



INVESTOR PRESENTATION



Safe Harbor Statement

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy and our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, changes in the laws and regulations that apply to the industry in which the Company operates. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Tejas Networks: A Snapshot

- **India's leading R&D-driven telecom product company**
 - Founded in 2000; Headquartered in Bangalore
 - #1 in Optical Aggregation in India; Top-10 globally (Source: Ovum)
 - Cumulative Revenues of over US \$1 Billion
 - Customers in 75+ countries; 500,000+ units shipped worldwide
 - Presence in all major telecom networks in India
 - TL9000 certified
- **Technology differentiation: "Software-defined Hardware"**
 - Innovative use of programmable silicon for time-to-market and cost advantage
 - Focus on innovation: 349 global patents and 300+ silicon IPs
 - Award-winning products - recognition at international forums
 - Innovation + Quality + Cost
- **Financially strong with an innovative business model**
 - Went public in the year 2017; debt-free company
 - Leveraging India R&D cost advantage to create globally competitive products
 - Success in India leading to global success; cumulative exports of over US \$400M



1st Deep-technology Indian startup to do IPO

Key Achievements during our 20 Year Journey



**Cumulative
Revenues > \$1 Billion
Exports > \$400
Million**



**Deployed in 75+
Countries
15 Global Offices**



**Global Top-10 in
Optical Aggregation
#1 in India**



**Shipped > 500,000
Equipment to > 500
Networks**

Design and Make-in-India For the World

First Deep-tech Startup to go IPO



**R&D Investments
of > Rs 1000 cr**



**Selected by 5 Top-10
Global Operators**

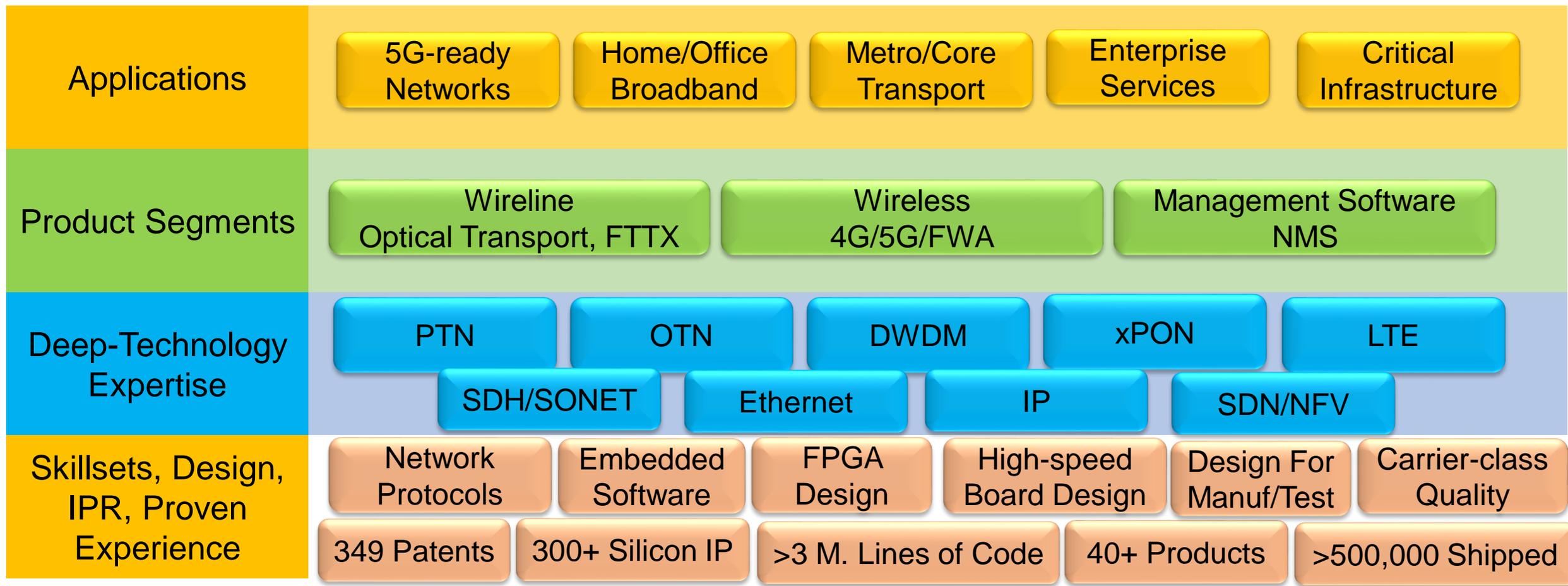


**Won 20+ Prestigious
Awards for
Innovation**



**345+ Patents &
300+ Silicon IPs**

Strong Foundation of Technology and R&D



Cumulative R&D Investments of Over Rs 1000 Cr

Award-winning, Globally Competitive Products



Our Sustainable Competitive Advantage

Software-defined Hardware™

Programmable silicon eases
feature upgrades,
incorporation of new
standards and protocols



Future Ready Products

Support multiple technology
generations from same shelf
(2G/3G to 4G/5G)

Ultra Converged Broadband Access/Edge

Any Media, Any Service, Any
Technology



Innovative Business Model

Asset-light manufacturing,
with cost-efficient India-based
R&D and low operating costs,
delivers superior financial
performance

The Age of Digital Living, Working and Learning

Work-from-Home

Remote working and greater use of digital modes of interaction for business



Healthcare

Use of telemedicine and smart health solutions; high-speed connectivity to hospitals

Study@Home

Online learning using both live and recorded videos; use of MOOC platforms

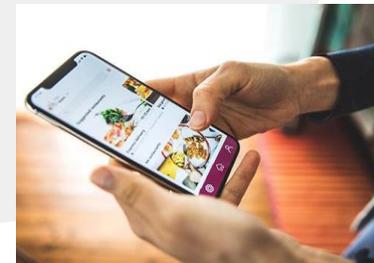


Automated Manufacturing

Accelerate adoption of Industrial IoT (IIoT), AI, VR/AR to increase automation

Over-the-Top Entertainment

Video streaming and video calling; Cloud gaming and eSports growing in popularity



Digital Economy

Extensive use of e/m-commerce apps due to social distancing restrictions

Advent of 5G will have an even more disruptive impact on society and economy

Covid-19: Accelerating Digital Adoption

10x

Increase in Video Conferencing Usage

+40%

Growth in Upload Traffic

+41%

Growth in Video Traffic

+213%

Growth in Gaming Traffic

Source: Network World, Verizon, Colt (Covid-19 lockdown data in March/April 2020)

244%
Growth

1.7 ZB/yr
In 2019

5.7 ZB/yr
by 2024

1 Zettabyte = 1 Trillion Gigabyte

- Covid-19 has catalyzed sharp growth in residential traffic and home broadband
- Huge increase in video consumption across all geographies

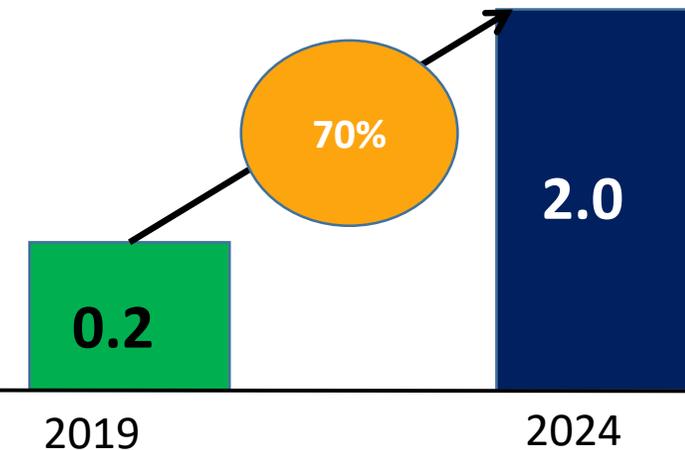
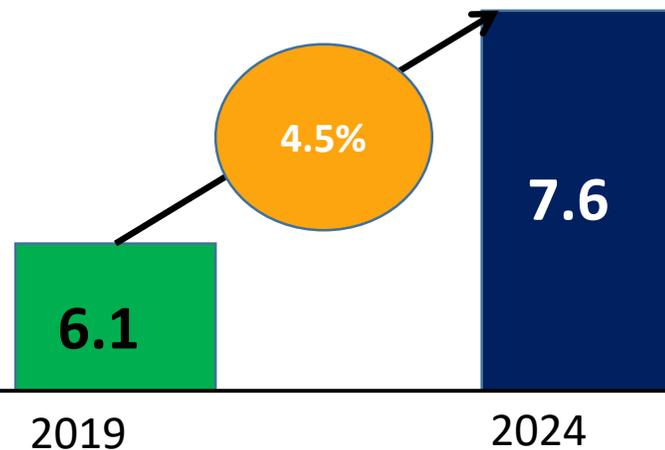
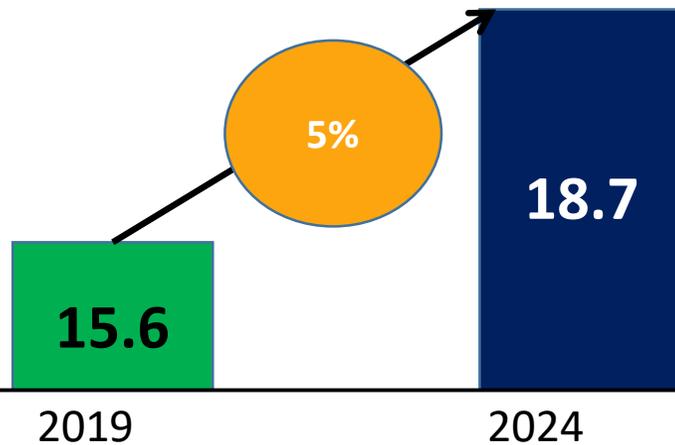
...Driving Spend in Optical & Broadband Equipment



Optical Networking Equipment
(USD Billions)

Fiber-to-the-Home (GPON)
(USD Billions)

Fixed Wireless Access (4G/5G)
(USD Billions)



Award Winning Products and Solutions

Home & Office Broadband

Deliver high-speed broadband connectivity on optical fiber, fixed wireless and copper cables to residences, businesses & institutions

Products: GPON, PTN, LTE, Ethernet Switches



Metro Capacity Expansion

Cost-efficient solutions to upgrade bandwidth in Metro and Core networks

Products: DWDM, OTN

Critical Infrastructure

Seamless network transformation from legacy circuit to packet transport technologies in power, rail, oil & gas, defence sectors

Products: Next-gen SDH, DWDM, Ethernet Switches, GPON



5G-Ready Mobile Backhaul

High-performance optical crosshaul solutions to cater to increased fiberization, densification & virtualization of 4G & 5G Networks

Products: PTN, GPON, OTN



Our Growth Strategy

1

Focus on International Business: >50% over revenue in Medium Term

- Increase sales investments in Africa, Mid-east, SE Asia, North America
- Benefit from new geo-political situation, as customers diversify their supplier base

2

Benefit from Data and Broadband Growth in India

- Growth expected in Wireline broadband
- Increase walletshare in private telcos, and government accounts
- Benefit from “Atmanirbhar Bharat”



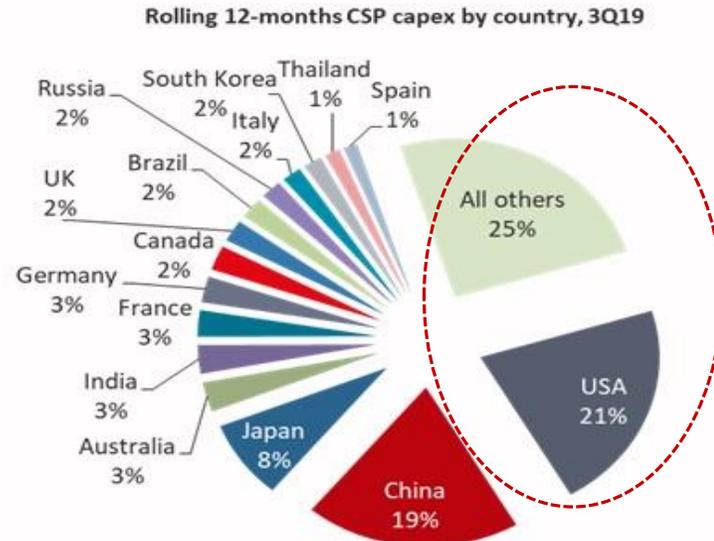
3

Product Differentiation through Innovation & R&D

- Unique Software-defined Hardware
- Expand addressable market with new products Wireline + Wireless
- 4X India-based R&D Leverage

1. Focus on growing International Business

**International TAM for FY21:
~\$8.4 Billion**



Source: Omdia report dated Apr, 2020

- Right-sized and differentiated products for “India-like” emerging markets
- Customers actively want to reduce their supply chain risk and diversify their vendor base in emerging geo-political environment
- Have made sustained sales & marketing investments for local presence and to gain brand recognition

Africa and Middle East

South and S.E Asia

North America

- Total Addressable Market of ~\$2b: expected to grow to ~\$2.5b by 2023
- Invested in dedicated regional sales teams with experienced leadership
- Strong reference base- selected by several Tier-1 service providers

- Total Addressable Market of ~\$2.3b: expected to grow to ~\$2.8b by 2023
- Differentiated solutions for optical network modernization, FTTx, alien wavelength, 4G/5G backhaul, rural broadband

- Total Addressable Market of ~\$5.1b: expected to grow to ~\$5.9b by 2023
- Incumbent in large telcos in Mexico
- Focus on Tier-2/Tier-3 operators in USA; creating partner network to tap new opportunities

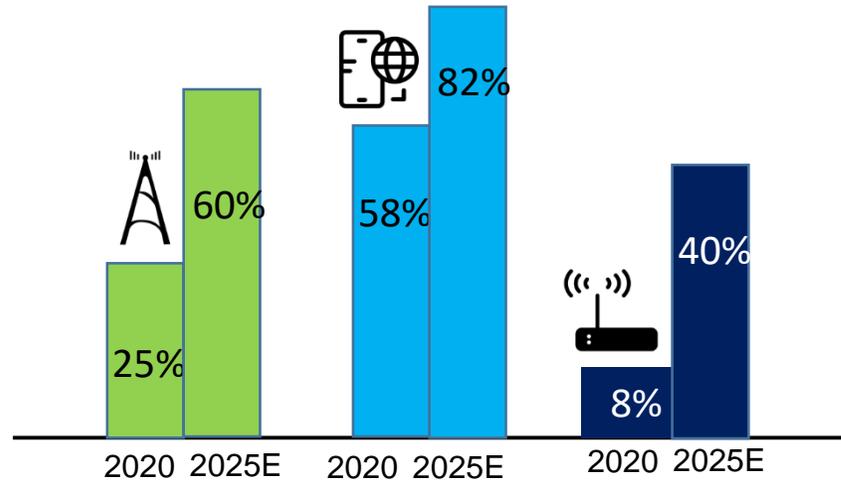
2. Benefit from Data and Broadband Growth in India 20 ANNIVERSARY

**India TAM for FY21:
~\$1 Billion**

India Government/PTT

- Preference to Make-in-India (PMI) policy in Government tenders
- Capacity upgrade projects for 4G
- Mission to extend broadband to all villages by 2022, with 500,000 subs

Fiberized Cell Towers (%age) Mobile Broadband Subs (%age) Fixed Broadband Subs (%age)



India Private

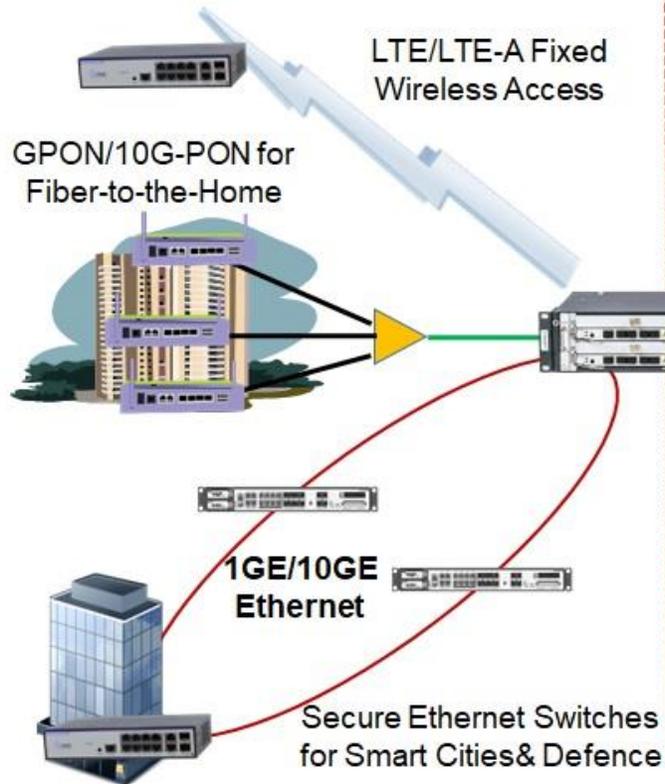
- Private telcos focus on wireline broadband for homes/SME
- Upgrading network capacities to cater to higher data usage and future rollouts of 5G

Critical Infrastructure

- Strong indigenization push through “Atmanirbhar Bharat”
- Incumbent supplier to all leading private telcos, PSUs, ISPs
- Strong local support and brand: #1 in Optical Aggregation in India
- Successful partnership with all leading System Integrators (SI)
- Leading supplier of telecom equipment to railways, power, oil & gas sector, defense
- Modernization of networks, greenfield rollouts, smart cities

3. Expanding Product Portfolio with Innovation & R&D

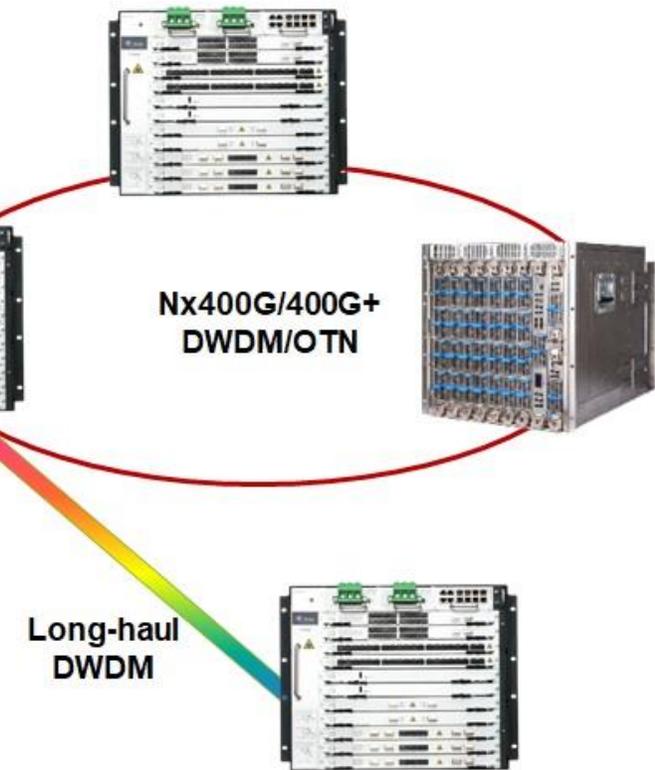
Broadband Access (xPON, LTE, Ethernet)



Optical Transmission (PTN & OTN)



Metro Core & Long-haul (DWDM & OTN)



- Full ownership and control of all software, hardware, design and IPR as well as 100% local manufacturing
- Cumulative R&D investments of over Rs 1000 Cr
- Over 50% employees in R&D with strong multi-disciplinary skillsets; 345+ patents and 300+ silicon IPs

Strong Professionally Managed team with Significant Industry Experience

Management



Sanjay Nayak

Chief Executive Officer and Managing Director
Ex-Managing Director at Synopsys
Chairman, FICCI Science & Technology Council



Kumar N. Sivarajan

Chief Technology Officer
Associate Professor, IISc, Bangalore
Former Chairperson, Telecom Standards Development Society
Ph.D., California Institute of Technology



Arnob Roy

Chief Operating Officer and Full-time Director
Ex-Manager, R&D, Synopsys
Master's Degree, University of Nebraska
Bachelor of Technology, IIT, Kharagpur



Venkatesh Gadiyar

Chief Financial Officer
Ex-Assistant Financial Controller, Infosys
Fellow Member, Institute of Chartered Accountants of India



Sukhvinder Kumar

President, Global Manufacturing Ops
Ex-CEO and Managing Director, Eolane Electronics
Advanced Management Program, IIM, Bangalore



N.R. Ravikrishnan

General Counsel and Chief Compliance Officer
Ex-Company Secy and Head Compliance, Infosys
30+ years of experience in Tata, Infosys and TVS

Board of Directors



Balakrishnan V.

Non-Executive, Independent Director and Chairman
Founder and Chairman of Exfinity Venture Partners
Ex-Group CFO and Board member of Infosys



Dr. Gururaj Deshpande

Non-Executive Director
President and Chairman of Sparta Group MA LLC
Life-Member of the MIT Corporation



C.B. Bhawe

Non-Executive Director, Independent Director
Chairman, SEBI (2008 -2011)
Chairman and MD, NSDL (1996-2008)
Indian Administrative Services (1975 Batch)



Leela Krishnamurthy Ponappa

Non-Executive Director, Independent Director
Indian Foreign Service Officer
Ex-Ambassador of India to Thailand and Netherlands

Global Recognition for Innovation, R&D & Business



2018-2020



Best Equipment Supply Partner by Gol

FT1000 high-growth list for Asia-Pacific



Aegis Graham Bell award in "Digital India Initiative"



"Best Exporter" award in Gold Category by FKCCI



2012-2015



CSIR Diamond Jubilee award from PM in 2012



2016-2017



IESA Most Innovative Product Award in 2016



National Intellectual Property Award by Minister of Commerce and Industry in 2017



President of India award for successful commercialization of indigenous innovation in 2016

2000-2008



CSIR Diamond Jubilee award from PM in 2006



Global Deloitte Technology Fast-50



Red Herring Top-100 Asia

2009-2012

Technology and Innovation awards from

- NASSCOM
- Economic Times
- Aegis Graham Bell
- TCOE India





Q1FY21 UPDATE



Q1FY21: Key Updates

- **Financial Update**

- Q1 21 Net Revenues: Rs. 77.4 Cr (YoY decrease of 50.6%)
- Q1 21 PAT: (Rs. 9.8) Cr; Operating Cash flow: 10 Cr
- Debt-free company. Cash and cash equivalents of Rs. 272 Cr
- Good order inflow of Rs. 188 Cr. Order in hand of Rs. 593 Cr (best in last 8 quarters)
- International revenues: 53% of total

- **Sales Update**

- **Q1 revenues were low due to lockdown restrictions on account of COVID-19**
 - Could not ship some of the orders in hand, due to delays in customer acceptance and logistic challenges
- **India Government** revenues was weak (YoY decline of 52%)
 - BSNL/Bharatnet projects are delayed
 - While revenues in Critical infrastructure segment were low, new order inflow was strong
- **India Private** revenues were weak (76% YoY decline)
 - Shipments deferred due to lockdowns
 - We secured new application wins for our FTTX (xGPON products) with 2 Tier-1 operators
- **International** business was strong (52% YoY increase)
 - Won new orders of 1 Mn+ each, from 3 different customers across geographies
 - 6 new international customer wins
- **Run-rate business (India-Private + International) was 86% of total**

- **Well positioned for opportunities in the emerging post-COVID, geo-political environment**

Financial Update

	Amount in Rs. crore except EPS		
	Q1 2021	LTM	FY 2020
Revenues (Net) ¹	77.4 (YoY -50.6%)	300.6(YoY -62.5%)	379.8 (YoY -56.7%)
EBIT	-13.2 (YoY -299.4%)	-184.3(YoY -301.1%)	-164.5 (YoY -226.2%)
PBT ²	-9.8 (YoY -195.6%)	-158.5(YoY -246.0%)	-138.6 (YoY -192.4%)
PAT	-9.8 (YoY -266.8%)	-252.7(YoY -333.9%)	-237.1 (YoY -261.0%)
EPS	-1.06 (YoY -266.5%)	-27.43(YoY -332.4%)	-25.76 (YoY -259.8%)

Notes:

1. The Revenues (Net) are net of taxes (excise duty/GST) and pass through component sale to our contract manufacturers.
2. Lower revenues resulted in PBT loss, since majority of our costs other than cost of material are linked to manpower and are quasi-fixed

Key Financial Indicators

Particulars	Amount in Rs. Cr	
	Q4-FY20	Q1-FY21
Cash flow from Operations	(2)	10
Net Worth	1,081	1,073
Inventory	252	238
Trade receivables	456	436
Net working capital ¹	540	531
Cash and Cash Equivalents	280	272

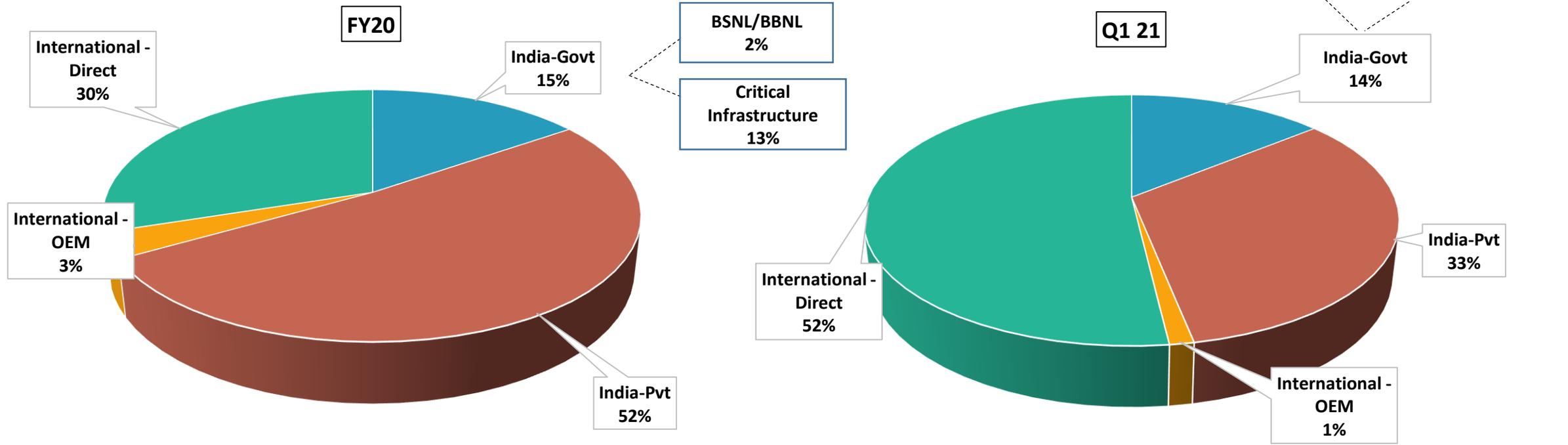
1. Cash and cash equivalents, investment in liquid mutual funds, Other Bank balances in current assets, and Borrowings in current liabilities are not considered in computation of Net working capital

- **Inventory decreased by 14 Cr to Rs. 238 Cr**
 - Expect to consume a large part of the existing inventory over the next few quarters, based on orders in hand
- **Trade receivables reduced to Rs. 436 Cr**
 - BSNL/Bharatnet collection continue to get delayed
 - Some delays from other customers due to COVID-19
- **Working capital decreased by Rs. 9 Cr in Q1**
 - Payables reduced by Rs. 14 Cr
 - Use of existing inventory and expected collections will continue to improve our working capital during the FY
- **Cash Position decreased by Rs. 8.5 Cr in Q1**
 - We expect cash position to improve on a quarterly basis during the rest of the FY
 - We are debt-free, with cash and cash equivalents (incl. investment in liquid mutual fund) of Rs. 272 Cr

Update on COVID-19 impact on our business

- **Business Continuity: short-term challenges expected to continue**
 - We have been providing 24x7 support to all our customers and ensured them to maintain network uptime of >99.999%
 - There were some impact on operations and revenues due to lockdowns and travel restrictions
 - We implemented Work-From-Home for large majority of our employees and ensured health and safety of those coming to office/factory
- **Telecom Networks have proven to be mission-critical. Sharp rise in data traffic seen across the world**
 - Increased bandwidth consumption at homes due to WFH and Learn-from-Home, video entertainment, social networking etc.
 - To get superior broadband experience, customers prefer Fiber-based broadband Vs. mobile broadband
 - Operators are offering higher-speed home broadband connectivity and upgrading the capacity of their metro networks
- **Increase in orders from existing customers**
 - xPON (for FTTX) and Metro optical spending is expected to be strong
 - Fiberization will continue to increase as telcos invest in enhancing their wireline broadband infrastructure and augment the reach and capacity of their 4G/5G networks
- **Orders from new international customers are getting delayed**
 - Travel restrictions delaying lab demos and field trials for new customers
 - Some of the customers prefer to maintain status quo of their suppliers, till COVID situation improves
 - Effectively reaching out to customers via webinars and virtual meetings

Revenue By Segments



India-Pvt + International contributed to 86% of total (YoY decline of 50% for Q1 21)

International revenues had a YoY increase of 52%

Focus is to increase run-rate business

- **Government Accounts**

- BSNL/Bharatnet

- Govt. has announced plans to increase Bharatnet coverage from 125,000 to 250,000 villages by March '21 and provide 500,000 broadband connections to villages
- Govt. has approved a financial package for BSNL, under which capex is provided to roll out a pan-India 4G network. This will present us opportunities in tenders for upgrading their optical backbone, backhaul as well as 4G radio network
- Opportunities in state-led Bharatnet project for Telangana (business won via SI) and Tamil Nadu (under tendering)

- Critical Infrastructure

- Received new orders for defense networks, smart cities/campuses from our SI partners
- Opportunities in new tenders from Railtel, Powergrid, Oil & Gas, Metro and Smart cities
- We have a strong order backlog and also a good visibility of new orders

- **Private Accounts**

- With increasing ARPUs and pent-up demand for broadband services, capex in wireline broadband segment is expected to be robust
- We have won new application for xPON-based home broadband and signed rate-contract with 2 Tier-1 operators, which is expected to give us run-rate revenues over the next few years
- Network expansions in the near-term are happening at a slow pace, due to various restrictions and logistics challenges imposed because of COVID

- As a leading India-based equipment vendor, the emerging geo-political situation and Government's focus on "Atmanirbhar Bharat" provides us with a favourable environment

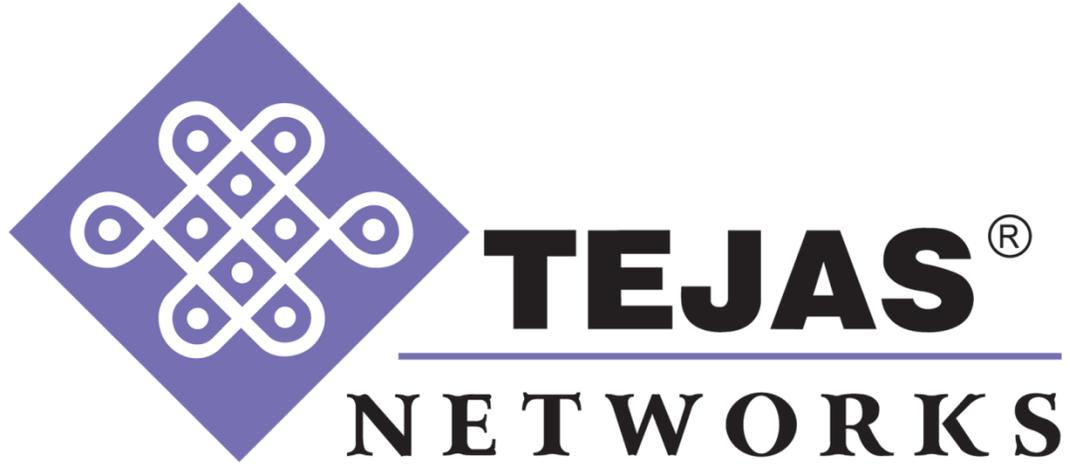
- **Geo-political issues motivating customers to de-risk and diversify their supplier base**
 - We expect to increase our wallet share from customers where we have incumbency
- **Africa and Middle East**
 - Increased broadband penetration and build-outs for web-scale companies is driving growth for optical equipment
 - We are seeing good traction for our DWDM, xPON-based FTTX and converged access solution (GPON + Wireless)
 - Good order visibility for FY21 from existing customers in Africa.
 - Won multi-year, multi-million dollar rate-contract with 1 new customer in middle-east
- **South and South East Asia**
 - Good order visibility for FY21 from existing customers in SE Asia
 - Won 1 Mn+ order from a new customer in South Asia
- **North America**
 - Business in Q1 was slow due to COVID-19 situation and Q2 is expected to be similar
 - Mexico: Completed successful trials for new application with a major customer. Orders expected in 2H.
 - USA: Increasing use of channel partners to access smaller customers. Submitted many bids to Tier-2 and Tier-3 operators. Delays in decision making from customers, due to inability to complete lab-demos and field-trials.

Well positioned for “Atmanirbhar Bharat” in telecom

- **Sustained R&D investments have increased our addressable market**
 - **End-to-end Optical transmission products**
 - Covers entire range from Megabits to Terabits on latest technologies- DWDM, Packet Transport, Next-gen SDH, OTN
 - Software-differentiated: Common Management, Flexible, SDN-support
 - **Full-range of fiber-based FTTx products based on latest GPON/Next-gen-PON**
 - Technology: GPON (Gigabit Passive Optical for 2.5G) to NG-PON (10G). Complete solution of OLT, ONT as well as NMS
 - Applications: Home broadband, Enterprise Connectivity, 5G-crosshaul
 - **LTE based 4G wireless RAN (radio network), upgradable to 5G**
 - Technology: LTE (4G/5G)
 - Applications: Fixed Broadband, Mobility
 - **Secured Ethernet Switches and Routers**
 - Capacity: Gigabits to Terabits
 - Application: defence, video surveillance, enterprise/campus networks, CPE
 - **Full ownership and control of all software, hardware, design and IPR as well as 100% local manufacturing**
 - Meet all Make-in-India requirements
- **Proven “product” provider for System Integrators**
 - Leading Indian company with proven track record of executing on large-pan-India projects across government and private network networks (All Private telcos, BSNL, Bharatnet, Defense, Power, Gas, Oil, Metro, Smart cities etc.)
 - Successful partnerships with leading SI- across private sector as well as PSU
 - Conscious decision to minimize System Integration (SI) business and instead focus on developing products and solutions

Key Takeaways

- Data growth trend continues to be a favorable driver for our business
 - With Work-From-Home, Learn-From-Home, Video-on-demand and other applications becoming a part of the new normal, data traffic on networks is surging
 - Telcos are increasing investments in home broadband and in upgrading capacity of their backbone networks
 - Capex cycle for 5G investment cycle has just begin
- Sustained R&D investments expanding our addressable market and competitiveness
 - We have developed a wide range of products- Optical transport, FTTX, Secured Ethernet switches, Wireless Radios (4G/5G) and Network Management System (NMS)
- Continued focus on increasing our international sales- target to reach 50% in medium term
 - We expect to increase market share in customers/countries where we have made sales and marketing investments
 - In the emerging geo-political situation, customers are reducing their risks by diversifying their supplier base
- India will continue to see broadband growth; positive environment from “Atmanirbhar Bharat”
 - We are winning new applications with private telcos, who are increasing their capex for wireline broadband
 - We are well positioned to play a key part in “Atmanirbhar Bharat”, leveraging our Make-in-India strengths
 - Govt. business expected to recover, with announced investments in Critical Infrastructure and expansion of BSNL/Bharatnet
- Effectively managing COVID-19 challenges
 - We have been able to effectively ensure business continuity, customer support and R&D operations, despite lockdowns
 - Short-term challenges may continue: delays in customer orders, winning new customers, disruptions in operations
- Strong balance sheet: Zero debt and healthy cash position will enable us to invest for growth



Thank you!

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