Earnings Conference Call Highlights

VALOREM ADVISORS

Veefin Solutions Ltd. - Q1-FY27 Earnings Concall Highlights

Veefin Solutions Ltd. (Standalone)

INR In Mn	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Operational Income	231	101	128.2%	242	(4.2)%
EBITDA	128	55	133.7%	138	(6.9)%
EBITDA M (%)	55.4%	54.1%	130 Bps	57.1%	(170) Bps
PAT	67	27	151.4%	58	17.1%
PAT M (%)	29.1%	26.4%	269 Bps	23.8%	503 Bps
Diluted EPS	2.49	NA	NA	2.05	21.5%

Veefin Solutions Ltd. (Consolidated)

INR In Mn	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Operational Income	1,140	345	230.8%	1,314	(13.2)%
EBITDA	224	97	131.5%	343	(34.7)%
EBITDA M (%)	19.7%	28.1%	(843) Bps	26.1%	(645) Bps
PAT	95	67	42.3%	160	(40.5)%
PAT M (%)	8.3%	19.4%	(1,102) Bps	12.2%	(385) Bps
Diluted EPS	2.48	NA	NA	3.10	(20.0)%

Note: *The Company was not required to publish quarterly financial results for the quarter ended June 30, 2025. Accordingly, the Jun-25 figures presented above are management-prepared comparative figures provided solely for year-on-year comparison and should not be construed as previously reported quarterly financial results.*

Operational Highlights

- **Q1 FY27 marked the first quarter where Veefin was visibly bought as a platform rather than a product:** The three flagship wins span six products in one contract at a GCC digital bank, a full lending stack at a Middle East NBFC, and a five-country SCF and LOS rollout across Africa -multi-product and multi-country in a single quarter.
- **Standalone economics strengthened on every line:** Revenue INR 23.14 Cr (+128% YoY), EBITDA margin 55.4%, PAT INR 6.74 Cr (+151% YoY, +17% QoQ), diluted EPS up 21.5% sequentially. The qualified sales pipeline reached USD 80.13 million, with the team replenishing the pipeline after successfully converting USD 15.27 million in deals during the quarter.
- **The pipeline replaced everything it converted:** USD 20.41 Mn of new qualified opportunities about a quarter of the opening pipeline was added in the same period that USD 15.27 Mn converted to contracts, closing at USD 80.13 Mn.
- **Half the pipeline is now multi-product:** 26 of 52 banks are evaluating more than one Veefin product, and 70% of pipeline value is beyond flagship SCF validating demand across Cash, Lending, Trade and Internet Banking. DSO improved to 80 days in FY27, representing a 69-day reduction from FY24 levels despite revenue growth exceeding 100%.

- **70% of the pipeline is international:** Spread across Southeast Asia, the Middle East, South Asia and Africa in addition to India.
- **Collections kept pace with growth:** Standalone DSO improved to 80 days a 69-day reduction from FY24 even as revenue more than doubled. Growth is converting to cash, not to a receivables build-up.
- **Revenue quality held through the growth:** 74% recurring, 77% from existing relationships, and a near-balanced 51/49 domestic-export split.
- **PSB Xchange moved from build-out to operating throughput:** 94 corporate deals active, INR 26,000 Cr of registered requirements, INR 5,800 Cr of approved limits, with 3 lender integrations live and 7 in progress out of 32 tracked.
- **Pipeline and deal values are reported on five-year contract value: C**onverting to revenue as implementation fees, then recurring license from go-live (~9 months) and AMC thereafter, layering each cohort's annuity onto the last. Contracted order-book disclosure begins from Q2 FY27.
- **Structural simplification advanced to stage 5 of 7: S**takeholder approvals secured and Chairman's report submitted; the NCLT second-motion petition is next.
- **Management set out four FY27 execution priorities a monetization-led agenda:** Convert the qualified pipeline into contracts and implementation milestones; expand multi-product wins by cross-selling Cash, Trade, CIB, Lending and Collections on the common chassis; scale PSB Xchange toward repeat operating throughput; and complete structural simplification. FY27 is the year the agenda shifts from platform development to active monetization.

Key Questions & Answers

Q **How should we think about the rationale for raising the debt at high interest rates compared to equity?**

A While debt is mathematically more expensive, it provides flexibility to retire obligations as cash flows improve without permanent shareholder dilution. We believe the current market pricing for equity does not reflect our long-term growth potential. By pledging promoter shares to secure this debt, we avoid diluting our investors while funding working capital requirements to bridge gaps between our chunky revenue inflows and constant operational spends.

Q **Could you explain why the PSB Xchange shows INR 26,000 crore in requirements but only INR 5,800 crore in approvals?**

A We operate as a bridge to surface credit requests to providers, but we cannot dictate the internal processing speeds of banks. Once we reach a critical mass of 10 to 12 integrated lenders, we expect competitive pressure to increase, prompting banks to accelerate their internal decision-making and approval processes for these high-quality corporate deals.

Q **Where does Veefin win against incumbents, and where do you face challenges?**

A We win on technology architecture, as clients value our unified platform that simplifies product changes and cross-selling. We face challenges when competing against incumbents with 30 to 40 years of pedigree. To overcome this, we emphasize our deep lineage in supply chain product, which provides institutional clients with the comfort that we can manage complex enterprise-grade systems.

Q **Is the pipeline growth flat, and does it suggest demand is stalling?**

A No, the pipeline is very healthy. Converting USD 15.27 million out of our existing USD 79.62 million pipeline in one quarter is a significant achievement. The fact that we were able to replenish it with USD 20.4 million in new additions validates the strength of our sales funnel and market demand.

Q **What triggers the invocation of the pledge besides payment defaults, and what happens to the pledged shares if the NCLT process for amalgamation is delayed?**

A The pledge is static and has no price-linked triggers related to share price volatility or NCLT timelines. Instead, invocation is strictly governed by two financial covenants: an EBITDA ceiling of 3 times and a debt service coverage ratio floor of 1.25 both of which are currently cleared by a wide margin.

Q **Are all your pipeline and deal size figures reported on a five-year basis?**

A Yes, all figures in our pipeline and deal reporting are based on five-year contract values. These deals generate revenue through a combination of implementation fees, followed by recurring license fees and annual maintenance contracts once the system goes live, providing long-term annuity value.

Key Participants

- *Vikas Goel – V B Goel & Co.*
- *Kenil Modi - Nuvama Wealth*
- *Anil Nahata - Parami Financials*
- *Anshul Dave – Oceans Bridge*