



being there...

## ZEN TECHNOLOGIES LIMITED

Certified ISO 9001:2015, ISO 27001:2013, CMMI ML5  
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Email: info@zentechnologies.com Website: www.zen.in  
Corporate Identity Number : L72200TG1993PLC015939

Date: 15<sup>th</sup> September 2021

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
Through: BSE Listing Centre  
Security Code: 533339

To  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051  
Through: NEAPS  
Symbol/Security ID: ZENTEC

Dear Sir/Madam,

**Sub: Outcome of Zen Technologies Limited's Investor Day held on 14<sup>th</sup> September 2021**

**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**


With reference to the above captioned subject and in furtherance to our letter dated 10<sup>th</sup> September 2021, we wish to inform you that the Investor day was held on Tuesday, 14<sup>th</sup> September 2021. In this regard, we're enclosing herewith the investor presentation which was presented during the interaction with the participants.

The above information is also available on the website of the Company:  
<https://www.zentechnologies.com/calls-and-conferences>.

This is for your kind information and records.

Thanking You.

Yours faithfully,  
For Zen Technologies Limited

  
Hansraj Singh Rajput  
Company Secretary & Compliance Officer  
M. No. A38213



Works : Plot 36, Hardware Park, Near Shamshabad International Airport, Hyderabad - 501 510, Telangana, India



**CMMI DEV / 5<sup>SM</sup>**  
Exp. 2022-01-30 / Appraisal #2306



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## ZEN TECHNOLOGIES LIMITED




**Investor Day – 14<sup>th</sup> September 2021**

BSE: 533339 | NSE: ZENEC | ISIN: INE251B01027 | CIN: L72200TG1993PLC015939

[WWW.ZEN TECHNOLOGIES.COM](http://WWW.ZEN TECHNOLOGIES.COM)

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**The more you sweat in peace,  
the less you bleed in war**


**In the last few years Zen has made considerable investments in Anti-Drone technology.**

**Recently Zen Technologies Limited secured an order of ~ ₹ 155 crore from Indian Air Force (IAF) for the supply of Counter Unmanned Aircraft Systems (CUAS).**



**Marketing & Sales team  
now focusing on Anti-Drone systems  
and remote demonstration of products  
receiving positive response.**

**Also focusing on non military  
applications like oil refineries and  
other strategic assets.**




**On 19<sup>th</sup> July 2021 Zen secured an export order of ~120 crores. We have the capability to execute this order in the current financial year. However, due to customer readiness, there exists a possibility of spill over to the first half of the next financial year.**

**UAE office is now functional and regular customer demos are leading to healthy enquiries.**

**Expecting ~ 60 crores of order to materialize in coming months.**

**Orders expected to flow in from USA office as well**



**Investment in UTS will start to payoff  
and we expect UTS to achieve a  
turnover of 15 Cr in FY22.**

**UTS is currently focusing  
on developing more technologies in  
the Anti-Drone space.**





**In Medical technologies we are  
focusing on developing 2-3 new  
products in the current financial year.**

## **ESOPs**

**Some of our employees have dedicated their lives to Zen and been with the company for almost 2/3 decades.**

**Keeping their interests in mind the Company has decided to issues ESOPS to long standing and select new employees. ESOPs will also be issued to few key employees of subsidiaries as well.**

# Order Book Status



## Order Book Status as on September 3, 2021

With the current order win the order book stands as following:

₹ in crores

Particulars	Equipment	AMC	Total
Domestic	159.64	118.52	278.16
Exports	124.45	-	124.45
<b>Total</b>	<b>284.09</b>	<b>118.52</b>	<b>402.61</b>

As a prudent measure, the company has removed ~ ₹ 64 crores order from its order book on account of delay in documentation from the customer. The Company will add back the order in case there is any positive development from the customer.

- Entered FY2020-21 in a period of significant uncertainty related to macro factors beyond our control.
- The Company also witnessed a decline in financial performance due to appropriation of modernisation fund to fight Covid pandemic.
- The Company invested INR 11.97 crores in R&D during the year
- During the year the Company launched the following 4 new products
  - Anti-Drone Systems
  - Integrated Air Defence Anti Drone Simulators
  - Heavy Lift Drones
  - Drone and Anti-drone simulators
- The Company developed remote demonstration facilities to overcome the challenges of physical demonstration during Covid times. This resulted in the demonstrations going up from 2 per month to 4 per week.
- Strong Debt Free Balance Sheet supported by liquidity position of ~ INR 83 crores.

# Zen's Business accelerators :-



1

Increasing predictability in turnover with scaling up of AMC segment.

2

Strong Government support to act as tailwind

3

Focus on new products

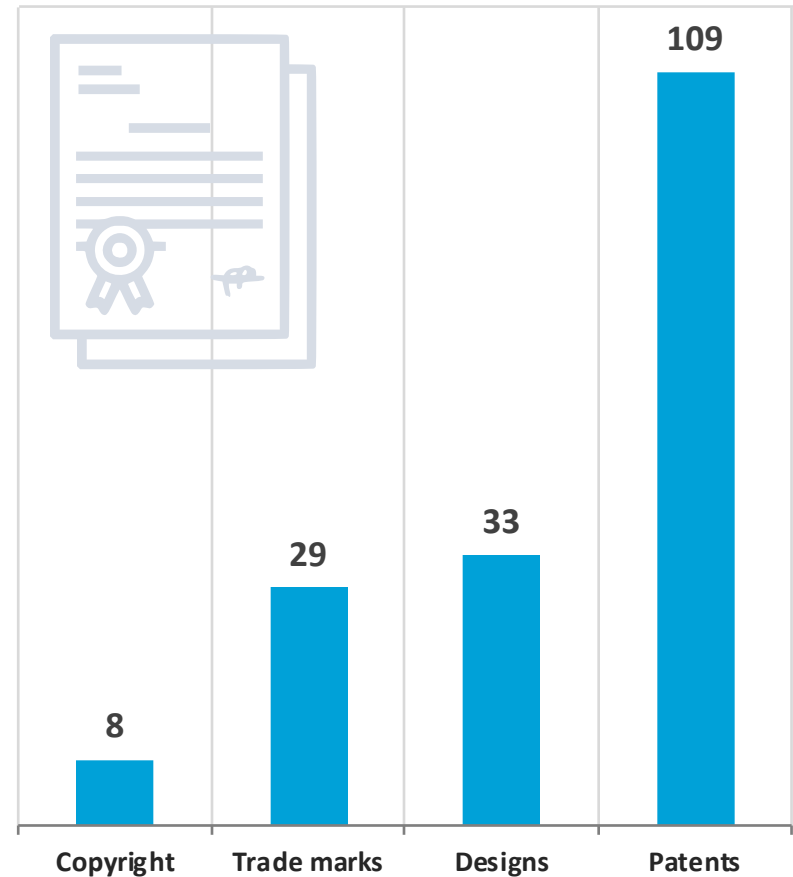
4

Equipment sales order wins

## Focused R&D driven organisation

- R&D Driven prototyping to develop state of the art training simulators
- Over 90 in-house researchers working on specialised in-house created domain libraries
- R&D investment of over 67.47 crores in the last 5 years, ~17% of revenues
- Filed 109 domestic and global patents applications of which 27 granted
- R&D spend though Investment in IPR has been prudently written off as expenses in P&L
- High investments made in R&D throughout the lifetime of the Company creates high entry barriers for new entrants.

## Total IPR Applications



1

## Domestic

- Conducive regulatory regime has opened erstwhile closed single vendor business opportunities
- Aggressive Push towards MAKE – II
- INR 52,000 crores allocated towards equipment procurement from domestic defence industry.

2

## Exports

- Strong support from government through line of credit through EXIM bank for foreign govts.
- Products developed under Make II procedure can further be exported significantly enhancing the opportunity size

3

## AMC

Annual Maintenance Contracts

- Have reached ~INR 7.5 crores of quarterly AMC revenues
- Will achieve operational breakeven at quarterly 8.5 crores of AMC revenues.
- This will increase our risk appetite and help us focus more on Anti-Drone and other high end technology
- Continued engagement with customers result in potential upsell opportunities.



## Combat Training Centre

- Handful of companies globally in this segment
- Large value add to the forces with simulated war-games / large scale joint exercises
- Potential order size of USD 25-100 million for a single installation



**Indian Army training requirement of Rs 8,000 Cr**



**Global addressable market size of more than USD 8 billion**



**Large installed base with AMCs – significant recurring income**



## Abundant Global Opportunities

- Zen's products are mature
- Growing credibility of Indian Defence Vendors with active government support
- Cost of Advanced simulators very prohibitive in Africa and Middle East
- Larger established players have no thrust for Smaller markets
- No ITAR restrictions on Exports



# Fulfilment Capacity and Capabilities



- The Company has an **Asset Light model** and outsources most of manufacturing to its supply chain.
- Mostly, software and final hardware integration is done at the Zen facility
- The Company's established vendors have adequate surplus manufacturing capacity to cater to any increase in demand
- Capex requirement will be negligible to execute larger size orders.
- The Company has adequate infrastructure. In the rare case of additional integration facility, there is surplus land in the existing facility

# Zen poised for Growth like Bamboo Tree



## Chinese Bamboo Tree

After the seed for this amazing tree is planted, you see nothing, absolutely nothing, for four years except for a tiny shoot coming out of a bulb. During those four years, all the growth is underground in a massive, fibrous root structure that spreads deep and wide in the earth. But then in the the fifth year the Chinese bamboo tree grows up to eighty feet



# ZEN TECHNOLOGIES LIMITED

## THANK YOU

**DISCLAIMER:**

CERTAIN STATEMENTS IN THIS PRESENTATION CONCERNING OUR FUTURE GROWTH PROSPECTS ARE FORWARD-LOOKING STATEMENTS, WHICH INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN SUCH FORWARD-LOOKING STATEMENTS. THE RISKS AND UNCERTAINTIES RELATING TO THESE STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, RISKS AND UNCERTAINTIES REGARDING FLUCTUATIONS IN EARNINGS, INTENSE COMPETITION, POLITICAL INSTABILITY AND GENERAL ECONOMIC CONDITIONS AFFECTING OUR INDUSTRY. THE COMPANY DOES NOT UNDERTAKE TO UPDATE ANY FORWARD-LOOKING STATEMENT THAT MAY BE MADE FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY.

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