



Q2 FY25

Earnings Presentation and Fact Sheet



10 October 2024

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Message from the CEO and Managing Director



Manoj Raghavan
CEO and MD

I am happy to report a steady second quarter with revenue from operations growing to Rs. 955.1 crores, registering a QoQ growth of 3.1%. Our operational and offshore delivery excellence, fiscal discipline, and differentiated offerings have contributed to our EBITDA margins expanding by 70 basis points to 27.9% for the quarter. Our PAT grew by 24.6% QoQ to 229.4 Cr, with superior bottom-line performance further aided by R&D incentives and tax credits from previous years.

Our transportation business continues to power growth for the company, registering a strong revenue growth of 8.8% QoQ. We won a landmark US\$ 50 million multi-year deal from a global OEM headquartered in Europe, which encompasses SDV and multiple domains of automotive engineering.

In our Media & Communication business, I am especially delighted with our world's first RDK Broadband implementation for Qualcomm, which allows global telecom operators to adopt this first-of-its kind solution to deliver high-speed home and enterprise broadband services through their 5G networks.

Our Healthcare & Lifesciences business added some new marquee customers, including a strategic deal for advanced surgical imaging and AI + cloud powered software platform development.

Our strategic focus on expanding our business in Japan, emerging markets and capitalizing on the India opportunity, is now starting to significantly contribute to our growth. During the quarter, our revenue from India has grown by 31.2% YoY, while Japan and emerging markets grew smartly at 81.9% YoY.

We step into the third quarter of this financial year with the confidence of our design-digital proposition, a healthy deal pipeline, continued growth in our transportation business, large deal wins and recovery in our other key verticals.



Financial Highlights Q2'25

Revenue

- Reported Revenue at Rs. 955.1 Cr, +8.3% YoY, +3.1% QoQ
- Revenue growth +5.1% YoY in CC, +0.2% QoQ in CC

Profit

- EBITDA at 27.9%; PBT at 29.3%
- PBT at Rs. 298.7 Cr, +13.2% YoY, +18.3% QoQ
- PAT at Rs. 229.4 Cr, +14.7% YoY, +24.6% QoQ

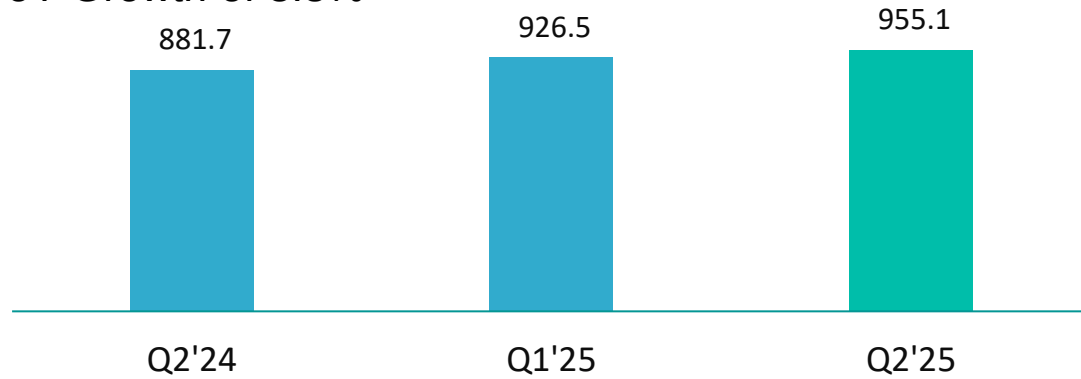
Segment Highlights

- Transportation growth at 4.4% QoQ in CC terms, aided by large deals including a landmark 50 M USD multi-year deal with a leading global OEM
- Media and Communications revenue declines by 2.6% QoQ in CC terms even as the business sees green shoots for growth, led by network transformation and AI-led services
- Healthcare declines 11.2% QoQ in CC terms impacted by deal renewal delays with our leading customer, even as we added key new customers and expect recovery starting Q3 FY25.

Tata Elxsi Financial Performance – Q2 FY'25

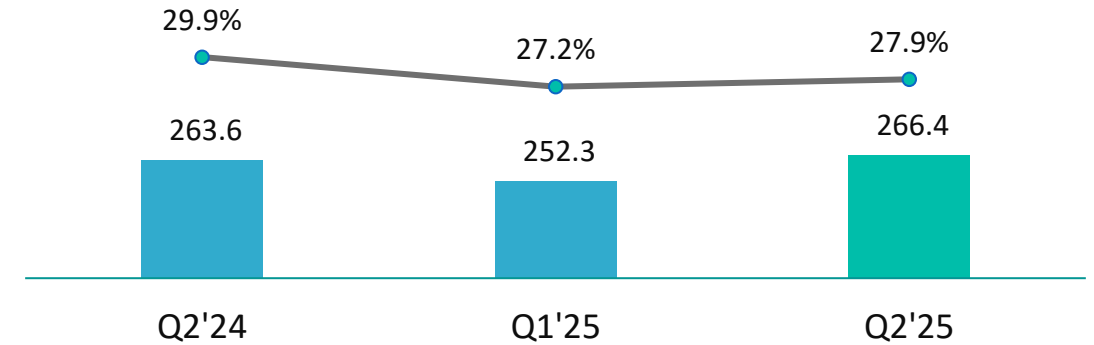
Revenue from Operations

YoY Growth of 8.3%



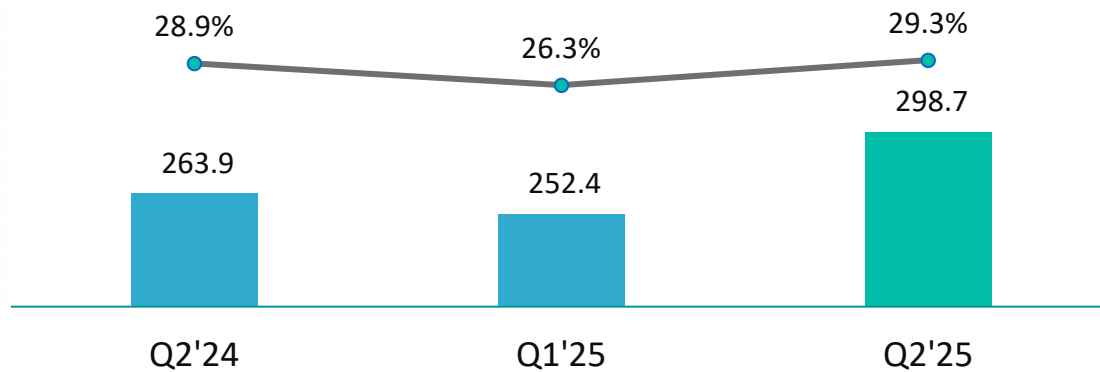
EBITDA & Margin (%)

YoY Growth of 1.1%



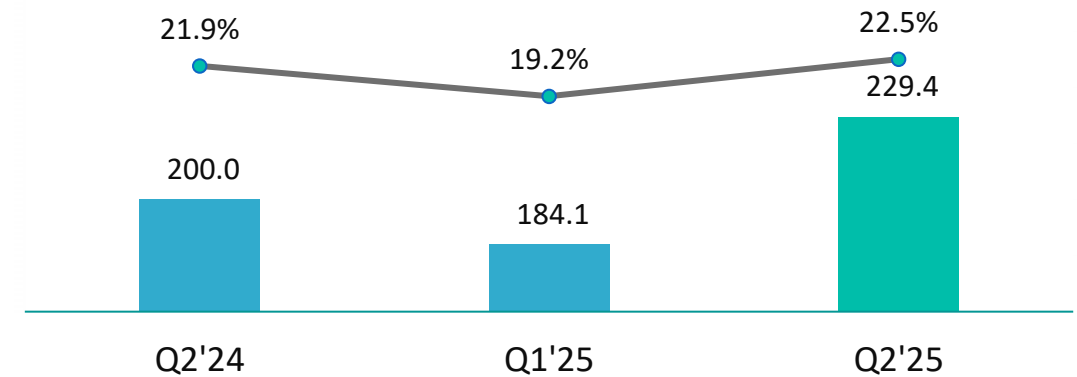
PBT & Margin (%)

YoY Growth of 13.2%



PAT & Margin (%)

YoY Growth of 14.7%



Tata Elxsi Financial Summary – Q2 FY'25

Metrics	Q2FY25	Q1FY25	QoQ Growth	Q2FY24	YoY Growth
Revenue (INR CR)					
Revenue from Operations	955.1	926.5	3.1%	881.7	8.3%
Other Income*	64.3	32.1	100.4%	31.1	106.6%
Total Income	1019.4	958.5	6.3%	912.8	11.7%
Margins (INR CR)					
EBITDA	266.4	252.3	5.6%	263.6	1.1%
EBIT	239.2	225.2	6.2%	238.5	0.3%
PBT*	298.7	252.4	18.3%	263.9	13.2%
PAT**	229.4	184.1	24.6%	200.0	14.7%
Margin (%)					
EBITDA	27.9%	27.2%		29.9%	
EBIT	25.0%	24.3%		27.1%	
PBT*	29.3%	26.3%		28.9%	
PAT**	22.5%	19.2%		21.9%	
EPS					
Basic	36.84	29.56	24.6%	32.12	14.7%
Diluted	36.83	29.55	24.6%	32.12	14.7%

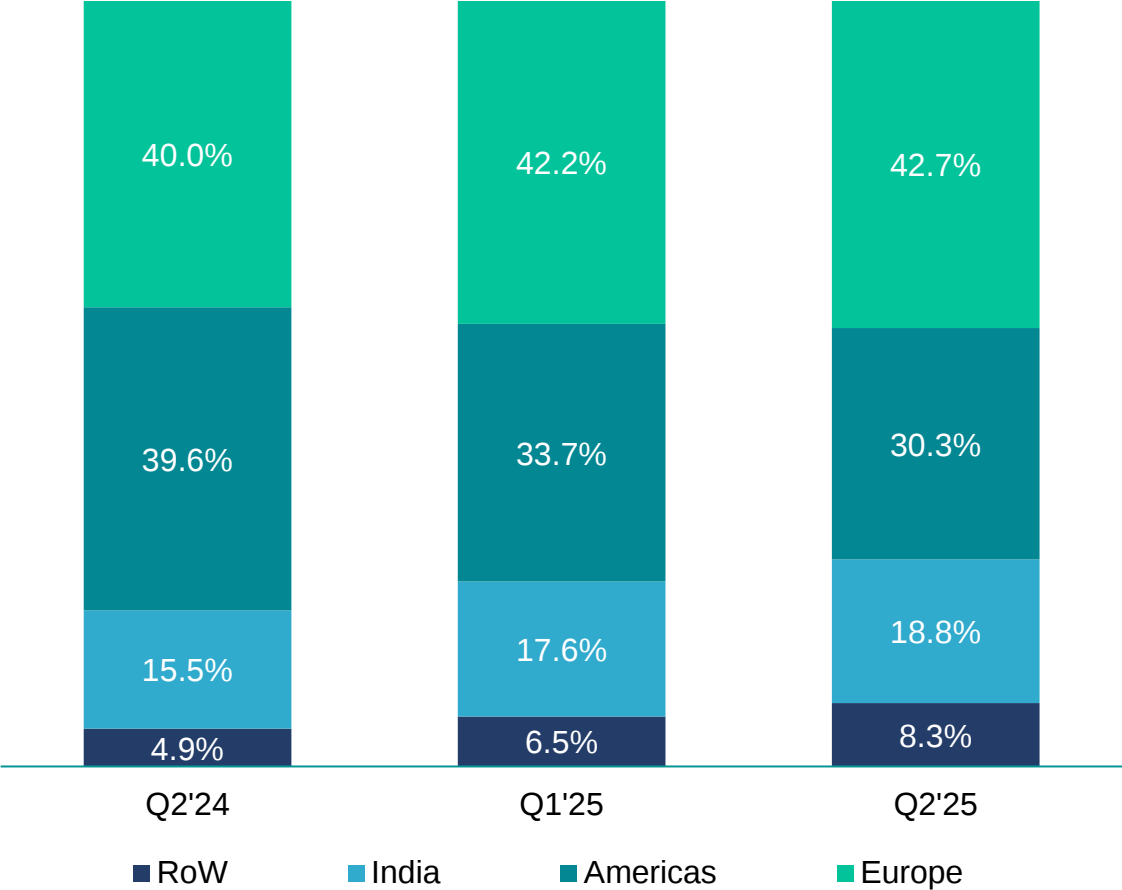
*Other Income includes items below:

1. UK R&D credit amounting to GBP 1.26 Mn (INR 14.1 Cr.) for FY 23-24
2. Received Tax Refund Orders for certain assessment years, wherein Interest on such refunds amounted to INR 13.9 Cr.

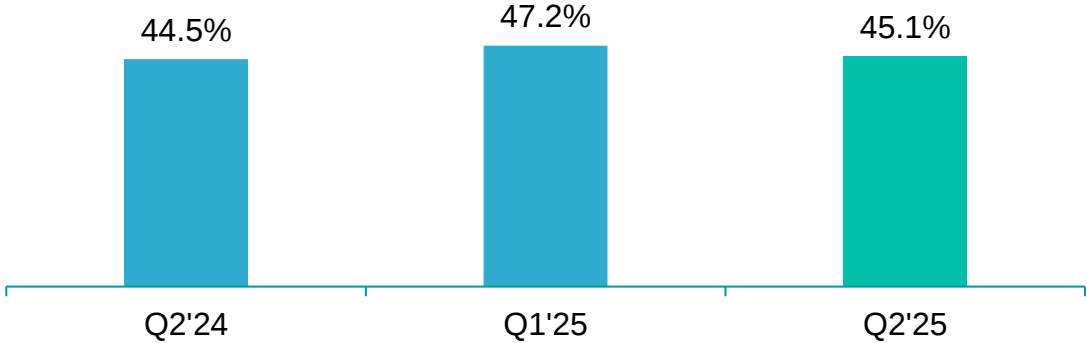
**Tax Credit benefit of INR 18.8 Cr. included on account of Tax Refund Orders for certain Assessment years received by the company

Revenue by Geography and Client Concentration

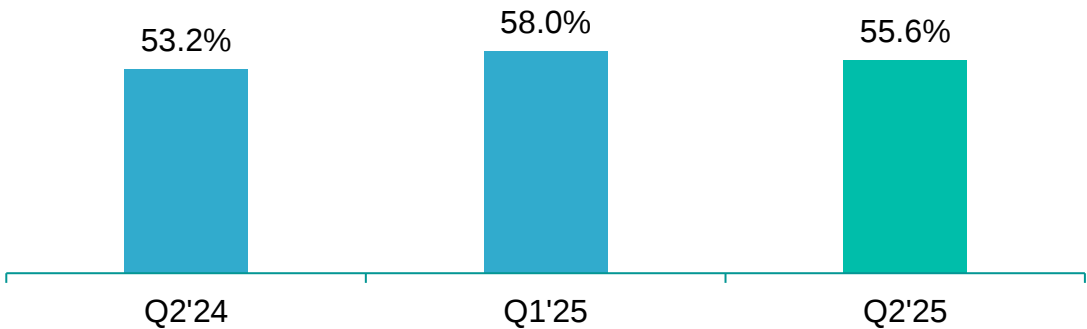
Geo Mix



Top 5

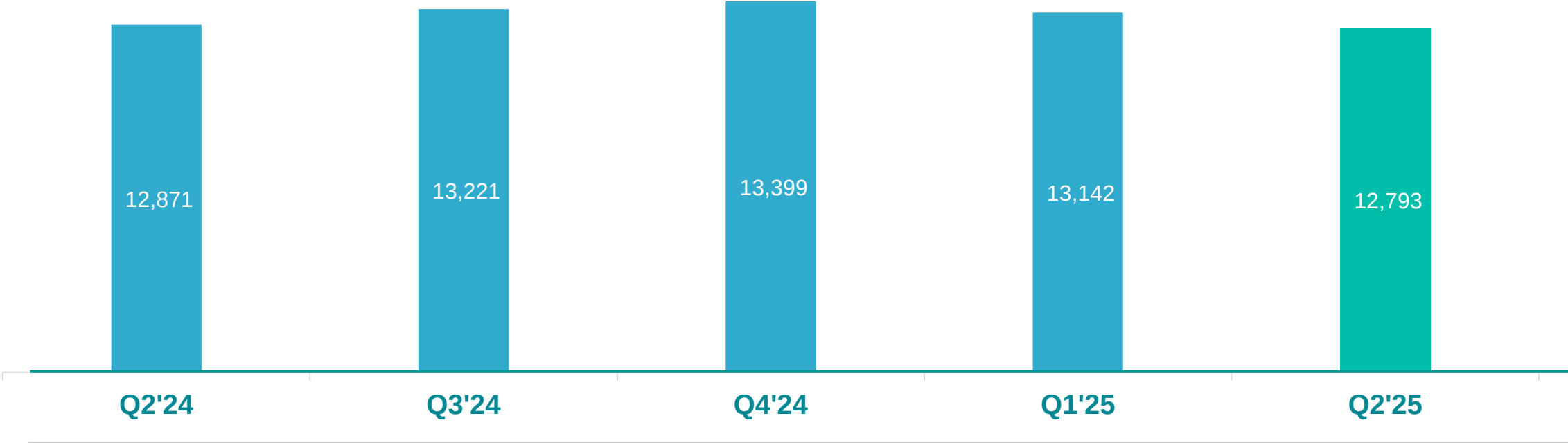


Top 10



Employee Metrics

Headcount



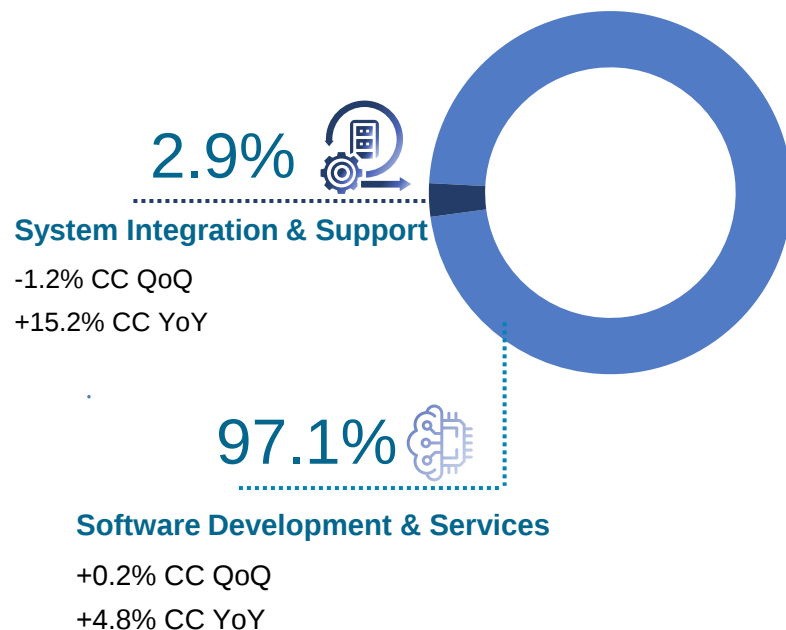
Attrition

Quarter	Attrition
Q2'24	13.7%
Q3'24	12.9%
Q4'24	12.4%
Q1'25	12.3%
Q2'25	12.5%

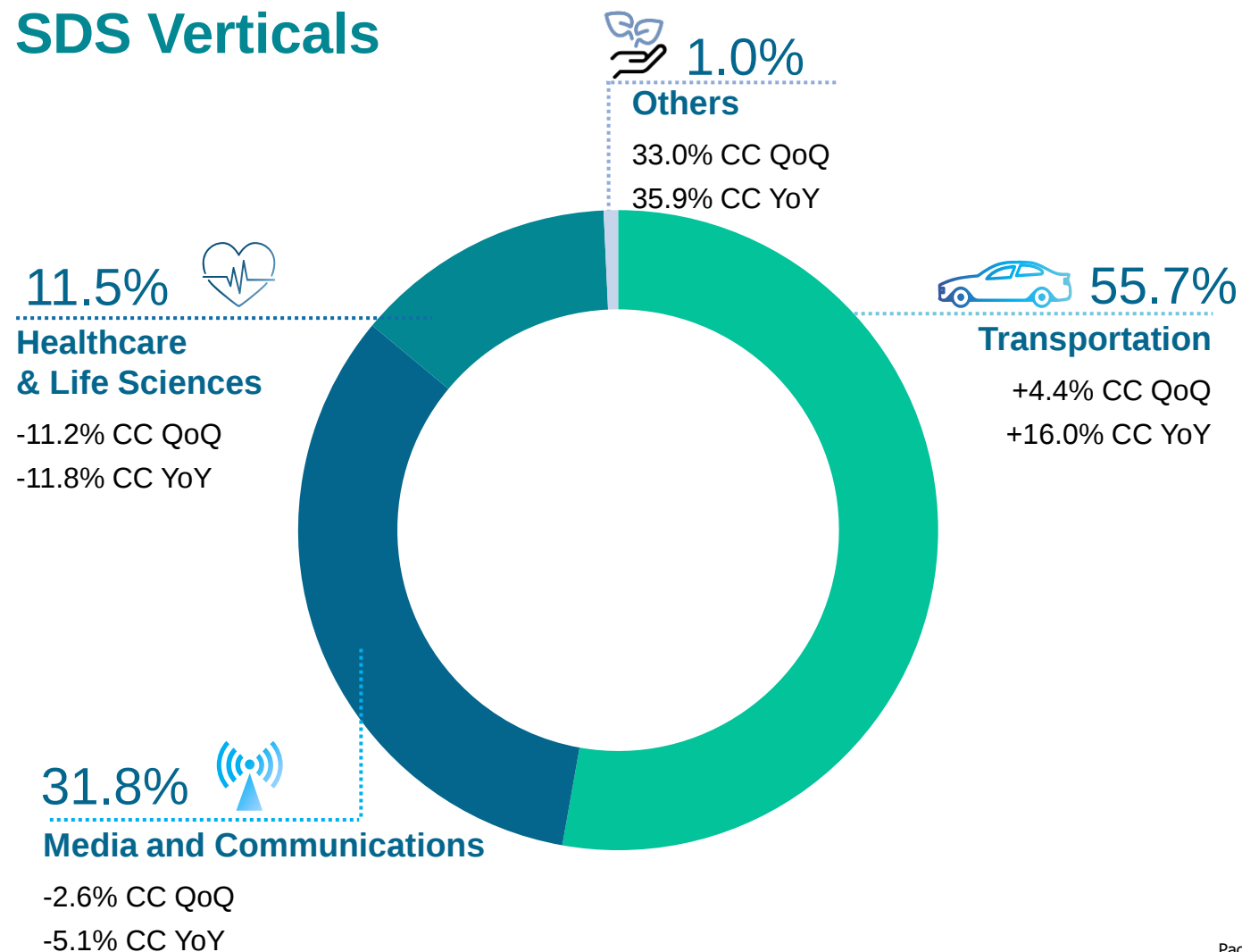
Tata Elxsi Vertical and Segment Performance – Q2 FY'25

Tata Elxsi Operating Revenue: +5.1% CC YoY, +0.2% CC QoQ

Segments

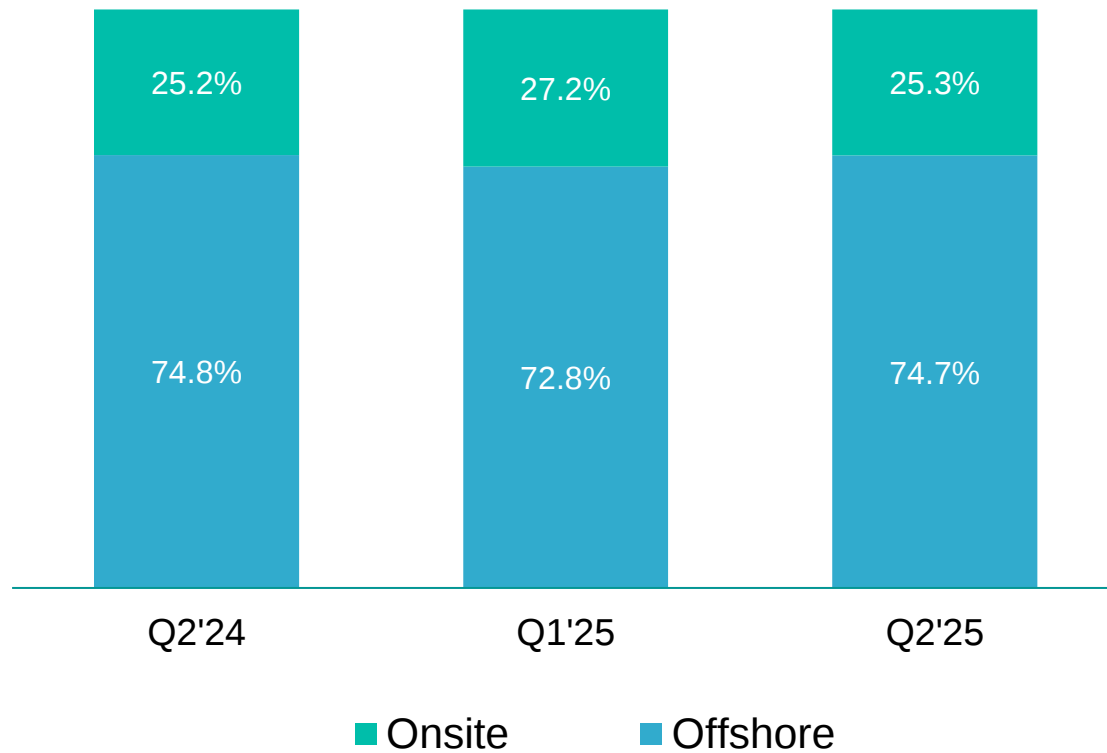


SDS Verticals

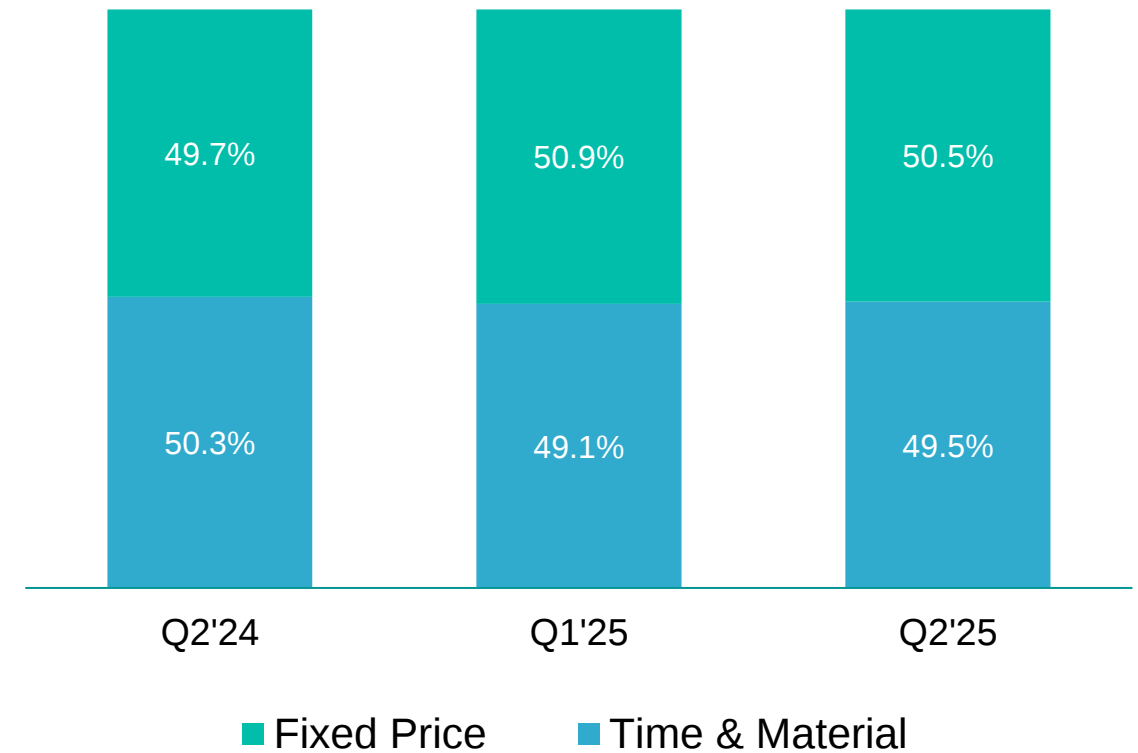


Operational Performance – Q2 FY'25

Revenue By Onsite/Offshore Mix



Revenue By Contract Type Mix



Key Deals



Q2 FY'25 - Key Deals



Multi-year SDV deal with a Global Automotive OEM

Landmark US\$ 50 million multi-year strategic deal from a global OEM headquartered in Europe, which encompasses SDV and multiple domains of automotive engineering. This strategic engagement will enable SDV platform development and the next generation of vehicles.



Regulatory and Data Engineering for a Healthtech AI leader

A global leader in AI for diagnostics and imaging, has chosen Tata Elxsi as a strategic partner for clinical AI powered solutions for diagnostics and healthcare providers, starting with regulatory and data engineering services.



Digital platform for Global Renal Care Leader

A global Renal Care devices leader has selected Tata Elxsi to design and develop their next-gen digital platform for renal care devices. This platform will leverage data and AI to transform patient care and therapies.



Nextgen AI CoE for a Leading MEA operator

A leading operator from Middle East and Africa has chosen Tata Elxsi as a strategic partner for their AI and Gen AI led transformation. This strategic AI CoE (Center of Excellence) will support company-wide transformation initiatives including re-imagining products, customer experience, operations, customer support and software development.



Design Digital deal for a US technology company

Tata Elxsi has won a multi-million USD *Design Digital* deal to deliver consumer research and insights for the next generation of consumer devices and applications, by a world leading technology company headquartered in the US.

NIDEC Corporation selects Tata Elxsi to accelerate group-wide software development

Headquartered in Japan, NIDEC is a global corporation, with approximately 340 group companies engaging in business in 46 countries around the world, and among the world's leading electric motor manufacturers.

The two companies have signed a comprehensive MoU that aims to leverage Tata Elxsi's deep domain expertise in transportation and manufacturing industries, and its resources, to accelerate Nidec's group-wide enhancement of its software development capability.

Tata Elxsi has established a Global Engineering Centre for NIDEC in Thiruvananthapuram.

Tata Elxsi will also support NIDEC in developing software programs for India and other markets, and examine how to localize NIDEC products, while providing support for establishing and operating a global business base for the NIDEC Group's software development in the future.



Skanray selects Tata Elxsi to advance Surgical Imaging and Healthcare Innovation

Tata Elxsi has been selected by Skanray as a strategic partner for the development of software platforms and core technologies for improved surgical imaging.

Through the use of cutting-edge technology, the partnership seeks to transform diagnosis by enhancing predictability, accuracy, and consistency.

Combining Skanray's expertise in medical devices, core component technology, systems and applications with Tata Elxsi's domain experience in medical imaging, software platform development, digital capabilities in cloud, AI and analytics, and ready-to-use solution accelerators provides Skanray an opportunity to redefine the landscape of medical technology, with advanced, modular, and yet affordable diagnostics systems.

"By combining Skanray's core technology and deep understanding of medical applications with Tata Elxsi's capabilities in futuristic technology, we are poised to drive significant advancements in healthcare delivery."

Priyanka Chatterjee, VP – Corporate Communications at Skanray Technologies Ltd.



World's First RDK-B Integration on Qualcomm 5G Fixed Wireless Access Platform

Tata Elxsi announced the delivery of the world's first RDK-B integration on the the Qualcomm® 5G FWA (Fixed Wireless Access) Gen 3 Platform. This first of its kind integration opens a new pathway for operators to deliver fast, reliable, and scalable high-speed FWA solutions.

Integration of the RDK-B middleware includes key features such as Wi-Fi 6 connectivity, packet statistics, and advanced security options, ensuring the platform is versatile and can be deployed in both indoor and outdoor environments. Operators can now deliver value-added services like Quality of Service (QoS), band steering, parental control, and VPN, enhancing the overall broadband experience.

This strategic product engineering engagement with Qualcomm envisages a long-term roadmap for next-generation features such as Wi-Fi 7, and adaptation, system integration and RDK-B deployment support for operators around the world deploying high performance FWA devices.

"We are proud to collaborate closely with Tata Elxsi, who has leveraged their considerable expertise to port the RDK-B stack to our 5G FWA Gen 3 Platform, featuring the Snapdragon® X75 Modem-RF System. This critical step empowers operators to accelerate time-to-market, deliver high performance FWA solutions, and reduce development efforts as they deploy powerful new FWA CPE solutions. "

*Gautam Sheoran,
VP and GM, Wireless Broadband and Communications at Qualcomm Technologies, Inc.*



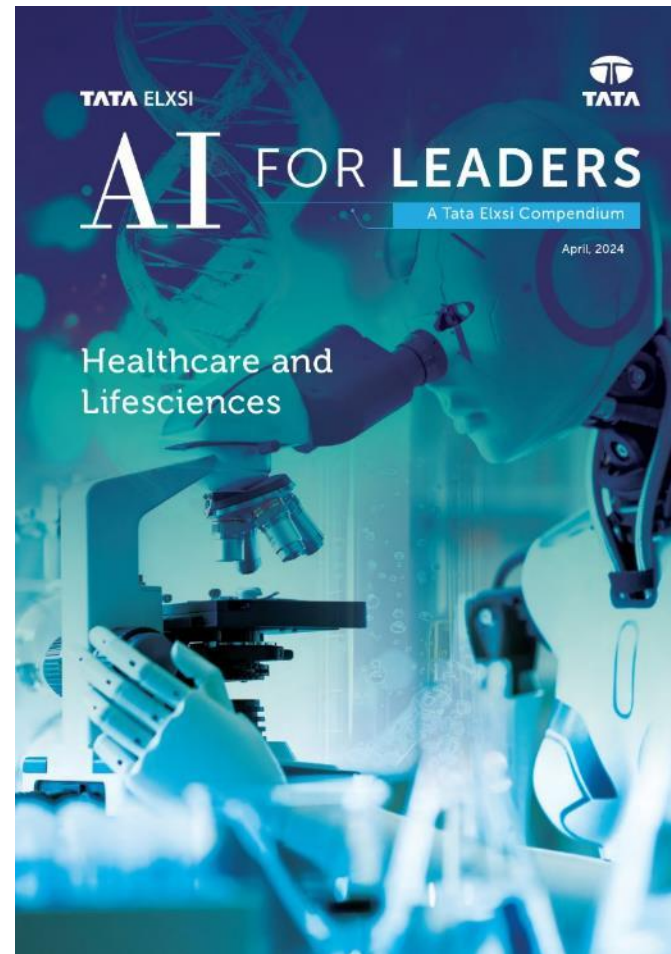
Highlights



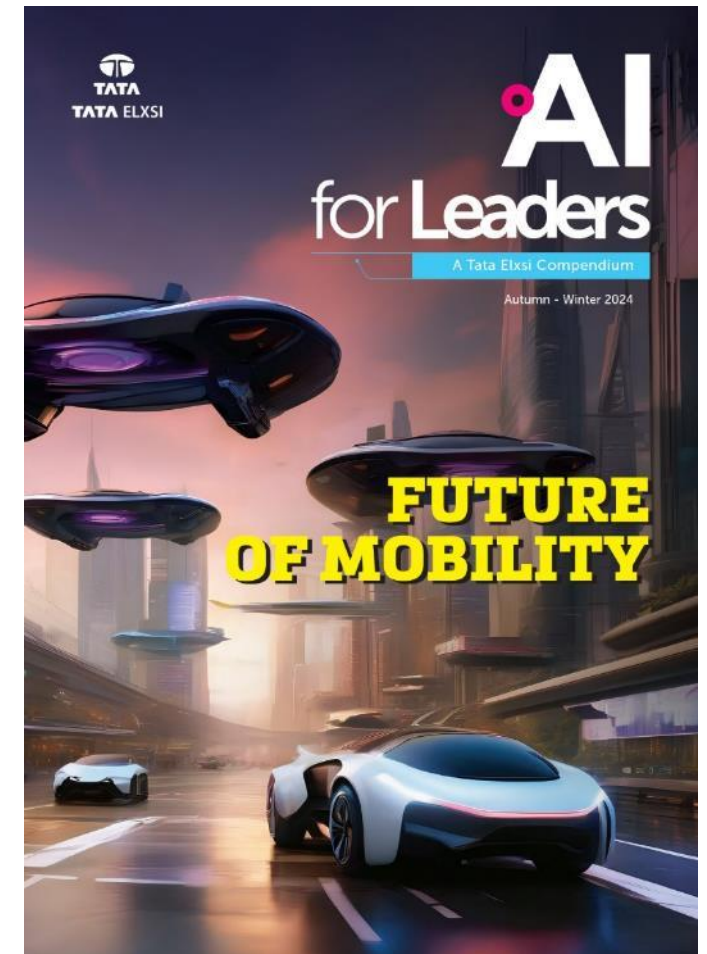
Tata Elxsi releases AI Compendiums for Leaders



[Media, Entertainment, and Communications](#)



[Healthcare and Life Sciences](#)



[Future of Mobility](#)

Tata Elxsi, DENSO and AAttek Group unveil the 'Robotics and Automation - Innovation Lab'

Tata Elxsi, in collaboration with DENSO and AAttek Group, unveiled the 'Robotics and Automation - Innovation Lab,' in Frankfurt, Germany

The lab, with its cutting-edge facility, addresses the growing global demand for advanced robotics by driving innovation, automating manual processes to reduce errors, and facilitating new product development.

The lab was inaugurated jointly by Mr. Bhupendra Singh Nikhurpa, Consul (Commerce & Political), Consulate General of India - Frankfurt Germany, Mr. Dirk Schöffler, President of DENSO Robotics, Mr. Arun Damodaran, Founder & CEO of AAttek and Mr. Manjunath Kulkarni, Vice President at Tata Elxsi.

This lab marks a crucial advancement in the field of robotics and automation, leveraging DENSO's expertise in robotics alongside AAttek's integration capabilities and Tata Elxsi's strengths in design, engineering, and regulatory compliance.

The Robotics and Automation Innovation Lab will play a crucial role as a catalyst for new product development in the healthcare and other sectors, in light of the increasing demand for robotics and automation within the healthcare industry.



Tata Elxsi Robotic and Automation Innovation Lab
In partnership with DENSO and AAttek
Frankfurt Germany



Tata Elxsi and Emerson Inaugurate the Mobility Innovation Centre in Bengaluru

Tata Elxsi and global automation company Emerson announced the inauguration of Tata Elxsi + NI Mobility Innovation Centre (TENMIC) in Bengaluru.

This state-of-the-art center aims to accelerate automotive innovation with cutting-edge systems, software solutions, and global automotive expertise.

TENMIC brings together advanced technologies and systems from Emerson's Test & Measurement business (formerly NI), combined with Tata Elxsi's deep automotive engineering, data analytics, and digitalization expertise and solutions.

This collaboration aims to provide comprehensive automated solutions, including advancements in SDVs, autonomous driving technologies, EV systems and batteries.

“Our partnership with Tata Elxsi to establish this mobility innovation center for the automotive sector will enable rapid advancements in automotive technologies and validation, driving the industry forward and redefining the possibilities within the mobility landscape”



Shitendra Bhattacharya
Director, Emerson's Test and Measurement (India and ASEAN)

Tata Elxsi's 'xG-Force' 5G Applications Lab facilitates cross-industry digital transformation

The xG-Force 5G Applications lab was inaugurated by Manoj Raghavan, MD & CEO of Tata Elxsi and Kevin Plunkett, Vice President of Cloud Services, Boost Mobile (formerly DISH Wireless), an EchoStar company.

This state-of-the-art facility in Bengaluru aims to accelerate 5G innovation, by providing ready-to-use infrastructure, cutting-edge tools, and an integrated partner ecosystem for diverse applications across transportation, healthcare, Industry 4.0, and Media & Communication sectors.

The lab is projected to cut deployment costs and operational expenses by approximately 40%, 2x more than conventional solutions and approaches.

This lab has been established in partnership with industry leaders, Hyperscalers and chip manufacturers including, RedHat, AccuKnox, i2i systems and Rebaca. Tata Elxsi plans to expand this collaboration with more global partners to further amplify the lab's capabilities.

“We are excited to see this lab facilitate innovative 5G use cases and help our network plans in the United States. This lab, similar to EchoStar's Open RAN Center for Integration and Deployment (ORCID) in Cheyenne, Wyoming, is crucial to driving innovation and setting higher standards across the industry.”



*Kevin Plunkett, Vice President of Cloud Services
Boost Mobile (formerly DISH Wireless)*



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.