

HCL TECHNOLOGIES

SECOND QUARTER - FY 2020 RESULTS

INVESTOR RELEASE

Noida, India, October 23rd, 2019

Q2 FY'20 RESULTS

Revenue at INR **17,528** crores; up **6.7%** QoQ & **17.9%** YoY

Net Income at INR **2,651** crores; up **19.4%** QoQ & **4.4%** YoY

Revenue at **US\$ 2,486 mn**; up **5.2%** QoQ & **18.4%** YoY

Revenue in constant currency up **6.0%** QoQ & **20.5%** YoY

Net Income at **US\$ 376 mn**; up **17.7%** QoQ & **5.5%** YoY

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FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 30th SEPTEMBER, 2019

(Amount in ₹ Crores)

PARTICULARS	Q2 FY'20	GROWTH	
		QoQ	YoY
REVENUE	17,528	6.7%	17.9%
EARNINGS BEFORE INTEREST & TAX (EBIT)	3,497	24.6%	17.9%
NET INCOME	2,651	19.4%	4.4%

(Amount in US \$ Million)

PARTICULARS	Q2 FY'20	GROWTH	
		QoQ	YoY
REVENUE	2,486	5.2%	18.4%
REVENUE GROWTH (CONSTANT CURRENCY)		6.0%	20.5%
EARNINGS BEFORE INTEREST & TAX (EBIT)	496	22.9%	18.8%
NET INCOME	376	17.7%	5.5%

Mode 1-2-3 Highlights

PARTICULARS	REVENUE (IN US\$ MN)	REVENUE MIX	EBIT MARGIN	QOQ GROWTH (IN CONSTANT CURRENCY)
MODE 1	1,665	67.0%	20.0%	1.2%
MODE 2	455	18.3%	14.0%	3.0%
MODE 3	365	14.7%	27.1%	42.0%
Total	2,486	100.0%	20.0%	6.0%

Key Highlights

- HCL's strong growth at 20.5% YoY in constant currency, led by double digit growth across Segments. IT and Business Services 17.4%, Products & Platforms 57.9%, Engineering and R&D Services 15.0% (on YoY Constant Currency basis).
- HCL Software, a new business unit of HCL Products & Platforms, became operational in Q2, enhancing the revenue contribution from Financial Services 22.4% (up from 20.3% in Q1), Retail & CPG 10% (up from 9.5% in Q1) and Telecommunications, Media, Publishing & Entertainment 8.4% (up from 8.0% in Q1). The unit got off to a fast start in its first quarter of operations – engaging with thousands of new customers through multiple channels, onboarding more than 1300 partners, and completing over 1500 total sales transactions comprising both renewals and new licenses, in more than 50 countries. The HCL Software business also announced its first major new product release of HCL Digital Experience 9.5, incorporating several core HCL Software architectural priorities around containerization, micro-services, and UI/UX improvements.
- Engineering and R&D Services has posted a robust double digit 15.0% YoY growth in constant currency on back of 13.3% YoY growth in constant currency during Q1, driven by Large deals and all round traction for engineering services in major industries that we operate while leveraging investments in leading technologies like 5G and I4.0.
- HCL acquired Sankalp Semiconductor (Sankalp), an advanced technology design services provider offering comprehensive digital and mixed signal System-on-a-Chip (SoC) services and solutions from concept to prototype, in the semiconductor space. Sankalp's capabilities, combined with HCL's existing strengths, will help HCL sustain its leadership position in the semiconductor space within the Engineering and R&D Services industry. This strategic acquisition will enable HCL to further expand into newer market-domains, especially in analogue and mixed signal design.
- Creating a sustainable balance in gender diversity has always been a focus of HCL. As of Sep 30, 2019, women represent 26.17% of the global workforce.
- HCL prides itself in employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As of Sep 30, 2019, HCL employed people from more than 140 nationalities spread across 44 countries.
- Operating Cash Flow / Net Income conversion at 85% (on LTM basis).
- The Board at its meeting held on October 23, 2019 has considered, approved and recommended a Bonus issue of Shares of one equity shares for every one equity shares held by the equity shareholders of the Company. The bonus issue of equity shares is subject to the approval of the shareholders and any other applicable statutory and regulatory approvals.
- Dividend of ₹2 per share, 67th consecutive quarter of dividend pay out has been announced.

FY'20 Guidance

- Revenue: FY'20 Revenues are expected to grow between 15.0% to 17.0% in Constant Currency
Revenue Guidance is based on FY'19 (April to March) average exchange rates. The above constant currency guidance translates to 13.2% to 15.2% in US\$ terms based on September 30, 2019 rates.
- Operating Margin (EBIT): FY'20 expected Operating Margin (EBIT) range is from 18.5% to 19.5%.

CORPORATE OVERVIEW

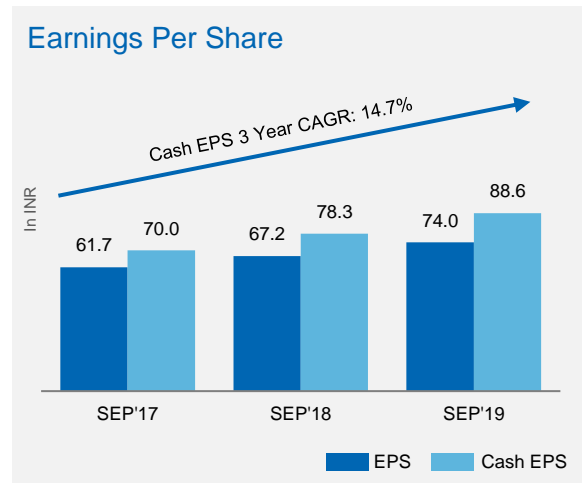
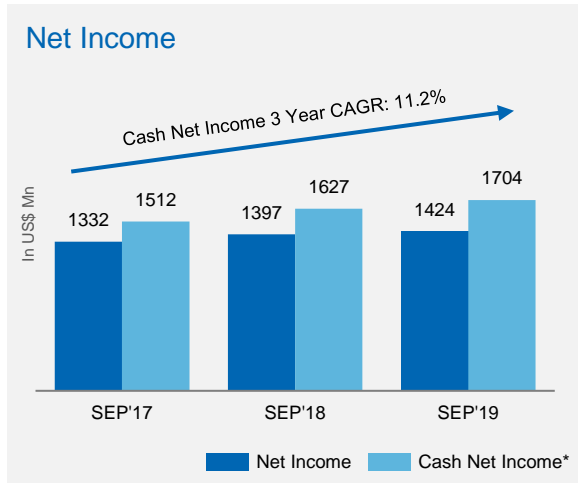
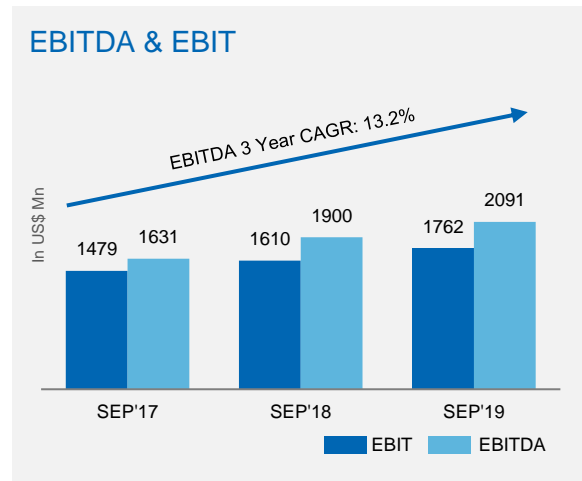
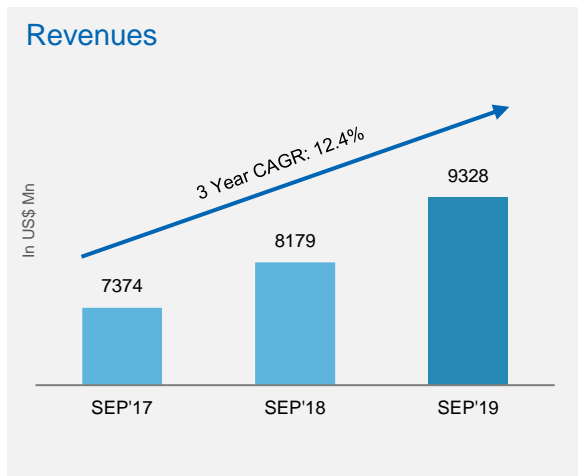
“A wave of unprecedented disruption is underway and it is going to define the next era of business and technology landscape. The times are changing and newer ideas & opportunities are constantly evolving. Thus, it is imperative for us to work together with the larger ecosystem to develop sustainable solutions and contribute towards socio-economic and sustainable development for a better future.” said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

“HCLites have delivered yet another outstanding quarter with a 20.5% YoY growth, translating to a more than 14% industry leading organic growth. Our sharp focus on pricing and cost levers over the last 6 months have helped deliver a solid EBIT of 20%. I am also very excited about the progress we have made in our newly formed, HCL Software business. I am confident that this momentum combined with our diversified portfolio of services and software will deliver great value to our clients, our shareholders and most importantly, our employees.” said **C Vijayakumar, President & CEO, HCL Technologies.**

“I am extremely pleased to report yet another quarter of industry leading growth of 20.5% YoY in constant currency at an EBIT margin of 20.0%. The overall robust performance validates the resilience of our business model as well as our evolving business mix. Cash EPS has increased by 12.9% on LTM YoY basis, and is now at ₹88.4 per share”, said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

PERFORMANCE TRENDS

Overall Company (Last 3 years for 12 months ended September)



Note:

1. Cash Net income is Operating Cash Flow before Change in Working Capital.
2. Cash EPS is Cash Net Income divided by Average Number of Diluted Equity Shares.

REVENUE GROWTH (IN CONSTANT CURRENCY)

- With Acquisition impact per prior methodology and actual impact

PARTICULARS	DETAILS	QUARTER ENDED			
		30-Sep-19			
		Acquisition impact per prior methodology		Acquisition impact per actuals	
		QoQ	YoY	QoQ	YoY
Consolidated	For the Company	6.0%	20.5%	6.0%	20.5%
Geography	Americas	5.5%	22.6%	0.1%	16.3%
	Europe	6.9%	19.9%	17.1%	30.9%
	ROW	7.3%	4.4%	24.4%	20.8%
Segments	IT and Business Services	0.9%	17.4%	0.9%	17.4%
	Engineering and R&D Services	5.4%	15.0%	5.4%	15.0%
	Products & Platforms	56.8%	57.9%	56.8%	57.9%
Verticals	Financial Services	7.4%	8.5%	18.0%	19.0%
	Manufacturing	-0.2%	26.0%	5.4%	33.0%
	Technology and services	20.7%	41.5%	-14.3%	0.5%
	Retail & CPG	1.5%	9.9%	12.2%	21.3%
	Telecommunication, Media, Publishing & Entertainment	6.1%	34.3%	10.8%	40.1%
	Lifesciences & Healthcare	3.4%	16.3%	6.6%	19.9%
	Public Services [#]	-4.4%	7.1%	10.7%	23.7%

[#] Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

Current quarter financials include revenue from the previously announced \$1.8 bn acquisition of business relating to select IBM products (announced on December 7th, 2018). Until previous quarter, revenues from various IBM IP deals were reported under US Geography, Technology & Services vertical and from a single client in all client metrics. From current quarter (Q2FY20), on consummation of the above acquisition, revenue from various customers is being classified in the geography and vertical of respective customer (revenue from other IP partnerships would continue to be reported as in the past). To facilitate better comparison, all metrics have also been provided if the Company would have continued to report such revenues on the same basis as in previous quarter (Q1FY20) as above.

CORPORATE ACHIEVEMENTS

As organizations embark on their next step of transformational journeys, it is essential to create a long-term and sustainable solution that benefits all stakeholders. Through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™, HCL empowers global enterprises with technology for the next decade today and enables businesses to transform into next-gen enterprises.

- HCL Software, a new business unit of HCL Products & Platforms, became operational in Q2. The unit got off to a fast start in its first quarter of operations – engaging with thousands of new customers through multiple channels, onboarding more than 1300 partners, and completing over 1500 total sales transactions comprising both renewals and new licenses, in more than 50 countries. The HCL Software business also announced its first major new product release of HCL Digital Experience 9.5, incorporating several core HCL Software architectural priorities around containerization, micro-services, and UI/UX improvements.
- HCL signed 15 transformational deals in Q2 led by IT and Business Services, in the key industry verticals of Financial Services, Life Sciences & Healthcare, Manufacturing, Retail and CPG.
- HCL announced the opening of a new delivery center in Hamilton, New Zealand, reinforcing the commitment to enhance its service offerings to global clients through innovative technology solutions. HCL's first delivery center in New Zealand complements the company's network of global delivery centers across the world. It will support global customers and partners and provide access to the latest IT services and digital business technologies, which will drive innovation and customer centricity through design thinking and digital solutions, blockchain, cybersecurity, cloud and artificial intelligence.
- HCL acquired Sankalp Semiconductor (Sankalp), an advanced technology design services provider offering comprehensive digital and mixed signal System-on-a-Chip (SoC) services and solutions from concept to prototype, in the semiconductor space. Sankalp's capabilities, combined with HCL's existing strengths, will help HCL sustain its leadership position in the semiconductor space within the Engineering and R&D Services industry. This strategic acquisition will enable HCL to further expand into newer market-domains, especially in analogue and mixed signal design.
- HCL launched a new SAP Cloud Platform (SCP) Center of Excellence at its Cloud Native Labs in London. The purpose of the center is to help accelerate adoption of SCP and SAP Leonardo Services, SAP's digital innovation system, at scale and help organizations become the experience-centric intelligent enterprises of tomorrow, today. Through the SCP Center of Excellence, HCL will help clients modernize their legacy SAP environments and accelerate the development of new cloud native applications on SCP. The Cloud Native Labs is also intended to offer cloud strategy, proof of concept building and cloud-native cultural transformation services for SCP.
- HCL's corporate vision, programs and policies strongly endorse the principle of providing women employees with a work environment full of growth opportunities. In its first year of partnership with the International Women's Day in 2019, HCL was selected as one of the winners of best practice activity. HCL continues to work towards promoting the gender advancement agenda.
- HCL co-hosted the first regional event of "Executive Women's Forum (EWF)" in Bengaluru, India. EWF is a unique leadership and learning community designed to advance the career, build the business and create a better workplace for women in Information Security, IT Risk Management and Privacy.
- Continuing its tradition of "ideapreneurship™" and a culture of innovation, HCL filed for seven patents this quarter. Patents were filed in next-generation technologies and platforms, including blockchain, automation, data analytics & simulation and machine learning, among others.
- HCL was awarded MuleSoft's APAC Growth and Emerging Partner of the Year Award for 2019. The award recognizes partners who demonstrate excellence in providing innovative solutions, value to customers, and rapid scale. HCL won the award for achieving the highest growth in terms of MuleSoft training, certifications, new customer opportunities and project implementation networks.
- HCL signed a Memorandum of Understanding (MoU) with Maharashtra Airport Development Company (MADC) for expansion of its MIHAN campus in Nagpur, in-line with HCL's strategic vision to expand and bring global

opportunities to tier-II cities in the country. As part of the MoU, HCL will acquire 90 acres of land to add to the existing state-of-the-art 50-acre campus in MIHAN, Nagpur. The center aims to have a gender-equal workforce, driven by the availability of quality local talent and scalable infrastructure.

- HCL was chosen by Microsoft for its MS Managed Desktop Program and the only system integrator to have an IoT (Internet of Things) lab at Microsoft's Redmond campus, USA.

HUMAN RESOURCES

- Scaling and transforming employee skills continues to be a key focus area in line with HCL's "Employee First" culture. In Q2, HCL conducted 126,274 employee trainings in digital and next-gen technology skills.
- Creating a sustainable balance in gender diversity has always been a focus of HCL. As of Sep 30, 2019, women represent 26.17% of the global workforce.
- HCL prides itself in employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As of Sep 30, 2019, HCL employed resources from more than 140 nationalities spread across 44 countries.
- In Q2, there was a net addition of 3,223 employees

PARTNER ECOSYSTEM

- HCL ElasticOps achieved certification as Managed Services Provider (MSP) by AWS and Microsoft Azure for FY20. HCL's ElasticOps services efficiently manages customer's cloud environments and helps realize the true benefits of moving to public cloud. It offers AI-driven Cloud Managed Services validated by hyper-scale cloud providers. By implementing industry recommended best practices to maintain cloud infrastructure, it simplifies cloud operations, safeguards cloud environment from threats and reduces operational overheads.
- HCL renewed the Microsoft Azure Expert Managed Services Partner (MSP) status. The achievement validates HCL's capabilities against Azure MSP program requirements like design processes, architecture designs, security assessment, CMP, incident management process and cloud SLAs. HCL also became a member of the FastTrack Ready Partner Program, an elevated recognition allowing it to deliver the benefits of Microsoft M365 capabilities to customers with Microsoft's endorsement. HCL's Digital and Analytics practice qualified and on-boarded three new Azure-ready solutions on One Commercial Partner - Microsoft's Sales Ready Catalogue.
- HCL organized an exclusive Hackathon in partnership with Microsoft to upskill and train resources on Azure DevOps and Azure Kubernetes Services (AKS). The Hackathon saw enthusiastic ideapreneurs brainstorm and come up with innovative solutions to achieve zero-downtime deployment through a series of structured challenges using containerized micro-services running in AKS.
- HCL achieved Amazon Web Services (AWS) Global Premier Partner Status as one of the early adopters of the AWS Partner Tier framework and also renewed the AWS Managed Service Provider (MSP) competency. This achievement recognizes the expertise as a MSP with specialization in SLA based "Cloud Infrastructure Managed services" and "Integrated Application Management" within the AWS Partner Network.
- HCL has been selected by Google Cloud Partnership (GCP) as a Partner of Choice for their Hybrid Cloud platform's (Anthos) implementation partner for Google customers in EMEA region. HCL and Google also signed a Program Development Agreement which allows HCL to develop IP on Google Cloud directly, with support from GCP.

AWARDS AND RECOGNITIONS

Analyst Recognitions:

- HCL positioned as a Leader in IDC MarketScape for Worldwide Intelligent Automation Services 2019 Vendor Assessment 2019*.
- HCL positioned as a Leader in Life Sciences Digital Services - Service Provider Landscape with Services in Everest Group's PEAK Matrix™ Assessment 2019
- HCL positioned as a Leader and Star Performer in Everest Group's PEAK Matrix™ for Banking BPS – Service Provider Landscape with Services Assessment 2019
- HCL positioned as a Leader in Software Product Engineering Services in Everest Group's PEAK Matrix™ Assessment 2019
- HCL positioned as a Leader in Automotive Engineering Services in Everest Group's PEAK Matrix™ Assessment 2019

Awards

- HCL was announced winner of the ISG Star of Excellence Awards in the following categories:
 - Technologies: Data Center
 - Industries: Retail
 - Regions: Australia/New Zealand ('Most Customer Centric Services Provider')
- HCL was recognized as a leader in the ISG Provider Lens™ in the following quadrants:
 - SAP HANA and Leonardo Ecosystem Partners - Global, Nordics, UK, USA 2019,
 - Network –Software Defined Solutions and Services, Global, Nordics, UK
 - IoT – Transformational Services, Technology, Solutions, Platforms and Industries - Nordics, Global, UK, US, Germany 2019
 - Private / Hybrid Cloud – Global, Nordics, UK, US

* *doc #US44934619, September 2019*

CORPORATE SOCIAL RESPONSIBILITY

HCL Grant

- As of September 30, 2019, HCL Foundation committed \$7.25 mn towards rural development in India, in the areas of Environment, Health and Education through current HCL Grant projects. More than 5,000 NGOs registered for the fifth edition of the program. So far, HCLF has already touched the lives of more than 500,000 people through the program.

HCL Samuday

- HCL Samuday: The program continues to have a positive impact on rural villages in the state of Uttar Pradesh, India. Implemented in 765 villages, the program reaches 90,000 households covering a total population base of around 600,000 people. As of September 30, 2019.
 - More than 31,000 farmers benefited from various interventions under agriculture vertical
 - More than 53,500 patients have been treated at HCL Samuday mobile health clinics
 - More than 31,000 people have been learning to read and write
 - More than 10,000 women have been economically empowered
 - 25 villages have been electrified with 20 solar mini grids

Other HCLF Programs

- Under the Power of One program, 39,742 employees, on an average, continued to donate towards the social and economic upliftment of vulnerable communities from April to September 2019.
- The “**HCL Uday**” program reached out to more than 300,000 underserved urban, migratory and displaced communities in India.
- Under “**HCL Harit**”, the flagship environment initiative, HCL Foundation signed two Memorandums of Understanding (MoUs) with the District Administration of Gautam Buddh Nagar and Lucknow Nagar Nigam for mass afforestation and water conservation in Noida and Lucknow respectively. To combat desertification, deforestation, land degradation and biodiversity loss, around 14.3 Ha of new land for mass afforestation and 51 waterbodies for rejuvenation and conservation have already been assigned under these MoUs.
- On 43rd HCL Annual Day, HCLites, partner NGOs and community members came together to plant 6,212 saplings at Uday Upvan Sorkha (urban forest), Noida, UP, India making it to a total of, 10,000+ saplings planted across various locations, in India as of September 2019.
- Under the “**Sports for Change**” program, around 600 children from urban slums supported by HCL Foundation participated in various sports championships held across six southern cities in India.
- HCL Guatemala employees contributed to flood relief efforts by providing daily necessities including drinking water, toilet paper, personal hygiene items, non-perishable and canned food, clothing, and blankets.

Awards

- In recognition of the exemplary work done in championing children rights, HCL Foundation was awarded “The Changemaker Award” by Save the Children at the Right Start Summit.
- HCL Foundation supported Gurukul Project - Arumbu, along with its implementing NGO Partner, Aide et Action, winning the First Runner Up award and citation at the Madras Chamber of Commerce and Industry, TAFE CSR Awards 2019, for exhibiting high level of social impact, synergy, innovation and sustainability.

KEY BUSINESS UPDATES

MODE 1: CORE SERVICES

Through Mode 1 services, HCL delivers core services in the areas of Applications, Infrastructure, Engineering and R&D, and Digital Process Operations, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them “lean” and “agile”.

- A US-based oil and gas major has selected HCL to provide end-to-end, consistent and globally integrated digital field engineering services supported by HCL’s products and IPs in the digital workplace value chain. HCL will provide site-related IT support and end-user related digital enablement services. These HCL services will further tie into the global technology stack already run by HCL for this customer in the areas of customer service, application delivery, productivity solutions and data center operations.
- A large government–owned real estate agency has selected HCL as a strategic partner for transformation by leveraging HCL’s deep domain capabilities and IP. The scope of HCL services shall include implementation on Microsoft Azure and multi-year operations and management. HCL shall create a unified experience across all channels and this will unlock incremental value for their customers’ in community engagement and facility booking in their housing estates.
- A Dutch multinational paints manufacturing company has recently selected HCL as its global partner for workplace services. As a part of this program, HCL will be delivering Next-Gen, workplace solution to the customer.
- A government body in Saudi Arabia has chosen HCL for an integrated application, testing and infrastructure operations managed services engagement. As part of this deal, HCL will leverage its expertise of HCL Software and DRYiCE™ to transform the operations landscape of the client, bringing in intellectual properties and a suite of DRYiCE™ software products for AI-driven remediation of IT-related tickets, as well as creating and delivering a unified reporting and dashboard system throughout the enterprise.
- A large US-based financial services company has chosen HCL as its engineering partner for digital transformation. HCL will help the client transform itself from a traditional company to a fully digital enterprise that offers its end-customers an omni-channel experience. As its digital transformation partner, HCL will help reduce the time and effort to manage international payments while taking full ownership and accountability of the client’s Money Transfer Platform.
- HCL has been selected by a leading Hi-Tech company based out of US to work on a complex, high performance chip design in an advanced technology node. As part of this engagement, HCL will work closely with the customer on the complete silicon development lifecycle, from architecture to GDS2 (end-to-end silicon design). In addition to the technical complexities associated with the advanced process node, HCL will also help the customer address the challenges that come with accelerated development, while maintaining timelines and quality of deliverables to ensure first pass success.
- A Europe-based global industrial manufacturing company has selected HCL to set up a Services Integration and Management (SIAM) function, enabling the company to optimize its multi-sourcing services through a fully integrated approach. HCL will help the customer establish modern workplace services that will transform user experience for its employees globally.
- A global consumer goods company based out of US has selected HCL for a strategic technology transformation initiative, “Change the Game.” HCL will enable the company to standardize storage requirements on a much faster and reliable technology, by delivering. As part of the deal HCL will provide such services as one global price support, ramp up and ramp down capability ultimately leading to reduction in spends.
- A leading healthcare company in the US has chosen HCL as a strategic partner for a multi-year infrastructure services outsourcing engagement. As part of this deal, HCL will provide end-to-end managed infrastructure operations across datacenter, network services, end user services, store operations management, and helpdesk services. This includes support for all the store locations, mainframe environments, pharmacy helpdesk and network support, all supported by DRYiCE™ components.

- A leading German bank with a global footprint has selected HCL as a partner of choice for a multi-year engagement to provide an Integrated datacenter operations support. HCL will provide an integrated end to end support as well as be the partner of choice. This engagement will achieve the desired level of efficiencies for the bank using automation and will further strengthen the foundations for a futuristic hybrid cloud environment.
- A leading Europe-based multinational oil and gas company has selected HCL for workplace management and support services. As part of the deal, HCL will provide global workplace support for over 90,000 devices across more than 500 sites, including service desk, desktop/mobility and field support. The overall workplace transformation lies with HCL and includes smart vending solutions, digital lockers, meeting room support, automation, cognition, collaboration and an experience lounge.
- A large US-based pharmaceutical & bio-tech company has selected HCL as ERP development partner. As part of the deal, HCL will set up a competency organization to enable best-in-class ERP services, helping to support expansion of its client's new services across US and Europe, movement of services to the cloud ecosystem, and optimization of overall operating cost. In addition of ERP services, HCL will help provide end-to-end development services across R&D, manufacturing, quality, middleware and serialization.
- A Europe-based energy & utilities company has chosen HCL as a partner for an infrastructure outsource contract. As part of the contract, HCL will be responsible for service management, data center, end user computing, service desk, and projects to support users across multiple locations. HCL will also deploy a suite of DRYiCE™ software products to manage and govern their multi-cloud environment and drive intelligent automation in IT operations.
- A US-based life sciences company has selected HCL for integrated application, infrastructure and security services. HCL will be responsible for end-user computing services, onsite services, service desk, data center, messaging and collaboration, managed network services, security services and automation.
- A French aerospace and defense multinational organization has selected HCL as partner for electronics and mechanical engineering services for their operations in India. HCL will be part of design and development of mission-critical and safety-critical products, as well as enabling a tiered ecosystem for the customer that aims at innovation and faster time-to-market.
- HCL has been awarded a contract to manage advertiser quality for a US-based multinational Hi-Tech company. HCL will leverage its global delivery excellence and deep domain expertise in the marketing space to protect user safety and enhance advertiser and publisher experience across all global English markets. HCL will also deliver enhanced reporting and insights, providing a seamless experience to the customer and end advertisers.

MODE 2: NEXT-GENERATION SERVICES

Under Mode 2, HCL offers experience-centric and outcome based integrated offerings including Digital and Analytics, IoTWoRKS™ (Internet of Things), Cloud Native, and CyberSecurity.

- A leading US-based pharmaceuticals & bio-tech company has chosen HCL as their scale agile digital transformation partner. HCL is engaged to transform the product landscape and modernize the platform – API First and Micro-Services based approach – with the intent to improve the user experience while performing technology upgrades. The scope of the engagement includes development of new features and functionalities in core admin, billing, claims, settlement, risk and quality area.
- A leading US-based life sciences company has selected HCL for governance, risk and compliance automation support. HCL will be engaged in providing the support and enhancement services to client's risk and compliance environment, which also includes cloud transition roadmap, strategy and planning. HCL will also support solution development, installation and qualification of radio frequency identification printers. HCL will consolidate/migrate network management tools infrastructure and standardize all network appliance configuration to enable higher cost efficiency and productivity.
- A leading Europe-based Hi-Tech company has selected HCL to provide managed security services from its state-of-the-art cyber security fusion centers in India. The engagement will cover monitoring, incident

management and response and managed protection services for their security infrastructure worldwide and endpoint security management services.

- A UK-based hotels and hospitality company has chosen HCL to provide cloud build and operation services on Azure Cloud. The chain operates over 500 hotels across Europe.
- HCL has been chosen by a commercial bank operating in Europe to provide managed services and craft the complete cloud operating model.
- A US-based leading media and entertainment conglomerate has chosen HCL as its partner to re-platform its legacy system to a modern micro-services driven architecture built on the cloud. HCL was chosen because its scalable architecture will provide them flexibility to deploy new features quickly and easily.
- HCL has been selected by one of the largest Canadian banks for all key digital operations. HCL will offer services in the areas of cloud adoption, and micro-service development and data and analytics.
- A consumer finance bank providing services across Europe has chosen HCL for development of a loan origination platform which will be rolled out to all markets. HCL will identify key functionalities in each country and develop a minimum viable product as per the predefined backlog created by the customer. HCL will also focus on scaling out the features and rolling it to production.
- A leading US-based railroad transport company has selected HCL for condition-based monitoring of wheels and sockets while a train is in transit. This has helped improve the safety of cargo trains and increase train uptime by reducing the number of stoppages due to in-transit condition monitoring. HCL is also developing an edge-based solution to position the solution in remote locations.
- A leading European manufacturer of auto parts has selected HCL to upsurge its security posture by working on enterprise wide network access management, identity management and privilege access management program. HCL will also monitor and manage cybersecurity operations from its global state of the art cyber security fusion centers.

MODE 3: PRODUCTS & PLATFORMS

In an evolving world of high automation and cloud platforms, HCL is leveraging its expertise in building software and IP-led businesses to execute its Mode 3 strategy. HCL's Products & Platforms segment includes standalone product businesses targeted at global clients to address their technology and industry verticals' specific challenges.

- A subsidiary of UK-based utility company has selected HCL OneTest Studio to drive resource efficiencies and productivity to bring down the cost for application support. HCL OneTest Studio will give the client a 360-degree coverage for test automation, functional and user interphase testing, performance, load, stress testing and integration testing.
- A US-based Retail & CPG company has selected HCL Commerce as their strategic B2B and B2C online commerce platform. As the business continues to be successful and grows, they've added additional capacity to support their strong business.
- A Chinese bank has chosen HCL products, such as Domino/Notes, as an enterprise-wide messaging and management workflow system for office automation. To enhance dedicated end-user communication efficiency. Another product of HCL -- Sametime was also selected as instant messaging.
- A leading French aerospace and defense manufacturer has selected HCL as a solution partner for a leading supplier of 3D CAD product design engineering software. As part of this engagement, HCL will provide its patented Feature Recognition (FR) algorithm, which helps in intelligent re-use of CAD data, resulting in automation and reducing overall cycle time for product design.
- One of the fastest growing US based insurance company specializing in property and casualty, and employee benefits has selected DRYICE™ Lucy as a cognitive virtual assistant for their internal stakeholder's enterprise.
- An American food and beverage company and the largest dairy company based in the US has selected DRYICE™ Gold BluePrint to create a best practice ecosystem for their IT service management landscape.

- A US-based, global company dedicated to manufacturing solutions for diabetic care has selected DRYiCE™ Gold BluePrint for its IT service management ecosystem.
- A UK-based hotels and hospitality company has chosen DRYiCE™ Gold BluePrint on ServiceNow to manage its IT service management landscape.
- A leading German manufacturer in chemical and process industries has selected DRYiCE™ MyCloud to manage their cloud environment.

PRODUCT LAUNCHES

- HCL Software announced the general availability of HCL Digital Experience (DX) 9.5, founded on the former IBM WebSphere Portal and IBM Web Content Manager software, a recognized and proven digital experience management platform. Using HCL DX, organizations can seamlessly blend digital content, transactional applications, and data into compelling, personalized digital experiences delivered to virtually any digital touchpoint. The new release provides many significant business and technical benefits, including unsurpassed standardization and flexibility, accelerated time-to-market, liberated experience delivery and lower cost of ownership.
- DRYiCETM Lucy launched its latest version 4.0. It comes with a completely new user interface design including the addition of new consoles enabling graphical user interface e-driven configuration and administration; enhanced security features; and a new set of enterprise integrations.
- DRYiCETM MyXalytics powered by Splunk includes time-saving one-click integration adapters for multiple enterprise tools and pre-built report packs. These improvements decrease overall implementation time and increase time to value. This new release of MyXalytics comes with significantly faster real-time reporting & analytics and data processing capabilities.
- DRYiCETM iAutomate version 4.0 brings new capabilities, including scheduled / ad-hoc runbook executions, a new set of integrations, and other performance and security related enhancements.

FINANCIALS IN US\$ FOR THE QUARTER ENDED 30th SEPTEMBER, 2019 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-Sep-18	30-Jun-19	30-Sep-19	YoY	QoQ
Revenues	2,098.6	2,363.6	2,485.6	18.4%	5.2%
Direct Costs	1,323.2	1,529.7	1,568.5		
Gross Profits	775.5	833.8	917.1	18.3%	10.0%
Research & Development	31.8	41.5	46.0		
SG & A	251.2	302.9	289.1		
EBITDA	492.5	489.4	582.0	18.2%	18.9%
Depreciation & Amortisation	75.0	85.6	85.9		
EBIT	417.5	403.8	496.1	18.8%	22.9%
Foreign Exchange Gains/(Loss)	9.2	2.7	(1.4)		
Other Income, net	25.8	15.6	0.9		
Provision for Tax	95.8	101.3	118.3		
Net gain attributable to redeemable non-controlling / non-controlling interest	-	1.1	1.1		
Net Income	356.7	319.7	376.2	5.5%	17.7%
Gross Margin	37.0%	35.3%	36.9%		
EBITDA Margin	23.5%	20.7%	23.4%		
EBIT Margin	19.9%	17.1%	20.0%		
Net Income Margin	17.0%	13.5%	15.1%		
Earnings Per Share					
Annualized in ₹					
Basic	73.0	65.5	78.2		
Diluted	72.8	65.5	78.2		

WEIGHTED AVERAGE NUMBER OF SHARES	30-Sep-18	30-Jun-19	30-Sep-19
Basic	1,392,466,683	1,356,278,868	1,356,350,491
Diluted	1,396,123,758	1,356,771,946	1,356,735,599

OUTSTANDING OPTIONS (in equivalent number of shares)	30-Sep-18	30-Jun-19	30-Sep-19
Options at less than market price	675,480	553,680	431,360

CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

PARTICULARS	AS ON	
	31-Mar-19	30-Sep-19
Assets		
Cash and Cash Equivalents	857.8	242.0
Accounts Receivables, net	1,693.5	1,944.8
Unbilled Receivables	420.1	465.8
Term Deposits	469.2	454.6
Investment Securities, available for sale	321.2	400.3
Inventories	13.1	17.3
Other Current Assets	524.5	967.8
Total Current Assets	4,299.4	4,492.6
Property and Equipment, net	839.3	837.4
Operating lease right-of-use assets	-	329.3
Intangible Assets, net	2,560.3	4,173.6
Term Deposits	51.4	7.1
Deffered Tax Asset	349.6	327.7
Investments in Affiliates	5.0	5.4
Other Investments	7.2	4.8
Other Assets	409.0	476.9
Total Assets	8,521.2	10,654.8
Liabilities & Stockholders Equity		
Current Liabilities	1,612.8	2,835.6
Borrowings	576.7	607.9
Operating lease liabilities	-	307.7
Other Liabilities	222.5	339.9
Total Liabilities	2,412.1	4,091.1
Redeemable Non-Controlling Interests	65.7	65.7
Total Stockholders Equity	6,043.4	6,498.0
Total liabilities, redeemable non-controlling interests and equity	8,521.2	10,654.8

CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

PARTICULARS	FOR YEAR ENDED Mar-19	FOR QUARTER ENDED Sep-19
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,443.8	377.3
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortisation	306.7	85.9
Deferred income taxes	(86.5)	0.6
Others	(27.4)	10.3
Operating Cash Flow before Change in Working Capital	1,636.6	474.1
Changes in Assets and Liabilities, net		
Accounts Receivable and Unbilled Receivable	(251.2)	(224.2)
Other Assets	(254.7)	13.0
Other Liabilities	209.4	(8.1)
Net Cash provided by Operating Activities	1,340.2	254.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment (net)	(278.4)	(61.6)
Purchase of Licensed IPRs	(241.5)	-
Proceeds from sale of property and equipment	4.4	0.1
(Purchase) / Sale of investments	79.5	15.8
Purchase of other Investments	(4.9)	(2.0)
Fixed Deposits (increase) / decrease	337.4	(102.9)
Payments for business acquisitions, net of cash acquired	(402.5)	-
Investment in Equity Method Investee	(0.3)	-
Net Cash provided by (used in) Investing Activities	(506.4)	(150.6)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy Back of Equity Shares	(541.7)	0.0
Payment for Deferred consideration on Business Acquisition	(3.8)	(41.5)
Dividend paid	(188.6)	(46.2)
Loans	519.0	11.1
Capital contribution from redeemable non-controlling Interests	41.0	-
Dividend paid to redeemable non-controlling interests	(2.0)	(2.2)
Others	7.7	21.2
Net Cash provided by (used in) Financing Activities	(168.4)	(57.6)
Effect of Exchange Rate on Cash and Cash Equivalents	(67.2)	(12.1)
Net increase/(decrease) in Cash and Cash Equivalents	598.2	34.4
CASH AND CASH EQUIVALENTS		
Beginning of the Period	259.6	207.6
End of the Period	857.8	242.0

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

PARTICULARS			Acquisition impact per prior methodology	Acquisition impact per actuals
GEOGRAPHIC MIX	30-Sep-18	30-Jun-19	30-Sep-19	30-Sep-19
Americas	65.8%	67.7%	67.9%	64.4%
Europe	26.8%	25.9%	25.7%	28.2%
RoW	7.4%	6.3%	6.4%	7.4%

SEGMENT MIX	30-Sep-18	30-Jun-19	30-Sep-19
IT and Business Services	73.8%	75.3%	71.4%
Engineering and R&D Services	17.5%	16.9%	16.9%
Products & Platforms	8.7%	7.8%	11.7%

PARTICULARS			Acquisition impact per prior methodology	Acquisition impact per actuals
VERTICAL MIX	30-Sep-18	30-Jun-19	30-Sep-19	30-Sep-19
Financial Services	23.0%	20.3%	20.4%	22.4%
Manufacturing	18.0%	19.9%	18.7%	19.8%
Technology & Services	18.2%	18.9%	21.7%	15.4%
Retail & CPG	10.0%	9.5%	9.1%	10.0%
Telecommunications, Media, Publishing & Entertainment	7.2%	8.0%	8.0%	8.4%
Lifesciences & Healthcare	12.9%	12.8%	12.6%	12.9%
Public Services [#]	10.7%	10.5%	9.5%	11.0%

[#] Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

CONTRACT TYPE	30-Sep-18	30-Jun-19	30-Sep-19
Managed Services & Fixed Price Projects	61.8%	63.5%	66.5%
Time & Material	38.2%	36.5%	33.5%

Current quarter financials include revenue from the previously announced \$1.8 bn acquisition of business relating to select IBM products (announced on December 7th, 2018). Until previous quarter, revenues from various IBM IP deals were reported under US Geography, Technology & Services vertical and from a single client in all client metrics. From current quarter (Q2FY20), on consummation of the above acquisition, revenue from various customers is being classified in the geography and vertical of respective customer (revenue from other IP partnerships would continue to be reported as in the past). To facilitate better comparison, all metrics have also been provided if the Company would have continued to report such revenues on the same basis as in previous quarter (Q1FY20) as above.

CONSTANT CURRENCY REPORTING

REPORTED	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Revenue (\$ Mn)	2,098.6	2,201.5	2,277.8	2,363.6	2,485.6
Growth QoQ	2.1%	4.9%	3.5%	3.8%	5.2%
Growth YoY	8.9%	10.8%	11.8%	15.0%	18.4%
CONSTANT CURRENCY (QoQ)	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Revenue (\$ Mn)	2,115.7	2,215.8	2,274.8	2,373.2	2,505.7
Growth QoQ	3.0%	5.6%	3.3%	4.2%	6.0%
CONSTANT CURRENCY (YoY)	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
Revenue (\$ Mn)	2,130.2	2,245.5	2,350.1	2,404.2	2,529.2
Growth YoY	10.5%	13.0%	15.3%	17.0%	20.5%

AVERAGE RATES FOR QUARTER	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19
USD - INR	70.77	71.48	70.19	69.55	70.52
GBP - USD	1.30	1.28	1.31	1.27	1.23
EUR - USD	1.16	1.14	1.13	1.13	1.10
USD - SEK	8.93	9.07	9.20	9.45	9.66
AUD - USD	0.73	0.72	0.71	0.70	0.68

CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	30-Sep-18	30-Jun-19	30-Sep-19	QoQ Change	YoY Change
100 Million dollar +	9	12	13	1	4
50 Million dollar +	31	29	30	1	(1)
20 Million dollar +	90	93	93	-	3
10 Million dollar +	165	172	171	(1)	6
5 Million dollar +	269	293	299	6	30
1 Million dollar +	575	633	667	34	92

PARTICULARS			Acquisition impact per prior methodology	Acquisition impact per actuals
CLIENT CONTRIBUTION TO REVENUE (LTM)	30-Sep-18	30-Jun-19	30-Sep-19	30-Sep-19
Top 5 Clients	17.3%	16.6%	16.5%	15.6%
Top 10 Clients	24.8%	23.9%	24.0%	23.1%
Top 20 Clients	34.2%	34.2%	34.6%	33.7%

PARTICULARS			Acquisition impact per prior methodology	Acquisition impact per actuals
CLIENT BUSINESS	30-Sep-18	30-Jun-19	30-Sep-19	30-Sep-19
New Clients	3.1%	4.6%	4.9%	5.7%
Existing Clients	96.9%	95.4%	95.1%	94.3%
Days Sales Outstanding - excluding unbilled receivables	64	68	70	70

HEADCOUNT

HEADCOUNT DETAILS	30-Sep-18	30-Jun-19	30-Sep-19
Total Employee Count	127,875	143,900	147,123
Technical	116,910	132,384	135,957
Sales and Support	10,965	11,516	11,166
Gross Addition	11,683	16,332	13,430
Attrition (LTM)*	17.1%	17.3%	16.9%

Note: Attrition excludes involuntary attrition and Digital process operations.

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

	30 Sep-19
Cash & Cash Equivalents	242
Term Deposits	462
Investment Securities, Available for Sale	400
Total Funds	1,104

	30 Sep-19
Borrowings	608

FINANCIALS IN ₹ FOR THE QUARTER ENDED 30th SEPTEMBER, 2019 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-Sep-18	30-Jun-19	30-Sep-19	YoY	QoQ
Revenues	14,861	16,425	17,528	17.9%	6.7%
Direct Costs	9,363	10,631	11,061		
Gross Profits	5,497	5,794	6,467	17.6%	11.6%
Research & Development	225	289	325		
SG & A	1,773	2,105	2,039		
EBITDA	3,499	3,401	4,103	17.3%	20.7%
Depreciation & Amortisation	533	595	606		
EBIT	2,966	2,806	3,497	17.9%	24.6%
Foreign Exchange Gains/(Loss)	69	19	(10)		
Other Income, net	183	109	7		
Provision for Tax	678	705	835		
Net gain attributable to redeemable non-controlling / non-controlling interest	-	8	8		
Net Income	2,540	2,220	2,651	4.4%	19.4%
Gross Margin	37.0%	35.3%	36.9%		
EBITDA Margin	23.5%	20.7%	23.4%		
EBIT Margin	19.9%	17.1%	20.0%		
Net Income Margin	17.0%	13.5%	15.1%		
Earnings Per Share					
Annualized in ₹					
Basic	73.0	65.5	78.2		
Diluted	72.8	65.5	78.2		

WEIGHTED AVERAGE NUMBER OF SHARES	30-Sep-18	30-Jun-19	30-Sep-19
Basic	1,392,466,683	1,356,278,868	1,356,350,491
Diluted	1,396,123,758	1,356,771,946	1,356,735,599

OUTSTANDING OPTIONS (in equivalent number of shares)	30-Sep-18	30-Jun-19	30-Sep-19
Options at less than market price	675,480	553,680	431,360

CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

PARTICULARS	AS ON	
	31-Mar-19	30-Sep-19
Assets		
Cash and Cash Equivalents	5,929	1,714
Accounts Receivables, net	11,706	13,779
Unbilled Receivables	2,904	3,300
Term Deposits	3,242	3,221
Investment Securities, available for sale	2,220	2,836
Inventories	91	123
Other Current Assets	3,625	6,857
Total Current Assets	29,717	31,830
Property and Equipment, net	5,801	5,932
Operating lease right-of-use assets	-	2,333
Intangible Assets, net	17,695	29,569
Term Deposit	355	50
Deferred Tax Asset	2,416	2,322
Investments in Affiliates	35	39
Other Investments	50	34
Other Assets	2,827	3,379
Total Assets	58,897	75,488
Liabilities & Stockholders Equity		
Current Liabilities	11,148	20,090
Borrowings	3,986	4,307
Operating lease liabilities	-	2,180
Other Liabilities	1,538	2,408
Total Liabilities	16,672	28,985
Redeemable Non-Controlling Interests	454	466
Total Stockholders Equity	41,770	46,037
Total liabilities, redeemable non-controlling interests and equity	58,897	75,488

APPENDIX: COMPUTATION FORMULAE

S. No.	Formulae	Numerator	Denominator
1	Cash EPS	Net Income + Non cash Charges – Deferred Income Taxes	Average Number of Diluted Equity Shares

SEGMENT DEFINITIONS

- **IT and Business Services** provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWoRKs, Cloud native and Cybersecurity solutions including products developed within these businesses.
- **Engineering and R&D Services** provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end to end lifecycle of products – both hardware and software across diverse industries including products developed within this business.
- **Products & Platforms** includes standalone product businesses that provide modernized software products to global clients for their technology and industry specific requirements.

ABOUT HCL TECHNOLOGIES

HCL Technologies (HCL) empowers global enterprises with technology for the next decade today. HCL's Mode 1-2-3 strategy through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™ enables businesses transform into next-gen enterprises.

HCL offers its services and products through three business units - IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products & Platforms (P&P). ITBS enables global enterprises to transform their businesses through offerings in areas of Applications, Infrastructure, Digital Process Operations and next generational digital transformation solutions. ERS offers engineering services and solutions in all aspects of product development and platform engineering while under P&P, HCL provides modernized software products to global clients for their technology and industry specific requirements. Through its cutting-edge co-innovation labs, global delivery capabilities and broad global network, HCL delivers holistic services in various industry verticals, categorized under Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences & Healthcare and Public Services.

As a leading global technology company, HCL takes pride in its diversity, social responsibility, sustainability and education initiatives. As of 12 months ended September 30, 2019, HCL has a consolidated revenue of US\$ 9.3 billion and its 147,123 ideapreneurs operate out of 44 countries.

For more information, visit www.hcltech.com

SAFE HARBOR STATEMENT

Certain statements in this release are forward-looking statements, which involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in such forward-looking statements. All statements, other than statements of historical fact are statements that could be deemed forward looking statements, including but not limited to the statements containing the words 'planned', 'expects', 'believes', 'strategy', 'opportunity', 'anticipates', 'hopes' or other similar words. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding impact of pending regulatory proceedings, fluctuations in earnings, our ability to manage growth, intense competition in IT services, Business Process Outsourcing and consulting services including those factors which may affect our cost advantage, wage increases in India, customer acceptances of our services, products and fee structures, our ability to attract and retain highly skilled professionals, our ability to integrate acquired assets in a cost effective and timely manner, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, the success of our brand development efforts, liability for damages on our service contracts, the success of the companies / entities in which we have made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property, other risks, uncertainties and general economic conditions affecting our industry. There can be no assurance that the forward looking statements made herein will prove to be accurate, and issuance of such forward looking statements should not be regarded as a representation by the Company, or any other person, that the objective and plans of the Company will be achieved. All forward looking statements made herein are based on information presently available to the management of the Company and the Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.



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