

TCS Financial Results

Quarter I Ended FY 2024-25

Jul 11, 2024

Building on belief

Disclaimer

Certain statements in this release concerning our future prospects are forward-looking statements. Forward-looking statements by their nature involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations. These risks and uncertainties include, but are not limited to our ability to, manage growth, intense competition among global IT services companies, various factors which may affect our profitability, such as wage increases or an appreciating Rupee, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on cross-border movement of skilled personnel, 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, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry. TCS may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

Q1 FY25 Performance Highlights

➤ Revenue:

- INR Revenue of ₹ **626,130 Mn**, up **5.4% YoY**
- USD Revenue of \$ **7,505 Mn**, up **3.9% YoY**
- Constant currency revenue up **4.4% YoY**

➤ Profit:

- Operating Margin at **24.7%**
- Net Margin at **19.2%**
- Cash flow from operations at **92.8%** of net profit

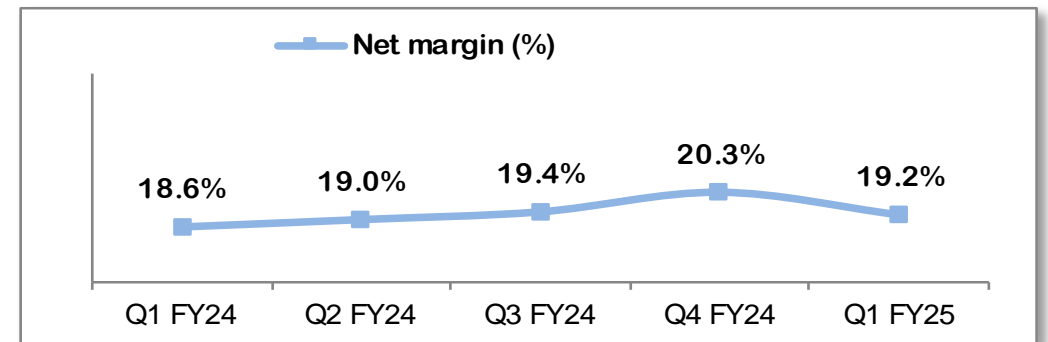
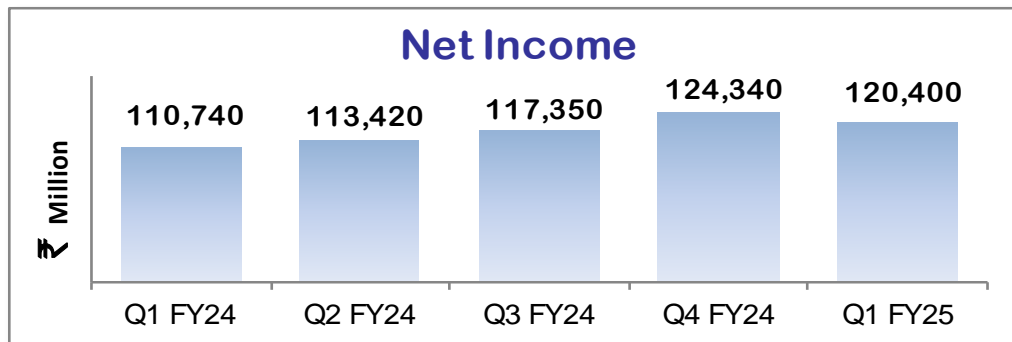
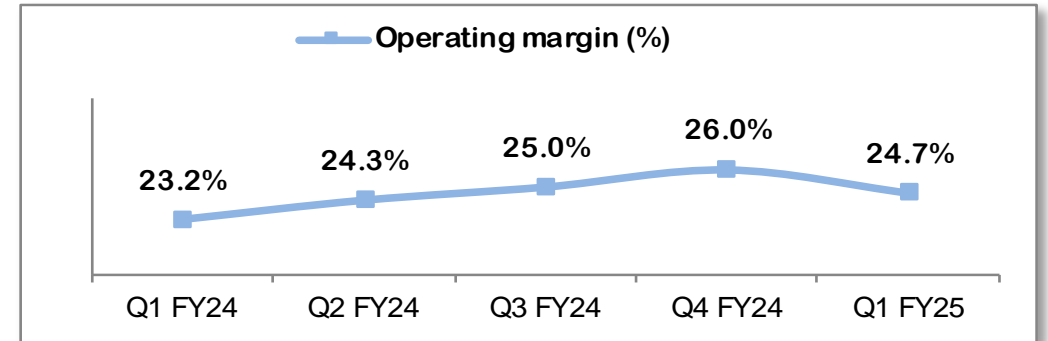
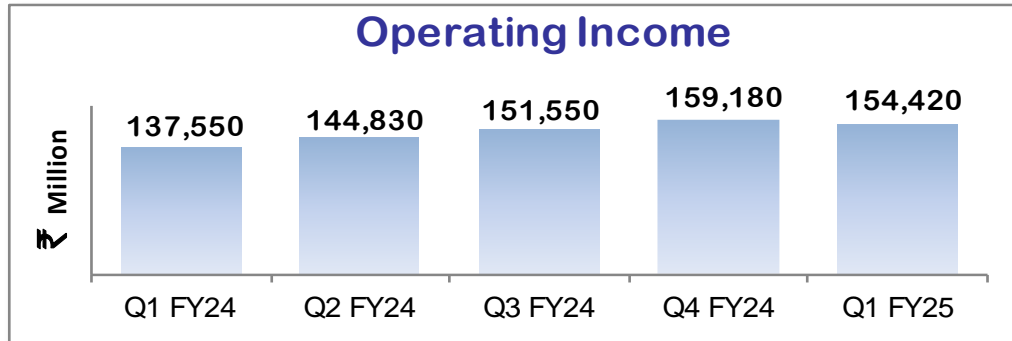
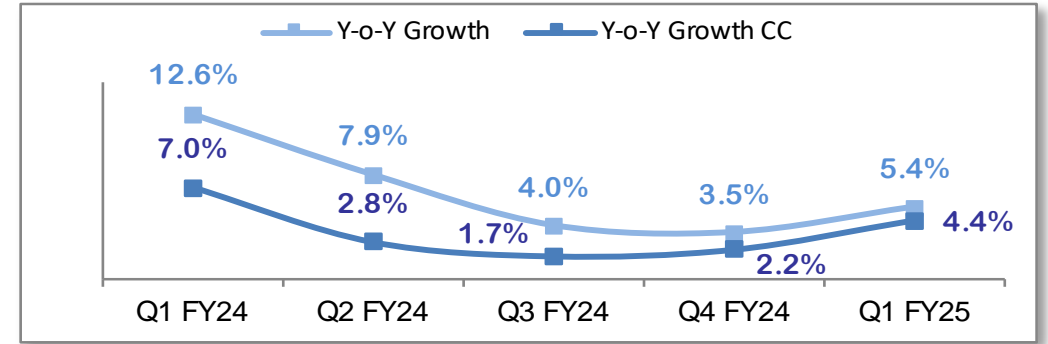
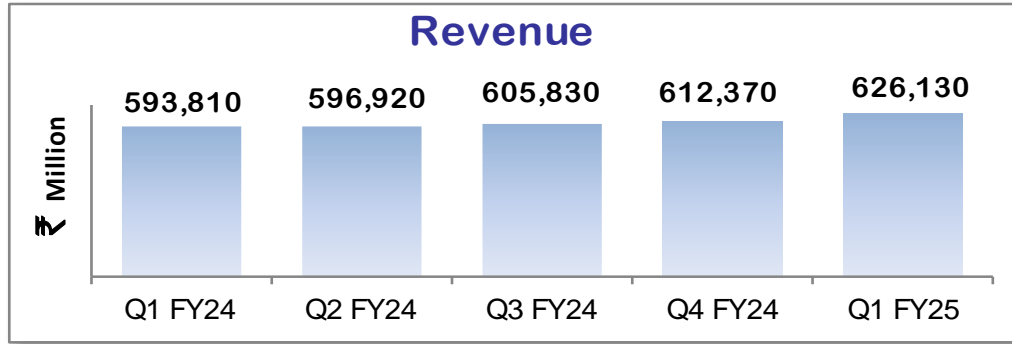
➤ Demand:

- Clients \$100M+ up by 3 ; \$50M+ up by 3 ; \$10M+ up by 18 & \$1M+ up by 42 YoY
- Order book TCV at \$8.3 Bn; North America TCV at \$4.6 Bn; BFSI TCV at \$2.7 Bn, Consumer Business TCV at \$1.1 Bn

➤ People:

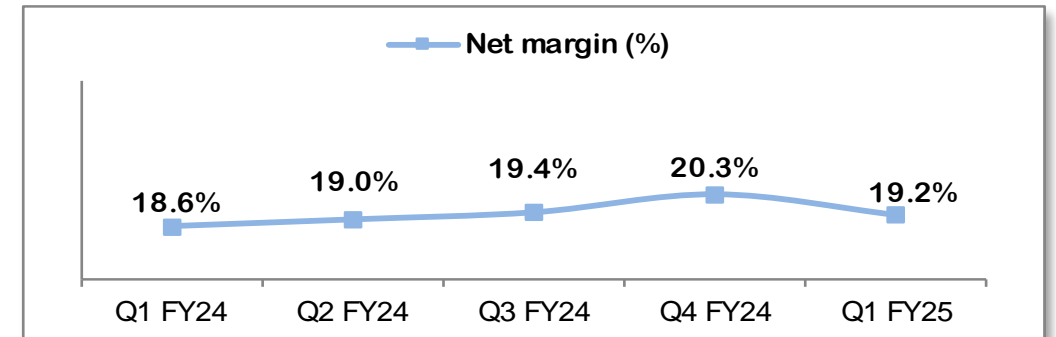
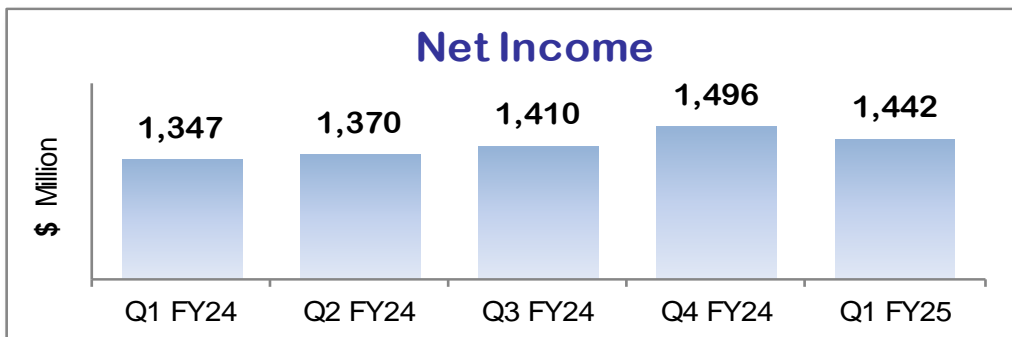
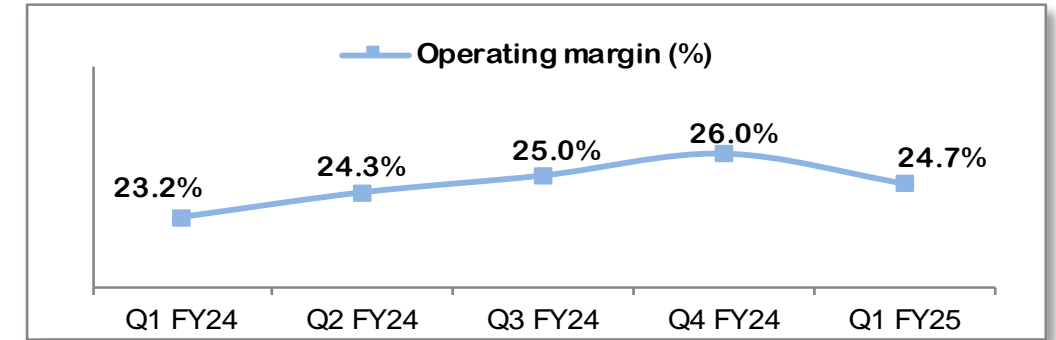
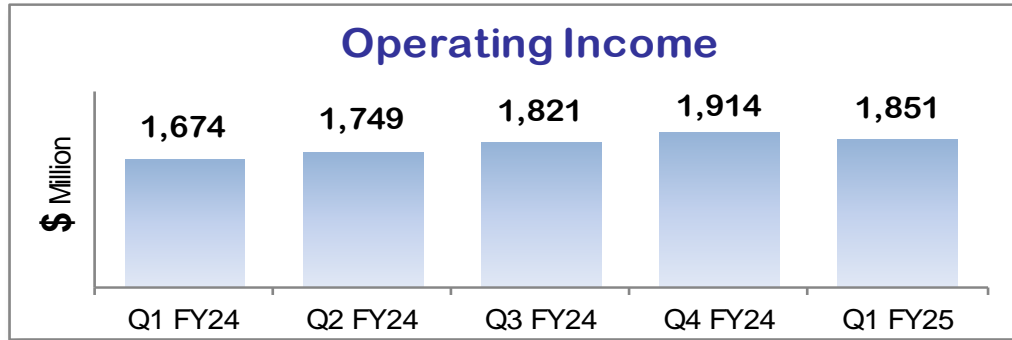
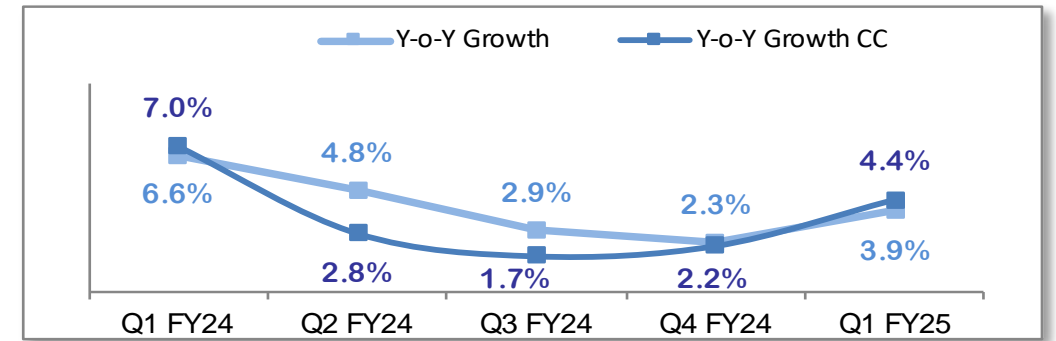
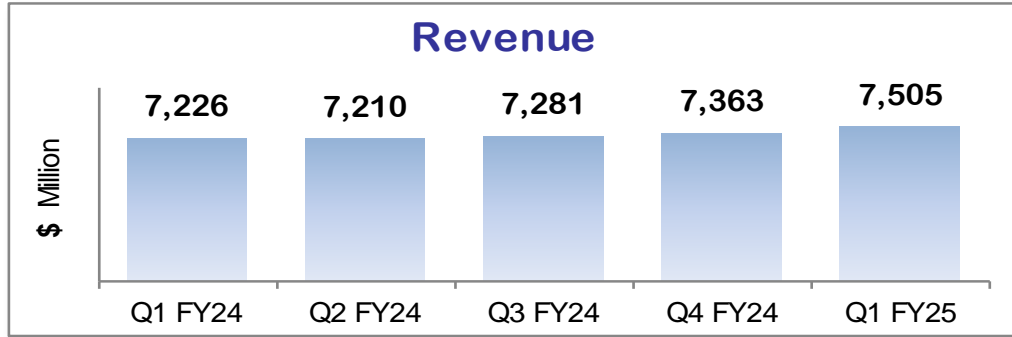
- Closing headcount: **606,998**
- LTM attrition at **12.1%** in IT Services

Growth Summary (INR)



*Q3FY24 excludes settlement of legal claim

Growth Summary (USD)



* Q3FY24 excludes settlement of legal claim

Operational Parameters

Growth by Market

Geography (%)	Q1 FY24	Q1 FY25	Y-o-Y CC Growth
Americas			
North America	52.0	49.5	- 1.1
Latin America	2.0	1.9	6.3
Europe			
UK	16.4	16.9	6.0
Continental Europe	14.9	14.4	0.9
Asia Pacific			
India	4.9	7.5	61.8
MEA	2.0	2.0	8.5
Total	100.0	100.0	4.4

Growth by Domain

Vertical (%)	Q1 FY24	Q1 FY25	Y-o-Y CC Growth
BFSI	32.5	30.9	- 0.9
Consumer Business	16.1	15.4	- 0.3
Life Sciences & Healthcare	11.0	11.0	4.0
Manufacturing	8.4	8.8	9.4
Technology & Services	8.7	8.1	- 3.9
Communication & Media	7.0	6.2	- 7.4
Energy, Resources and Utilities	5.5	5.6	5.7
Regional Markets & Others	10.8	14.0	37.7
Total	100.0	100.0	4.4

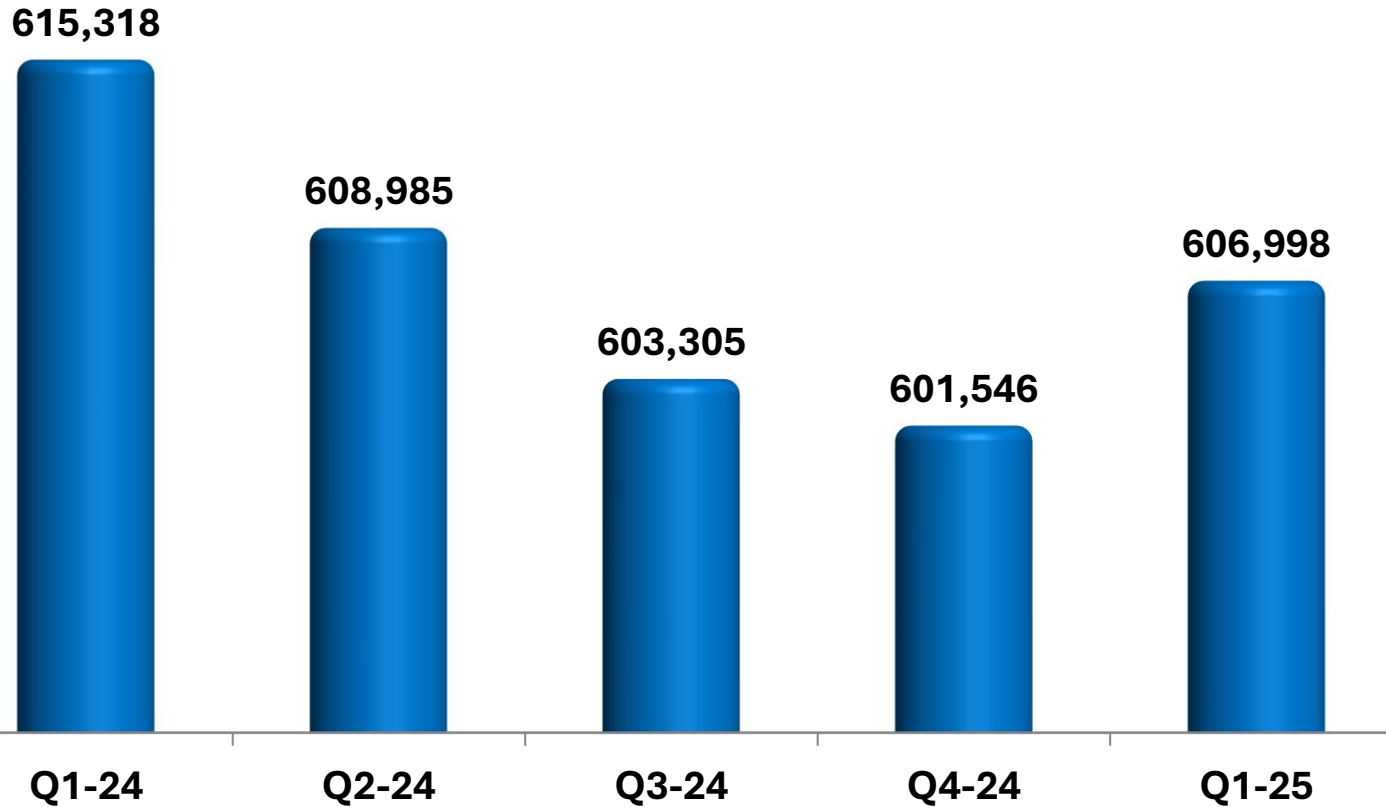
Client Parameters

Clients Contribution	Q1 FY24	Q1 FY25
US\$ 1m+ Clients	1268	1310
US\$ 5m+ Clients	677	697
US\$ 10m+ Clients	468	486
US\$ 20m+ Clients	296	300
US\$ 50m+ Clients	137	140
US\$ 100m+ Clients	60	63

*Last Twelve Months' services revenues

Human Resources

Total Employee Base



Attrition*:

- **12.1%** (LTM), IT Services

Diversity:

- **35.5%** Women employees
- **151** Nationalities

*Excluding Subsidiaries

Talent Development:

- **11Mn** Learning Hrs YTD (FY25)
- **1.2Mn** competencies acquired YTD (FY25)
- **129K** high demand competencies acquired YTD (FY25)

Annexure

IFRS Income Statement

Consolidated IFRS	₹ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Revenue	593,810	626,130	100.00	100.00
Cost of revenue	359,160	376,610	60.48	60.15
Gross margin	234,650	249,520	39.52	39.85
SG & A expenses	97,100	95,100	16.35	15.19
Operating income	137,550	154,420	23.17	24.66
Other income (expense), net	12,340	7,890	2.08	1.26
Income before income taxes	149,890	162,310	25.25	25.92
Income taxes	38,690	41,260	6.52	6.59
Income after income taxes	111,200	121,050	18.73	19.33
Non-controlling interests	460	650	0.08	0.10
Net income	110,740	120,400	18.65	19.23
Earnings per share in ₹	30.26	33.28		

COR – SG&A Details

COR	₹ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Employee cost	272,990	287,850	45.97	45.97
Fees to external consultants	43,880	25,210	7.39	4.03
Equipment and software	5,060	21,510	0.85	3.43
Facility expenses	4,720	5,170	0.80	0.83
Depreciation	9,430	9,400	1.59	1.50
Travel	4,940	6,130	0.83	0.98
Communication	3,650	3,730	0.61	0.60
Other expenses	14,490	17,610	2.44	2.81
Cost of Revenue	359,160	376,610	60.48	60.15

SG&A	₹ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Employee cost	78,500	76,310	13.22	12.19
Fees to external consultants	1,940	1,450	0.33	0.23
Facility expenses	2,860	3,110	0.48	0.50
Depreciation	3,000	2,800	0.51	0.45
Travel	3,000	2,280	0.51	0.36
Communication	2,100	1,770	0.35	0.28
Provision for Doubtful Debts	180	430	0.03	0.07
Other expenses	5,520	6,950	0.92	1.11
S G & A expenses	97,100	95,100	16.35	15.19

Cash Flow Summary

IFRS in ₹ Mn	Q1 FY24	Q1 FY25
Net Cash from Operations	113,530	111,680
Capital Expenditure	3,610	8,750
Free Cash Flow	109,920	102,930
Dividends Paid	550	101,960
Operating Cash Flow to Sales (%)	19.1	17.8
Operating Cash Flow to Net Profit (%)	102.5	92.8
Total Cash and Investments	609,420	466,470

IFRS Statement of Financial Position

Consolidated IFRS	₹ Million	
	31-Mar-24	30-Jun-24
Assets		
Property and equipment	112,240	112,610
Right-of-use Assets	78,860	87,750
Intangible assets and Goodwill	44,990	44,320
Accounts Receivable	445,610	470,170
Unbilled Revenues	153,000	163,310
Invested Funds	469,630	466,470
Other current assets	90,950	80,040
Other non current assets	90,440	94,040
Total assets	1,485,720	1,518,710
Liabilities and Shareholders' Equity		
Shareholders' Funds	926,120	943,400
Current liabilities	461,040	469,950
Non-current liabilities	90,260	97,390
Non-controlling interests	8,300	7,970
Total Liabilities	1,485,720	1,518,710

Detailed financials are uploaded.

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Revenue	7,226	7,505	100.00	100.00
Cost of revenue	4,370	4,514	60.48	60.15
Gross margin	2,856	2,991	39.52	39.85
SG & A expenses	1,182	1,140	16.35	15.19
Operating income	1,674	1,851	23.17	24.66
Other income (expense), net	150	94	2.08	1.26
Income before income taxes	1,824	1,945	25.25	25.92
Income taxes	471	495	6.52	6.59
Income after income taxes	1,353	1,450	18.73	19.33
Non-controlling interests	6	8	0.08	0.10
Net income	1,347	1,442	18.65	19.23
Earnings per share in \$	0.37	0.40		

COR – SG&A Details – In USD

COR	\$ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Employee cost	3,322	3,450	45.97	45.97
Fees to external consultants	534	302	7.39	4.03
Equipment and software	62	258	0.85	3.43
Facility expenses	57	62	0.80	0.83
Depreciation	115	113	1.59	1.50
Travel	60	73	0.83	0.98
Communication	44	45	0.61	0.60
Other expenses	176	211	2.44	2.81
Cost of Revenue	4,370	4,514	60.48	60.15

SG&A	\$ Million		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Employee cost	955	915	13.22	12.19
Fees to external consultants	24	17	0.33	0.23
Facility expenses	35	37	0.48	0.50
Depreciation	37	34	0.51	0.45
Travel	36	27	0.51	0.36
Communication	26	21	0.35	0.28
Provision for Doubtful Debts	2	5	0.03	0.07
Other expenses	67	84	0.92	1.11
SG&A expenses	1,182	1,140	16.35	15.19

IFRS Statement of Financial Position in USD

Consolidated IFRS	\$ Million	
	31-Mar-24	30-Jun-24
Assets		
Property and equipment	1,346	1,349
Right-of-use Assets	946	1,051
Intangible assets and Goodwill	539	531
Accounts Receivable	5,343	5,634
Unbilled Revenues	1,834	1,957
Invested Funds	5,633	5,590
Other current assets	1,092	960
Other non current assets	1,083	1,125
Total assets	17,816	18,197
Liabilities and Shareholders' Equity		
Shareholders' Funds	11,104	11,303
Current liabilities	5,529	5,630
Non-current liabilities	1,082	1,167
Non-controlling interests	101	97
Total Liabilities	17,816	18,197

Detailed financials are uploaded.

Ind AS Income Statement - Consolidated

Consolidated Ind AS	₹ Crore		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
Revenue	59,381	62,613	100.00	100.00
Expenditure				
a) Employee Costs	35,148	36,416	59.19	58.16
b) Cost of equipment and software licences	506	2,151	0.85	3.44
c) Other Operating expenses	8,729	7,384	14.70	11.79
d) Depreciation	1,243	1,220	2.09	1.95
Total Expenditure	45,626	47,171	76.83	75.34
Profit Before Taxes & Other Income	13,755	15,442	23.17	24.66
Other income (expense), net	1,234	789	2.08	1.26
Profit Before Taxes	14,989	16,231	25.25	25.92
Provision For Taxes	3,869	4,126	6.52	6.59
Profit After Taxes & Before Non-controlling interests	11,120	12,105	18.73	19.33
Non-controlling interests	46	65	0.08	0.10
Net Profit	11,074	12,040	18.65	19.23
Earnings per share in ₹	30.26	33.28		

Ind AS Balance Sheet - Consolidated

Consolidated Ind AS	₹ Crore	
	31-Mar-24	30-Jun-24
Assets		
Property and equipment	10,940	10,940
Right-of-use Assets	7,886	8,775
Intangible assets and Goodwill	2,342	2,275
Accounts Receivable	44,561	47,017
Unbilled Revenues	15,300	16,331
Invested Funds	46,963	46,647
Other current assets	9,095	8,004
Other non current assets	9,362	9,759
Total Assets	146,449	149,748
Liabilities and Shareholders' Equity		
Shareholders' Funds	90,489	92,217
Current liabilities	46,104	46,995
Non-current liabilities	9,026	9,739
Non-controlling interests	830	797
Total Liabilities	146,449	149,748

Detailed financials are uploaded.

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q1 FY24	Q1 FY25	Q1 FY24	Q1 FY25
USD	82.18	83.43	54.42%	51.50%
GBP	103.06	105.43	14.19%	14.63%
EUR	89.53	89.71	10.99%	11.02%
Others			20.39%	22.85%
Total			100.00%	100.00%

Thank you