

HCL TECHNOLOGIES

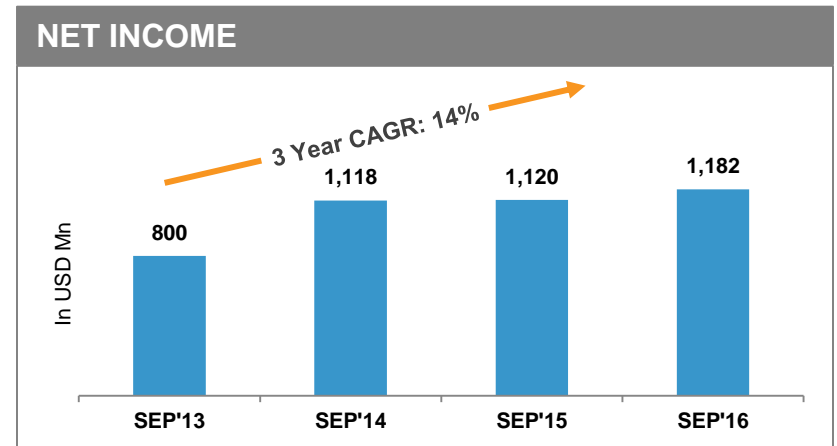
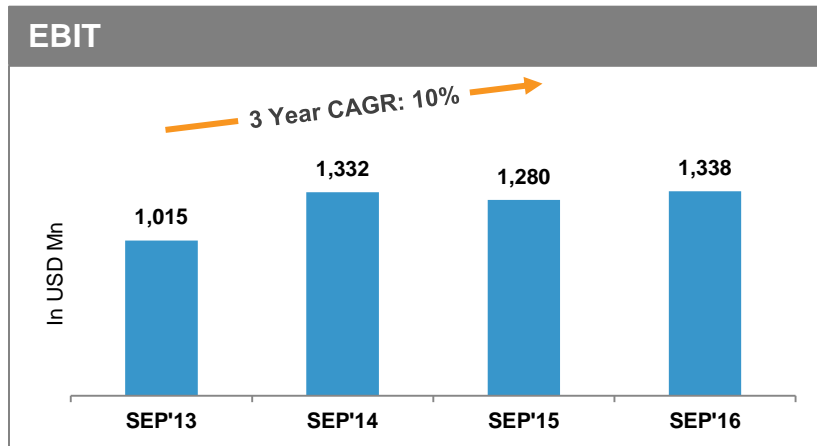
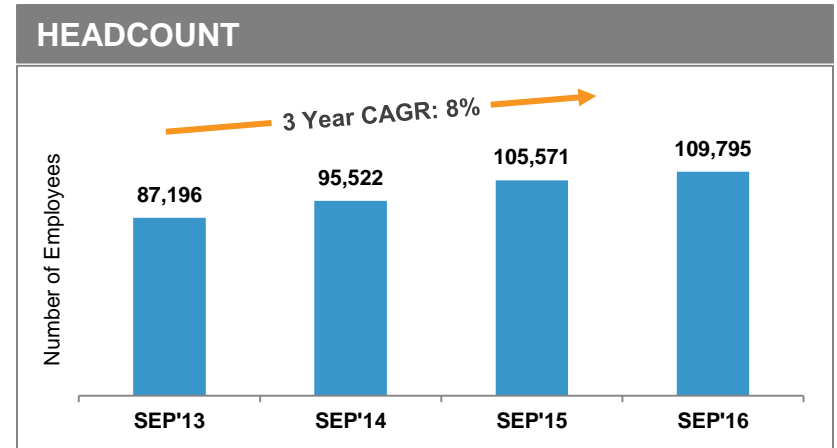
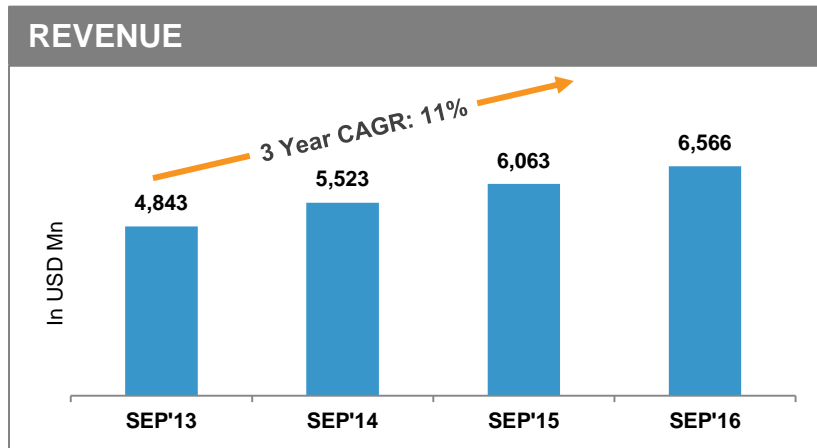
EARNINGS PRESENTATION | SECOND QUARTER FY'17

Performance Snapshot

C VIJAYAKUMAR

PERFORMANCE TRENDS

ON LTM BASIS



CONSISTENT AND BROAD BASED GROWTH

REVENUE GROWTH (IN CONSTANT CURRENCY)

GROWTH ENGINES		Segments	Quarter Ended	12 Months Ended
Broad based Growth			30-Sep-16	30-Sep-16
Geo Drivers	Americas and Europe		QoQ	LTM YoY
				Consolidated
		Americas	5.5%	14.9%
		Europe	-2.1%	8.2%
		ROW	2.0%	-6.1%
		<hr/>		
Growth Services	Engineering and R&D Services, Infrastructure Services	Application Services	1.4%	4.7%
		Infrastructure Services	4.4%	21.4%
		Engineering and R&D Services	2.3%	5.7%
		Business Services	2.1%	2.5%
		<hr/>		
Growth Verticals	Life Sciences & Healthcare, Telecom and MP&E, Public Services, Retail & CPG, Fintech	Financial Services	5.6%	5.3%
		Manufacturing	-0.9%	7.1%
		Life Sciences & Healthcare	8.2%	15.9%
		Public Services	-3.7%	25.0%
		Retail & CPG	7.7%	21.6%
		Telecommunications, Media, Publishing & Entertainment	6.1%	14.9%
				<hr/>

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

HCL GROWTH STRATEGY FOR FY'17 & BEYOND

HCL 21CE	Business Type		Highlights
<p>Mode 1 Agile & Lean + Service Oriented</p>	<ul style="list-style-type: none"> Application Services Infrastructure Services Engineering and R&D Services Business Process Outsourcing 	<p>DRYICE™ Autonomics</p>	<ul style="list-style-type: none"> Existing Core Services with strong market momentum Large under-serviced market opportunities Continue to Increase participation & win rates
<p>Mode 2 Experience-centric & Outcome Oriented</p>	<ul style="list-style-type: none"> BEYONDigital™ IoT WorkS™ Cloud Cyber Security 	<p>DRYICE™ Orchestration</p>	<ul style="list-style-type: none"> Businesses @ Infection points , right timing to step up the game High Acceleration / High growth opportunities business Fragmented market with no clear leaders Continue to build strong organic & inorganic capabilities
<p>Mode 3 Eco-System Driven</p>	<ul style="list-style-type: none"> Products & Platforms 		<ul style="list-style-type: none"> Innovative IP Partnership opportunities Create Market permissions for Product & Platform businesses Modest goals driven by strategic opportunities

PERFORMANCE SNAPSHOT

SERVICE LINES

	Q2'17 Growth in CC		
	QoQ	YoY	
Application Services	1.4%	5.6%	<ul style="list-style-type: none"> ■ A Fortune 500 specialty retailer engaged HCL to transform its business and IT applications landscape by deploying standardized SAP template across UK and multiple European countries ■ HCL won a deal with a leading US based electric supplier for transformational applications services around the Microsoft Dynamics CRM platform, applications testing and support
Infrastructure Services	4.4%	30.0%	<ul style="list-style-type: none"> ■ HCL has been selected by a UK based Global 500 Banking and Financial Services Corporation for transforming its end user computing landscape and driving industry best practices, automation & service improvements ■ Engagement with Global 2000 specialty chemicals company in the DACH region for next-generation managed datacenter, communications & collaboration services, enabling client on its cloud and automation journey. ■ A leading American diabetic care medical devices & solutions provider chose HCL to transform, build, host, migrate and operate greenfield IT infrastructure as well as applications migration and transformation
Engineering and R&D Services	2.3%	3.3%	<ul style="list-style-type: none"> ■ A leading Fortune 500 global financial services corporation selected HCL as its engineering services partner for consolidation of mobility and retail partner programs, and providing services in the areas of new product development, product sustenance, end-of-life management and compliance ■ Strategic partner for a leading North America based automotive manufacturer and supplier to provide advanced engineering, new product development, verification & validation activities and product sustenance ■ Europe based Aerospace In-flight entertainment player chose HCL for delivering business outcomes in the areas of new product development and integrated engineering

EXPERIENCE-CENTRIC AND OUTCOME-ORIENTED

BEYOND DIGITAL™, IOT WORKS™, CLOUD AND CYBER SECURITY

BEYOND Digital™

- BEYOND Digital™ – Integrated end-to-end model for digital transformation
- 'Design Studio', a state-of-the-art facility in Dallas, to help clients reimagine and transform their business
- Engagement with a leading global pharmaceutical company for user experience transformation with digitalization and persona-based 123Design™ at the core
- Leading Europe based specialty healthcare company chose HCL for digital consulting, implementing digital channels and predictive intelligent analytics
- HCL has been selected by a global payment services leader to provide payment engineering and product development services for its Europe and US markets.

IoT WorKS™

- IoT WorKS™: End-to-end IoT solutions and offerings for tangible business outcomes for 21st Century Enterprises
- Joint GTM & business development with strategic partners like IBM and incubation center in Redmond focusing on Microsoft Azure IoT suite
- A UK based Global 200 medical devices company selected HCL for next-generation global patient health management platform based on Microsoft Azure IoT cloud, to provide remote monitoring and connected care services to over one million patients in more than 80 countries
- A leading multinational orthopedic medical devices company chose HCL for cloud-based IoT for real time tracking of surgical kits and reduce costs
- A leading North America based irrigation management solutions provider chose HCL to design and develop an IoT enabled next-generation platform to integrate weather data with irrigation equipment

Cloud

- HCL's portfolio across Digital, Engineering, Application & Infrastructure Services positions it strongly to capitalize on the Cloud Services Opportunity
- A Fortune 200 global manufacturer engaged HCL for its Cloud/PaaS (Platform-as-a-Service) transformation journey on Azure platform
- A Fortune 100 global pharmaceutical company chose HCL for implementing and integrating SaaS-based data transformation platform, enabling automated submission of data for compliance & reporting
- Selected as a strategic partner to implement an integrated cloud-based marketing platform for a leading Europe based Global 2000 media and publishing company

Security

- End to end enterprise security projects across InfoSec Consulting, SOC Services, GRC, Identity & Access Management, Platform Engineering and Threat Protection.
- Innovative & differentiated solutions based on intelligent analytics and automation to tackle emerging needs
- HCL chosen by a leading Global 100 healthcare and pharmaceutical major based out of DACH region for managing its worldwide Secure Internet Gateway, strengthening the enterprise security landscape.
- A leading US based provider of toll-free related communications solutions chose HCL for datacenter services with emphasis on perimeter, server & application security and implementing security controls

ECOSYSTEM DRIVEN

- HCL Mode 3 growth strategy is ecosystem-driven, leveraging innovative IP-partnerships to build products and platform business, targeting specific next-generation opportunities in the market.
- As announced last quarter, HCL and IBM entered into a 15 year strategic IP-partnership in the areas of Automation and DevOps solutions. Through this partnership, the partners aim to build and grow the long term product roadmaps for Tivoli Workload Scheduler, Rational Testing, Rational Change & Configuration Management and Rational Modeling & Construction.
- This quarter, HCL and IBM extended their strategic IP-partnership to cover API/web service enablement for mainframes. HCL will be investing ~\$55 million in this partnership.

Performance Snapshot

RAHUL SINGH

PERFORMANCE SNAPSHOT

FINANCIAL SERVICES

Performance Highlights			
Revenue Growth	30-Sep-16		
(Constant Currency)	QoQ	YoY	LTM YoY
Financial Services	5.6%	5.6%	5.3%

Performance Drivers	
<ul style="list-style-type: none"> ■ Focused New Account/ Geo strategy <ul style="list-style-type: none"> ▪ New agreement signed with Top 5 Global bank ▪ Multiple similar agreements with Mid-tier institutions ■ Redefined RTB propositions <ul style="list-style-type: none"> ▪ Meeting Gen 2/3 outsourcing needs ▪ Renewals in Apps and BPO 	<ul style="list-style-type: none"> ■ Focus on Digital <ul style="list-style-type: none"> ▪ UX & Customer Experience ▪ Data and Analytics ▪ IT simplification ▪ New delivery models – Agile/ DevOps ■ Partnering with Fintech companies with investments towards digital and cloud services

Disruptions for Business
<ul style="list-style-type: none"> ■ Change in FS Businesses <ul style="list-style-type: none"> ▪ Retail: Demographics and Behavioral Change ▪ Capital Markets: Low Interest Rate, Regulations ▪ Fintech Disruptions ■ Growth of Digital and Disruptive Technologies <ul style="list-style-type: none"> ▪ Innovations in Omni Channel - Customer experience ▪ Technology Debt – Legacy Modernization, Process automation ▪ Public Cloud becomes Mainstay ▪ Block chain the next frontier ■ Change in buying behavior <ul style="list-style-type: none"> ▪ Internalization, Role of Captives & Localization ▪ Vendor Consolidation Driving Gen 2/3 Outsourcing

HCL Differentiators
<ul style="list-style-type: none"> ■ Innovation, Outcome–linked engagements and Partnership Orientation ■ DryICE™ IP: Automation led propositions in RUN as well as Straight-through-Processing ■ ‘Co-innovation’ approach winning end-customer mindshare and leading to larger Digital opportunities ■ Target operating models: combining conventional outsourcing, platform plays and cloud based offerings ■ Strategic investments and New clients acquired, Celerity Fintech, Near Shore Centres

Performance Snapshot

KARAN PURI

PERFORMANCE SNAPSHOT

CONSUMER & COMMERCIAL INDUSTRIES

Performance Highlights

Revenue Growth	30-Sep-16		
	QoQ	YoY	LTM YoY
(Constant Currency)			
Manufacturing	-0.9%	10.4%	7.1%
Retail & CPG	7.7%	34.2%	21.6%
Telecom (SP), MPE	6.1%	10.8%	14.9%
Lifesciences & Healthcare	8.2%	14.2%	15.9%
Public Services	-3.7%	24.1%	25.0%

Performance Drivers

- Establishing leading position in BEYONDigital™ & Modern Applications space in **Telecom, Retail CPG and Life Sciences & Healthcare, TTLH, Oil & Gas, Energy & Utilities, Aero & Defense and Manufacturing.**
- HCL repositioned itself in **Telecom** space as an **Integrated Services** player in IOT, OTT, Digital & Analytics space with **multi million** + Telecom Transformation deal
- HCL will help a leading global pharmaceutical company for User Experience Transformation through innovation
- HCL signed a Connected Digital Health IoT deal with one of the world's largest medical device company & a leading irrigation management solutions provider chose HCL to design & develop an IoT enabled platform integrating weather data with irrigation equipment
- A leading US based water utility selected HCL for an SAP S/4HANA engagement

Disruptions for Business

- **Telecom** industry has witnessed an onslaught of disruptive trends – digital media and apps, competition from over-the-top (OTT) players, rise of IoT, cloud computing, mobile advertising, and Big Data, impacting customer experience metrics and measuring standards.
- Internet of Everything and Digitalization will continue to drive **TTL** industry. Significant development in wearables, augmented reality, especially in virtual reality for Warehouses to improve the efficiency of today's processes as they relate to the supply chain.
- **Manufacturing:** Trend towards digital manufacturing, smart manufacturing and Industrial IoT
- **Oil & Gas:** IoT and Digital led solutions such as digital oil field, real-time field information, sub surface and production information
- **Life Sciences and Healthcare:** IoT and Digitalization driving Remote Health Monitoring, Remote Device Management, Drug Efficacy Tracking

HCL Differentiators

- HCL's strategies aligned to end-to-end digitalization value chain, accelerating organizations' ability to meet their business objectives
- IoT WorkSTM continues to impact business outcomes for enterprises
- **Gartner** Recognized HCL as the Industry's leading **Innovation Partner** in **Media & Entertainment** Domain
- Rated as leader in Everest Group **Life Sciences** IT Application Services PEAK Matrix™ assessment
- Rated as Leader and Star Performer in Everest **Life Sciences** Digital IT Services PEAK Matrix™ assessment
- Customer Experience Management (CEM) 360 solution for human-centric, multi-channel customer experiences
- HCL has been placed in "High Performers" category in first blueprint on Energy (**Oil & Gas**) Operations published by HfS Research

Financial Analysis

ANIL CHANANA

CONSOLIDATED INCOME STATEMENT (IN US\$ MILLION)

Q2, FY'17

- Revenue at **US\$ 1,722 Mn**; up **1.9% QoQ** in reported currency
- Constant currency revenue growth at **2.8% QoQ** and **10.6%** on **LTM YoY**
- EBIT at \$ 347 Mn, up by 15.9% YoY
- Annualized GAAP EPS (Diluted) – **INR 57**

Income Statement (US GAAP – US\$ Mn)	30-Sep-15	30-Jun-16	30-Sep-16	Growth	
				YoY	QoQ
Revenue	1,545	1,691	1,722	11.5%	1.9%
Gross Profits	513	581	578		
SG & A	193	205	203		
EBITDA	320	376	376		
Depreciation & Amortization	21	28	29		
EBIT	299	348	347	15.9%	-0.4%
Forex & Other Income (Net)	37	38	35		
Earnings before Tax (EBT)	336	386	382		
Tax	72	81	80		
Net Income	264	305	301	14.2%	-1.3%
EPS (Diluted) – Annualized – In INR	49	58	57		
Margins	30-Sep-15	30-Jun-16	30-Sep-16		
Gross Margin	33.2%	34.4%	33.6%		
EBITDA Margin	20.7%	22.2%	21.8%		
EBIT Margin	19.4%	20.6%	20.1%		
Net Margin	17.1%	18.1%	17.5%		

FY'17 GUIDANCE

GUIDANCE

Revenue Guidance

- FY'17 Revenues are expected to grow between 12.0% to 14.0%* in Constant Currency

**Revenue Guidance is based on FY'16 (April to March) average exchange rates*

The above constant currency guidance translates to **11.0% to 13.0%** in USD terms based on September 30th 2016 rates

Does not include revenue from:

1. *Geometric acquisition*
2. *Proposed Acquisition of Butler America Aerospace LLC*
3. *IP partnership that covers API/web services enablement for mainframes*

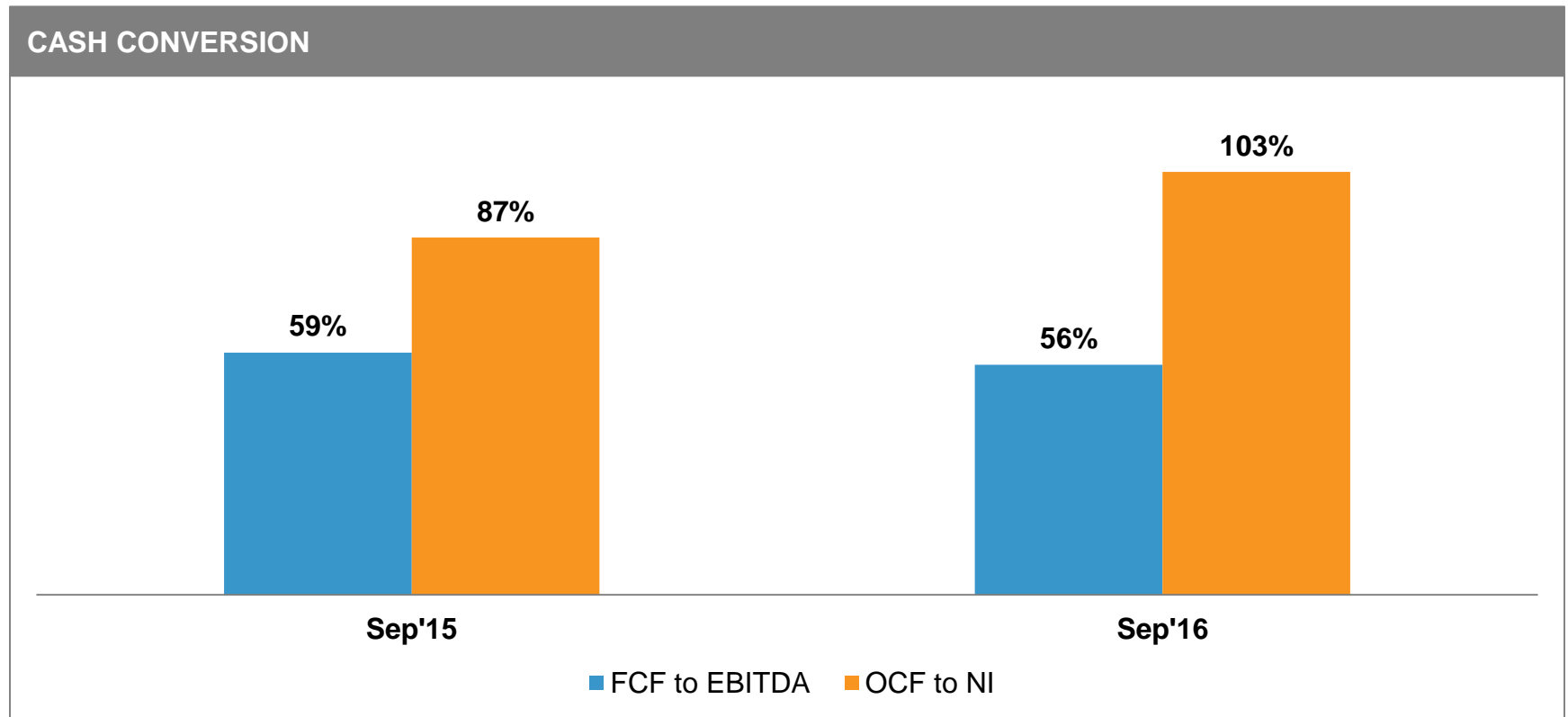
Operating Margin (EBIT) Guidance

- FY'17 expected Operating Margin (EBIT) range is from 19.5% to 20.5%

PURCHASE OF PROPERTY AND EQUIPMENT

Particulars	9 months period ended Mar 31,2016	3 months period ended June 30, 2016	3 months period ended Sept 30,2016
Software IP		138.0	77.1
Other Assets	139.4	43.8	59.5
Cash Outflow on Purchases	139.4	181.8	136.6
Property and Equipment (Net)			
	31-Mar-16	30-Jun-16	30-Sep-16
Freehold Land	8.3	8.2	8.3
Buildings	328.8	337.9	354.9
Computer and networking equipment	341.3	331.0	354.5
Software	112.5	460.7	530.4
Furniture ,fixtures and office equipment	105.3	103.6	104.1
Plant and Equipment	240.8	240.9	245.8
Vehicles	15.9	15.8	15.8
Capital work-in-progress	99.6	90.9	100.3
	1,252.5	1,589.0	1,714.2
Accumulated depreciation and amortization	-600.1	-604.8	-633.4
Property and equipment, net	652.4	984.2	1,080.8

CASH CONVERSION ON LTM BASIS



HEDGE DETAILS

In US\$ Million	AS ON	
	30-Jun-16	30-Sep-16
Total Hedges	1,113	1,157
Balance Sheet Hedges	209	144
Cash Flow Hedges	904	1,013
<i>Less than or equal to 1 Year</i>	<i>674</i>	<i>778</i>
<i>More than 1 Year</i>	<i>230</i>	<i>235</i>
Rate (USD/INR)		
<i>Booked Rate (Forward)</i>	<i>67.99</i>	<i>68.30</i>
<i>Less than 1 Year</i>	<i>67.29</i>	<i>67.76</i>
<i>More than 1 Year</i>	<i>69.97</i>	<i>70.32</i>
<i>MTM Rate applied</i>	<i>70.36</i>	<i>68.92</i>

FOREX GAIN/ LOSS & OCI

FX Gain/ Loss for the Quarter	
in US\$ Million	30-Sep-16
Cash flow hedge gain (A)	1.4
Net gain on Foreign currency exposure (B)	3.3
TOTAL (A) + (B)	4.6

OCI Position as of 30-Sep-16	
in US\$ Million	30-Sep-16
OCI (Upto 12 months)	22.1
OCI (Greater than 12 months)	4.3
TOTAL (before Tax benefit)	26.4

Fx Gain/ Loss –Quarter ended 30-Dec-16 estimate	
in US\$ Million	Estimate for Q.E 31-Dec-16
Revenue Hedges covers for next quarter	172
Booked Rate Forward (USD) Covers	66.98
Spot Rate at the end of the quarter	67.26
Estimated Forex impact for Q.E 31-Dec-16 at 30-Sep-16 closing rate	6.63

TAX PROVISION

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

Particulars (in US\$ Mn)	Financial Year ended	Quarter Ended
	31-Mar-16	30-Sep-16
Total Tax Expense	223	80
Earnings before Tax	1,063	382
Effective Tax Rate	21.0%	21.1%



Q&A