



## HFCL Limited

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Date: August 09, 2023

<b>BSE Limited</b> <b>Corporate Relations Department</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street</b> <b>Fort, Mumbai 400 001</b> <b>Maharashtra, India</b> <a href="mailto:Corp.relations@bseindia.com">Corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>National Stock Exchange of India Limited</b> <b>Listing Department</b> <b>Exchange Plaza, Plot No. C/1, G Block,</b> <b>Bandra Kurla Complex</b> <b>Bandra (East), Mumbai 400051</b> <b>Maharashtra, India</b> <a href="mailto:cmli@nse.co.in">cmli@nse.co.in</a> <b>Security Code No. : HFCL</b>
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**RE: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").**

**Subject: Schedule of Investors' Meeting**

Dear Sir(s)/Madam

**In terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations**, we would like to inform you that the Company will participate in Investor Meetings with selected investors as per the details given below:

<b>Date of the meeting</b>	<b>Location</b>	<b>Mode</b>
August 14, 2023 To August 21, 2023	Online	Meetings with certain institutional investors on voice over call/Video Conference- one to one basis

A copy of presentation to be used during the meeting with the investors is attached herewith.

Please note that no unpublished price sensitive information is proposed to be shared during the meeting(s).

The above schedule may undergo changes due to exigencies on the part of the investors or the Company.

In compliance of regulation 46(2)(o) of the SEBI Listing Regulations, the information is being hosted on the Company's website at <https://www.hfcl.com/>.

For further information, please contact at

Email: [ir@hfcl.com](mailto:ir@hfcl.com):

T: +91 11 3520 9530.

You are requested to take the above information on record.

Thanking you  
Yours faithfully

**For HFCL Limited**

**(Manoj Baid)**  
**President & Company Secretary**

Aug  
2023

HFCL

# Investor Presentation

HFCL LIMITED

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**Opportunity  
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# HFCL at a glance

Presence in Key Industries

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HFCL Journey

# HFCL – At a Glance

A leading innovation - led technology enterprise

Integrated communication products and solutions provider

Innovative product offerings



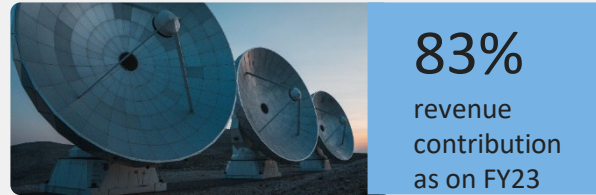
Comprehensive digital network solutions



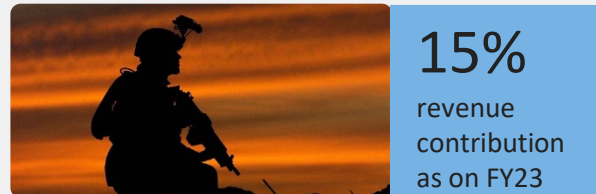
Indigenous defence products



## Key Sectors



Telecom & Cable



Defense



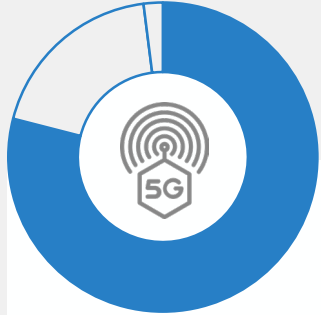
Railways

Largest market share in Optic Fibre Cable (OFC) supplies in India in FY22 and 2023

One of the largest manufacturers of Wi-Fi access points and Unlicensed band radios in India

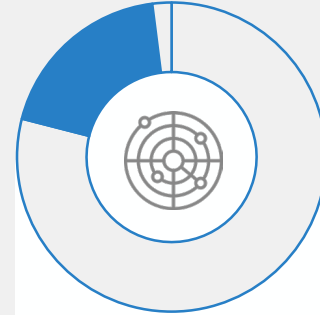
Leading technology company that offers end-to-end solutions establishing network required for defense communication in India

# HFCL – Presence in Key Industries



## Telecom and Cable

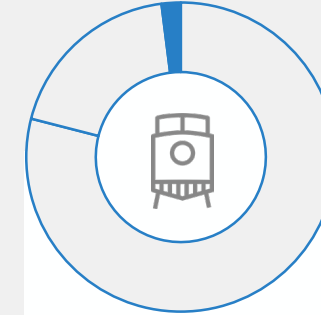
- **One of the largest manufacturer and supplier of OFC in India**
- **Rolling out backbone and backhaul OFC & FTTH network for Reliance Jio across North India**
- One of the leading technology companies that offer end-to-end solutions establishing network required for telecommunications, Defense communication and railway communication in India
- **In-House designed, developed and manufactured Wi-Fi, UBR, switch products range** witnessing traction in various countries.  
Over 350,000 units sold since inception to leading Telecom service providers
- Selected for Government's PLI scheme and eligible for Incentives upto INR 652.79 crores for manufacturing telecom products



## Defense

Leading technology company that offers end-to-end solutions establishing network required for defense communication in India :

- Optical transmission backbone network
- Integrating a fibre network overlay with GIS maps, satellite images and commercial land base data for the Indian Defense forces
- Complete MPLS based dedicated communication network for Defense services
- Microwave broadband radio

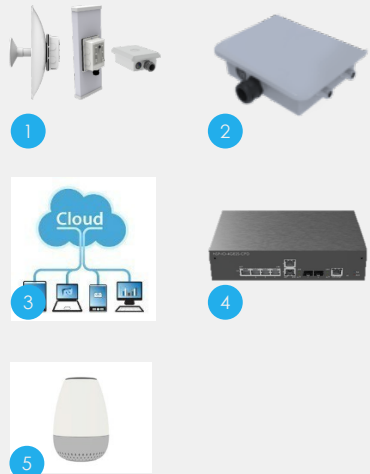


## Railways

Leveraging our telecommunications network experience as well as comprehensive project management capabilities to create **modern communication and signaling systems for Metros, Main-line railways and Freight corridors**

# Product Offerings

## Telecommu- nication Products



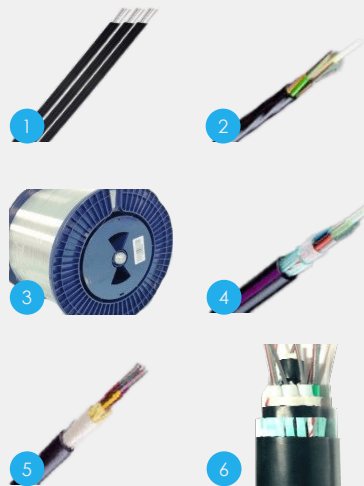
1. Point to Point and Point to Multipoint backhaul radio
2. Indoor & Outdoor Wi-Fi 5 and 6 Access Points
3. Cloud based Network management system
4. Ethernet L2/L3 Switches
5. Home Mesh Router

## Defense Electronics Products



1. Thermal Weapon Sights (TWS)
2. Electronic Fuses
3. High capacity radio relay
4. VMS & Video Analytics Radar

## Optic Fiber/ Optical Fibers Cables



1. Optic Fiber
2. Armoured and Unarmoured Cable
3. Micro Cable
4. Micro Module Cable
5. Ribbon Cable
6. FTTH Cable

## Passive Connectivity Solutions



1. Cable Assemblies
2. High Density Cabinets
3. Fiber Termination Box
4. PLC Splitters
5. Joint Closures
6. Aerial/ FTTH Accessories

## Products Under Development



### Telecommunication

- 5G Indoor & Outdoor FWA CPE
- 5G Macro Radio Unit Products (8T8R)
- 5G Indoor & Outdoor Small Cell (2T2R and 4T4R)
- Cell Site Router and Centralized Unit Aggregation Router
- Point-to-point and Point-to-Multipoint UBRs
- Wi-Fi 7 Access Points
- *IBR Cable*



### Defense Communication & Electronics

- Software defined radio

# Network Solution Offerings



## Public Telecommunication



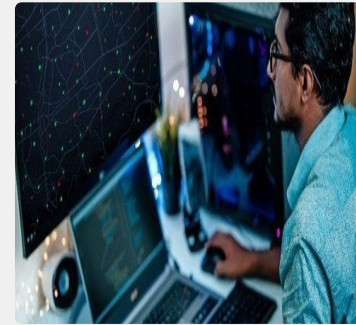
Deployment of comprehensive solutions for building of **wireless and optical telecommunications networks** including Optical Transport Network, Rural GSM Network, Fiber to Home, In-building Solutions, Mobile Backhaul Networks.



## Defense Communication



Optical Fiber Cable and Optical Transport Network



Fiber Monitoring & Management System



Internet Protocol Multi Protocol Label Switching Network



Microwave Broadband Radio



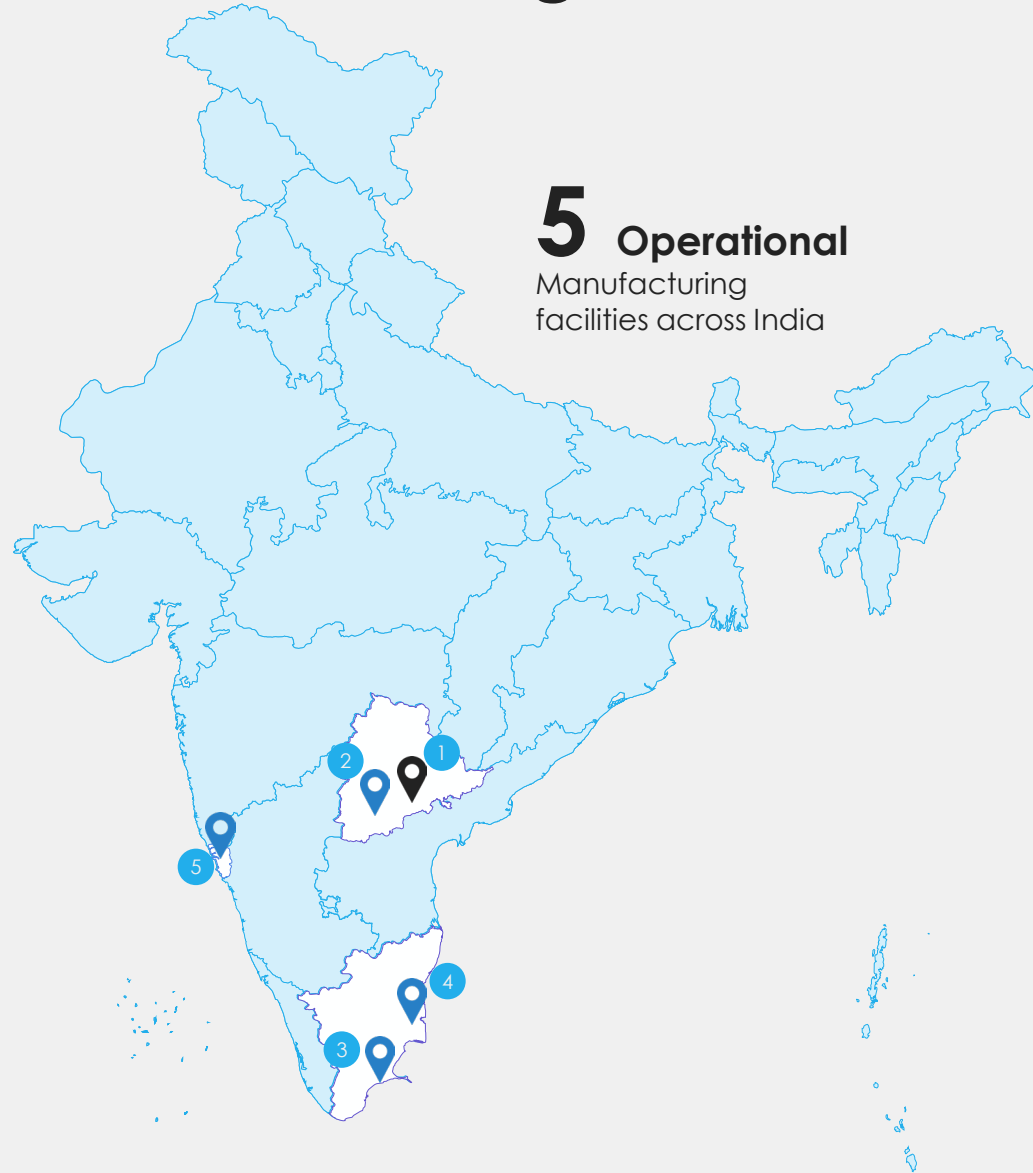
## Railways Communication



Implementing IP based Video surveillance system (VSS) for railways



# Manufacturing Facilities across India as on 31 March 2023



## HYDERABAD, TELANGANA **2** facilities

- 5.2 mn fkm/annum Optic Fiber Cables
- 432k cable km/annum FTTH Cables
- 10 mn fkm/annum Optic Fiber production



## CHENNAI, TAMIL NADU

- (Through subsidiary company HTL Ltd)
- 11.88 mn fkm/annum Optic Fiber Cables
  - 270k cable km/annum - FTTH Cables
  - Passive connectivity solutions



## HOSUR, TAMIL NADU

- (Through subsidiary company HTL Ltd)
- 660km/annum Aramid Reinforced Plastic (ARP) Rods
  - 504k km/annum Fiber Reinforced Plastic (FRP) Rods
  - 2,700 MT/ annum Impregnated Glass Fiber Reinforcement (IGFR)
  - 24k MT/ annum Polymer Compound

**All above are raw materials for optical fibre cable**



## VERNA, GOA

- 8 mn fkm/annum Optic Fiber Cables

# Ongoing Projects



## Public Telecommunication and EPC

₹ **3,591.67+** Cr

(USD 437.91+ mn) Current Order Book

- Rolling out backbone and backhaul Optical Fiber Cable & FTTH Network for **Reliance Jio** across Northern India
- Working on implementation of multiple hybrid projects for **BharatNet Phase-II** network, setting up OFC, GPON Radio networks, WiFi, and MW network
- Implementing contract received from State Water & Sanitation Mission (SWSM) for providing EPC services including provision for laying of Optical Fiber Cables, for execution of Rural Water Supply Network in Varanasi Revenue Division



## Defense Communication

₹ **1,846.57+** Cr

(USD 224.92+ mn) Current Order Book

- Rollout of dedicated nationwide DWDM based **optical transmission backbone network**
- Integrating **Fiber network overlay** with GIS maps, satellite images and commercial land base data
- Planning, design and implementation of a **nationwide IP backbone and access network**
- End-to-end solution for multiple **hybrid microwave broadband radio** links in remote areas
- **Security & Surveillance implementation** with CCTV, surveillance access system and fire detection system at 300+ army locations



## Railway Communication

₹ **656.92+** Cr

(USD 80.01+ mn) Current Order Book

- Implementing telecom networks for greenfield **domestic railway freight corridor projects** which includes the eastern and western dedicated freight corridors
- **Integrating communication network** for metros & mainline railways
- Implementing **video monitoring systems** at ~600 railway Stations
- Integrating communication network for **Kanpur, Agra, Mauritius** and **Dhaka** Metro rail projects

# HFCL Journey

## Capacity Expansion

# (2011 – 2019)

- \*Expanded Optical Fibre Cable capacity from 2.04 mn fkm to 18.5 mn fkm
- Strengthened project execution division for capitalizing on emerging opportunities from 4G network rollout ; Bharatnet Projects ; Defense and railway communication networks
- Commenced execution of Network for Spectrum (NFS) project to create an India-wide secure, multi-service and multi-protocol converged network based on exclusive and dedicated tri-services optical transport backbone
- Set up manufacturing facilities for FRP / ARP / IGFR including cable accessories like - Cable Assemblies, High density cabinets, Fibre Termination boxes, Joint closures and PLC splitters



*Propelling HFCL to be one of the largest integrated telecom network solutions providers in India*



## HFCL in Numbers

### Revenue Growth

₹ IN CRORES

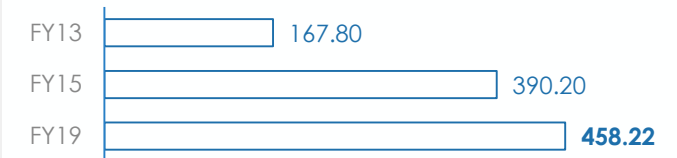


**4,737.79**

**40.86%**  
6-year CAGR

### EBITDA Growth

₹ IN CRORES

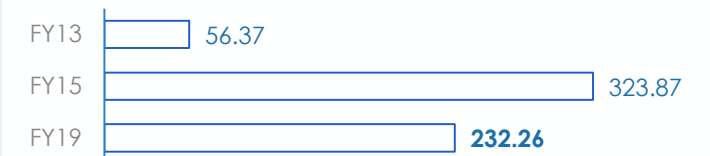


**458.22**

**18.23%**  
6-year CAGR

### PAT Growth

₹ IN CRORES



**232.36**

**26.62%**  
6-year CAGR

# HFCL Journey

## Innovation Focused

(2020 – 2023)

- Set up of Greenfield Facility for the manufacture of Optic Fibre with an annual capacity of 10mn fkm as backward integration
- One of the largest manufacturer and supplier of OFC (including FTTH) in India
- Further expanded optic fibre cable capacities from 18.5mn fkm to 25.08mn fkm
- Commissioned a facility for the manufacture of Wire Harness (Automotive and Aerospace)
- Establishment of 2 R&D centres in Bengaluru and Gurugram
- Entered into technology collaborations with Wipro, VVDN, IP infusion, NXP, Aprecomm, Metanoia, etc.
- Launched 5G Lab-as-a-Service, UBR, Switches and **World's first Open source Wi-Fi 7**

### Access point

(UNITS IN ₹ CRORES)

**6584.71**

(~USD 802.06 mn)  
Order Book as  
on 30<sup>th</sup> June 2023

**0.25x**<sub>as</sub>

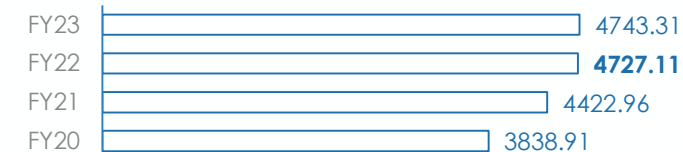
on 30<sup>th</sup> June 2023

Debt-Equity Ratio  
(Improved from 0.48  
in FY21)

## HFCL in Numbers

### Revenue Growth

₹ IN CRORES



**4,743.31**

**7.30%**  
3-year CAGR

### EBITDA Growth

₹ IN CRORES



**665.86**

**8.83%**  
3-year CAGR

### PAT Growth

₹ IN CRORES



**317.71**

**10.18%**  
3-year CAGR



# Strategic Priorities

## Strategic Priorities

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Expanding Product Portfolio

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Expanding Global Reach

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Increased Manufacturing Capabilities

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Focus on R&D

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Shift in Revenue Mix

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Key Partnership & Stakeholders

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# Strategic Priorities



**Expanding Product Portfolio**



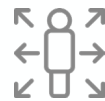
**Increased Manufacturing Capabilities and high-level backward integration**



**Shift in Revenue Mix**



**Expanding Global Reach**



**Focus on R&D**



**Key Partnership & Stakeholders**

# Expanding Product Portfolio



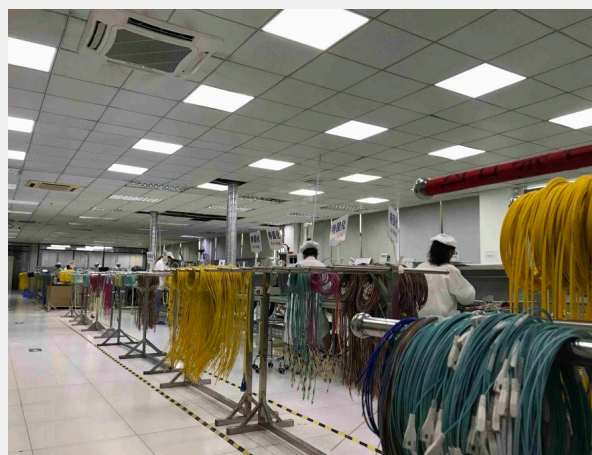
Significant investments for new product developments including **Wi-Fi-7 enabled access points, point to point and point to multi-point backhaul radios, routers and switches, radio access and transport products.** These products will be compatible with 5G networks.



Fresh initiatives to develop new types of optical Fiber cables for exports, alongside ensuring **high level of backward integration**



Development of software-defined radios, thermal weapon sights and ground surveillance radars



# Expanding Global Reach



Exports constitute 17.71 % of total revenue in Q1FY24 and has **grown at a CAGR of 88.02% in last three years**



Established **two new wholly-owned subsidiaries in the Texas (USA) and Amsterdam (Netherlands)** targeting incremental product demand globally and business operations expansion



Focused on new geographies, especially **Europe, North America and Africa as a focused potential market**

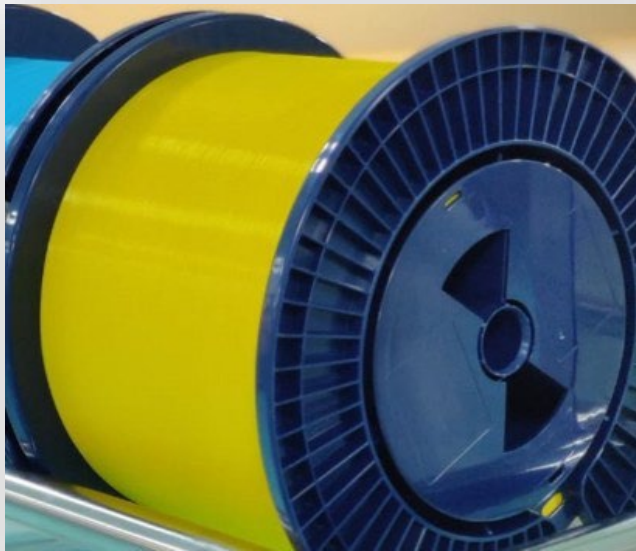




# Expanding Manufacturing Capabilities



Planned expansion of manufacturing capacity of Optical Fiber to **33.90 mn fkm p.a. from 10 mn fkm p.a.**



Planned OFC capacity expansion to **34.75 mn fkm p.a. from 25.08 mn fkm p.a.**



Setting up of new facility in NCR region for the manufacture of Telecom and Networking products



# Focus on R&D



Establishment of 2 R&D centres in Bengaluru and Gurugram. Focus areas include 5G innovation and Telecommunication products.



Investing in **technology**, creating patent portfolio and indigenous R&D capability.



Investing in development of various use cases for taking advantage of 5G technology such as 5G Lab as a service



# Shift in Revenue Mix



Increased business from Private Entities in alignment with **market demand**

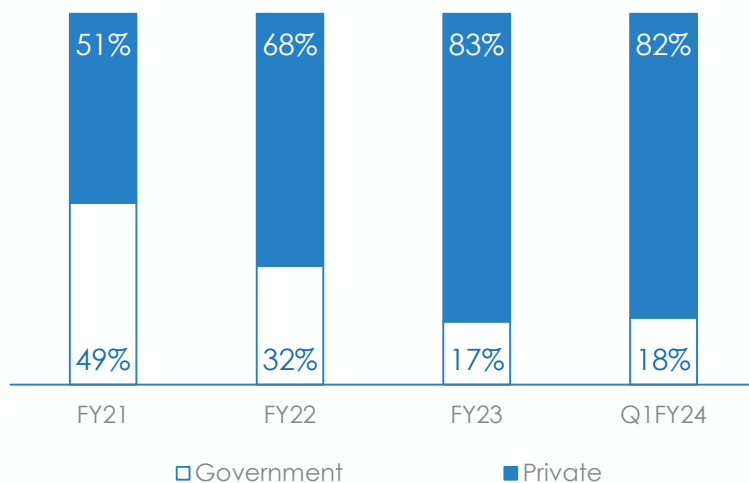


Increased focus on Export-led revenue generation by leveraging on global demand

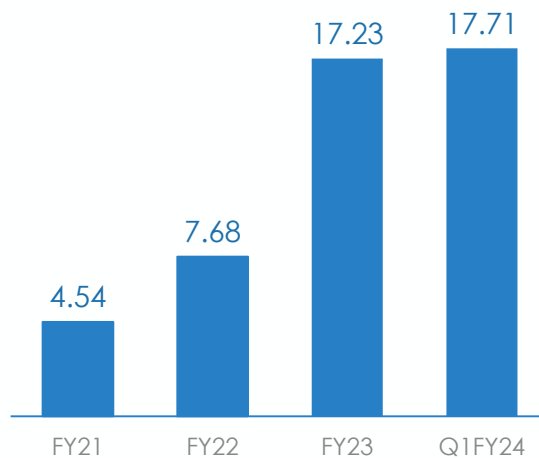


Shift from Project-led revenue to Product-led revenue - Increase in product revenue will facilitate **lower working capital, quicker realization and margin expansion**

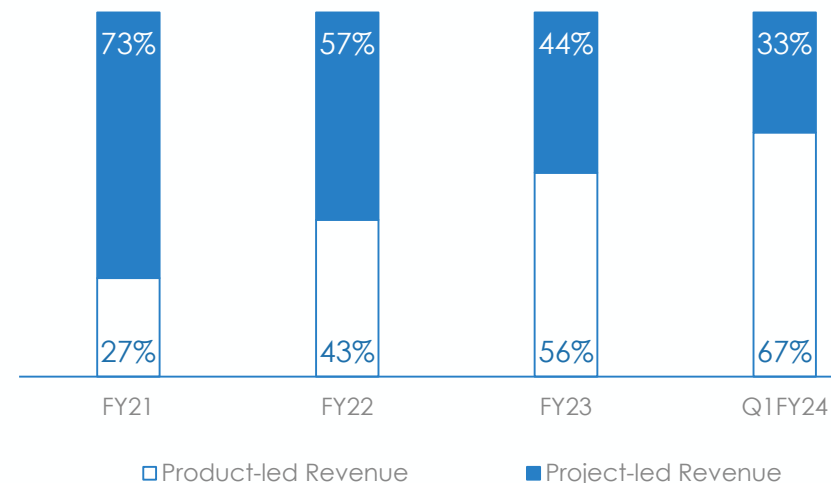
**Increasing revenue share from Private Customers\*** (IN %)



**Exports Revenue Share** (IN %)



**Shift towards Product-led Revenue** (IN %)



# Key Partnerships & Stakeholders



Partnership for 5G Transport Products



Design Partner for Macro Radio, Wifi Access points, UBR, Cloud Management system, Element Management systems etc.



Partnership for Artificial Intelligence (AI) based Analytics.



Partnership for Switches



Partnership for 5G Small Cells



Partnership for 5G Small Cells



Partnership for 5G Transport products





# Opportunity Landscape

## Opportunity Landscape

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Global Opportunities – EU & UK

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Global Opportunities – US & Africa

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Global opportunities - 5G

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HFCL as a Global Provider

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Domestic Telecom Market Opportunities

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Significant OFC-related Project Opportunities

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Domestic 5G Market Opportunities

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Domestic Defense Market Opportunities

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Domestic Railway Market Opportunities

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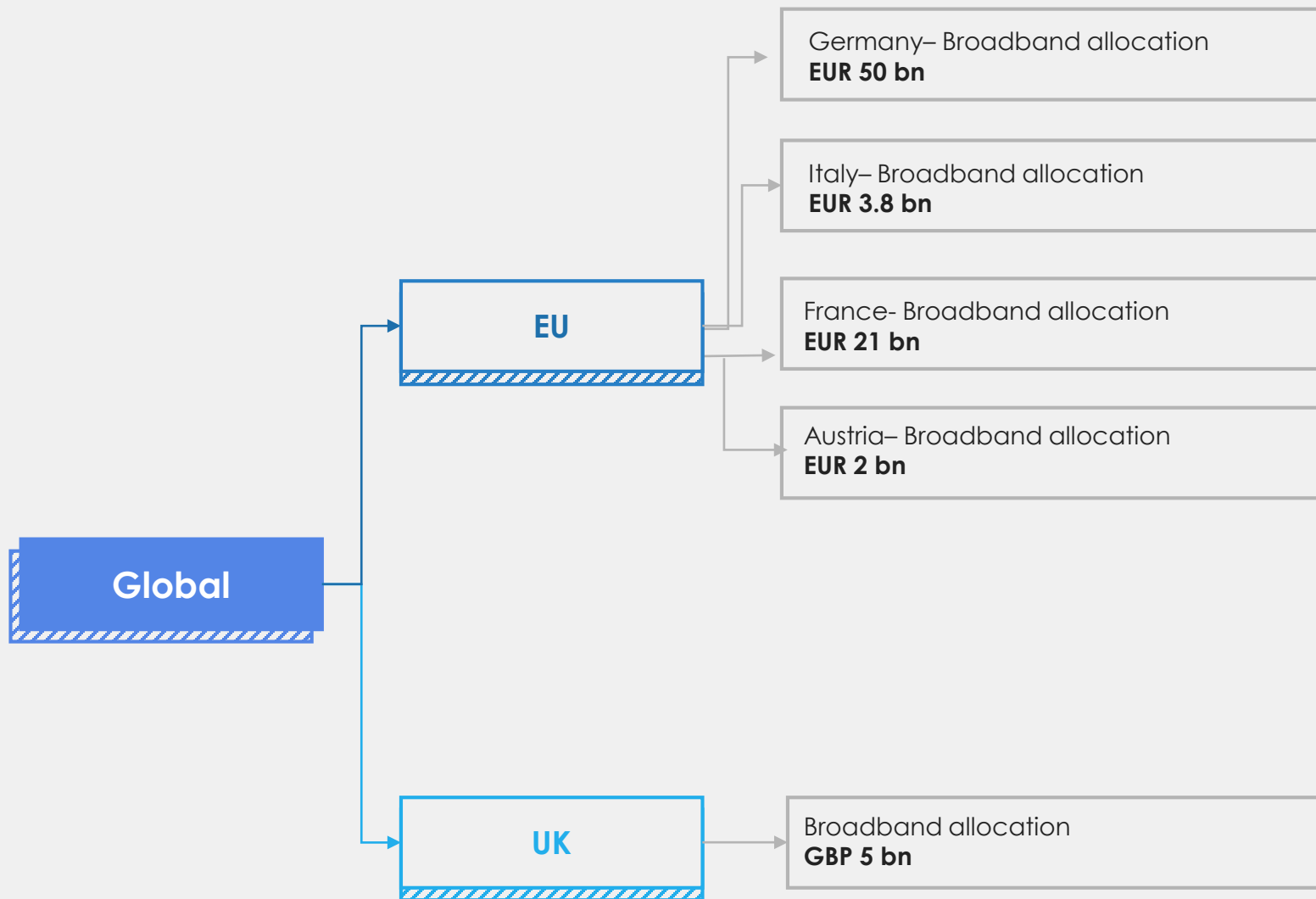
Market Opportunity at a Glance

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# Opportunity Landscape



# Global Opportunities – EU & UK



Source data: Feedback Advisory

## Germany – BMVI Nationwide Gigabit Plan

EUR 50 billion allocated for Fiber broadband deployments in Germany through 2025 to increase Fiber coverage from 5.4% of households to 50%. Of the total capital, EUR 12bn was committed by the federal government and rest from private capital sources.\*

## Italy – 1 Giga Plan

EUR 3.8 bn, allocated with the goal of providing connectivity at download speeds of 1 gigabit per second and upload speeds of 200 megabits per second, in grey areas by 2026.\*

## France – PFTHD (Plan France Très Haut Débit)

EUR 21 billion capital (of which EUR 13 billion to EUR 14 billion from public investments) aimed at covering the entire France, including all homes, businesses, and government offices, with high-speed broadband by 2025.\*

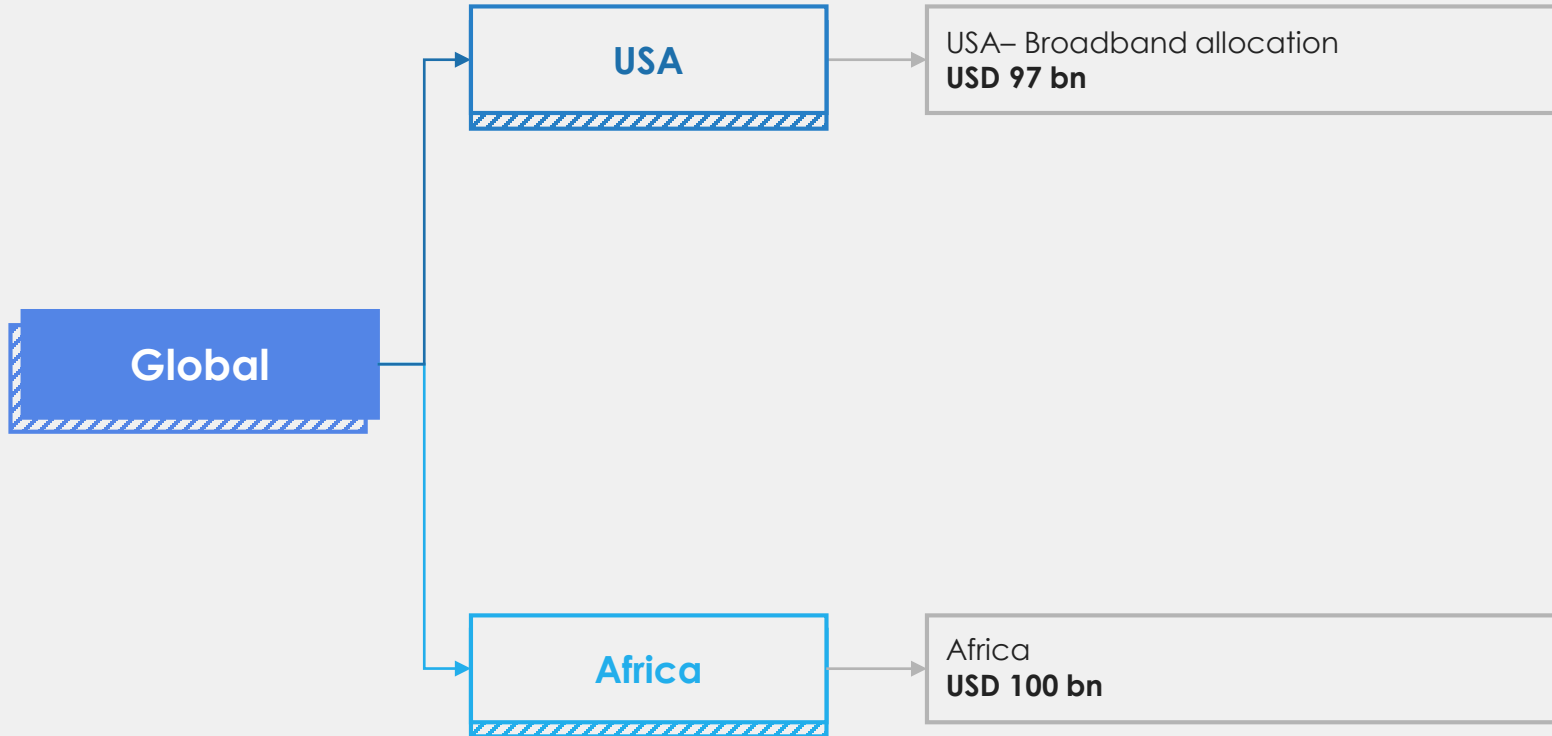
## Austria – Symmetric Gigabit

The European Commission approved a EUR 2 billion aid scheme for Austria through the Recovery and Resilience Facility (RRF) to build passive infrastructure for fixed broadband access networks in areas with connectivity upto 100 Mbps

## United Kingdom – Project Gigabit

GBP 5 billion capital allocated by the UK government to build next-generation gigabit broadband for over one million hard-to-reach homes and businesses with 85% coverage by 2025 and 100% by 2030.\*

# Global Opportunities – USA & AFRICA



## USA

Under different federal programs, US is expected to distribute USD 97 bn of funding broadband infrastructure over the next 4-5 years. Main programs are Broadband Equity, Access and Deployment (BEAD) program (USD 42.5 bn) to support states expand the high-speed broadband service network, American Rescue Plan (USD 25 bn) to invest in affordable high-speed internet and connectivity

## Africa

Less than a third of the population of Africa has access to broadband connectivity. As per World bank, Africa needs an investment of USD 100 bn by 2030 to provide universal, affordable, and quality broadband to all. **Leading countries in Africa – South Africa, Nigeria, Ghana, Kenya, Ethiopia, Tanzania and others are attracting investments to expand the optical fiber network.**



# Global Opportunities - 5G

## Impact/Opportunity capitalization

## Addressable product segment

## Portfolio under development

Cumulative TAM  
(FY23-30)\*

Modernization requirement for transformation of transport network for 5G

5G Transport products

- Cell Site Router
- DU (Distributed Unit) Aggregation Routers
- CU (Centralized Unit) Aggregation Routers

~USD **87.3** Bn

Compliant to 3GPP Release 16 and based on open standards like ORAN (Open RAN)

CSPs embracing ORAN to unlock innovation, for rapid roll out of innovative 5G services, and for supply chain diversity

5G RAN products

- 5G 8T8R/32T32R/64T64R Macro RU / mMIMO (Radio Unit)
- 5G 2T2R/4T4R Indoor Small Cell for FR1 (Sub 6 GHz) and FR2 (Millimeter Wave)
- 5G 2T2R/4T4R Outdoor Small Cell for FR1 and FR2
- FWA CPE (Indoor and Outdoor for FR1 & FR2)

~USD **281.8** Bn

5G ORAN space has multiple vendors and CSPs need SI services to certify interoperability & deliver end-to-end public/private 5G networks

Enterprises and industry verticals seek E2E services to realize automated operations with 5G enabled use-cases powered by Data, Analytics and AI

System Integration (SI) Services

- ORAN Integration Solution Provider
- Private 5G network for Enterprises
- 5G enabled solutions for specific industry verticals like Manufacturing, Defense, Railways, Smart Cities, etc
- Cloud based network management system

~USD **245.1** Bn

# HFCL as a Global Provider

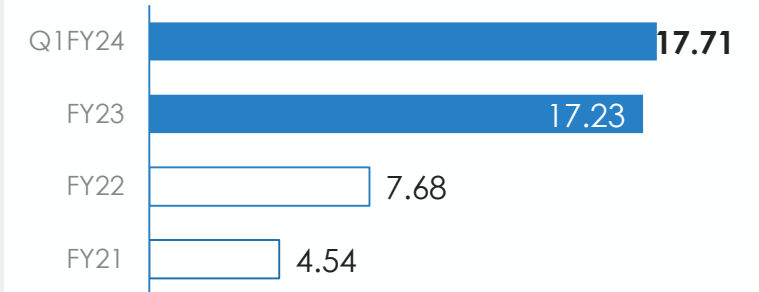
*Our Global presence*



- Operations in 45+ countries and 100+ clients globally
- Well established and long-term relations with domestic and foreign customers

## Exports Revenue Share

(IN %)



- Distribution contracts across North America and Europe.
- Established subsidiaries in USA and Netherlands to cater to global demand, expand business operations
- Exports to Revenue Ratio has increased to 17.71% in Q1FY24 compared to 4.54% in FY21

# Domestic Telecom

## Market Opportunities (Except 5G)

### Opportunity

### Growth Driver\*

BharatNet Project

HFCL aided in deployment of Phase II which we believe makes us a **preferred prospective partner for Phase III**

← For FY24, the spending from the USOF is pegged at Rs 10,400 crore, over three times higher than the revised estimates for FY23. Currently, a major allocation of the USOF goes towards the BharatNet project

Increased Domestic demand for OFC for dedicated Right of Way (RoW) along the greenfield highways

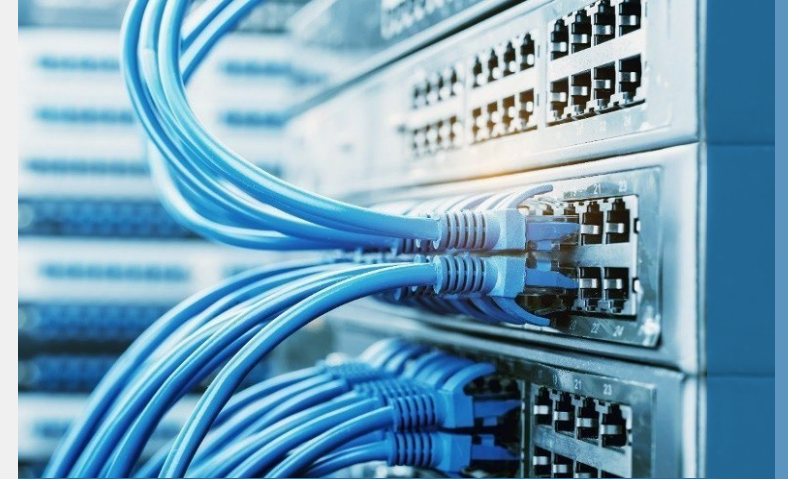
← The National Highway Authority of India (NHAI) is likely to spend USD 1.5-2.0 bn to develop dedicated Right of Way (RoW) for Optical Fibre Cable along the greenfield and brownfield highway over the next 3-4 years.

Increased Fiber to the Home (FTTH) Demand

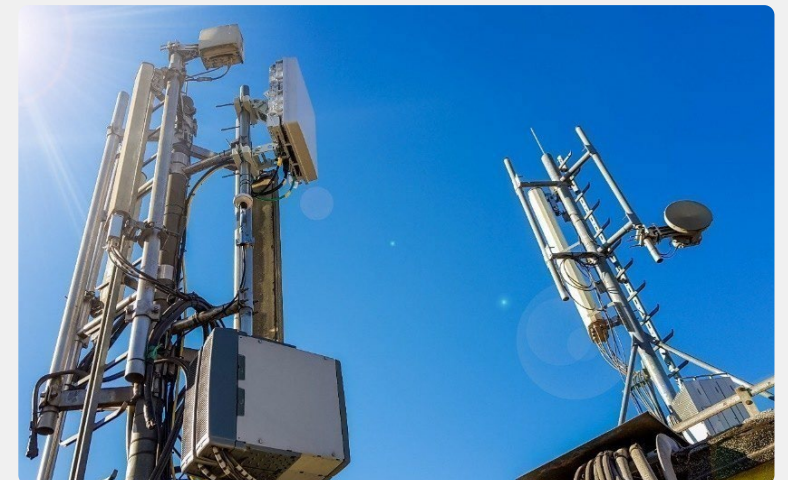
← **Increased adoption of FTTH Services** and emphasis on Rural Broadband penetration seen as growth and margin expansion enablers

Network Expansion by **BSNL**

← The Government has approved the third revival package of USD 10.79 bn in June, 2023 as budgetary support towards spectrum. To boost the 4G and 5G infrastructure BSNL is expected to spend USD 1-2 bn each year over the next 4-5 years (around USD 6-8 bn).



~USD 16.1 bn TAM across FY23-FY30 for OF/OFC and Accessories\*



~USD 18.2 bn TAM FY23-FY30 for Telecom Equipment \*

Source data: Feedback Advisory

# Significant OFC-related Project Opportunities

## National Broadband Mission

Under National Broadband Mission as on 31 March 2023,

- Fiberization (lakh Kms) cumulative, was 37.26 Lakhs kms with the target of **50 Lakhs kms by FY 2025**;
- 7.6 Lakhs towers were installed with the target of **15 Lakhs towers by FY 2025**

## High Bandwidth Demand resulting into High Fiberization of Towers

Newly launched 5G expected to increase bandwidth demand resulting into higher tower fiberization. It is expected that **tower fiberization will cross 70% from the current level of 38.06% as of 31 March 2023, acting as a demand driver for Optical Fiber Cables (OFC Networks) and related solutions in the coming years**

## BharatNet Phase III

BharatNet is the world largest rural broadband project connecting 250,000-gram panchayats across the country.

For BharatNet, we completed the deployment of 7843 Km of OFC Network in Punjab and 7,733 Km in Jharkhand in BharatNet Phase -II and has been pivotal in bringing broadband connectivity to 3,200 villages in Punjab and 1789 villages in Jharkhand.

For FY24, the spending from the Universal Service Obligation Fund (USOF) is pegged at Rs 10,400 crore, over three times higher than the revised estimates for FY23. Currently, a major allocation of the USOF goes towards the BharatNet project

- **Government of India expected to invest USD 10-12 Bn each year towards boosting the telecom infrastructure over the next 4-5 years (around USD 50 Bn by FY30)**
- **Estimated spend of USD 1.5-2.0 bn for OFC spend along highways for next 3 to 4 years**

# Domestic Market Opportunities - 5G

## Opportunity

## Growth Drivers

## Portfolio under development

## Cumulative TAM (FY23-30)\*

Networking product Demand

- 5G is expected to account for around 60 per cent of total mobile subscribers by FY2028 and 1,250 mn by FY 2030.
- Smartphone users are forecast to consume 65 GB of data per month on average by FY2030

- Cell Site Router
- DU (Distributed Unit) Aggregation Routers
- CU (Centralized Unit) Aggregation Routers

~USD **7.4** Bn

RAN product demand

- Jio plans to install 5G in 100 million homes through FWA over the next 4-5 years
- Public Wi-Fi services will be offered nationwide through Public Data Offices (PDOs)

- 5G 8T8R/32T32R/64T64R Macro RU / mMIMO (Radio Unit)
- 5G 2T2R/4T4R Indoor Small Cell for FR1 (Sub 6 GHz) and FR2 (Millimeter Wave)
- 5G 2T2R/4T4R Outdoor Small Cell for FR1 and FR2
- FWA CPE (Indoor and Outdoor for FR1 & FR2)

~USD **20.6** Bn

System Integration (SI) Service demand

- Indian enterprises expected to increase on 5g use cases spend including smart manufacturing, immersive content and cloud gaming
- Over 45 new data centres are expected to come up in India to increase the overall capacity by 1,000 MW by the end of 2025

- ORAN Integration Solution Provider
- Private 5G network for Enterprises
- 5G enabled solutions for specific industry verticals like Manufacturing, Defense, Railways, Smart Cities, etc.
- Cloud based network management system

~USD **18.6** Bn

# Domestic Defense Market Opportunities

## Opportunity

## Growth Driver

## Cumulative TAM (FY23-30)

Efforts to Modernize Indian Defense networks and systems and provide a boost to local manufacturers

- The Indian Defense capital expenditure was USD 19.0 Bn in FY 23 and is expected to reach USD 40.2 Bn by FY 30
- Record 75 per cent of the defence capital procurement budget has been earmarked for domestic industry in Financial Year (FY) 2023-24, up from 68 per cent in 2022-23.
- Import reduction from 65% by FY28 to 30% by FY32 on the back of initiatives like Aatmanirbhar Bharat, Make in India.
- Government listed a total of 310 items to be produced indigenously

~USD **2.8** Bn

Electronic fuses



~USD **30.6** Bn

Electro-Optics



Improved Market Expansion Opportunities

The Government of India has liberalized FDI under an automatic route up to 74 per cent and up to 100 per cent through the Government route

~USD **1.00** Bn

Software defined radio (SDR)



# Domestic Railway Market Opportunities

## Projects Available\*

Dedicated Freight Corridors – Greenfield projects with 3 corridors

## Growth Drivers & Overall Project Costs\*

3 Dedicated Freight corridor projects with capital cost of USD 25 bn

## Cumulative TAM (FY23-30)\*

USD **0.85** Bn

Modernisation of signalling & telecommunication in Indian Railways

Automation of 15k kms rail signaling Train Collision Avoidance System 'KAVACH' to be installed on 37,000 km. An overall investment of INR 700 bn (USD 8.5 bn) was unveiled recently and is likely to be implemented over the next 5-7 years

USD **0.97** Bn

~35 global Metro Rail projects in execution, planning and proposed stage

Overall Metro projects worth USD 40 bn spread over the next 2-10 years

USD **3.0** Bn

8 RRTS projects proposed, 3 being considered for immediate implementation

2 in financial approval stage

USD **0.4** Bn



# Market Opportunity at a Glance

	Cumulative FY 23-30 (USD Bn)*		% CAGR FY 23-30	
	Global	Domestic	Global	Domestic
<b>Telecom Products</b>				
A) OFC/OFC Accessories	189.39	16.10	≈7.19%	≈11.30%
B) 5G Products				
Networking Products	87.28	7.44	≈47.24%	≈58.63%
RAN Products	281.83	20.60	≈38.50%	≈72.64%
System Integration (SI) Service demand	245.06	18.57	≈23.11%	≈65.49%
C) Telecom Equipment (Except 5G)	840.10	18.23	≈8.86%	≈9.62%
<b>Defense Products</b>				
Electronic Fuses	32.44	2.84	≈16.52%	≈7.57%
Electro-Optics	170.51	30.64	≈7.57%	≈14.04%
SDR	83.40	1.00	≈8.45%	-
<b>Railway Communication</b>	5.20	2.20	-	-

**Takeaways** – Opportunities for HFCL to capture larger share in a growing market





# Competitive Advantage

# Why is HFCL Preferred? (1/2)



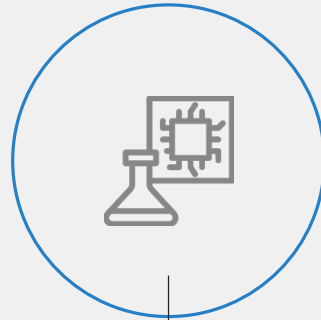
## Market Leader

- One of the largest manufacturers of Optical Fiber Cable in India
- One of the largest manufacturers of Wifi Access points and UBR along with other telecom products in India



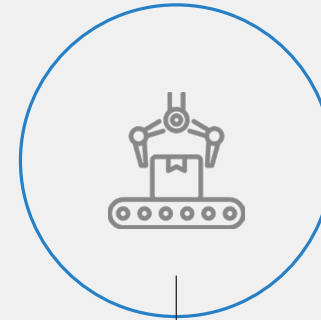
## Long term customer relationship

- Partner for Reliance Jio in North India for rolling out of backbone and backhaul of OFC and FTTH network



## In-House R&D

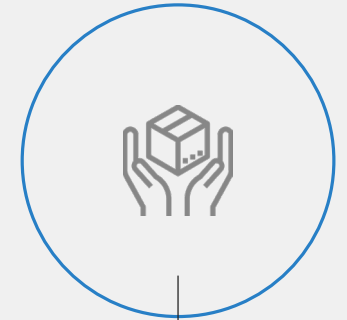
- Tech centric R&D driven company
- 236 strong R&D team as of 31 March 2023
- 2 R&D centres at Bengaluru, and Gurugram
- R&D partnership with reputed Companies
- 5G product portfolio developed inhouse



## Integrated Manufacturing

Manufacturing key products under one roof

- Optical Fiber Cable
- Optic Fiber
- FTTH cables
- FRP Rods/ARP Rods/IGFR Yarns
- Polymer Compound
- Passive Connectivity Solution Products
- Telecom and Networking Products manufacturing currently through OEM Partners

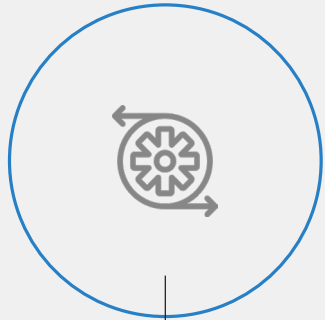


## End to End Network Provider

- Proven capabilities under same roof for
- Executing concept to completion of projects
  - Delivering products

Aiming to be at the forefront of Global Technological revolution through innovation

# Why is HFCL Preferred? (2/2)



## Backward Integration

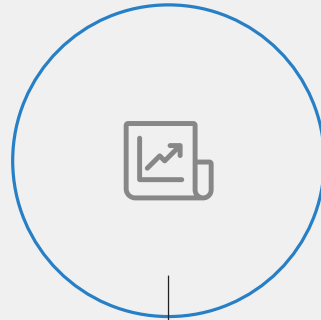
Key raw materials produced inhouse thereby acting as higher margin drivers

- Optical Fiber
- Polymer Compound
- FRP Rods/ ARP Rods/ IGFR Yarns



## Healthy Financials

- Debt: Equity Ratio of 0.25x
- Signifies Low credit risk and comfortable capital structure



## Strong Order Book

- Strong Order Book of ₹ 6584.71 crores diversified across Telecom, Defense and Railways
- Providing revenue visibility for the medium term



## Global Focus

- Exports increased to 17.71% of revenue in Q1FY24 compared to 4.54% in FY21
- Established subsidiaries in USA and Netherlands for marketing its products globally

Building the Network Highway to power Indian and global communication infrastructure



# Social Governance

ESG

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CSR

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# ESG as a Prime Directive

## *Reduced Energy Consumption*

- Replacement of conventional lighting by LED across facilities and offices
- Sustainable manufacturing through initiatives such as installation of high efficiency compressed air suction devices reducing noise and usage of compressed air

## *Improved Waste Management*

- Partnership with Greentek Reman for e-waste management



## *Sustainable Packaging*

- Utilization of corrugated paper sheet instead of plastic during the process of packaging and reengineering of packaging drums to save wood and fuel
- Paperless data recording in Optical Fiber and Cables testing, recording being directly from the test equipment to the PC via software.

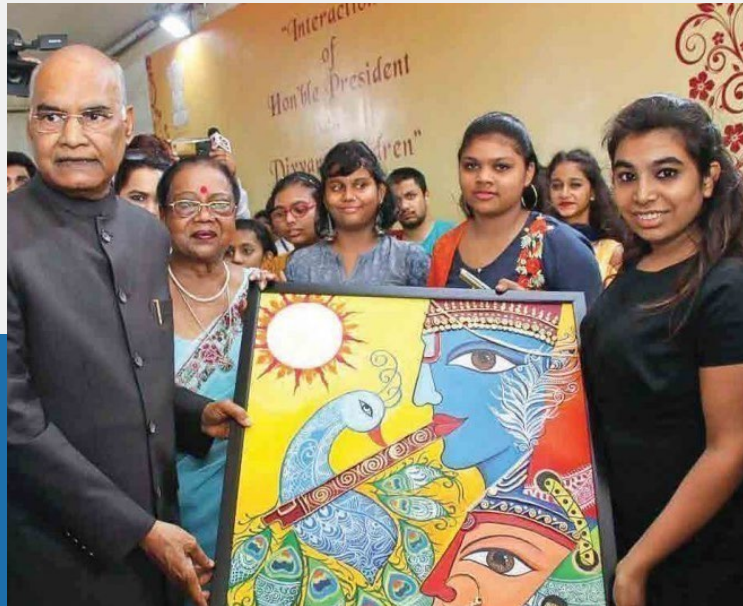
## *Improved Water Management*

- Continuous water recycling in both Goa and Hyderabad manufacturing facilities through an efficient recycling process, reducing freshwater consumption.
- 15 KL/day and 30 KL/day Sewage Treatment Plants (STP) for recycling wastewater for gardening purposes both at Hyderabad and Goa Plant respectively.
- Constructed a rainwater harvesting system and a green landscape at Hyderabad.

# CSR: Giving Back to Society

## Healthcare Aid

- Running Mobile Medical units at different locations for providing preventive healthcare facilities in remote areas.
- Providing support for Corrective surgeries and open heart surgeries at St. Stephen's Hospital, New Delhi, All India National Foundation, and its Clinical Research and Medical Care wing, i.e. National Heart Institute, Delhi respectively.



## Education Initiatives *(Past and current)*

- **PROJECT SAMARTH:**
- Adopted specially-abled children and providing grants for their education.
- Education & prevention of malnutrition amongst street children
- Providing Computer Skill Training to the underprivileged youth at our Computer Learning Centers in Ghazipur (U.P.)
- In education, our project **PEHAL** helped students continue their education through smart classes in Ghaziabad, Churu and Ghazipur

## Old Age Care

- Provided assistance to SHEOWS (Saint Hardyal Educational and Orphan Welfare Society, Delhi), an Old Age Home that provide care for approximately 500 abandoned senior citizens, by supplying food items as needed

## Societal Welfare *(Past)*

- **Welfare for Stray Animals** – Aimed at providing food and shelter facilities for stray animals

₹ 35 Cr.

CSR Spend across 9 years



# Financials

Q1FY24 Key Highlights - Consolidated

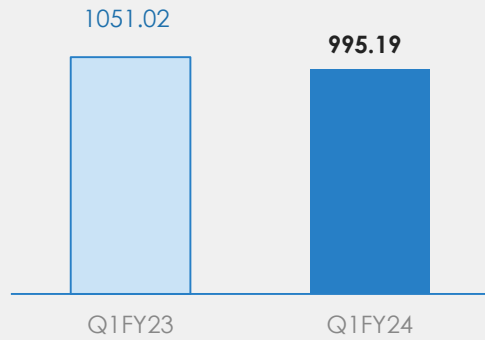
Q1FY24 Consolidated Income Statement

Diversified Revenue Streams

# Q1FY24 Key Highlights - Consolidated

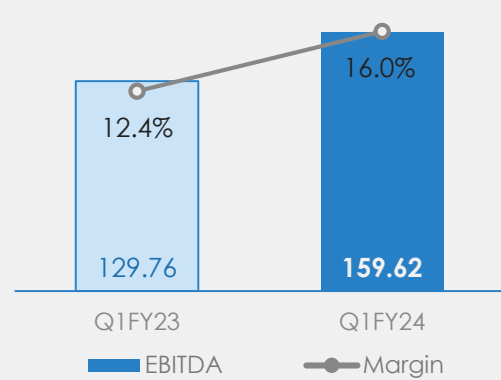
## Total Revenue

(₹ IN CRORES)



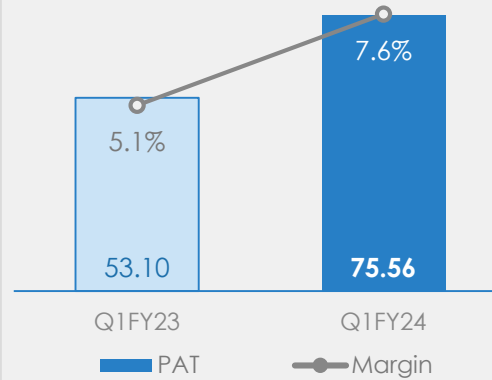
## EBITDA & Margin

(₹ IN CRORES & %)



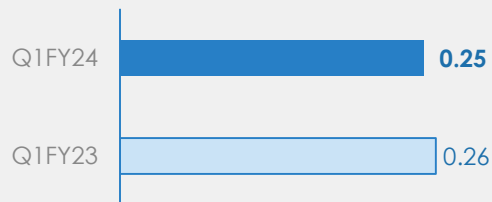
## PAT & Margin

(₹ IN CRORES & %)



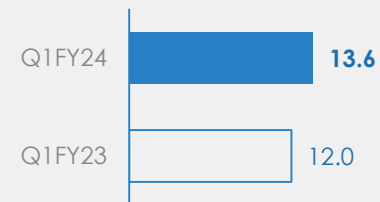
## Debt-Equity Ratio

(IN X)



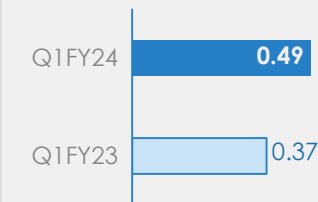
## RoCE

(IN %)



## Diluted EPS

(IN ₹)



- Bagged orders from **Reliance** worth ~ ₹ 411.51 Crores for supply of optical fibre cables and point-to-point unlicensed band radios.
- Bagged order from **Delhi Metro Rail Corporation** worth ~ ₹ 80.92 Crores.
- Marked our presence in various key Global events i.e, **Mobile World Congress 2023**, **GITEX Africa 2023**, **ANGA COM** and **FTTH Council Europe 2023**.



# Q1FY24 - Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	Q1FY24	Q4FY23	Change Q-o-Q	Q1FY23	Change Y-o-Y
Revenue from Operations	995.19	1432.98	-30.55%	1051.02	-5.31%
Other Income	13.17	13.74		13.23	
<b>Total Income</b>	<b>1008.36</b>	<b>1446.72</b>	<b>-30.30%</b>	<b>1064.25</b>	<b>-5.25%</b>
Total Expenses	848.74	1278.55		934.49	
<b>EBITDA</b>	<b>159.62</b>	<b>168.17</b>	<b>-5.08%</b>	<b>129.76</b>	<b>23.01%</b>
<b>EBITDA Margin (%)</b>	<b>16.04%</b>	<b>11.74%</b>	<b>430 Bps</b>	<b>12.35%</b>	<b>369 Bps</b>
Depreciation	20.90	21.44		20.08	
Finance Cost	36.30	37.92		37.80	
Share of net profits / (loss) of JV's accounted using equity method	0.11	0.12		(0.93)	
Exceptional Items	-	-		-	
<b>PBT</b>	<b>102.53</b>	<b>108.93</b>	<b>-5.88%</b>	<b>70.95</b>	<b>44.51%</b>
<b>PBT Margin (%)</b>	<b>10.30%</b>	<b>7.60%</b>	<b>270 Bps</b>	<b>6.75%</b>	<b>355 Bps</b>
Tax	26.97	30.25		17.85	
<b>Profit after Tax</b>	<b>75.56</b>	<b>78.68</b>	<b>-3.97%</b>	<b>53.10</b>	<b>42.30%</b>
<b>PAT Margin (%)</b>	<b>7.59%</b>	<b>5.49%</b>	<b>210 Bps</b>	<b>5.05%</b>	<b>254 Bps</b>
Other Comprehensive Income	(0.92)	2.34		0.24	
<b>Total Comprehensive Income</b>	<b>74.64</b>	<b>81.02</b>	<b>-7.87%</b>	<b>53.34</b>	<b>39.93%</b>
EPS (Diluted ₹)	0.49	0.52		0.37	



# Appendix

[Management Team](#)

[Board of Directors](#)

[Shareholders' Information](#)

[Abbreviations / Description](#)

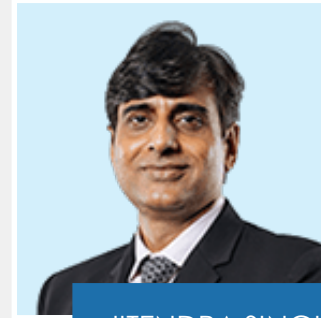
# Led by an Experienced Management Team (1/2)



**SUBODH KUMAR GARG**  
Executive Director (Growth Strategy)



**VIJAY RAJ JAIN**  
Group Chief Financial Officer



**JITENDRA SINGH CHAUDHARY**  
Executive President (Communications)



**HARSHWARDHAN PAGAY**  
Executive President (OFC)



**PETER WEIMANN**  
Chief Technology Officer (OFC)



**RAJESH JAIN**  
Executive President (Telecom EPC Projects)



**MANISH GANGEY**  
Executive President (Product  
Management)



**JAYANTA DEY**  
Executive President (5G Business)

# Led by an Experienced Management Team (2/2)



**DEVENDER KUMAR**

Executive President (Project Delivery)



**JOCHEN ARMS**

Vice President, Sales (DACH, Europe)  
(OFC)



**SANJAY VITHALRAO JORAPUR**

President – (Human Resources)



**NAND LAL Garg**

President (Supply Chain)



**SUNIL KUMAR PANDEY**

Chief Information Officer



**MANOJ BAID**

President & Company Secretary



**ANDREW WESTERMAN**

Vice President, International Sales  
(Communication Products)



**ROB GILBERT**

Country Manager (OFC  
Sales) – UK, Ireland

# Governed by an Experienced Board

01 MAHENDRA NAHATA  
Promoter and Managing Director

02 AJAI KUMAR  
Independent Director

03 BHARAT PAL SINGH  
Independent Director

04 SURENDRA SINGH SIROHI  
Independent Director

05 TAMALI SEN GUPTA  
Independent Director

06 ARVIND KHARABANDA  
Non-Executive Director

07 RANJEET MAL KASTIA  
Non-Executive Director

01



02



03



04



05



06



07



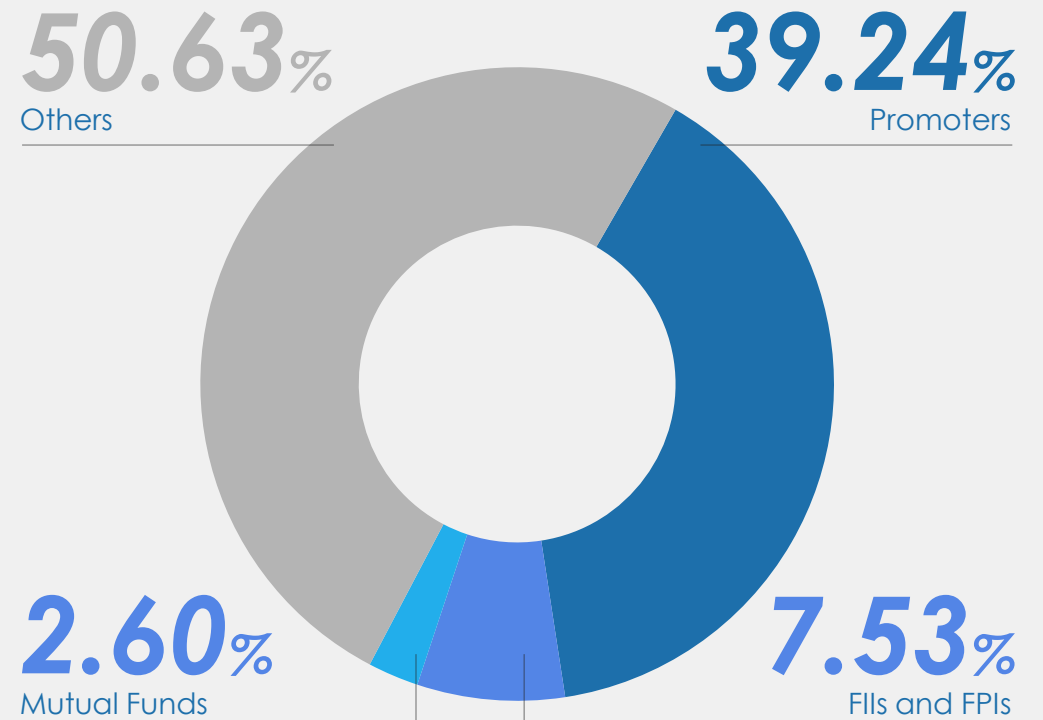
# Shareholders' Information

## Share Information

(AS ON June 30, 2023)

NSE Ticker	HFCL
BSE Ticker	500183
Market Cap (₹ Crores)	8,944.41
% free-float	82.47%
Free-float market cap (₹ Crores)	7,376.45
Shares Outstanding	1,37,77,58,321
3M ADTV (Shares)	56,96,432
3M ADTV (₹ Crores)	37.94
Industry	Telecommunications – Equipment & Solutions

HFCL in Numbers as on 30 June 2023



# Abbreviations / Description

Abbreviation	Description
<b>3GPP</b>	3 <sup>rd</sup> Generation Partnership Project
<b>ARP</b>	Aramid Reinforced Plastic
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CPE</b>	Consumer Premises Equipment
<b>DPEPP</b>	Defense Production & Export Promotion Policy
<b>DU/ CU Aggregation Routers</b>	Distributed Unit / Centralized Unit Aggregation Router
<b>EPC</b>	Engineering, Procurement and Construction
<b>Fkm</b>	Fiber kilometres
<b>FRP</b>	Fiber Reinforced Plastic
<b>FTTH</b>	Fiber To The Home
<b>FTTx</b>	Fiber To The x
<b>FWA</b>	Fixed Wireless Access
<b>GIS map</b>	Geographic Information System map
<b>IGFR</b>	Impregnated Glass Fiber Reinforcement
<b>OEM</b>	Original Equipment Manufacturer
<b>MMU</b>	Mobile Medical Unit
<b>MPLS</b>	Multi-Protocol Label Switching

Abbreviation	Description
<b>O&amp;M</b>	Operating & Maintenance
<b>OFC</b>	Optic Fiber Cable
<b>Order Book</b>	Order book comprises anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met & letters of acceptance issued by the customer prior to execution of the final contract)
<b>PAT</b>	Profit after Tax
<b>PLI</b>	Production Linked Incentive
<b>R&amp;D</b>	Research & Development
<b>RAN</b>	Radio Access Network
<b>RF Front End</b>	Radio frequency front end
<b>RoCE</b>	Return on Capital Employed
<b>RoW</b>	Right of Way
<b>RRTS</b>	Rapid Rail Transit System
<b>UBR</b>	Unlicensed Band Radio
<b>VSS</b>	Video Surveillance System

# Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	FY21	FY22	FY23
Revenue from Operations	4,422.96	4,727.11	4,743.31
Other Income	36.13	42.91	47.18
<b>Total Income</b>	<b>4,459.09</b>	<b>4,770.02</b>	<b>4,790.49</b>
Total Expenses	3,873.38	4,077.04	4,124.63
<b>EBITDA</b>	<b>585.71</b>	<b>692.98</b>	<b>665.86</b>
<b>EBITDA Margin (%)</b>	<b>13.21%</b>	<b>14.66%</b>	<b>14.04%</b>
Depreciation	68.63	78.25	82.97
Finance Cost	176.09	166.40	152.19
Share of net profits / (loss) of JV's accounted using equity method	-	0.16	(0.09)
Exceptional Items	4.13	6.38	-
<b>PBT</b>	<b>336.86</b>	<b>442.11</b>	<b>430.61</b>
<b>PBT Margin (%)</b>	<b>7.62%</b>	<b>9.35%</b>	<b>9.08%</b>
Tax	90.62	116.25	112.90
<b>Profit after Tax</b>	<b>246.24</b>	<b>325.86</b>	<b>317.71</b>
<b>PAT Margin (%)</b>	<b>5.57%</b>	<b>6.89%</b>	<b>6.70%</b>
Other Comprehensive Income	4.96	1.71	1.55
<b>Total Comprehensive Income</b>	<b>251.20</b>	<b>327.57</b>	<b>319.26</b>
EPS (Diluted ₹)	1.87	2.38	2.18



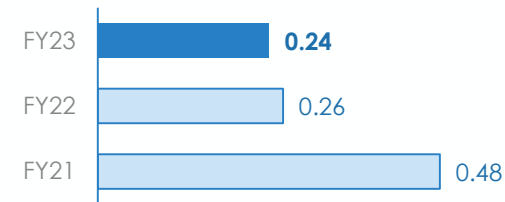
# Consolidated Balance Sheet

Equities & Liabilities (₹ IN CRORES)	FY21	FY22	FY23
<b>Total -Shareholder Funds</b>	<b>1,923.47</b>	<b>2,818.37</b>	<b>3,144.14</b>
<b>NON CURRENT LIABILITIES</b>			
(A) Financial Liabilities			
(i) Borrowings	250.78	121.25	110.37
(ii) Other Liabilities	54.97	19.34	6.20
(B) Other Non Current Liabilities		34.74	69.72
<b>Total - Non – Current Liabilities</b>	<b>305.75</b>	<b>175.33</b>	<b>186.29</b>
<b>CURRENT LIABILITIES</b>			
(i) Borrowings	668.84	621.55	637.94
(ii) Other Liabilities	2317.74	1556.21	1,504.22
<b>Total – Current Liabilities</b>	<b>2,986.58</b>	<b>2,177.76</b>	<b>2,142.16</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>5,215.80</b>	<b>5,171.46</b>	<b>5,472.59</b>

Assets (₹ IN CRORES)	FY21	FY22	FY23
(A) Tangible Assets	475.49	536.16	574.91
(B) Goodwill	26.17	26.17	26.17
(C) Other Intangible Assets	42.17	74.10	215.31
(D) Investment in Associates / JV		11.66	18.57
(E) Financial Assets			
(i) Trade receivables	444.83	595.61	423.11
(ii) Other Financial Assets	52.35	85.94	92.82
(F) Other Non Current Assets	24.96	22.52	39.55
<b>Total - Non – Current Assets</b>	<b>1,065.97</b>	<b>1,352.16</b>	<b>1,390.44</b>
(A) Inventories	435.26	573.38	757.85
(B) Financial Assets			
(i) Trade Receivables	2,610.99	1,895.94	1,886.11
(ii) Cash & Bank Balances	306.44	528.24	322.59
(iii) Others-Advances	461.81	386.31	533.57
(iv) Others	17.66	34.84	33.87
(C) Other Current Assets	317.77	400.59	548.16
<b>Total – Current Assets</b>	<b>4,149.83</b>	<b>3,819.30</b>	<b>4,082.15</b>
<b>GRAND TOTAL – ASSETS</b>	<b>5,215.80</b>	<b>5,171.46</b>	<b>5,472.59</b>

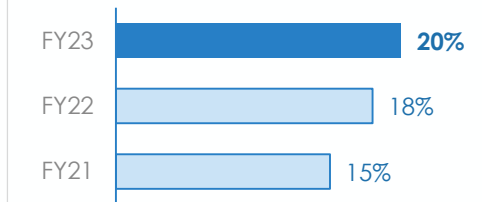
## Debt-Equity Ratio

(IN X)



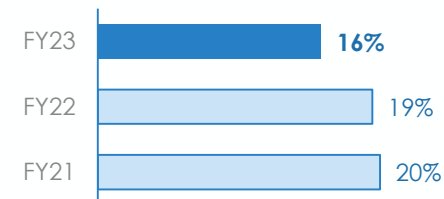
## Dividend

(IN %)



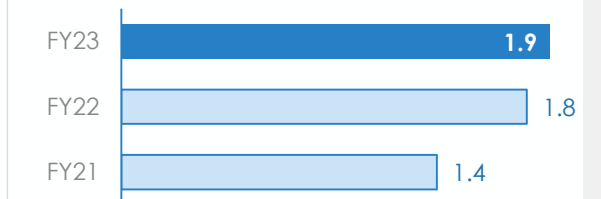
## RoCE\*\*

(IN %)



## Current Ratio

(IN X)



\*\* Low RoCE in FY22 / FY23 is due to fund raise in December 2021. The Company is in the process of creating capabilities and expanding capacities, which are expected to start reflecting operationally through increased revenue and improved margins from FY24-25 onwards

# Thank you



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Masjid Moth,  
Greater Kailash Part 2,  
New Delhi, Delhi - 110048

**Amit Agarwal**

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