

TATA ELXSI

Designing
The Next



Q2 FY23 Earnings Presentation and Fact Sheet

Oct 14, 2022

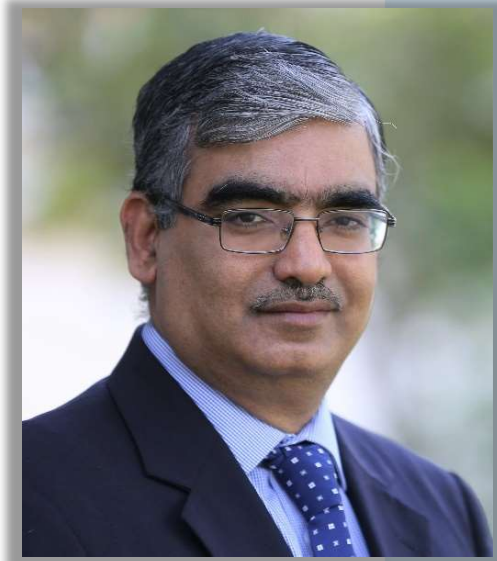


Disclaimer

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 have delivered a quarter of steady growth amidst macro-economic uncertainty and currency headwinds in our key markets.






We are gaining market share in both Automotive and Media & Communications, especially in Europe. The numbers are muted in the region due to unfavorable currency movement.

We won multi-year deals in EV and autonomous driving systems in the automotive space, and large deals in the off-road and rail segments. We have won strategic platform-led deals in media and communications, with new SaaS and managed services models.

For us, this has been a quarter of investing strongly in growth for the future. With a net add of 1532, we have added the highest number of Elxsians in our history in a single quarter, while the attrition rate declined for the second consecutive quarter.

We are entering the second half of the financial year with a strong order book and a healthy deal pipeline across key markets and industries, and the confidence of customers across markets. Importantly, we have invested in capacity and capability building for engineering talent, leadership and technology that will drive our next phase of growth.”

Highlights for Q2 FY23

Revenue	Sequential Growth	QoQ Constant Currency Growth	YoY Revenue Growth
763.2 INR Cr	 5.1%	 4.7%	 28.2%
Profitability	EBITDA INR Cr	PBT INR Cr	PAT INR Cr
EBITDA Margin 29.7%	 226.5 Cr (23.4% YoY)	 219.2 (28.2% YoY)	 174.3 (39.1% YoY)
EPS	Q2 FY23	QoQ Growth	YoY Growth
	27.98	-5.7%	39.0%
People	Closing Headcount	Net Additions	LTM Attrition
	 11679	1532	18.7%

Financial Highlights – Q2FY23

Revenue

- Revenues from operations at Rs. 763.2 Cr, + 5.1% QoQ, + 28.2% YoY

Profit

- Operating Margin at 29.7 %; Net Margin (PBT) at 28.0%
- Profit Before Tax (PBT) at Rs. 219.2 Cr, +28.2% YoY
- Profit After Tax (PAT) at Rs. 174.3 Cr, +39.1% YoY

Segment Highlights

- Transportation continues to grow strongly, registering a revenue growth of 3.8% QoQ, and 30.4% YoY, aided by large deal wins across EV, autonomous and adjacent segments. Strong growth in Europe offset by currency headwinds.
- Media and Communications delivers sustainable growth of 2.1% QoQ and 22.2% YoY, powered by continued growth in key accounts and entry into new operator accounts with platform-led deals.
- Healthcare continues to grow strongly with new product engineering and regulatory services, reporting 8.2% QoQ and 55.9% YoY growth in revenues.
- The Design business (IDV) continues to grow strongly fueled by strategic design-led digital deals reporting 13.5% QoQ growth in revenues.

Key Deal Wins – Driving Scale and Sustainability

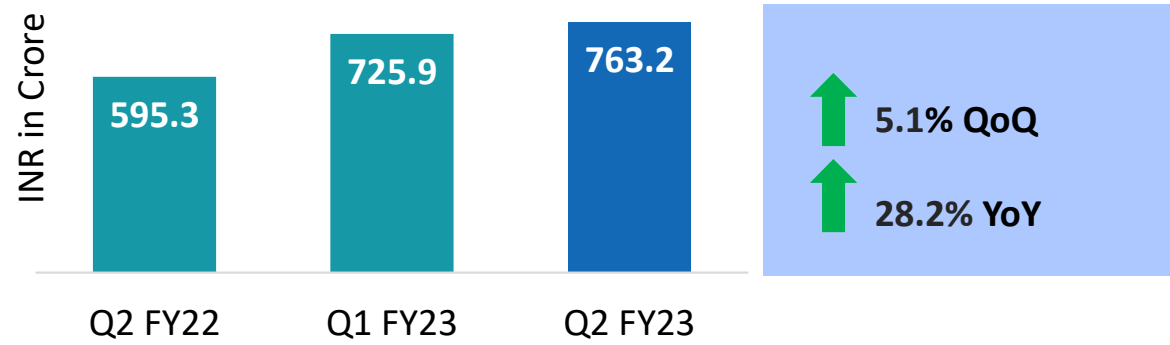
- Multi million-dollar automotive deal win from a leading automotive company for autonomous driving and driver experience.
 - *Design Digital* deal win leveraging our strong ADAS and design-led engineering capabilities.
- Selected by a global leader in transportation systems for Train Design and Systems Engineering. A key deal win in the rail industry, leveraging our core strengths in transportation technologies.
- Won a multi million-dollar development program from a leading US based off-road vehicle manufacturer for a next generation platform for Vehicle Connectivity and Infotainment.
- Strategic deal win with a leading operator in EMEA for our Connected Device Diagnostics and Operations automation platform iCX. This will be delivered in a SaaS model, with extended managed services from SIS division for platform support.
- Tata Elxsi selected by a leading service provider for a multi million-dollar engagement which leverages capabilities of our award-winning platform QoEtient – a cloud-based video DevOps platform as a packaged Automation-as-a-Service.
- A global medical devices leader has selected Tata Elxsi for new product development and technology support on Medical Devices Reporting (MDR) compliance.

Tata Elxsi Financial Summary – Q2 FY23

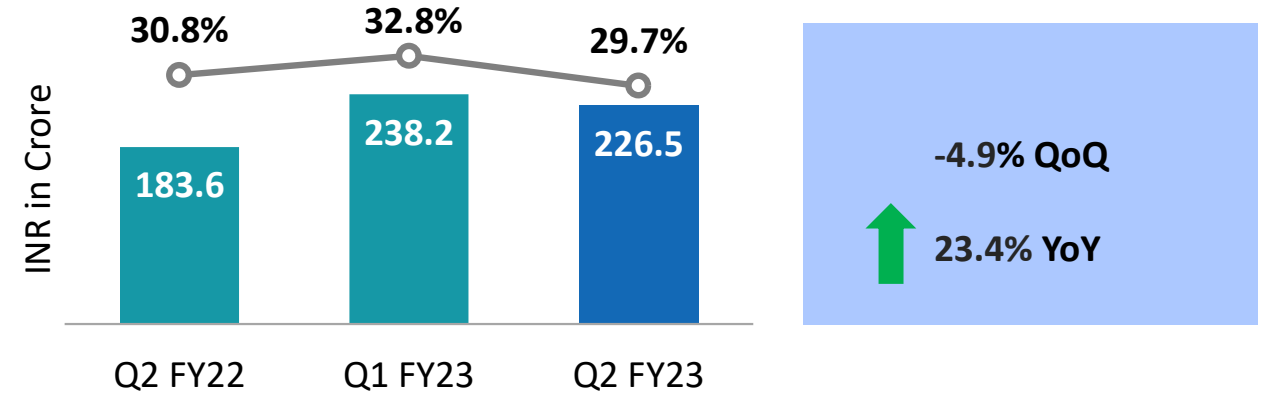
Particulars	Metrics	Q2FY23	Q1FY23	QoQ Growth	Q2FY22	YoY Growth
Revenue (INR CR)	Revenue from Operations	763.2	725.9	5.1%	595.3	28.2%
	Other Income	18.7	10.3	80.9%	2.4	667.7%
	Total Income	781.8	736.2	6.2%	597.8	30.8%
Margins (INR CR)	EBITDA	226.5	238.2	-4.9%	183.6	23.4%
	EBIT	204.8	221.1	-7.4%	170.1	20.3%
	PBT	219.2	228.0	-3.9%	171.0	28.2%
	PAT	174.3	184.7	-5.7%	125.3	39.1%
Margin (%)	EBITDA	29.7%	32.8%		30.8%	
	EBIT	26.8%	30.5%		28.6%	
	PBT	28.0%	31.0%		28.6%	
	PAT	22.3%	25.1%		21.0%	
EPS (INR)	Basic	27.98	29.66	-5.7%	20.13	39.0%
	Diluted	27.98	29.66	-5.7%	20.13	39.0%

Tata Elxsi Financial Performance – Q2 FY23

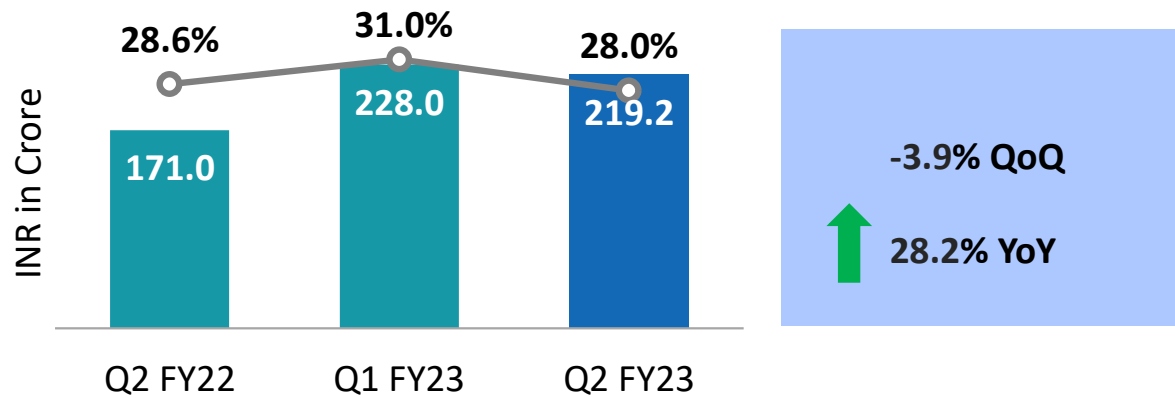
Operating Revenue



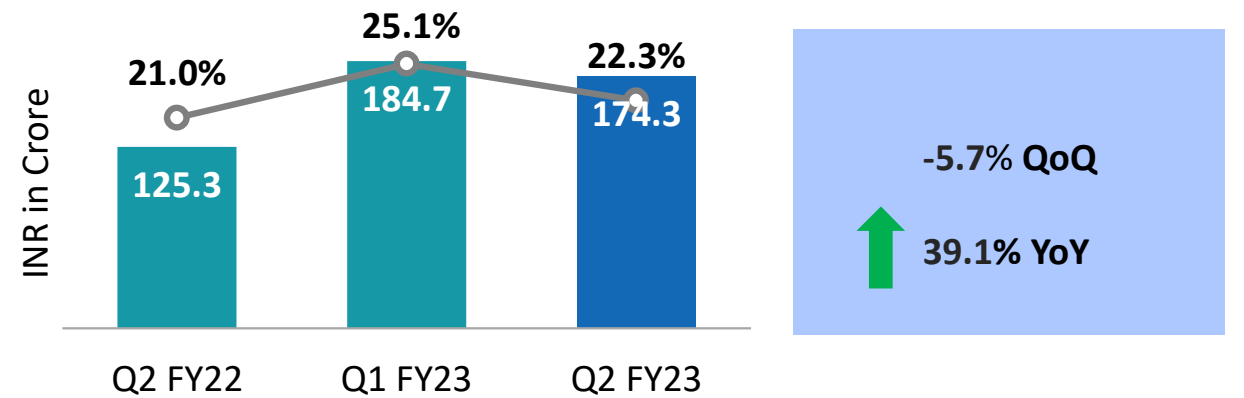
Operating EBITDA & Margin (%)



PBT & Margin (%)

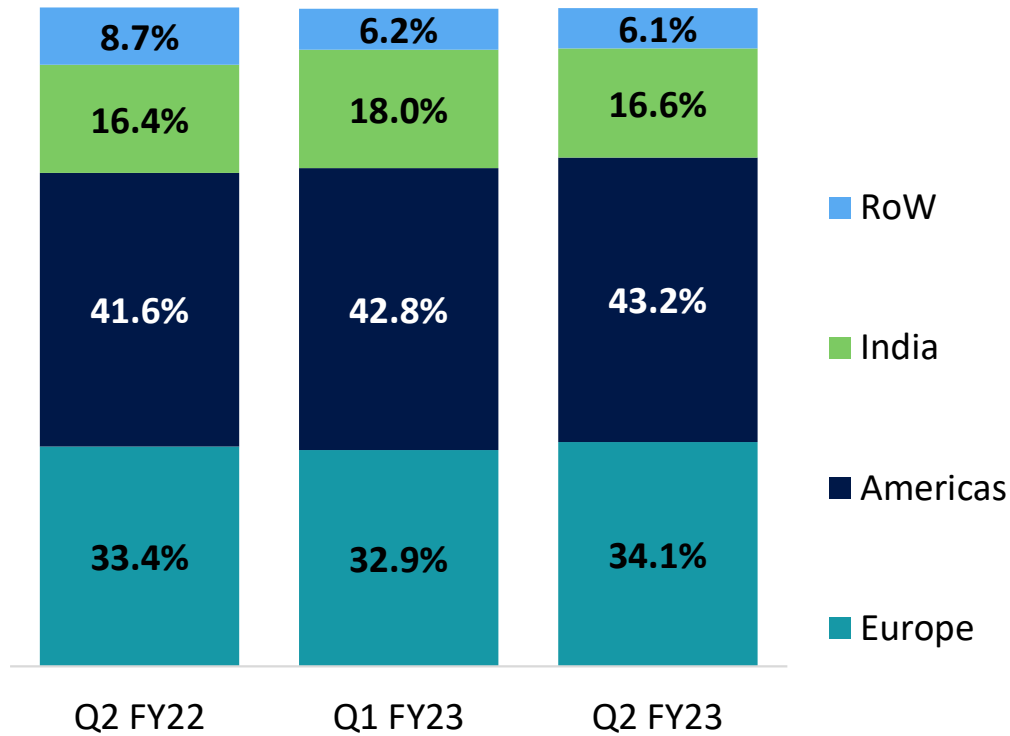


PAT & Margin (%)

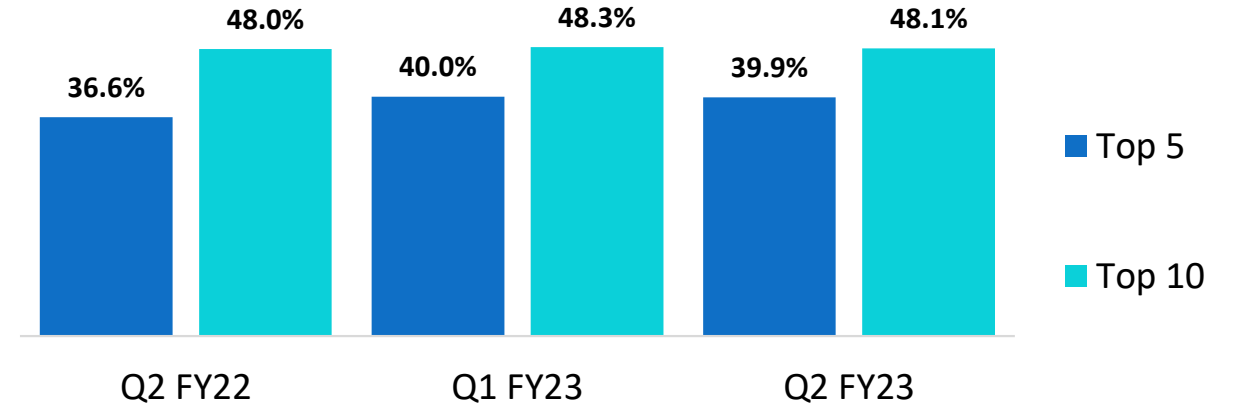


Tata Elxsi Operational Performance – Q2 FY23

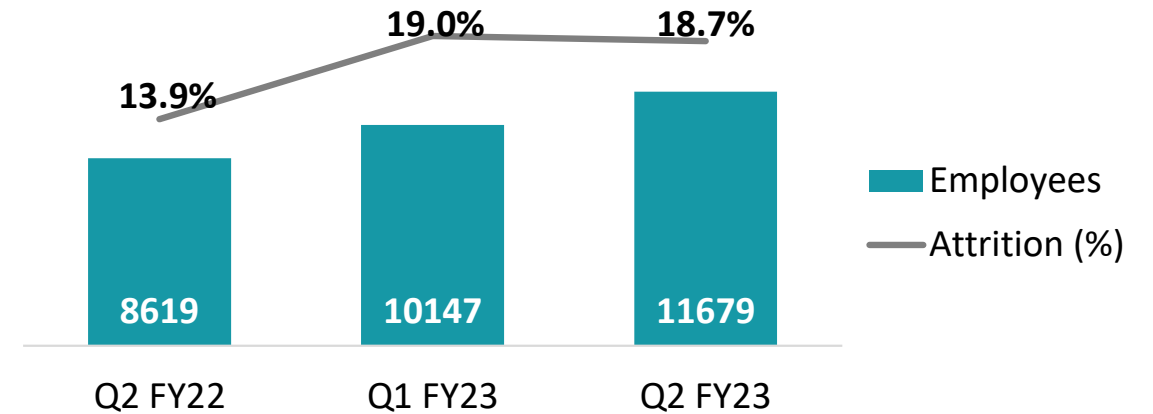
Revenue By Geography



Client Concentration



Employee Metrics



Tata Elxsi Segment Mix and Performance – Q2 FY23

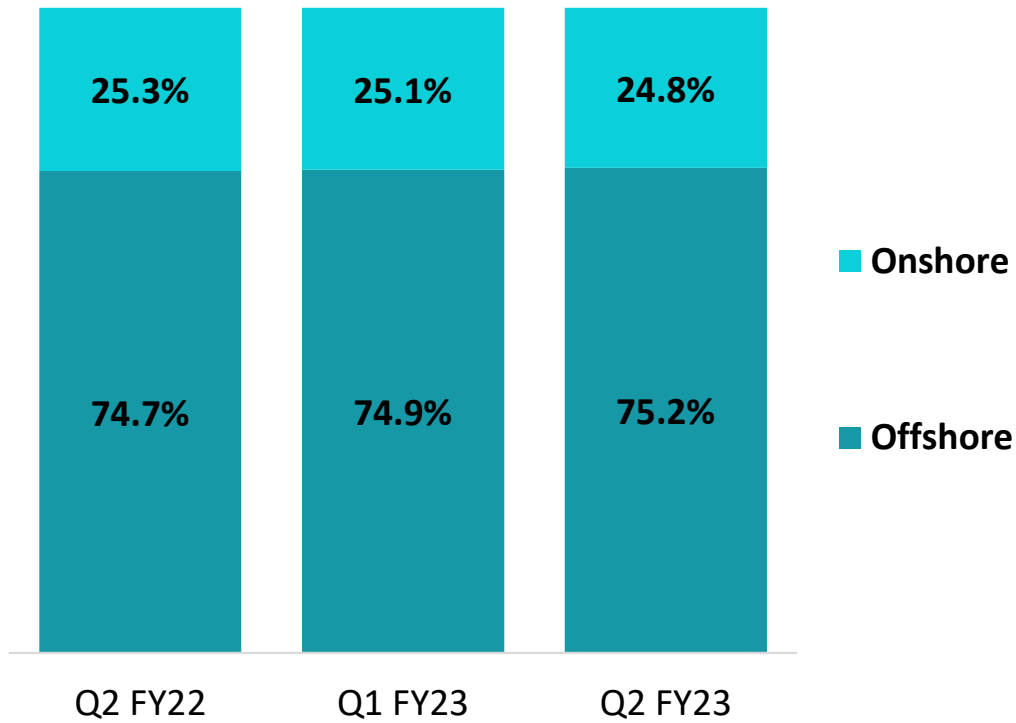
Segment Mix	Q2 FY23	Q1 FY23	Q-o-Q Growth (In CC)	Q2 FY22	Y-o-Y Growth (In CC)
Embedded Product Design (EPD)	87.6%	88.8%	3.1%	86.3%	29.0%
Industrial Design & Visualization (IDV)	9.7%	9.0%	15.5%	11.2%	15.4%
System Integration & Support (SIS)	2.7%	2.2%	26.0%	2.4%	41.7%
Total (Tata Elxsi)	100.0%	100.0%	4.7%	100.0%	27.8%

EPD Segment Mix and Performance – Q2 FY23

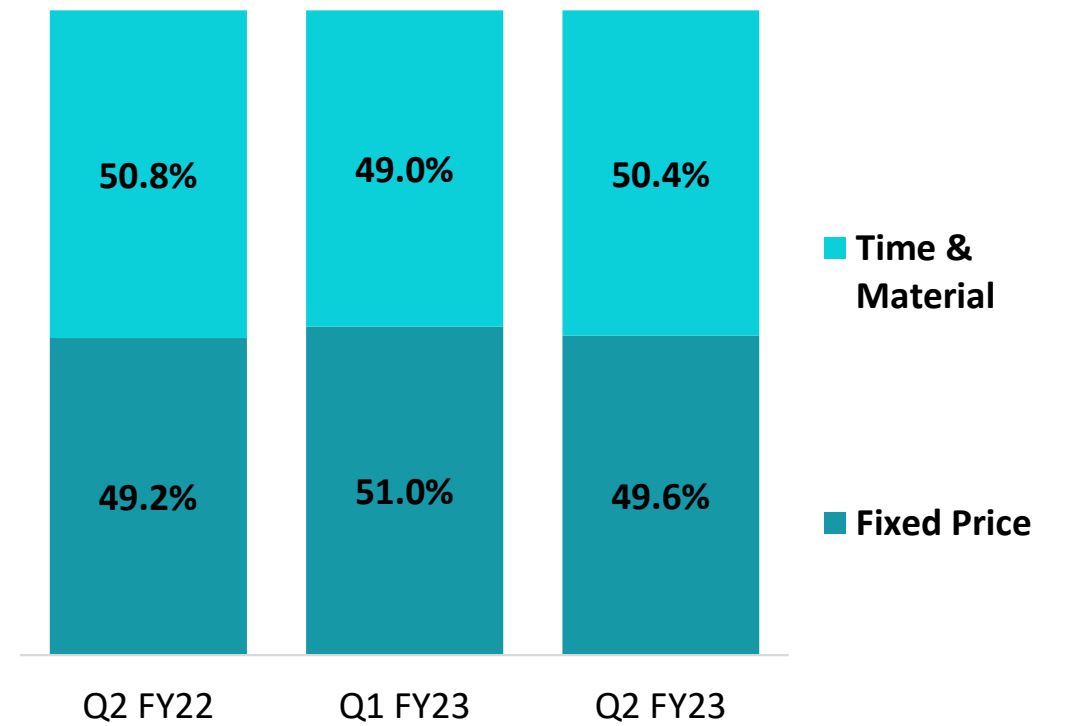
Segment Mix	Q2 FY23	Q1 FY23	Q-o-Q Growth (In CC)	Q2 FY22	Y-o-Y Growth (In CC)
Transportation	41.5%	41.5%	4.6%	41.4%	34.2%
Media & Communications	42.4%	43.1%	1.0%	45.1%	19.5%
Healthcare & Medical Devices	16.1%	15.4%	5.1%	13.4%	45.1%
Total EPD	100.0%	100.0%	3.1%	100.0%	29.0%

EPD Operational Performance – Q2 FY23

Revenue By Onsite / Offshore Mix



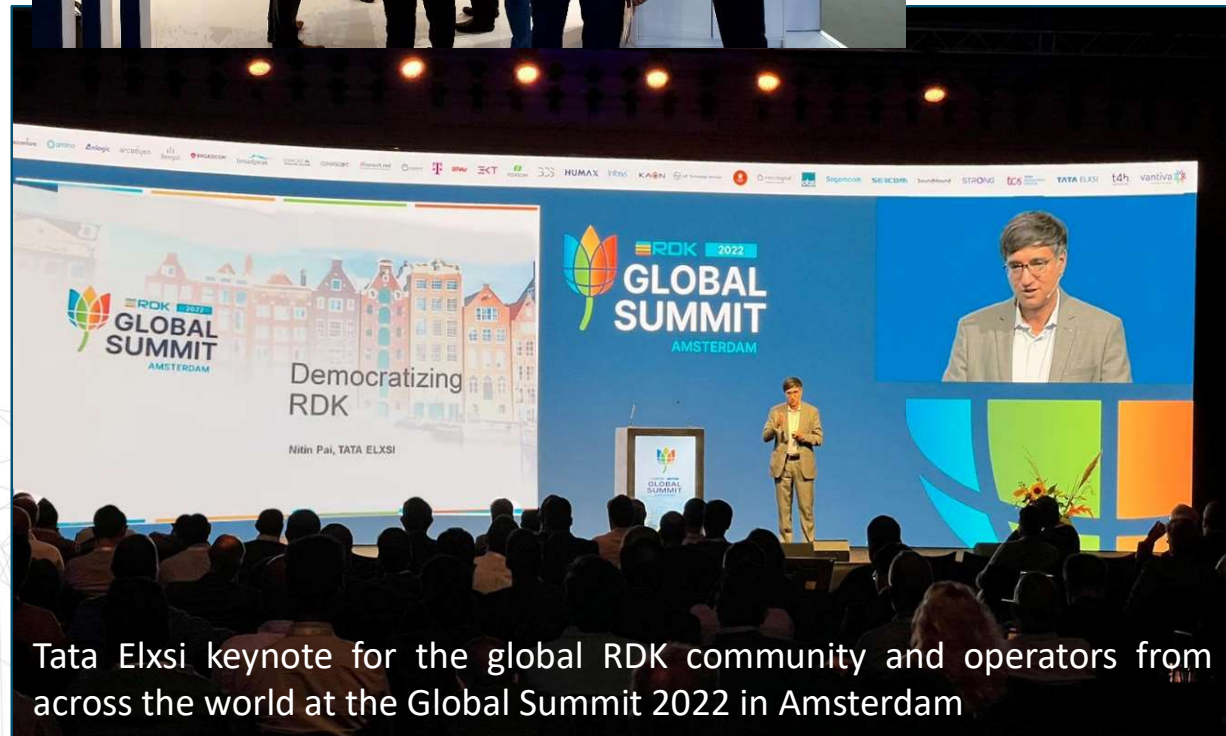
Revenue By Contract Type Mix



Tata Elxsi @ IBC 2022, Amsterdam – Largest Global Media and Broadcast Event



Tata Elxsi stand and solution showcase at IBC 2022, Amsterdam



Tata Elxsi keynote for the global RDK community and operators from across the world at the Global Summit 2022 in Amsterdam



Tata Elxsi DESIGN DIGITAL Event @ Bengaluru



Manoj Raghavan, MD & CEO, addressing the gathering



Technology and Digital Showcase at the event, across industries



Panel discussion on the future of Electric Mobility



Next Generation EV Innovation showcase

iGNITE Global Design Contest Award

The award ceremony of the global contest that was launched on World Industrial Design Day for creating a sustainable design solution, was held at *Design Digital* Customer Day event.

The contest saw over 180 design innovation submissions from across the world, including leading design schools from the US, UK and India.



Nick Talbot, Global Design Head, Tata Elxsi with the winner





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.



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