

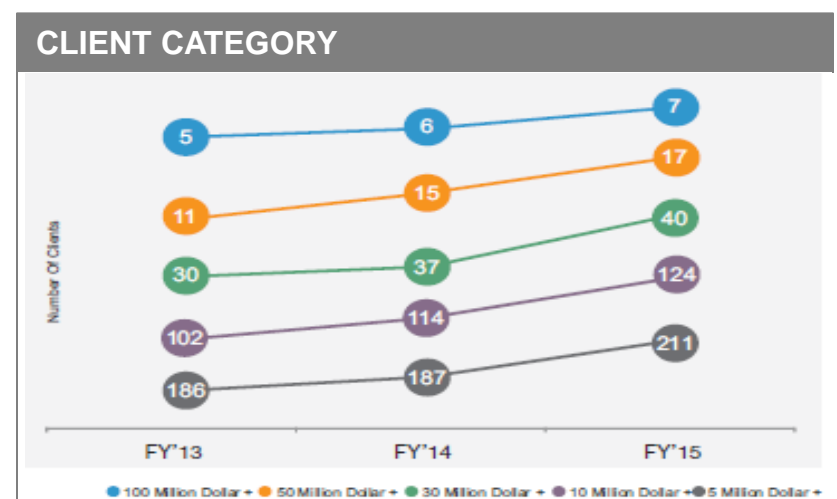
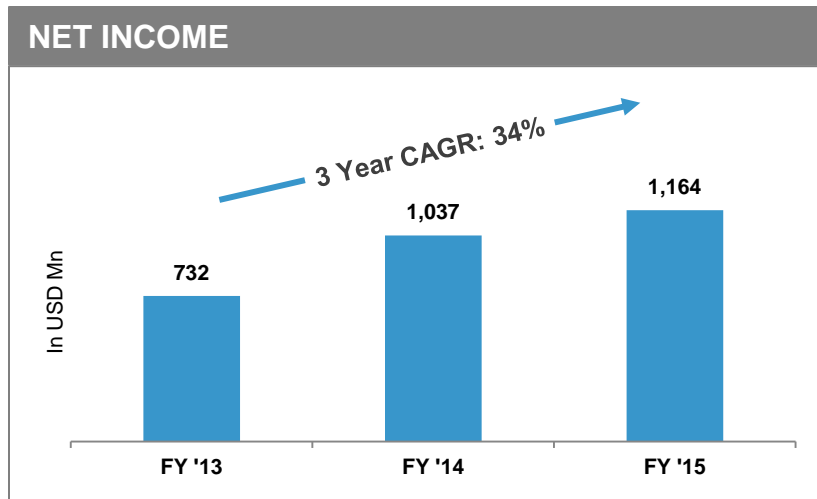
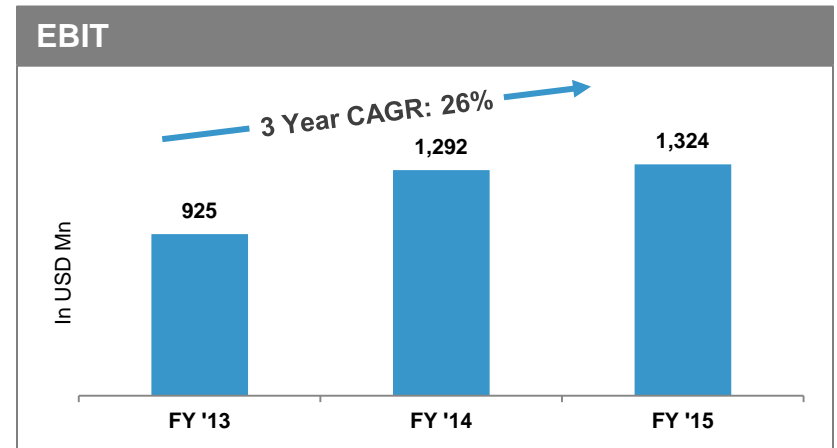
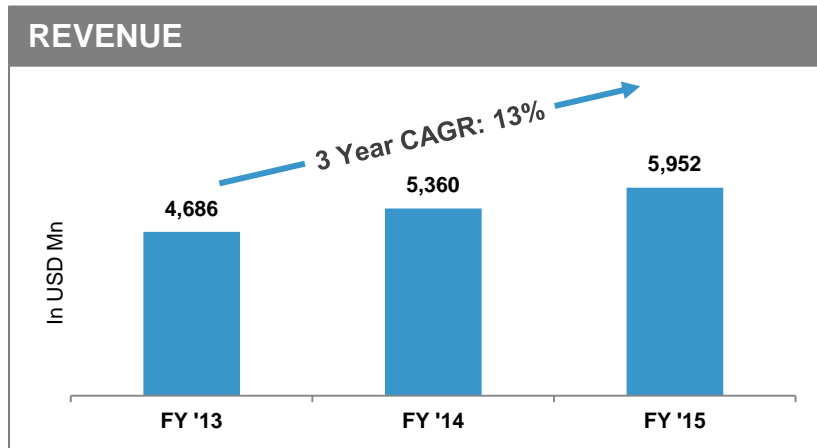
HCL TECHNOLOGIES

EARNINGS PRESENTATION | Q4 & ANNUAL - FY'15

Performance Snapshot

Anant Gupta

PERFORMANCE TRENDS (LAST 3 FINANCIAL YEARS)



CONSISTENT AND BROAD BASED GROWTH

REVENUE GROWTH (IN CONSTANT CURRENCY)

GROWTH ENGINES

KEY MILESTONES IN FISCAL 2015

- Infrastructure Revenue exceed **USD 2 bn** milestone
- Engineering and R&D Services Revenue exceed **USD 1 bn** milestone
- Financial Services revenue exceed **USD 1.5 bn**

Broad based Growth

Geo Drivers: Europe, Americas, ROW

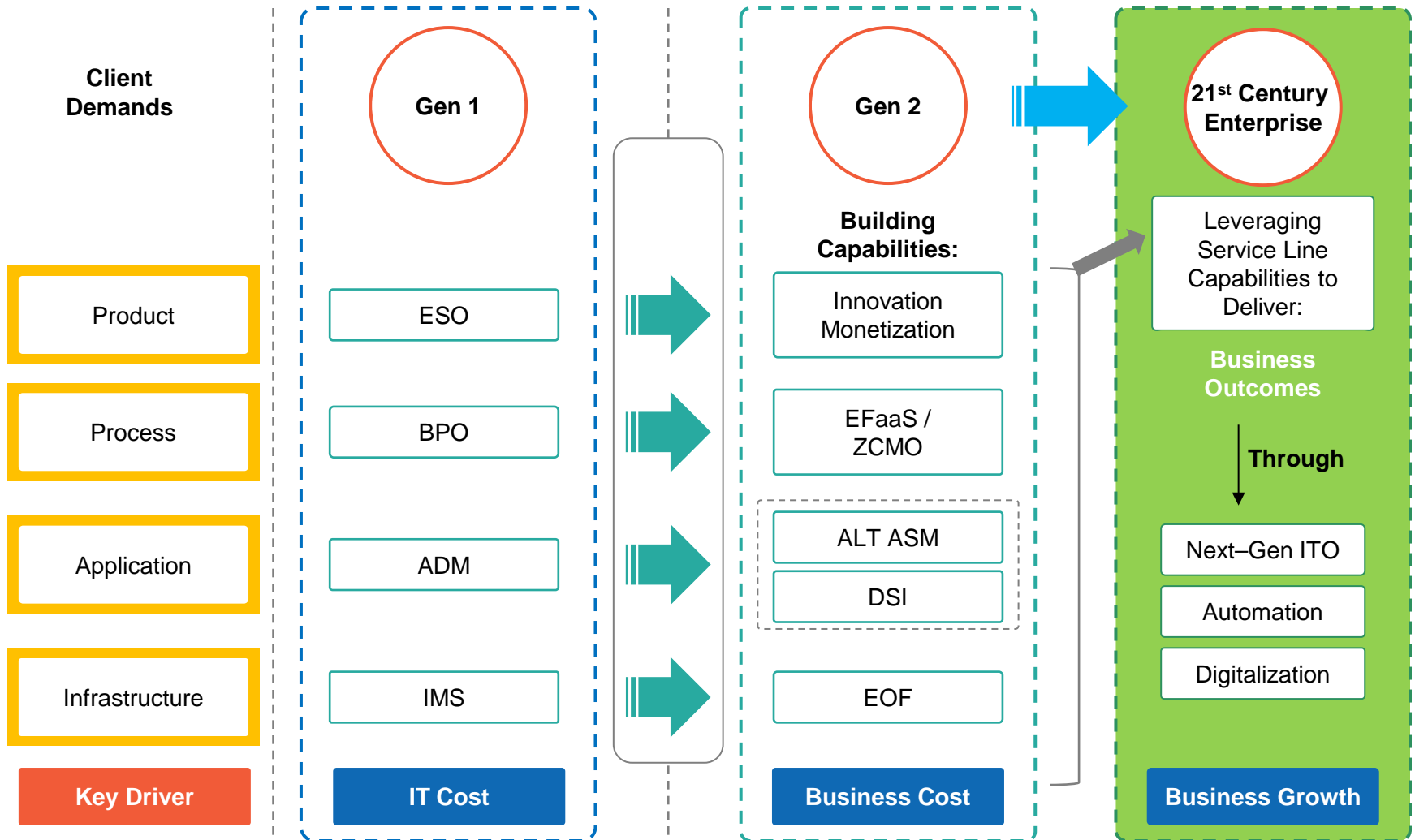
Growth Services: Engineering and R&D Services, Business Services, Infrastructure Services, and Application Services

Growth Verticals: Retail & CPG, Public Services, Financial Services, Life Sciences & Healthcare, Telecom, MP&E and Manufacturing

	30-Jun-15	
Growth in US\$	QoQ	Full Year YoY (FY'15 over FY'14)
Revenues	2.9%	15.1%
Geography		
Americas	5.1%	14.1%
Europe	0.1%	18.7%
ROW	-0.1%	10.3%
Services		
Application Services	1.4%	7.7%
Infrastructure Services	5.2%	18.3%
Business Services	4.0%	25.6%
Engineering and R&D Services	1.9%	25.8%
Verticals		
Financial Services	2.1%	16.6%
Manufacturing	1.1%	13.9%
Life Sciences & Healthcare	10.2%	16.3%
Public Services	-4.0%	18.1%
Retail & CPG	7.1%	24.7%
Telecommunications, Media, Publishing & Entertainment	9.6%	15.5%

FROM GEN 2.0 OUTSOURCING TO 21ST CENTURY ENTERPRISE

LEVERAGING SERVICE-LINE CAPABILITY TO DELIVER OUTCOMES



IDC MARKETSCOPE: WORLDWIDE DIGITAL TRANSFORMATION CONSULTING AND SYSTEMS INTEGRATION SERVICES 2015 VENDOR ASSESSMENT

IDC MarketScape Digital Transformation Consulting and Systems Integration Services Market



- ### ACCORDING TO THE REPORT
- Buyers rate HCL very highly for its ability to optimize the ratio of onshore/offshore efforts on a project.
 - IDC rates HCL higher in terms of current capabilities compared with future strategy in this IDC MarketScape.
 - IDC views both the "future offering strategy" and the "future sales and distribution service strategy" of HCL as its greatest strengths.

Source: IDC, 2015

IDC MarketScape vendor analysis model is designed to provide an overview of the competitive fitness of ICT suppliers in a given market. The research methodology utilizes a rigorous scoring methodology based on both qualitative and quantitative criteria that results in a single graphical illustration of each vendor's position within a given market. The Capabilities score measures vendor product, go-to-market and business execution in the short-term. The Strategy score measures alignment of vendor strategies with customer requirements in a 3-5-year timeframe. Vendor market share is represented by the size of the circles. Vendor year-over-year growth rate relative to the given market is indicated by a plus, neutral or minus next to the vendor name.

Source: IDC MarketScape: Worldwide Digital Transformation Consulting and Systems Integration Services 2015 Vendor Assessment (Doc #255870).
Publishing Date: May 2015

Performance Snapshot

Steve Cardell

Application Services & Diversified Industries

PERFORMANCE SNAPSHOT

IAS/ESI – HIGHLIGHTS

Annual FY'15 FINANCIAL PERFORMANCE (in Constant Currency)

- Application Services **up 1.4% QoQ in Q4'15 and up 7.7% YoY in FY'15**
 - Industry Application Services
 - **down 0.2% QoQ in Q4'15**
 - **up 7.5% YoY in FY'15**
 - Enterprise System Integration
 - **up 4.6% QoQ in Q4'15**
 - **up 8.0% YoY in FY'15**

GROWTH DRIVERS & MARKET SHARES

- Investment in disruptive technologies as the impact of digital transformation becomes more prevalent across industries.
- Continued demand for modernization of legacy systems is shifting customers IT landscapes as they seek to compete. Valuable opportunity for HCL to provide support to customers on this journey.
- A sustained mix of net new and existing clients contributed to apps growth. A number of large deals were signed globally, led by SAP.
- North American market continued to dominate the Applications business.

TRENDS IN DEMAND ENVIRONMENT

- **Enterprise Software** – Gartner estimate the \$310bn spend in 2015 growing to \$396bn in 2019 (Source: Forecast: Enterprise Software Markets, Worldwide, 2012-2019, 2Q15 Update)
- **IT Services** – Applications Services (Implementation) worth \$158bn in 2015, growing to \$177bn in 2019 (Source: Forecast: IT Services, Worldwide, 2013-2019, 2Q15 Update)
- **Digitalization** – \$170bn market growth from 2014-2019. \$36bn in digital consulting and implementation, \$13bn in digital consulting (Source: The Gartner Scenario for IT Services Providers: The Digital Future of IT Services)
- **Increased investment** – CEOs intend to raise investment in IT and Digital Capabilities more than any other aspect of their business in 2015 (Gartner: CEO Concerns 2015 - Committing to Digital)

RECOGNITIONS / VALUE PROPOSITIONS

- **Shift to Digital** – HCL's Digital Systems Integration offering enables customers to leverage new technology and continues a trend toward digital and cloud offerings, particularly in SAP S/4, SAP hybris, Application Modernization and Microsoft CRM.
- **SAP Capability** – HCL was recognized as a Leader in Gartner's 2015 SAP Global Implementation Magic Quadrant, as well as the IDC MarketScape for Worldwide SAP Implementation Services Ecosystem in 2014, making HCL the only IOP rated as a Leader in both prestigious reports.
- **Major Diverse Wins** – large transformational wins at key client accounts in multiple business areas, including SAP, Microsoft AX/CRM and BPM, in addition to significant outsourcing wins.

PERFORMANCE SNAPSHOT

CSLMPS – HIGHLIGHTS

Annual FY'15 FINANCIAL PERFORMANCE (in Constant Currency)

- Manufacturing **up 1.1% QoQ in Q4'15** and **13.9% YoY in FY'15**.
- Retail & CPG **up 7.1% QoQ in Q4'15** and **24.7% YoY in FY'15**.
- Telecom, MP&E **up 9.6% in Q4'15** and **15.5% YoY in FY'15**.
- Life Sciences & Healthcare **up 10.2% QoQ in Q4'15** and **16.3% YoY in FY'15**.
- Public Services **down 4.0% QoQ in Q4'15** and **up 18.1% YoY in FY'15**.

TRENDS IN DEMAND ENVIRONMENT

- **Manufacturing** – Shifts caused by economic recovery, regulatory change and globalisation driving changing investment priorities (M&A, refocusing, digital) and potentially strong IT investment.
- **CS** – Consumers are buying and consuming goods and services in new ways e.g. mobile, causing investment in digital capabilities.
- **LSH** – Increase in number of drug launches annually, patent expiration impacting drug sales which has potential to impact IT.
- **PS** – O&G reduction in IT spend as an abundance of hydrocarbons drives oil prices sharply lower. Introduction of new energy efficiency regulations and initiatives affecting investment.

GROWTH DRIVERS & MARKET SHARES

- **Manufacturing** – Companies striving to become truly digitally led enterprises through potential of automation, analytics and IoT and enhance manufacturing processes, models and value creation.
- **CS** – Shift towards offering cross-channel customer experiences in reaction to changing consumer behaviour across channels.
- **LSH** – Mobile Health and IoT expected to become prevalent as life sciences organizations embrace technology capabilities.
- **PS** – Traditionally low-margin businesses are seeking to grow from emerging markets (M&A) and invest in mobility and analytics.

RECOGNITIONS / VALUE PROPOSITIONS

- **Manufacturing – key props:** iMRO for A&D; Aftermarket service for Industrial, General and Auto industries; iSCM for Hi-Tech; Alt ASM and ERP Transformation and Testing across vertical.
- **CS – key props:** supply chain visibility/design/planning; E-Commerce implementation and omni-channel enablement.
- **LSH – key props:** ConnectedHealth; Commercial Analytics
Recognitions: 2 patents filed and 12 whitepapers published.
- **PS – Recognitions:** HCL identified as Major Player in IDC MarketScape for Global Services Firms for Utilities Customers; UC Berkeley Haas School of Business writing a case study on LSH and PS teams' proprietary 'Starting Point' system.

Performance Snapshot

Rahul Singh

Financial Services

PERFORMANCE SNAPSHOT

FINANCIAL SERVICES – HIGHLIGHTS

Annual FY'15 FINANCIAL PERFORMANCE (in Constant Currency)

- Financial Services **up 2.1% QoQ in Q4'15** and **16.6% YoY in FY'15**.
- Healthy pipeline across Service Lines & Geos.

GROWTH DRIVERS & MARKET SHARES

- Key wins in vendor consolidation programs underpinning client satisfaction and strong delivery capabilities.
- Focus on offering led approach:
 - Alt ASM™, with its focus on cost reduction, providing the right differentiation for clients.
 - Co-innovation approach winning customer mindshare and leading to larger digital opportunities.
 - Vertical SI driving transformational programs.
 - Investment in strategies combining conventional outsourcing, platform plays and cloud based offerings.

TRENDS IN DEMAND ENVIRONMENT

- Developed markets (NA/Europe) consolidating to flatten cost curves, APAC markets expanding with new spends.
- Outsourcing moving from being transactional to strategic partner selection through vendor consolidation programs.
- Legacy modernization and cloud enablement gain momentum as clients look to standardize and cut costs.
- Digital initiatives taking center stage as clients work on meeting customer demands as well as having a connected workforce.
- Co-innovation and Crowdsourcing as new buying behaviors particularly for projects requiring niche skills and faster delivery.

RECOGNITIONS/ VALUE PROPOSITIONS

- HCL Technologies rated as 'Leaders and Star Performer' in Everest Group's PEAK Matrix for Banking IT Outsourcing.
- HCL FS ranked "best in class" in Thought Leadership & Customer Engagement categories by Towergroup Outsourcing ranking.
- A large Insurer in Europe wins a Celent Model Insurer award for operational excellence steered by HCL's technical consultations.
- HCL shortlisted in FS Tech Financial Sector technology Awards 2015 under the "Best Omni Channel FS Provider of the Year".

PERFORMANCE SNAPSHOT

BUSINESS SERVICES – HIGHLIGHTS

Q4 and Annual FY'15 FINANCIAL PERFORMANCE (in Constant Currency)

- Business Services
 - **up 4.0% QoQ in Q4'15**
 - **up 25.6% YoY in FY'15**
- Focus business segments delivering results
 - 15 Fortune 500/ G2000 customers

GROWTH DRIVERS & MARKET SHARES

- Focused business strategy around Domain, Digitization & Automation:
 - Vertical Business Service focusing on Banking & Financial Services
 - Enterprise Business Services: Back Office, Front Office
 - Business transformation & value maximization through analytics, digitization & automation of processes
- Continuous investments across IPs and Propositions for as-a-service model & process automation
- Focused approach & investment led strategy resulting in improved market standing

TRENDS IN DEMAND ENVIRONMENT

- Demand for domain led, industry specific BPO services
- Transformation through Robotics Process Automation, Analytics & Digitization of business processes
- As-a-service models (using cloud) will take priority over cost savings
- Globalized, integrated operating models
- Shift from cost to value, efficiency to innovation
- Increased focus on compliance and risk mitigation

RECOGNITIONS/ VALUE PROPOSITIONS

- HCL is a Major Contender in Everest's "Mortgage BPO Service Provider Landscape with PEAK Matrix™ Assessment 2015" report
- HCL is named as a Major Player in Finance and Accounting BPO in IDC's report "IDC MarketScape: Worldwide Finance and Accounting BPO Services 2015 Vendor Assessment"
- HCL has been positioned as a 'Challenger' in Gartner Magic Quadrant for Finance and Accounting BPO, published 18 June 2015

Performance Snapshot

C Vijay Kumar

Infrastructure Services

PERFORMANCE SNAPSHOT

INFRASTRUCTURE SERVICES – HIGHLIGHTS

Q4 and Annual FY'15 FINANCIAL PERFORMANCE (in Constant Currency)

- Infrastructure Revenue exceed **USD 2 bn** milestone
- Infrastructure Services **up 5.2% QoQ** and **18.3% YoY** in FY'15

GROWTH DRIVERS & MARKET SHARES

- ITO deal pipeline continues to look very healthy across all the geographies. HCL continues to be well positioned to benefit from it.
- Key Wins
 - IT Infrastructure Transformation engagement including SIAM services across 360+ locations in 62 countries for a Global leader in locomotive design and manufacturer.
 - Global IT Support Services for a large multilateral Financial Institution.
 - Global Service Desk and IT Support Services for Leading Industrial Company.

TRENDS IN DEMAND ENVIRONMENT

- Hybrid Cloud Adaption is at core of the Cloud strategy for Enterprises – seeing traction across Public cloud & Private cloud , backed by converged technologies and Software Defined Infrastructure.
- Next Gen ITO Deals are likely to be lot more integrated (Apps & Infra) on the Run side with Automation & Cloud as key levers
- Digital & IOT are driving new platforms with very low touch/lean operations and elastic infrastructure
- Higher adaption of Near shore centers
- Security & SIAM : We are seeing significantly expanded spends in these areas.

RECOGNITIONS/ VALUE PROPOSITIONS

- Customer Experience Index at its highest, basis the Third Party Annual Survey. Continue to “ Best in Class “ for Infrastructure Services.
- HCL rated as Leader in Everest Group PEAK Matrix for Global Workplace services - 2015
- HCL rated as a Leader in IDC marketscape @ Worldwide DC transformation Consulting and Implementation services, 2014

Financial Analysis

Anil Chanana

PROFIT & LOSS STATEMENT (USD)

Q4, FY'15

- Revenue at **US\$ 1,538 Mn**; up 3.2% QoQ
- EBIT at \$ 309 Mn;
- Annualized GAAP EPS (Diluted) – INR 50

Annual, FY'15

- Revenue at **US\$ 5,952 Mn**. It is up 15.1% YoY for Full Year FY'15 in constant currency
- EBIT at \$ 1,324 Mn;
- GAAP EPS (Diluted) – INR 51 up 14% YoY

Income Statement (US GAAP – US\$ Mn)	30-Jun-14	31-Mar-15	30-Jun-15	QoQ
Revenue	1,407	1,491	1,538	3.2%
Gross Profits	536	526	525	
SG & A	166	190	197	
EBITDA	370	336	328	
Depreciation & Amortization	30	18	20	
EBIT	341	318	309	-2.8%
Forex & Other Income (Net)	25	29	33	
Earnings before Tax (EBT)	366	346	342	-1.2%
Tax	61	76	63	
Net Income	305	270	279	3.1%
EPS (Diluted) – Annualized – In INR	52	48	50	

	FY '14	FY '15	YoY
Revenue	5,360	5,952	11.1%
Gross Profits	2,068	2,129	2.9%
SG & A	657	733	
EBITDA	1,411	1,396	-1.1%
Depreciation & Amortization	119	72	
EBIT	1,292	1,324	2.5%
Forex & Other Income (Net)	(3)	146	
Earnings before Tax (EBT)	1,289	1,470	14.0%
Tax	252	306	
Net Income	1,037	1,164	12.2%
EPS (Diluted) – Annualized – In INR	45	51	

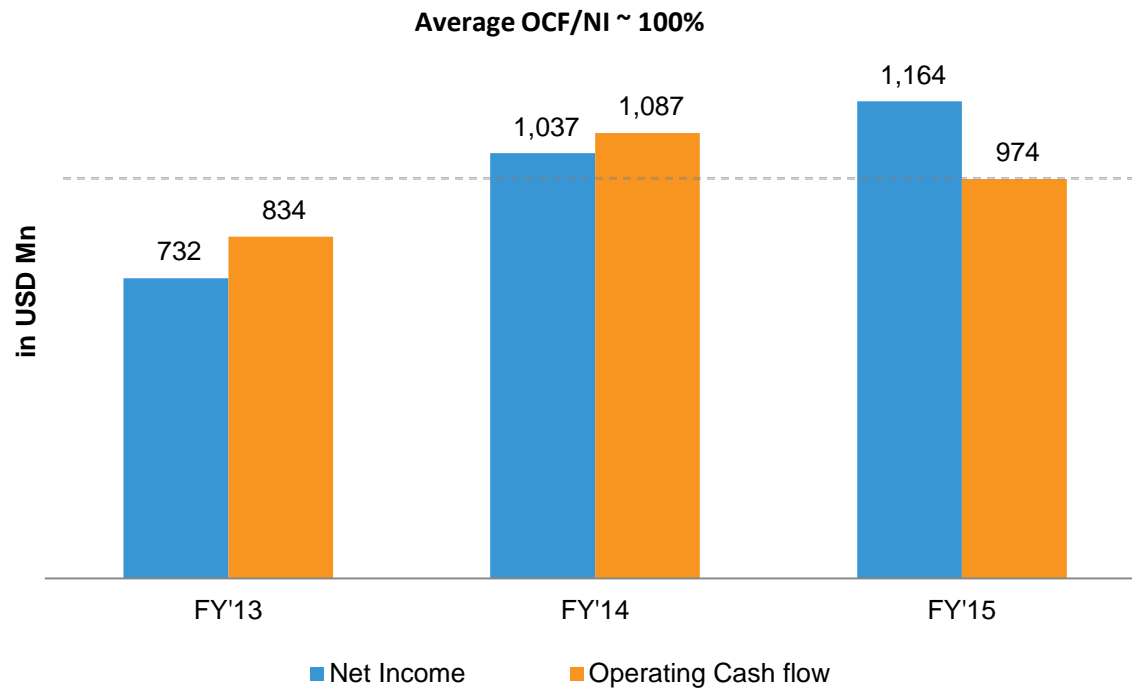
Margins	30-Jun-14	31-Mar-15	30-Jun-15
Gross Margin	38.1%	35.3%	34.1%
EBITDA Margin	26.3%	22.5%	21.3%
EBIT Margin	24.2%	21.3%	20.1%
Net Margin	21.7%	18.1%	18.1%

	FY '14	FY '15
Gross Margin	38.6%	35.8%
EBITDA Margin	26.3%	23.5%
EBIT Margin	24.1%	22.2%
Net Margin	19.3%	19.6%

RECEIVABLES & DSO

Particulars	30-Jun-14	31-Mar-15	30-Jun-15
Receivables (in US\$ Mn)	1,281	1,509	1,490
-Billed	944	1,029	1,031
-Unbilled	336	480	459
DSO (in Days)	82	91	87
-Billed	60	62	60
-Unbilled	22	29	27

PROFIT TO CASH CONVERSION



HEDGE DETAILS

(US\$ Mn)	31-Mar-15	30-Jun-15
Balance Sheet Hedges	441	475
Cash Flow Hedges	963	928
<i>Less than or equal to 1 Year</i>	657	713
<i>More than 1 Year</i>	306	215
Rate (USD/INR)		
<i>Booked Rate (Forward)</i>	65.76	66.17
<i>Less than 1 Year</i>	64.19	65.04
<i>More than 1 Year</i>	67.42	67.83
<i>MTM Rate applied</i>	66.95	67.61
Mix – Instrument wise		
<i>Forwards</i>	664	643
<i>Options</i>	741	760
Mix – Currency wise (Cash Flow Hedges only)		
<i>USD / INR</i>	923	802
<i>GBP / INR</i>	6	43
<i>Euro / INR</i>	34	73
<i>AUD/ INR</i>	0	9
<i>CHF/ INR</i>	0	1

FOREX GAIN/ LOSS & OCI

FX Gain/ Loss for the Quarter	
in US\$ Mn	30-Jun-15
Cash flow hedge loss (A)	(0.6)
Net gain on Foreign currency exposure (B)	6.5
TOTAL (A) + (B)	5.9

OCI Position as of Jun'15	
in US\$ Mn	30-Jun-15
OCI (Upto 12 months)	(2.0)
OCI (Greater than 12 months)	(5.9)
TOTAL (before Tax benefit)	(7.92)

Fx Gain/ Loss – Sep'15 quarter estimate	
in US\$ Mn	Estimated for Q.E Sep'15 *
Revenue Hedges covers for next quarter	180
Booked Rate Forward (USD)Covers	62.56
Spot Rate at the end of the quarter	63.65
* Estimated Forex impact for Q.E Sep '15 @ Jun'15 closing rate	0.3

TAX PROVISION

EFFECTIVE TAX RATE ESTIMATED FOR FY'16 IS 21%-22% AND FY'17 IS 22%-23%

Particulars (US\$ Mn)	FY '14	FY '15
Total Tax Expense	252	306
Earnings before Tax	1,289	1,470
Effective Tax Rate	19.6%	20.8%



Q&A