

TCS Financial Performance

Revenue (FY2024)

20M

Net Profit (FY2024)

28.27%

Avg Operating Margin (5Y)

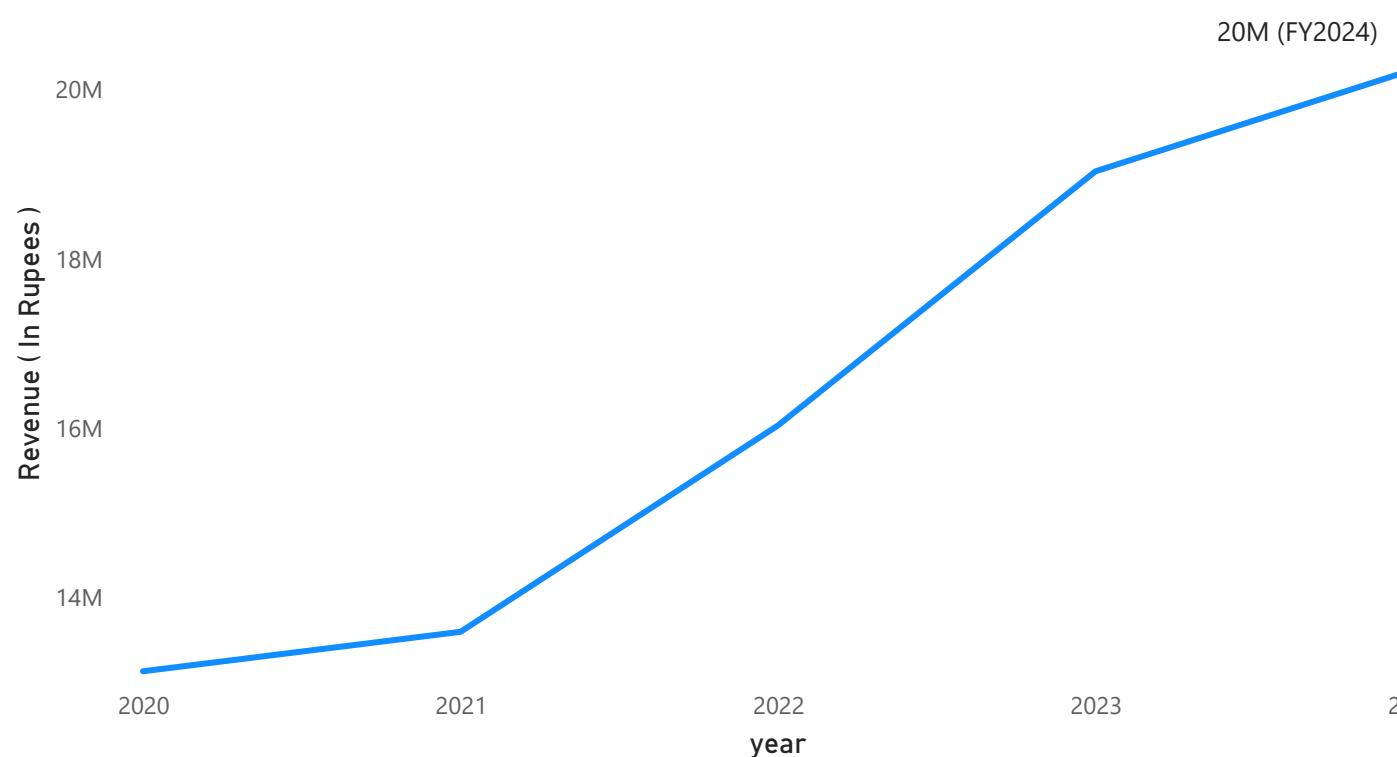
32.08%

Revenue CAGR (5Y)

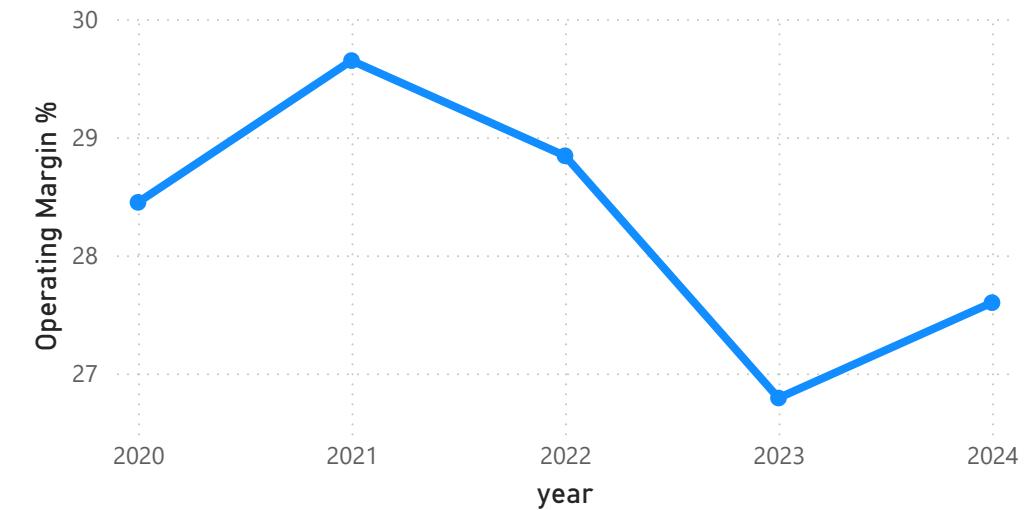
11.42%

TCS doubled revenue in 5 years — while keeping margins stable through a global talent crisis

Revenue Trend (2020-2024)



Operating Margin (%) (2020-2024)

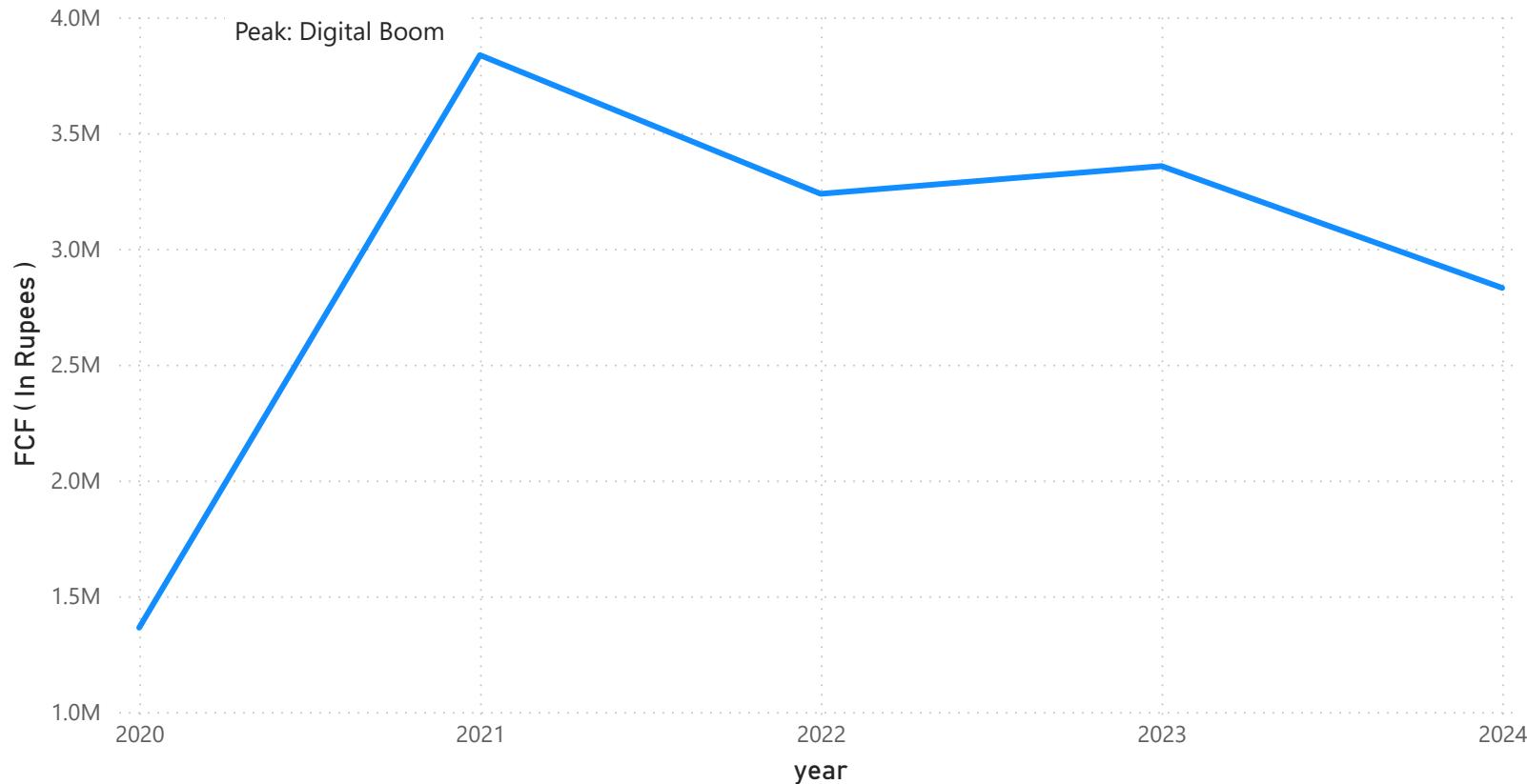


Margins dipped in **2022** as attrition spiked and hiring costs surged. Recovery followed as the talent market cooled

Financial Quality

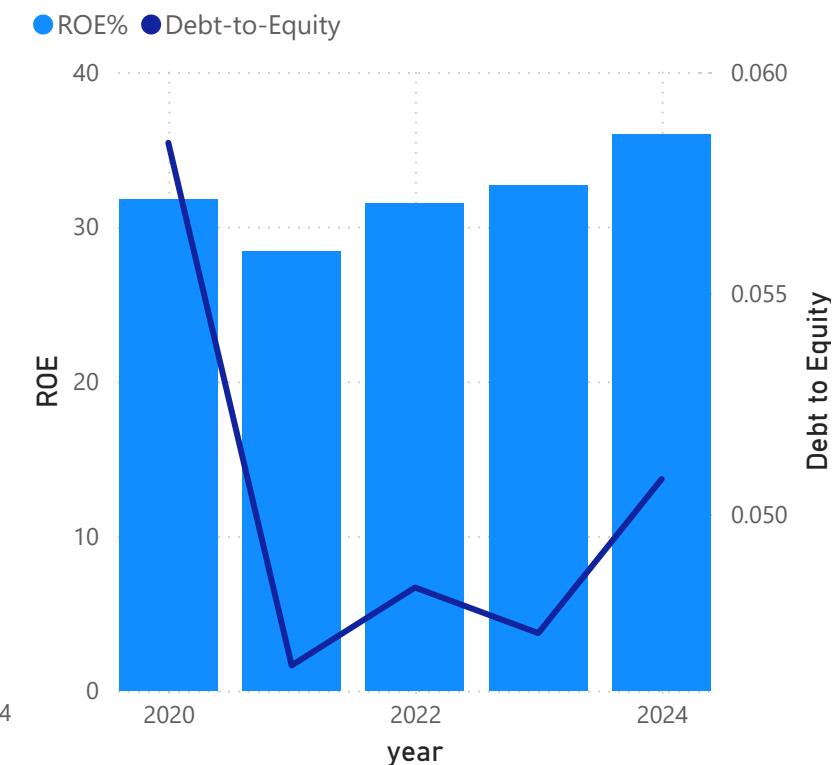
High returns. No debt. Cash that funds itself.

Free Cash Flow (2020 - 2024)



FCF peaks as digital deal flow surged post-pandemic. Mild pullback from **2023** reflects client caution.

ROE vs Debt-to-Equity (2020 - 2024)



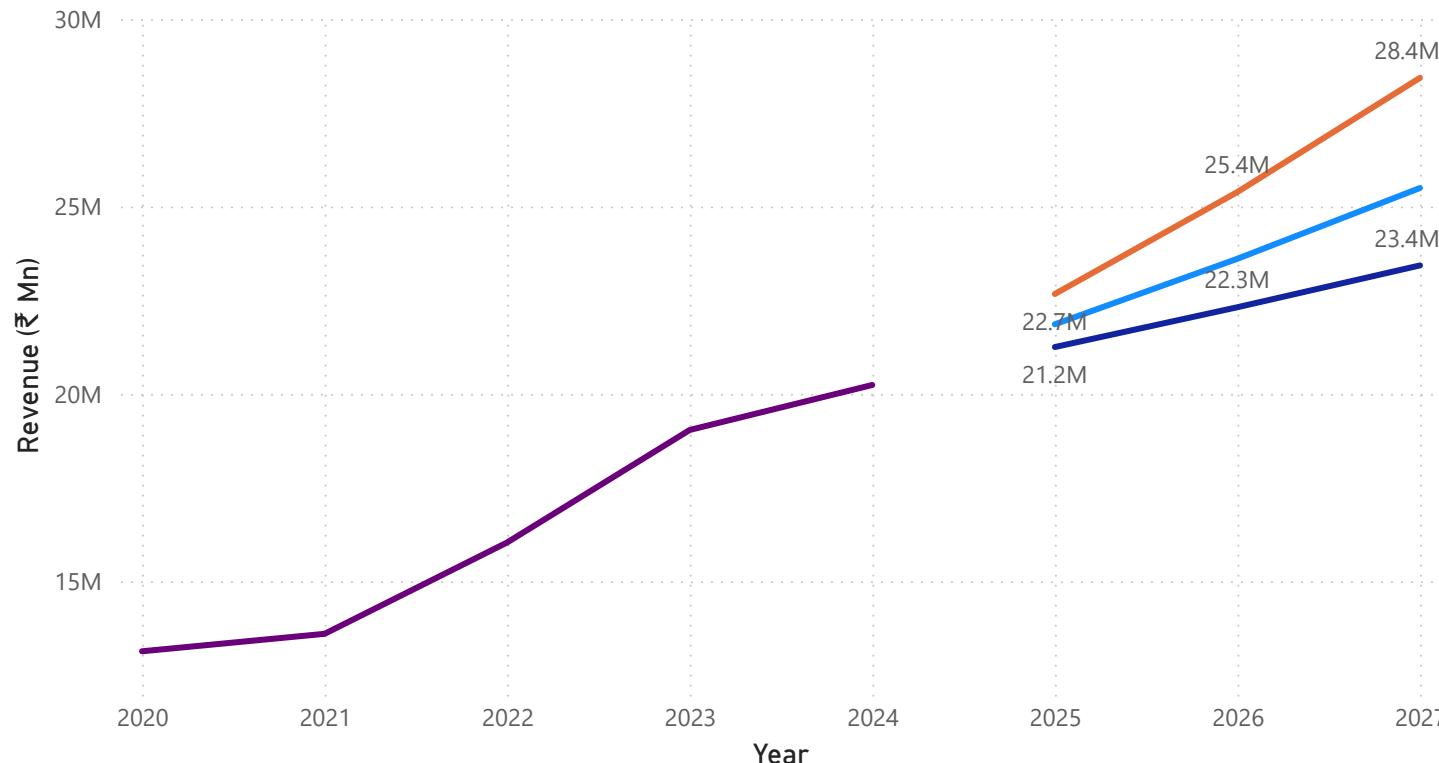
ROE stays **tall**.
D/E stays **flat**.

Forward View & Investment Thesis

Next chapter depends on one question - does AI create more services work - or replace it?

Revenue: Historical vs Forecast Scenarios

Scenario ● Base Case ● Bear Case ● Bull Case ● Historical



Bull Case

AI transformation creates more services demand. Strong deal wins. Margin stability holds above 30%.

Base case

8% annual growth aligned with historical CAGR. Steady deal pipeline. AI impact neutral to slightly positive.

Bear Case

Global IT spend stays cautious. AI compresses headcount demand faster than new work fills the gap.

Quality franchise.
Steady, not explosive.

TCS is a **capital-efficient, high-margin** IT services business with a clean balance sheet. Growth is reliable rather than exciting — making it suited for **stability-focused, long-term investors**. The open question is whether AI becomes a tailwind or a headwind. The balance sheet gives it time to find out.