

# HCL TECHNOLOGIES

## SECOND QUARTER RESULTS FY 2021

### INVESTOR RELEASE

Noida, India, October 16<sup>th</sup>, 2020

### Q2 FY'21 RESULTS

Revenue at **US\$ 2,507 mn**; up **6.4%** QoQ & **0.8%** YoY  
Revenue in Constant Currency; up **4.5%** QoQ & down **0.4%** YoY  
EBITDA margin at **26.6%**; EBIT margin at **21.6%**  
Net Income at **US\$ 424 mn**; up **9.7%** QoQ & **12.7%** YoY

Revenue at **₹ 18,594 crores**; up **4.2%** QoQ & **6.1%** YoY  
EBITDA margin at **26.6%**; EBIT margin at **21.6%**  
Net Income at **₹ 3,142 crores**; up **7.4%** QoQ & **18.5%** YoY

### FY 2021 Guidance

**Revenue** to grow QoQ by an average of **1.5% to 2.5%** in constant currency for Q3 and Q4, FY'21  
**EBIT** to be between **20.0% and 21.0%** for FY'21

### TABLE OF CONTENTS

|   |    |
|---|----|
| Financial Highlights                                | 2  |
| Corporate Overview                                  | 4  |
| Performance Trends                                  | 5  |
| Financials in US\$                                  | 18 |
| Revenue Analysis at Company Level                   | 21 |
| Constant Currency Reporting                         | 22 |
| Client Metrics                                      | 23 |
| Headcount   | 24 |
| Cash and Cash Equivalents, Investments & Borrowings | 24 |
| Financials in ₹                                     | 25 |

# FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2020

(Amount in US \$ Million)

| Particulars                        | Q2 FY'21 | Margin% | Growth |       |
|------------------------------------|----------|---------|--------|-------|
|                                    |          |         | QoQ    | YoY   |
| Revenue                            | 2,507    |         | 6.4%   | 0.8%  |
| Revenue Growth (Constant Currency) |          |         | 4.5%   | -0.4% |
| EBITDA                             | 668      | 26.6%   | 10.7%  | 14.7% |
| EBIT                               | 542      | 21.6%   | 12.0%  | 9.2%  |
| Net Income                         | 424      | 16.9%   | 9.7%   | 12.7% |

(Amount in ₹ Crores)

| Particulars | Q2 FY'21 | Margin% | Growth |       |
|-------------|----------|---------|--------|-------|
|             |          |         | QoQ    | YoY   |
| Revenue     | 18,594   |         | 4.2%   | 6.1%  |
| EBITDA      | 4,951    | 26.6%   | 8.4%   | 20.7% |
| EBIT        | 4,016    | 21.6%   | 9.7%   | 14.9% |
| Net Income  | 3,142    | 16.9%   | 7.4%   | 18.5% |

(Amount in US \$ Million)

| Segment-wise                 | Revenue      | Revenue Mix   | EBIT Margin  | Growth (in constant currency) |              |
|------------------------------|--------------|---------------|--------------|-------------------------------|--------------|
|                              |              |               |              | QoQ                           | YoY          |
| IT and Business Services     | 1,774        | 70.8%         | 19.8%        | 4.9%                          | -1.6%        |
| Engineering and R&D Services | 394          | 15.7%         | 22.2%        | 3.6%                          | -6.8%        |
| Products & Platforms         | 338          | 13.5%         | 30.5%        | 3.1%                          | 16.2%        |
| <b>Total</b>                 | <b>2,507</b> | <b>100.0%</b> | <b>21.6%</b> | <b>4.5%</b>                   | <b>-0.4%</b> |

(Amount in US \$ Million)

| Mode 1-2-3   | Revenue      | Revenue Mix   | EBIT Margin  | Growth (in constant currency) |              |
|--------------|--------------|---------------|--------------|-------------------------------|--------------|
|              |              |               |              | QoQ                           | YoY          |
| Mode 1       | 1,587        | 63.3%         | 20.9%        | 4.3%                          | -6.2%        |
| Mode 2       | 524          | 20.9%         | 18.5%        | 6.9%                          | 14.7%        |
| Mode 3       | 396          | 15.8%         | 28.7%        | 2.1%                          | 7.6%         |
| <b>Total</b> | <b>2,507</b> | <b>100.0%</b> | <b>21.6%</b> | <b>4.5%</b>                   | <b>-0.4%</b> |

## Key Highlights (for the quarter ending September 2020)

1. HCL signed 15 transformational deals, led by key industry verticals including life sciences and healthcare, public services (energy & utilities) and manufacturing.
2. Broad based performance in Q2 with all growth engines firing. All the Geographies / Segments / Verticals return to smart positive sequential growth.
3. Strong revenue growth at 4.5% QoQ in constant currency accompanied with expansion in margins on both YoY and QoQ basis.
  - EBITDA at **26.6%** and EBIT at **21.6%** expanded by **320 bps** and **160 bps** respectively (on YoY basis).
4. **Mode 2** revenue exceeds **US\$ 500 mn** milestone; EBIT Margin at **18.5%** expanding **450 bps** (on YoY basis).
5. Declared Dividend of ₹ 4 /- per share, being 71<sup>st</sup> consecutive quarter of dividend pay-out.
6. IT Services attrition (LTM basis) at **12.2%**, down 470 bps YoY.
7. Cash Generation and conversion continues to be very robust:

| Particulars                                 | Quarter Ended<br>(30-Sep-2020) | Last Twelve Months Ended<br>(30-Sep-2020) |
|---|--------------------------------|---|
| Operating Cash Flow (US \$ mn)              | 643                            | 2,692                                     |
| Free Cash Flow (US \$ mn)                   | 578                            | 2,444                                     |
| Operating Cash Flow (OCF) / Net Income (NI) | 152%                           | 161%                                      |
| Free Cash Flow (FCF) / Net Income (NI)      | 136%                           | 146%                                      |

8. Gross Cash stands at **US \$ 2,246 mn** and Net Cash at **US \$ 1,826 mn** at the end of September 30<sup>th</sup>, 2020.
9. EPS at ₹ **45.2** registered healthy growth at **22.0%** on LTM basis. Cash EPS ₹ **60.3** also grew healthy at **36.3%** on LTM basis.

## CORPORATE OVERVIEW

“These unprecedented times and the volatile global business environment have changed the way organizations operate. Enterprises are accelerating the adoption of technology and sharpening their focus on being resilient and better prepared for unpredictable situations. As businesses rethink, redefine and refine their ways of working, it has become imperative for them to adopt sustainable practices that complement their agile business models. We believe that business has a collective social responsibility to ensure that stakeholders have every advantage to succeed. At HCL, we are committed to ensuring the socio-economic development of the communities we engage with around the world.” said **Shiv Nadar, Chief Strategy Officer, HCL Technologies Ltd.**

---

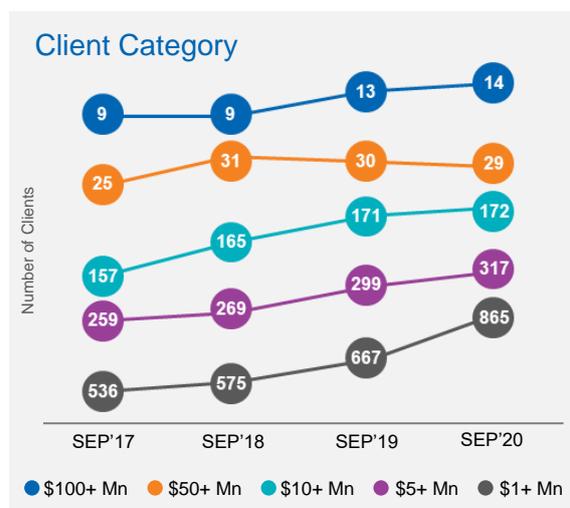
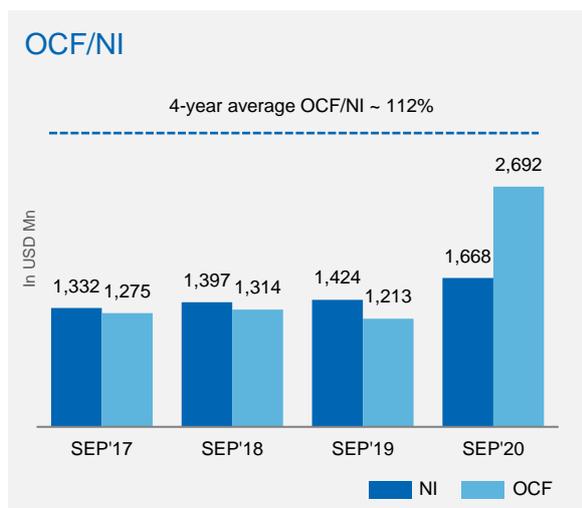
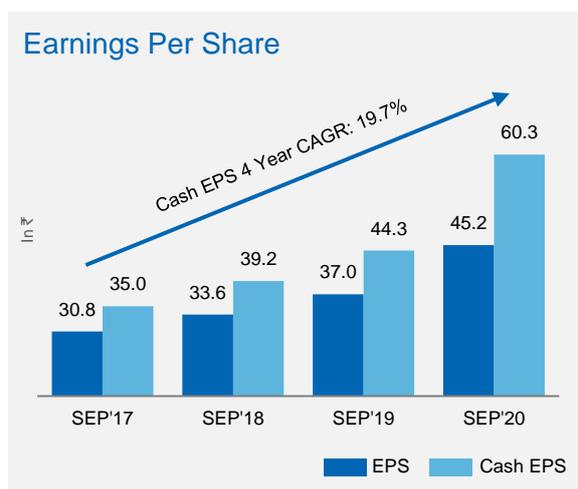
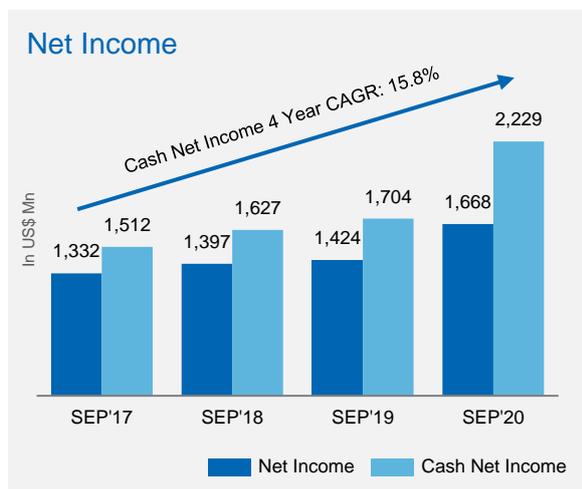
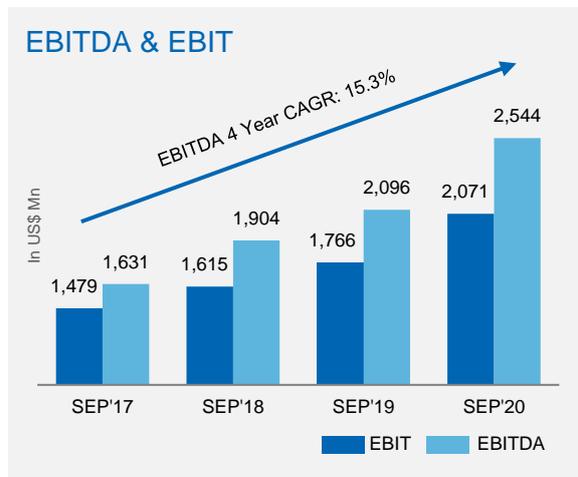
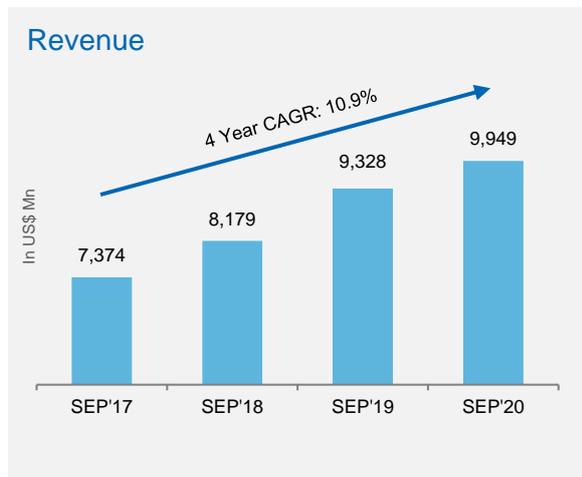
“We have delivered a stellar Q2 performance with a sequential revenue growth of 4.5% in constant currency and 21.6% EBIT margin. This growth momentum was driven by our continued leadership in Digital Transformation and Cloud businesses and a strong stability in the Products & Platforms segment, all of which continue to open diverse growth avenues for us. Our investments over the last few years in next-gen technologies have held us in good stead during these difficult times and position us strongly to leverage the emerging market opportunities.” said **C Vijayakumar, President & CEO, HCL Technologies Ltd.**

---

“We are delighted with the all-round Q2 FY’21 performance. All engines of growth are firing, and our margins have increased significantly with EBITDA at 26.6% and EBIT at 21.6%, expanding by 320 bps and 160 bps respectively on YoY basis. The standout performance for the quarter has been the cash generation and conversion ratios. Our Operating Cash Flow (OCF) & Free Cash Flow (FCF) stand at handsome US\$ 2,692 mn and US\$ 2,444 mn respectively on Last-Twelve-Month basis, with OCF/NI and FCF/NI conversion at an impressive 161% and 146% respectively.” said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

# PERFORMANCE TRENDS

Overall Company (past 4 years for 12 months ended September)



Note:

- Cash Net income is Operating Cash Flow before Change in Working Capital.
- Cash EPS is Cash Net Income divided by Average Number of Diluted Equity Shares.
- EPS and Cash EPS adjusted for Bonus issues.

## REVENUE GROWTH (IN CONSTANT CURRENCY)

| Particulars         | Details  | Quarter Ended (30-Sep-2020) |              |
|---------------------|--|-----------------------------|--------------|
|                     |  | QoQ                         | YoY          |
| <b>Consolidated</b> | <b>For the Company</b>                               | <b>4.5%</b>                 | <b>-0.4%</b> |
| Geography           | Americas   | 4.9%                        | -1.3%        |
|                     | Europe   | 2.2%                        | -2.6%        |
|                     | ROW  | 9.0%                        | 15.4%        |
| Segments            | IT and Business Services                             | 4.9%                        | -1.6%        |
|                     | Engineering and R&D Services                         | 3.6%                        | -6.8%        |
|                     | Products & Platforms                                 | 3.1%                        | 16.2%        |
| Verticals           | Financial Services                                   | 2.6%                        | -2.5%        |
|                     | Manufacturing  | 1.5%                        | -11.5%       |
|                     | Technology and services                              | 6.3%                        | 12.8%        |
|                     | Retail & CPG   | 8.4%                        | 3.3%         |
|                     | Telecommunication, Media, Publishing & Entertainment | 6.1%                        | -8.8%        |
|                     | Lifesciences & Healthcare                            | 8.6%                        | 9.2%         |
|                     | Public Services <sup>#</sup>                         | 0.2%                        | -3.0%        |

Note:

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

# CORPORATE ACHIEVEMENTS

As the world embraces the circumstances shaped by the ongoing global health crisis and major economic, political and social turmoil, HCL has become even more resilient and agile in its outlook. The organization is constantly striving to create stronger relationships and better solutions to advance the digital transformation journeys of global enterprises. Supported by strong pillars of deep domain industry expertise, customer-centricity, an entrepreneurial culture of ideapreneurship™ and a vast ecosystem of innovation partners, HCL empowers global enterprises with technology for the next decade, today.

## Business Highlights

- HCL Technologies has earned the prestigious designation in Forbes' fourth-annual list of the World's Best Employers 2020, ranking #30 overall and making it the top ranked company among the multinationals headquartered in India.

Forbes partnered with market research firm Statista to compile the ranking by surveying 160,000 full-time and part-time workers from 58 countries and working for businesses with operations in multiple nations or regions. Surveys were conducted on a rolling basis from June to July, and participants were asked to rate their willingness to recommend their own employers to friends and family. They were also asked to rate their satisfaction with their employers' Covid-19 responses, and score their employers on its image, economic footprint, talent development, gender equality and social responsibility. The final list is composed of 750 multinational and large corporations headquartered in 45 countries. For more details:

<https://www.forbes.com/sites/kristinstoller/2020/10/15/these-are-the-worlds-best-employers-2020/#2b4031072eff>

- HCL Technologies was given the highest governance quality score of 1<sup>st</sup> decile from Institutional Shareholder Services (ISS). The score of 1<sup>st</sup> decile indicates higher quality and relatively lower governance risk. The score is derived after reviewing four key tenets of board structure, shareholder rights, compensation and audit & risk oversight.
- In Q2 FY'21, HCL signed 15 transformational deals, led by key industry verticals including life sciences and healthcare, public services (energy & utilities) and manufacturing.
- HCL announced its intent to acquire DWS Limited, a leading Australian IT, business and management consulting group. DWS provides a wide range of IT services including digital transformation, application development & support, program & project management and consulting. This acquisition will strongly enhance HCL's contribution to digital initiatives in Australia and New Zealand while strengthening its client portfolio across key industries.
- HCL Software continued its operational excellence in Q2 FY'21, with nearly 5,000 sales transactions. The number of unique customers signed in the last year has increased to over 12,000. HCL Software's continued investment in its products resulted in 20 major and minor product releases this quarter. Most notable were the product announcements of Unica Discover, OneDB, and Automation Power Suite.
- HCL and Google Cloud announced the expansion of their strategic partnership to bring HCL's Actian portfolio, starting with Actian Avalanche, to Google Cloud. Actian Avalanche is a high-performance hybrid cloud data warehouse designed to power an enterprise's most demanding operational analytics workloads.
- HCL announced the opening of its first European Cybersecurity Fusion Center (CSFC) in Gothenburg, Sweden. The state-of-the-art security operations and response facility will help European organizations comply with local regulations concerning data sovereignty. The center will have multi-domain security teams, processes and cutting-edge analytics which will enable organizations to detect threats faster and resolve incidents efficiently.
- HCL inaugurated its first Global Delivery Center in Sri Lanka in the presence of the Honourable Prime Minister of Sri Lanka, Shri Mahinda Rajapaksa and key government dignitaries and HCL officials. A key part of HCL's business and development strategy in Sri Lanka will be to use a local talent pool of Sri Lanka for global assignments.
- HCL's Value Portal, a unique grassroots innovation platform that enables employees to contribute their ideas and create value for customers and HCL, delivered customer-endorsed value worth \$380M and generated 3,038 ideas and 1,380 implementations in Q2 FY'21.
- HCL joined the NVIDIA Partner Network (NPN) to pursue expanded opportunities in the Artificial Intelligence (AI) space. It also announced the launch of NEXT.ai, HCL's AI lab, focused on upskilling engineers and

architects utilizing AI solutions across hardware and software technology stacks. This will enhance their capabilities to build AI-led solutions for multiple HCL clients across industry verticals.

- HCL announced its collaboration with PTC, an industry leader in augmented reality & IoT, and HPE, a global edge-to-cloud Platform-as-a-Service company, to take its Real-Time Manufacturing Insights (RMI) solution to the next level. With this partnership, HCL can now deliver a streamlined, pre-bundled, ready-to-deploy configuration for the most challenging manufacturing environments.
- HCL announced the availability of its Real-time In-store Insights (RII) consulting offering on Microsoft Azure Marketplace, an online cloud marketplace providing tailored line-of-business solutions. The RII offering aims to leverage IoT-powered insights to reimagine the retail space and transform the shopping experience.
- HCL, in collaboration with blockchain software firm R3 launched BUILDINGBLOCK — a blockchain platform created to streamline business property insurance for multinational companies. This platform enables insurance companies to craft a master policy document by enabling real time data flow in an easy, cryptographically secure and immutable manner.
- Continuing its tradition of 'ideapreneurship™' and a culture of innovation, HCL filed 10 patents in Q2 FY'21. Patents filed were in areas such as software development, AI, next-generation technologies, automation, and data analytics. Patents were granted in the areas of Machine Learning (ML), IoT, solar energy and functional simulations.
- HCL organized 'Inspire for Better, The Economist Virtual Roundtable' - a global CXO Thought Leadership Campaign and Partnership for speeding up innovation – employing lessons from Covid-19 for long-term success featuring C-level executive from global enterprises.
- HCL organized the 'Inspired Series' – a series of exclusive conversations with the celebrated Australian Cricket Team for an inspiring insight into leadership, innovation, resilience and drive behind the best performances.

### COVID-19 Initiatives

HCL continues its extensive, robust and proactive approach to protect its employees, minimize impact on clients, reduce financial risk to HCL, maintain supply chain resilience and provide support to the communities around us.

### Strategic Programs

- HCL conducted the global 'Better Health Hackathon #CodeForCOVID19', which was organized in partnership with Microsoft and International SOS. The initiative resulted in more than 7,500 engaged innovators from over 1,000 organizations and academic institutions representing over 50 countries. The hackathon was aimed at engaging a global community of talented, purpose-driven and passionate tech innovators and developers, harnessing their creativity, digital skills and entrepreneurial spirit to inspire solutions for current and potential pandemic-related problems.
- HCL launched the COVID-19 Risk Assessment App, which aims to help enterprises bring people back to work safely. As the lockdown status is varying across cities and countries around the world, the app is designed to help companies develop plans to allow their staff return to office.
- A virtual HCL digital forum was held in France featuring international experts who came together to talk about 'How COVID-19 is Accelerating Digital Transformation'. Over 40 international experts from business, government, academia, and international organizations came together on the HCL digital forum to encourage creativity and innovation for a better tomorrow.
- HCL continued its strong liaison and relationship with embassies, trade bodies, industrial associations, NASSCOM and World Economic Forum for a coordinated COVID-19 response.

### Employee Engagement

- HCL introduced #TakeCareHCL, a holistic strategy of employee care that straddled communications to on-ground action about health and wellbeing, awareness, safety, emergency response, diversity and inclusion, learning and development, technology, and policy. Under this initiative HCL:
  - Scaled the employee benefits program under HCL Healthcare to provide healthcare, prevention, response and mitigate infection risks.
  - Triaged medical and non-medical services to employees and their family members on the 24x7 Global Helpline, free of charge.

- Launched several health and wellbeing initiatives, in consultation with industry medical experts, in the areas of preventive and elective healthcare services, health check-ups at home and in-premise, antibody and antigen testing, doctor consults, managed care plans and life coach services.
- Partnered with diagnostic labs and hospitals; organized wellbeing sessions and learning courses on productive and healthy ways of working in the new normal; and facilitated virtual leader-employee connections fostering inclusive leadership as COVID-19 changed the workplace.
- HCL is constantly monitoring the current situation and working to minimize impact with stable remote working arrangements. Globally, 96% of billed employees and 99.9% of enabling employees are working remotely today.
- Implemented a series of Employee First practices such as real-time feedback into policy adjustments, flexi-time benefit, ergonomics, pandemic leaves and enhanced claim limits of broadband and voice charges.

### Community Development

- The COVID-19 Command Center in Gautam Buddha Nagar, Noida which has been operational since April 2020, responded to more than 250,000 citizen queries. As a critical center in Uttar Pradesh, this was visited by the Honorable Chief Minister of Uttar Pradesh Shri Yogi Adityanath.
- HCL extended its support to Arignar Anna Zoological Park in Chennai, the Madras Crocodile Bank and the Lucknow Zoo to help them overcome the challenges from the ongoing COVID-19 pandemic. HCL helped with animal feed and care, while also providing salaries to the caretakers involved in sanitization and maintenance for a period of six months.

## HUMAN RESOURCES

HCL believes in a culture that fosters grassroots innovation and is committed to providing its employees with an equitable, safe and inclusive work environment. HCL focuses on talent attraction, growth and retention that work in tandem to ensure a unified experience across the enterprise. HCL's core belief of employee-centricity aims to enhance employee experience and accelerate their professional growth by creating an amenable, aspirational and friendly work environment.

- As on September 30, 2020, HCL's full-time headcount stood at 153,085.
- HCL prides itself on employing people from different geographies and nationalities, creating a unique fabric of values and traditions. As of September 30, 2020, HCL employees represented 158 nationalities.
- HCL won a Gold award at Brandon Hall, HCM Excellence Awards 2020 for 'Best Inclusion and Diversity Strategy'. The award recognizes a workplace strategy to improve inclusion and diversity to support an organizational vision and create positive organizational outcomes.
- HCL Technologies won a Gold Stevie Award for Most Innovative Work-From-Home Plan and two Silver Stevie Awards for Most Valuable HR Team and Most Valuable Employer. The Stevie® Awards are the world's premier business awards created to honour and generate public recognition of the achievements, and contributions from organizations and working professionals worldwide.

# PARTNER ECOSYSTEM

## Microsoft Ecosystem Partnership

- HCL PowerObjects received Microsoft's Global 2020 Proactive Customer Service Partner of the Year award which recognizes HCL for providing innovative and unique customer solutions based on Microsoft Dynamics 365 Customer Service.
- HCL has become one of the early partners to qualify for Azure Migration Program partner status for Windows Virtual Desktop engagements, a workplace solution by Microsoft.
- HCL is now a "Microsoft Cloud Adoption Framework (CAF) enterprise-scale Certified Partner". CAF is a proven Azure framework designed to create and implement business and technology strategies to succeed in Cloud which will help in accelerating the customer's cloud adoption journey.

## Google Ecosystem Partnership

- HCL launched a new IP to accelerate deployment of SAP environments on Google Cloud. This ready-to-deploy IP enables rapid delivery of the SAP platform based on a templated approach backed by a dedicated team of Google Cloud and SAP-certified architects. It provides enterprises with the flexibility to deploy SAP software with custom installation leading to reduced provisioning times.

## Amazon Web Services (AWS) Partnership

- HCL expanded its collaboration with AWS by joining the ISV Workload Migration Program. This helps HCL to migrate independent software vendor workloads to AWS via a repeatable migration process and accelerate the customer journey to cloud for its DRYICE™ framework.
- HCL's VersionVault, a secure, enterprise solution for version control and configuration management, now runs seamlessly on AWS. This helps users to make decisions about how AWS services can be used.
- HCL's 1PLMCloud for remote work enablement now runs exclusively on AWS Cloud, thereby enabling a fast, secure, and high-performance Creo environment on cloud for enterprise users.

## SAP Ecosystem Partnership

- HCL has become an SAP certified competency partner for all top four hyperscalers – Google Cloud, AWS, Microsoft Azure and IBM.
- HCL has launched a new full stack offering Product out of Industry Process (PoIP), to drive the SAP industry cloud apps journey for customers.
- HCL signed a strategic Value-Added Reseller (VAR) agreement with SAP's UK and Ireland market unit that provides HCL with an edge in driving the SAP full stack offering for its existing customers and net new customers in the market.

# ANALYST RECOGNITIONS

HCL Technologies has always pursued excellence and has been recognized for more than 50 Leadership positions in Analyst competitive assessments this quarter. These recognitions by leading industry experts and analysts for its business leadership is a testimony of HCL's next-generation competencies and an endeavour to deliver the best. They highlight the company's completeness of vision and ability to execute customized solutions for its clients in the emerging fields of technologies.

## Digital Foundation

- HCL positioned as a Leader in Everest Group's Digital Workplace Services PEAK Matrix® Assessment 2020
- HCL positioned as a Leader in Everest Group's Cloud-Native Application Development Services PEAK Matrix® Assessment 2020
- HCL positioned as a Leader in the Avasant's SD-WAN Managed Services 2020 Radarview™
- HCL positioned as a Leader in ISG Provider Lens™ Network - Software Defined Solutions and Services Partners - U.S, U.K, Nordics 2020 - Network Technologies Suppliers (Core to Mobile)
- HCL positioned as a Leader in ISG Provider Lens™ Next-Gen Private/Hybrid Cloud - Data Center Services & Solutions - U.S, U.K, Nordics 2020 - Managed Services for Large Accounts
- HCL positioned as a Leader in ISG Provider Lens™ Network - Software Defined Solutions and Services Partners – U.K, Nordics 2020 - SDN Transformation Services (Consulting & Implementation)
- HCL positioned as a Leader in ISG Provider Lens™ Network - Software Defined Solutions and Services Partners – U.K, Nordics 2020 - Managed WAN Services
- HCL positioned as a Leader in ISG Provider Lens™ Network - Software Defined Solutions and Services Partners – U.K, Nordics 2020 - Managed SD-WAN Services
- HCL positioned as a Leader in ISG Provider Lens™ Cloud Native – Container Services - U.S. 2020 - Managed Service Mesh
- HCL positioned as a Leader in ISG Provider Lens™ Cloud Native – Container Services - U.S. 2020 - Managed Kubernetes
- HCL positioned as a Leader in ISG Provider Lens™ Cloud Native – Container Services - U.S. 2020 - Managed Cloud Native Security
- HCL positioned as a Leader in ISG Provider Lens™ Cyber Security - Solutions & Services - Switzerland 2020 - Technical Security Services
- HCL positioned as a Leader in ISG Provider Lens™ Cyber Security - Solutions & Services - Switzerland 2020 - Managed Security Services

## Digital Business

- HCL positioned as a Leader in IDC MarketScape: Worldwide Manufacturing Intelligence Transformation Strategic Consulting 2020 Vendor Assessment
  - September 2020, IDC #US46844920
- HCL positioned as a Leader in IDC MarketScape: Worldwide Manufacturing Intelligence Transformation 2020 Vendor Assessment
  - September 2020, IDC #US46844820
- HCL positioned as a Leader in Everest Group's Industry 4.0 Services PEAK Matrix® Assessment 2020: The Transformational Leap in Cyber-physical Convergence
- HCL positioned as a Leader in ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - U.S, U.K, Nordics, 2020 - Managed Platform Services for SAP HANA

- HCL positioned as a Leader in ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - U.S, U.K, Nordics, 2020 - SAP Cloud Platform and SAP Leonardo Services
- HCL positioned as a Leader in ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - U.S, U.K, Nordics 2020 - Managed Application Services for SAP ERP
- HCL positioned as a Leader in ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - Nordics 2020 - SAP S/4 HANA System Transformation
- HCL positioned as a Leader in ISG Provider Lens™ SAP HANA and Leonardo Ecosystem Partners - U.K. 2020 - SAP S/4 HANA System Transformation – Large Accounts
- HCL positioned as a Leader in ISG Provider Lens™ IoT - Services and Platforms - U.S, Germany, 2020 - Managed Services
- HCL positioned as a Leader in ISG Provider Lens™ IoT - Services and Platforms - U.S. 2020 - Connected Vehicles
- HCL positioned as a Leader in ISG Provider Lens™ IoT - Services and Platforms - U.S. 2020 – Manufacturing
- HCL positioned as a Leader in ISG Provider Lens™ IoT - Services and Platforms - U.S, Germany 2020 - Consulting and Integration

### Digital Operations

- HCL positioned as a Leader in Everest Group’s Banking BPS services PEAK Matrix® Assessment with Service Provider Landscape 2020
- HCL positioned as a Leader in the Avasant’s Retail & CPG Digital Services 2020 – 2021 Radarview™

## CORPORATE SOCIAL RESPONSIBILITY

HCL Foundation (HCLF), the CSR arm of HCL Technologies, works towards the positive transformation in the lives of vulnerable communities in India and around the world. Through its flagship programs and special initiatives, HCLF continues to make progress by adopting a sustainable and scalable approach to address social issues.

### COVID-19 Response

HCLF has significantly ramped up its efforts to mitigate the current humanitarian crisis and has supported more than 130,031 people through the following COVID-19 specific responses and support.

#### Health

- Enhanced COVID-19 care facilities at the Lok Nayak Hospital and Deen Dayal Upadhyay Hospitals in Delhi, in partnership with the Government of Delhi.
- Supported setting up of 350 hospital beds and 59 COVID-19 screening camps and booths.
- Donated 36,000 PPE, 78,000 safety kits, 5,000 N-95 masks, 200 HME Filters, four Temperature Guns and six mobile medical health units.
- Facilitated the screening and testing of more than 35,000 people.
- Trained 740 health professionals and frontline workers on COVID-19 related issues.

#### WASH (Water, Sanitation and Hygiene)

- Supported and set up 76 mobile hand wash platforms and delivered more than 35,800 hygiene kits.
- Supported nearly 18,000 households situated in Noida, Uttar Pradesh, India with contactless waste collection.

### **Skill Development & Livelihood**

- Organized over 100 webinars and e-sessions on social issues including COVID-19 capacity building.
- Trained 25 assistant nurses under Yuvakendra (Skill Development Center) that were appointed by Nagpur Municipal Corporation to provide services across 8 quarantine centers.

### **Environment**

- Engaged more than 1,800 migrant labourers for the management of three urban mini forests and 18 pond sites and provided care and protection to over 3,300 birds and animals.

### **Education & Child Protection**

- Child protection and student academic helplines were launched, handling more than 1,400 calls. In addition, with awareness of the new normal, 4,000 video lessons were developed as part of the e-learning initiative.

### **Flagship Programs**

In Q2 FY'21, through its flagship rural and urban programs, HCLF impacted 461,738 human lives, planted 54,971 saplings, rejuvenated 38 water bodies and ensured protection and treatment of 1,894 animals across rural and urban geographies, spanning 21 States and 3 Union Territories of India.

### **Rural Programs**

- HCL Samuday
  - Supported farmers by providing them with over 63,400 kg seeds,
  - Helped nearly 12,000 adults become neo-literates
  - Provided improved healthcare services to more than 1,500 women and 4,000 children. Provided access to toilets to over 1,600 households
  - Provided 2,500 diagnostic services through telemedicine and mobile health clinics
  - Provided electricity to two more villages established seven new solar energy run micro-enterprises. As on September 30, 2020 a total of 41 villages have been electrified.
- HCL Grant
  - 30 new farmers were enlisted for the organic cultivation practice in the Nilgiris district in Tamil Nadu, India. Over 4,000 saplings were planted, and an additional 1,000 acres of land were brought under community governance.
  - Assistive learning support was provided to 63 children with visual impairment.
  - To help people living with disabilities, nine households were modified
  - Dry ration and nutrition support were provided to 300 families and malnourished children in Nagrakata, Jalpaigudi, West Bengal, India.

### **Urban Programs**

- HCL Uday
  - Positively impacted 38,000+ people through initiatives running across themes such as family planning, geriatric care, nutrition, anaemia prevention and water, sanitation & hygiene (WASH) services; 36,247 young children and youth provided quality Early Childhood care, e-learning, emotional well-being and counselling services; 50,971 saplings planted and 38 water bodies taken up for rejuvenation; 1,894 animals treated.
- Clean Noida
  - Through door-to-door waste collection initiative, over 1,700 tonnes of solid waste was collected from around 18,000 households and 300 tonnes of street waste managed; Integrated Control & Command center' for Noida Authority was established to help monitor and manage performance of 395 vehicles, 3,807 employees, sweeping machines and real-time complaint management.

## Special Initiatives

- **HCLF Academy** - Hosted 18 webinars in the areas of public health and epidemiology, including - CSR during COVID-19, mental health, well-being, resilience building, early childhood care and development during COVID-19, care and management of wildlife in times of COVID-19, motivational sessions by experts in the field of sports.
- **Sports for Change** - HCLF widened its scope and engaged more than 1,000 students and youth through over 11,000 hours of online sports and fitness sessions.
- **Power of One (Po1)** – An average of 37,400 employees contributed towards Po1 in Q2 FY'21 through salary donations and 335 HCLites clocked 1,050 e-volunteering hours. Through Po1 scholarships, 350 scholars were supported under 'My Scholar' initiative.

## Global CSR

- **UK** - HCL completed its 12th 'Get started' program with the Prince's Trust a virtual initiative for young people focusing on app design, coding and software development. HCL also delivered a session on cybersecurity.
- **South Africa** - HCL partnered with Safe-Hub on one of the largest and most impactful youth development campaigns, to develop Digital Labs to support the development of healthy, educated, and efficient young citizens.

## KEY BUSINESS UPDATES

Businesses across industries stand at an inflection point today led by far-reaching disruption catalyzed by technologies like Digitalization, Analytics, Cloud, IoT and Automation. To respond to these converging vectors in a structured network, HCL's Mode 1-2-3 strategy has become its growth blueprint to navigate swiftly in the Digital Age. Mode 1 leverages the current business and IT landscape by consolidating the company's existing core and enhancing that core with new technologies. Mode-2 provides scaled digital transformation frameworks that help enterprise clients build robust new-age capabilities and pivot to new business models. Mode 3 helps take advantage of specific next-generation opportunities and enable HCL's enterprise clients to be future-ready.

### New Deals

In Q2, FY'21, the following 15 new transformational deals were signed by HCL Tehnologies:

1. A leading global healthcare provider has partnered with HCL to reorient its end-to-end IT infrastructure and applications and deploy a suite of DRYiCE™ Software products & platforms to enable them to meet long term strategic objectives. HCL will help the client with consumption-based, experience-driven, digital and automated operations and pursue large-scale modernization and digital transformation initiatives to enhance patient and employee experience.
2. A US-based oil & gas company has expanded its relationship with HCL. Over the last six years of relationship, HCL has helped client transform and reimagine its workplace environment. As part of the new deal, which will strengthen the relationship multifold, HCL will help client advance on its digital transformation journey and will be responsible for co-innovating and fully supporting client's cloud platforms delivered in an agile operating model. Drawing on its next-generation digital solutions and global scale, HCL will drive resiliency and efficiency across client's business and deliver modern, collaborative and seamless experience for its global workforce.
3. A leading UK-based global life sciences company has selected HCL for supporting an end-to-end infrastructure operation. HCL will help the client drive outcomes such as providing a proactive end user experience, migrating more services to the cloud and delivering seamless IT service back to the business and deploy DRYiCE iAutomate to automate its Data Center (DC) operations.
4. A large healthcare provider selected HCL for modernizing the infrastructure and applications as part of the client's digital transformation strategy. This deal with HCL will help the client streamline faster its IT operations, enhance user experience and embrace digital transformation at scale.
5. A US-based media and entertainment company chose HCL as an engineering partner for ramping up nearshore development operations across geographies, systems and domains reducing the total cost of ownership for the client significantly. HCL will also provide application services that include product development, testing and automation.
6. A large US-based oil and gas company chose HCL to provide end-to-end and globally integrated data center and private cloud services, supported by products and IPs in the digital technology platform value chain. HCL will also manage their computing operations, develop automation strategies at scale and support their private cloud transformation initiatives to deliver a resilient, scalable and highly reliable user experience.
7. A leading global automotive manufacturer selected HCL for application development, modernization and operations services. As part of the engagement, HCL is going to help reduce IT intensity by bringing in IT simplification and transformation and by running operations.
8. A South Africa-based life sciences company chose HCL to transform and manage its global network, unified communications and video conferencing landscape. HCL will accelerate their journey to the cloud by migrating its on-premise heterogeneous communications infrastructure to the cloud.
9. A leading global life sciences company in Europe expanded its deal with HCL for creating an end-to-end service layer as part of the client's multi-vendor sourcing strategy. HCL will help the client to migrate more services to the cloud, pursue large-scale modernization and carry out digital transformation initiatives to enhance workplace experience. HCL will also provide cloud, infrastructure and application management services to the client.
10. A leading multinational healthcare company in Europe partnered with HCL in its journey to transform and set up an agile organization model. HCL will help the client drive global and local initiatives that support business themes through consultancy services.

11. A US-based manufacturer chose HCL as its digital platform partner to launch its suite of Connected Products and Services offerings. As part of this multi-year strategic engagement, HCL will provide end-to-end platform services including equipment connectivity, IoT platform, Data Analytics, AI/ML solutions and Aftermarket Support. HCL enabled Connected Offerings will help the client create new services revenue, improve customer experience and drive organic growth through product differentiation.
12. A US-based leading insurance company selected with HCL to deliver end-to-end managed services for production support, quality assurance and cloud operations. HCL will help the client in transforming delivery excellence, improve productivity, realize cost savings and significantly increasing emergent holdings' customer satisfaction.
13. A Europe-based global automotive company expanded its association with HCL to ensure a dynamic security posture by providing security services for factory sites by leveraging HCL's "360° SecureOT" solution to ensure protection to the plant environment.
14. A leading US based life sciences company selected HCL for its AI driven customer management solutions. HCL will deploy its AI/ML based proprietary Service Intelligence solution to triage field issues better and enhance end patient experience.
15. A US-based life sciences company selected HCL for providing endpoint security solutions covering all of their desktop and laptop devices globally. This deal allows HCL to consolidate and enhance its position as a full-scope partner for cybersecurity services for the client by providing tools and services.

## Key Renewals

- A leading European bank renewed its deal with HCL to deliver an application programming interface platform, testing services, a single view of customer and other strategic projects.
- A leading US-based global hi-tech company extended its longstanding relationship with HCL to support its customers for their premium digital advertising platform. HCL will provide technical customer support services to resolve issues across multiple categories, working closely with various client stakeholders to deliver superior customer experience.
- A large US-based media and entertainment company continued its engagement with HCL as its engineering services partner. HCL will work on all IP streaming engineering priority programs for the customer and provide connected devices and platform engineering services for the customer's engineering division, while also working on end-customer programs.
- A UK-based publishing and education company renewed its relationship with HCL to support online proctoring and education and create a round-the-clock model as part of its customer support strategy. HCL will help the client to grow services in new geographies.
- A European consumer goods company reinked its deal with HCL to build a Center of Excellence (CoE) for simulation services to the client's global research and development team. This CoE will deliver value in terms of faster time-to-market, prototype cost reduction, standardization of process and methods for global test procedure, and creation of a knowledge base.
- A European telecommunications company extended its engagement with HCL for creating an end-to-end service layer as part of the client's multi-vendor sourcing strategy. HCL will help the client set up digital foundation services on the cloud and provide an enhanced workplace end-user experience and consumption-based network access services.
- A US-based software company renewed its deal with HCL to simplify their migration process and offer a sustainable digital environment capable of handling peak workloads at a lower cost.
- A US-based telecommunications company continued its relationship with HCL as the transformation partner to digitalize and modernize business support systems and the technology stack.

## Products & Platforms

- A European apparel manufacturer renewed its engagement with HCL and added new HCL products, including Commerce, Accelerate, and OneTest. The company will use these products to transact online business as well as manage backend DevOps activities to ensure their online presence is the industry standard.

- A South Asian insurance company selected HCL for its Domino and Volt products. HCL will lay the foundation for low-code applications to be developed and accessed by the client.
- A Latin American telecommunications company chose HCL for its Unica and Commerce products. The client will use HCL Software products to bolster its client experience infrastructure.
- A large US-based healthcare company chose HCL to deploy a suite of DRYiCE™ Software products – including DRYiCE OptiBot, DRYiCE Lucy, DRYiCE iAutomate – to enhance end-user productivity, reduce the burden on IT support through its AI-driven self-heal mechanism, and provide cognitive virtual assistance to employees.
- A leading European logistics company selected HCL to deploy DRYiCE Lucy, DRYiCE OptiBot and DRYiCE MTaaS cognitive virtual assistant services to enhance end-user productivity and enable AI-driven IT Operations.
- A leading oil and gas company in Europe has initiated phase 2 deployment of DRYiCE iControl to provide real-time visualization of the full set of business processes, giving IT and operations personnel a granular view into process capability against key performance indicators.

## PRODUCT LAUNCHES

As clients are adopting new technologies at the core of their business models, HCL's service offerings, products and platforms are organized to solve the key business and technology challenges. This quarter HCL launched various new products, the following are some key examples:

- **Unica Discover** – Provides rich behaviour insights and improved user experience, through capturing and analysing behavioural data. It also provides business impact analytics and visibility into business impact & opportunities.
- **OneDB** – A fully automated database management that accelerates adoption with wire protocol and API compatibility.
- **Automation Power Suite** – Comprises HCL Workload Automation, HCL Clara and HCL HERO. With Automation Power Suite, clients can automate better and smarter to build an enterprise automation platform.
- **NetBot** - Launched a new IP-based module in NetBot that is integrated with the UI and provides AI-assisted troubleshooting. The SaaS solution complements NetBot with the power of causal reasoning, AI-based model engineering and feedback loop, conversational AI, and cognitive network control.
- **DRYiCE Lucy** - With the major release of version 5.0, it now has new functionalities such as use case design console for faster implementation, cognitive analytics module enabling supervised learning and conversational analytics console for downloadable visualizations.
- **DRYiCE iAutomate** - The latest version 6.0 brings in new features like SaaS based self-service driven ticket analysis, support for ITSM updates, master script support, integration with Cherwell ITSM and Service Now Orchestration.
- **DRYiCE MyCloud** - The latest version 10.0 brings in several new features like integration with Google Cloud Platform, email tracking reports, support for python scripting in process workflows, forecasting and reserved instance recommendations and compliance reporting.
- **DRYiCE iControl** - The latest version 1.5 was released with feature enhancements such as upstream and downstream predictive warnings, throughput observation widget and revolution counter, various bug fixes and performance improvements, and additional domain packs
- **DRYiCE ROAR** - The latest version was released with feature enhancements such as automation section, notification details, stricter password policy, user profile management among others.
- **DRYiCE SX™** - The latest version includes a feature named 'Copy Service', that would further enhance the ability of an organization to quickly publish services for their user base, thereby increasing their business agility.
- **DRYiCE Gold BluePrint** - Its latest version was released with feature enhancements including advance survey, email notifications update and custom apps enhancements.

# FINANCIALS IN US\$ FOR THE QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2020 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

| Income Statement   | Quarter Ended  |                |                | Growth       |              |
|--|----------------|----------------|----------------|--------------|--------------|
|  | 30-Sep-19      | 30-Jun-20      | 30-Sep-20      | YoY          | QoQ          |
| <b>Revenues</b>  | <b>2,485.6</b> | <b>2,355.5</b> | <b>2,506.6</b> | <b>0.8%</b>  | <b>6.4%</b>  |
| Direct Costs   | 1,568.5        | 1,416.1        | 1,473.4        |              |              |
| <b>Gross Profits</b>   | <b>917.1</b>   | <b>939.4</b>   | <b>1,033.3</b> | <b>12.7%</b> | <b>10.0%</b> |
| Research & Development   | 46.0           | 45.1           | 47.2           |              |              |
| SG & A   | 289.1          | 291.1          | 318.4          |              |              |
| <b>EBITDA</b>  | <b>582.0</b>   | <b>603.2</b>   | <b>667.7</b>   | <b>14.7%</b> | <b>10.7%</b> |
| Depreciation & Amortisation  | 85.9           | 119.7          | 126.1          |              |              |
| <b>EBIT</b>  | <b>496.1</b>   | <b>483.5</b>   | <b>541.6</b>   | <b>9.2%</b>  | <b>12.0%</b> |
| Foreign Exchange Gains/(Loss)  | (1.4)          | 0.0            | (0.4)          |              |              |
| Other Income, net  | 0.9            | 27.1           | 18.9           |              |              |
| Provision for Tax  | 118.3          | 122.7          | 134.5          |              |              |
| Net gain attributable to redeemable non-controlling / non-controlling interest | 1.1            | 1.7            | 1.5            |              |              |
| <b>Net Income</b>  | <b>376.2</b>   | <b>386.3</b>   | <b>423.9</b>   | <b>12.7%</b> | <b>9.7%</b>  |
| Gross Margin   | 36.9%          | 39.9%          | 41.2%          |              |              |
| EBITDA Margin  | 23.4%          | 25.6%          | 26.6%          |              |              |
| EBIT Margin  | 20.0%          | 20.5%          | 21.6%          |              |              |
| Net Income Margin  | 15.1%          | 16.4%          | 16.9%          |              |              |
| <b>Earnings Per Share</b>  |                |                |                |              |              |
| Annualized in ₹  |                |                |                |              |              |
| Basic  | 39.1           | 43.1           | 46.3           |              |              |
| Diluted  | 39.1           | 43.1           | 46.3           |              |              |

| Weighted Average Number of Shares | 30-Sep-19     | 30-Jun-20     | 30-Sep-20     |
|-----------------------------------|---------------|---------------|---------------|
| Basic                             | 2,712,700,982 | 2,713,665,096 | 2,713,665,096 |
| Diluted                           | 2,713,471,198 | 2,713,665,096 | 2,713,665,096 |

| Outstanding Options (in equivalent number of shares) | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|--|-----------|-----------|-----------|
| Options at less than market price                    | 862,720   | -         | -         |

# CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

| Particulars   | As On           |                 |
|---|-----------------|-----------------|
|   | 31-Mar-20       | 30-Sep-20       |
| <b>Assets</b>   |                 |                 |
| Cash and Cash Equivalents   | 640.1           | 556.3           |
| Funds in Transit  | -               | 108.8           |
| Accounts Receivables, net   | 1,868.0         | 1,694.3         |
| Unbilled Receivables  | 480.8           | 468.5           |
| Term Deposits   | 468.2           | 819.7           |
| Investment Securities, available for sale                                 | 923.6           | 761.3           |
| Inventories   | 12.1            | 14.4            |
| Other Current Assets  | 685.7           | 575.5           |
| <b>Total Current Assets</b>   | <b>5,078.4</b>  | <b>4,998.7</b>  |
| Property and Equipment, net   | 825.2           | 844.6           |
| Operating lease right-of-use assets                                       | 346.9           | 331.0           |
| Intangible Assets, net  | 3,888.2         | 3,909.6         |
| Deferred Income Taxes, Net  | 300.9           | 257.8           |
| Investments in Affiliates   | 5.0             | 5.0             |
| Other Investments   | 5.1             | 5.4             |
| Other Assets  | 548.3           | 551.6           |
| <b>Total Assets</b>   | <b>10,998.2</b> | <b>10,903.8</b> |
| <b>Liabilities &amp; Stockholders Equity</b>                              |                 |                 |
| Current Liabilities   | 2,760.8         | 2,029.9         |
| Borrowings  | 672.9           | 420.2           |
| Operating lease liabilities   | 326.8           | 312.0           |
| Other Liabilities   | 336.9           | 344.1           |
| <b>Total Liabilities</b>  | <b>4,097.5</b>  | <b>3,106.2</b>  |
| <b>Redeemable Non-Controlling Interests</b>                               | <b>69.8</b>     | <b>69.8</b>     |
| <b>Total Stockholders Equity</b>  | <b>6,830.9</b>  | <b>7,727.8</b>  |
| <b>Total Liabilities, Redeemable Non-Controlling Interests and Equity</b> | <b>10,998.2</b> | <b>10,903.8</b> |

# CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

| Particulars   | For Year Ended<br>Mar-20 | For Quarter Ended<br>Sep-20 |
|---|--------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                             |
| <b>Net Income</b>   | <b>1,558.1</b>           | <b>425.5</b>                |
| <b>Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities</b> |                          |                             |
| Depreciation and Amortization   | 399.2                    | 126.1                       |
| Deferred income taxes   | 14.9                     | 18.0                        |
| Others  | 39.5                     | (0.1)                       |
| <b>Operating Cash Flow before Change in Working Capital</b>                             | <b>2,011.8</b>           | <b>569.4</b>                |
| <b>Changes in Assets and Liabilities, net</b>   |                          |                             |
| Accounts Receivable and Unbilled Receivable   | (494.7)                  | 84.3                        |
| Other Assets  | (32.7)                   | 32.8                        |
| Other Liabilities   | 258.6                    | (43.5)                      |
| <b>Net Cash provided by Operating Activities</b>  | <b>1,743.0</b>           | <b>643.1</b>                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                             |
| Purchase of Property & Equipment and Intangibles  | (240.6)                  | (65.3)                      |
| Purchase of Licensed IPRs   | (22.0)                   | -                           |
| Proceeds from sale of property and equipment  | 4.3                      | 0.8                         |
| (Purchase) / Sale or maturity of Investment securities                                  | (651.1)                  | (58.7)                      |
| Purchase of other Investments   | (2.3)                    | (0.1)                       |
| Fixed Deposits (increase) / decrease  | 7.7                      | (164.4)                     |
| Payments for business acquisitions, net of cash acquired                                | (878.6)                  | -                           |
| Investment in Equity Method Investee  | (0.2)                    | -                           |
| Dividend from Equity Method Investee  | 0.2                      | -                           |
| <b>Net Cash used in Investing Activities</b>  | <b>(1,782.5)</b>         | <b>(287.6)</b>              |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                             |
| Payment for Deferred consideration on Business Acquisition                              | (41.5)                   | (50.0)                      |
| Dividend paid   | (228.2)                  | (72.5)                      |
| Loans   | 112.8                    | (213.3)                     |
| Dividend paid to redeemable non-controlling interests                                   | (4.4)                    | -                           |
| Others  | 17.2                     | (2.6)                       |
| <b>Net Cash used in Financing Activities</b>  | <b>(144.1)</b>           | <b>(338.3)</b>              |
| Effect of exchange rate changes on cash and cash equivalents and restricted cash        | (34.0)                   | 11.3                        |
| Net increase (decrease) in cash and cash equivalents and restricted cash                | (217.6)                  | 28.4                        |
| <b>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH</b>                                    |                          |                             |
| Beginning of the Period   | 859.3                    | 529.5                       |
| <b>End of the Period</b>  | <b>641.7</b>             | <b>557.8</b>                |

## REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

| Geographic Mix | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|----------------|-----------|-----------|-----------|
| Americas       | 64.4%     | 63.7%     | 63.1%     |
| Europe         | 28.2%     | 28.3%     | 28.4%     |
| RoW            | 7.4%      | 8.0%      | 8.5%      |

| Segment Mix                  | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|------------------------------|-----------|-----------|-----------|
| IT and Business Services     | 71.4%     | 70.2%     | 70.8%     |
| Engineering and R&D Services | 16.9%     | 16.0%     | 15.7%     |
| Products & Platforms         | 11.7%     | 13.8%     | 13.5%     |

| Vertical Mix  | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|---|-----------|-----------|-----------|
| Financial Services                                    | 22.4%     | 22.4%     | 22.1%     |
| Manufacturing   | 19.8%     | 18.1%     | 17.7%     |
| Technology & Services                                 | 15.4%     | 17.2%     | 17.3%     |
| Retail & CPG  | 10.0%     | 10.0%     | 10.4%     |
| Telecommunications, Media, Publishing & Entertainment | 8.4%      | 7.6%      | 7.7%      |
| Lifesciences & Healthcare                             | 12.9%     | 13.7%     | 14.1%     |
| Public Services <sup>#</sup>                          | 11.0%     | 11.0%     | 10.7%     |

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

| Contract Type                           | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|---|-----------|-----------|-----------|
| Managed Services & Fixed Price Projects | 66.5%     | 66.7%     | 67.4%     |
| Time & Material                         | 33.5%     | 33.3%     | 32.6%     |

## CONSTANT CURRENCY REPORTING

| Reported                | 30-Sep-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun-20 | 30-Sep-20 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue (\$ Mn)         | 2,485.6   | 2,543.4   | 2,543.4   | 2,355.5   | 2,506.6   |
| Growth QoQ              | 5.2%      | 2.3%      | 0.0%      | -7.4%     | 6.4%      |
| Growth YoY              | 18.4%     | 15.5%     | 11.7%     | -0.3%     | 0.8%      |
| Constant Currency (QoQ) | 30-Sep-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun-20 | 30-Sep-20 |
| Revenue (\$ Mn)         | 2,505.7   | 2,538.5   | 2,565.0   | 2,360.0   | 2,460.7   |
| Growth QoQ              | 6.0%      | 2.1%      | 0.8%      | -7.2%     | 4.5%      |
| Constant Currency (YoY) | 30-Sep-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun-20 | 30-Sep-20 |
| Revenue (\$ Mn)         | 2,529.2   | 2,562.2   | 2,584.6   | 2,386.7   | 2,475.5   |
| Growth YoY              | 20.5%     | 16.4%     | 13.5%     | 1.0%      | -0.4%     |

| Average Rates for Quarter | 30-Sep-19 | 31-Dec-19 | 31-Mar-20 | 30-Jun-20 | 30-Sep-20 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| USD – INR                 | 70.52     | 71.24     | 73.08     | 75.69     | 74.14     |
| GBP – USD                 | 1.23      | 1.30      | 1.27      | 1.24      | 1.30      |
| EUR – USD                 | 1.10      | 1.11      | 1.10      | 1.10      | 1.17      |
| USD – SEK                 | 9.66      | 9.54      | 9.79      | 9.60      | 8.86      |
| AUD – USD                 | 0.68      | 0.68      | 0.64      | 0.66      | 0.72      |

## CLIENT METRICS

| Number of Million Dollar Clients (LTM) | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 | QoQ Change | YoY Change |
|--|-----------|-----------|-----------|------------|------------|
| 100 Million dollar +                   | 13        | 15        | 14        | (1)        | 1          |
| 50 Million dollar +                    | 30        | 29        | 29        | -          | (1)        |
| 20 Million dollar +                    | 93        | 93        | 91        | (2)        | (2)        |
| 10 Million dollar +                    | 171       | 173       | 172       | (1)        | 1          |
| 5 Million dollar +                     | 299       | 320       | 317       | (3)        | 18         |
| 1 Million dollar +                     | 667       | 848       | 865       | 17         | 198        |

| Client Contribution to Revenue (LTM) | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|--------------------------------------|-----------|-----------|-----------|
| Top 5 Clients                        | 15.6%     | 13.9%     | 13.7%     |
| Top 10 Clients                       | 23.1%     | 20.9%     | 20.9%     |
| Top 20 Clients                       | 33.7%     | 30.8%     | 30.6%     |

| Days Sales Outstanding                                  | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|---|-----------|-----------|-----------|
| Days Sales Outstanding - excluding unbilled receivables | 70        | 65        | 61        |

## HEADCOUNT

| Headcount Details           | 30-Sep-19      | 30-Jun-20      | 30-Sep-20      |
|-----------------------------|----------------|----------------|----------------|
| <b>Total Employee Count</b> | <b>147,123</b> | <b>150,287</b> | <b>153,085</b> |
| Technical                   | 135,957        | 138,888        | 141,445        |
| Sales and Support           | 11,166         | 11,399         | 11,640         |
| Gross Addition              | 13,430         | 7,005          | 8,390          |
| Attrition (LTM)*            | 16.9%          | 14.6%          | 12.2%          |

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

## CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

|   | Sep-20         |
|---|----------------|
| Cash & Cash Equivalents                   | 556.3          |
| Term Deposits                             | 819.7          |
| Investment Securities, Available for Sale | 761.3          |
| Funds in Transit                          | 108.8          |
| <b>Total Funds (Gross Cash)</b>           | <b>2,246.1</b> |

|                   | Sep-20       |
|-------------------|--------------|
| <b>Borrowings</b> | <b>420.2</b> |

# FINANCIALS IN ₹ FOR THE QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2020 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

| Income Statement   | Quarter Ended |               |               | Growth       |             |
|--|---------------|---------------|---------------|--------------|-------------|
|  | 30-Sep-19     | 30-Jun-20     | 30-Sep-20     | YoY          | QoQ         |
| <b>Revenues</b>  | <b>17,528</b> | <b>17,841</b> | <b>18,594</b> | <b>6.1%</b>  | <b>4.2%</b> |
| Direct Costs   | 11,061        | 10,728        | 10,929        |              |             |
| <b>Gross Profits</b>   | <b>6,467</b>  | <b>7,113</b>  | <b>7,665</b>  | <b>18.5%</b> | <b>7.8%</b> |
| Research & Development   | 325           | 342           | 350           |              |             |
| SG & A   | 2,039         | 2,205         | 2,364         |              |             |
| <b>EBITDA</b>  | <b>4,103</b>  | <b>4,566</b>  | <b>4,951</b>  | <b>20.7%</b> | <b>8.4%</b> |
| Depreciation & Amortisation  | 606           | 906           | 935           |              |             |
| <b>EBIT</b>  | <b>3,497</b>  | <b>3,660</b>  | <b>4,016</b>  | <b>14.9%</b> | <b>9.7%</b> |
| Foreign Exchange Gains/(Loss)  | (10)          | 0             | (3)           |              |             |
| Other Income, net  | 7             | 205           | 139           |              |             |
| Provision for Tax  | 835           | 929           | 999           |              |             |
| Net gain attributable to redeemable non-controlling / non-controlling interest | 8             | 13            | 11            |              |             |
| <b>Net Income</b>  | <b>2,651</b>  | <b>2,925</b>  | <b>3,142</b>  | <b>18.5%</b> | <b>7.4%</b> |
| Gross Margin   | 36.9%         | 39.9%         | 41.2%         |              |             |
| EBITDA Margin  | 23.4%         | 25.6%         | 26.6%         |              |             |
| EBIT Margin  | 20.0%         | 20.5%         | 21.6%         |              |             |
| Net Income Margin  | 15.1%         | 16.4%         | 16.9%         |              |             |
| <b>Earnings Per Share</b>  |               |               |               |              |             |
| Annualized in ₹  |               |               |               |              |             |
| Basic  | 39.1          | 43.1          | 46.3          |              |             |
| Diluted  | 39.1          | 43.1          | 46.3          |              |             |

| Weighted Average Number of Shares | 30-Sep-19     | 30-Jun-20     | 30-Sep-20     |
|-----------------------------------|---------------|---------------|---------------|
| Basic                             | 2,712,700,982 | 2,713,665,096 | 2,713,665,096 |
| Diluted                           | 2,713,471,198 | 2,713,665,096 | 2,713,665,096 |

| Outstanding Options (in equivalent number of shares) | 30-Sep-19 | 30-Jun-20 | 30-Sep-20 |
|--|-----------|-----------|-----------|
| Options at less than market price                    | 862,720   | -         | -         |

# CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

| Particulars   | As On         |               |
|---|---------------|---------------|
|   | 31-Mar-20     | 30-Sep-20     |
| <b>Assets</b>   |               |               |
| Cash and Cash Equivalents   | 4,843         | 4,104         |
| Funds in Transit  | -             | 803           |
| Accounts Receivables, net   | 14,134        | 12,500        |
| Unbilled Receivables  | 3,638         | 3,457         |
| Term Deposits   | 3,542         | 6,047         |
| Investment Securities, available for sale                                 | 6,988         | 5,616         |
| Inventories   | 91            | 106           |
| Other Current Assets  | 5,188         | 4,246         |
| <b>Total Current Assets</b>   | <b>38,425</b> | <b>36,878</b> |
| Property and Equipment, net   | 6,244         | 6,231         |
| Operating lease right-of-use assets                                       | 2,624         | 2,442         |
| Intangible Assets, net  | 29,421        | 28,841        |
| Deferred Income Taxes, Net  | 2,277         | 1,902         |
| Investments in Affiliates   | 38            | 38            |
| Other Investments   | 39            | 40            |
| Other Assets  | 4,149         | 4,069         |
| <b>Total Assets</b>   | <b>83,216</b> | <b>80,441</b> |
| <b>Liabilities &amp; Stockholders Equity</b>                              |               |               |
| Current Liabilities   | 20,889        | 14,977        |
| Borrowings  | 5,092         | 3,100         |
| Operating lease liabilities   | 2,472         | 2,302         |
| Other Liabilities   | 2,548         | 2,539         |
| <b>Total Liabilities</b>  | <b>31,002</b> | <b>22,917</b> |
| <b>Redeemable Non-Controlling Interests</b>                               | <b>528</b>    | <b>515</b>    |
| <b>Total Stockholders Equity</b>  | <b>51,686</b> | <b>57,009</b> |
| <b>Total Liabilities, Redeemable Non-Controlling Interests and Equity</b> | <b>83,216</b> | <b>80,441</b> |

## ABOUT HCL TECHNOLOGIES

HCL Technologies (HCL) empowers global enterprises with technology for the next decade today. HCL's Mode 1-2-3 strategy through its deep-domain industry expertise, customer-centricity and entrepreneurial culture of ideapreneurship™ enables businesses transform into next-gen enterprises.

HCL offers its services and products through three business units - IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products & Platforms (P&P). ITBS enables global enterprises to transform their businesses through offerings in areas of Applications, Infrastructure, Digital Process Operations and next generational digital transformation solutions. ERS offers engineering services and solutions in all aspects of product development and platform engineering while under P&P, HCL provides modernized software products to global clients for their technology and industry specific requirements. Through its cutting-edge co-innovation labs, global delivery capabilities and broad global network, HCL delivers holistic services in various industry verticals, categorized under Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences & Healthcare and Public Services.

As a leading global technology company, HCL takes pride in its diversity, social responsibility, sustainability and education initiatives. As of 12 months ended September 30, 2020, HCL has a consolidated revenue of US\$ 9.95 billion and its 153,085 ideapreneurs operate out of 50 countries.

For more information, visit [www.hcltech.com](http://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.



**For details, contact:**

---

INVESTOR RELATIONS

**Sanjay Mendiratta**

[sanjay.mendiratta@hcl.com](mailto:sanjay.mendiratta@hcl.com)

+91-120-6126000

**Nikhil Gupta, CFA**

[nikhil-gu@hcl.com](mailto:nikhil-gu@hcl.com)

+91-120-6126000

CORPORATE COMMUNICATIONS

**Ravi Kathuria**

[ravi.kathuria@hcl.com](mailto:ravi.kathuria@hcl.com)

+91-120-6126000

---

**HCL Technologies Ltd.**, Technology Hub, SEZ, Plot No. 3A, Sec-126, Noida - 201304, India. [www.hcltech.com](http://www.hcltech.com)