

Q2 FY25

Investor Release

October 14, 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.

Q2 FY 2025 Highlights

1 Revenue

- INR Revenue of ₹28,862 Crores, up 2.9% QoQ & up 8.2% YoY
- Constant Currency (CC) Revenue up 1.6% QoQ & up 6.2% YoY
- USD Revenue of \$3,445M, up 2.4% QoQ & up 6.8% YoY

- HCLTech Services Revenue up 1.6% QoQ & up 5.9% YoY CC
- Digital Revenue up 7.8% YoY CC; contributes 38.5% of Services

- HCLSoftware Revenue up 9.4% YoY CC
- HCLSoftware ARR at \$1.05B, up 0.6% YoY CC

2 Profitability & Return Metrics

- EBIT at ₹5,362 Crores (18.6% of revenue), up 11.8% QoQ & up 8.7% YoY
- NI at ₹4,235 Crores (14.7% of revenue), down 0.5% QoQ & up 10.5% YoY
- ROIC (on LTM basis) – Company at 35.7%, up 353 bps YoY; Services at 43.5%, up 403 bps YoY
- OCF at \$2,521M and FCF at \$2,388M (on LTM basis)
- FCF/NI at 119% (on LTM basis)
- Dividend of ₹12/- per share, 87th consecutive quarter of dividend pay-out

3 Bookings

- TCV (New Deal wins) at \$2,218M

4 People

- Total People Count at 218,621; Net addition: (780)
- Added 2,932 freshers
- LTM Attrition at 12.9%*, (down from 14.2% in Q2 of last year)

5 ESG - Awards and Recognitions

- HCLTech ranked #1 India-headquartered company in TIME magazine's World's Best Companies 2024 highlighting HCLTech's exceptional performance across employee's satisfaction, revenue growth and ESG metrics
- HCLTech has been ranked No. 7 in the BW Businessworld India's Top 50 Most Sustainable Companies 2024 listing, and No. 2 in the IT & Communications Sector
- HCLTech wins Equinix Social Governance Award for Asia Pacific

6 FY25 Guidance

- Company Revenue growth expected to be between 3.5% - 5.0% YoY in CC
- Services Revenue growth expected to be between 3.5% - 5.0% YoY in CC
- EBIT margin to be between 18.0% - 19.0%

Leadership Comments



Roshni Nadar Malhotra
Chairperson
HCLTech

“We remain committed to delivering business growth in a sustainable and responsible way. We have sharpened our focus on upskilling our people in next-generation technologies to continue enabling the art of the possible for our clients. Our global community engagement footprint continues to grow.”



C Vijayakumar
CEO & Managing Director
HCLTech

“We delivered a strong quarter with revenue growing 1.6% QoQ in constant currency and EBIT coming in at 18.6%. This growth was well distributed across verticals, geographies, and offerings. HCL Software has delivered a stellar performance of 9.4% YoY this quarter and 6.4% growth in H1 FY25 in constant currency, demonstrating the increasing relevance of our products for the digital economy. Our pipeline is very strong, including Data & AI, Digital Engineering, SAP migration and efficiency led programs. Our GenAI offerings like AI Force and AI Foundry are resonating very well with our clients and should be drivers of efficiency, growth, and innovation over the medium term.”



Shiv Walia
Chief Financial Officer
HCLTech

“HCLTech has delivered robust financial results with constant currency (CC) revenue growth at an industry leading 6.2% YoY. INR revenue reached ₹28,862 Crores, marking a sequential growth of 2.9% and a YoY growth of 8.2%. This revenue growth has come with an improved profitability. Our EBIT margins in Q2 rose to 18.6%, up 149 bps sequentially. LTM Return on Invested Capital (ROIC) stands at solid 35.7% at company level and 43.5% at Services, an expansion of 353 bps YoY and 403 bps YoY respectively. Our dedicated efforts to improve our cash conversion continue to yield best in class results, with LTM FCF/NI coming in at 119%.”

Quarterly Performance Trends – \$

HCLTech Consolidated

Revenues

In \$M



EBIT

In \$M



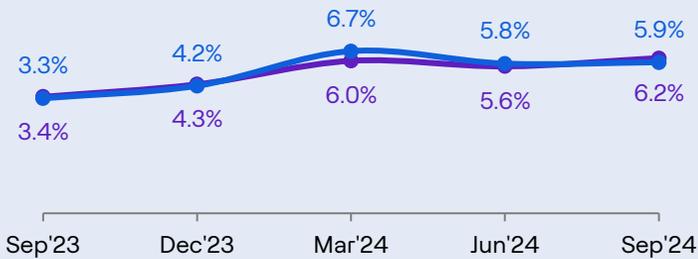
Net Income

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



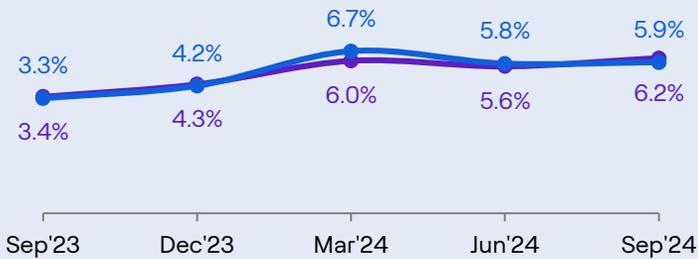
Net Income

In ₹ Crores



Revenue Growth

YoY CC Services YoY CC



EBIT Margin



Net Income Margin



LTM Performance Trends

HCLTech Consolidated

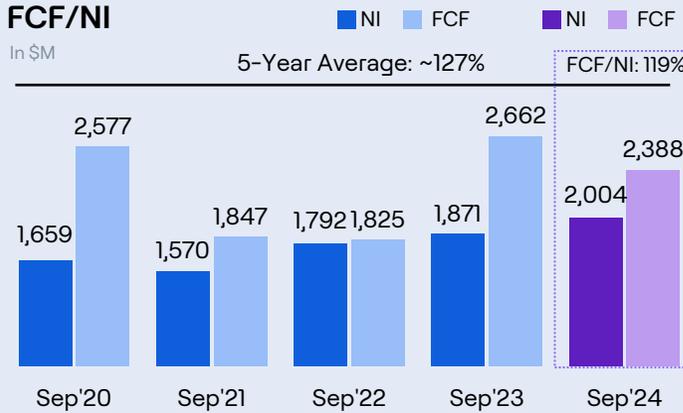
EPS (Diluted)

In ₹



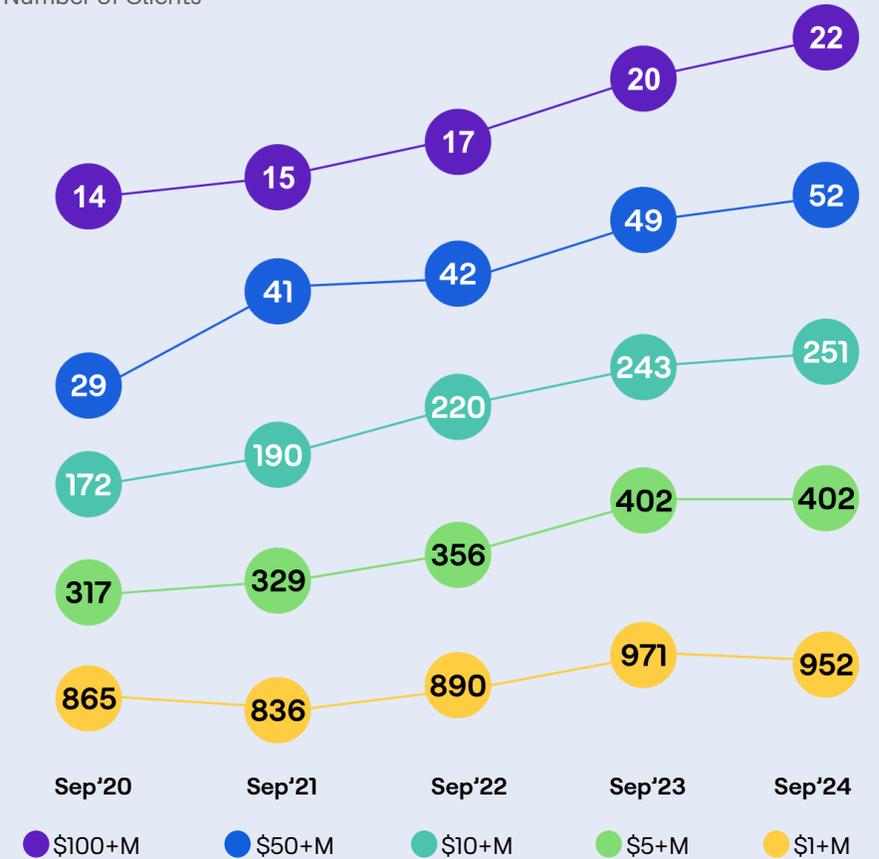
FCF/NI

In \$M



Client Category

Number of Clients



Segment-wise Highlights for the Quarter ended 30-Sep-24

HCLTech Consolidated Revenue Mix and Growth

Details	30-Sep-23	30-Jun-24	30-Sep-24	YoY CC Growth	QoQ CC Growth
IT and Business Services (A)	74.6%	74.5%	74.6%	6.2%	1.8%
Engineering and R&D Services (B)	16.1%	15.9%	15.8%	4.3%	1.1%
Services (A + B)	90.7%	90.4%	90.4%	5.9%	1.6%
HCLSoftware (C)	9.7%	9.9%	9.9%	9.4%	1.4%
Inter-segment ¹ (D)	(0.4%)	(0.3%)	(0.3%)		
Total (A + B + C + D)	100.0%	100.0%	100.0%	6.2%	1.6%

1. 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-Sep-23	30-Jun-24	30-Sep-24	YoY BPS change	QoQ BPS change
IT and Business Services	18.2%	16.6%	17.6%	(57)	95
Engineering and R&D Services	19.2%	16.7%	18.5%	(70)	183
Services	18.3%	16.7%	17.8%	(59)	110
HCLSoftware	19.3%	20.5%	25.6%	630	503
Total	18.5%	17.1%	18.6%	8	149

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-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
Revenues	311.4	411.3	334.5	334.4	341.9
EBITDA	108.8	196.1	120.3	116.4	134.0
EBIT	60.0	135.4	69.8	68.6	87.4
NOPAT	46.2	108.3	55.5	52.0	66.2

Estimated Invested Capital (Quarter ended)	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24	Average
HCLTech Services	3,721	3,755	3,539	3,565	3,573	3,630
HCLSoftware	1,629	1,741	1,538	1,515	1,483	1,581
Invested Capital	5,349	5,496	5,076	5,080	5,056	5,211
Cash & Treasury Balance	2,558	2,617	3,110	2,985	3,166	
Total	7,907	8,114	8,186	8,065	8,221	

LTM ROIC	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
HCLTech Services	39.5%	40.2%	41.7%	42.8%	43.5%
HCLSoftware	15.9%	16.4%	16.2%	16.1%	17.8%
HCLTech	32.2%	32.8%	33.8%	34.6%	35.7%

- 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-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
Perpetual License Upfront & Others	30.6	47.6	31.6	36.4	58.2
Subscription & Support	264.8	346.6	286.1	281.7	267.2
Professional Services	16.0	17.0	16.7	16.4	16.5
Total Revenue*	311.4	411.3	334.5	334.4	341.9

- **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-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
ARR*	1024.5	1,052.8	1,016.1	1014.4	1048.9
ARR Growth YoY CC	3.9%	2.7%	0.7%	(0.3%)	0.6%

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-Sep-24

Services Revenue up **1.6% QoQ** & up **5.9% YoY** in Constant Currency

By Geographies

Details	30-Sep-23	30-Jun-24	30-Sep-24	YoY CC Growth
Americas	64.5%	66.0%	65.1%	7.5%
Europe	28.5%	27.9%	28.4%	4.2%
ROW	7.0%	6.1%	6.5%	(2.6%)

By Verticals

Details	30-Sep-23	30-Jun-24	30-Sep-24	YoY CC Growth
Financial Services	22.6%	21.0%	20.5%	(4.5%)
Manufacturing	19.3%	19.4%	19.5%	7.1%
Lifesciences & Healthcare	17.5%	15.9%	16.0%	(2.8%)
Technology and Services	13.1%	13.0%	13.1%	5.6%
Telecommunications, Media, Publishing & Entertainment	8.0%	12.2%	12.1%	61.2%
Retail & CPG	9.6%	9.4%	9.6%	6.2%
Public Services#	9.9%	9.1%	9.2%	(2.0%)

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

Client Metrics

Number of \$M Clients (LTM)	30-Sep-23	30-Jun-24	30-Sep-24	YoY Change	QoQ Change
\$100M+	20	22	22	2	-
\$50M+	49	48	52	3	4
\$20M+	132	133	137	5	4
\$10M+	243	256	251	8	(5)
\$5M+	402	404	402	-	(2)
\$1M+	971	951	952	(19)	1

Client Contribution to Revenue (LTM)	30-Sep-23	30-Jun-24	30-Sep-24
Top 5 Clients	9.8%	11.4%	12.1%
Top 10 Clients	17.2%	19.6%	20.1%
Top 20 Clients	27.3%	30.1%	30.8%

Days Sales Outstanding	30-Sep-23	30-Jun-24	30-Sep-24
Days Sales Outstanding*	61	60	57

*Excluding unbilled receivables

Key Deal Wins

A Fortune 200 global technology solutions company selected HCLTech to achieve business outcomes through product and AI-aligned operations. HCLTech will implement its GenAI platform **AI Force** to streamline the client's business processes. HCLTech will enable the client's business transformation goals, including automation and AI-driven efficiencies, superior customer experience, enterprise-wide innovation and cyber resilience.

A Fortune 200 biopharma major selected HCLTech as its strategic partner for SAP managed services. HCLTech will use integrated delivery, automation and GenAI to improve operational efficiency, lower costs and enhance service quality for the client.

A leading US-based financial services company selected HCLTech to accelerate cloud migration and strengthen its fraud and risk management. HCLTech will deliver the transformation through GenAI, automation and process improvements.

A US-based diversified financial services provider selected HCLTech for the modernization of its hybrid cloud infrastructure and networks and boost cybersecurity resiliency. HCLTech will also provide digital workplace solutions to deliver an enhanced user experience.

A Europe-based financial services major selected HCLTech as its global transformation partner for digital workplace services. HCLTech will help the client improve the end-user experience and offer AI-driven proactive and preventive support.

A Fortune 500 medical technology company selected HCLTech to manage the client's digital engineering hub and accelerate the modernization of its legacy software platforms by leveraging automation-led software product engineering.

Xerox expanded its strategic partnership with HCLTech spanning AI-driven engineering services and digital process operations. HCLTech will leverage automation, product and sustenance engineering and process operations services, along with its advanced full-stack GenAI platform **AI Force**.

A Fortune 50 telecom company selected HCLTech to deliver a comprehensive network services solution for the telco's largest global enterprise customer. HCLTech will leverage a range of advanced technologies including GenAI to provide integrated technology services to the enterprise customer across 17 countries.

A Europe-based global semiconductor and computing technology major selected HCLTech for System on Chip engineering to augment the client's chip development program. HCLTech will provide all phases of chip design, verification, quality checks, power and performance metric analysis and physical design.

A North American power and energy distribution company selected HCLTech as its digital partner to transform its IT, finance, analytics, customer care, sales and renewals functions by utilizing advanced technology and automation.

A leading Europe-based access management solutions provider selected HCLTech to transform the client's IT operations and set up a global capability center. HCLTech will leverage automation and GenAI to enhance operational efficiency, reduce costs and improve service quality across the client's operations.

Key Deal Wins

A leading US-based logistics provider selected HCLTech to transform global IT operations and undertake AI-driven modernization to reduce technical debt.

A Europe-based global lighting solutions major selected HCLTech to manage its digital applications. HCLTech will deploy its AIOps platform to strengthen operational resilience and improve user experiences through advanced automation.

A leading US-based technology company selected HCLTech as its strategic partner for transforming the client's global operations with automation-focused and outcome-driven solution to enhance customer experience and optimize operational efficiency and costs.

An Africa-based technology services provider selected **HCLSoftware** to meet data sovereignty requirements and establish a secure collaboration framework for the central government of an African nation.

A leading US-based financial services company selected **HCLSoftware's** BigFix to secure critical IT infrastructure and devices.

A Europe-based independent software vendor has expanded its partnership with **HCLSoftware** to deploy Actian as the embedded database for its applications focused on the real estate management and construction verticals.

A Europe-based marketing communications group expanded its partnership with **HCLSoftware** to deploy Actian Ingres to offer ad management platforms for Linear, AVOD and Connected TV to the world's largest broadcasters.

A Europe-based government institution expanded its partnership with **HCLSoftware** to deploy Discover and Volt MX to modernize and enhance employee engagement. The client is also expanding the deployment of Digital Experience (DX), Domino and Sametime to manage all IT-critical processes.

A leading African retail chain expanded its partnership with **HCLSoftware** to secure and manage all end points with BigFix. The deployment will enable the client to maintain compliance across its extensive infrastructure through BigFix's new self-healing and AI-driven automation features.

A leading India-based energy company selected **HCLSoftware's** BigFix for unified endpoint management. The deployment will enhance compliance, boost vulnerability management and improve employee experience through intelligent automation.

A leading Indian financial services provider selected **HCLSoftware** to automate and sequence batch jobs, enhancing system performance and stability.

AI and GenAI Deal Wins

A leading US-based software company selected **HCLTech AI Force** to build a quick search functionality to find duplicate bugs. The deployment improved tester efficiency by 15%, resulting in considerable time savings and improved productivity.

A US-based networking major selected **HCLTech AI Force** for test automation efficiency for network devices. The deployment reduced the test automation workload by 40%.

A US-based media and entertainment major selected HCLTech to build a GenAI solution for enhanced operational efficiency and regulatory compliance. The solution will use retrieval-augmented generation technology to improve licensee audit and SKU approval processes.

A Fortune 50 pharma major selected HCLTech to leverage GenAI for Smart Labelling, Exposure Analysis and QPPV Compliance to transform the client's data management and compliance processes.

A Fortune 50 global financial services company selected HCLTech to build an AI-based solution to automate document processing system and create an efficient workflow system to reduce manual work.

A US-based automotive company selected HCLTech to develop an AI-based solution for customer segmentation and dynamic price optimization. HCLTech will deploy its **Enterprise AI Foundry** to build and operationalize models that enhance after-market sales operations.

A Europe-based global consumer goods major selected HCLTech to build an AI-based solution for comprehensive data warehouse transformation.

A Europe-based global semiconductor company selected HCLTech to create ultra-efficient algorithms for low-cost IoT microcontrollers by leveraging Automatic Neural Network Compression (AutoNNC), HCLTech's zero-code and fully automated AI platform. As part of HCLTech's AI Engineering offering, this solution aims to make deep learning accessible, faster, leaner and cost-effective for various devices.

A Fortune 100 global technology company selected HCLTech for creating a GenAI-as-a-Service (GaaS) platform. The project involves delivering a robust and scalable solution that meets the evolving needs of the client's strategic stakeholders.

A leading US-based fintech company selected HCLTech to set up a GenAI Center of Excellence (CoE) to develop tailored proofs of concept (PoCs) and frameworks for the company's different business units.

Client Comments

"As we continue our Reinvention, our aim is to drive enterprise-wide efficiency by centralizing processes, platforms and capabilities. By extending our agreement with HCLTech and leveraging its expertise, Xerox will become more agile while continuously improving employee and client experiences. This collaboration underscores our dedication to enabling client and partner success across the hybrid workplace."

Louie Pastor, Executive VP and Chief Transformation and Administrative Officer, Xerox

"At Toyo, we consistently strive to exceed our customers' expectations and elevate their experiences. HCLTech shares these goals with us, and our partnership is dedicated to delivering added value, superior experiences and fostering lasting customer loyalty. Together, we are supercharging progress in driving innovation and growth for Toyo."

Luis Cupajita, Chief Information Officer, Toyo Tire Holdings of Americas Inc

"As The Standard advances in its growth journey through digital transformation and acquisitions, our strategic partnership with HCLTech has been instrumental in helping us achieve our goals. Their scale and thought leadership have been crucial to our success. This partnership has enabled us to deliver exceptional Day One experiences for our acquired employees, ensuring the most seamless onboarding process they have ever encountered. I am confident that HCLTech will continue to play a vital role in our ongoing transformation."

Greg Chandler, VP, Information Technology, The Standard Insurance Company

"We've had the distinct pleasure of partnering with HCLTech for over 20 years. Driven by their innovative approach, remarkable problem-solving capabilities and staunch commitment to excellence, HCLTech has consistently been at the forefront of industry innovation, turning challenges into opportunities for us and driving solutions that produce tangible results...Looking back on our 22-year journey with HCLTech, it's clear it has been a true partnership that has supported the growth of the Pearson VUE business."

Dr Gary A Gates, Managing Director, Pearson VUE

People Metrics

Details (Quarter ended)	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
Total People Count	221,139	224,756	227,481	219,401	218,621
Technical	206,745	210,417	213,059	205,197	204,600
Sales and Support	14,394	14,339	14,422	14,204	14,021
Net Addition	(2,299)	3,617	2,725	(8,080)	(780)
Freshers Added	3,630	3,818	3,096	1,078	2,932
Attrition (LTM)*	14.2%	12.8%	12.4%	12.8%	12.9%
Women Employees (%)	29.1%	29.1%	29.1%	28.7%	28.8%

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

- Ranked No. 1 among professional services companies in the Forbes list of America's Best Employers for New Graduates 2024
- Won 7 Gold and 4 Silver in the Brandon Hall Group- Human Capital Management Practices Awards 2024
- Won the ATD BEST 2024 Award from The Association of Talent Development, US.

- 12,900+ employees leveraged HCLTech's Value Creation Portal in Q2 FY25, generating, reviewing and approving 5,500+ ideas and implementing 2,100+ ideas that delivered customer signed-off value worth \$287 million.
- 21 patents were filed and granted (8 filings, 13 grants) in Q2 FY25.

Awards and Recognitions

- Ranked No.1 India-headquartered company in TIME magazine's list of World's Best Companies 2024
- Shiv Nadar, Chairman Emeritus, HCLTech received the Santokbaa Humanitarian Award for his philanthropic initiatives
- Roshni Nadar Malhotra, Chairperson, HCLTech was conferred the Chevalier de la Légion d'Honneur, France's highest civilian award
- Roshni Nadar Malhotra , Chairperson, HCLTech was honored with the Business Leader of the Year Award at the IAA Leadership Awards 2024 and the Most Promising Next-gen Leader Award at the FICCI Young Leaders Awards 2024
- Ranked No. 7 in the Businessworld list of India's Top 50 Most Sustainable Companies 2024
- Included in Forbes magazine's list of World's Best Management Consulting Firms 2024
- Won the 2024 Oracle Partner Awards - North America Cloud/Technology Customer Success Category
- Recognized as Microsoft Partner of the Year for Dynamics 365 Service
- Recognized as HPE Hybrid Cloud Partner of the Year 2024
- Won Intel Partner Award in the Market Acceleration – SI/GSI/MSP category
- Won Equinix Social Governance Award for Asia Pacific



Analyst Recognitions

Received **90+** leadership positions in analyst recognitions during Q2, FY25

Digital Business

HCLTech positioned as a Leader in:

- HCLTech positioned as a Leader in 2024 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services (Mark Ray et al., 5 August 2024)*
- IDC MarketScape: Worldwide Data Modernization Services 2024 Vendor Assessment (doc # US51234424, Sep 2024)
- Everest Group's Retail and CPG Data, Analytics, and AI Services PEAK Matrix® Assessment 2024
- Avasant's Digital Masters: Digital Technology Transformation 2024 RadarView™
- Avasant's Travel, Transportation, and Hospitality Digital Services 2024 RadarView™
- Avasant's Application Modernization Services 2024 RadarView™
- Avasant's Salesforce Services 2024 RadarView™
- Avasant's Benelux Digital Services 2024 RadarView™
- Avasant's United Kingdom (UK) Digital Services 2024 RadarView™
- Avasant's Data Management and Advanced Analytics Services 2024 RadarView™
- Avasant's Healthcare Provider Digital Services 2024 RadarView™
- Avasant's Utilities Digital Services 2024 RadarView™
- Avasant's Freight and Logistics Digital Services 2024 RadarView™
- Avasant's Property and Casualty Insurance Digital Services 2024 RadarView™
- Avasant's Telecom Digital Services 2024 RadarView™

HCLTech positioned as a Leader in ISG Provider Lens™:

- Life Sciences Digital Services – Clinical Development, Commercial Operations – Digital Evolution, Manufacturing Supply Chain, Patient Engagement Pharmacovigilance and Regulatory Affairs – Digital Evolution – Global 2024
- Retail & CPG Services – Platform Modernization Services, Managed Services, Digital Innovation Services, Business Transformation Services – U.S. 2024

Analyst Recognitions

Digital Foundation

HCLTech positioned as a Leader in:

- IDC MarketScape: European Managed Detection and Response Services 2024 Vendor Assessment (doc # EUR151172124, Sep 2024)
- IDC MarketScape: Worldwide Media Consultation, Integration, and Business Operations Cloud Service Providers 2024 Vendor Assessment (doc # US51752224, Jul 2024)
- Everest Group's Digital Workplace Services PEAK Matrix® Assessment 2024 – North America, Europe
- Everest Group's Cybersecurity Services PEAK Matrix® Assessment 2024 – North America
- Everest Group's Open Banking IT Services PEAK Matrix® Assessment 2024
- Avasant's Advanced Network Services 2024 RadarView™
- Avasant's Data Center Managed Services 2024 RadarView™
- Avasant's Digital Workplace Services 2024 RadarView™

HCLTech positioned as a Leader in ISG Provider Lens™:

- Network - Software Defined Solutions and Services - Secure Access Service Edge (SASE), Managed SD-WAN Services- U.S., U.K. 2024
- Network - Software Defined Solutions and Services - SDN Transformation Services (Consulting and Implementation), Edge Technologies and Services (including Private 5G) - U.K., APAC 2024
- Google Cloud Partner Ecosystem - Implementation and Integration Services, Data Analytics and Machine Learning, Managed Services, SAP Workloads - U.S., Europe, APAC 2024
- Google Cloud Partner Ecosystem - Workspace Services - Europe, APAC 2024
- Private/Hybrid Cloud - Data Center Solutions - Hybrid Cloud Management Platforms - Global 2024
- Private Hybrid Cloud - Data Center Services - Managed Services – Large Accounts - U.S., Nordics, Germany 2024
- Private Hybrid Cloud - Data Center Services - Managed Services - APAC 2024
- Cybersecurity – Solutions and Services - Managed Security Services – SOC – Germany, Switzerland, Australia, U.S. Public Sector 2024
- Cybersecurity – Solutions and Services - Managed Security Services – SOC (Large Accounts) - U.S., U.K., France 2024
- Cybersecurity – Solutions and Services - Strategic Security Services (Large Accounts) - U.S., U.K. 2024
- Cybersecurity – Solutions and Services - Technical Security Services (Large Accounts) - U.S. 2024
- Cybersecurity – Solutions and Services - Strategic Security Services – Switzerland, U.S. Public Sector 2024
- Cybersecurity – Solutions and Services - Technical Security Services – U.K., Switzerland, Australia, France 2024
- Cybersecurity – Solutions and Services - Managed Security Services – SOC (Midmarket) - France 2024
- eMobility Services and Solutions – Manufacturing, Mobility as a Service (MaaS) - Global 2024

Analyst Recognitions

Digital Operations

HCLTech positioned as a Leader in:

- Everest Group's Lending Services Operations PEAK Matrix® Assessment 2024
- ISG Provider Lens™: Finance and Accounting Outsourcing (FAO) Services – Financial Planning and Analysis (FPA), Procure to Pay (P2P), Order to Cash (O2C), Record to Report (R2R) – Global 2024

Engineering and R&D Services

HCLTech positioned as a Leader in:

- Avasant's Digital Engineering Services 2024 RadarView™
- Everest Group's Operations-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Everest Group's BFSI-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Everest Group's Healthcare-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Everest Group's Retail-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Everest Group's ISV and Internet-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Everest Group's Media and Entertainment-specific Software Product Engineering Services (SPES) PEAK Matrix® Assessment 2024
- Zinnov Zones Digital Engineering and ER&D Services 2024

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HCLSoftware

- HCLSoftware positioned as a Leader in 2024 Gartner® Magic Quadrant™ for Service Orchestration and Automation Platforms (Hassan Ennaciri, et al., 11 September 2024)*
- Mentioned in the 2024 Shortlist for Matrix Commerce Order Management by Constellation Research
- Mentioned in the 2024 Shortlist for Campaign to Commerce: All-In-One-Commerce Clouds by Constellation Research
- Won 12/12 medals in Paradigm B2B Combine, 2024 Digital Commerce Solutions Enterprise Report Edition
- Won 12/12 medals in Paradigm B2B Combine, 2024 Digital Commerce Solutions Midmarket Report Edition
- Mentioned in the 2024 Shortlist for Content Management System (CMS) – Hybrid by Constellation Research
- Mentioned in the 2024 Shortlist for Customer Data Platforms (CDPs) by Constellation Research
- Mentioned in the 2024 Shortlist for B2B Marketing Automation for the Enterprise by Constellation Research
- Mentioned in the 2024 Shortlist for B2C Marketing Automation for the Enterprise by Constellation Research

Client Recognition

- HCLTech positioned as a Customers' Choice in the 2024 Gartner® Peer Insights™ Voice of the Customer for Custom Software Development Services, Worldwide (Peer Contributors, 26 July 2024)*

Supercharging progress for our communities and the planet

India-focused initiatives through HCLFoundation



- 181 acres of farm established under village action project and 65.2 acres of degraded land reclaimed
- 17,000 people received certificates in Foundational Literacy and Numeracy
- 10,000+ OPD consultations and 5,700+ teleconsultations
- 'Sabzi Mandi' app launched for farmers and vendors



- 7 STEM & Digital Literacy labs inaugurated
- 10,400+ youth given vocational training
- 4,600+ women and entrepreneurs given skills training



HCLTech volunteers and partner organizations participating in coastal clean up activities in Tamil Nadu.



- 48,000 native saplings planted across India
- 18,000+ kgs of coastal and marine debris collected



- 1,600+ applications received for HCLTech Grant, up 40% from last year
- 2,200+ participants attended pan-India symposiums across 8 cities



- 110,000+ kgs of waste managed
- 6,500 citizens sensitized on waste management



- 14,300+ hours of employee volunteering

Global initiatives



Supported summer camp for cancer survivors in Romania



Joined deliberations on "The impact of AI in Education and Employment" at the 10th anniversary of Global Alliance for YOUth, which aims to help young people around the globe with the skills of the future

Annexure

Constant Currency Reporting (Quarter ended)

(Amount in \$M)

HCLTech Revenue	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
Reported Revenue (\$M)	3,224.7	3,415.0	3,429.9	3,363.8	3,445.2
Growth % (CC)					
QoQ	1.0%	6.0%	0.3%	(1.6%)	1.6%
YoY	3.4%	4.3%	6.0%	5.6%	6.2%
HCLTech Services Revenue					
Reported Revenue (\$M)	2,925.1	3,015.0	3,107.8	3,040.5	3,114.2
Growth % (CC)					
QoQ	1.6%	3.1%	3.0%	(1.9%)	1.6%
YoY	3.3%	4.2%	6.7%	5.8%	5.9%
Average Rates for the Quarter					
USD - INR	82.72	83.28	83.10	83.40	83.79
GBP - USD	1.26	1.25	1.27	1.26	1.31
EUR - USD	1.08	1.08	1.08	1.08	1.10
USD - SEK	10.81	10.51	10.43	10.68	10.36
AUD - USD	0.65	0.66	0.66	0.66	0.67

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-Sep-24 (Ind AS)

Consolidated Income Statement

(Amount in ₹ Crores)

Income Statement	Quarter Ended			% of Revenue		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
Revenues	26,672	28,057	28,862	100.0%	100.0%	100.0%
Direct Costs	17,013	18,364	18,789	63.8%	65.5%	65.1%
Gross Profits	9,659	9,692	10,074	36.2%	34.5%	34.9%
Research & Development	404	407	395	1.5%	1.5%	1.4%
SG & A	3,311	3,492	3,309	12.4%	12.4%	11.5%
EBITDA	5,944	5,793	6,369	22.3%	20.6%	22.1%
Depreciation & Amortization	1,010	998	1,007	3.8%	3.6%	3.5%
EBIT	4,934	4,795	5,362	18.5%	17.1%	18.6%
Foreign Exchange Gains/(Loss)	(15)	81	3	(0.1%)	0.3%	0.0%
Other Income, net	209	831	322	0.8%	3.0%	1.1%
Provision for Tax	1,295	1,448	1,450	4.9%	5.2%	5.0%
Non-controlling interest	1	2	2	0.0%	0.0%	0.0%
Net Income	3,832	4,257	4,235	14.4%	15.2%	14.7%
EPS (LTM in ₹)						
Basic	57.05	60.63	62.10			
Diluted	56.95	60.52	62.02			

Cost Breakup in ₹ for Quarter Ended 30-Sep-2024

(Amount in ₹ Crores)

Particulars	Quarter Ended			% of Revenue		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
Employee benefits expense	15,253	16,410	16,523	57.2%	58.5%	57.2%
Outsourcing costs (Subcontractors + Outsourced Work)	3,508	3,541	3,748	13.1%	12.6%	13.0%
Cost of hardware and software sold	402	429	466	1.5%	1.5%	1.6%
Travel and conveyance	272	378	356	1.0%	1.3%	1.2%
Software license fee	249	306	310	0.9%	1.1%	1.1%
Facility Cost*	286	296	296	1.1%	1.1%	1.0%
Recruitment, training and development	57	90	86	0.2%	0.3%	0.3%
Legal and professional charges	141	168	164	0.5%	0.6%	0.6%
Communication costs	134	133	135	0.5%	0.5%	0.5%
CSR Expense	48	60	72	0.2%	0.2%	0.2%
Doubtful debts	40	30	6	0.2%	0.1%	0.0%
Other expenses	338	423	331	1.3%	1.5%	1.1%
Depreciation & Amortization	1,010	998	1,007	3.8%	3.6%	3.5%
Total Costs	21,738	23,262	23,500	81.5%	82.9%	81.4%
EBIT	4,934	4,795	5,362	18.5%	17.1%	18.6%

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

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

Consolidated Income Statement

(Amount in \$M)

Income Statement	Quarter Ended			% of Revenue		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
Revenues	3,224.7	3,363.8	3,445.2	100.0%	100.0%	100.0%
Direct Costs	2,056.8	2,201.7	2,242.7	63.8%	65.5%	65.1%
Gross Profits	1,167.9	1,162.1	1,202.6	36.2%	34.5%	34.9%
Research & Development	48.9	48.8	47.2	1.5%	1.5%	1.4%
SG & A	400.2	418.7	394.9	12.4%	12.4%	11.5%
EBITDA	718.9	694.6	760.5	22.3%	20.6%	22.1%
Depreciation & Amortization	122.2	119.6	120.3	3.8%	3.6%	3.5%
EBIT	596.7	575.0	640.2	18.5%	17.1%	18.6%
Foreign Exchange Gains/(Loss)	(1.8)	(4.9)	0.3	(0.1%)	(0.1%)	0.0%
Other Income, net	25.2	99.6	38.5	0.8%	3.0%	1.1%
Provision for Tax	156.6	173.7	173.0	4.9%	5.2%	5.0%
Non-controlling interest	-	0.2	0.3	0.0%	0.0%	0.0%
Net Income	463.5	495.8	505.7	14.4%	14.7%	14.7%

Cost Breakup in \$ for Quarter Ended 30-Sep-2024

(Amount in \$M)

Particulars	Quarter Ended			% of Revenue		
	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24
Employee benefits expense	1,844.1	1,967.5	1,972.0	57.2%	58.5%	57.2%
Outsourcing costs (Subcontractors + Outsourced Work)	424.0	424.6	447.3	13.1%	12.6%	13.0%
Cost of hardware and software sold	48.6	51.5	55.6	1.5%	1.5%	1.6%
Travel and conveyance	32.9	45.3	42.5	1.0%	1.3%	1.2%
Software license fee	30.0	36.6	37.1	0.9%	1.1%	1.1%
Facility Cost*	34.5	35.5	35.3	1.1%	1.1%	1.0%
Recruitment, training and development	6.9	10.8	10.2	0.2%	0.3%	0.3%
Legal and professional charges	17.0	20.1	19.5	0.5%	0.6%	0.6%
Communication costs	16.2	16.0	16.1	0.5%	0.5%	0.5%
CSR Expense	5.7	7.2	8.6	0.2%	0.2%	0.2%
Doubtful debts	4.9	3.6	0.7	0.2%	0.1%	0.0%
Other expenses	41.0	50.6	39.7	1.3%	1.5%	1.1%
Depreciation & Amortization	122.2	119.6	120.3	3.8%	3.6%	3.5%
Total Costs	2,628.1	2,788.9	2,805.0	81.5%	82.9%	81.4%
EBIT	596.7	575.0	640.2	18.5%	17.1%	18.6%

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-Sep-24	As on 31-Mar-24	As on 30-Sep-24
Assets				
Cash and Cash Equivalents	9,456	9,404	1,134	1,122
Accounts Receivables, net	19,483	18,273	2,337	2,181
Unbilled Receivables	6,038	6,272	724	748
Treasury Investments	18,532	18,779	2,222	2,241
Other Current Assets	5,822	6,414	698	764
Total Current Assets	59,331	59,142	7,115	7,056
Property and Equipment, net	4,999	4,768	600	569
Right-of-use assets	2,910	2,763	349	330
Intangible Assets, net	27,262	27,121	3,271	3,236
Treasury Investments	287	635	34	76
Deferred Tax Assets	1,031	938	124	112
Other Investments	94	99	11	12
Other Assets	3,863	4,297	463	512
Total Assets	99,777	99,763	11,967	11,903
Liabilities & Stockholders Equity				
Other Current Liabilities	21,532	20,407	2,583	2,435
Borrowings	2,327	2,297	280	273
Lease Liabilities	3,429	3,494	411	417
Other Non-Current Liabilities	4,218	4,678	507	557
Total Liabilities	31,506	30,876	3,781	3,682
Non-Controlling Interests	8	12	1	1
Total Stockholders Equity	68,263	68,875	8,185	8,220
Total Equity	68,271	68,887	8,186	8,221
Total Liabilities and Equity	99,777	99,763	11,967	11,903

Consolidated Cash Flow Summary & Cash Position

Particulars	In ₹ Crores		In \$M	
	For Year Ended March 2024	For Quarter Ended September 2024	For Year Ended March 2024	For Quarter Ended September 2024
Profit Before Tax	20,967	5,687	2,531	679
Adjustments for:				
Depreciation, Amortization and Impairment	4,173	1,007	503	120
Others	(785)	(307)	(94)	(35)
Changes in Assets and Liabilities, net:				
Accounts Receivable and Unbilled Receivable	248	384	30	46
Other Assets and Liabilities	2,057	(181)	250	(19)
Income Taxes paid (Net of refunds)	(4,212)	(1,375)	(509)	(165)
Net Operating Cash Flow	22,448	5,215	2,711	626
Purchase of PP&E and Intangibles	(1,048)	(419)	(127)	(50)
Free Cash Flow	21,400	4,796	2,584	576
Payments for Acquisitions	(2,048)	(211)	(248)	(25)
Dividend paid	(14,073)	(3,247)	(1,699)	(387)
Gross Cash & Net Cash				
Cash & Cash Equivalents	9,456	9,404	1,134	1,122
Fixed Deposits including Deposits under lien	11,774	11,871	1,411	1,417
Investment Securities	7,043	7,543	845	900
Gross Cash	28,273	28,818	3,390	3,439
Less: Borrowings	2,327	2,297	280	273
Net Cash	25,946	26,521	3,110	3,166



About HCLTech

HCLTech is a global technology company, home to more than 218,000 people across 59 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 September 2024 totaled \$13.7B. To learn how we can supercharge progress for you, visit hcltech.com.

Contact Details

Investor Relations

Nitin Mohta

nitin.mohta@hcltech.com

+91-120-6126000

Corporate Communications

Ashutosh Sharma

ashutosh.sharma@hcltech.com

+91-120-6126000