NUCLEUS SOFTWARE EXPORTS LTD.
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November 06, 2026

The Listing Department **National Stock Exchange of India Limited** Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai-400051 SYMBOL: NUCLEUS	The Listing Department **BSE Limited** Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street Mumbai-400001 SCRIP CODE: 531209

Dear Sir/Ma'am,

SUB: TRANSCRIPT OF THE INVESTOR EARNING CALL OF THE COMPANY

In pursuant to above mentioned subject, we are hereby enclosing the Transcript of the Earning conference Call of the Company for the Quarter and Half Year ended September 30, 2026 held on November 02, 2026.

This is for your information and records.

Thanking You

Yours Sincerely
For Nucleus Software Exports Limited

Poonam Bhasin
Digitally signed by Poonam Bhasin
Date: 2026.11.06 18:56:34 +05'30'

(Poonam Bhasin)
Company Secretary

Encl: as above

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Nucleus Software

Q2 FY 27 Investor Conference Call

Event Date / Time: 02/11/2026, 15:00 Hrs

Registered Office
33-35 Thyagraj Nagar Mkt, New Delhi - 110003
Tel.: +9.11.2462.7552 F.: +91.11.2462.0872

Moderator

Good afternoon, everyone. This is Mohana. A very warm welcome to all of you for this Nucleus Software Earnings Conference Call for the quarter and half year ended on September 30, 2026. For discussions, we have here from the management team, Mr. Vishnu R. Dusad, Managing Director; Mr. Parag Bhise, CEO and Executive Director; Mr. Ashok Kumar Bhura; Chief Financial Officer; Mr. Anurag Mantri, Chief Operating Officer; Mr. Apurva Chamaria, Chief Business Officer; Mr. Mukesh Bangia, Vice President; Mr. Abhishek Pallav, Vice President; Ms. Swati Patwardhan, Chief Human Resources Officer; Mr. Bhavit Godiwala, Chief Customer Success Officer; Mr. Pradeep Malik, Vice President and Mr. Tapan Jayaswal, Financial Controller.

As you all are aware, Nucleus Software does not provide any specific revenue earnings guidance. Anything which is said during this call, which may reflect company's outlook for the future or which may be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces. An audio and the transcript of this call would be shortly available on the Investors section of company's website, www.nucleussoftware.com with this, we are now ready to begin with the opening comments on the performance of the company, and post that, we would be available for the questions and answer session.

With this, I now pass it over to Mr. Vishnu. Thank you, and over to you, sir.

Vishnu R. Dusad

Thank you and a warm welcome to all of you for this conference call. It is my pleasure to welcome you to this second quarter earnings call and with this, I will hand it over to Parag.

Parag Bhise

Thank you so much, Vishnu sir and good afternoon, everyone, and thank you for joining us for this earnings call. Alongside our financial performance, I would like to briefly share a few important strategic developments from the quarter. We continue to make progress on our AI journey.

This quarter, we continued to invest in upscaling our workforce with the objective of moving AI from a specialized capability used by a few to a core capability embedded across functions, which we expect will give us benefits in the quarters to come. A key milestone during the quarter was the launch of FinnOne Neo 9.0 and FinnAxia 9.0 in Vietnam. Together with our strategic partner FPT at the first Nucleus Synapse, which is our customer event in Vietnam.

Our capabilities continue to receive recognition across the industry and analyst ecosystem. Gartner, an analyst firm, a world-renowned, included Nucleus Software among the example vendors in its 2026

market overview for commercial banking cash management and Nucleus has also featured in Forrester's Cash Management Solution Landscape. Since the close of the quarter, our generative AI-powered Visual Report agent received the Most Innovative Practice Award at the CII National AI Awards 2026. We were also recognized as Oracle's 2026 APAC ISV Partner of the year. During the quarter, we continued to strengthen our engagement with the banking and fintech ecosystem through platforms including Global Fintech Fest, FIBAC, the CII, NBFC and HFC Summit, the CNBC TV18 Banking Transformation Summit and CBOS 2026 in Miami.

On the leadership front, we welcome Mr. Sudhanshu Tripathi as Chief Marketing Officer, strengthening our focus on global market positioning and growth across key geographies. We remain focused on disciplined execution and creating sustainable long-term value for our customers, employees and shareholder. With that, I will now hand over for the financial update to Mr. Tapan Jayaswal. Thank you.

Swati Ahuja

I request you to please highlight the financials.

Tapan Jayaswal

Thank you, Swati. Am I audible?

Swati Ahuja

Yes.

Tapan Jayaswal

As for our revenue, consolidated revenue quarter is at Rs. 227.7 crore, growth of 8.2% QoQ and 6.7% YoY. Dollar terms revenue is USD 24 million or 6.9% QoQ, degrowth of 1.9% YoY. As for half year ended period, our consolidated revenue is at Rs. 438.1 crore, growth of 1.6% YoY. In dollar terms, revenue is USD 46.5 million, degrowth of 6.9% YoY. Product revenue during the quarter is at 84.4% as against 83.9% QoQ. As for half year ended period product revenue is at 84.2% as against 84.9% YoY.

As for geography revenue, India region constitutes 57.3% of revenue, followed by 12.4% from Middle East, 11% from Southeast Asia, 5.7% from Europe, and rest others. During previous quarter, India constituted 56.1% of revenue, followed by 12.1% from Middle East, 10.8% from South Asia, 5.5% from Europe and rest others.

As for half year ended period, India region constitutes 56.7% of revenue, followed by 12.3% from Middle East, 10.9% from Southeast Asia, 5.6% from Europe, and rest others. During the previous half year ended period, India region constitutes 57.8% of revenue, followed by 11.9% from Southeast Asia, 11.5% from Middle East, 4.8% from Europe, and rest others.

Revenue from top five clients contributed 27% of revenue in this quarter as against 28.1% during previous quarter. As for half year ended period, revenue from top five clients contributed 27.3% of revenue in/as against 26.8% during previous half year. As for expenses, cost of delivery including cost of product development for the quarter is RS 167.9 crore, an increase of 4.7% QoQ and 6.5% YoY. It constitutes 73.8% of revenue against 76.2% QoQ and 73.9% YoY.

As for marketing and sales expenses for the quarter is 11% of revenue against 10% QoQ and 7.3% YoY. For half year ended period, cost of delivery including cost of product development is Rs. 328.4 crore, an increase of 5.8% against last half year. EBITDA for the quarter is at Rs. 15.4 crore as against Rs. 7.6 crore QoQ and Rs. 23.1 crore YoY. Margins during the quarter is 6.8% as compared to 3.6% QoQ and 10.8% YoY. As for half year ended period, EBITDA stands at Rs 23 crores as against Rs 56.8 crores YoY.

Margins during the half year is 5.3% as compared to 13.2% in last half year. As for other income during the quarter is Rs. 16 crores, degrowth of 10% QoQ, de-growth of 0.8% YoY. Income from investment and deposit is Rs. 11.8 crore, other miscellaneous income is Rs 3.6 crore, and forex gain is Rs. 0.8 crore.

For half year ended period, other income is Rs. 33.8 crore, degrowth of 0.8% from last half year. Income from investment and deposit is Rs. 30.6 crore, other miscellaneous income Rs. 3.6 crore, and forex loss is Rs. 0.4 crore. This degrowth in investment income was driven by lower mark to market gains on net mutual funds due to increase in interest rate in Q2.

Forward covers as on 30th September 2026 are USD 2.5 million, at an average rate of Rs. 96.87 to a USD. Profit during the quarter is Rs. 21.3 crore, degrowth of 11% QoQ and degrowth of 19.2% YoY. Standard period PAT is Rs. 45.1 crore, degrowth of 26.6% last half year.

Order book position as on September 30, 2026 is Rs. 1,317 crore, out of which 90% is product and 10% is projects. On June 30, 2026, the order book position was Rs. 1,244 crore out of which product was 88.1% and project was 11.9%. Total cash and cash equivalents as on September 30, 2026 are Rs. 942.1 crore as against Rs. 977.9 crore on June 30, 2026.

Receivables at Rs. 220.4 crore on 30th September, 2026 as against Rs. 174.7 crore on 30th June, 2026. DSO stands at 80 days as compared to 63 days on June 30th, 2026. Total headcount as on 30th September, 2026 is 2,066 as compared to 2,059 on 30th June 2026. Now, I hand it over to Swati.

Swati Ahuja

Thank you, sir. Now, we are ready for our question-and-answer. Over to you, Mohana.

Moderator

Thank you, ma'am. With this, we are now open for the Q&A session. If you wish to ask a question, please press * and 1 on your telephone keypad, and wait for your name to be announced. If you wish to cancel your request, please press * and 1 again. Participants are kindly restricted to restrict one question in the initial round, and join back the queue for more questions.

The first question comes from Pooja Agarwal from Individual Investor. Please go ahead. Please go ahead, ma'am. There is no response, ma'am. I will take the next question. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad.

The question comes from Samar Singh from TPF Capital. Please go ahead, sir.

Samar Singh

Yes. Good afternoon. Thank you for the opportunity. So, regarding our order book, which has doubled over the last year to about RS 200-300 crores. But our revenue is still around the same Rs. 200 to Rs. 220-230 crores. So if you could just help me understand how much of the order book is now new customer license and implementation, and how much is the AMC renewals?

Ashok Kumar Bhura

This order book, we don't give the backup of this AMC and other revenues. If we talk about this order book getting into revenue, these are long implementation projects and it takes time because these are complicated projects involving high-volume data migration, correction, and then making the system up and running for the customer. So, it definitely takes time. Healthy order book reflects our preference from the customer side for our product.

Samar Singh

Historically, the way we used to calculate the order book, we used to have just one year of the AMC value in the order book, and then we used to just sort of renew that every year. So that the way we still calculate it or now, is so for example, if you have a five-year contract, only one year of the AMC is in the order book or is the full five year of the AMC in the order book as of right?

Ashok Kumar Bhura

It is a combination. In some of the customers, it is for five years also. And in some of the customers, it is one year as well.

Samar Singh

have we changed the methodology of capturing the order book? Because I think in the past, it used to be only one year of AMC was included in the order book.

Ashok Kumar Bhura

Never. We have always maintained the same practice.

Moderator

Sorry to interrupt you, sir. Please join us with the queue for more questions.

Samar Singh

Sure.

Moderator

Thank you, sir. The next question comes from Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead, sir.

Bharat Sheth

Yeah. Thank you for the opportunity. To understand our AI embedded on all kind of application. So, how are we seeing, like, when you see that there is a huge data migration work? So how that typically with AI coming in, time reduction we are seeing vis a vis earlier, I mean, say two to three years back, same kind of implementation?

Abhishek Pallav

This is Abhishek. AI is very well being used on all such analysis, but as Ashok talked about the complexity of these implementations being enterprise platform, lot of care has to be taken before we actually scan through. So, end-to-end agents doing transformation, we have not reached to this stage and there are significant amount of human-in-the-loop investment that's still on. But gradually, the direction is to move towards that. It is too early to stop on those fronts as of this moment.

Bharat Sheth

is there any other way, I mean, when you are talking, so if you can give the order book is the world, like, color if you want to give the earlier implementation time, we'll say three years or two years vis a vis now the current order book timeline. If you can give broader color. I don’t/We don't want to be directionally, if you can give some color.

Ashok Kumar Bhura

These projects range from even three months to even 18 months. So various projects have at various stages and depending upon the LOBs which we get in the order. So that is how each and every project has to be seen differently, and that implementation cycle ranges from basically 3 months to 18 months, and in some cases can spill over to even two years as well.

Bharat Sheth

And sir, last question on the profitability side, we have done a lot of investment in front end OpEx investment to make our product, more versatile and marketing side also. So, if you can give color, when we expect that our profitability to bounce back at original level?

Ashok Kumar Bhura

If you talk about the investment, we continue enriching our product. We continue investing in AI. We continue investing in upgrading our talent to make them AI natives, and investing in people and resources who are AI trained. And if we talk about the reflection of that that is reflecting in our order book as well. As and when the order book gets implemented, obviously, that reflection will come in respective quarters.

Moderator

The next question comes from Prolin N from Individual Investor. Please go ahead.

Prolin N

Yeah. Am I audible?

Ashok Kumar Bhura

Yes.

Prolin N

So just some taking forward previous participant's question. This revenue run rate of Rs. 200-220 crore. We have been stuck in that range for quite some time now on a quarterly run rate basis. For almost like/last 12-odd quarters, and with the order book going up, and you answered that that some of them are multiyear projects. But there would be some projects where you can see the revenue accrual in the near term, right? So when do you see us breaking this Rs. 200-220 crores revenue run rate?

If you can give some color of the order book, how much of our order book is backdated, where implementation will take time. You mentioned, implementation can take anywhere between three to 18 months. So, some color on -- or is large part of our order book back ended, or have we already started implementation in some part of our order book, and we can see the order book getting converted into revenue in the near term?

Ashok Kumar Bhura

As various projects are running in parallel across the globe. In India, SEA, Middle East, each and every product is at different stage of getting converted into revenue. And that is where it will start reflecting in subsequent quarter. If we talk about this particular quarter, you will see from last six quarters, this is one of the highest revenues we have clocked.

Earlier, the revenue which we clocked seven quarters back, it was 228. And we are able to touch back to those highs again. While I can't really give you the future guidelines on these numbers, I can only mention that we have a healthy order book, and we have a healthy implementation cycle, and that will start reflecting in future quarters.

Prolin N

Sure. Sir, one more question, if I may. In the past, you have mentioned that, in a way, we are running two Nucleus within our organization where one part of Nucleus is transitioned to the Neo FinnOne platform, right? FinnOne Neo platform, and another is still on the older platform. And that is why we have to probably run cost base, which is higher. So where are we in that transition? How long do you think we will still be running two cost centers?

Parag Bhise

I will start from the last. From cost center perspective, it is all one lending cost center. We don't differentiate between the two. Transformation journey, I think past two speakers also reflected that these are enterprise products and especially transformations are time taking and consume a lot of effort. So difficult to predict the timeline, but at the same time, that remains to be a focus for the quarters to come and the next financial year. The focus on transformations is one of the key initiatives that the organization has at this moment.

Prolin N

Thank you, and all the best.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. The next question comes from Hardik Bora from Viraiya Capital. Please go ahead.

Hardik Bora

Hi. Good afternoon. Am I audible?

Parag Bhise

Yes.

Hardik Bora

Yes. Hi. So, first question is in the orders that we have won over the last three quarter. There is a clear reflection of the efforts you put on the marketing side. Can you just throw some color?

It seems that we won some orders in the range of Rs. 1,200-1,300 crores of orders over the last three quarter. What proportion of these orders would be won in India, and how much of it would be outside of India?

Apurva Chamaria

This is Apurva Chamaria, CBO of Nucleus Software. It would largely be in the same proportion of our current revenues. As we invest more towards overseas markets, you will gradually see the shift. But for retrospective, you can take it as same proportion of existing revenues.

Hardik Bora

So, there's no major shift in terms of how we've been winning orders historically. The broad makeup is the same.

Ashok Kumar Bhura

As of now, yes, and you will start seeing that shift now.

Hardik Bora

And just one question, if you can allude to any change in terms of the pricing and the profitability potential of these orders, are they different from what has been our historical experience, are we facing some challenges on the pricing front? Or is it, again, the same as what history has been for us?

Ashok Kumar Bhura

Pricing is a lot of times defined by the heightened competition and different geography and different needs or different price point. So, a lot of strategic calls also needs to be taken to enter into a particular geography. So more or less on a blended basis, obviously, it should remain in a range-bound fashion, which we are seeing. That is all I can say on that.

Hardik Bora

Sure. I mean, there is no unusual stress that you are facing which you want to maybe highlight.

Ashok Kumar Bhura

No, nothing of that sort. Our product is very robust and customer patronize our product, and there is a lot[I would say] of across reference across industry, across customer, and across geography as well. So we don't see any kind of challenge in that way. Irrespective of competition getting items, that is not affecting us.

Hardik Bora

Thank you. With your permission, may I ask one more question?

Ashok Kumar Bhura

Yeah. Please go ahead.

Hardik Bora

Thank you. So, this was just on AI. There are so many initiatives that you are taking. Your annual report is very descriptive of the effort that has been going into this front. Just if you can give us a longer-term view, how will this eventually start reflecting in our business?

Will we start seeing maybe lower delivery cost over the long run? Or will it first start reflecting in higher order win rate like what is happening? So where will we start seeing some of the impact of this work that we are doing on the AI front? Just any color that you can give on the long run, not asking for any short-term opinion, but just how will it start reflecting in our business is what I was trying to ask.

Abhishek Pallav

Our AI strategy has both inside-out strategy, which means that while we continue to focus on our SDLC to become to get transformed to ADLC. At the same time, streamlining the process and fixing this -- or rather maturing the SDLC processes, that's the second part. And the third part is ensuring that the collaterals are available for people to access and look at through a structured platform. And so, the core focus would remain in ensuring high-quality releases with agility is the one.

Second thing is the other part of the organization beyond product, increasing the operational efficiency as a whole. This is how we look at it, thus, we have an AI strategy and we are working on to ensure that we follow that.

Hardik Bora

Great. Thank you so much for your answers and all the best.

Abhishek Pallav

Thank you.

Moderator

Thank you, sir. Ladies and gentleman if you have any questions please press * and 1 on your telephone keypad. The next question comes from Sanjay K, SKS Capital. Please go ahead.

Sanjay K

Hello. Good evening. So, I had joined a little bit late. I don't know. Missed anything on the number of new logos added in last quarter.

Ashok Kumar Bhura

Actually, we have actually added five new logos in last six months

Sanjay K

Five new logos in last quarter.

Ashok Kumar Bhura

Last Six months

Sanjay K

How about the last quarter?

Ashok Kumar Bhura

Two logos. In Q1, added three, and Q2, we have added two.

Sanjay K

My other question is about the employee cost, which we are seeing that QoQ, it just keep increasing. both increased about 15% compared to last Q2 FY26 and about 8% compared to last Q1 FY27. So, is it going to continue like this? because the margins for last so many quarters, the margins are not improving and the employee cost is going up.

Ashok Kumar Bhura

Primarily, the impact which you are seeing is on following accounts. One is we are investing on AI talents, and currently the market is heating up for AI talents, everybody is scouting for those talents, and obviously that comes at a higher cost than the current ongoing rates for the resources. Second is the labor code change impact, which has come. This year, we have launched RSU policies for our employees, and that has also added to our cost.

Sanjay K

Sure. Because what we have seen, I mean, your competitors are on this IT product companies. Now, they are getting advantage of this AI, and their employee cost is not going that much the way revenue is growing and compared to nucleus, and we are still seeing the cost is keep going up. So is this something going to improve with H2 now? the margins are going to improve at least are we seeing that H2 will be better than H1?

Ashok Kumar Bhura

The difference which I would just like to share, those are AI companies where they have AI as a revenue stream. We don't have AI as a revenue stream. We work as providing AI as an embedded extension for our software, which helps our customer to serve their customers better. And that is how we cannot directly attribute this to that. While our AI strategy has been clarified just some time back by Abhishek as to how we are going to use AI internally, and how we are going to enrich our product for our customers. And once this gets stabilized, obviously margin will also see a reflection of that will be seen in the margins in the coming quarters.

Sanjay K

And just last question about the employee. Your annual increments are already happened, or it will be happening in next year?

Ashok Kumar Bhura

Yeah, it already happened. It hasn't factored in.

Sanjay K

Thank you, and all the best.

Ashok Kumar Bhura

Thank you.

Moderator

Thank you, sir. Participants are kindly restricted to restrict with one question in the initial round and join back the queue for more questions. The next question comes from Kashish Mehta from Dolat Capital. Please go ahead, sir. Kashish sir, please go ahead.

Kashish Mehta

Am I audible? I'm just a bit apologizing. There will be a bit of background noise.

My point being that Europe as a geography, yes, it is not the biggest one in terms of revenue mix, but it has been consecutively growing the fastest for now two good quarter. So I just wanted to understand or get a sense, what are we doing right in that geography, and is there any way those strategies or go-to-market strategies can be reflected in other geographies for accelerated growth in the upcoming H2? Thanks. That's it.

Parag Bhise

I think while in percentage terms it may be reflecting like that, but there is on account of one customer which we have, where a few people have been onboarded to serve them so there's no specific strategy per se there, which is very different than other regions. It's a very small percent of our revenue.

Kashish Mehta

Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. We have a follow-up question from Samar Singh from TPF Capital. Please go ahead.

Samar Singh

Yes. I have a follow-up. If I just look at our cash flow statement, our receivables are up quite a bit the last six months. And then on the same side, I think our advanced billing and deferred revenues are also up. So if you could just help us understand what is happening on both those line items, please.

Ashok Kumar Bhura

In some case, the AMC got billed at the last part of the month, which got collected subsequently within next 10-15 days. So that is just an aberration for that particular quarter. Otherwise, if you see it is more or less range-bound and most of our data's are getting collected within reasonable time frame.

Samar Singh

And the other part, which is the advanced billing and deferred revenue, I think that is also, if you could help me understand that part.

Ashok Kumar Bhura

In case of AMC, it has been billed in advance. And the month or the quarter in which AMCs are getting billed, obviously, you will see a higher, I would say, advanced billing for the customers.

Samar Singh

So that part explains the increase in receivables, right? I'm talking about the increase in current liabilities, which is normally just our advanced billing and the deferred revenue line item.

Ashok Kumar Bhura

So if we bill AMC in advance, those advance amount will get collected, and it will reflect in our liabilities. Because the subsequent period service is still due, that will reflect in liabilities

Moderator

Sorry to interrupt you, sir. Please join the queue for more questions. Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions, please press */ and one on your telephone keypad. As there is no more participant, so I would pass it over to Ms. Swati Ahuja.

Swati Ahuja

Thank you, Mohana. We would like to thank all the investors for joining us today on this call. I would now request to Vishnu sir for his closing comment. Over to you sir.

Vishnu R. Dusad

We want to thank you very much for your continued interest in Nucleus Software, and we would like to reassure you of our commitment to long-term value addition to the society and our customers.

Moderator

That concludes your conference call for today. Thank you for participating. You may all disconnect now.