

**TATA ELXSI**

Designing  
The Next



# Q1 FY23 Earnings Presentation and Fact Sheet

July 14, 2022

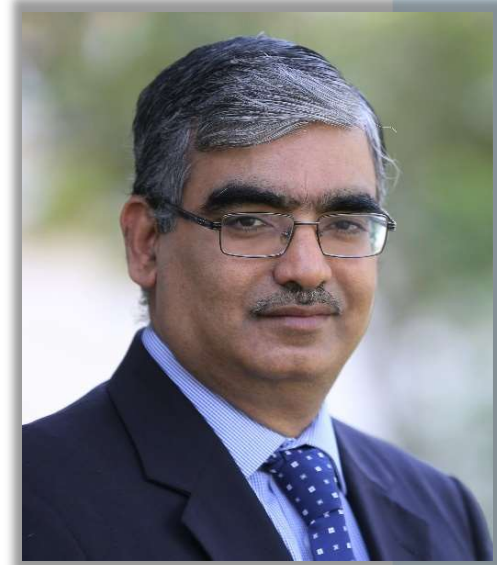


## Disclaimer

This release 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 digit for convenience of representation.

## Message from the CEO and Managing Director



**Manoj Raghavan**  
CEO and MD  
Tata Elxsi Ltd.

“We are starting FY23 on a strong note with 6.5% QoQ revenue growth in constant currency. This was all volume-led and supported by robust growth across divisions, verticals and key markets. We continue to maintain and expand our margins with our EBITDA growing at 58.8% YoY and PAT growing at 62.9% YoY.

Our differentiated delivery capability powered by Domain, Design, and Digital, is helping us continue to win deals which are of strategic importance to our customers.

I am delighted that the Tata Elxsi family is now over 10,000 people strong. We added 771 employees on a net basis in the quarter, more than doubling from the previous quarter. This has been aided by concerted efforts in reinforcing our employer brand proposition and employee engagement that have helped reduce our attrition rate in the quarter. We are also expanding our delivery presence with a new center in Kozhikode.

We are taking a seminal role in fostering future design thinkers and innovators for sustainability, with the launch of iGNITE – a global design and innovation contest for sustainable design, coinciding with the World Industrial Design Day on 29<sup>th</sup> June.

I am delighted to start the financial year with robust growth in revenues, margins, employee and customer additions. We are entering the second quarter with a strong order book and a healthy deal pipeline across key markets and industries.”

# Highlights for Q1 FY23

<b>Revenue</b>	Sequential Growth	QoQ Constant Currency Growth	YoY Revenue Growth
725.9 INR Cr	↑ 6.5%	↑ 6.5%	↑ 30.0%
<b>Profitability</b>	EBITDA INR Cr	PBT INR Cr	PAT INR Cr
EBITDA Margin 32.8%	↑ 238.2 Cr (58.8% YoY)	↑ 228.0 (48.1% YoY)	↑ 184.7 (62.9% YoY)
<b>EPS</b>	Q1 FY23	QoQ Growth	YoY Growth
	↑ 29.66	↑ 15.5%	↑ 62.9%
<b>People</b>	Closing Headcount	Net Additions	LTM Attrition
	↑ 10147	771	19.0%

# Financial Highlights – Q1FY23

## Revenue

- Revenues from operations at Rs. 725.9 Cr, + 6.5% QoQ, + 30.0% YoY

## Profit

- Operating Margin at 32.8 %; Net Margin (PBT) at 31.0%
- Profit Before Tax (PBT) at Rs. 228.0 Cr, + 3.5% QoQ, +48.1% YoY
- Profit After Tax (PAT) at Rs. 184.7 Cr, + 15.4% QoQ, +62.9% YoY

## Segment Highlights

- Embedded Product Design (EPD) grew at 6.2% QoQ
- Industrial Design and Visualization (IDV) grew at 6.6% QoQ
- System Integration and Support (SIS) grew at 19.8% QoQ

## Key Deal Wins – Driving Scale and Sustainability

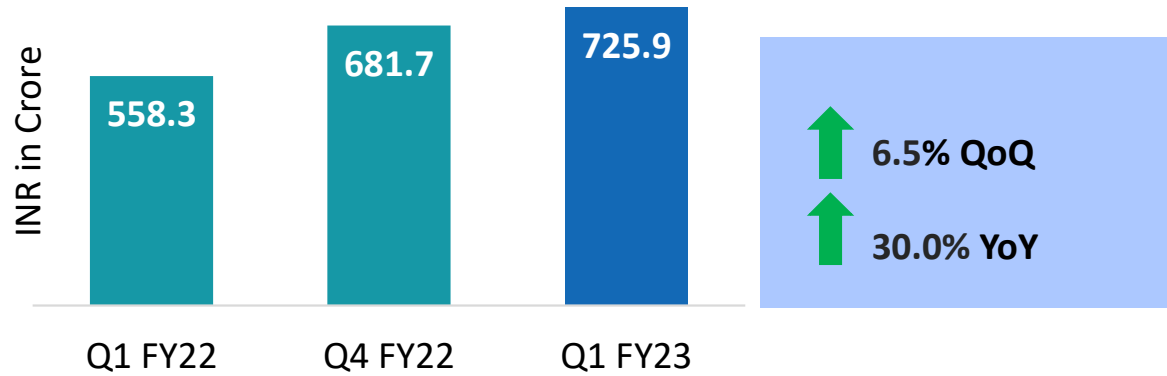
- A global tier 1 supplier selected Tata Elxsi for its next generation e-powertrain development
  - Multi-million USD multi-year deal win underscores Tata Elxsi's differentiated expertise in EV architecture, system and software development
- A multi-million-dollar deal win for Tata Elxsi from an automotive OEM in APAC region for development of a full vehicle simulator that will enable creation of a digital twin and accelerate new vehicle development
- Tata Elxsi was awarded a large multi-year deal for smart network operations transformation by a leading North American MSO
- One of the world's leading AdTech companies selected Tata Elxsi to support the development of a next-gen digital content monetization platform for addressable advertising across ad formats and devices
- Tata Elxsi won a *design-led* New Product Development (NPD) deal from a Global Healthcare company for development of a Radiation Therapy machine
- Tata Elxsi wins a *Design-Digital* deal for development of an Augmented Reality (AR) based solution for a leading global medical devices company
  - Leverages Tata Elxsi's capabilities in combining Extended and Mixed Reality technology, design and content to aid patient outcomes

## Tata Elxsi Financial Summary – Q1 FY23

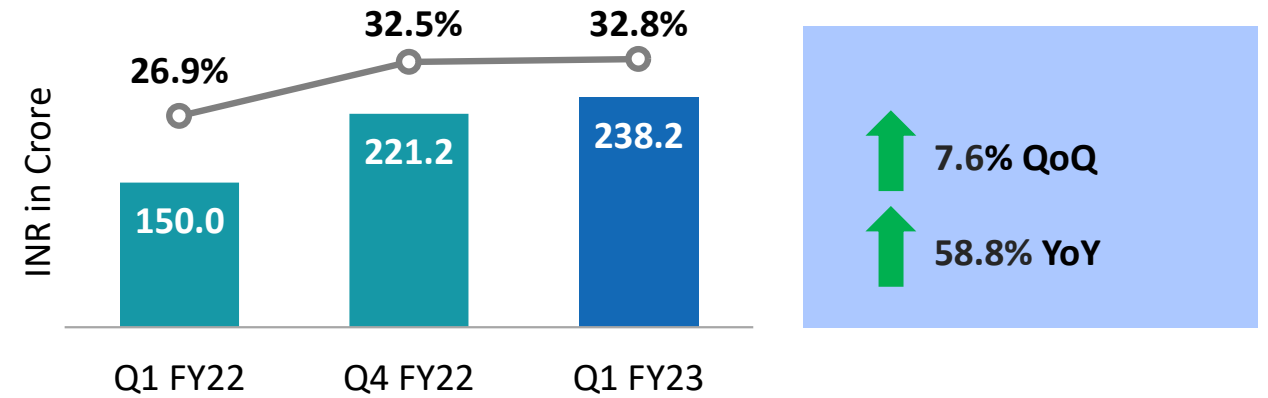
Particulars		Metrics	Q1FY23	Q4FY22	QoQ Growth	Q1FY22	YoY Growth
Revenue (INR CR)	Revenue from Operations		725.9	681.7	6.5%	558.3	30.0%
	Other Income		10.3	18.1	-43.0%	17.5	-41.0%
	<b>Total Income</b>		<b>736.2</b>	<b>699.8</b>	<b>5.2%</b>	<b>575.8</b>	<b>27.9%</b>
Margins (INR CR)	EBITDA		238.2	221.2	7.6%	150.0	58.8%
	EBIT		221.1	205.4	7.6%	138.1	60.1%
	PBT		228.0	220.3	3.5%	153.9	48.1%
	PAT		184.7	160.0	15.4%	113.4	62.9%
Margin (%)	EBITDA		32.8%	32.5%		26.9%	
	EBIT		30.5%	30.1%		24.7%	
	PBT		31.0%	31.5%		26.7%	
	PAT		25.1%	22.9%		19.7%	
EPS (INR)	Basic		29.66	25.69	15.5%	18.21	62.9%
	Diluted		29.66	25.69	15.5%	18.21	62.9%

# Tata Elxsi Financial Performance – Q1 FY23

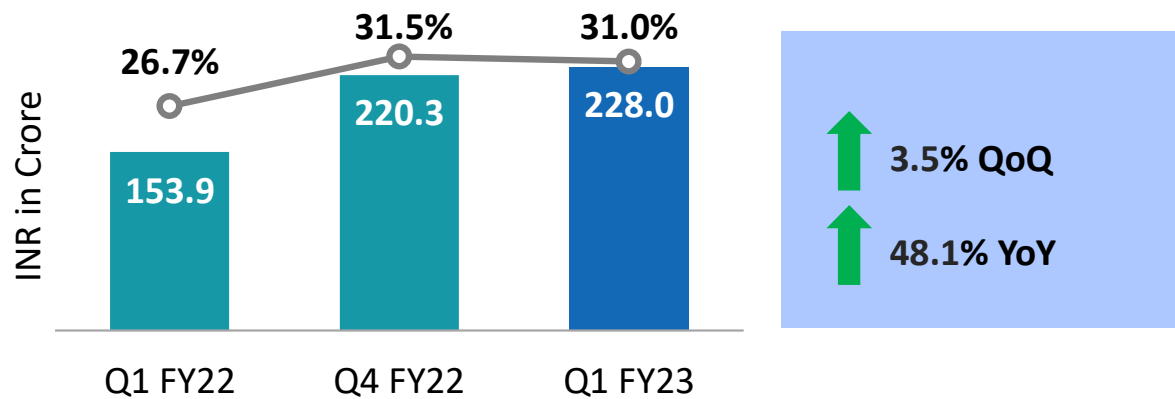
## Operating Revenue



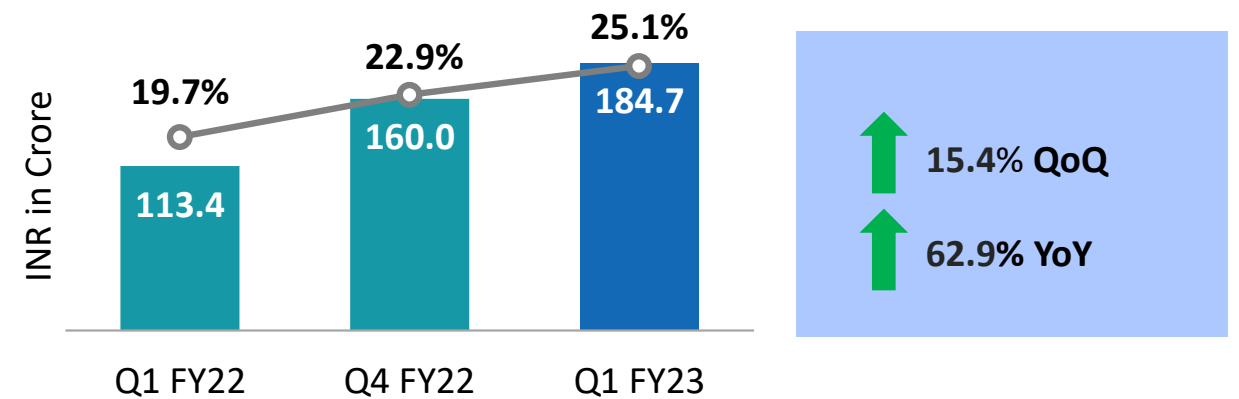
## Operating EBITDA & Margin (%)



## PBT & Margin (%)



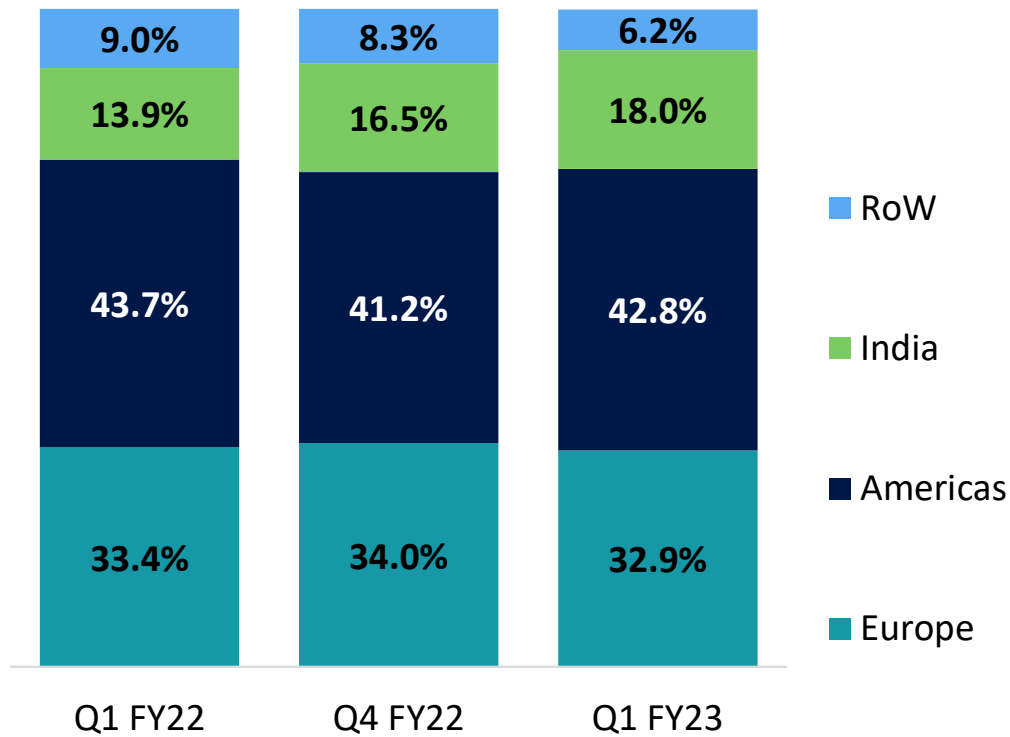
## PAT & Margin (%)



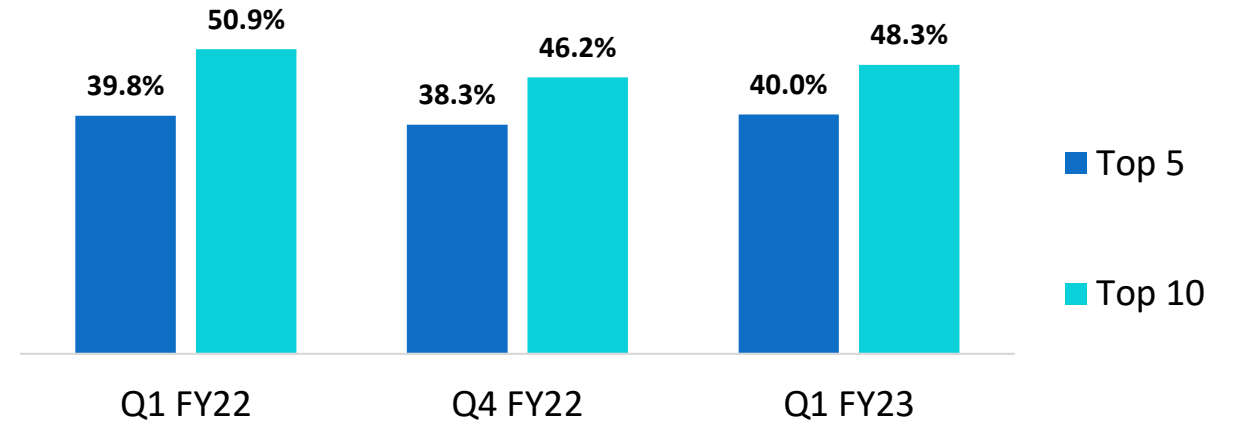


# Tata Elxsi Operational Performance – Q1 FY23

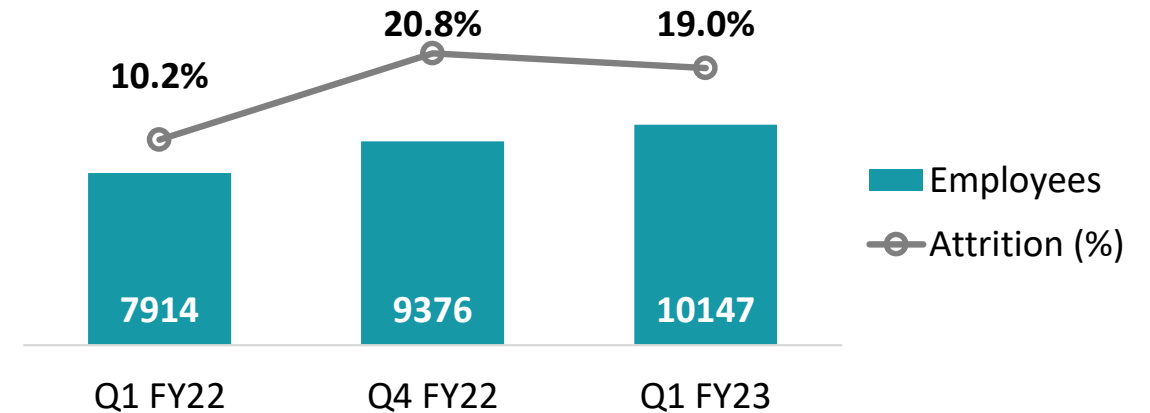
## Revenue By Geography



## Client Concentration



## Headcount and Attrition



## Tata Elxsi Segment Mix and Performance – Q1 FY23

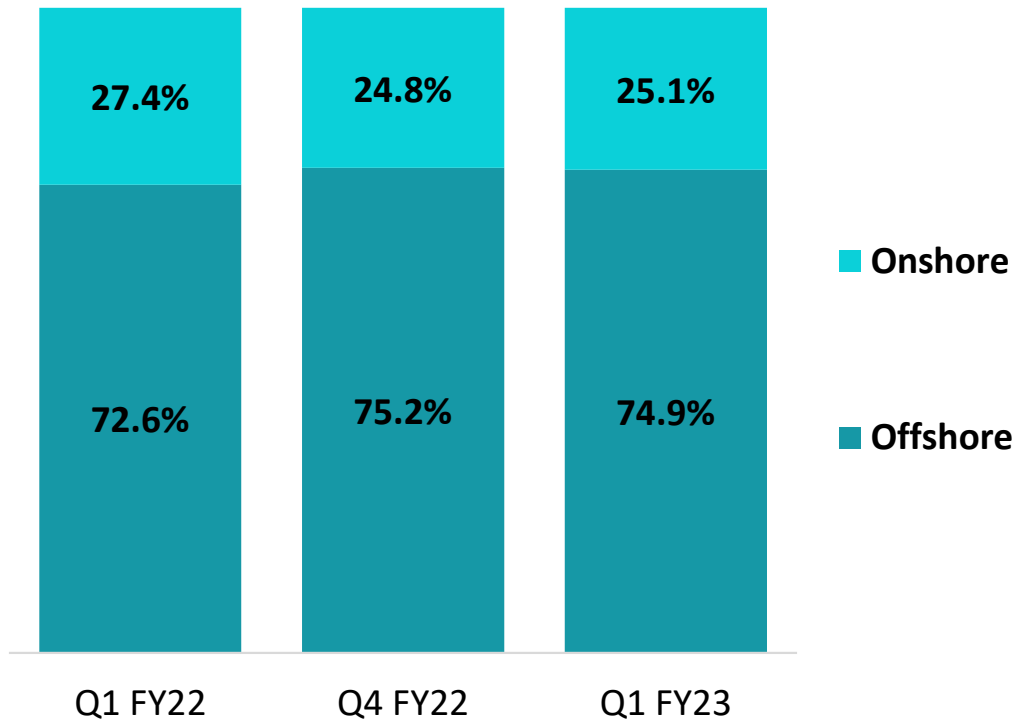
Segment Mix	Q1 FY23	Q4 FY22	Q-o-Q Growth (In CC)	Q1 FY22	Y-o-Y Growth (In CC)
Embedded Product Design (EPD)	<b>88.8%</b>	89.0%	6.0%	83.9%	38.0%
Industrial Design & Visualization (IDV)	<b>9.0%</b>	9.0%	9.3%	14.0%	-12.8%
System Integration & Support (SIS)	<b>2.2%</b>	2.0%	19.4%	2.1%	38.1%
<b>Total (Tata Elxsi)</b>	<b>100.0%</b>	100.0%	<b>6.5%</b>	<b>100.0%</b>	<b>30.9%</b>

## EPD Segment Mix and Performance – Q1 FY23

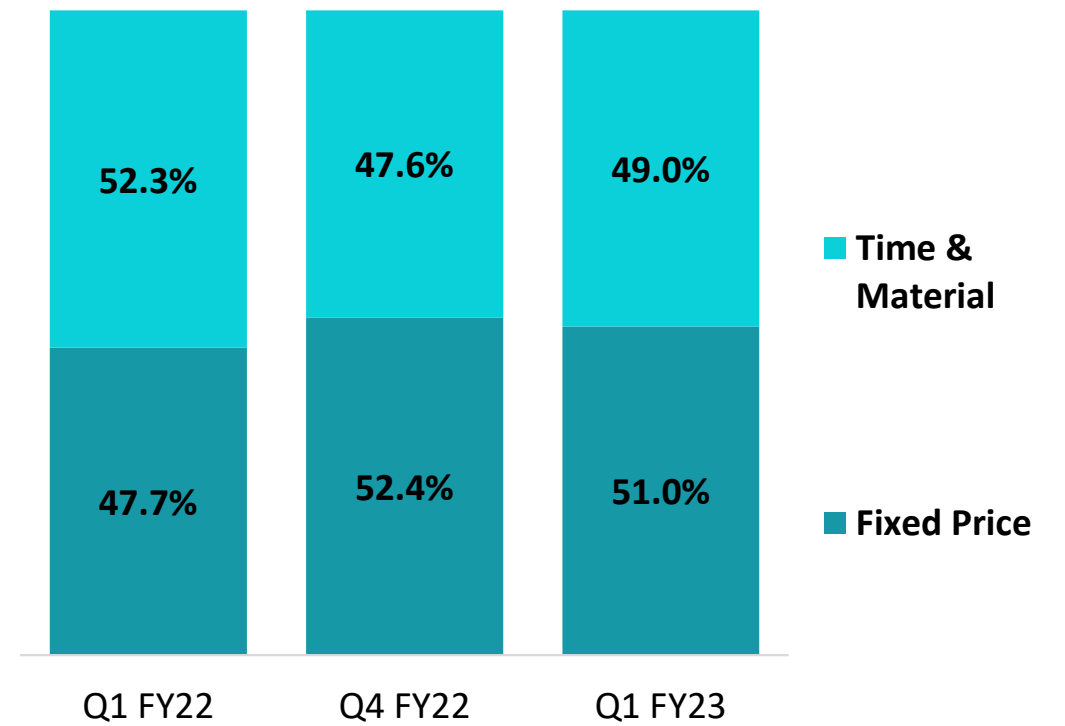
Segment Mix	Q1 FY23	Q4 FY22	Q-o-Q Growth (In CC)	Q1 FY22	Y-o-Y Growth (In CC)
Transportation	<b>41.5%</b>	41.5%	7.8%	40.3%	46.3%
Media & Communications	<b>43.1%</b>	43.7%	3.7%	45.9%	27.8%
Healthcare & Medical Devices	<b>15.4%</b>	14.9%	7.4%	13.8%	47.6%
<b>Total EPD</b>	<b>100.0%</b>	100.0%	<b>6.0%</b>	<b>100.0%</b>	<b>38.0%</b>

# EPD Operational Performance – Q1 FY23

## Revenue By Onsite / Offshore Mix



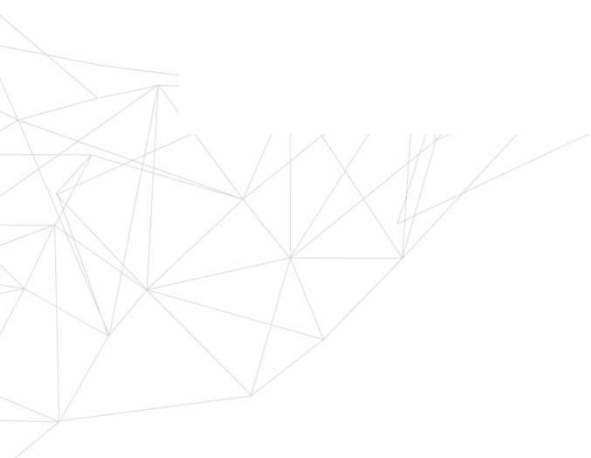
## Revenue By Contract Type Mix



Tata Elxsi is proud to have crossed the '10,000 Elxsians' milestone



10K + Elxsians



## We are expanding – Tata Elxsi announces a new Technology Development center in Kozhikode

Tata Elxsi has expanded its presence in Kerala with the opening of a new development center in Kozhikode's UL Cyber Park.

The new center will host teams and state-of-the-art technology and product development facilities in EV, Connected Car, OTT, 5G, and Digital technologies.



## World Industrial Design Day: Tata Elxsi announces a Global contest for creating a Sustainable Design Solution

As part of the contest, participants must create a sustainable design solution that will address the future needs of consumer goods, healthcare or mobility industries.

Tata Elxsi's Global Design Head, Nick Talbot, said, "Building on our core philosophy of design for good, this competition seeks the best and brightest ideas from our future designers and innovators to meet the challenge of providing products and services that customers need and want whilst improving our relationship with our planet and all the resources we need to care for".

The winners, judged by an international jury, will be awarded at the Global Design event in August, and an opportunity to intern and work alongside award-winning designers at the Tata Elxsi Design Studio.



# PARTNERSHIPS AND AWARDS





## Tata Elxsi and Lenovo collaborate to provide proven, scalable and easy to deploy XR solutions for Enterprise

Tata Elxsi and Lenovo to collaborate to provide end-to-end solutions and services for customers using Lenovo's smart XR devices, which transform work in office and industrial settings, both large and small. Tata Elxsi and Lenovo will enable enterprises to deliver immersive Digital Transformation solutions.

These solutions span across Engineering Design & Modeling, Maintenance & Repair, Remote Collaboration, Worker Safety & Training etc., and help to save cost, improve efficiency and enhance next-level productivity.



XR solutions on display at the Hannover Messe 2022

## Tata Elxsi and mimik Technology partner to deliver 5G services for Industry 4.0, Automotive, and Media Distribution Solutions

Tata Elxsi partners with mimik Technology Inc., a pioneer in hybrid edge cloud technology and business solutions, to address opportunities created by the growing availability of 5G networks and mobile edge computing platforms.

The media, automotive and Industry 4.0 segments demand high-reliability resilient services. The combined solution from Tata Elxsi and mimik delivers necessary resiliency and low latency while providing a high level of data privacy and security.

The partnership delivers innovation in co-operative optimization of RAN Edge, and the industry vertical solutions, can enhance user experiences for enterprises, consumers and add value to TELCOs, and enable the co-creation of solutions for Media, content distribution services, Industry 4.0 and Automotive Edge.



## Tata Elxsi and Green Hills Software win the 'Collaborative Partnership of the Year' award at the Informa Tech Automotive Awards 2022

Tata Elxsi has actively partnered with Green Hills Software, the worldwide leader in embedded safety and security to co-innovate solutions for Software-Defined Digital Cockpits and Advanced Driver Assistance Systems.

The latest collaborative solution is a Driver Monitoring System (DMS) platform that combines advanced AI powered algorithms and AUTOSAR Adaptive from Tata Elxsi, integrated with the safe and secure INTEGRITY® real-time operating system from Green Hills Software.

This platform enables OEMs and Tier 1 suppliers to reduce development time, cost, and complexity while meeting global safety and security requirements.

This partnership won the Informa Tech Automotive award for Collaborative partnership of the year, at the AUTOTECH: DETROIT 2022 event on 7<sup>th</sup> June.



# Tata Elxsi wins the prestigious Golden Peacock Innovation Management Award for 2021

Awarding Tata Elxsi with the Innovation Management Award for 2021, the grand jury comprising of eminent leaders from industry, public bodies and government, said:

“The award is a testimony of Tata Elxsi’s remarkable accomplishments and developments through the organization’s integrated and innovative growth strategy.

The company has made a commitment to establishing cutting-edge business and market strategies in order to expand its service portfolio, value proposition and business growth through strategic alliances.”





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 in our chosen verticals, with over 30 years of technology and product development experience, that enables brands to differentiate and win.



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