



Ref. No.: TTL/COSEC/SE/2026-27/67

October 19, 2026

BSE Limited

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Dalal Street,
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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: Transcript of the earnings conference call on financial results for the quarter ended September 30, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call on financial results for the quarter ended September 30, 2026, conducted after the meeting of the Board of Directors held on October 14, 2026.

The above information will be made available on the website of the Company: www.tatatechnologies.com.

This is for your information and records.

For **Tata Technologies Limited**

RAGHAV
MULAY
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RAGHAV MULAY
Date: 2026.10.19
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Raghav Mulay
Company Secretary and Compliance Officer

Encl: As above

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**“Tata Technologies Limited
Q2 FY'27 Earnings Conference Call”**

October 14, 2026

MANAGEMENT: **MR. WARREN HARRIS – CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR – TATA TECHNOLOGIES**
**MR. UTTAM GUJRATI – CHIEF FINANCIAL OFFICER –
TATA TECHNOLOGIES**
**MR. VIJAY LOHIA – HEAD – INVESTOR RELATIONS &
M&A – TATA TECHNOLOGIES**

Moderator: Ladies and gentlemen, good day, and welcome to Tata Technologies 2Q FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star followed by zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vijay Lohia, Head, Investor Relations and M&A at Tata Technologies. Thank you, and over to you.

Vijay Lohia: Thank you. Hello, everyone, and a warm welcome to Tata Technologies Q2 of fiscal year '27 earnings conference call. Joining us today from the management team are Mr. Warren

Harris, Chief Executive Officer and Managing Director; and Mr. Uttam Gujrati, Chief Financial Officer.

We'll begin today's call with opening remarks from the management team covering the company's performance for the quarter and key business highlights, followed by the Q&A session.

Before we proceed, I would like to remind everyone that certain statements made during today's call may be forward-looking in nature. These statements should be viewed in conjunction with the risks and uncertainties outlined in Slide 2 of our quarterly factsheet, which is available on our website.

Our press release, financial results, and investor presentation have been submitted to the stock exchanges and are also available on the IR section of our website. We trust you've had an opportunity to review them.

With that, I now invite Warren to share his opening remarks. Over to you, Warren.

Warren Harris: Thank you, Vijay. Good evening, everyone, and thank you for joining us. Three months ago, we said FY27 would represent an important inflection point for Tata Technologies, supported by a strong order book, sustained large-deal momentum, and our differentiated position in full vehicle development and engineering transformation.

As we close the first half of the year, our performance continues to reinforce that conviction.

For Q2, revenues from operations increased 22.2% year-on-year in constant currency to US\$178 million. Services revenue

grew 4.3% sequentially and 26.2% year-on-year to US\$142 million, contributing approximately 80% of our total revenue.

Despite absorbing annual salary increments, representing more than a 100-basis-point headwind, operating EBITDA margins remained resilient at 16.1%, reflecting continued execution discipline and the strength of our operating model.

We also continue to invest in future growth. During this quarter, we added approximately 300 associates to support strategic program ramp-ups and strengthen key capabilities across the business.

At the same time, attrition reduced by 70 basis points sequentially to 15.6%, reflecting the progress we are making in employee experience, career development, and engagement. As we scale larger and more complex programs, our people remain one of our most important competitive advantages.

From an industry perspective, we are seeing structural shift in the approach that our customers are taking to product development, specifically in the automotive industry. We believe that the sector is at an inflection point.

Chinese OEMs have established new benchmarks for product innovation, development, speed, and cost-competitiveness and are increasingly expanding globally. In response, Western OEMs are becoming leaner and fundamentally rethinking how products are engineered and brought to market.

We believe OEMs will increasingly focus on what defines their brands while outsourcing more engineering and product development activity. The winners will be partners that can own outcomes, particularly full product and full vehicle

outcomes, and build strategic relationships with the C-suite of those companies.

This is the thesis around which we are building Tata Technologies.

By product realization, we mean taking responsibility for the entire product lifecycle from concept through launch.

Our ambition is not just to become a large engineering service provider. It is to become a strategic product realization partner capable of owning increasingly complex engineering and product development outcomes for the world's leading OEMs.

Our JV with BMW provides a compelling proof point to that theme. BMW has publicly announced plans to reduce headcount in Germany while continuing to invest in and scale our joint venture in India. We believe this reflects a broader industry trend as OEMs increasingly leverage strategic partners like ourselves to improve competitiveness, accelerate innovation, and enhance productivity.

The quality of business that we are winning also reflects this positioning.

Several large engineering engagements and full vehicle programs secured over recent quarters are now ramping, and we expect a more meaningful contribution from these programs during the second half of the year.

Pipeline conversion remains strong, with five large deals secured during Q2. These included a landmark US\$138 million full vehicle engineering program with a leading European luxury automotive OEM, spanning two vehicle programs.

This win is an important milestone. It validates our ability to assume responsibility for increasingly complex product development outcomes and reflects the confidence our customers are placing in Tata Technologies.

We also secured an engagement with a leading North American commercial vehicle manufacturer to lead the end-to-end development of a new vehicle platform and support the associated digital SDV infrastructure.

Taken together, these wins reflect a broader shift in our portfolio towards larger, more strategic, and more outcome-oriented engagements.

Based on our first-half performance, continued program ramp-ups, and healthy pipeline conversion, we remain confident in maintaining strong double-digit growth for FY27.

While automotive remains our primary growth engine, aerospace is emerging as an important second growth engine for our company.

Demand across the aerospace sector remains strong while the industry continues to face challenges in engineering capacity, production throughput, and manufacturing efficiency.

Our strategy is focused on areas where engineering heritage, manufacturing expertise, and digital capabilities can create differentiated value, including manufacturing engineering, propulsion, MRO, digital transformation, and the application of AI and automation.

Our relationships, specifically with Airbus, provides an important foundation and creates opportunities to expand our participation across the broader aerospace ecosystem.

Over time, we believe aerospace can become a meaningful contributor to both growth and diversification.

AI remains a central pillar of our strategy. Our objective is to combine decades of product engineering, manufacturing engineering, and full vehicle development expertise with AI to help customers achieve significantly faster development cycles, lower development costs, and drive higher engineering productivity.

We believe the future leaders of our industry will be those capable of helping customers achieve China-like development speed and cost-competitiveness while maintaining Western OEM-grade quality, safety, governance, and IP protection.

Today, nearly 1,000 Tata Technologies associates are developing and deploying AI agents across our engineering and business processes. We are systematically codifying decades of engineering knowledge and delivery experience into reusable, AI-enabled capabilities across the product development lifecycle.

We are already seeing improvements in productivity, quality, development speed, and scalability. More importantly, we are transitioning from AI-assisted ways of working to AI-native ways of working across our value chain.

We believe the combination of product realization expertise, full vehicle development capability, and AI-native delivery

creates a powerful competitive advantage for Tata Technologies.

To conclude, our first-half performance reinforces our positive outlook for FY27. We remain confident in delivering strong double-digit growth for the full year, supported by strong demand, ongoing program ramp-ups, healthy pipeline conversion, continued investment in talent, and improving retention trends.

More importantly, the nature of work entrusted to Tata Technologies is changing. Customers are increasingly asking us to take responsibility for larger, more strategic, and more outcome-oriented programs.

As OEMs adapt to a more competitive global environment, they will increasingly seek partners capable of owning outcomes and accelerating innovation.

This is the opportunity we are positioning Tata Technologies to capture.

Through our leadership in product realization, growing full vehicle development capability, expanding aerospace, and AI-native transformation, we believe Tata Technologies is becoming a highly differentiated engineering and technology partner, well-positioned for sustainable long-term growth.

Thank you, and I now hand it over to Uttam to review our financial performance in more detail.

Uttam Gujrati: Thank you, Warren, and good evening, everyone.

We delivered yet another quarter of strong growth and profitability, supported by healthy execution across our strategic programs and continued operational discipline. Revenues from operations grew 22.2% Y-o-Y in constant currency to USD178 million, while operating EBITDA remained steady at 16.1% despite absorbing the impact of annual salary increments during the quarter.

With that, let me take you through the financial performance of Q2 in greater detail.

Services revenue increased 4.3% Q-o-Q in constant currency to INR 1,356 crores, reflecting continued growth in our services business and ramp-up of strategic programs. On a Y-o-Y basis, services revenues were 26.2% in constant currency and 22.1%, excluding ES-Tec.

Growth was broad-based, with automotive growing 7.6% QoQ, excluding ES-Tec, while non-automotive grew 7.5% sequentially in US dollar terms. Demand at ES-Tec remains subdued, particularly from its largest customer in Germany. While we anticipate some additional softness in Q3, we expect conditions to stabilize in 2027 and remain confident in the underlying strength of the business and its medium- to long-term growth prospects.

Technology Solutions grew 9.2% year-over-year in constant currency while declining 6.6% sequentially to INR 343 crores. The sequential decline was primarily driven by the timing of revenue recognition in education business and a change in accounting treatment for certain OEM-hosted SaaS license

within the product business. Effective July 1st, 2026, revenue from these contracts is being recognized over the license term rather than upfront at the point of sale, in line with evolving accounting guidance under Ind AS 115. This change reduced Technology Solutions revenue by INR 12.6 crores during the quarter.

Consequently, **total revenue** from operations increased 2.1% sequentially to INR 1,699 crores. Excluding the impact of the revised revenue recognition policy in the product business, total revenue in quarter 2 would have grown 2.8% Q-o-Q.

Looking ahead, we expect the product business to recover in Q3, benefiting from seasonal demand patterns. However, the education segment is likely to face near-term pressure as project execution is impacted by slower infrastructure readiness at certain customer sites.

Services continue to demonstrate strong momentum, providing resilience to our overall performance. **Resultantly, we remain confident in reiterating our double-digit consolidated revenue growth outlook for the full year.**

Our profitability remained resilient despite an estimated 100-basis-points headwind from annual compensation revisions implemented during the quarter. Through disciplined execution, operational efficiencies, and a favorable business mix, operating EBITDA margin remained steady at 16.1%. EBITDA grew 2.2% quarter-on-quarter and 31.5% year-on-year compared with the same quarter last year to INR 273 crores.

As several large client programs gain momentum across the second half, we remain focused on balancing continued

investment in growth with initiatives aimed at enhancing operational efficiency. During the quarter, we invested in a new office facility in Pune to consolidate our operations and create capacity for future growth. This has led to an increase in D&A and lease-related interest cost. As revenues scale and operational leverage strengthens, we expect these investments to be increasingly absorbed within the business, supporting profitability over the medium term.

We are also managing through a period of temporary demand softness in parts of our Germany business as customers undertake restructuring and cost-optimization measures. Against this backdrop, we expect to deliver sequential margin improvement through disciplined execution and productivity initiatives. Importantly, these factors are transient in nature and do not alter our confidence in the long-term opportunities ahead.

Our operating profit or EBIT increased 25.3% year-on-year, reaching INR 239 crores.

Our joint venture with BMW continues to perform strongly and remains ahead of our expectations. In Quarter two, our share of profit from BMW TechWorks India increased 20% sequentially and 115% year-on-year to INR 11.4 crores. Including deferred income of INR 8.3 crores, the venture contributed a total of INR 19.7 crores during the quarter, underscoring the strength of the partnership and its growing contribution to our profitability.

Other income dropped 35% year-on-year to INR 31 crores, driven by non-cash items like foreign exchange gain/losses.

Profit before tax rose 7% year-on-year to INR 242 crores. Adjusting for noncash foreign exchange movements, underlying PBT grew 16.4% year-on-year, highlighting healthy growth in the core business.

Net income for the quarter was at INR 171 crores compared with INR 166 crores in the same period last year. Excluding the non-cash items which I just pointed out, profit after tax would have increased 13% year-on-year.

Maintaining a strong balance sheet and a healthy liquidity remains a key priority for us.

At the end of Q2, our net cash position stood at approximately INR 330 crores compared to INR 880 crores at the end of Q1. The sequential reduction was primarily driven by the dividend payout of nearly INR 475 crores during the quarter.

Despite the significant shareholder distribution, our balance sheet remains robust, providing us with financial flexibility to support ongoing growth investments, pursue strategic opportunities, and maintain disciplined capital allocation.

Our DSO stood at 102 days at the end of Q2 compared with 97 days in the previous quarter. Our billed DSO came in at 63 days compared with 65 days in Q1, an improvement, while the unbilled DSO were at 39 days compared to 32 days. While we saw a modest sequential increase in the unbilled DSO, collections remained healthy, and the movement in unbilled was largely timing-related, with no change in the underlying quality of our receivables.

Moving on to the operational metrics, the highlights are as follows:

Our total headcount stood at **12,895 associates** at the end of the quarter, representing a net increase of **316 employees or 2.5% sequentially**. This increase was primarily driven by the ramp-up of several large programs secured over the past quarters. While we are investing to support growth opportunities and ensure successful program execution, we continue to maintain a disciplined approach to workforce management, aligning capacity expansion with client demand and operational efficiency.

Our talent metrics remains broadly stable during the quarter, with trailing 12 months voluntary attrition improving modestly to 15.6% on a sequential basis while continuing to remain with a manageable range. We continue to see strong engagement across our workforce, supported by meaningful investments in learning, career development, leadership programs and opportunities to work on large-scale engineering and digital transformation programs for our global customers.

Building a future-ready workforce remains a strategic priority as we continue to scale capabilities across areas such as embedded software, software-defined vehicles, AI, cybersecurity, digital engineering and advanced manufacturing. During the quarter, we delivered over 27,000 learning hours and trained more than 5,000 associates across technical and professional skill areas.

We also expanded AI readiness across the organization through focused enablement programs covering over 1,000

employees. In parallel, we strengthened our engineering talent pipeline through targeted hiring in strategic domains and continue to invest in leadership development programs aimed at preparing the next generation of business and technical leaders. These investments position us well to support the ramp-up of recently won programs and capture well for future growth opportunities.

Overall, we are pleased with the performance in the quarter, which reflects the strength of our diversified portfolio, improving deal momentum and disciplined execution. While we continue to navigate some short-term challenges, particularly within certain customer segments and geographies, the underlying demand environment remains encouraging and our strategic programs continue to scale well.

Supported by a strong order pipeline, a healthy balance sheet, continued investment in talent and growing contributions from strategic initiatives such as BMW TechWorks India, we remain well-positioned to capitalize on the significant opportunities ahead. Accordingly, we reiterate our expectation of delivering double-digit consolidated growth for the full year while continue to drive sustainable margin improvements and long-term value creation for our stakeholders.

Thank you, and we can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Ravi Menon with Axis Capital. Please go ahead.

Ravi Menon: Hi. Thanks for the opportunity. I thought that we had an expectation that margins could expand each quarter as we go

through the year. This quarter, it doesn't look like that's happened. I know that, yes, we had wage hikes to deal with, but despite the wage hikes, I think there was an expectation that we'd be able to expand margins because we did have the impact of ramping up a large deal in the previous quarter. Just wanted to ask about that and what led to the significant increase in subcontracting this quarter and when can we expect that to normalize?

Warren Harris: I think, in terms of margins, we were very pleased with the progress in Q2, that largely because we rolled out salary increments and we were able to squeeze out -- it was only a 10-basis-point improvement, but for us, given the circumstances and the context, we were very pleased. We're also pleased with the impact of the salary increments because we saw attrition come down.

So, we believe that the discipline and the rigor around which we are running the operations is now starting to translate through the type of sustainable improvement that we expect to continue in the second half of the year. Again, our performance on margins is something that we are proud of. As far as the subcontractor costs are concerned, maybe, Uttam, you want to pick that up?

Uttam Gujrati: Yeah, sure. As we ramp up a lot of our programs globally, this is a fine balance we are maintaining as we are working towards discharging the work that we have to do to support the program that we have. As we scale better, this cost will further go down and will be replaced by the permanent employees that we have.

However, this is a very conscious call we take to maintain a fine balance between the permanent employees and the subcontracting staff to support the peaks and troughs that might come in during the course of the program and the execution of the business. This is a very balanced call, balancing the headcount capacity growth and the temporary cost pieces which can come in.

Ravi Menon: Thanks. Appreciate it. Warren, you spoke about how aerospace could emerge to be a good growth driver for you longer term. And since these aerospace programs are, if I might say, longer duration compared to automotive, could we say that this would also be helpful in stabilizing our revenue growth and giving it more predictability?

Warren Harris: I think that there is a level of predictability in aerospace that perhaps we do not have in other sectors. Most of the aerospace programs are 8-10 years in duration.

I think that also from a macro perspective, we are seeing a massive uptick in demand for commercial aircraft. There's some 25,000, 26,000 commercial aircraft in productive use at the moment. That's likely to scale to over 40,000, and the likes of Airbus and Boeing are not in a position to be able to build quickly enough aircraft to satisfy the demand.

We are certainly intersecting with that at the moment, and we expect to continue to double down on that aspect of the opportunity but I think what you are also going to see in the coming years, and I was in Toulouse last week at the Airbus supplier event, is that there hasn't really been a new aircraft program at either Boeing or Airbus for the last 10 years. There's

been improvements that have been made to the legacy fleet, but there's no new programs.

Now Airbus has come out publicly now and stated that they will launch the new single-aisle, next-generation aircraft. Given the incumbency that we have established at Airbus, we are very, very excited about the contribution that we are going to be able to make to that program. There is predictability to aerospace, and we certainly expect the tailwinds that are there today not only to grow, but to somewhat scale somewhat exponentially.

Ravi Menon: Thanks so much. Appreciate it. I will get back in the queue.

Moderator: Thank you. Our next question comes from the line of Tushar Khurana with Peace Wealth. Please go ahead.

Tushar Khurana: Yeah. Hi. Thanks for the opportunity. Am I audible?

Moderator: You are audible, sir. You may proceed.

Tushar Khurana: Okay. So, I have this one question. So, the Tata Group is taking a leading role now in India's semiconductor value chain, all the way from fab to chip, and I believe most of these would also be catering into automotive chips. I just want to understand what synergies exist for Tata Technologies, being we are in the whole value chain of design to build, including embedded electronics.

Do we see this as a new area of growth for our company within automotive segment, and how would it overall help Tata Technologies to go up the value chain in terms of services that we cater to?

Warren Harris: We are very fortunate that in the group in a number of areas, the group's assets and capabilities that support the entire value chain are associated with the sectors that we are involved with, and you point out automotive. Not only do we have the capabilities of Tata Electronics and the support that increasingly the group is expecting to make towards the technological evolution of the mobility sector, we've also got organizations like TACO that provide the ability to bundle build support in terms of the propositions that we extend to the market.

We're very much committed to the independent relationships that we have with customers in automotive, but where it makes sense, the consortia proposition that the group has available to it is a key differentiator in terms of the relationships and the partnerships that we have with some of the more progressive companies in the space.

Tushar Khurana: Just a follow-up on that, Warren. Do you see also this becoming a new area of growth for us, where we can have incremental growth coming from this space itself? And just correct me if I'm wrong, but when these chips that are being made by Tata Electronics on the OSAT side that also needs some kind of validation. So, are we also going to play any role in that process?

Warren Harris: We're already supporting Tata Electronics. Again, I think as the full coverage for the automotive value chain expands, I would expect that consortia opportunity that I referenced before to become increasingly relevant. Our belief in our ability to sustain strong double-digit growth, not just this year, but in the

future, is informed by the differential capabilities that we have inside of Tata Technologies, but also where it makes sense, the differential capabilities that the group can bring to bear.

Our expectations in terms of growth and relevance are all based upon the things that I've just referenced. It will increasingly make a contribution to our value proposition but the expectations of momentum and scale in quantum terms are all informed by that in terms of our business plan, not just for this year, but beyond.

Tushar Khurana: Okay. And my second question, a last question, is regarding this order win for this \$138 million that we have won for a new full vehicle program for a European OEM. What is the timeline for this execution, by when this will be going into development stage, and just to reconfirm, this is from non-auto OEM client, right?

Warren Harris: The \$138 million is for a luxury European automotive OEM. As we speak, beginning the ramp-up of that program, that will make a contribution towards our second half and will also inform the order book for next year and the year after that.

I think what's significant and it's one of the reasons that we are so excited about the responsibility that we've been given, is that this represents real turnkey ownership that Tata Technologies have for the entire product realization process, from concept all the way through the launch of the two vehicles that are part of this program will represent.

I think it's proof-positive of the thesis around which we're building the company. We believe as the competition from China accelerates, as the disruption from AI continues to

impose itself upon the OEMs, we believe that the OEMs will likely reduce their core and will focus upon the elements of their brand proposition that defines their competitive position.

We think that everything else is going to be outsourced and we think that the primary winners of that structural change in the industry will be those companies like ourselves that can own outcomes. This is a testament to the market's confidence in our ability to own outcomes and to deliver in a full product. It is a very proud moment for us to be entrusted by a company that has been in the industry for decades and operates at the top end of the passenger vehicle market.

Tushar Khurana: Okay, okay. Thank you so much, Warren, and all the best.

Warren Harris: Thank you.

Moderator: Thank you. Our next question comes from the line of Ankur Pant with IIFL. Please go ahead.

Ankur Pant: Hi. Thank you for taking my question. I was just trying to understand the near-term softness comments. This is something that you highlighted in the last quarter as well, that Germany continues to remain weak. In that context, is the weakness or the softness that you're expecting something more than what you expected in 2H, or this is fairly -- this is just a repeat of the comments that you made in the previous quarter, and nothing really changes in the outlook for 2H that you had envisioned during the previous quarter?

Warren Harris: I think if you're following the news in Germany, the reference that I made before to the structural change that's going on in the industry, I think that's clearly underway in Germany. I think VW have announced that they are looking to reduce

headcount by 100,000 people between now and 2030, and more recently, BMW have announced a VRS scheme in Germany.

I think what's significant is that, despite the fact that BMW are reducing headcount in Germany, they continue to invest in their global R&D footprint that includes the joint venture that we have with them in India. As far as our acquisition is concerned, we anticipated that there would be some headwinds in the first 12 to 18 months, but we continue to believe that ES-Tec specifically represents a platform from which we will be able to support the R&D globalization aspirations that the VW Group has.

We are working very, very hard to support them through what is difficult market conditions, but this in no way tempers our confidence in strong double-digit growth this year, and our ability to be able to expand margins in the second half of the year.

Ankur Pant: Thank you, Warren. Just wanted to follow up on that. I understand that Germany has been weak. It's been there in the news. But just from a quarter-to-quarter perspective, what you were seeing in 1Q versus 2Q towards the 2H outlook, has that deteriorated in terms of what you're seeing on the client side? That is what I wanted to understand?

Warren Harris: The business delivered what we guided in Q1. We fully expected the market conditions to play out as they have, and we were ready for that, and we're supporting, again, our activities in Germany that extends beyond ES-Tec. We have relationships with all three of the large OEMs in Germany.

Again, we are committed to staying the course there, primarily because of the inflection point that we are convinced will see these organizations extend their R&D capabilities beyond Germany.

If you look at the German market over the last 50 years, most of the R&D work has been done in Germany itself. We are starting to see now the change that's happened in other regions happen there, and we are absolutely convinced that we, and others like us, will be the beneficiaries of that change.

Ankur Pant: Thank you. And just a small question. I see that there is a drop in the 50 million-plus client bucket. If you could help understand what's happening there?

Warren Harris: The primary change relates to our anchor customers and the change that we're seeing in one of those anchor customers in advance of a major, a relatively major structural change that will happen within their business. We see that as tactical. We expect to bounce back in the second half of the year. It was planned. It was anticipated. It's not something that we are concerned about.

Ankur Pant: Sure. I'll join the queue. Thank you, and all the best.

Moderator: Thank you. Our next question comes from the line of Mayank Babla with Cernelian Capital. Please go ahead.

Mayank Babla: Hi. Thank you for taking my question, and congratulations on the performance. My first question relates to the pipeline, and this is directed to Warren. Warren, how is the pipeline looking like currently in auto and non-auto both?

Warren Harris: I think one of the things that I'm most gratified about at the moment is that not only does the pipeline continue to scale, the content for the pipeline is providing increasing confidence in terms of, again, the thesis around which we are building the company.

One of the things that I think has characterized our performance in the last 12 months is the number of large deals that we've been able to celebrate. And central to that, again, has been this full vehicle proposition that is central to what Tata Technologies is all about.

We have been developing full vehicles for our anchor customers and for new energy vehicle companies over the last 15, 16 years. But what we are starting to see now in the industry is that we're being entrusted by the large traditional OEMs, and that's what we've been able to celebrate almost continuously over the last 12 months or so.

The large deal win that I've just referenced with the luxury European OEM follows on from the program that we shared with you for the Japanese OEM. There were several large deals that we won in the second half of last year. We are anticipating that we'll be able to share a couple of wins with you before the end of the calendar year, and that looks set to continue into Q4 and beyond.

So, I'm very, very pleased with the performance, but I'm even more excited by the outlook that we have as a business. And given the size of these deals, what I'm also confident about is the sustainability of what it is that we're building, because it's

not just pipeline, it's obviously the order book that complements that.

Mayank Babla: Sure. Thanks for that. Second, Warren, if we can have your insight and perspective on this, the cap on hybrid vehicles that EU aims to put on Chinese hybrid vehicles basically. I think there is some cap of 300,000 units a year. So, what kind of implication does it have on a player like us?

Warren Harris: I'm not going to comment on the different strategies and the challenges of specific OEMs or regions. But what I will say as far as propulsion is concerned. One of the things that the industry made a bet on, perhaps 5, 6 years ago was pure BEV platforms.

And I think what we're starting to see now with the tapering of EV adoption is a lot of opportunity that is being positioned in and around taking BEV platforms and introducing and packaging ICE propulsion systems in various forms into that same platform.

One of the things that, I think that is something that we've shared in the past is the work that we've done at Tata Motors in and around the changes that were interjected into the Tata Motors platforms, when they first entered the EV market as we transitioned traditional and legacy ICE platforms into hybrid and BEV platforms.

That experience is really something that we're capitalizing to provide the industry, and specifically the customers that we're working with, the ability to be able to extend the portfolio of propulsion options that are increasingly required for the OEMs

to satisfy the unit sales targets that they have in different regions and different markets.

Mayank Babla: Sure. Just last question to Uttam. It was, Uttam, I think you gave the performance of auto and non-auto on a Q-o-Q basis. If you could help us with the Y-o-Y numbers also, and in auto specifically, if you could give that, excluding the ES-Tec numbers, please?

Uttam Gujrati: Mayank, we can come back to you offline on that. Will that be okay?

Mayank Babla: Yeah, sure, sure. And can I just ask one more question on while a lot was spoken about ES-Tec and the top line there, is it safe to assume that it will bounce back from 2027 onwards?

Warren Harris: We fully expect ES-Tec to not only bounce back, but to be an integral part of the globalization plans that we are building for not just VW, but for the corporate business units that sit underneath the VW Group. We're very confident that the tactical headwinds that they are facing at the moment will somewhat about as we enter the new calendar year. Again, we expect growth to be driven not just in terms of their traditional business, but also in the support for the integrated proposition that we're building with ES-Tec.

Mayank Babla: Sure. Thank you so much, and best of luck to the entire team.

Uttam Gujrati: And, Mayank, maybe the question that you asked, auto excluding ES-Tec Y-o-Y is about 16%.

Mayank Babla: Super.

Uttam Gujrati: And Q-o-Q, I already told.

Mayank Babla: Yeah, you had already shared that. Thank you so much, and best of luck to the entire team.

Uttam Gujrati: Thank you.

Moderator: Thank you. Our next question comes from the line of Karan Uppal with PhillipCapital India. Please go ahead.

Karan Uppal: Yeah. Thanks for the opportunity, and congrats on a good quarter. First question is on the European OEM deal, the \$138 million deal which you have announced. Is it completely net new or is there some component of renewal as well? Second part of the question is what would be the tenure of this deal?

Warren Harris: There was some element of pre-work that we did with the customer to demonstrate capability in different areas and to position confidence in and around the relatively aggressive timelines that have been positioned for this program. The team and the contribution that the deal will make will really start to scale from this point forward.

In terms of timelines, this particular deal will run for about two-and-a-half years, but we also expect variant opportunities to extend beyond the initial scope that we've secured. And one of the things again that I think is important for consideration and to be recognized is that we think that the structural shift that will position a more effective balance between fixed cost and variable cost will enable us to not only win these projects in terms of it being a one-off, but to win a place within the ecosystem that surrounds the OEMs that we work with, so that the team and the capability will be deployed over a sustainable basis.

And, I think, again, this is one of the messages that we're trying to share with the market. When we were delivering full vehicle programs for our anchor customers and for new energy vehicle companies, the new energy vehicle space is relatively volatile. You typically develop a vehicle. They test that in the market before they make a decision to reinvest and develop the follow-on vehicle.

And so that's made for a fair amount of volatility. And you may have seen that through our relationship with VinFast. These deals that we're winning now are strategic commitments that we are making, and the customer is making to us. And so, we fully expect the investment that we're making in infrastructure, people, and technology to extend beyond the first award that we've been successful with.

Karan Uppal: Got it. Just a follow-up on that. So, in these kinds of deals, from concept to full vehicle launch, typically who do you compete against in the market? Are other Indian ER&D vendors are also in the mix? Or you are individually picking these deals?

Warren Harris: I think when there are vehicle programs that are targeted on the Indian market, then often competition is mobilized from India. But when we are competing in China, when we're competing in Europe, and when we're competing in North America, it's typically the European ESPs that we compete with. Seldom do we see any competition from the Indian ESPs, at least at this point in time.

So, yes, there is competition from India as it pertains to vehicles that require a knowledge of the Indian ecosystem. But

outside of India, it's typically the mature players from North America, Europe, and increasingly from China.

Karan Uppal: Got it. So, we have discussed European auto quite a bit. But if you can share your outlook on U.S. as well as Asian OEMs, how are their spending plans for next year?

Warren Harris: I think as far as the U.S. is concerned, I think in the discussions that I am having with our customers there, despite the protection that is being afforded the American OEMs through regulation and specifically through tariffs, I think there's a recognition, particularly within the Big Three, that if they don't invest and they do not make progress in the areas of the market that will define competition going forward, the current protection will not afford them the ability to continue to sustain the success that they are counting upon.

And so, we think that the Big Three in Detroit will -- despite the position of the current administration, we think that investment will really start to scale in alternative propulsion systems and tech as it pertains to SDV. And I think also there is a recognition that if growth is going to continue, the North American OEMs are going to have to return to not only growing in the North American market but growing globally.

And I think the good news for us is that not only will we be able, given our experience in alternative propulsions and next-generation technology, we'll be able to support their aspirations in that space. We'll also have the opportunity to be able to support them in terms of the expansion into markets that certainly GM and Ford have withdrawn from in the last 10 years.

We are cautiously optimistic about growth prospects in North America, particularly as it pertains again to those companies readying themselves for the change that I think is increasingly anticipated in and around the current market conditions.

Karan Uppal: Got it. Just last question from my side. If you can share the split of anchor versus non-anchor revenue within the auto business, and how is the growth outlook within the two anchor clients?

Uttam Gujrati: The distribution between anchor and non-anchor associated information, we have already shared as part of our investors deck. However, specific on the growth terms, we expect the growth to be broad-based, and we are seeing the proof points and the conversions happening across the entire services portfolio that we have, which is what also came out. Both auto and non-auto business both grew Q-o-Q at about 7.5%.

Karan Uppal: Got it. Thanks, and all the best.

Moderator: Thank you. Our next question comes from the line of Jyoti with Haitong Securities. Please go ahead.

Jyoti: Thank you for the opportunity. Sir, a follow-up question from earlier question on the anchor customer side. A lot of players in the similar segment, they are indicating slowdown with JLR and Tata, and that getting impacted to them. Are we not seeing such kind of impact to us? Another, wanted to understand your point of view towards Europe, how it is doing and what are expectation.

Another that we have mentioned that margin should be better in coming quarter, but Q3 will see some furloughs. What are your margin guidance towards that? Last portion around

humanoid. A lot of Chinese players, they are Chinese OEM, they are shifting toward humanoid thing, which is similar kind of the auto companies are doing. Are we also getting such kind of exposure if you wanted to highlight? Thank you.

Warren Harris: Thank you, Jyoti, for your questions. Let me start with a response on anchor. I can't comment on what the competition is seeing, but I am incredibly bullish about the partnerships that we have with the Tata Motors Group company. That's JLR and Tata Motors CV and PV. I think the confidence is borne out by public statements that all three companies have made.

I think the Group Chairman has come out and challenged Tata Motors to double the number of units that they sell every year. That's going to require an investment in new nameplates and new vehicles. We expect to intersect with that. Tata Motors CV are about to complete the acquisition of Iveco. We will see, I believe, opportunity that we hope to be able to contribute to the success of that particular transaction.

And I think if you look at JLR, JLR is looking to pivot from its traditional focus upon UK, Europe, and China to developing vehicles that are increasingly intended to develop traction in the North American space. And we believe, as they pursue their modern luxury strategy in that region, we believe that that will represent opportunity for us, given the closeness of the relationship and the footprint that we have in different territories. So, from an anchor perspective, we are very, very bullish indeed in terms of not just the prospects this year, but beyond.

As far as margins are concerned, I think that the rigor and the discipline that has enabled us to resist the challenges associated with salary increments in Q2 will be maintained in Q3 and Q4. We see the business and the margins associated with it expanding in Q3, even though traditionally Q3 is a soft quarter, and we expect to finish the year very strongly. So, we are very bullish in terms of the double-digit, strong double-digit top-line commitment that we are making, but we are also very, very confident in our ability to be able to sustain margin improvement in the second half.

As far as humanoids are concerned and physical AI, it's an area of great interest. We are studying the implications that will represent in terms of future opportunity. There are POCs and capabilities that we are investing in inside of our organization, but it's not an area that we expect to represent material opportunity in the short term. And so, you know, right now, it's an area of great interest, and we are watching it very, very closely. But we don't anticipate that it will represent an important part of our mix, at least in the next 12 months to 18 months.

Jyoti: Okay. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, we will now take one last question, which will be from the line of Vaibhav from MIV Investments. Please go ahead.

Vaibhav: Hello. Hi, sir. I had question around the European deal that we won. So, just wanted to know, is it from our anchor client or is it from the different client? And secondly, regarding the margins. So, I think earlier, we guided that the company would

exit Q4 by 18% margins. So, are we still on track to achieve 18% margins by Q4 end?

And lastly, regarding the growth. So, I think we have been consistently winning full vehicle program since last 6 months, 7 months, right? So, just wanted to understand, this year, obviously, we will grow by high double-digit growth. So, can we expect the strong double-digit growth in the range of 20%, let's say, for the next 3 years, 4 years, backed by the aerospace plus the full vehicle program that we are winning consistently?

Warren Harris: As far as the customer's name that has awarded the USD 138 million turnkey program, confidentiality agreements prevent us from being able to share the name of that customer. But I can reaffirm that it's a company that works in the premium space in the automotive market. And again, the fact that we have been entrusted to take on the turnkey responsibility for that program, I think, is a testament to the skills and the capability and the trust that exists between Tata Technologies and the market today.

As far as margins are concerned, we are committed to continue to improve margins. You know, we have positioned 18% and 20% as the North Star for our company. We'll continue to keep you informed of progress as we work through the year.

And as far as the third question is concerned, the reference to 20% and beyond growth, we certainly believe that we will be able to sustain for several years to come strong double-digit growth. I think the, you know, 20%-plus growth as we start to scale will become an increasing challenge, but I think certainly the market conditions provide the tailwinds to give us

confidence that demand is not going to be the challenge. The challenge that we will have to grapple with is obviously capability, infrastructure, and increasingly the investment in the AI platforms that will continue to defend our competitive moat.

Moderator: Thank you. I would now like to hand the conference over to Mr. Vijay Lohia for closing comments. Over to you, sir.

Vijay Lohia: Thank you, everyone, for joining us today. If you have any further questions, please feel free to reach out to the Investor Relations team, and we'll be happy to assist you. Thank you once again and have a good rest of the evening.

Moderator: On behalf of Tata Technologies, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.