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Date: October 28, 2024

To,

BSE Limited
Scrip Code: 543228

National Stock Exchange of India Limited
Symbol: ROUTE

Dear Sir/Madam,

Sub: Transcript of the earnings conference call for the quarter and half year ended September 30, 2024

We are enclosing herewith copy of the transcript of the Company's Q2 FY25 earnings conference call dated Tuesday, October 22, 2024.

The transcript is also available on the Company's website under the Investors section at:

www.routemobile.com/compliance/2025/Route-Mobile-Ltd-Q2-FY25-Earnings-Call-Transcript.pdf

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

You are requested to take the above information on record.

Thanking You
Yours truly,
For **Route Mobile Limited**

Rathindra Das
Group Head-Legal, Company Secretary & Compliance Officer
M. No. F12663

Encl: as above



Route Mobile Limited
Q2 & H1FY25 Earnings Con-call
22nd October 2024

Management:

1. Mr. Rajdipkumar Gupta - Managing Director and Group CEO,
2. Mr. Gautam Badalia - Group Chief Strategy Officer & Chief Investor Relations Officer
3. Mr. Suresh Jankar - Chief Financial Officer



Route Mobile Limited

Q2 & H1FY25

22nd October, 2024

Moderator:

Good evening, ladies and gentlemen. I am Sejal Tripathi, your moderator for this conference. Welcome to the conference call of Route Mobile Limited arranged by Concept Investor Relations to discuss its Q2 and H1 FY25 results. We have with us today, Mr. Rajdipkumar Gupta - Managing Director and CEO, Mr. Gautam Badalia - Group Chief Strategy Officer and Chief Investor Relations Officer and Mr. Suresh Jankar - Chief Financial Officer.

At this moment, all participants are in listen only mode. Later we will conduct a question-and-answer session. At that time, if you have a question, please press '*' and '1' on your touch tone keypad. Before we begin, I would like to remind you that some of the statements made in today's earnings call may be forward-looking in nature and may involve certain risks and uncertainties. Kindly refer to slide number two of the presentation for detailed disclaimer. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajdipkumar Gupta. Thank you and over to you Sir.

Rajdipkumar Gupta:

Thank you. Good evening, everyone. Seasons greetings to all of you and your respective families. I'm pleased to share that Route mobile has achieved its highest revenue till date even though Q2 is typically a slower period for us. With the months of July and August being holiday seasons in many parts of the world, we usually see a decent activity. However, despite these seasonal challenges and the ongoing geopolitical issues, we have delivered approximately 10% revenue growth and over 20% PAT growth year on year basis.

Looking ahead, with the festive season approaching, we expect to see a strong increase in revenue and expanded margin and we remain confident in meeting our guidance for the year. In terms of business momentum, we had some solid deal wins this past quarter along with continued progress in realizing synergies with Proximus group.

Here are a few key highlights. We signed a significant deal in September with Global e-commerce Company to cover multiple regions. Traffic has already started and will ramp up over the time. Proximus and Infosys formed the long-term Strategic Partnership, which combines Route Mobile CPaaS solutions, telephone DI services and based offering with Infosys Digital services. This partnership following the Microsoft Deal strongly validates our group synergies. We also working on several other long-term partnerships that we believe will drive significant value for Route Mobile. Beyond these group synergies, we have laid out a clear road map. We are already receiving additional traffic from Telesign on routes where Route Mobile offers a clear advantage in pricing and quality. Our cross-selling efforts are well underway and we anticipate revenue momentum to follow shortly. We have launched our shared service initiative this past quarter and expect to see rapid progress in this area. We also continue to lead in the metro ticketing space and with a new development for Maharashtra Mumbai Metro. Additionally, we have implemented a WhatsApp based utility communication service for IRCTC. Our new product revenue are showing strong growth up by 32% year on year basis.

A few other highlights since Q1 FY25; Route Mobile was named Station partner of the year 2024 at the Meta WhatsApp business Summit in India. Proximus Opal successfully completed its offer for sale to meet minimum public shareholding criteria. This attracted strong interest from long holding funds and we are grateful to our investors for their continued trust. We will remain focused on delivering value for all our stakeholders. Lastly, based on our strong performance in the past half of FY25, I'm pleased to announce that Board of Directors has recommended an interim dividend of Rs.6 per share.

With that I will hand it over to Gautam to go over the financial highlights. Over to you, Gautam.

Gautam Badalia:

Thank you. Thank you, Rajdip. Good afternoon, everyone. Seasons greetings to all of you. We have already uploaded our quarterly earnings presentation on our website as well as the stock exchanges websites. Hope you had a chance to go through the presentation. I'll quickly summarize our financial and operating performance during Q2 FY25 and H1 FY25 before opening the floor for Q&A.

The quarter gone by has been a good quarter considering the seasonality of our business. It is our best quarterly revenue till date and with festive season ahead of us coupled with incremental synergy benefits, we are reasonably confident of meeting our guidance for the year.

Our revenue growth in Q2FY25 was impacted marginally, due to two reasons, continued weakness in Mr. Messaging owing to geopolitical issues in continental Europe and our ILD revenue in India was impacted for a few days in August, mainly due to our firewall software upgrade as well as there was an infrastructure issue with the virtual machines at the cloud host. Things have completely normalized since then. For H1 FY25 versus H1 FY24, we also had a significant currency impact owing to Naira's devaluation, which is the Nigerian currency.

Now, talking about a few growth levers. So, we had a few growth levers that should pave a strong runway for us over the medium term, the one that Rajdip talked about, winning a large e-commerce deal as mentioned by Rajdip, which should ramp up gradually. Then we are also working with strategic partners like Infosys to accelerate our sales lead cycle. And very recently we've also participated in a very large global RFP as part of the Proximus Group Synergy. So, if that RFP were to fructify, that should add significant layer of growth for the coming years.

The key highlights for H1 FY25 have been the strong cash conversion from EBITDA which panned out to be 78%. In terms of key business metrics in volume terms, we processed 40.5 billion billable transactions in Q2FY25, which is again the highest quarterly billable volume processed by us till date. Billable transactions increased from 31.3 billion in Q2FY24 and 37.1 billion in Q1 FY25 to 40.5 billion in Q2FY25. Average realization per billable transactions marginally decreased from 29.7 paisa in Q1 FY25 to 27.5 paisa in Q2FY25 owing to increase in domestic volumes in India and partly due to the ILD revenue impact as stated above.

In terms of geography, India continues to be our largest market by termination accounting for 51% of our revenue by termination; you may refer to slide 11 for the same. We continue to witness very strong momentum on the next generation products which grew by 32% on a YoY basis as referred in slide nine of the presentations. With this backdrop, let me walk you through our financial performance in terms of Q2 FY25 performance, revenue from Operations grew by 9.7% from Rs.10,146 million in Q2 FY24 to Rs.11,134 million in Q2 FY25, gross profit margin declined marginally from 21.2% to 21.1% due to the related party transactions, which happens at a lower gross margin. Reported EBITDA grew by 5.5% YoY from Rs.1,281 million in Q2FY24 to Rs.1,352 million in Q2FY25. There was a sequential growth of 9.3% during the same period. EBITDA margin expanded from 11.2% in Q1 FY25 to 12.1% in Q2FY25. The increase in finance cost was primarily due to the full quarter impact of a loan availed during the month of June 2025. Effective tax rate for the quarter was 23%. Profit after tax grew by 21.1% YoY from Rs.884 million in Q2FY24 to Rs.1,070 million rupees in Q2FY25 as compared to Rs.812 million in Q1 FY25. PAT for Q2FY25 includes exceptional item gain of INR Rs.62.8 million which is net of the fair value gain on the contingent consideration and recognition of impairment loss of goodwill pertaining to MRN. That margin was 9.6% in Q2 FY25 as against 7.4% in Q1 FY25.

We onboarded 56 new employees and 45 employees left us during the quarter gone by. For H1FY25, revenue from operations grew by 11.9% from 19,819 million in H1 FY24 to 22,168 million rupees in H1 FY25. In terms of certain KPIs, billable transactions increased from 60.8 billion in H1 FY24 to 77.6 billion in H1 FY25, we had net revenue retention of 105%. You may

refer to slide 13 of the earnings presentation. We added over 300 plus new customers in H1 FY25 across all products.

Gross profit margin, increased margin nearly from 21.3% in H1 FY24 to 21.4% in H1 FY25. EBITDA grew by 6.1% on a yoy basis. EBITDA margin contracted marginally from 12.9% H1 FY24 to 12.2% in H1 FY25. Effective tax rate for H1 FY25 was 22% as against 16% for H1 FY24. Profit after tax grew by 4.5%. PAT margin declined from 9.1% to 8.5%. Cash and cash equivalent stood, at the end of the quarter, at Rs.11,145 million rupees and net cash was Rs.5,836 million rupees as on September 30, 2024. Average receivable days stood at 79 days and average payable days today at 69 days. Cash flow conversion in H1 FY25 was very strong at 78%.

With these highlights, we open the floor for Q&A.

Moderator: Thank you very much. The first question is from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Yes, Sir. Thanks for the opportunity. So, my first question is on the margin guidance that you said that you have, you're maintaining the margin guidance, but the ask rate for the second-half is quite steep. So, considering you know, we have a festive season in Q3, you know what, apart from that, what gives her the confidence to achieve more than like 10% sequential growth rate for the next two quarters, is it, you know, the VI deal, which is already in the base. So apart from that which are the deals will start to contribute? Or is it you're seeing revival in the base business and also, you know, in terms of the synergies that you mentioned that you have seen some, you know synergies coming from Telesign. If you can, you know, like throw some light. Are we on early stages of the synergy or we can see that to be a, you know, to be a major contributor to the growth going forward.

Rajdikumar Gupta: Hi Amit, Rajdip here. So, as we I just stated in my statement also like we are very much confident that we will achieve the guidance which we have given to the market. Looking at the current run rate for this quarter also, I think we believe that we will achieve the numbers which we have guided because being a fresh decision will definitely add value to our revenue. As far as the synergy is concerned, we are working very closely with the Telesign as we speak and as Gautam has mentioned, there is large RFP, which is now been promoted and we have been invited to participate in the RFP. There are multiple deals like Infosys as well as the Microsoft Deal kind of deals are already in pipeline. So, we are very much confident about our guidance and we are working towards that and we will definitely try to achieve that and we believe that we will achieve that. Gautam, want to add anything to this?

Gautam Badalia: Yeah. So just adding to what Rajdip said, I think historically, I mean, seasonality has always played out. I mean, typically it's 45-47%, it's H1 and balance, I mean happens to be H2. So, if that were to play out, I think we should be, I think in that touching distance of the guidance that we have given and a lot of these growth that we are talking about should come without any adjoining overhead cost. I mean, so that is the operating leverage, I mean should play out and that should lead to the margin expansion. So, in the past, I think we have been able to kind of deliver significant, I mean expansion on EBITDA margins during H2. So, I think some of those things as Rajdip mentioned, I think the run rate today, I think for this quarter seems very, very promising and hence we are reasonably confident that we should be able to kind of meet the guidance that we have committed.

Amit Chandra: OK. Sir, in terms of the you know VI deal, you mentioned that there were some you know headwinds in terms of you know some of the issues with the like upgradation and with some of the like you know AWS issues. So, Ex of that what is the current run rate and also where we are in the journey in terms of you know hitting the steady state in which we were earlier, the full potential of the deal was \$100 million which Rs.800 crores, but still we are just half of that in terms of the full potential so when we expect to hit the full potential in that deal?

Gautam Badalia: So, so the infrastructure issue was I think for a few days, I mean it's about 7 days impact I think in terms of the ILD revenue. But everything is kind of working fine now. I mean, we had the big the sale with Amazon. I think everything has been worked at scale. I mean from a

platform standpoint. So, there is no, no concern whatsoever on that. That and from a VI Deal standpoint, I think we are on track in terms of the values that we've committed and we believe I mean we'll be able to subsume the entire commitment, I mean, during the course of this year.

Amit Chandra: OK. And in this quarter, we had, you know like volume jump. So, I assume that the ILD volumes were mostly stable to you know on the positive side, but there was a sharp drop in the realization. So is there a change in mix which has caused that?

Gautam Badalia: No, so the ILD volume was marginally impacted as I said, I mean because of those seven days. So, to that extent, I think there was a little bit of an impact on the ILD volume growth. But the domestic volumes had ramped up. And it's because of the mix, I mean got skewed more towards domestic versus ILD and hence I mean the realizations had a kind of a little bit of an impact.

Amit Chandra: OK. OK, Sir, thank. You I'll be back in the queue. Thanks.

Moderator: Thank you. The next question is from the line of Nikhil Choudhary from Nuvama Wealth Management. Please go ahead.

Nikhil Choudhary: Yeah. Thanks for the opportunity. My first question is regarding the growth. In last two quarters, the incremental revenue which we have added is approximately 100 crore right, in the first half of FY25. This is broadly in line with what you have guided in terms of revenue synergy plus Vodafone Idea Deal guide. So, can you help us understand that you know in first half we haven't seen much growth in organic revenue where the two days in first half FY25, what gives you confidence of such a high single digit kind of growth to achieve lower end of guidance, that too when Mr. Messaging which forms if I'm not wrong 15-20% of our revenue having its own challenges? Thank you.

Gautam Badalia: So, Nikhil, I think we have registered almost in H1, you're talking about right?

Nikhil Choudhary: Yes, yes.

Gautam Badalia: So H1, I think we had almost 11.9% growth, right?

Nikhil Choudhary: So, my point was Gautam a good part of it should be should have come from revenue synergy as well as Vodafone Idea Deal. So, acts of those two deals which both are now in H1 base. How you will be able to drive the growth with when you know?

Gautam Badalia: No, no. So, I think so, let me clarify a few things here. Nikhil, I think what is happening is so Telesign was already kind of part of our organic revenue, right? So, whatever incremental revenue that you have got, I think from Telesign during the course of last quarter that could be attributed to the synergy, but a large part of the Telesign revenue for H1 pans out to be part of our organic revenue. Vodafone essentially, I mean the deal is where they are the suppliers. So, we are actually monetizing their infrastructure with the customers. So whatever growth that you're seeing is actually coming from customers where we are getting the benefit of the pricing and quality because of the commitment that we have with VI and the exclusivity that we have in the network because of the firewall.

Nikhil Choudhary: OK. But just continuing with the thesis of what will happen in the second-half, where at least Vodafone idea will be in there and Mr. Messaging continue to impact our or continue to drag our revenue growth.

Gautam Badalia: Sorry, I didn't get your query.

Nikhil Choudhary: So next two quarter required run rate to achieve lower end of our annual guidance is at least high single digit right. That means we have to grow on Q2 basis despite of Vodafone Idea deal in our base right, so no more benefit from Vodafone Idea deal. So, where you think we will get such a high kind of growth?

- Rajdikumar Gupta:** Nikhil, Rajdip here. If you see our numbers also our domestic volume is also growing. We have because of the festive season because of the large e-commerce companies using our platform, we have seen a huge amount of growth in this quarter in fact, in this month and because of the festive season, we see lots of other brands also using our platform very aggressively as far as the idea is concerned plus the domestic traffic as well. So, we do see lots of growth will come from the existing customer at the same time we already signed him a few large customers who whose traffic has already started coming to our platform. So based on those, you know like the numbers, we believe that we are at right back and there are definitely some synergies we are working with the Telesign also as Gautam mentioned, the entire synergy was not there in entire H1. The entire synergy will be there in this H2 for sure where telesign and route will work very closely to get more traffic from Telesign.
- Nikhil Choudhary:** Can you give me just color on Mr. Messaging? What's update there? What are our plans going ahead?
- Gautam Badalia:** So, Mr. Messaging I think right now they're kind of grappling with a little bit of issues around some of the markets I mean, which were strong markets for them. But having said that, I think the basis, the clients that they're talking to, some of the dealings that they have, they are already kind of alluding to decent growth I think coming through in Q3 and at the same time, I think we as a team are now working together in terms of integrating and optimizing a lot of cost. I mean within the Route mobile umbrella. So, some of those I think benefits will start to kind of play out from this quarter. Along with some amount of growth also coming back into the Mr. Messaging revenue numbers.
- Nikhil Choudhary:** Sure, Gautam. Thanks again for the opportunity and good luck for coming period.
- Moderator:** Thank you. The next question is from the line of Dipesh from Emkay Global. Please go ahead.
- Dipesh:** Yeah. Thanks for your opportunity. Couple of questions - First of all, just want to get sense about new product. Now, WhatsApp has already done some pricing rejig, utility message and all those stuff so if you can provide that same sense in RCS also from monetization perspective. So, if you can give some broad overview about how this new product thing is playing out because it has some kind of implication on our base business also and second thing is how we are participating in overall growth opportunity. Second question is about some of the large deal which we announced in partnership with Proximus Group, Microsoft, Infosys and I think one of the large global RFP, I think you know your remark you mentioned. So, if you can provide some sense what would be the role of Route and what would be the role of Parent and how one should understand overall dynamics? And last question is about the gross margin. Now I understand because of ILD loss of revenue, it could have implication on revenue, but it ideally should benefit your gross margin. Now if I look gross margin is still down despite some benefit of the exchange in favor of domestic traffic. So, if you can help us understand how one should look gross margin from medium term perspective? Thank you.
- Gautam Badalia:** Sure. So, I'll answer the gross margin query first, so I mean because of the related party transaction, I mean this full quarter, I mean we recorded the entire through put between Telesign, BICS and Route Mobile as a related party which was kind of indexed at a lower gross margin than the portfolio margin. So, if you adjust for that, I mean there would be a gross margin expansion that would play out. Coming to WhatsApp, I think what WhatsApp we have seen almost 20% plus kind of a volume increase on a QoQ basis, and on YoY basis you witnessed about 100% kind of your volume increase I mean on a YoY basis so you're right I think WhatsApp has kind of reduced the pricing I mean for some of these utility messaging and stuff. So that had a little bit of a negative kind of an impact on the revenue.
- Rajdikumar Gupta:** I think it has just been done I think, but I think the starting of the month, it's not implemented last quarter. I think maybe the beginning of the last month. But I think apart from that, I think there's another question related to. Can you just repeat this second question, Dipesh?
- Dipesh:** Yeah. So overall about let's say WhatsApp, because of pricing rejig RCS is also where monetizes and it started to pick up. I just want to get broad sense about this new product portfolio.

- Rajdikumar Gupta:** So, let's go 1 by 1 Dipesh, It's better like you ask one question and we answer one question and then you go to the next question, that's better for our clarity. So, in terms of RCS, you know, like some of the use cases which we have deployed with our customers are completely based on a conversational based. We are not focusing as a company to try to build a traffic which is promotional time traffic. We really want to build used to solve the customer problem whether it's your metro ticketing option, which we have built for various metros in India and I think and we have deployed conversational commerce kind of solution also where people can buy tickets within the WhatsApp bot as well. So we are focused henceforth is completely going to be you want the use cases where we can build the use cases where we can solve customer problem and typically on the conversational side. We will not get into those promotional kind of activities through RCS or even for WhatsApp and for I think promotions for RCS and WhatsApp is not the right channel to do a promotional on that and we still prefer SMS is the right channel to do promotional on that side. So that's our strategy as of now and we will continue to follow this because we really want to build a sticky business for long term where we try to solve customer problems through our solutions.
- Dipesh:** No, understand. So, let's say if I look overall ecosystem perspective, new product for us is somewhere around Rs.78 odd crore and as a percentage, if one looks at it, it is still in single digit kind of thing somewhere around 7 odd percentage. It is inching up, but it pays off that increase is fairly moderate. That is what I try to understand now, partly because of price changes, obviously as implication, despite 100% volume growth for your IT revenue growth might be lower than that number. So, if you can provide some sense apart from these two channels, what other area where you are seeing promising signs of growth in this new product side?
- Gautam Badalia:** We have kind of indexed ourselves I mean, on the cross-selling synergies with the group is we have kind of mobilized the sales teams across the group to start powering the sales of the new products, especially the WhatsApp business messaging and all these IP messaging...
- Moderator:** Sir, I'll connect you again.
- Rajdikumar Gupta:** Just the best to answer your question what Gautam was trying to highlight out here. So, we as one team between Telesign and Route Mobile, now we have started working very closely with sales team presents all different regions, especially Asia. I think it might be aware that there are multiple events we are doing jointly with Telesign in Indonesia, in Singapore, in Malaysia and now in Middle East and Europe also. So, this is also giving lots of traction with the customers who are actually using Telesign products by either on DI or SMS. And I think we are reaching out to all the customers which has been served by TELESIGN to offer our e-mail and WhatsApp and RCS services through our platform. I hope that I'm able to answer your question.
- Dipesh:** Understand. Last thing, if you can give some sense about progress on some of these large deal. One deal which you said around large E-com 10 destination kind of deal where we are in that because the earlier quarter I think progress was slower whether you are seeing any material optic there and Microsoft Infosys even large global RFP which you highlighted.
- Rajdikumar Gupta:** So, I think we have, as I mentioned at the beginning, we are very much integrated with this large e-commerce company. They have started using our platform. The ramp up has already started and we do see the huge potential coming from this customer. In terms of the large RFP, if you see this large is the customer based globally. They're looking out for translation globally and probably Asia, Africa and Middle East is where Route Mobile will provide the interconnectivity to this being part of this large RFP. So, I think whether it's Telesign or Route Mobile, we believe that our connectivity in the emerging countries will pan out as a clear advantage to Route Mobile and that is exactly where we are very excited about this RFP.
- Dipesh:** Understood. Rajdip, a related question about all these put together is about gross margin because of related party transaction gross margin I think even in this quarter it has implication on gross margin considering some of these large partnership deal. Do you think our gross margin likely to remain under pressure in medium term?

Rajdipkumar Gupta: No, not at all. Because these are direct deals and I don't see there's any impact because of that, so that I can assure you.

Dipesh: OK. So broadly, where we are currently operating somewhere around low 20s is sustainable kind of gross margin.

Rajdipkumar Gupta: Yes indeed.

Dipesh: OK. Thank you.

Moderator: Thank you. The next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Hi, Sir. What is our EBITDA guidance for this financial year? Sorry, I missed your opening remarks.

Gautam Badalia: Around 13%.

Saumil Shah: Around 13% and for the first half I think we are less than 12%. So, for the remaining half...

Gautam Badalia: We are around 12.2%, so we've kind of guided at 13 percent.

Saumil Shah: For the first half, we are at 12.2.

Gautam Badalia: Yeah. 12.2 on a reported basis, adjusted basis is 11.9.

Saumil Shah: OK, OK. So, for the remaining half, we need to go above 13% EBITDA margin. Is it doable?

Gautam Badalia: Yeah. So, the fact is, I mean if because I mean H2 happens to be very strong, so the incremental throughput that we get, I mean in terms of revenue and gross profit directly flows to EBITDA because the, I mean the adjoining over it costs, I mean a largely fixed in nature. So, there is a high operating leverage in the business.

Saumil Shah: OK. OK. And so, when we grow our revenues by 18-20% this year in terms of bottom line, can we grow at a similar rate weighting 20%?

Gautam Badalia: It should. It should be. I mean, the only caveat is I think tax rates have increased. So, that's the only caveat. I mean to that extent, I mean it maybe a little muted.

Saumil Shah: Because the current tax rate would be about in the range of 20.

Gautam Badalia: Yeah. So, it's around 20 to 23%.

Saumil Shah: OK, OK. And so last question, what is the other income of Rs.32 crore for this quarter?

Gautam Badalia: Large part of that is, interest income and also, I mean there is forex gain. So, these are more largely, I mean emanating from translation. So, there is, I mean these are the two large components there.

Saumil Shah: OK. So, this is not a recurrent income for the remaining quarters?

Gautam Badalia: No.

Saumil Shah: OK. Yeah, that's it for my side. Thank you.

Moderator: Thank you. The next question is from the line of Yash Dehlani from Maximal Capital. Please go ahead.

- Yash Dehlani:** Hello, thanks for the opportunity, Sir. Firstly, on the effective tax rate like you alluded earlier as well. So, our tax rate now since the mix will shift towards the. And the list also will be levying tax. So, for full year basis and going ahead, we foresee tax rate to settle between with what rate around?
- Gautam Badalia:** Yeah, it should be between 20 to 22%.
- Yash Dehlani:** So, current tax rate is something that will stay.
- Gautam Badalia:** Around 22%, that's correct.
- Yash Dehlani:** OK. And Sir, one more question. The large RFP which we were depending on so this our whole guidance of 18% to 22% growth this year and the future projection of say FY28 \$1 billion revenue. Our guidance depends on this particular RFP or it will still stay even if we somehow not.
- Rajdipkumar Gupta:** So, this RFP does not, I think for H2 we should not consider this RFP because it will take some time to integrate. But for sure for 3 to 4 years down the line, they said any kind of guidance that will definitely going to be part of the guidance.
- Yash Dehlani:** OK. And Sir, 1 broad question on the growth which we are projecting. CPass industry is actually not growing the industry per say. So, in this the growth, the higher growth which we are guiding on, part of which will come in will be coming from synergy benefit and part of which will should be coming from the organic business which we have. So, what is the organic growth, which apart from synergy benefit we are projecting on our you have built it in your internal?
- Gautam Badalia:** No. So, we are not trying to kind of break that into two buckets essentially. I mean the thought process of this deal, I mean this partnership was to kind of truly global companies access to all the enterprises globally. So, I mean, so from that standpoint, we are looking at this whole bucket of Telesign continues to be an existing kind. So, I mean, all the revenues that we are able to garner from them, I mean happens to be organic revenue. So, from an organic growth standpoint, I think we assure, I mean the guidance that we have given for this and I think over the next three years we are working along with the group on a lot of these synergies where we also have a lot of inherent strengths in emerging markets. So, a lot of that will also play out in terms of the organic growth strategy that we have planned.
- Yash Dehlani:** And we are confident on achieving this target because of better half two and stronger half two than half one.
- Gautam Badalia:** Yeah, it H2 happens to be strong historically, but for last year where because there were a few headwinds, I mean historically it has always been like 45-55 or 47-53 in terms of the split between H1 and H2.
- Yash Dehlani:** More or less, more or less to achieve lower band of guidance, we will have to grow by 22 to 24% at least.
- Gautam Badalia:** That's correct.
- Yash Dehlani:** Great, great. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Jyoti Singh from Arihant Capital Market Limited. Please go ahead.
- Jyoti Singh:** Yeah. Thank you for the opportunity. So, my question is basically only Gen AI services to start contributing meaningful to the revenue as earlier I saw a few of the posts that we are you know we're talking big move in AI. So, if you can guide us.
- Rajdipkumar Gupta:** Yes, indeed there are multiple use cases, especially on customer support. Our team especially our bots, which is called the Roubot and the entire omnichannel stack has Gen AI capabilities

– solving some of customer problems through Gen AI. So, we are very much aligned with the progress in this space and we are using the technology to help our customers to have a better outcome.

- Jyoti Singh:** And Sir, any meaningful revenue that we are expecting?
- Rajdipkumar Gupta:** Jyoti, it will be add on solution to the customer right now and we are just testing multiple things on Gen AI with our customer right now. We cannot quantify at this point of time probably in next few quarters we may give some kind of you know like numbers to that.
- Jyoti Singh:** OK. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Arvind Arora from Enam Capital. Please go ahead.
- Arvind Arora:** Thank you for the opportunity. Is there any saving in the cost part due to arrangement with Proximus group. Is there any cost sharing part also where we will get a reduction in per transaction cost due to this arrangement with Proximus group?
- Gautam Badalia:** Not yet. Some of those things I think are being assessed, but nothing of that sort of kind of played out yet.
- Arvind Arora:** Ok. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Ashok Shah from Investco. Please go ahead.
- Ashok Shah:** Thank you for taking my questions. Sir, regarding this Dividend distribution and further capex or the money to be deployed in business, can you throw some light?
- Gautam Badalia:** So, I think from our guidance standpoint, we have kind of given a guidance of distributing up to 20% of the PAT as dividend and then so the dividend distribution is in line with the guidance that we've given. And from a CapEx standpoint, I mean, but for the research and the product development, I mean we don't have any significant CapEx, I mean we are largely, I mean more an asset light kind of business model so per say there isn't any significant CapEx required for the business.
- Ashok Shah:** Sir, you told that there is no CapEx involved. So how is the cash generated be invested in future?
- Gautam Badalia:** So, I think we have a dividend distribution policy and on top of that, I mean we keep looking at kind of opportunities where we can augment the capabilities of the platform. I mean, so we keep looking for some of those opportunities and when we find an I mean appropriate kind of fit from our product and our vision standpoint. I mean we would like to kind of do maybe a few tuck-in acquisitions.
- Rajdipkumar Gupta:** Just to add out here, we already have a decent size R&D team and like we put a team they already been working on new products and new technologies. So, we have already invested and that you will continue to invest in those areas as well.
- Ashok Shah:** Ok sir, ok. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Dipesh from Emkay Global. Please go ahead.
- Dipesh:** I think in your remark you said weakness in MRM and ILD revenue I think 7 odd days because of certain reasons revenue growth was impacted. Can you provide more detail around it and what was the total quantum because of these factors?
- Gautam Badalia:** Yeah. So, I think on the ILD side, I think the impact was about close to 3 million dollars for about 7 days of revenue impact. And on the Mr. Messaging side, I think we had seen, I mean weakness on a QoQ basis to the tune of about Rs.19 odd crores.

- Dipesh:** OK. Thank you.
- Moderator:** Thank you. The next question is from the line of Devraj, who is an individual investor. Please go ahead.
- Devraj:** I had a question or two, but I think the question on the allocation of capital has already been answered, but I just want to understand the future trajectory of the debt that the company is taking on because we've really ramped up on the debt, right and I understand some of the compulsions as I have been following this coming for a while. But what's the, what's going to be the future trajectory on the debt that the company plans to take on?
- Gautam Badalia:** Yeah. So, I think what we are embarking on is leveraging the strengths of the group. So, I mean, just to kind of give you a color, I mean, so BICS has one of the largest infrastructure, I mean in terms of the telecom infrastructure, so they enable a lot of the voice calls -over 50% of world's voice traffic terminates on this BICS platform, so we can use the strength of BICS globally. Then we are going to use the digital identity strength of Telesign - so they have kind of really evolved in terms of rendering more security to every digital transaction. So, and at this point in time as we speak, we are doing few sandbox testing I mean even in India with the regulators and few large banks, so that would be the wrap around on every digital transaction, so. And on top of that, we would kind of power our CPaaS platform with all the digital transactions for an enterprise. So, we would be a one stop solution provider for the entire digital journey of any enterprise to their consumer in any form and shape. I mean they will be able to kind of power very secured digital transaction seamlessly over the infrastructure layer of the group. So that's the thought process I think that we are embarking on.
- Rajdikumar Gupta:** I think just to add to this, I think our entire platform, you know like now have as Telesign and BICS as a company have access of entire platform of ours and they can take this entire platform to European countries and the US based customer that is another big strength we believe in coming quarters down the line where we can see lots of sales coming from this part of the world to Route Mobile portfolio.
- Devraj:** Right, right. OK.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Gautam Badalia for closing comments.
- Gautam Badalia:** We thank you all for your participation in case you may have any additional queries or clarifications, please feel free to reach out to us. We'll be more than happy to answer any queries. Thank you.
- Moderator:** On behalf of Route Mobile Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Disclaimer: This is a memorandum of the proceedings of the Investor Conference Call of Route Mobile Limited held on October 22, 2024 at 4 pm with regards to the financial results of the Company for the Second Quarter and Six Months ended September 30, 2024. While we have made our best effort to prepare a verbatim transcript of the proceedings of the meeting, this document has been edited for readability purposes (to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking) and may not be a word-to-word reproduction.