Leadership in a Digital World

N Chandrasekaran, CEO and MD

TCS ANALYST DAY

March 17, 2016
The Digital Enterprise is Here

Reimagine Business Models

- Dematerialise
- Agility
- Hyper-connect
- Experience-rich

- Software Driven
- DevOps
- Real-time/Data Driven
- Design Thinking
The Digital Five Forces and Composite Forces

- Big Data Analytics
- Social Media
- AI & Robotics
- Mobility and Pervasive Computing
- Cloud

Composite Force

Internet of Things
Leveraging the Digital Five Forces and Composite Forces to Reimagine an Enterprise in Six Areas

- Business Models
- Products & Services
- Customer Segments
- Channels
- Business Processes
- Workplaces
Investments
Scalable Reskilling Using the Digital Learning Platform

Since April 2015.......

111K+ Associates Trained
305K+ Competencies Created
65+ New Digital Curricula Delivered

Aware Proficient Expert Advisor

2016
- Next Level of Immersive Learning
- Effective deployment for Digital Growth
- Digital Ready Academic interface
Deep Capability in 400+ Digital Tools and Platforms

Analytics and Insights
- Qlik
- pentaho
- MAPR
- Splunk
- Cassandra
- Apache
- Kafka
- Storm
- Couchbase

Cloud
- Chef
- openstack
- Amazon Web Services
- docker
- Trend Micro
- Qualys
- RightScale
- AppDynamics
- puppet
- SoftLayer
- Scalr

Mobility, Digital Marketing:
- Adobe
- IBM MobileFirst
- Xamarin
- Oracle
- Robotium
- FAT
- Watch OS
- Apple CarPlay
- Swift 2.0
- iBeacon
- FeedHenry

IOT & Cyber Security
- Fortify
- Burp Suite
- Nessus
- Layer 7
- MobileIron
- Symantec
- Splunk
- AppScan
- CA SiteMinder
- IBM
- WorkLight
Next Generation Delivery

Collaboration Spaces | Meeting Spaces | Visual Radiators | Smart Boards

Top 5 Initiatives

RiO (Rigor in Operations)

Digital | Agile | Automation | Security
Intellectual Property

Technology Products

dreamUP | active archive | Ignio™ | TCS MasterCraft | TCS Cloud Plus
& more

Horizontal Products & Platforms

CHROMA | Integrated Urban Exchange | Customer Intelligence & Insights | TAP - TCS Accounts Payable
& more

Vertical Products & Platforms

TCS BANCs | iON | TCS ADDIP | Optumera™ | OmniStore | TCS HOBS
& more
Access to the Start Up Eco-system

- Investor Portfolio
- Events, Meetups
- Demo days
- Hackathons
- Conferences, Forums
- Customer Innovation
- Partner Innovation
- Publications
- TCS BU Requests

- TCS Horizontal and Vertical BUs
- Customer BUs
- Joint Goto Market
- Strategic Alliances

**Geography** | **Technology** | **Vertical**
---|---|---
N. America | Data Analytics | BFS
N. America | Security | BFS
N. America | FX Payments | BFS
N. America | Web Analytics | DESS
N. America | Mobility | Healthcare
N. America | Cust. Analytics | Insurance
N. America | Automation | M&IS
N. America | GRC | Mfg.
N. America | Cust. Analytics | Retail
N. America | IoT Platform | Retail IoT
Europe | Map Analytics | Insurance
Europe | Eco | M&IS
India | Security | Insurance
India | Disaster Mgt. | Mfg.
Israel | Retail Analytics | CPG
UK | Mobile | BFS
Sri Lanka | API Mgt. | BFS

North America: 779
Europe: 183
India: 177
Israel: 146
ANZ: 62
United Kingdom: 48
Others: 12
Grand Total: 1407

North America: 262
India: 43
Europe: 29
Israel: 24
United Kingdom: 20
Others: 11
Grand Total: 389

North America: 12
India: 11
Europe: 8
Israel: 5
United Kingdom: 2
Grand Total: 38
Focus areas for Research & Innovation

**BFS**
- Blockchain
- Frictionless Access
- Robo Advisory

**Retail**
- In-store experience
- Digital store operations
- Multi-node supply chain

**Foundational Research**
- Metagenomics, Materials Engineering, Design, Analytics

**Industry 4.0**
- Automation, Cognitive computing, IoT Platform

**Governance**
- Compliance, Enterprise Security, Data Privacy

**Manufacturing**
- Connected Cars
- Predictive Maintenance

**Sustainability**
- Mobile Agro Advisory, Intelligent Cities, Smart Grids

**Life Sciences**
- Genomics
- Medical Devices
- Digital Clinical Trials
Co-innovation work spaces

TCS **Design Studio** Santa Clara
Inaugurated in Feb 2016
A diverse team of makers and award winning designers work on industry changing ideas.

TCS **Executive Briefing Center**
Mumbai Inaugurated in March 2016
A unique immersive, shared space that brings new ideas to the fore and fosters conversations about building a Digital future.
Outcomes
### Gaining Leadership in Digital

<table>
<thead>
<tr>
<th>Sector</th>
<th>CY 15 Digital Revenue</th>
<th>CY 15: 13%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>HiTech</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>LSHC</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>BFSI</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

- **Digital Revenue in CY 15:** 13%
- **CY 15 Digital Revenue:** $2 Bn
- **Partnering 52% of clients on Digital**
Gaining Leadership in Digital

Revenue Growth Across Offerings

- **Q115**: 12% CQGR
- **Q215**: 10% CQGR
- **Q315**: 8% CQGR

**Q316**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q216**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q116**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q415**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q315**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q215**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%

**Q115**
- Analytics & Insights: 10%
- Cloud: 2%
- Mobility/Channels: 88%
## Investment Payoffs | Growing Customer Traction

<table>
<thead>
<tr>
<th></th>
<th>CY10</th>
<th>CY11</th>
<th>CY12</th>
<th>CY13</th>
<th>CY14</th>
<th>CY15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$ 100m+ Clients</strong></td>
<td>9</td>
<td>14</td>
<td>16</td>
<td>22</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td><strong>US$ 50m+ Clients</strong></td>
<td>25</td>
<td>39</td>
<td>47</td>
<td>55</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td><strong>US$ 20m+ Clients</strong></td>
<td>76</td>
<td>95</td>
<td>114</td>
<td>129</td>
<td>159</td>
<td>173</td>
</tr>
<tr>
<td><strong>US$ 10m+ Clients</strong></td>
<td>139</td>
<td>161</td>
<td>185</td>
<td>224</td>
<td>249</td>
<td>281</td>
</tr>
<tr>
<td><strong>US$ 5m+ Clients</strong></td>
<td>200</td>
<td>235</td>
<td>273</td>
<td>333</td>
<td>387</td>
<td>413</td>
</tr>
<tr>
<td><strong>US$ 1m+ Clients</strong></td>
<td>434</td>
<td>512</td>
<td>551</td>
<td>711</td>
<td>764</td>
<td>838</td>
</tr>
</tbody>
</table>
Investment Payoffs | Higher Productivity

Employee Productivity
Rev in $/ Headcount

Incremental Employee Productivity
Inc Rev* in cc / Inc Headcount

<table>
<thead>
<tr>
<th>CY 11</th>
<th>CY 15</th>
<th>5 years</th>
<th>4 years</th>
<th>3 years</th>
<th>2 years</th>
<th>1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>$43,074</td>
<td>$47,110</td>
<td>$61,771</td>
<td>$66,046</td>
<td>$75,928</td>
<td>$77,458</td>
<td>$78,066</td>
</tr>
</tbody>
</table>

* CY11 to CY15
Per Capita Value Creation (Net Income / Headcount)

CY11: $9,524

CY15: $10,737
The Year Gone By
Our Core Business Performed Very Well In CY15

CY 2015 over CY 2014

YoY CC Growth

Incremental Revenue (cc) added: $2.02 Bn

<table>
<thead>
<tr>
<th>Sector</th>
<th>2014 YoY CC Growth</th>
<th>2015 YoY CC Growth</th>
<th>Incremental Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS</td>
<td>14.5%</td>
<td>21.9%</td>
<td>$2.02 Bn</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.9%</td>
<td>14.5%</td>
<td></td>
</tr>
<tr>
<td>Telecom &amp; Media</td>
<td>6.3%</td>
<td>21.8%</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>14.5%</td>
<td>17.6%</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LS &amp; HC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hi-Tech</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>15.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Hospitality</td>
<td>17.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Without Compromising on Revenue Quality

<table>
<thead>
<tr>
<th></th>
<th>CY 11 to 15</th>
<th>CY 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Revenue</td>
<td>$ 8,610</td>
<td>$ 1,182</td>
</tr>
<tr>
<td>Incremental Net Income</td>
<td>$ 1,891</td>
<td>$ 249</td>
</tr>
<tr>
<td>Incremental Margin</td>
<td>22.0%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>
Forward looking
In Summary

- Digital is Default
- We have made the necessary investments
- Digital Partner for key clients in every vertical
- Core Portfolio is doing well
- Well positioned to gain further
Our Core Business Performed Very Well In CY15

CY 2015 over CY 2014

YoY CC Growth

<table>
<thead>
<tr>
<th>Industry</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>BFS</td>
<td>14.5%</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.9%</td>
</tr>
<tr>
<td>Telecom &amp; Media</td>
<td>6.3%</td>
</tr>
<tr>
<td>Retail</td>
<td>14.5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21.9%</td>
</tr>
<tr>
<td>LS &amp; HC</td>
<td>21.8%</td>
</tr>
<tr>
<td>Hi-Tech</td>
<td>17.6%</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>15.0%</td>
</tr>
<tr>
<td>Travel &amp; Hospitality</td>
<td>17.1%</td>
</tr>
</tbody>
</table>

TCS 13.5%
Thank You