



# Q1FY25 - Investor Presentation

July 19, 2024



# 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.*

# Key Updates: Q1-FY25

## Financials

- Q1FY 25 Net Revenue: INR 1,563 Cr (8.3x YoY)
- Q1FY 25 Profit After Tax: INR 77 Cr
- Order book at end of Q1: INR 7,091 Cr

## Wireless Business

- 4G/5G RAN installations for BSNL's pan-India network is progressing well; cumulatively shipped equipment for ~27,000 sites
- Significantly scaled up manufacturing capacity of RAN equipment
- Made production releases for 4G radios in additional globally used bands - B3 (1800 MHz), B5 (850 MHz), B41 (2500 MHz)
- Ongoing wireless POCs with potential customers in private and utility verticals

## Wireline Business

- Won strategic deals with a Tier-2 operator in US for network modernization application and an operator in SE Asia for broadband rollout
- Continued purchases of GPON, DWDM, PTN equipment from our run-rate customers in India, SE Asia and Africa
- Good progress in installation/commissioning of BSNL MAAN network – one of the largest deployment of IP/MPLS routers in India

## Corporate Updates

- The merger of Saankhya Labs with Tejas is in an advanced stage and the NCLT has reserved the matter for orders

# Q1-FY25: Financial Update

INR Cr	FY24					FY25	Comments
	Q1	Q2	Q3	Q4	Full Year		
Revenue from Sales & Service	188	396	560	1,171	2,314	1,496	<ul style="list-style-type: none"> <li>28% growth vs Q4FY24; 8.0x vs Q1FY24</li> </ul>
Other Operating Revenue <sup>(1)</sup>	0	-	-	156	157	67	<ul style="list-style-type: none"> <li>Primarily consists of PLI incentive (see note 1 below)                             <ul style="list-style-type: none"> <li>Q4FY24 included FY23 PLI receipt and the revenue recognized for the full year FY24</li> <li>Q1FY25 includes PLI only for the quarter</li> </ul> </li> </ul>
<b>Total Revenue from Operations</b>	<b>188</b>	<b>396</b>	<b>560</b>	<b>1,327</b>	<b>2,471</b>	<b>1,563</b>	<ul style="list-style-type: none"> <li><b>18% growth vs Q4FY24; 8.3x vs Q1FY24</b></li> </ul>
EBIT <sup>(2)</sup>	-80	-29	-56	258	93	167	<ul style="list-style-type: none"> <li>EBIT excluding other operating revenue - Q4FY24 is 101 Cr; Q1FY25 is 100 cr</li> </ul>
PBT	-66	-18	-49	233	100	122	
PAT	-26	-13	-45	147	63	77	

<sup>1</sup> Pursuant to the approval received from the Department of Telecommunication under the Production Linked Incentive (PLI) Scheme, the Company has recognized PLI incentive of INR 32.66 crore and INR 123.70 crore pertaining to the financial year ended March 31, 2023 and March 31, 2024 respectively under "other operating revenue" in the financial results for the quarter and year ended March 31, 2024. Based on the aforesaid approval the Company has recognized PLI incentive of INR 66.70 crore for the quarter ended June 30, 2024 considering there is reasonable assurance that the company will comply with the conditions attached to the PLI scheme and that the grant will be received.

<sup>2</sup> EBIT = PBT - Other Income + Finance Cost including Net forex loss

# Q1-FY25: Select Financial Indicators

Amount in INR Cr	Q4FY24	Q1FY25
Inventory	3,738	3,853
Trade receivables	1,458	2,052
Payables	1,839	1,376
Net Working Capital <sup>(1)</sup>	3,147	4,304
Cash and Cash Equivalents <sup>(2)</sup>	641	612
Borrowings	1,744	2,844

- **Inventory increased to INR 3,853 Cr during Q1-FY25**
  - Due to ramping up of wireless shipments
  - Will be converted to finished goods and shipped in upcoming months
- **Trade Receivables at INR 2,052 Cr increased mainly due to higher shipments in Q1**
  - Collected ~INR 1,170 Cr during the quarter
- **Working capital increased in Q1 by INR 1,157 Cr**
- **Cash Position at end of Q1 was INR 612 Cr**
- **Borrowings of INR 2,844 Cr at end of Q1** for working capital purposes

<sup>(1)</sup> Net working capital taken as Current Assets (excluding Cash & Cash Equivalents) net of Current Liabilities (excluding Borrowings and lease liabilities)

<sup>(2)</sup> Cash and cash equivalents includes investment in liquid mutual funds, deposits, other Bank balances

# Q1-FY25: Business Update

## Revenue Mix <sup>(1)</sup>

- India-Government:
  - 7% (2.5x YoY)
  - Led by growth in the utility segment
- India Private:
  - 90% (14.3x YoY)
  - Dominated by BSNL 4G related shipments to TCS
- International:
  - 3% (YoY decline of 4%)
  - Key Shipments to Africa and South Asia

## Closing Backlog: INR 7,091 Cr

- India: INR 6,831 Cr
- International: INR 260 Cr

## Key opportunities being targeted:

- Expansion of BSNL's 4G and backhaul network
- Bharatnet Phase 3
- Indian Railways - Kavach (Collision Avoidance System)
- Expansion of network backbone in the utilities segment
- Broadband deals with Tier 1 operators in the Middle-East
- Wireless and Metro Aggregation deals with a Tier 1 operator in South Asia

<sup>(1)</sup> Excludes other operating revenue

# Explosive Growth in Network Traffic Worldwide

High-bandwidth Applications are Driving Exponential Growth in Network Traffic



Generative AI



VR & Spatial Computing



Multiplayer Gaming



Streaming Video

Key Enablers: Advancing Technologies and Expanding Connectivity



4G/5G Mobile Broadband



Multi-gigabit Fiber Broadband



IoT, Cloud and Edge Computing

# Driving Fresh Investments in Fixed and Mobile Networking Technologies

Cloud and enterprise digital transformation



AI Data Center connectivity



4G/5G RAN and xHaul

Multi-Terabit Packet & Optical

GPON XGS-PON



Digitalization of cities and economies



Long runway of 4G and 5G deployment globally

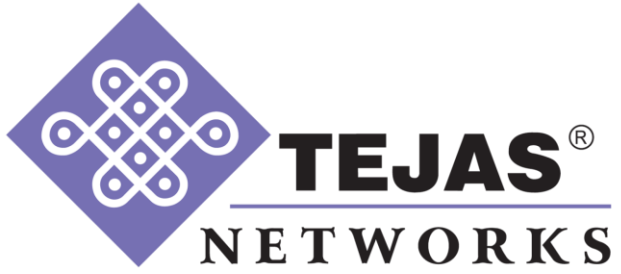


Massive investments in broadband connectivity for bridging digital divide



Modernization of utility networks demands transition from TDM to IP Networks





Thank you!

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