



Everest Group's PEAK Matrix for Life Sciences ITO Service Providers

Focus on HCL Technologies
August 2014



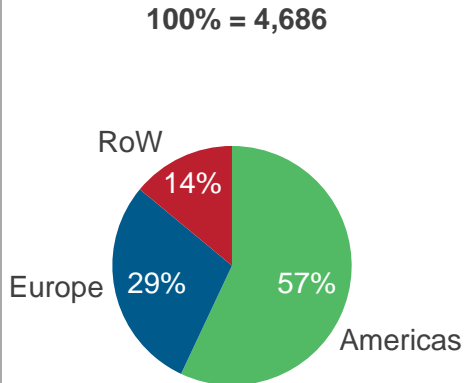
Corporate and healthcare overview

Company description: Established in 1991, HCL Technologies is a global provider of integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services, and BPO. HCL leverages its global network of offices in 31 countries to provide services in key industry verticals including BFSI, manufacturing, consumer services, public services, and healthcare

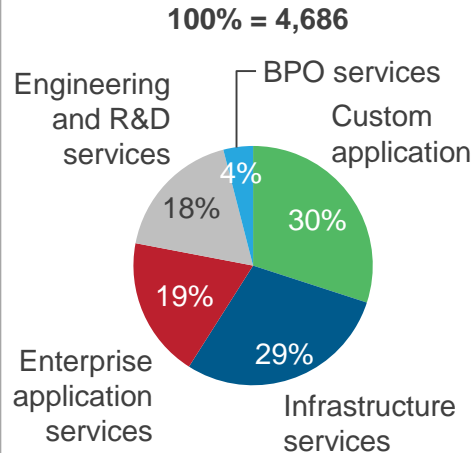
Headquarters: Noida, India

Website: www.hcltech.com

Geographical mix FY 2013; US\$ million



Service mix FY 2013; US\$ million



■ >US\$500 million ■ US\$100-500 million ■ <US\$100 million

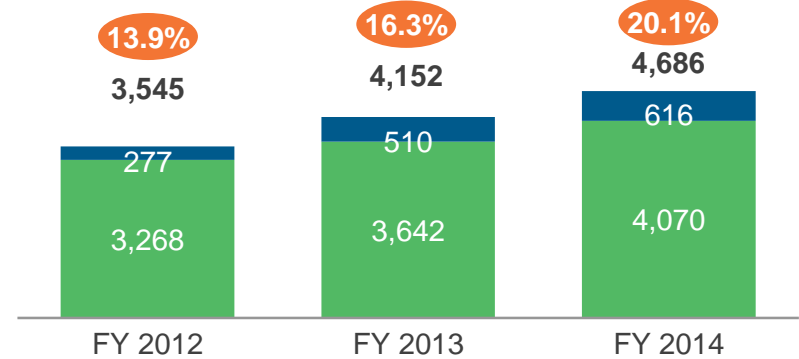
Scale of healthcare subverticals

■ Payer ■ Life sciences ■ Provider

Key financial parameters

Revenue figures in US\$ million

■ Revenue¹ from healthcare
 ■ Revenue¹ from other verticals
 ○ Enterprise operating margin



Services offered for the healthcare vertical: IT services across payer, provider, and life sciences segments. Services for the life sciences segment span end-to-end clinical & commercial transformation, drug safety / pharmacovigilance, regulatory & compliance, predictive analytics, information asset management, LIMS, serialization & e-Pedigree, supply chain & manufacturing, mobility, BI, SaaS, and cloud services

¹ FY ends on June 30
 Source: Everest Group (2014)

Life sciences ITO capability assessment and market success

Headline assessment

HCL has built a significant revenue stream from IO services in existing life sciences engagements, to top up its already prominent presence in the AO space, enabling significant growth on a sizable revenue base

Transaction success

- Multiple large life sciences ITO deals with strong deal characteristics, such as average TCV in the range of US\$150-200 million and average deal duration of around five years
- Success in winning clients across all life sciences segments

Success dashboard¹

High Medium Low

Life sciences subsegments

- Pharma
- Medical devices
- Biotech
- Others

Geographic scope

- North America
- EMEA
- Latin America
- APAC

Scale

- Healthcare and life sciences comprises over 10% of its revenue with over 6,000 FTEs engaged in serving clients
- Life sciences accounts for the major chunk of healthcare revenue, totalling over US\$500 million, with over 20% growth in CY 2013 over CY 2012
- Over 40 active life sciences ITO clients

Domain investments

- Over 30 proprietary solutions and 15 investments in alliances & partnerships in life sciences during 2013
- Caters to areas varying from sales & marketing, clinical services, adverse event reporting, mobility, pharmacovigilance, analytics, and supply chain
- Alliances with leading CRM, ERP, and analytics technology vendors

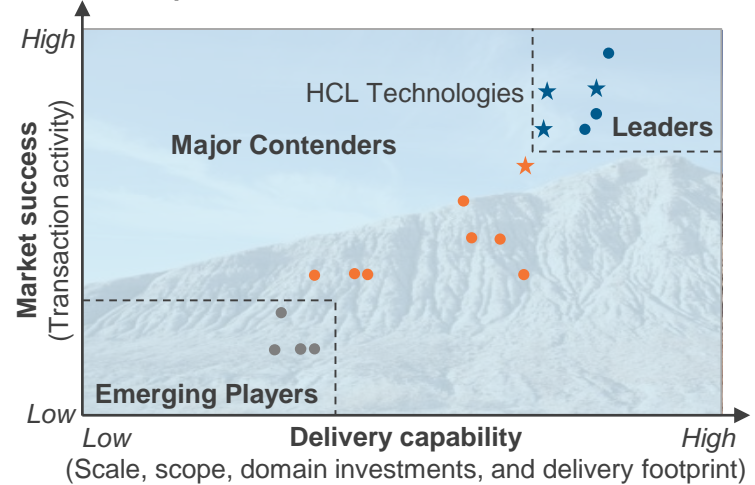
Scope

- Geographical scope of contracts spans United States and Europe
- Active across ADM, testing, package implementation, ERP, network, and datacenter, mobility, and compliance services
- Primary share of life sciences ITO revenue is derived from large-sized deals (>US\$25 million TCV)

Delivery footprint

- Strong offshore leverage (over three-fourths) with life sciences ITO services primarily delivered from India
- Delivery resources also located on client locations across the United States and Europe
- Increasing presence in emerging locations across LATAM and APAC

Everest Group PEAK Matrix for life sciences ITO



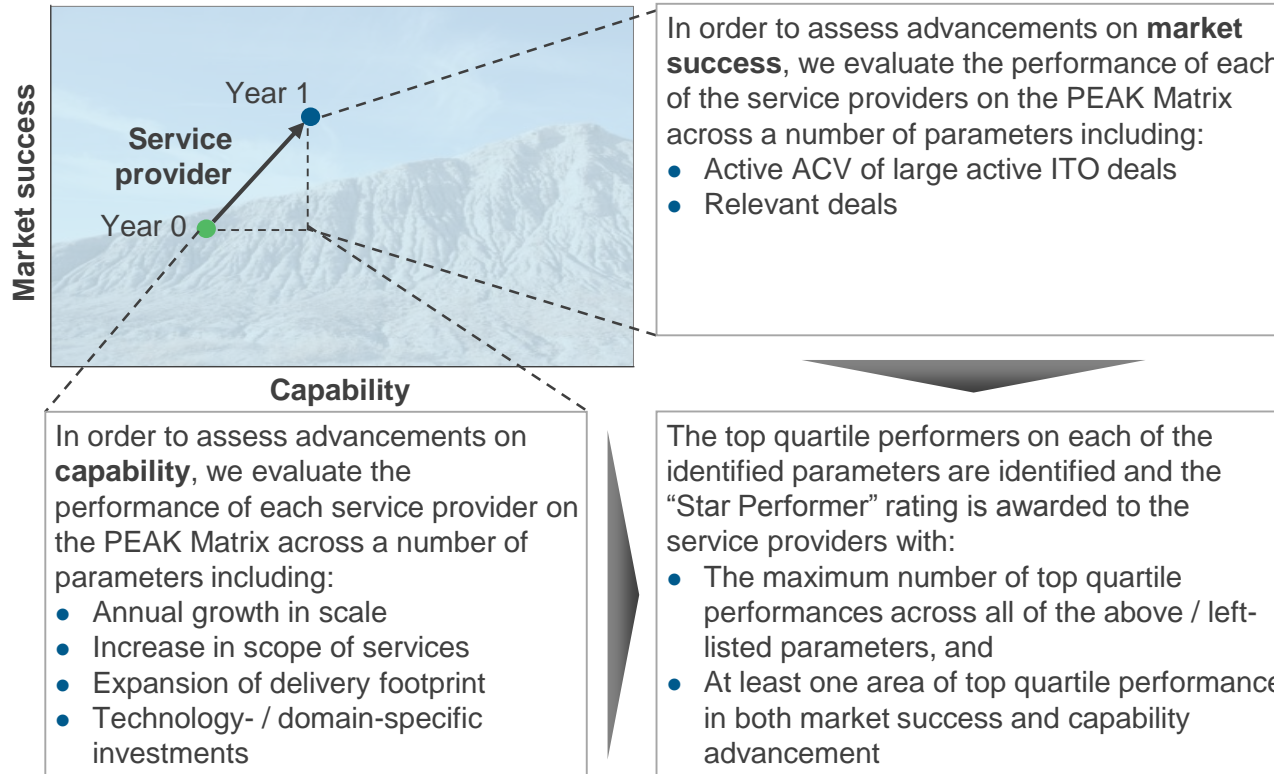
¹ Transaction success for large-sized deals; assessment relative across service providers

Source: Everest Group (2014)

Additionally, HCL is also identified as a 2014 Star Performer based on its strong forward movement on the PEAK Matrix

Methodology

Everest Group selects Market Star Performers based on the relative YoY movement of each service provider on the PEAK Matrix



HCL

Distinguishing features of 2013 market success

- Over 40 life sciences clients
- Life sciences ITO revenue growth over 20% on a significant base
- Sizable uptick in IO services revenue to complement prowess in the life sciences AO space

Distinguishing features of 2013 capability advancements

- Added over 1,000 life sciences ITO FTEs in 2013
- Caters to areas varying from sales & marketing, clinical services, adverse event reporting, mobility, pharmacovigilance, analytics, and supply chain
- Over 30 proprietary solutions and 15 investments in alliances & partnerships in life sciences

The “Star Performers” designation relates to YoY performance for a given service provider and does not reflect the overall market leadership position. Those identified as “Star Performers” may include “Leaders”, “Major Contenders”, or “Emerging Players”

**Enhanced its Leader positioning
(relative to last year)**



At a glance

- With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of the next generation of global services
- Through its practical consulting, original research, and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies, and management approaches
- Established in 1991, Everest Group serves users of global services, providers of services, country organizations, and private equity firms in six continents across all industry categories

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

New York

info@everestgrp.com
+1-646-805-4000

Toronto

canada@everestgrp.com
+1-647-557-3475

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Delhi

india@everestgrp.com
+91-124-284-1000

Stay connected

Websites

www.everestgrp.com
research.everestgrp.com



Twitter

@EverestGroup
@Everest_Cloud



Blogs

www.sherpasinblueshirts.com
www.gainingaltitudeinthecloud.com

SHERPAS
IN BLUE SHIRTS