

Date : 13.08.2023

To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Scrip Code: 543945	To, The National Stock Exchange of India Limited "Exchange Plaza", Bandra - Kurla Complex, Bandra (EAST), Mumbai - 400 051 NSE SYMBOL: NETWEB
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SUBJECT: REVISED EARNING PRESENTATION ON THE QUARTERLY FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the Revised Earning Presentation on the unaudited standalone financial results for the quarter ended June 30, 2023

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 Limited

[Formerly Known as Netweb Technologies India Private Limited]

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Tel. No. : +91-129-2310400

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Netweb

TECHNOLOGIES

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

Q1FY24 - Earnings Presentation
August 2023

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

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 **16 offices** located across India

Business Tailwinds

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

Restriction of Import of Servers, Laptop, & Tablets from Nov 2023 by DGFT*

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

Increasing adoption of digital technologies driving network switches

Growing demand for cloud-based services driving network switches

Upgrading network to 5G technology driving 5G ORAN

300+ Supercomputing systems installed

4000+ Accelerator / GPU based AI systems & enterprise workstations

50+ Private cloud & HCI installations

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

Q1 FY24 Financial Metrics



Revenue from Operation: ₹598.04Mn
Customers: Govt. (45.5%) vs Non-Govt. (55.5%)



Gross Margin: 37.1%



Operating EBITDA Margin: 14.4%



ROCE¹: 19.0%



ROE²: 16.7%

Key Milestones

1999 ESTABLISHED

2004

KABRU - IMS CHENNAI
Was, then, one of the top 500 most powerful supercomputing systems in the world

2013

PARAM YUVA II- CDAC PUNE
69TH World's Most Powerful supercomputer at the time of commissioning

2017

Deployment servers as part of surveillance project at 204 locations across 23 states for a public sector undertaking

2018

Awarded **Intel Technology Provider Platinum 2018**
Best HPC Data Center Specialist

2022

Qualified for PLI - Telecom and Networking Product
Deployed 5G cloud for International telecom service provider
Launched container platform Kubyts enabling rapid deployment of AI & HPC

2019

Deployed **PARAM Ambar at ISRO** - India's 4th Fastest Supercomputer at the time of commissioning

2021

Qualified for PLI Scheme of GOI for **IT Hardware**
Outstanding Contribution in **Promotion of electronics & manufacturing of servers from MEITY**

2020

Received **Orders for Tyrone HPC Storage, Capacity 10500** Terabyte from R&D Organization of MEITY, GOI

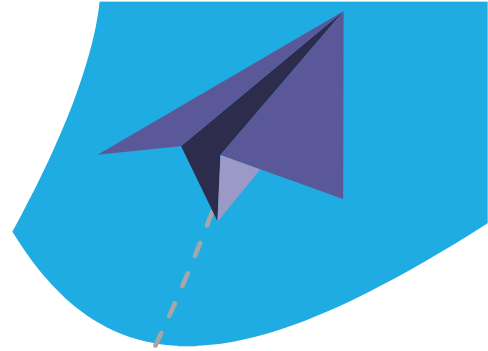
2023

Deployed AIRAWAT - India's Largest and Fastest AI Supercomputing System & Ranked 75th in the world

Foraying into Network Switches & 5G ORAN

2023

Netweb Listing:
Llisted on 27th July 2023 on BSE & NSE



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

(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

(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

(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

(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

(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

“ Operating Income in Q1 FY24 stood at ₹598 mn, a decline of 13.7% against the corresponding quarter previous year.

Despite the decline observed in the current quarter, we maintain our confidence in achieving robust growth in the current financial year. It's important to recognize that gauging our business solely on a quarter-to-quarter basis may not offer a holistic perspective. An assessment based on the overall annual performance would offer a more accurate reflection of our progress. The combination of our robust pipeline, ongoing capability enhancements, new strategic partnerships, and expansion of our operations and product portfolio, positions us well for sustainable growth while upholding our technological leadership.

Coming to policies, there's a notable opportunity arising out of the import restriction on Servers, notified by DGFT, as it aligns with our “Make in India” driven growth potential. Growth of LLM models and massive adoption of AI across businesses augers well for our growth.

I deeply thank all the shareholders for the incredible response to our IPO. Your support and trust in us impose upon us a greater responsibility to deliver and meet your expectations. I want to assure you that our entire team is committed to taking Netweb to new heights.”

Sanjay Lodha, CMD



Growth Drivers

Opportunities to realize sustainable growth of the business

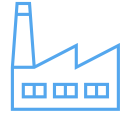


Strong Topline Visibility

Pipeline#
₹ 22,845 Mn

L1#
₹ 5,392 Mn

Order Book
₹ 994 Mn



Enhanced Capabilities

To capitalize on emerging opportunities, will establish **SMT line within 6-9 months** in rented premises

Entered into **License agreement with Intel** to produce Next Gen Architecture based High end computing systems

Plan to introduce **ARM** based servers, using **RISC** architecture, optimized for newer AI workloads such as LLM

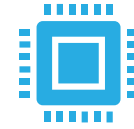


Expansion of Operations

Heavy adoption of **Private Cloud** in the **PSU Banks**

Increasing demand for **HPC** in the **Oil & Gas** sector

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** and **5G ORAN** Appliances in FY 23

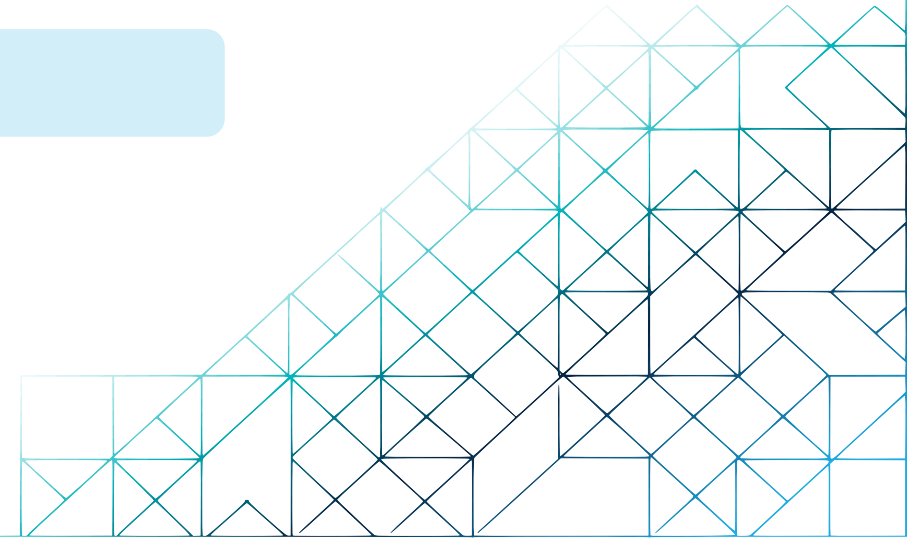
Introduced 5G cloud on core and edge for telecom service providers



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2 Quarterly Key Highlights

3 Key Investment Highlights



Quarterly Key Highlights

Profit and Loss Summary

₹ in millions

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit
	598.04	221.72	86.29	67.99	50.91	63.80
Growth (YOY)	(13.7%)	14.8%	(8.1%)	(10.3%)	(9.2%)	1.6%
Growth (QOQ)	(51.5%)	(31.9%)	(43.1%)	(52.0%)	(51.6%)	(45.7%)
Margin		37.1%	14.4%	11.3%	8.5%	
Margin Expansion/ (contraction) YOY		920 bps	88 bps	37 bps	38 bps	
EPS/CEPS*					0.99	1.24

*EPS and CEPS are diluted

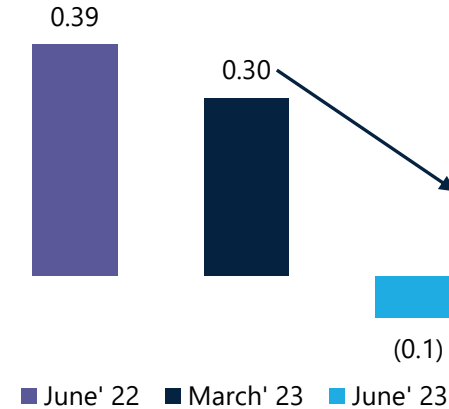
Quarterly Key Highlights (Cont.)

Balance Sheet Summary

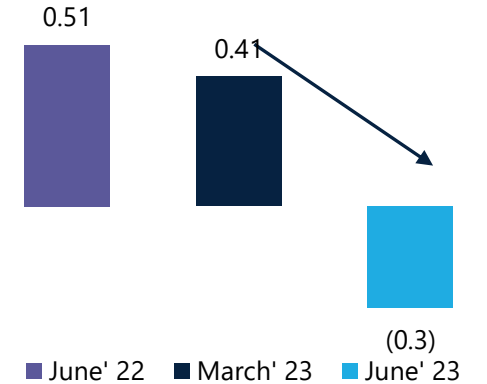
₹ in millions

Particulars	June'22	March'23	June'23
Equity Share Capital	56.58	101.85	103.89
Other Equity	444.73	834.81	1403.48
Net Worth	501.31	936.66	1507.37
Total Borrowing	319.13	356.03	460.76
Cash and Cash Equivalent	124.70	70.92	570.22
Net Debt	194.43	285.11	(109.46)
Net Fixed Assets	133.00	251.48	261.78
Net Current Assets	509.91	929.74	1,115.35
Adjusted Net Current Assets [#]	509.91	497.64	683.25
Ratios			
Fixed Asset Turnover Ratio*	20.84	17.69	9.14
Cash Conversion Cycle*	84	58	140
Adjusted Cash Conversion Cycle**	84	40	74

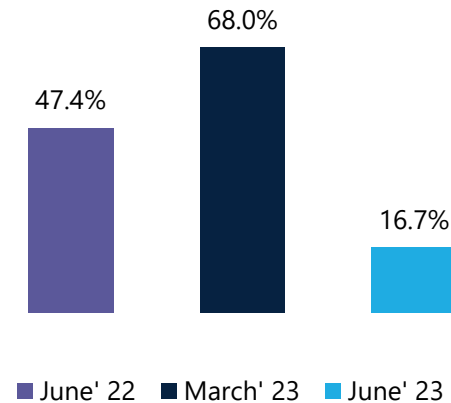
Net Debt/ Equity



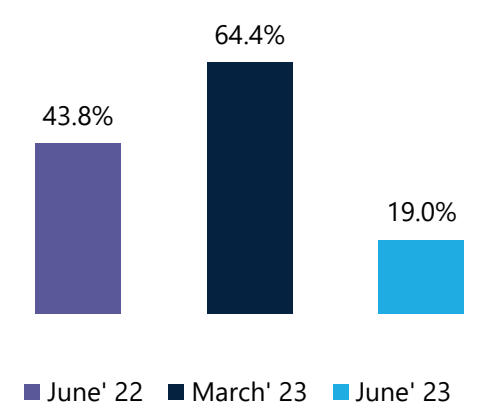
Net Debt/ Op. EBITDA*



ROE*



ROCE*



*June '22 & June '23 are Annualized.

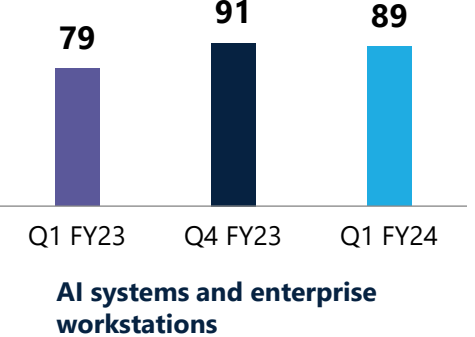
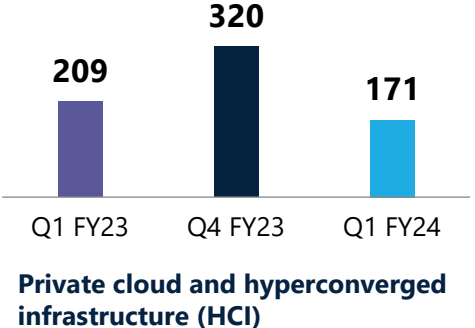
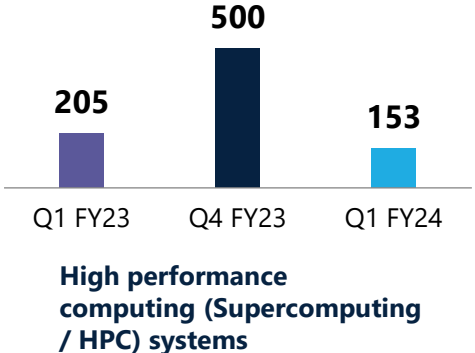
Net Current Assets does not include Short-term Borrowing & Cash & Cash Equivalents as they are part of Net Debt
Current Ratio is Total Current Assets divided by Total Current Liabilities

#After adjusting subsequent realization of INR 432Mn for outstanding against a large order

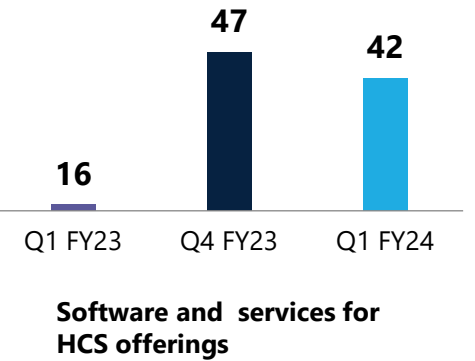
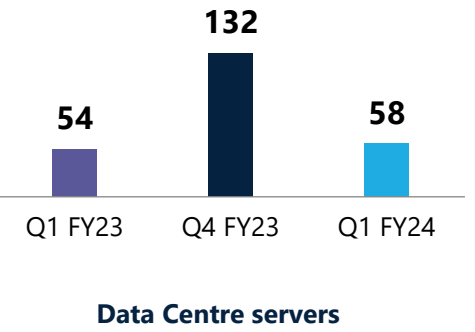
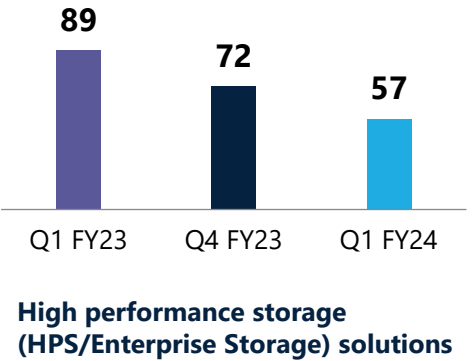
Quarterly Key Highlights (Cont.)

Revenue breakup – HCS Offering

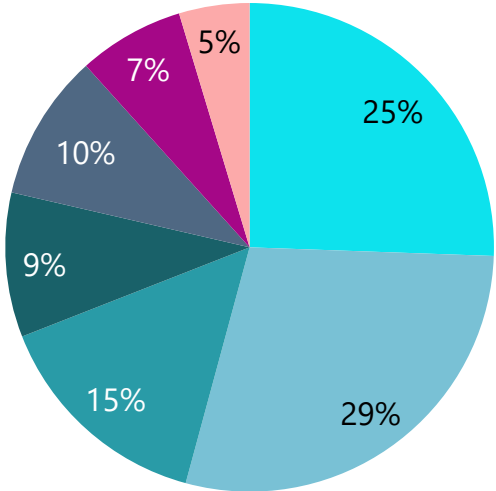
₹ in millions



₹ in millions



Q1 FY24 – Revenue Breakdown by offerings

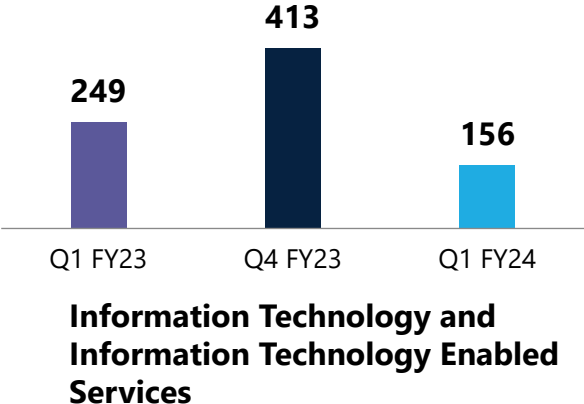
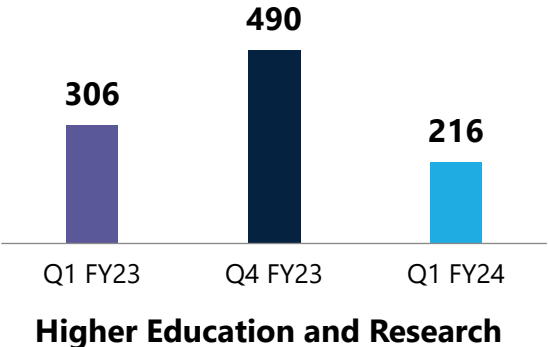


- Supercomputing / HPC Systems
- Private cloud & HCI
- AI & enterprise workstations
- HPS solutions
- Data centre server
- Software & service for HCS offerings
- Spare & others

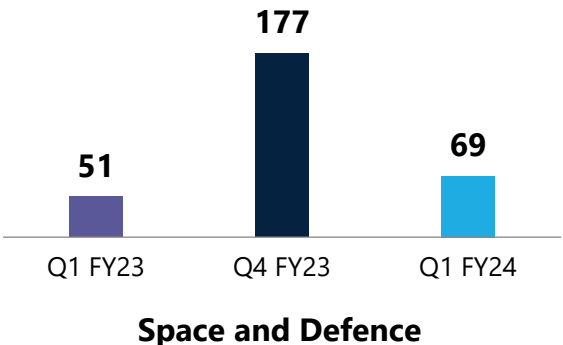
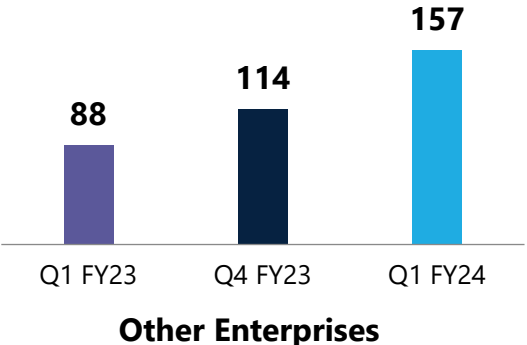
Quarterly Key Highlights (Cont.)

Revenue breakup – Application Industry

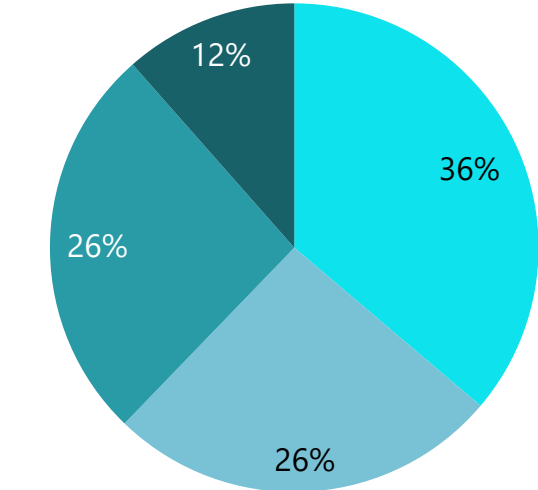
₹ in millions



₹ in millions



Q1 FY24 – Revenue Breakdown by application industry



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

Quarterly Profit and Loss

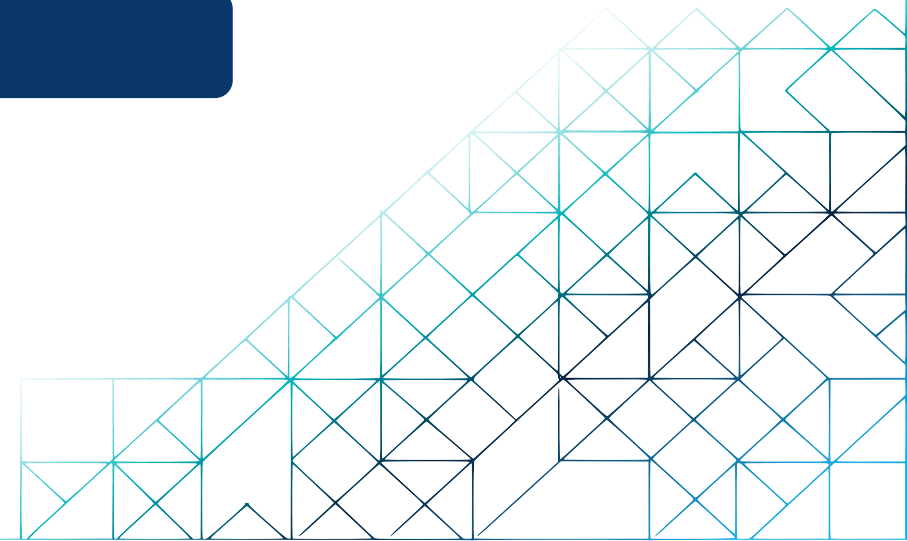
₹ in millions

Particulars	Q1 FY 24	Q1 FY 23	YoY Change	Q4 FY 23	QoQ Change	FY 23
Operating Income	598.04	693.10	(13.7%)	1,233.90	(51.5%)	4,449.72
Gross Profit	221.72	193.22	14.8%	323.55	(31.9%)	1,206.07
Gross Profit Margin (%)	37.1%	27.9%	920 bps	26.4%	1070 bps	27.1%
Operating EBITDA	86.29	93.88	(8.1%)	151.66	(43.1%)	700.15
Operating EBITDA Margin (%)	14.4%	13.5%	88 bps	12.3%	214 bps	15.7%
Other Income	4.15	0.96	332.3%	12.29	(66.2%)	6.78
Finance Cost	9.56	12.35	(22.6%)	10.02	(4.6%)	40.73
Depreciation	12.89	6.73	91.5%	12.34	4.5%	36.57
PBT	67.99	75.76	(10.3%)	141.59	(52.0%)	629.63
PAT	50.91	56.05	(9.2%)	105.25	(51.6%)	469.36
PAT Margin (%)	8.5%	8.1%	38 bps	8.4%	1 bps	10.5%
EPS¹ (₹)	0.99	1.10	(10.3%)	1.92	(48.7%)	9.22

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3 Key Investment Highlights



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

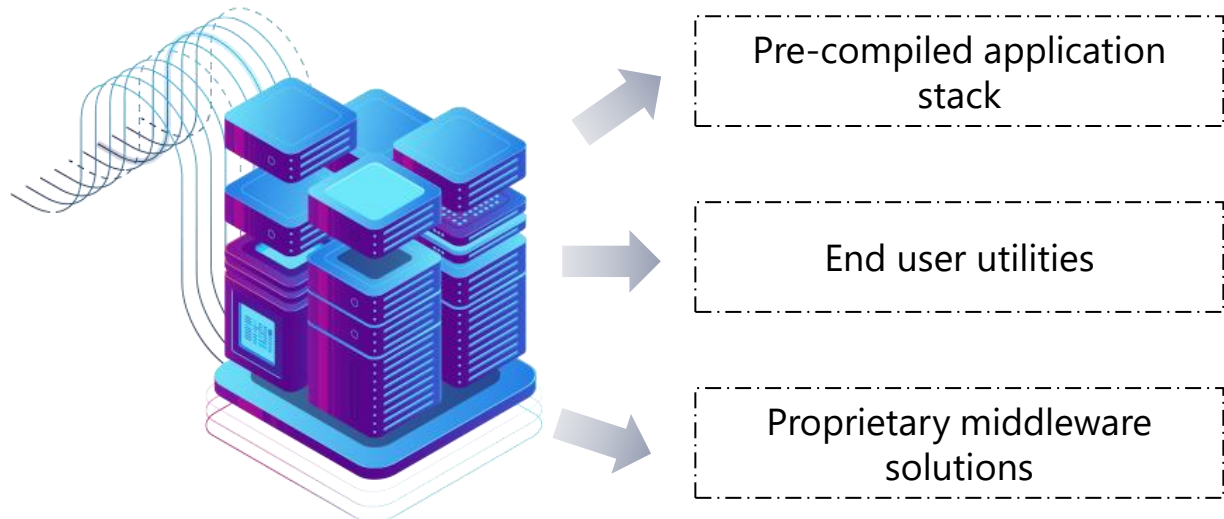
5 Track record of financial performance and consistent growth

6 Experienced Board & Senior Management Team



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

Full stack of product and solution suite with comprehensive capabilities in designing, developing, implementing and integrating HPC solutions



Deep Expertise in System Design & Architecture



Proprietary designs are cloud native



Proprietary designs are capable of catering to the evolving needs of Customers

Providing End-to-End Solutions with Fully Integrated Design & Manufacturing Capabilities, now compliant with Make in India policy



Design

Design proprietary hardware, middleware stack and related software solutions



Manufacture

Manufacturing facility capable of producing 200+ server models, 50+ workstation models & 15+ storage systems



Deployment

Deploy supercomputing infrastructure to meet the rising computational demands of customers

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

Experience of installing 300+ HPC systems, 50+ private cloud & HCI, 4000+ accelerator/GPU based AI systems & enterprise workstations

Experience gained in evolving projects

1

Setting up AI & deep learning labs at govt. institute, forensic workstation at GOI dept & Big Data computing lab at a govt. institute

2

Installations of High-Performance Storage solution for a Fintech Company to deliver 450GBps throughput

3

Developing and building Supercomputing systems such as AIRAWAT, Agastya, PARAM Ambar, PARAM YUVA-II and Kabru

Our Capabilities

Continuous R&D in



Manufacturing servers



Supercomputing systems



Containerized Application Solution

Technical Skillset



Kernel level design



Hardware product designs



Fine-tuned PCB layouts



Mix workload capabilities



Dense architectures



Repository of HPC-AI codes

Industry Entry Barriers



Rapidity of technological advancement necessitates:

- Hardware, Middleware & Application-level Innovation
- Application Optimization
- Track Record of Customer Service
- Fine tuning of Architectures



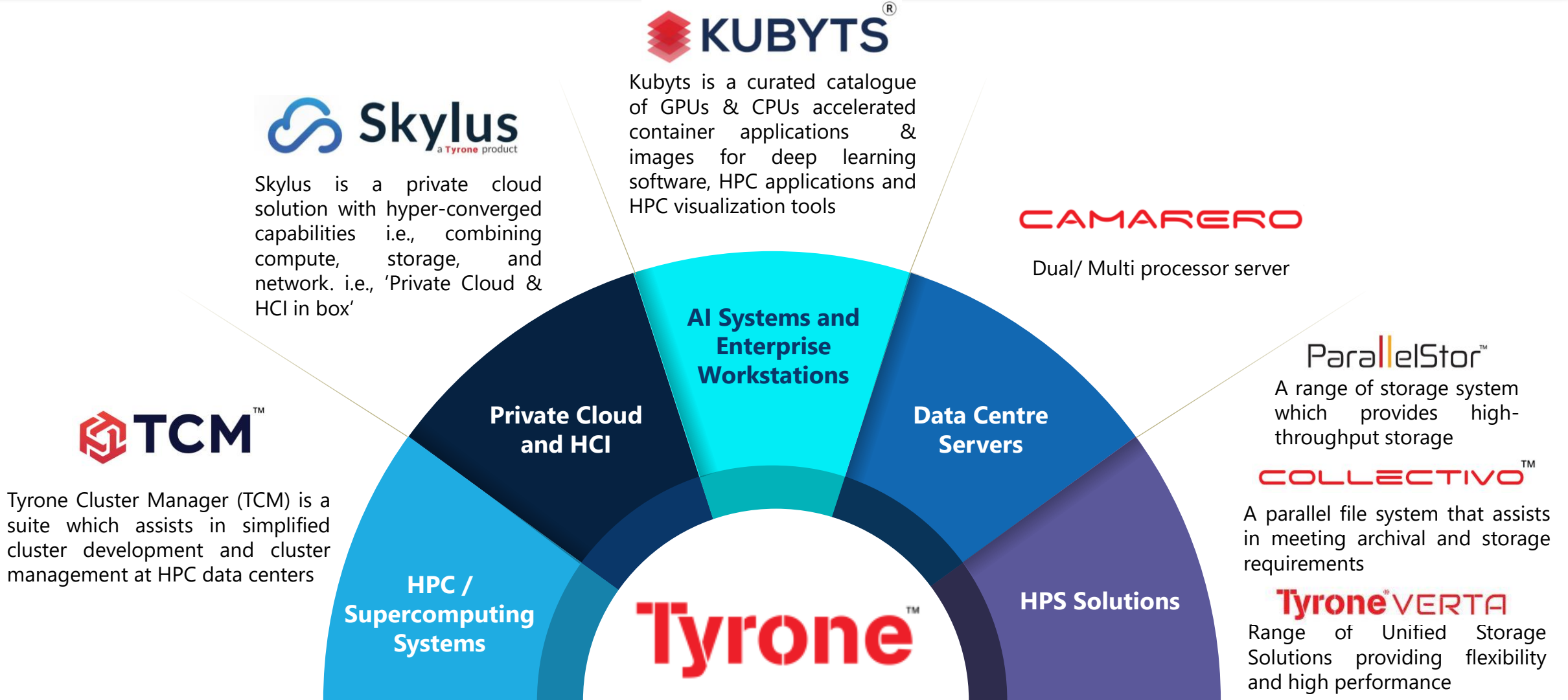
Modification of designs and changes in implementation requires

- Deep Expertise in system design & architecture
- Expertise in Hardware & middleware
- Exposure to large problem sets
- Technical skill set & expertise

3. Significant product development and innovation through R&D

Independently design and innovate products and solutions offerings and provide services tailored to specific customer requirements

The company's R&D Facilities has enabled it to increase its product lines across different HCS offerings



4. Long standing relationship with a marquee customer base

Government & Defense



Educational Institutes



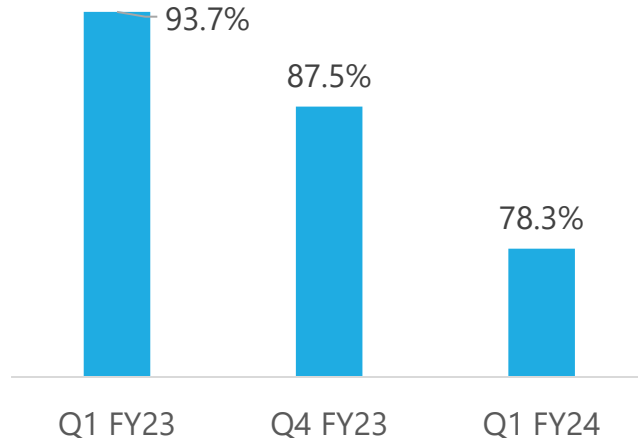
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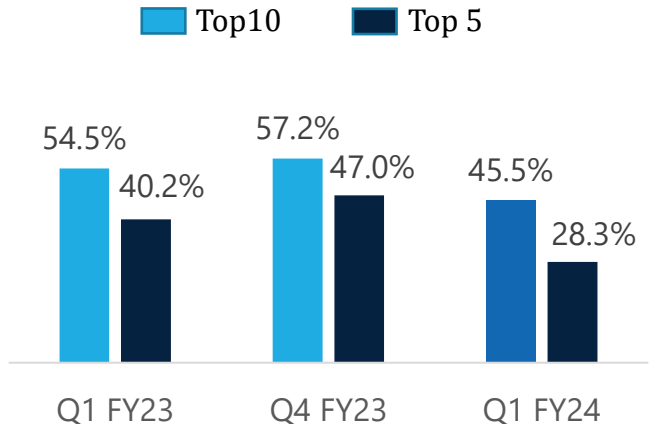
Other Enterprise



Revenue^ from Repeat Customers



Customer Concentration



133

Repeat Customers (Q1 FY24) associated for over 4.72 years using Fiscal 2016 as the base

11.2%

Customer Accretion CAGR*

4.75 years

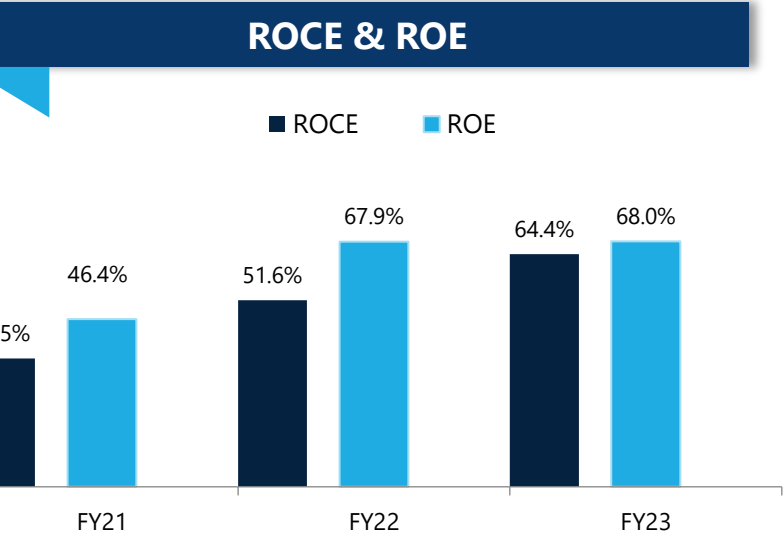
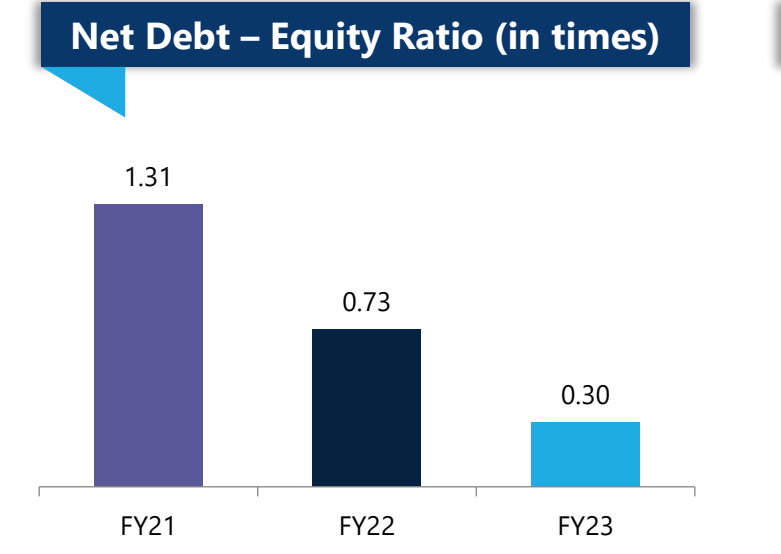
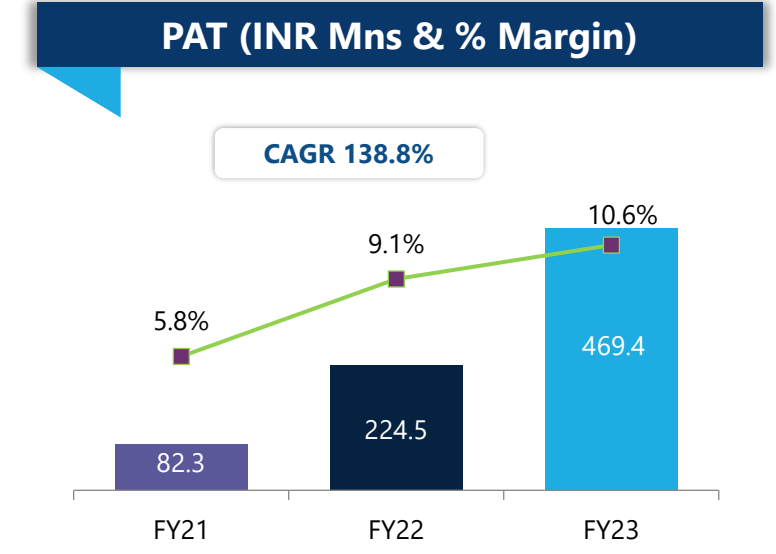
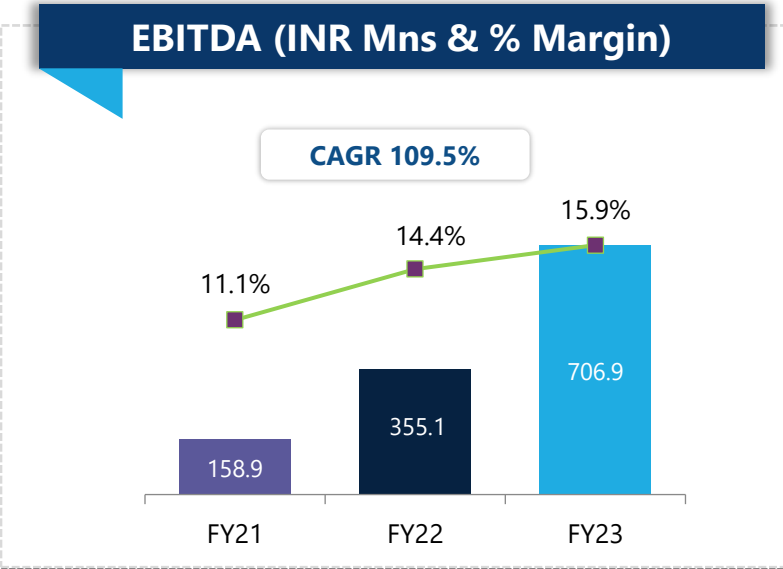
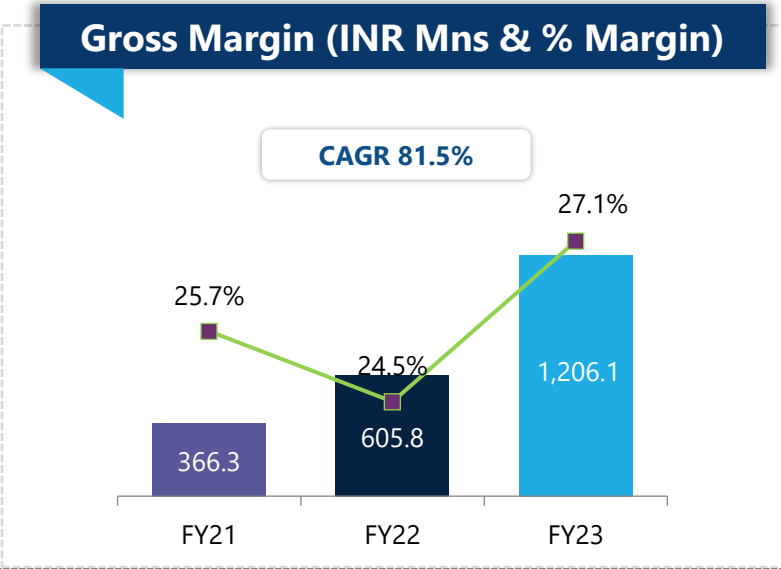
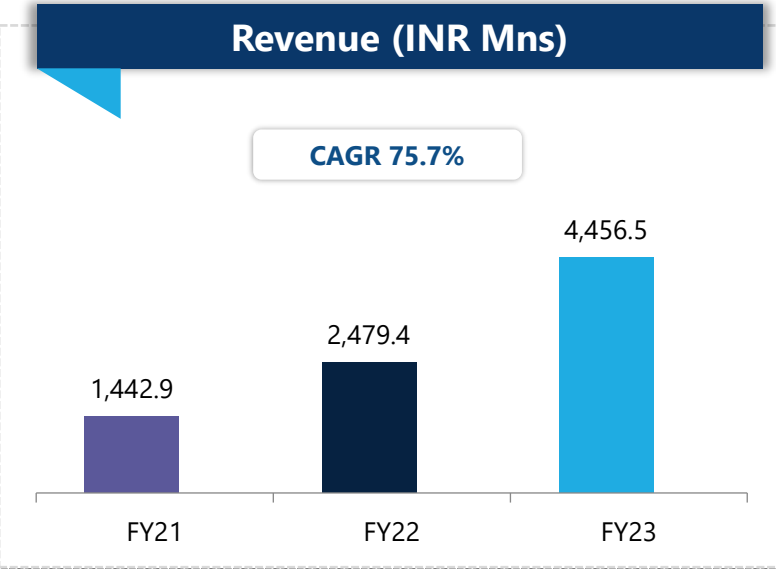
Average top 10 customer age (Q1FY24) using Fiscal 2016 as base

78.3%

Revenue from repeat customers

* CAGR FY20 – Q1FY24

5. Track record of financial performance and consistent growth



6. Experienced Board and Senior Management Team (1/2)

Board of Directors



Sanjay Lodha
Chairman and Managing Director

- Founded Netweb Technologies in 1996 which was acquired by our Company in August 2016
- Been on Board of Advisors for Intel for the year 2020 and 2022
- BA (hons) in economics & PG diploma in business management



Mrutyunjay Mahapatra
Independent Director

- Has served as Deputy MD at SBI & MD and CEO of Syndicate Bank
- 40+ years of experience in Banking and Finance Sector
- Holds Bachelors and Masters Degree in Physics



Navin Lodha
Whole Time Director

- Leads West Zone of company's sales and Marketing Dept
- 15 + years of experience in sales and marketing
- Holds bachelors degree in commerce



Jasjeet Singh Bagla
Independent Director

- Presently associated with IISER, Mohali
- 23+ years of experience in Research and Academia
- Holds Bachelors and Masters Degree in Science, PhD in Physics



Vivek Lodha
Whole Time Director

- Leads East Zone of company's sales and Marketing Dept
- 15 + years of experience in sales and marketing
- Holds bachelors degree in commerce



Romi Jatta
Independent Director.

- Presently Group Chief Procurement Officer at Minda Corporation Ltd
- 20+ years of Experience
- Holds Bachelors degree in Electronics Engineering



Niraj Lodha
Whole Time Director

- Leads South Zone of company's sales and Marketing Dept
- 15 + years of experience in sales and marketing
- Holds bachelors degree in commerce



Vikas Modi
Independent Director

- Partner in Doogar and Associates, a CA firm Since 2006
- Holds a Bachelors Degree in commerce , CA with membership from ICAI

6. Experienced Board and Senior Management Team (2/2)

Senior Management – led by people with significant experience in HCS Industry



Hemant Agarwal

Chief Operating Officer

- 20+ years of experience with the company
- Holds a bachelors' degree in commerce from the University of Calcutta



Hirdey Vikram

Chief Sales and Marketing Officer

- 11+ years of Experience with the company
- Previously associated with HCL Infosystems Limited
- Holds a B.Tech (Information Technology)



Mukesh Golla

Chief Research and Development Officer

- 19+ years of Experience with the company
- Holds a B.Tech (Computer Science and Engineering)

Other Key Management Personnel



Prawal Jain

Chief Financial Officer and Chief Human Resource Officer

- 24+ years of experience in Accountancy and Finance
- Holds a bachelors degree in commerce and is a chartered accountant



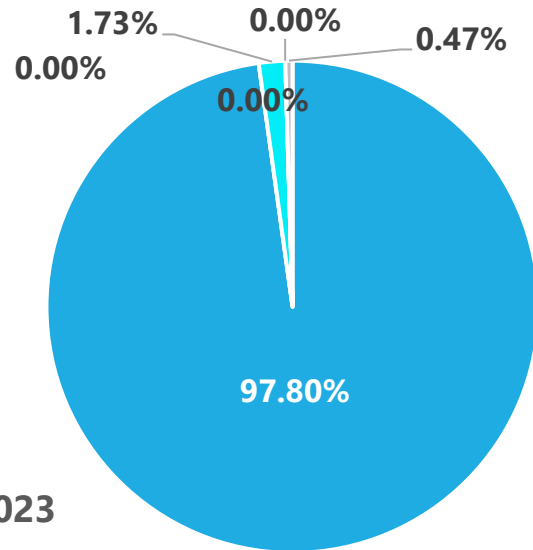
Lohit Chhabra

Company Secretary and Compliance Officer

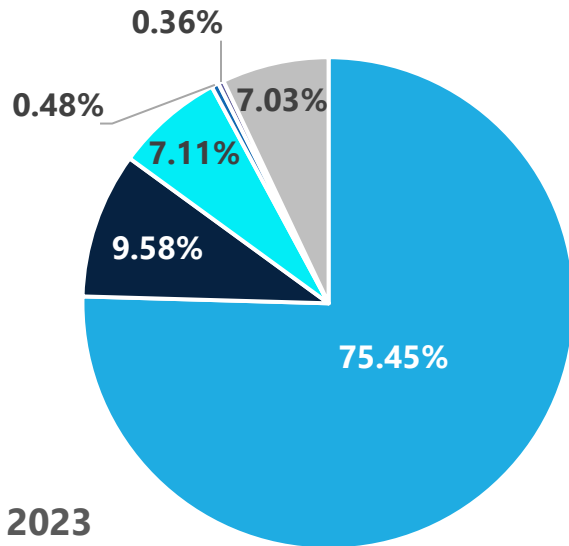
- 8+ years of experience in secretarial compliance
- Holds a Bachelors degree in commerce and also holds a certificate of membership from the Institute of Company Secretaries of India

Shareholding Pattern

Opportunities to realize sustainable growth of the business



30th Jun, 2023



11th Aug, 2023

- Promoter Group
- FII
- Mutual Funds / AIF / ALF
- Bodies Corporate
- Banks and Insurance
- Others

Top 10 Institutional Shareholders

Goldman Sachs Managed Funds

360 One AIF

Tata Mutual Fund

BNP Paribas Arbitrage

The Regents Of The University Of California

Nomura Funds

Aditya Birla Sun Life Mutual Fund

Axis Mutual Fund

HDFC Mutual Fund

Nippon Life India Mutual Fund

Thank You

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