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To,

The Manager,
Corporate Relation Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor; Plot No. C/1
G Block, Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

Scrip Code: 532326

Symbol: INTENTECH;

Sub: Transcript of Earnings Conference call

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the Q4 and Annual FY 2023-24 Earnings Conference Call held on May 21, 2024.

The same is also uploaded on Company's website: <https://www.in10stech.com/Investors>

This is for your information and records.

Thanking you,

Yours Faithfully,

For **Intense Technologies Limited**

Pratyusha Podugu
Company Secretary & Compliance Officer





Intense Technologies Limited

Q4FY '24 and FY'24 Earnings Conference Call

May 21, 2024

**MANAGEMENT: MR. C.K. SHASTRI- MANAGING DIRECTOR- INTENSE
TECHNOLOGIES LIMITED**

MR. JAYANT DWARKANATH- DIRECTOR- INTENSE TECHNOLOGIES LIMITED

MS. ANISHA SHASTRI- DIRECTOR- INTENSE TECHNOLOGIES LIMITED

MR. NITIN SARDA- CFO OF THE COMPANY- INTENSE TECHNOLOGIES LIMITED

Moderator: Ladies and gentlemen, have a good day, and welcome to Intense Technologies Limited Conference Call for Q4 & FY '24. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Rangnekar from CDR India. Thank you, and over to you, sir.

Siddharth Rangnekar: Thank you, Zico. Good afternoon and thank you for joining us on Intense Technologies Annual Conference Call FY '24. Today, we have with us Mr. C.K. Shastri, Managing Director; Mr. Jayant Dwarkanath, Director; Ms. Anisha Shastri, Director; and Mr. Nitin Sarada, CFO of the company. We are also joined by Mr. Lokesh from the management team and Ms. Pratyusha from the secretarial team.

Before we commence, please note that some of the statements made on today's call could be forward-looking in nature, and a note to that effect has been included in the conference call invite, which has been uploaded on the stock exchanges. I would now like to invite Mr. Shastri to give us a brief introduction, followed by Anisha and following which we will open the session for question and answers.

I would now like to invite Mr. Shastri to make his opening comments. Over to you, Mr. Shastri.

C.K. Shastri: Thanks, Siddharth. Good afternoon, ladies, and gentlemen, and welcome to this earnings call for FY '24. This year has been a transitioning year, I would say, for Intense Technologies, as there is a growth of 26% in the top line. We have done INR116.51 crores compared to INR91.83 crores last year. Similarly, the EBITDA has gone up from INR18.63 crores to INR22.71 crores and the PAT, there's been a marginal increase in PAT. That is about 14%. And the good thing is that cash balance has been commendably, it increased from INR37.99 crores to INR64.62 crores. And even the data has come down from INR53.66 crores to INR44.99 crores. The EPS has grown from INR5.86 to INR6.66. Well, the new young generation has taken over and they will give you a detailed presentation of the operations by Anisha Shastri, followed by Q&A, and we have the entire team here, we welcome all your questions. All I would like to say is don't look at us, look at the company from a quarter-on-quarter investments which we have made last year, which is completed 12 months, is showing very encouraging results for us as a company from a long-term perspective, from a 3-year perspective.

Yes. So, all in all, I would like to say that the future is looking good. The investments which we are making are showing promise. And I would like to hand it over to Anisha to give you a detailed update right from operations, technology, markets, sales, and the Project Butterfly which we have invested in, a detailed update for you all, and then followed by question and answers.

Anisha Shastri:

Great. Thank you so much, C.K. Thank you, ladies, and gentlemen, for joining us today, pleasure to have you here. For those of you who are joining us for the first time with Intense Technologies Limited, we are a platform services company. We specialize in the BFSI segment. And over the last year, we have significantly made investments to move into government as well.

So, while our platforms are very core to enterprises, these are mission-critical platforms, which are vertical agnostic, but we brought in our focus of BFSI and government, so that we are able to take a more focused approach to the market and expand better. Before I get started on my update, I am very, very happy to let you know that this is the first time in our history that we've crossed the INR100 crores. It was a milestone for us. It happened early on in the quarter. It was a milestone for us. And in general, it is a testament for the strategic initiatives that we have taken over the last 1 year and how they are bearing fruit.

As Mr. Shastri said, our top line grew by 27% over last year, and this was only possible because of the Project Butterfly initiative that we have taken over the last 1 year. Now for those of you who are not familiar with what Project Butterfly is, at the beginning of last year, we introduced a strategy to see how we can add additional revenue streams so that we are able to cross-sell, upsell to our customers better, and in general, increase our wallet share from our existing customers.

We have marquee names across the BFSI segment. And erstwhile we were only doing the INR80 crores, INR90 crores revenue. So, our strategy was, one, how do we farm our existing accounts better. And for that, we horizontally and vertically expanded services, complementing our platform. So, using our IP assets, we delivered additional services today. And I'm happy to let you know that our existing business grew to INR92.98 crores from INR79.08 crores.

Our additional tech-enabled services business grew to INR21.5 crores from INR11.5 crores, that's almost 87% growth. So significant improvements in our top line you're seeing because of the strategies that we have implemented over the last 1 year. We added green shoots in the form of data services, transmission services, talent services and managed services for government.

Now all of these services are complementing our existing platform. Our flagship platform is a communications platform, which today, a leading bank in the country saves about INR100 crores using this platform, So that's the kind of scale that we operate at, and that's the kind of benefit that we provide to our customers.

So, the data services that we have added help improve the quality of data in an organization so that they're able to leverage it better, to make more intelligent decisions. And you've also seen what has happened recently in the regulatory landscape with the likes of the Paytms and Kotaks, etc. Our platform and services help our customers improve on their data quality so that they're able to leverage it better to cross-sell as well as they are regulatorily also complying to what is required.

Second is, erstwhile we used to design the entire communication and then hand it over to a transmission services provider for them to send out the last-mile SMS, e-mail, WhatsApp, etcetera. This year, we have added that capability also. We partnered with telecom and other SMS providers.

And we have extended this functionality in our own scope, meaning that today now we do end-to-end from data ingestion, cleansing it, designing the entire communication, we have a marketing automation platform that enables our customers to send communications on the right channel at the right time, so that they're able to engage with their customers better. And we also are able to send out the last-mile SMS and e-mail.

So, we have completely switched this from end to end as opposed to a license sale that used to happen in the past. In addition, we've also added talent services, managed services, so we provide a Build-Operate-Transfer kind of model. We have done significant work in managed services even in the government. And in fact, the pipe for government this year is also looking very healthy. We have a very, very promising lineup for government as well.

We've added a lot of big logos from the BFSI and the government industries last year, and we hope to continue to do so this year as well. So, our focus overall has been a very disciplined focus about ensuring that we focus on our top line growth. It may be a little premature at this point to look at margin percentages growth per se because we are in a transition phase, we have to continue to invest in sales. We have to continue to invest in AI/ML in order to keep up with the customers' dynamically changing needs, And that's what will get us the kind of growth percentages that we are looking at.

So overall, that top line focus, a big part of Project Butterfly was to see how do we move the current culture, the DNA of the organization also from being a tech-driven organization to a more sales-driven organization. And I'm happy to inform you that all of those efforts are slowly paying off, and you're seeing it in the results this year. Erstwhile we used to deliver about 8% to 12% growth. This year, we have delivered a 27% growth.

We've also tried to ensure that we streamline our revenues across our quarters so it's not a lumpy quarter here or there. I mean it may still happen, given the unknown nature of our business, specifically because we have now also opened up government. Government will have capex and opex both as part of a managed services deal. So, there will be a little bit, but we are, as much as possible, trying to see that we get rid of at least that fourth quarter lumpiness. And that was a concern from all of you, and we have tried very honestly to fix that for last year and we hope to continue to do so going forward.

Last year, we used to depend on a license and AMC kind of a model. Now the definition of our core offerings has expanded. So now we're not just doing licenses of our one communication platform alone, we have our communication end-to-end communication governance platform. We have our data platform and a low code platform to deliver managed services. So, using these 3, we have added complementary services vertically, expanding this overall offering. So the definition of our core offering as such has vastly expanded from what it was earlier. And this is what is helping us cross-sell better. Hence, you see the INR92 crores as opposed to the INR70 crores in the past, right?

This year, in terms of sales, what we have done is, one, on the farming side, we have made significant investments in having dedicated account managers for each account so that we are able to identify opportunities better and address the need of the customer also better. This is what will help us get our farming group.

On the hunting front, we added people in the with BFSI experience and government experience. We brought in a capable talent that has spent 15 years upwards in these industries to help us see that growth in BFSI and government specifically. And on the receivables front, also, I know that a lot of you have spoken about this in the past, I'm very happy to inform you that our receivables position today, our DSO is down by 20%. It is because of a lot of discipline with which we are looking at and reviewing our collections on a weekly basis especially when you go into the government sector, it's even more important that you have such stringent processes within your organization to help see that you are able to churn cash on a regular basis. That discipline is also reflecting in our cash numbers. You have seen that our cash situation has gone up to INR60-plus crores, which is a significant up from last year.

On the people front, our COO, Mr. Anil Vengayil had to move on for personal reasons to take care of his family, and we wish him the best for that. However, we've also had an addition of Mr. Apparao Varre who has joined us as a strategic advisor. Now Mr. Apparao Varre comes with fantastic experience in BFSI and overall, in the tech industry. He was just before joining us, he was managing strategic initiatives for HCL. He, at one point, played the role of CHRO, which reporting directly to the CEO as well for HCL. And before that, he was managing their BFSI practice.

So, his experience and his connections come in a very strong way as complementing our aspirations of growing in the BFSI industry. So, we welcome Mr. Apparao Varre to the Intense family. In addition, we added these green shoots of data, talent, etc. So, what we did was we brought in industry experts, sales experts in these core domains. And they will work hand-in-hand with our farmers and our hunters to see how we can cross-sell these green shoots into our existing organizations.

On the overall head count front, we put in a lot of effort to see how we could optimize our strength. And then invest all of that money back into sales, and that's reflected in our numbers as well. Last year when we had this conversation, we have almost 600 people. This year, we have 540, that 60 people left. And we've invested all of this money into bringing in more sales personnel and investing in AI/ML. So again, continuing to focus on the strategic objectives that we've laid out for ourselves as part of Project Butterfly.

On the product front, the 3 platforms have matured quite a bit. We have invested significantly in bringing AI and ML capabilities into these products. The idea behind it is twofold. One is we keep up with the market dynamically changing need. Two, we are able to deliver faster, which means the customer goes live faster, and we are able to then see an uptick in revenues from there onwards with our customers. Three, we optimize on how much it takes for us to deliver our platforms as well with customers.

So, by bringing in machine learning capabilities, etc, we are significantly cutting down the time it takes to delivery and improving the value that it provides to our customers. We are also leveraging large language models, LLMs as they call it in the IT world to migrate from other platforms to us. So, we see a good opportunity for replacement markets especially internationally. It's an area where we definitely want to focus on this year, we hadn't been able to invest much on international expansion last year, but that's a strong focus for us this year.

So, we brought in LLM based capabilities to see how we can migrate from some of the other large monolithic platforms to our platform, giving our customers the kind of flexibility to get to latest technology without having to be worried about BAU (business as usual) being the problem.

We also added code generation capabilities in our low-code platform. Typically, there is a certain inertia that comes with adopting low-code platforms because they feel like code control is not there. But we have added the capability of being able to export code, generate an export code as well. We used to anyway export front-end code, web code. Now we've also generated capabilities of exporting back-end code. And this helps remove the inertia of adopting a low-code platform. So, we hope to see an uptick in how we deliver our managed services using our low-code platform so that we are able to deliver more efficiently as well as the customer is adopting it with open arms.

Overall, the objective with our product also was to see how we complement this horizontal expansion of our overall offering. And today, on the communications front, we cover end-to-end from ingestion to designing to marketing automation to transmission, we cover end-to-end, and this will continue overall. So, I think just to sum it up, our Project Butterfly was brought in with the intention of expanding revenue streams so we can improve on top line growth and then seeing how we optimize, how we deliver internally to see that we are also able to impact our bottom-line growth.

And while you would have seen in our results that all of these initiatives are paying off and it is reflecting in our numbers. And we will continue to strive with the same enthusiasm to see how we can go into next year as well, while you may your top line growth we are trying to see as much as possible that we remove the lumpiness across quarters, it may happen though by virtue of being in the kind of businesses that we are in. But I would urge you, like Mr. Shastri said to focus on us as an annual script, look at us on annual growth numbers and don't focus on a quarter-on-quarter comparison with us.

We are working very, very hard to ensure that we deliver the kind of top line growth numbers that we've set for us as well as our absolute margins as well. Margin percentages, given the nature of businesses, it may be premature too early be able to settle on margin percentages, but core absolute margin values, we will definitely focus on increasing and adding cash to the bank.

And I would also just like to close this conversation by saying as part of our initiatives and as part of our budgeting this year, we have increased our dividend payout as well. Thank you so much for your patience with us, and we continue to remain positive about that business. Now we have increased our dividend payout to 50% as opposed to 25% last year.

C.K. Shastri:

We would like we would further like to state that we continue to invest in growth. We are looking at a 3-year view for this company to the recovery stage. And we'll continue to invest in the international markets and domestic markets, primarily to see that will scale up better.

Anisha Shastri:

Absolutely. With that, we would like to open it up for questions.

Moderator:

The first question is from the line of Pratik Dedhia who an investor is.

- Pratik Dedhia:** So, my question is more from Q4 perspective, I see an uptick in other expenses. So, can you throw some light on that? And, on a year-over-year comparison, what -- how -- why did the numbers look? So, I think the numbers will not look healthy on a year-over-year comparison, so can you throw light on that?
- Nitin Sarda:** Sure, Pratik. This is Nitin here. I think to your year-on-year view, the numbers are very healthy in absolute terms. Like we've mentioned, our revenue has jumped by 27%. The EBITDA has also gone up by 20%. And then there's increase in PAT by 15%. So, from a year-on-year and considering the strategy that we have put in place that's panning out in the way we would like it to be. And from a quarter perspective, like you have pointed out, yes, there has been an increase in our expenses. Again, there are certain element of onetime hits that we had to take it to a P&L account. There was a write-off on a to the extent of INR 60lakhs on account of bad debts, because of some receivables, which was stuck for a very long time from hyperinflationary country like Nigeria.
- So we've provided that. And then since as Anisha has pointed out, we had Mr. Anil who was our COO who has left the company for personal reasons. So there's another provision that we had to create -- had to on account for towards the settlement that's in the range of about INR65 lakhs. And then there's also for this particular quarter since -- in particular in Q4, we -- a lot of our sales for whom we have been investing for a very long time, had achieved their target in terms of the revenue that we had set for them. So there's onetime variable payout that happened in this quarter, that's around INR60 lakhs. So all of these for the reasons, which is why you'll see uptick in expenses for this quarter.
- Pratik Dedhia:** Okay. Got it. And how do you see forward at least if you could provide some sense on H1 for '25, do you see in terms of business uptick and any new initiatives that could spring up during so, first half?
- Anisha Shastri:** It's looking positive for us, Pratik. The same investments that we made last year continue to pay off. We also have a very healthy pipe on the government front, which hopefully will bear fruit in the next 2 quarters. So overall looks good.
- Nitin Sarda:** Just to add, Pratik from an absolute margin standpoint, we don't see any challenges. But from a margin standpoint, that will also depend on the composition of revenue, because each of the segments that we are trying to -- which -- is gaining traction. And it also depends on the opportunities we are trying to materialize. So, the margins will vary in line with the composition of revenue that we are accounting for that particular quarter. But yes, from a revenue standpoint, we are very confident, again, the quarter -- the financial year gone by is a reinforcement of the strategy.
- C.K. Shastri:** We will see going up, but not coming down.
- Pratik Dedhia:** Sorry, I've lost you in the last part.
- C.K. Shastri:** We'll only see growth is what we are saying with our current investment.
- Pratik Dedhia:** All right. And one last question from my end on -- if you can provide an update on Project Butterfly, where do we stand on that? And what -- how does it look going ahead?

- Anisha Shastri:** Sure. So, what I was trying to convey with Project Butterfly is that the green shoots that we invested in, we hired dedicated salespersons to head each of those green shoots. We have seen that paying off in terms of our farming as well as in new initiatives. So, for example, in farming, we saw an increase of almost 18% from last year to this year, and that happened because of all these additional green shoots that we've added.
- And a few of these -- so out of the 4 green shoots that we added, I say 3 of them are starting to bear fruit at this point. One we are continuing to calibrate, but overall, direction still remains the same, strategy remains the same, and it's just continuing to execute it with the same force that we were last year.
- Moderator:** The next question is from the line of Chirag Jain from Yogya Capital.
- Chirag Jain:** My question was more from the broader perspective. So, we have expanded it more towards the back end and integrating for our products. So why I couldn't understand the reason behind fall in the margins from 30% to 18% at the EBITDA level, even though we are integrating. So, have we seen some competition or are we into something -- can you give us some color on that?
- Anisha Shastri:** Sure. So, Chirag, there is no fall in the margins. It continues to remain at around 20%. So, there is no fall in EBITDA. In fact, absolute terms, we have increased by about 22% from last year to this year. So, investments continue to happen.
- Chirag Jain:** Ma'am, I was trying to see from more a broader perspective. So, when we compare versus FY '22, when we hadn't started the Project Butterfly, we were at 30% around margins and INR25 crores of EBITDA, okay? So we however, we have integrated further post that after starting Project Butterfly. So that was my question on.
- Anisha Shastri:** Got it. So, 2 years back, I think that was because of a big licensing number that had come in at that point, which is why those numbers reflected. And this year -- since last year, since maybe Q4 of FY '22, onwards is when we have been significantly investing in quality sales talent. So, in terms of other expenses per se, we have not been investing on expanding on other headcount, only on sales and AI ML resources. That's about it. So, I think that's the difference. However, when you compare it to FY '22 to '23 to FY '24, we continue to remain similar.
- Chirag Jain:** Okay. So, margins would be in the similar range of 20% around odd levels?
- C.K. Shastri:** Yes. We're in the transitioning as I mentioned, we are in the transitioning stage because we are investing in growth. We would want to maintain that margin and over a long-term period, improve the margins.
- Chirag Jain:** Yes. Got that. Secondly, on the AI and ML that you are mentioning, can you further go deep on that because you mentioned that it was only for a few clients to migrate to our platforms. So that's only your AI ML platform or there are other users also, which have been developed by us.
- Anisha Shastri:** Sure. So that is one core usage, which will help us in our replacement market. But we've added many other functionalities, such as send time optimization. We identify whether Chirag prefers WhatsApp

- or Chirag prefers e-mail or SMS while communicating. And if we know that Chirag usually checks his e-mail at 7:00 p.m. in the night. So, then we help our brands engage with you at 7:00 p.m. in the night so that they are able to cross-sell to you better. So that kind of capability we've added, and all of this is based on machine learning itself. So that's one feature. So, the code generation also happens using AI. We've added automation testing services using AI.
- Chirag Jain:** Okay. Understood. So out of 540 people, how many people are involved in the AI ML platform development part?
- Anisha Shastri:** Probably, I'd say maybe to the tune of 10 to 15 people.
- Chirag Jain:** Okay. So, we are having a core team, which develops yes. Understood. The language learning model, which you mentioned, it was only for some specific customers, or we would be cross-selling to other customers also?
- Anisha Shastri:** It's a generic. Everything that we add is to enhance the platform, platform such as is generic and vertical agnostic. So, it's not customer specific.
- Chirag Jain:** Understood. So, do we -- how do you plan to use the INR60 crores of cash that you have on balance sheet? That was my next question on.
- Anisha Shastri:** Sure. So, we will continue to invest in high-quality talent. We will continue to see how we another focus for this year, apart from government will be international presence. So, we want to invest in the U.S. and U.K. markets as well. So that will also be one area of interest. So overall, we will focus on growth. Yes, and then...
- Chirag Jain:** Okay. So, the U.S. and U.K. market, how much costs are we expecting to put in, out of the INR60 crores that we have on the balance sheet?
- Anisha Shastri:** See, we will look to add at least 1, 2 people, and we are also looking at partnership models, you've joined the previous call, I mentioned our focus is around partnership models in the U.S. So, we will have to probably make some expense towards supporting partners as well, and we will deploy people, I guess, 10 people from here. So, it should be around the range of INR6 crores, INR7 crores maybe overall across the year.
- Chirag Jain:** So, we still have INR50 crores remaining out of that?
- Anisha Shastri:** Yes. See, now that we've opened government, government tenders always require you to give performance bank guarantees. So, you need a healthy cash base to have that appetite to take that risk. Otherwise, you can't bid for these tenders. So, we'll require some cash also in for that purpose.
- C.K. Shastri:** Because these are large projects and the payment terms with the government requires the investment.
- Chirag Jain:** Yes. Fair enough. So, we would be dealing with multiple governments or only Indian?
- Anisha Shastri:** For now, focus is India.

- C.K. Shastri:** We have through partners; we'll do the government.
- Anisha Shastri:** International if at all, yes.
- Chirag Jain:** Okay. For can you kind of give some guidance for the FY '25 on the revenues and margin. Margin you gave it, for revenue, do you have any guidance in mind?
- Anisha Shastri:** We will continue to invest in the same kind of growth story that we are delivering today and hoping for it to pay off.
- Chirag Jain:** Okay. Understood. Last my last question was on the international market. So, the international markets you were getting on is very competitive in their nature. So how do you plan to compete in such market where the giants have been taking the place and also many start-ups have been taking it. So how do you plan to compete over there? So, you mentioned about partnerships.
- C.K. Shastri:** Yes. It's a good question. In fact, the good thing is that almost all the system integrators, for example, if you take the -- one of the largest tax filing system in India, Infosys is working with us. Similarly, we have IBM with whom we work with. TCS, who we will work with. Because of our IP capabilities in niche areas, what we are working on, a lot of the large payers look forward to partnering with us and taking our solutions ahead. And our U.S. strategy is to partner with a lot of these companies and work through them because we don't have direct relationships with this and the sales cost and the nature of sales in the U.S. are different from what it is in other parts of the world.
- Chirag Jain:** Fair enough. Another one, if I squeeze in. We have appointed separate account manager for each account. So do we have any limits specified in mind for which about if a certain threshold is crossed. So, we would be appointing a manager for him.
- Anisha Shastri:** Yes. So, it's not based on limits that we've crossed, but it's based on earnings potential that we have defined from our accounts. So, what we've done is we have segregated all our accounts into five categories. Strategic, so key accounts where there are dedicated teams doing managed services. Strategic accounts, growth accounts and active accounts, dominant account. So, this is how we have segregated our account.
- So dedicated account managers, we give two key and strategic accounts. And then we have maybe two, three accounts shared between by one account manager with growth accounts and multiple nodes in active and so on. So, it's based on earnings potential from these organizations, what their IT budgets are and what they are able to spend with us.
- Chirag Jain:** Okay. So, what is the headcount for salesperson of these managers?
- Anisha Shastri:** Accounts managers alone?
- Chirag Jain:** Yes.
- Anisha Shastri:** Is about 12.
- Chirag Jain:** 12 managers. And in total, how much do we is the salesperson size?

- Anisha Shastri:** Our overall sales side should be about 21-22 people, I think. Sorry, I don't have the number handy, but I was.
- Chirag Jain:** Okay. So, I understood fair enough. So, 60 people are in there. Rest of the 500 people, where are they deployed in?
- Anisha Shastri:** So, about 220-ish people on the delivery and operational side, sitting out of customer locations, and about 140 people - 150 people in engineering and the remaining across all enabling functions like HR, Finance, Marketing, Consulting and the like.
- Chirag Jain:** Okay. Understood. That was all from my side. That was very helpful information.
- Moderator:** The next question is from the line of Abhiram Kumar from CIL.
- Abhiram Kumar:** Congrats on the revenue front.
- Abhiram Kumar:** Okay. First of all, congrats on the revenue front for having the 26% growth. Yes. So, in terms of the EPS, since 2018 to 2021, the EPS has been between INR8 to INR8.5. Now it has gone to around the INR6 mark. So as part of the Project Butterfly, when can we expect an EPS that is all time high? Like this year, we've achieved a revenue that's all time high, when did we have that results shown in EPS as well?
- C.K. Shastri:** As I mentioned, we are in the transition phase. We are making all these investments for growth. We expect all time high in 2 to 3 years' time.
- Abhiram Kumar:** In 2 to 3 years' time?
- Nitin Sarda:** Just to give you a little more granularity. I think we -- each line of business that we are targeting, that depends on our complementary trend based on what we have been -- the expertise and learning that we have had in this BFSI segment. So, each of the segment will measure at different points in time. And that's where you'll see incremental EPS that is percolating down to EPS.
- Abhiram Kumar:** Yes. So, it will take 2 to 3 years roughly to get back to an EPS of 2021, which is INR8.5?
- C.K. Shastri:** No, beyond that, beyond 2021, we are not saying that you will see a significant. As you asked for an all-time high, I say, 2 to 3 years.
- Abhiram Kumar:** Okay. Fair enough, fair enough. And secondly, I see a public notice given that you have changed offices. So, would that mean that the old office that you own, would you be selling it? And would the company be distributing that any proceeds are partly on, full in part of -- as part of like in dividend form? Or are there any plans to buy the share, because once the dividend is distributed, the money can't be taken from investors back. But however, if you buy shares, and they can you can always sell the case back in the market, that's where you can raise money to use it for your future growth.
- Because from the CFO comments, he has outlined a few aspects why the EPS has gone down. And I would like to note that there's also been a share dilution and obviously for the right reason, the better the management is compensated, the better it's for the company. So, buying shares in the market using

the existing excess cash would help add value to investors. So, would you be approaching investors to get their perspective on this matter?

Anisha Shastri: In fact, thank you so much for bringing this up, Mr. Abhiram, it completely skips my mind to inform shareholders. So yes, it was quite a significant upgrade for us. We've moved from our office in the suburbs to an office in the heart of where IT is right beside Microsoft, Salesforce and the like. So yes, we have made that a significant shift. The idea is precisely what you've mentioned, Mr. Abhiram, the idea is to see how we can probably look at selling this property, and those proceeds, we will definitely see how we can invest in buying back as well.

Abhiram Kumar: And what can we expect in terms of the market rate at the moment, any public information that you have? There should be a record on books by the Telangana government is to say how much the property is worth, and there will be a market value as well. Would you be able to shed some light on both the valuations roughly? A tentative answer would be nice.

C.K. Shastri: We are talking to quite a few property dealers like Frank and Wakefield and all of these people. There is a small catch here is that the prices might shoot up or come down based on there is an expected expressway which is going to go come up from the Secunderabad parade grounds till the which part is right in front of us, until the Outer Ring Road. So, people are not able to give a thing, but ballpark is around INR6 crores to INR7 crores is what we are looking at. But it may go up or may come down based on the outcome of this decision, which is going in the political circles.

Abhiram Kumar: Okay, sir. INR6 crores to INR7 crores would be the value of the fixed property, the building, and the land?

Nitin Sarda: Also just to add to what Anisha just mentioned. So, we have also actually created the ESOP trust scheme whereby we are planning to we are adding a lot of segment leaders with the company who come with extensive experience in that domain and to help us reward them better. We have created a trust which would ensure that the employees are rewarded. And at the same time, the shareholding is not diluted as much. So that's -- and for the operation of the trust, we'll have -- the trust would be buying back shares from the open market, the normal trust-ESOP mechanism that has been put in place.

Abhiram Kumar: Okay. And there have been global recession fears. A lot of economies are in turmoil. So, would those factors be a hindrance on executing Project Butterfly or in general, even for the financial company?

Anisha Shastri: See, in general, I mean, fortunately or unfortunately, a majority of our customer base has been India and India is only growing. So, while it might not have any immediate effect on our working on our farming strategies, we are focusing on expansion in the U.S. as one of the objectives for this year. I think it will be important to see how we can tap the fact that they're not able to spend much. So, they will want to go to a more optimally price delivery center. I think that's what we'll try to play on.

Abhiram Kumar: Sure. And my last question is, you have shed some light early on the existing cash and it being needed for paying bond to get government projects. Roughly, is there like is there a way we can calculate what the bond amount, that's demanded by the government, if it's INR100 crores project they'll

require a 3% bond. I'm just trying to understand what part of the cash would be used for as bond in the future for us to secure bond?

C.K. Shastri: I believe it is 5%, 6% of the deal is what they anywhere between 3% to 6% is what they keep it as performance bank guarantee plus there are other things like the EMD for bidding the project for which money is stuck for 3 to 6 months.

Moderator: The next question is from the line of Manhar Rao from SS Capital.

Manhar Rao: So, I have more of a qualitative question here, okay, considering our entire part of last 5 to 7 years. So, we have had a very bad past, I would say. I would say the corporate governance has not been very good. We have not informed our shareholders probably in the BSNL fiasco, most of our guidance's earlier have not been met like Mr. Shastri said INR32 million by some 2021, 2022 back. So given that not having a very good past, how do you expect the new shareholders who are coming right now trusting you as a company that we'll do so and so on. So, can you just shed some light there?

Anisha Shastri: Sure. Thank you, Mr. Rao for your questions. I mean, any statements that have been made in the past or in the present, intentions are always to see how we can put our heart and soul into making this organization grow. And that has been kind of the crux of everything that we do over here. We apologize for any statements that we may have made in the past unintentionally. But now our full focus is to see how we can be as transparent with you as possible. And at the same time, ensure that we don't put out numbers now without being very, very certain.

C.K. Shastri: The BSNL was a black swan event, which happened to us. And it was such a big event that not only that our aspiration, but we were also almost under pleasure to close the business. That's the kind of thing which we had to go through. And in business, as far as we are concerned, we do our best to be very transparent, and we will ensure that it's been done.

Manhar Rao: Okay. So now that you have had the BSNL experience and now again, we are moving more towards the government projects like certainly will get significant government projects next year. What are we doing differently this time that we don't repeat a BSNL?

C.K. Shastri: We have a risk assessment team internally, which has been formed now, is once bitten, twice shy, there are many deals which we are even turning it down until unless things are there. Even after doing such a large project like today, we are processing INR16 lakh crores of income tax revenue, taxes are 8.5 crores tax returns are being filed. Despite the credentials we are not going at high-risk projects because government is high risk and high return is there. So, we are balancing and we're trying to see that we partner with right partners to mitigate the risk and go forward.

Manhar Rao: Okay. So, another question I had is we are a market leader in telecommunication in our country, I think more than 50% share, something like that. But we are just INR100 crores top line company. So, I mean for such a small company already having such a huge part of the market. So, what is the addressable market for us? Is that the reason we are moving to BFSI, moving internationally, the market size is not very huge here because we have already captured a big part? And are we

introducing any other product, which is going to be as good as a flagship product, which can be a new product and something like that in the pipeline, IP, and all of that.

C.K. Shastri:

That's a very good question. See, what happened erstwhile was for -- in the time the BSNL and those deals had come in, most of our engagements of our products were through system integrators and partners. And they were making the prize money, and we were getting the trophies we had no choice because the solutions were so mission-critical, nobody would want to bet on small companies. Currently, with our reference-ability across banks, we have all the top banks in India. We have all the top insurance companies. We have data of telecoms using that platform. And that's one of the reasons. And in India, they don't pay for licenses, the product is such that they would prefer a SaaS model because it's -- the volumes are in millions and millions of subscribers and customers which are there.

Hence, what we have done is that we have started this Butterfly to cross-sell, upsell our other products and other solutions and broaden the scope and depth and width in solutions what we have. That's one of the reasons which we have decided to take on this Project Butterfly and increase our wallet share from existing customers and go with new customers.

Manhar Rao:

Okay. That helps. And I think one last thing which I wanted to understand here is on getting any new products in here, in your pipeline, your tech team or something like that or you're just converting your existing product as a SaaS model upselling, cross-selling, but any new strong product which you're getting? Or is it the same thing which you're trying to sell more and more?

Anisha Shastri:

Mr. Rao, in fact, erstwhile, we only sold one communications platform. Today, we have three different platforms, one on the data front, one on low-code application development, which essentially is basically developing enterprise-grade applications without writing a single line of code. And our communication platform, we have expanded it from being just a designer to also including marketing automation capabilities as well.

So, our IP assets has strengthened over the years, for sure. Apart from this, we've also added smaller SaaS tools where we can start looking at generating recurring revenue month-on-month, smaller tools in like the testing space in WhatsApp's chat bot, these kind of spaces. These are all still complementary what we do and what are platforms are. But just to see how we can generate some of those recurring revenue streams on the side as well. So, our IP assets have definitely grown over the years, and we have more than what we were offering in the past.

Moderator:

The next question is from the line of Sumit Kothari, who is an Investor.

Sumit Kothari:

My question is to Mr. Nitin here. I've been an investor in the company for a long time. And historically, we have enjoyed something like 30% kind of EBITDA margins. I know we've been investing in Project Butterfly and other projects in the last 1-1.5 years, but we expect some operating leverage to kick in, in future once these investments are done. So, by which quarter or which year do you expect to go back to the 30% kind of operating margins, which we always enjoy?

Nitin Sarda:

Thank you, Sumit, for your questions. Yes, I mean, definitely, we were making healthy margins back then because in terms of our composition of revenue for the new customers that we were onboarding

back in 2019, 2020, '21, '21, '22. Since typically what happens is once we deploy our product license revenue kicks in and license revenue being a high margin segment, directly percolates down to my bottom line. And what happens is in the next year, what we have is the old go-live support where I must spend on the manpower to be able to generate recurring revenue. Eventually you'll see that shift in my margin profile.

And going for the second part of your question, when will be full to back to that 30% EBITDA margin, this is a very open-ended question in the sense that now that we have changed our business model, we have got in new additional segments of revenue. And these are very -- each of these markets need, that it addresses very different, be it cloud, be it data services, be it low code no code platforms, enterprise level applications. And government, in particular, wherein we are trying to enter manage services, having implemented a very robust strong risk identification, assessment and mitigation strategy along with our partners.

So, the idea is to -- from our learnings chase good margins, at the same time, not onboard too much as from a government project standpoint. So -- all of this will have a role to play, and that would paint the financial performance for the company. Again, this is where our management has been trying to draw your investor attention is that in terms of absolute numbers, will definitely perform outperform each financial year, single financial year, on a year-on-year basis.

- Sumit Kothari:** Do you mean to say that margins in FY '25 will be higher than FY '24? Is that the right assessment?
- Nitin Sarda:** In terms of absolute number, yes.
- Sumit Kothari:** Absolute number will obviously be high. If you even have a 5% kind of a growth, the absolute number we are not talking. I am talking about the margin percentage.
- Nitin Sarda:** So, this is what I'm saying, let's say for a given year, my government business, which has a very high large headroom for growth. And let's say, if that takes over in terms of my that because a significant part of my revenue. So as a percentage by our margins will be very different, hadn't been in the case where they are not as much.
- Sumit Kothari:** Right. And Anisha highlighted that the growth in FY '25 may be similar to what we had in FY '24. So can we expect something like an INR150 crores, kind of top line with INR30 crores of an EBITDA for FY '25, just to have a broad number of top line and bottom line for FY '25.
- Anisha Shastri:** We are working towards it. We hope for the best. Definitely don't want to make any forward-looking statements, especially given the question that the previous gentleman asked, on this call. So, we'll work towards it for sure.
- Sumit Kothari:** Just to get a direction, I'm not holding you for the exact number, but at least the ballpark, if you can provide some guidance to that effect.
- Anisha Shastri:** We are working towards that.
- Moderator:** Next question is from the line of Pradeep A, an Individual Investor.

- Pradeep A:** Mine is a request rather than a question. It would be difficult to keep track of all the like milestones achieved, pipeline growth perspective on a quarterly basis. So, if you have a detailed presentation addressing the above, so that was -- help us to understand things better. And, easy to share with us investors and in the groups, so.
- Anisha Shastri:** Definitely. In fact, we've already created one. We will be uploading it later today.
- Moderator:** Next question is from the line of Pratik Dedhia, an individual investor.
- Pratik Dedhia:** My question was from in terms of order wins. Any highlights on that, if you could provide some ballpark numbers, if you won any specific government contracts or any specific other contracts? And the other question was in terms of account wins, so you've mentioned cross-selling opportunities and leveraging your communication platform to expand horizontally. So, if you could throw some light, if you've been able to bill higher in any of your large customers and by what amount or some ballparks numbers.
- Anisha Shastri:** Sure. So, in terms of logo additions, we were we were able to add, I think, about three on the banking side. We added one in Sri Lanka, one in the Middle East from Dubai. And then on the government side, I think we added almost 10 logos last year. These are basically ULBs, (urban local bodies) across the state of UP, Telangana, Andhra, etc. So those are the kind of numbers. In terms of uptake in our uptick in our revenues. Definitely, we did see that increase happen. You saw it in the numbers as well that we spoke about earlier today, we went from, I think about INR79 crores to INR92 crores, let me get back those numbers handy. But yes -- so there was definitely an increase in farming numbers as well, focused around banking, amongst that entire customer profile between telecom, banking and insurance, we saw greater results from banking.
- Pratik Dedhia:** Okay. And in terms of government contracts, so if you -- are there a possibility of you putting those contract amounts on the exchanges? Or would that be a bit more confidential?
- Anisha Shastri:** Yes, some of these things will be published on their website, their portals, et cetera, as part of their governance initiatives. But for us, I think it would be a little too granular to publish.
- Moderator:** Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.
- Anisha Shastri:** So, thank you so much, everybody, for joining us again on this call today. We are happy with the top line growth that we have been able to demonstrate top line EBITDA, absolute percentages, et cetera. We're happy with the growth that we are able to demonstrate. Our continued -- we will continue the same line with our strategy that we laid out at the beginning of last year. That will be our focus. It will continue to be that. And we request you to please look at us on a year-on-year basis and not on a quarter-on-quarter basis, like we've been discussing every quarter. So, with that, thank you so much for joining us on this call today, and wishing you all a great week ahead.
- Moderator:** Thank you very much.

Moderator: On behalf of Intense Technologies Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

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