

Tata Elxsi delivers healthy growth in Q1 FY'25 with revenue from operations growing at 2.4% QoQ in constant currency

Transportation business grows strongly at 5.3% QoQ in CC terms

Bangalore, July 10, 2024: Tata Elxsi (BSE: 500408 | NSE: TATAELXSI), amongst the world's leading providers of design led technology services, announced its first quarter results for the period ending 30th June 2024.

For the quarter ending 30th June 2024, company reported Rs. 926.5 Cr of operating revenue, a growth of 2.3% QoQ.

Highlights of the Quarter Ended 30th June 2024:

- Revenues from operations at Rs. 926.5 Cr, + 2.3% QoQ, + 9.0% YoY
- Operating (EBITDA) Margin at 27.2%; Net Margin (PBT) at 26.3%
- Profit Before Tax (PBT) at Rs. 252.4 Cr, +1.6% YoY

Business Highlights:

- Transportation grew strongly at 5.3% QoQ CC, aided by deal wins and ramp-up of Software Defined Vehicle (SDV) engagements
- Media and Communications grew 0.5% QoQ CC, performing creditably in a difficult environment for the media and telecom industry
- System Integration services grew strongly at 8.7% QoQ CC

Mr. Manoj Raghavan, CEO and Managing Director, Tata Elxsi, commenting on the company's performance in the first quarter of FY25, said:

"We are happy to report a healthy performance in the first quarter with a top-line growth of 2.3% QoQ and 9.0% YoY.

We executed very well on operational excellence and fiscal discipline in this quarter towards bottom-line performance, despite the impact of an exceptional one-off expense in the quarter and an increase in the effective tax rate with the change in SEZ benefits for one of our facilities. Our investments in building the talent pool over the past few quarters provides us with strong levers to power topline growth and manage our bottom line. Coupled with our differentiated offerings, offshore delivery and operational excellence, we are confident of returning to our preferred margin band over the year.

Our Transportation business reported a strong growth of 5.3% QoQ and 20.3% YoY in constant currency, and now accounts for more than 50% of our Software Development & Services business. We believe we are well positioned to capture growth opportunities in the coming quarters as we continue to enable the continued transformation of the automotive industry and Software Defined Vehicles.

Our Media & Communication business has done well in a difficult business environment for this industry, growing 0.9% QoQ in actual currency and 0.5% QoQ in constant currency. We are building on our strong customer relationships, even as we roll out innovative growth and efficiency offerings for this industry. I am especially delighted with the NEURON platform-led deal from a leading North American telecom operator for their network transformation.

Our Healthcare & Lifesciences business reported a decline in topline by 4.3% QoQ in constant currency. This is largely due to delay in renewals of some projects at one of our large customers. We continue to add marquee logos and some exciting start-ups to our customer base, laying the foundation for sustained long-term growth along with next-gen service offerings. I am proud of our association and work with Tata Power trust on the India Neurodiversity Platform which is being rolled out across multiple districts across the country. This is powered by TEcare, Tata Elxsi's Digital Therapeutics solution.

We are investing strongly in digital, AI and Gen AI technologies across our verticals, targeting efficiency and quality in product engineering, as well as novel applications of Gen AI combined with domain and design expertise to solve complex business, product and engineering problems. A great example is from our healthcare business where we have combined our depth of domain and product knowledge with Gen AI, to pioneer an innovative approach to sustainability and material replacement in medical devices and win a strategic deal with a leading manufacturer.

We step into the second quarter of this financial year with the confidence of a healthy deal pipeline, continued growth in our transportation business, new customer wins and expansion of business with strategic customers across verticals."

About Tata Elxsi

Tata Elxsi is amongst the world's leading providers of design and technology services across industries including Automotive, Broadcast, Communications, Healthcare and Transportation.

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. For more information, please visit www.tataelxsi.com

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