

## HCL Infosystems Reports Revenue of Rs 1,137 Crore in Q1 FY 2019

Revenue growth of 98% Y-o-Y and 7 % Q-o-Q

### Business Highlights

- Q1 FY19 revenue was Rs. 1,137 Crore vs. Rs. 1,067 Crore in Q4FY18, an increase of 7% Q-o-Q
- Distribution business revenue increased from Rs. 908 Crore in Q4FY18 to Rs. 986 Crore in Q1FY19, a growth of 9% Q-o-Q
  - Enterprise Distribution revenue stood at Rs. 457 Crore in Q1 FY19 vs. Rs.444 Crore in Q4FY18, an increase of 3% Q-o-Q
  - Consumer Distribution clocked revenue of Rs. 529 Crore in Q1 FY19 vs. Rs.464 Crore in Q4FY18, an increase of 14% Q-o-Q
- Profit / (Loss) before interest, tax and exceptional items was Rs. (6.3) Crore in Q1FY19 vs. Rs. (17.1) Crore in Q4FY18

Revenue from discontinued operations in Q1FY19 was Rs. 31 Crore and Profit / (Loss) before tax was Rs. 11.7 Crore including gain of Rs. 9.6 Crore from sale of divested businesses.

**New Delhi, July 25, 2018:** HCL Infosystems, India's pioneer IT Services, Solutions & Distribution Company, today announced its financial results for the quarter ended June 30, 2018.

**Mr. Rangarajan Raghavan, Managing Director, HCL Infosystems Ltd.,** commenting on the results said, *"In FY18 we had set a roadmap to focus on a few core businesses - Distribution and Overseas Services. In this quarter we kept our focus and continued on this track. This has borne good traction as both the Distribution and Singapore Services business registered steady performances in the quarter."*

### **Distribution Business:**

The Distribution Business reported revenue of Rs. 986 Crore in the quarter.

Enterprise Distribution had revenue of Rs. 457 Crore in the quarter with a growth of 3% Q-o-Q. The channel business performed well in this quarter as well. During the quarter, the Enterprise Distribution team continued to work towards enhancing its offerings in emerging digital technologies. Accordingly capabilities were created specifically in the Security and Cloud practice for future growth.

Consumer Distribution reported revenue of Rs. 529 Crore in the quarter with a growth of 14% Q-o-Q. The uptake in revenue was a result of the traction gained from the multi-brand and multi-channel business model. The revenue from the distribution partnership with HMD Global for Nokia handsets continued to grow substantially. Other partnerships include Samsung and Microsoft Surface. During the quarter, the operator segment of the business commenced with a partnership with Airtel for Nokia Devices while the E-commerce channel remains a focus segment for HCL Consumer Distribution.

Apple India Pvt. Ltd. informed the company that the Distribution Agreement for iPhone and other Apple Products will not be extended beyond March 30, 2019. Revenue in the current quarter from Apple business is Rs. 352 Crore, however there was no significant gain from this line of business in the quarter.

\* Reported financials represent earnings from continuing operations. Care Business & Domestic Enterprise Services Business have been considered as discontinued operations.

**Global Services:**

The Services business in Singapore remained steadfast on its profitable growth path. The business renewed and expanded engagements with more agencies within its ATFM (Agency Tenant Facility Management) contract.

As part of its automation initiatives the business further enhanced end user’s computing device needs by adopting self-healing technologies. Additional capability was also built in its DevOps offering.

Employees were given training to build competencies in Datacenter and Networking technologies during the quarter as a part of the skill enhancement plan of the company.

**System Integration (SI) & Solutions:**

The SI and Solutions business reported revenue of Rs. 38 Crore in Q1FY19 with focus on project execution. The quarter witnessed good collections, including one large collection of Rs. 73 Crore from a Government customer.

**About HCL Infosystems**

HCL Infosystems is an IT Services, Distribution and Digital Solutions Company, enabling organizations attain and sustain competitive advantage by leveraging Information and Communication Technologies. It offers a portfolio of capabilities spanning IT & System Integration services to value-added distribution of technology, mobility and consumer products. For more information, please visit us at [www.hclinfosystems.in](http://www.hclinfosystems.in)

**About HCL**

Founded in 1976 as one of India’s original IT garage start-ups, HCL is a pioneer of modern computing with many firsts to its credit, including the introduction of the 8-bit microprocessor-based computer in 1978 well before its global peers. Today, the HCL enterprise has a presence across varied sectors that include technology, healthcare and talent management solutions and comprises three companies - HCL Infosystems, HCL Technologies, and HCL Healthcare. The enterprise generates annual revenues of over US \$8 billion with more than 120,000 employees from 140 nationalities operating across 41 countries, including over 500 points of presence in India. For further information, visit [www.hcl.com](http://www.hcl.com).

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(Tables to follow)

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**CONSOLIDATED RESULTS**

Rs crores

	Unaudited	Audited	Unaudited	Audited
	Three Months ended			Year Ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
<b>Income</b>				
Revenue From Operations	1,136.6	1,067.0	575.3	3,612.1
Other Income	25.8	41.9	28.7	129.9
<b>Total Income</b>	<b>1,162.4</b>	<b>1,108.9</b>	<b>604.0</b>	<b>3,742.0</b>
<b>Expenses</b>				
Cost of materials consumed	0.0	0.1	0.2	0.4
Purchase of Stock-in-trade	885.4	877.4	487.8	3,128.1
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	82.6	7.6	(48.2)	(217.8)
Employee benefits expense	80.7	74.8	79.0	306.4
Finance costs	33.1	31.6	35.9	139.5
Depreciation and amortisation expense	5.3	5.8	7.4	27.5
Other Expenses	114.7	160.3	86.9	528.2
Total Expenses	1,201.9	1,157.6	649.0	3,912.2
<b>Profit / (Loss) before exceptional items and Tax from continuing operations</b>	<b>(39.5)</b>	<b>(48.7)</b>	<b>(45.0)</b>	<b>(170.2)</b>
Exceptional Items loss/ (Gain)	-	31.4	-	31.4
<b>Profit / (Loss) before tax from continuing operations</b>	<b>(39.5)</b>	<b>(80.1)</b>	<b>(45.0)</b>	<b>(201.6)</b>
Tax Expense/ (Credit)				
Current tax	0.8	0.8	1.0	2.4
Deferred tax	-	7.0	(5.7)	3.1
<b>Net Profit / (Loss) for the period from continuing operations</b>	<b>(40.3)</b>	<b>(87.9)</b>	<b>(40.3)</b>	<b>(207.2)</b>
Profit / (Loss) before Tax from discontinued operations	2.1	(47.2)	(21.5)	(507.2)
Profit/(loss) on disposal of discontinued operations	9.6	-	-	-
Tax expense / (Credit) of discontinued operations	-	106.0	(6.6)	99.4
<b>Net Profit / (Loss) for the period from Discontinued operations</b>	<b>11.7</b>	<b>(153.2)</b>	<b>(14.9)</b>	<b>(606.6)</b>
<b>Net Profit / (Loss) for the period</b>	<b>(28.6)</b>	<b>(241.0)</b>	<b>(55.1)</b>	<b>(813.8)</b>
Other Comprehensive income				
A.(i) Items that will not be reclassified to profit or loss	-	(0.3)	0.0	(0.3)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0.1	-	0.1
B.(i) Items that will be reclassified to profit or loss	3.3	1.5	1.2	4.6
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of income tax	3.3	1.1	1.2	4.2
<b>Total comprehensive income for the period</b>	<b>(25.3)</b>	<b>(239.9)</b>	<b>(54.0)</b>	<b>(809.5)</b>
<b>Basic EPS (Not annualised) Rs/share for discontinued &amp; continuing operations</b>	<b>(0.9)</b>	<b>(7.3)</b>	<b>(2.5)</b>	<b>(31.8)</b>

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**CONSOLIDATED SEGMENT RESULTS**
**Rs crores**

	Unaudited	Audited	Unaudited	Audited
	Three Months ended			Year Ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
<b>Segment Revenue</b>				
-Hardware Products and Solutions	38.3	55.9	40.4	182.2
- Services	144.1	212.8	211.6	875.1
- Distribution	985.8	908.0	438.7	3,016.3
- Learning	0.6	(0.6)	1.9	3.1
Total	1,168.8	1,176.1	692.6	4,076.7
Less : Intersegment revenue	1.1	8.6	8.1	34.0
<b>Revenue from Operations</b>	<b>1,167.7</b>	<b>1,167.5</b>	<b>684.5</b>	<b>4,042.7</b>
<b>Segment Results (Profit / (Loss) before Tax and Interest from each segment)</b>				
- Hardware Products and Solutions	(11.1)	(17.5)	(7.6)	(48.6)
- Services	16.6	(36.6)	(10.4)	(464.1)
- Distribution	1.0	(1.1)	(2.7)	11.8
- Learning	(0.4)	(33.6)	(3.2)	(45.7)
Total	6.1	(88.8)	(23.8)	(546.5)
Less :				
i) Interest Expense	34.4	39.5	43.6	169.2
ii) Other un-allocable expenditure net off un-allocable (income)	(0.5)	(1.0)	(0.9)	(6.9)
<b>Total Profit / (Loss) before Tax</b>	<b>(27.8)</b>	<b>(127.3)</b>	<b>(66.5)</b>	<b>(708.8)</b>
<b>Segment Assets</b>				
- Hardware Products and Solutions	871.9	913.1	1,213.3	913.1
- Services	205.9	347.4	829.6	347.4
- Distribution	989.7	1,050.7	541.3	1,050.7
- Learning	6.9	11.3	66.5	11.3
- Unallocated	580.9	555.4	563.4	555.4
<b>Total Assets</b>	<b>2,655.2</b>	<b>2,877.9</b>	<b>3,214.0</b>	<b>2,877.9</b>
<b>Segment Liabilities</b>				
- Hardware Products and Solutions	556.5	505.6	569.9	505.6
- Services	81.4	194.0	202.4	194.0
- Distribution	696.2	717.2	518.5	717.2
- Learning	10.4	10.0	15.0	10.0
- Unallocated	1,100.6	1,215.8	1,412.9	1,215.8
<b>Total Liabilities</b>	<b>2,445.1</b>	<b>2,642.6</b>	<b>2,718.7</b>	<b>2,642.6</b>

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