (%)	5.7%	4.8%		4.5%		4.8%	3.0%	
Earnings/Share (Rs)	25.0	21.4	(14.5)	20.6	(2.9)	86.5	48.4	

Annual Revenue Trend (Rs. Million)

	Revenues	YoY growth
FY2013	19,834	27.6%
FY2014	25,049	26.3%
FY2015	28,076	12.1%
FY2016	33,209	18.5%
FY2017	37,110	11.5%
Q1FY18	9,272	1.9%

Annual EBITDA Trend (Rs. Million)

	EBITDA	YoY growth
FY2013	2,237	21.7%
FY2014	3,219	43.9%
FY2015	3,128	-2.8%
FY2016	3,130	-1.3%
FY2017	4,424	41.3%
Q1FY18	1,002	(6.0%)

Note: FY2013 to FY2016 financials are as per IGAAP. FY17 EBITDA margins are computed on the same basis as that of FY16 . Q1FY18 EBITDA is computed excluding forex losses..

Business Update

Region	Geography Highlights
North America and Jamaica	▪ From the US domestic market we had good wins in consumer and automotive verticals. ▪ From Canada – we expanded the business in the telecom and media verticals. ▪ There is headroom for improving the seat utilisation ratios in some of the centres in NA. ▪ We have started providing support (100FTE) to a leading telecom cum Media client in Canada. ▪ We have more than doubled our revenues in Jamaica in Q1FY18 over Q1FY17. ▪ HGS Jamaica – is witnessing sharp improve to profitability margins
UK	▪ Revenue from the UK operations in GBP terms were flat ▪ We expect the volumes to pick up, as some of the seasonal opportunities starts flowing ▪ To strengthen management team with additions in Operations and Business Development.

Business Update

Region	Geography Highlights
Philippines	▪ Continued to experience good business expansion, primarily driven by the Healthcare vertical ▪ Added 100 FTEs across healthcare and retail clients ▪ A speech Analytics project launched for a US based healthcare client ▪ In terms of outlook, it is going to witness strong growth in revenue from the existing clients. ▪ We have a good sales pipeline from the healthcare and financial services verticals.
India	**International:** ▪ Driven by volumes from healthcare vertical, this segment experienced decent growth ▪ Won new clients in healthcare – which is likely to keep the revenue momentum **Domestic:** ▪ Strong revenue growth driven by higher volumes, from the existing clients. ▪ New client wins of Q1FY18 – are likely to drive revenues in the 2H of FY2018 ▪ The EBITDA margins of this business was subdued in Q1FY18.

Awards

Awards and Accolades

- Frost & Sullivan's 2016 North American Contact Center Outsourcing New Product Innovation Award for HGS' DigiCX suite of solutions
- The award recognized HGS' new approach to applying design thinking and helping its clients optimize their CX, making their businesses more competitive
- Winning the Frost & Sullivan award puts HGS among some of the most elite brands in the industry

- Received two awards at the Contact Center World Awards in Las Vegas
  - A Silver in the category of Self-Service Technology - Enhancing The Customer Experience - for a self-help solution deployed for an electronics client
  - A bronze in the category of Making Outsourcing Work - Developing a Win : Win Partnership

Analyst Recognitions

Recognition from Analyst and Advisor community

- HGS recognized as "High Performer" In HfS Research Blueprint Report - Digital Marketing Operations 2016, Dec 2016
- HGS recognized as "Leader" In Nelson Hall CMS Analytics NEAT 2016 for "Customer Experience capability" and "Cost Optimization capability", Nov 2016
- HGS achieves Americas Top 15 status in the Breakthrough Sourcing standouts In ISG Outsourcing Index Global 3Q 2016, Oct 2016

Quarterly Financial Trends

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Revenue (Rs. Million) and QoQ Growth (%)

	Revenues	QoQ growth
Q1FY17	9,095	-0.5%
Q2FY17	9,052	-0.5%
Q3FY17	9,563	5.6%
Q4FY17	9,400	-1.7%
Q1FY18	9,272	-1.4%

EBITDA (Rs. Million) and Margin (%)

	EBITDA	Margin (%)
Q1FY17	1,066	11.7%
Q2FY17	964	10.6%
Q3FY17	1,145	12.0%
Q4FY17	1,248	13.3%
Q1FY18	1,002	10.8%

PAT (Rs. Million) and Margin (%)

	Net Profit	Margin (%)
Q1FY17	519	5.7%
Q2FY17	374	4.1%
Q3FY17	472	4.9%
Q4FY17	427	4.5%
Q1FY18	415	4.5%

Highlights

- Revenue growth in Q1 was mainly driven by domestic revenues, aided by a decent 10.3% YoY growth from healthcare with US Dollar originating revenues growing 5.2% YoY.
- On a reported basis, EBITDA margins on a QOQ basis in Q1 were relatively stable. It contracted on a pro-forma basis over Q4, as FX losses were higher at Rs226mn in Q4 and in Q1 it was just Rs8.8mn.

Break-up of Operating Expenses

(Rs. Million)	FY2017	Q1FY18
Rent and Connectivity Cost	29.1%	25.7%
Legal and Professional Charges	13.7%	12.1%
Others	57.2%	62.1%
Total Operating Expenses	**8,362**	**2,052**

Note: Q1 FY2018 EBITDA margins are compiute on proforma basis, without factoring the FX losses into Operating Expenses

Key Metrics – 1

Revenue by Delivery Centres (Rs Million)

	Quarter 1		YOY	Quarter 4	QOQ
	FY2017	FY2018	Growth	FY2017	Growth
USA & Jamaica	2,547	2,574	1.1%	2,758	-6.6%
(a) India - Domestic	1,204	1,490	23.7%	1,412	5.5%
(b) India - International	1,727	1,873	8.5%	1,898	-1.3%
India (a + b)	**2,931**	**3,363**	**14.7%**	**3,310**	**1.6%**
Canada	1,057	949	-10.2%	915	3.7%
Philippines	1,611	1,721	6.9%	1,740	-1.1%
Europe	940	659	-29.9%	664	-0.8%
Middle East	9	6	-33.1%	13	-53.8%
Total Revenues	**9,095**	**9,272**	**1.9%**	**9,400**	**-1.4%**

Revenue Mix by Contact Centers (%)	Q1FY2018
USA & Jamaica	27.8%
(a) India - Domestic	16.1%
(b) India - International	20.2%
India (a + b)	36.3%
Canada	10.2%
Philippines	18.6%
Europe	7.1%
Middle East	0.1%

Revenue by Vertical (Rs Million)

	Quarter 1		YOY	Quarter 4	QOQ
	FY2017	FY2018	Growth	FY2017	Growth
Telecom & Technology	2,237	2,034	-9.1%	2,106	-3.4%
Healthcare & Insurance	**3,943**	**4,348**	**10.3%**	**4,512**	**-3.6%**
Consumer & Retail	1,313	1,173	-10.6%	1,260	-6.9%
Banking & Financials	669	765	14.4%	658	16.3%
Media & Entertainment	236	358	25.2%	220	62.7%
Others	647	594	-8.2%	645	-8.1%
Total Revenues	**9,095**	**9,272**	**1.9%**	**9,400**	**-1.4%**

Revenue Mix by Verticals (%)	Q1FY2018
Telecom & Technology	21.9%
Healthcare & Insurance	46.9%
Consumer & Retail	12.7%
Banking & Financials	8.3%
Media & Entertainment	3.9%
Others	6.4%

Key Metrics – 2

Offshore/Near Shore to Onshore Revenues (Rs Million)

	Quarter 1		YOY	Quarter 4	QOQ
	FY2017	FY2018	Growth	FY2017	Growth
Onshore Revenues	5,048	4,868	-3.6%	4,869	0.0%
Percent to revenues	55.5%	52.5%		51.8%	
Offshore + Near Shore	4,047	4,405	8.8%	4,531	-2.8%
Percent to revenues	44.5%	47.5%		48.2%	
Total Revenues	**9,095**	**9,272**	**1.9%**	**9,400**	**-1.4%**

Revenue by Currency Exposure (Rs Million)

	Quarter 1		YOY	Quarter 4	QOQ
	FY2017	FY2018	Growth	FY2017	Growth
USD - US Dollar	5,870	6,026	5.2%	6,408	-3.7%
CAD - Canadian Dollar	1,081	1,020	-12.2%	915	3.7%
GBP/Euro	940	735	-29.8%	664	-0.8%
INR - Indian Rupee	1,204	1,490	23.7%	1,412	5.5%
Total Revenues	**9,095**	**9,272**	**1.9%**	**9,400**	**-1.4%**

Revenue Mix by Currency Exposure (%)	Q1FY2018
USD - US Dollar	65.0%
CAD - Canadian Dollar	11..0%
GBP/Euro	7.9%
INR - Indian Rupee	16.1%

Key Metrics – 3

Key Client Metrics

Client Concentration Metrics (%)	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
From Top Customer	17.0%	18.0%	18.0%	18.0%	19.0%
From Top-5 Customers	47.0%	49.0%	50.0%	52.0%	52.0%
From Top-10 Customers	60.0%	61.0%	61.0%	63.0%	62.0%
From Top-20 Customers	72.0%	73.0%	72.0%	73.0%	71.0%

	Quarter 1		YOY	Quarter 4	QOQ
	FY2017	FY2018	Growth	FY2017	Growth
From Top Customer	1,546	1,762	13.9%	1,692	4.1%
From Top-5 Customers	4,275	4,821	12.8%	4,888	-1.4%
From Top-10 Customers	5,457	5,748	5.3%	5,922	-2.9%
From Top-20 Customers	6,548	6,583	0.5%	6,862	-4.1%

Client Contributing Revenues

Revenue Run Rate/Quarter	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Above Rs200mn/Quarter	11	10	11	8	7
Above Rs150mn/Quarter	12	13	14	11	9
Above Rs100mn/Quarter	17	15	19	16	13
Above Rs50mn/Quarter	33	35	39	35	31
Above Rs10mn/Quarter	62	65	70	75	70

Key Metrics – 4

Employee Trend by Geography (Nos)

Employee Trends	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
India	27,842	28,884	28,342	29,546	30,130
Philippines	6,883	7,547	7,765	7,248	7,240
US/Jamaica	2,227	3,425	4,096	3,883	4,080
Canada	2,507	2,366	2,316	2,377	2,222
UK/Europe	1,479	1,571	1,231	1,183	1,205
Total Employee Strength	**40,938**	**43,793**	**43,750**	**44,237**	**44,877**
Employee Mix (%)					
India	68.0%	66.0%	64.8%	66.8%	67.1%
Philippines	16.8%	17.2%	17.7%	16.4%	16.1%
US/Jamaica	5.4%	7.8%	9.4%	8.8%	9.1%
Canada	6.1%	5.4%	5.3%	5.4%	5.0%
UK/Europe	3.6%	3.6%	2.8%	2.7%	2.7%

Average Monthly Revenue / Employee (Rs.)

	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
India – Offshore	64,694	66,457	73,134	70,128	69,567
India – Domestic	20,649	21,019	21,911	21,931	22,986
Acquired India CRM	19,924	19,958	20,042	21,798	22,241
HR Outsourcing	40,650	44,427	48,685	42,666	36,510
India Total	**36,470**	**36,886**	**39,703**	**39,289**	**38.608**
Philippines	80,225	75,842	77,872	78,574	79,209
Jamaica	0	97,343	75,473	74,314	75,317
US Domestic	232,288	228,926	244,180	235,439	232,447
Europe	211,265	188,988	168,332	183,591	202,474
Canada	142,702	128,525	130,765	129,473	137,529
Overall	**75,067**	**71,223**	**72,823**	**71,222**	**69,361**

Leverage Profile

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Conservative Leverage Profile

(Rs. Million)	31-March-17	30-June-2017
Total Debt	**6,555**	**5,961**
Less: Cash & Treasury Surplus	4,576	4,774
Net Debt / (Net Cash)	**1,979**	**1,187**
Net Worth	**13,368**	**13,854**
Net Debt / EBITDA[1]	**0.47x**	**0.29**
Total Debt / Equity	**0.49x**	**0.43**

Note(s):

1. LTM EBITDA used for computing net debt / EBITDA ratio

Summary Balance Sheet

HGS HINDUJA GLOBAL SOLUTIONS

Summary Balance Sheet (Rs Million)

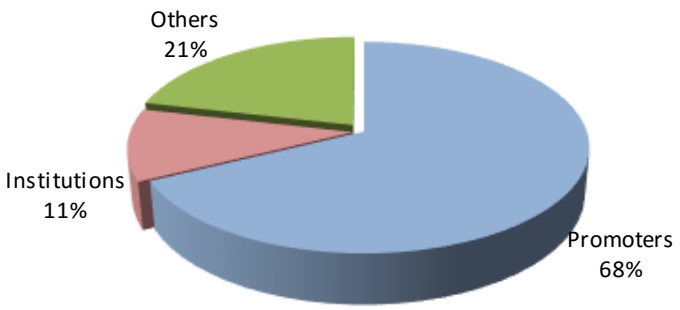
	FY2017	Q1FY2018
Shareholder's Funds	13,368	13,854
Total Debt	6,555	5,961
Other Current & Non-Current Liabilities	4,867	4,915
Capital Employed	**24,790**	**24,730**
Fixed Assets & Intangibles	9,810	9,635
Other Non Current Assets	2,073	2,306
Total Non Current Assets	**11,883**	**11,941**
Sundry Debtors & Other Current Assets	8,331	8,015
Cash & Treasury Surplus	4,576	4,774
Total Current Assets	**12,907**	**12,789**
Capital Deployed	**24,790**	**24,730**

Summary Cash Flow Statement

(Rs. Million)	Period Ended 30th June, 2017
Cash flow from Operations and after working capital changes	**1,269**
Cash Flow due to Capex (net) and investments	(395)
Cash Flow due other investing activities	0
Total Cash Flow from Investing Activities	**(395)**
Proceeds/(Repayment) from Borrowings	(586)
Cash from Interest payment and others	(90)
Total Cash Flow from Financing Activities	**(676)**
Net Increase/ (Decrease) in Cash and Cash Equivalents	**198**
Cash and Treasury Surplus as on March 31, 2017	4,576
Cash and Treasury Surplus as on June 30, 2017	**4,774**

Market Information

Shareholding Pattern (30th June 2017)



Market Data

Market Cap. (Rs. million) (11th Aug-17)	10,890
Outstanding Shares (Million)	20.7
Book Value /Share (Rs.) (30th Jun 2017)	668/-
Bloomberg Ticker	HGSL:IN
Reuters Ticker	HGSL.BO
BSE Ticker	532859
NSE Ticker	HGS

Thank You

For further information please contact:

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