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August 21, 2025

To

**Corporate Relationship Department
Bombay Stock Exchange Limited**
P.J. Towers, Dalal Street,
Fort, Mumbai 400001

**Corporate Relationship Department
National Stock Exchange Limited**
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai 400051

Sub: Transcript of Earnings Call hosted on August 14, 2025 on Unaudited Financial Results (Consolidated and Standalone) for the quarter ended June 30, 2025

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

Dear Sir/Madam,

This is further to our letter dated August 8, 2025 with reference number BBOX/SD/SE/2025/52 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call hosted on August 14, 2025 on Unaudited Financial Results (Consolidated and Standalone) for the quarter ended June 30, 2025, is attached hereunder.

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

For **Black Box Limited**

Aditya Goswami
Company Secretary & Compliance Officer

Encl.: A/a

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“Black Box Limited Q1FY26 Earnings Conference Call”

August 14, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th August 2025 will prevail.”



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

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q1 FY26 Earnings Conference Call of Black Box Limited.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

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

Sanjeev Verma: Good morning, everyone. I hope you are all doing well. On behalf of Black Box Limited, I would like to welcome you to our Q1 FY26 Earnings Call.

I will start with an Overview of our Business Performance and then our CFO, Deepak Bansal will walk you through the Financials.

We have already uploaded the Results Presentation and I hope you had a chance to review it. It is great to connect with all of you again.

Over the past five years, we have transformed Black Box from a loss-making entity into a profitable cash-generating business with a strong balance sheet. With the turnaround complete FY26 and onwards, is about accelerating growth, steering revenues, and capturing market leadership.

While the year began at a slower pace, we are seeing solid traction in key accounts and are actively engaged in multiple high value opportunities.

This quarter, we retained the order booking momentum similar to Q4 FY25 and booked orders worth \$176 million, with most of the deals, nearly two-thirds, being high value deals.

Some of the notable order wins during the quarter included a very large project in the U.S. from a leading financial services giant, as well as a workplace solution engagement from one of the world's largest OTT players for their operations in Latin America.

The company also secured two significant data center orders in the U.S., one from a global hyperscaler and another from a top-10 global core location provider.

Other key wins included a workplace solution project in the U.S. from a top-tier city transport authority, a combined connectivity infrastructure and networking order from a prominent public services organization, and a large networking deal from a reputed 200-year-old research university in the U.S.

Our backlog at the end of Q1 FY26 was at \$518 million, up from \$504 million at the end of FY25. We are confident of reaching \$700 million of backlog by end of the fiscal year. We are also targeting to book orders worth \$1 billion in FY26.

As mentioned by us in the previous quarter, our order book will continue to grow as we implement our new GTM with experienced leadership and business teams now in place across verticals and horizontal solutions. And this will set the stage for FY29 target to reach to a \$2 billion in revenues with an expanding order book.

Strategically, we continue to reduce our long-tail low-value accounts which was reduced to less than 1,000 at the end of Q1 FY26.

We expect demand for our services to remain strong, with sufficient headroom at the back of AI-led overall growth, which will require refreshed new deployment and retrofit of technology infrastructure. Backed by our solid market positioning and proven capabilities, we are confident in achieving our growth target for FY26.

With that, I now hand over to Deepak, our CFO, for the Financial Updates.

Deepak Bansal:

Thank you, Sanjeev. Hello and good morning, everyone.

As you would have seen revenue for the quarter stood at INR1,387 crores, down 3% year-on-year impacted on account of client-driven delays in equipment procurement due to the ongoing tariff situation which pushed out revenue cognition and affected operating margins as well.

Given the focus on getting large size of orders and our focus on high value customers, the average lead time from order receipt to first revenue recognition is now extended to around four to six months. Hence, you will see revenue increase from our robust order bookings only post Q2 of FY26. There is also a small impact from the reduction of the long-tail low value accounts.

EBITDA for the quarter grew 1% to INR116 crores compared to Q1 of last year, essentially remaining flat. While EBITDA margin improved by 30 basis points year-on-year to 8.4%, they were lower compared to Q4 of FY25 due to lower fixed cost absorption in Q1. Fixed costs generally would range around INR310-320 crores per quarter. Fixed cost absorption will be better in the coming quarters as revenue increases. Our guidance of 9%-9.2% EBITDA margin in FY26 remains intact.

Profit after tax rose 28% year-on-year to INR47 crores from INR37 crores in Q1 FY25, with margins increasing by 80 basis points to 3.4% year-on-year, primarily driven by reduction in exceptional expenses and lower taxes.

In summary, we delivered year-on-year growth in both EBITDA and profit after tax, highlighting our operational efficiency and margin resilience.

With a strong order book, healthy cash reserves, and a reinforced go-to-market strategy, we are confident of delivering on our growth ambitions for fiscal year.

I would now request the moderator to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Deep Shah from B&K Securities. Please go ahead.

Deep Shah: Yes, hi, good morning. Thanks for the opportunity. So, first question is on the commentary that you gave that revenue growth was impacted due to delays in clients' equipment ordering. Now, this is unlikely to change in the near term, right? So, what gives us the confidence to stick with the guidance because the revenue guidance effectively implies that an 18%-19% kind of growth is needed in the balance nine months of the year to achieve our '26 guidance. So, if you could just give some more context, that would be useful?

Sanjeev Verma: So, yes, in the short term, I think with some of the uncertainties still remain on tariffs, we expect there will be some delays. Some of them are big deals because it is from a backlog perspective is cyclical in nature. So, it is two months, it is now 3 months or 4 months' time. We expect it to ease post-October, hopefully, but we are not sure. Having said that, I think certainly we are looking at where we stand in terms of order backlogs and our burn rate. We expect that the burn rate would be better because we are baked in the last three, four months of order book that has come through, that has not gone into revenues. Also, our pipeline currently, as we stand today, getting into the middle of Quarter 2 is much robust. We expect our order book to continue to rise as we get into Quarter 2. It is impacting our revenues positively for Quarter 3 and Quarter 4. It is a kind of cyclical coming at the back. To answer your second question, we expect our revenue and order book momentum to track between 15%-20%. In fact, order books will track more than that going forward each quarter from here. So, we have still remained positive with respect to our guidance, as Deepak alluded with respect to also EBITDA impact, and also from an order book perspective of exiting the year closer to \$700 million. We are currently at \$520-odd million. So, we remain robust. The work that has gone through the last five, six months, starting our order backlog this quarter, getting into next quarter, we understand we need to track between 15%-20% and remain positive that we will be able to deliver that.

Deep Shah: Right, sir. This is useful. Second question is for Deepak. So, Deepak, in our press release, we mentioned EBITDA of Rs.116 crores. But if my understanding is correct, this includes Rs.11 crores of FOREX gain. Is that understanding correct?

Deepak Bansal: Yes, yes. So, there are three types of FOREXs normally in the business. One is that which is on a translation side of it that passes through the OCI, which does not hit the P&L as such. The second type of thing is a cash flow hedge, which is when you hedge your currency for different movements, on that, it comes under the line below the EBITDA. The third type basically is when we have the inventory, because we deal in multi-currencies, we deal in almost like 19 currencies in our operations overall. So, on that, when we have the inventory accounts receivable and accounts payable, and the consumption pattern and the revenue pattern on that happens, and primarily that happens in our product business and all those things. Every quarter, when you book it on a transaction level, there is a currency difference every day, which happens depending on that. And that is, if you see consistent every year, it can be positive, it can be negative every quarter, every month and all those things. That is part of the EBITDA only, because that is an operational-related thing. Because of the accounting gap requirement, we show it as a different line item. But otherwise, it is related to the operational thing, which impacts our inventory valuation and our accounts receivable and payable when the customer pays the money or we pay to the vendor or when we consume the inventory when we sell the inventory.

Deep Shah: Right. But Deepak, it is really difficult to forecast this number, right? So, when you give your estimates for or guidance for '26 or for any year, should we think that this guidance that we have given of 9.2% margins is exclusive of all of these impacts? Because as you said, right, that it could be positive, in some negative in some years, and it is not really in our control.

Deepak Bansal: You are right. Technically, that currency is not in our control. The planning of the inventory and the planning of the receivable and payable is in our control. And that is how we plan. So, this quarter, when we saw that the currency is going in the right direction, we planned our inventory to consume in a way that we take benefit of that. So, it is in our control to plan that how we are consuming from which country and which currency we are passing on that inventory to consume. And that is why it becomes more like because that is real money which is coming. It is not like that is just an accounting thing. It is real money which flows to us with respect to the collection or with respect to the inventory consumption in terms of the margin. So, when we forecast this 9.9%, that includes some of these strategies, because in the business, you apply all these strategies when you are delivering the material to the customer or anything where you will try to do all these things. When the currency is going down or something like that, then also you will do a different type of thing. You will consume the currency. If I have a material sitting in a Switzerland warehouse, so I will sell that if the Swiss Franc is doing better than the euro.

Deep Shah: Right. Understood. And just one more follow-up. This quarter, we saw some 40% increase in purchase of stocks. So, anything to call out here or it is just a timing difference?

- Deepak Bansal:** It is a timing difference. It is a timing difference that because we continue to purchase the inventory and sell. So, because of the tariff things on our TPS side of things, we little bit purchase more to basically store the inventory in US to reduce the impact of the tariff because on the China goods or whatever we have purchase from Taiwan also because Taiwan when they put the higher duty initially, we ordered the material to come in advance to consume in the next quarter and all those things. But now, Taiwanese duty has again come back to the lower levels now. So, as such, there is not much impact on that. But, we are planning basis what is happening right now on uncertainty type of thing.
- Deep Shah:** Understood. This is super useful. All the best. Thank you.
- Moderator:** Our next question is from the line of Abhishek Kumar from JM Financial Limited. Please go ahead.
- Abhishek Kumar:** Yes. Hi. Good morning and thanks for the opportunity. I have a couple of questions on your outlook only. First, I just wanted to understand when you say that you expect \$1 billion of order booking in FY26, is it corresponding to the \$176 million inflow that we did in Q1, that cumulatively you expect to reach \$1 billion in FY26?
- Sanjeev Verma:** That is correct. So, basically, the cumulative order booking for the year starting at \$176 million, when you track 200, 250, 300, we will do a cumulative of \$1 billion for the year. You are correct, Abhishek.
- Abhishek Kumar:** Okay. So, that is very encouraging. And you have mentioned \$2 billion plus pipeline. So, that means, very strong win ratio for us to do that. So, we have the visibility, the positioning that we have in terms of where we stand in those deals today to hit that bill. What is giving us the confidence that out of \$2 billion pipeline we can get -?
- Sanjeev Verma:** \$2 billion is a point in time. So, if you consume or you burn or you pick up orders for \$200 million, you have to replace it by pipeline. So, the pipeline should actually grow from 2 to 2.1, 2.2, 2.5. It is a point in time. It is taking into account that what will burn, which is what will win, that does not mean that you have \$2 billion static pipeline. After you get \$250 million worth of orders, it should replace that through a pipeline. So, it is an absolute number that should remain constant or move up basically adding. So, if you look at from a percentage win ratio, I think we have a significant pipeline at a given point of time corresponding to a quarter. So, if you are looking at \$250 million, we are looking at 12%. So, it is a very healthy pipeline. Of course, all of them will not close in these next nine months, some are longer lead times. But a robust pipeline, the current engagements on larger deals combined and are able to continuously improve the pipeline through the go-to-market transformation that we are doing, we are seeing these engagements. So, all put together, we believe we are confident of an absolute booking of \$1 billion, exiting \$700 million of backlog. We think we need to move the backlog from the current \$520 range as we move forward to open a better backlog so that we start Fiscal '27 and open a better note.
- Abhishek Kumar:** Okay. And second, I think it is mentioned that now because we are chasing larger contracts, the lead time has increased to four to six months. I think this is the first time we have mentioned this. So, does

that mean now that the order that we have won recently, the conversion or the revenue recognition will only happen in the second half? So, therefore, we might have a soft Q2 as well?

Sanjeev Verma: So, we expect that Q2 to be much better than Q1. So, we already have a backlog which is delayed burn, so did not impact all of that in Q1 or it could have been better. We expect the Q2 to be impacting and the orders that we are booking as we speak will impact partly Q2 going back to Q3 so to just continue to push forward. But no, we expect Q2 to be much better.

Abhishek Kumar: Understood. I will come back in the queue.

Moderator: Our next question is from the line of CA Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

CA Garvit Goyal: Hi, good morning. So, my question is on the tariff front only. I remember in last quarter we spoke on this topic and you mentioned that you will be having a limited impact as far as the tariffs are concerned, and you cited that most of our revenue model is based on some on-ground services, and secondly, our OEM products, that too, will not be affected much because these are getting purchased locally. So, what is the scenario now? Why we are seeing this quarter our revenue is getting affected because the customers are delaying the purchase on account of the tariff environment? So, I am not able to understand this thing. So, can you please put some color on that?

Sanjeev Verma: So, I will take it and maybe Deepak can allude that. So, when we said the tariff would not impact us from a perspective of our margin and profitability, I said because it is a pass-through for us from product side. So, I think so it is not going to impact or if it costs us more, I think we need to pass that. So, that is a take on that impact of tariffs. But from a customer perspective, his cost of purchase is going to go up, right? And I think so there is a delay for larger projects, which includes some products. Of course, we are largely services-led to make a decision on a certain thing. We are expecting the tariff for some countries to become better. So, that is on the customer side. We are a small part of the customer overall CAPEX, right? So, they are having a delay in their overall CAPEX. If they are building a data center, if they are building a large infrastructure like airports, we are part and parcel of the larger CAPEX program. So, if they are delaying some decision-making, it is not because they are delaying only for us, they are delaying a larger CAPEX, they are taking time to see when they want to spend that money or they are impacting us on the other purchases. So, there is a general delay, not because of just our products or our tariffs. So, two parts to it. The tariff is not going to impact us from a P&L perspective as much as it is a pass-through. The customers considering a bit of uncertainty with somebody at 25%, somebody at 50%, somebody at 19%, just happening over the month of July and August. I mean, generally, the environment with respect to customer decision-making was largely impacted for overall CAPEX spend perspective. Deepak, is there anything else?

Deepak Bansal: Yes, yes. So, well, you rightly told, it is a macroeconomic type of situation there in US right now. So, let us say I have an order from a customer to execute a project, but that is dependent on two things; one, the readiness of the site; and the second is the availability of the equipment which is

required to be deployed where our role will be there. And that equipment may be a server or maybe a networking equipment or maybe cables or whatever it is where our technicians will be deployed to install, manage and all those stuff. Now, if the customer is not getting from their supplier or from OEM or delayed the decision because of a tariff uncertainty and all those things, because there was a huge uncertainty on the copper tariff in between. And because of that, the people imported the copper flaps, but not the copper wires and cables. And because of that, there was generally a shortage of the cables in US, which now has started coming up once the administration is coming with the clarity on that. If there is no material to install, then our technicians obviously cannot work there and all those things. And because of that, we cannot recognize the revenue. And that is what I think is the project delayed and that is where the revenue recognition delayed. It is not like that we lost that, it is just the delayed because then we will execute it now when the products availability is there and all those things. So, we have a regular engagement with our customers, we are working with them in terms of the revised timelines on the project and all those things, and can we do some change orders with them, basis that and all those stuff on the background, all those things are going on.

CA Garvit Goyal: Understood. And when we say like Q2 is going to be better than Q1 and we are also maintaining our guidance. But at the other hand, tariff situation is getting worse day-by-day, right -

Deepak Bansal: I will say tariff situation is generally resolved other than India, because China is now extended for three months, other than India, Brazil and a few countries, the tariff situation is generally resolved. The China is all stabilized now that China will continue to be at the current duty and all those things. So, I think I will say that the tariff situation is now far better as compared to the earlier. People have now the almost like I will say 90% clarity in terms of what is happening. There is not much dependency in our line of business from our IT CAPEX and all those things from India. So, from that perspective, I think there is a more certainty now as compared to in the past.

CA Garvit Goyal: So, if India is going to face a tariff which is incrementally greater as compared to the other countries, so do you not think people will be shifting to some other countries at least for the product part?

Deepak Bansal: So, the import in the US of the technology products which we are dependent on, whether it is all the OEMs, networking equipments and all those stuff. I do not think that India plays a very contributed role in terms of going to US. We do not work obviously on the cell phone devices. Cell phone devices from India in US, by the way, the duty is zero. So, from that perspective, all the dependency is on Europe, China, Taiwan is the major dependency in US for our products what we deal upon. So, from that perspective, those all things are sorted out. India duty probably will not impact us. Sanjeev, do you think India duty will impact us from the networking equipment perspective?

Sanjeev Verma: No, we do not so. I think India is not a network equipment exporter. So, I do not think it will impact that.

CA Garvit Goyal: So, as of today, we are pretty much confident about achieving the guidance that we are speaking about, right?

- Sanjeev Verma:** The answer is “Yes.”
- CA Garvit Goyal:** And any kind of risk like do you see like after the quarter, you mentioned like this kind of risk occurred, so, any kind of risk are you seeing right now which can stop us from achieving this guidance?
- Sanjeev Verma:** So, all of the known risks from the past are baked in. The future risks, which we can’t see, can’t see right? But whatever we have at this time, be it tariff, be it some delays, they are baked in our pipeline, our current order book, our current go-to-market motion, the things again where we are, but if it gets in some other direction, which we do not know or all of us do not know, we do not know that. But leaving that aside, there is no other event that we could not answer, as for our guidance is intact.
- CA Garvit Goyal:** And you mentioned about the newer orders that we are targeting in FY26. Can you put some more color like how much percentage of these orders are going to be from data center and what kind of timelines for these orders to be executed?
- Sanjeev Verma:** So, our ballpark range, our data center orders should be in the range of 20%-25% and a little back to that. We are slightly lower over the last couple of quarters on that. So, that would be in that range. So, if you look from a perspective of overall a billion dollar, we expect over \$200 million in some way in that range to be in that range, right? With respect to our project timelines in general, depending when we book the projects, our average project timelines are between six to nine months time. So, we will carry forward when we said we want to book that a significant amount of uptick with respect to our backlogs going forward. 80% of our business is outside of the data center, which includes networking, includes infrastructure, modern workplace, also includes our technology products, that is a Black Box product business.
- CA Garvit Goyal:** And what is the size of orders you mentioned as an incremental order?
- Sanjeev Verma:** The size of orders, I think we are focused, as we told before, for the last two, three quarters, we have been saying that we have been pivoting from Black Box a very long list of customers, it was over a couple of thousand to customer focus on larger deals, because we believe that that is where our focus should be. We are seeing that the contribution in our quarterly order booking pertaining to larger deals, over 1 million, over 5 million, is much more. And as we move forward, we expect that to even go better, whether deals worth 10 million or more, 20 million or more. So, that is where the focus has been over the last several quarters. And we are at the right spot at this time to make a win across data center, across infrastructure, across airports, healthcare, in all the verticals that we operate. That is where we have been focused on, long-term, larger deal, multi-year annuity. So those are the focus areas. And that is where we see our company is heading towards.
- CA Garvit Goyal:** Got it.. Thank you very much. Thank you.
- Moderator:** Our next question is from the line of Jatin Deshpande from Pkeday Advisors. Please go ahead.

Jatin Deshpande:

Hi, sir. Good morning. Yes. So, my first question was that the data center industry is going through a boom in the US. The numbers are not rising as fast. And so, what is the reason for that? And also, in last call, you mentioned that the marginal decrease in revenue was one of the reasons was that due to rationalization of your client base. So, is there any specific reason why you need to remove the long tail clients before you add new larger clients to ensure that the revenue does not drop? And also, I am assuming that tariffs have only come recently. So, that is not the reason.

Sanjeev Verma:

So, I will answer the first part and try to answer the second part and leave it to Deepak. So, the data center, of course, you see a lot of announcements in the data center between the announcements of data center and the time it goes online with project, there is a huge lag, right? So, I think if you see an announcement of data center for 2 GW from the announcement to the removal of the dearth by the time we get to do our work, there is a lag out there. In the last six months, nine months or so, we have reorganized our focus on the data center. We had one large hyperscaler client, which we did not produce enough in the last six, nine months. Currently, we are sitting at a very large pipeline and win rate coming forward from that client. But more importantly, we now have won and gotten into other large global multi-location provider. We are also in active engagement with the pipeline from a win ratio perspective, the relationship from that perspective, with other hyperscalers and Co-lo providers are much better. The closing of a deal for a hyperscaler for the world that we do is a long deep time. And once you get it, you stay for a long period of time as a partner. There is also a dynamics with respect to large hyperscaler and working collaboration with large general contractors and customers with hyperscaler and multi-vendor approach, right? So, we will make it a little complex. So, there is a lead time and lag time from when we start off engaging for larger projects by the time we get to contracting and by the time we start delivering revenue from that order book. So, there is a time lag. So, where we stand today from our ability to see pipeline conversion, the line of sight is much better and therefore, I said, we expect 15-20% continuous movement both in order book and revenue going forward. So, that is one. The second question, I will defer to Deepak. You talked about margin. I did not get the question exactly, but maybe Deepak will -

Deepak Bansal:

Yes. So, I can take that. So, on the long-tail customers, we have already informed everybody that we deal primarily with the large Fortune 500 clients. And in every vertical, what we have announced, we want to deal with the top, let us say 100, 200 customers. And that is where I think the biggest penetration is. We used to have more than 2,000 customers two years back on a long tail side of it, where the value of the deal, the engagement with the customer is a one-time engagement in the year or two times, or the value of the deal is between \$10,000 to \$50,000 and all those things. The cost to deliver that customer was extremely high in terms of the overheads while the gross margin may look okay, but then the SG&A will be higher to deliver that. And that is why we took a conscious call to reduce our long-tail customers. So, that exercise is going on. We will continue to see that now we have less than 1,000 customers in fact on that long tail thing, because you cannot suddenly reduce everything, but we are doing a consistent effort to do that. Because last year, total impact was between \$16 to \$17 million of that on the revenue. This year, we are not expecting that much of impact. This year, the total impact we are expecting in the range of primarily six to seven, which is already built

in what the guidance we have given that is already built in that. With that, I think our streamlining on the long tail orders will be over, let us say, on a consistent basis in the current fiscal year.

Jatin Deshpande:

Got it. Got it. That was helpful. And sir, can you help me understand your customer on the data center side? So, do you directly deal with, let us say, for example, Meta or are you dealing with their vendors? Do you have any preferred vendor position with any of them?

Sanjeev Verma:

That is a good question. So, we deal directly with Meta, both from a contracting perspective and from an individual perspective. We also deal with Meta's large vendors, mostly master contractors in some cases. So, Meta, or any other hyperscaler for that matter, utilizes both channels. There are many sites they contract directly. There are many works that they contract directly. They are putting up a dash network, they might contract directly. So, in some sites, considering the nature of the site, the way they have contracted, the master contractor could be a back-tailer turner, could be a lock, stock, and barrel. Pretty much they will be like an airport or a railway system, right? I mean, you might give it to Siemens or somebody else and they become the master contractor. So, they utilize both. So, we have relationships with their master contractors that we work with. So, these are multi-billion-dollar large master contractors. We also have to work directly, irrespective of whether we contract sometimes with the master contractor, because that is what they prefer. But the design element, the discussion element is more like a tripartite. You have to sit in the room with all because each is interconnected. So, to answer your question, we have both kinds of contracts directly related to Meta in certain sites, in certain geographies. For example, we do a large work for them in Europe. We contract directly in some sites. In America, we contract directly. We also contract indirectly if that is what their preference is.

Jatin Deshpande:

Got it. Got it. Thank you. And sir, you have guided for a significant inorganic growth through FY29. So, do you have any plan on how are you going to fund this -- are your internal accruals enough or do you plan to raise any debt or -?

Deepak Bansal:

For organic growth, we require just working capital. That working capital, we have the off-balance sheet facilities, and I think we should be able to fund it through our internal accruals and all those things. For the inorganic activities, we may have to raise the debt depending on the situation and all those things, because normally our philosophy on the inorganic acquisition is that we continue to look for suboptimal or subpar performance type of companies, which we can get at the lower price, where we put our capability to transform those businesses and then we do some type of structure in terms of deferred consideration and pay upfront something and all those things. So, right now, we are not envisaging that we will be enhancing the debt, basis that, but if we find some good asset, which is a large size or something, and if we need to take that in terms of achieving our targets, and we feel that, that asset is a transformable and we can transform it quickly and all those things, probably it all depends on the situation, on the inorganic growth, how that evolves and everything.

Jatin Deshpande:

Got it. Thank you so much. All the best.

Moderator: Our next question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D Patil: Good morning to the entire Black Box team. And my question is to Mr. Sanjeev Verma. In the last concall, I believe you had emphasized a shift from stabilization to growth, targeting approx. 2 billion revenue by FY29. So, just an extension to that question, as Black Box transitions from stabilization to growth, how are you thinking about evolving your engagement model with hyperscalers and large enterprises from being a systems integrator to a strategic co-innovator in areas like AI infra, Edge Computing or Sovereign Cloud? And are there plans to co-develop IP or enter joint GTM partnerships that could deepen wallet share and create annuity like revenue stream for the company? Yes, thank you.

Sanjeev Verma: Yes, so the first part of the question is, so far we are focused on moving from stability to hyper growth going forward. And we are on the right path to be able to do that. As I called out earlier, we expect our coming quarters to gain velocity and momentum both in order book and revenues going forward. So, the world of hyperscaler is broken into two distinctive parts: One, of course, hyperscalers have built their own projects largely at the core, largely they build large mega infrastructures. And then, of course, there are various multi-tenant Co-lo providers which also build and support these hyperscalers largely at the Edge, right, which means they build in the cities, they build various sites for them and the likes of QTS or CyrusOne or others in that space, also a partner. In fact, if you look at India, many of the Co-lo providers now are actually a wholesale provider to Google and AWS. The model that they started earlier was different, right? So, now the consumption happens. So, coming back to your question from a transactional provider to a strategic one, that is exactly what we are doing at this time, engaging with these hyperscalers that we have, starting from building their core infrastructure, we do connectivity and networking. We are also doing some other work pertaining to that infrastructure and wireless infrastructure. The larger hyperscalers, they buy differently. We do not expect to be selling compute to them. They actually do not buy compute from anybody. They are starting to build their own compute. So, that is one side. From a long-term partnership perspective, we do provide what we call day-to-day support, which is annuity in nature. So, once the work is done, their work is never finished, so, you need to support the work that you do. There is always some move activities going on. So, somewhere around 10%, 15% of our workforce will continue to remain to support the day-to-day and our endeavor is to be able to do that longer-term. When we come down to some of their partners, which is their location providers, multi-tenant, the ability to do with them is a little bit more, because they do a small format. So, when we work with QTS Realty, we could go up the value chain from Layer 0, Layer 1, Layer 2, and we are also forming partners with them. Over the last several quarters, the investment that we have made and the talent that we have brought in quality, safety, project controls, high-level leadership, our engagement now, both with hyperscalers, outside of our single largest client that we have is increasing. And our current engagement is across various multi-tenant, various hyperscalers, both from a pipeline perspective and we expect to be able to become their core strategic partner. We will do a project that lasts for 1-2-3 years time. You cannot be a transactional vendor. Black Box is also working with many of these providers in more than one country and we intend to expand. For example, we are

focusing on Europe and some markets, especially in Spain, UK, and other areas is it the back of a relationship. In summary, we are looking forward to long-term relationship. That is the reason why we are focused on larger and similarly are engaging with larger enterprises as well in a similar nature. So, therefore, we decided not to give everything to everybody. That is the reason why we are moving out of the long tail, and most of our engagements are now focused on long-term contracts either projects or long-term multi-year annuity contracts that we do for several critical infrastructure like airports, we support some of the largest airports in the US. So, that is the initiative.

Sucrit D Patil:

Great. That was good insight. Just on an ending note, I just want to understand from you as a CEO of a company, how do you decide where to focus between US hyperscalers and India's digital infra, what is the framework behind those choices from your point of view?

Sanjeev Verma:

So, from a size perspective, I was told before we focus on where we believe we will get better yield from the effort that we put. The size of the market for the US is much larger. Of course, India is a growth country. So, we have also pivoted to look at India as a growth market for us this time but still remains a small portion of the overall business. So, we are looking at putting our resources where we believe that we can get volume and we can also get value. So, America can provide value and volume both. India, of course, has volume coming in. So, we are currently engaged with India for larger projects. We recently received and partly delivered a very large cybersecurity project. India is going to build a lot of data centers as well. Many of them are currently in the conceptualization stage. They are announcing the project. Google announced this is a billion dollar. They are announcing and the project coming through is a long lead time. But India has a super-tenant of value. It is a cost-plus country. So, we remain cautious how to make our cash work better, how to make our capital allocation work better and what yield can we get from that perspective. So, as a CEO of a company, as I said, we are looking to drive hyper growth but we are looking to drive hyper growth that has margin as well. And India, of course, remains very core to our business both from a growth perspective but also from a delivery perspective. As you know, we are using India for our global capability center in Bangalore. So, it will remain a key aspect of our overall success both from a local business which we are cautious about because we do not want to deplete our margins but also from a delivery and skill standpoint that we utilize in India. We have 500 people supporting our global operations. We expect that to grow as we grow our business.

Moderator:

We have the next participant, Vivek Choraria, an individual investor. Please go ahead.

Vivek Choraria:

Hi, Sanjeev. Thank you for the opportunity. Sanjeev, our Q4 order booking was in the range of \$200 million if I am not incorrect before FY25 and Q1 that has actually gone down from \$200 to \$176 million. So, can you just please explain why we are still confident of booking orders to the tune of \$1 billion in the 12-months trailing? I mean, our order booking has in fact gone down. So, I am not able to square the two. And the second part of my question is we are almost through the first half of the second quarter. How has order booking been? Because I think growth is what is ailing the company. I mean, we have done tremendously well on the margin front. It is the growth part which I need a bit more color on? Thank you.

Sanjeev Verma:

Yes, I think I will first accept your statement with respect to growth and that is where the focus is. With respect to our confidence, with respect to forecasting, we have been looking at closing an absolute number of a billion dollar starting at \$175 or \$176 that we were this quarter. We are staring at large bookings coming up that we expect to close in Q2, Q3, and Q4. Many of the engagements currently from a large ticket perspective which is over \$10 million, \$20 million, somewhere around \$50 million, is in the works. And that constitutes today our pipeline. Pipeline, if you go back 12 months' time, of course, we did not report a break of a pipeline. It still remains \$1.6 billion or something in that range. But it is made up of lots of smaller deals as well. We have cleaned that up with respect to what we believe we should be focused on. In summary, to answer where we stand today, our expectation is to have at least 15-20% of growth in revenue sequentially going forward. We expect some of the quarters to be even larger from a perspective of windfall and even a large hyperscaler deal that we expect to win going forward. Considering a size of \$175-\$250 million deal for a project that lasts for nine months, 12 months, or 24 months, can skew the win rate much larger from a percentage perspective. So when I look at absolute volume perspective as to where we are and take the view of the next nine months, considering we are one and a half months down in this quarter, we are confident of where we will be in booking this quarter and therefore the revenue coming at the back and going forward. Also, what I have been seeing in Q3 and Q4 with respect to the work that is happening, of how many engagements are on the table, discussion is going on with respect to our contracting, that gives us a positive outlook that we would be able to deliver on about a billion-dollar worth of absolute booking. And if we do that, we expect that we should be able to open the backlog, which is now at \$520 range. The expectation is that we should open a backlog in the range of \$700 million going forward to set the tone for Fiscal '27-28.

Vivek Choraria:

I have a second question. Since we reorganized the GTM team and with Jai Venkatraman as the Chief Revenue Officer, can you speak qualitatively as to what impact you have seen on ground? I mean, we have talked about margin and stuff, but I just wanted you to speak to, I mean, as a company, you have been the CEO for a long time, can you speak qualitatively as to what difference you have seen on the ground as far as deal engagement and the win rate distance? And are you seeing a considerable difference if we were bidding for \$100 million worth of orders? Is the win rate double in, I mean, because everything now hinges on us delivering growth?

Sanjeev Verma:

Yes, a very good question. So, I will just add up. So, we do have Jai Venkatraman as the Chief Revenue Officer for North America. We also added, I do not know if you know, with respect to a gentleman called Sean Maguire came over two months back to lead our data center, which is an adjacent business, which is outside of Jai's span of control. So, it is a very focused data center. So, we have two. So, coming back to your question, the answer is yes, with Jai Venkat with ex-Infosys experience and his team members, which also have come from, which is our vertical heads, there is a dramatic shift with respect to our quality of engagements. Let me call out, for example, if you look at our consumer and public sector, I think we are currently engaged with very many airports. We had Miami airport, if you remember, as one of our largest customers, which is we are currently contracting to renew for several years. But we have solid engagements going on with some other large airport infrastructure. Many airport infrastructures are getting refreshed as you know in

America. Most of them are creaking infrastructure, because they do not want to spend it because they were possibly made 30, 40 years ago. So, we are engaged with them from quality of engagement perspective of volume. Also, from our existing customers, we are single threaded. We are selling networking in one customer, possibly workplace in some other customer. So, multi-threaded, horizontal approach that we have taken, connectivity, networking, workplace, cyber. We are seeing multi-horizontal, therefore, increasing the share of wallet in some of the existing customers and some of the new customers. Many of these vertical heads, including the CRO and others, come with deep experience, relationship, and creating newer solutions that we can do. So, we are now engaged with very many managed services, long-term contracts that we have never had before. Now, this takes time. It has to come to a certain tenure when they start. So, qualitatively and quantitatively, the engagement quality, as we speak, we are hosting in Raleigh very many CIOs from healthcare. We recently concluded a customer advisory council in Florida that I attended. Deepak also attended with me. We came out with very good engagements leading to \$100 million worth of active customer pipeline. I am not saying we will win all of \$100 million, but we will surely make \$20, \$30 million worth of engagement from top customers including large pharma, large life sciences. We intend to do very many more customer advisory councils that we are doing now where we invite customers. As we speak, Swami is heading to the West Coast with respect to our data center, similar format. So, with the engagement quality, the conversation with our customers, using multi-horizontals over the last six, nine, 12 months' time has dramatically improved. Now, this takes time to build. As we are speaking and looking forward in the next seven and a half months that we have, that is where we are seeing, okay, what do we expect in Quarter 2 as I called out earlier to be better significantly, and also some of these engagements to turn in October, November, December going forward. So, yes, good change in conversations, quality of engagements, multi-country, global engagements with imagining the Black Box paradigm inside our existing customers, we had a recall of a certain kind. We had very good tenured customers, as you know. But they had a recall of a certain kind that we do network, or we do connectivity infrastructure, the total story-taking, which I will go to market, verticalized, horizontal solutions, getting a grip to that, I think we are much better placed than what I would say we were about two, three quarters back.

Vivek Choraria:

Just one last question. Sanjeev, for FY26, Deepak in his initial remarks had sort of alluded to the margin guidance. Our lower end of the top-line guidance will need us to deliver almost Rs.1,700 crores per quarter. Should we start to see at least 10% to 15% growth from Q2 onwards, and then that accelerating as we move into Q3 and Q4? I mean, so far, I mean, I am sure you can see that we need to start walk in the thought. So, should we start to expect quarter-on-quarter growth on the top line from Q2, and then that accelerating as we move into Q3 and Q4? Because we are at Rs.1,400 crores, our ask for the next three quarters is close to Rs.1,700 crores if we are to meet the lower end of the top line guidance. Thank you.

Sanjeev Verma:

Yes. So, I think as I said before, the statements we expect to move forward in a quarter with a minimum of 15%, going to 20% or beyond to hit that number. We expect that we need to start moving in that direction starting Q2. And as you rightly said, to take it from there and keep the momentum

at 15%-odd or more, we will be able to catch up. I think we are currently intending and covered to track starting from Q2.

Vivek Choraria: Best of luck, Sandeep. Thank you.

Moderator: Thank you. Our next question is from the line of Nandan Manjuath Arekal from JM Financial Limited. Please go ahead.

Nandan M. Arekal: Yes. Thanks for the opportunity. So, I just want to get some clarity on the exceptional items that have been reported in this quarter. What will be the trajectory of these exceptional items going forward?

Deepak Bansal: So, on the exceptional items, because we continue to do some restructuring and all those things, we are expecting exceptional items in the range of around Rs.40 to 50 crores for the whole year. That is what we have given the earlier guidance also last time on our earnings call.

Nandan M. Arekal: Okay. On a sustainable basis, what do you expect, when would they stop?

Deepak Bansal: I think this year, it should be the last unless otherwise something more comes up depending on the economic situation or the macroeconomic situation, something else comes up. But otherwise, this year should be the last for this broader thing. And I do not expect that this should go to FY27 or something in a larger way.

Nandan M. Arekal: Thanks.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir.

Sanjeev Verma: I would like to thank everyone for joining the call. I hope we have been able to address all your queries on this call. For any further information, kindly get in touch with Purvesh Parekh, our Head of Investor Relations, or Strategic Growth Advisors, our Investor Relations Advisors. Thank you so much.

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