



being there...

ZEN TECHNOLOGIES LIMITED

Certified ISO 9001:2015, ISO 27001:2013, ISO 14001:2015, CMMI ML5

Regd. Office : B-42, Industrial Estate, Sanathnagar

Hyderabad – 500 018, Telangana, India

Phone: +91 40 23813281, Fax No: +91 40 23813694

Email: info@zentechnologies.com Website: www.zen.in

Corporate Identity Number : L72200TG1993PLC015939

Date: 30th January 2021

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Through: BSE Listing Centre
Security Code: 533339

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Through: NEAPS
Symbol/Security ID: ZENTEC

Dear Sir/Madam,

Sub: Earnings Presentation Q3 FY 2021

Please find attached earnings presentation for the quarter ended Dec 31, 2020.


The above information is also available on the website of the Company:

<https://www.zentechnologies.com/corporate-announcements>

This is for your kind information and records.

Thanking You.

Yours sincerely,
For Zen Technologies Limited


Hansraj Singh Rajput
Company Secretary & Compliance Officer
M. No. A38213



Works : Plot 36, Hardware Park, Near Shamshabad International Airport, Hyderabad - 501 510, Telangana, India



CMMI DEV / 5SM
Exp. 2022-01-30 / Appraisal #2306



Zen Technologies Limited Earnings Presentation Q3FY21

INDIA'S LEADING DEFENCE TRAINING SOLUTION PROVIDER

NSE: ZENTEC
BLOOMBERG: ZEN IN
REUTERS: ZETE.BO

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Management Commentary



ZEN
TECHNOLOGIES LIMITED

Q3FY21 Earnings Presentation

Commenting on the results, Mr. Ashok Atluri – Chairman and Managing Director & CFO, said:

“For us financial year 2020-21 started on a subdued note and has indeed been a challenging year. In Q3FY21 the Revenue from Operations was lower than expected due to a delay in the release of the Modernization Fund from the Central Government. We expect the Government to release these funds soon which in turn should help us bag some orders.”

In these challenging times, we are focusing on strengthening our relationships with existing clients and doing the groundwork for development of new products. I would like to take this opportunity to share with you that we have developed 4 new products which should augur well for the company’s growth in the coming future. These products are:

- 1. Anti Drone Systems*
- 2. Integrated Air Defence Combat Simulators*
- 3. Drone Simulators*
- 4. Anti-Drone Simulators*

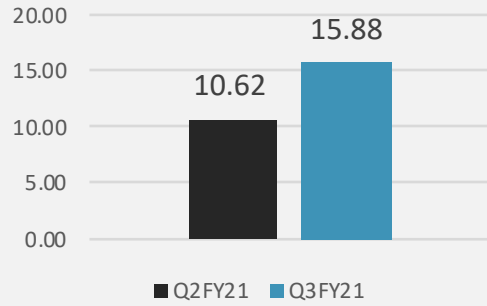
We expect these products to start contributing to our revenues in the next 9-12 months, especially our Anti-Drone Systems & Simulators which are positioned to take benefit from a huge upcoming opportunity, given the recent change in the nature of warfare.

While the operating environment may continue to remain challenging in the near term, we remain confident that we will bear the fruits of our investments in the long term. We will continue to broaden the range of our offerings by continuing to invest in extensive R&D. With increased focus of the Government on curbing defence imports and making India self reliant, we are well-positioned to benefit from the upcoming opportunities.”

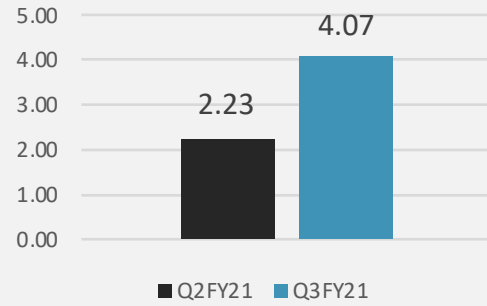
Quarterly Highlights

All data ₹ in crores

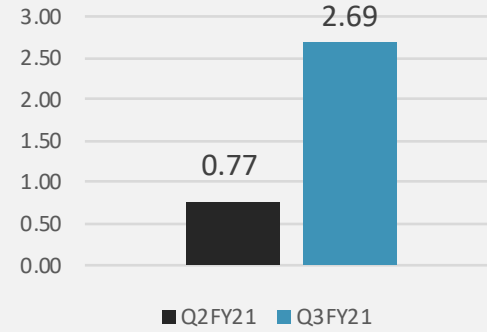
REVENUE FROM OPERATIONS (QoQ)



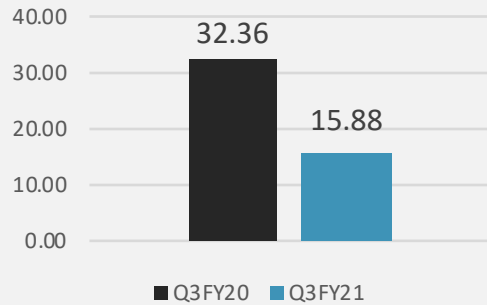
EBITDA (EXCLUDING OI) (QoQ)



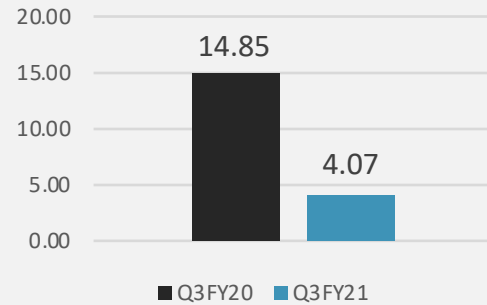
PROFIT AFTER TAX (QoQ)



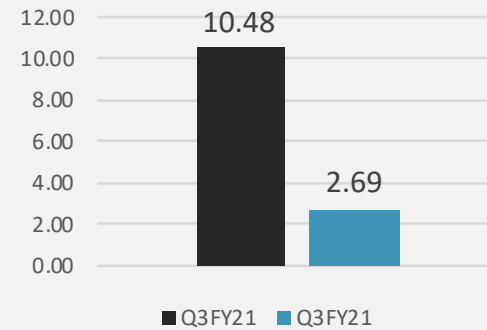
REVENUE FROM OPERATIONS (YoY)



EBITDA (EXCLUDING OI) (YoY)



PROFIT AFTER TAX (YoY)



QUARTER HIGHLIGHTS: Q3FY21

Revenue Contribution from Sale of Equipment: **₹11.8 crores.**

Revenue Contribution from Annual Maintenance Contracts: **₹ 4.08 crores.**

Revenue contribution from Exports: **4.13 crores.**

Revenue contribution from Domestic: **7.67 crores.**

Order Book Status



Way forward



INCREASING PREDICTABILITY IN TURNOVER:

We are working towards strategically positioning the business model to reduce lumpiness. The sale of equipment done in the last couple of years will start contributing to the top line in terms of Annual Maintenance Contracts.

EQUIPMENT SALE ORDER WINS:

In the next couple of years the contributions from AMC stream will cover the fixed operating expenses of the business. This will provide stability and predictability to the business operation. The huge order wins of equipment sale can then offer huge operating leverage and boost to our bottom line.

STRONG GOVERNMENT SUPPORT TO ACT AS TAILWIND:

The GOI has formulated several measures along with strict implementation timelines. The governments keen focus on Make in India and *Atmanirbhar Bharat* campaign has created a conducive environment to make in India for the defence industry. This should act as a strong tailwind going forward

FOCUS ON NEW PRODUCTS:

The continuous investments in R&D ensure that the products are technologically advanced and suited for the customer requirements. This coupled with more than 2 decades of track record of delivering value to our customers has not only made us the preferred partner of choice but has also ensured enhanced share of their wallet.

Financial Statement Summary

SUMMARY OF STANDALONE PROFIT & LOSS STATEMENT

All data ₹ in crores (excluding EPS)

Particulars	Q3FY21	Q2FY21	Q3FY20
Revenue from Operations	15.88	10.62	32.36
Other Income	0.71	0.71	0.42
Total Income	16.59	11.33	32.79
Total Operating Expenses	11.81	8.38	17.51
EBITDA (excluding other income)	4.07	2.23	14.85
EBITDA Margins	25.62%	21.04%	45.89%
Interest Cost	0.15	0.48	0.55
Depreciation	1.00	1.00	0.93
Profit Before Tax	3.63	1.46	13.79
Profit After Tax	2.69	0.77	10.48
EPS	0.34	0.1	1.36

Financial Statement Summary

SUMMARY OF CONSOLIDATED PROFIT & LOSS STATEMENT

All data ₹ in crores (excluding EPS)

Particulars	Q3FY21	Q2FY21	Q3FY20
Revenue from Operations	16.57	12.35	32.99
Other Income	0.73	0.71	0.42
Total Income	17.30	13.06	33.41
Total Operating Expenses	13.20	9.72	18.83
EBITDA (excluding other income)	3.37	2.63	14.16
EBITDA Margins	20.32%	21.30%	42.91%
Interest Cost	0.17	0.50	0.58
Depreciation	1.23	1.22	1.09
Profit Before Tax	2.69	1.62	12.92
Profit After Tax	1.75	0.92	9.77
EPS	0.29	0.1	1.33



Disclaimer

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Let's connect

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The Investment Lab

INTRODUCTORY & Q3FY21 CONFERENCE CALL

We cordially invite you to a conference call with the management of Zen Technologies Limited to discuss the Q3FY21 Result of the company.

Management Participants

Mr. Ashok Atluri (Chairman, Managing Director & CFO)

Tuesday, 2nd February, 2021 at 2 PM (IST)

Conference Access Numbers:	
Universal DialIn	+91 22 6280 1341 +91 22 7115 8242
Local DialIn Available all over India	+91-7045671221
International Toll Free	
Hong Kong	800964448
Singapore	8001012045
UK	08081011573
USA	18667462133
International Toll	
Hong Kong	+852 30186877
Singapore	+65 31575746
UK	+44 2034785524
USA	+1 3233868721

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