

Date: 20.07.2024

To, The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 543945	To, The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra East, Mumbai- 400051 Scrip Code: NETWEB
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SUBJECT: EARNING PRESENTATION ON THE QUARTERLY UNAUDITED FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the earning presentation on the unaudited standalone financial results for the quarter ended on June 30, 2024

Kindly take the same on record.

Thanking You

For Netweb Technologies India Limited

Lohit Chhabra
Company Secretary & Compliance Officer
M.NO A36610

Netweb

TECHNOLOGIES

India's Leading High-end Computing Solutions (HCS) Provider

Q1 FY25 - Earnings Presentation
July 2024

BSE: 543945

NSE: NETWEB

Bloomberg: NETWEB:IN



Safe Harbour Statement

This presentation may contain certain “forward-looking statements” within the meaning of applicable securities laws and regulations, which may include those describing the Company’s strategies, strategic direction, objectives, future projects and/or prospects, estimates etc. Investors are cautioned that “forward looking statements” are based on certain assumptions of future events over which the Company exercises no control. Therefore, there can be no guarantee as to their accuracy and readers are advised not to place any undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to; growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various business's verticals in the Company’s portfolio, changes in Government regulations, laws, statutes, judicial pronouncement, tax regimes, and the ability to attract and retain high quality human resource.

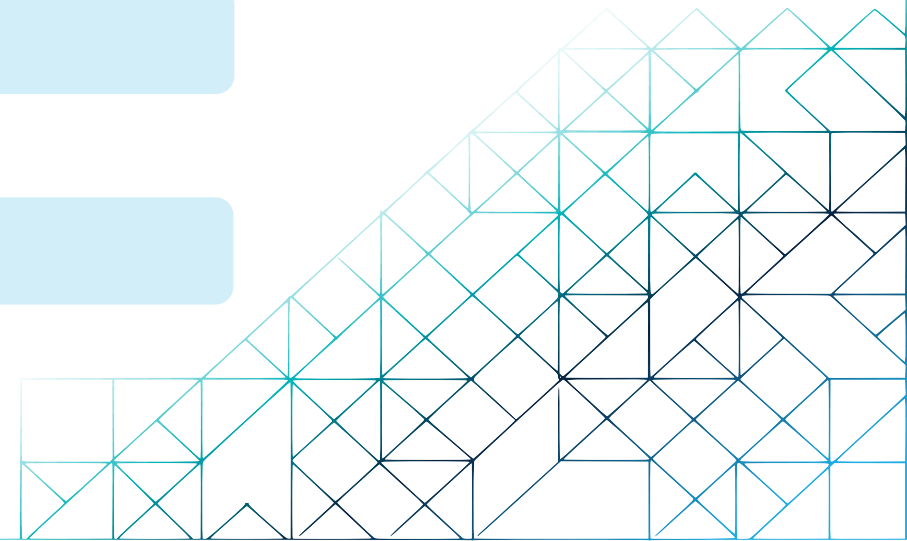
1 About Netweb Technologies

2 Quarterly Key Highlights

3 Key Investment Highlights

4 Growth Drivers

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About Netweb Technologies

India's leading Indian origin, owned and controlled OEM in the space of High-end Computing Solutions (HCS)

Overview

- Offers a **full stack of product and solution suite** with comprehensive capabilities in designing, developing, implementing and integrating **high performance computing solutions**
- Collaborates with various technology partners such as **Intel Americas, Inc, AMD, Samsung India Electronics Private Ltd, Nvidia & Seagate India Private Ltd**
- **Develops homegrown** compute and storage technologies, **deploys supercomputing infrastructure** to meet the rising computational demands of businesses, academia, and research organizations
- **Compliant** with the **"Make in India"** policy of the Government of India
- One of the **few OEMs** in India eligible to participate in and seek incentives in terms of both the **IT Hardware PLI and Telecom and Networking PLI schemes**
- Established in **1999** with **manufacturing facility** located in **Faridabad, Haryana** and **17 offices** located across India

Business Tailwinds

'Make in India' Policy & 'PLI Scheme' of the GOI

'Make AI in India & Make AI work for India' initiative of the GOI

Growing demand for cloud-based services and network switches

Explosion of Data Center demand in India

GOI's approval of over ₹1,03,000 Mn for the IndiaAI Mission³ to catalyse India's AI ecosystem

500+ Supercomputing systems installed

5000+ Accelerator / GPU based AI systems & enterprise workstations

50+ Private cloud & HCI installations

3 Supercomputers listed 13 times in the world's top 500 supercomputers

Q1 FY25 Financial Metrics



Revenue from Operation: ₹1,493 Million
Customers: Govt. (59.2%) vs Non-Govt. (40.8%)



Op EBITDA Margin: 13.4%



PAT Margin: 10.1%



ROCE¹: 19.5%



ROE²: 14.3%

Snapshot of Our HCS Offerings

India's leading HCS provider with fully integrated design and manufacturing capabilities

(A) High performance computing (Supercomputing / HPC) systems

- Bespoke, and tailored with specialized hardware designs and architecture
- Cater to varied customer specifications



Simplified Cluster Deployment



Cluster Management

(C) AI systems and enterprise workstations

- Address standalone parallel compute-intensive applications, machine learning, deep learning, and support CF-CAD-CMD Applications.



Machine Learning



Deep Learning

(E) Data Centre servers

- Designed to reduce the complexity of managing critical and heavy workloads.
- Servers are advanced AI powered that allow intelligent and efficient data processing and storage



Low rack space consumption



High energy efficiency



High in-built Storage



Wide accelerator/GPU support

(B) Private cloud and hyperconverged infrastructure (HCI)

- Private cloud and HCI offers hyper-converged capabilities i.e., combining compute, storage, and network' to build:



Private & Hybrid Cloud



HCI



Cloud Tools



Cloud Native Storage

(D) High performance storage (HPS/Enterprise Storage) solutions

- Centralized repository for business-critical information that provides data sharing, data protection across multiple computer systems



Unified Storage



High IOPs Storage



Parallel File System Storage



Scalable to Exabytes

(F) Software and services for HCS offerings

- Cloud Managed Services – These are the partial or complete management and control of a client's cloud platform, including migration, maintenance, and optimization



Cloud solutions



5G related services



AI, ML & deep learning as a service



Management Commentary

“We are pleased to state that India's flagship end-to-end high-end computing server, storage, and switch manufacturing facility in Faridabad was inaugurated by Honorable Secretary, Ministry of Information & Technology, GoI, on May 10, 2024, marking a significant milestone in the 'Make in India' initiative. This new facility represents a substantial leap in Netweb's manufacturing capabilities for cutting-edge computing systems, encompassing the entire production process including PCB design, manufacturing, and SMT for high-end servers, storage, and switches, demonstrating advanced manufacturing skills.

Our operating revenue grew by 149.7% YoY to ₹1,493.2 Mn in Q1 FY25. Operating EBITDA for Q1 FY25 increased by 131.8% YoY to ₹200.0 Mn, with an operating EBITDA margin of 13.4%. Profit after tax (PAT) increased by 203.4% YoY to ₹154.4 Mn in Q1 FY25, and the PAT margin improved from 8.5% in Q1 FY24 to 10.1% in Q1 FY25.

India is rapidly emerging as a leader in AI adoption, with businesses increasingly leveraging AI to drive innovation and operational efficiency. These industry tailwinds create a fertile ground for innovation and expansion, and Netweb is uniquely positioned to harness these opportunities. Our strategic focus on three pillars; HPC, Private Cloud and AI, ensures that we are at the forefront of technological evolution. These pillars are the cornerstones of our growth strategy, enabling us to deliver cutting-edge solutions that meet the dynamic needs of global businesses.

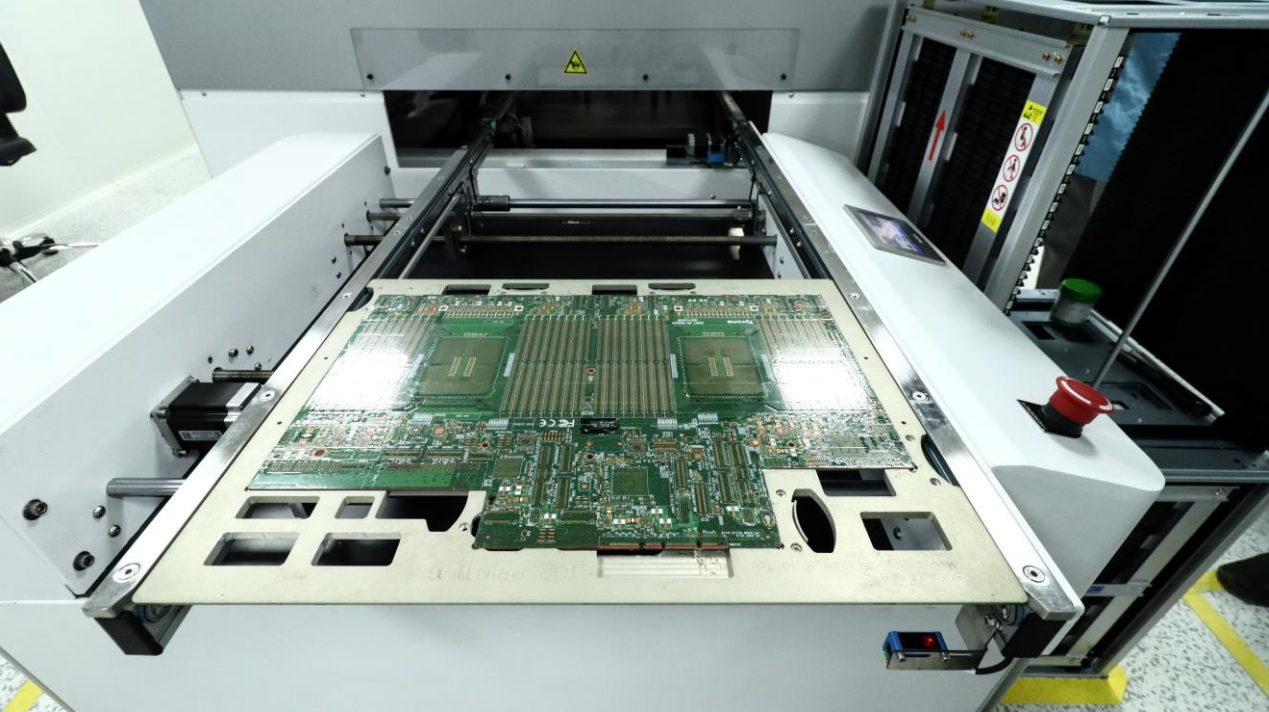
AI systems has emerged as a pivotal growth pillar, contributing significantly to our operating revenue, with its share increasing to 14.6% in the quarter gone by, marking a robust growth of 146% YoY.

Our strong business pipeline and order book, combined with ongoing enhancements in our capabilities and expansion of both operations and product portfolio, place us well for sustained growth while maintaining our leadership in technology.”

Sanjay Lodha, CMD



State-of-the-Art Manufacturing Facility



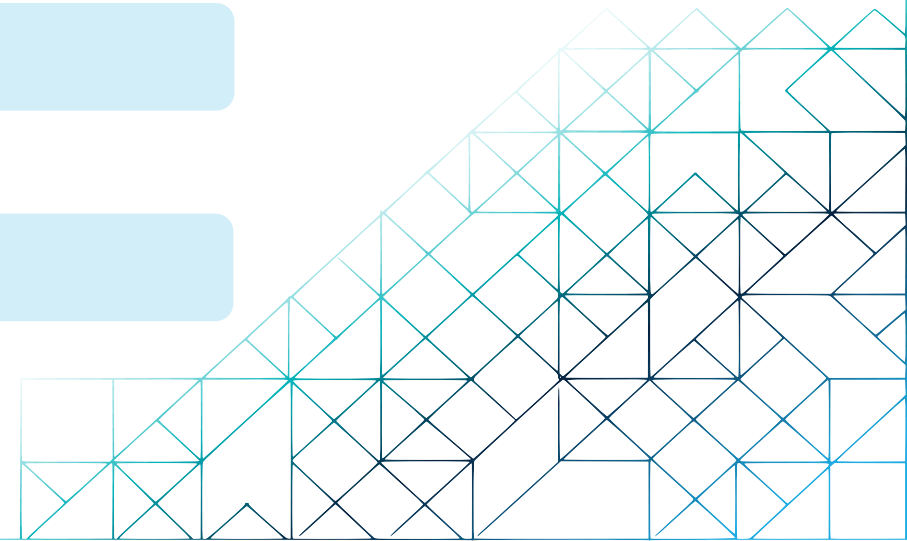
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Key Highlights

Profit and Loss Summary

₹ in millions

	Operating Revenue	Operating EBITDA	PBT	PAT	Cash Profit
Q1'FY25	1,493.2	200.0	206.9	154.4	178.7
Growth (YoY)	149.7%	131.8%	204.2%	203.4%	180.1%
Growth (QoQ)	(43.8%)	(50.5%)	(48.0%)	(47.9%)	(43.1%)
Margin		13.4%	13.5%	10.1%	

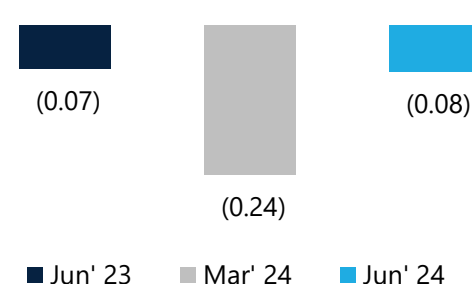
Key Highlights (Cont.)

Balance Sheet Summary

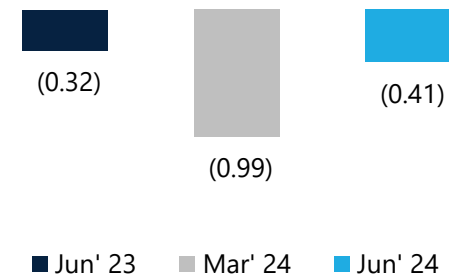
₹ in millions

Particulars	Jun'23	Mar'24	Jun'24
Equity Share Capital	103.9	112.7	112.7
Other Equity	1,403.5	4,114.8	4,286.2
Net Worth	1,507.4	4,227.5	4,398.9
Borrowing	411.5	16.3	15.4
Lease Liabilities	49.3	79.4	74.8
Cash and Cash Equivalent	570.2	1,112.8	420.1
Net Debt	(109.5)	(1,017.1)	(330.0)
Net Fixed Assets	261.8	447.4	469.5
Net Current Assets#	1,126.8	2,721.0	3,545.0
Ratios			
Fixed Asset Turnover Ratio*	9.1	16.2	12.7
Cash Conversion Cycle*	159	69	129

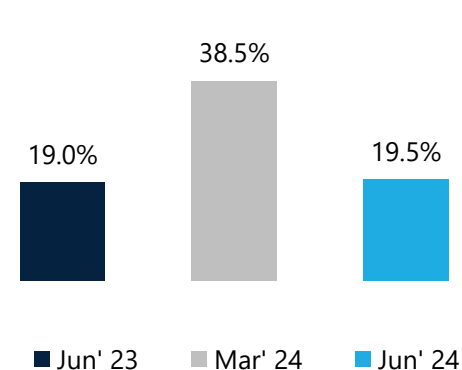
Net Debt/ Equity



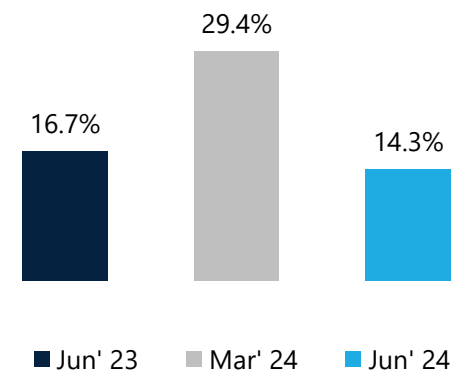
Net Debt/ Op. EBITDA*



ROCE*



ROE*



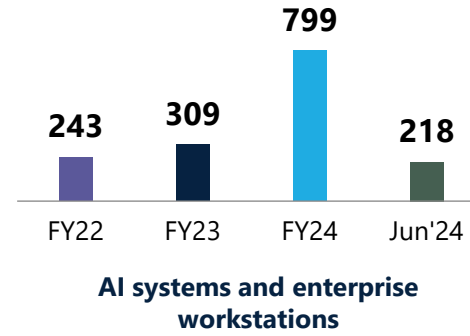
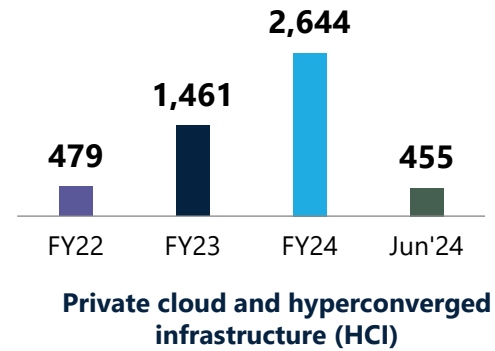
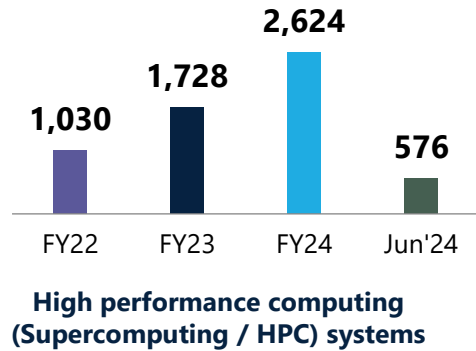
^Cash Conversion Cycle is based on Operating Income. *June data are annualized.

#Net Current Assets calculation excludes Short-term Borrowing & Cash & Cash Equivalents, as they are part of Net Debt. It includes unutilized proceeds from IPO

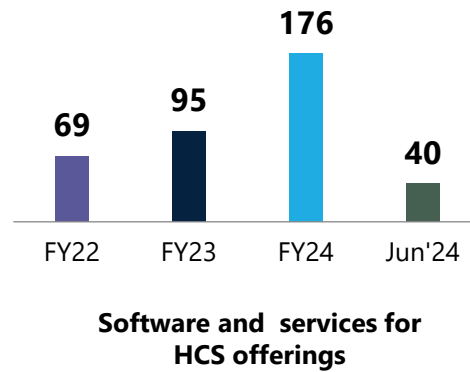
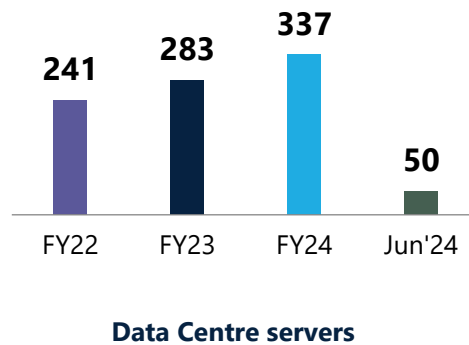
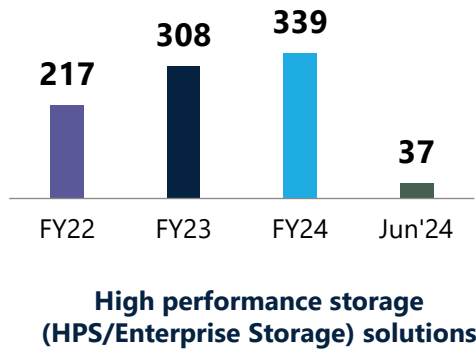
Key Highlights (Cont.)

Revenue breakup – HCS Offering

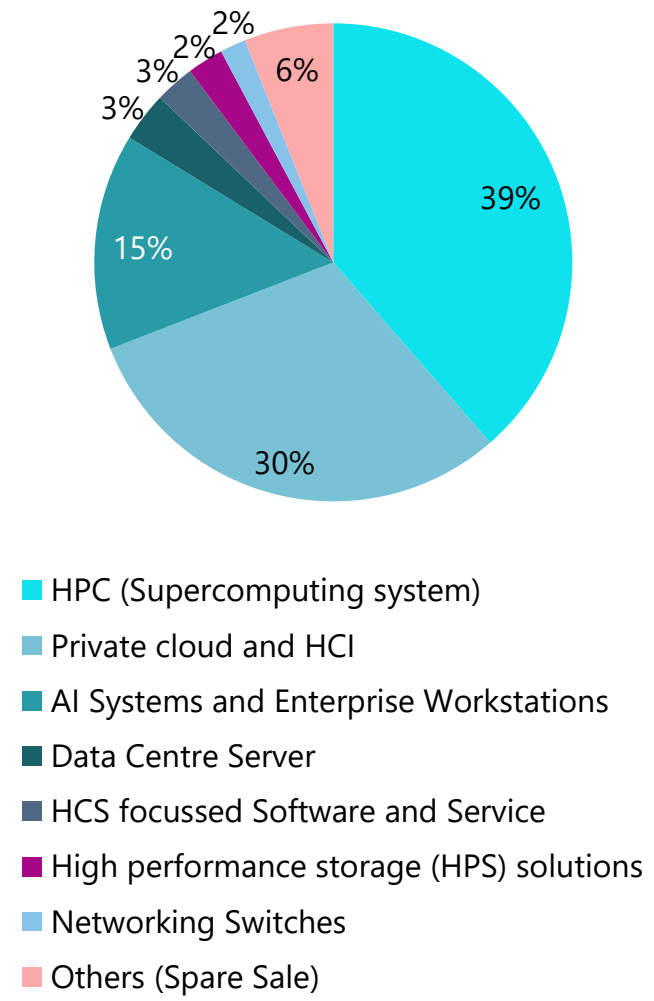
₹ in millions



₹ in millions



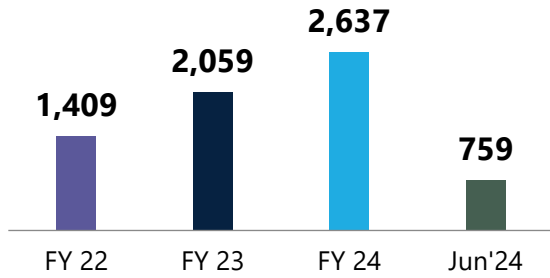
Jun'24 – Revenue Breakdown by offerings



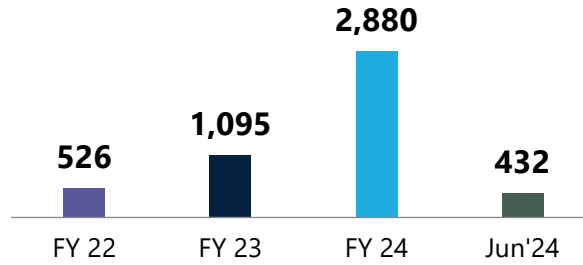
Key Highlights (Cont.)

Revenue breakup – Application Industry

₹ in millions

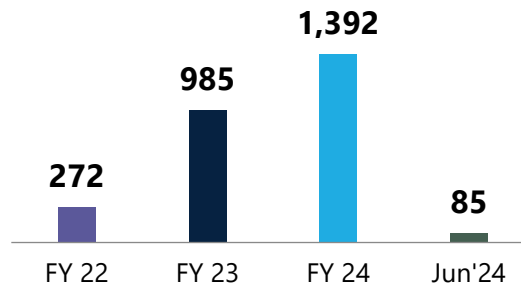


Higher Education and Research

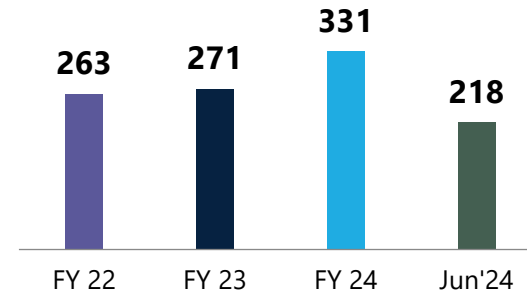


Information Technology and Information Technology Enabled Services

₹ in millions

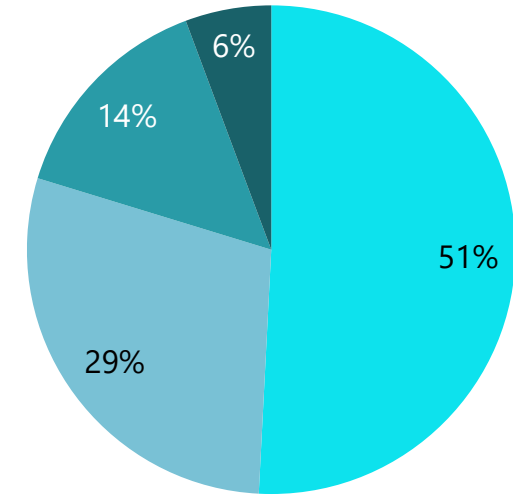


Other Enterprises



Space and Defence

Jun'24 – Revenue Breakdown by application industry



- Higher Education and Research
- Information Technology and Information Technology Enabled Services
- Space and Defence
- Other Enterprises

Key Highlights (Cont.)

Diverse Customer Base

Higher education and Research



IT & ITES



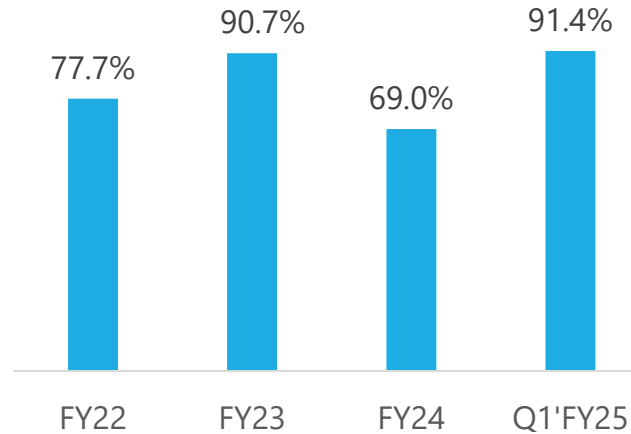
Space & Defence



Others



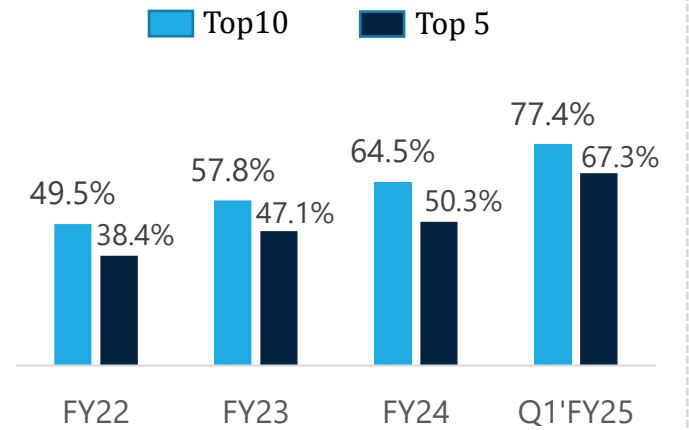
Revenue[^] from Repeat Customers



163
Repeat Customers (Q1'FY25)
Associated for over **5.21 years** using
Fiscal 2016 as the base

6.02 years
Average top 10 customer age
(Q1'FY25) using Fiscal 2016 as base

Customer Concentration[^]



10.34%
Customer Accretion CAGR*

36
New clients onboarded across diverse
industries in Q1'FY25

Profit & Loss Summary

₹ in millions

Particulars	Q1 FY25	Q1 FY24	YoY Change	Q4 FY24	QoQ Change	FY24
Operating Revenue	1,493.2	598.0	149.7%	2,658.9	(43.8%)	7,240.8
Operating EBITDA	200.0	86.3	131.8%	404.2	(50.5%)	1,025.3
Operating EBITDA Mrg (%)	13.4%	14.4%	(104) Bps	15.2%	(181) Bps	14.2%
Other Income	38.9	4.2	837.1%	39.4	(1.3%)	118.9
Finance Cost	7.8	9.6	(18.9%)	28.3	(72.6%)	62.1
Depreciation	24.3	12.9	88.3%	17.3	40.4%	62.5
PBT	206.9	68.0	204.2%	398.0	(48.0%)	1,019.6
PAT	154.4	50.9	203.4%	296.6	(47.9%)	759.0
PAT Margin (%)	10.1%	8.5%	163 bps	11.0%	(91) bps	10.3%
EPS¹ (₹)	2.74	0.99	177.5%	5.43	(49.6%)	13.88

1. Diluted EPS; non-annualized for the quarters

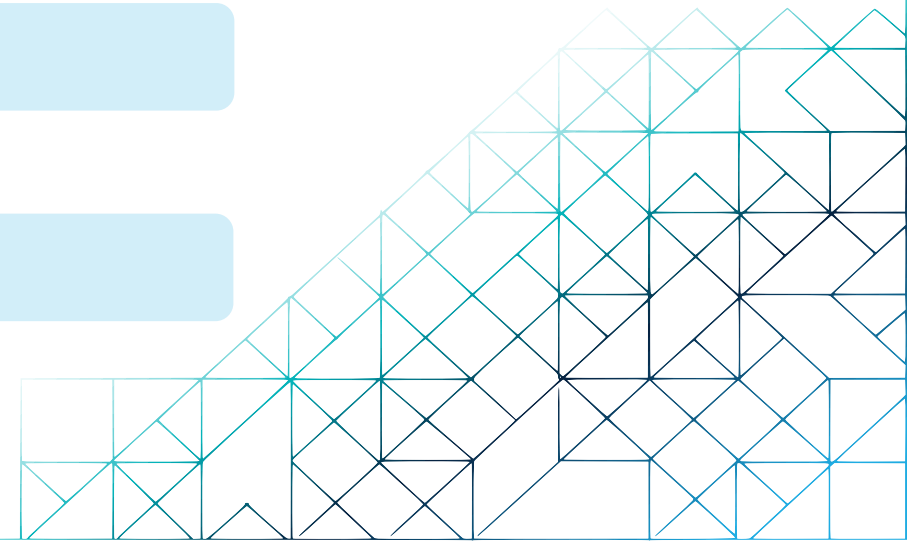
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Key Investment Highlights

1 India's leading Indian origin owned and controlled OEM for HCS with integrated design and manufacturing capabilities

2 Operates in a rapidly evolving and technologically advanced industry with high entry barriers

3 Significant product development and innovation through R&D

4 Long standing relationship with a marquee and diverse customer base

5 Track record of financial performance and consistent growth

6 Experienced Board & Senior Management Team



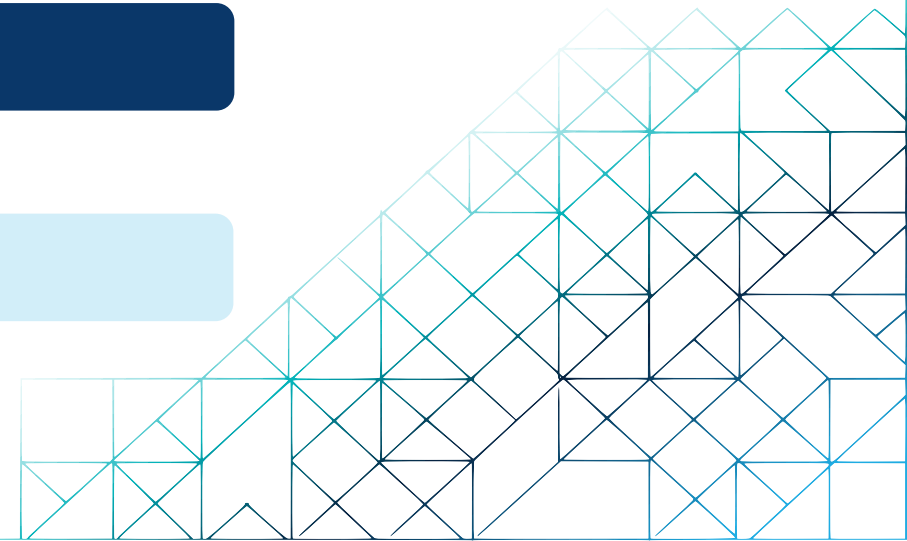
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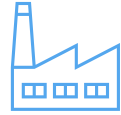
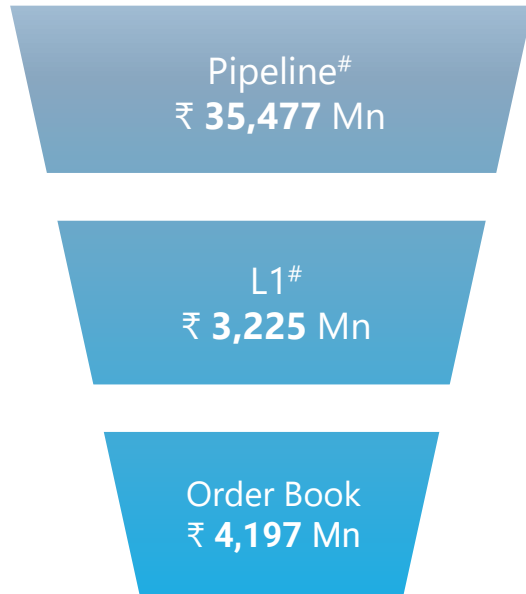


Growth Drivers

Opportunities to realize sustainable growth of the business



Strong Topline Visibility



Enhanced Capabilities

State of the art new manufacturing facility with latest **Surface Mount Technology (SMT)** commissioned in May,2024

Partnership with **NVIDIA** as a select manufacturing OEM for **latest Gen AI systems** to unlock potential of AI and High-Performance computing

Launched **Intel Sapphire Rapids** & **AMD Genoa** based 'Make in India' high-end computing servers



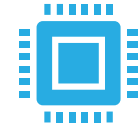
Enhanced Opportunities

Rising investments in **Generative AI** infra by Govt & Large enterprises to cater to demand for **LLM oriented solutions**

Heavy adoption of **Private Cloud** across sectors

Huge demand of high-end compute for booming **in-bound data centers** across India

Foray into Europe & Middle East – plan to setup service network in **4 countries** to start with

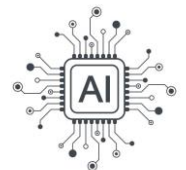


Expanding Product Portfolio

Forayed into developing new product lines, viz., **Network Switches**

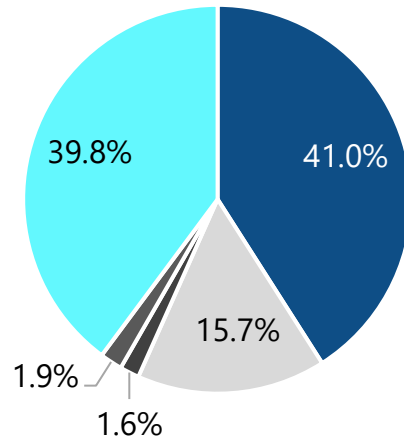
On-prem **AI Sovereign cloud** for demand of contemporary data & AI workloads

Container Platforms replacing Virtualization Platforms

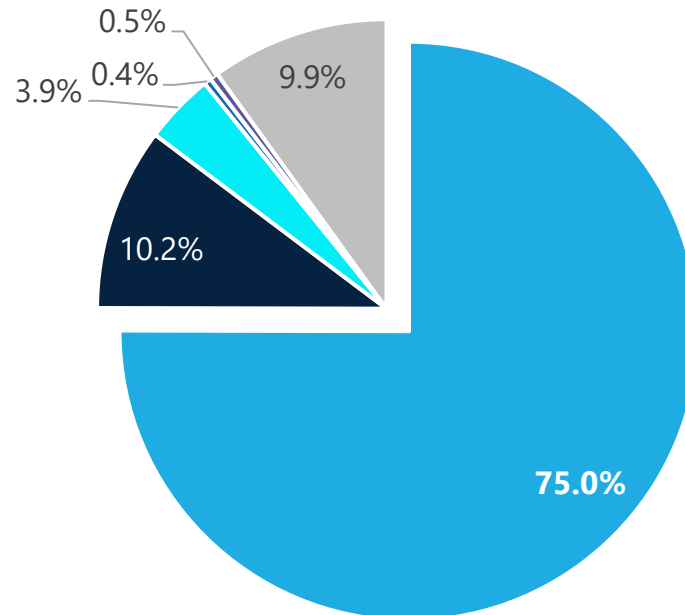


Shareholding Pattern (June 2024)

Non-Promoter Shareholding



Total Shareholding



Key Institutional Shareholders

Goldman Sachs Managed Funds

Tata Mutual Fund

Nomura Funds

The Prudential Assurance Company Limited

The Regents Of The University Of California

Invesco India Equity Fund

Nippon Life India Mutual Fund

Eastspring Investments India Fund

ICICI Prudential Life Insurance

Alchemy Leaders of Tomorrow

Thank You

Netweb[®]
TECHNOLOGIES

Chief Financial Officer

Prawal Jain

Email: prawal.jain@netwebindia.com

 **Uirtus Advisors**

Investor Relations Advisor

Sanjeev Sancheti

Email: ir@uirtus.in

Website: www.uirtus.in



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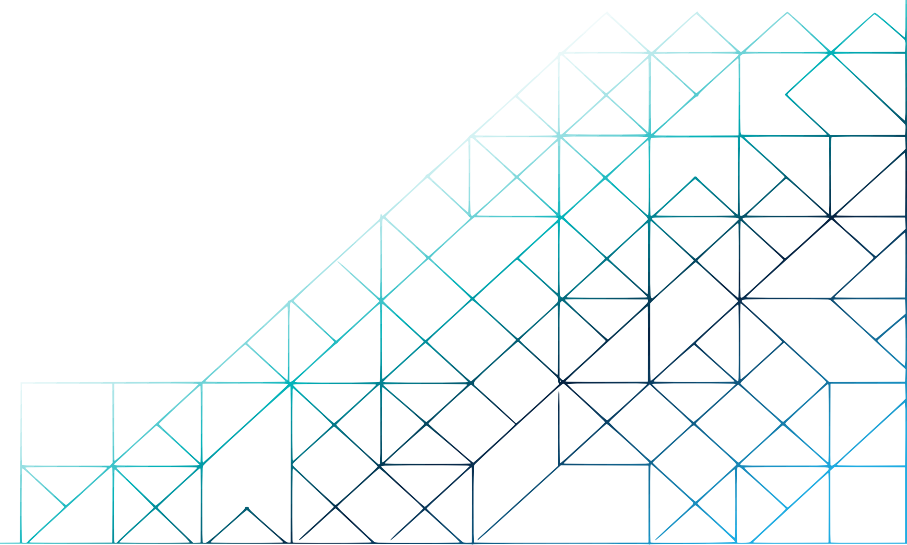
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Annexure



IPO Fund Utilization

₹ in millions

S. No.	Objects of the Issue as per Prospectus	Amount to be Funded from Net Proceeds	Amount Utilized as on 30.06.2024	Total Un-Utilized Amount as on 30.06.2024
1	Civil Construction	90.0	31.8	58.2
	Purchase of Equipment	232.9	72.16	160.7
2	Funding our long-term Working Capital Requirements	1,280.2	527.3	753.0
3	Repayment or Pre-payment of loans	225.0	225.0	0.0
4	General corporate purposes	112.2	112.2	0.0
	Total	1,940.2	968.3	971.9

Quarterly Key Highlights

Cash Conversion Cycle Break-up

Particulars	Jun'23	Mar'24	Jun'24
Receivable Days	191	85	127
Inventory Days	94	43	79
Payable Days	(126)	(58)	(77)
Cash Conversion Cycle	159	69	129

Note: All day's calculation are based on Operating Income. *Jun'23 and Jun'24 days are Annualized.

Inhouse Design & Manufacturing Capabilities

End-to-End Designing & Production of Make-in-India Server



In-house Expert Design Team



Advance Technology Integration



Quality Control Measures



Very Low Failure Rate



Scalable Production Capacity



25 Years of Expertise in the Domain

