# Investor Presentation

May 2022

# 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, pandemics, natural disasters 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

**$25.7 BN**
Revenue FY 22
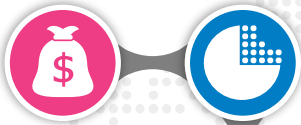
**25.3%**
Operating Margin FY22

Among the **Top 10**
Global IT Service Providers

**592,000+**
Employees

**184** Solution Centers

**$181 BN**
Market cap – Mar 31, 2022

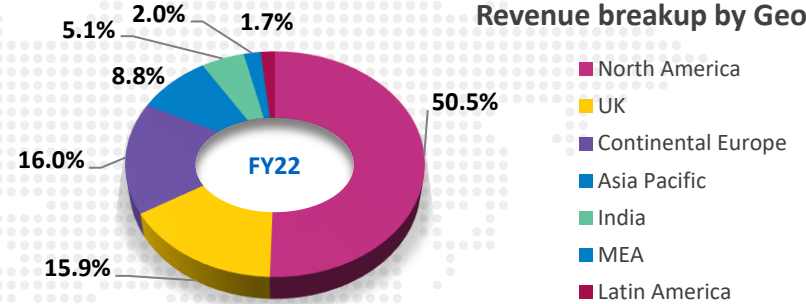**200,000+**
Women employees

**17.4%**
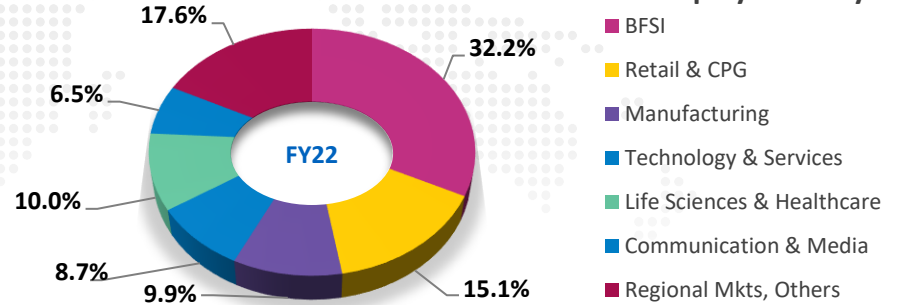Lowest attrition in IT Services
in the industry –Mar 31, 2022

## We Are…

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

### Revenue breakup by Geo

- 50.5%
- 15.9%
- 16.0%
- 8.8%
- 5.1%
- 2.0%
- 1.7%

**FY22**

- North America
- UK
- Continental Europe
- Asia Pacific
- India
- MEA
- Latin America

### Revenue breakup by Industry

- 32.2%
- 15.1%
- 9.9%
- 8.7%
- 10.0%
- 6.5%
- 17.6%

**FY22**

- BFSI
- Retail & CPG
- Manufacturing
- Technology & Services
- Life Sciences & Healthcare
- Communication & Media
- Regional Mkts, Others

# The Fastest Growing Brand In IT Services

**Ranked #2 Most Valuable Brand in IT Services Globally by brand value and the fastest growing brand of the decade** (Source: Brand Finance)

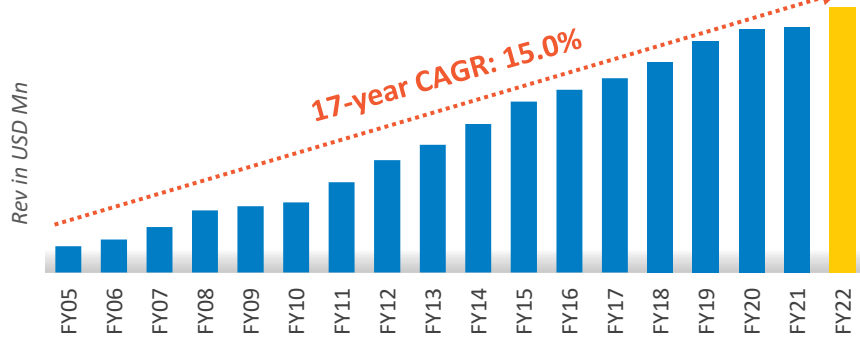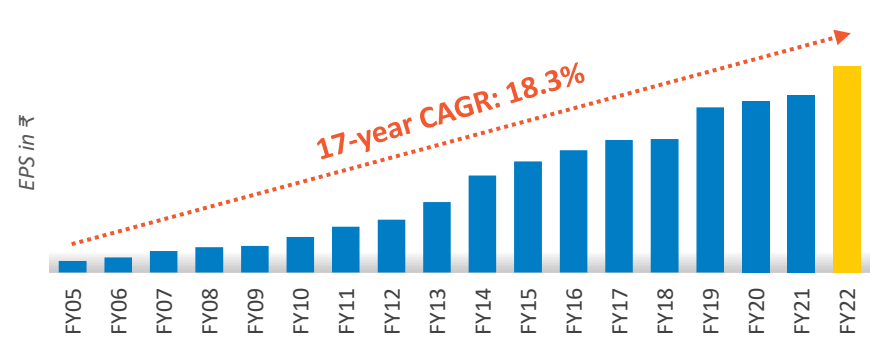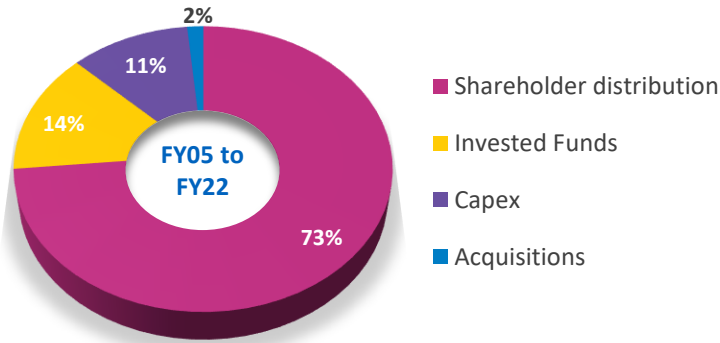| Ranked Global Top Employer by the Top Employers' Institute | Ranked #1 in Customer Satisfaction in Europe in Whitelane Research's poll of large enterprises. | Given the Best of Best award by the Association of Talent Development for L&D Program | Named Outstanding Company in IT Services in India in Asiamoney's 2020 Investor Poll |

# The Journey So Far

## Industry-leading topline growth …



*Rev in USD Mn*

17-year CAGR: 15.0%

FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

## … with superior profitability



*EPS in ₹*

17-year CAGR: 18.3%

FY05 FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

## Judicious usage of cash …



2%
11%
14%
73%

**FY05 to FY22**

- Shareholder distribution
- Invested Funds
- Capex
- Acquisitions

## … and higher-than-benchmark share performance



— TCS **2928%**
— BSE IT **1713%**

Mar-05 Mar-06 Mar-07 Mar-08 Mar-09 Mar-10 Mar-11 Mar-12 Mar-13 Mar-14 Mar-15 Mar-16 Mar-17 Mar-18 Mar-19 Mar-20 Mar-21 Mar-22

TCS INVESTOR RELATIONS

tcs | TATA CONSULTANCY SERVICES
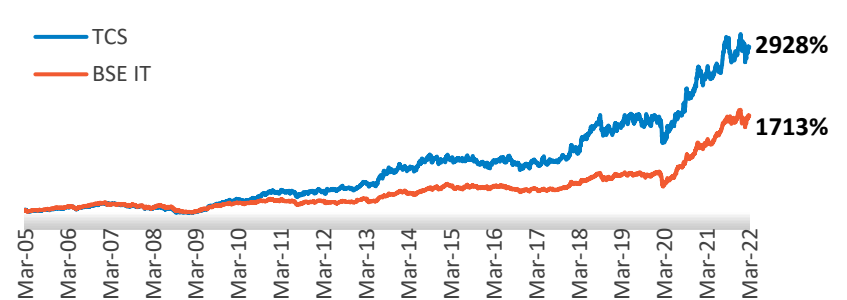
# Leading Technology Change

# Three Key Drivers of Growth

**Outsourcing**
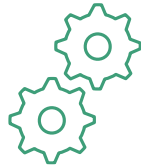
**Cloud Adoption**

**Growth & Transformation**
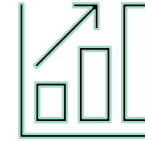
**All Time High Deal Wins in FY 2022**

## $34.6 Bn | 1.5

TCV of Order Book | Book to Bill

**Mix of Growth & Transformation Deals as well as Large Outsourcing Deals**

# Customers Embarking on Multi-Horizon Transformation Journeys

**INNOVATE & DIFFERENTIATE**

- Product / Business Model Innovation
- Enhanced Customer Experience

**BUILD DIGITAL CORE**

- Application, Data & Infrastructure Modernization
- Business and IT Operations Transformation

**LEVERAGE PURPOSE LED ECOSYSTEMS**

- Collaboration with Adjacent Enterprises
- Create New Offerings that Address the Customer's Purpose

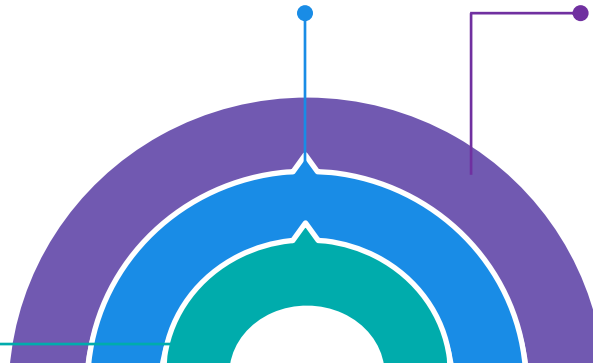# Innovating for Greater Futures at an accelerated pace

# Strategic Investments

# Creating a diverse, inclusive and vibrant workplace

## Industry Leading Talent Retention

**Annual Attrition: TCS vs Peers**



| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---|---|---|---|---|
| TCS | 11.0% | 11.3% | 12.1% | 7.2% | 17.4% |
| Peers Composite | 16.7% | 17.7% | 17.1% | 13.7% | 23.7% |

● TCS   ● Peers Composite

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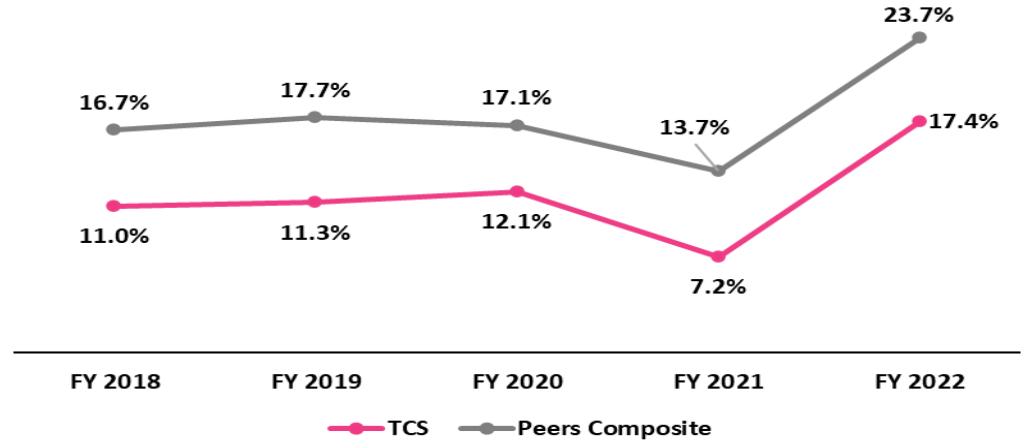
### Industry-First Innovations

**TCS NQT**
Best Talent from across India

**Vision 25x25**
Defining the Future of Work

**Talent Clouds**
Reimagining Service Delivery

### Talent Diversity and Inclusion

**210k+**
Women

**84%**
Increase in senior women executives over last 5 years

**153**
Nationalities

# Doubling Down on Organic Talent Development

## Skilling at Scale

**Access**
Anytime, Anyplace, Any device

**Content**
Rich & Expanding

**Delivery**
Domain-infused, Culture focused, Gamified

**Infrastructure**
Cloud based, Immersive and Virtual

### Talent Development

**322k**
Elevate – Merit based skill development

**13k**
Identified as high talent and received increased compensation

**50k**
Contextual Masters

**+ 169% Y-o-Y**
**24% Women**

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**60+ Mn**
Learning Hours

**3.5 Mn**
Digital competencies acquired

**171K**
Employees deep skilled



Awarded ATD Best 12th time in a row! BEST of Best - 3rd time

BE**St** 2021 AWARD WINNER

Awarded the Prestigious "ATD Award for Innovation" for our AI Driven Innovation in Digital Learning
For Fresco Play | T-Factor | Milestone | Hands-on Learning | Hackathons

INNOVATION IN TALENT DEVELOPMENT WINNER · atd Association for Talent Development

**15 Other Awards Won this Year**

3 ATD excellence in TD Awards

4 Stevie Awards
3 Gold | 1 Bronze

4 Brandon Hall Group Excellence Awards
2 Gold | 1 Silver | 1 Bronze
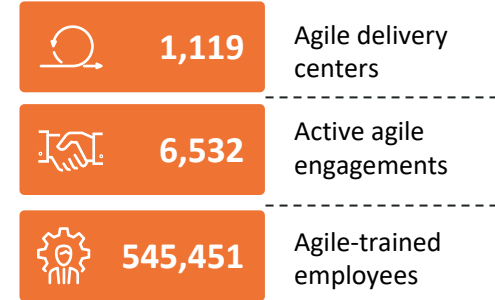
3 Golden Bridge Awards
2 Gold | 1 Bronze

UNGCNI Award for Sustainable & Innovative HR Practices

# Enterprise agility for unmatched speed-to-market

Our thought-leading frameworks that help enterprises adopt agile at scale and gain concrete business benefits:

- **TCS Location-independent Agile™**
- **Service Delivery Maturity Framework**
- **#TCSLivingAgile Techniques**
- **Born Agile™**
- **AgilityDebt™**
- **Agile CBO™**

**Open agile collaborative workspaces**

| | | |
|---|---|---|
| 1,119 | Agile delivery centers | |
| 6,532 | Active agile engagements | |
| 545,451 | Agile-trained employees | |

**30 to 50%** increase in speed-to-market

**50 to 70%** improvement in quality

**>90%** end-user satisfaction

## Location-independent Agile™

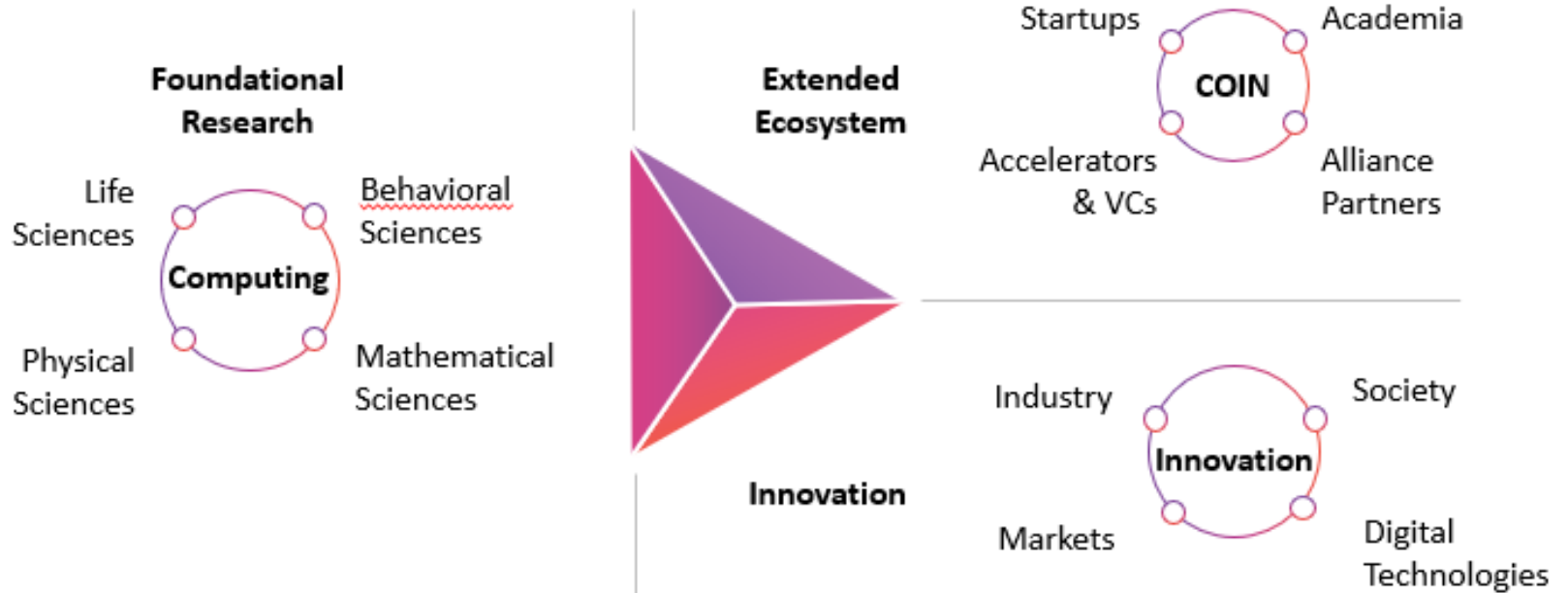**3** models  **4** enablers  **5** principles

- TCS has 6,532 active agile IT engagements; 11,633 active agile IT projects; and 85.34% standard + advanced maturity
- Largest agile-ready workforce of over 545,451; agile practitioner count of 467,831; agile Ninja coaches count of 2,512; and more than 95,986 agile workspaces (seats)

TCS INVESTOR RELATIONS

TATA CONSULTANCY SERVICES

# Our Investments: Research, Innovation and Ecosystem



Foundational Research

Life Sciences · Behavioral Sciences · Physical Sciences · Mathematical Sciences — **Computing**

Extended Ecosystem

Startups · Academia · Accelerators & VCs · Alliance Partners — **COIN**

Innovation

Industry · Society · Markets · Digital Technologies — **Innovation**

| **6,500+** Researchers, inventors and innovators | **58** Academic Partners | **240+** Publications | **40+** Research and Innovation Centers | **5** Pace Ports | **2,616** Start-up partners | **$300 million** Investment** |
|---|---|---|---|---|---|---|

TCS INVESTOR RELATIONS

TATA CONSULTANCY SERVICES

# TCS Patent Wall



**SUBJECT CLUSTER**

- Internet of Things — Data Science
- Artificial Intelligence / Machine Learning — User experience
- Embedded Systems & Robotics — Information Technology
- 5G Technology & Application — Sensing Technology
- Software Services — Blockchain Technology & Application
- Software Engineering

**6,583** patent applications;

**2,287** granted
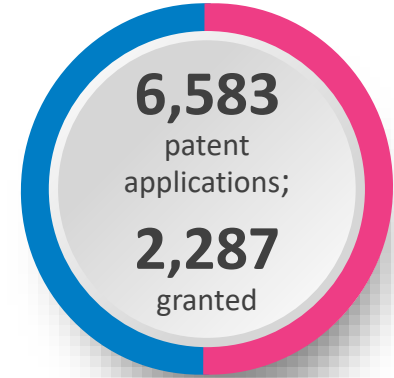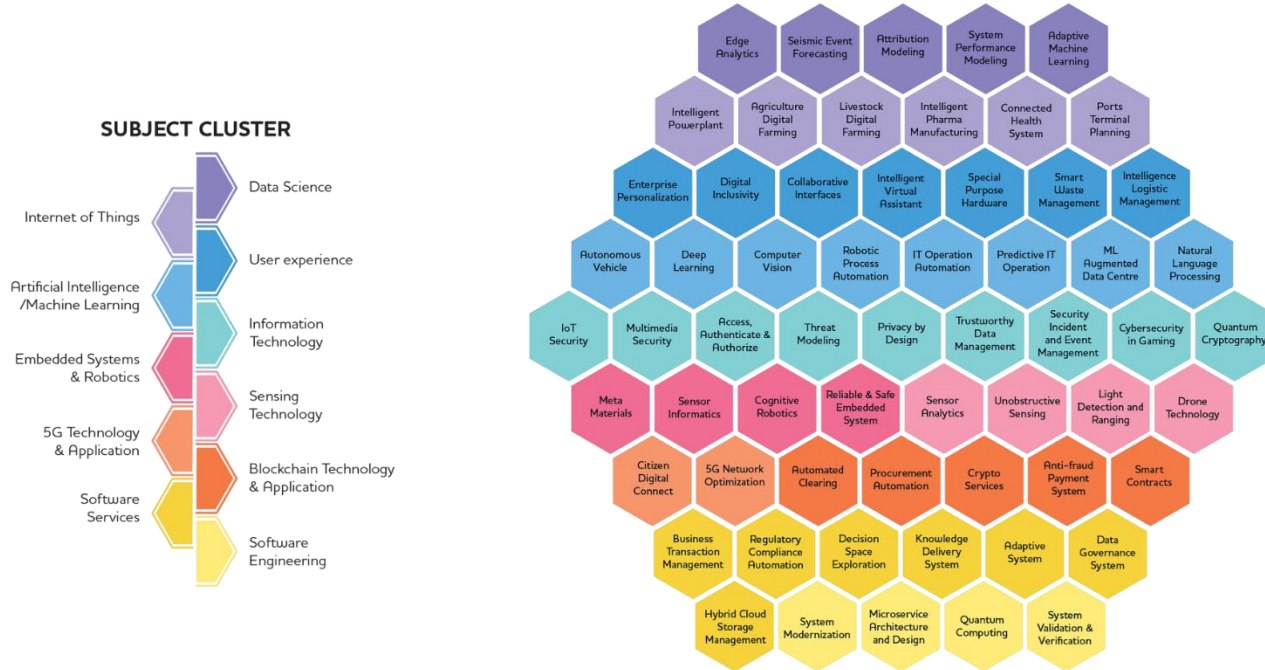
## 28 Institutional awards & professional recognitions

- Best Patent Portfolio – Large Enterprise (ICT Services) Enterprise Trophy by World IP Organization

- National IP Award

- Asia IP Elite

# TCS Pace Ports™

TCS Pace Ports™ are experiential spaces which allow customers to experience the transformational power of TCS' research, innovation and digital prowess come alive under one roof

TCS Pace Ports enable customers to:

- Summon the best of the start-up ecosystem: **TCS COIN Accelerators**

- Engage with the Best of Academia through: **Academic Research Labs**

- Develop nimble business model to embrace breakthrough technologies: **Agile Workspaces**

- Consume the best of TCS' Thought Leadership: **Digital Libraries**

- Explore digital drivers for growth and transformation: **Innovation Showcases**

- Watch ideas come alive: **Rapid Labs**



## Pace Port locations:
### New York | Amsterdam | Tokyo | Pittsburgh | Toronto

# TCS Products and Platforms

| | | | |
|---|---|---|---|
| **BFSI** | tcs BαNCS™ | tcs MasterCraft™ | **DevOps** |
| **Retail** | tcs Optumera™ | tcs OmniStore™ | |
| **Life Sciences** | tcs ADD | ignio | **Cognitive AI** |
| **CMI** | tcs HOBS™  tcs Twinx™ | jile | **Agile Tools** |
| **SMB** | tcs iON | tcs QUARTZ™ | **BlockChain** |

Extensive portfolio of frameworks, accelerators and toolsets across Enterprise Applications, IoT, Data and Analytics, Cloud migration, Cloud management and Cognitive Business Operations

# Our New Brand Identity

## Brand Statement

Building on belief

## Purpose

Building greater futures through innovation and collective knowledge.

## Positioning

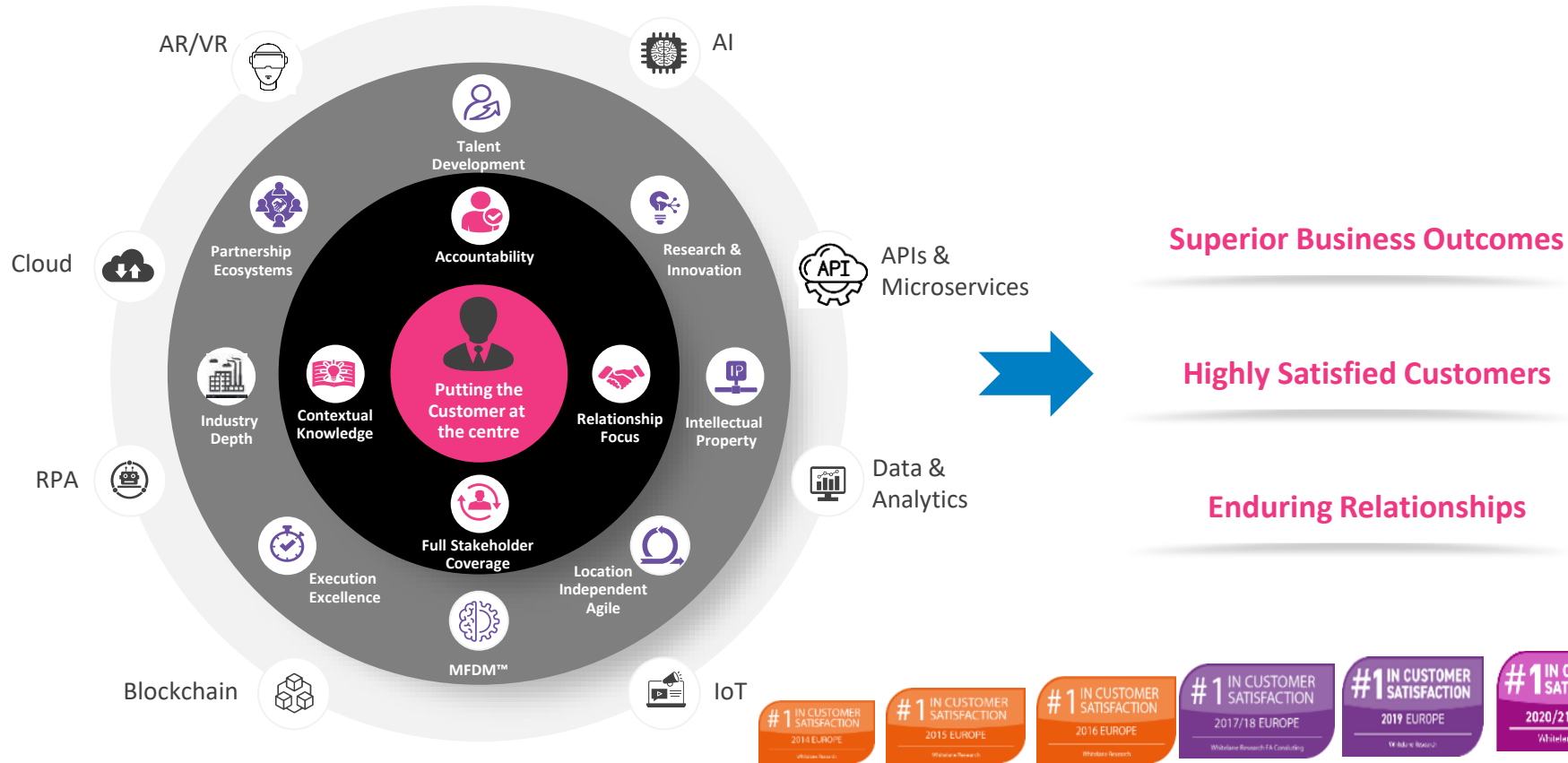We are the Purpose-led Transformation Company

## Our Narrative

Every business is born out of belief.
The belief you can make an impact.
That you have an idea that matters.
At TCS, we go beyond helping businesses transform through technology. We help them make a meaningful difference. Translating their aspiration into reality. Building on their ambition and optimism to transform their business for the better. So their contribution is felt by their customers and communities they serve. At TCS we instill hope into business and trust into enterprise.
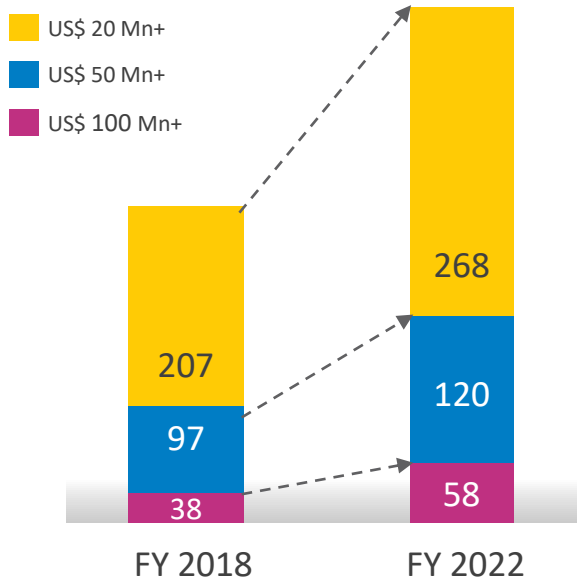**TCS, Building on belief.**

# Longer Term Growth Strategy

# Customer-centric Strategy: Going Deeper, Casting Wider



**AR/VR**

**AI**

**Cloud**

**Partnership Ecosystems**

**Talent Development**

**Accountability**

**Research & Innovation**

**APIs & Microservices**

**Putting the Customer at the centre**

**Industry Depth**

**Contextual Knowledge**

**Relationship Focus**

**Intellectual Property**

**RPA**

**Data & Analytics**

**Execution Excellence**

**Full Stakeholder Coverage**

**Location Independent Agile**

**Blockchain**

**MFDM™**

**IoT**

**Superior Business Outcomes**

**Highly Satisfied Customers**

**Enduring Relationships**

# Going Deeper, Casting Wider: Business Outcomes

## Large Client Metrics

Legend:
- US$ 20 Mn+ (yellow)
- US$ 50 Mn+ (blue)
- US$ 100 Mn+ (magenta)

FY 2018:
- 207
- 97
- 38

FY 2022:
- 268
- 120
- 58

## Rev per US$1 Million Client

Growth: 9.7%

$ Mn

FY 2018: 19.8
FY 2022: 21.7
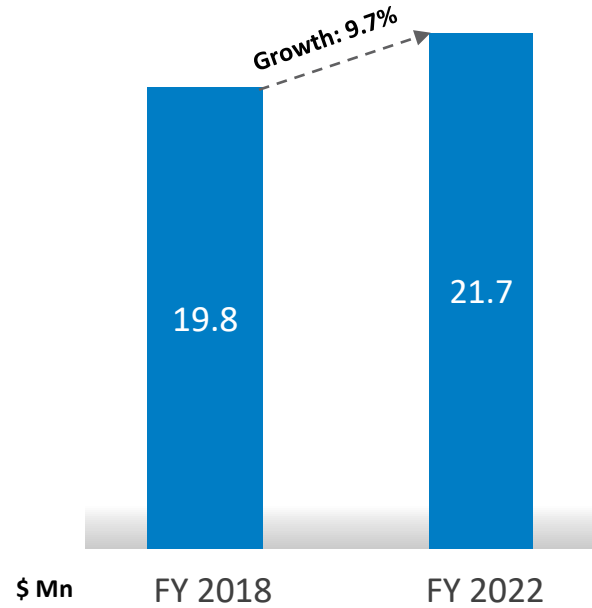
# Strong Organic Growth, with Market Share Gains

**Revenue in US$ Mn**



Bar chart showing Revenue in US$ Mn with y-axis from 0 to 30000. FY 2012 bar approximately 10000, FY 2022 bar approximately 26000. A blue ellipse labeled **2.5x** overlays the chart.

Yellow ellipse: **1.4x** — Global Market for IT & ITeS

Gray ellipses: **1.6x**, **2.1x**, **2.3x** — Growth Multiples of closest global and India-based peers much more active in M&A
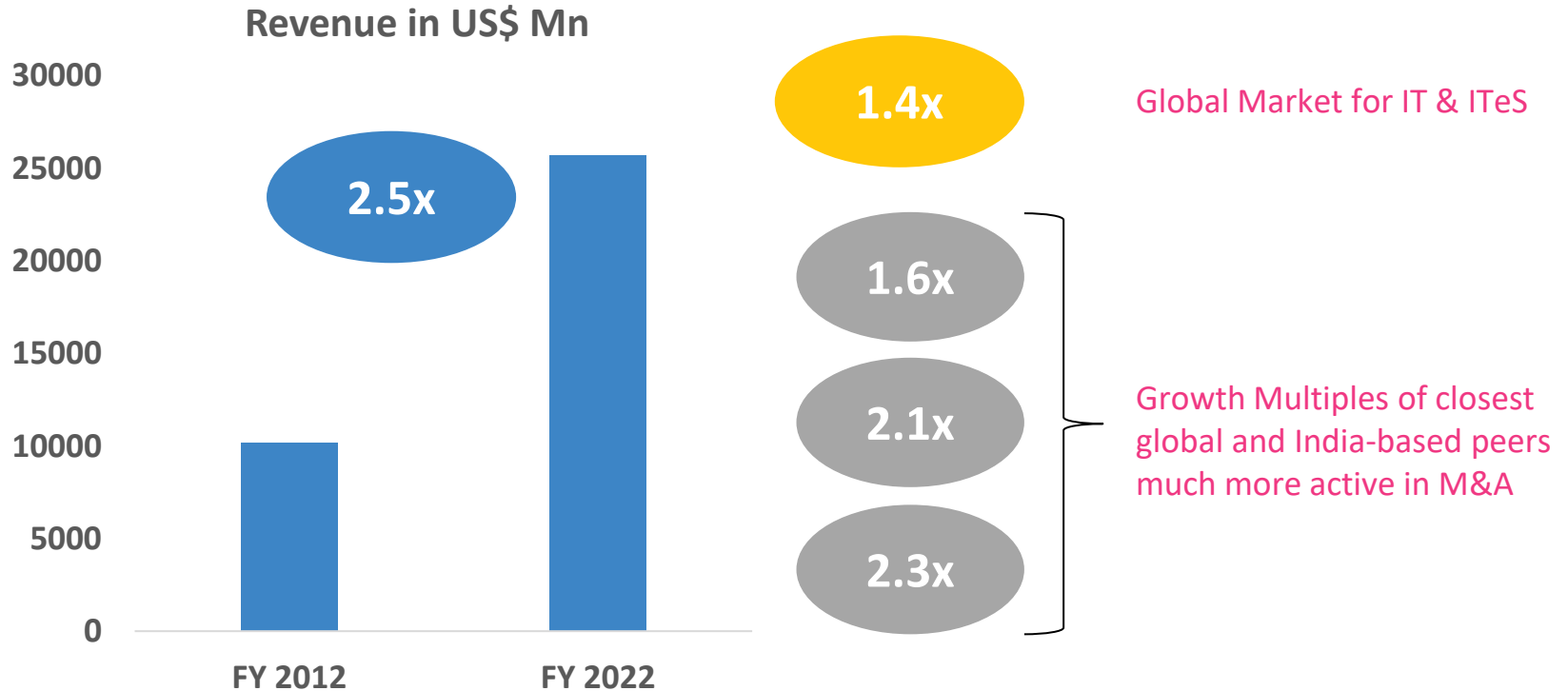
# Consistent Profitable Growth for Long Term Value Creation

## Resilient, Industry-Leading Profitability

**EBIT Margin: TCS vs Peers**

TCS: 24.8% (FY 2018), 25.6% (FY 2019), 24.6% (FY 2020), 25.9% (FY 2021), 25.3% (FY 2022)
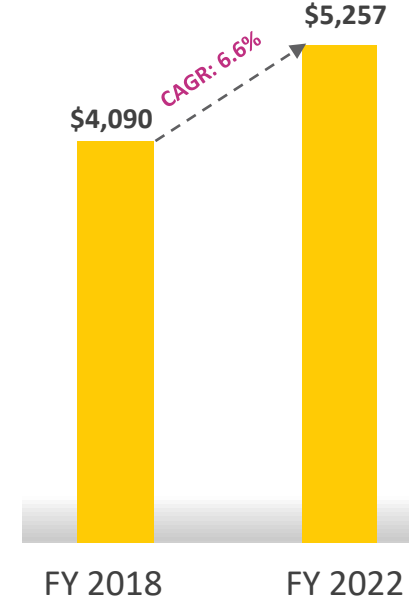
Peers Composite: 15.4% (FY 2018), 15.7% (FY 2019), 15.5% (FY 2020), 15.6% (FY 2021), 15.1% (FY 2022)

FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022

━●━ TCS ━●━ Peers Composite
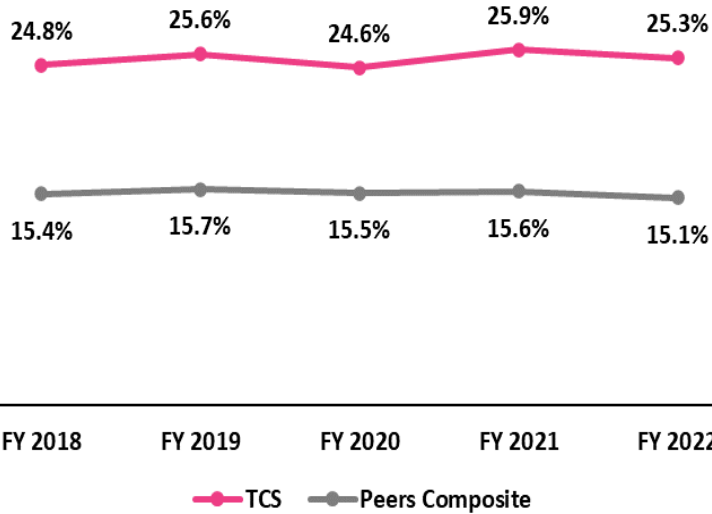
## Robust Cash Flow

**Cash Conversion**
**OCF to Net Income**

109.1% (FY 2018) → 110.0% (FY 2022)

**Free Cash Flow**
**USD Mn**

$4,090 (FY 2018) → $5,257 (FY 2022)

CAGR: 6.6%
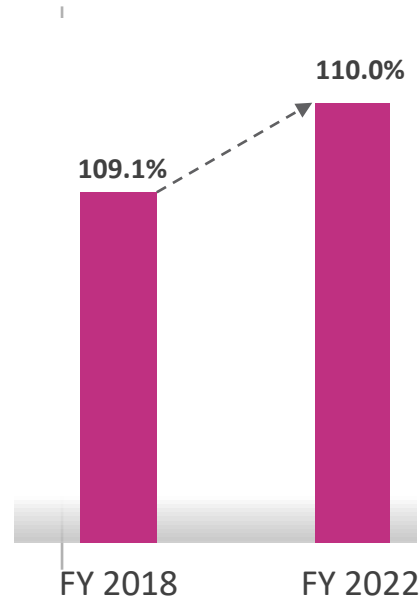
# Shareholder-friendly Capital Allocation



| | 106% | 91% | 98% | 105% | 99% |

**99%**
**Average Payout**
**FY 2018 – FY 2022**

Amt in $ Mn

|  | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---|---|---|---|---|
| Free Cash Flow | $4,090 | $4,217 | $4,540 | $5,131 | $5,257 |
| Shareholder Payout | $4,233 | $4,070 | $4,433 | $4,604 | $5,094 |

Free Cash Flow

Shareholder Payout
(as % of Net Income)
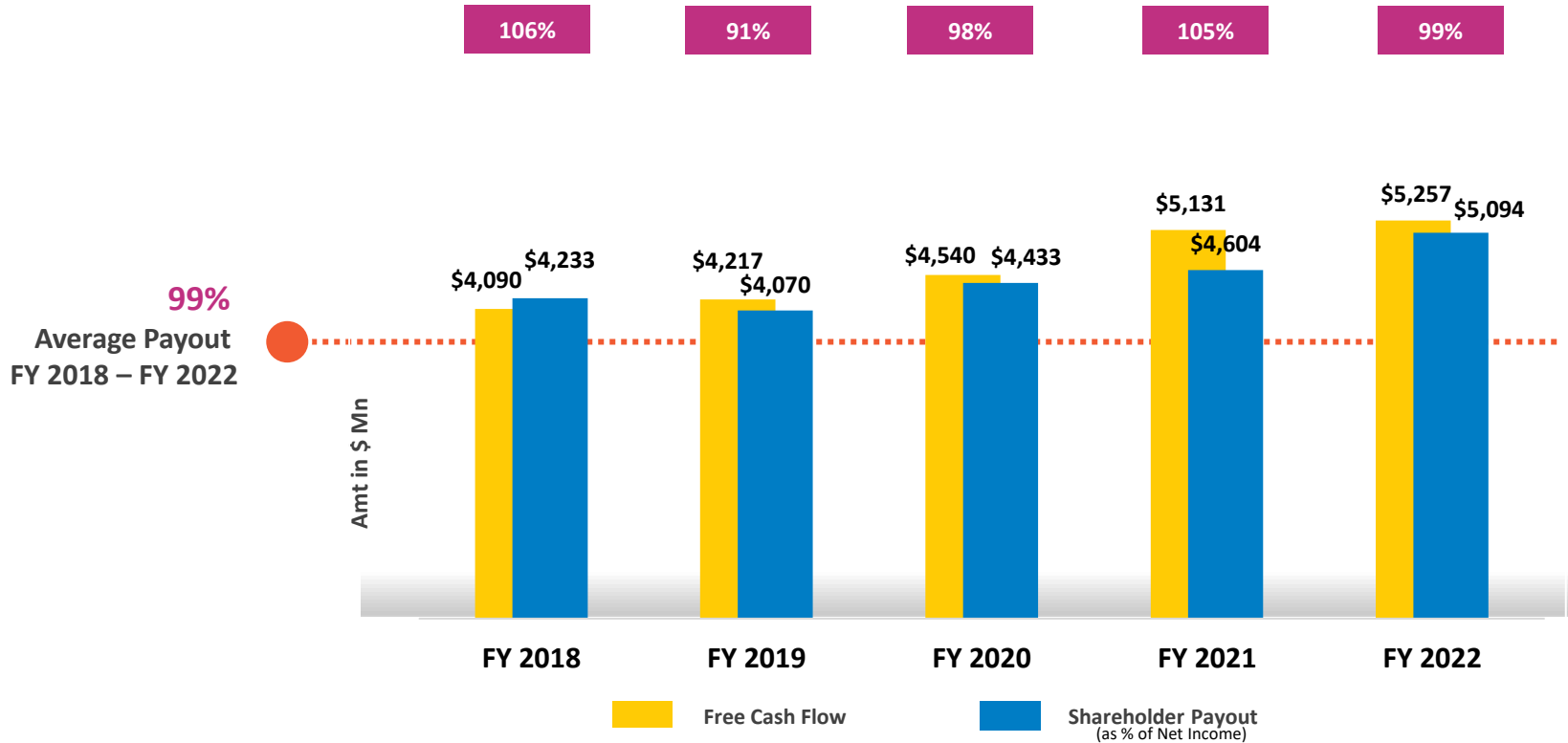
# Caring for the Community



## $634 Mn
Invested since 2015 in community initiatives

Empowered millions of people globally primarily underserved students, minorities, youth, women and elders, to be literate, healthy, educated, digitally skilled, become rural entrepreneurs and gain employment

### Volunteering
**700,000** Hours | **58,900** Volunteers

### Overall Impact
**1.7 Mn** Beneficiaries

### Youth Employment Program
**19,700** rural youth across 35 Indian states

### BridgeIT
**321** entrepreneurs, across 20 districts in 9 states

### goIT
**30,000+** students across 37 countries

### Ignite My Future
**435,000** Empowered educators

### ALP
**7,400+** Learners across 162 districts

### Jal Jeevan Mission
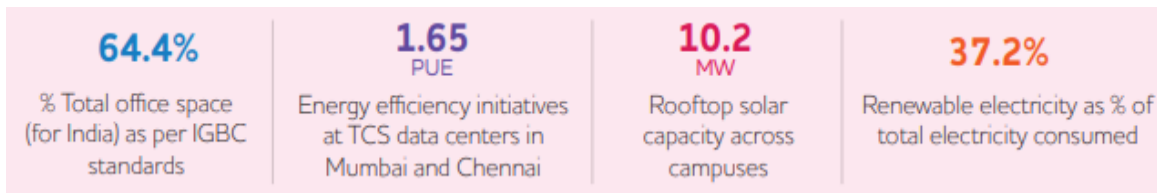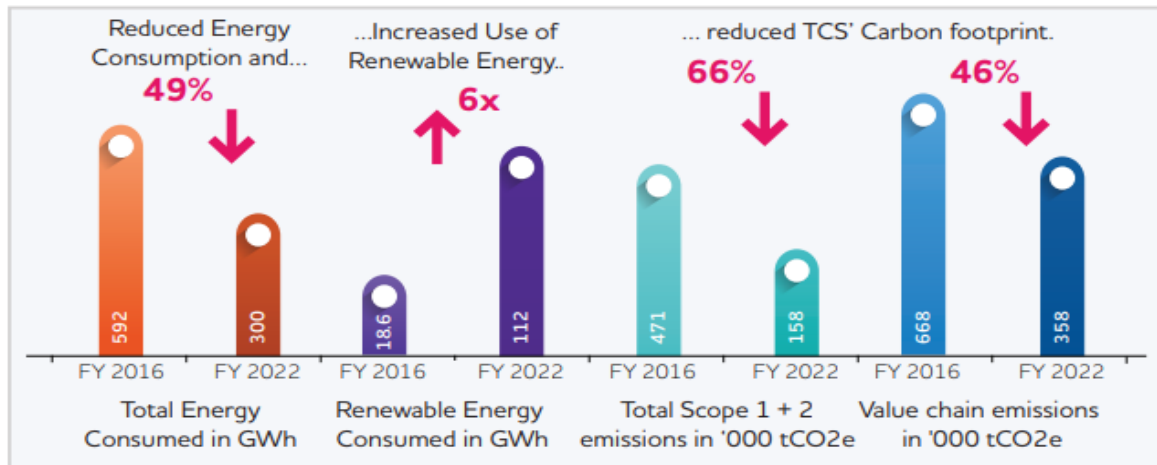**75,000+** Beneficiaries across 14 villages

Named in Points of Light's **Civic 50** List for the Fifth Consecutive Year for TCS' commitment to drive social impact of its community engagement programs.

Won the Global CSR Excellence & Leadership Awards for "**Innovation in CSR Practices**" for its innovative global community initiatives.
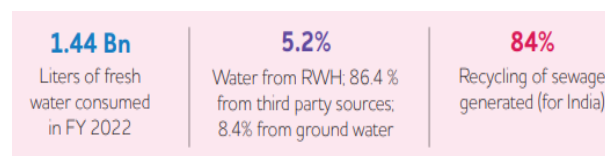
# Natural Capital

## Energy Management and GHG Emissions Reduction

**Target:** 70% reduction of Scope 1 + 2 emissions by 2025 (vs base year 2016) and Net Zero by 2030



Reduced Energy Consumption and... **49%** ↓

...Increased Use of Renewable Energy.. ↑ **6x**

... reduced TCS' Carbon footprint. **66%** ↓

**46%** ↓

| | FY 2016 | FY 2022 |
|---|---|---|
| Total Energy Consumed in GWh | 592 | 300 |
| Renewable Energy Consumed in GWh | 18.6 | 112 |
| Total Scope 1 + 2 emissions in '000 tCO2e | 471 | 158 |
| Value chain emissions in '000 tCO2e | 668 | 358 |

**64.4%** — % Total office space (for India) as per IGBC standards

**1.65** PUE — Energy efficiency initiatives at TCS data centers in Mumbai and Chennai

**10.2** MW — Rooftop solar capacity across campuses

**37.2%** — Renewable electricity as % of total electricity consumed

## Water Conservation

**Target:** 3% YoY reduction in freshwater consumption across owned campuses

**1.44 Bn** Liters of fresh water consumed in FY 2022

**5.2%** Water from RWH; 86.4 % from third party sources; 8.4% from ground water

**84%** Recycling of sewage generated (for India)

## Waste Reduction and Reuse

**Target:** Reduction in waste generation, maximizing recycling/ reuse to divert waste sent to landfill

**100%** Recycling of regulated wastes, e-waste, printer cartridges, paper, packaging and plastics.

## Biodiversity

**Target:** Conservation and enhancement initiatives within TCS campuses

# TCS Strategic Responses to Opportunities and Threats

| Opportunity / Threat | TCS Approach | Outcomes |
|---|---|---|
| ▪ Greater interest in using technology to drive business growth | ▪ Focused on developing contextual knowledge and applying that for inside-out transformations.<br>▪ Continued investments in R&I, Pace Ports, and IP.<br>▪ Dedicated practice with domain experts to bring together TCS' differentiated capabilities from across the organization to stitch together comprehensive solutions.<br>▪ Proactive pitching of solutions to customers' most pressing business problems.<br>▪ New brand tagline `Building on Belief' to strengthen positioning as a G&T partner. | ▪ Expansion of addressable market.<br>▪ Growing share of G&T business adding to growth.<br>▪ Higher quality revenue, lending margin resilience.<br>▪ More deeply embedded in the client's business.<br>▪ Engaging with a broader set of buyers in the client organization.<br>▪ Higher visibility within C-Suites. |
| ▪ Accelerated adoption of public cloud | ▪ Launched dedicated business units with end to end capabilities on each of the hyperscaler platforms.<br>▪ Continued investment by each of these units in skills, certifications, credentials, IP and accelerators.<br>▪ Articulated the multi-horizon cloud transformation framework.<br>▪ Made available TCS products and solutions on public clouds. | ▪ Strong growth in cloud transformation revenues.<br>▪ Top tier partner to each of the hyperscalers.<br>▪ Preferred partner to clients seeking to use cloud native capabilities to power their growth and transformation. |

# TCS Strategic Responses to Opportunities and Threats

| Opportunity / Threat | TCS Approach | Outcomes |
|---|---|---|
| ▪ Greater acceptance of as-a-Service platforms | ▪ Strengthened alliances and launched new offerings around the popular and new SaaS products.<br>▪ Helped Independent Software Vendor' clients upgrade their products to launch new SaaS versions.<br>▪ Partnering with product manufacturers to help launch innovative as-a-Service offerings using TCS Bring Things to Life IoT framework.<br>TCS IP:<br>▪ Launched SaaS versions of in-house product portfolio; made available on hyperscaler platforms.<br>▪ Used IP portfolio to launch new platforms that bundle IP and shared services on the cloud. | ▪ Stronger win-win partnerships.<br>▪ Expansion of addressable market.<br>▪ Strong growth in SaaS sales<br>▪ Platforms drive stickier relationships, with long term revenue visibility. |
| ▪ Operations optimization to fund transformation | ▪ Launched the Machine First™ Delivery Model, embedding automation deep within the enterprise to drive greater efficiencies.<br>▪ Launched the TCS Cognix™ hyper-automation suite with pre-built solutions for business and IT operations transformation. | ▪ Thinner competitive set<br>▪ Higher quality revenue |
| ▪ Pandemic-forced remote working | ▪ Launched the Secure Borderless Workspaces™ operating model.<br>▪ Announced Vision 25x25, heralding a new hybrid working model for the longer term.<br>▪ Implemented `talent clouds', staffing projects using AI to match skills, regardless of location. | ▪ Ensured business continuity on mission-critical activities.<br>▪ Faster ramp-up of new projects.<br>▪ More opportunities for employees, based on skills rather than their location.<br>▪ More flexible working arrangement, that is more gender inclusive. |

Annexure

# Financial Highlights

**IFRS**

| | Yearly | | | | Quarterly | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| | FY 2022 | FY 2021* | YoY | | 4Q 2022 | 4Q 2021* | YoY |
| Revenue growth – Constant Currency | | 15.4% | | | | 15.9% | |
| Revenue - INR Mn | 1,917,540 | 1,641,770 | 16.8% | | 505,910 | 437,050 | 15.8% |
| Revenue | $25,707 | $22,174 | 15.9% | | $6,696 | $5,989 | 11.8% |
| | | | | | | | |
| Gross Profit | $10,341 | $9,056 | 14.2% | | $2,688 | $2,470 | 8.8% |
| *Gross Margin* | *40.2%* | *40.8%* | *(61 bps)* | | *40.1%* | *41.2%* | *(110 bps)* |
| Operating Income | $6,496 | $5,741 | 13.2% | | $1,671 | $1,608 | 3.9% |
| *Operating Margin* | *25.3%* | *25.9%* | *(62 bps)* | | *25.0%* | *26.8%* | *(189 bps)* |
| Net Income | $5,139 | $4,513 | 13.9% | | $1,314 | $1,267 | 3.7% |
| *Net Margin* | *20.0%* | *20.4%* | *(36 bps)* | | *19.6%* | *21.2%* | *(153 bps)* |
| **EPS in INR** | 103.62 | 89.27 | 16.1% | | 26.85 | 24.97 | 7.5% |

\* For FY 2021, numbers are excluding provision towards legal claim

# Thank You