

TCS Financial Results

Quarter III Ended FY 2024-25

Jan 09, 2025

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.

Q3 FY25 Performance Highlights

➤ Revenue:

- INR Revenue of ₹ **639,730 Mn, up 5.6% YoY**
- USD Revenue of \$ **7,539 Mn, up 3.6% YoY**
- Constant currency revenue **up 4.5% YoY**

➤ Profit:

- Operating Margin at **24.5%**
- Net Margin at **19.4%**
- Cash flow from operations at **105.3%** of net profit

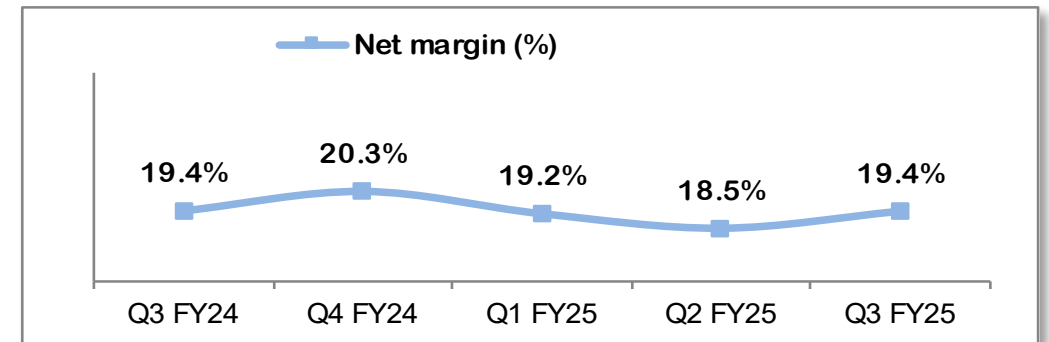
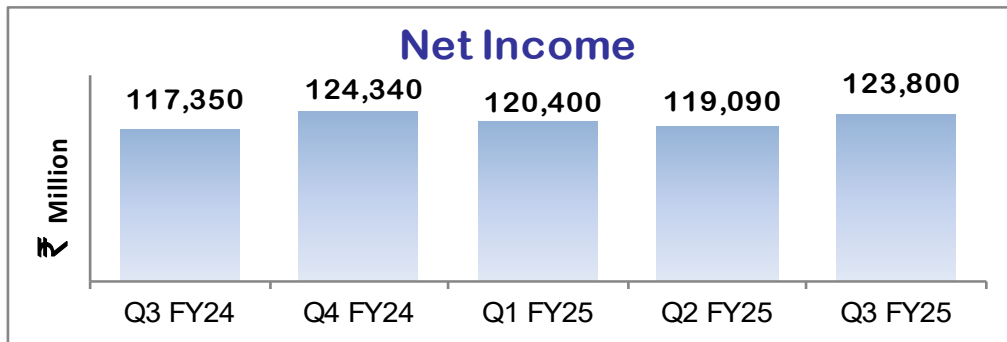
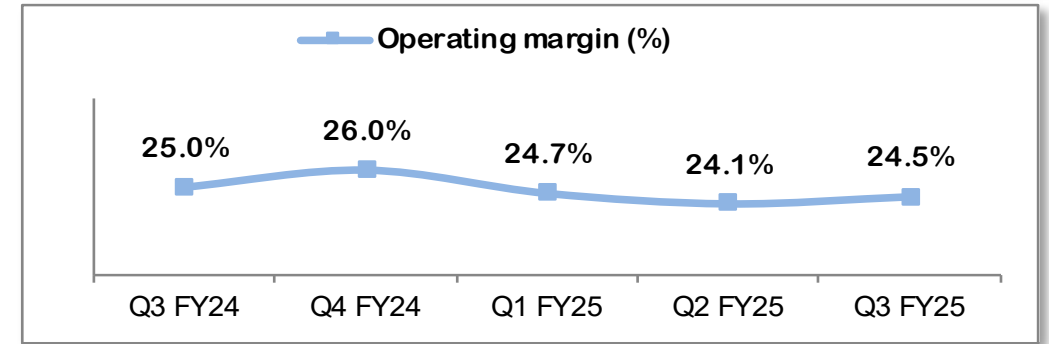
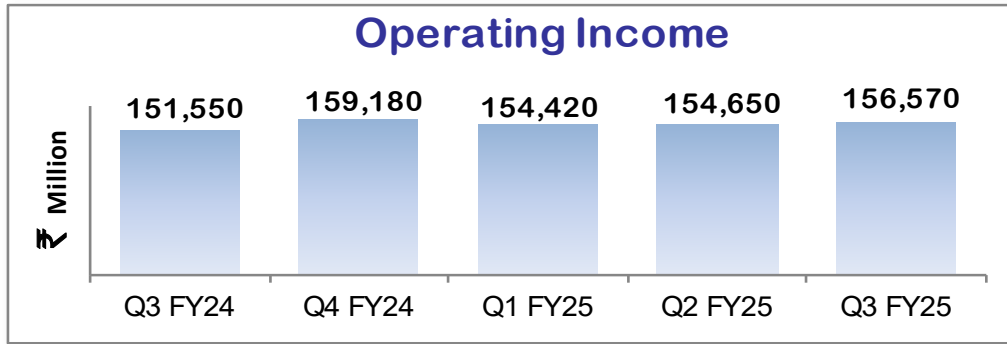
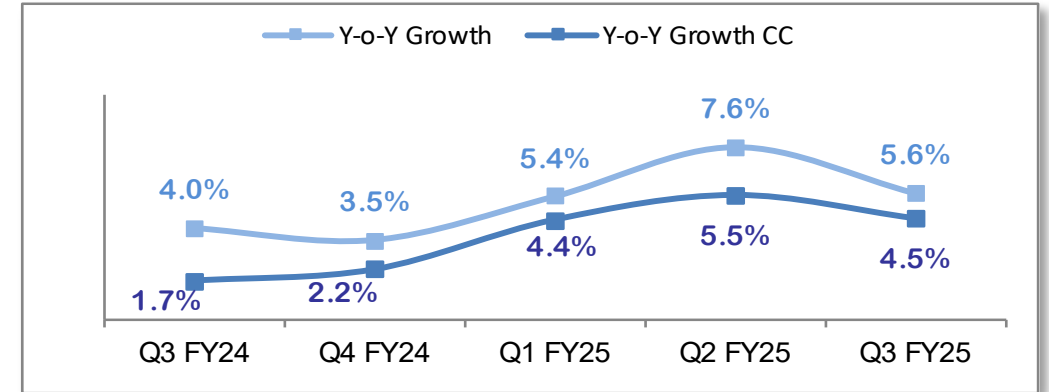
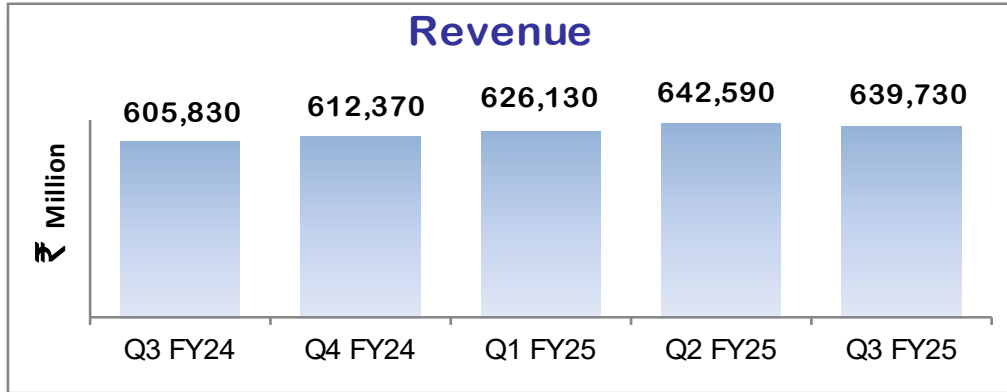
➤ Demand:

- Clients \$100M+ up by 3, \$10M+ up by 17 & \$5M+ up by 29 YoY
- Order book TCV at \$10.2 Bn; North America TCV at \$5.9 Bn; BFSI TCV at \$3.2 Bn, Consumer Business TCV at \$1.3 Bn

➤ People:

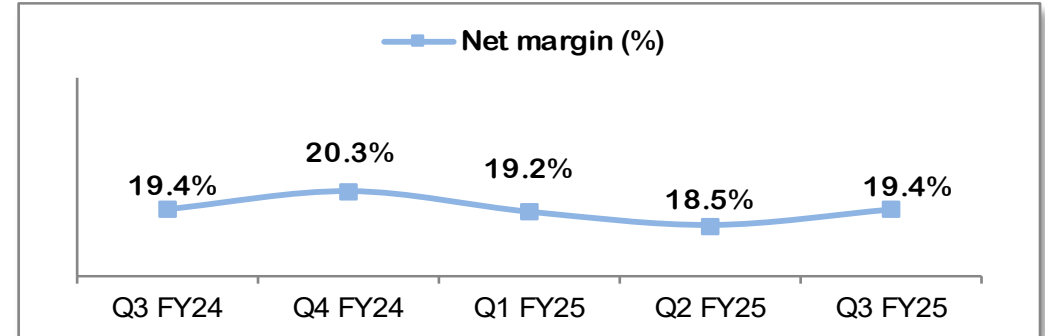
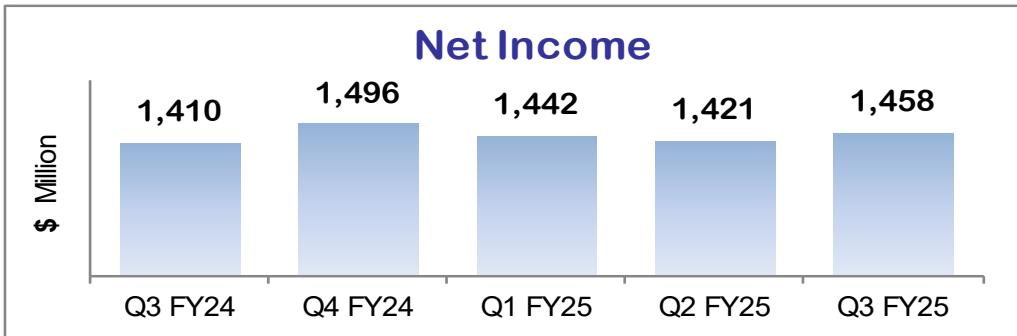
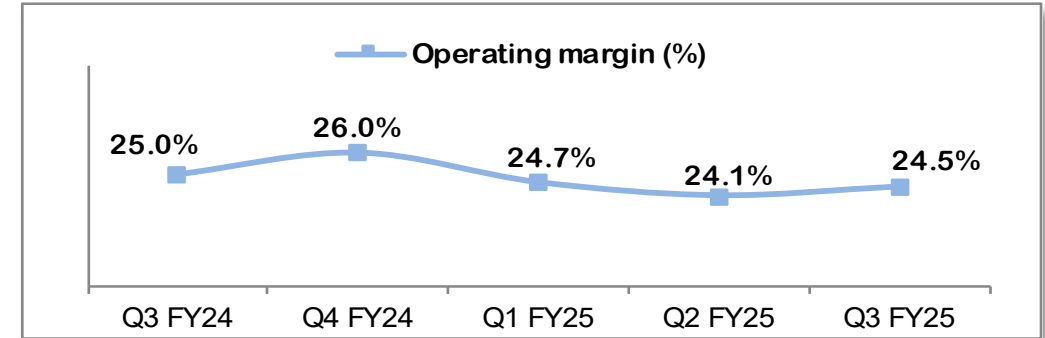
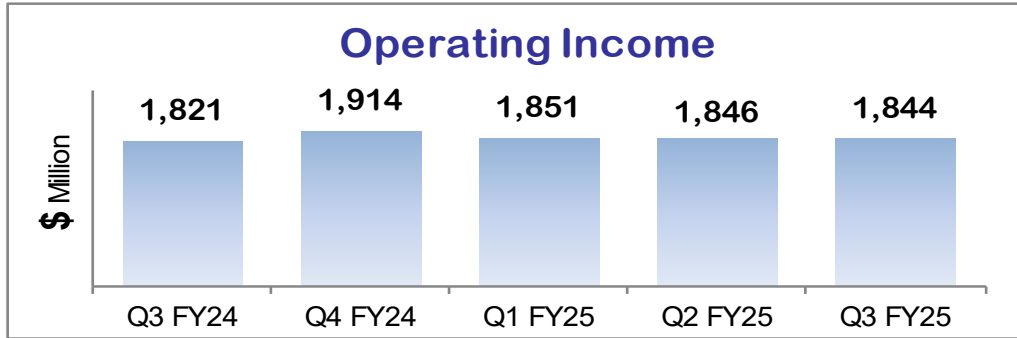
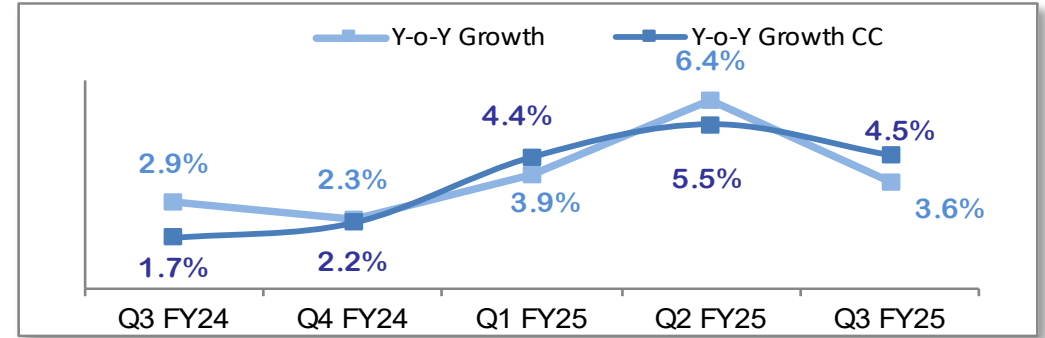
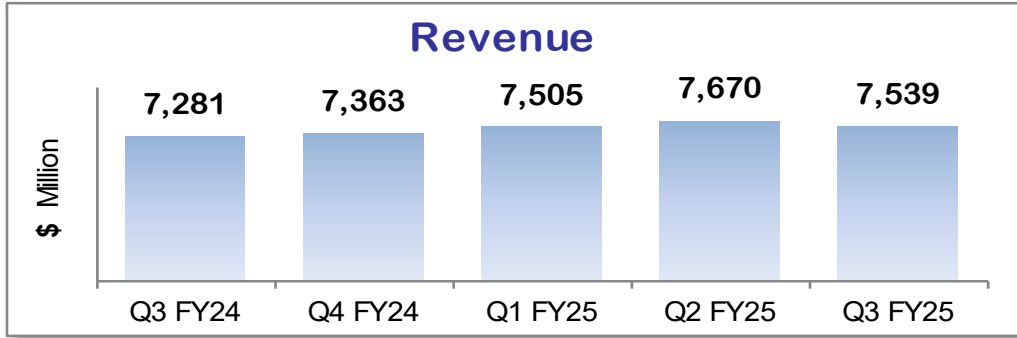
- Closing headcount: **607,354**
- LTM attrition at **13.0%** in IT Services

Growth Summary (INR)



*Q3FY24 excludes settlement of legal claim

Growth Summary (USD)



* Q3FY24 excludes settlement of legal claim

Operational Parameters

Growth by Market

Geography (%)	Q3 FY24	Q3 FY25	Y-o-Y CC Growth
Americas			
North America	50.6	47.7	- 2.3
Latin America	2.1	1.9	7.0
Europe			
UK	16.4	16.6	4.1
Continental Europe	15.0	13.9	- 1.5
Asia Pacific			
India	6.1	9.8	70.2
MEA	2.0	2.3	15.0
Total	100.0	100.0	4.5

Growth by Domain

Vertical (%)	Q3 FY24	Q3 FY25	Y-o-Y CC Growth
BFSI	31.7	30.5	0.9
Consumer Business	15.7	15.3	1.1
Life Sciences & Healthcare	10.9	10.1	- 4.3
Manufacturing	8.7	8.4	0.4
Technology & Services	8.4	8.0	- 0.4
Communication & Media	6.7	5.8	- 10.6
Energy, Resources and Utilities	5.7	5.6	3.4
Regional Markets & Others	12.2	16.3	40.9
Total	100.0	100.0	4.5

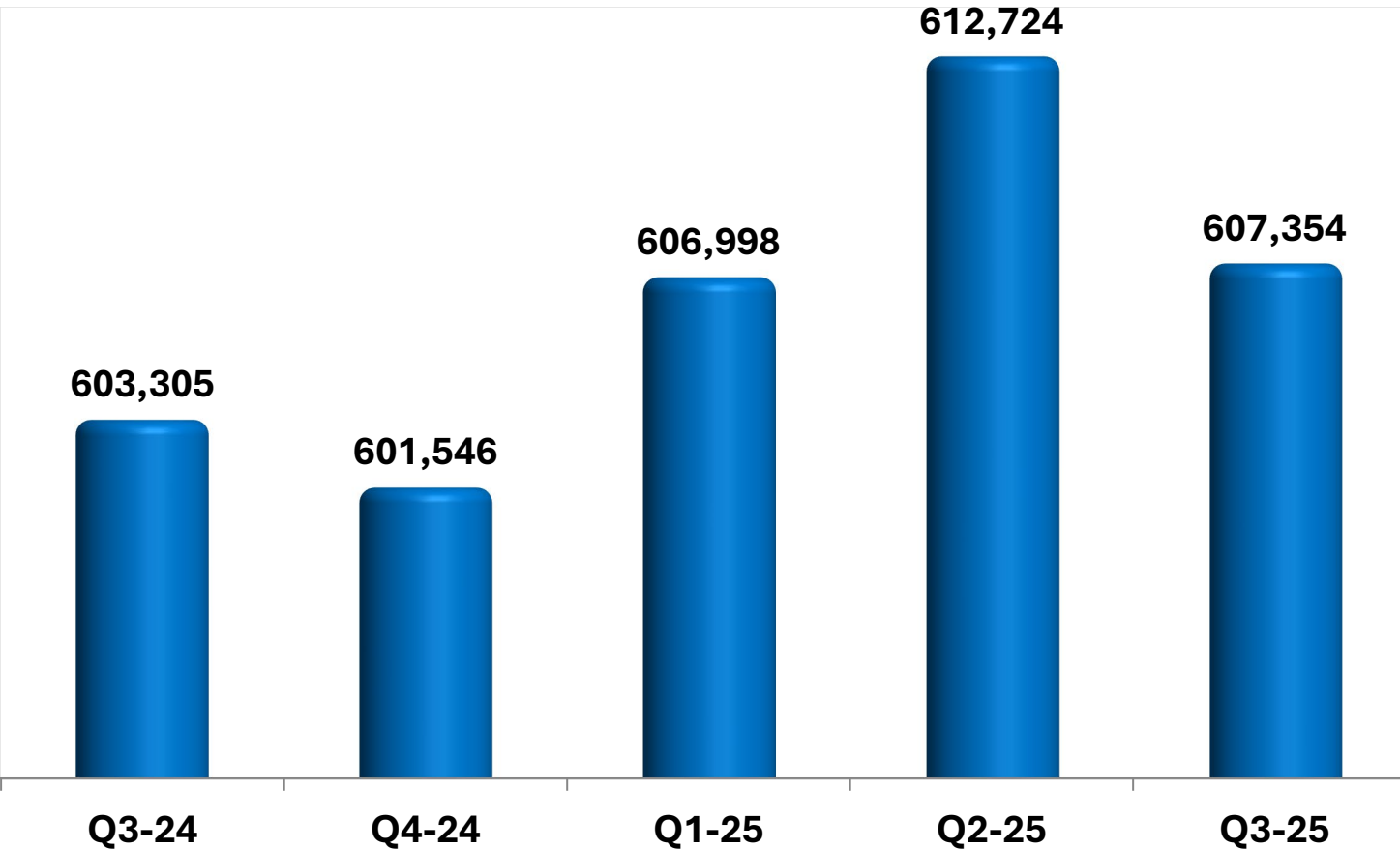
Client Parameters

Clients Contribution	Q3 FY24	Q3 FY25
US\$ 1m+ Clients	1288	1309
US\$ 5m+ Clients	693	722
US\$ 10m+ Clients	480	497
US\$ 20m+ Clients	299	294
US\$ 50m+ Clients	137	134
US\$ 100m+ Clients	61	64

*Last Twelve Months' services revenues

Human Resources

Total Employee Base



Attrition*:

- **13.0%** (LTM), IT Services

Diversity:

- **35.3 %** Women employees
- **152** Nationalities

*Excluding Subsidiaries

Talent Development:

- **40.1Mn** Learning Hrs YTD (FY25)
- **3.8Mn** competencies acquired (FY25)
- **474K** high demand competencies acquired YTD (FY25)

Annexure

IFRS Income Statement

Consolidated IFRS	₹ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Revenue	605,830	605,830	639,730	100.00	100.00	100.00
Cost of revenue	358,710	358,710	391,390	59.21	59.21	61.19
Gross margin	247,120	247,120	248,340	40.79	40.79	38.81
SG & A expenses	95,570	105,150	91,770	15.78	17.36	14.35
Operating income	151,550	141,970	156,570	25.01	23.43	24.46
Other income (expense), net	7,150	6,320	10,090	1.18	1.05	1.58
Income before income taxes	158,700	148,290	166,660	26.19	24.48	26.04
Income taxes	40,960	37,320	42,220	6.76	6.16	6.59
Income after income taxes	117,740	110,970	124,440	19.43	18.32	19.45
Non-controlling interests	390	390	640	0.06	0.06	0.10
Net income	117,350	110,580	123,800	19.37	18.26	19.35
Earnings per share in ₹	32.14	30.29	34.21			

* excludes settlement of legal claim

COR – SG&A Details

COR	₹ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Employee cost	269,500	269,500	283,860	44.48	44.48	44.37
Fees to external consultants	37,200	37,200	28,120	6.14	6.14	4.40
Equipment and software	11,730	11,730	35,190	1.94	1.94	5.50
Facility expenses	4,800	4,800	5,460	0.79	0.79	0.85
Depreciation	9,510	9,510	10,780	1.57	1.57	1.69
Travel	4,840	4,840	5,470	0.80	0.80	0.86
Communication	3,550	3,550	4,050	0.59	0.59	0.63
Other expenses	17,580	17,580	18,460	2.90	2.90	2.89
Cost of Revenue	358,710	358,710	391,390	59.21	59.21	61.19

SG&A	₹ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Employee cost	77,720	77,720	75,700	12.83	12.83	11.83
Fees to external consultants	2,510	2,510	1,570	0.41	0.41	0.25
Facility expenses	3,070	3,070	3,270	0.51	0.51	0.51
Depreciation	2,820	2,820	2,980	0.46	0.46	0.47
Travel	1,990	1,990	1,820	0.33	0.33	0.29
Communication	2,100	2,100	1,910	0.35	0.35	0.30
Provision for Doubtful Debts	220	220	410	0.04	0.04	0.06
Settlement of legal claim	-	9,580	-	-	1.58	-
Other expenses	5,140	5,140	4,110	0.85	0.85	0.64
S G & A expenses	95,570	105,150	91,770	15.78	17.36	14.35

* excludes settlement of legal claim

Cash Flow Summary

IFRS in ₹ Mn	Q3 FY24	Q3 FY25
Net Cash from Operations	112,760	130,320
Capital Expenditure	9,240	7,260
Free Cash Flow	103,520	123,060
Dividends Paid	32,930	36,220
Buy Back (incl. expenses)	210,050	-
Operating Cash Flow to Sales (%)	18.6	20.4
Operating Cash Flow to Net Profit (%)	102.0	105.3
Total Cash and Investments	457,310	623,490

IFRS Statement of Financial Position

Consolidated IFRS	₹ Million	
	31-Mar-24	31-Dec-24
Assets		
Property and equipment	112,240	112,670
Right-of-use Assets	78,860	93,050
Intangible assets and Goodwill	44,990	51,180
Accounts Receivable	445,610	522,220
Unbilled Revenues	153,000	145,470
Invested Funds	469,630	623,490
Other current assets	90,950	121,630
Other non current assets	90,440	94,630
Total assets	1,485,720	1,764,340
Liabilities and Shareholders' Equity		
Shareholders' Funds	926,120	1,116,110
Current liabilities	461,040	531,330
Non-current liabilities	90,260	107,650
Non-controlling interests	8,300	9,250
Total Liabilities	1,485,720	1,764,340

Detailed financials are uploaded.

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Revenue	7,281	7,281	7,539	100.00	100.00	100.00
Cost of revenue	4,311	4,311	4,613	59.21	59.21	61.19
Gross margin	2,970	2,970	2,926	40.79	40.79	38.81
SG & A expenses	1,149	1,264	1,082	15.78	17.36	14.35
Operating income	1,821	1,706	1,844	25.01	23.43	24.46
Other income (expense), net	86	76	119	1.18	1.05	1.58
Income before income taxes	1,907	1,782	1,963	26.19	24.48	26.04
Income taxes	492	448	497	6.76	6.16	6.59
Income after income taxes	1,415	1,334	1,466	19.43	18.32	19.45
Non-controlling interests	5	5	8	0.06	0.06	0.10
Net income	1,410	1,329	1,458	19.37	18.26	19.35
Earnings per share in \$	0.39	0.36	0.40			

* excludes settlement of legal claim

COR – SG&A Details – In USD

COR	\$ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Employee cost	3,239	3,239	3,345	44.48	44.48	44.37
Fees to external consultants	447	447	331	6.14	6.14	4.40
Equipment and software	141	141	415	1.94	1.94	5.50
Facility expenses	58	58	64	0.79	0.79	0.85
Depreciation	114	114	127	1.57	1.57	1.69
Travel	58	58	65	0.80	0.80	0.86
Communication	43	43	48	0.59	0.59	0.63
Other expenses	211	211	218	2.90	2.90	2.89
Cost of Revenue	4,311	4,311	4,613	59.21	59.21	61.19

SG&A	\$ Million			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Employee cost	934	934	892	12.83	12.83	11.83
Fees to external consultants	30	30	18.53	0.41	0.41	0.25
Facility expenses	37	37	39	0.51	0.51	0.51
Depreciation	34	34	35	0.46	0.46	0.47
Travel	24	24	21	0.33	0.33	0.29
Communication	25	25	22	0.35	0.35	0.30
Provision for Doubtful Debts	3	3	5	0.04	0.04	0.06
Settlement of legal claim	-	115	-	-	1.58	-
Other expenses	62	62	49	0.85	0.85	0.64
SG&A expenses	1,149	1,264	1,082	15.78	17.36	14.35

* excludes settlement of legal claim

IFRS Statement of Financial Position in USD

Consolidated IFRS	\$ Million	
	31-Mar-24	31-Dec-24
Assets		
Property and equipment	1,346	1,317
Right-of-use Assets	946	1,087
Intangible assets and Goodwill	539	598
Accounts Receivable	5,343	6,099
Unbilled Revenues	1,834	1,698
Invested Funds	5,633	7,282
Other current assets	1,092	1,423
Other non current assets	1,083	1,106
Total assets	17,816	20,610
Liabilities and Shareholders' Equity		
Shareholders' Funds	11,104	13,035
Current liabilities	5,529	6,206
Non-current liabilities	1,082	1,258
Non-controlling interests	101	111
Total Liabilities	17,816	20,610

Detailed financials are uploaded.

Ind AS Income Statement - Consolidated

Consolidated Ind AS	₹ Crore			% of Revenue		
	Q3 FY24		Q3 FY25	Q3 FY24		Q3 FY25
	Ex Adj*	Reported		Ex Adj*	Reported	
Revenue	60,583	60,583	63,973	100.00	100.00	100.00
Expenditure						
a) Employee Costs	34,722	34,722	35,956	57.31	57.31	56.21
b) Cost of equipment and software licences	1,173	1,173	3,519	1.94	1.94	5.50
c) Other Operating expenses	8,300	8,300	7,464	13.70	13.70	11.67
d) Depreciation	1,233	1,233	1,377	2.04	2.04	2.15
Total Expenditure	45,428	45,428	48,316	74.99	74.99	75.53
Profit Before Taxes, Other Income & Exceptional Items	15,155	15,155	15,657	25.01	25.01	24.47
Settlement of legal claim	-	958	-	-	1.58	-
Profit Before Taxes & Other Income	15,155	14,197	15,657	25.01	23.43	24.47
Other income (expense), net	715	632	1,009	1.18	1.05	1.58
Profit Before Taxes	15,870	14,829	16,666	26.19	24.48	26.05
Provision For Taxes	4,096	3,732	4,222	6.76	6.16	6.60
Profit After Taxes & Before Non-controlling interests	11,774	11,097	12,444	19.43	18.32	19.45
Non-controlling interests	39	39	64	0.06	0.06	0.10
Net Profit	11,735	11,058	12,380	19.37	18.26	19.35
Earnings per share in ₹	32.14	30.29	34.21			

* excludes settlement of legal claim

Ind AS Balance Sheet - Consolidated

Consolidated Ind AS	₹ Crore	
	31-Mar-24	31-Dec-24
Assets		
Property and equipment	10,940	10,907
Right-of-use Assets	7,886	9,305
Intangible assets and Goodwill	2,342	2,959
Accounts Receivable	44,561	52,222
Unbilled Revenues	15,300	14,547
Invested Funds	46,963	62,349
Other current assets	9,095	12,168
Other non current assets	9,362	9,854
Total Assets	146,449	174,311
Liabilities and Shareholders' Equity		
Shareholders' Funds	90,489	109,488
Current liabilities	46,104	53,133
Non-current liabilities	9,026	10,765
Non-controlling interests	830	925
Total Liabilities	146,449	174,311

Detailed financials are uploaded.

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q3 FY24	Q3 FY25	Q3 FY24	Q3 FY25
USD	83.21	84.85	52.91%	49.43%
GBP	104.24	107.72	14.35%	14.43%
EUR	90.06	89.62	11.14%	10.64%
Others			21.60%	25.50%
Total			100.00%	100.00%

Thank you