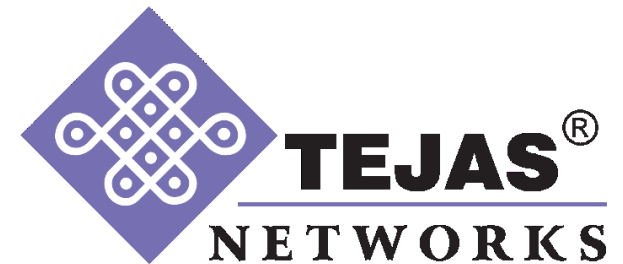




**TEJAS NETWORKS LTD**  
**EARNINGS CALL PRESENTATION**  
**Q1FY22**



# 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.*

# Q1FY22: Key Updates

- **Financial Update**

- Q1 Net Revenues: Rs. 144.3 Cr (YoY increase of 86%)
- Q1 PBT: Rs. 8.3 Cr (versus loss of 9.8 Cr in Q1FY21)
- Strong bookings: Order book increased to Rs. 701 Cr
- Cash and cash equivalents decreased to Rs. 312 Cr

- **Sales Update**

- **India Government**

- Slow execution of POs in hand due to COVID restrictions in Q1
- Participating in Proof-of-Concept for BSNL 4G tender, via SI partners, who will be using our RAN (radio) product
- Multiple tenders won; orders expected soon

- **India Private**

- Strong revenue growth (YoY 101%)
- Good business momentum based on new applications wins for home broadband (GPON products) and backbone capacity augmentation (DWDM/OTN products)

- **International**

- Good revenue growth (YoY 82%); international was 52% of total revenues
- 6 new customer wins

- **Supply Chain Update**

- Managing the challenges of global shortage of semiconductor components, by placing advance component orders with critical suppliers to secure our next few quarter's requirements

# Financial Update

	<i>Amount in Rs. crore except EPS</i>		
	<b>Q1-FY22</b>	<b>LTM</b>	<b>FY 2021</b>
Revenues (Net) <sup>1</sup>	144.3 (YoY 86.4%)	581.7 (YoY 93.5%)	514.8
EBIT	1.2 (YoY 109.3%)	15.7 (YoY 108.5%)	1.4
PBT	8.3 (YoY 185.5%)	40.6 (YoY 125.6%)	22.5
PAT	7.6 (YoY 177.4%)	54.9 (YoY 121.7%)	37.5
EPS	0.81 (YoY 176.3%)	5.91 (YoY 121.5%)	4.05

## Notes:

- 1. The Revenues (Net) are net of taxes (excise duty/GST) and pass through component sale to our contract manufacturers.*
- 2. Q1-FY21 was an exception due to COVID-19 and YoY comparison should be viewed accordingly*

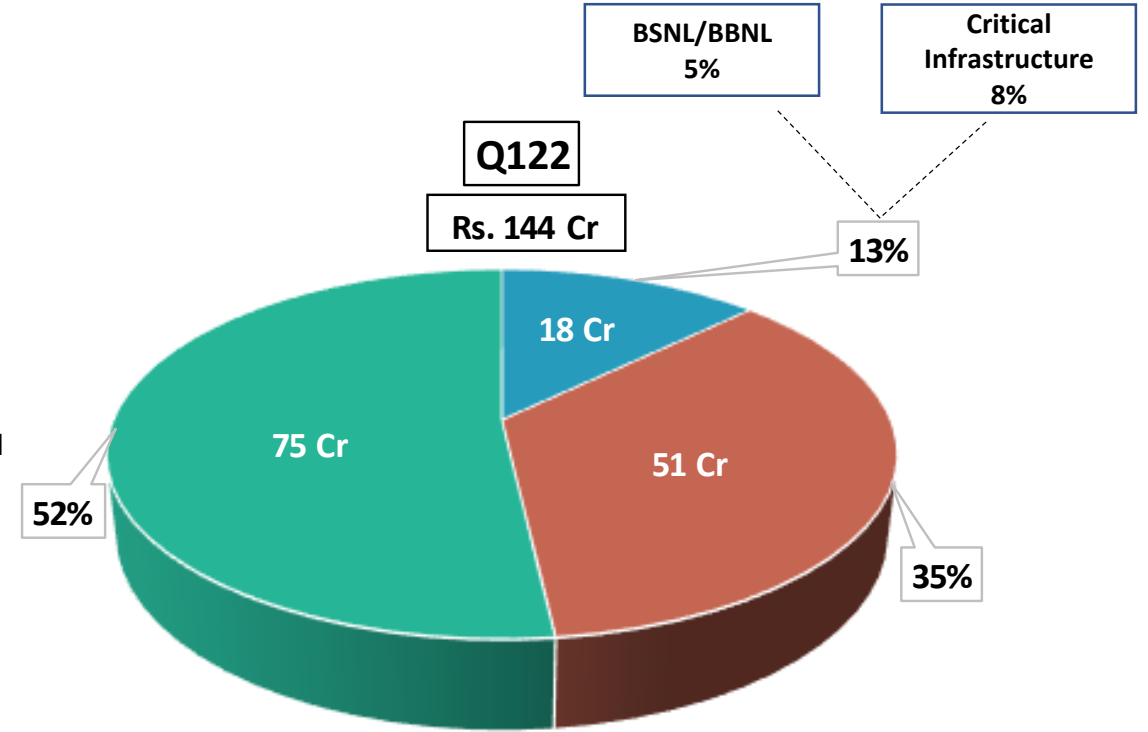
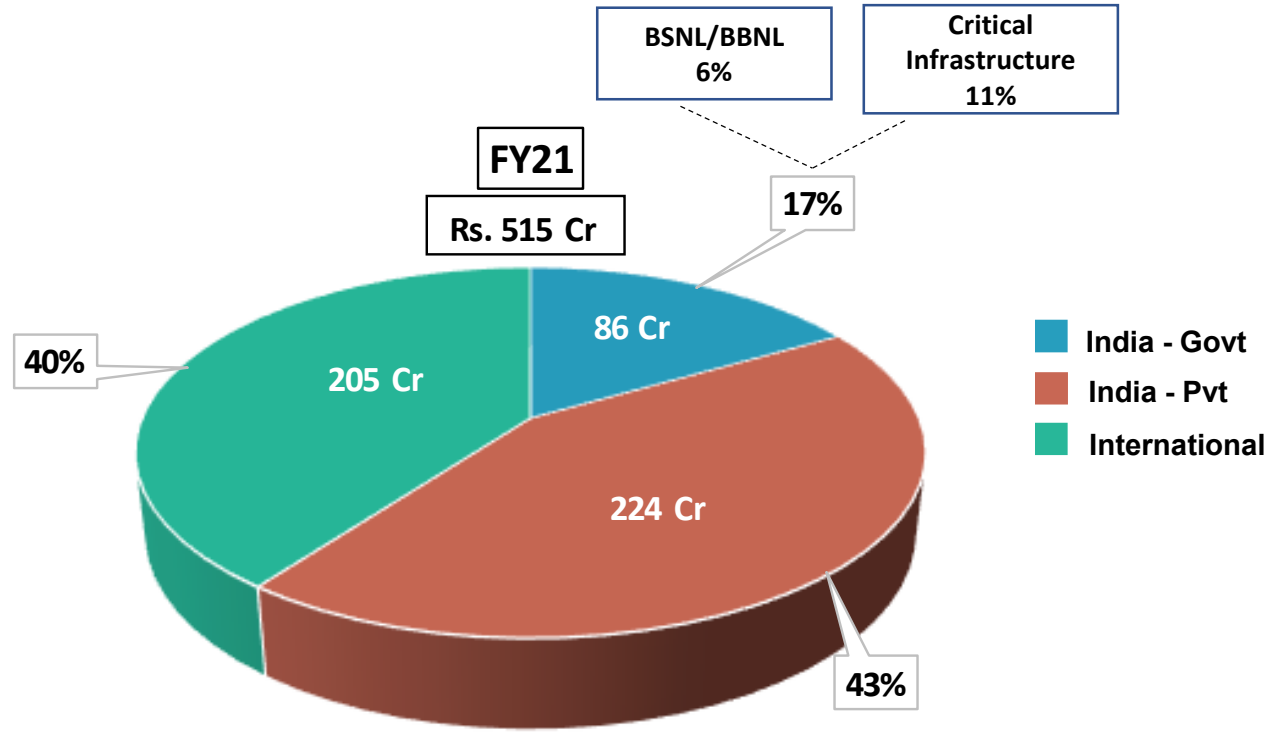
# Key Financial Indicators

Particulars	Amount in Rs. Cr	
	Q4-FY21	Q1-FY22
Cash flow from Operations	47	(32)
Net Worth	1,134	1,146
Inventory	214	201
Trade receivables	414	447
Net working capital	450	505
Cash and Cash Equivalent <sup>1</sup>	364	312

1. Cash and cash equivalents, investment in liquid mutual funds, Other Bank balances in current assets, and Borrowings in current liabilities are not considered in computation of Net working capital

- **Inventory decreased to Rs. 201 Cr**
  - While we continue to consume existing inventory, due to global semiconductor shortage we are stocking-up on long-lead components to avoid supply chain disruptions
- **Trade Receivables increased to 447 Cr**
  - Delayed payments from few customers due to Covid lockdowns
  - Payments from BSNL continue to be challenging and are coming at a slow pace
- **Working capital increased by Rs. 55 Cr**
  - Higher payments to component suppliers coupled with delayed collections from few customer resulted in higher working capital
  - Expected to normalize over the next few quarters
- **Cash Position decreased to Rs. 312 Cr**
  - We continue to be a debt free company

# FY 22: Revenue By Segments



- Run-rate business (India-Pvt + International) contributed to 87% of total in Q122 (YoY growth of 89.3%)
- India Government business was slow in Q1

# India Business Update: Q1FY22

## India Government

- **BSNL/Bharatnet**
  - Tejas 4G Wireless RAN products have been positioned as a part of fully-Indian solution by SI partners for BSNL's 4G tender. Proof-of-Concept (PoC) testing underway.
  - Govt. approved additional budget of Rs 19,041 cr for extending BharatNet to villages under PPP program
  - Expecting additional tenders for upgrading BSNL's optical backbone and packet access networks in H2
- **Atmanirbhar Bharat**
  - Submitted PLI application under telecom and networking equipment category
  - Tejas products are under approval as "secured telecom equipment", under Govt. of India's GoI Trusted Telecom Portal of National Security Council Secretariat (NSCS)
- **Critical Infrastructure**
  - Multiple tender wins which are expected into orders soon.
  - Few large tenders on the anvil from Railtel, Powergrid etc. for Q2

## India Private

- Good order inflows for metro capacity expansion projects. Operators expanding their networks to cater to higher data traffic and growing fiberization of cell sites and upcoming 5G.
- Higher investments in wireline segment for increased FTTX rollouts, to cater to the demand for high-speed broadband. Based on our wins with major operators, we expect increase in orders in 2H.
- Targeting Tier-2/3 ISP (100+) for FTTX rollout, using a channel approach- first set of distributors signed.

# International Business Update: Q1FY22

## Africa, Middle East

- Strong traction for Metro DWDM/OTN and Alien Wavelength solutions; repeat orders from existing Tier-1 customers
- Carriers upgrading capacities to address bandwidth demand from web-scale companies and for 5G rollouts
- Geopolitical concerns creating favorable environment for alternate suppliers like us

## South & S. East Asia

- Growing demand for Fixed Wireless Access (FWA) and FTTH products for broadband rollouts
- Carriers increasing spend on mobile backhaul for expanding 4G coverage and for 5G rollouts

## Americas

- USA & Canada: Initial success for FTTX rollouts with rural carriers, who are using US Government funding.
- Mexico: business momentum picking up with existing customers
- Expect to see positive revenue impact in 2H

## Europe & CIS

- Still in business development mode
- Multiple sales engagements with good sales leads for FTTX and DWDM RFPs



# Applications where we are winning

## Applications

**Access:  
Wireline and  
Wireless  
Broadband**

**Metro:  
Capacity Expansion &  
Wholesale Bandwidth**

**Critical Infra:  
Network Modernization**

## Products

### TJ1400 Family



### TJ1600 Family



### TJ1400/TJ1400P-M Series



## Technologies

GPON/NG-PON (FTTX)  
LTE (4G),  
PTN, Carrier Ethernet 2.0

DWDM  
(100G/200G/400G/600G)  
OTN

Ethernet/IP, PTN,  
GPON/NG-PON, CPO,  
NG-SDH



349 Patents and 300+  
Silicon IPs



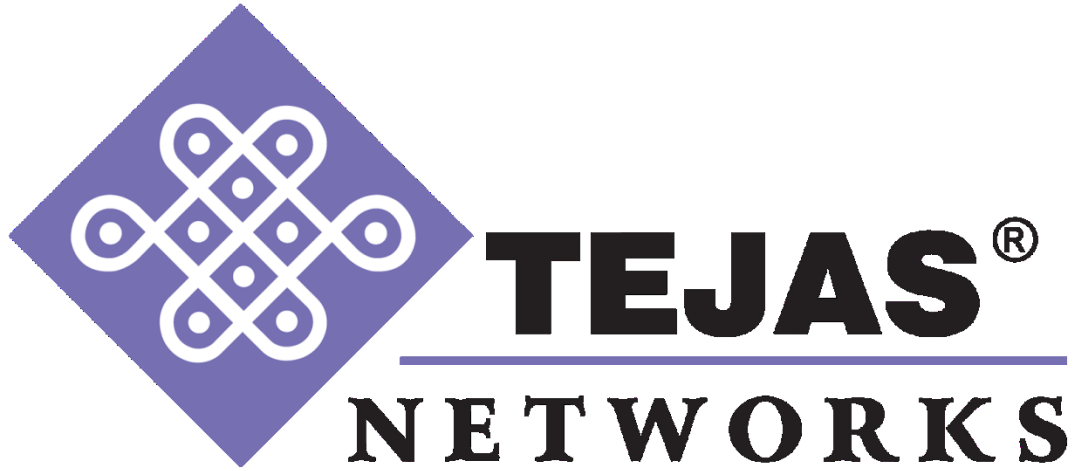
- Unique, Software-defined Hardware architecture
- Over 50% Employees in R&D
- Top-3 R&D spender amongst listed companies in India\*\*
- Sustained R&D investment increasing our addressable market as well as global competitiveness



*Note\*\*: Top-3 as a %age of annual revenues among all publicly listed companies in India*

# Key Takeaways

- We are on track, with solid financial performance in Q1
- Good revenue growth from run-rate customers (India Pvt + International)
- New order inflows continue to be good; order book has increased to Rs. 701 Cr
- Our focus on international business is yielding positive results
- We see opportunities to increase our market share in India
- We continue to monitor and manage the global semiconductor supply chain challenges
- Our balance sheet continues to remain healthy



Thank you!

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