Management Discussion

Unidentified Speaker - Unidentified Speaker, Exato Technologies Ltd.
Hey, good evening everyone. Thank you so much for your time. Siddhi, am I audible?

Operator
Oh yes sir, you're audible.

Unidentified Speaker - Unidentified Speaker, Exato Technologies Ltd.
Okay, good afternoon.

Operator
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 2nd 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.

Murli Dharan, 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.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
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. Murli, 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. Uh, 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 3 large customers globally, and there is a big opportunity discussion going on, not only on AI as a Service side but Infrastructure as a Service side, which again eventually we will share in, 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, uh, which we are going to talk about. Apart from this, there has been a decent growth and, uh, on revenue as well as very, uh, good growth on PAT side as well.

So let me present to you the Q2 and H1, uh, FY27 highlights, uh, to you people. Dinesh, you can go to next slide. So for those of you, uh, who have joined first time and was not there on call, so let me introduce Exato to you. Uh, so we are a 10+ year old organization. We having 150+ customers, 120+ engineers. Our total team strength is reaching now 150, almost serving all the industries, close to 10+ countries. We are serving from India wherein we are- we have 4 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. So very good customer retention because we are in an industry wherein we work with customers 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+ agents enabled. And the order book has increased to Rs 681 crore, 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+ years of experience and MBA and B.Tech. Next slide. Again, as a part of board of directors, Abhijeet is non-executive director. He's an LLB. Then we got Mr., uh, uh, Milind Godebole as one of our esteemed directors. Uh, the idea of having Dr. Godebole was, uh, Dr.

Godebole had, uh, been in several leadership roles in several companies, and, uh, he was one of the guys who was instrumental in, uh, scaling, uh, GEP's BPO from 12 million to 230 million. And this is something we are learning from him through his experience and also through his, uh, a vast network in the industry. Uh, we are privileged to have Dr. Gourbhole as one of our non-executive, non-independent directors. Uh, as a part of our growing international expansion plan, Dr. Gourbhole has been quite helpful with their guidance.

And then other 2 gentlemen- Dr. Omkar Rao is also a very esteemed name. He was chairman of STPI and then also Startup, uh, Odisha. So wherein, uh, he worked with several startups. So with his experience also, we are able to leverage and use it in our business day to day. And he's also being an independent director overseeing our other aspects of business, which is primarily from an independent view. And then Vijay Kumar Tiagi, he was primarily from BFSI domain, and wherein he spent 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. Murli is also on this call as a Chief AI Officer. Murli joins from TCS where he was CTO at TCS.

So with Murli, 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 Murli talk about how he's shaping up our business practice in subsequent discussion. Dinesh joins us from Oracle and he's leading our global business development. Hasan is our CFO and Geeta is our company secretary. A very strategic leadership addition in terms of Abhijeet. I will just take 30 or 40 seconds to introduce Abhijeet. Abhijeet in detail and what was our thought process.

So Abhijeet joins us as the Chief Technology and Growth Officer. So you might think that it's a combination of 2 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 Abhijeet who had worked in customer side and who has also extensive experience on CX and AI side, something which is very, very relevant to our industry. He had done several roles at IDFC Bank, Kotak Mahindra, and his last stint was with an agentic AI platform called Core.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. So 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 will be 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 24/7 as we are talking about building more and more international operations. So Abhijeet has done this in his multiple roles in banking as well as his last stint at Core.ai. So with respect to our current partnership, Abhijeet will be a great value add. And as we expand in international market, So Abhijeet's role is going to help us in terms of leading the stronger GTM and delivery in those markets.

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.

Gopinath Bailur - Chief Operating Officer, Exato Technologies Ltd.
Thanks a lot, Appuorv. Good evening, everyone. So on the core business offerings, as I tie up on 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, uh, in, in our, 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, many products which are coming in the market now.

We, we see every 6 months a new startup is coming and then floating, right? But who will implement it? How will implement it? How do we make sure customer understands it and then we deploy it? See, that is where we are, we are scaling really well. We are sharpening our focus extremely on our AI and CX story. So, uh, 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, uh, portion of the solution for, uh, how do I do certain AI stuff for the customer, but how well we do it, what is the ROI, and how we are, uh, designed to make them much better from a deployment standpoint and driving adoption, right?

So that is working out very well for us. So that's one. And unified communication is there, it is changing, and it is, uh, it is taking a new rhythm in terms of how it has to be modified. So, and it is also integrated with your voice messaging, video solutions. So we are building an integrated solution there, right? So now our AI infrastructure, it has complemented us really, really well in terms of how we are progressing. Uh, it is into building our own sovereign clouds, uh, into the market, uh, 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, right? So it's an end-to-end positioning which is helping us in terms of capturing more opportunities within the customer segment. The, the 4th one is our IP what we are developing. We are calling it as Exato IQ. This is all about set of products that we are developing as IPs, which we are finding it as gaps in the OEM world, right? So 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, uh, marketplace and OEM marketplace which can be visible to all other customers how we are stitching the solution. So that's our, uh, IP play. And combined with that cloud ERP, we partnered with- last time we, we talked about Acumatica is 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, that's an objective. I would like now Mr. Murli to double-click on the AI infrastructure. Murli, over to you.

Muralidharan - Chief AI Officer, Exato Technologies Ltd.
Thank you, Gopi. Good afternoon all. For the benefit of those of you tuning in first time, my name is Murli Dharan. I was the Chief Technology Officer for and Head of Engineering for Cloud and CX in TCS. Joined with Exato recently. And during the last, you know, few months, focused investments in AI. One of the- as 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 AI CopyG, which was launched by NICE in India. And I was part of the speaker there and the key speaker in one of the, one of the, in the opening event. Uh, so that being said about the AI, uh, the AI part of it, when coming to AI infrastructure, we have also made significant investments in AI infrastructure. And, and as Appuorv mentioned earlier, as some of the closures happened in the past few 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 a 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. However, 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 has created and 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 is 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 infrastructure, AI infrastructure. They leverage as-a-service model for leveraging LLMs. And looking at the current costs of the, you know, hyperscalers The GPU as a service is a very, very high demand service from 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 as a service, we put the full stack of bringing, running in OpenVATE models on the LLMs. We have actually launched, you know, the first one we have launched is the

AMD MI350P processor where we'll be providing about 1,000 GPUs. And subsequently, we are also planning to do the NVIDIA H100 as well. So the infrastructure as a service with starting with GPU as a service is a very, very, 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 production, 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 with the model and such models with the PE. 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 Apoorv to take it forward.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Thanks, Murli. Nikhil Dinesh. Okay, so thanks, Murli 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, ExaPhone. So this was launched 7 months prior to what we have anticipated. We have been building this product since last 2 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 2 years back, we started working on ExaPhone. So we launched ExaPhone 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 can, which has fastened this. Now the best part is we already have 40 opportunities in pipeline for this Exaphone and we already closed 3 deals. So we expect that this IP will be a game changer for us and we see a significant market. Now, not only 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 some 3 key names have already been added and as a part of our customer logo and other Another 40 opportunities are in pipeline. So 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 Cloud Partner Network. There are very limited partners who got this cloud certificate. There could be the biggies like TCS, Infosys, Accenture, but in our segment, there are very limited partners. So we got a cloud certified partner certification and we started this thought process and action almost 6 months back. It took 6 months. We have 15 people certified on Anthropic Cloud 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 of a very major milestone which we have achieved in last quarter, in Q2.

Marquee clients, Gopi, would you like to take it?

Gopinath Bailur - Chief Operating Officer, Exato Technologies Ltd.
Yeah. So Additionally, when I connected with the offerings and then you looked into what other new, um, areas, Hexaphone and other things which have come up, our, our acquisition strategy has worked out in line with what we are expecting, and then it's much more as well, right? So, uh, the BFSI, we are staying a really big part now replicating BFSI, BPO, and ITIS into the, the North America region is our core focus now. We are building our- or rather, we are double-clicking on leveraging some of these experiences.

We have already had the APAC and UK, uh, or rather UK-Europe market covered as much as possible. Now we are, we are going to go after the, the US market and then make our strength there. Now towards that, the technology partnerships that we have aligned In addition to what the nice and AWS, Akumatica, what we had, we had bought in Amplify.ai and Claude as well. I mean, we are certified now with about 10 people available on Claude to take it to the market. So now we were already doing, you know, partnerships and some POCs, and we want to scale that high.

So moving to the next slide. So the the continuous sectors we serve keeps us in the momentum. Um, we know, we, we, I mean, as you also see, banking and healthcare, uh, is, is really growing the adoption of AI. But we need to be really, 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, right? So those things that we are evaluating very carefully, and with our consulting-led approach what we follow, uh, we- it is helping us in, in identifying that.

And we are expanding further into the retail, and, uh, BPO space is always there. I mean, while enterprise customer can be straight for us from a banking standpoint, but when you play with the BPO and KPO it provides us, you know, plethora of customers or different variations of customers that we need to serve for, and the, the needs of them will be a little different than the enterprise customers directly. So, uh, we are leveraging those things, becoming a services arm and becoming a, you know, uh, direct deployment arm, and then the consulting story.

It is helping us all well, uh, to acquire more customers. So So our, 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.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Thanks, Gopi, uh, for covering this, the customer. And since you are more engaged with customer on the delivery side, so that gives a better perspective. Uh, so this is our strategic growth roadmap. We have been discussing, uh, on this and The team, the leadership team addition is also, we have planned and some of them has started happening. So elevation of Gopi as the Chief Operating Officer, the idea was very clear that Gopi got extensive experience in product development as well as in delivery and now with customer relation also.

Bringing Murli on board as the 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 Murli, Gopi, and everyone. Then we have our CRO, Naveen, and then we also got Abhijeet 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 will 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. A 24/7 support center will be required as well as delivery is required. We are also looking at more and more partnerships, 3 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 to 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 very good work here in APAC region. Now, new client acquisition across global markets. So all of 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 taking, 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 we 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 ExaPhone. So with this IP, again, we plan to have more and more customers added and therein we can try to push more for our consulting and services because our primary thought process is how we can leverage more, add more customers. AI AI-led innovation platform. So I 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 2 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 Abhijeet as the Chief Technology and Growth Officer is a sign that we understand how market is evolving. A person who has worked extensively almost out of 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 mode, I have been hearing this from so many people. What is the one, what are the unique things, why you and not anyone can, how Exato is strengthened, why 97% customer retention. So I wanted to address this in this thing because I've been talking to a few people. See, first of all is we own the customer. So I talked about 150+ clients, 97% customer retention. We own the customer, we own the relationship, we work with them in their customer journey.

So from starting, from recording the transaction and then also analytics on top of it and also then understanding that why the reason they are calling or resolving their call in first call itself. So, 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, we have 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 also. 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 HPE 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 2 deals with other IPs as well within Q2. And then Exaphone itself, we got 3 customers. I know 2-3 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 3-4 years of time, how IP revenue can contribute at least 25-30%. And we are poised towards that, we are moving towards that. A full-stack enterprise company. So that is what our thought process is, from infrastructure to business outcome. How we have been shaping- what we have seen is while working with the healthcare BPO or while working with a bank, we are only addressing- 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., expanding in infrastructure, sorry, in agentic AI space.

So they are using, they are leasing infrastructure. So why Exato cannot be a player? And we are someone who has integrated this earlier also, and our customers are asking this. So we see a significant opportunity for us. We were leaving deal on table, but now with strategic leadership coming on board, Murli, Abhijeet 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 were leaving the other piece. So we want to now land and expand. We want to expand more. And also with respect to our, uh, IP, the strategy is very clear, which some of the global players have implemented earlier, that position the IP gets a pie of it and construct a business around it. So this is something which we have been doing. In fact, we were- we are successful in doing that. Our order book has increased to Rs 681 crore, and with this, we, uh, we are scaling, uh, our business, uh, with rapid space.

Now, this- the trend is that both CX as a service and AI as a service is growing at a CAGR of, uh, 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. We have been, 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 within 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 right at the right place at the right time and looking at the opportunities. Dinesh, over to you. We can cover this.

Dinesh Singh Slathia - President - Revenue, Marketing & Strategic Alliances, Exato Technologies Ltd.
Thank you, Apu. 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 shifts in our industry. If you look at Mumbai, we discussed how to stay relevant as technology is actually transforming the industry, as the booth said.

And the session actually, which actually included a fireside conversation with Vikrant Masih. And in New Delhi, when the same event, you know, the theme was excellence and resilience with Sinha Naval. We had our booths here. So our booths saw strong interaction with more than 450 attendees. With more than 450 customers joined us through these events alone, honestly telling you that we were really amazed how interested customers were. It actually tells us that the market is ready for actually 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.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Yeah, so I just wanted to emphasize what Dinesh has said. So our biggest partner NICE has launched its flagship platform Cognitia company which they acquired in a billion-dollar acquisition. It's an agentic AI offering and most of the GTM plans are now going forward will be on agentic AI offering. And we are taking this to a wide market. This is something again, which 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. Murli was one of the speakers 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 in India as well as in global geography. So this, some of these marketing events are very key for us and having 400+ customers shows that how successful this was.

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. Like we have, if we compare year on year, it is 40, more than 40% of year on year growth on revenue side from, for the same quarter. EBITDA has grown more than 57%, 58%, close to 58% quarter on quarter, wherein EBITDA margin has grown by 210 basis points. PAT, profit before tax, 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 by 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, the major boost has come from AI as a service, but in coming quarters, as we are about to stitch 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.

Uh, in terms of revenue bifurcation, so if you see, uh, 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, uh, uh, IT/ITS has been the biggest contributor. Uh, again, India, uh, while has been 76% contribution on, uh, revenue side, but, uh, like I mentioned, the international revenue has also been growing. Uh, this is majorly a comparison of, uh, how well we have done with respect to year-on-year growth on revenue side, as well as, uh, quarter-wise, as well as half-yearly-wise.

So half- while on quarter-wise comparison, our revenue has grown 40.23%, uh, half-yearly, same last year, it has grown 44.29%. And if I talk about PAT, which is PAT has also grown from 65.26% on quarter-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 is already there. Uh, for coming quarters as well.

Next time, uh, this is key highlight, already talked about this, but let me summarize this. So Q2 consolidated revenue was Rs 58.85 crore, right? This is up 40% year on year. Half-yearly revenue was Rs 102 crore. So we, we did almost 61% of last year revenue in 6 months and 2 more quarters to go. And traditionally Q4 has been the biggest quarter for us, uh, 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 2 quarters. And our idea of growing 80-90% both on revenue and profitability side is very much intact, and we are eyeing for that growth.

So, so this is what it is, Dinesh. Awards and recognition. So again, we are sweeping all the awards, uh, which we are, uh, on the events and, uh, the categories where we are nominated. So we 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 hardworking and a very committed team who's there, who's talking to customers currently, who's servicing customers currently, all the Exatians.

So kudos to them as well. They are equal, having equal share in, in all this success, and that is how we are growing. I think with this we have concluded the presentation and session. Uh, I would like to request FinPortal team, uh, to let us know, uh, and if there are questions, we shall be very happy to answer this.

Questions & Answers

Operator
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. Bharat Reddy. So please unmute yourself and ask the question.

Bharat Reddy - Analyst
Uh, can you hear me?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Yeah, we can hear you.

Bharat Reddy - Analyst
Uh, yeah, thanks. So can we, uh, talk about the inorganic acquisition that we were 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.?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
So Bharat, in terms of inorganic acquisition, we were evaluating an ERP company. Uh, the idea was to, uh, add, strengthen our ERP business. 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 2 more companies which are into CX and AI domain. Both have India as well as US presence. So we are again evaluating those 2 companies which are the prime target. So we will look at these 2 companies.

One company is also a product company, which is shifting their base to US with Agentic AI. So these 3 companies we are in discussion, but since the ERP thing is not moving forward, we are looking at these 3 companies also focusing more on organic expansion.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
So, so Bharat, I think Exato IQ had a budget of 2 million, uh, if I'm, uh, correct. So, uh, the, the platform is ready, uh, and we have started taking this into expense, uh, while some AI feature and capability still, uh, needs to be added. Because what has happened is when we envisaged this offering 2 years back, uh, 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, uh, in our product.

So we don't need to spend too much on R&D in terms of what customer wants, how, 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, ready to take it to customers. Like I mentioned, 40 opportunities already there, and I think if I'm not wrong, 1.2 crore worth of closure is already done with respect to this product. Now, uh, there's some more feature functionality and AI native, agentic AI feature needs to be added.

The second part is this, uh, this ExaPhone. We are, uh, in advanced level talks with a 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 agentic 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 all the global partner network. So this is how we see. And, uh, to answer you in short, it is close to $2 million what we were eyeing to invest in this product.

Bharat Reddy - Analyst
Okay, so if that deal goes through, what kind of, uh, you know, revenue share that we'll have to share with NICE?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
See, within a year it will, uh, the, uh, if the deal goes through, annual revenue we can clock in around $4 to $5 million. And the question

Bharat Reddy - Analyst
Is what we have to pay to, you know, NICE. So

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
We don't have to say- I'm talking about my part. So, okay, so this is how this works is, uh, we will be a part of their price list where if they are closing, suppose, a $5 million deal, our part would be $200-300K. So entire our 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.

Bharat Reddy - Analyst
Okay, sir, one last question on the margins that we make on just the license, uh, without any implementation work. So I can- my- from my understanding, it is- I think our revenue, uh, like 70% of the revenue is from the licenses. What kind of margins do we really make on license? And is it just due to, uh, you know, uh, as we are in, uh, like we share tier 1 partnership with our NICE or whatever it is, so do we get, uh, 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?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Okay, so, so Bharat, I will answer this in 2 parts. So international, uh, revenue has more margin margins. This is what we have experienced these last 2-3 deals. Uh, so, and for domestic, we get gross margin of 20-22%. Uh, internationally, it is much higher, uh, than this. Let me not comment on this because this is something which we are stitching this. But what I said is, you can understand, internationally it is much higher, so you can anticipate that. So, but domestic, since it's 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 We are- only thing which, which was needed is now, which we are doing now, is cross-sell and upsell. So with leaders like Murli and Abhijeet, and they all coming on board, the idea is to go deep inside with these customers, sell more infrastructure as a service consulting as offering, and get more pie of it. Now our idea is to also diversify with other platforms and have a platform agnostic layer.

So this will, this will again give a lot of, a lot of better revenue as well as profitability from customers. Our biggest strength, which I keep repeating every time, is this 150+. When I say 150+, I'm- we, we want to make it 200+, then only I will say 200+. There could be 160, 170, but we are not saying 160. So what I meant is I have those active customers with 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. So now we want to- we have tested waters in pond. Now we have to- 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%.

Bharat Reddy - Analyst
Thanks, sir. I will go back in the queue.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Sure.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Hi, Devanji.

Devan Khanna - Analyst
Hello. I have a question regarding, uh, your, uh, 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 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?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
So, okay, so let me take it, Gopi, and then you can add it. So, okay, so Devon, first of all, let's understand that, uh, we have built our own models, but we have worked with these customers for last 20 years in our earlier avatar and in Exato for last, uh, 10+ years. So we- and it is like sitting with customer, understanding their data and working on their data, their data and what kind of output is required. In fact, the models ChatGPT and all, they also need that basic understanding from, uh, 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 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 not by a human agent is not required.

Rather, automated bot can answer this. And that's this automated bot can work 24/7/365. So this is how we can evaluate. I will let Gopi answer this because add it and then further I can, if required, I can.

Gopinath Bailur - Chief Operating Officer, Exato Technologies Ltd.
Yeah. So you touched upon that. A good part to start with as a consulting-led, right? 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, uh, you know, conversations between agents and, uh, 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 drive, 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, you know, uh, sample data points, right? So tuning and tweaking and further improving and then driving value towards takes time. But for us, the tool is already there, the platforms. There is an industry standard Gartner-level products that what we are working on is like likes of Cognigy and, you know, other elements that we are acquiring, right, sir? So once the knowledge is acquired, then there is Google, there is AWS, there is, you know, 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. So that's the level of consulting that we do and go back to the customer in terms of identifying, saying, okay, 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, right?

So that methodology we follow. So there is a structured approach that we bring in, then there is an implementation followed by the, the, the skills what we bring in in terms of templatizing it and then making sure we deploy it at the end customer. So that is what is differentiating us as a, 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 a lot of money, you know, hiring all the AI developers, but we serve them now from the backend on how to leverage that.

So both side, uh, 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.

Devan Khanna - Analyst
Got it, got it. Another, another quick follow-up question, Gopi. So I understand that the data is of customer, right? But you are nowhere using the data, uh, 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. So, 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, right, 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?

Gopinath Bailur - Chief Operating Officer, Exato Technologies Ltd.
No, I get recurring revenue by adding more use cases to it, right? I deploy one solution. And one use case I will automate. Then I will switch to him, and if I have identified about 20 use cases, maybe 5 of them I'll implement in the first scale. And then I'll show the observability feature, right? 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 how our land and expand strategy is working.

Devan Khanna - Analyst
Got it, got it. Apurva, final question on order book. Last quarter, I, as far as I remember, it was Rs 660 crores. Now it's Rs 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?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
So, like I mentioned, our major focus has been international region. So, so, and these international deals, especially these deals take some time. It is typically 6 to 8 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, 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 a spike in order book and another quarter, yes, there could be slightly smaller, but in over next 2 quarters we see see a good growth, uh, in the order book as well.

Devan Khanna - Analyst
I also wanted

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
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. It is, uh, and, and the OpenAI and others, they are, while they give certain output on data, but the communication channel, the channel which has enables conversation between customer, end customer, and an AI bot or a customer service agent. That is what we own. And we own that on a subscription model, whether it's through NICE or Mitel or some other platform which we are seeing.

So there is a huge scope there as well, because a lot of that platform also needs a lot of consultative selling. And this revenue growth which we experienced has primarily come from 2 customers. 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 2 customers- why the first customer, the UK customer, Deligenta, why we got this incremental value is, is that we are doing a lot of consulting on top of what we have already sold.

And this is one of the reasons of growth in PAT also. So while which Gopi mentioned that on the other stuff there will be growth, but on the existing offering also, our core platform offering doing. This revenue and the scale is going to be there, uh, for a longer term.

Devan Khanna - Analyst
Got it. And the last question, what is the next 3-year growth path you are seeing year-on-year basis?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Uh, so, Devin, uh, like I mentioned, we have, uh, bigger plans. So our idea is to look at 80-90% of growth year-on-year,

Devan Khanna - Analyst
Uh, on top line or on both.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
International revenue will contribute. We are building other line of business infrastructure as a this. We will launch it formally. Some discussions are on. We have done some infrastructure deals in this quarter, last quarter also, but that was more on one-time sales basis. But some larger partnership is in place. So, and we are also looking for, uh, some global- Murli talked about AMD and Nvidia, so you can understand that. So since this is not formally, uh, so we have, we are yet to close the contracts.

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.

Devan Khanna - Analyst
Apology, the last question quickly. Uh, the blended margin will fall because if AI infrastructure service grows, right, it has a low margin with respect to consulting, or is it the same?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
No, see, rather you look like this. One customer, we are leaving deal on the table. Now we want to capture everything. For example, example, we closed a 100 CR deal 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 say, we said, yes, we have a practice. Then we went back to the service provider. So if we, if we, 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 2 or 3 offering, which is quite related, And I'm not talking about different, we are just talking about the AI play. This AI play and the other players, the GPU as a service player, they're pursuing in silos. They are going, they're building data center, going, giving this, acquiring customer. We have a customer where we are already providing AI as a service. The second part of offering has to come. So we feel that as the pipe grows, the consulting also grows because ultimately customer needs to understand that the how overall ecosystem is going to be stitched and they want to rely on 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, uh, just what we have planned in a boardroom, but this is more a customer interaction which we are having. And, uh, like I mentioned, so in couple of, uh, in some time, probably couple of weeks or couple of months, we shall be able to, uh, formally announce it and also share the deal, uh, thing as well. But we see that there is a big opportunity for us in that place.

Devan Khanna - Analyst
Got it. Thank you. Thank you for answering the questions.

Operator
Thank you, sir. We'll move on to the next question from Mr. Rakesh Suryavanshi. Sir, please unmute yourself and ask the question. Uh, if any other participants wish to ask the question, you may please raise your hand. Uh, 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 conversion? Among Exato's international clients?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
No, we are in a different space. That is what I would like to say. Uh, the, the, uh, the spending which we- everyone is talking about on the tokens or with the hyperscalers, that is a very, 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, for important and intelligent things, right? So that is how we see it. 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 what- and some of our existing customers have given incremental deals. That also shows that existing customers are growing themselves. And they're also giving technology licenses and consulting orders. 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 5 different things, rather integrated offering.

So suppose our customer is asking for infrastructure also, they are training their model there, they want GPUs, etc. So we are giving them and we are also giving our consulting in terms of how they can stage 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 RPA. Our customer. So we see a significant play in our domain. This industry, I, uh, shared earlier also that this industry is expected to grow at a CAGR of 15 to 18%, and, uh, 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 Murthy, please feel free to add wherever you want.

Gopinath Bailur - Chief Operating Officer, Exato Technologies Ltd.
No, I think we- you, you covered most of it, of course, so there is nothing for me to add.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Right, so I, I mentioned this in my earlier discussion also, that we want to expand our customer base to 500 from 150 in 3 to 4 years' time. So there are 3-4 new, uh, developments which has happened towards that. I mentioned about our Hexaphone launch, and I also talked about some of the, uh,

some of the IP offerings. Uh, now this IP is going to add significantly to the customer base. Uh, I also talked about 40+ opportunities. So, uh, and with this IP, if we acquire new customer, idea would be simple that we should, uh, sell more to customers.

That's one part of it. Now, the second line of business, AI infrastructure, this is also giving us, getting us new customers. This quarter also, some new customers were added. And we, as we launch GPU as a service, infrastructure as a service, there will be a lot many new customers apart from existing customers. So this is another play. Third is Anthropic Cloud partnership, which we showcased. While some of the engagements are in pilot stage, but as they scale to next level of partnership, shipper, we can formally sell the licenses.

So you can understand that whatever we were talking about with respect to some of these initiatives and our prime go-to-market, which is our AI as a service, which is, uh, this, this 3, 4 will give substantial acquisition opportunity of customers and we are moving towards that. So like I mentioned, the timeline remains the same, 3 to 4 years for having 500, 600 customers.

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

Nikhil - Analyst
Uh, hello, sir, am I audible?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
You're audible, Nikhil.

Nikhil - Analyst
Uh, sir, first of all, uh, congratulations for a good set of numbers posted in the quarter. Uh, so, sir, uh, my very first question is, uh, 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?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Okay, so out of current order book, we have executed 280 crore worth of order. So 410 or 270 crore, 410 crore still remains to be executed. This 410 is there for next 3 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 2-year contract of a new opportunity.

The earlier order was for CCaaS, which was customer experience as a service. The second contract is as agentic AI. So this shows that our existing customers are sticked with us. We are serving them well rather than giving- we taking the credit. It is the reason why we, we are getting repeat orders is we are serving them well. So just to summarize this, I just wanted to give the background about all this. It is close to 140, 135, 140 CR of annual orders, this which is there for 3 years. We expect this to grow in next 2 quarters, significantly growth next 2 quarters.

Nikhil - Analyst
Okay, okay. Uh, sir, my next question is, uh, on GPU as a service, uh, that we are planning to- so sir, in GPU as a service, uh, what do you see? What is the roadmap, uh, roadmap, uh, for the company?

So in the current- in the next 2 to 3 years, what percentage of our total revenue would actually be coming from, uh, this domain. And, uh, the second thing is, uh, about, uh, uh, the current year's, uh, revenues. Uh, so in the current year, uh, in infrastructure as a service, what percentage of the total revenues do you expect to come from that vertical?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Okay, so, uh, Nikhil, in, in 3 years' time, we expect that around 35-40% revenue should come from infrastructure as a service. Uh, see, infrastructure as a service is something in, in process of building. Uh, this, uh, in any new LOB needs some time, although we got people like Murli 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 Murli. Uh, so, uh, having said that, close to 35-40% of revenue is expected from this business in next 3 years.

As we grow, this is going to add more. Now the second part of this is for this year, we, 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.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
So Nikhil, I've already given, uh, the growth guidance and this is very much on track. And I also mentioned that we are going to add a lot on order book side. I would also request you to look at the Q3-Q4 number for us for last 2-3 years. Q3-Q4, for 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 few deals which has slipped for Q3. So we expect that we will be doing in the same range As per the growth guidance, Nikhil.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
80-90% I said overall year if you compare it is 80-90% growth which we are having.

Nikhil - Analyst
Okay sir, so thanks a lot.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Thanks Nikhil. Generally in infrastructure the deal size is bigger, so one or two deals can take you there what we are expecting. Expecting. And we are in advanced stages of those discussions.

Nikhil - Analyst
And sir, what about the margins? Uh, would, uh, would you like to, uh, revise your margins upwards compared to, uh, what were the margins that we clocked in the last financial year?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
See, initially, in initial one year, there will be a substantial investment also, Nikhil, uh, expenses also, uh, which will be there. But over a period of time, this will become very profitable. That this is a very genuine and transparent, uh, thought I wanted to share with you, uh, in terms of margin. But if you see, look at the overall growth, it will be a very good growth both on top line and margin side. But it, 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 in with, with other players, I'm Thanks.

Thanks. Thank

Operator
You, sir. We'll move on to the next question from Mr. Bharat Reddy.

Bharat Reddy - Analyst
Sure. Thanks again, sir. So can you disclose the identity and the contract size of the second UK client?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
For what do you want, Bharat?

Bharat Reddy - Analyst
No, I mean the contract size. Uh, so we have 120+

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
CR+ contract, recurring contract for with this. We are expecting some incremental, uh, huge incremental, uh, uh, addition in this quarter and next quarter.

Bharat Reddy - Analyst
Okay. And, uh, what are the BPO, you know, marquee names that resulted from, you know, Naveen Krishna's on-ground presence in the

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
One is this I-Corps, uh, which I mentioned. I-Corps was a significant contribution to this addition. And then there is another deal which is all almost done, which I would like to- there are 2 more, uh, large customers which is done, uh, 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.

Bharat Reddy - Analyst
Sure. And the last question, like, what made you to, you know, up the guidance from earlier 60% for this year to 90%, uh, you know, CAGR for the next 3?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
The international business is expanding, Varun. Uh, so, uh, the international business is going to be a big contributor, uh, and infrastructure as a service is also going to be a big, big- AI infrastructure is going to be a big contributor. Uh, so we have done a lot of hard work and groundwork in last quarter. So primarily we got some great additions also under Murli's leadership. There is a gentleman named Kailash, he's currently camping in US working with his customers and we are

about to sign some deals.

Then there is a gentleman who was colleague of Murli, we discussed that previously in Paresh's seat. Both Murli 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 achieve.

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

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
You are asking? 5 years.

Bharat Reddy - Analyst
For 30 is like, yeah, maybe, huh?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
See, Bharat, 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. Uh, we have tested waters. It was a net practice what we are doing in India. And the biggest- there are 2 very important critical factors factors why we can be 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 of 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. If you, as you understand this market, all these BPO will have 30-40% base here in 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 Abhijeet coming on board. Now Europe has very different philosophy, 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 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 skill yourself, scale yourself, will change the game. See, this Anthropic Cloud 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 give 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, where we, what we will have something as an in-house and what we will work with as a solution of offering technology offering, providing better is something, uh, we will decide in due course of time.

Few strategies has been decided, uh, 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. We- I

mentioned in my previous call that we wanted to acquire a company. So we did. We had one of the top Big 4 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 will be- there should be less mistakes.

And that is one of the reason I got, and I'm privileged to have such an 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, there is significant revenue, but profitability will be much higher from international market.

Bharat Reddy - Analyst
Sure, that's all. Thanks, Appuorv.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Thanks.

Operator
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 Exacto looking to capture in the Middle East, and does the company have an identified pipeline of potential clients or business engagement in this region?

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
Yeah, so Abhijit, our Chief Technology and Growth Officer, is based out of Dubai. By, uh, we wanted to- with this ERP acquisition, we wanted to- one thing which we, we were gaining was, uh, this Middle East geography, which eventually as of now is not happening. While I said that there are 3 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+ banks on Mitel, which is highest for any partner in India, and we got upgraded to Mitel Platinum partnership.

So now with Abhijeet being there, uh, it will be great to have 2 leaders, one from OEM side, one from our side, meeting regularly, stitching out the plan. Now, uh, Middle East, there is- 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, uh, some, uh, some another other platforms, uh, 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 Abhijeet will be driving along with the existing team- Gopi, Murli, myself, Dinesh, and everyone. So, uh, once we are successful, especially in UK and Europe. We will have our own office established there. 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.

So just to summarize, Middle East is a base which we want to start with, uh, looking at Mitel partnership and some more agentic AI platform we will be adding, and some telco partnerships also which we are talking to, we are engaged with. And from Middle East, we will cater to UK, Europe for next 6 months and then eventually set up a base there also as we see growth in

Operator
Revenue. Thank you, sir. 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' questions. I now invite the management team to please share their closing remarks.

Appuorv Sinha - Chairman and Managing Director, Exato Technologies Ltd.
No, I, I think I would like to thank everyone, uh, all of you being part of our journey and showing your trust and confidence. Uh, it means a lot, uh, to us. I know, uh, 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. We have 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 were doing in bits and pieces since last 2 years and now started getting results.

Obviously, having more presence there is helping. Middle East, we were, like I mentioned, through inorganic acquisition, we wanted to have a presence there. But if for some reason, if that is not happening, we are growing there organically. Infrastructure as a practice, infrastructure, we were doing bits and pieces, but with under Murli'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 Abhijeet coming on board, Gopi's hand is strengthened and both Gopi and Abhijeet are planning this delivery structure with some great additions. So in a nutshell, we want to leverage this AI opportunity, this AI growth opportunity Our play is very different. We are not competing with the likes of Anthropic or OpenAI. Our play is very- we are a major- we want to be a significant player in CX domain, which is going to be our focus to play. 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 consulting initiative-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 4, 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. Uh, we can- what we can assure you, we'll continue to work hard and, and invest, uh, as much, uh, energy and time and with a, with a vision and leadership. And we- I'm also grateful to have our board of directors, Dr. Milind Godbole, Omkar, Abhijeet Yagi, who, who- and especially Mr. Godbole, who has been very instrumental in guiding force for us. So with this, I would like to conclude. Good. Thank you so much, everyone.

Operator
Thank you so much, sir. I thank all the participants for their active engagement and thoughtful questions throughout the session. If any question remain 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.