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To

The General Manager, Listing Department, BSE Limited, 1 st Floor, New Trading Wing, Rotunda Building, P.J. Towers, Dalal Street Fort, Mumbai-400001	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
Scrip Code: 519602	Scrip Code: KELLTONTEC

Subject: Transcript of Q4/FY 25 Earnings Call held on November 13, 2024

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q4/FY 25 Earnings Call held on Monday, June 02, 2025.

Further, in accordance to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript is also available on the website of the Company.

This is for your information and record.

Thanking You,
Yours faithfully,

For Kellton Tech Solutions Limited

Rahul Jain
Company Secretary and Compliance Officer

Kelton Tech Solutions Limited
Q4 FY'25 Earnings Conference Call
June 02, 2025

Moderator: Ladies and gentlemen, good day and welcome to the Kelton Tech Solutions Limited Q4 FY'25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touch tone phone. I would like to thank all for participating in the company's earnings call for the fourth quarter of the financial year 2025.

Before we begin, I would like to mention a short cautionary statement. Some statements made in today's conference call may be forward-looking in nature and such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made from information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose for today's earnings conference call is purely to educate and bring awareness about the company's fundamentals business and a financial quarter under review.

I would now like to introduce you to the Management participating with us today in today's earnings call. We have with us Mr. Niranjana Chintam - Chairman and Whole time Director, Mr. Karanjit Singh – Chief Executive Officer, India, Mr. Srinivas Potluri – Chief Executive Officer, USA.

Thank you and over to you Mr. Niranjana Chintam.

Niranjana Chintam: Thank you. Good evening, good afternoon, morning wherever you are. Thank you for joining our Q4 and FY '25 Earnings call also the financial year closing. So we will first start off with the financial highlights then we will give client wins and then operational highlights. So, we will start off with the financial highlights. For the financial year 25, we had a total revenue of Rs. 1,099 crore or close to Rs. 1,100 crores or Rs. 1,100 crores is what we should say which is about 11.7% growth year-on-year. The EBITDA is around Rs. 129 crores and the net profit is close to Rs. 80 crores. The EBITDA margin is 11.8% and the PAT margin is 7.3%. The margin per share is Rs. 8 and 18 paise.

Now, coming to the quarter, Rs. 287 crore is the revenue. EBITDA is around Rs. 30 crores and the net profit of Rs. 19 crores. The revenue is about 15.7% growth on a year-on-year quarter basis growth. EBITDA is around 10.5% and a PAT margin of 6.7%. We also had nine customer wins this quarter.

Now I will ask Karanjit to give information on the clients and then the operational highlights. Karanjit can you talk about the client's wins and the operational highlights please?

Karanjit Singh:

Yes, sure. Thank you Niranjan and hello everyone.

So, as Niranjan said, I will start off with the client win so as we said, we have had nine client wins. I will give you a little bit of color on what kind of wins these have been. So, one of them is basically a marketing agency, they are trying to build a complete product. It is a very huge product that they are trying to build which covers an intelligent survey management platform. That is what we are trying to build, which covers the entire research lifecycle. So, all the way from creation, configuration distribution insights and this has a fair amount of AI driven question generation and logic. So, we are building that. So, that is one of the customers.

Then we have basically a customer where they have launched a strategic professional services engagement which we have launched by deploying some of our SAP consultants who are basically helping with their AI capabilities. So, that is kind of another engagement that we have signed off. We are helping with the AI driven modernization of a HR tech company, a European company, we are working with them to basically help with the modernization and this is the whole end to end right all the way from you know HR to payroll to accounting systems. Similarly, we have actually one deal with global GCC where we are helping them. We started off with a team that is going to help them harness AI powered technologies to kind of manage their global community center operations in India. As we also have certain other solutions that we sold, one is in the, we have sold advanced warehousing management solutions to one of the leading companies. And we are also helping one of the big IT services companies and has a global intellectual property data platform by basically doing, digitalizing it and also enriching the patient repository. So, this has all sorts of things all the way from, you know OCR to data cleansing to data set labeling. So, all of these are now kind of and all supported by AI driven initiatives.

So, that should give you a sense of the kind of deals that we have closed this quarter. Should I continue with the operational highlights?

Niranjan Chintam:

Yes, please go ahead.

Karanjit Singh:

So, for operational highlights, I will talk about a couple of large projects that we have successfully delivered, one of them we would like to mention is a very successful SAP s/4 HANA go live with a multinational client and the challenge was 21 global entities. So, these

were all that went live and in fact we were highlighted by the client CIO at the SAP insider Las Vegas event in March and also, similarly in their OWASP Chapter in Dallas. Basically, for another very large client we have deployed an AI powered centralized fuel tracker management system. In fact, it is really to do with coal procurement in this case. But really what we have done is something around bulk handling. So, if you do bulk handling it is a very specialized kind of thing that gets used in coal, chemicals and cement. So, this is something which was big, a lot of challenges were given in emails and excel. So, we have successfully kind of brought on an AI powered system. We are presently executing almost two and a half million projects for one of the oil in India where we are deploying a real time monitoring system across about 75 odd well heads and this is a combination of IoT, analytics and cloud technologies. So, this will be used in the 70, 75 odd well heads around I think 15 sites that we have. The other one that I really want to speak about is a global OTT management platform that we have successfully helped to move from a legacy thing to a completely cloud native architecture and we moved them flawlessly, the transition was flawless and this addresses almost 33 million users at any time. Obviously, there has to be zero downtime when we got this and it almost handles like 52,000 hours of content, over 11,000 queries a second. So, this was a very flawless kind of delivery that happened and we transitioned them with zero downtime. Similarly, if I were to speak about, we are also working with a global game development company. And so basically helping them with AI driven digital resource management platforms that will help them streamline all their staffing for their internal projects. So, this will lead to like almost 65 percent of natural effort reduction. So, these are all some of the kind of operational highlights from the kind of projects that we won in the previous quarter, that we have successfully delivered in the past quarter. Thank you. Niranjan over to you back.

Niranjan Chintam: Okay, thank you. To that I want to open up for questions. Do, operator, can you please?

Moderator: Yes, sure. Thank you very much. We will now begin the question and answer session. We have our first question from the line of Ajay Agarwal, an individual investor. Please go ahead.

Ajay Agarwal: Hi, So, thanks for the insight. I just wanted to know what is the long term vision of this company? Five years.

Niranjan Chintam: So, we want to be known for our, I guess now the AI capability is taking over as you are aware, everywhere and everything is AI. Earlier, it was digital transformation, now it is a combination of data and AI including digital transformation. What people will coin in future, I do not know. We want to be known as a global service provider for the AI enabled digital transformation of all solutions that are possible in scaling, starting from scratch, it could be Greenfield or brownfield better fielding it. We already started it, what we are seeing is that pretty much any project that we are doing and everybody is talking about AI and saying, how do I get my process of reengineering using AI or how do I, I mean I think there is one of the things that, I will let Karanjit talk about, one customer has told us currently. Karanjit, can you talk about the

customer where he said he looks for three different things when it comes to the AI, what AI can do for him? Karanjit, can you talk about that?

Karanjit Singh:

Yes, sure. So, basically I will just step back a little bit with your permission. So, basically Kelton has always prided itself in basically doing the digital transformation company because always our visual that has been, our treated visual treatment. When we said that we help our companies to kind of be very successful with their business. By being their digital transformation partner. It pretty much continues, just that everything has changed to AI. So, we have basically had to reimagine ourselves in the context of AI because it is another transformational moment that is happening. So, with that spirit, we have sort of obviously engaging with a lot of customers and basically we have engaged with the customer, where the insurance customer, where we engaged a lot of time the engagements are around, hey, what can you do for us? So, we basically kind of have those discussions and we kind of basically told them that here are the area right. So, we can basically, we have our offering on this, it is very similar to what we used to do in the digital transformation world. If you already, if you do not have a vision, then we can really help you in creating a road map for you on how should you lead into your digital transformation? So, similarly we have our offering, the first offering, if somebody says they, hey, what should I do in AI? Then we have things like master classes and assessment and a workshop or visioning exercise that we can do, and that will help you do basically come up with your AI vision in your context. The second is very few customers, right? They basically have come up with their own AI vision. So obviously they know what is to be done. They have possibly work streams and project defined. So, in which case we can help them implement those visions, right? The digital platforms that we built, we will build the platform for you, kind of a thing right. The third is that you could be doing something very core like I did. I am trying to build this project for a SaaS product, so obviously we can help to translate all of that and help you with the core right? We can help you everywhere from you know, agents, LLMs and all the other cool stuff that happens. So, these are kind of three broad offerings and engagements that we do with customers based on where they are with their journey in AI and to your question on how do you see yourself in five years, just like you said, we have the digital transformation company and we would like to be the AI first digital transformation company.

Niranjan Chintam:

Thank you Karanjit. To add to that, what are the customers looking for when it comes to the new AI? Some people are calling it industrial 5.0 if you know, hey how do you increase our revenue and how do we increase our profit and how do you engage or keep the customers engaged with us? Those are the three different things that we are working with our customers and that is what is going to be the future when it comes to this. So, increase revenue, increase profits and keep the customers engaged. Those are the areas that will be working. Thank you Karanjit and thank you Ajay. Anything else Ajay?

Ajay Agarwal:

Yes, see, basically my question was more from the perspective of vision in five years. AI is the end thing now, it is essentially from how do you kind of transform yourself into the next

Infosys or TCS in the next 5-10 years? So, you have these big companies, how do you really compete with them to take a bigger share of this AI digital transformation?

Niranjan Chintam: Okay, so I do not want to be. I do not want to name names, but I do not want to be in those big companies. I will be very honest there right. That is not what we are aiming for. You know, when it comes to, you know providing services to our customers, okay, we are talking about, we can stand when it comes to our capability with any of the big boys without naming them right including the large consulting companies, we have went head to head with the large companies and we have won, where we lose all these is our balance sheet size, right, because they have access to the board members, we do not have access to the board, okay. From that point of view, right from a technical capability point of view, we are not much, our capability is much better than any of these big boys that you named. So, probably you are looking for the revenue numbers but revenue numbers, I have projected out and said right, we want to be around the 200 million in the next two to three years that is the core that we want to reach out and then expand upon it. Okay. I do not want to project what it is going to be in the next five years, but I want to talk about the near term. But, you know our growth is going to be aggressive and our profitability is going to increase as you have seen the numbers right, compared to what it was last year to now. Yes, incrementally it has increased slightly but we are the path towards that growth or the inflection point we call it. We have just passed that inflection point and you can see the efficiencies coming into the system which will lead to increased profitability and increased growth in our revenue.

Ajay Agarwal: Makes sense. Thanks for answering.

Moderator: Now, we have our next question from the line of Prashant Pani, an individual investor. Please go ahead.

Prashant Pani: Hi, Good evening. So, thanks for the opportunity. So, I just want to add a little here. What is the reason that our EBITDA margin is falling and I am not understanding with this revenue that other expenses are gradually increasing or where do we spend these things.

Niranjan Chintam: Okay, so EBITDA has not fallen. You probably are comparing quarter- to-quarter. See, quarter-to-quarter, there is always going to be slight differences. Look at the whole year where we increased EBITDA by one percent, even the bottom line went up. That is what I said we are at the inflection point of growth. Okay, just to talk about this quarter right, there was a lot of investments made in AI retooling ourselves, which is what Karanjit talked about, you know, while we were doing some specializations solutions to AI, now we are talking to industry specific AI capability that we have built now in-house that we are going after and that is yielding a lot of good results when it comes to that right. The second thing is we have our appraisal cycle in January and typically this quarter is always going to be slightly lower compared to other quarters. The reason being is that this appraisal kick in and then a lot of people got raises and our cost has increased but our bill rate has not, over the next few

quarters you will start seeing that will start improving and you will start seeing better EBITDA numbers compared to what we have for this quarter or the last quarter that we talked about.

Prashant Pani: Yes, so yes, you are telling, you are going to, we are going to reach 200 million revenue in next one to two years. SO, you mean to say by 27, 28 we will be achieving this number?

Niranjan Chintam: We should be able to reach that, yes.

Prashant Pani: Okay, yes, that is from my side.

Niranjan Chintam: Thank you Prashant.

Moderator: We have our next question from the line of Prateek Dedhia, an individual investor. Please go ahead.

Prateek Dedhia: Yes, so you mentioned the inflection point. We are on the path of transformation, growing revenue and profitability. Can you share lights on what kind of levers will lead to that will be higher, more revenues, higher billings, newer products or what.

Niranjan Chintam: It is a combination of all of them to answer your question Prateek you know. There are going to be higher billings when it comes to AI because not too many people have the ability or capability to provide, right, any, including all the other names that were plotted out there, even though they are saying, they have the capability, they have this many number of people, but we have built so many agents, agents is going to be the next big thing. We already have a platform on that and we are working to launch these, some of these solutions around that and we are seeing a lot of traction, which is what Karanjit talked about earlier too, where, we have launched initiatives which are industry specific and we are getting a lot of customer eyeballs and getting responses to our campaigns almost instantaneously, saying, hey we want to know more about this, can you set a meeting? So , there is a lot of traction and we took deliberately took some time build up this capability and now we have launched it out and we are getting traction on that and we believe that what is going to yield to our increased profitability and also efficiencies have come in place, which is what we talked about earlier too. So, all that is going to lead to better margins and increased revenue.

Prashant Dedhia: So, I wanted to check initiatives we projected or will it be more contractual in nature? Keep building the client .

Niranjan Chintam: Let me answer in some pieces like that, where what is going to be is we are in the combination right. We are partnering our ways through also when we are providing these solutions and I think one of the things we announced Microsoft, there are a couple of others that we are working on which we will announce very soon. So, we have three solid

partnerships that are going to be able to get us a lot of additional customers in the space that we are working in. I am talking about combinations of AI, it is what it is.

Moderator: We have follow up questions from the line of Prateek Dedhia, an individual investor. Please go ahead.

Niranjan Chintam: Yes, sorry. I guess your connection was not that great.

Prateek Dedhia: Is it better?

Niranjan Chintam: Still a bad connection.

Moderator: Prateek, can we please request you to reconnect and join again.

Prateek Dedhia: Yes, is it better?

Moderator: Still not better Prateek. Your voice is quite muffled.

Prateek Dedhia: Okay, I will join, sorry.

Moderator: In the meanwhile, we have the next question from the line of Brijen Mishra, an individual investor. Please go ahead.

Niranjan Chintam: Hi, Brijen.

Brijen Mishra: Yes, how are you?

Niranjan Chintam: Good.

Brijen Mishra: Yes, I want to know that you have raised this fund through commercial borrowing. So, what is the purpose of raising the money?

Niranjan Chintam: Okay, So, Brijen, thank you for the question. I think we already announced that and we took shareholders permission. I would be happy to answer that the reason why we raised this FCCB is the combination of two things, one to increase our working capital limits because we are making a lot of investment in AI space. The second one is to invest in our subsidiaries overseas. It is going to be a combination of working capital there as well as we are looking for some strategic acquisitions because AI is fast evolving. What we know today is going to be different from what we know probably a few weeks down the road. So it is evolving at such a rapid pace. It is not easy to catch up, right? So, we want to look somewhere where we can make some strategic acquisitions that help us with these kinds of continuous whiplash. Okay. I will give an example, right in 2024, probably second or third quarter, they said the agency is going to come in, it is going to do a lot of wonderful stuff, but we are three years away. That

was in 2024 second quarter and now talking today, agency AI is already here. It is already rolling in the world. Now those are the kind of stuff, the investments that we can make in those kind of quick evolving technologies is what we are looking at and for that we wanted to raise money because you know, hey, as a company we can only invest to a certain extent, so we wanted to have a little bit of war chest where we can invest in additional capabilities. And you know by like you said, strategic acquisitions that help us get that capability in this fast evolving AI world.

Brijen Mishra: Okay, fine. Thank you so much.

Niranjan Chintam: Thank you.

Moderator: Thank you. As there are no further questions, I would like to hand the conference over to Mr. Niranjan Chintam sir for closing remarks. Over to you sir.

Niranjan Chintam: Thank you Manas and thank you shareholders for joining the earnings call and continuing to impose faith in us and your trust in our growth strategy. We are looking to grow and we are looking to, I guess, like I said earlier, we are at the inflection point and now we are beyond the inflection point. I think we should start seeing growth from a bottom line and a top line perspective. Thank you very much. I am looking forward to talking to you in the next earnings call or a GM, whichever comes earlier. Thank you. Bye.

Moderator: Thank you very much sir. On behalf of Kelton Tech Solutions Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.