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Tata Elxsi Q2 FY25 Results Key Highlights

- Q2 Consolidated Revenue up 8% YoY and Net Profit up 14.7%
- Except Transportation, decline in revenue from Media & Communication and Healthcare QoQ. Transportation contribution to total revenue is 55.7% in Q2
- Contribution of India in Total revenue is rising which shown a growth of 31.2% YoY. Company also working to raise revenue from Japan. Revenue from Japan and emerging market shown a growth of 81.9%.
- Mgt agreed about the slowdown in global auto industry but based on their deal wins they are expecting good quarter going ahead.
- Revenue contribution from US has fallen from 39.6% to 30.3% YoY. Contribution from RoW is also rising from 4.9% to 8.3% YoY

Observation

1. Other Key verticals are declining and growth is coming from Transportation but going forward Global Auto industry is not looking into good shape due to slowdown in sales. This could be risk going forward.
2. Dependency on US is declining but rising sales from Japan and other emerging market can be future growth lever for company.
3. Market did not like the results much. Post result stock movement has hinted the same.