Ref. No.: TTL/COSEC/SE/2024-25/62

October 28, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001, India
Scrip Code: 544028

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051, India
Trading symbol: TATATECH

Dear Sir / Madam,

Subject: Investor/analyst presentation on financial results for the quarter and half-year ended September 30, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the investor/analyst presentation with respect to financial results for the quarter and half-year ended September 30, 2024.

The same is also being made available on the Company's website www.tatatechnologies.com.

This is for your information and records.

For **Tata Technologies Limited**

_____
Vikrant Gandhe
Company Secretary and Compliance Officer

Encl: As above

TATA TECHNOLOGIES
Tata Technologies Limited
Plot No 25, Rajiv Gandhi Infotech Park | Hinjawadi, Pune 411057 | India
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CIN L72200PN1994PLC013313
Email: investor@tatatechnologies.com
Website: www.tatatechnologies.com

TATA TECHNOLOGIES

Investor presentation
Q2 FY2025

28th Oct 2024

Scrip: BSE 544028, NSE: TATATECH

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Disclaimer

This release may include opinions and assumptions about future performance which could be considered forward-looking statements. Forward-looking statements intrinsically cover several risks and uncertainties, which may lead to a material difference between actual results and the statements themselves. Such statements comprise the company's current visibility on market movements, client discussions, and related factors. Tata Technologies Limited does not assume an obligation to update or revise any forward-looking statements.

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Leading global engineering services company

Among Top 2
Global Engineering Service Providers in Electrification[2]

#1
India-based, Global Automotive Engineering ESP[1] in Zinnov Zones for the 8th consecutive year

85%
Automotive revenue[3]

Customer NPS **66**
Among the Top 10 percentile of Tech services providers [4]

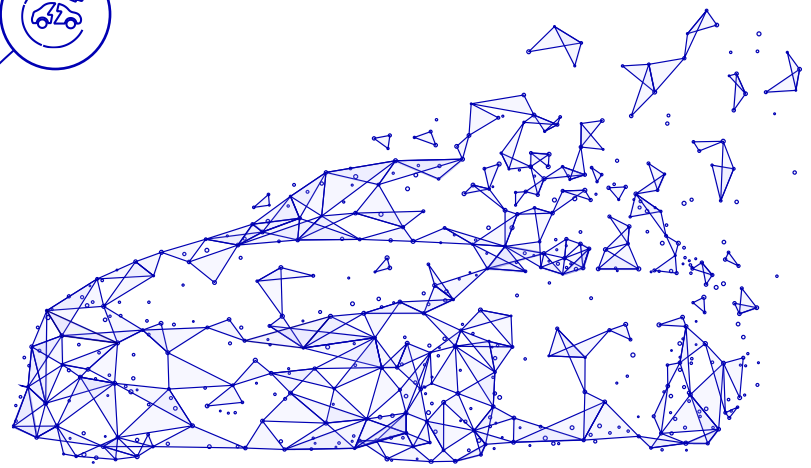
12,680
Employees[5]

2.2%
QoQ growth in INR revenue from operations[6]

INR 12.9 bn
$154.6 mn [7]
Q2'FY25 Revenue from Operations

18.2%
Q2'FY25 Operating EBITDA[8] margin

12.1%
Q2'FY25 PAT margin



Pureplay ER&D and Digital Solutions Specialist

Note: (1) ER&D Service Provider; (2) Source: Zinnov; (3) % of automotive revenue attributable to the Services segment for Q2FY25 period; (4) As sourced from Litmus World (5) FTE and contracted employees as of Sep 30, 2024 (6) Q2'25 over Q1'25; (7) Revenue from operations where the revenue from operations is accounted for on a monthly basis and converted using the average of the $ conversion rates during each month for the relevant currencies; (8) Operating EBITDA is calculated as EBITDA less other income.

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Q2'25 Financial highlights

Revenue

- Total company operating revenue at ₹12,965 million, up 2.2% QoQ
- Services segment revenue of ₹10,051 million, up 2.0% QoQ
- In USD, total operating revenue at $154.6 million
- In USD, Services segment revenues came in at $119.9 million; up 1.5% QoQ

Profitability

- Total company gross margin at 29.1%, vs. 28.2% QoQ
- Services segment gross margin at 32.3% vs. 31.1% QoQ
- Operating EBITDA at ₹2,355 million; EBITDA margin stable at 18.2% QoQ
- Net income at ₹1,574 million. Net income margin at 12.1%, vs. 12.8% QoQ

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Message from the CEO & MD and the CFO

Warren Harris
CEO and MD

"Our Services business has returned to sequential growth this quarter with a 2% increase in revenue. Our order book and pipeline remain healthy and combined with the continued positive momentum within our anchor accounts, we are confident that the second half of the fiscal year will show stronger performance compared to the first half. The long-term fundamentals of our business remains sound. I would like to express my sincere gratitude to all our employees for their unwavering dedication and commitment to delivering exceptional service to our clients.

Savitha Balachandran
CFO

"We remain focussed on maintaining a balanced approach of upholding operating discipline while strategically investing in capabilities to capitalize on the emerging opportunities in the industries of our key customer segments. Our EBITDA margin for the quarter stood at 18.2%, supported by improvements in utilization and increased offshoring. Additionally, our disciplined execution led to strong cash conversion in the first half of the year, with free cash flow to net income conversion exceeding 100%. We are committed to delivering long-term value for all our stakeholders.

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Strategic wins and new developments

Tata Technologies has been selected by an Asian Automotive OEM for a mid-cycle refresh turnkey project for two of their vehicles. These projects entail a comprehensive suite of automotive engineering services.

A European Luxury Automotive OEM has chosen Tata Technologies for the development of e-Propulsion system covering components like inverters, batteries and charging systems.

A global Tier 1 automotive leader has chosen Tata Technologies to establish an offshore development center (ODC) which will focus on developing embedded software for electric powertrain products.

For a European luxury auto OEM, we have initiated an AI Governance framework centered around key pillars like Responsible AI, use of large language models (LLMs), AI standardization, AI controls, and AI enablement.

Tata Technologies has been selected by a North American automotive Tier-1 to support their multi-year growth plans through their India-based GEC, as a part of their cost efficiency initiatives.

An Asian automotive OEM has chosen Tata Technologies to implement a comprehensive CRM platform, along with Lead Management and Dealer Management systems, aimed at delivering a unified "One Country, One Solution" approach across the client's global presence in over 16 countries.

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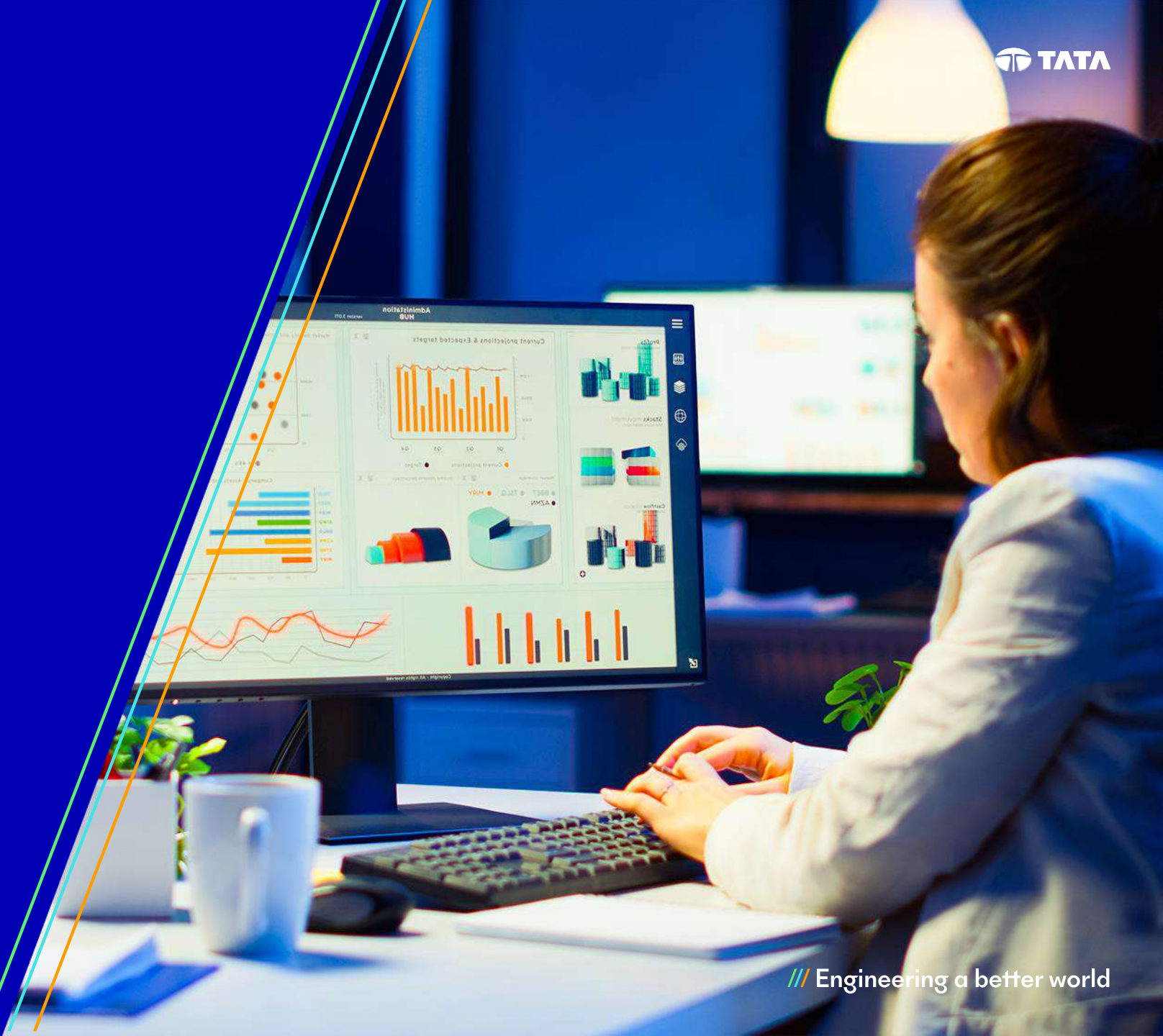
Financial & operational data



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Income statement – consolidated

IND AS

INR Mn	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY
Revenue from operations	**12,692**	**12,690**	**12,965**	**2.2%**	**2.1%**
Services Segment	9,953	9,855	10,051	2.0%	1.0%
Technology Solutions segment	2,739	2,835	2,914	2.8%	6.4%
Gross Profit	**3,428**	**3,581**	**3,776**	**5.4%**	**10.1%**
Services Segment	2,972	3,066	3,249	6.0%	9.3%
Technology Solutions segment	457	515	527	2.4%	15.4%
Operating EBITDA	**2,143**	**2,311**	**2,355**	**1.9%**	**9.9%**
EBIT	1,882	2,014	2,056	2.1%	9.3%
PBT	2,133	2,196	2,175	(1.0%)	2.0%
Net Income	**1,604**	**1,620**	**1,574**	**(2.9%)**	**(1.9%)**
EPS (diluted)	3.95	3.99	3.87	(2.9%)	(1.9%)
Margins (%)					
Gross Margin	27.0%	28.2%	29.1%		
Service Segment	29.9%	31.1%	32.3%		
Technology Solutions segment	16.7%	18.2%	18.1%		
Operating EBITDA Margin	16.9%	18.2%	18.2%		
EBIT Margin	14.8%	15.9%	15.9%		
Net Income Margin	12.6%	12.8%	12.1%		

USD Mn	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY	In Constant Currency	
						QoQ	YoY
Revenue from operations	**153.4**	**152.1**	**154.6**	**1.7%**	**0.8%**	**0.8%**	**0.5%**
Service Segment	120.4	118.1	119.9	1.5%	(0.4%)	0.3%	(1.2%)

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Q2'25 Key metrics

Services: Customer pyramid (LTM)

	Q2' 24	Q1' 25	Q2' 25
> 50 Mn	3	2	2
10-50 Mn	3	6	6
5-10 Mn	4	3	4
1-5 Mn	28	29	30

Employee metrics

	Q2' 24	Q1' 25	Q2' 25
Headcount	12,451	12,505	12,680
Voluntary attrition, LTM	16.8%	13.7%	13.1%

Headcount includes FTEs and contractors

Liquidity metrics

	Q2' 24	Q1' 25	Q2' 25
DSO : Billed + Unbilled (days)	92	84	85
Cash and Cash Equivalent ($ Mn) [1]	114.3	131.4[3]	145.3
FCF[2]	1,928	2,217	2,317

1) As on last day of the respective reporting period. Excludes restricted cash, if any
2) FCF computed as Adj. EBITDA (-) Net Capital Expenditure
3) This is after ~$49 million in dividends paid out in Q1 FY25

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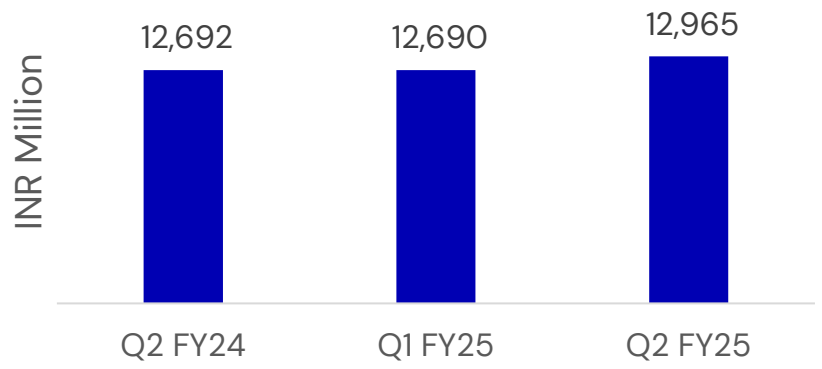
Q2'25 Financial highlights

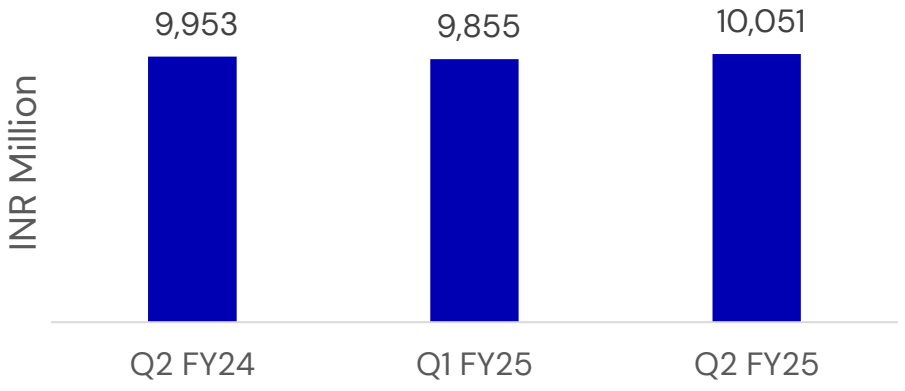
Revenue from Operations

2.1% YoY; 2.2% QoQ



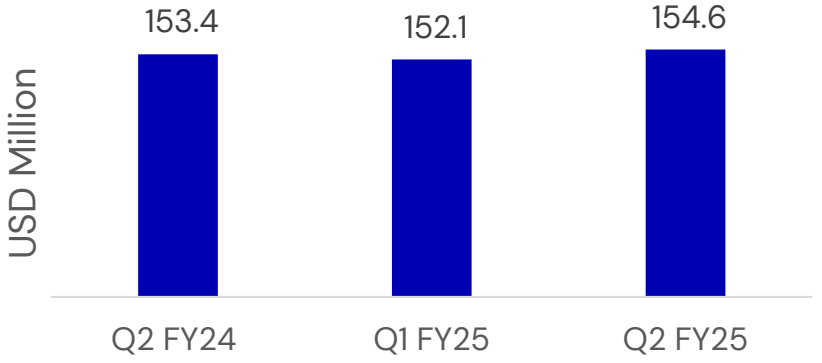
Revenue from Services Segment

1.0% YoY; 2.0% QoQ



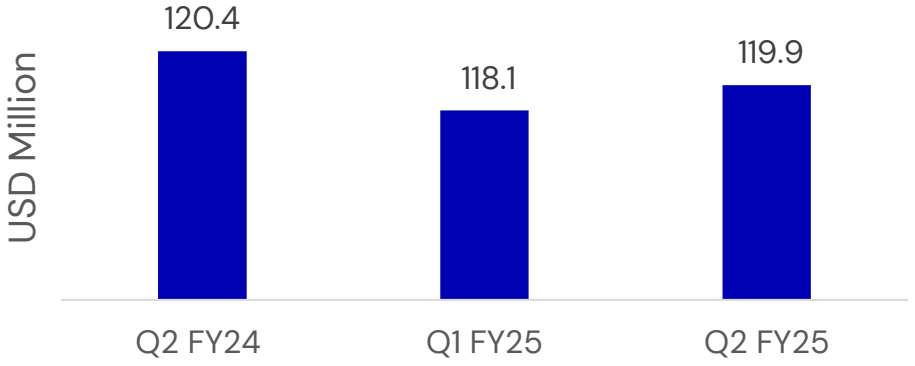
Revenue from Operations

0.8% YoY; 1.7% QoQ



Revenue from Services Segment

-0.4% YoY; 1.5% QoQ



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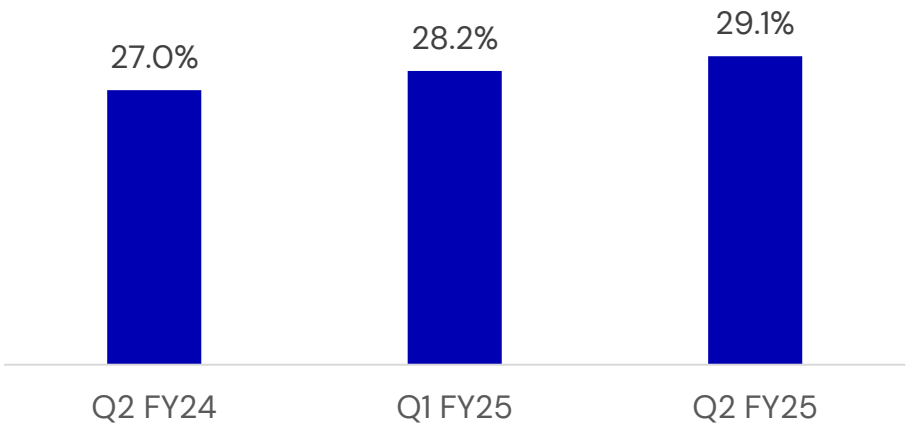
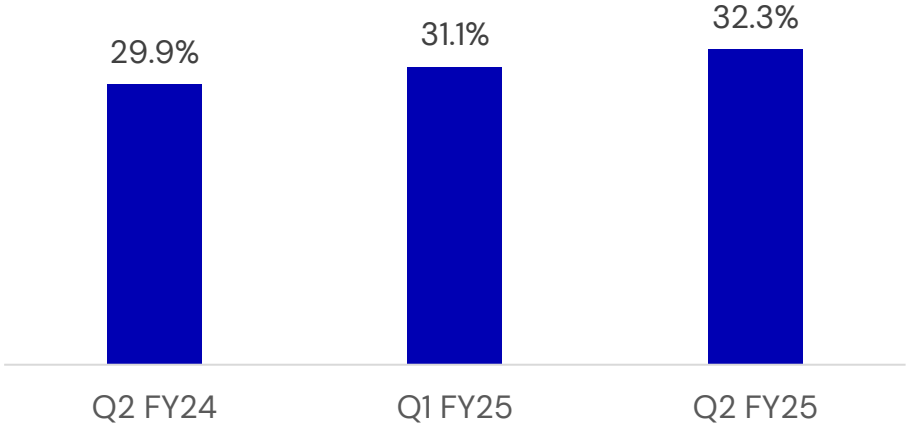
Q2'25 Financial highlights

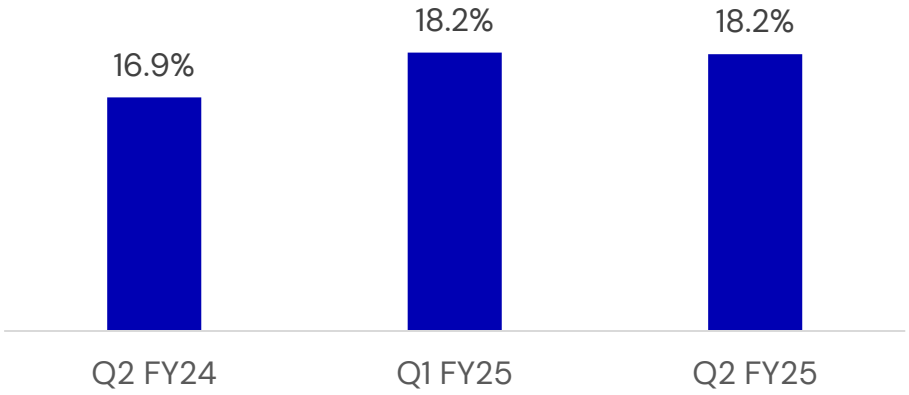
Gross Margin %



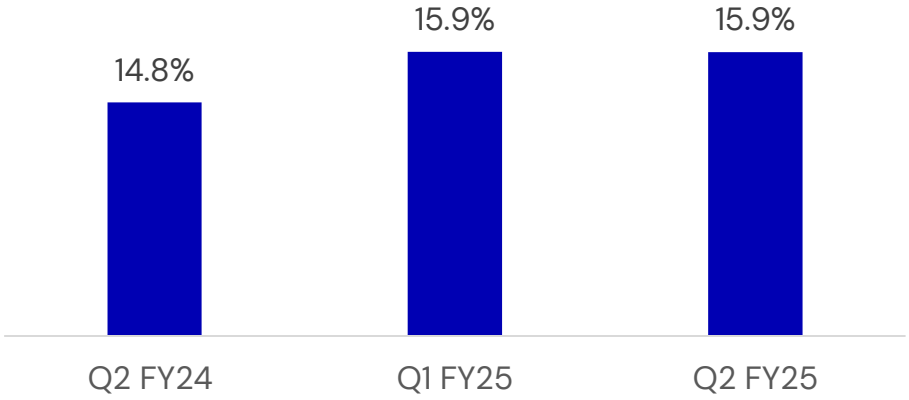
Gross Margin: Services Segment



Operating EBITDA Margin



EBIT Margin



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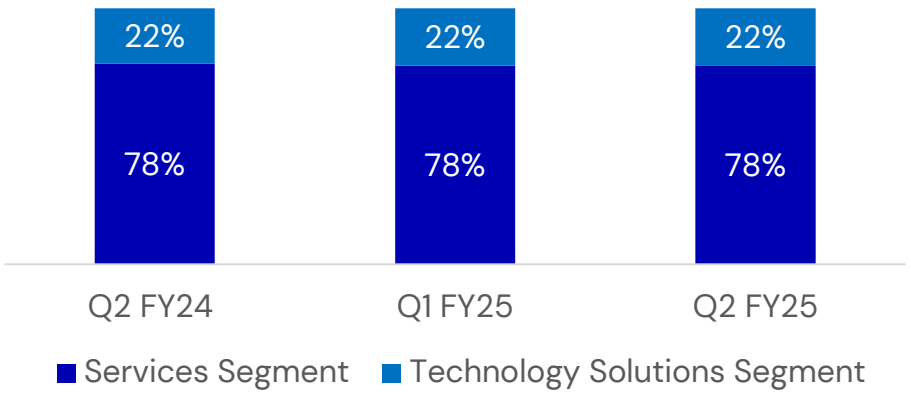
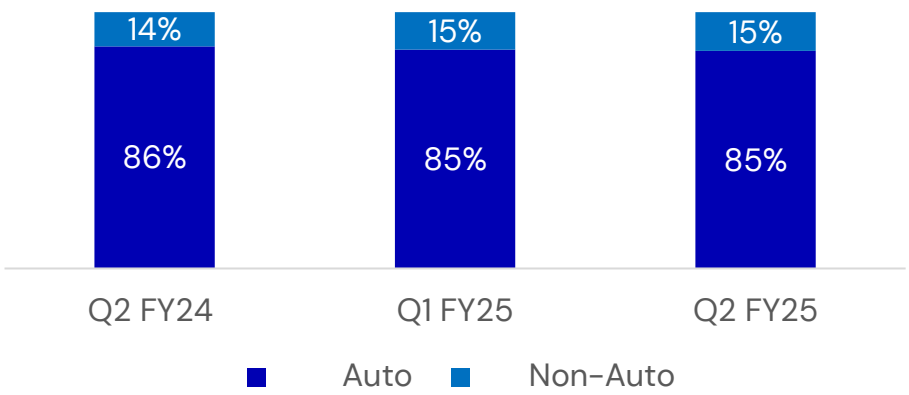
Q2'25 Financial highlights

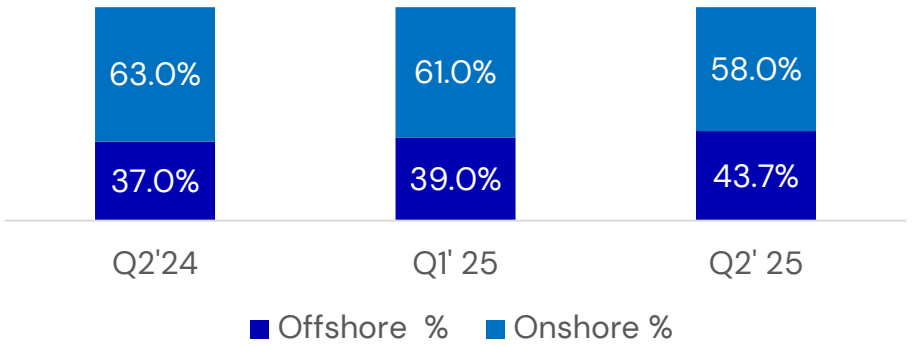
% of Operating Revenue



% of Services Segment Revenue



Revenue Mix



Offshore revenue represents Services revenue delivered from India & Romania and sourced outside India & Romania

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We're engineering a software-defined future for everyone

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#EngineeringASoftwareDefinedFuture

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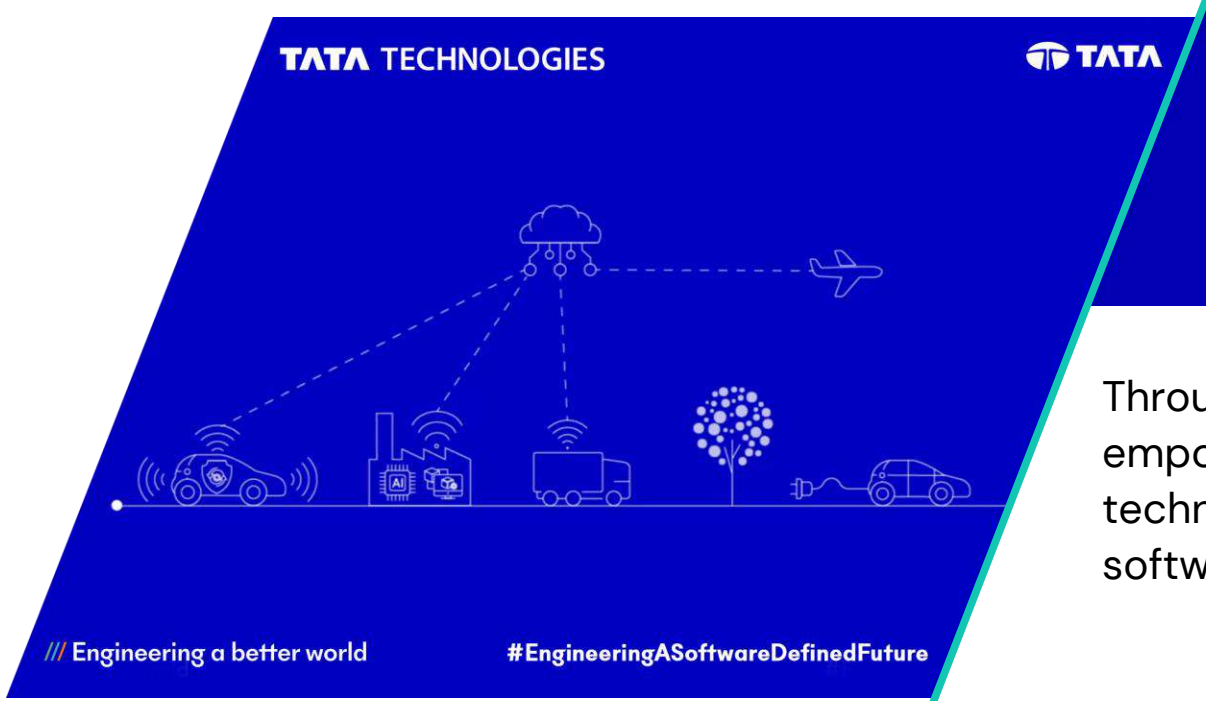
Launch of #EngineeringASoftwareDefinedFuture brand campaign

We are at the forefront of next-gen technologies, driving the shift towards software-led intelligent products. We lead innovations across SDVs, AI-powered smart manufacturing, and software-defined enterprises to create adaptive, connected, and sustainable solutions for the future.



Through our campaign, we're reinforcing our commitment to empowering the manufacturing industry with advanced technology solutions, equipping businesses to thrive in a software-driven world.

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Launch of BMW TechWorks India – Tata Technologies and BMW Group JV

We officially announced the JV BMW TechWorks India which aims to innovate automotive software, including software-defined vehicles (SDV) and digital transformation solutions for business IT. This JV re-enforces our automotive software and digital engineering capability towards software-defined solutions.

Strategic Indian talent centres – Pune, Bengaluru and Chennai – will become part of BMW Group's global network of software and IT hubs

Rapid growth to a four-digit number of employees is planned by the end of 2025

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Thought Leadership towards #engineeringASoftwareDefinedFuture

Establishing industry leadership with over 30 years of expertise, we are driving the shift to software-defined engineering, transforming automotive aerospace and IHM industries with advanced AI Smart Manufacturing and Software-Defined Vehicle solutions

PIM

How Tata Technologies is Helping Automobile Companies Build AI-Powered Cars

Modern cars have evolved significantly in the last few years and we have seen a software-oriented approach replacing the traditional hardware-centric approach in automobiles. Tata Technologies signed a Memorandum of Understanding (MoU) with TiHAN IIT Hyderabad to develop Software Defined Vehicles (SDV) and ADAS.

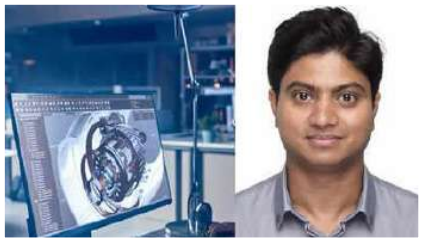
AUTOCAR professional

Computer Aided Engineering Simulation Solutions for SDVs on Cloud

The significant reduction in the number of parts in an electric vehicle, has led to modular architecture, which gives multiple advantages to an OEM to design and manufacture.

THE TIMES OF INDIA

Software Defined Vehicles (SDV) – Shift in Vehicle Cybersecurity



Automotive OEMs are transitioning to Software Defined Vehicles (SDVs) driven by safety and sustainability, facing cybersecurity challenges. The market for SDVs is expected to reach USD 210.88 billion by 2032, shaping the future of the automotive industry.

AUTOCAR professional

How OEMs can leverage SDVs to stay ahead of the curve

The USD 3.6 trillion global automotive industry is undergoing a transformative shift towards Software-Defined Vehicles (SDVs), signalling a new era where software takes precedence over hardware.

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Air India and Tata Technologies collaborate to transform the Air India aircraft interiors for enhancing travel experience

The collaboration between Tata Technologies and Air India will significantly enhance the overall travel experience by tailoring modifications and upgrades to meet specific customer needs with futuristic, functional interiors

The collaboration will also streamline Air India's operations, improve safety and reliability, and support the Government of India's Atmanirbhar Bharat initiative.

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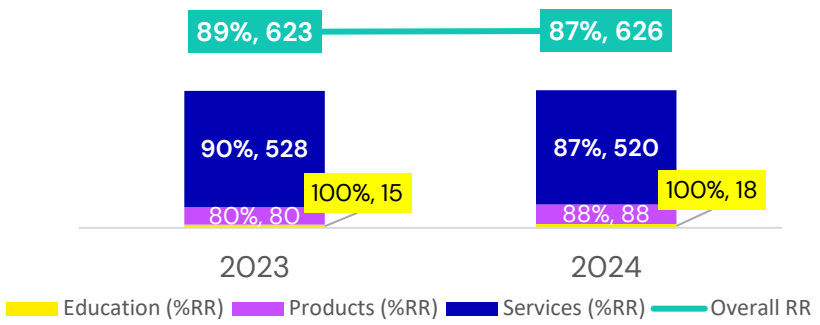
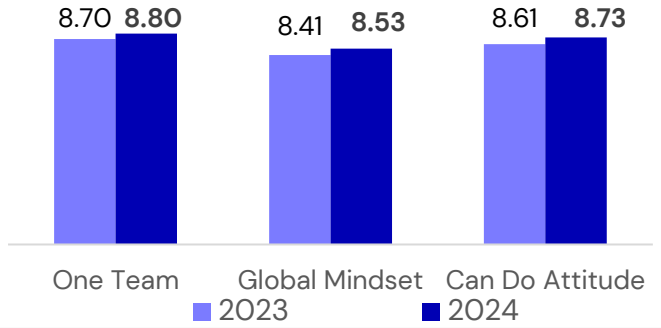
Engineering customer success through our One Team with Customers approach

Customer NPS feedback Scores & Responses



Living Core Values – Feedback scores



Comparison with Industry

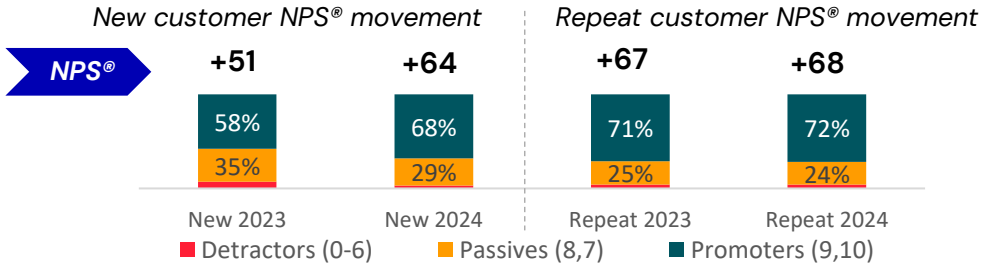
Industry Average – Technology Services	TTL NPS – 2024
+42[1]	+66

TTL NPS® seen to be in the top 10%ile among technology services players

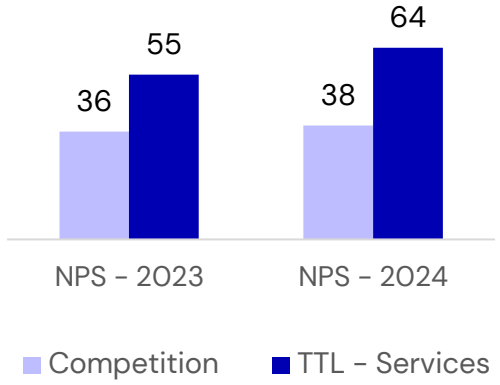
NPS and trend

Engagement	2023	2024
Services	+55	**+64**
Products	+75	**+74**
Education	+100	**+89**
Overall	**+58**	**+66**

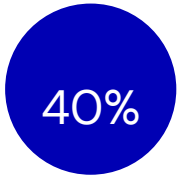
Rating Distribution; increased promoter ratings observed especially from new customers



Competition NPS® - Services, as rated by customers



Perceived change in Share of Wallet(SOW) based on customer feedback



% of respondents (197) citing increase in share of wallet over the past 1 year

1) As sourced from Litmus World

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About Tata Technologies

Tata Technologies (BSE: 544028, NSE: TATATECH) is a global product engineering and digital services company focused on fulfilling our mission of helping the world drive, fly, build, and farm by enabling our customers to realize better products and deliver better experiences. We are the strategic engineering partner businesses turn to when they aspire to be better. Manufacturing companies rely on us to enable them to conceptualize, develop and realize better products that are safer, cleaner, and improve the quality of life for all the stakeholders, helping us achieve our vision of #EngineeringABetterWorld.

For more, visit us at https://www.tatatechnologies.com/ or learn more here. Follow us on Instagram, LinkedIn, Twitter, Facebook and YouTube for the latest updates.

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