



# Q2FY25 - Investor Presentation

October 18, 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: Q2-FY25

## Financials

- Q2FY 25 Net Revenue: INR 2,811 Cr (7.1x YoY)
- Q2FY 25 Profit After Tax: INR 275 Cr
- Order book at end of Q2: INR 4,845 Cr

## Wireless Business

- Ramped up 4G/5G RAN shipments for BSNL's pan-India network; cumulatively shipped equipment for 58,000+ sites
- Received additional orders for densification of installed 4G sites in a few circles

## Wireline Business

- Selected for PTN and DWDM equipment from a Tier-1 Telco in India for capacity expansion
- Continuing success in the critical infrastructure segment; selected by a leading state power utility and in smart city projects
- Good traction for GPON and DWDM products in international markets with new customer wins in Americas and Africa
- Received initial order for network modernization win in US

## Corporate Updates

- Completion of Saankhya merger

# Q2-FY25: Financial Update

INR Cr	FY24			FY25			Comments
	Q2	H1	Full Year	Q1	Q2	H1	
Revenue from Sales & Service	396	584	2,314	1,496	2,655	4,151	▪ Q2 Revenue is 1.8x of Q1FY25; 6.7x of Q2FY24
Other Operating Revenue <sup>(1)</sup>	-	0	157	67	156	223	▪ Primarily consists of PLI incentive (see note 1 below)
<b>Total Revenue from Operations</b>	<b>396</b>	<b>584</b>	<b>2,471</b>	<b>1,563</b>	<b>2,811</b>	<b>4,374</b>	▪ <b>Q2 Revenue is 1.8x of Q1FY25; 7.1x of Q2FY24</b>
EBIT <sup>(2)</sup>	-29	-109	93	167	459	626	▪ EBIT Margin of 16.3% vs 10.7% in Q1
PBT	-18	-84	100	122	411	532	
PAT	-13	-39	63	77	275	353	

<sup>1</sup> Pursuant to the approval received from the Department of Telecommunication under the Production Linked Incentive (PLI) Scheme, the Company has recognised PLI incentive of Rs. 32.66 crore and Rs. 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 year ended March 31, 2024. Based on the aforesaid approval the Company has recognised PLI incentive of Rs. 156.10 crore for the quarter ended September 30, 2024 and Rs. 222.80 crore for the six months period ended September 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

## Q2-FY25: Select Financial Indicators

Amount in INR Cr	Q1FY25	Q2FY25
Inventory	3,853	3,411
Trade receivables	2,052	3,758
Payables	1,376	1,784
Net Working Capital <sup>(1)</sup>	4,304	4,408
Cash and Cash Equivalents <sup>(2)</sup>	612	583
Borrowings	2,844	2,768

- **Inventory of INR 3,411 Cr during Q2FY25 (vs 3,853 Cr in Q1FY25)**
  - Due to ramping up of wireless shipments
  - Will be converted to finished goods and shipped in upcoming months
- **Trade Receivables at INR 3,758 Cr - increase mainly due to higher shipments in Q2**
  - Collected ~INR 1,400 Cr during the quarter
- **Working capital increased in Q2 by INR 104 Cr**
- **Cash Position at end of Q2 was INR 583 Cr**
- **Borrowings of INR 2,768 Cr at end of Q2 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

# Q2-FY25: Business Update

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

- India-Government:
  - 4% (YoY decline of 5%)
- India Private:
  - 93% (13.7x YoY)
  - Dominated by BSNL 4G related shipments to TCS
- International:
  - 3% (YoY decline of 3%)
  - Key Shipments to Africa and South Asia

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

## Closing Backlog: INR 4,845 Cr

- India: INR 4,627 Cr
- International: INR 218 Cr

## Key opportunities being targeted

### Wireless

- Expansion of BSNL's 4G network and 5G upgrade
- Indian Railways - Kavach (Collision Avoidance System)
- Private 5G application for large enterprise in India

### Wireline

- Bharatnet Phase 3
- Expansion of DWDM backbone networks in the utilities segment
- FTTH and Network Modernization deals with multiple operators in EMEA and Americas

# Business outlook i- Continued Investments in Fixed and Mobile Networking Technologies worldwide

Cloud and enterprise digital transformation



AI Data Center connectivity



4G/5G RAN and xHaul

Multi-Terabit Packet & Optical

GPON XGS-PON

Long runway of 4G and 5G deployment globally



Digitalization of cities and economies

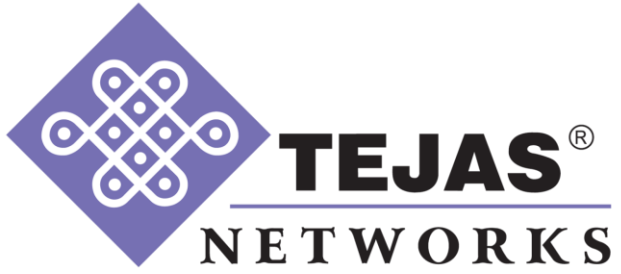


Massive investments in broadband connectivity for bridging digital divide



Modernization of utility networks demands transition from TDM to IP Networks





Thank you!

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