



EXPERIENCES UNFORGETTABLE

Date: 21st November, 2024

To,

BSE Limited
P.J. Tower, Dalal Street,
Mumbai-400 001.

Scrip Code: 544248

Scrip ID: MCEL

SUBJECT: Disclosure of Transcript of H1 FY25 Earnings Call held on November 15, 2024

Dear Sirs,

This is further to our letter dated 12th November, 2024, wherein we had given you an advance intimation of the upcoming Analyst or Institutional Investor Meeting in terms of Regulation 30 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had conducted MACH's H1FY25 Earnings Call with Several Investors / Analysts on 15th November, 2024 at 4:30 P.M.(IST) onwards with respect to the Unaudited Standalone and Consolidated Financial Results of the Company for the First Half Year ended 30th September, 2024 and weblink of the Audio Recording of the said Earnings Call was submitted vide our letter dated 16th November, 2024.

The Transcript of the aforesaid MACH's H1FY25 Earnings Call with Several Investors / Analysts is enclosed herein and is also available on the Company's website and can be accessed at:

<https://www.machconferences.com/pdf/investors-relations/disclosures/H1FY25-Earnings-Call-Transcript-Nov15-2024.pdf>

Please note that no unpublished price sensitive information was shared/discussed in the aforesaid Earnings Call.

Kindly take the same on record and acknowledge receipt.

Thanking You,
Yours faithfully,

For **Mach Conferences & Events Limited**

Yashashvi Srivastava
Digitally signed by
Yashashvi Srivastava
Date: 2024.11.21
17:55:52 +05'30'

Yashashvi Srivastava
Company Secretary & Compliance Officer

Encl: As above

Mach Conferences & Events Ltd.

(Formerly known as Mach Conferences & Events Pvt. Ltd.)

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EXPERIENCES UNFORGETTABLE

“Mach Conferences & Events Limited

H1FY25 Results Conference Call”

November 15, 2024



**MANAGEMENT: MR. AMIT BHATIA – MANAGING DIRECTOR AND
CHAIRMAN – MACH CONFERENCES & EVENTS
LIMITED**

**MR. RAVI KUMAR MISHRA – CHIEF FINANCIAL
OFFICER – MACH CONFERENCES & EVENTS LIMITED**

**MS. YASHASHVI SRIVASTAVA – COMPANY SECRETARY
AND COMPLIANCE OFFICER – MACH CONFERENCES &
EVENTS LIMITED**

Moderator: Ladies and Gentlemen, good day and welcome to the Mach Conferences & Events' Conference Call. As a reminder, all participant lines will be in the 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 star (*) then zero (0) on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Bhatia, Managing Director and Chairman. Thank you and over to you, Sir.

Amit Bhatia: Good evening, everyone. My name is Amit Bhatia. I am the Managing Director and the Chairman of Mach Conferences & Events Limited. I welcome you to H1 Results Conference Call and I look forward to answering your queries whenever, the operator opens the forum. Now, I would now start with our performance of last six months and I just wanted you to recall that our IPO had come on 11th of September and from 1st of April this year till 30th of September this year, our numbers have been phenomenally good. In terms of top line, we have done about INR119 crores as our top line, which is 68% higher than the last year's number, which was around INR70 crores.

I repeat, we have done about INR 119 crores, which is 68% higher than last year's H1 numbers, which was INR70.91 crores. Our EBITDA has gone up by 94% from INR 6.5 crores last year to INR12.62 crores this year. Our PAT has gone up by 96% from INR 4.34 crores last year in H1. This year, we have gone up to 8.5326 crores. So, just to summarize again, our top line revenue from operation has grown 68%, EBITDA has increased by 94% and PAT has increased by 96%.

We would like to take this opportunity to thank our shareholders and we appreciate the trust you have given, you put in us and you are our shareholders and we look forward to doing well in future also. Now, during this last six months, I will just take you through our performance, what all significant things we have done. You know, our business, as we are a MICE company, which is a company into organizing of meetings, incentive tours, conferences, and exhibitions/events.

So, our corporate business, which is 99% business, we have done some marquee events in that business. For example, we have done a business for a banking company in Istanbul, which had about 550 people traveling together, which was a business of about INR13.5 crores. We have operated 850 pax of for a health insurance company, which was a business of about INR 5.5 crores in Vietnam. Similarly, we have done huge numbers in Goa. We have done 1,110 people, again, with a financial services company with a business of INR5.5 crores. We have done a very high-profile event for a General Insurance Company for Peru.

It was just about 97 people and the billing was about INR7.15 crores. Similarly, we have done groups for cement companies. There was a huge series of about 1,400 people, which is still on, which is for a cement company.

And similarly, there are a couple of other businesses which we've operated, international and domestic, for various cement companies also. We've done some business for a car company, a very high-profile conference in Bangalore. And this is just to give you details about what we've done in the past six months.

Now, coming back to another milestone event or a milestone which we've reached, we've opened our Kolkata office. We've hired a new team under the leadership of a gentleman who has about 24 years of work experience in the MICE industry. Our endeavor is to open a new gateway towards the east, eastern part of the country, which will, of course, give us enhanced visibility.

And our operational effectiveness will increase. And a few of the new industry clients, we have been able to tap. The process of empanelment is already done. There are some plywood companies, the wooden companies, which have empaneled us. There are some steel TMT companies, which have empaneled us. There are other cement companies, which have empaneled us.

There is this couple of computer hardware companies, which is specific to the eastern part of India, who have empaneled us and their RFQs have started to come. Some businesses are in pipeline, some are confirmed, some businesses we have also lost. So this is the detail of last 6 months. For coming 6 months I will not be able to make any forward-looking statement, but what I can assure you is that we are looking at a good order book.

Our order book is looking very nicely placed. Our endeavor is to grow last year's number. One very important thing, which I want your attention to be brought to, which is that our second half of the year is much heavier than the first half. I mean, if we compare it to last year, out of INR237 crores, we only did INR70 crores in the first half of the year.

The rest of the business was in the second half. And that is why our second half of the year is much, much stronger than the first half. The signs are looking very good. Our order book is looking very good. We have increased our manpower. We have from a number of about 50-55 till 31st of March. We are currently about 79-80. We've ramped up the team. We've got new talent. And this is what we've done in the past six months and the plan for the next six months, whatever I can tell you. So, this is it. If there is any other information you would like to ask me, I and Ravi from my team and Yashashvi from my team will be very glad to answer it. Over to you, my friend.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from Arvind Arora from Arnam Capital. Please go ahead.

Arvind Arora: Hello. Am I audible?

Amit Bhatia: Yes, you are, Mr. Arora. Good evening to you.

Arvind Arora: So good evening, sir. And congratulations for a good set of numbers. 68% - year-on-year growth. So far, my first question is in regards to as you mentioned in March H2(FY24), and H2 is not

comparable with H1. So even if I see last year's records, then also we have like, we almost crossed two, like more than two times. So can we expect same trajectory in the current year? Like, our H2 will be crossed more than H2(FY24) by more than two times or something like that?

Amit Bhatia: Mr. Arora, it will be very difficult for me to answer this question, since I have to, follow the guidelines. But the history says that the first half of the year is much lighter than the next half of the year. And we are not into seasonal business. But the conferencing, the MICE business, it does phenomenally well in the second half. But numbers, I cannot state. It will be a little unfair more for me to quote the numbers and the growth.

Arvind Arora: Okay. So can we get an order value also around September 24? Because in the presentation, we haven't find this order value?

Amit Bhatia: You know, I am not sure, Mr. Arora, that I can share the order book, but I can assure you, we, you have seen the growth in the past also, in the previous year and the year before that. And I can make you comfortable by saying this, that, the first half, we have already performed. So we would say that, we are looking at a good, wicket.

And we would do well. And we are working very hard. There are other things which will be added at a later stage in our bouquet of services. So this is what I can state currently, Mr. Arora.

Arvind Arora: Okay. Thank you. So, sir, like with regards to, since right now we are in B2B sector, so you mentioned, like, we are planning for B2C also. So any plan or any, like, what is the status right now? Any, like, any plan on technology spend or, like, developing a platform or any such things?

Amit Bhatia: Mr. Arora, you know, we have a portal, which is called Book My Yatra, which is, the compliance is all done. We are in a process of hiring our leadership. There is a CTO, which needs to be hired. There is a full, you know, technology team, which has to be hired under his leadership. There is a product side, which has to be hired. So the process has started.

The ball has started rolling. We are working towards the B2C vertical. And we are also working towards, the religious tourism, which we had wished to penetrate into. And, you would be aware that there is Kumbh Mela, which is being, planned. So we wish to, do extensive B2C sales during that Kumbh. So yes, we are looking to penetrate into B2C market.

Arvind Arora: Okay, perfect. So any tentative goal line dates, sir, on this part?

Amit Bhatia: Sorry?

Arvind Arora: Any tentative date by when we can plan?

Amit Bhatia: No, the intent is not to, hurry through it, because you would appreciate the fact that for 20 years or more, we know only one business, which is MICE business. So, our expertise is limited to the

field where we are right now. So we do not want to rush into, hiring a new team and getting aggressive in terms of marketing or sales.

And we do not want to burn money. We want to go slow. Currently, our season or our conferencing season has just set in. So our hands are full. So, the process has begun. But there is no set date for me to, communicate to you.

Arvind Arora: Okay. Perfect. Sir, my last question, any fear from, like, recession perspective or something like that, that you are encountering?

Amit Bhatia: Any recession?

Arvind Arora: Yes, recession kind of things or you can see downtrend in your business...or industry

Amit Bhatia: No. Mr. Arora, our order booking is very strong and our performance is there in front of you. So there is no recession, nothing which we, kind of, have to worry about. In fact, there are two huge orders which we have already intimated the exchange, is that we have picked up a huge order of about INR22 crores for about 800- 900 people traveling to Switzerland. We currently have executed an event for about INR7 crores to INR8 crores for an insurance company which is traveling from India to France. They have gone from India to Paris and from there to NICE and a day excursion to Monte Carlo. So, there is no sign of any recession to say that. Things are looking good. There is nothing to be alarmed.

Arvind Arora: Okay, and sir, you mentioned that you are planning to hire experienced people or B2C people, whereas in B2B we are good to go, correct? Whatever we have, we don't require any new...

Amit Bhatia: No. like I said that, we've opened a new office in Calcutta. So, there is, under the leadership of a new vice president, a new team has been set up. So as and when the team is, getting business, more people will be recruited. Currently in the MICE Business also we are open to hiring of new talent, fresh talent. And to be very frank, after the IPO our visibility has increased, our hiring capabilities have increased, people are more confident, versus a private limited company.

When you have a listed company, people are a little more comfortable in joining a listed company. So this is, we are using all the, positives to our advantage. And with the funds which we have sourced in IPO, we wish to, hire better talent, more people under various leaders and generate more revenue.

Moderator: Thank you. The next question comes from Bhavishetty Ananda Raghava from EPS, Eluru, please go ahead.

Bhavishetty AR: Yes. So as I was saying last time, for the whole year, the operation margins are 15 %. So currently, in the first half, we only did 10 percentage as an operation margin. Anything like to worry about or like, why are operations margin like 10% for the first half? I know I have seen it 9% for the first half in the previous year. Is it how it usually works? Like the second half is heavy and like we get better margins?

Amit Bhatia: You know, we, I don't have that number ready with me. But what I can understand from your question, and I am sure we can make you comfortable by giving you a relatable answer, is that, our cost remains the same. You know, we do not have a raw material cost, we do not have any plant and machinery.

It is the fixed cost which is there, for example, the rentals which we have, the manpower which we have, the overheads which we have. So those remain the same. So when, the expenses remain the same, and in the second half, the business increases, hence the profitability, the margins also increase, which positively affects the entire balance sheet.

Bhavishetty AR: Yes, got it, Yes, I just have one last question. So like, so when you say order book, right? So generally the order book, how long it will take to execute the order book? Like, what I'm asking is like, let's say if I'm planning for an event, how long before that event you generally talk to people and get that on your order book?

Amit Bhatia: You know, the order book can vary, the two orders which we have reported through the exchange, one is already executed, today is a checkout in NICE, and the other one is going to check in on 13th of December. So, what I'm, all this is, on a case-to-case basis. Currently, we have confirmed orders for February also, we've got confirmed order for March also. So it could be a month away, or it could be as long as three, three and a half months away also.

Bhavishetty AR: Yea, I have one question then. So I have seen in the presentation that you guys have posted. So there are about 79 plus events that you have done in the first half of the year. So whenever you get an order, so I'm assuming these are like 79 separate orders or the 79 separate events. So like, from the time you guys have entered the IPO and started posting about your orders, there aren't many orders that you guys have, like, reported to the exchange. So generally, do we report all the orders we get or is it just the huge orders?

Amit Bhatia: No, no, no, no, we received any marquee order, maybe, volumetric wise, maybe visibility wise, then only we would, intimate the exchange. You know, for example, one order was a huge order was 22 crores, we decided to, intimate the exchange. Now, there is another order of six-seven crores, which is relatively half of the earlier number order, which we had reported to the exchange, but it was a marquee thing, because it had just about 110 or 120 people.

So, if there is something which is unique, then only we would want to intimate the exchange. If there is a new industry, which we get empanelled with, or we have picked up the order, then only we would do it at a later date. There are a couple of things which we are in under a pipeline of closing or we have closed, which we have not reported to the exchange, we will do that. So not all the businesses are reported to the exchange, just to give you the answers.

Bhavishetty AR: Perfect, perfect. Thank you so much. I mean, like, you have posted great set of numbers and all the best and looking forward to stay invested in this company.

Amit Bhatia: Thank you. We appreciate the trust given by you. Thank you.

- Moderator:** Thank you. The next question comes from Jinesh Shah, individual investor, please go ahead.
- Jinesh Shah:** Thank you for the opportunity and many congratulations to Bhatia ji and entire team for posting excellent set of numbers. So my question is, what is the current availability of working capital the company has post IPO?
- Amit Bhatia:** Ravi can you please answer this?
- Ravi Kumar Mishra:** Sir, we have working capital more than INR50 crores. You can see the results, INR50 crores plus.
- Jinesh Shah:** Okay. And what was the working capital company has in last H1, last financial year?
- Ravi Kumar Mishra:** Last financial year, it was INR30 crores around, sir.
- Jinesh Shah:** How much?
- Ravi Kumar Mishra:** It was around INR30 crores.
- Jinesh Shah:** INR30 crores. So my question is, I mean, we are not getting forward-looking statement due to some constraint from the management side. So suppose if the company wants to, let's say, do the revenue of INR1,000 crores, what is the minimum working capital the company requirement could have?
- Amit Bhatia:** Sir, I would answer this question. There is no set formula because we have different payment terms for different clients. Some international businesses have a different set of rules. Some domestic have different. We are getting into weddings and we would soon inform the exchange. Wedding billing and payment items are different.
- So there is no set formula to say that, for example, for INR1,000 crores, we would need so much money. But currently, our working capital position is at a comfortable state and we do not see any roadblock in terms of working capital. Our growth, current year growth plan are under control and we do not see any roadblock there.
- Jinesh Shah:** So, sir, last time the H2 contributed close to 80% of total revenue, almost the H2 was 4x higher than H1. So is this a pattern of last two, three years and we can expect this similar kind of pattern this year as well as coming years?
- Amit Bhatia:** Sir, like you rightly said, I cannot make a forward-looking statement, but this is how the industry works. But I cannot commit to you, but I can say that this used to happen before and this year's order book is looking very good.
- Jinesh Shah:** Okay. Sir, you mentioned in your PPT that you have managed 38 plus locations. So I just want to understand how we get the RFQ and do we have any limitations in terms of managing these locations? And that is why we may be losing some of the order or it's not the case?

Amit Bhatia: Just to give you one answer first is that we do not have any limitations. For example, we have picked up a business for Peru. Now, Peru is not a difficult but a different kind of a location. Not many corporates wish to travel half of the globe to see Machu Picchu and do their R&R, Rewards and Recognition there. So we do not have any physical limitations that we cannot do business in North America, we cannot do a cruise or we cannot do Africa. That way, there is no problem.

Now, how we get the RFQs is that we get empanelled with the corporates and as and when we get empanelled, we get RFQs from them and we need to work upon those RFQs and kind of, be the lowest bidder and at the same time give them a better concept than the competitors. Once our concepts, our itineraries, our designs, etc., are liked by the customer and we are in a good pricing position, then the businesses are confirmed to us.

Jinesh Shah: Understood. Sir, while doing the RFQ bidding process, what is the EBITDA level we fix at the time of bidding? Do we have any range like that between less than 10% we won't bid for any project or something like that?

Amit Bhatia: It is not that way. We want to pick up the business, which gives us, of course, a short profit. There is no formula which is fixed that we would work on this margin only. Somewhere you make a little more money, somewhere you make less money. It is not that we are only running for numbers. We may get 2,000 people for Thailand and we may get less aggressive in terms of costing. We may want to pick up something in Europe, which is just for 200 people, which has equal amount of volume. So there is no set formula. You never know. We may be very aggressive in one month. We may be less aggressive in the other month. We may be aggressive in domestic. We may be less aggressive in international. So there is no proper yardstick. In domestic, we make more profit in terms of the percentage. Domestic businesses are much easier than the international business. So it varies from a case to case basis, but there is no set formula.

Jinesh Shah: Understood. Sir, right now, the crude prices are going down continuously last two, three months. And what I understood is the flight tickets is also one of the key contributors in terms of our total revenues or total orders. So are we getting in terms of any competitive advantage in terms of flight booking nowadays as compared to three to four months back?

Amit Bhatia: Not really. Frankly, I would not see any impact of reduction in crude oil in terms of air ticket business. But having said that, it does not matter really. Our profitability, when we pick up the business, we have a fixed cost of airlines. So for us, it does not matter if the cost of the ticket is INR2,000 more or INR2,000 less. We hedge our risks and we quote the figure. And it does not come of any use on the ground at the end of the day for us.

Jinesh Shah: Sir, there is another listed player in the same segment that is Exhicon. So could you please elaborate how Mach Conference differentiates between the Exhicon, please?

Amit Bhatia: I cannot talk about the other gentlemen, other company. All I can say is that I've heard about the company. They are also into event. But I do not know much about them.

Jinesh Shah:

Sir, whom do you consider your major competitors in India?

Amit Bhatia:

I will not name it, but all the big ones you can think of, all the big ones, the multinational companies, we compete with them. So maybe I hope I'm not doing anything wrong by taking the name. Maybe it is Thomas Cook, maybe it is SOTG, maybe it is MakeMyTrip, maybe it is EaseMyTrip, it could be Ebix. All these kinds of companies are our competitors. And I can proudly state that we are one of the leading players in the MICE industry in terms of the Indian companies. I think we are the only company which is only into MICE, which has been listed, and we are one of the leading ones in India.

Jinesh Shah:

Okay. Sir, we are going to open an office in Northeast side, that is in Kolkata. I just wanted to understand, can you elaborate geography-wise, what is our revenue mix, how much we get from North, West or South?

Amit Bhatia:

Currently, our West is heavier than North, understandably, because in West, Mumbai has -- it is the financial capital of India. So, hence, majority business comes from there. But we also have from North. It is not that we did not have business from East or South, but East is a very different market. You need to be approachable. And companies, we wanted to have our physical presence. We didn't want our leaders to fly from Mumbai or from Delhi. We wanted to be physically present there. And that in times to come, we are already empanelled with four or five companies. These companies have a MICE business of crores. And the intent is to start having a piece of the pie and later on build upon it.

Jinesh Shah:

Well, I also think that your major business is coming from insurance company and chemical, but I am surprised that you have not received any big order from IT or ITES. So, are we planning to expand this as a new segment or are we seeing any opportunity in IT or ITES business?

Amit Bhatia:

There is a IT company, a big one in Noida, very, very big company. We have done their leadership program in -- we had a buyout of ITC Grand Bharat, which is in Manesar. We had taken the entire property of 110 rooms. This happened last week. So we have multiple businesses every year. So we do not report all the businesses to exchange and the PPT, which you have seen, it cannot physically have all the details.

But having said that, the IT, ITES industry has limited opportunities in terms of MICE business. We have entered into the cement industry, which has huge volumes, huge volumes and we are in process of getting empanelled with one of the biggest players of cement industry. And once that happens, we would -- our intent is to penetrate deeper into the cement industry. But IT has limited business and we do not have our forte.

Jinesh Shah:

Sir, can you also give some split in revenue, how much you get from insurance, chemicals, segment wise, if you have that data?

Amit Bhatia:

No, I will not have this data handy with me. But perhaps this is a homework for us. Next call, we will keep this data handy.

Jinesh Shah: Okay. And sir, you are not giving any order book guidance. But I want to understand by when, what, looking at the opportunity in India the MICE have, I don't know, I also have this question, what is the opportunity size in India? But again, can you please give us a ballpark number by when the companies aspire to reach revenue, let's say, INR2,000 crores or INR5,000 crores in next two, three years, four, five years or 10 years?

Amit Bhatia: Mr. Shah, I have my limitations. I cannot give you a timeframe. But what I can say that times have changed, you know, what has happened. People do not want to have cash payout from the parent companies. For example, a cement company, insurance or banking company cannot pay people, incentivize them, because of various factors, including tax issues. And after COVID, the perception of the entire world has changed. People live for today. People do not want to save for tomorrow. And that kind of travel which has started after COVID, before COVID also there was steady growth but after COVID, there is a phenomenal growth.

None of the airlines is available, hotels have jacked up their prices by 4x. So, the industry looks good. The only issue which we had was that we had limitation in terms of working capital, because we need to give a lot of credit to the corporates. It is not that they want credit. It is just that they are A plus listed companies, they have set processes. Today, I pick up a business of INR10 crores. I need to pay to the airlines and the hotels the same very evening. And I cannot do it if I have crores in my account.

If I pick up a business of INR10 crores, I have to make INR5 crores payment the same evening. And there have been times when, the money was a handicap for us. So now with the IPO, we can, grow in terms of size and revenue and profit, because we know that we have funds available. Once we have funds available, there is no cost of funds, the interest part is saved, because we used to take money from banks and we used to, there is a cost of money also.

So currently, there is no reason for us to worry about it, because we have to just look at execution. Money bit and the talent bit is kind of taken care of.

Jinesh Shah: Okay. So what is our market share in mice industry in India, if you have any idea or can give some ballpark numbers?

Amit Bhatia: Sir, I would not have a number because, all these big companies I named, they do not have a bifurcation of the mice business. One of their vertical is mice business. They have their forex department, they have their outbound department, inbound department, their fixed departures. So I will not have the numbers.

But in terms of Indian companies, we are one of the leaders. If not one, number one, maybe we are number two, or we are number one, I do not have the data. But we are one of the strongest players in the industry.

Jinesh Shah: Sir, I could see from your PPT, you have a team...

Amit Bhatia: Sorry?

Moderator: Sir, the line for the current participant has been dropped. We'll move on to the next question. The next question comes from Krish Ahuja from Visionary Investment Solutions. Please go ahead.

Krish Ahuja: So firstly, congratulations on the great numbers, sir. So my question is, like currently you forward into cement industry, and you said huge volumes are coming from it. And a good future outlook is present there, sir. So what other industries can we look at in the next two or three quarters or in the next year?

Amit Bhatia: You know, like we stated, there are some steel companies, the TMT companies, there are some computer hardware companies, there are wood ply companies, there are other car companies, which we are trying to penetrate into. But what we our intent is that we want to repeat business and huge volumes because we have buying power, we have one of the best deals from hotels, we have best deals from the airlines. So and we have access to working capital now. So the intent is to pick up a bigger businesses and get into various other industries. And the process is currently on. So this is the detail right now, which I can share with you.

Krish Ahuja: Sir, one more question. Sir, you in the Zoom meet, which happened earlier, the past month, when we got some orders. So you said that we don't require new physical offices, like some person asked there in Nepal, Bhutan, I guess. So sir, now like you have opened an office in Calcutta. So sir, what's the main purpose of that if we can scale up without a physical office?

Amit Bhatia: No, no, no. I do not need offices in Nepal and Bhutan currently. And I would still say the same statement. For example, I get business for Switzerland. I do not need an office there. I would book the hotels directly. I will book a transporter, I'll get the F&B guys from there. I would not need a physical office there. Similarly, maybe Nepal or Bhutan.

Why I need a physical office in Calcutta is that I need to service my corporates, my clients. Now, if there is a ply company, which has a business to Thailand, if I pick it up, then I do not need a business office in Thailand. But, the client gets a little more comfortable.

You have requirements where somebody says that, I need to discuss something important. So physically it becomes a little more feasible and people are more approachable. This is the reason we needed the office in Calcutta.

Krish Ahuja: Thank you, sir.

Moderator: Thank you. The next question comes from Gyaneshwar Taware from DT Investment. Please go ahead.

Gyaneshwar Taware: Good evening, Ahuja sir. First of all, congratulations on excellent numbers and Calcutta office being open. And also, I'm very happy to see that you are trying to be very modest, even though the order book and the futures seems to be very bright. And that's a good part. It seems like you are like almost debt-free company. And now we have access to the working capital.

So apart from the orders, what will drive the revenue growth in future? Like, is it like the number of people or some extra? You did mention that you don't need much raw material as such, but still, is there any extra assets, tents, conference system, anything apart from that?

And then one more thing, like you did mention upon the number of count like 80 employees. Does that include the Calcutta office or they need to be there? They need to be like, you need to increase employee count out there?

Amit Bhatia:

Thank you, Ji. Thank you for your compliment or your observation, which you said about me being modest. It is the values given by my parents. Now, coming back to this, our growth depends on the talent which we have and the talent which we intend to acquire. Because if we have more leaders, the leaders will be able to set up the teams under them. There will be new clients which would be brought in and the services, servicing of those particular clients will be done by that leader and his team.

Now, after the IPO, since our visibility has increased, since we are a listed company, our access to the talent has increased. People are more confident in joining a limited company versus a private limited company. And we are also getting more aggressive because we do not want to worry too much about the working capital.

Since we have access to money, we can pick up businesses. So, this is primarily two reasons which will enable us to grow the business in the future. The 79- 80 number includes the Calcutta team and we have already taken the number into account. The idea is to hire two or three leaders in the next two, three months. But we would like to go slow because we do not want our profit margins to be hit. It will help us. We will get better control if we grow slowly rather than growing exponentially.

Gyaneshwar Taware:

Okay. And one more thing, do you need any kind of contract labors? And if so what will be the ratio of contract labor or contract hiring versus the permanent employees in our organization?

Amit Bhatia:

We do not have any need for contract labor. For example, if we operate a group in Goa, we need to do a stage setup, sound setup and some decor. We would give it to a local vendor, that local vendor will get his team and take care of it. As far as we are concerned, our team will be physically present and they will travel from Delhi, from Mumbai or maybe Calcutta. And they would make sure that the vendors deliver, but we do not have any requirement of contract manpower. We do not practice the requirement. We do not want temporary staff to travel on the group.

We do not want any temporary tour managers. We have developed the talent inside our company. We've got young boys and girls who travel with the group and hence we do not need any contract labor.

Gyaneshwar Taware: Okay. That's good to know. So mainly you have the core team with skilled marketing and sales as well included. You don't need any extra like working labor kind of employees. That's really good to know. You have a good day and wish the best for the company. Thank you.

Amit Bhatia: Thank you for the trust.

Moderator: Thank you. The next question comes from Mitresh Singh, Individual investor. Please go ahead.

Mitresh Singh: Hello and good evening Mr. Ahuja and congratulations for fantastic numbers. So my question is like I'm based in Delhi NCR. So I keep on seeing these events being happening on a regular basis like last month we had the Diljit Dosanjh concert and this month we have the Shreya Ghoshal concert followed later by the Hariharan concert.

So is MCEL getting into such events in the entertainment industry? Is entertainment industry one of your focus target segments of business considering the huge crowds and the marquee events and the prestige it involves?

Amit Bhatia: You know we do not aspire to become event managers who organize these kinds of ticketed shows because these are all ticketed shows where crores are spent for sourcing of the artist and then venues and then some sponsorship and then you sell the tickets. It is a different vertical altogether and we do not have expertise to it and we do not aspire to become a company because a) we do not have any expertise, b) I feel that it is a very risky proposition. You know what if the tickets don't get sold.

You and me know about the Diljit Dosanjh show because it did extremely well, but there are still hundreds of shows which happen pan India which do not do well and what we know is we know about the best and the biggest. So having said that we do not have the expertise and we do not want to get into that.

Mitresh Singh: Okay and going on the same ahead in the targeted segment industry do you have something planned for let's say the green energy sector, the companies that do businesses in wind, solar, EV batteries etc and also the government, the public sector because they generally have huge events especially around Delhi and other major cities. So is that industry a target segment for you?

Amit Bhatia: We generally deal with companies which have a good dealer base. So yes, there is a battery company which we have got impaneled some months back, but we have not been able to crack the business from them. I am not sure about the solar companies and other renewable energy companies because we are currently looking at the dealer network or the distributor network or the companies which have requirements of sending out their employees. As of now we do not see any huge numbers from the new industry which you spoke about.

Mitresh Singh: Okay as of this year from January to October of 2024 these 10 months a lot of SME companies have got listed in NSE and BSE. So, do you have some sort of a company strategy to tap into

these new companies that are recently listing so that you can put forward your company's credentials so that you can gain maybe future business from them?

Amit Bhatia: We have not looked at that avenue. Maybe we could do it in near future, but having said that we need clients who are the biggest in their particular zone. So, the SME companies which you were referring to, for example if I talk about Mach conferences maybe we are 80 people we do not have a dealer base. So I do not see much business from SME companies. We need companies which have thousands of dealers, we need companies which has thousands of employees and there is the business and the paying capacity is also there.

For example, if I need to spend INR 1 crores on my employees I will never do that. Understandably because I am a SME company, initially it used to be my money, it is shareholders money now. Why would I spend that kind of a money? So, I do not think so SME is an industry where I can get business from.

Mitresh Singh: Okay under Slide 10 major order highlights I did not see anything planned or showcased for the year-ending activities generally Christmas season and the New Year's is supposed to be a major time for major events and others happening like this. So, do you have anything in the calendar for tapping into the New Year season or the Christmas season?

Amit Bhatia: No, I have to correct you here whenever there is a Diwali, Holi, Karwa Chauth, New Year, Christmas, our business goes down because people do not travel on a corporate mission or the dealers do not travel. People travel with their families and we are not into B2C currently. Yes, we will get requirements, we will get queries, we will kind of get some FIT booking which is free individual travelers, but the corporate business comes to a standstill whenever there is something of this nature.

Mitresh Singh: Okay the last question is I mean do you have any insights that despite such stellar performance and doubling of EBITDA and the PAT why the share prices are tumbling and has gone below the IPO price?

Amit Bhatia: I wish I would have answers. I am myself looking for that answer, because but all I can say is that the general market is down situation, everybody, the entire market is into a bearish mode, maybe that is the reason but all I can say is that we are proud of the numbers which you achieved and we will continue to do a good job similar in nature or maybe even better.

Mitresh Singh: Thank you very much and wish you and your senior team all the best. Thank you.

Moderator: Thank you. The next question comes from Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Amitji, first of all thank you very much for hosting the conference call. Second sir I want to thank you for doing a lot of meetings and interviews before the IPO. I heard a lot of your interviews and you were extremely precise with your commentary and all the interviews are very informative. So, there was a lot of clarity which came about the business just listening to you. So thank you very much sir.

I wish other people also do a similar thing around the IPO. It was very good sir. Sir congratulations on excellent set of numbers sir and I hope that we continue to do even better in the future. Sir one thing I would like to add you mentioned that you can't disclose PSU can. SIDBI allows all the companies to disclose their total order books. For example, all the EPC companies they come out with order books.

Any company which has an order book-based business whether in services or in product business or in manufacturing they are allowed to do that and what you can do is you can give the order book as of yesterday. So, it's no longer a forward-looking thing. In fact, many of the EPC companies they actually disclose what they expect in terms of order inflows for the subsequent years. So even that is allowed.

Revenue projections are, I mean even that is allowed because if you look at Infosys they give proper guidance. So all this is allowed. You just need to I guess consult with your legal people, but order book disclosure is allowed. Like vast majority of the companies do that. Still sir, as and when you gain comfort in disclosing these numbers, please do share.

Sir I had a basic question on the sales and marketing side. So, once you enter a particular industry and a particular customer is it basically an annuity business where every year the customer will come to you or you have to make fresh pitches every year and what is the retention ratio because in your opening remarks you said that you did miss out on some business. So, can you please elaborate on that in that aspect?

Amit Bhatia:

Okay. Now thank you for the words of appreciation. Now I will take your feedback and I will speak to our merchant banker. If it is allowed which I'm sure you would be aware then we would inform the exchange by middle of next week and can I have your name again please so that we...

Agastya Dave:

You did not need to ask with merchant bankers. Let us say you can pick up let's say for example L&T. L&T has disclosed its order book. If you look at any construction company, any company which has an order book they can disclose. Now some companies do it till the end. So, we are reporting for September. They will disclose as of end of September. Some companies will do if we are having the conference call today or if the result let's say the result came out yesterday, they would do it one day before the result. That was the closing order book one day before the result.

It is allowed. I mean if you are disclosing it like that, it is perfectly allowed. SEBI specifically says that you can disclose. So, it's allowed sir but it's up to you. Many companies do not disclose it based on competitive reasons. That is also perfectly okay, but I just wanted to point it out to you since you are like a very new newly listed company. It's a common practice and it is not against the law.

Amit Bhatia:

Sure sir, sure sir. I would come back to you. I've noted down your name. I'm sure we will have your contact details as and when we inform the exchange and I'll triple check this. We will come back to you. My mind went somewhere else.

Agastya Dave:

Sure sir, you can, it's not just about me sir. I'm pretty sure all the people in this who are attending the call plus every investor who is a shareholder or not a shareholder they would be interested in this numbers. So, you can just really make a just a normal press release that our order book for like end of September or for so we are midway through November. So, you can say that this is our order book. So that will give some clarity.

Again sir, as for your comfort level, it is allowed. That is the only thing that I wanted to point out because -- so my question was on customer retention. Is it like a given? Do you like is the retention rate very high in your business?

Amit Bhatia:

I'll just tell you. You know 20 years back I got into insurance companies in Gurgaon. They had just ventured into the insurance business and they were about 110 people or 117 people. We took their group to Jim Corbett. Now the same company has thousands of employees right now and it has thousands of agents. It is one of the leading insurance companies and they're still our clients.

So, you know in the business where we are, it is something like a wedding in your family. You know, if the event manager does not score 100 on 100 in that particular wedding, you will never give him the wedding the next time the wedding is there in your family. Now, the customers which we have repeat business. Some have four conferences in a month. Some would have five conferences in a month.

So, we need to score 100 on 100 in order to be eligible for a bid next time. So, we have to do well and it is like a Board exam for us and thankfully we are able to hold on to our customers. The customers which we had 20 years back are still with us and in fact in our business the word of mouth also travels. The good things also travel and the negatives also travel.

If we mess up somewhere in one particular company, everybody is friends with the other company. So, everybody comes to know about it. So hence, we have to retain the customer. Hence, we have to do well so that we can have a repeat customer.

Agastya Dave:

Sir, I have one more question. So, I will here ask the question based on the FY24 numbers. So, you did INR 237 crores and there was a 68% growth. So, in this, sir, existing customer contribution was how much? I mean, existing customers like your insurance companies, how much was their Y-o-Y spending and how many were completely new customers? Is there any like a rough idea that you can give? Like the existing retained customers, how much spending are they increasing every year?

Amit Bhatia:

You know, I don't have that number handy but just a ballpark figure maybe out of the 119, just about 20% would be new customers. Maybe, I could be wrong. Remaining would be the old customers, few businesses we would have added, few conferences we would have missed last year, we would have been able to add. But say about 20% is going to be new customers in the last six months.

Having said that, huge -- there is an order book which is there. Perhaps I can share with you, we, since you've been so sure about the forward-looking statement, we picked up two huge weddings also. Numbers, I will share with you later. We've got into weddings more aggressively this year. So, yes, the total business which we have already received has a lot of old customers and volume from new customers also.

Agastya Dave:

Excellent, sir. Sir, my next question is on the margin side. So, sir, is there an upper limit to the margins? I mean, for example, if I look at the entire year margin, full year margins. So, right now you are let's say around 15%, EBITDA margins excluding other income. So, is there a situation where if you cross, like let's say if you approach INR1000 crores, can this 15% become 20% or that is too unrealistic to expect?

Amit Bhatia:

Not really. God bless if we become INR1000 crores, we will have much better buying power than what we have currently. The hotels will negotiate better. In that scenario, it is wishful thinking. The only cost which will increase is going to be, of course the office, perhaps for the business of that scale, we would need 10,000 square feet, another plate. We would need more people, we would need more leaders.

There'll be more overhead towards this thing. The compliance which we will do, we will have more people in HR, more people in Accounts. So, apart from that, there is no other cost which is needed. So, because with the coming of the funds from IPO, we have access to money which has no cost of money. So, hence, there'll be a win-win position now. Having said that, 1000 crores is a wishful number.

We hope to achieve it, but we will look at our past six months performance which you are aware of.

Agastya Dave:

I understand, sir. So, one final question, sir. Your business seems very profitable, again, in case of the historic numbers that at least I have access to. And you said, you started 20 years ago. So, you have seen a lot of cycles. So, this is discretionary spending. So, for example, during the Lehman crisis of 2008's slowdown, sir, what did you notice in that, was there a slowdown in discretionary corporate spending on their dealer network, on these incentives?

Was the business or the idea significantly smaller that time? So, you did not notice any slowdown during 2008-09?

Amit Bhatia:

You know, 2008-09, we did not have any drop. Of course, we were a very small company then. But we have seen steady growth from the first year, apart from the two bloodshed years of COVID. We have never seen a drop. Now I would politely differ here. You know, when a company does not sell goods, they have to give more incentives so that they can motivate you as a dealer or me as a distributor to work harder and then go to Bangkok.

So, that is why this business always goes North. And there is only one reason that we have seen a downfall so far, which was the unfortunate years of COVID. Otherwise, everything looks very well on the track towards growth.

Agastya Dave:

Amit Ji, you are saying that you will go to B2C as well. You said during the IPO that this is something that you are working towards. Most of the companies in B2C do not share your economics. I mean, you are cash generating, you are profitable, as you said, you are kind of recession proof. But in B2C, most of the companies, at least the portals, make losses. Not very good past performance based on like pure profitability or cash generation.

So, what kind of capital are you willing to deploy there? I mean, I don't think that you are such a business to make losses, just to get sales. So, I was just wondering what is your thought process?

Amit Bhatia:

See, let me tell you, you are absolutely right. What you said that you think that I will not burn money is absolutely right. This money, we have generated this money from a very humble background, the IPO came, everything happened. The point is not to burn money. The companies that you are talking about are in the game of valuation. We are not in the game of valuation; we are in the game of making money.

Because what is the scenario now, for the last 20 years, we have access to our existing customers. For example, maybe a lakh of people travels with us every year. Now, the 1 lakh people who travel know the name of Mach Conferences. Everyone knows that Christmas is coming, everyone knows that long holidays are coming, extended weekend is coming, Christmas is coming, New Year is coming.

Everyone has to plan their vacation. We wish to migrate these people from a normal app, which we develop for a particular conference to our Book My Yatra app, and put perhaps the ticket on that app, put visas, insurance on that app, and try and lure people to use that app for their existing holidays. Since we will be very bottom light, we will not be bottom heavy, we will not have any marketing or very minimal marketing expenses, we will not burn money.

We will be able to still make money out of it. For example, if a hotel is booked, it is not that the hotel does not give you commission, it is not that you do not make money, you make 10% as hotel commission. If you pre-plug, you may get 15% also. But I very frankly do not know about these companies, but I will not be here to create a valuation and then my balance sheet takes a hit.

And then maybe I am going very slowly right now, because I do not want my 31st March numbers to be hit. Maybe I want to go gradually, I want to grow steadily, because we are doing extremely well. The 30th September numbers are visible, 68% growth and 97% PAT growth is a phenomenal growth. So, why would I like to burn money and compromise on the existing profits which we have?

Agastya Dave: Very true, sir. Thank you for answering all the questions, sir. I wish you all the best. I am also perplexed why the share price has fallen so much. But I am pretty sure sooner or later it will recover, sir.

Amit Bhatia: I do not have an answer to this, I have answers to everything else.

Agastya Dave: Sir, is there any lock-in issue? Are there any people like, is there a lock-in which is ending or like something like that? I mean, you have the BENPOS, so you would be knowing who all are selling. You can like that way figure out. But it is okay, sir. I am pretty sure it will recover. It is perfectly fine. Operating performance is much more important. So, thank you very much, sir. It was a pleasure interacting with you, sir. All the best.

Amit Bhatia: Thank you.

Moderator: Thank you. The next question comes from Shyam, an Individual Investor. Please go ahead.

Shyam: Yeah. Hi, sir. Very good evening. Thank you for hosting. It is a pleasure like being a shareholder and seeing your numbers. So, great work on that. And I just wanted to understand like as one of my fellow investors highlighted earlier on the order book. So, I would like to just say count on that point and it is like you can disclose.

And also, there is one challenge like while disclosing two of the orders like people as a shareholder, I am part of your community. So, they do think that these are the only orders that the company has. So, either go with disclosing the entire order flows or the order book like without naming the client obviously like this is for your comfort. Otherwise, not disclosing that can be one policy which is sitting in between actually confuses. So, that was one position.

Amit Bhatia: Yeah.

Shyam: Second, my question was exactly on the like our like industry like so how are we like arranging for more leads like I understand you are in the cement, paints, furniture like which are the traditional and dealer distributor heavy clients. So, how are we approaching new clients and how are we leveraging our network?

Amit Bhatia: A, we are hiring new talent which would get us inroads to new corporates. B, like I said, since we had a limitation with working capital before IPO, we were at times not very aggressive with some particular business. Maybe, our credit was high that particular month. Maybe, the markup was a little less and the cost of money was impacting our net profit.

So, our current customers also which we have been servicing or have been adding for last 20 years also have a lot of business, a lot of potential which would increase our kitty from last year. So, A, we will like to cement our existence in the current customers and also acquire new ones by acquiring new talent and by letting them form their own individual teams. One of the examples is the setting up of Calcutta office. So, this is the answer to the question.

- Shyam:** Okay. Got it. Thank you. And if you can just take a note of that suggestion, I think.
- Amit Bhatia:** Yes, please. We have taken that note.
- Shyam:** Thank you.
- Amit Bhatia:** Thank you.
- Moderator:** Thank you. The next question comes from Abhishek Garg, Individual Investor. Please go ahead.
- Abhishek Garg:** Yes, congratulations, sir, on a great set of numbers. I just wanted to understand the fluctuations in the margin a little better. So, on H1 last year, we had 9% EBITDA margin, which moved to 18% in H2. What is the reason for such a drastic gain in EBITDA margins over H1 and H2?
- Amit Bhatia:** Like I said earlier, since we have fixed costs virtually throughout the year, or when the business increases in the H2, the costs, the expenses remain the same. So, if the expenses remain the same, equal to the first half, then of course, more orders are executed, more businesses booked, and hence the EBITDA increases.
- Abhishek Garg:** So, just to understand the EBITDA right? Let's say if I take an example of someone is giving an order for, let's say, a particular conference or something, right? So, there, let's say, if it's a INR20 crores order, right? In that order, when you maybe, let's say, book flight tickets and the hotel tickets, that would be a part of your cost, right? Or is it, or the counting happens in a different way? I mean, if that is a part of the cost, then your gross margin will still, like, should not move a lot between H1 and H2?
- Amit Bhatia:** When we quote a figure to the customer, we quote a per-person figure. That is booked on a turnkey basis, which means that it is -- a per-person quote which takes care of the hotel, the airlines, the travel, the meals, the liquor, the event. So, we do not bifurcate our revenue. It is primarily done by the ticketing companies. They have a way of showing their commission income as the income. So, here, we use the figures of the invoice, which is a lump sum turnkey basis figure.
- Abhishek Garg:** And then the cost of all of these different items will become a part of your cost, right?
- Amit Bhatia:** Yes.
- Abhishek Garg:** So, sorry, that is exactly my question. In that case, your EBITDA margin should not hover a lot, right? Because you will have fixed expenses for sure, but at a gross margin level, right, the number should more or less be steady between H1 and H2? And I see that that has also changed last year?
- Amit Bhatia:** No. For example, if I have expense of INR1 crore per month, and I make a profit of INR5 crores gross margin every month, and if the business increases and the gross margin increases to INR10 crores, then the gap also increases. Of course, the cost will increase, but when the business

increases, and the profit increases, the expenses remain the same. So, the gap increases. Hence, the EBITDA margin of the second half becomes much heavier than the first half.

Abhishek Garg: But at a gross margin level, they will still be the same, right? At a gross margin level, the margin will be the same.

Amit Bhatia: Yes, individually, each business would remain the same. But when you accumulate that in a monthly format or a half yearly format, the gross margin will increase for that particular half year. Individually, the invoice will not increase. For example, if every invoice I'm making 10% or 12% or 14% or 15%, my profit will not go up to 20%, 25% there.

But when I do, for example, if I do INR10 crores business in a month, with INR1 crores as the expenses, overhead, that is salaries, rental, etc., my cost, so that will remain the same. So, I can double my business or go 1.5x also with the same salary input, with the same rental, same overheads, because I do not have any raw material cost.

Abhishek Garg: Understood, sir. Thank you, sir.

Moderator: Thank you. The next question comes from Jinesh Shah, Individual Investor. Please go ahead.

Jinesh Shah: Thank you for the opportunity. I see that we have increased team size to 79-80, that is our current team size. What was our team size last year, sir?

Amit Bhatia: We were about 50-55 around 31st of March.

Jinesh Shah: Okay. And sir, if the company like aspire to have a revenue close to INR1,000 crores, does this team size of 79-80 would be adequate or you need to ramp up the team further?

Amit Bhatia: No, no, we will have to ramp up. Of course, leaders have to be brought in, there will be more support staff which has to be hired. Support staff could be young boys and girls who would execute the file, who would travel with the groups. It would mean more people in accounts, more people in HR, more people in administration. So, all that will increase.

Jinesh Shah: Okay. And sir, do we have any metrics like for the company like us is aspiring for this kind of revenue, we should have a minimum team size like so and so much?

Amit Bhatia: No, no metrics. There is no set formula. It will be difficult for me to calculate the metrics.

Jinesh Shah: And the other point which I want to communicate to you, sir, the way one of the fellow investors told you that the order book which company has as on today, you are free to disclose to the through simple noise and you can communicate to the investor. Because the kind of business you are into, it is very important that the investor should know what is our current order book, and how the companies aspire to grow further. That's the only metrics one should have to understand how the business is growing continuously. And thank you for the time and thank you for the opportunity. Thank you.



- Amit Bhatia:** Thank you.
- Moderator:** Thank you. The next question comes from Krish Ahuja from Visionary Investment Solutions. Please go ahead.
- Krish Ahuja:** Yes, sir. One question like I forgot to ask that time. Sir, one subsidiary company also they are known as Mach Films. So, sir, is there any development in that as well or is that?
- Amit Bhatia:** No. We have only one subsidiary company which is Mach Conventions and Voyages Private Limited. Mach Sales is not our subsidiary company.
- Krish Ahuja:** Thank you, sir.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Amit Bhatia:** Thank you, everyone. Thank you for trusting Mach Conferences. We've done in last 6 months, we hopefully will do well, phenomenally well in the current year and in times to come. We thank you for the trust you put in Mach Conferences, and we look forward to a long association with you. Your feedbacks have been taken.
- The team has noted it and we shall by middle of next week come back to you with the order book numbers and I'm sure you'll be happy to see those numbers. Thank you so much. Thank you for taking your time. I look forward to speaking to everyone again. Thank you. God bless everyone. Thank you.
- Moderator:** Thank you. On behalf of Mach Conferences & Events, that concludes this conference. Thank you for joining us and you may now disconnect your lines.
