



HFCL Limited

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HFCL/SEC/24-25

July 25, 2024

The BSE Ltd. 1 st Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 corp.relations@bseindia.com Security Code No.: 500183	The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 cmlist@nse.co.in Security Code No.: HFCL
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RE: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Subject: Earnings’ Presentation

Dear Sir(s)/ Madam,

This is in continuation to our earlier intimation dated July 24, 2024.

In terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, we hereby submit a copy of the **Earnings’ Presentation** on, *inter-alia*, the **Un-audited Financial Results of the Company for the 1st Quarter ended June 30, 2024, of the Financial Year 2024-25**, both on **Standalone and Consolidated basis**, to be discussed during the **Earnings’ Call** scheduled to be held on **Thursday, July 25, 2024 at 04:30 p.m.**

It may be noted that the Board of Directors of the Company has, considered and approved the aforesaid Financial Results of the Company, in its meeting held on July 24, 2024.

We request to take the above information on your records and disseminate the same on your respective websites.

Thanking you,

Yours faithfully,
For HFCL Limited

(Manoj Baid)
President & Company Secretary

Encl: Earnings’ Presentation

Earnings Presentation

July 2024



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HFCL LIMITED

Message from Managing Director

“We are pleased to announce that our company has achieved another remarkable quarter. This success is attributed to our strategic investments in research and development, which have fostered continuous innovation. The introduction of our indigenously designed telecom and networking products, passive connectivity solutions, and other projects has led to sustained performance.

A major highlight during this quarter is the European Union's landmark verdict to exempt HFCL and its subsidiary, HTL from anti-dumping duties on manufacturing of optical fiber cables, making us the only Indian company to attain this distinction.

We are experiencing robust demand for our newly launched Fixed Wireless Access Customer Premises Equipment, which presents an important use case for enhanced revenue from 5G networks for both Indian and global markets.

HFCL is dedicated to developing defense products for both domestic and global markets. We have introduced a portfolio of defense products with significant export potential which includes Electronic Fuzes, Thermal Weapon Sights, TI cores for thermal sights, and Ground and Coastal Surveillance Radars suited for different ranges and applications.

The demand for optical fiber cables is currently experiencing a temporary slowdown, which has affected our revenues from the OFC business in FY24 and Q1FY25. However, with our diversified product portfolio in telecom, optical fiber cables, and passive connectivity solutions, the Company has managed to sustain and grow its performance.”

Key Performance Metrics for Q1FY25

- **Revenue** : INR 1158.24 crores, up by 16.38% YoY
- **EBITDA** : INR 185.37 crores, up by 16.13% YoY
- **PAT** : INR 110.65 crores up by 46.44% YoY



MAHENDRA NAHATA
Promoter and Managing Director

Q1 FY25 Key Highlights

Key Highlights :

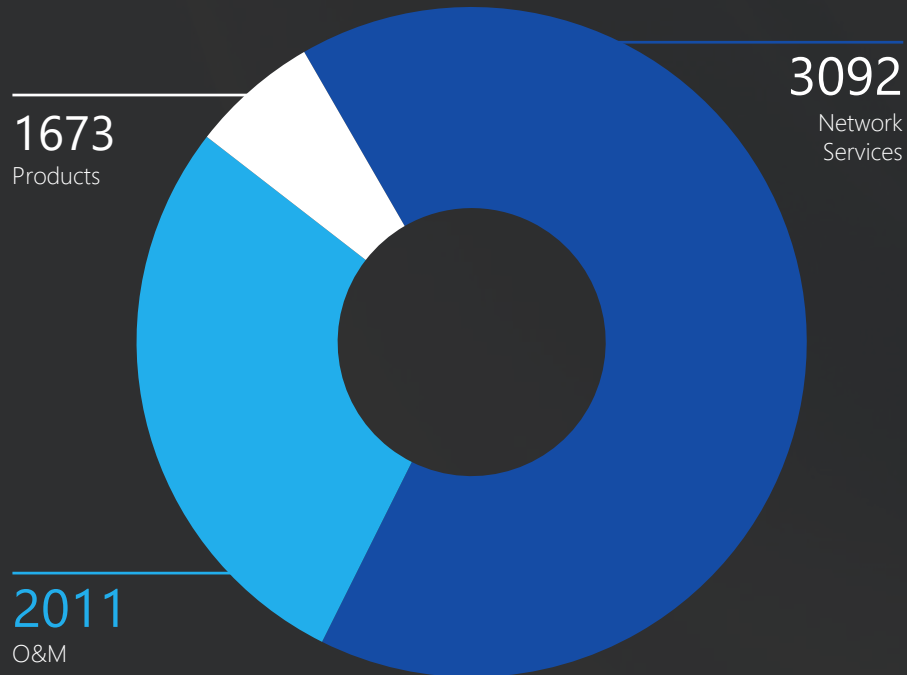
- In a landmark verdict on 14th June, 2024, the European Commission has decided not to impose anti-dumping duty on optical fiber cables manufactured by HFCL and its subsidiary HTL, bolstering our competitive edge in the European market
- Successfully cleared the User Trial Readiness Review for the Armament Upgradation Project of the Indian Army's for BMP-2 Infantry Combat Vehicles
- The company has started receiving inquiries from prospective customers in several countries and is currently in discussions regarding the export of fuzes. We are confident that we will build a substantial order book for the export of electronic fuzes within the current fiscal year.
- In order to optimize operational efficiencies, better utilize resources, and to focus more on passive connectivity solutions, HTL Limited, a subsidiary company, has decided to discontinue the manufacturing of Polymer compounds.

Q1FY25 - Consolidated Profit & Loss Statement

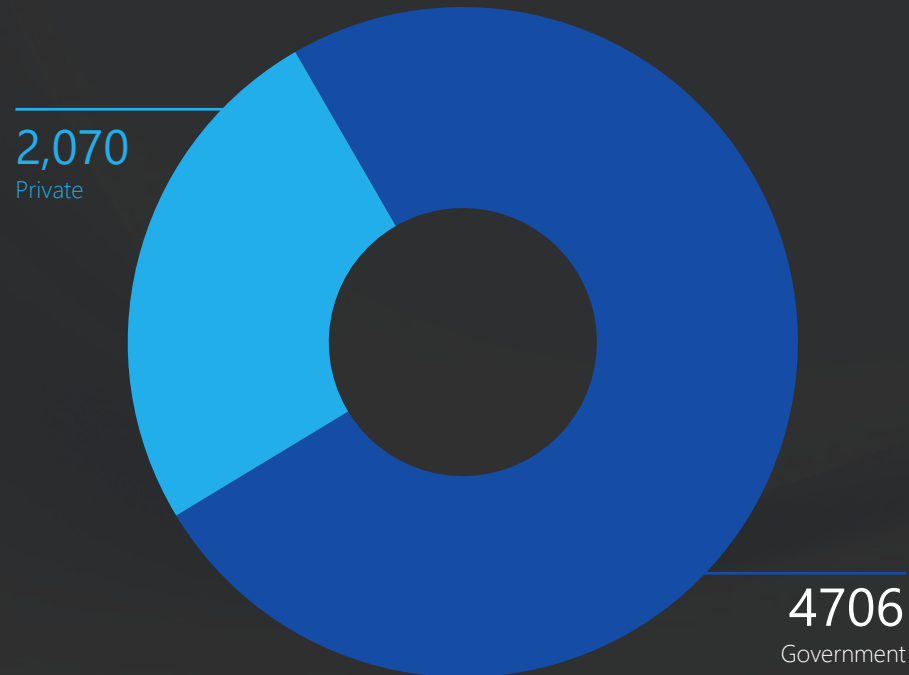
Particulars (₹ IN CRORES)	Q1FY25	Q1FY24	Change Y-o-Y	Q4FY24	Change Q-o-Q
Revenue from Operations	1158.24	995.19	16.38%	1326.06	-12.66%
EBITDA	185.37	159.62	16.13%	209.29	-11.43%
EBITDA Margin (%)	16.00%	16.04%	-4Bps	15.78%	22Bps
Depreciation	24.07	20.90		20.14	
Finance Cost	42.31	36.30		39.65	
Profit Before Tax	118.79	102.53	15.86%	149.45	-20.52%
Profit after Tax	110.65	75.56	46.44%	109.36	1.18%
PAT Margin (%)	9.55%	7.59%	196Bps	8.25%	130Bps
EPS (Diluted ₹)	0.77	0.49	57.14%	0.76	1.32%

Order book as on June, 2024

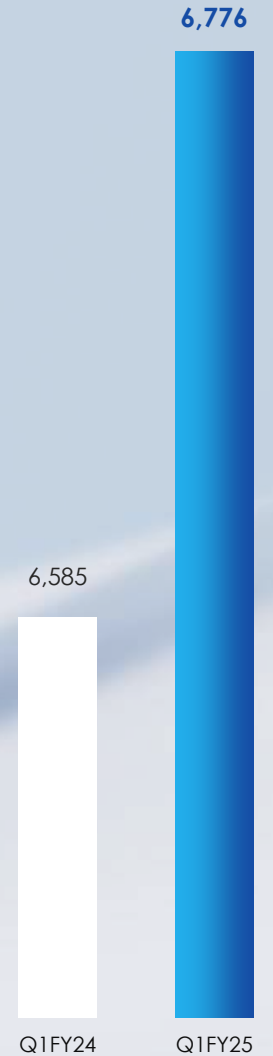
Order book category wise (IN ₹ CRORES)



Order book customer wise (IN ₹ CRORES)



Order Book (IN ₹ CRORES)





About the Company

HFCL LIMITED

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About HFCL

A technology-driven company providing communication & networking products & solutions to telecom, defence & railways sectors across the globe.

Optical fiber Cable Supplier in India

1

Countries of Presence

45+

Manufacturing Facilities

5

R&D Centres

3



Largest market share in Optical fiber Cable (OFC) supplies and also one of the largest manufacturers of Wi-Fi access points and Unlicensed band radios in India

Telecom 96%

Revenue Contribution
In Q1FY25

Defense 2%

Revenue Contribution
In Q1FY25

Leading technology company that offers end-to-end solutions by designing customised defence communication products and also establishing network required by armed forces for defense communication in India



One of the most innovative designers of modern communication systems for metros, railways & freight lines.

Railways 2%

Revenue Contribution
In Q1FY25

Product Portfolio

Telecom

Networking Products



1. Point to Point Unlicensed Band Backhaul Radio (UBR)
2. Indoor & Outdoor Wi-Fi 5 and 6 Access Points
3. Unified Cloud based Network management system
4. Ethernet L2 Switches
5. Home Mesh Routers
6. 5G Indoor & Outdoor FWA CPE
7. IP/ MPLS Routers

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
7. IBR Cable

Empowering global telcos with a wide range of new age products

Defence

Electronics Products



1. Electronic FUZE
2. High-capacity radio relay
3. Ground Surveillance Radar
4. Thermal Imaging Core (TI Core)
5. Thermal Weapon Sights (TWS)

Innovator in Indian defence technology space through indigenously developed products

Product Portfolio

Passive Connectivity Solutions



1



2



3



4



5



6

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

Supplying high quality compatible passive connectivity solutions for catering to high speed networks

Wire Harness Portfolio



1



2



1. Aerospace and Defense cable assemblies
2. Automotive cable assemblies

Supplier of highly specialised, custom designed cables for the aerospace and automotive sectors

Product Innovation- Recent launches and products under development

Fuelled by a sharp focus on innovation, we have created a comprehensive suite of next-gen connectivity and 5G backhauling products :

Recent Launches:

Public Communications

1. 5G Fixed Wireless Access Equipment
2. IP/ MPLS Routers
3. Low and Medium Capacity Unlicensed Band Radio
4. Unified Cloud Network Management System
5. 1728 High fiber Intermittently Bonded Ribbon Cable

Defence

1. Ground Surveillance Radars of various types
2. Electronic Fuses
3. Night Vision devices
4. High Capacity Radio Relay



Products Under Development



Telecommunication

- Next Gen WiFi 7 routers
- Ultra High-Capacity Point-to-point and Point-to-Multipoint Unlicensed Band Backhaul Radio



Defense Communication & Electronics

- Software defined radio
- Drone Detection Radar

Network Solutions & Projects



Public Telecommunication

- Established player in large-scale telecom projects including Optical Transport Network, Rural GSM Network, Fiber to the Home, In-building Solutions, Mobile Backhaul Networks
- Creation of Optical Transport Network across India for leading telecom operator



Defence Communication

- Dedicated Multi-Protocol Label Switching (MPLS) Network
- End-to-end solution for multiple hybrid microwave broadband radio links in remote area
- Exclusive and dedicated nationwide dense wavelength-division multiplexing-based Optical transmission backbone network
- GSM based Fiber Monitoring & Management System



Railways

- Transforming and modernizing railway communication systems & signalling infrastructure for domestic and international metros
- Pioneered IP-based video surveillance system (VSS) for railways
- Deploying advanced telecom networks for seven greenfield dedicated freight corridor projects for Indian government
- Video management systems implemented at ~750 railway stations

Strong Domestic Presence



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)

All above are raw materials for Optical fiber cable



HYDERABAD, TELANGANA 2 facilities

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



CHENNAI, TAMIL NADU

(Through subsidiary company HTL Ltd)

- 11.88 mn fkm/annum Optical Fiber Cables
- 270k cable km/annum - FTTH Cables
- Passive connectivity solutions



VERNA, GOA

- 8 mn fkm/annum Optical Fiber Cables

5
Operational

Manufacturing facilities across India

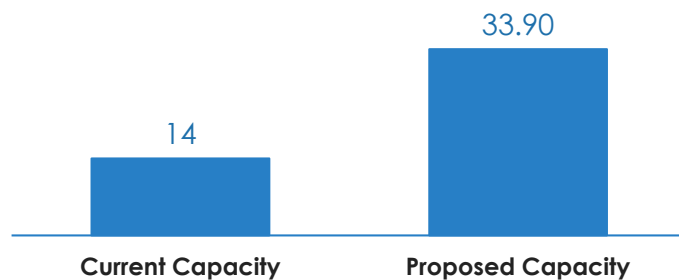
Expanding Manufacturing Capacities

Further strengthening of backward integration

- Reduce dependence on external suppliers for manufacturing of Optic Fiber Cables
- Higher Quality Assurance of finished goods
- Yield better margins

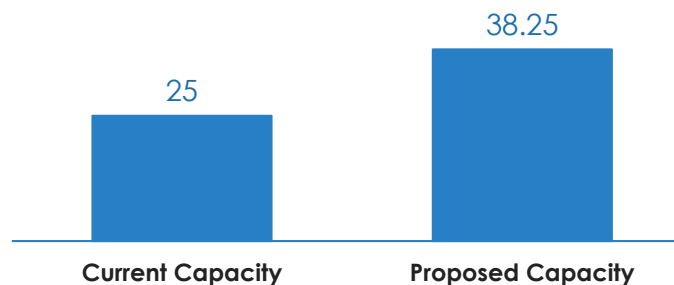
Planned expansion of manufacturing capacity of Optic fiber

(IN mn fkm p.a)



Planned Optical fiber Cable capacity expansion

(IN mn fkm p.a)



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

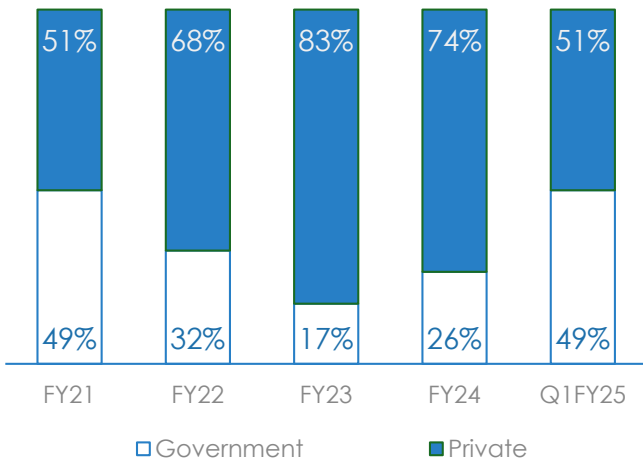
- Cumulative TAM of ~ 614 bn USD both globally and in India by FY30.
- Targeting revenue of ~ Rs.2000 crores in FY24-25 compared to Rs.143 crores during FY24 from existing product portfolio.
- Eligible for PLI benefits by manufacturing these products



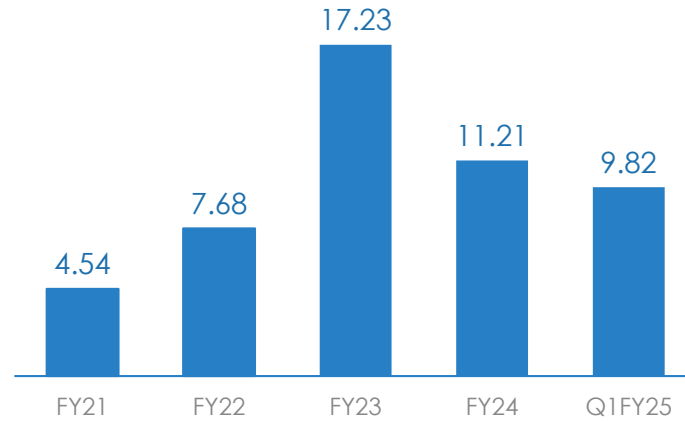
Shift in Revenue Mix

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

Revenue share from Private Customers (IN %)



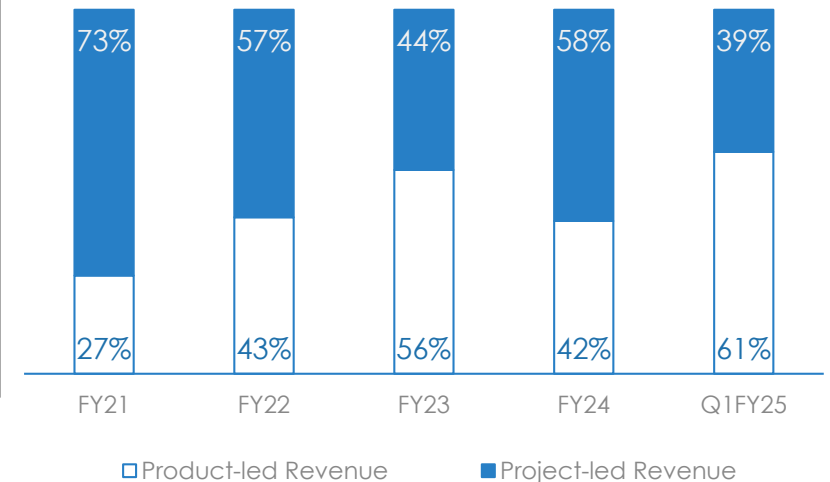
Exports Revenue Share* (IN %)



*The global optical fiber cable market is currently experiencing a slowdown

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

Shift towards Product-led Revenue (IN %)



R&D: Powering towards a technology led Company

3 dedicated R&D centres in Bengaluru, Hyderabad and Gurugram driving innovation.

Strengthened in-house R&D team



Segments	No. of people
5G Products	127
Other Networking Products	96
Defence	39
Optic fiber & Optical fiber Cable	40
Total	302



Key Customers



المؤسسة العامة للخطوط الحديدية
SAUDI RAILWAYS ORGANIZATION



A Navratna Company



Strong Technology Partners



Licensing for Open source Wi-Fi 7 products ;
5G millimeter wave FWA ;
product development;
5G Outdoor Small Cell
etc.



Partnership for 5G
Transport Products



Partnership for 5G Small
Cells



Partnership for 5G Small
Cells



Design partner for
Macro Radio, Wifi
Access points, UBRs,
Cloud management
systems, Element
management systems
etc.



Partnership for 5G Small
Cells



Partnership for 5G
indoor small cells



Partnership for Artificial
Intelligence (AI) based
Analytics



Partnership for 5G
Transport products



Partnership for Switches



Partnership for Software
Defined Radios

Why HFCL? The Difference Maker

Market Leader

Largest share in domestic supplies of Optic fiber cables in India

Vertical Integration

Optimized business model and consistent supply chain

Dedicated R&D Capabilities

302+ R&D resources across 3 research centres

Expanding International Presence

Operations in 45+ countries serving 100+ clients globally

Strong Business Relationships

Strong business relationship with leading telecom operators resulting in repeat business opportunities

Industry Veterans

Have been present in the telecom and Optical fiber cable industry for more than 3 decades

Large Order Book

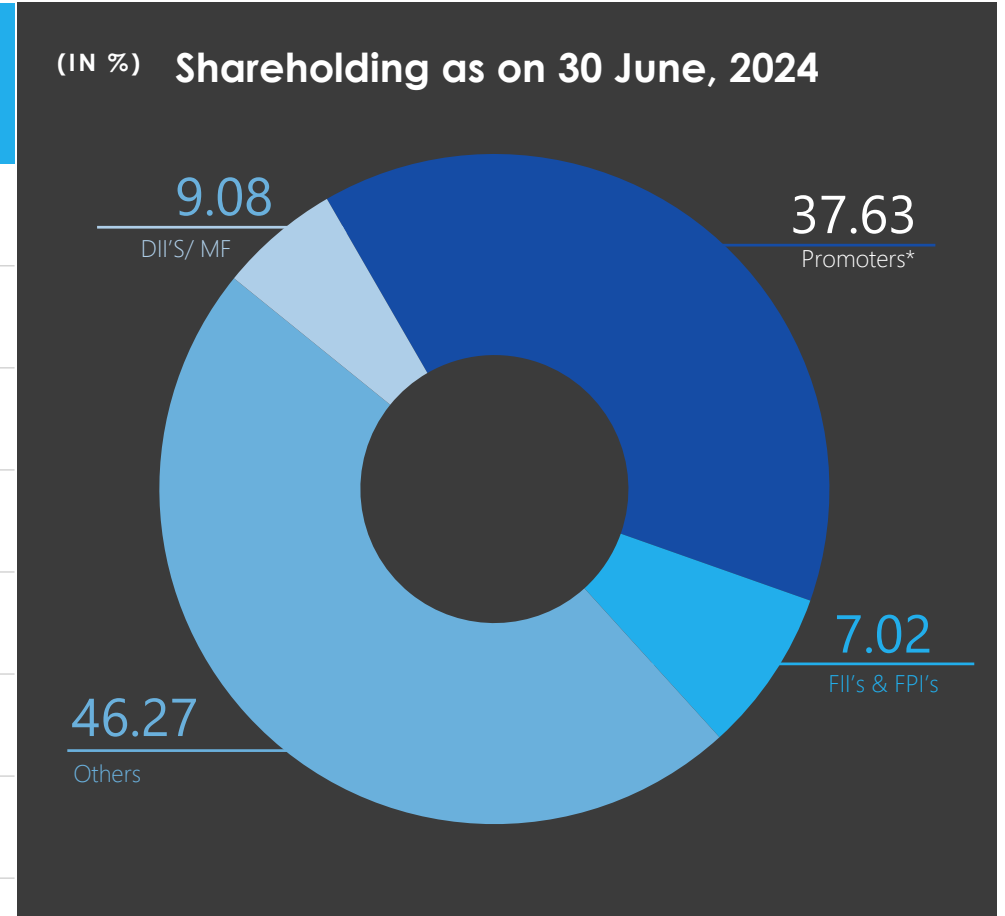
Strong Order Book of ~ ₹ 6776 crores diversified across Telecom, Defence and Railways providing revenue visibility

End-to-End Network Solution Provider

One-stop shop for communication network and solutions

Shareholders' Information

Share Information (AS ON June 30, 2024)	
NSE Ticker	HFCL
BSE Ticker	500183
Market Cap (₹ Crores)	16,331.06
% free-float	62.04%
Free-float market cap (₹ Crores)	10,132
Shares Outstanding	1,44,26,72,812
3M ADTV (Shares)	2,93,19,522
3M ADTV (₹ Crores)	316.33
Industry	Telecommunications – Equipment & Solutions



*Note : On June 28, 2024, NextWave Communications Private Limited (NCPL), one of the promoters of the Company sold 2 crore equity shares. However, since this sale transaction was not reflected in the Benpos data received from National Securities Depository Limited (NSDL), the shareholding of NCPL as it appears in the Benpos received from NSDL, without accounting for the sale of the 2 crore shares, has been shown in the shareholding pattern as on June 30, 2024.

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Thank You

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Amit Agarwal

HEAD – INVESTOR RELATIONS
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