To,   Date: 26th July, 2024

The Listing and Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Script Code: SM – INFOBEAN	The Manager, Listing Dept. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 MH- IN Scrip Code: 543644

Subject: Transcripts of the earnings call conducted after the Meeting of Board of directors on Tuesday, 23rd July, 2024 at 04:30 P.M. (IST)

Please find enclosed the transcripts of the earnings call conducted after the Board meeting held on 23rd July, 2024 for your information and records.

This information will also be hosted on the Company's website, at
https://www.infobeans.com/investors/

Thanking you,
Yours Faithfully
For InfoBeans Technologies Ltd

Surbhi Jain
Company Secretary & Compliance Officer

InfoBeans Technologies Limited

June 30, 2024, Q1FY25 Earnings Conference Call

Management

Avinash Sethi, Co-founder

Mridul Maheshwari, Sr. Manager, Corporate Development

Krunal Sanghvi, Sr. Manager, Finance

Surbhi Jain, Company Secretary & Compliance Officer

Transcript

Surbhi Jain

Good afternoon ladies and gentlemen, welcome everyone and thanks for joining this Q1 FY25 earnings call for InfoBeans Technologies Limited. The results are available on the stock exchange, in case anyone does not have a copy of this name, please do write to us, and we will be happy to send over it to you. To take us through the results of this quarter, we have with us co-founder Mr. Avinash Sethi.

We will be starting the call with a brief overview of the company's performance and then we will allow the Q&A session. Kindly ask your questions by raising your hand after the brief overview by Avinash is over and then we will address all the questions one by one. I would like to remind you all that everything said on this call reflects any outlook for the future. It can be considered as a forward-looking statement and must be used in conjunction with the uncertainty and risk that we face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus file with the SEBI and the subsequent annual report. With that said, I turn over the call to Mr. Avinash Sethi. Over to you Avinash.

Avinash Sethi

Thank you very much Surbhi. Let's go through the presentation.

Overview

Thank you all the investors and shareholders who are joining this call. We always love your patronage and your interest in learning more about the company. For those who don't know or who are joining the call for the first time, InfoBeans was founded in the year 2000. We are a 1500 people company focused on digital transformation and product engineering. We also have a strong partnership with Salesforce, ServiceNow, Agenio, and Microsoft to offer services to companies worldwide. We are located in four geographies, US, Middle East, Europe, and India. In India we have five cities, Indore, Pune, Chennai, Vadodara, and Bangalore. Indore being the largest center for us. Next, please.

This is a quick roadmap of how we have traveled the journey over the years. From 2000 till 2014 were more or less the foundational years. Then we started building the company for growth. Went public in 2017, and acquired the first company in 2019. and second in 2021. Revenue has touched 399 crores in 2023. This year we have partnered with Agenio and we have also onboarded Mr. Phaneesh Murthy, as an advisor to the board, we will talk about it in more detail in subsequent slides. Some of the glimpses of the numbers. 14 years of active growth, 1500 members, 29 large enterprise clients. Each one of them would have more than a couple of billion dollars in revenue. It could be as big as 100 billion dollars. Financials of last year, we did 384 crores in revenue, 67 crores in EBITDA, and 22 crores in PAT. We have a significant amount of cash in the books, including the account receivables. If you remove that, it is 138 crores that we have in the bank. The money is typically parked to look at the acquisition opportunities. Since we have acquired two companies in the past, it is a very active strategy for us. We focus on looking for new targets in the market. That is a continuous effort, just like a sales effort that we do. Various awards that we have received in the past. Some of the awards that we are proud of is Best Companies to Work for Women, Dream Companies to Work for, Great Places to Work, and INC Best Workplaces in the US.

Offerings

This is where our offerings are. We focus on enterprise software engineering for all our customers. We also talk about ServiceNow-Salesforce platforms. We focus on

those. There are AI-enabled solutions that we are working towards. Depending on AI-enabled solutions, we are working with partners like AppOrchid, which has AI products. We are working towards helping build the product and implement the product to the customers. We have a very unique set of services in terms of user experience, and we do rapid prototyping for startup companies. We also are looking at automation and building CI, CD, DevOps, for enterprises as well.

Key business updates

One of the biggest updates of the quarter was we onboarded Paneesh Murthy. Those who know IT industry would definitely know him. He was one of the key people to take Infosys in the early days to a much larger company. What news media suggests is he took the business from $2 million to $750 million. That's the kind of runway he had at Infosys. Then he was the CEO of iGate, which bought Patni which was a much larger company than iGate. Then they sold the entire thing to Capgemini. Paneesh is one of those people in the IT industry who is very, very experienced and a very smart, sharp sales guy. We have brought him on board as an advisor to help us figure out the long-term strategy and how to implement it is where we are seeking his help. We continue to onboard new clients. In the last quarter, we got six clients. Out of them, three are very large enterprises. The M&A pipeline continues. We make efforts. Currently, we are evaluating a ServiceNow company. We were awarded a ServiceNow Partner of the Year award by ServiceNow itself in Knowledge24, which happened in May. Sorry, in the month of June. This is where we have been named as winners for the APAC region. Then we have done some good work on the CSR side, where we have tied up. InfoBeans Foundation runs a full-year engineering program for underprivileged kids, where we train them for a year and we make them employable. IIT Indore is helping us there. And then FICCI is also helping us there. That's a good partnership that we created there. Next, please. This is a picture of Panish when he visited InfoBeans this quarter, last quarter. Next, please. Phaneesh is currently talking to our leadership teams on all sides, the sales people, finance, delivery, customer success, and so on. We are working towards formulating a strategy of how to take this forward for the next at least five years' plan.

Management Team

So the three founders on the top, and then we have independent directors, Shilpa Mayuri and Sumesh Sir. This is where we are very proud of very, very highly

experienced co-team. Emerson, heads the sales for the design and innovation practice. Amit is handling the entire delivery team now. Shreyas is looking at Salesforce practice. Denise is heading the design innovation delivery side of it. Kannan has been leading the transformation and technology deployment of the organization itself. Kanupriya is the head of people in the organization. Very, very long-tenured members who have grown with InfoBeans and will be leading the effort overall. So again, many, many senior folks here.

Clients

Next, please. So some of the clients, ALM is the longest-standing client for us over 21-22 years in making. IQVIA is another 14-15 years in making. Co-Advantage is another 8-10 years. And then there are so many Fortune 500 companies that we work with which are, again, tenured at 8 to 10 years. I think there's one more company, a storage company, which is 2008, so 16 years in the tenure with that client. So very very long-term tenured clients, and I think that is where the USP of InfoBeans is, that we are able to strike those long-term relationships on all directions, including customers. Next, please.

Financial Update

Coming to the financial updates, which is what you must be looking at. So the leftmost column is June 2024 number. The second is June 23. So we have a YoY change from 94 to 100 crores, from 15 to 19 in EBITDA, and 3 to 8 in PAT. So a decent amount of growth as compared to yearly numbers, more or less flattish as compared to QoQ. When we look at March, we have the same revenue. There's been a slight dip in EBITDA numbers, and there's a slight dip in PAT numbers from March 24 quarter. A little bit more detail here. The revenue has improved slightly on a YoY basis. About 5 crores of improvement in the revenue numbers. The EBITDA has increased by about 4 crores, which has increased the margins by about 4%, and actually 3% of EBITDA. And PAT has grown from 4% to 8% YoY. So interestingly, we have been making investments in sales and marketing sides. So we've been attending global events. We've been hiring salespeople, and we're also investing in it. That is where the EBITDA is showing the impact. But that's a long term investment we need to make. And PAT, we have multiple subsidiaries. And even in India, we have SEZ and non-SEZ businesses. So we are having higher taxes, higher profits in tax zones, where the tax incidence is even higher. So therefore, the tax amount is going to be increasing by the day. That is because we

have also had SEZ sunset for 2 units out of 3. So that is also causing the increase in tax incidence. So interesting breakup here. I think it's the first time ever that US sales is showing below 70%. We have Europe increasing its pie to 20%, and UAE to 10%. Quite a significant jump. India is reduced to 6%. Digital transformation product engineering more or less head-to-head. InfoBeans CloudTech has shown a little decline in terms of data revenue, which used to be 19-20% of the total size. Now it is at 16%. But yeah, so this is where the breakup is. Some activities on the ground.

Events

We talked about being a winner at ServiceNow conference. Received the Partner of the Year Award, which is quite a visible award and helps in generating more credibility and sales in the event. Here we partnered with agineo. agineo is our German counterpart. But we jointly set up an event in Knowledge, which is hosted at the Sphere in Las Vegas. The blue ball that you see is the actual building in Las Vegas, where we invited our key customers, both for agineo and for InfoBeans. And we hosted this event. Another event we attended was Insurance Innovators. We have a couple of insurance clients. So this was a unique, very focused event. International Yoga Day was celebrated across all offices of InfoBeans. We did that sitting on the chair, so you don't have to come out of your comfort zone.

CSR

I'm very proud to say that we have partnered with IIT Indore to help offer advanced technologies to our students so that they become employable quickly. And, you know, this is a multi-year arrangement where IIT would be partnering with us year over year. So with the help of IIT, we could expand our batch size across multiple locations. So in Indore, we have five batches. In Pune, we have one, so six batches, 40 students each, so about 240-plus students in these batches are being trained simultaneously. I'm happy to say that one company in Indore actually hired 40 students yesterday from the two outgoing batches of 80 students. Out of those 80, they bulk-hired 40 in a single shot, which was quite a phenomenal achievement for us. And these are all underprivileged kids, you know, non-technical background, B.Com., B.B.A. kind of students who get trained on software programming for free for the entire year. And then, you know, here's the result where we are getting them placed from the various organizations. So put together, in the last five years, we started with 20 students, and in five years, we

have trained about 170-odd students. Out of them, 150 got placed already, which is quite a significant achievement, and we're very proud of that. So we have tied up with FICCI Indore, which is a ladies' organization, to sponsor and focus and dedicate support to a girls-only batch. There is a batch of 44 girls which is run in Indore under the support of FICCI. We'll be training them for the entire year, and then we'll place them by the end of March next year. We opened the newest center in Pune. So we have three centers in Indore, and now the fourth center comes in Pune. So very, very strong work on the CSR side that we're doing, which is changing lives of people. And we are very bullish on this new center, which will open up a new job market for our students in this location.

Market data

So this is the market data from 30th June. The market price was 454 and the market cap was about 1100 crores. Thank you very much. I think we can now open for questions and answers.

Q&A

Mridul Maheshwari - Participants are requested to either raise their hands or put their questions in the Q&A box.

Rupesh, thank you for raising your hand. Kindly ask your question.

Rupesh - Hi. Can you hear me?

Avinash - Yes. Yeah.

Rupesh - Hi. My first question is, I think in Q4 also, we hired around 100 people, and I think in Q1 also you have hired around 100 people. So if you can talk about iteration and give me net number, what is the net addition? I think this might be the gross addition, so to say. And what is the kind of like capacity utilization as of today? That is number one. Number two is if you can give some amount of total contract value or total order book and some view on the environment and how this year will pan out. That is number two. And then third is Europe and UAE, I think we're seeing very strong growth. So would they be, I mean, would they be, you know, grow at, let's say, much faster than company average? Is that a fair assumption to make? And lastly, maybe we can talk a little bit about this pipeline with agineo, and how it is helping us to win deals.

Avinash - Sure. So you have many questions, Rupesh, but I'll try to address each one of those. The first thing is the net headcount is negative. There is a 16% attrition rate, which is a healthy attrition rate for an IT company. We are not really bothered about it. We're also re-optimizing in the sense that, or rebalancing in the sense that we are hiring on the skills that we need and we are letting people go on the skills that we don't need. So that balancing is happening and it's pretty effective because the reutilization rate is closing to 80% now. It's about 76 to 77% right now. We want to cross the 82% at least from here. So there's still some scope. On the demand scene, I can't really have a list of contracted revenue number. We don't publish that. But usually the contracts are between six to twelve months and the renewal happens just over an email or a phone call. So that is how it happens. Traditionally, as I told you, there are so many clients which are with us over 10 years, 15 years, 20 years. Traditionally, that is how they work. We do have certain clients where we have multi-year arrangements. But I would say there are just four or five of them. Not everybody in that space. So it is difficult to have a contracted list published out there. But having said that, there is a great amount of repeat business that we generate every year from these clients. Now, the third question that you had was on UAE and UK. Obviously, they are small. The base effect will allow them to show a faster growth than the company average, which is, I would say, a given. Thankfully, they are growing well because of the partnerships like agineo, which is also the roadmap. I think I mentioned last time also. The roadmap is that we have to have a team of 50 people on ServiceNow on this particular client, which is going the right direction. So we started with them, I think, three, four months ago. We already have 20-plus people working with them jointly. And we are also going in the market, pitching the project jointly. So it's not just being shadowed under the name of agineo. We are partners, and we are going in the market together. We have a good pipeline coming in from them, and there is a plan that we have to continue to deliver over the next 24 months. What was the fourth question? We talked about agieno. I hope I addressed your question, Rupesh.

Rupesh - Yeah, yeah. So maybe one more. Can you talk about the environment in the US? I think you and some other people in the industry have said that there are green shoots. So maybe if you can just give some color around that.

Avinash - Yeah, it is a mixed feeling, Rupesh. I think we are still a micro-company. For us, a few clients, let's say two, three clients will make or break the growth momentum for us. So in general, we get a mixed feeling there. There is a demand, there is a positivity out there. But then at the same time, it has to happen in the clients that we are working with. So having said that, we are still seeing green shoots. We are still seeing positivity. We see demand coming back from the customers who withdrew earlier. So from that perspective, yes. But I would say we are still a very small company to have any relevance to the micro-trends.

Rupesh - Okay, okay. I will get back to you. Thank you.

Avinash - Thank you, Rupesh.

Mridul - We have a few questions in the Q&A box.

Avinash - So I can read out the question here from Tejas Modi.

Q.1 Any plan to increase presence in Japan?

Response - We have zero presence in Japan and we have no plans.

Q2. What is the percentage of repeat business in the region?

Response - I think the repeat business usually is 90% plus. All the time. This has not changed.

Q3. - Which reason is the biggest customer exposure for the company?

Response - US is the biggest exposure for us. If you are looking at the customer individually, then I would say we have two customers which are running neck-to-neck. One is from Germany, one is from the US. In the race to become the top customer, for instance.

Q4. On which technology is the company running their focus? Rupesh.

Response - We work on all the custom technologies like Java, Open Source, Microsoft.NET, React, Angular and other technologies. Then we have focused on ServiceNow and Salesforce, which is a lot of customization and a lot of configuration within the tools. We need to learn ServiceNow and Salesforce as well. And we can create apps on top of it. And we do have apps which are generating revenue for us. That way, it's a big mixed bag. But having said that, the

simple answer is we have all the tools and technologies that are required to build custom software.

Q5. What is the mix of projects, support and new developments?

Response - Most of our projects are new developments. I would say 80 plus percent is new development. And about 20% will be support work.

Q6. Can we expect the top line to grow from here? Also, do we have any scope to increase the margins?

Response - I wish I had the answer here. Yes, we want to grow the top line from here. On a YOY basis, we have shown growth. We are continuously working towards that direction. Do we have any scope to increase the margins? Yes, yes. We always have the scope to increase the margins. We always have the scope to be more efficient. And constantly working towards it. I think in the previous calls also, we talked about it. We want to increase the margins. We want to focus on staying profitable. And also want to grow the business. That's a challenge that we are taking up right now.

Q7. What is the prediction for growth over the next 5 years?

Response - That's a good question, Ansh. We like to and we want to double every few years. And usually I told in the past that we want to grow double every 3 years. With the current stagnancy, I cannot really tell you the timeline. But it doesn't make us happy. It doesn't make us comfortable if we are not growing faster. So yes, the intent is to grow faster. The intent is to grow as fast as we can. At least 35% year on year is what we want to do. With a combination of organic and inorganic growth. Now if you notice, we have not been able to acquire a company in the last 3 years. And that is hurting the growth momentum for us. So again, it is unpredictable. We don't know whether we will be able to acquire a company tomorrow or not. But yes, we are working towards it. And we want to grow it faster.

Q8. Next question again from Kages. Any strategic relationship with captives of Fortune 500 companies?

Response - We are working towards it. We have spoken to a couple of captives. And by the way, if you look at some of the names that we are working with. We are working with among the top 20 clients that we have. I would say at least 5 or 6 of

them already have their businesses in India. And technically we are working with both the parent company as well as the captive in India as well. So we are collaborating with them simultaneously. So as we are already having relationships with captives. At least the 6 of top 20 companies will be captives of Fortune 500. So yes, we have that. We want to do more. And we are working towards it.

Q9. How much investment in Gen-AI? Any successful implementation for customers?

Ans. So AppOrchid is a product. And I encourage you to look at their website. It is an AI product. And we have explored that, and demoed it to at least 4 or 5 of our customers. I think one of the bigger challenges that the AI companies are facing is where does the data reside. If a client wants to implement AI tool, either they have to deploy or offer their entire data to the AI engine to be able to do some meaningful outcome. Otherwise, they have to deploy the entire AI engine on to the company premises. Both of these are technically difficult. I mean one is technically difficult and the other one is security concerns are there where companies are not willing to share their data to the AI engine because they are worried that what happens to the data? So we are debating those issues at this point in time. How much investment we have made in Gen-I? I would say we have 3 or 4 people working on that. And we are not making any investment or say in terms of building anything. We are making investment in terms of creating an ability to deploy these AI tools and apply it into, implement it into the organizations or our clients. But that is what we are doing right now.

Q10. Okay, the next question is you have exposure to two clients, one from the US and one from Germany. Can you share the revenue percentage of these two clients of the total revenue?

Response - This would be about 8 to 10%. Each? Yeah. Yeah, about 8 to 10% each.

Q11. Is the IT industry valuation reverted to the mean? Are you seeing any opportunities for acquisition?

Response - We are seeing a lot of opportunities for acquisition. The only challenge is the valuation demand from those founders is still not moderated.

Q12. Do you serve any financial institutions in the US?

Response - Yes, we do. There are many.

Q.13. Any guidance for the company current FY with regards to top line and debt?

Response - We are a zero debt company, Dheeraj. There is no guidance that we can offer. We have no practice to offer that guidance. But if you look at it, we are doing good in the last quarter versus this quarter, previous quarter, FY. We are trying to bring the company back on track in terms of the top line and the top line growth as well as margins. That's a constant effort. So we continue to work in that direction. But yeah, we cannot give any guidance.

Q14. Any plans to raise funds?

Response - We don't need funds right now. But if there is an opportunity which is bigger than that, we will certainly explore possibilities of raising debt, raising funds, all of that. We are open to do that. I think that's pretty much it in terms of the questions.

Mridul - The next question comes from the line of VP Rajesh.

VP - Thanks, Mridul. Hi, Avinash. A couple of questions. So one is, you said we have a lot of cash in the bank. What is that number at the end of June without the receivables?

Avinash - Let me just check. Do we have that number at the end of June? 214. Minus receivables. Minus receivables. 214. Minus receivables. 141. crores. I mean, there is no account receivable here. Right.

VP - And there is no more payouts or earnouts payment pending in this number, right?

Avinash - Yeah, it doesn't look like.

VP - Okay. And then second question. You know, you talked about that US proportion is coming down. So since we quarter on quarter did 100 to 100, which means that the US business has come down a little bit. So if you can provide a little more color as to what's going on in the US. Because, you know, some of the larger peers said are seeing much better growth from what it was. And for our business, I would expect that we would be growing. So if you can just give some more color on that, that would be helpful.

Avinash - Yeah. Actually, in general, I told Rupesh also, in general, the market sentiment is positive. We are seeing decent demand. There is a long pipeline, but it's taking time to convert. Again, you know, another factor is the macros are, you know, too large for a company of our size. Correct. Usually it is one or two clients that, you know, just disturbs the whole momentum. So we had a client which was running very well, and it was a funded startup. And all of a sudden they put brakes on the business. Right. So, you know, that one or two clients will, you know, suddenly reduce your business from that particular geography. So it's, I would say, circumstantial at this point in time. I mean, it is difficult to draw a general trend, but I would tend to think general trend is positive in the U.S. market. Right. And what happened was, the other geographies have grown on the back of the partnerships and on the back of certain clients that we, you know, secured two quarters ago. They are growing well. So that is, that is some momentum building again of the past that is now showing results.

VP - Got it. That's quite helpful. And then the last question was, you know, how should one think about your order book? Has it grown meaningfully since the March quarter? Like, you know, if you can just give some indication of what has been the growth in the order book?

Avinash - So, the order book is going good, I would say. I mean, there is no, I mean, I don't anticipate any drop in the coming quarters. As I said, you know, there is more predictability because of these partnerships in place. There is more predictability in terms of the demand coming in from the positivity and the optimism in the market. So clients are all, you know, positive. And I think I mentioned last quarter also, we are hiring aggressively every month. So that way, I don't see any challenges at this point.

VP - That's great. That's great. And if I may ask one more question, when you said your German customer is 8 to 10 percent, I'm assuming that's the consulting partner you're talking about. So underneath that, there may be multiple customers that you are serving through that partner. Is that reasonable understanding?

Avinash - No, no. It is a direct customer.

VP - Oh, it's a direct customer. Okay. All right. So the partner related revenue is what percentage over, you know, of the revenue this quarter?

Avinash - It is going to build up. It is incremental, right? It is every month it is increasing. So we anticipate it to, you know, I can give you a sense of it. It will probably be one and a half to two million dollars in this year.

VP - Got you. Okay. Thank you and all the best.

Avinash - Thank you.

Rupesh - A few more I have. So one, I think, how is the Philosophie business doing? If you can give some color around that. And I think there was some high cost, I think, properties in New York and LA. So maybe if you can give an update on that, that is number one. Number two is, I think, the cloud tech revenue has come down. So if you can, you know, a little bit talk about it and what's happening there and how will this year pan out? Is there some area of concern in that business? That is another. And then with Agineo, can you maybe talk about our offerings are completely different or is there some overlap? And maybe if you can give some color in technical terms that what are our offerings, what are their offerings and together how, you know, kind of like some of parts is bigger. If you can explain that a little. These three, maybe if you can take.

Avinash - Sure. So our Philosophie was already integrated into the main parent company, which is the INC, Infobin's INC in the US. That was done in 2021, I believe. So we don't track it individually, but the design practice is facing a little trouble at this point in time. One of the typical challenges with that kind of business is that it is the best customer for them is startups because they want to do a lot of prototyping and market testing, which is, I mean, they do their work, but then it is difficult to continue to have money coming from them because they shut down overnight. If there's some challenges in funding or some challenges in business ideas. So we are very careful in terms of choosing the startups because then we do a diligence whether it is a funded startup or not, whether it is run by the right kind of founders or not and so on and so on. We are very selective in terms of selecting those customers and that is where there is a real challenge in building a sales pipeline for that business. The second thing was InfoBeans CloudTech. This quarter they did really poorly because one of their clients got down in terms of the projected business, but they still have a good pipeline. So I'm sure they will bounce back next quarter. Third thing you asked about was agineo. So agineo is a ServiceNow vendor in the German market and they have a lot of Fortune 500 customers as their customers. By the way, agineo is a child company

of a parent called Materna. Materna is an IT services or consulting company in the German market and we are doing a joint sales and joint delivery with agineo as a partnership. Now we are also exploring partnerships with the parent which is Materna. So where Materna would be mostly around non-ServiceNow business which is a widespread IT services world across custom technologies or many more technologies. While agineo is a very, very focused on ServiceNow player. So we are doing ServiceNow delivery, configuration, implementation and customization using ServiceNow platform for agineo because they don't have any offshore partner. We are the only offshore partner for them. So they face a challenge of resource availability and technical talent in the German market which is where we come in very handy and because they have a particular need in terms of the talent capabilities. Because we are a partner, we are investing in building a team for them for those particular skills within ServiceNow ecosystem and then we jointly deliver on projects. It's a purely technical and sales collaboration where we jointly go and pitch clients with the onsite and offshore model and then we deliver on ServiceNow capabilities for their customers.

Thank you very much for your time, your attention, and your interesting in InfoBeans. You may disconnect your line.