

## **Tata Elxsi delivers another quarter of strong and consistent growth, with revenue growth of 33.2% YoY and PAT growth of 43.5% YoY**

### **EPD grows strongly at nearly 10% QoQ led by automotive, digital and healthcare deals**

**Bangalore, January 18, 2022:** Tata Elxsi (BSE: 500408 | NSE: TATAELXSI), amongst the world's leading providers of design-led technology services, announced its results for the third quarter of FY 2021-22 ended December 31, 2021.

The company reported Rs 635.4 Cr of revenue from operations for Q3 FY22, registering a growth of 6.7% QoQ & 33.2% YoY. EBITDA for the quarter grew 14.8% QoQ and 46.8% YoY to 210.8 Cr, while PBT grew 17.1% QoQ and 36.9% YoY to 200.3 Cr. Company's net profit for the quarter stood at Rs 151 Cr, reporting a growth of 20.4% QoQ and 43.5% YoY.

The company delivered industry-leading bottom-line performance and crossed the 200 Cr PBT and 150 Cr PAT milestones for the first time in its history.

#### **Highlights of the Quarter Ended December 31, 2021:**

- Revenues from operations at Rs. 635.4 Cr, +6.7% QoQ, + 33.2 % YoY
- Constant currency revenue up 6.5% QoQ, 32.7% YoY
- EBITDA of ₹ 210.8 Cr; Growth of 14.8% QoQ and 46.8% YoY
- PBT % increased from 28.6% in Q2 to 31.2% in Q3
- EBITDA Margin at 33.2%; Net Margin at 23.5%
- EPS for Q3 at 24.24 INR; +20.4% QoQ, + 43.5% YoY

The company's growth was powered by Embedded Product Design (EPD), the company's largest division, which grew at 9.9% QoQ and 36% YoY.

Within EPD, the Transportation business posted a third quarter of strong growth of 9.7% QoQ and 30.9% YoY, with secular growth across Electric, Autonomous and Connected technologies, and continued momentum with both OEMs and suppliers for design, technology and digital services across geographies.

Media & Communications delivered another quarter of consistent growth with 6.5% QoQ and 31.1% YoY growth respectively, supported by the addition of marque global customers, and strategic platform and solution-led multi-year deal wins.

Healthcare continued its accelerated growth at 22% QoQ and 73.4% YoY, supported by large deals and continued growth in digital health, digital engineering and regulatory services.

The Design business (IDV) continues to fuel strategic design-led digital deal wins for the company with a growth of 61.7% on a YTD basis.

**Commenting on the performance, Mr. Manoj Raghavan, CEO and Managing Director, Tata Elxsi said:** *“We are pleased to report another quarter of consistent and strong growth, supported by differentiated offerings and industry leading operational excellence.*

*We continue to execute strongly on all our key strategies, driving growth across our three primary industry verticals and regions, building on our software and digital product engineering capabilities.*

*We are seeing significant growth in the automotive market, with large and strategic deals with both OEMs and suppliers across Electric, Autonomous, Connected and Digital, underscoring our technology and engineering leadership.*

*We have won strategic multi-year large deals this quarter against the best global competitors in all three industries, which clearly underscores the differentiation we bring to our customers, and the relevance of our design-led technology capabilities.*

*The superior topline and bottom-line performance was supported by industry-leading operational excellence and talent retention. We are continuing to invest in our talent pipeline to support continued growth.*

*We are entering the fourth quarter with the confidence of a strong order book and a healthy deal pipeline across key markets and industries”*

**About Tata Elxsi**

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. For more information, please visit [www.tataelxsi.com](http://www.tataelxsi.com).

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**TATA ELXSI**

▶▶ **Design Digital**



# Q3 FY22 Earnings Presentation and Fact Sheet

January 18, 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

“We are pleased to report another quarter of consistent and strong growth, supported by differentiated offerings and industry leading operational excellence.

We continue to execute strongly on all our key strategies, driving growth across our three primary industry verticals and regions, building on our software and digital product engineering capabilities.

We are seeing significant growth in the automotive market, with large and strategic deals with both OEMs and suppliers across Electric, Autonomous, Connected and Digital, underscoring our technology and engineering leadership.

We have won strategic multi-year large deals this quarter against the best global competitors in all three industries, which clearly underscores the differentiation we bring to our customers, and the relevance of our design-led technology capabilities.

The superior topline and bottom-line performance was supported by industry-leading operational excellence and talent retention. We are continuing to invest in our talent pipeline to support continued growth.

We are entering the fourth quarter with the confidence of a strong order book and a healthy deal pipeline across key markets and industries.”



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

# Highlights for Q3 FY22

<b>Revenue</b>	<b>Sequential Growth</b>	<b>QoQ Constant Currency Growth</b>	<b>YoY Revenue Growth</b>
635.4 INR Cr	↑ 6.7%	↑ 6.5%	↑ 33.2%
<b>Profitability</b>	<b>EBITDA INR Cr</b>	<b>PBT INR Cr</b>	<b>PAT INR Cr</b>
EBITDA Margin 33.2%	↑ 210.8 Cr (46.8% YoY)	↑ 200.3 (36.9% YoY)	↑ 151.0 (43.5% YoY)
<b>EPS</b>	<b>Q3 FY22</b>	<b>QoQ Growth</b>	<b>YoY Growth</b>
	↑ 24.24	20.4%	43.5%
<b>People</b>	<b>Closing Headcount</b>	<b>Net Additions</b>	<b>LTM Attrition</b>
	↑ 9033	414	18.2%

# Performance Highlights

## Financial Highlights

- Revenues from operations at Rs. 635.4 Cr; +6.7% QoQ, +33.2 % YoY
- Constant currency revenue up 6.5% QoQ, 32.7% YoY
- EBITDA of ₹ 210.8 Cr; Growth of 14.8% QoQ and 46.8% YoY
- PBT of 200.3 Cr; PBT% increased from 28.6% in Q2 to 31.2% in Q3

## Awards and Accolades

- Tata Elxsi has been ranked in the **Leadership Zone** for **Automotive, Medical Devices, and Telecom** industries in the latest Zinnov Zones for ER&D Services 2021 ratings
- Tata Elxsi won the **OTT TV Technology of the Year Award** at the renowned VideoTech Innovation Awards 2021, in London
- Tata Elxsi and Tata Steel has jointly won the L&D **Vision and Innovation Award** 2021 for the Tata Steel Safety Leadership Development Centre at Jamshedpur

## Segment Highlights

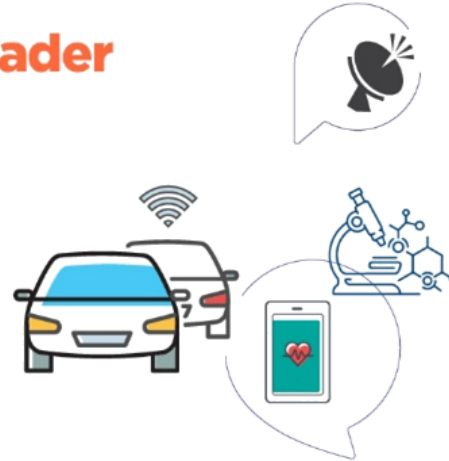
- Embedded Product Design (EPD), the company's largest division grew by 36.0% YoY
- Industrial Design & Visualization (IDV) grew by 12.4% YoY and 61.7% YTD on a sequential basis



# Awards and Accolades

Tata Elxsi recognized as a Leader and specialized ER&D Service Provider across all our key industry verticals, in the Zinnov Zones 2021 annual ratings

**Tata Elxsi ranked as leader in the Automotive, Medical Devices, and Telecom industries.**

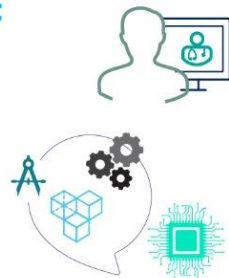


TATA ELXSI

Zinnov ZONES 2021 ER&D SERVICES

Design Digital

**Tata Elxsi accredited as the most specialized ER&D Service Provider in the Execution Zone for industrial digital, telehealth, telematics technologies, and semiconductors.**



TATA ELXSI

Zinnov ZONES 2021 ER&D SERVICES

Design Digital

**Tata Elxsi recognized for its AI Engineering worldwide & contribution to SDN & NFV.**

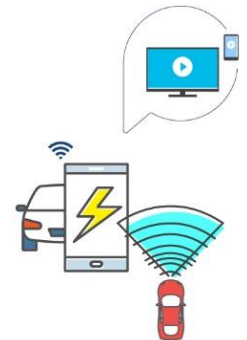


TATA ELXSI

Zinnov ZONES 2021 ER&D SERVICES

Design Digital

**Tata Elxsi positioned in the Leadership Zone for ADAS and OTT technologies.**



TATA ELXSI

Zinnov ZONES 2021 ER&D SERVICES

Design Digital

# Awards and Accolades

## Innovation and Vision Award for the World's first Experiential Safety Training Centre for TATA STEEL



## Winner of OTT TV Technology of the Year Award at the Videotech Innovation Awards 2021



## Key Deal Wins – Driving Scale and Sustainability

- Selected by a world-leading systems supplier for the development of an autonomous driving platform for commercial vehicles
  - Tata Elxsi will enable software development and integration for a new autonomous system
  - Multi-year foundation for delivery of production programs for various OEMs
- Tata Elxsi was awarded a 3-year 20M US\$ deal by a leading global MSO to support and manage its network operations across data, mobile and video service delivery
  - Important milestone in delivering multi-year build + run services for MSOs at scale
  - Marque deal win against global Tier 1 competitors and incumbents
- *Design Digital* deal from a leading Japanese OEM for the development of a next-gen HMI for infotainment and in-cockpit interface for their range of vehicles
  - Design-led approach from consumer research to design strategy, HMI design and implementation
  - Modular design architecture to encompass range from entry-level to premium cars
- Tata Elxsi was selected by a North American new-age EV OEM for a strategic software development program
- A US headquartered Healthcare technology leader awarded Tata Elxsi a long-term multi-million US\$ deal for its Digital Transformation & Cloud Migration Program

## Partnerships - Co-innovating for the future of mobility

### Tata Elxsi partners with Green Hills to develop a Driver Monitoring System solution driven by AI and AUTOSAR Adaptive software defined architecture and secure Integrity OS

Driver Monitoring Systems (DMS) are increasingly becoming important to both conventional and autonomous vehicles in addressing growing safety risks caused by distracted and drowsy drivers and providing the essential assurance that a driver is ready to assume control from an autonomous driving system. The Euro New Car Assessment Programme (NCAP) already requires DMS for five-star safety ratings, while the European General Safety Regulation has mandated DMS technology for all new cars, vans, trucks and buses starting in CY2024.

The integrated AUTOSAR Adaptive-based DMS from Tata Elxsi and Green Hills Software delivers intelligent determination of a driver's readiness and state of attentiveness. It runs on the safe, secure INTEGRITY-based high-performance platform that is already proven in millions of vehicles today.

- Tata Elxsi's DMS software utilizes state-of-the-art Artificial Intelligence and Machine learning algorithms to detect driver attention levels utilizing a hybrid vision pipeline architecture that intelligently combines vehicle data (direction, speed) with the driver's eye gaze direction, head orientation and facial expression.
- The platform utilizes Tata Elxsi's functional safety compliant AUTOSAR Adaptive stack and the software defined architecture provides for Over-the-Air (OTA) software updates and cloud connectivity for event recording.
- Green Hills Software provides the safe, secure and deterministic run-time foundation for the DMS software, powered by the INTEGRITY RTOS, pre-certified to ISO 26262 ASIL D and ready for cybersecurity standard ISO 21434.

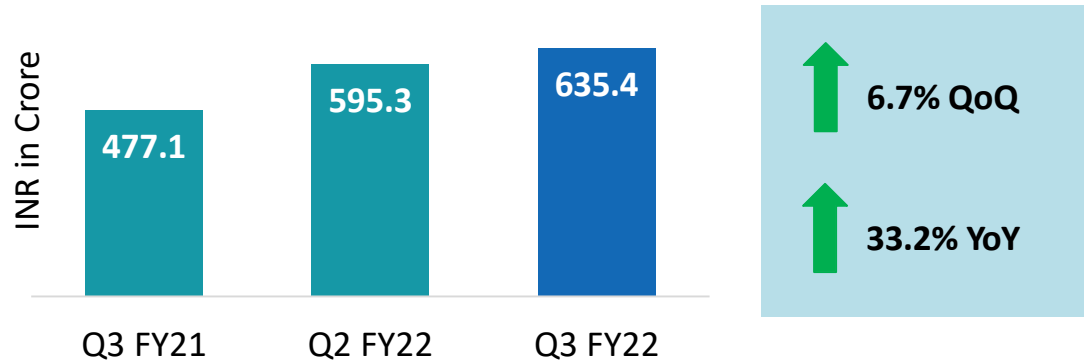


## Financial Summary – Q3 FY22

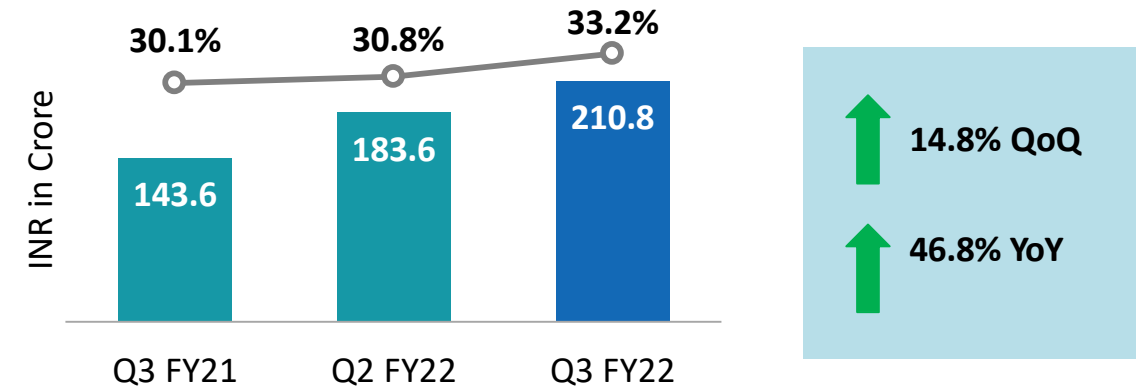
Particulars	Metrics	Q3FY22	Q2FY22	QoQ Growth	Q3FY21	YoY Growth
Revenue (INR CR)	Total Income from operations	635.4	595.3	6.7%	477.1	33.2%
	Other Income	6.5	2.4		15.1	
	<b>Total Income</b>	<b>641.9</b>	<b>597.8</b>	<b>7.4%</b>	<b>492.2</b>	<b>30.4%</b>
Margins (INR CR)	EBITDA	210.8	183.6	14.8%	143.6	46.8%
	EBIT	196.8	170.1	15.7%	132.6	48.5%
	PBT	200.3	171.0	17.1%	146.3	36.9%
	PAT	151.0	125.3	20.4%	105.2	43.5%
Margin (%)	EBITDA	33.2%	30.8%		30.1%	
	EBIT	31.0%	28.6%		27.8%	
	PBT	31.2%	28.6%		29.7%	
	PAT	23.5%	21.0%		21.4%	
EPS (INR)	Basic	24.24	20.13	20.4%	16.9	43.5%
	Diluted	24.24	20.13	20.4%	16.9	43.5%

# Financial Performance – Q3 FY22

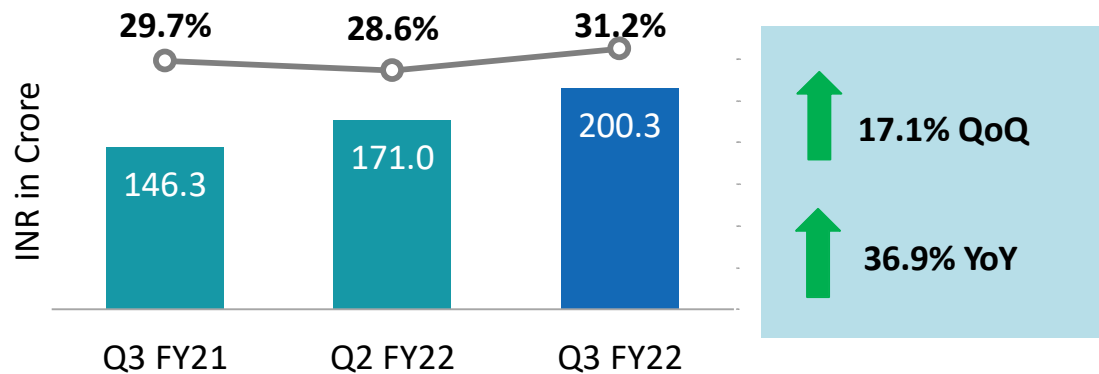
## Operating Revenue



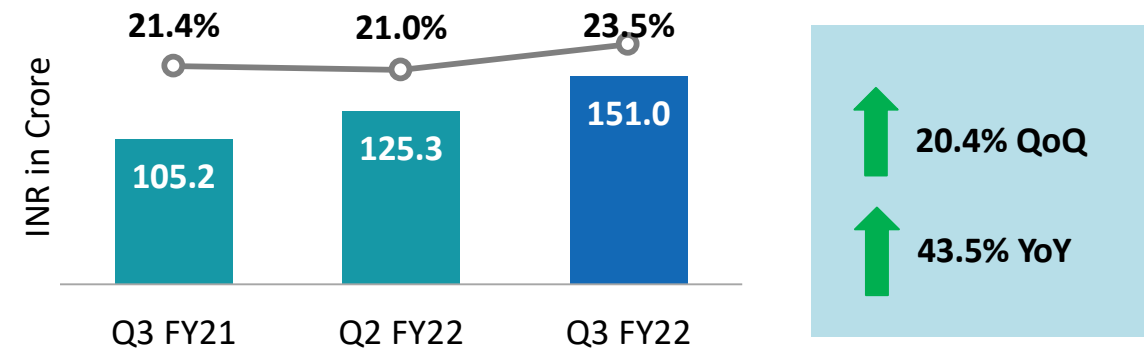
## Operating EBITDA & Margin (%)



## PBT & Margin (%)



## PAT & Margin (%)

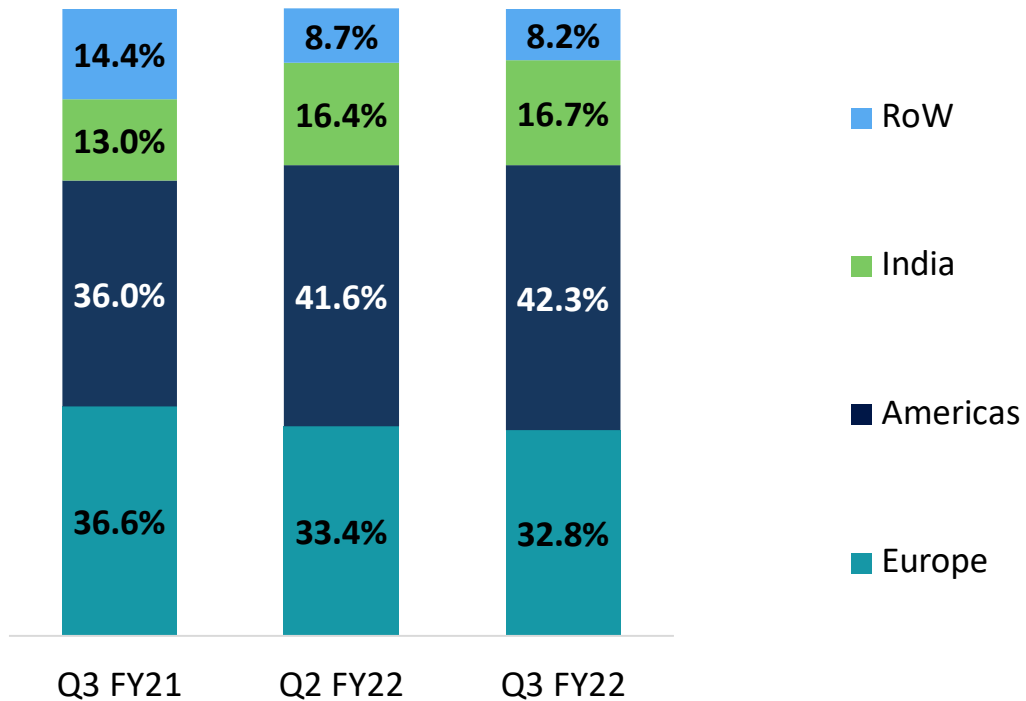


## Operational Performance – Q3 FY22

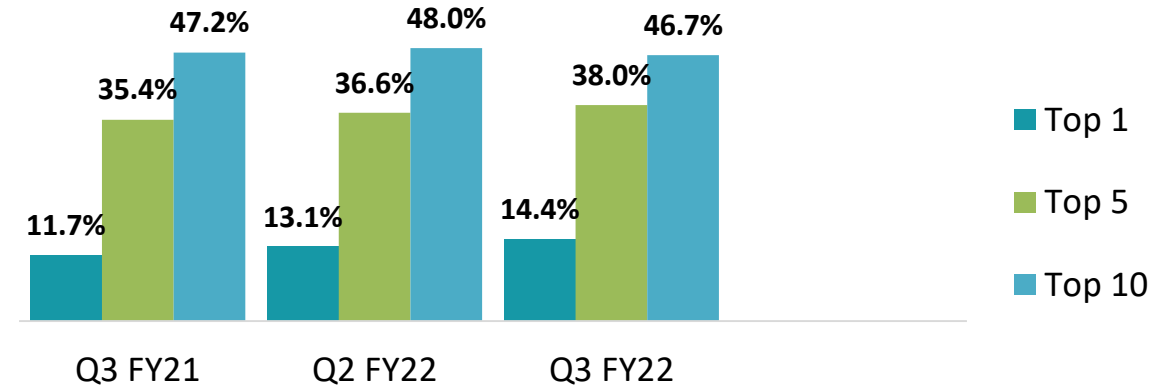
Segment Mix	Q3 FY22	Q2 FY22	Q-o-Q Growth (In CC)	Q3 FY21	Y-o-Y Growth (In CC)
Embedded Product Design (EPD)	88.9%	86.3%	9.6%	87.1%	35.4%
Industrial Design & Visualization (IDV)	8.9%	11.2%	-15.4%	10.5%	12.0%
System Integration & Support (SIS)	2.2%	2.4%	-2.4%	2.4%	22.8%
<b>Total (Tata Elxsi)</b>	<b>100.0%</b>	<b>100%</b>	<b>6.5%</b>	<b>100.0%</b>	<b>32.7%</b>

# Operational Performance – Q3 FY22

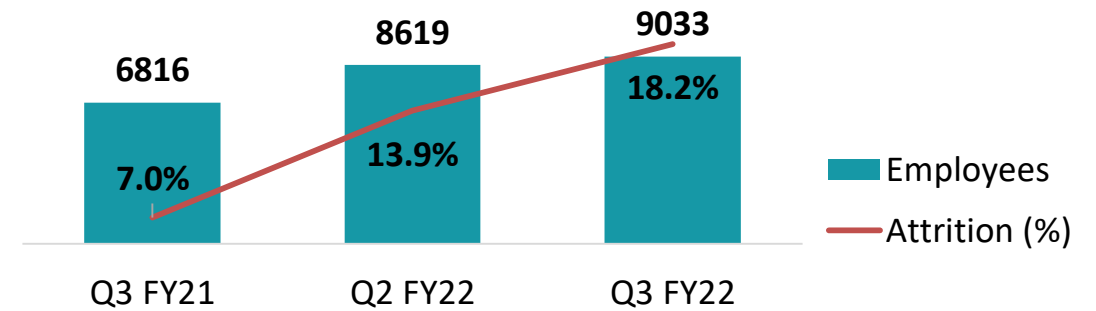
## Revenue By Geography



## Client Concentration



## Employee Metrics



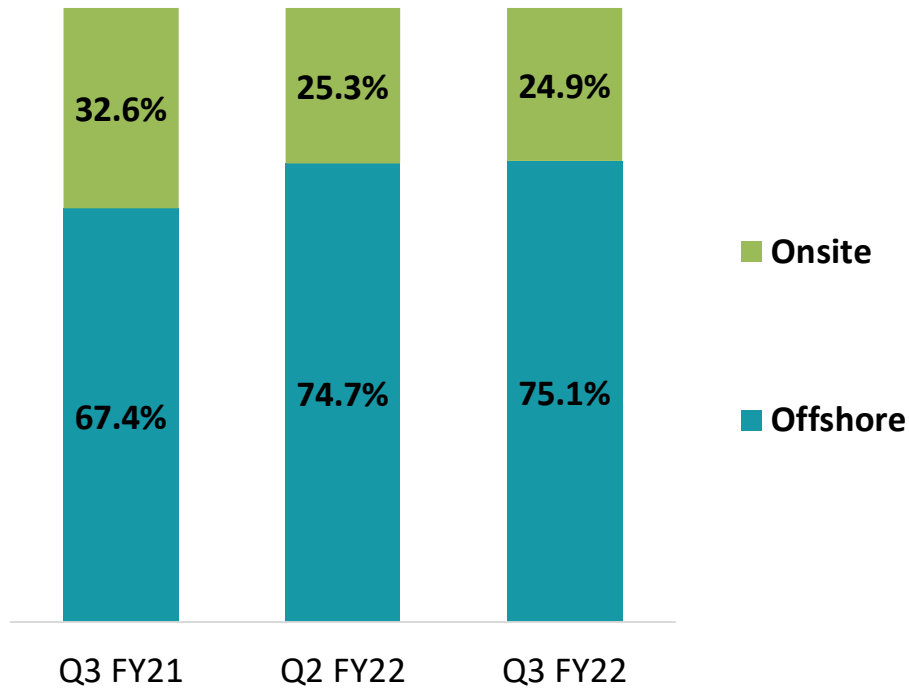


## EPD Operational Performance – Q3 FY22

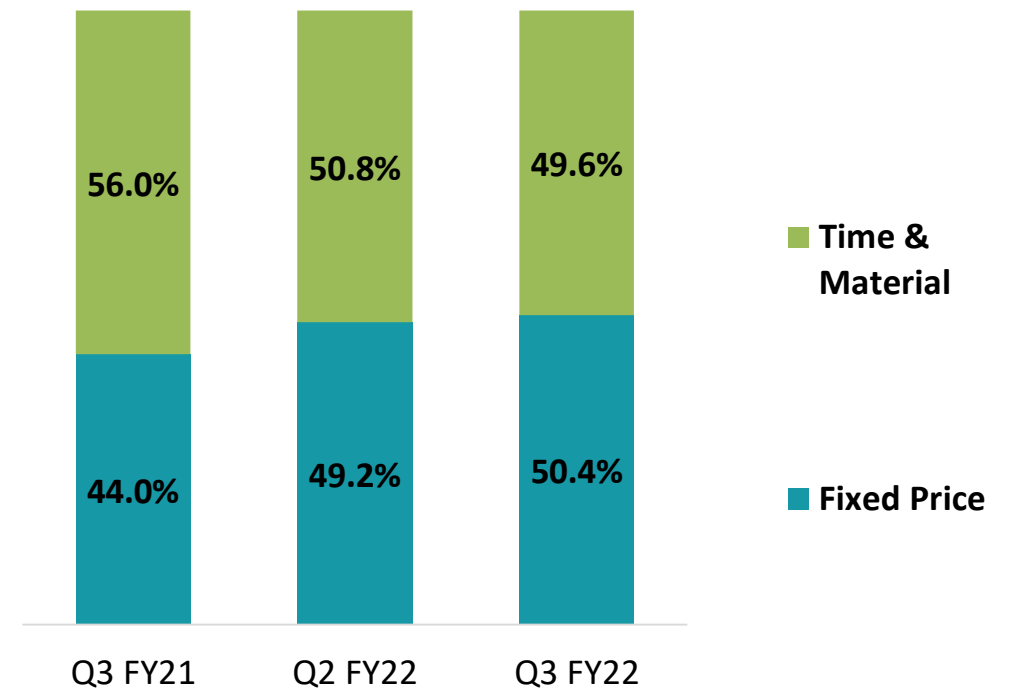
Industry Mix	Q3 FY22	Q2 FY22	Q-o-Q Growth (In CC)	Q3 FY21	Y-o-Y Growth (In CC)
Transportation	<b>41.4%</b>	41.4%	9.7%	43.0%	31.2%
Media & Communications	<b>43.7%</b>	45.1%	6.3%	45.4%	30.2%
Healthcare & Medical Devices	<b>14.9%</b>	13.4%	20.7%	11.7%	71.5%
<b>Total (Tata Elxsi)</b>	<b>100.0%</b>	<b>100%</b>	<b>9.6%</b>	<b>100.0%</b>	<b>35.4%</b>

# EPD Operational Performance – Q3 FY22

## Revenue By Onsite / Offshore Mix



## Revenue By Contract Type Mix



# TATA ELXSI



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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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