

HGS reports results for Q 1FY2024

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- Total income stood at Rs. 1,247.6 crore, up 6.8% over Q 4 FY 2023.
- EBITDA margins (including Other Income) improved from 11.5% in Q 4 FY 2023 to 15.3% in Q 1FY 2024.
- Digital Services (Technology Solutions and Digital Media) contributed 37.6% of Q 1 FY 2024 operating revenue.
- Buyback offer of 60 lakh shares @ Rs 1,700 per share aggregating Rs 1,020 crore through tender offer completed on June 9, 2023.

Hinduja Global Solutions (HGS or the Company) (listed on BSE & NSE) today announced its unaudited first quarter results for FY 2024.

Speaking on the results, **Partha DeSarkar, Executive Director and Group CEO of HGS** said: *"The results for the first quarter of the fiscal have been solid and reflect our transformative ability to adapt in a fast-changing macro-business environment."*

The BPM business achieved operating revenue growth of 7.0% over Q 4 FY 2023, along with significant improvement in margins. Our Canadian and UK businesses have performed well in Q 1 FY 2024 and we are seeing strong demand, especially in Canada and offshore/ nearshore business. In July 2023, we formally launched our CX hub in Barranquilla, Colombia and would shortly be doubling our delivery capacity. While the operational performance has improved, PAT for Q 1FY 2024 is lower than Q 1FY 2023, primarily due to a reduction in other income.

Teklink, the data and analytics business we acquired in Q 4 FY 2023, posted a strong performance and delivered revenues of approx. US\$ 8.8 million with EBITDA margins of around 22.2%. Our cross-selling efforts have resulted in a robust pipeline, including a couple of wins. The technology solutions business recorded revenues of US\$ 24.3 million in Q 1 FY 2024 and we hope to soon achieve an annual revenue run-rate of US\$ 100 million.

In June 2023, we completed the buyback offer of 60 lakh equity shares at a price of Rs. 1,700/share aggregating to Rs 1,020 crore. The buyback initiative was part of the overall programme for sharing the value created from the sale of the erstwhile healthcare business with our shareholders.

Looking ahead, though global economic uncertainties persist, we remain cautiously optimistic for the year. We are confident that we can navigate the challenges and seize our opportunities with our technology-led, people-driven approach. We will also continue with our cost optimization initiatives, including further real estate rationalization."

Vynsley Fernandes, Whole-time Director at HGS and Head of the Digital Media Business said, *"We've continued to focus on innovation and the launch of our unique OTT aggregator app "NXTPLAY" has been well received. Through partnerships, we offer more than 300,000 hours of global and local content from 25+ OTT platforms. In parallel, we've accelerated expanding our pan-India digital infrastructure with the roll-out of our 114th NXTHUB while initiating a significant investment in building out a National Long Distance Fibre Network in key states."*

Financial Highlights for Q1FY2024

HGS consolidated (including BPM and Digital Media businesses)

- Total income stood at Rs. 1,247.6 crore
- EBITDA (including Other Income) was Rs 191.0 crore; EBITDA margins for the quarter was 15.3%
- PAT stood at Rs 16.6 crore.
- As on June 30, 2023, Net Cash and Treasury Surplus stood at Rs. 4,962.0 crore

Note: HGS divested its Healthcare Services vertical in January 2022. HGS' retained business now comprises its digital-enabled customer experience (CX) solutions & HRO/payroll and digital media businesses. All numbers given are for the retained business, unless specified.

Business Highlights

- **Client wins in Q1FY2024:**
 - Added eight new logos for digital-enabled CX solutions, including Teklink, and 10 for HRO/Payroll Processing
 - Signed 24 opportunities with new and existing clients for HGS' core CX and

- digital solutions (RPA, digital engagement, analytics, cloud and social care, etc.)
- Teklink business signed multiple projects across 24 existing clients
- **Clientele:** As of June 30, 2023, HGS had 299 active CX/BPM clients and 772 HRO/Payroll processing clients. Digital Media business (NXTDIGITAL) has a customer base of more than 5 million.
- **Employee Headcount:** 19,947 as of June 30, 2023
- **Delivery Presence:**
 - As of June 30, 2023, HGS had 35 global delivery centers across nine countries.
 - Digital Media business covers 4,655 pin codes covered in India. No. of cities serviced for wired broadband: 351. No. of owned-and-operated NXTHUBs set up across India: 114
- **Awards & Recognition in Q1FY2024:**
 - HFS named HGS in the "Enterprise Innovators – Horizon 2" category in the "Digital Marketing and Sales Service Providers, 2023" report.
 - Quadrant Knowledge Solutions recognized HGS in "SPARK Matrix™: Contact Center Outsourcing Services, 2023".
 - Quadrant Knowledge Solutions recognized HGS in "SPARK Matrix™: CX Management Services, 2023".
 - Everest Group mentioned HGS as one of the 4 "Major Players under BPO pure play" in "The Mid-year CXM Checkpoint: Key Learnings and What's to Come" report.
 - Won two awards at the Asia Pacific Stevie Awards 2023: Bronze in "Innovative use of Tech in Customer Service" and Bronze in "Innovative Achievement in CSR" categories.
 - Venkatesh Korla, President and CEO of HGS Digital was recognized as the Gold Stevie winner in the "Tech Innovator of the Year - Services" category at the American Business Awards 2023.
- **Key Highlights from the Digital Media business:**
 - Launch of NXTPLAY, an OTT aggregator app that gives customers access to over 300,000 hours of global and local content. The app provides access to over 25 OTT platforms, with content across multiple genres and languages served by an innovative "content discovery" engine.
 - Commissioned the 114th owned-and-operated NXTHUB in India, delivering digital television, broadband and OTT on a plug-and-play model for last mile owners. The company is working towards establishing 200 NXTHUBs to continue to facilitate digital inclusion in semi-rural and rural markets.
 - Initiated investment into commissioning a National Long Distance Fibre Network in key states to support the push of broadband and DTV in those markets.
 - The Enterprise Business Unit of OneOTT Intertainment Ltd. has secured key contracts for delivering integrated solutions, including broadband-over-satellite services across 55 locations in India.

About Hinduja Global Solutions (HGS):

A global leader in optimizing 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 centers, 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 5 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 19,947 employees across 35 delivery centers in nine countries, making a difference to some of the world's leading brands across verticals. For the year ended March 31, 2023, HGS had revenues of Rs. 5,006.7 crore (US\$ 621.5million). Visit <https://hgs.cx> to learn how HGS transforms customer experiences and builds businesses for the future.

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