

June 10, 2026

SIL/FY26-27/CS/34

To: Listing Compliance BSE Limited, 25 th floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400023 Stock Code: 544117	To: Listing Compliance National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, 'G' Block, Bandra- Kurla Complex, Bandra East, Mumbai 400 051 Symbol: SIGNPOST
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Dear Sir/Madam,

Sub: Intimation of Transcript of Earnings Conference Call held for the quarter and financial year ended March 31, 2026

This is with reference to the Company's letter No. SIL/FY26-27/CS/27 dated May 30, 2026. Pursuant to Regulation 30 and Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of Earnings Conference Call held on Wednesday, June 3, 2026 for the quarter and financial year ended March 31, 2026.

The said transcript is also available on the Company's website at www.signpostindia.com.

Kindly take the above information on record.

Thanking you,

Yours Sincerely,
For **Signpost India Limited**

Kinjal Mistry
Company Secretary & Compliance Officer

Encl: As above

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“Signpost India Limited
Q4 & FY26 Earnings Conference Call”
June 03, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 03rd June 2026 will prevail.



MANAGEMENT: MR. SHRIPAD ASHTEKAR – MANAGING DIRECTOR
MR. SYED HASEEB ARFATH – CHIEF BUSINESS
OFFICER
MR. NALIN KUMAR SOMANI – CHIEF FINANCIAL
OFFICER
MS. KINJAL MISTRY – COMPANY SECRETARY AND
COMPLIANCE OFFICER

Moderator:

Welcome to the Q4 and FY26 Earnings Conference Call of Signpost India Limited. This conference call may contain certain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 star and then zero on your touchtone phone. Please note that this conference is being recorded.

From the management today, we have on the call Mr. Shripad Ashtekar, Managing Director; Mr. Syed Haseeb Arfath, Chief Business Officer; Mr. Nalin Kumar Somani, Chief Financial Officer; Ms. Kinjal Mistry, Company Secretary and Compliance Officer; and colleagues from SGA, their Investor Relations Advisors.

Now I hand over the conference to Mr. Shripad Ashtekar, Managing Director of Signpost India Limited. Thank you, and over to you, sir.

Shripad Ashtekar:

Good evening, everyone. A very warm welcome to Signpost India Limited Earnings Conference Call for the fourth quarter and the full year ended 31st March 2026. I thank my team and IR team to achieve the number what we have achieved this year. Rather this year what was more of a transformation year for us, where we believed and strategically aligned our line with the transformation booming of infrastructure across the country, where we operate in more than six states and multiple cities. The particularly special occasion for us as the Signpost today being our maiden earnings call.

Financial year 2026 was a year of both expansion and consolidation. We materially widened our national footprint, activating new nine cities in the portfolio. But overall, the background of the business being the first maiden earnings call, Signpost India Limited is not a billboard company.

It is a company which works on three meticulous lines, which is the data, second is the earning for the city and the state and the country, which is ancillary revenue for the state or the city and third is the status and upgradation of the value proposition for the brand and the team members who works around as a partners with us.

So when we talk about not a billboard company, so we are saying that we normally enter into the contracts with the multiple authorities and the partners, where we foresee the revenue pattern and opportunities with our experience of last 10 years nationally which we are operating.

And we have a portfolio of a huge number of clients which are active from many years and some are repeatedly giving the business. So when we pitch for the projects, our cautious call is to take up a responsibility which has more than a longevity of 7 years. Plus, when we see the opportunity, it is mostly in a transit medium or the data-led medium which is around digital.

So the transit comes which is like your metros, then the newer green buses, then airports, then bus queue shelters and the street furniture what we see across the cities, which is a newer medium and a very lucrative as far as the brands are concerned because they want to go all across the city and not spending much of an investment on a single mode.

Plus, these businesses around transit is a more of a captive audience where people spend time every day during the work hour or for their travel journey. On an average, Indians are spending around more than one hour in a daily commute for their purposeful visit, either it's education or a working environment.

So building the company around that where we bid the e-tenders which are floated by various authorities across the country, which is not restricted to Maharashtra or not restricted to Karnataka. Plus, the digitization which the movement we started in 2017, we were the first to implement this digital out-of-home in India as earlier people has tried this and tested this but failed because they felt this medium is more of a replacement of a neon sign which we used to see or they implemented the content which the companies were implementing on a TV.

So this medium doesn't have an audio, so you need to culminate it as a presentation format, which is a slide format where you'll have a little bit of a motion but communicate majorly on the brand communication and the brand logo part.

So this cautious call which we implemented in 2017 in Calcutta Airport has achieved a humongous traction and which every competition is trying to follow the path what we have derived in Bombay or in Bangalore.

We were the first one to implement the street furniture which has got more than 20-25 of the features which help the commuters while commuting, like the telephone or the smart chargers, and then we have a libraries, then we have the facility for the Divyang, which adds lot of value in terms of sustainability and the digitization is also a part of sustainability program which Signpost India is implementing across the formats wherever we get the opportunity.

But there is always a question by the investors or the people who are not involved in the industry that if we digitize, can we see a multiplying effect of 5x or 3x? See, we need to very cautiously deep dive into giving a weightage while implementing a digital because it's a shared medium. It is not a static medium where 3, 4, 5, 6, 10 brands come in sharing the space.

It becomes more affordable for them, but implementation requires lot of science to check the bottlenecks or the traffic where we have opportunity like a signal which has 30 seconds, 60 seconds or an area where you spend on an airport which is like a baggage area or security hold area. So these are some of the locations which scientifically we have to prove while implementing the digital. It is not only converting every space which we own and digitize it.

So with the understanding and learning and the immense potential with the team with what we have, one is the technical team which is based out of Bangalore, the planning team which is more into Delhi, and the project and implementation team across the country.

Our footprint has grown from four cities which was there when we listed in 2024, now we have grown to 32 cities, adding around 866,000 square feet in this year, where across metro, transit, and digital assets, including significant Bangalore Metro network expansion, the addition of electric premium bus fleets across Mumbai, Hyderabad, Goa.

Alongside this expansion, we have made deliberately qualitative shift in the nature of our business, moving from lower quality intermediary-led work towards direct and long-term relationship with the advertisers, rather going through intermediaries, with our anchor client contribution rising to around 29% of revenue.

The result is structurally superior revenue mix with longer campaign durations and multiple cities implementation for better billing visibility and clear pivot. In the next phase from the footprint-led expansion to the disciplined focus on yield and on monetizing the asset we already own.

Now coming to the outlook for 2027, so for financial year '26 has given us a strong platform where we engaged directly with the clients because we believe the global climate is not affecting us because we are more rigid and strong relationship with the Indian brands and the MSME of the country, which contributes a huge growth pattern overall in the country and which has resulted the revenue growth for us also by more than 25% this year.

And we see a similar revenue growth in '26-'27, which will be also in a double figure with the EBITDA margin which is around 25% to 27% range, supported by continued operating leverage and improving asset utilization and a rising contribution from a higher margin digital out-of-home.

So instead of selling the spaces, we are smartly building the spaces and trying to generate a better yield on the same spaces. The growth will be underpinned by a capex of around INR60 crores to INR75 crores this year across the infrastructure and capacity expansion along with the technology implementation.

Our strategic priorities for the coming year are clear to deepen the monetization and yield of our existing asset and to accelerate the rollout of other existing ongoing projects; to extend our geographic footprint across the smart cities or the tourism locations or holy places which we feel lot of traction is happening around that hubs, which includes your Varanasi of the world or the Puri or Ayodhya or Tirupati kind of a geographies where we see huge traction and an immense requirement by the brands across the country.

And to continue shifting our mix towards that. Long-term advertiser relationship is the core essence which we feel has resulted us to grow faster than the competition. And in this year of transformation, when we signed up with the client for multiple city campaigns, the bottlenecks which we evaluated in this recent past, which we would like to correct in this year, which is about the cash flow collection because the multi-city campaign required compliances and approval from the regional offices.

And while completing that, it takes humongous time and energy. So what we did, we are refixing this bottlenecks by clearly changing the mandate of the compliance for India rather to take a

approval for a city and submit an invoice for that, which will help us to improve our cycle and you will see this great improvisation max by quarter three of '26-'27.

When we talk about the working capital and capital allocation with a clear focus where the sustainable return on the capital underlying these priorities in a model that we believe is increasingly self-enforcing.

An asset-light model orchestration will be a new thing which we are adding this year because we have completed the foot-on-street soldiers more than 100 cities survey, which is a humongous task, and we will be adding a data layer of the technology which includes your transaction through e-commerce and payment gateways and your travel pattern, which will add deep more than 70-80 layers of data which will be more strategic.

And there we engage with the multiple asset across the 100 cities to integrate in our model and become an asset-light model for us to grow faster and deep-rooted across the country. The foundation and generational infrastructure-led civic assets whose multi-decade tenure gives us a recurring revenue, as currently we have more than 40 years of lineage period for the from the existing contracts across the cities which we have signed with more than 32 authorities across the country.

As scale generates cash, that cash is redeployed into a further low-risk civic infrastructure, which in turn extends the network and compounding flywheel what we intend to carry from our present footprint from more than 30 cities and to mid-term ambition of 100 cities nationwide. That is the essence of our vision what we call the Signs of tomorrow, where we are talking about the data-led, technology-led, and adding an AI-led department in the company this year.

With that, let me hand over the business and industry how it operates to our Chief Business Officer, Mr. Syed Haseeb Arfath.

Syed Haseeb Arfath:

Thank you, Shripad sir. Let me begin with giving you some brief context on our business and the industry we operate in. Signpost is an end-to-end Out-of-Home media platform where we have always been designing, building, owning, operating, and commercializing the assets which are high visibility in the design.

So these advertising assets across three formats being transit media, digital out-of-home, conventional and static media is what we focus on, with transit being our primary focus because they are anchored on long-term contracts.

Today we manage over 12,500 assets (ERRATA: Wrongly spoken as 12,500 assets. To be considered as 15,000 assets) across more than 32 cities, serves over 1,600 active advertisers, reach upwards of 60 million people every month. So every city where a brand wants to communicate, our platform becomes the mode of primary communication for them where we touch lives every day in that kind of scale.

We are among the largest transit media operators in the country and the largest bus queue shelters operators nationally. Around 3 quarters of our revenue is direct, wherein we have built a very strong pipeline with blue-chip companies, digital-first companies which have primarily focused

their advertising budgets on digital, they have moved on to experiment with OOH and we were among the first to get them on Board. Some of these clients who have been advertising with us have been experimenting with OOH for the first time, and these are some of the digital-first clients that traditionally have always been associated with non-OOH priorities.

Like I was saying, around 3 quarters of our revenue is direct, a rarity in large agency intermediate industry. And our contracts carry an average remaining tenure of roughly around 14 years, giving our revenue a long visible recurring quality.

Our model is built on long-term tenures. We win city contracts for street furniture that includes your bus shelters, metros, airports, digital assets where we bring in the non-fare revenue for these government-anchored projects which are public utility infrastructure. And because the city, I mean across Tier 1, Tier 2 cities of India, the infrastructure is growing with this, there's a lot of capital being pushed in, so our growth is also aligned with that.

Through competitive techno-commercial bidding typically of 7 to 20 years and then invest to construct and digitally enable them, we are leveraging these assets that have been onboarded for the long term to ensure that there is a revenue visibility from day one, improving as the tenure goes into the lifecycle.

Because revenue builds as assets come on stream while capex and license fees are front-loaded, a newly won projects create a short-term mismatch that normalizes as utilization ramps up. The vintage assets effect where assets beyond their first year delivery material which yields to better utilization, that results in better returns and EBITDA.

It is an important lens through which to read our financials. Like sir was telling, the layer which what we are basing our business is on of course the footprint in the 32 cities where we are building multiple formats of transit media, but we are layering a very strong data science around it where we are leveraging hyper-local data from multiple sources where every PIN code we understand what's the demographic of that PIN code and what is the TG density.

Which we then go to a client and tell them that at a PIN code level, this is the kind of density that they can look at, which enables them to look at us as brand custodians and consultants rather than just plain vanilla platform offering services.

Underpinning all of this is Captura, our proprietary AI-powered media planning and CRM platform integrated with multiple new-age technologies that includes AI analytics, video analytics, geospatial planning to bring measurability and accountability to a medium that has historically lacked both.

With this, we are able to gain the trust and that is exactly what has happened with our legacy long-term contracts which has grown in tenure. Now we see a lot more clients that engage us for one full year.

Now coming to the Indian OOH industry, according to the latest FICCI-EY estimates, India's organized out-of-home market grew by 13% in 2025 to a record INR66.9 billion and is projected to reach about INR85 billion by 2028. The most important story is the mix.

Digital out-of-home is clear engine for this growth. Digital revenues rose from INR7 billion in 2024 to INR12.2 billion in 2025 and now account for about 18% of total out-of-home revenue, a share that is expected to reach 25% by 2028. The installed base of digital screens crossed 223,000 in 2025, which is a significant growth of about 21% in a single year.

Yet roughly three-quarters of these screens remain concentrated in metro cities, which speaks to the considerable headroom that exists beyond the top cities. And importantly for a technology-led operator such as ourselves, the share of programmatically traded deals doubled to 30% in 2025, while industry measurement is professionalizing through tools such as ROI mapping, geospatial systems, multiple other formats that we are also experimenting on a daily basis.

We have in this year already established a dedicated R&D budget which will be enabling us to grow all of these data layering in a much more effective manner. Both developments, these developments that play directly to our strengths.

The second cohort is the transit media, the other pillar of our business, which is growing even faster than the broader market. It expanded 22% in 2025 to INR20.2 billion and now contributes around 30% of out-of-home revenue, a share that is expected to reach roughly about 33% by 2028.

While transit, airports, metro stations account for over half and metro and rail, for a further 37%, supported by new launches across multiple formats within the transit media which includes the buses, the bus shelters, public utility which sir already mentioned.

These two segments, transit and digital, are precisely the fastest growing parts of the industry and this is exactly where Signpost has chosen to build its leadership. Roughly about 48% of our top line today is generated from these two formats.

Three further structural forces reinforce our conviction, the premiumization of our inventory and firmer rates, the geographic broadening of medium beyond the top 10 cities, a white space we are actively addressing through Tier 3, Tier 2 market expansion to target the Tier 2, Tier 3 brands as well and the shift towards a measurable programmatic and increasingly self-serve medium that is widening the advertiser base, especially for the aspirational brands.

Crucially, this growth is now structural rather than event-led. The industry delivered 13% growth in 2025 even without the elections and the sporting catalyst that supported the year 2024. In short, our industry is at an inflection point and Signpost has positioned itself deliberately and over many years at exactly that intersection of urbanization, infrastructure expansion, and digitization of advertising.

Now let me take you through our consolidated financial performance for the fourth quarter and the full year of 2026. For the fourth quarter, revenue from operations grew 46% year-on-year and 14% sequentially to INR162 crores. Gross profit rose to INR67 crores with gross margin expanding to 41.5%. Operating EBITDA for the quarter stood at INR42 crores, more than tripling year-on-year at a margin of 26.3%. Profit before tax was INR27 crores and net profit was INR21 crores, a net margin of 13%, translating into earnings per share of INR3.95 for the quarter.

For the full year, revenue from operations grew 27% to INR576 crores from INR453 crores in the previous year. Gross profit rose 33% to INR236 crores with the gross margin improving to 40.9%. Operating EBITDA increased 65% to INR147 crores with EBITDA margin expanding by close to 600 basis points to 25.5% from 19.6% in FY25.

Net profit more than doubled to INR70 crores compared to the previous year with a net margin of 12.2% against 7.5% a year ago. Earnings per share for the year stood at INR13.14 against INR6.34 in FY25.

With that, we would be happy to open the floor for questions.

Moderator: Thank you very much. We will now begin with the question and answer session. Your first question comes from the line of Zaki Nasser with Nasser Investments. Please go ahead.

Zaki Nasser: Sir, good afternoon and congratulations on a fantastic set of numbers for Q4 and the year. Sir, you have already given a guidance of revenue growth of 20% and a strong EBITDA. You mentioned the payment cycle, the receivables look slightly higher this quarter, sir. Number one, how do you plan to address this going ahead, sir? Thank you.

Shripad Ashtekar: Hello, Mr. Zaki, good evening. This is Shripad. So addressing your question which we internally also deliberated in the quarter 4 of '26, where we implemented large-scale projects and grown the interaction with the clients directly across the country, which has added a top line of around INR192 crores additional to what we used to have in last year.

But when we implement a multi-city campaign for the brands and the corporate offices are settled in Gurgaon or in Ahmedabad or in Bombay, so they expect the compliance features from the regional offices. And that gives a additional stress to the compliance part because it takes time because the availability and authorization comes from the regional offices and the consolidation of invoices happens at the headquarter level.

To mitigate this, we have discussed and clients has openly given a green signal around this because this delays the cash flow cycle for us and even for them to clear the invoices within the time period of the outline of the contract.

So the milestone-based billing we have pushed that whatever we get the compliance from whichever region or a city, that money will be clocked into the account and it will not be in our email box of a check. So these kind of a measured approach where our out-of-home industry works around between 90 to 120 days, and we are pretty sure by Q3 of this financial year '26-'27, we will achieve that and we might improve and surprise you with the number and or the days.

Zaki Nasser: Sir, so we could assume that it's a normal path to growth, right, sir?

Shripad Ashtekar: No, I'm not saying it's a normal path, it is a unusual path what we have taken instead of depending on the intermediaries, we are taking the approach because we have a national presence, we are successfully implementing the campaigns for the brands. And because of that, when you talk about multi-city, if you are implementing in 200 cities for the brand and if a brand is expecting

a compliance from 200 city region head, so it becomes a challenge for them because earlier also it has shown a similar kind of a pattern.

So milestone-based approach which is a natural approach for us and for the client to improvise the cash cycle and compliance part will help us to improvise and achieve the number better than what industry is having from years together.

Zaki Nasser: Thank you, sir. And my next question was, sir, looking at your growth numbers and the trajectory ahead and the large markets opened, we could expect Signpost to cross the INR1,000 crores mark by 2029 or even before that, sir?

Shripad Ashtekar: Thank you for that question. What we say currently that we for the year '26-'27, see the number what we achieved last year, so around 48% of that number is already aligned in the engine. And if we are aligning with this number and the expansion cautiously we are doing at the national scale, I'll be happy and the first person to see that number in 2029, but I cannot assure you of that number right now. But yes, we will be pushing us hard to make a smarter company and a more compliance-driven plus a more dividend-driven company for the investors.

Zaki Nasser: Thank you, sir. Best wishes, sir.

Shripad Ashtekar: Thank you, Mr. Zaki.

Moderator: Thank you. Your next question comes from Kiran D with TableTree Capital. Please go ahead.

Kiran D: Thank you so much for the opportunity, sir, and a fantastic explanation of the business in our maiden con-call. I hope this con-call continues at least every half year if not every quarter. Sir, I have two questions more from an understanding perspective. First one, gross margin, sir. As per the annual report, gross margin, especially the cost of services rendered, consists of lease rents, license fees, and display charges primarily, right?

And this cost of services rendered seems to have linearly increased with revenue, right? Revenue jumped 25%-27%, cost of services rendered also jumped 25%-27%. So just to understand how the gross margin profile of this company can be and is lease rent and license renewals directly proportional to the revenue generated, especially for transit media? If you could just explain the gross margin bit a little more in terms of the dynamics, that'd be really helpful?

Shripad Ashtekar: And any second question follow up with this?

Kiran D: Yes. I mean, if you could answer this and then I'll ask the second question?

Shripad Ashtekar: So Overall, when you talk about the cost of services, which is primarily the license cost towards the contract, number two, the production and display cost, which includes lot of efficiency as far as the services are required to deliver, which includes the Wi-Fi or power or multiple cost which are required to deliver the top line.

And this is the resulting number what we see achieved here. Definitely we internally deliberated around this and we see a scope of around 7% to 8% where we can see a reduction in coming year as far as the cost is concerned without hurting the top line. So that is the take from my side.

Kiran D: Got it, sir. So the follow-up is license fees, is it directly proportional to the revenue that we generate, like more revenue we generate, more license fees we have to pay...

Shripad Ashtekar: No, so India still has not matured in that pattern where globally most of the countries or the third-world countries still behave in a minimum guarantee model where you have to assure a revenue, it is not linked to your top line or a business. So it's a assured revenue for the principals, and there are very minuscule, I would say not even touching double digit in our portfolio, which are revenue share model.

Kiran D: Got it, sir. Perfect. Second question, sir, in terms of contribution from different sectors of within the business. In Q3 presentation, we had that chart, Q4 presentation didn't have that chart, where we said about 29% if I'm not wrong, 29% came from PSUs, others from corporates.

So if you could just tell us contribution of various sectors, especially government and PSUs for FY26, what was the share of revenue? And probably the reason why receivables also jumped quite substantially. Corporates, especially different sectors in terms of FS, in terms of oil firms. Again, I'm not looking for exact numbers, but rough numbers so that we understand the different sensitivities around different sectors?

Shripad Ashtekar: Great question, Kiran. So I would like to share this elaborately because our dependency is not on a single category or industry, which normally typically happens when you are dependent on a medium which you own. So suppose if you talk about the mediums what we own, which is more of a street furniture and a transit and a digital, so the contribution which we see typically is not from the infrastructure or a real estate companies where they see more of a luxury kind of a spaces.

When you talk about a network which is across the city, which gives you a value proposition at a lower cost but exposure of 18 hours in a day and multiple touchpoint it covers. So there the PSU which is there, which is around the SBI of the world or the fintech and these are the companies like NPCI or SBI or Punjab National Bank kind of a model where they see a multi-touchpoint visibility for their campaigns.

Then our second preferred medium which is by the industry is around FMCG and the education sector, which is growing at a faster pace as far as the consolidation is concerned or the MSME sector which is propelling FMCG across the country. And the BFSI which we categorize as a clear-cut path for the multiple cities which we operate for the digital.

Kiran D: Got it, sir. So are we saying...

Moderator: Sorry to interrupt, Kiran sir. May we request you to return to the queue for follow-ups, please? Thank you. The next question comes from Madhur Rathi with Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand this receivable has increased by 80% on Y-o-Y. You mentioned that because of some large projects across multi-cities, but sir, how much of this would be over 6 months and how much would be under 6 months? And sir,

can't we do bill discounting because if these are MNC customers, bill discounting is much easier than stretching our balance sheet. So that is first question.

And second question is, sir, how do we see our gross margins improving because as per our investor presentation, our digital ad space has increased from 25,000 square feet to 80,000 square feet between Q3 and Q4. So that is like a 3x jump. As well as we've got these transit contracts as well as the street furniture, whatever investments that we did over the past 5 years of closer to INR300 crores. So how should we see the gross margin going forward?

Shripad Ashtekar:

Madhur, can you repeat that question? We lost a little bit in between.

Madhur Rathi:

Yes, sir. So firstly, I wanted to understand regarding this receivable increase of 80% from to INR317 crores, how much of this money is more than 6 months and if you could help us understand. And sir, can't we do bill discounting for these receivables because our customers would be blue-chip customers as you mentioned, most of these are Fortune 500 company kind of those companies. So one question is that and why is receivable...

Shripad Ashtekar:

Mr. Madhur, answering your first question, so we explored that bill discounting part, but it will add a cost on the company and we'll be incurring the cost around that. So rather going into that direction, we are practically implementing it across the offices and across the contracts to achieve the expected days coming down drastically with the milestone-based infrastructure between the contracts and the understanding with the client. And this we definitely assure you by Q3 you will see a humongous surprise around that. Your second question which I missed because of some audio issue, can you repeat?

Madhur Rathi:

Sir, how we see the gross margin improvement going forward with this cost reduction you mentioned, as well as the premium digital billboards that have increased from 25,000 square feet to 80,000 square feet between Q3 and Q4, as well as the transit contracts that we have received.

So how should we see this gross margin maybe over the next 2 to 3 years? And sir, are we understating our margins in the 25%-27% range, can they actually move to the 30% range maybe over the next 1 or 2 years?

Shripad Ashtekar:

So everything whatever coming as a new, if you're talking about the number what you mentioned, it is a not a quarter, it is a year improvisation. And everything which is coming new in the geography requires a little maturity period of at least 4 to 5 months and 6 months, which we have seen in past.

So the growth factor around this number which has grown from certain number what you mentioned will definitely start resulting giving the yield better than what we are seeing. As example, if I put Bangalore Metro which has around 67 stations lineup, where we have seen a stronger growth from 18 to 25 stations much higher than what we expected.

But it requires a little bit of a maturity for the brands to understand because some of the contracts which are first time implemented in that geography. Bangalore has never seen a metro advertising in past in last several years in spite the operations were there. So it is like what Sayed

has mentioned, it is a process where it goes into a planning tool for the brand also and for us also to convince and measured the approach with the success how they see it.

Madhur Rathi:

Got it, sir. Just a final question, sir, what is the occupancy rate...

Moderator:

Sorry to interrupt, Madhur sir. We request you to return to the queue for follow-ups, please? Thank you. Your next question comes from the line of Aashav Patel with Molecule Ventures PMS. Please go ahead.

Aashav Patel:

Thank you for the opportunity, sir. Congratulations on a good set of numbers. And investor community is welcoming this your maiden con-call also, we really appreciate this. So sir, my first question is, so can you please highlight the revenue potential of some of the recent contracts like Kolkata Streetscape Renaissance project, then Bengaluru Metro advertisement, OMC contract for petrol pump hoardings and everything?

Shripad Ashtekar:

Thank you, and apologize that we didn't do the earning call earlier, but we will ensure that every quarter we meet you personally or virtually. And me and Sayed will be there and even the Nalin and team. So coming back to your question about the probability of the revenue from the newer projects what we have signed.

So as far as the newer projects which includes multiple contracts across Hyderabad, Goa, Bangalore, Calcutta, which includes the bus fleet also or a metro or a Renaissance street project in Calcutta. So as the Calcutta was going through a election period, so that contract implementation we expect at least to achieve 60%-70% of implementation by September-October before Durga Puja in spite the monsoon period in between.

But that will add value in terms of the number which will be adding to the balance sheet. And the Bangalore Metro is on a faster pace and we expect the number to add value in the top line. And currently the 18 to 25 stations which we have started seeing the revenue and contracts which are surprisingly signed for 2 year, 3 year, annual contract by the brand because of the humongous traffic the metro is getting because of the lower traffic speed what city of Bangalore sees normally, which is a complaint of every citizen across the country that you are the slowest city.

But this faster-paced metro has added value for the working class, for the elite class also to prefer that medium of transport. So definitely the brands are also attracted toward that and engaging for the better visibility. But if you are pinpointing towards the contract what we would be able to generate, overall what I mentioned earlier also, the number what we achieved this year which is around INR576 crores, out of which 48% is already in a stronger bucket as a signed bucket with us.

Which is a great advantage for us to start our year and get the assurity of that number in first 2 months and there is a probability of similar growth what we achieved this year which will be 20% plus this again in the coming year. And the asset light model what we are adding for the multiple cities with through the data and the foot on street soldier physical data.

Will also immensely help to grow the current relationship whatever we have with the clients. Suppose if we have a client in Jaipur who is looking for a opportunity to implement across

multiple cities, so we will be the preferred partners because already we are serving him in his preferred market.

Aashav Patel: Got it, sir. Okay. And so my second question is on the margin and continuation to the earlier participants question. So as you rightly mentioned, you are trying to save cost on the gross level and we might save end up saving around say 7% that is what we aspire to do this year. Even 5% of that translates to the operating margin level. So we can do very well to do a margin closer to 30% mark. But we are guiding quite conservative on that?

Shripad Ashtekar: That is the target internally what we have and we see a opportunity where we could save 6%-7% on the current top line what we have or the cost what we incur this year. Which will be resulting directly into a funnel of our profit before tax.

Aashav Patel: Got it. And sir, the current cost structure covers any recent long term contracts are already built into the reported numbers over last 2 quarters?

Shripad Ashtekar: I didn't get this question, sir?

Aashav Patel: So sir, question is that in your industry, I'm sure you might to you'll need to incur some expenses, say before for the first 4 to 6 months. Meanwhile, the property starts delivering you the return. Right, so in the first 6 months, are those costs involved in this quarter or the last quarter?

Shripad Ashtekar: Yes, Yes. Exactly that is what I am trying to tell. So some assets require maturity, some start giving yield from day one. So like we started Puri which was around before the yatra in Odisha. So that I started giving a yield immediately. But the project which we implemented in say Shimla, which was around in the month of November.

So now we are seeing the result which is a better proposition because of the holiday time or the travel time pattern improvises as per the season. So there are some of the assets which take 5 to 6 months. But averagely we expect in our calculation to keep 5 to 6 months as a leverage time to attend the decent scale revenue stream from the asset.

Aashav Patel: Got it, sir. I'll come back in the queue. Thank you.

Shripad Ashtekar: Thank you.

Moderator: Thank you. Your next question comes from Sayam Pokharna with Invert Capital. Please go ahead.

Sayam Pokharna: Thank you for the opportunity, sir, and congratulations on the performance of last 2 quarters, really impressive numbers. I had a more fundamental question on the business model. In response to a earlier participant's query, you had mentioned that India is not a mature market and most of the contracts are fixed hurdle contracts.

So typically, then our cost structure is either fixed or semi-variable and as we move beyond that, there should be a lot of potential for, operating leverage as we continue to grow and the utilization improves. But somehow on the margin front, we are guiding a similar margin as compared to what we are doing.

So I understand if we are being a little conservative, but just want to understand that is our understanding of the business model correct that as we move beyond that utilization and the initial hurdles for all of the recent projects that you have signed up, incrementally a large part of it flows to our profits?

Shripad Ashtekar:

Overall, if you see global versus India as far as the industry is concerned, so the price point and the measurement around the quality of traffic, I'm not talking about the traffic. So you might have 50 Uber or 50 Mercedes, but the quality of traffic what they have, plus the exposure time and versus India because we are most populous country.

So we cannot match that measurement on a global scale because our traffic or the quality of traffic varies with the formula what they have. But the investment what we see as far as the projects are concerned or the investment from the brand has substantially increasing in Tier 2, Tier 3 cities, which is a real Bharat.

And very cautiously investing in Tier 1 cities because of the cost what the medium expects from the advertisers. So as far as the seasonality is concerned in our business which was there 10 years back has changed the pattern. It is more of a like marketers are started saying consumers are on every day. It is not a Diwali, Dasara, that is a propelling time for the Tier 2 or Tier 3 cities.

But as far as the urban area is concerned, the consumer is triggering to buy any day of the year. So the continuity of the campaigns has started increasing rather which was there 10 days, 15 day, 21 day campaign. Now either brands are coming regularly every month or trying to keep the sustenance campaign across the 6 months or across the 9 months or across the 12 months. And that cycle is increasing.

Sayam Pokharna:

Okay. Sir, another question...

Moderator:

Sorry to interrupt, Sayam sir, we request you to return to the queue for follow-ups, please. Thank you. Your next question comes from the line of Sanjay Shah with KSA Securities Private Limited. Please go ahead.

Sanjay Shah:

Yes, good evening, gentlemen. Thanks for opportunity. Sir, fantastic maiden call, explanation helps us a lot. Sir, my question was regarding our strength among from the competitor point of view. How Signpost biggest competitive advantage today? Is the scale or technology or authority relationship, capital strength, and why?

Shripad Ashtekar:

Good evening, Mr. Sanjay. So typically, if you see this business is normally family-driven businesses across the country, which is limited to the geographies. Number one. Number two, when you talk about a geography, a more of a proposition is always by the competition towards the conventional media, which is a standalone medium where like I'll give you one example.

One medium got on a bid through MSRDC in Mumbai, where 27 agencies has bid for the single space. We never bid for that. And then a proposition for two lines for metros, which is red line and yellow line, total qualified techno-commercially experienced only three companies participated because three got disqualified.

And when you talk about an experience and techno-commercial bid, you require a track record of implementation of a similar scale of a project. So which has differentiated and the price point when you have a better proposition and longevity, we cautiously drive that within the system where we educate internally that instead of going into a short-term 2 year, 3 year model business and taking it through 7 year plus model, which helped us to grow and sustain the quality after the COVID period, which was a critical period for everyone.

But definitely adding that value plus the differentiation of direct relationship with the brand, which requires a solution-based discussion, advisory-based discussion, not the commodity-based delivery, has helped us to grow which competition will learn or will be able to achieve in some time, which will take a lot of time to reach to a Chennai-based client to get into a Mumbai market, whereas Chennai-based client would like to see an agency or a company who can deliver for 10 cities or 20 cities or 500 cities at a one go.

Sanjay Shah: So over and above family...

Moderator: Sorry to interrupt Sanjay sir. We request you to return to the queue for follow ups, please. Thank you. Your next question comes from the line of Rohan Picha with Dexter Capital. Please go ahead.

Rohan Picha: Yes, hi. Am I audible?

Shripad Ashtekar: Yes, Mr. Rohan.

Rohan Picha: Yes, hi. So I just wanted to understand about the merger economics. So when we merged and formed the single entity which you are listed, so Pressman was doing around INR14 crores, INR15 crores of revenue, whereas, Signpost was doing around INR350 crores of revenue. And yet, after the merger, the two main founders' holding it dropped from 66% to 44%. So what was the rationale of this valuation and if you can help me understand that?

Shripad Ashtekar: Yes, Mr. Rohan, so answering your question, one is that the valuation we cannot comment on that. Number two, the promoters of Pressman has converted their equity into a non-promoter base because one is the personal family losses what they have gone through, plus the age of the promoters. And we don't see anything which is everyone would like to have a peaceful retirement life after 75 age. So there is nothing to comment on this as such.

Rohan Picha: Okay. Thank you.

Moderator: Thank you. Your next question comes from the line of Zahir Ahmed with FST Bazar. Please go ahead.

Zahir Ahmed: Good evening. Thank you for the opportunity and congratulations on great numbers for Q3 and Q4. My question is specific to the bus queue shelters in Mumbai. I know that bus queue shelters are getting digitized as we speak, I mean we are going at a rapid pace. But can you give clarity on how many bus queue shelters have already been digitized so far, tentatively? And are we looking forward to taking bus queue shelter contracts in Tier 2 and Tier 3 cities as well going forward?

Shripad Ashtekar:

Thank you, Mr. Zahir. So this is a street furniture contract across the city and the expectation or the binding on the contract with us is to convert at least 20% bus queue shelters across the city, which will not be the commitment of digitization but refurbishment or implementing a newer design what we have implemented. That is the commitment level.

As far as the digitization is concerned, it is purely our prerogative to decide which one has to have a illumination or a digitization or a ambient-lit model. But interestingly, we have seen the pattern and the boom of transformation in the infrastructure. The areas which we see 3 years, 2 years back, which were naturally preferred area by the media owners or by the brand, like for example Pedder Road, the traffic which has shifted to Coastal Road and the speed what Coastal Road has.

So that digitization of our shelters we have come back to the normal position of making it illuminated shelter and shifting that digital to the Atal Setu area, which is a newer proposition for us and a surprise for us, which is running 30,000-40,000 per day vehicles on that road. So as far as the digitization is concerned, it is not a committed number by the authority or a binding on us.

But definitely 20% of the total unit of 3,000 bus queue shelters in the city of Mumbai, which needs to be improvised with the newer design what we implemented, out of which we have completed almost 11% of it. We have a period of 3 years assigned by the authority to complete that assignment of 20%.

Secondly, growing this similar pattern of bus queue shelters in Tier 2 cities or Tier 3 cities, we don't see we will be doing that for Tier 2 and Tier 3 cities, rather we will be implementing something which is very new to the world, which has started like recently we implemented one drone show on a Nariman Point stretch.

So these kind of a mediums which has got a buzz for a 10-minute show, but it is a definitely out-of-home property which people are leveraging it now. So coming back to Tier 2 and Tier 3, we will be on asset-light model and engaging with the data and the AI tech part.

Zahir Ahmed:

Thank you.

Moderator:

Thank you. Ladies and gentlemen, due to time constraints, we would take that as the last question for today. On behalf of Signpost India Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines.