BBOX/SD/SE/2026/79

August 20, 2026

To

Corporate Relationship Department **Bombay Stock Exchange Limited** P.J. Towers, Dalal Street, Fort, Mumbai 400001	**Corporate Relationship Department** **National Stock Exchange Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400051

Sub: Transcript of Earnings Call hosted on Unaudited Financial Results (Consolidated and Standalone) for Q1 FY27

Ref.: Scrip code: BSE: 500463/NSE: BBOX

Dear Sir/Madam,

This is further to our letter dated August 6, 2026 with reference number BBOX/SD/SE/2026/68 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call hosted on August 13, 2026 on Unaudited Financial Results (Consolidated and Standalone) for Q1 FY27 is attached hereunder.

This is for your information, record and necessary dissemination to all the stakeholders.

For **Black Box Limited**

Aditya Goswami

Digitally signed by Aditya Goswami
Date: 2026.08.20 20:45:03 +05'30'

Aditya Goswami
Company Secretary & Compliance Officer

Encl.: A/a

"Black Box Limited

Q1 FY27 Earnings Conference Call"

August 13, 2026

E&OE - This transcript is edited for inadvertent errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13th August 2026 will prevail."

MANAGEMENT: **MR. SANJEEV VERMA – WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER**
MR. DEEPAK BANSAL – EXECUTIVE DIRECTOR AND GLOBAL CHIEF FINANCIAL OFFICER
MR. PURVESH PAREKH – HEAD OF INVESTOR RELATIONS
STRATEGIC GROWTH ADVISORS – INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of Black Box Limited. 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 that are difficult to predict.

As a reminder, all participants lines will be in the listen-only mode. And there will be 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjeev Verma, Whole-Time Director and CEO of Black Box Limited. Thank you, and over to you, sir.

Sanjeev Verma: Good morning, everyone, and thank you for joining us today. On behalf of Black Box Limited, I extend a warm welcome to all of you to our Q1 FY27 earnings conference call. I'll begin by sharing an overview of our business performance, the evolving industry landscape and the strategic progress we have made during the quarter, after which our CFO, Mr. Deepak Bansal, will take you through the financial highlights in greater detail.

A couple of months ago, during our Capital Markets Day, we shared an important milestone in Black Box's journey. We spoke about how the transformation that we embarked upon over the last several years had largely been completed and that the next phase of our journey will be centered around growth, scale and disciplined execution.

As I reflect on the first quarter of FY27, I'm pleased to say that we have made a strong start on both fronts, financially and operationally, reinforcing our confidence in the road ahead. Financially, we have delivered our highest ever quarterly revenue, supported by improved execution of the rising order backlog and the contribution from our recently acquired Brazilian entity, 2S.

The quarter also saw our order bookings of US$339 million, taking our order backlog to a record ever of approximately US$950 million, up 83% year-on-year and providing strong visibility for future growth.

Equally important, we made significant operational progress during the quarter, adding a new global hyperscaler in the United States through a US$131 million, about INR1,240 crores order while continuing to deepen our relationship with our existing hyperscalers. These wins are a strong validation of the capabilities and scale we have built.

I'm proud to say that Black Box is the only India origin digital infrastructure solutions company currently executing gigawatt scale data center programs, demonstrating the scale of capabilities it has built to participate in accelerating global AI infrastructure build-out.

To understand in detail why we are increasingly confident about our long-term outlook, it is also useful to step back and look at the broader technology landscape because what we are witnessing today is far bigger than a normal technology cycle.

We are in the midst of one of the largest digital infrastructure investment cycles in history. This is not a short-term trend driven by single technology. Rather, it's a structural transformation powered by artificial intelligence, cloud computing, networking, cybersecurity and next-generation digital infrastructure that is expected to reshape industries and economies over the coming decade.

Industry estimates continue to move higher. According to Gartner's article published in July, global enterprise technology spending is expected to exceed US$6.4 trillion, up 14.2% year-on-year, including US$822 billion on data center systems alone, a whopping increase of 62.5% year-on-year.

At the same time, leading hyperscalers, including Google has increased its budget to US$190 billion to US$205 billion for FY26 in its current earnings release in July, double from last year and so have other large players followed suit.

Within this landscape, Black Box participates across nearly US$250 billion to US$300 billion of addressable opportunities spanning data centers, enterprise networking, connectivity infrastructure, cybersecurity, managed services, digital workplace solutions.

Importantly, the majority of this spending is occurring in markets where we already have strong positions, particularly in the United States, where nearly 60% to 70% of spending is targeted.

What makes this investment cycle particularly compelling is the convergence of multiple long-term technology trends. AI workloads are driving unprecedented demand for compute capacity. Enterprise networks are being modernized through high-speed connectivity, edge computing, private 5G, Wi-Fi 7.

At the same time, cybersecurity has become increasingly mission critical as organizations strengthen digital resilience. These trends are creating sustained demand across the very capabilities that Black Box has been building over many years.

Today, Black Box participates across a sizable addressable market spanning data center, enterprise networking, connected buildings, cybersecurity, managed services and digital workplace solutions. More importantly, a significant portion of this investment is taking place in markets where we already have deep customer relationships, particularly in the United States, where we continue to maintain a strong presence.

However, the size of the opportunity alone is not enough. Success in this market increasingly depends on the ability to execute at scale. As hyperscale projects become larger and more complex, customers increasingly prioritize execution capability, scale experience and the ability to mobilize skilled resources quickly across multiple locations.

Winning these engagements is no longer simply about offering at the lowest price. It is about demonstrating consistent execution on mission-critical infrastructure. This is precisely where Black Box enjoys a meaningful competitive advantage.

Over the past several years, we have deliberately invested in strengthening our execution capabilities, expanding our leadership team and building a global delivery platform that can support large-scale infrastructure programs.

We continue to hire and train talent at scale with plans to onboard nearly 2,000 professionals, ensuring that we have the resources required to support our customers' long-term growth plans. These investments create significant barriers to entry and position us favorably as customers increasingly consolidate spending with trusted partners capable of delivering at scale.

Equally important is the strength of the customer relationship we have built over the years. We work with leading hyperscalers, Fortune 500 enterprises, financial institutions, healthcare organizations, manufacturers, global technology companies across more than 35 countries.

Over the years, we have built and become deeply embedded within many of their mission-critical environments, and we believe this trust creates significant opportunity to expand wallet share as customers increase investments in AI-led infrastructure.

Alongside strengthening customer relationships, we have also continued to improve the quality of our own business. Over the past few quarters, we have consciously rationalized several low-value long-tail customer accounts while increasing our focus on larger strategic enterprise. This approach significantly improves the quality, visibility and profitability of our revenue base over the long-term. Our objective is clear: to go deeper with strategic customers rather than simply becoming broader across smaller accounts.

The strategy is already translating into encouraging business momentum, particularly in one of our most important growth areas. The momentum in our data center business continues to remain particularly encouraging. We continue to see healthy customer demand across AI campuses, hyperscale infrastructure, enterprise modernization, networking and managed services. Encouragingly, supply chain conditions have also improved over the last quarter, particularly across cables and fiber, supporting faster project execution and a stronger pace of backlog conversion going forward.

Taken together, these developments reinforce our confidence in the long-term road map that we have shared during our Capital Markets Day. As we highlighted during our Capital Markets Day, our aspiration is to build Black Box into an INR18,000 crores or US$2 billion revenue company by FY30. Around INR12,000 crores of this growth is expected to come organically, supported by strong execution, conversion of our robust order backlog, sustained demand for AI-led digital infrastructure, deeper engagements with strategic customers and improved project execution.

The balance INR6,000 crores is expected to come through inorganic growth, leveraging our proven M&A engine, successful integration track record and a healthy acquisition pipeline. The recently completed Brazil acquisition, which adds approximately US$50 million in annual revenue, represents another meaningful step towards this objective.

This ambition is supported by four growth pillars: hyperscale digital infrastructure, GSI Americas, growth across India and Rest of the World markets, and evolution of our technology product solutions business towards recurring and platform-led revenues. These pillars are reinforced by our strong execution excellence.

Overall, the first quarter has further strengthened our conviction that we are well positioned to execute on this road map. We believe FY27 is not the beginning of our journey. It is the beginning of the scaling phase of our journey. We enter this year with a stronger business, a healthier balance sheet, expanding customer relationships and multiple long-term growth drivers working in our favor.

With that, let me now hand over the call to Deepak, who will take you through the financial performance in greater detail. Thank you.

Deepak Bansal: Thank you, Sanjeev, and good morning, everyone. Sanjeev has shared our strategic progress and the strong industry fundamentals supporting our business and the tailwind what we have right now. Let me now take you through our financial performance for the first quarter, the operational progress we continue to make and our outlook for the year ahead.

Over the last three years, our focus has been on building a business that can scale profitably and sustainably. Our transformation has centered around five priorities: strengthening the balance sheet, improving profitability, disciplined capital allocation, simplifying operations and building a scalable operating model. Today, the quality of our business is fundamentally stronger, providing us with a solid platform to capitalize on the opportunities ahead.

A key outcome of this transformation has been the improvement in our customer portfolio. As Sanjeev highlighted, we have transitioned from a fragmented customer base to approximately 300 strategic accounts, including hyperscalers, enabling greater wallet share, stronger revenue visibility and healthier margins. This has significantly improved both the quality and predictability of our revenues while positioning us to execute larger multi-year engagements.

Against this backdrop, we have started FY27 on a particularly strong financial footing. Quarter one of FY27 was one of our strongest quarters as we reported highest ever revenue of INR1,719 crores, representing a 24% year-on-year growth. EBITDA increased to INR160 crores, up 38% year-on-year, while profit after-tax grew to INR56 crores, an increase of 18% over the corresponding quarter last year. The quarter also includes two months of financial consolidation from our Brazil acquisition 2S.

Equally encouraging was the improvement in profitability. EBITDA margin expanded by 90 basis points to 9.3%, reflecting operating leverage, a better business mix, disciplined execution and the benefits of the structural initiatives implemented over the last few years. While we continue to invest in our sales organization, engineering capabilities and delivery teams, operational efficiencies through our global capability center in Bengaluru, AI-led productivity initiatives, centralized delivery, procurement discipline and stronger project controls continue to support margin improvement.

Our medium-term objective remains to consistently operate at or above a 10% EBITDA margin while maintaining healthy returns on capital. The healthy demand environment that Sanjeev spoke about also continues to translate into a robust order pipeline. Demand across our core businesses also remains healthy. We continue to see strong customer spending across AI-led digital infrastructure, data centers, enterprise networking, managed services and cybersecurity, giving us confidence in the sustainability of our growth pipeline.

From an order book perspective, we continue to witness healthy customer demand. During the quarter, we secured orders worth US$339 million. Our backlog continues to reflect the progress we have made. Since the beginning of our transformation journey, it has increased by 83% to over US$950 million at the end of quarter one of FY27 with a growing share of large multiyear and mission-critical infrastructure programs. The tenure of our data center engagements now ranges between 24 and 36 months, providing strong revenue visibility and improving the predictability of our business.

While the industry opportunity is significant, our focus remains on converting that opportunity into profitable growth, healthy margins, strong cash generation and long-term shareholder value. Cash flow continues to remain a key management priority. For FY27, we expect our operating cash flow to EBITDA conversion to improve meaningfully over FY26, supported by disciplined working capital management.

Our capital allocation philosophy also remains unchanged and continues to focus on long-term value creation. We will continue to invest across three priorities: strengthening our people and technology capabilities, supporting the working capital requirements of our growing business and pursuing selective acquisitions that enhance our capabilities and geographic reach. The acquisition of 2S reflects this disciplined approach.

In addition to strengthening our presence in Brazil, it expands our capabilities across networking, cybersecurity and managed services while providing a strategic platform to participate in the broader Latin American opportunity. As with every acquisition, our focus remains on disciplined integration and realizing long-term synergies.

Based on the visibility we have today, we remain confident in our outlook for FY27. Our guidance for FY27 is as follows: order backlog, we should end on March 31, 2027 at US$ 1.3 billion to US$ 1.4 billion (inadvertently stated - US$1.4 billion to US$1.5 billion: to be ignored), which is a growth of 65% to 75%. Order bookings in the year, we should do between US$1.3 billion to US$1.4 billion, which is again a growth between 32% to 45% (inadvertently stated - 45% to 50%, to be ignored).

Revenue, we should do between INR7,800 crores to INR8,000 crores, which is a growth of 23% to 27%. EBITDA, we should do between INR725 crores to INR750 crores (inadvertently stated - INR700 crores to INR725 crores: to be ignored), which is a growth of 27% to 32%. EBITDA margins will range between 9.3% to 9.4%, which is again up by around 30 to 40 basis points. Profit after tax, we are expecting between INR300 crores to INR 325 crores (inadvertently stated - INR325 crores to INR350 crores: to be ignored), a growth of 38% to 50%.

Historically, quarter 1 has been a relatively softer quarter for Black Box. We expect stronger revenue conversion and operating leverage in the second half of the fiscal year with this momentum supporting the delivery of the FY27 guidance outlined in our presentation.

Assuming normal execution time lines and no significant customer-led delays, we believe this guidance is achievable.

Going forward, we will continue to prioritize profitable growth, disciplined capital allocation, operational excellence and balance sheet strength, supported by a healthy order backlog, improving customer quality and favorable industry tailwinds. We remain confident in our growth outlook. Black Box enters this next phase with a stronger financial foundation, a disciplined operating model and a clear road map towards our aspiration of building a US$2 billion business by FY30 while creating a long-term shareholder value.

Thank you. And with that, I would now like to hand the call back to the operator to open the floor for questions.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Deep Shah with 360 ONE Capital. Please go ahead.

Deep Shah: Yes. Hi. Thanks for the opportunity and Sanjeev and Deepak, congrats on great set of numbers. A couple of bookkeeping questions first. If you could highlight the organic revenue growth given that 2S was there from 1st of May, that is one.

Second, so I appreciate the comment that you made on -- in your opening remarks about cash flow improvement. Now you also explained in the past as to the accelerated investments that we have to make leading to a benign cash flow relative to EBITDA. So if you could give some more color as to maybe a ballpark figure where you expect this to be or the causes why you expect this to improve given the order backlog suggests that we will actually have to make a lot more investments this year? And is that assessment correct? So that's second.

Third, if I look at our order backlog and say, for a moment, I exclude projects, which would be longer term in nature, I still see a 38% kind of increase in our order backlog, if I look at managed services, maintenance contracts and products, which is of course very small. So my question here really is that do you think you are being slightly conservative when you guide on '27 numbers? Or is it that you're expecting a lot of growth to maybe start in 3Q and 4Q and which is why the numbers will flow in '28? These are my questions. Thank you.

Deepak Bansal: Okay. So I will start taking one by one. So the organic revenue. So out of the total INR1,719 crores of revenue we have done for this year, the inorganic, which is that 2S has contributed around INR60 crores of revenue. So all the balance revenues are inorganic -- sorry, are all organic revenues.

So INR60 crores came from the 2S Brazil acquisition because it was like two months and first quarter of them, which is basically the June quarter is normally weak for them because they are into a networking and the Cisco partners and all those things. So they contributed INR60 crores.

On the cash flow side of it, so when -- so one is that I'm talking about the operating cash flow. When I'm saying operating cash flow is basically that there will be involvement in the working capital and all those stuff. But from an investment perspective, our investment in the talent, our investment in the people and all those things to secure this type of order book and to increase to convert the pipeline into orders and to hiring, let's say, the best world-class people and all those things, that is largely done. We will continue to obviously hire more people and all those things. But right now, it looks like that from operation, our cash flow will be positive and then the cycle of the cash flow will automatically pick up with the growth what we are looking at in this year.

On the, let's say, order backlog side of it, you are absolutely right, Deep, is that most of the growth is coming with all the execution of these projects by, let's say, end of the quarter 3 and quarter 4, and it will spill into the next year. So that will go -- let's say, the growth will spill into FY28 with the order backlog what we have because, see, a lot of execution is also dependent on the customer.

We have received -- like, let's say, this order what we have announced, we have received that order from another hyperscaler. Now that order, we were talking -- we are talking since so many days. And the real -- the work on the ground, the hiring and all those things will start, but the work on the ground will start only from November onwards.

So from -- and that -- and then again, it will scale up. So it is not like that, that you receive the order and you start working tomorrow because these are not smaller orders, smaller contracts. They are large sites. They are gigawatt plus sites. They are not like a smaller site. So, there is a lot of deployment and all those things which happens on that. So because of that, the growth will be -- growth when we will project about FY28, you will see that there will be a growth over the current year.

So let's say, current year, if we grow between 22% to 25% or around, let's say, 25%, then the next year growth of FY28 will be over and above those numbers. And that is why it doesn't look like very, very conservative to us in terms of the numbers what we are projecting at between INR7,800 crores to INR8,000 crores.

Deep Shah: Yes. This is very clear. So actually, you answered my follow-up question to the extent that you clearly suggested that the reason this year numbers aren't conservative is that some of the order backlog or rather a large part of order backlog would actually flow in FY'28. Is that assessment correct? I'm just asking for absolute clarity.

Deepak Bansal: Correct. Correct. That is correct. And that is why -- that is why when you see our order backlog when we have given a guidance for order backlog, that is we are saying US$1.3 billion to US$1.4 billion, and that is why we will end up with an order backlog. I may say and probably Sanjeev will add more on that.

The order backlog may be a little bit conservative because we will add more orders between, let's say, November, October to March when we will burn these orders what we are getting right now out of the 950. So probably that number may be higher, and then we will -- I think we will be having a full clarity after when we announce the quarter two results, and then we will see that how we can have more clarity and more speaking on that.

Deep Shah: Yes, Deepak, very clear. Thank you so much and all the best.

Deepak Bansal: Yes, thank you.

Moderator: The next question comes from the line of Vivek Choraria, an Individual Investor. Please go ahead.

Vivek Choraria: Hi, Sanjeev and Deepak, nice to chat with you.

Management: Hi, Vivek.

Vivek Choraria: I just wanted to touch on the non-data center part of the business because most of the growth that we are talking is coming from that piece. Is the non-data center piece sort of just treading along? Or are you expecting growth? Or is it a case that we are classifying some orders as a data center? I just wanted some clarity on that.

Sanjeev Verma: I'll take that. So yes -- so clearly, the hyperscale cycle is larger at this time. The non-hyperscale enterprise will grow at modest double-digit 10% odd. Combining, we are putting at 25% odd at this time. The cycle for the enterprise, Vivek, will follow.

The data center infrastructure is not being built to be consumed on its own. The impact of the data center infrastructure would come through a lag when the infrastructure will start to dramatically change downstream airport infrastructure, hospital infrastructure, bank infrastructure. So, this is being made for them. This infrastructure is being made for what? It's being made for drive efficiency, experience for end users like you and me and our workplaces, right?

So we're expecting -- we are beefing up, seeing large-scale projects also coming through in our infrastructure on the enterprise side. For example, when we do data center infrastructure for a bank, that's our bank business. That is not a hyperscale gigawatt. That's 10 megawatts, 20 megawatts. Still large. Many years ago, it was 2 megawatts. So it will have that. The entire network infrastructure to connect will change.

A case in point, just to give you an example so that you'll understand, if the headend changes, if you were to see a 4K HD video, you need a device downstream that will support that. So if the headend changes, which is in this case, is a massive infrastructure for data center, the consumption actually, the inference is happening at the end user, passing through an airport, getting into a hospital, going to a consumer store, ordering food, it is coming, right?

So, we are bullish on that as well, but it will come through a lag. So, a standard double-digit growth in that side, maybe 10%. We are focused on 300 customers, as Deepak called out. But we are catching the hyper cycle on the AI build-out. And we expect as we move forward that we will see our momentum on the enterprise also catch up with a lag.

Vivek Choraria: Sanjeev, just a word on the TPS business. I mean, our growth -- I mean, our revenues have jumped up, but so have the EBIT losses. Is it a matter of scale after a point at which we will start delivering positive numbers?

Sanjeev Verma: So our product business also, we're expecting in the current year to be able to grow in the range of 20-odd percent. It's a matter of scale. We have again narrowed down our focus on only mission-critical infrastructure in that space. We are doing a lot of products. We inherited through historical.

So, we are now focusing on visualization products, which we call KVM, our Emerald product. And we are seeing strong momentum. We will see through in the coming quarters, the spike in that as well. We're investing in next-generation AI-led products in that space.

So yes, to that extent, I expect the growth this year catching up, ballpark around 20% range, still lagging our overall growth plans, but highly accretive. But as we move from there, every dollar that comes in as we move into next year and years beyond, we'll become accretive overall here.

Vivek Choraria: Just one last question, Sanjeev. I mean, the growth that we are projecting in the Q2 -- I mean, the ask for the H2 will be almost like a 30% to 40% growth year-on-year and even quarter-on-quarter. Are we confident? Because we've been talking about some delays in execution. I mean, what gives us the confidence that Q3, Q4, we should start getting demand?

Sanjeev Verma: So, no delays -- So, no delays on execution from that perspective. Enough backlog coming at the opening of quarter one to push through -- to push us through if you calculate the order backlog plus the booking goal and the revenue projections, the math will work out. So, we're expecting to grow each quarter sequentially year-on-year going forward.

Vivek Choraria: All right. Thank you, Sanjeev.

Moderator: The next question comes from the line of Nandan Arekal with JM Financial Limited. Please go ahead.

Nandan Arekal: Yes, hi team. Congrats on a great set of numbers. Hello, am I audible?

Sanjeev Verma: Yes.

Nandan Arekal: Yes. Congrats team on a great set of numbers. So, my question is on margins. We expect to end the year at 10% EBITDA margin, and I think we have given a guidance of 9.3% to 9.4%.

So, does that mean maybe Q2, Q3, we'll see slightly depressed margins and then we expect the operating leverage to kick in? And also just a thought on what will be the gross margins you're building in for the data center orders?

Sanjeev Verma: So, I'll take that. So, I think -- yes, so I think our goal remains 10% and over. That's what Deepak called out. So as we look at the overall year, we expect our -- as we move forward, our Q4 to be in that range or more. But we also continuously are looking at as we scale this business up in the current year with the order backlog.

We are looking to invest in talent and training. We are getting into a very large-scale, build-out of multi-billion dollar backlogs. This project execution also requires some investments in training. So, we are being cautious on that. But having said that, at-scale, we expect that we should be able to deliver at 10% or more.

But I think it's better to factor in what we are planning to invest and therefore, guiding where Deepak had guided at about 9.3%, 9.4% (inadvertently stated - 9.4% to 9.5%: to be ignored) at this time. But I think we remain focused on that to get to 10% at-scale, more than 10%.

Nandan Arekal: Got it. That was clear. Okay. On the order backlog, right, so currently, I think the blended average where you have indicated at around 18 months, so based on your -- the pipeline and what will get executed and what you see coming in, in the next few quarters, so what do you expect like the average tenure would be by the end of this year?

Sanjeev Verma: So the tenure for large-scale projects, Deepak, alluded about 24-36 months. I had told earlier the goal for this year for order booking, and that's showing in our current forecast as well and guidance is 50% more than the last year ballpark in the range of $1.3 billion, $1.4 billion (inadvertently stated - US$1.4 billion to US$1.5 billion: to be ignored). So, that's what we are planning to book, and we are well on our track to do that or exceed that at this time, right?

To earlier point that Deepak said, some of these orders require preplanning from when they start to burn into revenues. So yes, we will end up the year after you do the calculation of where we opened up and book and take about INR8,000 crores, we'll open up a very, very healthy backlog that will possibly cover the growth for next year pretty much from the backlog itself.

It will be very, very evident, right? So yes, from a data center margin perspective, I think it remains accretive for us at this time. As I said, I think we continue to focus on our operating margin for 10%. At-scale, we believe it will be equally accretive, if not better.

Nandan Arekal: Well, congrats and all the best.

Moderator: The next question comes from the line of Mohammed Nameer with Eiko Quantum Solutions. Please go ahead,

Mohammed Nameer: Yes. Hi. Thank you for the opportunity. I have just one bookkeeping question about the tax rate. Our tax rate is currently low. And going forward, what will be the tax rate?

Deepak Bansal: So, tax rate currently is lower primarily because of our past operating losses, carryforward operating losses we have in the various geographies. So, tax rate is dependent on the revenue mix on the different geographies and the consumption of the past operating losses in terms of how we consume them. So at least for next, let's say, next -- for FY27 and FY28, I'm expecting it to be in the range between 10% to 15% and after that, it should regularize to around 20% type of levels.

Mohammed Nameer: Okay. And one more question about the other income part. The other income is negative. Why is it so?

Deepak Bansal: Sorry, what is negative?

Mohammed Nameer: Other income. I think other income is negative.

Deepak Bansal: No, it doesn't look negative to me. Wait. Let me look at it. I didn't saw a negative number on the other income. Other income is INR4 crores positive. I don't know where you reading this one.

Mohammed Nameer: Okay. Thank you.

Deepak Bansal: Yes.

Moderator: The next question comes from the line of Vivek Seth, an Individual Investor. Please go ahead.

Vivek Seth: Hi. Thank you for the opportunity. My query is that yesterday, you received the order from a hyperscaler, AI data center order. So, just wanted to know how much of the order is your integrated products? And how much of the part is the service part?

Sanjeev Verma: No products, 100% services.

Vivek Seth: 100%. Okay. Thank you so much.

Moderator: The next question comes from the line of Keshav Bharadia with Wallfort Financial. Please go ahead,

Keshav Bharadia: Hi sir. Congratulations on a great set of numbers and thank you for the opportunity. Sir, just one question from my side, since a lot of our growth plans hinge on the hyperscaler and data center segment, by any chance that there is some moderation at the hyperscalers' end in terms of data center capex, does that put us at a risk of order cancellations? Or do our growth plans change in that scenario?

Sanjeev Verma: Good question. So, I think the overall scale of spend is gigantic. I think the overall spend for the AI infrastructure over the next four years is about US$1.6 trillion, an average US$400 billion. And each time some of the hyperscalers comes out and announce the results, they add up the capital expenditure.

So, I think we have taken over a very fairly small slice at this time of that from our -- within our addressable market in that, that we have, right? So, we don't see in our current conversation, the current pipeline. On the contrary, we are seeing speed with respect to new projects getting announced at this time.

So, can something dramatically change? No, I wouldn't be, wanting to predict that, but from our current conversation across multiple hyperscale, colocation customers within a hyperscale, the multiple sites. Within the hyperscale multiple geos, we are seeing what's happening in India. The advantage, of course, for Black Box remains that we are present with customers not only in one market, but other markets.

We have not started to even harness the markets in India, which we are planning to do. So, I don't see from our perspective, our growth getting hampered. Should there be a shift of a hyper A or hyper B or some site getting delayed or some site getting revamped, I think we're talking about a massive spend.

And to that extent, I think our goals are well set from that perspective. And as I told earlier, we expect also this hyperscale to start to fire downstream enterprise spend because everything around that place will change, be it the network, be it connectivity and so on and so forth. So, we'll possibly get into a cycle of a dual engine starting fiscal '28 and beyond. So, this is a structural shift cycle. It is not a technology spend, just a buying compute.

This is how the economies will operate. This is about keeping economies ahead. So overall, when we calculate that and where we want to play and what is our goal of going forward of being at US$2 billion, I think we are well placed and we are well on track.

Keshav Bharadia: Great, sir. And just a follow-up to that. So, we see a lot of capex happening in India as well with the tax holiday and many global hyperscalers also coming here. So, have we explored any opportunities here? And as well as, is there an opportunity maybe on the semiconductor side because you see a lot of capex happening here in Southeast Asia as well. So is that potentially a segment we could tap into in the coming years?

Sanjeev Verma: Yes. That's a good question again. So yes, we keep on evaluating the markets and the spend. Of course, India will go through a hyper investment cycle. We are seeing that as well. But even if you look at the current build-out, U.S. is currently at 67 around that gigawatt of already being commissioned and used, going to 233 gigawatt. India is going from 1 to 5 to 6 at this time. So naturally, from a spend perspective, 70%, 80% is around in the U.S. So, we'll continue to remain focused in the U.S. to scale.

We have built a team around those capabilities. But we continue to look at markets, and that's the advantage for Black Box. So as that starts to mature, we are into Europe at this time in conversation. We are looking at India's potential as well, clearly interested as much to see where it can add value and be accretive for us from a shareholder perspective. The opportunity, of course, has no meaning until you can create profitable opportunity from that perspective. So, we are clearly glued in reformatting ourselves to see what we can do in India and the Asia market and so on and so forth.

Coming on the semiconductor side, now we are looking at not being a semiconductor or manufacturer or builder from a perspective of being a partner on the compute side. From a perspective of the overall stack for technology, we have connectivity, network; compute and storage is a natural extension for us. We continue to do that for enterprise customers. Hyperscalers are a little different. So yes, there is an opportunity.

As a management team, we continue to evaluate the adjacencies. It is adjacent to us. It can open up additional addressable spend or TAM for us. So, we are evaluating that. But currently focused on where we see hyper growth and where we are engaged at this time. But clearly, from a strategy standpoint, we look at adjacencies and the overall quantum of what we can do. So, we'll evaluate that as well.

Keshav Bharadia: Great, sir. And just one last question, if I can put in. So, sir, what would be potentially a distinctive moat between us and our competitors when it comes to bidding for new orders? And I mean, what is our right to win against the others? And is there a potential risk from IT companies to also provide such a service? I just wanted to understand. I know definitely that we have that customer mix since a long time. But what differentiates us from the other? And how is the competitive intensity in this kind of industry?

Sanjeev Verma: Yes. So, I think I'll answer it in 2, 3 parts. One, of course, you can grow in -- from a growth perspective, there are 3 distinctive ways to grow in. One, of course, participating in growth. So, you just ride the bus because there's a growth happening. So, see whether you can be at that growth level. Second, of course, you take share because you have to compete and there's only 10% growth and you want to grow at 25%, so you have to take somebody else's share. That's the only way to grow.

The third, of course, you can acquire, right? So if you look from -- keeping the acquisition separate, that's a separate goal. I think first, let's look at what we can do to participate in growth, right? So, when we talk about US$400 billion worth of spend on that, 10% of that possibly is addressable from that perspective. That's about US$40 billion, and we're trying to do about, say, US$1 billion just for argument's sake. I think the idea is to be getting considered and have the wherewithal to be able to be considered and bid, right? These are not our competing bids that you can quote 5% less and win. That's not how hyperscalers operate.

By that logic, anybody can quote 10% and want to win that. You have to win because you have capability, ability to spend, stay put, train and so on and so forth, right? Those are what we have built over the last several years' time and therefore, being considered. As we move forward, we believe that our push rate will be reducing and we'll have pull rates.

So, we are now getting invited more than we saw before because we executed several hundred megawatts, close to a gigawatt by now, right, to do that. So, I think ability to execute at scale, ability to expand and train, these are the essential factors. This market did not exist 3, 4, 5 years ago. So therefore, execution at scale for anybody doesn't exist, right?

It was largely operated by small mid-market players locally, which is the fiber world. So, I think from that perspective, the number of players who can operate at scale are limited. The number of people who -- customer -- companies who can operate at scale and globally are even more limited. And from a perspective of where we are, we talked about possibly the only Indian company who has the ability to now do this at scale, right? So, I think moat is what? Moat is scale. Moat is capability. Moat is the relationship and execution already done. But more importantly, participating in that.

Now, coming to take share, I think from that perspective, will there be some competition? Of course, you can't be the only one playing. That's not going to happen. But I think we believe our right to win as we move forward and continue to -- it is evident from our order books. It will even become more evident as we go forward. So, a combination of what we have an opportunity, ability to scale, as I told in my earnings call, only opportunity doesn't mean much. We believe we have built a very robust execution capability. So it's pretty simple.

If you look at construction in general and if you look at the Indian market and if you're starting to build a very large construction or a bridge or a dam, only few people are invited to do that, right? And there are possibly 2,000 construction companies in India. Only because you know construction, you won't be constructing a dam.

So, that's pretty much how it works here, right? So, we believe at our scale, ability to execute, our relationship over the last 2, 3 years, our training, I think we are well placed to participate and win this massive once-in-a-lifetime infrastructure cycle. It is like the railroad of 1930s, right? So, we ought to be there and put our heads down and just make sure that we are able to execute better, and we are doing it.

Keshav Bharadia: Perfect, sir. That's helpful. Congratulations again, and all the best for the future.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Sanjeev Verma: Thank you, everyone. If you have any further questions, you can reach our Investor Relations Head, Purvesh Parekh or SGA, our Investor Relations Advisors. Thank you so much.

Moderator: Thank you, sir.

Deepak Bansal: Thank you.

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