

Earnings Presentation
- Q4 FY 18
& Annual Results FY 18

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Wednesday, May 02, 2018

HCL

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FINANCIAL SUMMARY FY18

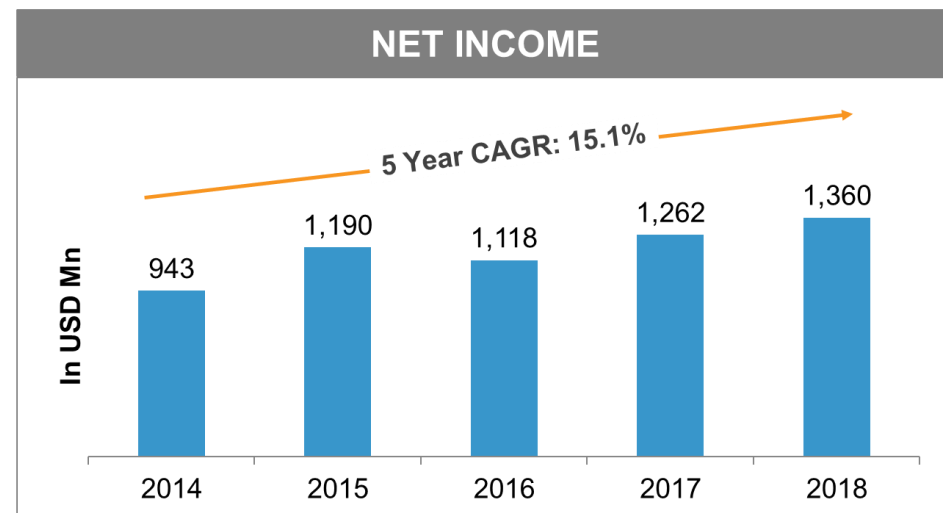
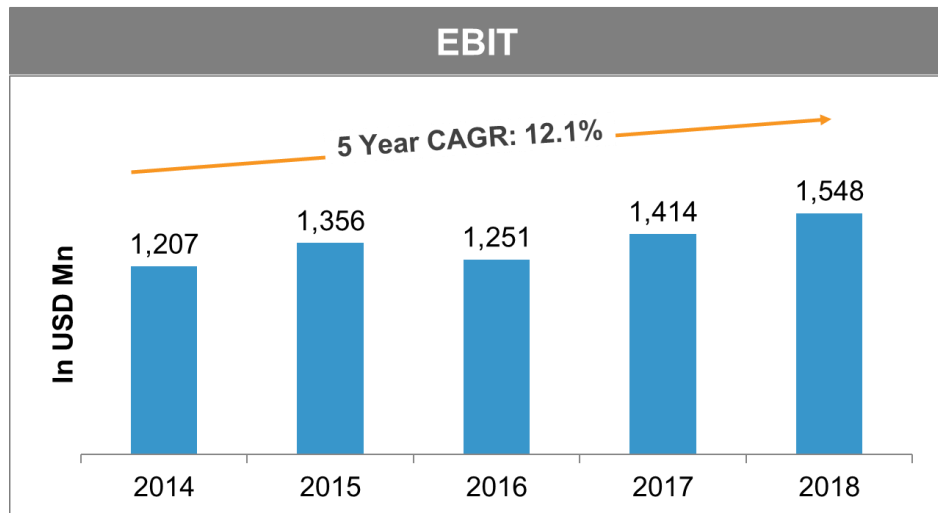
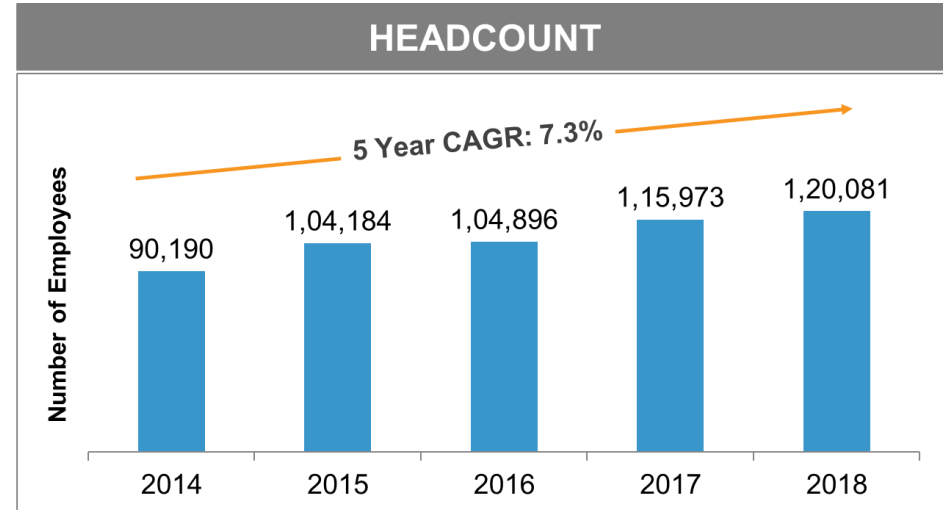
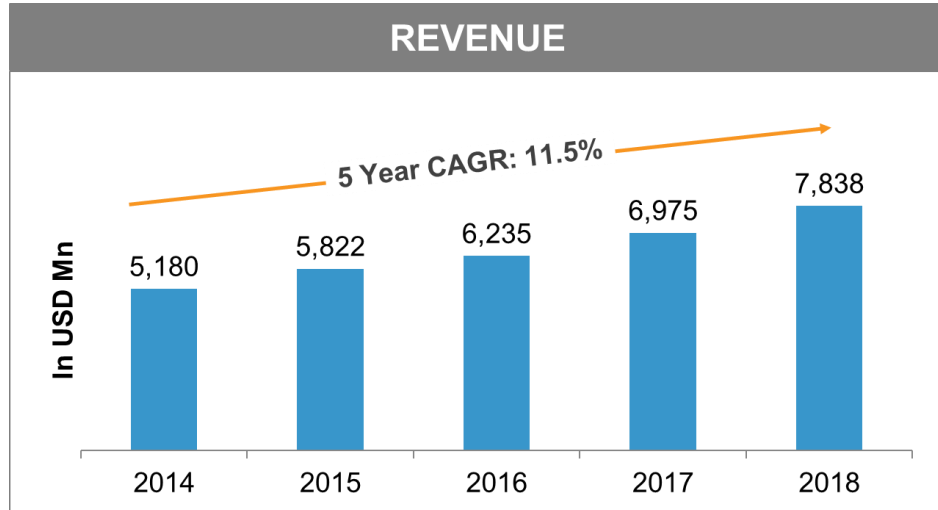
- Consistent execution of our business strategy by meeting our guidance on revenue & margin for the second year in a row
- Crossed significant milestone of \$2 billion run rate of quarterly revenue this quarter
- For the first time, HCL crossed INR 50,000 crores of revenue in FY18

Particulars (Amounts in US \$ Millions)	Full Year		Quarter ended	
	FY 18	YoY	31 Mar '18	QoQ
Revenues	7,838	12.4%	2,038	2.5%
Revenue Growth Constant Currency		10.5%		1.2%
EBIT	1,548	9.4%	399	2.6%
EBIT %	19.7%		19.6%	
Net Income	1,360	7.7%	344	1.1%

HCL has ended FY18 with industry leading growth, meeting guidance on revenue & margins

PERFORMANCE TRENDS

12 MONTHS ENDED MARCH '18



CONSISTENT AND BROAD BASED GROWTH

Segments	12 Months	Quarter Ended
	31-Mar-18	31-Mar-18
	LTM YoY	QoQ
Consolidated	10.5%	1.2%
Americas	13.8%	-0.7%
Europe	5.0%	3.6%
ROW	6.0%	8.1%
Application Services	4.4%	-0.9%
Infrastructure Services	4.5%	2.5%
Engineering and R&D Services	37.6%	1.7%
Business Services	0.9%	5.3%
Financial Services	13.3%	2.0%
Manufacturing	18.3%	0.2%
Life Sciences & Healthcare	8.1%	-0.2%
Public Services	2.6%	4.1%
Retail & CPG	7.5%	1.1%
Telecommunications, Media & Entertainment	-4.7%	1.8%

- 13.3% Industry leading growth in Financial Services, enabled by growth in digital services
- Secular growth across most other verticals in FY 18
- Healthy growth in all geos, led by US with 13.8%
- Engineering and R&D Services enabled by organic, IP partnerships and acquisitions

Vertical led Go to Market approach in place to enable the momentum in Mode 2 & 3 business



MODE 1-2-3 GROWTH

Mix %	FY 16	FY 17	FY 18	FY 17 Growth	FY 18 Growth
Mode 1	84.1%	81.4%	76.6%	8.3%	5.7%
Mode 2	12.3%	12.8%	14.7%	16.4%	29.4%
Mode 3	3.6%	5.8%	8.7%	80.2%	68.3%
Total	100.0%	100.0%	100.0%	11.9%	12.4%
Mode 2 & 3	15.9%	18.6%	23.4%	30.9%	41.5%

Mode 1-2-3 strategy is continuing to make considerable progress and the results are visible in FY 18

- Signed 15 transformational deals in Q4 representing a well-balanced mix of Mode 1 & Mode 2 services, geos and verticals. 63 transformational deals for the financial year
- Across all our Mode 2 Services, we are seeing strong expansion in deal sizes and value
- 26 customers in Mode 2 with Revenue > \$10 M contributing to 49% of M2 revenues
- In Mode 3 we launched the first wave of Managed Services Edition (MSE) products, apart from adding several products to our portfolio through a mix of Organic IP, acquisitions and IP partnerships

CLIENT PARTNERSHIP

- Faster revenue growth in our Client Partner accounts across Geos and Verticals
- Secular trend of increasing revenue share of our Top 5, 10 and 20 customers
- Continue to increase wallet share of many customers on next gen Mode 2 services

LTM Revenue Contribution	31-Mar-17	31-Dec-17	31-Mar-18
Top 5 Clients	14.7%	15.8%	16.3%
Top 10 Clients	22.1%	23.5%	23.8%
Top 20 Clients	32.9%	33.5%	33.7%

Visible success of our Client Partner program

Strategic Rationale

- A leader in multi-channel customer engagement services for the life sciences and consumer packaged goods (CPG) industries
- Expertise in the clinical, pharmacovigilance, and pharma sales support domains and strong partnership with industry leading products
- HCL's Mode 2 Digital capability combined with the C3i depth to become more patient-centric and offer services to IT and business stakeholders to improve healthcare outcomes

Financial Outlook

- Expect revenues to decline 10%-12% in FY 19 and start growing from FY 20
- Expect to reach company level margins in three years

INORGANIC UPDATES - ACTIAN

Strategic Rationale

- A key player in hybrid data management, cloud integration, and analytics solutions owns market-leading products such as Actian Vector, Actian DataConnect and Actian X
- Enhances HCL's Mode 3 offerings & when combined with HCL's Mode 2 solution offerings - a powerful proposition to harness the power of hybrid data

Financial Outlook

- Regulatory approvals in progress. Expect to close by Aug 18.
- Revenue expected to be stable in FY 19 and growth expected in FY 20



FINANCIAL COMMENTARY

Anil Chanana

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FINANCIAL COMMENTARY

- Performance Highlights for the quarter and the year
- Shareholders' returns and pay-out
- Effective Tax Rate
- Hedging performance
- Cash flow generation
- Enhanced Disclosures going forward



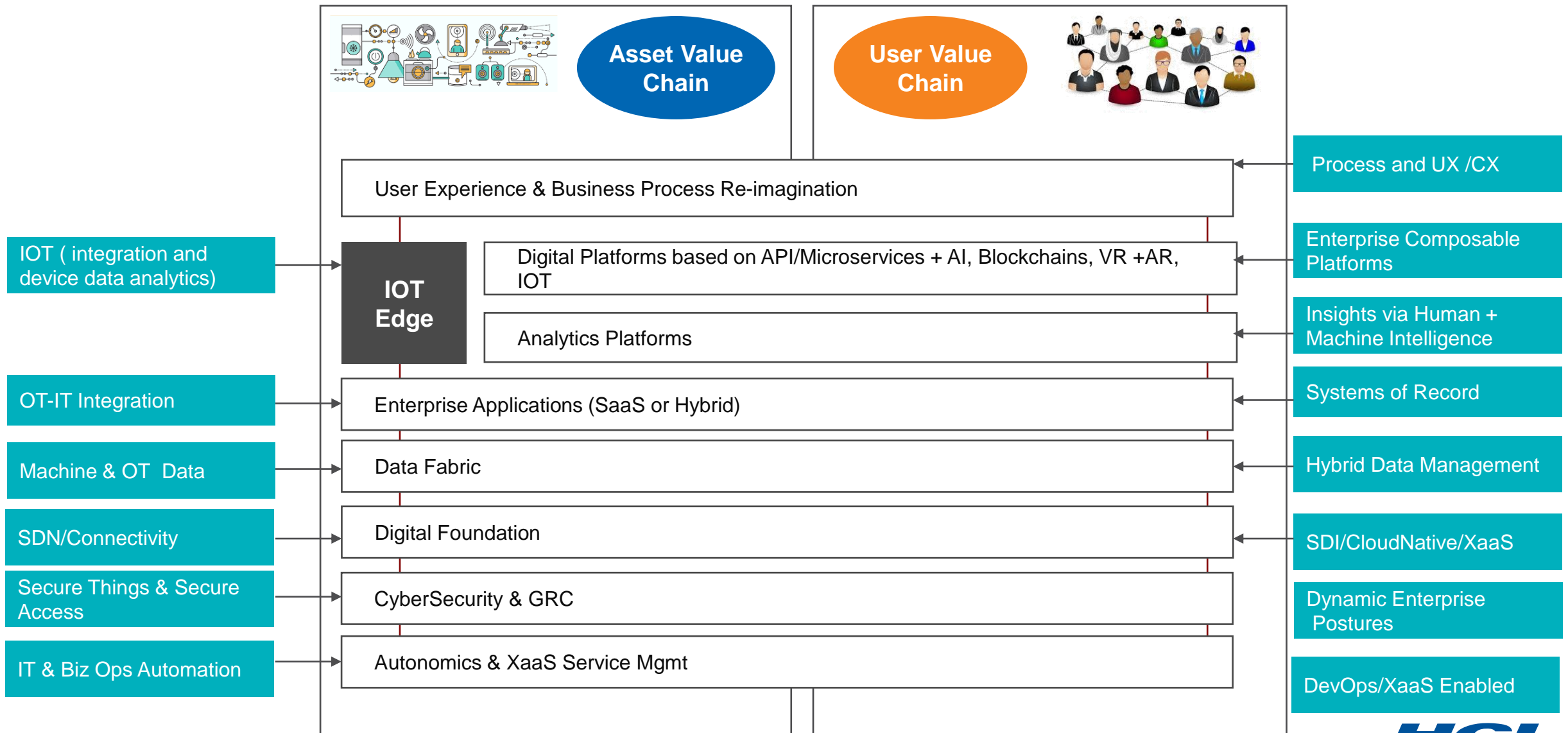
MODE 2 UPDATES

Anand Birje

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ENTERPRISE DIGITALIZATION : REIMAGINING BUSINESSES IN A DIGITAL AGE VIA HCL MODE 2 SERVICES



MODE 2

Digital Transformations are enabled by HCL's Mode 2 services Digital & Analytics, IOT, Cloud Native and Cybersecurity services coming together to create business outcomes

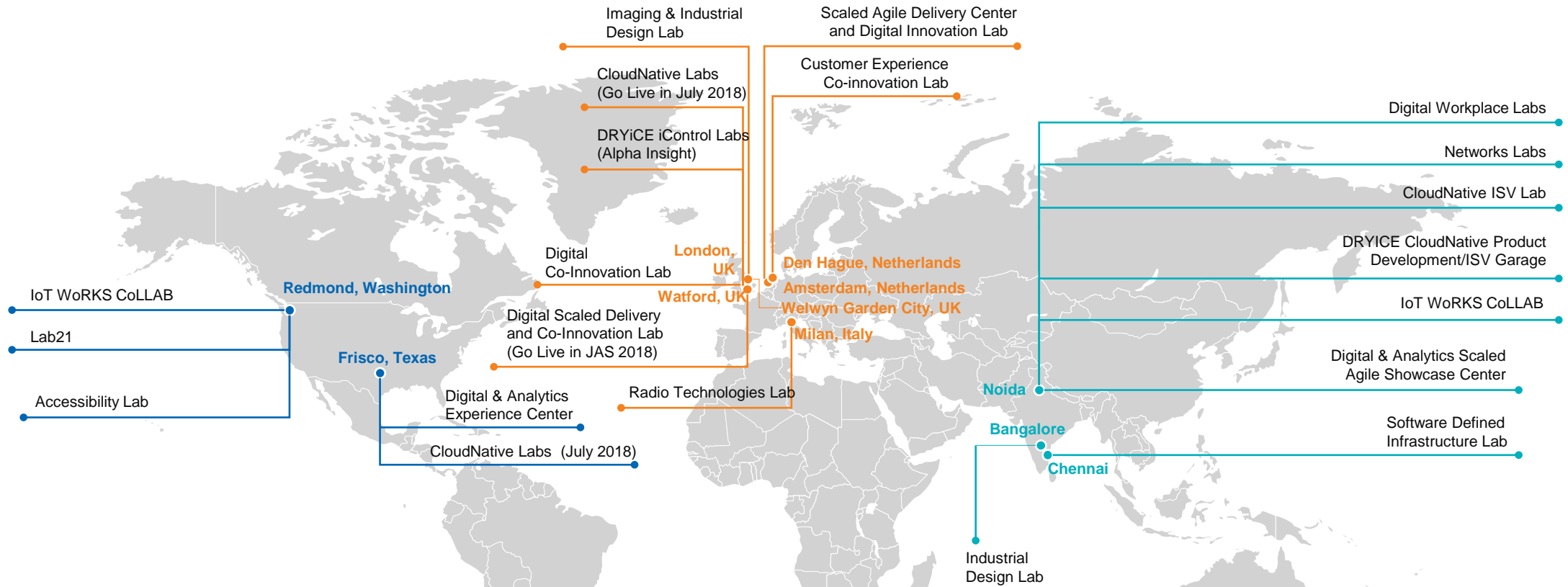
Mode 2 Services led by Digital and Analytics grew by 29.4% YOY, growth across US, Europe and APAC.

In the last year we had **40+ notable wins in existing and new customers across Financial Services, Telecom, Retail, CPG, Utilities, Pharma and Healthcare verticals across Mode 2 services**

We have won most of our Digital deals in **“Scale Digital partnerships”** where the customers chose HCL not just for specific digital projects but as their on-going Digital execution partner, these are **multi-year engagements** delivered in distributed/scaled agile

We have 25+ Customers across verticals where we deliver average \$50m+ TCV Scale Digital, Cloud, IOT and Cybersecurity services- in a lot of these customers we were brought in to replace traditional IT vendors

HCL'S NEXT-GENERATION LABS FOR DIGITAL, IOT, CLOUD, AUTOMATION & AI



In the past 2 years HCL has invested over \$100 m in organic incubation of Digital capabilities in User experience and Design Thinking with over 200 UX/ CX designers and leaders onboarded from global leading design agencies and consulting firms across our digital studios.

- US
- Europe
- India





MODE 3 UPDATES

Darren Oberst

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MODE 3 STRATEGY OVERVIEW & UPDATES

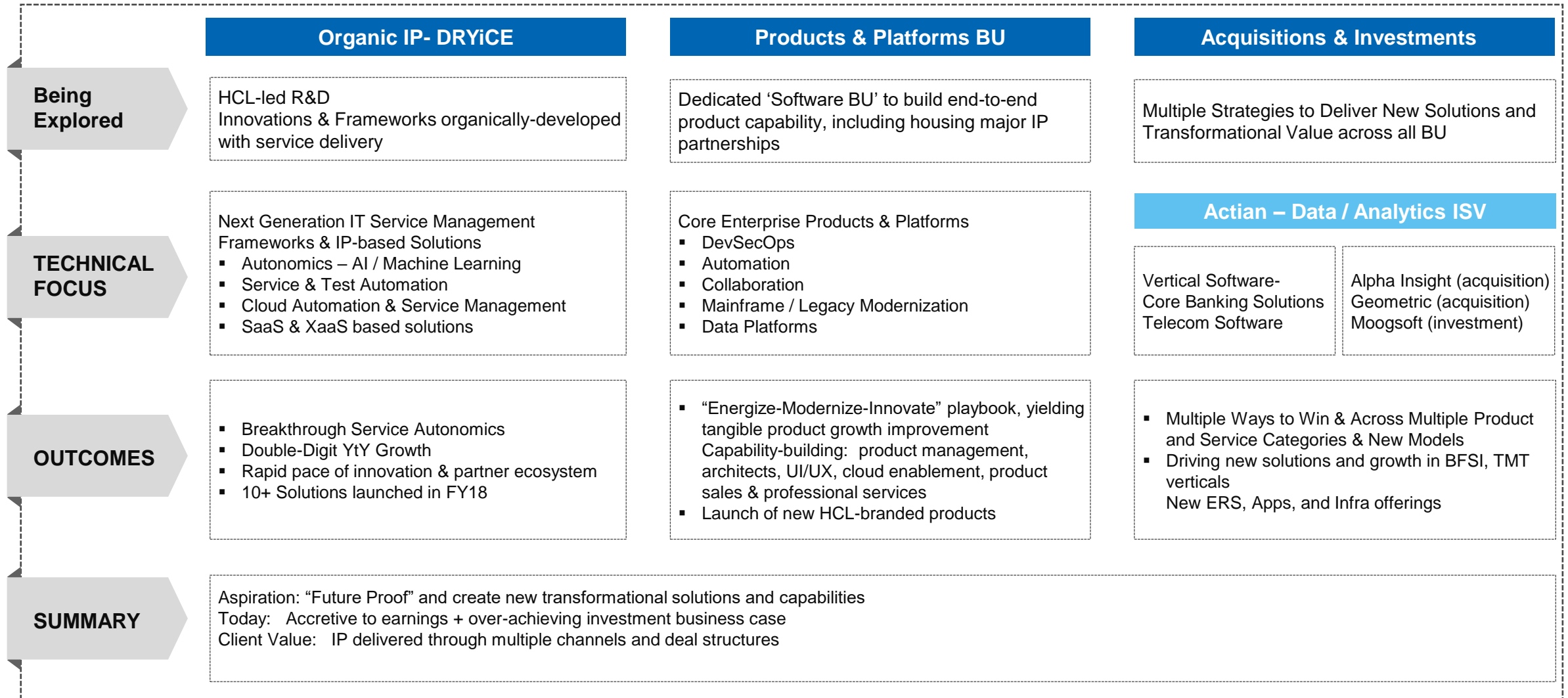
Strategy

- **Long-term transformational vision to build “IP DNA” across HCL**, leveraging both internal core competencies, supplemented with wide set of inorganic capabilities
- **Multi-pronged strategy with multiple ways to win** – IP partnerships, acquisitions, investments, ecosystem partnerships, organic IP development – across multiple divisions of HCL
- **Commitment to create both short-term and long-term value** to all stakeholders- customers, partners, employees and investors
- **Balanced and wide enterprise software portfolio** with mix of proven and emerging technologies serving core IT Automation, DevOps, Data/Analytics, Legacy Modernization, Collaboration, Security, and Vertical Solutions

Updates / Actions

- **Organic Capability building** – investing in skills across the software product value chain – product marketing, product management, architects, sales, professional services - across wide range of technical skills and solutions
- **IP partnerships** – continue to deepen and widen network of IP partners with ongoing focus on product improvements
- **Action** – announced on April 12, 2018 ; targeted closing in August 2018, independent ISV entity, with PE partner (SEP)
- **New Products / Solutions** – launching multiple Drylce framework solutions, and new HCL-branded product offerings

HCL MODE 3: MULTI-DIMENSIONAL STRATEGY TO BUILD WORLD-CLASS IP-BASED CAPABILITY



NEW- announced April 2018

INITIATIVES ACROSS MODE3 OFFERINGS

01

Product Packaging

- Outcome oriented Bundles
- Simplified SKUs

02

Product Packaging

- UX/UI
- Modernization/Cloudification/SaaSification
- AI embedded

03

Marketing

- Product Marketing
- Bundled Positioning

04

Product Management

- Market Driven Product Roadmap
- Offering Management
- Solutions and XaaS Oriented

05

Alliances & Partnerships

- ISV & MSP Partners
- GTM Partners
- Channel & Resellers

06

Licensing Models

- Simplified Licensing Model
- Utility Consumption Model

07

Balanced Teams Approach

- Cohesive Integrated GTM Teams
- Full Stack Product DevOps Teams
- SRE oriented Customer Ops Teams

08

Technical Support

- Customer Advocacy
- Proactive Support



HR UPDATES

Apparao VV

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HR UPDATES



Industry leading revenue per employee at **\$66,406 – 5% increase** over FY 17



Localisation is at **58%** in US; Increase from 52% in FY 17



Gender diversity at **24%**



LTM **Attrition is at 15.4%** compared to 16.8% last year



Upskilled **27,365 people in Mode 2 skills**



State of the art **AI based Talent lifecycle Management** platform



Q&A

HCL

*Relationship*TM
BEYOND THE CONTRACT

\$7.8 BILLION ENTERPRISE | 120,000 IDEAPRENEURS | 39 COUNTRIES