

To
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C /1, G Block,
Bandra - Kurla Complex, Bandra (E), Mumbai – 400051,
Maharashtra, India.

Date: 28.11.2025

(NSE Symbol: PHANTOMFX)

Subject: Submission of Transcript of the Earnings Conference call held on Monday, November 24, 2025 at 04.00 P.M. IST.

Dear Sir /Madam,

In continuation of our intimation with the exchange dated November 24, 2025, informing with respect to the recording link of the Earnings Conference Call and Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcripts of Earnings Conference call of the analyst/investor conference call which was held on Monday, November 24, 2025 at 04.00 P.M. IST discussed the (Un-Audited Standalone & Consolidated) Financial Results of the Company for the Half Year ended 30th September, 2025.

Kindly acknowledge and take the same on records.

**Thanking You,
For Phantom Digital Effects Limited**

**Bejoy Arputharaj Sam Manohar
Managing Director
DIN: 03459098**



Phantom Digital Effects Limited
H1 FY26 Earnings Conference Call

24 November, 2025



**MANAGEMENT: MR. BEJOY ARPUTHARAJ SAM MANOHAR –
CHAIRMAN AND MANAGING DIRECTOR – PHANTOM
DIGITAL EFFECTS LIMITED**

**MR. ANANTHARAMAN S – VICE PRESIDENT, FINANCE –
PHANTOM DIGITAL EFFECTS LIMITED**

**MR. RAJESH SHAMAL – COMPANY SECRETARY &
COMPLIANCE OFFICER – PHANTOM DIGITAL EFFECTS
LIMITED**

**HOST: MS. VAISHNAVI VAITY – AKMIL STRATEGIC
ADVISORS**

Vaishnavi Vaity: So, good evening and thank you. I'm Vaishnavi Vaity on behalf of AKMIL Strategic advisors, I welcome you all to the H1 FY26 Earnings Conference Call of Phantom Digital Effects Limited. Today, we are joined by Mr. Bejoy Arputharaj Sam Manohar, Chairman and Managing Director, Mr. Binu Joshua Sam Manohar, Whole time Director and Chief Operating Officer, Mr. Anantharaman S, Vice President, Finance and Mr. Rajesh Shamal, CS, who will share the insights on the company's performance highlights and its strategic outlook. With this, I hand over the call to Rajesh Sir. Over to you Sir. Thank you.

Rajesh Samal: Yeah. Thank you. Yeah, good evening to all the investors and analysts. So, I'm Rajesh Samal company Secretary and compliance officer of Phantom digital Effects Limited on behalf of the management team my extended warm welcome to all of you for our H1 FY25-26 Investor analyst meeting and today's session holds tremendous significance as we present company's financial performance, strategic milestone and expansions updates. And we all thank you for your time, trust and consistent engagement with Phantom Digital Effects Limited today's metric structure Opening remarks from our chairman and Managing Director. Mr. Bejoy Arputharaj and financials overview so and lastly the question answer session to address the investor queries for the company committed to high standards of corporate governance and transparency. We consider investor interaction a vital part of a communication philosophy. Your insight guide us and strengthen our journey as we scale phantom effects into global integrated VFX and create the powerhouse. So, with this I request our Chairman and MD, Mr. Bejoy Arputharaj to deliver his open remarks.

Bejoy Arputharaj: Thank you. Thank you, Rajesh. Yeah, ladies and gentlemen, a very good evening to all of you and thank you for taking the time to be with us today. There's always a privilege to speak with the people who believe in our journey, our ambition and the creative force that drives Phantom.

For those meeting us for the first time, I'm Bejoy Arputharaj, managing director and chairman of Phantom Digital Effects Limited. I'm joined today by our leadership team and our intention is simple to walk you through not only the numbers but the strategy and the momentum behind Phantom's evolution this year.

Phantom has always been anchored in two unwavering strengths, creativity, and technology. Since 2011, these pillars have shaped our identity and positioned us as a trusted partner for some of the world's most respected studios and filmmakers. from our beginnings in Chennai, we expanded in Mumbai, Hyderabad, Bengaluru and China. And today with our acquisitions in the United States and Europe, Phantom has transformed into a global creative technology group with an integrated presence across major film making hubs worldwide.

One of the most significant milestones of the year has been the acquisition of Milk visual effects and it's boutique brand. Lola post. I'm pleased to share that the first tranche has been paid. The share certificates have been issued and Phantom now holds full ownership. But more

importantly, this is not just a transaction, it is the addition of a culture of excellence that Milk and Lola have built over decades. These are among Europe's most respected creative studios, admired for their artistry, technical depth and contribution to high value global content.

Together, Milk and Lola bring an extraordinary legacy of recognition, including two Academy Awards, multiple BAFTA honours and Creative Arts. Emmy Awards a prestige that we are proud to welcome into the Phantom Family, their award-winning pedigree, their creative philosophy and their leadership now strengthen the very core of Phantoms global identity. Equally important is the strategic access. This acquisition unlocks. Milk operates across London, Barcelona Bordeaux and Dublin. Lola adds strong UK depth through them. Phantom now gains meaningful access to mature European markets, supported by clients. Such as BBC, Netflix UK and Sky, as well as the benefits of UK film and TV tax relief and European Co production subsidies. This makes us more competitive, more scalable and far more globally aligned. We are also proud to welcome exceptional creative leaders into Phantom family. Oscar and Emmy winner Sarah Bennett, BAFTA Oscar and Emmy nominee Rob Harvey their presence, elevates the creative firepower across our studios.

Another important milestone this year was the formal completion of our acquisition of Tippet Studio in June 2025. The integration is now complete across operational and creative functions, giving phantom access to a Hollywood legacy and direct engagement with Premier Western clients. Tippet's heritage, Milk's European Excellence and Lola's British craftsmanship collectively form a global creative engine that is culturally rich and operationally unified. While our Western footprint expands, our Asian presence is equally strong.

Our subsidiary in China positions us in one of the fastest growing VFX markets in the world, an incredibly important geography considering global OTT expansion and domestic Chinese film growth. Spectre post in Bengaluru, originally designed to capture Tier 2 and Tier 3 clients has exceeded expectations. It's exceptional service quality has here under the confidence of a far wider spectrum of clients ranging from premiums reduced to independent creators. The result is a highly stable scalable domestic pipeline that complements our international portfolio. In fact, on the domestic front, Phantom has contributed to many of major blockbusters of this year. Our Indian studios have become trusted partners for large scale productions, ensuring that Phantom remains one of the most recognisable VFX names in the country.

This combination of premium global work and high volume domestic work strengthens our resilience across economic cycles. To unify our global operations, we introduced Phantom Media Group as the Umbrella brand that brings all of our studios together under one identity. Each studio retains its flavour and creative philosophy, but PMG aligns us under a shared vision and enables seamless collaboration across geographies. As part of this transition, we have also appointed a structured leadership group within PMG to guide Phantom and all its subsidiaries, ensuring consistent creative direction. And operational discipline across India, the US, the UK, Europe and China, this framework is already strengthening coordination, accelerating decision

making and unlocking the full potential of our integrated global network. Across PMG, our teams have contributed to some truly exceptional projects this year. On the international front, our portfolio includes iconic franchises and production such as Mandalorian and Grogue, Good Omens Season 2, The Witcher season 4, Ironheart, Heads of the state with the Milk, walking with dinosaurs with the Lola Post, creation of *Gods II*, Demon Force, Star Wars skeleton crew with Tippett studio and Alien Romulus, also with Tippett.

On the domestic side, we have been equally active, contributing to high visibility titles such as Kantara 2 they call him OG, War 2. Coolie and several other large-scale production. our upcoming slate is equally strong. We are currently contributing to Shri Rajamouli's, Varanasi project and other major Indian production houses, whereas internationally several high value productions for Disney Plus, Amazon Studios, Netflix, BBC Studios many of these projects are already under execution or have recently been delivered, representing our strongest pipeline to date. Innovation of course remains central to everything we do. We are developing a few in House AI tools designed to dramatically improve efficiency across our global pipeline.

Early results have been extremely encouraging, showing meaningful reductions in repetitive tasks. I will show you a small demo on that in a short while, faster asset creations, deageing and face replacements with much quicker turn around cycles. What makes this even more promising is that AI and VFX is no longer theoretical. It is commercially impactful. It helps studios delivered more work in shorter time frames, optimise resource allocation and ultimately improve margins without compromising creativity. The adoption Curve our industry is accelerating and phantom is positioning itself at the forefront of this transition. All of this brings us to the core of our evolution. Phantom today is far beyond a traditional VFX studio.

We are a global creative technology organisation with world class talent, seamlessly integrated operations, AI enhanced workflows and the presence across every major VFX market. These strengths make us one of the most agile, scalable and future ready networks in the industry.

Now let me move to our financial performance for the half year. This year's results reflect the depth of our diversification and the strength of our teams. Our total consolidated income for H1 FY 2026 grew by 140.93 %. Year on year to 84.98 crores including other income, we closed at 88.29 crores compared to 36.65 crores in H1 FY 2025. EBITDA rose from 16.32 crores in H1 FY 2025 to 28.62 crores this year, With a margin of 32.41 %, and net profit increased from 8.27 crores to 20.68 crores with a margin of 23.43 %. Earnings per share moved from 6.09 last year to 13.87 this half year. The year-on-year growth is strong, but what is even more encouraging is the consistency and profitability that our group structure is beginning to unlock.

Operationally, our receivables continue to remain disciplined. Outstanding receivables as of 31st March 2025 stood at 42.09 crores out of which we have collected, 27.54 crores as of September 2025, reflecting A 65 % collection rate from the 43.62 crores of unbuilt revenue. We have billed and collected 25.75 crores as of November, representing a 59 % collection rate.

Additionally, we collected 19.53 crores against H1 FY26 sales of 47.11 crores achieving a 41.5 percentage collection rate. As a result, the current outstanding receivables as of 19th November stands at 61.49 crores. This performance stands as a positive indicator of market revival. However, with stronger integration, centralised follow up mechanisms and the shift towards 90 day collection cycles, we are already seeing tangible improvements. We expect this trend to strengthen further and investors can expect a more predictable and steady cash flow profile in the quarters ahead.

We have an order book of ₹201.32 crores as of October 2025 with nearly 80 percentage of this led by international projects. In addition, across our wider business portfolio, we currently have 817 crores worth of projects in the bidding pipeline. Together, this gives a strong visibility for the upcoming quarters, backed by high potential projects and the scalability of our integrated studios. With Tippet Studio and Milk now fully part of phantom, their contributions will meaningfully enhance. Our Consolidated performance based on our trajectory at the beginning of the year and the work currently underway across PMG, we expect solid growth across both standalone and consolidated operations for FY25 and 26.

Now I would like to show a small presentation on what PMG is, because this is recently announced and I didn't get an opportunity to explain a lot of, you know, the investors and my friends to explain about what is PMG and why it is. No, the need of an hour. So, I would like to give a small presentation on what PMG is all about and give you a small demonstration on our recent improvements. I mean, the recent progress with AI. So Phantom, Phantom Media Group and the mouse interval. Yeah.

So Phantom Media Group, as you all know, you know is part is a collective of all the VFX studios here. We call it, you know, we felt that Phantom is just being looked at as a Indian company in the global arena. And you know, we wanted to position us as an. American and European Company as well to you know, attract more business from those regions. So, we wanted to position Phantom in a in a in the global arena, in a in a different way.

So, we came up with an idea of Coming together as a collective in the name of Phantom Media Group, so we are not rebranding or we are not, you know, registering this as a new company, but it's just an umbrella name. We are just coming together as a collective. So, under Phantom Media Group, Collective Tippet studio, Milk, Lola, Phantom effects and Spectre Post will operate.

So, as you all know, Tippet is completely focusing on the North American region and the projects which are surrounding, you know North American region and Milk is focusing on North America and also the European, European and UK region. Lola is same and Phantom is a global company, but we are more focused right now, you know, with our American counterparts. We don't have to pitch Phantom separately, so we are more focusing on The Middle East and you know the Australian and the Chinese continents. And Spectre post, as you know, we are

promoting that and positioning the Spectre post as a domestic company, you know from India. And as I said, I know there has been 3-4 Academy Awards, actually it's OK. So, 3 Emmy Awards, 5 BAFTA awards and we have one a lot of a number of, you know, awards for Tippett and Milk together.

This is our. You know, presence across the globe right now. So, we have 4 offices in India and Milk is headquartered in London with offices in Dublin, Codex Barcelona and Phantom has an office in Beijing as well And Tippett is based out of Berkeley and Toronto and Los Angeles. So that's Mr. Phil Tippett, who is the founder and chairman of Phil Tippett Studios, and he's been in the industry for more than 40 years. He's a legendary guy. He, you know, he has a reputation of Working from movies like Willow, Jurassic Park, and almost all the major film makers across the world knows it. But this is our leadership team we have recently, you know been joined with you know after Milk's acquisition. Mr. Chris burn has took charge as global managing director of Phantom Media Group and Mr. Roo-Knight has took charge as Global director of Business development and Mr. Andrew Harvey has took charge of Global executive producer and Mr. Ian Unterreiner, who has been vice President, Executive Vice president of Phantom, has been given charge as president of Phantom Media Group. And Caroline Bisson, who has a great reputation working for lot of major companies, has been recruited as global director of marketing for Phantom Media Group, and Gary Mundell, CEO of Tippett, will continue serving as CEO of Tippett.

And these are the chief creative people here in Milk. So, Sarah Bennett, one of the Academy Award Winner, will continue serving Milk as CCO. She's Chief Creative Officer and VFX supervisor and Jean Claude and Neil will continue serving as VFX supervisor, so we are retaining all the major, you know, stakeholders and key leadership people from Milk and also Tippett. So Mr. Rob Harvey. He's a he's an Oscar winning supervisor. He's the founder of Lola Post. He's continuing to serve, as you know, the founder as of Lola, actually. And Mr. Andy, he's heading our French office. Mr. Marc. He's heading our Tippett as VFX and supervisor. And Mr. Juan, who is heading our Chinese operations, and Mr. Mohinder, who has come from, you know, a lot of big studios, is heading our creative team here in India.

I would like to show a small video clip of .

You will not screen share earlier disconnect Different Just a second, just pause it.

Vaishnavi Vaity: The only video is available; we can't hear the audio.

Bejoy Arputharaj: Done. Oh, this is just a video I will.

Vaishnavi Vaity: OK.

Bejoy Arputharaj: Oh, OK. You cannot hear the audio. Now, can you hear the audio?

Vaishnavi Vaity: Yes, Sir.

Bejoy Arputharaj:

Thank you. So, So what you have seen here is collect of all the studios Phantom, Tippet and Milks really as Phantom Media Group. So, as I said, you know, we are positioning PMG Phantom Media Group as one collective umbrella, and this has really started, you know, showing progress in terms of business development and you know we have been able to do big breakthroughs through PMG. I would also like to show a small video of our latest AI progression.

It is.

Use up a VFX shots.

Yeah.

Yeah.

So this is the use of AI, the VFX shots. So, we have been.

Yeah.

Yeah.

So, we have been, you know, one among the very few studios who have adapted AI and implemented into the pipeline. We recently met with one of the major very major OTT platforms and then they mentioned that you guys are light year ahead.

In terms of AI, you know, implementing AI into the pipeline, so what you see here, the left side of it is the traditional animation. Can you just go slightly, give me the mouse? So, what you see here is a traditional animation and what you see here in the right side is the AI you know generated output. So, we have figured out a pipeline where AI can, you know, successfully be integrated into the traditional Methodology of visual effects.

So, this way we have more control over cameras, consistencies and you know action blocks and everything. But you know this is not yet there in terms of high, high quality film production. But we are using this. For, you know corporate, I mean the pre visualisation which we call as a no, it comes in the pre-production stage of filmmaking. So, we are using that here and we are also using this in the commercials which is. Not I know, except except for big screens we are we are. We have the quality to meet.

So, we are cutting down. So, this is something that has been done completely in house. Whatever you're seeing, everything is done completely in house so. What you're seeing here is a video of You know what we shot here in our studio. So, one of our artists is having a couple of toys, cars and from that we have generated this video.

So, this is that that Mickey Mouse doll has transformed into the final output there. We have also created a lot of AI tools in House. I'll I'll show you a quick video on that shortly. Yeah.

This is the AI generated commercial we recently worked on Instead of being just a service provider, we would be actually created a complete commercial for recently for a lot of our

clients. So, AI has helped us, a has helped us to, you know, improve from just being a service provider to content creators.

You know, in a whole way actually, so this is a technology that, you know this we have, you know from this to one of the major OTT platforms and they're like really very surprised to see this, that there's, you know, we can in real time we can replace faces. And this really helps out in, in terms of shooting and all. So, we have successfully implemented AI into the pipeline to, you know, create increase productivity actually.

And also, we have. Also, we have successfully created in house AI tool set which can you know create images, create videos. So, this is something that completely works inside you know in office you know we don't have to go online. This is an offline method.

So, we have our own software now, which probably might we might bring into the market very soon. We are working on it. So now we are able to create a lot of connectivity in this. And also inside VFX pipeline we are using this tool set. It's a very effective way in raising productivity.

Yeah.

The complete software has been created at management. Screen stop. Share, stop.

Vaishnavi Vaity: So, can we start with the question-and-answer session?

Bejoy Arputharaj: So, in closing, I'd like to extend my heartfelt thanks to our teams across India, US and UK. Their hard work and creativity are the reason Phantom stands where it does today and to our investors and partners. Thank you for believing in us.
Now the floor is open for question-and-answer sessions.

Vaishnavi Vaity: Investors the floor is open for question-and-answer session. You can unmute your lines or drop your questions in the chat box. Thank you. So, first question is from Mr. Achuth. Please go ahead and answer the question.

Mr. Achuth, if you're speaking, we can't hear you.

Achuth: Hello I'm audible now.

Vaishnavi Vaity: Yes.

Achuth: OK, so my first question is like as you guys have shown the AI video like I want to understand like what is the future like we are focusing more on the VFX or the AI?

Bejoy Arputharaj:

VFX, see. First of all, you should understand the difference. You know, like we are using ChatGPT in our day-to-day life. So, you cannot ask like whether your life will be shifted towards ChatGPT relying on it. So, it's like you know it's just a tool.

So, which I I know we are going to implement AI as a tool into the VFX pipeline. So, we will be you know creating visual effects using AI as a tool, not replacing any VFX artist or anything. But you know, we are improving productivity. As I said there are. But in you know, in stuff that we do in a traditional way takes months' time.

I'm sorry. So, there are certain things that we do in a traditional way. It takes months' time, which has been, you know, reduced to weeks now and we were now able to create a complete commercial as you saw, you know one customer came to us with.

Just you know, a sample of their sets, you know? So, we built them a complete, you know, portfolio of what their event is going to look like. So, they were able to promote their event in a very successful way through that. So, you know we are transforming. Ourselves from just a service provider also to, you know, a content creation company. That doesn't mean that we are, you know, completely replacing VFX. VFX is always going to be an amazing tool for films and you know whatever fantasy elements that you are seeing in the films that is going to stay back. But whatever we are creating using AI, complete commercials, you know, instead of creating something in CGI completely. We are preferring to go with the AI on several shots. Not everything. There are certain things that that is possible with the AI, and there are certain things that that is not possible with the AI. So, we are just, you know, being very picky about it and you know, moving ourselves with along with the tide of AI.

Achuth:

OK. And can you also like explain like where exactly we can use only AI without VFX?

Bejoy Arputharaj:

Only exactly with a where the AI means I know probably. For example, if you see if you remember seeing that particular shot where a Lady is, you know showing her. A ring. So, you know the customer came us, came to us with the ring model and we generated the complete video of that commercial using the same ring model. So, it has been a traditional shooting methodology before. So, there is no visual effects involved in that particular shot. Even even if it is a traditional shooting. Methodology. People just shoot it and then they telecast it. Now that you know has been reduced, of course an AI has its own limitations. If director wants a particular emotion, director wants a particular expression to be done an AI has a lot of restriction towards it. But this is being very helpful with clients who are operating with limited budgets or doesn't have that kind of opportunity to to go into a big agency and shoot something by themselves. So, this is helping them in, in terms of you know creating content. But not replacing any high value commercials or definitely not visual effects buffets.

Achuth:

OK, OK, Sir. Thank you for that. And my second question is like with these acquisitions with full realisation how much revenue we can make in H2 and FY27?

- Anantharaman S:** It's, we are projecting around 240 crores including the Milk. So that's what the projection as of now it's very conservative. We planned for 160 crores is the Phantom including of Tippet. So now Milk is coming into the picture from October effective. So, 80 crores we are expecting from the Milk and we will close it to 240 very conservatively, this number is consolidated.
- Achuth:** This is for FY26, right?
- Anantharaman S:** Yeah, yeah.
- Achuth:** For FY27, can you provide any number?
- Anantharaman S:** We are expecting around the 300 to 350 crores which we are expecting at in the coming year.
- Achuth:** OK. How much from Milk and how much from Phantom?
- Anantharaman S:** It's basically two. It will be an increasing portion of Tippet & Milk.
- Bejoy Arputharaj:** No see. You cannot see separately as Phantom because you know we are basically a support, you know, system for Tippet & Milk because that's how we were able to increase our Top line and also the profit margins. So, you know basically more of phantoms execution power is going to be spent on Tippet and Milk going forward.
- Achuth:** OK, so basically, we need to go really on the consolidated basis only that is correct, right? Yeah, that's answer my question. Thank you. Thank you, Sir.
- Vaishnavi Vaity:** Thank you. Next question is from Mr Aditya. Aditya Sir, please go ahead and ask the question.
- Aditya Bhutra:** Hi. Yeah, sure. Hi, this is Aditya from Avora SME fund. Firstly, a word of appreciation because there's been a lot of good work from phantom side. So, a lot of kudos to you and your team as well as the strategic acquisitions which seem to be doing pretty well. I have two questions. The first one is about this global expansion itself, because now that we are present in multiple geographies, there must be some challenges that we might be facing in terms of integration, in terms of both work style as well as culture. So maybe if you could shed a light on that.
- Bejoy Arputharaj:** Definitely. So, in terms of technology and structure, you know this integration of Tippet happened, started happening from last year onward. So, you know we have successfully completed our integration. We have developed pipeline and tool sets, which works seamlessly because this was very much possible because you know Phantom was already working with a lot of, you know, international artists also before and also, we were, you know sharing files and data between multiple offices in India itself. So, we have already developed a working pipeline between. You know which will work, which will actually. I'm sorry. So, Phantom actually have

already integrated. You know this pipeline working for multiple studios across India already. So, it has not been a big challenge for us to integrate the same between our offices across the globe, we have successfully, yeah, successfully implemented that developed tools and you know we are still developing lot of tools to improve productivity as well. But as of now we have successfully implemented and you know started collaborating and working on a lot of projects already last 4-5 months we have started.

Already started working with Milk also, so the integration of pipeline has been successfully completed and in terms of working culture, we are definitely you know working on that we have you know. We have recruited new HRs you know who can work on different timelines and we have HRs who are working from Tippett. We we have dedicated HR and head of HR and from Milk so I know we have restructured our organisation structure and the reporting system we are. You know, continuously improvising on the cultural part of things, but as of now, it's all doing, you know, it's all going great and we have figured out a lot many ways to work together as a one company and also, you know, bring the good things that are available with other companies. Sharing knowledge, we have introduced shared learning methodology system which is you know which is obviously another software that we have deployed across the globe. So, people now can share knowledge. People can interact with each other, get their doubts cleared, so there are so many things that is already deployed and there are certain new things that we are, you know, implementing going ahead.

Aditya Bhutra: Great. Sounds good. So, my next question is about the plans for the company to migrate to the main board. If do we have any such plans and if so, what is the expected timeline?

Rajesh Samal: Yeah, this side, Rajesh, Company Secretary. So, the companies in process to migrate from SME to main board. So we are already in process, so hardly maybe by December or last week or first week of January we'll come with main board. We are in process because we are fulfilling all the eligibility criteria as NSE has framed. So, we are already in process and we'll maximum by first week of January we will be in main board.

Bejoy Arputharaj: We are hoping to do that by January maximum. We'll be transforming to main board.

Aditya Bhutra: Understood. Thank you so much and all the best.

Rajesh Samal: Thank you. Thank you so much

Vaishnavi Vaity: Next question is from Miss Simran. You can go ahead and ask the question.

Simran Melath: Hello. Am I audible?

Bejoy Arputharaj: Yeah.

Vaishnavi Vaity: Yes.

Simran Melath: Yes. OK. Thank you for the opportunity. First of all. OK, so my question is that we raised 140 crores in QIP in the last two years to fund the acquisitions and working capital of the parent and the subsidiary companies and we are close to about 160 to 170 crores of annual revenue run rate. So, if we want to reach to a level of suppose 400 to 500 crores in a span of four to five years. So, what is your strategy to fund this growth through internally generated profits and not relying much on the external funds.

Bejoy Arputharaj: No, you know these external funds are all used for acquisitions and infrastructure building. So, you know going forward probably there might be some need. I wouldn't say that there won't be any need for investments, infrastructure going forward, but I know already, Milk is one you know complete studio already with very good infrastructure. Probably, you know we are building some more you know setups with systems and upgradation to support our US and Indian entities. But other than that, you know there will not be much of any investments going into these companies going forward. So, there will not be any big investments going into these companies other than marketing. We are having you know we are working on some good budgets to position as PMG and you know the global collectives, so you know we will be investing more on the business than the infrastructure.

Simran Melath: All right. Because if we see that we raised 140 crores of QIP and also our borrowings have increased. So, if we were not able to collect the receivables well, then our dependence on the external funding can increase and it may become unsustainable to some point since it creates a pressure on the balance sheet and dilute the earnings.

Rajesh Samal: Yeah.

Simran Melath: Yeah. Please go on.

Rajesh Samal: Yes. Yeah, yes, Madam. Actually, we are tagging our credit policy so going forward also we'll also have a positive, you know collection from this side also. And so far, relating to the QIP part, whatever the you know proceeds that's being utilised after the objectives which is already mentioned in the document. So, relating to that, relying more on the external funds. So, we are also in process to you know strengthening the credit policy. So that will have a positive impact in the cash in going forward.

Simran Melath: OK. All right. My second question would be any update on our gaming segment have we received orders on that side?

Bejoy Arputharaj: Yeah. Regarding gaming, we are already you know servicing with gaming companies for more than eight years now. So that service part is still happening and we are working with lot of companies producing assets and you know creating concepts and the creative sides of things

about we are doing already. This year, we have already initiated some progress to, you know, come up with a small gaming team from our end. We initially had a plan to acquire a small

company, but that's you know we are having a small hiccup finding very good companies here. So, you know we are doing some small initiative on our end performing a small team and we'll be starting up a small gaming division within Phantom itself.

Simran Melath: Can you give me a timeline of that?

Bejoy Arputharaj: Probably by before February we'll be able to complete it.

Simran Melath: OK. Also, you mentioned in the investor presentation that you have partnered for several projects in the China market. What is the size of the orders there?

Anantharaman S: The orders we are looking on around \$17 million of orders and that we have secured some of 10 million which we are executing the contracts as of now. So, the most probably this year we'll be getting better orders as well because, the China market, we are just infused, just stepped in. So, we started exploring ourself and we are looking forward like the FENGSHEN 1 one which we have done it the FENGSHEN 2 which we have done and the FENGSHEN 3 is going to come on. So that also is going to add up the kitty of Tippet as well as India Phantom, so this increase in the revenue will show in the balance, the P&L basically, in this year.

Simran Melath: All right. All right. OK, so this was concerns at investors, but.

Bejoy Arputharaj: Can we can we allow others also, Miss Simran, so that?

Simran Melath: Sorry, can you pardon.

Bejoy Arputharaj: Can you can you come back again in the queue you know so that others also can raise their questions please.

Simran Melath: Yeah, I'm done. Thank you for your clarification and all the best.

Bejoy Arputharaj: Sure, sure. Thank you so much. Thank you.

Vaishnavi Vaity: Mr. Vikas, you can go ahead and ask the question.

Vikas: Hello. Yes, am I audible?

Vaishnavi Vaity: Yes.

Bejoy Arputharaj: Yeah.

Anantharaman S: Yes, yes.

Vikas: OK. Yeah. So, my first question is I want to need more details on the Milk and Lola acquisition. As you shared in the report, we are acquiring for a price, but there is also you we need to pay for liabilities and the -- existing the liabilities and maybe you need to take care of their working capital. So, can you give the numbers what will be these expenses going forward?

Anantharaman S: OK. Hi. Yeah, but the Milk acquisition is \$7.5 million including the liabilities which they are holding it. OK. So, 2.7 million which we are expecting as an infusion of the working capital for them. So, it's total of 10 million which we are expecting. So now there was a deferred payments which we are processed so the first trench of payment has been released and we are officially owner of Milk. Yeah, so that the payment will be on the trench's basis. So, we'll be closing that liabilities by December 1st trench of it and the 2nd trench 3rd trench will be followed. Yeah.

Vikas: OK, so this 10 million will go into how many trenches?

Anantharaman S: It will be on 3 trenches.

Vikas: OK, got it. On the same question, I want to ask what will be our EBITDA margins since we have Tippett as well as Lola and Milk. So, what will be the EBITDA margin of these groups we are seeing in the coming year, once we integrated fully.

Anantharaman S: OK. OK. On the consolidation basis, we are looking on 44% of EBITDA and 25% conservatively PAT.

Vikas: OK. OK. So basically, since normally all the European and US based studio have lower margin, so we are able to maintain margin because of outsourcing work to Indian studio, is that correct?

Anantharaman S: Yeah, we are trying that strategy out from trying to pull the market from the Hollywood's and do from the Phantom's side from Indian entity which will support and it will increase the profit. So conservatively the part 25% which I've told you. We are trying to make sure that the cost effectiveness and efficiency is worked on. So, the percentage gradually it will improve by the coming years.

Vikas: OK. Yeah. My second question is on the, as you said, we are conservatively targeting 240 crores of revenue. What will be EBITDA and PAT margin by year end? We can expect?

Anantharaman S: It's the same thing I've told 44 and 25%.

Vikas: Oh, got it. One more thing I want to know is about our -- You talked about expansion in UAE and offices. Can you give light where are we with the office and how soon or what stage it is in? Yeah.

Bejoy Arputharaj: You are asking about the Dubai office.

Vikas: Yeah, Dubai office.

Bejoy Arputharaj: OK, so we are working on a special project in the Middle East which I cannot reveal right now so but that is already, you know, in the process of rolling out. So, we have office already -- have functioning office already in Dubai. But you know, we haven't aggressively started recruiting more people. We have right now, you know, few business development people working from there for us. So that's the progress as of now. But we have successfully secured you know a couple of major projects from the Middle East, which we are promoting through Tippet's name because you know people there love to work with the European or American companies. So, you know, also we don't want to, you know, undervalue ourselves for just throwing an -- You know, but just showing us as an Indian company. So, we are positioning us as an American company and you know we have secured a couple of very good projects there.

Vikas: OK. Yeah, I think that's all from my side. Thanks all the best.

Bejoy Arputharaj: Thank you.

Vaishnavi Vaity: Before we move forward to the next question, I request only participants to limit their questions to two each. Thank you. Next question is from Mr Arnab. You can go ahead and ask the question.

Arnab Bhattacharjee: Hi, Bejoy. Sir. I hope I'm audible.

Bejoy Arputharaj: Yeah, yeah.

Arnab Bhattacharjee: Yes. So firstly, I would like to understand you know like when we are reporting our standalone, are we realising revenues act let's say Tippet -- However, the costs we are reflecting on our standalone entity and that's why the standalone numbers look pretty skewed. Is that the reason, or there's something else going on? Wait.

Anantharaman S: That is the reason the stand alone. We are trying to pull the major value of the Tippet works to Phantom India. That is the reason it shows a little bit higher on the EBITDA state, basically the cost.

Arnab Bhattacharjee: OK. But revenue recognition is happening on Tippet

Anantharaman S: Yeah. Yeah. It's on the Tippet, basically the revenue.

Arnab Bhattacharjee: OK. Understood. The other question I wanted to know that with, given the cultural diversity that

we have now embraced, there is going to be like, how are you ensuring, you know knowledge sharing because there can be like I've seen in my stint at MNC'S.

There is sort of some, you know, like people living in China. They want to do. They want to take the better of the work and the Indian counterparts are left off, you know, having lesser knowledge or doing the plant of the work.

So how are you ensuring that there's actual knowledge sharing happening? And because of these acquisitions of mergers, Phantom also, you know, gets, you know, technologically, you know ahead ?

Bejoy Arputharaj:

As I said, you know we have introduced a learning management system across the pipeline, first of all, so and we have a dedicated training division which is already you know, proven, very successful in the past. For Phantom, so we have rolled out, you know, this learning management system and our training division into you know our companies across the globe we have you know made people from the US and also the UK to use this learning management system there. I know we are constantly developing tutorials, sharing knowledge. We have been doing this for quite some time. Within our facilities in India and the US now, we have included UK also and you know we have introduced credit system for people to encourage you know promoting share knowledge sharing and we have internal blocks where people can communicate between each other showcase you know their best works talk about recent work that they have completed doing case studies. So that's the way we have figured out. I know to share knowledge between the companies and also, we are planning to conduct sessions every month. So that is also in progress

Arnab Bhattacharjee:

So are our teams blended? like Let's say you're working with Japan. I do you have a team which mingles and you are doing other sharing of work actually happening and also about LMS, any intelligence?

Bejoy Arputharaj:

Yeah. Your voice is breaking down. I'm sorry. I'm sorry. I'm sorry your voice is breaking down. Yeah, voice is little bit breaking. Can you please? Your voice is little bit breaking now. I better. Can you just repeat your question?

Arnab Bhattacharjee:

OK. Am I? Am I audible now? I'm. I'm saying, yeah. Am I audible now? Yeah. My question was are our teams integrated like are the Indian counterparts working alongside the different counterparts and intellectual property distribution? That's what I was more concerned about rather than LMS, do we do we have intellectual property sharing and are we do we have access to the you know intellectual property of all of these Companies.

Bejoy Arputharaj:

Yeah, we have, you know, developed asset libraries, we call it asset libraries and also these are all content that we have created over 15 years with Phantom and the same has been with Tippett also. So, there are like they have, you know, assets that they have created over 40 years and Milk

also have the same system. You know, almost all the companies will have it. So, we are in the process of clubbing all these assets you know. So that now already we have started sharing this knowledge you know we have a centralised system we have, you know started updating which

company has what kind of asset and the list of all the assets available with the you know thumbnails of the images and all has been updated in our system. So now we are bringing in a new technology to share assets between the companies we have that system already available with phantom for years now, so we are just sharing that technology with the Tippet and also with the Milk to make it as one, you know, centralised hub. Which can share resources and also we will be, you know in a matter of a push of a button we will be able to share content between the territories. So that is something that we are right now working on.

Arnab Bhattacharjee: Yeah. Thank you for the answers. I hope you, you and your team. All the best. Thank you.

Vaishnavi Vaity: Next question is from Mr Shikhar Mundra. So, you can go ahead and ask the question. Mr Shikhar, if you're speaking, we can't hear you.

Vaishnavi Vaity: OK. We'll take next question from Mr Salil.

Salil Chitale: Hello. Yeah. Am I audible? Yeah. Hello, Bejoy, Sir. And team. Good evening. And congratulations for the good. Very good numbers for this 6th. My first question would be receivables asset, I think you mentioned it's 63 crores, right?

Salil Chitale: As on date. So how much of that is more than one year ageing?

Anantharaman S: It's like 61 crores, he said. As of outstanding 19th November. Yeah, so yeah, so 18 crores will be the older than 180 days. The rest all we collected.

Salil Chitale: Yeah. 180 days or 360 days. I mean, for more than one year is also there any pre service?

Bejoy Arputharaj: Yeah, no more than one year. Only three crores. Three crores? Yeah, more than one year. Only three crores and more than one less than a year. It is somewhere around 14.

Salil Chitale: OK. OK. And that's recovery is possible. I mean there's no issue.

Bejoy Arputharaj: yeah, yeah.

Salil Chitale: OK. And one more point, I missed the 240 crores is first only the second-half or the annual year Conservative 240 crores revenue.

Anantharaman S: It's for the 240 is for then annual. So first off, we have already completed with 88, so the balance will be coming into the H24.

Salil Chitale: 160, OK. Thank you. Yeah. And I remember in some calls before you had mentioned keep a packed margin. So, if 32-32% are possible between 30-32%, so is that still possible and you know what would be the timeline for that?

Anantharaman S: OK. Actually, what we are doing is we are consolidating the numbers. Now we are trying to ask Bejoy told you in a meeting like we are working around with Milk and Tippett where we can reduce the cost and we can take over that into India phantom. So that improves the margin directly so that we are working on by down the line we expect that in a two year's time we should reach by 30 to 32%.

Salil Chitale: OK.

Vaishnavi Vaity: Next question is from Mr Mahesh. Please go ahead and ask the question.

Mahesh: Good evening, management and congratulations on delivering such a strong set of whistles. Hope you're doing fine. So, my first question would be why the cash flow and investing activities only show 17 crores outflow against the 30 crores purchase consideration in terms of Tippett?

Anantharaman S: Thank you. Come again? Come again? Yeah.

Mahesh: No, I want to understand why the cash flow and investing activities show only a 17 crores outflow against the 30 crores purchase country consideration for fan for Tippett.

Anantharaman S: OK, we have not yet did close to the full payments to the Tippett. So this is on the trench basis which we are releasing it. So it will be completed by 2026 only in December, OK. So that is the reason it is showing in that way.

Mahesh: Right. So how much amount is left in terms of payment?

Anantharaman S: It's basically around 13 crores is pending. So, which we will be releasing by this December as well as June and December next December 3 phase, it will be happening, yeah.

Mahesh: Done. OK. And in terms of calculation of goodwill, can you please explain how additional 90 crores of goodwill is being calculated because in terms of reconciliation of reserves and surplus between the standalone and consolidated financials, could you breakdown what specifically contributes to it?

PhantomFx: This I will get back to you. I'm not having the calculation right now in my hand. I'll get back to you. Mahesh on this. Yeah.

Mahesh: Can you please at least give me the net asset value for which Tippett was bought?

Anantharaman S: Right now, I'm not having in my hand, so I'll let you know. No problem. I'll drop you e-mail with that.

Mahesh: OK, done. And the effective tax rate in H1 is earned 12%, which is much lower than the normal 25%. So, can you clarify what factors contributed to this?

Anantharaman S: In in the consolidation level, you are asking for the in standalone you are asking for.

Mahesh: Console

Anantharaman S: In the consolidation, so basically there was an initial bookings were happened in the Tibet with the usually how it works is all the invoicing happens in the Canadian market where they have the business, yeah. So in the US, there were also less invoicing where they were working as a working centre cost centres. Now they've built started billing it. That is the reason for the initial invoicing's are very less comparatively to the Canadian counterpart. So that is the reason the tax reductions were there.

Mahesh: So basically, a difference in tax structure between two countries and you've done much of the buildings in the country where the tax rate is much lower than the other country, is that right?

Anantharaman S: Yeah, yeah, yeah.

Mahesh: OK. And what is the current DSO for the group on a consolidated basis?

Anantharaman S: We'll get back to you on that number. Yes. Yes.

Attendee20: And this.

Vaishnavi Vaity: So we also have questions in the chat box from Mr Heman Jain. Our gross margins are healthy, but as AI commodities work, how do we see margin trajectory in financial year 26-27 and 27-28?

Bejoy Arputharaj: OK. OK, so AI definitely is not affecting any of the VFX production because you know, I'm not sure if you guys have come across an article that was, you know, if you can just search for AI, Lions gate and AI in Disney. Both of them tried to implement AI to replace a lot of their filmmaking techniques, and you know other activities, but unfortunately it didn't. It was not successful because the AI needed much more training data and there is a report saying that none of the, you know, none of the if. Even if we put together all the protection houses and you know, give all the movies that is available across the world.

And train the data that is not enough to get the desired output to replace any filmmaking traditional filmmaking functionalities. So that is definitely not, you know, going to, at least in

the near future. It is not happening. It might take at least a decade for some new technology to come, and, you know, replace completely the filmmaking process or redefine how films are being made. So, I don't see any such progress happening. And. You know, the latest report say

that it is really hard to train the models with the with the available resources in the world. So that is definitely not possible.

But what is possible through AI is I think I demonstrated you. AI can be implemented into the pipeline used as a tool to increase the productivity we have, you know, figured out successful methodologies to include AI into the pipeline and you know, get better results. I mean not better results get faster results. So that is possible and there are certain things possible, like commercials. Without much of, you know, human interactions where, you know, like human expressions. So that is somewhere possible. So I'd like how I demonstrated you with the jewellery so that is somewhere possible and what I demonstrated for this event concert so that is possible. So these are all stuff that people used to go with the drone and shoot it or in a traditional studio people come and do it. But still it looks AI and it is not completely replaceable for a traditional methodology of you know filmmaking who can use this is before this, people who don't have that kind of budget, people don't have that kind of, you know, scalability to, you know, include that into their marketing budget. Now it has power way to create content like this even though it is not a production quality even. Though that is not a very convincing quality, people are settling with it because before this they didn't have an option to even, you know, do any kind of marketing for their brand. So rather than doing nothing, they feel that this is definitely helping them out.

In terms of reaching out to their clients, you know, I mean to their customers. So people are preferring to come this way, but not when a big brand comes with big concept, they are definitely you know they need a traditional shooting methodologies, traditional visual effects. So that is still there and only people who depend, you know, people who are going for lesser options, who haven't done some anything before, are going with lesser options. So this has actually widened the market.

It has not eaten away anything, but it has opened up new doors, opened up new scopes, so I will I'm very confident with the you know what we are doing right now, we are actually widening our doors. We are adding few more services into phantoms. Kitty and we are actually, you know successfully how delivered quite few films also for our clients, you know transforming us into a creative agency as well.

Vaishnavi Vaity:

OK. So, the next question is from Mr Mahabin. What is the time frame in which current orders are worth Rupees 200 CR will be completed and what would be tended to consolidate the top line for FY27?

Bejoy Arputharaj:

So, in 200 current order, you know that will be completed over the period, but other than the next questions, I think we can answer.

Anantharaman S: It's basically we are expecting for this year is around 90 to 100 crores. We will be completing from the orders. Yeah. And the FY27 will be having the balance numbers where we will start delivering that numbers because since it's a milestone basis. So, we'll be delivering on the milestone basis only. So most probably in FY27-28 will be completed.

Vaishnavi Vaity: Due to time restriction, we are closing the session. I request all the Participants.

Rohan: Ma'am Ken. Hello, ma'am. I've raised my hand since a long time. Can I just ask a couple of questions?

Vaishnavi Vaity: The Bejoy, Sir, can we take one last question?

PhantomFx: Yeah, yeah, sure, sure, sure.

Vaishnavi Vaity: OK.

Rohan: Yeah. Sir, so just a couple of questions, right. First, please is on the receivables. So, like on the receivables days, right, our number has improved significantly. If you look at it and further you have mentioned that you know collections have been good in October also. So are we seeing any structural change for us like these acquisitions have led to a positive change because of the brand value and direct contracts. Can you throw some light on that? Are we getting to negotiate, say better terms with our clients?

Bejoy Arputharaj: Yes, of course. You know, like, as I said, Phantom as an Indian company, we were not able to secure you know lot of you know international high-end projects. Before, but with Tippet's face value, we were able to, you know, reach out to all the clients across the world, even we are, you know, promoting Tippet in China as well. So that has definitely added value.

Because you know, it's a common thought. You know, India is much more cheaper than other countries. So, when we project ourselves as an Indian company, it all, you know, it already brings us the negotiation power also to the clients with us. So, they want us to do it for a very cheaper cost, but the quality has to be high and the expectations are high. But you know, with the Western companies in the as a storefront, it is definitely helping us out to sell our services in a better way and also in a more profitable way.

So, we are positioning, as I said, I know the whole purpose of bringing this PMG umbrella brand name is to position ourselves as an European American company. So, from now on, you know we will be called as PMG collectives, you know, so any? Any projects that comes our way, you know if it is a very high-end project, we'll be pitching through Tippet. And if it is something that demands tax incentives in UK or Europe, we'll be pitching through Milk for any projects that demands, you know, an affordable cost. We'll be pitching through Phantom. So, we have.

Rohan: Hmm.

Bejoy Arputharaj: Strategized our brands in such a way who is going to serve which client and what kind of project it is. But end of the day, we will be, you know, including a lot of Indian manpower to serve our clients in I mean. To make more profit margins, but that that stays within the company.

Vaishnavi Vaity: Thank you, Bejoy Sir. So, with this, we'll conclude this session. I would like to thank the management.

PhantomFx: Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

Vaishnavi Vaity: And thank you for to all the participants for joining the H1 FY26 Earnings Conference Call of Phantom Digital Effects. We truly appreciate your time and continued interest in the company for any further queries or clarification, please feel free to reach out to us at info@akmiladvisors.com on behalf of Phantom Digital Effect limited and AKMIL Strategic Advisors. you all pleasant evening. Thank you once again. Thank you for Bejoy sir.

PhantomFx: Thank you. Thank you. Thank you. Thank you. Thank you.