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TCS Starts FY2025 on a Strong Note with Broad-Based Growth

- Revenue at **US$7.51 billion**; Growth of **+3.9%** YoY, **+4.4%** in CC

- All Major Markets Return to Sequential Growth; Very Strong Double-digit growth in Emerging Markets, led by India **(+61.8% YoY)**

- Almost all Verticals Return to Sequential Growth; YoY Growth led by Manufacturing **(+9.4%)**, Energy, Resources & Utilities **(+5.7%),** and Life Sciences & Healthcare **(+4.0**%)

- Operating Margin at **24.7%**; Net Margin at **19.2%**

- Net Headcount addition of **5,452;** LTM Attrition further down to **12.1%**

MUMBAI, July 11, 2024: Tata Consultancy Services (BSE: 532540, NSE: TCS) reported its consolidated financial results according to Ind AS and IFRS, for the quarter ending June 30, 2024.

Highlights of the Quarter Ended June 30, 2024

- Revenue at **US$7.51 billion**, **+3.9%** YoY, **+4.4**% YoY in Constant Currency

- Operating Margin at **24.7%**; an expansion of **1.5%** YoY

- Net Income at **US$1.44 billion**, +**8.7%** YoY **|** Net Margin at **19.2%**

- Net Cash from Operations at **US$1.34 billion** i.e. **92.8%** of Net Income

- Workforce strength: **606,998** | Net Headcount addition of **5,452**

- Diverse and inclusive workplace: Women in the workforce: **35.5% | 151** Nationalities

- LTM IT Services attrition rate at **12.1%**

- Dividend per share: ₹ **10.00** | *Record date 20/07/2024 | Payment date 05/08/2024*

K Krithivasan, Chief Executive Officer and Managing Director, said: *"I am pleased to report a strong start to the new fiscal year with all-round growth across industries and markets. We are continuing to expand our client relationships, create new capabilities in emerging technologies and invest in innovation, including a new AI-focused TCS PacePort™ in France, IoT lab in the US and expanding our delivery centers in Latin America, Canada and Europe."*

Samir Seksaria, Chief Financial Officer, said: *"In spite of the usual impact of the annual wage increments in this quarter, we have delivered strong operating margin performance, validating our efforts towards operational excellence. We remain focused on making the right investments in R&I and talent, strengthening our superior return ratios and creating long term value for our stakeholders."*

Milind Lakkad, **Chief HR Officer,** said: *"I am delighted to announce the successful completion of our annual increment process. Our continued focus on employee engagement and development led to industry-leading retention and strong business performance, with the net headcount addition being a matter of immense satisfaction."*

Q1 FY25 Segment Highlights

Growth by Domain

Industry	Composition (%)		Y-o-Y CC Growth (%)
	Q1 FY24	Q1 FY25	
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**

Growth by Markets

Geography	Composition (%)		Y-o-Y CC Growth (%)
	Q1 FY24	Q1 FY25	
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	7.8	7.8	7.6
India	4.9	7.5	61.8
MEA	2.0	2.0	8.5
Total	**100.0**	**100.0**	**4.4**

Services: Clients prioritized initiatives that are making their products and services smarter, uplifting productivity while transcending the next Gen technology levers like GenAI, IoT and others.

Win themes across key deals involved operating model transformation, vendor consolidation, legacy modernization, M&A, customer experience, digital workplace services, ER&D, Identity & access management and AI/GenAI initiatives.

AI.Cloud, Cyber Security and Enterprise Solutions led the growth this quarter.

We launched new labs, Centers of Excellence and Delivery Centers focused on AI, IoT (Internet of Things) and Digital Engineering. We have also further expanded our partnership and alliances ecosystem by onboarding new partners in the areas of E&RD (utilities, Process industry and Consumer Products industry segments), Cyber Security (cloud workload and endpoint security, threat intelligence, and cyberattack response services), AI/Gen AI, e-commerce platforms, business consulting for Public Sector and Enterprise Integration Services. We continue to see significant global recognition across all our service offerings.

- **AI.Cloud:** We continued to have strong growth momentum with clients continuing to prioritize AI infused Cloud adoption journeys. In this quarter, over 270 AI/GenAI engagements have been deployed or are in various stages of progress. Engagements that have successfully gone live include those enabling dynamic pricing strategies, improved product quality, transformed customer experience and significant productivity uplift in business operations, software development & IT Operations amongst others. We launched the TCS AI WisdomNext™, a platform that aggregates multiple GenAI services into a single interface and enables organizations to rapidly adopt next-gen technologies at scale, efficiently and within regulatory frameworks. We are now a launch partner for the Google Cloud Generative AI Services Specialization. We also won multiple awards from Google and Microsoft at their flagship events.

- **Cyber Security:** Cyber Security Services continued to see strong growth this quarter. Our clients prioritized Network security, Identity and Access Management modernization, Risk & Compliance and Cloud Security. We are also seeing good traction for Security Operations transformation, Ransomware resiliency, Secure Gen AI and Attack Surface Management across geographies. This quarter we also expanded our offerings and partnerships significantly.

- **Enterprise Solutions:** Clients continue to invest in their digital core ERP modernization. They are partnering with TCS in their business and CX transformation journey for solutions in supply chain optimization, claim modernization, sustainability and reimagining sales & service channels. GenAI is an area of interest across industries. Our transformation approach, along with our contextual knowledge and industry pre-configured solutions including TCS Crystallus™ are enabling customers to accelerate their growth and transformation journeys. We will continue to invest and strengthen our joint go-to-market approach with our partners.

- **IoT & Digital Engineering:** Clients are focusing on IoT-led digital transformation and ER&D. The growth continues to be driven by demand for digital transformation across connected plants, connected services and industrial product engineering. Key services leading the growth included Manufacturing Execution Systems (MES), Smart Manufacturing, Connected Platform Services (IoT), Electric Vehicles & Software Defined Vehicles, Sustainability including Energy Management. IoT driven transformation across connected devices and manufacturing is seeing higher adoption, along with Industrial AI.

- **Cognitive Business Operations:** This quarter we saw strong bookings led by large deals, reflecting a robust demand for our Business Process and Infrastructure services. The key demand themes were M&A, operating model transformation, digitization of business processes and vendor consolidation. TCS saw significant deal wins in digital workplace services, automation, network transformation, Shrink Analytics and CX transformation. Our approach led by modern tech-led transformation & assets such as ignio™, Cognix™ & MFDM™ is gaining good traction.

- **TCS Interactive:** Our interactive services saw good growth this quarter across multiple offerings. This quarter marked significant recognition of our capabilities across various channels. AdAge ranked TCS among the world's 30 largest agencies (#13), and we are now ranked among the top 4 Digital Agencies. We showcased our capabilities at POSSIBLE and launched the first ever CMO-CIO collaboration study in partnership with IRG at Cannes Lions.

Key Highlights

- Expanded partnership with **Xerox** to develop a new agile, cloud-first operating model in an end-to-end transformation program designed to fast track the evolution of the company to a simplified, services-led, software-enabled organization. TCS will consolidate Xerox's technology services to improve business outcomes, migrate complex legacy data centers to the Azure public cloud, deploy a cloud-based Digital ERP platform to transform business processes and incorporate GenAI into operations to help drive sustainable growth

- Collaborated with **IIT-Bombay** to develop India's first **Quantum Diamond Microchip Imager**. This advanced sensing tool will hold the potential to unlock new levels of precision in the examination of semiconductor chips, reduce chip failures and improve the energy efficiency of electronic devices. The project is aligned with the Government of India's National Quantum Mission – an initiative to position the nation as a global quantum technology leader.

- Launched the **Bringing Life to Things™ Lab** in **Cincinnati, Ohio,** to support the rapid prototyping, experimentation, and large-scale implementation of AI, GenAI, and IoT engineering solutions, assisting clients in bringing innovative solutions to life faster and more efficiently. This lab will advance the deployment of comprehensive suite of IoT solutions, including TCS Clever Energy™, TCS Digital Manufacturing Platform™ (DMP) and Digifleet™, among others.

- Selected by a **leading American provider** of higher educational services and products for Infrastructure Managed Services. TCS will transform their current operating model with a Machine First™ approach and automation capabilities and platforms leveraging Cloud Exponence™ and Cognix™, coupled with strong contextual knowledge to establish NextGen IT operations with continued focus on service improvements and advanced automation. This will enable value maximization and agility, improve user experience, and drive operational excellence.

- Selected by **Burgan Bank**, a leading commercial bank in Kuwait, to redefine customer experience and create a modern core banking solution that strengthens its position as a pioneer of progressive banking in the region. The bank will deploy TCS BaNCS™ to consolidate multiple standalone legacy applications into a contemporary universal banking solution that drives innovation and strengthens customer relationships. The solution will come pre-integrated with TCS BaNCS' digital and core banking, payments and wealth management, and partner solutions for CRM, finance and risk reporting, including compliance.

- Set up a **Global Artificial Intelligence (AI) Center of Excellence in Paris**, which will focus on the brain-machine interface, developing empathy in machines and unleashing the creativity of AI. The center will leverage TCS' global ecosystem of startups, academia, and research organizations to

bring the best of global capabilities to French companies. The impact areas shall include some of the key priorities listed in France's National Strategy for AI, as part of the France 2030 plan.

- Chosen as a strategic partner by a **leading American home improvement retailer**, to establish a Next-Gen technology and data architecture landscape to transform to an AI ready enterprise. TCS will leverage its contextual knowledge, thought leadership, technology capabilities and a cloud first approach to enable the complex transformation of customer experiences, interconnected retail, stores modernization, merchandizing & supply chain, finance and data & insights. This will create a clear differentiation against their competitors, drive efficiency and improve resilience.

Customer Speak

"This digital transformation initiative is an important enabler for reinventing our operating model to simplify our geographical, offering, and operational footprint while transforming our clients' experience. We believe TCS is the right partner to deliver such a complex program given their proven experience both within Xerox and across the industry."

Tino Lancellotti, Chief Information Officer, Xerox

"We have embarked on a very broad technology and digital transformation journey that will create an integrated banking ecosystem; one that not only meets the current market expectations but also exceeds them. Modernizing our core systems will support our ongoing focus on innovation and delivering value to our customers through defining personalized offerings and intuitive, streamlined experiences. This will pave the way for sustainable growth. We have selected TCS BaNCS, which is widely used by banks in the region, to create a complete solution that will address our twin objectives of leading innovation and delivering excellent customer experience."

Tony Daher, Group Chief Executive Officer, Burgan Bank

"PostNord and TCS share a strong partnership that spans many years. TCS's ability to combine research and modern technology to create innovation is something I value highly in our collaboration. The fact that some of our joint innovations and ground-breaking projects have received attention and won innovation awards is further proof of this."

Christian Oestergaard, Lead Visionary, PostNord

"Banking made simple leading to seamless customer experience is our priority at ING. Therefore, we embarked on a journey to modernize our technology landscape, provide users with enhanced digital experiences, and partnered with TCS to future-proof and simplify our technologies and business applications. This modernization initiative enables us to minimize operational and licensing costs, simplify technology stack and lower our carbon footprint."

Bahadir Samli, CIO, ING Belgium

Research and Innovation

As on **June 30, 2024**, the company has applied for **8,194** patents, including **154** applied during the quarter, and has been granted **4,146** patents including **227** granted during the quarter.

Human Resources

TCS' workforce stood at **606,998** as on June 30th. The employee base is very diverse, with **35.5%** women and with **151** nationalities.

TCSers have clocked **11 million** learning hours and acquired **1.2 million** competencies. IT services' attrition was at **12.1%** for the last twelve months.

Awards and Recognition

- Named among **Top 50** brands in **Kantar BrandZ Most Valuable Global Brands** report, showcasing a brand value growth of 7% in the past year, touching $44.79 B.

- Ranked **#1** in **Top Companies to Work for in India 2024** by **LinkedIn**; Featured in LinkedIn Top Companies to Work for List in UK and Switzerland.

- Named as one of the **100 Best Companies to Work for in Spain in 2024** by **Forbes Spain**, for the second consecutive year.

- Recognized as one of the **50 Most Community-Minded Companies** in the **United States**.

- TCS North America won the **Golden Bridge Awards 2024** in two categories—**Gold** in **Outstanding Employee Engagement Strategy** and **Silver** in Diversity achievement and capability enhancement through mindset shifts.

- **TCS CodeVita** won the **Business World Merit Award 2024** from **Business World** under the **Persistent Long Running Campaign** category.

- Won the **Global System Integrator Award** at the **FICO Partner Awards 2024** for deep domain expertise.

- Won the **"BPO Service Provider of the Year Award"** at **Shared Services and Outsourcing Networking SSON's 24th Annual European Impact Awards** in Lisbon, Portugal.

- Ranked **#6** in **North America's Top 100 Inspiring Workplaces** by **The Inspiring Workplaces Group Ltd** for TCS' 'people-first' approach.

- Ranked **#2** in **CRN Magazine's Annual Solution Provider 500 List** in North America.

- Awarded the **Social Impact Partner of the Year** Award by **Automation Anywhere** for exemplified brilliance and responsibility towards customer success.

- Won **Gold** in **Most Committed to ESG** and **Most Committed to DEI** categories at the **Finance Asia's Best Companies Poll 2024**.

- Awarded **Platinum** in **Best Country Excellence – Thailand and Philippines** at the **16th Annual Global CSR & ESG Summit and Awards** by **TPGI**.

- Won the **Energy Efficiency Initiative Award** at the **Business & Finance ESG Awards** by **Climeaction** in Ireland, for delivering energy-efficient excellence at the TCS Global Delivery Centre in Letterkenny.

- Ranked **#1** in the **DCH Annual Ranking** for **companies committed to promoting young talent** in **Latin America**.

- Recognized with three **2024 Google Cloud Partner of the Year Awards**, one each in **Global Expansion, Data Management** and **Talent Development for APAC.**

- Awarded the Global System Integrator (GSI) **Microsoft Partner of the Year Award** in Denmark and Canada.

- **TCS Ultimatix DevOps Center of Excellence (CoE)** won the **DASA DevOps Awards 2024** in the Best Transformation Team category.

- Awarded the **Regional Winner for APAC** at the **IBM AI for Business 2024 Partner Award**s for scaling and accelerating the impact of AI through applications, automating workflows, and driving business value.

Industry Analyst Assessments

TCS was ranked a Leader in **42** competitive assessments published by leading research firms in Q1FY25. In 2 of these, marked with * in the table below, TCS was positioned the foremost leader or ranked #1.

Analyst Firm	Firm Report Type	Report Title
PAC	Ranking Report	**Software & IT Services - Vendor Rankings - UK (Overall IT Services – TCS ranks #1) ***
PAC	Ranking Report	Software & IT Services - Vendor Rankings - UK (TCS ranks #2)
PAC	Ranking Report	Top 15 IT Services in Americas (TCS ranks #4)
IDC	MarketScape	IDC MarketScape: Asia/Pacific Sustainability/ESG Program Management Services 2024 Vendor Assessment
IDC	Ranking Report	Asia/Pacific (Excluding Japan) Systems Integration Services Market Share, 2023: IDC's Top 10 Vendors (TCS ranks #5)
IDC	Ranking Report	Worldwide Services Market Shares, 2023: Market Remains Steady Despite Economic Uncertainties (TCS ranks #5)
Avasant	RADAR	Applied AI Services 2024 RadarView™
HFS	Horizons	HFS Horizons: Industry Cloud Service Providers, 2024
HFS	Horizons	HFS Horizons: Supply Chain Services, 2024
NelsonHall	NEAT	Supply Chain Transformation for Sustainability 2024
Everest	PEAK Matrix	Sustainability Enablement Technology Services PEAK Matrix® Assessment 2024
NelsonHall	NEAT	Wealth & Asset Management Services 2024
Everest	PEAK Matrix	Capital Markets IT Services PEAK Matrix® Assessment 2024
Avasant	RADAR	Banking Digital Services 2024 RadarView™
Avasant	RADAR	Banking Process Transformation 2024 RadarView™
Everest	PEAK Matrix	Guidewire Services PEAK Matrix® Assessment 2024
HFS	Horizons	HFS Horizons: High-Tech Services, 2024
IDC	MarketScape	IDC MarketScape: North America State and Local Government Cloud Professional Services 2024 Vendor Assessment
Avasant	RADAR	Manufacturing Digital Services 2024 RadarView™

Everest	PEAK Matrix	Healthcare Industry Cloud Services PEAK Matrix® Assessment 2024
HFS	Horizons	HFS Horizons: HCP Service Providers, 2024
IDC	MarketScape	IDC MarketScape: Worldwide Consulting and Digital Services Providers for the Downstream Oil and Gas Industry 2024 Vendor Assessment
IDC	MarketScape	IDC MarketScape Worldwide Consulting and Digital Services Providers for the Upstream Oil and Gas Industry 2024 Vendor Assessment
IDC	MarketScape	IDC MarketScape Worldwide Distributed Energy Resource Management Systems Service Providers Vendor Assessment
Everest	PEAK Matrix	Adobe Services PEAK Matrix® Assessment 2024
Everest	PEAK Matrix	Enterprise Immersive Experience Services PEAK Matrix® Assessment 2024
Avasant	RADAR	AR/VR/XR Services 2024 RadarView™
Everest	PEAK Matrix	Connected Product Engineering Services PEAK Matrix® Assessment 2024
Avasant	RADAR	Internet of Things Services 2024 RadarView™
NelsonHall	NEAT	Salesforce Services 2024
Gartner	Ranking Report	Market Share Analysis: Application Implementation and Managed Services, Worldwide, 2023 (TCS ranks #2)
Avasant	RADAR	Cybersecurity Services 2024 RadarView™
Zinnov	Zones	Intelligent Automation (IA) Services - Large Tier Service Providers
IDC	MarketScape	IDC MarketScape: Worldwide Network Consulting Services 2024 Vendor Assessment
Avasant	RADAR	Network Managed Services 2023–2024 RadarView™
Everest	PEAK Matrix	**Mainframe Services PEAK Matrix® Assessment 2024***
NelsonHall	NEAT	Multi-Process HR Transformation Services 2024
Gartner	Magic Quadrant	Magic Quadrant for Finance and Accounting Business Process Outsourcing
Avasant	RADAR	Supply Chain Operations Services Business Process Transformation 2024 RadarView™
IDC	MarketScape	IDC MarketScape: Worldwide Microsoft Implementation Services 2024 Vendor Assessment
IDC	MarketScape	IDC MarketScape: Worldwide Cloud Professional Services 2024 Vendor Assessment
Forrester	Wave	The Forrester Wave™: P&C Claims Management Systems, Q2 2024

IFRS Financial Statements

Consolidated Statements of Comprehensive Income
For the three-month periods ended June 30, 2023, and June 30, 2024
(In millions of $, except per share data)

	Three-month periods ended June 30, 2023	Three-month periods ended June 30, 2024
Revenue	**7,226**	**7,505**
Cost of revenue	4,370	4,514
Gross margin	**2,856**	**2,991**
SG & A expenses	1,182	1,140
Operating income	**1,674**	**1,851**
Other income (expense), net	150	94
Income before income taxes	**1,824**	**1,945**
Income taxes	471	495
Income after income taxes	**1,353**	**1,450**
Non-controlling interests	6	8
Net income	**1,347**	**1,442**
Earnings per share in $	**0.37**	**0.40**

Consolidated Statements of Financial Position
As of March 31, 2024, and June 30, 2024
(In millions of $)

	As of March 31, 2024	As of June 30, 2024
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**

About Tata Consultancy Services

Tata Consultancy Services is an IT services, consulting and business solutions organization that has been partnering with many of the world's largest businesses in their transformation journeys for over 56 years. Its consulting-led, cognitive powered, portfolio of business, technology and engineering services and solutions is delivered through its unique Location Independent Agile™ delivery model, recognized as a benchmark of excellence in software development.

A part of the Tata group, India's largest multinational business group, TCS has over 601,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US $29 billion in the fiscal year ended March 31, 2024, and is listed on the BSE and the NSE in India. TCS' proactive stance on climate change and award-winning work with communities across the world have earned it a place in leading sustainability indices such as the MSCI Global Sustainability Index and the FTSE4Good Emerging Index. For more information, visit **www.tcs.com**

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