NEXT GENERATION I.T. & OPERATIONS
POWERING MULTI-MODAL I.T. IN THE DIGITAL AGE

ASHISH K. GUPTA – CORPORATE VICE PRESIDENT, HCL
HCL’S INFRASTRUCTURE BUSINESS (CY16)

- Data Center & Cloud Services
- Workplace Services
- Network Services
- Security & GRC
- Enterprise Platform Services

Key Service Lines

Global Spread

- Delivery Locations

- $2.5 BILLION
- 31 COUNTRIES
- 34 K+ PEOPLE
- 249 CUSTOMERS
INDUSTRY LEADING GROWTH & PROFITABILITY...

- 23% Y-o-Y revenue growth; 10 year CAGR of 42%
- Significant track record of successful executions for transformation deals > 250M
- 45% win rate & 48% deals won against global competition
- 23 New Customers in last 12 months
- Best in Class profitability in the ITO industry

Infrastructure Service Revenue & EBIT Growth

- FY11
- FY12
- FY13
- FY14
- FY15
- FY16

- Revenue
- EBIT
...WITH EMPLOYEE PRODUCTIVITY DRIVEN BY AUTOMATION....

25% less employees deployed in the last 5 years compared to a linear FTE to Revenue addition

- Automation levers applied in more than 54% of accounts
- Avg. 35% of reduction in human effort
- FP project dominance enhances Automation impact
- Intensive training program for reskilling resources in Automation & Digital technology

![Employee Productivity Improvements Graph]

- FTE Headcount
- Revenue/Employee
...AND A SATISFIED & DIVERSE CUSTOMER BASE.

(Annual CSAT Scores of HCL)

- 2011: 42.2
- 2012: 48.6
- 2013: 57.3
- 2014: 58.6
- 2015: 56.3

(Scale of -100 to 100) (Source: Feedback Consulting)

- 249 Customers
- 52% of Revenue from top 26 customers
- 71% of revenue from G2000 customers
- Onsite PMO Ramp-up, SWAT Team, Regional CTOs

95% Renewal Rate
INFRASTRUCTURE SERVICES

Changing paradigm
THE NEXT 10 YEARS IN IT - IS ALL ABOUT ENABLING DIGITAL BUSINESS FOR THE 21ST CENTURY ENTERPRISE

It was the best of times, it was the worst of times, it was the season of Light, it was the season of Darkness, it was the spring of Hope, it was the winter of Despair…"

*A Tale of Two Cities (1859) by Charles Dickens*
SUCCESSFUL ITO PROVIDERS NEED TO ENABLE CUSTOMERS ON THIS DIGITAL JOURNEY

Mainframe  →  Client Server (Distributed)  →  Consolidated (Centralised)  →  Cloud (As a service)

SPECIALISED IT TALENT
1960 – 1990

DISTRIBUTED TALENT (PEOPLE DEPENDENT)
1990 – 2004

PROCESS & TOOLS + REMOTE
2004 – 2015

EXTREME AUTOMATION
2015 -
HCL’S 21 CE INFRASTRUCTURE TRANSFORMATION BLUEPRINT

NEXT GENERATION IT & OPERATIONS

USER EXPERIENCE

AGILITY & FLEXIBILITY

TOTAL COST OF OWNERSHIP

PEOPLE

PROCESS

TECHNOLOGY

THINGS

STRATEGIC INFRASTRUCTURE PRINCIPLES OF “FIRST”

CLOUD FIRST

INTERNET FIRST

MOBILE FIRST

EXTREME AUTOMATION & ORCHESTRATION

SERVICE MANAGEMENT & SERVICE EXCHANGE

RUN

CHANGE

INNOVATE
OFFERS A SERVICE PORTFOLIO THAT IS HYBRID, SECURE, SCALABLE, FLEXIBLE AND AUTOMATED

NEXT-GEN DATA CENTER
Hybrid, Elastic, User Centric Lean & Simple

DIGITAL WORKPLACE
Digital, Personalized, Empowering, Secure

NGEN NETWORKS
Provider-agnostic, Flexible High Performance, Secure

MANAGED SECURITY
Proactive, Cloud-based Data Protection, GRC

BUSINESS PLATFORMS
Rapid, Scalable, Flexible, Cost-effective

DRYiCE™ AUTONOMICS & ORCHESTRATION
Pro-Human Automation, Pragmatic, Business Outcome Focused, Simplified Operations

NEXT-GEN IT&O
- EXPERIENCE-CENTRIC
- AGILE & FLEXIBLE
- BUSINESS ALIGNED
OUR PORTFOLIO OF IP GIVES US SIGNIFICANT ADVANTAGE.
SO DOES OUR EXTENSIVE PARTNERSHIP ECOSYSTEM.

Strategic 360°

Growth

Next Generation
SOURCING MODELS WILL NEED ABILITY TO COLLABORATE AND REMAIN ALIGNED TO CLIENTS BUSINESS NEEDS

Gen1

Outsourcing

- End to End (Lock, Stock and Barrel)
- Sharing driving economies of scale
- Typically Full IT function
- Financial Reengineering at the heart of the financial transaction

Gen2

Multi - Sourcing

- Horizontal / Functional
  - Tower Model
  - Different Sourcing Models for Infra / Applications
- Economies driven by Centralisation, Consolidation, Automation, Offshore
- Typically Asset Lite

Gen3

Vested Sourcing

Enable movement to a Digital Business
- Cloudification of the enterprise
- Consumer grade user experience for Enterprise Users not just for customers
- Platform centric across BackOffice, Digital and IOT capabilities
- Orchestration at the core
- Data and real time decision underpinned by Autonomics and Security
INFRASTRUCTURE SERVICES

Examples
# Industry-leading Performance Metrics & Customer Wins (YTD Unless Mentioned)

## Business Acquisition Highlights

- **95%** Renewal with existing customers (> $3 Mn ACV)
- **>2.5Bn TCV new bookings**
- **45%** Win ratio by TCV
- **29** new logos in last 12 months
- **48%** of wins by TCV against Global MNCs
- **35** Total no. of wins against MNCs

## Key New Customer Wins

<table>
<thead>
<tr>
<th>Customer</th>
<th>Scope</th>
<th>Why we won</th>
<th>21CE Transformation Levers</th>
<th>Deal Size (TCV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinational Heavy Equipment manufacturers from Sweden</td>
<td>End-to-End ITO</td>
<td>Gen 3.0 roadmap, Execution ability</td>
<td>NextGen IT&amp;O Framework, DryICE®, Vested Sourcing Principles</td>
<td>$&gt;1.5B</td>
</tr>
<tr>
<td>Leading provider of medical equipment</td>
<td>End-to-End IT Infra, DC Transformation, Cloud, Automation</td>
<td>Gen 3.0, Complex Transformation Execution ability, Automation Gains</td>
<td>21CE Blueprint for DC, DryICE ® ITPA, RPA</td>
<td>$500M</td>
</tr>
<tr>
<td>Leading American manufacturer of cosmetics</td>
<td>Digital Infrastructure Modernization</td>
<td>Gen 3.0 roadmap, Digital Leadership, Design Thinking</td>
<td>21CE Blueprints for Workplace &amp; DC, DryICE *, BeyonDigital</td>
<td>$400M</td>
</tr>
<tr>
<td>Leading Business services company</td>
<td>End-End Infrastructure Modernization, Architecture</td>
<td>Ability to execute Enterprise cloud to scale, Automation</td>
<td>NextGen IT&amp;O Framework, DryICE®, 21CE Blueprints for Workplace and DC</td>
<td>$350M</td>
</tr>
<tr>
<td>Large multinational Technology company</td>
<td>DC Managed Services</td>
<td>Automation, Cloud Enablement</td>
<td>21CE Blueprint for DC on Azure, DryICE ®</td>
<td>$150M</td>
</tr>
<tr>
<td>Leading Industrial Automation company</td>
<td>Service Desk, MDM, Field Support, SIAM</td>
<td>Ability to achieve multi-lingual scale, User Profiling</td>
<td>21CE Blueprint for Workplace, SIAM GBP, DryICE *</td>
<td>$110M</td>
</tr>
<tr>
<td>Leading American Financial services and communications company</td>
<td>DC Infra, Platform Engg, Applications Support</td>
<td>Ability to bring cross-functional expertise, Digital Platforms</td>
<td>NextGen IT&amp;O Framework for Digital Run Services</td>
<td>$50M</td>
</tr>
<tr>
<td>Swiss multinational corporation in Electrical equipment</td>
<td>Cloud based IOT Platform implementation</td>
<td>Cross functional expertise across Infra and Engg, Azure expertise</td>
<td>21CE Blueprint for DC, IOT Platform</td>
<td>$50M</td>
</tr>
</tbody>
</table>
CASE STUDY / EXAMPLES

**Largest British-Dutch multinational consumer goods manufacturer**
- End to End DC Management for Unilever Global DCs; transitioned from HP
- Approx. 12,000 servers, 21.5 PB of Storage, 3800+ Databases
- Supported our vision of moving to Platform approach – key partner in enabling journey to Cloud

**Multinational Heavy Equipment manufacturers from Sweden**
- End to End IT Infrastructure Outsource
- Approx. 11,000 Servers, 10 PB storage, 18000 MIPs Mainframe & 85000 end users
- Acquisition of one of the largest Managed Mainframe capabilities in Europe
- Relationship based on Principles of “Vested Sourcing” – with commitment to outcomes
- Cloud Journey underpins Transformation

**Leading American manufacturer of cosmetics**
- End to End IT Infrastructure Outsource, transitioned from CSC
- HCL is also SIAM partner
- 3183 servers, 2.5PB of Storage spread across 9 locations
- Relationship has evolved into one where we are now Enabling our journey to delivering Digital experiences

Simply put, Tech 2.0 is a technology “platform-based” approach that will allow Unilever to do more with less.
CLOUD CLIENT EXAMPLES

**Large multinational Technology company**
DC transformation driven by extreme automation on Azure PaaS. 66% FTE reduction, 20% increased automation, 70% Azure adoption!

**Large Pharmaceutical Company**
Successfully designed a “business ready” cloud on Amazon and now executing operations using ElasticOps framework.

**Leading professional football club**
Direct-2-Consumer rollout of mobile application powered by AWS cloud. App developed at scale to connect 700M global fans. Application and backend delivered 100% uptime during peak traffic.

**F500 in Providing staffing services**
IT transformation driven through adoption of Azure cloud; managed through HCL ElasticOps. Workplace transformation through O365 on cloud.

**One of the world’s largest fast food restaurant chain**
Design & Implementation of Digital Engagement Platform on AWS resulting in 40% improvement in performance.

**Swiss multinational corporation in electrical equipment**
**AUTOMATION IMPACT**

**54%**
Existing Customer DRYiCE Penetration

**90%**
New Revenue Scope

**15-40%**
5yr TCV reduction over labor arbitrage

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**One of the F500 Heavy Equipment manufacturer**

DRYiCE MyCloud implementation reduced time to provision cloud from weeks to minutes. Cost per device/transaction reduced by > 50%.

**Leading American manufacturer of cosmetics**

DRYiCE Optibot & Workblaze were implemented to enable next generation service desk to improve user satisfaction by several points in a few months.

**Large Mass Media corporation in UK**

Enabled truly business-ready IAAS through DRYiCE. Automated provisioning, monitoring and management enabled business flexibility and speed to market.
VISION / CUSTOMER PROMISE

“To be the Best Technology Services Provider in the world”

Unwavering customer centricity
Exemplary Customer Experience
Strategic Flexibility (No lock in!)
Independent Point of View

Offering Services which Simplify
Technology choices

Disruptive thinking and challenging the status quo

Creating leaders of tomorrow
Potential Unleashed (the extra in the ordinary)
Flexibility to impact any area of choice across functions

Employees First Culture
Building Careers & Having Fun
Industry leading rewards
Diverse but One HCL culture and belief
Work hard, Party harder

Socially Accountable
Active in the communities we work in
Passionate about Impact
Disruptive on existing models
Collaborative
BUILDING THE 21ST CENTURY ENTERPRISE

THANK YOU
JOURNEY TO CLOUD NATIVE

Migration Goals & priorities

- Time to Market
- User Experience
- Operational Efficiency
- Scalability
- Leverage Investment
- Integration with web apps

Requirements & Constraints

- Design Thinking
- Business process design
- Technology Requirement
- Application functionality
- Modernization Requirements
- Development & operations Team requirements

Digital & App Dev Team

Cloud Technology Team

**REHOST**
- On IaaS
  - Redeployment of App
  - Source Code Updated
  - App Configuration updated
  - Language, Container, Framework, Data Remains Same
  - App Data, Source Code, Configuration managed by client rest by provider
  - Less Scalability

**REPLACE**
- On SaaS
  - New App on SaaS
  - App Data remains same
  - Everything managed by Provider
  - Custom Built software
  - Data transfer through APIs
  - Difficult to integrate

**REFACTOR**
- On PaaS
  - Same App, Provider’s Infra
  - Data, Source Code Infra
  - App Config Extended
  - New/same Lang & frameworks
  - Same Containers
  - Transitive Risk
  - Data, code & config managed by client rest by provider

**REBUILD**
- On IaaS or PaaS
  - Same App, Provider’s platform
  - Data transformed
  - New Source Code & App Config
  - New /same language & frameworks
  - New Containers
  - Data, code & config managed by client rest by provider
  - Scalability

**REVISE**
- On SaaS
  - Extend existing code to support legacy modernization
  - Data transform/same
  - Update Source Code
  - New App Config
  - Same / New language, framework & Containers
  - Optimize Application
DIGITAL WORKPLACE BLUEPRINT

Design thinking Led Personalization

A definitive data driven workplace design that serves and enables each individual user profile

Ubiquitous Computing For Unified Experience

A software defined workplace which is always available, and is device independent and OS agnostic: Frictionless Env.

Workplace Experience Mgmt. through Analytics

Single Pane management of disparate devices augmented by real time analytics and correlation

Effective Collaboration

IFTTT for Enterprise | Cloud office | Enterprise Sociograph | Ergonomics

Automation Driven Operations

Experience driven automation solutions that leverage Self Healing, Self Help, Omni-Channel and Cognition platforms to enable “Frictionless Support Model”

21CE Metrics

| USER EXPERIENCE | USER PRODUCTIVITY | CLOUD ADOPTION | MEASURABLE COLLABORATION
DIGITAL TRANSFORMATION IS PLACING ENTERPRISE I.T. AT AN INFLECTION POINT...

User Facing Applications

Enabling Applications

Industry Applications

Backend Applications

IT Infrastructure

Customer

Partners

Business

IT

21CE Technology Footprint

Apps / Digital Platforms

Enabling Applications

Software Defined Infrastructure

Autonomics

Connected Enterprise

Cybersecurity & GRC

Data

Devices

Service Orchestration

Cloud Native

NGIT