

# Q3 FY24

Investor Release

January 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.

# Q3 FY 2024 Highlights

## 1 Revenue

- INR Revenue of ₹ 28,446 Crore, up 6.7% QoQ & up 6.5% YoY
- Constant Currency (CC) Revenue up 6.0% QoQ & up 4.3% YoY
- USD Revenue of US\$ 3,415 Mn, up 5.9% QoQ & up 5.3% YoY

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- Services CC Revenue up 3.1% QoQ & up 4.2% YoY led by growth in Telecommunications, Media, Publishing & Entertainment (up 25.9% QoQ)
- Services Revenue crossed annual run rate of US\$ 12 Bn (₹ 1,00,000 crore)
- Digital CC Revenue up 5.0% YoY; contributes 37.7% of Services

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- Company growth powered by HCLSoftware CC Revenue (up 5.0% YoY)
- HCLSoftware ARR at US\$ 1.06 Bn+, up 2.9% YoY CC

## 2 Profitability & Return Metrics

- EBIT at ₹ 5,615 Crore (19.8% of revenue), up 13.8% QoQ & up 7.4% YoY
- Net Income at ₹ 4,350 Crore (15.3% of revenue), up 13.5% QoQ & up 6.2% YoY
- ROIC (on LTM basis) – Company at 32.8%, up 301 bps YoY; Services at 40.1%, up 273 bps YoY
- OCF at US\$ 2,697 Mn and FCF at US\$ 2,566 Mn (on LTM basis)
- OCF/NI at 142% & FCF/NI at 135% (on LTM basis)
- Dividend of ₹ 12/- per share, 84<sup>th</sup> consecutive quarter of dividend pay-out

## 3 Bookings

- TCV (New Deal wins) at US\$ 1,927 Mn
- Won 18 Large deals – 6 in Services & 12 in Software

## 4 People

- Total People Count at 224,756; Net addition: 3,617
- Added 3,818 freshers
- LTM Attrition at 12.8%\*, (down from 21.7% in Q3 of last year)

## 5 ESG

- HCLTech has been awarded in the Gold Category under Climate Action Reporting of 3rd ICAI Sustainability Reporting Awards 2022-23

## 6 FY'24 Guidance

- Company CC Revenue growth (including ASAP acquisition) expected to be between 5.0% and 5.5% YoY
- EBIT margin expected to be between 18.0% and 19.0%

# Leadership Comments



**Roshni Nadar Malhotra**  
Chairperson  
HCLTech

“We continue to execute efficiently with our differentiated portfolio and enable global enterprises to fast track their digital transformation agendas. We remain committed to scaling our ESG initiatives and helping our clients to achieve their sustainability goals through technology.”



**C Vijayakumar**  
CEO & Managing Director  
HCLTech

“Our results this quarter have been remarkably strong with a revenue growth of 6.0% QoQ in CC driven by strong momentum in both services and software businesses. We delivered a stellar operating margin of 19.8%, a 126 bps improvement QoQ and 16 bps improvement YoY. We are quite excited about the strategic progress HCLSoftware has made over the last year, delivering 5.0% YoY CC revenue growth with a significant increase in subscription & support revenue and consistently growing Annual Recurring Revenue (ARR). We continue to invest in AI, specifically Generative AI as well as cloud native capabilities across our products and services to address evolving client needs. In an uncertain demand environment, we remain confident of our continued growth momentum enabled by our business mix, our people and laser-sharp focus on delivering innovation and hyper-automation to our clients.”



**Prateek Aggarwal**  
Chief Financial Officer  
HCLTech

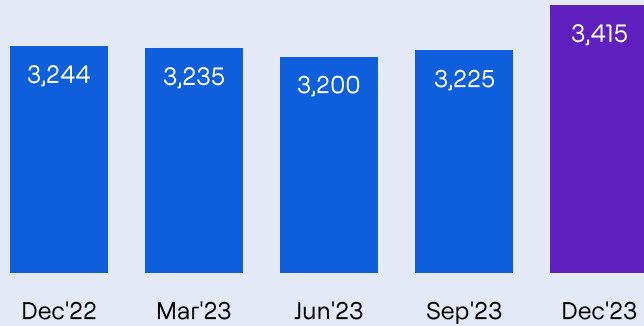
“HCLTech delivered a stellar quarter with sequential growth driven by HCLSoftware, a spurt in the Telecom vertical and ER&D segment. Our Services revenue has crossed a significant milestone of US\$ 12 Billion (Rs 1,00,000 Crores) on a run rate basis. We also delivered the highest ever EBIT of Rs. 5,615 Crores (up 7.4% YoY) and Net Profit of Rs. 4,350 Crores (up 6.2% YoY) this quarter. LTM Return on Invested Capital (ROIC) stands at solid 32.8% for the company (up 301 bps YoY). Cash conversion (on LTM basis) continues to be healthy with OCF/NI at 142% and FCF/NI at 135%.”

# Quarterly Performance Trends – US\$

HCLTech Consolidated

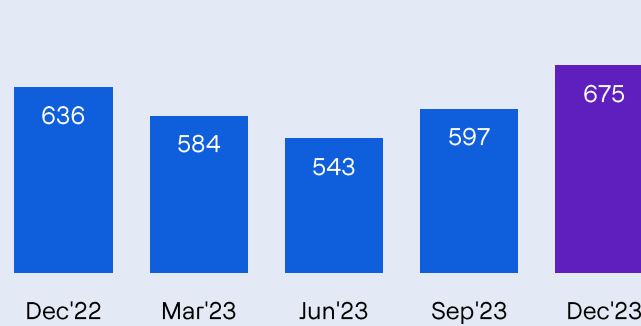
## Revenues

In US\$ Mn



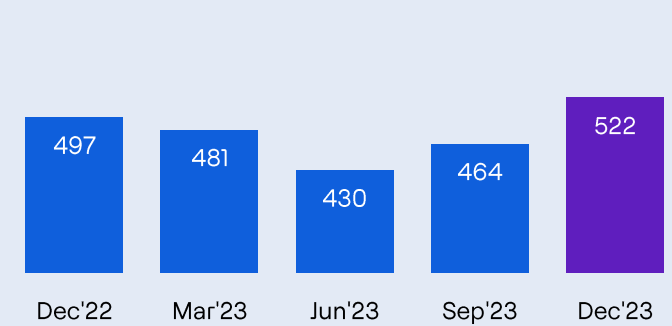
## EBIT

In US\$ Mn



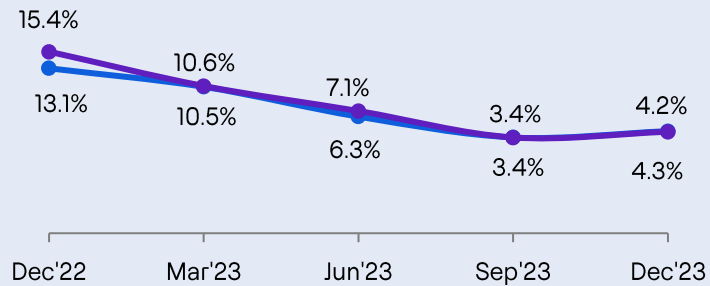
## Net Income

In US\$ Mn

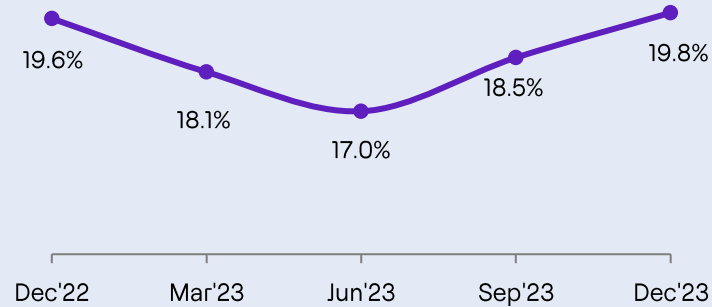


## Revenue Growth

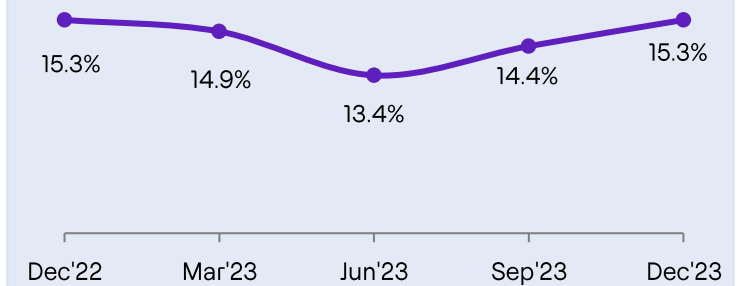
YoY CC Services YoY CC



## EBIT Margin



## Net Income Margin

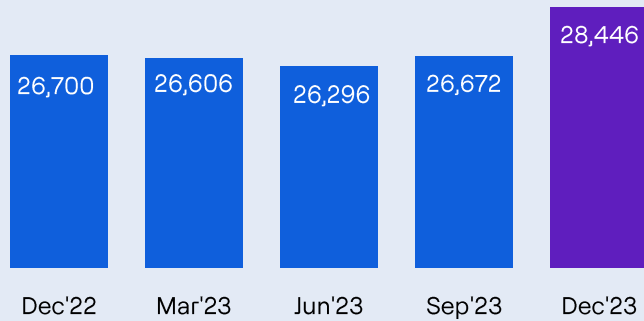


# Quarterly Performance Trends – ₹

HCLTech Consolidated

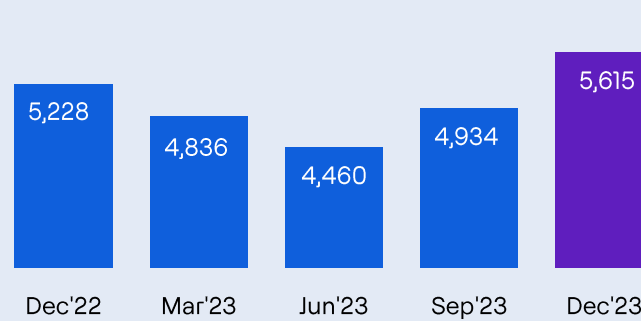
## Revenues

In ₹ Crore



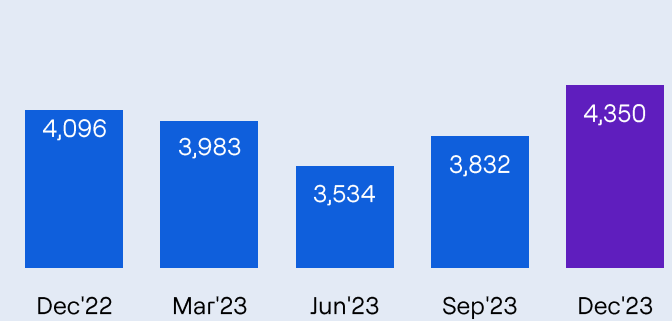
## EBIT

In ₹ Crore



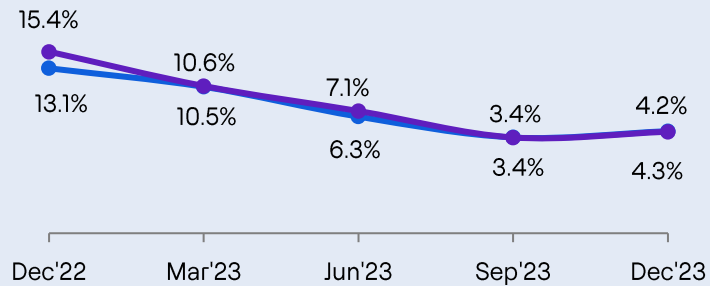
## Net Income

In ₹ Crore

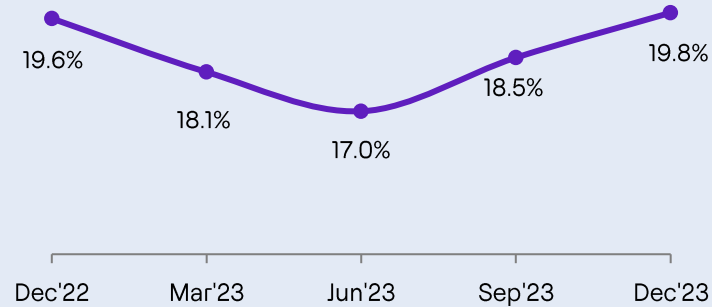


## Revenue Growth

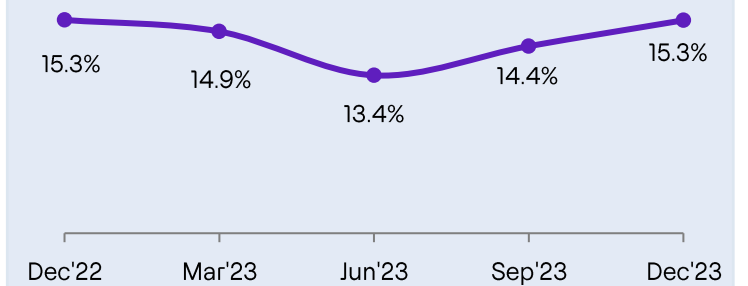
YoY CC Services YoY CC



## EBIT Margin

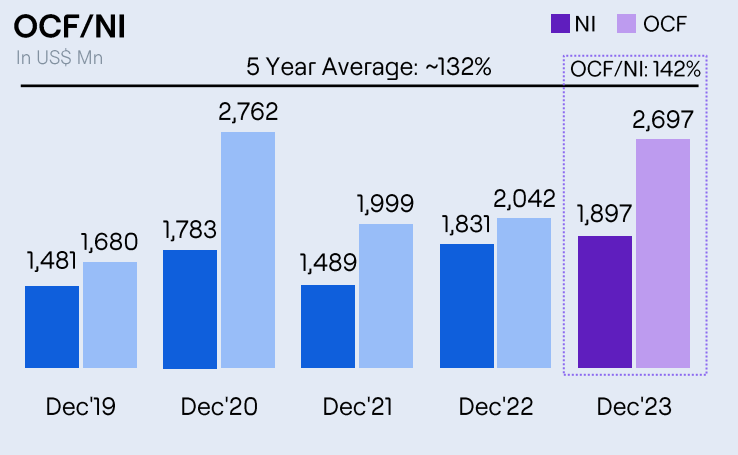
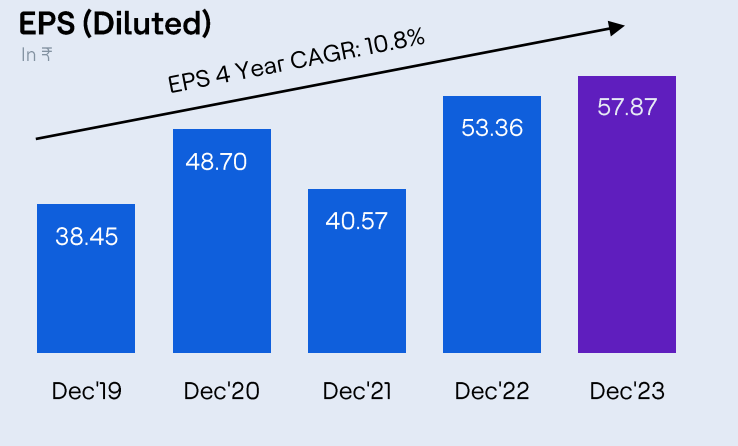


## Net Income Margin



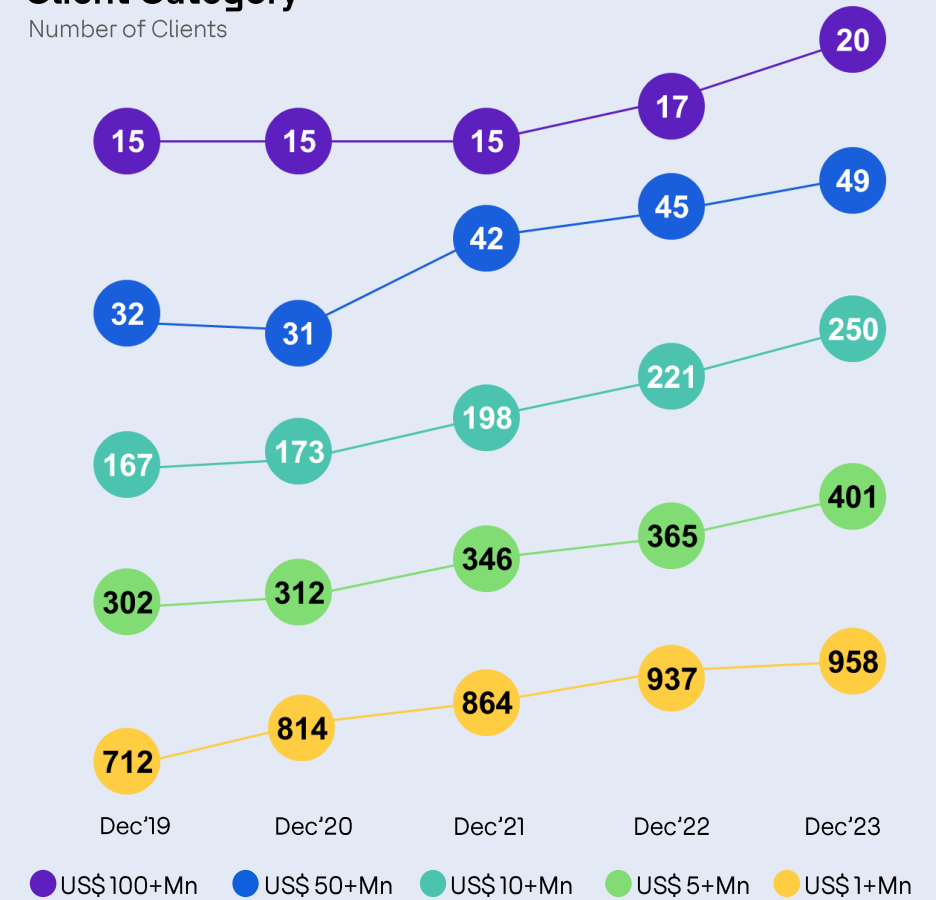
# LTM Performance Trends

## HCLTech Consolidated



### Client Category

Number of Clients



# Segment-wise Highlights for the Quarter ended 31-Dec-23

## HCLTech Consolidated Revenue Mix and Growth

Details	31-Dec-22	30-Sep-23	31-Dec-23	YoY CC Growth	QoQ CC Growth
IT and Business Services (A)	71.7%	74.6%	71.7%	4.3%	1.9%
Engineering and R&D Services (B)	16.6%	16.0%	16.4%	3.6%	8.7%
<b>Services (A + B)</b>	<b>88.2%</b>	<b>90.6%</b>	<b>88.2%</b>	<b>4.2%</b>	<b>3.1%</b>
HCLSoftware (C)	12.3%	9.9%	12.3%	5.0%	32.0%
Inter-segment* (D)	(0.5%)	(0.5%)	(0.4%)		
<b>Total (A + B + C + D)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.3%</b>	<b>6.0%</b>

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

## EBIT Margin

Details	31-Dec-22	30-Sep-23	31-Dec-23	YoY BPS change	QoQ BPS change
IT and Business Services	16.8%	18.1%	17.1%	32	(103)
Engineering and R&D Services	21.6%	19.2%	21.1%	(55)	190
<b>Services</b>	<b>17.7%</b>	<b>18.3%</b>	<b>17.8%</b>	<b>15</b>	<b>(48)</b>
HCLSoftware	32.6%	19.4%	32.9%	32	1,357
<b>Total</b>	<b>19.6%</b>	<b>18.5%</b>	<b>19.8%</b>	<b>16</b>	<b>126</b>



# Return on Invested Capital (ROIC)

(Amount in US\$ Million)

HCLSoftware P&L (Quarter ended)	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Revenues	397.6	342.3	332.5	318.3	419.1
EBITDA	192.9	130.3	116.4	110.4	198.7
EBIT	129.7	78.6	76.1	61.6	138.0
NOPAT	103.5	68.5	59.6	47.5	110.4

Estimated Invested Capital (Quarter ended)	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	Average
HCLTech Services	3,967	3,735	3,732	3,714	3,747	3,779
HCLSoftware	1,799	1,687	1,725	1,635	1,749	1,719
<b>Invested Capital</b>	<b>5,766</b>	<b>5,421</b>	<b>5,457</b>	<b>5,349</b>	<b>5,496</b>	<b>5,498</b>
Cash & Treasury Balance	1,954	2,536	2,395	2,558	2,617	
<b>Total</b>	<b>7,720</b>	<b>7,958</b>	<b>7,852</b>	<b>7,907</b>	<b>8,114</b>	

ROIC (LTM)	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
HCLTech Services	37.4%	37.3%	38.0%	39.4%	40.1%
HCLSoftware	14.3%	15.5%	15.9%	16.2%	16.6%
<b>HCLTech</b>	<b>29.8%</b>	<b>30.4%</b>	<b>31.1%</b>	<b>32.2%</b>	<b>32.8%</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.
- NOPAT = EBIT\*(1 - Effective Tax Rate)
- Average invested capital has been computed using average of last 5 quarters.

# HCLSoftware Metrics

(Amount in US\$ Million)

HCLSoftware Revenue	Quarter Ended				
	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Perpetual License Upfront & Others	71.6	49.8	36.0	30.6	47.6
Subscription & Support	304.2	270.4	277.1	267.1	349.8
Professional Services	21.8	22.0	19.4	20.5	21.6
<b>Total Revenue</b>	<b>397.6</b>	<b>342.3</b>	<b>332.5</b>	<b>318.3</b>	<b>419.1</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				
	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
ARR	1,024.8	1,028.2	1,038.3	1,032.5	1,062.8
ARR Growth YoY CC	3.0%	5.2%	4.7%	3.9%	2.9%

**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.

# Services Revenue Mix and Growth for Quarter ended 31-Dec-23

Services Revenue up **3.1% QoQ** & up **4.2% YoY** in Constant Currency

## By Geographies

Details	31-Dec-22	30-Sep-23	31-Dec-23	YoY CC Growth	QoQ CC Growth
Americas	63.5%	64.5%	64.5%	6.7%	3.1%
Europe	29.1%	28.5%	29.0%	1.7%	5.0%
ROW	7.4%	7.0%	6.4%	(7.5%)	(5.3%)

## By Verticals

Details	31-Dec-22	30-Sep-23	31-Dec-23	YoY CC Growth	QoQ CC Growth
Financial Services	19.9%	22.6%	21.7%	12.9%	(1.3%)
Manufacturing	19.7%	19.3%	20.1%	5.8%	7.6%
Lifesciences & Healthcare	17.1%	17.5%	16.4%	0.5%	(3.2%)
Technology and Services	14.8%	13.1%	12.8%	(9.2%)	0.5%
Telecommunications, Media, Publishing & Entertainment	9.4%	8.0%	9.7%	8.3%	25.9%
Public Services <sup>#</sup>	10.2%	9.9%	9.7%	(0.6%)	0.7%
Retail & CPG	8.9%	9.6%	9.6%	11.7%	2.9%

<sup>#</sup> Public Services include Energy & Utilities, Travel - Transport - Logistics and Government.

# Client Metrics

Number of Million Dollar Clients (LTM)	31-Dec-22	30-Sep-23	31-Dec-23	YoY Change	QoQ Change
100 Million dollar +	17	20	20	3	-
50 Million dollar +	45	49	49	4	-
20 Million dollar +	130	132	132	2	-
10 Million dollar +	221	243	250	29	7
5 Million dollar +	365	402	401	36	(1)
1 Million dollar +	937	971	958	21	(13)

Client Contribution to Revenue (LTM)	31-Dec-22	30-Sep-23	31-Dec-23
Top 5 Clients	10.3%	9.8%	9.8%
Top 10 Clients	18.2%	17.2%	17.7%
Top 20 Clients	28.2%	27.3%	28.0%

Days Sales Outstanding	31-Dec-22	30-Sep-23	31-Dec-23
Days Sales Outstanding*	70	61	67

\* Excluding unbilled receivables

# Overall ISG Star of Excellence Winner



Industry average: 68.9

HCLTech's Overall CX Score

Only service provider to win six 2023 ISG Star Of Excellence Awards

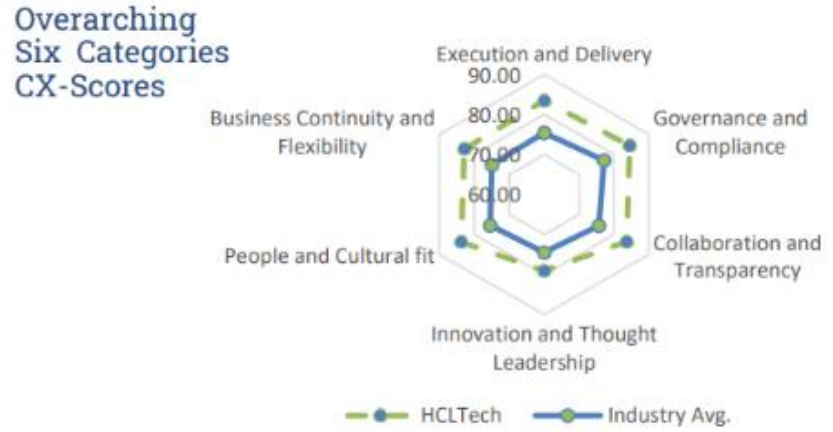
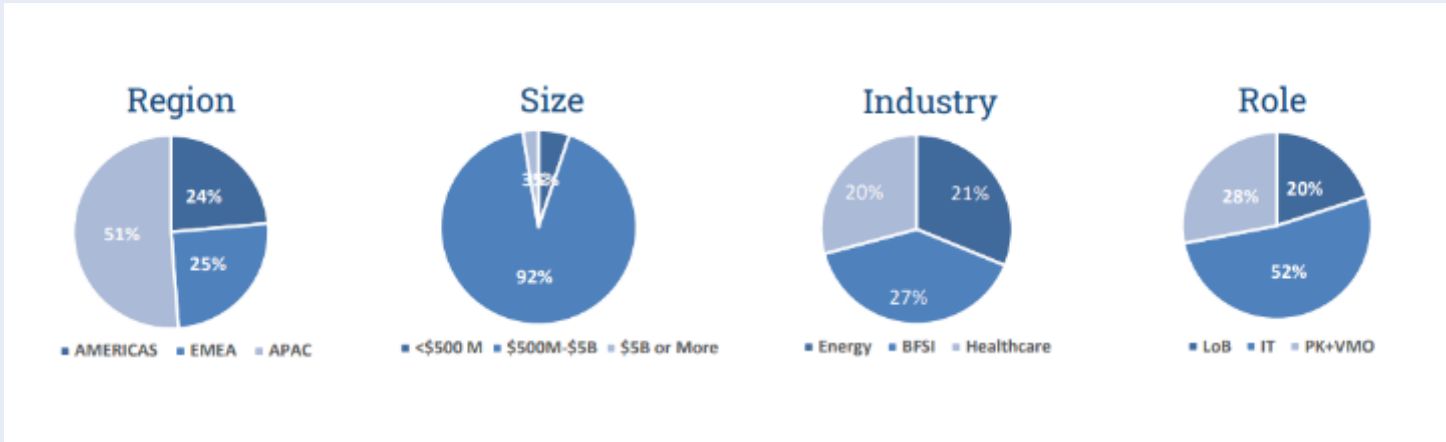
150+ participants evaluated for the awards, based on scores received from 2,250 unique customers

"HCLTech is really a business partner for us, thinking together finding adequate solution to any challenges or changes we might encounter."  
 -- A global leader in gaming industry

HCLTech



## Client Response Characteristics



# Key Deal Wins

In Q3 FY24, HCLTech won **18** large deals – **six** in services and **12** in software – across diverse industries such as Retail & CPG, Life Sciences and Healthcare, Public Services, and Financial Services, and among others

A Fortune 50 CPG company has expanded its digital transformation partnership with HCLTech centered around modern ops, end-to-end full-stack hyper-automation and cloud native services. As part of the new five-year mega deal, HCLTech will expand its services to include GenAI-based modern ops solutions powered by end-to-end hyper-automation-led platforms. This will be in addition to its industry-leading Digital Foundation services that it currently provides to this client.

A Europe-based global financial services provider expanded its partnership with HCLTech to launch its new service offering. HCLTech will provide digital payments platform development services, customer service and operations and FCP (financial crime prevention) operations functions to help the client launch new services across several markets globally.

A Global 50 integrated energy major has selected HCLTech to transform its operating model to a modern, product-aligned one and enable automation adoption with AI for higher efficiencies.

A leading US-based retailer selected HCLTech to provide retail IT operations services. HCLTech's solution will consolidate service providers and deliver an integrated and improved service experience that incorporates AI-based automation solution to drive efficiencies.

A leading US-based global medical technology major has selected HCLTech to modernize its IT infrastructure and digitally transform the workplace experience for its employees in over 50 countries.

A Europe-based global retailer selected HCLTech to accelerate business transformation across its sales, finance, distribution, manufacturing and planning domains. HCLTech will implement advanced digital technologies, including SAP S/4Hana and o9, to modernize the client's legacy IT systems and business processes.

A large Europe-based banking major has selected HCLSoftware's FinOps platform to enable end-to-end visibility across applications and infrastructure monitoring. This will significantly enhance the availability and performance of business-critical applications, leading to faster time-to-market of new products and improved customer experience.

A Europe-based global transportation services provider selected HCL Actian to upgrade and modernize their flight management application to be delivered as a cloud service.

A leading European government agency selected HCL Actian to simplify and accelerate their cloud migration journey, improve digital experience for end users and significantly reduce their carbon footprint to achieve their ESG goals by 2030.

A leading North American retail company selected HCL Commerce Cloud to fuel its digital growth and create a seamless omnichannel experience to delight customers.

A Middle East-based telco selected HCL Unica and HCL BigFix to enable a robust web-based customer interaction platform. The deployment will help the client run real-time and event-driven campaigns to differentiate their marketing strategy. It will also provide an enterprise security platform that will efficiently patch and remediate vulnerabilities across all servers and applications, simplifying security operations.

A large Latin American financial services major selected HCL BigFix as its primary device management platform. The deployment will help the client consolidate its technology assets and manage the lifecycle and compliance of its devices to support high data volumes.

# GenAI Deal Wins

*"...HCLTech could begin to separate itself from IT services peers by emphasizing a grounded practicality mindset and a focus on bringing real solutions to scale..."*

Patrick M. Heffernan, Principal Analyst, TBR Insight Center in ['Reliable, Proven and High Functioning: HCLTech's Cloud-Native and GenAI Labs'](#).

A US-based healthcare provider selected HCLTech to develop multiple GenAI-based solutions for strategic use cases, including clinical library search, nutrition meal plan generation and after-visit notes/transcripts summarization. The solutions will help the clinical staff optimize the time spent on these activities and significantly enhance clinician efficiency.

A US-based financial services company selected HCLTech to develop an innovative GenAI-based mobile payments solution that accepts user inputs through natural language, formulate a detailed money transfer request for user review and approval.

A US-based global communication services provider selected HCLTech to implement GenAI in fields such as software engineering, analytics, network activation, call center agent experience, infrastructure, among others. HCLTech will establish a GenAI Center of Excellence to manage scalability and deliver cost savings in the upcoming years.

A Fortune 50 pharmaceuticals major has forged a partnership with HCLTech to establish a conversational GenAI platform (Retrieval-Augmented Generation), aiming to transform user interactions using high-tech advancements.

A Fortune 100 financial services company selected HCLTech to transform its customer services by leveraging AI. HCLTech used GenAI to ensure faster resolution, leading to improved customer experience.

A leading US-based financial services major selected HCLTech to deliver AI- and automation-based application operations and support to ensure application uptime and enhanced user experiences to reach business objectives. As part of this deal, HCLTech will transform the client's operations, drive automation and enable end-to-end observability, helping the client to get to the bottom of application performance issues much faster.

A leading US-based financial services firm has engaged HCLTech to evaluate GenAI solutions integrated with cloud technology. These solutions are tailor-made for critical applications, featuring areas such as risk management analytics, predictive modeling and anomaly detection.

A leading US-based financial services major selected HCLTech to transform its service desk function by leveraging GenAI. HCLTech is implementing a solution that leverages GenAI and cloud computing and provides valuable insights from call data and service desk transcripts to optimize cost, improve productivity and reduce support effort.

A US-based chemicals manufacturer partnered with HCLTech to enhance its sustainability efforts and develop a state-of-the-art solution for real-time ESG reporting and analytics tools using GenAI. HCLTech will deploy its Net-Zero Intelligent Operations platform that aggregates complex enterprise and plant data, utilizes reinforcement learning and employs human feedback for ESG metric validation.

# People Metrics

Details (Quarter ended)	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
<b>Total People Count</b>	<b>222,270</b>	<b>225,944</b>	<b>223,438</b>	<b>221,139</b>	<b>224,756</b>
Technical	207,920	211,445	209,066	206,745	210,417
Sales and Support	14,350	14,499	14,372	14,394	14,339
<b>Net Addition</b>	<b>2,945</b>	<b>3,674</b>	<b>(2,506)</b>	<b>(2,299)</b>	<b>3,617</b>
Freshers Added	5,892	4,480	1,597	3,630	3,818
Attrition (LTM)*	21.7%	19.5%	16.3%	14.2%	12.8%
Women Employees (%)	29.2%	29.2%	29.0%	29.1%	29.1%

\*Note: Attrition excludes involuntary attrition and DPO.

HCLTech was the highest ranked India-headquartered IT company in the Forbes Best Employers List 2023. Ranked seventh globally in the Professional Services category.

Won ET Human Capital Experience award under the Exceptional Employee Experience ( large enterprise ) category.

Rated as Silver Employer under the India Workplace Equality Index (IWEI).

Positioned as a Leader and a Star Performer in Everest Group's PEAK Matrix® assessment on talent readiness for next-gen IT services 2023

HCLTech's Value Creation Portal is a unique grassroots innovation platform that enables employees to contribute ideas and create value for its clients.

**4,500+** unique employees leveraged Value Creation Portal in Q3 FY24, generating, reviewing and approving **3,000+** ideas and implementing **1,400+** ideas that delivered customer signed-off value worth **\$270** million.

Continuing its tradition of ideapreneurship and a culture of innovation, a total of **41** patents were filed and granted (**16** filings, **25** grants) in Q3 FY24.



# Analyst Recognitions

HCLTech received 60+ 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

- Leader in **Everest Group's Talent Readiness for Next-generation IT Services** PEAK Matrix® Assessment 2023
- Leader in **Avasant's Digital Talent Capability** 2023-2024 RadarView™
- Leader in **IDC MarketScape: Worldwide Experience Design Services** 2023-2024 Vendor Assessment
- Leader in **Avasant's Tech-enabled Sustainability Services** 2023-2024 RadarView™
- Leader in **Avasant's Aerospace & Defence Digital Services** 2023-2024 RadarView™
- Leader in **Everest Group's Healthcare Payer Digital Services** PEAK Matrix® Assessment 2023
- Leader in **HFS Horizons: Retail and CPG Service Providers**, 2023
- Leader in **IDC MarketScape: Worldwide Smart Manufacturing Asset Management Service Providers** 2023-2024 Vendor Assessment
- Leader in **ISG Provider Lens™ - Oil and Gas Industry - Services and Solutions - Next-Gen IT/OT Services** - North America 2023

## Digital Operations

- Leader in **Avasant's Intelligent IT Ops Services** 2023-2024 RadarView™
- Leader in **Everest Group's Lending IT Services** PEAK Matrix® Assessment 2023
- Leader in **ISG Provider Lens™ - Supply Chain Services** - Supply Chain Advisory & Consulting Services, Supply Chain IT Operations Services, Supply Chain BPO Services - US 2023

## ERS

- Leader in **Everest Group's Next-generation Quality Engineering (QE) Services** PEAK Matrix® Assessment 2023
- Leader in **Zinnov Zones Digital Engineering and E&RD Services** 2023
- Leader in **IDC MarketScape: Worldwide Software Engineering Services** 2023 Vendor Assessment

# Analyst Recognitions

## Digital Foundation

- Leader in **Gartner® Magic Quadrant™ for Managed Network Services\***
- Recognized by customers with the **Gartner Peer Insights Customers' Choice distinction** in Voice of the Customer for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide\*
- Leader in **IDC MarketScape: European Human-First Digital Workplace Services 2023** Vendor Assessment
- Leader in **IDC MarketScape: Asia/Pacific Cloud Professional Services 2023–2024** Vendor Assessment
- Leader in **IDC MarketScape: Worldwide Managed Public Cloud Services 2023** Vendor Assessment
- Leader in **Everest Group's Cloud Security Services PEAK Matrix® Assessment 2023**
- Leader in ISG Provider Lens™ in **ISG Provider Lens™ – Multi Public Cloud Services- Consulting & Transformation services** Large Accounts – France, Germany, Nordics, UK, US 2023

## HCLSoftware

- HCL BigFix named a **Strong Performer in The Forrester Wave™ for Unified Endpoint Management, Q4 2023**
- HCL DX named as a **Leader in the Omdia Universe for Digital Experience Management, 2023-24**
- HCL Commerce Cloud named as a **Major Player in the IDC MarketScape for Worldwide Enterprise B2B Digital Commerce Applications, 2023-2024**
- HCL Secure DevOps named as a **Major Player in the IDC MarketScape for the Worldwide Value Stream Management and Agile Project and Portfolio Management, 2023-2024**
- HCL Unica named **Strong Performer in the Quadrant Knowledge Solutions SPARK Matrix™ for Multichannel Marketing Hubs(MMH), 2023**
- HCL DX named as a **Leader in the Quadrant Knowledge Solutions SPARK Matrix™ for Digital Experience Platforms, 2023**
- HCL DX named as a **Major Contender in Everest Group Digital Experience Platform (DXP) Products PEAK Matrix® Assessment 2023**

\*Gartner, Magic Quadrant for Managed Network Services, November 2023. \*Gartner, Voice of the Customer for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide, November 2023. \*Gartner and Magic Quadrant are registered trademarks and service marks of Gartner, Inc. and/or its affiliates and is used herein with permission. All rights reserved. Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. \*Gartner Peer Insights content consists of the opinions of individual end users based on their own experiences, and should not be construed as statements of fact, nor do they represent the views of Gartner or its affiliates. Gartner does not endorse any vendor, product or service depicted in this content nor makes any warranties, expressed or implied, with respect to this content, about its accuracy or completeness, including any warranties of merchantability or fitness for a particular purpose. \*The Gartner content described herein (the "Gartner Content") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this Quarterly report), and the opinions expressed in the Gartner Content are subject to change without notice.

# Awards and Recognitions

Shiv Nadar, Chairman Emeritus and Strategic Advisor to the Board of HCLTech, was named India's top philanthropist in Hurun Philanthropy List 2023.

HCLTech Chairperson Roshni Nadar Malhotra named among the "The World's Most Powerful Women" by Forbes and Fortune; won Business Today Most Powerful Women in Business Award 2023. She was also part of India Today's 'The She List', covering the top 100 women achievers of India.

## Other accolades

- Won the gold award at the 3rd ICAI International Sustainability Reporting Awards for Climate Action Reporting
- IoT solution won Future Digital Award 2023 in the 'Best IoT Device Management Platform' category
- Won gold award at the O'Reilly Awards 2023 in the "Best in Skill Transformation" category
- Achieved AWS Financial Services Competency in recognition for delivering world-class cloud-based offering
- Named IBM Partner Excellence Award in the cloud business category
- Named Veritas Growth Partner of the Year 2023
- Named NetApp GSI Partner of the Year 2023 (Nordics)
- Named Commvault Pioneering GSI Partner of the Year 2023



# Supercharging Progress for Our Communities and the Planet

## India-focused initiatives through HCLFoundation



- 294 rural entrepreneurs supported
- 25 KW solar systems installed in five villages in UP
- 10,600+ adolescent girls screened for anemia
- 'Best Communication in Sanitation: Traditional' award by India Sanitation Coalition

### Special Initiatives

- **Power of One:** Almost 12,000 employee volunteering hours
- **Sports For Change** scholar Rajkumari won bronze in powerlifting at the Asian Para Games. 18 medals won at the Khelo India Para Games.
- **My E-Haat** Conclave brought together industry leaders, artisans and stakeholder for strengthening craft economy



- 370,000+ beneficiaries reached through integrated community programs
- 500+ beneficiaries of social security schemes
- 130 LGBTQIA+ community members trained on Foundation Courses



Almost 350,000 kg waste managed



Reviewed projects from 46 NGOs across 22 states, 4 UTs and 68 districts to get first-hand experience of impact on communities



Restored waterbodies in Gautam Buddha Nagar and Madurai districts

## Global Initiatives



HCLTech Grant Americas garnered almost 100 eligible applications from 10 countries across the Americas. Eligible applications span projects across forest, land restoration, climate education and nature-based solutions.

HCLTech Australia formalized the inaugural 'Innovate Reconciliation Action Pact' to deliver a positive and lasting impact for Aboriginal and Torres Strait Islander people and communities.

Supplied dry ration kits to 8,500+ families affected by cyclone Michuang

# Annexure

# Constant Currency Reporting (Quarter ended)

(Amount in US\$ Million)

HCLTech Revenue	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Reported Revenue (US\$ Mn)	3,244.0	3,234.6	3,200.0	3,224.7	3,415.0
<b>Growth % (CC)</b>					
QoQ	5.0%	(1.2%)	(1.3%)	1.0%	6.0%
YoY	13.1%	10.5%	6.3%	3.4%	4.3%
<b>HCLTech Services Revenue</b>					
Reported Revenue (US\$ Mn)	2,862.2	2,906.6	2,882.7	2,922.0	3,010.8
<b>Growth % (CC)</b>					
QoQ	2.2%	0.6%	(1.0%)	1.6%	3.1%
YoY	15.4%	10.6%	7.1%	3.4%	4.2%
<b>Average Rates for the Quarter</b>					
USD - INR	82.34	82.30	82.17	82.72	83.28
GBP - USD	1.19	1.22	1.25	1.26	1.25
EUR - USD	1.03	1.07	1.09	1.08	1.08
USD - SEK	10.63	10.40	10.60	10.81	10.51
AUD - USD	0.66	0.68	0.67	0.65	0.66

# Financials in ₹ for the Quarter ended 31-Dec-23 (Ind AS)

## Consolidated Income Statement

(Amount in ₹ Crores)

Income Statement	Quarter Ended			% of Revenue		
	31-Dec-22	30-Sep-23	31-Dec-23	31-Dec-22	30-Sep-23	31-Dec-23
<b>Revenues</b>	<b>26,700</b>	<b>26,672</b>	<b>28,446</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct Costs	16,720	17,013	17,998	62.6%	63.8%	63.3%
<b>Gross Profits</b>	<b>9,980</b>	<b>9,659</b>	<b>10,448</b>	<b>37.4%</b>	<b>36.2%</b>	<b>36.7%</b>
Research & Development	415	404	418	1.6%	1.5%	1.5%
SG & A	3,200	3,311	3,272	12.0%	12.4%	11.5%
<b>EBITDA</b>	<b>6,365</b>	<b>5,944</b>	<b>6,758</b>	<b>23.9%</b>	<b>22.3%</b>	<b>23.8%</b>
Depreciation & Amortization	1,136	1,010	1,143	4.3%	3.8%	4.0%
<b>EBIT</b>	<b>5,228</b>	<b>4,934</b>	<b>5,615</b>	<b>19.6%</b>	<b>18.5%</b>	<b>19.8%</b>
Foreign Exchange Gains/(Loss)	3	(15)	29	0.0%	(0.1%)	0.1%
Other Income, net	141	209	230	0.5%	0.8%	0.8%
Provision for Tax	1,276	1,295	1,523	4.8%	4.9%	5.4%
Non-controlling interest	0	1	1	0.0%	0.0%	0.0%
<b>Net Income</b>	<b>4,096</b>	<b>3,832</b>	<b>4,350</b>	<b>15.3%</b>	<b>14.4%</b>	<b>15.3%</b>
<b>EPS (LTM in ₹)</b>						
<b>Basic</b>	<b>53.41</b>	<b>57.05</b>	<b>57.98</b>			
<b>Diluted</b>	<b>53.36</b>	<b>56.95</b>	<b>57.87</b>			

# Cost Breakup in ₹ for Quarter Ended 31-Dec-2023

(Amount in ₹ Crores)

Particulars	Quarter Ended			% of Revenue		
	31-Dec-22	30-Sep-23	31-Dec-23	31-Dec-22	30-Sep-23	31-Dec-23
Employee benefits expense	14,163	15,253	15,862	53.0%	57.2%	55.8%
Outsourcing costs (Subcontractors + Outsourced Work)	3,865	3,508	3,732	14.4%	13.1%	13.1%
Cost of hardware and software sold	654	402	350	2.4%	1.5%	1.2%
Travel and conveyance	319	272	311	1.2%	1.0%	1.1%
Software license fee	256	249	251	1.0%	0.9%	0.9%
Facility Cost*	290	286	306	1.1%	1.1%	1.1%
Recruitment, training and development	134	57	69	0.5%	0.2%	0.2%
Legal and professional charges	127	141	139	0.5%	0.5%	0.5%
Communication costs	122	134	149	0.5%	0.5%	0.5%
CSR Expense	46	48	71	0.2%	0.2%	0.2%
Doubtful debts	9	40	37	0.0%	0.2%	0.1%
Other expenses	350	338	409	1.3%	1.3%	1.4%
Depreciation & Amortization	1,137	1,010	1,144	4.3%	3.8%	4.0%
<b>Total Costs</b>	<b>21,472</b>	<b>21,738</b>	<b>22,831</b>	<b>80.4%</b>	<b>81.5%</b>	<b>80.2%</b>
<b>EBIT</b>	<b>5,228</b>	<b>4,934</b>	<b>5,615</b>	<b>19.6%</b>	<b>18.5%</b>	<b>19.8%</b>

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



# Financials in US\$ for the Quarter ended 31-Dec-23 (IFRS)

## Consolidated Income Statement

(Amount in US\$ Million)

Income Statement	Quarter Ended			% of Revenue		
	31-Dec-22	30-Sep-23	31-Dec-23	31-Dec-22	30-Sep-23	31-Dec-23
<b>Revenues</b>	<b>3,244.0</b>	<b>3,224.7</b>	<b>3,415.0</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Direct Costs	2,031.1	2,056.8	2,160.5	62.6%	63.8%	63.3%
<b>Gross Profits</b>	<b>1,212.9</b>	<b>1,167.9</b>	<b>1,254.5</b>	<b>37.4%</b>	<b>36.2%</b>	<b>36.7%</b>
Research & Development	50.4	48.9	49.9	1.6%	1.5%	1.5%
SG & A	388.4	400.2	392.4	12.0%	12.4%	11.5%
<b>EBITDA</b>	<b>774.2</b>	<b>718.9</b>	<b>812.2</b>	<b>23.9%</b>	<b>22.3%</b>	<b>23.8%</b>
Depreciation & Amortization	138.3	122.2	137.3	4.3%	3.8%	4.0%
<b>EBIT</b>	<b>635.9</b>	<b>596.7</b>	<b>674.9</b>	<b>19.6%</b>	<b>18.5%</b>	<b>19.8%</b>
Foreign Exchange Gains/(Loss)	0.0	(1.8)	3.6	0.0%	(0.1%)	0.1%
Other Income, net	16.8	25.2	27.3	0.5%	0.8%	0.8%
Provision for Tax	155.8	156.6	182.9	4.8%	4.9%	5.4%
Non-controlling interest	0.0	-	0.2	0.0%	0.0%	0.0%
<b>Net Income</b>	<b>496.8</b>	<b>463.5</b>	<b>522.7</b>	<b>15.3%</b>	<b>14.4%</b>	<b>15.3%</b>
<b>EPS (LTM in ₹)</b>						
<b>Basic</b>	<b>53.41</b>	<b>57.05</b>	<b>57.98</b>			
<b>Diluted</b>	<b>53.36</b>	<b>56.95</b>	<b>57.87</b>			

# Cost Breakup in US\$ for Quarter Ended 31-Dec-2023

(Amount in US\$ Million)

Particulars	Quarter Ended			% of Revenue		
	31-Dec-22	30-Sep-23	31-Dec-23	31-Dec-22	30-Sep-23	31-Dec-23
Employee benefits expense	1,720.3	1,844.1	1,904.0	53.0%	57.2%	55.8%
Outsourcing costs (Subcontractors + Outsourced Work)	468.6	424.0	447.9	14.4%	13.1%	13.1%
Cost of hardware and software sold	80.2	48.6	41.8	2.5%	1.5%	1.2%
Travel and conveyance	38.8	32.9	37.3	1.2%	1.0%	1.1%
Software license fee	31.3	30.0	30.2	1.0%	0.9%	0.9%
Facility Cost*	35.1	34.5	36.7	1.1%	1.1%	1.1%
Recruitment, training and development	16.2	6.9	8.3	0.5%	0.2%	0.2%
Legal and professional charges	15.4	17.0	16.7	0.5%	0.5%	0.5%
Communication costs	14.7	16.2	17.9	0.5%	0.5%	0.5%
CSR Expense	5.5	5.7	8.5	0.2%	0.2%	0.2%
Doubtful debts	1.1	4.9	4.4	0.0%	0.2%	0.1%
Other expenses	42.6	41.0	49.0	1.3%	1.3%	1.4%
Depreciation & Amortization	138.3	122.2	137.3	4.3%	3.8%	4.0%
<b>Total Costs</b>	<b>2,608.1</b>	<b>2,628.1</b>	<b>2,740.1</b>	<b>80.4%</b>	<b>81.5%</b>	<b>80.2%</b>
<b>EBIT</b>	<b>635.9</b>	<b>596.7</b>	<b>674.9</b>	<b>19.6%</b>	<b>18.5%</b>	<b>19.8%</b>

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

# Consolidated Balance Sheet (₹ and US\$)

Particulars	In ₹ Crores		In US\$ Million	
	As on 31-Mar-23	As on 31-Dec-23	As on 31-Mar-23	As on 31-Dec-23
<b>Assets</b>				
Cash and Cash Equivalents	9,065	9,116	1,103	1,096
Accounts Receivables, net	19,572	21,076	2,381	2,534
Unbilled Receivables	5,934	5,282	722	635
Treasury Investments	13,647	14,461	1,661	1,738
Other Current Assets	5,359	5,804	652	698
<b>Total Current Assets</b>	<b>53,577</b>	<b>55,739</b>	<b>6,520</b>	<b>6,701</b>
Property and Equipment, net	5,411	5,225	659	628
Right-of-use assets	2,337	2,673	284	321
Intangible Assets, net	26,911	27,829	3,276	3,346
Treasury Investments	378	571	46	69
Deferred Tax Assets	1,252	897	152	108
Other Investments (incl. equity method investment)	110	108	14	13
Other Assets	3,435	3,764	418	452
<b>Total Assets</b>	<b>93,411</b>	<b>96,806</b>	<b>11,370</b>	<b>11,638</b>
<b>Liabilities &amp; Stockholders Equity</b>				
<b>Total Current Liabilities</b>	<b>20,420</b>	<b>20,450</b>	<b>2,485</b>	<b>2,459</b>
Borrowings	2,251	2,369	274	285
Lease Liabilities	2,535	3,004	308	361
Other Liabilities	2,807	3,483	342	419
<b>Total Liabilities</b>	<b>28,013</b>	<b>29,306</b>	<b>3,409</b>	<b>3,524</b>
Non-Controlling Interests	(7)	(1)	(1)	-
Total Stockholders Equity	65,405	67,501	7,962	8,114
<b>Total Equity</b>	<b>65,398</b>	<b>67,500</b>	<b>7,961</b>	<b>8,114</b>
<b>Total Liabilities and Equity</b>	<b>93,411</b>	<b>96,806</b>	<b>11,370</b>	<b>11,638</b>

# Consolidated Cash Flow Summary & Cash Position

Particulars	In ₹ Crores		In US\$ Million	
	For Year Ended March 2023	For Quarter Ended December 2023	For Year Ended March 2023	For Quarter Ended December 2023
<b>Profit Before Tax</b>	<b>19,488</b>	<b>5,874</b>	<b>2,413</b>	<b>705</b>
<b>Adjustments for:</b>				
Depreciation, Amortization and Impairment	4,145	1,143	514	137
Others	(620)	(174)	(78)	(21)
<b>Changes in Assets and Liabilities, net:</b>				
Accounts Receivable and Unbilled Receivable	(3,240)	(2,431)	(400)	(294)
Other Assets and Liabilities	1,934	1,193	241	147
Income Taxes paid (Net of refunds)	(3,698)	(1,755)	(460)	(212)
<b>Net Operating Cash Flow</b>	<b>18,009</b>	<b>3,850</b>	<b>2,230</b>	<b>462</b>
Purchase of Property, Plant and Equipment and Intangibles	(1,661)	(199)	(206)	(24)
<b>Free Cash Flow</b>	<b>16,348</b>	<b>3,651</b>	<b>2,024</b>	<b>438</b>
<b>Payments for Acquisitions</b>	<b>(738)</b>	<b>-</b>	<b>(96)</b>	<b>-</b>
<b>Dividend paid</b>	<b>(12,995)</b>	<b>(3,248)</b>	<b>(1,614)</b>	<b>(389)</b>
<b>Gross Cash &amp; Net Cash</b>				
Cash & Cash Equivalents	9,065	9,116	1,103	1,096
Fixed Deposits including Deposits under lien	8,638	9,464	1,051	1,137
Investment Securities	5,385	5,566	655	669
<b>Gross Cash</b>	<b>23,089</b>	<b>24,146</b>	<b>2,810</b>	<b>2,901</b>
Less: Borrowings	2,251	2,369	274	285
<b>Net Cash</b>	<b>20,838</b>	<b>21,777</b>	<b>2,536</b>	<b>2,617</b>



# About HCLTech

HCLTech is a global technology company, home to more than 224,000 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 December 2023 totaled \$ 13.1 billion. To learn how we can supercharge progress for you, visit [hcltech.com](https://hcltech.com).

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