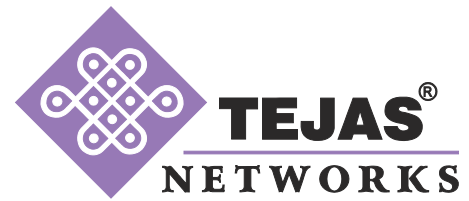


Tejas Networks Ltd.

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
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January 20, 2021

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: Earnings Call Presentation- Q3 FY 21

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 nine-months ended December 31, 2020.

The above information is also being made available on the website of the Company at www.tejasnetworks.com.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours sincerely

For Tejas Networks Limited

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

Encl: as above



TEJAS NETWORKS LTD
EARNINGS CALL PRESENTATION
Q3FY21



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.

Q3FY21: Key Updates

- **Financial Update**

- Net Revenues: Rs. 129.1 Cr (YoY growth of 51.2 %)
- PAT: Rs. 9.2 Cr (loss of Rs. 112.1 cr in Q3FY20)
- Improved operating Cash flow: Rs. 55 Cr for Q3FY21
- Cash and cash equivalents increased by Rs. 36 Cr to Rs. 335 Cr.
- Strong bookings- Order book increased by Rs. 73 Cr to Rs 672 Cr

- **Sales Update**

- **India Government**

- Government of India's sectoral policy decisions on mandatory use of secured telecom equipment by all operators, Production Linked Incentive (PLI) and Preference to Make in India, expected to favorably help our business
- Healthy growth in critical infrastructure segment; good order inflow and tender wins
- Payments from BSNL have restarted

- **India Private**

- Won a new Metro DWDM rate-contract order from a Tier-1 operator
- Continued with new wins for FTTX applications- both for OLT and ONT, across telcos and ISP

- **International**

- Strong order inflows from Africa and SE Asia. North America slow this FY
- Won a US\$13 Mn order for our award-winning converged access product (including Wireless 4G/LTE) for SE Asia
- For 9M, international revenue growth of 26.9% YoY
- 5 new international customer wins in Q3
- Increasing sales investments- hiring more local sales people across regions

- **SCM Update:** Global shortage of semiconductor components may result in lead-times/price challenges for 1H-FY22

Q3FY21: Financial Update

	Amount in Rs. crore except EPS			
	Q3-FY21	9M-FY21	LTM	FY 2020
Revenues (Net) ¹	129.1 (YoY 51.2%)	313.3 (YoY -4.2%)	366.0 (YoY -38.3%)	379.8
EBIT	1.6 (YoY 107.7%)	-14.2 (YoY 44.5%)	-153.2 (YoY -1669.2%)	-164.5
PBT	9.2 (YoY 162.4%)	4.0 (YoY 133.1%)	-122.5 (YoY -589.4%)	-138.6
PAT	9.2 (YoY 108.2%)	4.0 (YoY 103.6%)	-122.5 (YoY -64.0%)	-237.1
EPS	0.99 (YoY 108.2%)	0.43 (YoY 103.6%)	-13.27 (YoY -63.2%)	-25.76

Notes:

1. The Revenues (Net) are net of taxes (excise duty/GST) and pass through component sale to our contract manufacturers.

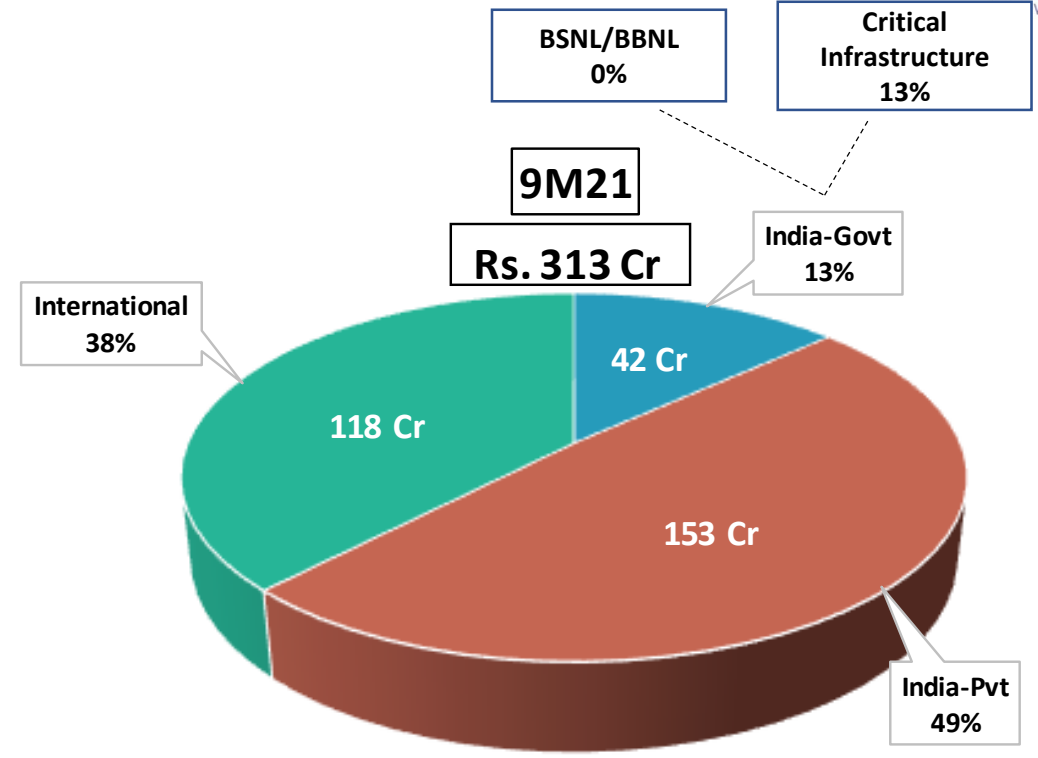
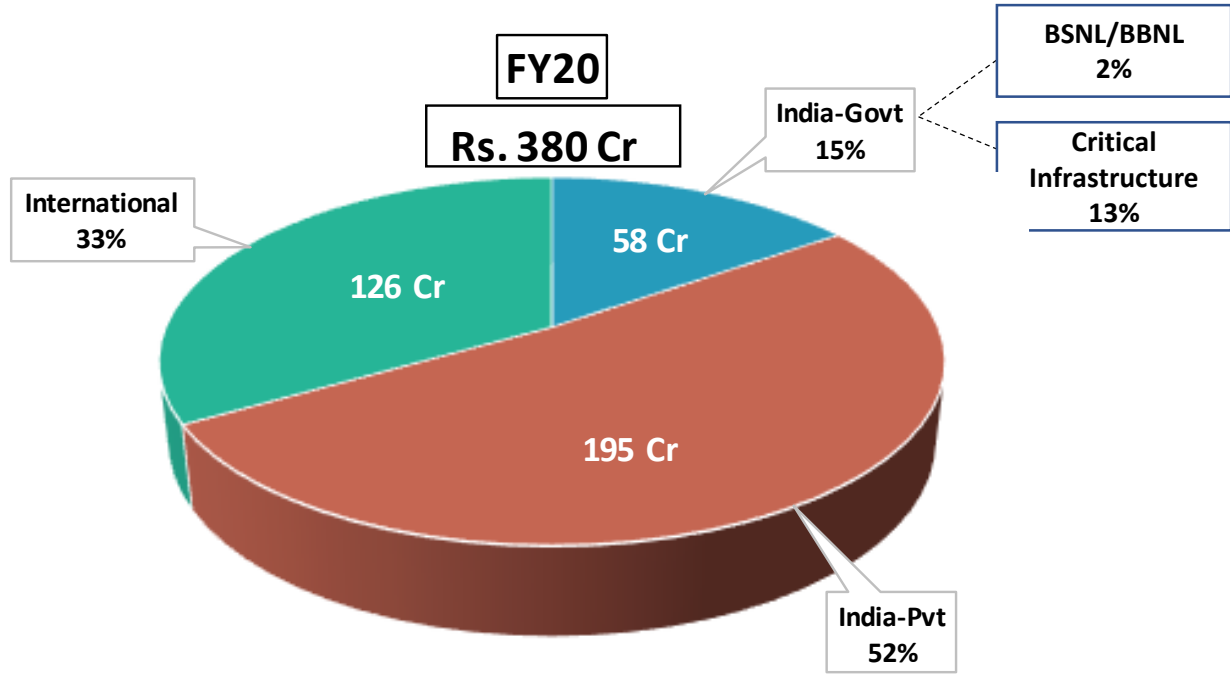
Q3FY21: Key Financial Indicators

Particulars	Amount in Rs. Cr	
	Q2-FY21	Q3-FY21
Cash flow from Operations	45	55
Net Worth	1,082	1,094
Inventory	233	229
Trade receivables	425	402
Net working capital	504	461
Cash and Cash Equivalent ¹	299	335

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 by 4 Cr to Rs. 229 Cr**
 - Existing inventory will continue to get consumed over the next few quarters and reduce on absolute basis
- **Trade receivables decreased by 23 Cr to Rs. 402 Cr**
 - Payments from BSNL/Bharatnet have restarted
- **Working capital decreased by Rs. 43 Cr**
 - Use of existing inventory and improving collections will result in further improvements over next few quarters
- **Cash Position improved by Rs. 36 Cr**
 - We are debt-free, with cash and cash equivalents (incl. investment in liquid mutual fund) of Rs. 335 Cr
 - We expect further improvement in cash position over the next few quarters

Revenue By Segments



- Run-rate business (India-Pvt + International) contributed to 87% of total in 9M-FY21
- International revenues had a YoY increase of 26.9% for 9M-FY21. Strong order book for Q4.
- India Critical infrastructure business is healthy. Strong order book for Q4.
- India-Pvt run-rate business expected to pick up going forward, based on new application wins

- **Macro Trend**

- Government's focus on "Atmanirbhar Bharat" creating a favorable policy environment:
 - Preference to Make in India
 - Performance Linked Incentive (PLI) scheme for specified telecom equipment (Tejas products are covered)
 - Mandate for all telcos (including private operators) to buy equipment only from "trusted sources" and preference to trusted
- Expected growth in fiber-based home broadband (FTTX)- from 3 Mn to 100 Mn in next 3-4 years
- Bharatnet to 650,000 villages, PM-WANI program- 100 million Wifi Access points, Modernization of critical infrastructure
- BSNL 4G expansion
- 5G rollouts expected to begin in 2022 expediting fiberization of cell towers

- **Government Accounts**

- BSNL/BBNL
 - Won tender for Bharatnet expansion in 2 states
 - Exploring opportunities to partner with System Integrators in BSNL 4G tender- both for 4G RAN and optical transport
- Critical Infrastructure
 - Multiple wins across utility, defense, video surveillance, smart city and other Government/PSU networking projects

- **Private Accounts**

- Selected by major telcos who are rolling out FTTX networks. Targeting ISPs as well
- New application win for DWDM for Metro Capacity expansion at a Tier-1 operator
- Expect to increase our market share in FY22

- **Macro Trend**

- Our incumbency and existing sales investments has resulted in business growth (new customers as well as new application wins in existing customers) in Africa, Malaysia, Mexico, MENA
- Replacement/expansion opportunities in the wake of geo-political developments. Operators are motivated to build “clean networks” and diversifying their supplier base.
- Significant increase in wholesale bandwidth consumption by webscale companies (e.g, in Africa)
- Increase in FTTX deployments across regions, especially post-COVID

- **Africa and Middle East**

- Strong repeat orders from existing customers delivering robust growth
- We are seeing good traction for our DWDM as well as our converged access solution

- **South and South East Asia**

- Won \$13 million order for TJ1400UCB product from a leading wholesale operator in SE Asia
- Repeat orders from existing customers

- **North America**

- Business in Q3 continued to be slow; expect to pick up next FY

- **Europe**

- Appointed sales head for UK and Europe to tap growing demand for FTTX equipment

Applications where we are winning

Applications

Home & Office
Broadband

Products

TJ1400 Family



Technologies

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



349 Patents and 300+
Silicon IPs



TJ1600 Family



Metro Capacity
Expansion &
Wholesale

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

- 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

TJ1400/TJ1400P--M Series



Network
Modernization
& Critical
Infrastructure

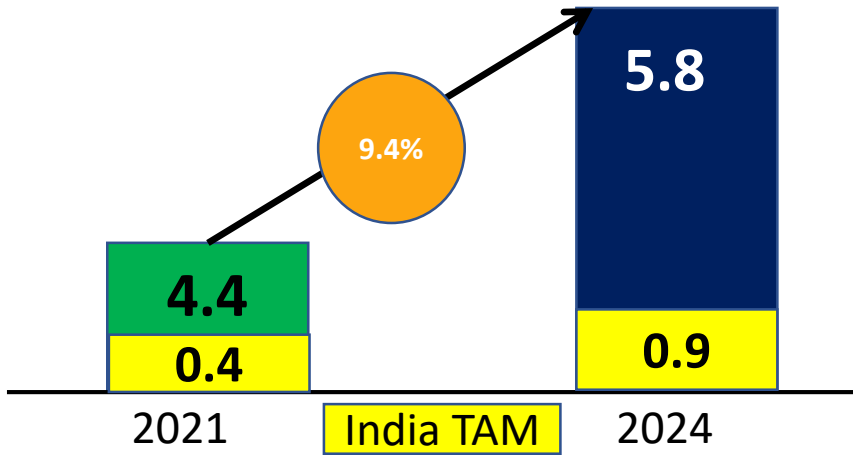
Ethernet/IP, PTN,
GPON/NG-PON, CPO,
NG-SDH



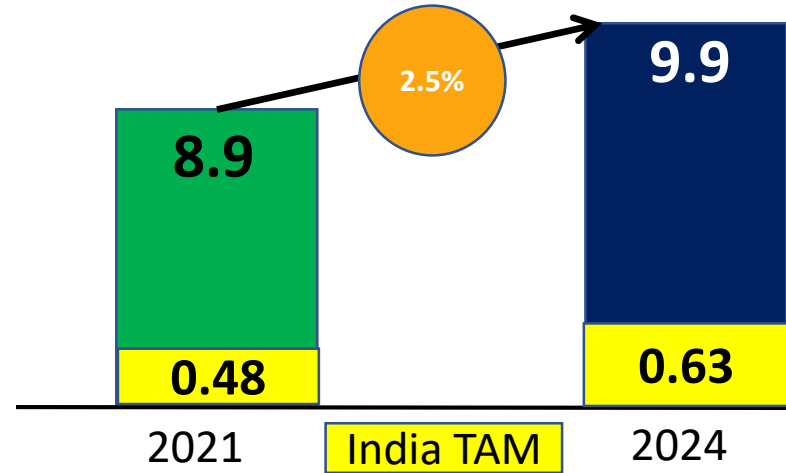
Note**: Top-3 as a %age of annual revenues among all publicly listed companies in India

Growing Market for Target Applications

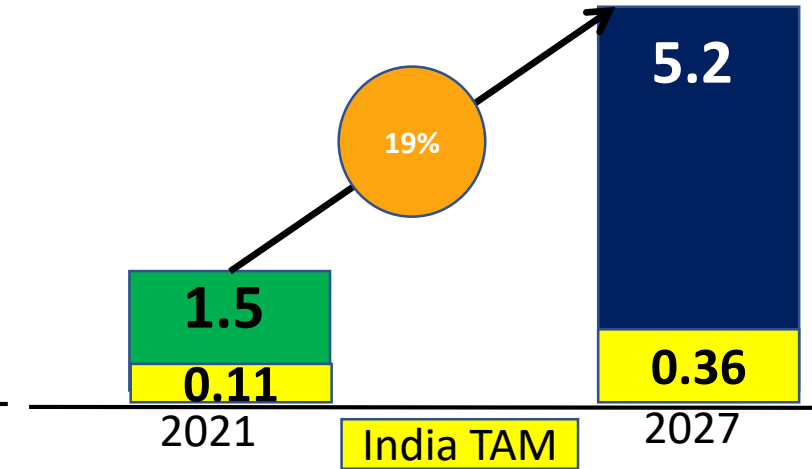
Global GPON/NG-PON Market (USD Billions)**



Global Metro/Long-haul DWDM Market (USD Billions)**



Global Utility Communications Market (USD Billions)**



Source: Omdia and Internal Estimates
Note **: Global numbers are all ex-China

- Covid-19 has accelerated adoption of fibre broadband services globally
- xPON is emerging as one of the cost-effective options for business connectivity, small-cell backhaul and campus networks
- 100 million homes expected to be fiberized in India in the next 3 years- \$3 billion in cumulative investment

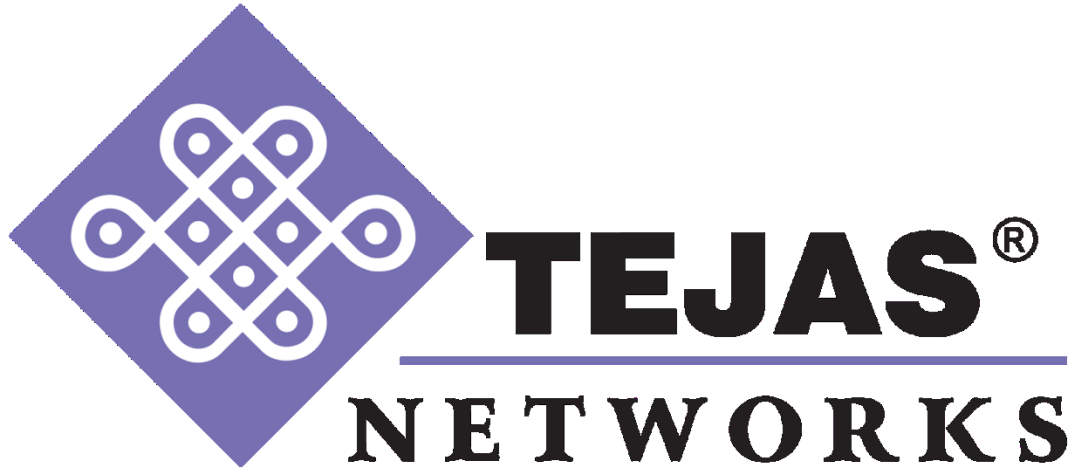
- Telcos and Wholesalers augmenting capacity in Metro/LH networks to accommodate traffic growth
- Strong demand for 100G/100G+ coherent WDM technologies
- OTN technology employed for efficient bandwidth management and low-latency
- Deeper fiberization by Indian telcos preparing for 5G rollout in 2022

- Traditional utilities are undergoing large-scale digital transformation
- IP SCADA, Video, VoIP, Smart Grid, Automation etc. driving packetization
- Infrastructure sharing with Govts for rural broadband rollouts
- Accelerated push for high-definition video surveillance for public safety and smart cities

Key Takeaways



- We continued to improve our quarterly revenue and profitability
- New business win momentum is strong; order book has increased to Rs. 672 Cr
- International business going strong; 9M international revenue growth of 26.9% YoY
- Opportunities to increase market share in India-Pvt, based on new application wins
- Government of India's sectoral policy decisions provide us with strong tailwinds
- Improving cash flows; cash position increased to Rs. 335 Cr, with no debt



Thank you!

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Contact - +91(80)41794600