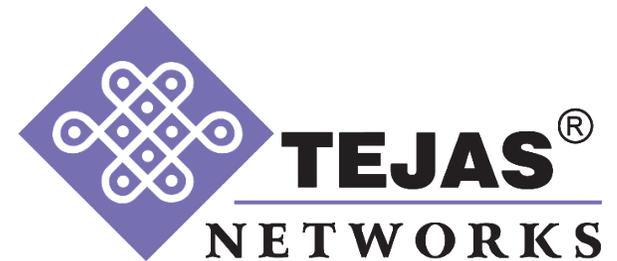




**TEJAS NETWORKS LTD**  
**Q4FY23 INVESTOR PRESENTATION**

**April 21, 2023**



# Key Updates: Q4-FY23

- **Q4 Financial Update**
  - Q4 Net Revenue: Rs. 299 Cr; FY 23 Net Revenue: Rs. 920 Cr (YoY increase of 67.0%)
  - Q4 Loss After Tax: Rs. 11 Cr; FY 23 Loss After Tax: Rs. 36 Cr
  - Cash and Cash Equivalents at: Rs 1,306 Cr (no debt)
  - Order book at end of Q4: Rs 1,934 Cr
- **Key highlights**
  - **Wireline Business:** Strong business momentum continues for optical products, resulting in all-time high order book. Won BSNL's pan-India router tender of Rs 696 Cr.
  - **Wireless Business:** Well positioned to supply our RAN products for a large 4G network in India. Successfully completed supplies of our equipment for first 200 sites.
  - **Supply Chain:** Made significant improvements- 4 consecutive qtrs of QoQ and YoY growth. Capacity expansion is already in place for executing large volumes (from backlog as well as expected orders in pipeline). Signed 4 new EMS partners for scaling up manufacturing capacity. Lead-time challenges continue for certain components.
  - **Investments:** Continued investments in R&D as well as SCM. Total headcount during FY increased to 1305 (YoY 41%).
- **Awards and Recognition**
  - "Telecom Person of the Year Award 2022" by Voice & Data for development and commercialization of indigenous 4G telecom stack, conferred jointly on Tejas, TCS, C-DoT and BSNL
  - Tejas received "Most Value Vendor Partner" award for FY23 from ELCITA, Bengaluru
  - 18 patent grants in Q4FY23 taking total to 217 patents granted. Tejas and Saankhya together have cumulatively filed 445 global patent applications

# Key Corporate Updates

- **Sanjay Nayak to take voluntary retirement and will step down from his role as CEO and MD by the next Annual General Meeting of the company**
  - The Board approved the same and placed on record their appreciation for the contribution made by Mr. Nayak, during his tenure as CEO and MD of the Company, since inception.
- **Anand Athreya appointed as CEO and MD designate and joined the company effective April 3, 2023**
  - Mr. Athreya is an global industry veteran with 25+ years of extensive technical and managerial experience in telecom equipment, networking, and software industries. Prior to Tejas, he worked at Juniper Networks (USA) for 18 years and was EVP and Chief Development Officer of Juniper Networks (USA).
- **Appointment of Ms. Alice Vaidyan as Non-Executive, Independent (Additional) Director on the Board effective March 29th, 2023 for a period of five years**
  - Former Chairman and Managing Director of General Insurance Corporation of India with over 40 years of experience
  - Amb. Leela Ponappa, Independent Director retired wef Feb 16, 2023 consequent to completion of her second term
- **ICRA reaffirmed long-term and short-term credit ratings at A+ (Stable) and A1+ respectively on March 31, 2023**
  - Rs 559.86 crore bank facilities

# Q4-FY23: Financial Update

*Amount in Rs. crore except EPS*

	<b>Q4-FY23</b>	<b>FY 2023</b>	<b>FY 2022</b>
Revenues (Net) <sup>1</sup>	299.3 (YoY 136.6%)	919.6 (YoY 67.0%)	550.6
EBIT <sup>2, 5</sup>	-43.7 (YoY 60.3%)	-108.5 (YoY 31.0%)	-157.2
PBT <sup>3, 5</sup>	-27.0 (YoY 71.8%)	-42.7 (YoY 63.6%)	-117.1
PAT <sup>4, 5</sup>	-11.5 (YoY 76.9%)	-36.4 (YoY 41.9%)	-62.7
EPS	-0.70 (YoY 83.8%)	-2.46 (YoY 58.9%)	-5.97

**On a standalone basis, Tejas had a revenue of Rs. 869 Cr and PAT of Rs 3 Cr in FY 23**

1. Revenue includes Saankhya revenue of Rs. 14.6 crore in Q4 23 and Rs. 49.5 crore in FY 23
2. EBIT includes Saankhya EBIT of Rs. (13.8) crore in Q4 23 and Rs. (33.9) crore in FY 23
3. PBT includes Saankhya PBT of Rs. (14.5) crore in Q4 23 and Rs. (33.3) crore in FY 23
4. PAT includes Saankhya PAT of Rs. (4.5) crore in Q4 23 and Rs. (23.2) crore in FY 23
5. Includes amortization cost of Rs 13 crore as per PPA, for technology assets acquired from Saankhya Labs

# Q4-FY23: Key Financial Indicators

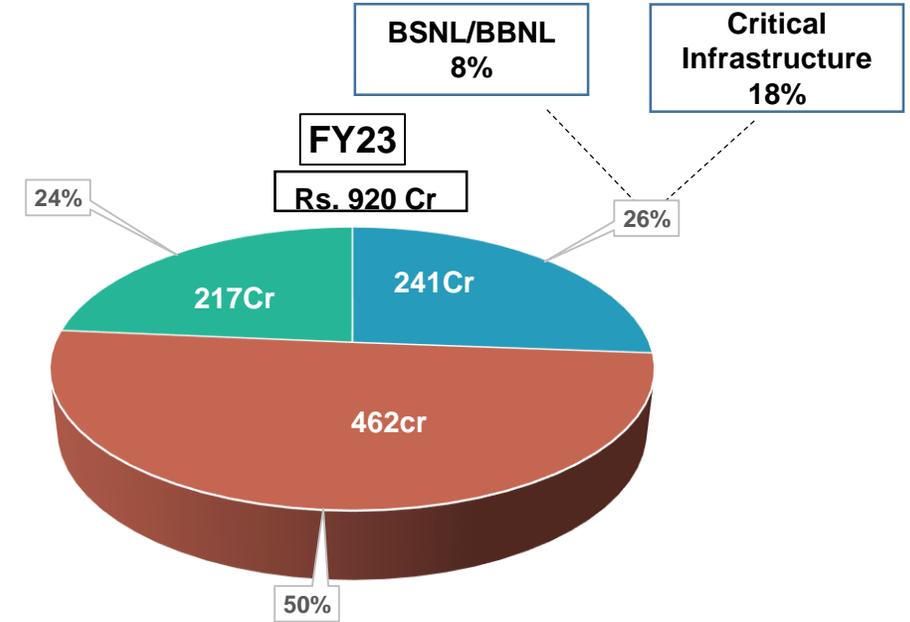
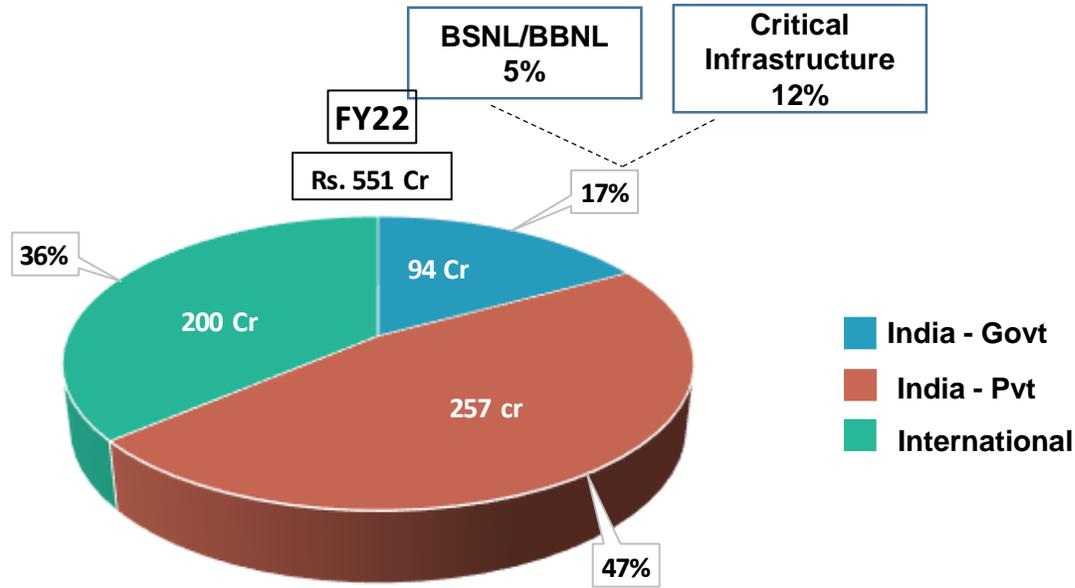
Particulars	Amount in Rs. Cr	
	Q3-FY23	Q4-FY23
Cash flow from Operations	(114)	(133)
Net Worth	2,567	2,973
Inventory	494	647
Trade receivables	500	518
Net working capital	766	944
Cash and Cash Equivalent <sup>1</sup>	1,221	1,306

1. Cash and cash equivalents, investment in liquid mutual funds, Other Bank balances in current assets

2. Q3 and Q4 numbers include Saankhya

- **Inventory increased by Rs. 153 Cr during Q4-FY23**
  - We have secured some long-lead components in anticipation of expected orders that require faster delivery.
- **Trade Receivables at Rs. 518 Cr**
  - Collected Rs 287 Cr during Q4
- **Working capital increased in Q4 by Rs. 178 Cr**
  - Primarily due to increased inventory and receivables
- **Cash Position at end of Q4 was Rs. 1,306 Cr**
  - We received an investment of Rs 300 Cr from Panatone towards final subscription of Series-B Warrants during the quarter.

# FY23: Sales update



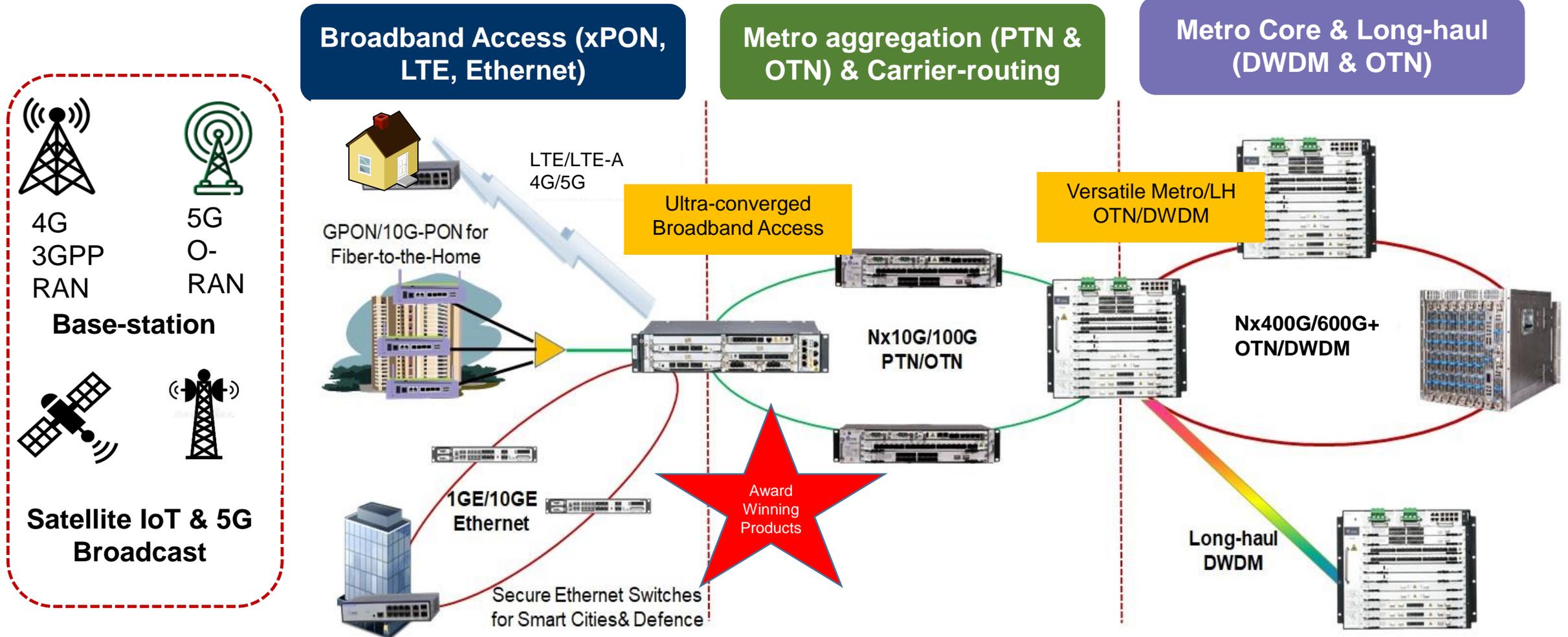
- **Run-rate revenue (India-Pvt + International) was 74% of FY23**
- **India Government**
  - India-Govt was 26% of FY23 revenues. YoY growth of 158.2%
- **India Private**
  - India private was 50% of FY23 revenues. YoY growth of 79.3%
- **International**
  - International was 24% of FY23 revenues. YoY growth of 8.5%
- **Closing Backlog- Rs 1,934 Cr**
  - India: Rs 1,734 Cr
  - International: Rs. 200 Cr

## • Sales Outlook for FY24

- We see large growth opportunities in India, with our optical as well as 4G/5G products. This will help expand our business volumes and attain global economies-of-scale
- We expect to see healthy growth in international for our optical products. However, international business as a %age of total revenues will reduce in the near term.

# Comprehensive Products: Optical + Wireless + Satellite

## Universal, SDN-ready Network Management System (NMS)



- **Wireline products:** Optical Transmission, Broadband Access, Carrier-routing, Secured Ethernet Switches
- **Wireless products:** 4G RAN (Radio Access Network) for Fixed as well as Mobile broadband; 5G O-RAN, 5G Broadcast and Satellite IoT

# Key Takeaways

- We closed FY23 with highest-ever revenues and highest-ever order book
- With improved supply chain management, we have seen QoQ and YoY revenue growth
- With a healthy order book of Rs 1,934 Cr and good visibility of new order pipeline, we expect to significantly accelerate our revenue growth in FY24 and beyond
- We have scaled-up our manufacturing capacity and are well geared to execute large pipeline of orders
- We continue to increase our investment in R&D, SCM as well as Field-support, aligning to our growth plans
- With our healthy cash position of Rs. 1,306 Cr, we are confident to execute large orders and scale-up our business.



**Thank You!!**

Contact: [ir@tejasnetworks.com](mailto:ir@tejasnetworks.com)

