“Creative Newtech Limited

Q2 Half Year Ended FY27 Earnings Conference Call”

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Moderator: Good afternoon, ladies and gentlemen. On behalf of Creative Newtech Limited, we extend a warm welcome to all participants joining us for the Q2 Half Year ended FY27 Earnings Conference Call. We sincerely appreciate your presence as we discuss this quarter and half year's performance, highlight significant achievements and share our vision for the future.

This conference call may include forward-looking statements that are based on the company's beliefs, assumptions and expectations as of the date of this call. These statements are not assurances of future results and are subject to risks and uncertainties that remain difficult to foresee.

As a gentle reminder, all participant lines will remain in the listen-only mode until we open the floor for question and answer session. Please note that this conference is being recorded. If you need any assistance during the call, please press star followed by zero to signal the operator. With that, it is my privilege to hand the call over to Mr. Ketan Patel, Chairman and Managing Director of Creative Newtech Limited. Thank you and over to you, sir.

Ketan Patel: Good afternoon, everyone. Welcome to Creative Newtech Limited's Earnings Conference Call for the second quarter and half year ended September 30, 2026. I would like to begin by thanking all of you for joining us today. Joining me on the call are Mr. Ajit Thakur, our CFO; Mr. Vijay Advani, our Whole Time Director and SAAA Consultants, our Investor Relations team.

Every quarter brings an opportunity to reflect on our progress, but some periods carry greater significance in shaping the future of business. For Creative Newtech the first half of FY27 has been one such defining chapter. Last year, we spoke about building deeper capabilities entering high potential technology majorly and preparing Creative Newtech for opportunities of greater scale.

Today, I'm pleased to share that we are making meaningful progress in bringing those ambitions to life. India is entering an important phase of technology led development. Digital connectivity is expanding, infrastructure is becoming more intelligent and the demand for integrated technology services is growing across government, institutions and enterprise.

At Creative Newtech we see this transformation as an opportunity to apply the experience. Partnerships and market capabilities, we have build over three decades to a much larger business landscape. During the first half we strengthen our participation in government infrastructure to significant development.

We received an advance work order for BSNL, for the BharatNet Middle Mile Network Project in the Odisha Telecom Circle, with an approximate total value of INR3,194.83 crores. This represent a significant opportunity to participate in strengthening India's digital connectivity infrastructure.

This development marks an important progression in our journey. They demonstrate a state of opportunity we are pursuing and reinforce our commitment building the execution capabilities required for complex technology infrastructure project. Surveillance and intelligence security infrastructure remains another important area of focus.

Last year we discussed our ambition to deepen our presence in this ecosystem. Our proposed acquisition of Infinova India Private Limited pace this strategy forward, supporting our vision of building of Make in India surveillance and technology platform. Our partnership with Ravel Electronics further strengthened our portfolio in fire and life safety technology.

Expanding our ability to address enterprise and institutional requirement through advance security and safety suggestion. We also continued developing our presence in drone technology, our partnerships with Drona Aviation expands opportunities in drone-based STEM education, while our association with Jupiter Electric Mobility strengthens our drone technology portfolio.

Both developments support our participation in emerging technology applications. Alongside this strategic partnership, we achieved another important milestone with the launch of WOZOYO, our global consumer technology brand under our wholly owned Hong Kong subsidiary, Secure Connection Limited.

For decades, we have helped global brands establish their presence in big markets. WOZOYO gives us an opportunity to leverage that expertise in developing our own consumer electronic and smart lifestyle brand, creating another avenue for long-term business growth. As I reflect on this development, one thing becomes clear, Creative Newtech is expanding its participation across infrastructure, enterprise solution, emerging technology and consumer markets.

Each opportunity builds on our existing strength while adding new capabilities to our business. Equally important is the financial discipline supporting this expansion. Our operating cash flow stood at INR351.24 crores during the first half reflecting strong cash generation and reinforcing our focus on financial efficiency.

As we pursue larger opportunities, disciplined capital allocation, working capital management and operational execution will remain central to our strategy. Looking

ahead, our ambition is to convert the opportunities we have created into sustainable business growth. We remain focus on strengthening our capabilities, deepening strategic partnerships and building a technology business capable of participating in India's evolving infrastructure and innovation landscape.

Last year we shared our direction for first half of FY27 has brought meaningful opportunities to advance it. Our next priority is to turn this progress into consistent execution and lasting value creation. I want to thank our team, customers, partners and shareholders for their continued confidence in Creative Newtech. With this, I would now like to invite Mr. Ajit Thakur, our CFO, to take you through the financial highlights for the quarter and half year. Thank you.

Ajit Thakur: Thank you, sir. Good afternoon, everyone. The financial highlights of H1 FY27 tell an encouraging story of scale and profitability moving forward together. Creative Newtech has delivered stronger earnings, improved operating margins and substantial cash generation, reinforcing our ability to support business expansion with financial discipline.

What is particularly encouraging is the pace of earnings growth relative to revenue. During the first half, our EBITDA grew by 55.78% against total income growth of 16.55% accompanied by an improvement in operating margins, which reflects meaningful progress in our earnings, performance and the financial strength of our expanding business.

The second quarter further strengthened this performance with healthy business activity across our technology portfolio, supported by improved profitability and continued focus on operational efficiency. I will now take you through the key highlights of our consolidated financial performance.

Please note that our financials are prepared in accordance with IndAS guidelines. Looking at consolidated Q2 FY27 results, the company reported revenue from operations of INR752.14 crores and total income of INR754.8 crores, reflecting a year-on-year growth of 14.43% in total income.

The quarterly EBITDA stood at INR40.11 crores, registering a strong year-on-year growth of 50.70%. EBITDA margin improved to 5.31% compared to 4.04% in the corresponding quarter last year. Profit before tax stood at INR30.12 crores. PAT for the quarter came in at INR25.94 crores, reflecting a year-on-year growth of 36.88%.

With PAT margin improving to 3.44% from 2.87%. Looking at consolidated H1 FY27 results, the company reported a revenue from operations of INR1,228.21 crores and total income of INR1,231.65 crores registering a year-on-year growth of 16.55%.

EBITDA for the first half stood at INR65.01 crores recording a year-on-year growth of 55.78% with EBITDA margin improving to 5.28% from 3.95% in the corresponding period last year.

Profit before tax stood at INR46.82 crores, while PAT reached INR39.47 crores representing a year-on-year growth of 35.49%. PAT margin improved to 3.20% compared to 2.76% in H1 FY26. Another important highlight has been our operating cash flow performance with cash flow from operating activities reaching INR351.24 crores during the first half.

Our net working capital days stood at 45 days in H1 FY27, a significant improvement from 75 days in FY26. As we expand our participation in larger projects, our focus remains on maintaining healthy cash generation, efficient working capital management and disciplined capital allocation to support sustainable growth.

For Creative Newtech, the first half of FY27 reflects significant progress in earnings performance with EBITDA growing considerably faster than revenue, improved profitability margins, substantial operating cash generation. These developments provide an encouraging financial foundation as we continue to expand our business and pursue opportunities of greater scale.

As we move ahead, our financial priorities remain centered on maintaining this momentum through efficient operations, prudent capital management and consistent execution while continuing to create long-term value for our shareholders. That concludes the financial overview for the quarter and first half of FY27. Thank you, everyone.

Ketan Patel: We can take questions now.

Moderator: The first question is from the line of from Mr. Sudhir Bheda from Bheda Family Office. Please go ahead, sir. Mr. Sudhir Bhera, please go ahead. The next question is from the line of Rehan Saiyyed from Trineta Asset Managers. Please go ahead.

Ketan Patel: We can't hear the questions please. We can't hear any of the questions. Are you able to hear it?

Moderator: Yes, sir.

Ketan Patel: We can't hear your question. Can you please...

Moderator: Yes, sir. I'll see if there's an issue.

Ketan Patel: Yes, because we could not hear any questions.

Moderator: Yes, sir. Please hold for a second.

Ketan Patel: Sorry, I could not hear any questions before. Sorry, very sorry for that. Yes. Is this Rehan Saiyyed?

Rehan Saiyyed: So, good afternoon to everyone and thanks for giving me the opportunity. Sir, I just have two questions from my side. First question is on your WOZOYO brand traction that you have launched in India and US So, with WOZOYO now operating in India and the US, which product you categorize and sales channels are showing the strongest initial traction? And what key indicators will you track over the next two to three quarters to assess whether the brand is gaining market acceptance? This is my first question.

Ketan Patel: Yes. You are Rehan, right, from Trinetra Asset Managers?

Rehan Saiyyed: Yes.

Ketan Patel: Rehan we launched WOZOYO in the US and now for Diwali, we are launching air purifiers in India for the WOZOYO brand. We said that we will launch WOZOYO in four phases. So first, we will have our air purifiers, then later, we will have our electronic essentials, and then we will have speakers launched in the US And similarly, in India, looking at how the response is there from the US.

The strategy for WOZOYO is very simple, build online trust and credibility and then go to the physical stores. Currently, we launched WOZOYO in end of July in the US And till now, the response has been very good. We have sold close to $2.2 million, roughly close to INR20 crores of product in the first three months of the time. This is I'm talking about end of September 31. We have seen traction in all the categories very well.

The air purifiers are also doing very well and the docking stations are doing very well. These are the two categories we launched. First, we launched the air purifiers and the docking stations. US has three channels where if we succeed, it will be very good. First is Amazon as an online channel. Second is TikTok as another online channel because TikTok is also very big in the US And third is the Walmart and the Best Buy where we can go and sell.

Our first indicator for the next two years is to see how many returns come because in the US, the returns is a big proportion. Currently, our returns are close to 4% or 3%, 3.5%. And usual, it's around 8% to 9% return. It also could be because since we are a new brand and since we have not sold a lot of products, the returns would be lower, but returns would be one tracking mechanism.

Second tracking mechanism is the kind of reviews you get on the site. And third is US has a program called Vine where Amazon allows you to send products to influencer and then the influencer, they independently check your products and give honest feedback, which are then again posted on the Amazon -- on your product video pages, they are there.

So currently, we have got very good reviews on air purifier and the docking stations. We became in the docking station as Amazon Choice also. Last was that Amazon runs a program where it recognizes new brands which are doing very well. And we got an award from Amazon Global Advertisement team as Rising Global Stars brand, which we just announced last week. So currently, all these indicators are quite well, that is the case.

Second, in India, we launched our air purifier. The only reason to launch air purifier in India is to kind of use our upper end of Honeywell. So, when we go to say, a Blinkit or a Swiggy, we tell them that if you want Honeywell air purifiers, you will also have to stock WOZOYO accessories, right? Usually, online platforms for newer brands want sale or return policy or they want a complete consignment policy.

And from day 1, we have said that we will not have consignment or sales or return even if we have to lose sales, it is okay. So here, because we have Honeywell, which is doing quite well in the air purifier space and also in the electronic essentials space, we are getting some traction from Blinkit and Swiggy and Amazon as well. So currently, I think for a new brand, we are doing quite well on this space.

If the season for air purifier goes well, for the first year, we have a modest target for WOZOYO close to -- we want to do around close to INR45 crores to INR50 crores. And I think we will be able to do that. That's it. I hope I answered your question well, Rehan.

Rehan Saiyyed: Yes. Sir, you have explained the question very well. And sir, just clarifying that your INR45 crores you are targeting for Indian market, right, sir?

Ketan Patel: No. We have targeted Honeywell-- WOZOYO for India and US both The original demand for India was not there, but because Middle East numbers have been at pressure because of the war and second, the freight charges are going quite high for India also, we said that we should have an alternate sales channel for our other brand. It also helps you to defend your own brand against a new brand entering India.

Rehan Saiyyed: Got it. And sir, my second question is around your like this kind of a merge of two questions. So first phase of the question is Infinova. So sir, regarding the proposed acquisition of Infinova India, so what is the expected timeline for completion? And

what capabilities or customer segments will this acquisition add that Creative Newtech will not build as effectively on its own? Just want some clarification on this side?

Ketan Patel: Yes. So you have to understand first that Infinova is a very high-end camera. When I say high end is mainly they are used for smart cities, so for example, Bombay Smart City is right now using Infinova. It's also used for border security, for airport security, for high valued installations and other stuff.

So when you want to have a sale in this category, you require qualifications into a lot of other places where you have done that. Infinova being a global brand listed on NASDAQ has done a lot of airports, a lot of border security and other stock. So Infinova gets a lot of credit. Now coming to the acquisition part, I think we should be before 15th of November completing the complete acquisition and the shares would be transferred to us.

The teams are actually in Pune currently and our team is also in Pune. There are set of six agreements which are to be signed. They are almost all are approved now and the signature is happening for that. So we should -- we think by 15th of November since it will also involve SEMA because it's a share buyback of a foreign national, it may take, say, another 15 days to get the shares transferred. That's one part.

Second part is once the acquisition happens, government has bought a STQC certification for camera. STQC certification requires three things. One, every component used should not be sourced from China. Everything should be -- the country of origin can't be China for that. So that we have already prepared the products and kept it ready. Second, the software and the PCB Gerber file should be made in India. That also we have done.

Third most important aspect to that is that none of the directors or beneficiaries can be of Chinese nationals or Chinese citizens. So once when the share gets transfer, then -- because we will be Indian shareholder, that also condition gets fulfilled.

After that, we have spoken to three Indian manufacturers to get our products STQC certified. While Infinova has a small factory and assembly unit themselves also. So once our products get certified, maybe the exclusion to cameras we could do in-house and other cameras we could do out. Last answer your question is that -- so in another three months' time, so I think January, February will be a good time frame when we could see that the sale of Infinova starts getting reflected in our sales. That's where you should look at it.

Rehan Saiyyed: Got it, sir. And got to thank you for so much clarification. And Yes, I think you have answered my second question. And that's it from my side.

Ketan Patel: Thank you very much.

Moderator: Thank you very much. The next question is from the line of Yash from Mavira. Please go ahead.

Yash: Yes. Hi, sir. Am I audible?

Ketan Patel: Yes, Yash, you are audible.

Yash: Yes. Congratulations on a very strong set of numbers. Sir, again around WOZOYO brand. So just wanted to understand how much of spend have we done on the branding of WOZOYO in this quarter? And how are we looking going ahead in this financial year and FY28-'29.

Ketan Patel: Yes. Thank you for being on the call. I will just like to answer your question slightly want to give you a longer answer. One of our key strategy is to build brands with very low risk or minimum risk. So we see distribution as a strategic infrastructure, which gives us cost leverage, which gives us visibility and also gives us foot into the door.

So that's why when we wanted to launch WOZOYO we said that the same set of customers would be there. U.S. is a new field because U.S. the market for air purifier last year was INR28,000 crores or $3 billion, whereas the Indian market for air purifier is INR2,000 crores. So we said U.S. would be a greater bet. That's why we went to U.S. Otherwise, the same set of customers could have taken because the customer wants good, better, best brand, that's the case.

In the brand expenses, there are three types of expenses. One expenses is the certification and the buy then the IP, which you create. That is according to our CFO, we do not capitalize and we expense that out all the time. There are two other expenses. One is marketing, which is brand related and second is marketing, which is product related. Now the brand-related marketing, we had said that because we want to really scale up WOZOYO we wanted that we will spend or we will load marketing upfront so we can get a higher sales.

Also on certification part, like there's a certification from American Home Association certification is there for appliances. Say that certification costs close to roughly $8,000 to $10,000. So all the certifications also we got beforehand. And for the brand marketing, we said that we could -- the balance sheet could afford, say, close to INR20 crores to INR22 crores, which we could spend to build the brand. When we say spend to build brand is basically your brand ads, your hoarding ads where you just talk about the brand. So that is the budget.

Second is your cost for marketing the product. In our case, it is AMS. We would spend a lot of money on Amazon marketing services to promote the product because we want to build first online and then come offline. AMS is a relatively risk-free thing because you have totally control how your campaign is going.

If your products are not selling, you could halt it out. You could also measure it very clearly that how much product is selling to how much you are spending that's the case. So currently, we have spent close to -- on the brand side, close to INR12 crores we have spent till now from last year because you need a lot of products to do a lot of other stuff that's the case.

And the AMS marketing is going on. Currently, the AMS marketing is coming close to 50% of the sales, which as we go higher and higher, say, when you start hitting close to $1 million of sales, it will fall to 12% to 14%. The Black Friday sales is going to be in the 27th of November. That's our litmus test that how fast we can ramp up Wozoyo during that time. So that is the case.

Also Yash, just to give you an idea that why Wozoyo because Wozoyo gives you a little flexibility in the type of social media you want to do or it gives a little flexibility in the type of marketing you have to do. While in Honeywell's case, because Honeywell wants to have a standard template for all their products, everything has to pass through the Honeywell design language system. And Honeywell is more on the enterprise side. So for Wozoyo our emblem says The Wisemen, Honeywell would have never allowed a Wiseman to be there. That's the case.

So currently, we have both -- you have a cool chic brand, you have a durable rugged enterprise kind of brand, both going together kind of serving both kind of customers, a serious customer and the young millennial and the friendly customer. So that's what's happening, in such case.

Yash: Very clear. Thank you for the elaborate answer. With respect to the brands business, so how do we see the margin scaling up, both operating margin and PAT margin? And sir, in the presentation, you have stated that your brands business, you will be scaling up to INR2,400 crores by 2029, if I am not wrong. So how are we so confident of that kind of a growth of 30% plus CAGR over the next two years? So just wanted your color on that?

Ketan Patel: So Ajit our CFO would like to answer this question about how the EBIT and the margins would scale up and also would answer the PAT for FY29-'30.

Ajit Thakur: Yes. So if you have seen in the presentation, our share of brand in the total proportion of the total business is going up from the last financial year 14% to 17% in H1 and

19% in Q2. And the percentage of share brand business -- our GP is also in terms of absolute GP and percentage of the brand business is coming around 40 to 42%. So that is converting into the PAT of around 10% to 11%.

So what we are expecting, we are expecting from last financial year of 14% of the of the brand business what in the Q2 is coming around 19% of the brand business, we are expecting around 40% in FY29. So that is very realistic kind of expectation from 19% to 40% and that has the PAT of 10%, 11% what we are expecting in the FY29. So we whatever we have investment presentation, whatever we have given, that is INR6,000 crores.

So from the INR6,000 crores, 40% is coming INR2,400 crores of revenue what we are expecting from the brand business. So that will go from the 19% in the Q2, what is coming to the 40%. So that is how the journey of we are trying to cross till FY29 to 19% to 40% in terms of share of the brand business.

Ketan Patel: I will just add something more to this Yash. Our whole idea is that we have currently Honeywell as our brand, WOZOYO also is one brand. Third brand we have is CyberPowerPC, which we started as gaming PC, but now are also doubling up as your AI workstation. As more and more India uses AI and more and more BFSI and the customers do not want to go to the cloud to use AI because they do not want to export their data to import intelligence, right? So they are also turning towards AI in a box or AI workstation, which can be in their office. So WOZOYO is our third brand. Infinova will be our fourth brand.

Now if you just take the market share for India, so air purifier is INR2000 crores growing at CAGR of 24%. So another three, four year it should double. Audio close to INR24,000 crores. Electronic essentials, premium electronic essentials, the category where we are close to INR10,000 crores. Surveillance market is INR30,000 crores, which is now because of HTTQ2 there is only one large player in this field, and they do close to INR5,000 crores, INR5,500 crores. So there is a large potential there.

Plus we can take U.S. I told you U.S., again, the air purifier market is close to INR28,000 crores to INR30,000 crores. Plus we have now expertise in Middle East Asia and also to some parts of Africa. So for us, any category of the product in any single brand also does well, the INR2,000 crores, INR2,400 crores number looks achievable.

But as we always say, you should not be overconfident and then you should also see a circumstances right from 2000 GST to demonetization to COVID, to the Ukraine war to the Gulf war, something keeps happening, right? So we are thinking that let's work on three initiatives very seriously.

At least one will become successful. If two becomes successful, you have a great -- you exceed your number. If one also becomes successful, the realistic number will come. So that's the strategy. Plus to add last part, we are also looking at one more license or a brand acquisition because it gives us a lot of speed. So if that happens, it could add the number to that. That's one part of that.

Second, we should not forget the infrastructure of the market entry specialist business, what we are doing. Slowly, that business also now we are looking at higher-margin business. So from box moving and market creation for consumer brands, slowly, we are moving towards technology because government is spending money too much on infrastructure, but this infrastructure now is digital infrastructure, not the steel and concrete infrastructure.

And in that you require a lot of data centers to be built. You require a lot of fiber and other parts. You know Honeywell fiber cables we make. We also signed up with Super Micro for the gaming for the AI servers and the GPU servers and high-performance compute. CyberPowerPC is also high-performance compute.

So that business also slowly will become more and more profitable, and it will also start creating its own competitive mode. For example, with CyberPowerPC, we could make the Finance Minister has spoken about Orange economy and AVGC labs that are animation, video games and comic labs. So we made our first lab in Karnavati University in Ahmedabad. It's our model lab. If that picks up well, the whole education, the whole college scenario is open for us.

So both the businesses, we have balanced it very well. And we have taken a very realistic view that there would be incidents happening. There would never be a very smooth, smooth time. And we will work on three initiatives all the time. And we would see one initiative. So while one initiative becomes successful, then we could have another. That's how we have planned currently.

Yash: Very clear, sir. Thank you so much for the insights and all the very best.

Ketan Patel: Thank you very much, Yash.

Moderator: Thank you. The next question is from the line of Sudhir Bheda from Bheda Family Office. Please go ahead sir.

Sudhir Bheda: Yes, I was not audible actually in the first place. So now I am. Am I audible?

Ketan Patel: Yes, Sudhir, you are audible and thank you so much.

Sudhir Bheda: First of all, congratulation to Ketan bhai and your team for posting the excellent result. And the reason which you have shown in the investor presentation is amazing. So hearty congratulations for that. Sir, my question is that you have shown a very good working capital management and net working capital days of 45. So is it a sustainable number going forward?

Ajit Thakur: Yes. So, thank you for asking the question. So there are lot of improvement what you can see from the FY26 in the working capital in terms of number of days. So that is basically coming from the performance efficiency where we are negotiating the terms with the vendors when we are -- because there's a lot of changes in the dynamics of the business where we have to extend the credit to the customer.

So in the last financial year, when we had to extend credit to the customer, so then there was gap in the performance efficiency and gap in the -- that's why our operating cash flow about to increase. So now because our vendor payables days are getting extended and our debtor days are also getting a little bit of on the higher side, if you see. So we are trying our level best to reduce the debtor days and increase the efficiency in the performance cycle. So we will test it. We are continuously working on it.

In the last quarter, debt even turned from 75 to 65 days, in the current quarter that is coming down. But that we will see how the business is evolving, what kind of opportunity will be available in the market and what kind of profitability in terms of margin and in terms of opportunity of the performance side is available. So that in the couple of quarters, we will see how this goes. But we are surely we are working very hard in terms of improving the working capital efficiency, not only on the net working capital days, but also on the debtor side.

Sudhir Bheda: Sure. And sir, the contract which you have received for BSNL, so revenue when it will start the revenue and how it will pan out INR3,000 crores in maybe next, I believe it's three years contract. So, if you can throw some light on the revenue possibility this year and next year as well?

Ajit Thakur: Yes. So, sir, this is the project of INR3,000 crores, which is a major part is the capex close to INR1,700 crores is the capex. That is going to spread around three and half years. So, all the mobilization in terms of execution work has been started where we have also started giving ordering for the substantial material for the printing and the GIS and it's now kind of, you know, all the execution kind work.

All the team mobilisation is also there. There is a layer, there is key structure in the system of the BSNL. The procurement level, they are testing, they are putting the quality control. Then execution level, they are putting the quality control. So, we are in the process of mobilization of material arrangements given the order for the material

of each and every requirement in the project that includes everything like GIS, like SNOC and everything.

So, we are expecting close to probably maybe around INR100 crores to INR150 crores of revenue booking based on the quality certification from the BSNL this financial year. And next financial year, we are expecting around INR500 crores of revenue. So, this is how this will go because this project is about three and half years of the capex and then there is opex managing the project. So, this is how the revenue planning, what we are expecting currently.

Ketan Patel: Is it INR2700 crores or INR1,700 crores. Sudhir bhai there is a small, capex is INR1,700 crores and the opex is INR1,200 crores where you do the maintenance for that, which goes for another seven after you do the capex. So, for the capex part we think that this year we'll be able to bill close to INR150 crores to INR200 crores. And the next year, we'll bill between INR500 crores to INR600 crores. You can expect net profit out of that close to 6% to 7% of the value we bill. That's the case to it.

Sudhir Bheda: Great. So entire turnover will come in the third, fourth quarter, right? So far, we have not booked anything?

Ketan Patel: No, we have not. So, you can expect in the fourth quarter close to INR150 crores to INR200 crores coming from there. And because then every cycle will start. Second, BSNL have this tight QC where it goes inspects factory premises of the vendor, it then when the bomb is made, it does that also. Plus it also has an independent engineer to check everything. So that's the surveys and everything are done in place.

BSNL also has made a very transparent digital platform where everything is clearly seen in the progress of the project, whereas how many GPs are connected and everything. So, we are on track currently. And this last quarter would see INR300 crores, in the next two years you could see close to INR600 crores or INR650 crores. Last quarter could be INR150 crores to INR200 crores.

Sudhir Bheda: Sir, any this kind of BSNL opportunity which has come to you, so similar kind of opportunity building the small data center that will come to our company going forward?

Ketan Patel: Yes, sir. So, while government is a taboo thing for the stock market and people really get afraid when a company goes into the government part, one of our key strategy was that in this also there's a data center to be, which Ajit said SNOC that data center value is close to in the capex, it is close to INR50 crores and then you manage that.

So, we wanted a PQ, that's a prequalification that we have made a data center of INR50 crores for the government. So that is there. Plus it has fiber and Honeywell, we make

the fiber. Though Honeywell was not the map that is authorized manufacturer. In this case, in future, we would, because of now working with BSNL, we would be able to get Honeywell mapped there also. So that would help us. While in the nongovernment space, we have tied up with Super Micro, and we are working on quite a large deal. So, our fingers are crossed. If we get one deal also, you know what numbers can happen.

Sudhir Bheda: Thank you, sir. Thank you for the answer and all the best.

Ketan Patel: Thank you for always being on the call. Thank you.

Moderator: Thank you very much. The next question is from the line of Amit Mehendale from RoboCapital.

Amit Mehendale: Thank you for the opportunity. Ketan, great set of numbers. So, congrats on that. My first question is on there was a discussion earlier on the brand business and the potential PAT. So, I just wanted to confirm that are we saying that we will at INR2,400 crores scale, we are looking at 10%, 11% profitability profit after tax?

Ketan Patel: Actually, the numbers pan out, that should be the case. But generally, you take a very pessimistic close to 8% PAT you should take before. I was just saying God has been very kind that we have never had a recall or have obsolescence or anything. We grow, it's not always going to be smooth.

Usually, it happens and where 10%, 12% is coming is we think our EBIT will become 18% once we cross the INR500 crores, INR600 crores mark in the brand business because then your certifications are for five years, your dyes you could use for at least 100,000 products you develop, plus you get slight leverage with the retailer because your brand is doing very, very well. So, manpower cost will come down. Your marketing cost will come down. So, at that 18% EBIT, you could be at 11%, 12%. But I would say if you want to have a number in the mind, you should take an 8% PAT just for your calculation.

Amit Mehendale: Right, sir. Thank you. And at that scale, say, INR2,400 crores, what—any breakup on the brands, like how much we are expecting Honeywell to do or WOZOYO to do? Any broad numbers that would be great?

Ketan Patel: So, Honeywell last year was INR369 crores. Honeywell, WOZOYO put together, and we are considering Middle East as almost negligible. We will still close this year between INR475 crores, INR480 crores to INR500 crores, right? If WOZOYO does very well, next year, WOZOYO itself could become INR100 crores, INR150 crores. So, Amit right now and if you do surveillance very well, surveillance can easily INR2000 crores, INR3,000 crores in the next two, three years.

So, each category what we do. So, when we, I say electronic essential, what I mean is that in our wake up hour we are surrounded by three screens, the mobile screen, the television screen and the laptop or the tablet screen. And we make products around these screens, right, right from cables to fast chargers to world adapters to docking stations to suppressors and all that. That market itself is India INR10,000 crores. And we have almost the whole world is open for us for WOZOYO. America also that market is close to INR20,000 crores. So any category which does very well is the case.

Because some categories are new for us, when we start that category, we look at the TAM and we just then put a number in our mind. Say for surveillance, we think that the Infinova's turnover because they don't have STQC from INR38 crores dropped to INR32 crores last March.

So, we think that if we get full year to do Infinova with the STQC certification, first year, we will do INR75 crores, INR80 crores. If we do INR75 crores, INR80 crores, then the next year, we can do INR200 crores. So, the crucial number is to do INR75 crores. If you do INR75 crores, then you have understood the gain.

So that's how we kind of have a goalpost figure in mind, but then we tweak the strategy as the number comes. For example, this year, we think the air purifier season should be very good because of the El Nino effect in other part, we don't think it's going to rain anytime soon in Delhi during this season. And the air quality in Bombay is also bad.

And three, four years back when we started this and today, everybody understands AQI. At that point of time, you had to explain to people about quality index, right? And the papers, the media is all about what's the quality of AQI everywhere, right? So, I think if air purifier does well, WOZOYO and Honeywell has the capability of doing INR4,000 crores, INR5,000 crores.

But having said that, I'm saying we should also look at realistic numbers. So, each brand has the potential, but all four put together and one more brand if we get, we will arrive. The INR2,400 crores number is okay. Currently, what we have done is we have just in our mind, taken WOZOYO and Honeywell as a number and as a backup we have now Infinova and CyberPower PC. That's how we have taken on.

Amit Mehendale: Right sir and thank you for that. And for WOZOYO, I think if I understand it correctly, we have done about INR80 crores in about, say, three or four months. So, we are already at INR15 crores, INR20 crores or say, INR80 crores run rate, right, effectively, annual run rate ARR basis?

Ketan Patel: Yes. So, this year, we think we have taken a modest target for Wozoyo close to INR48 crores to INR50 crores, which we think we will easily do or we would be able to surpass, if this goes well. Looking at Middle East also, now we think that the Middle East team is working with Europe and U.K. for Wozoyo because they are free currently, right? And a lot of brands work out of U.K. to look at Middle East. We are looking to work from Middle East to U.K.

So, if any other market opens, that is additional. Otherwise, we have taken a ballpark of INR40 crores to INR50 crores because we just wanted to really understand whether the acceptance of the brand, whether the acceptance of our positioning of the brand is there. Currently, in the U.S., it seems that it is there. Currently, the design idea which we have prepared and we also wanted to communicate it with light in our products. So, the WOZOYO emblem was always lighted. That all has kind of worked well in our favor. That's what it looks like currently.

Amit Mehendale: Right sir. My question was actually on the margins. So WOZOYO suppose next year, we do say INR120 crores, INR150 crores odd revenue. We hit that number. What can be EBITDA margins or PAT margins? I mean when do we breakeven? And some color on maybe two, three years out, what can be our EBITDA margin, PAT margin for WOZOYO brand in particular?

Ketan Patel: So, first of all, for brand, our logic is very simple because brand uses almost capital for 90 days to 120 days, right? So, our logic is very simple that any brand, if we touch also or if we want to do any brand, we want a margin of 37% to 40% gross margin. Plus the nontangible thing for that should be that we should be able to create our IP in that space.

Brand again works that there are hurdles. So, for example, initially your manpower cost is 8%, 10%, your marketing cost is almost 100% until you don't reach, say, a scale of INR100 crores or so. The efficiency starts kicking in once you start doing INR300 crores to INR400 crores. So, it will follow the same trajectory of what is following in Honeywell. But Honeywell, we took six years. We think to achieve the same number in WOZOYO will take three to four years max, three years, I think so.

And then if WOZOYO also does 40%, and we don't have to pay the royalty to Honeywell, we think at INR250 crores to INR300 crores, the EBIT would be 12%. As we go to INR500 plus, it should go to 18%, 19% and the PAT should fall at 8% to 10%. That's the case. So, two factors are there.

One is either it should not take working capital as in the case of CyberPower, we sell, we collect money and then we build the PC or there a 22% margin is also okay. But

where you are going to block your capital for 90 days, then you at least the first hurdle is that it should have allow you to put a GP of close to 37% to 40%.

Amit Mehendale: Right, sir. Understood. And my last question is on the, are you looking to raise any capital, equity capital for next, say, two years or so for expansion.

Ketan Patel: Actually, two things are happening in the space where we are. Demand is tremendous because AI has really, really made our current infrastructure redundant, right? All our data centers, if people have to do AI and the data centers are not capable of doing AI, right? The cost of semiconductor chips, the input cost of products has also increased, right? Currently, instead of the product depreciating by 10% in cost, it is appreciating at 10% in cost every year.

So, there are a lot of opportunities. If an opportunity where we get to, say, acquire a brand or there's an opportunity to something like Infinova but on a larger scale then we will have to then raise capital for sure. But we are waiting for the right time. Currently, banks have been supportive and cash flows are good. So, let's see how it goes.

Amit Mehendale: So, sir, thank you very much.

Ketan Patel: Thank you, Amit bhai. Thank you.

Moderator: Thank you very much. The next question is from the line of Nishita from Sapphire Capital.

Nishita: Yes, thank you for taking my question. So, I just wanted to understand you mentioned that 40% contribution from brand business, we can reach around 10% of PAT. So, what is the PAT that we are doing from brand business currently?

Ajit Thakur: Can you repeat that please?

Ketan Patel: The question is what is the PAT, currently…

Nishita: Yes.

Ajit Thakur: So currently, our PAT is coming around 11% to 12% from the brand business. So, what I had explained in the beginning also that the composition of brand in the total portfolio of the revenue what we have from FY26 if you compare to that 14% of the brand in the total composition. So that is now in the H1 that is 17% and Q2 that is coming around 19% of the total composition of the revenue what we have.

So that 11% of the PAT is from the brand composition so that is increasing our EBITDA in terms of absolute percentage and total overall percentage or so. That is how including the efficiency in the market entry business where our GP percentage is

going up by close to 200 basis points and in the consolidated level as to 350 basis point. So there is a contribution from the brand also in terms of the top line top percentage of sales is going up and the PAT is also coming around 10% to 11%.

Nishita: Right. So, I understand. So, as we grow, shouldn't our PAT also grow?

Ketan Patel: This is a yes. Logically, as we grow your PAT should also grow. But for example, say take WOZOYOs case, we think that to be called also a brand you should at least be close to INR1,000 crores, INR1,200 crores, right? So, on a larger scale, a smaller percentage also would work well.

So currently, for example, if we were not listed, I would have spent all the money in building the brand because I would then move to a larger space. And why I'm saying today is because five years back, I did not know how to build a brand. Now I know. I knew how to build products. I did not know how to build brand. But now at least we know 60%, 70% of our playbook is correct about how we can go about building products, getting certification, building brands, positioning it, that's the space.

So, I think PAT doesn't, percentage doesn't matter for the while. If we have an opportunity, say, for example, you're making, say, 8% PAT, 9% PAT in WOZOYO, but you are willing to spend that money this year and you could actually build a larger base, say you could instead of doing INR150 crores, you could do INR300 crores, then we would spend that money that's the case. So, on a ballpark figure of INR1,000 crores, INR1,200 crores per brand, we think 8% to 10% the margin will come out.

Nishita: So, from what I understand currently is, currently we are doing 11% of PAT margin from brand business. And by FY29, we expect it to go down to 8% to 10%.

Ketan Patel: Yes, on a larger basis because currently, we are not spending money as much as we would want to spend on building our brand.

Nishita: Okay. Okay. Understood. And my next question is on our revenue growth. So, like this quarter, we've grown at around 14%, so like for the whole year FY27, can we expect our revenue growth to be around 20%?

Ketan Patel: Yes, roughly give and take it would be that.

Nishita: Okay. Yes, thank you so much.

Moderator: Thank you very much. The next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

Vignesh Iyer: Hello. Am I audible?

Ketan Patel: Yes, I didn't get your company's name, Vignesh bhai? You're from which investment?

Vignesh Iyer: Sequent Investments. Ketan bhai congratulation on a great set of numbers and a very good operating cash flow numbers, I would say. I think we're tracking it for sometimes and we have seen rise in the entire EBITDA to sales conversation that has happened in this quarter. Just one question from my side.

So, we've done a sales group of around 12.5%, 13%, 14% I guess in this quarter. Wanted to understand if the sifting of festivals by one month, has that shifted our base to quarter three in terms of sales, certain sales that we would be probably related to Diwali. Is there a basis for in last quarter–last year same quarter versus in this year same quarter?

Ketan Patel: So, shifting of one month really also shifts your sale a bit this quarter. So, this quarter would be our biggest quarter. Last year because Diwali was in October, September is when you shift the material. You'll have to understand that because a lot of sales comes online nowadays also and most of retailers are also now matching up the online speed of deliveries, they take their deliveries at least 20, 25 days before the festival starts. And during the festival, all their warehouse are only outbound.

So, for us, the second set of orders would come only after the first material is filled. So last year, October was where you sold in September and then again, you sold in October and because their material sold till November, December. So, this time, Diwali being shifted, our sale also got shifted a bit. So, we will have this quarter also good in terms of Diwali.

Vignesh Iyer: This would be a steady state number going ahead?

Ketan Patel: I didn't get the question. I got half of the question. What are you saying, sir?

Vignesh Iyer: [inaudible]

Ketan Patel: Vignesh bhai, your voice is cracking.

Vignesh Iyer: Am I audible now?

Ketan Patel: Yes.

Vignesh Iyer: It's better, right? Yes. So just wanted to understand net working capital days has come down to 45 days now. So just wanted to understand if going forward, can we assume this as a steady state number for the net working capital days?

Ajit Thakur: Yes. So, this is because there was, if you compare from the FY26, so there was higher debtor days and that has dragged the net working capital days of 75 days. So, we

understood the impact and that has impacted the operating cash flow also. So, we are working very hard to match it. We are also negotiating with the vendors also. But always this is not sustainable to come to the level where we have to maintain this kind of level.

So that would be in the normal range of around 50 days or 52 days that is the number what we are looking at. So, this is something at the very transformative way we have negotiated very hard, but that is we don't feel that, that is going to be sustainable in the long run. So that should be in the range of 52 days to 55 days, what we are looking at.

Vignesh Iyer: Perfect. Got it. Thank you, that's all from me. Thank you so much.

Moderator: Thank you very much. As there are no further questions, I now request Mr. Ketan Patel, Chairman and Managing Director of Creative Newtech Limited to address us with the closing thoughts.

Ketan Patel Thank you once again to everyone who joined us today. The first half of FY27 marks an important chapter for Creative Newtech with significant business opportunity, strategic expansion and stronger financial performance. As we move ahead, our focus is on translating this development into successful execution and sustainable long-term growth. We sincerely value the continued trust and confidence of our shareholders, partners, customers and teams. For any further queries, please feel free to contact SAAA Consultants, our Investor Relations team or reach out to us directly. Thank you so much.

Moderator: Thank you very much. On behalf of the entire team of Creative Newtech Limited, thank you for being with us today. We truly value your time and engagement. The conference has now concluded, and you may please disconnect your lines.