August 21, 2026

National Stock Exchange of India Ltd.
Exchange Plaza, C – 1, Block G
Bandra-Kurla Complex, Bandra (E),
Mumbai-400 051
Symbol: UNIECOM

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Scrip Code: 544227

Subject: Q1 FY27 Earnings Conference Call-Transcript

Dear Sir/Madam,

Greetings from Unicommerce eSolutions Limited.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Q1 FY27 Results Conference Call held on Friday, 14th August, 2026 at 9:00 a.m. (IST) for the quarter ended on June 30, 2026.

The same is available on the website of the Company at https://unicommerce.com/

Please take the aforesaid document on record and oblige.

Thanking you,
For Unicommerce eSolutions Limited

Anil Kumar

Digitally signed by Anil Kumar
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Anil Kumar
Company Secretary
Membership No. F8023

Encl.: as above

"Unicommerce eSolutions Limited
Q1 FY27 Earnings Conference Call"
August 14, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th August 2026 will prevail."

MANAGEMENT: **MR. KAPIL MAKHIJA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. ANURAG MITTAL – CHIEF FINANCIAL OFFICER
STRATEGIC GROWTH ADVISORS, INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Unicommerce eSolutions Limited Q1 FY '27 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements do not guarantee the future performance of the company and may involve risks and uncertainties, which are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kapil Makhija, Managing Director and CEO of Unicommerce eSolutions Limited. Thank you and over to you, Mr. Makhija.

Kapil Makhija: Thank you. Good morning, everyone and thank you for joining us for the quarter 1 FY27 Earnings call. I'm a little under the weather today, so please bear with me if I take a few pauses as I go through my remarks. I'm joined today by Anurag Mittal, our Chief Financial Officer, along with our Investor Relations Advisors, Strategic Growth Advisors.

Before I get into the quarter, let me start with where we stand as a company today. Yesterday marked 2 years since our listing. In these 2 years, we have doubled both our revenue and adjusted EBITDA. Looking back further, we have grown the business 5x over the last 5 years, and our FY '26 adjusted EBITDA alone is now higher than our total revenue from 5 years ago.

Our focus now is to build on this performance. As we enter the next phase of growth, we will continue to be guided by the 3 core principles that have shaped our journey so far. First is a tech-first mindset. We lead through product innovation to create value for our clients. Today, that increasingly means embedding AI into our platforms so customers can receive more with lesser effort.

Second, we invest with discipline. We take selective bets and assess investments based on the size of the opportunity, the value created for customers and their priority relative to other growth opportunities. For example, over the last 5 years, we invested in building our e-commerce WMS and omnichannel product suite, building these through incremental iteration. Both products now operate at a large scale.

Third, we build patiently. Enterprise software requires sustained product development, customer feedback and validation as well as an evolving go-to-market approach through different stages of scale. Our modules or features often begin with focused use cases and become stronger over time as we add depth of features around workflows for different types and scale of customers.

This allows us to serve a larger and more diverse set of clients. In a complex industry like e-commerce, the product maturity cycle can extend over 18 to 24 months. These principles have shaped how we have built the business over the years, and they continue to guide how we allocate our resources today.

As we enter FY '27, we do so with a broader product portfolio, a larger customer base and multiple growth opportunities across our platforms. Against this backdrop, let me turn to our performance in quarter 1 FY '27. We are pleased to begin the financial year with a strong first quarter. Revenue grew 14.3% year-on-year to INR51.4 crores, supported by continued double-digit growth across both Uniware and Shipway.

To capture the opportunity ahead, we have consciously increased our investments during FY '27. These investments will be funded through a portion of the earnings we generate while we continuing to add cash to our balance sheet. Our investments for the year are focused on 3 areas.

The first is AI-led product innovation. Product development has been a critical driver of our revenue growth in the past. We began by building Uniware to address complex operational workflows and went deep in developing a highly flexible platform that can cater to hundreds of workflow variations across clients.

Today, our platforms are moving into the next phase of this evolution from being a system of record before AI existed to AI-led systems of intelligence in the first AI generation and now moving to proactive agentic systems that can guide actions. Our aim is to create value for clients and help them focus more on solving business problems and less on managing operational processes.

The second area of investment is talent and capability addition. Over the last few quarters, we have selectively strengthened leadership across functions and added talent with AI capabilities. These investments will support faster execution, stronger customer relationships and more scalable systems and processes. The third area is go-to-market expansion.

We are expanding sales capacity and investing in marketing initiatives to accelerate customer acquisition, improve onboarding and continue adoption of new products and modules. Let me now take you through the performance of our individual businesses. Uniware delivered another strong quarter with revenue growth of 12.8% year-on-year.

This was the fourth consecutive quarter of improving growth and demonstrates the traction from the initiatives executed over the last year. The underlying performance was stronger than the reported figures, excluding the impact of a former top 10 customer that discontinued operations in quarter 3 FY '26, Uniware delivered year-on-year growth of more than 15%.

As quarter 4 FY '27 will be the first full quarter of like-for-like comparison following this client exit, we are confident of delivering growth of over 15% from quarter 4 FY '27 onwards in Uniware. We also saw healthy customer acquisition momentum. During the quarter, we added 115 enterprise customers, up 30.7% compared to 88 in the same quarter last year.

These additions include both traditional enterprises and digital-first brands. Some of the marquee customers added during the quarter include Amul, Haldiram's, STUDDS, Pigeon, Mahindra Logistics and The Sleep Company in addition to Snoonu and Namshi in international markets. Our newer modules continue to see strong traction.

40% to 45% of our Uniware enterprise customers are now using quick commerce and B2B modules. 6% to 7% have adopted UniReco within a year of launch and 3% to 4% have taken up UniCapture within 2 quarters of its launch. We are encouraged by the early response, particularly to UniCapture as video evidence is becoming increasingly important for claim management, while implementation requires limited incremental effort.

As is typical for B2B enterprise software, these products have longer maturity cycles, and we expect them to become stronger growth contributors over the next 18 to 24 months. Turning to Shipway. Revenue grew 16.8% year-on-year in the quarter. Our confidence in the opportunity continues to strengthen.

We believe that accelerating growth at this stage can help Shipway build a larger and more scalable business over time. Accordingly, after operating the business near breakeven for part of FY '26, we have decided to increase investment in Shipway during FY '27. These investments will be directed primarily towards sales and marketing capacity, platform enhancement and deeper AI-first workflows.

Shipway has continued to show 15% plus Y-o-Y growth over the last 2 quarters. This gives us the confidence that as the impact of some of these investments materialize, we would be able to drive 20% plus growth year-on-year by the end of the year, that is quarter 4 FY '27 onwards. ConvertWay continues to perform steadily as we enhance the product for a wider set of use cases and larger enterprise customers.

We plan to invest this year to support our growth initiatives. Most of these investments will be front-loaded in H1 FY '27 with benefits expected to build through growth and operating leverage, leading to an improving profitability trajectory in H2 FY '27 and beyond. We have built a strong foundation over the past several years.

Our focus now is to build on that foundation by expanding our market opportunity, broadening our platform and increasing the scale and profitability of the business. We are investing for the next phase of growth with a clear focus on creating a larger and more valuable Unicommerce over the years ahead.

With that, I'll hand it over to Anurag, who will take you through more details. Thank you.

Anurag Mittal: Thank you, Kapil. Good morning, everyone. I will now walk you through our financial performance for the quarter. We opened FY '27 with revenue of INR51.4 crores, up by 14.3% year-on-year from INR44.9 crores in quarter 1 FY '26. Our growth was supported by continued momentum across the platforms.

Adjusted EBITDA for the quarter was INR8.1 crores, 14.5% lower compared to INR9.5 crores in quarter 1 FY '26, primarily due to our planned growth investments. Profit after tax increased by 20.2% to INR4.7 crores compared with INR3.9 crores in the same quarter last year. The increase in PAT is due to tax benefits recognized during the quarter.

As Kapil outlined, investments this year are intended to position us for the next phase of growth. Our experience with Uniware has shown how sustained investment in product, technology, team capabilities, sales and marketing can build larger and more profitable business over time.

We are applying the same approach across our platforms with investments in 3 areas: one, AI-led product development; two, talent capability building; and three, sales and marketing expansion. Uniware continues to scale well. Its stand-alone adjusted EBITDA increased from INR9.1 crores in quarter 1 FY '26 to INR11 crores in quarter 1 FY27 despite continued investment in the platform.

This reflects the operating leverage that will emerge as our platform grows, particularly for shipments. As most of these investments will be front-loaded in H1 FY '27 with benefits expected to build through growth and operating leverage, leading to an improved profitability trajectory in H2 FY '27 and beyond. Further, our capability to generate cash on a continued basis gives us the flexibility to fund these investments.

Our cash and bank balances increased from INR53.8 crores at end of the quarter 1 FY '26 to INR92.6 crores at the end of quarter 1 FY '27 with the growth of 72.1% Y-o-Y. As we execute our plan, we will continue to be guided by the 3 principles that have kept us focused on the long-term growth. We will stay technology first, invest with discipline and build patiently. With that, I would now like to open the floor for questions. Thank you.

Moderator: Thank you. We will now begin with the question and answer session. The first question comes from the line of Ankit Kanodia with ZenNivesh. Please go ahead.

Ankit Kanodia: Thank you for taking my questions and congratulations on good set of numbers in terms of growth

Moderator: I'm sorry to interrupt Ankit, you're not audible. Your voice is muffled. Could you please use your phone on the handset mode in case of it's handsfree?

Ankit Kanodia: No, I'm using my phone only. Is it better now?

Moderator; Yes, it's better. You may go ahead.

Ankit Kanodia: Thank you for taking my question and congratulations on good set of number. So my first question is related to the Shipway acquisition related amortization and synergy. Roughly, can you give us any timeline as to by when the synergies will start playing out in terms of margins and the amortization cost will be completely absorbed? Any idea on that?

Kapil Makhija: Ankit, sorry, I couldn't understand the question. Could you please repeat that? What sort of synergies are you asking about?

Ankit Kanodia: Where the kind of initiative which we are taking in terms of we are adding more team, we are adding -- we are going to -- we are expanding on our go-to-market strategy. We have acquired Shipway in the last year. And then there would be some we have integrated Shipway in our company, there would be some amortization related to that acquisition, which would still be hitting the P&L, if I'm not wrong?

So I just wanted to understand from you how the -- from a financial perspective, when do you see these numbers helping us improve our EBITDA margins going forward? So right now, even though we are growing well, even though we are cash flow positive, our reported EBITDA is going down. So I'm asking especially from that perspective. I hope I could clarify the question?

Kapil Makhija: Yes, Ankit, it's clear now. So as you mentioned that the adjusted EBITDA decline is largely because of thoughtful investments that we are doing in the business to be able to accelerate the growth. The results of these investments should be visible from H2 of this year itself because we are front-loading the investments in the first half of the year.

This should also translate into higher growth in the business. As we mentioned, Uniware, we are anticipating to grow at 15% plus from quarter 4 FY '27. And Shipway is operating at 15% plus growth today. We anticipate with the investments playing out and materializing, we anticipate Shipway to grow at 20% plus from quarter 4 FY '27.

So we are hopeful that some of these investments that we are making will start demonstrating results in the second half of FY '27. And the growth improvement will start to be visible from quarter 4 of FY '27. You will definitely see an improvement in profitability from the second half -- in the second half of the financial year.

Ankit Kanodia: Great. That was very helpful. My second and the last question is related to the Mahindra Logistics. If you can just throw some more color as to how we -- I mean what is our relationship with them in this space? And a broader view of how do you see the logistics space in India and do we see any more customer onboarding on any angle? I'm not asking from the point of view of giving me the logo, but in general, how do you see this logistics space for us as an area to tap into?

Kapil Makhija: Yes. So the partnership of Mahindra Logistics is with Uniware business. They have onboarded the OMS and WMS. Typically, the logistics players offer e-commerce fulfilment, which is e-commerce warehousing. As they offer e-commerce-related warehousing, they need an end-to-end e-commerce stack, which is to do an OMS, which connects to multiple marketplaces, warehouse management system to manage inventory within the warehouse and other solutions like UniCapture for recording videos, reconciliation for doing payment reconciliation.

So the partnership of logistics players with Uniware ecosystem is largely when they are offering e-commerce fulfilment to their brands. With Shipway, the relationship is more about partnership wherein they integrate deeply into the Shipway tech stack and we offer an end-to-end product suite as far as logistics management is concerned with Shipway.

Ankit Kanodia: We are offering both Uniware and Shipway to Mahindra Logistics, right?

Kapil Makhija: It's the Uniware, Mahindra Logistics partnership. Shipway largely deals with the logistics partners such as Blue Dart, Delhivery, etcetera, where they are offering last-mile delivery for brands.

Ankit Kanodia: Okay. Thank you so much and all the best.

Moderator: Thank you. The next question comes from the line of Siva with ithought PMS.

Siva: Firstly, on the EBITDA margin side, our adjusted EBITDA was around 15.8% for this quarter, and our EBITDA margin was 10.6%, meaning ESOPs were 5% of sales. So to put it the other way, ESOP used to be less than 5% of our total employee benefit expense, but now it is 12% to 15% of that expense. And this has been the case for the past 4 quarters now. So when do we expect this to normalize?

Anurag Mittal: So Siva, in fact, we grant ESOPs to the high-performing employees of the company based on our regular appraisal cycle what we have in the organization plus the management to whom we issue the ESOPs. The ESOPs we granted last year, that is the reason we could able to see the expense in the P&L. In this quarter, we have seen near about INR2.5 crores of ESOP expense in this quarter.

As per the amortization cycle of the ESOPs, we expect the ESOPs to get amortized over a period of 4 years from the date of grant. We granted these ESOPs sometime last year. So over the period of next year, the spend would be trending in the similar range of INR2.5 crores to INR4 crores per quarter.

Siva: Understood, sir. And sir, with regards to Shipway sales, they've been stuck at around INR20 crores for the past 4 to 5 quarters now. So why is this the case? Like when are we expecting this ramp up? And how soon can we turn EBITDA breakeven?

Kapil Makhija: Siva, your first part was not very clear. Could you please repeat the question?

Siva: Sir, I was just saying that on Shipway, our sales have been stuck at around INR20 crores for the past 4 to 5 quarters now. So I was asking why is this the case? And when are we expecting this to ramp up?

Kapil Makhija: Sorry, still not clear, Siva. I could hear the INR20 crores figure. I'm not able to understand the context of the INR20 crores.

Siva: Yes. So sir, I was asking for Shipway, we've been stuck at around INR20 crores revenue mark for the past 3 to 4 quarters now. So I was asking when can we see like a significant improvement from this INR20 crores revenue mark?

Kapil Makhija: So like I mentioned that we are investing in the business. The business has grown 15% plus for the last two quarters. We've demonstrated that already. With the investments that we are making, we are anticipating that this growth will improve to 20% plus from quarter 4 FY '27. And progressively, you should see it improving the revenue trajectory as well.

I think the second part of the question was when do we see it back to breakeven again. Like I mentioned, we are front-loading the investments in the first half of the year. Second half of the year, we should be able to see Shipway becoming breakeven. And the idea is to continue to grow the business at a breakeven mode where we'll continue to reinvest the profits whatever we are generating in the business, reinvest those profits back for growth.

Siva: Understood, sir. That was clear. And one last question. So one of Shipway competitor is now getting listed next week. And I noticed that there were a few big clients coinciding with Uniware and them. So what do you think is the reason for those clients to prefer the other player over Shipway like what are we lacking?

Kapil Makhija: I think the other players which is getting listed is a market leader. They have been in the ecosystem for a long time by virtue of them being the largest player in the aggregation space and Uniware being the largest player in the order orchestration, OMS, WMS space.

It's natural that we'll have an overlap between the 2 organizations. Having said that, we see that as a large opportunity for us, and that's one of the reasons we acquired Shipway to be able to offer an end-to-end e-commerce enablement solution. And slowly and steadily, we will see more and more customers of Unicommerce being onboarded on Shipway.

Like I mentioned, enterprise software have a long evolution cycle. The ecosystem also needs to be comfortable with a solution like being there, being used by a large scale other player is the market leader. So it's a natural choice today. But we are -- given the strong trajectory that we have demonstrated over the last few quarters and are hopeful of improving it further, you will see more and more overlap of large names across both Uniware and Shipway.

Siva: Right, sir, right. And say, in our top 10 clients who are using Uniware, has anyone started using Shipway yet?

Kapil Makhija: See, the Shipway service is relevant for brands which have meaningful presence on their website because the marketplace volumes do not require logistics to manage by themselves. It is taken care by the marketplaces itself. Top 10 customers of Unicommerce may or may not have a strong website presence because they could be a large player by just selling on marketplaces alone.

Today, the overlap is, as we have mentioned before, as well as 10% plus. We continue to see an improvement in the number of customers of brands which are using Shipway -- number of brands of Unicommerce, which are using Shipway. As a base of both Unicommerce and Shipway is expanding, the relative share continues to be 10% plus. But in absolute terms, the number continues to increase.

Siva: Sure, sir. I understood. Thank you for your answer.

Moderator: The next question comes from the line of Vivek Kumar with Bestpals Advisory. Please go ahead.

Vivek Kumar: Sir, can you go deeper on Shipway growth, our market share? And what kind of investments and why are you confident that the second half will return to growth? And if you can talk about the opportunity in Shipway?

Kapil Makhija: Shipway, as we've mentioned multiple times before that Shipway operates in courier aggregation, which is a large market opportunity. As per our estimates, it's INR4,000 crores plus market, where we are a relatively early-stage player, single-digit market share today with a significant headroom for growth.

And that's why last year, when we had acquired the business, the first year, we were focused on integrating the business well. And when we -- if you recall, when we had acquired the business, the business was loss-making. So we turned the business profitable. But after operating the business at a breakeven mode for a few quarters, we realized that there is a large opportunity ahead.

And hence, we decided it will be prudent to invest in the business to be able to accelerate the growth and improve our share in the INR4,000 crores market. The investments, as we mentioned, are largely threefold. One is sales and marketing capacity addition. Second is tech and product development, largely making it enterprise grade.

And third is addition of critical talent at senior and middle management level to be able to execute faster. We have demonstrated 15% plus growth already for 2 quarters. With these investments, we are hopeful that we'll be able to improve this further. We are also aware of the quantum of investments we are making, which gives us the confidence that we need it only for the first 6 months. So we are front-loading majority of those investments in H1 of FY '27.

And as these investments materialize, as the growth increases, we are confident that the business will again become breakeven. We are targeting to make Shipway breakeven in quarter 3 itself. And with the investments playing out, we are confident of delivering a 20% plus growth from quarter 4 FY '27 onwards.

Vivek Kumar: Sir, and how should we think about market penetration in general, not just ours, but market penetration Uniware -- and how do you -- what is the probability that small businesses can white code this software because I do not know how to think about it, but please, if you can explain what is stopping small businesses from doing writing their own Uniware -- this softwares with Claude, LLMs becoming advanced by the day. So -- and if you can talk about the market penetration, what levels of market penetration is Uniware software in general for the whole market?

Kapil Makhija: Sure. So in our experience, AI typically disrupts shallow SaaS, which is generic or easy to replicate tools. But for a software like ours, which is a system of record and drives deep productivity improvements for brands, it actually strengthens. There are 3 moats that we have, which are difficult for anybody to come in and vibe code. First is that it's hard to replicate the relationships or automate the relationships.

We have decade-plus relationships with the ecosystem players, marketplaces, logistics players, etcetera, for someone to come in and replicate those relationships is extremely hard. Switching cost for a brand is extremely high. It's today a backbone for any brand's e-commerce operations.

For them to trust a vibe-coded software for something which is mission-critical for them is extremely hard. So a vibe-coded software can -- may work for a certain scale. But for an enterprise-grade offering that a brand needs, particularly in a complex e-commerce industry that a brand operates today where they have to deal with tens of marketplaces, logistics players, they're selling on quick commerce, B2B, general trade, margin trade.

There are multiple sales touch points for them to be able to do this over and over again, and it's also not static. It keeps evolving on a regular basis. Newer use cases keep emerging in e-commerce very frequently. So it's a very high maintenance cost as well even if someone were to vibe-code it.

More importantly, as I mentioned, this is a mission-critical software so much so that many brands tell us that today, auditors ask for Unicommerce data to audit the books of a brand. That's the level of credibility that Unicommerce system carries for a white-coded software to carry that level of sophistication and credibility will take a long time.

Having said that, we are also investing in AI. We are making the platform now AI first, wherein a lot of effort that the brands were earlier putting in running the operational processes, we're taking away that effort and helping them make better decisions and focus on growing the business rather than focusing on these mundane operational processes.

Vivek Kumar: And the market penetration of Uniware in general, how do you think?

Kapil Makhija: See, we are a market leader already by a huge margin. But we feel that e-commerce is still fairly underpenetrated. A large portion of the e-commerce growth or within e-commerce, the drop ship model growth has started to happen post pandemic. So it's only been 5 years of this market growing.

A lot of brands, early-stage brands still use Excel to manage their e-commerce operations. As some of these brands grow, as the complexity in their operations increase, they would want to use the software. And that's when we become a natural choice because we are a market leader. When they look around 7 out of 10 of their peers would be using Unicommerce, and that's when we become a natural choice.

So while we are a market leader, but there is still a lot of headroom for growth, because more and more brands are looking to move from Excel to software, and this is evident in the quantum of the number of new clients that we are onboarding. We continue to see a healthy improvement in the number of clients.

When we listed, we were acquiring 85 to 90 clients a quarter. This quarter, we added 115 customers. Quarter 4, we added nearly 149 customers. So we continue to see an improvement in the customer addition. On top of that, for our growth, we have now added newer product modules such as UniCapture, UniReco.

We have got 1,100-plus enterprise base today who will need these solutions to be able to further strengthen their management of e-commerce operations. As more and more of such enterprise brands take our new solutions, we will see even more growth coming in. So the growth levers for Uniware are threefold. One is obviously the market growth on which we have limited control. The other 2 are addition of new customers and upselling or cross-selling of our new modules to the existing enterprise base.

Moderator: The next question comes from the line of Sumeet Jain with CLSA.

Sumeet Jain: So firstly, I wanted to understand, Kapil, like in terms of the competitive intensity on both Uniware and Shipway, how are you seeing particularly on the pricing side? Are you able to maintain your pricing or are you able to take it up? So can you give some color? I mean it's heartening to see that the Y-o-Y growth in your stand-alone entity has been improving for the last 4 quarters. So I wanted to understand, apart from the investment in the senior folks and then increase in enterprise customers, what are other reasons behind this improvement in growth?

Kapil Makhija: Sumeet, I'll talk about the growth levers first. As we had mentioned last year as well, until last year, we were largely dependent on the market growth only, coupled with new customer additions that we were doing. And that's when we had realized to -- that we will need to build new products and modules because now we had a good set of enterprise customers to which we could upsell and cross-sell.

Now some of that motion has started to play out, which is why we are seeing an improvement in our growth over the last few quarters. While the momentum of new customer acquisition continues to be healthy, as I just described in the earlier question that compared to when we were listed, we are now seeing anywhere between 30% to 50% improvement in the number of clients being acquired.

We are also seeing good attach rates of UniReco, UniCapture. UniReco is now at nearly 7% of attach rate. UniCapture is at nearly 3% to 4% of attach rate within 2 quarters of launch. And we are seeing positive momentum as we are building and enhancing these products further based on customer feedback.

The gestation period is 18 to 24 months, as I described, and we've seen this in our omnichannel product launch as well as our WMS. It takes 18 to 24 months for a product to get to a certain level where it is fully mature and starts contributing meaningfully to the revenue growth. But with the early promising signs, that gives us the confidence that we'll continue to show improvement in the growth trajectory.

We are already at a 15% plus growth in Uniware net of this top 10 client exit that happened because of their own business compulsions and there to stop being multichannel. So that's why that gives us the confidence that Uniware will demonstrate 15% plus growth from quarter 4 FY '27 onwards.

On the competitive intensity, we continue to be a market leader on the Uniware side. We continue to be a premium player. So we continue to hold that position even now. The brands and the ecosystem values us for the stability and the scalability of the platform and that they know that they can trust this platform with the entire e-commerce operations.

And as we are adding more product offerings into our portfolio, their trust on the platform is increasing even further, and they realize that working with Unicommerce gives them the peace of mind that they can have just one vendor, take care of everything as far as e-commerce is concerned, and they can focus on growing their business.

Sumeet Jain: Got it. That's helpful. And secondly, can you also help us understand in this more than 15% growth what you are flagging by 4Q onwards, how should we look at your top 10 client revenue bucket? Because given the fact you said that there is a lot of cross-sell opportunity across your product base?

So ideally one should expect that your top 10 client revenue should also go up. But is it -- or is it that the growth will be coming more from additional of new set of enterprise clients where I remember, I think there are -- there's a huge amount of enterprise clients yet to join in. So how should we look at it?

Kapil Makhija: Sumeet top 10 is the -- while it is contributing meaningfully to the revenue, it's a very small number of customers, right, compared to the 1,100 customer base that we have. And top 10 customers by virtue of their size, their growth is broadly reflective of the market growth. So while there are some upsell and cross-sell that's happening for the large customers as well, we are not only restricting it to the top 10 customers.

We are doing it across the board. We see opportunities of UniReco, UniCapture and other offerings that are in the making being relevant across all our base. And hence, we will not restrict our cross-sell efforts to just the top 10 clients. The growth that you see of the top 10 clients, as I said, is largely effective of the market.

Sumeet Jain: Got it. And lastly, given we are in an aggressive investment phase right now, I mean, what should be the steady-state EBIT margins one should assume for your stand-alone business and for Shipway? What are the targets you're having in mind maybe next 1 to 2 years out, given that you are still building these businesses in a way in a very early stage. So any thoughts you can share?

Kapil Makhija: See, Uniware, even with investments, it has grown from 32% to 35% from an adjusted EBITDA run rate perspective. And we've always maintained that Uniware as a business has a very strong operating leverage. So we'll continue to demonstrate that further.

Last year, it had gone to the 40% adjusted EBITDA margin levels as well. So it should stay in similar ballpark as we continue to see improvement in profitability in the second half of the year. While on Shipway, as we have maintained even before that we want to continue growing the business for the next couple of years, at least we want to operate it at a breakeven level.

We are investing in the business today for the next -- for the H1 of FY '27, we will see it operating below adjusted EBITDA breakeven. But in H2 from Q3 onwards, we want to operate it at breakeven, even if we make profits and we can make profits in Shipway as well. But the conscious call is to reinvest the profits back for growing the business.

Moderator: The next question comes from the line of Prince Choudhary with PINC Wealth.

Prince Choudhary: I would like to understand more from the KPI metrics, like what were the NRR for this quarter? Like is it above 100% or below? And what is the visible trend for this full year?

Kapil Makhija: So we publish NRR every year. I think it's slightly -- the data is less mature if you look at a quarterly level. We published it for last year, it was 100% plus net of that top 10 client exit. It has always been 100% plus over the last few years and continues to be. Given the product is extremely sticky, we rarely see brand moving out to different competitors for lack of features or anything.

What we have largely seen is the biggest reasons of churn in our software, atleast on the Uniware side is when the brands are shutting down because e-commerce is a volatile industry or the use case of model is no longer relevant for them. So the NRR continues to be healthy for the business. It will be hard for us to tell the number right now, but it is -- for the last many years, has maintained 100% plus, and we're confident that it will maintain 100% plus even for this year as well.

Prince Choudhary: But as you have mentioned, like since the economy or the e-commerce is a very volatile industry, so -- and many e-commerce companies get shut down in a short time span. So do we have to reduce ARPA what is the visible trend over here as well?

Kapil Makhija: See, normally, we've seen the mortality being high for long-tail brands who have not hit a certain scale. After a brand hits a certain scale on e-commerce, typically, they tend to survive and grow the business. So -- and that's why while in terms of number of logos, you may see a higher churn because of the mortality of those brands.

But in terms of the GRR and NRR, it does not impact the metrics because the brands that hit a certain scale tend to grow reasonably fast and which ensures that our NRR continues to be 100%

plus. Our ARPA continue has stayed broadly similar. We've always maintained that the average realization from Uniware enterprise customers is about INR1 lakh a month. It has continued to be in the similar ballpark.

Prince Choudhary: Understood. And when we talk about the cross-selling opportunity in the Shipway for our existing clients. Can you talk about what is the current percentage and what will the exit rate by the Q4?

Kapil Makhija: See, the -- I'm assuming you're asking about the overlap -- the overlap of Shipway in the Unicommerce ecosystem continues to be 10% plus, while we have maintained this 10% plus number for the last couple of quarters. The number may seem stagnant, but actually, the absolute overlap of clients between Shipway and Unicommerce continues to increase because the client base is increasing at both Uniware and Shipway.

And Shipway, one of the growth levers for Shipway is the cross-selling piece, but there's a large portion -- a large market opportunity outside of Uniware base also for Shipway, likes of Instagram sellers, social media sellers or, let's say, brand focused just on their website, who may not need a Uniware system, but they will still need Shipway to be able to ship the goods to the end customer. And the idea for Shipway growth is to target after such communities, such emerging brands to make sure that we are able to lock them in early and continue a long-term partnership with them.

Moderator: The next question comes from the line of Pratik Banthia with Fermi325 Investment Advisers.

Pratik Banthia: Congratulations on adding a strong set of new clients as well. I had 2 questions. The first part of the question was, can you quantify the additional investments that we are doing in the 3 areas on an annualized basis, if you could get an estimate of that?

Kapil Makhija: Investments are largely in the area of sales and marketing, AI-led product development as well as some select talent capabilities. The investment in terms of absolute is in the range of a few crores and will continue for the current quarter, post which we anticipate some of these investments to start demonstrating results and show improvement in our growth percentage as well.

Pratik Banthia: Okay. And the second question I had was, like you said, for smaller brands as their e-commerce operations become more complex, they tend to choose the market leader, which is Uniware in this case in the OMS and WMS system. So similarly, a similar trend could be seen in logistics management, right, in logistics aggregation. So what gives us the edge over the market leader in that segment that we would be able to capture these clients under Shipway?

Kapil Makhija: Yes. So on the Uniware side, because we are the OMS, we are a very sticky software. OMS runs the backbone of the entire e-commerce operations of a brand by a very design. 100% of the e-commerce volumes of a brand run on an OMS. They do. They can't use multiple OMS systems.

But in courier aggregation, the good part is that the benefit of the challenger is that courier aggregator is not very sticky. The switching costs are fairly low. Also, by design, a brand prefers to work with multiple courier aggregators or multiple logistics partners to diversify their risk. That's the nature of the market.

So there is always a fight of share of wallet in that space. So given that we have a sticky OMS system already, which none of the other players in the courier aggregator industry has, gives us a unique advantage that we can actually cross-sell Shipway to our existing base. It will become a lot easier than for a competitor in courier aggregator to cross-sell any third-party OMS because the switching cost of an OMS is extremely high.

Pratik Banthia: Okay. Got it. That's it from my side. Thank you so much.

Moderator: The next question comes from the line of Arvind Arora with A Square Capital.

Arvind Arora: So my question is regarding the Opptra partners deal that we announced. So is it more like a strategic deal or it's like a normal routine deal? And also, are we like through this deal, we are venturing into data analytics service, something like this, if you can throw some light on that?

Kapil Makhija: Okay. the deal with Opptra was essentially we have onboarded them as a customer to manage -- they're using our software to manage the Southeast Asia and D2C operations of the brands that they are onboarding as a service provider. So it's very similar to many other customers that we onboard, just like we onboarded Amul, STUDDS, Mahindra Logistics in this quarter. We do provide dashboards and analytics on our software already. We are not venturing into providing analytics as a service in our ecosystem. We are an e-commerce enablement software. We'll continue to offer solutions and software as part of this offering.

Arvind Arora: Okay. Understood. And Kapil, you mentioned in a couple of calls that Uniware is like a marriage for life, correct? And since the stickiness of the clients with us and the ample amount of cross-selling opportunity we have. So why we are not aggressively in the -- like launching the product or so on that part, like because if you see the even capex that we are incurring like for growth, it's also like less than INR20 crores what I can see like from last 2 years. So why we are not going aggressively considering the TAM is so high and then we can cross-sell. And we do also have option to raise funds from the market now since we are listed?

Kapil Makhija: I'm not sure I understood the question fully. You are saying that why isn't the growth faster than what it is today?

Arvind Arora: I'm asking why we are not going aggressively to capture the market more and upto cross -- since we are seeing we have like a good stickiness of the clients with us, okay? And we have ample amount of cross-sell opportunity to them, okay? And there are certain sections where we are not there today, like the checkout things where like there we are not there. So why we are not going aggressively and launching our product that we are planning to launch in next, say, in 2 years, something like that. So why we are not aggressively implement those things now today?

Kapil Makhija: Sure. See, as I described at the start of the call, it is our tenets of building the business is, one, that we invest with discipline. So we take selective bets and then we go deep in those. In terms of our pace of development, if you look at over the last 5, 7 years, we built 2 product modules, which is WMS and omnichannel. But over the last 12 to 18 months, we've already launched 3 modules, which is UniCapture, UniReco, UniBot and continue to add even more offerings.

So our pace of shipping has accelerated significantly. In the post AI era, we are able to ship a lot faster. We carefully evaluate different spaces, including, let's say, checkout that you have mentioned. And at an opportune time, we would enter into those areas. The second tenet of building our business is to build efficiently.

We want some of the current investments to fructify, start giving meaningful results. So -- and typically, every product development cycle has 18 to 24-month gestation period. And hence, we want to now see some of these investments play out. And as I mentioned, we are also front-loading some of the investments and a few of those investments are into AI-led product development. So you will see some of launches coming in that area as well.

We want to ensure that we continue to grow increasingly. So we -- if you look at the Uniware trajectory from single-digit growth, we have now demonstrated 2 quarters of double-digit growth. And we're talking about improving this growth further to 15%. Eventually, we want to move this to late teens, go beyond 20% plus as well. Similarly, Shipway also, we want to go on increasing growth trajectory.

But as I said, one of the tenets of building the business we operate is to build with patience. So we want to do this progressively with calibrated investments rather than doing a lot of things together and not like taking up a lot of things together and not doing a good job of any of it. We value focus a lot.

So we want to take 2 or 3 bets, do a good job of it as we have done over the last decade and continue building on that further. I'm personally a big believer of compounding. I feel growing steadily and consistently over a long period of time leads to compounding results for the company as well as the shareholders, and that's how we are building the business today.

Arvind Arora: Understood. And the last one, is there any M&A opportunity that is under pipeline that is like materialized now and you can like -- is there anything which you can like to discuss?

Kapil Makhija: Yes. So I was just completing that. In terms of newer product opportunities as, for example, checkout that you mentioned or any other area, we continue to evaluate inorganic opportunities. We continue to explore start-ups in respective areas, which could be adjacent to us.

The 3 criteria that we look for inorganic are: one, it should make sense for existing customers. Two, it should be a good product, good team. Three, it should be available at the right valuation. And sorry, fourth, one more is that it should either be profitable or should have a path to profitability. So we have a few start-ups that we are actively evaluating, which meet these criteria, but they're still at an early stage. Once we have -- once we are able to advance in these discussions, we'll be happy to share it with the ecosystem.

Arvind Arora: Okay. So where we are like in terms of stage, like it's under advanced stage or it's just evaluation things that is going on?

Kapil Makhija: Right now, it's under the exploratory stage. But whenever something materializes to or advances to an advanced stage, we'll be happy to share more details.

Arvind Arora: Okay. Okay. Any plan to raise the fund?

Kapil Makhija: We are adding cash to our balance sheet on a regular basis. Cash balances increased to INR92 crores, 70% growth over last year. We will use -- we'll potentially use this cash for M&A, but we don't foresee the need of doing a fund raise because we are adding cash flows to our balance sheet on a regular basis.

Moderator: Ladies and gentlemen, due to time constraints, we take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Kapil Makhija: Thank you, everyone, for joining the call today. We hope we have been able to address your queries. Should you have any further queries or clarifications, please feel free to reach out to us or our Strategic Growth Advisors, our Investor Relations Advisors. Thank you, and have a good day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Unicommerce eSolutions Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.