



SASKEN

Sasken Technologies Limited

Q1 FY27 Earnings Conference Call Transcript
Monday, August 3, 2026, from 04:00 PM to 05:00 PM IST

MANAGEMENT SPEAKERS

- Mr. Rajiv Mody – Chairperson, Managing Director & CEO
- Mr. Hareesh Ramanna – Chief Experience Officer – Sasken Technologies Limited & President – Borqs Technologies
- Dr. Anup Savla – Chief Executive Officer – Sasken Silicon
- Mr. Priyaranjan – CFO
- Ms. Mohini Ray – Investor Relations Manager

EXTERNAL PARTICIPANTS DURING Q&A SESSION

- Keshav Sureka – Niveshaay
- Priyank Chheda – Vallum Capital
- Nikhil Chaudhary – Toro Wealth Managers
- Naveen Baid – Nuvama AMC
- Manik Taneja – Bowhead Investments
- Dev Gulwani – CARE PMS
- Samarth Singh – TPF Capital
- Sanjay Kumar Elangovan – ithought PMS

Moderator: Ladies and gentlemen, good day and welcome to Sasken Technologies Limited Q1 FY2027 Earnings Webinar. As a reminder, all participant lines will be in the listen only mode. There will be an opportunity for you to ask questions after the management's commentary concludes. Please note that this webinar is being recorded. I now hand the conference over to Mr. Siddharth Rangnekar of CDR India. Over to you, sir.

Siddharth Rangnekar: Thank you and welcome to Sasken Technologies Limited Q1 FY2027 Earnings Conference Call.

I am pleased to introduce the leadership team joining us today from Sasken. Mr. Rajiv Mody, Chairperson and Managing Director and CEO, Mr. Hareesh Ramanna, Chief Experience Officer and President, Borqs Technologies. Dr. Anup Savla, who heads our Silicon Business. Mr. Priyaranjan, Chief Financial Officer of the Company and Ms. Mohini Ray, Investor Relations Manager.

We shall begin the call with opening remarks from Mr. Mody followed by the leadership team, sharing details on the Company's performance during the quarter. After this discussion, we will open the floor for a detailed question and answer session. Today's call would run approximately for 45 minutes duration. The recording and transcript shall be available on the Company's website afterwards and also on the stock exchanges. The discussion would be based on our quarterly financial results, the investor presentation and press release that are filed with the stock exchanges and also published on our website.

Before we commence, I would like to point out that certain statements made during today's call about Sasken's future growth prospects are forward-looking in nature. This involves a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. We request you to review these safe harbor statements in the Company's formal investor release documents that are published on the Company's website. With this, I now hand over the session to Mr. Mody.

Rajiv Mody: Thank you, Siddharth. It is a pleasure to welcome you all to Sasken's Q1 FY2027 earnings call and I thank you all for joining us today.

As Sasken has evolved in both scale and strategic relevance in the recent time, we felt it equally important to strengthen how we engage with the investment community through regular and transparent communication. We value the confidence, perspective, and long-term partnership of our investors and remain committed to regular, transparent, and meaningful

communication. I am pleased to connect with you directly through these quarterly earnings calls and share our progress, priorities, and outlook.

Before I turn to the quarter, I want to take a brief moment to share how Sasken has evolved. Over more than three decades, we have grown from a pure communications and device engineering services Company into a full-stack 'Chip-to-Cognition' engineering partner. Today, our capabilities span across semiconductor design, embedded software services, connected devices, and increasingly AI-native engineering, giving us a differentiated position in the market and a stronger platform for sustainable long-term growth.

The last two years marked an important inflection point in Sasken's journey. The Borqs acquisition broadened our smart devices and ODM capabilities, strengthened our relevance with global hyperscalers, automotive customers, and added greater product ownership to our portfolio. In parallel, our Silicon business deepened our capabilities in chip design, engineering, and innovation. Sasken today is a more diversified, product-focused, and better positioned across the engineering value chain than it was two years ago. This is the perspective through which we invite the investment community to view our progress and long-term opportunities.

Let me shift our conversation to the quarter. We have started the new financial year on a positive note, delivering continued momentum with revenues up by 24% year-on-year. We also closed the quarter with a healthy order booking of US\$47 million in total contract value, including US\$34 million coming from new deal wins, while adding five new logos.

What stands out in this quarter is that growth was accompanied by a broader customer base and continued momentum across automotive connectivity, semiconductor design, and AI-native engagements. This includes multi-year capability engagement with the global hyperscaler and a strategic engagement with a global technology Company to deliver services on AI and automation, spanning agentic AI, LLM validation, and intelligent testing. Together, these engagements reinforce that our Chip-to-Cognition positioning is resonating with customers and the demand is increasingly shifting towards intelligent AI-led demand.

On the people front, our global headcount reached 2,658 people while maintaining attrition at 9.8% and improving utilization to 85%, reflecting disciplined scaling to meet the needs growing demands. I am also pleased to share that we inaugurated Sasken Silicon Incubation Center in Hubballi to strengthen university collaboration and development of

future semiconductor talent. We also opened a new center of excellence in Hyderabad, expanding our access to engineering talent.

Overall, the quarter reflected the continued progress we are making in building a more resilient, differentiated, and product-minded Sasken. Looking ahead, our priority through the rest of FY2027 will remain on disciplined and profitable growth, converting recent wins to sustainable revenues, improving execution consistency, and continuing to invest in the talent and capability that strengthen our Chip-to-Cognition position.

With that, I would like to invite Hareesh to share his views on technology and markets.

Hareesh Ramanna:

Thank you, Rajiv, and greetings to everyone joining us today. I would like to briefly share our perspective on the technology and the demand environment in which Sasken operates, along with the strategic role of the product solution business within our Chip-to-Cognition mission.

The global engineering R&D landscape is being reshaped by AI-enabled systems, software-defined platforms, connected devices, and intelligent automation. Customers increasingly seek partners who can bring together silicon, embedded software, devices, cloud, and intelligence across the product lifecycle. This is precisely the opportunity Chip-to-Cognition positioning is designed to address.

Let me talk about our key vectors, starting with automotive. The industry is undergoing a fundamental software-led transformation driven by software-defined vehicles, centralized computer architectures, 5G, and Vehicle-to-Everything, V2X. AI is further accelerating feature development, validation, and time-to-market across the vehicle lifecycle.

In communications, we are talking of connected world, wherein devices at home, vehicles on road, devices enterprise provide the consumer a seamless experience. This seamless experience is the new key mantra going forward. We are all used to having stagnation of the device look and feel, but this seamless experience across auto, enterprise devices, and mobile is the key to the future.

Communication infrastructure is driven largely by 5G advanced, secure private networks, and AI-led network operations. Our recent engagement across massive MIMO, Beamforming, and Open RAN reflects our relevance in this evolving market.

Within smart devices, on-device AI and memory supply pressure are reshaping product economics and encouraging customers to prioritize higher value enterprise and specialized devices. Enterprises are also adopting generative and agentic AI to shorten product cycles and embed intelligence into their offerings.

As Rajiv mentioned earlier in this conversation, Chip-to-Cognition is about participating across the complete engineering lifecycle, and with our full stack engineering depth, we are making that happen. Product Solutions extends Sasken engineering capabilities right through to the finished product. With Borqs integrated, we can support customers from concept and design through certifications, production, deployment, and after-sales service. This has strengthened our ability to take greater product ownership to deepen customer relationship and participate in longer duration programs across the complete product lifecycle.

I will now request my colleague Anup to add his views.

Anup Savla:

Thank you, Hareesh, and very well summarized.

In fact, what makes this business particularly compelling is the long-term opportunity ahead. The semiconductor industry continues to see sustained investment across AI, edge computing, automotive electronics, and intelligent connectivity while demand for custom silicon and specialized architectures is increasing the need for advanced design capabilities. At the same time, analog and mixed signal engineering remain highly specialized domains where experience talent is scarce, pushing companies to look for partners with deep specialized design expertise rather than building everything in-house. As chip architecture becomes more complex and development cycles shorten, customers are engaging engineering partners earlier from architecture and IP development through activities like physical design, verification, validation, and embedded software.

This creates an attractive opportunity for Sasken Silicon at the “chip” end of the Chip-to-Cognition strategy. While the business is in an early stage for us, we are building it with a long-term perspective, focused on deepening specialized capabilities, strengthening customer relationships, and increasing our participation in higher-value, longer-duration semiconductor programs.

I will now hand over to our CFO, Priyaranjan, who will walk you through the financial performance for the quarter.

Priyaranjan:

Thank you, Anup and a good day to everyone.

Q1 FY2027 marked a resilient and encouraging start to the year with continued momentum in our business growth and disciplined execution across the organization.

I am pleased to share that our total consolidated revenue for the quarter was ₹339 Crores, increasing 24% year-on-year and 1.6% sequentially. Software services was the key growth driver in the quarter with revenue of ₹219 Crores up by 24.3% year-on-year and 4.8% sequentially. Product Solutions reported revenue of ₹120 Crores, increasing by 23.6% year-on-year and moderating by 3.9% sequentially, following a strong Q4. As explained earlier, the business continued to navigate industry-wide pressures relating to memory availability, component pricing, and program mix.

Revenue mix remained broad-based across geographies and was evenly distributed with 30% coming from North America, about 25% from EMEA region, 26% from India, and rest 20% from APAC.

Gross margin for the quarter stood at 21.9% and ₹74 Crores in absolute terms, up by 48% year-on-year, and a decline by 1% sequentially. The growth was contributed primarily by software services segment, where we saw continued margin expansion. The gross margin in software services improved by 240-basis points to 30.6%. This margin improvement was on account of improved utilization, a disciplined cost management and benefits of scale. The product solution segment margins moderated to 5.9%, declining by 310 basis points sequentially, reflecting the expected industry-wide headwinds, along with changes in project mix.

Consequently, our EBITDA for the quarter was ₹31 Crores, with a margin of 9.5%. And we delivered an EBIT of ₹21 Crores, translating to an EBIT margin of 6.3%, a decline of 50-basis points sequentially, and an improvement of 430 basis points year-on-year.

Consolidated profit after tax stood at ₹23 Crores with a margin of 6.9%. Sequential moderation impact was due to normalization of one-off benefits recorded in other income during Q4. Foreign exchange gains in the current quarter were lower compared to the previous quarter, which had benefited from favorable currency movements.

Turning to business momentum, the order booked in the quarter in terms of the total contract value was about US\$ 47 million, of which US\$ 34 million represented new bookings. Annual contract value or ACV

corresponding to orders won in the quarter stood at about US\$ 40 million, including US\$ 24 million from new wins.

Our customer metrics also remain encouraging. We serve 93 active customers during the quarter compared to 79 in the corresponding period last year. We added five new logos in the quarter. At the same time, we continue to scale existing strategic relationships with revenue contribution from our top five customers remaining broadly stable at approximately 56%.

I am also glad to share that customer satisfaction continues to be an important measure of our execution quality. Our CSAT score remained strong at 4.5 out of 5 compared with the stated industry benchmark of 3.75.

Our balance sheet continues to remain strong, and we closed the quarter with a healthy cash and investment position of ₹356 Crores. Overall, Q1 reflects a broader customer base, improving service profitability and healthy business momentum. Our focus for the remainder of FY2027 will be on converting these bookings into revenues, improving quality of business mix, maintaining cost discipline, and driving sustainable, profitable growth.

With this, I will hand the call back to our moderator to open the floor for questions.

Moderator:

Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may please use the raise hand icon located at the bottom toolbar on your screen. When called upon, you will receive a prompt to unmute. In the interest of time, we request you to limit your questions to two per participant. Time permitting, you may come back in the queue for follow-up question. We will take the first question from Keshav Sureka of Niveshaay. Please go ahead.

Keshav Sureka:

Thank you so much for the opportunity. So as per our strategy, so the 4 million plus customer has been at six for four consecutive quarters. Like, and our customer base has gone from 79 to 93 and the top five concentration is up 52 to 56. So, what is the pipeline of accounts you expect to cross \$4 million in FY2027?

Rajiv Mody:

Let me answer that question just for everybody's benefit, our 60x4x3 strategy stemmed from what we had seen as a guiding principle moving forward, largely linked to some of the learnings we had from the past. We, as you know, serve most marquee customers globally. Fortune 500 plus

Fortune 100, you name it, in the segments that we operate, we have them as our customers. And as a strategy, we have defined that we will at least cross them 4 million run rate revenues in a matter of three years. We completed two years and this first quarter is the end of, out of the 12 quarters, 9th quarter and now running into the 10th quarter.

Having said that, this is the approach and we continue to focus on driving that transformation while we are growing. In some of our other accounts where we have scaled significantly more than \$4 million, our emphasis focuses to ensure that the remaining customers out of the total active customers of 93, which are the ones that we go after, and ensure that we sustain and grow them to four plus million in a matter of a certain time. Of course, three years was metaphoric. We may take maybe one or two more years, but the strategy remains intact, the focus remains intact. We may not be able to disclose exactly the names of the customers that we will go after in this Financial Year, but I can assure you that that remains our focus and towards that, we will be adding sales and we are continuously adding sales bandwidth and ensuring that we achieve that goal, achieve that objective. So our mission, our vision, whatever one wants to call it, remains intact, and that is our commitment to the market.

Keshav Sureka:

Got it. And sir like, I know you already mentioned about, drop in Product Solutions margin from 12.8 to 5.9. So, like, what was the major reason? Was it like memory pricing or something different? Like, I suppose that memory pricing is a pass on thing for the customer. So, like, what made the margins fell to 5.9% if you can guide?

Priyaranjan:

So obviously, memory pricing has an influence while we try and pass on everything to the customer. From a margin perspective, it affects because you do not get the same carry on the product as you would get earlier, I mean, you are passing on the cost, but the incremental margin does not come. So, from a percentage, it gets affected.

The second thing which also happened in the quarter is that the product mix changed. Our silicon business is moving towards productization and that has an impact on the margins and some of these products will get shipped through the year and we should look at the margins on a full year basis to get a better picture. We believe that some of these actions which we have taken in Q1, we will see the margins starting to stabilize over the year.

Keshav Sureka:

Got it. One last question from my side, like you disclosed two hyperscaler engagements this quarter, like one for the next gen device across

platforms and one for OS sustenance. So, like are these same hyperscaler or different?

Rajiv Mody: These are different hyperscaler.

Keshav Sureka: Got it. I will get back in the queue. Thank you so much.

Moderator: Thank you. Our next question is from Priyank Chheda of Vallum Capital. Please go ahead.

Priyank Chheda: Hi, sir. My question is on revenue contribution. If you can help us from the key offerings mentioned on slide number 30, or maybe key segments mentioned in our press release, which is auto, satellites, cellular communications, smart devices, digital semiconductor, what would be broader revenue contributions and maybe addressable size based on the capabilities that we find alongside because these are very new kind of a segment as well as very emerging segments. Where do you find incremental large opportunities for you coming up?

Rajiv Mody: So, request Ranjan to prepare for the first question, I will probably try to answer the second one and request if Hareesh to add to it. As we described in our opening remarks, your Company today is more broad-based, where it is able to serve the customers starting with silicon, all the way to cloud and AI and machine learning, everything that is linked to that. So today, you take any embedded product, your company has the capabilities starting with semiconductors to deliver full product, including all the services that may be required to be delivered on cloud and machine learning, AI-based approach. So I think this may give you a perspective on the capability that your Company has today. And that points also to the fact that while we are serving these markets, it is possible for us to enter other markets, which I am sure we will strategize and enter them. So hopefully I have answered the second part of your question on the capability that your company has and how can we serve those customers effectively. Coming back to the first question, I will request Ranjan to help out.

Priyaranjan: So currently we look at our business as Product Solutions and Software Services. We do not disclose number based on offerings or verticals. As we believe that that will become more relevant as we scale and may distort the picture if we try to publish it on a quarterly basis now. Both software services and product solution on a year-on-year basis has grown more than 20% and we are expecting and that is a kind of a reflection of how across the verticals we have been able to scale as already covered by both Hareesh and Anup, We are seeing traction

across automotive, communication devices or all the verticals which we operated.

Priyank Chheda:

Sir, I get it, just feedback, most of the IT companies would disclose their revenue segments it would be great if in future we can have that disclosure also. A second question on the TCV front what we understand is around \$47 million of TCV, which roughly comes to around a quarter of our revenue. It is slightly different than most of the other service line products or product line companies that would have, say, around 9 months to 12 months kind of a TCV. This requires a very fast forward and a continuous approach on the sales strategy side to keep the engine running on the TCV front. Just your comments around, how do we plan to change the tenure or maybe a last TCVs which also may combine with your strategy of 60x4x3. That is one and just a clarification required of what is kind of a pipeline in the silicon which you mentioned where the productization is happening. So what is the kind of a pipeline that we are looking at? Thank you.

Priyaranjan:

Let me take that. Let me just clarify, when we publish the order book summary, it is the order booked in the quarter. It is not the total order backlog which we have. So, \$47.1 is the new orders, which we have booked in the current quarter, which will be delivered over multi-years, right? Out of that, the published \$40.5 reflects the annual contract value, which means that will get delivered in the next 12 months. So typically, just like any other IT services company, we tend to make sure that the order backlog which we have does give us a carry of 9 to 10 months. And that is how we also follow through on our new wins to make sure that we meet the annual numbers.

On the silicon thing, some of our orders are multi-year orders. So, it is a function of how the customer does the offtake of some of these products. We do believe that we continue to show the growth rates which we have shown in the last year on Silicon, but we will not be able to give specific order breakdown on how much is production and how much is otherwise.

Moderator:

Thank you. We now take our next question from Nikhil Chaudhary of Toro Wealth Managers. Please go ahead.

Nikhil Chaudhary:

Good evening. Thank you for the opportunity and congratulations on sustaining probably what you did in Q4.

I had two questions. If I see your headcount, probably it is 2,658 people split into 2,400 engineers and 263 into corporate. I understand your sales and probably team headcount is clubbed in the 263 people, which probably seems to have declined quarter-on-quarter. I just want to

understand since our 60x4x3 strategy is actually more about account mining and probably building a good sales team also. I wanted to understand how do you think about this headcount moving this year, like by the end of this year, because we need a good sales team, senior account mining team to probably ensure that we are able to scale to the number that we are aspiring. Second is when I see our headcount number is up 9% this quarter, but our cost has gone up only by 3% approximately. So just want to understand, I assume these are junior engineers we have hired in the team. And the last one is, wanted to understand the team below Mr. Savla, like how many senior analog and RF design leaders do we have below him who can independently own the customer end to end? Just want to understand. So, my questions are more on the quality of the team that probably we are building.

Rajiv Mody:

So, let me answer the question on the sales team. Definitely, we are continuously adding sales bandwidth and ensuring that we assign them to other accounts. which may not as much served as otherwise we would have liked. So, we expect to add at least another five to six sales heads during the rest of the year and ensure that we have coverage across. I also want to emphasize that while myself or Hareesh or Anup may not classify ourselves as salespeople, but we also are in the field selling effectively through our connects, contacts that we have built over a long period of time. And that is also helping in ensuring that we are able to mine our accounts effectively and third thing I wanted to also emphasize is a lot of our engagements are also led by delivery, with regard to ensuring that we grow our customers by creating more opportunities. So some of the growths that you see are also delivery led overall from us to be able to maintain our momentum. So this is the approach we are taking, but to your point, yes, we are adding sales people as we are growing and continuing our margin in growing our business. On the second one, if you can answer and then Anup can answer the third one, Anup. No, the cost has gone up only by.

Priyaranjan:

Okay, on the question on the cost, it will be a mix of people which we hire both lateral and freshers. So, there will be certain costs which would have probably come in Q4 due to catch up of bonuses which will not be recurring. So, those could be the vagaries otherwise we do not see any too much of variation in the cost levels and utilization has improved. So, that is where you would have seen it not impacting the margins.

Nikhil Chaudhary:

Got it. Okay.

Anup Savla:

On the question of the seniority of the team, I would frame it as we have always placed extremely strong emphasis on making the teams

independent through giving them training not only on the core skills that are necessary but also giving them a sense of ownership through full visibility into the type of work that we do. And indeed, as we mentioned earlier, we have continued to view our role in this company as fulfilling the Chip-to-Cognition full stack rather than being an island of silicon execution by ourselves. To which point, a lot of the execution that happens across all of our customers is handled independently by my team members. And they have the priorities, they have the training, they have the skill sets, not just one level, but multiple levels deep to be able to take the right type of engineering calls to do this. As you all must know analog radio frequency millimeter wave design in which we specialize are very niche, hard to find and sought-after skill sets. So, we've grown a lot of these in-house and the teams and the team members have strong skill sets to be able to operate independently.

Nikhil Chaudhary:

Got it, got it. And just last question if I may. Mr. Mody, how do you think about this? I think like, is there any conflict? We have an engineering services company as well as an IP licensing company, both within Sasken?

Rajiv Mody:

No, we do not see that as a conflict at all. As a matter of fact, in today's world, the customers are also looking at ways in which you can add to by building IPs, which you can take to them, where they are able to bring their products out much faster at cost effective manner. So, we do see that as a complimentary and AI is playing a huge role in my opinion towards achieving that goal, that objective. I think Hareesh, if you want to add to that, please.

Hareesh Ramanna:

As an example, one of our marquee customers, though they are working for us, right? So typically Anup talked about custom silicon, right? So, people are now looking at customized silicon rather than the regular chipsets, which they get because they want to embed their IP and they want to work with the company who can help them do the IP development, including integrating their own IP. That is why we bring in, when that happens, we bring in Anup's team into the picture, right? So, it is more complimentary. While the main product can go with the big chipset makers, SoC makers, but there is always the little guy which is going to be in the product and that is what Anup said.

Nikhil Chaudhary:

Got it, got it. Thank you so much.

Moderator:

Thank you. A quick reminder to our participants, we request you to please limit your questions to two per party. Our next question is from Naveen

Baid of Nuvama AMC. Please go ahead. Mr. Baid, please go ahead with your question.

Naveen Baid: Thank you for the opportunity, madam. So, if I just sort of do a back of the envelope calculation, you are 60x4x3. And while you said that the three years' timeframe was more metaphoric and not really set in stone. So even if I were to extend it by a couple of years, and just add some tail revenues are we looking at close to 2,500 to 3,000 sort of a ballpark in terms of a revenue number and if we are, then given the fact that we ended 26 at about roughly about Rs.1,150 odd Crores, what do you think will drive that growth?

Rajiv Mody: I am sorry, your question is on 60x4x3 and what would be our way of achieving that?

Naveen Baid: Absolutely.

Rajiv Mody: So, I think, like I said, I have explained why 60x4x3. And I have also explained that 3, while being metaphoric, there is an urgency behind that too. I am pretty sure two years ago, if you had asked me when we were 50 million, whether we will cross 125 in two years, I am sure you would have probably doubted. And I think we crossed that in FY2026. We are indeed looking at ways in which we can really scale our business and be able to serve our customers better by adding more offerings on one side and effectively managing and mining customers on the other side, because we have an amazing marquee set of customers. And we do believe that the offers that we bring, particularly on the embedded, all the way from Chip-to-Cognition is extremely relevant. So, we are fairly confident that yes, we may take maybe one more year, but we should be able to achieve that goal, how? I may not be able to describe that fully to you in absolute black and white, but directionally, that is the goal, that is the objective that we are driving. And like you said, we do not give any guidance, but we do believe that we are headed in the right direction.

Naveen Baid: And just one follow up on that. So, within the three segments, the three key segments, which one do you think will drive that particular growth?

Rajiv Mody: All three segments have a huge potential to drive the growth. If you take our silicon business, definitely it has the potential and we are putting all our energies behind that to see how we can drive the growth. Then like Hareesh explained, the demand in the market also is towards specialized silicons, which have applications built into them, because application plays a key critical role compared to the underlying silicon. How can one create that is one vector and many such vectors. Similarly, on devices, there is a demand and I think Make in India is another thing that is

showing up in a big way where shifts are happening and customers outside, particularly European and US customers are asking for product to be fully designed, which is a China Plus One, or in many cases that the product cannot be done out of China. And that is a vector that we are seeing as a great thing. And obviously the full stack software services is the third vector, which we have, which is also having a significant promise and the data sciences or what typically digital AI, is obviously the mainstream, which is the horizontal, which is cutting across. So we are fairly confident and comfortable in terms of ensuring that we have all the ducks lined up. Yes, there may be some gaps somewhere, which we may look inorganic for our opportunities over there, but overall, I think we do believe that we are pointing in the right direction. And to me, honestly, Naveen, growth is the most important imperative. How that falls into which bucket will identify later and we are seeing momentum across so I am not stopping engines, trying to moderate it for a particular outcome.

Naveen Baid: And since you stressed on some of the growth bit and so vociferously, so are you sort of, in a way subtly implying that that growth may come even if it is at the cost of margins?

Rajiv Mody: We are very careful on making sure, and I think Ranjan has emphasized that going forward, we are making sure that improvement will be there in execution and operational excellence. Obviously, there will be, what do you call this requirement that initially may seem, but let me assure you, Naveen, I think you have seen this organization, I think in a matter of six quarters really turn around and improve the margins from maybe about 2%, and I am talking Software Services, maybe about 2% to 3% up to 11.5%, 12% EBIT. And I think we are on a path journey where we are operationally driving the performance. And the short answer is we will make sure that we will maintain our margins while we maintain our growth momentum.

Naveen Baid: Thank you so much. I will follow back in the queue.

Moderator: Thank you. Our next question is from Manik Taneja of Bowhead Investments. Please go ahead.

Manik Taneja: Thank you for the opportunity, Rajiv. I actually wanted to get your sense with regards to the Borqs acquisition that you guys made at the end of FY2025. Just wanted to understand how does that fit in the strategic rationale with the services business that we have had for almost all entirety. That is question number one. The second question was more of a clarification question around data. So, if I look at the headcount that we had at the end of Q4, FY2025, we are close to about 1,900 people. We are

now at about 2,600 odd plus people at the end of Q1, FY2027. So, how much of this headcount increase essentially is largely to do with the acquisitions that we made versus organic build out and like typically in services one would correlate the headcount addition to revenue to giving you some sense on near term growth visibility. Should we be thinking about that even now or a business essentially is changing and thereby that may not be the right data point to essentially track. Those are my questions.

Rajiv Mody:

Manik, the Borqs acquisition has worked out really well for both Sasken and Borqs. Over the last 12 months, we have integrated extremely well and we have seen the benefits of that in terms of scaling our business both in services and in product solutions, vectors both. We have in services gotten engaged with larger customers because of our combined forces being able to address the demands, the need, both technically as well as size coming together. And in the product solutions also, similarly, we have won and continue to focus and will report when the actual wins come through on how we are making progress also on our product solution side. So, I think the integration has happened very well. Both the teams are functioning extremely well. Hareesh is leading things on experience and technology for overall Sasken Group and because of his contacts and his reach have been in the industry, we are able to really penetrate and grow customers, which we as Sasken otherwise would not have been able to do. So overall, I think it is a very satisfactory thing, in my opinion. On the second part, I think Ranjan may be able to answer that question, please Ranjan.

Priyaranjan:

As at the end of Q1 FY2026, our headcount was 2,200 people. And by that time, we had already completed the acquisition of Borqs. So that headcount included even the inorganic additions which were there, which was roughly about 300 people. Today, the headcount is about 2,658. So all of that growth is actually organic addition to headcount. And yes, you are right. A large part of our business gets delivered through a combination of headcount and AI. So, AI is part of all the work which we are doing and as things move forward, headcount may not be the only vector to measure growth. So that will morph and we will have to look at how other metrics can be used to communicate the same.

Rajiv Mody:

All we can emphasize is all the work that we do for largely for all our customers is AI led. So, AI is automatically built into it in everything that we do for our customers.

Manik Taneja:

Just a clarification question, Rajiv. So does the ODM capabilities help us in driving greater, I would say, stickiness or greater salability of our

services business? And that is where the rationale for this acquisition and thereby the confidence in further scaling up in the next few years?

Rajiv Mody:

You are absolutely right. ODM capability is much deeper capability when you are designing a full product for a customer, starting with the silicon licenses that you have as well as advanced knowledge information about the silicon platforms. And then all the rub off that happens because of that is definitely helping in terms of us being able to drive the growths that we are talking about. Hareesh, do you want to?

Hareesh Ramanna:

Yes, so definitely, right. So, when you start developing a product, you need to go right from the silicon, like what Rajiv said, into a full device that gives us a greater capability in terms of the Product Engineering. That is what the new like a new demand from our customers is, as opposed to doing one portion of the product, we are able to conceive the entire product, right, from silicon to the cloud, right? So, this experience has definitely brought in new customers to us because now whenever Rajiv and I, we went to meet the customers, all our customers like this idea of Sasken now becoming a full-fledged product engineering company, right? So that is one thing which was appreciated by all the customers and that is the reason we got some new wins as well.

Manik Taneja:

Sure. Thank you and all the best for the future.

Moderator:

Thank you. Our next question is from Dev Gulwani of CARE PMS. Please go ahead.

Dev Gulwani:

Thank you for the opportunity, sir. Sir, revenue was flat for so many years. What is the reason behind sudden revenue growth in the software solutions? What has changed in the past two years?

Priyaranjan:

As Rajiv explained the 60x4x3 mission, which we had multiple vectors. It was just not about numbers. One was to actually work closer with the customer, be in the face of the customer, understand customer problems, which allowed us to explore new opportunities. The second thing was about empowering the teams. So, we have gone about empowering our team so that they now own the growth rather than just being stuck with the leadership team. Third thing is about the investing in capability. As we engaged on 60x4x3, we realized that for us to be having meaningful conversation with a customer, we have to build world-class team and we have been investing in that. And the fourth thing is to look at the white spaces which we have and fill that up. For example, Borqs acquisition or the silicon acquisition in that connection for us to be able to provide end-to-end engagement with our customers. So, all these four or five things which we put together helped us change the relationship

with our customer and deepen the relationship, which has helped us to explore new opportunities and build scale.

Dev Gulwani: Okay, thank you. And you mentioned EBITDA will be in similar range to previous participant. So is there any scope of improvement like it was more than 20% before FY2027 or are we compromising margins to attract new customers or by providing them service at a lower price?

Priyaranjan: So, we do not want to give any guidance on the margins at this point in time, but as Rajiv mentioned, right, so we are constantly making sure that we are driving efficiencies in how we are doing. And also, wherever necessary, making sure that we do value pricing. So, both combinations are in works to make sure that we constantly improve our margins. And that is the goal which the management team has taken.

Dev Gulwani: Okay, thank you.

Moderator: Thank you. Our next question is from Samarth Singh of TPF Capital. Please go ahead.

Samarth Singh: Good evening. Thank you for the opportunity. My first question was just on our operating cash flows, which have been negative for the last two years, despite profit growth. So, if we just talk about why that has happened, and can we expect to be cash flow positive in FY2027?

Priyaranjan: So yeah, we've been investing in our business and that is why the cash flows have been negative. It is not that we have had any challenges in our collections or so. So, as we scale, there is going to be consumption in working capital as well as on FA. We believe even this year we would have a large consumption of cash. Obviously, the effort of the management is to try and see how to quickly get to cash flow positive despite the growth challenges. So, we will use a mixture of our own internal accruals to finance the growth as well as external funds. But this is work in progress and as and when we have more information, we share with you.

Samarth Singh: So, this is getting largely consumed by Borqs, is my understanding correct?

Priyaranjan: It is just not Borqs, it is across as some of these engagements need working capital both in terms of capacity expansion as well as in terms of receivable and inventory. So, it is a combination. Obviously, in Q1, we had to build some of the inventories in order to manage the memory shortage. So, in Q1, the cash flow impact is coming from there.

Samarth Singh: Okay. And for the Borqs entity, I think we mentioned in the past that we should be able to break even at a 60, 70 million dollar top line. Does that

still hold? And I think if I am not mistaken, last year we were at a net loss in this business. So, if you could just talk a little bit about that, please.

Priyaranjan:

So, the break-even point would be about 12 million revenue on a quarterly revenue. That is where we will hit the break-even point. Break even and from there on it will become, it will add to the bottom line as the scale happens.

Samarth Singh:

Got it. And last question from my side was, I think we have confirmed we have the GlobalFoundries IP certification and the Intel certification last time I think you mentioned was in process. So, we can talk about where that stands today and if we have been able to, we made any progress on a formal TSMC relationship.

Anup Savla:

All those three are in progress, and we have made substantial, significant progress towards strengthening those partnerships, and those have resulted in additional activity for us in terms of the design work we do. Due to the non-public nature of some of this progress towards these relationships, we cannot specifically make any announcements on those yet.

Samarth Singh:

Okay, that is it from my side. Thank you.

Moderator:

Thank you. In the interest of time, we will be taking our last question for today. That is from Sanjay Kumar Elangovan of ithought PMS. Please go ahead.

Sanjay Elangovan:

Hi, team. So, first question to Anup. Anup, you mentioned RF and mmWave even in a recent media interview, you had talked about these. Given Sasken's legacy expertise in analog and power devices, and your expertise in RF and mmWave, what kind of projects are we working on? How do we win orders in these two niche technologies? Niche now, but they are being adopted in automotive, 5G, 6G, and a lot of other segments as well. So, if you could talk about your projects and the product segment that you are focusing on in these two technologies.

Anup Savla:

Thank you, Sanjay. And I think you touched upon something very important in your remarks. So, what used to appear like just niche technology, such as component of analog within any large semiconductor design project might be limited and isolated is actually turning out to be quite pervasive. As we look at the demands for modern silicon in AI, in automotive, and indeed in connectivity, what we are seeing is that we are migrating towards things like chiplets, things like memory integration, and all of that, and one more being package design. And the use of these advanced skills is now not just confined to small

segments of the overall semiconductor design activity or the design cycle, but in fact, they play a very important role in defining the overall quality and the competitiveness of any semiconductor product. So, to answer your question, we are seeing projects across that spectrum where customers need our expertise in being able to give them that cutting edge as well as implementing core aspects of their infrastructure in power and in other places. We are seeing projects in connectivity. We are seeing customers asking us to build interfaces to add more competitiveness to their automotive roadmaps and so on. So, it is really across the board for us.

Sanjay Elangovan: Okay. And when can we start seeing revenue from these technologies, niche technologies?

Anup Savla: So, our revenue mix currently does reflect implementation and execution of such things already. Cannot be specific on the projects, but we are seeing that today. And as we move towards projects with greater sophistication, especially powered by AI enabled design, we will see more of that.

Sanjay Elangovan: Got it. And second question to Hareesh sir. I think we were working on instrument cluster for two wheelers. Have you won any commercial orders or are we close to winning anything because the recent auto wins I am only seeing software related auto wins be it human machine interface for the instrument cluster or TCV units, but when can we expect something in the Borqs side of things from the automotive segment.

Hareesh Ramanna: The first point is when we showed the instrument cluster like, I think I was here, it was the reference design which was done for Qualcomm, right? So, we were the reference device provider and then the IP which we created, Qualcomm took it and gave it to all the module suppliers. So, module suppliers like Quectel of the world took our reference design and they built the modules around it, right? So still the two-wheeler market still are buying those modules from the China market. Now suddenly because of the China Plus One strategy, people are looking for us to develop the complete module. We have the module ready, but then because of the cost, which the Quectel of the world gives, they are very cost sensitive, and they are taking it from China. So, we will have to see if there is any movement which will prevent them from importing these Chinese modules, then it will come. But we are seeing a different shift altogether. It need not be in the clusters. It could be in the NAD and other modules where people are expecting us to deliver modules to them. So we will have to see where this journey of ours on automotive will take us.

Sanjay K Elangovan: Thank you, sir. That is it from my side. All the very best.

Moderator: Thank you. I now hand the floor back to the management for closing comments.

Rajiv Mody: Thank you all for joining the session today and sharing your perspectives. If you have any further questions, you can write to us at investor@sasken.com. Rest assured that we will respond and be in touch with you and answer any questions that you could have. Once again, appreciate you joining us and thank you so much. We look forward to next quarter's earnings call. Thank you.

Moderator: Thank you, members of the management. On behalf of the leadership team, I would like to thank you for your time and for your continued interest in Sasken Technologies Limited. Should you have any follow-up queries that were not addressed, feel free to reach out to the investor relations team. Thank you and have a good day. Goodbye.

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