

TCS' Q1 Performance Reflects Continued Growth Momentum

- Revenue at ₹52,758 crore | Growth of 16.2% YoY, +15.5% in CC
- North America (+19.1% CC), Retail (+25.1% CC) lead among segments
- Order Book at \$8.2 billion | Book to Bill at 1.2
- Stellar client metrics: 9 new clients added to the 100Mn+ band YoY; 19 clients added to the \$50Mn+ band
- Workforce crosses the 600K milestone: Headcount at 606,331

MUMBAI, July 8, 2022: Tata Consultancy Services (BSE: 532540, NSE: TCS) reported its consolidated financial results according to Ind AS and IFRS, for the quarter ending June 30, 2022.

Highlights of the Quarter Ended June 30, 2022

- Revenue at ₹52,758 crore, +16.2% YoY
- Constant Currency revenue growth: +15.5% YoY
- Operating Margin at 23.1%; contraction of 2.4% YoY
- Net Income at ₹9,478 crore, +5.2% YoY | Net Margin at 18%
- Net Cash from Operations at ₹10,810 crore ie 114.1% of Net Income
- Net headcount addition of 14,136 | Workforce strength: 606,331
- Diverse and inclusive workplace: Women in the workforce: 35.5% | 153 Nationalities
- Building a G&T workforce: 12 million learning hours clocked | 1.7 million competencies acquired
- LTM IT Services attrition rate at 19.7%
- Dividend per share: ₹ 8.00 | Record date 16/07/2022 | Payment date 03/08/2022

Rajesh Gopinathan, Chief Executive Officer and Managing Director, said: “We are starting the new fiscal year on a strong note, with all-round growth and strong deal wins across all our segments. Pipeline velocity and deal closures continue to be strong, but we remain vigilant given the macro-level uncertainties. Our new organization structure has settled in nicely, getting us closer to our clients and making us nimbler in a dynamic environment. Looking ahead, we remain confident in the resilience of technology spending and the secular tailwinds driving our growth.”

N Ganapathy Subramaniam, Chief Operating Officer and Executive Director, said: “We are pleased with our execution during the quarter wherein we successfully delivered several transformation programs. The

investments we made on people, upskilling efforts and select lateral hiring et al helped manage the talent turnover with minimum impact on our operations. During the quarter, we have resumed in-person meetings, and hosted several clients at our facilities. We are bringing in more of our associates back to our development centres, and it is steadily increasing at all levels. On the sustainability front, we have signed our commitment to SBTi version 5 standards during the quarter and are making steady progress towards our net zero journey with tremendous alignment to this initiative across our associates.”

Samir Seksaria, Chief Financial Officer, said: *“It has been a challenging quarter from a cost management perspective. Our Q1 operating margin of 23.1% reflects the impact of our annual salary increase, the elevated cost of managing the talent churn and gradually normalizing travel expenses. However, our longer-term cost structures and relative competitiveness remain unchanged, and position us well to continue on our profitable growth trajectory.”*

Milind Lakkad, Chief HR Officer, said: *“Our investment in strategic talent development initiatives and the linking of learning to career development have energized our workforce. Following our annual compensation review, employees received salary increases of 5 to 8%, with top performers getting even bigger hikes. Our empowering, performance-driven work culture is helping us attract local talent across all our key markets. Continued hiring momentum resulted in a milestone quarter, with the employee strength crossing the 600,000 mark.”*

Q1 Segment Highlights**

Industries: Growth was led by Retail and CPG (**+25.1%**), Communications & Media (**+19.6%**), Manufacturing vertical (**+16.4%**) and Technology & Services (**+16.4%**). BFSI grew **+13.9%** while Life Sciences and Healthcare grew **+11.9%**

Markets: Among major markets, North America led with **+19.1%** growth; Continental Europe grew **+12.1%** and UK grew **+12.6%**. In emerging markets, India grew **+20.8%**, Asia Pacific grew **+6.2%**, Latin America grew **+21.6%**, and Middle East & Africa grew **3.2%**.

Services: There was strong, broad-based demand across the different services, led by Cloud, Consulting & Service Integration, Cognitive Business Operations and Enterprise Application Services. Key themes driving G&T demand in Q1 were customer experience, cloud transformation and sustainability.

- **Consulting & Services Integration:** Saw strong growth led by finance and shared services, supply chain, next-gen enterprise transformation and cloud strategy and transformation.
- **Cloud Platform Services:** Continues to experience strong growth as clients actively invest in hybrid cloud strategies and pursue multi-horizon cloud transformation initiatives. Infrastructure, application and data modernization, operating model transformations and business transformations drove growth. Hyperscaler partnerships continue to strengthen and expand from ongoing joint GTM initiatives.
- **Digital Transformation Services:** Growth in Q1 was led by cloud ERP modernization using SAP S/4 HANA, Salesforce and digital process management services. TCS’ industry solutions powered by TCS Crystallus™ continued to resonate strongly with clients. TCS Interactive saw strong demand for design-led digital experience services across B2B, B2C and D2C initiatives and digital marketing. In cybersecurity, demand was driven by managed services in security support, upgrades and monitoring & operations, and areas like IAM modernization, Fraud Prevention & Digital Forensics. Cyber Defense Suite continues to gain

adoption.

- **Cognitive Business Operations:** Saw strong demand in areas like datacenter and network services, customer experience management, HR operations, supply chain, digital workplace and verticalized operations. Trends around vendor consolidation and integrated operations deals continue to strengthen. TCS' contextual knowledge and assets like Cognix™, MFDM™ and ignio™ are helping it gain share in this segment.

*** Year on Year Growth in Constant Currency terms*

Key Highlights

- Selected by a leading US based freight railroad operator, as a strategic partner to transform their complete IT landscape & support their operations, locomotives, and assets to enhance employee experience and productivity. TCS will leverage Ignio™, Cognix™ and MFDM™ as part of its "Right-fit Automation" for Digital Operations.
- Selected by a global leader in HR services, to provide a consolidated cloud-based Infrastructure as a Service for consumption across its Global and local operating companies. As part of this engagement, TCS will be responsible for centralizing all Cloud consumption, standardize the operating processes and bring efficiency in usage. TCS has been able to provide significant cost benefits with the new contract structure and bring additional commitments from modernization and skills perspective.
- Selected by **Outokumpu**, a Finland based global leader in sustainable stainless steel, to transform its IT landscape with an agile and secure cloud-based digital core to reduce its carbon footprint and support its strategic aspirations.
- Selected by **HellermannTyton**, subsidiary of Aptiv PLC, a technology company focused on shaping the future of mobility, as their strategic partner to Transform their IT Infrastructure Operations and management, by bringing in business aligned, scalable, secure, digitally automated operations through Technology Transformation and Consolidation.
- Selected by a leading American pharmaceuticals distributor as the strategic transformation partner with a focus on patient care & experience, supply chain resilience, and agility in new product introduction. TCS will establish a strong IT foundation and transform the IT operating model across the full stack of application, data, infrastructure & security, and will also streamline operational processes. TCS will leverage its assets and investments including Ignio™, Cognix™ powered by MFDM™, TCS' Cloud, TNaaS™, and Cognitive Bots to address client priorities and improve speed to market.
- Selected by a Japanese multinational pharmaceutical company for their HR transformation initiative. Leveraging TCS Crystallus™ for Experience Transformation, TCS will enable enhanced employee engagement, retention, and recognition within the organization.
- Selected by **Scottish Power Energy Retail Limited**, part of the Iberdrola group, to help bring Customer Experience Transformation. TCS will adopt a 'Digital First' approach leveraging Cognix™, MFDM™ and deep contextual knowledge to help provide an omni-channel personalized customer experience.
- Selected by a North America Energy Infrastructure client as a strategic partner for the digital transformation of Finance, Supply Chain and Asset Work Management functions. TCS will drive adoption of the industry best practices to align ERP processes, data and systems across the enterprise to deliver next-gen user experience leveraging a leading ERP Cloud platform along with asset management

platform.

- Selected by a Large Global Oil & Gas Industry client as the Global Digital Engineering partner. TCS will bring its IoT and Digital Engineering solutions to modernize their Drilling, Well Construction and Production Systems and provide innovation in Digital Transformation Initiatives. This will enable our Client to offer innovative connected solution to their End customers-delivering improved productivity and safety.
- A leading global payment provider has selected TCS for building a new extensible and scalable Benefits platform for Central Europe, Middle East and Africa. The new platform will enable improved benefits management, transform experience for card holders and Issuers, enable easy onboarding of new partners, and scale to accommodate growth in the region. Additionally, it will have an API portal to leverage services from partners for building an ecosystem.
- TCS has been selected as a strategic partner by Student Loans Company's (SLC) Technology Group, to enable the lender's transformation through delivery of strategic technology capabilities. A key focus will be on enabling the journey to the cloud through the delivery and support of SLC's new Software-as-a-Service (SaaS) technologies and expanding its enterprise integration platform.

Customer Speak

"We are delighted to be partnering with TCS to help support the transformation of our service. We share a common desire to create digital channels that make a difference in serving all our customers, both businesses and consumers, by increasing accessibility to our service and improving our response times. Working with a world leader in technology services and digital delivery, whose values reflect our own, is a significant milestone in our digital journey and we are looking forward to delivering on our ambitious plans."

- **Nicola Wadham**
CIO, The Financial Ombudsman Service

"We are very pleased with the successful integration of the Erber Group into DSM, helping transform our Animal Nutrition and Health business. TCS contributed greatly to this success, especially in re-designing the enterprise model to drive integration synergies. TCS demonstrated a solid mix of strategic thinking, execution skills, and people-savvy collaboration which made this engagement so impactful."

- **Luke Glennon**
M&A Integration Leader, DSM

"TCS is truly a collaborative and strategic partner that helped develop our technology platform. Our vision is "Powering the safest and most seamless customer experience of any global alliance". TCS brings transformational ability driven by its technology and domain experience globally, which is essential for our success".

- **Andy Lui**
CIO, Sky Team

Research and Innovation

As on **June 30, 2022**, the company has applied for **6,752** patents, including **169** applied during the quarter, and has been granted **2,400** patents.

Human Resources

TCS' workforce stood at **606,331** as on June 30th, a net addition of **14,136** during the quarter. The workforce continues to be very diverse, comprising **153** nationalities and with women making up **35.5%** of the base.

TCS continues to invest in organic talent development as part of its expansion into the growth and transformation opportunity. In Q1, TCSers clocked **12 million** learning hours, resulting in the acquisition of **1.7 million** competencies.

The company gradually accelerated its return to office program in Q1, with about **20%** of the workforce now working from office. IT services attrition was **19.7%** on the last twelve months' basis.

Awards and Recognition

Business Leadership:

- Ranked **#1 in customer satisfaction** in the **UK**, for the **seventh year by Whitelane Research**, with an overall customer satisfaction score of 82%.
- Ranked **#1 by revenue** in the **UK** across the entire technology ecosystem for the **second year**, in the **2022 TechMarketView UK Software and IT Services Supplier Rankings**.
- Ranked **#2**, up one place over the prior year's position, in **CRN's 2022 Solution Provider 500** rankings of the top system integrators, service providers and IT consultants by revenue in North America.
- Only brand from India in **the Top 50** in the **2022 Kantar BrandZ Top 100 Most Valuable Global Brands**; also ranked among the **Top 10 fastest growing brands** globally.
- Won the **Supplier of the Year** award in the Large Category (by spend) at the **2022 Microsoft Supplier Prestige Awards**.
- Won a record of **3** awards at the **India Risk Management Awards (IRMA) 2022** by ICICI Lombard and CNBC-TV18 for '**Masters of Risk in IT-ITes**' under the Large Cap category and two specialized categories - **Masters of Risk in Regulatory Compliance** and **Masters of Risk in Cyber Security**
- Won **6 Gold** and **2 Silver** awards at the **14th Annual 2022 Golden Bridge (Globe) Business and Innovation Awards** in the following HR categories: **Achievement of the Year in Learning and Development**, **Best Use of Reward and Recognition**, **Most Effective Use of HR Technology**, **Most Effective Use of Internal Communications**, **Human Resources Outstanding Performance of the Year** and **Human Resources Project or Initiative of the Year**.

Innovation and IP

- **OmniStore™** won the **Omnichannel Technology of the Year** award from **Retail Systems** for delivering a seamless customer experience.
- **Quartz™ for Markets** recognized as **Best New Post Trade Solution of the Year** by **Financial Technologies Forum**.
- The **TCS Smart Store solution** won the **Best Customer Solution** award at the **IoT Solution Awards 2022** during the IoT Solutions World Congress.
- Won **5 Bronze** awards for innovation and transformation at the **Stevie American Business awards 2022** in the following categories: **Lead Generation** (TCS Insights to steer marketing enabled sales), **Business or**

Competitive Intelligence (TCS Analytics Transformation), **Personal Information (PI) Regulatory Compliance** (TCS Privacy), **Mobile On-Demand Application** (TCS Mobility Solution) and **Artificial Intelligence/ Machine Learning** (TCS Virtual Assistant)

- **TCS Marketing Data Hub** won the **Economic Times DATA CON Awards 2022** for **Automated Data Management**.
- **CS Design Toolkit** was awarded a **Bronze** award at the **Stevie Awards Asia Pacific 2022** for **Innovative Achievement in Customer Satisfaction**.

Sustainability

- TCS' Technologies for Earth Regeneration & Rejuvenating the Atmosphere (TERRA) won the **Excellence in Smart Tech Award** under the established IT and technology services companies' category at the **IMC Digital Technology Awards 2021**
- TCS' **Food Digital Twin** won the **2022 Vivekananda Sustainability Award** for 'Innovative Use of Technology for Environmental Improvement'
- Won first place at the **Celonis Ecosystem Hackathon for Smart Metering for Utilities to Reduce CO2 Emissions** under the **Use Case Ideation** category
- Named as one of the **top 50 community-minded companies** in the **United States**; recognized as the **Information Technology Sector Lead** for the fourth year and honored with the **Strategic Volunteer Award** for **aligning employee volunteer time and talent** with its **strategic CSR programs**.
- Won the **Gold** award in the **WASH Initiative** category at the **6th CSR Health Impact Awards** for TCS' IoT-based smart water management solution in support of the Government of India's Jal Jeevan Mission.

Partner

- Won three **2022 Microsoft Partner of the Year** awards in the categories: **SAP on Azure, Retail & Consumer Goods**, and **Global SI & Advisory Digital Transformation**.
- Won two **Google Cloud Partner of the Year 2021** awards in the categories: **Industry Solution Partner of the Year for Retail** and **Global Diversity & Inclusion Partner of the Year**.
- Won **ANZ 2022 AWS Partners of the Year** award in the category **Global Systems Integrator**.
- TCS Interactive won the **Digital Experience (DX) Partner of the Year 2022** award from **Adobe**.
- Recognized as **Global Partner of the Year 2022** by **Beyond Trust**.
- Won Pega's **Industry Excellence Award for Financial Services** at the **PegaWorldiNspire 2022**.
- Awarded **Partner of the Year 2022** by **Creatio** for outstanding commitment to partnership and implementation of solutions.
- Named the **2021 IFS Solutions Partner Of The Year** and **Services Partner Of The Year**.
- Named **Intel Global System Integrator Partner of the year 2022**.
- Won **Qlik Global Transformation Awards 2022 for Partners** Leveraging Active Intelligence for Transformation and Impact

Industry Analyst Assessments

TCS was ranked a **Leader** in **31** competitive assessments published by leading research firms in Q1. In **7** of these, marked with an asterisk in the table below, TCS was positioned the foremost leader or ranked **#1**.

Firm	Report type	Title
IDC	Market Share	Worldwide Services Market Shares, 2021: Year of Recovery as the Services Market Resumes Growth
TechMarketView	Ranking	UK SITS Ranking 2022*
TechMarketView	Ranking	Financial Services SITS Supplier Prospects 2022*
Avasant	RADAR	Banking Digital Services 2022–2023 RADARVIEW™
Avasant	RADAR	Banking Process Transformation 2022 RADARVIEW™
Everest	PEAK Matrix	Property and Casualty (P&C) Insurance BPS – Service Provider Landscape with Services PEAK Matrix® Assessment 2022
Forrester	Wave	The Forrester Wave™: P&C Claims Management Systems, Q2 2022
ISG	Lens	ISG Provider Lens™ Retail Services - Managed Services – 2022*
Everest	PEAK Matrix	Life Sciences Operations PEAK Matrix® Assessment 2022*
Everest	PEAK Matrix	Healthcare Payer Digital Services PEAK Matrix® Assessment 2022
Avasant	RADAR	Travel and Hospitality Digital Services 2022–2023 RADARVIEW™
Everest	PEAK Matrix	Sustainability Enablement Technology Services PEAK Matrix® Assessment 2022
Avasant	RADAR	Risk and Compliance Services 2022 RADARVIEW™
Gartner	Magic Quadrant	Magic Quadrant for Finance and Accounting Business Process Outsourcing
ISG	Lens	ISG Provider Lens™ Microsoft Ecosystem Partners - Microsoft 365 Services – UK 2022*
Gartner	Magic Quadrant	Magic Quadrant for SAP S/4HANA Application Services, Worldwide
IDC	MarketScape	IDC MarketScape: Worldwide Adobe Experience Cloud Professional Services 2022 Vendor Assessment
IDC	MarketScape	IDC MarketScape: Worldwide Cloud Professional Services 2022 Vendor Assessment
Gartner	Magic Quadrant	Magic Quadrant for Oracle Cloud Application Services, Worldwide
HFS	Top 10	HFS Top 10: Industry 4.0 Service Providers, 2022
IDC	MarketScape	IDC MarketScape: GCC Business and Industrial Internet of Things Consulting and Systems Integration Services 2022 Vendor Assessment*
Forrester	Wave	The Forrester Wave™: IoT Consultancies in Asia Pacific, Q2 2022
Avasant	RADAR	Internet of Things Services 2022 RADARVIEW™
ISG	Lens	ISG Provider Lens™ Digital Engineering Services - Connected and Intelligent Operations - Process Industries – 2022
Avasant	RADAR	Applied AI and Advanced Analytics Services 2022 RADARVIEW™

Forrester	Wave	The Forrester Wave™: Robotic Process Automation Services, Q2 2022
Gartner	Market Share	Market Share Analysis: Application Implementation and Managed Services, Worldwide, 2021
IDC	Top 10	Asia/Pacific (Excluding Japan) Application Management Services Market Share, 2021: IDC's Top 10 Vendors
Avasant	RADAR	Cybersecurity Services 2022 RADARVIEW™
Gartner	Magic Quadrant	Magic Quadrant for Data Center Outsourcing and Hybrid Infrastructure Managed Services, Worldwide*
ISG	Lens	Next-Gen Private/Hybrid Cloud - Data Center Solutions & Services 2022

IFRS Financial Statements

Consolidated Statements of Comprehensive Income
For the three-month periods ended June 30, 2021, and June 30, 2022
 (In millions of ₹, except per share data)

	Three-month period ended June 30, 2021	Three-month period ended June 30, 2022
Revenue	454,110	527,580
Cost of revenue	270,800	324,890
Gross margin	183,310	202,690
SG & A expenses	67,430	80,830
Operating income	115,880	121,860
Other income (expense), net	5,750	5,900
Income before income taxes	121,630	127,760
Income taxes	31,320	32,570
Income after income taxes	90,310	95,190
Non-controlling interests	230	410
Net income	90,080	94,780
Earnings per share in ₹	24.35	25.90

Consolidated Statements of Financial Position
As of March 31, 2022, and June 30, 2022
 (In millions of ₹)

	As of March 31, 2022	As of June 30, 2022
Assets		
Property and equipment	120,800	119,860
Right-of-use Assets	76,360	75,510
Intangible assets and Goodwill	50,360	48,720
Accounts Receivable	342,190	358,620
Unbilled Revenues	122,100	135,160
Investments	304,850	327,120
Cash and Cash equivalents	124,880	55,750
Other current assets	195,020	208,300
Other non-current assets	99,780	97,640
Total Assets	1,436,340	1,426,680
Liabilities and Shareholders' Equity		
Shareholders' Funds	912,590	919,820
Other current liabilities	423,510	407,230
Other non-current liabilities	93,170	93,060
Non-controlling interests	7,070	6,570
Total Liabilities	1,436,340	1,426,680

Ind AS Financial Statements

Consolidated Statement of Profit and Loss
For the Quarter ended June 30, 2021, and June 30, 2022
 (In ₹ crore, except per share data)

	Quarter ended June 30, 2021	Quarter ended June 30, 2022
Revenue	45,411	52,758
Expenditure		
a) Employee Costs	25,649	30,327
b) Cost of equipment and software licences	258	217
c) Other Operating expenses	6,841	8,798
d) Depreciation	1,075	1,230
Total Expenditure	33,823	40,572
Profit Before Taxes & Other Income	11,588	12,186
Other income (expense), net	575	590
Profit Before Taxes	12,163	12,776
Provision For Taxes	3,132	3,257
Profit After Taxes & Before Non-controlling interests	9,031	9,519
Non-controlling interests	23	41
Net Profit	9,008	9,478
Earnings per share in ₹	24.35	25.90

Consolidated Balance Sheet
As at March 31, 2022 and June 30, 2022
 (In crores of ₹)

	As at March 31, 2022	As at June 30, 2022
ASSETS		
Property, plant and equipment	13,080	12,888
Right-of-use assets	7,636	7,551
Investments	30,485	32,712
Deferred tax assets (net)	3,708	3,498
Goodwill (on consolidation)	1,787	1,732
Cash and Bank Balance	18,221	10,642
Current Assets, Loans and Advances	59,827	64,845
Non-current assets, Loans and advances	6,770	6,684
Total Assets	141,514	140,552
EQUITY AND LIABILITIES		
Shareholders' Funds	89,139	89,866
Non-controlling interests	707	657
Deferred Tax Liabilities (net)	590	665
Current Liabilities and Provisions	42,351	40,723
Non-current liabilities and provisions	8,727	8,641
Total Liabilities	141,514	140,552

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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 50 years. TCS offers a consulting-led, cognitive powered, integrated portfolio of business, technology and engineering services and solutions. This 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 606,000 of the world's best-trained consultants in 55 countries. The company generated consolidated revenues of US \$25.7 billion in the fiscal year ended March 31, 2022, and is listed on the BSE (formerly Bombay Stock Exchange) and the NSE (National Stock Exchange) 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

TCS media contacts:

France	Email: karine.mazurier@tcs.com Phone: +33 624633512
Asia Pacific	Email: wenjian.lin@tcs.com Phone: +65 9695 9948
Australia and New Zealand	Email: kelly.ryan@tcs.com Phone: +61 422 989 682
Canada	Email: tiffany.fisher@tcs.com Phone: +1 416 456 7650
Europe	Email: joost.galema@tcs.com Phone: +31 615 903387
India	Email: saxena.kritika@tcs.com Phone: +91 22 6778 9999 Email: vanshika.sood@tcs.com Phone: +91 22 67789098
Middle East & Africa	Email: s.hasneen@tcs.com Phone: +971567471988
Japan	Email: douglas.foote@tcs.com Phone: +81 80-2115-0989
Latin America	Email: alma.leal@tcs.com Phone: +521 55 2095 6098
UK	Email: peter.devery@tcs.com Phone: +44 20 3155 2421
USA	Email: james.sciales@tcs.com Phone: +1 917 981 7651

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