

HCL TECHNOLOGIES

THIRD QUARTER - FY 2019 RESULTS

INVESTOR RELEASE

Noida, India, January 29th, 2019

Q3 FY'19 RESULTS

Revenue at ₹ **15,699 crores**; up **5.6%** QoQ & **22.6%** YoY

Net Income at ₹ **2,611 crores**; up **2.8%** QoQ & **19.0%** YoY

Revenue at **US\$ 2,202 mn**; up **4.9%** QoQ & **10.8%** YoY

Revenue in Constant Currency up **5.6%** QoQ & **13.0%** YoY

Net Income at **US\$ 364 mn**; up **2.1%** QoQ & **7.0%** YoY

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FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED 31st DECEMBER, 2018

(Amount in ₹ Crores)

PARTICULARS	Q3 FY'19	GROWTH	
		QoQ	YoY
REVENUE	15,699	5.6%	22.6%
EARNINGS BEFORE INTEREST & TAX (EBIT)	3,086	4.0%	23.0%
NET INCOME	2,611	2.8%	19.0%

(Amount in US \$ Million)

PARTICULARS	Q3 FY'19	GROWTH	
		QoQ	YoY
REVENUE	2,202	4.9%	10.8%
REVENUE GROWTH (CONSTANT CURRENCY)		5.6%	13.0%
EARNINGS BEFORE INTEREST & TAX (EBIT)	431	3.1%	10.6%
NET INCOME	364	2.1%	7.0%

Mode 1-2-3 Highlights

	Revenue (in US\$ mn)	Revenue Mix	EBIT Margin	QoQ Growth (in Constant Currency)
Mode 1	1,561	70.9%	20.7%	3.9%
Mode 2	377	17.1%	12.3%	13.1%
Mode 3	263	11.9%	23.0%	6.2%
Total	2,202	100%	19.6%	5.6%

Key Highlights

- This quarter, HCL delivered a solid industry leading 5.6% sequential growth in constant currency. The growth was driven by services across Verticals and Geographies led by Mode-2 services that grew 13.1%, Mode-3 6.2% and Mode-1 3.9%.
 - Mode 2 crosses US\$ 1.5 bn run rate. The robust growth in Mode-2 Services was fueled by all the components that include Digital & Analytics, Security, IoT and Cloud Native services.
 - Mode-1 growth was driven by IMS, ERS and Applications, all of them demonstrating strong traction.
- HCL continues its strong deal win momentum, signing 17 transformational deals this quarter, which are a mix of Mode 1 and Mode 2 services across all our service lines. These deals were led by sectors such as Financial Services, Technology & Services and Manufacturing.
- HCL's strong growth at 13% YoY in constant currency, was broad based across Verticals led by Telecommunications, Media, Publishing & Entertainment 40.3%, Technology & Services 24.4%, Life Science and Healthcare 23.4%, Retail and CPG 21.5%. (on YoY Constant Currency basis)
- All geographies reported double-digit growth. Americas 12.9%, Europe 14.5% and RoW (ex-India) 12.1%. (on YoY Constant Currency basis)
- This quarter, HCL announced a definitive agreement to acquire select IBM software products for an aggregate value of US\$ 1,775 mn.
- Operating Cash Flow / Net Income conversion at 95% (on LTM basis).
- Return on Equity at 25.1% and Return on Invested Capital at 28.7% (on LTM basis).
- Dividend of ₹ 2 per share, 64th 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 7.9% to 9.9% in USD terms based on Dec 31, 2018 rates.
- **Operating Margin (EBIT):** FY'19 expected Operating Margin (EBIT) range is from 19.5% to 20.5%.

CORPORATE OVERVIEW

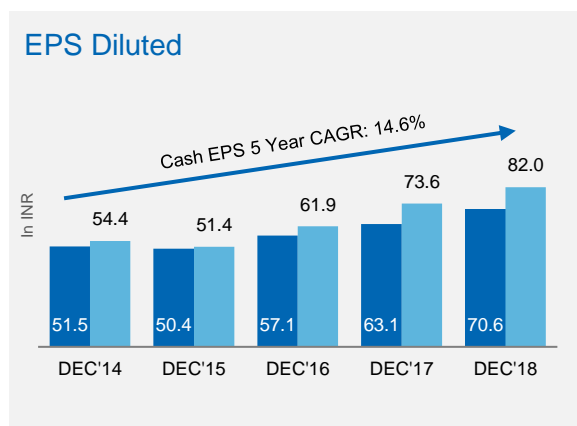
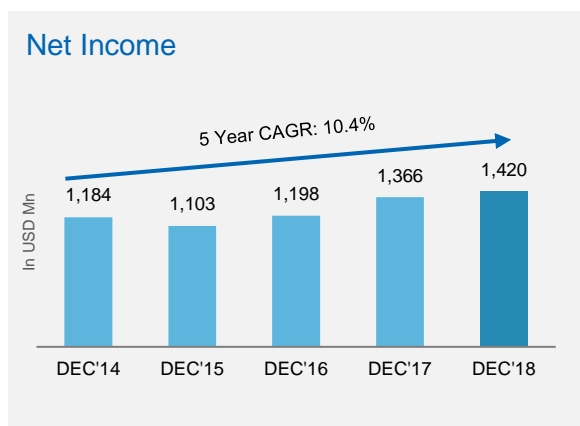
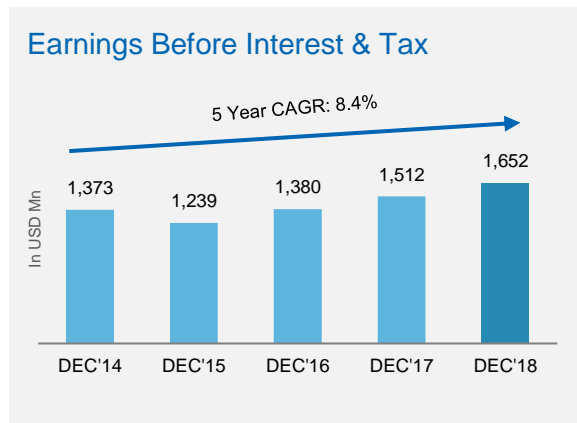
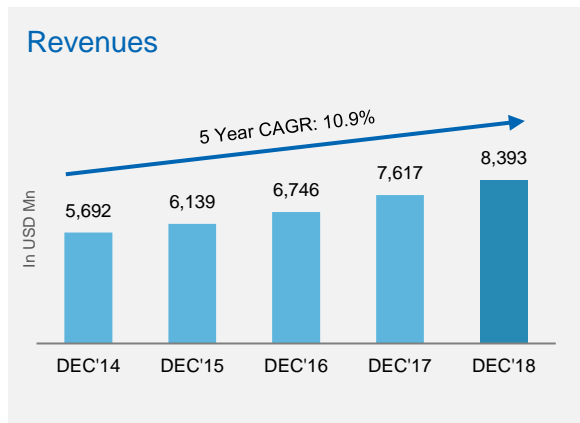
“Digital & Technology innovations are causing disruptions to traditional models of not just business, but all aspects of our lives. Leveraging these innovations to exponentially enhance society’s potential and create solutions for its problems has been HCL’s guiding philosophy. Aided by a strong push on next-generation business, we continue to deliver value to all our stakeholders and remain at the forefront of supporting sustainability, diversity and inclusion for the industry.”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

“Our revenues grew 5.6% sequential in constant currency, reflecting strong execution across our entire suite of services & products. We crossed US\$ 1.5 billion run rate in our Mode 2 next generation offerings. We once again set a new bookings’ record this quarter. We are entering 2019 with a healthy growth outlook backed by the strong relevance of our propositions in the market.”, said **C.Vijayakumar, President & CEO, HCL Technologies Ltd.**

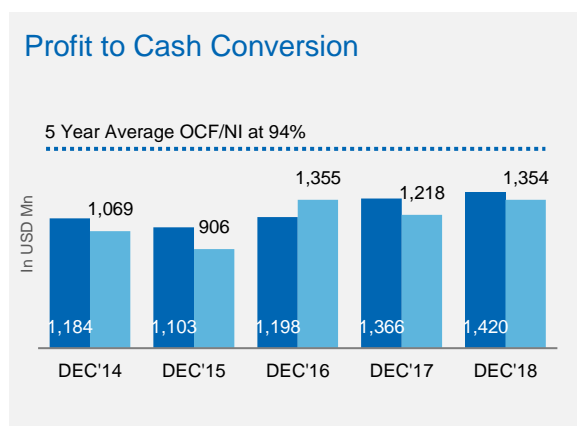
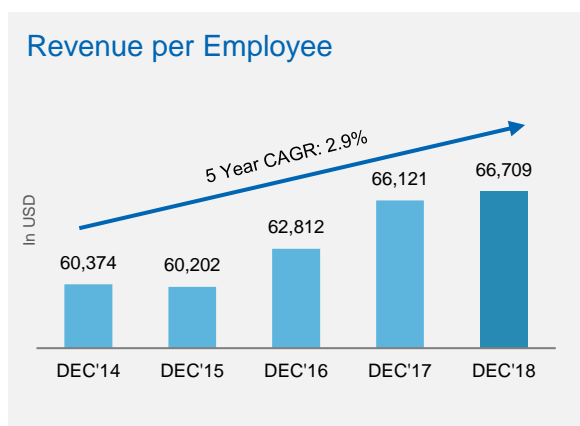
“We are happy to announce an all-round solid Q3 performance. We have delivered strong revenue growth at 13% year on year in constant currency at stable 19.6% EBIT margin. It is heartening to note that our EBITDA has exceeded US\$ 2 bn milestone on run rate basis. Our Cash EPS on LTM basis stands at a robust ₹ 82.0 increasing 11.4% over pervious year. We continue to post handsome Return on Equity (ROE) and Return on Invested Capital (ROIC) at 25.1% and 28.7% respectively, on LTM basis.”, said **Prateek Aggarwal, CFO, HCL Technologies Ltd.**

PERFORMANCE TRENDS

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



■ EPS ■ Cash EPS



■ Net Income ■ Operating Cash Flow

REVENUE GROWTH (IN CONSTANT CURRENCY)

PARTICULARS	SEGMENTS	31-December-18		
		QoQ	YoY	LTM YoY
Consolidated	For the Company	5.6%	13.0%	10.1%
Geography	Americas	2.7%	12.9%	12.5%
	Europe	12.9%	14.5%	9.2%
	Rest of the World (RoW)	4.5%	8.4%	-3.2%
Services	Application Services	2.3%	2.5%	1.8%
	Infrastructure Services	10.4%	16.5%	6.4%
	Business Services	-3.7%	50.1%	44.9%
	Engineering and R&D Services	5.1%	17.4%	24.3%
Verticals	Financial Services	-0.6%	0.1%	3.7%
	Manufacturing	3.9%	1.5%	-2.1%
	Technology & Services	7.5%	24.4%	34.2%
	Retail & CPG	8.4%	21.5%	14.4%
	Telecommunications, Media, Publishing & Entertainment	35.4%	40.3%	8.4%
	Lifesciences & Healthcare	5.8%	23.4%	18.0%
	Public Services [#]	-4.4%	8.1%	5.3%

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-gen digital transformational services, participative value creation and innovation driven initiatives.

- HCL continues its strong deal win momentum, signing 17 transformational deals this quarter, which are a mix of Mode 1 and Mode 2 services across all our service lines. These deals were led by sectors such as Financial Services, Technology & Services and Manufacturing. The Mode 2 services business has now crossed US\$ 1.5 billion annual run rate.
- HCL Technologies celebrated the 10-year anniversary of its first US-based Global Delivery Center, located in North Carolina, with Honorable Governor Roy Cooper, HCL's senior leadership, customers, and members of state organizations and academia. In the spirit of social responsibility, HCL and its employees also made a contribution to the North Carolina Hurricane Irma Relief Fund.
- HCL launched its US Women's Leadership Center, headquartered in Cary, NC. Following the success of the Women Lead Australia program, this is a critical step in HCL's commitment towards Diversity and Inclusion, working with the ecosystem to facilitate STEM training, leadership development and mentorship opportunities for women. The Women Leadership Center will be a collaboration with eminent leaders from customers, communities, government, educational institutions, and HCL.
- HCL Technologies celebrated its 10-year anniversary in the Nordic region with Honorable Mikael Damberg, Minister for Enterprise and Innovation and India's ambassador to Sweden Ms Monika Kapil Mohta. The celebration coincided with the opening of a new office at HCL Nordic headquarters in central Stockholm. This year the Nordic region grew to become HCL's largest market in Europe. Today, HCL employs more than 1,600 professionals in the Nordics representing 31 nationalities, with 55 large-scale transformational clients including four out of the six Fortune Global 500 companies in the region.
- HCL opened a new Delivery Center in Adelaide, inaugurated by Honorable David Ridgway, Member of the Legislative Council (MLC) of the Parliament of South Australia and Minister of Trade, Tourism and Investment Australia. HCL further expanded its global footprint by opening offices in Stockholm, Paris, Amsterdam and Ghent (Belgium).
- HCL was recognized as a "Gold Standard" organization by Investor in People for distinctive people practices this year. Investors in People is the international standard for people management, defining what it takes to lead, support and manage people effectively to achieve sustainable results.
- Continuing its tradition of 'ideapreneurship' and a culture of innovation, HCL filed 19 patents this quarter. Research, discovery and invention came from HCL professionals in next-generation technologies and platforms, including data analytics and simulation, automation and machine learning, among others.

PARTNERSHIPS

- HCL was recognized by Microsoft as an Azure Expert MSP (service provider), citing HCL Technologies' investment in resources, training, and technology to deliver successful outcomes for their customers on Azure.
- HCL Technologies and Pivotal Software, Inc. (NYSE: PVTI) collaborated to accelerate the cloud-native journey for large enterprises. This partnership will help enterprises transform businesses by creating new generation cloud-native applications and platforms running on digital infrastructure.
- HCL enrolled into the Google Account Acceleration Program as a Premier Partner for Google Cloud Platform (GCP), to accelerate account interlock for target accounts and drive joint Google and HCL Business.
- HCL partnered with Cloudify, the provider of a leading cloud native orchestration platform, to bring Network Function Virtualization (NFV) orchestrated network slicing to telecom providers. HCL's Engineering and R&D Services (ERS) team is using Cloudify's platform and capabilities for a new solution that enables telecom to create dedicated, reliable Software-Defined Network (SDN) connections.
- HCL and NetBrain Technologies, Inc., a leading network automation solutions provider, launched HCL NetBot, a joint collaborative technology that offers network visibility and network automation capabilities for enterprise IT teams. This will help in catalyzing and scaling HCL's network automation offering, with the ultimate goal of making networks proactive and self-aware, and enabling more flexible and agile network operations across the enterprise.

CORPORATE SOCIAL RESPONSIBILITY

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

- HCL Samuday continued to make sustained impact in uplifting rural villages of Uttar Pradesh, holistically across six sectors. Implemented in 765 villages from 164 gram panchayats (village councils), the program reaches out to 90,000 households covering a total population base of around 600,000 people.
- Under the 'Power of One' program, 36,000+ employees continued to donate towards the social and economic upliftment of vulnerable communities. This quarter, our HCL Community Champions have contributed over 160,000 volunteering hours across India.
- In 2018, HCL Foundation supported over 172 academically bright students from low income families from NCR, Chennai, Bangalore, Madurai, Hyderabad, and Vijayawada with education scholarships, and 30 students received sports scholarships (in addition to 21 existing sports scholars). This initiative is exclusively funded by 'Power of One' donations by HCLites.
- HCL Uday continued its effort across 11 cities to break the cycle of urban poverty and achieve long-term systemic changes. The program reached out to 103,167 people living in underserved, migratory communities through interventions across thematic areas of Education, Health, Livelihood and Environment using an Integrated Community Development Approach (ICDA).
- Under 'Uday Upvan', 13,632 saplings have been planted in the urban forest, developed and maintained by HCL Foundation in Sorkha, Noida across schools, residential areas, public spaces. This is a part of HCL Uday's endeavour to create green and healthy communities. The spirit of volunteerism that connects the HCL ecosystem to these communities is an integral component of the program.
- HCL Foundation contributed and mobilized 20 tons of relief material to support communities affected during various disaster situations across India.

ANALYST RECOGNITIONS & AWARDS

Leading industry experts and analysts continue to recognize HCL for its business leadership and relevance across its broad spectrum of business offerings. Examples of HCL's distinctions include:

- Rated as a Leader in Public Cloud Transformation, Managed Public Cloud Services and IaaS Enterprise Cloud in ISG Provider Lens Cloud Transformation/ Operation Services & XaaS Quadrant Global report 2019.
- Positioned as a "Leader" and "Star Performer" in Everest Group's PEAK Matrix™ for Cloud Services, 2019, November 2018
- Positioned as a Leader and Star Performer in Everest Group's Application Services in Global Capital Markets PEAK Matrix™ 2018 Assessment
- Positioned as a Leader and Star Performer in Everest Group's Application Services in Global Banking PEAK Matrix™ 2018 Assessment
- Rated as a Leader in ISG Provider Lens™ Quadrant report on Security Services
- Rated as a Leader and is positioned in Top 8 among 24 service providers in Avasant RadarView on Hybrid Enterprise Cloud Services
- Awarded the Cisco 2018 Award for Excellence in Software and Cloud. This award recognizes HCL Technologies for delivering outstanding collaborative performance in all areas and supporting Cisco's strategy for business model evolution.
- Rated as a "Leader" and "Star Performer" in Everest group PEAK Matrix™ assessment 2018 for digital workplace services.
- Rated as a Leader in both North America and Europe's Managed workplace services magic quadrants. HCL has been rated highest in completeness of vision in North America magic quadrant.
- Positioned as a Leader in the Zinnov Zones for Retail Digital Services, October 2018. HCL is strongly positioned to provide digital retail services and it continues to gain momentum in the segment.
- Positioned as a Leader in IDC MarketScape: Worldwide DevOps Services 2018
- Positioned as a Leader in The Forrester Wave™: Global IoT Services for Connected Business Operations
- Positioned as among the industry leaders in 'Zinnov Zones 2018 - ER&D Services', an analysis of the Global Engineering R&D landscape, evolving customer preferences, and assessment of Service Providers in this space. It is also recognized as a leader in verticals such as Aerospace, Automotive, Computer Peripherals and Storage, Construction & Heavy Machinery, Consumer Electronics, Industrial Automation, Medical Devices, Semiconductor, Telecommunication and Transport ratings.
- Bestowed with the Nokia Quality Award for 'Driving Quality Experiences in Engineering', making HCL the first R&D software outsourcing company to be nominated in the last 20 years for the same. HCL's innovation framework, stringent quality process and reliable prediction models has helped the client in ontime delivery, enhancing the product quality and optimizing budget.
- Positioned as a Leader in Everest Group PEAKMatrix™ in Medical Device Engineering Services Assessment 2019.
- Won 2 awards at Pivotal Spring One Platform 2018, "ANZ GSI of the year 2018" and "The System Integrator Rising star award"
- Recognized as a Leader in IDC MarketScape: Worldwide Manufacturing PLM Systems Integrator and BPO Services 2018 Vendor Assessment.

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 DRYiCETM Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'.

- HCL has been selected to manage the end-to-end Reconciliation Services for the largest Global Securities Custodian covering all business verticals across the globe. As a part of this engagement, HCL will leverage its deep domain expertise coupled with its capabilities around digital technologies to design and implement the future state operating model thereby enhancing process efficiency and providing superior customer experience.
- HCL has been selected by an international financial institution as a Strategic Vendor for IT systems Implementation and Support Services. HCL will leverage its expertise in delivering services from multiple locations in a competitive scenario to deliver value to this institution.
- One of the largest retail banks in Ireland has reaffirmed its relationship with HCL to deliver consistent value and streamline operations. As a part of this relationship HCL will continue to manage its Treasury, SAP, Enterprise Data Warehouse and Payments landscape for the next 5 years. The relationship will leverage a new delivery centre at Madurai, India.
- HCL has further extended its long-standing preferred partnership with a large, global financial services company. Under this agreement HCL provides the entire range of Mode 1-2-3 services with a focus on the latest data analytics technologies and digital services as well as providing access to the portfolio of HCL's wide range of software offerings.
- A leading US based bank holding company offering clients a complete range of financial services has selected HCL for Application Development and Maintenance deployment
- A leading Canadian multinational investment bank and financial services company selected HCL to support, enhance and develop multiple applications.
- A leading cosmetics retailer has chosen HCL as one of their strategic vendors for Digital, Applications and Infrastructure deployment.
- One of the leading global producers of industrial materials and a worldwide distributor of speciality chemicals selected HCL to manage their end user operations, Data Centre infrastructure and Application management scope for middleware and databases.
- HCL has been selected by one of the largest waste management services companies, serving municipal, commercial, industrial and residential customers, to manage their data centres.
- HCL has been engaged by a global technology company to provide eCAD library management, PCB Layout, and mCAD drafting services to the the company's devices team for the purpose of development of its devices.
- HCL has been selected by one of the world's biggest electric utility companies, located in France, to transform, modernize and run their IT infrastructure and application services. HCL will completely migrate SAP to public cloud and will help set up foundation for digital transformation for the client. HCL extended its decade long Engineering Services Partnership with a leading North American Printer OEM to provide product development, testing & maintenance services for multiple product lines until end of 2021. This continued relationship sets the platform for a greater collaboration between both the companies in the coming years.

MODE 2: NEXT-GENERATION SERVICES

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

- HCL entered into a Preferred Services Partnership with Broadcom Inc., a Global supplier of semiconductor and infrastructure services for its Enterprise Software Products. As part of this engagement, HCL would be providing next generation professional services and education services that leverages our Mode 2 capabilities across Cybersecurity, DevOps and Agile.
- HCL signed a deal with one of the world's leading consumer product companies for engineering services, S4/HANA basis support, automation and migration of workloads to the cloud, by leveraging HCL's cloud management platform.
- HCL was selected by one of the top global consumer credit reporting agencies to provide technology-led, integrated digital operations and apps support for multiple business lines and a digital omni-channel ecosystem to provide superior customer experience to customers.
- HCL was awarded a sourcing engagement with a global infrastructure services company. HCL will provide end-to-end Managed Infrastructure Operations across Datacenter, App Ops, Network & Security and Cloud services. The engagement will consist of all services lines within Mode 1-2-3 – including components of DRYiCE portfolio, cloud adoption, security operations, automation, Datacenter hosting and traditional infrastructure operations.
- HCL embarked on a strategic joint development SaaS / cloud journey for the next several years as partner for a leading global Cyber Security company. HCL will help the customer to re-build one of its on-premise solutions with a completely new SaaS offering targeting the Small and Medium Business market. HCL will provide engineering services for SaaS platform development, cloud connectivity, UI/UX and related API development.
- A US based agency specializing in strategic media planning, buying and analytics, chose HCL to manage their Azure subscription requirements covering five major program tracks: Architecture Blueprint, Cloud Foundation Set-up, End Customer Migration, DB/Server Migration, and Product Modernization (Refactor + Re-Arch).

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.

- HCL announced a definitive agreement under which HCL will acquire select IBM software products for \$1.8 billion. The transaction is expected to close by mid-2019, subject to completion of applicable regulatory reviews and approvals. Below are illustrative comments made by key analysts assessing the deal:
 - In a recent IDC report “HCL Acquires Software from IBM to Achieve Non-Linear Growth”, analysts were of the opinion that these solid well-established products with loyal customers will provide an interesting growth market opportunity potentially generating additional \$625 million revenue in the first year and \$650 million in the following years for HCL.
 - According to 451 Research, an IT industry analyst firm the software portfolio that HCL is purchasing from IBM gives it direct access to some software-installed bases (Notes and Domino, as well as Unica and Commerce) that it should now be in a stronger position to upgrade to its own platform as part of transformation projects.
 - According to TBRI, HCLT’s planned acquisition of the product sets from IBM will elevate the security, commerce and collaboration expertise in HCLT’s portfolio. Following the addition of IBM’s salesforce around these products through the acquisition. HCLT will also improve its position within a variety of vertical markets as the products will bring existing product users, building its expertise around environment management.
- Nine (9) generally available (GA) products were released to the market for purchase/consumption this quarter: HCL AppScan Standard, HCL Clara, HCL HERO, HCL OneTest Suite, HCL OneTest Embedded, HCL RealTime Software Tooling (RTist), HCL UrbanCode Deploy, HCL Integration Platform, HCL Informix on Cloud – Azure Edition.
- HCL continues its momentum in Artificial Intelligence and Autonomics with its DRYiCE™ portfolio of products, platforms and services.
 - HCL DRYiCE™ products iAutomate, MyCloud and MyXaltics™ were chosen by a leading global diversified building materials group.
 - A leading US-based biopharmaceutical manufacturer company chose DRYiCE™ iAutomate as their enterprise automation platform for IT operations automation
 - The second largest Belgian electricity producer and energy supplier chose iAutomate as their preferred platform for AIOps automation
 - World’s leading confectionery, food, and beverage company has chosen DRYiCE™ Lucy as their enterprise cognitive virtual assistant
 - World’s leading producer of industrial minerals and specialty chemicals has chosen DRYiCE™ Mycloud as the enterprise wide hybrid cloud management platform.
 - DRYiCE™ iAutomate version 3.0 was launched with additional capabilities such as Change Request Tasks and Service Requests Tasks.
 - DRYiCE™ Lucy is now available in French and Spanish languages. A new Framework developed for dynamic generation of Data Model APIs was also launched for Lucy.
 - HCL has signed agreements with three new channel partners to market, sell, implement and support DRYiCE™ products.

FINANCIALS IN US\$ FOR THE QUARTER ENDED 31st DECEMBER, 2018 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	31-Dec-17	30-Sep-18	31-Dec-18	YoY	QoQ
Revenues	1,987.5	2,098.6	2,201.5	10.8%	4.9%
Direct Costs	1,305.4	1,355.0	1,425.0		
Gross Profits	682.2	743.6	776.4	13.8%	4.4%
SG & A	222.3	251.2	267.2		
EBITDA	459.9	492.5	509.2	10.7%	3.4%
Depreciation & Amortisation	70.6	75.0	78.7		
EBIT	389.3	417.5	430.6	10.6%	3.1%
Foreign Exchange Gains/(Loss)	20.0	9.2	(7.8)		
Other Income, net	20.9	25.8	22.2		
Provision for Tax	89.9	95.8	78.9		
Net (loss) gain attributable redeemable non-controlling / non-controlling interest	-	-	2.0		
Net Income	340.3	356.7	364.0	7.0%	2.1%
Gross Margin	34.3%	35.4%	35.3%		
EBITDA Margin	23.1%	23.5%	23.1%		
EBIT Margin	19.6%	19.9%	19.6%		
Net Income Margin	17.1%	17.0%	16.5%		
Earnings Per Share					
Annualized in ₹					
Basic	63.0	73.0	76.8		
Diluted	63.0	72.8	76.8		

WEIGHTED AVERAGE NUMBER OF SHARES	31-Dec-17	30-Sep-18	31-Dec-18
Basic	1,392,070,357	1,392,466,683	1,360,154,362
Diluted	1,393,040,238	1,396,123,758	1,360,664,976

OUTSTANDING OPTIONS (in equivalent number of shares)	31-Dec-17	30-Sep-18	31-Dec-18
Options at less than market price	1,111,080	675,480	571,280

CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

PARTICULARS	AS ON	
	31-Mar-18	31-Dec-18
Assets		
Cash and Cash Equivalents	259.6	317.2
Accounts Receivables, net	1,478.2	1,601.3
Unbilled Receivable (Previous year: Unbilled Revenue)	401.6	374.9
Fixed Deposits	878.6	697.6
Investment Securities, available for sale	361.7	346.1
Other Current Assets	386.5	524.6
Total Current Assets	3,766.2	3,861.7
Property and Equipment, net	795.4	806.2
Investment Securities, available for sale	39.9	-
Intangible Assets, net	2,210.1	2,567.0
Fixed Deposits	36.1	50.9
Investments in Affiliates	4.1	4.9
Other Assets	578.0	703.4
Total Assets	7,429.8	7,994.0
Liabilities & Stockholders Equity		
Current Liabilities	1,520.7	1,504.3
Borrowings	67.0	557.0
Other Liabilities	194.3	212.3
Total Liabilities	1,782.1	2,273.6
Redeemable Non-Controlling Interests	-	61.0
Total Stockholders Equity	5,647.7	5,659.4
Total liabilities, redeemable non-controlling interests and equity	7,429.8	7,994.0

CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

PARTICULARS	FOR YEAR ENDED Mar-18	FOR QUARTER ENDED Dec-18
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	1,360.5	366.0
Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities		
Depreciation and Amortization	225.2	78.7
Others	(9.9)	(45.2)
Changes in Assets and Liabilities, net		
Accounts Receivable and Unbilled Receivable	(179.1)	(34.1)
Other Assets	19.2	(69.3)
Current Liabilities	(70.7)	(5.5)
Net Cash provided by Operating Activities	1,345.1	290.4
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment	(203.4)	(62.7)
Purchase of Licensed IPRs	(629.4)	(47.6)
Proceeds from sale of property and equipment (including advance)	4.3	0.8
(Purchase) / Sale of Investments	(203.4)	329.0
Purchase of Other Investments	(0.5)	(0.3)
Fixed Deposits (increase) / decrease	660.1	42.6
Restricted Cash - Investment in term deposit with banks under lien for buy back	-	59.9
Investment in Equity Method Investee	(0.2)	(0.2)
Net Cash in subsidiaries disposed off	(22.4)	-
Payments for acquisition of business, net of cash acquired	(16.9)	(41.1)
Net Cash provided by (used in) Investing Activities	(411.8)	280.4
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy Back of Equity Shares	(544.8)	(541.7)
Capital contribution from redeemable non-controlling Interests	-	1.0
Payment for Deferred consideration on Business Acquisition	(2.5)	(2.3)
Dividend paid	(314.9)	(45.2)
Loans	(22.9)	134.4
Others	2.5	4.7
Net Cash provided by (used in) Financing Activities	(882.5)	(449.1)
Effect of Exchange Rate on Cash and Cash Equivalents	5.9	(22.9)
Net increase/(decrease) in Cash and Cash Equivalents	56.7	98.9
CASH AND CASH EQUIVALENTS		
Beginning of the Period	202.9	218.3
End of the Period	259.6	317.2

REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEOGRAPHIC MIX	31-Dec-17	30-Sep-18	31-Dec-18	LTM Mix
Americas	63.5%	65.8%	64.4%	64.1%
Europe	28.7%	26.8%	28.2%	28.2%
RoW	7.9%	7.4%	7.3%	7.7%

SERVICE MIX	31-Dec-17	30-Sep-18	31-Dec-18	LTM Mix
Application Services	35.3%	33.1%	32.0%	33.4%
Infrastructure Services	36.7%	36.0%	37.5%	36.8%
Business Services	3.7%	5.4%	5.0%	4.9%
Engineering and R&D Services	24.2%	25.5%	25.5%	24.9%

REVENUE BY VERTICAL	31-Dec-17	30-Sep-18	31-Dec-18	LTM Mix
Financial Services	24.6%	23.0%	21.6%	23.3%
Manufacturing	19.9%	18.0%	17.7%	18.3%
Technology & Services	16.7%	18.2%	18.7%	18.0%
Retail & CPG	9.6%	10.0%	10.2%	9.7%
Telecommunications, Media, Publishing & Entertainment	7.4%	7.2%	9.2%	7.8%
Lifesciences & Healthcare	11.7%	12.9%	13.0%	12.5%
Public Services [#]	10.2%	10.7%	9.7%	10.4%

Note:

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

REVENUE BY CONTRACT TYPE	31-Dec-17	30-Sep-18	31-Dec-18	LTM Mix
Managed Services & Fixed Price Projects	60.8%	61.8%	63.3%	62.2%
Time & Material	39.2%	38.2%	36.7%	37.8%

CONSTANT CURRENCY REPORTING

REPORTED	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
Revenue (\$ Mn)	1,987.5	2,038.0	2,054.5	2,098.6	2,201.5
Growth QoQ	3.1%	2.5%	0.8%	2.1%	4.9%
Growth YoY	13.9%	12.2%	9.0%	8.9%	10.8%
CONSTANT CURRENCY (QoQ)	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
Revenue (\$ Mn)	1,991.7	2,011.7	2,093.9	2,115.7	2,215.8
Growth QoQ	3.3%	1.2%	2.7%	3.0%	5.6%
CONSTANT CURRENCY (YoY)	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
Revenue (\$ Mn)	1,941.2	1,965.9	2,044.8	2,130.2	2,245.5
Growth YoY	11.2%	8.2%	8.5%	10.5%	13.0%
AVERAGE RATES FOR QUARTER	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18
USD – INR	64.40	64.68	67.53	70.77	71.48
GBP - USD	1.33	1.40	1.34	1.30	1.28
EUR - USD	1.18	1.23	1.18	1.16	1.14
SEK - USD	0.12	0.12	0.11	0.11	0.11
AUD - USD	0.77	0.78	0.75	0.73	0.72

CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	31-Dec-17	30-Sep-18	31-Dec-18	QoQ CHANGE	YoY CHANGE
100 Million dollar +	9	9	10	1	1
50 Million dollar +	25	31	29	(2)	4
20 Million dollar +	85	90	95	5	10
10 Million dollar +	156	165	164	(1)	8
5 Million dollar +	261	269	276	7	15
1 Million dollar +	552	575	597	22	45

CLIENT CONTRIBUTION TO REVENUE (LTM)	31-Dec-17	30-Sep-18	31-Dec-18
Top 5 Clients	15.8%	17.3%	17.4%
Top 10 Clients	23.5%	24.8%	24.8%
Top 20 Clients	33.5%	34.2%	34.1%

CLIENT BUSINESS	31-Dec-17	30-Sep-18	31-Dec-18
New Clients	3.1%	3.1%	3.8%
Existing Clients	96.9%	96.9%	96.2%
Days Sales Outstanding - excluding unbilled receivables	66	64	66

HEADCOUNT & UTILIZATION

MANPOWER DETAILS	31-Dec-17	30-Sep-18	31-Dec-18
Total Employee Count	119,291	127,875	132,328
Technical	108,831	116,910	121,273
Support	10,460	10,965	11,055
Gross Addition	7,113	11,683	13,191
Attrition - IT Services (LTM)	15.2%	17.1%	17.8%
Attrition - Business Services (Quarterly)	5.5%	8.5%	8.3%
Blended Utilization (Including Trainees)	85.8%	86.7%	86.6%

Note: Attrition excludes involuntary attrition

CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

	Dec-18
Cash & Cash Equivalents	317
Fixed Deposits	748
Investment Securities, Available for Sale	346
Total Funds	1,412

	Dec-18
Borrowings	557

FINANCIALS IN ₹ FOR THE QUARTER ENDED 31st DECEMBER, 2018 (US GAAP)

CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

INCOME STATEMENT	QUARTER ENDED			GROWTH	
	31-Dec-17	30-Sep-18	31-Dec-18	YoY	QoQ
Revenues	12,808	14,861	15,699	22.6%	5.6%
Direct Costs	8,412	9,589	10,152		
Gross Profits	4,397	5,272	5,547	26.2%	5.2%
SG & A	1,432	1,773	1,900		
EBITDA	2,964	3,499	3,647	23.0%	4.2%
Depreciation & Amortisation	455	533	561		
EBIT	2,510	2,966	3,086	23.0%	4.0%
Foreign Exchange Gains/(Loss)	129	69	(54)		
Other Income, net	135	183	159		
Provision for Tax	579	678	566		
Net (loss) gain attributable redeemable non-controlling / non-controlling interest	-	-	14		
Net Income	2,194	2,540	2,611	19.0%	2.8%
Gross Margin	34.3%	35.4%	35.3%		
EBITDA Margin	23.1%	23.5%	23.1%		
EBIT Margin	19.6%	19.9%	19.6%		
Net Income Margin	17.1%	17.0%	16.5%		
Earnings Per Share					
Annualized in ₹					
Basic	63.0	73.0	76.8		
Diluted	63.0	72.8	76.8		

WEIGHTED AVERAGE NUMBER OF SHARES	31-Dec-17	30-Sep-18	31-Dec-18
Basic	1,392,070,357	1,392,466,683	1,360,154,362
Diluted	1,393,040,238	1,396,123,758	1,360,664,976

OUTSTANDING OPTIONS (in equivalent number of shares)	31-Dec-17	30-Sep-18	31-Dec-18
Options at less than market price	1,111,080	675,480	571,280

CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

PARTICULARS	AS ON	
	31-Mar-18	31-Dec-18
Assets		
Cash and Cash Equivalents	1,694	2,214
Accounts Receivables, net	9,639	11,178
Unbilled Receivable (Previous year: Unbilled Revenue)	2,618	2,617
Fixed Deposits	5,727	4,870
Investment Securities, available for sale	2,357	2,416
Other Current Assets	2,520	3,662
Total Current Assets	24,555	26,957
Property and Equipment, net	5,185	5,628
Intangible Assets, net	14,406	17,919
Investment Securities, available for sale	260	-
Fixed Deposits	235	355
Investments in Affiliates	27	35
Other Assets	3,768	4,910
Total Assets	48,435	55,804
Liabilities & Stockholders Equity		
Current Liabilities	9,914	10,501
Borrowings	437	3,888
Other Liabilities	1,267	1,482
Total Liabilities	11,618	15,871
Redeemable Non-Controlling Interests	-	426
Total Stockholders Equity	36,817	39,506
Total liabilities, redeemable non-controlling interests and equity	48,435	55,804

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 44 countries and has consolidated revenues of US\$ 8.4 billion, for 12 Months ended 31st December, 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 132,328 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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