



**WORKMATES CORE2CLOUD
SOLUTION LIMITED**

(Formerly Workmates Core2Cloud Solution Private Limited)

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May 25, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 544610

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings Conference Call of H2 and FY 2025-26

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the H2 and FY 2025-26 Earnings Conference Call held on Wednesday, May 20, 2026.

We request you to kindly take the aforesaid information on record.

Thanking you,

For Workmates Core2Cloud Solution Limited

**Debasish Sarkar
Whole Time Director & CFO
DIN: 01044732**

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Workmates Core2Cloud Solution Limited

H2 FY26 Earnings Conference Call

May 20, 2026



MANAGEMENT:

MR. KAMAL NATH, CO-FOUNDER & CEO

MR. BASANTA KUMAR RANA, CO-FOUNDER & MANAGING DIRECTOR

MR. DEBASISH SARKAR, CO-FOUNDER & CFO

MR. ANIRBAN DASGUPTA, CO-FOUNDER, CHIEF STRATEGY & GROWTH OFFICER

INVESTOR

RELATIONS:

MS. VANESSA FERNANDES, ADFACTORS PR



Moderator: Ladies and gentlemen, good day and welcome to the H2 & FY26 Earnings Conference Call of Workmates Core2Cloud Solution Limited.

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 the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone.

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

I would now like to hand the conference over to Ms. Vanessa Fernandes from Adfactors PR, Investor Relations. Thank you and over to you, ma'am.

Vanessa Fernandes: Thank you, Sagar. Good evening, everyone, and welcome to Workmates' H2 & FY26 Earnings Conference Call.

Today on the call, we have with us from the Management, Mr. Kamal Nath – Co-Founder and CEO, Mr. Basanta Kumar Rana – Co-Founder and Managing Director, Mr. Debasish Sarkar – Co-Founder and Chief Financial Officer, Mr. Anirban Dasgupta – Co-Founder and Chief Strategy and Growth Officer.

We will commence the session with opening remarks from the Management, after which we will open the Q&A session. I now hand over the call to Mr. Kamal Nath – CEO of Workmates, for his opening remarks. Over to you, Kamal sir.

Kamal Nath: Thank you, Vanessa. Good evening, everyone, and welcome to Workmates Core2Cloud Solution Limited's first investor call since our BSE SME listing. My name is Kamal Nath. I am the Co-Founder and CEO of Workmates. With me today is our Co-Founder and CFO, Debasish Sarkar, and Co-Founder and Chief Of Strategy and Growth – Anirban Dasgupta. This is an important milestone for us and a commitment to transparency and long-term stakeholder value.

For those joining us for the first time, let me briefly cover who we are, the industry we operate in, and why we believe this is one of the most compelling growth opportunities in Indian technology today.

We at Workmates operate at the intersection of three of the fastest-growing sectors in enterprise technology in India. Those are cloud computing, cybersecurity, and artificial intelligence. India's cloud computing market is valued at approximately \$17-21 billion today and is projected to grow at a CAGR of 20-27% through 2030.

Four structural forces are driving this, none of which are temporary:

1. Enterprise India is barely 30-35% through cloud migration. The runway, hence, is long.
2. Regulation is accelerating it. Digital India, the DPDP Act, and the RBI cloud guidelines are all forcing the move.
3. Hyperscalers like AWS, Microsoft, and Google are investing billions in Indian data centers, and AWS committed \$8.2 billion in 2025 alone, creating infrastructure, that partners like us are built to deploy on.
4. Every AI initiative runs on cloud. AI and cloud are not separate trends, they are the same trend.

Just let me give you a brief of our history:

Workmates was founded in 2018 and is headquartered in Kolkata, with offices across Kolkata, Noida, Mumbai, Hyderabad, Chennai, Bangalore, Bhubaneswar, and Singapore. Nine locations in total, including three delivery centers.

We are an AWS premier-tier services partner held by fewer than 1% of partners globally. ISO 27001 and ISO 9001 certified and recognized as AWS Consulting Partner of the Year 2025. In seven years, we have grown to INR 143 crores of FY2026 revenue.

We have grown 34% year-on-year last year, and over the last three years, we have grown at 64% CAGR. We have more than 300-plus clients across 9 verticals. We have a client retention ratio of 95%, and we have totally delivered 750+ projects.

We have 170+ people with 120+ AWS certified professionals. We serve SMB and enterprise clients across IT, ITS, BFSI, media, healthcare, manufacturing, and retail. Our two largest verticals at 37% and 34%, respectively, precisely where cloud complexity is the highest.

Now let me cover our six major service lines:

1. Cloud foundation migration and operations
2. Application and database modernization
3. Cloud efficiency and FinOps
4. Secure Cloud platform
5. Data platform and managed data services
6. AI acceleration and managed AI

Let me elaborate on our business model now:

The first engine of our revenue model is one-time transformation revenue, cloud migration, implementation, and digital transformation projects:

Clients pay us to architect and build their cloud projects. These engagements deliver immediate revenue and critically convert into the second engine, which is more strategic one, and that is annuity services revenue. Once we have built a client's cloud environment, they pay us every month to run it, secure it, optimize it, and evolve it, besides paying for the consumption.

These are multi-year contracted relationships. They renew annually, they stack year on year, and they are hard to displace once embedded. Now let me touch upon FY26 business performance briefly.

Our revenue grew 34% to INR 143 crores, and 82.5% of that revenue was recurring. Profit after tax grew 16% to INR 15.92 crore. We added 28 net new clients.

Enterprise client count grew from 34 to 38. Our top 20 accounts contributed 73% of revenue. This is an evidence of relationship depth.

Operationally, billable utilization rose from 72% to 84%. Escalation rates dropped 45%, and mean time to resolution improved from 4.5 to 1.2 hours, thanks to introduction of AI tools in our management platform. Some of our strategic wins included a global automotive software measure, a regulated fintech payment aggregator, two large media houses, and a global payments technology company.

Let me give you a brief overview of our direction and target in FY27:

Our FY27 revenue target is INR 210 crores, a 45% plus growth on FY26. We entered FY27 with INR 159 crore in assured recurring revenue at INR 13.5 crore per month, a 35% MRR step-up before even we won a single new deal, if I don't consider any new deal in the current year. Our priorities are enterprise account expansion, data and AI practice build-out, managed services scale, security practice expansion, and operational maturity. Artificial intelligence is our next growth engine. We are already executing POCs, building advisory pipelines, and closing fast transformation deals in insurance and manufacturing in the coming days.

AI will be a meaningful contributor in FY27, and our primary growth engine from FY28 onwards.

I will now hand over the session to our CFO – Debashish Sarkar, for the detailed financial details. Thank you, Kamal.

Debashish Sarkar: Good evening, everybody.

I will take you through the numbers, revenue mix, margin dynamics, cash quality, and FY27 visibility:

Our revenue performance is the topline is INR 143 crore, up 34% from last year. What matters more is the mix and the trajectory. Recurring revenue grew 29.7% to INR 218 crores. Project implementation billing - the feeder for future managed services grew up 56.3% to INR 25 crores. Monthly run rate - MRR grew from INR 7.58 crores

at FY'26 entry to INR 10 crores at exit. We opened FY'27 at INR 13.5 crores, a 35% step up before winning a single new deal in the current year. Gross margin was 32.8% versus 33.9% in FY'25. EBITDA was 16.2% versus 17.7%. PAT was INR 15.92 crores at 11.1% compared to INR 13.9 crores at 13% in FY'25. The Dubai contract decision removed approximately INR 4 crores from the top line.

The mandatory gaming client exit removed a further INR 3.5 crores. Together, that is INR 7.5 crores of revenue that was either foregone or withdrawn. Simultaneously, our headcount investment added approximately INR 6 crores in annual cost, again with the revenue benefit that will flow in the current year FY '27 and not FY '26. This was done to augment our human capital resource.

Adjusted for these three items on a like-for-like basis, underlying PAT margin was approximately 14% to 15% above FY '25 and consistent with our track record. Our FY '27 margin recovery plan is built on three levers. First, improving our services mix towards higher margin, AI and security work.

Second, driving billable utilization from 84% towards 88%. And third, operational leverage as new hires reach full productivity. Debtor days, we have improved 14% from 72 days to 62 days with the FY '27 target below 55.

We are profitable and cash generative in every year of operation. Our annuity model means we collect before we deliver. Now I will talk about revenue visibility.

Our FY '27 target is around INR 210 crores. Current outlook based on contracted base and visible pipeline is INR 190 crores. That means that we already have INR 190 crores worth of order.

The gap to target is around INR 19.4 crores, approximately INR 20 crores of incremental new business above current estimates and we have got 10 months to achieve that. For half year Financial Year '27 specifically, around INR 80 crores is already locked in contracted recurring revenue. INR 40 crores per quarter in high certainty base.

Adding new recurring means and project work, H1 outlook is around INR 92 crores and H2 estimate is INR 99 crores. The pipeline deals that will close the gap include the Agentic AI platform migration and transformation, Gen-AI and data analytics engagement in manufacturing, and AI-led transformation for a large insurer, cloud migration deals with fintech clients and new cloud implementation for an existing NBFC customer.

So, that completes our prepared remarks. Kamal, I and Anirban are all available for your questions. We are happy to go as deep as you need.

Vanessa, can you please open the line for questions please?

Moderator: Thank you very much. We will now begin with the question-and-answer session. Your first question comes from the line of Vedant Patel with Orim Advisors Pvt. Ltd. Please go ahead.

Vedant Patel: Thanks for the opportunity. I would like just to mention that we are targeting INR 210 crore revenue in FY27. I just wanted to know how confident we are to achieve it.

Anirban Dasgupta: Yes, so Anirban this side. I will take up the first part of it. So, basically, if you see our guidance as mentioned during our pre-IPO times was also INR 210 crore and we are fairly confident of achieving that and how I will break it down.

So, we have an assured contracted revenue of about INR 40 crore per quarter, which adds up to INR 160 crore. Now, there are new deals, new conversations, new opportunities that we are working on, the visibility for that is adding up to another INR 30 crore, like INR 91.56 crore for H1 and INR 99 crores for H2. So, these two sitting now, we have a clear visibility of INR 190.56 crore. The remaining INR 19 crore of new book-and-bill has to be built over the next 10 months from now, because we are sitting in mid of May. We have a clear 10 months of business acquisition cycle, delivery and then billing from the customer. So, definitely, if not more, we would be able to meet our revenue guidance of INR 210 crore. That is the visibility that we have.

Vedant Patel: Okay, great. So, sir, like our company is a very sweet spot for the decor and point of view. So, in the current scenario, where every customer is talking about the AI, and so what is the workmate readiness and stance?

Kamal Nath: Yes, it's a very good question, actually. And not only you as an investor, but every company, every corporate that we are going and speaking to are talking about AI, they want to know, although they are themselves not very clear what they want to do in AI, but every company wants to adopt AI in some form or the other. So, what we have done is in the last one year or so, we have invested a lot in our AI practice. And not only in the terms of manpower, skill set, certification, and also getting a competency, we are a Gen AI competency partner. And in the last three or four months, we have built a lot of accelerators. Accelerators not only for AI for IT, but also AI for business. An example of AI for IT, I don't know how many of you remember, we had launched IntelliOps sometime in September, October. That has matured quite a bit, and we have onboarded more than 60% of our customers onto that IntelliOps platform. And it is a complete product story that we are bringing in, new features being added, and we intend to publish that on the marketplace as well. Similarly, we have a lot of accelerators for AI for business, like Debasish just mentioned a few minutes back. We are working with a very large insurer in order to meet their compliances and also do fraud detection in real time. These are some of the AI for business. A manufacturing company from mineral mining to a complete finished product, steel manufacturer. We are working with their business owners, right from supply chain management to raw materials management, to PR-to-PO process, and compressing, transforming their business processes with the help of Agentic-AI solution and automating the mundane tasks to give them much more agility, much more efficiency, and also bring down their cost. These are some examples of AI for business. And we have many more accelerators.

- Vedant Patel:** Got it, got it. I think, thank you, and I wish you all the best. Thank you.
- Moderator:** The next question comes from the line of Darshil Jhaveri with Crown Capital. Please go ahead.
- Darshil Jhaveri:** Hello. Good evening, sir. Thank you so much for taking my question, sir. Firstly, congratulations on the great set of results, sir. Am I audible?
- Kamal Nath:** Yes, you are audible. If you can be a little louder a little more...
- Darshil Jhaveri:** So, we have given a very clear-cut revenue guidance. So, in terms of margin improvement, we are working on few levers. So, what kind of margin can we see in FY27, sir?
- Debashish Sarkar:** Hi, I am Debashish. See, we are targeting a 45% growth in our top-line revenue and equivalent increase in our PAT margin. So, that will be around the same, if not more.
- Darshil Jhaveri:** Okay. So, PAT margin will be similar?
- Debashish Sarkar:** Yes. So, it will be around INR 24-25 crores on INR 210 crores of business.
- Darshil Jhaveri:** Okay. Fair enough, sir. That helps a lot, sir. And I just wanted to know, like, over a longer period of time, maybe not right now, next two, three years, where do you see the company scaling up? Like, we are relatively a new entrant, but we are kind of punching above our weight and doing really great work. So, how do you see, sir, the next three years for us, sir? Where can we take the company, sir?
- Debashish Sarkar:** Okay. I think Anirban will take that question for you.
- Anirban Dasgupta:** Yes. So, Mr. Darshil, like Kamal said in his opening remark, we are at a unique intersection of cloud, cybersecurity, and AI, these are the hot topics for today. It is the most relevant things in the industry going on, and we are absolutely in the midst of it, right? And what we have done over the past few years is we have invested a lot in our skill sets, our competencies, and our certifications. So, now when the customers are actually allocating budgets for production use of these technologies, we are totally geared up with the right skill sets, with the right certifications.
- And now, since we are a listed company, we are absolutely on an even keel compared to some of the biggest companies in the IT services sector, right? So, we always had the capability to do such transformation projects. But now, after our IPO, we are looked at with an even better view compared to others.
- Nobody considers us a small company. Nobody considers us a fly-by-night operator. There is much respect is given. And the good news is, in the age of AI, in the age of cloud services, startups are given even respect compared to some of the bigger companies.

And the other aspect is the bigger companies have a legacy of they have to turn around from whatever they were doing so many years from body shopping to resource augmentation to working on on-premise, the legacy hardware world. But we don't have that legacy. We have started on the cloud layer, and we have built expertise on the cloud plus-plus layers.

So, that is our advantage. And that is how we will stay very, very relevant in the times to come.

Darshil Jhaveri: Okay Fair enough, sir. And I just wanted to understand, like, who would be considered as a peer in competition, right?

Because it's such a new sector. I am assuming there will be a lot of players going around. So, how is the competitive intensity around us?

And if you could name a few peers?

Kamal Nath: Yes. So, very interesting, very interesting question. And the answer would be even more interesting. Because our competition is even the TCS, Infosys, CTs of the world. Our competition is also the Deloitte, EYs, PWCs of the world. Our competition is also the traditional Infosys' of the world, the IT services companies. And also a similar like-to-like, like a Minfy, Rapyder kind of companies, right? Yes. But those are not listed, right? And some of the biggies. So, while the bigger companies do a lot of things, and a part of their revenue comes from cloud and these services, they are actually pivoting from whatever they are doing to doing much more on AI and much more on cloud services and much more on analytics and data, right? Our advantage is we have started there. So, while those are also our competition, in some cases, we face them, even the Accentures of the world. There are also cases in the SMB sector, where we have been traditionally strong, we face the Minfys and the other competition that I mentioned. So, it's a complete diaspora of competition landscape.

Darshil Jhaveri: Fair enough, sir. And so, just want to understand, like, how do we then differentiate against this? Like, is it our service or is it our cost or post-migration services? How do we differentiate ourselves? Like, for a layman who's not in tech, like, is it more a commoditized business or there are more differentiating layers for this, sir? Like, what is the main factor?

Kamal Nath: So, the biggest advantage or the biggest differentiator is our partnership status with AWS, which is a premier, we are a premier-tier partner, which is the highest level of partnership. Then comes the competencies, which are third-party audited by AWS third-party auditors. So, we have among the industry, within India, we have the highest number of competencies in India. Very recently, we also got the media competency. The other thing is the people that we have hired are mandated to do multiple certifications, not only the AWS certifications, but also the industry certifications around AI, around cyber security, around other complementary products, and solutions. So, each of them have got two, three different types of certifications. The other part is the experience, although we are a young company of seven years old, but the leadership carries more than 150 years of corporate experience in this very sector, and we have, in our area, we have worked with the largest customers

in India, as well as globally. So, all of these combined together and the fleet-footedness and the flexibility of a young, agile company gives us an edge over some of, most of the other competitors.

Darshil Jhaveri: Okay, fair enough. Yes, that's it from my side. Thank you so much. All the best.

Moderator: Thank you. Thank you. Your next question comes from the line of Ankur Gulati with Genuity Capital. Please go ahead.

Ankur Gulati: There was some reference to the manpower cost. So, for this year's INR 190 crores or INR 210 crores, the current manpower cost of INR 17 crore, will that go up or it will remain pretty much flat?

Kamal Nath: So, our cost of manpower to our revenue is actually not linear. So, we have had to build the teams, to build the practices, the cyber security, AI practice, and all of that. Most of the investments, bigger investments in these areas have already been done.

There will, of course, be one or two additions coming forward based on certain projects, based on certain unique nature of AI, we will plug in a few areas here and there, but mostly, it will remain at this level. It is a normal appraisal?

Yes. Of course, the normal appraisal cycles come in. So, these are highly skilled people.

You understand they have to be kept contented, and we have been able to live like a family for the last seven years, and most of them, we have a high retention rate, and we want to continue that going forward.

Ankur Gulati: That's fair enough. What I am trying to understand is on a revenue of let's say INR 145 crore, there is a manpower cost of INR 17 crore. Now, if we are going to INR 210 crore, the INR 17 crore may at best go to INR 18-19 crore. So, the margins have to go up drastically.

Kamal Nath: Yes. So, there will be, on the existing manpower only, the INR 17 crore would, with the appraisals in place, it will go up to INR 18.5 or 19 crore. And then, there would be about a few, like I said, a few resources here and there, which would get added on.

That's on the technical side. But yes, if the geopolitical situation eases out, if the war, etc, eases out, and like we had said, we would open our operations in US or UK, then the business acquisition cost over there, you understand those team members, those sales team members, come very costly. We have done the research. We have kept it ready. In case we open that, then there will be significant investments over there. But yes.

Ankur Gulati: That's it, considerably, INR 210 crores.



- Kamal Nath:** Yes.
- Ankur Gulati:** No, that's fine. Otherwise, yes. Just to be clear, for INR 210 crores, the 17 will probably escalate by the normal appraisal cycle, right? That's it.
- Anirban Dasgupta:** Yes, a normal appraisal cycle and maybe a crore and a half of new additional manpower.
- Ankur Gulati:** Yes.
- Kamal Nath:** I just wanted to add one more element here, which is important. So, I very briefly mentioned that we have introduced AI in our operations. So, when we onboard more customers, I mean, the one element which will be beneficial is that our number of resources are not going to increase, okay? And reversely, the same number of resources will be able to implement much more number of projects by introduction of AI in our managed services portfolio.
- Ankur Gulati:** Fair enough. And when you are saying that you take up the whole AI integration, you pay for the GPUs or so and so forth and servers, or how does that work?
- Anirban Dasgupta:** GPUs, etc, see, this is a platform which we use from AWS, and they provide the entire GPU infrastructure, as well as all the LLMs that are required for the AI.
- Ankur Gulati:** So, this INR 48 crores, that's on a half yearly basis, right? There is no cost escalation risk linked in your contract. For example, let's say the GPU prices are up now 30%-40% in the last two months. Will you be able to pass on all that cost to your clients when you are signing up these, or is there a risk where you'll have to absorb that?
- Anirban Dasgupta:** Can you please come again? I missed it.
- Ankur Gulati:** What I am trying to understand is, let's say you said you have an annuity-based contract, correct?
- Anirban Dasgupta:** Yes.
- Ankur Gulati:** Where you have agreed on a certain billing rate with your clients. Right. Now, that billing rate will also have the cost for the GPUs and servers and so on and so forth. Now, if the hardware cost or the GPU cost is going up, so that cost escalation is a straight pass-through, or are you exposed to some sort of a risk where you can't pass through these cost increases?
- Anirban Dasgupta:** No. So, what we do is, the good news here is, while you have a very good observation regarding the hardware prices shooting through the roof, in some cases it has become double or triple, but the Amazon prices have remained the same. And in some services, their prices have actually come down. While if you buy a server or a

GPU from the market, from an OEM like Dell, HP, Hitachi, or Cisco, those prices today have become almost double, sometimes triple, and their price validity is also the next 4-5 days. And the time for delivery has become very uncertain. Earlier it used to be 4-6 weeks, now it is 6-8 months.

Having said that, this is actually good news for us. It is a tailwind for us, because we are going to customers and saying, why are you going to refresh your on-premise hardware and spend so much, and also get into an uncertain situation? Rather than that, why don't you come on to the cloud, where the cloud prices remain the same, and there is infinite scalability.

Today you want to use scalability means both upwards as well as downwards. Tomorrow your workload does not require that much of GPU or CPU or whatever, or RAM. You can scale down and you pay less, the pay-per-use model. So, that will not have an effect. In fact, it is going to create a bit of a tailwind for us.

Ankur Gulati: Fair enough. Anirban, just to be again very clear in this INR 150 crore existing revenue, there is no cost surprise, right? As far as the hardware or the processing cost is concerned.

Anirban Dasgupta: No, there is no cost surprise.

Ankur Gulati: Also, let me understand that, let's say you go to one firm and you do the entire AI integration, which is now called enterprise integration. That's what you guys are working on, enterprise AI integration. Is that what you guys are broadly working on?

Anirban Dasgupta: Yes, we are building AI accelerators for customers, depending on the use cases. Of course, the business use cases have to come from the customers. We are building the AI model on top of that and integrating with the LLMs that are available, the best-in-class LLMs available in the market today. The platform that we use is AWS and the front-end application to access that AI and integrating them with their business applications, whether it is SAP, whether it is Zoho, whether it is their mailing system or any other application that they have.

Ankur Gulati: On the hardware side, you have, of course, AWS. They give you the processors and everything else. Have you tied up with any of these big 4-5 LLMs to get some sort of preferred rate or marketing support or anything or that has not happened yet.

Anirban Dasgupta: No. AWS provides the platform, and they have a service called Bedrock. If a customer subscribes to a fee provision on the Bedrock, underneath the Bedrock is the orchestration layer. Underneath the Bedrock, you have all the models, whether it is an open AI model or an Anthropic cloud model, SONET. All these models are available. Based on the use case, based on the kind of model that will be required for that particular customer, for that particular use case, we need to integrate through Bedrock that particular LLM. So, a separate partnership is not required for each of those because there are so many and they are coming every day, something or the other is coming up.

Ankur Gulati: Understood. So, if you can give us some color that today you are working with AWS and there are guys working with Google and so on and so forth. So, how cost competitive is AWS versus some of the other global cloud providers?

Anirban Dasgupta: Yes. So, they are very, very competitive. There are two things which we mentioned earlier also. Why we are only locked up with AWS is because they were the pioneers in the hyperscaler business in the cloud era and they still continue to be the number one hyperscaler by far. The third most important aspect is they are very, very partner friendly and we are a partner to AWS. They take care of the partners.

Having said that, in today's AI world, each of these hyperscalers, whether hyperscalers or even Indian players who are playing with the GPU, etc., the hyperscalers are ready to provide huge funding incentives, program benefits in order to acquire AI customers. So, I mean, to answer your point in AI, they are very, very competitive.

Ankur Gulati: So, if let's say some MSME goes to AWS data center, then there's some sort of a referral which comes to you just because you are a preferred partner. Yes, they do. Okay.

Now, next question. Let's say this INR 190 crore, how much of this is implementation phase and how much of this is then what in a normal parlance is called operation maintenance?

Anirban Dasgupta: Out of the INR 190 crores, how much of operational maintenance and how much of conduct?

Ankur Gulati: Yes, is it when you win a contract, is there a first phase that will be, let's say, planning and then you'll have to implement, that's when all the servers and everything gets stacked up. And then there will be a long period of maintenance, right, on maintaining the systems. So, out of this 190, what is that initial revenue, which is one time?

Anirban Dasgupta: Yes, so there is about INR 160 crores is the recurring contracted revenue, right? And we have a visibility of INR 190 crore. Out of that, the H1 visibility is INR 91.56 crore, right? Clear visibility because the deals are running, we have a price point visibility, etc. So, in that, the implementation of the transformation project, implementation, migration, project implementation, billing is about INR 5.82 crore. And the recurring revenue for the quarter is about INR 6.15 crore, which we will continue to bill continuously throughout the year. So, INR 79-80 crore is the contracted, then about INR 6.15 is the recurring revenue, and about INR 5.82 is the project implementation revenue, which adds up to INR 91.56. So, we have done a granular, till H1 I have these figures, if you want, for the other, we can work out and we can show that.

Moderator: We have our next question coming from the line of Priyansh Miri, with NGP Family Office, please go ahead.

Priyansh Miri: Yes. Sir, I just want to understand the revenue split for AI services or products in current financial year and what we are looking into in terms of revenue percentage for next FY.

Anirban Dasgupta: Yes. So, good question, Mr. Priyansh. So, what happens in the AI world is, the AI use cases need implementation of these AI services, like I said, Bedrock or SageMaker or things like that. But it influences a lot of cloud revenue. For AI, the bare minimum requirement or the prerequisite is the cloud services. So, while the pure play AI services revenue may not look that great, but actually to implement that, it influences a lot of cloud revenue and managed services revenue.

So, today, our AI revenue last year, if you look at only the AI services revenue out of the INR 143 crore was around INR 2 crore, but the influence revenue was much more because of that. And our target for this year, both AI and cybersecurity put together, we are targeting about 5% revenue from this. But of course, any conversation today with a customer, you will only be relevant if you lead with AI.

Otherwise, you are not going to be relevant in the industry. So, hence, the competency and skillsets around AI are very important.

Priyansh Miri: Understood. So, whenever we are speaking to a new customer for the combined cloud implementation as well as an AI POC, so it goes together, right? Like to implement AI, we need to have a cloud, right? That is our proposal, right?

Anirban Dasgupta: Yes.

Priyansh Miri: Understood. So, my next question is on the employee cost we have. What is the blended or median employee cost per head that we have roughly?

Anirban Dasgupta: We are actually asking what is the blended median employee cost per head?

Priyansh Miri: Yes, total employee cost, there are a number of employees we have.

Debashish Sarkar: I will tell you. It's about, see, we have got INR 16.91 crore is our employee cost, and we have got around 170 employees. So, it's about INR 9-10 lakhs.

Priyansh Miri: Understood, sir. So, as we expand more, like you mentioned, next year, we are looking into 5% of our revenue into AI services, right? So, will the overall cost per employee head will go up, maybe from 9 to around 12?

Anirban Dasgupta: Yes, it will go up. It will definitely go up. It's a good observation, Priyansh. It will go up because we are also adopting a lot of AI in our regular operations, IT operations, right? The IntelliOps tool, which has been already adopted for almost 65% to 70% of our customers, has enabled us to free up a lot of the L1 and the help desk

resources, and they are being reskilled and put in other productive areas. So, while that IntelliOps agentic AI solution is handling a lot of these customer calls, the infrastructure-related tickets, the remediation of those tickets, a lot of this is happening automatically through the use of AI. So, you are right, because our revenue would go up and the number of employees will not go up that much, the yield per revenue would definitely go up.

Priyansh Miri: Okay. A question on this only. So, I understood that the cost might go up, but from our current year's POC that we have, right, from a INR 2 crore project that we did for AI, are we able to pass on higher employee cost when we are negotiating the final bill with customers? What's the observation like? Are they willing to pay higher rates for the same?

Kamal Nath: No. India is a very funny country to be in, in this case, because in India, come what may, people would buy the product, but they would crib about the services. So, an example is, you would not blink an eye for buying the new iPhone, but the services cost is the AMC cost is about 20% almost. We would not go in for that 20%. We would think twice and only about 5% to 10% actually take that AMC cost from about the Apple iPhone, right? Similarly, the customer does not mind paying for the AWS services, but for our managed services, for our implementation, they will negotiate 30 hours in a day to come down to whatever is best possible, right? And that's the scenario. We live in a very cost-conscious market, but we will have to deal with, we will have to show value and differentiate us, which is in the space of data and AI, and that is why we are building those skill sets. We have built those skill sets, and that is also the reason why we want to go global, where services are valued much more than in India.

Priyansh Miri: So, sir, last question. Last year, we paused a few of our global expansion plans, right? So, what is the guidance for current year, sir? Are we going to set up offices for local billing and expansion? Any guidance on that?

Anirban Dasgupta: Yes, Priyansh, we have already initiated the process for setting up a billing entity in the U.S. because we are getting a lot of leads from some large customers whom we have already backed orders from in India, as well as some conversations going on in ASEAN region in Singapore, who have also got workloads in the U.S., right? They want to give those as well to us, but since we don't have a U.S. entity now, they are not able to. So, that work is already in progress, but building a full-fledged office and employing people would depend on the geopolitical situation. So, initially, we paused because just after COVID, around December time, Mr. Trump had his tariff ideas into place and everything went haywire. And most of the Indian companies were targeted, right? So, although we were not directly affected, but we wanted to be cautious. Post that, there is this Anthropoc and also the war, which has made us cautious. On hindsight, we think being cautious was the right, prudent thing to do, because had we invested in certain things and then not been able to monetize that, it would have impacted us more. But yes, we are very keen, both from a U.S. office perspective and also recalibrating and augmenting our Singapore operations.

Priyansh Miri: Okay. So, the number that we put out for next financial year, INR 210, so that also includes the export expectations, like revenue from the global office or is it just current visibility from the local market that we had for next year revenue?

Debashish Sarkar: So, in this INR 210 crore that we are projecting, we have not considered any U.S. or U.K. turnover, top line in that.

Priyansh Miri: Well, great, yes.

Moderator: Priyank sir, we request you to return to the queue for the follow-ups, please, as there are several participants waiting. We have our next question coming from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Sir, regarding your global expansion, if you want to open a sales office, so how will the ROI work for you, like payback period-wise? What is your calculation? I think Singapore is the first geography I think you want to start. So, just give a color because it will require generally investment and then you get a payback period of some years. So, just give a broad perspective on that.

Kamal Nath: Yes. So, Ashish, it's a very valid question. So, let me respond to your question like this. So, we are not going to follow a traditional model of building an office, putting a lot of people over there at the business acquisition stage. So, what we are going to do is we will keep it light model in each of the global cities or global geographies where we will start our operation. So, it will be based on fractional consultants as well as partners who will be involved in acquiring businesses for us.

So, we will start like that so that our initial cost of business acquisition is low and as we acquire more customers, as we build our revenue, we expect that revenue and the profit which gets generated from those particular geographies to fund our future expansion and growth in those regions. And I appreciate the question because that's a dilemma which every company goes through when they open up offices abroad because the cost of business acquisition team is very high. And importantly, what is important to note is that cloud services typically and almost all the services which we deliver to our clients are actually getting delivered from India.

I mean, in our situation from three cities, Kolkata, Bhubaneswar, and Hyderabad. And hence, our delivery centers which are here should be able to implement customer projects including operating customer environments.

Ashish Soni: The second question on the customer things, I think you have too many customers for the size of revenue you cater and enterprise customers are like 38. So, what's our strategy to like mine these customers better and move better towards enterprise customers and if you can give a breakup of any customer which are there around like \$1 million revenue sort of thing is broad perspective on that?

Debashish Sarkar: Yes.

Kamal Nath: Yes. So, that is another good thing to have happened in the last fiscal is that our concentration on the top five customers has actually spread out and now we have equivalent revenue base from multiple such customers. It is more than 10-12, right? More than a million dollar, close to a million-dollar billing, right? Now, the other good thing is that because we spent so much of time and energy behind mining those or hunting behind those enterprise customers last fiscal, we have a very healthy pipeline and some of those at least seven or eight deals are there for closure in Q2. Even if we are able to close three or four out of those, our revenue guidance would be easily met. The INR 210 crore would be easily met and as we speak, we continue our efforts in the enterprise space, go deep penetration. Today also, we had a day-long workshop along with AWS folks at our office and it's still going on, entire sales team and we have also widely increasing manpower cost of six crores in the last fiscal is because we have recruited some business heads in each of these zones and they are very experienced hands from companies like Microsoft and Oracle. They are the regional heads, and we are building the teams around that. They come with enterprise background pedigree and they are leading the business acquisition into the enterprise space. We will continue to go deeper in the SMB space but our penetration into the enterprise space would be more and more and more as we go forward.

Ashish Soni: Last question on the, I think the premium partner has a very good rate card, whatever little I understand from the industry experience. So, how do you ensure apart from AI lever, how do you want to increase your margins because premium partners should have premium pricing and better margins to my understanding. So, in next two, three years, I know you want to do expansion globally.

So, is there a trajectory in business planning? Why do you want to move from like certain PAT margin to a particular PAT margin or EBITDA margin? If you can give a color on that, that will help.

Anirban Dasgupta: See, we intend to better it year on year. Definitely, that's our goal. But it will be difficult to pinpoint or put a number to it at this very moment. But yes, definitely, as Debashish had mentioned, we intend to do a PAT of around INR 24 crore this fiscal. And if things go well, and if we are able to set up our US operations and augment our Singapore operations, of course, the PAT margin would definitely go further higher. Percentages would go further higher.

Ashish Soni: And one last question, when you add new logos, is there an entry criteria you have in mind to get in to a new customer or because you have refused certain customers also based on like some payment issues, whatever. So, can you just give a color on that?

Kamal Nath: So, good question and good observation. And it shows that you have probably read the presentation or gone through our narrative. So, this was a Dubai customer, which we had, we got the PO, we ran the deal pursuit for almost three, three and a half months. And we also went into creating his environment on the cloud, right. And it was approved by AWS everything. But on multiple instances of his, when we checked for the credit insurance, on multiple counts, it failed. And then we went back to the customer, they gave another entity. And that entity also had got some dubious history. So, we deliberated although it was a 1 crore per month entry order, and it

was supposed to go up because it was supposed to be an e commerce site, right. But we decided that at this stage, or juncture of our company, we cannot get into a very a bad debt issue and run after payment recovery in the Middle East, neither do we have the wherewithal nor do we have the bandwidth to do this at this moment, and hence we politely refused. So, that's a INR 12 crore. So, we don't have an entry criteria, but we do, because we are the only one's in the industry to have done a credit insurance, because we were bootstrapped, we formed, we were running through very frugal means, and we wanted to protect and safeguard our whatever revenue or whatever our exposure. So, we do run credit insurance checks with these companies, the background checks. But from a size of the customer point of view, we don't have any entry barrier, even a INR 5 lakh order from a customer is an entry point for us, or from an existing customer an incremental revenue is also welcome for us. We don't want to leave those spaces for other people to come in. Okay, thanks and all the best for the future.

Moderator: Thank you. The next question comes from the line of Sandeep Govindbhai Patel, an individual investor. Please go ahead.

Sandeep Patel: Yes. Actually, I joined a little bit late. So, I don't know whether it is already asked or not.

But can you explain me your model in a layman language that if any business convert from the core, like where they are using their servers and directly go into the cloud, then what is the cost difference and what are the benefits they will receive for their business?

Anirban Dasgupta: Yes. So, thank you for asking this. This is what we are and what we do. So, we call ourselves a Cloud++ services company. Now, whenever a customer wants to implement a new application, which we call as a 'workload', we study that application, study the sizing of that application, and then we implement it on the cloud. Our journey starts from there. So, if it's a new application, new service, new customer, then we implement it on AWS, Amazon cloud. If the customer already have that application somewhere, right, either on their own premise, in their server room, or in a hosted data center, or in any other cloud on the hardware, then we call it migration. We migrate that customer, that application from wherever they are to Amazon cloud, right? Now, what are the benefits of moving to cloud? The benefits of moving to cloud is, because Amazon has created this infrastructure layer, which is million times bigger than what a customer can afford today, right? And what we do is, we carve out a portion of that infrastructure, as per the customer's requirement, and give it to that customer. So, the customer only pays for the amount that he subscribes to and consumes, right? So, today, if you say, Sandeep ji, if you want to buy a server, which needs say, 4 core CPU, 8GB RAM and 1TB storage, you will actually not buy exactly the same sizing from the market, because tomorrow, six months down the line, your consumption increases, your users increases, your load increases, on that your business increases, then what happens? You cannot throw away that server.

So, what people buy is generally an oversized hardware, which is going to give them an ROI for at least five years. So, generally, you buy an oversized hardware, which is going to be optimally used maybe three years down the line, three or four years down the line, right? But in cloud, you subscribe to exactly the same the 4CPU, 8GB RAM and 1TB today. And on the fly, if tomorrow, or you know, two days down the line, your number of users increase, your workload increases, your requirement increases, you can, we can just increase that the scalability is infinite. And the infinite means it can go up to any levels, not only scaling up, it can also scale down. Like example is, if there is a payroll application, right, that payroll application is generally used more during the end of the month, right, when the salaries are processed, but the remaining days of the month, it is generally remaining idle. So, in cloud, what you can do is, you can bump it up, the infrastructure, use it for those five or six days. And then after when the usage comes down, you can reduce the infrastructure, so that you pay less. So, you pay only what you use, right?

Another example is a Big Billion-Day sale, eCommerce sites, right? You have participated in a Big Billion-Day sale and done shopping over there. So, normally on Flipkart or an Amazon, if there are five lakh users every day, in a Big Billion-Day sale, there will be five crore users hitting that site, right? Now, in a normal case, what would you have done? If you buy hardware, you will always buy hardware to cater to the peak requirement, right? So, five crore hit limit, you buy the hardware, but in 365 days, out of 360 days, only five lakh users are hitting that server, right? So, imagine 95% of that capacity is remaining underutilized. But in cloud, you pay and provision only for the five lakh users and when the number of users or hits increases, it automatically scales up to accommodate five crore users. This is the beauty of cloud. You know, things like Big Billion-Day and all of that would not have been possible, had it been the traditional on-premise model or the server, buying server, etc., would have been there.

Sandeep Patel: Yes, got it. And one more question I have is regarding the premier membership we have with AWS, how many companies have the same status just like us in India?

Anirban Dasgupta: Less than 1% of AWS partners have premier tier partnership. If I count, there are more than 10,000 AWS partners, but probably 12 or 13 at the most premier-tier partners would be there in India.

Sandeep Patel: Okay, got it. And one more thing is regarding the fixed cost that whenever we got any client that they want to migrate from their core to the cloud, then how much cost, which is fixed that we have to do?

Anirban Dasgupta: No, it depends. It depends on the size. It depends on how big the environment is. It depends on the complexity. It depends on what the components are, whether there is database, whether it is only compute, whether even along with the data, how complex environment it is. So, depending on that, we provide assessment services also. These are consulting services. We do the assessment and based on the assessment, then we provide a roadmap to the customer for the migration. And based on the effort estimates, we quote the price.

Sandeep Patel: Okay, got it, got it. All the very best for the future.



Moderator: Thank you. We have the next follow-up question comes from the line of Priyansh Miri from NGP Family Office. Please go ahead.

Kamal Nath: Yes, Priyansh ji, welcome back. Yes.

Priyansh Miri: Yes. Hi, sir. One last question that I wanted to ask. Though our deck doesn't mention this, in AI projects, are we also building any products in-house that we on IPI can duplicate across our existing customer portfolio?

Kamal Nath: Yes. So, we are not calling it a product, but we have built templates. And why templates and accelerators are because these are reusable. A product is also reusable. But why we are not calling it a product is because a product requires a different mindset, a different rigor. You will have to keep on coming up with updates, upgrades, maintain the entire lifecycle. Maybe in future, we will productize them and put them in the AWS marketplace. But today, although they are product-like but we call them as templates because we don't do that entirely. It's more of project-based solution.

Priyansh Miri: Understood. It's more like a template or a framework, right for our multiple sale implementation project?

Kamal Nath: Yes, exactly.

Priyansh Miri: Understood. Sir, in last comments on the very impressive set of numbers, excellent execution also. I will keep coming back on future con-calls. Thank you.

Kamal Nath: Thank you so much. It gives a lot of confidence hearing this from our investors. And these kinds of questions also give us a feel of what the market demands and what the industry wants. Although we interact with clients every day, but these kind of views also helps us do course corrections or modify wherever we think it can be better. All of you are welcome. Thank you so much for joining the call.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Vanessa Fernandes from Adfactors PR for closing comments.

Vanessa Fernandes: Thanks, Sagar. Thank you, everyone, for joining us on Workmates' first Earnings Call. We truly appreciate your time and interest today. We hope the discussion has given you a clear picture of Workmates' business and the opportunities that lie ahead. Should you have any further questions or if you would like to schedule a one-on-one meeting or a follow-up conversation, please feel free to reach out to us at Adfactors via a call or email.

We look forward to continuing the dialogue and building a strong relationship with all of you. Thank you once again and have a great rest of your day.

Moderator: Thank you. On behalf of Workmates Core2Cloud Solution Limited, that concludes this conference. Thank you, everyone, for joining us and you may now disconnect your lines.