

May 27, 2025

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai– 400051

Company Trading Symbol: FROG

Subject: Transcript of interaction with Analysts/Institutional Investors/Funds (Group Meet) – Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Madam,

This is in furtherance to our letter dated May 12, 2025 and May 21, 2025, wherein we had given advance intimation and Audio recording, respectively, of the Q4 & FY25 Results Concall (Group Meet) held on Wednesday, May 21, 2025 at 04:00 p.m. IST to discuss the Q4 & FY25 financial results.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Q4 & FY25 Results Concall (Group Meet).

The above information will also be made available on the website of the Company at www.frogcellsat.com.

Request to kindly take the same into record.

Thanking You

Yours Faithfully,
For Frog Cellsat Limited

Rajat Sharma
Deputy Company Secretary
& Compliance Officer
M. No. A70274

Encl: as above



Frog Cellsat Limited
Q4 & Full Year FY25 Earnings Conference call

21/05/2025
16:00 Hrs.

CORPORATE PARTICIPANTS:

Mr. Konark Trivedi
Managing Director

Mr. Umesh Singh
Deputy Chief Executive Officer

Mr. Charanjeet Kalra
Chief Financial Officer

Mr. Tushar Pendharkar
Ventura Securities

Q & A Participants list:

- | | | |
|---|----------------|---------------------------------|
| 1 | Ankit Gupta | : Bamboo Capital |
| 2 | Thwanil Desai | : Turtle Capital |
| 3 | Priyam Shah | : Value Equity |
| 4 | Rohan Patel | : Turtle capital |
| 5 | Vishal Pandiya | : Individual Investor |
| 6 | Reena Gattani | : Paul Asset Consultant Pvt Ltd |

Moderator

Ladies and gentlemen, good day, and welcome to the Frog Cellsat Limited Q4 and FY25 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in a 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 * then 0 on your touchtone phone. Please note that this conference is being recorded.

Before we begin, I'd like to point out that 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 date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

I would now like to hand the conference over to Tushar Pendharkar from Ventura Securities. Thank you. And over to you, Tushar.

Tushar Pendharkar

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities, I welcome you all to Frog Cellsat Limited Q4 and FY '25 Earnings Conference Call.

The company is today represented by Mr. Konark Trivedi, Managing Director; Mr. Umesh Singh, Deputy Chief Executive Officer; and Mr. Charanjeet Kalra, Chief Financial Officer of the company.

I would now like to hand over the call to Mr. Trivedi for his opening remarks. Thank you. And over to you, sir.

Konark Trivedi

Thank you, Tushar. Good afternoon, everyone, and thank you for joining us today for Frog Cellsat Q4 and FY25 earnings conference call. We have already uploaded our financial results; investor presentation and earnings press release on the stock exchange and our company's website and hope you have had an opportunity to go through the same.

I'm pleased to share that financial year 2025 has brought exceptional financial results showcasing impressive growth across all key indicators. Our revenue from operations soared to a record high of INR 2,193.9 million, reflecting a robust year-on-year increase of 39.1%. In addition, both adjusted EBITDA, that is EBITDA after adjusting for ESPS cost and PAT, saw significant increase of 72.6% and 51.7% respectively, which have outpaced our earlier forecast of 30% revenue growth.

We have also recorded an EBITDA margin of 16.1% in financial year 2025, which has expanded by 314 basis points year-on-year, which was also above our guidance of 15% EBITDA margin. The EBITDA margin expansion has been driven by achieving strong operational efficiencies through effective cost optimization and the successful execution of high margin contracts. The exceptional performance was driven by all business verticals and was further bolstered by the successful delivery of DAS solutions for major projects at Noida International Airport,

Chhatrapati Shivaji Maharaj Mumbai International Airport, Navi Mumbai International Airport and Guwahati Airport.

The completion of these high value deployments underscores our capability to efficiently execute complex projects. With the anticipated increase in number of airports from 157 in 2024 to 350-400 by 2047, along with renovation and upgradation of existing airports, there exists a substantial opportunity for the future deployment of OneDAS solution. And we believe we are correctly positioned to capture this opportunity by leveraging the experience we gained during the execution of the major DAS projects over the last year.

Additionally, we are also targeting the \$1 billion plus global DAS market and are currently focusing on entering the Europe and Africa markets where we see strong demand for cost effective reliable telecom solutions.

Our state-of-the-art manufacturing facility in Noida remains a critical enabler in scaling our product lines efficiently. The facility allows us to manufacture a wide spectrum of telecom infrastructure products, with speed, quality, and flexibility.

Today, we offer 27 products ranging from RF repeaters, DAS solutions, interference mitigation system and antennas to comprehensive in-building coverage planning, design and installation services. With an order book of approximately INR 710 million as of 31st March 2025, along with continuous addition of new products to our portfolio, we are well positioned for sustained growth and continued prominence in the industry. Further, our ongoing investment in the SMT line and CCTV business is expected to significantly expand our growth trajectory.

Also, we extend our gratitude to the government for introducing the design led manufacturing PLI scheme and also to state government for incentives related to investment done in infrastructure. This represents a crucial milestone that enhances our capital foundation and reinforces our capacity for innovation. We are completely in alignment with the government's initiative to promote local value addition and view this scheme as a key accelerator for achieving our long-term manufacturing and R&D objectives.

As we look ahead, we are guided by vision FY28, our strategic roadmap to achieve INR 5,000 million in revenues and EBITDA margin in excess of 15%. We are confident that this goal is not only attainable, but also well within our grasp. This confidence is bolstered by several key factors: our continuously expanding product suite, which enhances our market competitiveness our firm commitment to operational discipline, ensuring efficiencies and effectiveness in our processes and the trust we have cultivated with our customers, which serves as a solid foundation for sustained growth.

Moreover, we are poised to leverage favorable industry dynamics, particularly the ongoing rollout of 5G technology. This advancement opens up new avenues for innovation and service delivery, while the increased emphasis on enhancing network penetration presents additional opportunities for expansion. Together, these elements create a robust framework for our growth trajectory, positioning us to achieve our targets in the coming years and continue to deliver a sustainable performance.

With this, I would request the moderator to open the floor for questions.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from Ankit Gupta from Bamboo Capital.

Ankit Gupta

My first question was on the OneDAS solution that we provide. So, if you can tell us what has been the contribution for the same in Q4 and FY25? And how do you see the growth for this segment, both in domestic and the international market that we are targeting, especially on the African as well as European market side?

Konark Trivedi

Hi, Ankit. Thank you. So, Ankit, for the full year, if you look at it, then contribution of OneDAS in our revenues, this stands at almost 50%. So yes, this has been a big growth for us in this year. And as far as Europe or Africa market is concerned, again, globally, this DAS market is \$1 billion plus market. And Europe and Africa is going to be our starting point for exporting our OneDAS solution. Now that the technology is proven, it's installed or in the process of installation at very, very large airports in India. So that will give us a good showcase for our product, showcasing that the technology is proven and help us take it outside India.

Ankit Gupta

So, did you say that out of, let's say, roughly around INR 220 crores of revenues, INR 110 crores were contributed by OneDAS in FY 2025?

Konark Trivedi

Almost that level, yes.

Ankit Gupta

Sure. And just Q4, did it have some contribution from OneDAS? Or it was largely a regular basis?

Konark Trivedi

Yes, I think 25% should be coming in from OneDAS.

Ankit Gupta

So, sir, on the base of INR 110 crores, which is entirely from the domestic market, and we have also opened the export markets, so how do you see this OneDAS segment growing? Let's say, next year, we are targeting almost 30% kind of growth. So, let's say, from INR 220 crores, we're looking at almost INR 285 crores kind of numbers. So how will this segment grow for us in domestic from INR 110 crores where can this number be? Because I think we are starting the next financial year FY 2026 with almost very low contribution in our order book from the OneDAS side.

So, if you can talk about how do you see the growth in the segment next year in the domestic as well as export market? And any orders which are at the final stages that we're looking to conclude maybe in, let's say, Q1 of this financial or Q2, which can be executed in a big way in FY 2026?

Konark Trivedi

Right. So, Ankit look, we have a good funnel for our OneDAS solution in the domestic market. There are quite a few projects which are to be finalized soon. Now putting a timeline to these projects, because these are large value projects, is a bit risky. But what I can say is, yes, these projects will be executed within FY26 for sure. So, I cannot say whether they will be concluded in Q1 or Q2. So yes, there is a good funnel we have for OneDAS solution in the domestic market.

As far as international market is concerned, we have started to take steps to move to the international market focusing on Africa and Europe. But I don't see much of revenues generated from these market in FY26, because there is a lot of work that need to be done for entering in these markets.

So, in our 30% projection which we have given, we have not taken any revenue from these markets as of now. There is a lot of preparation that needs to go in before we can see some contribution in our revenues from these markets.

Ankit Gupta

Got it, sir. So, do you expect the OneDAS revenue from the domestic market to move from INR 110 to INR 140, INR 150 crore in FY '26?

Konark Trivedi

It is a possibility.

Ankit Gupta

Sure. Sir, on the SMT line, I think we would have started with the commercial production. So, like, how is the segment looking like for us? How do you see this segment scaling up for us in this financial year on both CCTV side, IP camera side? And if you can give some views on, how do you see the scale up looking for us in the SMT line in this financial year?

Konark Trivedi

Right. So, Ankit, firstly, to update you and all on the call about SMT line. So, SMT line has now been delivered to us. It is just from last week, and it is in the process of installation. We see that, you know, most likely within next month, it should be, functional and operational. So that's the update on SMT line. And as I explained earlier also, our preference is going to be to use this SMT line for our own products. That will be our first preference and only spare capacity will be used for any third-party job work, which is not so likely. So, yes, we will be manufacturing our CCTV product or SFPs or ONT revenues and including our own repeaters and large solutions on for this SMT line.

Ankit Gupta

So how do you see the scale up for this, for SMT line in this financial year? Can we expect INR 80-100 crores kind of revenues this year, or this will just be, first year so revenues will be low?

Konark Trivedi

So, because this is going to be the first year, I think so instead of looking at revenues from the SMT line, we should be looking at revenues from the CCTV market and FFP market and ONE ONT market. So those are the additional because we'll be using SMT lines for producing this. So, yes, so that's how it is.

Ankit Gupta

And how do you see that like for this financial year, for FY 2026?

Konark Trivedi

So, our internal target, which is very conservative in nature, we have taken almost like INR 60 crores to INR 70 crores coming in for these new product lines in this financial year.

Ankit Gupta

Got it, sir. And sir, on the base business, if we say out of INR 220 crores around INR 110 crore was contributed from the OneDAS solution, it seems that the base business has degrown in FY 2025. Is that true? And if yes, how do you see the growth for this segment in FY 2026?

Konark Trivedi

So, look it has not degrown as such. think it has maintained itself because it depends on operator rollout. The other businesses are the features or IBS accessories or network accessories. So that part has basically not seen growth. It has not seen degrowth, but it has not seen growth. The growth has come primarily from the DAS market. And that's I think that's how it will be. The IBS accessories or maybe network accessories market should remain stable. That's how we see it. And our growth should keep coming in from DAS and these new segments of businesses, which is CCTV or SFPs or ONT.

Ankit Gupta

Just last question from my side. On the railways VHF and interference mitigation system, any updates on the orders? And how do you see these two segments performing for us in FY '26?

Konark Trivedi

Right. So, yes, so as far as interference mitigation solution is concerned, we are seeing some progress in that. So, there is another R&D funding opportunity that we have from Indo-Israel government fund. So, we are expecting that fund to come in, which will help us cost reduce further distribution, because that was the demand by the operators to reduce the cost further to make it viable for the large volume. And that seems to be happening. And so, we are expecting some orders for interference mitigation this year.

And for railway VHF, we are in the process of, you know, just few bids have been done, for our railway projects. So that is also, you know, progressing well for us.

Ankit Gupta

So can we expect some orders from the segment in both the IMS and with VHF this year?

Konark Trivedi

We should be seeing some orders for both VHF as well as interference mitigation solution this year. That's what we expect to have.

Ankit Gupta

Can it be like INR 30, INR 40 crore kind of orders from both the segments combined or more?

Konark Trivedi

Potentially, yes. But look, Ankit, while we are trying to work on all these sites and I know being an analyst, you are trying to grab the numbers here and there trying to create an image or trying to create a picture, but we are a very cautious company, and we have given projection for our growth still at 30%. And so overall growth guidance, we'll be maintaining at that.

Moderator

Next question comes from the line of Thwanil Desai from Turtle Capital.

Thwanil Desai

Hi, good afternoon Konark and team and congratulations for a very good year. So, the first question, Konark Jee, is that, so we are guiding for this 30% growth, and you mentioned that SMT line conservatively can contribute 60 crores, 70 crores. So how should we think about this that incremental growth largely for this year will come from SMT line products like CCTV and ONT etc ? And if so, since those will be relatively lower margin products, overall margin will get diluted for FY 2026, how we should think?

Konark Trivedi

Thank you, Mr. Desai. So, look, I think you said it right. We are expecting from the new products in the range of INR 60 crores to INR 70 crores revenues and we are seeing growth in the DAS market. So, to say, the existing business in IBS facilities, network accessories, or antennas should remain stable. That's what we are expecting. And since DAS is a high margin business for us, we expect the margins and also the margin in CCTVs is also relatively decent, actually. So, we have kept our guidance on the margins to be again growing by 30% EBITDA, we should be doing in the range of 15% plus. So yes, we are targeting that.

Thwanil Desai

Got it. And so generally when we report margins, I think we include whatever incentives we get, PLI incentives in revenue and hence those numbers are built into EBITDA margins. So, I think this year FY 2025, we have included INR 5.99 crores in and that is part of the EBITDA

margin that we are seeing in terms of reported numbers. So, when you are saying FY 2026, 30% growth in EBITDA margin that also will include the PLI incentives, right?

Konark Trivedi

Yes, it will include PLI incentives. We still have two more years for PLI incentives. So, yes, it will be included.

Thwanil Desai

Okay. And is that materially different? So, let's say last year we had around 2.5 crore and this year, we got INR 6 crore PLI. So, is it like gradually increasing number? How should we think about that number?

Konark Trivedi

Okay. So, look, on our PLI approval, there are products on which this PLI incentive applies, right? So, like repeaters and OneDAS solution is part of that, whereas jumpers or SFP Cable cable is not part of that. So, if my revenue is more from repeater and DAS solution, then my incentive is going to be more. Because I get incentive on that. I don't get incentive on IBS accessories or network accessories. So since for financial year 2025, the contribution from OneDAS is very high. That just reflected in the higher PLI.

Thwanil Desai

Okay, got it. so, again, when I look at our order book from the order inflow perspective, I think Q4, we got a very flow in terms of order intake. I think in the last three, four quarters probably the slowest. So, any reason for that? And again, you are saying that we are thinking that domestic DAS even on a very high base of FY 2025, will still be able to grow. So, what kind of funnel are we seeing, order pipeline? What gives you this confidence that we'll be able to grow is what essentially, I want to understand?

Konark Trivedi

Look, as I mentioned in the last question, there is a good funnel that we have for the DAS projects. And that is building up because of the new projects which are coming up, new opportunities which are coming up. And that's what gives us confidence that, yes, we will be able to do this.

Thwanil Desai

And last question, so I think in the earlier conversations, we were thinking that maybe one project on export market we may be able to get in FY26, since we started working last year in FY '25. But now you're saying that because of a lot of groundwork which needs to be done maybe the revenue, or the orders will fructify in FY '27. So, anything additional than what we had thought is required to do the OneDAS in export market that now we need to do. Any color on that? Any more information on that the steps that we need to complete before we can actually land up with a DAS order requirement, regulatory things? Can you talk about that?

Konark Trivedi

So, look, there's nothing new that we were not doing. Everything remains the same. And we are still hopeful to conclude at least one deal this financial year. But as I mentioned, in the growth numbers or the target numbers, internal target numbers that we have, we have not taken any number against such a deal.

Thwanil Desai

Okay, understood. And one data point. So, I think our receivables have gone up very sharply for in the balance sheet. It's almost INR 30, INR 40 crores plus kind of increase. So when do we see this normalizing? Have we received the payment? When are we likely to see kind of again receivables coming into the normal range?

Konark Trivedi

So, look, the operator business and the project business, there are two different types of business. Operator business is a normal branded business. You supply, you get the payment and all that. Project business is a bit different where you get payments on milestone basis. So, some payments on deliveries, some payment on advance, , some payment on installations, some payment on commissioning. So, it's you know, it's a spread-out thing. And since last year, we have done lots of this OneDas projects. So, this number is getting reflected there in terms of receivables.

Thwanil Desai

But when do we likely to collect that? Is it like three months, six months, any time line on that?

Konark Trivedi

So yes, good amount of that is already collected post 31st March 2025. And balance amount will also be, I think, collected within the next three months because as the project will be implemented, installed and commissioned, we'll be getting that payment.

Thwanil Desai

Okay. So, in September balance sheet, that number will look more on the normal side?

Konark Trivedi

Look, if by September we do some other projects, which is likely to happen, then it will change again.

Moderator

We have our next question from the line of Priyam Shah from Value Equity.

Priyam Shah

I have some book-keeping questions. This is pertaining to the tax expenditure for the current quarter. We have seen at INR 25.5 million vis-a-vis INR 10.9 million. If you can just explain the reasons for this thing?

Charan Jeet Kalra

It is deferred tax, of course, but it is not that much what you are talking about. I am just opening my file, and then just give me some time. I'll work on it. In the meantime, you can ask your other second questions, so let me just do it here.

Priyam Shah

Okay. So, what is the Capex that the company is planning for the next year? That is FY '26.

Konark Trivedi

Right. So, for FY 2026, there is SMT line which will be added in this year only because it has been implemented now. So, and for that, the Capex investment is close to INR 10 crores. So that's what we are looking at. In addition to that, maybe there will be some more Capex. So overall, maybe around INR 15 crores is a rough figure which you can consider.

Priyam Shah

Okay. So is the number 25 (10 plus 15) or it is 15 including 10?

Konark Trivedi

15 including 10.

Priyam Shah

Okay. Last question, while you come back with regards to the tax rate, what would be the sustainable tax rate going ahead?

Charan Jeet Kalra

See net tax rate, we are actually considering it at 25% plus the Cess, approximately 27% is the tax rate which is being provided for.

Priyam Shah

Okay, okay. Thank you so much. If there is any follow-up, I'll be coming in the queue. Thanks.

Charan Jeet Kalra

I'll answer your previous question. See, the current quarter has a tax total including the deferred tax that is coming approximately INR 2.75 crores. So compared to the last quarter, it is less. See, there is a deferred tax which has become positive because of the capitalization of

the assets. So, in the last quarter, it was negative, but this quarter, it is positive. But overall, the tax component is lower compared to the last quarter.

Priyam Shah

Okay, got it.

Charan Jeet Kalra

Yes. So, in case you have further questions, you can write an email to me. I will be able to explain you over from mail also.

Priyam Shah

Not an issue, sir. Thank you so much, and I wish you all the best.

Moderator

Next question comes from the line of Rohan Patel from Turtle capital.

Rohan Patel

Thanks for the opportunity and good set of annual numbers. Sir, this is just regarding, in Q3, we had an order book of INR 105 crores, and you guided for INR 55 crores to INR 60 crores of revenue to be recognized in Q4. But we have somehow reported INR 48 crores. So, can you give us the reason for the shortfall for the same or that has been delayed?

Konark Trivedi

Look, as far as guidance is concerned, we have always been giving guidance on the year basis also. At the end of Q3 also, the guidance that we have given was that we will be still achieving our given annual target of 30% growth. And that's what we have maintained, so, I don't remember saying that in Q4, we'll be achieving revenues of INR 55 or INR 60 crores.

Rohan Patel

Not an issue. So as of now, our order book stands at INR 71 crores. So, when you're talking about the majority of growth coming from DAS, so do we have any of the orders in hand in this INR 71 crores for DAS?

Konark Trivedi

No, in INR 71 crores, no, there is no DAS component there because whatever DAS was there, we built and shipped everything within March.

Rohan Patel

Okay. So, can you just give a breakup of what this INR 71 crore constitutes of? Is it mostly towards network accessories and repeaters?

Konark Trivedi

So, this has network accessories. This has some repeaters, and this has a services component also.

Rohan Patel

Great. One question regarding our base business of network accessories. Like, we have guided that business is, going to grow at 10%-12% for us, and majority of that growth would come from our new account from IDEA. Considering that IDEA is having issues regarding capital, do we see this year any of that growth or that account being fructifying from us?

Konark Trivedi

Look, in any case, we have as I mentioned in the earlier caller question also, we are in our projections as far as IBS accessories or network accessories are concerned, we have not considered any growth coming in from there. So that should remain mostly flat. And we are expecting the growth to come from our DAS market or our new products, which is CCTV or SFPs and all that. So, this is how we are expecting our growth coming from.

As far as Vodafone is concerned, Vodafone will be definitely making some contributions. They already are making contribution. Even in last year, they have made contribution to our revenues. And going forward also, they will be making contribution to our revenues. And while the news around Vodafone keeps coming and going, we don't see Vodafone to be going away anywhere from the market. In some form or other, they will still be there. But as far as their impact on us is concerned, they are not very significant contributor to our revenues. And going forward also, we have not considered them to be a significant contributor. If they become, then it's good, but we have not considered them to be a significant contributor.

Moderator

Thank you. Next question from the line of Vishal Pandiya, an Individual Investor.

Vishal Pandiya

Sir, as you had mentioned that DAS section of our business contributes around 50%. Can you confirm what is the contribution from telecom towers component business?

Konark Trivedi

Look, Vishal, we won't give this product line wise breakup simply because our volume is still very low. As, I mentioned almost 50% is coming from DAS. Now for the remaining INR 110 crores, I don't want to give break up. It's a small point.

Vishal Pandiya

Yeah. I understand. So, the reason is, I just wanted to understand your opinion on the scenario. So, when we had news about Starlink, you mentioned that they are kind of not a threat to us because they are altogether a different technology and probably not in our circle. But there was a report, sir, which said that maybe a B2C kind of market might not be too relevant for Starlink, but B2B might be relevant because just for the sake of being last mile connectivity

certified companies, Airtel and Reliance might rather than going for installing towers, they might go for taking Starlink services and providing the last mile service. And because of which, there was one article also in business standard which says that the number of installation of towers had gone down from around like, 1,11,000 towers per quarter to around 8,000 to 9,000, towers. And this probably can kind of have indirect impact on our business. Right? So, I just wanted to understand your opinion on this.

Konark Trivedi

Okay. So, Vishal, look. Let's look at the basics. You know? Now, where our solution works, okay, whether it is repeater or DAS. Our solution works in for providing better coverage for your mobile phone. So, our solution is dedicated for your mobile phone. Right? Now question is whether your Starlink can replace your mobile phone? The simple answer is no. Why? Because what Starlink is going to provide, let's say, irrespective of whatever cost they come in. Let's keep the cost aside. So, for your home, you can deploy Starlink at your home or at your office.

These are the two possibilities. Now what it is going to replace? It can probably replace your broadband router. So, your fiber coming to your home, it can possibly replace that, or it can potentially, you know, give you a replacement. If you don't have a fiber, maybe you can have a Starlink or your fiber is not giving you good speed, you can put a Starlink. Let say that, but you still will need your mobile phone. Okay? Starlink is not going to replace your mobile phone.

Now where our solution goes? Our solution goes in airport, in metros, tunnels, coverage in the tunnels or in the stadiums or large concert venues. These are the areas where our DAS solution goes. Even at your home or your office, you might have broadband, but you will still need your mobile signal. Right? You are not going to, go away from your mobile.

So from this basic premise, if you're walking into an airport or if you are traveling in a metro, you still need your mobile signal. And that's where our solution comes. So, I hope I was able to explain.

Vishal Pandiya

Yes, I understand that. Any specific reason in your opinion, why Airtel and Reliance cutting down their Capex on tower installation?

Konark Trivedi

Look, what I understand is that now there is the basic coverage has already been achieved, what we are looking at. Now there are only three areas where these operators need to work and potentially invest money in. One is the rural coverage, which government is also after. Second is, the densification. So, by densification, I mean is, there are shopping complexes or areas like Chandni Chowk, where there are a lot of users, and the capacity is less.

So, the coverage is there, but capacity is less. So, they are putting more small cells in these areas to provide additional required capacity. And third place is in building solutions. So, inside the buildings, they need to provide coverage because the 5G signal is almost everywhere outdoors. But in most of the indoor areas, still that penetration is not there. So, this is a third area where they need to work on. So, if you look at these three places, they don't need to build towers.

Vishal Pandiya

Right. So, just from our company perspective, so, you mentioned that most of the DAS, projects have now been completed. And, in the current order book, we are not having too much of, DAS project.

Konark Trivedi

No. I didn't say that most of the DAS projects are completed. I'm talking about DAS coming from the indoor side of it. What I said is in outdoor, all the coverage has been done, but now it's the time to focus on the indoor coverage. And that's where the DAS comes into picture or repeater comes into picture.

Vishal Pandiya

I was just trying to understand the revenue visibility and I might be repeating myself, your confidence in your guidance for FY 2026 because are there any new DAS projects where we are bidding or something which is already there in pipeline? Can you throw some color on that?

Konark Trivedi

Yes. So there are new airports which are there. We are participating in those projects. There are existing airports which need upgrades for either 5G upgrades or their new terminal has come up. So new terminal needs additional coverage. So, those projects we are participating in. And there are metro lines which are seeing expansion. There are metro lines, where they need upgrades again. So we are participating in all these projects already. We are also working with some large venues like the stadiums to bring coverage there. So there are significant opportunities which are there.

Moderator

The next question comes from Reena Gattani from Paul Asset Consultant Pvt Ltd.

Reena Gattani

Sir, first, I would like to ask that after your SMT line will start after a month and you will start getting revenues from the CCTV and all these products. So how do you see after three to four years, how much revenue will be from the new SMT line and how much revenue from the OneDAS system? Because currently you are generating 50% revenue and maybe how much revenue will you get from it after three to four years and all after the starting of the new SMT line?

Konark Trivedi

So, Reena, look, so for us, SMT line is just a tool to manufacture our products. So, we are not still looking at SMT line to do job work and generate revenue. So, a better way to do it is how much revenue we are expecting from, let's say, CCTV market. Now, CCTV market in India itself stands at about \$6 billion as of today. It's a very, very big market, and with the recent change in the regulations where you need to have FTPC certificates for your devices. This is changing the game, bringing in new opportunities, whereas the existing player also needs to bring in

change in their equipment, change in their models. And that is giving us quite a good opportunity here.

We expect the CCTV market, we should be having to go with 5% contribution for us is also going to be pretty big, which works out to maybe a revenue of about INR 1,000 crores plus. So that's what we are looking at. It's a big landscape for us. And our success in CCTV market in financial year '26 is going to show us a big way in this market.

Reena Gattani

And sir, my second question is like your EBITDA margin, you have exceeded about 15% in this financial year. And so, after the incentives will end, as you said that for the next two years, you will get the incentive. So after that, what kind of EBITDA margin are we looking at?

Konark Trivedi

Look, we will be maintaining it, we have given our long-term growth for financial year '28. We have given a projection of INR 500 crores in revenue with 15% EBITDA. So, financial year '28 is going to be without incentives, without PLI incentives, for us. And, yeah, we will be doing 15% plus in EBITDA that time as well.

Reena Gattani

Yes. So, you mean to say after the incentive also, you will be achieving an EBITDA margin of 15%?

Konark Trivedi

Yes, because look, our vision is that going forward, our growth is anyway coming from active components, active items, which are high margin items. And so that is going to help us to grow further. The low margin products that we have in our portfolio should stay the same value wise, but the percentage wise, they will be reduced on the overall contribution in the revenues.

Moderator

Thank you. Now I hand over the floor to Mr. Trivedi for closing comments.

Konark Trivedi

Thank you very much, everyone, for joining the call today. Your questions were very interesting, and we hope we've been able to give a fair amount of answer. Our focus will continue to remain on achieving our strategic goals and we are committed to driving the continued and sustained positive results. Once again, if you have any further queries or need any additional information, please do contact the Investor Relations team at E&Y.

On behalf of the company, we again deeply appreciate your time and engagement. Thank you once again. Take care and good bye.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference call for today. Thank you for your participation. You may disconnect your lines. Thank you, and have a good day.

- Note:**
1. This document has been edited to improve readability
 2. Blanks in this transcript represent inaudible or incomprehensible words.