

q4 fy24

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

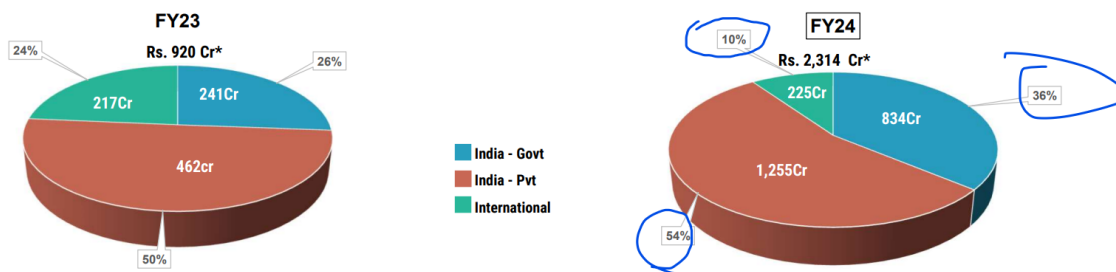
Wireline Business

- 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

FY24: Revenue update



- **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

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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;** 2x
 - 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

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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

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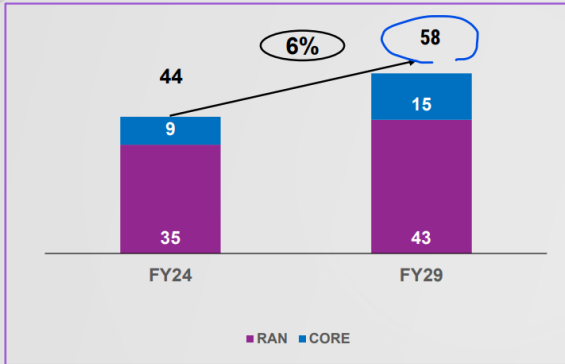
High Growth Market Segments: Wireless and Wireline



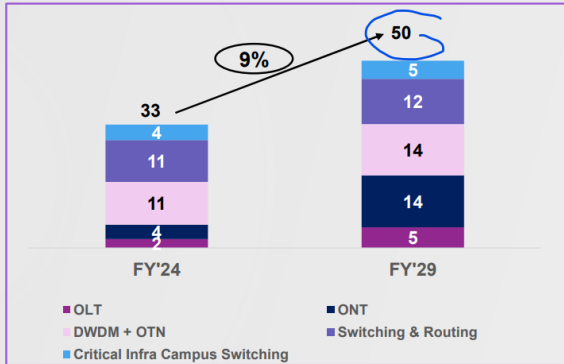
- Large TAM in both wireless and wireline markets
- Emergence of open and disaggregated technologies
- Strong push for Make In India
- Favourable geo-political situation

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

- best ever quarter best ever year
- major projects - bsnl 4g
- growth in every segment
- revenue 1327 crs and pat 147 this Q
- order book of 8200 crs

- wireless - lot of shipment for 4g 5g ran to 10000 locations
- ongoing business developments in wireless segments
- telecom egypt - partnership ,
- sankhya labs - 32 crs
- - 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)
- pvt 54% , govt - 36% and 10% international
- 8200 crs order book - 7900 india rest international
- inventory increase to 3600 crs ,prv Q - 2600 crs , increase due to procuring of long leed equip , once orders are ecxecuted will reduce
- recievable increse to 1450 crs, due to order execution , collections this Q were 650 crs
- 649 crs cash , WC borrowing of 1744crs
- headcount increase of 42% in all areas
- now have entire range of products
- large addressable market with strong growth
- private 4g 5g capex expected in india
- africa and asia see lot of oppurtunities for expanding 4g 5g networks
- sankhya - semiconductors , current products cannot use this captive , this is used in other projects , but we can modify and make products which can use this
- **bsnl project** - timeline - fy25 will get completed ,
 - regarfing report RAN equipment has been deployed everywhere NWES but core is getting deployed in just 3 regions , where core is not deployed the equipment is joined to current core , so this is temporary
- **margins** - going forward will have historical margins(18-22%)
- international buisness - increasing focus on this areas , several projects we are already there
- bharat net - tender docs out, expect that sometime this year the tender will be there , well covered products are there to cover this project but tender is yet to open
- **WC cycle** - increase, needs to be looked in refference for the large big order , as the execution happens WC will taper down
- Rank - competitive advantage - bid and won in large 5g network, pricing was very competitive , and this is global competitiveness

- **important distinction** - we are the only player in the industry that is doing interation of optical to wireless networks , other is universal
 - this save **a lot of money to the customers and also provide different suits of services to end customers**
- engaged in many POCs (wireless) where they are going for trial for the domestic
- investment done in setting up the supply chain to execute the order timely
- the margins are high due to the shipment of high margin product this Q as last quarter low margin were shipped
- PLI estimate - depends on revenue , 6% of the manufacturing revenue increase from previous year
- valiant techno- strong partnership many years , and will continue
- order book guidance - oppurtunities are there in ppt ,
- operating cycle is max 12 months, but this can taper down
- next 2-3 Q we will execute the BSNL order
- next 3-4 months the invetory should peak out
- next few months we can expect 5G upgrade POCs and this will be 40% of the current 100000 sites they have order , and on this there will be 7 years of maintainence PO as well

strong candidate for PEAD playing out technical

investorsanchit published on TradingView.com, Apr 23, 2024 08:25 UTC+5:30



TradingView

caution
this is what pnl with look without other income

Quarters			
Report Date	Mar-24		
Sales	1170.52		
Expenses	1020.38		
Other Income	0		
Depreciation	58.18		
Interest	28		
Profit before tax	63.96		
Tax	15.99		
Net profit	47.97		
Operating Profit	150.14		
opm	13%		

rough maths

