

A large, light-colored geometric pattern of overlapping triangles in shades of purple, pink, and orange, forming a honeycomb-like structure that serves as a background for the central text.

TATA ELXSI

Q3 FY24

Earnings Presentation and Fact Sheet

23rd January 2024

Message from the CEO and Managing Director



Manoj Raghavan
CEO and MD, Tata Elxsi Ltd.



"We are happy to report a healthy performance in the third quarter with a top-line growth of 3.7% QoQ and 11.8% YoY in a challenging and weak quarter for the industry.

Our Healthcare & Lifesciences business executed strongly to report a growth of 4.6% QoQ and 13% YoY. This was backed by large deals in regulatory and digital health services.

Our Transportation business witnessed steady growth of 2.7% QoQ in a short quarter. While we had some delays in planned ramp-ups and deal closures due to the short quarter and holidays, we are positioned well to capture growth opportunities in the continued transformation of the automotive industry and Software Defined Vehicles.

Our Media & Communication business has done well in a deteriorated business environment for the media, telecom and technology industry, growing 0.6% QoQ and 3.4% YoY. We are staying close to our customers and building on both growth and efficiency offerings for customers in this industry.

Our Design-Digital strategy is continuing to drive differentiation and growth, with our Design business growing strongly at 12.3%. Our design teams have executed some landmark projects that spans user research, design and implementation to lead the way for our customers to transform consumer experience across industries. This also paves the path for capturing downstream value of technology implementation, as well as managed services for our systems integration business.

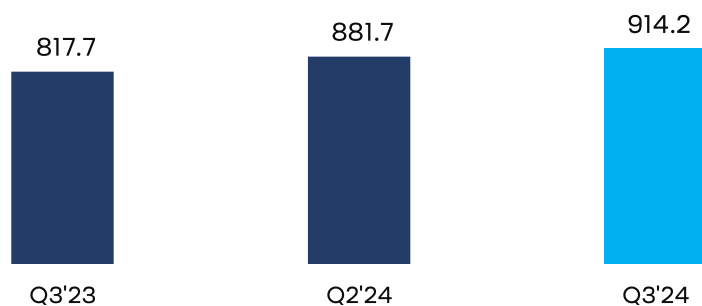
While we have continued to invest strongly in talent addition with over 350 Elxsians in this quarter and a net of 1,357 Elxsians over the past nine months, we have done well to maintain our EBITDA well over the 29% band. This underlines our strong focus on delivery and operational excellence, and our confidence in the future and long-term demand for our differentiated offerings.

As we step into the last quarter of this financial year, the confidence of our customers in our differentiated Design Digital proposition and delivery excellence, and a strong deal pipeline provides us the foundation for sustained growth."

Highlights – Q3 FY24

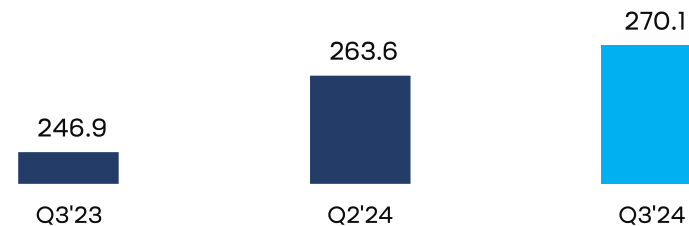
Operating Revenue

QoQ Growth of 3.7% and YoY Growth of 11.8%



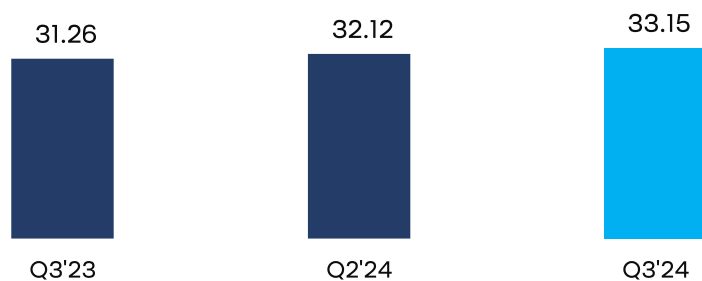
Profitability – EBITDA

QoQ Growth of 2.5% and YoY Growth of 9.4%



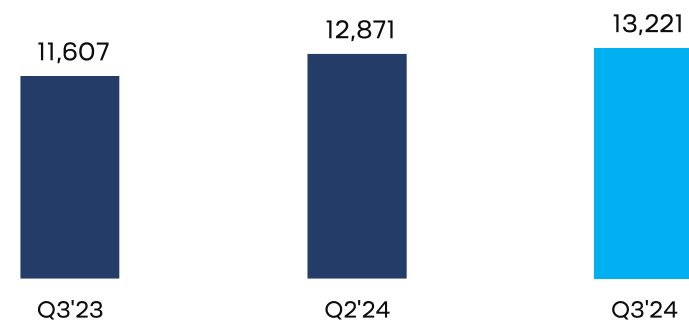
EPS

QoQ Growth of 3.2% and YoY Growth of 6.0%



People

Net add of 350 Elxsians in the quarter





Financial Highlights Q3'24

Revenue

- Revenues from operations at Rs. 914.2 Cr, + 3.7% QoQ, + 11.8% YoY
- Operating revenue growth +3.0% QoQ and +9.4% YoY on constant currency basis

Profit

- Operating Margin at 29.5%; Net Margin (PBT) at 28.9%
- Profit Before Tax (PBT) at Rs. 274.1 Cr, +14.2% YoY
- Profit After Tax (PAT) at Rs. 206.4 Cr, +6.0% YoY

Segment Highlights

- Transportation growth at 2.7% QoQ and 15.6% YoY, aided by large deals and sustained traction in Software Defined Vehicles (SDV).
- Healthcare growth at 4.6% QoQ and 13.0% YoY, driven by new product engineering and regulatory services.
- Media and Communications growth at 0.6% QoQ and 3.4% YoY amidst deteriorated industry environment.
- Design Digital leads the way for Industrial Design business growth at 12.3% QoQ, 21.2% YoY.

Key Deals



Asian Automotive OEM

Design Digital deal from a leading Automotive OEM for the development of a next-gen HMI for infotainment and in-cockpit interface for their next generation range of vehicles

- Design-led approach from research to design strategy, HMI design and implementation
- Modular design architecture to encompass EV and ICE portfolio



Leading Japanese Automotive Supplier

Tata Elxsi won a multi-year product engineering program for connected infotainment and digital cockpit from a leading automotive supplier.



North American Telecom Leader

Tata Elxsi won a product engineering consolidation large deal for a leading MSO. This leverages Tata Elxsi's unmatched offshore execution capability, ability to drive outcomes and ownership, and leverages automation and AI to improve efficiencies and time to market.



Leading Multinational Medical Device Leader

A global medical devices leader has selected Tata Elxsi for global regulatory services that deliver enhanced efficiencies leveraging latest AI technology and algorithms to identify trends, potential risks and anomalies more effectively, thereby improving compliance and reducing overall spend.

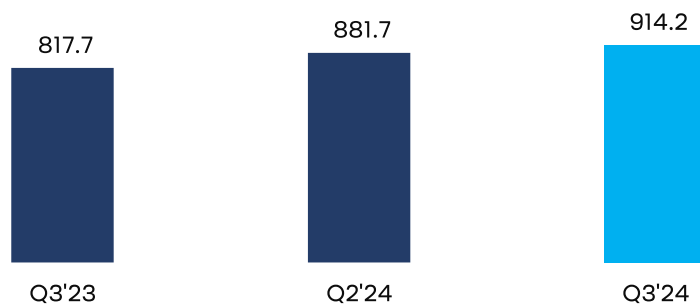
Tata Elxsi Financial Summary – Q3 FY24

Metrics	Q3FY24	Q2FY24	QoQ Growth	Q3FY23	YoY Growth
Revenue (INR CR)					
Revenue from Operations	914.2	881.7	3.7%	817.7	11.8%
Other Income	34.9	31.1	12.2%	19.1	82.5%
Total Income	949.2	912.8	4.0%	836.9	13.4%
Margins (INR CR)					
EBITDA	270.1	263.6	2.5%	246.9	9.4%
EBIT	244.7	238.5	2.6%	225.4	8.5%
PBT	274.1	263.9	3.9%	240.1	14.2%
PAT	206.4	200.0	3.2%	194.7	6.0%
Margin (%)					
EBITDA	29.5%	29.9%		30.2%	
EBIT	26.8%	27.1%		27.6%	
PBT	28.9%	28.9%		28.7%	
PAT	21.7%	21.9%		23.3%	
EPS					
Basic	33.15	32.12	3.2%	31.26	6.0%
Diluted	33.14	32.12	3.2%	31.26	6.0%

Tata Elxsi Financial Performance – Q3 FY24

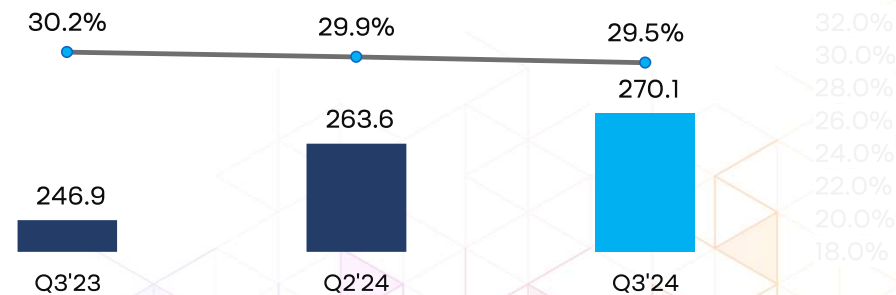
Operating Revenue

YoY Growth of 11.8%



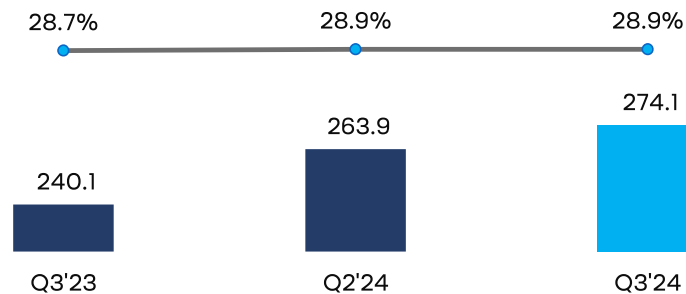
Operating EBITDA & Margin (%)

YoY Growth of 9.4%



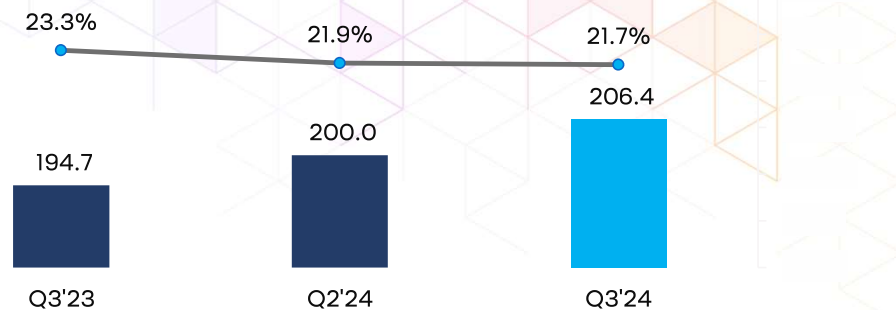
PBT & Margin (%)

YoY Growth of 14.2%



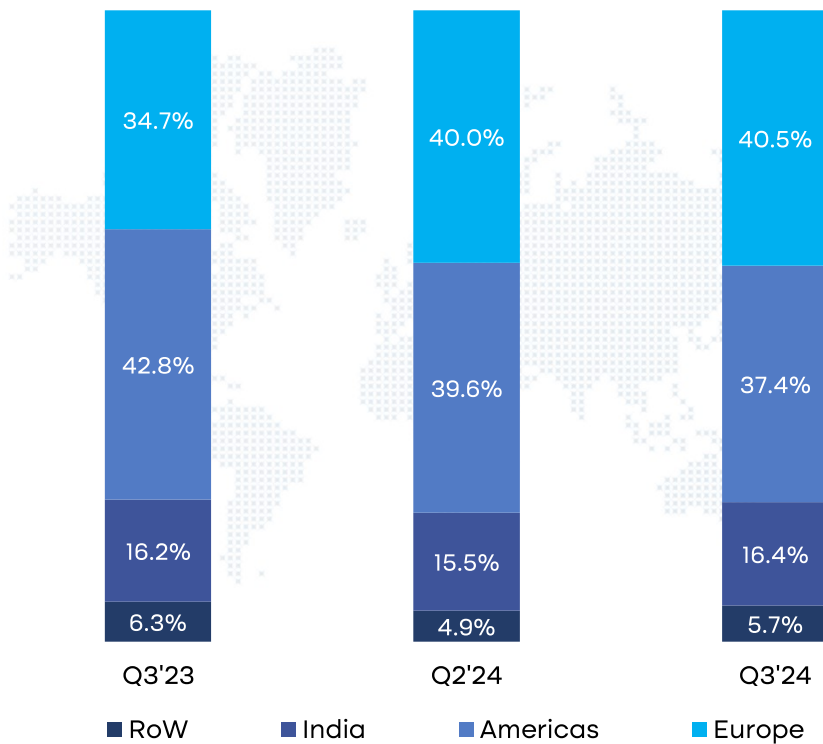
PAT & Margin (%)

YoY Growth of 6.0%

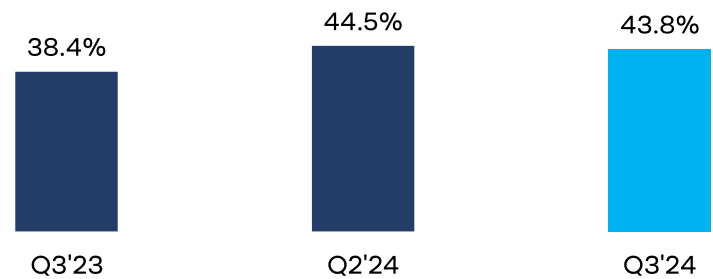


Revenue by Geography and Client Concentration

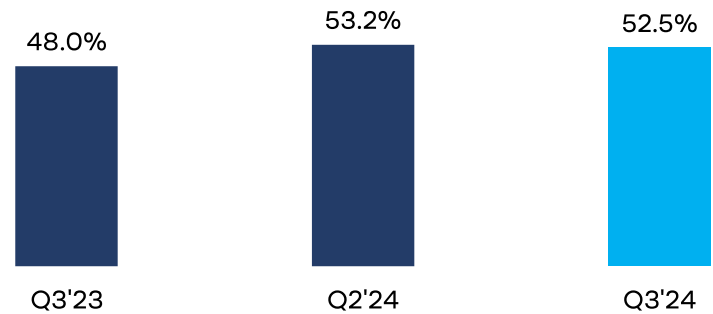
Geo Mix



Top 5

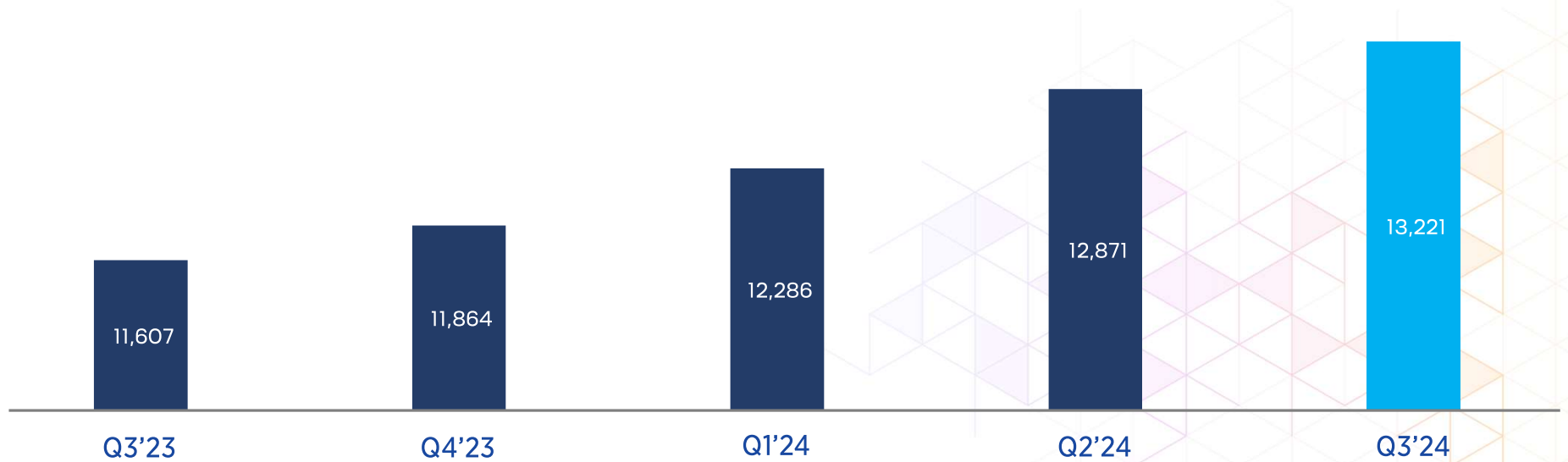


Top 10



Employee Metrics

Headcount



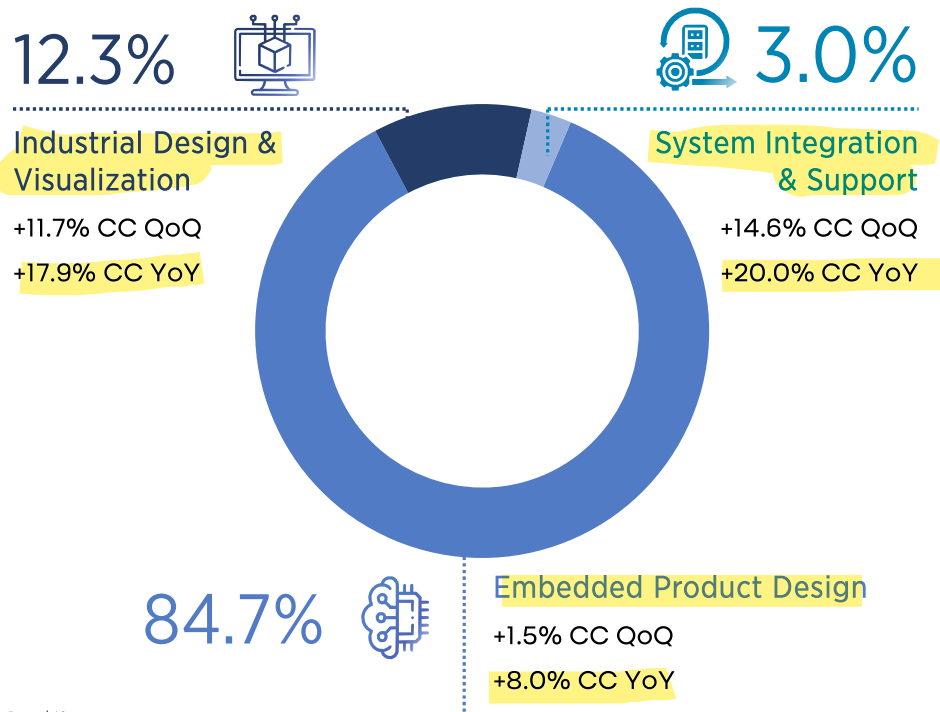
Attrition

Quarter	Attrition
Q3'23	18.4%
Q4'23	17.3%
Q1'24	15.6%
Q2'24	13.7%
Q3'24	12.9%

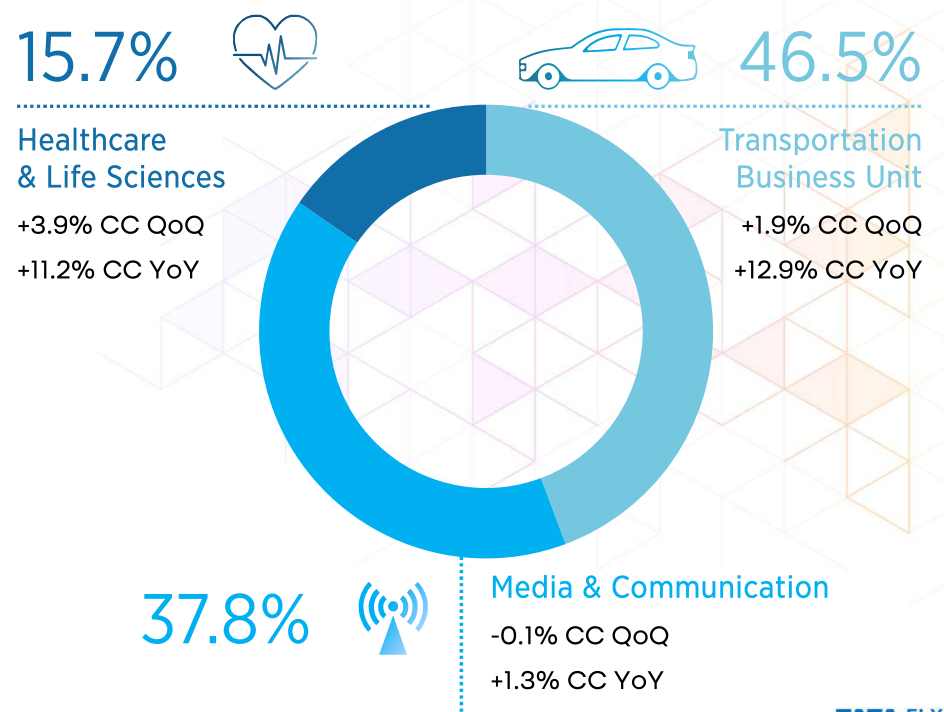
Tata Elxsi Segment Mix and Performance – Q3 FY24

Tata Elxsi Operating Revenue: +3.0% CC QoQ, +9.4% CC YoY

Segments

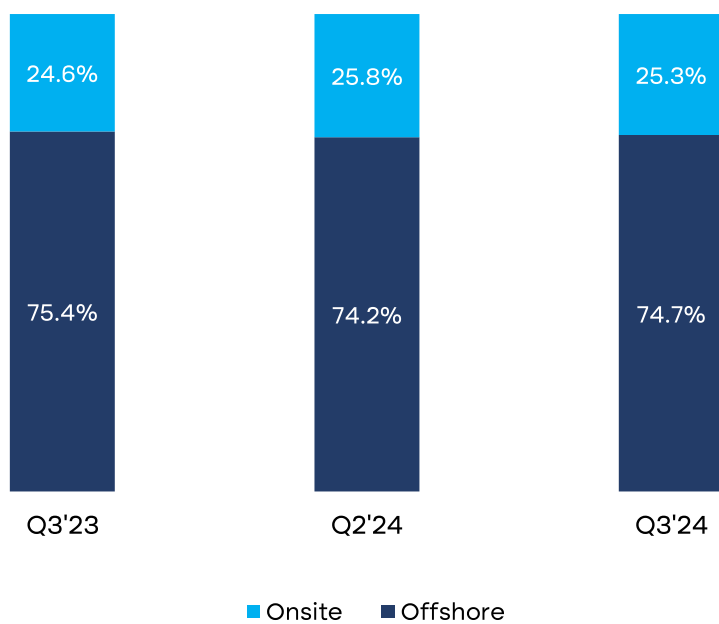


EPD Verticals

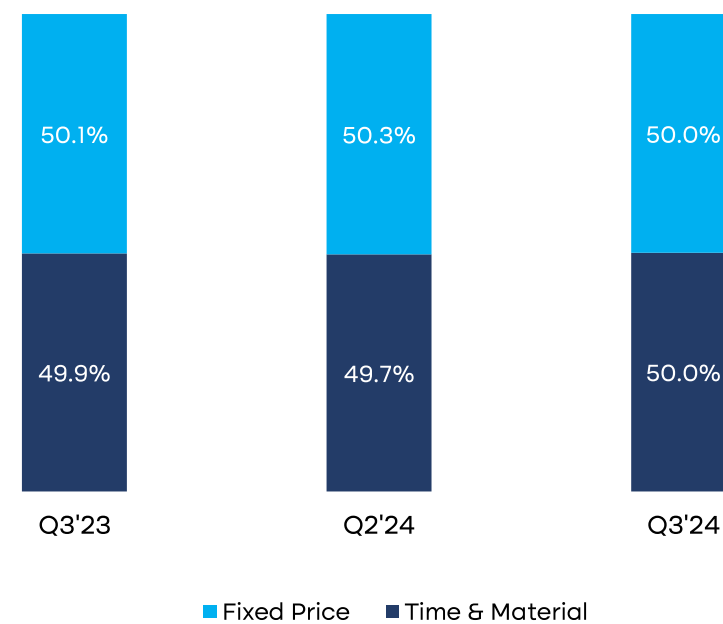


EPD Operational Performance – Q3 FY24

Revenue By Onsite/Offshore Mix



Revenue By Contract Type Mix





Awards

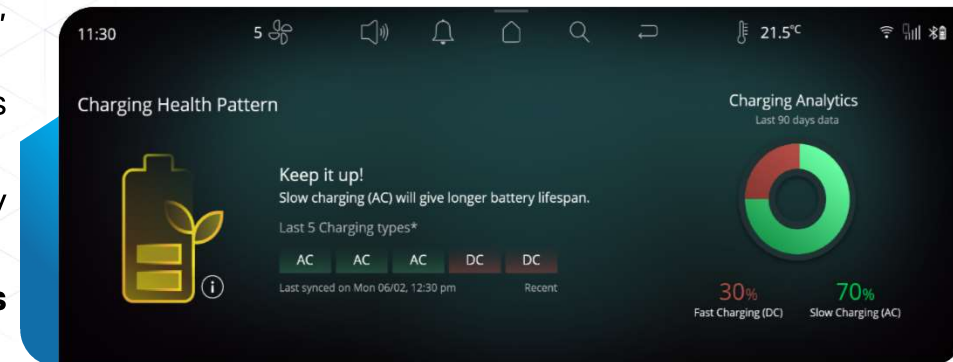
Gen 3 HMI Design Jointly Developed by Tata Motors and Tata Elxsi Wins the German Design Award

Tata Elxsi and Tata Motors jointly won the esteemed German Design Award 2024 for the Tata Motors Gen 3 HMI design.

Key features of the Tata Motors Gen 3 HMI include:

- **User-Centred Design:** Prioritising usability and intuitive interactions for a seamless driving experience.
- **Elevated Driving Experience:** Enhancing convenience and enjoyment with intuitive immersive interfaces and seamless controls, and developing innovative engineering designs, including Advanced Driver Assistance Systems (ADAS).
- **Thematic Experience:** Personalised driving interfaces catering to individual drivers' preferences.
- **Driver's Focus:** Ensuring driver concentration and safety with user-friendly controls and reduced distractions.

The Gen 3 HMI has been introduced in the new range of SUVs including the latest generation of Harrier, Safari, and Nexon.



Tata Elxsi's NEURON Autonomous Network Platform Awarded Product of the Year at the Industry DevOps Awards 2023, London

Tata Elxsi's NEURON Autonomous Network Platform won Product of the Year award at the Industry DevOps Awards 2023 awards event in London.

NEURON empowers operators to effectively deploy and operate the world's largest 4G / 5G networks while embracing the transformative power of automation and Artificial Intelligence (AI). By leveraging this ground-breaking solution, operators can significantly lower operational costs and deliver seamless, high-quality services at speed to their customers.

NEURON further supports operators in Private 5G deployments, facilitating the seamless delivery of use cases across various industries, including Connected and Software Defined Vehicles, Connected Healthcare, Smart Cities, and Smart Factories.

The NEURON Autonomous Network Platform has been successfully deployed globally in multiple data centers, 10,000+ VNFs / CNFs serving millions of subscribers.



NEURON

**The Future of Business Intent Driven
Networks**

Tata Elxsi recognized as India's Top Value Creator for Software and BPM by Dun & Bradstreet

The Value Creator Awards 2023 honours and recognises leading Indian companies that are torchbearers of long-term value creation within their sectors for shareholders and stakeholders.

This award is a recognition of Tata Elxsi's leadership in fostering a culture of innovation across our verticals, underscoring how design and technology when brought together, can fuel end-consumer delight and deliver positive impact and growth for the global brands we work for and for the company and shareholders as well.



Tata Elxsi awarded 'Top 50 Innovative company of 2023' by CII

Tata Elxsi was recognized as a Top 50 Innovative Company of the Year in the **CII Industrial Innovation Awards 2023**.

The CII Industrial Innovation Awards is regarded as one of the most prestigious innovation awards in the country that recognises and honours innovative Indian businesses across all industry segments and sectors and is known nationally and internationally for their innovative products and services.

Tata Elxsi was specially commended for innovations in **futuristic technology areas as Industry 4.0, AI Accelerators and Robotics in Healthcare**.





Partnerships



Tata Elxsi to develop Automotive Cyber Security Solutions with IISc

Tata Elxsi signed a MoU for the joint development of an Automotive Cyber Security Solution together with the Indian Institute of Science (IISc).

This collaboration will focus on security and threat detection in connected automotive vehicles, using AI & ML-based intrusion detection. A modern car easily has upwards of 3000 chips sensing and controlling the car's operation. The design complexity associated with enabling safe in-vehicle networking is enormous. This partnership brings together IISc's strengths in cyber-physical systems security and Tata Elxsi's strengths in AI, SDV and automotive domain expertise to enable safe, secure, and connected mobility.

The partnership will also work to prevent and detect potential security threats and anomalies with preventive insights on future and potentially more advanced threats in the system.



From Left to Right T. Ravi Kiran, Principal Product Manager, CTO Group | Atul Vinayak Kulkarni, CTO, Tata Elxsi | **Manoj Raghavan, CEO & MD, Tata Elxsi** | **Prof G Rangarajan, Director, IISc** | Prof Rajesh Sundaresan, Dean EECS, IISc | Dr. Vaibhav Katewa, Assistant Professor, IISc



On the World Stage

Tata Elxsi at India Mobile Congress 2023

India Mobile Congress (IMC) is Asia's most significant technology event and the premier networking opportunity in India's tech sphere.

IMC 2023 brings together innovators, industry giants, and tech enthusiasts to shape the future of technology.

With an immersive showcase of innovative solutions, Tata Elxsi shared fresh insights into AI-enabled Smart Networks and Smart Applications.





Incorporated in 1989, Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Transportation, Media, Communications and Healthcare & Medical Devices.

Tata Elxsi provides integrated services – from research and strategy, to electronics and mechanical design, software development, validation and deployment, and is supported by a network of design studios, global development centers and offices worldwide. Tata Elxsi is helping customers reimagine their products and services through design thinking and application of digital technologies such as IoT (Internet of Things), Cloud, Mobility, Virtual Reality and Artificial Intelligence.

We combine deep domain expertise with over 30 years of technology and product development experience, that enables brands to differentiate and win.

Discover more at www.tataelxsi.com