

Date: 10/06/2025

To, The Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. BSE Scrip Code: 531225	To, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. NSE Symbol: XTGLOBAL
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Subject: Transcript of Earnings Conference Call held on Thursday, June 05, 2025.

Dear Sir/Ma'am,

Please refer to our Earnings Conference Call scheduled for Thursday, June 05, 2025 at 06:00 PM (IST), as intimated vide our letter dated 30/05/2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Q4 & FY25 Earnings Conference Call transcript.

You are requested to take the same on record.

Thanking you,
Yours faithfully,
For XTGlobal Infotech Limited

Pentela
Sridhar

Digitally signed by
Pentela Sridhar
Date: 2025.06.10
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Sridhar Pentela
Company Secretary & Compliance Officer
ACS 55735

XTGlobal Infotech Limited
Q4 & FY25 Earnings Conference Call Transcript
Thursday, 5th June 2025

MANAGEMENT:

- ◆ **Mr. Ramarao Mullapudi - CEO, President & Director**

Others:

- ◆ **Mr. Raghuram Kusuluri - Chief Financial Officer**
- ◆ **Mr. Sridhar Pentela - Company Secretary & Compliance Officer**

Moderator:

Ladies and gentlemen, good day and welcome to the XTGlobal Infotech Limited Q4 and FY25 Earnings Conference Call hosted by Rik Capital.

We have with us today from the XTGlobal Infotech Limited Management, Mr. Ramarao Mullapudi – CEO, President and Director, Mr. Raghuram Kusuluri – Chief Financial Officer and Mr. Sridhar Pentela – Company Secretary and Compliance Officer.

As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

Before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this conference call. Today's discussion may be forward-looking in nature based on management's current belief and expectations. It must be viewed in conjunction with the risk that our business faces that could cause our future results, performance or achievements to differ significantly from what may be expressed or implied by such forward-looking statements.

I now hand the conference over to Mr. Raghuram Kusuluri for opening remarks. Thank you and over to you sir.

Raghuram Kusuluri: Thank you so much. Good evening everyone. Myself Raghuram Kusuluri – Chief Financial officer of XTGlobal Infotech Limited. It is my pleasure to welcome you to the Q4 and FY24-25 earnings call of XTGlobal Infotech Limited.

This marks our first maiden investor call and we are delighted to have the opportunity to engage with you directly. I trust you all had the chance to review our earnings presentation and press release and which is available on both the stock exchanges, NSE and BSE. In today's call we cover our performance highlights for the year, share our growth story that defines the path ahead and provide a brief overview of XTGlobal Infotech Limited an emerging technology and outsourcing service providers focused on research transformation and sustainable value creation.

So, XTGlobal Infotech Limited is a trusted IT services, outsourcing and consulting company with over 30 years of experience delivering innovative technology solutions. We provide a wide range of services including IT development management services, business process automation, tailored consulting for clients worldwide and accounting outsourcing services. Our expertise is in cloud migration, low code development, robotic process automation and advanced analytics helps enterprise accelerate their digital transformation. With a team of approximately 600 skilled professionals across India and the US, we hold certifications like CMMI level 3 and ISO 27001. We collaborate with the leading technology partners such as Oracle, Microsoft, AWS, and Azure and Automation Anywhere. Our proprietary product surplus offers cloud based accounts payable automation showcasing our commitment to innovation. Looking ahead, we are optimistic about our growth trajectory. We remain focus on enhancing our digital capabilities, expanding into high potential verticals and investing in automation and AI and services. Our emphasis on recurring revenue, client stickiness and operational excellence is expected to drive this terrific growth through FY26 and beyond.

So, I would brief about the financial performance for the FY25. For the full year ended March 31st, 2025, revenue grew by 7.8% year-on-year to ₹23,414 lakhs reflecting strong execution across our digital and outsourcing verticals. EBITDA stood at ₹2,247 lakhs, a decline of 6% year-on-year with EBITDA margins moderating to 9.6% down by 141 basis points due to strategic investments and certain onetime costs. EBITDA came in at ₹1,650 lakhs, down by 8.8% year-on-year translating to a margin of 7%. Profit after tax stood at ₹991 lakhs down 15.1% year-on-year with PAT margins softening to 4.2% from 5.4% last year, the decline in PAT was primarily driven by a non cash ESOP expense of ₹373 lakhs reflecting our continued focus on leadership retention to long term incentive plans. This year is the first year we have recognized this expenditure. So, our plan is to retain the leadership team so senior people.

In Q4 FY25, we delivered a strong top-line performance with revenue ₹8,705 lakhs, registering a 77.5% quarter-on-quarter growth and 72.7% year-on-year growth supported by increased client additions and recurring revenue. We added 15 new clients during the quarter, further strengthening our market presence and long term revenue visibility. EBITDA for the quarter stood at

₹434 lakhs, up 9.9% year-on-year but down 45% sequentially with margins at 5% impacted by two exceptional items. These were a non cash asset allocation of ₹154 lakhs and certain one-time expenses and enhanced provision. Consequently, EBIT came in at ₹218 lakhs, PAT at ₹136 lakhs reflecting sequential decline but still showing 52.1% year-on-year increase in PAT. Excluding these one of items, the underlying business remains profitable and healthy with margins expected to normalize in the upcoming quarters. With this, I would like to conclude my remarks. I now welcome any questions you may have. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. We have our first question from the line of Dhanush Mehta from JM Financials. Please go ahead.

Dhanush Mehta: Hello. Thank you for the opportunity. So, my question is regarding acquisition strategy in Europe and Australia. Can you elaborate your acquisition strategy in Europe and Australia? Are you targeting market access, tech capabilities or both?

Ramarao Mullapudi: Yes, this is Ramarao Mullapudi – the Managing Director of XTGlobal and CEO. So, I would like to take this opportunity to answer the question, first thank you all for joining this call. So, for the acquisition strategies, what we have is multi fold. Our goal right now, we are mainly focused in the US market from the inception in 1998 all the way until now. So, we were actually looking at a couple of companies that we are strategic acquisitions similar to what we do within those markets is what we are looking at, existing companies in the similar line is what we are targeting. We are discussing with opportunities, nothing has been lined up at this point of time. We are in the discussion stages. While we are doing the acquisitions we are also trying to market within those segments through our, especially for account finance and accounting areas and IT side within that area markets too.

Dhanush Mehta: Understood sir, and sir, how do you plan to finance these acquisitions in through internal accruals, debt or equity issues?

Ramarao Mullapudi: So, in the beginning we are trying to look at both cash as well as debt financing primarily and equity also. Little bit of dilution of equity plus cash.

Dhanush Mehta: Okay and sir what is the debt of the company?

Ramarao Mullapudi: Right now, Raghuram do you want to go ahead and tell what the current outstanding debt and what is the timeline to get that paid off?

Raghuram Kusuluri: Yes, we have around Rs. 11 crores term loans Mr. Mehta. And we are using line of credit of around Rs. 3 crores. And out of that two term loans are about to be repaid in a span of three to four months from now and the rest we have a two year time period.

Ramarao Mullapudi: And mainly these term loans were taken for the asset creation in our infrastructure development within India within Vishakhapatnam facility and our Hyderabad facility.

Dhanush Mehta: Okay sir. Thank you sir.

Moderator: Thank you. Next question is from the line of Abhijit Shah from White Tree Capital. Please go ahead.

Abhijit Shah: The question is, sir, are you exploring any generative AI or AIML based capabilities to enhance existing offers like automation, AP automation or low code platforms

Ramarao Mullapudi: First, I want to little bit brief you on our accounts payable automation. We as a company developed the accounts payable automation platform that is more of a software service kind of model. We first initially implemented this new product. We are in this business payable automation for 15 years. we have major customers within this industry in the US that are recurring in nature and we are clocking around over \$ 4 million right now within this account payable automation, bill payment platform are actually accounts payable automation. So, we are doing automation in certain areas of the processes to use AI related to quicken and reducing our cost and projected cost, but client spaces for the services used based on the number of documents or the number of invoices that are being processed through our system, complete end to end processing from the time customer sends the invoice to us to get the delivery. The entire workflow is done through our system. We have certain customers that are paying \$20,000 to \$30,000 and smaller customers paying around \$2,000 to

\$4,000 per month. They are recurring in nature. So, in that area we are trying to implement AI to increase our efficiencies. And then on top of that from the IT services side also, we partnered with the UiPath for automation and then we are serving certain customers, creating bots for customers in the automation area as well as having few customers within that area right now.

Abhijit Shah: Okay, thank you sir. And the next question, has foreign exchange fluctuation materially impacted revenue or margins in FY2025.

Ramarao Mullapudi: Raghu do you want to say how much?

Raghuram Kusuluri: Yes, we have very little impact on our foreign exchange purchase on our revenue.

Abhijit Shah: Okay, thank you sir.

Moderator: Thank you. We will take our next question from the line of Madhu Sharma from SK Capital. Please go ahead.

Madhu Sharma: Good evening sir and thank you for the opportunity. Sir, my first question is, sir, despite the strong top line growth PAT dropped 51.1% YoY in FY25 and sir beyond ESOP related expenses, what structural issue or cost elements are pressuring net margins?

Ramarao Mullapudi: For the first quarter, obviously we have to do salary increments in the beginning of the year which is happened to be fourth quarter this year. So, that impacted little bit of side but most of it is driven is you look at the cash, actually returns are much higher, but because we have a lot of amortization and interest expenses due to our assets that is something that you would see in our financials and ESOPs is a major component that was affected and then we have a lot of investments related to UI path and then these areas of our growth areas that we might not have seen the revenue coming in net in those areas but we are investing in those areas for the future, that is where we see certain impact and the final returns on that and we did not capitalize any of that expenditure.

Madhu Sharma:

Okay sir, yes and the next question is with the PAT adjusted at 4.2% for FY25, so what internal benchmarks or target are you setting to improve profitability in FY26?

Ramarao Mullapudi: Raghu, do you want to take that call?

Raghuram Kusuluri: Yes, we are focusing on restructuring and so we are also focusing to reduce the cost. So, the client space is also increased this year. This quarter if you see we added 15 clients. So that will definitely add to our profits. And we are also expecting some external income by way of letting out our property in Visakhapatnam. So, that will definitely add to our margins in the coming quarters.

Ramarao Mullapudi: Yes, so to add on to Raghuram's information, right. First thing is all the 15 plus clients that we added this quarter, most of these clients actually signed up multiyear contracts with us. Three years is what we look for these clients. So, we recognize revenue now but most of these clients are recurring in nature. Revenue is more recurring in nature for us, with long term contracts and the other thing is that we have built over a period of time we built excess infrastructure. We have almost close to 2,00,000 square feet of office space owned by us within Visakhapatnam and then about 25,000 of office space is in Hyderabad which we are occupying right now. The excess square footage that we have in Visakhapatnam, we are trying to let it out and then we see that we are actually negotiating with certain companies that are interested to take up the space that will add up the bottom line quite a bit which we see about I would guess estimate to there on Rs. 5 crore, Rs. 6 crore of bottom line addition if that materializes.

Madhu Sharma: Yes sir, thank you sir.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Ramarao Mullapudi for closing comments. Over to you sir.

Ramarao Mullapudi: Thank you all very much for joining this call. We appreciate it very much. Please do call us with any questions to our Investor Relations team if you have any further clarifications that are needed. Thank you once again. Raghuram, you want to just have few more comments, just please.

Raghuram Kusuluri: Yes, thank you. Thank you all for joining us and do feel free to reach out to our Investor Relations team for any queries or to our landline number also. So, for any queries feel free to reach out to us anytime.

Moderator: Thank you, sir. On behalf of XTGlobal Infotech Limited, this concludes today's conference. Thank you for joining us and you many now disconnect your lines.

(This document has been edited for readability purposes.)
