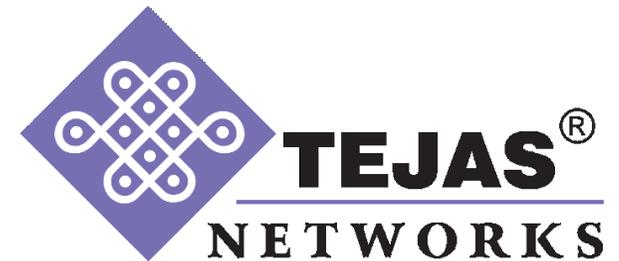




**TEJAS NETWORKS LTD**  
**Q2FY23 INVESTOR PRESENTATION**

**October 21, 2022**



# Key Updates: Q2-FY23

- **Q2 Financial Update**
  - Net Revenue: Rs. 220 Cr
  - PAT : Rs. 1 Cr
  - Cash and Cash Equivalents at: Rs 1,402 Cr (no debt)
  - Order book at end of Q2: Rs. 1,455 Cr (all-time high)
- **Key highlights**
  - Strong Q2 booking (Rs 481 Cr) driven by multiple wins for our optical products
  - Wireless product (4G/5G) outlook is strong; we have opportunity for large-scale win
  - Improved SCM performance: improved revenues and gross margins. Expect continual improvement in 2H
  - Applied for new Design-led PLI incentive scheme for telecom products, with a potential for higher incentives
  - Significant increase in R&D and operations headcount- total employees strength crossed 1000 for the first time
  - We now have 434 patents between Tejas and Saankhya Labs

# Corporate Highlights: Q2-FY23

- Integration of Saankhya Labs on track
  - Company had acquired 64.40% of Saankhya Labs in July 2022
  - For the balance 35.6%, we have filed for amalgamation of Saankhya Labs and Saankhya Strategic with Tejas, through NCLT process on 30<sup>th</sup> Sep 2022.
  - Saankhya R&D team's focus is to strengthen our development programs for 5G, RAN, cellular broadcast, satellite communications and fabless semiconductor chip design
- Impactful presence at India Mobile Congress (IMC) 2022
  - Showcased end-to-end indigenous products in wireless, optical and satellite communications. From hardware, software to own chips
  - Live demonstration of 5G products and Direct-to-Mobile (D2M) broadcasting
  - Won the “Best Designed and Made in India Telecom Innovation” award at IMC 2022 for our TJ1400 UCB (world's first ultra-converged wireline + wireless broadband product)
- Indian Electronics and Semiconductor Association (IESA) awarded Tejas as the “Best Enterprise – India” for contributions to India' ESDM sector



## Strong R&D Synergies with Saankhya Labs



## Successful 4G/5G Live Demo at IMC



## Award winning Products



# Q2-FY23: Financial Update

*Amount in Rs. crore except EPS*

	<b>Q2-FY23</b>	<b>H1-FY23</b>	<b>LTM</b>	<b>FY 2022</b>
Revenues (Net) <sup>1</sup>	219.9 (YoY 27.3%)	345.7 (YoY 9.0%)	579.3 (YoY -10.6%)	550.6
EBIT <sup>2</sup>	-4.3 (YoY -7233.3%)	-35.0 (YoY -2832.0%)	-193.5 (YoY -1153.3%)	-157.2
PBT <sup>3</sup>	10.9 (YoY 227.3%)	-2.1 (YoY -117.5%)	-130.8 (YoY -431.9%)	-117.1
PAT <sup>4</sup>	1.1 (YoY -70.8%)	-5.6 (YoY -149.7%)	-79.5 (YoY -247.3%)	-62.7
EPS	0.07 (YoY -80.5%)	-0.37 (YoY -131.8%)	-6.02 (YoY -205.1%)	-5.97

1. Revenue includes Saankhya revenue of Rs. 13.9 crore in Q2 23
2. EBIT includes Saankhya EBIT of Rs. (5.7) crore in Q2 23
3. PBT includes Saankhya PBT of Rs. (5.3) crore in Q2 23
4. PAT includes Saankhya PAT of Rs. (5.3) crore in Q2 23

# Q2-FY23: Key Financial Indicators

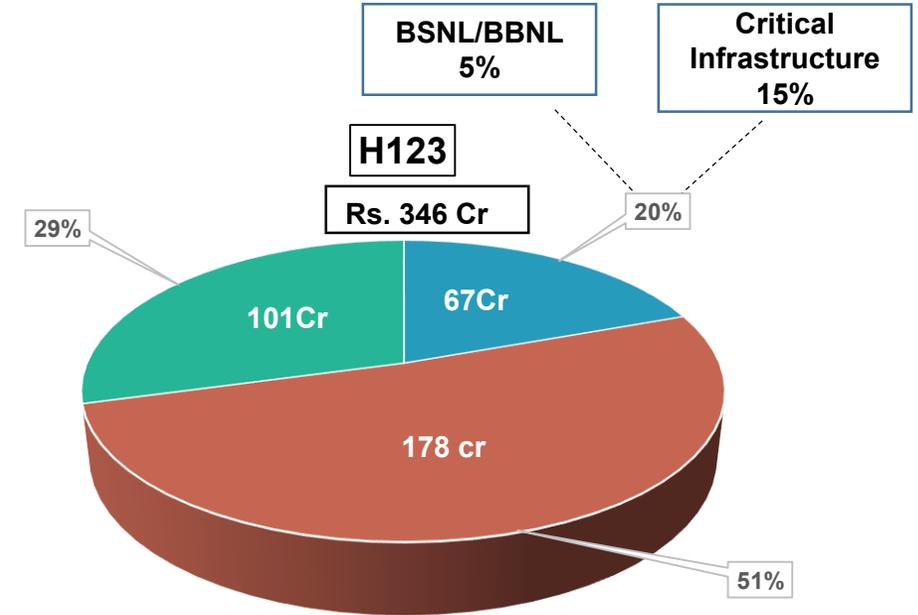
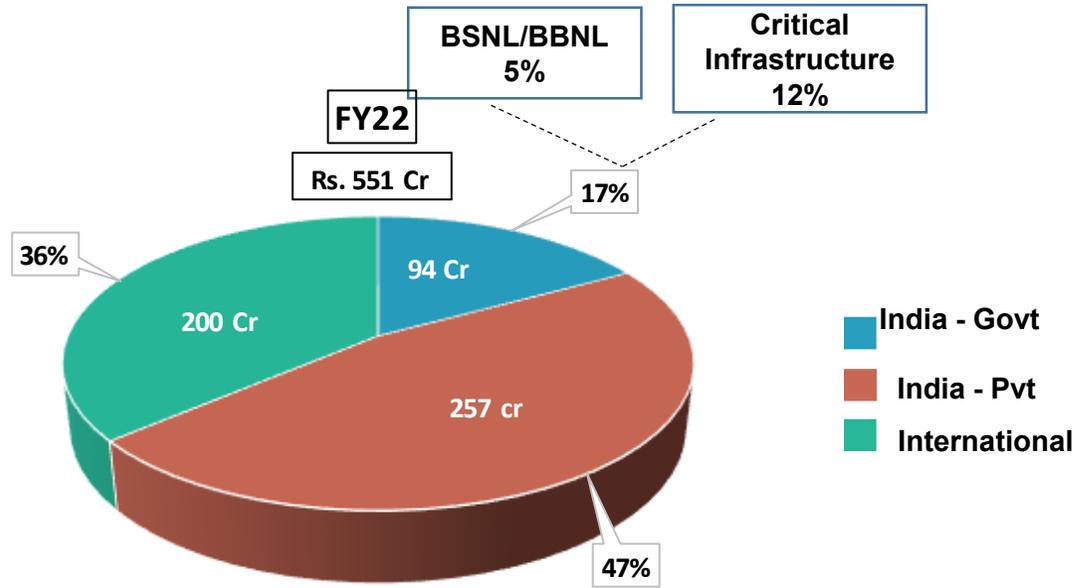
Particulars	Amount in Rs. Cr	
	Q1-FY23	Q2-FY23
Cash flow from Operations	(49)	(71)
Net Worth	2,540	2,548
Inventory	322	399
Trade receivables	298	380
Net working capital	539	639
Cash and Cash Equivalent <sup>1</sup>	1,739	1,402

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

2. Q2 numbers include Saankhya

- **Inventory increased to Rs. 399 Cr**
  - Inventory increased since we couldn't ship complete/balanced systems to fulfill customers orders due to critical component shortage. Expect to consume in 2H
- **Trade Receivables at Rs. 380 Cr**
  - Collected Rs 201 Cr during Q2
- **Working capital increased in Q2 by Rs. 100 Cr**
  - Primarily due to increased inventory levels
- **Cash Position was at Rs. 1,402 Cr**
  - After making a cash investment of Rs. 284 Cr in Saankhya Labs

# H1-FY23: Sales update



- **Run-rate business (India-Pvt + International) contributed to 80% of H1 23.**
- **India Government**
  - India-Govt was 20% of H1 23 revenues. YoY growth of 66.7%
- **India Private**
  - India private was 51% of H1 23 revenues. YoY growth of 35.5%
- **International**
  - International was 29% of H1 23. YoY decline of 30.7%
- **Closing Backlog**
  - India: Rs 1,268 Cr
  - International: Rs. 187 Cr

# Comprehensive Products: Optical + Wireless + Satellite

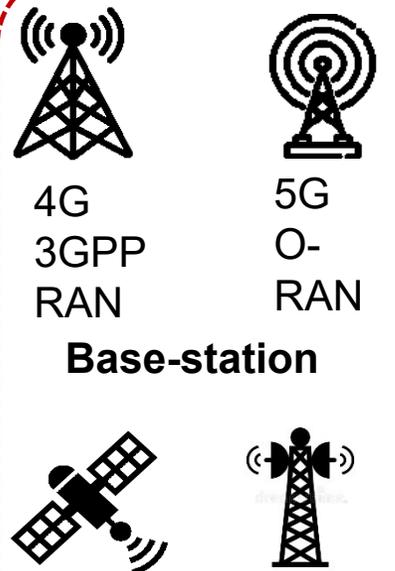
Universal, SDN-ready Network Management System (NMS)

Broadband Access (xPON, LTE, Ethernet)

Optical Transmission (PTN & OTN)

Metro Core & Long-haul (DWDM & OTN)

**Successful Trial of our 4G equipment**

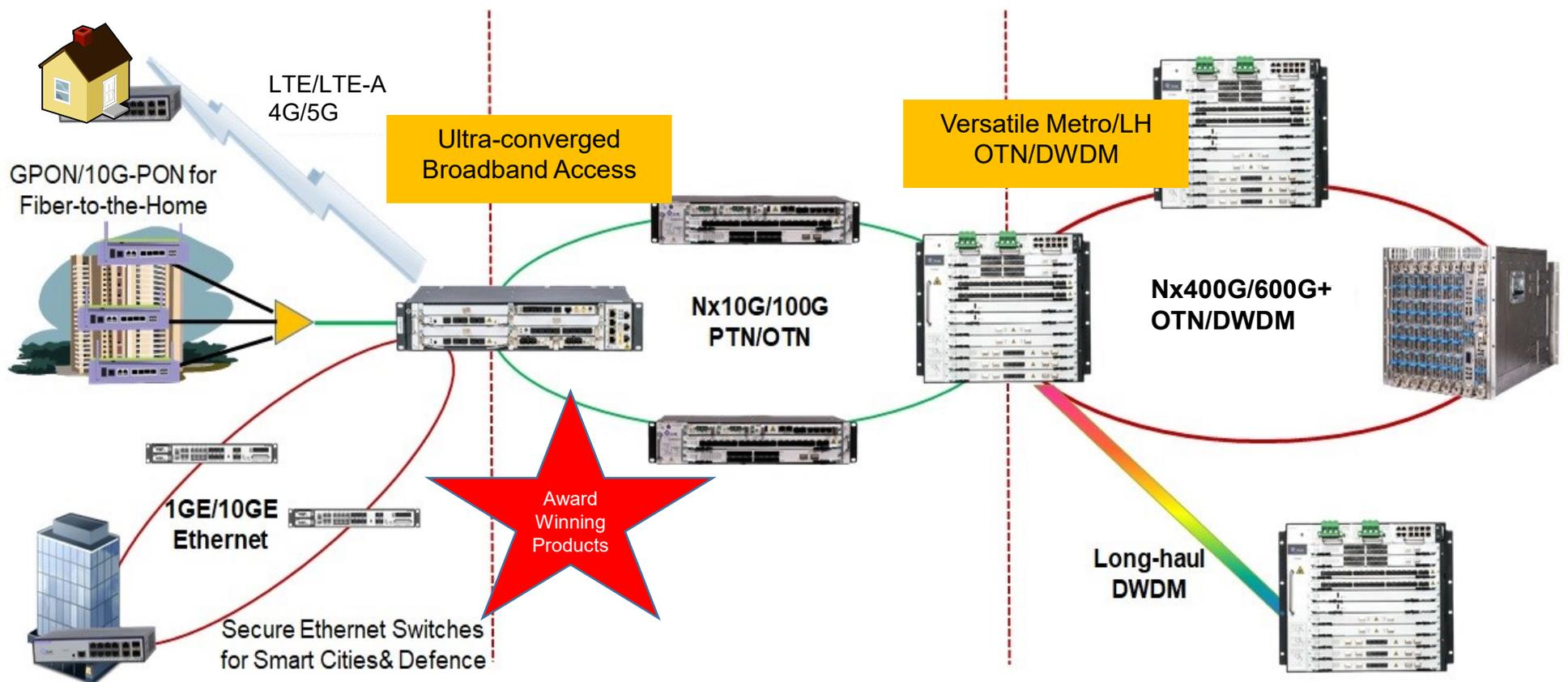


4G  
3GPP  
RAN

5G  
O-RAN

**Base-station**

Satellite IoT & D2M  
Broadcast



- **Wireline products:** Optical Transmission, Broadband Access, Secured Ethernet/IP Switches
- **Wireless products:** 4G RAN (Radio Access Network) for Fixed as well as Mobile broadband; 5G O-RAN, 5G Direct-to-Mobile (D2M) Broadcast and Satellite IoT

# Key Takeaways

- Improved Q2 revenues and margin performance. Expect revenue improvements in 2H
- With a healthy order book of Rs 1,455 Cr and good visibility of new order inflows, we expect to accelerate our quarterly revenue growth
- Award-winning products; successful demonstration of indigenous 5G technology positions us well for next capex growth cycle
- We continue to make significant investment in R&D and manufacturing operations as we scale-up our business
- Saankhya Labs integration is progressing well.
- Our healthy cash position at Rs. 1,402 Cr positions us well to ensure that we can execute on large opportunities to scale-up our business



**Thank You!!**

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