

Tejas Networks Ltd.

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April 22, 2024

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,
Mumbai – 400 001
BSE Scrip Code: 540595

Dear Sir/Madam,

Re: Earnings Call Presentation- Q4 FY 24

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the earnings presentation on the unaudited Financial Results of the Company for the quarter and year ended March 31, 2024.

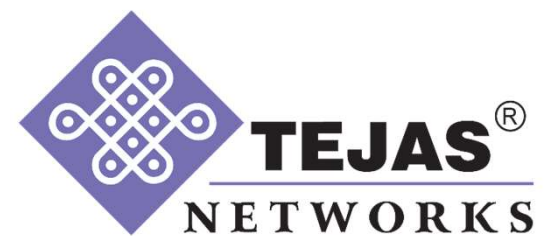
Kindly take the above information on record.

Yours sincerely
For Tejas Networks Limited

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



TEJAS NETWORKS LTD
Q4FY24 INVESTOR PRESENTATION
April 22, 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: Q4-FY24

Financials

- Strong revenue growth, business scale to achieve profitability, strong order book
- FY 24
 - FY 24 Net Revenue: Rs. 2,471 Cr (YoY 168%)
 - FY 24 Profit After Tax: Rs. 63 Cr
- Q4 FY24
 - Q4 Net Revenue: Rs. 1,327 Cr (YoY 343%)
 - Q4 Profit After Tax: Rs. 147 Cr
 - Order book at end of Q4: Rs 8,221 Cr

Key Updates: Q4-FY24

Wireless Business

- 4G/5G RAN installations for BSNL's pan-India network is progressing well; cumulatively shipped equipment for 10000+ sites
- Ongoing wireless POCs with potential customers in private and utility verticals

Wireline Business

- Completed supplies of our TJ1400 Access and Aggregation Routers for BSNL's MAAN network – the largest network of indigenous IP/MPLS routers in India
- Strategic wins for DWDM and Switching/Routing products in Critical Infrastructure sector
- Entered into a strategic partnership with Telecom Egypt for FTTx equipment; sharing experience of BharatNet and NKN projects in Egypt, training and manpower development

Other Highlights

- Received Rs 32.66 crore as incentives for FY2022-'23 under the PLI (Production-Linked Incentive) Scheme for Telecom and Networking Products. Saankhya Labs approved under Semiconductor DLI scheme
- Tejas and its subsidiaries were granted 22 patents in Q4FY24, total count 335

Corporate Updates: Q4-FY24

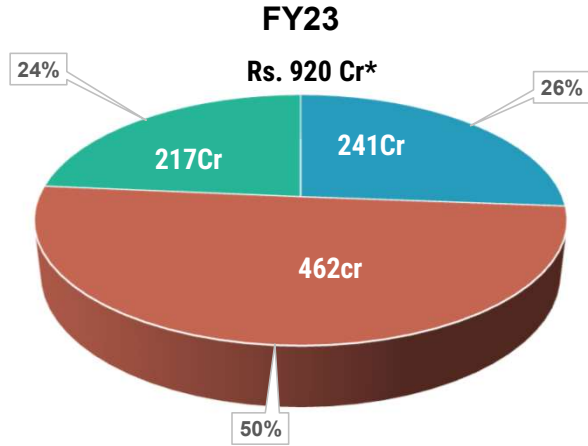
Awards and Recognitions

- Received the 2023 Voice and Data Excellence Award in the “Make in India” category for our Carrier Router portfolio
- Tejas/Saankhya recognized as a representative vendor in the Gartner® Open RAN/vRAN/RIC market report
- Also showcased in Omdia’s FTTX report as an established PON OLT vendor in RoAO (Rest of Asia and Oceania)

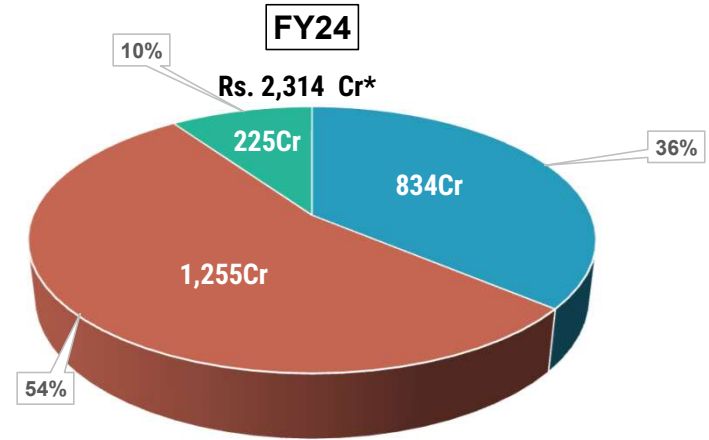
Other Corporate Updates

- Saankhya Labs merger resolution was approved by the Equity Shareholders and Unsecured Creditors of the company after voting conducted as per NCLT directions
- Mr. Arnob Roy reappointed as Executive Director and COO
- Mr. C.B. Bhave retired as Non-Executive Independent Director on completion of his tenure
- Mr. Amur Lakshminarayanan resigned as Non-Executive Non-Independent Director

FY24: Revenue update



■ India - Govt
■ India - Pvt
■ International



- **India-Government:** 36% of FY 24 revenues. YoY growth of 247%
- **India Private:** 54% of FY 24 revenues. YoY growth of 172%
- **International:** 10% of FY 24 revenues. YoY growth of 3%
- **Closing Backlog- Rs 8,221 Cr**
 - India: Rs 7,958 Cr
 - International: Rs. 263 Cr

*Excludes other operating revenue

Q4-FY24: Financial Update

<i>Amount in Rs. crore except EPS</i>			
	Q4-FY24	FY 2024	FY 2023
Revenues (Net)	1327 (YoY 343%)	2471 (YoY 168%)	922
EBIT	248 (YoY 669%)	83 (YoY 178%)	-106
PBT	233 (YoY 960%)	100 (YoY 335%)	-43
PAT	147 (YoY 1380%)	63 (YoY 273%)	-36
EPS	8.61 (YoY 1330%)	3.71 (YoY 251%)	-2.46

Strong Revenue Growth: Both QoQ (343%) and YoY (168%)

Q4-FY24: Key Financial Indicators

Particulars	Amount in Rs. Cr	
	Q3-FY24	Q4-FY24
Cash flow from Operations	(998)	(1,281)
Net Worth	2,980	3,149
Inventory	2,683	3,738
Trade receivables	855	1,458
Net Working Capital ¹	1,616	3,135
Cash and Cash Equivalents ²	559	641
Borrowings	274	1,744

⁽¹⁾ Net working capital taken as Current Assets (excluding Cash & Cash Equivalents) net of Current Liabilities (excluding Borrowings)

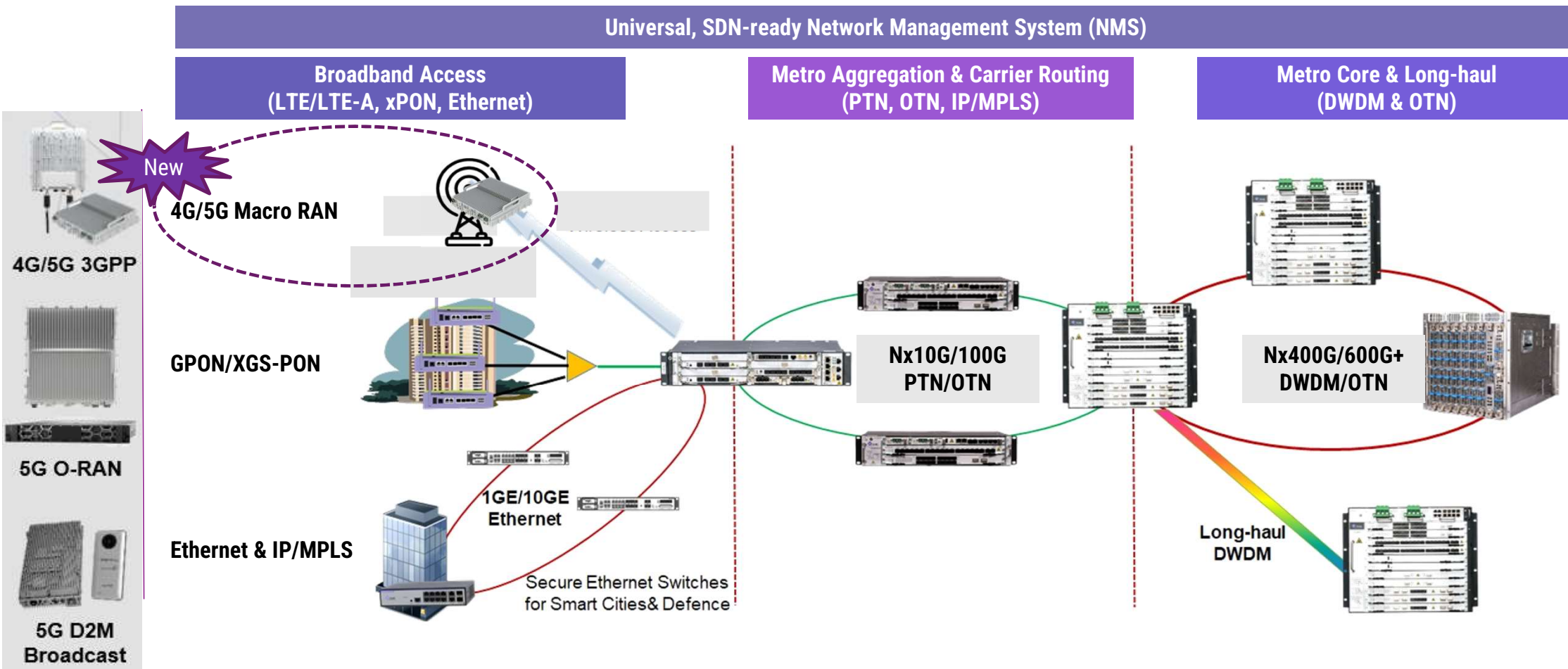
⁽²⁾ Cash and cash equivalents includes investment in liquid mutual funds, Other Bank balances in current assets

- **Inventory increased to Rs. 3,738 Cr during Q4-FY24**
 - Secured key long-lead components for expediting delivery of several critical large orders – primarily BSNL 4G RAN
 - Will be converted to finished goods and shipped in upcoming months
- **Trade Receivables at Rs. 1,458 Cr;**
 - Collected Rs ~650 Cr during Q4
- **Working capital increased in Q4 by Rs. 1,519 Cr**
 - Primarily due to increased inventory and receivables
- **Cash Position at end of Q4 was Rs. 641 Cr**
- **Borrowings of Rs. 1,744 Cr at end of Q4 for working capital purposes**

Recap of FY24

- FY24 has been a milestone year for the company
- Significant growth in revenue and turn to profitability
- Growth in all product segments, led by Wireless
- Successful entry into 2 new large product/technology segments with high growth – 4G/5G RAN and Service Provider Switching/Routing (IP/MPLS)
- Executing largest ever networks built in India with indigenous technology in 4G/5G RAN, Routers and Satellite Transponders
- Demonstrated ability to scale manufacturing by executing shipments in record time
- Significant investments for enabling future growth
 - 42% growth in headcount – mainly in R&D, manufacturing, sales, support
 - Expansion of facilities for supporting growth in R&D and Manufacturing Ops
 - Major capex investments in R&D and Manufacturing

Products for building End-to-End Telecom Networks



Key Applications Served

4G/5G Mobile RAN & Backhaul

High-performance radios, baseband units & optical xHaul solutions for 4G & 5G Networks

Products: 4G/5G Radios and Base station, Ethernet, IP/MPLS, GPON, OTN



Wholesale & Enterprise Data Services

Cost-efficient solutions to upgrade bandwidth in Metro and Core networks

Products: DWDM, OTN, Carrier Ethernet and IP/MPLS

Critical Infrastructure

Seamless network transformation from legacy circuit to packet transport technologies in power, rail, oil & gas, defense sectors

Products: MPLS-TP, IP/MPLS, Carrier Ethernet, DWDM, Satellite Xponders



Home & Business Broadband

Deliver high-speed broadband connectivity on optical fiber, fixed wireless and copper cables to homes in cities and rural areas

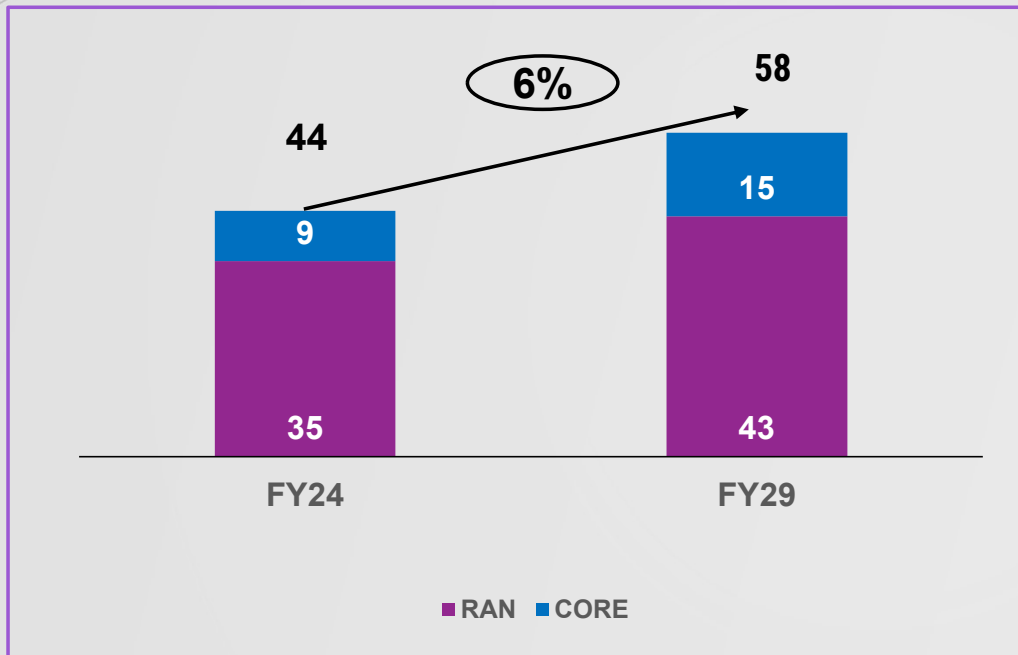
Products: GPON/XGS-PON, PTN, LTE, Ethernet Switches

High Growth Market Segments: Wireless and Wireline

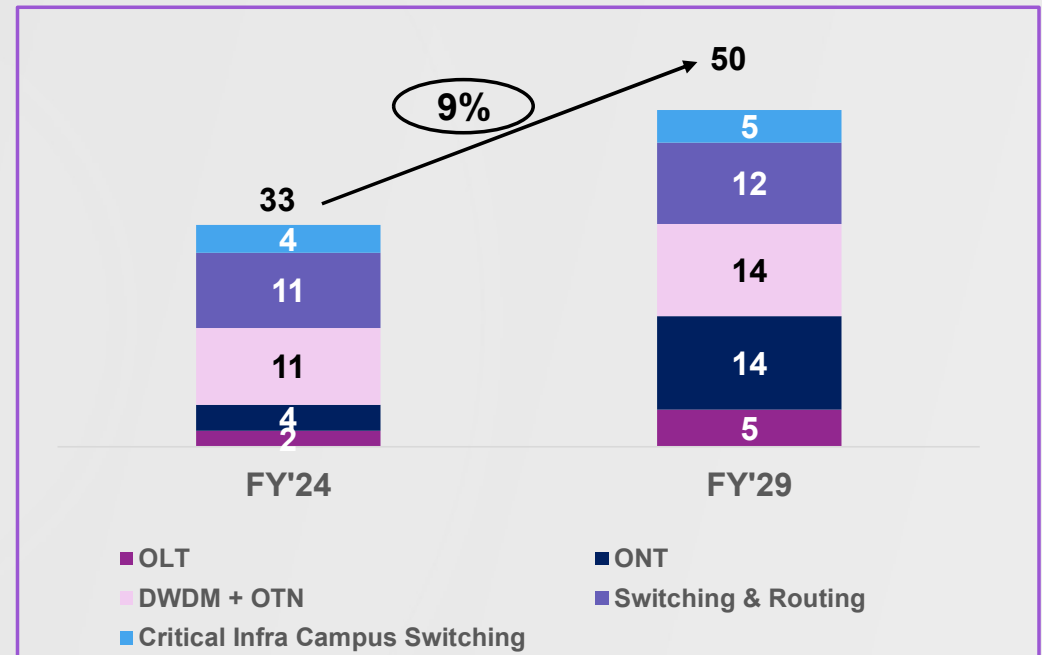
- Large TAM in both wireless and wireline markets
- Emergence of open and disaggregated technologies
- Strong push for Make In India
- Favourable geo-political situation

Opportunity to build a top-tier global OEM from India

Addressable Wireless Market (USD bn)



Addressable Wireline Market (USD bn)



Source: Omdia, IDC, Internal Estimates
TAM: Total Addressable Market (excluding China)

Looking forward: Large Opportunities in Domestic and Global Markets



Est. Cumulative Spends Expected in India In the next 2-3 Years

BSNL 4G/5G

>\$1B investments in 4G Saturation, pan-India 5G RAN and Backhaul expansion

Private Telco 4G/5G

>\$3B capex spend by private telcos for 5G RAN and Crosshaul

BharatNet Phase-3

>\$500M capex on FTTX and IP Routers for BharatNet 3.0

Broadband Rollouts

>\$600M investments in xPON OLT/ONT by private telcos & ISPs



Est. Cumulative Global Spends Expected in the next 2-3 Years

Digital Divide

>\$100B broadband investments in USA and Europe

Replacement Market

>\$5B to replace high-risk vendors in EU and US

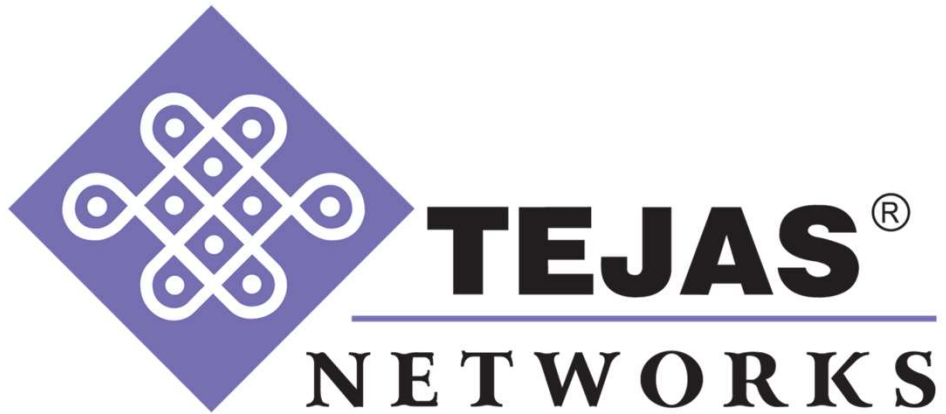
4G/5G in Africa

>\$3B investments in 4G/5G RAN upgrades across Africa

Utility Modernization

>\$8B investments to transition from legacy SONET/SDH to IP

Sources: Omdia, Insight Partners and Internal Estimates



Thank you!

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