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BBOX/SD/SE/2026/17

February 19, 2026

To

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

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

Sub: Transcript of Earnings Call hosted on February 12, 2026 on Unaudited Financial Results (Consolidated and Standalone) for Q2 & 9M FY26

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

Dear Sir/Madam,

This is further to our letter dated February 9, 2026 with reference number BBOX/SD/SE/2026/7 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call hosted on February 12, 2026 on Unaudited Financial Results (Consolidated and Standalone) for Q2 & 9M FY26 is attached hereunder.

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

For **Black Box Limited**

Aditya Goswami
Company Secretary & Compliance Officer

Encl.: A/a

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“Black Box Limited
Q3 and 9 Months FY '26 Earnings Conference Call”
February 12, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 12th February 2026 will prevail.”



**MANAGEMENT: MR. SANJEEV VERMA – WHOLE-TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
MR. DEEPAK BANSAL – EXECUTIVE DIRECTOR AND
GLOBAL CHIEF FINANCIAL OFFICER
MR. PURVESH PAREKH – HEAD OF INVESTOR
RELATIONS
STRATEGIC GROWTH ADVISORS – INVESTOR
RELATIONS ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY '26 Earnings Conference Call of Black Box Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinion and expectations of the company as on the date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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

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

Sanjeev Verma: Good morning, everyone, and thank you for joining us. On behalf of Black Box Limited, I extend a warm welcome to our Q3 and 9-month FY '26 earnings call. I'll begin by sharing an overview of our business performance, after which our CFO, Mr. Deepak Bansal, will take you through the financial highlights.

Starting with our Q3 performance, we are pleased to report revenues of INR1,660 crore for Q3 FY '26, representing growth of 11% year-on-year and 5% quarter-on-quarter. For 9-month FY '26, our revenues stood at INR4,631 crore, reflecting a growth of 5% Y-o-Y. The growth was primarily driven by higher order execution during 9-month FY '26 compared to the corresponding period last year.

From a forward-looking perspective, the business momentum continues to remain encouraging. And this confidence is driven by a healthy and expanding order book, improving pipeline visibility, which together positions us well for sustained growth in the coming quarters.

For 9-month FY '26, the company booked orders worth \$626 million. The company continues to maintain strong order momentum and remains confident of achieving its FY '26 order booking guidance of approximately \$1 billion, thereby entering FY '27 with a strong traction.

Supported by sustained order wins, the order backlog is now expected to exceed our earlier estimate and reach around \$800 million by the end of March 2026, which is approximately \$100 million higher than the earlier estimated backlog of \$700 million, reflecting a growth of 60% year-on-year compared to the earlier estimated growth of 40% year-on-year. This increase reflects continued customer demand, validation of our investment in the go-to-market talent, providing strong revenue visibility for the upcoming period.

The incremental \$100 million addition to FY '26 closing order backlog is expected to be driven by two key factors. Approximately \$40 million to \$45 million relates to revenue that was initially expected to be recognized in FY '26, but has shifted due to temporary customer level delays and supply chain constraints. As these challenges gradually normalize and execution progresses, this revenue is expected to flow in FY '27.

The remaining \$55 million to \$60 million is expected to be driven by incremental order wins in Q4, supported by improving traction across key verticals and strengthening customer pipeline. The project order book witnessed a robust growth, reflecting an upside of \$37 million, at \$195 million in Q3 FY '26 compared to \$158 million in Q2 FY '26. The performance was driven by the company's continued focus on securing large high-value contracts, particularly in data center segment, which remains a key growth driver.

Over the quarter gone by, we have seen extended project execution timeline due to industry-wide shortage of fibers and related accessories. While investments in data center segment have begun to show encouraging traction and order inflow momentum remains strong, revenue realization from these projects has shifted to subsequent periods due to supply chain and infrastructure-related constraints.

The data center ecosystem is currently witnessing heightened industry activity, which has resulted in shortages across several critical inputs, including optical fibers, cables, GPUs, racks, etcetera, power infrastructure and funding access. This is not only impacting the data center industry, but the entire digital infrastructure industry where these materials are used. These constraints have delayed project commencement as well as execution time lines.

Such strong demand and hyperactivity in the industry has led to temporary supply chain challenges, leading to extended execution time lines. However, this is temporary in nature and once the supply chain constraint normalizes, the backlog which is currently extended due to this will be executed and flow into revenues.

Owing to such delays in execution time line, our orders, which is supposed to be executed in this quarter has flown to subsequent quarters. Therefore, we have revised revenue guidance from the expected range of INR6,750 crore to INR7,000 crore to now INR6,325 crore to INR6,375 crore. The revision in revenue reflects EBITDA of INR555 crore to INR575 crore and a PAT of INR220 crore to INR230 crore in FY '26.

During the quarter, the company secured notable order wins, including multiple large data center orders. The company also secured multiple orders from U.S. public sector, further strengthening its presence in institutional infrastructure projects. Additionally, the company won a significant order from a leading Indian Internet company and secured a large order from a prominent bank in Australia. These orders highlights company's expanding global footprint, deep client trust and growing momentum across priority markets.

Overall, the near-term revenue realization has been impacted by industry-wide supply and execution constraints. Our strong order book and deal wins, healthy pipeline and sustained demand environment reinforces our confidence in growth through FY '27 and beyond. Further, on the strategic front, we are pleased to announce that Black Box has signed a definitive agreement to acquire 2S Inovações Tecnológicas (2S), a leading Brazilian IT infrastructure and cybersecurity integrator and a Cisco partner subject to certain consents and approvals.

With over 30 years of experience, 2S serves 650-odd customers across enterprise networking, cloud, cybersecurity and managed services backed by advanced networking and data center and

collaboration technology certifications. The acquisition scales Black Box' presence in Brazil, largest growing market in Latin America and is expected to add INR500 crore of revenues in FY '27. The transaction is expected to close by end of current fiscal year. This aligns with our strategy to grow the business to \$2 billion by fiscal '29.

With that, I would now like to hand over the call to our CFO, Mr. Deepak Bansal, who will take you through the financial performance.

Deepak Bansal:

Thank you, Sanjeev, for the detailed business overview, and good morning, everyone. I will now take you through our financial performance for quarter three and the first nine months of FY '26. Starting with revenue performance; revenue for quarter three FY '26 stood at INR1,660 crore, registering growth of 11% year-on-year and 5% quarter-on-quarter.

For the first nine months of FY '26, total revenue stood at INR4,631 crore, which is a growth of 5% year-on-year. Looking forward, growing order book, enhanced pipeline visibility, strengthened execution momentum and regional expansion are expected to drive sustained growth in the quarters ahead.

Moving to profitability; EBITDA for quarter three FY '26 stood at INR147 crore, representing growth of 10% year-on-year and 3% quarter-on-quarter. EBITDA margins remained stable at 8.9% during the quarter despite higher employee-related costs on account of investment in go-to-market talent. Better fixed cost absorption and a balanced business mix helped sustaining the margins. For the first nine months of FY '26, EBITDA stood at INR406 crore, reflecting year-on-year growth of 6% with margins at 8.8%. Looking ahead, we will continue focus on disciplined cost management, pricing discipline and continuously optimizing our product mix. With ongoing operational efficiency and cost optimization initiatives, there remains further potential for incremental margin expansion as strategic priorities continue to execute in the quarters ahead.

Profit after tax for quarter three FY '26 stood at INR50 crore, while PAT for nine months stood at INR153 crore. PAT during the period was primarily impacted by a onetime exceptional charge of approximately INR6 crore relating to changes in employee benefit provisions arising from the implementation of the new Labor Code. Excluding this impact, underlying profitability trends remain stable. As revenue growth accelerates, PAT expansion is expected to outpace top line growth driven by margin normalization, improved revenue quality and greater contribution from high-value opportunities.

As highlighted by Sanjeev earlier, the company continued to witness strong order momentum during Q3 with order bookings of \$232 million. The total order backlog stands at \$601 million as of December 2025. Based on the current order flow trajectory, we expect to significantly exceed our earlier backlog target of \$700 million and cross \$800 million by end of March 2026. Supported by this strong momentum, we remain well positioned to deliver our full year FY '26 order booking target of \$1 billion.

To conclude, strong order wins and expanding backlog, proven execution capabilities, deepening client relationships and a healthy pipeline continue to reinforce our growth outlook. As

temporary customer level delays normalize and project execution progresses, the revenue is expected to flow into FY '27, strengthening our confidence in delivering an even stronger performance in the coming year.

The proposed acquisition of 2S in Brazil represents disciplined and strategically aligned capital allocation that enhances both our growth and profitability profile. We are expecting to add around INR500 crore of revenue in FY '27 and expect to complete integration and synergy within 90 days of closing. This acquisition strengthens our long-term shareholder value, while our balance sheet remains well positioned to support disciplined organic and inorganic growth.

With that, we would now like to open the floor for questions.

Moderator: The first question is from the line of CA Garvit Goyal from Serene Alpha.

CA Garvit Goyal: First question is on the order book. We are having around INR5,400 crore order book as of today, and we are guiding for INR7,200 crore order book as on FY '26-end. This is a huge gap, sir, because the part of this order book, which we are having right now will get executed in Q4 also. So what is giving you the confidence of getting these big orders, sir? Because almost 1.5 months are already gone and you have not made any order receipt filing as well. So is it like we are adding the order book of newly acquired company in our projection?

Deepak Bansal: Okay. So I think Sanjeev -- looks like Sanjeev is not audible, but...

Sanjeev Verma: I'm here Deepak, I'll take it from here. I'll just answer that. So first of all, no, we are not taking the order book for newly acquired company, point number one.

CA Garvit Goyal: Can you repeat, sir? I think I missed that.

Sanjeev Verma: Okay. I'll just repeat that. I said first -- answer to the first question is, are we taking the order book from newly acquired business? The answer is No. The second is we report order book, backlogs, booking and backlogs only at the end of the quarter. So you have a current backlog. What we can derive from that is we are expecting a very large order booking in Q4, which is currently in progress. So order book up until now or ones that will be booked are not reported in general. It will be reported when we close the quarter.

So our confidence for being able to meet our \$1 billion order booking is very high. So therefore, the quarter -- the order booking for Q4 is going to be significant to be able to give us the backlog that we're expecting now to move from an earlier estimate of \$700 million to \$800 million. So clearly, we are in the fray to win some very large contracts in Q4.

CA Garvit Goyal: Can you put some more color on that, like what are those areas? And how much -- maybe we have not booked yet, but how much in first one and a half months, are we at advanced Stage in Q4?

Sanjeev Verma: We are at a very advanced stage. A large part of the order infrastructure, including a very large data center project from hyperscaler, including order booking for very large infrastructure airport projects, so fairly large, both from a long-term annuity perspective and also large projects.

Upward of \$300 million, \$350 million is the expectation to be booked to be able to get to what we are asking from a backlog perspective, and we are well on track.

CA Garvit Goyal: So if these orders are very large orders, so are you seeing any -- like is it possible that there can be some delays maybe on account of any procedural delays? Or are you seeing any kind of difficulties in closing these order books by FY '26-end?

Sanjeev Verma: No, as we have repeated earlier, we expect to close the FY '26 with order booking of \$1 billion. So we will be having a robust Q4 to deliver that number and opening backlog.

CA Garvit Goyal: Understood, Sir. And regarding the new acquisition, while you mentioned about the top line, what are the operating margins of that company, Sir? And what debt levels do we have?

Sanjeev Verma: Deepak, do you want to take that?

Deepak Bansal: Yes. The company which we are acquiring in Brazil, which is 2S Inovações Tecnológicas, that company, we will be adding close to around INR500 crore of the revenues out of it in FY '27. And we are expecting to generate an EBITDA run rate of around INR50 crore post integration and synergies, and we are expecting integration and synergies to be done in the 90 days of closing.

What is the second part of your question?

CA Garvit Goyal: Current debt levels in the company.

Deepak Bansal: There is no debt in the company. We are acquiring company at zero debt, zero cash levels.

CA Garvit Goyal: And what are the net margins, Sir, net profit that they made on INR500 crore of top line?

Deepak Bansal: Roughly around -- they make close to around INR45 crore right now, but with the synergies and all, we are looking to make INR50 crore EBITDA run rate next year on that.

CA Garvit Goyal: No, no, I'm asking about the net profit, sir.

Deepak Bansal: Net profit because there is no debt and all those things because they would have made earlier some net profit. But from our perspective, we look at the EBITDA when we are acquiring the company because we are not acquiring anything else below the EBITDA because there is no depreciation and the tax is also -- they had some carryforward losses and all those things.

So to start with, they will not have any loss. So we have to calculate, obviously, based on the opening balance sheet when we acquire them fully that what's going to be the tax carryforward and all those things. But right now, we are acquiring it basis the EBITDA. And the acquisition will take obviously -- will take end of this quarter to get closed.

CA Garvit Goyal: Understood. And one last question regarding the delays in the supply chain that you highlighted in the PPT. Can you put some more color on it exactly what is the issue? How is it impacting Black Box exactly? And were we not aware of this issue in the last quarter? Because in last

quarter, we were very much confident regarding execution and reporting the profitability growth from Q3 onwards and then suddenly, this happened.

So you also mentioned that we will be executing the orders that we have currently built up in the book -- sorry, that we are currently having -- the orders in FY '27. So are you seeing these supply chain issues getting resolved now? And do you believe that -- or do you believe that this will continue for a few quarters from here?

Sanjeev Verma:

I'll take that. Okay. So I think -- yes, so some of the activity, specifically in infrastructure projects, AI-led projects, more specifically data center has extremely heightened up, right, as we speak. We support some of the Mag 7, the Magnificent 7 customers in the U.S. with large order pipeline already won and in the process of winning, which I already answered.

If you are following the recent trends, specifically for connectivity and infrastructure, more specifically for fiber, there has been a tremendous demand for fiber, and there is a queue to get that -- to be able to do that. More recently, one of the hyperscalers announced a very large investment interestingly in a fiber company, close to \$6 billion to secure their fiber needs to build data centers. We support such customers.

So some of these things are unpredictable and not really timed because the surge of demand has been extremely, extremely high. We expect that we have already passed through that. But will this continue, if the demand continues to rise the way it is, there is a constraint specifically for connectivity infrastructure, network infrastructure, more specifically fiber and cables, which is required.

We are a services company. We require to be on a site to provide our technical services and deployment if there are materials on site. So there has been a shortage of that. And if you look at the public domain more recently, it is in the domain that there has been all of a sudden humongous surge. So that's the reason. We expect this to gradually ease out.

We've already lost a quarter, as I said, \$40 million, \$50 million of backlogs that have been burned. But we expect as we get into fiscal '27, a project business is not a quarter-on-quarter business, but we are turning it into an annuity mode business with our pipeline.

So we expect with our pipeline and our order book being strong, we should catch it up over the course of the next fiscal year. And therefore, our guidance and our confidence for the next fiscal year, starting with a very good order backlog gives us confidence that we'll continue to grow organically in a significant manner.

CA Garvit Goyal:

So when you say these things are getting normalized, is it like Q4 will also be getting impacted because of this? Is that understanding correct?

Sanjeev Verma:

So Q4 already, we have depicted in the guidance at this time.

CA Garvit Goyal:

Right. And what about Q1 next year? Means when you say gradually, this will get resolved, what is the correct interpretation?

Sanjeev Verma: We'll be giving a guidance for the full year after the quarter ends. We'll have a better view when we give our guidance for the next fiscal year. As of now, opening up a very strong order book is a positive sign for us to be entering into fiscal '27.

Moderator: The next question is from the line of Jyoti Singh from Arihant Capital Markets Limited.

Jyoti Singh: Sir, just wanted to understand like because of the delay of order, we have revised our guidance. So similarly, a few of our peers, they are also facing same kind of issues. So is there an industry issues that is going on? Or what is the main issue? And when we will be seeing this order will be coming back? And after this, we also have revised our margin guidance on a slightly lower side. So when we are seeing those coming back?

And apart from this, we have discussed on the acquisition side. So what is the acquisition multiple that we are seeing on EV by EBITDA or EV by sales? And also, like you talked about on the debt side. So is this deal debt funded or internal accrual funded?

Sanjeev Verma: Okay. So I will take the first part, and I'll give it to Deepak to take the second part of your -- for funding and EV/EBITDA for the acquisition part. So I think in general, as I said, there has been a positive sign with respect to hyperactivity for projects which are AI-led data center infrastructure. Also AI-led infrastructure in other large manufacturing plants or airport infrastructure, which is where Black Box focuses on.

We are a digital infrastructure company. We believe this is the era for that. And I think the anticipated hyperactivity has been more than what we had thought. So there has been a lag pertaining to supplying those materials or products required to build this infrastructure. And this is a trend across the industry, specifically in North America because most of the activity for that is currently happening in -- actually happening in North America. Other markets, of course, are picking up and announcing projects, but they're still in the conceptual stage.

Our current focus was first to build our order book pipeline, ability to win large contracts, ability to build the relationship. And I think we have put up a dedicated team over the last 1 year to do that, and that results are showing in our order book. We expect as we move forward that we should be able to burn and melt this order book in a significant manner, providing us growth as we go forward. So this is an industry-wide phenomenon of hyperactivity.

We are first capturing our space in that, getting more momentum, more sites, more complex -- these are very complex large projects. So our right to win has improved. Therefore, we are winning. We'll focus on execution at this time, and we should be able to navigate that with our customers as we move forward in the quarters ahead. Deepak, on the acquisition?

Deepak Bansal: Yes. And on the acquisition side, I think you asked about that what is the value we are paying and all those things. So we will be paying close to around INR275 crore at closing, and this is subject to some working capital adjustments. And then there is the additional deferred payments, including earnouts linked to the performance, which we will pay over the next 2 years.

So roughly, let's say, we will be making around INR50 crore of the EBITDA from this. So from that perspective, we will be paying at closing close to around 5, 5.5x on the -- at closing. And

then on the earnouts and the performance and all those things, at the peak level, if everything, let's say, goes well and all the earnouts and everything gets accrued, including all the deferred payments, then we will be paying another INR100 crore for that. But that is subject to obviously the performance, and that will be payable in the next 2 years' time line, not at the closing.

And then this acquisition of INR275 crore, what we have to pay we will be funding it through internal accruals, mix of internal accruals and debt. And we have already told earlier also that we believe in putting our capital prudently. Our ROE and ROCE, we want to be 25% to 30% type of range. So we don't want to put capital where we don't generate those type of ROE. And that is why the internal accruals and the debt mix will be accordingly -- we will use it prudently to pay this INR275 crore.

Jyoti Singh: Okay. And sir, just wanted to understand this time our trade receivable has increased INR674 crore. So what kind of DSO we are seeing going forward and currently compared to FY '25?

Deepak Bansal: So you are seeing September financials? That's what you're looking at.

Jyoti Singh: Yes, Sir.

Deepak Bansal: So you are saying on September, the receivables are at INR674 crore because -- see, because what has also happened is that between the March quarter and the September quarter, we had the growth. And we have some of the invoicing -- the skewness which happens in our business in the last month of the quarter, which has happened in the month of September because of the -- some of the orders execution happened in terms -- and the invoicing happens depending on the OEM supplies and all those things.

And because of that, this thing has come. But all these receivables are now come into the same level as soon as because we realize our DSO, normal DSO is close to around 55 to 60 days. That's our DSO. So that will come to the normal level when we look at, let's say, now or at any other period.

Moderator: The next question is from the line of Vivek, an individual investor.

Vivek: Sanjeev, we've constantly missed on our top line guidance. And even in this quarter, we've only booked order book to the extent of about \$230 million. So what gives us the confidence that we'll hit a \$350 million run rate? And either we are not seeing things clearly on the ground or we are not being candid in our communication with the Street. I'm just confused as to which one of it is it?

And my second question on your long-term guidance of \$2 billion. I mean that's a tall ask even if I consider FY '30, which you've moved from FY '29 to FY '30, in 16 quarters, you'll have to triple your revenue run rate from about INR1,700 crore right now to INR4,500 crore. I mean I can't square the math. So can you just help me with that?

Sanjeev Verma: Okay. So I think the first thing -- thanks for the question, is I think we had guided a booking of \$1 billion for the year, and we are holding on to that. So that puts us in quarter 4 for a significant quarter. So clearly, we are halfway through the quarter and another half to go. So we are -- the

fact that we are saying we'll book \$1 billion, but we are -- orders in the bag significantly, projects won specifically for data centers, several hundred million dollars and more to come, right? And these order books take time.

So gradually, if you see for data center infrastructure, we had earlier told in the first quarter, we are revamping the team. We brought in a new leader, Sean Maguire and entire team. And progressively, each quarter, we have been moving up large projects, which runs several hundred million for hyperscalers and Mag 7, are very complex and there were only few players. And we are at more sites than before and more companies than before. Earlier, as you know, we had Meta as a large customer, we continue to have that. So those are in the bag at this time.

The way the order book happens is from a letter of intent to low-level design to limited authorization to proceed to finally a contract because these are open projects, greenfield, massive being spent billions of dollars. So first, you are identified, allocated, then you engage, then contracted. So that's how it happens. So it takes a little bit of a time there. So I think we are almost at the fag end and so therefore, we are certain for \$1 billion.

Now unfortunately, there was expectation to burn a little bit more \$40 million, \$50 million, \$60 million more. That didn't happen specifically in the infrastructure projects of data center. That is back ended and therefore, the opening backlog is going to increase. And that's fundamentally, as I told earlier on the call, if you look around and in the public domain, one of the largest hyperscalers actually invested in a fiber company to get the fibers on demand because they can't get enough.

We do those fiber projects to connect a large-scale data center. So we are at the other end waiting to be able for the owner or a customer to supply the material because we don't supply that material. We do the design implementation. So we are confident to your question of meeting \$1 billion goal, an opening backlog, which was supposed to be closer to \$700 million and we would have possibly hit our goal, for revenues has slipped by \$50 million, \$60 million, and that's what I quoted earlier.

So now from a perspective of \$2 billion, we have a very clear path of going there. One, of course, from an organic perspective, we expect from -- if your backlog is going to open up several hundred million more getting into fiscal '27, we should be able to drive double-digit growth, mid-double digit, 12%, 15% surely over the next year or so because the backlog is going up significantly, and we take half of that as backlog to burn. That gives us anywhere of a 10%, 15% growth from an organic perspective. And we expect this momentum.

We just started in the data center infrastructure projects and other large-scale projects. This will continue to add significant large value projects as we move forward into the next year. That's on the organic side. So therefore, a run of \$300 million, \$400 million gives you an average of 10%, 12% growth any which way for the next several years' time, and that's what we're focused on large projects. It's complex, very few players. We also expect this to flip our investments. We are looking at projects now in Europe as well, and on the verge of winning. So those will inflate.

So we expect the order book that we're opening up at \$800 million, a booking \$1 billion now to book much more getting into '27 and beyond. So that's the organic side. And then again, if you look at that, that should take us to close to \$1.2 billion, \$1.3 billion. And we have stated we have an inorganic theme. We just started with that with a small acquisition of INR500 crore, as you heard today, that we will drive that the pipeline in a systemic manner.

Deepak called out being prudent because we don't want to be kind of emotional about economics and lose the ROE and the ROCE. We'll focus on that, so it takes time. But we have a significant pipeline as well on that to drive that momentum because we believe at scale, our EBITDA to PAT conversion is going to improve significantly. So it will start to add up into our PAT as we go in '27, '28 and beyond. So we have a team focused on that as well. So we just had one of them announced, and we'll continue to focus on that.

So between organic 12%, 15% through a very strong pipeline, order book, infrastructure being done, Americas, possibly getting into U.K. and Europe now. We just put up a leader in Europe, which we announced, India and APAC. We just announced a leader, Mr. Sameer Batra on the public domain, who joined us. So I think we have a clear path from an organic perspective. Inorganic also, we will drive reasonably through our prudent capital deployment. We expect as we move forward, we will have -- we will not increase our leverage more than we need to do, right?

So our free cash will start to pump in '27, '28, so it will be accretive for us. So we should be able to drive significant momentum in that business as well, a combination of both organic through our pipeline, large infrastructure project wins and our inorganic that we are also driving now. We believe we have a clear path to move forward towards our aspirational goal of \$2 billion.

Vivek:

Sanjeev, just to labor on that point again, we guided for about 15% growth starting this year. And even now on just in your commentary, you mentioned a 10% to 15% growth. I mean if we've missed orders this year, ideally, next year, we should be doing much higher, right? I mean if we are to just -- if that order has just been deferred to the next year, shouldn't we be doing about 20% next year.

And on the back of the acquisition, your overall revenue ideally should be in the range of 20% to 25%. I mean, just 10% to 12%, I don't think gets us to \$1.2 billion. We are at a \$700 million run rate. I mean, if we end the year at INR6,300 crore, that's a \$700 million. For us to move from \$700 million to \$1.2 billion in 4 years' time, that will take a lot higher than just a 10% to 15% CAGR. So at some point, the math has to catch up. So your growth rates can't just stagnate at 10% to 12%, while previous year, you've not delivered any revenue growth.

Sanjeev Verma:

Yes. So I think you're right. I think -- so whether it's a little more than 15% or 16%. I think the first fundamental goal for us has been to have enough backlog to be able to burn that. I agree. I think we possibly will do more at this time. But I think what I'm alluding to is our clear path of driving organic through large-scale projects and order book. So if you look at the order book growth of 60% compared to opening balance of last year, we are taking currently at the back of the environment that we burn at whatever rate we're expecting.

Could we burn more of that \$300 million, \$400 million that is lying extra in our order book than when we opened up last year. It is a possibility, right? But considering we just quoted about some constraints and miss \$40 million, \$50 million worth of revenues. So we took that call. But will that improve and a backlog of \$300 million, \$400 million should drive 15%, 20% growth, if not more, I agree.

But we're taking that view -- we'll guide it at the beginning of the quarter -- beginning of the fiscal year, and that's what I said in the earlier call, we'll guide as we get a view of how we are looking closing the year, first booking \$1 billion, opening of \$800 million and then guide as to what we believe we can burn and the possibility that we could possibly be doing organic more than 15% from that perspective.

Vivek:

Sanjeev, and just for us to get to \$2 billion, we can't just rely on the data center, but that is a project business. It's a onetime business and then we have to replenish the order book completely. What is happening on the managed services and the maintenance contract side? Is that pie growing? For us to get to \$2 billion, we can't just rely because then that will require us to replenish a couple of hundred million dollars every year, which might get tough.

And on the data center part, we've been calling out massive activity, but we've barely scratched the surface. I mean these companies have spent a couple of trillion dollars already, and we're still not -- we've barely acquired the orders and we've still not executed.

So I mean, I'm just trying to piece -- I mean, can you just give me a broad macro view on how the sales teams are performing, not just on the data center side, but also on the other side. This order booked in of about \$230 million every quarter will not lead us to \$2 billion. We'll have to get to possibly \$350 million to \$400 million run rate every quarter. Can you just speak to that, please?

Sanjeev Verma:

Yes. So first of all, the \$2 billion, I think I said \$700 million is supposed to be inorganic. So even if you look at \$1.3 billion, right? I think from a current backlog perspective, we are covered ballpark about 60-odd percent as we start the quarter or start the year. That's what we are. To answer your earlier question, I think although we are seeing more bump coming in, in the Project side, which gives us some annuity business as well. So it's not only a Project.

So we are doing an annuity for a hyperscaler in data centers in Europe for several years running into several million dollars, after doing a project for \$20 million, \$30 million plus. So it also gives us annuity, not high, 10% to 15%. If you do \$100 million project, you do get \$10 million, \$15 million of annuity at a much better margin going forward.

Having said that, we still have good over 50%, 60% of our business, to your point, as you rightly said, from our non-data center business, which includes our bank business, which includes very large business in our airports, which is multiyear managed services for airports like Miami, which runs into tens of millions of dollars or Newark airport.

So we are expecting large projects and annuity and managed services. We're doing for a very large health care to \$20 million worth of managed services. We have multi like that. So the answer is yes, we'll have both. So although if you look at our table, the Project bumps up more

in a certain quarter because it's not really a quarter-on-quarter business. You can get a very large order, which will burn over a period of time. So we are also focused.

The large part of the team is enterprise focused on non-data center, similar business, connectivity, networking, workplace modernization and so on and so forth, predictable large scale. We are expecting large-scale refresh in wireless infrastructure, network infrastructure. So that will continue to happen, run by Jai Venkat that runs it through a large team.

Data center, of course, we require a smaller team. We don't require 50 people, 100 people from a sales standpoint. There are only 5 hyperscalers and maybe 10 multi-tenant guys. So we have a smaller team, but a high-performance team that was put in place in fiscal '26, as I told earlier, with Sean Maguire leading that with 30-year experience from that perspective.

So we are not leaving away and only focusing on data center. We're just saying data center is hyperactive. There are very few large-scale complex Projects execution. It's time taking, but a pipeline and an order book of large nature will burn over a period of time for the next 2, 3, 4 years' time, right? And when you do a Project of \$200 million, it takes 2, 2.5 years to burn. Of course, we expect it to win another \$200 million and \$400 million.

But the road map for that, at least for the foreseeable future is there, right? And I think -- so we are focused on working on that. We're moving to Europe. We have not even come to India at this time. And possibly at some point, we will look at whether we want to participate in some of these things in India when India actually starts to build or deliver those projects. Currently, it's that conceptual MOU kind of a stage.

So both the tracks, non-data center and data center, we wanted to turn a data center pipeline into a project into a more annuity predictable business with large pipeline. Some portion of that will turn into managed services for what we call Day-2 operations. So we are looking at both, and we are driving both from that perspective.

Vivek:

Sanjeev, just one last question. Since we brought the new Head of GSI into the company, I mean, the order booking for the last 3 quarters has basically been around the \$200 million, \$230 million range. I appreciate that once you've set the team in place and with the new go-to-market strategy, I mean, at some point, the sales team has to fire. I mean, so what -- ideally next year onwards, what should be the quarterly order booking? And will that be lumpy nature?

Should we be moving to a different orbit from about a \$250 million, \$300 million run rate to a much higher? Because that -- I mean, that math doesn't change, right? We can't be at a \$250 million, \$230 million run rate and expect to hit a \$1.2 billion target in the next 3 to 4 years.

Sanjeev Verma:

No, I agree. I think, yes, I think you're right. So we will see normal growth in the enterprise sector, which is Jai's business and of course Sean, which is more 15% to 20%. We saw hyper growth. So if you booked -- we had \$100 million booking or \$200 million booking in data center the previous year, we're expecting \$400 million or \$600 million, which is multi times jump because it will not go the same way. A combination of both.

Our goal next year moving into should be upward of \$300 million, \$350 million every quarter going forward. We are currently at \$230 million, \$250 million. Quarter 4, of course, will be much larger, and we'll report when we get there. And we have an ability now to be able to see that funnel culminating.

Having said that, the enterprise side of business supporting our bank, first of all, you have to keep those customers going and then win new customers. We still expect 12, 15, 20 depending which quarter we land up. But I think we're expecting a significant bump quarter-on-quarter going forward of a similar type, several hundred million dollars in the data center infrastructure business. We still depend on half the business, 40% of the business, but that didn't exist earlier. So we were doing \$230 million, \$180 million, \$200 million, \$250 million, whatever number was. You're right we're expecting it to turn.

Vivek: Just one, have you bitten more than we can chew as far as the \$2 billion target is concerned? I mean I appreciate that even on the inorganic part, with a \$50 million acquisition, we still got to cover...

Moderator: Sorry to interrupt, sir. Vivek, sir, can we request you to re-join the queue? The next question is from the line of Disha from Sapphire Capital.

Disha: Yes. So firstly, on this current order book that we have, what sort of execution time line do we see here?

Sanjeev Verma: Can you repeat the question, please? I think your voice is cracked.

Disha: The execution time line for the order book.

Sanjeev Verma: Okay. So I think we have several kind of order books. The order book includes annuity order books that are recognized ratably over a period of time. If you look at our investor presentation, you will see that. Projects backlog run between 9 months to 24 months. For enterprise projects, they usually close within a year. For large-scale infrastructure projects for data centers, depending on the size that might last several years, maybe 2 years or more.

On average, if you look at it, I think we look at an average of 1 year from last 3 months, 6 months, 9 months and 2 years' time. Large hyperscaler projects run over several years. Enterprise projects usually run between 3 months to 6 months' time. Annuity, managed services are ratably recognized every month, every quarter as per accounting needs.

Disha: Yes. So just following up on what the previous participant had asked, if we are targeting a \$2 billion by 2030, if we close this year by around, say, the upper end of our guidance, around INR6,375 crore, that would mean that we need a CAGR of around 25% to 30%. But we're only just targeting, I think you mentioned 12% to 15% growth. So what is the sort of glide path that you see?

Sanjeev Verma: So we're targeting a CAGR of 30%, 35%, including inorganic to be able to get to our goal of \$2 billion, right? So that's what we're looking at. We're looking at \$700 million, \$750 million, \$800

million, wherever the number lies with respect to our inorganic goal. We just started that process, as we have called in a small way, but we have larger ambitions on that as well.

Having said that, a larger part of the company's focus is organic growth, which includes our enterprise business and which also includes our data center infrastructure business. And we feel confident first thing first to be able to close the year with respect to what we have guided for order booking, open up a strong backlog, continue to push and drive that organic growth as we parallelly look for inorganic opportunities, a combination of those CAGR of 30% or more northward of that should lead us to where we want to go to \$2 billion is what our goal.

Disha: Yes. So yes, a CAGR of 30% will lead to that. So just for the acquisition that we have done, what sort of growth do we see for this company?

Sanjeev Verma: Deepak, do you want to take that or you want me to answer that?

Deepak Bansal: Yes. So this company has grown at a CAGR of close to around 20% from last year to this year also in 2025 tentative numbers. So we are expecting at least 12% to 15% growth because Brazil is a very high growth market. And we are expecting that FY '27, we should add INR500 crore. And then from FY '28 onwards, we should grow at least at minimum -- bare minimum at 20% levels for this company.

Disha: Okay. And just what is the rationale for this acquisition? And what sort of synergies do we see here?

Sanjeev Verma: I'll take that. So our footprint currently in Brazil is fairly small. We do about \$14 million, \$15 million. The company is a fairly large enterprise-focused network integrator, a large Cisco partner, very marquee clients. Adjacent to what we do, we largely did connectivity and heavy infrastructure, so we can cross-sell. So we expect sales momentum in that region to improve collectively as we move forward by cross-selling.

The second, of course, the company was only present in LatAm, largely Brazil, but has marquee customers, good relationships with no ability to serve them overseas, and they were serving it through some partners and otherwise. So with Black Box presence in Americas or Europe or otherwise, we expect some flow of business coming to other markets as well at the back of this acquisition.

Third, the seat on the table with us with respect to networking conversation, more specifically from a Cisco standpoint is much better to have the relationship, which could be accretive for our margin going forward. In combination, I think the rationale was to get to scale because if you're not having scale, if you're doing \$12 million, \$15 million in a market, you don't have a seat on the table with large customers to talk. So we get a seat on the table.

We also get an ability to cross leverage each other in that geography and also get a leverage and ability to serve some of customers in other geographies that they were not serving. So we see a multitude of synergies. As we move forward with integration over 90 days, the first thing is to get into our run rate and then look at combined strength of 1 plus 1 to see how we can make it more than 2.

Disha: Okay. And just last question on the margins. I think this time, so obviously, because the revenue is deferred and the supply chain issues, we've reduced the guidance. But going ahead with this acquisition as well, how do we see the margin trajectory?

Sanjeev Verma: So we continue to hold on to our margin guidance. Our goal is to move to 10%. We are at 9-ish, 8.9%, 9%. So I think this acquisition or otherwise as well, at scale, we believe will be margin accretive, both from an EBITDA perspective and of course, much better from a PAT perspective.

We expect our PAT CAGR to be significantly higher as we move towards growth of revenue. Our EBITDA CAGR to also be significantly higher. Our EBITDA to PAT conversion would significantly improve at scale because we don't expect that to be linear. So therefore, accretive from that perspective as we get into '27, '28 and beyond.

Disha: So 10% sort of EBITDA margins can we target for FY '27?

Sanjeev Verma: That's what we're targeting, yes.

Moderator: The next question is from the line of Rohan Nagpal from Helios Capital Management.

Rohan Nagpal: So first question I had is, so this is the seventh quarter in which we've been recording exceptional expenses on provision for rents and foreclosure of leases. How much longer do we expect to record these exceptional items?

Deepak Bansal: So Rohan, we are -- let's say, because we are operating multi-geographies, we thought that technically, the FY '26 should be the last one. But right now, I think from a visibility perspective, I think that at least another two quarters in FY '27, we should have these exceptional items. But the exceptional expenses should a little bit go down because we continue to pivot and, let's say, identify the opportunities to sever the people wherever we think that it is not required or whatever, and that's what it comes into it.

And with respect to the rent and all those things, it is more like -- so let's say, what we are also doing now is that we are not recognizing the overall rent restructuring into one quarter because as per the gap, if I have done a rent restructuring and some consolidation or whatever, I need to recognize during the period of the term of the contract as per the lease accounting. So that is why it is coming like that.

So the rent restructuring is a lower amount as compared to the severance. I'm expecting severance amount to come down drastically in going three quarters. But I'm expecting that next two or three quarters, still the exceptional items will be there.

Rohan Nagpal: Okay. Understood. And then my second question is on demand. So I mean, we already have a long-standing relationship with one of the large hyperscalers that is committed to a significant amount of capital expenditure this year. So we have a path to benefiting from some of that capex. But from some of the other hyperscalers that have announced even larger amounts of capex, how exactly does the sales cycle work in this situation? If someone's announced say a \$200 billion of capex this year and we -- is there any way in which we have an opportunity to participate or service some of that spend? Or is it -- or will it take along a significant part of this fiscal '27 for

us? And then we have to effectively -- we get to service some of that spend in the next year if the business development efforts are successful. Just want to get a sense of the dynamics at play over here.

Deepak Bansal:

I think Sanjeev has dropped. So I can take this. So basically, like we are dealing with, let's say, one large customer on a hyperscaler, but then we have the other hyperscalers like we are speaking with two more large hyperscalers who have announced the large project and also one of the joint venture between the hyperscaler and the large, let's say, the GPT company, we are dealing with them.

And the sales cycle typically on this whole data center thing is more like, I will say, 3 to 9 months type of period from a sales cycle. And the decision-making is happening most of the hyperscalers, it is between hyperscalers and also the general contractors who are getting involved. The decision-making happens between them. So there are like a lot of round of interviews and then there are safety practices and then there is a prior experience and all those things.

And most of the hyperscalers, it is not on the -- it is more like a technical discussion in all these rounds. The financial discussion is not, let's say, not much. We have to obviously give the financial models and all those things and in terms of margin and all, but it is more like a discussion type of thing. And then accordingly, they allocate. So let's say, the selection or, let's say, the allotment of the project is more happening on the technical parameters. The financial parameters for everybody remains almost in the same ballpark numbers.

Rohan Nagpal:

Okay. Understood. So on the significant surge in capex ex of the hyperscaler that's already a customer, we would not have as much -- we won't be able to service or participate in as much of that this year, it would primarily be a 2027 story. Is that a fair understanding?

Sanjeev Verma:

No, I believe -- I'll take that. So I think -- so we have to be prudent as to where we want to deploy our capital and our resources. So we are focused on 6 specific markets in America where we focus with this sector. U.S. has 50 states, data center is getting built in 50 states. This is a localized work. Obviously, you cannot have hundreds of resources parked in every place. It's just not physically possible.

So therefore, you choose what you can deliver best because if you do -- these are very complex large-scale mighty scale projects, if you don't do well, the chances of getting a repeat becomes low. You can also have a cost overrun, you can have delays. So you choose your battle accordingly. We have, over the last several quarters, reorganized ourselves as to where we will focus on. Therefore, those conversations in my meetings the senior management of these hyperscalers or other multi-tenant, we are clear as to where we are and where we have the strength.

So we do not want to be just spraying and praying, right? I think that's one way to do it is too much opportunity means nothing because you'll be bidding for too many things and winning peanuts. You'd rather be focused on, as Deepak called out, where we are allocated more on technical strength, resources, capability, safety and so on and so forth. And the commercial

discussion negotiations are understood, fairly well now. It's market-driven labor rates, your overheads, your margins, fairly transparently because it's not a fixed cost, fixed scope project.

The project changes on the fly because it's a barren land built for 2 gigawatts, right? So I think it's a different kind of project. So there's an entry barrier. Anybody can't come and bid for those projects. It's a long lead time. And if you come out a winner, I think you would be here for long term. So that's what we are trying to build.

Rohan Nagpal:

Okay. Understood. And just last question from my end. So we discussed supply chain bottlenecks. There seems to be a certain amount of social and political resistance to the development of data centers in certain states. You have certain bill looking at restricting the build-out. Is that impacting us in any way or even at a business development standpoint at this point?

Sanjeev Verma:

No, I believe I think -- so of course, there are certain specific states where there's more hyperactivity and so on and so forth. But I think -- I don't think we are affected by that. As I told earlier, we are focused around where our winnability is higher, focused on our win ratio and stuff like that. So that's why we are not affected by that.

Moderator:

Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand over the conference to management for closing comments. Over to you, sir.

Sanjeev Verma:

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

Deepak Bansal:

Thank you.

Moderator:

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