HCL TECHNOLOGIES

INVESTOR RELEASE

Noida, India, July 17th, 2020

Q1 FY'21 RESULTS

Revenue at ₹ **17,841 crores**; down **4.0%** QoQ & up **8.6%** YoY

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) margin at **25.6%**

Earnings Before Interest and Taxes (EBIT) margin at **20.5%**

Net Income at ₹ **2,925 crores**; down **7.3%** QoQ & up **31.7%** YoY

Revenue in Constant Currency; down **7.2%** QoQ & up **1.0%** YoY

Revenue at **US$ 2,356 mn**; down **7.4%** QoQ & **0.3%** YoY

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) margin at **25.6%**

Earnings Before Interest and Taxes (EBIT) margin at **20.5%**

Net Income at **US$ 386 mn**; down **10.4%** QoQ & up **20.9%** YoY

FY 2021 Guidance

Revenue: We expect Revenue to increase QoQ by an average of **1.5% to 2.5%** in constant currency for the next 3 quarters.

Operating Margin (EBIT): We expect Operating Margin to be between **19.5% and 20.5%** for FY'21.

TABLE OF CONTENTS

TECHNOLOGY FOR THE NEW NORMAL, TODAY.

HCL

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 30th JUNE, 2020

(Amount in ₹ Crores)

Particulars	Q1 FY'21	Margin%	Growth	
			QoQ	YoY
Revenue	17,841		-4.0%	8.6%
EBITDA	4,566	25.6%	-3.3%	34.3%
EBIT	3,660	20.5%	-5.7%	30.5%
Net Income	2,925	16.4%	-7.3%	31.7%

(Amount in US $ Million)

Particulars	Q1 FY'21	Margin%	Growth	
			QoQ	YoY
Revenue	2,356		-7.4%	-0.3%
Revenue Growth (Constant Currency)			-7.2%	1.0%
EBITDA	603	25.6%	-6.7%	23.2%
EBIT	484	20.5%	-8.9%	19.7%
Net Income	386	16.4%	-10.4%	20.9%

Segment Highlights

Particulars	Revenue (in US$ mn)	Revenue Mix	EBIT Margin	Growth (in constant currency)	
				QoQ	YoY
IT and Business Services	1,653	70.2%	18.8%	-7.8%	-5.6%
Engineering and R&D Services	378	16.0%	18.7%	-9.0%	-5.1%
Products & Platforms	325	13.8%	31.6%	-2.1%	77.7%
Total	**2,356**	**100%**	**20.5%**	**-7.2%**	**1.0%**

Mode 1-2-3 Highlights

Particulars	Revenue (in US$ mn)	Revenue Mix	EBIT Margin	QoQ Growth (in constant currency)
Mode 1	1,494	63.4%	19.4%	-9.5%
Mode 2	479	20.3%	17.4%	-1.6%
Mode 3	382	16.2%	28.9%	-4.7%
Total	**2,356**	**100%**	**20.5%**	**-7.2%**

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

Key Highlights (for the quarter ending June 2020)

1. The Board of Directors has appointed Ms. Roshni Nadar Malhotra, Non-Executive Director as the Chairperson of the Board of Directors and the Company w.e.f. July 17, 2020, in place of Mr. Shiv Nadar who expressed his desire to step down from the position of the Chairman. Mr. Shiv Nadar would continue to be the Managing Director of the Company with the designation as the Chief Strategy Officer of the Company.

2. HCL signed **11** net new transformational deals, led by key industry verticals including telecommunication, financial services, manufacturing, life sciences and healthcare.

   – New bookings TCV is higher compared to the same quarter last year.

   – Our renewals were also robust during the quarter.

3. Revenue growth of **1%** YoY growth in constant currency came along with a significant expansion of margins on YoY basis - EBITDA at **25.6%** and EBIT at **20.5%** an increase of 490 bps and 344 bps respectively. This strong improvement in margins has been achieved through our continuous focus on automation, right-shoring, supply-chain efficiencies and other cost management initiatives, even amidst the challenging environment.

4. Cash Generation and conversion continues to be very robust.

   – Operating Cash Flow (OCF) at **US $ 819 mn** with OCF / NI conversion at **211.9%**.

   – Free Cash Flow (FCF) at **US $ 757 mn** with FCF / NI conversion at **195.9%**.

   – Gross Cash stands at **US $ 1,952 mn** and Net Cash at **US $ 1,329 mn** at the end of June 30th, 2020, after paying-off the second and final tranche of acquisition related pay out of **US $ 0.8 bn**.

5. We had very solid performance from HCL Software in Q1 FY'21 quarter, which also marks the successful completion of one full year since the closing of the IBM select products acquisition.

6. Announced Dividend of ₹ **2** /- per share, being 70th consecutive quarter of dividend pay-out.

7. Return on Equity (ROE) stands at **23.7%** on LTM June 30th, 2020 basis.

8. IT Services attrition declines to **14.6%**, down 270 bps on YoY basis.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CORPORATE OVERVIEW

"We are living in unprecedented times where organizations and people across geographies are dealing with challenges related to the pandemic. However, this has also pushed businesses to accept the pandemic as a catalyst for change and look at building agility and resilience into every level of their organization. HCL, along with its partners, is helping customers embrace digital transformation and innovation to emerge stronger in this new normal. I am confident that, with decisive action leveraging digital momentum and sustainable business practices, we will together emerge as stronger entities.", said **Shiv Nadar, Managing Director and Chief Strategy Officer, HCL Technologies Ltd.**

C Vijayakumar, President & CEO, HCL Technologies Ltd. said, "The adverse conditions during this quarter had an anticipated negative impact on our revenue. I am happy to report that the resilience of our operating model helped us deliver stellar operating margins and cashflows. We had healthy bookings enabled by 11 new transformational deal wins. We also renewed several large deals during the quarter.
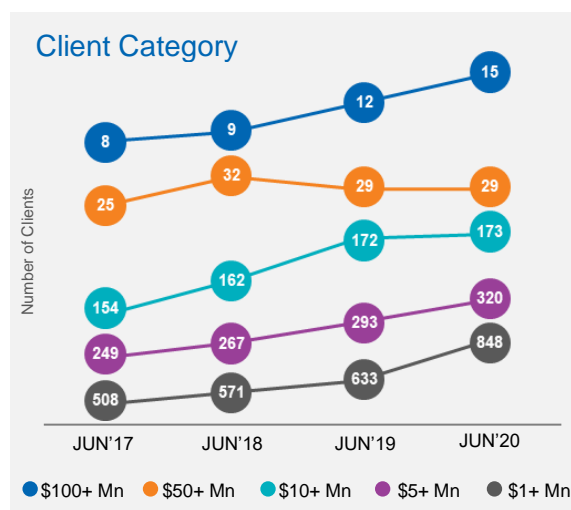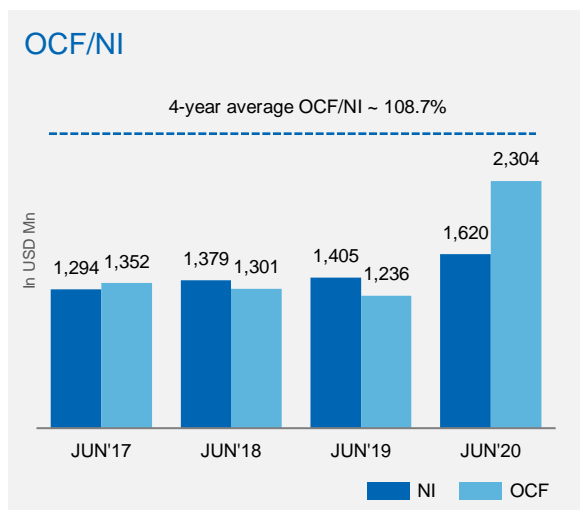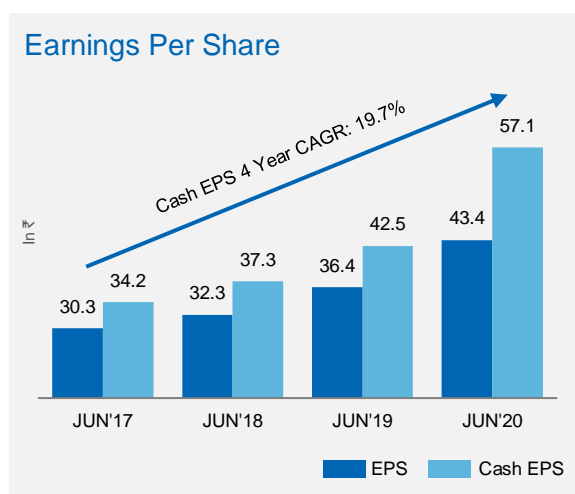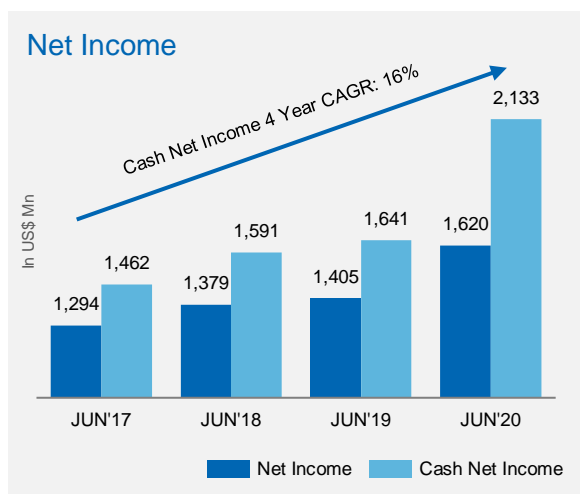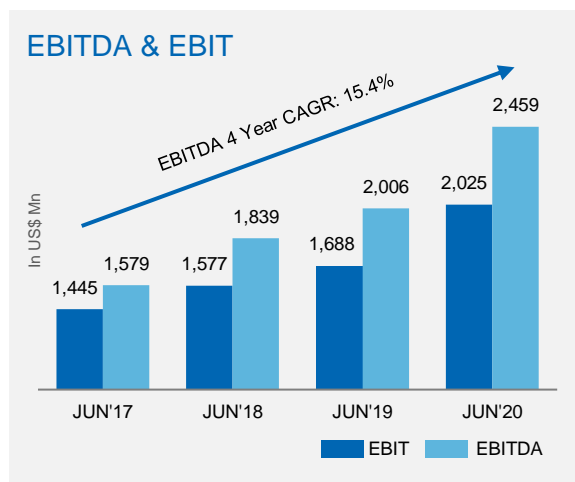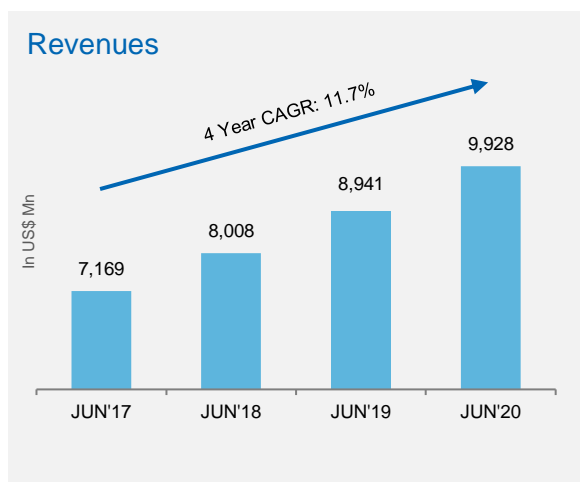
More than ever before, this quarter, our focus was to stand by our employees and clients during these testing times. The very high Annual Customer Satisfaction scores we received, coupled with the recognition and gratitude we got from both our employees and clients has been truly humbling.

We are seeing a robust demand environment and a strong pipeline which gives us confidence in our growth trajectory going forward."

"HCL's margin resilience and cash generation prowess was highlighted this quarter, despite the COVID-led impact to the topline. Our proactive efforts ensured that EBIT margins came in at 20.5%, exceeding the last 3 quarters' average and was 340 bps higher YoY. EBITDA margin, the closest surrogate to cash generation, came in at a very healthy 25.6%. We generated Operating Cash Flow (OCF) of $819 mn and Free Cash Flow (FCF) of $757 mn, being 212% and 196% respectively of Net Income; FCF came in more than double the quarterly average last financial year. Consequently, we closed the quarter with Gross Cash of $1.95 bn and Net Cash of $1.33 bn.", said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

PERFORMANCE TRENDS

Overall Company (last four years for 12 months ended June)

Revenues

4 Year CAGR: 11.7%

In US$ Mn

JUN'17	JUN'18	JUN'19	JUN'20
7,169	8,008	8,941	9,928

EBITDA & EBIT

EBITDA 4 Year CAGR: 15.4%

In US$ Mn

	JUN'17	JUN'18	JUN'19	JUN'20
EBIT	1,445	1,577	1,688	2,025
EBITDA	1,579	1,839	2,006	2,459

■ EBIT ■ EBITDA

Net Income

Cash Net Income 4 Year CAGR: 16%

In US$ Mn

	JUN'17	JUN'18	JUN'19	JUN'20
Net Income	1,294	1,379	1,405	1,620
Cash Net Income	1,462	1,591	1,641	2,133

■ Net Income ■ Cash Net Income

Earnings Per Share

Cash EPS 4 Year CAGR: 19.7%

In ₹

	JUN'17	JUN'18	JUN'19	JUN'20
EPS	30.3	32.3	36.4	43.4
Cash EPS	34.2	37.3	42.5	57.1

■ EPS ■ Cash EPS

OCF/NI

4-year average OCF/NI ~ 108.7%

In USD Mn

	JUN'17	JUN'18	JUN'19	JUN'20
NI	1,294	1,379	1,405	1,620
OCF	1,352	1,301	1,236	2,304

■ NI ■ OCF

Client Category

Number of Clients

	JUN'17	JUN'18	JUN'19	JUN'20
$100+ Mn	8	9	12	15
$50+ Mn	25	32	29	29
$10+ Mn	154	162	172	173
$5+ Mn	249	267	293	320
$1+ Mn	508	571	633	848

● $100+ Mn ● $50+ Mn ● $10+ Mn ● $5+ Mn ● $1+ Mn

Note:

1. *Cash Net income is Operating Cash Flow before Change in Working Capital.*
2. *EPS and Cash EPS adjusted for Bonus issues.*
3. *Cash EPS is Cash Net Income divided by Average Number of Diluted Equity Shares.*

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

REVENUE GROWTH (IN CONSTANT CURRENCY)
(with acquisition impact per prior methodology and actual impact)

Particulars	Details	Acquisition Impact per Prior Methodology	Acquisition Impact per Actuals	
		Quarter Ended (30-Jun-2020)	Quarter Ended (30-Jun-2020)	
		YoY	QoQ	YoY
Consolidated	**For the Company**	**1.0%**	**-7.2%**	**1.0%**
Geography	Americas	1.2%	-6.9%	-5.8%
	Europe	-0.3%	-8.5%	11.4%
	ROW	4.0%	-5.1%	31.2%
Segments	IT and Business Services	-5.6%	-7.8%	-5.6%
	Engineering and R&D Services	-5.1%	-9.0%	-5.1%
	Products & Platforms	77.7%	-2.1%	77.7%
Verticals	Financial Services	0.0%	-1.7%	11.7%
	Manufacturing	-15.5%	-18.8%	-8.3%
	Technology and services	31.1%	-1.2%	-8.8%
	Retail & CPG	-5.4%	-9.0%	6.7%
	Telecommunication, Media, Publishing & Entertainment	-9.6%	-15.5%	-4.4%
	Lifesciences & Healthcare	3.5%	1.9%	7.1%
	Public Services#	-9.3%	-7.1%	7.0%

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

The US$ 1.8 bn acquisition of business relating to select IBM products was announced on December 7th, 2018 and consummated in the Q2 FY'20. Until Q1 FY'20, revenues from various IBM IP deals were reported under US Geography, Technology & Services vertical and from a single client in all client metrics. From Q2 FY'20, 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, YoY metrics have also been provided if the Company would have continued to report such revenues on the same basis as in earlier quarters (till Q1 FY'20) as above.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CORPORATE ACHIEVEMENTS

The global business environment has been dramatically reshaped in the last few months by a series of once-in-a-generation events – the COVID-19 Pandemic, economic turmoil, and geopolitical and social changes. As more organizations accelerate their IT and digital transformational journeys, it is essential to create stronger relationships and sustainable solutions. Through its deep domain industry expertise, customer-centricity, entrepreneurial culture of ideapreneurship™, and vast ecosystem of innovation partners, HCL empowers global enterprises with technology for the next decade, today, and enables businesses to transform themselves into market-leading, next-gen enterprises.

COVID-19 Update

HCL continues its broad, vigorous and proactive efforts to safeguard employees, minimize impact to clients, reduce financial risk to HCL, maintain supply chain resilience and provide support to the communities lived and served around the world.

- Work From Home continues globally at 96% of billed employees, while most of the remaining employees are working from offices or client locations. 99.9% of enabling employees are working safely and productively from home.

- HCL continues to enable over 3.6 million client employees to work from home and ensure business continuity.

- Various measures have been put in place to protect and safeguard employees and partners, including a 24X7 Global Medical Helpline, a dedicated COVID-19 microsite, in-house healthcare centers through HCL Healthcare and hospitals for medical care in India. HCL continues to offer COVID-19, antibody and antigen testing, as well as medical care and mental health counselling to employees and their families.

- In cities and countries where lockdowns are lifted and business reopening phases are initiated, HCL is working with its clients on pragmatic strategies to allow essential staff to resume on-premises work in a secure manner. Detailed operating procedures are in place to govern sanitization, screening, COVID-19 assessments through HCL's SARAS tool, social distancing protocols, incident management, and protective personal equipment. HCL is continuously monitoring all locations and the situation at hand to comply with government advisories and ensure employee and client safety.

- HCL has been actively engaging its ecosystem including governments, embassies, trade associations, NASSCOM, the World Economic Forum, health officials and partners to be at the forefront of COVID-19 planning and action and local community response across India and around the world.

- HCL launched the global Better Health Hackathon '#CodeforCOVID19' hackathon to channel entrepreneurs, coders and innovators around the world to solve pandemic challenges for the short and long term. These include pandemic containment, community enablement, crisis communication, vaccine discovery, remote healthcare and clinical trials. HCL has enlisted strong slate of partners for this global hackathon, including Microsoft, International SOS, CDC Foundation, Cambridge University, Manchester United, Johnson & Johnson, Merck, Tuck School of Business, University of Queensland, Ascension, GSK, Zurich Insurance, Synchrony Bank, ING, Sasol and more.

- HCL's employees around the world have donated to support leading organizations and government initiatives including but not limited to the CDC Foundation, United Way, Gates Foundation, Feeding America, Young People Relief Fund, the PM CARES Fund in India, and more. HCL has matched these contributions to amplify the impact. Additionally, many HCL employees have volunteered their time and energy in their communities across a range of activities, including first line responders, hospitals, food preparation and feeding initiatives, and other programs to help those in need during this period of time.

Key Corporate Achievements

- In Q1 FY'21, HCL signed 11 new transformational deals, led by key industry verticals including telecommunication, financial services, manufacturing, life sciences and healthcare.

- HCL Software completed one year of operations after the $1.8B acquisition of select IBM products in FY'20. Over the last 12 months, it completed over 16,500 sales transactions across 11,000 unique customers and onboarded more than 2,400 partners. It filed over 20 patents, delivered 15 major product releases (over 440 releases in total), shipped over 1,400 enhancements and 9 net-new components. In the most recently completed quarter, it announced the general availability of its HCL DevOps solution, the latest version of HCL Digital Experience, HCL Commerce V9.1, and Unica V12.1.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

- HCL announced its intent to acquire Cisco's Self-Optimizing Network (SON) technology. This acquisition, which comprises products and services built on Cisco's SON technology, will help HCL meet the growing needs of its customers in the telecommunications industry, including tier-one communications service providers globally, by adding the power of Cisco's SON's multi-vendor multi-technology and application support to its clients.

- HCL expanded its preferred services partnership with Broadcom Inc., broadening its professional services offerings to include Symantec Enterprise Division (SED) consulting services, formerly part of Broadcom's enterprise security solutions. This includes expertise across endpoint security, web security services, cloud security, and data loss prevention.

- HCL announced the commencement of operations in Sri Lanka. Marking its presence in the region, HCL plans to create over 1,500 new local employment opportunities for both fresh graduates and experienced professionals within the next eighteen months. A key part of HCL's business development strategy in Sri Lanka will be the use of local talent for global assignments. Through its operations in the country, HCL will provide services to clients in the areas of Application, System Integration and Infrastructure Services.

- More than 400 global analysts and sourcing advisors attended HCL's Accelerate Analyst & Advisor Day 2020, the industry's first-ever digital forum at scale for industry analysts. Building upon the success in Mumbai last year, HCL's CEO, senior leaders and prominent clients educated key influencers on HCL's leading end-to-end capabilities to power clients in their journeys to 'Building Resilient Digital Enterprises'.

- HCL launched the Virtual Distributed Agile framework to enable organizations to accelerate their agile digital journeys for globally distributed teams. Coming at a time when the COVID-19 pandemic has disrupted established ways of working and prompted organizations to operate remotely, the launch sets the foundation for permanent, industrialized remote collaboration.

- Value Portal, a unique grassroots innovation platform that enables employees to contribute their ideas and create value for customers and HCL, delivered customer-endorsed value worth $168M and generated 1,758 ideas and 635 implementations in Q1 FY'21. A special Value Portal COVID-19 campaign was conducted, sparking employees to submit ideas for the current challenges being faced due to the pandemic along with solutions that have an immediate impact. The campaign generated over 50 relevant and advanced ideas, of which 15 ideas have already been implemented, driving significant value and support for clients.

- Continuing its tradition of 'ideapreneurship' and a culture of innovation, HCL filed 17 patents this quarter. Patents were filed in software development, artificial intelligence, machine learning, and next-generation technologies, as well as in platforms including IoT, automation, and data analytics, among others. Till date, HCL has had more than 500 filings and grants put together, since the program's inception in 2015.

- Actian, a joint venture between HCL and Sumeru Equity Partners, made a strategic announcement of the Actian Avalanche Real-Time Connected Data Warehouse. The Actian hybrid solution is the industry's first and only cloud data warehouse to offer complete integration capabilities natively built into the product. It enables enterprises to rapidly and inexpensively harness their diverse data sources for use in high performance analytics, both in the cloud and on-premise. This Actian Avalanche offering, which currently supports the Microsoft Azure and AWS cloud platforms as well as on-premise deployment, features the inclusion of Avalanche Connect™ - an enterprise-class data-integration capability that seamlessly supports connections with hundreds of popular SaaS and on-premise applications.

HUMAN RESOURCES

HCL believes in a culture that fosters grassroots innovation and is committed to providing its employees an equitable, safe and inclusive work environment. HCL focuses on Talent Attraction, Growth and Retention that works in tandem to ensure a unified experience across the enterprise. HCL's core belief of employee centricity aims at enhancing employee experience and accelerating their professional growth by creating an amenable, aspirational and friendly work environment.

- HCL prides itself on employing people from different geographies and nationalities, creating a rich fabric of values and traditions. As of June 30, 2020, HCL's had more than 150,000 ideapreneurs spread across 49 countries.

- As of June 30, 2020, localization in US stood at 67.8%.

- Increased communication, dedicated resources and support for the safety and wellbeing of employees has been HCL's priority. A comprehensive Employee Assistance Program has been put in place to help employees with coordination, advice and guidance for physical and mental health related issues.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶▶

HCL

PARTNER ECOSYSTEM

Microsoft

- HCL achieved the 'SAP on Azure Advanced Specialization' partner status. This specialization acknowledges that HCL meets the highest standards in implementing SAP solutions and migrating HANA databases to Microsoft Azure.
- As one of Microsoft's select global systems integrator partners, HCL signed a strategic agreement for the Azure Outsourcer Channel Program. This program provides HCL with an edge in driving the digital transformation journey for our existing customers while ensuring top-line retention for Azure hosting.

Google

- HCL and Google Cloud announced the expansion of their strategic partnership to bring HCL's software offerings, starting with HCL Commerce, to Google Cloud. Google Cloud will be the preferred cloud platform for HCL Commerce, providing global, secure and elastic infrastructure to power businesses' eCommerce strategies. Under this partnership, HCL also intends to leverage Anthos – Google's application management platform – to enable multi-cloud and hybrid-cloud deployments of HCL Commerce.

Amazon Web Services

- HCL Integration Platform, which provides a unified solution for data transformation and integration, joined the AWS Well-Architected Framework based on five factors: operational excellence, security, reliability, performance efficiency, and cost optimization.
- HCL's EXACTO™ was certified to seamlessly run in the AWS environment.
- HCL onboarded its updated version of HCL CoTrust Blockchain Platform v2.0 on AWS marketplace.

SAP

- HCL has signed an ISV Partnership with SAP to drive joint go-to-market opportunities. As a part of the arrangement, two HCL products have been launched on the SAP Market Place / SAP App Center: HCL Workload Automation and HCL DRYiCE Lucy Virtual Assistant.
- HCL has been certified and recognized globally as an expert partner for SAP SuccessFactors.
- As part of the COVID-19 initiatives using SAP Services on SAP Business Technology Platform, HCL:
  - Developed a rapid analytics solution to help businesses visualize the impact of shifting market, supply chain, cost and revenue drivers.
  - Launched a COVID-19 risk assessment app that won the UK/I SAP partner challenge for helping key workers with COVID-19 related challenges.

General Partnerships

- HCL announced its partnership with iBASEt, a leading provider of manufacturing, quality and sustainment solutions to support greater scaling of operations to serve the growing needs of complex and discrete manufacturing industries. The partnership will address the growing needs of the Aerospace and Defense industry as it undergoes a digital manufacturing transformation.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

AWARDS AND RECOGNITIONS

Key Awards

- HCL was recognized as 'Target Specialized Partner' by Adobe. This accomplishment comes in addition to the existing Adobe Experience Manager, Analytics and Campaign specializations in the US. HCL is a global service provider for Adobe Experience Cloud solutions.
- HCL received the 2020 Rising Star Award from Pegasystems Inc., the US-based software company that empowers digital transformation at the world's leading enterprises. The Rising Star Award recognized HCL's thought leadership and trusted advisor role in driving large scale digital transformation and implementation services.

Analyst Recognitions

Infrastructure: Cloud, Data Center

- HCL positioned as a Leader in Gartner Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, North America (June 2020)*
- HCL Positioned as a Leader in Gartner Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Europe (June 2020)*
- HCL positioned as a Leader in IDC MarketScape: Worldwide Cloud Professional Services 2020 Vendor Assessment, Apr 2020 | Doc #US45439120

Analytics, Automation and AI

- HCL positioned as a Leader in The Forrester Wave™: Specialized Insights Service Providers, Q2 2020
- HCL positioned as a Leader in IDC MarketScape: Worldwide Business Analytics Consulting and Systems Integration Services 2020 Vendor Assessment Jun 2020 | Doc #US45353220
- HCL positioned as a Leader in Avasant's Applied AI and Advanced Analytics, 2020 Radarview TM
- HCL positioned as a Leader in Zinnov Zones for RPA Services, 2020 – Overall

Digital Workplace Services

- HCL positioned as a Leader in IDC MarketScape: European Workplace Services in the Era of Multiplied Innovation 2020 Vendor Assessment Apr 2020 | Doc #EUR146197220
- HCL positioned as a Leader in IDC MarketScape: Asia/Pacific (Excluding Japan) Workplace Services in the Era of Multiplied Innovation 2020 Vendor Assessment Jun 2020 | Doc #AP46571220

Digital

- HCL positioned as a Leader in Everest Group's Medical Devices Digital Services PEAK Matrix® Assessment 2020
- HCL positioned as a Leader in Avasant's Digital Masters, 2020 Radarview™
- HCL positioned at No.2 in HFS Top 10: Agile Software Development, 2020

IT Service Management

- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – U.S. 2020 – Sourcing Information Management
- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – U.S. 2020 – Service Operation & Delivery
- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – U.S. 2020 – Service Design & Transition
- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – U.S. 2020 – Service Integrators for ServiceNow Products
- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – U.S. 2020 – Business Value Service Management
- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – Germany 2020 – Sourcing Information Management

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – Germany 2020 – Service Operation & Delivery

- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – Germany 2020 – Service Design & Transition

- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – Germany 2020 – Service Integrators for ServiceNow Products

- HCL positioned as a Leader in ISG Provider Lens™ SIAM / ITSM – Germany 2020 – Business Value Service Management

- HCL positioned as a Leader in Everest Group's Open Banking IT Services PEAK Matrix® Assessment 2020

- HCL positioned as a Leader in Everest Group's BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020

Ecosystem Partnerships

- HCL positioned as a Leader in ISG Provider Lens™ Microsoft Ecosystem – U.S. 2020 – SharePoint Integration

- HCL positioned as a Leader in ISG Provider Lens™ Microsoft Ecosystem – U.S. 2020 – SAP on Azure

- HCL positioned as a Leader in ISG Provider Lens™ Microsoft Ecosystem – U.S. 2020 – Office 365 Integration

- HCL positioned as a Leader in ISG Provider Lens™ Microsoft Ecosystem – U.S. 2020 – Managed Service Provider (MSP) for Azure

- HCL positioned as a Leader in ISG Provider Lens™ Salesforce Ecosystem Partners – U.S. 2020 – Managed Application Services

- HCL positioned as a Leader in ISG Provider Lens™ Salesforce Ecosystem Partners – Germany 2020 – Managed Application Services

Cyber Security & IoT

- HCL positioned as a Leader in Everest Group's IT Security Services PEAK Matrix® Assessment 2020

- HCL positioned as a Leader in Everest Group's Internet of Things (IoT) Services PEAK Matrix® Assessment 2020

Outsourcing

- HCL positioned as a Leader in ISG Provider Lens™ Finance & Accounting (F&A) Digital Outsourcing Services - U.K. 2020 - Consulting Services

- HCL positioned as a Leader in ISG Provider Lens™ Finance & Accounting (F&A) Digital Outsourcing Services - U.S. 2020 - Transactional Services

- HCL positioned as a Leader in ISG Provider Lens™ Finance & Accounting (F&A) Digital Outsourcing Services - U.K. 2020 - Transactional Services

Engineering

- HCL recognized among Revenue Leaders in cPDM and overall PLM Services category in 2019 CIMdata PLM report series

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CORPORATE SOCIAL RESPONSIBILITY

In addition to initiatives and programs at the enterprise level, the HCL Foundation administers various programs to drive community and social benefit. HCL goes beyond its responsibilities to the larger community and is fully committed to extending maximum support to its communities and stakeholders in the fight against COVID-19.

HCL Foundation COVID-19 Response

- HCL Enterprise remains deeply committed in its response to the pandemic and appreciates all those who are working on the frontline against the virus. Efforts by HCL and its group companies are designed to help contain the spread of the virus and support the community rebuild itself. HCL's actions focus on training, capacity building, awareness, and coordination through the use of technology tools and platforms. Additional programs provide healthcare services, Personal Protective Equipment (PPE) for health care and frontline workers, food security, care for the elderly, children and most disadvantaged people, and animal welfare.
- HCL set up three state-of-the-art Command Centers with call center support in Noida, Chennai and Bengaluru along with an e-pass portal for District Administration in Gautam Buddh Nagar to help industries resume operations post the lockdown.
- HCL served over 890,000 hot cooked meals to marginalized communities in Gautam Buddha Nagar, Noida and Chennai and distributed nearly 15,000 dry ration kits and over 3500 kgs of food grains to the community kitchens of slum communities in various cities including the tribal and rural communities of India. More than 218,000 PPE kits and 77,000 safety kits for frontline workers were provided to State Governments and other departments in Uttar Pradesh and Tamil Nadu. A total of 563 ventilators have also been provided to the State Govt. of Tamil Nadu to help provide critical care to individuals affected by the virus. HCL, through its NGO partner Doctors For You (DFY), set up two COVID-19 Isolation and Treatment facilities in the Krishna District (near Vijayawada), Andhra Pradesh. Through a wide network of NGO partners, HCL reached the most vulnerable populations, ensuring access to relevant information and essentials such as food, dry ration, masks, and safety kits. HCL also engaged over 16,000 migrant laborers in various cash-for-work activities and extended support for marginalized and vulnerable artists.

HCL Foundation Program Updates

HCL Samuday continued its positive impact on 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 June 30, 2020,

- Benefitted 42,760 farmers through agriculture interventions related to Traditional Crop Promotion and Crop Diversification with the help of 199 Farmer Clubs.
- Increased access to Nutritional Food Security by ensuring availability of fresh vegetable for 2714 households from Nutrition Gardens.
- Schools remained closed throughout this quarter and the adult literacy classes also had to be put on hold till May end. Cumulatively:
  - Happy School intervention program has strengthened school education facilities with a capacity to serve 55,000 children.
  - 63,290 adults have been enrolled for Adult literacy classes out of which 43,471 have successfully completed the course.
- Ensured upkeep of 30 solar mini-grids and availability of electricity to 3,500 households in 39 villages.
- Supported 12 public health facilities to run 24/7 on electricity.
- Strengthened more than 14,000 dairy farmers by ensuring regular milk collection and sale, fair price, and veterinary services.
- 2,300+ households supported with backyard poultry unit development, and another 2,300+ households' assets enhanced through goat rearing intervention.
- 1,032 women artisans facilitated to work on various handicrafts.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶️

HCL

HCL Grant portal for Edition VI was launched on June 17th, 2020. HCL Grant has deployed INR 68 Crore (US$9.46 Million) to benefit nearly 17,20,000 people and its supported projects aim to cover over one million people across 70 districts in 18 States and 2 Union Territories of India. Of these, the projects have already impacted 7,33,040 human lives.

Following were the key high highlights of this quarter:

- 650 Pregnant and lactating mothers were provided with food and nutrition packets across 23 HCL Grant supported villages in Tuensang and Longleng districts, Nagaland.

- 830 Particularly Vulnerable Tribal Groups (PVTGS) Households across 25 villages of Kotagiri taluk were provided with dry ration support.

- 300 families & malnourished children in Nagrakata, Jalpaigudi, West Bengal were provided with Dry ration support along with maintaining Social distancing and handwashing norms.

- In J&K, 105 Families were provided with Food Kits, 260 hand sanitizer, 300 masks and 150 females were provided with Sanitary napkins.

HCL Uday continued its effort to break the cycle of urban poverty and achieve long-term systemic changes. In Q1 FY'21:

- Under Early Childhood Care and Development, 1,367 families were provided dry food rations to ensure nutrition support. 230 childcare workers and 421 parents were trained via digital medium on various childcare themes. 152 audio & video clips were developed on childcare, health and hygiene related themes for parents. 78 childcare & learning centres are being repaired to make them more child-friendly.

- Under Education, 22% of the student cohort has been re-connected through digital, online and telephonic mediums. 18,584 children and 1,081 teachers benefitted through structured e-learning modules.

- The Sports for Change initiative, 398 children benefited through 70 fitness and skill sessions & 45 Yoga & mental health sessions; 34 online groups were created. Additionally, 19 webinars. Motivated through interactions with experts, players and national and international coaches.

- The Skill Development & Livelihood initiatives, efforts made to bridge the 'digital divide' wherein 950 youth were reached through e-learning platforms and 250 self-help groups (SHGs) women were trained in various trades.

- Under Health, Nutrition & WASH there was a high focus on pregnant, lactating mothers, elderly, psychosocial care, mental health, non-communicable and communicable diseases, RMNCH+A & combating malnutrition. 1,17,831 people have benefitted through the same.

- Under Harit - The Green Spaces Initiative, 28,460 saplings were planted in schools, residential spaces and public spaces, and at the urban forest sites known as Uday Upvan and restoration and rejuvenation of 22 water bodies continued. Additionally, 1,614 migrant laborers engaged across 3 forestation sites and 7 pond sites in Noida for Cash for Work.

Clean NOIDA

- Organized online workshop on World Menstrual Hygiene Day to discuss impacts of improper menstrual practices on health and waste generation and to discuss sustainable solutions for menstrual waste management.

- Three Day online art challenge on World Environment Day focussed on the role of Gully-bins in waste management. The online art competition was organized on theme "Dustbin Mera Dost." Received 550 entries from pan India, best 10 artworks were appreciated by HCLF.

- Twitter Chat on World Environment Day. Participants posted messages and pictures showcasing their efforts in handling waste and care for environment. Total reach of the campaign was 1.6 million and generating 3.1 million impressions.

- Conducted 49 IEC events and trainings for residents, waste collectors, domestic help and shopkeepers; also sessions with 20 RWAs carried out to discuss COVID-19 specific Action Plan to be taken up, focusing on medical waste.

- Door-to-door waste collection continued in 2 urban villages – Raipur and Bhaktawarpur; 32,700 kgs being the average waste collected every month.

- Beautification work (1583 sq. ft.) carried out at the Community Centre of Harola village.

HCL

Power of One

- Under the Power of One (Po1) program, 38,289 employees, on an average, continued to donate towards the social and economic upliftment of vulnerable communities. HCLites clocked over 1,043 volunteer hours in this quarter, mainly through Digital Volunteering opportunities provided by HCLF.

Global CSR

- HCL announced its partnership in Sweden, supporting Team Göta Traneberg youth ice hockey. Through this partnership HCL aims to support a healthy and vibrant future for the local youth by connecting them with a sport that brings them joy while teaching valuable life skills of team building, responsibility, and leadership.
- HCL's Women Lead initiative that we have launched in the Nordics to help aspiring women succeed in the corporate world.

HCL

KEY BUSINESS UPDATES

MODE 1: CORE SERVICES

HCL's Mode 1 services aim to offer our clients a leadership position and enhance the business competencies for their core business processes, products and services through the highest level of reliability and consistency through maximum automation, efficient delivery and operational agility. Mode 1 leverages the current business and IT landscape by consolidating a firm's existing core and unearthing new ways to enhance that core with new technologies. These services offerings are comprised of applications, infrastructure, engineering and research and development, and digital process operations.

- A multinational telecommunications company selected HCL for end-to-end IT services, including digital transformation program, cloud, application and infrastructure services. HCL will help the customer migrate services to the cloud, pursue large-scale modernization, automation initiatives, transform to Modern AD thus enhancing end user experience and optimizing IT spend.

- A leading European financial services company selected HCL to enable its digital journey by building a hybrid cloud-based digital foundation based on HCL's next-gen data centre architecture. As part of this, HCL will help the client to deliver a modernised, agile and software-defined infrastructure landscape, underpinned by HCL's DRYiCE™ automation framework, to deliver efficiencies, agility and faster time to market. HCL will also help accelerate the customer's journey to cloud using its Cloud Adoption Framework.

- A Europe-based global automotive manufacturer expanded its engagement with HCL for setting up a local language speaking Enterprise Helpdesk and renovate automation landscape with best of breed tools based on HCL DRYiCE™ to enhance end user experience and productivity.

- A US-based Hi-Tech company selected HCL as its end-to-end engineering partner for data center switching and routing products. HCL will use its product development and sustenance expertise to drive significant quality and productivity improvements across the product portfolio. The transition to a new research and development operating model will enable the customer to transform its product engineering lifecycle, improve time-to-market, and enhance competitiveness.

- A US-based multinational aerospace company chose HCL to provide end-to-end support for its ERP environments. HCL will help the customer to transform their ERP support with a predictable cost-effective operating model, automation and continuous improvements resulting in improved business SLA's and lower cost every year.

- A European consumer goods company selected HCL for infrastructure operations support and migration to a hybrid cloud environment. HCL will help the customer establish an automation-led, standardised and consolidated IT operations across their Asian, European and African theatres. Furthermore, HCL will help the customer on its journey to have an enterprise-of-the-future technology estate by enabling increased consumption of public cloud services and leveraging its DRYiCE™ framework to increase automation and enhance end user experience.

- A US-based multinational oil and gas corporation renewed and expanded its contract with HCL. In addition to providing the global service desk from multiple locations, HCL will now also provide deskside support and inventory management to provide end-to-end support for the customer's employees. This agreement includes agile approaches for continuous innovation and automation to evolve with the customer during their digital transformation.

- HCL was selected by a US-based beverage producer to create an end-to-end service layer for device lifecycle management that follows a monthly subscription fee encompassing endpoint hardware and other associated services. HCL will help the customer to simplify PC lifecycle management, by providing flexibility to easily scale up or down rather than making heavy investments in user hardware, and to pursue large-scale modernization and digital transformation initiatives to enhance the workplace experience.

- A large Europe-based bank expanded its relationship with HCL to provide services in the areas of financial controlling services, group accounting, controlling and policy services, and regulatory calculations controlling services. HCL will also provide end-to-end finance function transformation covering a range of complex finance and accounting functions, leveraging Robotic Process Automation and analytics.

TECHNOLOGY FOR THE NEW NORMAL, TODAY.

MODE 2: NEXT–GENERATION SERVICES

Mode 2 helps enterprises take the next digital leap through experience-centric and outcome-based integrated offerings and specialized divisions in prominent technologies. HCL's Mode 2 provides scaled digital transformation frameworks that help enterprise clients build robust new-age capabilities and pivot to new business models. In Mode 2, HCL enables a foundation of offerings including Digital and Analytics, IoTWoRKS™ (Internet of Things), Cloud Native, and Cybersecurity.

- A US-based leading Hi-Tech company, selected HCL for business cloud operations. HCL will run, manage and operate the entire private and public cloud SaaS environments for their customers and provide business transformation at scale.

- A large US-based life sciences and healthcare company selected HCL as its managed services partner delivering end-to-end services for their Oracle ERP ecosystem. As part of the deal, HCL will enable a best in class DevOps model to seamlessly execute Development, Production Support, Testing, Validation and Program Management. HCL will also support the expansion of new services across North America, South America and Europe, and movement of services to a Cloud ecosystem to optimize overall operating cost.

- A US-based life sciences company chose HCL for consolidation and transformation of their IT, including assisting in the demerger of the acquired different entities from parent entities. HCL will manage their IT security environment end-to-end, including implementation and operations of a next-gen system-on-chip platform, security technology implementing, and operations for end-point protection. HCL will provide services in the areas of firewall and VPN, cloud security and internet access protection, support for authentication services, vulnerability management services, and assist in risk and compliance services.

- A US-based large Hi-Tech company selected HCL to manage their digital marketing operations, web content management, and e-mail campaign management for its marketing efforts in North America.

- A US-based life sciences and healthcare company selected HCL as a technology partner to provide IT hardware and helpdesk services for conducting successful clinical trials. HCL will leverage its state of the art Intelligent Asset Tracking & Management (IATM) solution from IoT WoRKS™ which will enable effective tracking of hardware assets, leading to optimized inventory levels and reduction in the loss of assets. The visualization dashboard will be a single source of truth for real-time information on the location of hardware assets and thereby enable automated auditing.

MODE 3: PRODUCTS & PLATFORMS

Mode 3 offerings represent HCL's future vision to create innovative IP by leveraging an ecosystem model through strategic partnerships, carve-outs and co-innovation programs. Through both internal and external IP creation, Mode 3 achieves two objectives - take advantage of specific next-generation opportunities and enable our enterprise clients to be future-ready.

- HCL signed an exclusive strategic agreement with banking software company Temenos. As part of this agreement, HCL has been granted a license to develop, market and support Temenos Multi-Experience Development Platform (MXDP) for non-financial services enterprises.

- A leading US-based home and construction supply company engaged HCL to provide Commerce to support all B2B transactions for their stores and will be the online platform for all B2C transactions.

- A global business, IT, tax advisory and financial services company selected HCL for its BigFix product. The customer plans to use BigFix to support multiple types of servers, number in the thousands globally, which previously had no defined patch program.

- A leading US-based life sciences and healthcare company chose HCL to deploy a suite of DRYiCE™ software products. DRYiCE OptiBot will enhance end-user productivity and reduce the burden on IT support by pre-emptively fixing commonly occurring issues through its self-heal mechanism. DRYiCE Lucy will serve as a Cognitive Virtual Assistant (CVA) for internal employees with multilingual implementations.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶▶

HCL

PRODUCT LAUNCHES

- **Unica V12.1** - HCL announced the release of Unica V12.1. Unica takes precision marketing to the next level by scaling billions of personalized interactions required by large organizations having complex data infrastructures. This version is the culmination of more than two years of research, development, and investment in the Unica platform to power the next generation of customer journeys and goal-based marketing.

- **Domino Volt** - HCL announced the general availability (GA) of HCL Domino Volt, a new low-code capability built on the HCL Domino platform. This release continues HCL's commitment to transform more than 10 million enterprise-grade apps for more than 15,000 customers. With this release, HCL will empower businesses dealing with daily processes and issues to build their own apps that not only solve their challenges, but align with their business processes and workflows.

- **DevOps** - HCL announced the introduction of the HCL Software DevOps practice and portfolio, including the General Availability (GA) of three new major product releases to help clients tackle 'Day 2' DevOps challenges beyond automation.

- **HCL Accelerate V2.0** - HCL Accelerate enables users to visualize, orchestrate, and optimize their continuous delivery value streams using a unique 'dots' visualization method. New in V2.0 are environment gating based on policy management and out-of-the box reports.

- **HCL Launch V7.1** - From mainframe to micro-services, HCL Launch modernizes continuous delivery with hundreds of integrations to build on an organization's existing toolchain. HCL Launch 7.1 automates corporate governance and ensures that deployments only proceed if they have passed specific business rules.

- **HCL OneTest V10.1** - HCL OneTest consists of UI testing, performance testing, API testing, test data management, and service virtualization. V10.1 has Kubernetes and OpenShift Support; and it also introduces OneTest Server, and OneTest Data, a data fabrication tool to ensure the right data is on hand for testing.

- **Digital Experience** - HCL announced the release of expanded cloud-native computing support and new usability capabilities in its HCL Digital Experience (DX) 9.5 platform. Now business-critical meets cloud-native. HCL DX provides the ability to seamlessly combine digital content, complex business applications, and digitized business processes - all through authenticated access – on a secure cloud-native platform that scales.

- **Commerce V9.1** - HCL announced the latest version of their cloud-native HCL Commerce platform, generally available (GA) in July 2020. HCL Commerce is used by innovative businesses across multiple industries around the world to drive more than $100 billion in annual client revenues. With a strong track-record of delivering rock-solid performance, scalability and functionality, HCL Commerce today is at the forefront of many organizations' digital commerce strategies.

- **Intello-Fi** - "HCL' "Intello-Fi" is a cloud hosted, rapidly deployable intelligent campus solution that helps organizations ensure safety and well-being of employees and assets. Built on the foundation of real-time location and analytics services, it supports wireless access points from different OEMs like Aruba and Meraki.

- **Fluid Connect Work from Home SD-WAN Solution** - Fluid Connect SD-WAN Work at Home solution enhances enterprise productivity by providing employees working from home a transport-agnostic, centralized managed SD-WAN technology which mirrors network policies right at the employee's desk residing-at-home.

- **SafeSense** – To bring essential workers back to the office, this is a precision-focused contactless workplace solution t. The product offers precision thermal scanning, smart wearables, powered social distancing, sensors enabled queue and occupancy management, computer vision powered face mask detection and contactless IT.

HCL

FINANCIALS IN US$ FOR THE QUARTER ENDED 30th JUNE, 2020 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in US $ Million)

Income Statement	Quarter Ended			Growth	
	30-Jun-19	31-Mar-20	30-Jun-20	YoY	QoQ
Revenues	**2,363.6**	**2,543.4**	**2,355.5**	**-0.3%**	**-7.4%**
Direct Costs	1,529.7	1,523.2	1,416.1		
Gross Profits	**833.8**	**1,020.3**	**939.4**	**12.7%**	**-7.9%**
Research & Development	41.5	46.1	45.1		
SG & A	302.9	327.9	291.1		
EBITDA	**489.4**	**646.2**	**603.2**	**23.2%**	**-6.7%**
Depreciation & Amortisation	85.6	115.4	119.7		
EBIT	**403.8**	**530.9**	**483.5**	**19.7%**	**-8.9%**
Foreign Exchange Gains/(Loss)	2.7	(5.0)	0.0		
Other Income, net	15.6	3.1	27.1		
Provision for Tax	101.3	96.4	122.7		
Net gain attributable to redeemable non-controlling / non-controlling interest	1.1	1.1	1.7		
Net Income	**319.7**	**431.4**	**386.3**	**20.9%**	**-10.4%**
Gross Margin	35.3%	40.1%	39.9%		
EBITDA Margin	20.7%	25.4%	25.6%		
EBIT Margin	17.1%	20.9%	20.5%		
Net Income Margin	13.5%	17.0%	16.4%		
Earnings Per Share					
Annualized in ₹					
Basic	32.7	46.5	43.1		
Diluted	32.7	46.5	43.1		

Weighted Average Number of Shares	30-Jun-19	31-Mar-20	30-Jun-20
Basic	2,712,557,736	2,713,665,096	2,713,665,096
Diluted	2,713,543,892	2,713,665,096	2,713,665,096

Outstanding Options (in equivalent number of shares)	30-Jun-19	31-Mar-20	30-Jun-20
Options at less than market price	1,107,360	-	-

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CONSOLIDATED BALANCE SHEET

(Amount in US $ Million)

Particulars	As On	
	31-Mar-20	30-Jun-20
Assets		
Cash and Cash Equivalents	640.1	527.9
Accounts Receivables, net	1,868.0	1,703.7
Unbilled Receivables	480.8	498.1
Term Deposits	468.2	639.6
Investment Securities, available for sale	923.6	784.3
Inventories	12.1	17.3
Other Current Assets	685.7	573.9
Total Current Assets	**5,078.4**	**4,744.9**
Property and Equipment, net	825.2	829.2
Operating lease right-of-use assets	346.9	334.3
Intangible Assets, net	3,888.2	3,909.2
Deferred Income Taxes, Net	300.9	274.3
Investments in Affiliates	5.0	5.0
Other Investments	5.1	5.1
Other Assets	548.3	546.9
Total Assets	**10,998.2**	**10,648.9**
Liabilities & Stockholders Equity		
Current Liabilities	2,760.8	1,972.3
Borrowings	672.9	622.7
Operating lease liabilities	326.8	314.9
Other Liabilities	336.9	398.7
Total Liabilities	**4,097.5**	**3,308.6**
Redeemable Non-Controlling Interests	**69.8**	**68.7**
Total Stockholders Equity	**6,830.9**	**7,271.5**
Total Liabilities, Redeemable Non-Controlling Interests and Equity	**10,998.2**	**10,648.9**

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CONSOLIDATED CASH FLOW STATEMENT

(Amount in US $ Million)

Particulars	For Year Ended Mar-20	For Quarter Ended Jun-20
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	**1,558.1**	**388.0**
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	399.2	119.7
Deferred income taxes	14.9	22.0
Others	39.5	(4.2)
Operating Cash Flow before Change in Working Capital	**2,011.8**	**525.5**
Changes in Assets and Liabilities, net		
Accounts Receivable and Unbilled Receivable	(494.7)	175.3
Other Assets	(32.7)	126.6
Other Liabilities	258.6	(8.7)
Net Cash provided by Operating Activities	**1,743.0**	**818.7**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment (net)	(240.6)	(61.7)
Purchase of Licensed IPRs	(22.0)	-
Proceeds from sale of property and equipment	4.3	16.1
(Purchase) / Sale of Investment Securities	(651.1)	147.4
Purchase of other Investments	(2.3)	-
Fixed Deposits (increase) / decrease	7.7	(170.1)
Payments for business acquisitions, net of cash acquired	(878.6)	-
Investment in Equity Method Investee	(0.2)	-
Dividend from Equity Method Investee	0.2	-
Net Cash provided by (used in) Investing Activities	**(1,782.5)**	**(68.4)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for Deferred consideration on Business Acquisition	(41.5)	(813.3)
Dividend paid	(228.2)	-
Loans	112.8	(53.6)
Dividend paid to redeemable non-controlling interests	(4.4)	(2.2)
Others	17.2	(2.8)
Net Cash provided by (used in) Financing Activities	**(144.1)**	**(871.9)**
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(34.0)	9.4
Net increase (decrease) in cash and cash equivalents and restricted cash	(217.6)	(112.2)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of the Period	859.3	641.7
End of the Period	**641.7**	**529.5**

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶▶

HCL

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

Geographic Mix	31-Mar-20	30-Jun-20
Americas	63.4%	63.7%
Europe	28.7%	28.3%
RoW	7.8%	8.0%

Segment Mix	31-Mar-20	30-Jun-20
IT and Business Services	70.6%	70.2%
Engineering and R&D Services	16.3%	16.0%
Products & Platforms	13.1%	13.8%

Vertical Mix	31-Mar-20	30-Jun-20
Financial Services	21.1%	22.4%
Manufacturing	20.7%	18.1%
Technology & Services	16.2%	17.2%
Retail & CPG	10.2%	10.0%
Telecommunications, Media, Publishing & Entertainment	8.3%	7.6%
Lifesciences & Healthcare	12.5%	13.7%
Public Services[#]	11.0%	11.0%

Note: Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

Contract Type	31-Mar-20	30-Jun-20
Managed Services & Fixed Price Projects	68.3%	66.7%
Time & Material	31.7%	33.3%

HCL

CONSTANT CURRENCY REPORTING

Reported	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Revenue ($ Mn)	2,363.6	2,485.6	2,543.4	2,543.4	2,355.5
Growth QoQ	3.8%	5.2%	2.3%	0.0%	-7.4%
Growth YoY	15.0%	18.4%	15.5%	11.7%	-0.3%
Constant Currency (QoQ)	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Revenue ($ Mn)	2,373.2	2,505.7	2,538.5	2,565.0	2,360.0
Growth QoQ	4.2%	6.0%	2.1%	0.8%	-7.2%
Constant Currency (YoY)	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
Revenue ($ Mn)	2,404.2	2,529.2	2,562.2	2,584.6	2,386.7
Growth YoY	17.0%	20.5%	16.4%	13.5%	1.0%

Average Rates for Quarter	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
USD – INR	69.55	70.52	71.24	73.08	75.69
GBP – USD	1.27	1.23	1.30	1.27	1.24
EUR – USD	1.13	1.10	1.11	1.10	1.10
USD – SEK	9.45	9.66	9.54	9.79	9.60
AUD – USD	0.70	0.68	0.68	0.64	0.66

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶▶

HCL

CLIENT METRICS

Number of Million Dollar Clients (LTM)	30-Jun-19	31-Mar-20	30-Jun-20	QoQ Change	YoY Change
100 Million dollar +	12	15	15	-	3
50 Million dollar +	29	30	29	(1)	-
20 Million dollar +	93	96	93	(3)	-
10 Million dollar +	172	171	173	2	1
5 Million dollar +	293	308	320	12	27
1 Million dollar +	633	791	848	57	215

Client Contribution to Revenue (LTM)	30-Jun-19	31-Mar-20	30-Jun-20
Top 5 Clients	16.6%	15.1%	13.9%
Top 10 Clients	23.9%	22.0%	20.9%
Top 20 Clients	34.2%	32.1%	30.8%

Days Sales Outstanding	30-Jun-19	31-Mar-20	30-Jun-20
Days Sales Outstanding - excluding unbilled receivables	68	66	65

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

HEADCOUNT

Headcount Details	30-Jun-19	31-Mar-20	30-Jun-20
Total Employee Count	**143,900**	**150,423**	**150,287**
Technical	132,384	139,302	138,888
Sales and Support	11,516	11,121	11,399
Gross Addition	16,332	10,278	7,005
Attrition (LTM)*	17.3%	16.3%	14.6%

Note: Attrition excludes involuntary attrition and Digital process operations.

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US $ Million)

	Jun-20
Cash & Cash Equivalents	528
Term Deposits	640
Investment Securities, Available for Sale	784
Total Funds (Gross Cash)	**1,952**

	Jun-20
Borrowings	**623**

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

FINANCIALS IN ₹ FOR THE QUARTER ENDED 30th JUNE, 2020 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

Income Statement	Quarter Ended			Growth	
	30-Jun-19	31-Mar-20	30-Jun-20	YoY	QoQ
Revenues	**16,425**	**18,590**	**17,841**	**8.6%**	**-4.0%**
Direct Costs	10,631	11,151	10,728		
Gross Profits	**5,794**	**7,439**	**7,113**	**22.8%**	**-4.4%**
Research & Development	289	328	342		
SG & A	2,105	2,391	2,205		
EBITDA	**3,401**	**4,720**	**4,566**	**34.3%**	**-3.3%**
Depreciation & Amortisation	595	839	906		
EBIT	**2,806**	**3,881**	**3,660**	**30.5%**	**-5.7%**
Foreign Exchange Gains/(Loss)	19	(36)	0		
Other Income, net	109	23	205		
Provision for Tax	705	707	929		
Net gain attributable to redeemable non-controlling / non-controlling interest	8	8	13		
Net Income	**2,220**	**3,154**	**2,925**	**31.7%**	**-7.3%**
Gross Margin	35.3%	40.1%	39.9%		
EBITDA Margin	20.7%	25.4%	25.6%		
EBIT Margin	17.1%	20.9%	20.5%		
Net Income Margin	13.5%	17.0%	16.4%		
Earnings Per Share					
Annualized in ₹					
Basic	32.7	46.5	43.1		
Diluted	32.7	46.5	43.1		

Weighted Average Number of Shares	30-Jun-19	31-Mar-20	30-Jun-20
Basic	2,712,557,736	2,713,665,096	2,713,665,096
Diluted	2,713,543,892	2,713,665,096	2,713,665,096

Outstanding Options (in equivalent number of shares)	30-Jun-19	31-Mar-20	30-Jun-20
Options at less than market price	1,107,360	-	-

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

Particulars	As On	
	31-Mar-20	30-Jun-20
Assets		
Cash and Cash Equivalents	4,843	3,989
Accounts Receivables, net	14,134	12,869
Unbilled Receivables	3,638	3,762
Term Deposits	3,542	4,829
Investment Securities, available for sale	6,988	5,922
Inventories	91	131
Other Current Assets	5,188	4,335
Total Current Assets	**38,425**	**35,837**
Property and Equipment, net	6,244	6,262
Operating lease right-of-use assets	2,624	2,525
Intangible Assets, net	29,421	29,520
Deferred Income Taxes, Net	2,277	2,071
Investments in Affiliates	38	38
Other Investments	39	39
Other Assets	4,149	4,131
Total Assets	**83,216**	**80,423**
Liabilities & Stockholders Equity		
Current Liabilities	20,889	14,899
Borrowings	5,092	4,704
Operating lease liabilities	2,472	2,378
Other Liabilities	2,548	3,011
Total Liabilities	**31,002**	**24,992**
Redeemable Non-Controlling Interests	**528**	**519**
Total Stockholders Equity	**51,686**	**54,913**
Total Liabilities, Redeemable Non-Controlling Interests and Equity	**83,216**	**80,423**

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL

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.

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶▶

HCL

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 June 30, 2020, HCL has a consolidated revenue of US $ 9.93 billion and its 150,287 ideapreneurs operate out of 49 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.

TALK TO ME

For details, contact:

INVESTOR RELATIONS

Sanjay Mendiratta
sanjay.mendiratta@hcl.com
+91-120-6126000

Nikhil Gupta, CFA
nikhil-gu@hcl.com
+91-120-6126000

CORPORATE COMMUNICATIONS

Ravi Kathuria
ravi.kathuria@hcl.com
+91-120-6126000

HCL Technologies Ltd., Technology Hub, SEZ, Plot No. 3A, Sec-126, Noida - 201304, India. www.hcltech.com

TECHNOLOGY FOR THE NEW NORMAL, TODAY. ▶

HCL