

June 11, 2025

The Manager Corporate Relationship Department BSE Limited Floor 25, Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400001	The Manager – Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051
BSE Scrip Code: 532341	NSE Symbol: IZMO

Dear Sir/Madam,

Subject: Post Earnings Call - Submission of Transcript

This is further to our letters dated May 29, 2025 and June 06, 2025, on the captioned subject, and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Post Earnings (Conference) Call held on Friday, June 06, 2025.

The above information is also available on the website of the Company www.izmoltd.com

Kindly take this information on record.

Yours faithfully,

for **IZMO Limited**

Varun Kumar A S
Company Secretary and Compliance Officer

Encl: As above

izmo Ltd.

177/2C, Bilekahalli Industrial Area,
Bannerghatta Road, Bangalore-560 076, India

www.izmoltd.com

CIN: L72200KA1995PLC018734





“IZMO Limited Q4 & FY '25 Earnings Conference
Call”

June 06, 2025



**MANAGEMENT: MR. SANJAY SONI – MANAGING DIRECTOR, IZMO
LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IZMO Limited Q4 and FY '25 Earnings Conference Call, hosted by AdFactors PR.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines should 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 “*”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjay Soni – Managing Director, IZMO Limited. Thank you, and over to you, Mr. Soni.

Sanjay Soni: Thank you. Good morning, everyone. I would like to wish you all a very warm welcome to IZMO Limited's Earnings Conference Call for the Quarter and Full Year Ended 31 March 2025.

I would like to begin by expressing my gratitude to you all for taking the time to join us today. We have on call with us, Adfactors, our Investor Relations team. I trust you all would have had the chance to go through our Investor Presentation and Results published on the Website and Stock Exchanges.

FY '25 has been a tremendous year of growth and diversification for us. For the sake of those who might be new to the company, I would like to briefly give a background of our company before getting into the major recent developments in the business and financial performance.

Company background:

We are a premium automotive software products company with a global presence in San Francisco, Chicago, Paris, and multimedia studios in Los Angeles and Brussels. With over 25 years of experience, we serve thousands of clients across the US, Europe and India, including top global automotive manufacturers. We have made significant R&D investments, especially in AI-based products, and continue to expand our product base in the US and Europe, driven by growing demand for online automotive marketing solutions.

We have recently forayed into the semiconductor sector through our wholly owned subsidiary IZMO Microsystems, wherein we are offering system-in-package solutions from our manufacturing facility in Bangalore. This diversification is aimed to tap into high-growth potential sectors by leveraging our domain expertise. Our software business can broadly be categorized into three core divisions; one is IZMO Studio, which is an interactive media solution. Two, IZMO Auto, a digital retail and CRM platform and three is FrogData, which is an AI and data intelligence platform.

IZMO Studio:

IZMO Studio with state-of-the-art facilities in Los Angeles and Brussels is a global leader in automotive imagery, licensing the world's largest image library to clients like Hertz, Avis, Europcar, Arval, Edmunds, and Emerson Autos. Using advanced laser and CGI technology, we deliver cutting-edge digital retail solutions.

izmoEmporio:

Our flagship platform, izmoEmporio, is an interactive 3D virtual showroom for dealerships and retail apps used by Ford, Peugeot, and Renault. Fully developed in-house, it exemplifies the Make in India vision. Building on this success, we are now working on launching immersive virtual reality solutions that connect digital retail with real-world experiences.

Izmo Auto:

Izmo Auto, our digital retail and CRM division, operates in France, the US, and India, leading the French market with major dealer groups and OEMs. To tap into the \$220 billion US Hispanic automotive market, we launched a Spanish-language platform, www.autogozo.com, a Spanish-only portal, with 2,000-plus dealers supporting our US Expansion. Our CRM solutions are mandated by Stellantis for European after-sales, under a multi-year contract with rollout planned across all brands. In France, we have Izmo Consulting, a government-certified training organization, serving clients like Stellantis, Renault, and major dealer groups with strong growth trajectories.

FrogData:

FrogData, our AI and data intelligence arm, is a pioneer in automotive decision analytics. After seven years of investment, it helps thousands of dealerships boost profits through performance optimization. Key products are FDAP (FrogData Decision Analytics Platform), Warranty Boost, and Warranty Mind. Widely adopted FrogData is seeing strong growth, driving increased investment in sales, engineering, delivery and marketing. New AI tools for vehicle pricing and predictive service upsell will launch next year.

Touching upon the industry trends and growth outlook:

As we move through FY '26, we continue to align our strategy with key global industry trends shaping our sector. The semiconductor industry is on a strong growth trajectory, with global sales expected to reach \$697 billion in 2025, fuelled by demand in AI, data centers and automotive electronics. Industry estimates project an 11.2% market increase, led by the logic and memory segments.

In the electric vehicle EV market, over 4 million EVs were sold globally in the first three months of 2025, a 35% year-on-year increase, highlighting the sector's rapid momentum, particularly in

western markets like the UK. Automotive digital retail is also evolving, with 43% of buyers in 2024 using a hybrid online-offline purchase process. This is expected to grow to 71%, underscoring the demand for integrated digital platforms.

Moreover, digital marketing software is booming, projected to grow from \$92.8 billion in 2024 to \$110.2 billion in 2025, at a CAGR of 18.7%, driven by mobile and social media adoption. Meanwhile, the business software and services market, valued at \$584 billion in 2024, is forecasted to grow at a CAGR of 12.1% through 2030, propelled by automation and AI integration. These trends reaffirm our investment focus and position Izmo to capture long-term value across these dynamic and high-growth sectors.

Now coming to some recent key developments:

The second half of the year witnessed impressive strides, building on the strong performance during the earlier months. Despite global economic volatility and geopolitical challenges, Izmo has managed to maintain its growth trajectory and extend its global reach, demonstrating resilience.

Our customer base has seen steady growth, particularly across the United States and Europe. The FrogData AI suit continues to lead our product portfolio in adoption, gaining increasing traction and favor among a diverse and expanding user base. Synergies from a recent strategic acquisition of Geronimo Web are coming in well. Geronimo is a UK-based digital marketing powerhouse serving automotive dealers and OEMs. The acquisition has boosted our footprint across both European and Latin American markets as a leading automotive digital platform provider. As mentioned in the past, this deal brought Ford into our client roster, opening new avenues for cross selling a wider suite of solutions to this major industry plan.

A major milestone this year has been the operational launch of our cutting-edge system and package SiP manufacturing facility in Bangalore under our subsidiary Izmo Microsystems Private Limited. This state-of-the-art facility is central to our expansion into high-performance SiP solutions, targeting key sectors such as Automotive, Consumer Electronics, Telecom, and EVs. Equipped with advanced technologies like 3D Die Stacking, Fine-Pitch Wire Bonding, and Flip Chip, and housed in a Class 1,000 Clean Room environment, the facility enables compact, power-efficient, and a highly reliable semiconductor solution.

By integrating multiple functions into a single package, it supports rapid prototyping and faster time to market, essential for innovation-driven industries. This strategic investment not only aligns with our push into the growing EV segment but also positions Izmo as a serious contender in the global semiconductor ecosystem. We have already engaged with an automotive partner and are exploring further collaboration. Encouragingly, this new vertical has started contributing to our revenue since a couple of quarters.

Significantly, we partnered with IIT Madras as a sole industry partner for a pioneering initiative in photonic chip packaging at the Center for Programmable Photonic Integrated Circuits and

Systems (CPPICS), under the leadership of Professor Bijoy Krishna Das. Established in 2021 with support from the Government of India and an in-kind contribution from Izmo Microsystems, the center leverages over a decade of research in silicon photonics.

The partnership focuses on developing programmable photonic processor cores through cutting-edge silicon photonics, targeting applications in microwave and quantum technologies. Izmo is lending its expertise in System-in-Package solutions to support the center's goals, reinforcing India's momentum in semiconductor and photonics innovation. This collaboration comes as the global silicon photonics market rapidly grows, projected to hit \$4.6 billion by 2027, driven by rising demand in AI, quantum computing and advanced data communication.

Izmo is well-positioned to capitalize on this trend with its precision chip packaging and advanced photonic integration abilities. Moreover, we recently received ISO 27001:2022 certification, an internationally recognized standard for information security management systems for all our products, platforms, and consulting services. This testifies to our commitment to data security.

These are indeed exciting times for our industry as we continue to harness our deep domain expertise to innovate and maintain a strong market presence, a seamless integration with core data systems in the automotive space, including DMS, CRM, IMS, and digital retail platforms gives us a unique edge. This interconnected ecosystem enables us to deliver end-to-end data-rich solutions that empower our automotive clients to streamline operations and achieve stronger business outcomes.

Now turning to our financial performance:

In Q4 FY '25 we reported Rs. 59.81 crores in revenues and 18.9% year-on-year rise. Revenue growth was driven by expanding clientele across the US and Europe, supported by higher average sales prices. Our EBITDA, including other income for the quarter, stands at Rs. 12.09 crores, while corresponding EBITDA margin is 20.22%. Our PAT during this quarter is Rs. 6.89 crores, as against Rs. 9.04 crores in the 4th Quarter FY '24. PAT margins stood at 11.52%. EPS for this quarter is Rs. 4.63.

Coming to the full year FY '25:

We reported Rs. 224.61 crores in revenues during FY '25, a robust 20.27% year-on-year rise. New client additions were supported by synergies from Geronimo and Izmo Microsystems, driving top-line growth. Our EBITDA, including other income for the full year, grew 70.14% Y-on-Y to Rs. 73.57 crores, and corresponding EBITDA margin is 32.75%. We continue to invest in our workforce and ramping up operations at Izmo Micro, which had a bearing on the EBITDA margin. Our PAT during the year grew 87.6% Y-on-Y to Rs. 48.88 crores, as against Rs. 26.05 crores in FY '24. PAT margin improved 781 bps to 21.76%. EPS for the full year is Rs. 33.90.

That is all from our side. We are now happy to take questions. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Sudhir Bheda with Bheda Family Office. Please go ahead.

Sudhir Bheda: Yes, sir. Good morning.

Sanjay Soni: Good morning.

Sudhir Bheda: And very elaborative information you have given in the opening remarks and various businesses you are pursuing, particularly high-growth semiconductors and others. So, sir, I wanted to ask, your top line is growing well, but salary and other expenses are rising because of the new verticals that you are entering into. But when it will be reflected in the PAT growth, like Q4 was subdued in terms of PAT growth. So, what is the outlook for 2026?

Sanjay Soni: So, this year we will break even in Izmo Micro operations in the current financial year. So, you will start seeing the PAT growth happening from, say, Q3 of this year, where it will start contributing to the PAT as well as the EBITDA. Being a new business, we are still having expenses there, but that was the minimum bear required to build up a very strong team. Our technical team has more than 150-man years of experience in semiconductor packaging. So, we have brought in very, very highly talented individuals. We are also investing in the CPPICS project with the Government of India and IIT Madras. And all those will start bearing fruit in the current year.

We already have signed up a few clients, in fact, a very big automotive client. We have BEL as a client now for our packaging business, they are ramping up. They are talking of much bigger numbers because they do not have any other partner for this kind of business. So, we are looking at multiple sectors and clients are coming on board. And I think from Q3 onward you will start seeing the results of that.

Sudhir Bheda: And what would be the top line of this business, particularly semiconductor, if you can quantify?

Sanjay Soni: In three years, we should be doing at least Rs. 200 crores, if not more.

Sudhir Bheda: Yes. And other businesses also, what kind of growth are you pursuing for the year '26 as a consol business entity as a whole?

Sanjay Soni: We are looking at around between 25% to 30% overall growth.

Sudhir Bheda: And it will reflect in the bottom line also, right, this year?

Sanjay Soni: Yes, this year it will, because the other businesses which were burning cash last year will stop burning and start contributing. That's why I said, from Q3 and Q4, you will start seeing the results coming in the bottom line.

Sudhir Bheda: And what is the FrogData outlook for this year?

Sanjay Soni: It's good. It's steadily growing. We are getting more client acquisitions, and we are adding more salespeople also. So, we are seeing steady growth in FrogData.

Sudhir Bheda: And the routine question that every con-call people ask is, are you still pursuing the divestment?

Sanjay Soni: Yes, we are, but we will do it by the end of, I mean, sometime by the end of this year, because by then the numbers will be exciting enough for the large investors to come in rather than small investors. As I explained, we wanted to reach a certain top line to attract a better listing of investors and that's why we had postponed the divestment. Not divestment, I would say investment, getting an investment. It's not a divestment; it will be a small outside investment coming. So, that's as per plan.

Sudhir Bheda: The valuation also will be better, no, what you are pursuing?

Sanjay Soni: Yes, we expect the valuation to be better. Of course, AI is becoming very mainstream, in fact, every product today is talking of AI. So, I think definitely valuation will be better. We cannot give a number right now, let us come to that point before we talk specific numbers. I think it's too early to discuss.

Sudhir Bheda: By the year-end, calendar year you are talking I think?

Sanjay Soni: Calendar year-end or maybe financial year-end.

Sudhir Bheda: Okay, sir. Thank you for the opportunity. All the best.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes in the line of Meherwan Kotwal, an individual investor. Please go ahead.

Meherwan Kotwal: Good morning, sir. Just wanted to check on our revenue status with respect to Geronimo because I think that did not form part of the presentation. I think we were guiding for close to Rs. 20 crores to Rs. 25 crores for the year. So, how have you progressed with respect to that acquisition?

Sanjay Soni: We have broken through in Geronimo, we had a success in Germany. That contract has been signed in the current financial year. That's why it's not reflecting in the previous. We will be announcing that soon once we are able to make the announcement and the client lets us announce it. But it's a new country and a big client. So, Geronimo is picking up well. There was a time of consolidation, which is always there when you do an acquisition.

We have brought down the cost there. We need to now do the cross-sell and up-sell. Training for the various sales people has been completed. They are now very familiar with Izmo's products, which can be up-sold to the existing client base of Geronimo. And plus, we are also offering Geronimo's products to our client base. So, all that has taken a year, which is quite

normal. And this year, we shall start seeing, we are already seeing the results coming in and you will see it also coming in the results.

Meherwan Kotwal: Sir, how much revenue should we expect for that for FY '26 from Geronimo?

Sanjay Soni: I think around EUR3 million is what we expect to close this year.

Meherwan Kotwal: Okay. So, in the current year this was not there in our revenue mix?

Sanjay Soni: No, it was much less.

Meherwan Kotwal: And is it included in Izmo Cars or something, this revenue or?

Sanjay Soni: Yes, it comes in Izmo Cars.

Meherwan Kotwal: Right. So, how much would that be for this current year?

Sanjay Soni: I think we have given the numbers. I do not have it off hand. But you can reach out to the IR team, and they will give you all the breakup. I mean, it's there in our presentation.

Meherwan Kotwal: Right. The second thing is that I was also noticing that our working capital has increased to a certain extent. Is it more a function of the incubation of the new businesses, or is it more --

Sanjay Soni: Yes, it is partly that and partly clients are taking longer to pay, slightly longer. So, especially the big clients, like Hertz and Avis, they have their own cycles and it's getting a bit longer. But that's about it. But we have no delinquency going past, I think, 98%, not a concern.

Meherwan Kotwal: Sir, we have done close to Rs. 65 crores on FrogData. Would it be possible to close next year maybe close to Rs. 100 crores, or will it be --

Sanjay Soni: That's our internal target. Let's see how much we can do. But internal target is Rs. 100 crores.

Meherwan Kotwal: Right. So, overall, for the company, what would be EBITDA margin guidance for FY '26? Because there was a little bit of dip this year as compared to last year.

Sanjay Soni: Yes, that was because of the cost coming in from Izmo Micro and Geronimo. So, if you remove those costs, we will go back to last year's EBITDA margin, which was healthier. So, we would look at, say, between 35% to 40% at least.

Meherwan Kotwal: Right. Okay, I will get back into the queue for questions. Thank you.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes from the line of Prasenjeet with 129 Wealth. Please go ahead.

Prasenjeet: Good morning, sir.

Sanjay Soni: Good morning, Prasenjeet.

Prasenjeet: Yes. So, sir, my question is, in your consolidated financials, in Q4, the employee cost stands at Rs. 28.27 crores. So, can we expect any further increase, or will it remain the same in, say, in the current quarter or in the next quarter?

Sanjay Soni: No, there will be an increase in the current quarter because we do appraisals in April.

Prasenjeet: Okay. So, normally, yearly appraisal happens in April?

Sanjay Soni: Correct. So, that you will see that and then it stabilizes.

Prasenjeet: Okay. I mean, what kind of increment happens in April, like, as you mentioned, there is always --

Sanjay Soni: Between 10% to 12% aggregate across average.

Prasenjeet: 10% to 12%. Okay. And can you give us any idea about the margin figure of FrogData AI segment?

Sanjay Soni: We do not separate this thing by division as of now. But if you write to us, then we can give it to you. That can be worked out.

Prasenjeet: Okay. Thank you. And also, right now you have clients in Izmo Cars and also you have clients in FrogData. So, can you give any idea, any approximate number, how many clients you have in the Izmo Cars and how many of them are in the FrogData division?

Sanjay Soni: FrogData I know is around 800 plus. Izmo should be also similar, spread across Europe and US and Latin America. Because we have a lot of clients, it's very difficult for keeping track each one, but yes, it's around that number.

Prasenjeet: Okay. So, I just wanted to understand, is there any further option to penetrate the Izmo Cars customers to FrogData?

Sanjay Soni: US is 16,000 dealers. Europe is another 19,000. So, we have a lot of room to grow.

Prasenjeet: Okay. So, you mean to say there are a lot of dealers who are till now not the customer of FrogData?

Sanjay Soni: That's correct. So, we still have a very large room to grow there. But we need more feet on the street, which is what we are adding slowly.

Prasenjeet: Okay. And also, in the financial statement we can see there are some income tax due from the Assessment Year of '17-'18, '14-'15. So, they are very long, like seven, eight years old, amount figure of like Rs. 5.1 crores, Rs. 1.47 crores. So, can you help us to understand what is their status like even in the future?

Sanjay Soni: Most of them are in the tribunal waiting the judgment. And if you look at any Indian company, you can pick up any balance sheet of any company more than 10 years old, you will find this in every balance sheet. The tax disputes are part of our Indian corporate culture, we cannot help it.

Prasenjeet: So, any kind of like future liability that might come due to those?

Sanjay Soni: I do not think so. We have a very good case in most of them. Most of these are transfer pricing issues. And in two or three places we also got a positive judgment from the tribunals where they have had to reverse it. So, we are quite hopeful that the liability if any which come will be very nominal.

Prasenjeet: Okay. And this is the last question, like what would be the approximate tax rate for this FY '26 and FY '27? Because in the last few years, our tax rate is --

Sanjay Soni: It will remain low till around 2030. After that it will start going up, because we still have enough tax shelter in the US.

Prasenjeet: So, till 2030 it will remain low, but you have India operation where you need to pay tax at the normal rate.

Sanjay Soni: Yes. But in India the profit is very low. The main profits are in the subsidiaries where there is enough tax shelter, so it's not an issue.

Prasenjeet: Okay. So, in US and EU, European markets, you are saying there is enough tax shelter. So, can we expect that again the tax rate will not move up above 4%-5% like as it was in the last one, two years.

Sanjay Soni: Yes, so we will continue for, like I said, till 2030.

Prasenjeet: If you do not mind, can you explain like what kind of tax shield you enjoy?

Sanjay Soni: No, that we will not like to explain because it's a public call and that's something we do not want to talk about on a public forum. It's confidential.

Prasenjeet: Okay. Thanks a lot. That's all from my side.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes from Darshil Jhaveri with Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Good afternoon, sir. Thank you so much for taking my question. Firstly, congratulations on a great set of results, sir. Hopefully, I am audible.

Sanjay Soni: Thank you. Yes, I can hear you clearly.

Darshil Jhaveri: Yes. So, sir, sorry, I kind of missed your opening statement, so pardon me if there are some repetitive questions, sir. I just wanted to know, like, I think if we just split up our current business into two parts, one would be the semiconductor opportunity, one would be the AI and one would be the other businesses. So, I think other businesses I think we were saying around 25%-30% growth will be there. And the semiconductor, which I think right now is Rs. 2 crores per quarter, we want to be able to scale that up to Rs. 200 crores a year. Did I hear that correctly, sir?

Sanjay Soni: Yes, in the next three years.

Darshil Jhaveri: Yes, in the next three years. Correct, sir. And also, sir, half growth, would it be linear or every year there's some increment, or would it be more backended? So, how does the flow of revenue work? So, would that be possible to --

Sanjay Soni: It would be quite linear with some jumps in between because, like when we are releasing the first product on the Photonics Chip, which should happen soon, that will give a big bump. But otherwise, it will be linear as we bring on more clients and we get more orders from these clients, you will see a linear growth coming in there.

Darshil Jhaveri: Okay. And sir, just to hold it a little lower, like right now, overall, on the FY '26 on a consolidated basis, what kind of revenue can we expect? I think the last quarter we exited at a \$600 million run rate. So, just wanted to know how do we look at it? And the margins, I think you were saying from Q3 will be back to normal. So, what can we expect, like, overall, in terms of consolidated margins?

Sanjay Soni: See, like I said, we will have a top line. I cannot give quarter-on-quarter because that's very difficult to predict. But we are looking at an overall 25% to 30% growth in the top line. And like I said, Q3 and Q4 you should start seeing positive EBITDA contributions from the new businesses, Geronimo as well as Izmo Micro. So, looking at that we are looking at better EBITDA margins coming in.

Darshil Jhaveri: Okay. Sir, could you just quantify, if possible, what is the burn rate for Geronimo and Micro currently in the quarter?

Sanjay Soni: I cannot give you the number. You have to send us a mail, we will give you the number. I do not have it off hand.

Darshil Jhaveri: Okay. Fair enough, sir. Yes, that's it from my side, sir. Thank you so much. All the best.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes from the line of Avinash Nahata, Parami Financial Services. Please go ahead.

Avinash Nahata: Yes. Hi. So, my first question is regarding FrogData. So, what kind of sales business on the business side we have beefed up as in terms of our employees across FrogData? Where were we 15-18 months back? And where are we and what kind of further investment we want to do as far as the sales and business development is concerned?

Sanjay Soni: So, we were at around eight to nine employees, say, 18 months back. Today, we are at 15 employees. And by the end of this year, we should be at 25 employees in sales and business development, specifically. So, we are focusing on increasingly ramping up that sales team. But getting good people is not easy, so it takes time to get the right people and then train them. So, that's why it's a slow process.

Avinash Nahata: And this is primarily in US?

Sanjay Soni: Yes. FrogData right now is only in the US, because there we still have a lot of penetration in this thing to go. So, that's why we have not thought of any other market at this time till we do not penetrate that properly.

Avinash Nahata: And Sanjay ji, when you are saying 25%, 30% overall growth in business, so FrogData will grow higher than the overall company growth?

Sanjay Soni: Yes, because other divisions grow slightly slower, like Izmo Studio is not such a high growth because it's a steady business, old client. Even Izmo Cars is, say, I would say between 15% to 20%. So, this would definitely be slightly higher than the rest in terms of growth rate.

Avinash Nahata: And Sanjay ji, if you can just spend one time and explain the value addition what we are going to do in this Izmo Microsystems business. I mean, if you can slightly simplify and make us understand what is the inward, what is the value addition we will do? And you have, of course, explained that it's going to be linear once the customer addition is there.

Sanjay Soni: See, what we do in Izmo Micro is something called semiconductor packaging, but we do not do the regular OSAT work, which is like 100 machines and just people working and dishing them out millions at a time. That is the regular packaging work which is done in China and other places. We are not trying to do that. We are trying to do very specialized complex packaging like 3D packaging which is done probably today in only four countries in the world. So, we are designing packages which can miniaturize, which can protect your IP and which can also do multiple functions within the same package.

Now, when you do a semiconductor package, it is only a chip inside which means it is only digital. When we do a package, we can put a lens, we can put a sensor, we can put three chips, multiple chips inside the package. And from outside it will look the same, so we can actually do a pin to pin replacement on your existing board and give you much more functionality on the

same product with no changes in the layout and everything. So, you do not need to go back to the drawing board to redo it, we do it for you.

And this is becoming more and more popular because your time to market comes down drastically. So, it helps companies, first of all, react much faster to changes in the market and also come out with much better products very quickly. So, like we are doing tyre pressure sensors, which are very complex, which are now being done for clients. We are doing some --

Avinash Nahata: Sorry, tyre pressure sensors?

Sanjay Soni: Yes. So, we have miniaturized it, made it much smaller, much more robust. They were having issues with them getting spoiled. Then we are doing RF (radio frequency) modules for a client, which is, again, we have been able to miniaturize it and they had some issues with heat and EMI. We have eliminated that. So, it's real complex stuff which needs a lot of knowledge and engineering. It's just on manufacturing. So, manufacturing is only, I would say, 20% of the cost of the final product. It's more to do with intellectual property going in. So, that's the space where we are.

Avinash Nahata: And who will be our customers for the initial 12-24 months, which is the industry?

Sanjay Soni: Automotive, and we have defense, because the RF is all going towards commercial and defense solutions, both. It can be used in either.

Avinash Nahata: And within automotive, who would be our customers?

Sanjay Soni: That we cannot disclose.

Avinash Nahata: No, no, I am not asking about you the names. I mean, there would be --

Sanjay Soni: No, these are not the manufacturers. These are people supplying to the manufacturers.

Avinash Nahata: Yes, I know. So, that's what I am asking, Tier-1 suppliers, Tier-2 suppliers, who will be our customers?

Sanjay Soni: Tier-1. We would be working with the Tier-1 suppliers. These are big companies. Actually, international companies who have come to India and whom we have helped to actually improve their product.

Avinash Nahata: Okay. Thanks a lot.

Sanjay Soni: So, Tier-1, not Tier-2 or Tier-3, because when we are working at the product level, it has to be Tier-1 or the OEM, it cannot be at any other level.

Moderator: Thank you. Next question comes to the line of Amit Agicha, HG Hawa. Please go ahead.

- Amit Agicha:** Good morning, sir. Am I audible?
- Sanjay Soni:** Yes. Good morning, Amit. I can hear you.
- Amit Agicha:** Thank you for the opportunity. Sir, most of the questions have already been answered. So, like, I will ask a different question. Sir, can you share any one key insight which you must have discovered in the past three to five years, which is very unique to understanding the business?
- Sanjay Soni:** Very interesting question. I think in our journey till now, it's a long journey. One thing we have realized is, innovation is the key to survival. So, we have always been trying to come out with innovative products. Sometimes we are ahead of our time, but eventually customers realize that what we have come out with is something we have needed all this while. So, that has been the key to our survival for so long despite adverse conditions in between and we have come back. I would say innovation and coming up with new products all the time is the key.
- Amit Agicha:** Okay, sir. And sir, last questions. Any inorganic acquisition plan similar to Geronimo?
- Sanjay Soni:** We are always on the lookout, but unless we find something really compelling, which right now there is nothing in our horizon.
- Amit Agicha:** And sir, last question, the CAPEX plan?
- Sanjay Soni:** Our CAPEX is never very high. We have done CAPEX last year for Izmo Micro and regular CAPEX keeps happening at the Izmo Cars this thing because we replace servers, we replace computers with high-end computing. AI needs now a much more powerful computing system. So, that's part of the regular CAPEX. No specific CAPEX plan, big CAPEX spends.
- Amit Agicha:** Would it be possible for you to share any number of CAPEX?
- Sanjay Soni:** Like I said, we do not have a CAPEX listing between Rs. 5 crores to Rs. 7 crores. I do not expect it more than that.
- Amit Agicha:** Thank you, sir. All the best for the opportunity.
- Sanjay Soni:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Maitri Shah with Sapphire Capital. Please go ahead.
- Maitri Shah:** Yes, hello. Am I audible?
- Sanjay Soni:** Good morning, Maitri. Yes, I can hear you.

Maitri Shah: Yes, good morning. Congratulations on the result. I just have a few questions. So, with Izmo Microsystems starting the production, we are launching the Photonic Circuit, and then also Geronimo contributing ahead, what sort of margins are we looking at for FY '26?

Sanjay Soni: Like I said, EBITDA should improve from the current level to between 35% to 40%.

Maitri Shah: So, there will be a growth of 35% to 40%, okay. And the reason for the high other income could I ask?

Sanjay Soni: We had sold a property in I think it was Q2 or Q3. Q2, I think Q3, which the company owned. The major chunk comes from there, I think Rs. 31.5 crores if I recall.

Maitri Shah: Okay. And when are the circuits going to be launched from Izmo Microsystems? Any late timeline do we have?

Sanjay Soni: Sorry?

Maitri Shah: The Photonic circuit, when are we planning on launching?

Sanjay Soni: Yes, yes, it should be Q3 this year, the first product should be coming out based on the chip. But we are looking at a quantum number generator, a quantum random number generator, which is used in banking and many other applications, so it's huge.

Maitri Shah: And do we have any like orders for that already?

Sanjay Soni: No, it's something which is so new and so revolutionary that you cannot go and get an order till you do not have it. People will not believe it's possible, but it is. So, the photonics makes it possible. Otherwise using regular technology, you cannot achieve this. So, Photonics is the only way which is using light you can achieve something like this. So, they are waiting for it to come out with proof of concept is shown to them and then we will have the orders coming in. So, there are only three countries in the world working on photonics today. That's what you have to understand. Maximum, of course, is being done in the US. The second is Spain and the third is India, which is IIT Madras. So, these three countries are spending very heavily on Photonics, because that's where the future is.

You have Nvidia coming out with new chips for AI, but the data is not flowing in for the AI chip to actually process it. So, with the Photonics chips coming in that will enable all the data to reach the AI chip faster and then you will find the power of the Nvidia chip even increasing. So, this is part of the entire AI. It's going to revolutionize AI in a much bigger way and help companies like Nvidia and all achieve bigger things when it comes to throughput on their AI chips. So, that's why Photonics has become so critical all of a sudden because otherwise AI is going to plateau at a certain level unless the chip technology keeps up.

- Maitri Shah:** That's great. Just one last question. So, with our Microsystems business growing to like a Rs. 200 crores top-line in three years what sort of split do we expect Izmo Microsystems --
- Sanjay Soni:** What sort of, sorry?
- Maitri Shah:** Revenue split do we expect so going ahead? So, currently, that 4% at revenue generating 4% contribution, so maybe in FY '27-'28, how much contribution will IZMO Microsystems have, around 50%?
- Sanjay Soni:** 40% to 50% should be a good number, or less, it will be around 30%, sorry.
- Maitri Shah:** 30% to 40%?
- Sanjay Soni:** I have not really thought it through. Basically, we are looking at each business growing well, but, of course, that will grow much faster.
- Moderator:** Thank you, Mr. Shah, please rejoin the queue for more questions. Next question comes from the line of Bhavesh Chauhan, an individual investor. Please go ahead.
- Bhavesh Chauhan:** Sir, I missed your number on EBITDA margin guidance, was it around 30% to 35%?
- Sanjay Soni:** I said 35% to 40% will be where we should be this year.
- Bhavesh Chauhan:** Okay. And in terms of sales growth, sir, are we looking at 25% mark growth?
- Sanjay Soni:** 25% to 30%.
- Bhavesh Chauhan:** Right. That 25% to 30% over the next three years also?
- Sanjay Soni:** Yes. I do not want to comment about three years, but internally, we have a much more aggressive growth plan, but we would be happy with 25% to 30% in the next three years.
- Moderator:** Thank you, Mr. Chauhan, please rejoin the queue for more questions. Next question comes to the line of Ganesh Raao with Tulpani Capital. Please go ahead.
- Ganesh Raao:** Thank you for the opportunity, sir. I have a question on competition, right? So, from a competition perspective, in regards to FrogData, for data integration from DMS, CRM and IMS, if a competitor has funds to tax them, how hard would it be for them to integrate into the systems and provide what we have? Because in one of the previous con-calls, you had stated that you integrate and plug in all these data points and provide it to the dealers, right? And many of the competitors do similarly, right? I am trying to gauge if the competition can quickly catch up if they have sufficient funds to back them.

Sanjay Soni: Yes. Not quickly, but yes, you can recreate anything. You can even make a new Microsoft Windows, if you have enough money and time. The fact is that why we have been able to come out with FrogData and make it successful is the domain knowledge which we have of being in the automotive industry for more than 25 years. So, that domain knowledge helps you come out, we actually came out with FrogData 10 years back, but four years was spent only in working with the dealers to fine tune it.

So, we actually spent four years after the product was ready in making it smarter, making it easier to use, making it more functional and giving them what they need. Because we engage with the dealers in every level from so many years, we understand the automotive business. So, it's not just the software that, oh I can create the software, anybody can make a software, it's not impossible.

But understanding the business, understanding what the dealers need, understanding how to help them comes from the core of our every product because that knowledge base is within the company. So, that's what sets us apart from a software company trying to do what we do. Which is why we have a consulting division in IZMO France, where we actually consult and help dealers improve their operations because we bring in a lot of knowledge from our other markets and help them improve their business processes using IT-as-a-Tool. So, the key is actually the domain knowledge, not the software expertise. Software expertise can be hired but unless you do not know what to build, it's no use.

Moderator: Thank you. Mr. Rao, please rejoin the queue for more questions. Also a reminder to all the participants, please restrict yourself to one question. Next question comes from the line of Rahul Dohare, an individual investor. Please go ahead.

Rahul Dohare: Hi. Can I just check on the seasonality in the revenue? I see Q2 there was a big jump in revenue because of Geronimo acquisition, but Q3 and Q4 was relatively in line with Q2. But generally, you have second half much stronger than the first half given the fact that there was contribution from Izmo Micro as well. So, I just wanted to see, I just wanted your comment on --

Sanjay Soni: There is some seasonality in Q4 because we get some projects from customers like last year Q4 was a higher number in terms of profit because we had delivered one project in that quarter, which was a project-based solution. So, otherwise you will not find any big up and down in our revenues. It's quite steady growth because most of it is on a SaaS model. So, unless there are some projects which come in which skew the numbers a bit, we do not expect much of seasonality to be there. And billing in the last quarter is always high because a lot of our contracts get billed out in the last quarter. So, it's traditionally higher than the rest. So, that's about it.

Moderator: Thank you. Mr. Dohale, please rejoin the queue for more questions. Next question comes from the line of Het Shah with LD Ventures, LLP. Please go ahead.

Het Shah: Yes. So, I joined in late, so I do not really know if this question has been answered. I just want to know that with all the developments in generative AI and generative images within the AI

domain, how does that either affect your business or how does that help your business grow in the future?

Sanjay Soni: Generative AI right now in terms of imaging is not affecting our business. Maybe in three to five years it may, because what AI does is it searches for images already there online and then modifies them to a certain extent which are not copyrighted, of course. Our images are shot in the studio, very, very high quality. And as of now, we are not seeing any threat from generative AI. Maybe in the next three years it may come, we do not know. But as of now, it's not there.

Moderator: Thank you. Mr. Shah, please rejoin the queue for more questions. Next question comes from the line of Pratik Dedhia, an individual investor. Please go ahead.

Pratik Dedhia: So, my question was more from Photonics side, what kind of end-use applications do you see? You mentioned about data getting faster to the AI chips, are there any other end-use cases as well, if you can elaborate?

Sanjay Soni: Like, we are doing a quantum random number generator using photonics. It will be a much faster generation of a quantum number and much, basically totally secure. So, that's one. And there are a lot of other applications which we are working on with IIT Madras, one by one.

Moderator: Thank you. Mr. Dedhia, please rejoin the queue for more questions. Next question comes from the line of Darshil Jhaveri with Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Thank you so much for taking my question again, sir. So, just one small clarification I wanted to just ask. Like, our semiconductor, we want some linear growth. We have a quite ambitious target. And our other businesses will also grow by around 20%. So, on a consol basis, is it possible that we can grow over 30%? Because that's what, if I could just segmentize, that's how I am getting there. So, just wanted to know if my understanding --

Sanjay Soni: Yes, right. You are correct. It will automatically translate to higher overall growth because if the micro grows faster, so overall growth will be more. You are correct. I agree with you. We do not want to draw out very big numbers.

Darshil Jhaveri: That's a really great way to do it, sir, to deliver higher numbers than whatever expectation, so that's really great of you, sir. Just one more question. In the semiconductor business, does it work on an order book or how does that revenue flow in, is it like a monthly order will be given or it's a long-term order book, like how does that work, sir?

Sanjay Soni: It's more project-based and which also translates into an order book. So, first, there's the development of a product for the client which we work along with them and then there's continuous orders coming for that product. So, we have already done two products for a client which is now a steady stream revenue. We have done one for another client which has also gone into steady stream. So, that's how it initially comes as, it would start off slow and then builds up and then it becomes a steady revenue stream, we also do manufacturing. So, we do the design,

we do the prototyping and the manufacturing. So, we have a long-term revenue stream coming with any customer engagement.

Darshil Jhaveri: Okay. So, sir, in this part, like in general, like not currently, but what is the product level margin, if we could expect going ahead in the future?

Sanjay Soni: 60% to 70%.

Darshil Jhaveri: 60% to 70% margin. That's really good.

Sanjay Soni: Yes. Because the bomb cost is only 20% in any IT driven product.

Darshil Jhaveri: Okay. That's really great, sir. And any order book we have that's --

Sanjay Soni: That's why we chose this. We have around Rs. 25 crores in hand. So, --

Darshil Jhaveri: And that's for this year. Correct, sir?

Sanjay Soni: Yes, yes, for this year.

Darshil Jhaveri: Okay, okay. So, that's great. Thank you so much, sir.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes from the line of Reena Gattani with Paul Asset Consultant Private Limited. Please go ahead.

Reena Gattani: Yes, sir. So, thank you for the opportunity, sir. Firstly, my first question would be sir, like you earlier said your income tax will increase from the financial year 2030. But sir, I have attended your earlier con-call and you have said that your sales in Europe will end in each financial year. So, sir, what is your prediction will it increase from new financial year or as you have mentioned earlier, sir?

Sanjay Soni: No, it will continue, the US is 2030, I am quite sure of that. Europe maybe a couple, it's not ending this year. It will I think end another two years at least, so we have time.

Reena Gattani: Okay. But sir, in Europe it will end in this financial year?

Sanjay Soni: No, I would say, 2027.

Reena Gattani: Okay. So, income tax rate will increase from there on?

Sanjay Soni: Slightly, because Europe contribution to the overall business is quite small.

Reena Gattani: Okay. So, the higher percentage is where the revenue comes from US --

- Sanjay Soni:** Yes, that's right.
- Reena Gattani:** Okay. Sir, can I ask one more question?
- Sanjay Soni:** Sure, go ahead.
- Reena Gattani:** Okay. So, it was said that your CAGR growth will be, for the ongoing financial year will be 25% to 30%. So, will there be any risk involved in achieving that growth?
- Sanjay Soni:** There are risks everywhere. Risks in all businesses. Particularly geopolitical situation right now is very unstable. We do not know what's going to happen. But this is a manageable risk. We try to mitigate risks at all times. But you never know. Third World War breaks out. Everything goes out of the window. Other than that we do not see anything significant.
- Reena Gattani:** Okay, sir. But other players might also be present. They are sizing it lower than you are from other players.
- Sanjay Soni:** Yes, we are always abreast of the competition. We know what is in the horizon. We know what is coming. And like I said, we keep innovating. We keep upgrading our product portfolio. And that is, we spend a lot of money on R&D. Precisely because we have to be ready for the next requirement of the customer. Because someone else comes out with it and we become redundant. So, that is part of the management. Like I said, for us, innovation is the key. And we have been following that philosophy since the last 20 years. And that's why we are not afraid of competition. Because we ourselves actually create new products before the competitors do. And that's one of our strengths.
- So, yes, competition will always be there. New competitors will come. Old ones will go. It's a constant exercise in every sector. Not only ours. You could look at any sector. That's part of what we need to be always cognizant about and make sure that we are ahead of the competition. I think that's our job.
- Moderator:** Thank you. Ms. Katani, please rejoin the queue for more questions. Next question comes from the line of Rahul Dohare, an individual investor. Please go ahead.
- Rahul Dohare:** Hello, sir. Can you comment on Izmo Micro's competition landscape right now? And how it is going to evolve once your new products are launched in a few quarters' time? Thank you.
- Sanjay Soni:** As of now, we do not have any competition in India. Because nobody does 3D packaging or SiP packaging in India. Internationally, yes. Korea is one of the countries, US, France, they do 3D packaging. Evolution will, I mean, competitors will come, but everybody is looking at OSAT and high volume production rather than the niche area where we have chosen to be in. So, our idea is higher value addition rather than higher top line. So, we have taken a different path.

Rahul Dohare: Once your new products are launched in Q3, do you think that will have significant competition later or --

Sanjay Soni: No, like I said, Photonics are just three major players today in the world, which is US, Spain and India. Nobody is there in Photonics, and IIT Madras has been working on this for 12 years. It's not just something we started last year. And that's the reason why METI funded it, and we are also funding this project, because we see a huge amount of IP which has gone into it from IIT. And I think that will be a huge game changer in the international market, that India coming out with something like this. They could never have imagined.

Rahul Dohare: Okay. I guess all the best for that then.

Sanjay Soni: It's like we spend very less money going to Mars, whereas others are going to the moon, much less. And same thing has happened in Photonics. Companies in USA are investing hundreds of millions. India is investing much less, but because of the intellectual power available with Indian engineers, we are able to do much more with that little bit of money. So, I think that will definitely make a big difference.

Rahul Dohare: I think all the best to the management for that. Thank you.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes to the line of Het Shah with LD Ventures, LLP. Please go ahead.

Het Shah: Hi. I just had one more question regarding the current assets that we have. I am seeing that we have around short term investments and cash of around Rs. 50 crores, which is I think the highest it's ever been. Do we have a road map of how we are going to use this cash? Or what's the purpose of having so much cash on the balance sheet?

Sanjay Soni: We are just being cautious because times are uncertain. Plus, we are keeping cash to see if we get a good opportunity in organic. And like I said, we are in the investment mode in terms of innovation. So, that's where the cash is there. It's just being ready for something. Anything which happens if the world goes haywire, you should be in cash.

Het Shah: Agreed. Do you have any other plans of either share buybacks or dividends or making some other use of this cash?

Sanjay Soni: Not at the moment. We do not believe in share buybacks because I think we have enough areas to invest in. So, I would not do that at this stage of the company.

Het Shah: Understood. Thank you.

Sanjay Soni: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Sanjay Soni for closing comments.

Sanjay Soni: Thank you, everyone. I thank the entire team of IZMO for their hard work and dedication which moves the company forward. Thank you all for taking the time to participate in our conference call. Please do get in touch with our Investor Relations team for any further questions. Have a nice day, and take care. Thank you.

Moderator: Thank you. On behalf of IZMO Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.