

January 20, 2024

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE SCRIP Code: 543425

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
NSE Symbol: MAPMYINDIA

Subject: Submission of Transcript for Q3 FY2024 Earnings Call.

Dear Sir / Madam,

Pursuant to our letter dated January 6, 2024, please find enclosed herewith communication relating to Q3 FY2024 Earning Call. The said conference call with Institutional Investor / Analyst was held on January 16, 2024 to discuss the financial results of the Company for the quarter and nine months ended December 31, 2023. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For C.E. Info Systems Limited

Saurabh Surendra Somani
Company Secretary & Compliance Officer



“C.E. Info Systems Limited
Q3 FY 2024 Earnings Conference Call”

January 16, 2024



MANAGEMENT: **MR. RAKESH VERMA – CO-FOUNDER AND CHAIRMAN –MAPMYINDIA**
MR. ROHAN VERMA – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – MAPMYINDIA
MR. ANUJ JAIN – CHIEF FINANCIAL OFFICER – MAPMYINDIA
MR. SAURABH SOMANI – COMPANY SECRETARY AND COMPLIANCE OFFICER – MAPMYINDIA

MODERATOR: **MR. SHOBIT SINGHAL – ANAND RATHI SHARES AND STOCK BROKERS**

Moderator: Ladies and gentlemen, good day, and welcome to the C.E. Info Systems, MapmyIndia Q3 FY'24 Earnings Call hosted by Anand Rathi Share & Stock Brokers. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shobit Singhal from Anand Rathi Share & Stock Brokers. Thank you, and over to you, sir.

Shobit Singhal: Good evening, everyone. On behalf of Anand Rathi Institutional Equities, we welcome you all to Q3 FY'24 Conference Call of C.E. Info Systems, MapmyIndia. We have with us today Mr. Rakesh Verma, Co-Founder and Chairman of the company; Mr. Rohan Verma, CEO and Executive Director of the company; Mr. Anuj Jain, CFO; and Saurabh Somani, Company Secretary.

I will now hand over the call to Mr. Rakesh Verma for his opening remarks. Post that, we will open the floor for Q&A session. So thank you, and over to you, sir.

Rakesh Verma: Thank you, Shobit, and welcome all the participants in today's earnings call for Q3 '24 for MapmyIndia. We are happy that MapmyIndia crossed for the first time a milestone of INR100 crores-plus quarterly total income and again achieved an all-time high in revenue in Q3 FY'24, growing 36% year-on-year to INR92 crores, while year-to-date revenue has touched INR272.5 crores. EBITDA in Q3 FY'24 grew 38% to INR38.6 crores and year-to-date grew 32% to INR116.6 crores with overall year-to-date EBITDA margin at 43%.

Year-to-date, Map-led EBITDA margin remained strong at 55.1%. IoT-led EBITDA margin has expanded to 10% in Q3 FY'24 versus 8.2% in Q2 FY'24 and 6.3% in Q1 FY'24 and year-to-date stands at 8.2%, expanding 730 bps year-on-year. Year-to-date PAT is robust at INR96.2 crores, growing 21% year-on-year with PAT margin at 32%.

Q4 FY'24 will also be very exciting as we foresee the future. Not just we are happy with the growth of our core B2B and B2B2C business, we are also pleased to see our consumer business take shape with increased brand awareness and product uptake.

A little more depth into what I said just now.

Revenue for the nine months year-to-date FY'24 was at INR272.5 crores with a healthy growth of 30% year-on-year. Q3 FY'24 revenue hit all-time high of INR92 crores, driven by higher growth in C&E market. EBITDA margins expanded by 50 bps to 43% in 9MFY'24 versus 9MFY'23. EBITDA and PAT grew by 32% to INR116.6 crores and 21% to INR96.2 crores, respectively, for the year-to-date 9MFY'24 year-on-year.

Cash and cash equivalents at INR516.1 crores at the end of the quarter despite dividend payout.

I would just like to help all the participants with a clarification in the sense that the information that we have submitted on the stock exchange and the investor presentation, we stick to our 42%

EBITDA for this quarter, while some of the calculations in the absence of not having the full information is being mainly calculated at 39% for Q3. The reason is we had taken a provision for approximately INR2.5 crores in the previous period, and we have been able to sell those inventories into the market, resulting in removal of that provision from our P&L. We booked that in the other income category rather than reducing the expenses. So, what you see other income of INR822 crores in the previous quarter, it shows as mainly INR11,54,00,000 in the Q3 of FY'24. What one has to do is subtract INR2.5 crores from that INR11 crores in order to arrive at the correct EBITDA. I just thought it would help you understand why the EBITDA is 42%.

As regards to IoT business, as I said before, we are seeing a continuous improvement in the EBITDA of IoT business from 6.3% in Q1 to 8.2% in Q2 to 10% in Q3. Now one side, the revenue growth is happening in IoT. The other side, the EBITDA margin is improving. So, all this is telling us that our strategy of the IoT business, along with Map-led business, is giving us good dividends.

I think with this, I will close my opening remarks and let Rohan talk further more in detail about the business.

Rohan Verma:

Thank you, Mr. Verma. Good evening, everybody. This is Rohan here. Like he said, we're excited about Q4 FY'24. We've got a strong order book build up based on very large new wins. And we look forward to sharing those developments with you soon.

Year-to-date revenue growth was broad-based. A&M was up 19.5% and C&E is up 43.1%, on the market side. Map & Data was up 37.6% and Platform & IoT was up 26.5%, on the product side. We've had multiple wins and go-lives in Q3 across our Auto OEM NCASE suite, covering maps and IoT. And as I said, there's an exciting funnel ahead for that. Also, on the consumer tech enterprises and government side, we've had multiple wins and go-lives covering both Map-led and IoT-led digital transformation.

As regards to brand and B2C, we started a strong 360-degree marketing push for our consumer business. This has been highly effective as well as cost-efficient in increasing the Mapp's MapmyIndia brand awareness and product traction as I hope all of you as consumers and interested citizens may have noticed. We're happy to see the start of ad revenue monetization of our app as well as sales growth of our gadgets.

So let me take you through A&M in a little bit more detail. On a quarter-to-quarter basis, it grew 12.5%. This is ahead of industry volume growth. And just to share, our Auto OEM licenses in 9MFY'24 have crossed the previous full year FY'23 already.

We've had multiple wins and go-lives. For example, a large Indian four-wheeler OEM, existing customer of ours for more than a decade, signed up for even more multiple new vehicle models across ICE and EV. And their new EV four-wheeler has also gone live. So that's an exciting continuity and expansion for us.

A European two-wheeler OEM signed up for navigation with us. And there have been multiple go-lives for multiple EV two-wheeler OEMs.

And then on video telematics for employee transport safety as well as tracking of employee transport vehicles from large manufacturing companies, we've been doing in the mobility area. And also, revenue from OEMs for our Mapppls KOGO travel assistant and commerce solution has started. And of course, there will be this large win in Auto OEM space that we'll share with you soon.

On the C&E side, it's actually seen a sharp growth of 70.9% in this quarter. And this is based on nature of certain contracts. And hence, between A&M and C&E, we always see this kind of balance, overall leading to a strong revenue growth. And it doesn't bother us too much when one or the other has a slight dip or a slight increase. Overall, this is what we have looked for. And growth in C&E remains strong at 43.1% on year-to-date, year-on-year basis.

Multiple wins across industries, as I said, including for defense and drones. A large e-commerce and D2C sector companies have signed up for our map APIs to cover better address capture, location-based personalization and map-driven user experience improvement. We have seen drone 3D mapping and risk monitoring for large logistics company warehouse as well as payment in fintech industry for location data-based scoring.

A win for IoT-led logistics monitoring, including control tower solutions across cement, sugar and steel industries and also for the PMGSY road construction and food/civil supplies distribution monitoring. Also, the government's Viksit Bharat campaign, where they are promoting all the schemes and campaigns pan-India, this is using our Map-led and IoT-led solutions, showing how we are an integral part of the governance digital transformation. And also, for UP State Tourism & Ayodhya Metaverse, we've had business wins and delivered that. So we're happy to be generating revenue from that area as well.

Map & Data and Platform & IoT have been seeing steady growth as well, on the product side. And our investments in both these categories, of course, continues full hog. On the B2C side, we saw our brand and app see traction in Q3, a strong ATL and BTL marketing push. As you can see, we did ads in mainstream cricket, in TV news. We've done BTL at point of sale through on-ground events and outreach as well as you must be seeing us on social media as well as moment marketing like during the Cricket World Cup, we were there with the Metaverse, etc. Our Mapppls app, which is India's own maps app, seeing strong fit and traction with users through our own India-specific road safety features. And we're doing multiple MoUs with traffic police.

And finally, as I said, our in-app advertising revenue was kick started. We did a great campaign along with Cadbury's, where they were promoting local businesses, entrepreneurs on Mapppls. It was only done on Mapppls, not on any other map or map app. And this is a win-win-win for consumers, for the client brand as well as Mapppls.

So with that, I'll turn it back to the moderator.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shobit Singhal from Anand Rathi Share & Stock Brokers. Please go ahead.

Shobit Singhal:

Yes. Thank you. Sir, I have two questions from my side. Sir, in Q2 earnings call, sir, you have given a revenue growth guidance of around 40% for FY'24. So right now, if I see nine months,

we have done around 31% kind of year-on-year growth. So are we still maintaining this revenue growth guidance?

Rohan Verma: Shobit, the first and foremost thing that we shared in June '23 was our overall visibility of and planned goal to cross INR1,000 crores in the next four to five years, FY'27, FY'28. And that, if you see, comes out to be at 35% to 40% CAGR.

Rakesh Verma: No, depending on four years or five years.

Rohan Verma: Yes, depending on four years or five years. So that extrapolated down to every year is a number that can come out. We are still gunning for our targets. There's nothing that has changed. We are quite excited for Q4. But I mean, holding us to a specific number when we have given an overall guidance, I think is going to be difficult or challenging. But yes, we are still gunning for it. We think that Q4 will be exciting. But also, our aim is, first and foremost, to be well positioned for the next four to five years.

Shobit Singhal: Okay. And also, you have spoken about the consumer advertisement income. So how do you see the revenue contribution from it going forward, though right now, it's on an initial stage?

Rohan Verma: It's on initial stage, but it's quite promising. And this is why we are keen to further invest in our consumer business. It has multiple benefits for the company. Stand-alone, it's an interesting business but also the synergy with our B2B, with more people using our products, the data that we generate and the benefit it has to our B2B business. So we do see that going hand-in-hand as the consumer business and consumer awareness, consumer usage increases. There is built-in monetization through ads, through gadget subscription, gadget sales and other commerce activities that we'll be able to leverage.

Shobit Singhal: Okay. Thank you, sir. So that's all from my side.

Moderator: Thank you. The next question is from the line of Vimal Jamnadas Gohil from Alchemy Capital Management Private Limited. Please go ahead.

Vimal Jamnadas Gohil: Yes. Thank you for the opportunity. Sir, my first question is on your marketing and business promotion expenses. We've typically done about INR20 crores to INR25 crores every quarter since we have started reporting numbers. This quarter, it was about INR50 crores. So I just wanted to get a sense on what should be the outlook there, given that you're going aggressive for advertising matters.

The second question is you spoke about monetization of the same. So is there a possibility that you could quantify what was the revenue from sales of gadgets and ad sales because of Mappls for nine months or quarter, whatever data you would like to share on that front? Thank you so much.

Rohan Verma: Yes. Vimal, I'll clarify. Our marketing and business promotion expense for Q3 was INR5.3 crores, not INR50 crores.

Vimal Jamnadas Gohil: Yes, I'm sorry. Yes, it's INR5.3 crores, my bad.

Rohan Verma: INR5.3 crores. And if you look at stand-alone, you'll get a better sense, it's INR4 crores, which as I told you was all about the ATL and BTL activities that we are doing. So I think the value that we've got in is quite cost-effective. I don't know how many companies are able to be creative with their ATL/BTL, social, online, offline, cricket, TV news, which are mainstream, yet spend such less but get large bang on the buck. So that's on marketing.

And we continue to be efficient, creative, etc, to try to drive a lot more awareness in a controlled cost manner. And so the number is quite small, as you can see, compared to the overall numbers of revenue, etc. And as for the monetization value of the ad sales, it's right now small. It's not a severe number, but it's also not a number yet that is worth talking about from a materiality point of view.

Vimal Jamnadas Gohil: So just to clarify or rather a follow-up over there, Rohan. When you say it's been very cost-effective, what are the benchmarks that we're using when you say cost-effective? Is it the revenue that you are getting? Or what exactly are we looking for?

Rohan Verma: Now the focus is brand awareness and consumer reach or consumer download. So we look at what is the reach, what is the awareness of the number of people who now know Mapppls MapmyIndia versus what they knew a quarter or two quarters ago. That has significantly expanded. If you ask in your circles or when you do these dipsticks, there will be a vast difference in the awareness now versus earlier.

Of course, we had announced kind of in the previous quarter, the milestone we crossed when it comes to the Mapppls app downloads. I think we had announced last quarter that we had crossed 10Mn on Android and 1Mn on iOS, so 11 in total. We're not announcing the numbers for this quarter, but we are quite happy with it. And so on all those metrics of brand awareness and the app traction is how we look at cost-effectiveness versus the amount we are spending.

Vimal Jamnadas Gohil: All right. Thank you so much. I'll join back in the queue.

Moderator: Thank you. We have the next question from the line of Anmol Garg from DAM Capital Advisors. Please go ahead.

Anmol Garg: Yes, hi. Thanks for the opportunity. So I have a few questions. Firstly, if you can highlight the reason for increase in the cloud hosting charges, so now the run rate has come to INR4-odd crores. And how should we look at it going forward?

Rohan Verma: You mean the communication, including cloud hosting expenses, right?

Anmol Garg: Yes, that's it.

Rohan Verma: INR3.94 crores. Yes, see, over time, it will increase. I mean, I would not say it will increase in line with revenue or any such thing. There's a lot of optimization that we continuously do. And it's a mix of public cloud and private data centers, hybrid cloud. So there's a lot of optimization at the engineering side that we have that we can do.

So it will increase, obviously, as the size and scope of our business and of our technology deployment, whether on B2B or B2C increases, whether API calls or NCASE calls or digital transformation calls or app calls. It will increase. But there's enough engineering leverage we have to control this. Because public cloud is not the only way to go. I think we have enough expertise on private kind of deployments, etc.

Anmol Garg: Sure, sure. Also Rohan, if you can indicate how much of our auto revenue is coming now from the EV segment. Because we talked about a couple of wins in this quarter and last quarter as well. And if you can also highlight if there is any price difference between EVs and passenger vehicles for our maps.

Rohan Verma: Yes. EVs require more services from us, more features. So the realization can be higher in EVs versus ICE vehicles. EVs across four-wheelers and two-wheelers, if you look at the overall portfolio, I mean, even if you look at the industry, forget about us, I don't know what the total base, how much percentage it is. It's in the single digits if you look at the industry.

So for us, I mean, our attach rates in EVs is let's say it's in a similar proportion, but I wouldn't know and I don't want to give. But outside, I don't specifically know right now what is the exact share in our business of EV and non-EV. It's just that almost every EV getting launched or is planned to be launched now in the industry is going with our solution.

Anmol Garg: Sure. And also, previously, you have highlighted some parts on the international expansion. So are you planning to build more comprehensive maps for our neighbouring countries, which might require more on-ground people to collect address and data? Or are we planning to take our solutions based on the current maps that we already have? So just wanted to get a view on how we are trying to expand internationally.

Rohan Verma: See, international, we have a couple of legs. Our software stack itself is quite powerful, right? I mean, in India, we are doing map, we are doing software, we are doing IoT and then we'll do drones. So there's like four legs to our business if you look at it from a map, data, then software, then IoT, hardware and then drone-based solutions.

In international, we have the option to go with customers in different geographies with any or multiple parts of our offerings. So each of these have different levels of either investment required as well as return. And the general approach that we've taken is, yes, we are product-first, but we are also customer-led. So we are working with our customers who want to work with us internationally, based on what solutions they need. And when we have these customers, it gives us a reason to build out the solution that they need from us. It is not necessarily that they want a map from us. It is, in many cases now internationally, they are choosing to work with us because our software is world-class. And as part of our software solution, if we also have to enhance the global map that we already have and you know that we have anyway created maps for 8, 10, 12 other countries outside of India in the last multiple years.

And for rest of 180, 190, 200 other countries and territories, we have compiled or integrated the map into our solution to make it global. So if they require us to enhance that, we will do that.

But software itself is something that customers are already asking for. And where they will ask for map, we will do that as well.

Anmol Garg: Sure, Rohan. And lastly, if you can indicate that should we assume that advertisement cost would be in the INR5 crores sort of quarterly range? Or it can again come down in the next few quarters?

Rohan Verma: It's calibrated every quarter. I'm not going to give you specific numbers. We really look at that quarter, what our objectives are, what is the marketing mix or spend mix, I would say, and will it help us achieve our objectives. So, it's not that we pre-decide that we will spend this much money. Besides overall macro financials for the company, but also we're looking at what is our objective for that quarter and what do we need to achieve that. So it's a bit calibrated quarter-by-quarter.

Anmol Garg: Sure. Thanks, Rohan. I'll join back in the queue.

Moderator: Thank you. The next question is from the line of Nitin Sharma from MC Pro Research. Please go ahead.

Nitin Sharma: Yes, hi. Congrats on good set of numbers. Two questions. First of all, I would want to understand with the increase in the engagement with the government, how should we see the revenue contribution from the government to the overall top line for, say, next one to two years?

Rohan Verma: Yes. I mean, it's really good that the government is having a digital transformation agenda. So that way, our maps and technologies are increasingly relevant in the government space. But we've told you some principles that we follow before and when we look at government business. We go in as an OEM, a product and platform company. Second is we focus on the quality of government business that we want to pick up because not just in our industry also or at least on the services side, I mean, there's not many product platform companies. But you have seen how people, when they don't look at the quality of business, what happens to their financials. So we are careful on what quality of business we are picking up.

In many cases, we work with systems integrators. So we are kind of dealers a little bit, and also, it's not going to be a large proportion of our overall business. I mean, that kind of portfolio between automotive, corporate, government, retail is something that we keep in mind. So we pick as much business and there is more business to be had. But we are able to pick and choose and compete where we want to compete.

Nitin Sharma: So is it fair to assume that you will continue to remain 5% to 10% kind of a range or it has increased?

Rakesh Verma: Well, let me add a little flavor to this, this 5%, 6% was something historical. Now if you're asking me how much it can go up, it depends on the kind of business we pick up from the government. As Rohan said very clearly, it's the product mix, it's the quality of that particular opportunity. We are very selective in picking up the businesses.

We just don't do any CVs, one. Second, we always do things based on revenue-based projects or work in the government. So that's why you may not be noticing us in some of the areas, which probably do not excite us. It's not a question whether we have the technology or not. We do have. But we don't try to get into those and waste our time.

Nitin Sharma: Understood. Secondly, the drone 3D mapping and risk monitoring business that you won with a large logistics company, can you please help us understand how is it? Is it a one-time business or is it annuity based? Some color around that would be helpful.

Rohan Verma: I mean see, once somebody starts wanting to do these continuous inspections and monitoring, it starts becoming a recurring business. But obviously, this drone business starts off with first time and then as it becomes part of their SOPs to do the risk assessment, and risk assessment can't be a one-time activity. It has to continuously happen. So, at this stage, it's early stage with that customer, it's also not fully deployed across. There are also n number of upsells there in terms of multiple warehouses, multiple yards, and then multiple times. And then there's additional upsells of the software stack with that for analytics and other things, which are non-drone-based. So it's good that we are having these multiple entry points or multiple use cases across different products, for that same customer or different customers.

That's what's exciting to us about our business that using this, we got into this customer, who was not a customer before. But we know there are n number of more things to upsell. And even within the drone, there's a recurring business that can happen.

Nitin Sharma: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Moez Chandani from Ambit. Please go ahead.

Moez Chandani: Hello.

Moderator: You are audible, sir. Please go ahead.

Moez Chandani: Yes, sure. Good evening and thank you for taking my question. So my first question was on KOGO and Indrones. So can you just give a sense of how you're looking to monetize these products and also how soon do you expect them to become profitable?

Rakesh Verma: Well, you asked about KOGO and Indrones. KOGO is in one kind of a business and Indrones is in another kind of business. Now we invested there with the clear objective that it will help us in our ecosystem, the businesses to grow in their respective areas. To be specific, Kogo has to do with Mappls App on one side. Indrones has to do with our drone business, it can kind of become a pillar to our drone business. So, both of them are startups. They will take some time to grow their business. And with time, we should be able to leverage them.

Rohan Verma: I'll say it in my way or a different way. See, drone is an important pillar for us as a company. Mr. Verma talked about it multiple times, maps, IoT and the third pillar, drones. Even 4, 5 years ago, we had an investment in a drone company. And even now, we have this investment in Indrones. Our objective as MapmyIndia is to become a serious significant leader in the drone area. That's a combination of organic and inorganic.

Investments in companies are just one way to learn. That's not the only play that we have in drone business. And we are seeing MapmyIndia's own ability to generate business through drones in the last 1, 1.5 years, standalone supplying drones to the client, doing drone as a service solutions or incorporating drone into our overall smart city GIS or 3D digital twin solution, which is paid, we are earning money from.

All of that is happening. So doing an inorganic investment has multiple reasons. One is it could be looked at from a financial point of view. It could be looked at from a capability point of view or even a learning point of view. So overall, if our drone business is growing, we are happy about that.

And as for the KOGO part goes, as Mr. Verma said, one aspect is it's an AI-powered travel assistant and commerce solution, allowing people a new way to travel, a new way to book, discover, plan and book travel. This will be a great kind of add-on to Mapppls App, a capability that isn't there in our competitors. You can think of it like a ChatGPT for travel with commerce, bookings, etc. And it's also a great add-on to our automotive NCASE solutions, which we have been able to give to OEMs.

So overall, if it is satisfying that requirement, that itself is good for us. Because Mapppls App, our consumer business will grow and our automotive business will grow. Then beyond that, how the financial investment pans out, how their stand-alone business pans out, those are add-ons that we look at.

Moez Chandani: Sure, okay. Thank you for that. Also on your consumer mapping business, so you mentioned that downloads have been particularly strong. But is there any data point in terms of MAUs or DAUs that you can share with us for the Mapppls App?

Rohan Verma: Fairly engaged audience. As you can imagine, navigation is quite a frequent use case. It's not just to download and not do anything use case. And even for gadgets, if you've bought and invested in a gadget who you want to use to monitor your vehicle, you can imagine, it's a highly engaged audience. So we are tracking those. At the appropriate time, we will start sharing those on a more frequent basis.

We wanted to give a sense last quarter that we have reached a certain size and scale. And we've only been growing since then on all metrics when it comes to downloads and usage or engagement. And as we kind of strengthen the focus on consumer business, then those things also we'll start tracking and reporting.

Moez Chandani: All right, great. Thank you. Thank you, sir.

Moderator: Thank you. The next question is from the line of Majid Ahamed from Smart Sync Investment Advisory Services. Please go ahead.

Majid Ahamed: Am I audible?

Moderator: Sir, you are not very clear, sir.

- Majid Ahamed:** Am I audible now?
- Moderator:** This is a little better, so please go ahead.
- Majid Ahamed:** Yes, yes. Thanks for the opportunity, really good numbers. So my first question is how far is the client retention in the automotive business? And I need a breakup of client retention as well as new customers or new clientele that's coming to the automotive business? So that's the first question.
- Rohan Verma:** I think all the OEMs that we have worked with, we are working with,
- Rakesh Verma:** You are asking about retention? If you look at even just last two, three years. I will say its 100%.
- Majid Ahamed:** Okay. That's good. And secondly, the question that I have is as far as the UI experience of the Mappls software that you have, I think when I saw some of your reviews, some of the locations and everything that's out, how far are you going to improve the experience?
- When I saw some of the locations, the location review, this was the feedback, how far are you to improve those tech platforms going forward so that it becomes more robust, and it increases network effects for the customers?
- Rohan Verma:** I mean, I think if you look at kind of the qualitative and quantitative reviews on social media, App Store, Play Store for Mappls App, you'll be fairly happy as a whole. People are really loving it. But to answer your question, is the map ever perfect? The answer is no. That is our continuous endeavor, to keep updating and enhancing and improving the map. And also, on the same time is the software perfect? My answer is again no. We can keep improving our UI, our UX, our features, our bugs. And this is a continuous engineering effort to build new things but also to keep the existing things improving. So there's a long road map that we have that we want to achieve. And hence, you are seeing every few weeks new updates going out on Play Store and App Store.
- And also on the map, of course, we have this monthly release cycle as well as real-time rich release cycle, like for example, when this Mumbai bridge opened, the MTHL, Atal Setu, the moment it was inaugurated by the PM, it was there on our map, available for people to navigate. Whereas in others, you wouldn't have seen that.
- And the other thing is we also updated the toll information so that when people were kind of doing their time and toll fee cost/benefit analysis, they could see that on Mappls, which they couldn't see on others. So I mean, it's a continuous effort. And we have to keep working on it. Any feedback to us via social media or otherwise, we're now getting it and teams get on to it immediately on Map or software.
- Majid Ahamed:** That's great. Last and final question, I just wanted to get more information about the use cases of the NBFCs and the food delivery business. I just want a little more detail on it.
- Rohan Verma:** We talked about a lot of use cases covering this e-commerce, covering BFSI sector, I think you can refer to that.

- Majid Ahamed:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Ridhima Goyal from Acquaint Bee Ventures. Please go ahead.
- Ridhima Goyal:** Hi, thank you so much for giving me the opportunity. I have two questions. One is I just wanted to know what is the repeat business from the automotive and mobility segment customers? Like for example, if Mahindra & Mahindra has your map services, then how frequent they come with you and get the map on their vehicle?
- Rohan Verma:** I mean, I think for every vehicle that they produce from the factory for that model, I mean, not naming any specific OEMs, goes built-in with our solution. And then the updates happen through the software, through the cloud. I mean, mostly nowadays, it's connected vehicle. So nowadays, for new vehicles that are rolling out, updates are happening from the cloud.
- But still, there's a large legacy of vehicles where the updates have to happen through the service center, etc, where people have to go in and they'll flash the new update. But more and more, you will see over the next 1, 2, 3 years, all of this happen real-time, just like it happens in our app.
- Ridhima Goyal:** So we do contract with them for particular model. And for every new model, we have to do a new contract. Is it right?
- Rohan Verma:** The platform which has multiple models, and so it's not specifically sometimes every model. A platform could cover multiple models.
- Ridhima Goyal:** Understood. And just wanted to know like what is our mix between fixed and variable income in terms of both these segments, automotive and this C&E part? Like how much is coming from the fixed part of revenue and how much is coming from the variable, like per vehicle or per app or per delivery kind of thing?
- Rohan Verma:** I think if you look at A&M, a large amount will be volume-based. And if you look at C&E, it's a mix. I mean, specific numbers anyways, I think we share yearly, annually with the order book, etc, but just to give you some flavor on it.
- Rakesh Verma:** See, overall, if you think of MapmyIndia, I mean, overall, there might be exceptions. That it is always annuity SaaS kind of a business, where even if it is automotive, the vehicle that comes out, if I signed up a 5-year contract and for every vehicle that leaves the factory, I'm getting x rupees, it's kind of annuity from a conceptual perspective. So that's how MapmyIndia's future business is pretty much predictable. Until the time something new happens, then that adds more to the flavor.
- Ridhima Goyal:** Okay. So is it like we enter for a 5-year period and the customer will give annuity every year for one particular vehicle only?
- Rakesh Verma:** No, no, if an automotive OEM is going to sell 100,000 vehicles over 5 years, and every year, they're selling 20,000 vehicles, then every year on a monthly basis, they will give us x amount

of money for those 20,000 vehicles. I just told you that on a conceptual basis, you think of annuity or you think of in terms of volume-based contract.

Rohan Verma: I mean, but there are per vehicle per month or per vehicle per year fees also. So I mean, it's not as straightforward.

Rakesh Verma: I think generally, you take it like that at this point of time. In the future, you'll be hearing also that add-on thing, where there might be additional revenue coming from certain services that's being rendered on top of this. But at this point of time, that's what you can consider.

Ridhima Goyal: Okay, understood. And my second question is related to your drone business. Actually, I'm not getting it. Like how are we monetizing our drone business revenue? Is it like we are selling drones to the customer or we have our own drones and we are just doing maybe any kind of analytics that we are selling? How is it working?

Rohan Verma: That's a mix of three ways. Yes, we are selling drones to customers who want the drone. The second is we are providing drone-based services or drone-based analytics, as we put it, where customers, for example, they don't want to buy the drone, they want the output based on the drone data selected. And the third is we monetize as part of our overall solution that we have to give to the customer, where drone is one way of data collection, let's put it like that. So all three ways, we are able to. So we have our own drones, we sell drones at times and we provide solutions based on drones.

Ridhima Goyal: And how much is the...

Moderator: Sorry to interrupt ma'am we request you to please rejoin the queue for follow-up questions. The next question is from the line of Sanjaya Satapathy: from Ampersand. Please go ahead.

Sanjaya Satapathy: Hi sir, thanks a lot for the opportunity. Can you hear me?

Rakesh Verma: Yes.

Sanjaya Satapathy: Yes. Sir, my question is that the company balance sheet has so much cash. And still, the company is looking at almost INR500 crores of equity capital fundraising. Can I just hear your thoughts on that in terms of what are the kind of deployment that you are looking at in terms of capex or anything else?

Rakesh Verma: Well, yes, the company has INR500 crores, it has generated over the last x number of years from its own internal accrual. Now for that, the company gave a nice plan, a road map saying that we want to achieve INR1,000 crores revenue over the next 4, 5 years. So this is one part. The company historically has always worked on the next 5, 10 years and that's the kind of a thinking the company has had always. So in the current context, we came up with this whole thinking that if we want to grow in the international market, if we want to really accelerate the drone business, if we want to get active into the consumer business, then there would be money required for these businesses, which will help us not just in the next 5 years but beyond 5 years.

So what we might end up after raising this fund is over the next 2, 3 years, we will invest this amount organically or inorganically so that our business gets built for the subsequent 5, 10 years again. So that's the reason we are doing it.

Sanjaya Satapathy: Understood. And sir, my second question is that in your opening remarks as well as press release, you have mentioned that you are really excited about quarter 4. And in fact, you had mentioned that at the end of previous quarter as well. Is there anything more to it in terms of the specifics that you can share with us? Or is it just that it's a subjective thing you have mentioned?

Rakesh Verma: So when we say we are excited or we are happy about what's going to happen in Q4, we had mentioned it in the last earnings call also that H2 is always better than H1. And also, we have mentioned that Q4 is always better than Q3. These are some of the statements we have made last time also. Obviously, certain things happen in Q4 and that's why we mentioned that we are excited about Q4 also.

Sanjaya Satapathy: So nothing extraordinary or different from the historical trends?

Rakesh Verma: No, not historical, otherwise, also we say that Q4 is always better.

Sanjaya Satapathy: Understood. Thanks a lot sir.

Moderator: Thank you. The next question is from the line of Amit Thawani: from Clear Blue Capital. Please go ahead.

Amit Thawani: Hi, thank you for taking my question. I was just reading the road map to INR1,000 crores. And I was looking at the biggest contributor, I believe, is the mobility segment. Can you just quantify the opportunity at INR6,000 crores? And can you also quantify the addressable market at 34 crores devices with the industry adoption of 3 crore devices. Can you tell me what kind of devices are we talking about out here?

Rakesh Verma: Okay. First, let me help you understand. When we said to look at the mobility part of it that we talked about that there is a INR9,000 crores addressable market. You can explain, no problem.

Rohan Verma: You're talking about the mobility market. I mean, we talked about multiple markets: automotive, corporate, government and mobility/IoT, you can think of it like that. And we talked about overall addressable market for us, which we are focused on, is INR8,700 crores, out of which we want to get a INR1,000 crores-plus.

In that mobility, what is it we are selling? We are selling these IoT devices, GPS trackers, video telematics or dash cameras, infotainment systems, bike, smart bike gadgets, etc. So for four-wheelers, two-wheelers or for trucks, we are selling these devices and then we are selling subscriptions along with it.

So if you look at kind of our IoT business, you're seeing that being reported in the last, I would say, 7-odd, 8 quarters. And you are seeing how the IoT business has been growing quite fast. And also, you're seeing the margin improvement quarter-on-quarter.

The base of vehicles that exist in the market is in the order of 300-plus million vehicles, so 300 crores-plus vehicles. And out of that, we believe the target market for us will be 10% of that, which means 30 million. That's the target market. Out of that, we will generate some x amount of money, which will contribute to that INR1,000 crores between automotive, corporate, government and mobility.

And so I hope that gives you a sense. I mean, if you have seen the numbers, IoT-led business year-to-date is about INR70 crores out of INR270 crores. That extrapolated over the next 4, 5 years, INR70 crores on INR270 crores is about 25%. So that extrapolated on INR1,000 crores will start giving you some sense of what we are talking.

- Amit Thawani:** So is it fair to say that logistics will be the primary customer, logistics companies and...
- Rohan Verma:** See, the sub-segments we've talked about, people mobility and goods mobility, logistics is goods mobility. And so each of them has their own. So yes, logistics is definitely one large segment when it comes to the usage of this technology. Across industry, logistics, not just as an industry but logistics for across industry.
- Rakesh Verma:** Actually, when you think of this mobility, think of that the other three segments we talked about automotive, corporate and government. This mobility can go into any of those three plus also in the consumer side. So that's the way you should try to read it.
- Amit Thawani:** And is this mostly data generation-based business? Or is this more...
- Rohan Verma:** IoT device and SaaS subscriptions.
- Amit Thawani:** Okay, SaaS subscriptions got it. Thank you sir.
- Moderator:** The next question is from the line of Dhivesh Mehta from 3P Investment Managers.
- Dhivesh Mehta:** Hello sir am I audible?
- Moderator:** Sir you are audible. Please go ahead.
- Dhivesh Mehta:** My question will be largely on the IoT segment. If you look at the sale of hardware revenue for the last 3 quarters, it has been somewhat flattish. So is there any change in the sales strategy? Because while we've improved our EBITDA margin, the sale of hardware revenue should also scale up also for incremental average revenue flows, right? That's the first question.
- Second question is have you looked at the AIS 140 devices? Is that an incremental opportunity for us? Or do we already cover it with the regulation regarding that?
- Rakesh Verma:** So that AIS 140 you said is part of that mobility for the logistics for the goods transport, you can take it there.
- Rohan Verma:** Any commercial vehicle.

- Rakesh Verma:** Any commercial vehicle could be our customer, if you want to look at it that way. And we have the opportunities in that space also. And things are happening in the right way. See, the whole IoT business, as you see, the EBITDA is moving in the right way, going up to 10%. The basic reason is the more the SaaS revenue is kicking in and the operating leverage is happening, the EBITDA will keep going up. And that's our sales strategy.
- Dhivesh Mehta:** But sir, like the sale of hardware revenue should also gradually increase, right? Because it has been at the same run rate. Or if you can share like AIS 140, what would be the mix of the devices you have sold? Is it a meaningful share or not? What is the opportunity here?
- Rohan Verma:** Dhivesh, this is something we control and we calibrate. The sales strategy is to cover both growth and profitability. It's something our teams are capable of doing both. It's something where we focus our energy in each quarter.
- Rakesh Verma:** Also, keep in mind, we are just not an IoT company that I have to only drive the revenue growth for IoT. The calibration and controlling every quarter becomes part of the sales strategy.
- Dhivesh Mehta:** Thank you.
- Moderator:** Thank you. The next question is from the line of Sarang Sanil from RW Investment Advisors. Please go ahead.
- Sarang Sanil:** Hello good evening. First of all happy new year to the entire team. Sir, my first question is the additional marketing expense that we incurred this quarter. Was this absorbed in Map-led segment alone and nothing on the IoT side?
- Rohan Verma:** We don't look at it like that yet, I mean, Sarang...
- Rakesh Verma:** It was absorbed in Map-led to answer your question.
- Sarang Sanil:** Yes, because you report EBITDA margin separately, so I was just wondering.
- Rohan Verma:** Oh, my bad. Sorry, I said it wrong, Mr. Verma corrected me.
- Rakesh Verma:** It's absorbed in Map-led Mappls App, okay? So the marketing expenses were to build the brand of MapmyIndia, to build the brand of Mappls, to get more users on the Mappls App. At this point of time, that's what we did. I'm not saying in the future we may change or not.
- Sarang Sanil:** Got it. And second question is could you please elaborate on the revenue model in Mappls KOGO assistant that we are now involved with the auto OEMs?
- Rohan Verma:** OEM, our revenue model stays similar and it is part of our NCASE suite of solutions and hence, we have these per vehicle and per vehicle per year or per vehicle per month fees. So that revenue model and OEMs doesn't change. And then for consumer side, there's a bunch of things. There's a membership subscription if you want really low prices on bookings and then there's some commerce transaction-based revenues if you purchase items or do bookings through KOGO.

- Sarang Sanil:** Sure. So the Mappls KOGO is just an integration we have done to the existing OEM devices, right?
- Rohan Verma:** It's more capabilities in our NCASE suite, so to make our offering more appealing and add more use cases to OEMs, who can then offer such solutions to consumers.
- Sarang Sanil:** All right. Sir, my last question is I'm not sure if you are allowed to discuss about it, but we would love to know the status of the planned QIP.
- Rohan Verma:** Status of?
- Sarang Sanil:** The planned QIP.
- Rohan Verma:** Planned QIP.
- Rakesh Verma:** Status, the status is simple. On the 29th of December, the shareholder, postal ballot approved it by 99.2% of the 85.5% shareholders who voted. So the company has the opportunity over the 1-year period from now onwards or from December 29 onwards to go ahead with the QIP when everybody is ready, the market is ready, we are ready. That's the status as of today.
- Sarang Sanil:** Thank you so much and all the best.
- Moderator:** Thank you. The next question is from the line of Kshitij Saraf from Tusk Investments. Please go ahead.
- Kshitij Saraf:** Hi, good evening and congratulations on the continued good performance. My question is slightly related to the use of QIP and how you're thinking about investing in the business going forward. So we've had a good addition to the business via Gtropy on the IoT side and you mentioned the plans on the drone side of the business as well.
- Just a bit more color on how you plan to invest this going forward would be helpful. Would it be safe to assume that majority of the cash would be used in organic activities that in the past, we relied mostly on bolt-ons?
- Rakesh Verma:** Well, we are talking about it could be a combination of organic and inorganic. We haven't given any numbers to that. For all the three businesses we have talked about, for international market expansion, for the consumer business and for the drone business, that's exactly what we are communicating to everybody.
- Kshitij Saraf:** Okay, got it. That's helpful. Thanks a lot.
- Moderator:** Thank you. Ladies and gentlemen, due to time restrictions, that was our last question. On behalf of Anand Rathi Share and Stock Brokers, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.
- Rohan Verma:** Thank you.
- Rakesh Verma:** Thank you, everybody.