

WNS (HOLDINGS) LTD
Form 6-K
January 31, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934
For the quarter ended December 31, 2018
Commission File Number 001 32945

WNS (HOLDINGS) LIMITED

(WNS (Holdings) Limited)

Gate 4, Godrej & Boyce Complex

Pirojshanagar, Vikhroli (W)

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Mumbai 400 079, India

+91-22 - 4095 - 2100

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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WNS (Holdings) Limited is incorporating by reference the information set forth in this Form 6-K into its registration statements on Form S-8 filed on July 31, 2006 (File No: 333-136168), Form S-8 filed on February 17, 2009 (File No. 333-157356), Form S-8 filed on September 15, 2011 (File No. 333-176849), Form S-8 filed on September 27, 2013 (File No. 333-191416), Form S-8 filed on October 11, 2016 (File No. 333-214042) and Form S-8 filed on October 31, 2018 (File No. 333-228070).

CONVENTIONS USED IN THIS REPORT

In this report, references to **US** are to the United States of America, its territories and its possessions. References to **UK** are to the United Kingdom. References to **India** are to the Republic of India. References to **China** are to the People's Republic of China. References to **South Africa** are to the Republic of South Africa. References to **\$** or **dollars** or **US dollars** are to the legal currency of the US, references to **₹** or **rupees** or **Indian rupees** are to the legal currency of India, references to **£** or **pound sterling** or **sterling** are to the legal currency of the UK, references to **€** or **pence** are to the legal currency of Jersey, Channel Islands, references to **Euro** are to the legal currency of the European Monetary Union, references to **R** or **ZAR** or **South African rand** are to the legal currency of South Africa, references to **A\$** or **AUD** or **Australian dollars** are to the legal currency of Australia, references to **CHF** or **Swiss Franc** are to the legal currency of Switzerland, references to **RMB** are to the legal currency of China, references to **LKR** or **Sri Lankan rupees** are to the legal currency of Sri Lanka, references to **₱** or **Philippine Peso** are to the legal currency of the Philippines and references to **NZD** or **New Zealand dollar** are to the legal currency of New Zealand. Our financial statements are presented in US dollars and prepared in accordance with International Financial Reporting Standards and its interpretations (**IFRS**), as issued by the International Accounting Standards Board (**IASB**), as in effect as at December 31, 2018. To the extent the IASB issues any amendments or any new standards subsequent to December 31, 2018, there may be differences between IFRS applied to prepare the financial statements included in this report and those that will be applied in our annual financial statements for the year ending March 31, 2019. Unless otherwise indicated, the financial information in this interim report on Form 6-K has been prepared in accordance with IFRS, as issued by the IASB. Unless otherwise indicated, references to **GAAP** in this report are to IFRS, as issued by the IASB. References to **our ADSs** in this report are to our American Depositary Shares, each representing one of our ordinary shares.

References to a particular **fiscal year** are to our fiscal year ended March 31 of that calendar year, which is also referred to as **fiscal**. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

In this report, unless otherwise specified or the context requires, the term **WNS** refers to WNS (Holdings) Limited, a public company incorporated under the laws of Jersey, Channel Islands, and the terms **our company**, **the Company**, **we**, **our** and **us** refer to WNS (Holdings) Limited and its subsidiaries.

In this report, references to the **Commission** or the **SEC** are to the United States Securities and Exchange Commission.

We also refer in various places within this report to **revenue less repair payments**, which is a non-GAAP financial measure that is calculated as (a) revenue less (b) in our auto claims business, payments to repair centers for **fault** repair cases where we act as the principal in our dealings with the third party repair centers and our clients. This non-GAAP financial information is not meant to be considered in isolation or as a substitute for our financial results prepared in accordance with GAAP.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our company and our industry. The forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as anticipate, believe, estimate, expect, intend, will, project, seek, should and similar. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources, tax assessment orders and future capital expenditures. We caution you that reliance on any forward-looking statement inherently involves risks and uncertainties, and that although we believe that the assumptions on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. These risks and uncertainties include but are not limited to:

worldwide economic and business conditions;

political or economic instability in the jurisdictions where we have operations;

our dependence on a limited number of clients in a limited number of industries;

regulatory, legislative and judicial developments;

increasing competition in the business process management industry;

technological innovation;

telecommunications or technology disruptions;

our ability to attract and retain clients;

our liability arising from fraud or unauthorized disclosure of sensitive or confidential client and customer data;

negative public reaction in the US or the UK to offshore outsourcing;

our ability to expand our business or effectively manage growth;

our ability to hire and retain enough sufficiently trained employees to support our operations;

the effects of our different pricing strategies or those of our competitors;

our ability to successfully consummate, integrate and achieve accretive benefits from our strategic acquisitions, and to successfully grow our revenue and expand our service offerings and market share;

future regulatory actions and conditions in our operating areas; and

volatility of our ADS price.

These and other factors are more fully discussed in our other filings with the SEC, including in Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in our annual report on Form 20-F for our fiscal year ended March 31, 2018. In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans, objectives or projected financial results referred to in any of the forward-looking statements. Except as required by law, we do not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

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(Amounts in thousands, except share and per share data)

	Notes	As at December 31, 2018	As at March 31, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	5	\$ 85,315	\$ 99,829
Investments	6	49,607	120,960
Trade receivables, net	7	73,804	71,388
Unbilled revenue	7	55,712	61,721
Funds held for clients		9,936	10,066
Derivative assets	13	14,955	11,738
Prepayments and other current assets	8	20,718	24,847
Total current assets		310,047	400,549
Non-current assets:			
Goodwill	9	130,049	135,186
Intangible assets	10	82,098	89,652
Property and equipment	11	57,377	60,606
Derivative assets	13	6,742	3,245
Deferred tax assets		21,853	27,395
Investments	6	80,311	542
Other non-current assets	8	59,025	42,388
Total non-current assets		437,455	359,014
TOTAL ASSETS		\$ 747,502	\$ 759,563
LIABILITIES AND EQUITY			
Current liabilities:			
Trade payables		\$ 20,002	\$ 19,703
Provisions and accrued expenses	15	27,703	28,826
Derivative liabilities	13	4,721	6,466
Pension and other employee obligations	14	55,649	64,617
Current portion of long-term debt	12	27,838	27,740
Contract liabilities	16	4,654	2,908
Current taxes payable		1,995	1,262
Other liabilities	17	14,691	15,739
Total current liabilities		157,253	167,261

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Non-current liabilities:			
Derivative liabilities	13	542	2,289
Pension and other employee obligations	14	10,466	9,621
Long-term debt	12	47,526	61,391
Contract liabilities	16	1,185	571
Other non-current liabilities	17	10,402	11,662
Deferred tax liabilities		11,209	11,812
Total non-current liabilities		81,330	97,346
TOTAL LIABILITIES		\$ 238,583	\$ 264,607
Shareholders' equity:			
Share capital (ordinary shares \$0.16 (10 pence) par value, authorized 60,000,000 shares; issued: 51,069,370 shares and 54,834,080 shares; each as at December 31, 2018 and March 31, 2018, respectively)	18	8,046	8,533
Share premium		262,168	371,764
Retained earnings		448,473	364,424
Other components of equity		(153,417)	(115,534)
Total shareholders' equity, including shares held in treasury		565,270	629,187
Less: 1,100,000 shares as at December 31, 2018 and 4,400,000 shares as at March 31, 2018, held in treasury, at cost	18	(56,351)	(134,231)
Total shareholders' equity		508,919	494,956
TOTAL LIABILITIES AND EQUITY		\$ 747,502	\$ 759,563

See accompanying notes.

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WNS (HOLDINGS) LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in thousands, except share and per share data)

		Three months ended December 31,		Nine months ended December 31,	
	Notes	2018	2017	2018	2017
Revenue	19	\$ 199,746	\$ 188,598	\$ 598,638	\$ 555,246
Cost of revenue	20	125,205	124,450	387,110	374,722
Gross profit		74,541	64,148	211,528	180,524
Operating expenses:					
Selling and marketing expenses	20	10,905	10,559	33,293	29,925
General and administrative expenses	20	28,171	28,345	83,936	87,094
Foreign exchange gain, net		(1,854)	(4,364)	(5,034)	(13,532)
Amortization of intangible assets		3,945	3,927	11,867	11,546
Operating profit		33,374	25,681	87,466	65,491
Other income, net	22	(3,644)	(2,473)	(10,003)	(7,676)
Finance expense	21	812	976	2,484	3,115
Profit before income taxes		36,206	27,178	94,985	70,052
Income tax expense	24	7,623	892	19,224	8,144
Profit after tax		\$ 28,583	\$ 26,286	\$ 75,761	\$ 61,908
Earnings per ordinary share	25				
Basic		\$ 0.57	\$ 0.52	\$ 1.51	\$ 1.23
Diluted		\$ 0.55	\$ 0.51	\$ 1.45	\$ 1.18

See accompanying notes.

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WNS (HOLDINGS) LIMITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

(Amounts in thousands)

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	2018	2017
Profit after tax	\$ 28,583	\$ 26,286	\$ 75,761	\$ 61,908
Other comprehensive income/(loss), net of taxes				
Items that will not be reclassified to profit or loss:				
Pension adjustment	(536)	119	(1,016)	1,989
Items that will be reclassified subsequently to profit or loss:				
Changes in fair value of cash flow hedges:				
Current period gain	22,049	11,149	11,099	6,215
Net change in time value of option contracts designated as cash flow hedges	2,330		(1,342)	
Reclassification to profit or loss	(220)	(6,244)	305	(22,381)
Foreign currency translation gain/(loss)	6,902	11,915	(42,775)	15,753
Income tax (provision)/benefit relating to above	(5,476)	(655)	(1,393)	6,299
	\$ 25,585	\$ 16,165	\$ (34,106)	\$ 5,886
Total other comprehensive income/(loss), net of taxes	\$ 25,049	\$ 16,284	\$ (35,122)	\$ 7,875
Total comprehensive income	\$ 53,632	\$ 42,570	\$ 40,639	\$ 69,783

See accompanying notes.