



## HFCL Limited

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HFCL/SEC/23-24

October 19, 2023

<b>The BSE Ltd.</b> 1 <sup>st</sup> Floor, New Trading Wing, Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai – 400001 <a href="mailto:corp.relations@bseindia.com">corp.relations@bseindia.com</a> <b>Security Code No.: 500183</b>	<b>The National Stock Exchange of India Ltd.</b> Exchange Plaza, 5 <sup>th</sup> Floor, C – 1, Block G Bandra – Kurla Complex, Bandra (E) Mumbai – 400051 <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> <b>Security Code No.: HFCL</b>
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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 of today.

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 2<sup>nd</sup> Quarter and Half Year ended September 30, 2023, of the Financial Year 2023-24**, both on **Standalone and Consolidated basis**, to be discussed during the **Earnings’ Call** scheduled to be held on **Friday, October 20, 2023 at 04:00 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 October 19, 2023.

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**

Oct  
2023

HFCL

# Investor Presentation

HFCL LIMITED

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**HFCL at a  
Glance**



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# HFCL at a glance

Presence in Key Industries

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Manufacturing Facilities across India

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Research & Development

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Key Customers

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Order book

# HFCL – At a Glance

A leading innovation - led technology enterprise

Integrated communication products and solutions provider

Innovative product offerings



Comprehensive digital network solutions



## Key Sectors



### Public Communication



### 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

# Manufacturing Facilities across India



## 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)
- 660kkm/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**

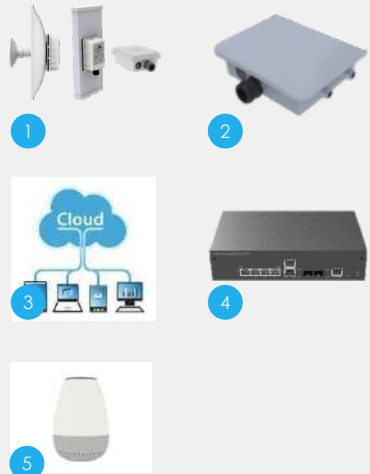


## VERNA, GOA

- 8 mn fkm/annum Optic Fiber Cables

# Product Offerings

## Telecommu- nication Products



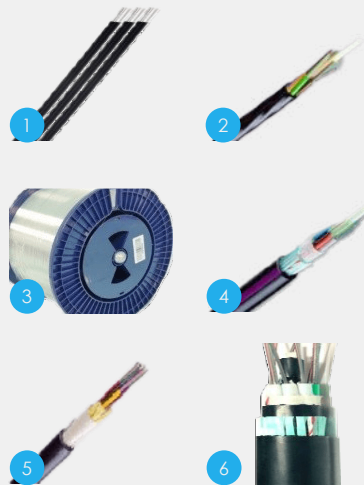
1. Point to Point and Point to Multipoint backhaul radio
2. Indoor & Outdoor Wi-Fi 5 and 6 Access Points
3. Cloud based Network management system
4. Ethernet L2/L3 Switches
5. Home Mesh Router

## Defense Electronics Products



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

## Optic Fiber/ Optical Fibers Cables



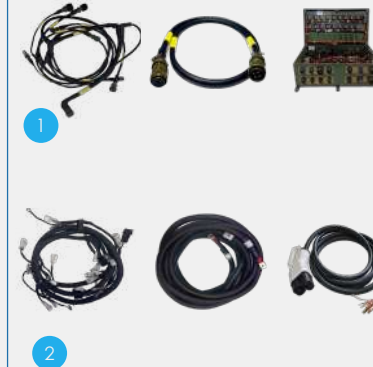
1. Optic Fiber
2. Armoured and Unarmoured Cable
3. Micro Cable
4. Micro Module Cable
5. Ribbon Cable
6. FTTH Cable
7. IBR Cable

## Passive Connectivity Solutions



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

## Wire Harness Portfolio



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

## 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 /Access Router, Aggregation Router
- Ultra High Capacity Point-to-point and Point-to-Multipoint UBRs
- Wi-Fi 7 Access Points



### 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 the 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



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

# R&D backbone for futuristic Portfolio



Establishment of 3 R&D centres in Bengaluru, Hyderabad and Gurugram. Focus areas include 5G innovation and Telecommunication products.



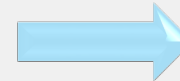
Investing in technology, creating patent portfolio and indigenous R&D capability.



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



**Strengthened  
by in-house  
R&D team**



Specialization	No. of people
5G Business	124
Communication	97
Defence & Other Technologies	32
Optical Fibre Cable	28
<b>Total</b>	<b>281</b>

# Key R&D Partnerships



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 Switches



Partnership for Software Defined Radios



Partnership for 5G Small Cells



Partnership for 5G indoor small cells.



Partnership for Artificial Intelligence (AI) based Analytics.



Partnership for 5G Transport products

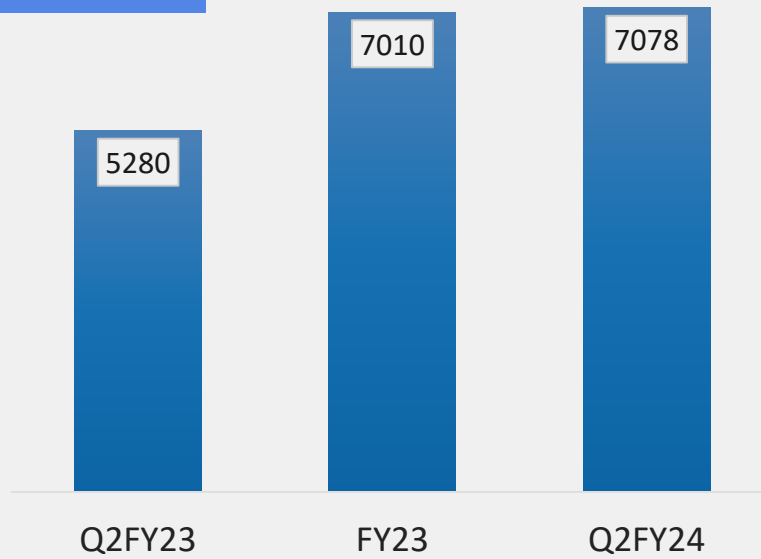


Partnership for chip

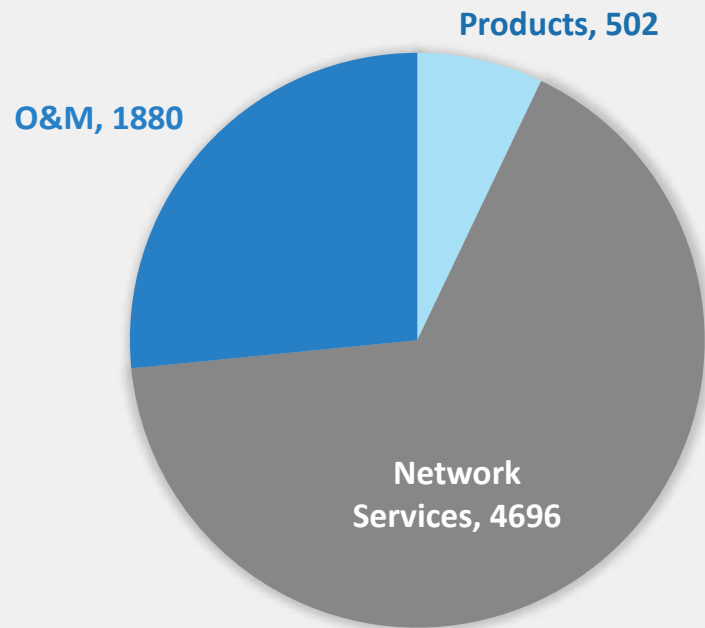
# Key Customers



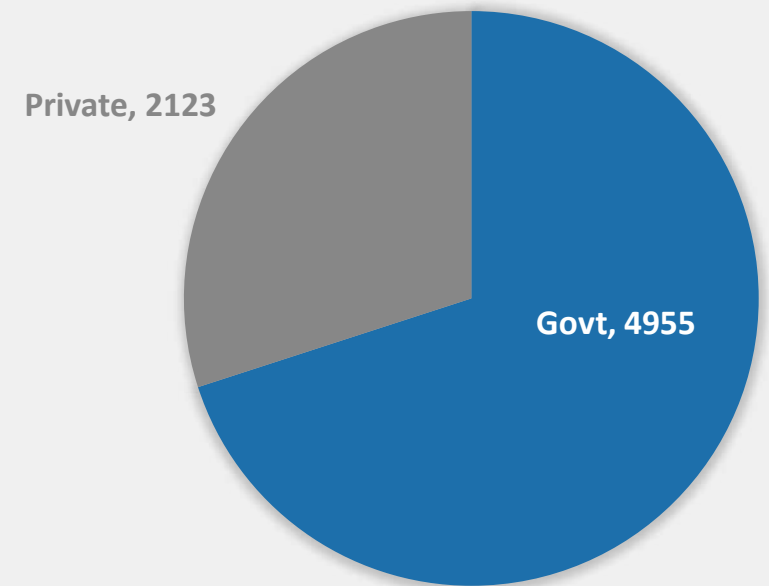
# Order book



## ORDER BOOK CATEGORY WISE



## ORDER BOOK CUSTOMER WISE





# 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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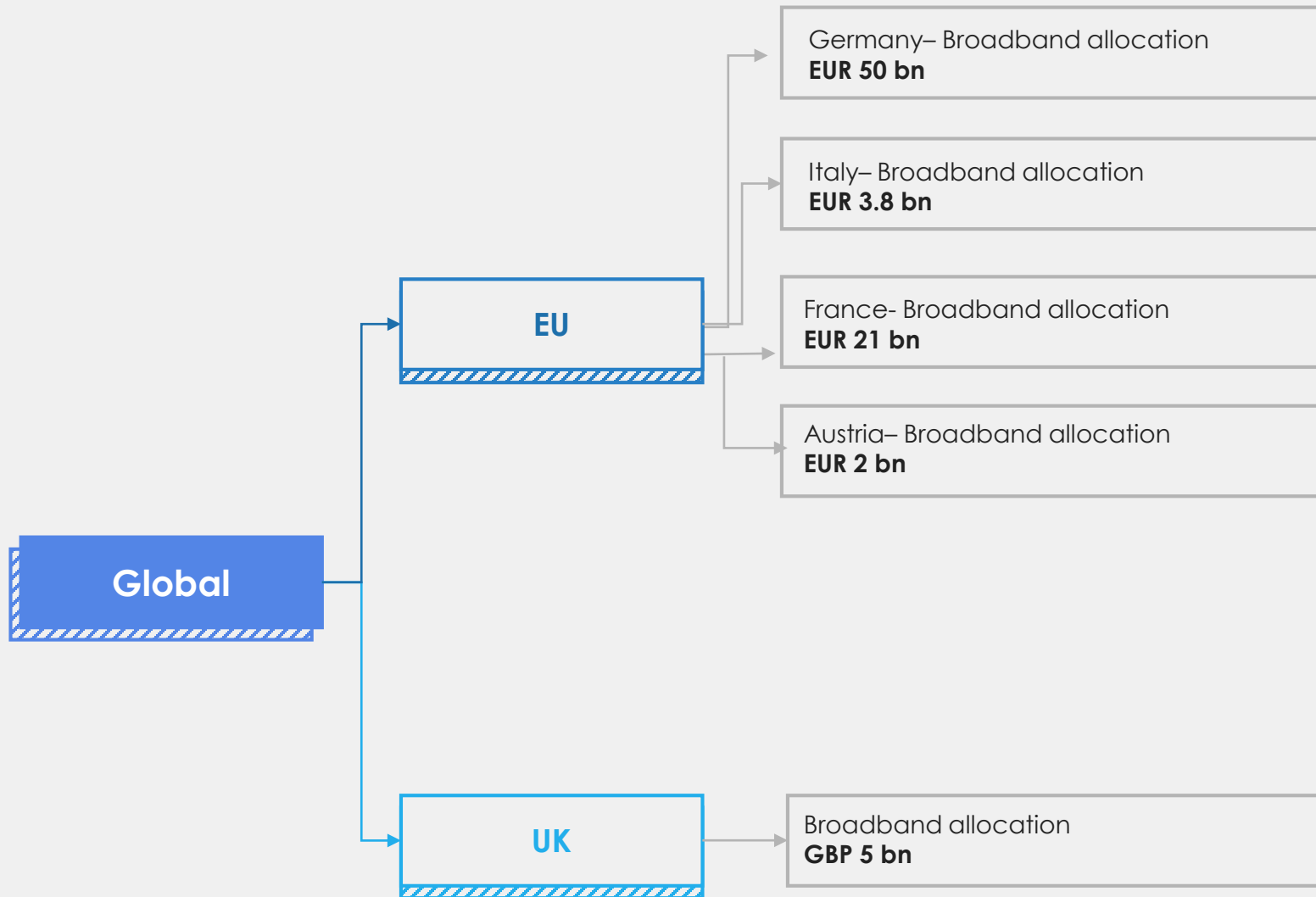
Market Opportunity at a Glance

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# Opportunity Landscape



# Global Opportunities – EU & UK



## 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.\*

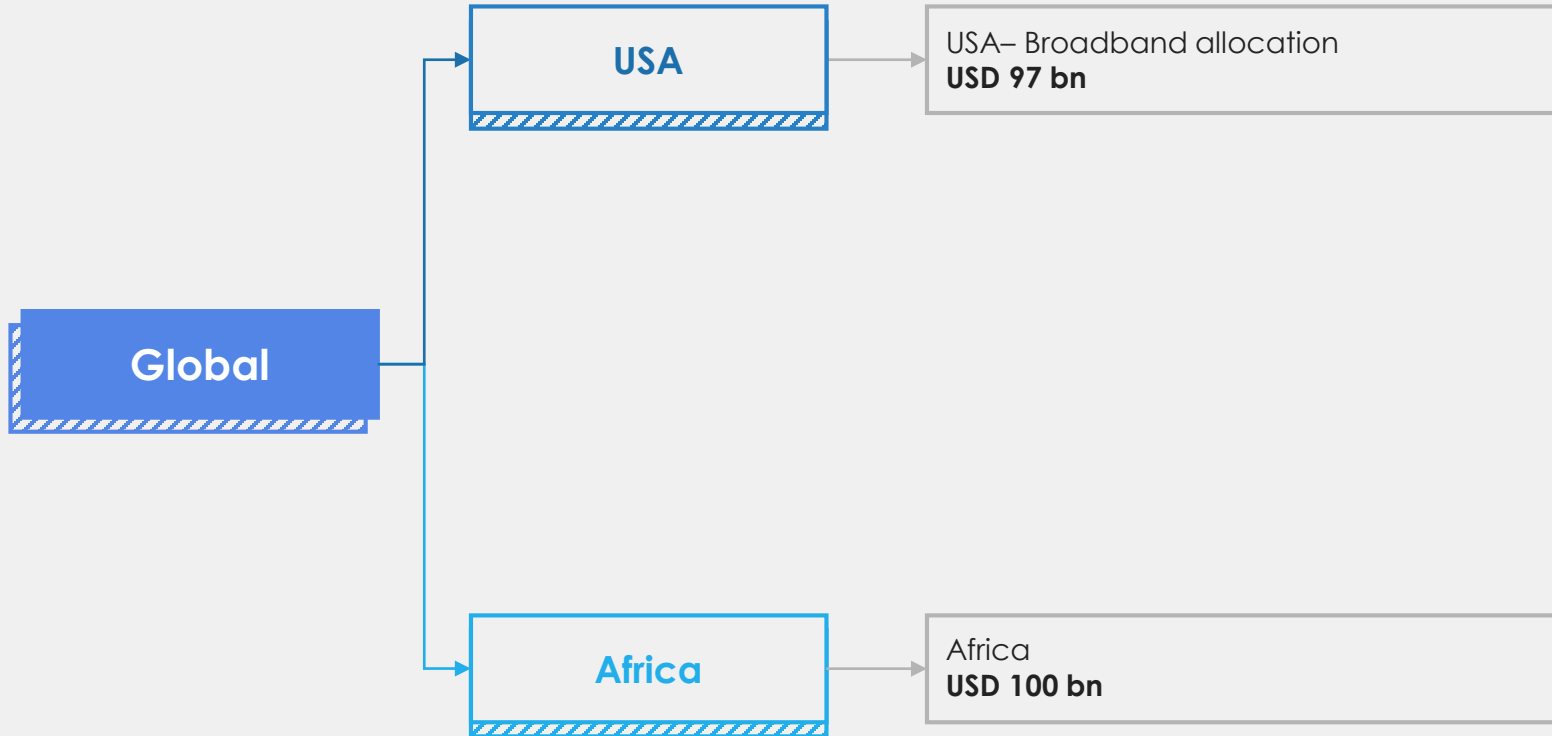
## Austria – Symmetric Gigabit

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

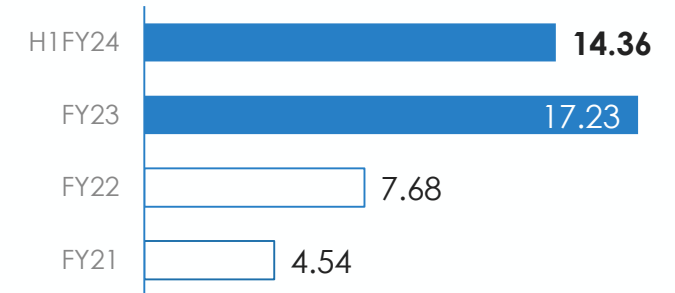
*Our Global presence*



- 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

# 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.

GOI is planning for 3<sup>rd</sup> stage of BharatNet which is expected to be around 11 lakhs cable km with estimated spend of about 1.5lac crores including capex and opex for 10 years.

- **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

Modernisation of signalling & telecommunication in Indian Railways

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

8 RRTS projects proposed, 3 being considered for immediate implementation

## Growth Drivers & Overall Project Costs\*

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

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

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

2 in financial approval stage

## Cumulative TAM (FY23-30)\*

USD **0.85** Bn

USD **0.97** Bn

USD **3.0** Bn

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



# 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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# Strategic Priorities



**Expanding Product Portfolio**



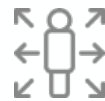
**Increased Manufacturing Capabilities and high-level backward integration**



**Shift in Revenue Mix**



**Expanding Global Reach**



**Focus on R&D**



**Improving Profitability and rationalizing Working Capital**

# Expanding Product Portfolio



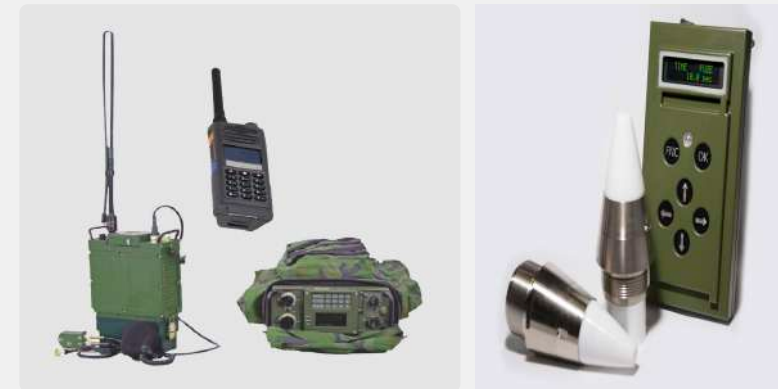
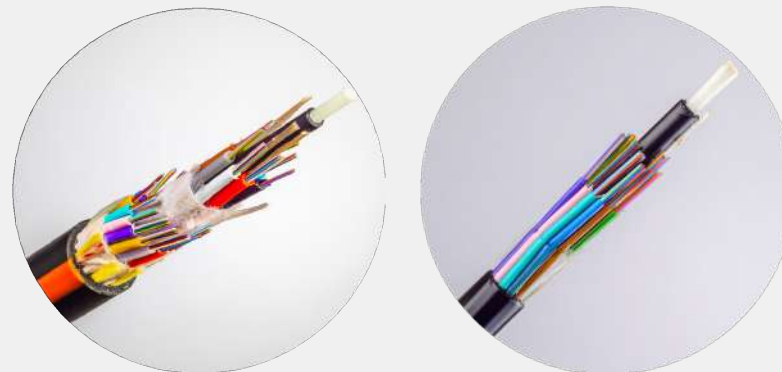
Significant investments for new product developments including **Wi-Fi-7 enabled access points, point to point and point to multi-point backhaul radios, routers and switches, radio access and transport products.** These products will be compatible with 5G networks.



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



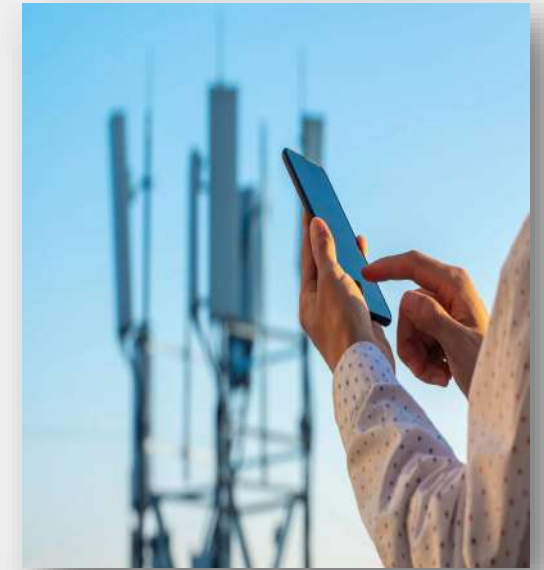
Exports constitute 14.36 % of total revenue in H1FY24 and has **grown at a CAGR of 88.02% in last three financial years**



Establishing subsidiaries and branch offices across the Globe and also appointing distributors and channel partners targeting incremental product demand globally and business expansion



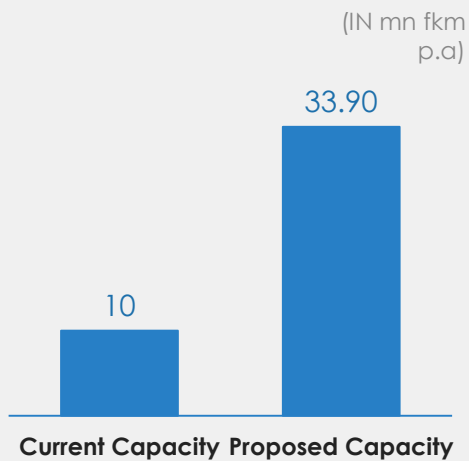
Focused on new geographies, especially **Europe, North America and Africa as a focused potential market**



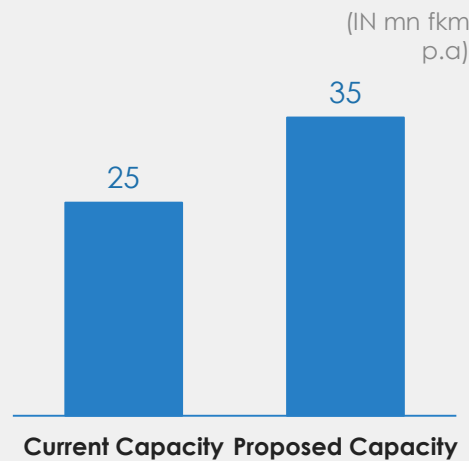
# Expanding Manufacturing Capabilities



Planned expansion of manufacturing capacity of Optical fibre



Planned Optical Fibre Cable capacity expansion



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



## Further strengthening of backward integration

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



- Cumulative TAM of ~550bn USD both globally and in India by FY28.
- Targeting revenue of Rs. 800 - Rs.1000 crores in FY24-25 compared to Rs.138 crores in FY22-23 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**

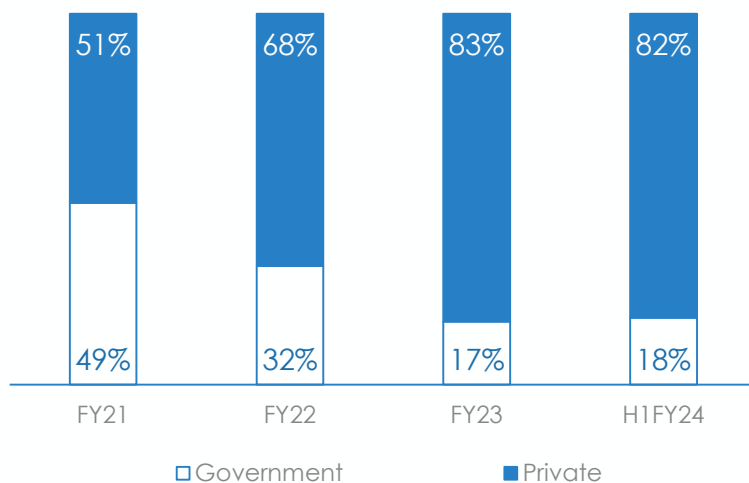


Increased focus on Export-led revenue generation by leveraging on global demand

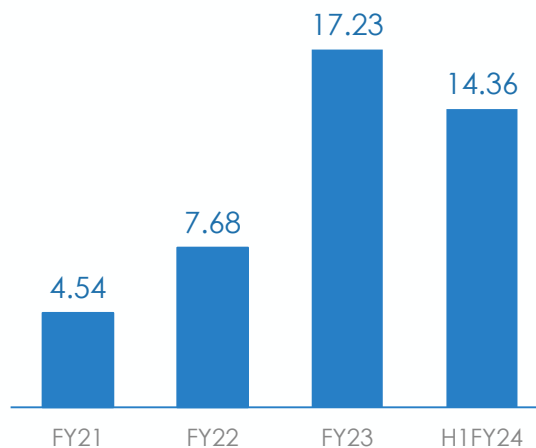


Shift from Project-led revenue to Product-led revenue - Increase in product revenue will facilitate **lower working capital, quicker realization and margin expansion**

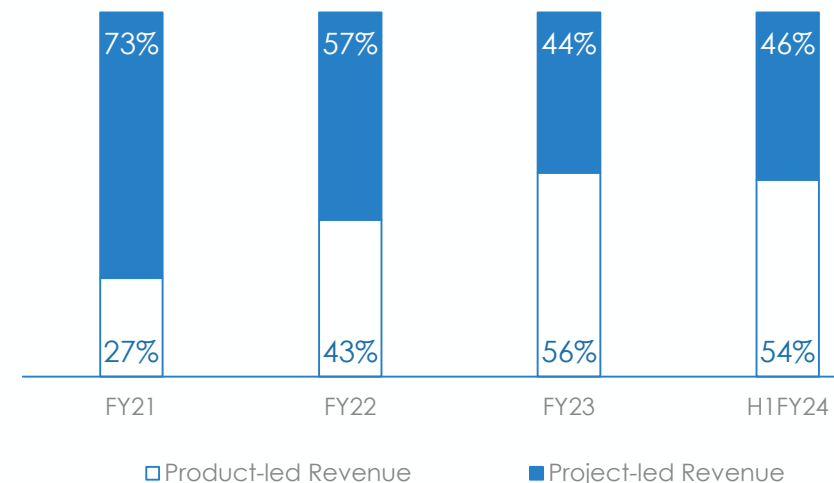
**Increasing revenue share from Private Customers\*** (IN %)



**Exports Revenue Share** (IN %)



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



The background features a glowing blue and orange globe with binary code (0s and 1s) scattered across it. A prominent orange arc curves across the globe. The overall aesthetic is high-tech and digital.

# Competitive Advantage

# Why is HFCL Preferred? (1/2)



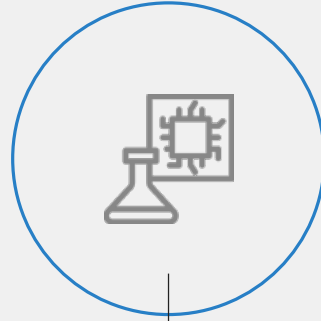
## Market Leader

- 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



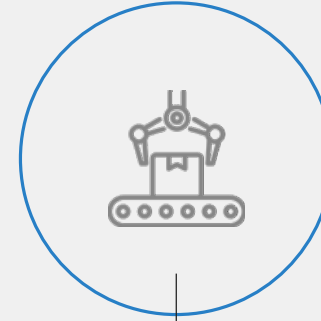
## Long term customer relationship

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



## In-House R&D

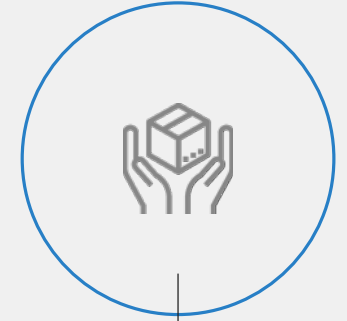
- Tech centric R&D driven company
- 281 strong R&D team as of 30<sup>th</sup> Sep 2023
- 3 R&D centres at Bengaluru, Hyderabad and Gurugram
- R&D partnership with reputed Companies
- 5G product portfolio developed inhouse



## 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

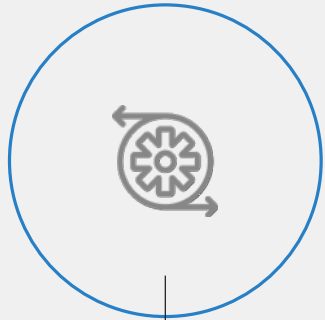


## End to End Network Provider

- 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

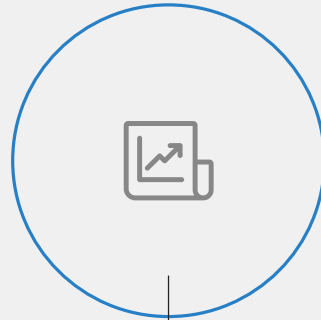
Key raw materials produced inhouse thereby acting as higher margin drivers

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



## Healthy Financials

- Debt: Equity Ratio of 0.24x
- Signifies Low credit risk and comfortable capital structure



## Strong Order Book

- Strong Order Book of ₹ 7078 crores diversified across Telecom, Defense and Railways
- Providing revenue visibility for the medium term



## Global Focus

- Exports revenue share increased to 14.36% in H1FY24
- 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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# Roadmap for Environment Sustainability

HFCL's management has developed a clear roadmap with targeted initiatives for various manufacturing facilities to reduce the Company's environmental footprint and boost savings.

Facility Location	Sustainability Initiatives	Expected Outcomes
Hyderabad	Installation of a 1 MW solar system set to be operational by FY25	<ul style="list-style-type: none"> <li>Saving of 1.5 million units of energy per annum</li> <li>Reduction of 1,215 metric tonnes of emissions</li> </ul>
	Shifting from conventional microwave lamps to LED UV lamps starting in January 2024	<ul style="list-style-type: none"> <li>Emission reduction by 5,022 metric tonnes each year</li> <li>Saving of 6.2 million units of energy per year</li> </ul>
	Zero-waste landfilling through responsible waste management	Waste reduction and potential to reduce carbon dioxide emissions up to 124 metric tonnes in FY24
Goa	Transition to solar energy with 40% of total energy consumption from this source	Expected carbon dioxide emission reduction of up to 3,240 metric tonnes
Chennai and Hosur (HTL Limited, HFCL's subsidiary)	Transition to solar-wind hybrid model of 10 MW capacity to accelerate renewable energy integration from 80% to 90% by FY25	Expected emission reduction of up to 14,580 metric tonnes

# 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.
- 35 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 and National Heart Institute, New Delhi respectively.

₹ 35 Cr.

CSR Spend across 9 years



## Education Initiatives *(Past and current)*

- **PROJECT SAMARTH:**
- Adopted specially-abled children and providing grants for their education.
- Providing Computer Skill Training to the underprivileged youth at our five Computer Learning Centers in Ghazipur (U.P.)
- Education & prevention of malnutrition amongst street children
- To facilitate the delivery of high-quality digital education, our PEHAL project is dedicated to enhance the infrastructure of government schools in Ghaziabad, Churu and Ghazipur by providing them with the state-of-the-art smart classrooms.

## Old Age Care

- Constructed a women wing and provided financial assistance to SHEOWS (Saint Hardyal Educational and Orphan Welfare Society, Delhi), an Old Age Home that provide care for approximately 500 abandoned senior citizen

## Societal Welfare

- **Welfare for Stray Animals** – Providing food, shelter, treatments, sterilizations & rehabilitation facilities for stray animals



# Financials

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Q2FY24 Key Highlights - Consolidated

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Q2FY24 Consolidated Income Statement

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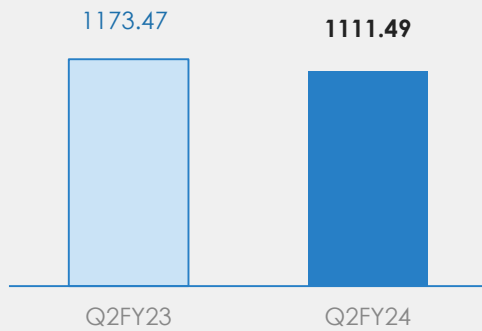
H1FY24 Key Highlights - Consolidated

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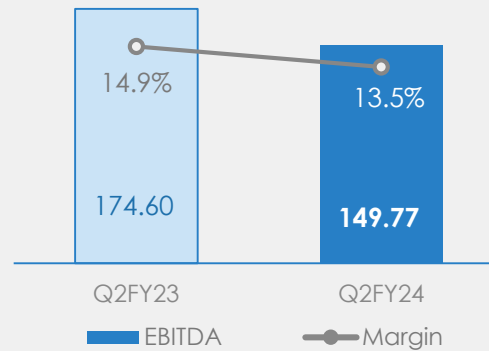
H1FY24 Consolidated Income Statement

# Q2FY24 Key Highlights - Consolidated

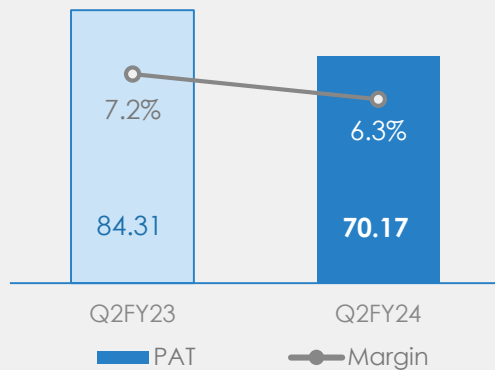
**Total Revenue** (₹ IN CRORES)



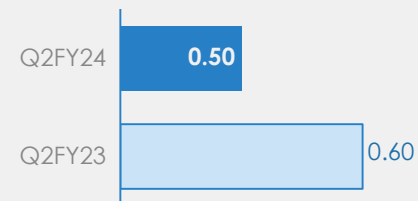
**EBITDA & Margin** (₹ IN CRORES & %)



**PAT & Margin** (₹ IN CRORES & %)



**Diluted EPS** (IN ₹)



- Bagged orders from **Madhya Pradesh Jal Nigam** worth **₹1,015 Crs** for providing EPC services.
- Bagged order from one of the **largest Telecom operator** worth **~ ₹ 220 Crs** for the supply of Optical Fibre cables.
- Successful completion of QIP, raised **₹ 352 Crs** from marquee investors.
- Launched **Intermittently Bonded Ribbon Cable** and **High Fibre Density Flat Ribbon Cable** at various events held in US & UK

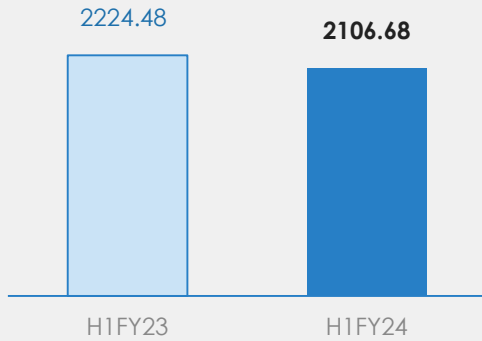
# Q2FY24 - Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	Q2FY24	Q1FY24	Change Q-o-Q	Q2FY23	Change Y-o-Y
Revenue from Operations	1111.49	995.19	11.69%	1173.47	-5.28%
Other Income	17.17	13.17		(4.12)	
<b>Total Income</b>	<b>1128.66</b>	<b>1008.36</b>	<b>11.93%</b>	<b>1169.35</b>	<b>-3.48%</b>
Total Expenses	978.89	848.74		994.75	
<b>EBITDA</b>	<b>149.77</b>	<b>159.62</b>	<b>-6.17%</b>	<b>174.60</b>	<b>-14.22%</b>
<b>EBITDA Margin (%)</b>	<b>13.47%</b>	<b>16.04%</b>	<b>-257Bps</b>	<b>14.88%</b>	<b>-141Bps</b>
Depreciation	21.45	20.90		21.32	
Finance Cost	34.78	36.30		39.44	
Share of net profits / (loss) of JV's accounted using equity method	0.64	0.11		(0.03)	
Exceptional Items	0.00	-		-	
<b>PBT</b>	<b>94.18</b>	<b>102.53</b>	<b>-8.14%</b>	<b>113.81</b>	<b>-17.25%</b>
<b>PBT Margin (%)</b>	<b>8.47%</b>	<b>10.30%</b>	<b>-183Bps</b>	<b>9.70%</b>	<b>-123Bps</b>
Tax	24.01	26.97		29.50	
<b>Profit after Tax</b>	<b>70.17</b>	<b>75.56</b>	<b>-7.13%</b>	<b>84.31</b>	<b>-16.77%</b>
<b>PAT Margin (%)</b>	<b>6.31%</b>	<b>7.59%</b>	<b>-128Bps</b>	<b>7.18%</b>	<b>-87Bps</b>
Other Comprehensive Income	0.51	(0.92)		(0.98)	
<b>Total Comprehensive Income</b>	<b>70.68</b>	<b>74.64</b>	<b>-5.31%</b>	<b>83.33</b>	<b>-15.18%</b>
EPS (Diluted ₹)	0.50	0.49	2.04%	0.60	-16.67%

# H1FY24 Key Highlights - Consolidated

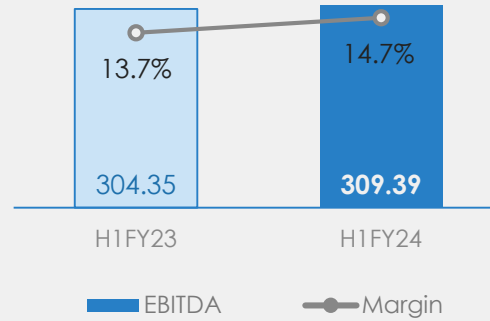
### Total Revenue

(₹ IN CRORES)



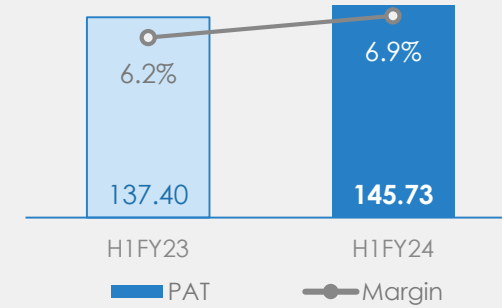
### EBITDA & Margin

(₹ IN CRORES & %)



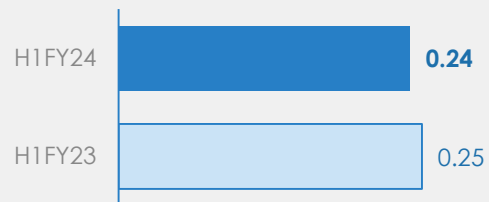
### PAT & Margin

(₹ IN CRORES & %)



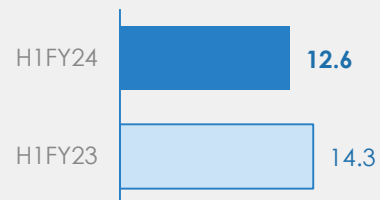
### Debt-Equity Ratio

(IN X)



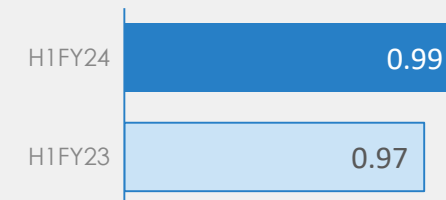
### RoCE

(IN %)



### Diluted EPS

(IN ₹)



# H1FY24 - Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	H1FY24	H1FY23	Change Y-o-Y
Revenue from Operations	2106.68	2224.48	-5.30%
Other Income	30.34	9.11	
<b>Total Income</b>	<b>2137.02</b>	<b>2233.59</b>	<b>-4.32%</b>
Total Expenses	1827.63	1929.24	
<b>EBITDA</b>	<b>309.39</b>	<b>304.35</b>	<b>1.66%</b>
<b>EBITDA Margin (%)</b>	<b>14.69%</b>	<b>13.68%</b>	<b>101Bps</b>
Depreciation	42.35	41.40	
Finance Cost	71.08	77.24	
Share of net profits / (loss) of JV's accounted using equity method	0.75	(0.96)	
Exceptional Items	-	-	
<b>PBT</b>	<b>196.71</b>	<b>184.75</b>	<b>6.47%</b>
<b>PBT Margin (%)</b>	<b>9.34%</b>	<b>8.31%</b>	<b>103Bps</b>
Tax	50.98	47.35	
<b>Profit after Tax</b>	<b>145.73</b>	<b>137.40</b>	<b>6.06%</b>
<b>PAT Margin (%)</b>	<b>6.92%</b>	<b>6.18%</b>	<b>74Bps</b>
Other Comprehensive Income	(0.41)	(0.74)	
<b>Total Comprehensive Income</b>	<b>145.32</b>	<b>136.66</b>	<b>6.34%</b>
EPS (Diluted ₹)	0.99	0.97	2.06%

# 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)



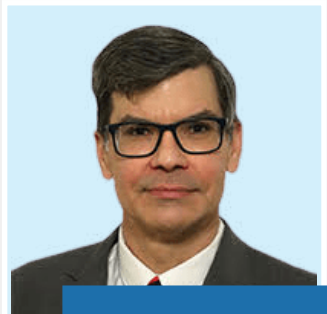
**VIJAY RAJ JAIN**  
Group Chief Financial Officer



**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)



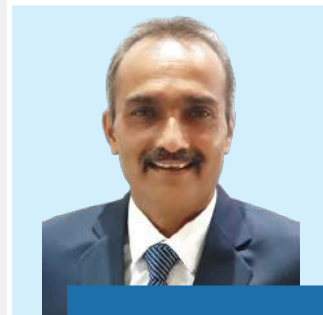
**NAND LAL Garg**

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



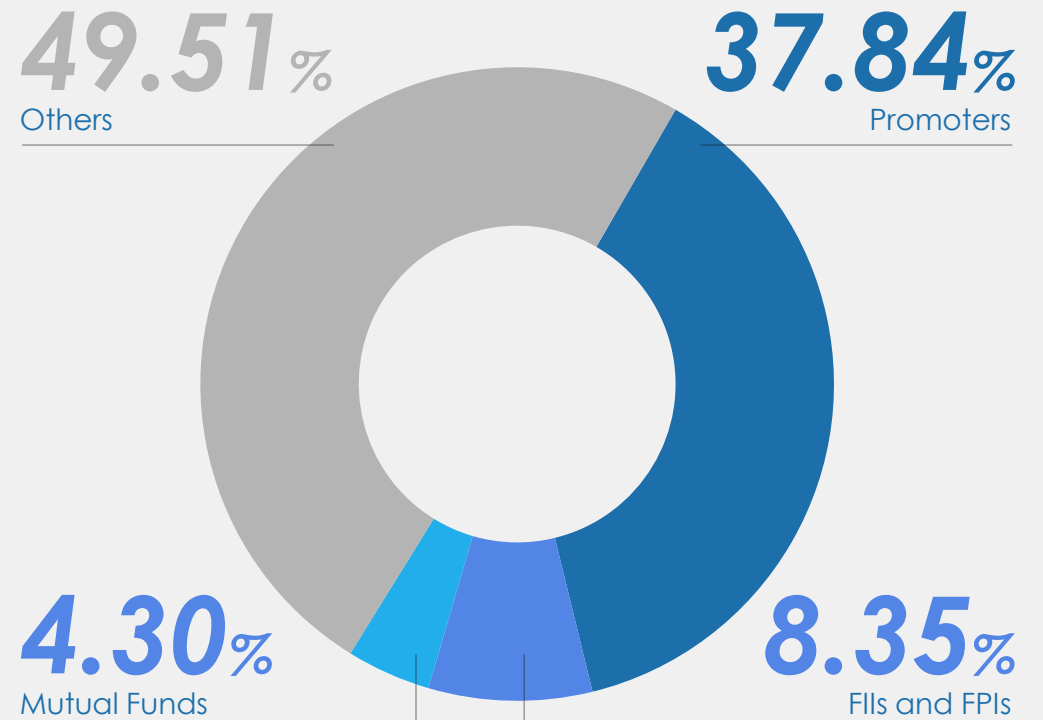
# Shareholders' Information

## Share Information

(AS ON September 30, 2023)

NSE Ticker	HFCL
BSE Ticker	500183
Market Cap (₹ Crores)	11,011.55
% free-float	83.09%
Free-float market cap (₹ Crores)	9,149.50
Shares Outstanding	1,42,87,72,812
3M ADTV (Shares)	1,28,95,804
3M ADTV (₹ Crores)	93.68
Industry	Telecommunications – Equipment & Solutions

HFCL in Numbers as on 30 September, 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)	H1FY24	FY23	FY22	FY21
Revenue from Operations	2106.68	4,743.31	4,727.11	4,422.96
Other Income	30.34	47.18	42.91	36.13
<b>Total Income</b>	<b>2137.02</b>	<b>4,790.49</b>	<b>4,770.02</b>	<b>4,459.09</b>
Total Expenses	1827.63	4,124.63	4,077.04	3,873.38
<b>EBITDA</b>	<b>309.39</b>	<b>665.86</b>	<b>692.98</b>	<b>585.71</b>
<b>EBITDA Margin (%)</b>	<b>14.69%</b>	<b>14.04%</b>	<b>14.66%</b>	<b>13.21%</b>
Depreciation	42.35	82.97	78.25	68.63
Finance Cost	71.08	152.19	166.40	176.09
Share of net profits / (loss) of JV's accounted using equity method	0.75	(0.09)	0.16	-
Exceptional Items	-	-	6.38	4.13
<b>PBT</b>	<b>196.71</b>	<b>430.61</b>	<b>442.11</b>	<b>336.86</b>
<b>PBT Margin (%)</b>	<b>9.34%</b>	<b>9.08%</b>	<b>9.35%</b>	<b>7.62%</b>
Tax	50.98	112.90	116.25	90.62
<b>Profit after Tax</b>	<b>145.73</b>	<b>317.71</b>	<b>325.86</b>	<b>246.24</b>
<b>PAT Margin (%)</b>	<b>6.92%</b>	<b>6.70%</b>	<b>6.89%</b>	<b>5.57%</b>
Other Comprehensive Income	(0.41)	1.55	1.71	4.96
<b>Total Comprehensive Income</b>	<b>145.32</b>	<b>319.26</b>	<b>327.57</b>	<b>251.20</b>
EPS (Diluted ₹)	0.99	2.18	2.38	1.87

# Consolidated Balance Sheet

Equities & Liabilities (₹ IN CRORES)	H1FY24	FY23	FY22	FY21
<b>Total - Shareholder Funds</b>	<b>3,604.41</b>	<b>3,144.14</b>	<b>2,818.37</b>	<b>1,923.47</b>
<b>NON CURRENT LIABILITIES</b>				
(A) Financial Liabilities				
(i) Borrowings	132.16	110.37	121.25	250.78
(ii) Other Liabilities	20.64	6.20	19.34	54.97
(B) Other Non Current Liabilities	99.09	69.72	34.74	
<b>Total - Non – Current Liabilities</b>	<b>251.89</b>	<b>186.29</b>	<b>175.33</b>	<b>305.75</b>
<b>CURRENT LIABILITIES</b>				
(i) Borrowings	728.88	637.94	621.55	668.84
(ii) Other Liabilities	1,334.37	1,504.22	1,556.21	2,317.74
<b>Total – Current Liabilities</b>	<b>2,063.25</b>	<b>2,142.16</b>	<b>2,177.76</b>	<b>2,986.58</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>5,919.55</b>	<b>5,472.59</b>	<b>5,171.46</b>	<b>5,215.80</b>
Assets (₹ IN CRORES)	H1FY24	FY23	FY22	FY21
(A) Tangible Assets	607.49	574.91	536.16	475.49
(B) Goodwill	26.17	26.17	26.17	26.17
(C) Other Intangible Assets	314.85	215.31	74.10	42.17
(D) Investment in Associates / JV	19.32	18.57	11.66	
(E) Financial Assets				
(i) Trade receivables	485.61	423.11	595.61	444.83
(ii) Other Financial Assets	102.76	92.82	85.94	52.35
(F) Other Non Current Assets	62.07	39.55	22.52	24.96
<b>Total - Non – Current Assets</b>	<b>1,618.27</b>	<b>1,390.44</b>	<b>1,352.16</b>	<b>1,065.97</b>
(A) Inventories	812.49	757.85	573.38	435.26
(B) Financial Assets				
(i) Trade Receivables	1,880.67	1,886.11	1,895.94	2,610.99
(ii) Cash & Bank Balances	455.28	322.59	528.24	306.44
(iii) Others-Advances	665.43	533.57	386.31	461.81
(iv) Others	26.05	33.87	34.84	17.66
(C) Other Current Assets	461.36	548.16	400.59	317.77
<b>Total – Current Assets</b>	<b>4,301.28</b>	<b>4,082.15</b>	<b>3,819.30</b>	<b>4,149.83</b>
<b>GRAND TOTAL – ASSETS</b>	<b>5,919.55</b>	<b>5,472.59</b>	<b>5,171.46</b>	<b>5,215.80</b>

# Thank you



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**Amit Agarwal**

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



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