TATA ELXSI

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Research Report

TATA ELXSI LIMITED

Prepared By-

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About

Tata Elxsi is a design and technology services company and a part of the Tata Group. Founded in 1989, the company is headquartered in Bengaluru, India. It provides engineering, product design, and digital technology solutions to industries such as automotive, media, healthcare, and telecommunications. Tata Elxsi helps businesses develop advanced technologies using Artificial Intelligence (AI), Internet of Things (IoT), cloud computing, and embedded systems. The company is widely recognized for its strong focus on innovation and product engineering services worldwide.

Business Segments

Segment Revenue Contribution (%) Q1 FY27

- Transportation: 55.3%
- Media & Communications: 33.4%
- Healthcare & Life Sciences: 9.2%
- Others: 2.1%

Transportation leads Tata Elxsi's business, complemented by strong contributions from Media & Communications, Healthcare & Life Sciences, and emerging solutions

Synopsis of Financials

Synopsis of Results (FY26)

- **Revenue: ₹3,757 Cr | +0.8%**
- **EBITDA: ₹846.8 Cr | 22.5%**
- **PBT: ₹920.8 Cr | -10.5%**
- **PAT: ₹628.4 Cr | -19.9%**
- **Operating Cash Flow: ₹664 Cr | -18.2%**
- **EPS: ₹100.89 | -19.9%**

Tata Elxsi delivered modest revenue growth but lower profitability in FY26, reflecting a challenging global technology-spending environment. Operating revenue increased to ₹3,757.4 crore, up 0.8% YoY. EBITDA stood at ₹846.8 crore, with an EBITDA margin of 22.5%. PBT before exceptional items was ₹920.8 crore, while PAT before exceptional items was ₹698.6 crore.

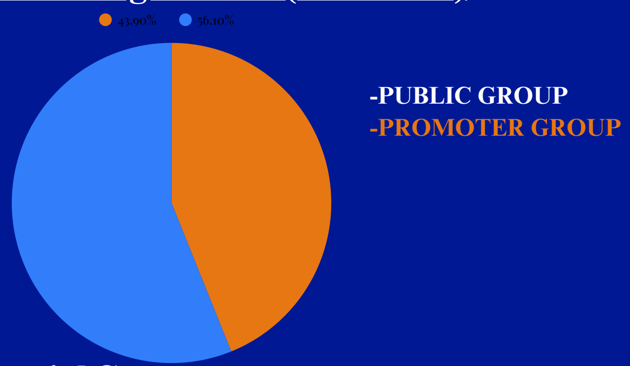
Source: Company Annual Report

Stock data (as 26th Aug 2026)

Nifty Price	: 24350.00
52 week High (in Rs.)	: 5,950.00
52 week Low (in Rs.)	: 3,353.90
Market Cap. (in Crore)	: 22,754.91
NSE Code	: INE670A01012

Stock data

Shareholding Pattern (June 2026)



Financial Summary

Particulars	Mar-2024	Mar-2025	Mar-2026
Sales	3,552	**3,729**	**3,757**
Sales Growth %	12.96%	4.98%	**0.76%**
Expenses	2,505	2,755	**2,909**
Operating Profit	**1,047**	**974**	**848**
OPM %	29%	26%	23%
Net Profit	**792**	**785**	**628**
EPS in Rs	127.21	126.03	100.88

Quaterly Results

Particular	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Sales -	939	908	892	918	953	994	1,021
YOY Sales Growth %	2.73%	0.26%	-3.71%	-3.87%	1.52%	9.40%	14.46%
Expenses +	693	701	705	725	731	749	805
Operating Profit	247	208	187	193	222	245	216
OPM %	26%	23%	21%	21%	23%	25%	21%
Other Income +	40	43	38	49	-50	51	41
Interest	5	5	5	4	4	4	3
Depreciation	26	25	24	23	23	23	22
Profit before tax	256	221	196	215	146	268	232
Tax %	22%	22%	26%	28%	26%	18%	27%
Net Profit +	199	172	144	155	109	220	171
EPS in Rs	31.95	27.68	23.18	24.85	17.48	35.37	27.38

Source: Screener

Key Ratios

Ratio	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025
Current Ratio (in times)[1]	Total current assets	Total current liabilities	3.92	5.28
Debt-Equity Ratio (in times)[2]	Total debt consist of Lease liabilities	Total equity	0.05	0.07
Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profi after taxes + Non-cash operating expenses + finance cost + Other non-cash adjustments	Debt service = Interest & lease payments	11.20	14.84
Return on Equity Ratio (in%)[3]	Net Profit for the year	Average total equity	21.30	29.26
Trade Receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.66	3.84
Trade payables turnover ratio (in times)	Cost of materials consumed + Changes in inventories of stock-in-trade + Other expenses	Average trade payable	5.97	6.80

Source: Annual Report

Yearly Results

Particulars	Mar-23	Mar-24	Mar-25	Mar-26
Equity Capital	62	62	62	62
Reserves	2,023	2,443	2,798	2,979
Borrowings	185	225	192	162
Other Liabilities	493	457	533	759
Total Liabilities	2,764	3,187	3,586	3,963
Fixed Assets	334	396	318	259
CWIP	7	2	2	0
Investments	0	0	0	0
Other Assets	2,423	2,789	3,266	3,703
Total Assets	2,764	3,187	3,586	3,963

Source: Screener

Synopsis Quarter Results

Concall Notes - July-2026: Key Highlights

Synopsis of Quarter Results – Q1 FY27

Tata Elxsi reported a healthy improvement in its Q1 FY27 financial performance, with growth across revenue and profitability compared with Q1 FY26. Revenue from operations increased to ₹1,021.1 crore, compared with ₹892.1 crore in the corresponding quarter of the previous year, representing approximately 14.5% YoY growth. This indicates improved business momentum despite the challenging global technology spending environment.

Profitability also strengthened during the quarter. Profit before tax (PBT) increased to ₹267.8 crore, compared with ₹196.3 crore in Q1 FY26, registering approximately 36.4% YoY growth. This growth was significantly faster than revenue growth, indicating an improvement in operating performance and profitability.

Net profit (PAT) stood at ₹170.6 crore, compared with ₹144.4 crore in Q1 FY26, representing approximately 18.2% YoY growth. The company therefore maintained positive earnings growth during the quarter.

The company's business mix remained dominated by Software Development & Services, which generated revenue of ₹992.3 crore during Q1 FY27, compared with ₹872.4 crore in Q1 FY26. System Integration & Support Services contributed ₹28.8 crore, up from ₹19.6 crore in the year-ago quarter.

At the segment-profit level, Software Development & Services generated ₹295.3 crore, while System Integration & Support Services contributed ₹3.1 crore. Total segment results were ₹298.4 crore before finance costs and unallocable expenditure.

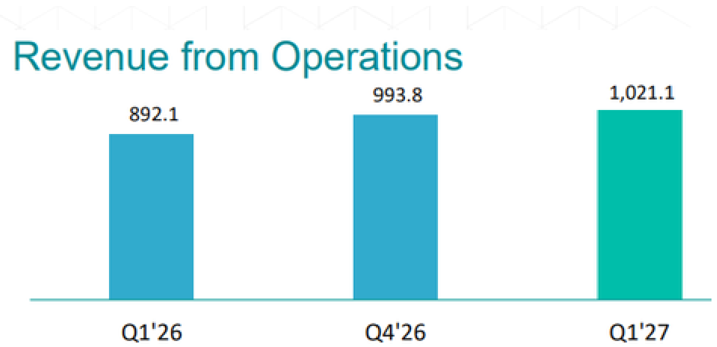
EPS increased to ₹27.38 from ₹23.18 in Q1 FY26, reflecting the improvement in net earnings.

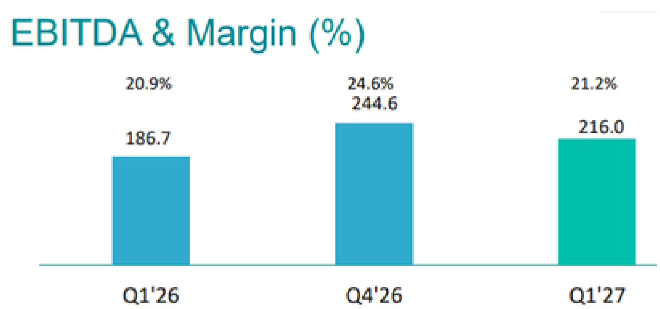
Overall View

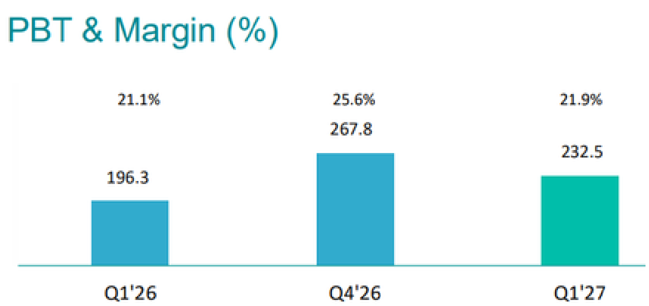
Q1 FY27 was a strong growth quarter for Tata Elxsi, characterised by double-digit revenue growth, higher PBT and PAT, and improved EPS. The stronger performance in Software Development & Services remains an important contributor to the company's quarterly growth.

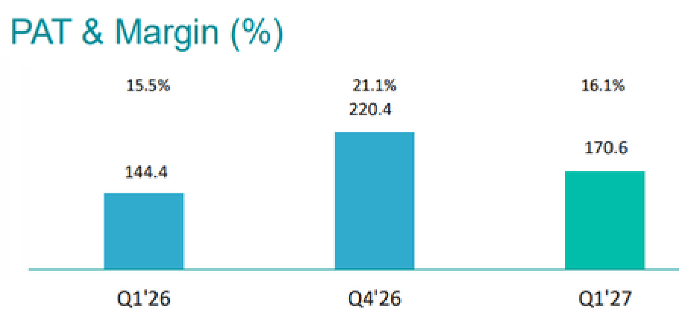
Source: Screener

Highlights









Source: Investor Presentation

Peer Comparison

Peer Stock Performance (5Y) Indexed

Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Tech Mahindra	1577.5	29.05	154608.4	3.2	1486.3	28.45	15711.9	17.68	23.12
KPIT Technologies Ltd	590.85	25.96	16197.8	1.25	116.41	-31.83	1674.99	8.85	26.26
Wipro Ltd	178.45	13.41	176746	6.21	3356.3	0.65	24478.6	10.59	17.84
Tata Elxsi	3657.5	32.31	22786.09	2.04	170.6	18.17	1021.11	14.46	30

Source: Screener

Final Outlook

TATAELXSI: HOLD| LTP: 3,658

Tata Elxsi enters FY27 with a more constructive fundamental outlook after a strong start to the year. In Q1 FY27, revenue crossed the ₹1,000 crore mark for the first time, reaching ₹1,021.1 crore, with 14.5% YoY growth. PAT increased 18.2% YoY to ₹170.6 crore, while EBITDA stood at ₹216 crore with a 21.2% margin.

The Transportation business remains the key growth driver. The company reported 13.3% YoY growth in this vertical, supported by stronger OEM engagements and strategic wins in off-road and aerospace. OEMs now contribute around 78% of automotive revenue, improving the quality and potential longevity of the business pipeline.

Media & Communications also showed strong momentum, growing 22.2% YoY during Q1 FY27. Continued ramp-up of customer programmes, new strategic wins and increasing demand for digital transformation provide additional growth opportunities.

A major long-term opportunity is Tata Elxsi's Domain + AI strategy. Investments in AI-enabled platforms, engineering capabilities and specialised talent could help the company increase customer wallet share and participate in higher-value digital engineering programmes. The company is specifically targeting AI-powered engineering, connected products, software-defined vehicles and engineering modernisation.

From a fundamental perspective, the key concern remains valuation and margin sustainability. FY26 revenue growth was only 0.8%, while profitability declined, showing that the company still needs to convert its deal pipeline into consistent revenue and earnings growth. Therefore, future performance will depend on execution, utilisation, deal ramp-ups and maintaining industry-leading margins.

Overall, the fundamental outlook is positive but valuation-sensitive. Improving revenue momentum, strong Transportation and Media businesses, AI opportunities and strategic customer wins support the long-term growth story. Investors should nevertheless monitor earnings growth and valuation closely before taking a fresh position.