

13<sup>th</sup> August 2024

The Manager – Listing Department  
National Stock Exchange of India Limited,  
“Exchange Plaza”, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051.

**Symbol: VERTOZ**

**Series: EQ**

**Subject: Transcript of Earnings Conference Call held on 9<sup>th</sup> August 2024**

**Reference: Pursuant to Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Q1 FY25 Earnings Conference Call.

We request you to kindly take the information on records.

**For Vertoz Limited  
(Formerly known as Vertoz Advertising Limited)**



**Zill Shah  
Company Secretary & Compliance Officer  
M. No.: A51707  
Encl: A/a**



“Vertoz Limited Q1 FY25 Earnings Conference Call”

**August 09, 2024**



**MANAGEMENT: MR. HIRENKUMAR SHAH – PROMOTER & MANAGING  
DIRECTOR, VERTOZ LIMITED  
MR. ASHISH SHAH – PROMOTER & DIRECTOR,  
VERTOZ LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Vertoz Limited Q1 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing “\*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjyot Baviskar from Adfactors. Thank you and over to you, sir.

**Sanjyot Baviskar:** Good evening, everyone, and thank you for joining us today to discuss the Unaudited Financial performance for the First quarter of FY 25 of Vertoz Limited.

Please note that this conference may contain forward-looking statements about the company based on beliefs, opinions, and expectations of the management as of the date of this call. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict.

Joining us today from the management are Mr. Hirenkumar Shah – Promoter and Managing Director, and Mr. Ashish Shah – Promoter and Director.

We will commence the call with Mr. Hirenkumar Shah and Mr. Ashish Shah's comment, taking you through the Operational and Financial performance for the first quarter of FY25. Following that, we will open the forum for Q&A.

With that said, I now hand over the call to Mr. Hirenkumar Shah – Managing Director and Promoter for his opening remarks. Thank you and over to you, sir.

**Hirenkumar Shah:** Thank you, Sanjyot. Good evening, everyone. I would like to extend a very warm welcome to the Vertoz Earning Conference call for the 1st Quarter of Financial Year ‘25. Thank you all for taking the time to join us today.

We have with us Mr. Ashish Shah – Director of the Company and our Investor Relationship Team, Adfactors.

We are delighted to share that our latest Results reflects a remarkable quarter and a year of growth.

Comparing year-on-year figures, there has been substantial growth in our key financial parameters across the board. We are pleased to report that our revenue for Q1 Financial Year ‘25 soared to Rs. 60.17 crore reflecting an exceptional growth of 77.40% year-on-year over year, driven by the outstanding performance across our business verticals.

Before delving into our quarterly performance, I would like to provide a brief overview of our Company:

Vertoz blends Digital Advertising, Media and Monetization -what we term as MadTech -with digital identity in cloud infrastructure - our CloudTech solutions -to offer cutting edge solutions. We stand out as a leader in integrating MadTech and CloudTech services, revolutionizing the global digital landscape. Since our founding in 2012, we have been instrumental in connecting advertisers and publishers through these innovative solutions.

Starting with our MadTech segment,we offer a suite of tools designed to optimize digital marketing efforts. Our programmatic advertising platform uses automotive systems and algorithms to buy and sell ad spaces in real time, allowing advertisers to target their audiences and precisely and maximize their ad budget. We also provide a demand side platform, which is called DSP, that helps advertisers purchase ad inventory from multiple sources through a single interface, offering better control over targeting, bidding and budgeting.

For publishers, our supply side platform, which is also called as SSP, aid in managing and selling their ad inventory efficiently, helping them maximize revenue. Our data management platform, which is called DMP, collects, analyze and manages data from various sources, improving marketing decisions and audience targeting.Additionally, our ad serving technology delivers and tracks ad across different channels and devices. While our analytics and reporting tools monitor campaign performance and refine strategies based on data-driven insights.

CloudTech complements our existing MadTech media and advertising platform, creating a powerful combination. This integration positions Vertoz as the ideal partner for businesses seeking to leverage both cloud and advertising services significantly enhancing their reach.

On the CloudTech side,We provide robust cloud-based infrastructure and services that enhance scalability efficiency for digital operations. Our cloud solutions include scalable infrastructure for deploying, managing, and expanding applications and services without the constraints of physical hardware. We offer big data solutions for managing and analyzing large volume of data, which is crucial for informed decisions making and optimize advertising strategies.Our cloud storage and backup solutions ensure secure data storage and protection. And our cloud integration services streamline workflows by connecting various cloud-based applications and systems. We also offer custom cloud solutions tailored to specific business needs including bespoke cloud architecture and application development.

Our CloudTech strategy leverages cutting-edge technology to provide scalable and flexible solutions for our clients. Our cloud-based infrastructure allows for real-time data processing and analytics, enabling clients to make data-driven decisions and improving advertising efficiency.

Allow me to highlight our key platform and the drive over success in MadTech and CloudTech:

**Madtech:**

1. **IncrementX** – IncrementX by Vertoz is a technology-driven media representation platform that maximizes revenue for multicultural publishers through a blend of programmatic and direct brand base enhanced by AI powered monetization.
2. **Ingenious Plex** – Ingenious Plex leverages advanced AI and machine learning to optimize programmatic advertising, helping marketers and ad agencies to make data-driven decisions and achieve higher ROI.
3. **Adzurite** -Adzurite is a performance marketing platform offering an omni-channel approach to media execution, ensuring clients pay only after high quality custom requisition and achieving their marketing goals
4. **Admozart** – Admozart is a real-time advertising exchange platform that connects demand and supply partners across various media channels including display, video, native, DOOH, CTV and OTT for expensive reach and scale.

CloudTech, we have two major platforms:

- 1) **QualiSpace**- Qualispace provides comprehensive cloud solutions, including servers by hosting enterprise email and security certificate, serving over 8,000 small and medium businesses.
- 2) **Connect Reseller**-Connect Reseller offers domain registration by hosting online services through global distribution network, helping businesses and individuals establish and enhance their online presence.

Today, Vertoz stands as a leader in the digital landscape with proprietary platform that drives marketing and advertising success. Addition of our CloudTech offerings has further solidified our role as the go-to partner for business seeking to elevate their digital presence and leverage advanced online technologies.

Turning to our Financial Performance:

We are thrilled to report that Q1 Financial Year '25 has been a quarter of extraordinary achievements in growth for Vertoz. Our topline expansion and EBITDA enhancement underscores our exceptional performance and strategic direction. This quarter, we achieved notable milestones including the successful launch of a groundbreaking influencer campaign for Himalayas and highly effective coupon campaign for Happilo on Zomato. These high impact initiatives have significantly boosted our market presence and operational efficiency directly contributing to our financial success.

We extend our heartfelt gratitude to our dedicated team for their relentless efforts and to our shareholders for their unwavering support and confidence in our vision. As we look forward, we

are excited about the future and remain steadfast in our commitment to delivering sustained value and driving future growth.

Now, I would like to hand it over to Ashish to take us through the key developments over the recent past. Ashish, over to you.

**Ashish Shah:**

Thank you, Hiren. Welcome all for our Q1FY 25 earning call.

Vertoz is at the forefront of the Retail Media 3.0, optimizing data through our collaborative Ad ecosystems. This initiative aims to deliver cost-efficient solution by leveraging data and transactional insights, streamlining advertising efforts to maximize ROI for global advertisers, including corporates and media agencies. We are proud to be recognized as one of the first ad tech listed companies on the Indian Stock Exchange. By Financial Year '2024, we have successfully delivered innovative digital campaigns, including programmatic influencer marketing, and targeted media buying across various media industries and regions in India.

Coming to our brief journey, Vertoz began it in India and marked its first international expansion with opening of an office in New York in 2012. Over the years, we have broadened our global presence with head office in Mumbai, Delhi, Dubai and New York, strengthening our positioning and boosting our presence in the international and local markets.

In 2017, we achieved a significant milestone by becoming the first Indian ad tech company to list on the NSE Emerge board. In 2020, we proudly transitioned to the main board. Since then, we have consistently pushed the boundaries of innovations launching key platforms like IncrementX, Adzurite, and Admozart, which we have greatly enhanced our service offerings. Our success and dedications were recognized in 2022 when we were honored with a prestigious emerging brand of the year in digital marketing award, a testament to our leadership in the industry.

In 2023, we made a significant impact by merging with PayNx Group and QualiSpace and investing in Silvertch Web Solutions now known as Perfomise. This merger allowed us to integrate CloudTech services into Vertoz expanding our offerings to include a wide range of digital identity and cloud solutions. We now group this under our CloudTech brand, which complements our existing MadTech platforms, strengthening our position in the digital industry.

In recent years, we have made impressive advancement in both our product ranges and global reach. Particularly, our expansion efforts in the United States have been significant, aiming to capture a large share of this crucial market and unlock new growth opportunities.

In Q1 FY25, Vertoz achieved a significant milestone underscoring its leadership in innovative digital marketing solutions. The company spearhead a groundbreaking influencer campaign for Himalaya Turmeric Face Care range, reaching an impressive 134 million, that is 13.4 crore audiences with just 60 days averaging around 22 million per day, which is around 20 lakh per day range.

Vertoz also executed a highly successful campaign on Zomato for Happilo, a leading health food brand, resulting in over 100K coupons redemption.

Moreover, Vertoz's IncrementX division partnered with Loop Media to elevate monetization for connected TV, CTV, digital out of home advertising. This strategy partnerships brings together IncrementX, cutting-edge monetization technology, and premium demand partnerships with Loop Media's vast business location network, creating a powerful platform for advertisers. As a part of this initiative, we are aggregating niche CTV audiences offering advertisers highly targeted opportunities to maximize their impact.

Now moving on to our Financial Performance:

We are pleased to announce that Q1 FY25 has marked a strong start to the new financial year for Vertoz. During this quarter, we achieved notable milestones that underscore our commitment to innovations and growth.

Additionally, our EBITDA margin for Q1 FY25 stands at an impressive 14.85%, marking a substantial enhancement of 329 basis points from the previous quarter. Our profit after tax, PAT, for quarter one Financial Year '2025 reached Rs. 5.74 crore, representing a remarkable 61.94% year-over-year increase.

Our focus on innovations continued to strengthen our market positions and deliver sustainable value to the stakeholder. Our overarching goal is to be the preferred partner for businesses looking to enhance their digital and online presence. We have already started capitalizing on the immense opportunity and growing demand, which is reflected in our results. We are exploring further expansion initiatives to scale our business globally and anticipate accelerated growth in the coming year.

Thank you for your continued support and for being part of our exciting journey. Together, we look forward to achieving even greater success. That's all from our side.

We can now open the floor for question. Hiren , over to you.

**Moderator:** Thank you, sir. We will now begin the question-and-answer session. We have the first question from the line of Aniket Redkar, an individual investor. Please go ahead.

**Aniket Redkar:** So sir, I have a few questions. So I'm starting with first. So could you provide more insight into the Vertoz revenue realization?

**Hirenkumar Shah:** So you want to say how exactly the Vertoz business model works?

**Aniket Redkar:** Correct.

**Hirenkumar Shah:** Yeah, correct. So basically, Vertoz has two different business model. One is a MadTech, one is a CloudTech. Both have a different way of working with the different customers. In a very simple

way, you could say that, we have advertiser at one end and we have publisher at the other end. We do advertising. We do a media buying for an advertiser from the publisher. So for example, you have a popular website on which you want to advertise. So you are an advertiser. So you are paying an X amount to advertise on those websites. But those are thousands of websites. And through our platform, you're able to advertise to those thousands of websites and you can advertise your product or services over there. That's how it works. Advertisers pay us and we further pay to the publisher.

**Aniket Redkar:** What are the primary drivers of revenue of what I mean, and how do you anticipate this in the near future?

**Hirenkumar Shah:** There's a diversification, but obviously there is expansion, optimization keep happening in whatever we are doing. And we keep expanding on that side with the more better product development or more better offerings to advertisers so that they able to get more better ROI. At the same time, those who are publishers were able to get more better monetization.

**Aniket Redkar:** And in terms of the margin profile, what are the steps that are taking to enhance the margin and how does the company plan to achieve this improvement in the coming quarters?

**Hirenkumar Shah:** So currently our company is more focusing on expanding and on a growth side, but definitely we also have a specific margin set which we have internally decided not to go down further to that to achieve the growth. But our current stage is definitely expansion. The better we grow we have more customers, the moment we have a more suite of products which we can offer will increase the ARPU, average revenue per user and that will help us to expand our margin.

**Aniket Redkar:** And sir, can you throw some light on this total addressable market that we are targeting? What are our plans and the growth strategy in terms of this total addressable market?

**Hirenkumar Shah:** Ashish would you like to answer this?

**Ashish Shah:** So, this total addressable market is over a trillion-dollar industry, okay. Considering that, there is lot of potential within India as well as in the international market. So, the market size is a bigger and it's growing in a double digit CAGR. So being said that seeing the potential of the industry, definitely we have a lot more to achieve over a period of time.

**Moderator:** Thank you. The next question is from the line of Ashok Jain, an individual investor, please go ahead.

**Ashok Jain:** Sir, how much revenue would CloudTech get going ahead?

**Hirenkumar Shah:** Ashok ji, both the products have recently got merged in our financial. But at the same time, if you look at the overall sector, we have CloudTech business between 20% to 30% of total revenue count.



**Ashok Jain:** Okay, thank you sir. And also sir, could you please throw some light on a competitive landscape? Like what is our differentiator from our competition?

**Hirenkumar Shah:** So, every company has a different USP and they try and focus on enhancing those USPs to take care of the existing customer and then enhance. So generally, we always believe that our biggest competition is we ourselves where we have to keep expanding our site. But definitely this market is expanded and there are different players also in the market. But we try and see whatever best way we can help our customers to achieve the growth.

**Ashok Jain:** What I'm asking is, sir, would you all be providing more detailed guidance on the business model like in research and analysis?

**Hirenkumar Shah:** Sure, yeah, we have it on our website which is explainable, but at the same time if you're looking for very specific details for a specific product, we can connect you with the right business head or business team and they can definitely provide you whichever data you need to do research on our product.

**Moderator:** Thank you. We have the next question from the line of Dhanya Arora from JT Financials, please go ahead.

**Dhanya Arora:** Sir, our major revenue comes from direct service expenses, right? And just wanted to ask that how is the company planning to diversify its revenue stream to reduce its dependency?

**Ashish Shah:** I am just trying to give you an answer on the basis of what I have understood. Your question is something how are we diversifying the revenue and I am not able to understand with the expenses side. What exactly you are trying to explain on the expenses side? Your question is on the diversification of the revenue?

**Dhanya Arora:** Yeah.

**Ashish Shah:** So, under the umbrella, like I said, we have two major sub segments, MadTech and CloudTech. Definitely that's one side of the diversifications what we have built. And now under the MadTech, we have a suite of the platforms which we are offering, catering to the different sub segments or different personas of the industry, which is helping us in the diversification. So, one side of the product is where we are working with the advertisers for their media buying. Second side of the business whereby we work with the publishers for their media monetization. Third portion is the ad network business where we work with the performance marketers. And fourth option, fourth sub segment under the business is the ad exchange whereby we are working as a true middleman in the entire advertising ecosystems, whereby we connect the advertisers to our publishers. So, these all are the diversifications which are available under the MadTech. Similarly, on the CloudTech front, we have a two sub division. One is a digital identity network, which is a Connect Reseller. And second one is the CloudTech solutions company, which is a QualiSpace. So, all six together is helping us in creating diversification. And within that, we are also diversifying not only from the product perspective, but also doing a diversification with

respect to the markets where we are present. Definitely India is the primary market. Apart from India, we do have a larger presence here in the US, and along with the US, UAE, and other markets where we are expanding. So, this all put together from a product diversification and market diversification is helping us in creating a sustainable growth for the organization.

**Dhanya Arora:** And our depreciation has increased quite a bit. So, this means that we must have allocated our money or we have invested our money in our assets. So where has the investment been made?

**Ashish Shah:** The depreciation has increased after that?

**Dhanya Arora:** So we must have made investments. So what are the investments that we have made, is it on the new technologies or infrastructure?

**Ashish Shah:** Yeah, definitely. So being as a technology company, most of our investments are in the intangible, which is in tech products, intangible products, but consisting of the media properties and the platforms what we have built. So, all this has built over a period of time and has certain amortization effect, which is you are seeing on the balance sheet, on the P&L.

**Dhanya Arora:** And how we have sourced the funding? Is it via internal accruals or we have taken on debt?

**Ashish Shah:** There is a very minuscule amount of the debt. It's usually the accrued earnings what we have.

**Moderator:** Thank you. Sir, we have no further questions at this time. Would you like to proceed with any closing remarks?

**Hirenkumar Shah:** Yeah. I thank the entire team of Vertoz for this untiring efforts, hard work, and dedication, digitized the company forward through the various market conditions. Also, I thank all of you for participating in our conference call. Please do get in touch with our Investor Relation team for any further questions. Thank you so much.

**Moderator:** Thank you. On behalf of Vertoz Limited, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.