Company Name: NPST Ltd

Quarter under review: Q4-FY26

NPST Ltd– Q4-FY26/FY26 Concall Highlights:

NPST Ltd(Consolidated)								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	620	264	NA	526	17.8%	1,949	1,732	12.5%
EBITDA	130	88	48.3%	142	-8.6%	506	602	-15.8%
EBITDA M (%)	20.94%	33.21%	NA	26.99%	-605 bps	25.98%	34.73%	-875 bps
PAT	122	52	NA	115	6.1%	408	452	-9.7%
PAT M (%)	19.75%	19.81%	-6 bps	21.93%	-218 bps	20.94%	26.10%	-516 bps
Diluted EPS	6.17	2.69	NA	5.92	4.2%	20.58	23.27	-11.6%

Operational Highlights:

- FY26 was a rebuilding year where we worked on strengthening the business model and creating a new growth engine for the future.
- We initiated a revenue model evolution strategy by focusing on international markets and fee-based payment opportunities, as domestic UPI monetization remained stagnant.
- To improve the quality of earnings and shorten payment cycles, we are increasing our exposure to higher-margin SaaS, RegTech, and international revenue streams.
- AI has been positioned as a core strategic focus across product development and operations, with targets of improving support efficiency by 30%, accelerating development cycles by 50%, enhancing capacity by 1.5x, and driving a 300% increase in revenue per employee over the next three years.
- AI-led Reg Tech products are expected to begin contributing revenues from FY27, and we have already secured one large order in this segment.
- The hosted TSP engine is projected to onboard over 200 tenants by FY29, supported by its scalable SaaS model.
- We have expanded internationally in PPaaS, launched an AI-based risk engine, and secured a large public sector bank order.
- A large Reg Tech order was secured, including a mandate from an international central payment body.
- The Bank-in-a-Box and payment devices vertical expanded its customer base with the addition of nine new accounts.
- In addition, we secured two PSU-associated mandates and expanded into IoT-enabled payments via a fintech collaboration.
- Over the last four years, the business has delivered a revenue CAGR of 81%, EBITDA CAGR of 103%, and profit CAGR of 128%.
- We expect around 70% CAGR growth over the next three years, driven by international business, SaaS and subscription revenues, AI-led products, and higher-margin business mix.

Key Questions & Answers discussed during the Concall:

Why was operating cash flow negative in FY26 and what is the outlook going forward? The higher receivable cycle was mainly due to the TSP business mix, where credit periods are longer. We are gradually shifting from TSP toward higher-margin and international businesses, which is expected to improve receivables and cash flow conversion over time.

How confident are we about achieving the guided 70% CAGR growth over the next three years? We remain confident about our growth outlook, supported by a strong business funnel across SaaS, international expansion, and PPaaS. We expect to scale beyond 200 SaaS tenants, expand into over 10 countries, and add more than 40 PPaaS accounts going forward.

Why did EBITDA margins decline in Q4 and when can margins recover? The revenue contribution was heavily tilted toward the lower-margin TSP segment. Significant investments were also made into SaaS, international expansion, and product development. We expect margins to improve as SaaS and international revenues scale up during FY27.

What revenue target are we expecting by FY29? We expect a revenue of around INR 850–900 crore by FY29, growing from the FY26 base of INR 209 crore.

How much of FY27 international business is already secured? Around 40% of the targeted international business for FY27 was already secured at the beginning of the year. Several projects have also moved into the execution stage, providing confidence in revenue conversion and supporting the broader global expansion strategy.

When do we expect PAT margins to recover? We expect profitability to improve gradually during FY27, driven by the increasing contribution from higher-margin businesses and operating leverage benefits. Over the next two years, margins are expected to strengthen further as scalable segments such as SaaS, international operations, and value-added payment solutions gain a larger share in the overall business mix.

What is the approach toward acquisitions after raising capital from Tata Mutual Fund? A few acquisition opportunities were evaluated in the past, they were ultimately not pursued as they did not align with the broader strategic direction and could have diverted focus from core priorities. Going forward, the focus will be on identifying acquisitions or partnerships that can strengthen global reach, enhance execution capabilities, and expand the business beyond traditional payments into adjacencies such as Reg Tech, lending, and other high-growth digital financial solutions.

What kind of margins does the international business generate? The international business carries materially higher margins compared to the domestic segment, primarily due to the nature of solution-based offerings and lower competitive intensity. While domestic business margins are typically in the range of 15–20%, international opportunities can deliver margins of 30–40% or even higher in certain cases, which is expected to support overall profitability improvement as the global business scales up.

What is our AI strategy going forward? AI is being leveraged both to improve internal productivity, efficiency, and delivery speed, as well as to build AI-led products across Reg Tech and banking solutions, with the company already securing a large PSU bank order for its AI-based Reg Tech offering and currently engaging with several other banks for similar opportunities.

Will receivable days improve going forward? The receivable days are expected to improve gradually as the business mix shifts away from the relatively working-capital-intensive TSP segment toward higher-margin and recurring-revenue businesses such as SaaS, international solutions, and value-added platforms. This transition is expected to improve cash flow visibility, reduce collection cycles, and support a healthier overall balance sheet over time.

What is our international business model? We aim to export India's proven digital payments infrastructure and expertise to international markets where payment ecosystems are still evolving, creating opportunities in areas such as switching, fraud management, reconciliation, and digital banking solutions.

Is the international revenue model license-based or SaaS-based? International business model will comprise a balanced mix of recurring SaaS subscription revenues and license-based income, depending on the nature and scale of customer requirements across different markets. At the same time, segments such as Reg Tech and PPaaS are expected to remain predominantly SaaS-led businesses, providing greater revenue visibility, scalability, and margin stability over the long term.

Key Participants:
Akshay Sinha – AK Investment
Rajakumar Vaidyanathan – RK Investment
Sejal Gupta – SP Securities
Abhishek Benkar – Genuity Capital
Ananya Verma – Arihant Capital Market