



Q4 FY24

Earnings Presentation and Fact Sheet



TATA
TATA ELXSI



23 April 2024

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Message from the CEO and Managing Director



Manoj Raghavan
CEO and MD

“Financial year 2024 has been a year of consistent operational performance with a revenue growth of 13% despite global macroeconomic uncertainties, and volatility in the media and communications industry over the last few quarters. We have done well to maintain industry leading EBITDA margins at 29.5% for the year, even while we continued to invest in expanding our talent base through all four quarters, with a net addition of 1,535 Elxsians through the year.

During the financial year, our transportation business grew strongly at 24.6% YoY, and now accounts for 49.9% of our overall Software Development Services (SDS) revenues. OEMs now constitute over 56% of the transportation business, and we are now embedded into the SDV programs of 5 global OEMs.

We are transforming our customer base across industries, with a significant shift towards OEMs in the automotive industry and operators in the media and telecom industry, while we continue to invest in deepening our key customer relationships. This is reflected in the strong growth in our Top 10 and Top 25 customers across the company.

I am pleased with our overall performance and resilience in revenues, margins, and customer additions through the year in a volatile macroeconomic environment. We are entering the new financial year with a strong commitment for growth, and continued confidence in our differentiated design-led engineering capabilities. This is backed by strong customer relationships, addition of marquee logos, large deal wins, especially in SDV, investments in AI and GenAI, and a strong deal pipeline for the year ahead.”

Integrating Design and Engineering

We had laid down a strategy of integrating our design business deeply with our key industry verticals, complementing our software and digital business with a design-led proposition.

This is now complete, with a seamless end-to-end proposition from ideation to market introduction. This is enhancing our competitive differentiation, providing early visibility into customer product roadmaps, and creating larger downstream development deals.

Over 90% of IDV revenues are now directed to customers in the three key verticals, while the remaining (approximately 0.8% of company's revenues in FY'24) comprise of innovation and design-led projects in other industries, including consumer packaged goods, retail, energy and utilities, and manufacturing, adding diversity to the application of *Design Digital* and seeding possibilities for future verticals for the company. This has been classified as 'others' in the segment report.

Starting with this quarter, we are reporting this integrated view of our Industrial Design and Visualization business in all three verticals, and not standalone. Software Development Services (SDS) combines the erstwhile EPD revenues and IDV revenues into the respective verticals as one segment, with Systems Integration and Support (SIS) constituting the other segment.



Financial Highlights FY'24

Revenue

- Reported Revenues at Rs. 3,552.1 Cr., +13.0% YoY
- Revenue in CC terms grew by 9.6% YoY

Profit

- EBITDA at 29.5%; PBT at 28.5%
- PBT at Rs. 1,048.7 Cr, +11.9% YoY
- PAT at Rs. 792.2 Cr, +4.9% YoY

Segment Highlights

- Transportation growth at 20.4% YoY in CC terms, aided by large deals and sustained traction in Software Defined Vehicles
- Healthcare growth at 7.6% YoY in CC terms, driven by new product engineering and regulatory services
- Media and Communications declines by 2.6% YoY in CC terms, amidst a challenging industry environment

Tata Elxsi - Driving Sustainable and Profitable Growth

Key Strategy Pillars and FY24 performance

Markets

Balanced Presence across Key Markets – Best Manage Risks

US	40%	Europe	40%	Rest of World	20%
FY24	38.3%	FY24	39.6%	FY24	22.1%

SDS Verticals

Leadership in Chosen Verticals - Capture the Opportunity

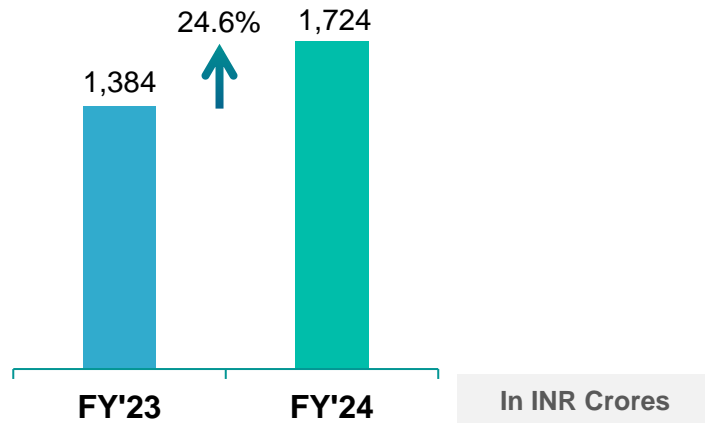
Transportation	40%	Media & Telecom	40%	Healthcare	20%
FY24	49.9%	FY24	35.3%	FY24	14.0%

Customers

Grow Wallet Share – More with Less

50 M+ US\$	FY23	1	Top 10 FY23	48%	Active Customers FY23	222
	FY24	2	FY24	53%	FY24	209

Transportation - FY24 Summary



Engaged in Software Defined Vehicle Programs for 5 global OEMs

Business Mix: Revenue from OEMs over 56% in FY24

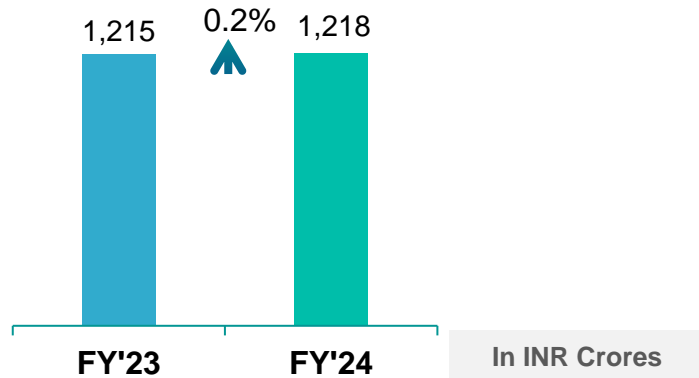
KEY DEALS IN FY'24

- Chosen as a strategic partner for the SDV Organization of a Global Automotive OEM
- Strategic partner for a SDV program by a Global Automotive OEM for Infotainment, ADAS, and EV software
- TETHER Connected Vehicle Platform selected by a Top 5 Automotive OEM
- Design and development of Level 3+ autonomous driving system for commercial vehicles



New Automotive Design & Engineering Center in Pune

Media & Communications - FY24 Summary



Moving up the value chain: Revenue from operators now at 70%

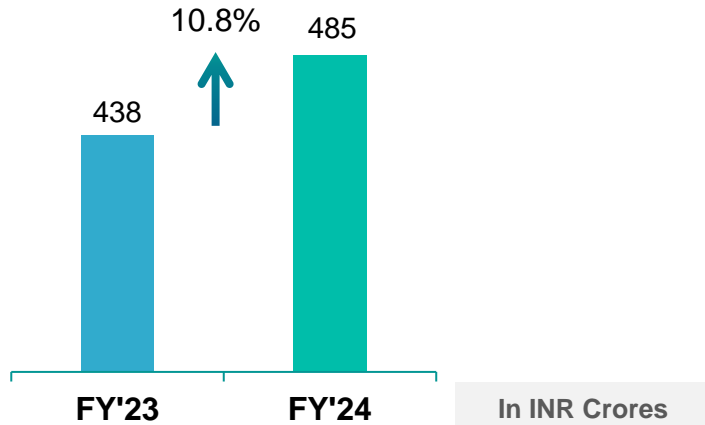
New growth markets: Expansion into LATAM and MEA

KEY DEALS IN FY'24

- *Design Digital* multi-year UX transformation program for a leading operator in MEA across 25 countries
- Transformation of video services across multiple LATAM countries
- 5G Orchestrator and Service Automation Suite for network transformation
- Proactive engineering consolidation large deal for a leading MSO



Healthcare & Lifesciences - FY24 Summary



Foundation for accelerated growth: Addition of 5 marquee customers

Strong traction in Connected and Digital health: Investing in Digital Therapeutics Platform TEcare

KEY DEALS IN FY'24

- Design-led (NPD) deal from a Global Healthcare company
- Innovation and re-engineering project of a critical care device platform
- Multi-year regulatory transformation program for a European medical device leader, leveraging AI and automation



ODC for Dräger Medical to Drive Critical Care Innovation

Leading with AI and GenAI

AI Centre of Excellence (AI CoE)

- Deep domain knowledge + AI Expertise applied to real world scenarios and workflows
- Next-gen CoE at Bengaluru with over 350 AI / GenAI experts

25% of entire talent base to be AI ready by Q3 FY25

Partnership with Leaders

- NVIDIA, AWS, Microsoft, Google, Intel, Brainchip
- Tata Elxsi AI Lab at Indian Institute of Science (IISc) equipped with NVIDIA GPU infrastructure for advanced research in AI/ML

Industry Focus

- AI innovation task force for each of the three verticals
- Industry relevant use cases addressing CX, Productivity, Design, Automation and Testing needs of our customers

INNOV@TE Gen AI Hackathon 2024 in collaboration with AWS





Financial Highlights Q4'24

Revenue

- Reported Revenue at Rs. 905.9 Cr, + 8.1% YoY, -0.9% QoQ
- Revenue growth +7.2% YoY in CC, -0.6% QoQ in CC

Profit

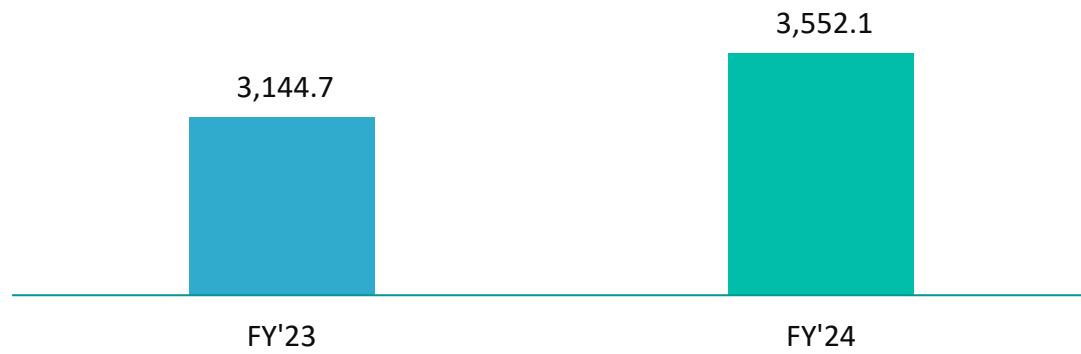
- EBITDA at 28.8%; PBT at 27.9%
- PBT at Rs. 262.4 Cr, +4.9% YoY, -4.3% QoQ
- PAT at Rs. 196.9 Cr, -2.3% YoY, -4.6% QoQ

Segment Highlights

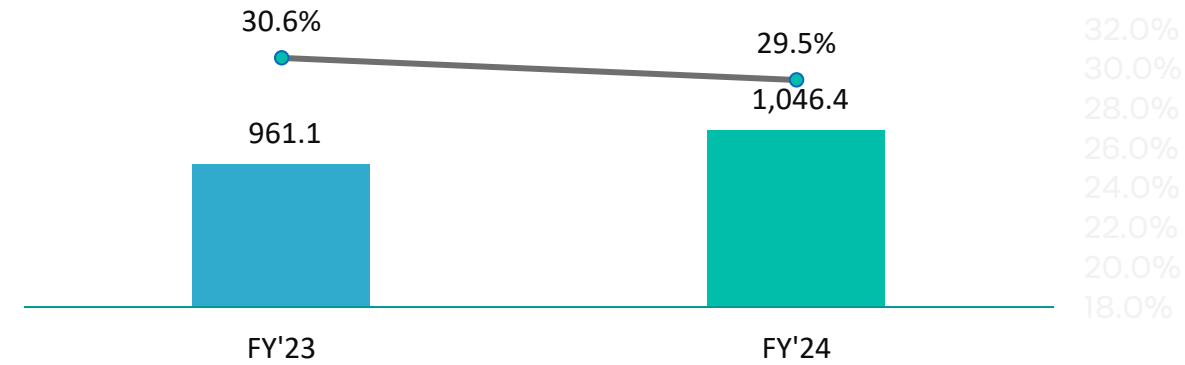
- Transportation growth at 16.4% YoY in CC terms, aided by sustained traction in Software Defined Vehicles (SDV)
- Healthcare growth at 7.2% YoY in CC terms, driven by new product engineering and regulatory services
- Media and Communications decline at 4.6% YoY in CC terms amidst challenging industry environment and one-time ramp-down impact with one customer

Tata Elxsi Financial Performance – FY'24

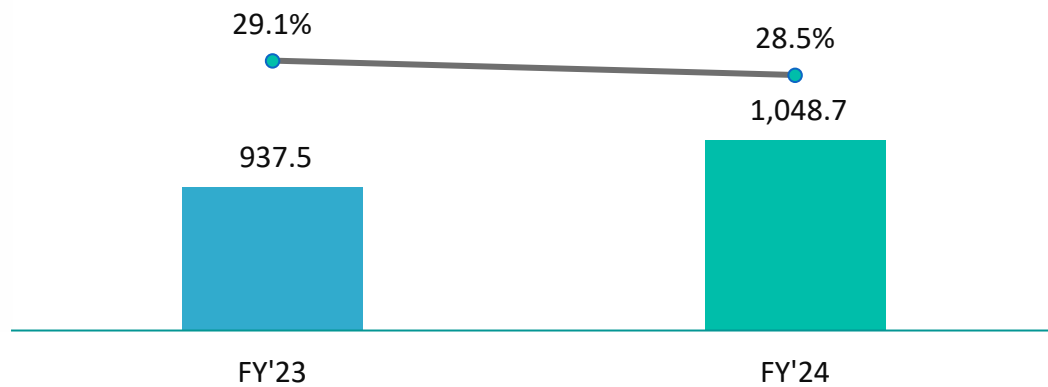
Revenue from Operations



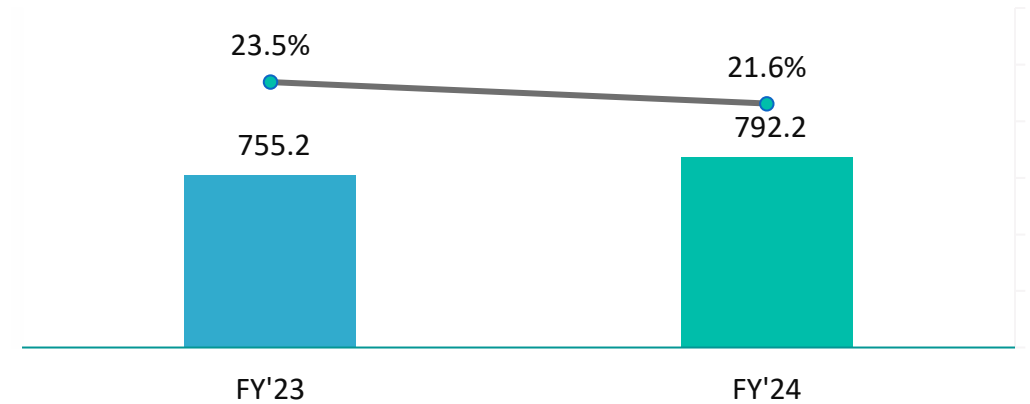
EBITDA & Margin (%)



PBT & Margin (%)



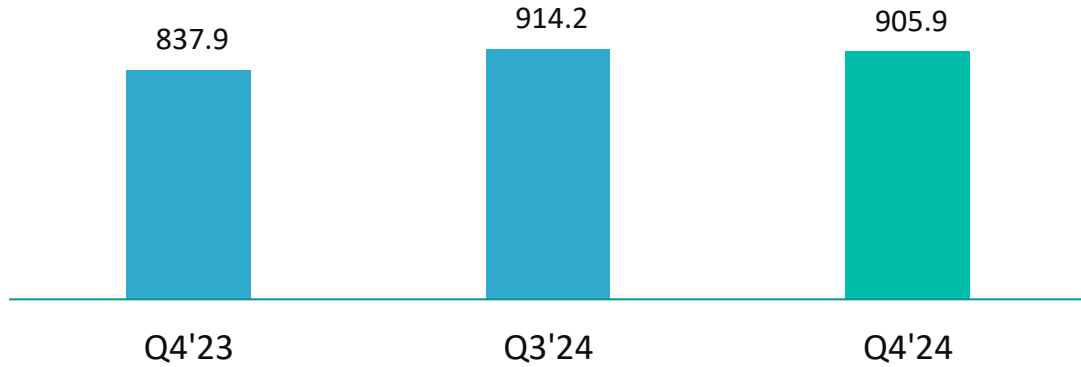
PAT & Margin (%)



Tata Elxsi Financial Performance – Q4 FY'24

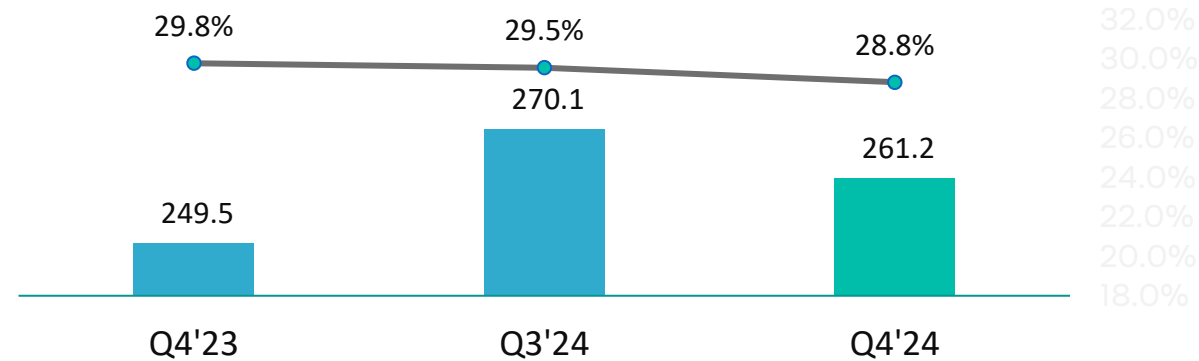
Revenue from Operations

YoY Growth of 8.1%



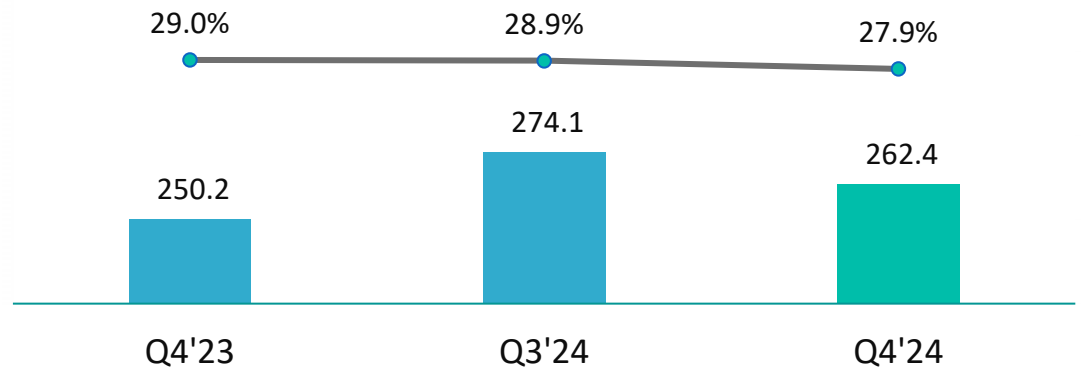
EBITDA & Margin (%)

YoY Growth of 4.7%



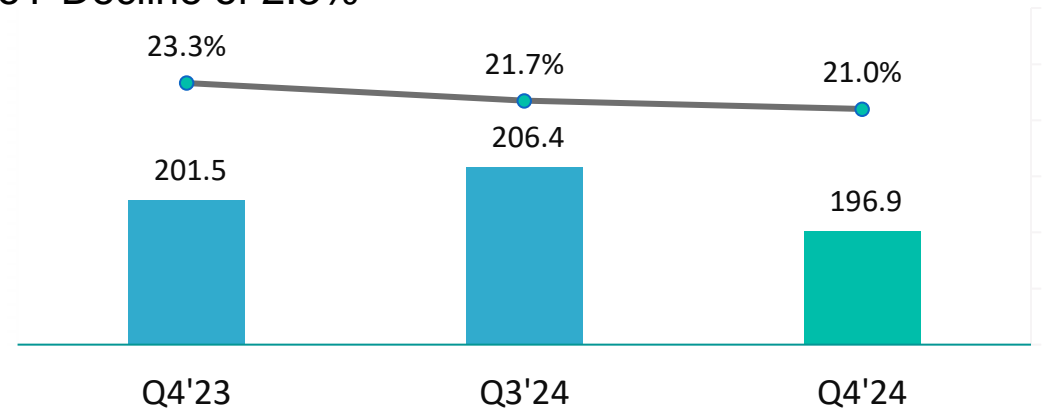
PBT & Margin (%)

YoY Growth of 4.9%



PAT & Margin (%)

YoY Decline of 2.3%

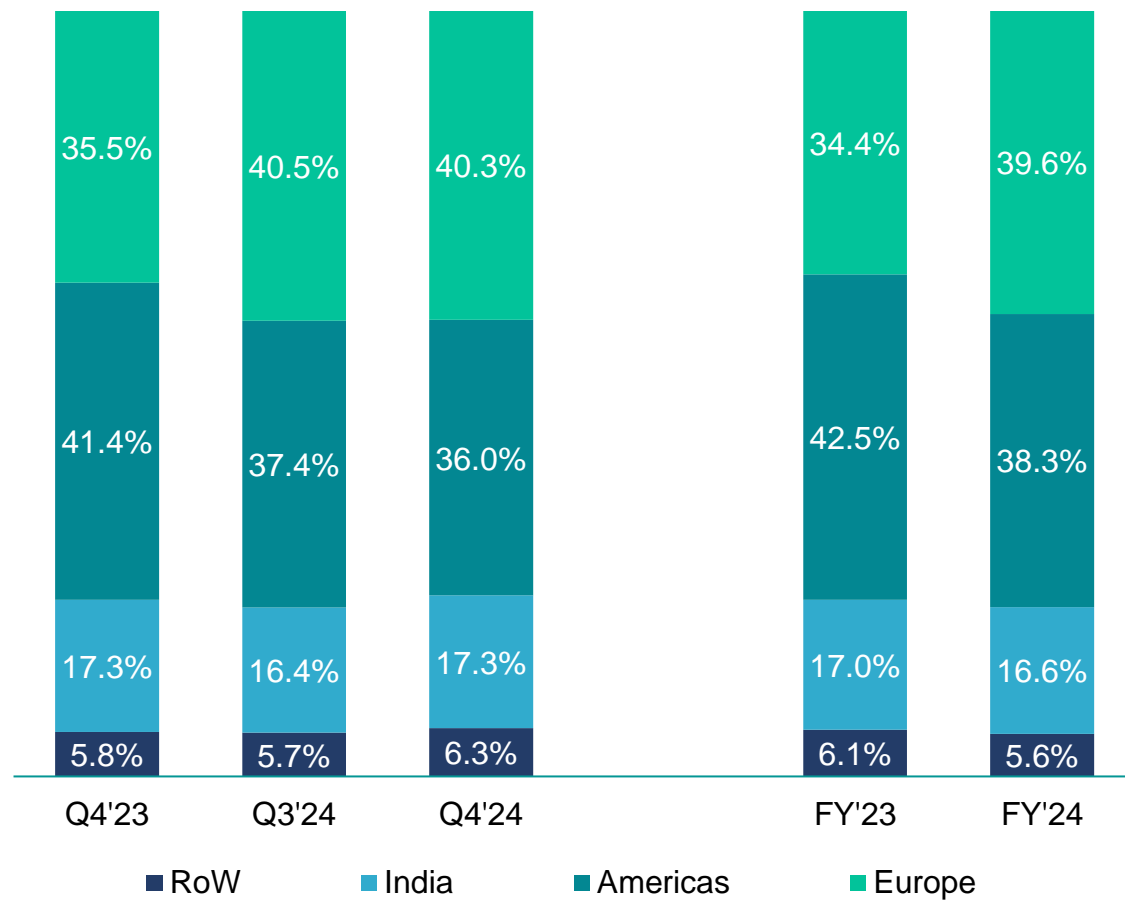


Tata Elxsi Financial Summary – Q4 FY'24 and FY'24

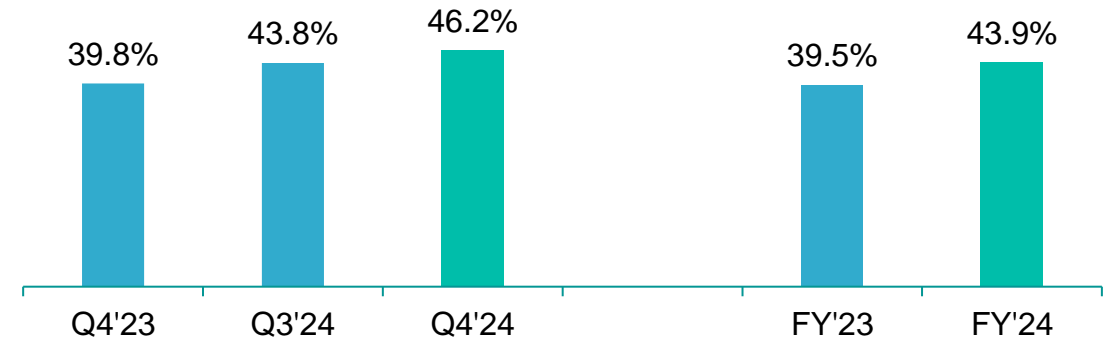
Metrics	Q4FY24	Q3FY24	QoQ Growth	Q4FY23	YoY Growth	FY'24	FY'23	YoY Growth
Revenue (INR CR)								
Revenue from Operations	905.9	914.2	-0.9%	837.9	8.1%	3552.1	3144.7	13.0%
Other Income	33.7	34.9	-3.6%	25.7	31.1%	122.0	73.8	65.2%
Total Income	939.6	949.2	-1.0%	863.6	8.8%	3674.1	3218.5	14.2%
Margins (INR CR)								
EBITDA	261.2	270.1	-3.3%	249.5	4.7%	1046.4	961.1	8.9%
EBIT	233.6	244.7	-4.5%	228.4	2.3%	946.9	879.7	7.6%
PBT	262.4	274.1	-4.3%	250.2	4.9%	1048.7	937.5	11.9%
PAT	196.9	206.4	-4.6%	201.5	-2.3%	792.2	755.2	4.9%
Margin (%)								
EBITDA	28.8%	29.5%		29.8%		29.5%	30.6%	
EBIT	25.8%	26.8%		27.3%		26.7%	28.0%	
PBT	27.9%	28.9%		29.0%		28.5%	29.1%	
PAT	21.0%	21.7%		23.3%		21.6%	23.5%	
EPS								
Basic	31.62	33.15	-4.6%	32.36	-2.3%	127.21	121.26	4.9%
Diluted	31.61	33.14	-4.6%	32.36	-2.3%	127.18	121.26	4.9%

Revenue by Geography and Client Concentration

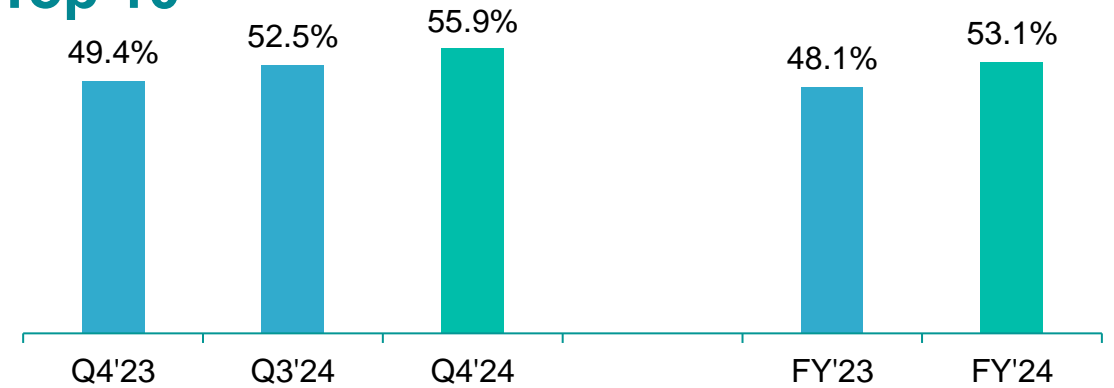
Geo Mix



Top 5

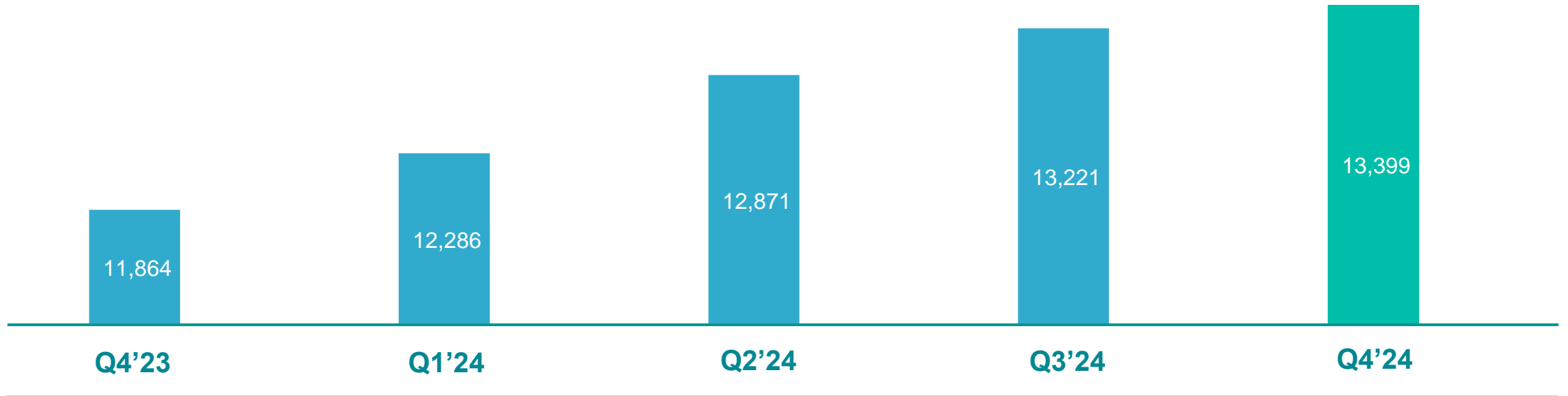


Top 10



Employee Metrics

Headcount



Attrition

Quarter	Attrition
Q4'23	17.3%
Q1'24	15.6%
Q2'24	13.7%
Q3'24	12.9%
Q4'24	12.4%

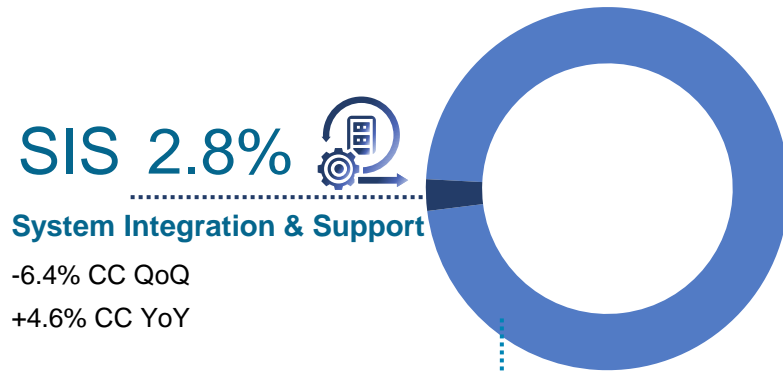
Investing ahead: Sustained capacity building led by fresh engineer intake, to provide the foundation for scaling

Differentiated Employee engagement: Maintaining industry leading employee retention

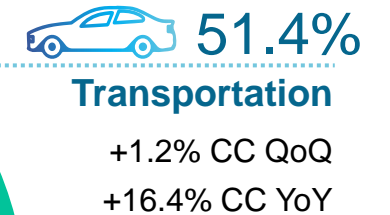
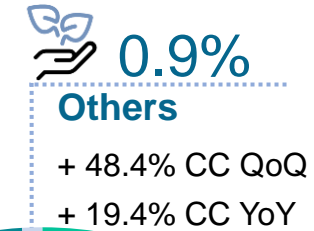
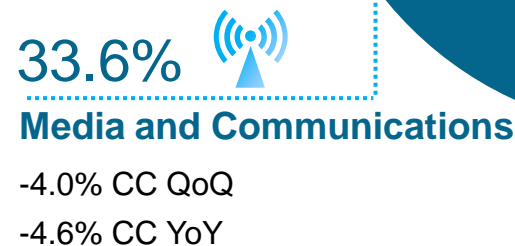
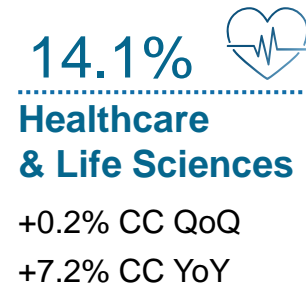
Tata Elxsi Vertical and Segment Performance – Q4 FY'24

Tata Elxsi Operating Revenue: +7.2% CC YoY, -0.6% CC QoQ

Segments



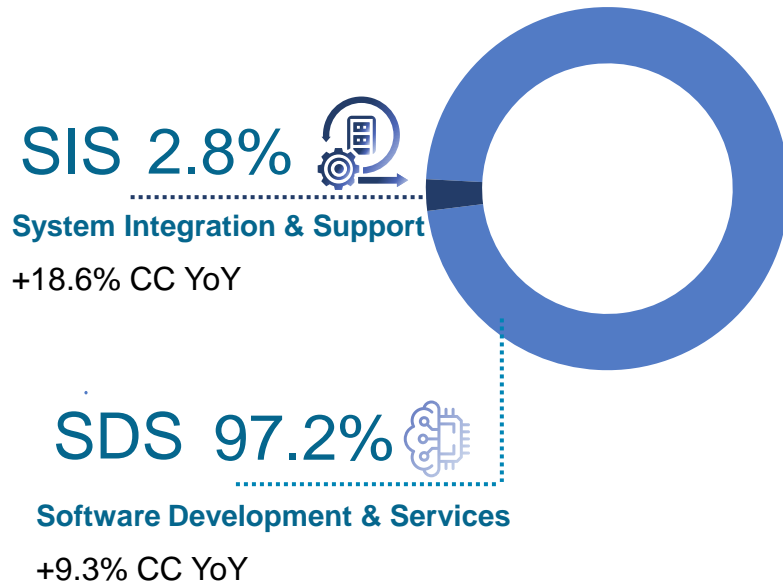
SDS Verticals



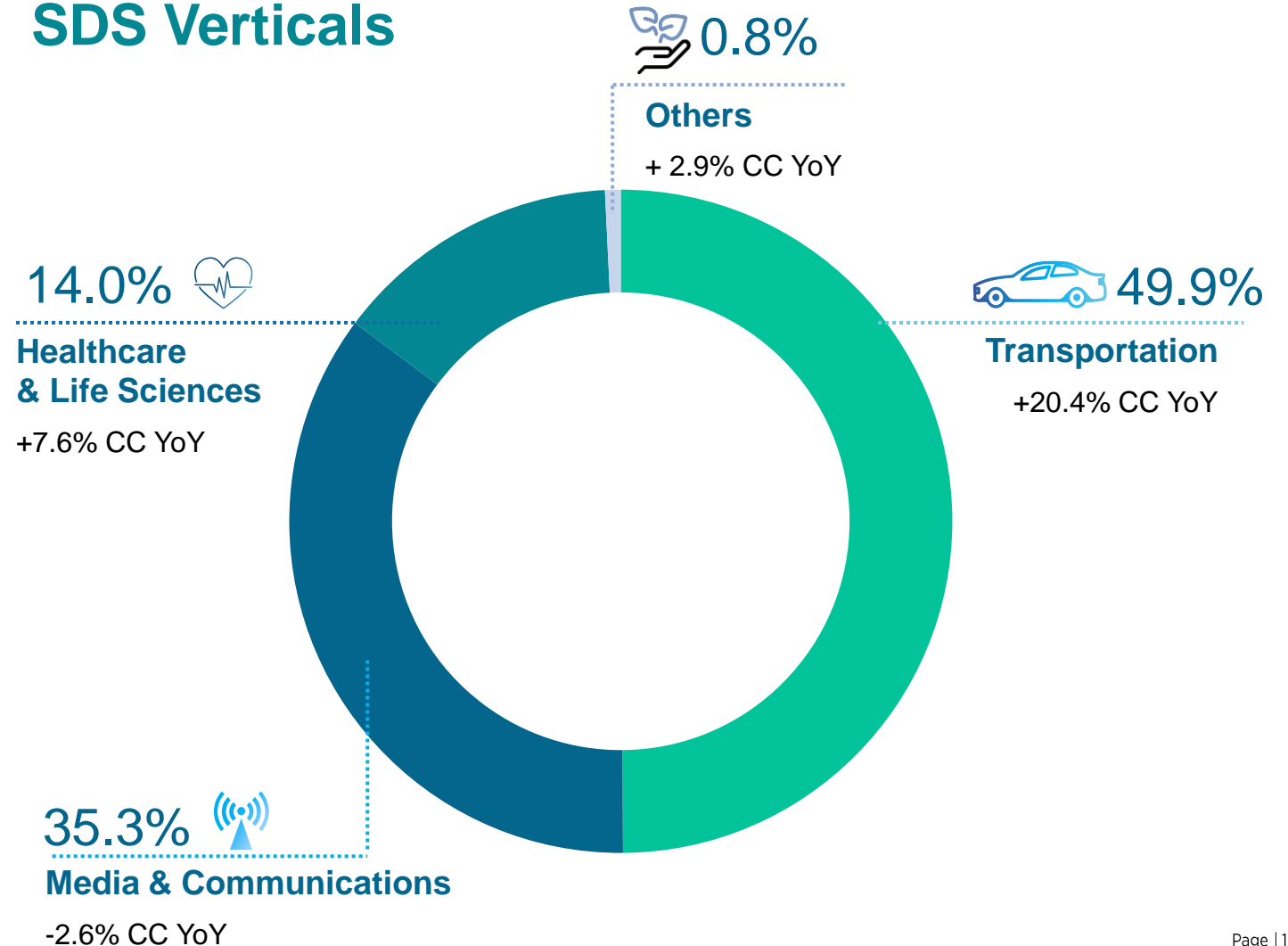
Tata Elxsi Vertical and Segment Performance – FY'24

Tata Elxsi Operating Revenue: +9.6% CC YoY

Segments

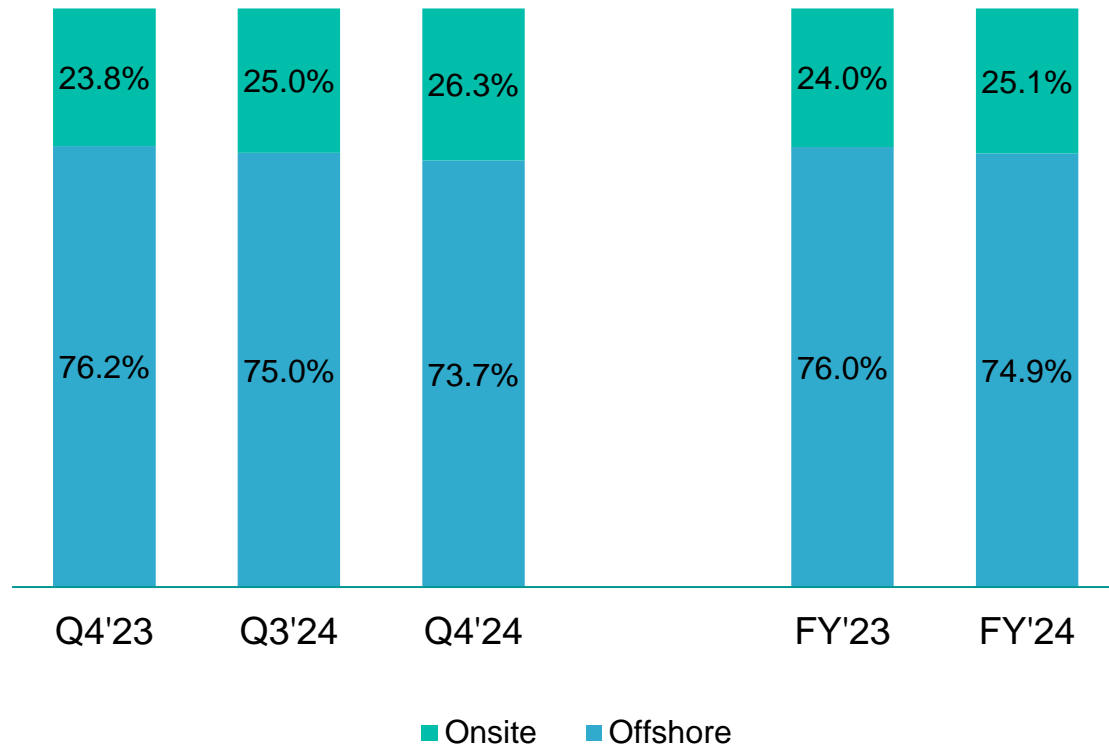


SDS Verticals

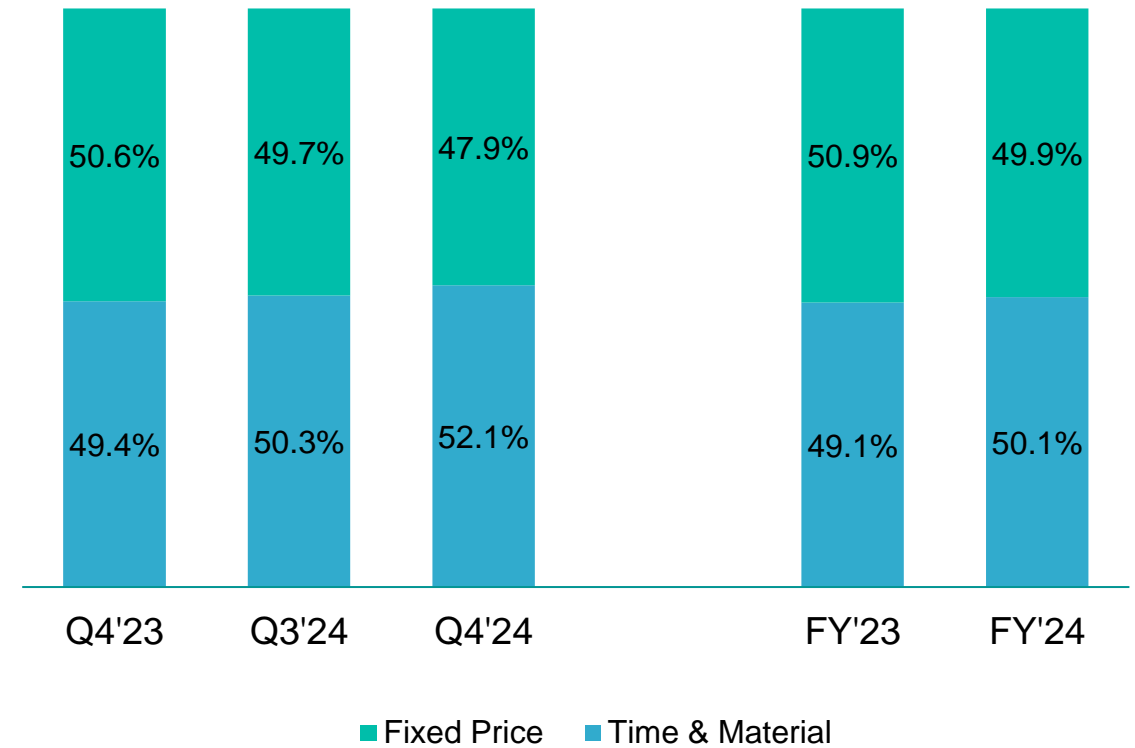


Operational Performance – Q4 FY'24 and FY'24

Revenue By Onsite/Offshore Mix



Revenue By Contract Type Mix



Q4 FY'24 - Key Deals



Global Automotive OEM

Tata Elxsi is chosen as a strategic SDV program partner by a Global Automotive OEM to support software development across multiple domains including e-cockpit, base software, connectivity and ADAS.



Leading American Rail Network Operator

Tata Elxsi selected by a leading rail network operator to develop their next-gen collision detection and warning system that fuses data from multiple sensors and systems, and advanced AI/ML algorithms.



Leading European Medical Device OEM

Tata Elxsi selected by a leading European medical device manufacturer to implement a multi-year regulatory transformation program that leverages automation and AI to significantly enhance quality of outcomes and efficiency of workflows.



MEA Operator

Tata Elxsi won a design-digital multi-million, multi-year transformation program for the video and OTT streaming service of a leading MEA operator with a scaled presence in over 25 countries. The program envisages reimagination of the user experience of the entire service, led by design and realized with digital technologies.



Dräger - Global leader in medical and safety technology

Dräger announced an Offshore Development Center (ODC) to advance critical care innovation with Tata Elxsi. The ODC will focus on developing innovative critical care medical devices. This partnership combines Tata Elxsi's design and technology expertise along with Dräger's expertise in medical and safety technology.

Awards



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Tata Elxsi wins German Design Award 2024 for Automotive HMI

Tata Elxsi and Tata Motors jointly received the esteemed German Design Award 2024 at Germany for the Tata Motors Gen 3 HMI design at the award ceremony in January 2024 at Frankfurt.

Nick Talbot, head of Tata Elxsi AutoX and London Design Studio, Aurelien Doisy, Head of Design - Europe at Tata Motors, and Manjunath Kulkarni, Global Sales Head – Transportation at Tata Elxsi received the award.

The Gen3 HMI won the award for excellence in Product Design in the Human-Machine Interface category.

Key features of the Tata Motors Gen 3 HMI include:

- User Centered Design
- Elevated Driving Experience
- Thematic Experience
- Driver Focus



Tata Elxsi Wins Prestigious iF Design Award 2024 for OTT UX

Tata Elxsi's AI-powered OTT platform won the prestigious iF Design Award 2024 for OTT User Experience design.

The TE Play platform incorporates an intuitive video experience solution that focuses on digital unification, hyper-personalization, user-generated content, gamification, monetization, and community building. It integrates social interaction features, personalized multi-format content libraries, and real-time data synchronization for sports fans for an enhanced user experience.

This solution incorporates an AI-based object recognition for personalized, curated multi-format content library and contextual shoppable TV ads that are tailored to each user's needs.

To enhance the premium sports viewing experience, fans are offered synchronized real-time data and control, fostering deeper engagement. Additionally, this solution provides virtual brand placement options by utilizing AR and AI, which enable regionalized ad delivery.



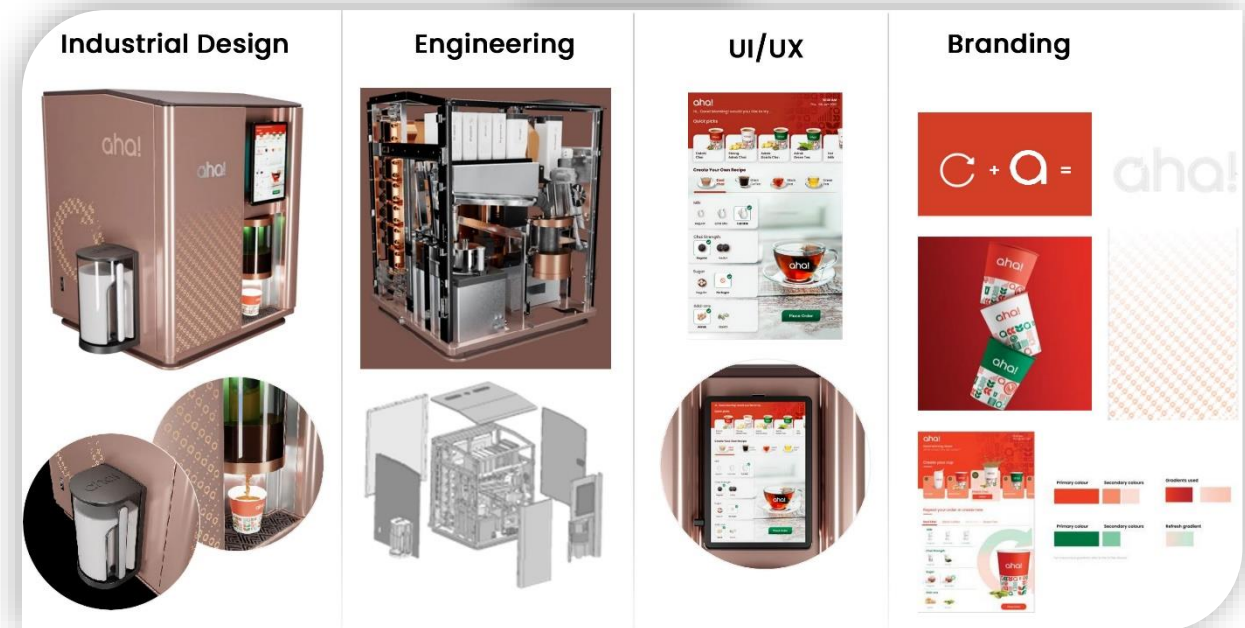
Tata Elxsi Wins Prestigious iF Award for The "Aha!" Tea Vending Machine for Chaayos

Tata Elxsi's design for the Aha! Tea Vending Machine won the prestigious iF Design Award 2024 for Product Design.

The Aha! Tea Vending Machine revolutionizes the chai experience across Asian markets by offering a fusion of customization and innovative brewing technology. With an array of up to 50 personalization options accessible directly from users' smartphones, the chai can be tailored to individual preferences, achieving perfection in under 30 seconds.

The machine's user-friendly touchscreen simplifies the selection process, while its intelligent tea brewing technology ensures optimal blend of flavours.

Embracing sustainable design practices, Aha! stands out as a sustainability champion, crafting every cup with 100% natural ingredients and streamlining processes to reduce waste to less than 1%.



Tata Elxsi's NEURON Wins 'Best Network Orchestration Solution in Telco' by Juniper Research

Tata Elxsi has been awarded Platinum Winner for the 'Best Network Orchestration Solution in TELCO' at the Future Digital Award by Juniper Research for its groundbreaking network automation product – NEURON.

The award recognizes the best products and platforms in the world for the telecom sector.

NEURON, powered by Gen AI, is a comprehensive suite of transformation products designed to assist operators in planning, building, deploying and managing heterogenous networks. From NEURON Telco Cloud facilitating 5G rollouts to NEURON Dark NOC automating NOC operations, the suite offers smart end-user interactions, intent based cybersecurity, and digital twin capabilities for business intelligence.



Partnerships



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Tata Elxsi and Telefónica Collaborate to Achieve True Cloud-Native Infrastructure Management

Tata Elxsi (TE) and Telefónica announced a groundbreaking achievement in the realm of the automation of cloud infrastructure for telecommunications, with the successful implementation of true cloud-native infrastructure management powered by ETSI Open Source MANO (ETSI OSM). This milestone represents a significant evolution in network management, enabling operators to build intent-driven network systems with unprecedented efficiency and agility.

The integration of OSM with Tata Elxsi's award-winning NEURON platform represents a pivotal moment in multi-domain transformation towards autonomous network systems.

"In our collaboration with Tata Elxsi, our objective is to advance the boundaries of technology and standardization, propelling operators towards cloud-native agility" emphasized Francisco-Javier Ramón, GCTIO Unit at Telefónica.



Expanding Presence



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Tata Elxsi establishes an ODC for Dräger to Drive Critical Care Innovation

Dräger is expanding its research and development presence by establishing a new Offshore Development Center (ODC) at Tata Elxsi's facility in Pune. The ODC will focus on developing innovative critical care medical devices for both local and international markets. This partnership combines Tata Elxsi's design and technology expertise along with Dräger's expertise in medical and safety technology.

“This collaboration with Tata Elxsi marks a significant milestone in Dräger’s journey to expand our R&D footprint in India,” said Shalin Patel, Managing Director of Dräger India Group. “By leveraging Tata Elxsi’s eco-system and expertise in technology and design, we are setting new standards in critical care equipment that will ultimately benefit patients worldwide.”



Tata Elxsi Unveils New Global Automotive Design and Engineering Center in Pune

Tata Elxsi strategically expands its presence in Pune with the inauguration of a new Global Design and Engineering center in Sukhwani Business Hub, Chinchwad. The new center is specifically tailored to cater to the technology and digital transformation priorities of key automotive OEMs and Tier 1 suppliers.

It will house over 1000 engineers, designers and technology specialists, and advanced labs to spearhead collaborative initiatives in engineering R&D across Software Defined Vehicles, Connected Services, Autonomous Technologies, Electrification, Mechatronics, and Design.



Chief Guest Mr. Rajendra Petkar, President and CTO, Tata Motors inaugurated Tata Elxsi's new development center in Pune.

On the World Stage



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Tata Elxsi at MWC 2024

Tata Elxsi participated in Mobile World Congress (MWC) 2024, the world's largest event for the telecom industry.

Tata Elxsi showcased NEURON - Tata Elxsi's award winning autonomous network platform. It offers E2E automation capabilities along with a robust and secure cloud native platform for Telcos.

Tata Elxsi's proven solution suite for Connected Vehicles and Connected Health were also showcased at the MWC. These are designed to revolutionize the way networks are monetized. Tata Elxsi offers a comprehensive range of uberized services to unlock untapped revenue streams.

Tata Elxsi also showcased its AI-powered solutions to drive contextual ads, automated content moderation, hyper personalization and iCX – our intelligent CPE monitoring solution for telcos to reduce truck-rolls.



26 – 29 February 2024
Barcelona, Spain

Tata Elxsi Hosts Innov@TE GenAI Hackathon in Collaboration with AWS

Tata Elxsi conducted its inaugural Gen AI Hackathon in collaboration with Amazon Web Services (AWS). With a focus on exploring the potential of Generative AI, the hackathon witnessed enthusiastic participation from diverse disciplines, with 136 teams registering from various corners of the country.

The contest culminated in an intense finale, where eight finalists presented their projects to a distinguished panel of judges. Among the finalists, top three standout entries represented diverse applications of Gen AI technology.

Winners – Team ‘Turing Creators’ - ‘AI and graph databases to revolutionize decision-making’

First runner-up - Team ‘Med Codex’ - ‘AI to streamline healthcare procedures’

Second runner-up - Team ‘AI Genesis Innovators’ - ‘Gen AI to enhance product development processes’



TELIPORT - Nurturing the brightest minds in technology, design, and innovation

Tata Elxsi's TELIPOINT is a campus engagement program which celebrates innovation, talent, and creativity. It intends to engage with the brightest minds in technology, design, and innovation from top engineering colleges in India, and discover and nurture brilliant young minds.

The competition saw more than 6,500 registrations leading to 13 students entering the final rounds from prestigious institutions like NIT Agartala, NIT Raipur, IIT Patna and Thapar University.

Tata Elxsi TELIPOINT has been recognized as one of Unstop's top 25 campus engagement initiatives for E-schools.



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.