



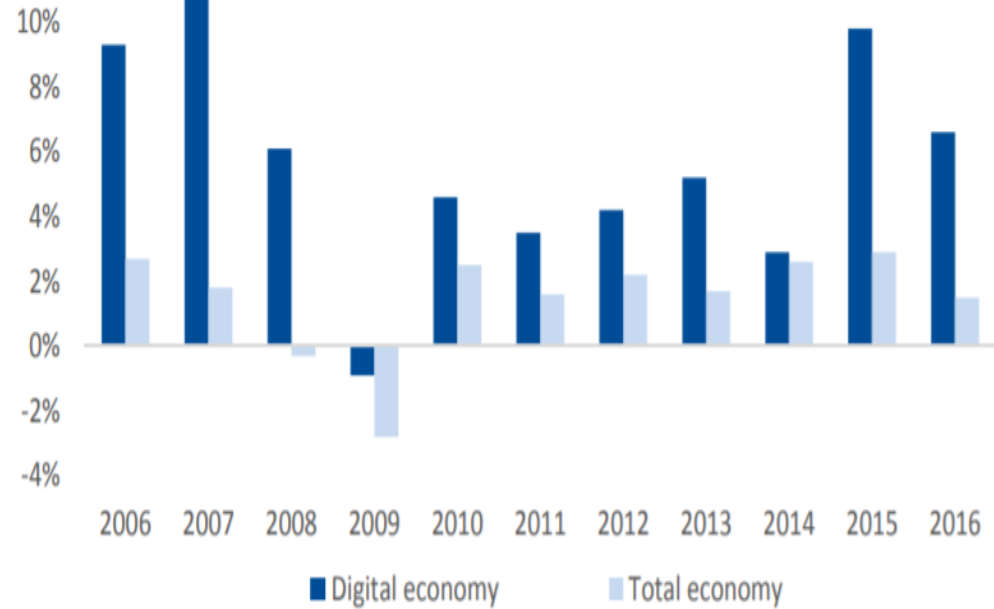
# IT Market Opportunities – Next Decade

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President & CEO

Aug 26, 2020

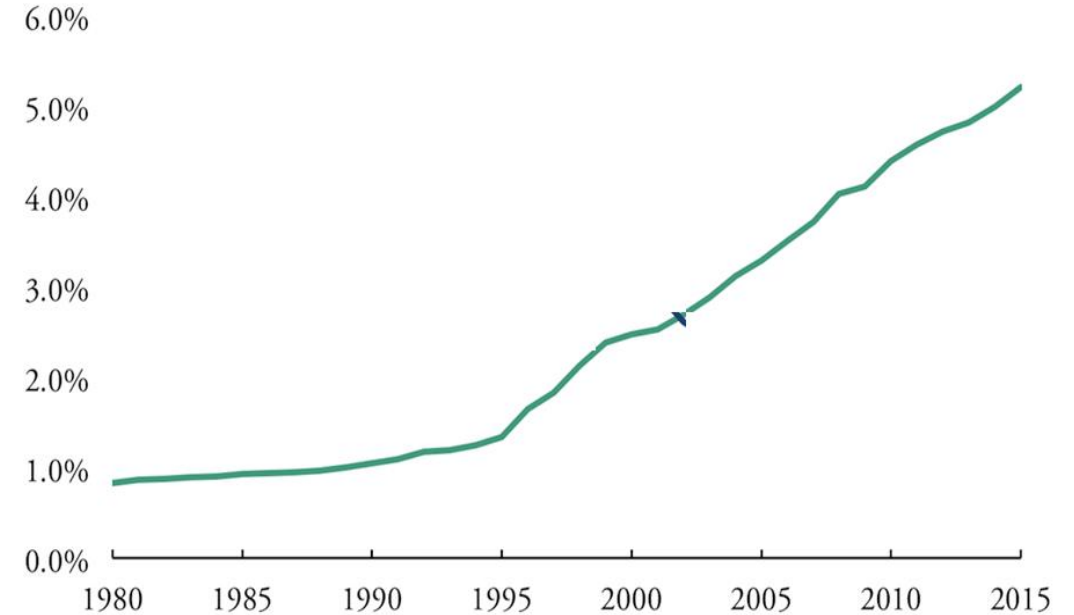
# Technology the Driver of GDP growth

## US GDP Growth Rate





**Digital Economy has grown at and will continue to grow at more than twice the GDP growth rate**

## Tech as % of US GDP





**From 1% of US GDP to ~ 6% of US GDP, Can grow to 10% of GDP in the next decade**

# Big Technology Trends

Trend	Impact
 <p><b>Trend 1</b> <b>Automation &amp; Artificial Intelligence (AI)</b></p>	<ul style="list-style-type: none"><li>• AI is the new personal assistant for every human</li><li>• Human Wisdom will still prevail &amp; People would be more capable than ever before</li><li>• Transparency &amp; Ethics around AI and Use of data</li><li>• Adopt AI as a core principle and promote it like computerization</li></ul>
 <p><b>Trend 2</b> <b>Hybrid Cloud</b></p>	<ul style="list-style-type: none"><li>• Cloud is the new Computer, both on personal and enterprise side of things.</li><li>• Outside-in view of customer/employees to drive security posture</li><li>• Cloud adoption to drive further demand for telecom infrastructure and 5G led solutions.</li><li>• Virtual entertainment like gaming, tourism and content consumption will take off as cloud grows</li><li>• Be flexible to adopt cloud to suit your needs – Hybrid Cloud the pragmatic view over private or public cloud</li></ul>

# Big Technology Trends

Trend	Impact
 <b>Trend 3</b> <b>Digital Transformation</b>	<ul style="list-style-type: none"><li>• Business operating model leads to scaling digital initiatives</li><li>• Continued innovative use of Digital channels &amp; modernization / automation for the new way of working</li><li>• Digital Banking, Cryptocurrencies and Blockchain could create new growth opportunities</li><li>• IOT at the center of Operational Technologies disrupting manufacturing along with Edge Computing and 5G</li><li>• Watch out for the Intersection of AI and Digital; Avoid any new monolithic solutions</li></ul>
 <b>Trend 4</b> <b>Experience</b>	<ul style="list-style-type: none"><li>• Experience is the new SLA (Human at the centre than service at the centre)</li><li>• Shift UX approach and deployment; Outcomes over products</li><li>• Customer engagement as Zero touch by leveraging every new technology – Conversational AI, Analytics, AR/VR</li></ul>

# Fast growing IT Market Opportunities (in \$ B)

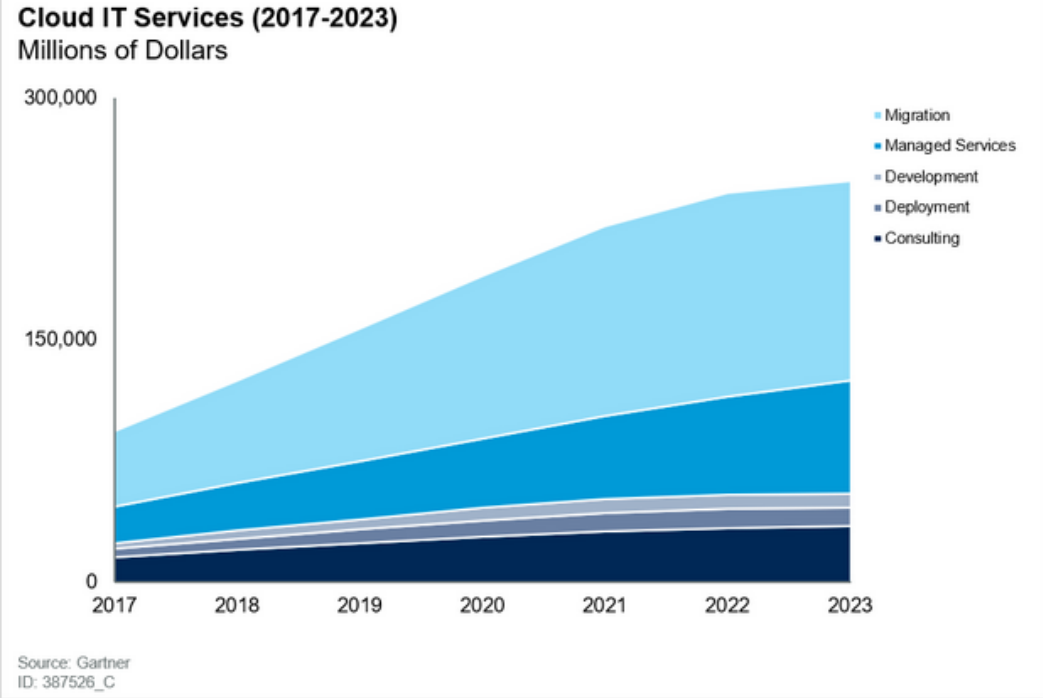
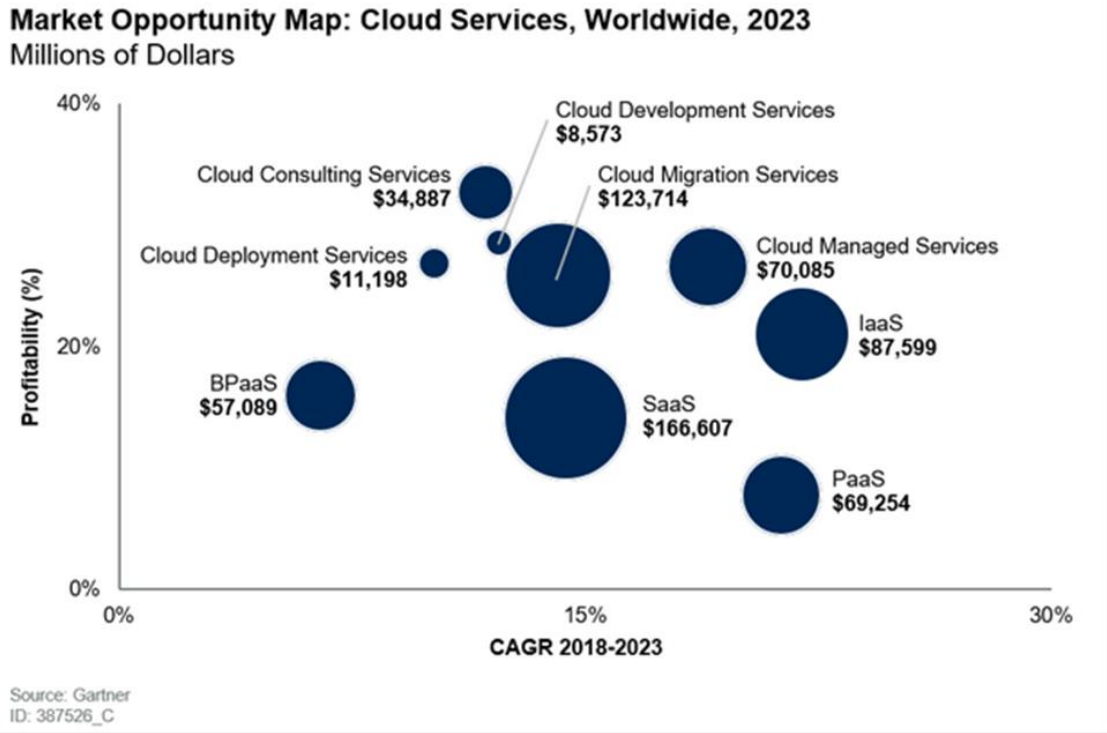
Segment	2019	2024	CAGR
Communication Services	1,627	1,765	1.6%
Data Center Systems	240	253	1.0%
Devices	859	795	1.5%
IT Services	1,175	1,450	4.3%
Enterprise Software	535	762	7.3%
Corporate R&D Spend**	740	970	5.6%
<b>Grand Total</b>	<b>2,450</b>	<b>3,182</b>	<b>5.4%</b>

\*Source: Gartner 2Q 20 IT Market Report – 2013 Constant Currency US \$ B

\*\* Nasscom ER D Spend in US \$ B Reported Currency

**\$3 Trillion market across multiple business segments  
for great executors with scale and expertise**

# Cloud : Add value to clients while partnering for IaaS



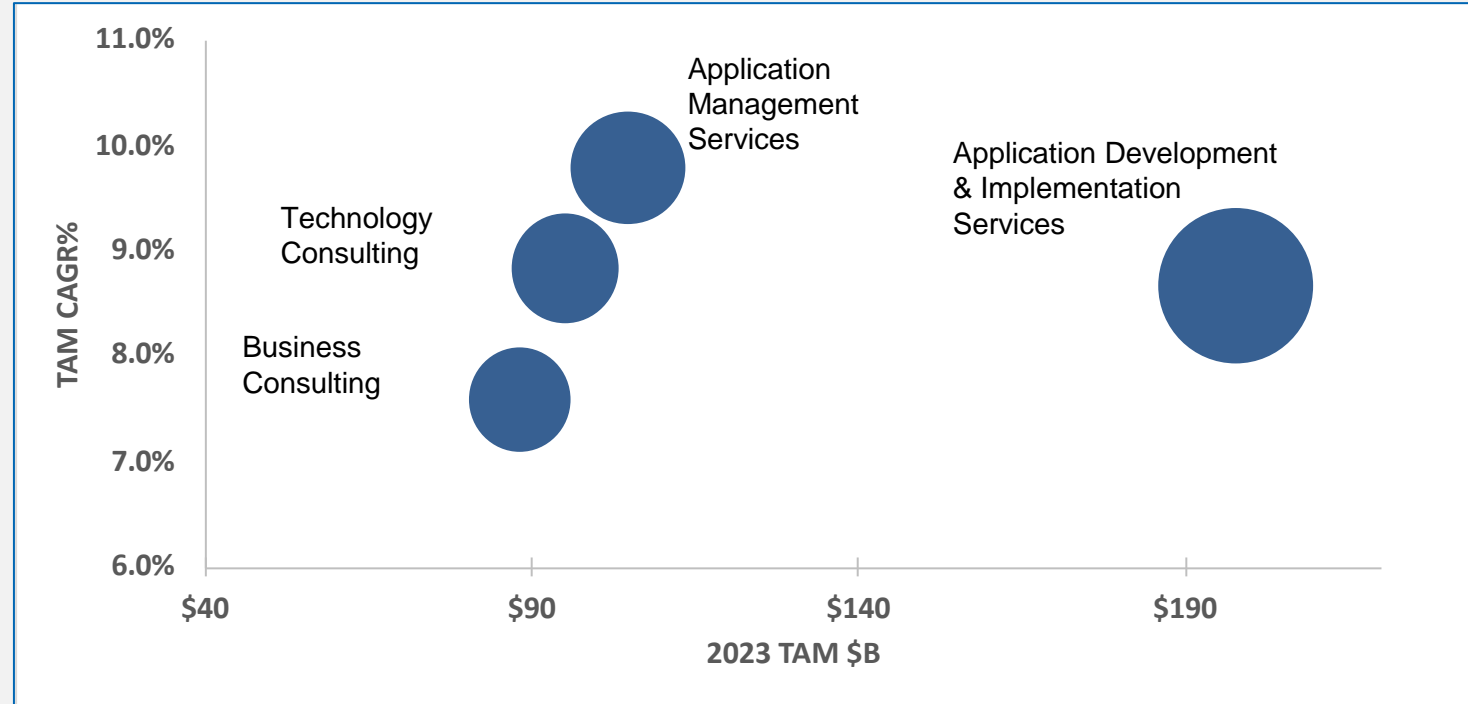
**Big business opportunities around the cloud consulting, deployment and management services**

~Source: Gartner



# Digital Transformation – An ongoing theme for another decade

- Digital Application Services represents a \$485B market in 2023
- Four themes
  - Customer Experience
  - Employee Experience
  - Operations Improvement
  - Product & Service Innovation



**Source: Extrapolated from 'Forecast Analysis: IT Spending Worldwide, Feb 19, 2020', Gartner**

# COVID-19 – Negative and Positive Impact

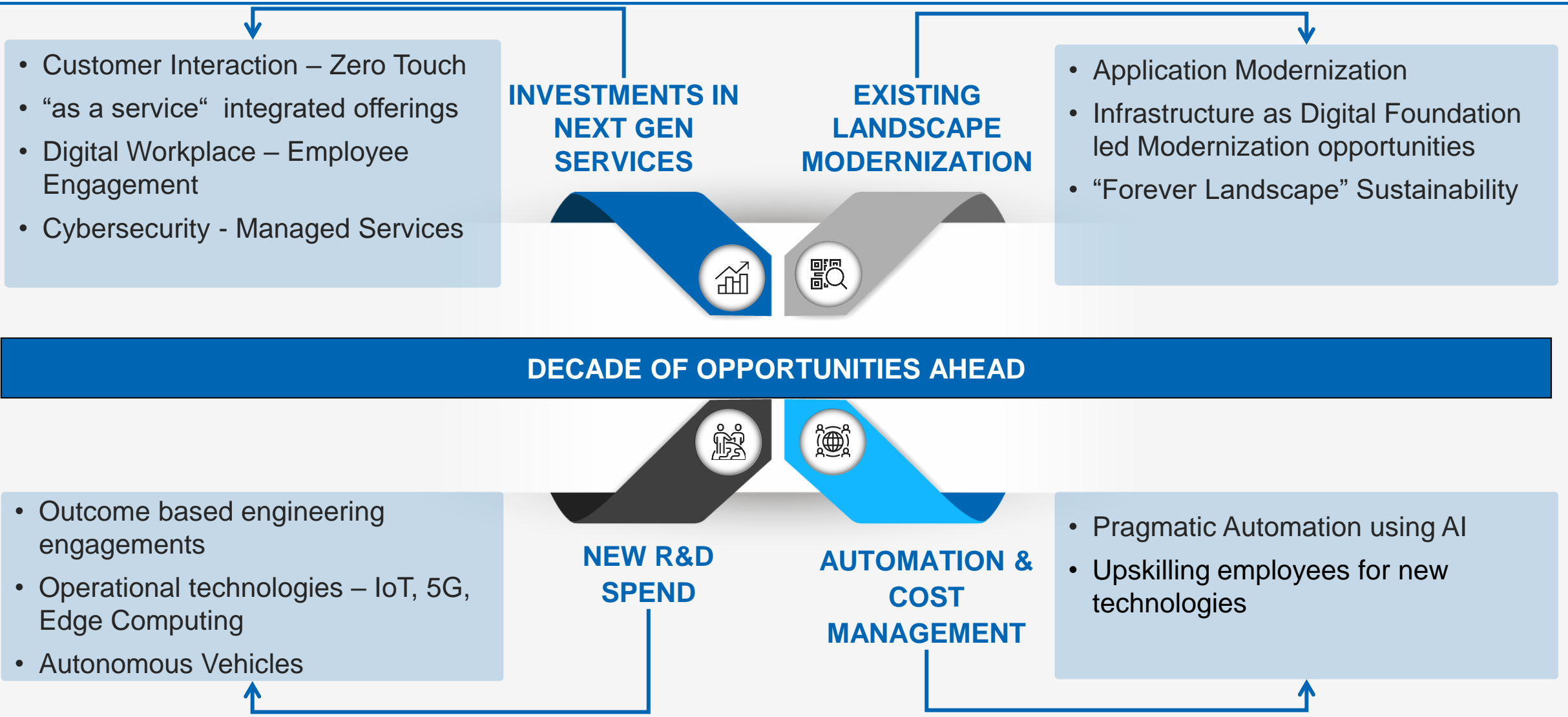
## Negative Impact

- Reduced growth outlook for global economy and IT services.
- Volume based billing impact, Deferral of discretionary spend, new project decision making and discount / payment term extension requests.
- Supply constraints have higher impact on service providers with
  - Suboptimal business continuity planning (WFH)
  - Skewed resource mix – Onsite / Offshore
  - Higher mix of inflexible work structure – office / lab
  - Low contractual flexibilities.

## Positive Impact

- Accelerated cloud migration and cloud consumption.
- Acceleration of digital transformation
  - Rise in digital channels, e-commerce and online channels.
  - Higher demand for digital workplace, and cyber security
- Rise in interest for key acquisitions – automation/RPA, cloud capabilities, as-a-service capabilities, data & analytics, AI.

# Road Ahead for Service Providers



**HCL**

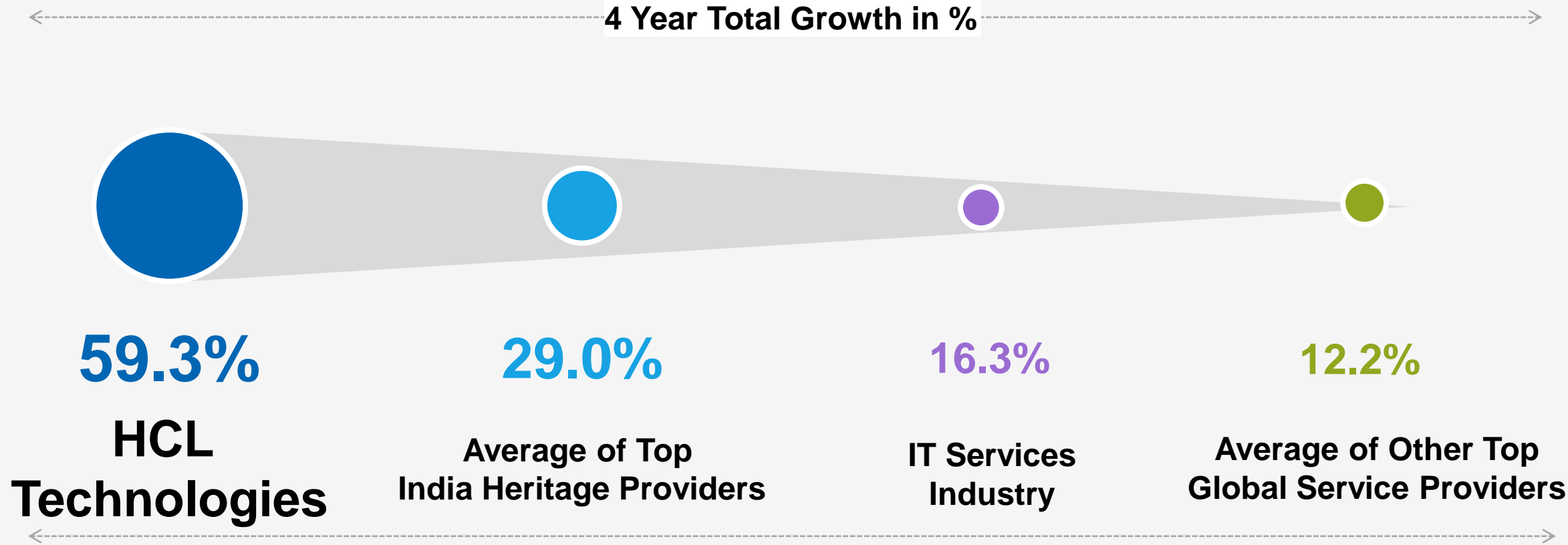
*Relationship*<sup>TM</sup>  
BEYOND THE CONTRACT

**\$9.93 BILLION ENTERPRISE | 150,000+ IDEAPRENEURS | 49 COUNTRIES**



# About HCL

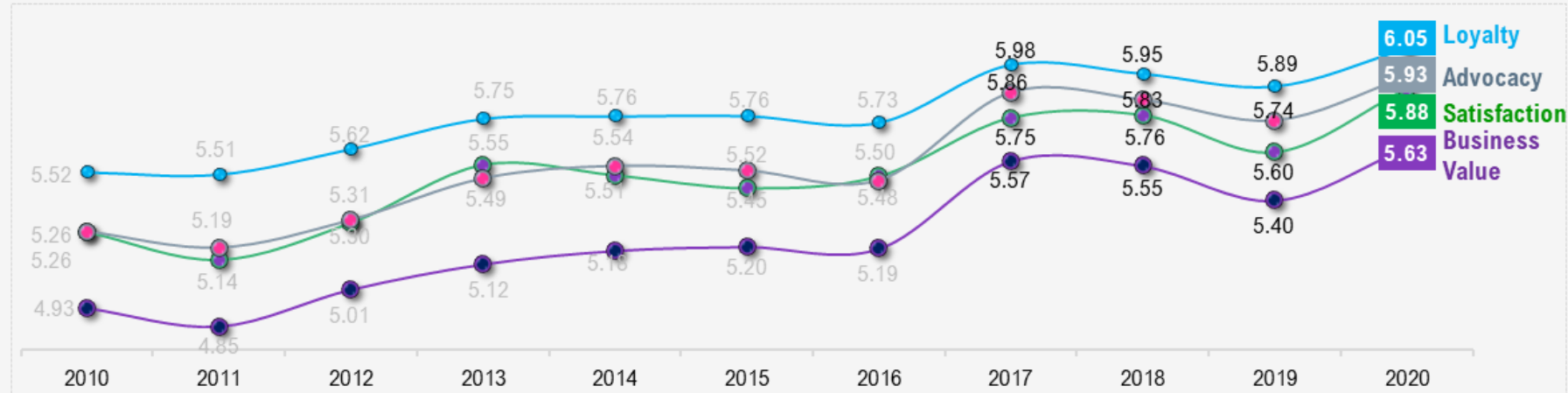
# Fastest Growing Large Technology Services Company



**Fastest revenue growth in the industry  
with stable operating margins**

# Best in class Client Satisfaction – Relentless Pursuit to an All time High

## KEY OUTCOME MEASURES

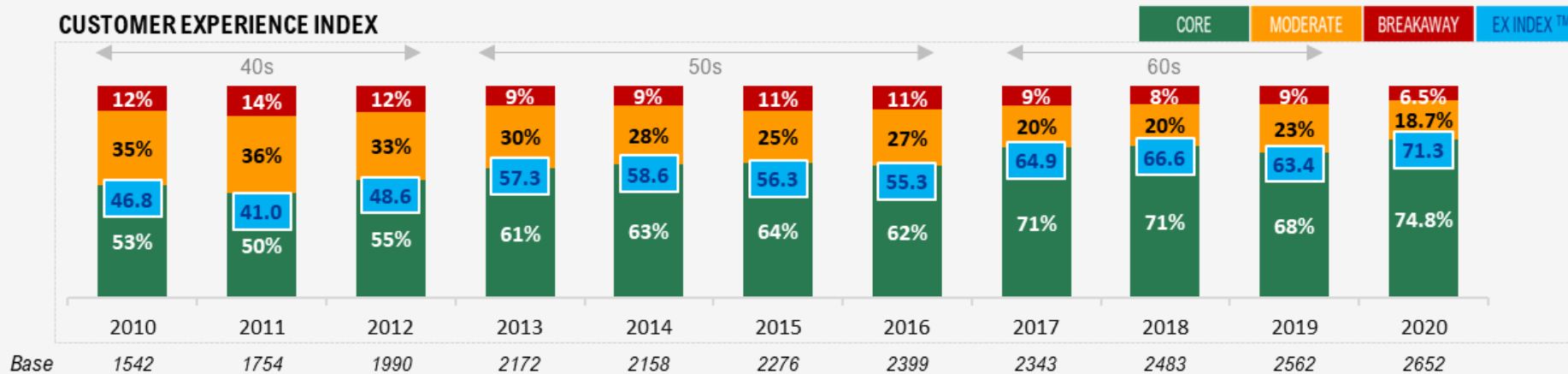


## INDUSTRY SCORES\*

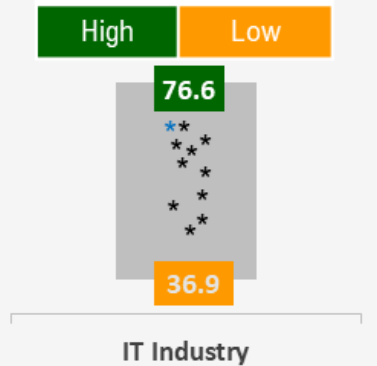
High	Avg	Low
5.96	5.74	5.42
5.97	5.58	5.39
5.81	5.73	5.22
5.65	5.36	4.93

\*Highs and Lows indicate the spread of scores Feedback Insights has recorded across studies done for IT/ITeS firms in the last 18-24 months.

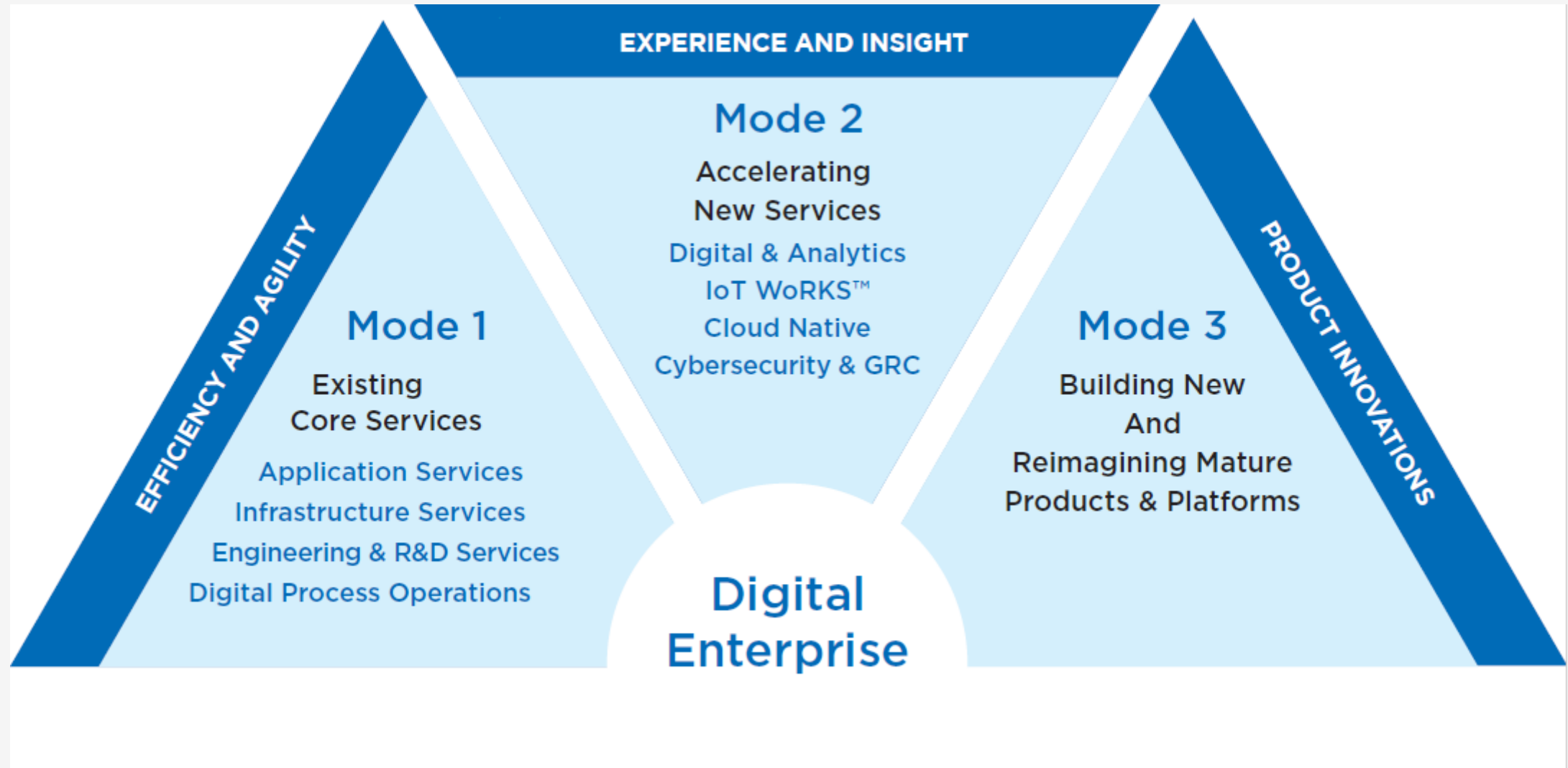
## CUSTOMER EXPERIENCE INDEX



## EXPERIENCE INDEX



# Mode 1-2-3 Strategy for a Digital Enterprise



# What Differentiates HCL?



Great growth opportunities  
both in traditional and transformational products & services  
for a disciplined executor like HCL