

HGS reports strong results for Q3 FY2023

Adfactors PR | 13/02/2023 10:33 PM

- Total income growth of 8.3% YoY
- BPM total income growth of 13.1% YoY
- Consolidated net profit of Rs. 518.3 million, as compared to a loss of Rs. 378.8 million a year ago
- Third Interim Dividend of Rs. 2.50/equity share for its shareholders
- Final Buyback price fixed for Rs. 1,700 per equity share for an aggregate consideration not exceeding Rs. 1,020 crores, excluding buyback tax; Record date is March 6, 2023. Draft Letter of Offer filed with SEBI on February 7, 2023.

Hinduja Global Solutions (HGS or the Company) (listed on BSE & NSE) today announced its unaudited third-quarter results for FY2023.

Speaking on the results, **Partha DeSarkar, Executive Director and Group CEO of HGS** said: “HGS continues to sustain its momentum, led by growth in most of its geographies, expansion in existing client accounts and traction in its digital solutions business. The company posted a 8.3% YoY growth in total income for the third quarter of FY2023 while BPM revenue grew in double-digits.

The demand scenario for BPM services today is quite positive and evolving to more complex and digital-led CX opportunities. We are looking to drive digital-led solutions for our traditional consumer engagement clients, led by an integrated sales team. Our digital business grew by 36% YoY in Q3 FY2023. We continue to deepen our relationships with existing digital clients and are focusing on long term deals in areas such as managed services and Cloud. The TekLink acquisition, which we signed in December 2022, is expected to close shortly and will further enhance our digital and analytics capabilities.

HGS has an encouraging pipeline across key verticals for both onshore and offshore. To support the multi-lingual needs of US-based clients, we have set up a new center in Barranquilla, Colombia, and will look to scale in the next few quarters.

We're pleased to have Patrick Elliott join us as the new CEO for our UK operations. His extensive experience in the outsourcing business, especially in digital, and understanding of this region will

be an asset to HGS as we look to drive higher growth in the UK market."

Vynsley Fernandes, Whole-time Director, HGS and CEO of the Digital Media business said, *"From a Digital Media business perspective, we continue to drive innovation in the India market with our integrated solutions such as ONEDigital, which has seen significant growth QoQ. We launched India's first "bundled" broadband-over-satellite (BoS) solution "NXTSkyFi" through a retail and innovative enterprise model. Through a strategic partnership with India's leading Edutech firm TATA Classedge, we have rolled out the first variant supporting education enablement for students in remote locations like Pulwama in Kashmir and Jang in Arunachal Pradesh."*

Financial Highlights for Q 3 FY 2023

HGS consolidated (including BPM and Digital Media businesses)

- Total income stood at Rs. 11,646.4 million, a growth of 8.3% YoY
- EBIDTA (including Other Income) was Rs. 1,278.0 million, up 57.1% YoY
- Net Profit increased to Rs. 518.3 million, as compared to a loss of Rs. 378.8 million a year ago

Financial Highlights for Nine Months FY 2023

HGS consolidated (including BPM and Digital Media businesses)

- Total income stood at Rs. 38,549.6 million, a growth of 18.2% YoY
- EBIDTA (including Other Income) was Rs. 6,274.3 million, up 94.6% YoY
- Net Profit increased to Rs. 2,787.9 million, as compared to a loss of Rs. 779.8 million a year ago

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 for Q 3 FY 2023

Client wins:

- Added 12 new logos for digital-enabled CX solutions and seven for HRO/Payroll Processing
- Signed 49 engagements with new and existing clients for core CX and digital solutions (RPA, digital engagement, analytics, cloud and social care, etc.)

Clientele: Overall, HGS had 229 active CX clients and 754 HRO/Payroll processing clients. Digital Media business (NXTDIGITAL) has a customer base of more than 5 million.

Leadership Announcements:

1. Industry veteran Patrick Elliott has joined HGS as the CEO for its UK operations. To be based out of London in the UK, Patrick will focus on significantly expanding the business in the region.
2. Vynsley Fernandes has been appointed as the Managing Director and CEO of ONEOTT Entertainment Limited, a company subsidiary that focuses on providing broadband-over-satellite (BOS) solutions – NXTSkyFi, and a myriad of digital services ranging from

broadband, digital TV, OTT and Voice/Intercom to WIFI and CCTV under the ONEDIGITAL brand.

- **Employee Headcount:** 21,685 as of December 31, 2022 (includes both BPM and Digital Media businesses)
- **Delivery Centers:** As of December 31, 2022, HGS had 34 global delivery centers across eight countries
- HGS set up a new CX hub in Barranquilla, Colombia with multi-lingual capabilities in November 2022.

Awards & Recognition in Q3 FY2023:

- For the 3rd consecutive year, HGS was recognized in "IAOP 2022 Excellence in Strategic Partnership" category for demonstrating excellence in collaboration, innovation, and outcomes.
- "Leader" in ISG Provider Lens™ "Contact Center – Customer Experience Services 2022" Study – US & Global" in the service types: Digital Operations, AI & Analytics, Work from Home services, Social Media services
- ISG Provider Lens™ "Contact Center – Customer Experience Services 2022" Study – UK": Leader in Social Media services, Product Challenger in AI & Analytics, Rising Star in Work from Home services
- "Leader" in ISG Provider Lens™ (IPL) Archetype study on 'Contact Center - Customer Experience Services 2022' across Automation Embracers, CX Evangelists, Digital Connoisseurs, Work From Home Buyers
- "Product Challenger" in ISG Provider Lens™ Digital Business Enablement and ESG Services 2022.
- Ranked in the Frost Radar™ CX N. America Outsourcing Service Market 2022
- Winner in "Best CSR Initiative in the areas of Social welfare, Environment and Education" and "Best Practices for Recruitment & Selection" by HR & CSR Excellence Awards 2022
- Recognized as 2022 Bronze Employer for LGBT + Inclusion by IWEI

Key Highlights from Digital Media business in Q3 FY2023:

- ONEDigital - India's first integrated and convergent "combo" product, offering customers broadband, digital television channels, international and regional OTT, VoIP/Intercom, CCTV and community/building WiFi, saw a 304% growth over Q2 FY2023.
- Digital Media business has continued accelerating its "digital upskilling" program – NXT Sangram for its franchisees; conducted 33 workshops in Q3 FY2023.
- NXTDIGITAL launched its broadband-over-satellite (BoS) solution "NXT SkyFi" through a retail and innovative enterprise model. Education Enablement Solution launched in association with TATA ClassEdge extended to Jang, Arunachal Pradesh after Tawang & Pulwama, with students enrolled for Class 10th Crash Course – Maths & Science.

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** (www.nxtdigital.co.in), 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 21,685 employees across 34 delivery centers in eight countries, making a difference to some of the world's leading brands across verticals. For the year ended March 31, 2022, HGS had revenues of Rs. 57,959 million (US\$ 779 million). Visit <https://hgs.cx> to learn how HGS transforms customer experiences and builds businesses for the future.