



ALL E TECHNOLOGIES LIMITED

Q2 & H1 FY'26

POST EARNINGS CONFERENCE CALL

November 10, 2025 5:00 PM IST

Management Team

Dr. Ajay Mian - Managing Director

Mr. Rajiv Tyagi - Executive Director

Ms. Ritu Sood - Executive Director

Mr. Sandeep Jain - Chief Financial Officer

Mr. Sandeep Salman - Head of Cloud & Managed Services

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the H1 FY'26 Post-Earnings Conference Call of All E Technologies Limited.

Today on the call from the management team we have with us Dr. Ajay Mian, Managing Director, Mr. Rajiv Tyagi, Executive Director, Ms. Ritu Sood, Executive Director, Mr. Sandeep Jain, Chief Financial Officer and Mr. Sandeep Salman, Head of Cloud and Managed Services.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to briefly run us through the business and performance highlights for the period ended September 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Dr. Ajay Mian:

Thank you, Vinay. Good evening, everyone who have joined on the call today. We'll try and keep it short as always and then keep some time for conversation.

If you go to the numbers, the revenue of this quarter was INR 33.35 crores and the total income from operations was INR 37.13 crores. The EBITDA stood at 28.2% and the reported net profit was INR 7.38 crores. The net profit margin stood at 19.9% and the total income growth Q-on-Q was 2.2%. Y-on-Y, however, it was - 2.4%. Our repeat plus recurring revenue was 92.3% and we added nine customers this quarter.

If we look at H1, the total revenue stood at INR 67.4 crores. Income from operations at INR 73.45 crores. EBITDA for H1 was 26.2%. The total net profit is INR 13.69 crores. The net profit margin is 18.6%. The total income growth has been 0.6%. Repeat plus recurring 94.4%. Total customers added 20 and the team size continues to be at 360.

For the ratios, the income has grown by 2.2% Q-on-Q. EBIT growth has been 19.4%. EBITDA margin has been 28.2%, which is a growth of 19.1%. The reported net profit has grown by 16.8% and is 19.9%.

For Y-on-Y, the income growth has been -2.4%. EBIT grew by 15.1%. The EBITDA margin has been 28.2%. The EBITDA growth has been 14.7%. Reported net profit growth 10.4%. And the net profit margin is 19.9%.

If we look at half-yearly performance, then the income has grown by 0.6%. EBIT has grown by 10.1%. The EBITDA margin has grown by 26.2%. The EBITDA growth has been 9.8%, and the reported net profit growth has been 6.5%. The reported net profit margin is 18.6%. This is shown in the graph, the numbers, which is basically the same which we just went over.

This might have appeared like a little soft quarter. But nevertheless, overall in the ecosystem, we have been leading amongst our peers here. This year, once again, after a gap of two years, we were picked up by Microsoft as the Inner Circle Partner for the region, which is a global recognition, brings us in the top 1% of the global Microsoft partners on the business applications space.

Among the highlights, the India business has been gaining momentum. In India, we actually increased the total number of new customers that we had added. We also saw increased interest in AI adoption. We invested in developing a new IP, which is for Configure Price and Quote, which is very important for certain segment of customers. This quarter, we were also able to convert a couple of SAP customers over to Microsoft Solutions. And, as we just discussed, we remain in the leadership league in the region.

If we look at the international business, it has been showing steady traction. We have a healthy pipeline but experienced longer decision-making cycles during the last quarter. In fact, since the beginning of this year, this has impacted us a little and, in this quarter, we saw some deals slipping to the next quarter, which has resulted in lower than usual number of customer adds in this quarter. The service revenue has remained identical to what we had in Q1. We have seen significant interest in the areas of data engineering and AI, with Microsoft Fabric, Copilot and AI Foundry and these are part of most of our customer conversations.

Our sales cycles have also been prolonged because some of the customers that we have been engaged with are actually mid-market; they are significant size. Additionally, the overall global macroeconomic sentiment has been a little bit sober, which has resulted

in longer decision making internationally, which has basically shifted some deals to Q3.

Overall, from a strategic alignment point of view, we are now spending more effort on increasing business from mid-market customers. We are investing significantly in embedding AI capabilities in all of our offerings. We believe that the whole scenario will completely change in the next two to three years. And we are currently investing in aligning ourselves with how we expect the markets and the customer requirements to change over this period of time. There's an enhanced focus on productization of solutions and services, which means not just building IP, but even the services that we have been providing are getting productized, so they become easier to consume for customers, particularly in the SMB segment. This reflects how the market and the needs of the customers are going to change. And we are currently prepping ourselves to be ready for that.

The business model itself remains the same. Our solutions are still mission critical for businesses. They are IP-led. We possess deep domain knowledge. We have a significant geographical spread, and we try and keep strengthening our presence there. Our delivery model continues to be project-based. 95% of contracts are directly with end customers. Our engagements are consulting-led, and we have a high customer stickiness. The alignment with Microsoft is, obviously, extremely important.

If you want to look at our services revenue, this is how it looks. The Americas contribute nearly 60%. However, if you look at the overall business, which means the product and the services together, then India comprises approximately 45% of the revenue, and international was 55% all geographies put together. But from a services point of view, and we show services because the margins of services are very important for us, and Americas comprise of nearly 60%, but you will see that all the percentages are roughly the same across all the regions, with very, very small differences. The Middle East has grown a little bit. Africa this quarter has been slightly down but broadly remains in the same range.

In this quarter, if you see our revenue from the top five customers has been very marginally less than what it was in the last quarter, but significantly lower than what it was in the same quarter last year, which is actually a good thing. The same is true for the top 10 customers. In this quarter, we added six domestic (Indian) customers, and we had three new customer adds from the international markets.

This is the spread of revenue from different industries. We had 35% coming from professional services, 15% manufacturing, 10% retail, 9% from green energy and EPC, 7% food and beverages, 6% financial services, 5% trade and distribution, 5% digital natives, 4% education and 3% from travel. Our growth drivers still remain the same, just that the products themselves are changing because of the infusion of AI, and we are doing everything that is necessary to align our offerings and our delivery models with that. We are using AI to gain internal productivity as well. Some good amount of work now gets done through AI, but that's what our customers also want, so we are aligning our offerings accordingly.

Other things are - how you have known them, and I would probably not spend time on this because not much has changed here. Our basic offerings stay around the digital core modernization, enterprise applications, process optimization, system integration, data and AI, and change management.

We are a full-stack Microsoft partner, going across Microsoft 365, Dynamics 365, data engineering and AI, and everything that sits on the cloud practically. We have the same Board of Directors, no change here. If you look at the annual statements, our CAGR on income side was 24%, EBITDA CAGR 34%, for the last five years, and 36% CAGR is on the net profit. All these are already available at the exchange and also, I think, on our website now, but yeah, happy to close this presentation and open up for conversation.

Moderator:

Thanks Sir. All those who wish to ask a question may use the option of raise hand, and we'll invite you to ask the questions. We'll take our first question from Divy Agrawal. Divy, please go ahead.

Divy Agrawal:

Hi Sir. Thanks for taking my question. I hope I'm audible.

Dr. Ajay Mian:

Yes, yes, you are.

Divy Agrawal:

Yeah, thanks, sir. So, a couple of questions from my side, sir. Firstly, while there is uncertainty in the IT business, it shouldn't impact us because there is no adverse impact from the H-1B visa issue, right? Secondly, the breakup of industries served as of H1 FY'26 shows that the manufacturing and trading and distribution together contribute around 20% of our revenues -- tariffs, whereas the other segment should continue growing at a normal run rate. And thirdly, AI adoption is not

a business threat, but rather an opportunity for us. So in light of these three factors, why does our growth still appear to be tepid?

Dr. Ajay Mian:

Sure. You're right. I mean, H-1B visa issue doesn't impact us. Our model is such that we do have some people who are from sales and pre-sales side, as well as the project engagement and project management side, based on site in international locations. But the primary delivery model is from India, and that doesn't change. So, H-1 visas don't impact us.

What does slow down the process sometimes is, if the overall macroeconomic situation is such that people are taking longer to make big investment decisions, which has been the case, since the beginning of this year that starts to impact. Which basically means that if somebody has to, let's say, if it is an SMB company who has to invest, let's say, \$200,000 on a modernization project, they also consider their business momentum. Their business momentum would get impacted if there is change in tariff, if there is war or such situations. So our business doesn't get impacted by H-1B Visas, but our business would get impacted if the overall business sentiment softens. So that is the reason, not the other things. And what was the other question? You had a second part of the question.

Divy Agrawal:

Yeah, just a second, sir. So, I mean, so macroeconomic situation might be delayed, but the revenue share slide for Alletec says it's only 20% in manufacturing related revenues, right? So just wanted to understand that.

Dr. Ajay Mian:

I missed it. Rajiv, if you heard the question.

Rajiv Tyagi:

While manufacturing business per se may not be, impacted and it is growing- for our customers, which are in different geographies, it could be that some deals might have been pushed. But overall, the business is not impacted by the visa issue. There is, however, some impact in the international because of the uncertainty and the decision making.

Regarding the AI part, you were right. AI is not going to impact our growth or revenues. At the same time, among SMBs and the mid-market, though the traction in terms of finding out what AI can do and what it will, which processes will get impacted and whatnot, there's a much larger traction and inquiries regarding that, but that has still not translated into the revenue stream. And we feel it will still take a few quarters by which the revenue stream will get built on the AI offerings.

While the basic ERP, CRM, they all continue, but it will take some more time before the revenue streams get established on the AI front.

Divy Agrawal: Right. I got it.

Dr. Ajay Mian: So just to add to that, as I mentioned, we see our pipeline remains strong. Because the decision-making is taking longer, something that would have taken, let's say three months to close may now take six months in the present situation. The revenue or deal closure simply shifts, which may appear as a little bit of an underachievement in one quarter, but will likely get covered in subsequent quarters — not necessarily the immediate next quarter, but definitely in the following ones.. On our side, as I just mentioned in India, for example, we have seen a better momentum in this quarter than in previous one. Internationally, though we saw some deals shifting and you have one, two or three deals going from one quarter to another quarter, and it just starts to show up in the numbers.

Divy Agrawal: Got it. So when do you foresee the growth momentum to return in that case? So does that mean second half, you see much higher growth? How about the overall year, I mean, for FY'26? Usually, we have been growing at 25% revenue growth.

Dr. Ajay Mian: Yeah, so clearly, I would say it's hard for anybody to say that it'll be like 5% or 7% or 10% or 2%, given the current situation. We can only say from the point of view of the business momentum that we see. For example, in this quarter, some of the deals that we were working on have been closed, but they will now come up in this quarter's numbers.

But then this quarter is also the quarter of Christmas and New Year, and things do slowdown in the West during this period. But we see only from the point of view of where the overall business is moving, and we can see that those conversations are shifting. People are no longer asking for what you were offering, let's say a year back, or a year and a half back. People were looking for just ERP system. Now people are saying that, how much of AI enablement can you do for us.

So we are not in the business of providing skills or people, we are in the business of enabling our customer to leverage technology to build their businesses for the modern times. And that is where we have to adapt and we have to help our customers adapt. This may not happen in one quarter or even in two quarters. But the important thing is, are we changing? Yes. Are we seeing those changes in the market? And the answer is yes. So this period, which could be two or three quarters is a

time when things are fundamentally transforming. When I say “fundamentally transforming”, I mean that certain avenues of revenue, which in the past brought a good amount of growth, are now diminishing because of AI, but new opportunities have opened up.

So, we have to do different things for the same customers in order to stay relevant- that is what we are investing in. That is where the markets are going. And that is where we will be on in the leader front. It wasn't -- if it wasn't for that, we wouldn't have been recognized as a Microsoft Inner Circle Partner again this year. That alone shows that we remain head and shoulders above what's happening in the ecosystem, despite the slight dip you might see in the numbers.

Divy Agrawal: Right, right. Got the point. Also, it's reassuring that India is growing. So this also means that the share of India will be higher, which means the margins might come down. So, what is the revised margin range on the company level, you might want to share at this stage for the next 12 to 18 months?

Dr. Ajay Mian: So let me also add -there is another aspect to this. When you look at these numbers, where have the numbers actually gone down? The numbers in this quarter have come down a little bit on the product side. When you look at the services side, the international services in this quarter have remained the same as they were in the last quarter. But the decline, and if you look at our financial statements, you will see the amount towards the product purchase is lower than in the last quarter and in the same quarter last year.

So that is where the numbers get impacted. And this is also the reason why despite our overall numbers appearing to have come down, the profits have actually moved up a little bit.

Divy Agrawal: Right. So you maintain your guidance?

Dr. Ajay Mian: Guidance on what?

Divy Agrawal: On the margins front.

Dr. Ajay Mian: You see, this is something which has so many parameters in it, right? It is not possible to take into account all the parameters and solve an equation. It's a factor of Microsoft margins, and also of the competitive deals that we get. Now within Microsoft also, when you engage in some very, very large accounts, and there are some very large accounts that we engage in, sometimes their license revenue doesn't flow through us

because in those large accounts, the licensing is done under an enterprise agreement with Microsoft. So that top line wouldn't add to us.

For example, one of the reasons - we spoke of a large deal that we closed in Saudi Arabia; it's a large deal and the licensing happening directly from Microsoft. If that had gone through us, it would have cleanly wiped out more than INR 2 crores of the deficit that you might currently see. So there are many factors that play a role in this. So we have to look at the whole situation holistically. The number that you see in this quarter last year, from a profitability point of view that is what we target. It may go a little bit up, it may go a little bit down, but broadly it has to stay like that.

Divy Agrawal:

Sure. Lastly, just wanted to know, sir, on the other income side. So, this quarter appears to be elevated at INR 3.8 crores, which implies roughly an 11% yield on the cash balance of about INR 139 crores. So could you please clarify if this includes any one-off or non-recurring items?

Dr. Ajay Mian:

Yeah, sure. So, this quarter, the one thing that you see in other income is the fluctuation from Forex. So those components have been added here because we had to do an H1. So that is when those adjustments are done. Last year, we had all of those adjustments coming in the final quarter. But this year, we had to bring it also and did it in the first quarter. But Sandeep Jain may have something to add to what I just said.

Sandeep Jain:

Yeah, so you have rightly explained. The other income comprises of mainly the foreign exchange fluctuation.

Divy Agrawal:

So how much was it, sir? Can you quantify it?

Sandeep Jain:

You want the break-up?

Divy Agrawal:

Yeah, yeah, the break-up.

Sandeep Jain:

So, out of total other income INR 378 lakhs, interest is INR 254 lakhs and gain on foreign exchange is INR 120 lakhs.

Divy Agrawal:

INR 120 Lakhs. Okay. Okay. Sure, sir. Any update on the acquisition? As we still mentioned -- as we have mentioned about the inorganic growth as a lever for growth?

Dr. Ajay Mian:

Yeah. So as I've always been saying, this is a constant work in progress. We haven't signed anything yet. If you ask me today, we are at a very serious level of conversation with one company. But before we really do something, it's inappropriate for me to give any guidance on that.

Divy Agrawal:

Right. Got your point, sir. Thanks. Thanks a lot and all the best.

Dr. Ajay Mian:

Thank you.

Moderator:

Thanks, Divy. We'll take the next question from Sid. Sid, you can go ahead.

Sid:

Good evening, sir. Sir I have three questions. So I believe a lot of uncertainty is coming from U.S. and how the macroeconomic scenario is going on. We are also hearing about a HIRE Act being presented in U.S., which levies 25% tax on outsourcing of technology and consultancy. So is it a threat for us in any way, if it gets passed in the parliament in U.S.?

Dr. Ajay Mian:

Well, we are yet to fully have details of what you are mentioning. But in any case, we don't bring in people in large numbers to the U.S. But if there is some kind of a tax imposed on outsourcing or getting services from other countries or even internally, we will be as much impacted as anybody else in the world who provides IT services or solutions. But the advantage that we have, of course is that we are able to adapt quickly because we have local operations, India operations, and people on the ground in many of these countries. But those number of people is not massive. We have just the minimum number of people needed. So we are able to therefore keep our costs under control. And we don't fully understand what will happen until that thing is clear. It's hard for us to say what will happen in the future.

Sid:

Got it, sir. And my second and third question are related to the cybersecurity developments that you mentioned two quarters back. So can you give some updates on how are we developing? What's the traction on that and any other new business verticals that we may have added in the past?

Dr. Ajay Mian:

Absolutely. So the work on the cybersecurity side has been picking up gradually. We haven't mentioned about it because there are so many other things as well, which are being worked upon. Sandeep Salman has been looking at this area. He has picked up some new business in that area. He also has now some team who's looking at this area. But Sandeep, you want to add something?

Sandeep Salman:

Yeah, I'd like to add a couple of things that we have started by putting the team in place. So the team is in place now. So we've closed a couple of small deals. This is more to do with Microsoft Security Solutions, and we'll be deploying some of the solutions there. However, yes, the practice has started. We have also moved ahead with SOC 2 compliance. and in probably the next six weeks, we'll have SOC 2 certification in place, which gives us the ability to provide solutions and services to people who are looking for companies who have 27,000 and SOC 2 compliance. The sales, technology and pre-sales teams are in place now. We have started going to the market.

Sid:

Thank you. Thank you for the developments. And my last question is regarding, Ajay sir, you mentioned that in two to three years' time, you are looking at a broad level of how AI will impact and how the IT services in general will change in the next two to three years of time. So can you give me some colour on that of how AI will be impacting the IT services and how the landscape is changing in particularly our business? And do we have a strategy of where we want to go in the next two to three years?

Dr. Ajay Mian:

Yeah, absolutely. I mean, I'm not going to say anything which is any differently insightful than what you may be able to read (from other public sources). It's just that we see this not just from newspapers, magazines or articles, but also happening with our customers. So particularly now under the present situation where businesses are feeling cost pressures, tariff pressures, and pressures because of other macroeconomic situations like war, people are trying to understand how to do more with less. And that is where they think about AI. If you look at how, and if we just focus on what's happening within the Microsoft domain, though there are things happening outside Microsoft domain as well, but within Microsoft domain with AI now being part of every product, the first question that comes to everybody's mind is which activities that were earlier being done manually can now be automated?

Now automation not only means lower costs, it also means higher predictability. So simple things, for example, it may appear very small, but one job for a lot of people in organization used to be just entering invoices. So you receive invoices, for example, on email or through something else, and you enter those invoices in the system. And now we are – (and systems are talking about) building AI agents which will pick these invoices from wherever they have come and directly put it in your system, do the needed level of reconciliation from your purchase

orders, and then put them in the system, in some cases even approve them as needed.

And in a similar fashion, any other area of business as well, be it in manufacturing or your other general operations services, everything is getting impacted by the level of automation that AI brings, the speed at which it happens. The level of automation basically brings a higher level of customer engagement also. So every aspect is being used and the limitation today now is for businesses and consulting companies like us to imagine what can be done with what technology is already available. Rajiv, you want to add something?

Rajiv Tyagi:

Yeah, I'd like to add two more points to this. We have been adapting and training our staff on AI. And we are seeing - measurable returns because of the AI in the efficiency. So this is now impacting all processes.

What I'm saying, it is not that we are just using it to write the code, whether it is pre-sales, whether it is the complete software development process and delivery process- we are seeing advantages of AI in each area. So I feel that in the next few quarters, we will mature enough to take it to a broad level within the organization. And this is what is also giving us exact use cases and processes and methodologies, which will be applicable for our customers also. And they'll also have to go through the same cycle.

So our customers are also going to benefit in the same way. Plus, what we have done is we are also constantly modernizing all of our existing vertical solutions. I know you asked, we have not really entered into a new vertical, but all our vertical solutions are kind of -- every vertical solution we are working on a version 2.0 to bring in all the AI capabilities into the product and make it ready. And also see and ensure that we get a better slice on the IP revenue, because that will help to increase the margins as well.

So strategically, we'll see more and more that we are increasing more of the IP side, both by productizing the services as well as the solutions.

Sid:

Thank you, sir. One last question. So we are seeing that -- in India, we are seeing that government is pushing for indigenization of products. Example Zoho Mail. RBI is also pushing up for indigenization of the software, data localization, and all of these things. So since we are a Microsoft implementation partner, does it position us as somewhat in a

negative position since we are using external software like Microsoft and it's not indigenized? So is it a negative for us?

Dr. Ajay Mian:

No, I don't think there is any such bias -- I mean, the world is -- the borders are open for trade and borders are open to bring in the best. So it's not maze, whether it was grown in the U.S. or it was grown in India. Unless you use the best of the technology, how are you going to do more things? So from that point of view Microsoft has large India operations, a lot of software development work happens in India, the products which are used by people worldwide, a large part of that development work that gets done from India. So there is no way that anything like what you are just saying is ever going to happen.

If people don't bring in best of the technology and the best of the leadership and from anywhere in the world, how will we grow? And if something comes up locally, it's a great thing, but that's competition. For example, if you look at the Microsoft ERP today, the Microsoft ERP, which goes by the name of Dynamics 365 Business Central, parts of that product have actually been developed by us over years. So when, we are developing those products, and we as a company are deeply entrenched into that area, it has our contribution as much as it has contribution from people in Europe or the U.S.

Sid:

Got it. Thank you, sir.

Moderator

Thanks, Sid. We'll take the next question from Kumar Saurabh. Kumar Saurabh, you can go ahead please.

Kumar Saurabh

Yeah. Sir, so there are two reasons we see for the current growth slowdown. First is the slowness in the decision making, you said, because of the macroeconomic scenarios. And second is the AI disruption which is happening. These two reasons are very different. One looks at temporary pause, because maybe one quarter, two quarter down the line, things will improve. But the second one is very much structural, which can say that some companies may not grow in future versus some companies who adapt, they will grow. So my question is more around how much you see -- if I can ask what percentage of your revenue is structurally getting challenged by AI. That is one question I have. Because the first reason, as investors, we all have patience. But the second reason, what gives us confidence that this disruption we will be able to manage it well, and we will be able to grow? That is one question.

And the second question is, again, not about the growth slowing down, but the volatility of growth. Like last year, we were growing -- the big IT companies are growing at 8%, 9% -- we were growing at 20%. And now if they are growing at 4%, 5%, we have almost flattened. So our volatility in good times was much higher than them. But in bad times, it is getting much lower than them. So what is the reason behind this kind of high volatility, both on the good side and the bad side? These are the two questions I have.

Dr. Ajay Mian:

Sure. So on the first question, actually, the second point that you mentioned is not accurate. So AI is not impacting our business. In fact, AI is an opportunity. So the factor that we spoke of were definitely the overall macroeconomic situations, which have resulted in some delays in decision making. But AI is something which everyone, be it in the SMB segment, or the mid-market segment, and large segment, they all need to gear up with it. And that is an opportunity for us. But those decisions may be taking longer. People want to do PoCs, they want to test the waters first, they don't want to go all out unless they are really sure.

But we never said that AI is disrupting us. It is not. It is bringing in productivity gains, it may be causing disruptions in the way certain things are being done. So if we don't change, which we are, then clearly, we will not be able to compete in the market. But that's what we said that AI is changing things as they were getting done. And we are constantly working and adapting to those changes and helping our customers to adapt to them.

Rajiv Tyagi:

Can I add one point here? So Kumar, you'll notice that data plays a very important role. AI cannot work without data. Hence, having the right systems in place, which are producing meaningful data will become critical-data engineering, having the systems in place, that is not going away anywhere. As Ajay was mentioning, it is only certain things which would have been done, there will be a different level of efficiency. Because of the AI, digital employees will become part of the team. So those kinds of things, which will bring more advisory and more consulting opportunities as well. So AI is going to supplement and actually catalyse this revenue growth, not retard it.

Kumar Saurabh

Great, sir. So then should we consider this more as a temporary pause, which will again, the growth will come back after a few quarters?

Dr. Ajay Mian:

Yeah, I mean, absolutely. And you see, when you talk of in terms of the large companies growing at a certain percentage, we're growing at a

different percentage. As we mentioned, there are -- these two factors do play a role. At the revenue size that we are in, you have a certain number of deals. And for longer decision making, if some deal gets pushed to one or two quarters, or becomes uncertain, it will impact revenue for those quarters.

But the way we look at the health of the business is that what is the engagement with customers and prospects? What is the pipeline? So as long as that stays healthy, we are not worried. The second thing, of course, is, as I just mentioned, when you engage with an enterprise size customer, sometimes their product licensing gets done directly by Microsoft or through a large account reseller of Microsoft. So there, it doesn't come to our top line, even if we are the ones who have been instrumental in providing the solution to them. So these are parts of the business structure, how it is. Sometimes it does impact us, but it's not something that we are concerned about.

Kumar Saurabh

Sure, sure. And sir we know the macros are not in our hand. But based on all the initiatives we have taken around cybersecurity, some geographical growth rate, and investing in AI, tentatively, when you see again, growth coming back, keeping the macros aside, consider the worst-case scenario and still?

Dr. Ajay Mian:

I would say two quarters.

Kumar Saurabh

Okay, great, great.

Dr. Ajay Mian:

Unless something new happens. It could be earlier. Otherwise, it may take another one or two quarters.

Kumar Saurabh

Sure, sure, sir. Wish you all the best. Thank you.

Dr. Ajay Mian:

Thank you.

Moderator

Thanks, Saurabh. We'll take the next question from Natasha Singh. Natasha, you can go ahead, please.

Natasha Singh

Thank you so much for the opportunity. I have a question on EBITDA margin side. So basically, in Q2, it was approximately 28%. So how should we take this sustainability of margin going forward? And can you just brief about what will be the key drivers shift forward towards it? And anything you are structurally banding towards targeting FY'27?

Dr. Ajay Mian:

It's very simple. Natasha, our business has two components, services and products. Looking from another dimension, it is domestic and international. Of the four, the highest margin is from international services. So when that component grows or stays as a healthy percentage of the overall revenue, we will have positive impact on the overall margins. As you just saw from our services business, our international services are a substantial part of our overall services. And we continue to focus on it. So in that split lies the answer to your question. Ritu, you want to add anything there?

Ritu Sood:

I think you gave the right explanation. That is how it is. And I just wanted to make one point because there were conversations around tariffs and other factors. But one other point we need to notice and observe is that while there are many businesses in America who import from, say, China and other geographies where the tariffs have increased. So as a result of that impact on those businesses they have delayed some of the decisions to next quarters and so on. So that point also needs to be observed and taken into cognizance.

Natasha Singh

Okay, ma'am. Thank you so much. Ma'am, I have one more question on international business side as we have seen a healthy pipeline. So can you just make us understand how the current conversion cycle timeline and what gives you the confidence by the closure in H2 as well?

Ritu Sood:

Yeah, So the one thing that gives us the confidence is that while we are now sitting in November, and we are talking about the last quarter, in the last about a month itself, we have actually closed a couple of deals from Americas. So the momentum continues. We are still working on more to be closed from Americas and other geographies. And definitely the slowness that we saw in the last quarter, we should be able to make up for it in the next quarter or two.

Dr. Ajay Mian:

While you say that, Ritu, I also want to mention that some of these projects may not really start full steam this quarter, because while we are now on the 10th of November, people do think of the upcoming holiday season and so on. And they do think whether they should start an important project now around this time, or they should wait for the next quarter when people are back from their vacation. So this also does impact. So while those projects that Ritu just mentioned about are closed, signed, but not necessarily initiated.

Natasha Singh

Okay, sir, got it. Thank you so much. I wish you all the best, sir.

Dr. Ajay Mian:

Thank you.

Ritu Sood: Thank you.

Moderator We'll take the next question from Salil Chitale. Salil, you can go ahead, please.

Salil Chitale: Yeah, Sir I wanted to ask in the presentation, it is mentioned mid-market customers. So exactly what do you consider mid-market customers?

Dr. Ajay Mian: So, if you look at the nomenclature, so SMB customers are typically customers who are in the range of, let's say, \$25 million to \$50 million. But when you talk beyond \$50 million, they become the mid-market customers. And this could be \$50 million to \$1 billion. They are all mid-market customers.

Salil Chitale: Okay, so there's an improvement in the customer from SMB to SMC, the focus.

Dr. Ajay Mian: What we are saying is that we have -- our number of engagements with the larger customers, we are on purpose trying to push that a little bit and we have seen that shift happening. But these accounts also take longer to close.

Salil Chitale: Okay.

Dr. Ajay Mian: Because these are large organizations, the decision making is not with just one or two people. The decision making is with a body or a committee and they have their process and they would invite multiple people and it's a longer decision-making cycle. But when you close those decisions, those accounts, those projects, the value of the project may also be larger.

Salil Chitale: Yeah. Okay, thank you. I have two more questions. Contact centre offerings, they had started, so how is that picking up?

Ritu Sood: Yes, so on the contact centre side, we are on the verge of going live for a Canadian customer in this month itself. In addition to that, we have many opportunities where customers are interested on the contact centre side. One other aspect I want to bring forward is that since contact centre is a new application, so definitely the adoption of that will take time in the market. And we are closely working with Microsoft as well to iron out any teething issues or problems in the functionality or product itself. But as I mentioned, the Canada project will go live this

month and then we have many others in the pipeline for us on the contact centre and CRM side.

Salil Chitale: Okay, thank you. And just the last question, is there any new offering or any new geographical area that are -- product offering or new geographies?

Dr. Ajay Mian: Well, there isn't a geographic area that we have either added or have decided to add in the next quarter. Because the Middle East is just setting up, Africa is strengthening. So we need to make sure that those two are coming up well before we go to invest in yet another geography.

Salil Chitale: Okay. Thank you, sir.

Moderator Sir, we'll take the follow up question from Kumar Saurabh. Saurabh, you can go ahead, please.

Kumar Saurabh Yeah. So, sir, currently, if we look at the cash on the book, it is almost one third of our market cap. I know we have been trying for acquisition, but again, you will know at what stage we are. But are we looking at any kind of buybacks and all given our cash on the book is very high with respect to the market cap?

Dr. Ajay Mian: Well, at the moment, we are not, because this money is parked for certain purpose. And only just because we haven't seen that happen yet (doesn't mean that objective no longer exists), you have to be also careful. Otherwise, spending money is not hard. But we have kept that money for certain purpose. It's easy to take money out of the company. We will, for now at least, keep the money for meeting that purpose.

Kumar Saurabh Sure, sir. Sure, thanks.

Dr. Ajay Mian: Thank you.

Moderator Anybody wishes to ask the question may use the option of raise hand. Sir, since there are no further questions, would you like to give any closing comments?

Dr. Ajay Mian: Yeah, sure. So again, thank you everyone who took time to speak to us this evening. All I can say is that times are changing, not only from a macroeconomic point of view, but also on the technology front. Businesses still need the system that we work in. These are mission-critical systems for them. But how these systems work and what they

need to do with those systems is also changing. And these are the changes which are being brought in by AI.

Data becomes important. And all of these are things that we are working on ... and we are aligning ourselves with all the changes that are happening on these fronts. So the momentum continues. We have good traction from customers. We have good traction in the market. And we are pretty upbeat about how the business will be in the coming few quarters. Thank you very much.

Moderator Thank you, sir. Thank you to the management team for your valuable time. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.

Dr. Ajay Mian: Thank you.