November 6, 2026

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
Scrip Code: **544413**

National Stock Exchange of India Limited,
"Exchange Plaza",
Bandra - Kurla Complex, Bandra (East),
Mumbai-400 051
Symbol: **DIGITIDE**

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference call

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Conference call, conducted through digital means on November 03, 2026.

The above-mentioned information will also be available on the website of the Company under the following link: https://www.digitide.com/investors/announcements/

Request to please take the same on record.

Yours faithfully,
For **Digitide Solutions Limited**

SHAILESHA BARVE
Digitally signed by SHAILESHA BARVE
Date: 2026.11.06 11:28:32 +05'30'

Shailesha Barve
Company Secretary & Compliance Officer
Membership No. A50601

Encl: a/a

"Digitide Solutions Limited Q2 FY'27 Earnings Conference Call"

November 03, 2026

MANAGEMENT: **MR. SAMEER AHLUWALIA – CHIEF EXECUTIVE OFFICER – DIGITIDE SOLUTIONS LIMITED**
MR. HARIGOVIND KRISHNASAMY – CHIEF FINANCIAL OFFICER – DIGITIDE SOLUTIONS LIMITED
MR. RAJESH LACHHANI – HEAD, INVESTOR RELATIONS AND M&A – DIGITIDE SOLUTIONS LIMITED

MODERATOR: **MR. RIDDHESH KADAM – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Digitide Solutions Limited Q2 FY '27 Earnings Conference Call, hosted by Arihant Capital Markets Limited.

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

I now hand the conference over to Mr. Riddhesh Kadam from Arihant Capital Markets Limited. Thank you, and over to you, sir.

Riddhesh Kadam: Hello and good morning to everyone. On behalf of Arihant Capital Markets, I thank you all for joining into the Q2 FY '27 Earnings Conference Call of Digitide Limited.

Today from the Management, we have Mr. Sameer Ahluwalia – CEO; Mr. Harigovind Krishnasamy – CFO; Mr. Rajesh Lachhani – Head, Investor Relations and M&A.

So, without any further delay, I will hand over the call to management for their opening remarks. Over to you, sir.

Sameer Ahluwalia: Thank you. Good morning everyone and thank you for joining us for Digitide's Q2 FY '27 Earnings Call. I am Sameer Ahluwalia, Group CEO and Executive Director, and I am joined here on the call with Hari, who is our group CFO, and both of us will walk you through some of the opening remarks today.

When we spoke last quarter, we shared an agenda which was very transparent, built around how the new Digitide will make progress on some of the moves that we laid out. We also shared that the shareholders and investors should judge us by our execution.

A quarter later, I am pleased to share that we have made tangible progress against each of those priorities and moves. The direction is clear that we are taking. The operating model that we promised has been put in place, and we are beginning to see early evidence of our actions in the quality of our earnings, the sales momentum that we are creating, and the change in the revenue mix. These three markers are very important as we look at our business going forward, which is the quality of the earnings, the momentum of our sales activities, and the shift in the revenue mix.

Let me now start with the quarter in hand:

Revenue for Q2 was approximately INR 760 crores, which was down 2% sequentially. Now, this needs to be seen in the context of choices that we have made. As I shared in the last quarter, we are not pursuing revenue for revenue's sake. We have continued to re-negotiate contracts and are not shying away to move from businesses that does not meet our return thresholds.

Despite the sequential decline, our EBITDA increased to approximately INR 79 crores, up 2.5% Q-on-Q, and the EBITDA margin improved by 45 basis points to 10.4%. Reported PAT increased from INR 2.9 crores in Q1 to INR 8.9 crores in Q2.

The important thing here is the shape of our business, which is now beginning to move in the direction that we want. Tech and digital grew 6.6% year-on-year and is now INR 244 crores. Our international revenue grew 13.5% year-on-year and is now INR 323 crores, both of them contributing 32.1% and 42.5% of revenue respectively.

Happy to report that our sales momentum also strengthened meaningfully. Our TCV booked in the quarter increased by 95% sequentially from INR 205 crores in Q1 to almost INR 400 crores in Q2.

Another important marker that we are tracking is our AI-led revenue, which also doubled sequentially from INR 15 crores in Q1 to INR 30.5 crores in Q2. All of these are early indicators, but they reinforce our conviction in the path we have chosen.

Let me now turn to the progress that we have made in the quarter across the four moves that I outlined in Q1:

1. First, get unified – The operating model that we laid out in Q1 is now live in the company. We organize our business into five business units which are supported by a focused go-to-market structure across two corridors. We call them India++ and International, which are quarterbacked by our global service line practice. That is the team that are responsible for capability development, solutions and partnership alliances.

   And we have also redefined the KPIs and the roles of our corporate leadership. So, those are the moves and the progress that we have made on the operating model that we shared with you in Q1. We have created clear ownership of who is responsible for growth, who is responsible for service delivery, who is responsible for profitability and cash across the company. The roles are clearly defined and scorecards and the performance markers have been clearly laid out. The accountability is fundamental to the company we want to build as we move forward.

2. The second move that we spoke about in the last quarter was strengthening our core. I said the issue with our core BPM business was not about is it relevant or is it not, but it was more about the economics of that business. We would be more disciplined about the account profitability, the pricing, and the efficiency that we deliver at an account level. We are following through. We have continued to reprice contracts and exit low-margin business, even where that creates near-term pressure on revenue. At the same time, we are infusing AI into our BPM services with the objective of improving productivity, differentiation, and margins.

3. Third, go west and go digital – Personally, and also a representative of the management team, this is where we are very encouraged by the early momentum. We have established dedicated go-to-market engines for International and India Plus and strengthened our tech and digital proposition around three core areas, which are platforms, data, AI and cloud. With that focus, our TCV increased 95% sequentially in Q2, our international revenue grew 13.5% year-on-year, and our tech and digital revenue grew 6.6%.

   But perhaps going back to how I started, the most important development under all of this is how we are addressing the impact of AI. We are building our AI business across three layers. Layer 1 is what we call as AI-infused BPM, layer 2 is what we call as our AI-enabled platform, and layer 3 is what we call as our AI professional services. Combination of these three layers has made our AI-led revenue touch INR 30.5 crores in Q2, which is almost twice the Q1 level.

   More importantly, the effort that we have put in the AI is now translating into real client use cases on these segments that we want to focus, which are insurance, banking, and healthcare. Our teams are continuing to apply AI across collections, healthcare revenue cycle management, insurance customer operations, among other areas.

4. The last and the fourth one was go all out. Now, this move is about expanding the opportunity available to Digitide through building, partnering, and where relevant, acquiring. That was the framework that we laid out in our last quarter. We call it BPA.

During Q2, we advanced the partnership agenda through strategic alliances with AWS and Anthropic. We continue to scale our GCC offering using a build-operate-transfer model. In this quarter, we signed a sizable BOT mandate as well, which is getting delivered from our Philippines office. These are important additions to our capabilities and how we are taking our solutions to the customers.

Looking ahead, as we enter H2 of FY '27, our priorities are becoming even more sharper. First, continue to scale our go-to-market engine with the new leadership and capabilities that we have put in place. Second, accelerate AI across the enterprise, both within our operations and in the solutions we take to clients. Third, continue to right-size our cost structures and portfolio to drive sustained improvement in margins. And the last one, bring much greater discipline to working capital and receivable collections.

We clearly have a lot of work ahead of us but compared to where we started from and we stood three months ago, we have a clearer organization, much stronger accountability, improving sales momentum, and a sharper view of where we will compete and how we will win. H1 was about putting the foundations in place. H2 is all about converting those foundations into execution, profitable growth, and stronger cash generation.

With that, I will hand over to Hari, our CFO, to walk you through our financial performance in greater detail.

Harigovind Krishnasamy: Thank you, Sameer. Good morning, everyone. Since this is my first Earnings Call as Group CFO of Digitide, let me start by outlining the financial lens through which I look at the business.

My priorities are clear:

1. Improve the quality of earnings.
2. Sustain the working capital discipline.
3. Execute high-impact cost optimization initiatives.
4. ensure that capital is deployed with a clear focus on returns.

Turning to Q2:

Our consolidated revenue was INR 760 crores, down 2% sequentially. As Sameer mentioned, our focus is not simply on the absolute level of revenue but increasing on the quality of that revenue and its ability to translate into earnings and cash. We made progress on profitability during the quarter. EBITDA increased 2.5% sequentially to INR 79 crores despite the lower revenue base. And EBITDA margin expanded by 45 basis points to 10.4%. Reported PAT tripled from INR 2.9 crores in Q1 to INR 8.9 crores in Q2, with no exceptional items during the quarter.

At the segment level, while tech and digital market margins expanded by 315 basis points, from 8% to 11.1%, this was partially offset by BPM, where margins slightly declined to 13.6%. Overall, segment EBITDA margins expanded by 55 basis points to 12.8%. Our objective from here is to sustain this direction through tighter account-level profitability, cost discipline, and an improving business mix.

For H1 FY '27, consolidated revenue stood at INR 1,535 crores representing year-on-year growth of 2.3%, and operating cash flow has improved from INR 40 crores to INR 51 crores, year-on-year increase of 27.5%. Billed plus unbilled DSO stood at approximately 84 days in Q2 compared to 82 days in Q1. While the improvement in profitability is encouraging, the efforts that we are putting on improving the cash conversion will result into better DSO in H2.

We closed the quarter with net cash of approximately INR 76 crores. We are also not shying away from taking certain tough calls on the cost structure of the company, the effect of which will be visible in H2. The proposed buyback decision by Alldigi will help improve the liquidity in Digitide standalone while improving the tax expenses for the shareholders of Alldigi, including Digitide. Our balance sheet gives us financial flexibility, but our objective is to complement that strength with stronger and more consistent cash generation from the underlying businesses.

Priorities for H2:

As I look at the second half, my financial priorities are centered around three outcomes:

1. **Earnings' quality** – We will remain focused on pricing, account profitability, and underlying cost structure by executing high-impact cost optimization initiatives in H2 to improve margins, with a clear focus on translating revenue into sustainable margins.
2. **Cash Conversion** – We need stronger conversion of earnings into cash supported by tighter working capital management and greater discipline around collections.
3. **Returns –** As we invest behind Digitide's growth agenda, we will remain disciplined around capital allocation and execute investments through the lens of strategic fit, returns, and long-term value creation.

With that, I will hand over the call back to the moderator for Q&A. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Manthan Patel from Patel Investments. Please go ahead.

Manthan Patel: Sir, my first question is regarding the capital allocation. Like, since last seven or eight quarters, we have been speaking about acquisitions and all, but till date there hasn't been any update regarding that and our net cash levels are also going down, like we are draining cash. So, any update about that, sir?

Sameer Ahluwalia: So, I think the question around M&A and how are we addressing that, Mr. Patel, right? So, as a management team, I think we continue to be open and meet the potential M&A pipeline that we have in place. Our first principle going into doing anything inorganic is, one, it needs to fit into the strategic template of the company. Either it brings complementary capabilities or it helps us get into newer markets.

We are continuously evaluating, assessing, and meeting options with the funnel that we have. Have we come to a point wherein we feel good about something to move forward? Not yet. But the management team is in a continuous lookout and also open to kind of assess and evaluate options that come our way.

Manthan Patel: And basically, what I meant was the cash we are putting in the company, I mean, company is not generating any good returns over it. Like since past seven quarters, if you exclude the result, I mean, profit of Alldigi, our profit is around INR 1.8 Cr.

Sameer Ahluwalia: Excluding Alldigi from Digitide's profitability might not be the right lens to use, and I think we clarified that in Q1 as well. As a group, we operate as one integrated business. A number of our group-level leadership, solutioning, a go-to-market, a lot of our profit capabilities sit within Digitide, and that supports multiple line of businesses across the group. Hence, a simple subtraction of Alldigi profits from Digitide's reported does not provide a clean representation of the economics of the operating businesses. So, we continue to kind of hold that position.

Secondly, are we satisfied with the profitability of the rest of the portfolio? The clear answer is no. Hence, we are definitely putting everything that we can to improve the economics that we have of our business, and that is the underlying theme of what we laid out, which is strengthening the core. Repricing of contracts, exiting or restructuring low-return businesses, reducing our cost base, and intentionally and deliberately shifting our business mix towards tech and digital and international are all part of the moves that we are making.

Manthan Patel: Any guidance, any timeline from when we will be able to see the results coming out of it? Any number like numerical guidance regarding revenue, EBITDA and all?

Sameer Ahluwalia: See, again, as we laid out in the previous quarter, I think, our focus would be on quality of revenue that we bring, the sales momentum that we show, and the shift of change of mix of business. So, on all those three markers, we have made progress in this quarter and we will continue to do that.

Not only the operating and the business-level KPIs that we are sharing, financially and numerically also, as we called out, our EBITDA increased 2.5% Q-on-Q, our reported PAT triple to INR 8.9 crores, and there is an 80 bps movement on PAT margin Q-on-Q as well. A lot of these business and operational KPIs that we are now changing are slowly and steadily starting to impact the financial KPIs of our business as well.

Manthan Patel: Yes, sir, that I understood your point. But like any guidance, range will be also helpful in terms of EBITDA margins, like what we will end the year with?

Sameer Ahluwalia: We previously guided that we will be doing 200 bps for the full year. And given Q1 to Q2 shift that we have done, we have already kind of delivered 45 bps quarter-on-quarter improvement on the EBITDA as well. So, we will continue to be on a tight watch on that number and continue to report whenever we meet every quarter to the shareholders and investors as well.

Manthan Patel: That's all from my side.

Moderator: The next question comes from the line of Zaki Nasser, who is an individual investor. Please go ahead.

Zaki Nasser: Sir, you had mentioned last quarter that we will see the exit in the year on 13% EBITDA. Would you still see that doable, sir?

Sameer Ahluwalia: Thank you for bringing that question up. As a management team, I think we are fully committed to turn around the business as we promised in the last quarter, and I think some of those evidences have come out in this quarter. We have given ourselves a very tough challenge to commit to that 200 bps improvement that we shared in Q1, and we are not shying away from that challenge.

Zaki Nasser: You are trimming the business and giving up unprofitable businesses from the company. How is that exercise happening going forward, sir, and how does it impact your key employee number in terms of absolute employees, sir?

Sameer Ahluwalia: Noted. So, I will speak about the numbers first, and then I will speak about how we are kind of reorganizing the template of the company to identify what are things that we want to continue doing better and what are certain things that we believe do not fit into our template, right?

So, at a staff level, in Q1 we were anywhere between 53,000 people, and in this quarter we are down to almost 50,000. So, our headcount reduced by almost 7% Q-on-Q, and on a Y-o-Y basis, it dropped by almost 11.6%.

Another important marker to note, while those shifts happened, our revenue per staff went up by almost 12% as well. So, that also gives a very good indicator that with the shift that we are making in our business, we are also decoupling ourselves away from how many people we have in business to the value that we bring to our customers.

I think the other part of the question that you had in terms of the cleaning that we are doing, I think, the effort as a management team that we are putting is not what I would call as cleaning, but it is also about putting a clear template for the company, right? And as we put a clear template of the company, we have also aligned on things that we want to do more and better. So, what is not coming into the template is things that do not bring either profitable revenue or it does not unlock higher value work for us, right? So, that design principles have been applied.

In Q1, I think we shared a number that some contracts that we sat across the table with the customers and renegotiated, this quarter the quantum of that re-negotiation, re-pricing has gone up by 2.5x. The good and the bad thing is while on one side we are having those conversations to re-price and re-negotiate, there are other micro and macro wins that impact our business as well, specifically in India market. So, it is a combination of all those efforts which is enabling us to move forward.

Zaki Nasser: In terms of, I mean, if we talk about the valuations of Digitide, they have come down to a level which is just equivalent to maybe your holding in Alldigi. And Digitide, although it has a very robust business which is on the path to turnaround, it is not valued anything. So, what are your thoughts on this issue, sir? And is the management, like, it's been long enough since this got listed, and since then it is almost like down to 25% of its listing price. So, your thoughts on this issue, sir? See, at least now it should get some value, not only its holding in Alldigi?

Sameer Ahluwalia: In terms of the share price, this is something that it is beyond our control, right? But what is in our control, we are doing everything right. So, including communication to the stakeholders, the way that we are being, like, in terms of the transparency with which we communicate the initiatives that we are taking and doing the right things in terms of doing the appropriate cost control measures that we do on an account-level basis, getting into discussions with the

customers for re-pricing, and getting the BPM deals at a margin which is significantly higher than the current one, also exiting the unprofitable businesses.

So, with that, of course, the margins will improve, and in the quarters to come, I am sure that will get reflected in the prices. So, we want you to be patient with us in this journey. While this transformation will take a couple of quarters to reflect in the outcomes that we want the results to come. So, I think as management, we are doing everything that we can to improve the operation rhythm of the company, which will get ultimately result in increased valuation of the company.

Zaki Nasser: And what is the kind of cash you will get out of the buyback of Alldigi, sir? And a couple of years back, there was a talk of merger between Alldigi and Digitide. So, are those talks still on or no, that is at the moment dropped?

Sameer Ahluwalia: See, if you look at the decision that Alldigi Board has made and it is public now, so we are talking about a size of INR 48 crores, right? And also it depends on the participation of the other shareholders of the company in terms of what we will receive as majority shareholders in that company. So, we can talk about, like, you can calculate, right? Our shareholding is around 73.39%. So, on a deal size of INR 48 crores, depending upon the participation of the other shareholders on the buyback, we will get our share. On the merger, I think that is something that will be left to the respective Boards to decide, yes.

Moderator: The next question comes from the line of Jagdish Kumar, who is an individual investor. Please go ahead.

Jagdish Kumar: I am Jagdish, an individual investor. So, I would like to see that management growth focus for the next five years. So, one thing is we would like to increase the international mix compared to the domestic mix, right? So, how we want it to see maybe the five years I know it is a very too long, but still just for the ballpark number, right, how you wanted to see maybe the next three to five years' range? So, how international if you wanted to see and domestic? I hope international is giving most EBITDA margin and PAT margin, right? So, that is one question.

Sameer Ahluwalia: I am not sure how long you've been listening. I answered the question on Alldigi buyback and the question on the merger between Alldigi and Digitide.

Jagdish Kumar: So, I am a long-term investor, so would like to focus on the long-term view. So, we would like to change our domestic mix versus international mix in the next three to five-year view. I know three to five years is a too long term to project or predict, but still considering our efforts, right, so how we wanted to see that mix and how that mix is going to impact positively on our revenue and EBITDA margin?

And one more thing, considering the competition, so the international mix is, however, is high margin. I do understand there is a huge competition also, right? So, what we wanted to do as an

organization compared to the competition, what we are bringing new to the table and to stay competitive and also get the good business out of international?

Sameer Ahluwalia: Noted. Thank you. So, when we delayer Digitide and kind of break it down into different segments and sectors, at a very, very broad level, there are certain businesses that we do that lend themselves into what we call as a BPO/BPM profile. There are certain businesses and services that lend themselves into what we call as tech and digital work. Then there is something which is part of tech and digital but by itself lend itself into what we call as platform businesses. And then of course there is basis customer requirements some on-the-go staffing work that we do. So, these are at a very, very macro level different kind of engagements that we do.

Now, when we look at our firm from these vectors, we made some deliberate decisions, which of these three or four segments we want to do more. And as we do more, which of these subsegments we need to increase the usage of AI in that business? Now, why I am sharing all of that? Because it is important to understand that at a very core foundational level, these are some first principles that we have applied in our business.

Now, the outcome of that decision-making was one, we definitely need to continue to hold what we do in our BPO business. Today, our India BPO business represents, give or take, 50%, 52% of our overall wallet share. Then we have an international BPO business that also represents, give or take, 6% to 7%. So, put together, our BPO footprint is 60% of what we do, split between India and international market.

Our tech and digital business, if I break into platforms and non-platforms, there is a clear percentage of that as well. Now, we started to apply our investments and more importantly our management bandwidth to scale that business at that level. Our India business today for BPO, while we are sitting with our customers to speak about how do we pivot into more outcome-based, more output-based models, in our international BPO we are speaking about more AI than in India.

Now, that is not a choice that we are making, that is also a driven of how the end customer wants to deal with this. So, our India business, it is more about re-negotiating, taking new positions on how the work to get delivered. In our international book, it is more about how do we do more with human in the loop and a surround system of AI around it.

In tech and digital, as we reported on investor deck as well, today we moved between Q1 and Q2 wherein six new live implementations were done on data, AI, and cloud work. Now these are some of the projects that in old Digitide we were not chasing and bidding, but with the new momentum that we have built with our go-to-market efforts, we are signing data, AI, and cloud contracts in the international markets. And we see, with the funnel that we have today, that effort will continue to go up in Q3 and much more in Q4 of this fiscal.

I hope with that detailing you got the answers that you were looking for.

Jagdish Kumar: Yes, absolutely. And I just wanted to top up. So, here, as you mentioned, tech and digital, we have a platform business, right, which needs a significant investment, if not a decent investment we need to do considering the future. So, as we provide, I mean, as we move from services to a platform-oriented delivery, so that investment, and also when considering the M&A, right?

So, in M&A also, some companies already having these platforms inbuilt also have the revenue mix from the international, so that also help us. I am purely asking about this platform business in the technical and digital, right? So, in that, what is the management strategy, organic versus inorganic? So, organic takes time and also needs investment versus M&A, right? So, in the future, right, maybe the five years' timeframe, how we wanted to focus on that thing?

Sameer Ahluwalia: So, when we talk about building our platform business, there are three LEGO blocks that we are looking at. One is, do we have the right people to do this, and do they have the right kind of setup, right? Happy to report that we have created an AI lab in Bangalore. We have created an AI COE in Coimbatore where we have hired 25+ people to work on AI projects. And then third, we have two delivery capability centers, one in Canada for our insurance platform and one in Chennai for our EXM platform. So, those are the first LEGO block that I spoke about, people and the setup that we provided.

Second is the partnership that we are working on. In this quarter, we registered and improved our profile through strategic alliances with AWS and Anthropic. These partnerships unlock the joint go-to-market solutioning that we can do, the marketplace experience that we can bring, and the channels that we can use to create new funnels for us. So, that also done.

Third thing is about M&A. Now, as I said earlier, our M&A principles are very clear. They need to tie to what we do today and either fill the white space or open up new markets. So, as we continue to focus more on platform businesses, we will continue to look at M&A to amplify and put more horsepower to kind of scale our platform business overall.

I hope you got the answer that you were looking for.

Jagdish Kumar: Yes, absolutely. And if I may ask another question? So, considering the current funnel, right, so in maybe the next one year, once we made a significant investment to the AI labs and everything, right, we will build a more mature product which can be targeted across horizontals, this come under different sectors, right? So, how we want our funnel to look like, let's say, you have a single service versus a platform-oriented where we pitch in and do one particular service and then the client is happy and we wanted to project like furthermore services by integrating our products together? When we say platform, right, other platforms also can be integrated. So, how we wanted to go about that?

Sameer Ahluwalia: So, I think the hard and the soft investments we are doing in this business, let me walk you through some markers that happened, right? So, one, in Q1 we reported that our AI revenue was 1.9% of the overall. In Q2, that 1.9% has become 4.1%.

Second thing, in Q1 we reported INR 118 crores of ACV bookings, of which 14% was AI deals. In Q2, we reported INR 160 crores of ACV deals, of which 29% is AI. So, there is that level of progress that has happened in terms of revenue and the deals that we have closed.

Now your question around pipeline. In Q1, we reported around INR 100 crores of funnel that we were carrying. This quarter, we are carrying INR 170 crores of funnel. So, not only our wallet share is increasing, our percentage of new deal is increasing, the funnel that we are carrying for AI has also drastically gone up, almost 70% Q-on-Q.

I hope that answered your question.

Jagdish Kumar: Yes, great. And if I may ask the last question, I will squeeze in a little bit. So, given the cash we have in the books and also getting the bonus shares cash from the Alldigi, right? So, in our future focus, this cash, are we going to reduce the debt or only for that our investment and then building a new platform? So, how we want to structure that, maybe the management focus on maybe the near term, maybe six to eight months, right? What is the focus on using the cash?

Harigovind Krishnasamy: As Sameer has responded on the acquisition, right, I will focus on what we will do with the cash that we will get from Alldigi. So, predominantly, it will go in reduction of the standalone debt, and we will keep the excess in our balance sheet. Whenever we get the opportunity, we will be able to utilize it. So, as of now, we will use it to reduce our standalone debt.

Jagdish Kumar: I will join back in the queue.

Moderator: The next question comes from the line of Madhur Rathi from Counter Cyclic Investments. Please go ahead.

Madhur Rathi: Sir, firstly, if I look at our tech and digital business that we do excluding Alldigi, sir, we are making like low single-digit margin, like 4% to 5%. So, why not focus our efforts on scaling the product that Alldigi has versus doing these 4%-5% margin on Digitide?

Sameer Ahluwalia: Great question. See, going back to how I started, different services that we have have a different EBITDA and a profitability potential, right? Now, BPO business in India, there is a profitability guidance, and you can look at the peer group as well of how much profit that business can create. When you look at international BPO, there is again some peer group comparison which is out in the market.

When you look at platform business, they do run anywhere between 2x to 3x of a BPO profitability. And then when you look at staffing business, I am sure there is a peer group comparison that is available to you.

Now, as a firm, we have all these different kind of mixes in our portfolio. India BPO, the work that we do for some of the segments, we actually are making decent amount of profit. There are some international contracts that we have. There also we are comparable in our BPO portfolio.

In tech and digital, there are two or three things that we need to factor specifically for platform. One, the go-to-market motions are very different to BPO motions. In platform business, one needs to approach through an ARR mindset, a license mindset, a subscription mindset versus a people mindset. As a company, we are reorienting ourselves to bring that new way of thinking of how to do platforms.

Second, in our EXM business under Alldigi franchise, we do around, give or take, INR 150 crores to INR 160 crores of business today, and there is a learning that has come with it. Now we have created new platforms and new products in that business to kind of scale it. Third, we are taking that business outside India into Middle East and Southeast Asia. Fourth, we are also now put an SMB-focused sales in that business. Historically, that business was enterprise. But now we are getting into SMB as well. So, those are some of the positions that we have taken for EXM platform.

For our insurance platform in the U.S., which is very much focused around specialty insurance for mid-market, both on the MGA side, TPA side, and carriers, there is a different orientation we have done. We have brought forward a new sales teams and solution teams which are now working on how do we take the insurance platform we have in the US, which today creates X percentage of wallet share for us to X plus Y. So, all of that efforts are in place. And when we come back in Q3, we will be happy to report the progress that we have made on that as well.

Madhur Rathi: So, if I consider the product or the tech and digital side of our business, how would we like to scale this up over the next two to three years? So, considering the payroll processing that Alldigi does plus the business that Digitide does on its own, so how should we look at this business scaling up? Because I think margins will come from your, as well as valuations, if you can help us understand.

Sameer Ahluwalia: See, our focus is definitely want to do more of T&D. We definitely want to do more of T&D in international, which is specifically US market, and we want to take our EXM platform outside India as well. So, those are three priorities: more of T&D, more of T&D in U.S., and taking EXM platform outside India.

Within India, historically our EXM platform was enterprise-focused. Now, we are getting into SMB as well, and we have focused and put together a dedicated team for SMB. So, all those efforts and motions have been mobilized.

Madhur Rathi: So, just one final question, sir. If I look at our business on an overall basis, although we are making close to INR 300 crores, INR 350 crores of EBITDA, but I think in H1 only INR 85 crores went out as lease liability. So, on a PBT basis, the margins are getting squeezed. So, why is that? Is it because the utilization of our BPO business is not coming or was there an issue regarding the pricing of the contracts? And as we move towards maybe outcome-based or AI-led BPO service, so how should I look at the PBT level margins? Because of these liabilities, it is getting squeezed.

Harigovind Krishnasamy: So, with respect to PBT, yes, you are right. The lease liabilities are impacting the PBT, but it will not impact the EBITDA, right? So, from a PBT perspective as well, if you look at last year Q2, which is Q2 FY '26, we reported INR 12 crores of PBT. It has improved marginally to INR 14 crores of PBT in Q2 FY '27. So, there is a marginal improvement, yes, but we are not there yet because of certain issues in India BPM which we are fixing.

Madhur Rathi: So, what are the issues, if you can help me understand?

Sameer Ahluwalia: See, the issue is, I think it is about how do we now pivot ourselves into more outcome-based pricing constructs, right? Historically, the work that we have signed, and not only with us, I think even our competitors for that matter, have signed work with customers mostly on T&M basis or number of people.

Now, as we kind of mature as an organization, the conversations are more about changing the economics of our portfolio. And for that, we are going through account-level pricing discipline, we are bringing more automation, looking at better mix of our business. We need to keep in mind the transformation of our BPM portfolio will definitely take more than one quarter, right?

And simultaneously, there are other micro and macro impacts that we are going through specific to our India book, whether it is impact of wage revisions, repricing of existing contracts, and some conscious decisions around walking away from lower return work. So, it is a combination of all these efforts and synergies which will take more than a quarter to be fixed.

Madhur Rathi: Sir, that was from mine.

Moderator: The next question comes from the line of Simran Thakkar from Beas Capital. Please go ahead.

Simran Thakkar: One is on the TCV. So, on the roughly INR 400 crores of TCV, how much is from the new logos versus the renewals? And what would be the typical contract length of it? And how quickly should we see it converting into the revenue? So, if you could just give a brief on these.

Sameer Ahluwalia: Totally. So, I think, one thing is clearly we have moved our game up on go-to-market, I mean, between the two quarters. Second is the mix of that booking that we have done has also changed. So, it is more of tech and digital, more of international. And the third thing is the solutioning has been done keeping in mind both the customer and us as a firm, our interests are taken care of. Right? So, those are three important principles that have been applied.

Now to your question, on INR 400 crores of TCV, because the various businesses that we have in the company, each business will have its own gestation period from booking to billing. Like a platform business, it takes up to, give or take, 10 weeks to 16 weeks for an order to move into realization.

For a BPO, it takes up to, give or take, four to six weeks, right? And for some other businesses that we have which are more on the consulting side, it is more immediate. But as a thumb rule

that we have provisioned into our pro forma, we believe upwards of 30%, 35% is what of that TCV will convert into revenue for this fiscal.

I hope that answered your question, Simran.

Simran Thakkar: Yes, it is answered. Also my second question is on the opening remarks, you mentioned the BOT mandate, right? So, how large is this which is delivered from the Philippines? And could you just give some colors on this?

Sameer Ahluwalia: Definitely. Today, in our GCC services, we have five implementations. Four of them are where we are doing managed services work for GCCs in India, and for one of them, which we signed in Q2, we are actually doing a BOT in Philippines.

Now we have been ordered to hire 1,000 people, okay, as part of their BOT construct, transition the work, stabilize it, and give it back. So, that is the construct that we have signed. And as we are speaking, we are almost 700 people on that order in Philippines.

Simran Thakkar: My second question is on the AI revenue, right? So, it is quite encouraging to see it is getting doubled to INR 30.5 crores. Sir, could you please help us understand how it is defined and how much is the new work rather than the existing work now delivered with the AI?

Sameer Ahluwalia: So, if I give you a little bit of delayering of our AI revenue, so almost, give or take, 35%, 37% of that INR 30.5 crores in our AI BPM services, the remaining 30%, 35% is in our platform businesses, and the remaining 27%, 28% sits in our professional services. So, that is the breakup: 35% in BPO, almost 35% in platform, and almost 30% in professional services.

The important point to note here is, which is professional services work, we signed six new orders in this quarter. And in the investor deck, we have also summated some of those use cases to kind of read about the kind of work we are doing, what are we doing, the value that we are delivering. So, that will help you kind of get higher confidence that what we are talking, we are actually walking there as well.

Simran Thakkar: Yes, I saw the presentation, sir. My last question goes like this. On the AWS and Anthropic alliances that we have done, so how do they involve commercially? I mean, co-selling, reselling, joint solutions? And is any revenue or pipeline already linked to them? And when could they contribute meaningfully?

Sameer Ahluwalia: So, I will speak about one of them first considering the time that we have. We are already top of the hour. So, I will talk about AWS partnership. Now with AWS, we have signed what we call as a 360-degree partnership ambition. Today in Q2, we achieved an advanced tier status and the teams on both sides are working to achieve a premier partner status. Our value of this partnership today is sub-10 million, but our intent is how do we take that partnership into 5x as we go through the next status of care.

Now, what does this 360-degree partnership mean? This means three things. One, we will sell with AWS. Second, is we will buy and resell with value-add. And third is, we will sell to Amazon as well. So, those are three different pillars: sell with, buy from, and sell to.

As part of buy from, we did our first deal in Q2 that we reported in the US. And in sell to, we already provide payroll services to AWS in India. Now, we are working through a joint co-sell with AWS, and there are set of activities and go-to-market actions that have been agreed. As we come back in Q3 , we will be happy to report the progress that we made on that as well.

Moderator: The next question comes from the line of Manoj Jethwa from KSA Shares and Securities Private Limited. Please go ahead.

Manoj Jethwa: Sir, my first question to the management, so what confidence gives the new management of Digitide, the new transformation and the new teams are there in place, would be in a position to pivot the Digitide into new realm or new era? And how do we see the investor after the new management has come into the position, sir? Could you please quantify/granularize the things actually?

Sameer Ahluwalia: Certainly. I think, let's speak about the things we did in Q2 first, okay? So, some of the commitments that we made to investors in our Q1 was, one, we will get unified as a company. Evidence of that is now we have our one enterprise, one operating model in place. Not only that, our leadership talent structure is built around that across business units, across go-to-market, across corporate functions, a clean reset has happened.

Second was, we are going to strengthen our core, and that is what we promised to you in Q1. And evidence of that, we are driving cash and working capital discipline in the best manner possible. Second, we are embedding AI across the services that I called out earlier, which is BPM, platform and professional services.

Third was we will go web and we will go digital, but in a selected manner. And with that, happy to report our go-to-market experts have now resulted in a 95% Q-on-Q jump on TCV bookings that we did. Third was our AI-led revenue in those bookings have now gone up from 1.9% to almost 4.1%.

Last point was we are going to go all out. So, the bets that we take, we will not shy away from going all in. And as evidence of that commitment that we made, we have scaled our partnerships, the one that I laid out with AWS and Anthropic, and we will continue to kind of scale newer offerings under our GCC umbrella. As I said, this quarter we already signed a new BOT mandate of up to 1,000 people in Philippines, of which 700 people are already in the mobilization phase.

So, all those four promises that we made, there are evidences that we see in Q2 in terms of progress. And now that being done, where we go to go next in H2, were also part of the investor

deck, which is scale our go-to-market, accelerate more AI, right-size our cost and portfolio, and more importantly, enforce working capital discipline through faster receivable collections.

I hope that answered your question.

Manoj Jethwa: Yes, thanks. Sir, my second question would be, could you please share some light on the M&A opportunities you will be pursuing in the insurance, healthcare in India and overseas? And what are the things one needs to keep it in mind before so that we could achieve our targeted growth of FY '30, if any, with the management, sir?

Sameer Ahluwalia: So, I think the focus sector of considering M&A would be insurance, healthcare, and banking. And the service line of that could be new age BPO, data, AI, and cybersecurity. So, those will be, I would say, the service line and the sectors.

We have evaluated several options, but there is nothing yet to report out in terms of, are those the right option and the right assets or not. But as I said earlier in my comment, the management team and the firm is open, and we are continuously looking for options which may fit into things that we want to do as we move forward.

Manoj Jethwa: Sir, my last question would be, I have to be very honest with you. Sir, after the listing, we have seen the growth of the, okay, it is coming down of the Digitide Solutions, and investors have burned their hands a lot, sir. So, how confident the new management would be that at this time they would be in a position to deliver it and gain the trust of the investor fraternity at large, sir, actually? What gives you the confidence, sir?

Sameer Ahluwalia: In the way you have been very unfiltered, I will be very unfiltered. We are very committed and very motivated. There is a reason all of us in the management team are here to ensure that the firm comes back and delivers on the promises and the expectations that investors and shareholders have of us. And I think the Q2 that you see should be a good reflection, a small one, but a good reflection for you to see and witness the impact that we are creating.

Manoj Jethwa: Thank you and all the best in all future endeavors to the whole team of Digitide Solutions, sir.

Sameer Ahluwalia: Thank you, appreciate it.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to management for closing comments.

Sameer Ahluwalia: Again, a big thank you to all of you for joining the call. We look forward to coming back in Q3 and keeping you updated on the progress that we are making. The management team here is committed and very motivated to deliver the expectations and the results that shareholders expect of us. Thank you.

Moderator: Thank you. On behalf of Arihant Capital Market, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.