

# HGS RECORDS ITS HIGHEST-EVER QUARTERLY PROFIT, POSTS STRONG Q3 FY2022 RESULTS

- Q3 FY2022 revenues stood at Rs. 17,484 million, a growth of 20% YoY.
- EBITDA for Q3 FY2022 was Rs. 2,820 million, a growth of 22.0% YoY.
- EBITDA margins stood at 16.1% in Q3 FY2022.
- Net profit for Q3 FY2022 was Rs. 1,638 million, a growth of 117.8% YoY; Net margins stood at 9.4%.
- Capital expenditure for the quarter was Rs. 462 million.
- Reduction in gross debt of Rs. 1,365 million in Q3 FY2022; As on December 31, 2021, Net Cash stood at Rs. 4,632 million
- Announces Fourth Interim Dividend of Rs. 28 /share.

**Mumbai, India, February 12, 2022:** Hinduja Global Solutions (HGS) (listed in BSE & NSE) today announced its unaudited Third Quarter Results for FY2022.

Speaking on the results, **Partha DeSarkar, Executive Director and Group CEO of HGS** said: *"HGS continued its strong growth in the third quarter of FY2022, led by robust performance in our UK, digital, and healthcare businesses in a growing BPM demand market. Overall revenue for Q3 stood at Rs. 17,484 million, an increase of 20% YoY, while EBITDA grew by 22% YoY to Rs 2,820 million. We posted a very strong rise by 117.8% YoY in PAT to Rs 1,638 million. These are our highest-ever quarterly profits.*

*In Q3 FY2022, the Retained Business (CES, HRO, and Digital) grew 22.1% on YoY basis, while the recently-divested Healthcare business grew 18.3% on YoY basis."*

As always, Q3 saw significant traction for HGS from the healthcare open enrolment program, holiday season demand, and ramp-ups for recently won clients in the UK and the US. With the aggressive client activity, HGS expects strong growth in Q4 as well.

HGS completed the divestment of its Healthcare Services business in the first week of January 2022. This transaction is a recognition of the kind of path-breaking work that HGS has been doing in the last two decades in building its domain capabilities and unlocks significant value for the shareholders.

Post completion of the transaction, HGS has declared a third interim dividend of Rs. 150/share, announced a 1:1 Bonus issue as well as a share buyback plan.

HGS has signed definitive agreements for the acquisition of Diversify Offshore, an Australian BPM company as well as agreed in principle to acquire the digital business of NXTDIGITAL.

## Q3 FY2022 EARNINGS PRESS RELEASE

Added Mr. DeSarkar, “We believe these acquisitions will help us to expand into new client markets with already established clientele, strengthen our domain capabilities in digital and media verticals while opening up a direct-to-consumer practice in India.

Today, enterprises are looking for a partner who can help them innovate, grow and optimize their business through digital-led transformation. In line with this, HGS is making significant investments in developing digital solutions to deliver superior customer experiences for clients and their customers. We will continue to build HGS2.0 through proactive solutioning and acquiring digital capabilities across automation, analytics & AI and cloud even as we look at geographic expansion.”

### Financial Highlights for 9M FY2022

- Overall Revenues increased to Rs. 48,815 million, a growth of 21.3% YoY.
- Healthcare Revenues grew by 13.6%, while revenues from other business grew by 30.4%
- EBITDA stood at Rs. 7,901 million, a growth of 29.6% YoY. EBITDA margins was 16.2%.
- Net profit stood at Rs. 4,173 million, a growth of 102.8% YoY. Net margins was 8.5%.
- Total dividend till date, including the dividend of Rs. 150/share paid in January 2022, stood at Rs. 195/share

### Update on Mergers & Acquisitions

- **Divestment of the Healthcare Services business:**  
HGS completed the sale of its healthcare services business to wholly-owned subsidiaries of Betaine BV (‘Buyer’), funds affiliated with Baring Private Equity Asia (BPEA), one of the largest private alternative investment firms in Asia. The transaction was based on an enterprise value of US\$ 1,200 million, subject to closing adjustments, and resulted in inflows of US\$ 1,088 million. As part of the divestment, HGS transferred all client contracts and assets, including infrastructure related to the healthcare services business, to the Buyer. Over 29,000 employees from HGS across four geographies – the US, India, Jamaica, and the Philippines – joined the new organization, effective January 6, 2022.
- **Acquisition of Diversify Offshore, Australia**  
On January 29, 2022, HGS announced that its subsidiary, HGS International Mauritius, entered into a definitive agreement to acquire 100% equity stake in Diversify Offshore Staffing Solutions Pty Ltd. (Diversify), Australia. The transaction is expected to close by the first week of March, 2022. Diversify is an Australian enterprise, providing value-added BPM services, with delivery operations in Philippines. With the acquisition of Diversify, HGS will open up Australia and New Zealand (ANZ) as a new client market, while supplementing its portfolio in the US. It also bolsters HGS’ portfolio of back-office and non-voice business in domains like Digital Marketing, Finance & Accounts, IT services, etc.

## Q3 FY2022 EARNINGS PRESS RELEASE

- **In-principle approval for acquisition of digital business of NXTDIGITAL Limited**

On January 14, 2022, HGS' Board of Directors agreed in-principle to acquire the digital business of NXTDIGITAL Limited ('NDL'), a related party, through issuance of shares. HGS has appointed intermediaries and independent valuers to carry out the valuation exercise and submit the report including share exchange ratio at the earliest, post which the Board will consider the same. The acquisition of NDL's digital business will not entail cash outflow from HGS as the merger is proposed to be carried out on share exchange on arm's length basis and shall be subject to all applicable regulatory approvals and other requisite approvals. Accordingly, the shareholders of NXTDIGITAL will receive shares of HGS as per swap valuation. The Swap Ratio is being worked upon and will be announced soon.

### Business Highlights for Q3 FY2022

- **Client wins:**
  - Added 3 new logos across verticals for core BPM services and 5 for HRO/Payroll Processing
  - Signed 16 engagements with new and existing clients for HGS Digital services (RPA, digital, analytics and Social Care services)
- **Clientele:** Post the Healthcare Services divestment, HGS had 125 core BPM clients across its consumer engagement solutions and digital businesses, and 729 HRO/Payroll processing clients.
- **Employee Headcount:** 48,753 as of December 31, 2021. Post the Healthcare Services divestment, the headcount was 19,107.
- **Expansion:** Set up a new delivery center in Jamaica
- **Delivery Centers:** HGS had 53 global delivery centers as of December 31, 2021. Post the Healthcare Services divestment, HGS has 34 delivery centers.
- **Awards & Recognition in Q3 FY2022:**
  - "Innovators" in Avasant Contact Center Business Process Transformation RadarView™
  - "Major Contender" Everest Group Intelligent Automation in Healthcare – Solutions PEAK Matrix® Assessment 2022
  - "Aspirants" in Everest Group Healthcare Analytics PEAK Matrix® Assessment 2022
  - Awarded –
    - Winner in the Innovative Category for Integrated Customer Engagement Model at CII's DX Awards 2021
    - Won 2021 Cloud Computing Excellence Award by TMC
    - Won 2021 Female Executive of the Year - Business Services by Women Stevie Award
    - Won CIO 100 India Award 2021 by IDG Media
    - Won 2021 CIO of the Year at the CIO Vision and Innovation Awards by Transformance Forum
    - Recognized in the 2021 Working Mother and Avtar 100 Best Companies for Women in India by BCW Study conducted by Avtar
    - Winner in the 3rd D&I Summit and Awards, organized by Transformance Business Media, in following categories:
      - 2021 Diversity Marketing Campaign of the Year
      - 2021 Gender Equability
      - 2021 Diversity & Inclusion Company of the Year



## Q3 FY2022 EARNINGS PRESS RELEASE

### About Hinduja Global Solutions (HGS):

A global leader in optimizing the customer experience lifecycle, digital transformation, and business process management, HGS is helping its clients become more competitive every day. HGS combines automation, analytics, and artificial intelligence with deep domain expertise focusing on digital customer experiences, back-office processing, contact centers, and HRO solutions. Part of the multi-billion-dollar conglomerate Hinduja Group, HGS takes a “globally local” approach. Post the Healthcare divestment, HGS has over 19,100 employees across 34 delivery centers in six countries, making a difference to some of the world’s leading brands across verticals. For the year ended March 31, 2021, HGS had revenues of Rs. 55,889 million (US\$ 753.9 million).

Visit <https://hgs.cx> to learn how HGS transforms customer experiences and builds businesses for the future.

### 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, contact:

Investor queries:

**Srinivas Palakodeti**

Hinduja Global Solutions Limited

Tel: +91 80 4643 1000

Email: [pala@teamhgs.com](mailto:pala@teamhgs.com)

Media queries:

**Thanuja B M**

Hinduja Global Solutions Limited

Tel: +91 80 4643 1000

Email: [thanuja.megharaj@teamhgs.com](mailto:thanuja.megharaj@teamhgs.com)