



## HFCL Limited

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HFCL/SEC/22-23

January 24, 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:cmist@nse.co.in">cmist@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 dated January 23, 2023.

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 3<sup>rd</sup> Quarter and nine months ended December 31, 2022**, both on **Standalone and Consolidated basis**, to be discussed during the **Earnings’ Call** scheduled to be held on Tuesday, January 24, 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 January 23, 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)**  
Senior Vice-President (Corporate) &  
Company Secretary

**Encl: Earnings’ Presentation**

DEC  
2022

HFCL

# Investor Presentation

HFCL LIMITED

# CONTENTS



**HFCL at a  
Glance**



**Strategic Priorities and  
Market Opportunities**



**Competitive  
Advantage**



**Social  
Governance**



**Financials**



**Appendix**

# HFCL at a glance

Telecom Offerings

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Looking Forward

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Presence in Key Industries

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Product Offerings

---

Network Solution Offerings

---

Ongoing Projects

---

Manufacturing Facilities across India

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# HFCL – Telecom Offerings

## Capacity Expansion

# (2011 – 2019)

- Expanded Optical Fibre Cable capacity from 0.45 mn fkm to 18.5 mn fkm
- Strengthened project execution division for capitalizing on emerging opportunities from 4G network rollout ; Bharatnet Projects ; Defence and railway communication networks
- Commenced execution of prestigious Network for Spectrum (NFS) project to create a dedicated backbone communication and IT network connecting stations of Army, Navy and Air Force
- Set up manufacturing facilities for FRP / ARP / IGFR including cable accessories like - Cable Assemblies, High density cabinets, Termination boxes, Joint closures and PLC splitters



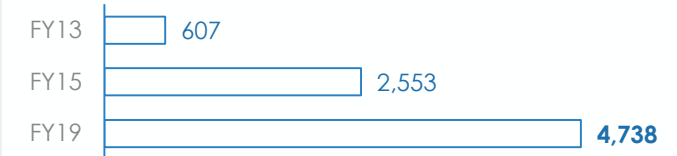
*Propelling HFCL to be one of the Leaders in the telecommunication technology space*



## HFCL in Numbers

### Revenue Growth

₹ IN CRORES

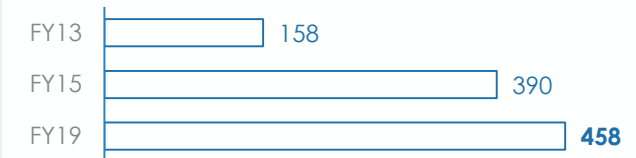


**4,738**

**34.10%**  
6-year CAGR

### EBITDA Growth

₹ IN CRORES



**458**

**16.40%**  
6-year CAGR

### PAT Growth

₹ IN CRORES



**232**

**22.40%**  
6-year CAGR

# HFCL – Looking Forward

## Innovation Focused

### (2019 – Today)

- Set up of Greenfield Facility for the manufacture of Optic Fibre with an annual capacity of 10mn fkm as backward integration for strengthening supply chain and margin expansion.
- Created largest capacity of FTTH cable manufacturing in the Country
- Further expanded optic fibre cable capacities from 18.5mn fkm to 25.08mn fkm
- Entered into manufacturing of wire harnesses for aerospace and automotive industry
- Establishment of 2 R&D centres in Bengaluru and Gurugram
- Entered into technology collaborations with Qualcomm, Capgemini, Wipro, Aricent, VVDN, IP infusion, NXP, Commagility, Aprecomm, Metanoia, ORAN etc.
- Invested in Bigcat, Nivetti and Redaff for development of various products for defence and telecom networks
- Launched 5G Lab-as-a-Service (First of its kind), UBR, Switches, **World's first Open source Wi-Fi 7 products**, 5G millimeter wave FWA (Fixed Wireless Access) and 5G Outdoor Small Cell

(UNITS IN ₹ CRORES)

**7,064**

(~USD 853 mn)  
Order Book as  
on 31<sup>st</sup> December 2022

**0.25x** as  
on 31<sup>st</sup> December 2022

Debt-Equity Ratio  
(Improved from 0.48  
in FY21)

## HFCL in Numbers

### Revenue Growth

₹ IN CRORES



**4,727**

**10.96%**  
2-year CAGR

### EBITDA Growth

₹ IN CRORES



**693**

**15.89%**  
2-year CAGR

### PAT Growth

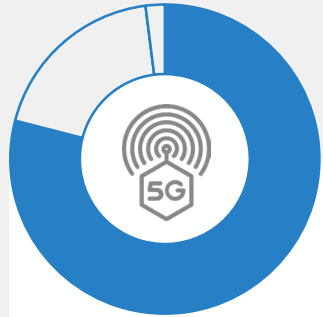
₹ IN CRORES



**326**

**17.28%**  
2-year CAGR

# HFCL – Presence in Key Industries

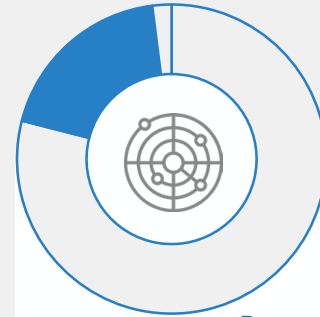


## Telecom and Cable

78%

Revenue Contribution

- **One of the largest manufacturer and supplier of OFC in India**
- **Rolling out backbone and backhaul OFC & FTTH network for Reliance Jio across North India**
- One of the leader in the field of establishing Telecommunication networks across the Country
- **In-House designed, developed and manufactured Wi-Fi, UBR, switch products range** witnessing significant traction in multiple countries. Over 350,000 units sold since inception to leading Telecom service providers
- **Large Suite of 5G products** including Radio Access Network (RAN) and 5G Transport products
- Selected for Government's PLI scheme and eligible for Incentives upto ₹ 652.79 crores for telecom and networking products



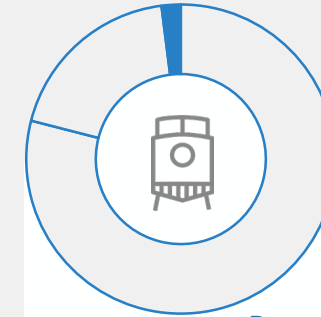
## Defence

19%

Revenue Contribution

**One of the largest Defence Network implementers in India :**

- **Optical transmission backbone network**
- GIS based Optical Fiber Network Management System (GOFNMS)
- **Dedicated standalone optical MPLS** based network
- Microwave radio backhaul solution



## Railways

03%

Revenue Contribution

Leveraging our capabilities of next-gen telecom products and solutions to create **modern communication and signaling systems for Metros, Main-line railways and Freight corridors**

# Product Offerings

## Telecommunication Products



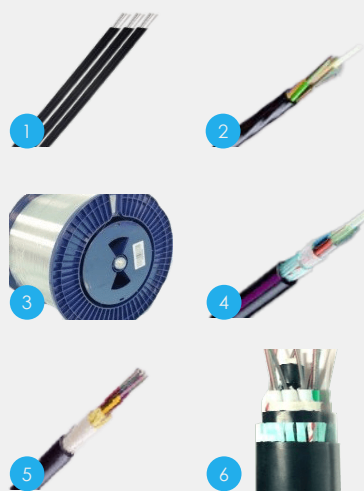
1. Point to Point Unlicensed band radio
2. Indoor & Outdoor Wi-Fi 5 and 6 Access Points
3. Cloud based Network management system
4. Ethernet L2/L3 Switches
5. Home Mesh Router

## Defence Electronics Products



1. Electro Optical Devices (TWS)
2. Electronic Fuses
3. High capacity radio relay
4. VMS & Video Analytics

## Optic Fiber/ Optical Fibers Cables



1. FTTH
2. Micro Cable
3. Optic Fiber
4. Unarmoured Cable
5. Micro Module Cable
6. Ribbon Cable

## Passive Connectivity Solutions



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

## Products Under Development



### Telecommunication

- Point-to-multipoint Unlicensed band radio
- Access Routers
- Passive optical network (PON) products
- 5G RAN – Macro & mMIMO Radio Units
- 5G RAN – Indoor & Outdoor Small Cell
- 5G RAN – Indoor & Outdoor FWA CPE
- 5G Transport - Cell Site Routers
- 5G Transport - DU/CU Aggregation Routers



### Defence Communication & Electronics

- Software defined radio
- Ground surveillance radar



# 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 Home, In-building Solutions, Mobile Backhaul Networks.

### SOLUTION

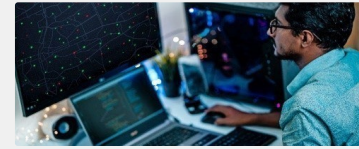
1. Broadband connectivity solution implemented for gram panchayats in Punjab\* and Jharkhand\*\* state
2. Created **GSM based Radio Access Network** in LWE areas across 6 states
3. Building backhaul and backbone optical broadband network for **Reliance Jio**
4. Building backhaul and backbone optical broadband network solutions for **RailTel**



## Defence Communication



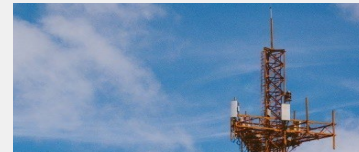
Optical Fiber Cable and Optical Transport Network



Fiber Monitoring & Management System



Multi Protocol Label Switching Network



Microwave Radio Backhaul Solution



DWDM Network

### SOLUTION

Building dedicated standalone optical MPLS based network for Indian armed forces with a contract value of USD 1.08bn



## Railways Communication



### SOLUTION

1. Integrating communication network for metros, freight corridors, mainline railways
2. Implementation of IP based VSS for western region of RailTel on behalf of Indian Railways

# Ongoing Projects



## Public Telecommunication and EPC

₹ **3,976+** cr

(USD 480+ mn) Current Order Book

- Rolling out backbone and backhaul Optical Fiber Cable & FTTH Network for **Reliance Jio** across Northern India
- Working on implementation of multiple hybrid projects for **BharatNet Phase-II OFC** network, setting up Rural mobile network, WiFi, IP and MW network
- Received contract from State Water & Sanitation Mission (SWSM) for providing EPC services including provision for laying of Optical Fiber Cables, for execution of Rural Water Supply Network in Varanasi Revenue Division



## Defence Communication

₹ **1,935+** cr

(USD 233+ mn) Current Order Book

- Rollout of exclusive and dedicated nationwide DWDM based **optical transmission backbone network**
- Integrating **Fiber network overlay** with GIS maps, satellite images and commercial land base data
- Planning, design and implementation of a **nationwide IP backbone and access network**
- End-to-end solution for multiple **hybrid microwave broadband radio** links in remote areas
- **Security & Surveillance implementation** with CCTV, surveillance access system and fire detection system at 300+ army locations



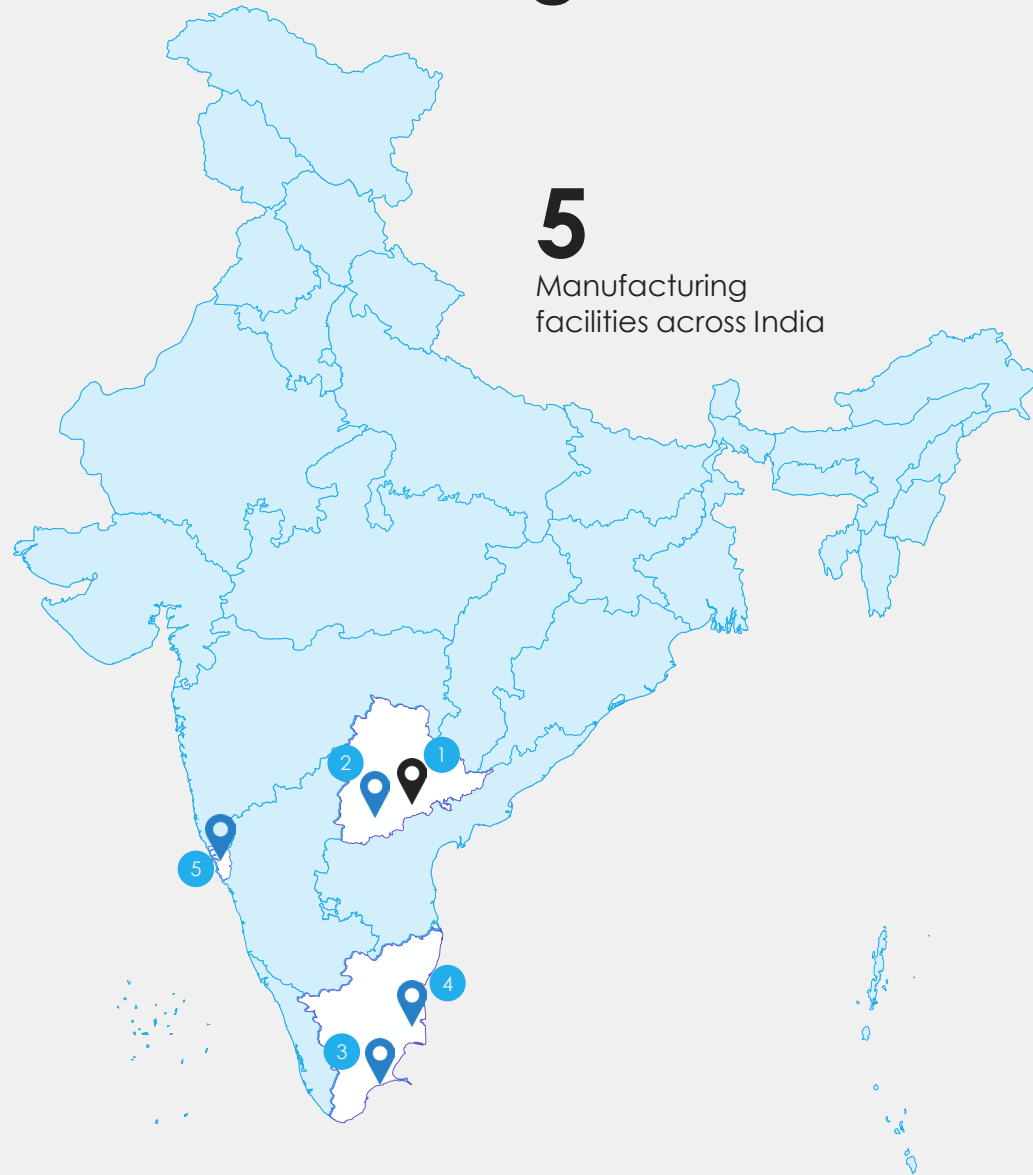
## Railway Communication

₹ **309+** cr

(USD 37+ mn) Current Order Book

- Implementing telecom networks for seven greenfield **dedicated freight corridor projects** for Indian railways
- **Integrating communication network** for metros & mainline railways
- Implementing **video management systems** at ~600 railway Stations
- Integrating communication network for **Kanpur-Agra, Mauritius** and **Dhaka** Metro rail projects

# 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



## 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



## VERNA, GOA

- 8 mn fkm/annum Optic Fiber Cables



# Strategic Priorities & Market Opportunities

The Way Forward

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Strategic Priorities

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Strategic Growth Drivers

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Key Partnerships

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Market Opportunities

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Growth Opportunity Landscape

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Focusing on Global 5G opportunities

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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 Defence Market Opportunities

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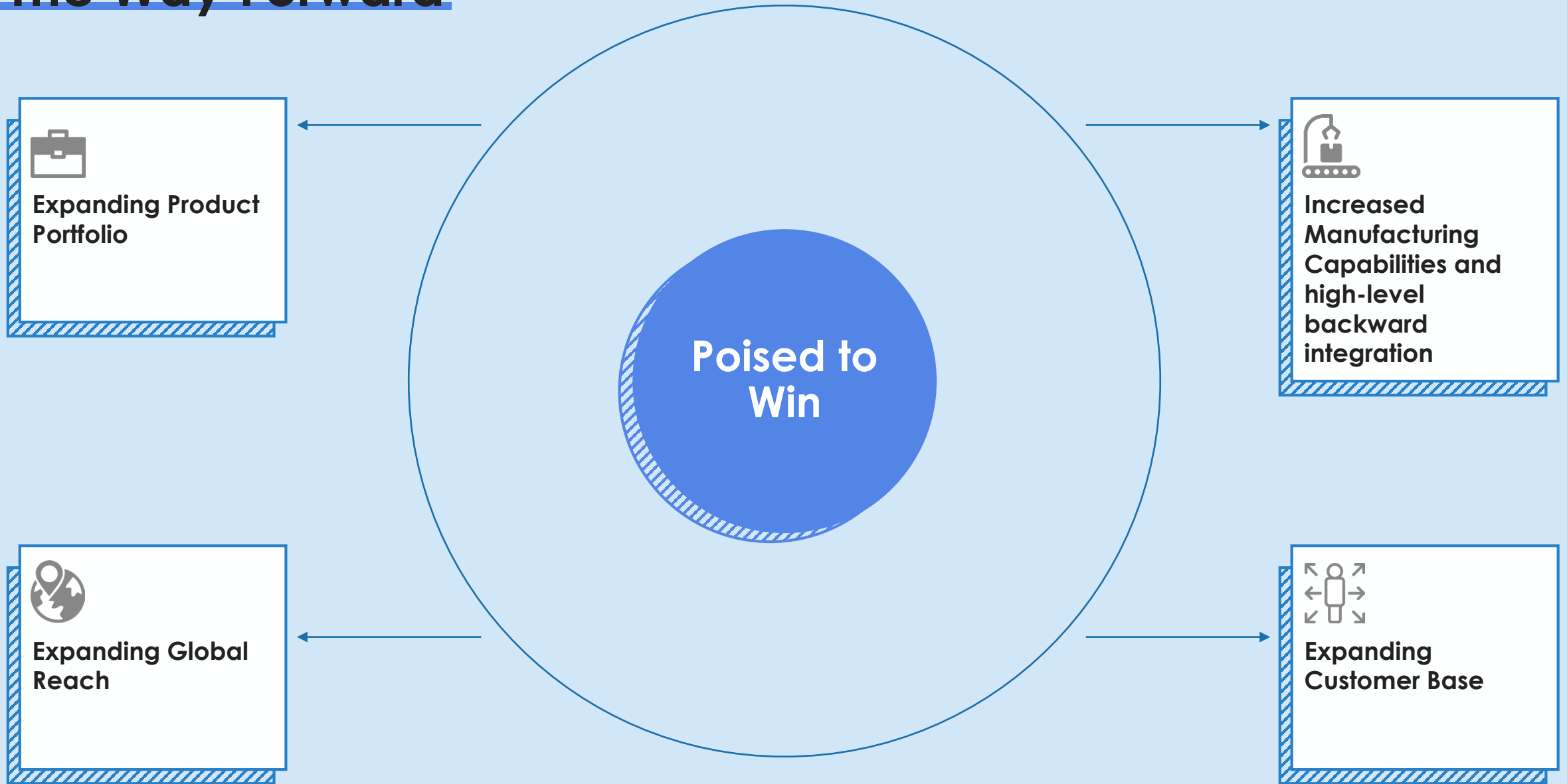
Domestic Railway Market Opportunities

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Market Opportunity at a Glance

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# The Way Forward



# Strategic Priorities

## 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.



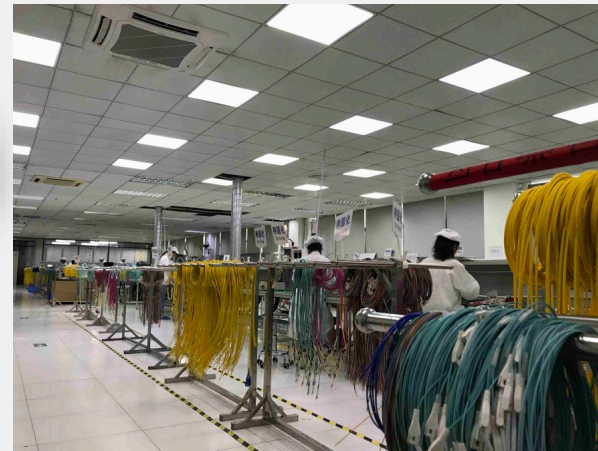
Development of software-defined radios, thermal weapon sights and ground surveillance radars



Fresh initiatives to develop new types of optical Fiber cables for export markets, alongside ensuring **backward integration for OFC facilities at Chennai, Goa and Hyderabad**



Constant innovation in the fields of 5G, 6G and Telecommunication solutions to provide strategic partners with the latest blue-ocean technology including **WIFI-7, 5G-as-a-Lab etc.**



# Strategic Priorities

## Expanding Global Reach



Exports constitute 18.30% of total revenue in 9MFY23 and its expected to surpass the domestic revenue growth over the next few years



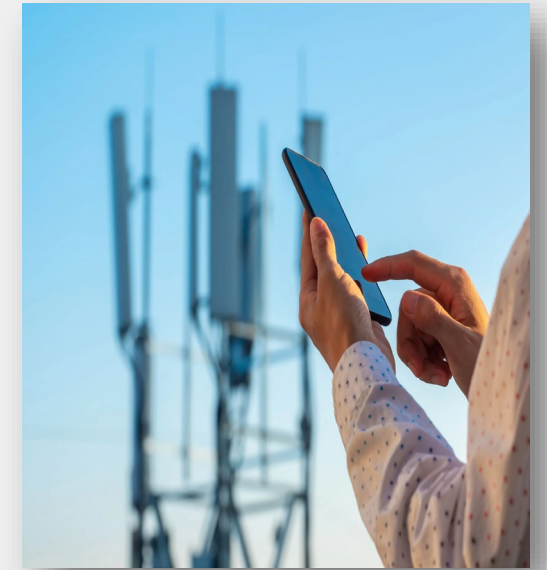
Established **two new wholly-owned subsidiaries in the Texas (USA) and Amsterdam (Netherlands)** targeting incremental product demand globally and business operations expansion



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



Became first Indian company to offer TIP OpenWiFi based solutions. With this success and solution offering diversity, **Meta (Facebook) recognized HFCL's value in technology development and has been promoting it globally as a promising Wi-Fi brand**



# Strategic Priorities

## *Increasing Manufacturing Capabilities*



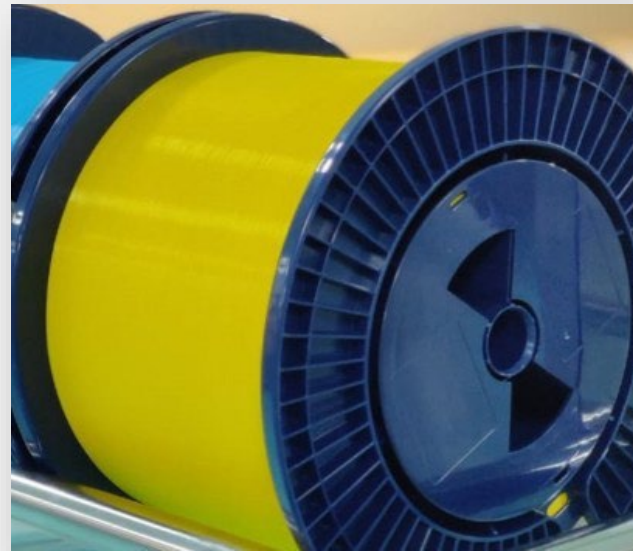
Phased OFC capacity expansion to **35.08 mn fkm p.a. from 25.08 mn fkm p.a.** to increase competitiveness and reduce cost



Expanding manufacturing capacity of Optical Fiber to **24.94 mn fkm p.a. from 10 mn fkm p.a.** in a phased manner through increased production at Hyderabad facility.



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





# Strategic Growth Drivers

## Increased R&D



Establishment of 2 R&D centres in Bengaluru and Gurugram. Focus areas include 5G innovation, edge computing and integration of licensed and unlicensed radio (3GPP and Wi-Fi)



Investing in **technology creation**, research and creating new industry standards, patent portfolio and strong indigenous R&D capability.



Investing in a **6G Taskforce** to study various aspects like new waveforms, convergence of terrestrial and satellite communication, human centric network and realize **6G new use cases like holographic presence, tactile internet, realistic haptics and cyber-physical systems**



# Strategic Growth Drivers

## Shift in Revenue Mix



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

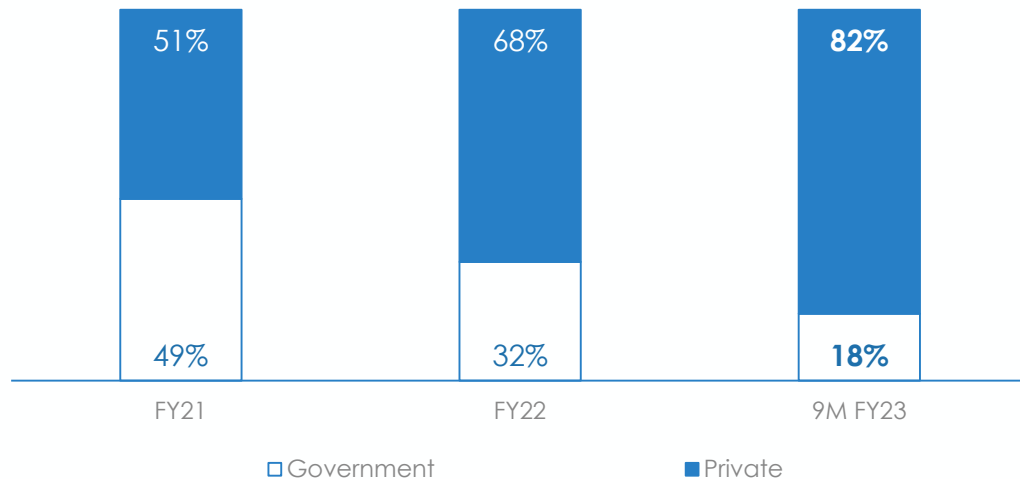


Increased focus on Export-led revenue generation by leveraging on global demand

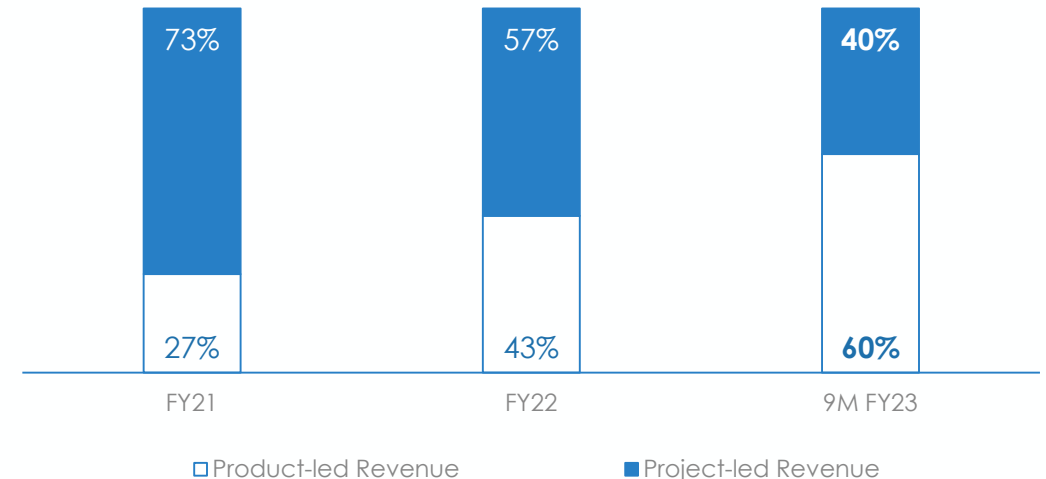


Shift from Project-led revenue to Product-led revenue - Increase in product revenue will facilitate **lower working capital, quicker realization and margin expansion**

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



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



# Key Partnerships



Partnership for 5G Transport Products



Partnership for open innovation in 5G



Partnership for 5G indoor small cells.



Partnership for Artificial Intelligence (AI) based Analytics.



Partnership for Software Defined Radios



Partnership for Switches



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



Partnership for 5G Small Cells



Partnership for 5G Small Cells



Partnership for 5G Small Cells



Partnership for 5G Transport products



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

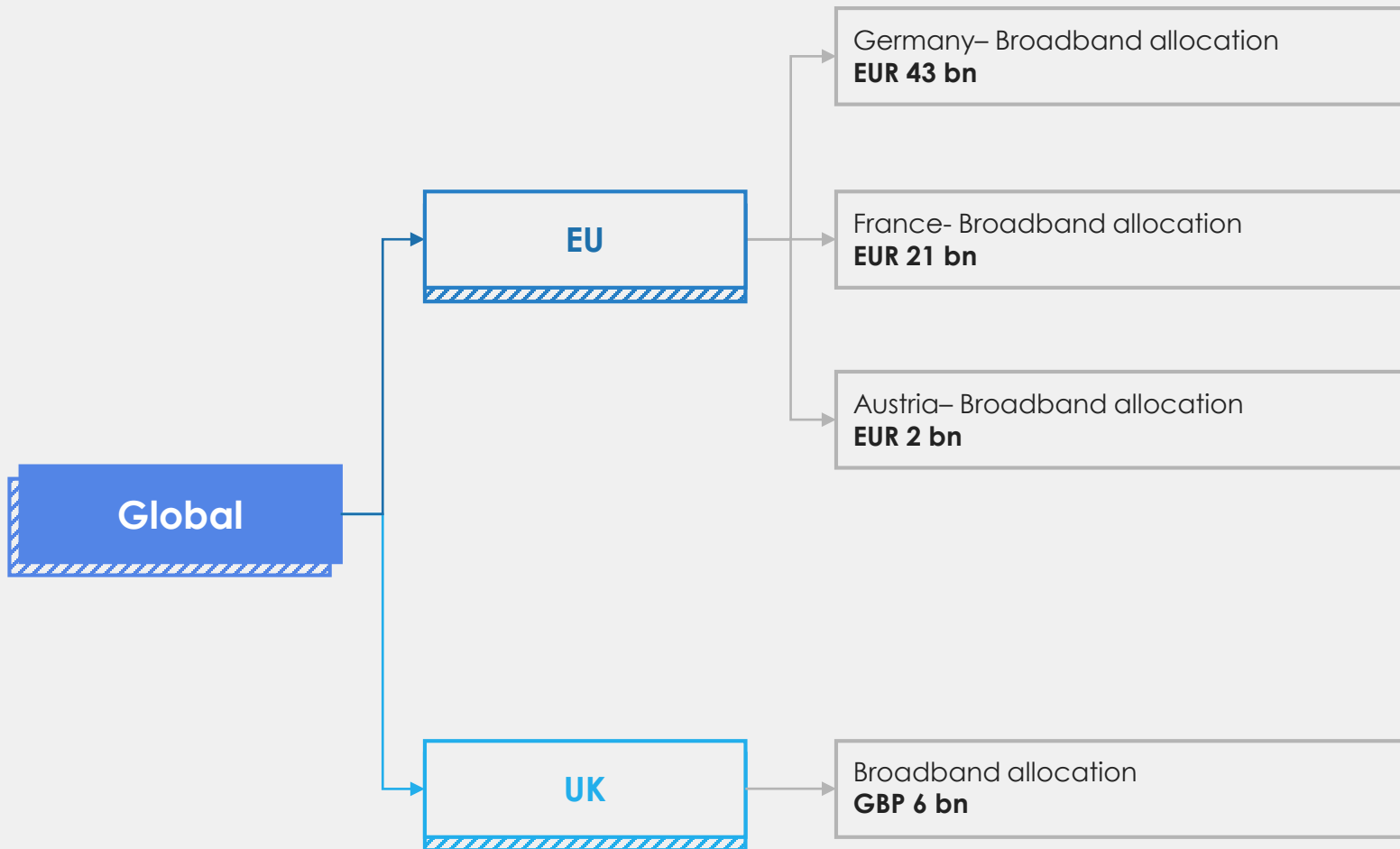
# Key Stakeholders



# Opportunity Landscape



# Growth Opportunity Landscape – Global (1/2)



## Germany – BMVI Nationwide Gigabit Plan

EUR 43 billion allocated for Fiber broadband deployments in Germany through 2025 to increase Fiber coverage from 5.4% of households to 17.7%. Of the total capital, EUR 12bn committed by the federal government and rest from private capital sources.\*

## 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.\*

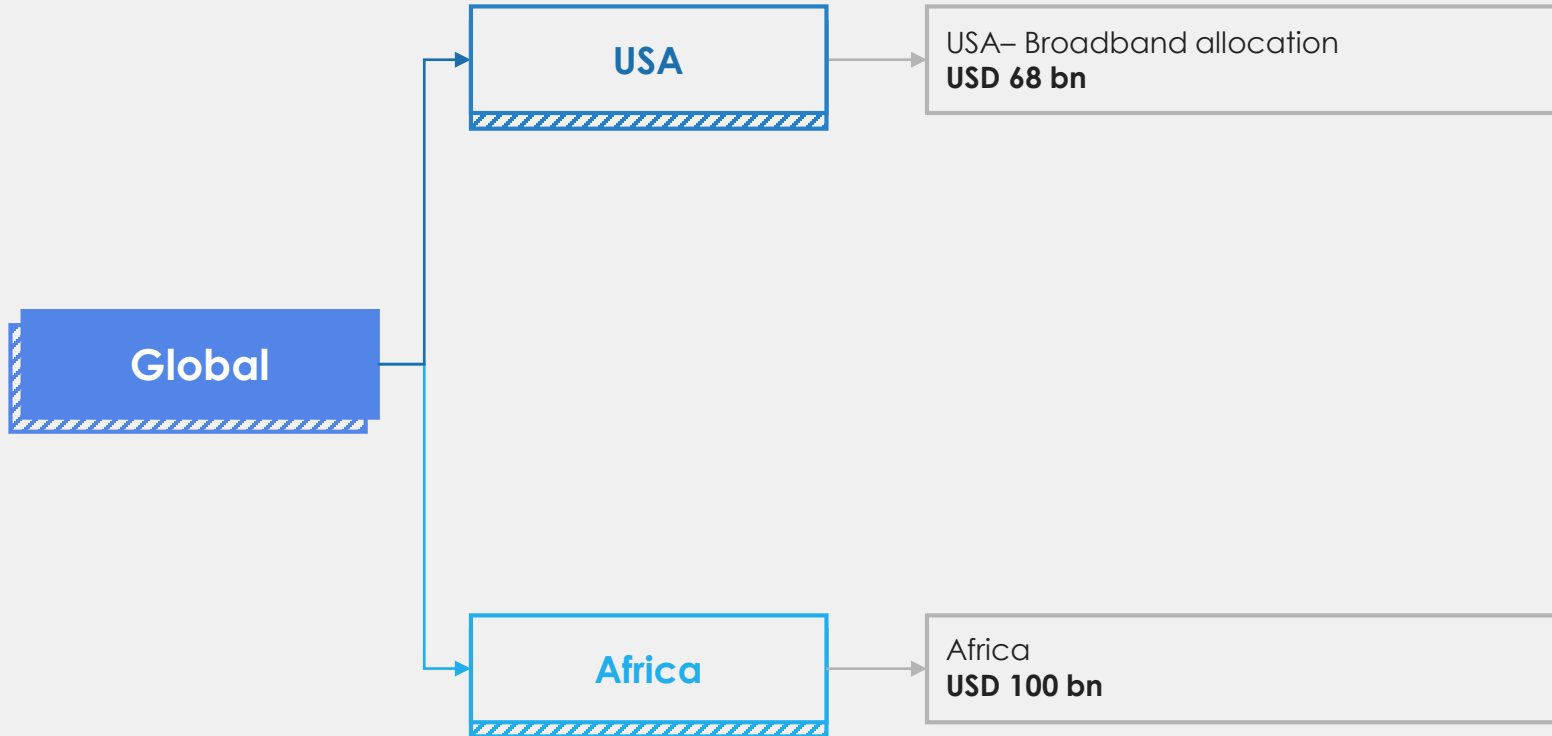
## Austria – Symmetric Gigabit

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 low connectivity

## United Kingdom – Project Gigabit

GBP 6 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.\*

# Growth Opportunity Landscape – Global (2/2)



## USA

Under the Broadband Equity, Access and Deployment (BEAD) program, US government has allocated USD 42.5 bn to support states expand the high-speed broadband service network. Additional USD 25 bn committed under the American Rescue Plan to invest in affordable high-speed internet and connectivity.

## Africa

Less than a third of the population of Africa have 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.**

# Focusing on Global 5G opportunities

## Impact/Opportunity capitalization

## Addressable product segment

## Portfolio under development

## Cumulative TAM (FY23-28)\*

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 **50.7** 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 **177.4** Bn

5G ORAN space has multiple vendors and CSPs want 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

- E2E ORAN Integration Solution Provider
- Private 5G network for Enterprises
- 5G enabled solutions for specific industry verticals like Manufacturing, Defence, Railways, Smart Cities, etc
- Telco Cloud Managed Service Provider

~USD **175** Bn



# HFCL as a Global Provider

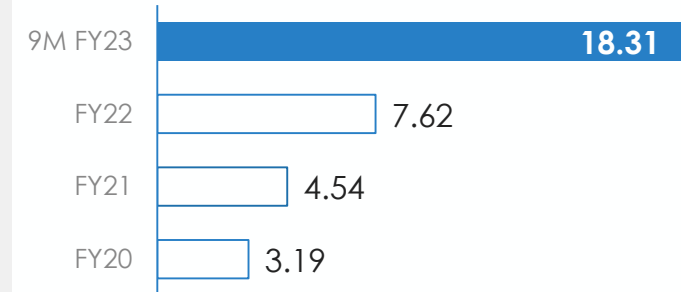
*Our Global presence*



- Operations in 30+ countries and 80+ clients globally
- Well established and long-term relations with domestic and foreign customers across large and fast-growing markets globally
- Diversifying customer base to reduce geographical risk
- Focusing on Active bidding for global contract wins and geographical expansion

## Exports Revenue Share

(IN %)



- Large Distribution contracts across EU, Middle East, Africa
- Meta (Facebook) recognized HFCL's value in technology development and has been promoting it globally as a promising Wi-Fi brand.
- Established subsidiaries in USA and Netherlands to cater to global demand, expand business operations
- Exports to Revenue Ratio has increased to 18.31% in 9MFY23 compared to 3.19% in FY20

# Domestic Telecom Market Opportunities (Except 5G)

## Opportunity

## Growth Driver\*

BharatNet Project

← HFCL aided in deployment of Phase II resulted in our being a **strategic partner for Phase III**

Increased Domestic demand for OFC for dedicated Right of Way (RoW) along the greenfield highways

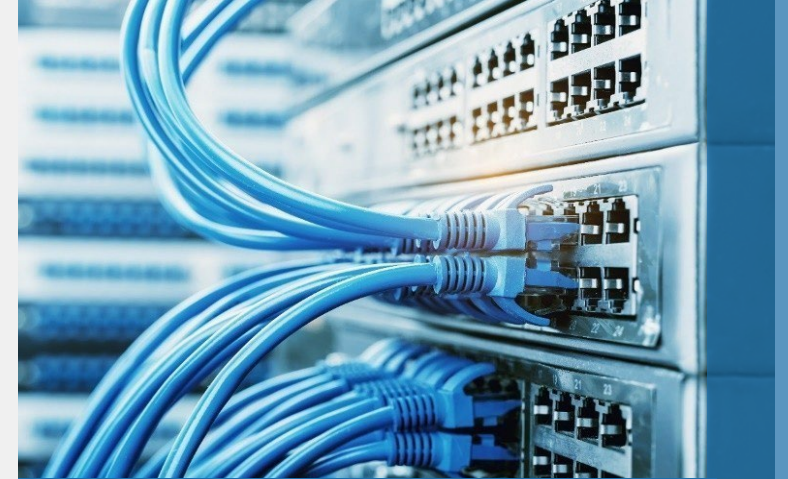
← Ministry of Road Transport and Highways plans to develop 200,000 km of national highways and expressways by 2025

Increased Fiber to the Home (FTTH) Demand

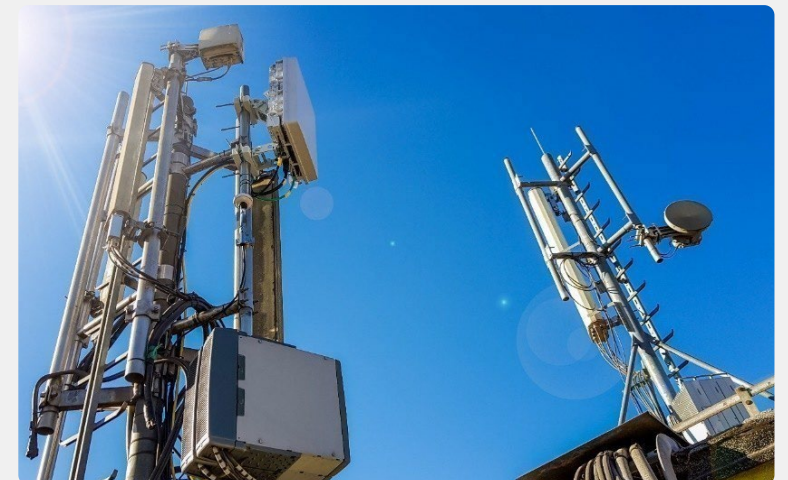
← **Increased adoption of FTTH Services** and emphasis on Rural Broadband penetration seen as growth and margin expansion enablers

Domestic Demand for 4G Network Expansion

← **Extremely rapid growth of Mobile subscribers in India** - BSNL will lead the investment on 4G and is expected to spend USD 1-2 bn p.a. over the next 3-4 years on the 4G network to upgrade their rural network



~USD 9.6 bn TAM across FY23-FY28 for OF/OFC and Accessories\*



~USD 12.6 bn TAM FY23-FY28 for Telecom Equipment \*

# Domestic Telecom Market Opportunities (Except 5G)

## *Production-Linked Incentive (PLI) Scheme*

HFCL received approval from the Ministry of Communications And Information Technology to receive incentives up to ₹ 652.79 crore under the Production-linked Incentive (PLI) scheme for telecom products including 5G Radio equipment, Routers, Switches, Wi-Fi Products, and Backhaul Radios

*Expected to enable HFCL to  
emerge as a frontrunner in the  
global market and expand margins*



# Significant OFC-related Project Opportunities

## *National Broadband Mission*

The Indian Government has decided to **lay Optical Fiber Cables along all upcoming Greenfield and Brownfield expressway corridors by NHAI to create a dark (inactive) Fiber infrastructure** which stakeholders in the market will be able to use in a direct plug and play mode

In addition, the Government aims to enhance telecommunications services by allowing mobile network companies to **build tower relays and provide coverage with this OFC Network** serving as a strong foundation for India's 5G ambition –

*Estimated spend of USD 1.2-1.5 bn for OFC spend along highways for next 3 to 4 years*

## *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 33%, 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.

For the next three years, the **total requirement for the optical Fiber cable is estimated at more than 9 lakh kilometres under this programme.**

*Government of India expected to invest USD 8-10 Bn between FY23-FY28 towards the Phase-III of BharatNet*

# Domestic 5G Market Opportunities

## Opportunity

## Growth Drivers

## Portfolio under development

## Cumulative TAM (FY23-28)\*

Networking product Demand

- 500 million mobile subscribers expected to use 5G by FY28

- Cell Site Router
- DU (Distributed Unit) Aggregation Routers
- CU (Centralized Unit) Aggregation Routers

~USD **4.6** Bn

RAN product demand

- Jio plans to install 5G in 100 million homes through FWA
- 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 **12.2** 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

- E2E ORAN Integration Solution Provider
- Private 5G network for Enterprises
- 5G enabled solutions for specific industry verticals like Manufacturing, Defence, Railways, Smart Cities, etc.
- Telco Cloud Managed Service Provider

~USD **12.5** Bn

# Domestic Defence Market Opportunities

## Opportunity

## Growth Driver

## Cumulative TAM (FY23-28)

Efforts to Modernize Indian defence networks and systems and provide a boost to local manufacturers

- Government Budget Initiative
- 68% capital procurement budget earmarked for domestic industry in 2022-23, compared to 58% in 2021-22
- Import reduction from 65% to 30% by FY32 on the back of initiatives like Aatmanirbhar Bharat, Make in India, Defence Acquisition Procedure (DAP) 2020 and Negative Import List

~USD **2.1** Bn

Electronic fuses



~USD **20** Bn

Electro-Optics



Improved Market Expansion Opportunities

- Increased FDI limit from 49% to 74% under automatic route and draft DPEPP-2020

~USD **0.60** Bn

Software defined radio (SDR)



# Domestic Railway Market Opportunities

## Projects Available\*

Dedicated Freight Corridors – Greenfield projects with 3 projects in DPR stage

## Growth Drivers & Overall Project Costs\*

Projects with capital cost of construction of USD 24.4 bn in the DPR stage

## Cumulative TAM (FY23-28)\*

USD 0.7 Bn

Modernisation of signalling & telecommunication in Indian Railways

- Automation of 15k kms rail signalling
- Train Collision Avoidance System 'KAVACH' to be installed on 37,000 km
- Overall investment of USD 7.5 bn in projects likely to be implemented over the next 5-7 years

USD 0.7 Bn

~35 global Metro Rail projects in planning/ proposed stage

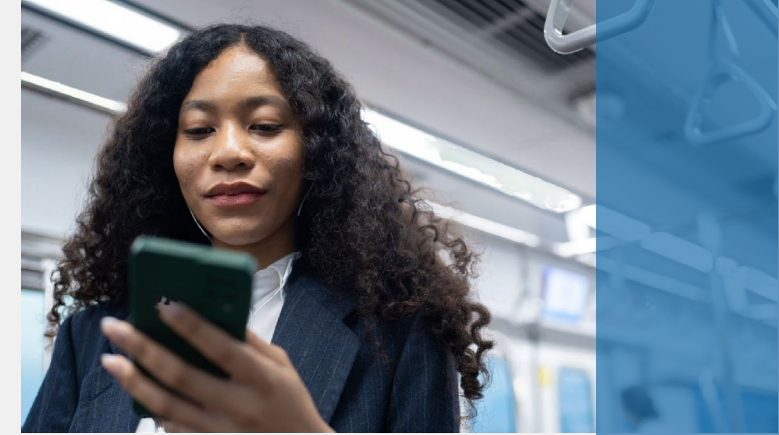
Overall Metro projects worth USD 31 bn spread over the next 2-10 years

USD 2.0 Bn

8 RRTS projects proposed, 3 being considered for immediate implementation

2 in financial approval stage

USD 0.3 Bn



# Market Opportunity at a Glance

	Cumulative FY 23-28 (USD Bn)*		% CAGR FY 22-28	
	Global	Domestic	Global	Domestic
<b>Telecom Products</b>				
A) OFC/OFC Accessories	121.2	9.6	≈7%	≈10%
B) 5G Products				
Networking Products	50.7	4.6	≈59%	≈108%
RAN Products	177.3	12.2	≈65%	≈89%
System Integration (SI) Service demand	175.0	12.6	≈31%	≈60%
C) Telecom Equipment (Except 5G)	560.2	12.6	≈9%	≈11%
<b>Defence Products</b>				
Electronic Fuses	7.8	2.1	≈10%	≈7%
Electro-Optics	106.8	20.0	≈5%	≈15%
SDR	51.9	0.6	≈6%	-
<b>Railway Communication</b>	3.8	1.8	-	-

**Takeaways** – Opportunities for HFCL to capture larger share in a growing market



The background features a complex digital aesthetic. It includes a grid of small white dots, several glowing orange and yellow curved lines, and scattered binary digits (0s and 1s) in white and yellow. The overall color palette is dominated by dark blues, light blues, and warm oranges.

# Competitive Advantage

Our Right to Win

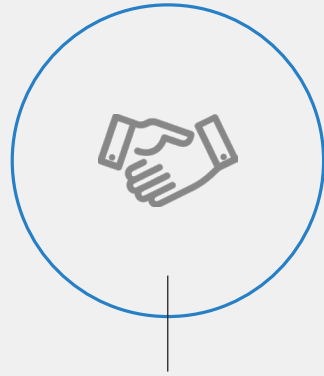
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# Why is HFCL Preferred? (1/2)



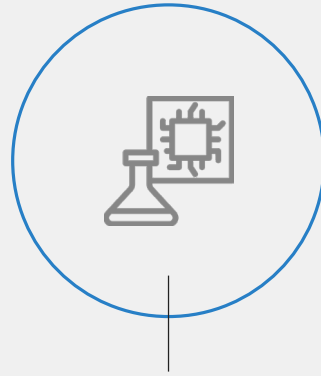
## Market Leader

- Leadership in Optical Fiber Production in India
- One of the largest manufacturers of Wifi-System, UBR along with other telecom products in India
- High-tech, cost-competitive and economies of scale



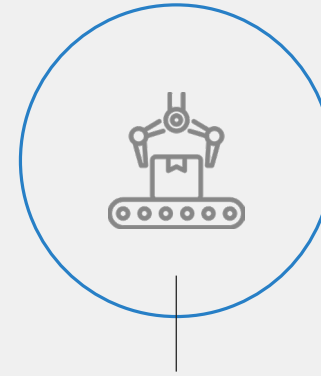
## Partnership

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



## In-House R&D

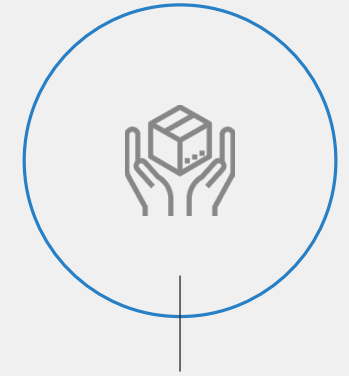
- Tech centric R&D driven company
- ~200 strong R&D team
- 2 R&D centres at Bengaluru and Gurugram
- 5G product portfolio developed inhouse
- Developing 6G products also



## 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

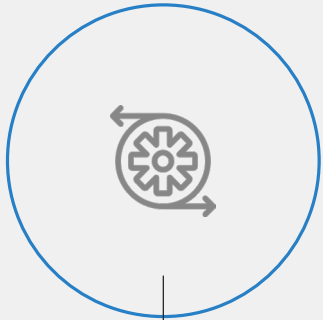


## End to End Network Provider

- Proven capabilities under same roof for
- Executing concept to completion of projects
  - Delivering products

Building the Network Highway to power Indian and global communication infrastructure

# Why is HFCL Preferred? (2/2)



## Backward Integration

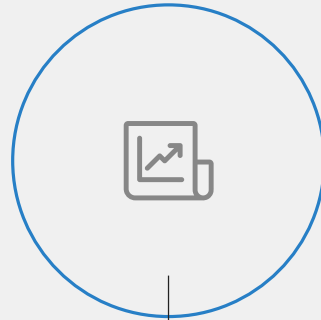
Key raw materials produced inhouse thereby acting as higher margin drivers

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



## Healthy Financials

- Debt: Equity Ratio of 0.25x
- Signifies Low credit risk and comfortable capital structure



## Strong Order Book - A force multiplier

- Strong Order Book of ₹ 7,064 crores diversified across Telecom, Defence and Railways
- Providing revenue visibility for the medium term



## Global Focus

- Exports increased to 18.31% of revenue in 9MFY23 compared to 3.19% in FY20
- 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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# ESG as a Prime Directive

## *Reduced Energy Consumption*

- Save between 88-126 kWh energy per month per site
- 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
- Sewage Treatment Plant (STP) of capacity 30 KL per day to recycle all domestic wastewater at Goa plant



## *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.

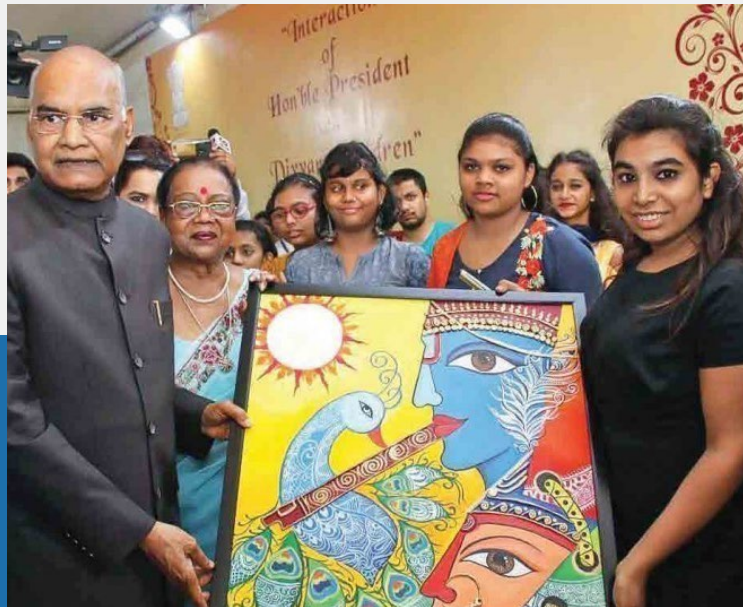
## *Improved Water Management*

- Continuous water recycling in both Goa and Hyderabad manufacturing facilities through an efficient recycling process, reducing freshwater consumption.
- 15 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 on 5.5 acres of land at Hyderabad.

# CSR: Giving Back to Society

## Healthcare Aid

- Running 7 Mobile Medical Clinics at different locations for providing preventive healthcare facilities in remote areas
- Providing critical and preventive health care support across New Delhi and Valsad, Gujrat



## Education Initiatives

- **SAMARTH** - Adopted 46 specially-abled children and providing grants for their education.
- **SAMARPAN** - Education & prevention of malnutrition amongst street children.
- **Pehal** – Aimed at improving the quality of education in government primary schools

## Old Age Care

- **SHEOWS** - Constructed women's wing of old age home and developed facilities for healthcare for abandoned senior citizens to live with dignity and required care and love

## Societal Welfare

- **Welfare for Stray Animals** – Aimed at providing food and shelter facilities for stray animals

₹ 32 Cr.

CSR Spend across past few years



# Financials

[Q3FY23 Key Highlights - Consolidated](#)

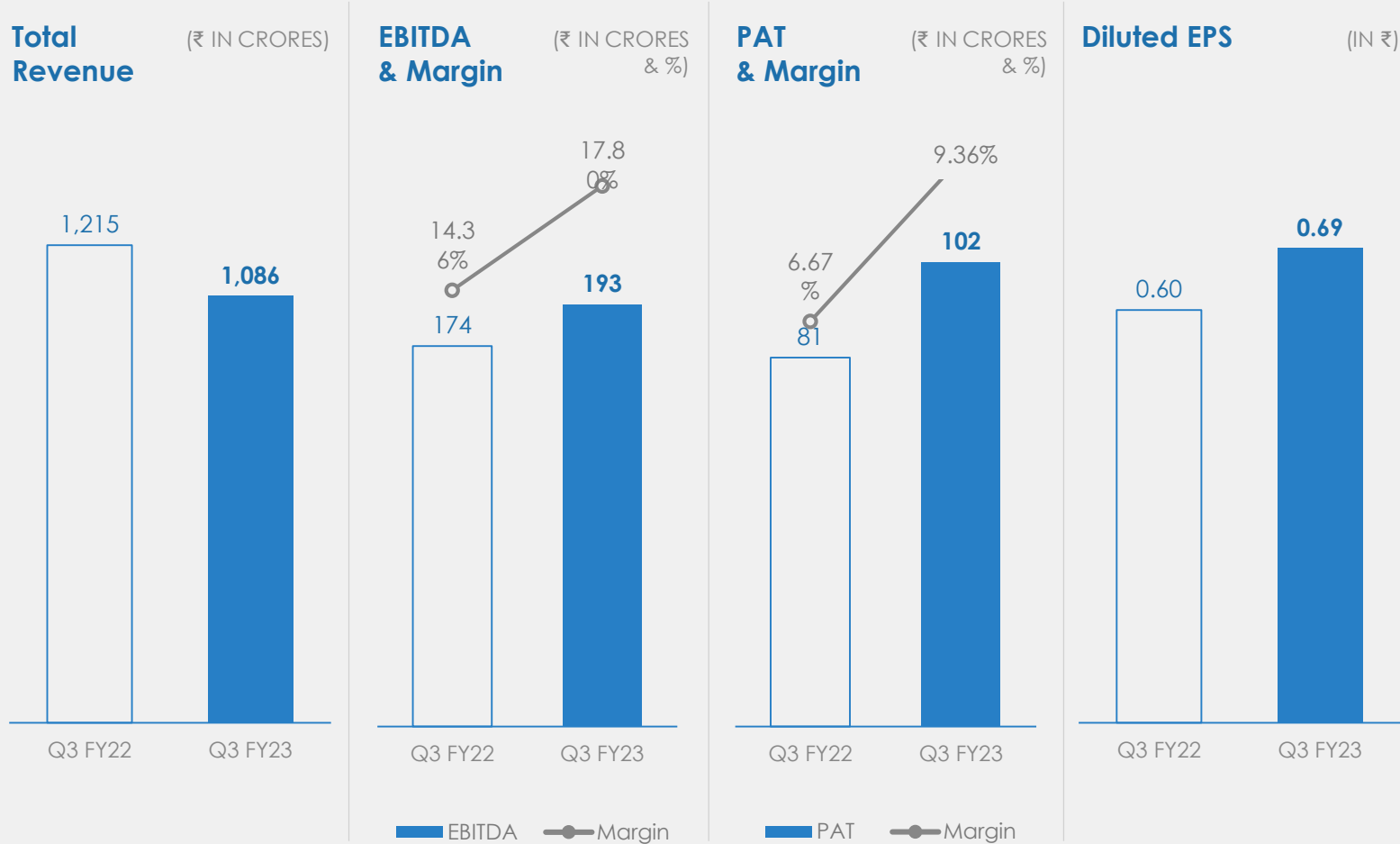
[Q3FY23 Consolidated Income Statement](#)

[9MFY23 Key Highlights - Consolidated](#)

[9MFY23 Consolidated Income Statement](#)

[Diversified Revenue Streams](#)

# Q3FY23 Key Highlights - Consolidated



- Received approval of application under the **Production Linked Incentive (PLI) Scheme**, filed by the Company, to avail incentives up to **Rs.652.79 crores over a period of 5 years**.
- HFCL bags contract** from state water & sanitation mission (SWSM) Lucknow, aggregating **Rs.1770 crs for providing EPC services**
- HTL Ltd. (Subsidiary of HFCL Limited)** is honoured to have been recognized as the **'Emerging Company of the Year'** during the 8th International Aerospace & Defence Award, conducted during recent Defence Expo 2022
- Received **multiple orders from leading telecom operators in India / abroad for supply of OFC / Telecom equipment** and to also roll out long-distance fiber network in various telecom networks

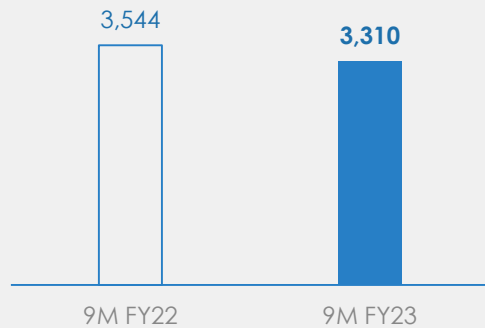


# Q3FY23 Consolidated Income Statement

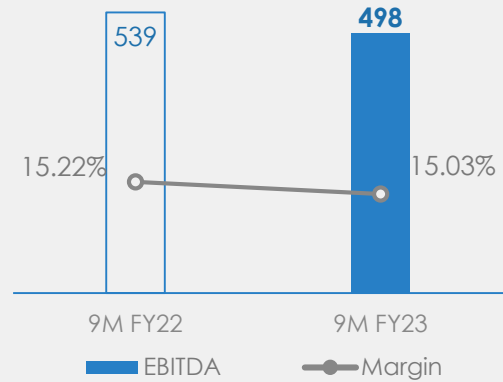
Particulars (₹ IN CRORES)	Q3-FY23	Q2-FY23	Change Q-o-Q	Q3-FY22	Change Y-o-Y
Revenue from Operations	1086	1173	-7.47%	1215	-10.65%
Other Income	6	9		4	
<b>Total Income</b>	<b>1092</b>	<b>1182</b>	<b>-7.66%</b>	<b>1219</b>	<b>-10.47%</b>
Total Expenses	899	1007		1045	
<b>EBITDA</b>	<b>193</b>	<b>175</b>	<b>10.73%</b>	<b>174</b>	<b>10.75%</b>
<b>EBITDA Margin (%)</b>	<b>17.80%</b>	<b>14.88%</b>	<b>292 Bps</b>	<b>14.36%</b>	<b>344 Bps</b>
Depreciation	20	21		20	
Finance Cost	37	40		39	
Share of net profits / (loss) of JV's accounted using equity method	1	-		-	
Exceptional Items	-	-		6	
<b>PBT</b>	<b>137</b>	<b>114</b>	<b>20.31%</b>	<b>109</b>	<b>25.08%</b>
<b>PBT Margin (%)</b>	<b>12.61%</b>	<b>9.70%</b>	<b>291 Bps</b>	<b>9.01%</b>	<b>360 Bps</b>
Tax	35	30		28	
<b>Profit after Tax</b>	<b>102</b>	<b>84</b>	<b>20.53%</b>	<b>81</b>	<b>25.30%</b>
<b>PAT Margin (%)</b>	<b>9.36%</b>	<b>7.18%</b>	<b>218 Bps</b>	<b>6.67%</b>	<b>269 Bps</b>
Other Comprehensive Income	-	(1)		1	
<b>Total Comprehensive Income</b>	<b>102</b>	<b>83</b>	<b>21.89%</b>	<b>82</b>	<b>23.50%</b>
EPS (Diluted ₹)	0.69	0.60		0.60	

# 9MFY23 Key Highlights - Consolidated

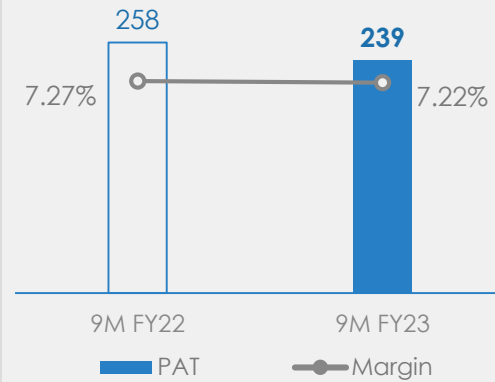
**Total Revenue** (₹ IN CRORES)



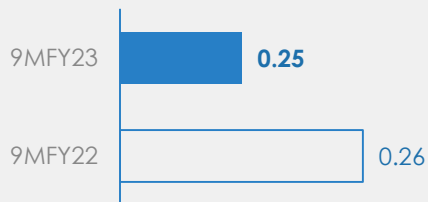
**EBITDA & Margin** (₹ IN CRORES & %)



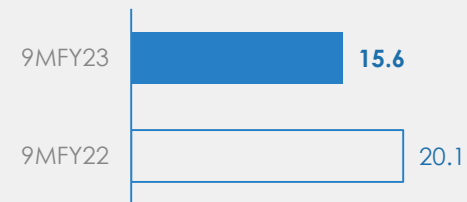
**PAT & Margin** (₹ IN CRORES & %)



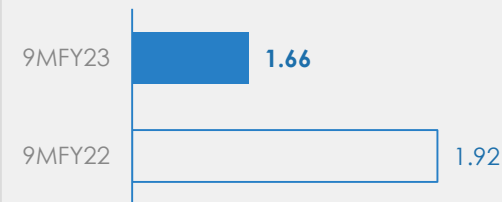
**Debt-Equity Ratio** (IN X)



**RoCE** (IN %)



**Diluted EPS** (IN ₹)



- With strategic focus on shift in revenue mix from projects to more of products, Company is able to sustain its revenue by expanding product range, customer base and geographies
- Company's strategic move to focus on product revenue has helped in expanding overall margin profile.
- Company is operating with low debt-equity ratio of 0.25x**

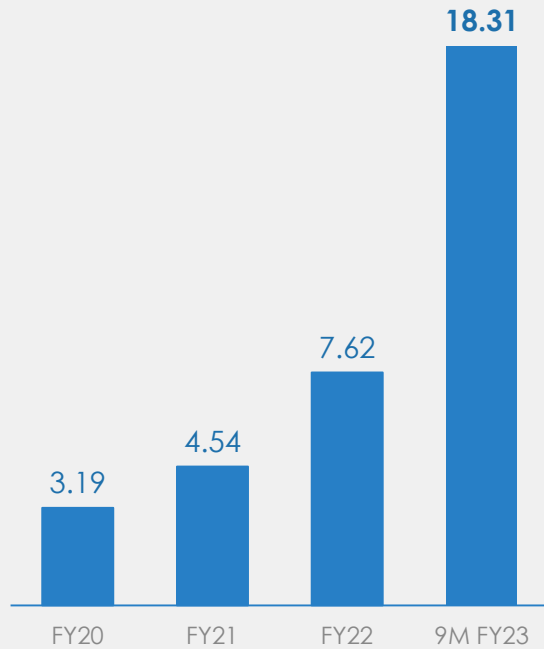
# 9MFY23 Consolidated Income Statement

Particulars (₹ IN CRORES)	9M-FY23	9M-FY22	Change Y-o-Y
Revenue from Operations	3310	3544	-6.60%
Other Income	34	13	
<b>Total Income</b>	<b>3344</b>	<b>3557</b>	<b>-5.99%</b>
Total Expenses	2846	3018	
<b>EBITDA</b>	<b>498</b>	<b>539</b>	<b>-7.72%</b>
<b>EBITDA Margin (%)</b>	<b>15.03%</b>	<b>15.22%</b>	<b>-19 Bps</b>
Depreciation	62	55	
Finance Cost	114	129	
Share of net profits / (loss) of JV's accounted using equity method	-	-	
Exceptional Items	-	6	
<b>PBT</b>	<b>322</b>	<b>349</b>	<b>-9.42%</b>
<b>PBT Margin (%)</b>	<b>9.72%</b>	<b>9.84%</b>	<b>-12 Bps</b>
Tax	83	91	
<b>Profit after Tax</b>	<b>239</b>	<b>258</b>	<b>-7.26%</b>
<b>PAT Margin (%)</b>	<b>7.22%</b>	<b>7.27%</b>	<b>-5 Bps</b>
Other Comprehensive Income	(1)	1	
<b>Total Comprehensive Income</b>	<b>238</b>	<b>259</b>	<b>-7.99%</b>
EPS (Diluted ₹)	1.66	1.92	

# Diversified Revenue Streams

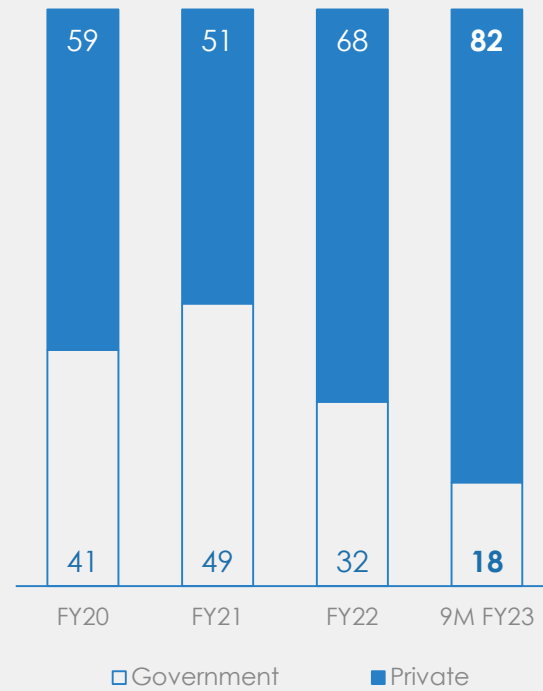
Exports Revenue Share

(IN %)



Revenue Share by Type of Customers

(IN %)





# Appendix

[Management Team](#)

[Board of Directors](#)

[Shareholders' Information](#)

[Abbreviations / Description](#)

# Led by an Experienced Management Team (1/2)



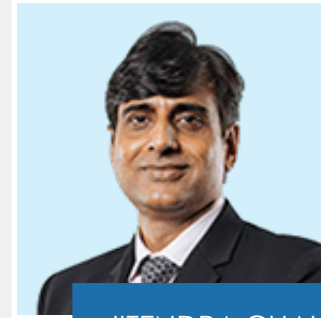
**S.K. GARG**

Executive Director (Growth Strategy)



**V.R. JAIN**

Group Chief Financial Officer



**JITENDRA CHAUDHARY**

Executive President (Communications)



**HARSH PAGAY**

Executive President (OFC)



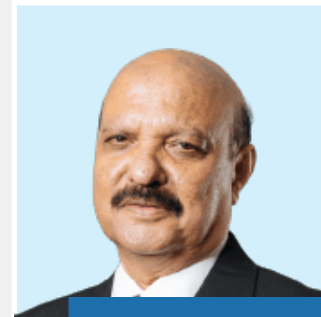
**DR. PETER WEIMANN**

Chief Technology Officer (OFC)



**RAJESH JAIN**

Executive President (Telecom EPC Projects)



**COL B.B. SINGH**

Executive President (Defence Products)



**Jayanta Dey**

Executive President (5G)

# Led by an Experienced Management Team (2/2)



**DEVENDER KUMAR**

Executive President (Project Delivery)



**JOCHEN ARMS**

VP, Sales (DACH, Europe) (OFC)



**SANJAY JORAPUR**

President – (Human Resources)



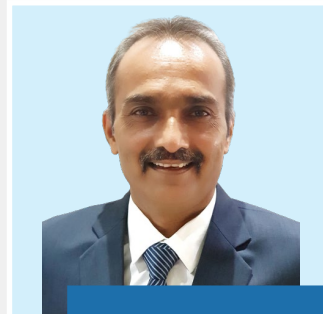
**N.L. Garg**

President (Supply Chain)



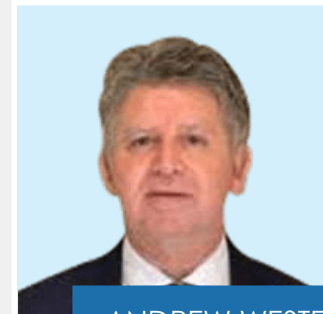
**SUNIL KUMAR PANDEY**

Chief Information Officer



**MANOJ BAID**

SVP (Corporate) & Company Secretary



**ANDREW WESTERMAN**

VP, International Sales  
(Communication Products)



**SUBHAS MONDAL**

Vice President R&D (5G Business)

# 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 DR TAMALI SEN GUPTA  
Independent Director

06 ARVIND KHARABANDA  
Non-Executive Director

07 DR RANJEET MAL KASTIA  
Non-Executive Director

01



02



03



04



05



06



07





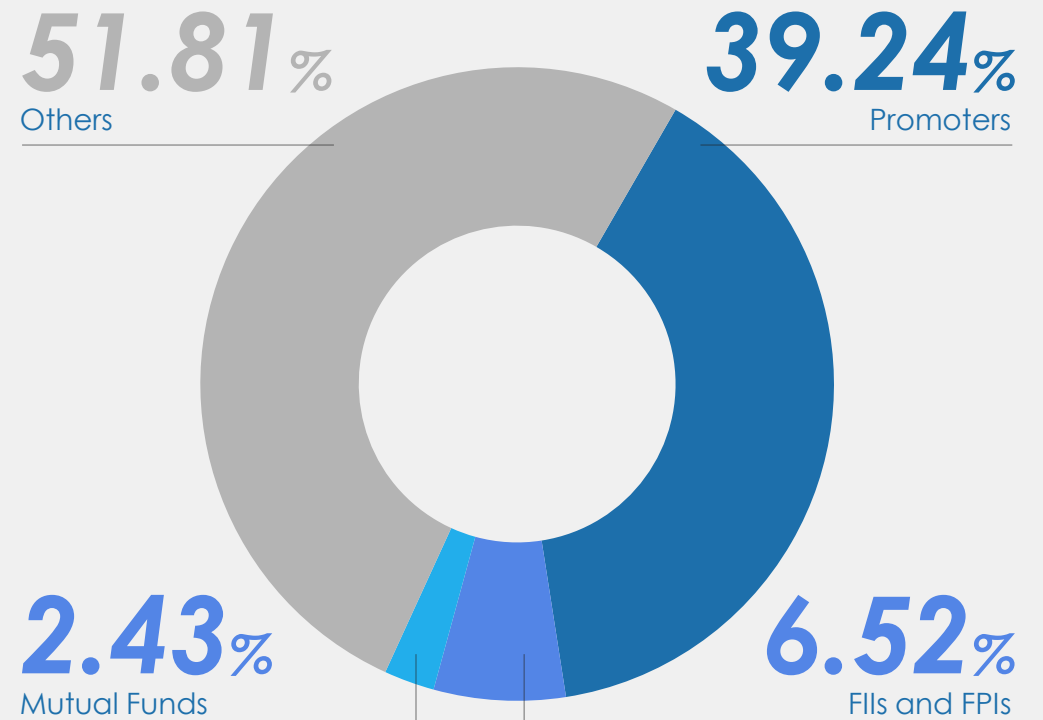
# Shareholders' Information

## Share Information

(AS ON December 31, 2022)

NSE Ticker	HFCL
BSE Ticker	500183
Market Cap (₹ Crores)	10,147.0
% free-float	69.92%
Free-float market cap (₹ Crores)	6,181.66
Shares Outstanding	1,37,77,58,321
3M ADTV (Shares)	1,31,46,565
3M ADTV (₹ Crores)	105.79
Industry	Telecommunications – Equipment & Solutions

## HFCL in Numbers



# Abbreviations / Description

Abbreviation	Description
<b>3GPP</b>	3 <sup>rd</sup> Generation Partnership Project
<b>ARP</b>	Aramid Reinforced Plastic
<b>ATO</b>	Automatic Train Operation
<b>CAGR</b>	Compounded Annual Growth Rate
<b>CPE</b>	Consumer Premises Equipment
<b>DLL</b>	Digital Loop Carrier
<b>DPEPP</b>	Defence 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>LTE</b>	Long-Term Evolution
<b>MMC</b>	Mobile Medical Clinic
<b>MPLS</b>	Multi-Protocol Label Switching
<b>NBM</b>	National Broadband Mission

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>PPP</b>	Public Private Partnership
<b>P-SCADA</b>	Power Supervisory Control and Data Acquisition
<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>SDH</b>	Synchronous Digital Hierarchy
<b>T-SCADA</b>	Telemetry Supervisory Control and Data Acquisition
<b>UBR</b>	Unlicensed Band Radio
<b>VSS</b>	Video Surveillance System
<b>WLL</b>	Wireless in Local Loop

# Thank you



**Corporate Office**

8, Commercial Complex,  
Masjid Moth,  
Greater Kailash Part 2,  
New Delhi, Delhi - 110048

**Amit Agarwal**

HEAD – INVESTOR RELATIONS  
**HFCL Limited**  
Tel: +91-11-3520 9400  
Email: [ir@hfcl.com](mailto:ir@hfcl.com)



# Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	FY20	FY21	FY22
Revenue from Operations	3,839	4,423	4,727
Other Income	22	35	43
<b>Total Income</b>	<b>3,861</b>	<b>4,458</b>	<b>4,770</b>
Total Expenses	3,345	3,873	4,077
<b>EBITDA</b>	<b>516</b>	<b>584</b>	<b>693</b>
<b>EBITDA Margin (%)</b>	<b>13.44%</b>	<b>13.21%</b>	<b>14.66%</b>
Depreciation	42	69	78
Finance Cost	115	175	166
Share of net profits / (loss) of JV's accounted using equity method	(1)	-	-
Exceptional Items	-	4	6
<b>PBT</b>	<b>358</b>	<b>337</b>	<b>442</b>
<b>PBT Margin (%)</b>	<b>9.33%</b>	<b>7.62%</b>	<b>9.35%</b>
Tax	121	91	116
<b>Profit after Tax</b>	<b>237</b>	<b>246</b>	<b>326</b>
<b>PAT Margin (%)</b>	<b>6.18%</b>	<b>5.57%</b>	<b>6.89%</b>
Other Comprehensive Income	1	5	2
<b>Total Comprehensive Income</b>	<b>238</b>	<b>251</b>	<b>328</b>
EPS (Diluted ₹)	1.76	1.87	2.38

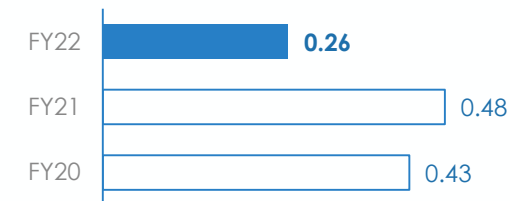
Revenue increased with higher contribution from products and exports  
EBITDA increased due to greater contribution from product led revenue

# Consolidated Balance Sheet

Equities & Liabilities (₹ IN CRORES)	FY20	FY21	FY22
<b>Total - Shareholder Funds</b>	<b>1,668</b>	<b>1,924</b>	<b>2,818</b>
NON CURRENT LIABILITIES			
(A) Financial Liabilities			
(i) Borrowings	201	251	121
(ii) Other Liabilities	49	56	54
<b>Total - Non – Current Liabilities</b>	<b>250</b>	<b>306</b>	<b>175</b>
FINANCIAL LIABILITIES			
(i) Borrowings	511	669	609
(ii) Other Liabilities	1400	2317	1569
<b>Total – Current Liabilities</b>	<b>1,911</b>	<b>2,987</b>	<b>2,178</b>
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>3,829</b>	<b>5,216</b>	<b>5,171</b>

Assets (₹ IN CRORES)	FY20	FY21	FY22
(A) Tangible Assets	472	475	536
(B) Goodwill	26	26	26
(C) Other Intangible Assets	40	42	74
(D) Investment in Associates / JV			12
(E) Financial Assets			
(i) Trade receivables	120	445	596
(ii) Other Financial Assets	111	78	110
<b>Total - Non – Current Assets</b>	<b>768</b>	<b>1,066</b>	<b>1,354</b>
(A) Inventories	344	435	573
(B) Financial Assets			
(i) Trade Receivables	1,610	2,611	1,896
(ii) Cash & Bank Balances	191	306	528
(iii) Others-Advances	558	462	386
(iv) Others	360	336	434
<b>Total – Current Assets</b>	<b>3,061</b>	<b>4,150</b>	<b>3,817</b>
<b>GRAND TOTAL – ASSETS</b>	<b>3,829</b>	<b>5,216</b>	<b>5,171</b>

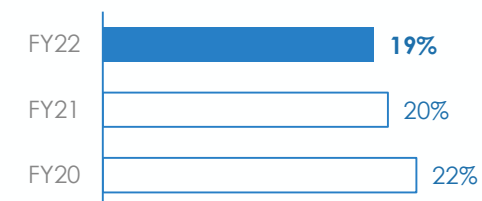
## Debt-Equity Ratio (IN X)



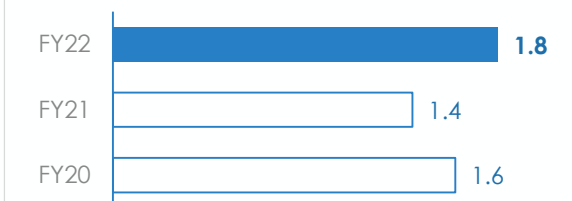
## Dividend\* (IN %)



## RoCE\*\* (IN %)



## Current Ratio (IN X)



\*In wake of Covid-19 pandemic and consequent lockdown, The Company in order to maintain adequate liquidity and cash flow position, decided to retain its FY20 profits

\*\* Low RoCE in FY22 was due to fund raise in December. The Company is in the process of creating and expanding capabilities, which are expected to start reflecting operationally through increased revenue and improved margins from FY23-24 onwards

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