Ref. No.: TTL/COSEC/SE/2026-27/42

July 21, 2026

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, C-1, Block G,
Dalal Street,	Bandra Kurla Complex, Bandra (E),
Mumbai- 400001, India	Mumbai – 400 051, India
Scrip Code: 544028	**Trading symbol: TATATECH**

Dear Sir / Madam,

Subject: Transcript of the earnings conference call on financial results for the quarter ended June 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 June 30, 2026, conducted after the meeting of the Board of Directors held on July 17, 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 MANOJ MULAY

Digitally signed by RAGHAV MANOJ MULAY
Date: 2026.07.21 14:56:47 +05'30'

Raghav Mulay
Company Secretary and Compliance Officer

Encl: As above

TATA TECHNOLOGIES
Tata Technologies Limited
Plot No 25, Rajiv Gandhi Infotech Park | Hinjawadi, Pune 411057 | India
Tel: +91 20 6652 9090 | Fax: +91 20 6652 9035
CIN L72200PN1994PLC013313
Email: investor@tatatechnologies.com
Website: www.tatatechnologies.com

"Tata Technologies Limited
Q1 FY'27 Earnings Conference Call"
July 17, 2026

MANAGEMENT: **MR. WARREN HARRIS – CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR – TATA TECHNOLOGIES**

MS. SUKANYA SADASIVAN – CHIEF TRANSFORMATION OFFICER – TATA TECHNOLOGIES

MR. UTTAM GUJRATI – CHIEF FINANCIAL OFFICER – TATA TECHNOLOGIES

MR. PRATEEK RAMPURIA – MANAGER – INVESTOR RELATIONS – TATA TECHNOLOGIES

Moderator: Ladies and gentlemen, good day, and welcome to the Tata Technologies 1Q 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Prateek Rampuria, Manager, Investor Relations at Tata Technologies. Thank you, and over to you, sir.

Prateek Rampuria: Hello, everyone, and a warm welcome to Tata Technologies Q1 FY27 Earnings Conference Call. I'm Prateek Rampuria, Manager, Investor Relations at Tata Technologies. Joining us today from the management team are Mr. Warren Harris, Chief Executive Officer and Managing Director; Ms. Sukanya Sadasivan, Chief Transformation Officer; and Mr. Uttam Gujrati, Chief Financial Officer.

We will 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 a 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 fact sheet, 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 Investor Relations section of our website, www.tatatechnologies.com. 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. Good evening, everyone, and thank you for joining us today.

As we begin FY27, I want to be very clear about the way we see the year ahead. FY26 was a year of transition and investment for Tata Technologies. **FY27 is poised to be a breakout year.** That confidence is not based on aspiration alone. It is based on the quality of the demand we are seeing, the strength of our order book, the momentum in large-deal conversion, the visibility we now have across our pipeline, and the operating discipline we are bringing to margin expansion and productivity improvement.

The first quarter reinforces that view.

For Q1 FY27, total revenue was **$175.4 million**, representing growth of **4.3% quarter-on-quarter** and **25.2% year-on-year in constant currency**. Services revenue was **$136.6 million**, up **4.3% quarter-on-quarter** and **24.4% year-on-year in constant currency**, while Technology Solutions revenue was **$38.8 million**, **growing 4.2% quarter-on-quarter** and **27.9% year-on-year in constant currency.** Services remains the core engine of our business, representing approximately 78% of total revenue.

Our operating EBITDA was approximately $28 million, translating into an EBITDA margin of 16.1%, an increase of 10 basis points sequentially. Margin performance during the quarter reflected a combination of business mix and the deliberate upfront investments required to support the ramp-up of several large strategic wins.

The external environment remains dynamic. Customers continue to be selective in how they allocate engineering budgets, particularly across the global automotive value chain. But that selectivity is increasingly working in our favour. Customers are prioritizing programs that accelerate product launches, improve efficiency, reduce cost, strengthen software capability and support the transition to intelligent, connected software-defined products. That is precisely where Tata

Technologies has been investing and where our capabilities are becoming more relevant.

Over the last 2 years, we have deliberately built a more resilient, diversified and future-ready Tata Technologies. We have strengthened our customer portfolio, expanded our global footprint, deepened our capabilities in high-growth technology areas and positioned the company closer to where long-term engineering and manufacturing transformation spend is moving.

The quality of that growth is equally important.

Automotive remains our largest vertical, but the business is becoming healthier and more diversified. Automotive non-anchor revenue reached **$43.9 million**, growing **6.7% quarter-on-quarter** and **56.3% year-on-year**, reflecting continued progress in reducing customer concentration and expanding our presence across global OEM.

Beyond automotive, we continue to see encouraging momentum in our diversification strategy. **Aerospace revenue grew to approximately $10.2 million, up 6.4% quarter-on-quarter and 38.1% year-on-year, while IHM revenue reached approximately $15 million**. Together, Aerospace and IHM are becoming increasingly meaningful contributors to growth and provide additional evidence that our diversification strategy is delivering results.

We're also seeing encouraging geographic momentum. Europe has become an increasingly important growth engine for the business, supported by the successful integration of Es-Tec and our growing presence across the region. Q1 revenue from

Europe reached approximately **$67.9 million**, representing growth of **10.1% quarter-on-quarter** and reinforcing our belief that the region will remain a significant contributor to future expansion.

Germany continues to strengthen from a strategic white space to one of our most important growth markets.

Specifically, BMW TechWorks continues to scale successfully and has now crossed the milestone of 2,000 engineers. While BMW TechWorks is not consolidated into Tata Technologies revenue, it remains an important strategic relationship that strengthens our software-led engineering credentials, enhances our access to next-generation mobility programs and reinforces our position as a trusted partner to one of the world's leading automotive manufacturers.

Let me now turn to deal momentum.

During the quarter, we continued to see strong traction in large strategic deal pursuits, reflecting customers' increasing willingness to entrust Tata Technologies with business-critical transformation initiatives. The most significant win was our **$100 million strategic engagement with Tenneco**, which expands our relationship beyond traditional engineering services into a multiyear transformation program spanning engineering, digital technologies, AI-enabled processes and operational modernization.

We also secured a strategic engagement with a leading North American industrial equipment manufacturer, expanding our role across systems engineering, software engineering and embedded software development. The program will leverage

AI-enabled engineering methodologies to improve development productivity, accelerate product realization and reduce time to market.

In automotive, we deepened our relationship with a leading global OEM through a Range Extender Vehicle program that draws upon our capabilities across vehicle engineering, powertrain integration, validation and systems development. In addition, we were selected as a preferred engineering partner by a leading off-highway manufacturer to support both their new product development and total cost of ownership optimization initiatives.

In addition to these new wins, we continue to make strong progress on the strategically significant full vehicle development program with a leading Japanese automotive OEM that we discussed during our previous earnings call. What makes this engagement particularly noteworthy is not simply its scale, but what it represents. As many of you will appreciate, Japanese OEMs have historically been highly selective in their choice of engineering partners, particularly for programs of this strategic importance to be entrusted with the complete development of a vehicle program by a customer with whom **we had no prior relationship in this space** is a remarkable achievement and, in our view, a powerful validation of the capabilities, credibility and value proposition that Tata Technologies has built over many years.

This engagement reflects the growing confidence customers place in our ability to deliver end-to-end product engineering solutions across the entire vehicle lifecycle. It also demonstrates that our investments in vehicle engineering, software-defined vehicles, systems engineering, validation, manufacturing engineering and global delivery capability are enabling us to compete for and win some of the most strategic programs in the industry.

Collectively, these wins reinforce a clear trend. Customers are increasingly engaged in Tata Technologies on larger multiyear programs that combine engineering, software, AI and digital transformation capabilities to accelerate innovation while improving efficiency and competitiveness.

This is why our guidance for FY27 should be viewed with confidence. Based on our current visibility, we continue to expect strong double-digit organic revenue growth for FY27 with services as the primary growth engine and margin expansion supported by scale, utilization, delivery productivity, AI-led efficiency and disciplined cost management.

AI remains a central pillar of this confidence.

Our AI strategy is built around 4 priorities: transforming service delivery, building differentiated offerings, strengthening AI partnerships and delivering AI-ready talent. We are anchoring this strategy on enterprise-wide adoption with trust and responsible AI built in from the start.

Through chromosome.ai, we are codifying decades of engineering knowledge into repeatable frameworks, accelerators and solutions that improve productivity, quality, scalability and delivery speed. We see AI as both a margin lever and as a strategic differentiator, helping our clients engineer better products faster and more efficiently.

Talent is the other half of this equation. Through TechVarsity, our internal university, we have delivered over 9,000 **learning hours** across GenAI, software-defined vehicles and cybersecurity this quarter, strengthening capabilities of over 2,000 employees.

Customer recognition during the quarter has also reinforced the progress we are making. Tata Technologies was honored with JLR's Visionary Supplier Award in June 2026, recognizing our role in supporting JLR's enterprise and manufacturing transformation journey across multiple initiatives and programs.

In summary, Q1 FY27 confirms that Tata Technologies is entering the year with real momentum.

We have stronger visibility on growth. We've delivered **25.2% year-on-year revenue growth** in Q1, while continuing to improve the quality of our portfolio through diversification, large deal conversion, strategic customer wins and expanded software and AI-led capabilities.

We are scaling in priority areas through initiatives such as Es-Tec. We are improving diversification through continued growth in automotive non-anchor accounts, Aerospace and IHM while reducing our dependence on any single customer, geography or end market. We are investing in AI as both the delivery productivity lever and a differentiated customer proposition, and we are translating this growth into margin expansion through productivity, utilization, operating discipline and scale.

With that, let me hand it over to Uttam to take you through the financial performance in more detail. Thank you.

Uttam Gujrati: Thank you, Warren, and good day. Thank you for joining us all. Building on the business update shared by Warren, I will now walk you through our financial performance for the first quarter of FY27 and discuss the key drivers underpinning our results.

I am pleased to note that the growth momentum we had established in the second half of FY26 has continued in Q1 with **Services segment** growing 6.3% Q-o-Q in INRand 4.3% in constant currency to INR 1,297 crores.

The Technology Solutions segment saw sequential revenue growth of 4.3%, led by our education business, which saw 9.1% growth, while the product business saw a degrowth of 2.6%, primarily due to seasonality as it typically experiences strong demand in the final quarter of the calendar year.

As a result, aggregate revenues increased 5.9% Q-o-Q in INR and 4.3% in constant currency to INR 1,665 crores.

I'm particularly pleased with the quality of our revenue growth this quarter, which once again underscores the diversified and resilient nature of our business mix. While Warren touched upon some of these trends, let me add a few data points that further highlight the strength and balance of our portfolio.

Within automotive, our non-anchor business continued to grow at a healthy pace, reflecting our success in broadening customer relationships and diversifying revenue streams.

Resultantly, the contribution from anchor accounts to our services revenue reduced to 48.9% in Q1, an improvement of 150 basis points sequentially. This continued diversification enhances the resilience of our revenue profile, while creating a broader base for future growth.

We also saw encouraging momentum in our embedded and software business, which grew 8.5% Q-o-Q in dollar terms. The strong growth in embedded and software not only reflects the increasing software content in vehicles, but also positions us well to capitalize on the long-term industry shift towards connected, autonomous and software-defined mobility solutions.

We maintained strong operating discipline during the quarter with operating expenses increasing 5.8%, slightly below revenue growth of 5.9%. Resultantly, EBITDA grew 6.1% sequentially to INR267 crores, while EBITDA margin improved 10 basis points Q-o-Q to 16.1%.

Margin performance during the quarter reflected a combination of business mix and strategic investments to support future growth. Our services business delivered a healthy 120 basis points improvement in gross margins, which was partly offset by 250 basis points decline in Technology Solutions margins, resulting in an unfavourable mix impact.

In addition, several large strategic engagements and full vehicle programs entered the mobilization phase during Q1, requiring upfront investments in talent, ramp-up, capability development, transition activities and delivery readiness ahead of revenues reaching steady state levels. While these investments created some near-term margin dilution, they are critical to successfully scaling these multiyear programs and capturing the growth opportunity ahead.

We are also navigating some temporary headwinds within parts of our Germany business as certain customers work through restructuring and cost optimization initiatives. As we implement annual wage increase in Q2, we expect to absorb the associated cost impact, while still delivering sequential margin improvement through operational discipline and execution. While these factors may moderate the pace of margin expansion in near term, they do not alter our confidence in long-term opportunity.

Overall, our confidence in the growth outlook has strengthened materially. As we move to FY27, we will continue to balance investments required to capture this opportunity with our commitment to margin improvement. We remain confident that prioritizing high-value turnkey and end-to-end engineering engagements today will create greater long-term value, while supporting our medium-term margin ambitions.

Our operating profit or EBIT increased by 8.3% sequentially, reaching to INR 239 crores.

Our partnership with BMW continues to scale well. BMW TechWorks has now crossed a key milestone of 2,000 engineers and continues to strengthen our credentials in software-led automotive engineering, while expanding our participation in next-generation mobility programs.

In Q1, our share of profit from the joint venture increased 43.5% Q-o-Q to INR 9.5 crores, and the total contribution stood at INR 17.8 crores, including the deferred income of INR8.3 crores.

Other income increased 19.3% Q-o-Q to INR 36.9 crores, driven largely by a profit on sale of investments.

Profit before tax for the quarter was INR 252 crores compared to INR 283 crores in the previous quarter. It is important to note that Q4 included a onetime reversal of the provision related to the new Labour Code. Excluding this nonrecurring benefit, our underlying profitability improved meaningfully with PBT increasing 10.8% Q-o-Q and PAT growing 11.3% sequentially to INR 181 crores.

Maintaining a strong balance sheet with robust liquidity is a key focus for us. At the end of Q1, the net cash position stood at INR 880 crores, while the DSO remained stable at 97 days, reflecting healthy collection efficiency. Our billed DSO came in at 65 days compared with 59 days in Q4, while the unbilled DSO were at 32 days compared with 36 days in Q4.

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

Our total headcount stood at **12,579 associates** at the end of Q1, representing a net reduction of **67 employees or 0.5% sequentially**. This primarily reflects a continued optimization of our delivery capacity with a balanced approach towards managing the mix between full-time employees and outsourced resources. As demand conditions continue to improve and deal momentum strengthens, we remain disciplined and selective in our hiring, focusing investments on strategic skill areas and growth priorities. This approach enables us to align talent deployment with client demand while maintaining operational efficiency and supporting future growth.

Our talent metrics continue to remain healthy with trailing 12 months voluntary attrition declining to **16%**, an improvement of 20 basis points year-over-year. This reflects the strength of our employee value proposition, investments in learning, career development and our efforts to provide employees with opportunities to work on leading-edge engineering and digital transformation programs. We remain focused on attracting, developing and retaining high-quality talent as we prepare for our next phase of growth.

Building a future-ready workforce remains central to our strategy as we scale in high-growth areas such as embedded software, software-defined vehicles, cybersecurity, digital engineering and AI-led engineering services. Our learning ecosystem continued to gain traction with over 20,000 training hours delivered to 3,000-plus employees this quarter. TechVarsity continues to be an important enabler of this capacity building journey, having conducted 90-plus programs, including focused technical learning across 40-plus niche skills areas.

In summary, as we look ahead, we remain encouraged by the healthier customer engagement levels we are seeing across our key markets and by a constructive demand environment that continues to support strategic investments in engineering, digital transformation and next-generation mobility. While we remain mindful of the evolving macroeconomic backdrop, our focus remains firmly on disciplined execution, operational excellence and prudent capital allocation. These priorities, together with our diversified business mix and resilient margins, position us well to capture emerging opportunities and continuing to invest in capabilities that strengthen our long-term competitiveness. Above all, our commitment remains unchanged to create a sustainable value for all our stakeholders, including customers, employees, shareholders and partners through consistent execution and profitable growth.

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

Moderator Our first question comes from the line of Jyoti Singh with Haitong. Please go ahead.

Jyoti Singh: Thank you for the opportunity and congratulations on the good execution and also on the Tenneco deal. So, sir, largely, I wanted to understand that you reiterated double-digit organic growth for '27 after delivering a very strong number in Q1. So, does this imply some moderation in H2 or has the visibility actually improved further since the beginning of the quarter?

Warren Harris: Thanks for that question, Jyoti. I think, when we began the fiscal year, we referenced double digits, our expectations for double-digit growth. I think in the narrative that we've surrounded the Q1 results, we've referred to strong confidence in double-digit growth.

So, I think that as we've gone through the quarter, given deal signings, given momentum, given the engagement that we've got with customers, our confidence has only grown. So, we do not see a tapering of growth in the second half of the year. We actually see growth accelerating as we move through the quarters of this fiscal.

Jyoti Singh: Understood. And second question, are you seeing any OEMs shifting engineering budgets away from EV platform toward hybrid or ICE refresh program over the last 3 months? And how is the demand we are getting from Europe and U.S.

Warren Harris: Yes. I think a great question. And certainly, we have, over the last couple of years, start to see the investments in EVs tapering and a much more balanced proposition as far as propulsion options that our customers are building and investing in. And that's great news for Tata Technologies because as far as propulsion is concerned, we're agnostic. We are, at the moment, delivering work packages and full vehicles in the ICE, in the hybrid, plugged hybrid and full BEV arenas.

And again, the key driver to the improvement that we've seen is that over the last kind of 18 months, demand has been somewhat compromised by the tariff announcements and again, that tapering of EV demand in geographies like the United States. We're seeing those periods now start to come to an end, clarity being provided for the customers that we're working with. And based upon that clarity, investments are being made, and we are very pleased that we've been on the right side of that.

Jyoti Singh: Thank you, sir.

Moderator: Thank you. Your next question comes from the line of Ravi Menon with Axis Capital.

Ravi Menon: Hi, thank you for the opportunity. Congrats on a really good quarter. One of you can as a kind of optimism of infectious. I just wanted to understand, I mean, what's really underpinning this because most of your peers who are the specialists seem to be singing quite a different tune. So, is this about your client portfolio being different, the service portfolio being different or are you being a lot more diversified with clients or is this about involvement in new hybrid platforms? What's actually the reason why your outlook seems very different compared to the peers?

Warren Harris: Yes. Great question, Ravi. And I think what's really playing out is essentially the thesis around which we are investing and growing the company. For some time, we have believed that as the clock speed of technology change accelerates, we think that our customers and the market will increasingly shrink their focus on to the things that are core to the DNA of their brand, and they will increasingly look to outsource.

And I think the propensity to outsource will be positioned predominantly for those organizations like ourselves that have demonstrated over many, many years, our ability to be able to take on turnkey responsibility for complete work packages and complete products. And that's really where we are seeing the tailwinds that we are currently intersecting with.

And I think one of the associated points that I'd make is that when a customer of ours makes a decision to outsource a complete product, that decision is typically made at the top end of that customer hierarchy. So it's typically made within the C-suite. So, it's the Chief Exec, it's the Head of Engineering or it's the CTO.

Those relationships that we've cultivated over many, many years give us the opportunity to not only influence product engineering decisions, but also all outsourcing decisions. And so we are seeing a broad-based improvement in demand. It's certainly very much predicated upon the outsourcing of full vehicles.

But the halo effect of that and the influence that, that affords us has given us the opportunity to grow in a relatively broad-based way. As Uttam pointed out, we've seen growth not just in terms of engineering, but also in embedded software and also in digital. And again, I think those represent proof points of the principles that I've just shared.

Ravi Menon: Great. Thanks so much for a detailed answer. You spoke about how it's turnkey engagements. So, can I think about the AI impact as not being really deflationary for you? Is that something that you're seeing? Because what kind of impact that you're seeing at all on pricing?

Warren Harris: Yes. Great question, Ravi. I think one of the things that is underpinning our value proposition on the full product space is our ability to be able to deliver China speed and China cost at the quality standards that the global automotive market expects. Now we're doing that because we've had a footprint in China for more than a decade now.

And so, we understand the players. We understand how they do things. But we've been able to capitalize that experience through the investments that we're making in AI. And so, the contribution that AI is making to us is really a force multiplier in terms of productivity and a force multiplier in terms of being able to do things that are increasingly difficult, not just for the competition, but also in part for the industry at large.

If you look at many of the Western OEMs, they're still developing vehicles at between 36 and 48 months. We are routinely and have demonstrated this consistently able to develop full vehicles and top hats anywhere between 18 months and 24 months. And again, we've demonstrated that, and we've got vehicles on the road today that are, again, proof points against those claims.

Ravi Menon: Great, thanks. So, then we can just say that we shouldn't think of the volume of work is constant. Can we just think of that as the product cycles are accelerating, but that's the real net impact of AI and that we shouldn't just think of that as shrinking the pie, right?

Warren Harris: I think that's a great way to summarize it.

Ravi Menon: Thanks so much, Warren. And Uttam, one clarification on the technology product side, the margins are lower. What's the reason for that this quarter?

Uttam Gujrati: So basically, that's a mix impact that we are seeing in the Technology Solutions business. The education business grew faster than the product piece in it. And this disproportionate growth mix change within the two led to the declines in the margins.

Ravi Menon: Thanks so much. Best of luck.

Moderator: Thank you. The next question comes from the line of Mayank Babla with Carnelian AMC. Please go ahead.

Mayank Babla: Hi, thank you for taking my question. Am I audible?

Moderator; Yes sir, you're audible. Please proceed.

Mayank Babla: So first of all, congratulations to Warren, Uttam and Vijay for a great set of numbers and great execution. You have outdone yourself. So, congratulations at first. My question first to Warren is you announced the Tenneco deal and one full vehicle program in Q1. Now last quarter, you had mentioned that you were positive on closing 2 full vehicle programs in the next 8 to 12 weeks, out of which 1 you have already closed.

And I'm sure given the confident tone that you're speaking with, you will be closing the second one soon. But could you give us a sense of how many such full vehicle programs do you have in pipeline now at this point in time that you are confident of closing in?

Warren Harris: Well, thank you for the generous comments, first and foremost. I think as you picked up, our confident tone is really informed by the momentum that we continue to build in and around deal signings -- large deal signings and specifically full vehicles. We've pointed in the narrative and the press release that we've accompanied the Q1 numbers or at least the deck that we published.

We've pointed to a number of large deals. But that's not an exclusive list. And so, we have closed additional business, and we've taken that momentum into the second quarter. So, I'm not at liberty to give you too many details in terms of customer names or the size of these deals. And hopefully, we'll be able to share more at the end of Q2. But rest assured, the deal momentum continues to build. And it's that, that really gives us renewed confidence in the guidance that we've previously shared.

Mayank Babla: Sure, sure. My second question is in 2 parts. The first part to Uttam, if you could give us the Aerospace revenue and the Q-o-Q and Y-o-Y performance in this quarter. And then the second part, I'll address to Warren, is that if you could give us some outlook? I know you don't give guidance, but qualitatively, if you could give us a direction of how big this vertical can be so that we can get a grip on the size and scale of opportunity, especially given that Airbus has announced a new clean-sheet program last year. So yes, these were the 2-part questions.

Uttam Gujrati: So, let me go with the Aerospace piece first. Our Aerospace revenues grew to approximately $10.2 million. This was up 6.4% Q-o-Q and 38.1% Y-o-Y. And the second question, what you had was...

Warren Harris: It relates to what the potential can be for the Aerospace vertical. I think we have consistently messaged in the last couple of years our confidence in scaling this vertical at a faster rate than the automotive sector. And that's driven by a number of different things. It's been driven by the fact that we've been able to secure an involvement in Airbus' strategic supplier outsourcing list. It's been informed by the investments that the Tata Group is making in Aerospace.

It's informed by the fact that the demand for air travel is increasingly being centered upon Southeast Asia and specifically here in India, and by association, the fact that there is going to be a significant amount of infrastructure investment in things like MRO capabilities and assembly and build capabilities here.

So, the growth that we've seen in the last 4, 5 years, which I think has represented a CAGR of about 40%. I think that is a CAGR that we can continue. And I certainly think in the next couple of 3 years, I think that we can trend very successfully towards the $100 million target for Aerospace. Now how quickly we get there will depend upon a number of factors.

But I think that we've cemented not only the relationship with Airbus, but with key components of Airbus's supply chain. And we've also been able to build very strong relationship with some of the propulsion players in North America. So, the growth now is not just predicated upon a single customer. It's much more broad-based and by association, it's much healthier.

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

Ankur Pant: Hi, Warren. Hi, Uttam. Congratulations on a good set of results. So, my first question is picking on Warren statement that you expect growth to accelerate towards the second half of the year. So, when you say accelerate, does it mean that from the...

Moderator: Really sorry to interrupt. Ankur sir, your voice is slightly muffled.

Ankur Pant: Is it better now?

Moderator: This is much better. Yes, sir.

Ankur Pant: Yes. So, I'll repeat my question. My question is that Warren highlighted that he expects an acceleration in growth towards the second half of the year. So just wanted to understand that we've achieved 4.3% growth this quarter. Is that the benchmark that we are using to say that the growth would be accelerated in 2H? That is my first question.

Warren Harris: I think we will maintain guidance in terms of double-digit growth. And I think in terms of the quantum of growth that we will drive in Q2, Q3 and Q4, in part will be driven by the ramp-up of the deals that we have closed. And our ability to ramp up is dependent not just upon the teams that we can mobilize, but also the readiness of our customers and the investments that need to be made in infrastructure. I expect growth to be much greater in the second half of the year than in the first half of the year. But how that spreads across the quarters will be predicated upon the factors that I just referred.

Ankur Pant: And the other question is, given the investments that we are making on the wage hikes that are coming up in 2Q, do we see the same, are we sticking to the same guidance that we said in the past of 18% EBITDA margins by 4Q of the year? Or does that also change given in the light of the investment?

Uttam Gujrati: So, as I said, rather than focusing on any specific margin milestone, we would emphasize that we are materially more confident on our growth trajectory that we are seeing. Given the strong demand and the healthy deal momentum, we would seek this opportunity to accelerate growth without compromising on our ambition of quarter-over-quarter margin expansion.

As also mentioned in my initial remarks, the quarter 2 profitability outlook will continue to see quarter-over-quarter growth, which should take care of our -- the point that you just outlined about the salary increases. So, our quarter-over-quarter expansion would continue.

Ankur Pant: Thank you. All the best.

Moderator: Thank you. Your next question comes from Dev Gulwani with Care PMS. Please go ahead.

Dev Gulwani: Now that the Es-Tec acquisition in BMW JV has been more than a few quarters, has company started cross-selling additional services to customers like Volkswagen and BMW? And how do you expect this to contribute to revenue going forward?

Warren Harris: The short answer is yes. And we've been very pleased with the momentum, both at BMW and at VW. Obviously, the Es-Tec acquisition was only completed in November of last year. And so, the cross-selling is at a less mature stage than we're seeing at BMW. But one of the things that we've been really pleased about is that as part of the building of the partnership with BMW and as part of the due diligence we did at Es-Tec, we took the opportunity to sanity check our strategy with the leadership teams of both of those companies. And so again, that's provided us with access. It's provided us with influence.

And because of the increasingly good standing of BMW TechWorks, our JV with BMW, that's affording us doors to be opened and influence to be had directly, which we are fully harvesting. And notwithstanding the challenges and the restructuring that VW is going through, we always believed that the platform that we've established with Es-Tec will support not just direct business through Es-Tec, but increasingly the strategy of VW to balance their R&D concentration across different geographies. And again, part of the pipeline that we are building is very much consistent with that.

Dev Gulwani: Okay. And this is for Mr. Uttam, can you provide the revenue contribution of Es-Tec in Q1 FY27? I think I missed this.

Uttam Gujrati: We do not provide specific details around the acquisitions. The larger business compositions and details have already been shared. So, we would want to stick to that.

Dev Gulwani: Okay. And you mentioned that software-enabled solutions grew by 8.5% Q-o-Q. Can you provide the absolute numbers for this quarter for the software solutions?

Uttam Gujrati: While I would do the same thing as you would do, we can calculate it. We have the total numbers with us.

Dev Gulwani: Okay. Thank you.

Moderator Your next question comes from Vaibhav Chechani with TCG AMC. Please go ahead.

Vaibhav Chechani: Yes. Congratulations on a great set of numbers. So, my question is around Tenneco deal win. So, this is a big deal win market deal win for us. So, is it like a new deal win with the existing clients that we have done? And what sort of work we would be doing here because it contains business process transformation. So, would that be right to assume that more sort of offshore nature deals it would be? And the ramp-up, so when will the ramp up? And will that be needing any more subcontracting in this? And then the selection criteria?

Warren Harris: Thanks, Vaibhav, and a great question. And I was hoping that somebody would ask about Tenneco because it's something I wanted to really celebrate. It is a milestone transaction for us. We've been working with Tenneco in the engineering space for the best part of 6 years. We established a relationship with them during the pandemic. And we have really cemented a very strong and strategic relationship with the senior leadership team at Tenneco.

Tenneco, as you probably might know, was a listed company in the United States, and then Apollo bought them out a couple of, I think, almost 3 years ago now and are accelerating a significant restructuring and transformation that has already delivered significant improvements in the financial results of that company.

We are engaging with them, not just in engineering, but in areas such as program management and supply chain development, process optimization and the work that they're doing in and around their digital transformation. The deal was celebrated and won last quarter. We are beginning execution in the second quarter, and we will ramp through this fiscal year.

I think that it's an important deal for us, not just because of the revenue that it represents, but because I think it represents a blueprint of what is likely to go on within the manufacturing space going forward. I think the joint venture with BMW is a best practice demonstration of how to stand up a GCC. And I think that will influence other OEMs. And I think what we've done with Tenneco will really position a great example and a blueprint for what will happen within the extended supply chain.

And so, for us, these deals are not just, again, important in terms of the contribution that they represent to growth, they're incredibly important in terms of the demonstration of the strategic nature of the relationships that we are building and also the direction that we believe that deals like this will provide as a signal to the rest of the industry.

Vaibhav Chechani: Okay. And when can we expect when the deal will be ramping up? And are we expecting any increased cost for the deal ramp-up?

Warren Harris: We will start ramping up in the second quarter, and we will look to scale towards the end of the calendar year and as we finish this fiscal year and move into the next. It's a 5-year deal, and there is a certain small element of renewal in terms of existing business because we're wrapping that into the deal, but the majority of this deal is new business.

And so certainly, there is capacity that we will be discharging from within the company. But as we go through the ramp-up, we will certainly be bringing in additional headcount, which by association will represent additional cost.

Vaibhav Chechani: Okay. And the last part to it is, what is the count of people we are having with BMW? And are we sharing any profit from the JVs in this quarter? Thank you.

Uttam Gujrati: Yes. As we mentioned, the headcount in our BMW TechWorks has crossed the key milestone of 2,000 engineers. So that will continue as the entity grows. In terms of our share of profit, as

I already outlined, it stands at INR 9.5 crores for Q1. And if I include the deferred income piece of INR 8.3 crores, the total contribution from the JV for quarter one stands at INR17.8 crores.

Vaibhav Chechani: Thank you. Sorry, I miss that part. Yeah, thank you.

Moderator: Your next question comes from the line of Puneet Lineswala with Winvestments.

Puneet Lineswala: Hi, Warren. Hi to the entire team. And once again, congratulations for the great numbers and delivered as committed. I had a question regarding to the non-Tata Motors segment of business, which we have like in the Tata Group itself, but excluding Tata Motors. So, if you could throw some light on the business from Tata Advanced Systems, that would be great?

Warren Harris: We're not going to talk about any specific customers. But what I will say is that the growth outside of our anchor accounts is scaling and expanding faster than the growth with our anchor customers. So that is very much a part of our diversification strategy, and we expect that to continue certainly medium to long-term. There may be some spikes during different quarters as we secure different program opportunities on both sides of that particular challenge.

I mentioned in my opening comments, the pride that I have in what we're seeing in automotive outside of the group. We grew that 6.7% quarter-on-quarter and 56% year-on-year, which I think, again, is a great testament to our teams, to the relationships that we've got, and the fact that we stuck with it during a pause in investments, that some of our customers were making as they were grappling to come to terms with tariffs and the slowing of the EV transition. So, we're very, very pleased with the bounce back that we've seen there and the growing momentum that we're building.

Puneet Lineswala: My next question was to get an understanding about the trajectory ahead and the overall business. I just wanted to understand what are your learnings from the previous couple of years, that you would like to optimize moving ahead?

Warren Harris: That's a great question, and it's part of what we're grappling with. I think, if I look at learnings for the past, particularly in terms of full vehicles, we did a lot of business with new energy vehicle companies like VinFast and NIO when it was first launched in China. And the great news for us in terms of the experience that we had with those companies is that it exposed us to a great deal of innovation, product innovation, process innovation and speed to market innovation.

But I think one of the challenges that it represented for us is that, that space is relatively volatile in terms of demand. They typically invest in product. They then look to test the market. And dependent upon the success of the product in the market, they then invest in follow-on products. And whilst, again, those relationships have been important to us and have taught us a great deal. They've been challenging in terms of the consistency and the predictability of revenue.

So, one of the things that we've really focused upon in the last 2 years is delivering that same value proposition to the traditional OEMs. And there, we see demand being much more consistent, much more stable, and we see our ability to move from one program to another with the same and increased headcount in a way that's always very difficult to do in the new energy vehicle space.

So, I think the quality of revenue is something that we've worked very, very hard to improve. And much of the work that we've done has been informed by the experience that we've had in those different areas. I trust that answers the question.

Puneet Lineswala: Thank you so much. I'm really happy you answered those questions really well, and you have my confidence as an investor moving forward.

Warren Harris: Thank you, sir.

Moderator: The next question comes from the line of Karan Uppal from Phillip Capital (India). Please go ahead.

Karan Uppal: Yes. Thanks for the opportunity. Just wanted to check within automotive, how much is the contribution of anchor and non-anchor at this point of time? I'm not sure if you have shared this number in the call as well?

Uttam Gujrati: So, of our overall non-anchor from our Services business stands at about roughly 49%. And if I look at the distribution of my non-anchor business within the total automotive, it is about 36%.

Karan Uppal: Okay. So, one in terms of the outlook for this year, double-digit growth, how are you factoring in the growth within anchor and non-anchor? How is the growth outlook within these two sub-segments? That is one. And second is in terms of the non-anchor how much is the contribution between US and Europe OEMs?

Warren Harris: I think the good news for us is that the growth is relatively broad-based, from both in terms of anchor and non-anchor and also geography. The Tenneco deal, for instance, is a US deal. And so that will certainly make a major contribution to our growth in that geography.

So, I think the growth is relatively consistent. We are seeing an uptick despite some of the headwinds associated with the performance challenges that some of the German OEMs have got. We've seen an uptick in Germany. We expect that to continue. We are very much -- we're very pleased with the momentum in Scandinavia. I think we've shared with investors in the past the fact that we were successful in securing a position within the consolidated strategic supply chain of Volvo, and that is seeing our revenues with that customer scale.

The Japanese OEM win that we celebrated last quarter, and we're now scaling up is starting to provide opportunity for us to address that white space geography for Tata Technologies. We've not done a great deal in Japan in the past. So not only is that win a sizable win, it's also a very strategically important win for us. So, a relatively long-winded answer to the question, but I think net-net, it's broad-based and relatively consistent across the different ways in which we measure our revenues.

Karan Uppal: Got it. Got it. And the second part of the question. The non-anchor part of it, what is the contribution of US versus European?

Warren Harris: We don't break it out at a sector level. But the revenue mix of our company today is relatively, again, balanced between the three major regions: Asia, Europe and North America.

Karan Uppal: Got it. Thanks a lot. And all the best.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I now hand the conference over to Mr. Prateek Rampuria for closing comments.

Prateek Rampuria: Thank you, everyone, for joining Tata Technologies Q1 FY27 earnings conference call. We appreciate your continued interest and engagement. We hope the management discussion and Q&A have addressed your key queries. If you have any further questions, please feel free to reach out to the Investor Relations team, and we will be happy to assist. Thank you once again for your participation. Operator, you may now close.

Moderator: Thank you. Ladies and gentlemen, on behalf of Tata Technologies Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines. Thank you.