



Investor presentation Q4 FY2024

3rd May 2024

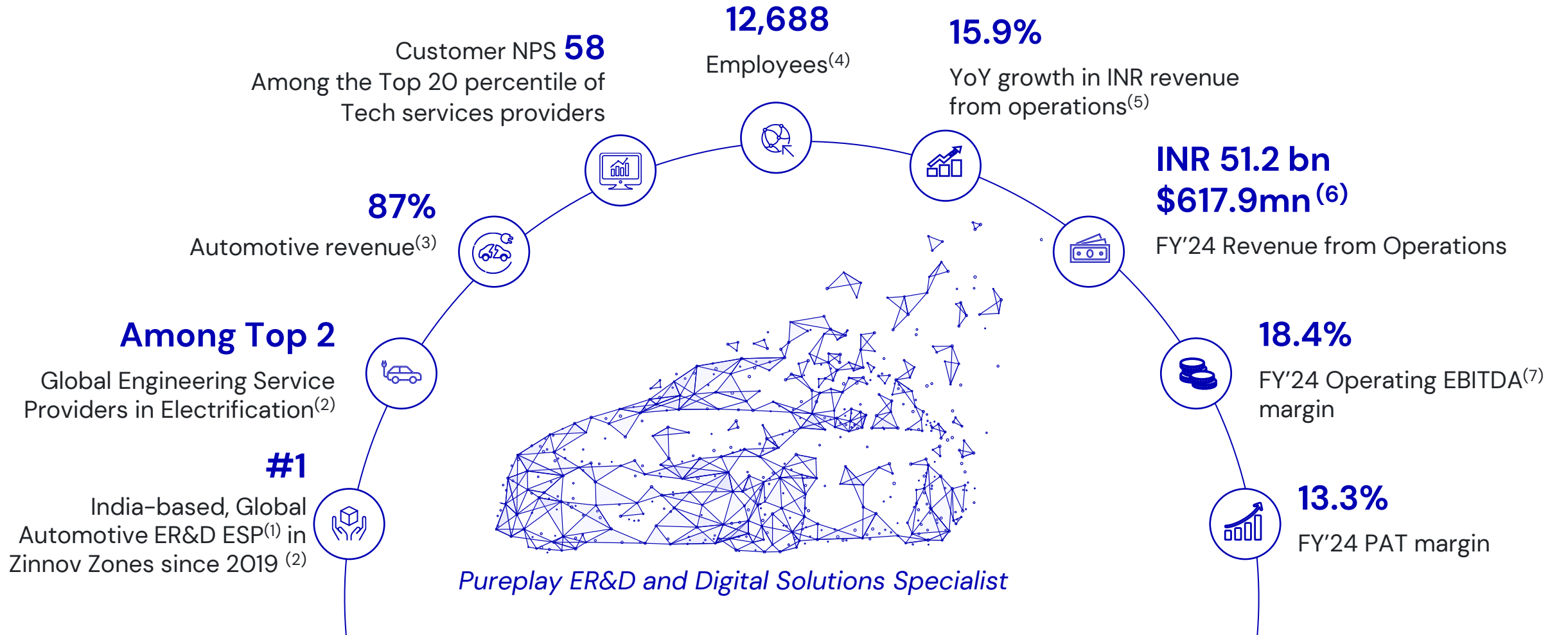
Scrip: BSE 544028, NSE: TATATECH



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.

Leading global engineering services company



Note: (1) ER&D Service Provider; (2) Source: Zinnov; (3) % of automotive revenue attributable to the Services segment for FY24 period; (4) FTE and contracted employees as of Mar 31, 2024 (5) FY24 over FY23; (6) 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; (7) Operating EBITDA is calculated as EBITDA less other income.

FY'24 Financial highlights



Revenue

- Total operating revenue at ₹51,172 million, up 15.9% YoY
- Services segment revenue of ₹39,826 million, up 12.8% YoY
- In USD, total operating revenue at \$617.9 million, up 13.0% YoY; and in constant currency up 12.6% YoY
- In USD, Services segment revenues came in at \$483.3 million; up 10.3% YoY; and in constant currency up 9.2% YoY



Profitability

- Total company gross margin at 28.4%, vs. 28.6% YoY
- Services segment gross margin at 31.5% vs. 30.7% YoY
- Operating EBITDA at ₹9,413 million; EBITDA margin at 18.4%, vs. 18.6% YoY (adj.). Net income at ₹6,794 million; Net margin at 13.3%
- Proposed a final dividend of ₹8.40 and a special dividend of ₹ 1.65 per equity share

Q4 FY'24 Financial highlights



Revenue

- Total operating revenue at ₹13,010 million, up 0.9% QoQ
- Services segment revenue of ₹9,951 million, down -0.6% QoQ
- In USD, total operating revenue at \$156.6 million, up 1.2% QoQ; and in constant currency up 0.3% QoQ
- In USD, Services segment revenues came in at \$120.2 million; flat QoQ ; and in constant currency, down -1.0% QoQ



Profitability

- Total company gross margin at 28.3%, vs. 28.4% QoQ and 25.7% YoY
- Services segment gross margin at 31.4% vs. 31.8% QoQ and 29.3% YoY
- Operating EBITDA at ₹2,400 million; EBITDA margin at 18.4%, vs. 18.3% QoQ (adj.) and 17.3% YoY
- Net income at ₹1,572 million

Message from the CEO & MD and the CFO



Warren Harris
CEO and MD

“ I am delighted with the way our business performed in FY24 with revenue growth of 15.9% and a 15% growth in operating EBITDA. In the last 3 years, our revenue from operations has grown at 29% CAGR while Operating EBITDA grew at a 35% CAGR. We closed a total of 12 large deals in FY24 which included one \$50 Mn plus deal, and five deals in the \$15 to \$25 Mn range. Our large deal pipeline remains healthy and continues to grow. We are currently engaged in a number of large deal discussions with existing and new customers and anticipate an uptick in deal conversions in the current quarter. We continue to lead our industry in Gen AI and Software Defined Devices (SDx) services – as evidenced by the endorsement that we have received from BMW. I am incredibly grateful to the almost 13,000 people of Tata Technologies, who remain committed to helping our customers engineer a better world.



Savitha Balachandran
CFO

“ We will continue to follow a balanced approach of exercising operational discipline while strategically investing in capacity and capabilities to seize the opportunity presented by the industry’s structural transformation. Ending the year with a robust EBITDA margin of 18.4% and strong liquidity underscores our focus on efficiency and prudent management of resources. Overall, I am pleased with our execution in FY24 and, also with having delivered over 18% margins consistently over the last three consecutive years, in-line with our stated aspiration. We are excited about our prospects in FY25 and remain committed towards creating long-term shareholder value.

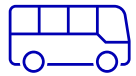
Strategic wins and new developments



Tata Technologies and BMW have signed a strategic Joint Venture Agreement with an aim to collaborate for the development of Automotive Software and Business IT solutions



Tata Technologies has renewed its engineering center contract and won strategic deals in AMR Controls and Embedded Software with a leading global designer and manufacturer of access equipment based in North America



A leading North American bus manufacturer has onboarded Tata Technologies as its Strategic Engineering partner towards “Engineering support services” engagement



A premium UK-based global automotive original equipment manufacturer (OEM) has partnered with Tata Technologies to implement “Manufacturing Execution Solutions” for a modern luxury electric car



Tata Technologies has inked a 5-year Memorandum of Understanding (MoU) with the Telangana government for the establishment of “Advanced Technical Skill Training Centers” in 65 Industrial Training Institutes in the state



Financial & operational data



Income statement – consolidated

IND AS

INR Mn	Q4 FY'23	Q3 FY'24	Q4 FY'24	QoQ	YoY	FY'23	FY'24	YoY
Revenue from operations	14,024	12,895	13,010	0.9%	(7.2%)	44,142	51,172	15.9%
Services Segment	9,740	10,012	9,951	(0.6%)	2.2%	35,312	39,826	12.8%
Technology Solutions segment	4,284	2,883	3,060	6.1%	(28.6%)	8,830	11,346	28.5%
Gross Profit	3,600	3,663	3,680	0.4%	2.2%	12,609	14,540	15.3%
Services Segment	2,853	3,183	3,123	(1.9%)	9.5%	10,852	12,557	15.7%
Technology Solutions segment	747	481	557	15.8%	(25.5%)	1,757	1,983	12.9%
Operating EBITDA	2,427	2,366	2,400	1.4%	(1.1%)	8,210	9,413	14.7%
EBIT	2,177	2,094	2,110	0.8%	(3.1%)	7,264	8,354	15.0%
PBT	2,604	2,350	2,308	(1.8%)	(11.4%)	7,962	9,321	17.1%
Net Income	2,166	1,702	1,572	(7.6%)	(27.4%)	6,241	6,794	8.9%
EPS (diluted)	5.33	4.19	3.87	(7.6%)	(27.4%)	15.37	16.72	8.8%

Margins (%)

Gross Margin	25.7%	28.4%	28.3%			28.6%	28.4%
Service Segment	29.3%	31.8%	31.4%			30.7%	31.5%
Technology Solutions segment	17.4%	16.7%	18.2%			19.9%	17.5%
Operating EBITDA Margin	17.3%	18.3%	18.4%			18.6%	18.4%
EBIT Margin	15.5%	16.2%	16.2%			16.5%	16.3%
Net Income Margin	15.4%	13.2%	12.1%			14.1%	13.3%

Operational performance

USD Mn	Q4 FY'23	Q3 FY'24	Q4 FY'24	QoQ	YoY	In Constant Currency	
						QoQ	YoY
Revenue from operations	170.4	154.8	156.6	1.2%	(8.1%)	0.3%	(9.3%)
Service Segment	118.7	120.2	120.2	0.0%	1.3%	(1.0%)	(0.5%)

USD Mn	FY'23	FY'24	YoY	In Constant Currency
				YoY
Revenue from operations	547.0	617.9	13.0%	12.6%
Service Segment	438.3	483.3	10.3%	9.2%

Q4'24 Key metrics

Services: Customer pyramid (LTM)

	Q4' 23	Q3' 24	Q4' 24
> 50 Mn	3	3	3
10-50 Mn	3	3	5
5-10 Mn	1	4	3
1-5 Mn	27	29	30

Employee metrics

	Q4' 23	Q3' 24	Q4' 24
Headcount	11,616	12,623	12,688
Voluntary attrition, LTM	21.7%	15.4%	14.5%

Headcount includes FTEs and contractors

Liquidity metrics

	Q4' 23	Q3' 24	Q4' 24
DSO : Billed + Unbilled (days)	87	95	83
Cash and Cash Equivalent (\$ Mn) ⁽¹⁾	180.0	126.5	146.3
FCF ⁽²⁾	2,222	2,198	2,124

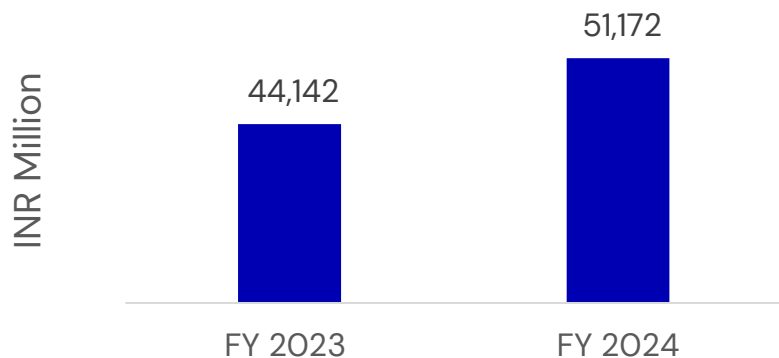
1) As on last day of the respective reporting period. Excludes restricted cash, if any

2) FCF computed as Adj. EBITDA (-) Net Capital Expenditure

FY'24 Financial highlights

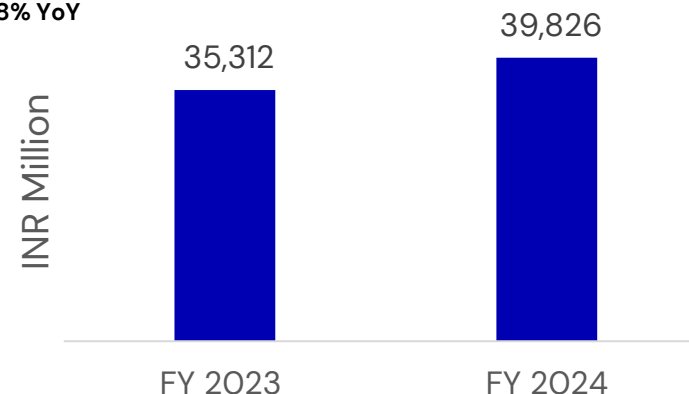
Revenue from Operations

+15.9% YoY



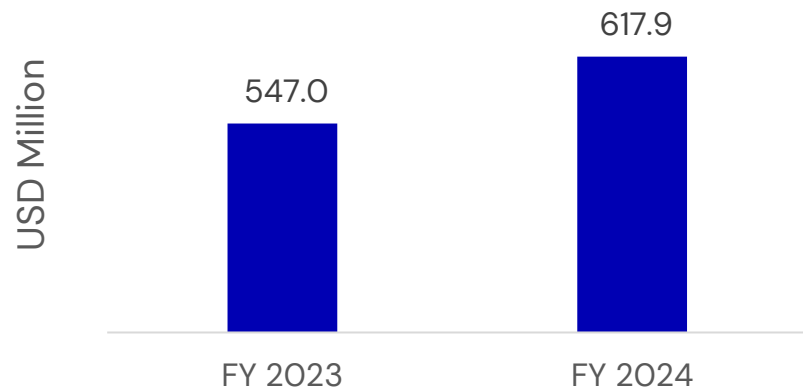
Revenue from Services Segment

+12.8% YoY



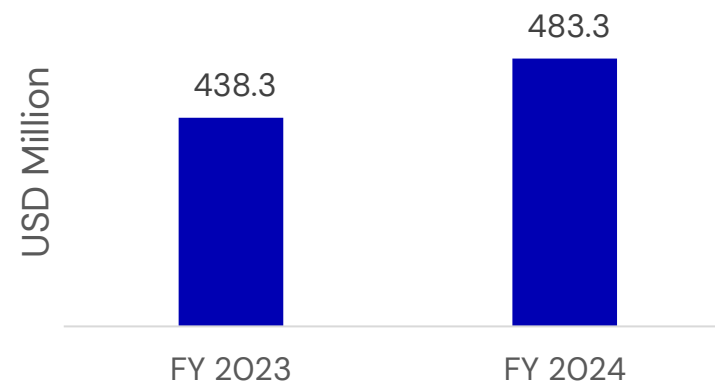
Revenue from Operations

+13.0% YoY



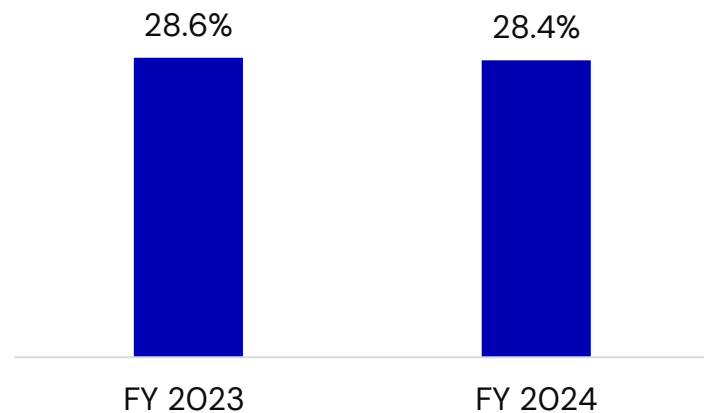
Revenue from Services Segment

+10.3% YoY

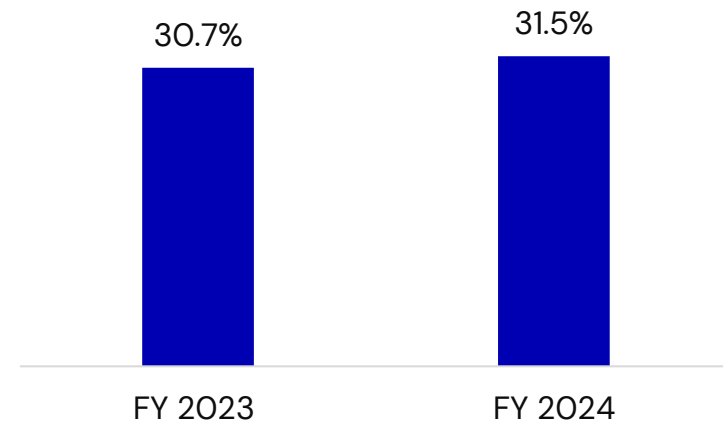


FY'24 Financial highlights

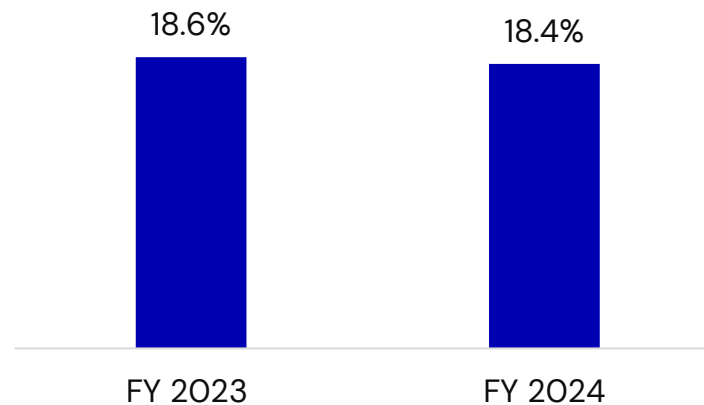
Gross Margin %



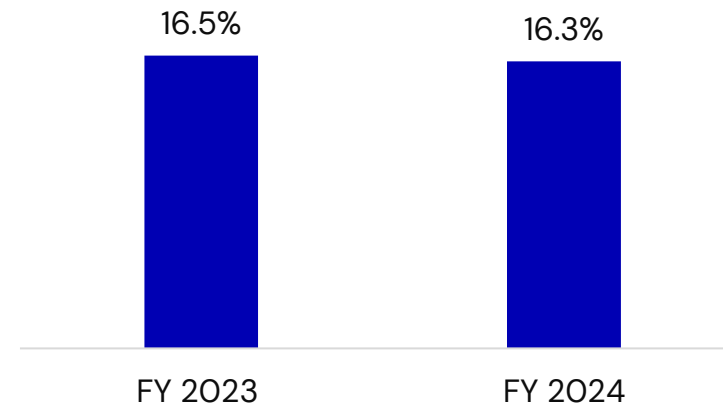
Gross Margin: Services Segment



Operating EBITDA Margin

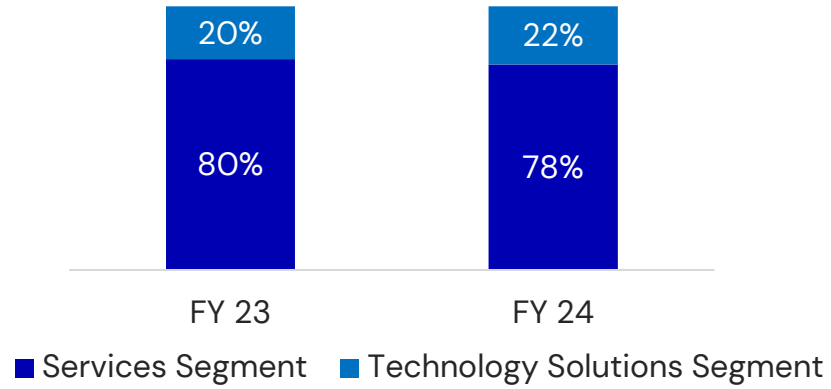


EBIT Margin

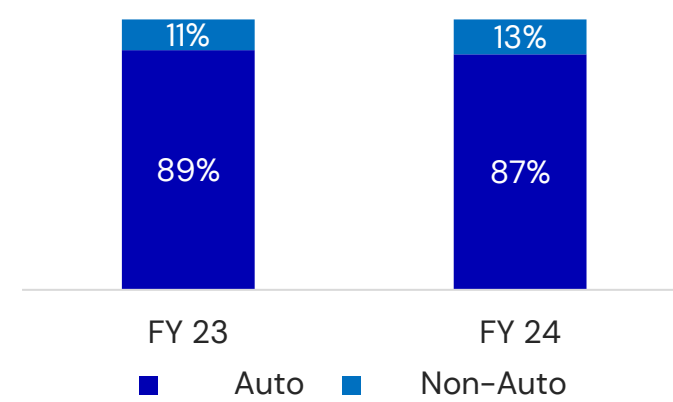


FY'24 Financial highlights

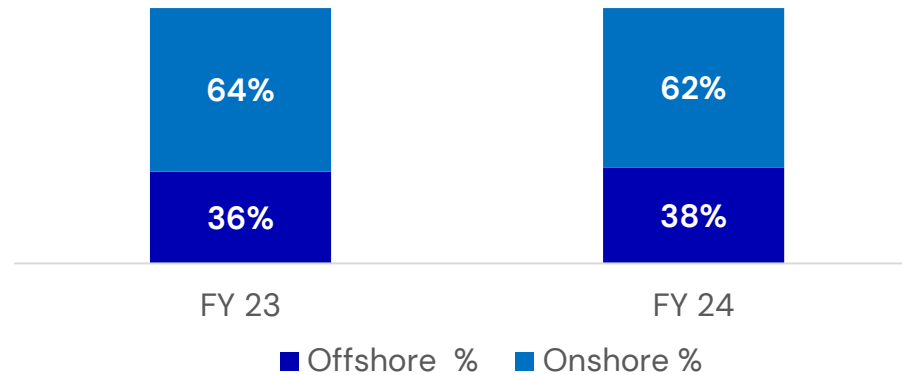
% of Operating Revenue



% of Services Segment Revenue

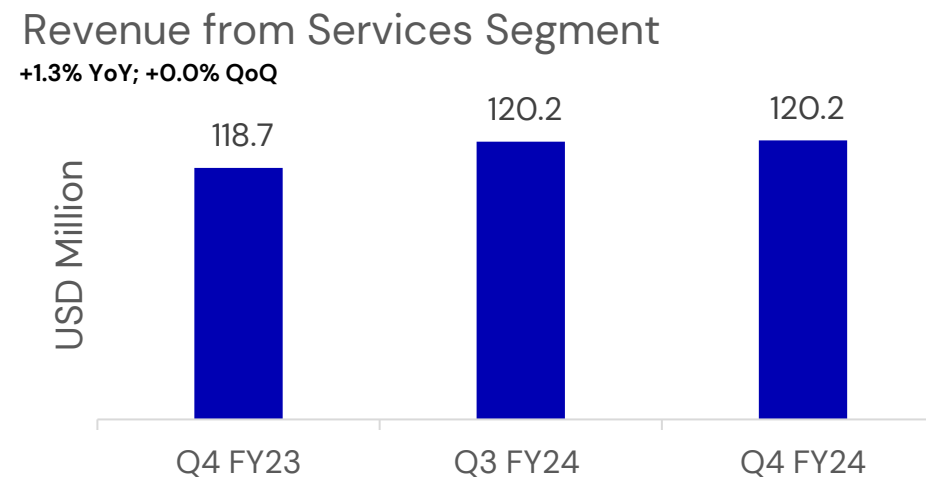
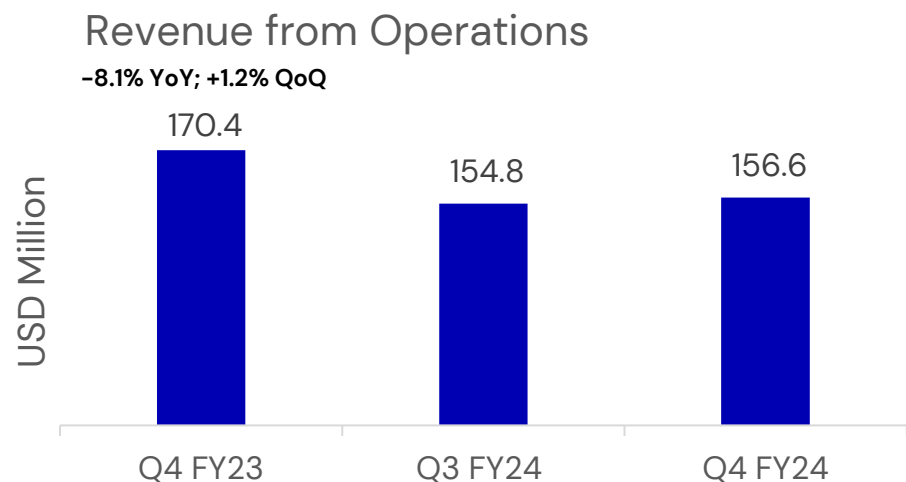
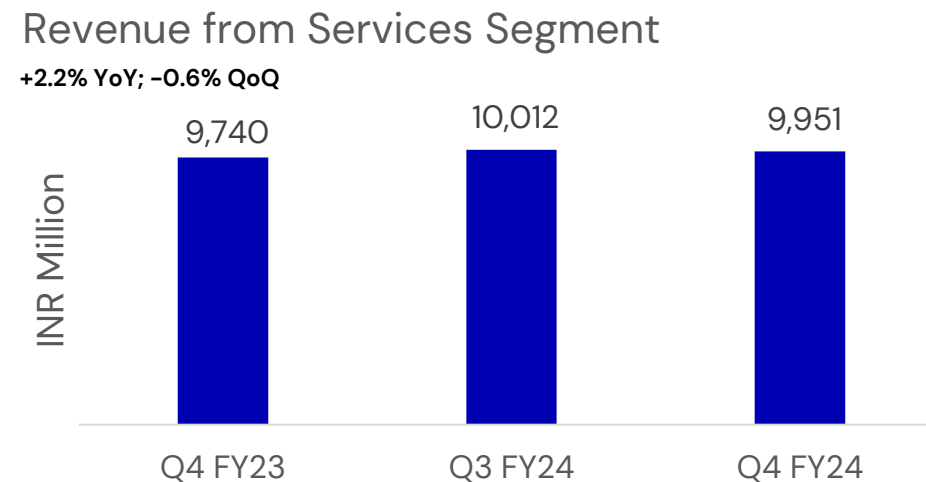
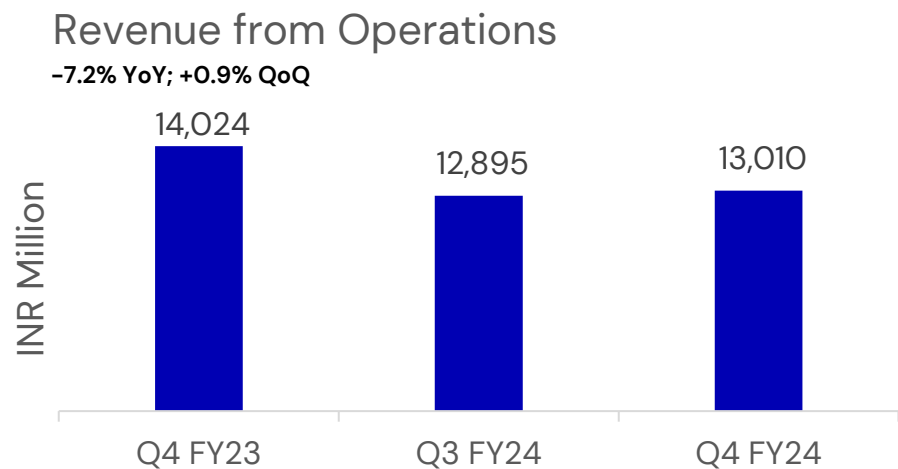


Revenue Mix



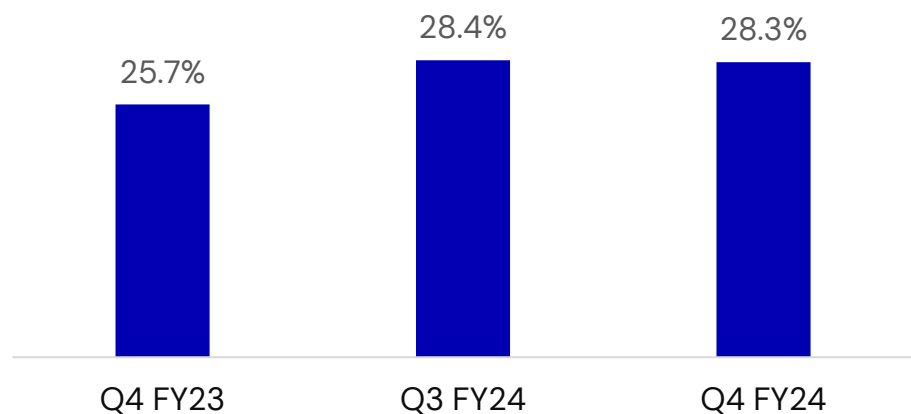
Offshore revenue represents Services revenue delivered from India & Romania and sourced outside India & Romania

Q4 FY'24 Financial highlights

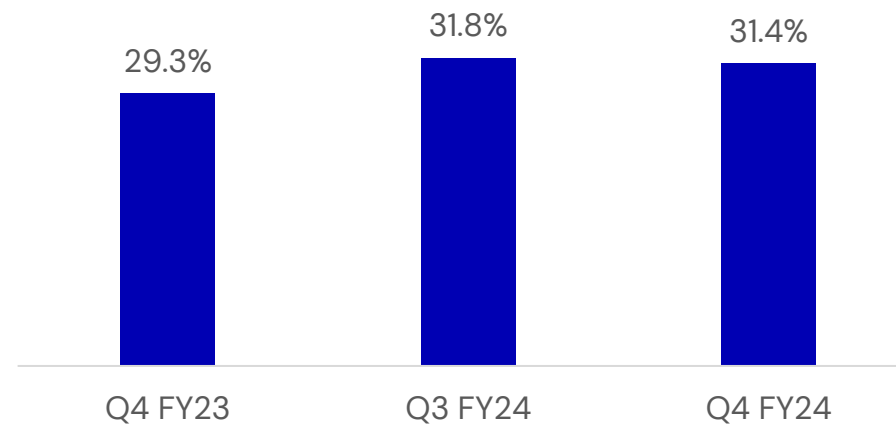


Q4 FY'24 Financial highlights

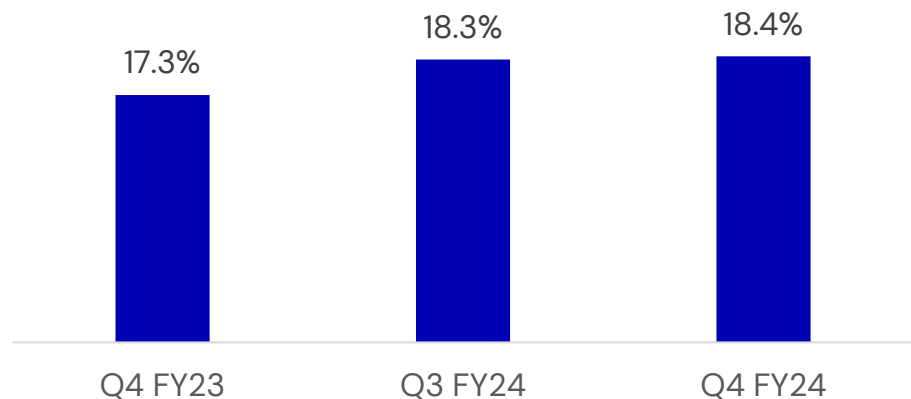
Gross Margin



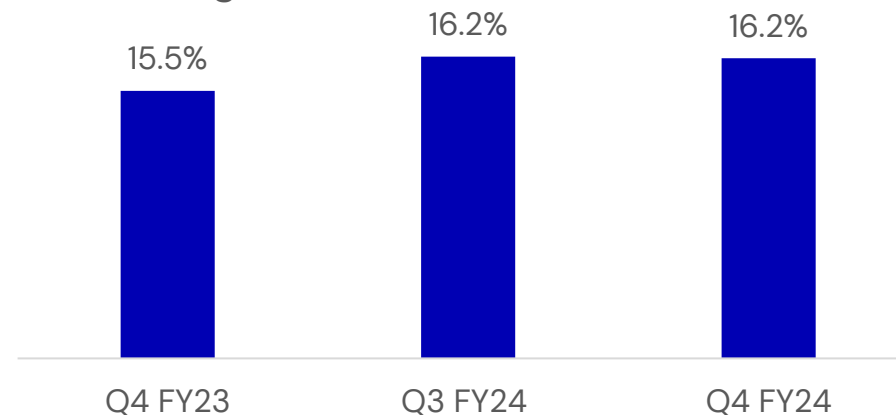
Gross Margin: Services Segment



Operating EBITDA Margin

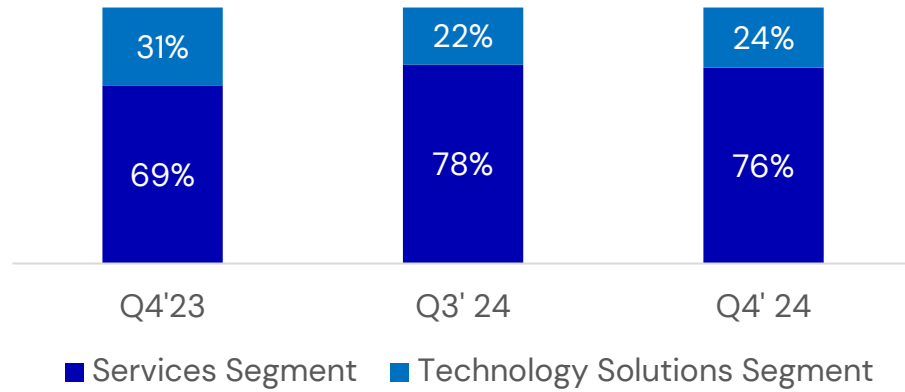


EBIT Margin

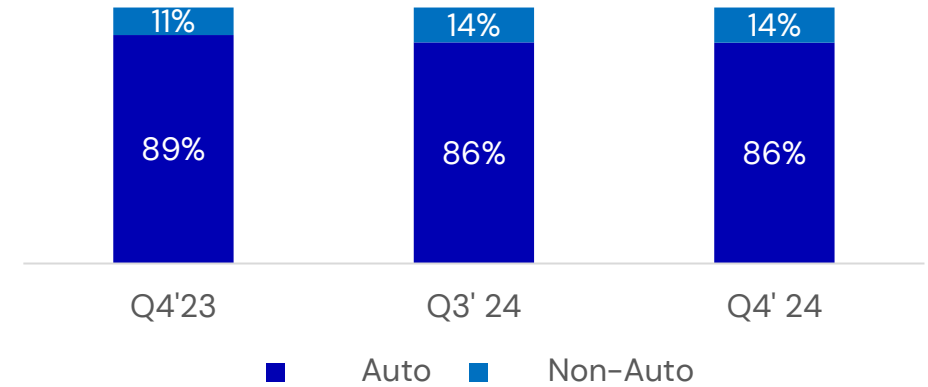


Q4 FY'24 Financial highlights

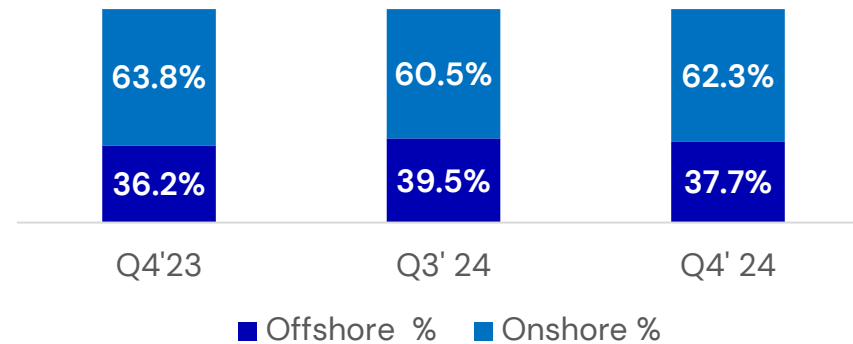
% of Operating Revenue



% of Services Segment Revenue



Revenue Mix



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



Innovating solutions to deliver customer value



JV with BMW Group for automotive software, SDV & business IT solutions

The new Joint Venture (JV) will deliver automotive software, including software-defined vehicle (SDV) solutions for BMW Group's premium vehicles and digital transformation solutions for its business IT



Seen in the photograph are senior leaders from the BMW Group and Tata Technologies during the joint venture signing ceremony at Bombay House



Group photograph featuring senior leaders from Tata Technologies along with BMW Group senior officials during the JV sign-off celebration event at our Pune Hinjewadi campus

The JV will commence operations with 100 talented Innovators and intends to grow quickly to a four-digit number in the following years. The JV will become part of BMW Group's global network of software and IT hubs

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.

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