

# HCL TECHNOLOGIES

## FOURTH QUARTER & ANNUAL RESULTS FY 2018

### INVESTOR RELEASE

Noida, India, May 02<sup>nd</sup>, 2018

### REVENUE MILESTONES

Annual Revenues cross **₹ 50,000 crores**

Quarterly Revenues exceed **US\$ 2 bn**

### FY'18 RESULTS

Revenue at **₹ 50,570 crores**; up **8.2%** YoY

Net Income at **₹ 8,780 crores**; up **3.8%** YoY

Revenue at **US\$ 7,838 mn**; up **12.4%** YoY

Revenue growth in Constant Currency at **10.5%** YoY

Net Income at **US\$ 1,360 mn**; up **7.7%** YoY

### Q4 FY'18 RESULTS

Revenue at **₹ 13,179 crores**; up **2.9%** QoQ

Net Income at **₹ 2,227 crores**; up **1.5%** QoQ

Revenue in Constant Currency; up **1.2%** QoQ

Revenue at **US\$ 2,038 mn**; up **2.5%** QoQ

Net Income at **US\$ 344 mn**; up **1.1%** QoQ

### TABLE OF CONTENTS

Financial Highlights	2
Corporate Overview	4
Performance Highlights	5
Financials in US\$	13
Revenue Analysis at Company Level	16
Constant Currency Reporting	17
Client Metrics	18
Headcount & Utilization	19
Facilities	19
Cash and Cash Equivalents, Investments & Borrowings	19
Financials in ₹	20

# HIGHLIGHTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

(Amount in ₹ Crores)

PARTICULARS	FULL YEAR		QUARTER ENDED	
	FY'18	YoY	31-Mar-2018	QoQ
REVENUE	50,570	8.2%	13,179	2.9%
EARNINGS BEFORE INTEREST & TAX (EBIT)	9,987	5.4%	2,583	2.9%
NET INCOME	8,780	3.8%	2,227	1.5%

(Amount in US \$ Million)

PARTICULARS	FULL YEAR		QUARTER ENDED	
	FY'18	YoY	31-Mar-2018	QoQ
REVENUE	7,838	12.4%	2,038	2.5%
REVENUE GROWTH (CONSTANT CURRENCY)		<b>10.5%</b>		<b>1.2%</b>
EARNINGS BEFORE INTEREST & TAX (EBIT)	1,548	9.4%	399	2.6%
NET INCOME	1,360	7.7%	344	1.1%

## Financial Highlights: FY'18

Revenue Milestones in FY'18 and Q4:

- Annual Revenues cross ₹ 50,000 crores mark.
- Quarterly Revenues exceed US\$ 2 billion milestone.

Revenues from Mode 2 and Mode 3 offerings together grew 41.5% in 12 months period ending Mar'18. The share of Mode 2 and Mode 3 revenues together stands at 23.4% for FY'18, compared to 18.6% for FY'17.

- Led by Digital and Analytics, Mode 2 grew by 29.4% YoY across lines of business and geographies.
- In FY'18 Mode 3 contributed 8.7% to the revenue and grew at a healthy rate 68.3% YoY. Investments proposed in Product Management, R&D and GTM.

REVENUE MIX (YEAR ENDED)	Mar'17	Mar'18	YoY Growth
Mode 1	81.4%	76.6%	5.7%
Mode 2	12.8%	14.7%	29.4%
Mode 3	5.8%	8.7%	68.3%

Broad based growth across Verticals driven by Manufacturing at 18.3%, Financial Services at 13.3%, Lifesciences & Healthcare at 8.1% , Retail & CPG at 7.5% and Public Services at 2.6% (on Constant Currency basis).

Strong client addition continues (on YoY basis): \$5+ Mn clients up by 18, \$10+ Mn clients up by 7, \$20+ Mn clients up by 2, \$40+ Mn clients up by 6, and \$50+ Mn clients up by 3.

Net Income to Operating Cash Flow conversion at 98.9% on LTM basis.

Announces dividend of ₹ 2 per share, 61<sup>st</sup> consecutive quarter of dividend payout.

Return on Equity at 25.2%.

## 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 10.5% to 12.5% in USD terms based on March 31, 2018 rates.
- Operating Margin (EBIT): FY'19 expected Operating Margin (EBIT) range is from 19.5% to 20.5%.  
*\* The Operating Margin guidance assumes USD-INR currency rate of \$1 = ₹ 66.0 and other currencies at FY'18 average exchange rates.*

## CORPORATE OVERVIEW

“The world is changing fast with rapid evolution and shifts in geo-political, social and business landscapes, making it imperative for responsible leaders like HCL to be at the forefront of innovation, technology, solutions and people readiness. We continue to make strategic investments for readiness, in face of these imminent shifts. With the commitment to give back to the society, we continue to build sustainable and scalable models of positive social impact”, said **Shiv Nadar, Chairman & Chief Strategy Officer, HCL Technologies Ltd.**

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“We conclude the fourth quarter and the financial year 2018 with an industry-leading performance backed by broad-based growth across verticals, robust client additions and accelerated revenues from Mode 2 and 3 Services. Our quarterly revenues have exceeded the \$2 billion mark while our YoY revenues grew by 10.5% YoY. We remain confident of the new Fiscal in light of the increasing relevance of our business offerings coupled with our strategic investments in technologies of the future”, said **C.Vijayakumar, President & CEO, HCL Technologies Ltd.**

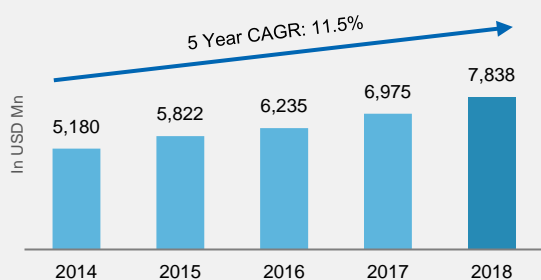
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“We are very happy with the overall FY’18 performance. We have achieved both on revenue and margin front. The revenues for FY’18 grew by 12.4% and the EBIT margin at 19.7%, both of which have been in the guided range. We continue to report industry leading revenue per employee of \$66,406 on the back of our digital, cloud, cyber-security, IoT and IP led product offerings. Profit to cash conversion has been healthy with Net Income to Operating Cash Flow at 99% and Return on Equity at 25.2%”, said **Anil Chanana, CFO, HCL Technologies Ltd.**

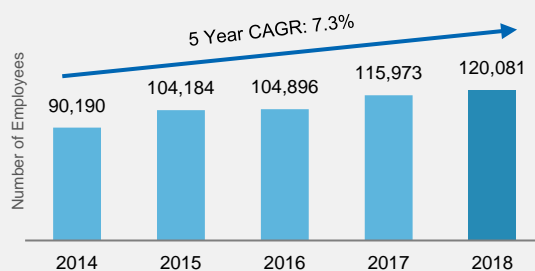
# PERFORMANCE HIGHLIGHTS

## Overall Company: Performance Trends (last five years for 12 months ended March)

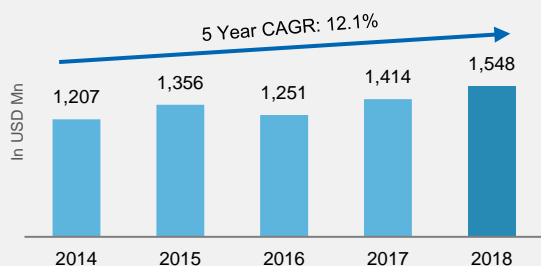
### Revenues



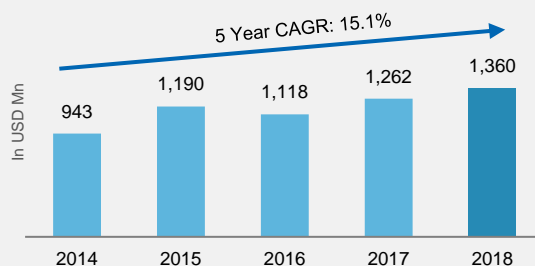
### Headcount



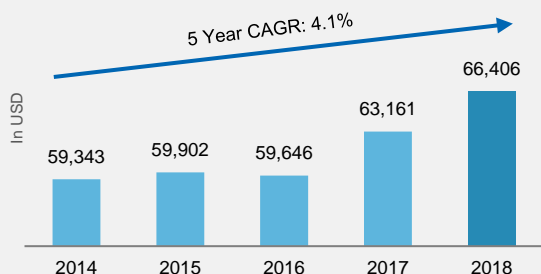
### Earnings Before Interest & Tax



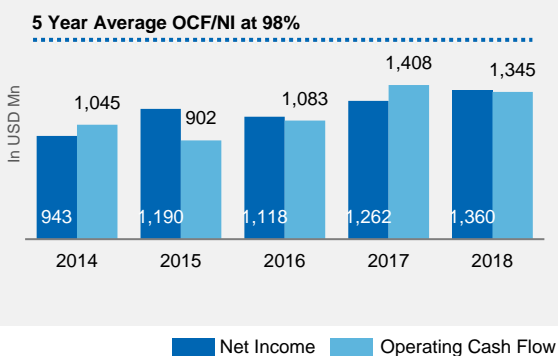
### Net Income



### Revenue per Employee



### Profit to Cash Conversion



## KEY CATALYSTS FOR GROWTH

### REVENUE GROWTH FOR FY'18 IN CONSTANT CURRENCY

- Revenue grew by **10.5%**.
- Broad based growth across all revenue segments:
  - Americas, RoW and Europe grew by **13.8%**, **6.0%** and **5.0%** respectively.
  - Driven by Engineering and R&D Services at **37.6%**, Infrastructure Services at **4.5%** and Application Services at **4.4%**.
  - Vertical growth led by Manufacturing at **18.3%**, Financial Services at **13.3%**, Lifesciences & Healthcare at **8.1%**, Retail & CPG at **7.5%** and Public Services at **2.6%**.

### REVENUE GROWTH (IN CONSTANT CURRENCY)

PARTICLUARS	SEGMENTS	QUARTER ENDED			FY'18 over FY'17
		31-Dec-17	31-Mar-18		
		QoQ	QoQ	YoY	
Consolidated	For the Company	3.3%	1.2%	8.2%	10.5%
Geography	Americas	4.9%	-0.7%	9.6%	13.8%
	Europe	1.9%	3.6%	9.7%	5.0%
	Rest of the World (RoW)	-3.9%	8.1%	-5.2%	6.0%
Services	Application Services	1.6%	-0.9%	1.6%	4.4%
	Infrastructure Services	-1.2%	2.5%	2.9%	4.5%
	Business Services	5.0%	5.3%	6.0%	0.9%
	Engineering and R&D Services	13.6%	1.7%	30.4%	37.6%
Verticals	Financial Services	1.4%	2.0%	9.4%	13.3%
	Manufacturing	6.6%	0.2%	13.8%	18.3%
	Lifesciences & Healthcare	2.4%	-0.2%	9.0%	8.1%
	Public Services	0.2%	4.1%	-3.1%	2.6%
	Retail & CPG	6.6%	1.1%	11.8%	7.5%
	Telecommunications, Media, Publishing & Entertainment	-3.8%	1.8%	-3.2%	-4.7%

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

## TRANSFORMATIONAL AND BLUE CHIP CUSTOMER ACQUISITION

HCL signed 15 transformational deals this quarter, spread across Mode 1, Mode 2 and Mode 3 services, led by verticals of Financial Services, Manufacturing, Public services, Lifesciences and Healthcare. These have a healthy mix of next-generation offerings including Cloud Native Services, Digital & Analytics, Internet of Things, Autonomics & AI, Cybersecurity & GRC, Products and Platforms. A total of 63 transformational deals have been signed during the year.

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## CORPORATE EXCELLENCE

HCL continues to create sustained positive impact on the socio-economic ecosystem, driving unmatched business value for all its stakeholders.

- **HCL Foundation**, the CSR arm of HCL Technologies, continues to create sustained social impact through its flagship programs – HCL Grant, HCL Samuday, HCL Uday and Power of One.
  - **HCL Grant**, the flagship program of HCL Foundation, announced the winning recipients for its third edition this year across categories of Education, Health and Environment who were felicitated at the annual HCL Grant event in March 2018. Winners in each category received a grant of INR 5 crores. HCL Grant currently supports projects covering 2,450 villages across 17 Districts, reaching out to over 6,24,000 beneficiaries across 10 states in India.
  - **HCL Samuday**, an initiative to create model villages in Uttar Pradesh, now covers 765 villages and 90,000 households, benefitting a population of around six lakhs. Through various interventions:
    - More than 10,000 children are now getting ICT based classroom training and over 4,000 women are learning to become literate through Adult Literacy Centres.
    - 125 schools have been equipped with solar energy. A solar mini-grid electrifies more than 150 households, saving 75 tonnes of CO<sub>2</sub> emissions.
    - 30 villages have been made open defecation free.
  - HCL Foundation also impacts lives outside India
    - In **US**, with partnership with SOS Children's Villages, HCL is supporting vulnerable children and families and also free coding education classes for youth from socially and economically weaker backgrounds. HCL also supported disaster relief efforts during the recent hurricanes.
    - In **UK**, HCL continued to work with The Prince's Trust to help disadvantaged young people to get trained in technology, life skills and career skills which helps them with better livelihood opportunities.
    - In **South Africa**, HCL Technologies and University of Johannesburg have teamed up for personal development of young people enabling them to tackle employment challenges by imparting high quality teaching and learning. HCL also focuses on Promotion of Digital Literacy through a 64-seater Computer WLab set-up in partnership with University of Johannesburg.
- During the year, **LinkedIn** named HCL Technologies as **one of the most sought after IT employers in India**, for the second consecutive year. HCL ranks at #1 amongst IT Services companies and at #6 amongst all companies across industries.
- HCL won Gold in **Best Advancement in women leadership development** and **HR Data analytics** at Brandon Hall Awards. Presented annually, these awards are given for excellence in HR practices, by Brandon Hall Research.
- **Association of Talent development** has recognized Career Connect - the social career navigation platform of HCL for 'Excellence in Practice'. The platform enables employees to enrich and accelerate their career paths at HCL, benefiting from crowdsourced career management ideas from peers, and managers.

- For the twelfth consecutive year, HCL was recognized as **Top Employer in UK**. In recognition of its distinctive culture, best-in-class employee engagement, and people practices. The award is based on HR Best Practices Survey by Top Employers Institute.
- At the Nikkei Asia 300 Summit, HCL was ranked at 2<sup>nd</sup> amongst a list of 300 power performers of Asia. At the **Nikkei Asian Review's Asia300** Companies list, a compilation of the most powerful and valuable listed companies in Asia. Amongst the India companies present in the list, HCL has emerged at the top position.
- HCL continues to expand its footprint in India and bring global opportunities to more number of cities. Its **Nagpur campus** was inaugurated as part of its 'Stay Rooted' campaign.
- HCL's innovative employee engagement campaign won a **bronze at Abby Awards 2018**, one of the most prestigious advertising awards in India. The award was given for unique use of an idea generation campaign – the 'Game of Ideas'.

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## MARKET LEADERSHIP

### MODE 1: CORE SERVICES

As part of Mode 1 services, HCL delivers core services in areas of Applications, Infrastructure, Engineering & R&D and Business Services, leveraging DRYICE™ Autonomics to transform clients' business and IT landscape, making them 'lean' and 'agile'.

#### Applications, Infrastructure and Business Services

HCL continues to leverage its strategic partnerships with leading enterprise software providers like SAP, Oracle, and Microsoft to deliver innovative solutions to its customers and continues to retain its market leadership position. With Digitalization and Internet-of-Things driving customer investment and playing critical roles in business success in the 21st Century, the Next Generation ITO framework enables “Multi-modal I.T.” to support these new initiatives while running lean operations, at the same time revolutionizing core areas like Datacenter & Cloud, Workplace Services and Networks. Recognized a star performer and leader in the industry, HCL Business Services has shifted the very grounds of operations outsourcing from cost optimization to technology-led Digital Transformation. In the last few months, HCL BServ has created a differentiated edge in the industry by leveraging Process Architecture and Technology Architecture coupled with the best in breed partnerships and investing across capability building both organically and inorganically.

- A US-based Fortune 500 Chemicals and Ammunition manufacturer has selected HCL to implement 21st Century Enterprise solutions for IUS, Cloud, EPS, Cybersecurity, NG Workplace and DRYICE™ across more than 25 projects aimed at transforming infrastructure and managed services.
- A leading UAE based aluminium smelter and manufacturing enterprise has chosen HCL for end-to-end infrastructure managed services, SAP basis support, service desk, datacenter operations, security and network operations.
- HCL has renewed an application development, maintenance and transformation deal with a leading manufacturer based in Europe to provide the next generation of support and development services across enterprise applications, collaboration and digital platforms. The renewal will see the implementation of a pure outcome based services in an agile delivery model.
- HCL has signed a deal with a Fortune 500 multinational banking and financial services firm for robotic process automation that will lead to optimization and growth in business.
- A leading global reinsurance company has selected HCL as the partner for application support and development across Germany, America, Canada, UK and Australia, consolidating multiple vendors into one strategic partner.
- A leading US-based software services provider to communications and media companies, which offers innovative solutions and intelligent operations, has chosen HCL for business services around their order management, billing and activation processes.



## Engineering and R&D Services

HCL, recognized as a leader by analyst firms in diverse domains, is the most valued global Engineering Service Provider (ESP) and partners with some of the most innovative and successful organizations in the world. With over four decades of experience of operating complex multi-vendor engagements and customer value chains, HCL seamlessly integrates with, and complements customers' R&D activities. HCL is a preferred engineering partner for global companies with its ability to drive significant business impact and value through accelerated product launches, improved engineering efficiencies, and adoption of new and disruptive technologies.

- HCL has partnered with Xilinx to announce a solution that targets 5G access and mobile backhaul markets and enables telecom original equipment manufacturers (OEMs) to meet the stringent requirements of next-generation networks.
- HCL's Platform for Acceleration of NexGen Engineering Analytics (PANGEA) has been chosen as the best in 'Innovation in Data Science' category by Aegis Graham Bell Award. 'PANGEA' is a collaborative and distributed Analytics platform built on industry leading big data technologies that brings the power of machine learning and predictive analytics to solve key business problems.

## MODE 2: NEXT-GENERATION SERVICES

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

### Digital and Analytics

HCL Digital and Analytics uniquely incubated a design and strategy agency over the last 3 years and combined the capabilities with Digital platforms and analytics that it had built over several years. In several wins HCL Digital and Analytics was chosen by enterprises to replace their traditional application services vendors or boutique digital vendors. Key drivers for revenue growth in HCL's Digital & Analytics practice have been several customers from the consumer services, life sciences, financial services, and utilities sectors. HCL has been rated as a "leader" in all six 'Application Services' related quadrants by ISG, including end-to-end ADM and Agile Application development and DevOps.

- A UK-based builder and home retailer has selected HCL to deliver high quality ERP surround solutions and middleware to standardize and enrich core processes of pricing and sales.
- A leading US-based finance and insurance company has engaged HCL to drive a Digital Services Transformation & Application Development Program. HCL is implementing DevOps principles to create continuous integration, delivery and testing pipelines to onboard existing projects and application.
- A leading European banking and financial services company has selected HCL as its strategic partner for rolling out the global KYC platform and for Enterprise Architecture 3.0 program. HCL will implement a real-time KYC shared services platform. This will formulate the processes for creating Guidance, Patterns, Best Practices, Global themes, Global solutions and subjects, Backlog management, Standardized and Established tools at a group level.
- HCL is enabling an end-to-end digital implementation for a US-based health wellness business, which gives it a competitive edge. HCL is working on five digital transformational tracks to create an Integrated Digital platform. HCL is working to transform and redesign multiple applications and IoT platform that will incorporate all of the current and future devices related to the business.
- A leading housing provider in UK has partnered with HCL to revamp its digital strategy, finance, procurement, asset management, HR services, customer Service, contract center, sales and marketing, digital portals, data warehouse, GIS Platform, and Workforce Management.

### IoT WoRKST<sup>™</sup>

Recognized as market leader in IoT consulting and services by four leading analyst firms—IDC, Everest Group, HfS and Zinnov - IoT WoRKST<sup>™</sup> continues to strengthen its leadership position in the fast-growing global IoT services and consulting market. HCL's unique solutions like asset performance management, remote services

platform, active grid management, patient safety platform, and track and trace help businesses IoT-ize their asset bases fast and realize accelerated business benefits.

- HCL has won a contract from one of the largest aircraft OEMs to create an IoT platform for its next generation aircrafts. This IoT platform will help minimize unplanned maintenance, improve cabin experience for passengers through data analytics and help create efficiencies for airlines by optimizing total number to cabin crew members needed during flight operations.
- HCL has entered into a strategic partnership with a global pharmaceuticals leader to help transform its energy management process. As a part of the engagement, HCL will create an interactive IoT platform which will track and compare energy consumption data with occupancy metrics of buildings and optimise systems through data analytics and machine learning.
- HCL has entered into a strategic partnership with a US-based multinational pharmaceutical, medical devices and consumer packaged goods manufacturer to drive product development and operational efficiency through IoT. HCL will implement IoT technologies and data visualization to improve overall quality management of the product driving efficiency.

### **Cloud Native Services**

HCL's Cloud Services offer a full spectrum of services namely, consulting, migration, implementation, and operations. In FY'18, HCL's Cloud Services booked several deals across Net New and Existing Customer Projects displaying key cloud native skills. HCL has gathered significant accolades from analyst such as a "visionary" in the Gartner Public cloud Magic Quadrant and a "LEADER" in the first ever Cloud Enablement Services PEAK matrix, by Everest. HCL's Cloud Native Services have strengthened key relationship with cloud service providers through strategic joint go-to-market plans with Azure, Google, AWS and Pivotal Cloud Foundry thereby offering enhanced vertical and solution specific competencies.

- HCL was chosen by a leading Fortune 500 temporary staffing solutions company for cloud migration. This is a multi-cloud deal that includes Azure PaaS Services and AWS Workload migration.
- HCL has partnered with a Europe-based multinational pharmaceutical company with operations across the globe to migrate its legacy applications to cloud.
- HCL has been selected by a US-based multinational biotechnology company, specializing in neurological medicine and research, for cloud migration. HCL will build elastic infrastructure on public cloud to migrate existing legacy applications which will optimize cost of running operations.

### **Cyber-Security & GRC**

HCL, through its Cybersecurity and GRC Services, inspires business confidence for world's leading organizations across industry verticals and geographies. Through its holistic Dynamic CyberSecurity Framework, HCL helps enterprises strategize, transform and operationalize their end-to-end cyber security and compliance needs. HCL delivers these services from multiple cybersecurity fusion centers across the globe. Growth in security services was led by US and Europe with large deals coming from verticals such as Financial Services, Energy & Utilities, Lifesciences, and Retail.

- A Leading Europe-based hydropower company has selected HCL as its Global Cybersecurity operations partner across 16 countries. HCL will enable privileged access security controls and provide end-to-end managed security services from its CyberSecurity Fusion centre.
- A UK-based gas distribution company has selected HCL to manage security services from its global Cybersecurity Fusion Centre. HCL will also manage the identity and access for individuals in this regulated business entity.
- A leading container shipping company has selected HCL to implement and manage its risk and compliance process automation. Through the implementation and management of an industry leading platform, the company would benefit from a common foundation for managing policies, controls and risk assessments across the company.

## 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 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. This strategy is well executed by being adaptive and is built through a flexible combination of organic IP, acquisitions and IP partnerships, supported by HCL's Mode 2 high value services and solutions. These offerings are delivered to the market in various modes through SaaS platforms, cloud market places and on-premise deployments.

### Internal IP Creation

- In this quarter, HCL filed **20 patents** in various next generation technologies and platforms, including automation, machine learning, data analytics and simulation, traffic systems, among others.
- In FY18, HCL filed a total of **75 patents** in areas of IoT, machine learning, analytics, advanced automobile engineering, wireless devices and machine-to-machine communications, blockchain applications, predictive analytics and aircraft data systems, among others.

**HCL DRYICE™** Autonomics & Orchestration leverages the power of A.I to transform entire IT landscapes, business processes and application engineering processes, driving business outcomes and efficiencies.

- A Fortune 50 US-based bank with global presence chose HCL DRYICE™ COPA (Cognitive Orchestrated Process Autonomics) as it started on its Machine Learning and Cognitive journey to improve customer experience.
- HCL entered into an engagement with a US-based Telecommunications major serving in more than 100 countries. The telecommunications company chose DRYICE™ GBP ITSM to transform its service management landscape.
- A Fortune 500 American Chemicals & Ammunition manufacturer based in US chose DRYICE™ GBP ITSM to orchestrate their IT service management.
- An Australia-based Energy & Utilities major, chose DRYICE™ MyXalytics - an intelligent reporting and AI based predictive analytics solution, to improve visibility and drive efficiency using AI-powered analytics.

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## ANALYST RECOGNITIONS

Leading industry experts and analysts continue to recognise HCL for its business leadership and relevance across the broad spectrum of business offerings.

- HCL is recognized as a Major Player in IDC MarketScape for Worldwide Cloud Professional Services 2018. This study represents a vendor assessment of the 2018 worldwide cloud professional services market.
- HCL Technologies positioned as a Leader in Gartner Magic Quadrant for SAP Application Services, Worldwide, February 2018 authored by Kris Doering, Susan Tan and Fabio Di Capua.
- HCL Technologies positioned as a Leader in Gartner Magic Quadrant for Managed Workplace Services, Europe, January 2018, authored by David Groombridge, Claudio Da Rold, Federica Troni, Nikos Drakos.
- HCL Technologies positioned as a Leader in Gartner Magic Quadrant for Managed Workplace Services, North America, January 2018, authored by Daniel Barros, Helen Huntley, and Karen A. Hobert.\*
- HCL is recognized a Leader in IDC MarketScape Worldwide Manufacturing Customer Experience Systems Integration Vendor Assessment. The report says manufacturers are increasingly seeking out IT service

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\* Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

providers to help transform their separate customer management systems and this is a market in which early movers will gain competitive advantage.

- HCL is recognized as a Leader in “IDC Marketscape: Worldwide Manufacturing Supply Chain Planning Business Process Outsourcing and IT Integration 2017 Vendor Assessment. The purpose of the report is to highlight a number of companies that bring outstanding capabilities in the manufacturing supply chain space today.
- HCL is named a Leader in “IDC Marketscape: Worldwide Manufacturing Supply Chain Execution Systems Integration and Business Process Outsourcing 2017 Vendor Assessment. The purpose of the report is to present several companies that have the ability to follow the historical role of the SI and also those with a keen sense of digital innovation.
- HCL is positioned Leader in ISG Provider Lens™ Quadrant for overall IoT Services, March 2018. According to the report HCL's strong engineering services background helps it apply expertise to grow in the IoT solution development and services market.

# FINANCIALS IN US\$ FOR THE QUARTER AND FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

(Amount in US \$ Million)

INCOME STATEMENT	QUARTER ENDED			GROWTH		12 MONTHS ENDED		GROWTH
	31-Mar-17	31-Dec-17	31-Mar-18	YoY	QoQ	31-Mar-17	31-Mar-18	YoY
<b>Revenues</b>	<b>1,816.8</b>	<b>1,987.5</b>	<b>2,038.0</b>	<b>12.2%</b>	<b>2.5%</b>	<b>6,975.2</b>	<b>7,837.7</b>	<b>12.4%</b>
Direct Costs	1,204.0	1,305.4	1,323.7			4,611.5	5,151.3	
<b>Gross Profits</b>	<b>612.8</b>	<b>682.2</b>	<b>714.3</b>	<b>16.6%</b>	<b>4.7%</b>	<b>2,363.7</b>	<b>2,686.4</b>	<b>13.7%</b>
SG & A	213.6	222.3	244.8			824.6	913.5	
<b>EBITDA</b>	<b>399.2</b>	<b>459.9</b>	<b>469.5</b>	<b>17.6%</b>	<b>2.1%</b>	<b>1,539.0</b>	<b>1,772.9</b>	<b>15.2%</b>
Depreciation & Amortisation	35.2	70.6	70.1			124.6	225.2	
<b>EBIT</b>	<b>364.0</b>	<b>389.3</b>	<b>399.4</b>	<b>9.7%</b>	<b>2.6%</b>	<b>1,414.4</b>	<b>1,547.8</b>	<b>9.4%</b>
Foreign Exchange Gains	7.2	20.0	24.6			28.1	83.5	
Other Income, net	25.3	20.9	18.4			111.4	88.3	
Provision for Tax	46.3	89.9	98.0			291.4	359.0	
<b>Net Income</b>	<b>349.9</b>	<b>340.3</b>	<b>344.0</b>	<b>-1.7%</b>	<b>1.1%</b>	<b>1,262.4</b>	<b>1,360.2</b>	<b>7.7%</b>
Gross Margin	33.7%	34.3%	35.0%			33.9%	34.3%	
EBITDA Margin	22.0%	23.1%	23.0%			22.1%	22.6%	
EBIT Margin	20.0%	19.6%	19.6%			20.3%	19.7%	
Net Income Margin	19.3%	17.1%	16.9%			18.1%	17.4%	
<b>Earnings Per Share</b>								
Annualized in ₹								
Basic	65.8	63.0	64.0			59.9	62.7	
Diluted	65.8	63.0	63.9			59.9	62.6	

WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER ENDED			12 MONTHS ENDED	
	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Mar-18
Basic	1,413,282,896	1,392,070,357	1,392,184,567	1,411,444,783	1,401,349,735
Diluted	1,414,474,633	1,393,040,238	1,393,042,184	1,412,641,203	1,402,209,558

OUTSTANDING OPTIONS (in equivalent number of shares)	31-Mar-17	31-Dec-17	31-Mar-18
Options at less than market price	1,471,320	1,111,080	989,160

Out of outstanding options as on March 31<sup>st</sup>, 2018, 38,400 shares are yet to vest which will vest in tranches till 2018.

# CONSOLIDATED BALANCE SHEET

(Amount in US \$ Million)

PARTICULARS	AS ON	
	31-Mar-17	31-Mar-18
<b>Assets</b>		
Cash and Cash Equivalents	202.9	259.6
Accounts Receivables, net	1,279.5	1,478.2
Unbilled Receivables	385.5	401.6
Fixed Deposits	1,575.2	878.6
Investment Securities, available for sale	176.6	361.7
Other Current Assets	458.7	386.5
<b>Total Current Assets</b>	<b>4,078.5</b>	<b>3,766.2</b>
Property and Equipments, net	721.4	795.4
Intangible Assets, net	1,761.1	2,210.1
Investment Securities, available for sale	-	39.9
Fixed Deposits	-	36.1
Investments in Equity Investee	22.9	4.1
Other Assets	521.1	578.0
<b>Total Assets</b>	<b>7,105.0</b>	<b>7,429.8</b>
<b>Liabilities &amp; Stockholders Equity</b>		
Current Liabilities	1,718.3	1,520.7
Borrowings	82.3	67.0
Other Liabilities	142.0	194.3
<b>Total Liabilities</b>	<b>1,942.6</b>	<b>1,782.1</b>
<b>Total Stockholders Equity</b>	<b>5,162.3</b>	<b>5,647.7</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>7,105.0</b>	<b>7,429.8</b>

# CONSOLIDATED CASH FLOW STATEMENT

(Amount in US \$ Million)

PARTICULARS	FY'17	FY'18	FOR QUARTER ENDED MAR'18
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Income</b>	<b>1,262.5</b>	<b>1,360.5</b>	<b>344.5</b>
<b>Adjustments to Reconcile Net Income to Net Cash provided by Operating Activities</b>			
Depreciation and Amortization	124.6	225.2	70.1
Others	16.9	(9.9)	(2.3)
<b>Changes in Assets and Liabilities, net</b>			
Accounts Receivable	(33.2)	(179.1)	(51.6)
Other Assets	8.9	19.2	34.3
Current Liabilities	27.9	(70.7)	28.3
<b>Net Cash provided by Operating Activities</b>	<b>1,407.6</b>	<b>1,345.1</b>	<b>423.2</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property and Equipment	(197.1)	(203.4)	(49.7)
Proceeds from sale of property and equipment (including advance)	16.8	4.3	2.7
Purchase of Licensed IPRs	(387.2)	(629.4)	(46.5)
(Purchase) / Sale of Investments	(62.9)	(203.4)	(253.6)
Purchase of other Investments	(1.8)	(0.5)	(0.5)
Fixed Deposits (increase) / decrease	55.2	660.1	50.3
Investment in equity affiliate	(3.1)	(0.2)	-
Net cash in subsidiaries disposed of	-	(22.4)	-
Payments for business acquisitions, net of cash acquired	(72.1)	(16.9)	(0.2)
<b>Net Cash used in Investing Activities</b>	<b>(652.1)</b>	<b>(411.8)</b>	<b>(297.5)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Buy Back of Equity Shares	-	(544.8)	-
Payment for Deferred consideration on Business Acquisition	(4.9)	(2.5)	-
Dividend	(607.3)	(314.9)	(51.6)
Loans	(54.4)	(22.9)	(8.1)
Others	4.1	2.5	(0.8)
<b>Net Cash used in Financing Activities</b>	<b>(662.4)</b>	<b>(882.5)</b>	<b>(60.6)</b>
Effect of Exchange Rate on Cash and Cash Equivalents	(0.2)	5.9	(13.8)
Net increase/(decrease) in Cash and Cash Equivalents	92.8	56.7	51.4
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of the Period	110.1	202.9	208.2
<b>End of the Period</b>	<b>202.9</b>	<b>259.6</b>	<b>259.6</b>

## REVENUE ANALYSIS AT COMPANY LEVEL (QUARTER ENDED)

GEOGRAPHIC MIX	31-Mar-17	31-Dec-17	31-Mar-18	FY'18
Americas	62.6%	63.5%	61.6%	62.5%
Europe	27.7%	28.7%	30.0%	28.8%
RoW	9.7%	7.9%	8.5%	8.6%

SERVICE MIX	31-Mar-17	31-Dec-17	31-Mar-18	FY'18
Application Services	36.8%	35.3%	34.7%	35.5%
Infrastructure Services	38.8%	36.7%	37.3%	37.8%
Business Services	3.9%	3.7%	3.9%	3.7%
Engineering and R&D Services	20.5%	24.2%	24.1%	23.0%

REVENUE BY VERTICAL	31-Mar-17	31-Dec-17	31-Mar-18	FY'18
Financial Services	24.2%	24.6%	25.0%	24.9%
Manufacturing	34.6%	36.5%	36.0%	35.7%
Lifesciences & Healthcare	11.5%	11.7%	11.5%	11.6%
Public Services	11.7%	10.2%	10.6%	10.6%
Retail & CPG	9.2%	9.6%	9.6%	9.5%
Telecommunications, Media, Publishing & Entertainment	8.4%	7.4%	7.4%	7.7%
Others	0.3%	-	-	-

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

REVENUE BY CONTRACT TYPE	31-Mar-17	31-Dec-17	31-Mar-18	FY'18
Managed Services & Fixed Price Projects	61.6%	60.8%	61.6%	60.7%
Time & Material	38.4%	39.2%	38.4%	39.3%



## CONSTANT CURRENCY REPORTING

REPORTED	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
Revenue (\$ Mn)	1,816.8	1,884.2	1,928.0	1,987.5	2,038.0
Growth QoQ	4.1%	3.7%	2.3%	3.1%	2.5%
Growth YoY	14.5%	11.4%	11.9%	13.9%	12.2%
CONSTANT CURRENCY (QoQ)	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
Revenue (\$ Mn)	1,810.8	1,864.0	1,902.0	1,991.7	2,011.7
Growth QoQ	3.8%	2.6%	0.9%	3.3%	1.2%
CONSTANT CURRENCY (YoY)	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
Revenue (\$ Mn)	1,843.1	1,896.6	1,904.4	1,941.2	1,965.9
Growth YoY	16.1%	12.2%	10.6%	11.2%	8.2%
AVERAGE RATES FOR QUARTER	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
USD - INR	66.3	64.5	64.5	64.4	64.7
GBP - USD	1.24	1.29	1.31	1.33	1.40
EUR - USD	1.07	1.12	1.18	1.18	1.23
SEK - USD	0.11	0.12	0.12	0.12	0.12
AUD - USD	0.76	0.76	0.79	0.77	0.78

## CLIENT METRICS

NUMBER OF MILLION DOLLAR CLIENTS (LTM)	31-Mar-17	31-Dec-17	31-Mar-18	QoQ CHANGE	YoY CHANGE
100 Million dollar +	8	9	8	-1	0
50 Million dollar +	25	25	28	3	3
40 Million dollar +	34	40	40	0	6
30 Million dollar +	49	56	58	2	9
20 Million dollar +	85	85	87	2	2
10 Million dollar +	153	156	160	4	7
5 Million dollar +	246	261	264	3	18
1 Million dollar +	506	552	561	9	55

CLIENT CONTRIBUTION TO REVENUE (LTM)	31-Mar-17	31-Dec-17	31-Mar-18
Top 5 Clients	14.7%	15.8%	16.3%
Top 10 Clients	22.1%	23.5%	23.8%
Top 20 Clients	32.9%	33.5%	33.7%

CLIENT BUSINESS	31-Mar-17	31-Dec-17	31-Mar-18
New Clients	8.0%	3.1%	3.5%
Existing Clients	92.0%	96.9%	96.5%
<b>Days Sales Outstanding - excluding unbilled receivables</b>	<b>63</b>	<b>66</b>	<b>65</b>

## HEADCOUNT & UTILIZATION

MANPOWER DETAILS	31-Mar-17	31-Dec-17	31-Mar-18
Total Employee Count	115,973	119,291	120,081
Technical	105,547	108,831	109,565
Support	10,426	10,460	10,516
Gross Addition	10,605	7,113	8,476
Attrition - IT Services (LTM)	16.9%	15.2%	15.5%
Attrition - Business Services (Quarterly)	5.8%	5.5%	5.4%
Blended Utilization (Including Trainees)	85.7%	85.8%	85.9%

Note: Attrition excludes involuntary attrition

## FACILITIES

AS ON 31 <sup>st</sup> MARCH, 2018	COMPLETED		WORK IN PROGRESS	
DELIVERY LOCATIONS	BUILT UP AREA (SQ. FT.)	NO. OF SEATS	BUILT UP AREA (SQ. FT.)	NO. OF SEATS
India	9,847,116	97,800	1,690,934	8,072
Global	1,895,594	17,632	156,210	1,504
<b>Total</b>	<b>11,742,710</b>	<b>115,432</b>	<b>1,847,144</b>	<b>9,576</b>

## CASH & CASH EQUIVALENTS, INVESTMENTS AND BORROWINGS

(Amount in US \$ Million)

	Mar-18
Cash & Cash Equivalents	260
Fixed Deposits	915
Investment Securities, Available for Sale	402
<b>Total Funds</b>	<b>1,576</b>

	Mar-18
<b>Borrowings</b>	<b>67</b>

\*Note: For details please refer: <http://www.hcltech.com/Q4FY18DetailsCashBorrowings>

# FINANCIALS IN ₹ FOR THE QUARTER AND FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018 (US GAAP)

## CONSOLIDATED INCOME STATEMENT

(Amount in ₹ Crores)

INCOME STATEMENT	QUARTER ENDED			GROWTH		12 MONTHS ENDED		GROWTH
	31-Mar-17	31-Dec-17	31-Mar-18	YoY	QoQ	31-Mar-17	31-Mar-18	YoY
<b>Revenues</b>	<b>12,053</b>	<b>12,808</b>	<b>13,179</b>	<b>9.3%</b>	<b>2.9%</b>	<b>46,723</b>	<b>50,570</b>	<b>8.2%</b>
Direct Costs	7,987	8,412	8,560			30,890	33,237	
<b>Gross Profits</b>	<b>4,066</b>	<b>4,397</b>	<b>4,618</b>	<b>13.6%</b>	<b>5.0%</b>	<b>15,833</b>	<b>17,333</b>	<b>9.5%</b>
SG & A	1,417	1,432	1,583			5,524	5,894	
<b>EBITDA</b>	<b>2,649</b>	<b>2,964</b>	<b>3,036</b>	<b>14.6%</b>	<b>2.4%</b>	<b>10,309</b>	<b>11,440</b>	<b>11.0%</b>
Depreciation & Amortisation	233	455	453			835	1,453	
<b>EBIT</b>	<b>2,416</b>	<b>2,510</b>	<b>2,583</b>	<b>6.9%</b>	<b>2.9%</b>	<b>9,474</b>	<b>9,987</b>	<b>5.4%</b>
Foreign Exchange Gains	48	129	161			188	541	
Other Income, net	167	135	119			746	570	
Provision for Tax	303	579	634			1,952	2,316	
<b>Net Income</b>	<b>2,325</b>	<b>2,194</b>	<b>2,227</b>	<b>-4.3%</b>	<b>1.5%</b>	<b>8,457</b>	<b>8,780</b>	<b>3.8%</b>
Gross Margin	33.7%	34.3%	35.0%			33.9%	34.3%	
EBITDA Margin	22.0%	23.1%	23.0%			22.1%	22.6%	
EBIT Margin	20.0%	19.6%	19.6%			20.3%	19.7%	
Net Income Margin	19.3%	17.1%	16.9%			18.1%	17.4%	
<b>Earnings Per Share</b>								
Annualized in ₹								
Basic	65.8	63.0	64.0			59.9	62.7	
Diluted	65.8	63.0	63.9			59.9	62.6	

WEIGHTED AVERAGE NUMBER OF SHARES	QUARTER ENDED			12 MONTHS ENDED	
	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Mar-18
Basic	1,413,282,896	1,392,070,357	1,392,184,567	1,411,444,783	1,401,349,735
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Out of outstanding options as on March 31<sup>st</sup>, 2018, 38,400 shares are yet to vest which will vest in tranches till 2018.

# CONSOLIDATED BALANCE SHEET

(Amount in ₹ Crores)

PARTICULARS	AS ON	
	31-Mar-17	31-Mar-18
<b>Assets</b>		
Cash and Cash Equivalents	1,316.5	1,693.9
Accounts Receivables, net	8,301.4	9,639.4
Unbilled Receivables	2,501.2	2,618.1
Fixed Deposits	10,219.6	5,726.6
Investment Securities, available for sale	1,145.7	2,357.2
Other Current Assets	2,975.7	2,519.8
<b>Total Current Assets</b>	<b>26,460.1</b>	<b>24,555.0</b>
Property and Equipments, net	4,680.6	5,184.7
Intangible Assets, net	11,425.7	14,405.7
Investment Securities, available for sale	-	260.4
Fixed Deposits	-	235.0
Investments in Equity Investee	146.6	26.8
Other Assets	3,380.7	3,767.5
<b>Total Assets</b>	<b>46,093.7</b>	<b>48,435.1</b>
<b>Liabilities &amp; Stockholders Equity</b>		
Current Liabilities	11,147.7	9,914.3
Borrowings	534.1	437.1
Other Liabilities	921.4	1,266.9
<b>Total Liabilities</b>	<b>12,603.3</b>	<b>11,618.3</b>
<b>Total Stockholders Equity</b>	<b>33,490.4</b>	<b>36,816.8</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>46,093.7</b>	<b>48,435.1</b>

## ABOUT HCL TECHNOLOGIES

HCL Technologies is a \$7.8 billion next-generation global technology company that helps enterprises reimagine their businesses for the digital age. Our technology products, services and engineering are built on four decades of innovation, with a world-renowned management philosophy, a strong culture of invention and risk-taking, and a relentless focus on customer relationships. With a worldwide network of R&D, innovation labs and delivery centres, and 120,081 'Ideapreneurs' working in 32 countries, HCL serves leading enterprises across key industries, including 250 of the Fortune 500 and 650 of the Global 2000. We offer an integrated portfolio of products, solutions, services, and IP through our [Mode 1-2-3 strategy](#) built around Digital, IoT, Cloud, Automation, Cybersecurity, Analytics, Infrastructure Management and Engineering Services, amongst others, to help enterprises reimagine their businesses for the digital age. For more information, please visit [www.hcltech.com](http://www.hcltech.com)

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## 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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