

A decorative background pattern of overlapping triangles in light purple, pink, and orange, creating a geometric, crystalline effect.

TATA ELXSI

Q1 FY24

Earnings Presentation and Fact Sheet

Disclaimer

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This document may contain certain future prospects which may be a 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 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.

Note: All numbers have been rounded to the nearest decimal place for convenience of representation.

Message from the CEO and Managing Director



We are happy to report a healthy growth of 17.1% YoY in the first quarter of FY24, while maintaining industry leading EBITDA margin of 29.6%. While the overall global economic outlook remains challenging for the industry, our customer focus and targeted efforts to keep the growth momentum going is showing good results.

During the quarter, our Healthcare & Lifesciences business has reported a healthy QoQ growth of 3.4% which is a significant improvement over the performance during the earlier two quarters, backed by new product development deals and growth with key customers.

In the Transportation business, we continue to drive differentiated software capability and scale, and see good traction and a strong deal pipeline, especially in Software Defined Vehicles and EV. We won significant new deals including a strategic multi-year multi-million US\$ SDV deal with a leading Asian OEM and a multi-country licensing and deployment of our Connected vehicle platform with a global top 5 OEM.

Our Media & Communications business has performed creditably to retain and grow market share even though absolute growth was muted. We remain cautious on short-term growth while staying close to our key customers and focusing on intelligent AI based solutions and technologies that will power the next wave of transformation in this industry.

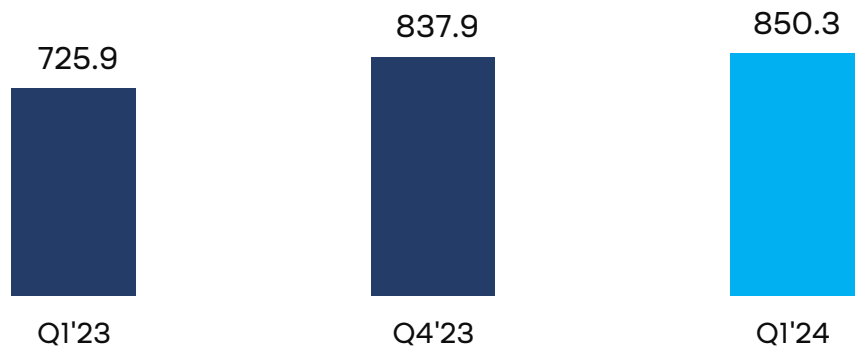
On the people front, we continue to invest in our talent base. With a net add of 422 Elxsians in this quarter, the Elxsi family is now 12,000+ strong. We have driven strong operational excellence and protected our EBITDA margins.

As we step into the second quarter of this financial year, the confidence of our customers in our differentiated Design Digital proposition and delivery excellence, and a strong deal pipeline especially in the automotive, healthcare and design businesses, provides us the confidence and foundation for accelerating growth through the year.

Highlights – Q1 FY24

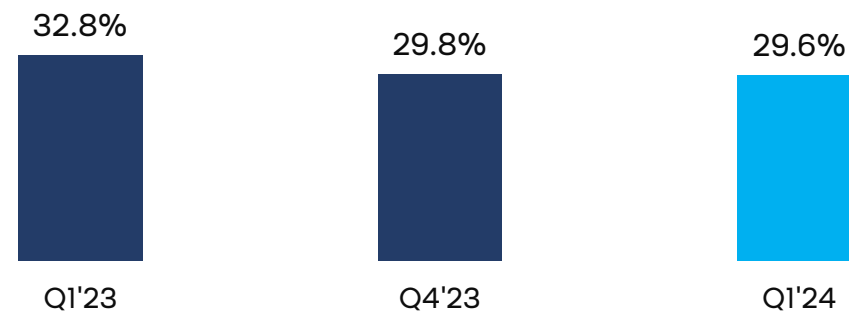
Operating Revenue

YoY Growth of 17.1%



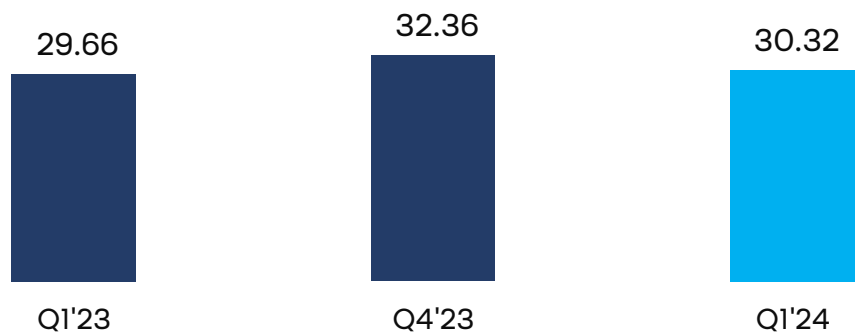
Profitability - EBITDA

YoY Decline of 3.2%



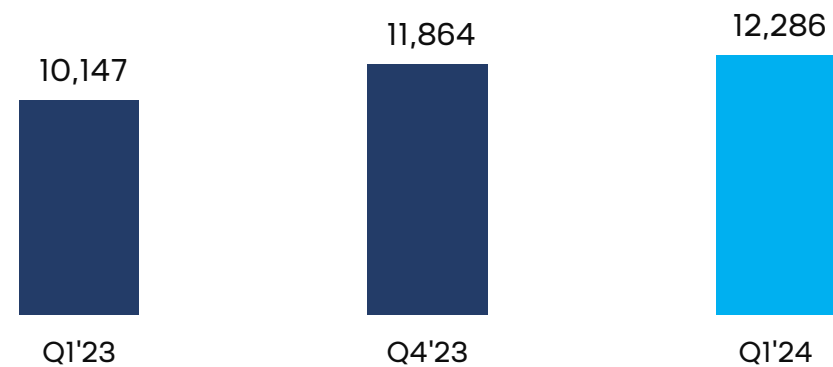
EPS

YoY Growth of 2.2%



People

YoY Growth of 21.1%





Financial Highlights Q1'24

Revenue

- Revenues from operations at Rs. 850.3 Cr, + 1.5% QoQ, + 17.1% YoY
- Operating revenue growth +1.2% QoQ and +11.9% YoY on constant currency basis

Profit

- Operating Margin at 29.6%; Net Margin (PBT) at 28.5%
- Profit Before Tax (PBT) at Rs. 248.3 Cr, +8.9% YoY
- Profit After Tax (PAT) at Rs. 188.9 Cr, +2.2% YoY

Segment Highlights

- Transportation growth at 2.1% QoQ and 22.3% YoY, aided by large deals and growth across customers in EV, Software Defined Vehicles (SDV) and Connected Cars.
- Healthcare growth at 3.4% QoQ and 13.3% YoY, driven by new product engineering, digital health and intelligent connected devices.
- Media and Communications grew 4.8% YoY aided by platform-led deals and growth in key accounts, in a challenging quarter for the industry.

Key Deals



Connected Car
Platform for a global
Top 5 Automotive OEM

Tata Elxsi's TETHER Connected Vehicle Platform chosen by a Top 5 Automotive OEM for deployment across emerging markets encompassing multiple countries in Asia. This multi-million US\$ multi-year deal involves an end-to-end managed service including platform licensing, cloud services and app development and sustenance.



Strategic Development
Partner for SDV

Tata Elxsi has been chosen by a leading Asian OEM as a strategic partner for its SDV platform and software development. This strategic long-term partnership will ramp up over the next few quarters across base platform software, EV, autonomous and connectivity features.



5G Network
Deployment for a
leading TELCO

Tata Elxsi's 5G Orchestrator and Service Automation Suite has been chosen by a leading Telco for its upcoming network rollout and deployment. This will encompass customization, deployment and support for the next 10 years.



Innovation and NPD for
next-gen Patient Care

Tata Elxsi won a design-led New Product Development (NPD) deal from a Global Healthcare company to innovate a new line of next-gen Smart Hospital equipment.



Design Digital
enrichment of mobility
and fleet services

Tata Elxsi has been selected to enrich route planning and driver experience for the fleet services and logistics solution for a US headquartered global mobility solutions leader. This encompasses user research, insights-led solution design and SaaS implementation.

Tata Elxsi Financial Summary – Q1 FY24

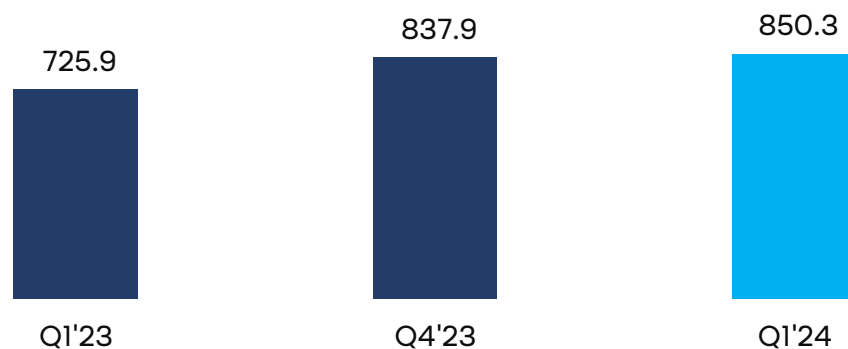
Metrics	Q1FY24	Q4FY23	QoQ Growth	Q1FY23	YoY Growth
Revenue (INR CR)					
Revenue from Operations	850.3	837.9	1.5%	725.9	17.1%
Other Income	22.2	25.7	-13.5%	10.3	115.2%
Total Income	872.5	863.6	1.0%	736.2	18.5%
Margins (INR CR)					
EBITDA	251.5	249.5	0.8%	238.2	5.6%
EBIT	230.1	228.4	0.7%	221.1	4.1%
PBT	248.3	250.2	-0.8%	228.0	8.9%
PAT	188.9*	201.5	-6.3%	184.7	2.2%
Margin (%)					
EBITDA	29.6%	29.8%		32.8%	
EBIT	27.1%	27.3%		30.5%	
PBT	28.5%	29.0%		31.0%	
PAT	21.6%*	23.3%		25.1%	
EPS					
Basic	30.32	32.36	-6.3%	29.66	2.2%
Diluted	30.32	32.36	-6.3%	29.66	2.2%

*Our Effective Tax Rate (ETR) in this quarter has increased on account of lower tax exemption due to completion of 5 years for two of our SEZ units, impacting our PAT Margins.

Tata Elxsi Financial Performance – Q1 FY24

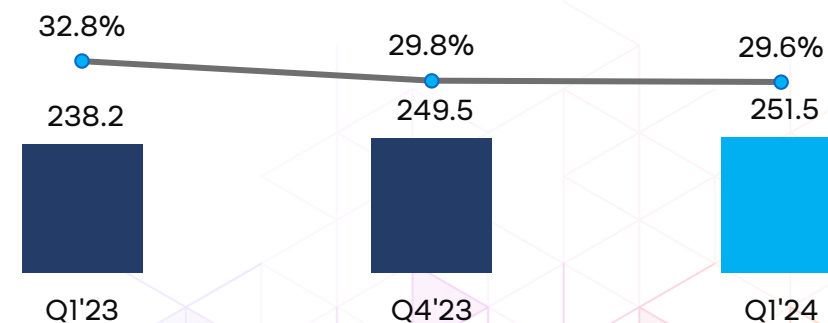
Operating Revenue

YoY Growth of 17.1%



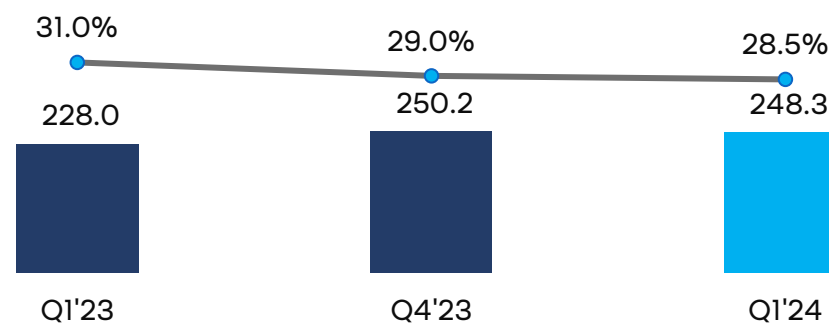
Operating EBITDA & Margin (%)

YoY Growth of 5.6%



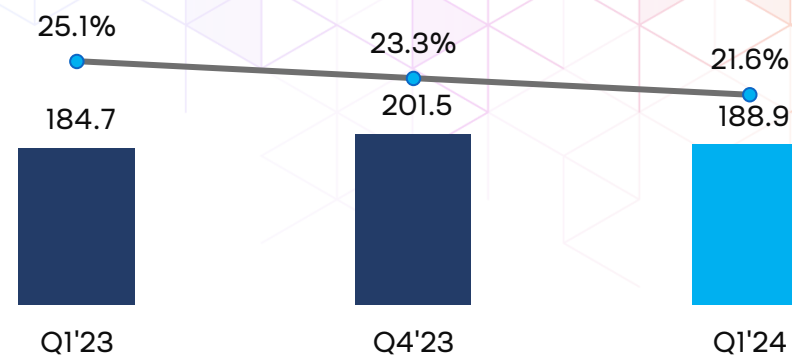
PBT & Margin (%)

YoY Growth of 8.9%



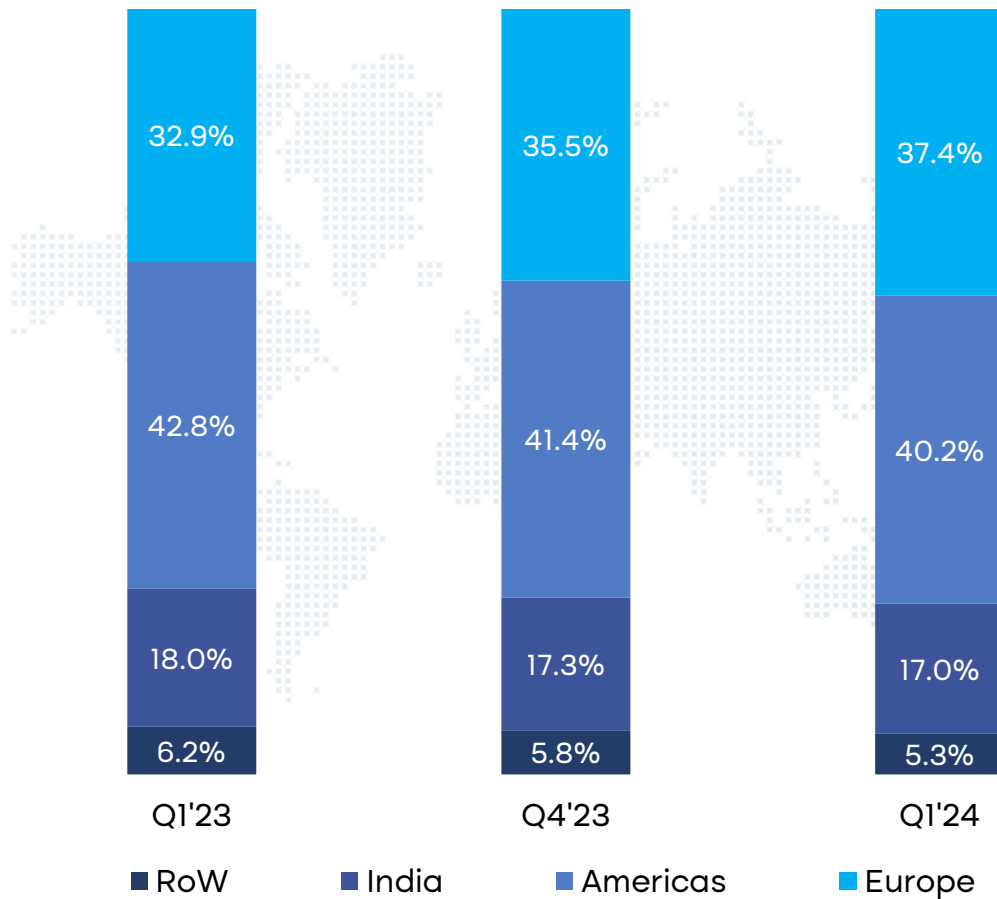
PAT & Margin (%)

YoY Growth of 2.2%

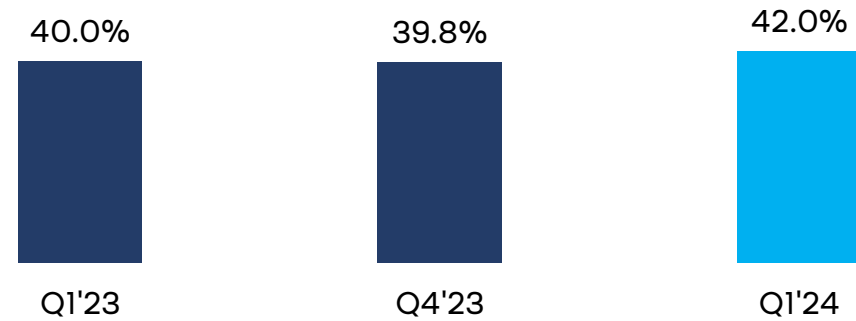


Revenue by Geography and Client Concentration

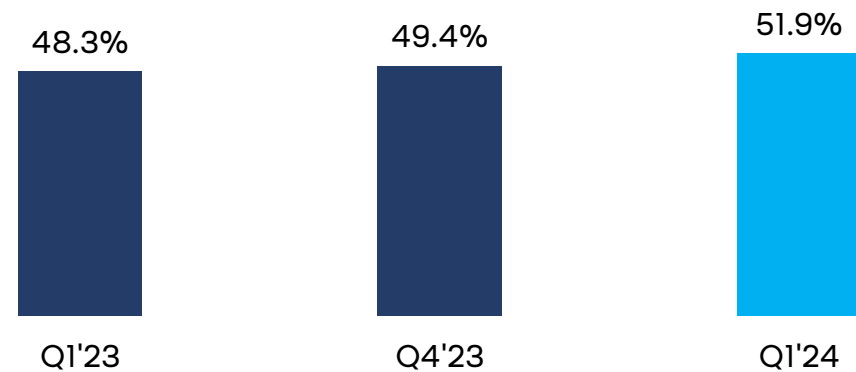
Geo Mix



Top 5

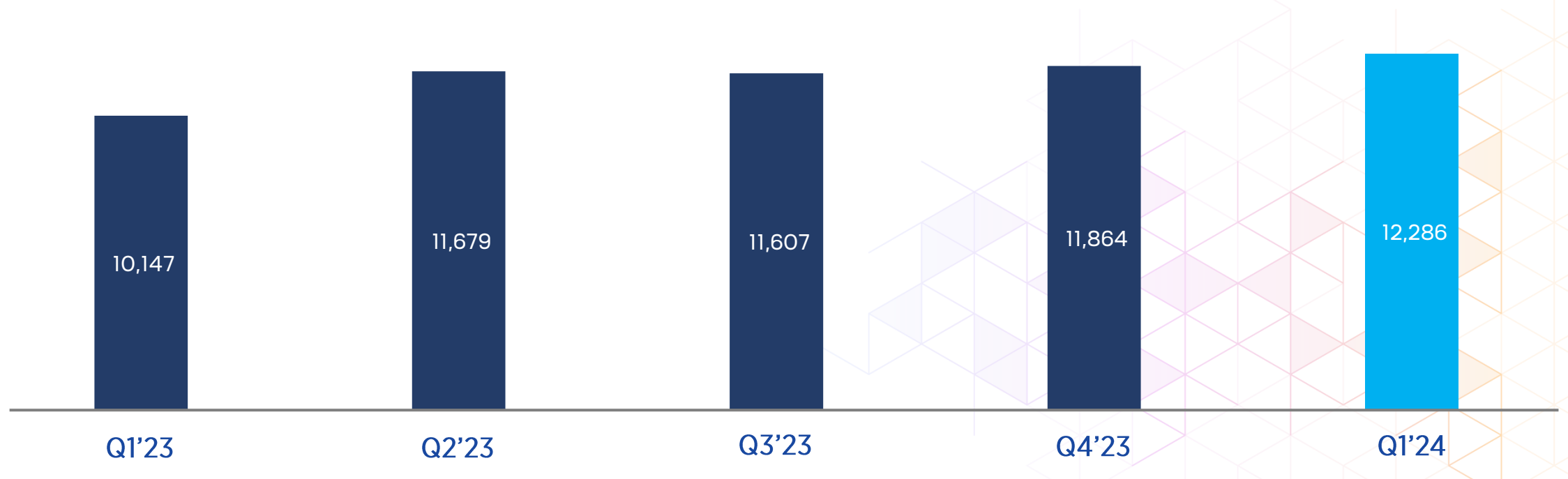


Top 10



Employee Metrics

Headcount

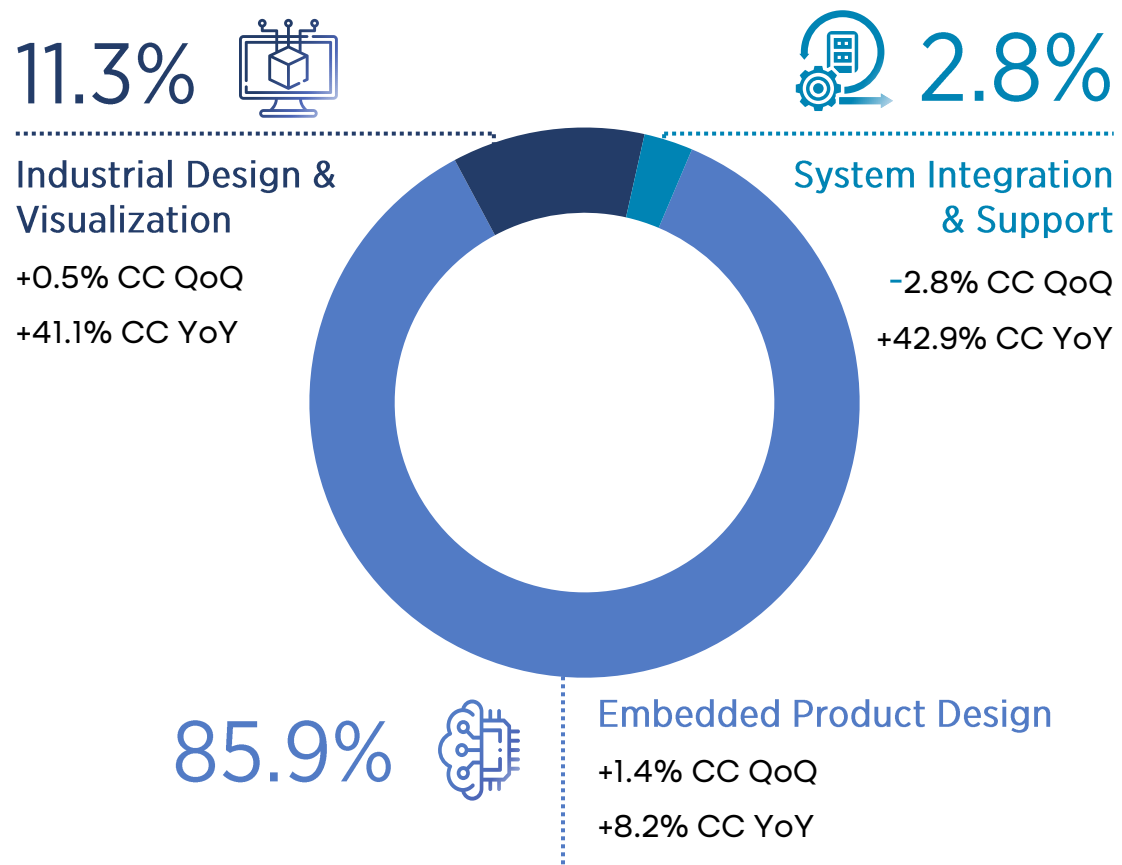


Attrition

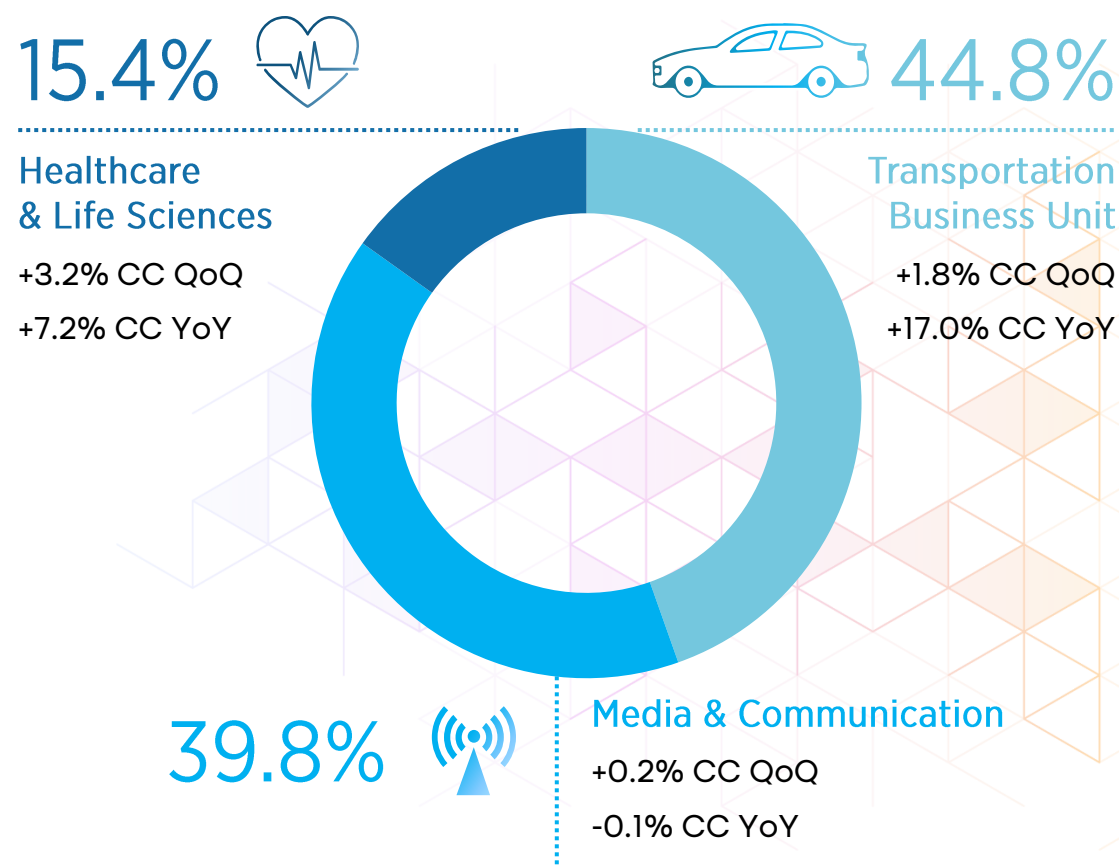
Quarter	Attrition
Q1'23	19.0%
Q2'23	18.7%
Q3'23	18.4%
Q4'23	17.3%
Q1'24	15.6%

Tata Elxsi Segment Mix and Performance – Q1 FY24

Segments

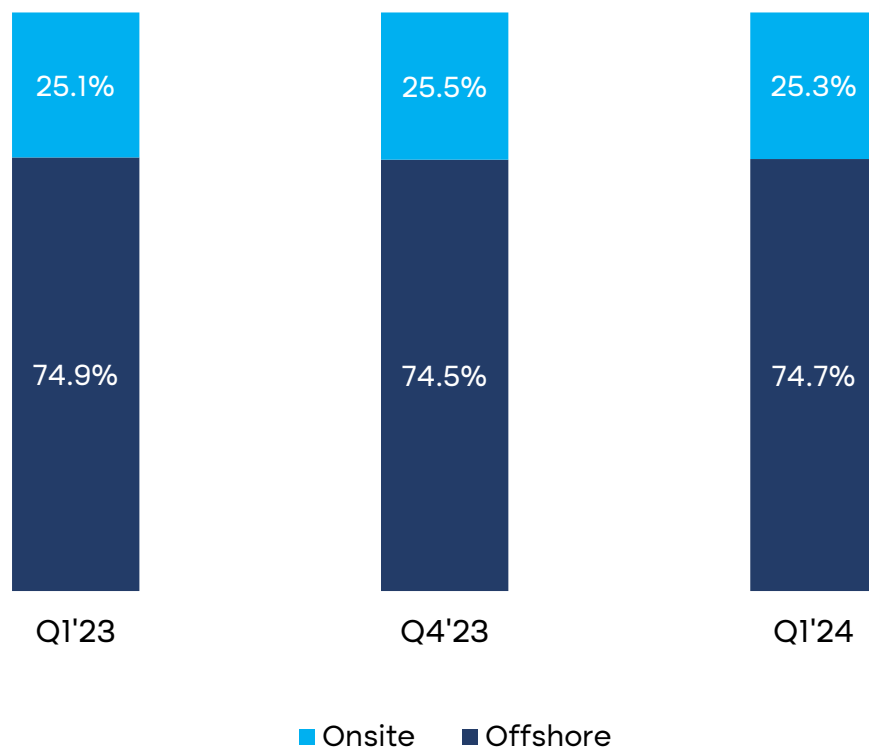


EPD Verticals

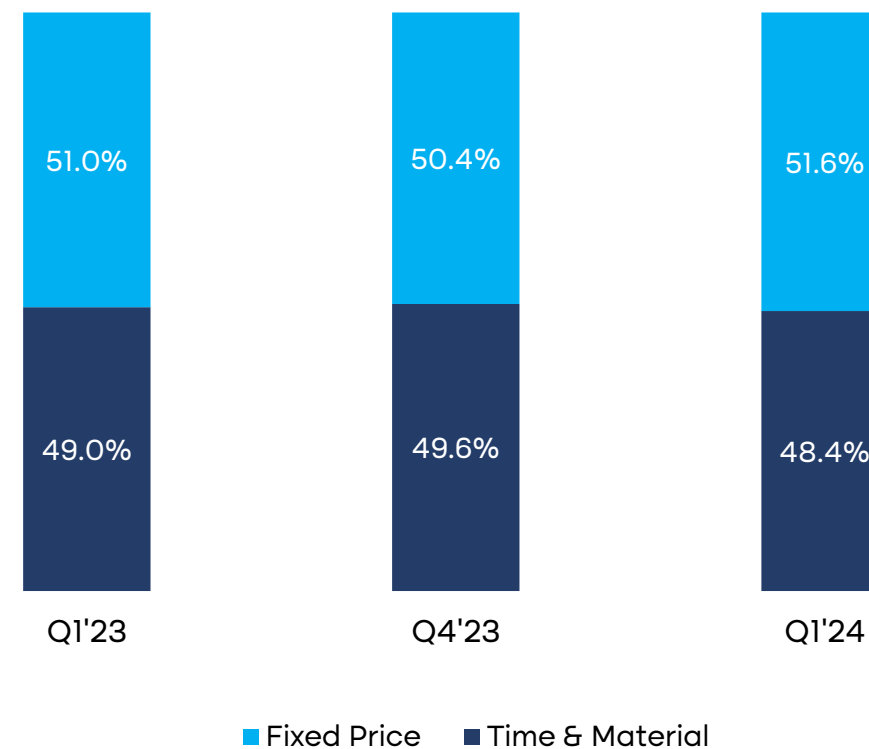


EPD Operational Performance – Q1 FY24

Revenue By Onsite/Offshore Mix



Revenue By Contract Type Mix



Tata Elxsi opens an Innovation Hub and nearshore engineering center in Troy, Michigan

Tata Elxsi expands its automotive and smart mobility focus in North America with an Innovation Hub and nearshore engineering center in Troy, Michigan. The new center will support EV and green mobility, Software and Digital engineering for OEMs and Tier 1 suppliers.

"We are pleased to inaugurate our Innovation Hub and nearshore engineering center in Troy, Michigan, and continue our commitment to the region where we have served our customers for the last 15 years. Our goal is to provide with best-in-class engineering, digital and design solutions for the future of smart and green mobility," said Mr. Manoj Raghavan, CEO and Managing Director, Tata Elxsi.

The Tata Elxsi Troy Innovation Hub and nearshore engineering center is planned to scale up to 200 employees by 2025 while collaborating with leading universities, research institutes and start-ups in the region on cutting-edge R&D and innovation for Smart and Green Mobility.



INNOVATION HUB EV & SMART MOBILITY



Partners with ISRO for design and development of Crew Module Recovery Models for Gaganyaan mission

Tata Elxsi has partnered with Indian Space Research Organization (ISRO) to enable the upcoming Gaganyaan Mission. Tata Elxsi has designed and developed Crew Module Recovery Models (CMRM) for recovery team training of the space Mission.

Dr. Umamaheswaran, Director-HSFC, ISRO said, "Tata Elxsi has carried out the design and delivered hardware meeting highly challenging delivery schedule of 6 months, demonstrating the excellent program management skills. This has enabled timely commissioning of recovery training exercise to meet Gaganyaan mission requirements. ISRO would definitely like to partner in future for different projects."

It is a matter of great pride for us to play a role in the Gaganyaan Mission. This collaboration will help push the boundaries of technology and provide us a unique opportunity to advance our capabilities while strengthening India's space mission.

Manoj Raghavan, CEO & Managing Director, Tata Elxsi



Handover ceremony with Dr Uma Maheshwararan,
Director - Human Space Flight Center, ISRO

Tata Elxsi Collaborates with IIT-G to foster EV Technologies

Tata Elxsi has signed a Memorandum of Understanding (MoU) with the Indian Institute of Technology, Guwahati (IIT-G) to jointly work on developing and commercializing state-of-the-art solutions for the Electric mobility market.

The collaboration between Tata Elxsi and IIT Guwahati will enable both collaborators to apply their research capabilities to real-world problems such as digital analysis of electrical signature data for traction motors which underpins EV mobility across segments, including Automotive and Rail. The solution will provide deep insights for proactive fault prediction, maintenance schedule formulation, and design and manufacturing defects traceability.

This collaboration will bring together the best minds from Tata Elxsi and IIT Guwahati to envisage and develop future-looking solutions for the fast-evolving space of electric mobility.

Manoj Raghavan, CEO & Managing Director, Tata Elxsi



Tata Elxsi wins the BroadcastPro Manufacturer Award for “Best in Linear Distribution” for OSNtv Box

Tata Elxsi and Orbit Showtime Network (OSN) collaborated to develop OSNtv Box - an all-in-one new product that will bring together OSN exclusive and curated live TV channels, streaming, and free-to-air entertainment across a single android device.

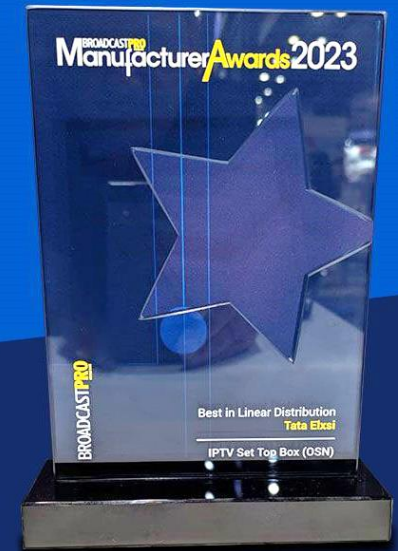
"The OSNtv box combines both PayTV and OTT services in one place. It is a convenient, one-stop solution for entertainment aggregation that simplifies content discovery and provides an enhanced family viewing experience along with parental controls based on customer needs.

The OSNtv Box is powered by Tata Elxsi's AndroidTV solution suite, which includes a custom operator-tier launcher, OTA and iCX. Tata Elxsi's customized OTA (Over The Air) platform helps deliver seamless software updates for an enhanced customer experience, while the iCX (intelligent CX) platform offers intelligent monitoring, real-time diagnostics and troubleshooting.

The OSNtv box is a convenient, one-stop solution for entertainment aggregation that simplifies content discovery and provides an enhanced family viewing experience. Tata Elxsi's proven Android TV expertise, along with their ready-to-deploy suite of solutions, enabled a faster launch of the new OSNtv Box and service.

Devrim Malak, Senior Vice President – Strategy, Orbit Showtime Network

BROADCASTPRO
Manufacturer Awards
TATA ELXSI
Wins
Best in Linear Distribution
for OSNtv Box



Tata Elxsi wins three e4M India Design Excellence Awards

Tata Elxsi has been honored with three awards, including a gold award at the Exchange4Media India Design Excellence Awards. India Design Excellence Awards is a platform to reward the best in Design and Creative space across industries.

GOLD: Tata Motors NEXON EV - (HMI)



Best Design for Automotive and Transport category, Tata Elxsi received the Gold Award for its work for Tata Motors NEXON EV in Human Machine Interface (HMI) Design.

One of the key strengths of Tata Elxsi is their ability to strike a perfect balance between aesthetics and functionality. Our strategic collaboration with Tata Elxsi for Nexon EV HMI design is a testimony to their passion and commitment towards the customer and end-user experience.

BRONZE: Tata AutoComp Experience Centre



Tata AutoComp Experience Centre was awarded a Bronze for Best Design for Retail Space. Tata Elxsi designed and developed the Tata AutoComp Experience Centre

BRONZE: Asian Paints Rangeelo Rajasthan



Best Design for Print & Published Media category, Tata Elxsi won a bronze for Asian Paints Rangeelo Rajasthan.

Design of a regional colour book for Rajasthan, bringing alive colour stories for the home's interiors and exteriors.

Vijaya Bhaskar, Infotainment Centre of Competence, Tata Motors

Tata Elxsi awarded silver medal by EcoVadis for sustainability

Tata Elxsi has been reassessed by EcoVadis and has been awarded a Silver medal. This result places Tata Elxsi among the top 25 percentile of companies assessed by EcoVadis. Our EcoVadis Silver rating demonstrates our commitment to responsible practices across areas like environmental impact, labor conditions, ethical sourcing, and business conduct.

EcoVadis is the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 100,000+ rated companies. The EcoVadis sustainability assessment ratings are a reflection of how well a company has integrated the principles of Sustainability/CSR into their business and management system.

Tata Elxsi, committing itself to a better world, aims to reduce its carbon emission by 50% by 2025 and become carbon neutral by 2030.



TATA ELXSI

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.