

TATA CONSULTANCY SERVICES



Investor Presentation

October 2019

TCS
INVESTOR
RELATIONS

Forward Looking Statements



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, client concentration, restrictions on cross-border movement of skilled personnel, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which TCS has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property 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.



Tata Consultancy Services



\$20.9 BN Revenue FY 19



\$6.8 BN Revenue from digital



Among the **Top 5**
Global IT Service Providers



183 Solution Centers
in 19 countries



450,000+ Employees
146 nationalities



163,000+
Women employees



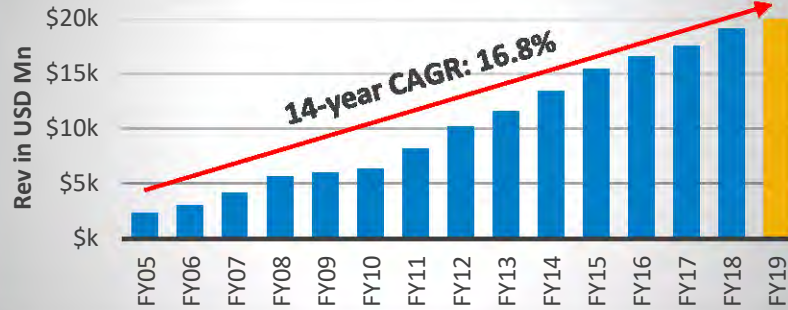
11.6%
Lowest Attrition rate in the IT
Services industry

TCS is a global IT services, consulting and business solutions leader partnering with the world's leading businesses in their transformational journeys

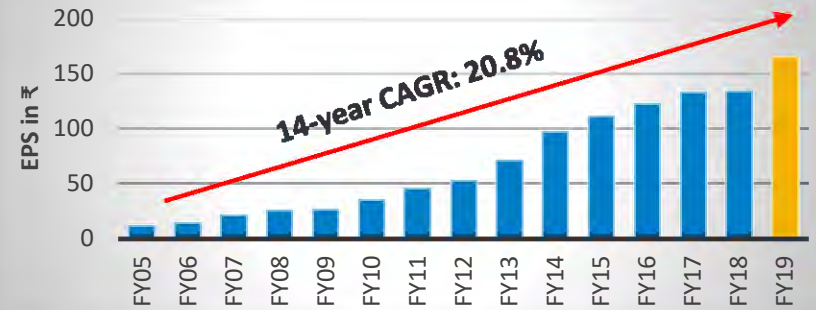


The Journey so far

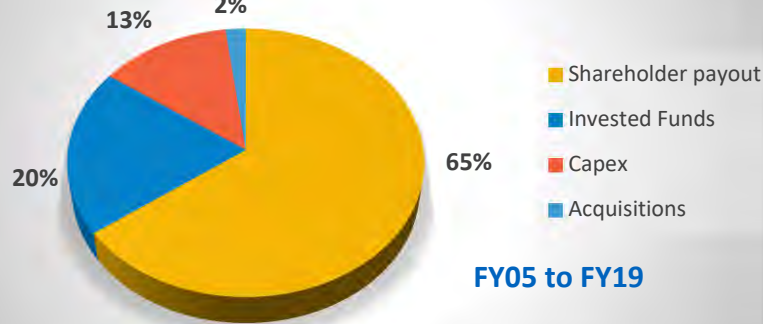
Industry-leading top-line growth...



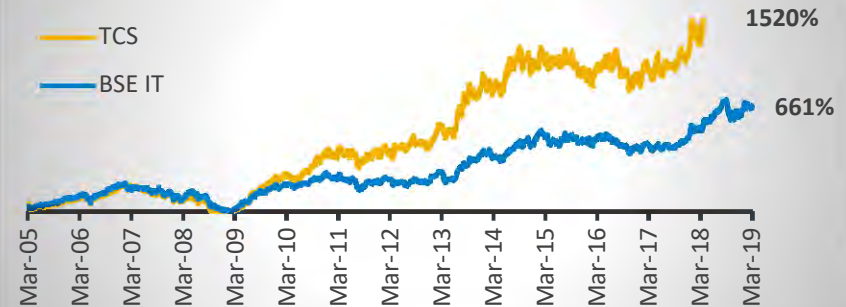
... with superior profitability



Judicious usage of cash...



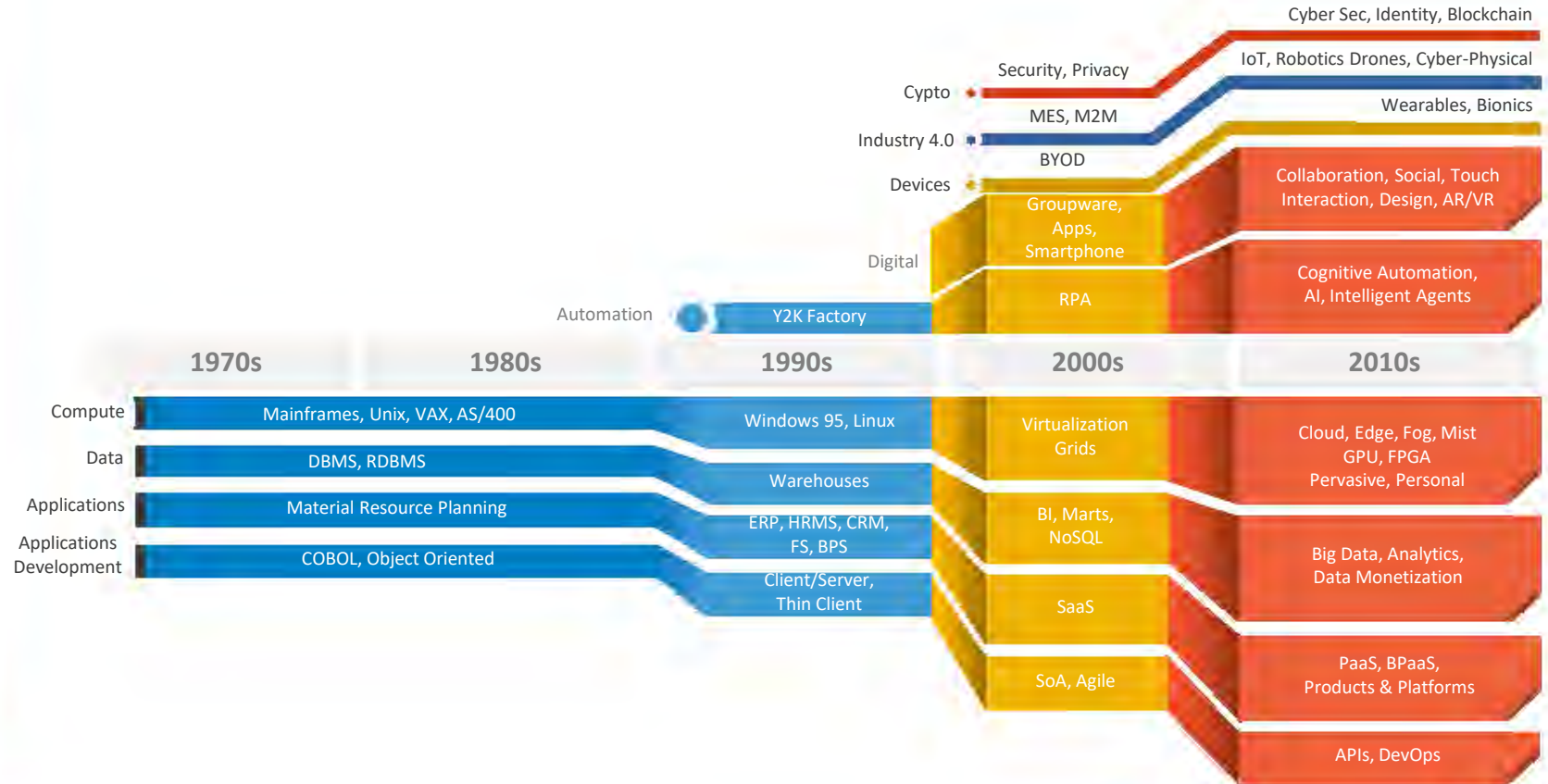
...and higher-than-benchmark share performance





Leading Technology
Change

Leading through 50 Years of Technology Change



The new era demands a different mindset ...



Digital Transformation Offerings

CONSULTING & SERVICES INTEGRATION

Enterprise Agility, M&A / Divestitures, Finance & Shared Services,
CX Front Office Transformation, SCM as a Service, Next Gen Transformation



Machine First
Delivery Model™



IOT

Connected Devices, Industry 4.0,
Digital Twin, Smart City,
Digifleet, Energy Management,
IP2

Cloud Apps, Microsvcs & API

Migration, Modernization,
Integration

TCS Interactive

Commerce, Channels,
Marketing, Engagement

Enterprise Intelligent Automation

Infra, Application, Process

Analytics & Insights

Business Analytics, Data
Services

Cloud Infrastructure

Public, TCS Private & Hybrid
Cloud

Business Platform Solutions

Industry Business Services

Enterprise Services

Digital & Customer Experience Operations

Network Management Datacenter & Workplace Services Cloud Operations

Conversational Experiences

Content, Care, Concierge,
Commerce, Colleague

Cyber Security

I&AM, GRC, Digital Forensics,
MSS, Cloud / Mobile/ IoT

Blockchain

Programs (Embark, Design,
Scale), Platform Solns
(Horizntl, Domain)

Quality Engg & Transformation

SmartQE, CX Assurance,
Big Data, Video

Enterprise Application Services

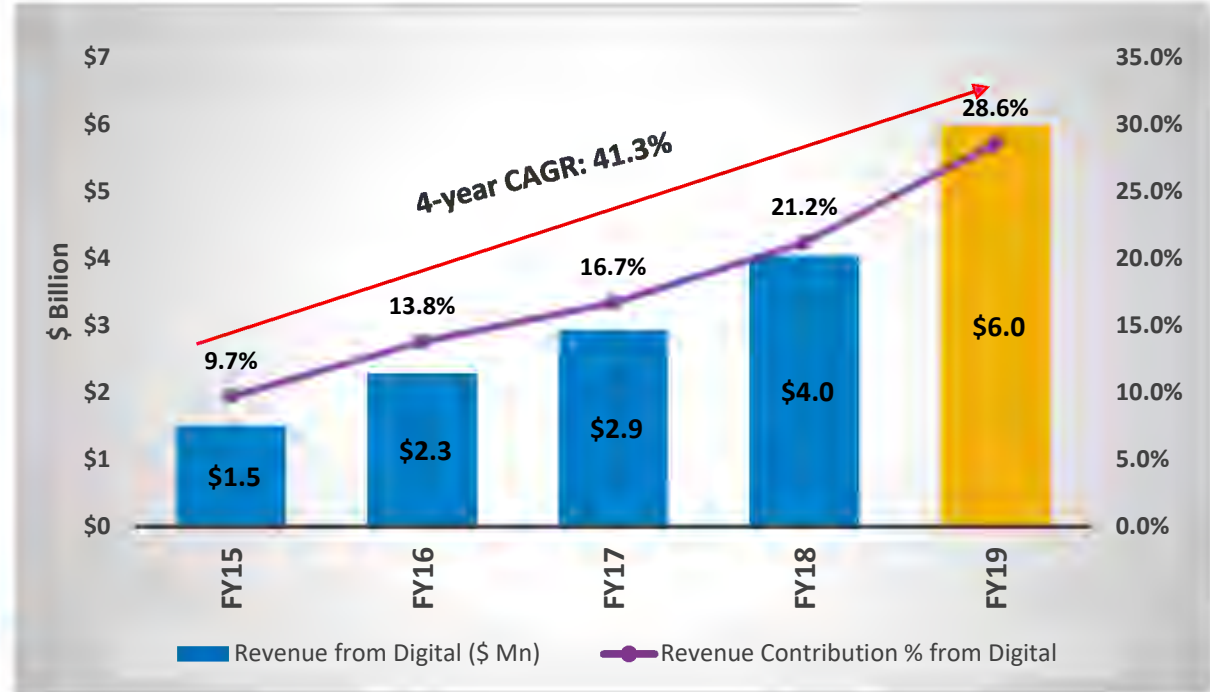
SAP, Oracle, MS, Salesforce,
Microsoft

Future of Work

Digital Workplace, ChatBots,
Collaborative Tools,
Gamification

Gaining Leadership in Digital

- Digital adoption is progressing swiftly - project ticket sizes are going up
- Early adopters are now taking up core transformation programs
- Large scale, large scope, complex and risky undertakings: TCS is the preferred partner



FY 19: TCS was ranked a Leader in 84 competitive assessments in digital technologies by major research firms



Strategic Investments



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“There are no legacy people, only legacy technologies”

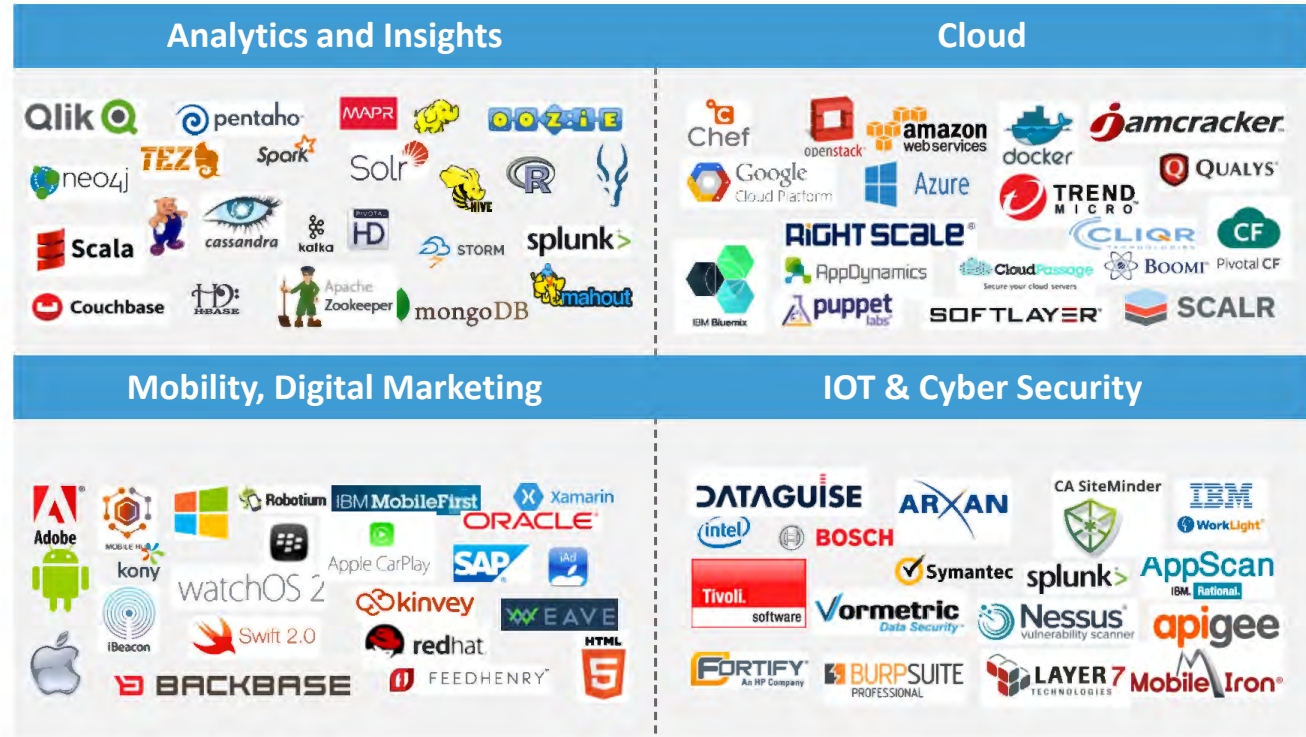
Scalable Reskilling using the Digital Learning Platform

Access: Anytime, Anyplace, Any device

Content: Rich & Expanding Crowd sourced “faculty”

Delivery: Domain-infused, Culture focused, Gamified

Infrastructure: Cloud based, Immersive and Virtual



322k associates trained in Digital | 10 Mn Learning hours logged in 2Q'20

Go Agile at Scale

Location - Independent Agile

Our thought-leading framework that helps customers adopt Agile at scale, and gain concrete business benefits

US Home Supplies
Retailer

Time to market

90% reduction

Product Quality

30% improvement

Australian Bank

Time to market

65% reduction

Product Quality

80% improvement

Large US Financial
Services Co

Time to market

20-50% reduction

Product Quality

60% improvement

Leading Cargo
Handler

Time to market

90% reduction

Product Quality

30% improvement

World's largest Agile-ready workforce:



391K+

Agile-trained
employees



140K+

Agile
practitioners



745

Agile delivery
centres

Market Success:



500+

Clients



6,000+

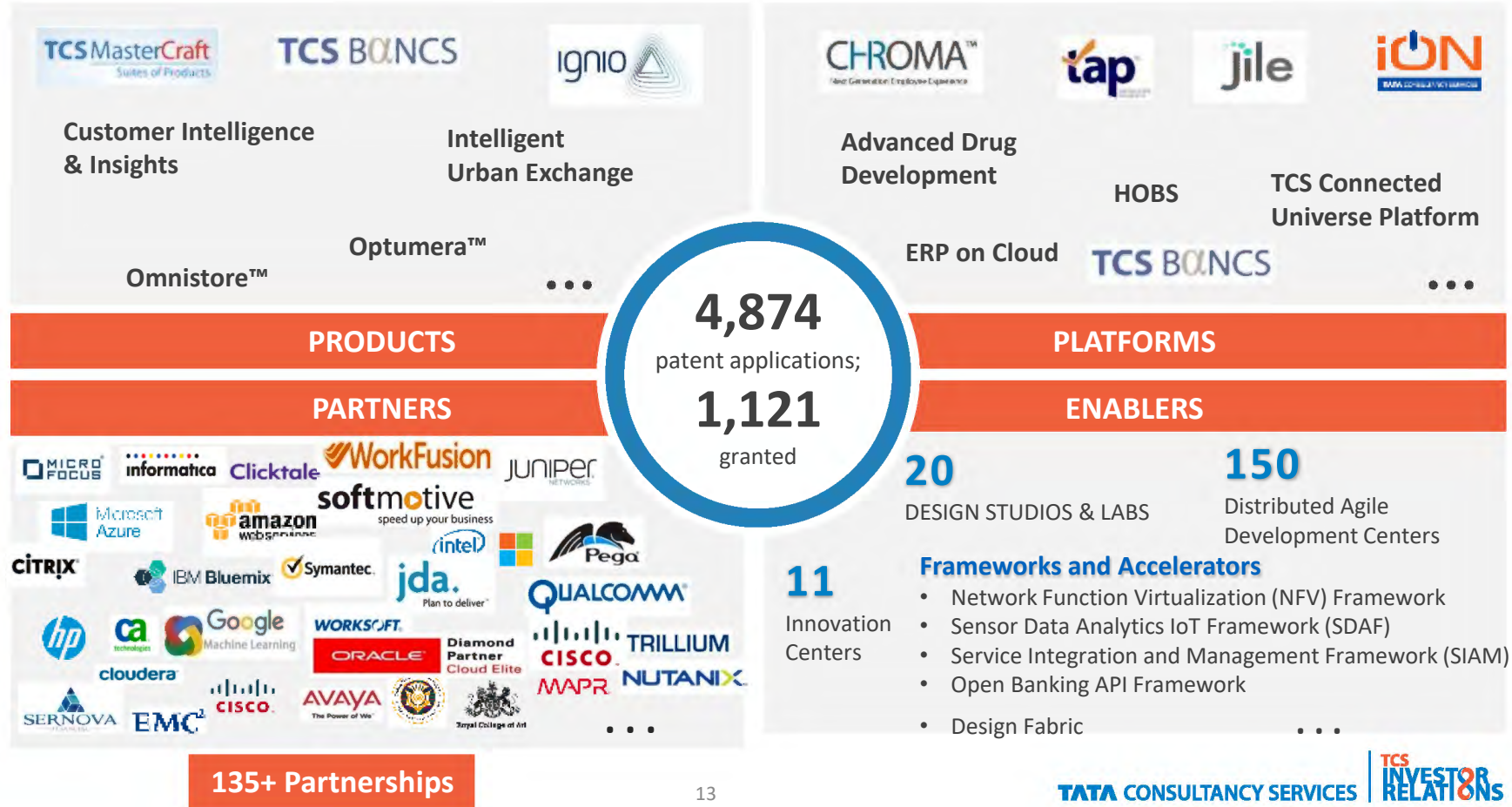
Agile engagements



700+

Engagements with
Agile as primary
methodology

Investments in Digital - Products, Platforms & Partnerships



Helping Customers Scale Their Innovation

Foundational Research

Computing, Physical Systems, Sciences, New Materials, Robotics, Sensing of Machines

Industry-Specific Research

BFSI: Blockchain, Data Marketplace, Analytics, Compliance Monitoring | **Retail:** Algorithmic Retail, Price Optimization, Immersive Store Experience | **Utilities:** Solar value chain, Energy value ecosystem | **Life Sciences:** Digital Clinical Trials, DNA Sequencing, Genomics, Microbiomes, Translational Research

Extended Ecosystem

Emerging technology companies, alliance partners, accelerators and academia



On-Demand Innovation



tcs PACE

Sharing of ideas at the TCS Innovation Forum

Early Stage PoCs /PoTs

Innovation Champions

Custom COIN™

Bespoke Innovation Days

Crowd Sourcing Innovation through Hackathons/ Ideathons

Design Thinking and Agile Innovation at a Pace Port™

1,000 +
Researchers

1,121/4,874*
Patents

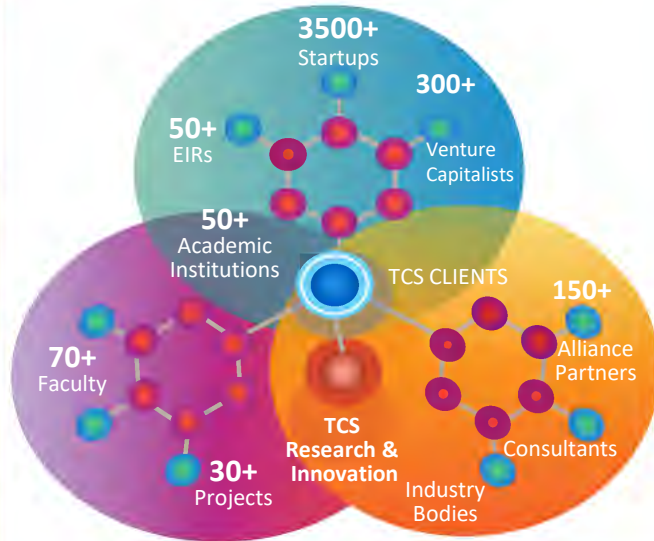
30+
Innovation Labs

250+
Publications

~250 MN
USD investments

* Granted/ Applied

TCS Co-Innovation Network (COIN™)



TCS' start-up program is organic, highly structured, and currently one of the largest among services companies

- Mette Ahorlu
Research Director, IDC

Startups & Accelerators



Alliance Partners



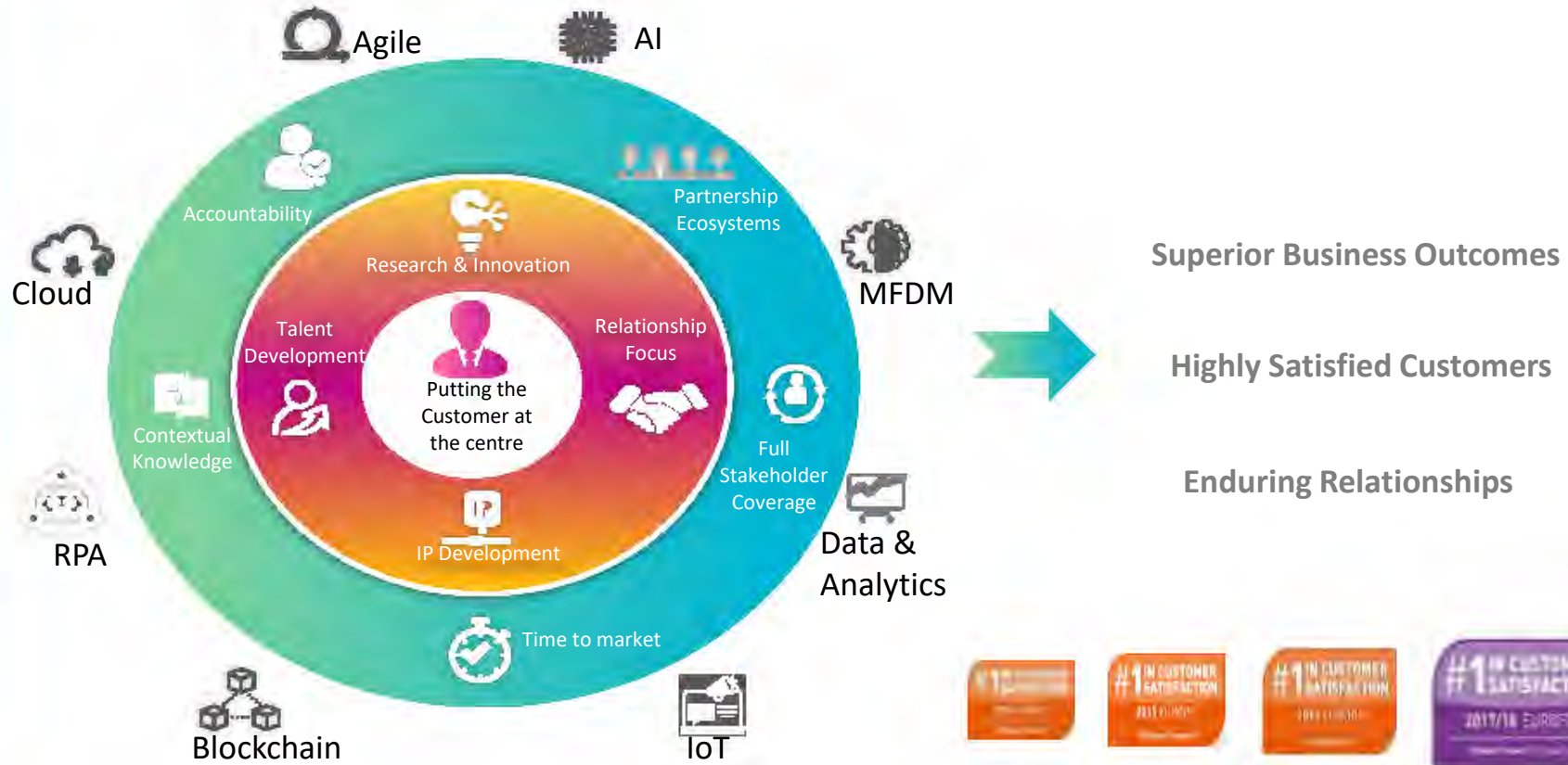
Academic Partners



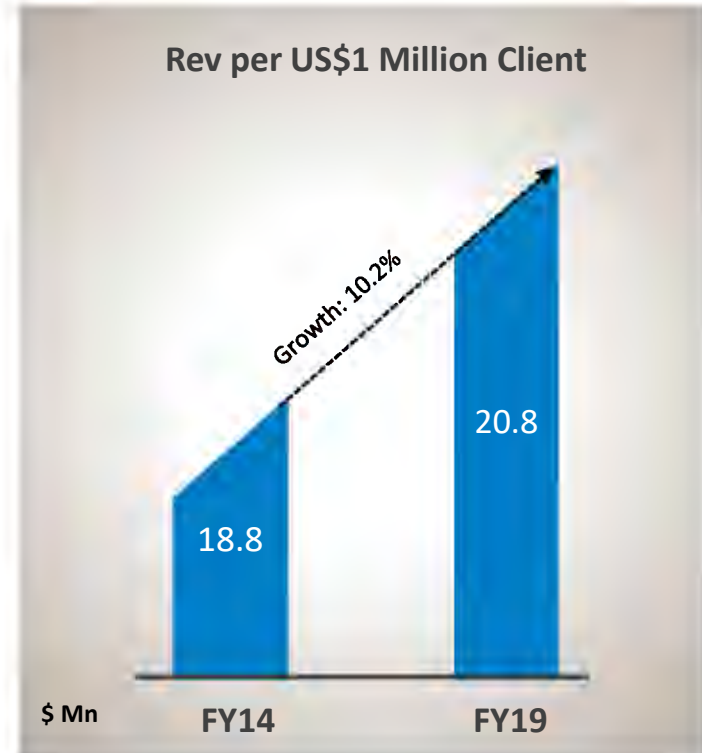
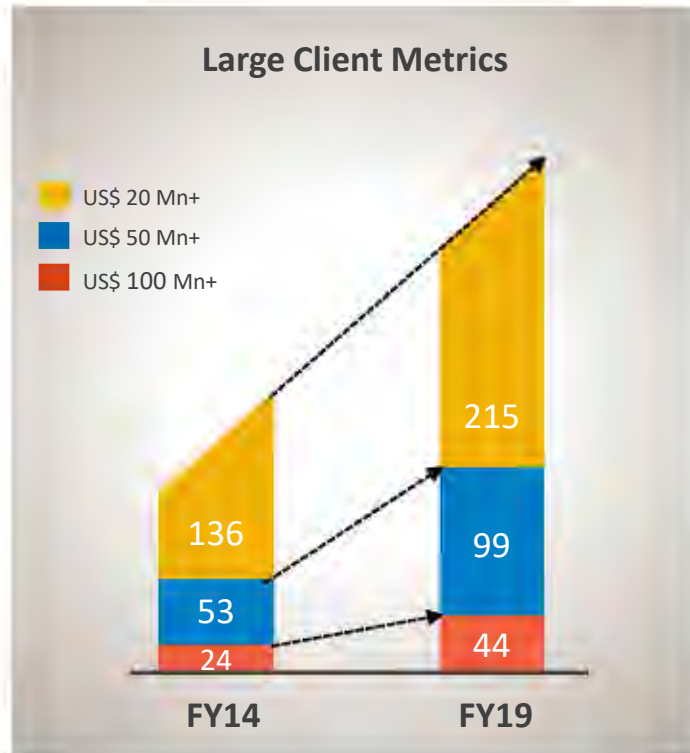


Longer Term Growth Strategy

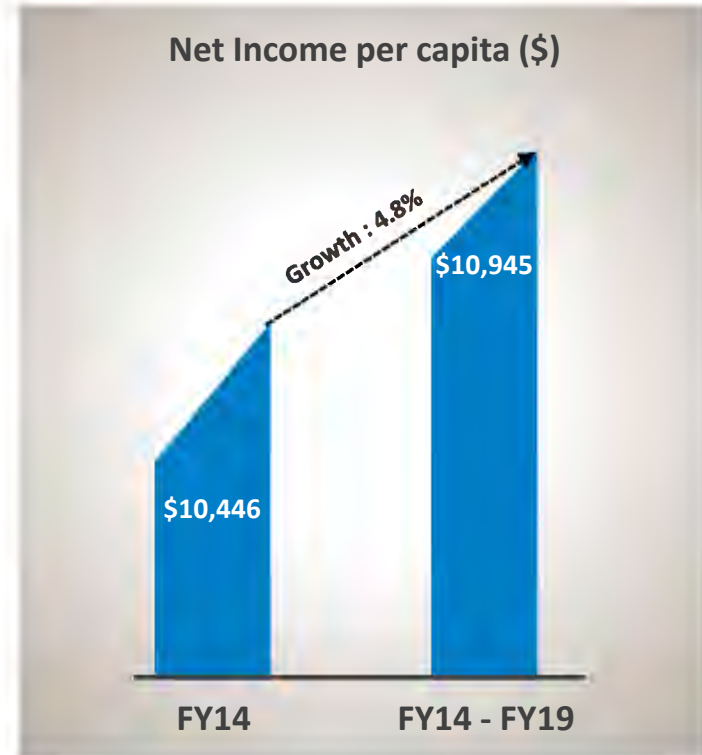
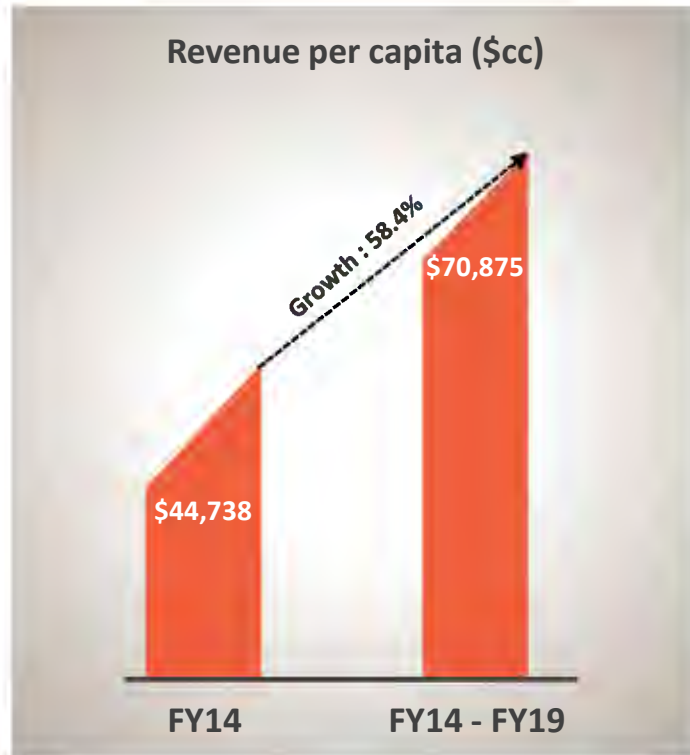
Customer-centric Strategy: Going Deeper, Casting Wider



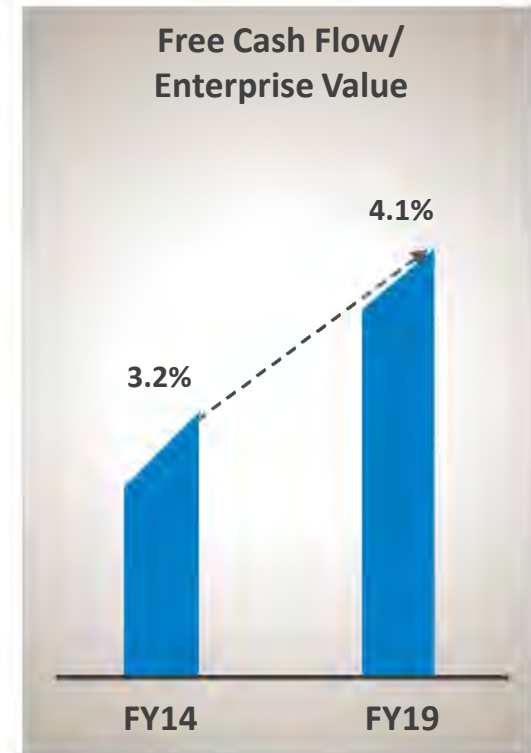
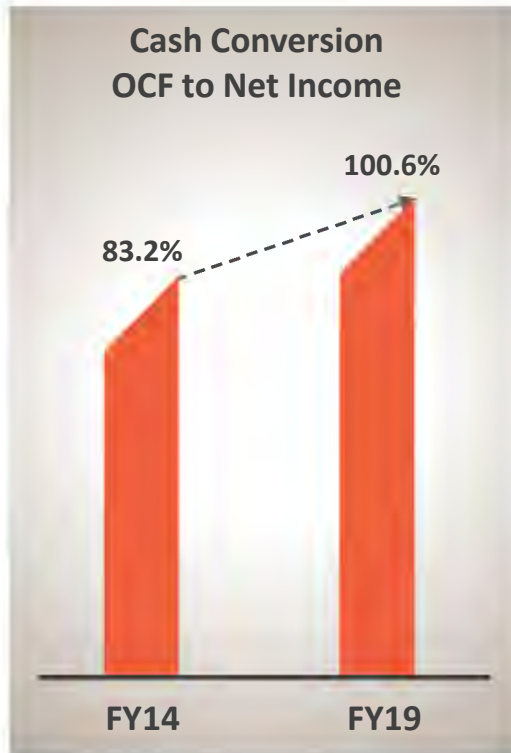
Going Deeper, Casting Wider: Business Outcomes



Going Deeper, Casting Wider: Financial Outcomes



Cash Flow

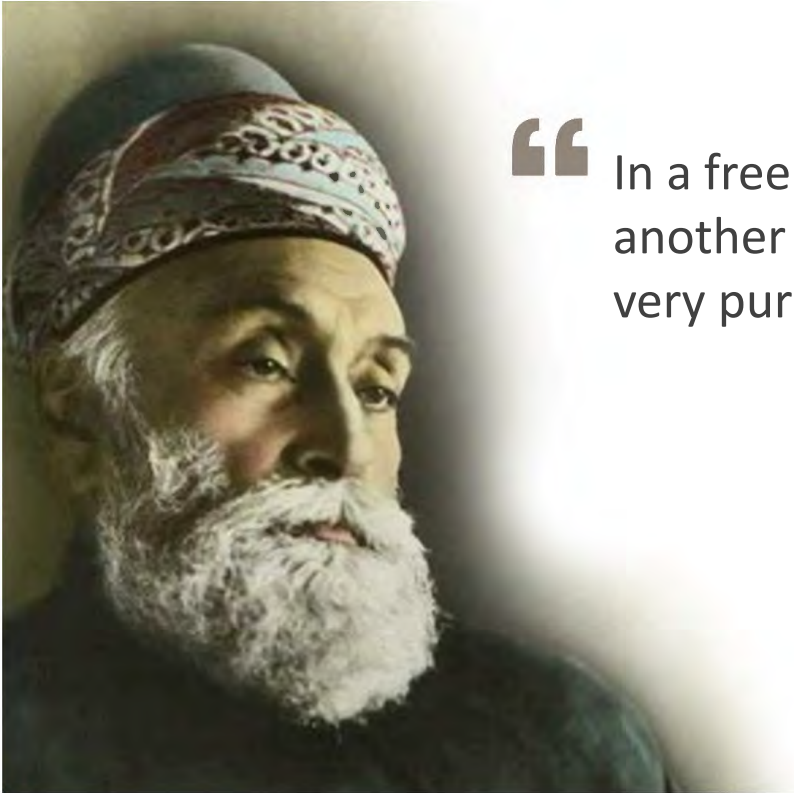


Strong Capital Allocation

Average Payout
FY15-FY19 : 81%



Unique, Purpose-Driven



“ In a free enterprise, the community is not just another stakeholder in business, but is in fact the very purpose of its existence. ”

- J N Tata
1839-1904



For every \$1 returned to shareholders by TCS, \$0.47 goes back to the community, giving TCS a unique, purpose-driven worldview

TCS In The Community

Wellness

TCS promotes health and wellness in all the communities it works in. We are title sponsors of leading Marathons across the globe, and continuously applying innovations to healthcare practices and awareness



OFFICIAL MOBILE APP PARTNER

TATA
CONSULTANCY
SERVICES



TCS AMSTERDAM
MARATHON 2019
TATA CONSULTANCY SERVICES



STEM Education

In countries like the UK, North America, LatAm and Australia facing shortage of tech skills, TCS has devised various programs and reached over 660,000+ students in FY 2019 through STEM initiatives to spark interest in science and technology

Skills development

TCS' Education and Skill Development initiatives cover the entire life path of students from school to Ph.D. as also skilling and adult literacy that enables livelihood.

IGNITE MY FUTURE

it Employability



LaunchPad

In Summary: TCS Strategy Driving Differentiated Outcomes

MARKET TRENDS

- More and more industries are leveraging technology to differentiate themselves
- Customers want solutions to business problems and not just technology skills
- Non CIO buyers emerging in enterprises
- Transformational partners selected based on solution quality and time to market
- Greater platformization of business

TCS APPROACH

- Ramping up Research & Innovation, co-innovation and collaboration
- Domain-specific IP
- Greater focus on proactive solution selling
- Full stakeholder services
- Leverage TCS' contextual knowledge, Location Independent Agile, Machine First Delivery Model and Intellectual Property
- Launch of cloud based platforms and new business models
- Leverage IP portfolio

OUTCOMES

- Industry-defining mega deals
- Thinner competitive set
- Greater pricing power, stabler margins, lower attrition rates
- Expansion of addressable market
- Higher profile, strategically more important engagements
- Thinner competitive set >> Lesser focus on pricing
- Embedding us more in business; gives greater resilience and visibility
- Expansion of addressable market
- Frees up spends for systems of differentiation



Annexure

Latest Earnings' Financial Highlights

IFRS

USD Mn

	Yearly			Quarterly		
	FY19	FY18	YoY	2Q20	2Q19	YoY
Revenue - CC	\$21,265	\$19,089	11.4%	\$5,653	\$5,215	8.4%
Revenue - ₹ Bn	1,465	1,231	19.0%	390	369	5.8%
Revenue - USD	\$20,913	\$19,089	9.6%	\$5,517	\$5,215	5.8%
Gross Profit	\$8,753	\$8,035	8.9%	\$2,220	\$2,215	0.2%
Gross Margin	41.9%	42.1%	(24 bps)	40.8%	42.5%	(170 bps)
Operating Income	\$5,347	\$4,730	13.0%	\$1,325	\$1,383	(4.2%)
Operating Margin	25.6%	24.8%	79 bps	24.0%	26.5%	(250 bps)
Net Income	\$4,494	\$4,005	12.2%	\$1,139	\$1,119	1.8%
Net Margin	21.5%	21.0%	51 bps	20.6%	21.4%	(80 bps)

EPS in ₹ *	83.05	67.10	23.8%	21.43	20.66	3.8%
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* EPS Adjusted for Bonus shares issued during FY18-19



Thank You



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