

TCS Financial Results

Quarter II Ended FY 2025-26

Oct 9, 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, liability for damages on our service contracts, client concentration, our ability to manage our international operations, restrictions on cross-border movement of skilled personnel, reduced demand for technology in our key focus areas, our ability to capitalize on the emerging technology landscape, the success of the companies in which TCS has made strategic investments, our ability to successfully complete and integrate potential acquisitions, legal restrictions on raising capital or acquiring companies outside India, withdrawal of governmental fiscal incentives, geo-political instability, regulatory changes impacting the business model, supplier concentration and resilience, unauthorized use of our intellectual property, disruptions in telecommunication networks, cyber attacks, security or data breaches, social media adverse impact, pandemics, natural disasters, our ability to ensure business continuity in unforeseen circumstances, 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.

Q2 FY26 Performance Highlights

➤ Revenue:

- INR Revenue of ₹ 657,990 Mn, up 3.7% QoQ | up 2.4% YoY
- USD Revenue of \$ 7,466 Mn, up 0.6% QoQ | down 2.7% YoY
- Constant currency revenue up 0.8% QoQ | down 3.3% YoY

➤ Profit:

- Operating Margin at **25.2%***
- Net Margin at **19.6%***
- Cash flow from operations at **110.1%** of net profit

➤ Demand:

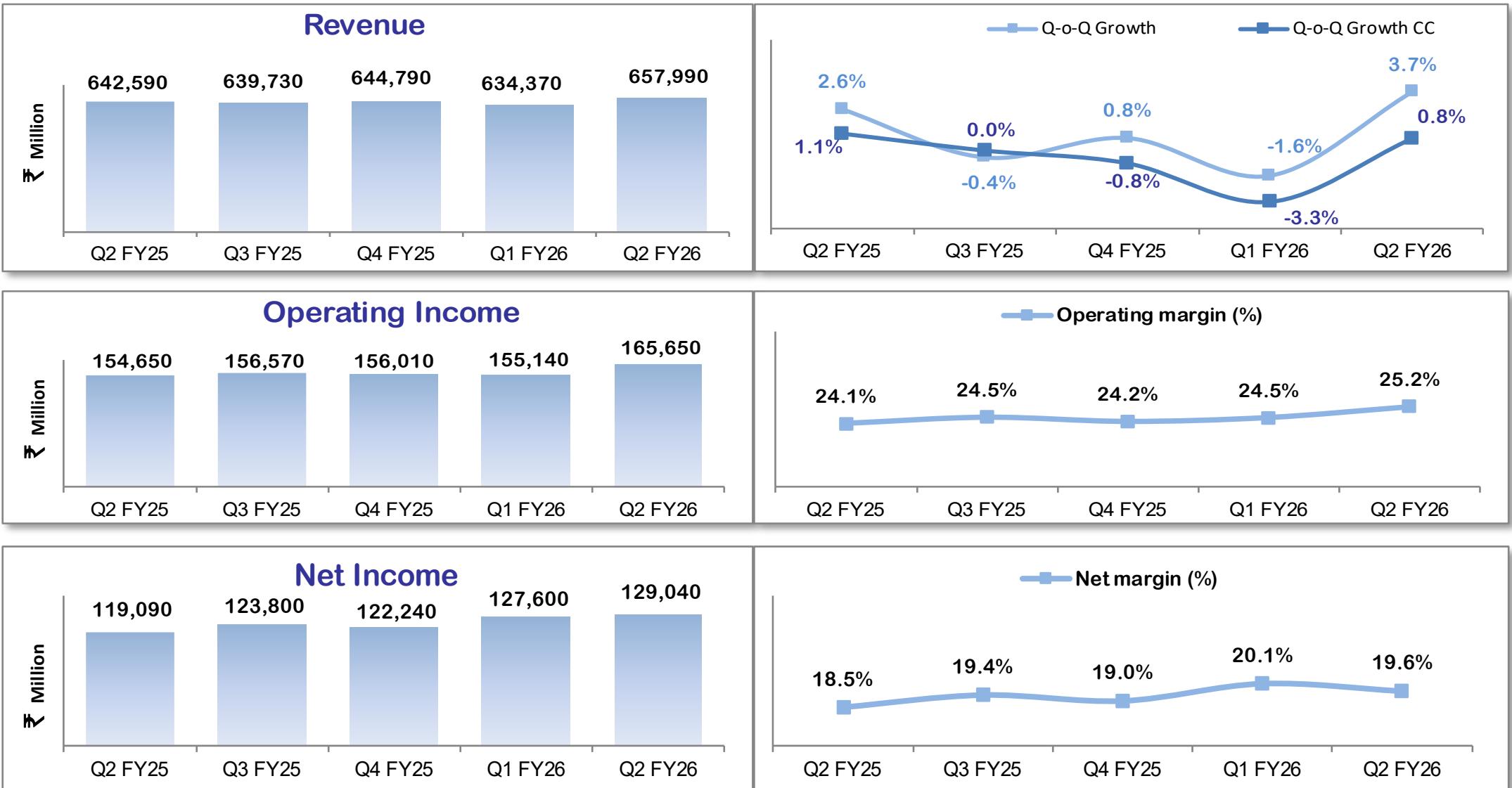
- Clients \$100M+ down by 2 ; \$50M+ up by 5, \$10M+ up by 3 & \$1M+ up by 24 QoQ
- Order book TCV at \$10 Bn; North America TCV at \$4.3 Bn; BFSI TCV at \$3.2 Bn, Consumer Business TCV at \$1.8 Bn

➤ People:

- Closing headcount: **593,314**
- Voluntary LTM attrition at **13.3%** in IT Services

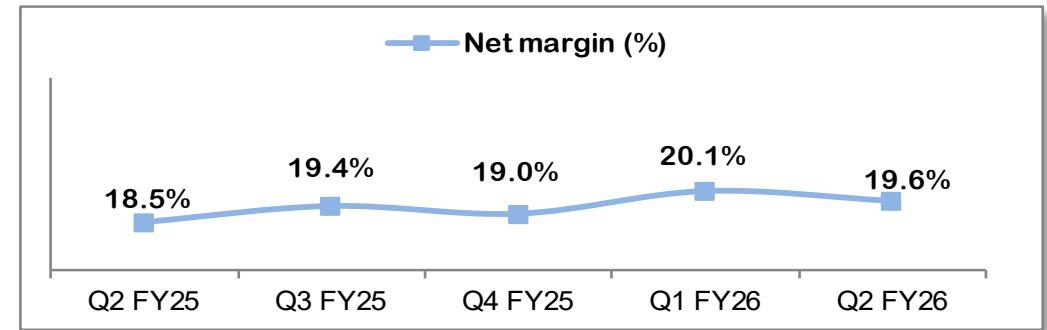
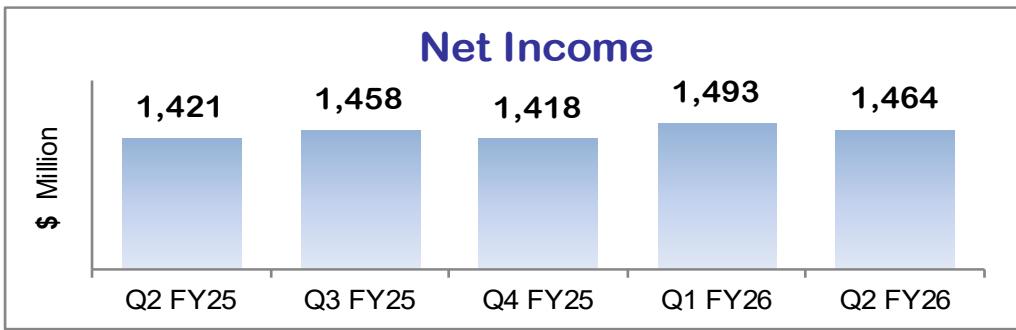
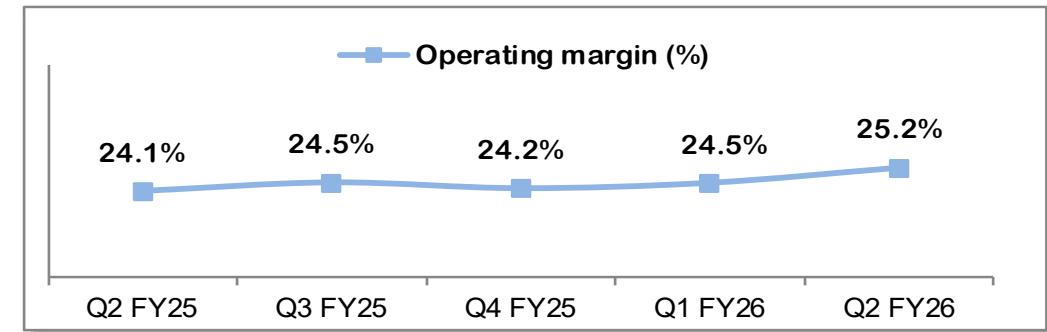
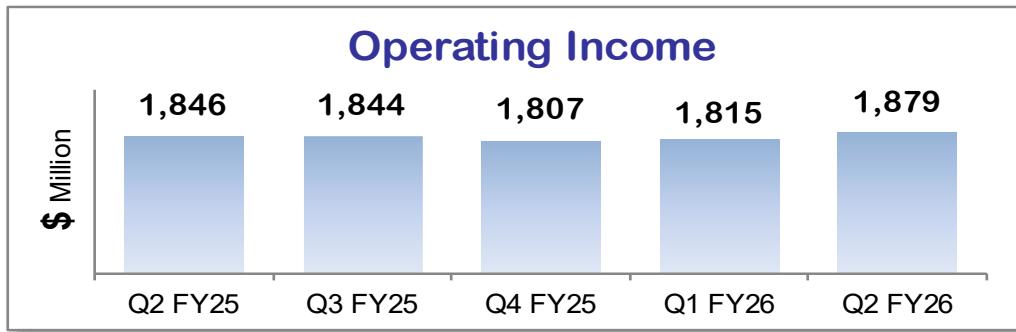
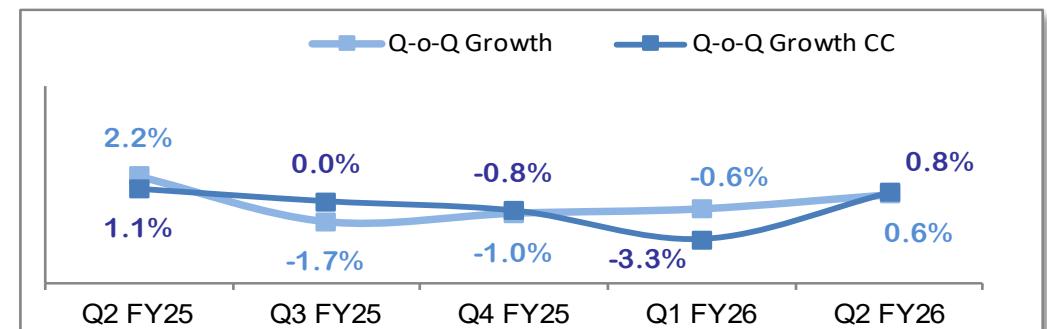
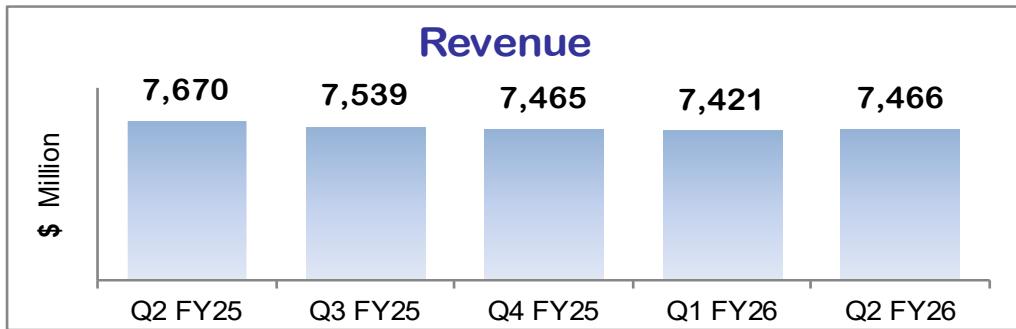
*excludes one off re-structuring expenses of Rs 1,135 Crore.

Growth Summary (INR)



*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

Growth Summary (USD)



*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn.

Operational Parameters

Growth by Market

| Geography (%) | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q-o-Q CC Growth | Y-o-Y CC Growth | Q-o-Q INR Growth | Y-o-Y INR Growth |
|---------------------|--------------|--------------|--------------|--------------------|--------------------|---------------------|---------------------|
| Americas | | | | | | | |
| North America | 47.6 | 48.7 | 48.8 | 0.8 | - 0.1 | 3.9 | 5.0 |
| Latin America | 1.8 | 1.9 | 1.9 | 0.3 | 1.8 | 5.5 | 7.4 |
| Europe | | | | | | | |
| UK | 17.0 | 18.0 | 17.5 | - 1.4 | - 1.9 | 0.7 | 5.2 |
| Continental Europe | 14.6 | 15.0 | 15.3 | 1.4 | - 3.0 | 6.0 | 7.6 |
| Asia Pacific | | | | | | | |
| India | 8.9 | 5.8 | 5.8 | 4.0 | - 33.3 | 4.1 | - 33.3 |
| MEA | 2.1 | 2.2 | 2.4 | 5.9 | 12.7 | 9.8 | 19.1 |
| Total | 100.0 | 100.0 | 100.0 | 0.8 | -3.3 | 3.7 | 2.4 |

Growth by Domain

| Vertical (%) | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q-o-Q CC Growth | Y-o-Y CC Growth | Q-o-Q INR Growth | Y-o-Y INR Growth |
|---------------------------------|--------------|--------------|--------------|--------------------|--------------------|---------------------|---------------------|
| BFSI | 30.8 | 32.0 | 32.2 | 1.1 | 1.0 | 4.3 | 7.0 |
| Consumer Business | 15.2 | 15.6 | 15.3 | -1.0 | -2.9 | 2.2 | 3.5 |
| Life Sciences & Healthcare | 10.3 | 10.2 | 10.5 | 3.4 | -2.2 | 6.7 | 3.9 |
| Manufacturing | 8.6 | 8.7 | 8.8 | 1.6 | -1.1 | 5.0 | 5.4 |
| Technology & Services | 8.0 | 8.4 | 8.5 | 1.8 | 2.8 | 5.2 | 9.4 |
| Communication & Media | 5.9 | 5.8 | 5.9 | 0.8 | -5.1 | 3.8 | 0.7 |
| Energy, Resources and Utilities | 5.7 | 5.9 | 5.9 | 0.6 | 0.2 | 3.9 | 5.9 |
| Regional Markets & Others | 15.5 | 13.4 | 12.9 | -1.1 | -18.1 | -0.1 | -14.8 |
| Total | 100.0 | 100.0 | 100.0 | 0.8 | -3.3 | 3.7 | 2.4 |

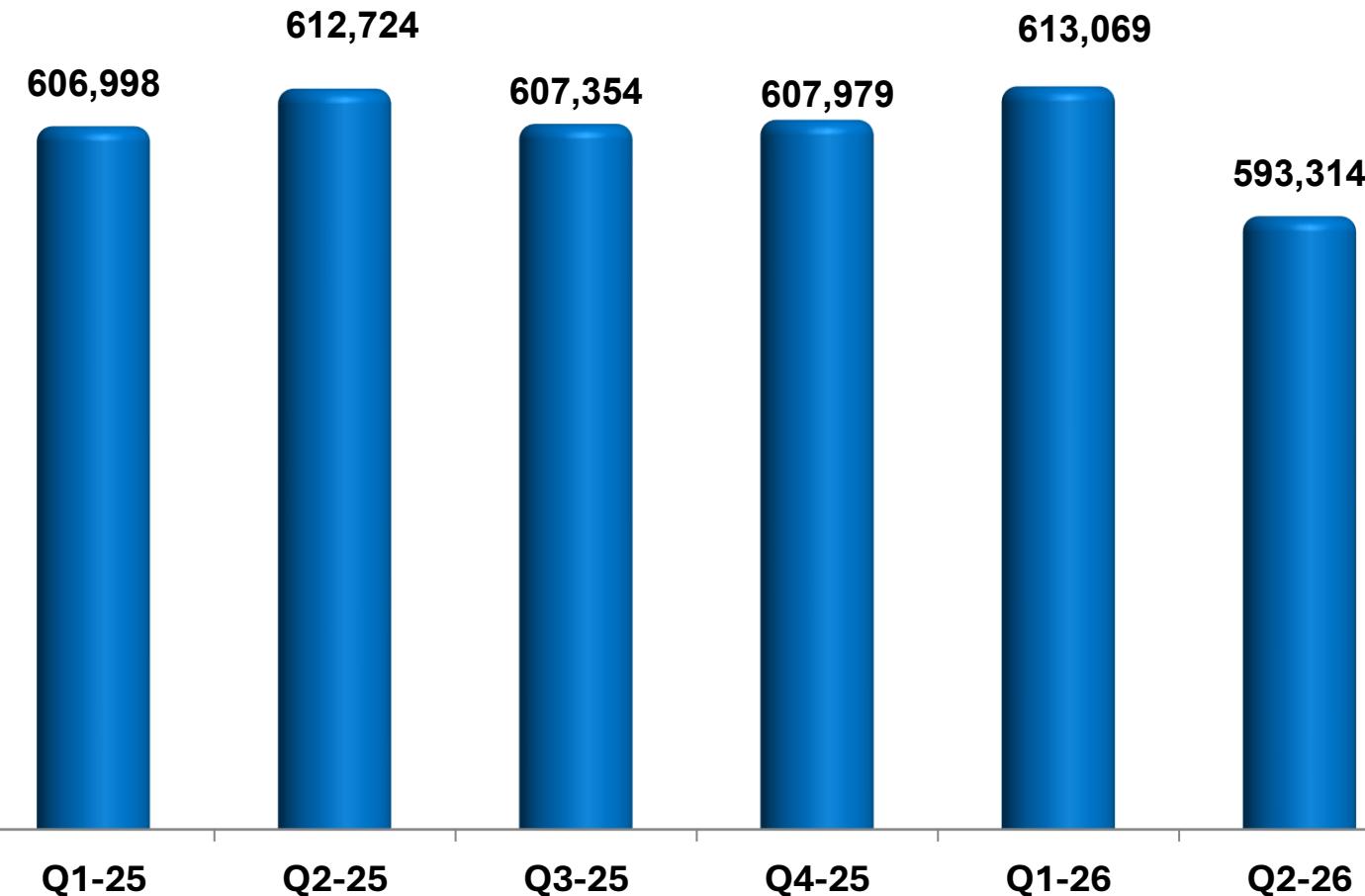
Client Parameters

| Clients Contribution | Q2 FY25 | Q1 FY26 | Q2 FY26 |
|----------------------|---------|---------|-------------|
| US\$ 1m+ Clients | 1307 | 1336 | 1360 |
| US\$ 5m+ Clients | 710 | 714 | 707 |
| US\$ 10m+ Clients | 491 | 495 | 498 |
| US\$ 20m+ Clients | 298 | 300 | 302 |
| US\$ 50m+ Clients | 136 | 131 | 136 |
| US\$ 100m+ Clients | 66 | 62 | 60 |

*Last Twelve Months' services revenues

Human Resources

Total Employee Base



Voluntary Attrition*:

- 13.3% (LTM), IT Services

Diversity:

- 35.2 % Women employees
- 149 Nationalities

*Excluding Subsidiaries

Talent Development:

- 33.4Mn Learning Hrs (YTD)
- 2.6Mn competencies acquired (YTD)
- 159K associates with higher proficiency in AI / ML (YTD)

Annexure

IFRS Income Statement

| Consolidated IFRS | ₹ Million | | | % of Revenue | | |
|-----------------------------------|----------------|----------------|----------------|--------------|--------------|--------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Revenue | 642,590 | 634,370 | 657,990 | 100.0 | 100.0 | 100.0 |
| Cost of revenue | 397,200 | 386,120 | 397,580 | 61.8 | 60.8 | 60.4 |
| Gross margin | 245,390 | 248,250 | 260,410 | 38.2 | 39.2 | 39.6 |
| SG & A expenses | 90,740 | 93,110 | 94,760 | 14.1 | 14.7 | 14.4 |
| Operating income | 154,650 | 155,140 | 165,650 | 24.1 | 24.5 | 25.2 |
| Other income (expense), net | 5,670 | 14,650 | 6,380 | 0.9 | 2.3 | 0.9 |
| Income before income taxes | 160,320 | 169,790 | 172,030 | 25.0 | 26.8 | 26.1 |
| Income taxes | 40,770 | 41,600 | 42,430 | 6.4 | 6.6 | 6.4 |
| Income after income taxes | 119,550 | 128,190 | 129,600 | 18.6 | 20.2 | 19.7 |
| Non-controlling interests | 460 | 590 | 560 | 0.1 | 0.1 | 0.1 |
| Net income | 119,090 | 127,600 | 129,040 | 18.5 | 20.1 | 19.6 |
| Earnings per share in ₹ | 32.92 | 35.27 | 35.67 | | | |

*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

COR – SG&A Details

| COR | ₹ Million | | | % of Revenue | | |
|------------------------------|----------------|----------------|----------------|--------------|-------------|-------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Employee cost | 292,670 | 301,960 | 308,920 | 45.5 | 47.6 | 46.9 |
| Fees to external consultants | 28,070 | 30,630 | 33,090 | 4.4 | 4.8 | 5.0 |
| Equipment and software | 32,300 | 7,260 | 9,670 | 5.0 | 1.1 | 1.5 |
| Facility expenses | 5,360 | 5,940 | 5,540 | 0.8 | 0.9 | 0.8 |
| Depreciation | 9,860 | 10,670 | 10,930 | 1.5 | 1.7 | 1.7 |
| Travel | 6,110 | 6,070 | 5,850 | 1.0 | 1.0 | 0.9 |
| Communication | 4,040 | 4,320 | 4,610 | 0.6 | 0.7 | 0.7 |
| Other expenses | 18,790 | 19,270 | 18,970 | 3.0 | 3.0 | 2.9 |
| Cost of Revenue | 397,200 | 386,120 | 397,580 | 61.8 | 60.8 | 60.4 |
| SG&A | ₹ Million | | | % of Revenue | | |
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Employee cost | 73,870 | 75,190 | 77,140 | 11.5 | 11.9 | 11.7 |
| Fees to external consultants | 1,820 | 1,760 | 1,650 | 0.3 | 0.3 | 0.3 |
| Facility expenses | 3,300 | 3,220 | 3,330 | 0.5 | 0.5 | 0.5 |
| Depreciation | 2,810 | 2,940 | 3,200 | 0.4 | 0.5 | 0.5 |
| Travel | 2,030 | 2,310 | 2,010 | 0.3 | 0.4 | 0.3 |
| Communication | 1,980 | 1,880 | 1,870 | 0.3 | 0.3 | 0.3 |
| Provision for Doubtful Debts | 190 | 250 | 380 | 0.0 | 0.0 | 0.1 |
| Other expenses | 4,740 | 5,560 | 5,180 | 0.8 | 0.8 | 0.7 |
| S G & A expenses | 90,740 | 93,110 | 94,760 | 14.1 | 14.7 | 14.4 |

*Q2 FY26 excludes one off re-structuring expenses of Rs 11,350 Mn.

Cash Flow Summary

| IFRS in ₹ Mn | Q2 FY25 | Q1 FY26 | Q2 FY26 |
|---------------------------------------|---------|---------|---------|
| Net Cash from Operations | 119,320 | 128,040 | 132,930 |
| Capital Expenditure | 8,060 | 14,040 | 12,010 |
| Free Cash Flow | 111,260 | 114,000 | 120,920 |
| Dividends Paid | 36,470 | 109,400 | 40,210 |
| Operating Cash Flow to Sales (%) | 18.6 | 20.2 | 20.2 |
| Operating Cash Flow to Net Profit (%) | 100.2 | 100.3 | 110.1 |
| Total Cash and Investments | 539,660 | 487,040 | 559,500 |

IFRS Statement of Financial Position

| Consolidated IFRS | ₹ Million | |
|---|------------------|------------------|
| | 31-Mar-25 | 30-Sep-25 |
| Assets | | |
| Property and equipment | 129,320 | 135,850 |
| Right-of-use Assets | 92,750 | 106,920 |
| Intangible assets and Goodwill | 49,640 | 47,470 |
| Accounts Receivable | 502,330 | 543,010 |
| Unbilled Revenues | 154,700 | 166,340 |
| Invested Funds | 472,220 | 559,500 |
| Other current assets | 124,860 | 116,330 |
| Other non current assets | 91,730 | 98,030 |
| Total assets | 1,617,550 | 1,773,450 |
| Liabilities and Shareholders' Equity | | |
| Shareholders' Funds | 968,820 | 1,085,410 |
| Current liabilities | 530,010 | 552,840 |
| Non-current liabilities | 108,570 | 124,740 |
| Non-controlling interests | 10,150 | 10,460 |
| Total Liabilities | 1,617,550 | 1,773,450 |

Detailed financials are uploaded.

IFRS Income Statement – In USD

| Consolidated IFRS | \$ Million | | | % of Revenue | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Revenue | 7,670 | 7,421 | 7,466 | 100.0 | 100.0 | 100.0 |
| Cost of revenue | 4,741 | 4,517 | 4,512 | 61.8 | 60.8 | 60.4 |
| Gross margin | 2,929 | 2,904 | 2,954 | 38.2 | 39.2 | 39.6 |
| SG & A expenses | 1,083 | 1,089 | 1,075 | 14.1 | 14.7 | 14.4 |
| Operating income | 1,846 | 1,815 | 1,879 | 24.1 | 24.5 | 25.2 |
| Other income (expense), net | 68 | 172 | 73 | 0.9 | 2.3 | 0.9 |
| Income before income taxes | 1,914 | 1,987 | 1,952 | 25.0 | 26.8 | 26.1 |
| Income taxes | 487 | 487 | 482 | 6.4 | 6.6 | 6.4 |
| Income after income taxes | 1,427 | 1,500 | 1,470 | 18.6 | 20.2 | 19.7 |
| Non-controlling interests | 6 | 7 | 6 | 0.1 | 0.1 | 0.1 |
| Net income | 1,421 | 1,493 | 1,464 | 18.5 | 20.1 | 19.6 |
| Earnings per share in \$ | 0.39 | 0.41 | 0.40 | | | |

*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn. (refer note 22 to Financial Statements)

COR – SG&A Details – In USD

| COR | \$ Million | | | % of Revenue | | |
|------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Employee cost | 3,493 | 3,532 | 3,505 | 45.5 | 47.6 | 46.9 |
| Fees to external consultants | 335 | 358 | 376 | 4.4 | 4.8 | 5.0 |
| Equipment and software | 386 | 85 | 110 | 5.0 | 1.1 | 1.5 |
| Facility expenses | 64 | 69 | 63 | 0.8 | 0.9 | 0.8 |
| Depreciation | 118 | 125 | 124 | 1.5 | 1.7 | 1.7 |
| Travel | 73 | 71 | 66 | 1.0 | 1.0 | 0.9 |
| Communication | 48 | 51 | 52 | 0.6 | 0.7 | 0.7 |
| Other expenses | 224 | 226 | 216 | 3.0 | 3.0 | 2.9 |
| Cost of Revenue | 4,741 | 4,517 | 4,512 | 61.8 | 60.8 | 60.4 |
| SG&A | \$ Million | | | % of Revenue | | |
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Employee cost | 882 | 880 | 875 | 11.5 | 11.9 | 11.7 |
| Fees to external consultants | 22 | 21 | 19 | 0.3 | 0.3 | 0.3 |
| Facility expenses | 39 | 38 | 38 | 0.5 | 0.5 | 0.5 |
| Depreciation | 34 | 34 | 36 | 0.4 | 0.5 | 0.5 |
| Travel | 24 | 27 | 23 | 0.3 | 0.4 | 0.3 |
| Communication | 24 | 22 | 21 | 0.3 | 0.3 | 0.3 |
| Provision for Doubtful Debts | 2 | 3 | 4 | 0.0 | 0.0 | 0.1 |
| Other expenses | 56 | 64 | 59 | 0.8 | 0.8 | 0.7 |
| SG&A expenses | 1,083 | 1,089 | 1,075 | 14.1 | 14.7 | 14.4 |

*Q2 FY26 excludes one off re-structuring expenses of \$129 Mn. (refer note 22 to Financial Statements)

IFRS Statement of Financial Position in USD

| Consolidated IFRS | \$ Million | |
|---|---------------|---------------|
| | 31-Mar-25 | 30-Sep-25 |
| Assets | | |
| Property and equipment | 1,514 | 1,530 |
| Right-of-use Assets | 1,086 | 1,204 |
| Intangible assets and Goodwill | 580 | 535 |
| Accounts Receivable | 5,880 | 6,115 |
| Unbilled Revenues | 1,811 | 1,873 |
| Invested Funds | 5,526 | 6,301 |
| Other current assets | 1,458 | 1,310 |
| Other non current assets | 1,076 | 1,104 |
| Total assets | 18,931 | 19,972 |
| Liabilities and Shareholders' Equity | | |
| Shareholders' Funds | 11,337 | 12,222 |
| Current liabilities | 6,202 | 6,225 |
| Non-current liabilities | 1,270 | 1,405 |
| Non-controlling interests | 122 | 120 |
| Total Liabilities | 18,931 | 19,972 |

Detailed financials are uploaded.

Ind AS Income Statement - Consolidated

| Consolidated Ind AS | ₹ Crore | | | % of Revenue | | |
|--|---------------|---------------|---------------|--------------|--------------|--------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| Revenue | 64,259 | 63,437 | 65,799 | 100.0 | 100.0 | 100.0 |
| Expenditure | | | | | | |
| a) Employee Costs | 36,654 | 37,715 | 38,606 | 57.0 | 59.5 | 58.7 |
| b) Cost of equipment and software licences | 3,230 | 726 | 967 | 5.0 | 1.1 | 1.5 |
| c) Other Operating expenses | 7,644 | 8,121 | 8,248 | 11.9 | 12.8 | 12.5 |
| d) Depreciation | 1,266 | 1,361 | 1,413 | 2.0 | 2.1 | 2.1 |
| Total Expenditure | 48,794 | 47,923 | 49,234 | 75.9 | 75.5 | 74.8 |
| Profit Before Taxes & Other Income | 15,465 | 15,514 | 16,565 | 24.1 | 24.5 | 25.2 |
| Other income (expense), net | 567 | 1,465 | 638 | 0.9 | 2.3 | 0.9 |
| Profit Before Taxes | 16,032 | 16,979 | 17,203 | 25.0 | 26.8 | 26.1 |
| Provision For Taxes | 4,077 | 4,160 | 4,243 | 6.4 | 6.6 | 6.4 |
| Profit After Taxes & Before Non-controlling interests | 11,955 | 12,819 | 12,960 | 18.6 | 20.2 | 19.7 |
| Non-controlling interests | 46 | 59 | 56 | 0.1 | 0.1 | 0.1 |
| Net Profit | 11,909 | 12,760 | 12,904 | 18.5 | 20.1 | 19.6 |
| Earnings per share in ₹ | 32.92 | 35.27 | 35.67 | | | |

*Q2 FY26 excludes one off re-structuring expenses of Rs 1,135 Crore. (refer note 22 to Financial Statements)

Ind AS Balance Sheet - Consolidated

| Consolidated Ind AS | ₹ Crore | |
|---|----------------|----------------|
| | 31-Mar-25 | 30-Sep-25 |
| Assets | | |
| Property and equipment | 12,524 | 13,107 |
| Right-of-use Assets | 9,275 | 10,692 |
| Intangible assets and Goodwill | 2,800 | 2,571 |
| Accounts Receivable | 50,233 | 54,301 |
| Unbilled Revenues | 15,470 | 16,634 |
| Invested Funds | 47,222 | 55,950 |
| Other current assets | 12,486 | 11,633 |
| Other non current assets | 9,619 | 10,331 |
| Total Assets | 159,629 | 175,219 |
| Liabilities and Shareholders' Equity | | |
| Shareholders' Funds | 94,756 | 106,415 |
| Current liabilities | 53,001 | 55,284 |
| Non-current liabilities | 10,857 | 12,474 |
| Non-controlling interests | 1,015 | 1,046 |
| Total Liabilities | 159,629 | 175,219 |

Detailed financials are uploaded.

Currency mix and average realized rates in INR

| Currency | Average rates | | | % of Revenue | | |
|--------------|---------------|---------|---------|----------------|----------------|----------------|
| | Q2 FY25 | Q1 FY26 | Q2 FY26 | Q2 FY25 | Q1 FY26 | Q2 FY26 |
| USD | 83.78 | 85.49 | 88.13 | 49.32% | 49.73% | 49.79% |
| GBP | 110.23 | 115.80 | 118.11 | 14.86% | 15.78% | 15.16% |
| EUR | 92.41 | 98.04 | 102.70 | 11.15% | 11.65% | 11.73% |
| Others | | | | 24.67% | 22.84% | 23.32% |
| Total | | | | 100.00% | 100.00% | 100.00% |

Thank you