Tejas Networks Ltd.
Regd. Office: Plot No. 25, 5th Floor
J.P. Software Park, Electronic City Phase 1
Hosur Road, Bengaluru 560 100, India
Tel : +91- 80- 4179 4600/700/800
Fax: +91- 80- 2852 0201

June 03, 2019

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
NSE Symbol: TEJASNET

The Secretary
BSE Limited
P J Towers, Dalal Street,
Fort, Mumbai – 400 001
BSE Scrip Code: 540595

Dear Sir/Madam,

Re: Analyst Day Presentation

Further to our letter dated May 23, 2019 intimating about organising the Analyst day, please find attached the Analyst Day Presentation made at that event which was held on May 31, 2019.

We request you to please take the same on record.

Thanking you,

Yours sincerely
For Tejas Networks Limited

N R Ravikrishnan
General Counsel, Chief Compliance Officer
& Company Secretary

TEJAS NETWORKS
ANALYST DAY- MAY 31, 2019

Corporate Overview

© Tejas Networks Limited 2019. All rights reserved.

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 Limited 2019. All rights reserved.

Tejas Networks: A Snapshot

- Founded in year 2000 in Bangalore; Offices in 10+ countries; 750+ employees
- Design and Manufacturer of optical & data networking equipment that is used by telecom service providers and utility companies
  - Optical: High-capacity Optical transmission and Broadband Access for fiber
  - Wireless: LTE-based wireless broadband access
  - Switches: Ethernet switches used for building critical infrastructure
- Technology differentiation: “Software-defined Hardware”
  - Innovative use of programmable silicon; time-to-market and cost advantage
  - Award-winning products- recognition at international forums
  - World-class talent. More than 50% team in R&D
- Innovative business model- growth + profitability in a tough industry
  - Leveraging Indian R&D costs to have 4X R&D efficiency
  - Debt-free and Profitable; Focus on Innovation + Quality + Cost
  - FY19 Net Revenues of Rs 878 Cr (+18.5% YoY); 41.5% YoY PBT Growth
- Success in world’s most competitive telecom market leading to global expansion
  - #1 in Optical aggregation in India; Top-10 globally (Source: Ovum)
  - Customers in 75+ countries; Increasing number of wins in Tier-1 operators
  - Focus on high-growth markets- India, SE Asia, Africa, Americas

1st Deep-technology Indian startup to do IPO

© Tejas Networks Limited 2019. All rights reserved.

Telecom Industry Eco-system : Where we Fit

Our Customers

Telecom Service Provider
RJio, Airtel, Voda-Idea
Mobile, Fixed ine, Wholesale

Internet Service Provider
Tata Comm, Hathway, Sify
Fiber(Home/Biz), Cable

Critical Infrastructure
Railtel, Power Grid, Defense
Rail, Power, Oil&Gas, Smart City

Government
BSNL, MTNL, BBNL
PSU Telcos, USOF

Active Equipment

Wireless Access
Nokia, Ericsson, Huawei, Tejas
Fixed(4G/LTE) | Mobile

Transmission
Tejas, Ciena, Nokia, Huawei
Optical | Microwave

Switches & Routers
Cisco, Juniper, Arista
Switches | Routers

*Tejas Addressable

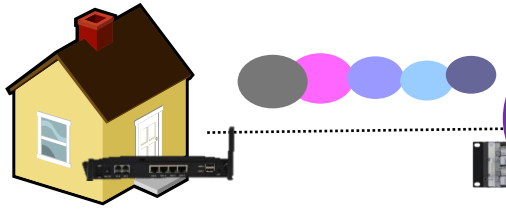
Deployment

- Cell Towers
- Exchanges
- Businesses
- Data Centers
- Homes
- Utility Sites

© Tejas Networks Limited 2019. All rights reserved.

We Enable High-capacity Data Networks

Mobile Backhaul



Residential Broadband over Fiber or Fixed Wireless

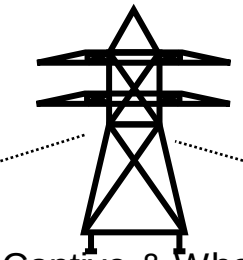
Bandwidth Services to Business Customers

TJ1400

TJ1400

TJ1400

Nx10G ACCESS/EDGE



Captive & Wholesale Networks for Utilities

TJ1600

TJ1600

TJ1600

Nx100G METRO CORE

High-capacity Data Center Interconnections

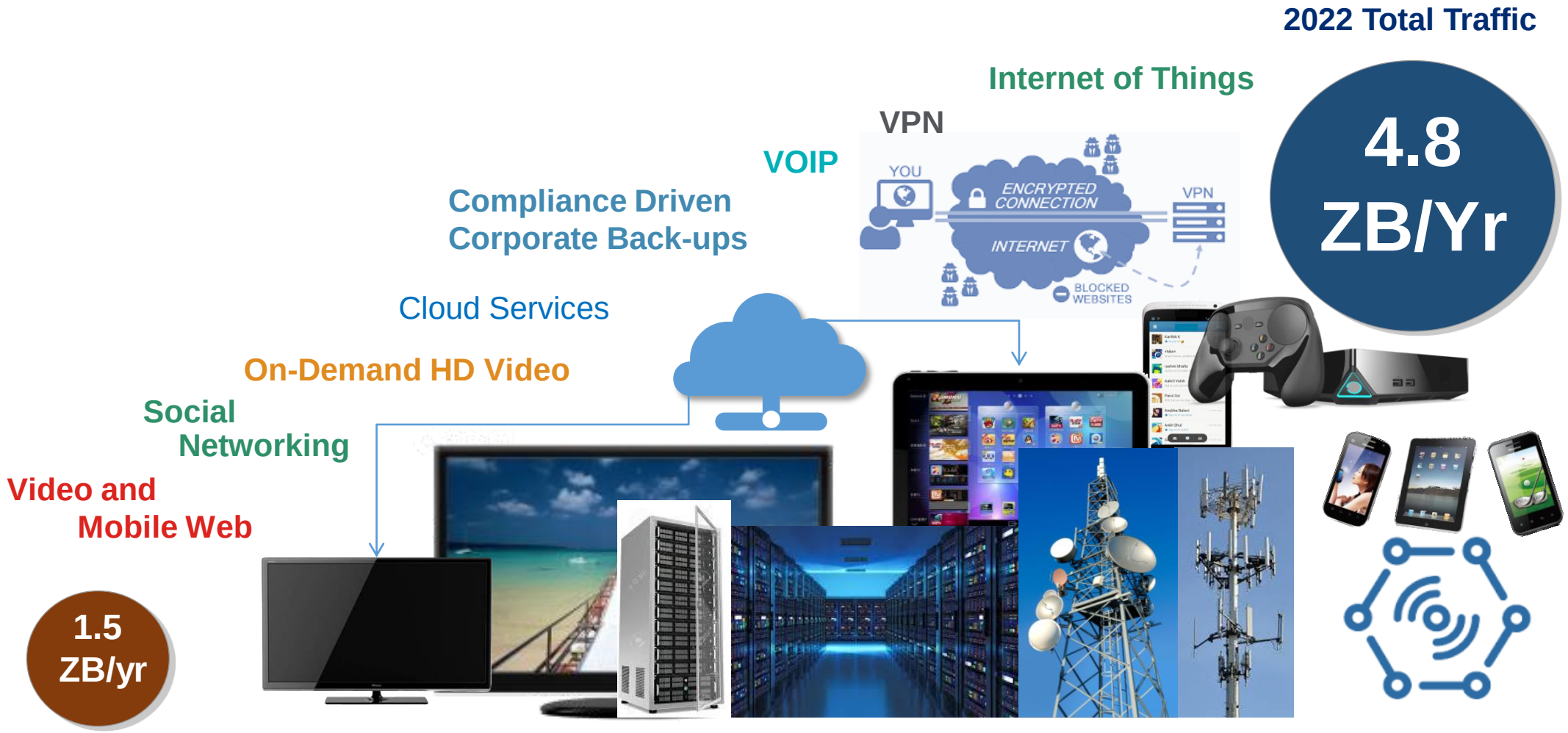
Terrestrial Internet Distribution

Backbone Networks for Defence/Government

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Macro trends driving Data Growth and our Business



Source: Cisco VNI Forecast, 2017-2022

© Tejas Networks Limited 2019. All rights reserved.

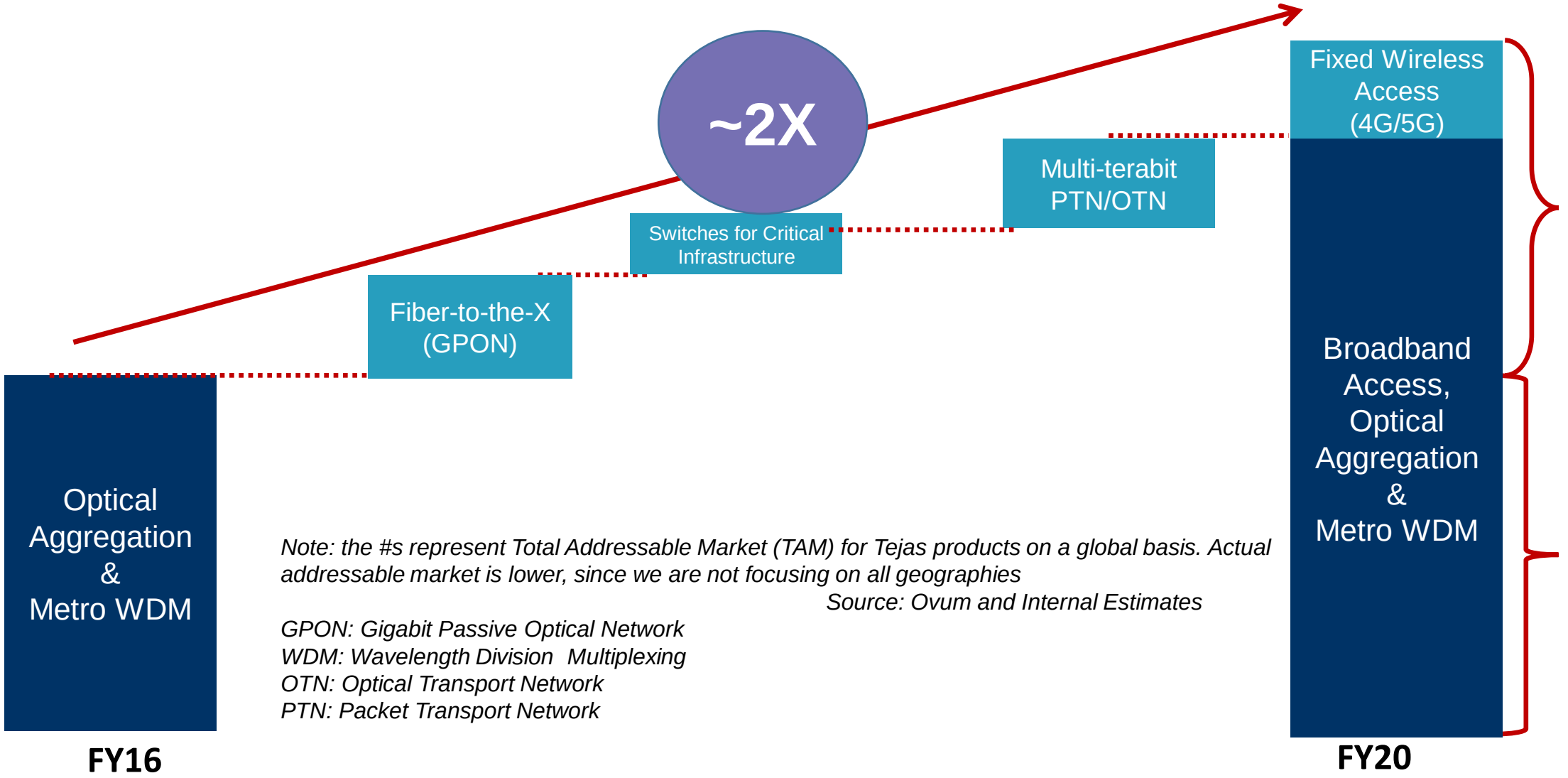
Emerging Technologies to address Data Growth

FIXED BROADBAND	4G, 5G & IOT	CLOUD, DATA CENTER
Multi-gigabit Access on Optical Fiber (FTTX) and Broadband Wireless (WTTX)	Network Densification and Fiberization driving growth in Metro Networks	Demand for Massively Scalable DWDM Networks with Multi-terabit Switching

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

R&D Investments increasing our Addressable Market



Note: the #s represent Total Addressable Market (TAM) for Tejas products on a global basis. Actual addressable market is lower, since we are not focusing on all geographies

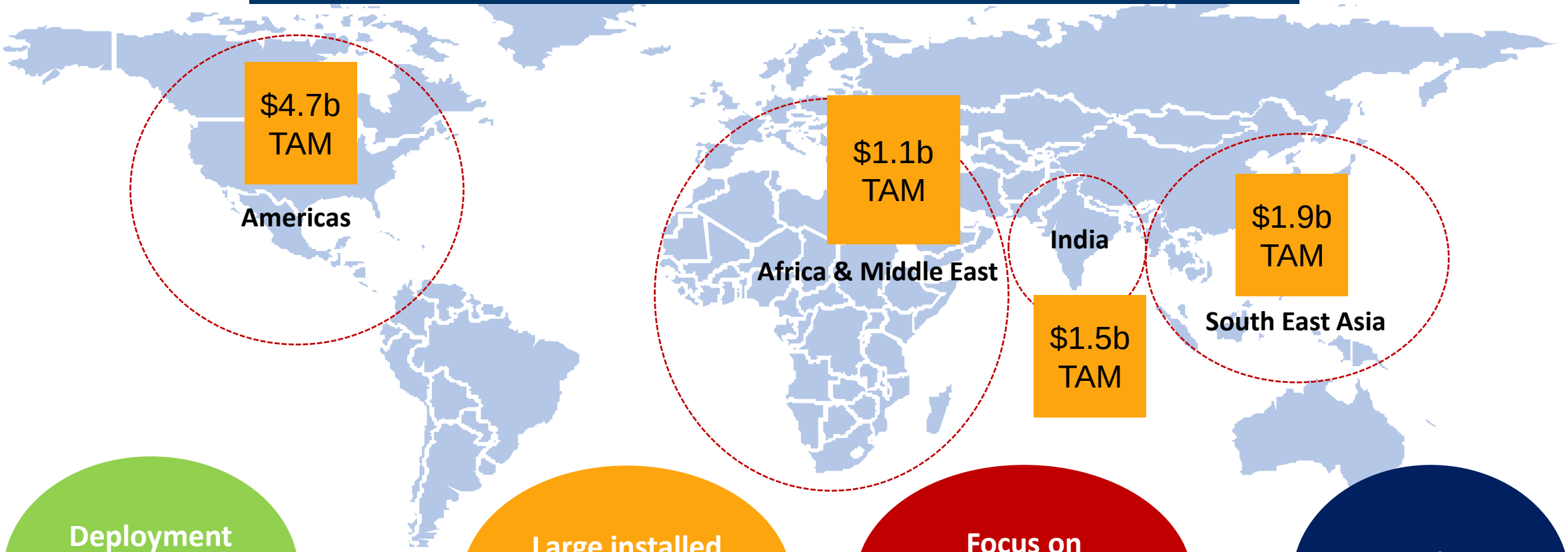
Source: Ovum and Internal Estimates

GPON: Gigabit Passive Optical Network
WDM: Wavelength Division Multiplexing
OTN: Optical Transport Network
PTN: Packet Transport Network

© Tejas Networks Limited 2019. All rights reserved.

Investing in Sales to Expand our Global Footprint

Total Addressable Market (TAM) of ~$9 billion



- Deployment in 75+ Countries
- Large installed base 475,000+ deployed
- Focus on fastest-growing regions
- 25+ Tier-1 Customers

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Our Sustainable Competitive Advantage

Software-defined Hardware ™

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

Future Ready Products

Support multiple technology generations from same platform (2G/3G → 4G/5G)

Ultra Converged Broadband Access/Edge

Flexibility to offer different services on fiber/copper/wireless using relevant technologies

Innovative Business Model

Cost-efficient India-based R&D and low operating costs and asset-light manufacturing delivers superior financial performance

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Reputed Board & Strong Corporate Governance

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

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

C.B. Bhave
Non-Executive Director, Independent Director
Chairman, SEBI (2008 -2011)
Chairman and MD, NSDL (1996-2008)
IAS (1975 Batch)

Sanjay Nayak
CEO and Managing Director
30+ years experience in telecom/electronics
Ex-Managing Director at Synopsys
Fellow INAE, Member-FICCI Startup Council
CII National Committee on ICTE; Ex Co-Chairman of Telecom Export Promotion Council. MS, Univ of North Carolina

Dr. Gururaj Deshpande
Non-Executive Director
President & Chairman of Sparta Group LLC
PhD, Queens University, Canada
Life-Member of the MIT Corporation
Founder of Deshpande Foundation

Arnob Roy
COO and Whole-time Director
30+ years experience in telecom/eelctronics
Ex-Manager, R&D, Synopsys
Master's Degree, University of Nebraska
Bachelor of Technology, IIT, Kharagpur

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Senior Management Team: Global Industry Experience

Sanjay Nayak
Chief Executive Officer and Managing Director
30+ years experience in telecom/electronics
Ex-Managing Director at Synopsys
Fellow INAE, Member-FICCI Startup Committee & National Committee on ICTE

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

Shirish Purohit
Head-Sales (India and Emerging Markets)
25+ years experience in telecom
Ex-CEO and Founder of Midas Communications
M.Tech from IIT Madras, B.E from REC, Nagpur

Arnob Roy
Chief Operating Officer and Whole-time Director
30+ years experience in telecom/electronics
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

Ranajit Hajra
EVP, Global Services Group
Former Regional Director, Global Delivery at Nokia
27 years experience incl. at Nokia, AT&T, Philips and Tata Group

Sukhvinder Kumar
President, Global Manufacturing Operations
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

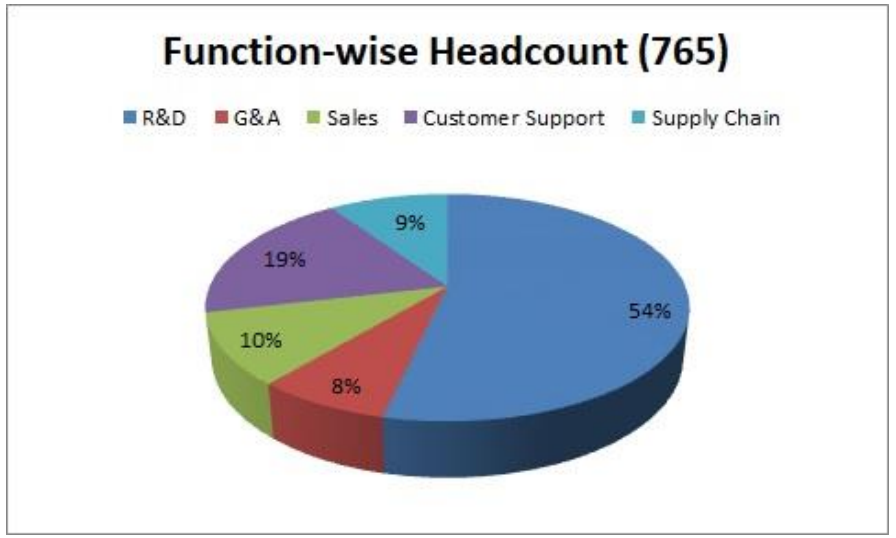
Abhijat Mitra
Chief Human Resources Officer (CHRO)
Former HR Head of McKinsey Knowledge Center
MBA from IIM Indore

© Tejas Networks Limited 2019. All rights reserved.

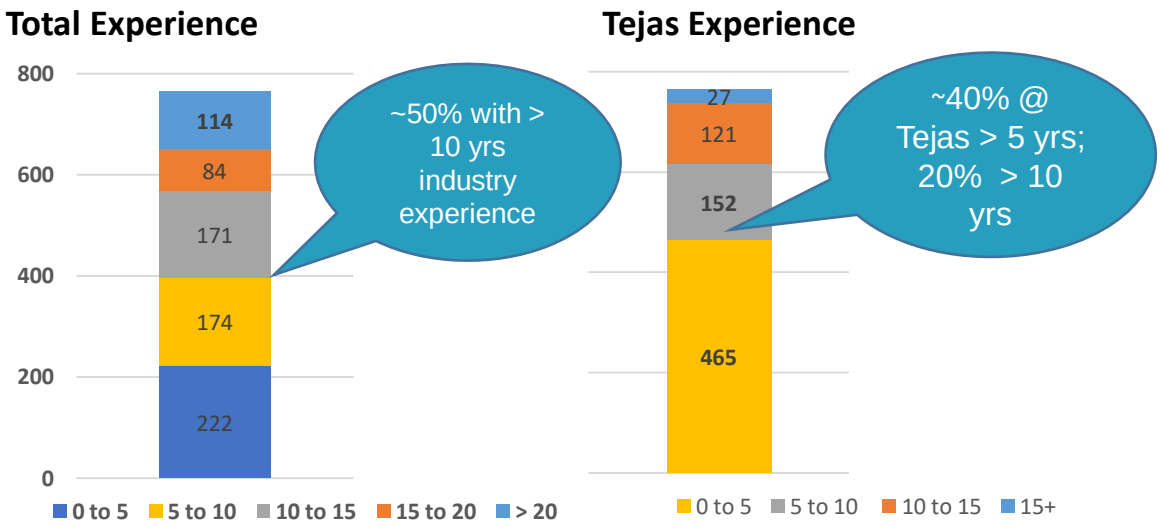
TEJAS® NETWORKS

World-class Team

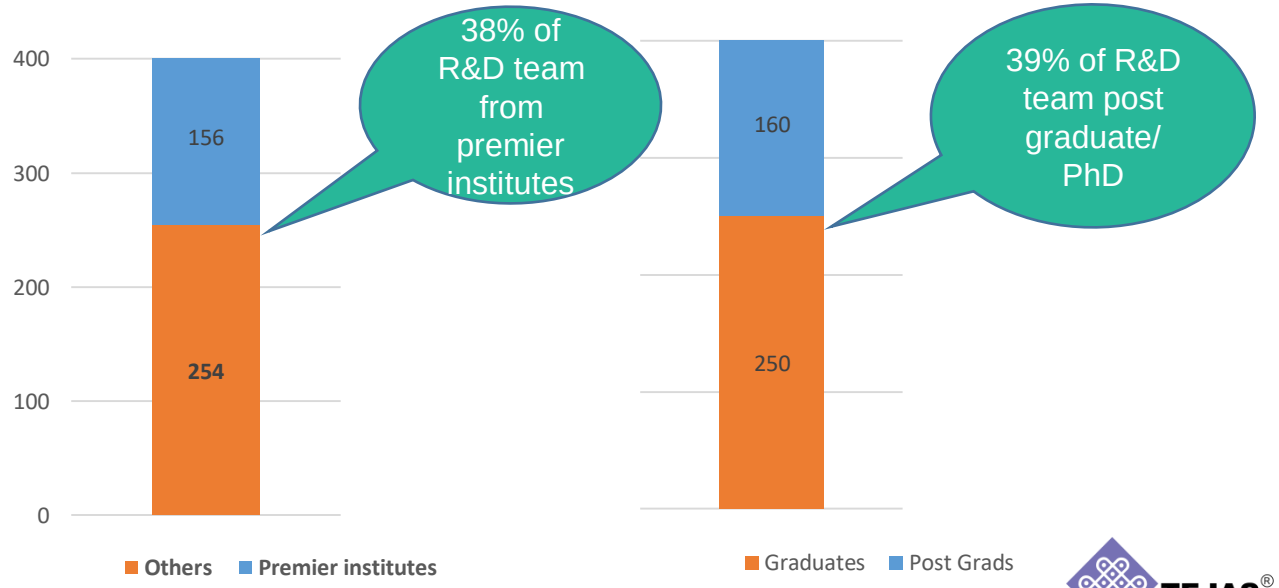
- Highly experienced Senior Sales Team
  - Average industry experience: 22.5 years
  - Average experience at Tejas: 8.7 years
- Highly experienced Senior R&D Team
  - Average industry experience: 24 years
  - Average experience at Tejas: 11.7 years



Retaining Top Talent in a Competitive Industry



World-class R&D Team



© Tejas Networks Limited 2019. All rights reserved.

Widely Recognized for Innovation and R&D

5 — 2018-2019

Best Equipment Supply Partner by GoI

FT1000 high-growth list for Asia-Pacific

Aegis Graham Bell award in "Digital India Initiative"

"Best Exporter" award in Gold Category by FKCCI

Finalist at Broadband World Forum Awards, Germany

Finalist at Leading Lights Award, USA

4 — 2016-2017

300+ patents filed

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

IESA Most Innovative Product Award in 2016

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

3 — 2012-2015

CSIR Diamond Jubilee award from PM in 2012

200+ patents filed

2 — 2009-2012

100+ patents filed

Technology and Innovation awards from

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

HARVARD BUSINESS SCHOOL

NASSCOM

THE ECONOMIC TIMES

AEGIS GRAHAM BELL SCHOLARSHIP AWARDS

TCOE India

Case Study

1 — 2000-2008

CSIR Diamond Jubilee award from PM in 2006

17 patents filed

Deloitte.

Global Deloitte Technology Fast-50

RED HERRING GLOBAL 100 WINNER

Red Herring Top-100 Asia

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Medium-term Strategy

1. **Leverage incumbency in India** to benefit from pent-up demand for broadband and data; increase depth in India-private accounts so as to reduce dependence on lumpy, India-Govt business

2. **Increase international sales** in Africa, S. East Asia and America, to reach 50% of overall revenues

3. **Continue to invest in R&D** to maintain our product differentiation & expand our portfolio to increase our addressable market

4. **Continue to deliver strong financial performance-** maintain profitable growth and improve working capital efficiency

© Tejas Networks Limited 2019. All rights reserved.

Financial Model

© Tejas Networks Limited 2019. All rights reserved.

Unique Business Model- Profitable in a Challenging Global Industry

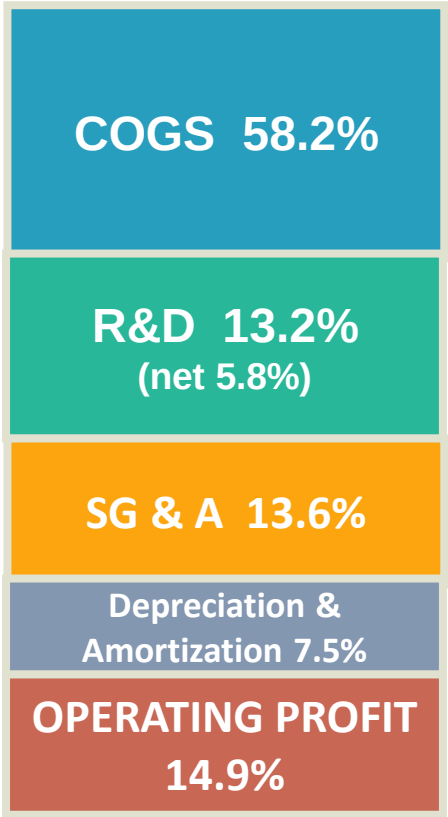
Strengths of Tejas Business Model

Use of mass-market FPGA devices,
Ownership of silicon IPR,
Outsourced "Asset-light" Manuf. to EMS companies in India

Majority of our costs are on manpower, which are India-based
Strong software skills from India

Sales Focus on fewer, but high growth and large potential markets;
Effective use of India for back-end support activities

Sustainable financial performance



Advantage against Global Peers

Tejas Gross Margins are close to those of global peers, despite lower economies of scale and large proportion of India revenues

Benefits of India-based R&D;
4-times R&D for same cost as compared to western peers

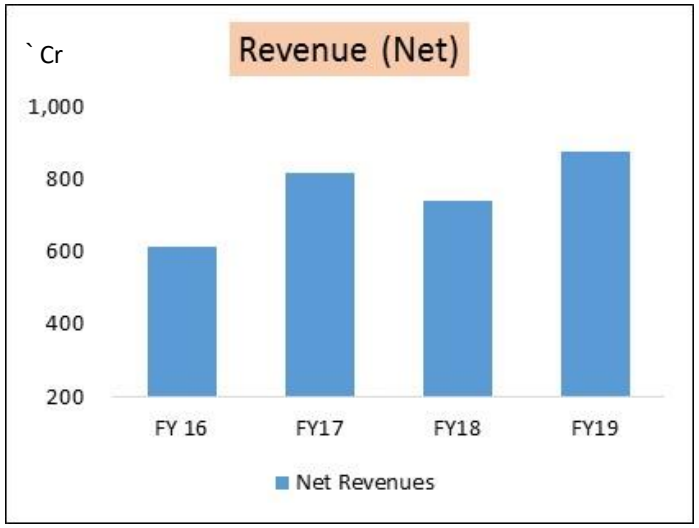
SG&A costs are half that of global peers, while creating a large growth potential

Growth, with profitability

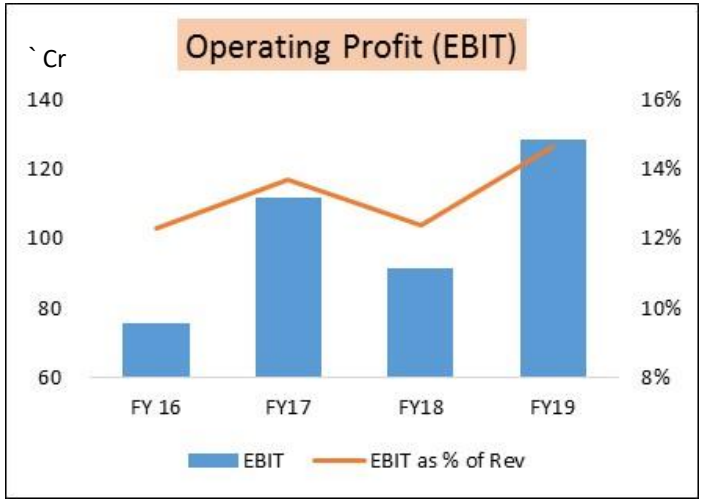
© Tejas Networks Limited 2019. All rights reserved.

17

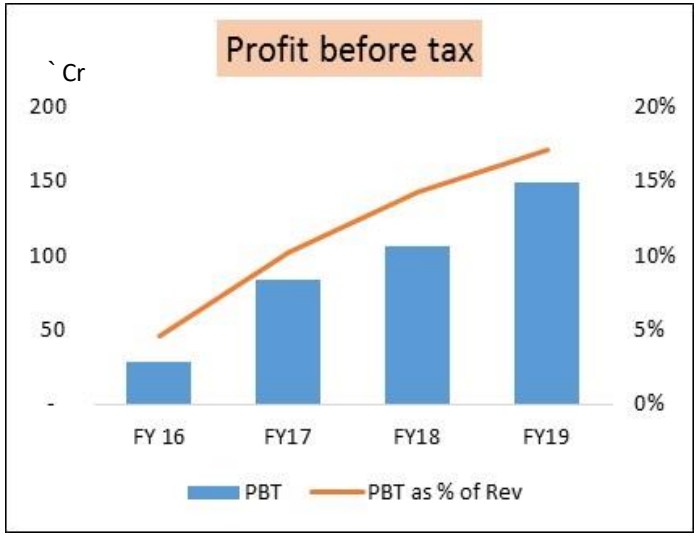
Financial Trends



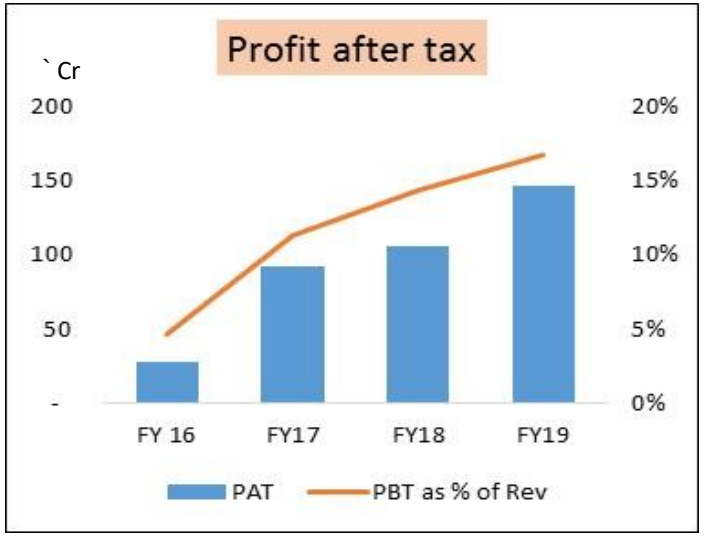
3 Yr CAGR 12.5%



3 Yr CAGR 19.7%



3 Yr CAGR 73.8%

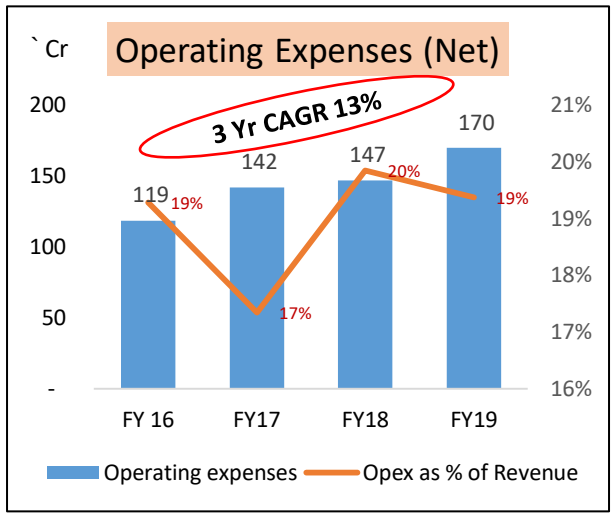


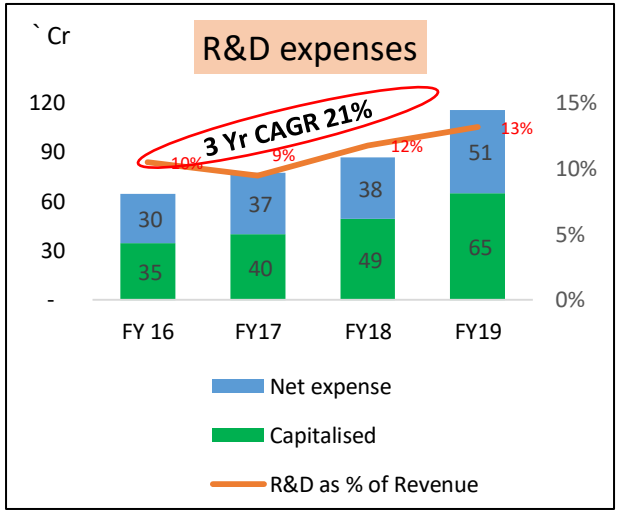
3 Yr CAGR 72.7%

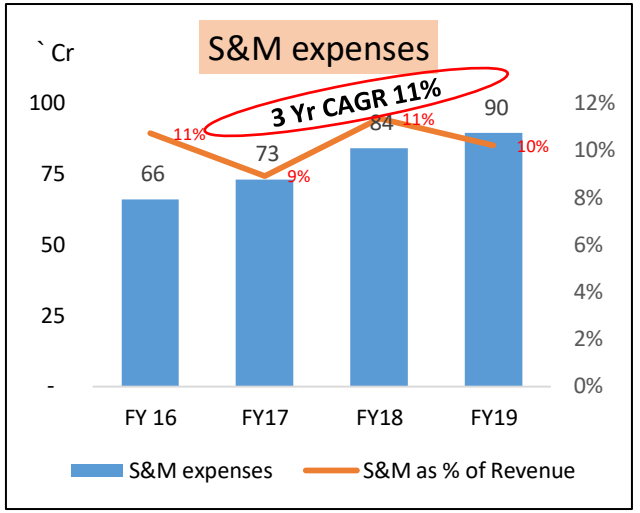
© Tejas Networks Limited 2019. All rights reserved.

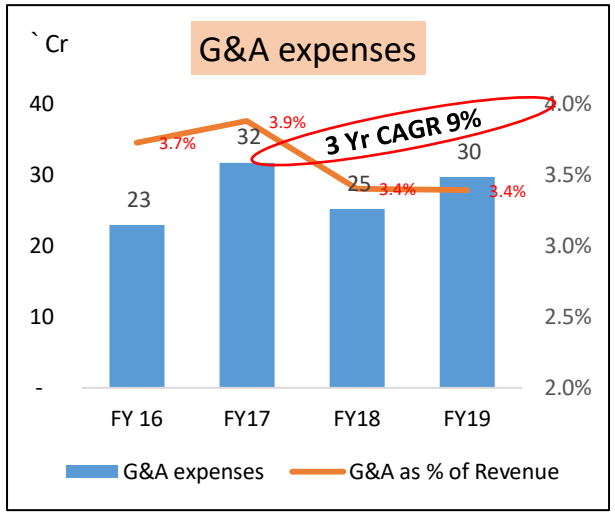
TEJAS® NETWORKS

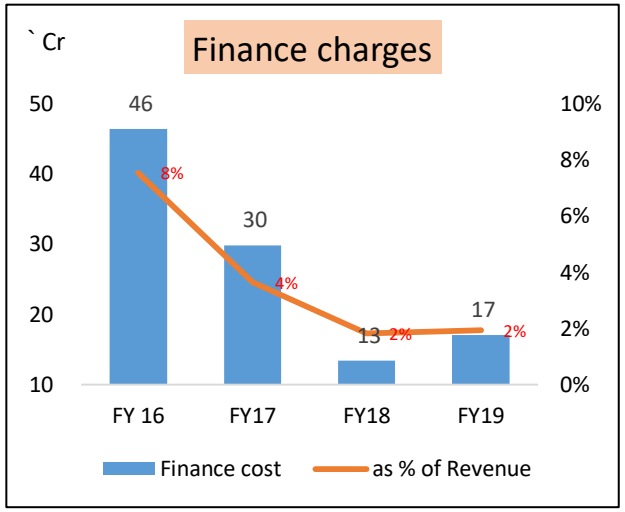
Financial Trends (Cont'd)

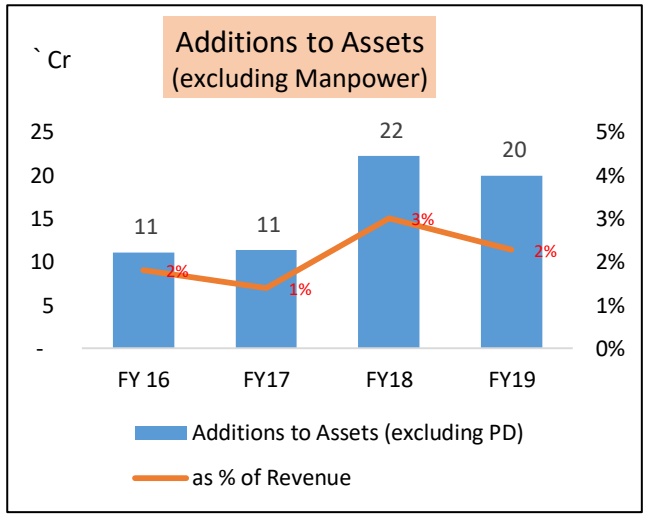








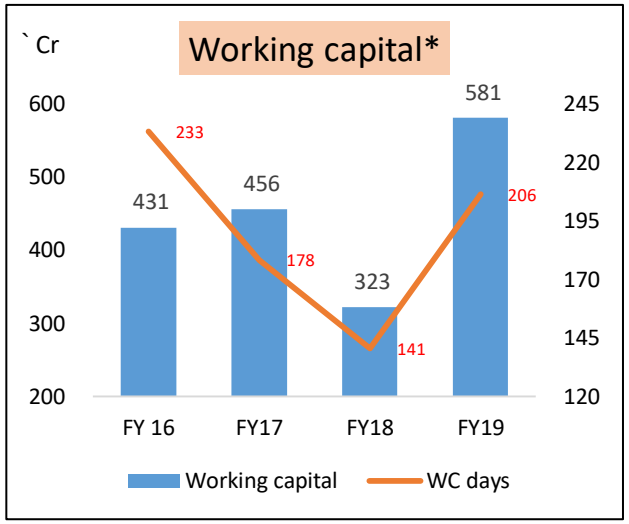


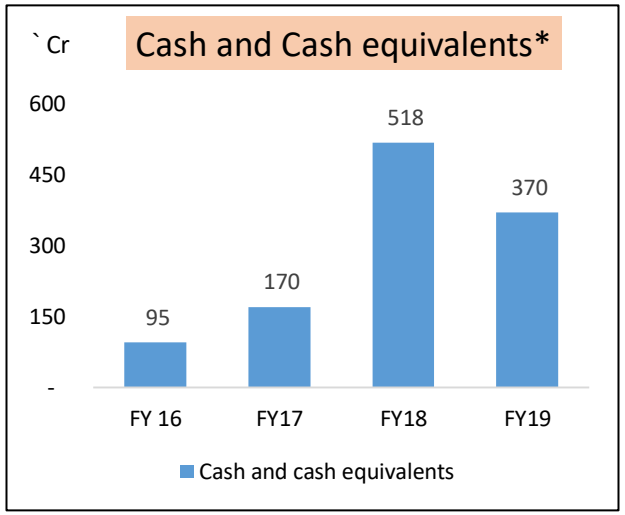


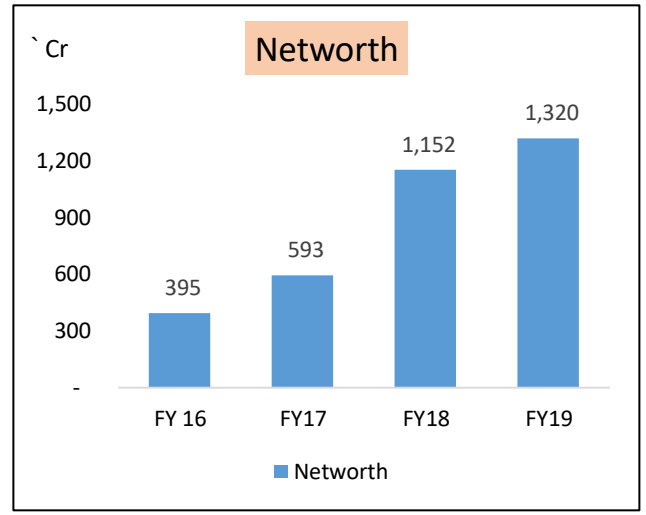
© Tejas Networks Limited 2019. All rights reserved.

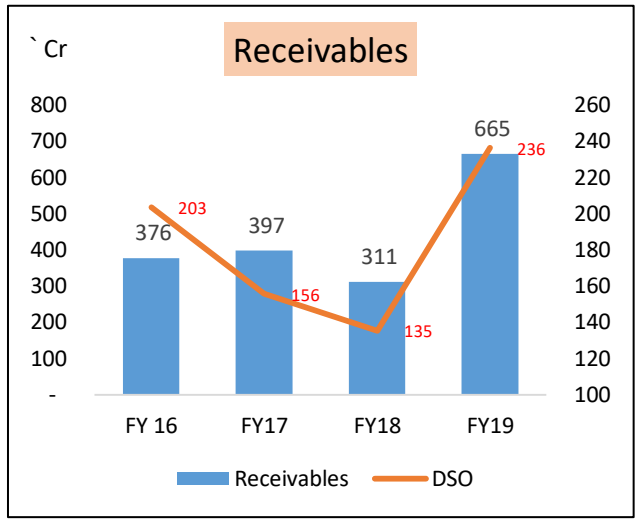
TEJAS® NETWORKS

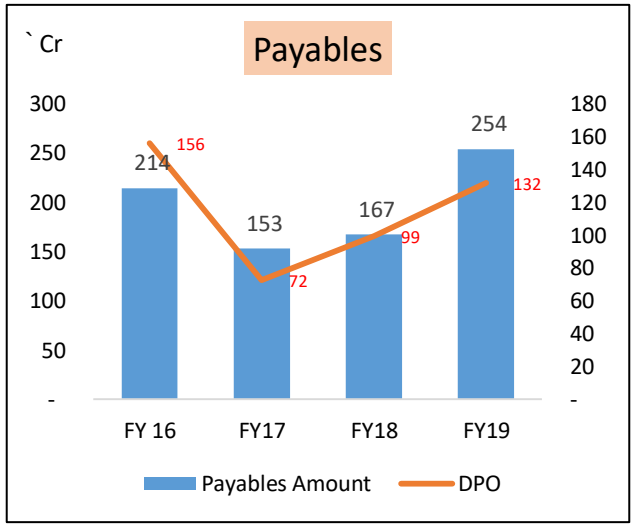
Financial Trends (Cont'd)

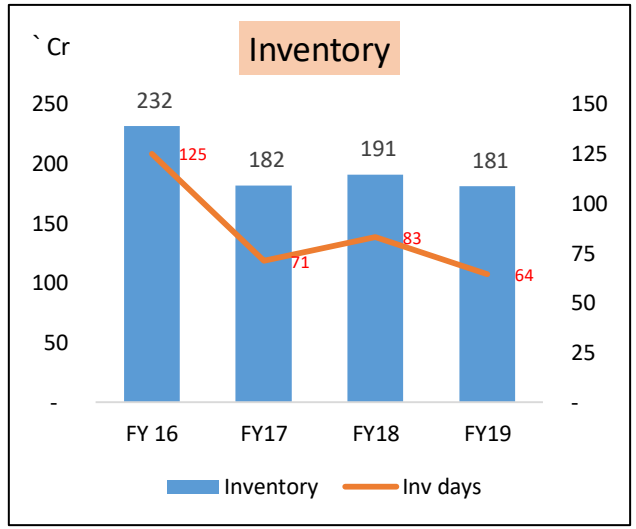












** Delays in payment from one large Indian Government customer resulted in reduction of Cash and Cash equivalents and increase in Working capital days for FY 19*

© Tejas Networks Limited 2019. All rights reserved.

Technology Trends and Product Strategy

© Tejas Networks Limited 2019. All rights reserved.

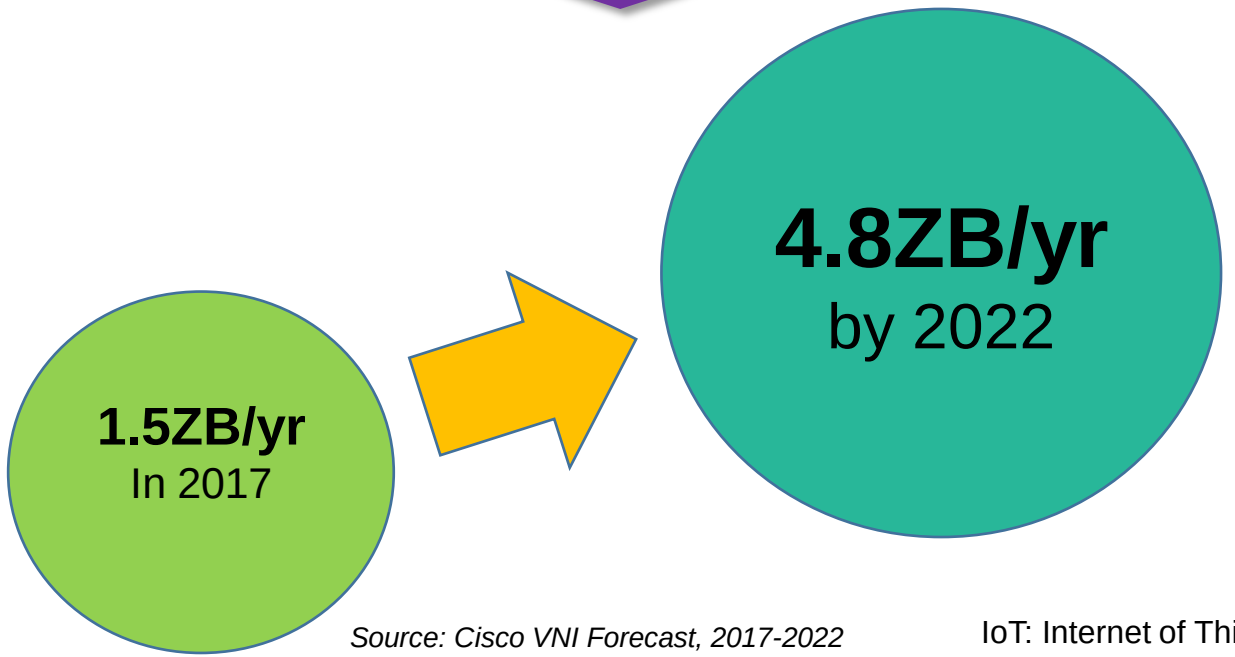
Long-term Technology Drivers

5G

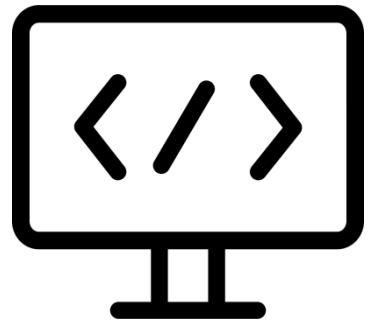
Leading to an Exponential Increase in Packet Traffic on Telecom Networks

IoT

Cloud and Data Centers



SDN/NFV & Disaggregation



Source: Cisco VNI Forecast, 2017-2022

IoT: Internet of Things
SDN: Software Defined Networks
NFV: Network Function Virtualization

© Tejas Networks Limited 2019. All rights reserved.

5G: Will drive a new Network Architecture

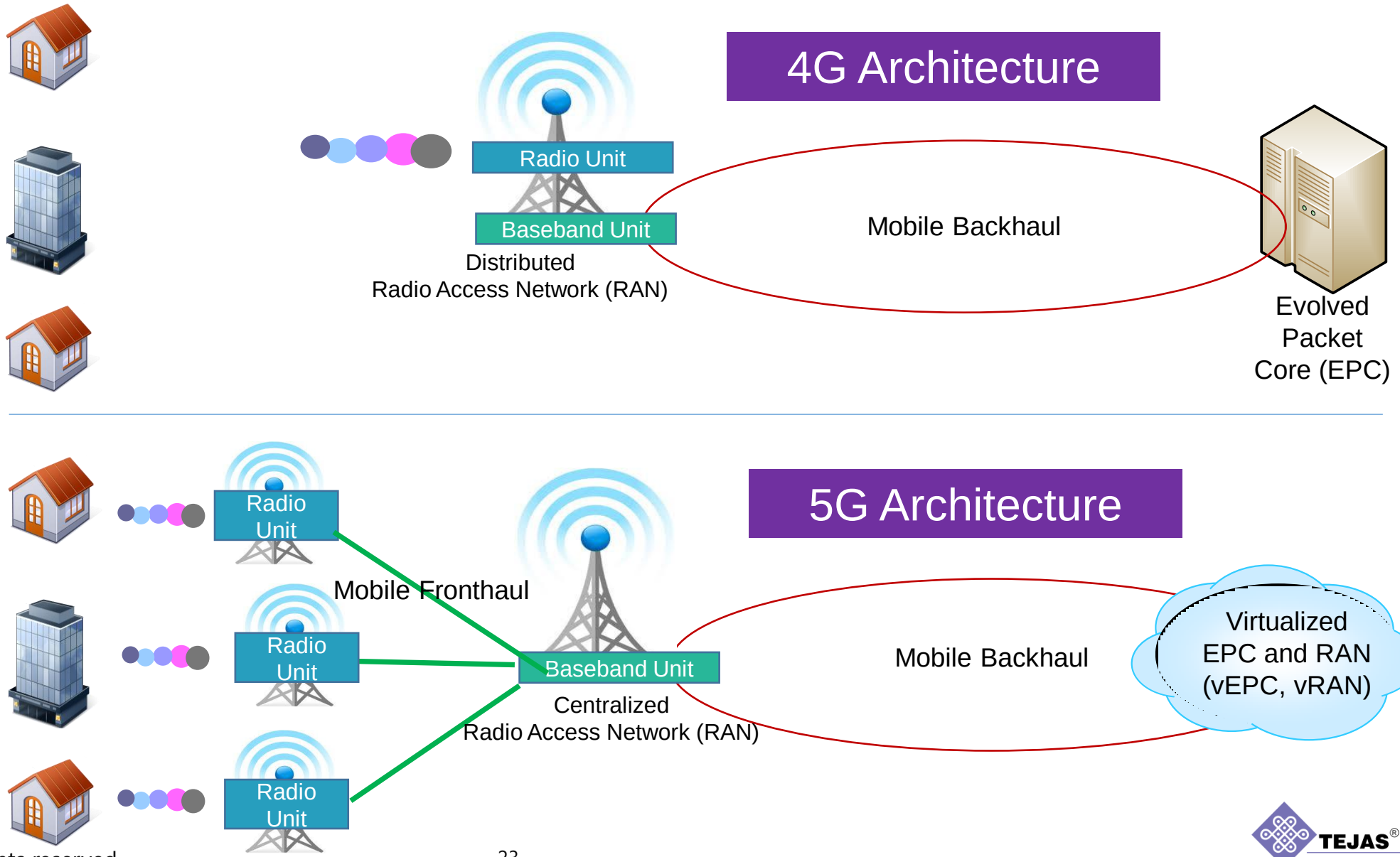
Peak Data Rate
20 Gbps

User Data Rate
100 Mbps

Latency
1-10 ms

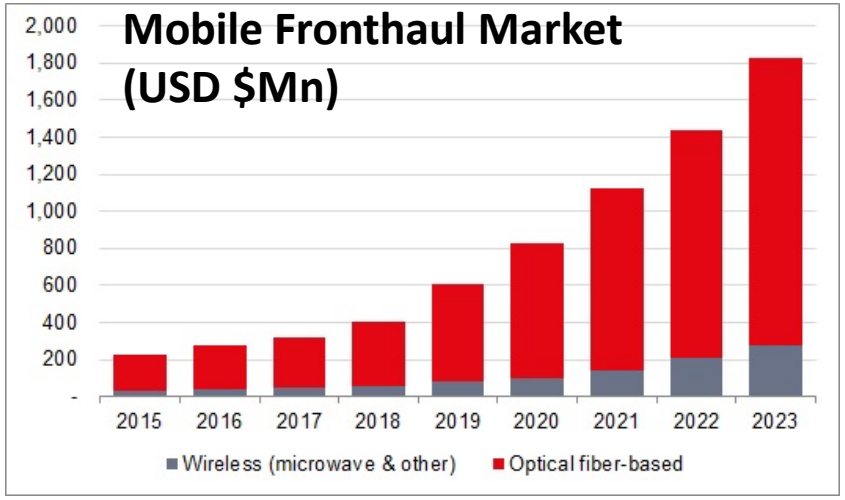
Tower Density
10x (4G)

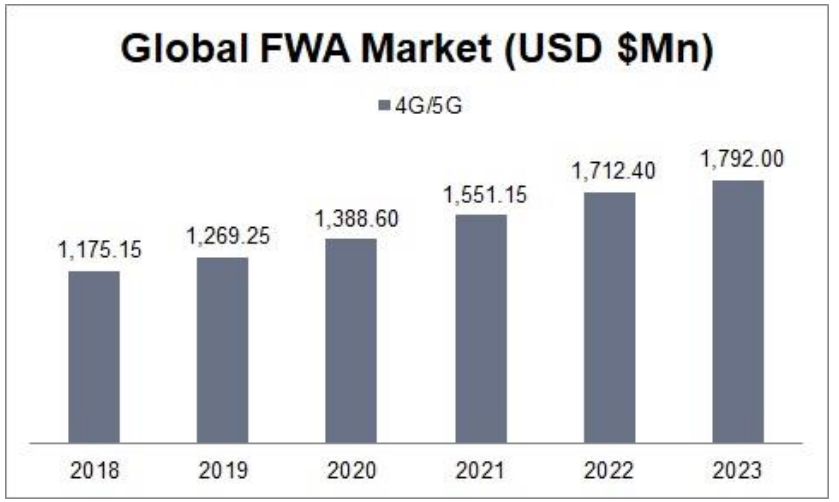
User Density
10x (4G)



© Tejas Networks Limited 2019. All rights reserved.

Impact of 5G on our Business





Source: Ovum Reports

Mobile Backhaul/Fronthaul

- 5G will lead to “densification” of cell sites which will increase backhaul expenditure
- 5G speeds and latencies cannot be efficiently served by microwave; most towers will be fiberized
- 5G will add $1.5 billion of optical fiber based “fronthaul” network component by 2023
- Cloudification leads to higher capacity links

Fixed Wireless Access (FWA)

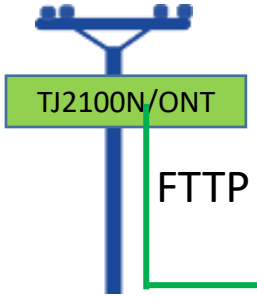
- Fixed Wireless Access (FWA) emerging as a significant use case for 5G
- FWA will be used to deliver broadband services if fiber laying is difficult
- $1.8 billion market by 2023 spanning both urban and rural markets
- With 5G, our addressable market for FWA will go up dramatically

© Tejas Networks Limited 2019. All rights reserved.

Impact of IoT on our Business

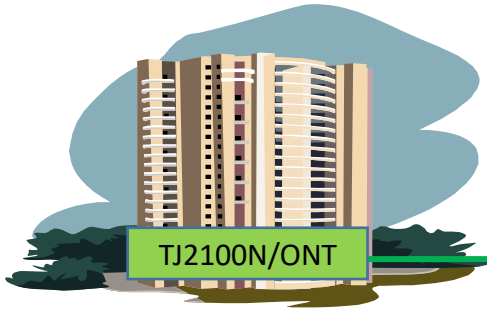
FTTH (Home)

TJ2100N/ONT



TJ2100N/ONT

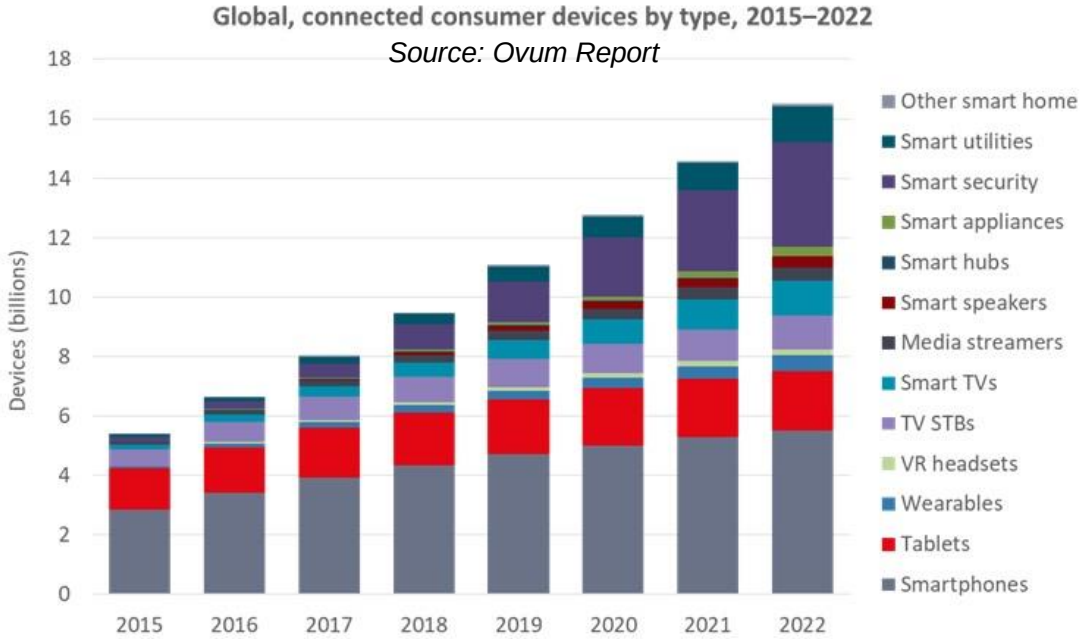
FTTP (Pole)



TJ2100N/ONT

FTTB (Basement)

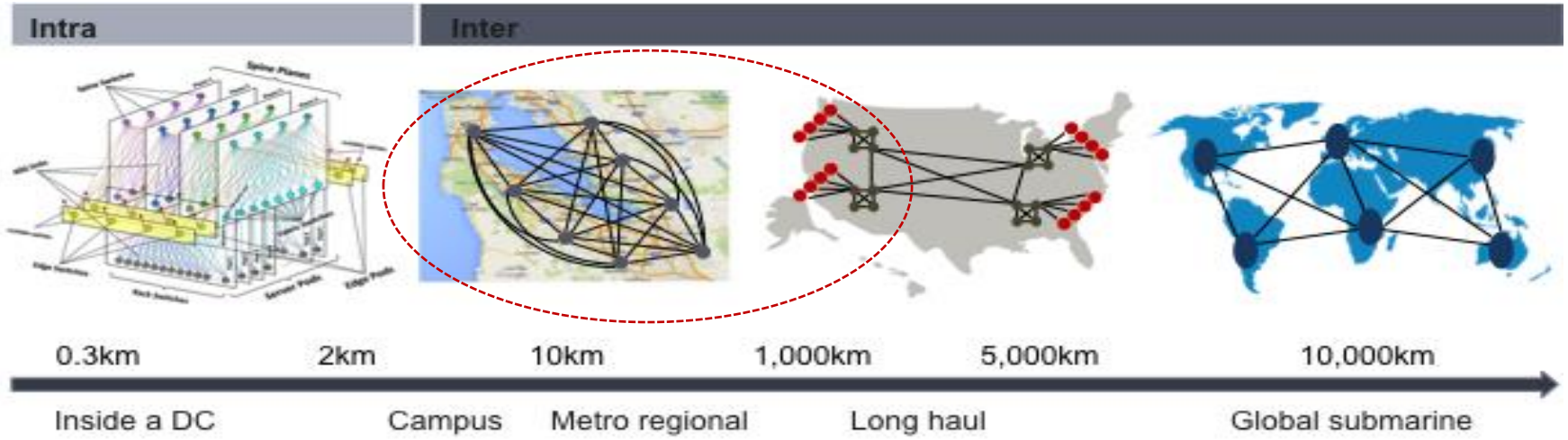
- IoT adoption will cause a massive influx of data traffic into telco networks; specialized IoT operators for enterprise-wide rollouts
- Copper (DSL) access services being replaced by Gigabit FTTH services for “Smart Homes”
  - Cable MSOs too adopting fiber-deep architectures preparing for IoT traffic deluge
- IoT will catalyze 5G investments; Asia will account for ~30% IoT revenues by 2025



Smart Homes, Smart Cities, Smart Utilities will be lead applications

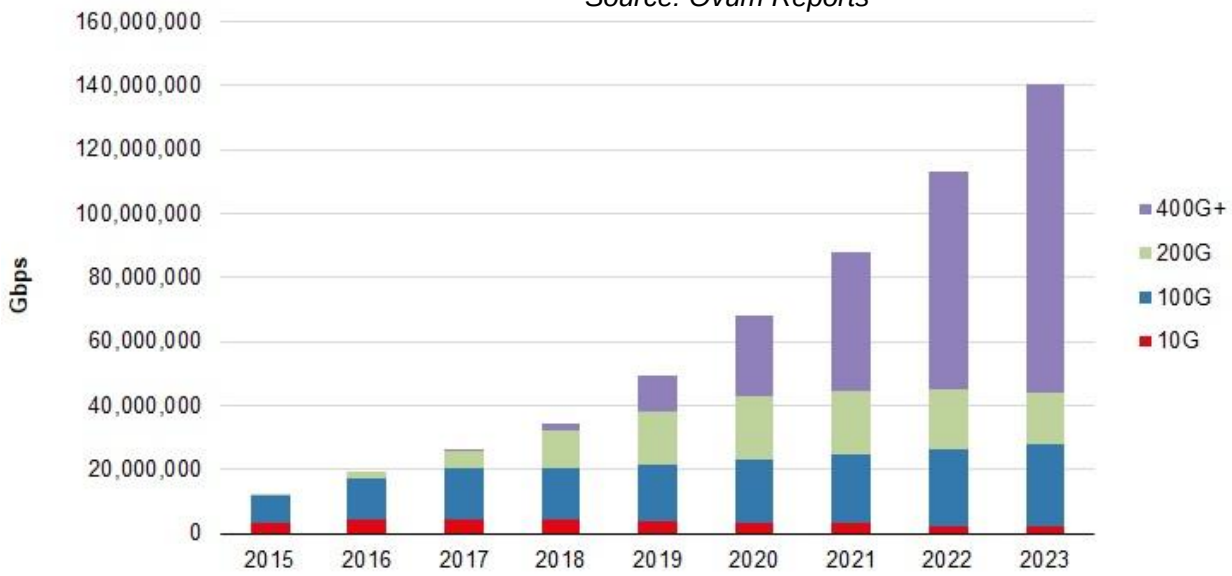
© Tejas Networks Limited 2019. All rights reserved.

Impact of Cloud and Data Center Interconnect (DCI)



- Global market for Data Center Interconnectivity (DCI) projected to be $7bn by 2021; 50% in emerging markets
- Exponential increase in demand for DWDM and 100G+ (200G/400G/600G) wavelengths for DCI
- $1bn market for purpose-built DCI products optimized for interface density, size and power
- Market opportunities in both captive (led by web companies) and wholesale (carrier-led) networks

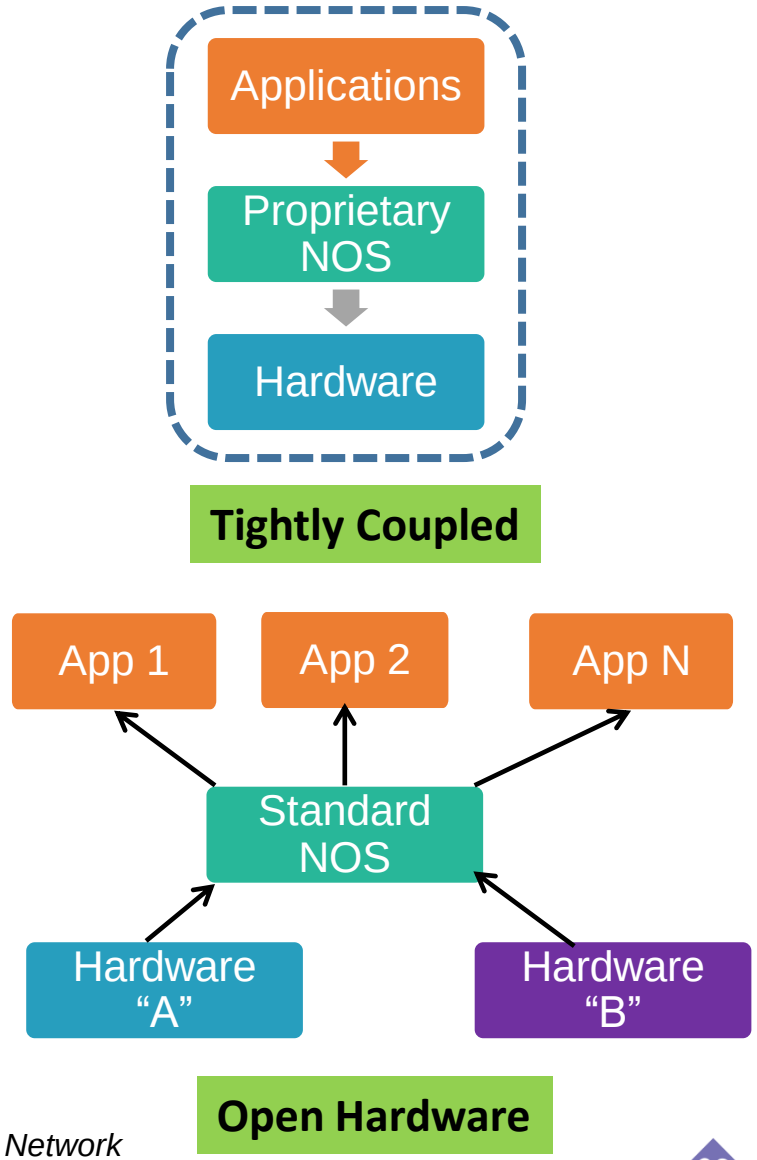
Source: Ovum Reports



© Tejas Networks Limited 2019. All rights reserved.

Impact of SDN/NFV/Disaggregation on our Business

- SDN: Programmable telecom networks with an “app-like” service deployment experience
- NFV: Virtualization of specialized hardware functions in general purpose servers
  - Both at Access (vCPE) and Aggregation (VNF)
- Disaggregation: Hardware-Software decoupled resulting in better innovation
- Key Benefits
  - Greater Service Agility, Lower Network Opex, New Service Opportunities, Reduce Vendor Lock-in
  - Lower Hardware Capex (Standardized) & Software Capex (Open Source)
- Well positioned to benefit from this trend due to software-defined hardware™ architecture
- Disaggregation promotes “best-of-breed” procurement approaches by service providers
  - Enables new vendors like Tejas to potentially break into incumbent accounts through innovative products



SDN: Software Defined Network
NFV: Network Function Virtualization
VNF: Virtualized Network Function

© Tejas Networks Limited 2019. All rights reserved.

Maintaining Technology Leadership

Active participation in national and international standards bodies

Generating and protecting in-house IPR by filing patent claims worldwide

Close collaboration with customers to understand their network requirements

Establishing thought leadership at international conferences

Aligning Product Roadmap with Evolving Technology and Market Requirements

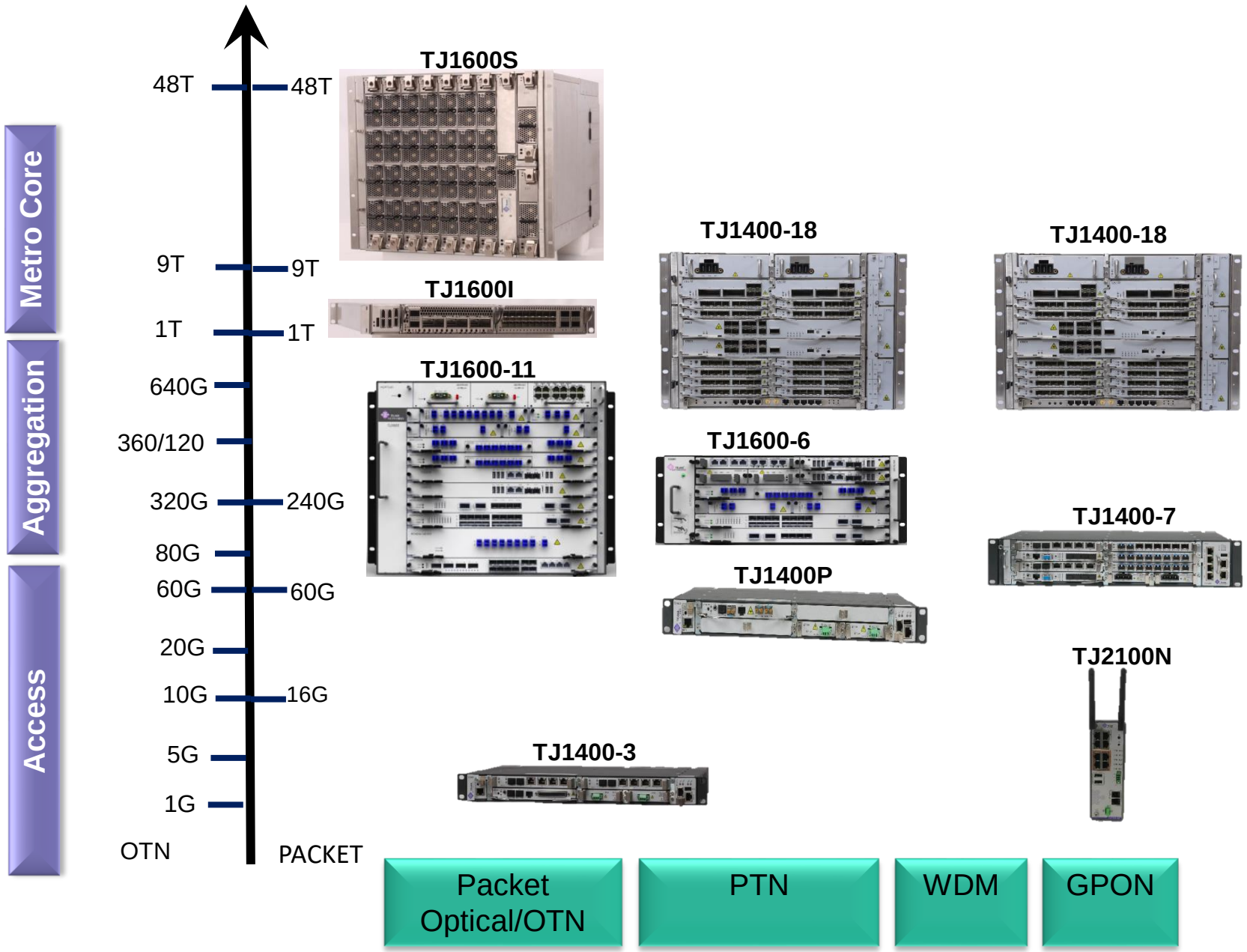
© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Products and Applications

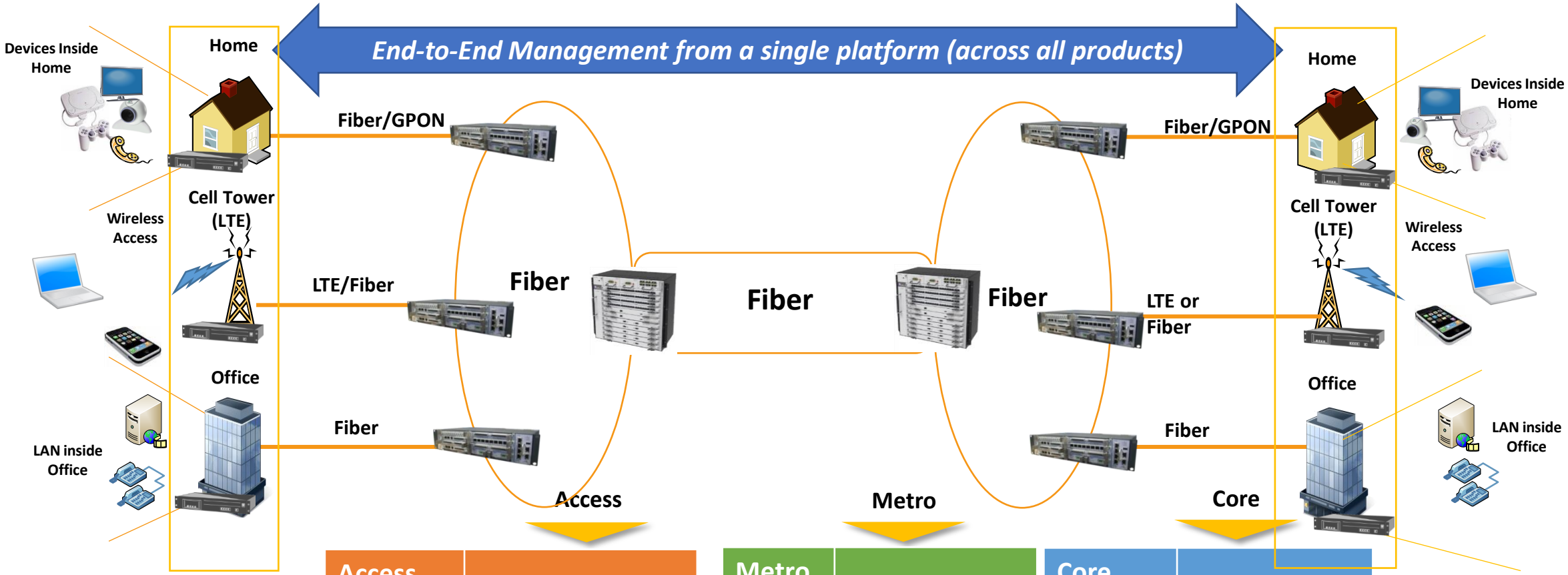
© Tejas Networks Limited 2019. All rights reserved.

Comprehensive Optical Product Portfolio



© Tejas Networks Limited 2019. All rights reserved.

Our Product Focus : from Access to Metro Core



Access	
Speeds	Nx10G => 100G
Tech	PTN, SDH, GPON, LTE
Products	TJ1400, TJ1600-2

Metro	
Speeds	100G => Nx100G
Tech	DWDM, OTN,PTN
Products	TJ1400-7, TJ1600

Core	
Speeds	Nx100G => 400G
Tech	ROADM, OTN, SDN
Products	TJ1600, TJ1400-18

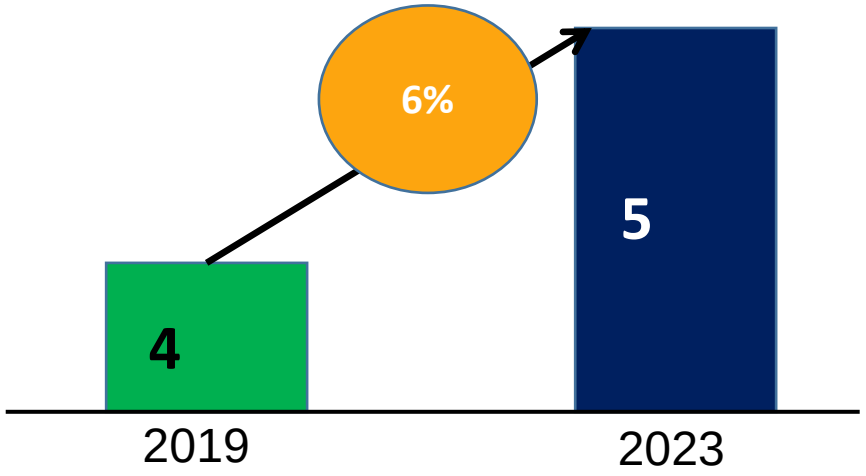
COMMUNICATE RELIABLY at LOWEST COST

© Tejas Networks Limited 2019. All rights reserved.

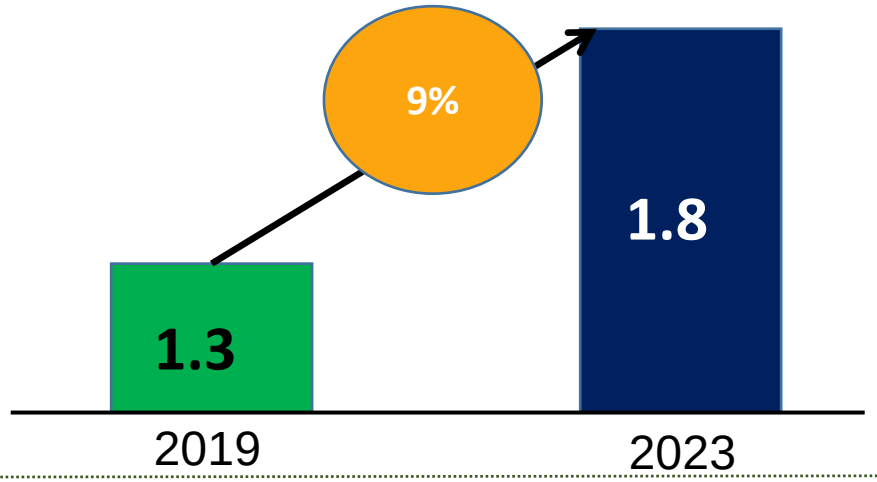
TEJAS® NETWORKS

Focusing on Growing Technology segments

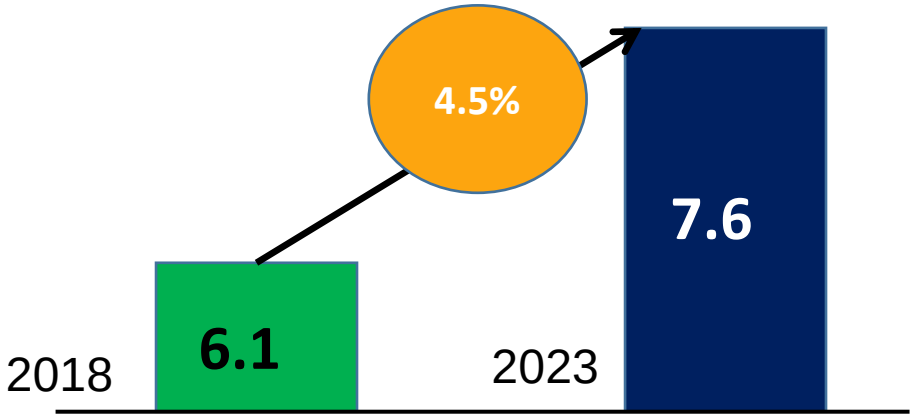
Optical/Ethernet Aggregation
(USD $Billion)



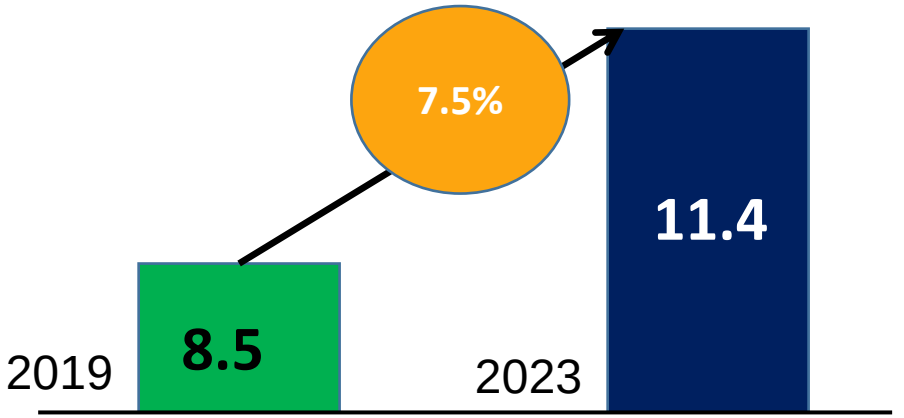
Fixed Wireless Access
(USD $Billion)



Fiber-to-the-Home (GPON)
(USD $Billion)



Access & Metro DWDM
(USD $Billion)



© Tejas Networks Limited 2019. All rights reserved.

Flexible Software-defined Hardware™ Architecture

Benefits for Customer

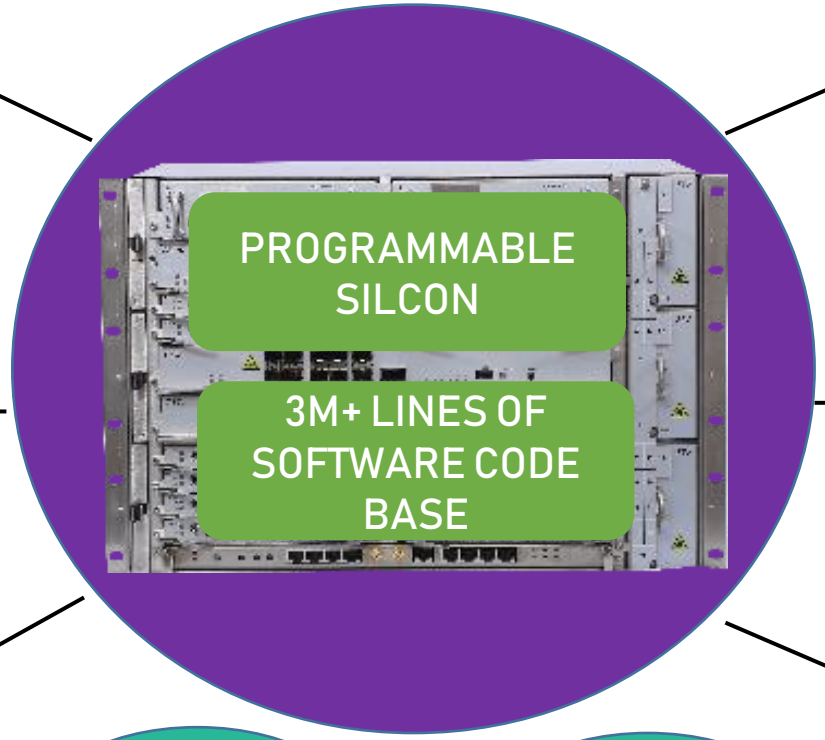
Benefits for Company

349 Patents

270+ FPGA IPs

MULTI-GENERATION PRODUCTS (2G to 5G)

TIME-TO-MARKET ADVANTAGE



LOWER TOTAL COST OF OWNERSHIP

DESIGN REUSE LOWERS R&D COST

DELIVER CUSTOM FEATURES

FIELD UPGRADES ON INSTALLED BASE

45+ Products

300+ PCBs

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Innovative Ultra-converged Broadband Access/Edge Product

Fiber Broadband Access

Fixed Wireless Access

TJ1400

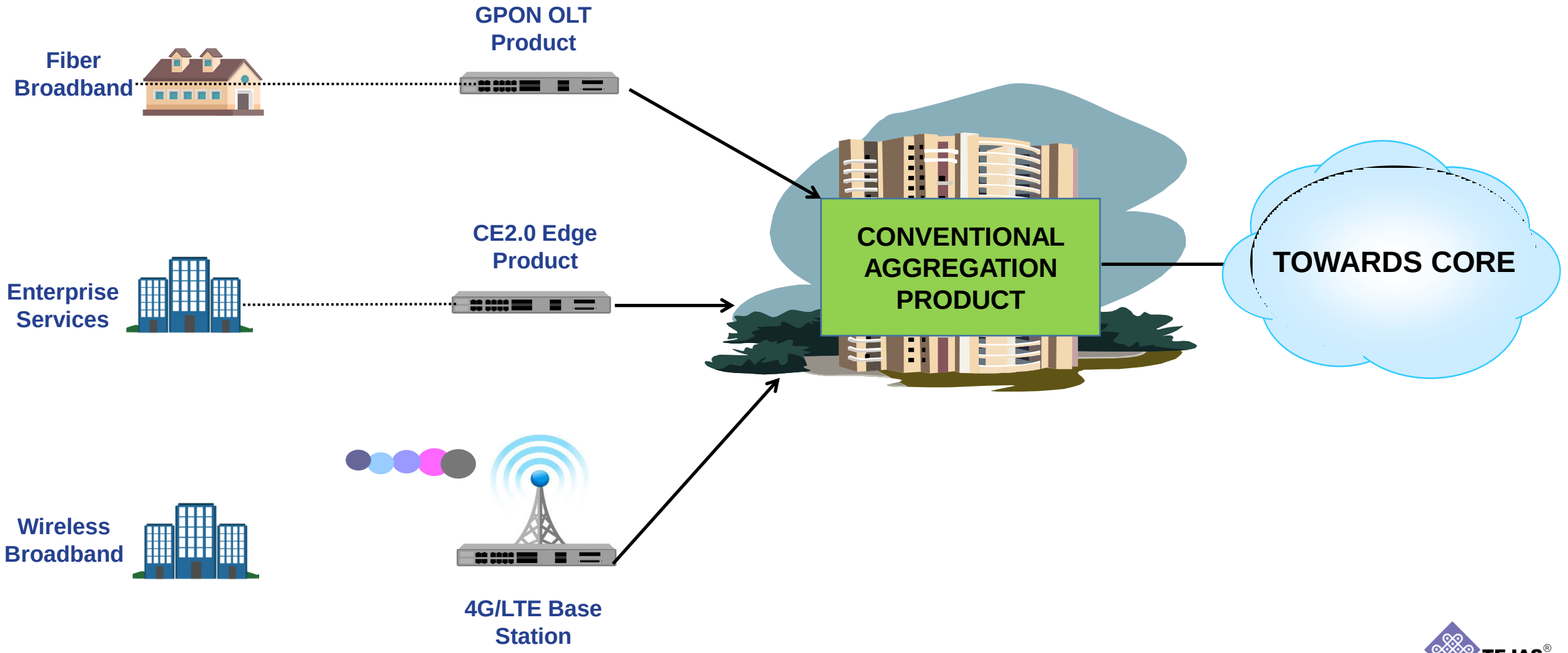
Enterprise Data Services

Packet Optical Transport

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

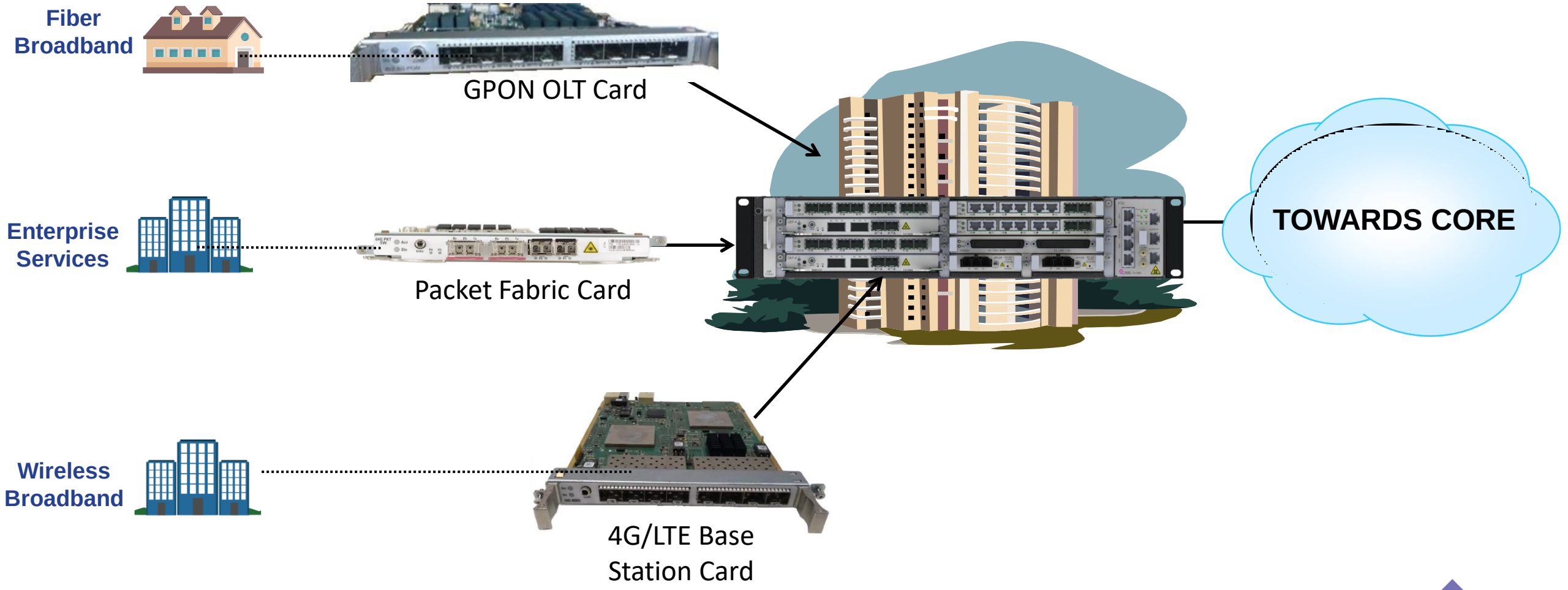
Traditional Service Delivery Architecture



© Tejas Networks Limited 2019. All rights reserved.

Unified Service Delivery Architecture

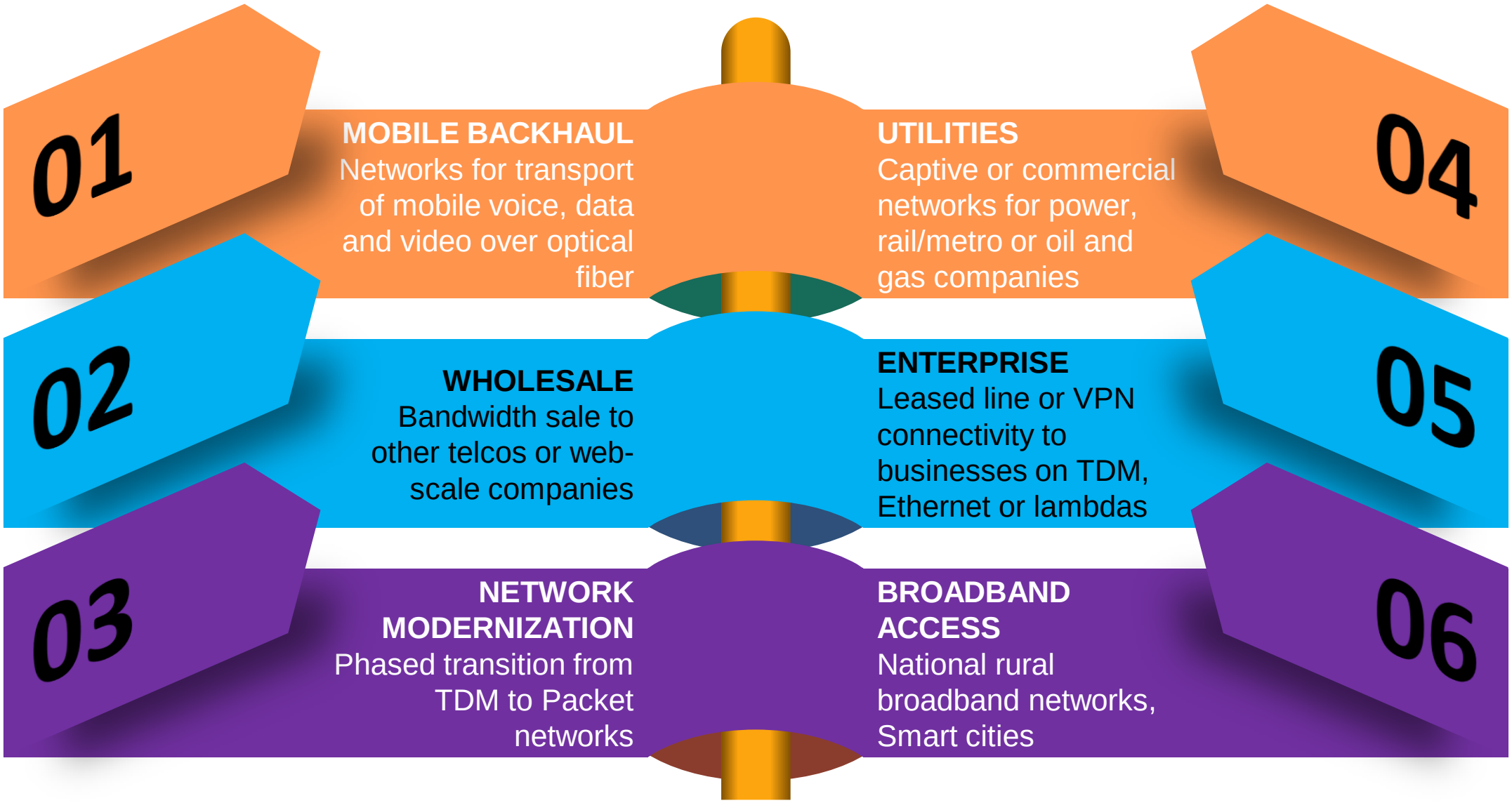
Multiple Products Subsumed as PCBs in an Ultra-converged Platform



© Tejas Networks Limited 2019. All rights reserved.

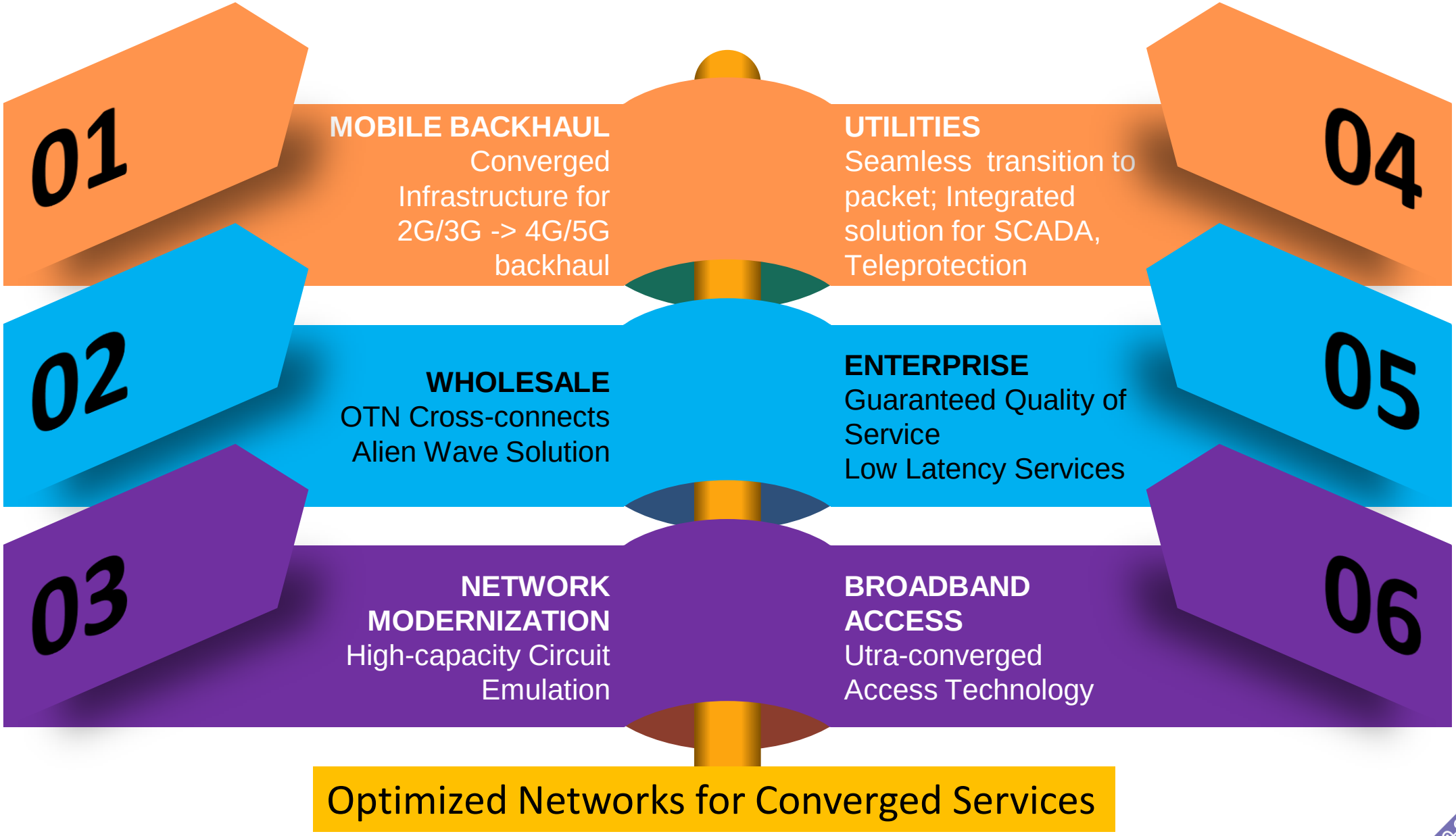
TEJAS® NETWORKS

Network Applications Where We Win



© Tejas Networks Limited 2019. All rights reserved.

Why We Win



Optimized Networks for Converged Services

© Tejas Networks Limited 2019. All rights reserved.

Technology & Products: Key Takeaways

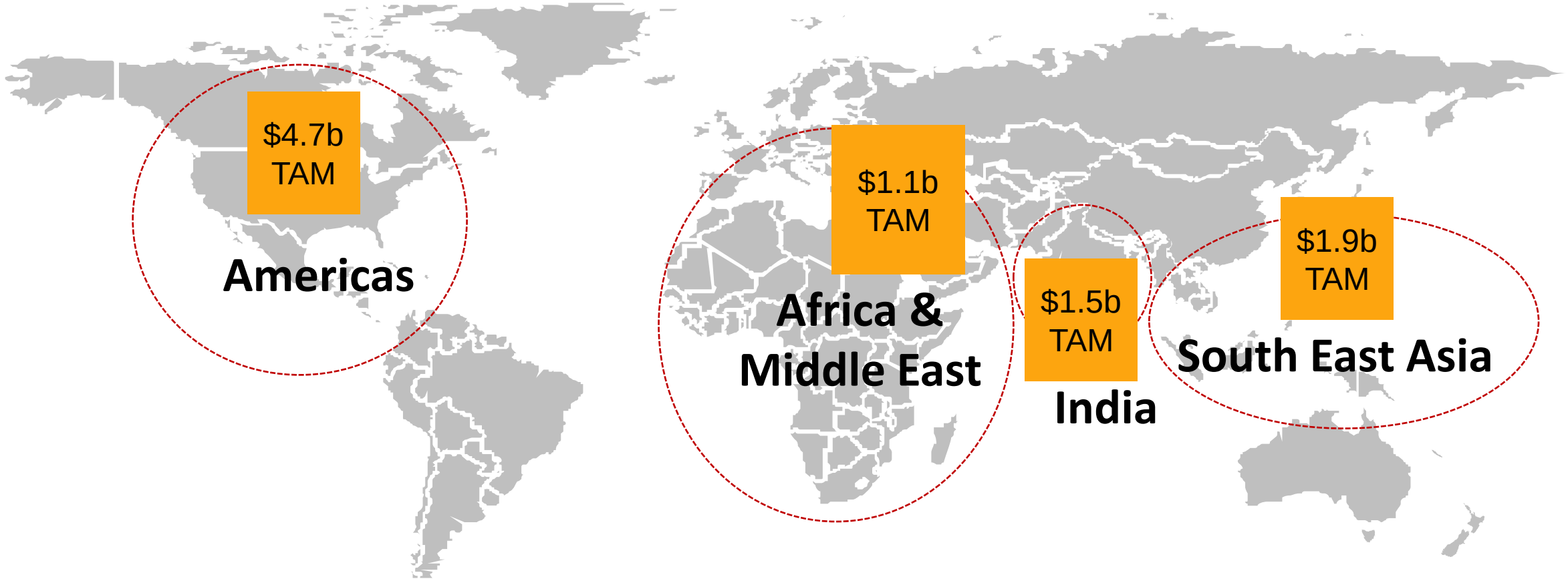
- Strong consumer/enterprise demand for high-bandwidth content driving unprecedented growth in global data traffic
- Key technology trends that have a favorable impact on our business
  - 5G, IoT, Cloud and Data Center, SDN/NFV and Disaggregation
- Programmable software-defined hardware™ architecture gives us a competitive edge
  - Ultra converged access/edge, Multi-Terabit Optical switching, Multi-generation technology
- Differentiated features for high potential network application wins
  - Mobile Backhaul/Fronthaul, Wholesale Bandwidth, Network Modernization, Critical Infrastructure, Enterprise Services, Broadband Access
- Strong technology team, influencing/tracking new standards, driving innovation and aligning product roadmap with market needs

© Tejas Networks Limited 2019. All rights reserved.

Sales Strategy

© Tejas Networks Limited 2019. All rights reserved.

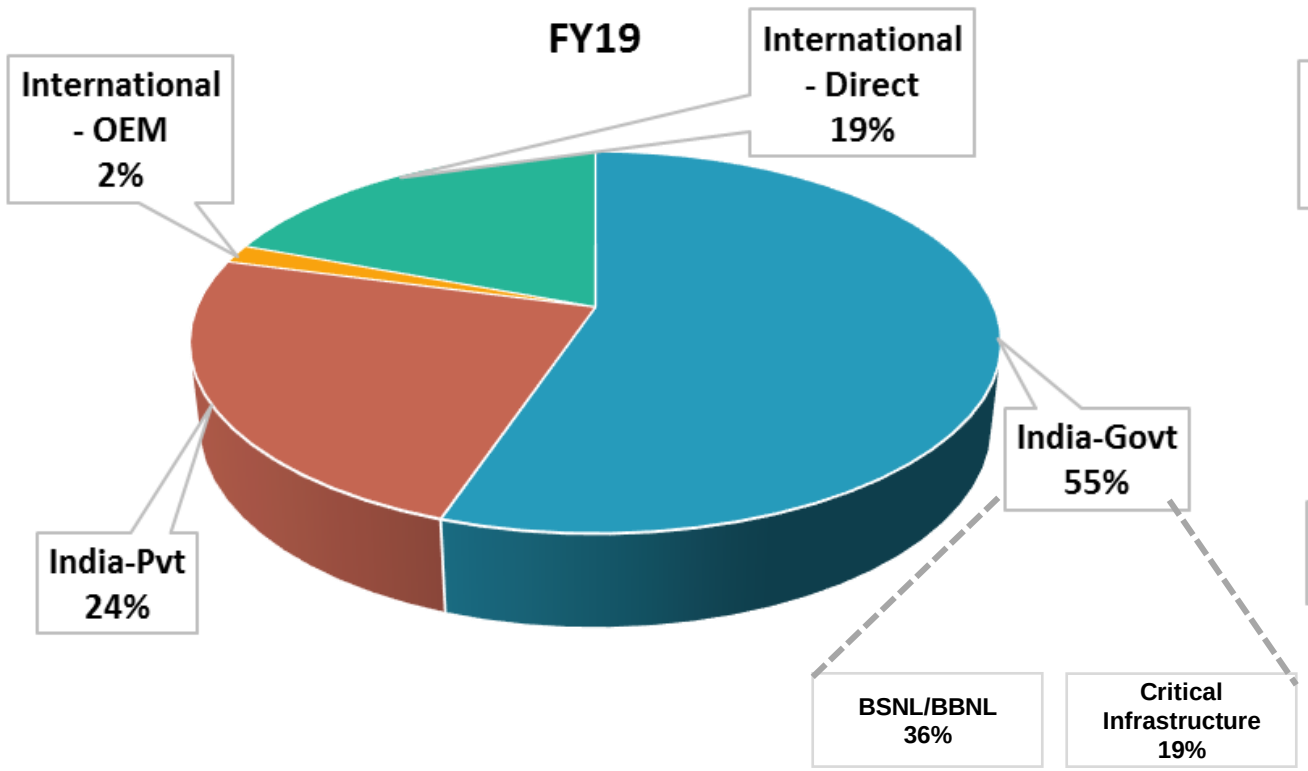
Our Sales Focus: High-growth geographies

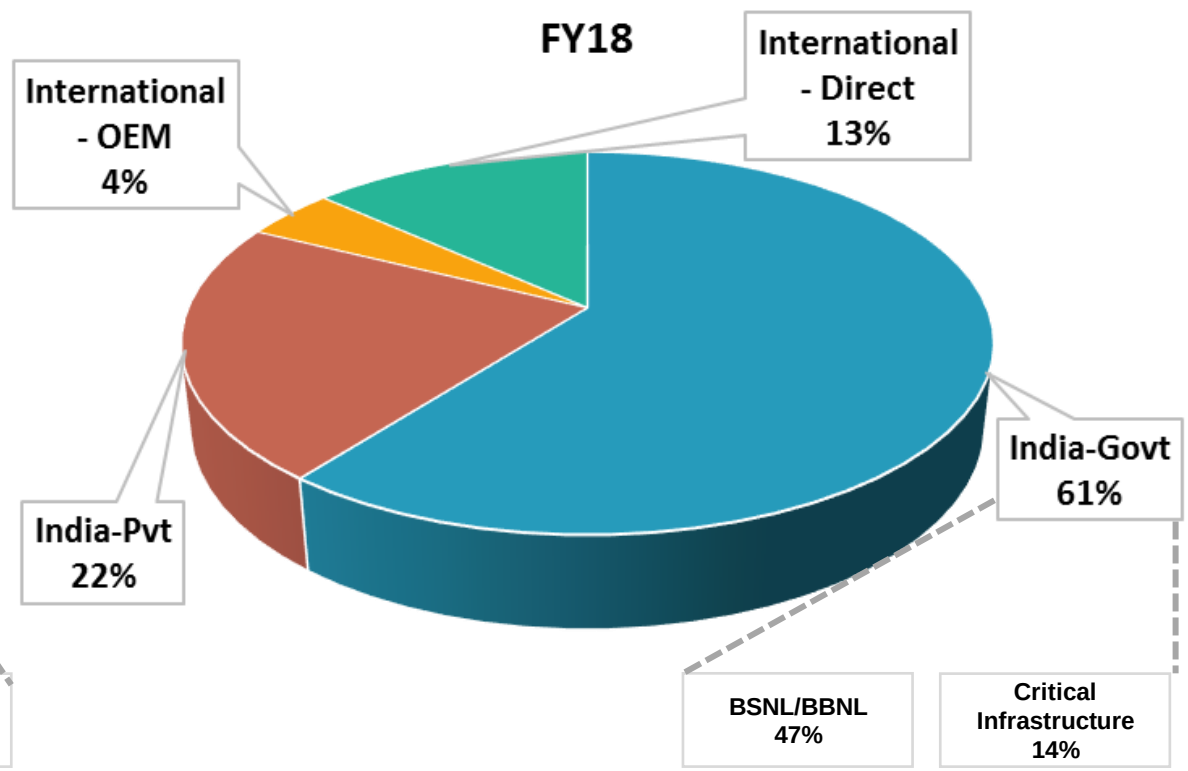


Total Addressable Market (TAM) of ~$9 billion

© Tejas Networks Limited 2019. All rights reserved.

Revenue By Segments





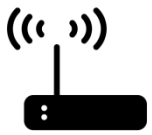
Increased International Direct	YoY growth 70%
Continued growth in India Private	YoY growth 28%
Reduced dependency on India Govt.	YoY growth 7%

FY 19 Net Revenue grew by 18.5%

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

India: Data and Broadband Growth to Continue



20M->100M
(fixed broadband users)
by 2022

400M->1.2B
(mobile broadband subs)
by 2022

20%->60%
(cell towers fiberized)
by 2022

1Lac -> 6Lac
(broadband in villages)
by 2022

100%
(YoY data growth)
next 5 years

$1B
Optical Networking Market
(growing to $1.2B by 2022)

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

India Business- Growth Drivers

Private

- Increased fiberization of cell towers is required to cater to growing mobile data demand
- Cloud/Datacenter demanding higher bandwidth due to exploding video traffic, e-commerce and web usage
- Residential Broadband (FTTX) is an untapped market and will be key growth driver
- 4G investments will continue for next 2-3 years; Large 5G rollouts will start after 2 years

Government-Critical Infrastructure

- Robust, high-capacity telecom infrastructure is essential for Utility companies (power, rail, oil & gas, metro), defense, security
- Captive Networks are being upgraded for automatic control systems, video surveillance, high-speed Internet, smart grids etc.
- Utility companies are also selling wholesale bandwidth as Carrier of Carriers– Railtel, PowerTel
- Steady growth in this segment to continue over medium term

Government- Telco & USO

- Multiple USOF opportunities
  - BharatNet Phase 2 – Central
  - BharatNet Phase 2 – States
  - BharatNet – WiFi to Villages
  - LWE (Left Wing Extremist) & other remote networks
  - Augmentation of Intra-district Capacity in N.E
- BSNL/MTNL need to upgrade their optical infrastructure- capex plans identified but on hold
- Govt's focus on Design and Make-in-India to achieve "Net Zero" imports of telecom equipment over next 5 years

© Tejas Networks Limited 2019. All rights reserved.

Sales Outlook: India

Private

- Our incumbency, pan-India support, local manufacturing and deep relationships with operators enables us to deliver right-sized products to cater to their needs
- Channel partnerships for securing enterprise and captive network business.
- We are expanding wallet share through new application wins
  - FTTx based on GPON
  - Metro capacity upgrades: on OTN/DWDM
  - Enterprise data services
- Healthy growth expected

Government- Critical Infra.

- Dominant marketshare in this sector with a strong track record
- Strong product fit- we seamlessly modernize legacy networks
- Strong partnerships with local System Integrators who execute turnkey projects
- Preference to Make in India (PMI) as well as security-sensitivity, benefits domestic manufacturers
- We see steady run-rate growth across large number of customers in FY20

Government- Telco & USO

- Favorable policies such as Preference to Make in India (PMI)
- Focus to promote domestic design-led manufacturing in NDCP and by TRAI
- We expect to see clarity on USO funded projects as well as BSNL's capex plans post Q2
- Revenues from this segment will continue to be lumpy

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Sales Outlook: South and South East Asia

Opportunity

- Targeted countries:
  - Bangladesh, Sri Lanka, Bhutan, Malaysia, Vietnam, Cambodia, Indonesia, Philippines, Myanmar, Mongolia
  - 100+ telecom service providers in this region
- Strong demand for optical networking equipment: Total Addressable Market of ~$1.9b in target countries; expected to grow to ~$2.4b by 2023
- BIMSTEC/ASEAN is a focus area for Indian-Govt's telecom exports; Line-of-credit are available
- Mobile internet users in Southeast Asia spend considerably more time on Internet than global peers
- Over 300 million super-broadband subscribers (> 100 million) by 2023

Outlook

- We have established strong customer references in the region. Customer Profile (by FY19 revenues):
  - Up to 1 Cr : 24
  - 1-15 Cr : 4
  - Above 15 Cr : 1
- Credible alternative for customers looking to diversify their vendor base, beyond Chinese
- We have very good product-fit for market needs:
  - Ultra-converged platform integrating FTTx, WTTx, PTN and OTN in one shelf
  - Universal backhaul from 2G/3G to 4G/5G
- Continuing to Increase regional sales investment
  - Strong local presence in Malaysia, Bangladesh, Sri Lanka, Singapore, Vietnam
- Expect first success in FY20 for G-to-G project
- Good customer traction and active engagement should result in a strong YoY growth in FY20

© Tejas Networks Limited 2019. All rights reserved.

Sales Outlook: Africa and Middle East

Opportunity

- Focus for Africa- all regions
  - South Africa, Nigeria, Ghana, Kenya, Burundi, Uganda, Rwanda, Algeria, Ghana, Morocco
- Focus countries in Mid-east
  - Oman, Egypt, Saudi, Afghanistan, Qatar
- Total Addressable Market of ~$1.1b in target countries expected to grow to ~$1.3b by 2023
  - 200+ telecom service providers in the region; over 1 billion telecom subscriptions
- Providing high-speed broadband is a top priority for all governments in developing countries
- Private telcos are expanding from mobile networks to data networks. Also inducting new vendors to reduce their supplier concentration risk
  - Significant pent-up demand for fixed broadband which is currently low at 2.6 million; fixed LTE accounts for 21% of these subscriptions and 50% of data usage
  - Super-broadband subscriptions to grow at 38% CAGR

Outlook

- Strong customer references: FY19 Customer Profile
  - Up to 1 Cr : 32
  - 1-15 Cr : 8
  - Above 15 Cr : 1
- We Increased sales investment in the region by 23% YoY in FY19. Continuing to add resources
  - Local presence in South Africa, Kenya, Nigeria, Dubai, Algeria, Oman
  - Got selected by 4 new Tier-1 operators (some are pan-African) and 15 new customers
- Application where we are winning:
  - Alien wavelength: 100G/200G interoperable with multiple, existing DWDM vendors
  - Ultra-converged broadband access/edge
- Good customer funnel and engagements with multiple pan-African, Tier-1 operators should result in a strong YoY growth in FY20

© Tejas Networks Limited 2019. All rights reserved.

Sales Outlook: North America

Opportunity

- Targeting customers
  - USA- Tier 2 and Tier-3 operators and cable companies
  - Mexico- all operators
- Total Addressable Market of ~$4.7b in target countries expected to reach ~$5.7b by 2023
  - 450+ telecom service providers distributed across
  - Strong demand for superfast broadband (>100 Mbps) with ~10% of subscribers to have Gigabit access over fiber by 2022
  - New buildout cycle with 5G has started; more fiberization
- In USA- there are trade barriers for Chinese vendors. We have product cost advantage as well
- Product Fit:
  - High-capacity circuit emulation for Network Modernization
  - Ultra-converged broadband access/edge
  - Feature-rich Metro WDM/OTN products

Outlook

- America-direct business grew well, driven primarily by success in Mexico. OEM business has shrunk and is unlikely to grow in future
- Added 11 new customers including one Tier-1. Customer Profile (by revenues)
  - Up to 1 Cr : 15
  - 1-15 Cr : 5
  - Above 15 Cr : 1
- Increased sales investment by 21% YoY in FY19. Will continue to add resources in FY20
  - Local office in Mexico where we have strong customer reference and successes
  - Increasing sales teams in USA
- In FY20, Mexico is expected to show strong growth with business from existing customers. In USA, we expect new customer wins and strong revenue growth, based on several active customer engagements

© Tejas Networks Limited 2019. All rights reserved.

Sales Outlook: Key Takeaways

- Our focus us to increase our run-rate customer business as well as international
  - Drive growth in International-direct, India-private business
- Sales Investments in International-Direct expected to deliver strong growth
  - Many new customer wins, including several Tier-1 customer wins in FY19 provides us a strong foundation for growth
  - Each of the 3 regions: South/SE Asia, Africa/Mid-east and America expected to deliver robust growth in FY20, based on existing wins and strong new customer engagements
  - International revenues expected to reach nearly 50% of total in 3 years
- India business will continue to see solid growth
  - Winning new applications in India-Private accounts
  - Critical Infrastructure business (Power, Rail, Oil & Gas, defense) has strong run-rate trend
  - India-Government (BSNL/USO) business is lumpy, but has large potential, with specific broadband projects lined up for execution

© Tejas Networks Limited 2019. All rights reserved.

Supply Chain Management

© Tejas Networks Limited 2019. All rights reserved.

Asset-Light Mfg. with Focus on High Value Addition

TEJAS

Product Idea & Innovation

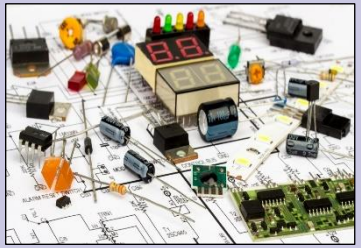
- Betting on the right technology and standards features
- Innovative product design and architecture

R&D, Product Design (System + HW + SW)

- Creation of IPR (Product IPR; Patents)
- System design; Hardware, SW, FPGA/Silicon, Mechanics
- Product design, development, testing/verification

30~65 %

TEJAS + EMS

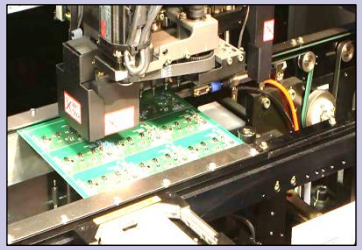


Components

- Silicon components , Discrete
- Bare PCBs, Mechanicals, Cable Assemblies
- Passive components, Electro-mechanicals

30~50%

EMS



Manufacturing (SMT), Assembly & Testing

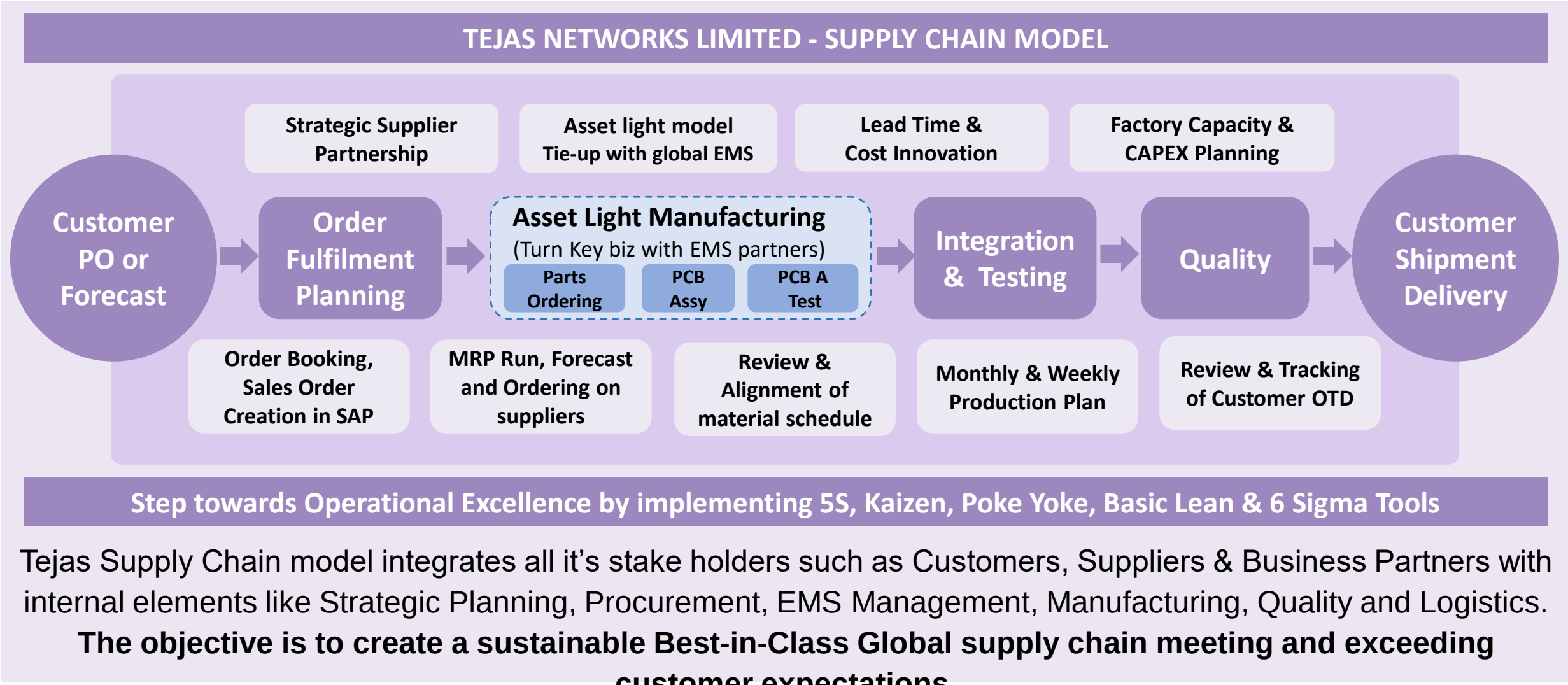
- Board Stuffing, SMT : done by EMS
- Testing, Final Assembly and Quality Assurance
- Logistics, Packing and Shipping out of Tejas Factory

5~20%

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Tejas Supply Chain Model



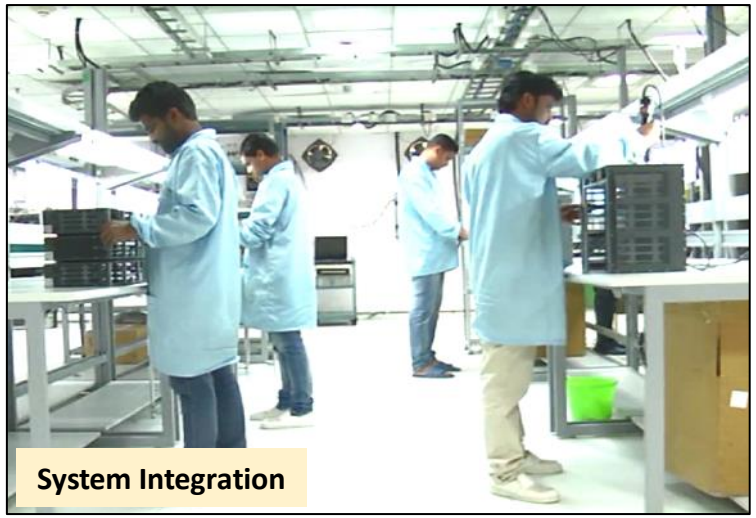
Tejas Supply Chain model integrates all it's stake holders such as Customers, Suppliers & Business Partners with internal elements like Strategic Planning, Procurement, EMS Management, Manufacturing, Quality and Logistics.

The objective is to create a sustainable Best-in-Class Global supply chain meeting and exceeding customer expectations.

© Tejas Networks Limited 2019. All rights reserved.

Tejas Manufacturing Facility in Bangalore

Factory Premises


System Integration

Testing, Qualification

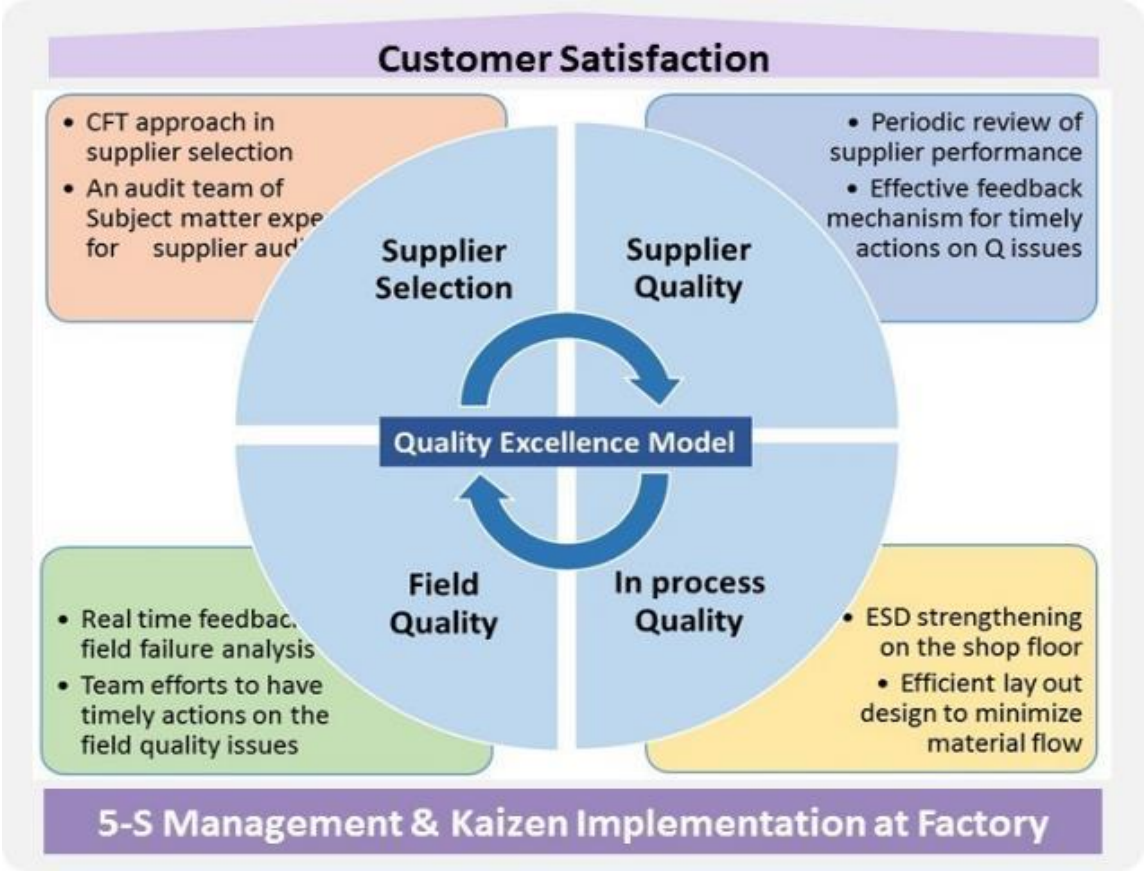
Warehouse

- State of the art Integration & Testing facility with 72000 sq. ft. built up area at electronics City phase II , Bangalore
- Dedicated shop floors for Export (EHTP) and Domestic (DTA) sales.
- 70+ Highly skilled and motivated employees augmented by flexible resources support to manage peaks.
- ESD compliance, including elevated Temperature testing chambers to ensure high Quality of our products.
- 18000 Sq. Ft of warehouse space for Components, Assemblies & FG

© Tejas Networks Limited 2019. All rights reserved.

Quality Excellence @ Tejas

ISO 9001 & TL9000 certified company with prime focus on Product Quality and achieving Customer Satisfaction.



ISO9001 , TL 9000 Certifications

Quality Highlights:

- Customer network uptime 99.999%
- RITS (Return in time of Service) 0.29%
- FQA (Final QA) Yield 99.5%

©

Key Takeaways

- Data growth trend continues to be a favorable driver for our business in India and International
  - Strong growth in data usage, broadband, cloud, data center and fiberization are driving optical investments
  - Fixed wireless applications will increase with 5G
- Sustained R&D investments expanding our addressable market and competitiveness
  - We continue to invest aggressively in R&D and IPR creation
  - We have a very competitive product portfolio from Access to Metro core
  - We are getting global recognition and international customer success with our products
- Sales focus is to increase run-rate business and international
  - Drive growth in International-direct, India-private
- Sales Investments in International-Direct starting to show results
  - Many new customer wins including several Tier-1 customers in our target countries
  - We will continue to increase our international sales and marketing investments
- India business continues to see steady growth
  - Winning new applications in India-Private
  - Critical Infrastructure business (Power, Rail, Oil & Gas, defense) in India showing strong run-rate trend
  - India-Government (BSNL/Bharatnet) business is lumpy, but has good funnel, based on projects that are lined up
- We have a proven financial model of delivering growth, while maintaining profitability

© Tejas Networks Limited 2019. All rights reserved.

TEJAS® NETWORKS

Thank you!

Contact Us:

ir@tejasnetworks.com

Contact - +91(80)41794600

© Tejas Networks Limited 2019. All rights reserved.