August 20, 2026

To,
The Manager
Listing Department
BSE Limited ("BSE")
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400 001

To,
The Manager
Listing Department
National Stock Exchange of India Limited ("NSE")
"Exchange Plaza", C/1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

BSE Scrip Code: 544799
NSE Symbol: TURTLEMINT
ISIN: INE0OC301013

Subject: Transcript of Q1 Financial Year 2026-27 ("FY 2026-27") Results Earnings Call held on Friday, August 14, 2026.

Dear Sir/Ma'am,

In reference to our intimation dated August 11, 2026, and pursuant to Regulation 30 (read with Para A of Part A of Scheduled III) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Company had organized an Earnings Call with respect to Q1 FY 2026-27 Results on Friday, August 14, 2026, at 06:30 P.M. (IST).

A copy of transcript of Q1 FY27 Earnings Call is enclosed herewith and the same has also been uploaded on the Company's website at www.turtlemint.com

This is for your information and records.

Thanking You,

Yours Faithfully,

For Turtlemint Fintech Solutions Limited
(Formerly known as Turtlemint Fintech Solutions Private Limited and Fintech Blue Solutions Private Limited)

PRASHANT SAINI
Digitally signed by PRASHANT SAINI
Date: 2026.08.20 11:14:31 +05'30'

Prashant Saini
Company Secretary & Compliance Officer
Membership No. A23769
Encl: As above

Turtlemint Fintech Solutions Limited

Q1 FY27 Earnings Conference Call

Event Date/Time	: 14/08/2026, 18.30 Hrs
Event Duration	: 44 mins

MANAGEMENT:

Mr. Dhirendra Mahyavanshi
Chairperson, Managing Director & Chief Executive Officer

Mr. Anand Prabhudesai
Executive Director & Chief Operating Officer

Mr. Badri Sanjeevi
Chief Financial Officer

Mr. Nitin Garewal
Head -Investor Relations

Moderator

Ladies and gentlemen, good evening, and welcome to the Q1 FY27 Earnings Conference Call of Turtlemint Fintech Solutions.

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Please note, this call is being recorded. I would now like to hand over the conference to Mr. Nitin Garewal, Head-Investor Relations.

Thank you. Over to you sir.

Nitin Garewal

Good evening, everyone. Welcome to Turtlemint Earnings Call for Q1 FY27.

Joining with me on the call are Mr. Dhirendra Mahyavanshi, Chairperson, MD & CEO; Mr. Anand Prabhudesai, Executive Director & COO; and Mr. Badri Sanjeevi, Chief Financial Officer.

We would like to highlight that the management may make certain statements that may be forward looking in nature. Please be advised that our actual results may differ from these statements. We do not guarantee these statements or results and are not obliged to update them at any point of time.

I'll now hand over the call to Dhirendra.

Dhirendra Mahyavanshi

Thank you, Nitin. Good evening, everyone.

I'll start with some update on the overall business, and then we will cover the details during the question session. At Turtlemint, our mission has always been simple, to make insurance easy to understand, accessible, and trusted for every Indian household.

When you look at insurance penetration in India, there is a very large opportunity ahead of us. This is particularly true in B30 and in the underserved markets where potential policyholders need, not just access to products, but also the right advice and support.

We believe the combination of technology and a strong distribution network is the right way to solve this. A big part of our growth strategy is what we call RAP, Recruit, Activate, and Produce. We recruit individuals at scale, onboard them seamlessly onto Turtlemint Pro platform, train them, and then help them become productive over time.

In Q1, we recruited more than 32,000 digital partners, taking our total DP base to about 6,90,000 plus. We continue to invest significantly in training our digital partners across product knowledge, soft skills, and marketing skills, so that they can build a long-term career in insurance.

In Q1, Turtlemint Academy, our digital training platform, had around 55,000 monthly active users. The impact of these efforts has increased engagement and activation levels in our platform. Our past three months active DPs increased to 90,791 in Q1 compared with 72,244 in the same quarter last year.

Another important part of our model is the relationship, we have built with insurance companies. We work closely with our insurance partners to help them identify new pockets of growth, while also enabling them to manage underwriting at a very granular level.

In Q1 FY27, for 17 insurance companies, our growth contribution was at least two times of the overall industry growth. If you look at the insurance purchase journey, one of the biggest challenge is actually getting and generating customer intent. This is where a significant amount of cost and investment goes. Our approach is built around solving exactly this problem.

We bring together a strong technology platform and a large network of trusted advisors who can help customers understand their requirements, compare products, and make the right insurance decision. Our policy count up to Q1 now has touched 3.1 crores.

For us, the relationship with the policyholder does not end with once the policy is sold. Insurance is fundamentally a business of trust, and that trust is required when a customer buys a policy, but it becomes even more important later when they need servicing, when the policy comes up for renewal, and more importantly, when there is a claim.

As insurance brokers, we represent the policyholder and support them across these requirements. We have therefore built our platform around the entire policy lifecycle rather than just the point of sale. During Q1, we helped policyholders settle claims amounting to more than INR 26 crores, there would have been some complexity delay or rejection. We handled around 1.5 lakh plus unique servicing requests during this quarter.

Now some key business highlights of Q1. We started FY27 on a strong note. Our platform premium grew 49% to INR 1,204 crores, large part of it comes from B30 markets. Our P3M Active grew by around 33% YoY basis. Our revenue grew by about 40% to INR 294 crores.

We saw strong growth in renewal. Our renewal revenue grew by about 66%. We stated in our earlier call that we are in the business of book building and renewal as we all know, provides annuity to the business and also provides higher margins.

Our service EBITDA grew by 89% to INR 39 crores as margins continue to expand. Our operating leverage comes from the shrinking of corporate overheads as a percentage of the revenue, and that continues to happen.

On a YoY basis, our corporate overhead as a percentage of revenue came down from 30% to 22%. Led by strong growth, margin expansion and operating leverage, our adjusted EBITDA loss as a percentage of revenue compared to last year of minus 21% is now minus 9%.

From a long-term view, our service EBITDA expansion continues through the strong renewal book that we have built and productivity gains. Our corporate overheads continue to reduce and we expect over the next four to five years for it to come below to 7-8%.

Now, I'll let Anand cover the tech and AI part, and the other initiatives that we have taken.

Anand Prabhudesai

Thank you, Dhirendra, and good evening, everyone.

I want to spend the next few minutes on a few things that are central to how we think about the next phase of Turtlemint. Cross-sell, second, our AI strategy, and finally, how we are building claims into a genuine point of differentiation.

Our cross-sell focus is on getting motor-acquired digital partners to sell health and life, and the way we drive it is through structured continuous training. We teach a new skill, deepen the capability through support of subject matter experts on live cases that the DP is working on, and then reinforce performance through feedback.

We track the cross-sell activation funnel rigorously. YoY, we have been able to grow motor-only digital partners starting to sell health by 40 plus percent. Cross sell activation is an important part of our strategy to profitably drive growth in health and life business without being in the chase for the same limited set of agents that are fiercely competed for by everyone else.

Growth for us starts with how efficiently we can bring on new digital partners onto our platform and make them productive. We have built an entirely digital onboarding journey. No paperwork, no branch visits. And through this funnel, we've recruited over 6,90,000 digital partners like we already mentioned.

We are now layering AI directly into the DP acquisition funnel. Our new DP onboarding rate continues to improve this year as compared to last year. Another success story on artificial intelligence for us has been on renewals. We have deployed voice AI agents to make calls to help customers with end-to-end renewals.

These AI-called customers show a renewal rate that is higher by 500 basis points, primarily due to stronger follow ups and use of local language by the AI. AI also now handles 55% of our support tickets. Nearly 2 million documents were fully processed using AI last quarter. AI not just is improving efficiency, but also it improves customer experience.

Across various processes, we have seen our tATs reduced by 50-60%. We are pushing AI adoption in other areas of our work that support the business. All our teams, with product, technology, marketing, content, or analytics, use Agentic AI to automate various tasks and drive better outcomes. To share one metric, in the last quarter, 75% of the new code was generated using AI.

Finally, would like to update you on what we are doing on claims because this is where we earn the right to customers trust. Dhirendra already mentioned we handled over INR 26 crores of claims in this quarter. Our claim journey is designed for zero paperwork stress, end-to-end. Once the customer reaches out, she's assisted by a dedicated claims team that connects with her and takes complete charge of processing the claim.

Customers get live claims tracking on the Turtlemint app, and we also have an expert evaluate each and every claim to deliver the best possible outcome. This expert could be a medical doctor, for example, in a health claim, and a trained surveyor for a motor claim.

We also run a regular review process with each of our insurers on claims experience for our customers to drive improvements. The claims process is supported by automation tech to improve case evaluation, tracking, and prompt turnaround to customer satisfaction.

We see significant opportunities here to differentiate ourselves from other brokers, and we will continue to push the benchmark for customer experience in this area. With that update, let me hand it now over to Badri, our CFO, who will walk you through the financial highlights of Q1 FY27.

Badri Sanjeevi

Thanks, Anand, and good evening, everyone.

Q1 FY27 has been a strong quarter in volume and revenue growth while expanding on our margins. Platform premium for the quarter was INR 1,205 crores, which has grown by 49% YoY. Our revenues for the quarter was INR 294 crores, which was a growth of 40%. Our revenue growth continues to be underpinned by growth in the active digital partner base.

Our P3M Active base, meaning rolling 90-day active, were just above 90,000 active digital partners for the quarter, which was a growth of about 30% YoY. This growth comes both from strong retention of prior recruited digital partners on our network and new recruitments in the quarter.

Our renewal revenues grew to over INR 65 crores in the quarter. Across all product categories that we sell insurance policies in, our renewal rates are significantly stronger than the industry. Service EBITDA continues to grow faster than our revenues. In Q1 FY27, service EBITDA has grown at nearly 90% to reach INR 39 crores for the quarter. This is approximately 13% of our quarterly revenues.

Costs below service EBITDA are fixed in nature, and we expect them to increase in line with inflation. These costs are primarily people costs and vendor costs. People costs relate to tech teams, corporate functional teams, certain back office operating teams, category management, and business development teams.

Vendor costs relate to our spends in marketing, tech tools, and other operating costs. These costs have increased by only 5% in Q1 FY27 to INR 66 crores for the quarter. As a percentage of revenue, it has declined from 30% in Q1 FY26 to 22% in the current quarter.

Adjusted EBITDA for the quarter was INR 26 crores loss or approximately minus 9% of revenues, and this represents about 37% absolute improvement over the prior year. For Q1 FY27, our profit after tax PAT was an loss of INR 38 crores or about minus 13% of revenues. This has improved from INR 47 crore loss for the prior year, which was nearly 22% of revenues in that year.

In summary, the key elements of our growth have been about executing on the following four operating principles. A, strong volume growth and revenues in our platform. B, continuing to grow the renewal revenues, which are a key driver for scale and profitability. C, maintain strong operating leverage in our business. D, disciplined in cash management and working capital management that keeps our cash conversion from profitability very high.

Thank you. I'll conclude my remarks. Hand back to Nitin.

Nitin Garewal

Hi. We can take the Q&A.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session.

Participants who wish to ask questions, may do so by clicking the raise hand icon at the bottom of your screen, and wait for your turn to speak. We request the participants to introduce the firm you represent and ask your question or give comments. We will wait for a moment while the question queue assembles.

The first question comes from the line of Prayesh Jain.

Prayesh Jain

Hi, team. Congrats on a good set of numbers. Just a few questions. Firstly, what brings seasonality to your business, particularly given that I think the assumption is the PoSP business is motor heavy. What kind of brings in such a strong seasonality to your business?

Dhirendra Mahyavanshi

Thanks, Prayesh, for the question. Purely from a motor industry point of view, if you look at how the market operates, H1 is about 45%, H2 is about 55%. The seasonality is driven by some festival factors, for example, OND (October, November, December) is when these are a big festival period when vehicle sales are higher, JFM (January February March) being the last quarter, the vehicle sales are higher.

We operate in the rollover or the renewal market. When these vehicles come for renewal and that's when we get the business. It follows from there. Basically, that's how the market is. Q1 for the market usually is about 16-18% lesser than the Q4 market, and which is what we see in our business also.

Having said that, if you were to look at YoY growth or Q1 over Q1, we have, like, for example, health has grown at about 45% plus. Term life has grown at about 60% plus. This continue to grow even though Q1 is lesser compared to Q4. But you will see this, like we discussed in the last call, Q2 will be bigger than Q1, Q3 will be bigger than Q2, and Q4 obviously will be the largest quarter for the year.

Prayesh Jain

You think health has grown at 45, but your overall premium growth has been 50%. So, life is driving and volume motor is driving because health either way is a small portion. The motor growth still remains to be very strong upwards of, say, 50%, right? That's a good conclusion.

Dhirendra Mahyavanshi

Yeah. It has both the factors of PoSP growth and also the platform premium, we also launched on Turtlefin one new platform with one new partner, and so that has also helped us in our growth.

Prayesh Jain

Got it. Second question is on the take rate. That is primarily because of the stronger revenue, stronger growth on the renewal business, right? Nothing else that has impacted the take rates, right? Or is it also some GST element? Anything of that sort?

Dhirendra Mahyavanshi

No impact. Take rates are more or less similar of what it was before.

Prayesh Jain

Basically, it's a mix of renewal versus fresh. That's the only change.

Dhirendra Mahyavanshi

Yeah.

Prayesh Jain

Right. The other element is, if I look at the cost, right? You know, if you just do us some back of the envelope calculations, overall other expenses have gone up by 35%, right? Cost per DP seems to be increasing by 12%. Why is that so?

Badri Sanjeevi

Okay. When you look at other expenses, that includes all the costs, including the PoSP commission, Prayesh. The way to kind of really understand as we present in service EBITDA terms is that if you see service EBITDA last year as versus this year, we have improved it by about 3% points.

Now this includes a combination of productivity gains that we see from our frontline and sales employees, and also what optimizations we're able to do and improve on the commission costs that we incur. Roughly out of the 3% improvement in service EBITDA from last year to this year, roughly 2% of it comes from the non-commission operating cost, which is all the people cost and the tech cost that we have above service EBITDA, and the remaining 1% also comes from the commission cost. That is the way it's been.

Otherwise, your overall comment of saying that other expenses have grown. Of course, there is volume driven increase, which, of course, commission costs have increased in line with top line. That really is what determines that particular percentage that you spoke about. Hope that was clear.

Prayesh Jain

Yeah. That's pretty much helpful. The other question is on the regulations part. You have the Motor TP pricing element that was suggested by the Supreme Court, do you think that could have a meaningful impact on your business on the renewal part particularly?

The other question again, probably you know this has been discussed even in the previous call, but just to put this, the commission regulations if it comes through. Now, for example, you have a INR 100 of premium today, and you have a take rate of -- on INR 100 and out of that, you're paying INR 70 as sharing with the distributors.

Now, so you're earning 30 net of the sharing. If the commissions are, say, cut by some percentage points, you maintain the ratio, or do you also take a hit? How does this happen? How would you think about this? I'm sure there is still uncertainty about whether commissions are being cut or not. But just hypothetically, if for some reason, even at the time of GST, the commission were cuts. You can kind of maintain your margins and let the distributor take the full hit, or you also took some hit? How did that happen in the at the time of GST? These are my last two questions. Thanks.

Dhirendra Mahyavanshi

Prayesh, related to the Supreme Court judgment that has come out, there are two parts to that. One is the higher TP reserving that the insurance company will do. That is a little sort of, right now, what we hear from the insurance companies is that other than ICICI Lombard and maybe one more insurance company, other insurance companies are waiting for the GIC's appeal (GI counsel's appeal) in the Supreme Court and waiting to hear the outcome of it before they look at their provisioning. The ramification or the impact of the industry are yet to be ascertained.

But from the seriousness of getting all the vehicles insured point of view, it is definitely sort of a very important point because, like, we all know more than 55% of the vehicles are uninsured even for TP, which is where a distribution platform like us come in play, where we are able to carry out this distribution in the last mile even those markets where the TP penetrations are very, very low.

Now, if there is an implementation of a policy, like, for example, denial of fuel is one of the thing that is being suggested, that if anybody without a TP policy should not be given fuel and bring some kind of control. What we have seen in the past is when this two-wheeler fines were implemented in 2019, the awareness of this requirement for a TP policy goes up significantly and the demand shoots up. Then you see a surge in the number of policies that are getting insured on the platform.

Both coupled with the distribution network and the increased awareness; it creates a massive tailwind. Whenever it happens, we are little waiting for some kind of movement there, but I think there could be a lot of action in terms of how much growth we can see, driven by this particular initiative.

From a regulatory, again, I've asked this even in the last call and many during many conversations. It's a bit speculative, so we do not know. The key principle is that insurance is a business of distribution, and tech is the right way to create that distribution through the last mile advisory network. That is something that we have built.

The government is definitely, there's no doubt about this fact that insurance penetration has to be increased and everybody in the country needs to be insured. That is definitely agenda or part of the developmental agenda. And the industry is large and there's a massive opportunity here. We'll continue to grow and continue to execute.

The economics, we will see how the economics play out. At least the health example is available in front of us where we have had now at least three full quarters of the GST reset related to commission. The overall absolute value in terms of revenue, we have seen growth and we continue to see the growth.

Even on the margin levels, we continue to see good growth. The way we had operated that time was whatever reset happened in the market, that reset was passed down, but we also saw increase in the volume in terms of how much business started happening on the platform, and that led to growth in both the categories of product that were impacted life and health.

We are assuming that is what will play out. Obviously, once we have more clarity is when we will know our strategy and we will decide what should be done.

Prayesh Jain

Got that. Just last slipping in one more. Any mix that you want to share on fresh and renewal, whether premium or revenues, whatever you can share?

Dhirendra Mahyavanshi

Renewal revenue last year was 19%. This year, it has gone up to 22% in Q1.

Prayesh Jain

Revenue. Thanks. All the best.

Moderator

Thank you. We have the next question from the line of Aditya Miglani. Please go ahead.

Aditya Miglani

Hi. Am I audible?

Moderator

Yes, sir. You're audible.

Aditya Miglani

Hi, team. Congratulations on the great results. I have two questions on my end. Firstly, I was just trying to reconcile the bridge from 13% service EBITDA margins that we have, or at least as of FY26 to the 24-25% margins in four to five years that was guided by you, I believe, in last quarter. If I assume our take rate to be constant, I believe the biggest lever that we have on our hand is the customer acquisition cost, right? Since that makes up around 90% of our variable costs and currently around 80% of our revenue from operations.

If I just do the math on how we get to those margins, from 80% of revenue from operations, it will have to drop down to around 70-72% of revenue. My question is, is it the case that PoSP partners are paid out lower for renewal versus new premiums, and that is how the customer acquisition cost goes down as our renewal book is scaling, or is it a function of some other cost here that we are seeing here?

Dhirendra Mahyavanshi

We have seen our service EBITDA expand. I mean, if you look at our DRHP, we were at about minus 12% in FY23 that went to plus 12, and now we are at about 13-14%. While the growth has happened, right, so we will continue to grow. This large part of this expansion happens by the renewal book building that happens. Renewal from a service EBITDA point of view, if I were to compare renewal service EBITDA to new service EBITDA, renewal service EBITDA is about 2.5 times to 3 times higher than the new service EBITDA. Now why is that so?

One is that the CAC itself is lower. In the market, there is a certain behavior at the time of renewal that happens in terms of how much costs are incurred from a CAC or a payout point of view. There it's a function of the market. The market itself has a lesser cost at the time of renewal.

Second is that we accrue more benefits as we have a better loss ratio, better terms with the insurance companies around the renewal book, better persistency, we get some additional benefits. These two factors combined largely improves our renewal margin and as the share of the renewal, like, for example, in this quarter also, renewal growth has been about 66%. That drives increase in the service EBITDA expansion. We expect the service EBITDA in the near term from about 2% improvement in the near term, about 16, then 18, and then that's how it goes to about 23 to 24 as the renewal book expansion keeps building.

Aditya Miglani

Got it. When you say CAC is lower, I believe Customer Acquisition Cost mostly is just commission expenses to PoSP. Am I right in thinking that commission expense being lower as the renewal book grows is basically, somewhat lower payout from renewal premiums versus new premiums? Is that a correct way to think about this?

Dhirendra Mahyavanshi

I'll explain this. Service EBITDA has two, three components. One is the cost of commission. Second is any cost of direct marketing that we would have done to create that transaction.

Third is the entire salesforce cost. Fourth is all the direct tech APIs that are getting used. After subtracting all of that from the revenue, we arrive at the service EBITDA. In a renewal business, our cost around the sales effort is almost negligible. Like we just mentioned, now a lot of the renewals we are doing through direct AI renewal calling.

Second, the other support that we need to ensure that the business happens in new versus renewal, renewal is almost negligible is about 0.2%. The only cost that remains is the payout that goes, there's no marketing in renewal that is to be done.

Only cost that is the payout. Now by virtue of all of this cost going down, anyway, the ratio of that payout becomes lesser, the cost becomes lesser. Generally, in the market for renewal, the cost structures are lesser for us at the time of when we are renewing the policy.

I hope I have explained.

Aditya Miglani

Sure. One more question I have. Probably, again, I'm just doing back of the annual calculations of FY26 numbers that I have. Probably, if I just look at our new versus renewal revenues, I think, ballpark, I'm seeing service EBITDA margins being around roughly 10% for our new revenue and 26% for our renewal sort of book.

If you just look at our somewhat long-term guidance, I think this would imply our renewal book or possibly renewal revenue as a percentage of overall revenue going to about 70-80% over the next four to five years. Right now, I believe it is around 20%. How do you see renewal revenue basically scaling up as a percentage of overall revenue, say, in the next four to five years?

Badri Sanjeevi

Aditya, I'm not able to confirm the exact numbers, but I'll try and kind of help with some of the ways in which we think about growth and renewal revenues. For example, renewal revenues this quarter has actually grown by about 66% over the prior Year.

That is significantly faster than the growth in the new revenues. I think that we certainly expect. Why this happens is also because of all the efforts we put in improving the renewal rates across all the asset classes that we ensure. I think that is fundamentally the most important point.

Second is that if we kind of while we don't give this data out, you're not far off from some of the points you said. Even today, if you look at our premiums on renewal, nearly half of, let's say, our renewal premiums are coming actually from, let's say, health and life businesses that we have.

Some of this cue that you mentioned that, over time, will your renewal share of your business keep increasing. We're really seeing that already in our premium business, and it should kind of reach those kinds of percentages that you speak about. Some of the other service EBITDA numbers that you mentioned for new and renewal, we can maybe talk about it or update in the next call maybe.

Overall to confirm to you, are growing much faster than new business in renewals. Second, we are also that our premium shape is also showing that renewals where premium is higher. Finally, just one other point I can add is that what Dhirendra just mentioned that in how we negotiate our commissions and rewards and etc., from our insurance companies, we obviously get paid for scale, we get paid for quality, and so on and so forth.

One of the key quality metrics also centers around what renewal rates and loss ratios we're able to drive for our insurance customers. So, where we get some differential incentives and so on from insurance companies, that also becomes margin accretive for us. At this minute I think these are the three key points. I just wanted to highlight what right the renewal margin over time.

Aditya Miglani

Sure. Just as a one last question, basically, for better outcomes for the insurers and for better sort of, I might say persistency, displayed by the platform. Possibly, one angle was the cost side that we just discussed, but the other angle is that the take rate itself might go up because of this, right? That is on the revenue side then.

Badri Sanjeevi

That's fine, yeah.

Aditya Miglani

Got it. Thank you so much. That was my last question.

Moderator

Thank you. Participants who wish to ask questions, may do so by clicking the raise hand icon at the bottom of your screen and wait for your turn to speak. We request the participants to introduce yourself and introduce the firm you represent and ask your question or give comments. The next question comes from the line of Ansuman Deb.

Ansuman Deb

Hi. Am I audible?

Badri Sanjeevi

Yes.

Moderator

Yes, sir. You're audible.

Ansuman Deb

Hi. This is Ansuman from ICICI Securities. My question was on the productivity. One of the big levers which we think can happen is the improvement in productivity.

Into that end, if you can give some description about the recent cohort of hires that you have done, DP hires that you have done maybe in the last one year and in the last two, three years, how the productivity is planning up recently?

What gives you some kind of confidence that this will keep on growing because that can be a significant growth driver, in our business? That is question number one. Question number two, you made very interesting points on AI, on how you think your AI is helping in your costs.

In your mind, whatever EBITDA margin you were thinking which you can achieve, let's say, in FY28 or FY29 or FY30, that have a positive surprise driven by the AI initiatives that you are doing, at least your initial sense on that? These are the two questions.

Badri Sanjeevi

I'll take the first one, Ansuman, and then hand over to Anand to help in the AI question. Ansuman, yeah, it's a great question in terms of improvement in productivity. Across all the cohorts, whether they are digital partners who onboard on the platform six, seven, or even eight, nine years ago, or those who have joined the platform last year, across every cohort, we continue to see our cohorts perform better as compared to the prior years.

This is driven by the fact that each cohort, we support the DPs through the renewals of their existing policies they have, or we help in the cross-sell agenda that Anand spoke about, or even through inflation in the insurance policies YoY also, the premium does grow.

Even for Q1, if I can just highlight two numbers anyway disclosed now, which is like. while our revenues have grown by about 40%, we also highlighted that our P3M Active base has grown by about 30 - 32%.

This itself shows that while the P3M Active base has grown by 30-32, and the difference is all contributed by productivity improvement from our existing cohorts of digital partners, which includes last year's new who would have produced this year as well, which was a specific point that you made. Just to confirm, it's not just last year's new to this year, across all the older cohorts also, we see improvement.

Anand Prabhudesai

AI and what impact it can have on EBITDA in the long run, definitely, we see a lot of opportunity. We're using AI in two, three ways. One is, of course, automating our business processes, and there, we are able to drive cost savings. But the bigger opportunity is in using AI to drive growth. We have recently done some work in terms of using AI to improve the onboarding experience for our partners, make it more customized.

For example, if you are a small business joining the Turtlemint platform, you will see a very different experience from, let's say, if you are a professional trying to earn some part time income. These types of customizations of experiences is possible through AI, and we are seeing some very good results in terms of conversions as well. I also mentioned about renewal calling and how that's been able to push up our renewal rates.

There are lots of growth opportunities and using AI to build completely new opportunities. The cost of AI is not much in terms of what we needed to do, especially on things like coding and so on. The cost has been fairly low in terms of -- but what we are able to do with it is quite exciting. We do expect it to help us do new things and better performance, and that should reflect in the long term, in the EBITDA. But it's very early right now to ask talk more concretely about this.

Ansuman Deb

Thank you. The last question in a DP attrition. Any kind of change in those rates? I know you're doing great in terms of additions, etc., which is also shown in the numbers. But any kind of things that you want to share on the DP attrition side?

Dhirendra Mahyavanshi

More or less, Anusman, it remains the same. Basically, over the years, we know that in the first 18 months, there is a learning curve. And you see some attrition of about 28-30% in the first 24 months. Then the attrition rate drops to 2-3% where basically 95% of the people after 18 months retain on the platform.

In the year 5 or 6, the total number of people who are retained on the platform is about 65% of the original active. It continues to be the same. I mean, this year at least in the last year when we had given those numbers, they were same for Q1 also, on track in terms of what has been our historical average.

Ansuman Deb

Thank you. I'll get back in the queue. Thank you.

Moderator

Thank you. We have the next question from the line of Dharshil Jhaveri. Please go ahead with your question.

Dharshil Jhaveri

Hello. Good evening, sir. Thank you so much for taking my question, sir. Firstly, congratulations on a great set of results, sir. Sir, I just wanted to know, I think we are trying to increase our service EBITDA by, I think around 2% YoY. By when can we break even on our PAT? What's our aim for that, sir?

Badri Sanjeevi

We gave some specific guidance in the first earning calls post-listing in the month of July. What we broadly indicated is that we'll continue to grow our business by about 40% YoY. We also indicated that we'll try really hard for the entire year to be adjusted EBITDA breakeven in the current year.

We also indicated in the last call that given the seasonality in the business, some of this profitability should come in the second half of the current financial year. That's the way we do. That's the overall guidance we've had.

Dharshil Jhaveri

Yeah. I know that. I just wanted to know in terms of our bottom-line PAT, not this year, maybe a year or two down the line. What do we see or an upgrade? Or, you know, what is our ambition to do that, sir?

Badri Sanjeevi

I think the gap between adjusted EBITDA and PAT if that is what you're saying, fundamentally, sir, let me just try and elaborate in two ways. There is really not too many costs between adjusted EBITDA and PAT if you consider that our ESOP costs are modest, which I guided for this quarter, for example, the ESOP cost is about INR 7 crores and that's it. Then interest income follows and then possible tax expenses follow. And of course, there are amortizations in those costs. We're not too far from PAT.

I think full year PAT, maybe, you know, I don't want to give a specific guidance on that, but this year, I just want to reiterate that adjusted EBITDA is what we are saying we'll try and achieve positive this year. PAT profitability should not be too far away from us. I just want to leave it at that, if that's okay.

Dharshil Jhaveri

That's really fair enough, sir. I just wanted to know, like, I'm a bit new to the company, the part of my question. So the platform business that you're doing, I think our competitor, like this Policybazaar, competitor for this, or is it completely different? How do you see competition for yourself? Who would you consider a peer ad? Is there more people that can come and build what you have built out? Difficult would that be? Could you just, can help me with that a bit, sir?

Dhirendra Mahyavanshi

Yeah. So, Dharshil, just to get you up to date on the business. We started in 2015. It's been 11 years since we started our operation. In the first five years is when in 2015, October is when the PoSP regulations came in. Around that time is when we saw a few players start off, we had early mover advantage. We were the first one to start and we build out the PoSP platform.

I would say the time to build the technology and scale in the PoSP business was in that period. There have been about two or three players that have come out, including the name there have been a small set of peer group. There are several other players that have started in the market, but over a period of time, they've disappeared.

Largely, it's a two three player kind of a market right now. In the last few years, the market has moved towards PoSP. The number of PoSPs entering the system has grown at a CAGR of 40% in the last five years. The amount of business done by the PoSPs has grown again at a CAGR of more than 40% in the last four to five years. About 50-55% of the POSPs have been appointed by brokers.

Within those brokers, there are about two or three players who are sort of driving the PoSP business. The number of PoSPs appointed in the market from a number of PoSPs share point of view, our Turtlemint has the highest share that we had declared in the DRHP till the last numbers when they were available.

For any new entrant, the challenge now is quite high because the entire the players have become pretty large. The tech needs to be built out where you need to integrate with all the insurance companies for several new products and then bring it on to the PoSP or to recruit, or to do training, or to put them on a career path of insurance and build trust over a long period of time, create the last mile brand to drive this business. For a new entrant, I would say it will be challenging.

There are two, three players right now. The entire PoSP business market is growing at a healthy 30% plus CAGR, and we see that happening for the next four to five years, and it will be within these three players, is what we need.

Dharshil Jhaveri

Thank you, sir. That's it from my side. Thank you so much, sir.

Moderator

Thank you. That was the last question for the day. Thank you very much, sir, and thank you members of the management. Ladies and gentlemen on behalf of Turtlemint Fintech Solutions Limited, that concludes this conference. Thank you for joining us, and you may now exit the meeting.

Note:

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