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To,

BSE Limited
Scrip Code: 543228

National Stock Exchange of India Limited
Symbol: ROUTE

Sub: Transcript of the earnings conference call for the quarter and nine months ended December 31, 2025.

Dear Sir/Madam,

We are enclosing herewith copy of the transcript of the Company's Q3 FY26 earnings conference call dated Tuesday, February 10, 2026.

The transcript is also available on the Company's website under the Investors section at:

<https://rotemobile.com/compliance/2026/Route-Mobile-Ltd-Q3-FY26-Earnings-Call-Transcript.pdf>

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

You are requested to take the above information on record.

Thanking you,
For **Route Mobile Limited**

Tejas Shah
Company Secretary & Compliance Officer
ICSI Membership No.: A34829

Encl: a/a



Route Mobile Limited
Q3 & 9MFY'26 Earnings Conference Call
February 10th, 2026

Management:

1. Mr. Rajdipkumar Gupta - Managing Director
2. Mr. Tushar Agnihotri - Chief Executive Officer
3. Mr. Vinay Binyala - Chief Strategy Officer and Investor Relations Officer
4. Mr. Raj Gill - Group Chief Financial Officer.

Route Mobile Limited
Q3 & 9MFY26 Earnings Conference Call
February 10th, 2026

Moderator: Good evening, ladies and gentlemen, I am Mike, the moderator for this conference. Welcome to the conference call of Route Mobile Limited arranged by Concept Investor Relations to discuss its Q3 & 9M FY'26 results.

We have with us today Mr. Rajdipkumar Gupta - Managing Director, Mr. Tushar Agnihotri - Chief Executive Officer, Mr. Vinay Binyala - Chief Strategy Officer and Investor Relations Officer and Mr. Raj Gill - Group Chief Financial Officer.

At this moment, all participants are in the listen-only mode, later we will conduct a question-and-answer session. At that time, if you have any question, please press "*" and "1" on your telephone keypad.

Before we begin, I would like to remind you that some of the statements made in today's earnings call may be forward-looking in nature and may involve certain risks and uncertainties. Kindly refer to slide number 2 of the presentation for the detailed disclaimer. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajdipkumar Gupta. Thank you and over to you.

Rajdipkumar Gupta: Thank you, Mike. Good evening, everyone and thank you for joining us today.

At the outset, I am pleased to announce an important leadership evolution at Route Mobile that will strengthen our management team and sharpen our execution as we enter the next phase of sustainable profitable growth. After successfully steering the company through its growth journey as MD and CEO, I will be transitioning from a CEO role with Tushar Agnihotri taking up the CEO position at Route Mobile. Tushar brings extensive CPaaS industry expertise complemented by the strong track record in sales and operations leadership. Tushar will drive overall company operations and accelerate our strategic initiatives for growth and profitability. While I continue to lead the strategic direction of the business, working closely together, we will translate Route Mobile and Proximus Group vision into tangible, enduring outcomes for Route Mobile, bringing greater focus and depth to our leadership team.

Coming to the performance of Q3 2025-26, the past quarter has been about resilience and disciplined execution amid our business mix transformation. While reported revenues faced pressure due to slight decline in certain low-margin international messaging flows, our core

franchise remains robust, with clear benefits emerging from our strategic focus on higher-quality, higher-margin revenue streams. What gives me particular confidence is how our strategy is materializing through concrete customer deployment in Q3. We successfully deployed WhatsApp based last-mile logistic solutions for two of the world's largest retail chains, enabling sophisticated delivery orchestration and real-time customer communication at massive scale. We also launched an automated admission process chatbot on WhatsApp for one of India's leading educational institutions, streamlining enrollment for thousands of prospective students. Additionally, we implemented a comprehensive digital ticketing and customer notification system for a major state-owned waterways company in India. These market deployments underscore the versatility and enterprise-grade scalability of our WhatsApp and omni-channel platform capabilities.

On the operator solution front, we are making tangible progress. Our firewall deployment with Claro in Latin America has now advanced to the final testing and acceptance phase, positioning us for a similar large-scale deployment with other MNO groups with operations across multiple geographies.

Overall, the business trajectory continues to be positive, superior unit economics, deepening enterprise relationships across diverse verticals, and a significantly strengthened pipeline spanning multiple geographies and use cases. We are continuously investing in the platform capabilities, strategic partnerships, and talent that will power Route Mobile's next growth phase. While upholding our commitment to profitable, sustainable value creation for all our stakeholders.

With that, I will hand it over to Tushar to introduce himself and then to Vinay to walk you through the key business developments for the quarter, followed by Raj's detailed financial review. Over to you Tushar.

Tushar Agnihotri:

Thank you so much, Rajdip. Hi everyone, this is Tushar Agnihotri. As most of you are aware, I have assumed the position of CEO of Route Mobile from February 09th. Quickly, a few words about myself. I joined Route Mobile in 2016. I completed nine and a half years at Route Mobile and largely in sales. I was initially responsible for building the domestic market for India, which we did successfully and took the same success to multiple other markets like Bangladesh, Sri Lanka, Indonesia, and others. I continue to perform my sales duties alongside the position which has been assigned to me of CEO. Before joining Route Mobile, I have worked with three telcos. I used to work with Reliance Jio before joining Route Mobile. I have worked with Tata Teleservices and Reliance Communications. Overall, I bring 30 plus years of sales and operations experience to the table, and I continue to contribute the way I have been over the years. Thank you so much. This is all from me and I hand it over to Vinay.

Vinay Binyala:

Thank you, Tushar. Good evening, everyone, and I hope you are all doing well. Thank you all for joining us today. We uploaded our quarterly earnings presentation last night and I hope you had a chance to look at it.

Let me start by walking you through the highlights of our third quarter performance. Q3 has been a quarter of strategic transformation for Route Mobile and I want to be transparent about the shifts that we are seeing in our business composition and what they mean for our future trajectory.

On the financial front, let me address the top-line performance directly. Revenue from operations has remained broadly flat sequentially or quarter-on-quarter. While on a year-on-year basis, we witnessed a decline. However, this headline number tells only part of our story and I want to provide you with the complete context behind these movements. The primary driver of the year-over-year revenue decline has been lower volumes in certain low-margin international long-distance business, the ILD business. While these revenue streams contributed to top-line volumes, we have seen some enterprises progressively reduce their A2P SMS usage as they experiment with alternative digital communication channels and in a few cases competitive pricing dynamics have made parts of this business less value accretive for us. What is particularly encouraging is that this decline in ILD revenue has been partially offset by growth in higher-margin domestic business in India and also in other key regions. We are seeing robust traction in our core domestic markets where our platform capabilities, enterprise-customer relationships and regulatory positioning provide us with sustainable competitive advantages. This shift represents exactly the kind of business mix transformation we have been working towards, moving away from volume-driven low-margin revenue towards value-driven high-margin revenue streams.

Now let me turn to what I believe is the most significant positive development for this quarter, our gross profit margin expansion. Despite the flat revenue, our gross profit margin expanded significantly this quarter. Importantly, this margin expansion has translated into absolute gross profit growth both quarter-on-quarter and year-on-year. This is a direct result of the change in business mix I just described, the replacement of some low-margin business with higher-margin domestic and regional business. It demonstrates that our focus on quality of revenue over quantity of revenue is delivering tangible results. Another factor contributing to part of the margin expansion is the seasonal expansion of gross profit margins in some regional markets such as Colombia. Q3 is typically the best quarter in terms of gross profit margins for us in this region.

From an operational standpoint, volumes have remained relatively flat quarter-on-quarter. This stability in volumes combined with margin expansion reinforces the fact that we are extracting better value from each transaction and each customer relationship. We are working towards optimizing for unit economics.

I want to be transparent about our cost structure evolution this quarter as well. The entire expansion in gross profit in absolute terms has not flown down to EBITDA. This is primarily due to two factors. First, an increase in the operating expenses that support our product development and go-to-market initiatives. And second, salary increments that have led to incremental workforce operating expenses year-on-year. These workforce investments reflect our commitment to retaining top talent in an increasingly competitive market for technology and sales professionals. Our people continue to be the most valuable asset of the organization and the investments in the workforce are necessary to maintain the quality and stability of our team as we execute our transformation strategy. While they impact EBITDA in the near term, we view these as essential investments in our long-term capability building. Also, shared management services between Route Mobile and Proximus Global have marginally impacted EBITDA negatively. Raj will run through the details on the same as he talks about the numbers in more detail.

I am pleased to report that our profit after tax margins have remained steady. This demonstrates our ability to maintain bottom line profitability even as we make necessary investments in the business and navigate significant changes in our revenue composition.

Beyond the financial metrics, we continue to make strong progress on our strategic initiatives that we have discussed over the past few quarters. Our new product portfolio continues to gain traction in the market. Rajdip highlighted a few key customers that we have onboarded in the past quarter. We are seeing increasing adoption of our omni-channel communication solutions, RCS messaging capabilities and WhatsApp business API integration. These products command premium pricing as compared to our traditional SMS-based services and they represent the future growth drivers of our business. We have tracked 14.5% Y-o-Y growth in revenue from new products in the nine months ended December 31, 2025 versus nine months ended December 31, 2024.

Despite the slight decline in revenue from new products in Q3 versus Q2, 2025-26, which is largely attributable to a situation with specific large customers, we continue to build a strong pipeline to grow this business segment significantly. Our partnership ecosystem continues to deepen. The relationships we have built with global system integrators and technology partners open doors to enterprise customers who require sophisticated integrated communication solutions. These partnerships allow us to participate in larger, more strategic deals with better margin profiles. In Q3, we have expanded our customer pipeline in partnership with Infosys and Tech Mahindra.

On the network API front, our engagement with the Konera initiative within Proximus Global continues to evolve. We are positioning ourselves at the forefront of the emerging telecom API ecosystem, which we believe will be a significant growth area as enterprises increasingly seek to leverage telecom-driven data solutions to secure, simplify and enhance customer engagement and experience. We are aligning with major MNOs, with whom we have long-

standing relationships in India and other emerging markets, to drive the network API development and go-to-market initiatives.

To summarize Q3 25-26, we have executed a strategic business mix transformation, replacing certain low-margin international businesses with higher-margin domestic and regional businesses. We have delivered significant gross margin expansion and maintained steady PAT margins despite increasing operating investments. And we have continued to advance our strategic initiatives across new products, partnerships and emerging technology platforms.

With that, I will now hand it over to Raj to walk you through the detailed financial performance. Over to you, Raj.

Raj Gill:

Thank you, Vinay, and good evening, everybody. I will summarize our financial and operating performance during the quarter ending December 2025, before opening the call to Q&A.

As described by Rajdip and Vinay, the standout metric has been our gross profit and margin performance, which has grown in absolute and on a percentage basis. This is testament to our advantaged mix of markets and customer base, along with a keen focus on routing strategy.

Our Q3 revenue from operations was 1071 million INR, which is lower by 6.5% year-on-year and 1.1% sequentially. This is largely due to the volumes in certain low-margin international long-distance business and structural SMS market impacts. But this is partially offset by growth in non-SMS products and particularly strong growth in the Masivian. In Q3, we reported a gross profit of 2712 million INR, representing an 8.6% increase year-over-year and a 9.8% growth compared to the previous quarter. This is due to gross margin expansion, which I will come on to next. Gross profit margin for the quarter stood at 24.5%, a 340-basis point improvement over last year and sequentially higher than the 22.1% achieved in the previous quarter. This is one of our highest quarterly margins performances. This upward trend reflects our strategic focus on optimizing customer mix and onboarding high-margin accounts, enhanced routing strategies, reinforcing our commitment to profitable growth and long-term value creation. On a reported basis, we constrained OPEX growth to plus 4% year-on-year mainly due to non-recurrence of prior year long-term incentive plans and foreign exchange movements. However, on a like-for-like adjusted basis, OPEX is up 10% due to trade receivables write-offs and salary increments, but again partially offset by cost savings from lower headcount. Adjusted EBITDA for Q3 increased by 3.5% to 1429 million and increased by 7.2% versus the previous quarter due to gross margin performance described earlier. This all contributes to an adjusted EBITDA margin of 12.9%, which is higher by 120 basis points versus prior year and sequentially higher than the 11.9% seen in the previous quarter. Adjusted profit after tax was 1026 million, which is up 2.2% sequentially and higher by plus 20% year-on-year proven by EBITDA flow-through, stable foreign exchange movements and lower finance costs as a result of prior external debt that has been paid off.

I will now hand over to the moderator for the Q&A section.

Moderator: Thank you. We will now begin the question-and-answer session. We have the first question from the line of Jyoti Singh from Arihant Capital. Please go ahead.

Jyoti Singh: Yes. Hi. Thank you for the opportunity. I wanted to understand a few things. Given Q3 revenue that was largely soft, but the margin recovery that we have seen, should we expect, we are targeting for the margin or more of a growth-led recovery? And another on the transaction side, so our billable around 129.5 billion as per nine months, which is 11% up, but revenue only up 3.6%. So, how should we think about pricing per transaction going forward? And third, what level of net new client addition and wallet share expansion is required to return to maintain revenue growth? These three points I wanted to understand. Thank you.

Vinay Binyala: Sure. So, Jyoti, let me take that. So, first, let me address the easy one on the volume versus revenue growth. So, as we mentioned during the commentary and even the last quarter, we have seen certain shift of business from ILD to domestic. And the price points for India ILD versus India domestic is significant. So, to replace a certain value of ILD business, the volumes required on domestic are significantly higher. So, you will see larger volumes coming in at a lower price point. But in a lot of cases, because that is a domestic enterprise business, we typically gain higher margins on that business as well. So, that kind of explains the volume-revenue ratio. In terms of how would this be sustainable and what is our focus? So, obviously our essential goal is to keep growing the margins in absolute terms. And because it generates ROI for the company, that is the main objective and generates significant cash flows. So, that has always been the focus of the company. And plus, if we are able to maintain the OPEX at the levels where we are and expand the gross profit margin in absolute terms, we will see EBITDA expansion. So, the idea is moving forward, if ILD business starts reviving and even if we get a larger customer which is marginally lower gross profit as compared to the portfolio, if it makes strategic sense, if it is a sustainable business, we would not shy away from taking it unless it is absolutely impossible to service that customer without, so to put it briefly, if it tends to be a loss-making account, obviously we would want to stay away from it but if it makes reasonable profit and if it is sustainable at a certain level, we would definitely want to onboard that business for the operating leverage that we can generate out of it.

In terms of the net new client addition, we are witnessing customer-onboarding. We are adding new customers. As we mentioned, even on the new products, we have added a few reputed brands in the past quarter. And even in certain areas like transport and ticketing, we have deployed our solutions in multiple geographies now. So, we are witnessing customer-onboarding. In terms of reviving to double-digit growth rates, it is a little early to give guidance on that. But we will certainly come back to the investors very soon on that point. So, we have certain strategic sessions planned out over this month and early part of March. So, we will soon be able to come back with specific, defined guidance in terms of how the business will scale up from here. I hope that addresses your queries.

Jyoti Singh: Yes sir.

Rajdipkumar Gupta: Jyoti, just to add to Vinay's answer, I think probably in coming quarters, we will always be able to focus on growth for sure. Along with that, it is also very important to focus more on quality customers than the quantity customers because for us, it is very critical to maintain our EBIT margin along with the GP. So, we are working towards adding new customers domestically and internationally as well. So, when you say ILD business, but apart from ILD, I think our global international business is also growing. So, we are focusing more on our customers who are looking out for a solution and they believe in our product. And I think that is the kind of story which we want to build. And I think quantity against quality is what we want to focus on quality customers now.

Jyoti Singh: Sure. And sir, if we can guide on the margin expansion side and revenue growth side?

Rajdipkumar Gupta: As far as the guidance is concerned, as Vinay has mentioned, we will come up with some numbers soon. But right now, we may not be able to give any guidance. But what you can understand from the last two quarters, if you see, are some of the changes we have made in our customer mix. And we let go certain customers deliberately to make sure they are not hitting our gross profit and EBIT margin. And probably in coming quarters, we may come up with the guidance. But right now, I might not be able to give you the guidance.

Jyoti Singh: Okay. Thank you, sir. And just a last question. Like I am getting a lot of buzz around the delisting of Route Mobile. So, just wanted to confirm nothing from our side.

Rajdipkumar Gupta: See, that is a totally complete rumor. And there is no, as a Proximus Global, we have no intention to delist Route Mobile. Route Mobile will continue as a listed company. And we are very much committed to our minority shareholders. And, what I can tell you right now is there is no intention of delisting Route Mobile in future as well.

Jyoti Singh: Thank you so much, sir, for the clarification.

Moderator: Thank you. We have the next question from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Yes, sir. Thanks for the opportunity. So, my first question is in terms of the focus that we are having for the margin expansion and not focusing on the lower margin business. So, where we are in that journey? So, what proportion of our business still is lower margin? And where we are in that journey in the sense that how many more quarters we will take to restructure? And this restructuring in terms of the mix is largely technology-led, geography-led or client-led? So, that is the first question. Maybe I can ask the second one after this.

Vinay Binyala:

Sure. So, Amit, I can start and then Rajdip can probably add in. So, you know, the change in margin that we are seeing is primarily two factors. One is in India we are seeing some ILD business, slight decline in the ILD business in India, which is getting replaced to some extent with domestic India business. And also, in the rest of the world domestic customers in the UAE and Colombia where margins are relatively higher. We have ongoing customers in those markets as well. So, it is a mix of both. In a specific market, it is a mix of inbound traffic, whether it is domestic or international. And also, in terms of geographic mix, we are seeing domestic customer growth in other markets as well. In terms of your question regarding how long will this continue? So, I mean, in the last few months, we have not seen significant trends. It is a mix of certain aggregators who are bringing in certain international volumes into our platform where we have seen some dip. In terms of enterprise customers, we are not aggressively taking off enterprise customers on the ILD piece because there we are still retaining some of our customers. And we believe at these levels; the margin is fairly healthy. And as I mentioned earlier, if you are able to get large customers, reputed customers with sustainable business, we would still consider the business even if it is marginally below the portfolio gross profit level. So, it is a mix of how do we want to build a sustainable, scalable business versus do we want to purely focus on margin expansion. Okay.

Rajdipkumar Gupta:

Amit, Hi.

Amit Chandra:

Yes, sir.

Rajdipkumar Gupta:

Amit, I think I have already, I think in last earning calls also I have mentioned there are two verticals we really want to focus, like telco and enterprise segment. So, we are also putting lots of effort and energy towards the telco business where we really believe that firewall business along with the map server, CPaaS in a Box which is more of a product-oriented solution for operators, is something what we are really focusing on. And with the Claro deal which we have already closed, going live in March, you will see the growth in our revenue because of that as well. And there are many, a few more larger deals we are closing in coming months down the line where the firewall deals are very lucrative in terms of margin as well. So, I think enterprise and telco are two separate businesses, like and this is exactly how we are trying to focus on our product roadmap as well, like we have separated our teams. So, one team focusing completely on telco side of the business, one team focusing on enterprise side of the business. And in coming quarters, I think revenue growth is definitely we will work on along with the higher margin. As Vinay mentioned, the current margins are also healthy, and we will try to improve more on that as well what we have achieved in previous quarter.

Amit Chandra:

Okay sir. Thanks for the clarification. And secondly, more a broader question on the ILD piece. Obviously, we are having a higher proportion of revenues from the ILD stream. And as you mentioned in the last calls also that this stream has almost stabilized. But how do you see the terminal risk to this business wherein most of the larger enterprise customers globally are shifting to alternate channels because of the higher ILD prices. And like most of the larger ones,

they have already shifted. And now the existing volumes which are there, what is the relevance in terms of the stickiness of these volumes? Maybe from a more long-term perspective or we want to totally pivot from ILD to.....

Rajdipkumar Gupta:

Amit, so, there is no impact completely on the ILD business. We also let go certain ILD business which are very low margin. Okay. So, it is something also you need to understand. We really focus on our margin and GP right now. And we also let go certain smaller customers who are aggregator, who are too demanding and they were looking for the lower margin for ILD traffic which we said no. And we let go that kind of traffic as well. What Vinay trying to highlight is there is a direct enterprise coming and then even not little lower than or total actual GP, we will entertain them. But I think those aggregators who are sending traffic to us for ILD traffic, we let those traffic go from our portfolio so that we are not entertaining those guys especially on ILD as well. So, as far as the enterprise traffic is concerned, it is very much there in our platform right now. There is a little bit declined by certain customers that they are moving from channel A to channel B, but definitely we are also in talks with those customers to use our channel, other channel like RCS and WhatsApp in terms they are trying to explore this channel.

Amit Chandra:

Sir, obviously the question is in sync with what you are saying. So, the next growth driver is obviously the OTT channel which is WhatsApp, RCS and the platform that you talked about. So, where we are in that journey, obviously the segment that we report in terms of new growth area, there we are not seeing that kind of growth which is getting reflected there. So, how is your adoption there, where we are in that journey, what kind of growth we can expect from the platform right now?

Rajdipkumar Gupta:

So, if you see the nine-month growth, it is a 14% growth, nine month year-on-year comparison if you see on the new product growth. There is certain traffic we have seen in the previous quarter. It was just the starting of the festive season that has also let certain volume increase by certain customers on OTT channel. But as a company, platform-wise, I think we are very much there with all the capabilities required to serve any large enterprise customer whether it is email, SMS, WhatsApp or RCS. So, I do not think there is any challenge in that type with the current pipeline which we have on the new product line. Now, Tushar coming and taking over as a CEO, he has definitely lots of inroads and insight about the Indian market and some of the neighboring markets like Bangladesh and Sri Lanka and Philippines. And we believe market like Bangladesh and Philippines are also going to contribute a lot on this new channel for us.

Amit Chandra:

Okay. And the last question, where we are in terms of the Vodafone deal that we signed, what is the revenue contribution and are we above the MRC or the Minimum Revenue Commitment that we had with Vodafone? So, if you can give some light on that. So, at the time we onboarded, we had very aggressive targets in terms of the revenue from that deal. So, what changed and where we are currently?

Rajdipkumar Gupta: So, Amit as I mentioned, we are always going to now focus more on EBIT margin growth and GP growth and we will probably try to avoid such deals in future. Our Vodafone deal is going to, I think, consumed by the end of March. And if there is any deal with Vodafone in future, we will have two separate deals, one for the firewall, one for the SMS. So, it is not going to be merged as one combined deal. That is what I can tell you. But if we do a firewall deal, it will be separate. Then it is going to be 100% margin option for a firewall. And SMS will be a different deal if we do with Vodafone. But I can assure you one thing in future, if we do any deal with VI, it will be two separate deals, one for firewall, one for SMS. But we will keep in mind that we are not going to dilute our gross profit margin because of that deal.

Vinay Binyala: And Amit, just to add to what Rajdip said, on the previous deal, we do not have any delay. We are covered on that deal in terms of the commitment that we had; we are covered.

Amit Chandra: Okay sir. Thank you and all the best.

Rajdipkumar Gupta: Thank you.

Moderator: Thank you. We have the next question on the line of Kevin Gandhi from CapGrow Capital. Please go ahead.

Kevin Gandhi: Hello. Thanks for taking my question. I hope my voice is audible.

Vinay Binyala: Yes, you can continue.

Kevin Gandhi: Just wanted to know that even though the volumes are increasing, the revenue is quite on the decline on the ILD side. Just wanted to know what is the industry growth rate across the globe? Is that we are losing any market share or the total industry size of ILD is declining? And also, just a second question about the VI deal. So, what is the total revenue potential of this total deal? Yes, thank you.

Rajdipkumar Gupta: Kevin, as we speak, there is no new deal has been signed between VI and Route Mobile as of now. That is the only thing I can share with you. As far as the revenue potential is concerned, since there is no deal, we have no clarity about any revenue potential. Vinay, do you want to take the first question?

Vinay Binyala: Yes, sure. So, Kevin, just on VI, so it is more of a supplier deal where we pay VI for using SMS on their network. So, revenue comes from the enterprises which we service. And with VI, we have a deal where we have made certain commitments in terms of how much volume we will use on their network. So, there is no revenue from VI as such. It is more of usage of the VI network. In terms of your question regarding the ILD market size and our market share, so as we mentioned earlier, we continue to hold on to enterprises that we are servicing. We have lost certain aggregator business, which was either a decline in the aggregator's own volumes

or in some cases, in a very few cases, there was some competitive dynamics. So, what we believe and what we are seeing is it is not really a decline in market share. It is a situation where there is a slight shift in channels of communication and enterprises are experimenting with various things. And whenever they are deciding on a particular way in which they want to work, so for example, there is a very large global tech firm which decided to move from SMS to RCS and we are servicing them on RCS now. So, those kinds of trends are happening where we are seeing certain shifts in volume which could be temporary. There might be some volumes which might be lost, but it is not that we are losing market share and somebody is taking away those customers from us. It is more of a dynamic market situation right now.

Kevin Gandhi:

Okay, understood. Okay, so just a follow-up question on your answer. So, basically since ILD is such a big component of our revenue, even though the new product revenue trajectory is not taking over the ILD business, can we expect the ILD realization to actually improve over time? Like we have seen some stability, but do we expect the realization to again quite improve over time?

Vinay Binyala:

So, I think Kevin Rajdip also touched upon this point earlier. And also, I mentioned that some of these enterprises are coming back to us when they decide on a particular channel. So, the way it works is if you need a partner who can support you on let us say for example RCS. Now for whatever reason, if a subscriber is not able to receive an RCS message because of the nature of handset or is not able to receive a WhatsApp message because of non-availability of data connection, then you need a CPaaS partner who can trigger a fallback on SMS. So, you need a partner who can provide all channels of communication, who can support you in multiple geographies. And that is where we score a strong point with such kind of large global enterprises. So, whenever there is an ILD business, we are able to still garner it. On the back of it, the VI deals which we refer to makes us fairly competitive in the market on such deals. So, that is where we are able to play a very strong hand when it comes to ILD.

Kevin Gandhi:

Okay. Got it. Thank you.

Moderator:

Thank you. We have the next question on the line of Jimit from Emkay. Please go ahead.

Jimit:

Just a couple of questions. First is, can you shed some light in terms of how the CPaaS market size in India and across channels has evolved? Like how it is today versus how it was three years back? Just a broad color in terms of how it has evolved over the years. That is the first part. The second part that I wanted to understand is what could be our new product's revenue split between India and say outside India? So, if you can share some details on that. And third is with respect to new products itself. So, new products or even what we see in OTT, our revenue has grown by around 11% in Q3 and that is around 8% of revenue, total revenue. And one of our peers we see has reported around 31% of revenue from OTT channels and that is over 50% growth in Q3 itself. So, are we losing some sort of share? So, is that reading correct or if you

can help us correct the reading that we can have from the data? Thanks. That is the three questions that I wanted to understand.

Rajdipkumar Gupta:

Let me start with market and adoption. The digital adoption in various emerging countries is growing every single day as we speak. And we believe that Tier-3, Tier-4 cities will contribute more in coming days down the line for the growth of digital channel adoption. And that is what the whole trend we can see right now. Digital communication, the digital transactions are growing every single day in domestic market. So, as we speak, we are not just focused on India as one market. Along with that, we have a market like Bangladesh, Sri Lanka, we have Philippines, we have UAE, Saudi Arabia, Colombia and Nigeria where we see the domestic market growth. And I think that is definitely a high margin profile which we are maintaining. Overall, if you see the CPaaS market, the volume growth, it is happening all across the globe right now. And that is the trend we see right now. There is a little bit drop in our ILD business because this larger hyperscale's, sometimes they want to try different channels. And at the end of the day, they are using Route Mobile channel only to shift that traffic from SMS to RPS or WhatsApp. Vinay if you want to answer second one?

Vinay Binyala:

Yes. So, I think when the geography mix, Jimit, we do not publish it publicly but at this point in time, largely, there are three geographies where we are generating non-SMS or new product revenue as we call it. It is largely in India. We have a small proportion in Colombia. But if you compare it to the revenue in Colombia, it is a reasonable size of business there. And we have onboarded certain customers in the Middle East. So, unfortunately, I am not able to give you exact split of revenue by the region. But in terms of growth, except for the sequential dip, we are seeing growth across all these markets. And the platform itself is fairly comparable to the competitors that you would be referring to in India and other markets as well. So, that is overall. I mean, unfortunately, I cannot give you an exact split of the revenue by country. We will figure out a way of how to share some insight on that. But at this point in time, we need to just check how sensitive it would be from a competitive point of view. And then we can take a call on how we can share the first details with you and the investors.

Jimit:

Thank you. And if you can just elaborate more on the third aspect, which is the revenue split in terms of OTT and how it has grown for peers that we are looking at. So, is it some sort of market share shift that is happening? Or are we losing some market share? Any read through from your end?

Vinay Binyala:

Sorry, I could not hear you well. But I think you are asking how is the OTT market share. I mean, the OTT growth versus SMS growth and how are we playing in that market? Is that the question?

Rajdipkumar Gupta:

Yes, I think that is the question, Vinay. Just to let you know Jimit, our market share on ILD business is the largest in India as we speak. I think if I am not wrong, it is over 50% and we maintain that. There is a definitely drop from the hyperscalers. And they are using different

channels. And in that case, also, we are supporting those hyperscalers to use those new channels from our platform only.

Jimit:

Great. Thank you for your responses. Just if I could squeeze in two more questions. One is in terms of the gross margin expansion. So, can we expect 24.5%, which is the current quarter level, to sustain for the next quarter or coming quarters as well? Or are we aspiring a specific level to look at in terms of the margin play? And second is, I just want to understand that what specifically led to this leadership decision. And even the position of Rajdip at Proximus level intact or what is the status there? Thanks. Those are the two final questions.

Rajdikumar Gupta:

Let me answer on the leadership. And I think it is a very, very good decision made by the board. Tushar has been in the system for the last 10 years. He is one of the top performance salespersons in the entire Route Mobile story. And he understands business very well. He understands domestic as well as global business. His knowledge about business is very critical for us. And I think he will definitely drive this growth story forward as we speak. As far as my role is concerned, it is definitely going to add value to Route Mobile if I am working very closely with the Proximus Global team, where I will make sure that we get more revenue coming to Route Mobile platform from TeleSign and the BICS. So, this is definitely going to add advantage to Route Mobile in coming quarters, if you see. And as far as Tushar is concerned, it is the best choice from our side because we believe he has all ability to drive this business to the next growth.

Vinay Binyala:

So, Jimit, coming to your question on the gross profit margin sustainability, so I think we also referred to it earlier on this call. So, this quarter, there were certain drivers which could be a little seasonal in nature. So, for example, Colombia gets the highest gross profit margin in the December quarter. So, that had a marginal contribution to the gross profit margin expansion. Now to look at it, the way we look at the future is this margin obviously is driven by mix of business. If ILD contribution is to increase, and typically ILD business is large ticket. So, single customers could add up to almost 1% to 2% or even in the best case, even higher than that of the total revenue if they are able to onboard them successfully. The idea there is the percentage margin with such customers might be below the portfolio average. But the absolute gross profit that they generate helps us get a lot of ROI on the business. So, that is how we look at it. If we are able to get some large customers which may dilute the percentage margin, but you will still see absolute gross profit expansion despite the margin dilution. So, that is how we look at the business. We would not let go large sustainable opportunities even if the percentage margin is different from the portfolio. So, it could be a little dynamic to put it very briefly, but it would not be at the expense or we would not want to see a gross profit absolute degrowth in the business.

Jimit:

Perfect. That helps. Thank you so much. And best wishes to Tushar for the new venture.

Moderator: Thank you. We have the next question from Venkatesh S. an individual investor. Please go ahead.

Venkatesh S.: First of all, I would like to congratulate Mr. Tushar for being appointed as the new CEO of the company. Wishing you the best of luck. So, I wanted to know, so during our acquisition by the Belgium-based telecom operator BICS, so we were saying that TeleSign generates Rs. 3,000 crores of ILD traffic in India. And so currently I wanted to know how much of their pie is captured by Route Mobile post the acquisition.

Vinay Binyala: So, we can, I mean, TeleSign, so I will just give you a little background on how we started working with TeleSign. So, after the transaction, there was an analysis of how much traffic can TeleSign send to Route Mobile, where obviously we could offer them the best cost price. And India was definitely one market where we are drawing almost all the traffic that TeleSign sends into the country. And I think we have been disclosing this every quarter. So, till last, I think this quarter, around 12% to 13% of our total revenue, sorry, 14% of our total revenue is from TeleSign. So, that is the quantum of business we do with them, and it has been in that range over the past several quarters. And that pretty much accounts for what they would be sending into this market. So, the idea is, you know, and that is not only India, we also service them in a few other markets wherever Route Mobile is able to get the best priced routes, TeleSign sends all of that traffic into Route Mobile to capture that margin within the Proximus Global system.

Venkatesh S.: Correct. And on the current scenario which you are facing on ILD traffic, so when do you expect the situation to settle down? Because currently the differential between RCS and SMS through ILD is very huge. So, if at all RCS needs to match the price of SMS ILD, when do you think this will happen? And at that time, do you expect any stability in our business?

Vinay Binyala: Sure, so Venkatesh, that is a very fair point. And that is something that, in fact, the telecom operators in India also probably are thinking about. Because if you look at the way the industry evolved, you know, A2P pricing in India also evolved and increased. The SMS pricing in India also increased and the operators saw that as a significant revenue stream. And that entire process took longer than the operators would have liked. So, in my opinion, the RCS pricing should start getting normalized. I am sure the operators also are putting thought behind it. There are certain operational differences between RCS. I mean, the dynamics of pricing and the way money moves between operators for RCS is slightly different as compared to SMS. So, I think all of those things are getting formalized because even now it is still at a nascent stage if you look at it in terms of adoption. But operators obviously do not want to miss out on the ways. And they are evaluating what should be the right way to price it. And once that happens, we will automatically start passing through those increases with our margin on top of it to the enterprises. So, that transition will happen. And as you rightly pointed out, that will also impact the way ILD traffic is flowing into the country. We might see some traffic going back to SMS depending on how the prices play out and certain use cases coming to RCS. So, that development will happen moving forward.

Venkatesh S.: Got it. And so I just have this question on the Indian CPaaS market. So, if you look at the partner ecosystem of WhatsApp or let it be Meta, so there are a lot of partners within India and many of the enterprises or the emerging MSMEs. So, they do not require the traditional communication through SMS. So, in that case, do you see the incremental growth coming from these small enterprises going towards individual partners within the WhatsApp ecosystem?

Vinay Binyala: If I get your question right, You are trying to understand whether the smaller enterprises will work with partners for WhatsApp business messaging. Is that the question?

Venkatesh S.: Yes, because still they require a single point of communication through WhatsApp.

Vinay Binyala: Yes. So, even the larger enterprises today, except for a few largely, they are working through partners. So, the idea is, as I referred earlier, so even if you are using WhatsApp, certain use cases where you want interactive communication will want to be over WhatsApp, but traditional notifications or things like OTP, you might still want to use SMS. So, the point is, every enterprise might have a requirement for multiple channels and you as an enterprise, it is not your core business to set up communication channels and integrate with various communication channels. So, to the extent possible, you might want to have a partner who can do all of these services for you and you can avail of multiple channels through a single partner. Plus, what we also look at is partners like Route Mobile, we also offer self-serve platform where smaller enterprises can log in, they can register, they can start using the platform by just doing a simple API integration if they do not want too much customization. So, there are multiple models that we operate. Plus, what we also do is, we also partner with other marketing automation or marketing agencies because a lot of marketing communication for large and small enterprises flows through such agencies or systems. So, we become the de facto partner for these marketing or marketing automation companies and enterprises start using our channels in the backend.

Venkatesh S.: Got it. And finally, can you quantify your market share on the NLD segment within India?

Rajdipkumar Gupta: Sorry, on the which segment? Sorry?

Venkatesh S.: NLD.

Rajdipkumar Gupta: NLD segment. Yes. NLD or ILD?

Venkatesh S.: NLD segment. NLD.

Rajdipkumar Gupta: So, I think we are definitely, I can tell you as far as the volume is concerned, in the Indian market, we are part of top two guys in the country right now. Whether we are number one or number two, that we do not know, but even if we say top two, probably Route Mobile is one of them.

- Venkatesh S.:** Got it. And one of your listed peers as well, they are continuously mentioning that they are gaining wallet share from some of the peers. So, I wanted to know whether, are they mentioning us or
- Rajdipkumar Gupta:** We are not losing our market share. So, maybe they are gaining from the other competition in India. India has multiple aggregators, but as far as we are concerned, we are not losing any customer as such. And as far as the domestic market is concerned, we are maintaining our customers and we are getting volume from them.
- Venkatesh S.:** Got it. And from a competition perspective, in the other emerging markets like Middle East, so do you see the same competition as we are witnessing in India and other markets? Or do you think you have a better edge?
- Rajdipkumar Gupta:** No. Competition is everywhere, Venkatesh. Competition is everywhere.
- Venkatesh S.:** I mean the ability for you to win those customers. Do you think you have a better
- Rajdipkumar Gupta:** Indeed, yes. There are many customers we onboarded in UAE, Saudi Arabia and Kuwait, in Colombia, in Bangladesh, some of the deployment which I have already discussed at the beginning of my call. I think these all are when which we are winning because of our product superiority and there are competition everywhere as we speak, but there are certain products and the routing and the connectivity advantage we have where we create more value to the customers and probably that is why we win more customers as well in the various other markets.
- Venkatesh S.:** Got it. Thank you, I wish you best of luck.
- Rajdipkumar Gupta:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Manish, an individual investor. Please go ahead.
- Manish:** Yes. I have a few queries. So, my first query is, the partnership with Proximus has been one and a half years. So, you have still not seen the synergy that has led to the revenue growth or the profit growth. So, how long will it take?
- Rajdipkumar Gupta:** As we speak, I think because of this partnership, there are 14% of the total revenue is coming from that partnership only and we are exploring, as I said, the Claro deal which we won in Latin America is because of BICS. BICS is taking us to the various other operators where we are showcasing our product portfolio, especially on a firewall side. That is all happening because of BICS relationship with operators. Along with that, we are now working very closely with BICS on network API initiative, which is Konera initiative, which is definitely going to be the next big thing in CPaaS ecosystem. And I think these all are happening as one Proximus Global initiative.

And there are many things we are working towards self-serve and other models where I think there are lots of synergies. But if you see how we are getting that in terms of our numbers, you will see those numbers in coming quarters. But we are definitely working very closely with BICS to take advantage of their operator relationship.

Manish: Rajdip, why I had that query because if I go to the June 2024 revenues, we had Rs. 1,107 crore revenue. The same revenue is there. If the synergy is working very well, the revenue should have gone up. Right? So, I think we are still at the same point where we were one and a half years ago.

Rajdikumar Gupta: So, certain large integration and collaboration take time. Our introduction with Tech Mahindra and Infosys has all happened because of Proximus. We are working very closely with Infosys and Tech Mahindra. And there are certain deployment takes time. We want one large international customer because of Proximus and we work very closely with Tech Mahindra on that for international termination. So, I think these things are happening as we speak. Even with larger customers, partners like Infosys and TechM to integrate within their ecosystem or of Salesforce, it takes time. You will see the advantage in coming quarters as we speak. And we are working very, very closely with the team at Proximus Global to take the best advantage of their relationships.

Vinay Binyala: Between June 2024 and December 2025 also, there have been some trends in the market, Manish, where there is certain artificially generated traffic which we have referred to in some of our earnings calls. There was traffic in the market which was eliminated by the enterprises. So, there have been certain trends which have led to this situation. But as Rajdip pointed out, we have certain initiatives that we are working on which should deliver positive momentum moving forward.

Rajdikumar Gupta: And I think in the last few quarters back, Manish, few quarters back, we already announced that we lost one large OTT player for India traffic. I think two quarters back. And that customer is almost Rs. 100 crores revenue per year for Route Mobile. In spite of that, we did some kind of synergy. We worked very hard to get more customers on our portfolio to maintain this revenue. So, I think we lost some customers also because that customer directly went to the operator and they did a direct deal with the operator. In spite of that, we gained new customers. We got new customers. We worked very closely with our existing customers to get more traffic from them. All these things, synergies, all these strategies are working very well for us. And I think we are doing fairly well as far as the relationship with Proximus Global is concerned.

Manish: Thanks for that. My second query is regarding the telecom part and the enterprise part. So, I am in the telecom industry for the past 20 years. So, I would like to understand what are you working on that?

Rajdipkumar Gupta: Our firewall solution, which is deployed with various operators globally, plus the Konera initiative of network API is all solutions, plus the map server for RCS, which we have deployed with Robi Axiata in Bangladesh. I think most of the operators globally; to enable their platform for the customer to have RCS capabilities, I think they need a third-party platform like what we already have. So, I think these are some of the telecom solutions which we are talking about. And I think map server is a classic example where we will go along with BICS through various African operators along with Latin American operators where we will try to deploy this map server. And we are in talks with multiple operators to get this deployed.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I will now hand the conference over to Mr. Raj Gill for closing comments.

Raj Gill: Thank you, moderator. So, with that, we will close the call. We appreciate your continued support and we look forward to engaging with you again. Please all have a very good day and we look forward to talking to you on the next call. Thank you.

Rajdipkumar Gupta: Thank you all.

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