HCL TECHNOLOGIES

EARNINGS PRESENTATION | FIRST QUARTER FY'17

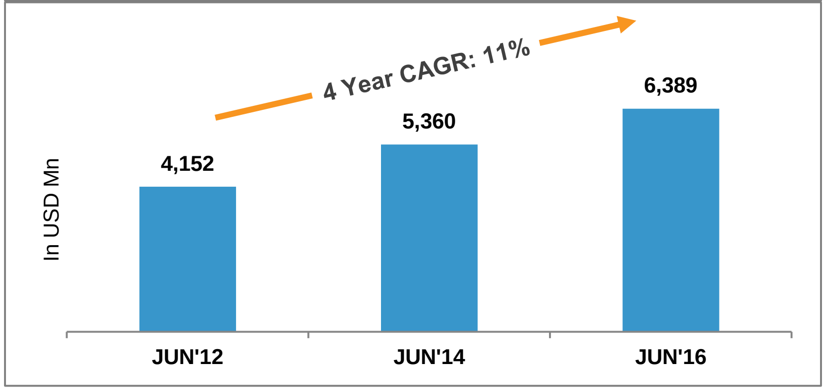
Performance Snapshot

ANANT GUPTA

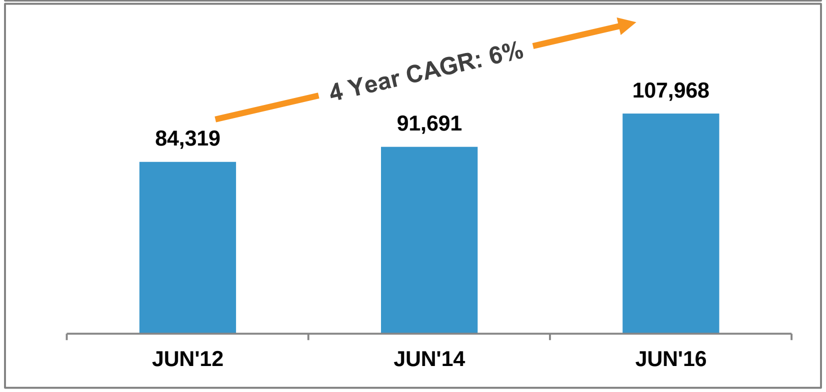
PERFORMANCE TRENDS

4 YEAR LTM PERFORMANCE

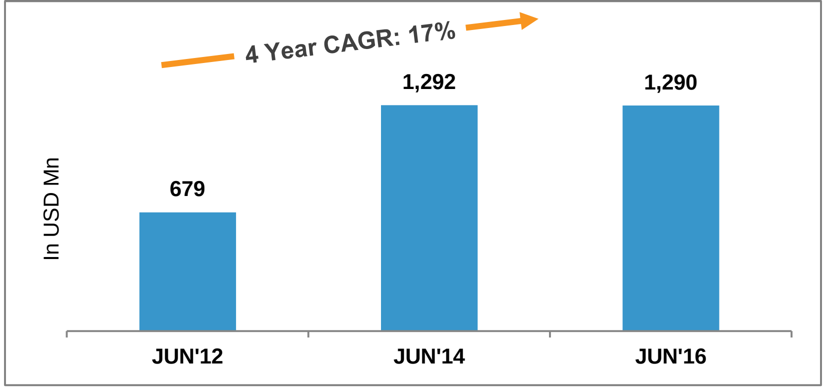
REVENUE



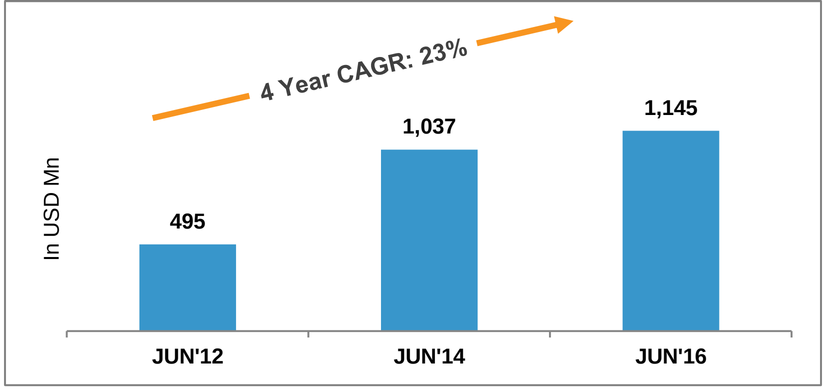
HEADCOUNT



EBIT



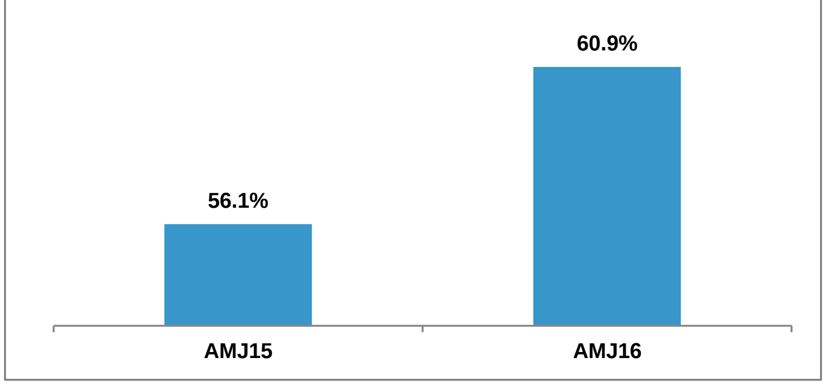
NET INCOME



RBTC DRIVING CUSTOMER WOW AND HCL GROWTH

Repeat business % revenues from existing clients at 96%, up from 92.9% a year earlier

Managed Services & Fixed Price Projects %



Client Metrics

Positive Client Movement Across Categories

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	30-Jun-15	31-Mar-16	30-Jun-16	YoY CHANGE
100 Million dollar +	7	8	7	-
50 Million dollar +	17	19	20	3
40 Million dollar +	23	29	32	9
30 Million dollar +	40	43	48	8
20 Million dollar +	73	75	80	7
10 Million dollar +	124	144	146	22
5 Million dollar +	211	233	237	26
1 Million dollar +	476	482	482	6

Strong Client Relationships

CLIENT CONTRIBUTION TO REVENUE (LTM)	30-Jun-15	31-Mar-16	30-Jun-16
Top 5 Clients	13.2%	13.6%	13.9%
Top 10 Clients	21.7%	21.8%	21.8%

CONSISTENT AND BROAD BASED GROWTH

REVENUE GROWTH (IN CONSTANT CURRENCY)

GROWTH ENGINES	
Broad based Growth	
Geo Drivers	Americas and Europe
Growth Services	Engineering and R&D Services, Infrastructure Services
Growth Verticals	Life Sciences & Healthcare, Telecom and MP&E, Public Services, Retail & CPG

Segments	Quarter Ended 30-Jun-16 QoQ	12 Months Ended 30-Jun-16 LTM YoY
Consolidated	**6.0%**	**10.7%**
Americas	2.0%	13.7%
Europe	16.9%	10.6%
ROW	0.0%	-5.0%
Application Services	1.9%	4.7%
Infrastructure Services	16.5%	18.0%
Engineering and R&D Services	0.7%	10.4%
Business Services	-15.9%	10.1%
Financial Services	-0.1%	5.7%
Manufacturing	12.0%	7.7%
Life Sciences & Healthcare	-1.0%	21.5%
Public Services	11.8%	24.7%
Retail & CPG	14.5%	14.9%
Telecommunications, Media, Publishing & Entertainment	-2.8%	17.8%

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

HCL'S MULTI–MODAL IT STRATEGY FOR 21ST CENTURY ENTERPRISE

Operations IT | **Enterprise IT** | **Business IT**

From	To	Integrated Next–Gen ITO
Applications Services		DryICE: 3rd Generation Automation Platform
Infrastructure Services		Hybrid Cloud
Business Services		Lean and Agile IT Enterprise

Integrated Propositions

BEYONDigital
'BEYONDigital' Services to Build Unique Unified Experiences

IoT WorKS
Solutions to Embed Intelligence in Asset Value Chains

Engineering Services
Guaranteed Innovation Using Outcome–based Models

- ✓ DryICE™, HCL's third generation autonomics and orchestration platform has been implemented across all of top customers. Over 200 engagements globally.
- ✓ A Fortune 500 specialty retailer chose HCL for a multi-year Next–Gen ITO integrated deal for 1500 stores across North America
- ✓ Next–gen ITO engagement with the North American operations of a Global 2000 Japanese pharmaceutical company

Everest Group: HCL Won 'Service Provider of the Year Award 2016'" for 'Overall IT Services'. Recognized as 'Star Performer of the Year'.

- ✓ Engagement with a Fortune 100 M&E corporation for transforming customer experience through human–centric approach
- ✓ End–to–end digital transformation for Fortune 50 medical technologies company
- ✓ Connecting field devices for a Global 200 manufacturing company; expected to scale to over a million connected devices

ISG: "By conceptualizing the 21st century enterprise, HCL has created a generalized persona of the digital enterprise client and developed capabilities to address the pain points of the digital enterprise"

Performance Snapshot

C VIJAY KUMAR

PERFORMANCE SNAPSHOT

INFRASTRUCTURE SERVICES

Performance Highlights

Revenue Growth	30-Jun-16		
(Constant Currency)	QoQ	YoY	LTM YoY
Infrastructure Services	16.5%	25.8%	18.0%

Performance Drivers

- HCL continues to gain momentum through best–in–class integrated Next–Gen ITO proposition, powered by DryICE™, its third generation autonomics and orchestration platform
- Won several end–to–end Next–Gen ITO integrated transformation deals this quarter:
  - A Fortune 500 specialty retailer
  - A Global 2000 Japanese pharmaceutical major
- Renewed several engagements with existing clients:
  - Multi–year partnership Trusted Media Brands, formerly Reader's Digest Association
  - A leading global paper and pulp organization based out of Nordics region
  - A US based Energy and Utilities corporation

Disruptions for Business

- Hybrid Cloud Adoption continues to accelerate globally, with clients expecting more agility and flexibility across services.
- Software Defined Infrastructure led Private cloud solutions are gaining momentum in large enterprises.
- With increased digital spending, more and more clients are looking for digital transformation partners with strong next–gen infrastructure capabilities.

HCL Differentiators

- Next–Gen ITO integrated proposition, with tenets of hybrid cloud, automation and artificial intelligence.
- Automation continues to be one of the biggest themes going forward, where HCL will continue to invest. DryICE™, HCL's third generation autonomics and orchestration platform, continues to be integral part of HCL's ITO offering across all our services. Currently, over 200 clients leverage one of more modules of DryICE™.
- HCL launched DryICE™ LUCY this quarter, which is cognitive service desk agent

PERFORMANCE SNAPSHOT

APPLICATIONS SERVICES

Performance Highlights

Revenue Growth	30-Jun-16		
(Constant Currency)	QoQ	YoY	LTM YoY
Applications Services	1.9%	4.3%	4.7%

Performance Drivers

- Applications business continues to be driven by investments across digitalization, application modernization and cloud.
- Establishing leading position in BEYONDigital & Modern Applications space with numerous projects in existing and new clients, though deal sizes are small.
- **Key engagements this quarter:**
  - A leading US–based healthcare solutions provider chose HCL to deliver business outcomes, drive efficiencies and create value for customers
  - A Fortune 200 pharmaceutical company for ECM, applications development and support and integration

Disruptions for Business

- Reduced spending in traditional ADM in terms of decline in net new implementation; growth in newer areas.
- Increased uptake of digitalization, analytics and mobility. Transition towards cloud, digital, mobility, IoT and newer models.
- Growing share of digital models leads to higher demand for agile delivery

HCL Differentiators

- Strengths across digitalization, application modernization, cloud, IT transformation, mobility and analytics.
- Next Gen ITO, integrated applications and infrastructure services for delivering outcomes driven by DryICE^{TM} autonomics & Orchestration platform.
- Software engineering expertise as a differentiator to help build Digital & IOT platforms.
- Investment in DevOps, Federated Agile and distributed agile delivery
- Digital and cloud initiatives through partner ecosystem.

PERFORMANCE SNAPSHOT

CONSUMER AND COMMERCIAL INDUSTRIES

Performance Highlights

Revenue Growth	30-Jun-16		
(Constant Currency)	QoQ	YoY	LTM YoY
Manufacturing	12.0%	12.2%	7.7%
Lifesciences & Healthcare	–1.0%	9.9%	21.5%
Public Services	11.8%	35.2%	24.7%
Retail & CPG	14.5%	26.0%	14.9%
Telecommunications, Media, Publishing & Entertainment	–2.8%	5.8%	17.8%

Performance Drivers

- Impact of digitalization on horizontal as well as domain–specific vertical processes.
- Establishing leading position in BEYONDigital & Modern Applications space in **telecom, retail CPG and life sciences & healthcare with** vertical deal wins
- High digital adoption in verticals such as **hi–tech, telecom, travel & hospitality, media/entertainment and retail & CPG**
- IoT impacting industries such as **healthcare, manufacturing and consumer products**
- Next–Gen ITO, application modernization and cloud continues to drive growth

Disruptions for Business

- Emerging services and business model transformation for consumer industries such as **telecom, media and consumer products**
- **Oil & Gas:** volatile pricing environment and industry's resolve to create sustained operating models. IoT and Digital led solutions such as digital oil field, real–time field information, sub surface and production information
- **Telecom:** convergence of IT and OT as well as new digital technologies.
- **Life Sciences and Healthcare:** driven by IoT and Digitalization: Remote Health Monitoring, Remote Device Management, Drug Efficacy Tracking
- **Manufacturing:** Modern apps, IoT and Digitalization of supply chains moving towards "supply network management". Trend towards digital manufacturing, smart manufacturing and Industrial IoT

HCL Differentiators

- Domain–specific vertical processes and engagement models
- Leveraging **software engineering leadership** for business solutions around Digital and IoT. Developing unique solutions such as E–Services Suite.
- Front to back process digitalization with human centric design
- Full-service & unified commerce solutions for **21st century enterprises**
- **Best–in–class BEYONDigital IPs** – Xperience Labs, 123 Design, User Value Chain, Transaction Transformation Methodology, user Persona Libraries

STRATEGIC PARTNERSHIPS

- HCL Technologies and a global technology major have entered into a strategic partnership to invest in and grow key workload automation and DevOps software -- to accelerate product roadmap innovation and extend it to hybrid cloud. HCL's DryICE Autonomics & Orchestration platform functionalities would be also be enriched though these product innovations.

- IP partnership is a strategy that HCL has been pursuing for over 10 years with other companies and we are excited to be entering into this agreement. The partnership involves the licensing of certain software IP and transfer of associated employees.

- As part of the partnership, HCL will be responsible for accelerating product development, cloud enablement, support and provision of professional services. The partnership will leverage the existing sales channel of the partner and shall build its own channel over a period of time.

- It is a long term partnership for at least 15 years involving the licensing of certain software IPs and transfer of associated employees.

Performance Snapshot

RAHUL SINGH

PERFORMANCE SNAPSHOT

FINANCIAL SERVICES

Performance Highlights

Revenue Growth	30-Jun-16		
(Constant Currency)	QoQ	YoY	LTM YoY
Financial Services	–0.1%	2.0%	5.7%

Performance Drivers

- Rapidly changing preference for Gen 2/3 outsourcing:
  - Demand for incremental value
  - Emergence of Next-gen services propositions (Agile, Managed Services, etc.)
  - Relevance of IT simplification, automation and AI
- Legacy modernization initiatives across BFSI firms
- Fintech – Driving investments in Customer Experience, Digital and Cloud
- Compliance spend flattening. New regulatory requirements e.g. MiFID II, PSD

Disruptions for Business

- Financial Services environment:
  - Retail Banks & Insurance competitive threat - Digital innovators
  - Wholesale/ Capital markets under regulatory & margin pressure
- Digital initiatives taking center stage as clients meet customer demands as well as pursue a connected workforce
- Developed markets (N. America / Europe) consolidating to flatten cost curves and reinvest in Digital
- Outsourcing moving from transactional to strategic partner selection
- Disruption in traditional Payments, Wealth and Insurance offerings. Pilots in new technologies Block-chain, IoT etc.

HCL Differentiators

- Innovation, Outcome–linked engagements and Partnership Orientation
- DryICETM IP: Automation led propositions in RUN as well as Straight-through-Processing
- ‘Co-innovation’ approach winning end-customer mindshare and leading to larger Digital opportunities
- Target operating models: combining conventional outsourcing, platform plays and cloud based offerings
- Strategic investments and New clients acquired, Celerity Fintech, Near Shore Centres

Financial Analysis

ANIL CHANANA

CONSOLIDATED INCOME STATEMENT (IN US$ MILLION)

Q1, FY'17

- Revenue at **US$ 1,691 Mn; up 6.5% QoQ** in reported currency
- Constant currency revenue growth at **6.0% QoQ** and **10.7%** on **LTM YoY**
- EBIT at $ 348 Mn, up by 5.7% QoQ
- Annualized GAAP EPS (Diluted) – **INR 58**

Income Statement (US GAAP – US$ Mn)	30-Jun-15	31-Mar-16	30-Jun-16	Growth YoY	Growth QoQ
Revenue	**1,538**	**1,587**	**1,691**	**10.0%**	**6.5%**
Gross Profits	**525**	**554**	**581**		
SG & A	197	202	205		
EBITDA	**328**	**353**	**376**		
Depreciation & Amortization	20	23	28		
EBIT	**309**	**329**	**348**	**12.7%**	**5.7%**
Forex & Other Income (Net)	33	29	38		
Earnings before Tax (EBT)	**342**	**359**	**386**		
Tax	63	74	81		
Net Income	**279**	**285**	**305**	**9.5%**	**7.1%**
EPS (Diluted) – Annualized – In INR	**50**	**55**	**58**		

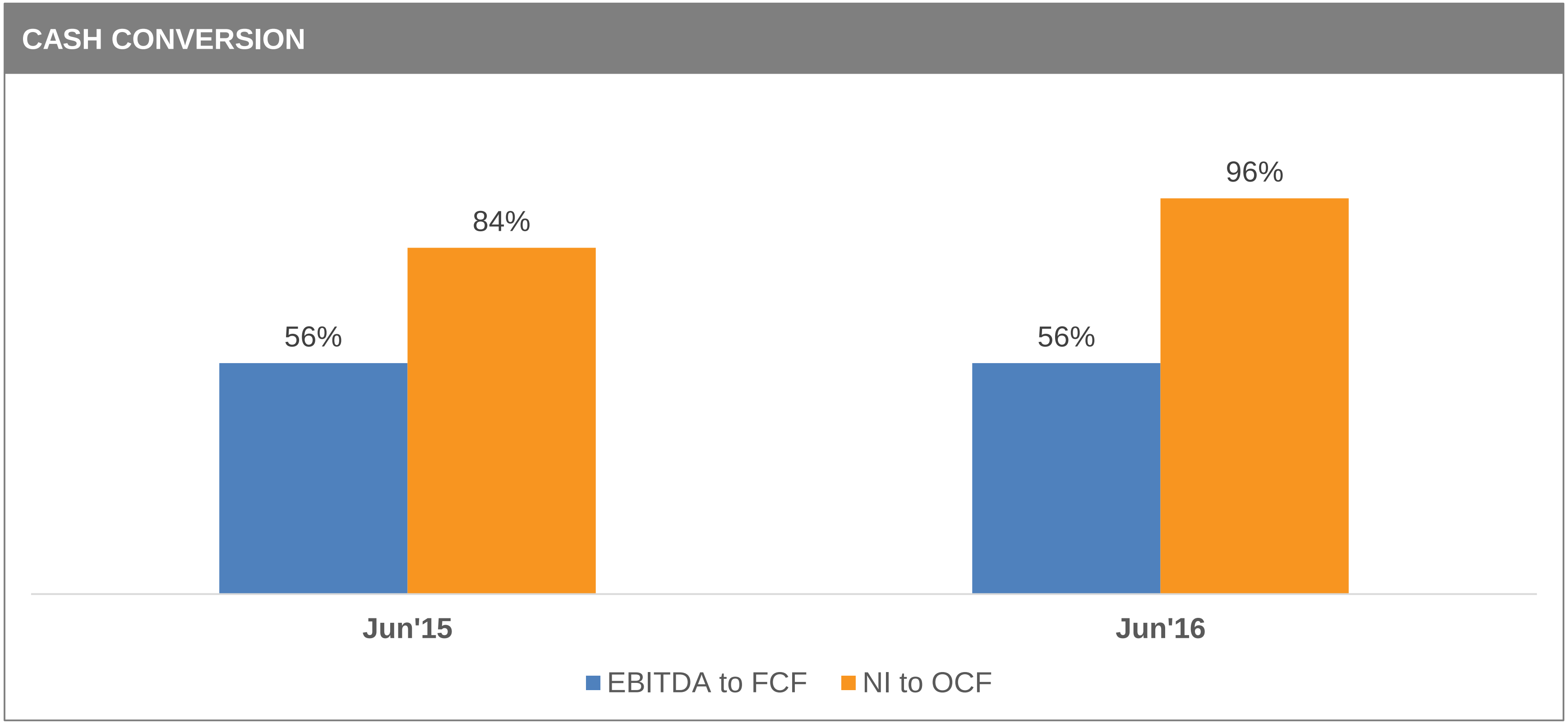
Margins	30-Jun-15	31-Mar-16	30-Jun-16
Gross Margin	34.1%	34.9%	34.4%
EBITDA Margin	21.3%	22.2%	22.2%
EBIT Margin	20.1%	20.7%	20.6%
Net Margin	18.1%	18.0%	18.1%

FY’17 GUIDANCE

Revenue
■ FY’17 Revenues are expected to grow between 12.0% to 14.0%* in Constant Currency **Revenue Guidance is based on FY’16 (April to March) average exchange rates* The above constant currency guidance translates to 11.2% - 13.2% in USD terms based on June 30th 2016 rates

Operating Margin (EBIT)
■ FY’17 expected Operating Margin (EBIT) range is from 19.5% to 20.5%

CASH CONVERSION
ON LTM BASIS



HEDGE DETAILS

In US$ Million	AS ON	
	31-Mar-16	30-Jun-16
Total Hedges	**1,043**	**1,113**
Balance Sheet Hedges	**224**	**210**
Cash Flow Hedges	**819**	**904**
Less than or equal to 1 Year	*640*	*674*
More than 1 Year	*179*	*230*
Rate (USD/INR)		
Booked Rate (Forward)	*67.42*	*67.99*
Less than 1 Year	*66.68*	*67.29*
More than 1 Year	*69.47*	*69.97*
MTM Rate applied	*69.12*	*70.36*
Mix – Instrument wise		
Forwards	*357*	*289*
Options	*687*	*824*
Mix – Currency wise (Cash Flow Hedges only)		
USD / INR	*642*	*675*
GBP / INR	*53*	*79*
Euro / INR	*88*	*100*
AUD/ INR	*20*	*32*
CHF/ INR	*10*	*15*
SEK/ INR	*6*	*3*

FOREX GAIN/ LOSS & OCI

FX Gain/ Loss for the Quarter	
in US$ Million	**30-Jun-16**
Cash flow hedge gain (A)	1.1
Net gain on Foreign currency exposure (B)	8.8
TOTAL (A) + (B)	**9.9**

OCI Position as of 30-Jun-16	
in US$ Million	**30-Jun-16**
OCI (Upto 12 months)	5.7
OCI (Greater than 12 months)	1.4
TOTAL (before Tax benefit)	**7.1**

Fx Gain/ Loss –Quarter ended 30-Sep-16 estimate	
in US$ Million	**Estimate for Q.E 30-Sep-16**
Revenue Hedges covers for next quarter	149
Booked Rate Forward (USD) Covers	68.34
Spot Rate at the end of the quarter	66.69
Estimated Forex impact for Q.E 30-Sep-16 at 30-Jun-16 closing rate	2.72

TAX PROVISION

EFFECTIVE TAX RATE ESTIMATED FOR FY'17 IS ~21%

Particulars (in US$ Mn)	Financial Year ended	Quarter Ended
	31-Mar-16	30-Jun-16
Total Tax Expense	223	81
Earnings before Tax	1,063	386
Effective Tax Rate	**21.0%**	**21.0%**

Q&A