

# Q1 FY25

Investor Release

July 12, 2024

Noida, India

# 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.

# Q1 FY 2025 Highlights

## 1 Revenue

- INR Revenue of **₹28,057 Crores**, down **1.6% QoQ** & up **6.7% YoY**
- Constant Currency (CC) Revenue down **1.6% QoQ** & up **5.6% YoY**
- USD Revenue of **\$3,364M**, down **1.9% QoQ** & up **5.1% YoY**

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- HCLTech Services Revenue down **1.9% QoQ** & up **5.8% YoY CC**
- Digital Revenue up **6.0% YoY CC**; contributes 37.4% of Services

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- HCLSoftware Revenue up **3.5% YoY CC**
- HCLSoftware ARR at **\$1.01B+**, down **0.3% YoY CC**

## 2 Profitability & Return Metrics

- EBIT at **₹4,795 Crores** (17.1% of revenue), down **4.4% QoQ** & up **7.5% YoY**
- Net Income at **₹4,257 Crores** (15.2% of revenue), up **6.8% QoQ** & up **20.4% YoY**
- ROIC (on LTM basis) – Company at **34.6%**, up **350 bps YoY**; Services at **42.8%**, up **476 bps YoY**
- OCF at **\$2,722M** and FCF at **\$2,604M** (on LTM basis)
- FCF/NI at **133%** (on LTM basis)
- Dividend of ₹12/- per share, 86<sup>th</sup> consecutive quarter of dividend pay-out

## 3 Bookings

- TCV (New Deal wins) at **\$1,960M**

## 4 People

- Total People Count at **219,401**; Net addition: **(8,080)**
- Reduction in headcount due to divestiture **(7,398)**
- Added 1,078 freshers
- LTM Attrition at **12.8%\***, (down from **16.3% in Q1 of last year**)

## 5 ESG - Awards and Recognitions

- HCLTech secured the #3 spot in Brand Finance's Sustainability Perception Index in India.
- HCLTech wins SAP Pinnacle Award in Social Impact category for HCLTech AquaSphere that aids enterprises achieve their water conservation goals.
- Norfolk Southern awards HCLTech with Environmental Stewardship Award for 2023

## 6 FY25 Guidance

- Company Revenue growth expected to be between **3.0% - 5.0% YoY** in CC
- Services Revenue growth expected to be between **3.0% - 5.0% YoY** in CC
- EBIT margin to be between **18.0% - 19.0%**

# Leadership Comments



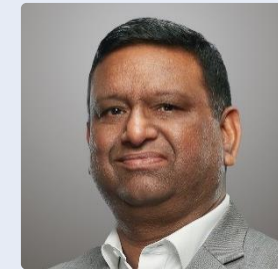
**Roshni Nadar Malhotra**  
Chairperson  
HCLTech

"With our future-ready portfolio, we are well placed to tap emerging opportunities led by GenAI. We remain committed to doing business sustainably and responsibly as we continue to supercharge progress for our clients."



**C Vijayakumar**  
CEO & Managing Director  
HCLTech

"We are pleased to report another quarter of industry-leading performance with 5.6% YoY revenue growth on constant currency basis. Our Q1 Revenue and EBIT performance was slightly better than our expectations. We clocked in \$2B TCV of new business Bookings. We are confident of decent growth in the coming quarters, positioning us well to deliver our revenue guidance for the year as clients continue to spend on GenAI and other emerging technologies."



**Prateek Aggarwal**  
Chief Financial Officer  
HCLTech

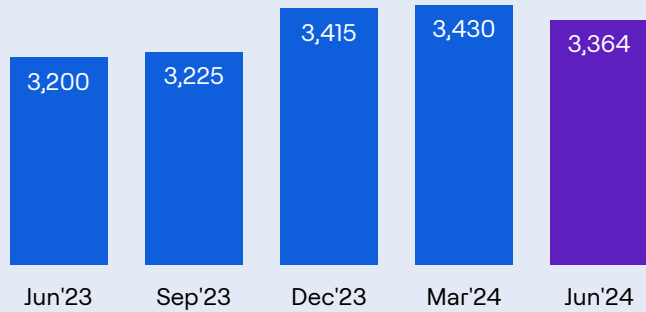
"HCLTech delivered an INR revenue growth of 6.7% YoY, healthy given the global environment. EBIT margins came in at 17.1%, steady on YoY basis. We delivered PAT of ₹4,257 Crores for the quarter, which translates to YoY growth of 20.4%. Our cashflow generation remains robust with LTM FCF at ₹21,637 Crores, 133% of PAT and 88% of EBITDA. We remain committed to improving our capital efficiency and are pleased to report Last Twelve Month (LTM) ROIC for the company is up 350 bps YoY at 34.6% and for Services business is up 476 bps YoY at 42.8%."

# Quarterly Performance Trends – \$

HCLTech Consolidated

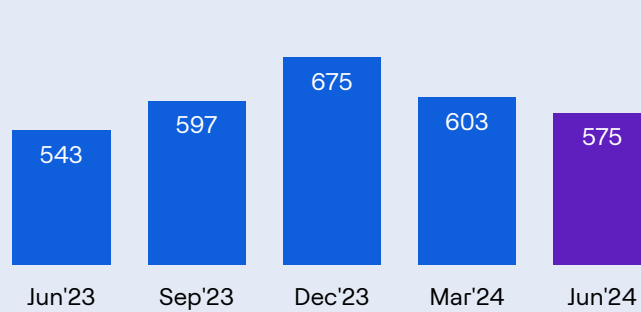
## Revenues

In \$M



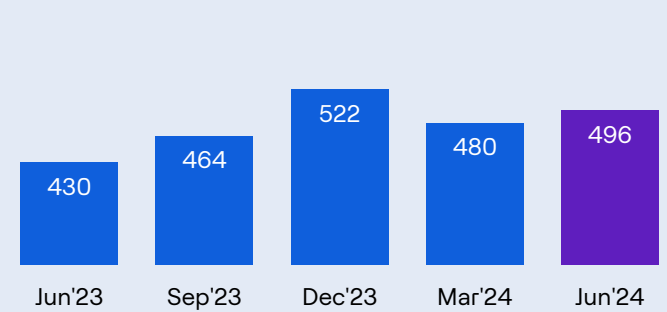
## EBIT

In \$M



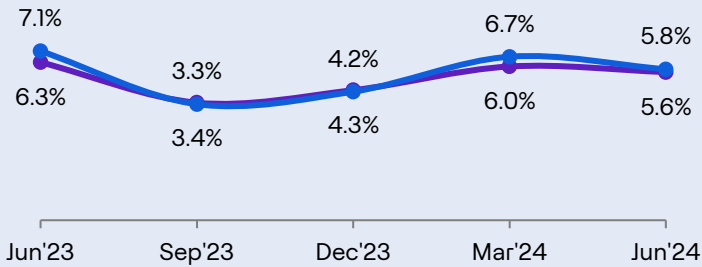
## Net Income

In \$M

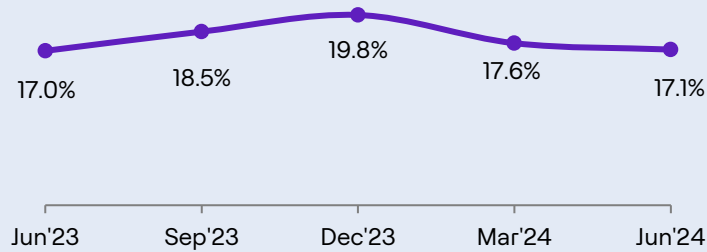


## Revenue Growth

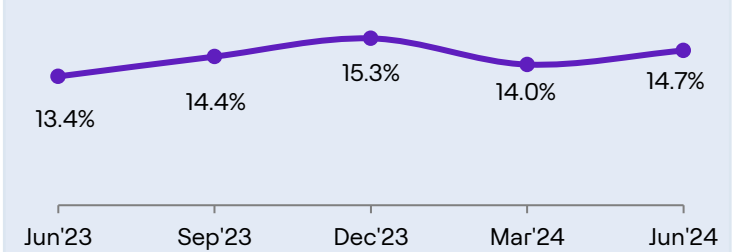
YoY CC Services YoY CC



## EBIT Margin



## Net Income Margin

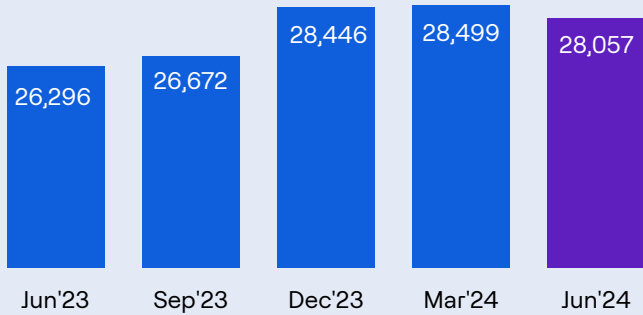


# Quarterly Performance Trends – ₹

HCLTech Consolidated

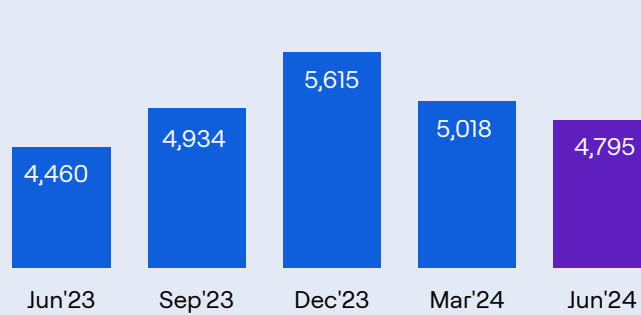
## Revenues

In ₹ Crores



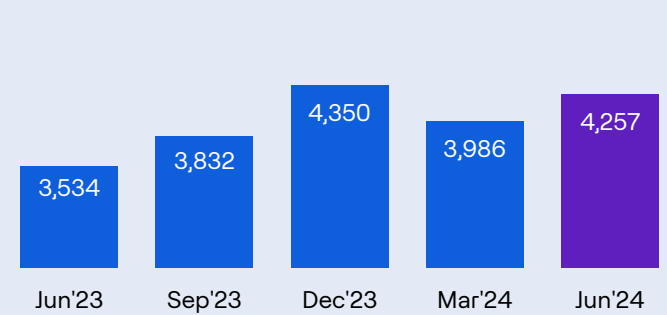
## EBIT

In ₹ Crores



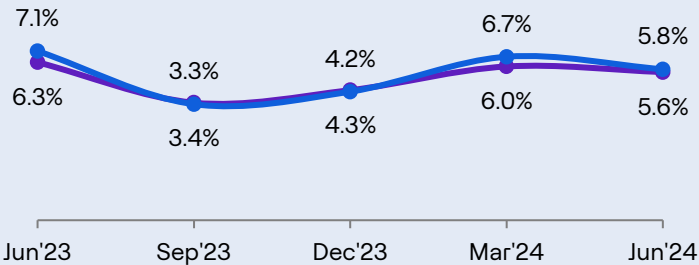
## Net Income

In ₹ Crores

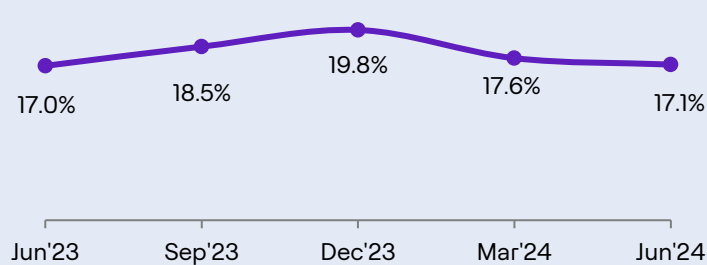


## Revenue Growth

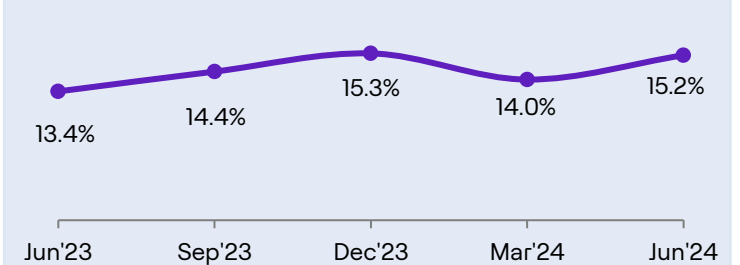
YoY CC Services YoY CC



## EBIT Margin



## Net Income Margin



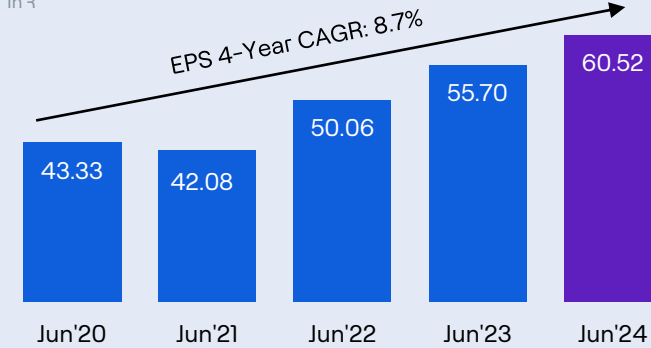


# LTM Performance Trends

HCLTech Consolidated

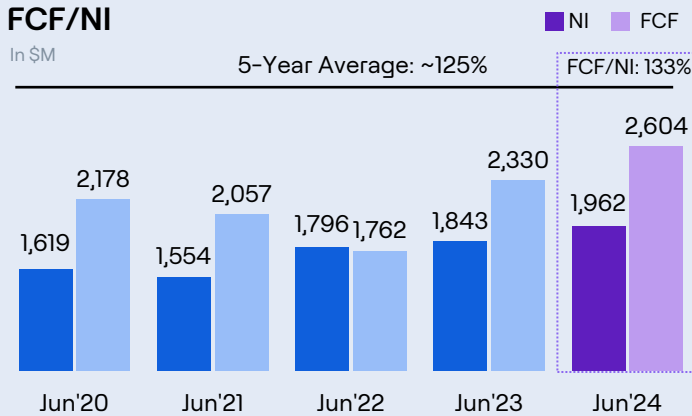
## EPS (Diluted)

In ₹



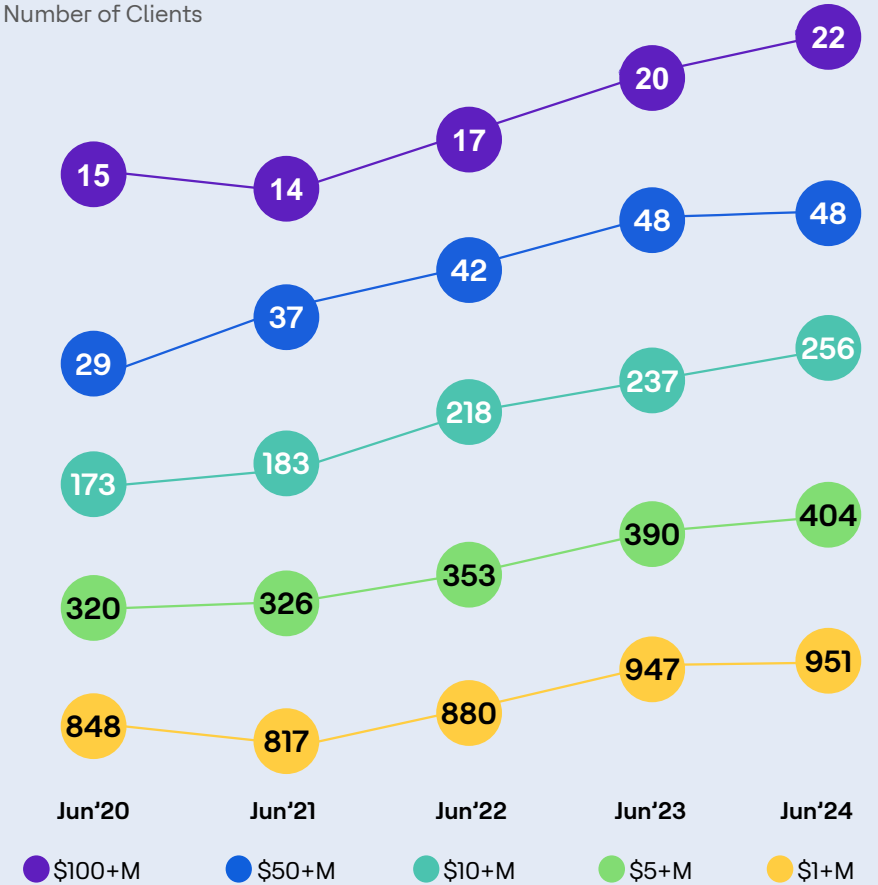
## FCF/NI

In \$M



## Client Category

Number of Clients



# Segment-wise Highlights for the Quarter ended 30-Jun-24

## HCLTech Consolidated Revenue Mix and Growth

Details	30-Jun-23	31-Mar-24	30-Jun-24	YoY CC Growth	QoQ CC Growth
IT and Business Services (A)	74.7%	74.4%	74.5%	5.3%	(1.5%)
Engineering and R&D Services (B)	15.5%	16.2%	15.9%	8.4%	(3.5%)
<b>Services (A + B)</b>	<b>90.2%</b>	<b>90.6%</b>	<b>90.4%</b>	<b>5.8%</b>	<b>(1.9%)</b>
HCLSoftware <sup>1</sup> (C)	10.2%	9.8%	9.9%	3.5%	0.4%
Inter-segment <sup>2</sup> (D)	(0.4%)	(0.4%)	(0.3%)		
<b>Total (A + B + C + D)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>5.6%</b>	<b>(1.6%)</b>

1. In view of certain internal reorganization, revenue relating to certain software products internally developed and earlier managed by IT and Business Services, are being reported in HCLSoftware segment since Quarter ended 30-Jun-22.

2. Inter-segment revenue is related to products and services of HCLSoftware used by Services business in rendering services to their customers.

## EBIT Margin

Details	30-Jun-23	31-Mar-24	30-Jun-24	YoY BPS change	QoQ BPS change
IT and Business Services	16.1%	16.6%	16.6%	54	7
Engineering and R&D Services	16.8%	19.8%	16.7%	(10)	(314)
<b>Services</b>	<b>16.2%</b>	<b>17.2%</b>	<b>16.7%</b>	<b>43</b>	<b>(51)</b>
HCLSoftware	22.9%	20.9%	20.5%	(239)	(34)
<b>Total</b>	<b>17.0%</b>	<b>17.6%</b>	<b>17.1%</b>	<b>13</b>	<b>(50)</b>

Effective April 1, 2024, services related to certain software products, previously under HCL Software, are now managed by IT and Business Services and Engineering and R&D Services segments. Revenues and results have been reported under respective segments, with prior period figures restated. The impact of this change is immaterial for the segments.



# Return on Invested Capital (ROIC)

(Amount in \$M)

HCLSoftware P&L (Quarter ended)	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Revenues	325.4	311.4	411.3	334.5	334.4
EBITDA	114.9	108.8	196.1	120.3	116.4
EBIT	74.6	60.0	135.4	69.8	68.6
NOPAT	58.4	46.2	108.3	55.5	52.0

Estimated Invested Capital (Quarter ended)	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	Average
HCLTech Services	3,739	3,721	3,755	3,539	3,565	3,664
HCLSoftware	1,718	1,629	1,741	1,538	1,515	1,628
<b>Invested Capital</b>	<b>5,457</b>	<b>5,349</b>	<b>5,496</b>	<b>5,076</b>	<b>5,080</b>	<b>5,292</b>
Cash & Treasury Balance	2,395	2,558	2,617	3,110	2,985	
<b>Total</b>	<b>7,852</b>	<b>7,907</b>	<b>8,114</b>	<b>8,186</b>	<b>8,065</b>	

LTM ROIC	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
HCLTech Services	38.0%	39.5%	40.2%	41.7%	42.8%
HCLSoftware	15.7%	15.9%	16.4%	16.2%	16.1%
<b>HCLTech</b>	<b>31.1%</b>	<b>32.2%</b>	<b>32.8%</b>	<b>33.8%</b>	<b>34.6%</b>

- Estimated effective tax rate for HCLSoftware segment has been arrived at by applying the tax on Specific units/entities from where HCLSoftware business operates. Residual tax has been allocated to Services business.
- Common assets and liabilities have been allocated between the businesses in ratio of last twelve months revenues.
- Average invested capital has been computed using average of last 5 quarters.
- Effective April 1, 2024, services related to certain software products, previously under HCL Software, are now managed by IT and Business Services and Engineering and R&D Services segments. Revenues and results have been reported under respective segments, with prior period figures restated. The impact of this change is immaterial for the segments.

# HCLSoftware Metrics

HCLSoftware Revenue	Quarter Ended				
	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Perpetual License Upfront & Others	36.0	30.6	47.6	31.6	36.4
Subscription & Support	274.6	264.8	346.6	286.1	281.7
Professional Services	14.8	16.0	17.0	16.7	16.4
<b>Total Revenue*</b>	<b>325.4</b>	<b>311.4</b>	<b>411.3</b>	<b>334.5</b>	<b>334.4</b>

- **Perpetual License upfront and others** revenue includes upfront revenue recognized from perpetual licenses and compliance revenues.
- **Subscription and Support** revenue includes all term subscription revenues, support revenues (including those attributable to perpetual licenses) and Software-as-a-Service (SaaS) revenues.
- Revenue share from **IP Partnerships** is included in respective lines above based on the information provided by the partners.

HCLSoftware ARR	Quarter Ended				
	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
<b>ARR*</b>	<b>1028.2</b>	<b>1024.5</b>	<b>1,052.8</b>	<b>1,016.1</b>	<b>1014.4</b>
<b>ARR Growth YoY CC</b>	<b>4.5%</b>	<b>3.9%</b>	<b>2.7%</b>	<b>0.7%</b>	<b>(0.3%)</b>

**Annual Recurring Revenue (ARR)** is the annualized value of all term subscription licenses, support obligations (including those attributable to perpetual licenses) and Software-as-a-Service (SaaS) contracts that are active on the last day of the quarter. In respect of IP Partnerships, ARR is computed based on annualized value of HCL's revenue share of the revenue reported by the partners for support services and new license sales in the current quarter. ARR excludes upfront revenue recognized on sale of perpetual licenses, professional services and any other non-recurring revenue.

ARR is an operating metric, which should be viewed independently of revenue and is not a forecast of future revenues. Growth in ARR may not always be reflected in Revenue growth.

Effective April 1, 2024, services related to certain software products, previously under HCL Software, are now managed by IT and Business Services and Engineering and R&D Services segments. Revenues and results have been reported under respective segments, with prior period figures restated. The impact of this change is immaterial for the segments.

# Services Revenue Mix and Growth for Quarter ended 30-Jun-24

Services Revenue down **1.9% QoQ** & up **5.8% YoY** in Constant Currency

## By Geographies

Details	30-Jun-23	31-Mar-24	30-Jun-24	YoY CC Growth
Americas	64.5%	65.2%	66.0%	8.0%
Europe	28.7%	28.9%	27.9%	3.0%
ROW	6.8%	5.9%	6.1%	(3.6%)

## By Verticals

Details	30-Jun-23	31-Mar-24	30-Jun-24	YoY CC Growth
Financial Services	22.6%	21.6%	21.0%	(1.3%)
Manufacturing	19.9%	20.4%	19.4%	3.5%
Lifesciences & Healthcare	17.5%	16.3%	15.9%	(4.1%)
Technology and Services	13.4%	12.3%	13.0%	2.7%
Telecommunications, Media, Publishing & Entertainment	7.6%	11.5%	12.2%	69.2%
Retail & CPG	9.1%	9.1%	9.4%	9.7%
Public Services#	10.0%	8.8%	9.1%	(3.7%)

# Public Services include Energy & Utilities, Travel - Transport - Logistics and Government.

# Client Metrics

Number of \$M Clients (LTM)	30-Jun-23	31-Mar-24	30-Jun-24	YoY Change	QoQ Change
\$100M+	20	22	22	2	-
\$50M+	48	46	48	-	2
\$20M+	127	137	133	6	(4)
\$10M+	237	254	256	19	2
\$5M+	390	395	404	14	9
\$1M+	947	951	951	4	-

Client Contribution to Revenue (LTM)	30-Jun-23	31-Mar-24	30-Jun-24
Top 5 Clients	9.8%	10.4%	11.4%
Top 10 Clients	17.2%	18.8%	19.6%
Top 20 Clients	27.2%	29.0%	30.1%

Days Sales Outstanding	30-Jun-23	31-Mar-24	30-Jun-24
Days Sales Outstanding*	64	61	60

\*Excluding unbilled receivables

# Key Deal Wins

A leading US-based insurance provider selected HCLTech to design and implement a comprehensive digital transformation program. This is a **full-stack deal** comprising infrastructure, applications and business operations. HCLTech will leverage synergies from its integrated delivery and transformation initiatives, including automation and GenAI, to drive operational efficiencies, optimize cost and improve service quality for the client.

A leading US-based beverage company selected HCLTech as its digital partner to transform its ecommerce platform. Leveraging its capabilities in GenAI, XR/VR and IoT technologies, HCLTech will enable **hyper-personalization, mobility and connected IoT** to deliver seamless omnichannel customer experiences and drive business growth via online channels.

A Europe-based financial services company selected HCLTech to accelerate its digital transformation. HCLTech's solutions will include setting up of a **future-ready private cloud, AI-led automation** and modernized network and security architecture based on a zero-trust framework. HCLTech will also transform workplace experience for the client.

**Ahold Delhaize USA**, the parent company of five US omnichannel grocery brands, which together comprise the largest grocery retail group on the East Coast, has further strengthened its partnership with HCLTech to modernize, support and transform technology for its network, including over 2,000 retail stores. HCLTech's Managed Network Services, Retail IT Operations and Mainframe Services will enable the grocery retail group to drive transformation, improve operations resiliency and enhance automation, AI-led efficiency and user experience.

A leading Europe-based real estate company selected HCLTech to elevate their productivity and **customer experience**. HCLTech's full suite of Digital Foundation and Digital Business services and next-generation platforms and integrated solutions powered by GenAI will help the client automate and streamline services, systems and processes.

A leading US-based financial services provider expanded its digital transformation partnership with HCLTech to manage and **transform IT infrastructure operations** and workplace experience. HCLTech will provide managed services to significantly enhance the experience for the client's members worldwide.

A Fortune 100 technology company selected HCLTech as its strategic partner to set up Technical Assistance Centers (TAC) in Asia. HCLTech will also help the client transform current operations in these locations with an **automation** and outcome-centric solution that will enhance customer experience and optimize operational efficiency.

A leading US-based energy infrastructure company selected HCLTech to enhance user experience and enable faster time-to-market. The outcome-based engagement model will leveraging HCLTech's **IT and engineering** capabilities as well global delivery network.

**Banco do Brasil**, a leading bank in Brazil, which is also one of the largest financial institutions in Latin America, selected HCLTech to implement Salesforce's Slack integrated with WhatsApp as part of their ongoing customer experience transformation journey.

**State Bank of India** selected HCLSoftware to automate its digital marketing program. The bank will deploy HCL Unica martech platform to transform its customer interaction framework and deliver hyper-personalized customer experiences while ensuring data privacy.

A US-based financial services company selected HCL Software's **BigFix** platform as part of its core infrastructure strategy for servers and workstations. The client will also leverage HCL MyCloud to optimize cost and operational efficiency.

A leading US-based financial services company selected HCLSoftware to deploy **Action's DataConnect** data integration platform to reduce vulnerabilities, increase speed of data movement, reduce workload remediation time and boost operational efficiency.

A leading Europe-based food company selected HCLSoftware's **BigFix** platform to enhance security posture and reduce vulnerabilities, while boosting operational efficiency.

# GenAI Deal Wins

A global technology major selected HCLTech to implement a GenAI-based solution for gaming review analysis that automated data collection and sentiment analysis, resulting in workload reduction and a 119% increase in game reviews.

A global technology major has selected HCLTech to deploy GenAI to transform its content life cycle management and processes. HCLTech will help the client to automate its content processing with intelligent features such as persona filters.

A Europe-based telecom OEM has partnered with HCLTech to kickstart its GenAI journey by deploying LLMs to design, build and integrate technology solutions.

An APAC-based financial services major selected HCLTech to help accelerate its enterprise-wide data and AI transformation. HCLTech will create a new framework that enables the bank to treat data as a product and reduce the time needed to extract insights by half.

A Europe-based financial services major has partnered with HCLTech to develop and manage its next-gen low latency electronic trading platform and compliance analytics platform by leveraging GenAI.

A leading Indian educational institution is leveraging HCLTech's GenAI capabilities to accelerate primary and adult education in rural India. HCLTech will help the client in creating online education content and animation along with Android App for TV and tablet through a multi-modal GenAI-based platform.

A leading US-based financial services company selected HCLTech to build a GenAI platform with robust AI governance and LLM Ops.

A global mining major selected HCLTech to build an AI-assisted cataloging solution with Azure IoT implementation. This will enable the client to tag different devices in the field, understand the type of data, origin etc. for further model training and development. The client will achieve appx. 50% improvement in edge devices support and appx. 60% improvement in reducing operational cost of managing edge devices.

A US-based hi-tech major has engaged HCLTech to create and maintain a GenAI-as-a-service (GaaS) platform. This includes the implementation of a GenAI operations platform aimed at streamlining AI processes and enhancing operational efficiency.

An US-based automotive major has collaborated with HCLTech to develop AI models and actionable insights for customer segmentation and dynamic price optimization using GenAI.

A US-based insurance provider selected HCLTech to transform its contact center and back office operations for claims management through GenAI. HCLTech AI Force™ DigitalCOLLEAGUE suite of products will help the client to optimize the workflows, boost operational flexibility and enhance efficiency, accuracy and overall service quality in managing healthcare claims.

# Client Comments

"At apoBank, we welcome the expansion of our partnership with HCLTech. In addition to world-class capabilities in IT infrastructure and Cloud managed services, HCLTech has extensive Avaloq expertise and deep understanding of apoBank. This makes HCLTech the ideal partner for apoBank."

- **Thomas Runge, COO and Member of Executive Board, apoBank**

"It is with great pleasure and excitement that we announce this agreement with HCLTech, with whom we share a decade-long partnership in core Engineering and R&D services. I am confident that our collaboration will enhance Olympus' engineering capabilities and unlock new innovations that enable quality healthcare through technology."

- **Andre Roggan, Chief Technology Officer, Olympus**

"In a rapidly evolving digital landscape, HCLTech has emerged as a valuable ally for us. Their vast expertise facilitated an efficient transition and a quick ramp-up to steady-state reliability. Since then, our partnership has accelerated digital innovation, notably enhancing our digital services and support. HCLTech stands as a pivotal partner, propelling us toward redefining digital excellence."

- **Carl Brisco, SVP & Chief Technology Officer, The ODP Corporation**

"Being in the QSR industry, Papa Johns' focus is heavily on unit economics, so per store profitability is crucial and that compels our technology team to come up with cost-efficient solutions that can scale across the brand's footprint. Papa Johns and HCLTech are proud of our Commerce platform transformation program which supports our aggregators and digital call center integrations."

- **Sarika Attal, VP - Enterprise Architecture and Technology Services, Papa Johns**



# People Metrics

Details (Quarter ended)	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
<b>Total People Count</b>	<b>223,438</b>	<b>221,139</b>	<b>224,756</b>	<b>227,481</b>	<b>219,401</b>
Technical	209,066	206,745	210,417	213,059	205,197
Sales and Support	14,372	14,394	14,339	14,422	14,204
<b>Net Addition</b>	<b>(2,506)</b>	<b>(2,299)</b>	<b>3,617</b>	<b>2,725</b>	<b>(8,080)</b>
Freshers Added	1,597	3,630	3,818	3,096	1,078
Attrition (LTM)*	16.3%	14.2%	12.8%	12.4%	12.8%
Women Employees (%)	29.0%	29.1%	29.1%	29.1%	28.7%

\*Note: Attrition excludes involuntary attrition and Digital process operations.

- HCLTech announced the opening of new offices in East Brunswick, New Jersey and Santa Clara, California, further strengthening its footprint in North America. Both offices will feature Customer Experience Centers (CECs) showcasing the best of HCLTech's innovations and capabilities, including its AI and Cloud Native Labs.
- HCLTech's Value Creation Portal is a unique grassroots innovation platform that enables employees to contribute ideas and create value for HCLTech and its clients. 8,600+ unique employees leveraged Value Creation Portal in Q1, FY25, generating, reviewing and approving 2,470+ ideas and implementing 1,040+ ideas that delivered customer signed-off value worth \$150M+.
- In line with its tradition of ideapreneurship and a culture of innovation, a total of 20 patents were filed and granted (Nine filings, 11 grants) in Q1 FY25.

# Awards and Recognitions

- HCLTech was the most decorated India-headquartered IT services company in the Institutional Investor Research Annual Asia Executive Team survey with #1 ranks in 21 categories in the Technology IT Services & Software sector:
  - HCLTech was named as one of four 'Most Honored Company' from India in Asia ex-Japan track.
  - HCLTech was ranked #3 in the Company Board of Directors category (overall segment) in the Rest of Asia track.
  - C Vijayakumar, CEO & Managing Director, HCLTech was ranked #1 in the Best CEO category (overall and sell-side segments) in both tracks.
  - Prateek Aggarwal, CFO, HCLTech was ranked #1 in the Best CFO category (overall and sell-side segments) in Rest of Asia track.
  - HCLTech Investor Relations team was ranked #1 in the Best IR Team category across multiple tracks.
  - Nitin Mohta, Head of Investor Relations, HCLTech was ranked #1 in the Best IR Professionals category (overall, buy-side and sell-side segments) in Rest of Asia track.
  - HCLTech was ranked #1 in the Overall ESG category (sell-side segment) in both tracks.
- Named Microsoft Dynamics 365 Services Partner of the Year at the 2024 Microsoft Partner of the Year Awards.
- Ranked # 7 in BW Businessworld India's Most Respected Companies 2024 list.
- Included in LinkedIn Top Companies 2024 List.
- Won Intel's 2024 EPIC Outstanding Supplier Award.
- HCLTech's IoT-led prescriptive and predictive maintenance, Real-time Manufacturing Insights (RMI) won the 2024 AI Breakthrough Award for the "Best Predictive Analytics Solution" category.
- Won Pega Financial Services Award for business excellence.



# Analyst Recognitions

HCLTech has received **75+** leadership positions in analyst recognitions for the quarter which we believe further strengthens our credentials to be a partner of choice for large enterprises in their cloud and digital transformation journey.

## Digital Business

### HCLTech positioned as a Leader in:

- HFS Horizons: High-Tech Services, 2024
- HFS Horizons: Healthcare Provider (HCP) Service Providers, 2024
- Avasant's Manufacturing Digital Services 2024 RadarView™

### HCLTech positioned as a Leader in ISG Provider Lens™:

- Chemical Industry Services and Solutions - Digital IT/OT Services, Supply Chain and Logistics, Sustainability and Innovation - North America & Europe 2024
- Salesforce Ecosystem Partners - Multicloud Implementation and Integration Services for Large Enterprises, Managed Application Services for Large Enterprises - U.S., Germany, U.K. 2024
- Salesforce Ecosystem Partners - Implementation Services for Industry Clouds - U.S., Germany 2024
- SAP Ecosystem - Managed Cloud Services for SAP ERP, SAP Application Managed Services, SAP S/4HANA System Transformation - U.K., Nordics 2024
- SAP Ecosystem - Cloud Economics and FinOps Services for SAP, RISE with SAP Implementation Partners, SAP Business AI and Business Technology Platform (BTP) Services - Global 2024
- Microsoft Cloud Ecosystem - Managed Services for Azure, Microsoft 365 Services, Power Platform Services, SAP on Azure Services - U.S., U.K., Australia 2024
- Microsoft Cloud Ecosystem - Generative AI Services for the Microsoft Clouds- U.K. 2024
- Mainframes - Services and Solutions - Application Modernization Services - Europe, US, APAC, U.S. Public Sector 2024

## Digital Operations

### HCLTech positioned as a Leader in:

- Avasant's Banking Process Transformation 2024 RadarView™
- ISG Provider Lens™ Procurement Services - Procurement Operations Modernization Services, Strategic Sourcing and Category Management Services, Direct Procurement Enablement and Modernization Services - Global 2024

# Analyst Recognitions

## Digital Foundation

HCLTech positioned as a **Leader and Star Performer** in Everest Group's Capital Markets IT Services PEAK Matrix® Assessment 2024

### HCLTech positioned as a Leader in:

- IDC MarketScape: Worldwide Cloud Professional Services 2024 Vendor Assessment (doc # US51406224, June 2024)
- IDC MarketScape: Worldwide Network Consulting Services 2024 Vendor Assessment (doc # US52056924, May 2024)
- HFS Horizons: Industry Cloud Service Providers, 2024
- Everest Group's Healthcare Industry Cloud Services PEAK Matrix® Assessment 2024
- Everest Group's Mainframe Services PEAK Matrix® Assessment 2024
- Avasant's Applied AI Services 2024 RadarView™
- Avasant's Cybersecurity Services 2024 RadarView™

### HCLTech positioned as a Leader in ISG Provider Lens™:

- ServiceNow Ecosystem Partners – ServiceNow Implementation and Integration Services – Europe, U.S., Australia 2024
- Mainframes – Services and Solutions – Mainframe Optimization Services – Europe 2024
- Mainframes – Services and Solutions – Mainframe as a Service (MFaaS), Mainframe Optimization Services – APAC 2024

## Engineering and R&D Services

### HCLTech positioned as a Leader in:

- Everest Group's Connected Product Engineering Services PEAK Matrix® Assessment 2024
- ISG Provider Lens™ Digital Engineering Services – Design and Development (Products, Services and Experiences), Integrated Customer/User Engagement, Intelligent Operations, Platform and Applications Services – U.S., Europe 2024

# Analyst Recognitions

## HCLSoftware

- HCLSoftware positioned as a Leader in the IDC MarketScape: Worldwide Unified Endpoint Management Software 2024 Vendor Assessment (Doc Document number:# US51234224, April 2024)
- HCLSoftware positioned as a Major Player in the IDC MarketScape: Worldwide Unified Endpoint Management Software for Small and Medium-Sized Businesses 2024 Vendor Assessment (Doc Document number:# US51779424, April 2024)
- HCLSoftware positioned as a Leader in the IDC MarketScape: Worldwide Client Endpoint Management Software for Windows Devices 2024 Vendor Assessment (Doc Document number:# US51234324, April 2024)
- HCLSoftware positioned as a Leader in MarketScape: Worldwide Unified Endpoint Management Software for Frontline/IoT Devices 2024 Vendor Assessment (Doc Document number:# US51779324, April 2024)
- HCLSoftware positioned as a Leader in MarketScape: Worldwide Unified Endpoint Management Software for Apple Devices 2024 Vendor Assessment (Doc Document number:# US51779224, April 2024)

## Client Recognition

- HCLTech recognized as a Customer' Choice in the 2024 Gartner® Peer Insights™ Voice of the Customer for Outsourced Digital Workplace Services Report\*
- HCLTech (HCLSoftware) for its BigFix recognized as a Customer's Choice in 2024 Gartner Peer Insights 'Voice of the Customer' for Unified Endpoint Management Tools\*\*
- HCLTech (HCLSoftware) for its BigFix recognized as a Midsize Enterprise Customer's Choice in 2024 Gartner Peer Insights 'Voice of the Customer' Company Size Segment for Unified Endpoint Management Tools\*\*
- HCLTech (HCLSoftware) for its BigFix recognized as a North America Customer's Choice in 2024 Gartner Peer Insights 'Voice of the Customer' Region Segment for Unified Endpoint Management Tools\*\*

\*Gartner, Voice of the Customer for Outsourced Digital Workplace Services, By Peer Contributors, 23 April 2024

\*\* Gartner, Voice of the Customer for Unified Endpoint Management Tools By Peer Contributors, 7 May 2024

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# Supercharging progress for our communities and the planet

## India-focused initiatives through HCLFoundation



- 23,000+ traditional crop farmers supported with paddy and maize seeds under the Food Security Program
- 16,800+ consultations provided through Mobile Health Clinics



- 3,000 people sensitized on sustainable waste management practices
- 22,500+ kgs of waste managed



- 1,800+ kg of coastal and marine debris retrieved with engagements from community members, forest department, coast guard and NGO partners



- 6,000+ government school students supported by HCLFoundation recorded pass percentage of 82% for class 10 and 88% for class 12
- 700+ PWDs provided with various services, including financial support, health and assistive devices

## Power of One

- 3,900+ employee volunteering hours clocked
- 1,990 units of blood donated by HCLTechies across 8 cities

## Global Initiatives



Winners of the first edition of the HCLTech Americas Grant for Climate Action were announced in April. Brazil-based Argilando won top honors, while Canada-based No. 9 Contemporary Art and the Environment and US-based The Longleaf Alliance were the runners-up.

- HCLTech's Brazil CSR Council members supported people affected in massive floods in the Rio Grande do Sul state.
- HCLTech volunteers took part in shoreline cleanup activity in Mississauga/Toronto.
- HCLTech France, in partnership with Apprentis d'Auteuil, are supporting upskilling of French youth with coding programs.

# Annexure



# Constant Currency Reporting (Quarter ended)

(Amount in \$M)

HCLTech Revenue	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Reported Revenue (\$M)	3,200.0	3,224.7	3,415.0	3,429.9	3,363.8
<b>Growth % (CC)</b>					
QoQ	(1.3%)	1.0%	6.0%	0.3%	(1.6%)
YoY	6.3%	3.4%	4.3%	6.0%	5.6%
<b>HCLTech Services Revenue</b>					
Reported Revenue (\$M)	2,885.9	2,925.1	3,015.0	3,107.8	3,040.5
<b>Growth % (CC)</b>					
QoQ	(1.0%)	1.6%	3.1%	3.0%	(1.9%)
YoY	7.1%	3.3%	4.2%	6.7%	5.8%
<b>Average Rates for the Quarter</b>					
USD - INR	82.17	82.72	83.28	83.10	83.40
GBP - USD	1.25	1.26	1.25	1.27	1.26
EUR - USD	1.09	1.08	1.08	1.08	1.08
USD - SEK	10.60	10.81	10.51	10.43	10.68
AUD - USD	0.67	0.65	0.66	0.66	0.66

Effective April 1, 2024, services related to certain software products, previously under HCL Software, are now managed by IT and Business Services and Engineering and R&D Services segments. Revenues and results have been reported under respective segments, with prior period figures restated. The impact of this change is immaterial for the segments.

# Financials in ₹ for the Quarter ended 30-Jun-24 (Ind AS)

## Consolidated Income Statement

(Amount in ₹ Crores)

Income Statement	Quarter Ended			% of Revenue		
	30-Jun-23	31-Mar-24	30-Jun-24	30-Jun-23	31-Mar-24	30-Jun-24
<b>Revenues</b>	<b>26,296</b>	<b>28,499</b>	<b>28,057</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct Costs	16,936	18,527	18,364	64.4%	65.0%	65.5%
<b>Gross Profits</b>	<b>9,360</b>	<b>9,972</b>	<b>9,692</b>	<b>35.6%</b>	<b>35.0%</b>	<b>34.5%</b>
Research & Development	394	435	407	1.5%	1.5%	1.5%
SG & A	3,579	3,426	3,492	13.6%	12.0%	12.4%
<b>EBITDA</b>	<b>5,387</b>	<b>6,111</b>	<b>5,793</b>	<b>20.5%</b>	<b>21.4%</b>	<b>20.6%</b>
Depreciation & Amortization	927	1,093	998	3.5%	3.8%	3.6%
<b>EBIT</b>	<b>4,460</b>	<b>5,018</b>	<b>4,795</b>	<b>17.0%</b>	<b>17.6%</b>	<b>17.1%</b>
Foreign Exchange Gains/(Loss)	(22)	6	81	(0.1%)	0.0%	0.3%
Other Income, net	258	245	831	1.0%	0.9%	3.0%
Provision for Tax	1,165	1,274	1,448	4.4%	4.5%	5.2%
Non-controlling interest	(3)	9	2	0.0%	0.0%	0.0%
<b>Net Income</b>	<b>3,534</b>	<b>3,986</b>	<b>4,257</b>	<b>13.4%</b>	<b>14.0%</b>	<b>15.2%</b>
<b>EPS (LTM in ₹)</b>						
<b>Basic</b>	<b>55.78</b>	<b>57.99</b>	<b>60.63</b>			
<b>Diluted</b>	<b>55.70</b>	<b>57.86</b>	<b>60.52</b>			

# Cost Breakup in ₹ for Quarter Ended 30-Jun-2024

(Amount in ₹ Crores)

Particulars	Quarter Ended			% of Revenue		
	30-Jun-23	31-Mar-24	30-Jun-24	30-Jun-23	31-Mar-24	30-Jun-24
Employee benefits expense	15,014	16,351	16,410	57.1%	57.4%	58.5%
Outsourcing costs (Subcontractors + Outsourced Work)	3,628	3,710	3,541	13.8%	13.0%	12.6%
Cost of hardware and software sold	535	510	429	2.0%	1.8%	1.5%
Travel and conveyance	383	348	378	1.5%	1.2%	1.3%
Software license fee	231	268	306	0.9%	0.9%	1.1%
Facility Cost*	293	319	296	1.1%	1.1%	1.1%
Recruitment, training and development	94	77	90	0.4%	0.3%	0.3%
Legal and professional charges	157	182	168	0.6%	0.6%	0.6%
Communication costs	134	155	133	0.5%	0.5%	0.5%
CSR Expense	74	71	60	0.3%	0.2%	0.2%
Doubtful debts	10	30	30	0.0%	0.1%	0.1%
Other expenses	356	367	423	1.3%	1.3%	1.5%
Depreciation & Amortization	927	1,093	998	3.5%	3.8%	3.6%
<b>Total Costs</b>	<b>21,836</b>	<b>23,482</b>	<b>23,262</b>	<b>83.0%</b>	<b>82.4%</b>	<b>82.9%</b>
<b>EBIT</b>	<b>4,460</b>	<b>5,018</b>	<b>4,795</b>	<b>17.0%</b>	<b>17.6%</b>	<b>17.1%</b>

Note: \*Facility cost includes Repairs and Maintenance, Power and Fuel, and Rent

# Financials in \$ for the Quarter ended 30-Jun-24 (IFRS)

## Consolidated Income Statement

(Amount in \$M)

Income Statement	Quarter Ended			% of Revenue		
	30-Jun-23	31-Mar-24	30-Jun-24	30-Jun-23	31-Mar-24	30-Jun-24
<b>Revenues</b>	<b>3,200.0</b>	<b>3,429.9</b>	<b>3,363.8</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct Costs	2,061.0	2,230.5	2,201.7	64.4%	65.0%	65.5%
<b>Gross Profits</b>	<b>1,139.0</b>	<b>1,199.5</b>	<b>1,162.1</b>	<b>35.6%</b>	<b>35.0%</b>	<b>34.5%</b>
Research & Development	47.9	52.6	48.8	1.5%	1.5%	1.5%
SG & A	435.6	412.4	418.7	13.6%	12.0%	12.4%
<b>EBITDA</b>	<b>655.5</b>	<b>734.5</b>	<b>694.6</b>	<b>20.5%</b>	<b>21.4%</b>	<b>20.6%</b>
Depreciation & Amortization	112.8	131.2	119.6	3.5%	3.8%	3.6%
<b>EBIT</b>	<b>542.7</b>	<b>603.3</b>	<b>575.0</b>	<b>17.0%</b>	<b>17.6%</b>	<b>17.1%</b>
Foreign Exchange Gains/(Loss)	(2.6)	0.7	(4.9)	(0.1%)	0.0%	(0.1%)
Other Income, net	31.4	29.8	99.6	1.0%	0.9%	3.0%
Provision for Tax	141.8	153.1	173.7	4.4%	4.5%	5.2%
Non-controlling interest	(0.3)	1.0	0.2	0.0%	0.0%	0.0%
<b>Net Income</b>	<b>430.0</b>	<b>479.7</b>	<b>495.8</b>	<b>13.4%</b>	<b>14.0%</b>	<b>14.7%</b>

# Cost Breakup in \$ for Quarter Ended 30-Jun-2024

(Amount in \$M)

Particulars	Quarter Ended			% of Revenue		
	30-Jun-23	31-Mar-24	30-Jun-24	30-Jun-23	31-Mar-24	30-Jun-24
Employee benefits expense	1,827.1	1,968.4	1,967.5	57.1%	57.4%	58.5%
Outsourcing costs (Subcontractors + Outsourced Work)	441.5	446.7	424.6	13.8%	13.0%	12.6%
Cost of hardware and software sold	65.1	61.4	51.5	2.0%	1.8%	1.5%
Travel and conveyance	46.6	41.9	45.3	1.5%	1.2%	1.3%
Software license fee	28.2	32.3	36.6	0.9%	0.9%	1.1%
Facility Cost*	35.7	38.4	35.5	1.1%	1.1%	1.1%
Recruitment, training and development	11.4	9.3	10.8	0.4%	0.3%	0.3%
Legal and professional charges	19.1	21.9	20.1	0.6%	0.6%	0.6%
Communication costs	16.4	18.7	16.0	0.5%	0.5%	0.5%
CSR Expense	9.1	8.6	7.2	0.3%	0.2%	0.2%
Doubtful debts	1.2	3.6	3.6	0.0%	0.1%	0.1%
Other expenses	43.1	44.2	50.6	1.3%	1.3%	1.5%
Depreciation & Amortization	112.8	131.2	119.6	3.5%	3.8%	3.6%
<b>Total Costs</b>	<b>2,657.3</b>	<b>2,826.6</b>	<b>2,788.9</b>	<b>83.0%</b>	<b>82.4%</b>	<b>82.9%</b>
<b>EBIT</b>	<b>542.7</b>	<b>603.3</b>	<b>575.0</b>	<b>17.0%</b>	<b>17.6%</b>	<b>17.1%</b>

Note: \*Facility cost includes Repairs and Maintenance, Power and Fuel, and Rent

# Consolidated Balance Sheet (₹ and \$)

Particulars	In ₹ Crores		In \$M	
	As on 31-Mar-24	As on 30-Jun-24	As on 31-Mar-24	As on 30-Jun-24
<b>Assets</b>				
Cash and Cash Equivalents	9,456	9,335	1,134	1,120
Accounts Receivables, net	19,483	18,800	2,337	2,254
Unbilled Receivables	6,038	5,865	724	703
Treasury Investments	18,532	17,747	2,222	2,128
Other Current Assets	5,822	5,824	698	699
<b>Total Current Assets</b>	<b>59,331</b>	<b>57,571</b>	<b>7,115</b>	<b>6,904</b>
Property and Equipment, net	4,999	4,781	600	573
Right-of-use assets	2,910	2,620	349	314
Intangible Assets, net	27,262	26,837	3,271	3,218
Treasury Investments	287	111	34	13
Deferred Tax Assets	1,031	951	124	114
Other Investments	94	98	11	12
Other Assets	3,863	3,978	463	477
<b>Total Assets</b>	<b>99,777</b>	<b>96,947</b>	<b>11,967</b>	<b>11,625</b>
<b>Liabilities &amp; Stockholders Equity</b>				
Other Current Liabilities	21,532	19,798	2,583	2,373
Borrowings	2,327	2,302	280	276
Lease Liabilities	3,429	3,193	411	383
Other Non-Current Liabilities	4,218	4,401	507	528
<b>Total Liabilities</b>	<b>31,506</b>	<b>29,694</b>	<b>3,781</b>	<b>3,560</b>
Non-Controlling Interests	8	10	1	1
Total Stockholders Equity	68,263	67,243	8,185	8,064
<b>Total Equity</b>	<b>68,271</b>	<b>67,253</b>	<b>8,186</b>	<b>8,065</b>
<b>Total Liabilities and Equity</b>	<b>99,777</b>	<b>96,947</b>	<b>11,967</b>	<b>11,625</b>

# Consolidated Cash Flow Summary & Cash Position

Particulars	In ₹ Crores		In \$M	
	For Year Ended March 2024	For Quarter Ended June 2024	For Year Ended March 2024	For Quarter Ended June 2024
<b>Profit Before Tax</b>	<b>20,967</b>	<b>5,707</b>	<b>2,531</b>	<b>670</b>
<b>Adjustments for:</b>				
Depreciation, Amortization and Impairment	4,173	998	503	120
Others	(785)	(899)	(94)	(92)
<b>Changes in Assets and Liabilities, net:</b>				
Accounts Receivable and Unbilled Receivable	248	804	30	96
Other Assets and Liabilities	2,057	(1,784)	250	(215)
Income Taxes paid (Net of refunds)	(4,212)	(692)	(509)	(83)
<b>Net Operating Cash Flow</b>	<b>22,448</b>	<b>4,134</b>	<b>2,711</b>	<b>495</b>
Purchase of PP&E and Intangibles	(1,048)	(209)	(127)	(25)
<b>Free Cash Flow</b>	<b>21,400</b>	<b>3,925</b>	<b>2,584</b>	<b>470</b>
<b>Payments for Acquisitions</b>	<b>(2,048)</b>	<b>(50)</b>	<b>(248)</b>	<b>(6)</b>
<b>Dividend paid</b>	<b>(14,073)</b>	<b>(4,873)</b>	<b>(1,699)</b>	<b>(585)</b>
<b>Gross Cash &amp; Net Cash</b>				
Cash & Cash Equivalents	9,456	9,335	1,134	1,120
Fixed Deposits including Deposits under lien	11,774	12,597	1,411	1,510
Investment Securities	7,043	5,261	845	631
<b>Gross Cash</b>	<b>28,273</b>	<b>27,193</b>	<b>3,390</b>	<b>3,261</b>
Less: Borrowings	2,327	2,302	280	276
<b>Net Cash</b>	<b>25,946</b>	<b>24,891</b>	<b>3,110</b>	<b>2,985</b>





# About HCLTech

HCLTech is a global technology company, home to more than 219,000 people across 60 countries, delivering industry-leading capabilities centered around digital, engineering, cloud and AI, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending June 2024 totaled \$13.4B. To learn how we can supercharge progress for you, visit [hcltech.com](https://hcltech.com).

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