

HGS reports Q2 & H1FY2025 results



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- Total Income stood at Rs. 1,207.6 crore for Q2 FY2025 while Total EBITDA was Rs. 154.8 crore
- Total Income stood at Rs. 2,426.2 crore for H1FY2025 while Total EBITDA was Rs. 298.3 crore
- Signed two major contracts in North America for offering core technology services
- Launched a new AI Hub in Manila, Philippines to boost digital experience for clients
- Strong growth for new centre in Cape Town, South Africa; 65+ employees supporting clients currently

Hinduja Global Solutions (HGS or the Company) (listed on BSE & NSE) today announced its unaudited second quarter and half-yearly results for FY2025.

HGS consolidated: Financial Highlights for Q2FY2025

- Total Income stood at Rs. 1,207.6 crore.
- Total EBITDA was Rs. 154.8 crore; EBITDA margins were 12.8%
- Revenue from operations stood at Rs. 1,087.2 crore.
- As on September 30, 2024, Net Cash and Treasury Surplus stood at Rs. 5,090.2 crore.

HGS consolidated: Financial Highlights for H1FY2025

- Total Income stood at Rs. 2,426.2 crore.
- Total EBITDA was Rs. 298.3 crore; EBITDA margins were 12.3%.
- PAT for the period was Rs. 111 crore.
- Revenue from operations stood at Rs. 2,179.1 crore.

Business Highlights for Q 2 FY 2025

- **Client wins in Q 2 FY 2025:**
 - Added 12 new logos for digital-enabled CX solutions and seven for HRO/Payroll Processing.
 - Expanded our engagement with 50+ existing clients for HGS' core CX and digital solutions (RPA, digital engagement, analytics, cloud and social care, etc.)
- **Clientele:** As of September 30, 2024, HGS had 354 active CX/Digital clients and 813 HRO/Payroll processing clients/brands. Digital Media business (**NXTDIGITAL**) has a customer base of more than 6 million.
- **Technology:**
 - Launched a new AI Hub in Manila, Philippines. Will serve as an interactive space where clients, partners, and employees can leverage advanced technologies, such as automation, analytics, AI, virtual reality, visual AI, and speech AI, to co-create digital solutions.
 - HGS Agent X™, our comprehensive cloud and AI-based cognitive accelerators kit that enables enterprises to quickly deploy scalable and flexible contact centres, is serving as a differentiator in winning new business with clients. Currently, the solution has been deployed over 16 client accounts across Canada, the US and Jamaica.
- **Employee Headcount:** 17,974 as of September 30, 2024.
- **Geo Presence:**
 - Set up a new CX hub in Cape Town, South Africa to support clients in the UK and US. Currently, it has 65+ employees.
 - As of September 30, 2024, HGS had presence in 10 countries, including 33 global delivery centres.
 - Digital Media business covers 4,500 pin codes covered in India, two lakh kilometers of owned + partner fibre networks, and 125+ owned-and-operated NXTHUBs set up across India.
- **Awards & Analyst Recognition:**
 - HGS recognised in the "The Booming 15 - Service & Technology Provider Standouts - Americas" in the ISG Index 2Q 2024 - Managed Services and A-a service Market Insights.
 - HGS recognised as a "Major Contender" in the Everest Group Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024 - Americas & EMEA region.
 - Won HR Asia Best Companies to Work for in Asia 2024 and HR Asia Diversity, Equity & Inclusion 2024 Awards
- **Key Highlights from the Digital Media business:**
 - Launched a new initiative OneBusiness, that leverages existing network to offer commercial broadband to the MSME and SOHO segments.
 - The continued focus on quality revenue customers across DTV and BB has resulted in an improvement in broadband ARPUs from 174 in Q 2 FY 2024 to 189 in Q 2 FY 2025.

Speaking on the results, **Partha DeSarkar, Whole-time Director and Group CEO of HGS** said, "HGS saw a flattish revenue performance in Q 2 FY 2025, impacted by ongoing macro-economic pressures and a few challenges in the UK market. However, we are confident of a strong recovery. We are taking multiple steps to sustain growth, including significant investments in sales, optimising Ops with technology, looking at driving right shoring by selling more offshore

engagements to clients and investing in more training for employees with a focus on digital.

In the last six months, we have strengthened our solutions portfolio by foraying into Cybersecurity while enhancing our solutions in AI and analytics, in line with our vision to be the preferred DX Transformation Partner for clients. The sales pipeline for technology-enabled CX services looks promising and we are enthused by the keen interest for our digital services from markets like UK and Australia, in addition to the US market. During the quarter, we signed two major contracts in North America for delivering core technology services. While these contracts will start generating revenues during FY2025, we expect to see full benefits from these contracts during FY2026. Another key development for us has been our UK entity qualifying for the UK G Cloud framework submission, which has given HGS UK access to UK government cloud-based service procurements. We have also expanded our geo presence by opening a new centre in Cape Town, South Africa, where we are now supporting two clients with 65+ employees."

Commenting on the Digital Media division's performance, **Vynsley Fernandes, Whole-time Director of HGS and Head of the Media Business** said, *"Our media business continued to remain on track in Q2 FY2025, buoyed by a slew of initiatives to cater to rapidly changing customer and consumer preferences. We have consciously pursued growth in the B2B segment in broadband, which provides us with sustainable growth and profitability. This is evidenced in the broadband mix - where 10% of our revenues in H1 were from the enterprise or corporate business segment whilst the newly launched managed services segment already accounts for 5% of our top-line. Another initiative has been the launch of OneBusiness - leveraging our existing network to offer commercial broadband to the MSME and SOHO segments. With the completion of a successful pilot, we now plan to roll it out across key markets. In parallel, we have focused on improving ARPUs or average revenue per user across both the flagship DTV vertical and our broadband business. The priorities for Q3 will be drawn from these initiatives.*

We're also excited as India is scheduled to leapfrog into the era of broadband over satellite. The government initiative of satellite broadband internet is clearly focused on improving access to online public services, infotainment, education, healthcare and a myriad of services for millions of Indians living in rural and underserved areas. As a significant player not just in broadband, but also delivering content via satellite through our HITS platform to rural markets, we look forward to being a part of the growth story ahead, leveraging the technology solutions of HGS."

About Hinduja Global Solutions (HGS)

A global leader in optimising the customer experience lifecycle, digital transformation, business process management, and digital media ecosystem, HGS is helping its clients become more competitive every day. HGS' core BPM business combines automation, analytics, and artificial intelligence with deep domain expertise focusing on digital customer experiences, back-office processing, contact centres, and HRO solutions. HGS' digital media business, **NXTDIGITAL**, is India's premier integrated Digital Delivery Platforms Company delivering services via satellite, digital cable and broadband to over 6 million customers across 1,500 cities and towns.

Part of the multi-billion-dollar conglomerate Hinduja Group, HGS takes a "globally local" approach. HGS has 17,974 employees in nine countries, including 33 delivery centres, making a difference to some of the world's leading brands across verticals. For the year ended March 31, 2024, HGS had total income of Rs. 5,087.8 crore (US\$ 614.4 million).

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