



# TCS

## Quarterly Update Report Abstract

April 2019

by Rachael Stormonth  
NelsonHall

13 pages





## Who Is This Quarterly Update For?

NelsonHall's Quarterly Update on TCS provides a snapshot of developments at TCS in the last quarter. It accompanies NelsonHall's more comprehensive Key Vendor Assessment program.

Both programs are designed for:

- Marketing, sales and business managers developing strategies to target service opportunities within the BPO/IT Services markets
- Sourcing managers monitoring the capabilities of existing suppliers of IT outsourcing services and identifying vendor suitability for IT services
- Consultants advising clients on vendor selection
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the BPO/IT services sector.



## Key Findings & Highlights

### Strong end to a strong year

- Q4 FY19 CC y/y revenue growth was the strongest in 15 quarters. Essentially all organic growth, led by a continuing recovery in North America and in BFSI sectors across regions. TCS continues to enjoy industry-leading double-digit growth
- Continuing hyper growth from 'Digital', up to 31% of total revenues. In the last eight quarters, 'Digital' revenues have nearly doubled, while core revenues have stayed essentially flat (in itself an achievement)
- FY19 revenues cross \$20bn and operating margin expands to 25.6%.

### Strongest bookings quarter of FY19; Pipeline Healthy

FY19 B2B of 1.05 with TCS highlighting an expansion of the order book across regions and verticals.

Pipeline for FY20 remains healthy and composed of more standard opportunities (whereas in FY20 it was dominated by a few mega-deal opportunities).

Many deals are IP-based (proprietary products and platforms).

### Powerful Messaging, Supported by Scale Capabilities

TCS' 'Business 4.0' messaging is resonating well with clients, helping in its positioning around digital transformation; and its 'MFDm' approach is becoming better understood.

### Two niche acquisitions in FY19: start of a series?

## Contents

Overview
Financials
Recent Contract Awards
M&A and Investments
Partnerships, New Offerings
Immediate Challenges
Appendix A: Financials
Appendix B: Client Metrics
Appendix C: Employee Data

## Scope of the Report

The report provides a quarterly update on TCS, looking at financial performance and key developments during the period.

It accompanies NelsonHall's Key Vendor Assessment program which looks at TCS' IT and BPO offerings, capabilities, and market and financial strengths, including:

- Identification of the company's strategy, emphases and new developments
- Revenue breakdowns
- Analysis of the company's offerings and key service components
- Analysis of the profile of the company's client base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.

## Report Length

13 pages

## Report Authors

Rachael Stormonth