Earnings Conference Call Highlights

Company Name: NPST Ltd

Quarter under review: Q1-FY27

NPST Ltd– Q1-FY27 Concall Highlights:

Network People Services Technologies Limited (Consolidated)					
INR In Mn	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Operational Income	565	336	68.0%	620	-8.9%
EBITDA	139	98	40.8%	130	6.7%
EBITDA M (%)	24.52%	29.27%	-475 bps	20.94%	358 bps
PAT	111	72	53.7%	122	-9.7%
PAT M (%)	19.56%	21.39%	-183 bps	19.75%	-19 bps
Diluted EPS	5.26	3.70	42.2%	6.17	-14.7%

Operational Highlights:

- We continued its business diversification strategy, expanding beyond payments into RegTech, AI-based risk intelligence, banking technology and international digital financial infrastructure.
- International business became revenue-contributing during Q1, validating the scalability of NPST's technology beyond India and making international expansion a strategic growth pillar.
- Secured RegTech deals in the cooperative banking segment and an order from a large PSU, while planning a SaaS-based subscription model for mid- and small-sized banks.
- International revenue currently contributes around 10–12% of consolidated revenue, and we expect to target approximately 30% contribution over the next two years.
- International projects are expected to generate 30–40% margins, compared with around 15–20% in India, supporting overall margin expansion as the international business scales.
- We plan to introduce a subscription-based RegTech model for small- and mid-sized banks, following successful deployment with a large PSU.
- Bank-in-a-Box order book increased by 40%, supported by product enhancements including the addition of B2B payments and an expanded Banking Connect portfolio, strengthening NPST’s end-to-end banking technology offering.
- International Division expanded into the telecom sector by venturing into the SuperApp space and securing an LOI from one of the largest telecom operators, marking progress in our global expansion strategy.
- RegTech expanded its market presence by securing an order for a fraud management solution, broadening its product stack through strategic partnerships, and entering the cooperative banking segment.
- B2B Payments emerged as a new business segment, securing orders from two banks and launching a new Bank-in-a-Box solution under both licensed and SaaS models.

Key Questions & Answers discussed during the Concall:

- **Why did revenue decline sequentially in Q1 despite the earlier 15–20% QoQ growth expectation?** The 60–70% full-year growth guidance remains unchanged. The business has shifted toward technology-led subscriptions and solutions, whose revenue recognition depends on project execution, implementation and milestones. Therefore, sequential comparisons between quarters may not be meaningful, and investors should focus more on the yearly trajectory.

- **How will the potential introduction of MDR on UPI benefit NPST?** We are awaiting detailed guidance from the regulator, banks and NPCI. However, if MDR starts flowing through the UPI ecosystem, it could create a significant revenue pool across banks, payment aggregators and technology service providers. This could revive the PPaaS opportunity, which has currently been moderate.

- **What is our international strategy and what products are being offered internationally?** We are taking a bouquet of products to international markets, including interoperable payment platforms, merchant acquiring platforms and banking SuperApps. The recent telecom opportunity involves transforming the telecom operator's digital payments and financial-services landscape, similar to how telecom companies in India have developed fintech offerings.

- **What is the current international revenue contribution and how do you see it evolving?** International operations currently contribute around 10–12% of revenue, largely from TSP. Management expects the international contribution to increase substantially over the next two years, potentially reaching around 30% or more, with international business becoming an increasingly important growth driver.

- **How do international margins compare with domestic margins?** Domestic margins are generally around 15–20%, while international opportunities can deliver margins in the 30–40% range. As the international business scales and projects move through implementation, the higher-margin contribution should support overall margin expansion.

- **Why did EBITDA margin decline in Q1, and can NPST still achieve its full-year margin guidance?** The margin guidance covers the combined domestic, global and technology businesses, while the nature of the business has changed significantly. As Q1 and subsequent orders start contributing revenue, the mix should shift toward higher-margin technology-led, global and AI-based businesses. We remain confident of achieving our full-year margin guidance.

- **How is the RegTech opportunity evolving, particularly after the increased focus on cybersecurity and fraud?** We anticipated the need for such solutions and invested in AI-based risk intelligence around 2.5–3 years ago. The platform has already processed around 650 million transactions with approximately 98% accuracy. We believe this first-mover position gives NPST a differentiated offering, and the company is now looking to create a subscription-based model for small and mid-sized banks.

- **How does NPST see the micro-ATM market evolving?** We expect UPI Cash Points to increasingly gain traction over the next 2–3 years, given the higher infrastructure cost associated with micro-ATMs. If cybersecurity, compliance and user confidence improve, UPI Cash Points could become a more cost-efficient alternative and create opportunities for the broader ecosystem.

- **What is the outlook for NPST's domestic TSP business as international and other businesses scale?** The domestic TSP business is expected to continue growing, although its share of the overall revenue mix will decline because other businesses are expected to grow faster.

- **What is the status of the international order pipeline?** International orders typically go through an implementation cycle of around 4–9 months, with revenue recognition depending on milestones. NPST already has one international order and two additional deals in the pipeline, with revenue expected to build as implementation progresses.

- **What is the status of the IPO funds and when will they be deployed?** We have identified around three opportunities across RegTech, AI and payment infrastructure. We are being selective because it does not want to concentrate investments in a single segment. Some deployment is expected to begin within the next two quarters, primarily toward product development and market expansion.

- **How will potential UPI MDR revenue flow to NPST?** There are both direct and indirect opportunities. In TSP, additional software development or infrastructure investments by banks to generate more MDR revenue could create incremental business for us. In the payment-platform business, where NPST's acquiring platform is deployed, the bank could share a portion of the per-transaction revenue generated from MDR with us.

Key Participants:
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