Company Name: Basilic Fly Studio ltd.

Quarter under review: Q1-FY27

Basilic Fly Studio Ltd – Q1-FY27 Concall Highlights:

Basilic Fly Studio Ltd.					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Revenue from Operations	1,035	942	9.90%	1,134	-8.70%
Operating EBITDA	144	186	-22.60%	239	-39.70%
EBITDA M (%)	13.90%	19.80%	-584 bps	21.1%	-717 bps
PAT	67	120	-44.20%	154	-56.50%
PAT M (%)	6.30%	12.70%	-637 bps	12.9%	-658 bps
Diluted EPS (Rs)	2.61	5.16	-49.40%	6.1	-57.20%

Operational Highlights:

- Delivered 89 projects (28 films, 53 series, 8 commercials) for 60 clients globally in Q1-FY27, including 10 new clients; marquee deliveries included Netflix's Glory and Lupin and AMC's upcoming The Walking Dead Season 4.
- Consolidated revenue grew ~10% YoY to Rs 104 Cr, while standalone India revenue grew 28% YoY to Rs 26 Cr, reflecting continued strength in the India-led delivery model.
- Won new international orders worth Rs 105 Cr in FY27 year-to-date; active bid pipeline stands at a record Rs 700 Cr, with ~40% at an advanced stage of conversion. Undelivered order book stood at ~Rs 250-260 Cr as of end-July 2026, to be executed through FY27.
- Onboarded Netflix and Amazon for full-length domestic OTT mandates; domestic OTT sales revenue has already crossed ~2x of full-year FY26 revenue from the segment.
- Consolidated EBITDA declined 22.6% YoY to Rs 14.4 Cr (margin 13.9%) and PAT fell 44.2% YoY to Rs 6.7 Cr (margin 6.3%), largely due to unrealized forex losses, one-off M&A-related travel and severance costs, and higher IT investment; ex-one-offs, underlying EBITDA margin remains in the 14-15% range.
- Continued structural cost migration from the UK/Europe to India, shifting ~30-40 high-end roles over the last two quarters; incurred Rs 2.9 Cr of severance costs in the quarter (vs Rs 3.2 Cr for all of FY26) as part of this transition.
- The UK Subsidiary (One of Us) ran a net loss of INR 20.09 Million on revenues of INR 807 Million for the quarter.
- Strengthened technology and security: completed transition to owned NetApp storage, integrated ComfyUI-based AI workflows, and became only the 6th VFX studio globally to receive the TPN Stella Award; Project Hybrid and USD Pipeline Integration are on track for rollout by August-September 2026.
- Strengthened leadership bench with senior hires across VFX, CG and business development; evaluating an advanced-stage acquisition of a North American studio, expected to be funded from existing cash (~Rs 37 Cr unutilized QIP and ~Rs 21 Cr unutilized IPO proceeds) without incremental debt.

Key Questions & Answers discussed during the Concall:

- **Given the stock price and EBITDA margins have roughly halved since IPO, is management balancing growth investment against delivering profitability?** We attributed the YoY EBITDA decline (INR 14.4 Cr vs INR 18.6 Cr) largely to unrealised forex losses (~INR 4.2 Cr), one-off M&A-related management travel and severance costs; excluding these one-offs, underlying EBITDA margin remains in the historical 14-15% range.

- **What is the timeline for the 30-40% structural cost savings from shifting delivery to India to show up in the P&L?** Employee-cost migration is already underway (~30-40 high-end roles shifted in the last two quarters) and technology investments are being capitalized through Q2/Q3-FY27; we expect most initiatives to be substantially complete by end of FY27, with benefits building gradually each quarter.

- **How much of the ~INR 250-260 Cr undelivered order book is confirmed, and what is the execution timeline?** The order book, including the new INR 105 Cr FY27 win, stood at ~INR 250-260 Cr as of end-July 2026, to be executed between Q2 and Q4-FY27; revenue is recognized on a milestone basis rather than evenly spread across the order duration.

- **How much of the QIP and IPO proceeds remain unutilized, and what are they earmarked for?** INR 37 Cr of QIP proceeds and ~INR 21 Cr of IPO proceeds remain unutilized, held largely in fixed deposits, earmarked for an advanced-stage inorganic growth opportunity expected to be funded from existing cash without additional debt.

- **When will employee costs (~INR 70 Cr/quarter) peak, allowing operating leverage to show through?** Cost transition has been underway for roughly the last three quarters; severance costs are one-off in nature (INR 2.9 Cr this quarter vs INR 3.2 Cr for all of FY26), and the new Bengaluru facility (targeting 150 seats by year-end, from ~39 artists currently) will further reduce reliance on higher-cost UK/Europe roles as it scales.

- **Are the current EBITDA/PAT margins the trough, with recovery expected from here?** We do not expect margins to deteriorate further, noting H2 is seasonally stronger than H1, and that Q2-Q4 FY27 should benefit from order-book execution alongside easing one-off costs.

- **Is the potential North American acquisition already profitable, and how would it be funded?** We are evaluating two advanced-stage proposals - one already profitable with a flexible cost structure (commercial-focused), and another with a more attractive valuation but lower current profitability; the transaction is expected to be funded largely from existing cash on books (~INR 80-90 Cr) without incremental debt.

- **What organic revenue growth is being targeted over the next two-to-three years?** We reiterated our historical trend of 30%+ annual organic growth, expects FY27 revenue to comfortably exceed FY26's INR 418 Cr, and highlighted the record INR 700 Cr bid pipeline - including bids well above the historical ticket size - as a potential source of further upside, excluding any M&A contribution.

- **What is the status of collections against the ~INR 140 Cr of outstanding receivables as of March 2026?** Collections have accelerated meaningfully — recoveries between March and June were nearly 2x the normal collection run-rate. Some payments originally scheduled for the current month have slipped slightly and are now expected to come in next month, but we characterized the trend as steadily improving, with receivables being collected gradually as scheduled.

Key Participants:

Viraj Mahadevia – Moneygrow
Kaushal Agarwal – VIRA Bharat Opportunities Fund
Shikhar Mundra - Vivog Commercial Ltd