The General Manager
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
DalaI Street
Mumbai- 400001

BSE Scrip Code: 532281

The Manager
National Stock Exchange of India Limited
Listing Department
Exchange Plaza
5th Floor, Plot No. C-1, Block-G
Bandra-Kurla Complex, Bandra(E)
Mumbai-400 051
NSE Scrip Code: HCLTECH

## Sub.: Investor Release Q3 FY 2024

Dear Sir,

Enclosed please find an Investor Release dated January 12, 2024 on the financial results of the Company for the quarter and nine months ended December 31, 2023.

Thanking you,
For HCL Technologies Limited


Danish Anand
Company Secretary

Encl: ada

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Investor Release

January 12, 2024

Noida, India

## 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.

## Q3 FY 2024 Highlights

## Revenue

- INR Revenue of ₹ $\mathbf{2 8 , 4 4 6}$ Crore, up $6.7 \%$ QoQ \& up $6.5 \%$ YoY
- Constant Currency (CC) Revenue up 6.0\% QoQ \& up 4.3\% YoY
- USD Revenue of US\$ $\mathbf{3 , 4 1 5} \mathbf{M n}$, up $5.9 \%$ QoQ \& up $5.3 \%$ YoY
- Services CC Revenue up $3.1 \%$ QoQ \& up $4.2 \%$ YoY led by growth in Telecommunications, Media, Publishing \& Entertainment (up 25.9\% QoQ)
- Services Revenue crossed annual run rate of US\$ 12 Bn (₹ $1,00,000$ crore)
- Digital CC Revenue up 5.0\% YoY; contributes 37.7\% of Services
- Company growth powered by HCLSoftware CC Revenue (up 5.0\% YoY)
- HCLSoftware ARR at US\$ $1.06 \mathrm{Bn}+$, up 2.9\% YoY CC


## Profitability \& Return Metrics

- EBIT at ₹ 5,615 Crore (19.8\% of revenue), up $13.8 \%$ QoQ \& up $7.4 \%$ YoY
- Net Income at ₹ $\mathbf{4 , 3 5 0}$ Crore ( $15.3 \%$ of revenue), up $13.5 \%$ QoQ \& up $6.2 \%$ YoY
- ROIC (on LTM basis) - Company at $32.8 \%$, up 301 bps YoY; Services at $40.1 \%$, up 273 bps YoY
- OCF at US\$ 2,697 Mn and FCF at US\$ 2,566 Mn (on LTM basis)
- OCF/NI at 142\% \& FCF/NI at 135\% (on LTM basis)
- Dividend of $₹ 12 /-$ per share, $84^{\text {th }}$ consecutive quarter of dividend pay-out


## Bookings

- TCV (New Deal wins) at US\$ $1,927 \mathrm{Mn}$
- Won 18 Large deals - 6 in Services \& 12 in Software


## People

- Total People Count at 224,756; Net addition: 3,617
- Added 3,818 freshers
- LTM Attrition at 12.8\%*, (down from 21.7\% in Q3 of last year)


## ESG

- HCLTech has been awarded in the Gold Category under Climate Action Reporting of 3rd ICAI Sustainability Reporting Awards 2022-23


## FY'24 Guidance

- Company CC Revenue growth (including ASAP acquisition) expected to be between $5.0 \%$ and $5.5 \%$ YoY
- EBIT margin expected to be between $18.0 \%$ and $19.0 \%$


## Leadership Comments



Roshni Nadar Malhotra
Chairperson HCLTech
"We continue to execute efficiently with our differentiated portfolio and enable global enterprises to fast track their digital transformation agendas. We remain committed to scaling our ESG initiatives and helping our clients to achieve their sustainability goals through technology."

##  <br> C Vijayakumar <br> CEO \& Managing Director HCLTech

"Our results this quarter have been remarkably strong with a revenue growth of $6.0 \% \mathrm{QoQ}$ in CC driven by strong momentum in both services and software businesses. We delivered a stellar operating margin of $19.8 \%$ a 126 bps improvement QoQ and 16 bps improvement YoY. We are quite excited about the strategic progress HCLSoftware has made over the last year, delivering 5.0\% YoY CC revenue growth with a significant increase in subscription \& support revenue and consistently growing Annual Recurring Revenue (ARR). We continue to invest in AI, specifically Generative AI as well as cloud native capabilities across our products and services to address evolving client needs. In an uncertain demand environment, we remain confident of our continued growth momentum enabled by our business mix, our people and laser-sharp focus on delivering innovation and hyper-automation to our clients."


## Prateek Aggarwal <br> Chief Financial Officer HCLTech

"HCLTech delivered a stellar quarter with sequential growth driven by HCLSoftware, a spurt in the Telecom vertical and ER\&D segment. Our Services revenue has crossed a significant milestone of US\$ 12 Billion (Rs 1,00,000 Crores) on a run rate basis. We also delivered the highest ever EBIT of Rs. 5,615 Crores (up 7.4\% YoY) and Net Profit of Rs. 4,350 Crores (up 6.2\% YoY) this quarter. LTM Return on Invested Capital (ROIC) stands at solid 32.8\% for the company (up 301 bps YoY). Cash conversion (on LTM basis) continues to be healthy with OCF/NI at 142\% and FCF/NI at 135\%."

## Quarterly Performance Trends - US\$

HCLTech Consolidated







## Quarterly Performance Trends - ₹

HCLTech Consolidated







## LTM Performance Trends

## HCLTech Consolidated




Client Category
Number of Clients
20


## Segment-wise Highlights for the Quarter ended 31-Dec-23

HCLTech Consolidated Revenue Mix and Growth

| Details | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | YoY CC Growth | QoQ CC Growth |
| :---: | :---: | :---: | :---: | :---: | :---: |
| IT and Business Services (A) | 71.7\% | 74.6\% | 71.7\% | 4.3\% | 1.9\% |
| Engineering and R\&D Services (B) | 16.6\% | 16.0\% | 16.4\% | 3.6\% | 8.7\% |
| Services ( $A+B$ ) | 88.2\% | 90.6\% | 88.2\% | 4.2\% | 3.1\% |
| HCLSoftware (C) | 12.3\% | 9.9\% | 12.3\% | 5.0\% | 32.0\% |
| Inter-segment* (D) | (0.5\%) | (0.5\%) | (0.4\%) |  |  |
| Total ( $\mathrm{A}+\mathrm{B}+\mathrm{C}+\mathrm{D}$ ) | 100.0\% | 100.0\% | 100.0\% | 4.3\% | 6.0\% |

*Inter-segment revenue is related to products and services of HCLSoftware used by Services business in rendering services to their customers.

## EBIT Margin

| Details | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | YoY BPS change | QoQ BPS change |
| :---: | :---: | :---: | :---: | :---: | :---: |
| IT and Business Services | 16.8\% | 18.1\% | 17.1\% | 32 | (103) |
| Engineering and R\&D Services | 21.6\% | 19.2\% | 21.1\% | (55) | 190 |
| Services | 17.7\% | 18.3\% | 17.8\% | 15 | (48) |
| HCLSoftware | 32.6\% | 19.4\% | 32.9\% | 32 | 1,357 |
| Total | 19.6\% | 18.5\% | 19.8\% | 16 | 126 |

## Return on Invested Capital (ROIC)

| HCLSoftware P\&L (Quarter ended) | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Revenues | 397.6 | 342.3 | 332.5 | 318.3 | 419.1 |
| EBITDA | 192.9 | 130.3 | 116.4 | 110.4 | 198.7 |
| EBIT | 129.7 | 78.6 | 76.1 | 61.6 | 138.0 |
| NOPAT | 103.5 | 68.5 | 59.6 | 47.5 | 110.4 |


| Estimated Invested Capital (Quarter ended) | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 | Average |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| HCLTech Services | 3,967 | 3,735 | 3,732 | 3,714 | 3,747 | 3,779 |
| HCLSoftware | 1,799 | 1,687 | 1,725 | 1,635 | 1,749 | 1,719 |
| Invested Capital | 5,766 | 5,421 | 5,457 | 5,349 | 5,496 | 5,498 |
| Cash \& Treasury Balance | 1,954 | 2,536 | 2,395 | 2,558 | 2,617 |  |
| Total | 7,720 | 7,958 | 7,852 | 7,907 | 8,114 |  |


| ROIC (LTM) | 31-Dec-22 | 31-Маг-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| HCLTech Services | 37.4\% | 37.3\% | 38.0\% | 39.4\% | 40.1\% |
| HCLSoftware | 14.3\% | 15.5\% | 15.9\% | 16.2\% | 16.6\% |
| HCLTech | 29.8\% | 30.4\% | 31.1\% | 32.2\% | 32.8\% |



- Common assets and liabilities have been allocated between the businesses in ratio of last twelve months revenues.
- NOPAT = EBIT*(1-Effective Tax Rate)
- Average invested capital has been computed using average of last 5 quarters.


## HCLSoftware Metrics

(Amount in US\$ Million)

| HCLSoftware Revenue | Quarter Ended |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 |
| Perpetual License Upfront \& Others | 71.6 | 49.8 | 36.0 | 30.6 | 47.6 |
| Subscription \& Support | 304.2 | 270.4 | 277.1 | 267.1 | 349.8 |
| Professional Services | 21.8 | 22.0 | 19.4 | 20.5 | 21.6 |
| Total Revenue | 397.6 | 342.3 | 332.5 | 318.3 | 419.1 |

- Perpetual License upfront and others revenue includes upfront revenue recognized from perpetual licenses and compliance revenues.
- Subscription and Support revenue includes all term subscription revenues, support revenues (including those attributable to perpetual licenses) and Software-as-a-Service (SaaS) revenues.
- Revenue share from IP Partnerships is included in respective lines above based on the information provided by the partners.

| HCLSoftware ARR | Quarter Ended |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 |  |
|  | $1,024.8$ | $1,028.2$ | $1,038.3$ | 31-Dec-23 | $1,032.5$ |

Annual Recurring Revenue (ARR) is the annualized value of all term subscription licenses, support obligations (including those attributable to perpetual licenses) and Software-as-a-Service (SaaS) contracts that are active on the last day of the quarter. In respect of IP Partnerships, ARR is computed based on annualized value of HCL's revenue share of the revenue reported by the partners for support services and new license sales in the current quarter. ARR excludes upfront revenue recognized on sale of perpetual licenses, professional services and any other non-recurring revenue.
ARR is an operating metric, which should be viewed independently of revenue and is not a forecast of future revenues. Growth in ARR may not always be reflected in Revenue growth.

## Services Revenue Mix and Growth for Quarter ended 31-Dec-23

Services Revenue up 3.1\% QoQ \& up 4.2\% YoY in Constant Currency
By Geographies

| Details | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | YoY CC Growth |
| :--- | :---: | :---: | :---: | :---: |
| Americas | $63.5 \%$ | $64.5 \%$ | $64.5 \%$ | $6.7 \%$ |
| Europe | $29.1 \%$ | $28.5 \%$ | $29.0 \%$ |  |
| ROW | $7.4 \%$ | $7.7 \%$ |  |  |

## By Verticals

| Details | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | YoY CC Growth | QoQ CC Growth |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Financial Services | 19.9\% | 22.6\% | 21.7\% | 12.9\% | (1.3\%) |
| Manufacturing | 19.7\% | 19.3\% | 20.1\% | 5.8\% | 7.6\% |
| Lifesciences \& Healthcare | 17.1\% | 17.5\% | 16.4\% | 0.5\% | (3.2\%) |
| Technology and Services | 14.8\% | 13.1\% | 12.8\% | (9.2\%) | 0.5\% |
| Telecommunications, Media, Publishing \& Entertainment | 9.4\% | 8.0\% | 9.7\% | 8.3\% | 25.9\% |
| Public Services ${ }^{\#}$ | 10.2\% | 9.9\% | 9.7\% | (0.6\%) | 0.7\% |
| Retail \& CPG | 8.9\% | 9.6\% | 9.6\% | 11.7\% | 2.9\% |

[^0]
## Client Metrics

| Number of Million Dollar Clients (LTM) | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | YoY <br> Change | QoQ <br> Change |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 100 Million dollar + | 17 | 20 | 20 | 3 | - |
| 50 Million dollar + | 45 | 49 | 49 | 4 | - |
| 20 Million dollar + | 130 | 132 | 132 | 2 | - |
| 10 Million dollar + | 221 | 243 | 250 | 29 | 7 |
| 5 Million dollar + | 365 | 402 | 401 | 36 | (1) |
| 1 Million dollar + | 937 | 971 | 958 | 21 | (13) |
| Client Contribution to Revenue (LTM) | 31-Dec-22 |  | 30-Sep-23 |  | 31-Dec-23 |
| Top 5 Clients | 10.3\% |  | 9.8\% |  | 9.8\% |
| Top 10 Clients | 18.2\% |  | 17.2\% |  | 17.7\% |
| Top 20 Clients | 28.2\% |  | 27.3\% |  | 28.0\% |
| Days Sales Outstanding | 31-Dec-22 |  | 30-Sep-23 |  | 31-Dec-23 |
| Days Sales Outstanding* | 70 |  | 61 |  | 67 |

[^1]
## Overall ISG Star of Excellence Winner

Only service provider to win six 2023 ISG Star Of Excellence Awards
$150+$ participants evaluated for the awards, based on scores received from $\mathbf{2 , 2 5 0}$ unique customers


Client Response Characteristics



## Key Deal Wins

In Q3 FY24, HCLTech won 18 large deals - six in services and $\mathbf{1 2}$ in software - across diverse industries such as Retail \& CPG, Life Sciences and Healthcare, Public Services, and Financial Services, and among others

A Fortune 50 CPG company has expanded its digital transformation partnership with HCLTech centered around modern ops, end-to-end full-stack hyper-automation and cloud native services. As part of the new five-year mega deal, HCLTech will expand its services to include GenAl-based modern ops solutions powered by end-to-end hyper-automation-led platforms. This will be in addition to its industry-leading Digital Foundation services that it currently provides to this client.
A Europe-based global financial services provider expanded its partnership with HCLTech to launch its new service offering. HCLTech will provide digital payments platform development services, customer service and operations and FCP (financial crime prevention) operations functions to help the client launch new services across several markets globally.

A Global 50 integrated energy major has selected HCLTech to transform its operating model to a modern, product-aligned one and enable automation adoption with Al for higher efficiencies.

A leading US-based retailer selected HCLTech to provide retail IT operations services. HCLTech's solution will consolidate service providers and deliver an integrated and improved service experience that incorporates Al-based automation solution to drive efficiencies.

A leading US-based global medical technology major has selected HCLTech to modernize its IT infrastructure and digitally transform the workplace experience for its employees in over 50 countries.

A Europe-based global retailer selected HCLTech to accelerate business transformation across its sales, finance, distribution, manufacturing and planning domains. HCLTech will implement advanced digital technologies, including SAP S/4Hana and o9, to modernize the client's legacy IT systems and business processes.

A large Europe-based banking major has selected HCLSoftware's FinOps platform to enable end-to-end visibility across applications and infrastructure monitoring. This will significantly enhance the availability and performance of business-critical applications, leading to faster time-to-market of new products and improved customer experience.

A Europe-based global transportation services provider selected HCL Actian to upgrade and modernize their flight management application to be delivered as a cloud service.

A leading European government agency selected HCLActian to simplify and accelerate their cloud migration journey, improve digital experience for end users and significantly reduce their carbon footprint to achieve their ESG goals by 2030 .

A leading North American retail company selected HCL Commerce Cloud to fuel its digital growth and create a seamless omnichannel experience to delight customers.

A Middle East-based telco selected HCL Unica and HCL BigFix to enable a robust web-based customer interaction platform. The deployment will help the client run real-time and event-driven campaigns to differentiate their marketing strategy. It will also provide an enterprise security platform that will efficiently patch and remediate vulnerabilities across all servers and applications, simplifying security operations.

A large Latin American financial services major selected HCL BigFix as its primary device management platform. The deployment will help the client consolidate its technology assets and manage the lifecycle and compliance of its devices to support high data volumes.

## GenAI Deal Wins

"...HCLTech could begin to separate itself from IT services peers by emphasizing a grounded practicality mindset and a focus on bringing real solutions to scale...ر" Patrick M. Heffernan, Principal Analyst, TBR Insight Center in 'Reliable, Proven and High Functioning: HCLTech's Cloud-Native and GenAI Labs'.

A US-based healthcare provider selected HCLTech to develop multiple GenAl-based solutions for strategic use cases, including clinical library search, nutrition meal plan generation and after-visit notes/transcripts summarization. The solutions will help the clinical staff optimize the time spent on these activities and significantly enhance clinician efficiency.

A Fortune 50 pharmaceuticals major has forged a partnership with HCLTech to establish a conversational GenAl platform (Retrieval-Augmented Generation), aiming to transform user interactions using high-tech advancements.

A leading US-based financial services firm has engaged HCLTech to evaluate GenAl solutions integrated with cloud technology. These solutions are tailor-made for critical applications, featuring areas such as risk management analytics, predictive modeling and anomaly detection.

A US-based financial services company selected HCLTech to develop an innovative GenAl-based mobile payments solution that accepts user inputs through natural language, formulate a detailed money transfer request for user review and approval.

A Fortune 100 financial services company selected HCLTech to transform its customer services by leveraging AI. HCLTech used GenAl to ensure faster resolution, leading to improved customer experience.

A leading US-based financial services major selected HCLTech to transform its service desk function by leveraging GenAI. HCLTech is implementing a solution that leverages GenAl and cloud computing and provides valuable insights from call data and service desk transcripts to optimize cost, improve productivity and reduce support effort.

A US-based global communication services provider selected HCLTech to implement GenAl in fields such as software engineering, analytics, network activation, call center agent experience, infrastructure, among others. HCLTech will establish a GenAI Center of Excellence to manage scalability and deliver cost savings in the upcoming years.

A leading US-based financial services major selected HCLTech to deliver AI- and automation-based application operations and support to ensure application uptime and enhanced user experiences to reach business objectives. As part of this deal, HCLTech will transform the client's operations, drive automation and enable end-to-end observability, helping the client to get to the bottom of application performance issues much faster.

A US-based chemicals manufacturer partnered with HCLTech to enhance its sustainability efforts and develop a state-of-the-art solution for real-time ESG reporting and analytics tools using GenAl. HCLTech will deploy its Net-Zero Intelligent Operations platform that aggregates complex enterprise and plant data, utilizes reinforcement learning and employs human feedback for ESG metric validation.

## People Metrics

| Details (Quarter ended) | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Total People Count | 222,270 | 225,944 | 223,438 | 221,139 | 224,756 |
| Technical | 207,920 | 211,445 | 209,066 | 206,745 | 210,417 |
| Sales and Support | 14,350 | 14,499 | 14,372 | 14,394 | 14,339 |
| Net Addition | 2,945 | 3,674 | $(2,506)$ | $(2,299)$ | 3,617 |
| Freshers Added | 5,892 | 4,480 | 1,597 | 3,630 | 3,818 |
| Attrition (LTM)* | 21.7\% | 19.5\% | 16.3\% | 14.2\% | 12.8\% |
| Women Employees (\%) | 29.2\% | 29.2\% | 29.0\% | 29.1\% | 29.1\% |

*Note: Attrition excludes involuntary attrition and DPO.

HCLTech was the highest ranked India-headquartered IT company in the Forbes Best Employers List 2023. Ranked seventh globally in the Professional Services category.

Won ET Human Capital Experience award under the Exceptional Employee Experience ( large enterprise ) category.

Rated as Silver Employer under the India Workplace Equality Index (IWEI).
Positioned as a Leader and a Star Performer in Everest Group’s PEAK Matrix ${ }^{\circledR}$ assessment on talent readiness for next-gen IT services 2023

HCLTech's Value Creation Portal is a unique grassroots innovation platform that enables employees to contribute ideas and create value for its clients.
4,500+ unique employees leveraged Value Creation Portal in Q3 FY24, generating, reviewing and approving 3,000+ideas and implementing $\mathbf{1 , 4 0 0 + \text { ideas that delivered }}$ customer signed-off value worth $\mathbf{\$ 2 7 0}$ million.

Continuing its tradition of ideapreneurship and a culture of innovation, a total of $\mathbf{4 1}$ patents were filed and granted ( $\mathbf{1 6}$ filings, $\mathbf{2 5}$ grants) in Q3 FY24.

## Analyst Recognitions

HCLTech received 60+ leadership positions in analyst recognitions for the quarter which we believe further strengthens our credentials to be a partner of choice for large enterprises in their cloud and digital transformation journey.

## Digital Business

- Leader in Everest Group’s Talent Readiness for Next-generation IT Services PEAK Matrix ${ }^{\oplus}$ Assessment 2023
- Leader in Avasant’s Digital Talent Capability 2023-2024 RadarView ${ }^{\text {m }}$
- Leader in IDC MarketScape: Worldwide Experience Design Services 2023-2024 Vendor Assessment
- Leader in Avasant's Tech-enabled Sustainability Services 2023-2024 RadarVieww
- Leader in Avasant's Aerospace \& Defence Digital Services 2023-2024 RadarView ${ }^{\text {m }}$
- Leader in Everest Group’s Healthcare Payer Digital Services PEAK Matrix ${ }^{\circledR}$ Assessment 2023
- Leader in HFS Horizons: Retail and CPG Service Providers, 2023
- Leader in IDC MarketScape: Worldwide Smart Manufacturing Asset Management Service Providers 2023-2024 Vendor Assessment
- Leader in ISG Provider Lens ${ }^{\text {"' }}$ - Oil and Gas Industry - Services and Solutions - Next-Gen IT/OT Services - North America 2023


## Digital Operations

- Leader in Avasant’s Intelligent IT Ops Services 2023-2024 RadarView"'
- Leader in Everest Group’s Lending IT Services PEAK Matrix ${ }^{\circledR}$ Assessment 2023
- Leader in ISG Provider Lens"' - Supply Chain Services - Supply Chain Advisory \& Consulting Services, Supply Chain IT Operations Services, Supply Chain BPO Services - US 2023


## ERS

- Leader in Everest Group’s Next-generation Quality Engineering (QE) Services PEAK Matrix ${ }^{\circledR}$ Assessment 2023
- Leader in Zinnov Zones Digital Engineering and E\&RD Services 2023
- Leader in IDC MarketScape: Worldwide Software Engineering Services 2023 Vendor Assessment

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## Analyst Recognitions

## Digital Foundation

- Leader in Gartner ${ }^{\circledR}$ Magic Quadrant ${ }^{\top M}$ for Managed Network Services ${ }^{\star}$
- Recognized by customers with the Gartner Peer Insights Customers' Choice distinction in Voice of the Customer for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide*
- Leader in IDC MarketScape: European Human-First Digital Workplace Services 2023 Vendor Assessment
- Leader in IDC MarketScape: Asia/Pacific Cloud Professional Services 2023-2024 Vendor Assessment
- Leader in IDC MarketScape: Worldwide Managed Public Cloud Services 2023 Vendor Assessment
- Leader in Everest Group's Cloud Security Services PEAK Matrix® Assessment 2023
- Leader in ISG Provider Lens ${ }^{m \times \prime}$ in ISG Provider Lens ${ }^{m \times \prime}$ - Multi Public Cloud Services- Consulting \& Transformation services Large Accounts - France, Germany, Nordics, UK, US 2023


## HCLSoftware

- HCL BigFix named a Strong Performer in The Forrester Wave"' for Unified Endpoint Management, Q4 2023
- HCL DX named as a Leader in the Omdia Universe for Digital Experience Management, 2023-24
- HCL Commerce Cloud named as a Major Player in the IDC MarketScape for Worldwide Enterprise B2B Digital Commerce Applications, 2023-2024
- HCL Secure DevOps named as a Major Player in the IDC MarketScape for the Worldwide Value Stream Management and Agile Project and Portfolio Management, 2023-2024
- HCL Unica named Strong Performer in the Quadrant Knowledge Solutions SPARK Matrix"' for Multichannel Marketing Hubs(MMH), 2023
- HCL DX named as a Leader in the Quadrant Knowledge Solutions SPARK Matrix"' for Digital Experience Platforms, 2023
- HCL DX named as a Major Contender in Everest Group Digital Experience Platform (DXP) Products PEAK Matrix ${ }^{\circledR}$ Assessment 2023





 of this Quarterly report), and the opinions expressed in the Gartner Content are subject to change without notice.

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## Awards and Recognitions

Shiv Nadar, Chairman Emeritus and Strategic Advisor to the Board of HCLTech, was named India's top philanthropist in Hurun Philanthropy List 2023.
HCLTech Chairperson Roshni Nadar Malhotra named among the "The World's Most Powerful Women" by Forbes and Fortune; won Business Today Most Powerful Women in Business Award 2023. She was also part of India Today’s 'The She List', covering the top 100 women achievers of India.

## Other accolades

- Won the gold award at the 3rd ICAI International Sustainability Reporting Awards for Climate Action Reporting
- IoT solution won Future Digital Award 2023 in the 'Best loT Device Management Platform' category
- Won gold award at the O'Reilly Awards 2023 in the "Best in Skill Transformation" category
- Achieved AWS Financial Services Competency in recognition for delivering world-class cloud-based offering
- Named IBM Partner Excellence Award in the cloud business category
- Named Veritas Growth Partner of the Year 2023
- Named NetApp GSI Partner of the Year 2023 (Nordics)
- Named Commvault Pioneering GSI Partner of the Year 2023


## Supercharging Progress for Our Communities and the Planet

## India-focused initiatives through HCLFoundation

## Samuday

- 294 rural entrepreneurs supported
- 25 KW solar systems installed in five villages in UP
- 10,600+ adolescent girls screened for anemia
- 'Best Communication in Sanitation: Traditional' award by India Sanitation Coalition


## My Clean City

Almost 350,000 kg waste managed

## Special Initiatives

- Power of One: Almost 12,000 employee volunteering hours
- Sports For Change scholar Rajkumari won bronze in powerlifting at the Asian Рага Games. 18 medals won at the Khelo India Рага Games.
- My E-Haat Conclave brought together industry leaders, artisans and stakeholder for strengthening craft economy


## HCLTech Grant

Reviewed projects from 46 NGOs across 22 states, 4 UTs and 68 districts to get firsthand experience of impact on communities

Global Initiatives

## Uday

- 370,000+beneficiaries reached through integrated community programs
- 500+ beneficiaries of social security schemes
- 130 LGBTQIA+ community members trained on Foundation Courses


## Harit

Restored waterbodies in Gautam Buddha Nagar and Madurai districts

## HCLTech Grant

HCLTech Grant Americas garnered almost 100 eligible applications from 10 countries across the Americas. Eligible applications span projects across forest, land restoration, climate education and naturebased solutions.

HCLTech Australia formalized the inaugural 'Innovate Reconciliation Action Pact' to deliver a positive and lasting impact for Aboriginal and Torres Strait Islander people and communities.

[^2]
## Annexure

## Constant Currency Reporting (Quarter ended)

| HCLTech Revenue | 31-Dec-22 | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Reported Revenue (US\$ Mn) | 3,244.0 | 3,234.6 | 3,200.0 | 3,224.7 | 3,415.0 |
| Growth \% (CC) |  |  |  |  |  |
| QoQ | 5.0\% | (1.2\%) | (1.3\%) | 1.0\% | 6.0\% |
| YoY | 13.1\% | 10.5\% | 6.3\% | 3.4\% | 4.3\% |
| HCLTech Services Revenue |  |  |  |  |  |
| Reported Revenue (US\$ Mn) | 2,862.2 | 2,906.6 | 2,882.7 | 2,922.0 | 3,010.8 |
| Growth \% (CC) |  |  |  |  |  |
| QoQ | 2.2\% | 0.6\% | (1.0\%) | 1.6\% | 3.1\% |
| YoY | 15.4\% | 10.6\% | 7.1\% | 3.4\% | 4.2\% |
| Average Rates for the Quarter |  |  |  |  |  |
| USD - INR | 82.34 | 82.30 | 82.17 | 82.72 | 83.28 |
| GBP - USD | 1.19 | 1.22 | 1.25 | 1.26 | 1.25 |
| EUR - USD | 1.03 | 1.07 | 1.09 | 1.08 | 1.08 |
| USD - SEK | 10.63 | 10.40 | 10.60 | 10.81 | 10.51 |
| AUD - USD | 0.66 | 0.68 | 0.67 | 0.65 | 0.66 |
| 22 Copyright © 2024 HCL |  |  |  |  | HCLTech |

## Financials in ₹ for the Quarter ended 31-Dec-23 (Ind AS)

Consolidated Income Statement
(Amount in ₹ Crores)

| Income Statement | Quarter Ended |  |  | \% of Revenue |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 |
| Revenues | 26,700 | 26,672 | 28,446 | 100.0\% | 100.0\% | 100.0\% |
| Direct Costs | 16,720 | 17,013 | 17,998 | 62.6\% | 63.8\% | 63.3\% |
| Gross Profits | 9,980 | 9,659 | 10,448 | 37.4\% | 36.2\% | 36.7\% |
| Research \& Development | 415 | 404 | 418 | 1.6\% | 1.5\% | 1.5\% |
| SG \& A | 3,200 | 3,311 | 3,272 | 12.0\% | 12.4\% | 11.5\% |
| EBITDA | 6,365 | 5,944 | 6,758 | 23.9\% | 22.3\% | 23.8\% |
| Depreciation \& Amortization | 1,136 | 1,010 | 1,143 | 4.3\% | 3.8\% | 4.0\% |
| EBIT | 5,228 | 4,934 | 5,615 | 19.6\% | 18.5\% | 19.8\% |
| Foreign Exchange Gains/(Loss) | 3 | (15) | 29 | 0.0\% | (0.1\%) | 0.1\% |
| Other Income, net | 141 | 209 | 230 | 0.5\% | 0.8\% | 0.8\% |
| Provision for Tax | 1,276 | 1,295 | 1,523 | 4.8\% | 4.9\% | 5.4\% |
| Non-controlling interest | 0 | 1 | 1 | 0.0\% | 0.0\% | 0.0\% |
| Net Income | 4,096 | 3,832 | 4,350 | 15.3\% | 14.4\% | 15.3\% |
| EPS (LTM in ₹) |  |  |  |  |  |  |
| Basic | 53.41 | 57.05 | 57.98 |  |  |  |
| Diluted | 53.36 | 56.95 | 57.87 |  |  |  |

## Cost Breakup in ₹ for Quarter Ended 31-Dec-2023

| Particulars | Quarter Ended |  |  | \% of Revenue |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 |
| Employee benefits expense | 14,163 | 15,253 | 15,862 | 53.0\% | 57.2\% | 55.8\% |
| Outsourcing costs (Subcontractors + Outsourced Work) | 3,865 | 3,508 | 3,732 | 14.4\% | 13.1\% | 13.1\% |
| Cost of hardware and software sold | 654 | 402 | 350 | 2.4\% | 1.5\% | 1.2\% |
| Travel and conveyance | 319 | 272 | 311 | 1.2\% | 1.0\% | 1.1\% |
| Software license fee | 256 | 249 | 251 | 1.0\% | 0.9\% | 0.9\% |
| Facility Cost* | 290 | 286 | 306 | 1.1\% | 1.1\% | 1.1\% |
| Recruitment, training and development | 134 | 57 | 69 | 0.5\% | 0.2\% | 0.2\% |
| Legal and professional charges | 127 | 141 | 139 | 0.5\% | 0.5\% | 0.5\% |
| Communication costs | 122 | 134 | 149 | 0.5\% | 0.5\% | 0.5\% |
| CSR Expense | 46 | 48 | 71 | 0.2\% | 0.2\% | 0.2\% |
| Doubtful debts | 9 | 40 | 37 | 0.0\% | 0.2\% | 0.1\% |
| Other expenses | 350 | 338 | 409 | 1.3\% | 1.3\% | 1.4\% |
| Depreciation \& Amortization | 1,137 | 1,010 | 1,144 | 4.3\% | 3.8\% | 4.0\% |
| Total Costs | 21,472 | 21,738 | 22,831 | 80.4\% | 81.5\% | 80.2\% |
| EBIT | 5,228 | 4,934 | 5,615 | 19.6\% | 18.5\% | 19.8\% |

[^3]
## Financials in US\$ for the Quarter ended 31-Dec-23 (IFRS)

Consolidated Income Statement
(Amount in US\$ Million)

| Income Statement | Quarter Ended |  |  | \% of Revenue |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 |
| Revenues | 3,244.0 | 3,224.7 | 3,415.0 | 100.0\% | 100.0\% | 100.0\% |
| Direct Costs | 2,031.1 | 2,056.8 | 2,160.5 | 62.6\% | 63.8\% | 63.3\% |
| Gross Profits | 1,212.9 | 1,167.9 | 1,254.5 | 37.4\% | 36.2\% | 36.7\% |
| Research \& Development | 50.4 | 48.9 | 49.9 | 1.6\% | 1.5\% | 1.5\% |
| SG \& A | 388.4 | 400.2 | 392.4 | 12.0\% | 12.4\% | 11.5\% |
| EBITDA | 774.2 | 718.9 | 812.2 | 23.9\% | 22.3\% | 23.8\% |
| Depreciation \& Amortization | 138.3 | 122.2 | 137.3 | 4.3\% | 3.8\% | 4.0\% |
| EBIT | 635.9 | 596.7 | 674.9 | 19.6\% | 18.5\% | 19.8\% |
| Foreign Exchange Gains/(Loss) | 0.0 | (1.8) | 3.6 | 0.0\% | (0.1\%) | 0.1\% |
| Other Income, net | 16.8 | 25.2 | 27.3 | 0.5\% | 0.8\% | 0.8\% |
| Provision for Tax | 155.8 | 156.6 | 182.9 | 4.8\% | 4.9\% | 5.4\% |
| Non-controlling interest | 0.0 | - | 0.2 | 0.0\% | 0.0\% | 0.0\% |
| Net Income | 496.8 | 463.5 | 522.7 | 15.3\% | 14.4\% | 15.3\% |
| EPS (LTM in ₹) |  |  |  |  |  |  |
| Basic | 53.41 | 57.05 | 57.98 |  |  |  |
| Diluted | 53.36 | 56.95 | 57.87 |  |  |  |

## Cost Breakup in US\$ for Quarter Ended 31-Dec-2023

| Particulars | Quarter Ended |  |  | \% of Revenue |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 | 31-Dec-22 | 30-Sep-23 | 31-Dec-23 |
| Employee benefits expense | 1,720.3 | 1,844.1 | 1,904.0 | 53.0\% | 57.2\% | 55.8\% |
| Outsourcing costs (Subcontractors + Outsourced Work) | 468.6 | 424.0 | 447.9 | 14.4\% | 13.1\% | 13.1\% |
| Cost of hardware and software sold | 80.2 | 48.6 | 41.8 | 2.5\% | 1.5\% | 1.2\% |
| Travel and conveyance | 38.8 | 32.9 | 37.3 | 1.2\% | 1.0\% | 1.1\% |
| Software license fee | 31.3 | 30.0 | 30.2 | 1.0\% | 0.9\% | 0.9\% |
| Facility Cost* | 35.1 | 34.5 | 36.7 | 1.1\% | 1.1\% | 1.1\% |
| Recruitment, training and development | 16.2 | 6.9 | 8.3 | 0.5\% | 0.2\% | 0.2\% |
| Legal and professional charges | 15.4 | 17.0 | 16.7 | 0.5\% | 0.5\% | 0.5\% |
| Communication costs | 14.7 | 16.2 | 17.9 | 0.5\% | 0.5\% | 0.5\% |
| CSR Expense | 5.5 | 5.7 | 8.5 | 0.2\% | 0.2\% | 0.2\% |
| Doubtful debts | 1.1 | 4.9 | 4.4 | 0.0\% | 0.2\% | 0.1\% |
| Other expenses | 42.6 | 41.0 | 49.0 | 1.3\% | 1.3\% | 1.4\% |
| Depreciation \& Amortization | 138.3 | 122.2 | 137.3 | 4.3\% | 3.8\% | 4.0\% |
| Total Costs | 2,608.1 | 2,628.1 | 2,740.1 | 80.4\% | 81.5\% | 80.2\% |
| EBIT | 635.9 | 596.7 | 674.9 | 19.6\% | 18.5\% | 19.8\% |

[^4]
## Consolidated Balance Sheet (₹ and US\$)

| Particulars | In ₹ Crores |  | In US\$ Million |  |
| :---: | :---: | :---: | :---: | :---: |
|  | As on 31-Mar-23 | As on 31-Dec-23 | As on 31-Mar-23 | As on 31-Dec-23 |
| Assets |  |  |  |  |
| Cash and Cash Equivalents | 9,065 | 9,116 | 1,103 | 1,096 |
| Accounts Receivables, net | 19,572 | 21,076 | 2,381 | 2,534 |
| Unbilled Receivables | 5,934 | 5,282 | 722 | 635 |
| Treasury Investments | 13,647 | 14,461 | 1,661 | 1,738 |
| Other Current Assets | 5,359 | 5,804 | 652 | 698 |
| Total Current Assets | 53,577 | 55,739 | 6,520 | 6,701 |
| Property and Equipment, net | 5,417 | 5,225 | 659 | 628 |
| Right-of-use assets | 2,337 | 2,673 | 284 | 321 |
| Intangible Assets, net | 26,911 | 27,829 | 3,276 | 3,346 |
| Treasury Investments | 378 | 571 | 46 | 69 |
| Deferred Tax Assets | 1,252 | 897 | 152 | 108 |
| Other Investments (incl. equity method investment) | 110 | 108 | 14 | 13 |
| Other Assets | 3,435 | 3,764 | 418 | 452 |
| Total Assets | 93,411 | 96,806 | 11,370 | 11,638 |
| Liabilities \& Stockholders Equity |  |  |  |  |
| Total Current Liabilities | 20,420 | 20,450 | 2,485 | 2,459 |
| Borrowings | 2,251 | 2,369 | 274 | 285 |
| Lease Liabilities | 2,535 | 3,004 | 308 | 361 |
| Other Liabilities | 2,807 | 3,483 | 342 | 419 |
| Total Liabilities | 28,013 | 29,306 | 3,409 | 3,524 |
| Non-Controlling Interests | (7) | (1) | (1) | - |
| Total Stockholders Equity | 65,405 | 67,501 | 7,962 | 8,114 |
| Total Equity | 65,398 | 67,500 | 7,961 | 8,114 |
| Total Liabilities and Equity | 93,411 | 96,806 | 11,370 | 11,638 |
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## Consolidated Cash Flow Summary \& Cash Position

| Particulars | For Year Ended |
| :--- | :---: | :---: | :---: |
| March 2023 |  |



## About HCLTech

HCLTech is a global technology company, home to more than 224,000 people across
60 countries, delivering industry-leading capabilities centered around digital, engineering, cloud and AI, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending December 2023 totaled \$ 13.1 billion. To learn how we can supercharge progress for you, visit hcltech.com.

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[^0]:    \# Public Services include Energy \& Utilities, Travel - Transport - Logistics and Government.

[^1]:    * Excluding unbilled receivables

[^2]:    Supplied dry ration kits to 8,500+ families affected by cyclone Michuang

[^3]:    Note: *Facility cost includes Repairs and Maintenance, Power and Fuel, and Rent

[^4]:    Note: *Facility cost includes Repairs and Maintenance, Power and Fuel, and Rent

