



HFCL Limited

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HFCL/SEC/24-25

October 22, 2024

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

Subject: Earnings’ Presentation

Dear Sir(s)/ Madam,

This is in continuation to our earlier intimation dated October 21, 2024.

In terms of Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, we hereby submit a copy of the **Earnings’ Presentation, *inter-alia*, on the Un-audited Financial Results of the Company for the 2nd Quarter and Half Year ended September 30, 2024, of the Financial Year 2024-25, both on Standalone and Consolidated basis, to be discussed during the Earnings’ Call scheduled to be held on Tuesday, October 22, 2024 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 21, 2024.

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

Thanking you,

Yours faithfully,
For HFCL Limited

(Manoj Baid)
President & Company Secretary

Encl: Earnings’ Presentation

Earnings Presentation

October 2024



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Message from Managing Director

“A significant development in Q2 was entering into a strategic partnership with General Atomics Aeronautical Systems Incorporated (GA-ASI), US, to develop critical sub-systems for one of the world’s most sophisticated unmanned aerial vehicles (UAVs). This partnership underscores our capabilities in the defense sector and opens more export/international opportunities for us especially in US market. We are also in advanced stage of discussions for export of our indigenously designed and developed Electronics Fuzes in the Global market.

HFCL executed one of the world’s largest Control and User Plane Separation (CUPS) architecture-based broadband network gateway for BSNL in a seamless manner for legacy network migration and this will also serve as a internet gateway for all enterprise and home users of BSNL, as well as for the existing Bharat Net network of 1.5 lacs gram panchayat and the upcoming pan India Bharat Net expansion in Phase-III project.

During the quarter under review we delivered steady performance despite the continuing softness in demand of Optic Fiber Cables worldwide. Further monsoon season in several parts of the Country has also impacted execution of work resulting into spillover of revenue booking to next quarter. The Company has started receiving significant global enquiries for optic fiber cables showing early signs of recovery in coming quarters. Going ahead, our focus on new defence product launches, conscious shift towards margin-accretive products, increasing share of private customers and expanding international business will definitely result in improved revenue and profitability.”

Key Performance Metrics for H1FY25

- **Revenue** : INR 2251.85 crores, up by 6.89% YoY
- **EBITDA** : INR 357.19 crores, up by 15.45% YoY
- **PAT** : INR 183.98 crores up by 26.25% YoY



MAHENDRA NAHATA
Promoter and Managing Director

Q2 & H1FY25 Key Highlights

Key Highlights :

- In a significant development that underscores HFCL's technical prowess and commitment, the Company has been selected to develop and supply critical sub-systems for General Atomic - ASI's advanced Unmanned Aircraft Systems (UAS). This partnership marks a milestone in HFCL's journey, as it becomes a key contributor to one of the world's most sophisticated Unmanned Aerial Vehicles (UAVs).
- The Company Delivers One of the World's Largest Advanced Broadband Network Gateway (BNG) Projects for Bharat Sanchar Nigam Limited (BSNL)
- Introduced high-density single-jacket single-armor Intermittently Bonded Ribbon (IBR) cables and also expanded its award-winning Nano Thin product line of loose tube micro cables to cater to changing demands for network deployment driven by growth in data centers, metro networks and FTTx in North America with these innovative cable solutions.
- In a landmark verdict on 11th October, 2024, the European Commission has decided not to impose definitive anti-dumping duty on optical fiber cables manufactured by HFCL and its subsidiary HTL, bolstering our competitive edge in the European market
- Successfully cleared the User Trial Readiness Review for the Armament Upgradation Project of the Indian Army's for BMP-2 Infantry Combat Vehicles

Q2FY25 - Consolidated Profit & Loss Statement

Particulars (₹ IN CRORES)	Q2FY25	Q2FY24	Change Y-o-Y	Q1FY25	Change Q-o-Q
Revenue from Operations	1093.61	1111.49	-1.61%	1158.24	-5.58%
EBITDA	171.82	149.77	14.72%	185.37	-7.31%
EBITDA Margin (%)	15.71%	13.47%	224Bps	16.00%	-29Bps
Depreciation	25.48	21.45		24.07	
Finance Cost	44.88	34.78		42.31	
Profit Before Tax	102.47	94.18	8.80%	118.79	-13.74%
Profit after Tax	73.33	70.17	4.50%	110.65	-33.73%
PAT Margin (%)	6.71%	6.31%	40Bps	9.55%	-284Bps
EPS (Diluted ₹)	0.51	0.50	2.00%	0.77	-33.77%

H1FY25 - Consolidated Profit & Loss Statement

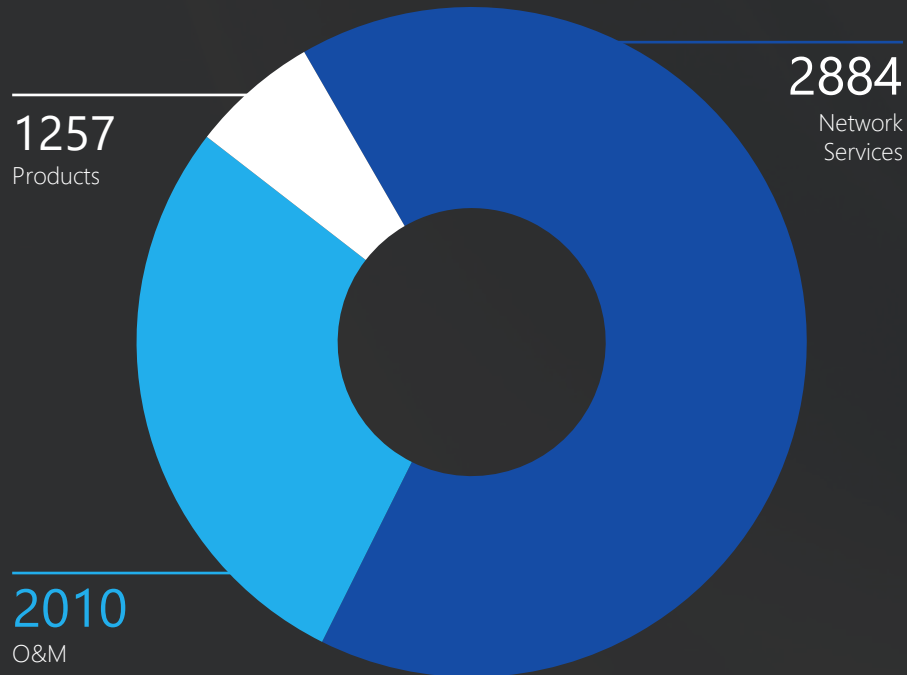
Particulars (₹ IN CRORES)	H1FY25	H1FY24	Change Y-o-Y
Revenue from Operations	2251.85	2106.68	6.89%
EBITDA	357.19	309.39	15.45%
EBITDA Margin (%)	15.86%	14.69%	117Bps
Depreciation	49.55	42.35	
Finance Cost	87.19	71.08	
Profit Before Tax	221.26	196.71	12.48%
Profit after Tax	183.98	145.73	26.25%
PAT Margin (%)	8.17%	6.92%	125Bps
EPS (Diluted ₹)	1.28	0.99	29.29%

Consolidated Balance Sheet

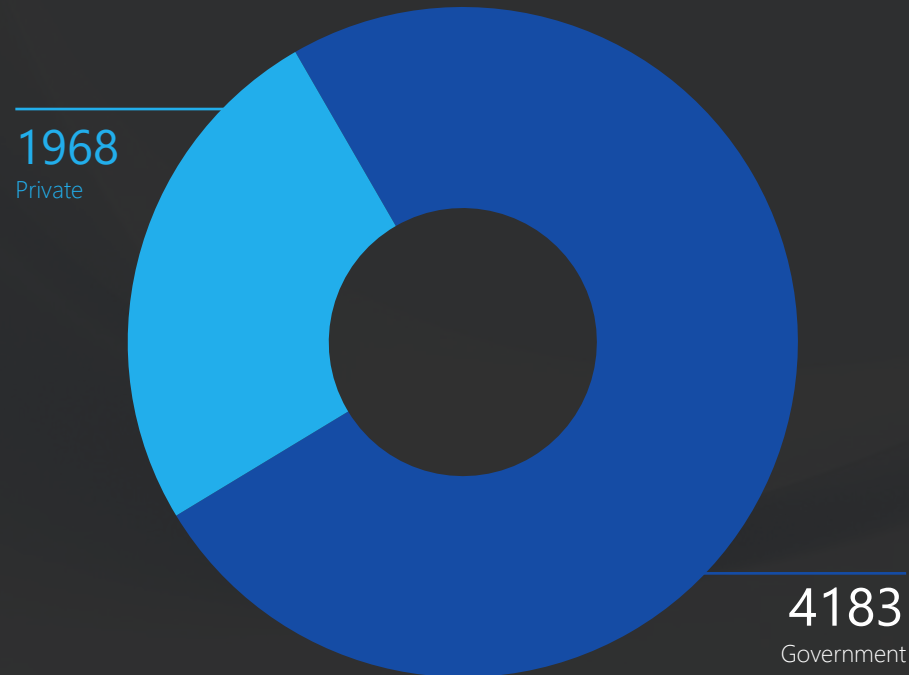
Equities & Liabilities (₹ IN CRORES)	H1FY25	FY24	FY23	FY22
Total -Shareholder Funds	4,234.33	3,999.83	3,144.14	2,818.37
NON CURRENT LIABILITIES				
(A) Financial Liabilities				
(i) Borrowings	298.24	169.21	110.37	121.25
(ii) Other Liabilities	6.66	9.07	6.20	19.34
(B) Other Non Current Liabilities	144.17	124.77	69.72	34.74
Total - Non – Current Liabilities	449.07	303.05	186.29	175.33
CURRENT LIABILITIES				
(i) Borrowings	900.08	808.05	637.94	621.55
(ii) Other Liabilities	1,938.55	1,375.90	1,504.22	1556.21
Total – Current Liabilities	2,838.63	2,183.95	2,142.16	2,177.76
GRAND TOTAL - EQUITIES & LIABILITES	7,522.03	6,486.83	5,472.59	5,171.46
Assets (₹ IN CRORES)	H1FY25	FY24	FY23	FY22
(A) Tangible Assets	738.47	661.75	574.91	536.16
(B) Goodwill	26.17	26.17	26.17	26.17
(C) Other Intangible Assets	521.60	433.01	215.31	74.10
(D) Investment in Associates / JV	20.31	19.50	18.57	11.66
(E) Financial Assets				
(i) Trade receivables	727.15	520.31	423.11	595.61
(ii)Other Financial Assets	321.02	232.48	92.82	85.94
(F) Other Non Current Assets	65.11	60.11	39.55	22.52
Total - Non – Current Assets	2,419.85	1,953.33	1,390.44	1,352.16
(A) Inventories	781.19	774.42	757.85	573.38
(B) Financial Assets				
(i)Trade Receivables	2,329.91	2,215.48	1,886.11	1,895.94
(ii)Cash & Bank Balances	405.27	336.35	322.59	528.24
(iii)Others	623.03	538.50	533.57	386.31
(iv)Others	38.03	72.51	36.68	26.04
(v) Investments	6.59	5.19	12.38	8.80
(C) Other Current Assets	918.16	591.05	532.97	400.59
Total – Current Assets	5,102.18	4,533.50	4,082.15	3,819.30
GRAND TOTAL – ASSETS	7,522.03	6,486.83	5,472.59	5,171.46

Order book as on Sep, 2024

Order book category wise (IN ₹ CRORES)



Order book customer wise (IN ₹ CRORES)



Order Book (IN ₹ CRORES)

6,776



6,151



Q1FY25

Q2FY25



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HFCL LIMITED

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About HFCL

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

Optical fiber Cable Supplier in India

#1

Countries of Presence

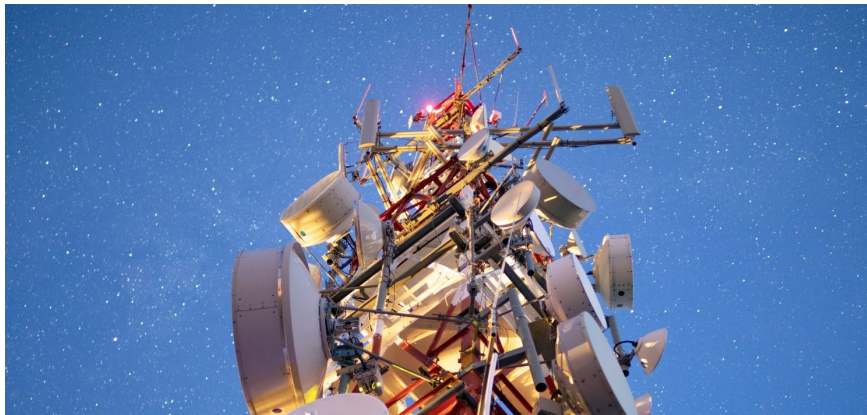
45+

Manufacturing Facilities

5

R&D Centres

3



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

Telecom 97%
Revenue Contribution In H1FY25

Defense 1%

Revenue Contribution In H1FY25

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



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

Railways 2%
Revenue Contribution In H1FY25

Product Portfolio

Telecom

Networking Products



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

Optic Fiber/ Optical Fibers Cables



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

Empowering global telcos with a wide range of new age products

Defence

Electronics Products



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

Innovator in Indian defence technology space through indigenously developed products

Product Portfolio

Passive Connectivity Solutions



1



2



3



4



5



6

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

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

Wire Harness Portfolio



1



2



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

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

Product Innovation- Recent launches and products under development

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

Recent Launches:

Public Communications

1. 5G Fixed Wireless Access Equipment
2. IP/ MPLS Routers
3. 1 GBPS UBR & 2 GBPS point to multipoint UBR
4. Unified Cloud Network Management System
5. 1728 High fiber Intermittently Bonded Ribbon Cable

Defence

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



Products Under Development



Telecommunication

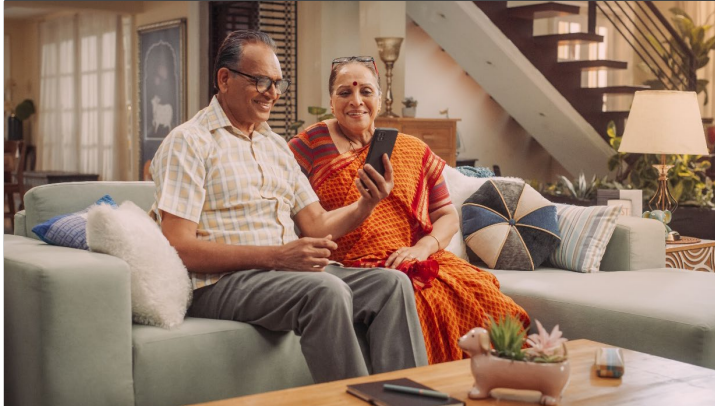
- Next Gen WiFi 7 routers
- Ultra High-Capacity Point-to-point and Point-to-Multipoint Unlicensed Band Backhaul Radio



Defense Communication & Electronics

- Software defined radio
- Drone Detection Radar

Network Solutions & Projects



Public Telecommunication

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



Defence Communication

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



Railways

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

Strong Domestic Presence



HOSUR, TAMIL NADU

(Through subsidiary company HTL Ltd)

- 660kkm/annum Aramid Reinforced Plastic (ARP) Rods
- 504k km/annum Fiber Reinforced Plastic (FRP) Rods
- 2,700 MT/ annum Impregnated Glass Fiber Reinforcement (IGFR)

All above are raw materials for Optical fiber cable



HYDERABAD, TELANGANA 2 facilities

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



CHENNAI, TAMIL NADU

(Through subsidiary company HTL Ltd)

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



VERNA, GOA

- 8 mn fkm/annum Optical Fiber Cables

5
Operational

Manufacturing facilities
across India

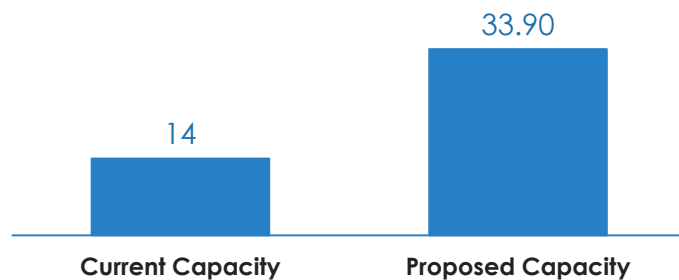
Expanding Manufacturing Capacities

Further strengthening of backward integration

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

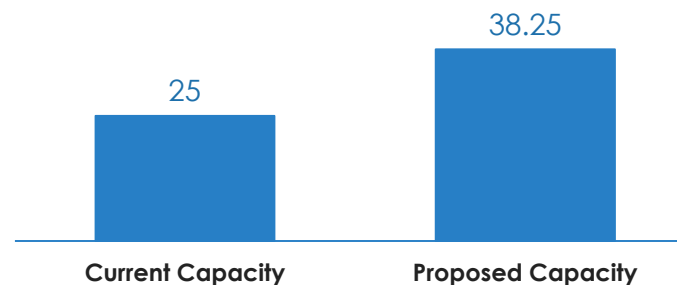
Planned expansion of manufacturing capacity of Optic fiber

(IN mn fkm p.a)



Planned Optical fiber Cable capacity expansion

(IN mn fkm p.a)



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

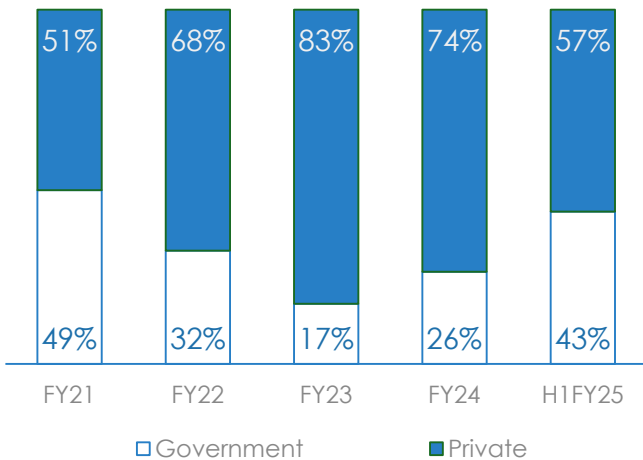
- Cumulative TAM of ~ 614 bn USD both globally and in India by FY30.
- Targeting revenue of ~ Rs.2000 crores in FY24-25 compared to Rs.143 crores during FY24 from existing product portfolio.
- Eligible for PLI benefits by manufacturing these products



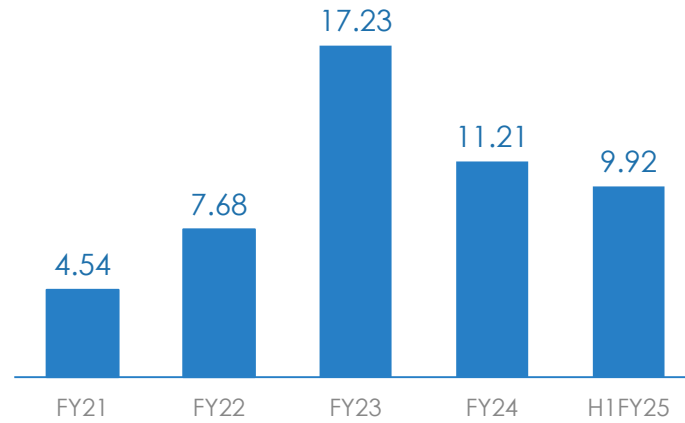
Shift in Revenue Mix

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

Revenue share from Private Customers (IN %)



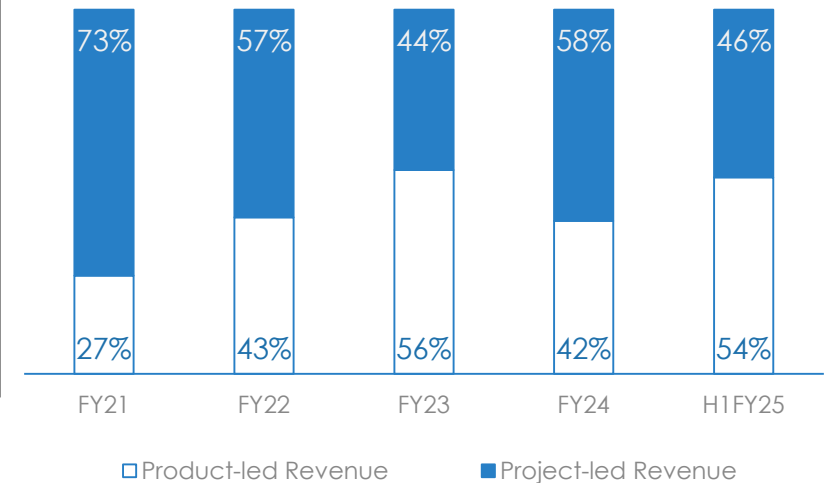
Exports Revenue Share* (IN %)



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

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

Shift towards Product-led Revenue (IN %)



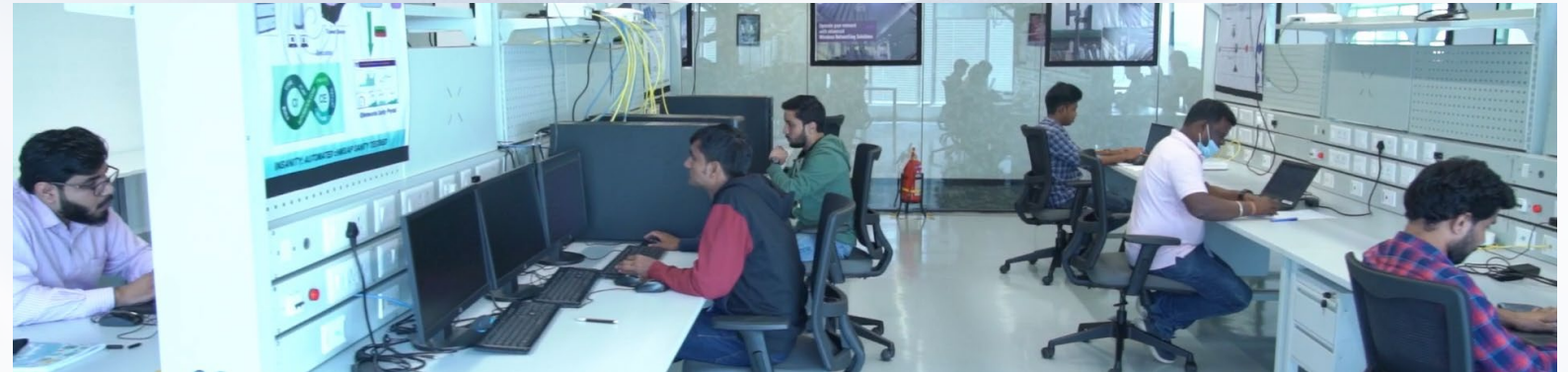
R&D: Powering towards a technology led Company

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

Strengthened in-house R&D team



Segments	No. of people
5G Products	135
Other Networking Products	116
Technology & Defence	61
Optic fiber & Optical fiber Cable	41
Total	353



Key Customers



المؤسسة العامة للخطوط الحديدية
SAUDI RAILWAYS ORGANIZATION



Strong Technology Partners



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



Partnership for 5G
Transport Products



Partnership for 5G Small
Cells



Partnership for 5G Small
Cells



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



Partnership for 5G Small
Cells



Partnership for 5G
indoor small cells



Partnership for Artificial
Intelligence (AI) based
Analytics



Partnership for 5G
Transport products



Partnership for Switches



Partnership for Software
Defined Radios

Why HFCL? The Difference Maker

Market Leader

Largest share in domestic supplies of Optic fiber cables in India

Vertical Integration

Optimized business model and consistent supply chain

Dedicated R&D Capabilities

350+ R&D resources across 3 research centres

Expanding International Presence

Operations in 45+ countries serving 100+ clients globally

Strong Business Relationships

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

Industry Veterans

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

Large Order Book

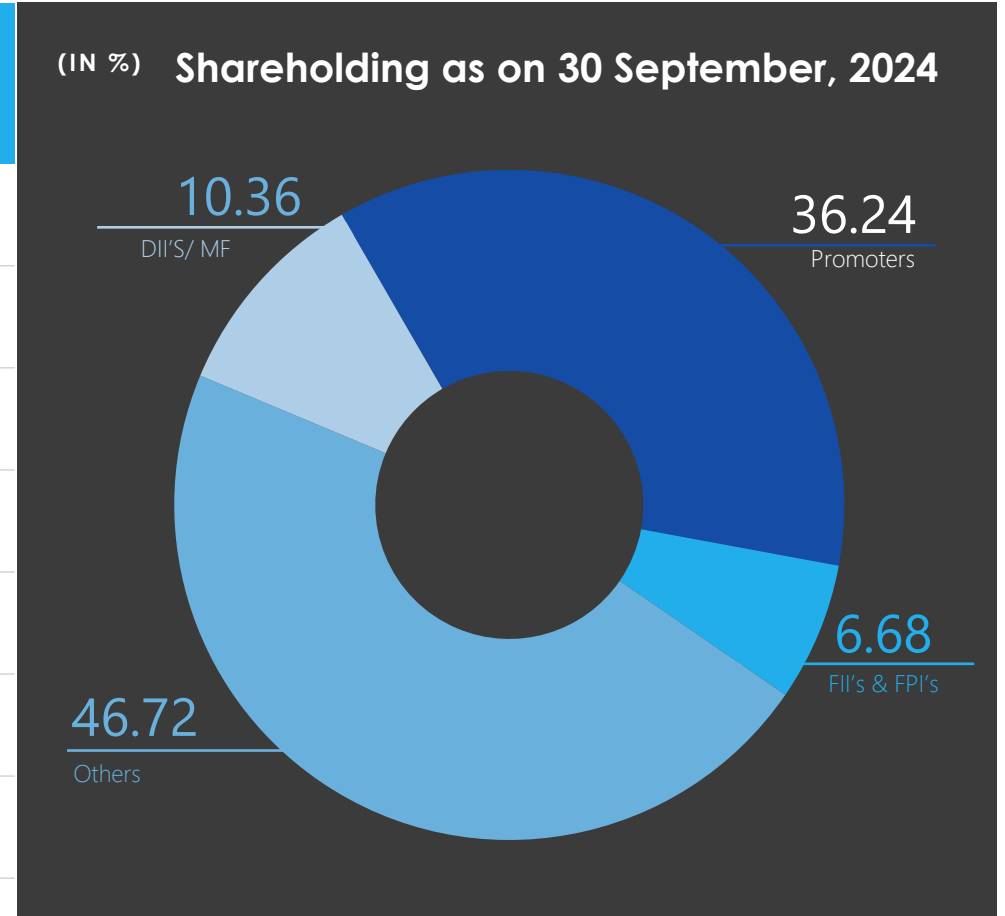
Strong Order Book of ~ ₹ 6151 crores diversified across Telecom, Defence and Railways providing revenue visibility

End-to-End Network Solution Provider

One-stop shop for communication network and solutions

Shareholders' Information

Share Information (AS ON September 30, 2024)	
NSE Ticker	HFCL
BSE Ticker	500183
Market Cap (₹ Crores)	21,416.48
% free-float	62.05%
Free-float market cap (₹ Crores)	13,289.69
Shares Outstanding	1,44,26,72,812
3M ADTV (Shares)	4,60,52,441
3M ADTV (₹ Crores)	640.72
Industry	Telecommunications – Equipment & Solutions



Thank You

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Amit Agarwal

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