

Date: May 15, 2026

To,

The Manager
Listing Department
National Stock Exchange of India Limited (NSE)
Exchange Plaza, 5th Floor
Plot No. C/1, G-Block
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Symbol: SAGILITY

The Manager
Listing Department
BSE Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code:544282

Dear Sir/Ma'am,

Subject: Transcript of Investors Call held on May 12, 2026

This is in continuation of the Investors/Analyst Webinar conducted on May 12, 2026, to discuss the audited financial results of the Company for the quarter and year ended March 31, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby attach the transcript of the aforementioned webinar.

This information is also available on the Company's website <https://sagility.com/>

This is for your kind information and record.

Thanking You,

For Sagility Limited

Satishkumar Sakharayapattana Seetharamaiah
Company Secretary & Compliance Officer
M. No. A16008

Encl:a/a

Sagility Limited

(Formerly Sagility India Limited, earlier Sagility India Private Limited)

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Sagility Ltd.

Q4 & FY26 Earnings Webinar
Wednesday, 12th May, 2026 at 7:30 PM

MANAGEMENT	<ul style="list-style-type: none">• Ramesh Gopalan - Managing Director & Group CEO• Srinivas Mattapalli - Executive Vice President and Group Chief Financial Officer
MODERATOR	<ul style="list-style-type: none">• Siddharth Rangnekar - CDR India
QUESTIONERS	<ul style="list-style-type: none">• Santhosh Balan – Individual Investor• Rohit Thorat – Axis Capital• Baidik Sarkar – Unifi Capital• Rishi Jhunjhunwala – IIFL Capital• Vamshi Krishna – Kotak Securities• Chirag Kachhadiya – Motilal Oswal• Bhavik Mehta – JP Morgan• Siddharth Vora – HSBC Mutual Fund• Sameer Pardikar – Elara Capital

Siddharth Rangnekar: Good evening, everyone, welcome to the Q4 FY 2026 earnings webinar of Sagility Limited. This is Siddharth Rangnekar from CDR India, I shall be your host for today. As a reminder, all attendee lines will be in the listen-only mode. There shall be an opportunity for you to ask questions after the presentation concludes. Please note that this webinar is being recorded.

To introduce the management we have with us today Mr. Ramesh Gopalan, Managing Director and Group CEO; Mr. Srinivas Mattapalli, Executive Vice President and Group Chief Financial Officer.

Before we commence, I would like to state that some statements made on today's discussion could be forward-looking in nature and may involve certain uncertainties and risks. A detailed statement in this regard is available in the Q4 and FY '26 results presentation that has been uploaded to the stock exchanges.

I would now like to hand over the forum to Mr. Ramesh Gopalan to begin the proceedings of this webinar. Over to you.

Ramesh Gopalan: Thank you, Siddharth. Good evening, everyone. Thank you for joining us on our Q4 and FY '26 earnings call. FY '26 has been an exceptional year for Sagility. We delivered high growth and profitability in a very challenging environment. As we discussed with all of you on the Investor Day in March, healthcare payers are facing significant profitability pressures because of regulatory changes, lower than expected reimbursements and increasing medical utilisation. In this environment of intense cost pressures, clients are more receptive to partners like Sagility, who not just play a support role, but can help transform their operations and deliver better business outcomes at a lower cost.

Given our domain expertise, the breadth of our service portfolio and the trusted relationship we have with our clients, we are able to play a large part in the transformation journey through AI and tech-led initiatives. We saw steady growth through the year and a better than expected Q3 and Q4, which are the peak seasons for us on account of AEP and open enrolment.

We saw higher volumes across all of our practice areas. And equally important, our execution was very strong. To put the impact of AEP and open enrolment in context, our seasonal revenues accounted for 6% of FY '26 revenues versus 3% in FY '25, with an equal split across Q3 and Q4. Our strategy of expanding white spaces within existing accounts continues to serve us well. Our Top 5 grew year-over-year by 11.7% in FY '26. Our focus on mid and small market is also beginning to show results. We added 17 new clients in FY '26 and some of them are sizable regional plans and blues, which sets us up well for growth in the coming years.

As we mentioned on the Investor Day, our Synchrony suite of solutions which are outcome-focused and transformational managed service deals are getting the

attention of many of our clients and prospects. The addition of BroadPath has further strengthened our ability to support seasonal and member-facing operations, particularly during peak enrolment cycles.

Overall, this reinforces our position as a healthcare-focused operations partner that combines domain expertise, technology and execution at scale. Let me now build on that with our performance for the quarter and for the year. We can move to the next slides.

Q4 marked a strong and disciplined close to FY '26, building on the momentum we saw through the year. For the quarter, revenue stood at ₹20,243 million, or \$222.1 million, representing 29.1% year-on-year growth in rupee terms and 22.2% in constant currency. Our organic year-on-year growth, excluding BroadPath, was also strong at 25.8% in rupee terms and 19.4% in constant currency terms, reflecting sustained demand across our payer and provider operations and continued expansion with existing clients. On profitability, Q4 adjusted EBITDA was ₹5,036 million, or \$55.2 million with margins of 24.9%. Adjusted PAT for Q4 came at ₹3,069 million, or \$33.6 million at margins of 15.2%. Now looking at the full-year.

The full-year revenues were ₹71,929 million, or \$814 million, up 29.1% year-over-year in INR terms, and 23.6% in constant currency. Organic growth, excluding BroadPath, was 20.1% in INR terms and 15% in constant currency. For the full-year, adjusted EBITDA stood at ₹18,200 million or \$206 million, translating to a 25.3% margin and exceeding the guidance provided at the end of Q3, underscoring our ability to scale while sustaining resilient margins. The expected 110 bps margin decline versus FY '25 primarily reflects the full-year impact of the BroadPath acquisition.

Adjusted PAT rose to ₹11,306 million, or \$127.9 million, up 39.5% year-on-year with a 15.7% margin. Adjusted PAT margin expanded by 110 bps versus FY '25, driven by strong EBITDA performance, higher Forex gains, and lower finance costs. Commercially, Q4 was another very strong quarter. We signed \$30.7 million of potential steady state ACV supported by expansions and new SOWs across 18 existing clients and two clients added in Q4.

I'd also like to highlight the strong external validation we received during the quarter, with multiple leader recognitions from NelsonHall, Everest Group, and ISG, and the Augmented Intelligence Award for SmarTec Nurse Assist, which collectively reinforce a differentiated position in intelligent healthcare operations.

I'm also happy to announce that the board has recommended a final dividend of ₹0.1 or ₹0.10 paise per share, subject to approval of shareholders. Next slide, please.

In FY '26, payers contributed 89.7% of revenues, while providers contributed 10.3%. The reduction in provider share reflects impact of the acquisition of BroadPath, which had a predominantly payer-focused revenue mix.

Employee strength stood at 46,860 as of the end of Q4, driven by headcount reduction post-OE season. The slight uptick in attrition in FY '26 is attributed to higher seasonality compared to the previous year. If you move to the next slide.

So this slide summarises all of the annual KPIs that we report every year. The notable point here is our top three concentration has fallen below 60%. And the other key point is the number of clients contributing to over 20 million, as you can see has grown to nine, which was four in FY '23, so more than doubled since FY '23.

If you move to the next slide. Let me, like always give you some of the recent market trends. CMS finalised the Medicare Advantage rate increases. As if you remember, the same time when we announced the Q3 results, they had announced a preliminary almost flat rate for CY '27. But now that stands increased to 2.48%. So this gives a slightly more favourable environment for Medicare Advantage plans. But having said that, they are still under tremendous cost pressures because of increased medical utilisation. So what it means for Sagility is proposals that focus on cost takeout in administrative functions and also helping improve star ratings are looked upon very favourably by our MA plan clients.

The second thing is the House bill to extend or enhance the ACA subsidies. So this was another thing we spoke about in the previous quarters. But with this bill, assuming it passes both Houses, it gives a more stable market or stable premium for membership in the ACA marketplace and keeps the market at a steady level getting into FY '27. However, as we've mentioned to you before, our exposure to the ACA market is limited, but it still underscores the importance of cost takeout and AI-led initiatives in the ACA segment.

The next one is on State Medicaid expansion. As you know, the Medicaid segment has been impacted by the Big Beautiful Bill as well. Some of the incentives for expansion at the state level has been eliminated. So, there is likely to be a moderation in the Medicaid growth. Again, this is a segment that we've said, we have very low exposure to. But once again, this is another pressure from a membership and cost point of view, which means some of these plans also have tremendous pressures to take out cost in their functions.

Lastly, CMS launched what's called ACCESS Model, which is advancing chronic care with effective, scalable solutions. What this means is, CMS wants to incentivise outcome-based chronic care management with tech-enabled care as central to the model. While this is specifically targeted at Original Medicare, it closely aligns with what we've been trying to help Medicare Advantage plans with,

which is to use technology to do risk stratification and enable care, as well as tech-enabled member support, and member engagement activities.

Moving on to the next slide. This quarter, we also launched a brand evolution. This is not just a cosmetic change. It's a reflection of how we are going to market as a healthcare-first tech and AI-led operations partner on outcomes. The brand promise is Sagility delivers value in healthcare operations with deep domain expertise, technology and AI-led transformation, and trusted collaboration.

So this promise defines how Sagility shows up for client in an era where healthcare operations must fundamentally transform. It rests on three core attributes:

Deep domain expertise. We are a dedicated specialist in U.S. healthcare operations with more than 26 years of accumulated knowledge across end-to-end medical, pharmacy, and dental business segments, combining the depth of a niche expert with the breadth of a global enterprise.

The second pillar is tech and AI-led transformation. This is technology deployed to solve specific healthcare problems with compliance and clinical safety as non-negotiable guardrails. Healthcare AI must be explainable, must be auditable, and must be regulator-ready.

The third and the most important pillar, which is trusted collaboration, which is where Sagility works side by side with clients, building transparency and shared accountability into every engagement.

The company's emphasis on we listen, we acted, we delivered captures a discipline of incorporating client feedback directly into operational improvements. This promise defines how Sagility delivers value. To scale it across markets, buyers, and deal cycles, it must be consistently experienced, not just articulated.

Moving on to the next slide. We recently had our client summit. We do this every year, and we had over 80 client attendees. The key takeaway from this event is the level of engagement and partnership we are seeing with our clients. We brought together senior client leaders to collaborate on three industry challenges, including medical cost pressures, member experience, and the use of AI in operations. Through this process, we worked with clients to co-develop solutions, and we are now moving into early pilots on selected initiatives.

This reinforces our approach of not just building solutions independently, but building them in partnership with our clients. With that, I'll hand it over to MR to walk us through the financials and then I'll come back for closing comments. Over to you, MR.

Srinivas Mattapalli: Thank you, Ramesh. Good evening, everyone. I have recently joined Sagility as a Group CFO, and I must say that I'm truly excited to be here at a time when the company is delivering such strong results.

Next slide. I'm pleased to present an overview of Sagility's financial results for the fourth quarter and the fiscal year 2026.

In quarter four, Sagility delivered strong revenue growth and solid profitability. This performance is supported by consistent underlying revenue momentum. For the full-year FY '26, performance came in ahead of the guidance we had shared during our last earnings call, driven by strong operating execution, disciplined cost management, and a better-than-expected open enrolment season. I'll move to cash flow, as Ramesh has already given you a view of revenue, adjusted EBITDA, and adjusted PAT.

Our operating cash flow conversion for the quarter was healthy at 104.6%, driven primarily by an improvement in working capital and lower tax outflow in this quarter as compared to quarter three. At quarter-end, our DSOs stood at 87 days, comprising of 54 days of trade receivables and 33 days of unbilled revenue. While this is slightly higher than the 86 days reported in quarter three, the increase is primarily due to an accounting reclassification, moving from unbilled to financial liabilities. This had an impact of approximately 4 days. But importantly, this reclassification had no impact on working capital.

On this slide, I'll highlight the seasonality in our business with a stronger second half. As you would notice, our revenue sharply increases in Q3 over Q2 and remains steady in Q4.

This increase in Q 3 and Q 4 is largely on account of additional seasonal revenues from open enrolment and AEP. As highlighted by Ramesh earlier, we had around ₹50 million of recurring seasonal revenues in H2. You'll also notice that our head count has come down in this quarter as our open enrolment season concludes. The adjusted EBITDA for quarter four was 24.9%. In this quarter, we recorded a one-time employee bonus as part of our transition in our salary hike cycle from a calendar year basis to a financial year basis. This one-time item impacted the adjusted EBITDA by approximately 1.7% in Q4.

This slide highlights our robust growth trajectory and our steady margin profile. Our 3-year CAGR on revenue is 16.2% in constant currency terms. Adjusted EBITDA grew by about 17.7%, and adjusted PAT expanded at a significantly faster pace of 31.7% over the last 3 years. These growth rates are in dollar terms and includes the impact of acquisitions. This strong bottom line outperformance was driven by three key pillars: operational efficiencies, reducing finance costs, and higher other

income, including forex. Overall this reflects our ability to consistently scale revenues while sustaining margins.

Moving to other financial indicators. Our adjusted EPS continues to grow faster than revenues, and our adjusted ROCE continues to be steady at greater than 50%. Cash conversion in FY '26 is lower compared to previous year, and this is a result of higher tax outflow, lower non-cash expenses, and higher non-cash income.

And let me explain the few major factors here. In FY '25, we had received tax refunds in India for previous periods, which reduced the overall tax outflow for FY '25. Secondly, we also had a large SAR expense, which is non-cash in nature. And in FY '26, we also had higher unrealised Forex gains under our reported EBITDA. Finally, on debt, we are on track to repay our current debt completely by end of FY '27.

This slide is a little busy, but we'll give you an overview of our quarter's performance compared to Q3 and Q4 of previous year. And you also have the full-year numbers compared to previous year. We will just keep this on for a few seconds for you to observe the numbers. We can move on to the next slide.

On this slide, we present the adjustments to EBITDA. Our adjustments on EBITDA include adjustment made for M&A earn-out, stock appreciation rights, and other income and Forex gains. While our adjustments on adjusted PAT includes the adjustments made for EBITDA, as well as adjustment made towards intangible amortisation and exceptional items that we have booked in previous quarter for one-time impact coming out of the new labour code.

Going forward, this is a view of our debt repayment plan and earnouts and intangible amortisation. We give this every quarter. The changes that you see for FY '27 is mainly on account of foreign exchanges.

Next slide on balance sheet. Our balance sheet continues to be very healthy, and at the end of Q4, our cash position is ₹9,038 million, which enables us to continue to invest in AI capabilities and domain. Also continue to explore inorganic opportunities.

On cash flow, we have already talked on a little bit on one-off items earlier in my presentation. And going forward, I think we are very confident of sustaining these healthy cash flows.

With that, I conclude my presentation. Handing it back to Ramesh for his closing remarks.

Ramesh Gopalan:

Thanks, MR. As the numbers have shown, our FY '26 performance was exceptional. Like I said, the industry continues to evolve with costs and regulatory pressures,

and clients are looking to partners who can collaborate with them on their AI and tech-led transformation journey, not just as advisors or implementers of technology, but someone who can take accountability for business outcomes.

Our domain expertise, our investment in tech and AI, and our deep client relationships make us the right partner for our clients. We are carrying the momentum of a great FY '26 into FY '27. While deal timings may be a little unpredictable, we are confident of growing in the low double-digits in constant currency for FY '27. Our guidance for adjusted EBITDA margin is between 24% and 25%. And if the FX stays in the current ranges, it's more likely to track towards the upper end of this range.

With that, happy to take questions and hand it over back to Siddharth.

Question-and-Answer Session

Siddharth Rangnekar: Thank you. Participants who wish to ask questions, kindly click the raise hand icon at the bottom centre of your screen. We will wait for the questions to assemble. I repeat, participants who wish to ask a question are requested to click the raise hand icon at the bottom centre of your screen. We take the first question from the line of Santhosh Balan.

Santhosh Balan: Yeah. Congratulations for the good set of number. I just want to know, will there be any impact due to the AI in the future revenue?

Ramesh Gopalan: Yeah. So we discussed a lot about AI and its impact on the Investor Day, right? So the broad answer to your question is, yes. AI, we believe AI is something that's going to generate a lot of efficiency for our clients. Efficiency in the sense of increased productivity, lowering costs both on their administrative functions, and also helping improve member and provider experience. So while the productivity gains will reduce some part of our revenues, we believe that AI will also help us gain more market share as we look to implementing AI as part of our overall transformation of our client operations and take accountability for business outcomes. So that's broadly our position on AI.

As we said, we've grown at 15% in constant currency organically and we still believe that we can continue to grow in double-digits.

Santhosh Balan: How far we have adapted to this AI in our company organisation?

Ramesh Gopalan: Yeah. We've discussed that in the previous quarters. We've invested heavily in tech and AI. There are a number of use cases that we've piloted. We are working with several clients on some of these initiatives. But yes, we have implemented a number of use cases in various parts of healthcare operations. Thank you.

Santhosh Balan: Okay. Thank you.

Siddharth Rangnekar: Thank you. We take the next question from the line of Rohit Thorat from Axis Capital. Rohit, your line has been unmuted.

Rohit Thorat: Yeah, hi. Thank you for the opportunity, and congratulations on a good set of numbers. My first question is regarding capital allocation policy. You have mentioned that you plan to extinguish the debt by end of FY '27. You have also increased the cash and cash equivalents on your balance sheet by a significant amount at the end of FY '26 versus at the end of FY '25. Are there any plans to increase dividend payments in FY '27, or payout would remain in the same range as of now?

Ramesh Gopalan: So let me answer the question and MR can add to that. That's a good question, right? So the debt repayment is something that we had even previously spoken about. And we plan to repay whatever is left in the debt in FY '27. So that's one outflow. Second is, we want to keep some funds for M&A activities. As we've said in the past, we are constantly looking for opportunities that will help improve our capabilities, both on the technology and transformational side, as well as give us access to more clients. So any such opportunities that are out there, we want to take advantage of that opportunity and we want to keep some funds for our M&A.

Beyond that, yes, as we will look at the dividend going forward and though there's no firm commitment at this point in time, we'll take a look at what can be provided in the form of dividends.

Rohit Thorat: Okay. And on the M&A side, are you looking at acquisitions to strengthen your provider business or you would also look for any potential acquisition in payer segment as well if they help you expand your presence further among mid-market clients?

Ramesh Gopalan: Yes.

Rohit Thorat: Like, what would be the priority?

Ramesh Gopalan: See we are looking at acquisitions on both payers and providers, right? So obviously there are a number of things we look at before deciding if a candidate is the right one for us. At this point in time, I mean, we've discussed in the past the areas that we focus on both in payers and providers. So anything that can give us a deeper domain differentiation in any of those areas or anything that can give us a technology capability in those practice areas are the acquisitions that we are looking at. So that's from a capability point of view.

Secondly, any something like a BroadPath which gives us access to a large set of clients is another kind of acquisition that we would be interested in. So those are

the two broad types of acquisitions we'll do. But we look for those kinds of acquisitions both in the payer and the provider sets.

Rohit Thorat: Yeah. Thank you. Thank you for answering my questions.

Siddharth Rangnekar: Thank you. Before we move to the next participant, we would request interested participants to kindly raise their questions by clicking on the raise hand icon at the bottom centre of your screen. We take the next question from the line of Baidik Sarkar from Unifi Capital. Baidik, your line has been unmuted. You may speak.

Baidik Sarkar: Ramesh, hi, good evening, and congrats on a fantastic year of execution overall. My wishes to you and the entire team. Couple of questions. We make note of the Q4 ACV number that you shared with us, but could you help us with the cumulative ACV number also that you're sitting with at the end of the year? I'm given to understand that a significant part of your book that runs on an ARR basis, right? I mean, there's an annuity-like component built into that. So if you could just help us cull out what that number is looking at. And that multiplied into the pricing hike that you guys just talked about, what does it set us up for a base case revenue growth for FY '27? This is without considering fresh organic opportunities that'll open up for the rest of the year. So if you could just help me with that part of the math, please.

Ramesh Gopalan: Yeah. So Baidik, nice to hear from you. Good question, right. So the math isn't as simple as just adding up the ACVs. But to answer that question, if you go back, we've reported ACV wins in each of the quarters, roughly in similar ranges in the 30s, right? So if you add them all up, it'll probably add to somewhere around \$130 odd million. So these are ACVs, potential ACVs of the deals that we've closed, both with existing and new clients. Obviously, the timing of revenue generation of those deals will vary. So one is the ramp cycles that some of those deals go through. So the initial months of revenue may be different from the steady state ACV values that we quote.

And secondly, also, the part of the ACV would have been realised in FY '26 itself. So the incremental revenues in FY '27 is over and above what has already been registered in FY '26. And the rest of the revenues have to come from pipeline that gets converted in the first few quarters of FY '27. So it's that. So all of that is cumulative additions. To that, we'll have to also factor in any volume adjustments, right. Volumes in existing books of businesses could grow, could reduce depending on membership changes and other changes that are happening.

Then there are other kinds of revenue reductions that we've spoken about, AI and automation related reductions that we've spoken about in the past. Then there's the geographic mix. If the same part of work moves from a higher revenue geography to a lower revenue geography, there is a reduction in revenue. So, all of

this math has to add up to the final revenues that we kind of guide for FY '27. Does that make sense?

Baidik Sarkar: Yeah, no, I obviously understand the qualitative aspect of it, Ramesh. If you could just slice it by just one factor, right? For instance, the \$814 that we've reported this year in USD. What's the annuity component of that? A, there is one annuity component. Secondly, of the \$120 million that we won in ACVs, obviously we've delivered a lot of that in '26 itself. So I'm just trying to understand that, what's the basic run rate without organic accretion in '27? I mean, in other words, I could just ask you know, what your guidance for '27 is, which I eventually will, but I'm just trying to understand what the base has already prepared us for. And I mean, on top of that, I mean, that was my next question. On top of that, what does the pipeline look like? So I leave it to you, Ramesh, whichever you want to answer.

Ramesh Gopalan: Yeah. Look, the \$814 million, there is a steady state component and there is a seasonal component, right? Like we said, about 6% of our revenues were seasonal. And those seasonal components will reoccur in FY '27 as well, right? That's one way of to split it. If I were to simplify your overall question and if you ask me, what is it that is locked going into FY '27, I mean, at least look there are always surprises in terms of volumes. So I can't say with certainty what it is.

But typically when we give a guidance about, I would say, I mean if I were to hazard a guess, about 7% to 8% of growth will already be factored in basis the previous trends. And the rest of the growth has to come during the year.

Baidik Sarkar: Got it. Which then reminds me with the last part of the question, what's the qualitative, I mean sentiment you're witnessing in conversations today in terms of how large your bid pipeline is? If you could just give us a sense of, how that's moved over the last couple of quarters. What kind of growth rates are you building in just from conversations that you're having today?

Ramesh Gopalan: Yeah. Typically, look we've been reporting only on the deal wins, right? But if you look at the pipeline, roughly from a TCV perspective, we'll have a pipeline of close to ₹570 million to ₹575 million worth of pipeline, right? So these are all proposals that we've submitted to clients. Qualitatively, if you look at, if you were to ask me on the quality of conversations, we are now, like I said getting into more managed service deal kind of conversations in which the timing of the deals could, like I said could be a little unpredictable because these are larger conversations. These are more transformative conversations where you are committing to cost takeout over a number of years.

And also expanding the scope of work by including both upstream, downstream processes, right. So the discussions take longer time. But given the cost pressures that most of our clients are under, there's a lot more interest in engaging in those

conversations. So, we are very bullish on the kind of conversations we are having, except that some of these conversations could take longer than a traditional RFP-based, effort-based deal.

Baidik Sarkar: Right. Got it. Last question, Ramesh. I mean, given the industry itself is growing at 7%, 8% and we're growing double that rate, and of course there's the lever of pricing and our own tech initiatives. Would a number closer than, I mean less than last year's, but higher than par, which is about 17% to 18% in dollar growth rate be a fair assumption for the coming year?

Ramesh Gopalan: No, my guidance, Baidik was low double-digits, right? I mean, at this point in time, we are giving a number that we believe we can definitely meet. And every quarter when we do the earnings call, we will kind of guide you if we see an upswing to those numbers.

Baidik Sarkar: Sure. And on the margins, I mean, the FX was a tailwind, but assuming none of that comes through in FY '27, 25% is a defensible number?

Ramesh Gopalan: Yeah, 24% to 25% is what we are guiding. If FX being the way it is, we believe we can come closer to the upper end of that range.

Siddharth Rangnekar: Baidik, would request you to rejoin the queue as we have some participant questions.

Baidik Sarkar: Fine, thanks.

Ramesh Gopalan: Thanks, Baidik.

Siddharth Rangnekar: We take the next question from the line of Rishi Jhunjhunwala from IIFL Capital. Rishi, your line is unmuted.

Rishi Jhunjhunwala: Yeah, thanks for the opportunity. Couple of questions from my side. One on margins. Just wanted to understand, firstly, did we mention initially there was a change in the wage hike quarter and it played out in this quarter, and as a result, the margins would have been higher? What will that number be? And secondly, just wanted to understand, given that we are ending the year at 25.3%, we are looking at, if we were to assume that the currency remains at current levels, we are looking at almost 7%, 8% depreciation. And still we are talking about margins not expanding beyond last year. So what are the headwinds and tailwinds to the margin assumptions that we are looking for FY '27?

Ramesh Gopalan: MR, do you want to take that?

Srinivas Mattapalli: Yeah, sorry. Yeah. One second.

Ramesh Gopalan: So let me give you a high-level view. The hike cycle, I think we've discussed this in the past. I don't know whether we officially gave you the impact of that. As you know, when we started as Sagility India, our fiscal matched the calendar year. It was Jan through December. But when we became a public company, we changed the fiscal to April through March. So the last hike cycle was effective Jan 1, 2025.

But we didn't do an increment on Jan 1, 2026. We're going to make it effective April 1, 2026. To overcome those three months, where we effectively didn't give a hike, this is the one-time bonus that MR was talking about. That's the one-time call-out that he's making.

Rishi Jhunjunwala: Sorry and the question on full-year FY '27?

Ramesh Gopalan: Yeah. FY '27, Rishi, that's a good question, right? There are a couple of things. One, obviously is, the Forex depreciation, the amount of depreciation is an unknown. But the fact that rupee depreciation is key for at least compensating for part of the wage increases is a known phenomenon, right? So the hike that we'll give effective April 1, a part of that has to be absorbed by any currency depreciation. Secondly, the geographic mix is also changing. So we are starting to see more revenues delivered from our U.S. geography, which also has an impact on the weighted average margin, right? So those are the two big things.

And beyond that, any sort of price differences, price reductions and so on will also have an impact. The positives are we continue to try and generate efficiency in our operations. The more technology we deploy, we try and make sure that we compensate for any cost commitments or cost reductions or price reductions that we give clients. So that's one factor.

Secondly, yes, if the exchange depreciates by more than what we need to compensate for hikes and so on, it'll improve our margin. So it's a sum total of all those functions. Given where we are today and taking into account the mix and all of these factors, we think we will be in the 24% to 25% range. But if things change, we will definitely update our guidance. MR, sorry, did you want to add to that?

Srinivas Mattapalli: No, I echo. I mean, basically, we will get an upside from Forex even at the current levels. And if it continues to sustain at these levels, yes, as we said, we'll hit somewhere near the top end of our guidance. And as Ramesh also pointed out, this Forex depreciation is what also allows us to compensate our employees with higher wages, etc. So that's a lever for us to offset it in addition to the cost efficiencies that we generate internally. So yes, I mean, if it sustains, we are confident of hitting somewhere near the top end of our guidance.

Rishi Jhunjunwala: Fair enough. And just a second question. I see we have created an ESOP pool for 3.3% of equity. A large chunk of that is performance-based, where the vesting period is two years. In your stock compensation schedule, I do not see any material

change for the next two to three years. So just wanted to understand how would this ESOP vesting or granting will play out and how do we see that? Given that a large chunk of those will be at face value, how will that hit the P&L over the next two, three years?

Ramesh Gopalan: So we've just announced the scheme and it has to go out for shareholder approval, Rishi. So we'll give you a better view into those in the next earnings call. Just to correct, the grants will be made every year, and the vesting is over a three-year period. Not two years. Post-vesting, the exercise period is two years, but the vesting itself is over three years. Yes, as you mentioned, a large part of that will be performance-based, both at the company level and the individual level. But the exact number of units to be granted in FY '27 and the impact of that on the P&L is something that we'll come back to you in the next earnings call.

Rishi Jhunjunwala: Understood. All right. Thank you so much.

Siddharth Rangnekar: Thank you, Rishi. We take the next question from the line of Vamshi Krishna from Kotak Securities. Vamshi, your line has been unmuted.

Vamshi Krishna: Hey. Hi, actually, a really strong quarter, Ramesh. Congrats on that. So just wanted to understand on the beat itself, given that there was almost a \$7 million beat in a single quarter. Were there any one-off engagements which contributed to this or something which came up during the quarter?

Ramesh Gopalan: Sorry, I didn't get that question. MR, did you get that?

Srinivas Mattapalli: Are you talking about revenue enrichments or cost?

Vamshi Krishna: Yeah. Yeah, compared to your guidance of 22.5%, you were at around 23.6% (CC).

Ramesh Gopalan: Oh, okay. Right.

Vamshi Krishna: Which is almost a \$7 million beat. Yeah.

Ramesh Gopalan: Okay. Yeah. So like we said, we had a better-than-expected Q3 and Q4, right? Typically our seasonal revenues are roughly 3% of our annual revenues, but this year they were more like 6%. Part of it in Q3 we explained because BroadPath's significant peak happens in Q3. Whereas in Q4, we had additional seasonal revenues on the Sagility side, especially on the clinical side of the business, right which we had some visibility to getting into Q4, but it was higher than what we had anticipated. So that explains the difference between what we gave as guidance and what we actually achieved.

Srinivas Mattapalli: Yeah, just to add on to Ramesh's point, we had guided to about 5.5% of our full-year revenues as surge revenues. That has moved around 6% of full-year revenues. That gave us uplift in quarter four.

Vamshi Krishna: Perfect. Understood that. Second is on your client pyramid itself. Now that you have more than doubled your clients in the \$20 million bucket, but still I see the average client size in the 3 to 10 range, it's around \$27 million versus your top three clients, which are maybe more than 4x of that number. So incrementally, since you have a reasonable set of clients, where you have a minimum threshold of, or say maybe you must have proven your expertise. So will your incremental efforts be focused more on mining these set of accounts or you will be looking to add more accounts?

Ramesh Gopalan: Vamsi in a way both, right? Our traditional growth continues to come from existing clients, right? And as we keep adding newer clients, we may start with a smaller deal size, but we have the confidence of continuing to grow those relationships. To your point, a lot of these clients in the \$5 million to \$20 million range, or just over \$20 million range, are still clients where we see huge opportunity. They may not go to the 4x that you're talking about of the top 5, but they definitely many of them have the potential to double or more than double, right?

So large part of our effort goes into continuing to mine those relationships and trying to grow them faster than the top five, and which has already shown in the results, right? Our top five grew at 11.9%, whereas at a company level we grew at 15%. So some of these non-top five grow much faster than the top five.

But equally important is we want to create more breadth in terms of our client portfolio. So we'll continue to look for opportunities in the mid and small market space. A lot of the transformational solutions that we're talking about today, we believe has a lot of applicability in that segment where we can help them take out a large part of their costs.

Vamshi Krishna: Perfect. And my last question is on the Provider segment. The revenues here have actually stabilised in an absolute basis over the last four quarters. Can you just shed some light as to what's happening in this business and what's the outlook? Just on, say, AI impact, will this be relatively higher compared to your payer business, or how do you see that?

Ramesh Gopalan: No. We don't think AI impact will be significantly higher in provider versus payer. I mean, it I think, like large part of what we do is on the revenue cycle and I mean, we get both effort-based as well as contingency-based pricing on the provider side. And so we are in the process of using AI to improve the efficiencies of a large part of what we do in the revenue cycle side. So we believe that that business will also grow. We'll take it offline, but that business has grown in FY '26 over '25. When you said stable, I'm not sure if you implied it didn't grow. It did grow, compared to FY '25. But we are looking at larger engagements even on the provider side. So we are in conversations, at least on a couple of opportunities where we are committing to give clients or prospects a significant cost take out opportunity if we were to do

pretty much end-to-end RCM for that. So we are fully confident of continuing to grow the provider business as well.

Vamshi Krishna: Perfect. No, I was just referring to 1Q to 4Q, where it was \$20 million to \$21 million. But nonetheless, point taken. That it has grown on a Y-o-Y basis. Those are my questions. Thank you.

Siddharth Rangnekar: Thank you. We take the next question from the line of Chirag Kachhadiya from Motilal Oswal. Your line has been unmuted, Chirag.

Chirag Kachhadiya: Yeah. So what was the annual wage hike during the year across different set of employees? That is question number one. And second, you mentioned you changed the quarter of wage hike, if I hear it properly. Then will this pattern continue in FY '27 as well? And third, what is effective tax rate one can expect for FY '27? Yes, these are the three questions I have.

Ramesh Gopalan: I'll answer the second. MR will answer the first and third. No, once we move into the April through March increment cycle, then it'll stabilise. This is a one-time thing just for Q4 of FY '26, a catch-up. But starting April, it'll be regular increment cycles every April.

Srinivas Mattapalli: Yeah, couple of other questions that you asked. Obviously, the hike will depend on the different geographies. You know, obviously, given the difference between the U.S. versus India, we give the normal hikes, but this particular one-time was a quarterly one-time payout as we transition from a calendar year to a full-year basis.

From a tax perspective, we expect broadly the same level of ETR to continue around 24% to 25% for both '26 and '27.

Ramesh Gopalan: Thank you.

Siddharth Rangnekar: Does that answer your question, Chirag?

Chirag Kachhadiya: Yes. Yeah.

Siddharth Rangnekar: Thank you. We move to the next caller. The next question is from the line of Sameer Pardikar from Elara Capital. Sameer, your line has been unmuted. You may Sameer, please go ahead. Sameer, we're not able to hear you. We move to the next participant and take the question from the line of Bhavik Mehta from JPMorgan while we request Sameer to rejoin. Bhavik, your line has been unmuted.

Bhavik Mehta: Hi, thank you. Couple of questions. Firstly, if I look at the revenue guide at low double-digit versus 15% organically, you're doing in FY'26. So is this a conservative guide given how the macro is and you might want to wait and watch how the macro evolves before maybe increasing the guidance over the course of the year? That's the first question.

- Ramesh Gopalan:** Yes, I mean, like I said, we're guiding today basis the visibility we have. Like I said, some of the deals, while they're different and more transformational, some of the timings of those deals could be a little variable. And that's why, basis the visibility we have, we are guiding to low double-digits. But we'll have better visibility as we go through the year and basis that we will re-guide on both the top end and the margin numbers.
- Bhavik Mehta:** Okay. Got it. The second question is on margins. Again, if I look at the band 24% to 25%, the midpoint, it implies like a decrease versus what you ended up doing in FY '26. So just wanted to understand what are the puts and takes or the headwinds you're building in for next year?
- Ramesh Gopalan:** I think, we covered that, right? So MR, do you want to restate some of the factors? Yeah.
- Srinivas Mattapalli:** Yeah. First is, I mean, from a Forex perspective, we did say that if it persists at the current levels, we are reasonably confident of hitting the top end of our guidance. Two, obviously, there is that aspect of employee wage increases that we do give, which is funded from the FX that we get. Three, we are also looking at a more onshore kind of revenues. Even if you see this year, the share of our U.S. revenues went up, which is traditionally slightly lower margins than our offshore business. So all of this combined to ensure that we are right now in this 24% to 25%. And as I said, if we're able to continue at this FX rate, we should be at the top end of our guidance, which does definitely denotes a lower dilution than what you implied in your numbers.
- Bhavik Mehta:** Okay. Got it. Thank you.
- Siddharth Rangnekar:** Thank you. We move next to the line of Sameer Padikar from Elara Capital. Sameer, your line has been unmuted. You may speak. Yes, Sameer, please go ahead. It appears there is an issue at his line. I go to the line of Rishi Jhunjunwala from IIFL Capital for a follow-up. Rishi, your line has been unmuted.
- Rishi Jhunjunwala:** Sorry, I don't have a follow-up. Thank you.
- Siddharth Rangnekar:** My apologies. We move next to the question from Siddharth Vora from HSBC Mutual Fund. Your line has been unmuted.
- Siddharth Vora:** Hi, Ramesh.
- Ramesh Gopalan:** Hi.
- Siddharth Vora:** Ramesh, just a clarification from my end. You're saying that increasingly there is more revenues and the engagements are on-site. So if any change in nature or complexities, how is the overall deals evolving? At the same time, if there is a shift to on-site, there should be a natural lever to your growth rates versus a normal

year. So how should we think about that while you are saying that your visibility currently is on the lower double-digits side?

Ramesh Gopalan: Yeah. So Siddharth, when we say onshore, it's not on-site, right? I mean, unlike other businesses, we don't deploy people to client offices or client locations, right? So this is delivering for a client from the U.S. geography because of whatever restrictions the client may have or because of regulatory reasons that the work cannot move offshore, right? So that's the kind of business.

For example, BroadPath, most of BroadPath delivery is onshore, right? While our attempt is to move any new business that we get that to offshore. Like I said, depending on regulatory reasons or client preferences, some of the work may have to be done onshore. Similarly, on Payment Integrity, some part of our delivery happens onshore. So growth in those businesses will have a larger onshore component compared to offshore.

Having said that, like I've explained in the past, things do tend to move from onshore to offshore as well, right? So while some of the newer clients may want to start onshore. Over a period of time, they may also be open to moving that work offshore. But at this point in time, if we look at some of the opportunities in the pipeline and where the growth is going to come from, the rate of growth may be slightly higher in onshore geographies compared to our offshore geographies. So that was the comment around margins.

But to your other point, like I said, we will revise the guidance, as we go along, depending on the visibility that we have.

Siddharth Vora: Just a follow-up to that. Given the complexities and maybe more hiring nearshore, if not on-site, is how has the historical revenue share or the headcount share been on-site, nearshore and in India or in offshore locations? And do you see that changing going forward with advent of AI or things the way they are changing going forward?

Ramesh Gopalan: No. Right. For like I said, for clients who've already worked with us or who are used to the outsourcing model, given the cost pressures that they are under, if a work can be delivered in a lower cost geography, they would prefer that, right. So it's not a question of, there is a shift in perception, or there's a shift in work from offshore to onshore, right. So I'm not saying that. But as we get newer clients in the mid-market space, the newer clients may want who are not accustomed to the offshore model, they may want to start more onshore, right. And there are other kinds of businesses like Medicaid and others, where the onshore component, because of regulatory reasons, could be higher than the offshore component.

So those are the main reasons. It's not that existing clients are moving work from offshore to onshore, because given the pricing pressures today, if existing clients

can move more work from their in-house to partners like us, they would rather do it offshore than onshore.

Siddharth Vora: So you'll say your headcounts and revenue ratios between onsite, offshore will remain in line with your historical trends?

Ramesh Gopalan: With the revenue mix slightly increasing towards onshore. That's what MR was saying. One of the...

Siddharth Vora: I'm saying in terms of three years kind of a scenario...

Ramesh Gopalan: Yeah.

Siddharth Vora: ...or structurally, how we look at the business.

Ramesh Gopalan: Yeah. Nothing significantly different. Yes.

Siddharth Vora: Nothing different. Yeah. Sure. Got it. That's it from mine. Thank you so much.

Ramesh Gopalan: Thank you.

Siddharth Rangnekar: Thank you. We go to the line of Sameer Pardikar from Elara Capital. Sameer, your line has been unmuted.

Sameer Pardikar: My question is basically on growth. If I hear it correctly, the growth for us last year organic was around 15% odd. And we are guiding for a lower double-digit growth at a consolidated level. That means possibly organic growth could be even lower than that. So despite such strong numbers coming in, any reason for some lower growth for this year? Is it because of the AI compression which you talked about in the earlier call about 1% or 2% going to a little higher to 3% to 4%? Is it impact of some AI compression we are looking at, or what is the reason for it?

Ramesh Gopalan: So first let me clarify, right? As we get into FY '27, everything is organic, right? The last acquisition we did was in January of 2025. In FY '27, there is organic unless we do any new acquisitions. So the guidance of low double-digits that we are giving is for organic growth. So any inorganic components that we add during the year will be over and top of that guidance, right? So I hope that is clear, right? So it's not that I'm giving an overall growth number and the organic number is going to be lower. Guidance is for organic growth, right?

Sameer Pardikar: Yeah. So my question was basically do we see some compression because of AI?

Ramesh Gopalan: So the compression has historically been there and like I've said. So for example, the compression is going to be slightly higher than last year, right. So we've traditionally said it's about 1% to 1.5%, but we are predicting the compression to be more like 2% in FY '27. Not significantly higher, but definitely higher than the

past. And those numbers will gradually inch up is the belief that we have. And we'll see how it plays out, right?

But every, I mean, even historically, whatever numbers we've grown at, it is net of all of those compressions because of not just technology and/or AI, but also, like I said, in our business there is geography shifts. So when work shifts from a higher revenue geography to a lower revenue geography, there is revenue compression, right, and volume changes and so on. There are a lot of reasons why there could be revenue compression. But purely if you look at technology, like I said, it's been historically at the 1%, 1.5% level, but we think it'll be more like a 2% plus this year.

Sameer Pardikar: And the second part is, when we have an unusually higher attrition for the quarter, do we typically have a moderation of this quarter from quarter four to subsequent quarters? So I did not get that why the attrition was a little higher this quarter versus the historical numbers.

Ramesh Gopalan: It's the same reason why we also said we have a better actual revenue than what we guided, right? So we said we had higher seasonal revenue in Q4 than what we anticipated. And so that higher seasonal revenue, with the fact that seasonal, once that revenue goes away, the corresponding head count also goes away, right? So the higher attrition in Q4 was a result of the higher seasonality in Q4.

Sameer Pardikar: Okay. And we have observed unusual, the higher other expenses were very high in FY '26. So any maybe highlight for that number inching up in FY '26?

Srinivas Mattapalli: Yeah. It is.

Ramesh Gopalan: MR you want to it?

Srinivas Mattapalli: Yeah. A lot of it is account of higher IT costs and investment that we did in IT from an AI and transformation kind of a perspective. We also have rationalised some of our centres in a couple of our geographies, which has led to a little bit of write-off of assets. So those two would have contributed to a little bit higher cost. The first one being more primary reason.

Sameer Pardikar: So we do expect this number to moderate little in next year?

Srinivas Mattapalli: We'll continue to do our investments in AI and transformation, as I said. So we would expect that number to continue to be reasonably high.

Sameer Pardikar: Okay. Sure. Thank you so much.

Siddharth Rangnekar: Thank you. We move to the next question from the line of Vamshi Krishna from Kotak Securities. Your line has been unmuted.

Vamshi Krishna: Yeah. Hi. Thanks for the follow-up. Ramesh, so just since you said there were higher than expected seasonal revenues during this quarter as well as last quarter. So how should we think about the quarterly seasonality that will play out in 1Q? So should we expect this to be slightly steeper?

Ramesh Gopalan: So broadly, Vamshi, like I said, while it's seasonal, we expect this seasonality to occur every year, right? So because of the BroadPath acquisition and also some of the more seasonal work that we've got, what traditionally used to be more like a 53:47 H2 to H1 split, is becoming more like a 54.5%, 55% to 45%, right? So and I think that's the way we think it'll continue into the future as well.

Vamshi Krishna: Perfect. That answers my question. Thank you.

Siddharth Rangnekar: Thank you. That concludes the webinar for today. Thank you members of the management. On behalf of Sagility Limited, we would like to request all of the participants to log off now. Thank you.

Ramesh Gopalan: Thank you.

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