

TCS Financial Results

Quarter I Ended FY 2025-26

July 10, 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.

Q1 FY26 Performance Highlights

➤ Revenue:

- INR Revenue of ₹ **634,370 Mn**, up **1.3% YoY**
- USD Revenue of \$ **7,421 Mn**, down **1.1% YoY**
- Constant currency revenue **down 3.1% YoY**

➤ Profit:

- Operating Margin at **24.5%**
- Net Margin at **20.1%**
- Cash flow from operations at **100.3%** of net profit

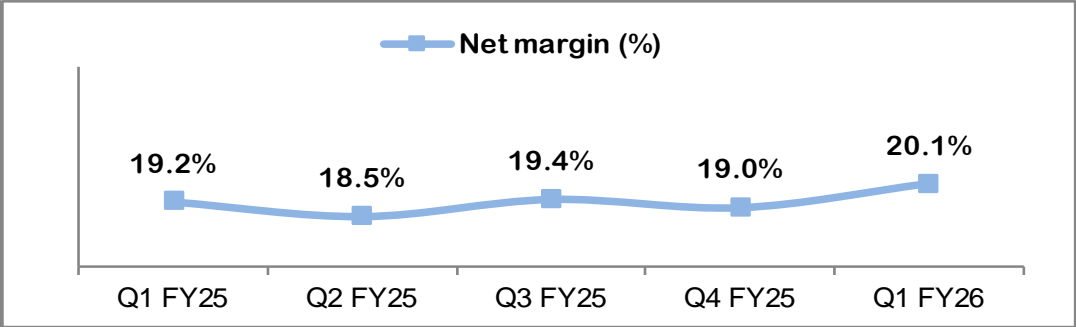
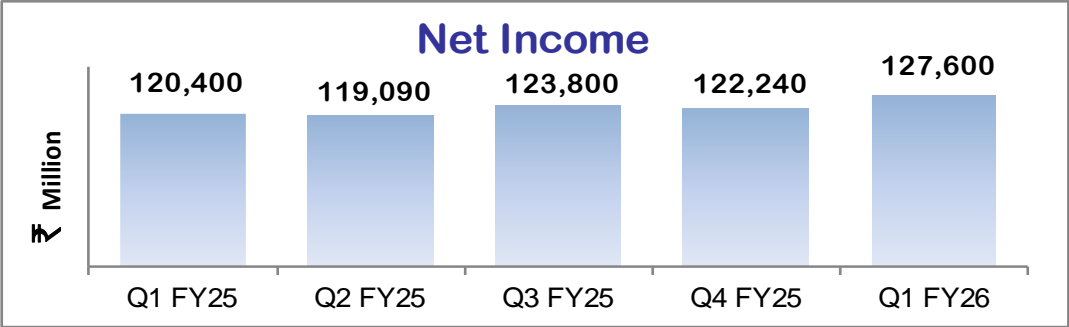
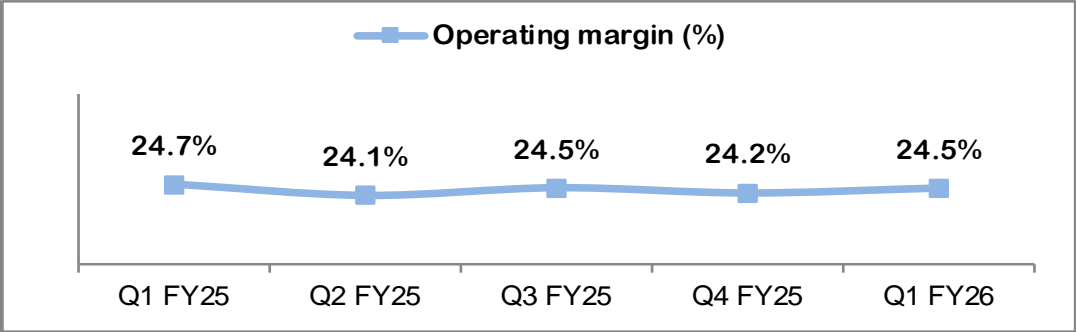
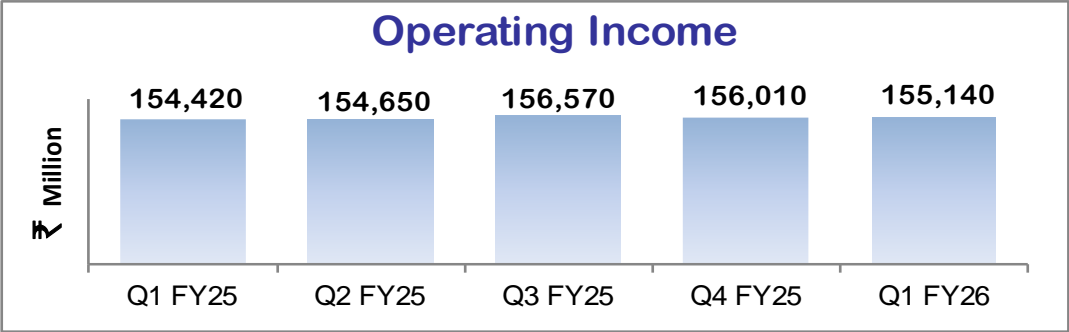
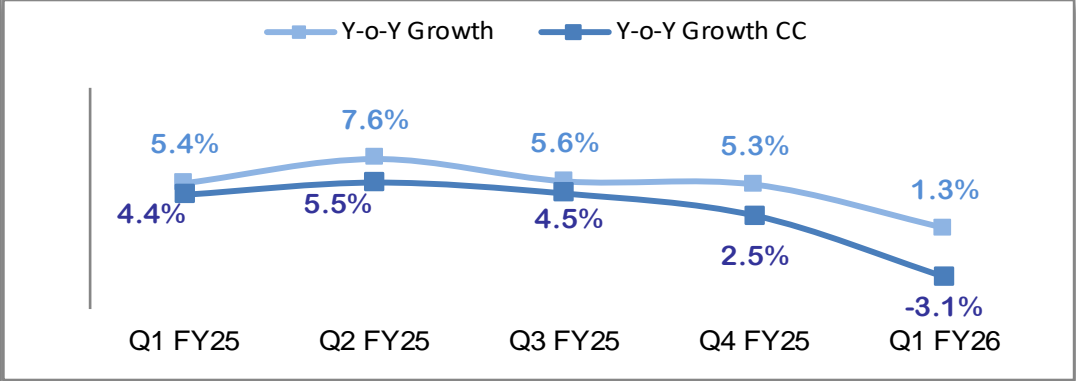
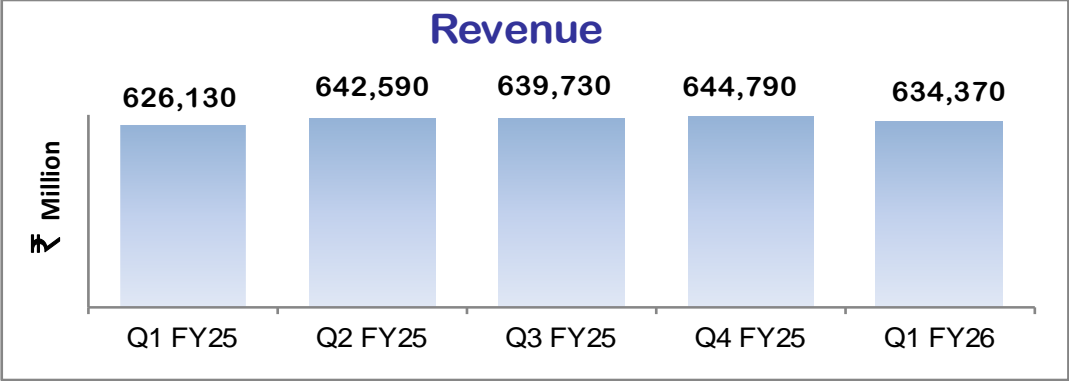
➤ Demand:

- Clients \$100M+ down by 1 ; \$10M+ up by 9 & \$1M+ up by 26 YoY
- Order book TCV at \$9.4 Bn; North America TCV at \$4.4 Bn; BFSI TCV at \$2.5 Bn, Consumer Business TCV at \$1.6 Bn

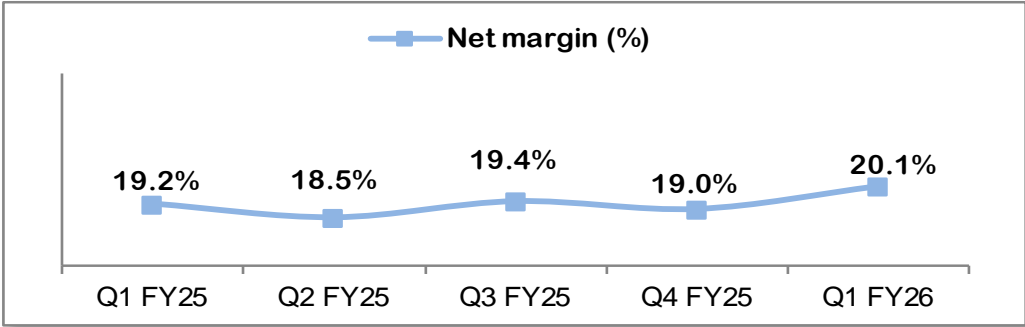
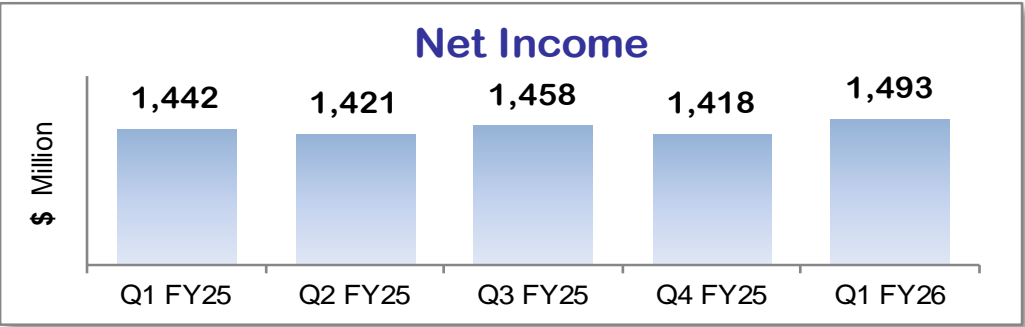
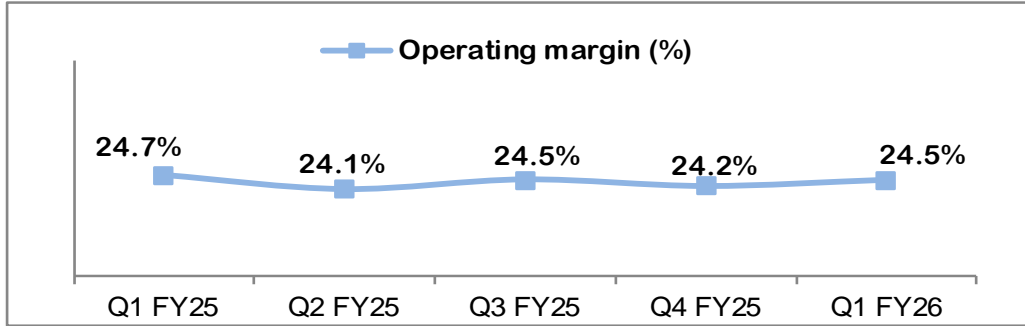
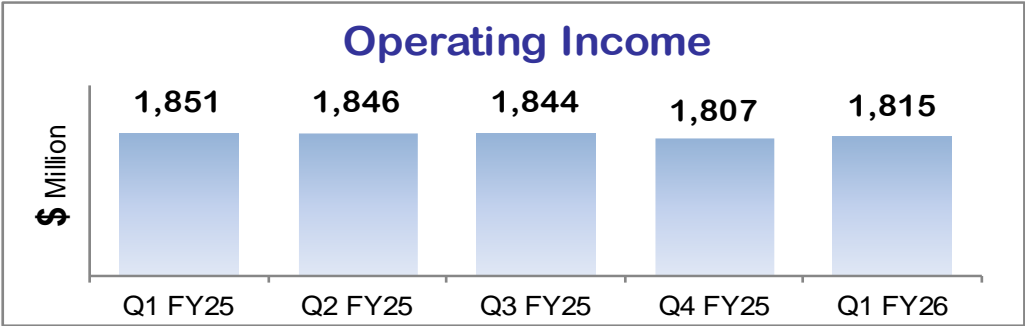
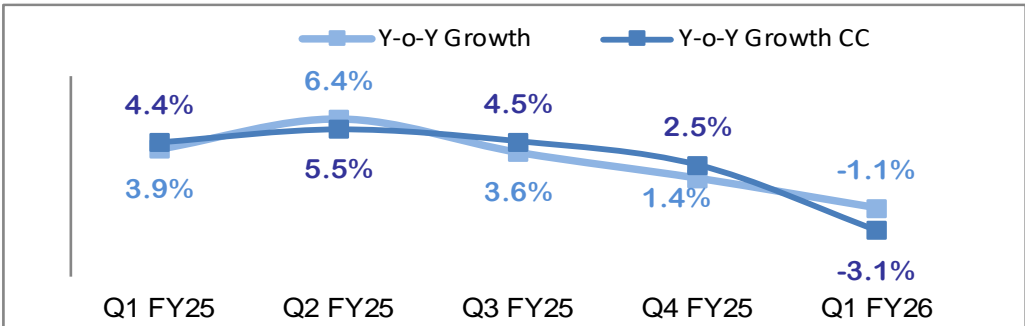
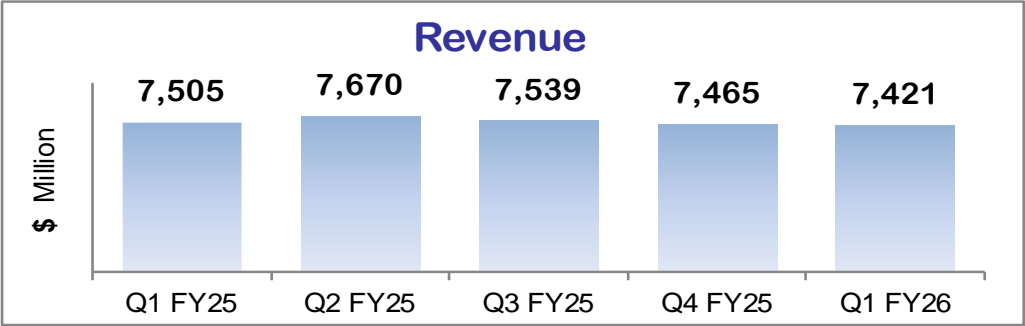
➤ People:

- Closing headcount: **613,069**
- LTM attrition at **13.8%** in IT Services

Growth Summary (INR)



Growth Summary (USD)



Operational Parameters

Growth by Market

Geography (%)	Q1 FY25	Q1 FY26	Y-o-Y CC Growth
Americas			
North America	49.5	48.7	- 2.7
Latin America	1.9	1.9	3.5
Europe			
UK	16.9	18.0	- 1.3
Continental Europe	14.4	15.0	- 3.1
Asia Pacific	7.8	8.4	3.6
India	7.5	5.8	- 21.7
MEA	2.0	2.2	9.4
Total	100.0	100.0	-3.1

Growth by Domain

Vertical (%)	Q1 FY25	Q1 FY26	Y-o-Y CC Growth
BFSI	30.9	32.0	1.0
Consumer Business	15.4	15.6	- 3.1
Life Sciences & Healthcare	11.0	10.2	- 9.6
Manufacturing	8.8	8.7	- 4.0
Technology & Services	8.1	8.4	1.8
Communication & Media	6.2	5.8	- 9.6
Energy, Resources and Utilities	5.6	5.9	2.8
Regional Markets & Others	14.0	13.4	- 8.6
Total	100.0	100.0	- 3.1

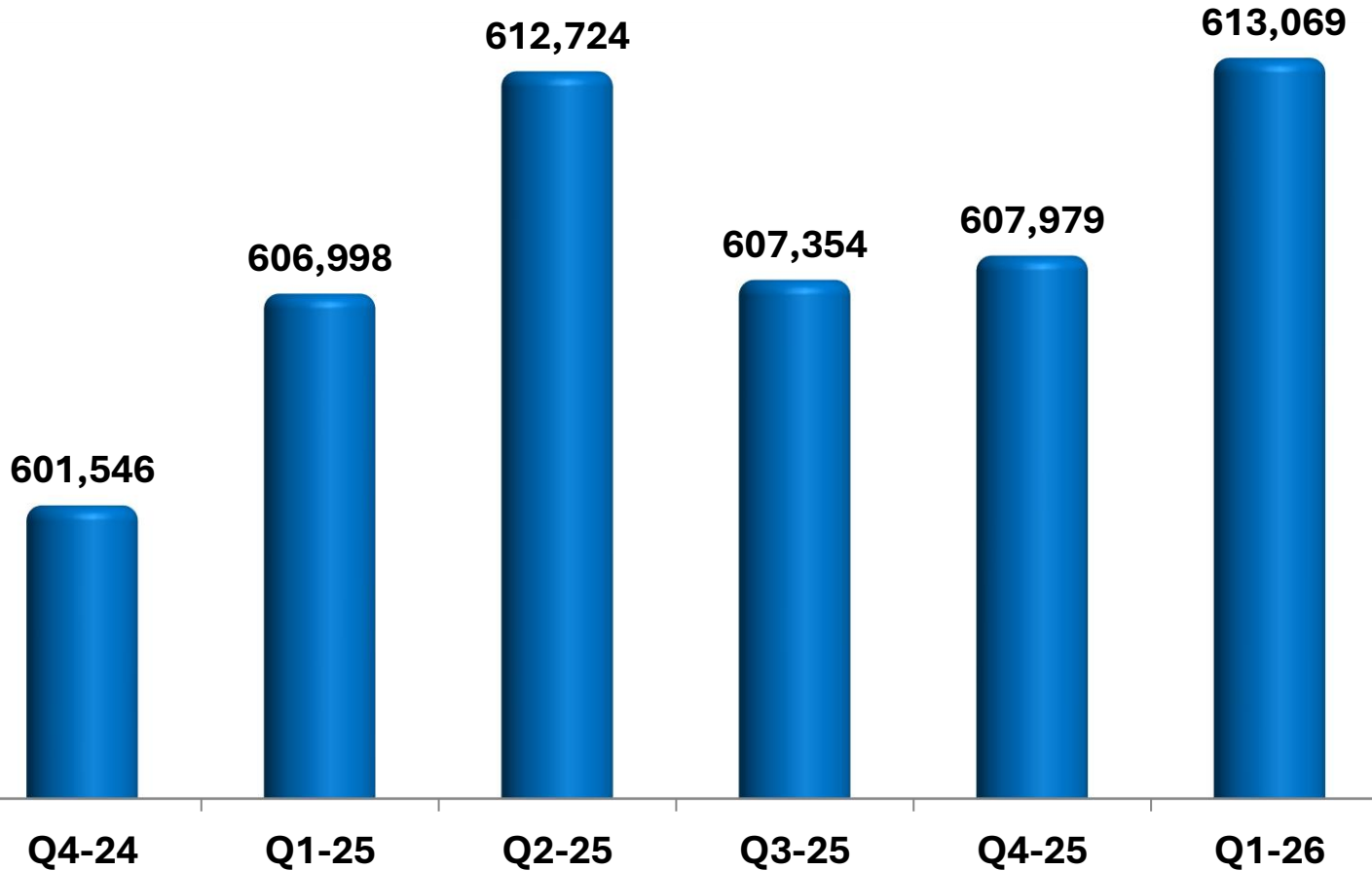
Client Parameters

Clients Contribution	Q1 FY25	Q1 FY26
US\$ 1m+ Clients	1310	1336
US\$ 5m+ Clients	697	714
US\$ 10m+ Clients	486	495
US\$ 20m+ Clients	300	300
US\$ 50m+ Clients	140	131
US\$ 100m+ Clients	63	62

*Last Twelve Months' services revenues

Human Resources

Total Employee Base



Attrition*:

- **13.8%** (LTM), IT Services

Diversity:

- **35.1 %** Women employees
- **151** Nationalities

*Excluding Subsidiaries

Talent Development:

- **15Mn** Learning Hrs (YTD)
- **1.3Mn** competencies acquired (YTD)
- **192K+** high demand competencies acquired (YTD)

Annexure

IFRS Income Statement

Consolidated IFRS	₹ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Revenue	626,130	634,370	100.00	100.00
Cost of revenue	376,610	386,120	60.15	60.87
Gross margin	249,520	248,250	39.85	39.13
SG & A expenses	95,100	93,110	15.19	14.67
Operating income	154,420	155,140	24.66	24.46
Other income (expense), net	7,890	14,650	1.26	2.31
Income before income taxes	162,310	169,790	25.92	26.77
Income taxes	41,260	41,600	6.59	6.56
Income after income taxes	121,050	128,190	19.33	20.21
Non-controlling interests	650	590	0.10	0.09
Net income	120,400	127,600	19.23	20.12
Earnings per share in ₹	33.28	35.27		

COR – SG&A Details

COR	₹ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Employee cost	287,850	301,960	45.97	47.60
Fees to external consultants	25,210	30,630	4.03	4.83
Equipment and software	21,510	7,260	3.43	1.14
Facility expenses	5,170	5,940	0.83	0.94
Depreciation	9,400	10,670	1.50	1.68
Travel	6,130	6,070	0.98	0.96
Communication	3,730	4,320	0.60	0.68
Other expenses	17,610	19,270	2.81	3.04
Cost of Revenue	376,610	386,120	60.15	60.87
SG&A	₹ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Employee cost	76,310	75,190	12.19	11.85
Fees to external consultants	1,450	1,760	0.23	0.28
Facility expenses	3,110	3,220	0.50	0.51
Depreciation	2,800	2,940	0.45	0.46
Travel	2,280	2,310	0.36	0.36
Communication	1,770	1,880	0.28	0.30
Provision for Doubtful Debts	430	250	0.07	0.04
Other expenses	6,950	5,560	1.11	0.87
S G & A expenses	95,100	93,110	15.19	14.67

Cash Flow Summary

IFRS in ₹ Mn	Q1 FY25	Q1 FY26
Net Cash from Operations	111,680	128,040
Capital Expenditure	8,750	14,040
Free Cash Flow	102,930	114,000
Dividends Paid	101,960	109,400
Operating Cash Flow to Sales (%)	17.8	20.2
Operating Cash Flow to Net Profit (%)	92.8	100.3
Total Cash and Investments	466,470	487,040

IFRS Statement of Financial Position

Consolidated IFRS	₹ Million	
	31-Mar-25	30-Jun-25
Assets		
Property and equipment	129,320	131,000
Right-of-use Assets	92,750	94,260
Intangible assets and Goodwill	49,640	48,530
Accounts Receivable	502,330	531,030
Unbilled Revenues	154,700	161,560
Invested Funds	472,220	487,040
Other current assets	124,860	140,070
Other non current assets	91,730	92,370
Total assets	1,617,550	1,685,860
Liabilities and Shareholders' Equity		
Shareholders' Funds	968,820	1,000,360
Current liabilities	530,010	565,550
Non-current liabilities	108,570	109,740
Non-controlling interests	10,150	10,210
Total Liabilities	1,617,550	1,685,860

Detailed financials are uploaded.

IFRS Income Statement – In USD

Consolidated IFRS	\$ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Revenue	7,505	7,421	100.00	100.00
Cost of revenue	4,514	4,517	60.15	60.87
Gross margin	2,991	2,904	39.85	39.13
SG & A expenses	1,140	1,089	15.19	14.67
Operating income	1,851	1,815	24.66	24.46
Other income (expense), net	94	172	1.26	2.31
Income before income taxes	1,945	1,987	25.92	26.77
Income taxes	495	487	6.59	6.56
Income after income taxes	1,450	1,500	19.33	20.21
Non-controlling interests	8	7	0.10	0.09
Net income	1,442	1,493	19.23	20.12
Earnings per share in \$	0.40	0.41		

COR – SG&A Details – In USD

COR	\$ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Employee cost	3,450	3,532	45.97	47.60
Fees to external consultants	302	358	4.03	4.83
Equipment and software	258	85	3.43	1.14
Facility expenses	62	69	0.83	0.94
Depreciation	113	125	1.50	1.68
Travel	73	71	0.98	0.96
Communication	45	51	0.60	0.68
Other expenses	211	226	2.81	3.04
Cost of Revenue	4,514	4,517	60.15	60.87

SG&A	\$ Million		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Employee cost	915	880	12.19	11.85
Fees to external consultants	17	21	0.23	0.28
Facility expenses	37	38	0.50	0.51
Depreciation	34	34	0.45	0.46
Travel	27	27	0.36	0.36
Communication	21	22	0.28	0.30
Provision for Doubtful Debts	5	3	0.07	0.04
Other expenses	84	64	1.11	0.87
SG&A expenses	1,140	1,089	15.19	14.67

IFRS Statement of Financial Position in USD

Consolidated IFRS	\$ Million	
	31-Mar-25	30-Jun-25
Assets		
Property and equipment	1,514	1,530
Right-of-use Assets	1,086	1,101
Intangible assets and Goodwill	580	567
Accounts Receivable	5,880	6,202
Unbilled Revenues	1,811	1,887
Invested Funds	5,526	5,687
Other current assets	1,458	1,632
Other non current assets	1,076	1,080
Total assets	18,931	19,686
Liabilities and Shareholders' Equity		
Shareholders' Funds	11,337	11,679
Current liabilities	6,202	6,603
Non-current liabilities	1,270	1,282
Non-controlling interests	122	122
Total Liabilities	18,931	19,686

Detailed financials are uploaded.

Ind AS Income Statement - Consolidated

Consolidated Ind AS	₹ Crore		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
Revenue	62,613	63,437	100.00	100.00
Expenditure				
a) Employee Costs	36,416	37,715	58.16	59.45
b) Cost of equipment and software licences	2,151	726	3.44	1.14
c) Other Operating expenses	7,384	8,121	11.79	12.80
d) Depreciation	1,220	1,361	1.95	2.15
Total Expenditure	47,171	47,923	75.34	75.54
Profit Before Taxes & Other Income	15,442	15,514	24.66	24.46
Other income (expense), net	789	1,465	1.26	2.31
Profit Before Taxes	16,231	16,979	25.92	26.77
Provision For Taxes	4,126	4,160	6.59	6.56
Profit After Taxes & Before Non-controlling interests	12,105	12,819	19.33	20.21
Non-controlling interests	65	59	0.10	0.09
Net Profit	12,040	12,760	19.23	20.12
Earnings per share in ₹	33.28	35.27		

Ind AS Balance Sheet - Consolidated

Consolidated Ind AS	₹ Crore	
	31-Mar-25	30-Jun-25
Assets		
Property and equipment	12,524	12,666
Right-of-use Assets	9,275	9,426
Intangible assets and Goodwill	2,800	2,689
Accounts Receivable	50,233	53,103
Unbilled Revenues	15,470	16,156
Invested Funds	47,222	48,704
Other current assets	12,486	14,007
Other non current assets	9,619	9,709
Total Assets	159,629	166,460
Liabilities and Shareholders' Equity		
Shareholders' Funds	94,756	97,910
Current liabilities	53,001	56,555
Non-current liabilities	10,857	10,974
Non-controlling interests	1,015	1,021
Total Liabilities	159,629	166,460

Detailed financials are uploaded.

Currency mix and average realized rates in INR

Currency	Average rates		% of Revenue	
	Q1 FY25	Q1 FY26	Q1 FY25	Q1 FY26
USD	83.43	85.49	51.50%	49.73%
GBP	105.43	115.80	14.63%	15.78%
EUR	89.71	98.04	11.02%	11.65%
Others			22.85%	22.84%
Total			100.00%	100.00%

Thank you