

HCL TECHNOLOGIES

SECOND QUARTER - FY 2019 RESULTS

INVESTOR RELEASE

Noida, India, October 23rd, 2018

Q2 FY'19 RESULTS

Revenue at ₹ **14,861 crores**; up **7.1%** QoQ & **19.5%** YoY

Net Income at ₹ **2,540 crores**; up **5.7%** QoQ & **16.1%** YoY

Revenue at **US\$ 2,099 mn**; up **2.1%** QoQ & **8.9%** YoY

Revenue in Constant Currency up **3.0%** QoQ & **10.5%** YoY

Net Income at **US\$ 357 mn**; up **0.3%** QoQ & **5.1%** YoY

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FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 30th SEPTEMBER, 2018

(Amount in ₹ Crores)

PARTICULARS	Q2 FY'19	GROWTH	
		QoQ	YoY
REVENUE	14,861	7.1%	19.5%
EARNINGS BEFORE INTEREST & TAX (EBIT)	2,966	8.7%	21.0%
NET INCOME	2,540	5.7%	16.1%

(Amount in US \$ Million)

PARTICULARS	Q2 FY'19	GROWTH	
		QoQ	YoY
REVENUE	2,099	2.1%	8.9%
REVENUE GROWTH (CONSTANT CURRENCY)		3.0%	10.5%
EARNINGS BEFORE INTEREST & TAX (EBIT)	417	3.3%	9.9%
NET INCOME	357	0.3%	5.1%

Mode 1-2-3 Highlights

	Revenue (in US\$ mn)	Revenue Mix	EBIT Margin	QoQ Growth (in Constant Currency)
Mode 1	1,512	72.0%	21.2%	1.4%
Mode 2	336	16.0%	10.8%	5.3%
Mode 3	251	11.9%	24.4%	10.4%
Total	2,099	100%	19.9%	3.0%

Key Highlights

- Roshni Nadar Malhotra has been appointed as the Vice Chairman of the Board of Directors of the Company with effect from October 22, 2018. She continues to be the Non-Executive Director of the Company.
- Strong deal win momentum continues. Signed 17 transformational deals reflecting a mix of Mode 1 and Mode 2 services led by Digital & Analytics, Cloud Native, IoT Works, Cybersecurity, along with Infrastructure Services, Engineering and R&D Services and Business Services.
- Mode 3 revenues achieved the milestone of US\$ 1 bn on annual run rate basis.
- Global Infrastructure Services delivered a 3.3% sequential growth in constant currency. Engineering and R&D Services saw strong demand and healthy growth in Q2 led by the Technology & Services, Telecom and Life Sciences & Healthcare. We expect the growth momentum to continue into H2.
- The Americas region continues to post strong growth at 13.0% LTM YoY on a Constant Currency basis, leading the way in company growth. We commemorated our 30th year of operations in the US, where 64% of our employees are locals.
- Growth momentum was driven by Technology & Services at 38.0%, Lifesciences & Healthcare at 13.9% and Retail & CPG at 11.1% (on LTM YoY Constant Currency basis).
- Client Partner Program continues to drive strong growth with new additions on YoY basis: \$50+ Mn clients up by 6, \$20+ Mn clients up by 6, \$10+ Mn clients up by 8, \$5+ Mn clients up by 10 and \$1+ Mn clients up by 39.
- Buy Back programme, aggregating ₹ 4,000 crores for FY'19 at a price of ₹ 1,100/- per equity share has been successfully concluded on 11th October 2018.
- Dividend of ₹ 2 per share, 63rd consecutive quarter of dividend pay out has been announced.

FY'19 Guidance

- **Revenue:** FY'19 Revenues are expected to grow between 9.5% to 11.5% in Constant Currency
 - * Revenue Guidance is based on FY'18 (April to March) average exchange rates.
 - The above constant currency guidance translates to 8.2% to 10.2% in USD terms based on Sept 30, 2018 rates.
- **Operating Margin (EBIT):** FY'19 expected Operating Margin (EBIT) range is from 19.5% to 20.5%.

CORPORATE OVERVIEW

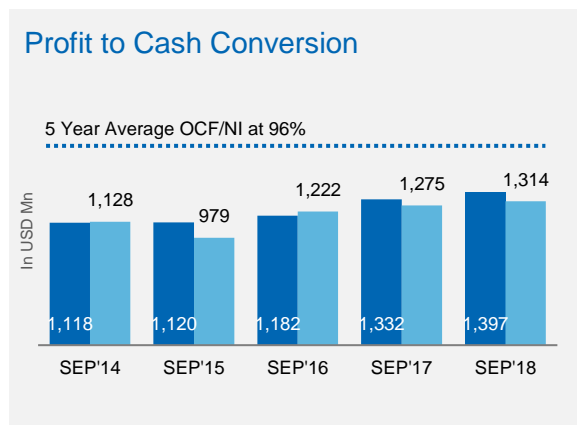
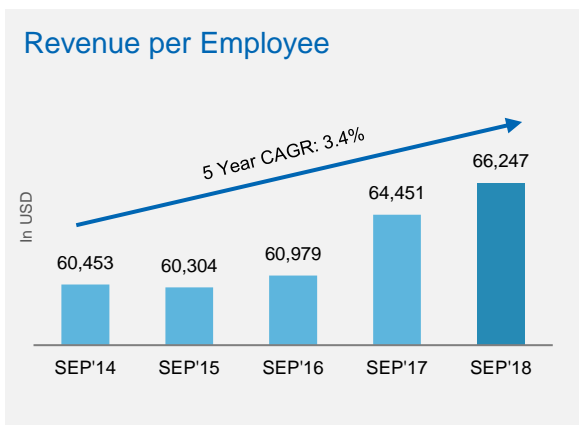
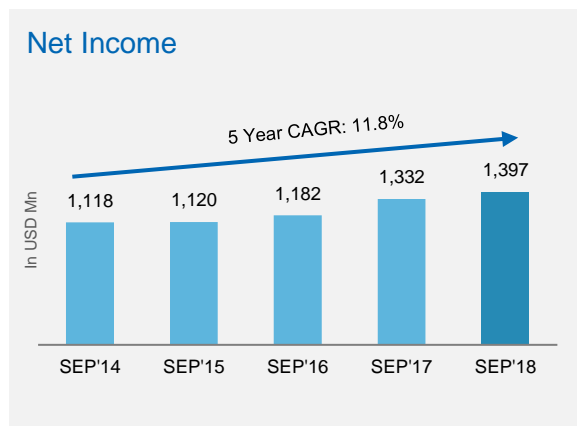
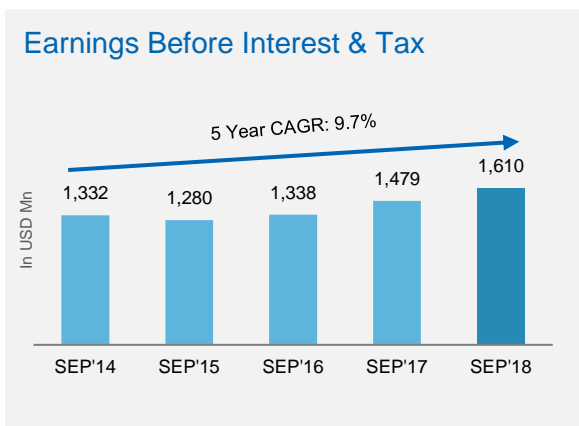
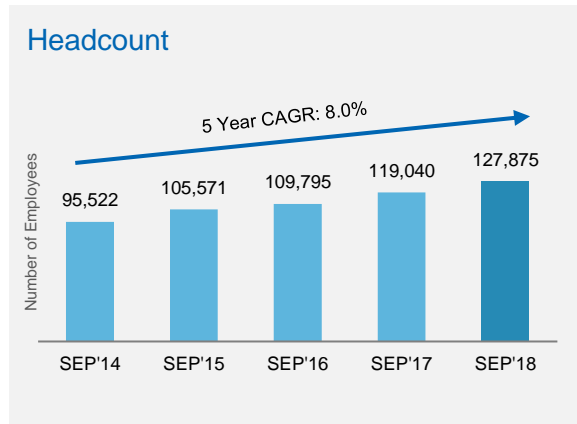
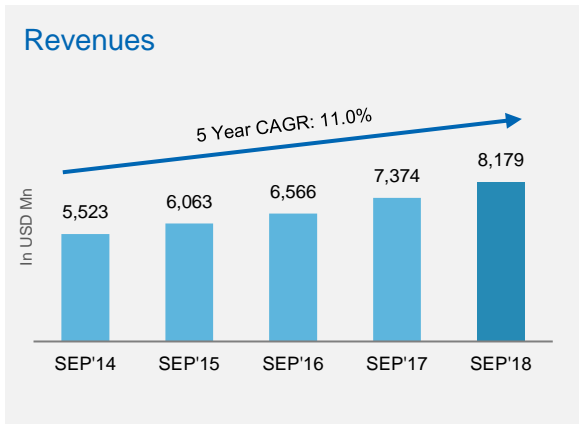
“Technology continues to be at the center stage of enterprise digital transformation and all forward-looking companies are using it to differentiate in the marketplace. HCL with its deep capabilities and innovation mindset along with our commitment towards CSR, diversity and inclusion remains at the forefront of this changing industry dynamic.”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

“We continue to deliver strong and consistent QoQ revenue and margin growth performance. This quarter we posted 3% revenue growth in constant currency fueled by Global Infrastructure Services, Engineering and R&D and Mode 2 next-gen services. Additionally, our Mode 3 revenue continues to accelerate and achieved the billion-dollar annual run-rate milestone. We remain confident of retaining this growth trajectory going forward.”, said **C.Vijayakumar, President & CEO, HCL Technologies Ltd.**

“We delivered a robust performance of 10.5% YoY revenue growth in constant currency and EBIT margin at 19.9%, near the mid-point of our guided range. We are very happy to report that our Net Profit has crossed a milestone of ₹ 10,000 crores on run-rate basis. At ₹ 2,540 crores for the quarter, the Net Profit was up 5.7% QoQ and 16.1% YoY. Further, we successfully concluded the Buyback programme of ₹ 4,000 crore on Oct 11th and have posted robust Return on Equity at 25.8% on LTM basis.”, said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

PERFORMANCE TRENDS

Overall Company (last five years for 12 months ended September)



Net Income Operating Cash Flow

REVENUE GROWTH (IN CONSTANT CURRENCY)

PARTICULARS	SEGMENTS	30-September-18		
		QoQ	YoY	LTM YoY
Consolidated	For the Company	3.0%	10.5%	8.7%
Geography	Americas	4.4%	15.1%	13.0%
	Europe	-0.9%	3.5%	4.0%
	Rest of the World (RoW)	4.9%	0.7%	-5.9%
Services	Application Services	0.4%	1.8%	1.4%
	Infrastructure Services	2.5%	4.4%	1.7%
	Business Services	7.3%	64.8%	31.1%
	Engineering and R&D Services	6.3%	26.3%	30.9%
Verticals	Financial Services	0.1%	2.3%	4.9%
	Manufacturing	1.7%	-3.9%	-1.5%
	Technology & Services	2.2%	36.3%	38.0%
	Retail & CPG	13.0%	19.2%	11.1%
	Telecommunications, Media, Publishing & Entertainment	1.1%	-0.8%	-3.2%
	Lifesciences & Healthcare	3.2%	19.8%	13.9%
	Public Services [#]	5.3%	13.3%	2.6%

Note:

[#] Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

CORPORATE ACHIEVEMENTS

HCL continues to create a sustained positive impact on the economic ecosystem it operates in by powering enterprises, stakeholders and partners through next-generation transformational services, participative value creation and innovation driven initiatives.

- Strong deal win momentum continues. Signed 17 transformational deals reflecting a mix of Mode 1 and Mode 2 services led by Digital & Analytics, Cloud Native, IoT Works, Cybersecurity, along with Infrastructure Services, Engineering and R&D Services and Business Services.
- HCL Technologies commemorated its 30-year journey in the United States. Over the past three decades, HCL has built a vibrant and strong ecosystem in the United States through its business and societal endeavors. The team now includes more than 15,000 employees, 64% hired locally and serving across 21 states and six large-scale Global Delivery Centers and two major innovation labs in Digital and IoT, collaborating with clients on technology innovation, complex engineering and business transformation.
- As part of HCL's continuing investment and commitment to Europe, growing German market and global Automotive market, HCL completed the acquisition of Wolfsburg-based IT and engineering services provider H&D International Group (H&D). H&D's existing delivery center in Gifhorn, Germany, has become part of HCL's global delivery footprint and will focus on IT and engineering services in Germany, Europe, and around the world.
- HCL completed the acquisition of Actian Corporation in collaboration with technology-focused PE firm Sumeru Equity Partners (SEP). Actian is a leader in hybrid data management, cloud integration, and analytics solutions powering insightdriven enterprises around the globe to help them solve the toughest data challenges. This acquisition is positioned to play a critical role in enhancing HCL's Mode-3 offerings in Data Management products and platforms. Actian's products, when combined with HCL's Mode-2 solution offerings like Cloud Native, Digital and Analytics, and DRYiCE™, will yield a powerful proposition to harness the power of hybrid data.
- Continuing its tradition of ideapreneurship and culture of innovation, HCL filed 17 patents, with another six patents granted during the quarter. Research, discovery and invention came from HCL employees in various next generation technologies and platforms, including data analytics and simulation, automation and machine learning, among others.
- HCL successfully launched the global digital experience platform for Manchester United Official. The launch is part of the ongoing digital transformation of the world's leading sport club, providing a real-time, engaging, personalized, and unified experience to Manchester United's 659 million global followers, which supports the club's strategy to become a Digital Sports Enterprise.
- HCL announced the launch of IoT COLLAB, with dual-location IoT innovation centres in Seattle, Washington, and Noida, India. Each IoT COLLAB serves as a collaborative incubation lab that lets Fortune 500 companies accelerate IoT initiatives by bringing together the ultimate ecosystem, with technology experts, partners, financial advisors, and other relevant IoT stakeholders to take advantage of what is expected to be a \$1 trillion market opportunity by 2021.
- HCL was recognized for its best HR practices at the Brandon Hall Excellence Awards 2018 for the fourth consecutive year. HCL won the Gold Award for "Best Advance in Coaching and Mentoring". It also won Silver Awards for "Best Advance in Leadership Development Strategy", "Best Inclusion and Diversity Strategy", "Best Advance in Leadership Development for Top Gun Program", "Best Advance in Succession and Career Management" and "Best Advance in Employee Engagement".

PARTNERSHIPS AND AWARDS

- Microsoft selected HCL's IoT WoRKS™ as one of its Azure IoT Elite Partners for FY'19. This selection makes HCL a part of the top three IoT Go-to-Market partners for Microsoft.
- HCL and Microsoft jointly launched the ISV Migration Factory at the recent Microsoft Global partner event called 'Microsoft Inspire'. This joint initiative aims at accelerating the SaaS journey for ISVs while adopting Azure as the cloud platform.
- HCL was recognized as an Azure Expert Managed Service Provider. Through this distinction Microsoft recognizes the ability of HCL to manage large and complex cloud transformation journeys for Microsoft customers.
- HCL was recognized by Amazon Web Services (AWS) as a Managed Services Partner. This achievement validates HCL's stellar capabilities in the AWS cloud infrastructure and application migration space.
- HCL has made a strategic partnership with investment of US\$ 8.5 mn in Ucast, a new economy OTT (Over the Top) video market player. This investment will play an important element of the digital transformation for many telco, media and consumer companies.
- HCL won two partner awards in Pivotal SpringOne Platform 2018 in Washington DC. The "Systems Integrator Rising Star" and "ANZ GSI of the Year". These Awards are a validation of HCL's excellence in the full spectrum Pivotal Cloud Foundry services that it offers to customers.
- HCL has been recognized with the 'Excellence in Software and Cloud' Award at the Cisco Supplier Appreciation Event 2018, among its 500 global suppliers.
- DRYICE™ iControl was shortlisted amongst top 6 in the category 'Best Application of AI in Financial Services' at the AI Summit in San Francisco, September 2018.

CORPORATE SOCIAL RESPONSIBILITY

HCL Foundation, the CSR arm of HCL Technologies continues to create sustained impact through its key programs: HCL Grant, Samuday, Power of One, and HCL Uday.

- HCL Grant rolled out the fourth consecutive edition of its flagship program - HCL Grant. The total committed fund for HCL Grant has been increased to Rs 16.5 crores. With an increase of 23% applications YoY, more than 4,200 NGOs across the country applied for HCL Grant. As of today, more than 368,000 beneficiaries across three categories of Education, Environment and Health, have been reached through the HCL Grant recipients.
- HCL Samuday continues to make sustained impact in uplifting rural villages of Uttar Pradesh, holistically across six sectors. Implemented in 765 villages from 164 gram panchayats, the program reaches out to 90,000 households covering a total population base of around 600,000 people.
- Under the 'Power of One' program, 35,489 employees on average, continued to donate towards the social and economic upliftment of vulnerable communities. This quarter, more than 1,300 volunteers clocked 11,200 volunteering hours across India.
- HCL reached out to over 17,500 underserved urban, migratory and displaced communities through various initiatives in the areas of Education, Health, Environment and Livelihood. Also, more than 9,000 saplings were planted during the quarter and 10 ton material were provided as assistance in the form of relief, rehabilitation and restoration in the recent floods in the Assam and Kerala.
- HCL continued to reach out to the underserved urban, migratory and displaced communities through various initiatives in the areas of Education, Health, Environment and Livelihood.
 - **Education:** 9,961 people benefited through early childcare, development, free meal and enhanced reading and writing skills.

- **Health:** 6,541 benefited through monthly health camps, weekly check-ups, community healthcare programs, sanitation and cleanliness.
- **Environment:** 9,376 trees planted in schools, residents, public spaces and at the Sorkha Uday Upvan in Noida, India.
- **Livelihood:** 1,018 youth were trained in various trades like mechanical, ITES/CRM, Fashion designing and nursing.
- **Humanitarian Response:** 10 ton material have been provided as assistance in the form of relief, rehabilitation and restoration in the recent floods in the Assam and Kerala.

ANALYST RECOGNITIONS

Leading industry experts and analysts continue to recognize HCL for its business leadership and relevance across the broad spectrum of business offerings.

- HCL recognized as a Leader in ISG Provider Lens™ Research Quadrants for NextGen ADM Services, U.S. Market, 2018.
 - For NextGen ADM, Agile Development & Continuous Testing.
 - For the Banking and Financial Services Industry, Healthcare and Life Sciences, and the Manufacturing Industry.
- HCL named a “Leader” and “Star Performer” in the Global Banking Application Services PEAK Matrix™ Assessment 2018 by Everest Group.
- HCL positioned as Leaders in the Everest Group PEAK Matrix™ for IT Infrastructure Services Automation Service Providers, August 2018.
- HCL positioned as Leaders in the Everest Group PEAK Matrix™ for Embedded System Engineering Services, August 2018.
- HCL recognized as a Leader in the ISG Provider Lens™ Research Quadrant for FAO Digital Operations, U.S. Market, 2018.
- 451 Research, an IT industry analyst firm, wrote an exclusive report titled “HCL reports brisk IoT business as POC funnel begins generating scale deployments”. According to the report “HCL Technologies has seen its IoT business accelerating driven by a growing roster of end-to-end solution designs coupled with a strong funnel of clients moving from concept to commercialized projects”.
- Ovum writes an exclusive report titled “SWOT Assessment: HCL's Digital Value Chain Transformation Services, July 2018. According to the report HCL has adapted its media ICT services portfolio to meet the changing transformation needs of premium content owners. It has implemented a "Mode 1-2-3" strategy, focusing on cloud, analytics, and content supply chain IP workflows, to reduce its dependence on its legacy on-premises infrastructure and linear broadcast engineering business activities

KEY BUSINESS UPDATES

MODE 1: CORE SERVICES

Through Mode 1 services, HCL delivers core services in areas of Applications, Infrastructure, Engineering and R&D and Business Services, leveraging DRYICE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'.

- HCL has been selected by a leading US-based financial services company to provide middle office services across asset managers. HCL will leverage its deep domain expertise coupled with its capabilities around digital technologies, artificial intelligence and machine learning for trade capture and routing, robotic process automation across trade settlements, recon, and corporate actions processing and analytics across performance measurement.
- HCL has been selected as the sole supplier for all globally outsourced engineering services, across all first party devices for a leading software company. HCL emerged as the only partner selected for this initiative among the customer's 43 existing suppliers. As part of the engagement HCL will be working on the design and engineering of cutting-edge devices and new product development involving hardware design, mechanical design and embedded firmware, helping the client to achieve significant cost reduction in product development in addition to reduction of time to market for its key products.
- A leading US-based equipment manufacturer has extended its contract with HCL for engineering ownership of a significant product, which is a crucial element of its offering for next-gen networking. HCL will be responsible for product development and testing and sustenance and will own end-to-end responsibility for release of this product to the market.
- A global bank has partnered with HCL for its cheque processing business transformation, operations, support and infrastructure hosting services. HCL will be the single global vendor for the bank's global check processing needs – which entails modernization and standardization of its cheque product offering and reducing costs to and achieve an end-state cheque-as-a-service model on a variable charge basis.
- North America's largest member-owned agricultural and dairy cooperative has selected HCL for a deal that includes end-to-end support of Infrastructure, Application Development and Support, and BPO Services to drive business efficiencies.
- One of the world's leading oil and gas companies has chosen HCL for a three-year managed services deal for Emergency Operations Center support. The scope of this deal includes business services monitoring to provide continuous improvement.
- A multinational home appliance manufacturer, for which HCL currently runs operations, has chosen HCL to modernize its global workplace by implementing HCL Digital Workplace and DRYiCE™ Software Product offerings. The deal spans gamification, unified communication services, a Cognitive service desk, onsite support for 220 sites in 49 countries, and a full range of Cloud Services including Cloud Storage, Office 365, mobility enablement, server support and Image management.
- A US-based multinational confectionery, food and beverage company has signed a new deal with HCL to manage their digital workplace. This will enhance user experience, universal access and unified Collaboration with business productivity outcomes for the company.
- A leading multinational hospitality company from UK chose HCL for providing Next Generation Infrastructure services. HCL would be modernizing the infrastructure on Next Gen Data Center, enable Hybrid Cloud and create a unique employee experience via Digital Workplace with both being powered by DRYiCE™ Autonomics.

MODE 2: NEXT-GENERATION SERVICES

As part of Mode 2 services, HCL delivers experience-centric and outcome-oriented integrated offerings across Digital & Analytics, IoT WoRKS™, Cloud Native Services and Cybersecurity & GRC services.

- The world's leading hotel group with properties across 100 countries has selected HCL as their Cybersecurity Partner. HCL will help expedite its Cybersecurity operations by managing and monitoring the security services from its Cybersecurity fusion centers. HCL will also mature the Identity Management System with its best practice based services.
- A leading global pharmaceutical company based in US has extended its scope of projects with HCL through 2020 to provide an "Integrated Platform Services (IPS) Tower" that covers the application delivery management scope of services for major global investment projects and enhancement development.
- A US-based multi-billion dollar grocery chain has selected HCL as its Cybersecurity journey partner. HCL's Cybersecurity team will securely enable the customer journey to the next stage by providing it with mature security operations and enhanced security posture.
- HCL has been selected by a leading aircraft equipment maker to create an IoT platform focused on improving passenger experience and comfort. HCL will also create an IoT-led solution to improve on-ground people practices and operational processes.
- HCL has won a contract from a European communication infrastructure provider for services required to support a Smart Metering Program in northern region of Great Britain. The scope of the project includes scaling its communication hub manager to support 10 million devices.
- A US-based diversified financial services group of companies has selected HCL for three projects in their enterprise, bank, and property and casualty divisions. The scope of work includes building of a Business Intelligence marketplace to catalogue all global assets.
- A large consumer financial services company based in the US has chosen to partner with HCL in its cloudnative journey. HCL will lead its digital transformation by creating and executing an end-to-end Application Transformation Function enabled by Pivotal Cloud Foundry and also provide Pivotal Cloud Foundry Platform Reliability Engineering Ops Services.
- A US-based multinational medical devices, pharmaceutical and consumer packaged goods manufacturing company has chosen HCL as its cloud operations partner. HCL will provide Multi-Cloud Operations support for the workloads of this company.

MODE 3: PRODUCTS & PLATFORMS

HCL leverages its expertise in building software IP led businesses over the last forty years to execute its Mode 3 strategy, in an evolving world of high automation and cloud platforms. This strategy is well positioned to enable HCL to emerge as a strong leader at the end of this tectonic shift in various software arenas including IT Automation, Orchestration, Hybrid Data, Security and Collaboration.

- One of the largest US retail banks has selected HCL to deploy DRYiCE™ iControl to provide Business Process Flow monitoring for their consumer cards division. iControl is a native Splunk app, which provides real-time business intelligence from the data which exists within an organisation's Splunk environment.
- HCL has been selected as a Product Lifecycle Management (PLM) partner by a leading US based electronic test and measurement equipment manufacturer. As part of this engagement, HCL will enable the client to increase overall R&D throughput in its various divisions by having the latest PLM solution.
- HCL was chosen by an American natural gas utilities holding company to help them deploy best practice ITSM processes and enable them to enhance End User experience in consuming IT Services. HCL will be deploying DRYiCE™ GBP to bring process standardization and best practices in customer IT environment
- A leading Canadian software company has renewed its association with HCL for one of its co-branded products, HCL Forms - a platform that simplifies online forms and data collection - to streamline online data capture.
- A leading European technology provider for online gaming has selected HCL Informix as its data platform. HCL Informix is a web-based platform for data collection and process automation that will provide significant scaling and cost advantages to this client.
- A French-Italian multinational electronics and semiconductor manufacturer headquartered in Geneva, Switzerland engaged with HCL to align their ITSM processes with Industry best practices by adopting DRYiCE™ GBP Product.
- A US-based telecommunication services provider has engaged HCL to implement DRYiCE™ iAutomate to infuse extreme automation with zero human intervention in IT Operations, DRYiCE™ MyXalytics to ensure clear visibility of IT Environment and enable effective decision making & DRYiCE™ MyCloud to reduce manual effort in provisioning, cut down the time taken to provision IT environment and increase virtual asset utilization.
- A leading multinational hospitality company from UK chose HCL to implement DRYiCE™ iAutomate and DRYiCE™ MyXalytics across their IT and business environment. The customer will use DRYiCE™ iAutomate to manage its IT operations with zero human interventions and DRYiCE™ MyXalytics to provide visibility of IT & Business Environment and enable effective decision making.

FINANCIALS IN US\$ FOR THE QUARTER ENDED 30th SEPTEMBER, 2018 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-Sep-17	30-Jun-18	30-Sep-18	YoY	QoQ
Revenues	1,928.0	2,054.5	2,098.6	8.9%	2.1%
Direct Costs	1,272.6	1,348.0	1,355.0		
Gross Profits	655.4	706.5	743.6	13.5%	5.3%
SG & A	227.6	228.9	251.2		
EBITDA	427.8	477.6	492.5	15.1%	3.1%
Depreciation & Amortisation	47.8	73.5	75.0		
EBIT	380.0	404.1	417.5	9.9%	3.3%
Foreign Exchange Gains	22.3	21.2	9.2		
Other Income, net	23.8	22.6	25.8		
Provision for Tax	87.0	92.2	95.8		
Net Income	339.2	355.8	356.7	5.1%	0.3%
Gross Margin	34.0%	34.4%	35.4%		
EBITDA Margin	22.2%	23.2%	23.5%		
EBIT Margin	19.7%	19.7%	19.9%		
Net Income Margin	17.6%	17.3%	17.0%		
Earnings Per Share					
Annualized in ₹					
Basic	62.8	69.0	73.0		
Diluted	62.7	69.0	72.8		

WEIGHTED AVERAGE NUMBER OF SHARES	30-Sep-17	30-Jun-18	30-Sep-18
Basic	1,394,280,991	1,392,336,427	1,392,466,683
Diluted	1,395,252,560	1,393,025,730	1,396,123,758

OUTSTANDING OPTIONS (in equivalent number of shares)	30-Sep-17	30-Jun-18	30-Sep-18
Options at less than market price	1,209,080	790,440	675,480

CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

PARTICULARS	AS ON	
	31-Mar-18	30-Sep-18
Assets		
Cash and Cash Equivalents	259.6	218.3
Accounts Receivables, net	1,478.2	1,494.3
Unbilled Receivable (Previous year: Unbilled Revenue)	401.6	418.8
Fixed Deposits	878.6	693.3
Investment Securities, available for sale	361.7	407.0
Other Current Assets	386.5	581.0
Total Current Assets	3,766.2	3,812.6
Property and Equipment, net	795.4	768.8
Investment Securities, available for sale	39.9	206.0
Intangible Assets, net	2,210.1	2,530.0
Fixed Deposits	36.1	69.7
Investments in Equity Investee	4.1	4.9
Other Assets	578.0	612.9
Total Assets	7,429.8	8,005.0
Liabilities & Stockholders Equity		
Current Liabilities	1,520.7	1,548.8
Borrowings	67.0	424.1
Other Liabilities	194.3	257.6
Total Liabilities	1,782.1	2,230.5
Total Stockholders Equity	5,647.7	5,774.6
Total Liabilities and Stockholders Equity	7,429.8	8,005.0

CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

PARTICULARS	FOR YEAR ENDED Mar-18	FOR QUARTER ENDED Sep-18
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,360.5	356.7
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	225.2	75.0
Others	(9.9)	(20.3)
Changes in Assets and Liabilities, net		
Accounts Receivable	(179.1)	(56.3)
Other Assets	19.2	(85.3)
Current Liabilities	(70.7)	7.8
Net Cash provided by Operating Activities	1,345.1	277.6
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(203.4)	(62.1)
Purchase of Licensed IPRs	(629.4)	(65.1)
Proceeds from sale of property and equipment (including advance)	4.3	1.8
(Purchase) / Sale of Investments	(203.4)	(229.9)
Purchase of other Investments	(0.5)	(4.4)
Fixed Deposits (increase) / decrease	660.1	80.3
Restricted Cash - Investment in term deposit with banks under lien for buy back	-	(59.9)
Investment in equity affiliate	(0.2)	-
Net Cash in subsidiaries disposed of	(22.4)	-
Payments for business acquisitions, net of cash acquired	(16.9)	(306.2)
Net Cash used in Investing Activities	(411.8)	(645.4)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy Back of Equity Shares	(544.8)	-
Restricted Cash - Amount held in escrow towards buy back	-	(5.8)
Capital Contribution from Non-Controlling Interests	-	40.0
Payment for Deferred consideration on Business Acquisition	(2.5)	(0.9)
Dividend	(314.9)	(47.1)
Loans	(22.9)	373.1
Others	2.5	(1.2)
Net Cash provided by (used in) Financing Activities	(882.5)	358.1
Effect of Exchange Rate on Cash and Cash Equivalents	5.9	(24.4)
Net increase/(decrease) in Cash and Cash Equivalents	56.7	(34.1)
CASH AND CASH EQUIVALENTS		
Beginning of the Period	202.9	252.4
End of the Period	259.6	218.3

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEOGRAPHIC MIX	30-Sep-17	30-Jun-18	30-Sep-18	LTM Mix
Americas	62.4%	64.5%	65.8%	63.8%
Europe	29.1%	28.1%	26.8%	28.4%
RoW	8.5%	7.5%	7.4%	7.8%

SERVICE MIX	30-Sep-17	30-Jun-18	30-Sep-18	LTM Mix
Application Services	35.9%	34.0%	33.1%	34.3%
Infrastructure Services	38.5%	36.2%	36.0%	36.6%
Business Services	3.6%	5.2%	5.4%	4.6%
Engineering and R&D Services	22.0%	24.5%	25.5%	24.6%

REVENUE BY VERTICAL	30-Sep-17	30-Jun-18	30-Sep-18	LTM Mix
Financial Services	25.0%	23.8%	23.0%	24.1%
Manufacturing	20.9%	18.3%	18.0%	18.8%
Technology & Services	14.5%	18.2%	18.2%	17.5%
Retail & CPG	9.3%	9.1%	10.0%	9.6%
Telecommunications, Media, Publishing & Entertainment	7.9%	7.3%	7.2%	7.3%
Lifesciences & Healthcare	11.7%	12.8%	12.9%	12.2%
Public Services [#]	10.6%	10.5%	10.7%	10.5%

Note:

[#] Public Services include Oil & Gas, Energy & Utilities, Travel - Transport - Logistics and Government.

REVENUE BY CONTRACT TYPE	30-Sep-17	30-Jun-18	30-Sep-18	LTM Mix
Managed Services & Fixed Price Projects	60.4%	62.0%	61.8%	61.6%
Time & Material	39.6%	38.0%	38.2%	38.4%

CONSTANT CURRENCY REPORTING

REPORTED	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Revenue (\$ Mn)	1,928.0	1,987.5	2,038.0	2,054.5	2098.6
Growth QoQ	2.3%	3.1%	2.5%	0.8%	2.1%
Growth YoY	11.9%	13.9%	12.2%	9.0%	8.9%
CONSTANT CURRENCY (QoQ)	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Revenue (\$ Mn)	1,902.0	1,991.7	2,011.7	2,093.9	2115.7
Growth QoQ	0.9%	3.3%	1.2%	2.7%	3.0%
CONSTANT CURRENCY (YoY)	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
Revenue (\$ Mn)	1,904.4	1,941.2	1,965.9	2,044.8	2130.2
Growth YoY	10.6%	11.2%	8.2%	8.5%	10.5%
AVERAGE RATES FOR QUARTER	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18
USD - INR	64.5	64.4	64.7	67.5	70.8
GBP - USD	1.31	1.33	1.40	1.34	1.30
EUR - USD	1.18	1.18	1.23	1.18	1.16
SEK - USD	0.12	0.12	0.12	0.11	0.11
AUD - USD	0.79	0.77	0.78	0.75	0.73

CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	30-Sep-17	30-Jun-18	30-Sep-18	QoQ CHANGE	YoY CHANGE
100 Million dollar +	9	9	9	-	-
50 Million dollar +	25	32	31	(1)	6
20 Million dollar +	84	87	90	3	6
10 Million dollar +	157	162	165	3	8
5 Million dollar +	259	267	269	2	10
1 Million dollar +	536	571	575	4	39

CLIENT CONTRIBUTION TO REVENUE (LTM)	30-Sep-17	30-Jun-18	30-Sep-18
Top 5 Clients	15.1%	17.0%	17.3%
Top 10 Clients	22.9%	24.6%	24.8%
Top 20 Clients	33.2%	34.2%	34.2%

CLIENT BUSINESS	30-Sep-17	30-Jun-18	30-Sep-18
New Clients	2.6%	3.1%	3.1%
Existing Clients	97.4%	96.9%	96.9%
Days Sales Outstanding - excluding unbilled receivables	64	66	64

HEADCOUNT & UTILIZATION

MANPOWER DETAILS	30-Sep-17	30-Jun-18	30-Sep-18
Total Employee Count	119,040	124,121	127,875
Technical	108,351	113,404	116,910
Support	10,689	10,717	10,965
Gross Addition	8,645	12,558	11,683
Attrition - IT Services (LTM)	15.7%	16.3%	17.1%
Attrition - Business Services (Quarterly)	6.3%	7.0%	8.5%
Blended Utilization (Including Trainees)	86.0%	85.5%	86.7%

Note: Attrition excludes involuntary attrition

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

	Sep-18
Cash & Cash Equivalents	218
Fixed Deposits	763
Investment Securities, Available for Sale	613
Total Funds	1,594

	Sep-18
Borrowings	424

FINANCIALS IN ₹ FOR THE QUARTER ENDED 30th SEPTEMBER, 2018 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	30-Sep-17	30-Jun-18	30-Sep-18	YoY	QoQ
Revenues	12,434	13,878	14,861	19.5%	7.1%
Direct Costs	8,208	9,106	9,589		
Gross Profits	4,226	4,771	5,272	24.7%	10.5%
SG & A	1,467	1,546	1,773		
EBITDA	2,759	3,225	3,499	26.8%	8.5%
Depreciation & Amortisation	308	496	533		
EBIT	2,451	2,729	2,966	21.0%	8.7%
Foreign Exchange Gains	144	143	69		
Other Income, net	154	153	183		
Provision for Tax	561	622	678		
Net Income	2,188	2,403	2,540	16.1%	5.7%
Gross Margin	34.0%	34.4%	35.4%		
EBITDA Margin	22.2%	23.2%	23.5%		
EBIT Margin	19.7%	19.7%	19.9%		
Net Income Margin	17.6%	17.3%	17.0%		
Earnings Per Share					
Annualized in ₹					
Basic	62.8	69.0	73.0		
Diluted	62.7	69.0	72.8		

WEIGHTED AVERAGE NUMBER OF SHARES	30-Sep-17	30-Jun-18	30-Sep-18
Basic	1,394,280,991	1,392,336,427	1,392,466,683
Diluted	1,395,252,560	1,393,025,730	1,396,123,758

OUTSTANDING OPTIONS (in equivalent number of shares)	30-Sep-17	30-Jun-18	30-Sep-18
Options at less than market price	1,209,080	790,440	675,480

CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

PARTICULARS	AS ON	
	31-Mar-18	30-Sep-18
Assets		
Cash and Cash Equivalents	1,694	1,582
Accounts Receivables, net	9,639	10,825
Unbilled Receivable (Previous year: Unbilled Revenue)	2,618	3,034
Fixed Deposits	5,727	5,022
Investment Securities, available for sale	2,357	2,949
Other Current Assets	2,520	4,209
Total Current Assets	24,555	27,621
Property and Equipment, net	5,185	5,570
Intangible Assets, net	14,406	18,329
Investment Securities, available for sale	260	1,492
Fixed Deposit	235	505
Investments in Equity Investee	27	36
Other Assets	3,768	4,440
Total Assets	48,435	57,993
Liabilities & Stockholders Equity		
Current Liabilities	9,914	11,220
Borrowings	437	3,072
Other Liabilities	1,267	1,866
Total Liabilities	11,618	16,159
Total Stockholders Equity	36,817	41,835
Total Liabilities and Stockholders Equity	48,435	57,993

ABOUT HCL TECHNOLOGIES

HCL Technologies (HCL) is a leading global technology company that helps global enterprises re-imagine and transform their businesses through Digital technology transformation. HCL operates out of 43 countries and has consolidated revenues of US\$ 8.2 billion, for 12 Months ended 30th September, 2018. HCL focuses on providing an integrated portfolio of services underlined by its Mode 1–2–3 growth strategy. Mode 1 encompasses the core services in the areas of Applications, Infrastructure, BPO and Engineering & R&D services, leveraging DRYiCE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'. Mode 2 focuses on experience–centric and outcome–oriented integrated offerings of Digital & Analytics, IoT WoRKS™, Cloud Native Services and Cybersecurity & GRC services to drive business outcomes and enable enterprise digitalization. Mode 3 strategy is ecosystem–driven, creating innovative IP–partnerships to build products and platforms business.

HCL leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi–service delivery in key industry verticals including Financial Services, Manufacturing, Telecommunications, Media, Publishing, Entertainment, Retail & CPG, Life Sciences & Healthcare, Oil & Gas, Energy & Utilities, Travel, Transportation & Logistics and Government. With 127,875 professionals from diverse nationalities, HCL focuses on creating real value for customers by taking 'Relationships Beyond the Contract'. For more information, please visit www.hcltech.com

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.



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