

Strong Order Book and Double Digit Growth Mark Stand-Out Year for TCS

- FY 19 Annual Revenue **₹146,463 Cr, +19% YoY (+11.4% in CC)**
- FY 19 US Dollar Revenue crosses **\$20 Bn** mark; Incremental revenue of **\$2.2 Bn** in CC
- FY 19 Operating Margin: **25.6%**, +79 bps YoY
- FY 19 Net Income: **₹31,472 Cr**, up 21.9% YoY

MUMBAI, April 12, 2019: Tata Consultancy Services (BSE: 532540, NSE: TCS), the leading IT services, consulting and business solutions firm reported its consolidated financial results according to Ind AS and IFRS, for the quarter and the financial year ended as on March 31, 2019.

Annual Highlights for 2018-19	Q4 FY 2019 Highlights
<ul style="list-style-type: none"> Digital Revenue: 28.6% of Rev, +50.6% YoY Robust Client Additions: <ul style="list-style-type: none"> \$100M+ band: 44 (+6 YoY) \$50M+ band: 99 (+2 YoY) \$20M+ band: 215 (+8 YoY) \$10M+ band: 371 (+21 YoY) \$5M+ band: 532 (+37 YoY) \$1M+ band: 1008 (+45 YoY) Employee Metrics: <ul style="list-style-type: none"> Net addition: 29,287 employees (FY 18: 7,775) Employee headcount: 424,285 LTM IT Services Attrition: 11.3% Cash Conversion: Operating Cash Flow 100.6% of Net Income Over ₹27,517 Cr of cash returned to shareholders in dividends and buyback FY 19 EPS at ₹83.05, up 23.8% YoY 	<ul style="list-style-type: none"> Revenue of ₹38,010 Cr, +18.5% YoY (+12.7% YoY and +2.4% QoQ in CC) Digital Revenue: 31% of Rev, +46.4% YoY Operating Margin: 25.1%, -31 bps YoY Net Income: ₹8,126 Cr, +17.7% YoY Net Margin: 21.4%, -15 bps YoY Net Addition: 6,356 employees Final Dividend per share (proposed) of Rs.18.00

Commenting on the Q4 performance, Rajesh Gopinathan, Chief Executive Officer and Managing Director, said: "This is the strongest revenue growth that we have had in the last fifteen quarters. Our

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order book is bigger than in the prior three quarters, and the deal pipeline is also robust. Despite macro uncertainties ahead, our strong exit positions us very well for the new fiscal."

He added: *"Our full spectrum digital transformation capabilities and thought leadership is what is driving the strong demand for our services, and making us the preferred innovation and transformation partner to our customers. Our Business 4.0™ framework has now become the de facto model for enterprises looking to embrace new technology-enabled business models, pursue new revenue streams or deliver superior customer experiences."*

N Ganapathy Subramaniam, Chief Operating Officer & Executive Director, said: *"It is a very satisfying finish to a year marked by steady growth acceleration and order book expansion every quarter. The expanding scale and scope of our cognitive business operations engagements have been central to our growth. Our Machine First™ approach and location-independent Agile methods are helping our customers reimagine their processes and underlying systems, participate in ecosystems and transform themselves into Business 4.0 organizations."*

V Ramakrishnan, Chief Financial Officer, said: *"Double digit growth, higher quality of the incremental business, and best-in-class execution capabilities have helped us expand our operating margin year on year. Our foresight in investing very early on in building digital skills and transformational capabilities has not only gained us market share, but has also resulted in our very resilient, industry-leading margin today."*

Q4 Segment Highlights

Industries: Revenue growth continued to accelerate in BFSI, crossing over into double digits (+11.6% vs +8.6% in Q3). Growth was broad-based, with most verticals showing strong growth: Life Sciences & Healthcare (+18.2%), Energy & Utilities (+11.3%), Communications & Media (+10%), Retail & CPG (+9.9%) and Manufacturing (+9.2%).

Markets: All major markets showed strong growth momentum. Growth was led by UK (+21.3%) and Europe (+17.5%). Other markets continued to grow well: North America (+9.9%), Asia Pacific (+11.5%), India (+11.3%) and Latin America +16.2%.

Services:

- **Consulting & Services Integration:** Experienced strong growth in S4/HANA transformation services. Additionally, with customers investing in new operating models, TCS' Enterprise Agility strategic consulting offering saw demand.
- **Digital Transformation Services:** Strong growth seen in IoT and Engineering Services, Cyber Security, and Cloud Infrastructure across major geographies. TCS Interactive won the Adobe Experience Maker Award (Best Digital Experience category) for the work done for T-Mobile, and a Silver at the European Promax BDA awards.
- **Cognitive Business Operations:** Continued to see strong growth, with Machine First™ delivery resonating with customers looking to transform their core, with agile teams delivering intelligent and automated operations on the cloud, addressing the expectations of all stakeholders.

Key Highlights

- Selected by a major Swiss multinational pharmaceutical company, to transform its Finance and Procurement business processes for greater customer satisfaction and efficiency, by moving to a state of touchless processing leveraging next gen MFDM™ solutions and consolidated global operations.
- Engaged by Ageas Insurance Limited UK, to lead end to end transformation of its IT estate including infrastructure operations, data centre, workplace and field services with a solution structured on niche MFDM™ based automation for modernization and operational efficiency.
- Canada's leading retailer, Loblaw, deployed TCS' ignio™ to transform its IT operations.
- Selected by Seadrill, a leading UK based deep water drilling company, to digitally transform its IT operations.
- Albert Heijn, a leading European retailer, is modernizing its supply chain with intelligence, leveraging TCS' Algo retail – a set of TCS-built AI based products, platforms and solutions to address core retailer challenges and helps them unlock exponential value by transforming into intelligent, responsive, autonomous enterprises.
- A leading British pharmaceutical company has selected TCS Integrated Patient Safety Platform, a cognitive solution powered by Decision Fabric™, to accelerate its digital transformation journey and to enhance various operational processes through automation of clinical trial and drug discovery.
- Selected by a leading telecommunications provider in UK, as the quality assurance & engineering partner for B2B, B2E and group business leveraging TCS' QET platform services.
- Engaged by a leading Middle Eastern retailer as the strategic partner for key initiatives to optimize the energy consumption and meet sustainability goals by leveraging TCS' IoT-based Energy Management Solution & services; and enhance the online ecommerce customer experience by enabling faster check-out, automated payment, track loyalty membership and personalized promotions.

"Loblaw was looking for an AI tool to disrupt our IT operations. We chose ignio™ for its ready-to-use features and pre-built knowledge of IT and SAP operations. This enabled quick adoption of ignio within Loblaw, and laid the foundation for self-healing, machine-managed IT operations. ignio is the linchpin of our IT operations transformation program."

*Ugo Orsi
Vice President
Loblaw Companies Ltd*

"This is an exciting new partnership for Seadrill, and we look forward to working with TCS. Their approach to leveraging key digital technologies such as ignio™, and their MFDM™ framework, positioned them above the competition and aligns well to our overall long-term strategic digital transformation roadmap, drives continuous improvements and assists us to meet our business goals."

*Eelco Ringeling
CIO, Seadrill*

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- Selected by a leading global pharma giant, to provide digital content operations (multi-channel content production, deployment and measurement services) for its global markets, to enable faster time to market and improve marketing business operations using digital interactive and analytics tools.
- Selected by a leading European pharmaceutical company as the strategic partner for transforming the data centre leveraging agile and DevOps as part of a multi-cloud implementation initiative including TCS Enterprise Cloud Platform. TCS will also provide cyber defence services using the TCS Cognitive Threat Vigilance platform and support the customer in managing risk and reducing their infrastructure vulnerabilities, helping them achieve an enhanced security posture with greater efficiency.
- Engaged by a major British multinational retailer to provide Security Operations Centre services using a cloud-based platform. This cyber defence operations centre will monitor and respond to threats and vulnerabilities of the eCommerce business.
- Selected by a leading Japanese pharmaceutical multinational, as the managed services partner for S/4HANA applications to achieve continuous innovation and automation-powered efficiency in its efforts to establish a harmonized global enterprise landscape.
- Selected by a leading provider of secure financial messaging services based out of Europe, to achieve its Finance & Business Operations 2020 vision of real-time reporting, highly-automated business processes and value-added profitability analysis for faster operations and quick business decision making, by an end-to-end transformation of finance processes, order management processes and IT Systems using automation and leading enterprise application technologies.
- Selected by VIVAT, a leading Dutch Insurance firm, as the strategic partner to transform its CRM and BPM applications based on a leading platform across all portfolios.

"Our long-term goal at VIVAT is to be a leading digital-first insurance provider in The Netherlands. In today's business environment this means adopting an ambitious digital transformation agenda to provide our customers with the personalized service they expect and deserve. TCS has been indispensable in helping us build a solid digital foundation for our business, and we look forward to working with them to develop exciting new value propositions for our customers."

Marcel van de Lustgraaf
General Manager DTC
VIVAT

"In consistency with our vision to 'Be Indian in India', we are proud to be the first international automotive manufacturer to develop a family of cars in Chennai, in cooperation with our strategic partner Tata Consultancy Services (TCS). This partnership presents a unique opportunity to leverage TCS' and PSA's track record of innovation to develop right products focused on the highly demanding and fast growing Indian automotive market."

Emmanuel Delay
Executive Vice President & Head of India-Pacific,
Groupe PSA

Research and Innovation

- Won the **first prize** for the paper titled, “*Deep Learning algorithms for accurate prediction of image description for e-commerce industry*” in the Artificial Intelligence & Data Analysis track at the third International Conference on Data Management, Analytics and Innovation held in Malaysia.
- Won the **Best Paper award** at the 11th Indian Conference on Computer Vision, Graphics and Image Processing (ICVGIP 2018) conference, for work in embedded systems and robotics, at the International Institute of Information Technology, Hyderabad.
- TCS tool **won Gold medals** in two individual categories – Bug Finding (cover-error), Coverage (cover-branches), as well as in the Overall category at the International Competition on Software Testing (Test-Comp) 2019.

As on March 31, 2019, the company has applied for **4,596** patents, including 242 applied during the quarter and has been granted **946** patents.

Human Resources

With robust net addition of **29,287** employees during the year, total employee strength at the end of FY 19 stood at **424,285** on a consolidated basis.

The proportion of women in the workforce rose further to **35.9%** in Q4, and the total number of nationalities represented stood at **147**.

TCS’ organic talent development strategy, powered by its in-house built digital learning platform, with curated, self-paced learning journeys, has been driving superior outcomes. Employees logged over **52 million** learning hours in FY 19, resulting in over **311,000** employees getting trained on digital technologies, and over **348,000** trained on Agile methodologies.

These investments in workforce and workplace transformation have resulted in best in class employee retention rates, with IT Services attrition rate (LTM) at **11.3%**.

“TCS continues to invest heavily in attracting the best local talent across the globe. By our own estimate, we have consistently been among the Top 3 IT recruiters in the US over the last few years. This, and our industry-leading retention rate, is a source of competitive advantage for us,” said **Ajoy Mukherjee**, Executive Vice President and Global Head, Human Resources.

Awards and Recognition

Business Leadership:

- **Named the Fastest Growing Brand of the Decade** in IT Services globally by Brand Finance. TCS’ brand value crossed \$12.8 Billion this year, up 447% over the decade.
- **Ranked #1 for Customer Satisfaction** for the sixth consecutive year in Europe’s largest independent survey of IT service providers, carried out by Whitelane Research. In the individual

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market rankings, TCS was placed first in United Kingdom (81%), Germany (77%), Netherlands (80%), Nordics (82%), BeLux (80%) and Switzerland (74%).

- Ranked **#1** in **Investor Relations**, **#1** in **ESG**, and **#2** in **Best Managed Company** in India in **FinanceAsia's 2019 Asia's Best Managed Companies** survey of portfolio managers and analysts across Asia.
- Won the **Best Risk Management Framework & Systems - IT-ITES sector** award presented by ICICI Lombard and CNBC-TV18 at the prestigious India Risk Management Awards
- Recognized as a **Global Top Employer** for the fourth consecutive year by the **Top Employers Institute**, and the **Number One Top Employer** in four regions – North America, Europe, Asia Pacific, and the Middle East.
- **Ranked #3** in the 17th edition of the **Business Today Best Companies to Work For** survey.

Partner:

- Named Snowflake **EMEA GSI Partner of the Year** for Driving the Most Customer Value in 2018

Leadership

- Honored with the **CEO Force for Good** Award by the **Chief Executives for Corporate Purpose** (CECP) at its annual Board of Boards event in New York.

IFRS Financial Statements

Consolidated Statements of Comprehensive Income
For the Year ended March 31, 2018 and March 31, 2019
(In millions of ₹, except per share data)

	Year ended March 31, 2018	Year ended March 31, 2019
Revenue	1,231,040	1,464,630
Cost of revenue	712,880	851,580
Gross margin	518,160	613,050
SG & A expenses	213,140	238,550
Operating income	305,020	374,500
Other income (expense), net	35,900	41,130
Income before income taxes	340,920	415,630
Income taxes	82,120	100,010
Income after income taxes	258,800	315,620
Minority interest	540	900
Net income	258,260	314,720
Earnings per share in ₹	67.10	83.05

Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2018, and March 31, 2019
(In millions of ₹, except per share data)

	Three-month period ended March 31, 2018	Three-month period ended March 31, 2019
Revenue	320,750	380,100
Cost of revenue	185,240	221,400
Gross margin	135,510	158,700
SG & A expenses	54,040	63,330
Operating income	81,470	95,370
Other income (expense), net	9,820	11,650
Income before income taxes	91,290	107,020
Income taxes	22,040	25,500
Income after income taxes	69,250	81,520
Minority interest	210	260
Net income	69,040	81,260
Earnings per share in ₹	18.04	21.65

Other Operating expenses for the period Q4 FY2019 includes a contribution of Rupees 220 Crore to an electoral trust

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Consolidated Statements of Financial Position
As of March 31, 2018, and March 31, 2019
(In millions of ₹)

	As of March 31, 2018	As of March 31, 2019
Assets		
Property and equipment	116,000	116,500
Intangible assets and Goodwill	38,960	40,130
Accounts Receivable	250,370	274,410
Unbilled Revenues	69,130	89,760
Investments	360,080	293,300
Cash and Cash equivalents	48,830	72,240
Other current assets	90,050	200,750
Other non-current assets	110,670	83,440
Total Assets	1,084,090	1,170,530
Shareholders' Funds	872,410	915,560
Long term borrowings	540	440
Short term borrowings	1,930	180
Other current liabilities	176,350	220,660
Other non-current liabilities	28,840	29,160
Minority Interest	4,020	4,530
Total Liabilities	1,084,090	1,170,530

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Ind AS Financial Statements

Consolidated Statement of Profit and Loss
For the Year ended March 31, 2018 and March 31, 2019
(In ₹ crore, except per share data)

	Year ended March 31, 2018	Year ended March 31, 2019
INCOME	123,104	146,463
EXPENDITURE		
a) Employee costs	66,396	78,246
b) Cost of equipment & Software Licenses	2,700	2,270
c) Other operating expenses	21,492	26,441
d) Depreciation	2,014	2,056
Total Expenditure	92,602	109,013
Profit Before Taxes & Other Income	30,502	37,450
Other income (expense), net	3,590	4,113
Profit Before Taxes	34,092	41,563
Provision For Taxes	8,212	10,001
Profit After Taxes & Before Minority Interest	25,880	31,562
Minority Interest	54	90
Net Profit	25,826	31,472
Earnings per share in ₹	67.10	83.05

Consolidated Statement of Profit and Loss
For the Quarter ended March 31, 2018 and March 31, 2019
(In ₹ crore, except per share data)

	Quarter ended March 31, 2018	Quarter ended March 31, 2019
INCOME	32,075	38,010
EXPENDITURE		
a) Employee costs	17,183	20,179
b) Cost of equipment & Software Licenses	533	595
c) Other operating expenses	5,707	7,162
d) Depreciation	505	537
Total Expenditure	23,928	28,473
Profit Before Taxes & Other Income	8,147	9,537
Other income (expense), net	982	1,165
Profit Before Taxes	9,129	10,702
Provision For Taxes	2,204	2,550
Profit After Taxes & Before Minority Interest	6,925	8,152
Minority Interest	21	26
Net Profit	6,904	8,126
Earnings per share in ₹	18.04	21.65

Other Operating expenses for the period Q4 FY2019 includes a contribution of Rupees 220 Crore to an electoral trust

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Consolidated Balance Sheet
As at March 31, 2018 and March 31, 2019
(In crores of ₹)

	As at March 31, 2018	As at March 31, 2019
ASSETS		
Property, plant and equipment	11,506	11,553
Investments	36,008	29,330
Deferred Tax Assets (net)	3,449	2,656
Goodwill (on consolidation)	1,745	1,700
Cash and Bank Balance	7,161	12,848
Current Assets, Loans and Advances	38,356	50,192
Non-current Assets, Loans and Advances	8,071	6,664
Total Assets	106,296	114,943
EQUITY AND LIABILITIES		
Shareholders' Funds	85,128	89,446
Minority Interest	402	453
Short term and long term borrowings	235	44
Deferred Tax Liabilities (net)	1,170	1,042
Current liabilities and provisions	17,647	22,084
Non-current liabilities and provisions	1,714	1,874
Total Liabilities	106,296	114,943

About Tata Consultancy Services Ltd (TCS)

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 the last fifty 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 424,000 of the world's best-trained consultants in 46 countries. The company generated consolidated revenues of US \$20.9 billion in the fiscal year ended March 31, 2019, 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 Dow Jones Sustainability Index (DJSI), MSCI Global Sustainability Index and the FTSE4Good Emerging Index. For more information, visit us at www.tcs.com.

To stay up-to-date on TCS global news, follow [@TCS_News](https://twitter.com/TCS_News).

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