

Date : 01.11.2023

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 AND HALF YEARLY FINANCIAL RESULTS

Dear Sir/ Madam,

Please find enclosed herewith the revised Earning Presentation on the unaudited standalone financial results for the quarter and half year ended on September 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]

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

Tel. No. : +91-129-2310400

Website : www.netwebindia.com E-mail : complianceofficer@netwebindia.com

Netweb

TECHNOLOGIES

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

Q2FY24 - Earnings Presentation
November 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.

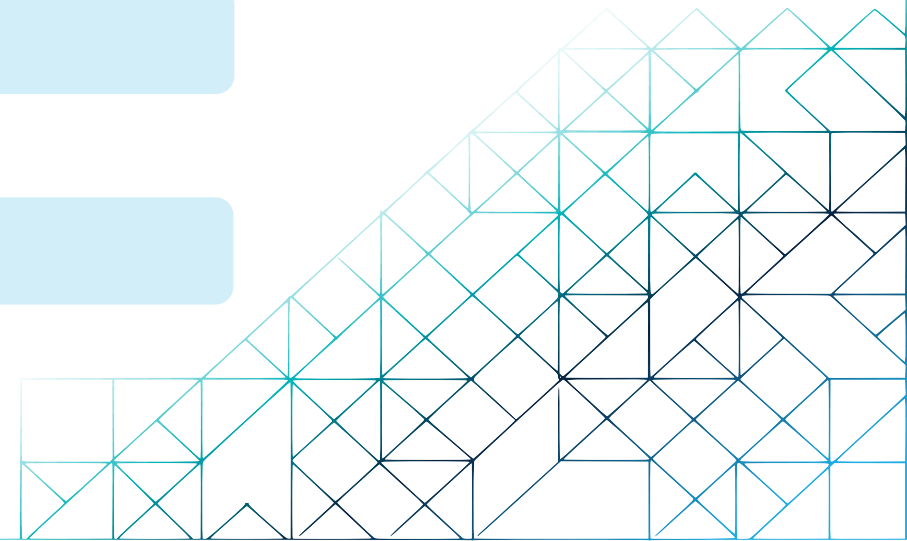
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About Netweb Technologies

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 **16 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

Q2 FY24 Financial Metrics



Revenue from Operation: ₹1,449.9Mn
Customers: Govt. (52.9%) vs Non-Govt. (47.1%)



Gross Margin: 27.0%



PAT Margin: 10.2%



ROCE¹: 22.3%



ROE²: 17.4%

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 strong growth in the quarter gone by. Operating income increased by 96.7% year-over-year (YoY) and 142.4% quarter-over-quarter (QoQ), reaching ₹1,450 million in Q2'FY24.

Gross profit was at ₹392 million, marking a YoY increase of 71.4% and a QoQ increase of 76.6%. Gross profit margin was 27.0%, down from 31.0% in the corresponding quarter of the previous year. While the margin for the quarter decreased, the margin for H1'FY24 increased to 30.0%, up from 29.5% in H1'FY23. This emphasizes that assessing our business on a quarter-to-quarter basis may not provide a holistic perspective. An evaluation based on the overall annual performance would offer a more accurate reflection of our progress.

While gross profit for the quarter grew by 71.4% YoY, operating EBITDA increased by 43.8% to ₹192 million. The operating EBITDA margin for the quarter was at 13.3%. Profit after tax (PAT) for the quarter increased by 65.9% YoY, reaching ₹151 million, and the PAT margin for the quarter was at 10.2%.

As evident, India has significant potential to seize the opportunities presented by the growth of Large Language Model (LLM) models and the widespread adoption of AI across businesses worldwide. This bodes well for the growth of our multiple product lines. Our business pipeline and order book remain robust. Our ongoing capability enhancements and the expansion of our operations and product portfolio position us well for sustainable growth while maintaining our technological leadership.”

Sanjay Lodha, CMD



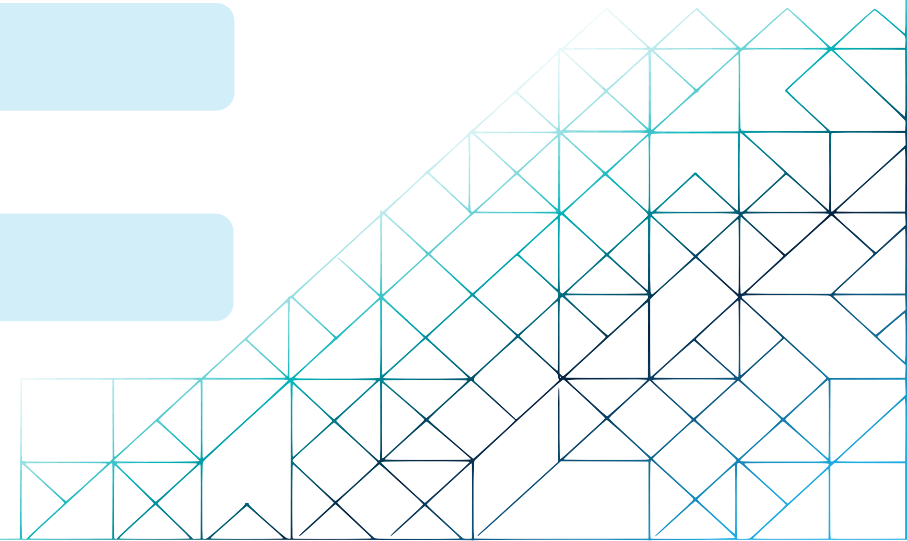
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Quarterly Key Highlights

Profit and Loss Summary

₹ in millions

	Operating Income	Gross Profit	Operating EBITDA	PBT	PAT	Cash Profit
	1,449.8	391.6	192.3	202.1	151.4	165.7
Growth (YoY)	96.7%	71.4%	43.8%	65.8%	65.9%	67.7%
Growth (QoQ)	142.4%	76.6%	122.9%	197.2%	197.4%	159.7%
Margin		27.0%	13.3%	13.7%	10.2%	
EPS/CEPS (in INR)*					2.70	2.96

*EPS and CEPS are diluted & non-annualized

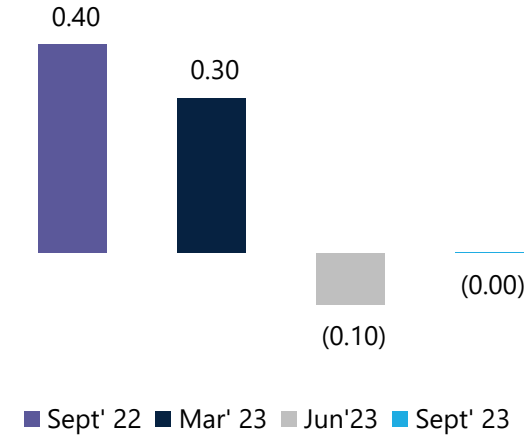
Quarterly Key Highlights (Cont.)

Balance Sheet Summary

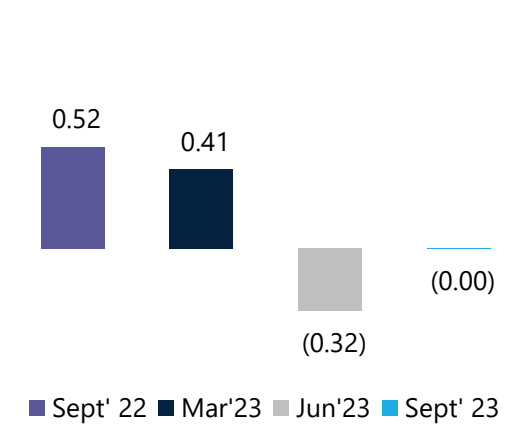
₹ in millions

Particulars	Sept'22	Mar'23	Jun'23	Sept'23
Equity Share Capital	56.6	101.9	103.9	112.1
Other Equity	535.2	834.8	1,403.5	3,605.4
Net Worth	591.7	936.7	1,507.4	3,717.5
Borrowing	242.8	304.0	411.5	44.4
Lease Liabilities	33.1	52.1	49.3	82.6
Cash and Cash Equivalent	36.9	70.9	570.2	127.3
Net Debt	239.0	285.1	(109.5)	(0.3)
Net Fixed Assets	146.7	251.5	261.8	313.7
Net Current Assets#	670.1	959.9	1,126.8	3,362.1
Ratios				
Fixed Asset Turnover Ratio*	19.5	17.7	9.1	13.1
Cash Conversion Cycle*	84	58	140	108

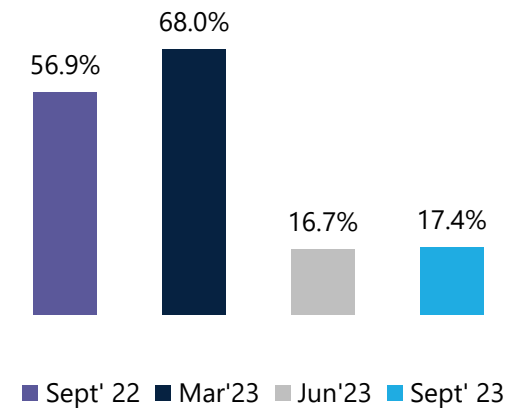
Net Debt/ Equity



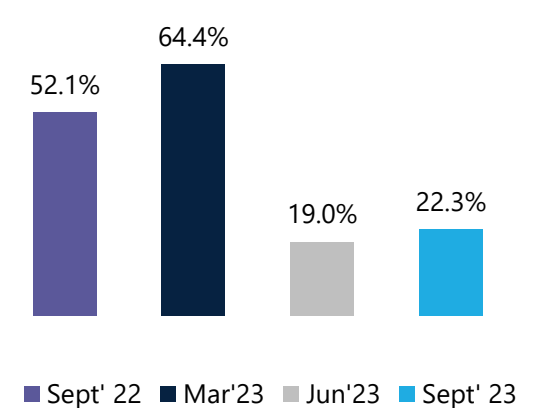
Net Debt/ Op. EBITDA*



ROE*



ROCE*



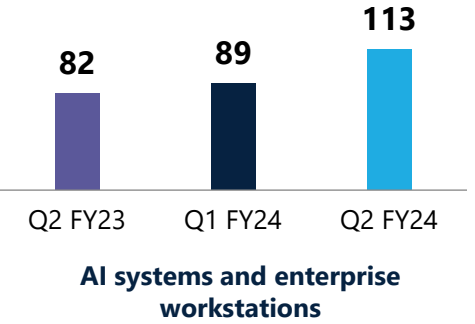
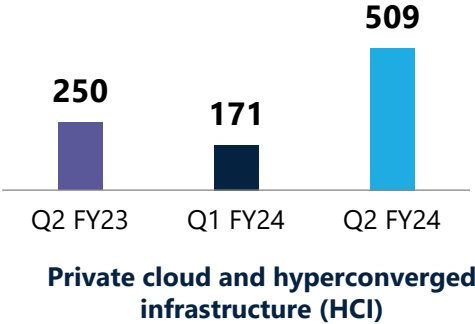
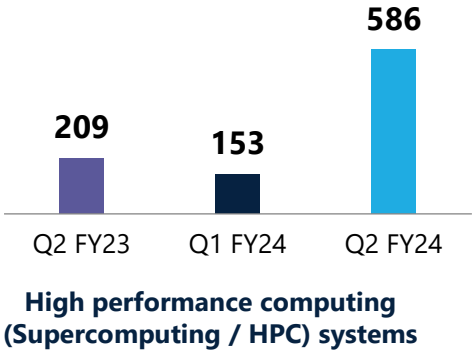
*Sept '22 & Sept'23 are Annualized.

#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

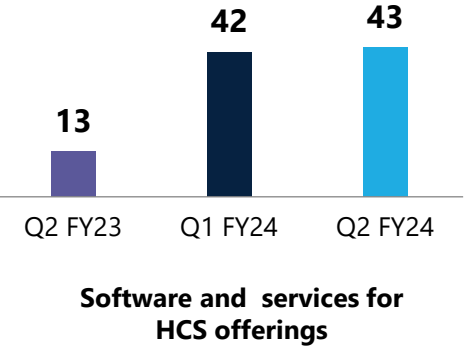
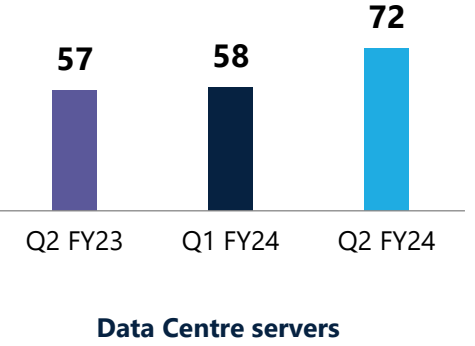
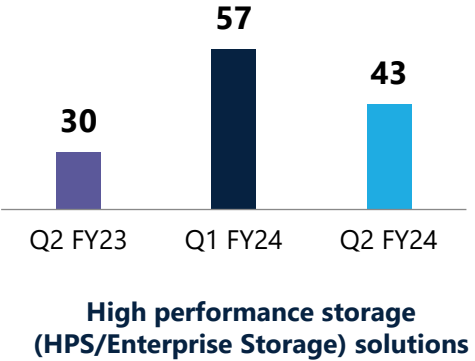
Quarterly Key Highlights (Cont.)

Revenue breakup – HCS Offering

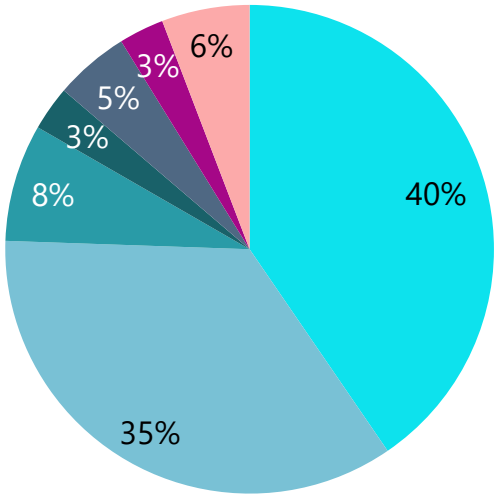
₹ in millions



₹ in millions



Q2 FY24 – Revenue Breakdown by offerings

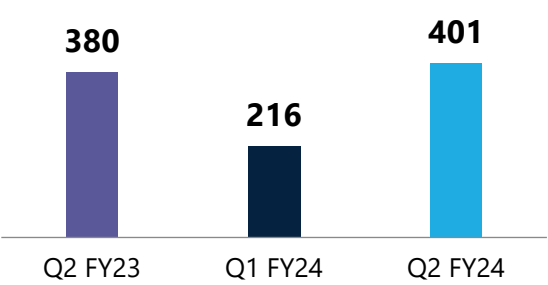


- Supercomputing / HPC Systems
- Private cloud & HCI
- AI & enterprise workstations
- HPS solutions
- Data centre server
- Software & service for HCS offerings
- Spare & others

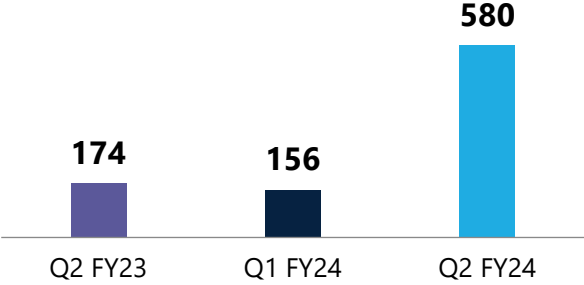
Quarterly Key Highlights (Cont.)

Revenue breakup – Application Industry

₹ in millions

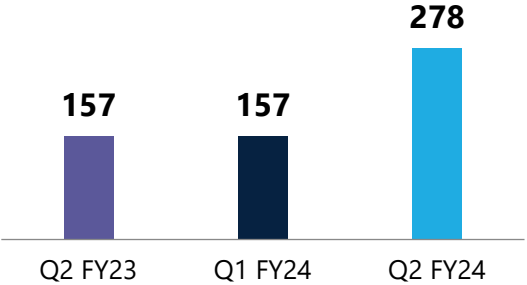


Higher Education and Research

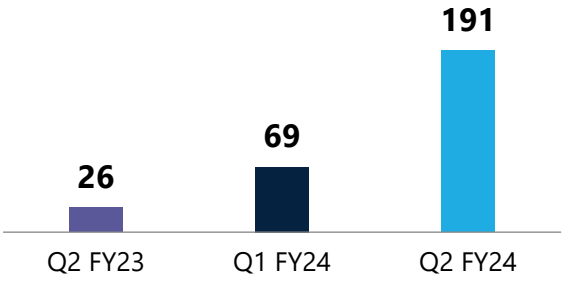


Information Technology and Information Technology Enabled Services

₹ in millions

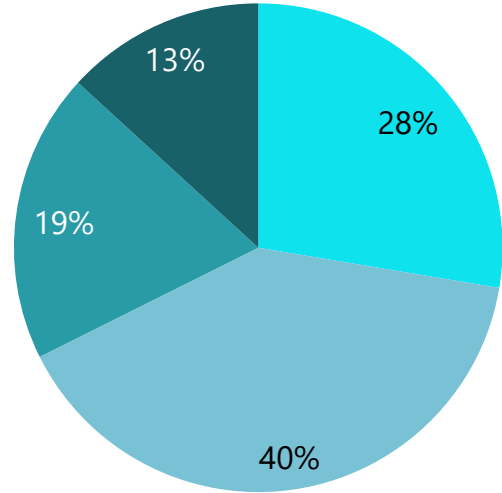


Other Enterprises



Space and Defence

Q2 FY24 – Revenue Breakdown by application industry



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

Quarterly Profit & Loss

₹ in millions

Particulars	Q2 FY24	Q2 FY23	YoY Change	Q1 FY24	QoQ Change	H1 FY24	H1 FY23	YoY Change	FY 23
Operating Income	1,449.8	737.1	96.7%	598.0	142.4%	2,047.9	1,430.2	43.2%	4,449.7
Gross Profit	391.6	228.5	71.4%	221.7	76.6%	613.4	421.7	45.5%	1,206.1
Gross Profit Margin (%)	27.0%	31.0%	(398) bps	37.1%	(1,006) bps	30.0%	29.5%	47 bps	27.1%
Operating EBITDA	192.3	133.7	43.8%	86.3	122.9%	278.6	227.6	22.4%	700.2
Operating EBITDA Mrg (%)	13.3%	18.1%	(488) bps	14.4%	(116) bps	13.6%	15.9%	(231) bps	15.7%
Other Income	30.2	1.6	1764.2%	4.2	627.7%	34.4	2.6	1,231.4%	6.8
Finance Cost	6.2	5.9	4.5%	9.6	(35.0%)	15.8	18.3	(13.8%)	40.7
Depreciation	14.3	7.5	89.4%	12.9	10.8%	27.2	14.3	90.4%	36.6
PBT	202.1	121.9	65.8%	68.0	197.2%	270.0	197.6	36.6%	629.6
PAT	151.4	91.3	65.9%	50.9	197.4%	202.3	147.3	37.3%	469.4
PAT Margin (%)	10.2%	12.4%	(213) bps	8.5%	178 bps	9.7%	10.3%	57 bps	10.5%
EPS¹ (₹)	2.70	1.79	51.0%	0.99	174.0%	3.69	2.89	27.6%	9.07

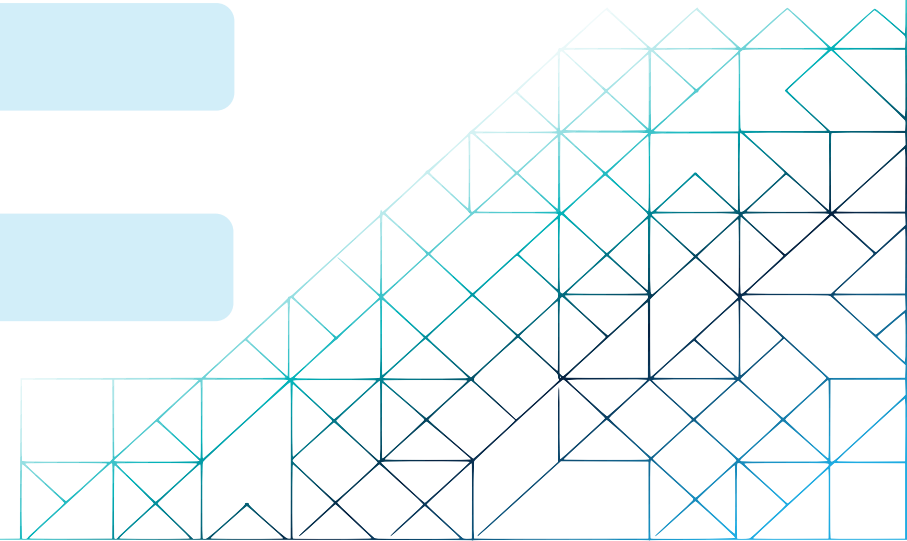
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Key Investment Highlights

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



Agenda

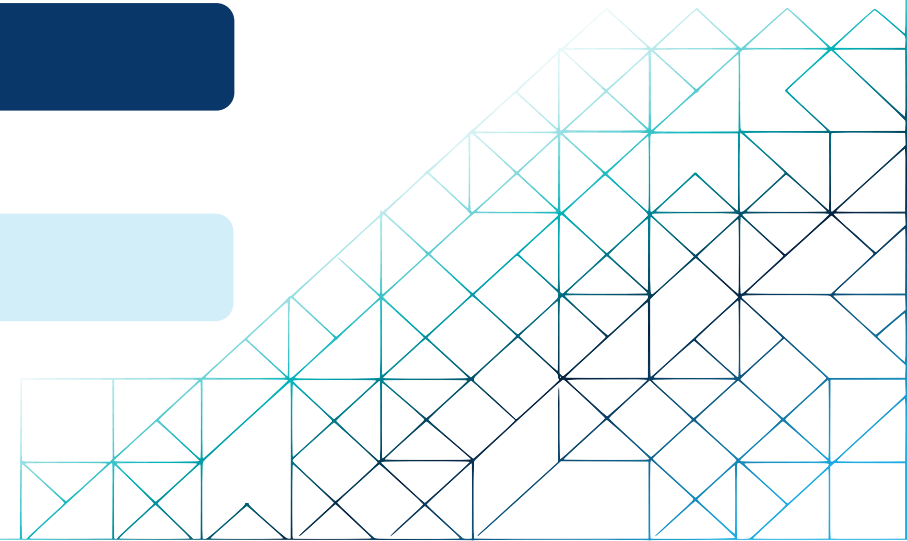
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Growth Drivers

Opportunities to realize sustainable growth of the business

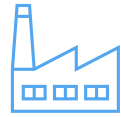


Strong Topline Visibility

Pipeline#
₹ 31,479 Mn

L1#
₹ 3,496 Mn

Order Book
₹ 2,174 Mn



Enhanced Capabilities

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

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



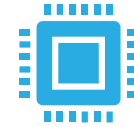
Expansion of Operations

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

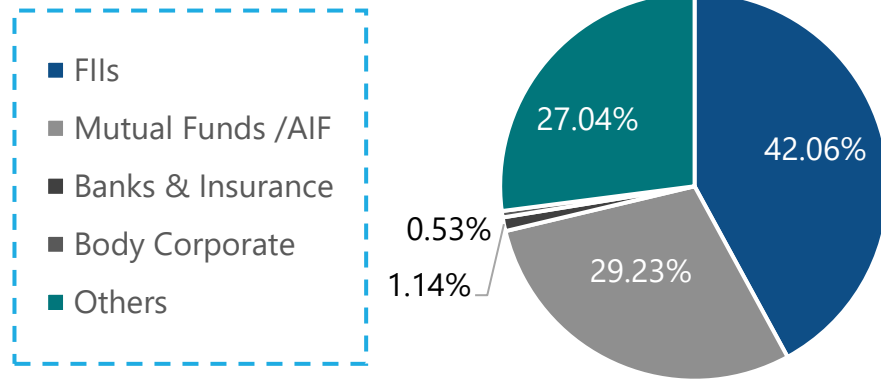
Forayed into developing new product lines, viz., **Network Switches** and **5G ORAN** Appliances

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

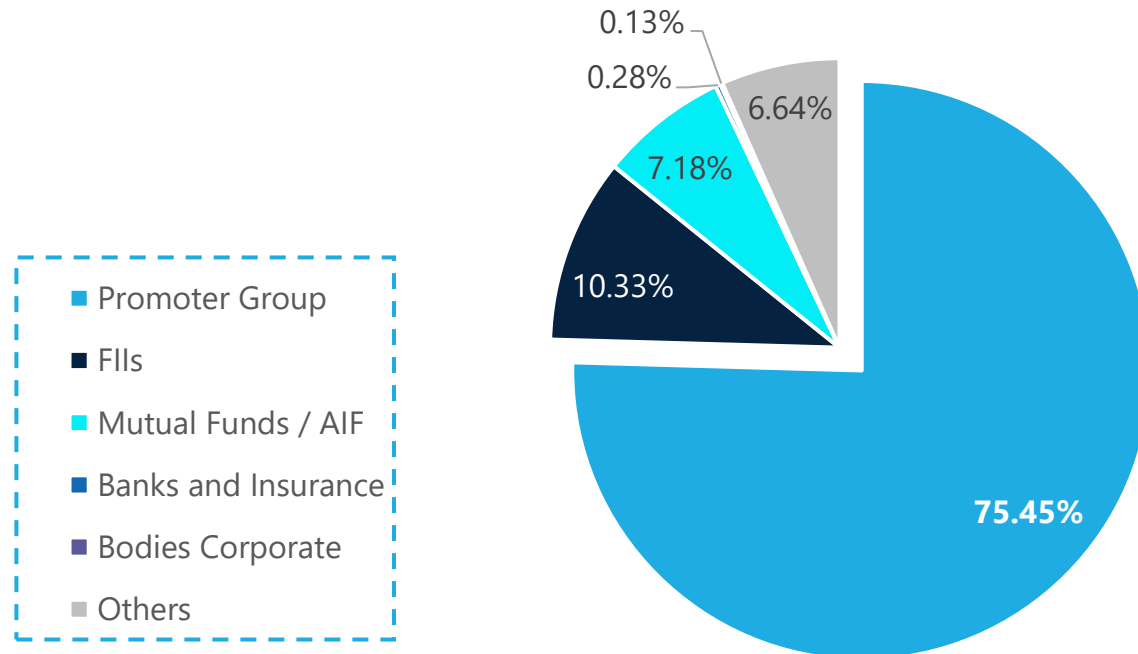


Shareholding Pattern as on 29th September 2023

Non-Promoter Shareholding



Total Shareholding



Key Institutional Shareholders

Goldman Sachs Managed Funds

Tata Mutual Fund

BNP Paribas Arbitrage

360 One AIF

The Regents Of The University Of California

Nomura Funds

Aditya Birla Sun Life Mutual Fund

Nippon Life India Mutual Fund

Eastpring Investments India Fund

HDFC Mutual Fund

Thank You

Netweb[®]
TECHNOLOGIES

Chief Financial Officer

Prawal Jain

Email: prawal.jain@netwebindia.com

Phone No.: +91 7838300460

 **Uirtus Advisors LLP**

Investor Relations Advisor

Sanjeev Sancheti

Email: ss@uirtus.in

Website: www.uirtus.in

Phone No.: +91 9836244222



Agenda

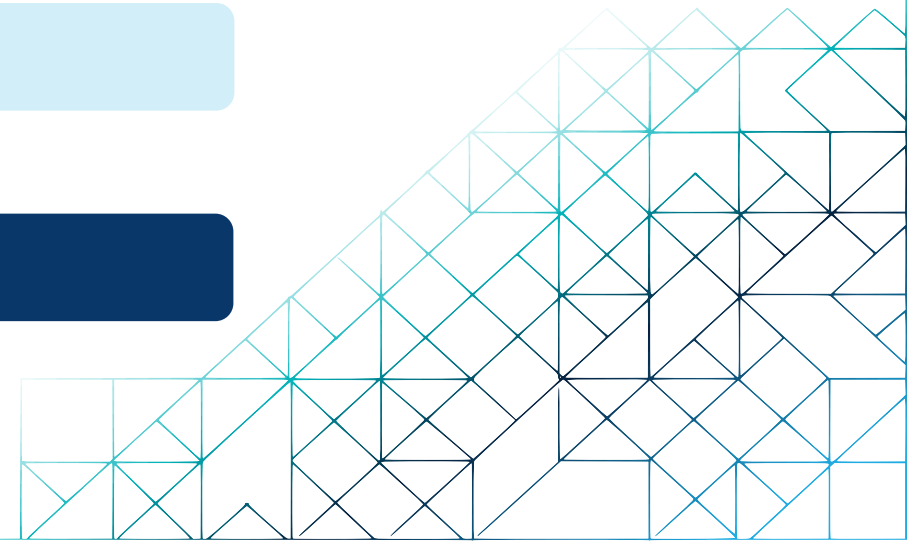
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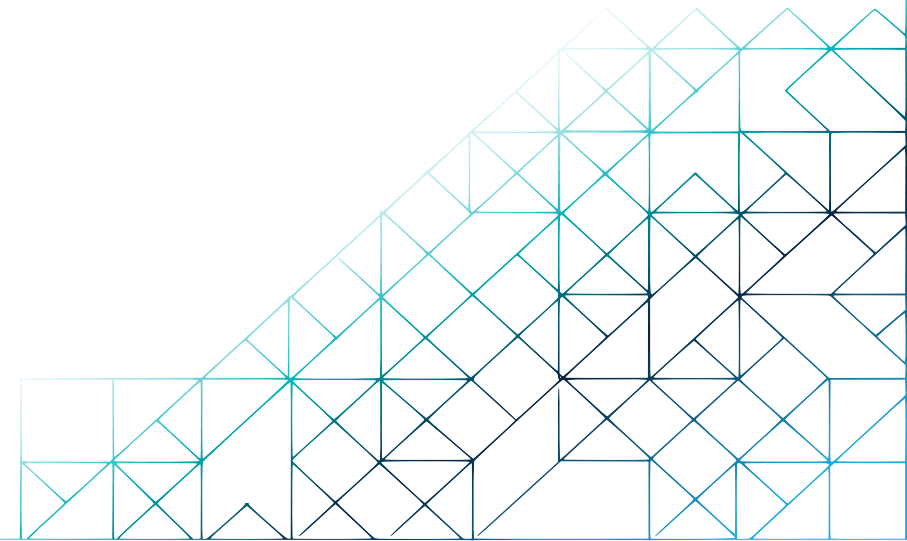
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Annexure



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

