

Date: 23.01.2024

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: EARNING PRESENTATION ON THE QUARTERLY FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the Earning Presentation on the unaudited standalone financial results for the quarter ended December 31, 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]

Plot No. H-1, Block-H, Pocket No. 9, Faridabad Industrial Town, Sector-57, Faridabad, Haryana 121004

Tel. No. : +91-129-2310400

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Netweb

TECHNOLOGIES

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

Q3FY24 - Earnings Presentation
January 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.

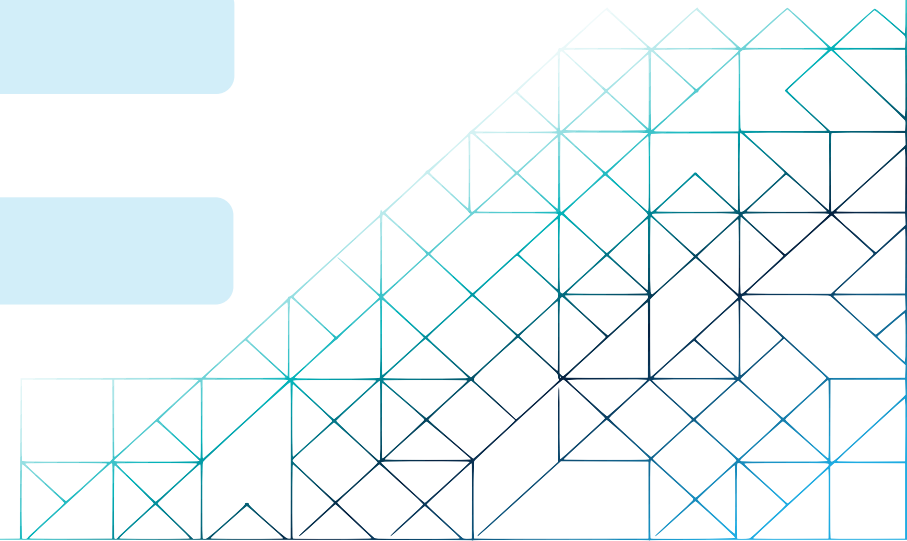
1 About Netweb Technologies

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

Import Licensing on Servers, Laptop, & Tablets from Nov 2023 by DGFT*

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

Growing demand for cloud-based services and 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

Q3 FY24 Financial Metrics



Revenue from Operation: ₹2,534.0Mn
Customers: Govt. (50.8%) vs Non-Govt. (49.2%)



Op EBITDA Margin: 13.5%



PAT Margin: 10.1%



ROCE¹: 32.1%



ROE²: 25.3%

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 happy to announce that the company achieved its highest ever quarterly revenue and profits in the current quarter. It is also pertinent to note that revenue from AI systems and enterprise workstations segment increased by ~340% YoY. Operating income increased by 41.9% YoY and 74.8% QoQ, reaching ₹2,534 million in Q3'FY24.

Gross profit was at ₹551 million, registering a YoY growth of 20.2% and a QoQ growth of 40.8%. Gross profit margin was 21.8%, down from 25.7% in the corresponding quarter of the previous year. Gross profit margin for our business needs to be seen on an annual basis, as we deal in high-end compute segment where in the margins may vary quarter to quarter. Gross profit margin for 9 months ended Dec 23 stood at 25.4%.

While Operating EBITDA for the quarter increased by 9.9% on YoY basis to ₹342 million, it increased by 78.0% on QoQ basis. The operating EBITDA margin for the quarter was at 13.5%. Profit after tax (PAT) for the quarter increased by 20.0% YoY and 71.8% QoQ, reaching ₹260 million, and the PAT margin for the quarter was at 10.1%.

In recent months, adoption of Generative AI models have expanded rapidly, integrating widely across various industries and signaling a dynamic evolution in our approach to work and life. Notably, India's substantial potential is evident in recent developments, highlighting the country's capacity to seize opportunities in this evolving landscape. This is promising for the expansion of our diverse product offerings. Our business pipeline and order book is strong, reflecting continual growth. We are pleased to inform you that we have received the prestigious order from VSSC (ISRO) for their upcoming supercomputer, envisaged to be the largest for the Department of Space, valued at ~₹1,477 million. Continuous improvements in our capabilities, along with the expansion of our operations and product portfolio, positions us favorably for sustained growth while retaining our technological leadership. “

Sanjay Lodha, CMD



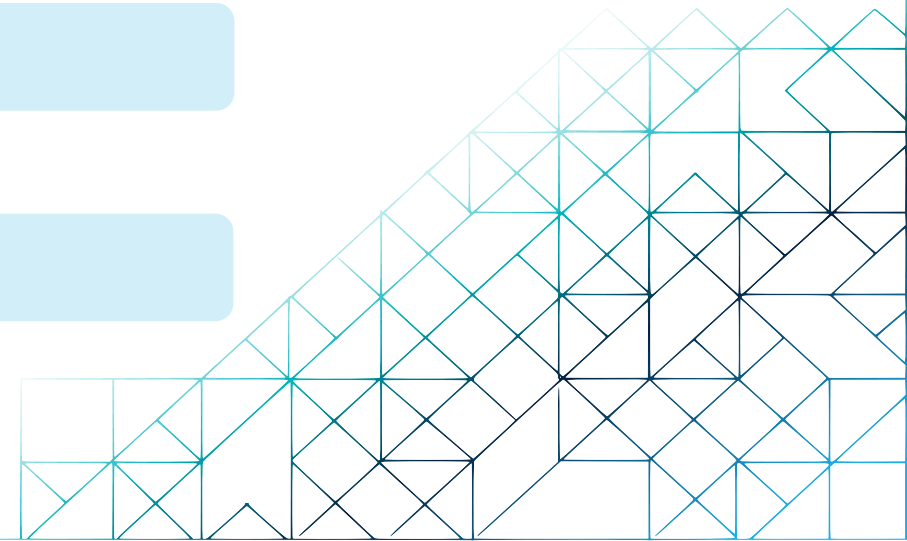
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Quarterly Key Highlights

Profit and Loss Summary

₹ in millions

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit
	2,534.0	551.4	342.5	351.5	260.1	278.2
Growth (YoY)	41.9%	20.2%	9.9%	21.0%	20.0%	22.7%
Growth (QoQ)	74.8%	40.8%	78.0%	74.0%	71.8%	67.9%
Margin		21.8%	13.5%	13.6%	10.1%	
EPS/CEPS (in INR)*					4.76	5.09

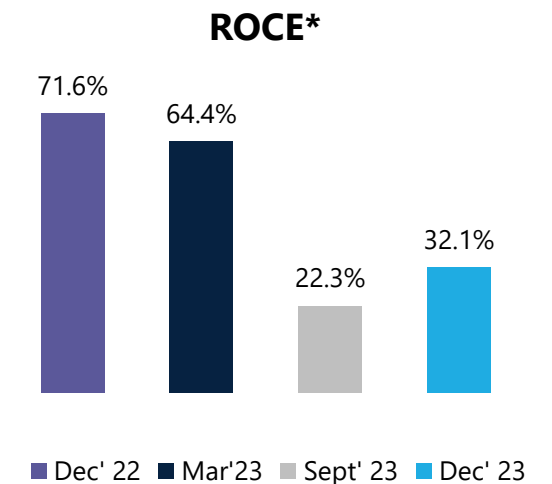
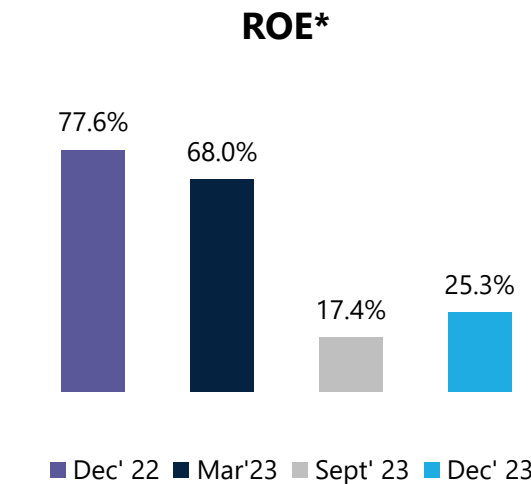
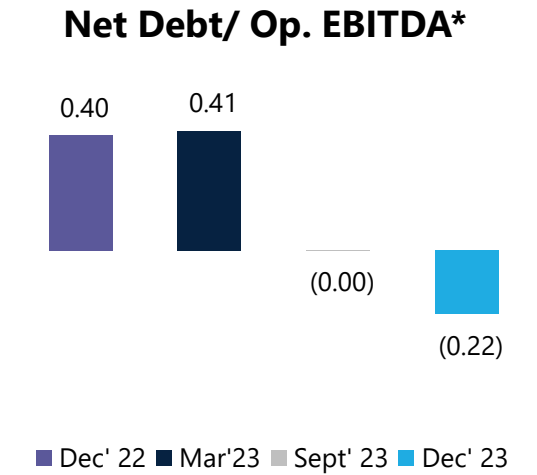
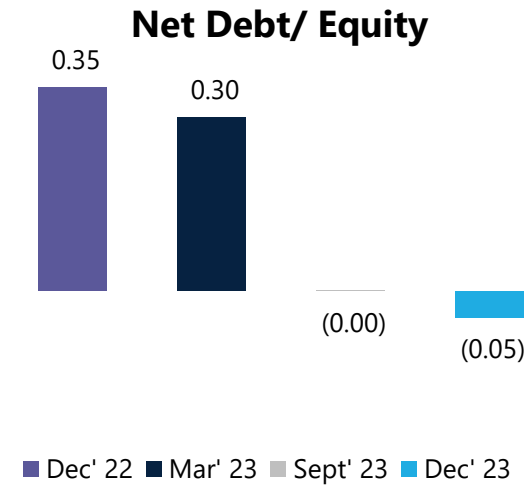
*EPS and CEPS are diluted & non-annualized

Quarterly Key Highlights (Cont.)

Balance Sheet Summary

₹ in millions

Particulars	Dec'22	Mar'23	Sept'23	Dec'23
Equity Share Capital	56.6	101.9	112.1	112.1
Other Equity	751.5	834.8	3,605.4	3,822.6
Net Worth	808.1	936.7	3,717.5	3,934.8
Borrowing	296.7	304.0	44.4	142.5
Lease Liabilities	39.2	52.1	82.6	78.4
Cash and Cash Equivalent	51.8	70.9	127.3	403.6
Net Debt	284.2	285.1	(0.3)	(182.7)
Net Fixed Assets	200.9	251.5	313.7	318.5
Net Current Assets#	879.8	959.9	3,362.1	3,351.0
Ratios				
Fixed Asset Turnover Ratio*	21.3	17.7	13.1	19.2
Cash Conversion Cycle*	60	58	108	77



*Dec '22, Sep'23 & Dec'23 are Annualized.

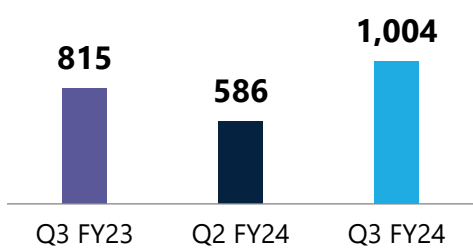
#Net Current Assets does not include Short-term Borrowing & Cash & Cash Equivalents as they are part of Net Debt. It includes unutilized proceeds from IPO

Quarterly Key Highlights (Cont.)

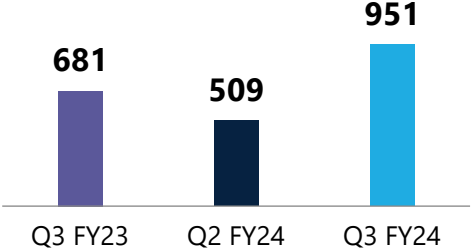
Revenue breakup – HCS Offering

Launched Network Switches in the quarter, contributing INR ~10 Mn to the Topline

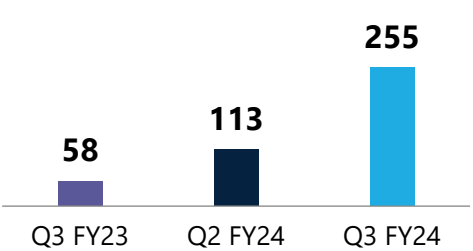
₹ in millions



High performance computing (Supercomputing / HPC) systems

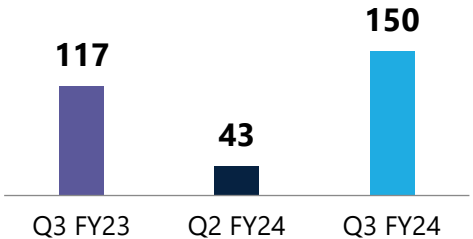


Private cloud and hyperconverged infrastructure (HCI)

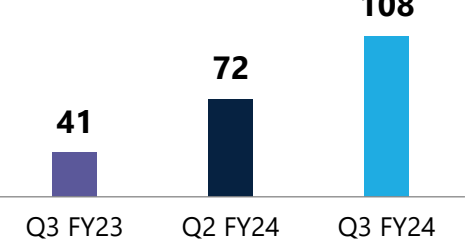


AI systems and enterprise workstations

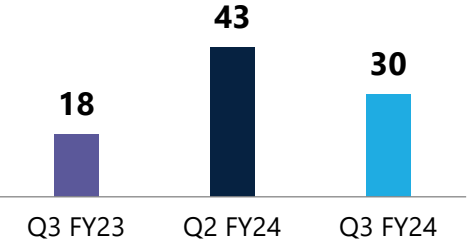
₹ in millions



High performance storage (HPS/Enterprise Storage) solutions

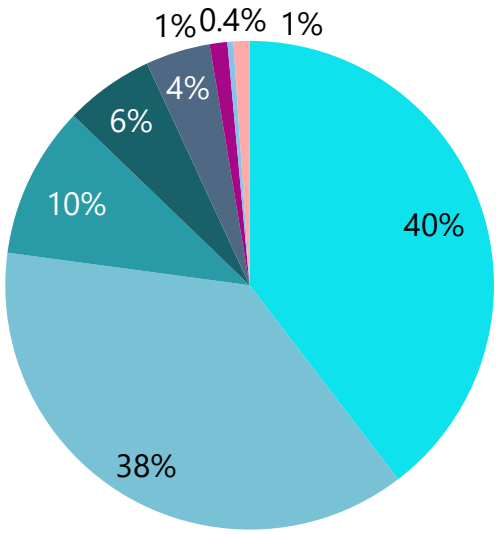


Data Centre servers



Software and services for HCS offerings

Q3 FY24 – Revenue Breakdown by offerings

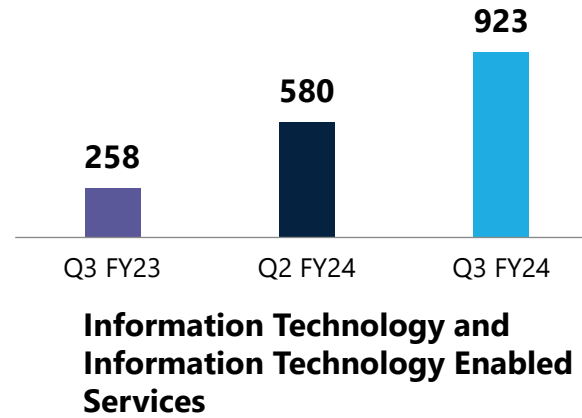
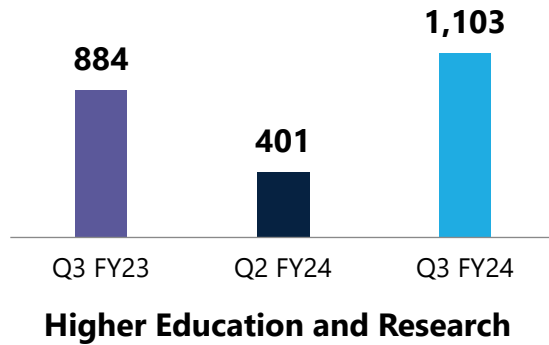


- Supercomputing / HPC Systems
- Private cloud & HCI
- AI & enterprise workstations
- HPS solutions
- Data centre server
- Software & service for HCS offerings
- Network Switches
- Spare & others

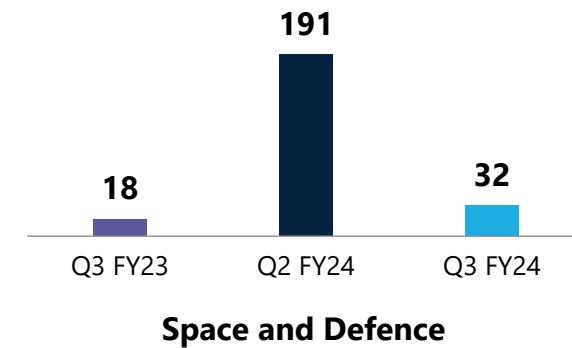
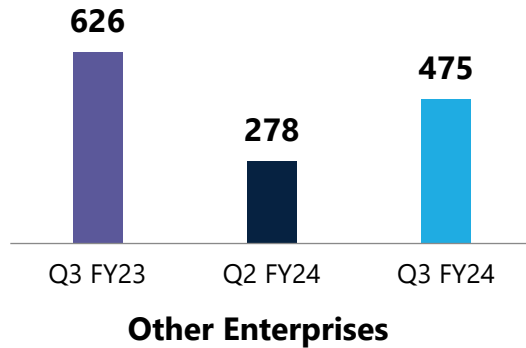
Quarterly Key Highlights (Cont.)

Revenue breakup – Application Industry

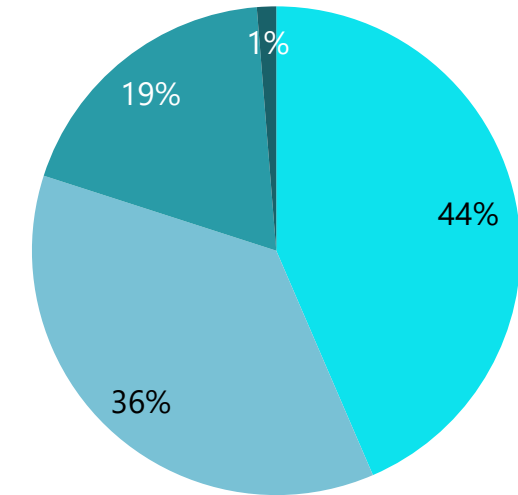
₹ in millions



₹ in millions



Q3 FY24 – Revenue Breakdown by application industry



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

Quarterly Key Highlights (Cont.)

Diverse Customer Base

Higher education and Research



IT & ITES



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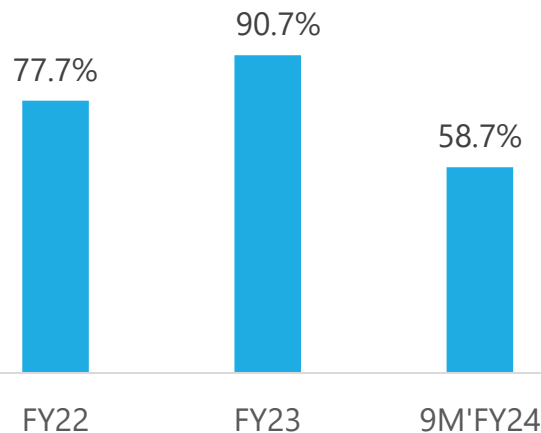
Space & Defence



Others



Revenue[^] from Repeat Customers



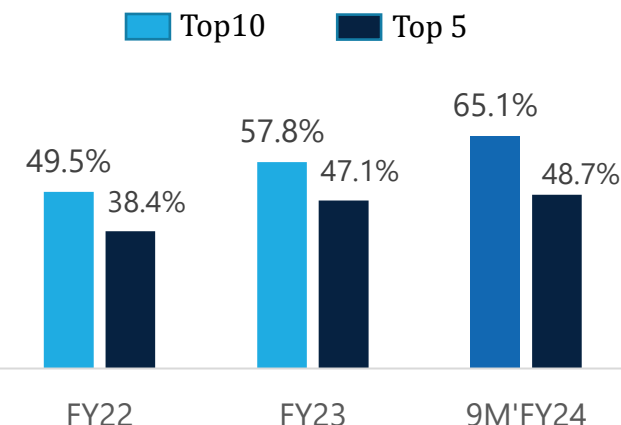
256

Repeat Customers (9M'FY24) associated for over 5.07 years using Fiscal 2016 as the base

3.36 years

Average top 10 customer age (9M'FY24) using Fiscal 2016 as base

Customer Concentration[^]



10.67%

Customer Accretion CAGR*

124

New clients onboarded across diverse industries in the 9M'FY24

Quarterly Profit & Loss

₹ in millions

Particulars	Q3 FY24	Q3 FY23	YoY Change	Q2 FY24	QoQ Change	9M FY24	9M FY23	YoY Change	FY 23
Operating Income	2,534.0	1,785.6	41.9%	1,449.8	74.8%	4,581.9	3,215.8	42.5%	4,449.7
Gross Profit	551.4	458.9	20.2%	391.6	40.8%	1,164.8	880.6	32.3%	1,206.1
Gross Profit Margin (%)	21.8%	25.7%	(394) bps	27.0%	(525) bps	25.4%	27.4%	(196) bps	27.1%
Operating EBITDA	342.5	311.6	9.9%	192.3	78.0%	621.1	539.2	15.2%	700.2
Operating EBITDA Mrg (%)	13.5%	17.4%	(393) bps	13.3%	25 bps	13.6%	16.8%	(321) bps	15.7%
Other Income	45.1	1.2	3598.4%	30.2	49.4%	79.5	3.8	1991.3%	6.8
Finance Cost	18.0	12.4	44.9%	6.2	189.9%	33.8	30.7	10.0%	40.7
Depreciation	18.1	10.0	81.3%	14.3	26.5%	45.2	24.2	86.7%	36.6
PBT	351.5	290.4	21.0%	202.1	74.0%	621.6	488.0	27.4%	629.6
PAT	260.1	216.8	20.0%	151.4	71.8%	462.5	364.1	27.0%	469.4
PAT Margin (%)	10.1%	12.1%	(205) bps	10.2%	(14) bps	9.9%	11.3%	(139) bps	10.5%
EPS¹ (₹)	4.76	4.26	11.8%	2.70	76.4%	8.45	7.15	18.2%	9.07

1. Diluted EPS; non-annualised

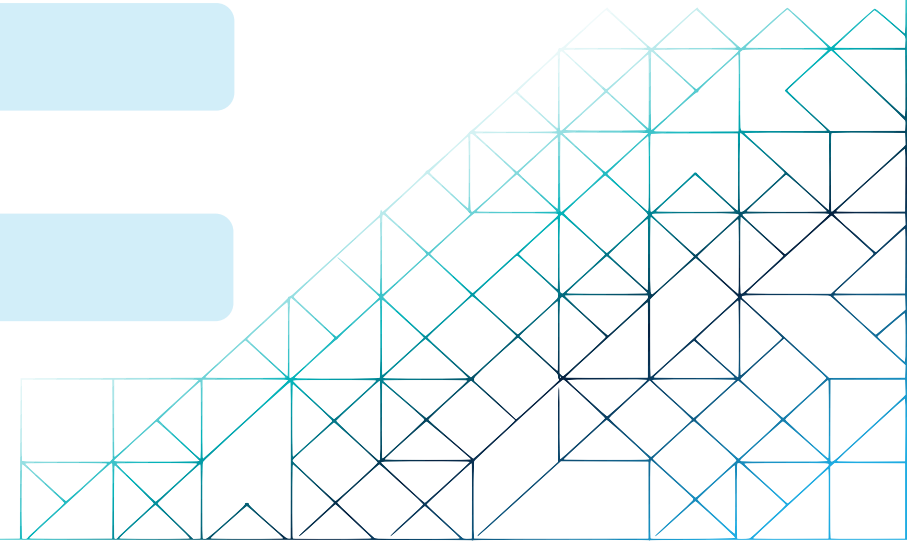
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4 Growth Drivers

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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



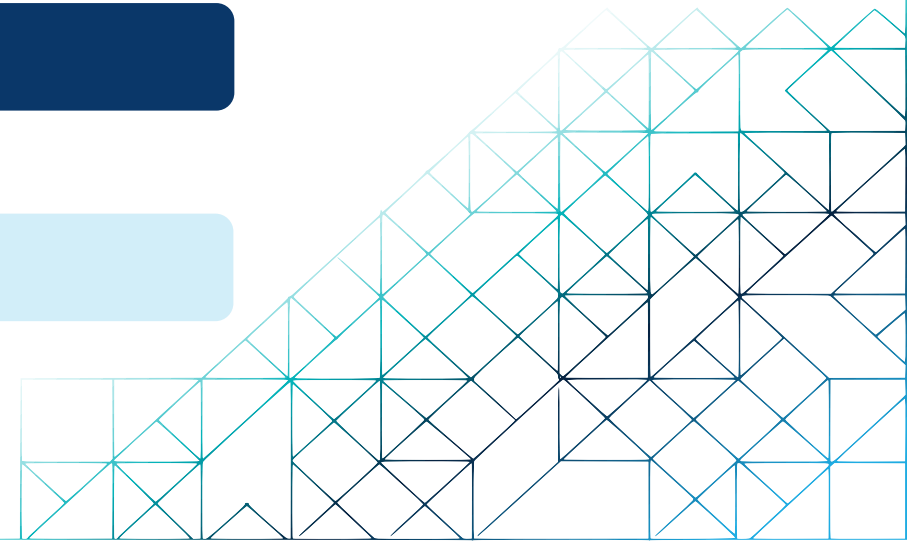
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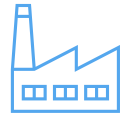
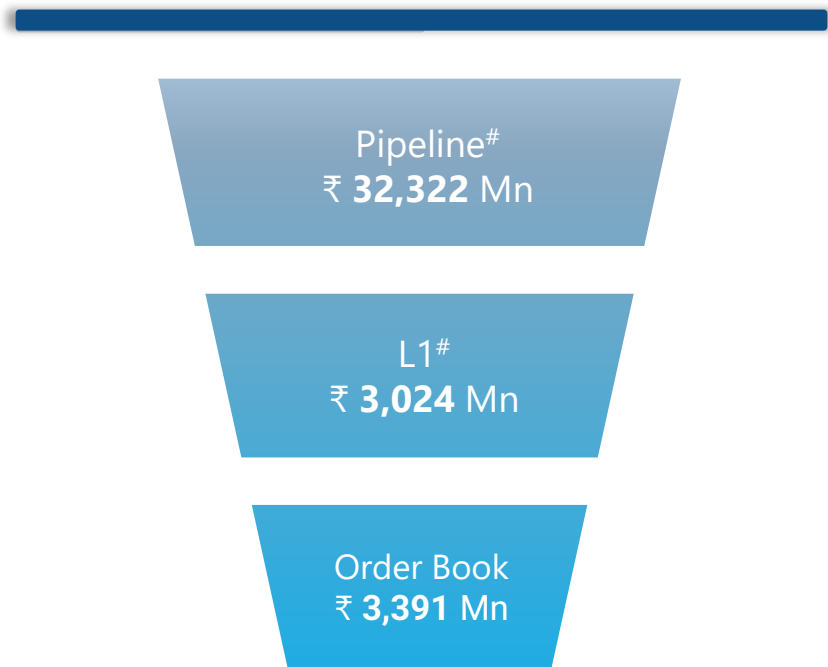


Growth Drivers

Opportunities to realize sustainable growth of the business



Strong Topline Visibility



Enhanced Capabilities

To capitalize on emerging opportunities, will establish **SMT line within 3-6 months**

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

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



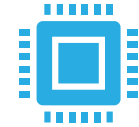
Expansion of Operations

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

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

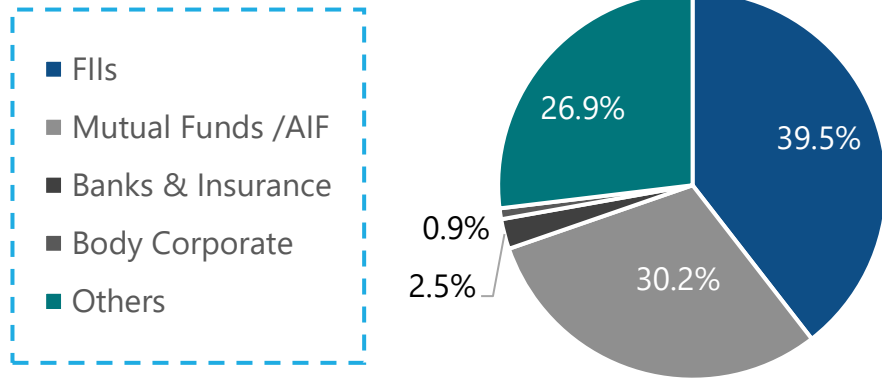
Forayed into developing new product lines, viz., **Network Switches** and **5G ORAN** Appliances

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

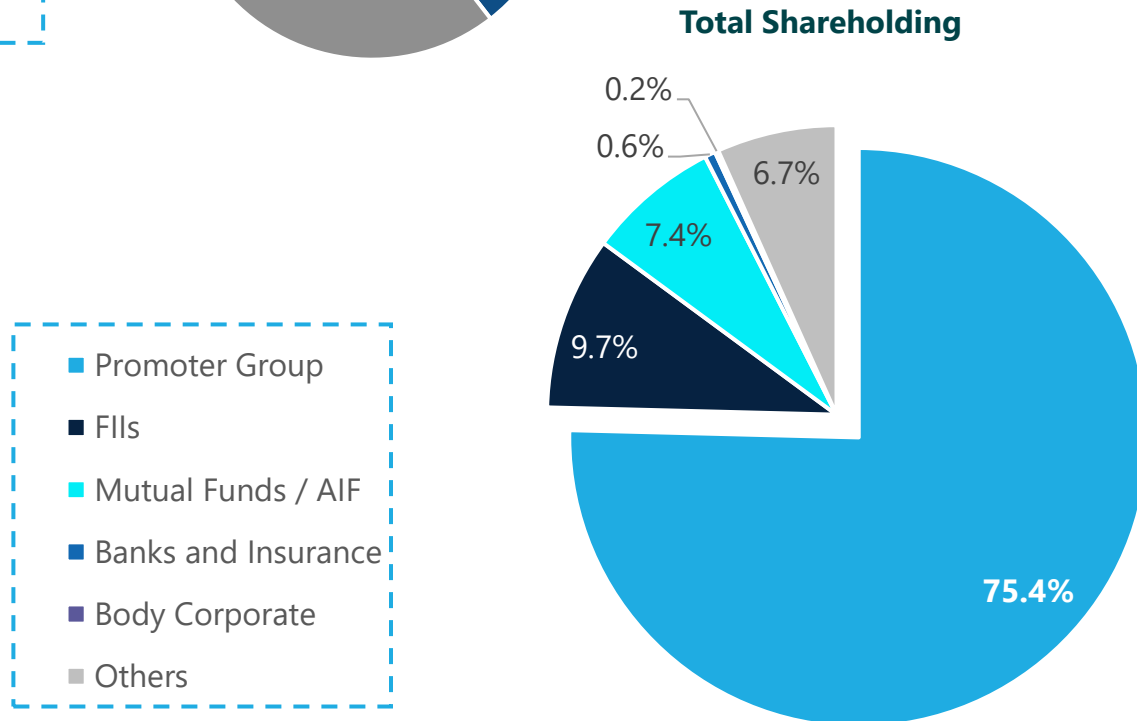


Shareholding Pattern (December 2023)

Non-Promoter Shareholding



Total Shareholding



Key Institutional Shareholders

- Goldman Sachs Managed Funds

- Tata Mutual Fund

- 360 One AIF

- Nomura Funds

- The Regents Of The University Of California

- Eastspring Investments India Fund

- Aditya Birla Sun Life Mutual Fund

- ICICI Prudential Life Insurance

- BNP Paribas Arbitrage

- Nippon Life India Mutual Fund

Thank You

Netweb[®]
TECHNOLOGIES

Chief Financial Officer

Prawal Jain

Email: prawal.jain@netwebindia.com

 **Uirtus Advisors LLP**

Investor Relations Advisor

Sanjeev Sancheti

Email: ir@uirtus.in

Website: www.uirtus.in



Agenda

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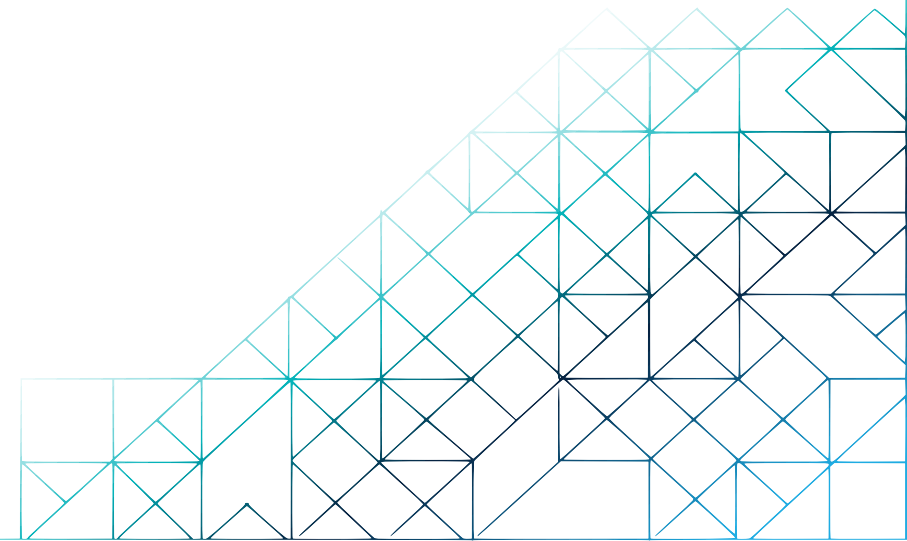
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Annexure



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 31.12.2023	Total Un-Utilized Amount as on 31.12.2023
1	Civil Construction	90.0	17.5	72.5
	Purchase of Equipment	232.9	38.5	194.4
2	Funding our long-term Working Capital Requirements	1,280.2	484.1	796.1
3	Repayment or Pre-payment of loans	225.0	225.0	-
4	General corporate purposes	112.2	-	112.2
Total		1,940.2	765.2	1,175.1

Quarterly Key Highlights

Cash Conversion Cycle Break-up

Particulars	Dec'22	Mar'23	Sept'23	Dec'23
Receivable Days	96	94	132	105
Inventory Days	54	52	77	79
Payable Days	(90)	(88)	(101)	(108)
Cash Conversion Cycle	60	58	108	77

Note: Dec '22, Sep'23 & Dec'23 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

