CADSYS (INDIA) LIMITED



Engineering Excellence Exceeding Expectations

Review of Financial Results FY 2024-25

Disclaimer

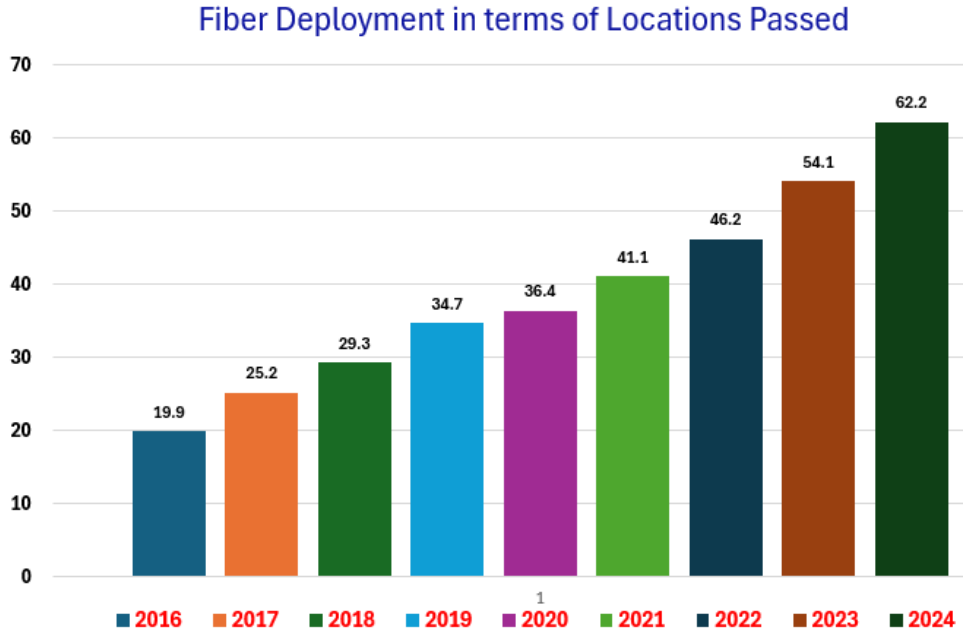
- This document contains certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. 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

- Industry Outlook
- Operational Highlights
- Financial Snapshot
- Results Analysis
- Mitigation Plans

Industry Outlook

- Fiber Deployment in 2023 moved up with YoY growth of 13%.
- In 2024 high inflation and uncertainty of BEAD funding slowed down the growth.
- Key drivers behind the surge in fiber deployment include:



Incumbent Local Exchange Carriers

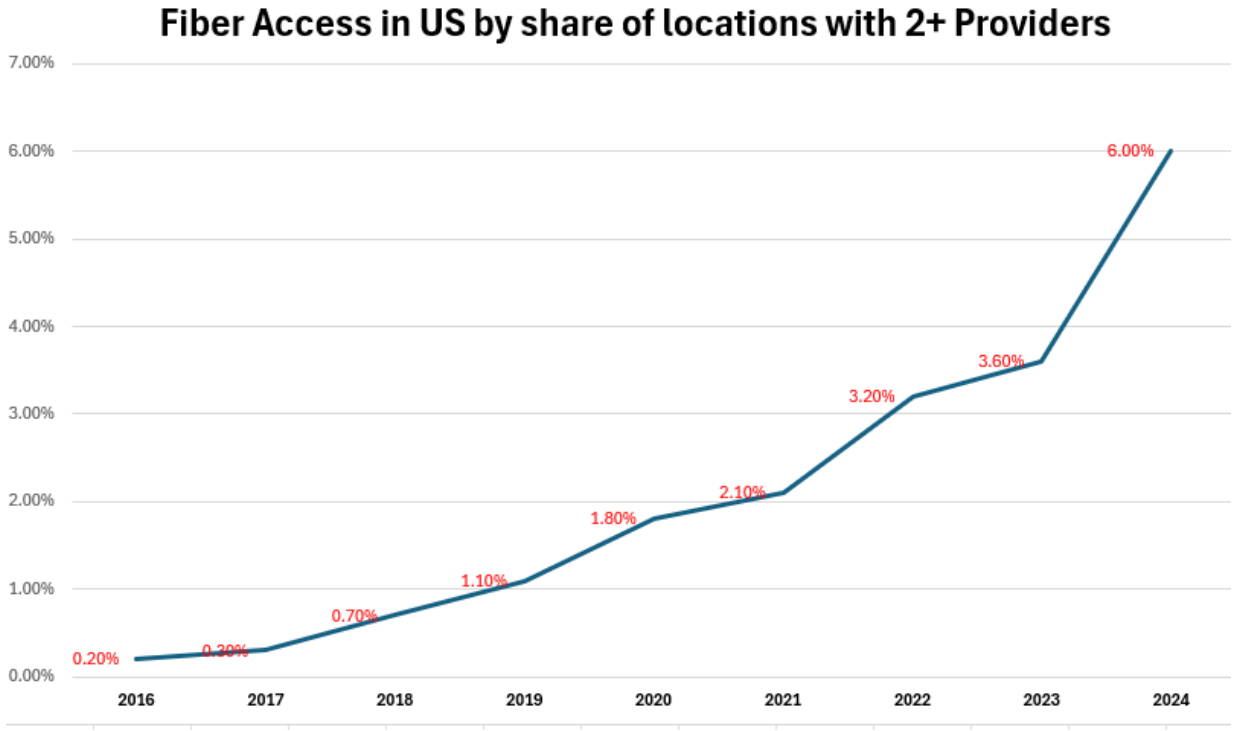
Over Builders

Multi System Operators

https://www.cartesian.com/may-2025-bdc-release/

Conti..

- Despite Regulatory Obstacles Municipal Networks are gaining Popularity.
- Electric Cooperatives are also finding success with Fiber.
- BEAD and Federal funding continues even with change of administration.



Market Analysis

- In 2023, U.S. telecommunications companies witnessed a10% decline from the previous year. This reduction followed a period of significant growth between 2020 and 2022, during which annual investments increased by 9%, 15%, and 17%, respectively.
- Projections for 2024 indicate a further 5% decrease in broadband spending. This anticipated decline is attributed to the lagging effects of interest rate hikes aimed at curbing inflation.
- Despite these reductions, the broadband market is expected to rebound in 2025, driven by federal initiatives like the Broadband Equity, Access, and Deployment (BEAD) program. This program allocates $42.45 billion to expand broadband access across the nation, with a focus on underserved areas.
- Additionally, the Federal Communications Commission's Affordable Connectivity Program (ACP) has provided $14.2 billion to subsidize internet services for low-income households, offering monthly discounts of $30 (or $75 on tribal lands) and one-time discounts on devices.

Source: https://www.delloro.com/2024-outlook-broadband-market-faces-challenge-amidst-lower-spending-from-2023/

Operational Highlights:

- Commenced five new projects extending design and engineering support (wireline OSP and ISP deployments) to two leading U.S. telecommunications providers.

- Continued business from existing customers reflects strong client trust; the company is focused on deepening core relationships across multiple regions while driving volume growth.

- Strategic plans are underway to expand into new regions through organic growth, supported by repeat orders from key customers in early 2025.

- Secured a favorable U.S. court judgment resulting in a $1.44M accounts receivable recovery, enhancing short-term cash flow.

- Streamlined operations through the write-offs, reinforcing financial discipline and focus on core growth areas.

Financial Snapshot - Consolidated

Statement of Profit & Loss

(Figures In lakhs)

Particulars	H1 as on 30-09-2024	H1 as on 30-09-2023	2024-25 (For 12 Months)	2023-24 (For 12 Months)	H2 as on 31-03-2025	H2 as on 31-03-2024
Revenue	₹ 6,054.40	₹ 10,859.04	₹ 10,244.63	₹ 21,742.14	₹ 4,190.23	₹ 10,883.10
Exceptional Item	₹ 0.00	₹ 0.00	₹ -2,851.03	₹ 28.65	₹ -2,851.03	₹ 28.65
Total Expense	₹ 7,280.72	₹ 10,099.97	₹ 14,213.84	₹ 20,329.01	₹ 6,933.12	₹ 10,229.04
EBITDA	₹ -628.44	₹ 1,448.28	₹ -2,875.91	₹ 2,805.84	₹ -2,247.47	₹ 1,357.57
Finance Cost	₹ 401.57	₹ 360.04	₹ 696.08	₹ 765.72	₹ 294.51	₹ 405.68
Depreciation	₹ 196.31	₹ 329.17	₹ 397.22	₹ 598.35	₹ 200.92	₹ 269.17
PBT	₹ -1,226.32	₹ 759.07	₹ -6,820.25	₹ 1,441.78	₹ -5,593.92	₹ 682.71
Tax Expenses	₹ 17.93	₹ 32.85	₹ 48.21	₹ 54.72	₹ 30.28	₹ 21.87
PAT	₹ -716.56	₹ 476.68	₹ -3,705.20	₹ 805.22	₹ -2,988.63	₹ 328.54

Notes on Financial Results

- EBITDA for the Financial Year 2024 – 25 is at ₹(28.76) Cr. Profit After Tax (PAT) for FY 2024–25 was reported at ₹(37.05) Cr.

- However, your company had written-off of unbilled receivables amounting to Rs. 20.40 Cr from the customer. However, your company is in the process of claiming these amounts from the customer.

- Adverse weather conditions, including Hurricane Milton in October 2024, led to a slowdown in project execution across parts of the Southeastern U.S., contributing to operational losses in Q3 & Q4 of 2024. However, the projects have resumed in Q1 2025 and adding to the 2025 execution plan.

- Despite subdued infrastructure spending in the U.S. during calendar years 2023 and 2024, the company successfully managed to limit further downside in losses through disciplined cost control.

- Proactive steps are being taken to mitigate future operational disruptions by forming strategic alliances with regional Turf Vendors.

Focused Actions for Future Growth:

- Equity partners in USA acquired a turf vendor of major Telecom carrier in Q4 2024.
- A significant opportunity has been awarded to the company to provide comprehensive design, engineering, and offshore services to the portfolio company.
- In response, the company recruited 300 new professionals during March and April 2025, currently undergoing structured training and onboarding programs.
- In addition, the company has acquired additional office space in Hyderabad to support this scale-up and future growth.
- In addition, the company is supporting construction projects with end-to-end project management services, including automated as-built documentation, material tracking, production tracking, crew scheduling, issue resolution workflows, milestone monitoring, digital reporting dashboards, and client communication support.

Technology Enablement

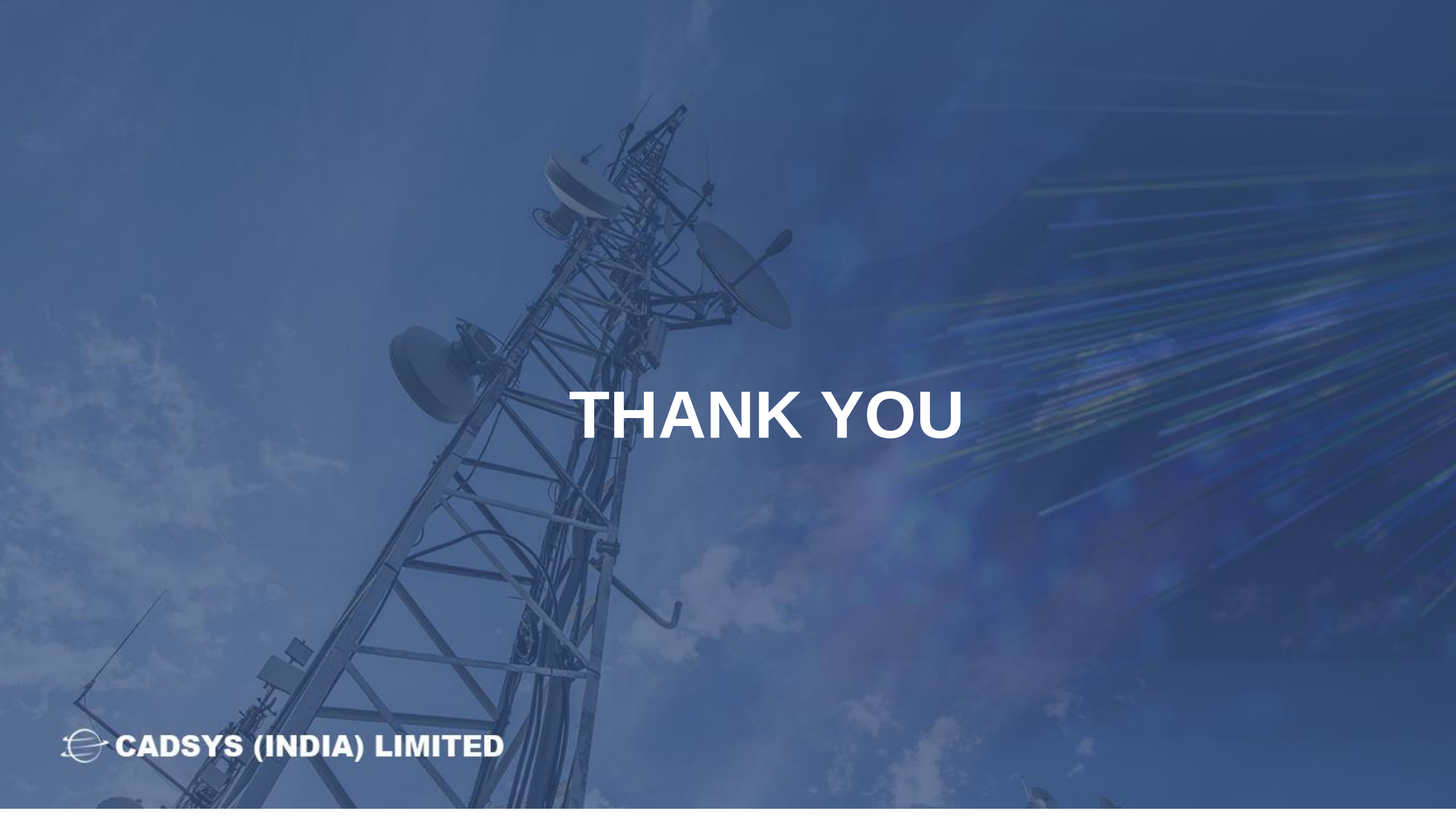
- The company is actively supporting enhancements to the ProWorks™ by integrating AI capabilities aimed at improving efficiency across telecom infrastructure workflows. Current initiatives include:

  - **AI-Enabled OSP Design** – Facilitating faster and more accurate outside plant design through automated intelligence.

  - **Field-to-Layout Automation** – ProWorks-AI transforms field-collected data into structured fiber layout designs, streamlining planning operations.

  - **Automated Permitting & TCP Generation** – Enabling end-to-end automation from design to permit creation, including Traffic Control Plans (TCPs), to reduce turnaround times.

  - **AI-Based Cost Estimation** – Supporting early budgeting decisions and reducing cost overruns with predictive AI models.


THANK YOU
CADSYS (INDIA) LIMITED