

Date: 19.10.2024

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 FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the Earning Presentation on the unaudited standalone financial results for the quarter and half year ended on September 30, 2024.

Kindly take the same on record.

Thanking You,

Yours faithfully

For **Netweb Technologies India Limited**

Lohit Chhabra
Company Secretary & Compliance Officer
M.No A36610

NETWEB TECHNOLOGIES INDIA LTD

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

Q2 FY25 - Earnings Presentation

October 2024



AGENDA



About Netweb Technologies



Quarterly Key Highlights



Key Investment Highlights



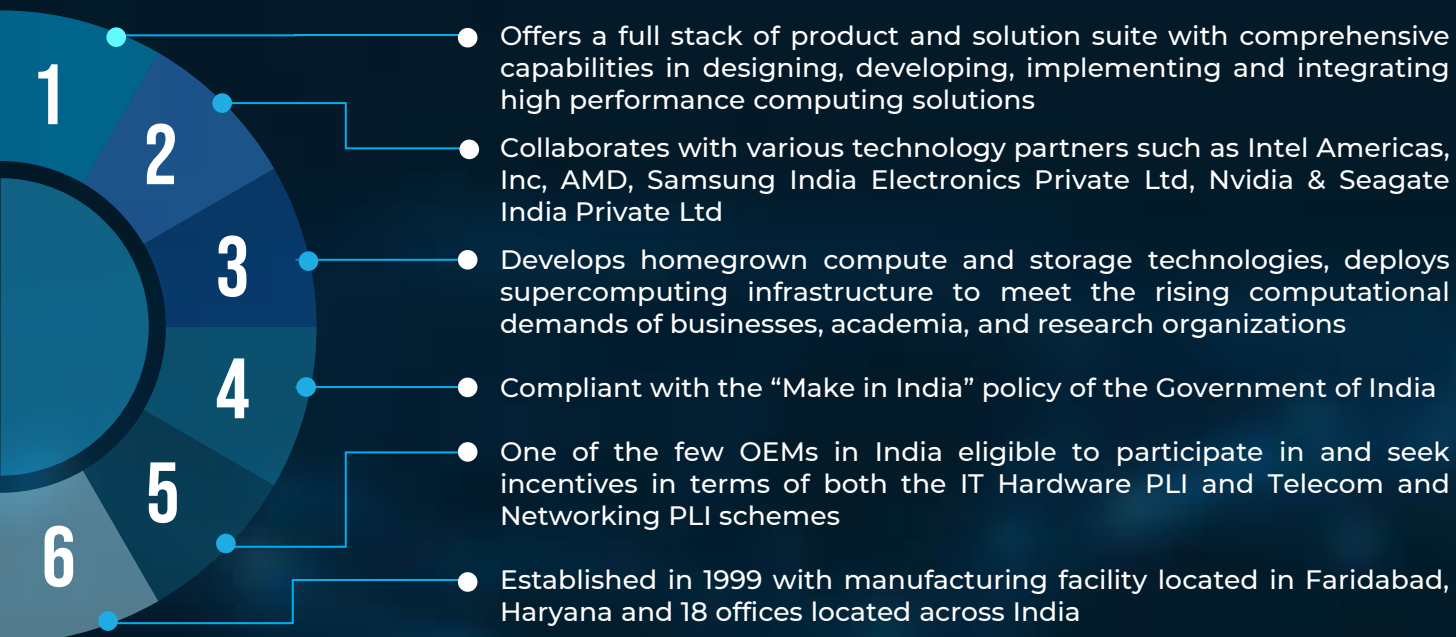
Growth Drivers



Annexures

ABOUT NETWEB TECHNOLOGIES

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



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 catalyze India's AI ecosystem

500+

Supercomputing systems installed

5000+

Accelerator / GPU based AI systems & enterprise workstations

50+

Private cloud & HCI installations

03

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

Q2 FY25 FINANCIAL METRICS



Revenue from Operation: ₹ 2,511 Million
Customers: Govt. (37.5%) vs Non-Govt. (62.5%)



Op EBITDA Margin: 14.2%



PAT Margin: 10.2%



ROCE¹: 25.2%



ROE²: 18.7%

SNAPSHOT OF OUR HCS OFFERINGS

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



MANAGEMENT COMMENTARY

“We are delighted to report that our operating income rose by 73.2% YoY for Q2 FY25 and by 95.5% YoY for H1 FY25, reaching ₹2,511 Mn in Q2 FY25 and ₹4,004 Mn in H1 FY25.

Operating EBITDA for Q2 FY25 increased by 85.7% YoY to ₹357 Mn, while for H1 FY25, it surged by 100.6% YoY to ₹559 Mn. Operating EBITDA margin was 14.2% for Q2 FY25 and 14.0% for H1 FY25.

Profit After Tax saw an increase of 69.8% YoY for Q2 FY25 and 103.4% YoY for H1 FY25, reaching ₹257 Mn in Q2 FY25 and ₹412 Mn in H1 FY25. PAT margin was 10.2% for Q2 FY25 and 10.1% for H1 FY25.

With India's AI research ecosystem thriving through government initiatives and industry partnerships, the potential for innovation is immense. Netweb is well-positioned to harness these opportunities. Our strategic focus on three pillars—HPC, Private Cloud, and AI—keeps us at the forefront of technological evolution. AI has rapidly become a pivotal contributor to our revenue, growing its share to ~15% in H1 FY25, with a YoY growth of 193%. Fuelled by innovation, this strong growth highlights AI's role as a cornerstone of our business strategy and our future growth.

Our business pipeline and order book remain strong. We're pleased to state that we have started receiving export orders and this aligns with our growth strategy to enter overseas markets. Continuous improvements in our capabilities, along with the expansion of our operations and product range, position us well for ongoing growth while maintaining our technological leadership “

Sanjay Lodha, CMD



KEY HIGHLIGHTS

Profit and Loss Summary

₹ in millions

	Operating Income	Operating EBITDA	PBT	PAT	Cash Profit ¹
Q2 FY25	2,510.6	357.1	344.6	257.2	283.5
Growth (YoY)	73.2%	85.7%	70.6%	69.8%	71.1%
Growth (QoQ)	68.1%	78.6%	66.6%	66.5%	58.7%
Margin		14.2%	13.6%	10.2%	11.2%
H1 FY25	4,003.8	559.1	551.5	411.6	462.3
Growth (YoY)	95.5%	100.6%	104.2%	103.4%	101.4%
Margin		14.0%	13.6%	10.1%	11.4%
EPS & CEPS (in INR)*				7.3	8.2

*EPS and CEPS are for half year ending Sept'24 ; 1: Cash Profit = PAT + Depreciation

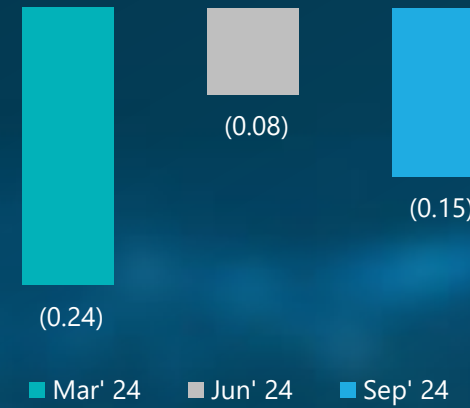
KEY HIGHLIGHTS (CONT.)

Balance Sheet Summary

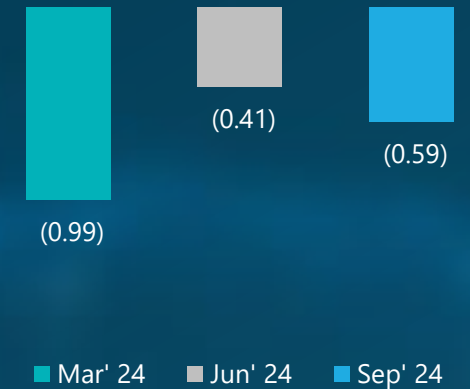
₹ in millions

Particulars	Mar'24	Jun'24	Sept'24
Equity Share Capital	112.7	112.7	112.7
Other Equity	4,114.8	4,286.2	4,447.0
Net Worth	4,227.5	4,398.9	4,559.7
Borrowing	16.3	15.4	14.4
Lease Liabilities	79.4	74.8	70.0
Cash and Cash Equivalent	1,112.8	420.1	748.2
Net Debt	(1,017.1)	(330.0)	(663.9)
Net Fixed Assets	447.4	469.5	508.3
Net Current Assets#	2,721.0	3,545.4	3,338.6
Ratios			
Fixed Asset Turnover Ratio*	16.2	12.7	15.8
Cash Conversion Cycle*	69	129	100

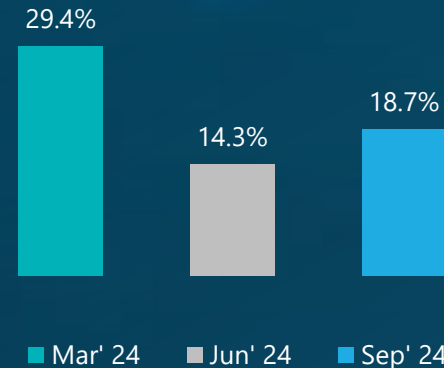
Net Debt/ Equity



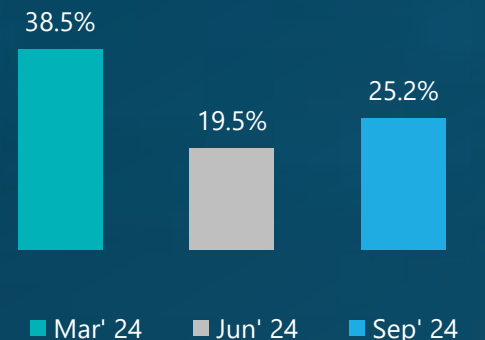
Net Debt/ Op. EBITDA*



ROE*



ROCE*



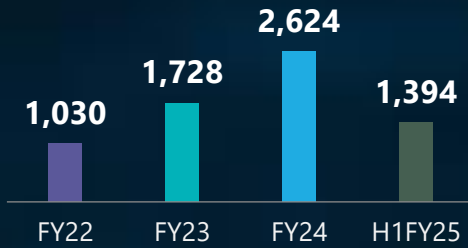
^Cash Conversion Cycle is based on Operating Income. *Jun'24 and Sep'24 data are annualized.

#Net Current Assets does not include Short-term Borrowing & Cash & Cash Equivalents as they are part of Net Debt. It includes unutilized proceeds from IPO

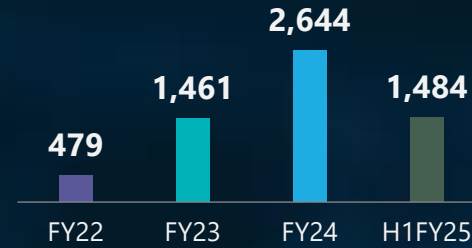
KEY HIGHLIGHTS (CONT.)

Revenue breakup – HCS Offering

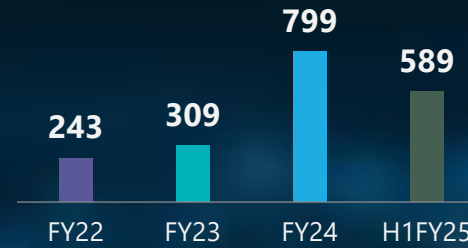
₹ in Millions



High performance computing (Supercomputing / HPC) systems

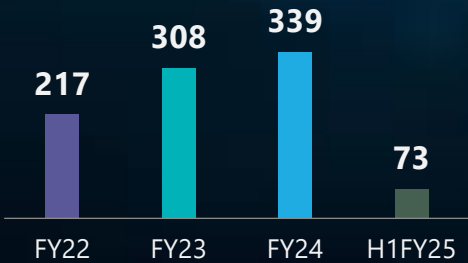


Private cloud and hyperconverged infrastructure (HCI)



AI systems and enterprise workstations

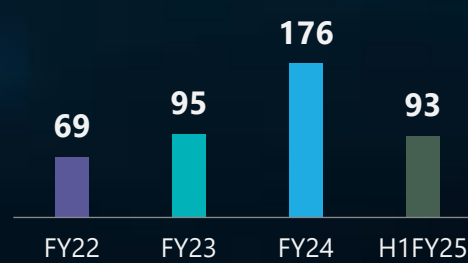
₹ in Millions



High performance storage (HPS/Enterprise Storage) solutions

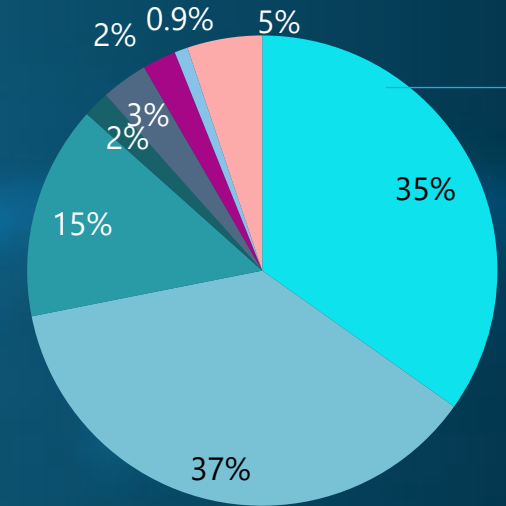


Data Centre servers



Software and services for HCS offerings

H1 FY25 – Revenue Breakdown by offerings

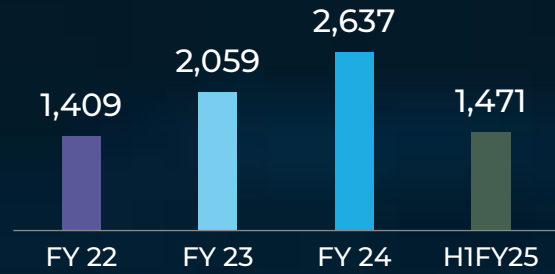


- Supercomputing / HPC Systems
- Private cloud & HCI
- AI & enterprise workstations
- HPS solutions
- Data centre server
- Software & service for HCS offerings
- Network Switches
- Spare & others

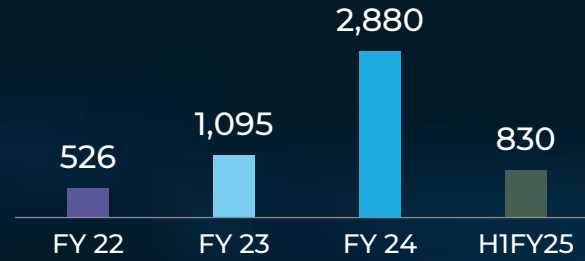
KEY HIGHLIGHTS (CONT.)

Revenue breakup – Application Industry

₹ in Millions

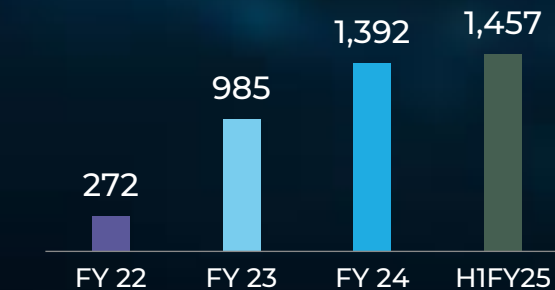


Higher Education and Research

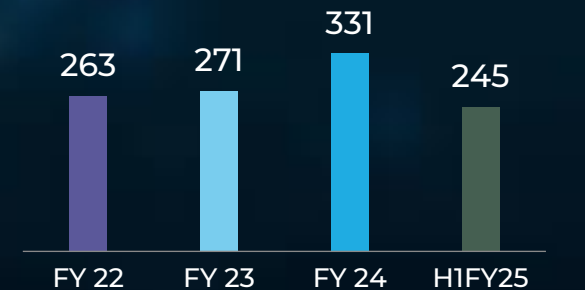


Information Technology and Information Technology Enabled Services

₹ in Millions

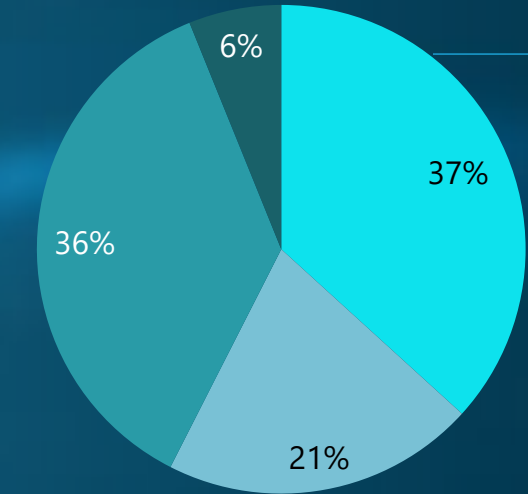


Other Enterprises



Space and Defence

H1 FY25 – Revenue Breakdown by application industry



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

*Other enterprises includes BFSI, entertainment and media etc.

KEY HIGHLIGHTS (CONT.)

Diverse Customer Base

Higher education and Research



IT & ITES



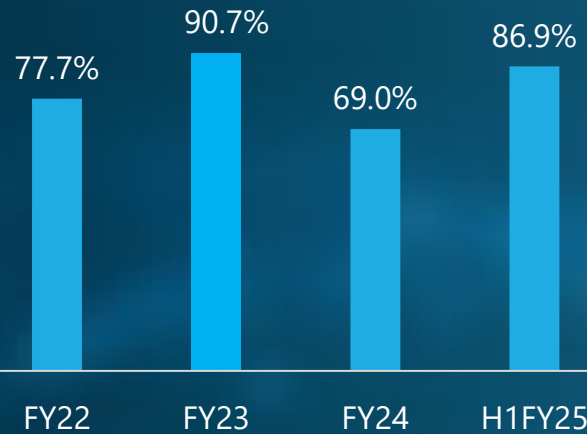
Space & Defence



Others



Revenue^ from Repeat Customers



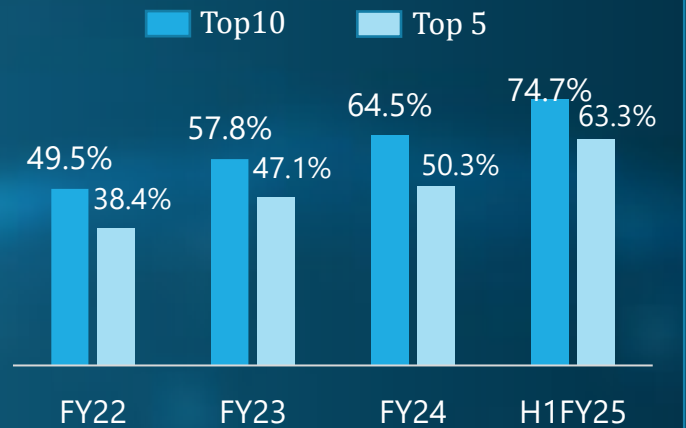
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Repeat Customers (H1FY25) Associated for over **5.32** years using Fiscal 2016 as the base

4.14 yrs¹

Average top 10 customer age (H1FY25) using Fiscal 2016 as base

Customer Concentration^



10.11%

Customer Accretion CAGR*

70

New clients onboarded across diverse industries in H1 FY25

PROFIT & LOSS SUMMARY

₹ in millions

Particulars	Q2 FY25	Q2 FY24	YoY Change	Q1 FY25	QoQ Change	H1 FY25	H1 FY24	YoY Change	FY 24
Operating Income	2,510.6	1,449.8	73.2%	1,493.2	68.1%	4,003.8	2,047.9	95.5%	7,240.8
Operating EBITDA	357.1	192.3	85.7%	200.0	78.6%	559.1	278.6	100.6%	1,025.3
Operating EBITDA Mrg (%)	14.2%	13.3%	96 bps	13.4%	83 bps	14.0%	13.6%	36 bps	14.2%
Other Income	20.5	30.2	(32.3%)	38.9	(47.4%)	57.4	34.4	67.0%	118.9
Finance Cost	6.6	6.2	5.8%	7.8	(15.2%)	14.3	15.8	(9.2%)	62.1
Depreciation	26.4	14.3	84.8%	24.3	8.7%	50.7	27.2	86.5%	62.5
PBT	344.6	202.1	70.6%	206.9	66.6%	551.5	270.0	104.2%	1,019.6
PAT	257.2	151.4	69.8%	154.4	66.5%	411.6	202.3	103.4%	759.0
PAT Margin (%)	10.2%	10.2%	(7) bps	10.1%	8 bps	10.1%	9.7%	42 bps	10.3%
EPS¹ (₹)	4.56	2.70	68.9%	2.74	66.6%	7.30	3.69	97.8%	13.88

1. Diluted EPS; non-annualised

KEY INVESTMENT HIGHLIGHTS

1



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



Long standing relationship with a marquee and diverse customer base

4

2



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



Track record of financial performance and consistent growth

5

3



Significant product development and innovation through R&D



Experienced Board & Senior Management Team

6

GROWTH DRIVERS

Opportunities to realize sustainable growth of the business



Strong Topline Visibility

Pipeline#
₹ 37,038 Mn

L1#
₹ 3,316 Mn

Order Book
₹ 3,697Mn



Enhanced Capabilities

State of the art new manufacturing facility with latest Surface Mount Technology (SMT) commissioned in May'24

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

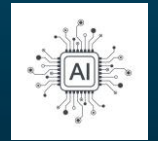


Expanding Product Portfolio

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

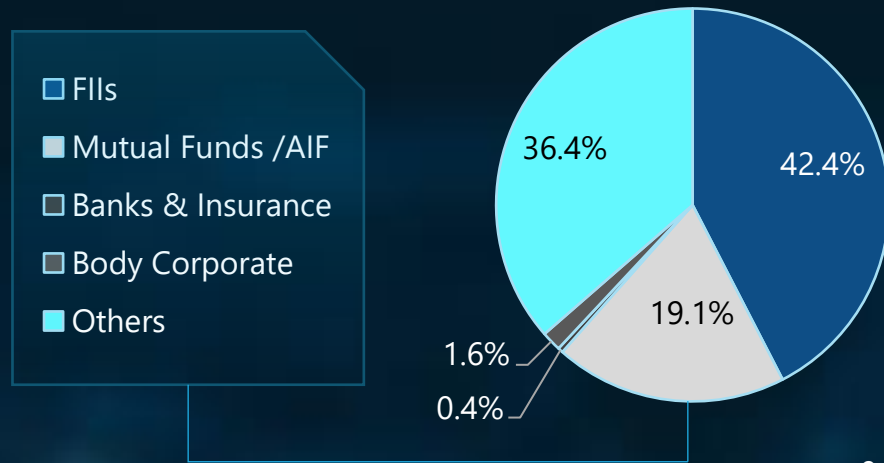
On-prem AI Sovereign cloud for demand of contemporary data & AI workloads

Container Platforms replacing Virtualization Platforms

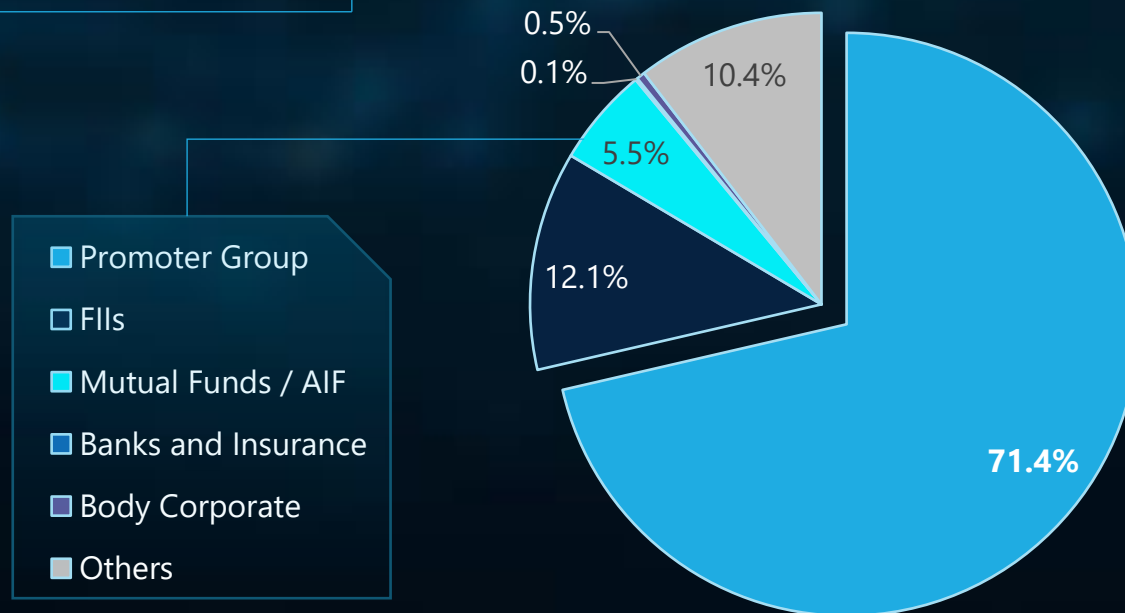


SHAREHOLDING PATTERN (SEPTEMBER 2024)

Non-Promoter Shareholding



Total Shareholding



Key Institutional Shareholders

Goldman Sachs Managed Funds

ICICI Prudential Mutual Fund

Tata Mutual Fund

The Prudential Assurance Company Limited

Citigroup Global Markets Fund

The Regents Of The University Of California

Nomura Funds

Invesco India Equity Fund

BNP Paribas Financial Markets ODI

Invesco India Mutual Fund

Thank You



Chief Financial Officer

Prawal Jain

Email: prawal.jain@netwebindia.com

Investor Relations Advisor

Sanjeev Sancheti

Email: ir@uirtus.in

IPO FUND UTILIZATION

S. No.	Objects of the Issue as per Prospectus	Amount to be Funded from Net Proceeds	Amount Utilized as on 30.09.2024	Total Un-Utilized Amount as on 30.09.2024
1	Civil Construction	90.0	38.1	51.9
	Purchase of Equipment	232.9	87.9	145.0
2	Funding our long-term Working Capital Requirements	1,280.2	1,260.4	19.8
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	1,723.6	216.7

QUARTERLY KEY HIGHLIGHTS

Cash Conversion Cycle Break-up

Particulars	Mar'24	Jun'24	Sep'24
Receivable Days	85	127	99
Inventory Days	43	79	82
Payable Days	(58)	(77)	(82)
Cash Conversion Cycle	69	129	100

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

