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Ref No: RML/2026-27/727

Date: November 03, 2026

To,

BSE Limited	**National Stock Exchange of India Limited**
Scrip Code: 543228	**Symbol: ROUTE**

Sub: Transcript of the earnings conference call for the quarter and half year ended September 30, 2026.

Dear Sir/Madam,

We are enclosing herewith copy of the transcript of the Company's Q2 FY27 earnings conference call for Unaudited Financial Results for the quarter and half year ended September 30, 2026, held on **Wednesday, October 28, 2026**.

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

You are requested to take the above information on record.

The same is also uploaded on the Company's website at www.routemobile.com.

Thanking you,

Yours truly,
For **Route Mobile Limited**

Tejas Devendra Shah
Digitally signed by Tejas Devendra Shah
Date: 2026.11.03 18:23:31 +05'30'

Tejas Shah
Company Secretary & Compliance Officer
ICSI Membership No: A34829

Encl: as above

Route Mobile Limited

Q2 FY27 Earnings Conference Call

October 28, 2026

MANAGEMENT: MR. TUSHAR AGNIHOTRI – CHIEF EXECUTIVE OFFICER – ROUTE MOBILE LIMITED
MR. VINAY BINYALA – CHIEF STRATEGY OFFICER & INVESTOR RELATIONS OFFICER – ROUTE MOBILE LIMITED
MR. RAJESHWAR SINGH GILL – GROUP CHIEF FINANCIAL OFFICER – ROUTE MOBILE LIMITED

Route Mobile Limited Q2 FY'27
Earnings Conference Call
October 28, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Route Mobile Limited Q2 FY27 Earnings Conference Call. 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 the 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. Tushar Agnihotri, Chief Executive Officer, Route Mobile Limited. Thank you, and over to you, sir.

Tushar Agnihotri: Thank you. Good evening, everyone, and thank you for joining us for Route Mobile's earnings call for the second quarter and first half of fiscal year 2027. I'm Tushar, and it's my pleasure to welcome you all.

Joining me today are Vinay Binyala, who will take you through the operational and strategic highlights of the quarter; and Raj Gill, who will walk you through our financial performance in detail. Following our opening remarks, we will open the floor for questions. Before we begin, a quick note, our quarterly earnings presentation was uploaded yesterday, and I hope you had an opportunity to review it. Some of these statements made during the call may be forward-looking in nature and are subject to risks and uncertainties. Please refer to disclaimers in our presentation for further details.

Now let me begin by setting the context for the quarter. At our strategy update in May, we outlined our ambition to move Route Mobile up the value chain from a messaging provider to a full stack AI-enabled customer engagement platform, while continuing to strengthen our operator business. Six months into this journey, we are beginning to see this strategy taking shape in what our customers are buying in the capabilities we've added and in how we are working with the wider Proximus Group.

When we spoke in July, we explained that the dip in gross margin was driven by the loss of traffic from a few large high-margin customers. We also indicated that we expected to recover from this. Now this quarter, we made progress on that front. Gross margin recovered to 22.4% in quarter 2 from 20.9% in quarter 1. Also revenue on a Y-o-Y basis grew by 5.4%. Our focus this quarter was not simply in adding volume, but also on improving the quality and mix of our revenue and that distinction is very important.

Our portfolio of new products, including RCS, WhatsApp and other IP messaging solutions grew more than 30% on a year-on-year basis and now contribute to over a tenth of our revenue. This is the shift in revenue mix we committed to at our strategy update in May. And we are now seeing it reflected clearly in our numbers. Q2 was also our first quarter with Heltar as part of Route Mobile.

As you're aware, Heltar as our AI native no-code engagement layer to our existing channels. We are already taking these capabilities to our enterprise customer base through the Route Mobile and Proximus sales teams. This strengthens our move up the value chain from messaging towards full stack customer engagement platform.

Now alongside our enterprise team -- the enterprise business, we are also building the operator business. Our AI-driven Firewall Solutions are now deployed at 12 operators, and we see a healthy pipeline of new opportunities. These solutions offer the potential for high-margin, recurring revenues.

Together with network API, which we are developing with the Proximus Global ecosystem, they provide an additional growth opportunity alongside enterprise messaging. Our association with Global Telecom Group gives us an important advantage as we develop these capabilities and take them to the market.

We've also strengthened our leadership and presence in key markets. In Latin America, Marko has joined us as CEO of Masiv, our Colombian subsidiary to lead the next phase of growth across the region. And in India, our participation at Global Fintech Fest helped deepen our engagement with financial service leaders and ecosystem partners. BFSI continues to be our largest vertical, making this as an important market for us.

Looking ahead to the second quarter -- second half of the year, sorry, our priorities are clear. First, we will focus on converting our pipeline, particularly in high-margin opportunities across firewall solution and new products. Second, we will scale Heltar across markets, leveraging the broader Route Mobile and Proximus Global sales ecosystem.

And third, we will maintain a large focus on cost discipline. Our priority remains execution, improving the quality of revenue, building high-value capabilities and delivering sustainable long-term value for our stakeholders.

With that, let me hand over to Vinay, who will take you through the operational and strategic highlights of the quarter in greater detail. Over to you, Vinay.

Vinay Binyala: Thank you, Tushar. Good evening, everyone. I hope you're all doing well. As Tushar mentioned, we uploaded our quarterly earnings presentation earlier, and I hope you had a chance to review it. Let me structure my comments in four parts. First, the shape of our revenue growth this quarter; second, gross margin and how the specific items we discussed in Q1 have played out. Third, a few key business metrics; and finally, the key business developments of the quarter.

Starting with revenue. In Q2 FY27, revenue from operations was INR.1,180 crores, up 5.4% year-on-year and 2.4% quarter-on-quarter. For the first half of FY27, revenue grew 7.4% year-on-year to INR.2,331 crores. We processed 47.6 billion billable transactions during the quarter and 93.4 billion in the first half, approximately 11% more than in the first half of last year. I would again highlight the quality of this growth.

Our new products portfolio comprising RCS, WhatsApp and other IP-based messaging solutions grew 36.7% year-on-year and 35.8% quarter-on-quarter to INR.128 crores in Q2. It now contributes more than 10% of our revenue compared with approximately 8% a year ago and continues to grow meaningfully faster than the company as a whole.

We are seeing this growth across use cases such as conversational commerce, customer care and banking journeys, as well as in RCS, supported by the expansion of our direct operator coverage. ILD business continues to face growth challenges, and we remain focused on managing it for absolute gross profit rather than volume.

Second, on gross profit. Last quarter, we explained that our gross profit margin of 20.9% was affected primarily by a temporary disruption in traffic from select large high-margin customers, while we deployed new solution capabilities for them. A smaller part of the impact came from the security incident at our Colombian subsidiary.

As I said then, this was not business we had lost. In Q2, gross profit margin recovered to 22.4% compared to 20.9% in Q1 and 22.1% in Q2 last year. Gross profit was INR.264 crores, up 9.8% sequentially and 6.8% year-on-year. The improvement was driven primarily by higher-margin traffic from our new products and existing customers.

Third, a few key business metrics that I would like to discuss. As detailed in the presentation, net revenue retention for the first half stood at 105%. Recurring revenue, which we define as revenue from customers billed in every month of the period, accounted for 93% of revenue over the 12 months from September last year to September this year, up 89% as we reported in FY26.

On an annualized basis, 80 customers now generate more than $1 million of revenue each in annual billing compared with 73 in FY26. Client concentration has also eased slightly with our top 5 customers accounting for 30% of revenue as compared to 33% last year.

By vertical, financial services remains our largest segment, contributing 15% of revenue, followed by digital natives at 12%. Finally, the business developments -- the key business developments that we experienced in this quarter. The most significant development of the quarter was the completion of our Heltar acquisition in July 2026.

We acquired Heltar Technologies AI-driven customer engagement business through a slump sale. The acquisition strengthened our non-SMS portfolio across WhatsApp, RCS, voice and communication analytics, while adding AI native no-code customer journey orchestration capabilities for enterprise customers across India and international markets.

We signed the business transfer agreement on 13th of July and completed the transaction on 29 July. The total consideration was INR.33.7 crores, of which INR.23.9 crores was paid at closing from internal accruals while the remaining INR.9.8 crores is deferred and payable 18 months from closing. The operating model remains as outlined in our July presentation.

Heltar is sold through the Route Mobile and Proximus Global sales teams and supported by our existing support teams. Product development continues to be led by Heltar's core team, which

we are strengthening through targeted hiring. The early signs are encouraging. Several blue-chip enterprises were already live on the platform when we acquired the business, and we are now seeing early wins across banking, healthcare, retail, consumer durables and education.

We are also seeing opportunities emerge in the Middle East and Latin American market. Let me share 2 examples from India. A healthcare provider in India is using Heltar to enable appointment booking, doctor search, test reports and hospital information through WhatsApp. A fashion brand in India is using the platform for conversational commerce, covering the customer journey from product catalogues and recommendations through to purchase.

Commercially, Heltar provides an opportunity to expand our subscription-based and AI-led revenue streams as customer accounts grow. Over time, it also creates the potential to move towards outcome-based pricing models rather than pricing based solely on the number of transactions.

In Latin America, we strengthened our leadership with the appointment of Marko Erkic as CEO for Masivian, our Colombian subsidiary. Marko will support the continued growth of the business across Latin America and its integration within the broader Proximus Global ecosystem.

In BFSI, our largest vertical, we participated in Global Fintech Fest 2026 as a cloud communications partner and exhibitor. We showcased our omnichannel messaging, intelligent routing and digital engagement capabilities, engaging with financial services leaders, technology partners and other ecosystem stakeholders.

We also introduced our omnichannel communications and conversational AI capabilities to prospective customers and partners at the event. Discussions focused on how digital customer journeys are evolving across onboarding, servicing, payments and customer support.

To summarize the quarter, revenue growth has continued. Gross profit margin has recovered and new products now contribute more than a tenth of our revenue. With Heltar, we have added an AI native engagement layer to our portfolio and are already taking these capabilities to the market.

With that, I will hand over to Raj to walk you through the detailed financial performance. Over to you, Raj.

Rajeshwar Singh Gill: Thank you, Vinay, and good evening, everybody. I'll summarize our financial and operating performance during the quarter ending September '26 before opening the call to Q&A. As described by Tushar and Vinay, we delivered growth in revenue and gross margin, both sequentially and year-on-year. Our Q2 revenue from operations was INR.11,797 million, representing an increase of 5.4% year-on-year and 2.4% sequentially, continuing the momentum from the previous 2 quarters.

This quarter, our new products portfolio grew meaningfully quarter-on-quarter, which demonstrates the strong demand for our solutions and continued customer engagement. In Q2,

we reported a gross profit of INR.2,640 million, which is higher by 6.8% year-on-year and higher by 9.8% sequentially. This growth was driven primarily by our new products portfolio, which I mentioned earlier. These carry higher margins than our core messaging traffic.

Gross profit margin for the quarter stood at 22.4% versus 22.1% in the same quarter last year and 20.9% in the previous quarter, an expansion of around 30 basis points compared to the prior year, reflecting the richer mix from our new products. On a reported basis, operating costs were higher than the previous quarter, mainly due to non-recurring impacts related to the Masivian security incident and timing of a provision for performance-related bonuses.

Let me be clear, these one-off costs do not impact the run rate and will moderate and return to normal levels in the coming periods. Hence, positively impacting EBITDA. Adjusted EBITDA for Q2 was INR1,184 million, which is higher by 8.7% compared to the previous quarter as the strong DM performance more than offsets the nonrecurring costs. This will contribute to an adjusted EBITDA margin of 10% for the quarter, which is 50 basis points ahead of the previous quarter.

We are working on multiple levers, both growth and cost optimization to revert to EBITDA margin of around 12%, which would result in a mid-single-digit EBITDA growth year-on-year. Adjusted profit after tax was INR. 825 million, which is lower 17.8% year-on-year, but up 20.4% sequentially on the last quarter.

I will now hand over to the moderator for the Q&A session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Bharat Gulati from Dalal & Broacha.

Bharat Gulati: Just a few questions around the recurring revenue and NRR for the quarter and the reported years that you've shown. Just trying to understand what is the nature of the recurring -- nonrecurring revenues? Let's say, it's been 10% in FY25 and 11% in FY26 and last 12 months, it's been around 7-odd percent. So what's the quality of those revenues? Do they come in again? Or are they completely nonrecurring in nature where those revenues are one-off?

Vinay Binyala: Yes. Sure. So let me take that. And so if you look at the kind of business that we do, it's basically supporting different kind of use cases for enterprises. So it could be transaction-related communication, it could be promotion or specific campaign-related communication. And then there are authentication-related communication. Now with WhatsApp, we also have more conversational or bidirectional or interactive kind of communication which gets supported.

But primarily, when you look at nonrecurring, it is largely onetime campaigns or certain marketing campaigns that enterprises run. And these are typically not recurring because these are specific to a particular promotion or a particular product placement that the brands or the enterprises want to run. And sometimes they go away.

But then again, these are sporadic. Once again, the same enterprise might come back with a new product promotion or a new campaign that they want to run for a certain customer set. So you

can consider them as onetime campaigns, which come and go, but the same enterprise might continue certain other businesses with us. Now we classify them under various buckets depending upon how the engagement with the particular enterprise is, and that kind of contributes to the nonrecurring part of the business.

Bharat Gulati: So let's say, if we were to quantify it in terms of our 105% NRR that we've reported for H1, that comes out to around INR.22,787 million of revenue. How much of this NRR would be recurring and nonrecurring? I mean I'm just trying to understand the quality of growth over here because if you see the nonrecurring mix, if we eliminate that out of the business, there's basically no growth. So is nonrecurring business a part of -- I mean, is that part of our growth? Or is that just getting coming into the business to aid numbers temporarily and then again going out in the next year?

Vinay Binyala: So typically, even what might be nonrecurring could be on an annual basis, it might come back. The way we define net recurring revenue, we only look at customers whom we have built consistently through the entire period. So that customer, if, for example, in the last 6 months, if that particular customer has not run a campaign with us, it would drop out of the nonrecurring -- sorry, of the net recurring revenue.

But the same customer might come back in the season next year and provide a certain revenues for a new campaign or certain seasonal campaigns that they run typically on an annual basis. So that's the way it works. It might drop out for a certain month because of which it might not appear in the net recurring revenue. But to give a very accurate answer, we'll need to do a little bit more deep dive into the numbers and get back to you because it's basically a more mathematical calculation here, but we can do another deep dive and come back to you with more specifics.

Tushar Agnihotri: Vinay, if I just may add, as you correctly pointed out, that there's some seasonality factor comes in. As you will see that some we'll see typically the OND, which is October, November, December is a period where we see a bump in numbers, and that's can be placed in the nonrecurring category. But also that we are selling solutions where we -- based on the number of man hours we devote to develop a solution, we charge customer onetime monies as well.

A lot of these factors go in on the creation of this nonrecurring revenues. As we keep on adding customers, this -- in a particular quarter, it may be slightly higher and the falling maybe slightly lower, and then seasonality also comes in play.

So it's very difficult to very accurately predict that how would the next quarter be on the nonrecurring revenues. But yes, as Vinay suggested, we can deep dive, but you will never get a very, very accurate answer because there can be a campaign done by a PSU bank on a certain activity they want to conduct in a given quarter.

There can be citizen communication coming from, let's say, a state government to suggest that there is a hurricane or there is some communication going to agriculture or anything. So while

we keep on working closely with all our customers, it's very difficult to very accurately make a prediction how my subsequent quarters would be like.

Bharat Gulati: Sure. Understood. Understood. Would it be possible to share what GRR we've done for H1?

Vinay Binyala: We can work on that. We can work on that. We can take that offline. I need to do the calculation on that. We can get back to you.

Bharat Gulati: Done. Done. Okay. And just last few questions. On growth, I mean, sort of volume growth has seen a dip this quarter, so which was pretty healthy over the past 4 quarters. So anything specific to call out how volume growth would be looking like in, let's say, the coming few quarters given that we sort of hit a plateau at that 45 billion mark and then now moving to the 48 billion mark. So any commentary on the volume-based front?

Tushar Agnihotri: Yes. It's very difficult to make a prediction on volumes in the following quarters, but we see that there should be an upward movement, primarily because we are hitting the season now. And a lot of e-com companies, lot of other retail companies do a lot of communication around this time -- around this period. So we're hopeful that these volumes will continue building up for us in the OND quarter. We cannot make a long-term prediction. But of course, for this quarter, we are hopeful of looking at slightly improved volume numbers.

Bharat Gulati: Understood. Understood. And just if you talk about our portfolio of long-distance messaging, how has that played out during this quarter? Do we continue to see a flat lining? Or has there been an improvement in terms of uptake over there? What's been the outlook on that?

Tushar Agnihotri: On the long-distance messaging inwards to India, Vinay already touched upon that there is -- there are certain headwinds, but it's largely flattish. On the outward, which is messages which are going from India to other countries that we're working with a lot of banks, we've managed to pick up a couple of contracts, which are outward traffic, which is going to countries outside of India, originating from the banking platforms in India that we see to build in the months to come. Vinay, may like to add?

Vinay Binyala: Yes. So on the long distance, we've seen some trends there. We've seen some slight decline with certain aggregators, but then we've added some direct enterprise volume in the last quarter. So it's a mix of events which is happening there. Certain aggregators are losing revenue.

But as we mentioned in the previous quarter commentary, we were working on initiatives to see what we can do on the long distance, and we've been able to bring back some of the enterprise traffic, which is helping compensate some of the losses that we had. So it's still not in a growth phase, but we are, as we mentioned in the last quarter, looking at different initiatives where we can sustain or create some momentum around the long distance business.

Moderator: Next question is from the line of Dipesh Mehta from Emkay Global.

Dipesh Mehta: A couple of questions. First, just want to get a sense about cash balance. We have roughly around 13.5…

Vinay Binyala: Sorry, Dipesh, your voice is not very clear.

Dipesh Mehta: Is it better now? Can you hear me?

Vinay Binyala: Yes, this is better. This is better. Thank you.

Dipesh Mehta: Yes. So we have a cash balance of 13.5 billion. I just want to understand what do we do with the free cash which exclude particular in deposit and all those kind of balance. Can you give me that number what is the pre-balance. And what is the, let's say, our plan to use that pre-balance, if you can give some sense because I think we are accumulating cash. So far not seeing any specific do's which we have called out. So if you can give some sense around it.

It is roughly 50 percentage of market cap what we have overall discussed. Second question is on the business side. Can you help me understand, let's say, any changes in the pricing which we have observed in last few months particularly with RCS and WhatsApp and how it is, let's say, affecting business dynamic. And last question is on the Q3 seasonality. How we expect Q3 seasonality to play out?

Tushar Agnihotri: I didn't get the last part -- last question, please. Can you say it again the third one. The third question, please.

Dipesh Mehta: The seasonality in quarter 3 business. Generally this is a festival period where you generally benefit from traffic?

Tushar Agnihotri: Okay. I'll take the second and third one, and I'll let Vinay answer the first question. On the RCS, there have been price changes, which has been communicated by telcos to us. This has come into effect from 1st of September. In fact, our RCS numbers are looking still healthy as we talk. Will there be impact in the long run?

Look, we're getting into season right now. So I don't see much impact coming immediately. But in the long run, we have to see how brands see the ROIs coming from RCS. And they, of course, will take the corrective measures or they may add more business also if the response is encouraging.

So yes, the prices have gone up. In fact, for marketing has gone up by multiple folds. But we haven't -- our numbers are encouraging, but we will wait for the season to pass by and then perhaps we'll be in a better position to see how the long-term impact of this price change will be like.

On the seasonality, we are fairly confident that business will build up from where we are right now. We will see a lot of marketing campaigns coming away. It's only that the blend may shift this time. What it used to be heavily SMS, maybe now split across SMS, WhatsApp and RCS.

How will that split happen between RCS and WhatsApp is again something we'll observe during the quarter and then we'll be in a better position to go to comment about that in the coming months. So we are optimistic of the business to grow because of the season in this quarter --

because of the season setting in. But the split is very difficult to comment because of this recent price changes. I'll ask Vinay to take the first part, please.

Dipesh Mehta: Yes. I'm really sorry to interrupt before Vinay answers. I just want to get a sense about what changes happen because we are not that familiar. If you can give some quantification what was earlier rates, how it is changing?

Tushar Agnihotri: See, the earlier rates were in vicinity of the pricing of SMS. They have seen that it was growing in a very rapid manner and they wanted to -- telcos want to bring some sense around the growth. So -- and also they wanted to be somewhere compared and comparable with the pricing of WhatsApp. So they have taken the prices up. I'm sure they will evaluate this and perhaps take actions as I suggested earlier. But the truth is, as I said, is nearly double of what the pricing were earlier. The pricing on the utility and authentication is marginal. But on the marketing, the prices have actually gone up substantially. Does that answer your question, Dipesh?

Dipesh Mehta: Yes. And any change on WhatsApp messaging?

Tushar Agnihotri: WhatsApp, none. Nothing major, nothing major.

Dipesh Mehta: Okay.

Vinay Binyala: So just adding to the seasonality point, what Tushar already said, in addition to that, Masivian, we had that breach, which is now behind us. So again, we will see some good revival in the Masivian business because typically, Q3 for them is fairly strong. So we are hoping to see some revival there. And going back to your first question on the free cash, Dipesh, we have around INR.1,150 crores to around INR.1,200 crores, somewhere in that range of free cash.

And in terms of use, as we've discussed earlier, one is obviously the dividends, which is still marginal. But we are again looking at certain acquisitions in different -- so there are 2 categories, again, as we mentioned earlier, in specific markets like we are evaluating something in the Western markets, something in the Latin American market, but nothing is at a -- these are still early stage evaluation where we are still looking at the business performance and forming a view on valuation restructure, etc.

So it's not something which has materialized to an agreement stage right now. But as we've mentioned, it's a critical area where we are looking at inorganic growth, and we are evaluating multiple targets in different markets, both for product and for market expansion.

Dipesh Mehta: Whether at Board level, let's say, any discussion about, let's say, till what point in time you will continue to deliberate about M&A and not returning it back to shareholder either through buyback or dividend?

Tushar Agnihotri: So Dipesh, we clearly see there are opportunities in certain markets. We are evaluating, as Vinay said, on both ends, geography expansion and product expansion both. We really see a couple of markets in Latam, which are very interesting at this point of time. We are evaluating them. We are identifying targets in those markets.

If we are able to then we would, of course, prefer our choices will be to actually expand through some acquisition in that market. Saudi is a very interesting market also. KSA is growing at a very good pace. So that's another market. So we have a few markets in mind. We are absolutely keen on using the monies with us towards expansion. That's the primary goal.

Dipesh Mehta: Understood. So we want to do for inorganic opportunity. Can you give me the area -- focus area where, let's say, you want to plan to deploy some of this capital?

Tushar Agnihotri: Look, I do not want to give a deliberation but -- yes, go ahead, Vinay.

Vinay Binyala: Yes. So like I said, there are certain companies which are very advanced conversational AI solution providers in the Latin American market. And again, the reason I keep going back to that market is because the margin profiles in that region are very attractive. And again, the size and scale of assets is kind of fitting into our deal size criteria. So that is one important evaluation criteria.

Obviously, we do not -- we want to restrict to the size that we can execute, and that is where this particular market is very attractive. Again, certain other markets like in Southeast Asia, there are a few select companies that we are interacting with potential targets that we are interacting with. And again, the idea there is markets which are large.

So you can guess which ones in the Southeast Asian market, we will be looking at. And again, these are not the largest in that market, but the companies which are the immediate first contender for market share, etc. So that is how we are evaluating this. Essentially, what we are doing is we are not going after the SMS leaders. We are trying to pick targets who are stronger on some of these alternative channels and trying to build that out in the portfolio.

Dipesh Mehta: Understood. And last question is on the guidance. Last time you indicated about mid- to high single-digit revenue growth, adjusted EBITDA margin of 12%. How comfortable we are to, let's say, deliver on?

Rajeshwar Singh Gill: Yes. So I'll take that question, Dipesh. So you're correct on revenue, our guidance was mid to high. So we will reconfirm that at the midrange. So that is trending positively as we noted, sequentially, it's -- we see growth there. In terms of the EBITDA margin, again, I also noted, H1 was impacted by some certain nonrecurring impacts and some customer-specific items. So again, they will moderate. So we will see a recovery of them not happening in the coming period. So therefore, the EBITDA margin trajectory will improve in the coming quarters and not lapping those one-off items.

We will see a seasonal uplift, as Tushar mentioned as well. And we are targeting some high-margin pipeline conversion opportunities as well as our normal cost optimization, which will be a continuous factor. So if you add all those up, then we are working on multiple levers, both -- again, both on revenue and costs and to revert back to around 12% EBITDA margin, which will then result in about a 6% increase in EBITDA growth year-on-year.

Dipesh Mehta: Understood. Thanks for answering my questions

Moderator: Next question is from the line of Amit Chandra from HDFC Securities.

Amit Chandra: So my first question is on the revenues from the new product sources. So there, we have seen a very healthy growth. Obviously, it is like acquisition led. But if you can provide the organic growth there in terms of Q-o-Q and Y-o-Y. And also in the organic growth, are we seeing some like one-off in terms of some campaigns that were there in the market, especially on the WhatsApp. So is it also powering the revenue? And what would be the normalized growth there?

Tushar Agnihotri: Amit, you're correct that we had definitely impetus in our business after we had, which is added to our revenue and gross margins both. But apart from that, and as mentioned earlier to -- by responding to one of the questions on RCS that we've seen some decent RCS growth as well. So, it's been a blend of organic and inorganic growth, both. So, we see a healthy growth. As I'm sure you would have read in our presentations that the new product contribution has gone to one tenth of our overall revenues.

So that's encouraging. This season, we expect this to even improve because we hope that -- and in fact, all indicators are that the contribution of the new products on towards the marketing messages which go out will be more towards the new product, which is SMS -- sorry, WhatsApp and RCS than SMS. So we are really optimistic and we are certain that this will keep improving in the months and quarters to come.

Vinay Binyala: Amit, just to add to what Tushar said on the split between organic and inorganic. So the acquisition is just a mid-single-digit kind of revenue contribution in the quarter, around INR5 crores odd number. The rest is all organic growth in the new product as well. So the acquisition was not a very large revenue scale acquisition. It was more product which we tucked into our capabilities. So was just adding that detail there.

Amit Chandra: No, no. So in that organic, is there any like onetime campaign revenue in that? Or is it more like more broad based kind of?

Tushar Agnihotri: This is not one time. We expect that swing to continue. No they were not like a marketing campaign or as we were responding to one of the questions earlier, recurring and nonrecurring -- this we are fairly confident it's going to be a recurring business for us. Alongside, we have -- as I said, we see some trend where the shift is happening towards the new product. We would want to keep building on that shift so that new product contribution keeps improving from the place we are at, at this point of time.

Amit Chandra: Okay. And in terms of margins, obviously, we have seen expansion in the gross margins, but the EBITDA margins even on the adjusted basis were not -- the expansion was not in line with the gross margin. So this is only because of the Heltar acquisition? Or is there any some onetime cost in employee expenses, which we have recorded in this quarter?

Rajeshwar Singh Gill: Yes. So as I said earlier, in H1, there were some definite onetime costs and then they won't recur in the future period. So for example, we had some costs from the Masivian security incident in terms of extra activity required in that region to get us back on track, which we are now back on track. And there is a performance bonus, which we've provisioned for, which will help us support

our kind of H2 plans, particularly on some good pipeline discussions we're having and look to convert those and then bring lift that H2 EBITDA margin back up to the around 12%.

Amit Chandra: Okay. And sir, on this margins bit, obviously, you have mentioned this 12% like margin. So is it fair to assume that the exit for this year would be around -- somewhere around that? And if you can provide some bridge in terms of how do we see that bridge from the 10% to 12% happening?

Rajeshwar Singh Gill: Again, the bridge from 10% to 12%, say again, so first of all, that 10%, if you take out the one-off items, then they are meaningful. So you'll see that 10% on a normalized basis lift naturally. So that goes up -- the first thing that happens is that definitely goes up on a normalized basis. And then you have our multiple levers for H2, which I've mentioned before, which will then again further lift that trajectory.

And again, seasonality does help us. So we see campaigns are at decent margins. And as discussed, you see the new product portfolio margin that's increasing quarter-on-quarter. And we see that trend a very positive thing. It's a good high-margin business. So yes, there is a pathway. And we're confident of working towards that pathway. And important to note, it does come with some execution issues, which we will then make sure we actively address.

Amit Chandra: Okay. And my last question on the ILD part. Obviously, you mentioned that there is some softness there. But is there any change in terms of the chance that you're seeing? And what portion of the overall portfolio you're still seeing Y-o-Y kind of a degrowth. And in terms of the stress in the ILD portfolio, is it stable? Or is it increasing?

Tushar Agnihotri: Vinay, you'll take that.

Vinay Binyala: Yes. So Amit, as I said in response to one of the earlier questions, what we are seeing is there are certain kind of ILD traffic, which we are receiving from a specific aggregator we saw a little bit of softness. But we have taken some specific measures to go direct with enterprises. So that is where we are able to bring back some of the revenue. So, it's a mix, but as I highlighted earlier, growth is still not very easy in that sector -- that segment of the business.

So, it's still not a very -- how would I put it, it's still not a very simple growth environment. We are trying to create benefits or value add for some of these customers and going back. But to put it very plainly, it's not a market where we can confidently say that we will experience 5% or 6% or X percent of growth. So if that answers your question.

Amit Chandra: Okay. Thank you and all the best.

Moderator: Next question is from the line of Hemal Thanki, an Individual Investor.

Hemal Thanki: So, my first question is like in Q2, basically, we have covered the Claro -- revenue or not? So Claro deal basically, we have cracked a few times ago. So probably in last con call, you have mentioned that this revenue may start from the Q2. So have we basically achieved any kind of revenue in this Q2 or we may achieve it from the Q3?

Vinay Binyala: Sorry, Hemal I did not get the question clearly. You're referring to which component of the revenue, sorry?

Hemal Thanki: Claro deal.

Tushar Agnihotri: Okay. You're breaking up to us. So we can't hear you very clearly.

Vinay Binyala: Claro. Okay. Claro revenue.

Hemal Thanki: Yes. Yes. So I'm talking about the Claro deal. So have we received any kind of revenue in Q2 from the Claro deal or yet not received?

Vinay Binyala: So I think Claro revenue was there in the previous quarter as well and it continues. So it has stabilized now. So maybe there was some confusion because we already had revenue in the last quarter as well and it continues. It's a stable customer for us now.

Hemal Thanki: Okay. Okay. So actually, what is the percentage of that particular deal if we compare it with the gross revenue?

Vinay Binyala: So if I look at -- so we don't give out individual customer revenue as well, but it's become a significant customer for us in our firewall business.

Hemal Thanki: Yes, yes. So overall, basically, I need to have an idea about the overall firewall revenue basically what we have achieved. So what is the overall firewall revenue as compared to the percentage of the total revenue?

Vinay Binyala: So Hemal, these are some data points which we've not disclosed publicly, but it is still single-digit percentage contribution to revenue. It's not a very large component of revenue.

Hemal Thanki: Okay. Okay. And what is the like average profit margin in that particular segment?

Vinay Binyala: Profit is very strong. We have customers where we make even up to 70% gross profit in that product. But on a blended overall business basis, it would be somewhere in the 50% to 60% range.

Hemal Thanki: Okay. Okay. And one last question is that. So are we looking about like more such kind of deals that we are like ongoing deals or something like that?

Vinay Binyala: Yes. So that is definitely a very key segment for us because, one, the product is quite unique. There are not many players who are offering this product in the market. And I think Tushar in his opening remarks also mentioned that firewall will be a very critical growth segment for us. So we are actively scouting. We are actually in discussions with some customers at fairly advanced stage of discussions. So we should -- ideally we are hoping for certain conversions in the next few quarters.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Raj Gill for the closing comments.

Rajeshwar Singh Gill: That's great. Thank you, moderator. So as usual, thank you all for your participation and your very engaging questions. We look forward to engaging you in the next coming periods and on our next investor call. With that, I wish you all a good rest of your day, wherever you are. And I hope you all going to the weekend with a good Diwali, good vibes. And we won't see you again until next quarter, maybe. So Happy Diwali for you all and seasons greetings there. So goodbye, everybody. Thank you.

Moderator: Thank you very much, sir. On behalf of Route Mobile Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.