

DATA PATTERNS

Data Patterns (India) Limited

Investor Presentation

Q2FY25 – Nov 2024



Content



Data Patterns: 3 Decades of Expertise



- Fully integrated defense and aerospace electronics solution provider
- Focused on in-house design prototype testing and qualification, production and manufacturing of high reliability electronics systems
- Domain expertise in Radars, Electronics Warefares, Communication systems, Avionics, Satellite and Test Equipments. Servicing to the customers such as MOD, DRDO, DPSUs and Private sectors including international clients



Incorporated in **1998**



1,020 Engineers



32% Revenue and 34% EBITDA CAGR (FY21-24)



74% Gross and 37% EBITDA Margins (H1FY25)



15% ROE and 16% ROCE (FY24)



Rs 9,714 Mn Order Book as on 30th September



TAM- **USD 4.65 bn by 2030**
CAGR- 9%













From **Design to Delivery**



Senior personnel associated with Company for more than **2 decades**

Strong Outlook & Positioning Across the Portfolio

	Radars	Electronic Warfares	Communication Systems	Satellites
Existing Successful development	<ul style="list-style-type: none"> 9 Precision Approach Radars successfully completed and delivered to MOD for Army and Navy 	<ul style="list-style-type: none"> Delivered COMINT and ELINT systems and self protection suit for land, mobile and fighter Reconnaissance aircraft and aerostat 	<ul style="list-style-type: none"> Developed systems for land, air and satellite platforms 	<ul style="list-style-type: none"> Designed and built micro satellites
Demonstrated Capabilities	<ul style="list-style-type: none"> Designed building blocks to complete Radar systems in India Building Blocks in Signal Processing, Antenna, Transmit/Receive modules, etc. 	<ul style="list-style-type: none"> Developed state of the art ESM Receivers from 1MHz to 40GHz Both COMINT and ELINT including DF can be used in Truck Mounted Systems / UAV Based ESM Systems and Jammers 	<ul style="list-style-type: none"> Developed SDR Platform for <ul style="list-style-type: none"> Fighter Aircrafts Radio Relay for Airborne Platforms/UAVs Land Based Radio Relays 	<ul style="list-style-type: none"> Designed and launched compete satellite in India Capabilities to design payloads like ESM, Imaging (RF and EO/IR), other remote sensing etc.
Potential Opportunities	<ul style="list-style-type: none"> Focus on Fire Control Radars, X-Band Radars and smaller Radars for UAVs Cost competitive with in-house IP Export Potential 	<ul style="list-style-type: none"> Requirement across Army, Air Force and Navy 	<ul style="list-style-type: none"> Military Radars, Radio Relays, and other sensors. are being procured under 'Make in India' Category Requirement across Army, Navy and Air Force 	<ul style="list-style-type: none"> Large market for Defence and LEO satellites (Domestic as well as International)
Photos	   <p>Single Board Computer-Next Gen Wide Band Digital Receiver DTRM</p>	   <p>Radar Warning Receiver 5 Channel Search Receiver ELINT DF System</p>	  <p>Manpack Radio Airborne Programmable Radio Hardware</p>	  <p>Nano Satellite Antenna Tower</p>

Strategic Priorities



Moving up the Value Chain through building Full Systems: Using reusable building blocks

Leverage Existing Competencies and enables scalability: Creating Additional Product Categories

Expanding Geographies: Compete in areas where Foreign OEMs presence

Investments in products and Technology: Capex

- Make the complete system from building blocks, designed in-house with IP
- Not dependent on any transfer of technology
- Developing future ready products

- Planning to spend around Rs 200 Cr on new technology and product development

- Delivered products to export markets in Europe and East Asia

- Rs 124 Cr invested on capital expenditures in last 5 years
- Planning for capex of more than Rs 150 Cr over next two years

Concentration on building full products leveraging existing Domain expertise and availability of in-house building blocks

Confident on growing its existing product profile and expects additional revenue generation by tapping the larger market opportunities from new developments

Produced and delivered Radars and MPAR

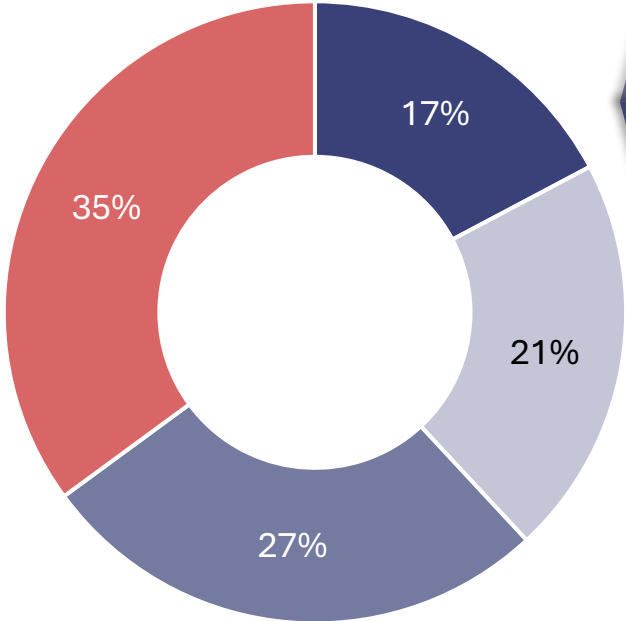
Developing in house technologies to built greater products

Maximising Stakeholder Value

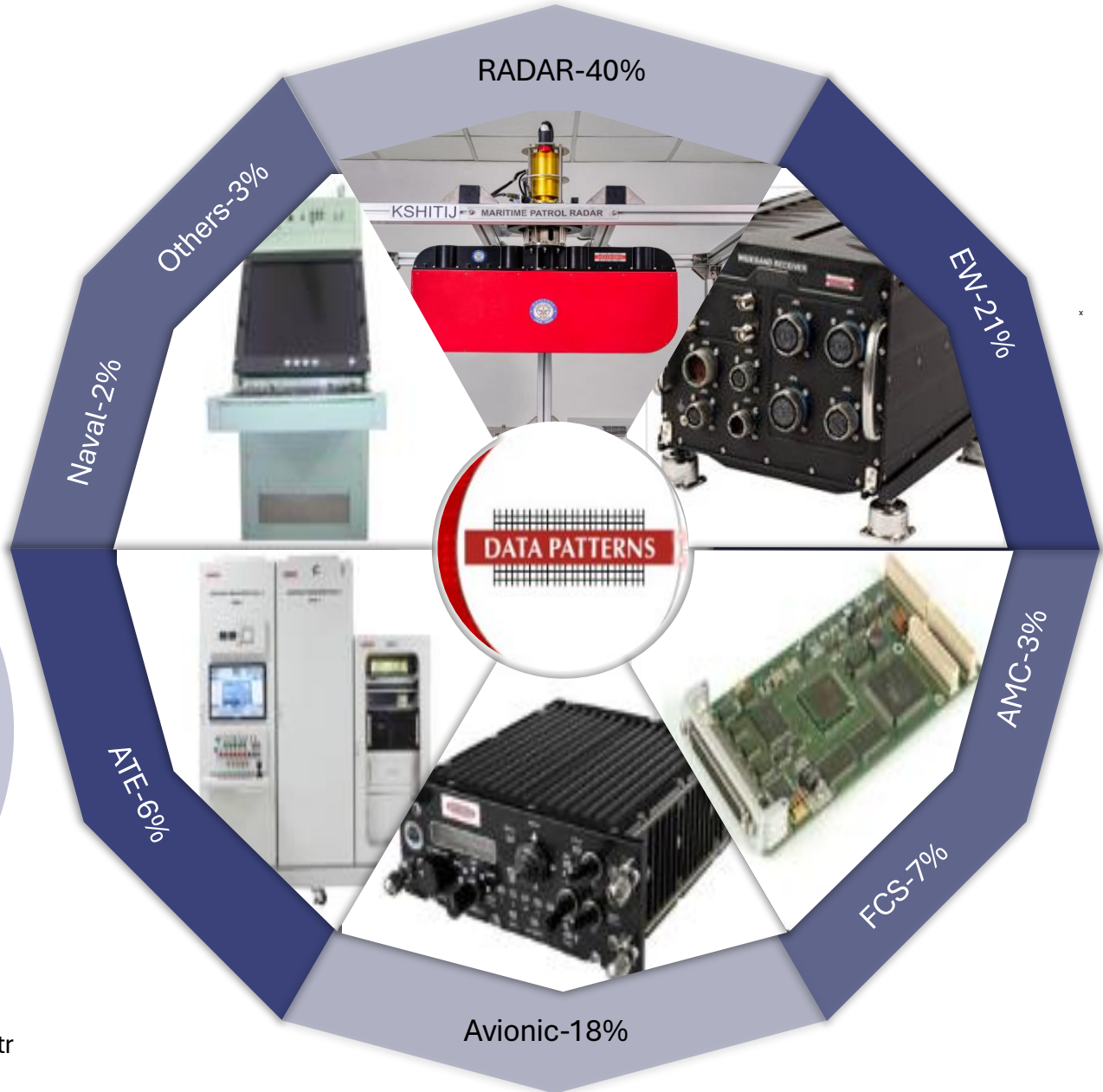
Focused on delivering Profitable Growth and Strong Cash Generation

Revenue Split (%)

FY24 Overview



■ 1st Qtr ■ 2nd Qtr ■ 3rd Qtr ■ 4th Qtr



20-25%

Revenue Growth over next two-three years.

We were able to maintain the revenues despite delayed deliveries and lesser than anticipated order inflow in H1. Improved EBITDA margins by 201bps YoY to 37% in H1.

Looking forward, we remain committed to maintain a revenue growth rate of 20-25% and maintain EBITDA margins at around 35-40% for the full year .

01

Working in collaboration with foreign OEMs to explore export potential

02

Working towards building Full Systems

03

Strong Order Book in Pipeline at Rs 20-30bn over next 18 months

04

Efficient execution to promote operating leverage

05

Continues product development to address larger TAM

06

Maintain Net debt free Status

High Returns to Shareholders- ROE & RoCE at 20%+



CMD's Comment on Quarter's Performance

“We are pleased to report healthy and improved margins during H1 of FY 2024-25 driven by our continued focus on operational efficiency and more favourable product mix. Revenue for the quarter was impacted due to deferment of delivery schedule by the customer, of completed products. Our order inflow has been slower than anticipated in the first half which we expect to pick up during the second half. We are committed to continued growth trajectory while maintaining the healthy revenue growth and profitability.”

Mr. Srinivasagopalan Rangarajan

Promoter, Chairman & Managing Director

Q2FY25 Result Highlights



Rs. 910 Mn Revenue
Rs. 343 Mn EBITDA
Rs. 5,575 Mn Cash, Bank & Investment
(as on 30th Sept)

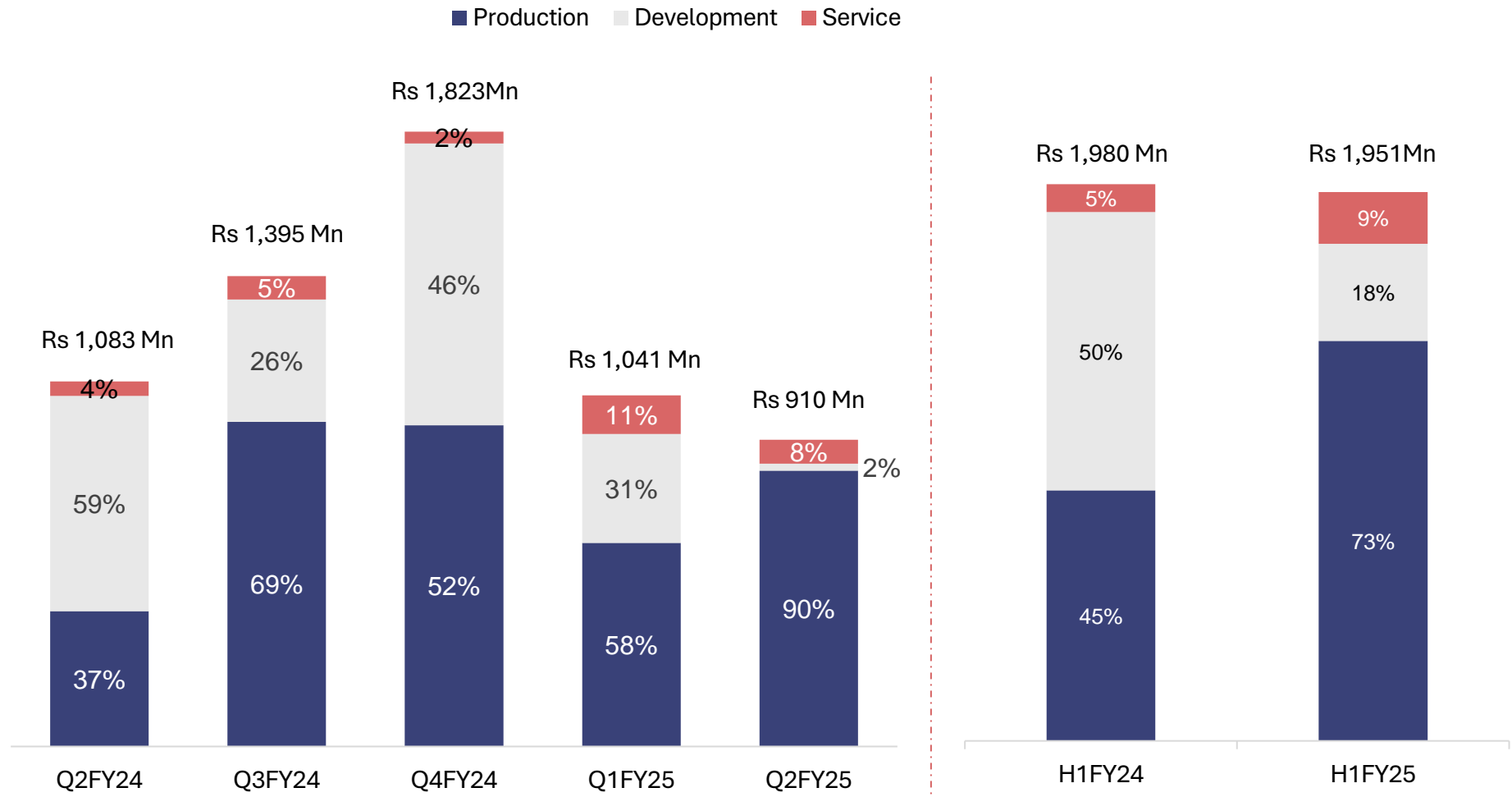
Strong Balance Sheet; Net Debt Free Company
Enhanced infrastructure, Make in India policies, QIP investment in complete products
QIP funds utilized for Product Development in Radar, EW, and Communication system R&D

76 % Gross Margins
38% EBITDA Margins
15% ROE (FY24)
16% ROCE (FY24)
Rs. 9,714 Mn Strong Order Book (Q2FY25)

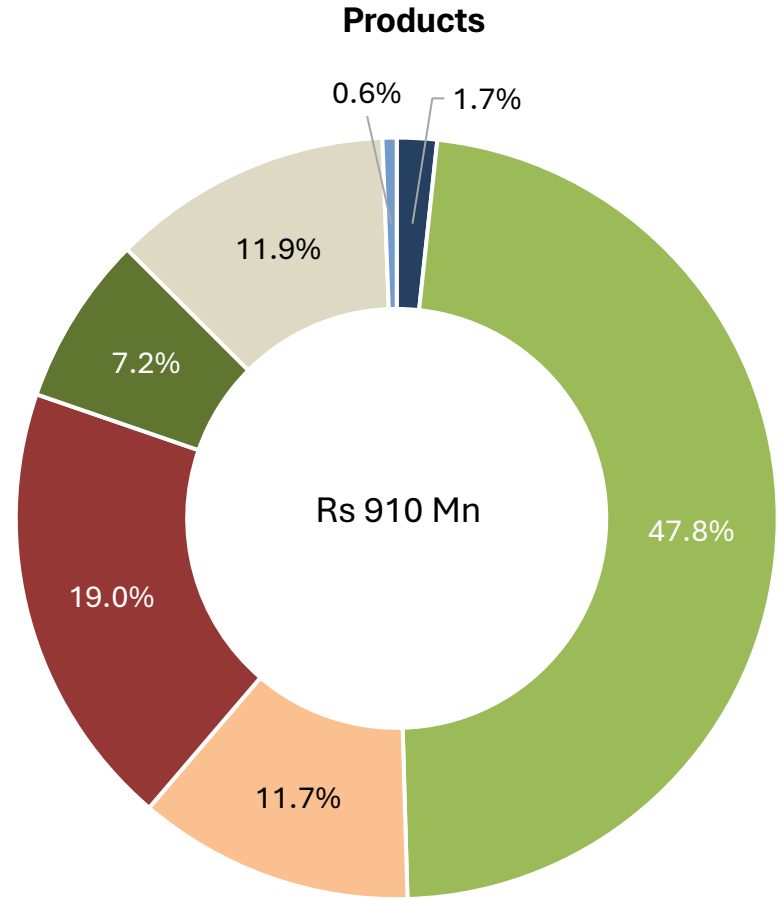
Revenue for the quarter was lower due to a deferment of scheduled delivery by the customer of completed product worth Rs 275 million; No impact on full year Revenue Growth Guidance, Maintained at 20-25%.

Revenue Maintained in H1 despite Deferment of Delivery Schedule by Customer

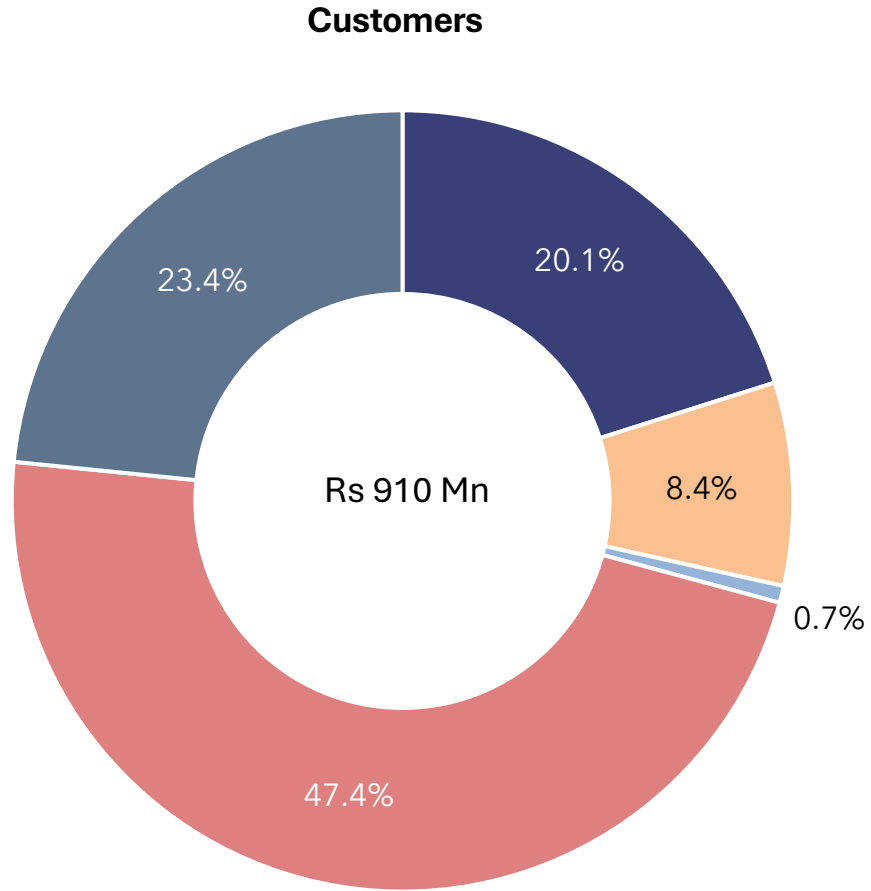
Diversified Revenue Profile



Q2FY25 Revenue Breakup



- EW
- ATE
- AMC
- Services and Others
- Radar
- Avionics
- Naval Systems



- DRDO
- BrahMos
- Exports
- BEL
- Others

Q2FY25: Financial Performance

Particulars (Rs mn)	Q2FY25	Q2FY24	YoY(%)	Q1FY25	QoQ(%)	H1FY25	H1FY24	YoY (%)
Net Revenue	910	1,083	-16.0	1,041	-12.6	1,951	1,980	-1.5
Cost of materials consumed	496	484	2.5	415	19.5	911	886	2.8
Purchase of Stock in trade								
Changes in Inventories,WIP & SIP	-277	-134		-127		-404	-197	
Total Raw Material Cost	219	350	-37.5	288	-24.1	507	689	-26.4
Gross Profits	691	733	-5.7	752	-8.1	1,444	1,291	11.8
Employee Benefit Exp	266	246	8.0	288	-7.5	554	465	19.0
Other Expenses	82	79	3.8	93	-11.5	176	140	25.0
EBITDA	343	407	-15.8	372	-7.8	715	686	4.3
Depreciation	35	30	14.5	31	12.6	66	59	11.7
EBIT	308	377	-18.3	341	-9.7	649	627	3.6
Other Income	120	108		123	-2.2	244	225	8.5
Interest	28	23		30	-4.1	58	40	45.2
PBT	400	463	-13.5	435	-7.9	835	812	2.9
Tax	98	125	-21.9	107	-8.5	204	215	-5.2
Net Profit	303	338	-10.4	328	-7.7	631	596	5.8
Reported EPS (Rs)	5.4	6.0	-	5.9	-	11.3	10.6	

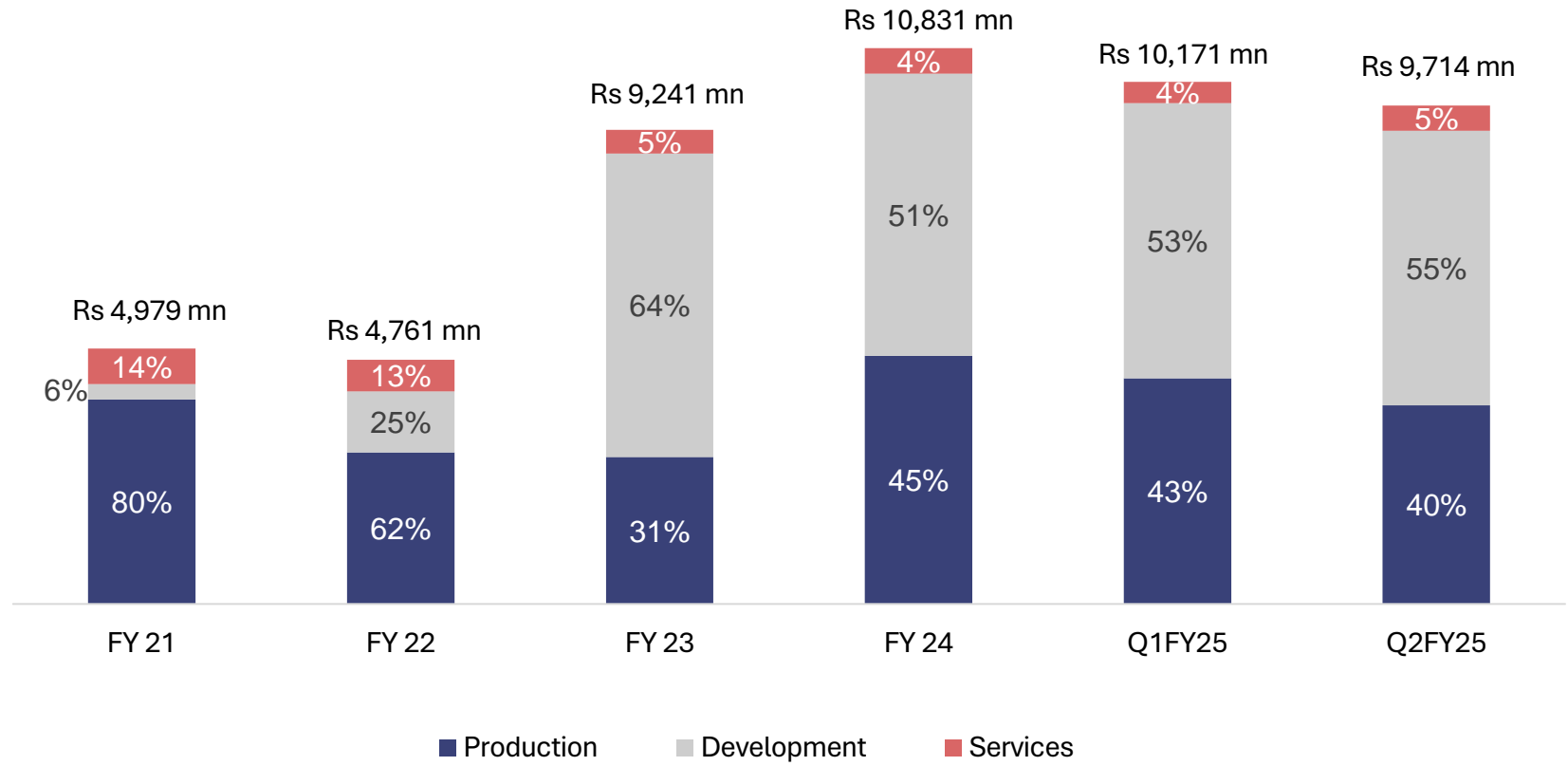
Operating Cost as a % of Sales	Q2FY25	Q2FY24	YoY(%)	Q1FY25	QoQ(%)	H1FY25	H1FY24	YoY (%)
Raw Material Cost	24.0	32.3	-828	27.7	-367	26.0	34.8	-879
Staff Cost	29.2	22.7	649	27.6	161	28.4	23.5	488
Other Expenses	9.1	7.3	172	8.9	11	9.0	7.1	190

Margins (%)	Q2FY25	Q2FY24	YoY(bps)	Q1FY25	QoQ(bps)	H1FY25	H1FY24	YoY (bps)
Gross Margin	76.0	67.7	828	72.3	367	74.0	65.2	879
EBITDA	37.7	37.6	7	35.7	195	36.6	34.6	201
EBIT	33.8	34.8	-95	32.8	109	33.3	31.7	161
PBT	44.0	42.7	125	41.7	222	42.8	41.0	180
NPM	33.3	31.2	206	31.5	175	32.3	30.1	222

Order book as on date: Rs 12,806 mn Including Orders Negotiated till Date Rs 2,274 mn

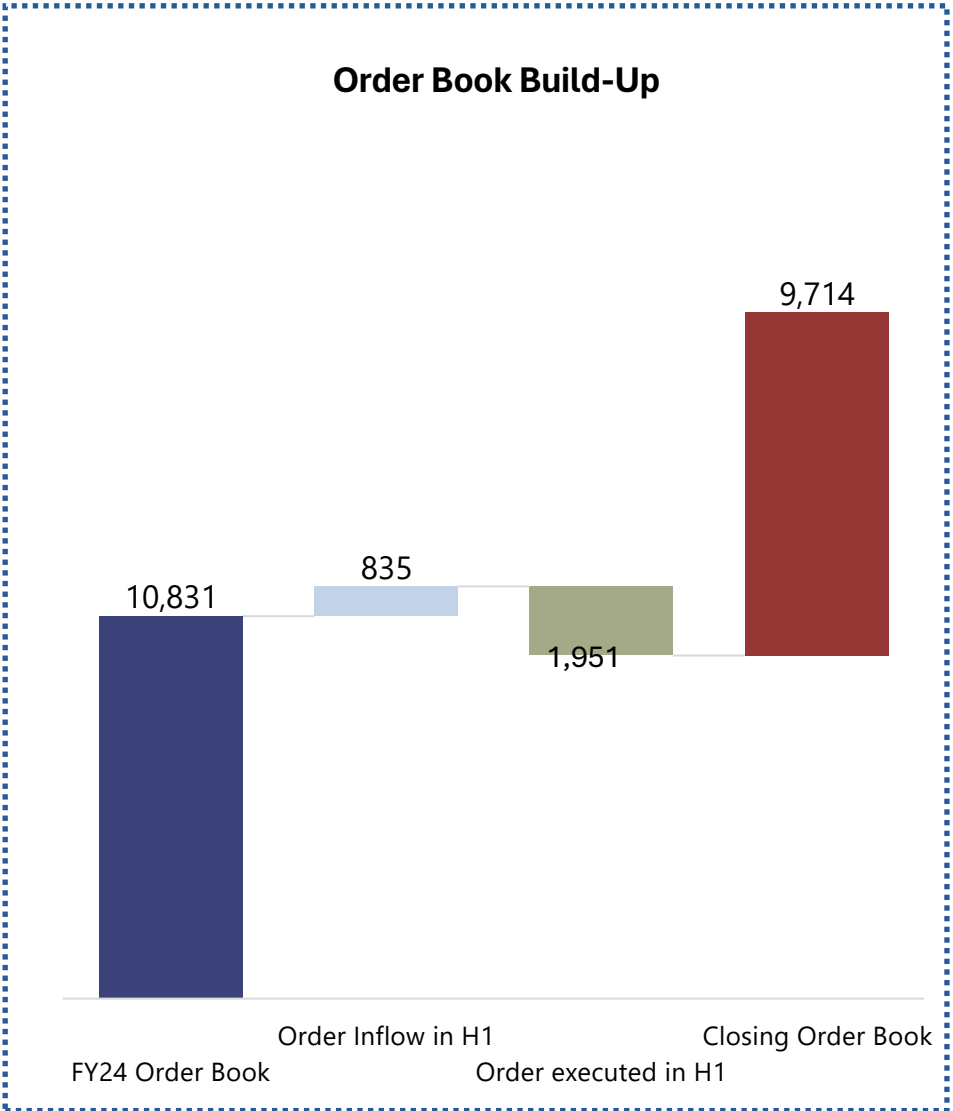
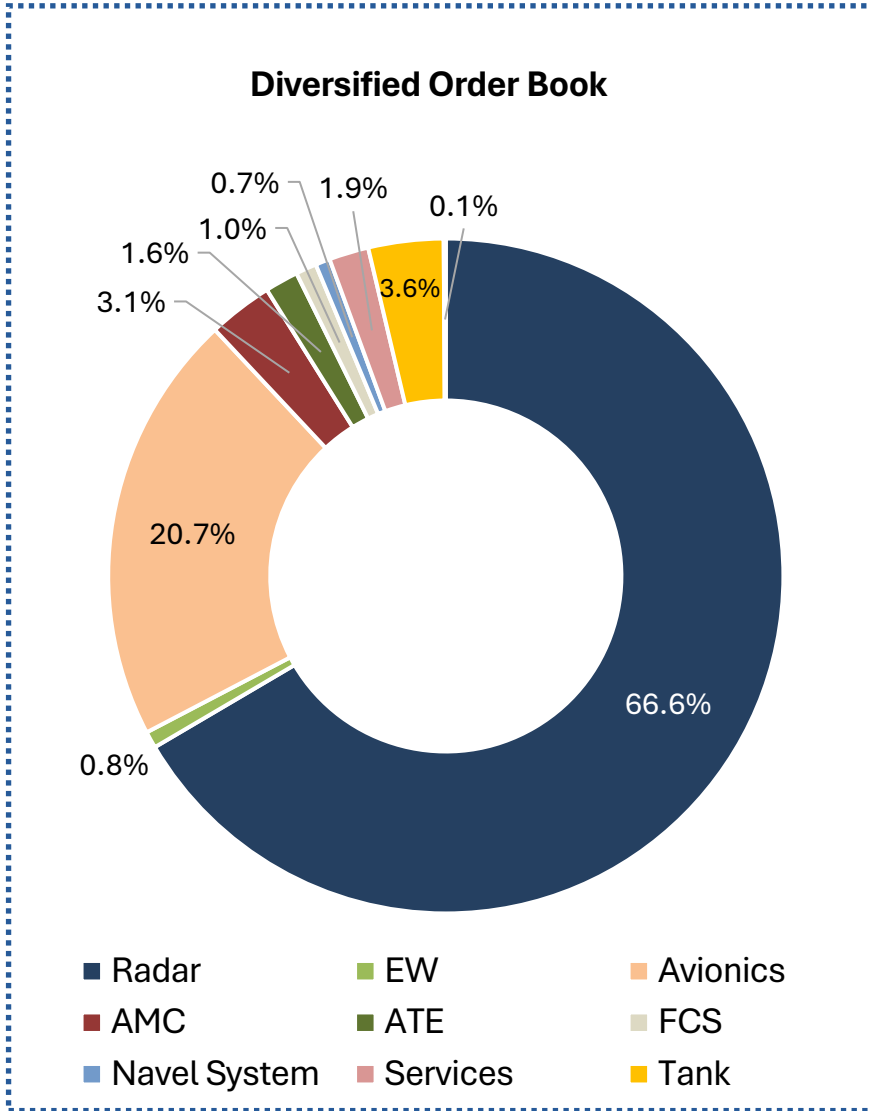
Strong Order Book Across Verticals

Orderbook Build-up

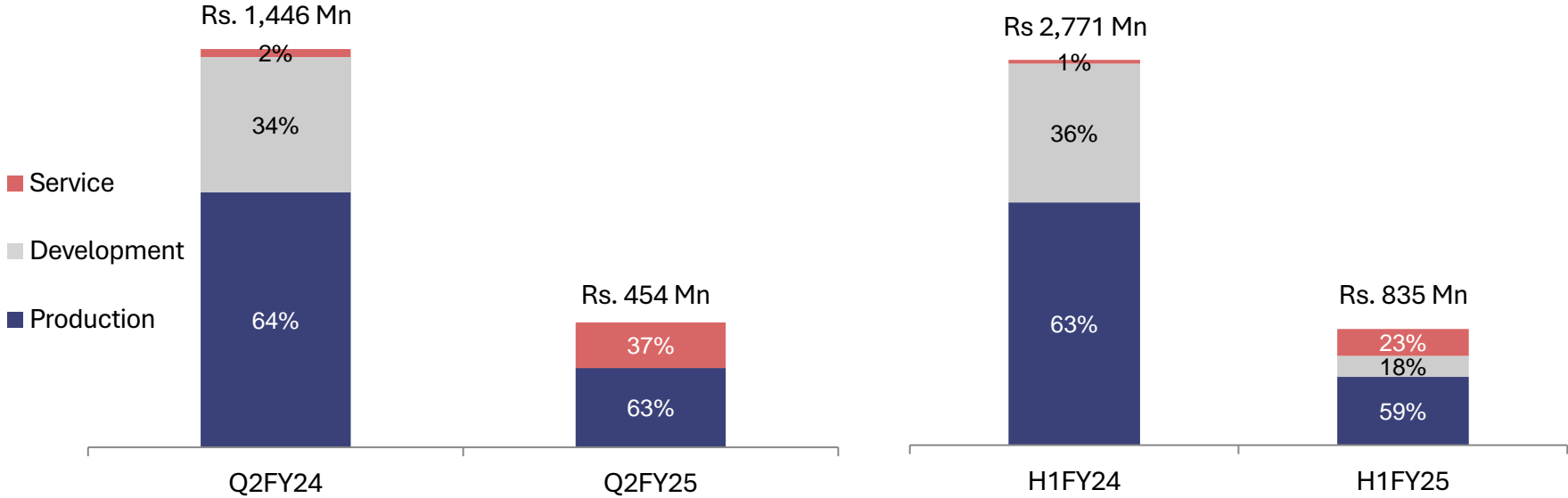


Order Inflow Guidance for the Full Year at Rs 7-8bn; Expects Orders worth Rs 20bn in FY26

Order Book Build Up in H1FY25



Order Inflows – Q2FY25 and H1FY25



Order Inflow During Q2 & H1 FY25

Major order received in Q2FY25

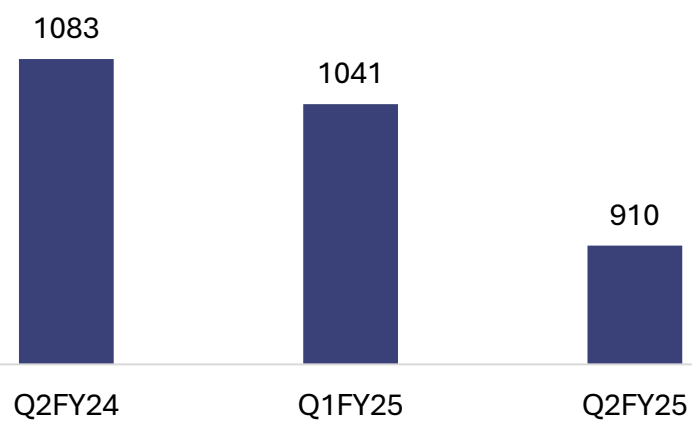
Product	Customer	Order Type	Value (Rs Mn)
AVIONICS	Export	Production	157
AVIONICS	DRDO	Production	56
Naval system	BEL	Production	20
ATE	DoS	Production	14
AMC	Brahmos	Service	14

Major order received in H1FY25

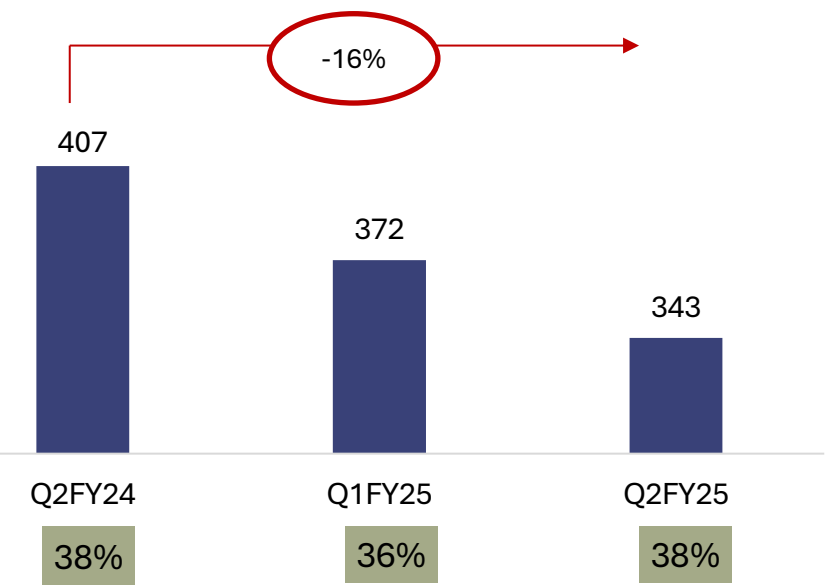
Product	Customer	Order Type	Value (Rs Mn)
AVIONICS	Export	Production	157
AMC	MOD	Service	140
ATE	DRDO	Production	113
Radar	DRDO	Development	76
AVIONICS	DRDO	Production	56
Radar	DRDO	Development	54
Naval system	DRDO	Development	21
Avionics	Export	Production	20

Excellent Margins in Q2

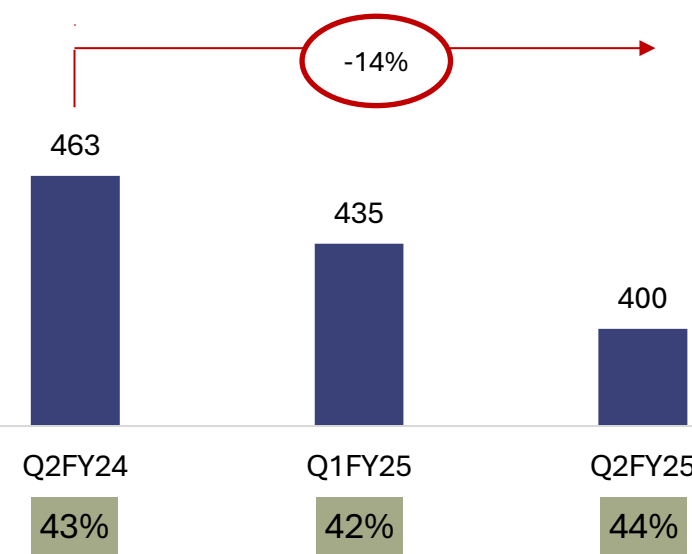
Revenue (INR Mn)



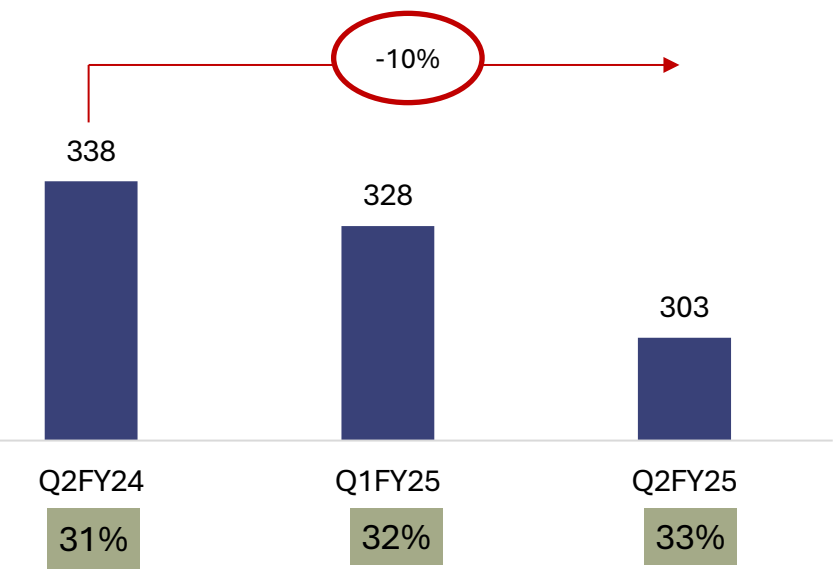
EBITDA (INR Mn) and Margins (%)



Profit Before Taxes (INR Mn) and Margins (%)



Net Profit (INR Mn) and Margins (%)



Corporate Overview



Over Last Three Decades



Incorporated in 1998

- Developed a **Fire Control System** for Brahmos
- Designed & developed the **launch pad countdown system**

2001

- Developed **Glass Cockpit Displays / Avionics**

- Upgradation of **Tracking Radars**
- Developed **RF and Microwave capabilities** allow entry to building complete systems

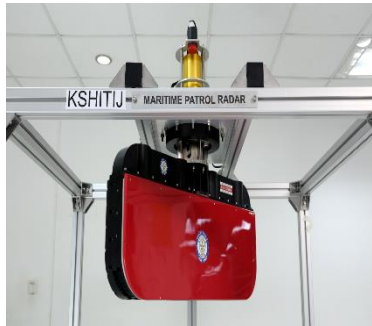
- Designed and developed complete Radar Capability

- Data Patterns has a long history of association with India Space Organizations. Data Patterns built a Nano Satellite which was deployed in 2017.
- Developed **EW receivers, Satellite and Ground Station**

- Designed wide open **RWR and ELINT** for airborne platforms

- Successful IPO Launch
- Initiated expansion of manufacturing facility with **doubling of available floor area**
- Started building of capacity to handle **large and heavy equipment and integration** of large radars and mobile EW systems, satellite integration facility
- Enhanced product line with **Radar receiver** for other aircrafts
- Designed radio relays, Engine control Units, HF Bands Products
- Developed Software defined Radios for Land and Air
- Maritime Patrol Radar
- Developed Satellites and Satellites Subsystems
- Delivered components for **SONARS Servo and Actuator Control System**
- Tropo Modems ADSB and host of other products

2021-24



Radars

- Surveillance Radars
- Weather Radars
- Coastal Surveillance Radars



Electronic Warfare

- Surveillance and intelligence gathering ("SIGINT")
- Further divided into COMINT and ELINT



Commercial off the Shelves

COTS modules designed in context of reusable building blocks for building Military Electronics systems with a quick turnaround Time



Avionics

- Light Combat Aircraft ("LCA"),
- Intermediate Jet Trainers
- Light Utility Helicopters ("LUH")



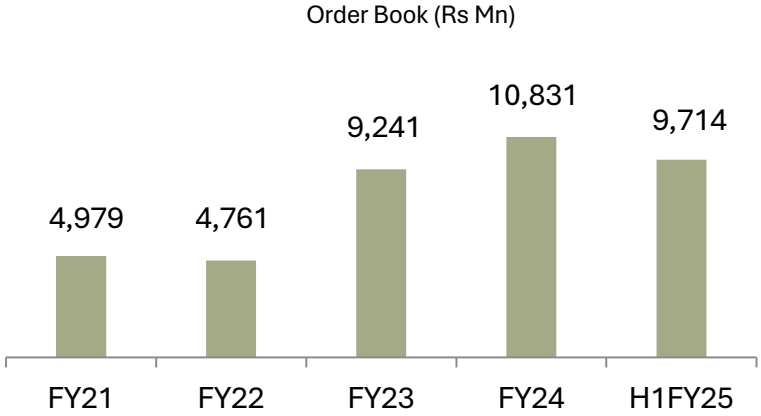
Communication ATE and Satellites

- Underwater electronics / Communications / Other Systems
- Automated Test Equipment (ATE)
- Small and Nano Satellites

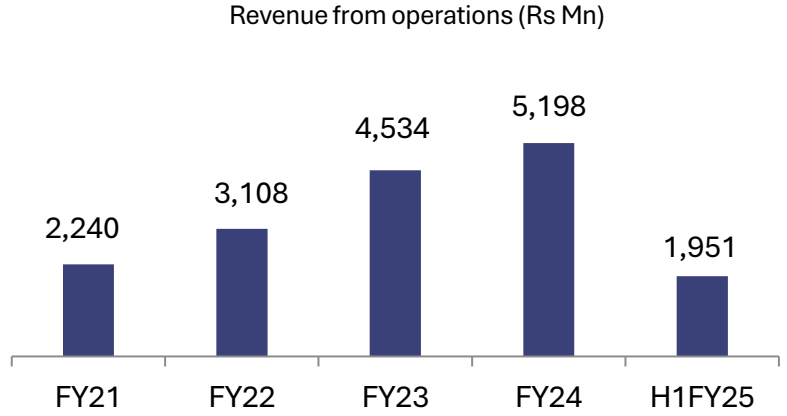
Operating in High Growth Categories

Consistent Track Record of Profitable Growth

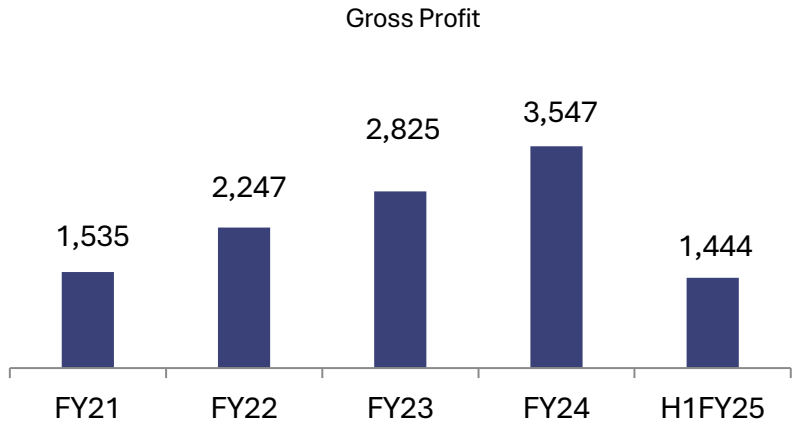
30%+~ % growth CAGR FY21-FY24



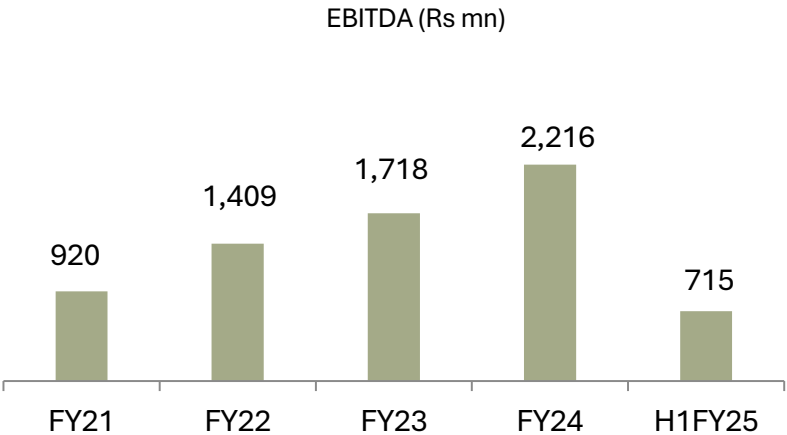
~ 32% Revenue CAGR from FY21-FY24



High Profitability



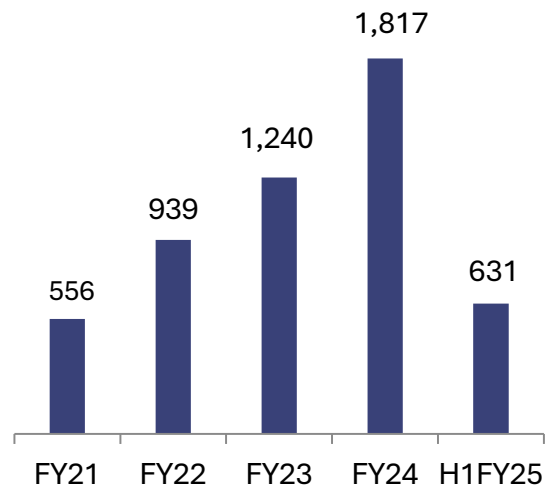
~ 34% EBITDA CAGR from FY21-FY24



Profitability

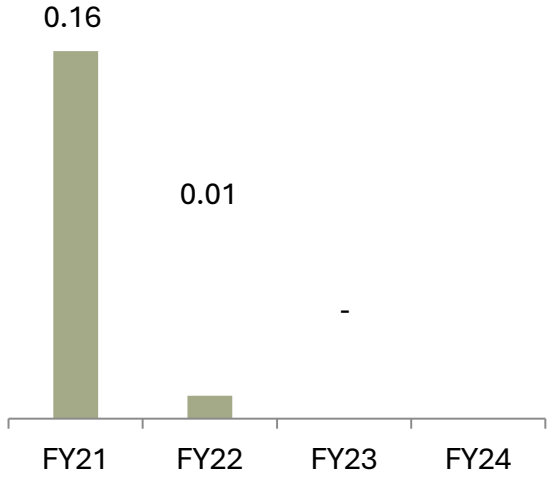
Improving PAT

Rs Mn

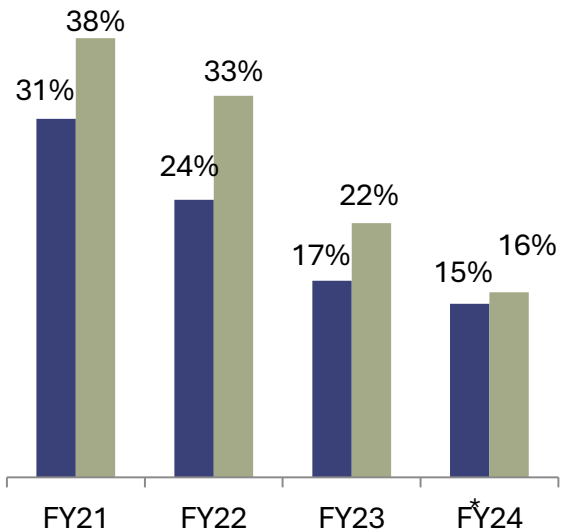


Lower debt levels/ leverage

Debt-Equity ratio

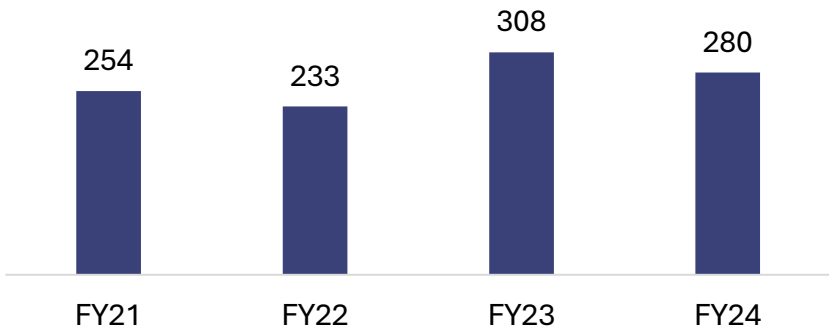


Improving ROE and ROCE

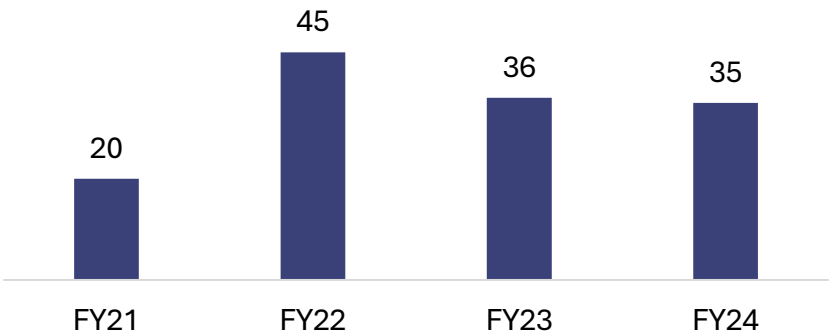


Working Capital

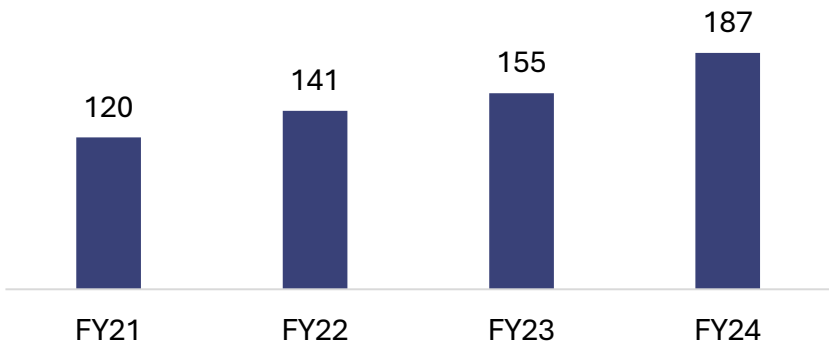
Debtor Day



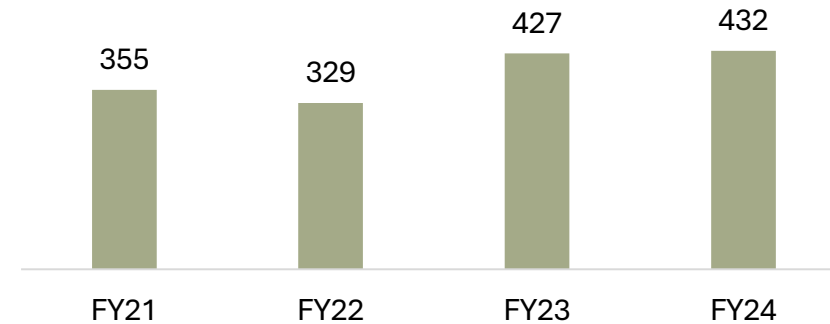
Creditor Days



Inventory Days



Cash Conversion Cycle (Days)



Excellent Cultural Fit & Alignment

A mission- driven workforce with a culture of innovation

- 10.28 Acres of land in Chennai, SIPCOT ~200,000 sq.ft- Aggregate of built-up area of manufacturing facilities
- 20 Dedicated Mechanical assembly stations to assemble small and large systems and various others
- Dedicated 70 workstations for testing modules and small systems
- 100,000 class clean room
- Capability to handle complex boards with 22 layer, 6k components and 21k solder points
- EMS assembly capacity of 600 boards per day

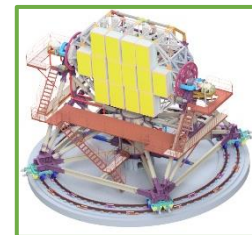
State-of-the-art & well-resourced facilities



- Large Systems Integration Hangar
- Augmented Environmental Test Infrastructure



- Additional EMS Line



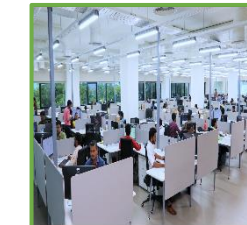
- Complete Radar Integration



- Clean Room for Satellite Integration



- Electronic Warfare Vehicle Integration



- Additional Space For Design and Development Resources

Fully operational integrated manufacturing and test facilities

Key activities done in FY24 with many more others...



Day Care centre for Dementia Patients



New Building with area of 5600 sq ft for school for special kids



Repaired existing government run school building

Sustainability Goals through CSR Activities

Plans for FY25



To create a sustainable and affordable service for the paediatric wing



Holistic Care to children through change for childhood cancer



Run homes for destitute senior citizens, free school tuitions for neighbourhood children and medical centres etc



Skill Training for adults with disabilities



Mr. Srinivasagopalan Rangarajan

Promoter, Chairman & Managing Director



Ms. Rekha Murthy Rangarajan

Promoter, Whole Time Director



Mr. Vijay Ananth K

Whole Time Director, COO & Chief Information Security Officer



Mr. Desinguraja Parthasarathy

Chief Technology Officer



Mr. Thomas Mathuram Susikaran

SVP – Business Development

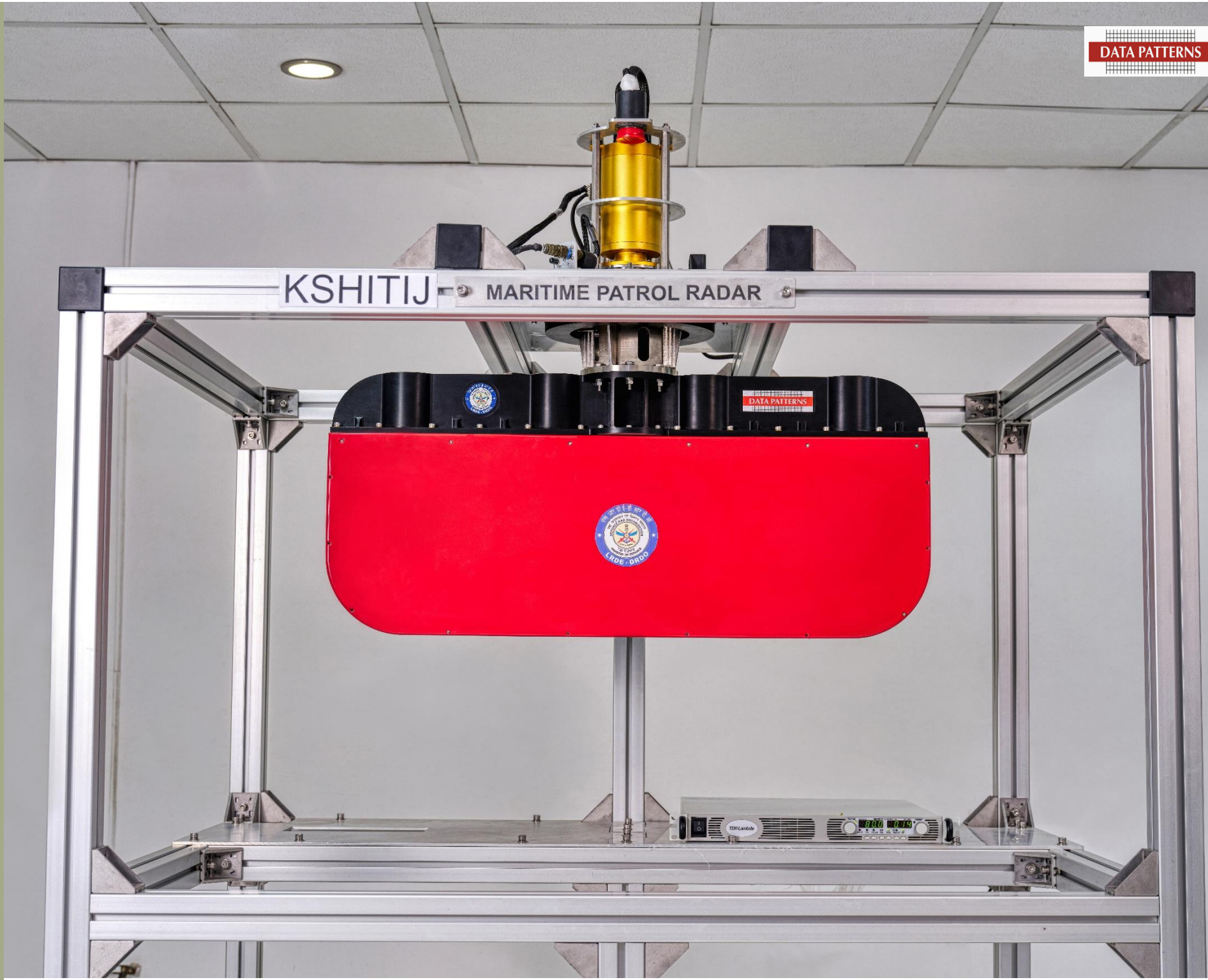


Mr. Venkata Subramanian Venkatachalam

Chief Financial Officer

Highly Reputed &
Experienced
Management
Team

Annexure



Historical Statement of Profit and Loss

Particulars (Rs. Mn)	FY21	FY22	FY 23	FY24	Sept-24
Revenue from Contract with Customers	2,240	3,109	4,535	5,198	1,951
Other Income	26	40	92	460	244
Total Revenue	2,266	3,148	4,627	5,658	2,195
Expenses:					
a) Cost of materials consumed	630	916	1,941	1,808	911
b) Changes in inventories of FG, WIP and SIT	74	-55	-232	-157	-404
c) Employee benefits expenses	484	624	790	990	554
d) Finance cost	145	110	77	93	58
e) Depreciation / Amortization	56	66	85	161	66
f) Other expenses	131	214	317	340	176
Total Expenses	1,520	1,874	2,978	3,236	1,360
Profit before tax	745	1,274	1,648	2,422	835
Tax expense	190	334	409	605	204
Profit(Loss)for the period	556	939.7	1,240	1,817	631
Other Comprehensive Income	-10	-12	-10	-6	-13
Total Comprehensive Income for the year	546	928	1,230	1,811	618
PAT Margin %	24.8%	30.2%	27.3%	35.0%	32.3%
EBITDA	920	1,409	1,719	2,216	715
EBITDA margin%	41.1%	45.3%	37.9%	42.6%	36.6%
Return on Net Worth	30.70%	24.01%	14.24%	15.00%	-
Total Debt	332.21	67.7	7	0	0
Debt to Equity	0.1	-0.3	-0.5	0.0	0.0

Historical Balance Sheet

Particulars (Rs. Mn)	Mar-21	Mar-22	Mar-23	Mar-24	Sept-24
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	292	442	913	1,206	1,328
(b) Capital Work in Progress	-	173	14	72	35
(c) Intangible Assets	6	14	20	427	697
(d) Right of Use Assets	34	20	188	278	307
(e) Other Financial Assets	341	1,220.4	900	926	979
Total non-current assets	673	1,868	2,034	2,909	3,346
Current assets					
(a) Inventories	738	1,198	1,930	2,668	3,315
(b) Financial Assets					
(i) Investment	-	-	557	2,622	3,644
(ii) Trade receivables	1,559	1,983	3,825	3,988	3,440
(iii) Cash and cash equivalents	88	1,771	2,152	881	129
(iv) Other Bank Balances	-	-	3,326	3,046	1,803
(iv) Other Financial Assets	51	88.6	142	21	9.0
(c) Other current assets	177	158.3	383	783	1,332
Total current assets	2,613	5,199	12,315	14,009	13,672
TOTAL ASSETS	3,286	7,067	14,349	16,918	17,018

Particulars (Rs. Mn)	Mar-21	Mar-22	Mar-23	Mar-24	Sept-24
EQUITY AND LIABILITIES					
Equity					
(a) Share capital	17	104	112	112	112
(b) Other Equity	2,062	5,641	11,559	13,130	13,384
Total equity and liabilities	2,079	5,745	11,671	13,242	13,496
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	98	7	3	-	-
(ii) Lease Liabilities/ others	24	11	4	29	56
(b) Provisions	85	111.6	102	101	128
(c) Deferred Tax Liability (Net)	9	-	-	23	27
(d) Other Non Current liabilities	274	157	1,307	21	174
Total non-current liabilities	490	287	1,416	174	385
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	235	60	5	-	-
(ii) Trade payables	120	382	446	501	339
(iii) Other Financial Liabilities	40	221	103	59	98
(iv) Lease Liabilities	15	13	13	7	11
(b) Other current liabilities	246	227	664	2,891	2,644
(c) Provisions	10	7	31	45	46
(d) Current tax Liabilities	51	125	-	-	-
Total current liabilities	717	1,035	1,262	3,502	3,137
TOTAL EQUITY AND LIABILITIES	3,286	7,067	14,349	16,918	17,018

Historical Cash Flow Statement

Particulars (Rs. Mn)	FY21	FY22	FY23	FY24	Sept-24
Net Profit before tax	745	1,274	1,648	2,422	835
Adjustments for :					
Add : Depreciation	56	66	85	161	66
Add : Interest And Finance Charges	145	110	77	93	58
Add : Liquidated Damages (LD) Written Off	-	13	45	9	1
Add : Unrealized Forex Gain/Loss	-	3.9	11	-.4	1
Less: Profit on sale of assets	-1	-	-		
Less: Profit/Loss on sale of Mutual Funds	-	-	-8	-55	-18
Less: Interest Income	-22	-40	-84	-296	-124
Others				-98	-100
Operating Profit Before Working Capital Changes	922	1,427	1,774	2,238	720
Adjustments For Working Capital Movements :	-298	-621.5	-1,412	-213	-654
Cash Generated From Operations	624	806	362	2,025	66
Direct Taxes (Paid) /adjusted	-190	-284	-534	-631	-346
Net Cash flow From Operating Activities (A)	434	522	-172.4	1,394	-280
Cash Flow From Investing Activities (B)	-87	-1,198	-3,828	-2,239	-44
Cash Flow From Financing Activities (C)	-449	2,359	4,381	-425	-428
Net Increase in Cash & Cash Equivalents (A+B+C)	73	1,683	381	-1,270	-752
Cash & Cash Equivalent At The Beginning Of The Year	15	88	1,771	2,152	881
Cash & Cash Equivalent At The End Of The Year	88	1,771	2,152	881	129

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Questions?



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