

Date: 01.05.2024

To, The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 543945	To, The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai- 400051 Scrip Code: NETWEB
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SUBJECT: EARNING PRESENTATION ON THE YEARLY/QUARTERLY FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the Earning Presentation on the Audited Financial results for the year/quarter ended on March 31, 2024

Kindly take the same on record.

Thanking You

For Netweb Technologies India Limited

Lohit
Chhabra
Digitally signed
by Lohit Chhabra
Date: 2024.05.01
19:13:42 +05'30'

Lohit Chhabra
Company Secretary & Compliance Officer

Netweb

TECHNOLOGIES

India's Leading High-end Computing Solutions (HCS) Provider

Q4 FY24 & FY24 - Earnings Presentation

May 2024

BSE: 543945

NSE: NETWEB

Bloomberg: NETWEB:IN



Safe Harbour Statement

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

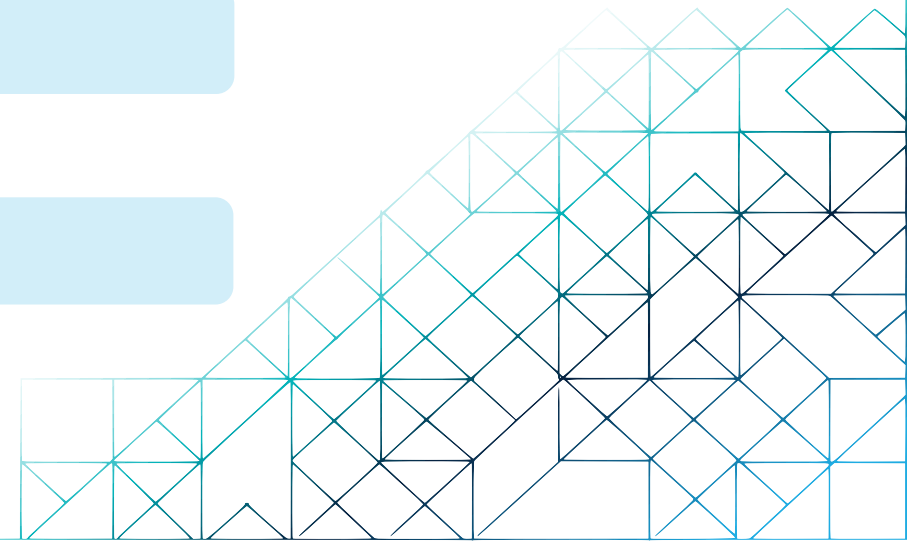
1 About Netweb Technologies

2 Quarterly Key Highlights

3 Key Investment Highlights

4 Growth Drivers

5 Annexure



About Netweb Technologies

India's leading Indian origin, owned and controlled OEM in the space of High-end Computing Solutions (HCS)

Overview

- Offers a **full stack of product and solution suite** with comprehensive capabilities in designing, developing, implementing and integrating **high performance computing solutions**
- Collaborates with various technology partners such as **Intel Americas, Inc, AMD, Samsung India Electronics Private Ltd, Nvidia & Seagate India Private Ltd**
- **Develops homegrown** compute and storage technologies, **deploys supercomputing infrastructure** to meet the rising computational demands of businesses, academia, and research organizations
- **Compliant** with the **"Make in India"** policy of the Government of India
- One of the **few OEMs** in India eligible to participate in and seek incentives in terms of both the **IT Hardware PLI and Telecom and Networking PLI schemes**
- Established in **1999** with **manufacturing facility** located in **Faridabad, Haryana** and **17 offices** located across India

Business Tailwinds

'Make in India' Policy & 'PLI Scheme' of the GOI

'Make AI in India & Make AI work for India' initiative of the GOI

Growing demand for cloud-based services and network switches

Upgrading network to 5G technology driving 5G ORAN

GOI's approval of over ₹1,03,000 Mn for the IndiaAI Mission³ to catalyse India's AI ecosystem

500+ Supercomputing systems installed

5000+ Accelerator / GPU based AI systems & enterprise workstations

50+ Private cloud & HCI installations

3 Supercomputers listed eleven times in the world's top 500 supercomputers

Q4 FY24 Financial Metrics



Revenue from Operation: ₹2,659 Million
Customers: Govt. (41.5%) vs Non-Govt. (58.5%)



Op EBITDA Margin: 15.2%



PAT Margin: 11.0%



ROCE¹: 38.5%



ROE²: 29.4%



Dividend*: ₹2/share



Dividend Pay-out Ratio*: 14.9%

Snapshot of Our HCS Offerings

India's leading HCS provider with fully integrated design and manufacturing capabilities

(A) High performance computing (Supercomputing / HPC) systems

- Bespoke, and tailored with specialized hardware designs and architecture
- Cater to varied customer specifications



Simplified Cluster Deployment



Cluster Management

(C) AI systems and enterprise workstations

- Address standalone parallel compute-intensive applications, machine learning, deep learning, and support CF-CAD-CMD Applications.



Machine Learning



Deep Learning

(E) Data Centre servers

- Designed to reduce the complexity of managing critical and heavy workloads.
- Servers are advanced AI powered that allow intelligent and efficient data processing and storage



Low rack space consumption



High energy efficiency



High in-built Storage



Wide accelerator/GPU support

(B) Private cloud and hyperconverged infrastructure (HCI)

- Private cloud and HCI offers hyper-converged capabilities i.e., combining compute, storage, and network' to build:



Private & Hybrid Cloud



HCI



Cloud Tools



Cloud Native Storage

(D) High performance storage (HPS/Enterprise Storage) solutions

- Centralized repository for business-critical information that provides data sharing, data protection across multiple computer systems



Unified Storage



High IOPs Storage



Parallel File System Storage



Scalable to Exabytes

(F) Software and services for HCS offerings

- Cloud Managed Services – These are the partial or complete management and control of a client's cloud platform, including migration, maintenance, and optimization



Cloud solutions



5G related services



AI, ML & deep learning as a service



Management Commentary

“We are delighted to announce that our company has achieved its highest-ever quarterly and annual income and profits. As stated earlier, AI systems is now clearly progressing towards becoming the third pillar of our growth. This is reflected by its revenue growing 2.6 times YoY, while its contribution to the company's total revenue has grown from 7% in FY23 to 11% in FY24, underscoring its importance as a significant revenue stream.

We are also very happy to announce that the Board of Directors have recommended a Dividend of ₹ 2 per share; subject to Shareholders' approval; which will result in a dividend pay-out of 14.9%.

Operating income increased by 115.5% YoY on quarterly basis and 62.7% YoY for the entire fiscal year, reaching ₹2,659 million in Q4'FY24 and ₹7,241 million in FY24.

While Operating EBITDA for Q4'FY24 increased by 166.5% on YoY basis to ₹404 million, it increased by 46.4% on YoY basis for the entire fiscal year to ₹ 1,025 million in FY24. The operating EBITDA margin for the quarter was at 15.2%. Profit after tax (PAT) increased by 181.8% YoY on quarterly basis and 61.7% YoY for the entire fiscal year, reaching ₹297 million in Q4'FY24 and ₹759 million in FY24. PAT margin improved from 8.4% in Q4 FY23 to 11.0% in Q4 FY24.

Given the widespread adoption of Generative AI models and substantial contributions from the global AI developer community across diverse and innovative use cases, India is poised to become the AI factory of the world. This presents promising opportunities for expanding our diverse product offerings.

Our business pipeline and order book remains robust. Ongoing enhancements in our capabilities, coupled with the expansion of our operations and product portfolio, positions us favorably for sustained growth while retaining our technological leadership”

Sanjay Lodha, CMD



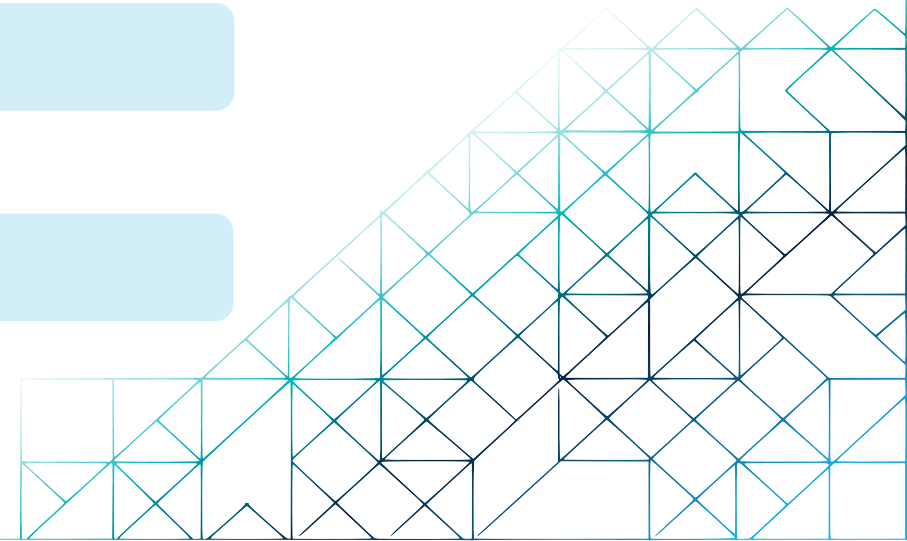
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2 Quarterly Key Highlights

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4 Growth Drivers

5 Annexure



Key Highlights

Profit and Loss Summary

₹ in millions

	Operating Income	Operating EBITDA	PBT	PAT	Cash Profit
Q4'FY24	2,658.9	404.2	398.0	296.6	313.9
Growth (YoY)	115.5%	166.5%	181.1%	181.8%	166.9%
Growth (QoQ)	4.9%	18.0%	13.2%	14.0%	12.8%
Margin		15.2%	14.8%	11.0%	
FY 24	7,240.8	1,025.3	1,019.6	759.0	821.5
Growth (YoY)	62.7%	46.4%	61.9%	61.7%	62.4%
Margin		14.2%	13.9%	10.3%	
EPS & CEPS (in INR)*				13.88	15.03

*EPS and CEPS are for full year and diluted

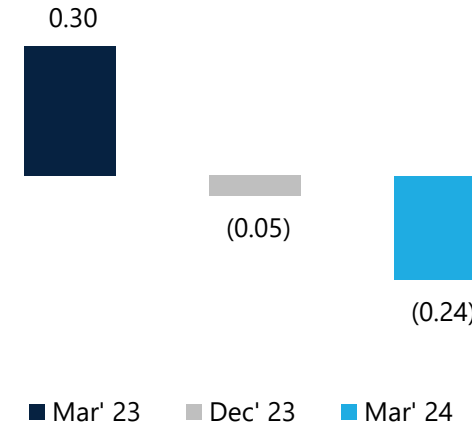
Key Highlights (Cont.)

Balance Sheet Summary

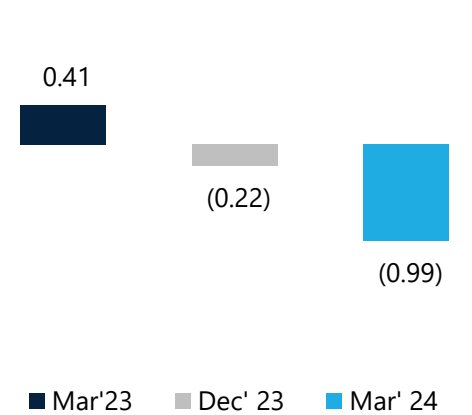
₹ in millions

Particulars	Mar'23	Dec'23	Mar'24
Equity Share Capital	101.9	112.1	112.7
Other Equity	834.8	3,822.6	4,114.8
Net Worth	936.7	3,934.8	4,227.5
Borrowing	304.0	142.5	16.3
Lease Liabilities	52.1	78.4	79.4
Cash and Cash Equivalent	70.9	403.6	1,112.8
Net Debt	285.1	(182.7)	(1,017.1)
Net Fixed Assets	251.5	318.5	447.4
Net Current Assets#	959.9	3,351.0	2,721.0
Ratios			
Fixed Asset Turnover Ratio*	17.7	19.2	16.2
Cash Conversion Cycle*	68	84	69

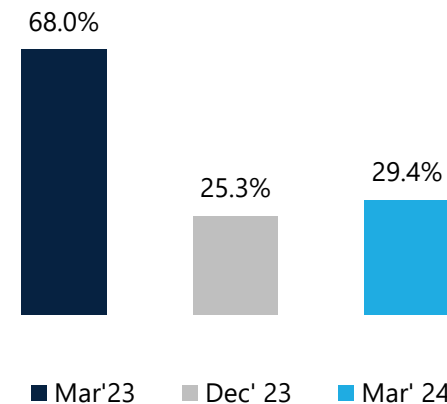
Net Debt/ Equity



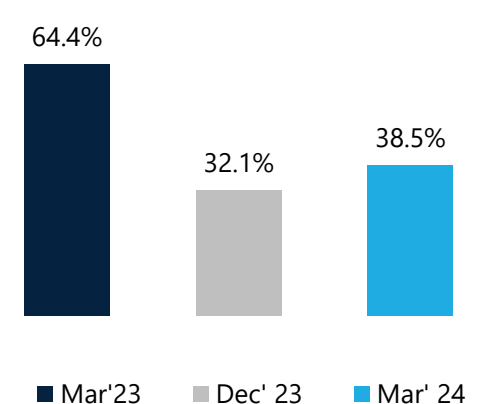
Net Debt/ Op. EBITDA*



ROE*



ROCE*



^Cash Conversion Cycle is based on Operating Income. *Dec'23 data is annualized.

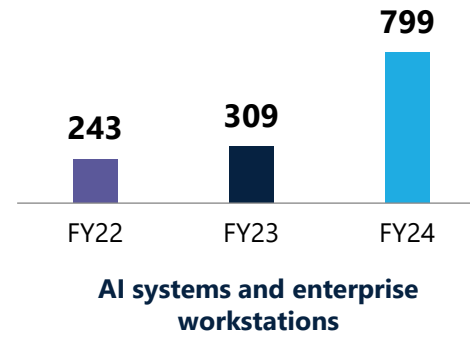
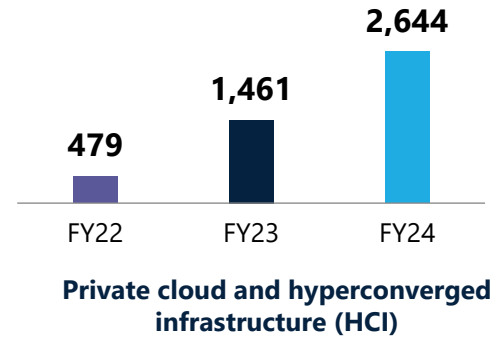
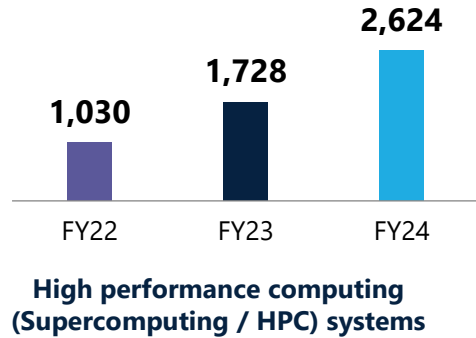
#Net Current Assets does not include Short-term Borrowing & Cash & Cash Equivalents as they are part of Net Debt. It includes unutilized proceeds from IPO

Key Highlights (Cont.)

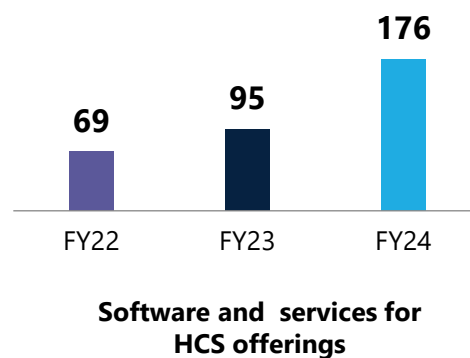
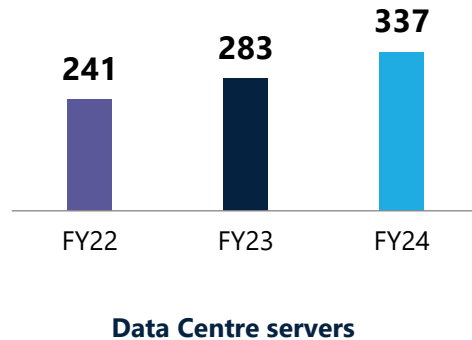
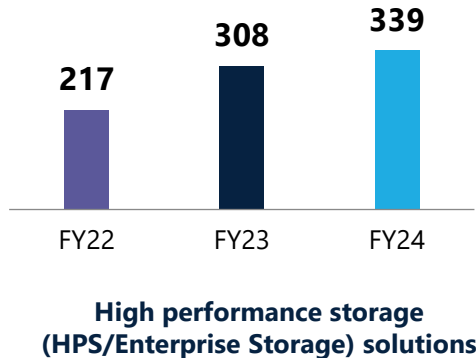
Revenue breakup – HCS Offering

Launched Network Switches in H2FY24, contributing INR ~33 Mn to the Topline

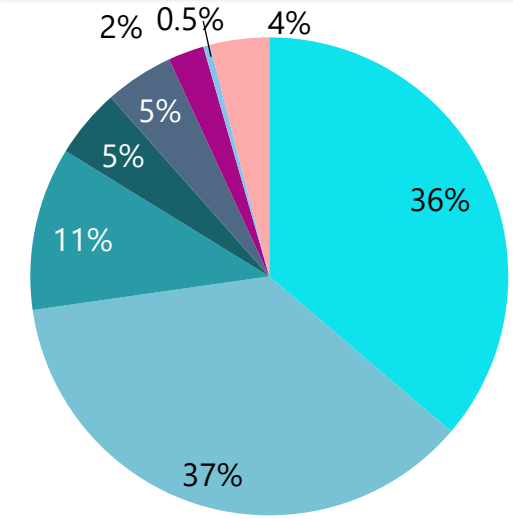
₹ in millions



₹ in millions



FY24 – Revenue Breakdown by offerings

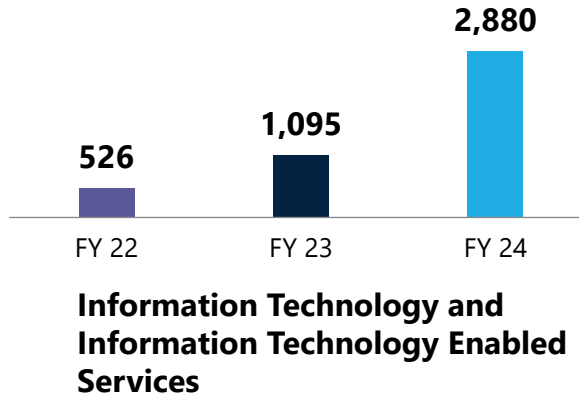
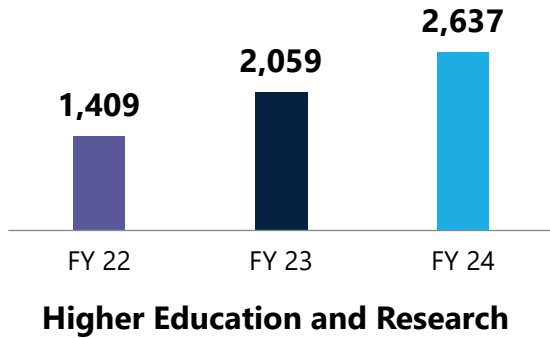


- Supercomputing / HPC Systems
- Private cloud & HCI
- AI & enterprise workstations
- HPS solutions
- Data centre server
- Software & service for HCS offerings
- Network Switches
- Spare & others

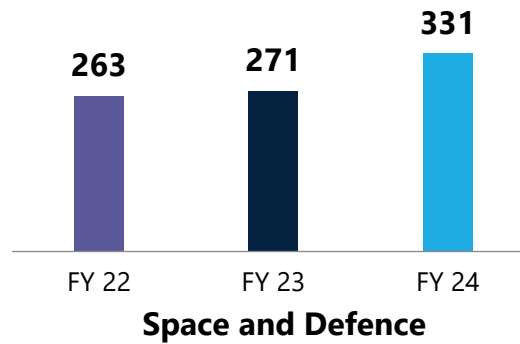
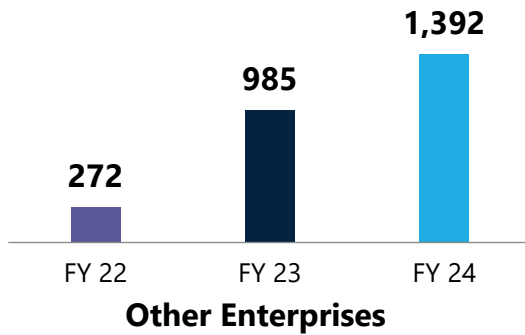
Key Highlights (Cont.)

Revenue breakup – Application Industry

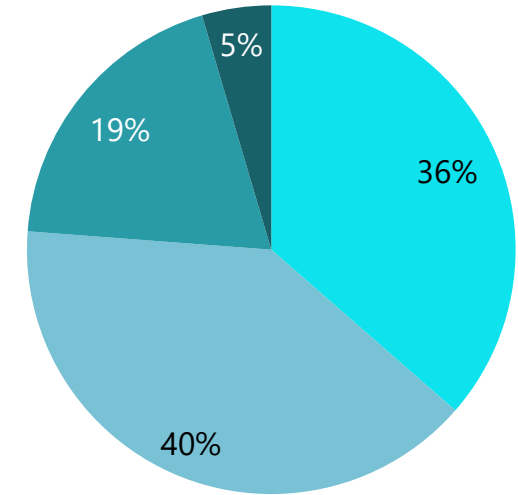
₹ in millions



₹ in millions



FY24 – Revenue Breakdown by application industry



- Higher Education and Research
- Information Technology and Information Technology Enabled Services
- Other Enterprises
- Space and Defence

Key Highlights (Cont.)

Diverse Customer Base

Higher education and Research



IT & ITES



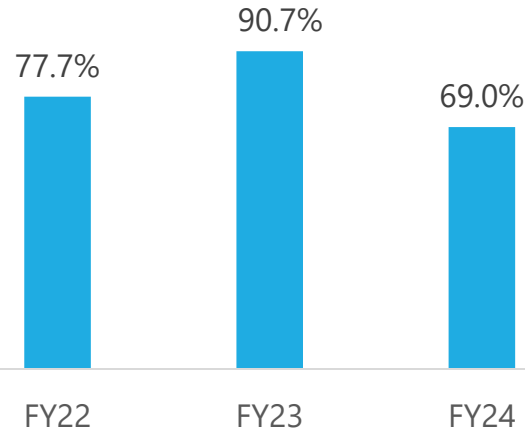
Space & Defence



Others



Revenue[^] from Repeat Customers



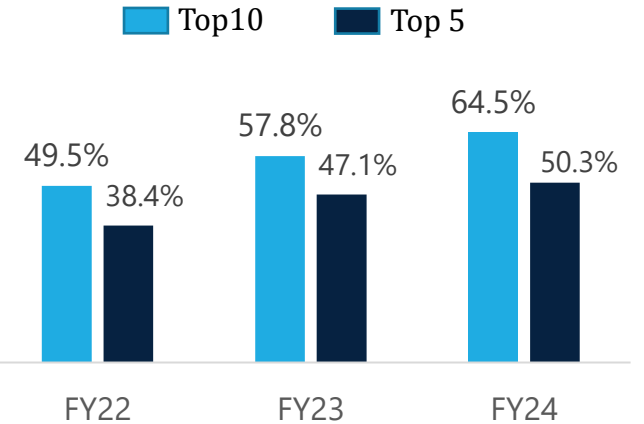
310

Repeat Customers (FY24)
Associated for over 5.17 years using
Fiscal 2016 as the base

4.47 years

Average top 10 customer age (FY24)
using Fiscal 2016 as base

Customer Concentration[^]



10.57%

Customer Accretion CAGR*

171

New clients onboarded across diverse
industries in FY24

Note: *CAGR FY20 –FY24, [^]As a % of revenue from operations excludes other operating revenue

Profit & Loss Summary

₹ in millions

Particulars	Q4 FY24	Q4 FY23	YoY Change	Q3 FY24	QoQ Change	FY24	FY23	YoY Change
Operating Income	2,658.9	1,233.9	115.5%	2,534.0	4.9%	7,240.8	4,449.7	62.7%
Operating EBITDA	404.2	151.7	166.5%	342.5	18.0%	1,025.3	700.2	46.4%
Operating EBITDA Mrg (%)	15.2%	12.3%	291 bps	13.5%	169 bps	14.2%	15.7%	(157) bps
Other Income	39.4	12.3	220.6%	45.1	-12.7%	118.9	6.8	1653.2%
Finance Cost	28.3	10.0	182.5%	18.0	57.3%	62.1	40.7	52.4%
Depreciation	17.3	12.3	40.1%	18.1	(4.3%)	62.5	36.6	71.0%
PBT	398.0	141.6	181.1%	351.5	13.2%	1,019.6	629.6	61.9%
PAT	296.6	105.2	181.8%	260.1	14.0%	759.0	469.4	61.7%
PAT Margin (%)	11.0%	8.4%	255 bps	10.1%	90 bps	10.3%	10.5%	(22) bps
EPS¹ (₹)	5.43	1.92	182.7%	4.76	14.0%	13.88	9.07	53.1%

1. Diluted EPS; non-annualised

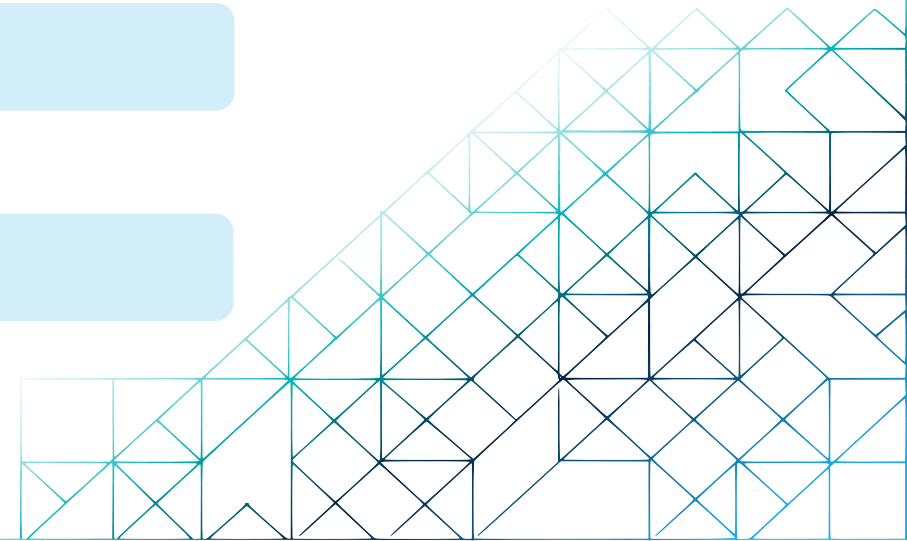
1 About Netweb Technologies

2 Quarterly Key Highlights

3 Key Investment Highlights

4 Growth Drivers

5 Annexure



Key Investment Highlights

1 India's leading Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities

2 Operates in a rapidly evolving and technologically advanced industry with high entry barriers

3 Significant product development and innovation through R&D

4 Long standing relationship with a marquee and diverse customer base

5 Track record of financial performance and consistent growth

6 Experienced Board & Senior Management Team



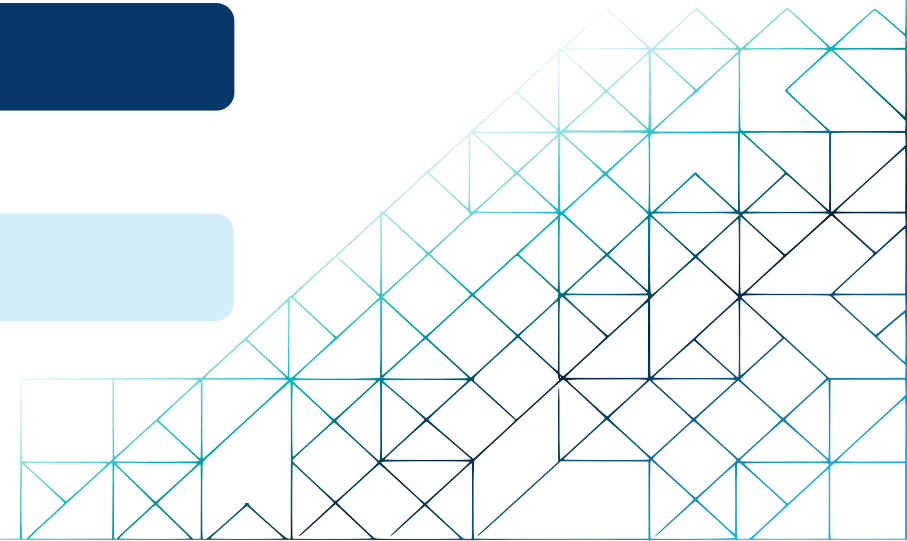
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2 Quarterly Key Highlights

3 Key Investment Highlights

4 Growth Drivers

5 Annexure

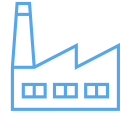
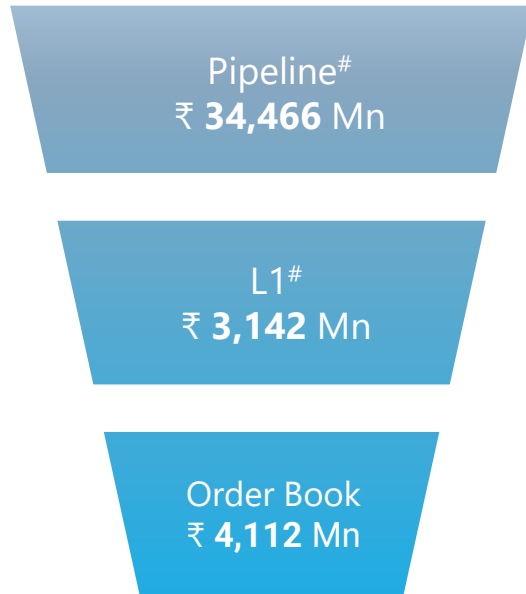


Growth Drivers

Opportunities to realize sustainable growth of the business



Strong Topline Visibility



Enhanced Capabilities

State of the art new manufacturing facility with latest **Surface Mount Technology (SMT)** to be commissioned soon

Partnership with **NVIDIA** as a select manufacturing OEM for **latest Gen AI systems** to unlock potential of AI and High-Performance computing

Launched **Intel Sapphire Rapids** & **AMD Genoa** based 'Make in India' high-end computing servers



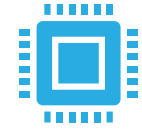
Enhanced Opportunities

Increasing investments in **Generative AI** infra by Govt & Large enterprises to cater to demand for **LLM oriented solutions**

Heavy adoption of **Private Cloud** across sectors

Huge demand of high-end compute for booming **in-bound data centers** across India

Foray into Europe & Middle East – plan to setup service network in **4 countries** to start with



Expanding Product Portfolio

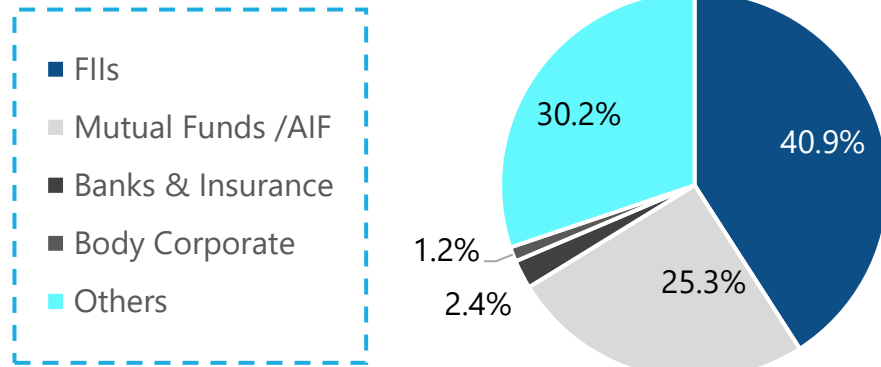
Forayed into developing new product lines, viz., **Network Switches** and **5G ORAN** Appliances

On-prem **AI Sovereign cloud** for demand of contemporary data & AI workloads

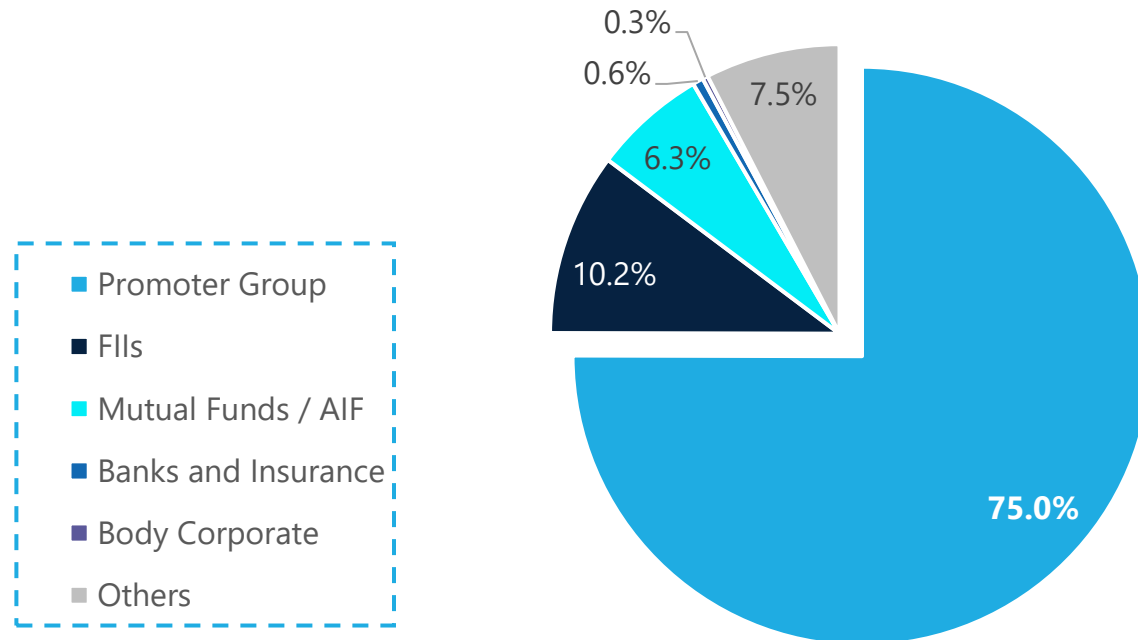


Shareholding Pattern (March 2024)

Non-Promoter Shareholding



Total Shareholding



Key Institutional Shareholders

Goldman Sachs Managed Funds

Tata Mutual Fund

360 One AIF

Nomura Funds

The Regents Of The University Of California

Eastspring Investments India Fund

ICICI Prudential Life Insurance

Aditya Birla Sun Life Mutual Fund

The Prudential Assurance Company Limited

Nippon Life India Mutual Fund

Thank You

Netweb[®]
TECHNOLOGIES

Chief Financial Officer

Prawal Jain

Email: prawal.jain@netwebindia.com

 **Uirtus Advisors**

Investor Relations Advisor

Sanjeev Sancheti

Email: ir@uirtus.in

Website: www.uirtus.in



Agenda

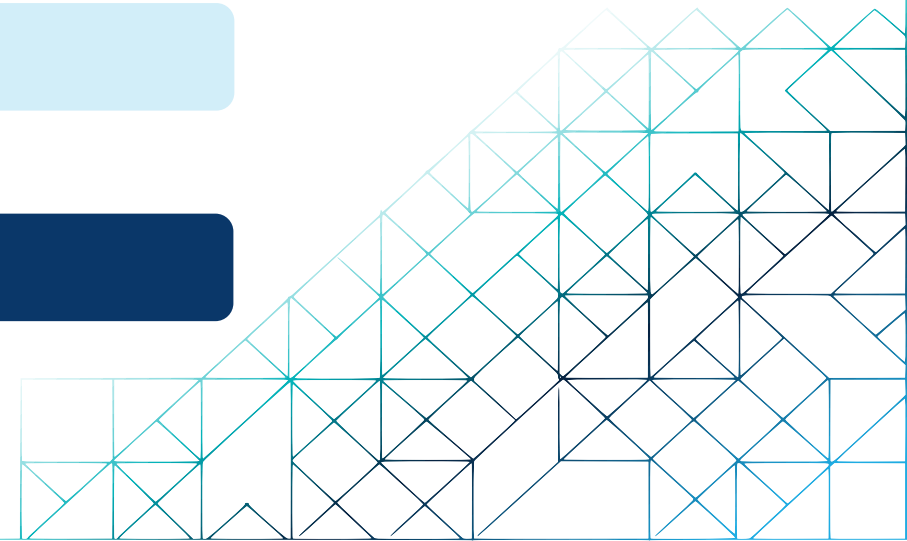
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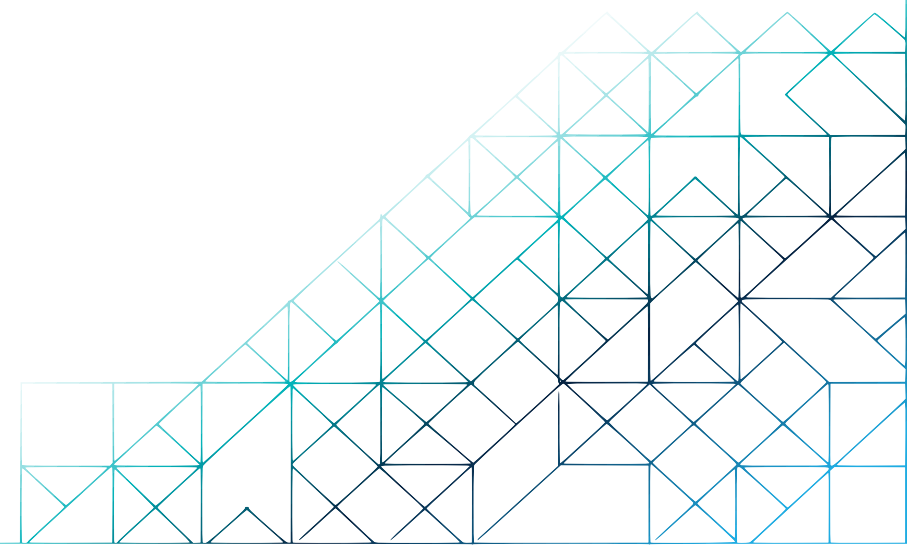
3 Key Investment Highlights

4 Growth Drivers

5 Annexure



Annexure



IPO Fund Utilization

₹ in millions

S. No.	Objects of the Issue as per Prospectus	Amount to be Funded from Net Proceeds	Amount Utilized as on 31.03.2024	Total Un-Utilized Amount as on 31.03.2024
1	Civil Construction	90.0	31.8	58.2
	Purchase of Equipment	232.9	43.5	189.4
2	Funding our long-term Working Capital Requirements	1,280.2	527.3	753.0
3	Repayment or Pre-payment of loans	225.0	225.0	0.0
4	General corporate purposes	112.2	112.2	0.0
	Total	1,940.2	939.7	1,000.6

Quarterly Key Highlights

Cash Conversion Cycle Break-up

Particulars	Mar'23	Dec'23	Mar'24
Receivable Days	94	105	85
Inventory Days	38	59	43
Payable Days	(64)	(80)	(58)
Cash Conversion Cycle	68	84	69

Note: All day's calculation are based on Operating Income. *Dec'23 Numbers are Annualized.

Inhouse Design & Manufacturing Capabilities

End-to-End Designing & Production of Make-in-India Server



In-house Expert Design Team



Advance Technology Integration



Quality Control Measures



Very Low Failure Rate



Scalable Production Capacity



25 Years of Expertise in the Domain

