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Q2 & H1FY27 EARNINGS CALL OF EXATO TECHNOLOGIES LIMITED

TRANSCRIPT

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SPEAKERS

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Chairman & Managing Director

Mr. Gopinath P Bailur
Chief Operating Officer

Mr. Muralidharan
Chief AI Officer

Mr. Dinesh Singh Slathia
President – Revenue, Marketing & Strategic Alliance

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MANAGEMENT DISCUSSION

Mr. Appuorv K Sinha *Chairman & Managing Director*

Good evening, everyone. Thank you so much for your time. Siddhi, am I audible?

Finportal *Moderator*

Yes, sir, you're audible.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Okay.

Finportal *Moderator*

Yes, sir, I'm just starting. Good afternoon, everyone, and welcome to the Q2 and H1 FY27 earnings call of Exato Technologies Limited. We sincerely thank you for joining us today. During today's call, the management will discuss the company's operational and financial performance for the second quarter and first half of FY27, followed by an update on key business developments, strategic priorities, and the outlook ahead. This will be followed by an interactive Q&A session. Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. These statements are based on management's current expectations and assumptions and are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied. Participants are advised not to place undue reliance on these forward-looking statements. Please also note that this conference call is being recorded for compliance purposes. Representing Exato, we have with us today:

- Mr. Appuorv Sinha - Chairman and Managing Director;
- Mr. Gopinath Bailur - Chief Operating Officer;
- Mr. Muralidharan - Chief AI Officer;
- Mr. Dinesh Singh Slathia President - Revenue, Marketing and Strategic Alliances.

I now invite the management team to deliver their opening remarks. Following their address, we will open the floor for the Q&A session. Thank you, and over to you.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thank you, Siddhi and Finportal team. Hey, good afternoon, everyone. Thanks for joining this call. Along with me on this call is my colleague Gopi, he's our Chief Operating Officer; Murali, he's our Chief AI Officer; and Dinesh, who heads revenue and marketing and global business development for us. So let me talk about this quarter before we start the presentation. So this quarter has been a remarkable quarter. There are Various reasons. First of all, we have onboarded some key partnerships in this quarter, which is going to be shared in subsequent slides. We have also onboarded three large customers globally and there is a big opportunity discussion going on not only on AI as services side but infrastructure as a services side, which again eventually we will share in coming times.

And the third aspect is, yes, we have onboarded some key people as a part of our team and we are expanding internationally. So all these are major development in this quarter, which we are going to talk about. Apart from this, there has been a decent growth and on revenue as well as very good growth on PAT side as well. So let me present to you the Q2 and H1 FY27 highlights to you people. Dinesh, you can go to next slide.

So for those of you who have joined for the first time and was not there on call, so let me introduce Exato to you. So we are a 10 plus year old organization. We are having 150 plus customers, 120 plus engineers. A total team strength is reaching now 150, almost serving all the industries, close to 10 plus countries.

We are serving from India, wherein we have four subsidiaries. We have an office in US, we have an office in Singapore, we have office in Australia, a registered subsidiary, and then we have a telecom subsidiary here in India also for our cloud opportunities, and then we are also opening office in Middle East because we feel that there is a bigger opportunity. Our OEM partners are also asking us to be there. From Middle East we will start expanding to UK and Europe. That's the plan. And later we will have a base in UK and Europe as well. We have very good customer retention, because we are in an industry wherein we work with customer for their data and compliance. So we have been able to retain these customers, and thanks to them also, to be a part of our growth journey.150 Plus agents enabled and the order book has increased to 681 Cr which we had discussed in earlier discussions also.

So in terms of board of directors, I'm the founder and Chairman. Swati manages operation and HR for us. We both have 20 plus years of experience, at MBA and BTech. Again, as a part of board of director Abhijit is non-executive director. He's a LLB. Then got Mr. Milind Godbole as one of the esteemed director. The idea of having Dr. Godbole was, Dr. Godbole had been in several leadership role in several companies, and he was one of the guys who was instrumental in scaling GeBBS from 12 million to 230 million, and this is something we are learning from him through his experience, and also through his vast network in the industry.

We are privileged to have Dr. Godbole as one of our non-executive, non-independent director as a part of our growing international expansion plan. Dr. Godbole has been quite helpful with their guidance. And then other two gentlemen, Dr. Omkar Rai is also a very esteemed name. He was chairman of STPI and then also startup Odisha, so wherein he worked with several startups. So with his experience also, we are able to leverage and use it in our business day to day business, and he's also being independent director overseeing our other aspects of business which is primarily from an independent view.

And then Vijay Kumar Tyagi, he was primarily from BFSI domain, and wherein he spends most of the time in compliance and vigilance, and again he is also a guiding force in terms of smoothing our operation and then guiding from compliance and operations perspective. As a part of leadership team, I have Gopi on this call. Gopi is our Chief Operating Officer. Naveen is our Chief Revenue Officer. He is primarily shuttling between India and US, because US is a geography where we want to focus more because a major part of our business is expected from there. Murali is also on this call as a Chief AI officer. Murali joins from TCS, where he was CTO at TCS. So with Murali, we are taking this agentic AI journey to next level not only on software side but also on hardware and infrastructure side. So I will let Murali talk about how he is shaping up our business practice in subsequent discussion. Dinesh joins us from Oracle, and he is leading our global business development. Hasan is our CFO and Geeta is our Company Secretary.

A very strategic leadership addition. In terms of Abhijit, I will just take 30-40 seconds to introduce Abhijit in detail and what was our thought process, So Abhijit joins us as a Chief Technology and Growth Officer. So you might think that it's a combination of two roles, but there is a reason to it. The way we are pivoting, the way we are seeing the industry shaping. It was very important that we should have someone like Abhijit, who had worked in customer side and who has also extensive experience on CX and AI side, something which is very relevant to our industry.

He had done several roles at IDFC Bank, HDFC Bank, Kotak Mahindra. His last stint was with an agentic AI platform called Kore.ai, wherein he built the technology, bought the technology, built several other applications around it. He will be leading go to market for us, both from sales and delivery side, for CX and AI, and that capability that Exato should look at more and more platforms in terms of delivering measurable business outcome as a central part of how we intend to grow. The reason why we are making this investment now is that we think that we have to evolve and scale as we scale our business operations internationally.

We think that it is will be very really useful, because the kind of conversation we are having with our customers, they are not interested in buying platforms, rather they are interested in buying outcomes and

they are also interested in how one partner can design the solution, deliver it, run it, and then support it as well, and that too 24x7, as we are talking about building more and more international operations. So Abhijit has done this in his multiple roles in banking as well as his last in at Kore.ai. So with respect to our current partnership, Abhijit would be a great value add, and as we expand an international market, so Abhijit role is going to help us in terms of leading the strongest GTM and delivery in those market.

So in terms of core business offering, let me request Gopi to take it from here. Explain in terms of our core business offering. Gopi over to you.

Mr. Gopinath P Bailur *Chief Operating Officer*

Thanks a lot, Appuorv. Good evening, everyone. So on the core business offerings, as I tie upon what Appuorv has mentioned, market is changing. There are many, many products which are coming in the service. But our messaging, what we put together in our past life and then how we are continuing it, is resonating extremely well in the market. CX as a service and AI as a service, with a very customer-centric solutioning position. There may be many products which are coming in the market now. We see every six months a new startup is coming and floating. But who will implement it, how will we implement it, how do we make sure customer understands it, and then we deploy it. See, that is where we are scaling really well. We are sharpening our focus extremely on our AI and CX story.

So that customer-centric solutioning approach is working well. Not only implementation, but once we enter, our land and expand strategy is also working in the sense that we start with one portion of the solution, for how do certain AI stuff for the customer, but how well we do it, what is the ROI, and how we are designed to make them much better from a deployment standpoint and driving adoption. That is working out very well for us. That's one, and unified communication is there, it is changing and it is taking a new rhythm in terms of how it has to be modified. It is also integrated with voice, messaging, video solutions. We are building an integrated solution there. Now, our AI infrastructure has complemented really well in terms of how we are progressing.

It is into building our own sovereign clouds into the market, based on India and US and other regions as well. And we are able to expand our footprint into solutioning approach, and the solutions are deployed in our infrastructure which we are going to deploy and run, that it's an end to end positioning, which is helping us in terms of capturing more opportunities within the customer segment. The fourth one is our IP, what we are developing. We are calling it as ExatoIQ. This is all about set of products that we are developing as IPs which we are finding it as gaps in the OEM world. Customer is seeing that one integration from a WFM system to contact center is not working. We bring in, build that as a gap, and we are enhancing those capability as much as possible.

Now, some of these we are leveraging that into putting into customers marketplace and OEM Marketplace, which can be visible to all other customers. How we are stitching the solution, that's our IP play and combined with that cloud ERP we partnered with last time, we talked about Acumatica as one of that, and then we are now expanding that to adding Odoo and Microsoft Dynamics and other players as well. So that way we are stitching our solution into an end to end offering for an enterprise to deploy customer experience solutions with the enablement of AI in the center, and make sure we are seen and we are seen inside and outside as well from a growth standpoint. So that's an objective. I would like now Mr. Murali to double click on the AI infrastructure. Murali, over to you.

Mr. Muralidharan *Chief AI Officer*

Thank you, Gopi. Good afternoon. For the benefit of those of you tuning in for the first time, my name is Murali Dharan. I was the Chief Technology officer and head of engineering for Cloud and CX in TCS. Joined with Exato recently, and during the last few months, focus investments in AI. Regarding the AI, we have actually tied up with Anthropic. You will hear that also shortly as a partner of Anthropic, and then that

gives us a very good access to all the solutions from the Claude stable. That's one part of it. Second part of it, we also were a part of the launch of Cognigy agentic AI platform which was launched by NiCE India, and I was part of the speaker there and the key speaker in one of the in the opening event.

So that being said about the AI part of it, coming to AI infrastructure, we have also made significant investments in AI infrastructure, and as Appuorv mentioned, some of the closures happened in the past months. Many of them are in the infrastructure space. So the first one being private AI. Private AI is one of a big focus for us, especially for LLM in a box. As I had said before there are many solutions like Cognigy and agentic AI solutions in India market and globally. Many enterprises are investing into agentic AI. In fact, almost every of them are investing into agentic AI and for agentic AI most of the platforms which come today's market come with bring your own LLM concept.

Many of the customers need to bring in the LLM which can work along with agentic solutions and platforms for this. Some of the options are using hyperscalers and other frontier LLMs. Many of the customers also prefer to go in for their private LLMs. That is why we bring in this private LLM in a box, private AI, and we have actually tied up and partnered with HPE to deliver this solution, where we bring in a secure LLM in a box for many of our enterprise customers, and this is bringing in a lot of traction, and this is one of the focus for our infrastructure services.

Secondly, the bigger area we are looking at now, and currently we have tied up and launched our offerings in the GPU as a service and infrastructure as a service space. Here also, all of us are aware in the industry, there is a huge investment and huge plethora of digital natives coming in with AI products. Many of these AI products and digital natives, they did not invest in their own AI infrastructure they leverage as a service model for leveraging LLMs, and looking at the current costs of the hyper scalers.

The GPU as a service is a very high demand service for many of our customers. So in this, we have signed up to provide GPU as a service. And it's not just we provide GPU service. We put the full stack of bringing running in open weight models on the LLMs we have actually launched. The first one we have launched is the AMD Mi350P processor, where we'll be providing about 1000 GPUs and subsequently we are also planning to do the Nvidia H100 as well. So, for the infrastructure service, starting with GPU as a service, is a very important and credible offering for us, and we are very happy with that. We have launched that. Apart from that, we also have our full stack observability, where we do monitoring, management of SOC, NOC, and other areas to keep up the product, the third part of it. And finally we are also, last but not least, we are also investing in upgrading applications, transforming legacy applications like SAP onto the private infrastructure on a CAPEX OPEX model.

So these are, in a nutshell, few of the focus areas we have been working on in the past few months. And these are some of the areas which are also showing a good traction. And taking it forward, with that I will hand it over back to Appuorv to take it forward.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thanks, Murali. Okay, so thanks, Murali and Gopi. Now, also let me talk about in detail the most important and interesting and exciting thing which is for us, is launching our own cloud telephony platform, ExaFone. So this was launched seven months in prior to what we have anticipated. We have been building this product since last two years, and the idea was, what we learned from the best, the global partnership, how we can launch our own IP around that which can be further integrated with them as well, but also should be able to cater to a certain segment of market. Now, with this vision, two years back, we started working on ExaFone. So we launched ExaFone on 31st of August. Our scheduled date was 31st of March.

But then team has really worked hard, and obviously AI has also played a role, wherein we got certain tools which has fastened this. Now, the best part is we already have 40 opportunities in pipeline for this ExaFone, and we already closed three deals, so we expect that this IP will be a game changer for us and we see a

significant market. Not only in this, there are certain areas wherein we can partner with our global partners and we can work along with them, wherein they can provide the Agentic AI platform and we can provide this cloud telephony platform, and wherever is needed, the on-prem platform also. So this is AI with AI-powered analytics, low-code, no-code. This is scalable architecture.

Like I mentioned, that three key names have already been added and as a part of our customer logo, and another 40 opportunities are in pipeline. Our plan is to again take it to existing set of customers, wherein we can get additional revenue and better margins. Also, explore new customer base, wherein we can again take our Consulting AI as a service and GPU as a service offering. So a total integrated offering. This is what we have been planning.

Now, again this is one more milestone which we achieved in Q2. So we got certified in Claude Partner Network. There are very limited partners who got this Claude certificate. There could be the biggies like TCS, Infosys, Accenture, but in our segment they are very limited partner. So we got Claude certified partner certification, and we started this thought process and action almost six months back. It took six months. We have 15 people certified on Anthropic Claude and we are also doing multiple POCs for them. So with this POCs, we also have a thought process that we can start leveraging existing customer, wherein what part of their process and what can be automated with this, and where we can have a bigger GTM with Anthropic. That's something we are planning both in India as well as internationally. But this is something, a very major milestone, which we have achieved in last quarter, in Q2, marquee clients. Gopi, would you like to take it?

Mr. Gopinath P Bailur *Chief Operating Officer*

So additionally, when I connected with the offerings and then you looked into what other new areas, ExaFone and other things which have come up. Our acquisition strategy has worked out in line with what we are expecting, and then it's much more as well. Right. So the BFSI we are staying a really big part now, replicating BFSI, BPO and ITIs into the North America region is our core focus. Now, we are building or rather we are double clicking on leveraging some of these experiences. We have already had the APAC and UK or rather UK, Europe market covered as much as possible. Now, we are going to go after the US market and make our strength there. Now, towards that, the technology partnerships that we have aligned, in addition to NiCE and AWS, Acumatica what we had bought in, amplifAI and Claude as well. We are certified now with about 10 people available on Claude to take it to the market. So now we're already doing partnerships and some PoCs, and we want to scale that high.

So moving to the next slide. So the continuous sectors we serve keeps us in the momentum. We know, as you also see, banking and healthcare is really growing the adoption of AI. But we need to be really sharp in terms of what AI solutions that we are deploying. That's again, I'll go back to the customer-centric solution, applying or deploying multiple product sets which are there available in the market, which is right for the customer. Those things that we are evaluating very carefully, and with our consulting-led approach what we follow, it is helping us in identifying that.

And we are expanding further into the retail, and BPO space is always there. While enterprise customer can be straight for us from banking standpoint. But when you play with the BPO and KPO, it provides us plethora of customer or different variations of customers that we need to serve for and the needs from them will be little different than the enterprise customers directly. We are leveraging those things, becoming a services arm and becoming direct deployment arm. And then the consulting story, it is helping us all well to acquire more customers. So our plan is to acquire more and more customers, focus on verticals, build vertical-based solutions which can drive more value for us as we go along. So that's the intent that we are driving from our thought process. Thank you, Appuorv. I'll hand it over to you.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thanks, Gopi, for covering this, the customer, and since you are more engaged with customer on the delivery side, so that gives a better perspective. So this is our strategic growth roadmap we have been discussing on this, and the leadership team addition is also we have planned, and some of them has already started happening. So elevation of Gopi as a Chief Operating officer. The idea was very clear that Gopi got a extensive experience in product development as well as in delivery, and now with customer relation also. Bringing Murali on board as a Chief AI officer. We wanted to have a holistic AI strategy. This is not only around AI as a service, but infrastructure as a service, GPU as a service, because what we see is a joint opportunity. And this is something which we are working along with Murali, Gopi, and everyone.

Then we have our CRO Naveen and then we also got Abhijit as a Chief Technology and Growth Officer. Under these leaders we are building our next level team and more additions are happening. Idea is very simple, that we will have a global presence, especially in US, Australia, India, Singapore, Middle East, which is Dubai, and then later UK and Europe also. We'll start with UK very soon. Probably next quarter we will have our delivery team based out of India, because we see a lot of opportunities which will be coming in, at 24x7 support center will be required, as well as delivery is required. We are also looking at more and more partnerships. Three new OEM partnerships which we have done, and the subsequent announcements should be happening very soon.

And like I mentioned, so already we got a board approval of opening office in Dubai to cater Dubai market. The good part is, both Dubai, US, and all these regions, our existing partners are saying that come and expand there, because we have done a very good work here in APAC region. Now, new client acquisition across global market. So all these senior leadership team, who have got customer connects, who understand industry, who understand how industry is shifting, and how agentic AI is evolving, how infrastructure as a service is evolving. So we are using those experience, working with our clients and then working with our OEM partners in terms of expanding internationally, In terms of integrated solution, so we have a very clear thought process that earlier were only catering to the front office, which is major the customer interaction. But what is happening at middle office and back office and how we can address that with ERP, CRM, and AI solution which is Acumatica, and then back office is primarily again our applications as well as the infrastructure piece of it.

We have also added our own IP. I mentioned about ExaFone. So with IP again, we plan to have more and more customer added, and therein we can try to push more for our consulting and services, because our primarily thought process is how we can leverage more, add more customers, AI led innovation platform. So we have been discussing around this. So we are adding more and more IPs to our portfolio. We are working with our partner network, NiCE, Mitel, everyone, how we can work with them, get registered in their system, in their marketplace, so that all their customers, globally partners globally, can come to us, something significant which we have built. We have already started doing agentic AI implementation. So some two customers, one from UK, one from US, we have been. We have already got the deal, and the deal is in implementation stage. And the addition of Abhijit as a Chief Technology and Growth Officer is a sign that we understand how market is evolving. A person who has worked extensively, almost for 21-22 years on customer side and then working with product company, when he's joining a services company. What could be the possible value add?

And this is something which we are trying to drive as a part of our next phase of journey. In terms of Exato moat, I have been hearing this from so many people. What are the unique things? How Exato strengthens? Why 97% customer retention? So I wanted to address this thing, because I've been talking to a few people. See, first of all is, we own the customer. So when I talked about 150 plus client, 97% customer retention. We own the customer, we own the relationship. We work with them in their customer journey.

Starting from recording the transaction, and then also analytics on top of it, and then understanding the reason why they are calling or resolving their call in first call itself, and then working with them in the latest agentic AI platform, we understand that how the customer journey has been. We have a very proven CX domain expertise. All the people on this call comes with 20-25 years of experience. Then we have our board of directors, board advisors. So there is a very strong CX domain expertise. People who have been in the system for a long time, they have been guiding us, they have been working with us. Some of them are working regularly, some of them are working on advisory basis. So that is the reason we have been winning customers sitting out of India. But now the idea is very clear that we will have a global presence.

We are the biggest partner for NiCE, Platinum Partner. We are biggest category partner for Mitel. Also, we got upgraded to Mitel Platinum Partnership in Q1. So again, we got HP AI infrastructure alliances, and then we are talking to some global players in US also for this infrastructure partnership. It's not that we are only working with the OEM, but we also have our own thought process where we are building our own IP. And some of those IPs have been developed while working with customers in real time. And large customers like HDFC Bank or Axis Bank or TaskUs, they have deployed this, and now we are taking this to market with other customers.

In fact, we got two with other IPs as well within Q2, and then ExaFone itself, we got three customers. I know two, three might sound less, but this is something I'm very proud of, because this is something which we have built in house. Idea is, in next three- four years of time, how IP revenue can contribute at least 25 to 30%, and we are poised towards it. We are moving towards that . A full stack enterprise company. So our thought process, is from infrastructure to business outcome. What we have seen is while working with the healthcare BPO or while working with a bank or they, we were only addressing one part of the offering, which was AI as a service, CX as a service. But with infrastructure coming into picture and with the infrastructure model also evolving, there are so many companies who have got funding, etc., they're expanding infrastructure, sorry, in agentic AI space. So they are using infrastructure. So why Exato cannot be a player? And we are someone who has integrated this earlier also, and our customers are asking for this.

So we see a significant opportunity for us. We were leaving deal on table, but now with strategic leadership coming on board, Murali, Abhijit and all, we want to own this, the complete stack, and that will give us substantial boost in our revenue as well as in profitability.

Land and expand economics, it is not a new thing. Most of you understand why this is important for us, is while we are doing one piece, we're leaving the other piece. So we want to now land and expand. We want to expand more. And also with respect to our IP, the strategy is very clear which some of the global players have implemented earlier that position the IP gets a Pie out of it and then construct a business around it. So this is something which we have been doing. In fact, we are successful in doing that. Our order book has increased to 681 Cr, and with this we are scaling our business with rapid space.

Now, the trend is that both CX as a service and AI as a service is growing at a CAGR of 8.4%, 35%, and also the Cloud ERP. So we feel that we are in the right market at the right time. It's the execution story which is more important. While CX is something, CX and AI is something we have embedded in last so many years. For us, AI is a subset of CX. So there is a huge scope of AI with agentic AI also coming. So our goal remains same which is the CX market. But in this market, with AI infrastructure also we are expanding, and with cloud ERP we have got some deals, and the idea is international region, how we can take a full stack offering. So with that, we see a good industry potential. Also, same goes with unified communication and AI infrastructure. Both is a growing space, and like I mentioned, we are at the right place at the right time, and the looking at the opportunities. Dinesh, over to you. You can cover this.

Mr. Dinesh Singh Slathia *President, Revenue, Marketing & Strategic Alliances*

Thank you. So when we look at the events this year, Exato was a Platinum Partner at NiCE World in both Mumbai and New Delhi. These events actually put us in front of technology leaders, clients, and industry stakeholders. And it also reinforces our focus on enterprise AI and agentic AI led delivery. Being a Platinum Partner and part of India launch of Cognigy agentic AI platform actually has put Exato at the center of one of the most important shift our industry. If you look at Mumbai, we discussed how to stay relevant as technology is actually transforming the industry. As. Said and. The session. Actually which actually included a fireside conversation with Vikrant Massey, and in New Delhi, when the same event, the theme was excellence and resilience with Saina Nehwal. We had our booth here. So our booth saw strong interaction with more than 450 attendees. With more than 450 customers joined us through these events alone. Honestly, telling you that, we're really amazed how interested customers were.

It actually tells us that the market is ready for what we are building. So now, after the event, now we are now reaching out to these customers in much more strategic and focused way, and we'll keep building on this momentum going forward.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Yeah, so I just wanted to emphasize what Dinesh has said. So our biggest partner NiCE has launched its flagship platform Cognigy, a company which they acquired in a billion-dollar acquisition. It's an agentic AI offering, and our most of the GTM plan are now going forward will be on agentic AI offering. And we are taking this to wide market. This is something again is a revenue addition both from existing customer perspective as well as new customer perspective. So we were leaders in this event. We were the Platinum sponsors. Murali was one of the speaker also in this event, and we worked with their APAC leadership team. So the idea is how we can take it to existing customer base. We have got some marquee customers and some partnerships on this platform.

We are eyeing some bigger closures within this quarter because there are some large opportunities which is going on, both India as well as in global geography. So some of these marketing events are very key for us, and having 400 plus customers shows that how successful this was us. So with this, obviously the idea is how we can look at more expansion on the customer base as well.

Now, in terms of our revenue from operations, I just wanted to share some parameters. If we compare year on year, it is more than 40% of year on year growth on revenue side from for the same quarter. EBITDA has grown more than 57%, close to 58%year on year , wherein EBITDA margin has grown by 210 basis points. PBT, profit before tax was has grown from 67.27%, and PAT has grown almost at the rate of 65%.

So, the growth in revenue as well as on profitability side is credited majorly from international deals. And as we expand more, there is a huge potential which is expected coming from international geographies. When I say international geography, the major boost has come from AI as a service, but in coming quarters as we are about to prestige large deals on infrastructure side as well. So we expect that infrastructure as a service, primarily from international region, also from domestic region, is also going to contribute a lot both on revenue and profitability side.

In terms of revenue bifurcation, if you see, last year number was 24% has come from international geography. This year it has increased to 26.39% while domestic contributed to 73.61%. BPO/ITES has been the biggest contributor again, India while has been 76% contribution on revenue side. But like I mentioned, the international revenue has also been growing.

This is majorly a comparison of how well we have done with respect to year on year growth on revenue side, quarter wise, as well as half yearly wise. While on quarter wise comparison, our revenue has grown 40.23%, half yearly, same last year, it has grown 44.29%. And if I talk about PAT, PAT has also grown from 65.26% on quarter basis, and almost 80% on half yearly basis. So this shows that not only significant

growth, we are registering quarter on quarter with comparison to earlier year, but also half yearly. And the same is the pipeline, a bigger pipeline which we is already therefor the coming quarters as well.

This is key highlight. Already talked about this, but let me summarize this. So Q2 consolidated revenue was 58.85 Cr. This is up 40% year on year. Half yearly revenue was 102 Cr. So we did almost 61% of last year revenue in six months, and two more quarters to go. And traditionally Q4 has been the biggest quarter for us because of all the valid reason, industry reason and all. So we expect that the same way we will be able to turn around in next two quarters, when our idea of growing 80-90% both on revenue and profitability side is very much intact, and we are eyeing for that growth.

Awards and recognition. So again, we are sweeping all the awards, events and the categories where we were nominated. So, we were elevated to Mitel Platinum Partner, and then Partner of the Year, Customer Success and Impact. The major credit goes to our customers and our people. Like I said that while there is a leadership team, the people you see on the screen, but there is a hard working and a very committed team who is there, who is talking to customers currently, who is servicing customers currently, all the Exatians. So kudos to them as well. They are having equal share in all this success, and that is how we are growing. I think with this we have concluded the presentation. I would like to request Finportal team to let us know, if there are any questions, we shall be very happy to answer this.

QUESTION & ANSWER SESSION

Finportal *Moderator*

Thank you so much, sir. Thank you to the management team for sharing their insights and the detailed business update. We will begin the question and answer session now. Participants who wish to ask a question are requested to please use the raise hand feature and submit their questions in the Q&A tab. We will invite participants one by one to unmute and ask their question. To begin, we'll give the opportunity to Mr. Bharath Reddy. Sir, please unmute yourself and ask the question.

Mr. Bharath Reddy

Can you hear me ?

Mr. Appuorv K Sinha *Chairman & Managing Director*

Yeah, we can hear you.

Mr. Bharath Reddy

Yeah, thanks. So can we talk about the inorganic acquisition that we're talking in the last conference call, and can you give more details, like size of the acquisition and how is it being funded and what kind of valuations are we paying, etc.?

Mr. Appuorv K Sinha *Chairman & Managing Director*

So Bharath, in terms of inorganic acquisition we're evaluating an ERP company. The idea was to strengthen our ERP business. The due diligence is not up to mark for that, and we are being very cautious about this, and I'm sharing this very transparently. So we are not going ahead with that. But there are two more companies which are into CX and AI domain. Both have India as well as US presence. So we are again evaluating those two companies, which are the prime target. So we will look at these two companies. One company is also a product company which is shifting their base to US with agentic AI. So these three companies we are in discussion, but since the ERP thing is not moving forward, we are looking at these three companies, also focusing more on organic expansion.

Mr. Bharath Reddy

Sure. So next question is on the budget that we are allocating towards ExatoIQ. Can you tell me, like, what was the budget that went into ExatoIQ in FY26, FY27, and potential amount that can go in FY28?

Mr. Appuorv K Sinha *Chairman & Managing Director*

So Bharath, I think ExatoIQ had a budget of 2 million, if I'm correct. So the platform is ready, and we have started taking this into expense, while some AI feature and capability still needs to be added. Because what has happened is, when we envisaged this offering two years back, so that time the AI play was not so significant. See, one thing I would like to mention here is, the biggest advantage we have in this domain is we are learning from the best and then implementing that in our product. So we don't need to spend too much on R& D in terms of what customer wants, what feature functionality, what is. We only need to spend on development side and some bit on marketing and sales side. That is what is required. So this is what we have been doing.

So the product is ready to take it to customers. Like I mentioned, 40 opportunities already there, and I think, if I'm not wrong, 1.2 Cr worth of closure is already done with respect to this product. Now, some more feature functionality and AI native agentic AI feature needs to be added. The second part is ExaFone, we are in advanced level talks with NiCE and Mitel, especially with NiCE, to make them a part of their go to market.

Now, how this will help is, most of the banking customers, they don't prefer cloud solution, and NiCE has only cloud solution, so they will use our platform as an on-prem solution and bundle their agent AI. So this will give a good boost to our GTM, because not only we are selling their offering, but they are also selling our offering, and the same will be applicable to their all the global partner network. So this is how we see, and to answer you in short, it is close to 2 million what we're eyeing to invest in this product.

Mr. Bharath Reddy

Okay, so if that deal goes through what kind of revenue share that we'll have to share with NiCE?

Mr. Appuorv K Sinha *Chairman & Managing Director*

See, within a year, if the deal goes through, annual revenue we can clock in around 4 to 5 million.

Mr. Bharath Reddy

The question is what we have to pay to NiCE.

Mr. Appuorv K Sinha *Chairman & Managing Director*

So, we don't have to say, I'm talking about my part So okay, so this is how this works is, we will be a part of their price list, wherein if they are closing, suppose, a 5 million dollar deal, our part would be 200, 300k. So our entire part will be given to us, they will charge certain margin on it. So I'm talking about the kind of number which we can do on this product itself is 5 million, which will be our revenue. And you can understand, 40-45% profitability.

Mr. Bharath Reddy

Okay, sir, one last question. On the margins that we make on just the license without any implementation work. From my understanding, I think, 70% of the revenue is from the licenses. What kind of margins do we really make from the license? And is it just due to, as we are an like we share tier one partnership with NiCE or whatever it is, so do we get, like, high volumes because of which we make some margin on the licenses? And what are the other margins that we make just on license.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Okay, so Bharath, I will answer this in two parts. So international revenue has more margins, this is what we have experienced last two, three deals. For domestic, we get gross margin of 20 to 22%. Internationally it is much higher than this. Let me not comment on this, because this is something which we are staging. But from what I have said is, you can understand internationally it is much higher. So you can anticipate that. But domestic, since it's the established business for us, the margin is 20-22%. The best part is, like I mentioned, while companies burn money to acquire customer, we are profitable in terms of acquiring customer. And the only thing which was needed, which we are doing now, is cross sell and upsell.

So with leaders like Murali and Abhijit and they all coming on board, the idea is to go deep inside with these customers, sell more infrastructure as a service, consulting offering, and get more pie of it. Now, our idea is to diversify with other platforms and have a platform-agnostic layer. So this will again give a lot of better revenue as well as profitability from customers. Our biggest strength, which I keep repeating every time, is this 150 plus. When I say 150 plus, we want to make it 200 plus, then only I will say 200 plus. There could be 160-170, but we are not saying 160. So what I meant is, I have those active customers with us, us wherein we are getting revenues and we are getting deals. Now, we are leaving money on the table. Yes.

Why we are leaving money on the table? Because we had certain execution capability which we had pre-IPO. Now, with IPO, we are expanding that. There is a huge opportunity of those customer base internationally, because the customers which we cater to, BPOs, they have 30-40% of business in India. They have a major part internationally, and international region is like ocean. Now, we have tested waters in pond, now we want to start swimming in ocean.

And that is the reason you see the leadership team which is on this call, and some of them who are there in US, they all have international exposure and connections. So with this we see that good growth on revenue as well as margin side. When we expand more internationally, domestic is 20-22%.

Mr. Bharath Reddy

Thanks. I will go back in the queue.

Finportal *Moderator*

Thank you, sir. We'll move on to the next question from Mr. Devan Khanna.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Hi Devanji.

Mr. Devan Khanna

I have a question regarding your particular business model of AI as a service. As far as I understand right now, it's more about consulting only, right? And then you also sell a part of license, which is your major component. Now, if we see major larger players such as model owners, ChatGPT, OpenAI, they are growing rapidly, and also they provide services along with their stack, right? Enterprises are themselves implementing these services now. They are growing very rapidly. We can see it in their revenue. But for your part, if I see, how do you see the opportunity there, right? Because they are your direct competitors, you are using their service. I understand. But how do you see your model working with respect to their models?

Mr. Appuorv K Sinha *Chairman & Managing Director*

So okay, so let me take it, Gopi, and then you can add it. Okay, so Devan, first of all, let's understand that we have built our own models. We have worked with these customers for last 20 years in our earlier avatar and in Exato for last 10 plus years. So it is like sitting with customer, understanding their data and working on their data, and what kind of output is required. In fact, the models, ChatGPT and all, they also need that

basic understanding from the customer. The input is required, then only this can be further used. Now, how our consulting is helping is we have the kind of extensive work which we have done. We are helping our customers with this ChatGPT and OpenAI how to use them effectively. Now, that is one part of the story.

The second part of agentic AI story is a tool wherein the agentic AI tool is helping customer to, I would not say reduce the manpower, but automate most of their processes which can be answered by a human. Human agent is not required. Rather automated bot can answer this, and that's this automated bot can work 24x7x365. So this is how we can valuate. I will let Gopi answer this because he can add it any further if required.

Mr. Gopinath P Bailur *Chief Operating Officer*

So you touched upon a good part to start with, as a consulting led. So that is where we make a difference. Because see, when we are in a customer experience industry, what does that mean is, we have customers' data with us, in the sense that customer call recording solutions, customer chat transcripts, customers conversations between agents and customer. Right. So those are all the data points which are there with us, and we review that first and then go back to the customer on what is the level of automation that they can try. Right. So we are in a gold mine with having the data. Now, what happens with ChatGPT and others are, they have tested their model with various sample data points. So tuning and tweaking and further improving and then driving value towards that takes time.

But for us, the tool is already there, the platforms. There is an industry standard, Gartner level products that what we're working on is of Cognizant and other elements that we are acquiring. So,once the knowledge is acquired. Then there is Google, there is AWS, there is other third party products which are available . Now, we are open to all of them. We provide the services in terms of how you want to deploy your AI solutions, what you want to automate, and on what database or what data points that you wanted to automate. That's the level of consulting that we do. Go back to the customer in terms of identifying, saying, there are 200 use cases that you identify.

But we will apply our 80-20 and say that 20% of the use cases that you deploy, and how that can impact to your 80% of your revenue impact. That methodology we follow. So there is a structured approach that we bring in, then there is an implementation followed by the skills what we bring in, in terms of templatizing it and then making sure we deploy it to the end customer. So that is what is differentiating us as a larger AI customer-centric solution approach, rather than a generic ChatGPT and other players who customer themselves are trying to build. And there are a lot of companies wherein customer has spent lot of money hiring all the AI developers, but we serve them now from the back end on how to leverage that.

So both side coins are working, customers are trying themselves also, and we know how exactly to do it. That's our pitch and that's the value that we drive.

Mr. Devan Khanna

Got it, got it.

Mr. Devan Khanna

Another quick follow-up question, Gopi. So I understand that the data is of customer, right. But you are nowhere using the data to build somewhat of your own model. So you cannot get the data from a client. Right. Because it's their own sensitive data, that's what you are there for. But the models have been trained by Claude, ChatGPT, etc. Now, you can't take customer data, you are there to implement, and once you implement that, either you are out or you get a new customer. But why would the customer keep coming back to you for revenue? Because once you have implemented a solution, they can do some extra work with you. But for that service, it's done and dusted.

Right?

Because you don't have a model that would repeatedly enhance, or you would get a recurring revenue, because Claude would get a recurring revenue or the GPUs would get a recurring revenue, but you would not get a recurring revenue. Right.

Mr. Gopinath P Bailur *Chief Operating Officer*

I get recurring revenue by adding more use cases to it. I deploy one solution, and one use case I will automate, then I will switch to him. If I have identified about 20 use cases, maybe five of them I'll implement in the first scale, and then I'll show the observability feature. Whether that model is working well, how well it is working, and how well we can tweak and take it forward. That's the managed services part of it that we will support. Now, post that is done parallelly, our BAS will go and identify other set of business layers where we can drive more automation. That's the conversation with the COOs and CFOs. We go back, identify the candidates for automation, and then drive more. I mean, that's our land and expand strategy is working.

Mr. Devan Khanna

Got it. Appuorv, a final question on order book. Last quarter, as far as I remember, it was 660 crores. Now, it's 680 crores. I don't see a substantial increase in order book. Right. Because I think AI industry as a whole is growing extremely rapidly. Right. Whether it's infrastructure, whether it's model, whether it's somewhat of an application layer. But I don't see it in your order book. Is there a particular reason?

Mr. Appuorv K Sinha *Chairman & Managing Director*

Like I mentioned, our major focus has been international region, and these international deals, especially these deals, takes some time. It is typically six to eight months of closure time. So what I can assure you is, this quarter could be a game changer quarter. The current quarter, which I am saying, and the order book may be very substantial. That's all I can say. Some very large deals in pipeline, on verge of closure. Team is camping there in US and Singapore and other geographies. So yes, that is how it is. So just to answer you, in short, it takes some time. So that is the reason you might see one quarter spike in order, and another quarter, yes, there could be slightly smaller, but in over next two quarters we see a good growth in the order book as well.

Mr. Devan Khanna

Got it.

Mr. Appuorv K Sinha *Chairman & Managing Director*

I also wanted to add, Devan, what Gopi has said and to your question. So in terms of consulting revenue, yes, there is a huge scope for us, even if OpenAI and all this coming, but please understand, we own the platform, and the OpenAI and other there, while they give certain output on data. But the communication channel, the channel which enables conversation between end customer, and AI bot or a customer service agent, that is what we own, and we own that on a subscription model, whether it's to NiCE or Mitel or some other platform which we are seeing. So there is a huge scope there as well, because lot of that platform also needs a lot of consultative selling. And this revenue growth which we experienced has primarily come from two customer.

One customer is this UK customer, which is our existing customer. The second customer is a new customer, which is from US. Now, you understand that these two customers, why the first customer, the UK customer, Diligenta, why we got this incremental value is that we are doing a lot of consulting on top of what we have already sold, and this is one of the reason of growth in PAT also. So as Gopi mentioned that on the other stuff there will be growth, but on the existing offering also, our core platform offering, this revenue and the scale is going to be there for a longer term.

Mr. Devan Khanna

Got it. And the last question, what is the next three year growth path you are seeing year on year basis?

Mr. Appuorv K Sinha *Chairman & Managing Director*

So Devan, like I mentioned, we have bigger plans, so our idea is to look at 80-90% of growth year on year.

Mr. Devan Khanna

On top line or PAT.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Both. International revenue will contribute. We are building other line of business, infrastructure as a service. We will launch it formally. Some discussions are on. We have done some infrastructure deal in this quarter, last quarter also, but that was more one time sales basis. But some larger partnership is in place, so and we are also looking for some global. Murali talked about AMD and Nvidia, so you can understand that. So we are yet to close the contract, so that is the reason we are a bit like tight-lipped about this. But we feel that both infrastructure as a service and AI as a service will give us both substantial revenue as well as bottom line.

Mr. Devan Khanna

Apologies, the last question quickly. The blended margin would fall because if AI infrastructure service grows, right, it has a low margin respect to consulting, or is it the same?

Mr. Appuorv K Sinha *Chairman & Managing Director*

No, see, rather you look like this, one customer. We are leaving deal on the table. Now, we want to capture everything. For example, we closed 100 Cr last year with a global BPO. Now, we got to know that they are putting their data center in Atlanta. Now, we said that why can't we work on this opportunity? They said, do you have a practice? They said, we said, yes, we have a practice, and went back to this service provider. So if I look at as a whole, if you give one offering to a customer, you definitely consult a customer from that perspective.

But if you give two or three offering, which is quite related, and I'm not talking about different, we are just talking about the AI play, this AI player and the other players, the GPU as a service player, they're pursuing in silos. They are building data center, going, giving this acquiring customer. We have a customer where we are already providing AI as a service. The second part offering has to come. So we feel that as the pie grows, the consulting also grows. Because ultimately, customer needs to understand that the how overall ecosystem is going to be stitched, and if they want to rely one player, and the player who has a long-term contract. So this is what we have been experiencing.

Whatever I'm talking, I'm not talking from just what we have planned in a boardroom, but this is more a customer interaction which we are having. And like I mentioned, in some time, probably couple of weeks or couple of months, we shall be able to formally announce it and also share the deal thing as well. But we see that there is a big opportunity for us in that play.

Mr. Devan Khanna

Got it. Thank you for answering the questions.

Finportal *Moderator*

Thank you, sir. We'll move on to the next question from Mr. Rakesh Suryavanshi. Sir, please unmute yourself and ask the question. If any other participants wish to ask the question, you may please raise your hand. In the meantime, we'll take a few questions from the Q&A tab. The first one is: With global technology

companies facing increasing scrutiny over the returns on their AI investments, are you witnessing any moderation in enterprise AI spending or delays in project conversions among Exato's international clients?

Mr. Appuorv K Sinha *Chairman & Managing Director*

No, we are in a different space. That is what I would like to see. The spending which everyone is talking about on the tokens or with the hyperscalers, that is a very big play. We are in a very different space. What we are doing is, we are giving our customers the software agentic AI bot, which will help them to grow more and deploy less human. Human will be there only for important and intelligent things. Right? So that is how we see, we are a technology service provider. I keep repeating that. So the more technology adoption is going to happen, the more our play will increase. And some of our existing customers have given incremental deals, that also shows that existing customers are growing themselves, and they are also giving technology licenses and consulting order to us.

So we see that it's a good growth opportunity for us. Now, the second part, what we are building is integrated offering. We are not going and doing five different things, rather integrated offering. So suppose our customer is asking for infrastructure also, they are training their model, that they want GPUs, etc., so we are giving them, and we are also giving our consulting in terms of how they can stitch the overall thing. Now, the third part is our OEM relationship. Our OEM, the partners which we work with, they don't own LLM, so they have a model wherein they say bring your own LLM. So there are so many LLM providers. Now, these LLM providers would be training their AI agent, their data, on some infrastructure. So why can't we be that infrastructure provider?

Because these LLM companies, we are giving them business, working, integrating with their customer, so we see a significant play in our domain, this industry. I shared earlier also that this industry is expected to grow at a CAGR of 15 to 18%, and currently this is around 15 billion, which will be around 30 billion by 2030, and we want to be a major player around this, because we are now talking about integrated offering. So with this I think there will be a substantial play for us. Gopi, Murali, please feel free to add wherever you want.

Mr. Gopinath P Bailur *Chief Operating Officer*

No, I think you covered most of it, so there is nothing for me to add.

Finportal *Moderator*

Thank you, sir. The next question is: what progress has been made towards the target of expanding the customer base to 500 - 600, and what is the expected timeline?

Mr. Appuorv K Sinha *Chairman & Managing Director*

Right. So I mentioned this in my earlier discussion also that we want to expand our customer base to 500 from 150 in three to four years' time, so there are three, four new developments which has happened towards that. I mentioned about our ExaFone launch, and I also talked about some of the IP offerings. Now, this IP is going to add significantly to the customer base. I also talked about 40 plus opportunities, and with this IP, if we acquire new customer, idea would be simple, that we should sell more to those customers. So that's one part of it.

Now, the second line of business, AI infrastructure. This is also giving us, getting us new customer. This quarter also, some new customers were added, and we, as we launch GPU as a service, infrastructure as a service, there will be lot many new customer apart from existing customer. So this is another play. Third is Anthropic Claude partnership, which we showcased while some of the engagements are in pilot stage. But as we scale to next level of partnership, we can formally sell the licenses. So you can understand that whatever we're talking about with respect to some of these initiatives and our prime go to market, which is our AI as a service, which is this 3-4, will give substantial acquisition opportunity of customers, and we are

moving towards that. So like I mentioned the timeline remains same three to four years for having 500-600 customers.

Finportal *Moderator*

Thank you, sir. We'll take the next question from Mr. Nikhil. Sir, please unmute yourself and ask the question.

Mr. Nikhil S

Hello sir, am I audible?

Mr. Appuorv K Sinha *Chairman & Managing Director*

You're audible, Nikhil.

Mr. Nikhil S

Sir, first of all, congratulations for a good set of numbers posted in the second quarter. So sir, my very first question is, on the current order book that we have, and how much of the order book is recurring, and the recurring revenue would be over the next how many years.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Okay, so out of current order book, we have executed 280 Cr worth of order, 410 Cr still remains to be executed. This 410 is there for next three years. But like I mentioned, that we are expecting some good addition in order book in Q3 and Q4. So we expect this order book to increase significantly. Now, the second part to your answer is, all this order are renewable, and while we are saying this, we are getting incremental order from these customers. Also, while there is a one 5-year contract which is there for a customer, the same customer has given another two year contract of our a new opportunity. The earlier order was for CXaas, which was customer experience as a service. The second contract is as agentic AI. So this shows that our existing customers are stick with us.

We are serving them well rather than giving, we taking the credit. It is the reason why we are getting repeat orders, is we are serving them well. So just to summarize this, I just wanted to give a background about all this. This it is close to 140 Cr of annual orders which is there for three years. We expect this to grow in next two quarters significantly, growth in next two quarters.

Mr. Nikhil S

Okay, sir, my next question is on GPU as a service that we are planning to. So sir, in GPU as a service, what do you see? What is the roadmap for the company? So in the current, in the next two to three years, what percentage of our total revenue would actually be coming from this domain? And the second thing is about the current year's revenues. So in the current year, infrastructure as a service, what percentage of the total revenues do you expect to come from that vertical?

Mr. Appuorv K Sinha *Chairman & Managing Director*

Okay, so Nikhil, in three years' time we expect that around 35-40% revenue should come from infrastructure as a service. See, infrastructure as a service is something in. In process of building any new LOB needs some time.

Although we got people like Murali on board, who got extensive experience and connections, and some of the deals which we are talking about, especially in US, is primarily driven by Murali. So having said that, close to 35-40% of revenue is expected from this business in next three years. As we grow, this is going to add more. Now, the second part of this is, for this year, our own target is that close to around. Again, around 35-40% should be contributed from infrastructure, not infrastructure as a service. Because infrastructure as a service is something in process of building.

But AI infrastructure side both one time as well as recurring.

Mr. Nikhil S

Okay, sir, the next question is on the current year's H2 numbers. So sir, now since you've given a guidance of 80 to 90% growth, that works out to around 300 Cr of revenue for the current year. So considering that you've already crossed 100 crores for H1, can we expect 200 crore of revenues in the second half of the year?

Mr. Appuorv K Sinha *Chairman & Managing Director*

So Nikhil, I've already given the growth guidance, and this is very much on track. And I also mentioned that we are going to add lot on order book side. I would also request you to look at the Q3, Q4 number for us for last 2-3 years. not only for us, for any Indian IT companies, generally the largest quarter. And we have all the reasons. We were expecting Q2 to be much better, but there are a few deals which has slipped in for Q3. So we expect that we will be doing in the same range, the as per the growth guidance. Nikhil.

Mr. Nikhil S

So sir, what is the guidance that you'll probably like to give, considering the H2 numbers are heavier compared to the H1 numbers?

Mr. Appuorv K Sinha *Chairman & Managing Director*

80-90%. I said overall year, if you compare, it is 80-90% growth which we are eyeing.

Mr. Nikhil S

Okay, sir, so thanks a lot.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thanks, Nikhil. Generally, in infrastructure, the deal size is bigger, so one or two deals can take you there. What we are expecting, and we are in advanced stages of those discussions, Nikhil.

Mr. Nikhil S

And sir, what about the margins? Would you like to revise your margins upwards compared to what were the margin that we clocked in the last financial year?

Mr. Appuorv K Sinha *Chairman & Managing Director*

See, initial one year there will be a substantial investment also, Nikhil, expenses also which will be there, but over a period of time this will become very profitable. This is a very genuine and transparent thought I wanted to share with you in terms of margin. But if you see, look at the overall growth, it will be very good growth both on top and margin side, but it, we need to give some time to this line of business. Although the way it is currently getting structured, it is still going to be much better profitable than the existing, whatever is happening in existing business.

Mr. Nikhil S

Thanks a lot sir.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thanks.

Finportal *Moderator*

Thank you, sir. We'll move on to the next question from Mr. Bharath Reddy.

Mr. Bharath Reddy

Thanks again, sir. So can you disclose the identity and the contract size of the second UK client?

Mr. Appuorv K Sinha *Chairman & Managing Director*

What do you want?

Mr. Bharath Reddy

No, I mean the contract size.

Mr. Appuorv K Sinha *Chairman & Managing Director*

So we have 120 Cr plus contract recurring contractor for. With this, we are expecting some incremental, huge incremental addition in this quarter and next quarter.

Mr. Bharath Reddy

Okay, and what are the BPO marquee names that resulted from Naveen Krishna's on-ground presence in the US.

Mr. Appuorv K Sinha *Chairman & Managing Director*

One is this iQor, which I mentioned, and iQor was a significant contribution to this addition. And then there is another deal which is almost done. There are two more large customers which is done, but the contract signing is in place, so let me share that in subsequent calls.

We have not received the order, but the contract signing, the master service agreement, has been signed.

Mr. Bharath Reddy

Sure, and my last question, like, what made you to up the guidance from earlier 60% for this year to 90% CAGR for the next three years?

Mr. Appuorv K Sinha *Chairman & Managing Director*

The international business is expanding, so international business is going to be a big contributor, and infrastructure as a service is also going to be a big contract. AI infrastructure is going to be a big contributor. So we have done a lot of hard work and groundwork in last quarter, so primarily we got some great additions also under Murali, his leadership. There is a gentleman named Kailash, he's currently camping in US working with these customers, and we are about to sign some deals. Then there is a gentleman who was colleague of Murali. We discussed that previously in Paresh Sheth. Both Murali and Paresh established this business in TCS. So he comes from a practice side and from a GTM side. So he's also there in the US. So we expect that some of these engagements which they are driving should be able to get us the numbers which we want to be achieve.

Mr. Bharath Reddy

Okay, so considering that we are seeing good growth in the overseas, what is the new revenue mix that we can expect in FY30, domestic versus exports?

Mr. Appuorv K Sinha *Chairman & Managing Director*

FY30, you are asking, five years.

Mr. Bharath Reddy

yeah.

Mr. Appuorv K Sinha *Chairman & Managing Director*

See, Bharath, our own target plan is we can have. We should have major revenue from international market. That is how company will grow, company will evolve. And the international market is a huge market. We have tested waters. It was a net practice. What we are doing India and the biggest. There are two very important critical factors matters why we can be a success, significantly successful in US. One is that our OEM partnerships are inviting us, that whatever good work you have done as a part of India or Asia Pacific,

we hold maximum number of clients for them. And all these are direct contract. So they also have a dependent. I should not say this, but yes, there is a lot of inclination towards that.

Now, the second is our customers, the BPO customers. As you understand this market, all these BPO, 30-40% base here, India or Philippines, Manila. But they have bigger base in US, and with changing US policy also, buy here, sell here, and all that. Now, we also want to expand in European market with Abhijit coming on board. Now, Europe has very different philosophy by buy there, sell there. So we just want to leverage all these international changes, global changes. Whatever is happening with creating more and more international presence. And I think the underlying fact is, the product and pricing, etc., is going to remain same. It is how you leverage the network, how you are in front of your customers and OEM partners, and how you scale yourself will change the game.

See, this Anthropic Claude partnership which we got in Q2, again we got services partnership. And I'm not boasting about this, but the reason why we are thinking towards it, that we should have some of them. There will be some certain more partnerships, some more customer deal announcement and all. There is a lot of groundwork, hard work being done for this. Because we understand that this is how market is shaping, and there will be a market for us. There are players who are only in AI as a service. There are players only doing infrastructure as a service. We want to have a blend of both, where we will invest , what we will have something as an in house, and what we will work with as a solution offering, technology offering provider, is something we will decide in due course of time. Few strategies has been decided. We are implementing that.

As we get success, we will replicate, we will scale on that. That's the plan. But obviously there is a conscious step also. I mentioned in my previous call that we wanted to acquire a company. We had one of the top Big Four consulting firm, and somehow the report was not that good. So I will be very transparent in this forum that we don't want to make mistakes. There will be mistakes, but there should be less mistakes. And that is one of the reason I got, and I'm privileged to have such experienced team on board who have done these things in past. So international market is something which we are eyeing. Just to summarize, and we are expecting close to 60% of revenue by FY30 coming from there.

India will have a volume game, but if you talk about revenue, their significant revenue, but profitability will be much higher from international market.

Mr. Bharath Reddy

That's all. Thanks.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thanks.

Finportal *Moderator*

Thank you, sir. We'll take the next question. With the proposed incorporation of a wholly owned subsidiary in mainland Dubai, what specific business opportunities is Exato looking to capture in the Middle East, and does the company have an identified pipeline of potential clients or business engagement in this region?

Mr. Appuorv K Sinha *Chairman & Managing Director*

Yeah. So Abhijit, our Chief Technology and Growth Officer, is based out of Dubai. We wanted to. With this ERP acquisition, we wanted to. One thing which we're gaining was this Middle East geography, which eventually as of now is not happening. While I said that there are three more companies which we are evaluating. So we now plan to organically expand to Middle East region. Now, Mitel leadership is also based out of there. We have done so. We have 15 plus banks on Mitel, which is highest for any partner in India. And we got upgraded to Mitel Platinum Partnership. So now with Abhijit being there, it will be great to have two leaders, one from OEM side, one from our side, meeting regularly, stitching out the plan.

Now, Middle East, there are some large telcos with whom we are connecting and talking how we can forge partnership with them, and how we can take this our offering, both from our IP side as well as the global OEM companies also. And our consulting offering. With Middle East, there will be some other partnerships which we will be announcing soon. Some other platforms, agentic AI platforms. And another big target from Middle East is, we should develop UK and Europe market from there. That is one charter, one important charter, which will be driving along with the existing team, Gopi, Murali, myself, Dinesh, and everyone.

So once we are successful, especially in UK and Europe, we will have our own office established. That we don't want to increase the expense, but we have customers, but we don't have office, but we will have presence there also. Idea is Exato should be a global company covering all the major geographies is. So just to summarize, Middle East is a base which we want to start with, looking at Mitel partnership and some more agentic AI platform. We will be adding some telco partnerships also which we are talking to, we are engaged with. From Middle East, we will cater to UK Europe for next six months, and then eventually set up a base there also as we see growth in revenue.

CLOSING REMARKS

Finportal *Moderator*

That was the last question for the day. On behalf of Finportal, I would like to express our sincere gratitude to the management team of Exato Technologies Limited for taking the time to share the company's performance, strategic initiatives, and outlook, and for addressing the investors' question. I now invite the management team to please share their closing remarks.

Mr. Appuorv K Sinha *Chairman & Managing Director*

No, I think I would like to thank everyone, all of you, being part of our journey and showing your trust and confidence. It means a lot to us. I know there is a bigger expectation from our side, but trust me, we are doing everything possible. We are taking our bets. We are very selective about our bets. Also, the best part is some of the initiatives which we are talking about, it is not new. Like US GTM is not new. In US GTM, we're doing in bits and pieces in last two years, and now started getting result. Obviously, having more presence there is helping. Middle East, like I mentioned, through inorganic acquisition we wanted to have a presence there. But for some reason, if that is not happening, we are growing there organically.

Infrastructure as a practice, we were doing in bits and pieces, but under Murali's leadership, and with Paresh also, Kailash also being there, we see a bigger play. We have been successfully delivering so many customers with Gopi being there. He himself leads the charter for all the delivery. But with Abhijit coming on board, Gopi's hand is strengthened. And both Gopi and Abhijit are planning this delivery structure with some great additions. So in a nutshell, we want to leverage this AI growth opportunity.

Our play is very different. We are not competing with the likes of Anthropic or OpenAI. We want to be a significant player in CX domain, which is going to be our focus. We want to be a major enterprise player. We want to build platform, more and more platform. We want to partner with more and more platforms. We want to be vendor-agnostic. We want to be more consultive-led organization, wherein customers should see us. And the reason why we can be able to do that is, if we look at top Big Four, they only consult, they do not provide the solution, while we consult and we provide also. If we look at other SIs, there are people who are only providing infrastructure as a service, they are not looking at the AI part.

So how we can create our own niche and be a very unique player in this domain is a journey which we are taking, and again, thanks to you all for being a part of this journey. This really means a lot to all of us. What we can assure you, we'll continue to work hard and invest as much energy and time and vision and leadership, and I'm also grateful to have our board of directors, Dr. Milind Godbole , Omkar Rai , Mr.Vijay

Tyagi and especially Mr. Godbole, who has been very instrumental in guiding force for us. So with this I would like to conclude. Thank you so much, everyone.

Finportal *Moderator*

Thank you so much, sir. I thank all the participants for their active engagement and thoughtful questions throughout the session. If any question remains unanswered, please feel free to reach out to us on the email ID given in your chat box. A recording of this call will be made available in due course. Thank you once again for your participation. This concludes today's earnings call. You may now disconnect. Thank you.

Mr. Appuorv K Sinha *Chairman & Managing Director*

Thank you.