

The background features several decorative elements: a top-left circular inset showing a hand pointing at a digital financial chart with various data points; a middle-left circular inset showing a glowing blue network of nodes and lines; and a bottom-left circular inset showing a stack of coins with upward-pointing arrows and percentage values (4%, 6%, 8%, 9%) indicating growth. The main background is a light-colored grid of overlapping triangles in shades of purple, blue, and orange.

TATA ELXSI

Q2 FY24

Earnings Presentation and Fact Sheet

17th October 2023

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



Manoj Raghavan
CEO and MD, Tata Elxsi Ltd.

I am happy to report a healthy top-line growth of 3.7% QoQ and 15.5% YoY in a challenging quarter for the industry. Our EBITDA has grown 4.8% QoQ and 16.3% YoY and our EBITDA margin has improved by 31 bps QoQ to 29.9%. This underlines our strong focus on delivery and operational excellence, key account management and differentiated offerings.

Our Transportation business, which accounts for 46.2% of the vertical revenues, witnessed strong growth of 6.9% QoQ and 19.1% YoY in constant currency. During the quarter, we also won a landmark multi-year large deal for SDV from one of the leading Automotive OEMs.

Our Healthcare & Lifesciences business too registered a healthy growth of 3.2% QoQ and 4.8% YoY in constant currency.

Our Media & Communication business continues to face a cautious industry environment and has declined marginally by 0.4% QoQ and 1.3% YoY in constant currency basis. We continue to

closely engage with our key customers and are developing new offerings and relevant partnerships that will help them drive efficiencies and create new revenue streams in a challenging business environment.

We are happy to report that our Industrial Design division crossed Rs. 100 crores in revenues for the first time in a quarter, growing 4.0% QoQ and 26.2% YoY in constant currency.

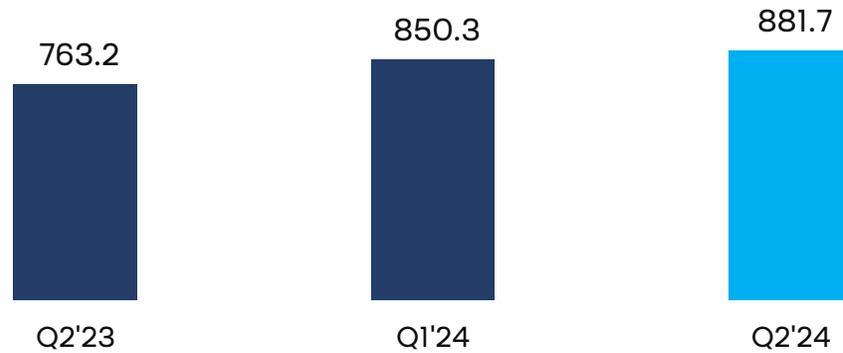
We continue to invest in building our talent pipeline with a net add of 585 Elxsians in the quarter. Our employee engagement and talent retention strategies have contributed to attrition further improving to 13.7%.

We are starting our third quarter with the confidence in our differentiated *Design-Digital* capabilities and a strong deal pipeline.

Highlights – Q2 FY24

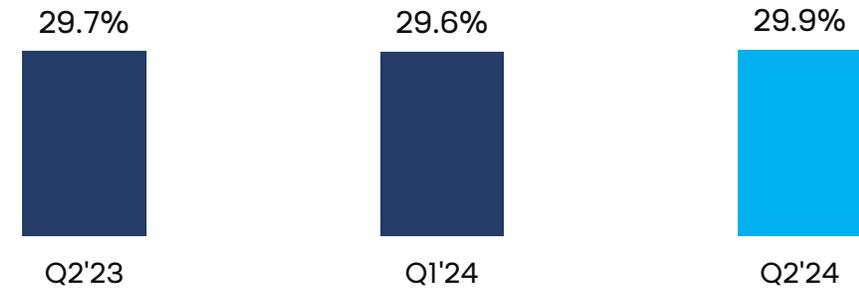
Operating Revenue

QoQ Growth of 3.7% and YoY Growth of 15.5%



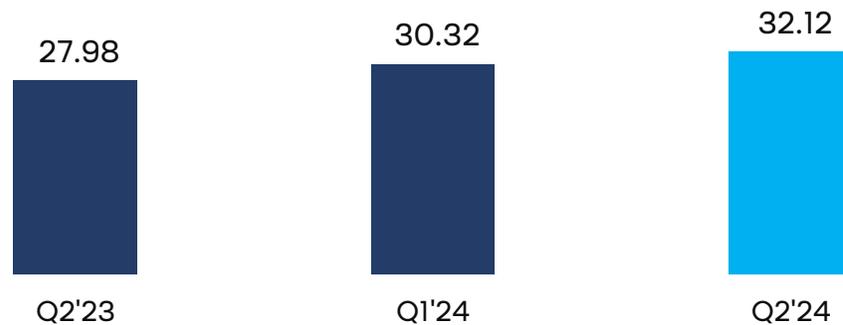
Profitability – EBITDA %

QoQ Margin increase by 31 bps, and YoY Margin increase by 21 bps



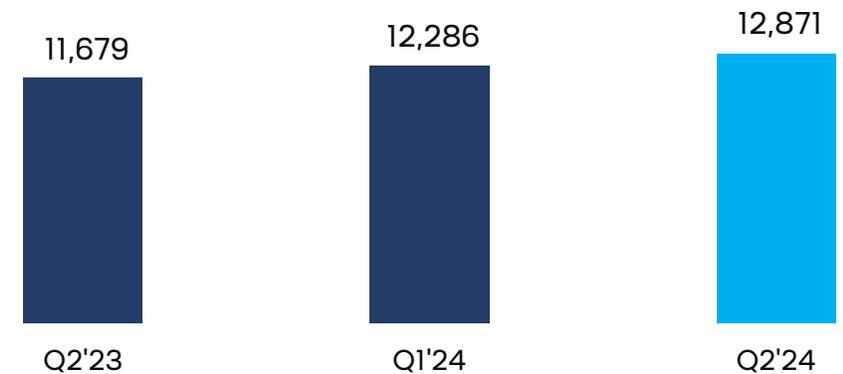
EPS

QoQ Growth of 5.9% and YoY Growth of 14.8%



People

Net add of 585 Elxsians





Financial Highlights Q2'24

Revenue

- Revenues from operations at Rs. 881.7 Cr, + 3.7% QoQ, + 15.5% YoY
- Operating revenue growth +3.4% QoQ and +10.1% YoY on constant currency basis

Profit

- Operating Margin at 29.9%; Net Margin (PBT) at 28.9%
- Profit Before Tax (PBT) at Rs. 263.9 Cr, +20.4% YoY
- Profit After Tax (PAT) at Rs. 200.0 Cr, +14.8% YoY

Segment Highlights

- Transportation growth at 7.1% QoQ and 26.1% YoY, aided by large deals and strong traction in Software Defined Vehicles (SDV).
- Healthcare growth at 3.6% QoQ and 8.5% YoY, driven by new product engineering, digital health and regulatory services.
- Media and Communications grew 2.8% YoY aided by platform-led deals and growth in key accounts, amidst widespread industry slowdown.

Key Deals



Global Top-5
Automotive OEM

Tata Elxsi has been chosen as a strategic software development partner for the SDV and Software Organization of a Global Automotive OEM. This is a landmark multi-year large deal in the SDV space.



Latin American
Telecom Leader

Tata Elxsi has been chosen as a strategic partner for transformation of video services across multiple countries for a LATAM headquartered multi-country operator. This is a 5-year deal to develop and deploy next generation video technologies.



Leading European
Automotive Supplier

Tata Elxsi has been selected as a strategic innovation and development partner for next generation EV and on-board systems.



European Critical Care
Device Leader

Tata Elxsi's *Design-Digital* proposition wins a strategic multi-year innovation and re-engineering project of a critical care device platform for emerging markets.



US Headquartered
Automotive Tier 1

A multi-year, multi-million-dollar deal for design and development of Level 3+ autonomous driving system for passenger vehicles.

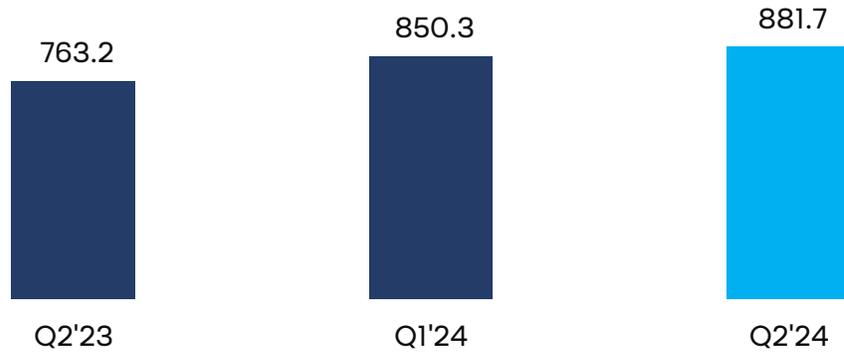
Tata Elxsi Financial Summary – Q2 FY24

Metrics	Q2FY24	Q1FY24	QoQ Growth	Q2FY23	YoY Growth
Revenue (INR CR)					
Revenue from Operations	881.7	850.3	3.7%	763.2	15.5%
Other Income	31.1	22.2	40.2%	18.7	66.7%
Total Income	912.8	872.5	4.6%	781.8	16.8%
Margins (INR CR)					
EBITDA	263.6	251.5	4.8%	226.5	16.3%
EBIT	238.5	230.1	3.7%	204.8	16.5%
PBT	263.9	248.3	6.3%	219.2	20.4%
PAT	200.0	188.9	5.9%	174.3	14.8%
Margin (%)					
EBITDA	29.9%	29.6%		29.7%	
EBIT	27.1%	27.1%		26.8%	
PBT	28.9%	28.5%		28.0%	
PAT	21.9%	21.6%		22.3%	
EPS					
Basic	32.12	30.32	5.9%	27.98	14.8%
Diluted	32.12	30.32	5.9%	27.98	14.8%

Tata Elxsi Financial Performance – Q2 FY24

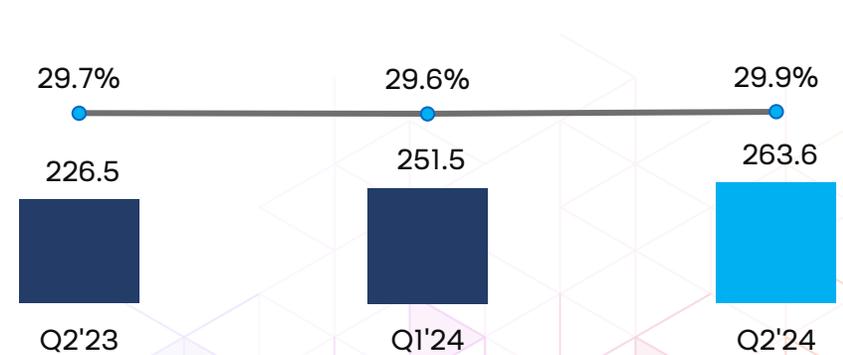
Operating Revenue

YoY Growth of 15.5%



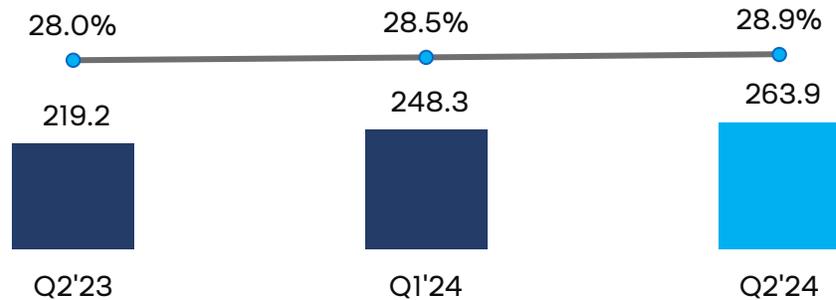
Operating EBITDA & Margin (%)

YoY Growth of 16.3%



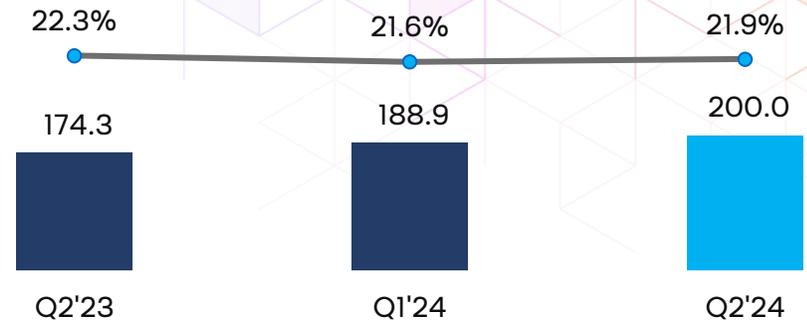
PBT & Margin (%)

YoY Growth of 20.4%



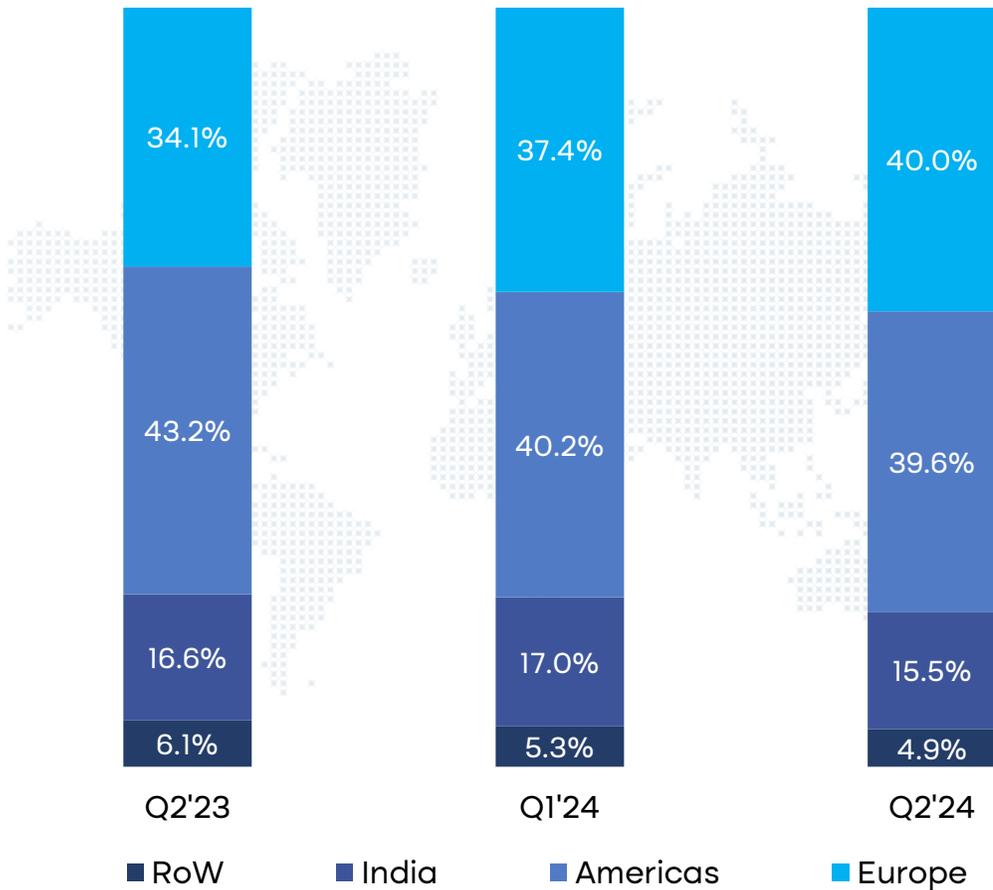
PAT & Margin (%)

YoY Growth of 14.8%

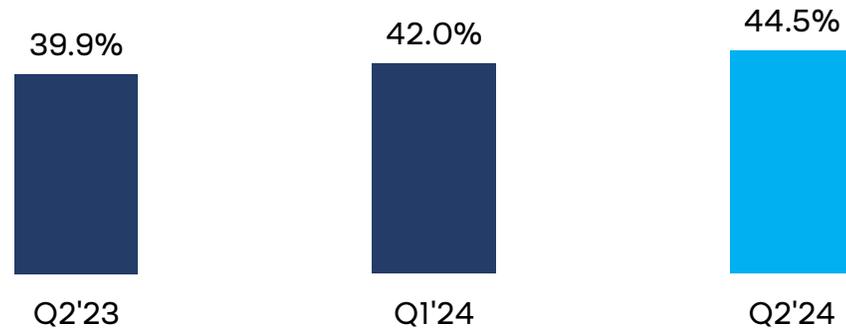


Revenue by Geography and Client Concentration

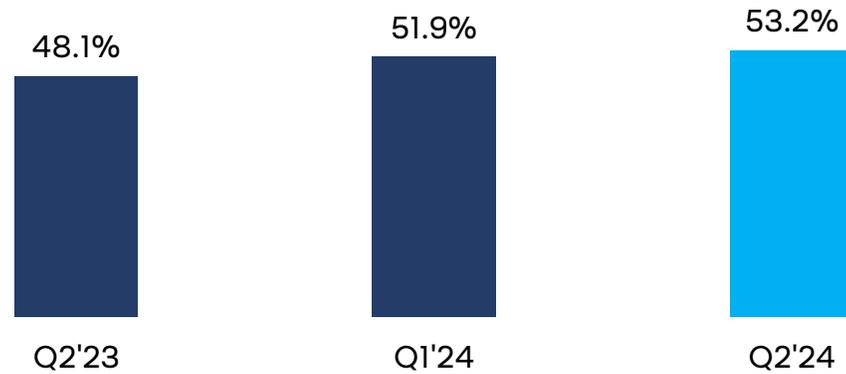
Geo Mix



Top 5

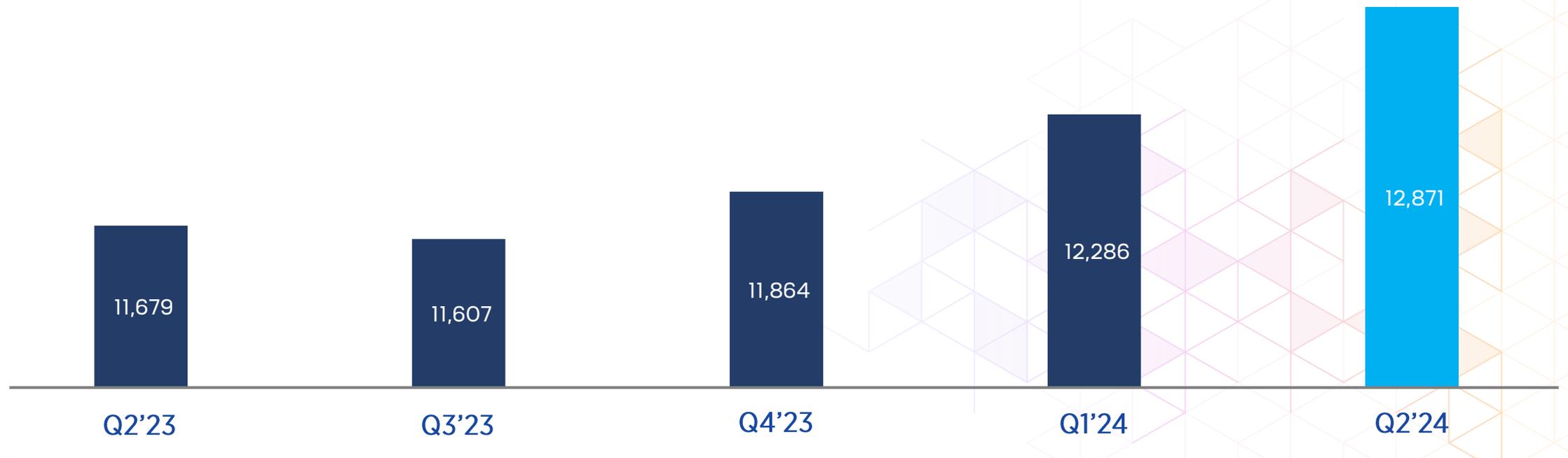


Top 10



Employee Metrics

Headcount



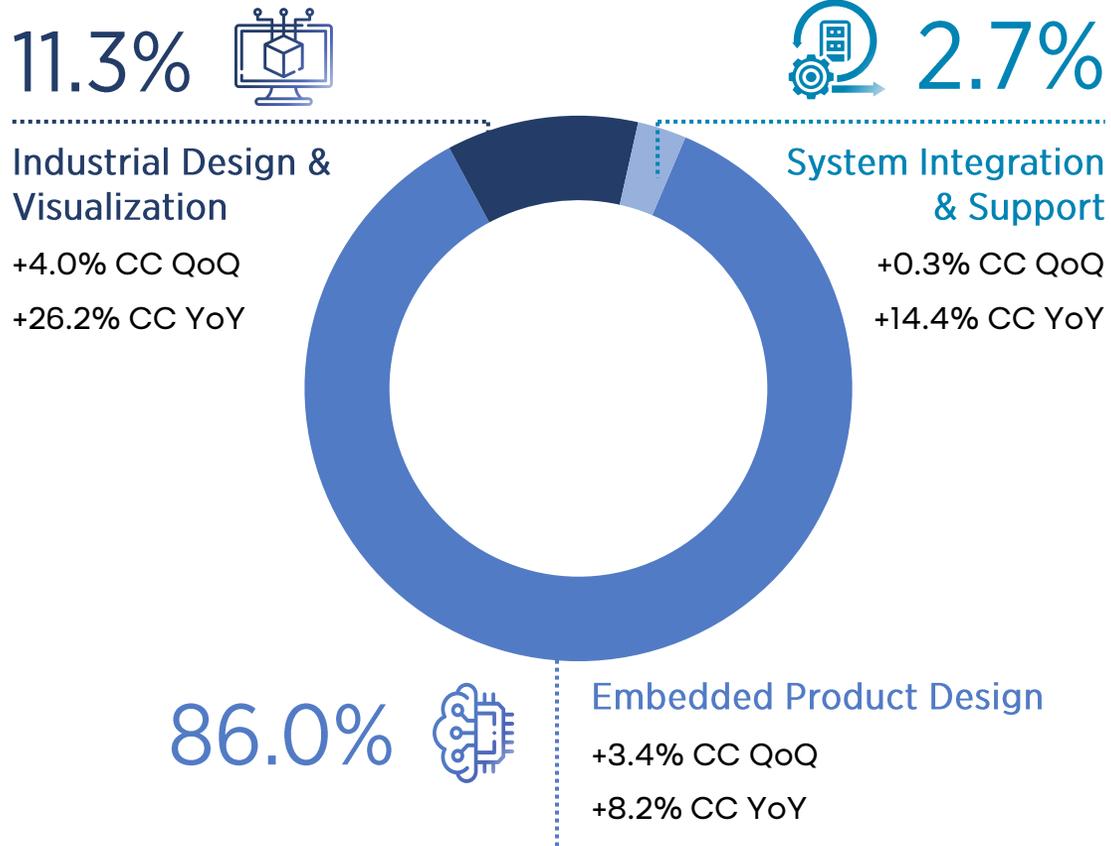
Attrition



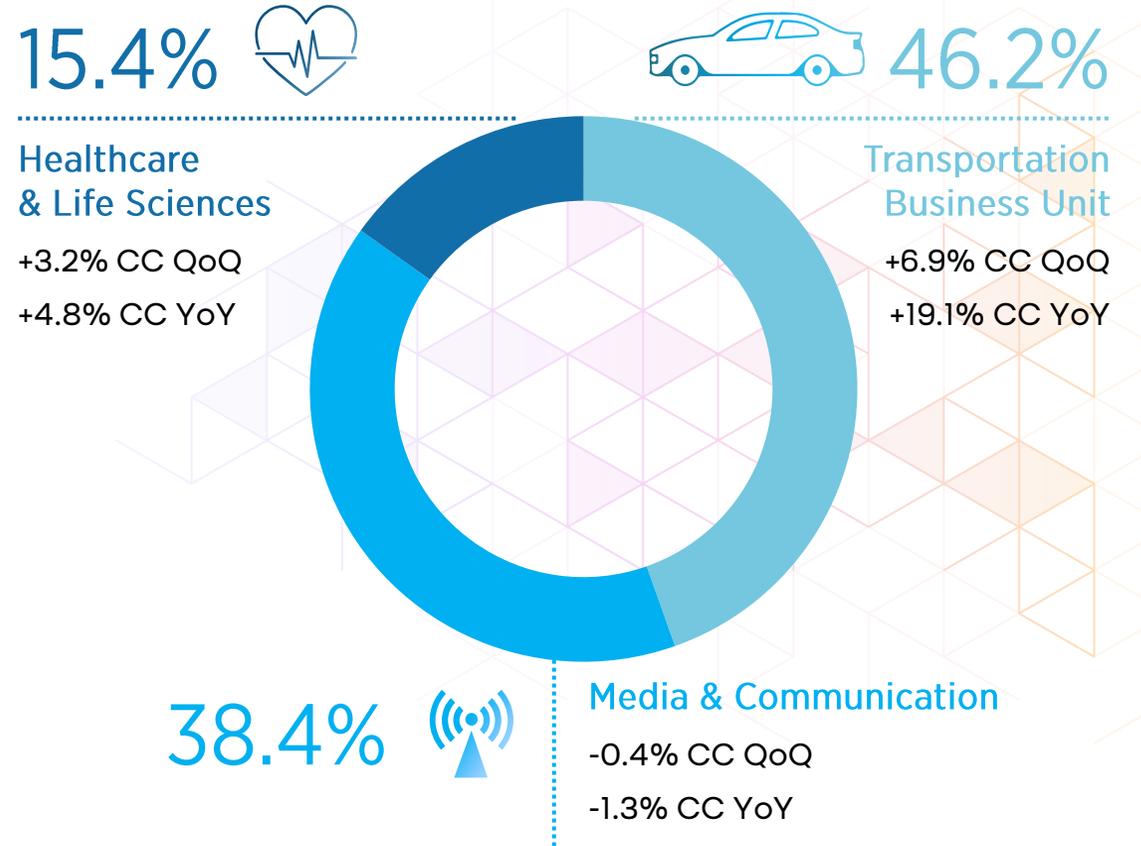
Tata Elxsi Segment Mix and Performance – Q2 FY24

Tata Elxsi Operating Revenue: +3.4% CC QoQ, +10.1% CC YoY

Segments

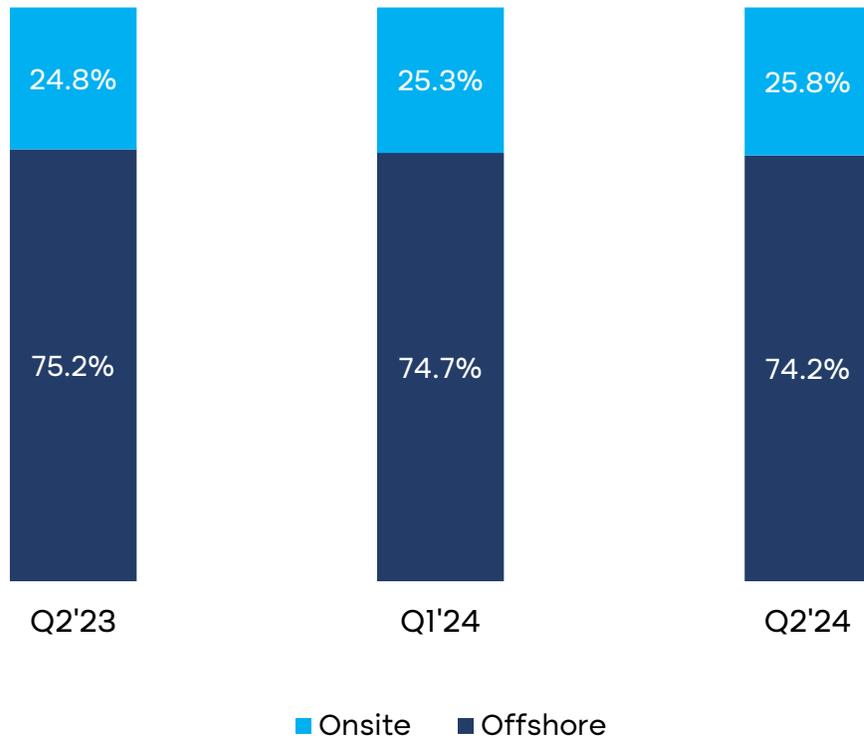


EPD Verticals

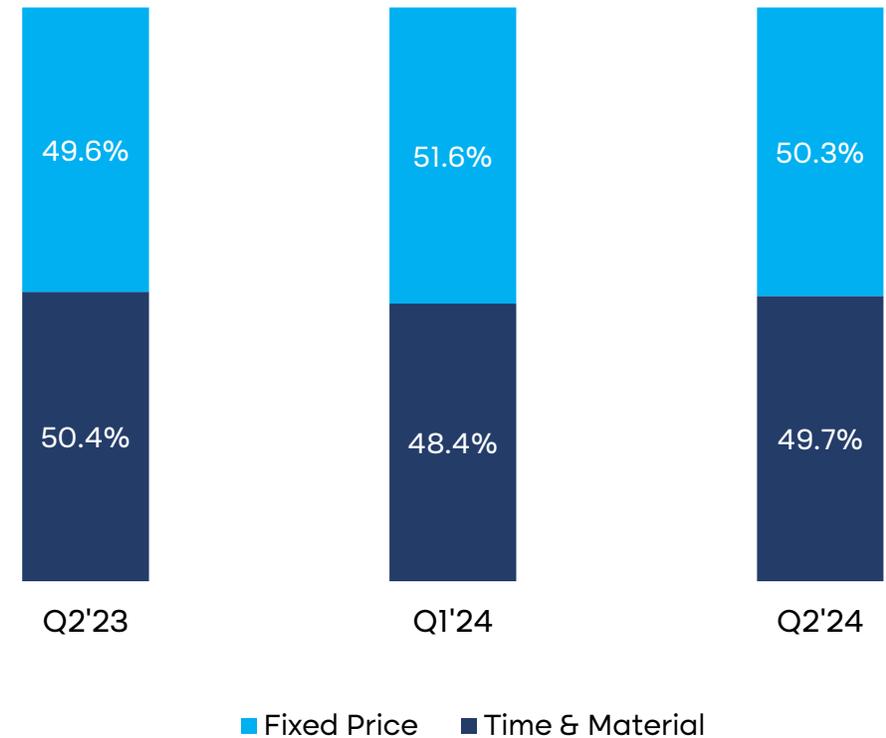


EPD Operational Performance – Q2 FY24

Revenue By Onsite/Offshore Mix



Revenue By Contract Type Mix





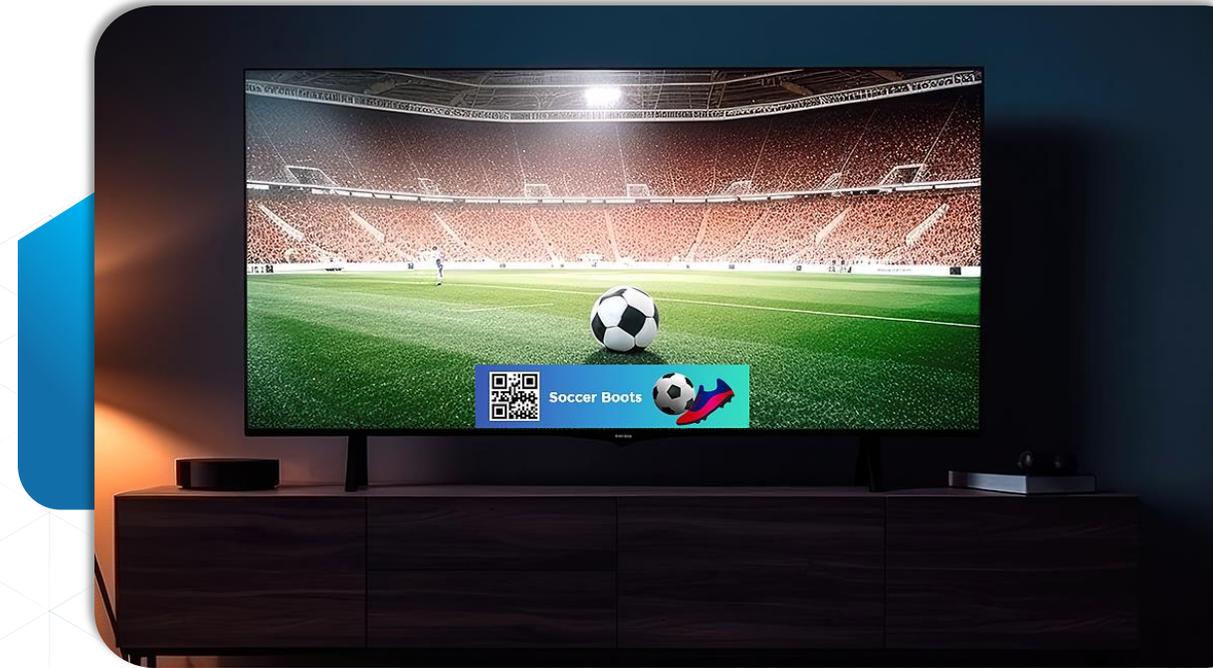
Partnerships



Tata Elxsi and INVIDI Technologies partner to transform AdTech for PayTV

The partnership brings together INVIDI's Conexus™ platform and Tata Elxsi's extensive experience in the integration, development, and deployment of advanced addressable TV technology, along with professional services for Ad Operations and data-driven insights, to enable operators to deliver targeted advertising solutions and create new revenue streams. This will allow broadcasters and operators to provide brands and advertisers with enhanced audience targeting capabilities, driving more impactful campaigns, less wasted reach, and better return on advertising investment.

"Through this strategic partnership with Tata Elxsi, INVIDI will achieve its mission of transforming the advertising industry through advanced technologies like addressable television, CTV monetization, and data-driven insights. Our combined expertise and dedication to innovation will unleash the full potential of addressable advertising. Tata Elxsi's commitment to excellence and their customer-centric approach makes them the ideal partner to ensure we deliver on our promise to transform advertising experiences," said **Prasad Sanagavarapu, Managing Director of India & EMEA, INVIDI Technologies.**

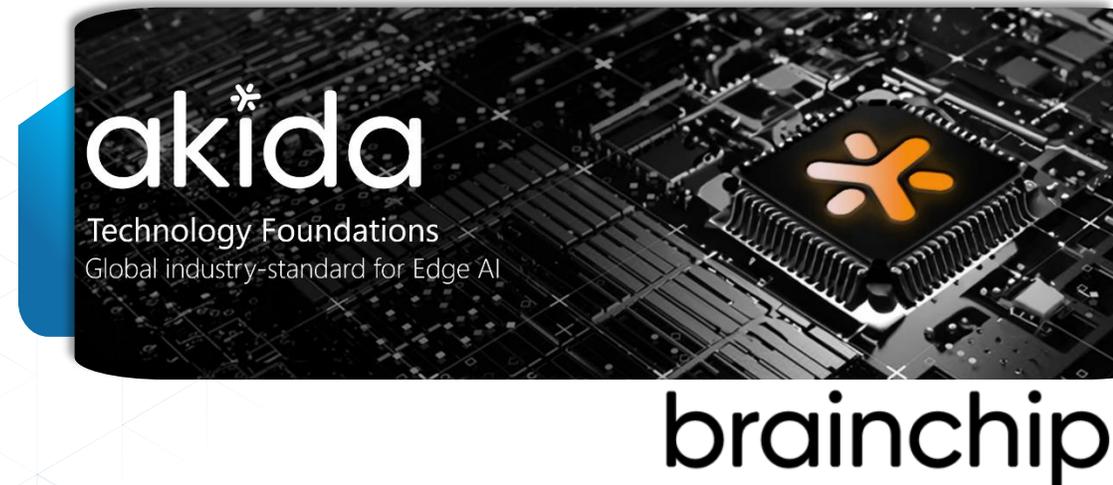


BrainChip and Tata Elxsi Partner for Edge AI

Tata Elxsi's partnership with BrainChip will be driving Akida™ technology into medical devices and industrial applications by leveraging BrainChip's first-to-market, fully digital, neuromorphic technology to provide intelligent, low-power solutions to these demanding target markets.

Akida's fully customizable, scalable, event-based AI neural processor architecture and its small footprint boosts the efficiency of various applications by orders of magnitude. Greater AI performance at the edge, independent from the cloud, unlocks the growth of the Artificial Intelligence of Things (AIoT) market that is expected to be more than a trillion dollars by 2030.

"BrainChip is very aligned with Tata Elxsi's mission to innovate with leading edge technology and deliver compelling new products and services that improve customer experience and outcomes," said **Rob Telson, Vice President of Ecosystems & Partnerships at BrainChip.**



Tata Elxsi to establish EV laboratory at NIT-C

Tata Elxsi has partnered with NIT-Kozhikode to establish a state-of-the-art laboratory for EV technologies.

This lab, set up at the NIT-C campus, is co-funded with Tata Elxsi providing up to 75% of the capital spend.

The lab will bring together researchers and young engineers together for collaborative research and technology innovation projects in the domain of Electric Mobility.



Prof. Priya Chandran, director in charge of NIT-C, and Manoj Raghavan, CEO and MD of Tata Elxsi, after signing the MoU.



On the World Stage



Tata Elxsi at IBC 2023, Amsterdam

Tata Elxsi's theme for 2023 IBC 'Enabling AI driven Video Experiences' resonated well with the current trends of the Media and Broadcast industry and generated a lot of interest among attendees.

Our theme of 'Enabling AI driven Video Experiences' with solutions and offerings across content creation, distribution, aggregation, and monetization resonated well with the latest trends in the Media and Broadcast industry, and generated a lot of interest among attendees.



**Sep 15-18,
2023
Amsterdam**



Tata Elxsi at the RDK Global Summit 2023

RDK Global Summit is the premier event for operators across the world who are adopting or considering RDK open source technology for video and broadband.

Tata Elxsi is at the forefront as a leader in RDK integration and solutions for the industry, having engaged with every operator in the world who has adopted RDK.

Nitin Pai's keynote session on 'Data Speaks: AI Listens' received widespread interest, emphasizing the crucial role of data and how Tata Elxsi is leveraging its AI/ML powered solutions like iCX and TE Play for democratizing RDK and enabling operator adoption.



**Sep 19, 2023
Amsterdam**

Tata Elxsi at the American Medical Device Summit 2023

American Medical Device Summit, held annually in Chicago, brings together leaders from across the healthcare ecosystem.

This year's theme focused on innovation and AI in the design, validation and regulatory processes involved in medical device development.

Tata Elxsi took part in the Plenary Session - *Driving Innovation and Accelerating Patient-Centricity in the Global Medical Device Landscape*, with Peter Galen, CIO, Hemex Health and Muthusamy Selvaraj, VP, Healthcare Services, Tata Elxsi, taking the stage in sharing insights on innovation in medical devices and prioritizing patient needs to deliver enhanced experiences and better healthcare outcomes, with a real, launched, in-market product example.



**Sep 26-27,
2023
Chicago, IL**





Project Showcase

Tata Elxsi Designs a State-of-the-Art Experience Centre for Tata Chemicals

Tata Elxsi designed and delivered a state-of-the-art Experience Centre for Tata Chemicals, which was inaugurated on 1st August 2023 in Mambattu, Tamil Nadu. This center fosters stronger ties between Tata Chemicals and its partners, clients, investors, and employees by facilitating strategic conversations, nurturing long-term relationships, and presenting innovative solutions that align with evolving business needs.

Mr. R Mukundan, MD and CEO of Tata Chemicals, stated, *"Tata Elxsi played a pivotal role in transforming our vision of the Experience Centre into a tangible reality through their design, digital technology, and content development expertise. Through interactive demonstrations and presentations and a captivating walkthrough showcasing our achievements, product portfolios, and services, the Experience Centre now showcases the essence of our company."*



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.

Discover more at www.tataelxsi.com