



5G



INVESTOR PRESENTATION

Review of Financial Results FY 2019-20

Disclaimer

This document contains certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/ shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section.

Review Items



- Financial Snapshot
- Products and Services
- Operational Highlights
- Operational challenges & Risk Mitigation
- Industry Outlook

Financial Snapshot



Statement of Profit & Loss

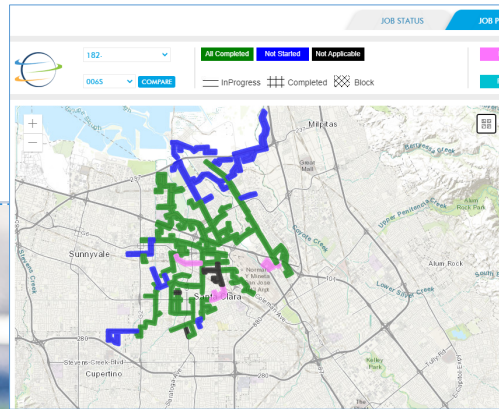
(Figures In lakhs)					
Particulars	2019-20 (For 12 Months)	2018-19 (For 12 Months)	H2 as on 31-03-2020	H2 as on 31-03-2019	H1 as on 30-09-2019
Revenue	₹ 4,272.26	₹ 5,338.32	₹ 1,926.72	₹ 3,099.37	₹ 2,345.54
Total Expense	₹ 4,383.61	₹ 3,826.14	₹ 2,258.67	₹ 2,402.61	₹ 2,124.94
EBITDA	₹ 490.41	₹ 1,859.67	₹ 9.29	₹ 881.21	₹ 481.12
Finance Cost	₹ 97.89	₹ 55.44	₹ 55.4	₹ 24.16	₹ 42.49
Depreciation	₹ 386.23	₹ 292.05	₹ 168.14	₹ 160.28	₹ 218.09
PBT	₹ 6.29	₹ 1,512.19	₹ -214.32	₹ 696.76	₹ 220.61
Tax Expenses	₹ -22.22	₹ 274.03	₹ -0.58	₹ 51.45	₹ -21.64
PAT	₹ 28.51	₹ 1,238.16	₹ -213.74	₹ 645.31	₹ 242.25



Products and Services

Flagship Product

ExploreGIS



AI Tool for Field data collection tools

- Smart and efficient route planning tool.
- Real time data sync.
- Support for disconnected environment.
- Enables high productivity and excellent quality.
- Ongoing enhancement to include wireless infrastructure deployment.
- Dedicated high technical product development team.

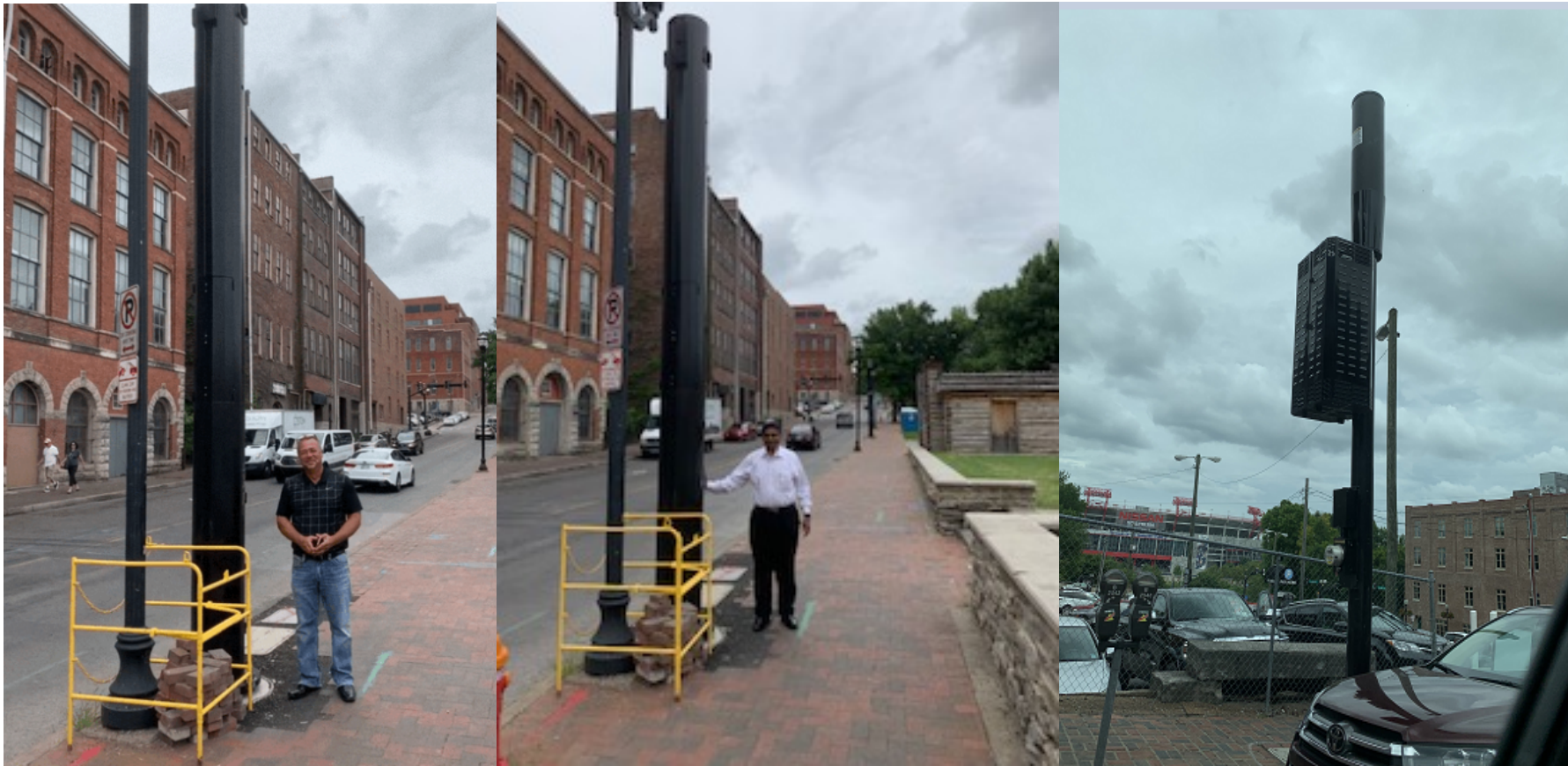
Key Services

- GIS – Telecom, Asset Mapping.
- End to end Fiber and Coax design.
- Software – Development, IoT Solutions, Web/Mobile and Cloud Solutions.
- Infrastructure Engineering Services.

Operational Highlights



Gained leadership position in 5G deployment



Developed exceptional software to deploy 5G networks.

Our solution is well received in the marketplace.



➤ Major Contracts and Milestones

- Bagged IDIQ (indefinite delivery and indefinite quantity) **contract for 5G roll out.**
- The contract value is undeterminable in the current situation but has a potential of **over \$ 20MM** over 2 to 3 years.
- **Strategic partnership** with Interprise partners – a private equity firm to scale up the growth and build synergies.
- Set up **regional support centers** in several parts in USA for better customer support – Georgia, California, Colorado, Florida, Tennessee and Virginia.



➤ Operational Challenges – Visa Rejections

VISA REJECTIONS		
Company	FY15 (Oct '14-Sep '15)	FY19 (Oct-Dec '18)
Wipro	7%	62%
Infosys	2%	57%
HCL America	2%	43%
TCS	6%	37%

Source: NFAP

Year	H-1B Denials(%)	H-1B approved after RFE (%)
FY 2015	4.3	83.2
FY 2019 (Q1-3)	16.1	62.7



Shortage of onsite resources

Significant restrictions on US Visa and large number of visa rejections limited the deployment of resources onsite to execute the projects.



Increase in Operational Costs

Insufficient skill and experienced resources in the US market pushed the Company to hire fresh graduates resulting in upsurge of training costs.



➤ Covid Impact



- 1 Cadsys had undertaken to **perform 100% of the work in secure ISO 27001 certified facility.**
- 2 Cadsys had to **renegotiated** the contracts to **allow Work from Home.**
- 3 Promptly enabled WFH facility - Currently **90%** of the staff are **working from home.**

Fielding Challenges

- Due to social distancing norms the residential customers are not allowing the field engineers to enter their homes.
- However, it was not the case in commercial establishments.

Risk Mitigation



- Tied up with **US Government** owned **Skill Development** institutes to impart **training free of charge**.
- Provided **PPE equipment** to **fielders** going to residential homes for work.
- Worked with Government to **get passes** to **work from office** during lock down.
- US Government awarded Grant of USD \$ 355,000 that is Rs. 2.66 Crores to tide over Corona Crisis.
- **Encourage WFH** while strictly adhering to **Social distance & office hygiene** in the work premises.
- Entire Senior Management staff and executive leadership team have voluntarily taken 10%-75% cut in salary.



➤ Restructuring work environment

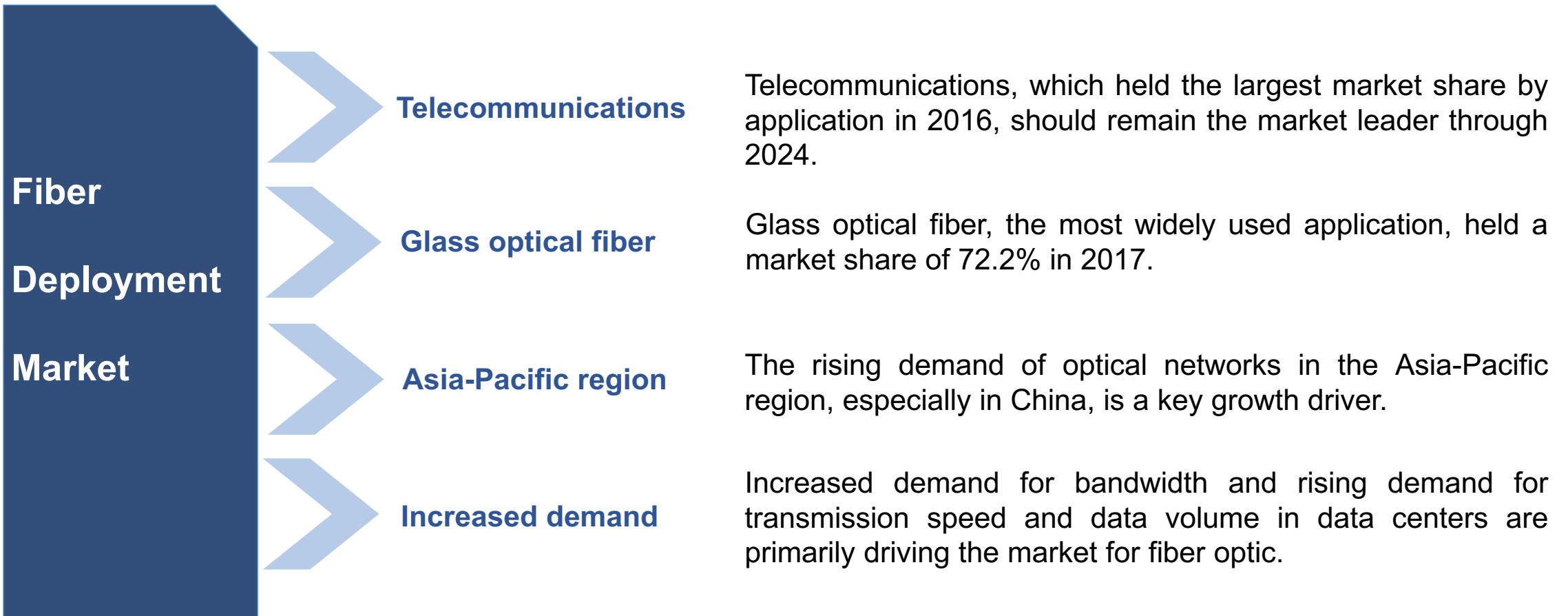
- **Creative design** for post Covid Environment
- Phone at every desk to **minimize human contact**
- **WFH Simulation** rooms with no AC/UPS
- Meeting rooms equipped with large TV and **contact less operation** Every workstation will be connected by Fiber for **high speed communication**
- Recorded training to **mitigate costs**
- Wiki Portal (WikiCINDIA) for **FAQs**
- **Hygiene** - Fumigation & Deep cleaning
- Guest houses for **WFH employee visits**



Industry Outlook



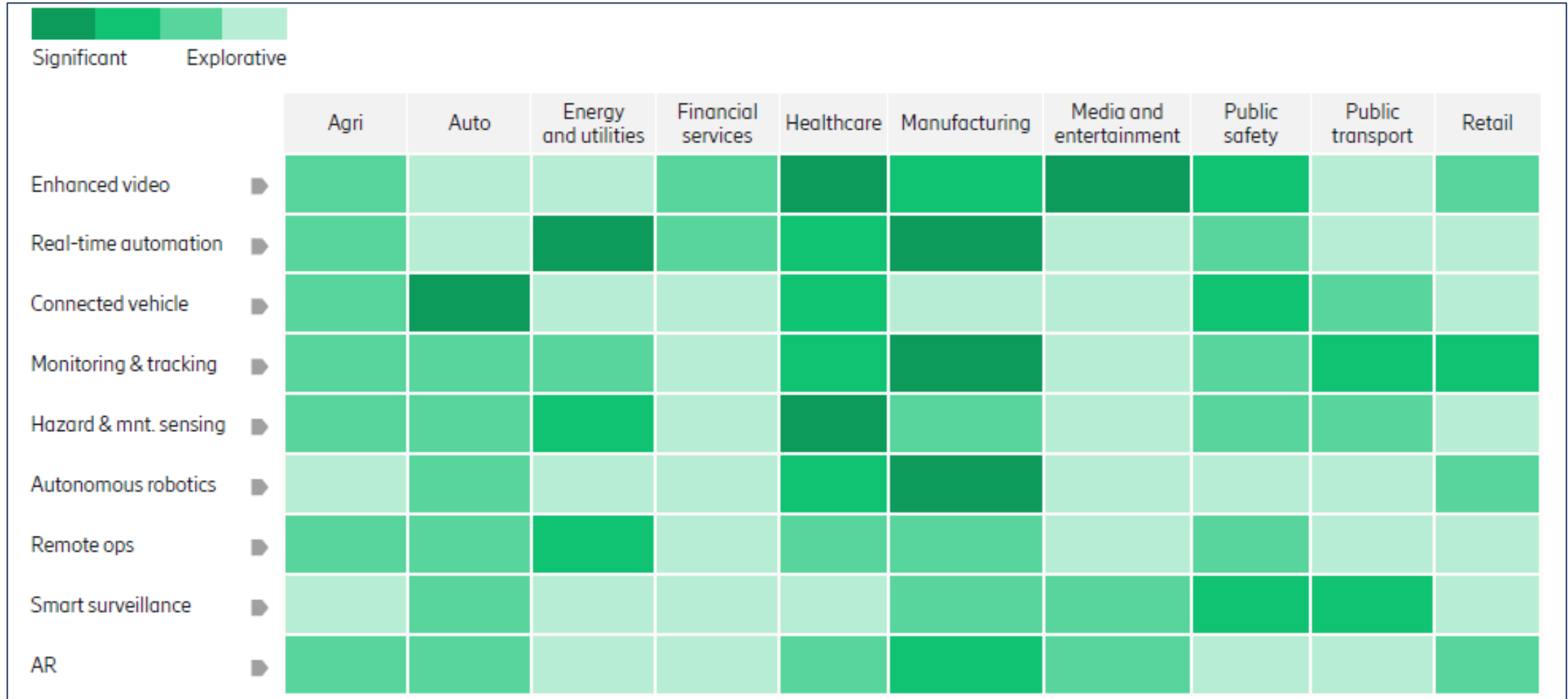
*Promising outlook as per research data and analysis
pertaining to the key Industry sector*





Global 5G Addressable Opportunities

5G-enabled industry digitalization addressable opportunity (telco global service creator role)



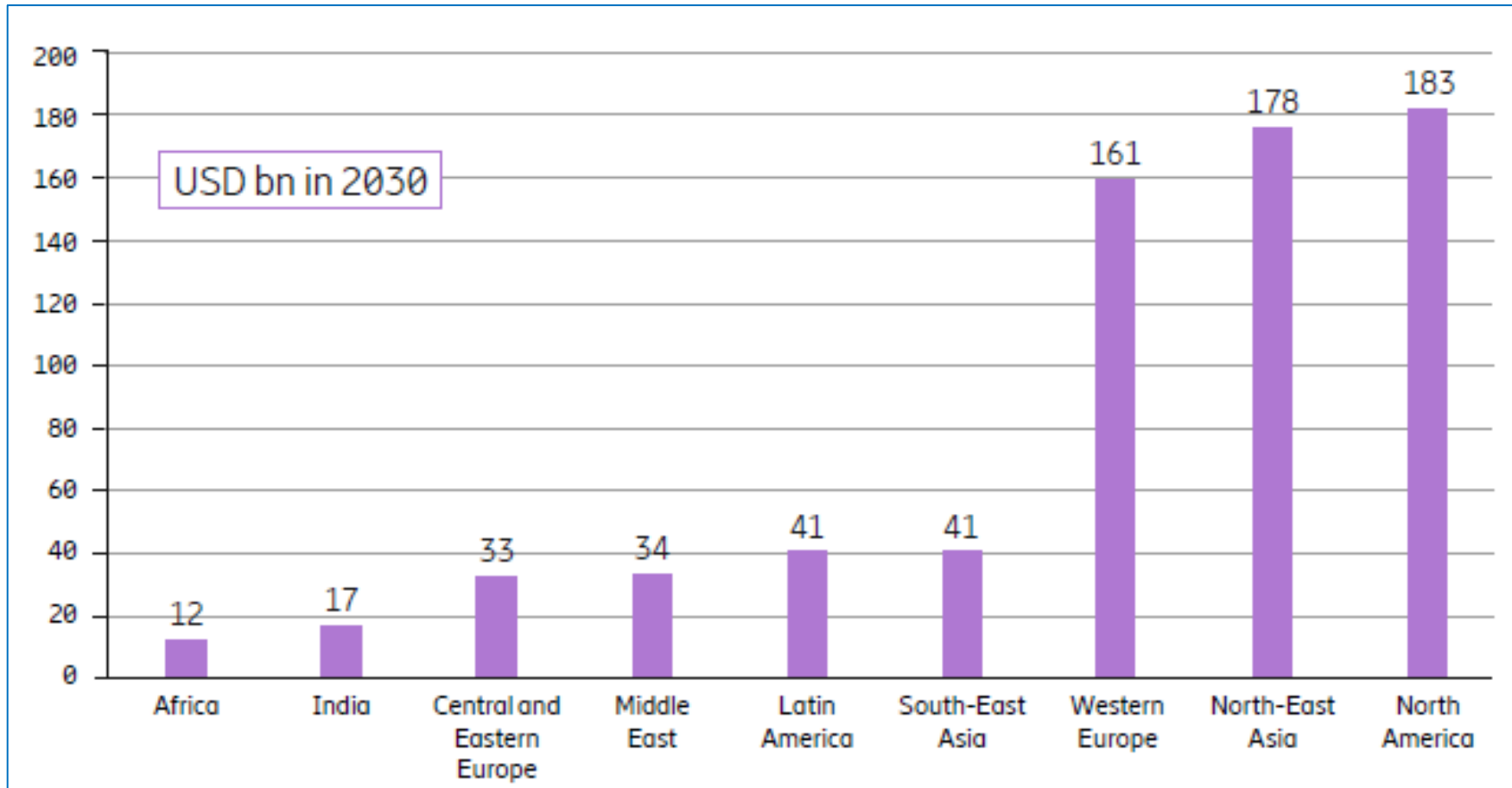
*Source – Ericsson and Arthur D. Little

<https://www.ericsson.com/assets/local/5g/the-5g-for-business-a-2030-compass-report-2019.pdf>



➤ Estimated 5G Market Size

Regional Split - 5G-enabled B2B opportunity across 10 industries including Energy & Utilities and the pandemic is accelerating this deployment.





➤ Industry Outlook Post COVID

Several industry experts reckon - COVID has positive impact on our services

IT Services: Industry Dynamics

TSP Industry Impacts on Technology Investment Due to COVID-19

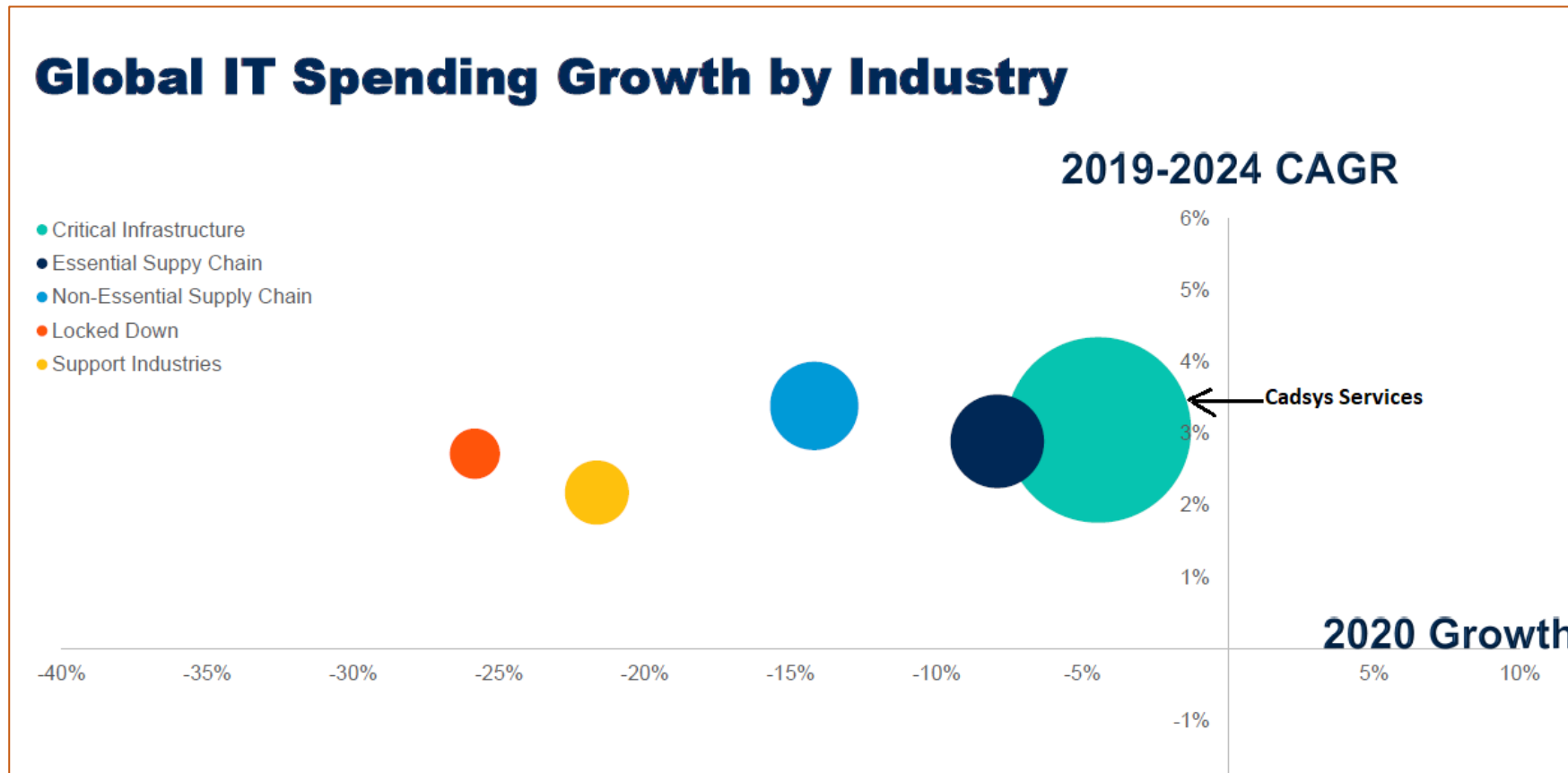
Industry	Short-Term Impact on Tech Investment	Long-Term Impact on Tech investment
Banking and Securities	Negative ↓	Uncertain ↔
Cadsys Services → Communications	Positive ↑	Positive ↑
Education	Positive ↑	Positive ↑ Negative Bias
Public Sector	Positive ↑	Positive ↑ Negative Bias
Healthcare	Positive ↑	Positive ↑
Insurance	Negative ↓	Uncertain ↔
Manufacturing	Negative ↓	Uncertain ↔
Retail	Negative ↓	Uncertain ↔ Negative Bias
Transportation	Negative ↓	Negative ↓

Source: Gartner

[Mitigate COVID-19's Impacts in Vertical Industries With These Vendor Action Items](#)

Published 17 March 2020 - ID G00721958 - 37 min read

➤ Positioned uniquely in post Covid Environment



Growth forecast of our services post Covid

- Increased Work from Home
- Increased usage of technologies like IoT and AI
- Faster cloud adoption
- Increased demand for eLearning, Telemedicine



THANK YOU