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BBOX/SD/SE/2025/45

June 2, 2025

To

**Corporate Relationship Department
Bombay Stock Exchange Limited**
P.J. Towers, Dalal Street,
Fort, Mumbai 400001

**Corporate Relationship Department
National Stock Exchange Limited**
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400051

Sub: Transcript of Earnings Call hosted on May 28, 2025 on Audited Financial Results (Consolidated and Standalone) for the quarter/year ended March 31, 2025

Ref.: Scrip code: BSE: 500463/NSE: BBOX

Dear Sir/Madam,

This is further to our letter dated May 22, 2025 with reference number BBOX/SD/SE/2025/34 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call hosted on May 28, 2025 on Audited Financial Results (Consolidated and Standalone) for the quarter/year ended March 31, 2025, is attached hereunder.

This is for your information, record and necessary dissemination to all the stakeholders.

For **Black Box Limited**

Aditya Goswami
Company Secretary & Compliance Officer

Encl.: A/a

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“Black Box Limited Q4 FY '25 Earnings Conference Call”

May 28, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 28th May 2025 will prevail.”



**MANAGEMENT: MR. SANJEEV VERMA – WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER, BLACK BOX LIMITED**

**MR. DEEPAK BANSAL – EXECUTIVE DIRECTOR AND
GLOBAL CHIEF FINANCIAL OFFICER, BLACK BOX
LIMITED**

**MR. PURVESH PAREKH – HEAD OF INVESTOR
RELATIONS, BLACK BOX LIMITED**

SGA, INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, welcome to the Q4 and FY '25 Earning Conference Call of Black Box Limited.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinion and expectations of the Company as on date of this call. The statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' line will be in listen-only mode and there will be an opportunity for you to ask question at the end of today's presentation. Should you need assistance during the conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now would like to hand the conference over to Mr. Sanjeev Verma, Whole-Time Director and CEO of Black Box Limited. Thank you, and over to you, sir.

Sanjeev Verma: Thank you. Welcome everyone to Black Box Limited's Q4 and full year FY '25 Earnings Call.

Today, I will take you through our Business Performance for the quarter, provide update on Key Strategic Initiatives, and share our Roadmap for reaching our long-term growth targets. Following that, our CFO – Deepak Bansal, will present the Financial Update and forward-looking guidance.

We are pleased to report a strong close to FY '25. In Q4, revenue grew 4% year-over-year, while EBITDA and PAT increased 21% and 48% Y-o-Y respectively. This translated into all-time high margins, EBITDA at 9.5% and PAT at 3.9%. These metrics emphasize our operational discipline and financial rigor.

Over the past several years, we focused intensely on stabilizing the Black Box and transforming it into a resilient and profitable enterprise. For context, Black Box was a distressed US-based business when AGC Networks acquired it in 2019, later renaming the Company as Black Box Limited.

Since then, we have executed a multi-year turnaround. EBITDA margin expanded from 2.5% in FY'19 to 8.9% in FY '25, while PAT improved from a loss of INR 79 crore in FY'19 to INR 205 crore in FY '25. With the foundation now solid, we are shifting our focus from stabilization to growth, targeting revenues of US \$2 billion by Fiscal '29 and aiming to expand our global market share to 1.5% to 2%.

To reward our shareholders, the Board has proposed a final dividend of 50% of INR 1 rupee per share on face value of INR 2, subject to approval.

Throughout FY '25, we launched a series of strategic initiatives to support long-term growth, most of which were implemented by Quarter 3. This included verticalizing our business to better align with client needs, strengthening our leadership team and sales force by hiring talent from

global GSIs and other leading industry players, and doubling down on large account strategy to drive deeper engagement and higher wallet share.

These efforts significantly enhanced our sales pipeline, culminating in record order wins of INR 1,550 crore in Q4, more than twice the level of Q3, and the highest for any quarter in Fiscal '25. These wins include multi-year contracts with hyperscale clients, healthcare networks, airports, and educational institutions.

We also continue to execute a large ongoing engagement with a top tier U.S. financial services firm. Importantly, the majority of these wins are high value, long tenure contracts. Our managed and maintenance services business grew \$61 million sequentially, which improves revenue predictability and enhances margin visibility going forward.

The U.S. remains our most critical growth market driven by scale and technology adoption. We have carefully assessed the potential impact of macro headwinds such as tariffs and believe this will have minimal effect on our business. The demand for digital transformation, improved user experience and AI-driven solutions remains non-discretionary. The investment climate in AI remains robust.

One of our hyperscaler clients has increased its CAPEX guidance. According to S&P Global, just the five AI hyperscalers are projected to spend over \$1.6 trillion in CAPEX between 2025 and 2029. A recent Bank of America report forecasts AI CAPEX to grow 44% Y-o-Y to US\$414 billion in Fiscal '25. Industry estimates show AI-related markets growing at a CAGR of 30% to 37% through 2032, a trend we are positioned to benefit from significantly.

While the U.S. is our anchor market, India represents a compelling structural opportunity. India has four times the U.S. population, yet only 1 Gigawatt of data center capacity, a fraction of U.S. levels, despite being the world's highest data consumer. This supply-demand imbalance represents a long-term opportunity for us.

We are leveraging global expertise, especially in serving hyperscale clients to build leadership in India's digital infrastructure ecosystem. Key wins include a five-year cyber security contract, INR 100 crore, with one of India's largest municipal corporations, protecting digital assets of over 20,000 public sector employees. We have committed an additional INR 100 crore to double our India business and are expanding our Bengaluru (Bangalore) Center of Excellence.

Our growth post also extends across APAC and the Middle East. Notably, we secured a large INR 90 crores order from a consumer electronics firm in APAC and inaugurated a state-of-the-art security operations center and data networking lab in Sydney, addressing the growing need for cyber security and high-performance networks in Australia.

As of March 2025, our order book stands at US\$504 million, up US\$39 million sequentially. While we are refraining from specific order book guidance, our revenue target of US\$2 billion

by Fiscal '29 remains firmly intact. Our execution in FY '25 positions us well for the next leg of growth.

With that, I now hand over to Deepak our CFO for the Financial Update.

Deepak Bansal:

Thank you, Sanjeev. As mentioned, FY '25 was a landmark year for Black Box.

We achieved historically high margins driven by operational efficiency, pricing discipline and strategic cost management.

Over the last three years, Our EBITDA and PAT have grown at a CAGR of 27% and 41% respectively. Our profit after tax increased nearly 9x from INR 24 crores in FY '23 to INR 205 crores in FY '25. Quarter 4 EBITDA rose to INR 147 crores, translating to a 9.5% margin, up from 8.2% in Quarter 4 of FY '24, an expansion of 130 bps. PAT for the quarter stood at INR 60 crores growing 49% year-on-year.

For FY '26, we are guiding for EBITDA growth of 14% to 22% and PAT growth of 29% to 39%. These gains will be driven by operating leverage, improved service mix and continued focus on quality of revenues.

While FY '25 revenue was marginally lower than FY '24 link to our strategy to exit tail accounts and due to delays in decision making by few large clients because of the dynamic economic environment.

However, our strategic initiatives have positioned us for a revenue ramp up from Quarter 2 FY '26 onward, supported by stronger pipeline conversion and higher win rates on enterprise opportunities. We continue to maintain a strong balance sheet and healthy liquidity position, providing flexibility to pursue both organic and inorganic growth.

During the quarter, working capital investment led to higher debt, primarily driven by revenue skewness within the quarter and proactive supplier engagement. Despite that, we delivered a robust ROE of 27% for FY '25.

In recognition of our financial progress, CRISIL upgraded our long-term rating to BBB+/ Stable in March of 2025. We remain committed to a capital light model with disciplined capital deployment.

Thank you. We can now open the floor for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of CA Garvit Goyal from Nvest Analytical Advisory LLP. Please go ahead.

CA Garvit Goyal:

Congrats for a decent quarter. My first question is on the orders inflow. We got good orders in past few months, and I want to understand from you more on the current environment, like what kind of Big 9 are we currently in? What is the size of orders are we expecting in the next few

months? And what are those areas where we are targeting these orders? And you mentioned like in FY '25, our customers were showing a bit delays in decision making. So, in current environment, are you still witnessing anything like that?

Sanjeev Verma:

I will take that. So, our focus on order book, as we mentioned earlier, we have been focused with our change in go-to-market strategy with larger customers, our top 300, and the larger value and volume of customers. So, our approach will remain to focus on large deals and remain focused on our top 300 customers for where we believe we have the right to win both locally and globally.

Quarter 4, as mentioned, has been a robust quarter with respect to our order booking. As we get into the motion of this current fiscal year, several quarters, we expect that our effort over the last several quarters with respect to change in go-to-market, investing heavily in our vertical motions, investing in leadership, will continue to create the momentum for robust order booking going forward as well.

So, coming back with the perspective of what we have currently, a little bit of uncertainty, I think we have baked in that as well. Yes, there is an issue pertaining to tariff and there is some uncertainty in the market. But I believe our overall portfolio remains largely non-discretionary. We remain a little cautious but are very optimistic with respect to our pipeline growth, and therefore expect that we will continue to have a good order book motion going forward.

Specific to what areas we see, we currently focus on five key areas of connectivity, networking, workplace, cyber, and data center. We expect that our overall portfolio, each one of them will have growth. Some of them will see a little bit hyper growth, specifically in the data center and networking space.

Specific to industry verticals, although all the industries have requirements for having non-discretionary spend, specifically the areas that we operate, the network of this digital infrastructure needs to be up and running. But few specific areas of large-scale infrastructure, specifically to industrials, public infrastructure like airports and healthcare facilities that needs to be current are specific focus for us going forward.

So, all in all we expect that many of our verticals are in the sector that we are focused on, specifically healthcare, industrial and public infrastructure, and our portfolios across this will continue to push forward. So, we expect the robust order book going forward for the current year as well.

CA Garvit Goyal:

And secondly, as you mentioned, and we are focusing on the data centers apart from being the traditional IT Company, so I want to understand, like, how much percentage of our existing revenue is repetitive in nature and how much is going to be dependent upon the kind of order inflows we are talking about from the hyper growth areas like data centers, cybersecurity and connectivity you mentioned. So, can you put some color on that?

Sanjeev Verma: Yes, so we expect our data center revenues to be in the range of 15% to 20% of our business. A large part of the data center, which is a green field, starts with projects, and we expect over a period of time that that would turn into annuity as well. As you heard before, our focus remains for long-term contracts, both from a managed service perspective and also projects. But once we close the projects, it turns into annuity as well.

So, we expect that as we move forward in Fiscal 2026 and beyond, our projects in large-scale infrastructure like data center connectivity would start to yield managed services as well. As we continue to focus on other managed services, large-term contracts into healthcare, into our retail businesses, we will continue to focus on larger projects, and we will continue to focus on large-scale managed services annuity kind of business across other verticals as well.

CA Garvit Goyal: And out of total revenue right now, like we did INR 6,000 crore this year, what percentage is repetitive in nature?

Deepak Bansal: Around 30% is repetitive in nature as of now. So, one-third, between 30 and one-third, because the ratio changes quarter-on-quarter, but I think on a yearly basis it is almost like a one-third of our revenue is repetitive in nature.

CA Garvit Goyal: And what are those areas. Is it entirely in the traditional IT services that we are doing?

Sanjeev Verma: So, those areas are largely managed services for our modern workplace, managed services for network, managed services for IT help desk and support. Those are the areas that are large scale annuity in nature.

CA Garvit Goyal: And sir, in your opening remarks, you mentioned about \$2 billion target by FY '29, which essentially comes out to be around INR 17,000-18,000 crore kind of top line. And currently, we are at a INR 6,000 crore. And for next year, we are targeting about 10%-12% kind of the growth in our top line. So, considering this higher target, how are we looking at it? Are we looking for any inorganic opportunity this year or are currently any kind of opportunity in pipeline which can materialize in the next few months? So, can you please put some color on that?

Sanjeev Verma: So, our overall focus of \$2 billion includes organic and inorganic growth. We expect our organic growth momentum from the current 12% to 15% to continue or move up. Having said that, that will still leave us for a gap in organic growth. So, we continue to look at opportunities which are accretive for our shareholders. We continue to look at various assets in America and elsewhere. At the right time, when we believe that there is an opportunity to comment on that, we would. But as a Company, we remain acquisitive, but also keep mindful that we look at being accretive. So, we would be exploring assets, and it is part of our plan going forward.

CA Garvit Goyal: And right now we are not having anything in pipeline?

Sanjeev Verma: So, as I said, we continue to look at assets, continue to have into pipeline, but there is nothing concrete for me to say at this time.

CA Garvit Goyal: And sir, on the tariffs front, after this pause in tariffs, how do you see, is it going to impact our services, like our business model in the terms of the cost optimization and all, because 70% of our revenue is coming from the Northern America?

Sanjeev Verma: Yes, so tariffs largely have a limited impact on us with respect to our, we are largely services-led. So, I don't see a tariff, but I will ask Deepak, my CFO, to comment on that.

Deepak Bansal: Yes, so on the tariff side of it, what happens is that 75% of our revenues are in US, and if you see our revenues, it has three components. One is our on-ground services, Second is we sell the OEM products and the third is our own products. So, no impact of tariffs on the services because the services has no tariffs. The OEM products are purchased locally from OEMs. So, OEMs are figuring out to handle those tariffs including their stocking requirement and all those things. If they will increase their prices, obviously we will pass through those prices to our customers. So, as such there is no impact.

Our own products, we source mostly from Europe and Taiwan. So, from Europe and Taiwan perspective, we are still the tariff, I think should be not to the extent of what we were talking about earlier. Now with China also, like right now it is at 40% and all. We are expecting that whole tariff thing to be, let's say, stabilized between 20% and 40%, depending on the countries and all those things.

And especially with Europe, Taiwan and all those things, it should be in the range of 20%, which should be okay. As of now, we pay mostly 10%. So, the 10% more will increase, which I think we will increase, which I think we will increase our prices a little bit with industry practice and all those things. So, we don't see as such any impact on the overall tariff thing.

Whatever the economy impact in terms of right now the evolving economical impact where the few industries will do good and few industries like the manufacturing will emerge in the U.S. and all those things, those all will be accretive logically to us. It may take some time to ascertain because people are right now holding off some of the decisions, people are taking those decisions with a cautious approach. But I think we are seeing that on an overall basis, I think we should be able to gain from the overall scenario.

CA Garvit Goyal: So, that is where my concern is. You mentioned 10% incremental addition will be there. So, ultimately, that will be passed onto the customers only. So, is it like they again might be the case, they will be looking for some delay in decision making and that can further decrease...

Deepak Bansal: No, Garvit, this is not on the overall revenues. So, our own product revenue is around \$100 million. So, on \$100 million, we source close to around \$40 million to \$50 million worth of goods. On that, there may be a 10% impact. So, this is on the goods. And it is an overall industry impact. So, we don't see that any demand will come down because of that in United States. And out of that \$100 million of the revenues, the U.S. revenue is close to around \$45 million. So, from that perspective, the impact is extremely, extremely nominal from our overall scale and size.

- CA Garvit Goyal:** That means you are saying there is no delays in the decision making on account of these uncertainties. This is what I am understanding, right?
- Deepak Bansal:** Yes, that is the overall economic environment which will evolve from overall industry perspective. So, overall, industries are watching right now that how this tariff scenario is evolving. You would have seen in the last four weeks that the tariffs have gone for some countries between 30% to 140%, but then again, right now it is ranging between 10% to 40%. So, nobody really has the crystal ball here. Everybody is watching that how really it emerges and all those thing, and accordingly the decisions are being taken.
- Moderator:** Next question is from the line of Heli from Pi Square Investments. Please go ahead.
- Heli:** Good morning, sir, and big congratulations to the entire team for very good set of numbers. So, I just wanted to understand, like, can you talk more around the order pipeline as to how much percentage of the orders that are in pipeline are...
- Moderator:** Sorry to interrupt, ma'am. You are not clearly audible. Next question is from the line of Saurabh Sadhwani from Sahasrar Capital. Please go ahead.
- Saurabh Sadhwani:** Hello, good morning, everyone. So, I wanted to know about the large orders that we have secured. What would be the timeline for execution for those orders?
- Sanjeev Verma:** So, our average project execution timeline are between anything between six months to two years. Right. So, depending upon what kind of orders we get. So, at an average it is, say, if you draw out an average of about 9 to 12 months' time depending on the kind of projects we do. So, if there are more services, I think it takes a longer period of time. And if there are a little bit more products, it will possibly be a shorter period of time. But on average, about 9 months time. Deepak?
- Deepak Bansal:** Yes. And also the another thing is that that on an average, it is 100% right, 9 months' time. And while we from the next quarter and the next couple of quarter, three quarters, when we move forward with a with a large orders with a large customers, this and focus on the managed services and the maintenance, the managed services and the maintenance contracts will be in the range of three to five years, but the project's timeline on an average will continue to be 9 to 10 months' time.
- Saurabh Sadhwani:** And you do expect to get the size, the order of the large order that you have received similar orders in FY '26 also?
- Sanjeev Verma:** That is correct. So, our focus remains, pipeline remains robust for large orders. As you could understand, large orders have a time lag because large orders takes time, but once you have the ball rolling and the pipeline growing, I believe it will start to roll. So, the focus will remain on large orders, upward of \$5, \$10, \$20 million, working with larger clients and that's where we want to focus on with top 300 customers and large value customers.

Saurabh Sadhwani: So, Sanjeev, where would you say we are in the life cycle? You know, because these large orders are CAPEX-led and there must be an end of cycle period now that we are getting these orders. So, is this supposed to continue?

Sanjeev Verma: Two ways to look at it. So, we are in a time of digital infrastructure, where we are seeing after a lot of years, both Greenfield and Brownfield. To put in perspective, if you look at the infrastructure built out for data centers, for which we play a certain part, many of them are Greenfield, right?

So, these never existed. So, they are getting built both in India and worldwide. So, that's a Greenfield approach. And of course, if you look at the need for AI, need for better user experience, need for modernization, there is also a Brownfield. Brownfield will require in a cyclical manner. Of course, they will sweat the asset three years, four years, and you have to catch the cycle. But there is a Greenfield also.

A combination of Greenfield and Brownfield with respect to critical infrastructure, if you look at our focus portfolio of connectivity and network, it is fundamental to user experience. Today whatever we do is based on user experience. Be it we ask for a cab or we order food, or we go to an airport and the gate opens up with our cameras, it requires physical connectivity, network, wireless network and so on and so forth, right? So, there is a lot of Brownfield repurpose to meet the needs of user experience. And there is a need for Greenfield because they expect this user experience to only get enhanced, right?

So, from a cycle perspective, we are trying to catch the Greenfield by being including in the consideration rate as a preferred or a vendor to have a right to win. So, we are trying to increase and focus and therefore the vertical approach so that we are more relevant. And from a Brownfield perspective, many of our existing customers are repurposing. And we are also looking at how can we gain market share from others with respect to our scale, our presence.

A combination of our use cases, a combination of our presence in many markets will allow us for a better right to win for larger customers. And therefore, the larger customers value our presence, value our presence in 36 countries, value our presence in India, value our presence in Europe. So, I think that's the reason we are focusing on them. And we are seeing traction with respect to what we saw in this last quarter and our pipeline, we continue to focus. And we expect the momentum to continue with respect to order booking backlogs over the course of next several quarters and years beyond.

Saurabh Sadhwani: Thank you, Sanjeev. Thank you, Deepak.

Moderator: Next question is from the line of Heli from Pi Square Investment. Please go ahead.

Heli: Hi, sir, good morning, and a big congratulations on a strong set of numbers. I wanted to understand, so can you talk more on the order pipeline as to what percentage of the order pipeline

are we seeing from the larger customers and what percentage are we seeing from a smaller set of customers?

So, I just wanted to get a sense on how are we, you know, so as this quarter we had a subdued revenue because of the delayed decisions combined with our changed strategies to focus on the larger deals. So, I just wanted to understand how long are we going to take to change the mix of the customers and shift to the larger bills.

Sanjeev Verma:

So, we have already started the process of changing and shifting. This process started over the last several quarters with respect to our investment and redesign in go-to-market by hiring vertical heads, bringing in thought leaders in our solution practice.

So, there has been work in progress and it works on a lag. It takes a little bit of time to be able to move that. An impact of that has already started to come in with respect to the last quarter that went by, which we talked about having several customers where we have seen our large value. It was a quarter where we had a significant amount of customers with large value for the first time.

As we move forward, we continue to focus and see our pipeline swelling. It's a continuous effort that we are doing across vertical segments and across our various practices, both in managed services, data center projects, networking projects, and so on and so forth. Our focus is to increase our pipeline from wherever we are moving forward on one side and focus is also be able to increase our win rate within those customer sets that we have going forward. A combination of increased pipeline and a focused approach of winning more, increasing our win rate percentages by having relevant conversations, we believe that we have a good path forward for continuing to increase our backlogs and order book going forward.

Heli:

So, can we have a breakup on what percentage of the pipeline is from the larger customers?

Sanjeev Verma:

So, 80% of our business is from larger customers. Close to 80% to 90% of our pipeline remains with our larger top 300 customers. And as we move forward, I believe 90% of our pipeline will continue with our top 300 to top 400 customers. That's where we are focused on.

Moderator:

Next question is from the line of Suhas from Trieha Capital. Please go ahead.

Suhas:

Good morning. You just spoke about FY '29 target of \$2 billion, including organic and inorganic. So, as we are now getting out of the low paying customers or less margin business, how do you see the margins moving from here, say, over the next three years? Like what are the peak margins that you are looking at in this business that you might attain over the next three years?

Sanjeev Verma:

So, from a perspective going forward, we have stated our goal of initially of hitting our 10% margin goal. So, we are almost there from that perspective. We believe that when we scale up, it will start to bring in a margin efficiency. So, from an internal perspective, we are looking to push this margin that we are currently at 8.9% to 10% to 11% to 12% and beyond. So, there is a scope for margin expansion as we scale up over the next several years' time.

Currently, we are guiding our focus for next fiscal year, right? And from that perspective, we have guided over 9%, but I expect as we move forward, there is room for margin expansion and we will go higher than 10%, 11%, 12% as we move forward.

Suhas: So, where do you see next year's end, where do you think the exit margins could be?

Sanjeev Verma: Yes, So, next year's end, the exit margin should be upward of 10% for sure.

Suhas: And the second question is in terms of the managed services, which, as you said, more like an annuity business. So, currently what is the share of that business in our total revenue? And where do you see as you are getting larger contracts and including then also have a managed services along with that. So, where do you see your managed services as a percentage of business over the next three years?

Sanjeev Verma: Our managed services and annuity business that includes maintenance contract, as Deepak alluded, is close to one-third at this time. Our short-term goal is to push the number over to 40%. And as we move forward over the next several years' time, I would expect our managed annuity business to be about 50-50 as we start to move toward 27-28-29.

Suhas: And I am sure they must be giving you a higher margin vis-a-vis your project business.

Sanjeev Verma: So, we expect that to give us a higher margin. It gives us predictability. It gives us the ability to better deliver. And with scale, of course, we expect a better margin as well. The answer is yes.

Moderator: Next question is from the line of Vivek, an individual investor. Please go ahead.

Vivek: Hi, Sanjeev. Thank you for the opportunity. I just wanted to say, so I would say Q4 run rate is about \$730-740 million and we set ourselves a very lofty target of \$2 billion. I mean, I have been tracking the Company for the past six quarters, and we have barely grown on the top line. So, what gives us confidence is that, because we are almost talking about tripling our revenues over the next 16 quarters. So, when do you think we will start walking the talk?

And secondly, from an organization perspective, you have said that the GTM strategy has been completely enhanced. So, can you talk to us a bit qualitatively as to what difference you have seen on the ground and your Q4 order booking was very good. How has Q1 been so far? And should we start to see signs of growth, say, about double-digit growth from Q2 this year?

Sanjeev Verma: I shall break it in two parts. The first question was with respect to \$2 billion. Vivek, the \$2 billion, of course, includes an inorganic strategy to the tune of \$600-700 million. If we look at organic growth at mid-double digits, we will possibly reach close to \$1.3 billion, \$1.4 billion, right? So, that's one.

So, I will pass the inorganic separately. And as I said earlier in my response, we continue to look at assets. And at the right time, we will pursue. And of course, we will communicate as we move forward on that.

Coming back with respect to our organic growth from now moving forward, first, the GTM approach. The GTM, of course, was largely to focus on large value customers and focus on a set of customers in a specific vertical. And I think a large part of that is mostly complete. And therefore, we are now in full motion, staffed appropriately to be able to engage with customers in each of the verticals and have a conversation commensurate to the needs of the verticals.

Earlier, as you are aware, we were geography centric and therefore the conversation was largely based on a portfolio of what we had and not on the need for the customer in a specific vertical. And that we have higher talent. What we have seen over the period of time, over the last two, three quarters, that the quality of engagement and conversation with our customers have drastically improved. Within our set of customers that we had, we had good logos and also some newer customer logos that we have added. That has started to mature.

We look at sales from our Stage 1 to Stage 5. So, when we reach our Stage 3, we start to engage with some, there is a specific need to address. You are starting to get considered. So, if you look from that perspective, I think we have made significant progress. A reasonable part of that has started to accrue, starting Q4.

As we start to move forward, the pipeline continues to remain in each of the verticals. Some little more, some little less, but healthcare, consumer, data center vertical, public infrastructure like airports continue to be strong for us. And we expect those pipelines to start to convert. And we expect to see our revenues uptick to a double digit going forward from Q2 onwards. And I think that's what we have stated.

So, we remain very positive of the investments made, of the conversations being made. I have personally been engaged with very many customers. Recently, we are heading out for a very large healthcare conference where the top 20 CIOs are invited to attend with us for 2.5 days with conversations across the modern workplace, across the network. So, we are seeing those investments, those conversations changing. We will continue to push for the momentum, Vivek, as we move forward in this quarter and quarter beyond. And I am positive with respect to our revenue uptake starting Quarter 2 at the back of continued good order booking going forward.

Vivek:

Sanjeev, basis what you have just said, just to put a bit more emphasis, so even on the base business, if you are to hit about \$1.3-1.4 billion over the next four years, that's about a 17%-18% CAGR over the next four years. Are you confident on achieving that? I mean, starting with maybe a 10% to 15% growth this year and then our growth ramps up even further as we go into FY '27 and '28. So, I mean, just as a Company, our four-year target has to be 18% on the base business.

Sanjeev Verma:

Yes, so the answer is yes. We remain confident and positive on that. We are guiding between 13% and 17% for the current year. And as we move forward, we expect acceleration with some of our sectors, more specifically in the market that we were low.

For example, if you look at India, we have just called out that we want to double the business, right? We were not focused on India. We are now getting ready to look at certain infrastructure and larger projects where we believe that we can add value. We do not want to be everything to everybody even in India. We recently won Rs. 100 crores order in India. In my memory, we haven't done that in the past 10 years with any customer because we were not focused for various reasons.

So, we looked at India also now starting to emerge. There is a need for global players with good use cases. So, our growth would not only be as you see that contained to America. We are looking at India also as a market. We recently won a large deal in APAC as well. We recently opened up a security center in Sydney and we are expecting a large deal in a security center there.

So, overall, I believe we would be able to be at mid double digits in the current year. And we expect in some of the other markets, which will be much more than that, we are expecting over 60% growth. We are a small Rs. 500 crore business in India, right? So, growing 60% is adding Rs. 300 crore. So, some of the markets will be growing at a higher pace, although smaller in terms of percentage contribution, but yes, we are positive, we should be able to drive that goal to go to \$1.3-1.4 billion revenue.

Vivek: That's it from my side.

Moderator: Next question is from the line of CA Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

CA Garvit Goyal: Hi, thanks for the follow-up. Sir, you mentioned most of our offerings are non-discretionary in nature. So, can you spend 2-3 minutes on explaining this statement, like what are the areas? And non-discretionary means they have to compulsorily invest in the areas which we are getting to, right? So, can you please explain what is driving this statement?

Sanjeev Verma: So, what is driving this experience is fundamental, of course, is user experience. If you look at an enterprise, and if you look at what goes into enterprise, various IP components. And if you look at the wireless system being down for your office, or being old, three years old, and one wanting to implement a new software for analytics, and if you had a choice of where to spend money and you were limited, it is clear where you will spend the money first, right? For your critical infrastructure, for connectivity, for wireless working, for the network working would be required to be done. You will be able to do that.

If you are rolling out an ERP system, your CFO might want to push it for next year if there is an ambiguity in the market, uncertainty in interest rates. But lights-on is required, right? So, if you were to run out of that. So, from that perspective, if you look at an airport that we serve, for us to travel, the network has to be up. They may not modernize their ticketing system for some time, and they can live with old one. But a network is lights-on. A connectivity is lights on. A

user who is using a voice communication system or a wireless system to communicate is lights-on.

So, we are into the core infrastructure business. We call ourselves as a real infrastructure Company. So, those are non-discretionary. If they break, you have to fix it. Or if they get old, you have to replace that first. Some of the others, good to have, you might want to change.

So, that's the perspective of having, it's like a broken road, right? So, I think you will have to fix the road if that is broken because that is going to give a very bad experience for people travelling on the road, correct? Even if you get a nice bus, which is a nice application and the road is broken, you will have a bad experience. And we all know what happens in Mumbai when it rains, right?

So, therefore, digital infrastructure is the digital highway. And if you do not have that up and running, you will have a very poor experience. So, that's what I am saying.

Moderator: Next question is from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: Sir, what I have looked from our presentation is from since last one year, we are not mentioning about in-building 5G solutions and DAS. So, is it that we have reduced the exposure towards that stream?

Sanjeev Verma: No, so our in-building DAS solutions of private 5G is part of our networking business. Specifically in our market in America, in building for DAS or 5G, especially in-building DAS is critical for safety and public safety, specifically in hospitals or large infrastructure, and we continue to do that. There is a technology shift towards going towards private 5G, not fully adopted at this time. But there is a lot of work happening largely on the industrial side with large open areas where you cannot put a pole and put an access point for the wireless. They are exploring that.

We are doing a proof of concept with some airport. We are doing a proof of concept with large industrial operations like oil and gas and fab plants. So, our in-building DAS and 5G or private 5G network are part of a larger networking portfolio. So, be it wireless, wired, software-defined networks, DAS networks, 5G, are now working in tandem. And it is a critical part of the digital infrastructure. So, it is part of our networking portfolio. We don't specifically call it out specific to that, but that remains a part and parcel, a very critical part of network infrastructure.

Rohan Patel: So, just I want to understand from you and your point of view is that seeing that the number of airports that are coming in India as well as the number of stadiums which are there in India, and as we mentioned, there are a lot of commercial sites, industrial sites that are in India. So, how big of an opportunity do you sense that India as a whole provides for a DAS system or in-building solution system? Is it large enough for us to cater and make money?

Sanjeev Verma: So, in India, of course, specifically it is a little bit of a confused state for DAS solution. And let me explain. Because in a DAS solution, there are three key players. One, of course, is the user

who is using a cell phone. There is a tenant in the building. There is a building owner. And then you have the telecom provider. In India, it is Jio, it is Airtel. And India has not sorted out as to who is going to pay for that, right?

So, therefore, there is no mandate pertaining to having a public safety requirement or real-time location requirement. To our hospitals or some other infrastructure you find some dark and gray areas where signals don't come. In America, there is regulation mandated by law specifically in public critical infrastructure that must have a signal at every part of the building, basement, open areas. And therefore, there is a spend happening in that.

So, it is a large opportunity. India, of course, might skip the technology, go to private 5G. Currently, it is with BSNL. So, there is a discussion going on of revenue share with some providers. It will become a bigger opportunity.

Specific to your question about the stadium and other infrastructure, it is a matter of who is going to pay for that, right? So, I think if it's an Airtel network and some areas don't work, so whether the stadium owner or BCCI or who will pay, that has not been settled. So, therefore India still struggles with some signal issues in many parts. There could be a regulation with respect to providing connectivity in infrastructure that are critical. Hospitals could be one. Airports could be others.

So, it is a huge opportunity. Just that the capital spend has not been sorted out. If the building owner starts to charge, the rent will go up. The guys in the building are saying I have anyway paid you the rent and Airtel is saying you don't have many users, so I can't put more antennas. So, that's the issue out there. So, it's never been a large business in India.

Having said that, private 5G can change that. The private 5G does not require so many access points. The coverage is more than a couple of kilometers. But it is a licensing issue, and it's a technology issue. But I think India will see that. And as and when we start to have those conversations, as I told before, we are looking at India in a bullish manner.

We have massive use cases. We are highly expert in putting that system for very large infrastructure, hospitals, and customers like large hyperscalers. We are exploring to see at the right time to be able to address that. But from our perspective, we have to make sure that it remains a profitable business for us and somebody has to invest in that technology, and somebody has to make an ROI of the technology.

Rohan Patel: Yes, that was a very detailed and fair explanation.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to management for closing comments.

Sanjeev Verma: Thank you everybody for joining the call. I hope we have been able to address all your queries. For any further information, kindly get in touch with Purvesh Parekh, our Head of Investor Relations, or Strategy Growth Advisors, our Investor Relations Advisors. Thank you.

Moderator: Thank you. On behalf of Black Box Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.