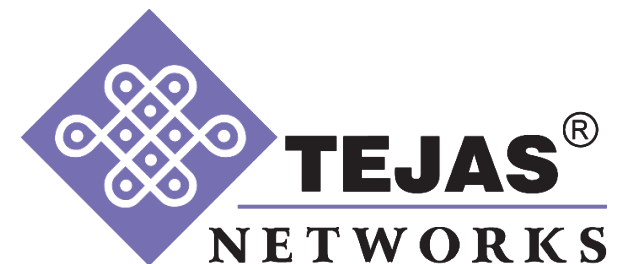




**TEJAS NETWORKS LTD**  
**Q4 INVESTOR PRESENTATION**

**Apr 22, 2022**



# 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

## • Q4 Financial Update

- Q422 Net Revenue: Rs. 127 Cr; FY 22 Net Revenues: Rs. 551 Cr (YoY increase of 6.9%)
- Q422 PAT Loss: Rs. 50 Cr; FY 22 PAT Loss: Rs. 63 Cr
- Cash and Cash Equivalents at: Rs 1,102 (no debt)
- Margin pressure due to higher component cost

## • Sales Update

- Q4 Bookings: Rs 316 Cr; Order book increased to Rs. 1175 Cr (YoY increase of 73%)
- Our 4G RAN (Radio Access Network), has successfully completed BSNL's Proof-of-Concept testing of the indigenous solution, front-ended by our SI partner. Our products have been cleared for commercial deployment for which we are awaiting orders.
- Our entire product portfolio has been approved as "trusted products" by Government of India
- International Revenue was weak during Q4

## • Supply Chain Update

- Q4 revenue shortfall was solely due to component shortages as result of which we could not fulfill customer orders and ship complete systems.
- We have already placed adequate purchase orders on our suppliers for securing components for our revenue requirements for FY23

# Key Updates

- **Appointment of Mr. N. Ganapathy Subramaniam as Non-Executive Chairman of the Board effective May 18<sup>th</sup>, 2022**
  - Mr. V. Balakrishnan, non-Executive Chairman of the Board has decided to step-down wef from Apr 23, 2022.
  - The Board expressed its deep appreciation and admiration for the skillful manner in which Mr. V. Balakrishnan steered and positioned the company in its journey from a startup to India's first, listed deep-technology telecom product company
- **Announced acquisition of Saankhya Labs on March 30, 2022, to enhance our wireless product offering**
  - Acquisition of Saankhya Labs will bring in a strong domain expertise and IPR in wireless communication (5G, Broadcast, Satellite) as well as semiconductor design
  - Saankhya Labs will be complementary in terms of product/technology areas and customer access
- **Panatone Finvest Ltd., a subsidiary of Tata Sons Pvt. Ltd, exercised their Series-A warrants on Apr 8<sup>th</sup> 2022, and their shareholding has increased to 52.45%**
  - 3,68,21,706 equity shares were allotted
- **Awards and recognition**
  - We won the "Innovation Excellence Award" for TJ1600 family from Voice & Data
  - Tejas CEO won the "CEO of the Year" and Tejas CTO won the "CTO of the Year" award from ET Telecom
  - 3 patent grants in Q4FY22 taking total to 137 patents granted. We have cumulatively filed 350 global patent applications
  - We received ISO 27001 (Information Security Management) certification

# Q4 and FY 22 Financials

	<i>Amount in Rs. crore except EPS</i>		
	<b>Q4-FY22</b>	<b>FY 2022</b>	<b>FY 2021</b>
Revenues (Net) <sup>1</sup>	126.5 (YoY -37.2%)	550.6 (YoY 6.9%)	514.8
EBIT	-110.0 (YoY -807.9%)	-157.2 (YoY -11577.4%)	1.4
PBT	-95.9 (YoY -617.5%)	-117.1 (YoY -620.1%)	22.5
PAT	-49.6 (YoY -247.9%)	-62.7 (YoY -267.0%)	37.5
EPS	-4.34 (YoY -220.2%)	-5.97 (YoY -247.3%)	4.05

1. Net of Component sales

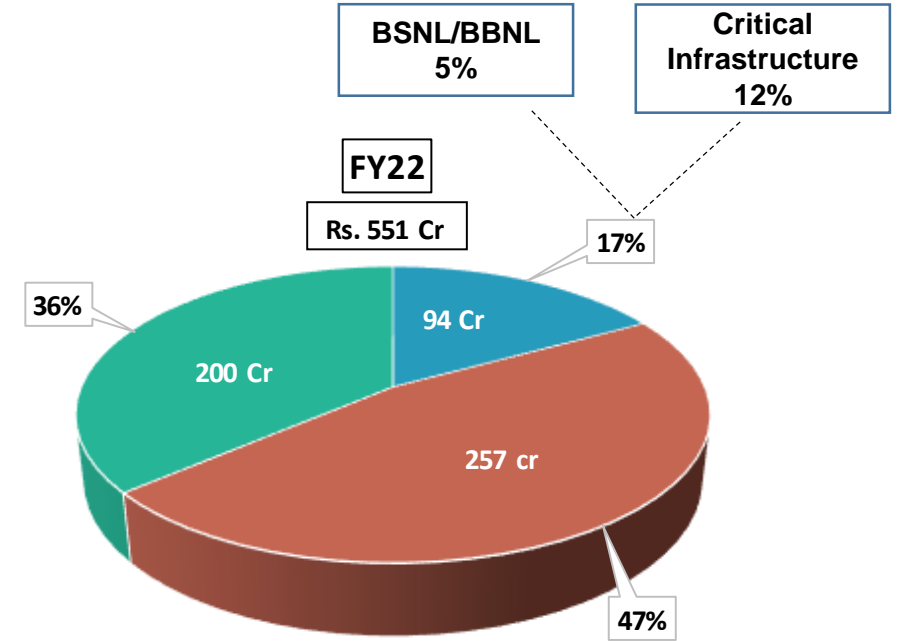
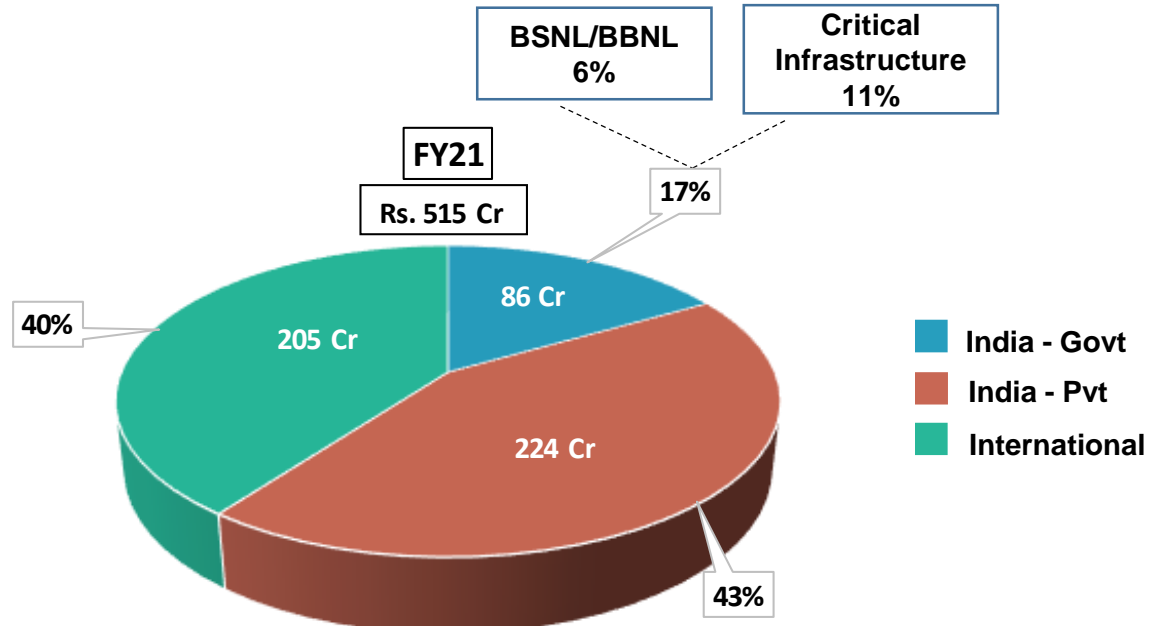
# Key Financial Indicators

Particulars	Amount in Rs. Cr	
	Q3-FY22	Q4-FY22
Cash flow from Operations	(4)	(49)
Net Worth	1,636	1,593
Inventory	271	278
Trade receivables	358	292
Net working capital	474	492
Cash and Cash Equivalent <sup>1</sup>	1,175	1,102

1. Cash and cash equivalents, investment in liquid mutual funds, Other Bank balances in current assets

- **Inventory increased to Rs. 278 Cr**
  - Inventory increased since we couldn't ship complete/balanced systems to fulfill customers orders due to critical component shortage
- **Trade Receivables reduced to 292 Cr**
  - Collected Rs 165 Cr during Q4
  - Provided for Rs. 67 Cr in Q4, towards long outstanding receivable from one PSU customer
- **Working capital increased in Q4 by Rs. 18 Cr**
  - Primarily due to increased inventory levels
- **Cash Position reduced to Rs. 1,102 Cr**
  - We continue to be a debt free company

# FY22: Sales update



- **Run-rate business (India-Pvt + International) contributed to 83% of FY22 (same as in FY21)**
- **India Government**
  - India-Govt was 17% of FY22 revenues. YoY growth of 8.7%
  - Multiple orders won in critical infra segment; healthy pipeline of new business
- **India Private**
  - India private was 47% of FY 22 revenues. YoY growth of 14.9%
  - Strong order inflow from telco customers as well as from System Integrators (SI)
- **International**
  - International was 36% of revenues compared to 40% of revenues in FY21
- **Closing Backlog**
  - India: Rs 992 Cr
  - International: Rs. 183 Cr



# FY22 Sales Update

## India

- **India Private:**
  - Selected by multiple telcos as Metro DWDM supplier for capacity upgrade for 5G backhaul & B2B; Also for FTTX
  - Selected for new applications (FTTX, OTN/DWDM and PTN) by multiple ISPs
  - Many SI-led wins for our switches in smart/safe cities and campus networks
- **India Government**
  - Tender wins in BSNL and MTNL for wireline products (DWDM and GPON)
  - Successfully completed 4G RAN POC
  - Many new orders won from power, railways, oil & gas sectors
- **Positive tailwinds from “Atmanirbhar Bharat” policies in telecom**
  - Approved under PLI scheme for Telecom and Networking products
  - All products approved under Trusted Sourcing norms
  - Cleared PoC for our 4G RAN as a part of a fully indigenous solution

## Africa and Middle East

- \$10M+ business from a pan-Africa run-rate customer
- Continued to gain traction in DWDM, OTN and FTTX segments in Africa
- Multiple order wins in West Africa region including a new Tier-1 customer in Nigeria
- Plan to leverage reference customer base, Tata brand and stronger balance sheet to win larger deals in FY23

## South & S.E Asia

- Weak order-flow from the region; pushed out to FY23
- Well positioned in multiple RFPs; expansion opportunity for FWA & PTN in existing acct
- Added sales headcount in SE Asia

## Americas

- **USA:** Signed up a Tier-1 OEM for our MSPP products; continuing to focus on large rural broadband stimulus opportunity
- **Mexico:** weak order-flow. Expect good growth in FY23, leveraging our local presence and incumbency

## Europe

- Won multi-million order for FTTX and DWDM from a new operator in Italy.
- Multiple xPON engagements in Europe, to target high-speed broadband rollouts
- Targeting replacement market for Chinese equipment in EU



## Create a global-scale, telecom product company from India

### Create world-class products for building end-to-end networks

- Hire & attract top-notch talent; Retain current talent.
- Acquire companies and teams to expand products, technology, IPR and customers

### Leverage India's large home market to get economies-of-scale

- Gain market share; new 5-year capex cycle driven by 5G & Broadband rollouts.
- Play a key role in the national mission to be "Atmanirbhar" in telecom sector.

### Expand international business

- Leverage Tata brand strength, synergies and deep customer relationship with global telcos.
- Increase market share in emerging markets, with a larger product portfolio & sales.

### Build a global-scale operation

- Build a strong manufacturing operation, leveraging India's PLI scheme.
- Create strong back-end for global technical support for pre/post sales, from India.

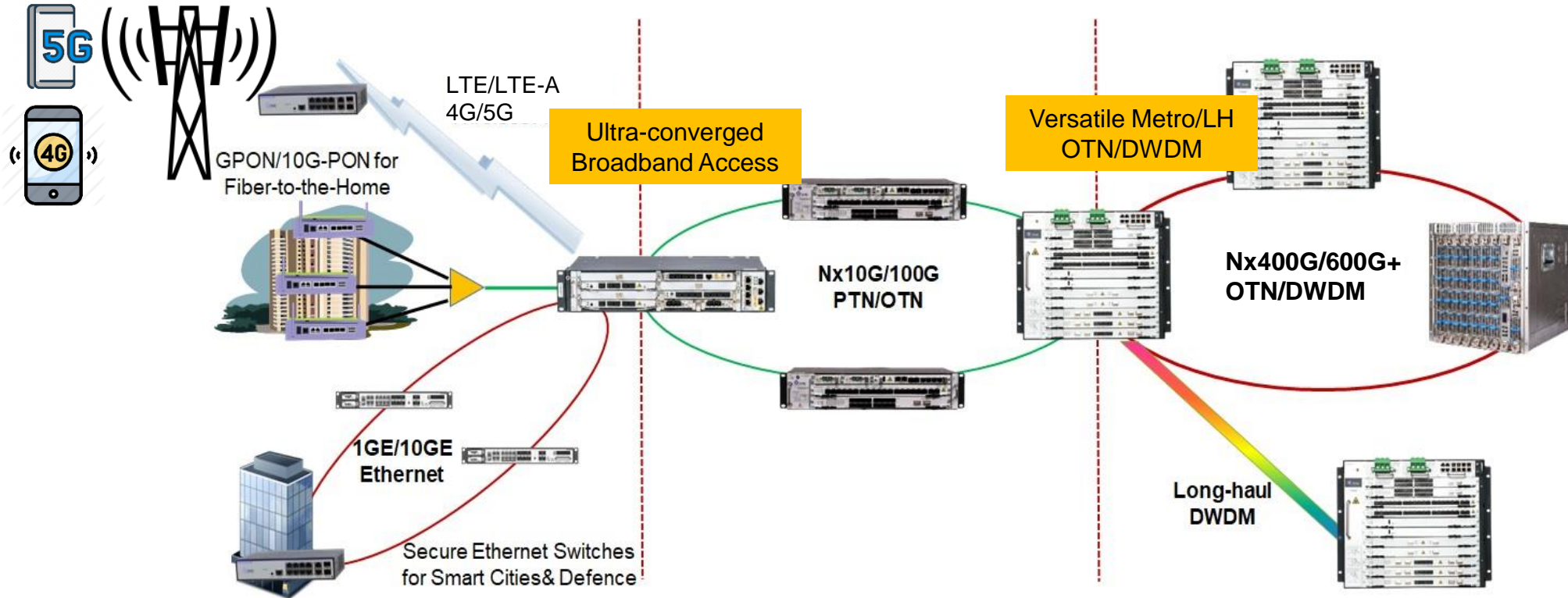
# Expanding Products: Wireline + Wireless → Large TAM

## Universal, SDN-ready Network Management System (NMS)

**Broadband Access**  
(xPON, LTE, Ethernet)

**Optical Transmission**  
(PTN & OTN)

**Metro Core & Long-haul**  
(DWDM & OTN)



**Wireline Equipment TAM**  
(2022/2027)

India : \$0.9B/\$1.7B  
Global: \$15.2B/\$32.7B

Source: Omdia, IDC and Internal Estimates  
Notes: a) TAM – Total Addressable Market, b) Global Numbers are all ex-China

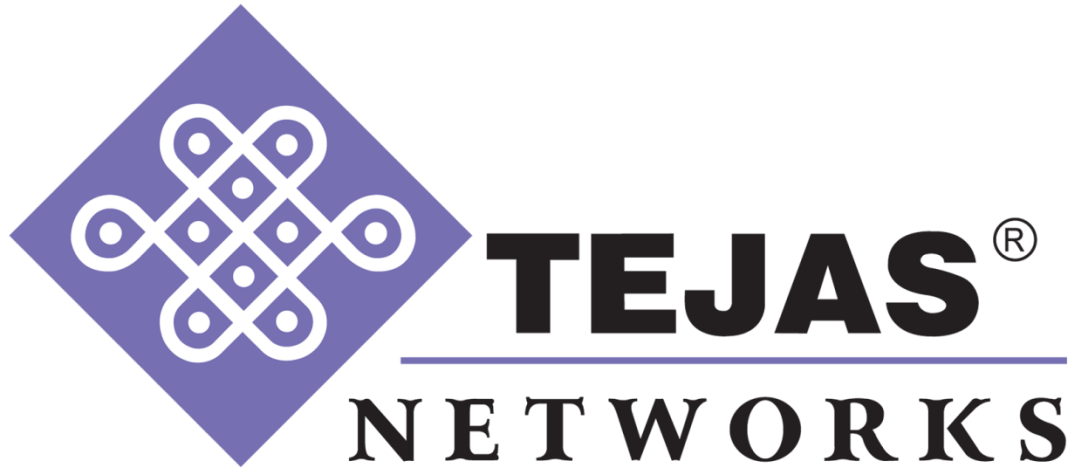
**Wireless Equipment TAM**  
(2022/2027)

India : \$0.08B/\$4.4B  
Global: \$2.4B/\$30.5B

- **Wireline:** Optical Transmission, Broadband Access, Secured Ethernet Switches
- **Wireless products:** 4G/5G RAN (Radio Access Network) for Fixed as well as Mobile broadband

# Looking ahead in FY23

- Opportunities for significant YoY revenue growth
  - Order book of 1175 Cr and a visible pipeline of new orders from run-rate customers and for 4G
  - India revenues are expected to be strong; likely to be a higher percentage of our total revenues
  - Beyond emerging markets, we plan to expand our international sales in US, Europe and ANZ, leveraging Tata group synergies
  - We have already taken advance inventory actions to secure inventory for our planned FY23 revenues
- Investing for delivering sustainable, long-term growth
  - We will be significantly increasing our manpower investments in R&D, Manufacturing and Sales
  - Our R&D investments in wireless products will be further augmented by addition of Saankhya team
  - We will be scaling-up our manufacturing operations to deliver global-scale volumes
  - Our cash position is strong and we have the balance sheet to deliver sustainable high growth



Thank you!

## Contact Us:

[ir@tejasnetworks.com](mailto:ir@tejasnetworks.com)

Contact - +91(80)41794600