

# Tecnotree

Empowering Digitally Connected Communities



Danske Small & Mid Cap Day  
Tecnotree investor presentation

May 24, 2022

# Tecnotree is a global technology player in Telecom Evolution led by 5G and Cloud

## Key Highlights 2021



Global provider of BSS digital transformation products for telecom industry



40+ years of domain knowledge and proven capabilities



World class offering combined with a low TCO; also empowers CSPs to monetize via digital marketplaces



Open API, Low Code/No Code & Microservices enabled products & solutions

**€64.2 mn**  
**Revenues**  
(22% y-o-y growth)

**~37%**  
**Recurring Revenues**

**€54 mn**  
**Order Book**  
(€64 mn in Q1 2022)

**€68 mn**  
**Equity**

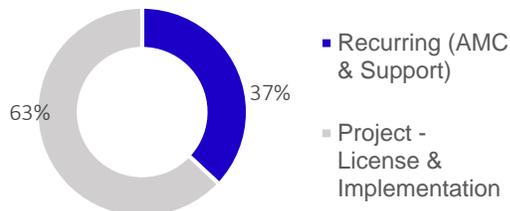
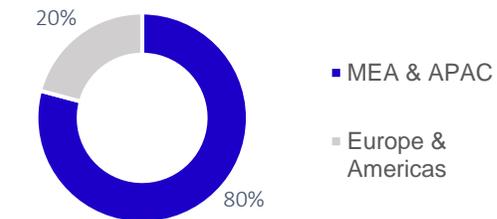
**37%**  
**EBIT Margin**

**90+**  
**Operators**

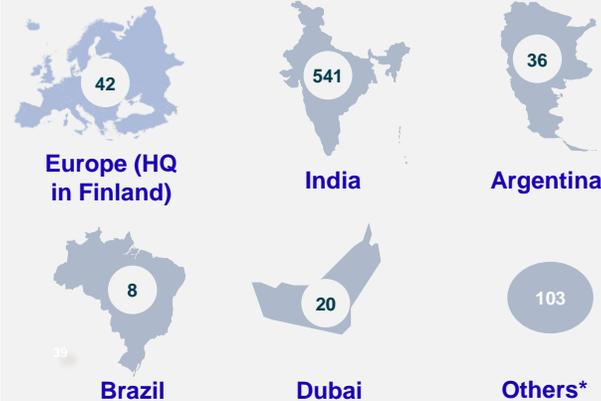
**70+**  
**Countries**

**1bn+**  
**Subscribers**

## Indicative Revenue split (2021)



## Geographic presence (750 employees)



Additional subcontractors – 150+

## Select Tier 1 clients



\* Others include Mexico, Ecuador, Peru, Nigeria, Rwanda, Malaysia



# Market is transforming

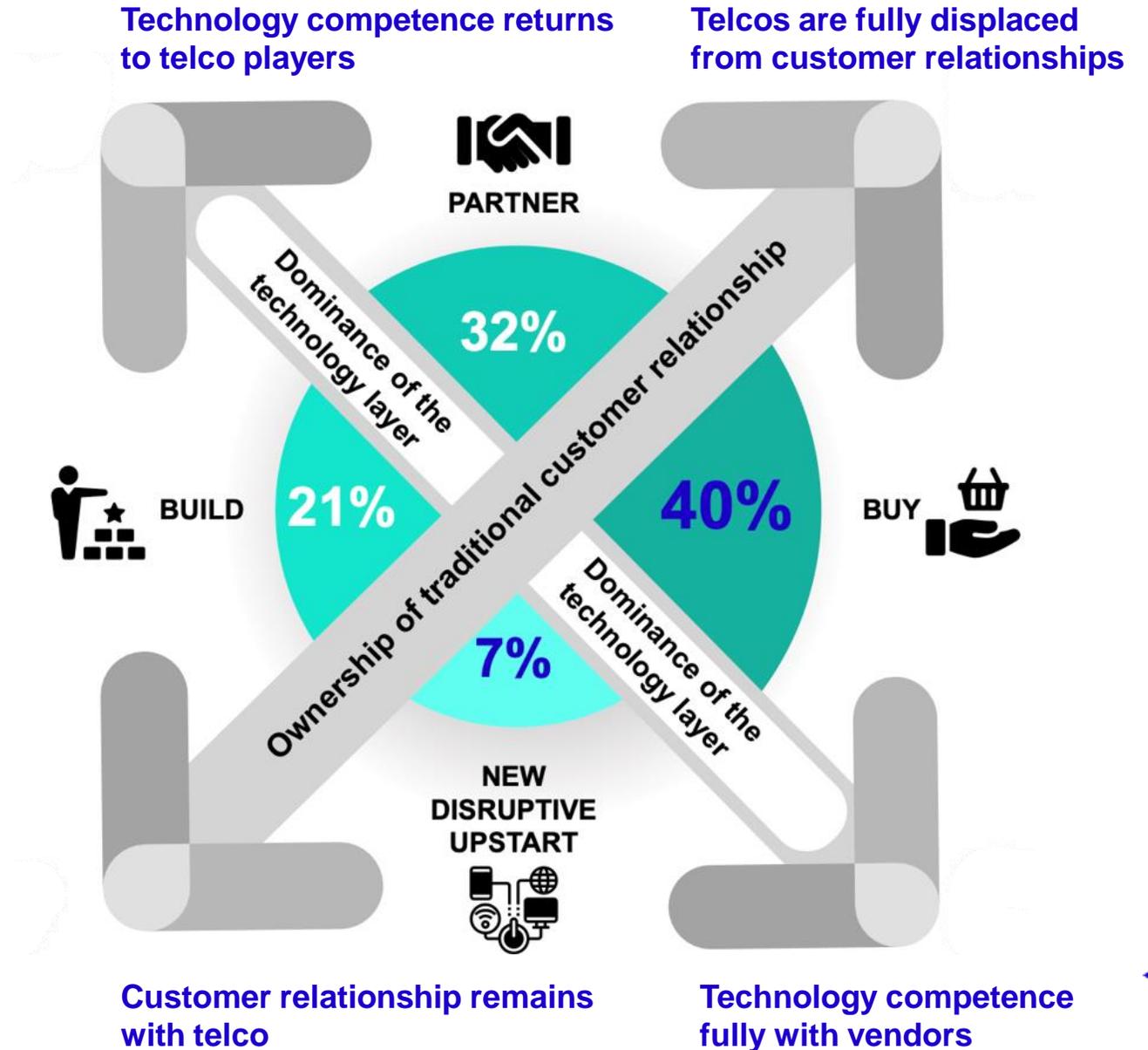


5G will add 8Trn to global GDP in 2030

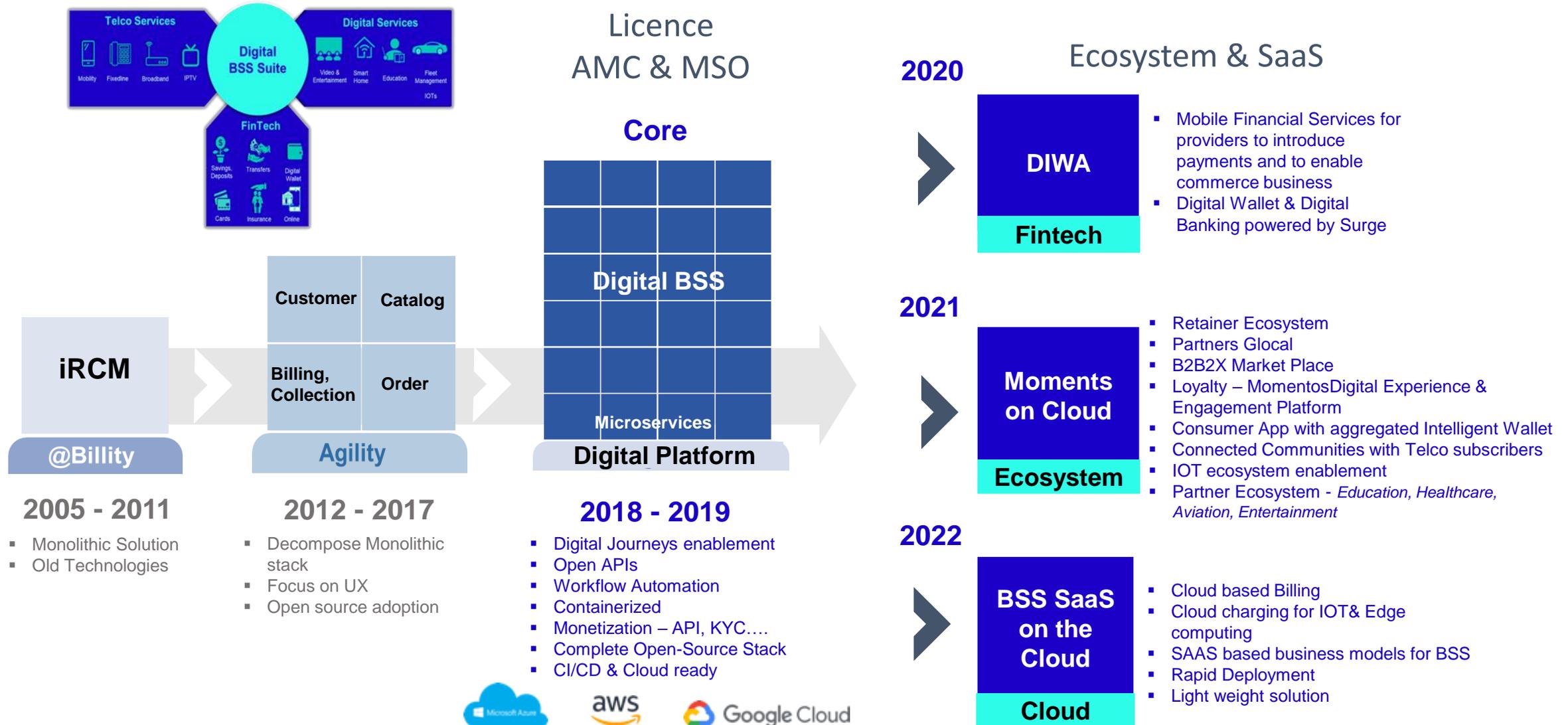
Total IoT connections in 2023 will be 3.2Bn

Total IoT connections will be there by 2023, which will include 32% surveillance cameras and 39% connected cars

ICT Revenue enabled by 5G will reach 1.5tn by 2030, but only 700\$bn will be accessible to 5G operators



# Tecnotree Strategy to Create a Powerful Digital Ecosystem



# Values driving outcome

Futuristic	Customer Impact	Zero Touch Deployments					Low TCO
Results Driven	Business Impact	Revenue Acceleration	Launch New Services	Reduced time to Value	Insight Driven Models		
Winning	Brand Impact		Revenue Customer Experience 		Moment for 5G Monetisation Credible & Reliable Brand 		
Organised	People Impact	10,000 + Hours of Training			Purpose oriented Cutting edge of technology Most Inclusive Companies in EU		

# Empowering digitally connected communities



- **Equal Opportunity** Health, Education, Employment
- **Maintain intergenerational equity** Connected Digital Experiences
- **Security & Data Privacy (Open yet Secure)**
- **Free and Fair (Transparent) User Experience**
- **Inclusive & Sustainable - Total Experience**

**OPEN, DISTRIBUTED AND ADAPTIVE**

# Tecnotree key investment highlights



**Headroom for growth**



**Unique position in the emerging markets**



**Business critical offering**



**Cost-effective operating model**



**Proven management team and agile organization**



**Healthy Financials**

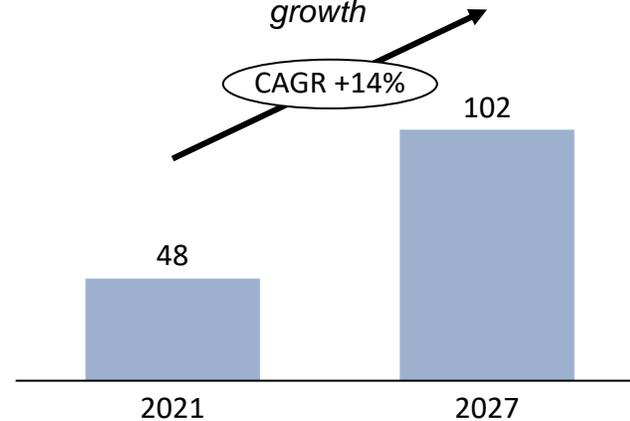
# Headroom for growth: Operating in double-digit growth market

## Demand Drivers

- 1 Prioritization of upgrades from legacy to Digital BSS by Telecom players
- 2 Growth in data consumption accelerated by COVID
- 3 Increase in complexities in network ecosystem due to 5G & IoT
- 4 Increase in demand for Cloud Solutions & overall cost optimisation
- 5 Demand for innovative digital ecosystems (Digital Commerce)

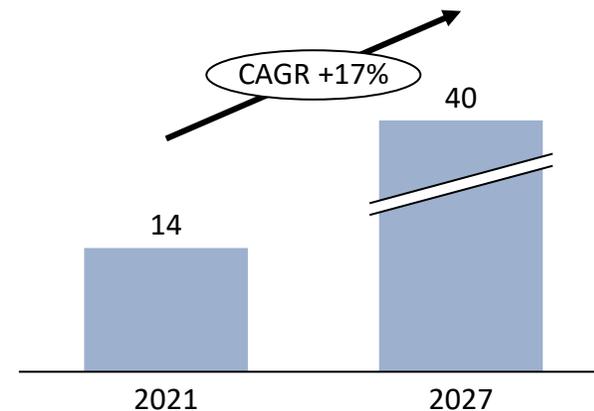
### Global OSS/BSS Market Size – USD Bn

*Evolving industry leading to sustainable growth*



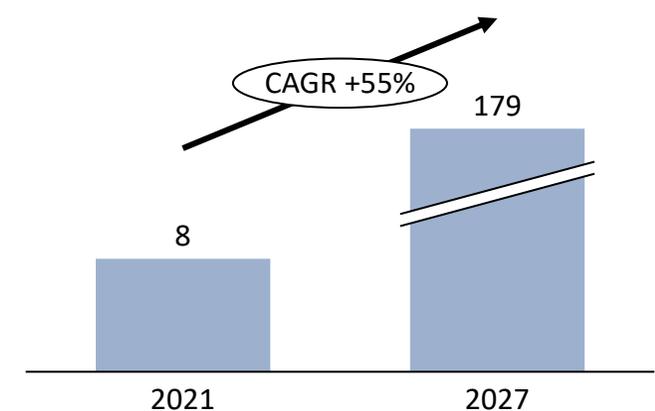
### Cloud OSS/BSS Market Size – USD Bn

*Opportunity for SaaS model*



### Global 5G Infrastructure Market Size – USD Bn

*Robust opportunity for 5G BSS companies*



### Main competitors:

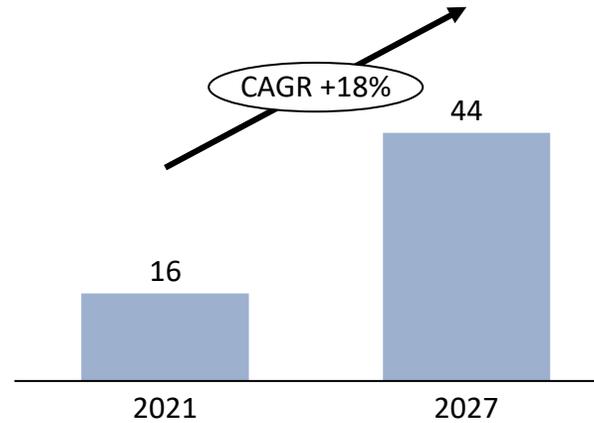
1. Whale Cloud
2. Amdocs
3. Qvantel
4. Sterlite Tech
5. Ericsson
6. Huawei



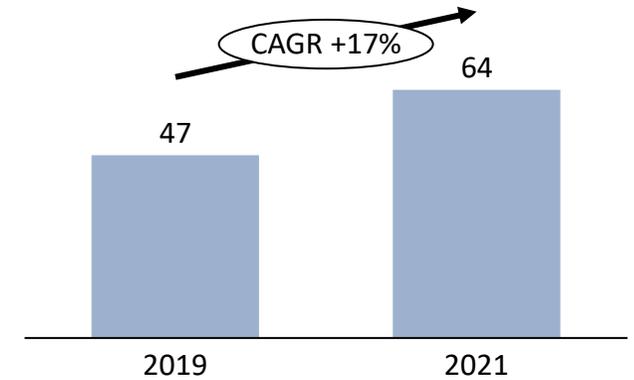
# Uniquely positioned serving high growth emerging markets

- More than two decades of experience in serving emerging markets
- Proven track record of large digital transformations
- Emerging markets operational and financial challenges know-how
- Long standing relations with top tier telecom operators
- ~65% revenue from 2 largest telecom groups vs ~80% in 2019; two groups comprise of combined ~30 different operating companies

**Emerging market OSS/BSS Market Size – USD Bn**  
80+% revenue from high growth emerging markets

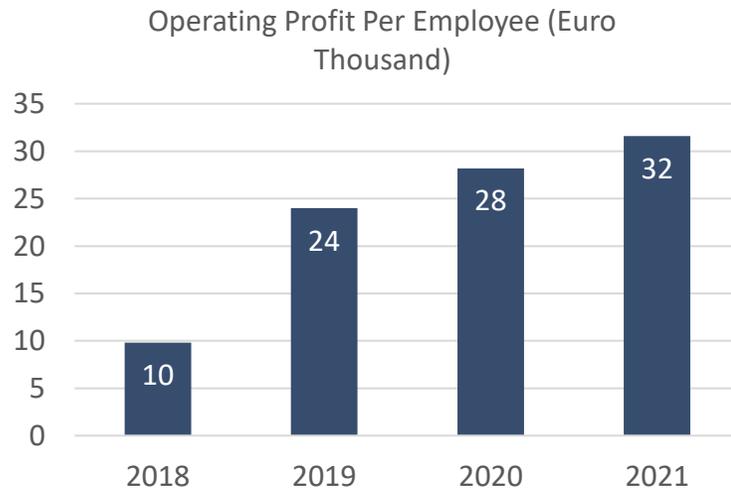


**Tecnotree Revenue growth – USD Mn**



# Cost-effective operating model

- Highly skilled talent in cost efficient geographies – Asia, LATAM and Africa
- Hub and spoke model for product deployment - leading to faster deliveries and better customer relation management
- Cloud native and remote deployment – zero touch deployment leading to higher efficiency



Source: Industry Reports

## Global Offshore Hourly IT cost – US\$



# Key risks

## New Initiatives 2

- Investment cycle of ~1-3 years

## Customer Concentration 4

- Reduced concentration of 2 customers to ~65% in 2021 from ~80% in 2019
  - Expansion of customer portfolio with addition of marquee names such as STC, Zain, Ooredoo

## 1 Inflation

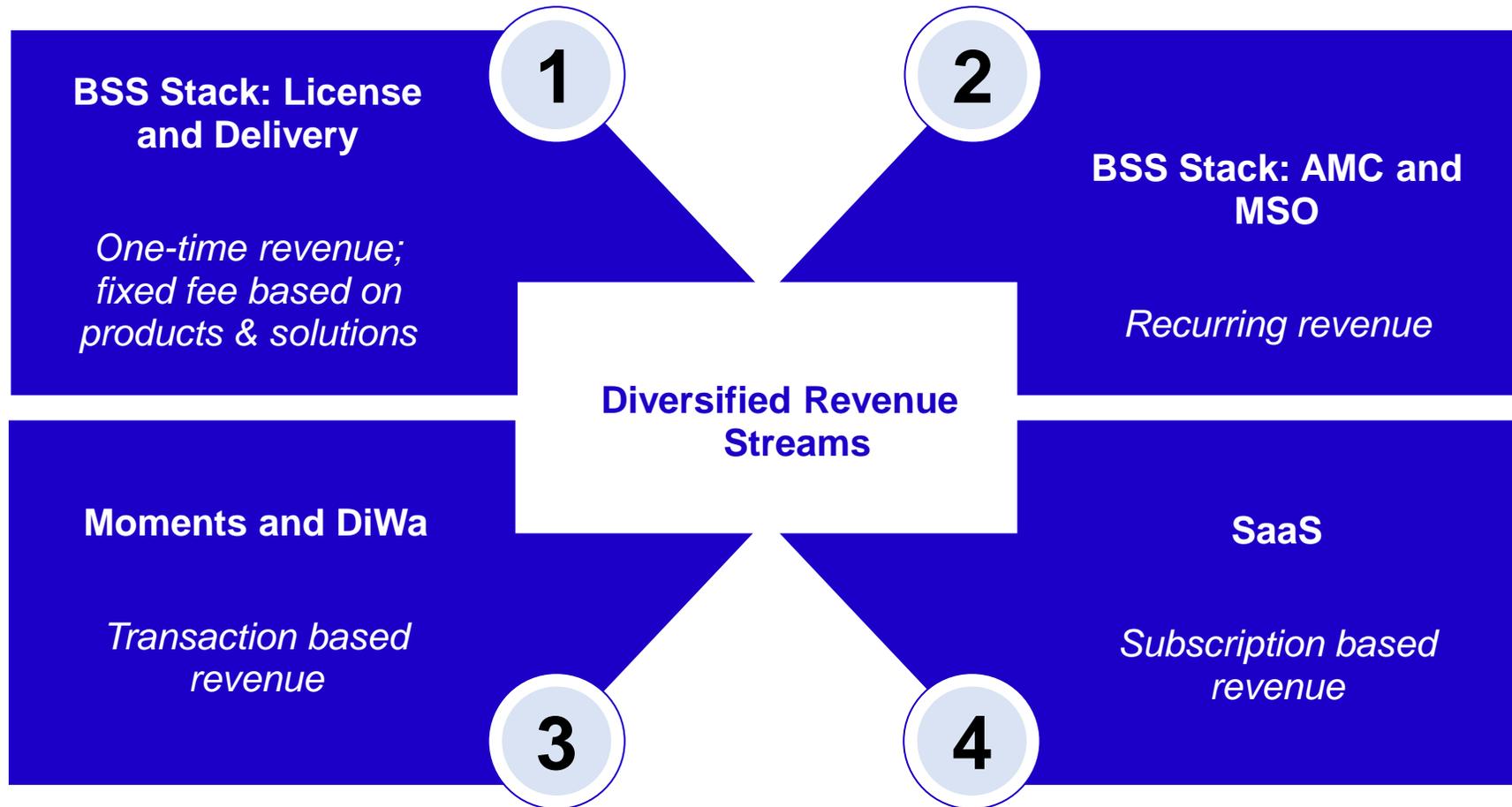
- Cost pressure due to high wage inflation
- Investment in talent to service record high order book

## 3 Receivables & Currency

- Major receivables from Tier 1 operators
- Long relations with customers (project life of minimum 4-5 years)
- Provides mission critical solutions
- Forex exposure in emerging markets

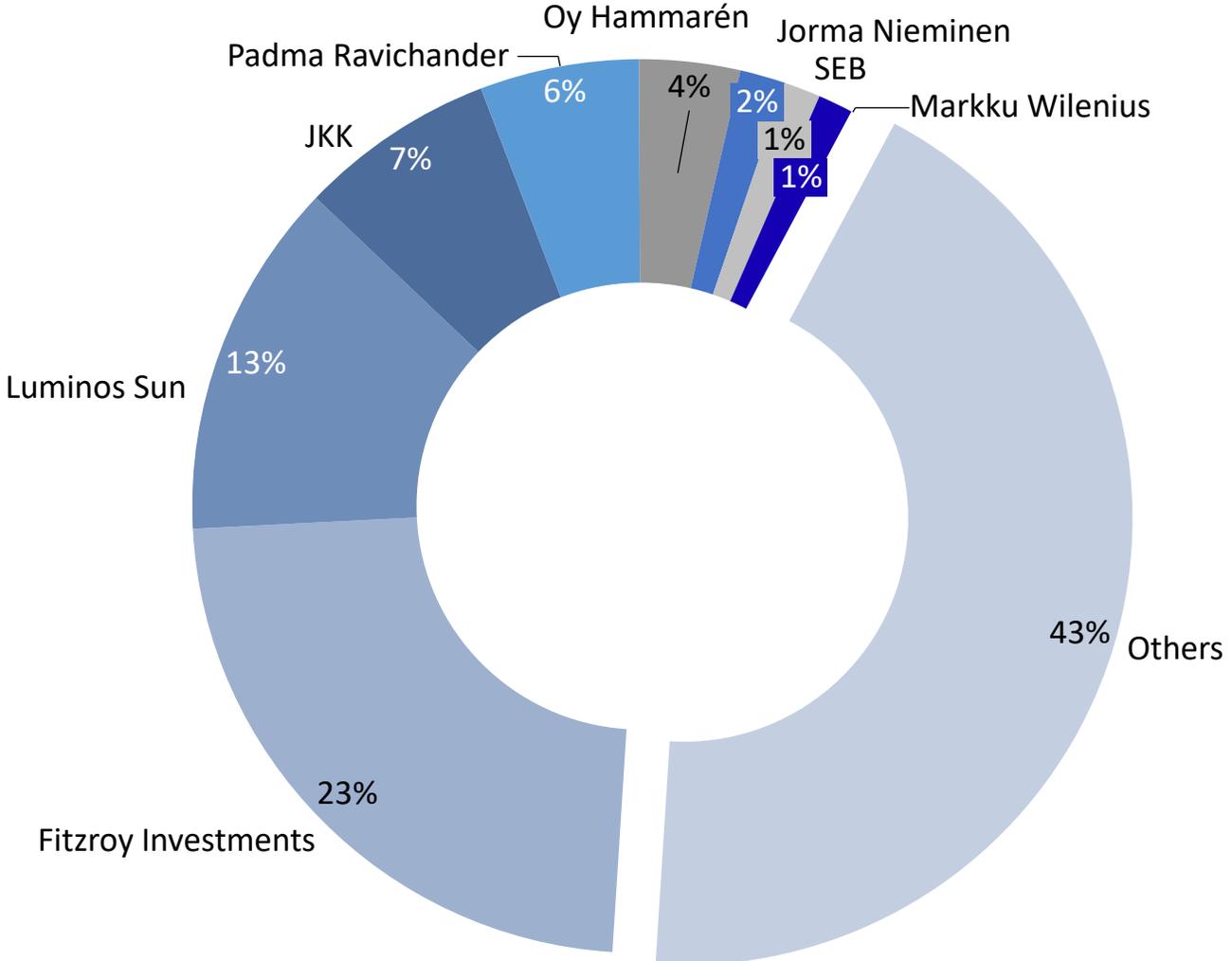


# Diversified Revenue Streams

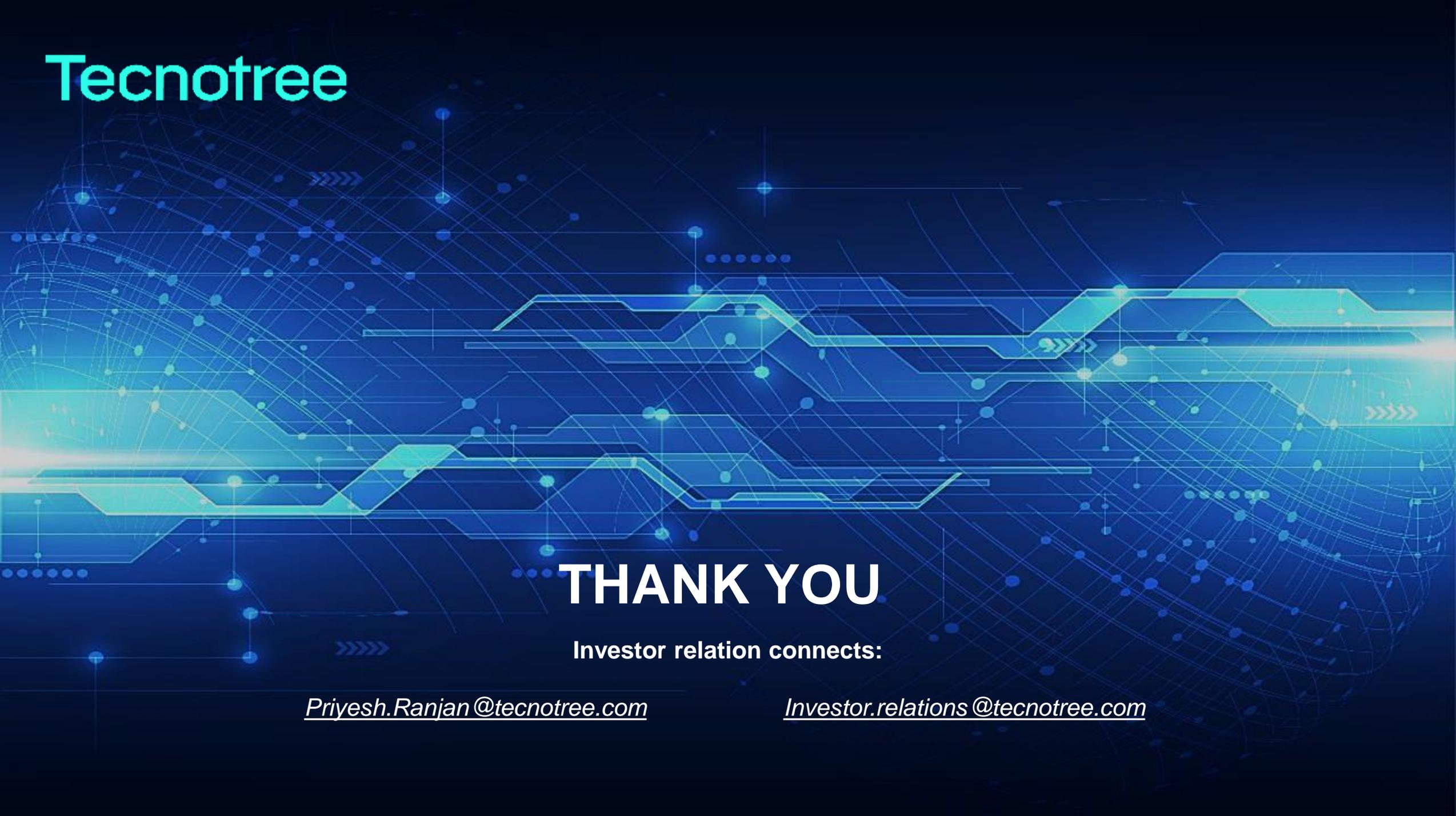


# Ownership structure:

Top 8 shareholders own ~57% of the Tecnotree shares



# Tecnotree



## THANK YOU

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