



“Unicommerce eSolutions Limited
Q3 & 9 Months FY '26 Earnings Conference Call”
February 16, 2026

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**MANAGEMENT: MR. KAPIL MAKHIJA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
MR. ANURAG MITTAL – CHIEF FINANCIAL OFFICER
STRATEGIC GROWTH ADVISORS – INVESTOR
RELATIONS ADVISORS**

Moderator:

Ladies and gentlemen, good day, and welcome to Unicommerce eSolutions Limited Q3 and 9 Months FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Kapil Makhija, Managing Director and CEO of Unicommerce eSolutions Limited. Thank you, and over to you, sir.

Kapil Makhija:

Thanks, Pari. Good morning, everyone, and thank you for joining us for the quarter 3 and 9 months FY '26 Earnings Call. I am joined today by Anurag Mittal, our Chief Financial Officer, along with our Investor Relations advisers, Strategic Growth Advisors.

We are pleased to announce another quarter of strong growth in revenues and profit in Q3 FY '26. Our revenue stood at INR56.4 crores, growing 72.2% year-on-year and translating into an annualized revenue run rate exceeding INR225 crores. This growth was driven by continued enterprise additions, structured revenue expansion initiatives within Uniware and growing scale of Shipway.

Adjusted EBITDA for the quarter stood at INR13.4 crores, growing 51% year-on-year. This corresponds to an annualized adjusted EBITDA run rate of more than INR53 crores, marking another milestone for the company. This improvement reflects operating leverage inherent in our SaaS model as revenue scale, combined with disciplined cost management.

Before discussing platform-specific updates, I'd like to share our progress on integrating AI in our business. Since the last few quarters, our AI journey has progressed in phases. We began by integrating AI into our internal day-to-day operations, then introduced AI-enabled features across platforms and are now becoming AI first, where core platform functionalities are delivered through AI.

Given that our platforms function as the system of record for our clients' e-commerce operations, AI, in general, is a boon for solution like ours. It allows operational data to become actionable, strengthens decision-making and further deepens our integration within our clients' technology stack and daily operations.

We have launched 3 core AI capabilities in the last two quarters. Catalyst AI Voice Agent for ConvertWay in quarter 3, UniBot AI Assistant for Uniware also in quarter 3 and ShipSense AI Courier Allocation in quarter 2.

Catalyst AI Voice Agent enables automated human-like outbound calls in multiple languages. For example, it can proactively engage customers who abandon transactions at checkout by

calling them and resolving queries in real time, helping close sales without any human intervention. This expands conversational commerce in a scalable manner. We will play a brief audio demonstration at the end of our remarks.

UniBot AI Assistant is a GenAI solution. It acts as an e-commerce operations copilot that allows Uniware clients to execute warehouse actions through simple, multilingual text prompts. Tasks such as order processing, shipping label generation, inventory checks and operational queries can now be completed through conversational inputs. This increases ease of use of our platform, reduces training time and simplifies daily workflows for our users.

ShipSense AI enables intelligent courier allocation within Shipway. It optimizes courier selection by balancing costs, delivery time lines and the probability of predelivery returns due to delays. This improves both logistics efficiency and end customer experience. These initiatives strengthen our product differentiation while expanding monetization avenues across our platforms.

Now coming to key updates for our platforms. Uniware resumed growth momentum in quarter 3 FY '26, delivering 8.1% year-on-year revenue growth on a standalone basis. While consumer demand showed partial improvement during the quarter, the primary drivers for this growth were internal initiatives executed over the past few quarters.

These include continued enterprise acquisitions and structured revenue expansion programs through launch of new products, positioning the business for stronger double-digit growth beginning quarter 4 FY '26 onwards.

We added more than 110 enterprise clients across traditional and digital-first brands during the quarter, including the likes of Action Tesa, Lehar Footwear, Interio by Godrej, Shein Marketplace, and Underneat. Revenue expansion initiatives continue to gain traction, supported by rising adoption of our newer offerings.

Quick commerce and B2B modules are now used by 35% to 40% of our enterprise clients and UniReco adoption is 4% to 5% among enterprise clients within the first 6 months of the launch of the product. UniCapture launched last quarter has seen strong interest driven by evolving marketplace requirements for mandatory video-based proof in return claims. Some marketplaces have already made this a mandate while others are considering doing the same.

We would also like to share an important update about our top 10 clients. During the quarter, one of our top 10 clients made a strategic decision to change its business model and discontinue its multichannel operations. As a result, we saw a revenue impact from this account.

While such transitions are a part of the dynamic e-commerce ecosystem, our endeavor has been to continue to diversify our revenue by adding new enterprise clients. As a result of which, our concentration of revenue from top 10 clients is nearly 12% in Q3 FY '26 and has been continuously coming down from 19% in FY '25 and nearly 27% in FY '24.

The impact of this change has been fully offset to growth from other existing clients as well as new enterprise additions. The 8.1% year-on-year growth reported for the quarter is after absorbing this revenue loss. Excluding this impact, growth would have been higher. We expect

the growth momentum to continue in the coming quarters and should result in double-digit growth in revenues from quarter 4 FY '26 onwards.

Additionally, over the past few quarters, we have received several queries regarding Uniware's transaction rate, which is calculated as revenue divided by transactions processed. As our product mix has diversified with increasing contributions from B2B, quick commerce and value-added modules, the aggregated transaction rate metric has become less representative of underlying performance compared to earlier periods when the mix was more homogeneous.

Accordingly, we do not believe that this is a high-quality metric to track our performance. Instead, we internally evaluate Uniware's business using 3 primary levers: net revenue retention, which we disclose annually to track expansion within the existing client base, enterprise client additions, which we disclose quarterly to measure incremental growth through new customer acquisitions and our profitability metrics, which we disclose quarterly to track our efficiency and operating leverage.

With that context, we will discontinue reporting transaction-related metrics going forward. This approach is intended to ensure that the data shared is meaningful, comparable and aligned with how we internally evaluate the business.

Similarly, blended gross margin at the consolidated level is influenced by revenue amalgamations across businesses post Shipway acquisition and does not fully reflect our operating profile. We will continue to assess the relevance of this disclosure in light of our evolving business mix and determine the appropriate reporting approach going forward.

Now coming to Shipway. Shipway continues to strengthen our SaaS portfolio and scale steadily post-acquisition. In quarter 3 FY '26, Shipway Technology Private Limited, which includes both Shipway and ConvertWay, achieved an annualized revenue run rate of approximately INR100 crores compared to INR71 crores in quarter 1 FY '25, its first full quarter post-acquisition.

We expect Shipway to also grow at a double-digit rate on a year-on-year basis, but at a pace faster than Uniware given the size of the addressable market and its low penetration relative to the market. Shipway SaaS logistics automation platform delivers value to clients beyond aggregation through optimization, automation and analytics across the logistics life cycle for a brand and its customers.

During the quarter, we launched a new mobile application to support operational workflows on the move and Shipway Cargo for bulky B2B shipments, warehouse transfers and delivery to quick commerce mother hub facilities from brand warehouses, enabling incremental revenue opportunities.

For ConvertWay, we have already discussed the key update for the AI voice bot this quarter. Given the large and underpenetrated addressable market and Shipway and ConvertWay's strong structural foundation of running profitably for the last few quarters, we are inclined towards making calibrated investments going forward.

Given our healthy cash generation and balance sheet strength, we plan to invest in AI, product and technology and to expand sales and marketing capacity along with brand building in these

businesses. While this may result in slightly below breakeven adjusted EBITDA in the short term in Shipway Technology Private Limited, we believe these will be high ROI investments, supporting faster platform scaling and long-term value creation.

On the leadership front, we are pleased to welcome Gaurav Juneja as Chief Revenue Officer for Unicommerce to further strengthen our business development, marketing and customer success functions for driving growth. Gaurav brings an operator-led approach with deep experience in B2B SaaS, technology and retail businesses.

Prior to joining Unicommerce, he served as Chief Revenue Officer at Kapture, Head of Digitization at Google India and founded and scaled the StarQuik business under the Tata Group. He also has experience with the Reliance Retail and Investment banking at Lehman Brothers. Gaurav is an alumnus of the Indian Institute of Management, Lucknow. He further strengthens the leadership depth at Unicommerce and adds to our management bandwidth for go-to-market execution.

Looking ahead, we expect to continue benefiting from structural tailwinds in India's e-commerce market, which remains significantly underpenetrated. Across Uniware, Shipway and ConvertWay, we address a total market opportunity of over USD 1 billion with particularly strong opportunities in courier aggregation through Shipway.

Over the coming quarters, management will remain focused on scaling Uniware revenues as growth momentum increases, accelerating Shipway's penetration in courier aggregation and ConvertWay's growth in marketing automation, along with disciplined investments in AI capabilities and improving our platforms that expand use cases and drive cross-sell.

Improving profitability and cash generation provides flexibility to reinvest in organic growth while selectively evaluating inorganic opportunities in adjacent areas, guided by strategic fit, customer value and financial sustainability. As we enter the next phase of growth, our focus remains on consistent execution, prudent capital allocation and strengthening our platform.

I will now hand over to Anurag to walk you through the financials in detail.

Anurag Mittal:

Thank you, Kapil. Good morning, everyone. We delivered a strong performance in quarter 3 and the 9 months of FY '26 with robust top line momentum and continued improvement in operating profitability. For quarter 3 FY '26, consolidated revenue stood at INR56.4 crores, representing year-on-year growth of 72.2%. This performance was supported by growth across both Uniware and Shipway.

Adjusted EBITDA, which reflects our operational profitability, grew by 51% year-over-year to INR13.4 crores. The growth in adjusted EBITDA was driven by disciplined cost management, AI-led operational efficiencies, strong operating leverage from Uniware and Shipway's continued PAT positive performance.

Profit after tax for the quarter was INR7.4 crores compared to INR6.3 crores in quarter 3 FY '25. Excluding the non-cash amortization expense related to the Shipway acquisition, PAT would have been approximately INR8.2 crores, representing year-on-year growth of 24.9%. Earnings per share also increased 12.5% year-on-year to INR0.63 from INR0.56 in quarter 3 FY '25.

On a 9 monthly basis, the company delivered strong financial performance. Our consolidated revenue for 9 months FY '26 grew 70.6% year-over-year to INR152.7 crores compared to INR89.5 crores in 9 months FY '25. Adjusted EBITDA increased 75.8% year-year to INR34.3 crores surpassing FY '25 full year adjusted EBITDA of INR28.4 crores in just 9 months, reflecting disciplined cost management and scale efficiencies.

Profit after tax for 9 months period was INR17.1 crores compared to INR14.3 crores in 9 months FY '25. Excluding non-cash amortization related to the Shipway acquisition, PAT would have been approximately INR21.1 crores, representing year-on-year growth of 45.2%. Earnings per share also increased 18.1% year-on-year to INR1.50 in 9 months FY '26 from INR1.27 in 9 months FY '25.

Shipway has continued to deliver strong performance, achieving an annualized revenue run rate of approximately INR100 crores in quarter 3 FY '26, up from INR71 crores in quarter 4 FY '25, its first full quarter post-acquisition.

As Kapil mentioned earlier, we plan to increase investment in AI products and technology capabilities and sales and marketing capacity along with brand building to drive further growth. We expect these investments to help increase the platform scale and broaden our market footprint over time.

At the consolidated level, annualised revenue run rate now exceeds INR225 crores with adjusted EBITDA run rate above INR53 crores. A large part of our adjusted EBITDA converts into operating cash flows for us due to the asset-light nature of our SaaS model and enables us to reinvest this into growth.

Looking ahead, we remain focused on maintaining cost discipline while delivering sustainable and profitable growth. As mentioned earlier, we expect Uniware to deliver double-digit growth from quarter 4 FY '26 onwards as revenue expansion initiatives gain traction, while Shipway, given its large addressable market and early stage of penetration has the potential to scale at a relatively faster pace.

We will now play a short audio clip to demonstrate ConvertWay's AI voice bot capability. For context, in this recording, Tanvi is the customer and the other voice you will hear is our AI system engaging with her in real time. [Product Demonstration]

As you heard, the interaction is designed to feel natural, contextual and outcome oriented. Since launch, the voice bot has scaled quickly to approximately 1 lakh calls per month, reflecting encouraging client interest. We hope you found the demonstration insightful. With that, we will open the floor for questions. Thank you.

Moderator:

The first question is from the line of Ananya from Thinqwise Wealth Managers.

Ananya Nichani:

Sir, my first question is on account of pricing actually. I wanted to check if like maybe this is the bottoming out of like a low pricing environment. And also if you're able to share what percentage of the current clients are newly added clients and like if they are on the minimum guarantee plan. That's my first question?

Kapil Makhija: Ananya, I couldn't hear your questions completely. I'll just rephrase on what I understood. One, you want to understand the trajectory of rate per transaction. Second, you mentioned that how many of them are newly added clients. Is that correct?

Ananya Nichani: Yes.

Kapil Makhija: Okay. So as we mentioned during our speech that the transaction rate is a function of -- is calculated as revenue per transaction and our transaction mix has become a lot more heterogeneous with addition of capabilities of B2B quick commerce and the new modules that we are launching.

So it does not accurately represent the progress of the business because our rate per transaction is a function of the product mix as well as the client mix. So we don't feel that it's the most meaningful way to assess the business. Having said that, the rate per transaction has been consistent since last quarter. And while the number appears to be stable, it does not fully reflect the two drivers of growth or expansion.

In terms of your question on the new acquisition, we've been talking about our new client acquisition since post listing. So when we listed the first quarter, we added about 85-odd enterprise clients in the quarter. Today, we are on a trajectory of anywhere between 110 to 120 clients per quarter. So we've seen a consistent improvement in the new client being added. And this -- so from that, you can get a sense of what the share of new clients as a percentage of the overall client base.

Also, I want to clarify to the entire -- all the listeners today that all the enterprise clients that we onboard are on a minimum guarantee plan. Every enterprise client give us a subscription fee in which we bundle certain number of transactions in this cost. And once they exhaust this quota of allotted transactions, they pay us a usage-based fee. Hope that clarifies.

Ananya Nichani: Sure, sir. I just had one more book-keeping question. Sir, in Q2, in which the account you mentioned that about INR7.81 crores of amortization for Shipway was done for the half year. And I can see for Q3 and also for the 9 months a similar amount is done. So am I to understand that for Q3 nothing has been amortized? Could you just confirm?

Anurag Mittal: Ananya, the amortization has been done this quarter as well for the Shipway Technology what we acquired at the time of acquisition. It is similar and consistent to the previous quarters. In fact, the number is almost same to what we reported in quarter 2 of FY '26.

Ananya Nichani: Sir, can you confirm how much has been amortized in Q3 and how much was done in Q2?

Anurag Mittal: So quarter 2 it was INR13 million and quarter 3 it is INR12.8 million, almost similar.

Ananya Nichani: So for the full year, INR13 crores is what we have to amortize, right? So shouldn't it be at the run rate of about more than INR3 crores per quarter?

Anurag Mittal: So the overall capitalization we did around INR39 crores at the time of acquisition, and it has to be amortized over a period of 8 years. So near about INR12 million or INR13 million of amortization spend will come every quarter.

Ananya Nichani:

It's over 8 years, sir, just to confirm?

Kapil Makhija:

Yes, that's correct. Yes. Just to give you a context, while we integrated our internally generated technology, which is more advanced technology based on AI with the Shipway acquired technology, the estimated useful life of the asset based on the technical assessments have increased from 3 years to 8 years. So that is the reason that the estimated useful life of the asset is now 8 years and the depreciation expense for quarter would be around INR13 million every quarter.

Moderator:

The next question is from the line of Vansh Gupta from Prescient Capital.

Vansh Gupta:

So sir, I just wanted to get some understanding of the pricing power of the company. As you mentioned, you're saying that because of the change in product mix, the metric that we calculate using the revenue per transaction process, you're saying that's not entirely reflective or comparable to last year. So just to get a sense of understanding on the pricing power of the company, how is it that you now get a sense of -- how is it that the customers are really giving you revenue?

So in my understanding, the revenue of the company has always been that -- and as you just mentioned, there's a minimum slab of transactions that the company process and after that they have to pay an incremental amount of revenue on a step-up basis. So then how do we get a sense for how the pricing is changing for these customers?

Kapil Makhija:

Sure. Vansh, first of all, I want to clarify that we continue to operate at a premium compared to other players. We continue to build strong enhancements in the product. And as you heard in our speech earlier that we are leveraging AI to continue to justify this premium. We have been not only launching enhancements to the product, we are also launching core functionalities using AI.

Being AI first has ensured that we can continue to add meaningful value to the ecosystem because of which we can justify the premium. The various products continue to have a very different pricing profile. And because of that, an aggregate, the rate per transaction does not fully justify meaningfully the nature of our business and the growth trajectory of our business.

Vansh Gupta:

So just to clarify, these new facilities that we are adding, these products that we're selling to the clients, we're not selling them on a revenue per transaction basis?

Kapil Makhija:

Yes. The pricing for all our products is a function of the transaction. The transactions can be different for different products. So for, let's say, UniReco, it is in terms of the number of items that are being reconciled. For UniCapture, it is the number of videos or images being processed. In case of Uniware, it is the number of items going out of the warehouse. So for different products, the underlying metric is the transaction. The definition of the transaction can vary according to the product.

Vansh Gupta:

Just one more question from my end. So I see that the revenue share of the top 10 clients has decreased from about 20.1% since last year to 12.1% now and our revenues have grown by about 8%. So is it that we're losing some revenue share from the existing customers to our competition

or is it because of largely the client that we have lost this quarter and that's what causing the dent?

Kapil Makhija:

Yes. So see, given the nature of our product, 100% of dropship e-commerce volumes for any brand flow through us. It does -- a brand never uses multiple solutions for managing their e-commerce operations. So we will -- that will never be the case that we lose part of the volume to some other player.

The relative share of top 10 customers has been consistently declining because we continue to add enterprise clients on a consistent basis. And as the overall enterprise base increases and we continue to see growth in the business, the relative share of top 10 customers continues to decline.

And this has been a consistent trend over the last many years, where in FY '24, the concentration was 27%, and it has now come down to nearly 12% in quarter 3 FY '26. It is a concerted effort to ensure that our revenue continues to be diversified, and it has a fairly healthy mix of multiple enterprise clients.

Vansh Gupta:

Got it, sir. Just one last follow-up from my end. Sir, could you just share the -- if you have a sense of what is the total revenue percentage share that the company manages for its clients. So my question really is I want to get a sense of what is the B2C business of all of your clients on average that you are managing. So is it like 20% of the revenue, 30% of the revenue? Any sense of that number if you can just provide?

Kapil Makhija:

So we'll not be able to share channel-specific information. But as I mentioned, 100% of the client e-commerce dropship business gets managed through Uniware. So it's not a part of the business that we are managing.

Moderator:

The next question is from the line of Siva from ithought PMS.

Siva:

You had mentioned that you had acquired 110 roughly clients this quarter. So if I compare our enterprise client count with previous quarter, there seems to be a net addition of only 16 clients. So does this mean we are having a higher churn? And if so, could you explain why we are facing this high churn?

Kapil Makhija:

Sure. So e-commerce is a dynamic industry, Siva. So we continue to see churn in the long-tail segment, primarily among clients with low volumes or those winding down operations due to tough market conditions. So while you may see that the net additions are lower than the gross additions that we're doing, but bulk of this churn happens through long-tail customers.

That is why in spite of these customers churning and more majority of them -- like the 3 key reasons of churn for our platform continue to be a customer shutting down, customer deciding to move away from e-commerce or customer deciding to move from dropship to an outright or a fulfilled by model as we have demonstrated in the earlier calls as well.

So bulk of the reasons of churn are that. And thus, in spite of this churn, we continue to demonstrate a healthy growth for this quarter, the growth was 8.1%. And we are hopeful of delivering a double-digit growth from quarter 4 onwards in the standalone Uniware business.

- Siva:** Understood, sir. Would it be possible for you to maybe quantify how much of those churn is from those three reasons that you mentioned?
- Kapil Makhija:** That's majority of the churn. 80% plus of our churn is actually because of these three reasons.
- Siva:** Yes. That helps, sir. And my second question is regarding quick commerce volume. So how much did they contribute this quarter? And again, with regards to Shipway, how much cross-sell did we achieve?
- Kapil Makhija:** Sure. So we continue to see quick commerce as a strong growth opportunity and we have integrated with all leading quick commerce platforms. When we launched it full scale in quarter 4 of FY '25, we had seen about 20 million order items being processed.
- We have seen that number jump to about 70 million-plus order items being processed in quarter 3 FY '26. So just in a 9-month time frame, we have seen a strong growth in the quick commerce volumes. While we have seen a strong growth, they are still a small fraction in the overall transaction mix. So hope that gives you a perspective on the relative contribution of quick commerce.
- In terms of the Shipway cross-sell, when we acquired Shipway, less than 5% of our base was using Shipway services. And last quarter, we had mentioned that this number has already crossed 10% and continues to be in a similar trajectory even in this quarter as well. And we continue to see a strong adoption of Shipway amongst Uniware base.
- But I also want to clarify that beyond the Uniware customer base, Shipway also has a larger market opportunity in terms of social media sellers, people selling on just their own website, who may not need the services of Uniware because Uniware becomes relevant for anybody who's selling on multiple channels. But anybody who's selling on social media, Instagram, et cetera, will still need to ship the goods to the end customer and will need Shipway services.
- So the market opportunity for Shipway is much larger. And while our focus is to continue to have a strong cross-sell motion on the Uniware base, our focus is to aggressively expand our sales and marketing to ensure that we are able to tap into customers which are outside of Uniware base as well.
- Siva:** Understood, sir. One last question. So with regards to our international market presence, are we seeing any significant client wins? So how is the traction there?
- Kapil Makhija:** Yes. So we continue to see a strong growth in our international business. It is growing faster than our domestic business. We continue to add clients in the region. We continue to operate in the same geographies in Middle East and Southeast Asia. And while we have seen strong growth in the business, we continue to -- the international business continues to be profitable.
- And in the recent times, we had also announced a partnership with Naqel Express, which is Saudi Arabia's largest logistics and express delivery partner to deepen our presence in the KSA e-commerce market.
- Moderator:** The next question is from the line of Vinod Krishna from Avendus Wealth.

Vinod Krishna:

So what is your opinion on long-term trajectory of dropship versus FUR model in India? That is my first question. And any category concentration with our Uniware product? And my third question is, why do we have such -- because e-commerce is having such a huge growth rate, but our Uniware is not getting similar growth rate. So maybe I'm wrong in understanding, comparing with the overall Uniware thing. So if you can answer these three questions. Like, what will be the -- I think I'm clear, right?

Kapil Makhija:

Sure. So dropship model continues to grow faster than the other models, primarily on the back of custom brands wanting to have greater control on the customer experience. Platforms also preferring it because it is less capital intensive.

And now the ecosystem is available for brands to deliver a consistent customer experience on the dropship model compared to 5 years ago when the ecosystem wasn't available. So we have seen dropship model continue to grow faster. Today, it is contributing to nearly half the e-commerce market, but it is expected to contribute about 65% in the next few years.

On the -- the second question was about the growth of Uniware versus the market. Uniware is processing a large portion of the e-commerce market. We are processing about 25% to 30% of e-commerce dropship volumes, which means that we have effectively become an index to e-commerce market. We continue to grow faster than the market over many years.

So while there are certain pockets of within e-commerce that continue to grow fast, but there are also large pockets which have seen sluggish growth, because of which the overall growth is not at the same level as it used to be during the pandemic years.

But our growth is -- continues to be market plus, plus, because the -- as our existing clients grow, that is -- the growth of our existing clients is reflective of the market growth. But on top of that, we've added new initiatives of launching new products, adding new customers, because of which we continue to demonstrate a market plus, plus growth.

I'm sorry, I forgot the third question that you had. Category concentration. So see, we are a fairly well-diversified player, where we serve 45 plus product categories across fashion, lifestyle, beauty and personal care, health and pharma, eyewear, FMCG, agri tech and many other players. So as we have seen the revenue is not concentrated on a handful of customers, similarly our revenue is not concentrated on any particular category.

Given that we process large volumes of India's e-commerce transactions, our category mix is reflective of the market mix where we have seen lifestyle, beauty and personal care, electronics being some of the largest categories. That is also reflective in our category mix as well, but our category mix is fairly well diversified.

Moderator:

The next question is from the line of Pratik from Fermi325 Investment Advisers.

Pratik:

I just wanted some clarification. I just wanted to ask, when a client subscribes for Uniware, does he or she -- does the client get access to all the modules or is it -- does it depend on the client what they want?

Kapil Makhija:

Yes. So when we started our journey, OMS and WMS within Uniware were the first two modules that we launched. So whenever an enterprise client signs up for Uniware, they get the

OMS and WMS. That's the most selling module for us. But as we've launched newer offerings like omnichannel, UniReco, UniCapture, those are separate subscriptions that the brand has to take up depending on their need. Hope that answers the question.

Pratik: Yes. Just a follow-up on that. So would it be possible to give a cohort, basically, as and when, when a client starts a journey and they start with a WMS and OMS platform, how do they scale up their relationship over the following period? How many modules they start to subscribe? Any sort of cohort that you could give?

Kapil Makhija: Yes. So most of our additions, product additions are relatively recent, so we will not have any long-term cohorts for you to be able to do any analysis on that. Having said that, we've just disclosed in our call today that we have seen a strong adoption of B2B and quick commerce modules where 35% to 40% of our enterprise clients use the B2B and quick commerce modules and about 4% to 5% attach rate on the UniReco module. That has happened just within the first 6 months of the product launch.

Typically, when a brand starts their journey, as I said, they start with the OMS. And as they scale up their volumes, they start implementing WMS within their warehouse. As they expand their retail footprint, omnichannel becomes an important use case. And as their scale increases, they would need UniReco to reconcile their payments, because there are many leakages that happens, particularly on the returns workflow.

And similarly, UniCapture is a good complement to UniReco, because UniCapture helps capture the proofs of the items that are going out and helps in the return validation as well. And similarly, as these brands scale up, they would also want to expand to retail and wholesale, and hence they would also need -- or even quick commerce, they would need our B2B quick commerce tool as well.

Pratik: Okay. Sorry, last question on just this cohort before I get in -- get back in the queue. So according to you when would you be able to start giving a cohort? Is it 1 year down the line, 2 years down the line? When do you think it would be meaningful enough for us to start reading into the cohort data?

Kapil Makhija: See, in any B2B SaaS solution, it takes time and it is a function of the product. There is a gestation period for any SaaS. But in our experience, at least 12 to 18 months is something that we feel for any product before the cohorts mature. For some products, it may take longer as well, but bare minimum is 12 to 18 months.

Moderator: The next question is from the line of Sumeet Jain from CLSA.

Sumeet Jain: Yes, Kapil. Firstly, congrats on a slight turnaround in the organic growth...

Moderator: Sorry to interrupt, sir. Sir, can I request you to speak loudly or come closer to your device and speak?

Sumeet Jain: Okay, Yes. So wanted to check the double-digit growth guidance that you gave for the next quarter. How sustainable you see that going forward and what is leading to that? Is it like the more traction in your new products being launched or is it the revival in the overall e-commerce

market or are you guys gaining market share? Can you give us -- throw some light on that double-digit growth guidance?

Kapil Makhija:

Yes, Sumeet. So the double-digit growth, we strongly believe that it's sustainable, because it is a result of the efforts that we have been implementing over the last few quarters, which includes acceleration in our new enterprise acquisitions and revenue expansion initiatives, which are now beginning to reflect in the growth outcomes.

We have consistently added 100 plus clients over the past several quarters and 125 plus specifically in quarter 4 FY '25. These new acquisitions take time to fully mature and have now started to give us incremental revenues, leading to year-on-year growth in quarter 3 FY '26 and which gives us the confidence of delivering double-digit growth in quarter 4.

And along with this adoption of our new products where we are seeing strong adoption across both B2B quick commerce suite as well as UniReco in the first 6 months of the launch. A combination of both these factors give us the confidence that we will continue to sustain double-digit growth in Uniware from quarter 4 FY26 onwards.

Sumeet Jain:

Got it. That's very helpful. And a follow-up to that is, can you give us a sense as to how many number of enterprise clients can you still tap into the market out there? I remember at the time of IPO, you used to talk about some 10,000 enterprise clients can potentially be there for Unicommerce to address. Can you just give us a sense as to how you look at the overall enterprise client customer base?

Kapil Makhija:

Yes, sure. I think in terms of the enterprise client base, one is we continue to see strong launches of various digital-first brands because in India -- because the Indian market is so large, a small niche within the Indian e-commerce market also becomes a meaningful opportunity for any brand. So we continue to see brand launches across various sectors, various niches because of which we are confident that there's a large pool of enterprise customers that are available.

At the same time, we have seen many legacy brands still haven't adopted the dropship model. And as more and more brands start adopting the dropship model, we will continue to see a pool of enterprise acquisitions widening for us.

The third reason is that there are still many categories which have still not become -- and have not adopted the dropship model, and that will add to the enterprise pool. I think the journey of the dropship model and for Uniware in particular have just started. We have a large pool of enterprise customers.

And we still feel confident that in the long term it should open up a market to the tune of 10,000 enterprise customers. So we should have significant headroom for growth in terms of the new customer acquisition, in terms of new digital-first brands, legacy brands coming to dropship model and new categories opening up on the dropship model.

And at the same time, we also want to continue to focus on the quality of acquisition, and that's why we've got Gaurav on board, who has a significant experience in driving enterprise acquisition. And our focus will now to be able to set up some high value -- looking at high value

deals in the enterprise segment with Gaurav's professional experience, which should help Uniware tap into a large pool of enterprise customers as well.

Sumeet Jain: Got it. That's very helpful. And secondly, I wanted to check, I think you guided for a breakeven EBITDA in your Shipway business in the few coming quarters. So can you give us a sense for how long that will stay? What are the nature of investments you are doing? And by when can we see the EBITDA improving into the profitable trajectory for Shipway?

Kapil Makhija: Sure. So the investment areas, Sumeet, are in the fields of AI, product and technology enhancements. We want to enhance the sales and marketing capacity along with brand building initiatives. Shipway is a challenger in the market. It's a relatively late entrant in the courier -- large courier aggregation space. So we want to make sure that we are investing rightly into sales and marketing, building a strong brand out of it.

At the same time, building a very strong and scalable product, which is AI first, so that we continue to add value to the courier aggregation business. And hence, we feel that for the next few quarters, it will operate at slightly below breakeven from adjusted EBITDA. But having said that, we -- the only way we know how to operate business is to run them profitably.

We just want to make -- we are making a very calibrated investment approach to make sure that we are able to put it on a strong foundation for fast growth in this. And we are hopeful that in the next few quarters, we should be able to see them, like the Shipway business, both Shipway and ConvertWay becoming profitable.

Moderator: The next question is from the line of Karthi from Suyash Advisors.

Karthi: So just wanted to understand one thing. You indicated that your profitability in the Uniware side is 40% plus on an adjusted basis. So the adjustment would be only for ESOP expenses or would there be anything else? Part two to that question is, is there any more juice left for profitability improvement there?

Anurag Mittal: Karthi, that's correct. We have done the adjustments only to the extent of ESOP expense.

Kapil Makhija: For the second part, Karthi, yes, the business has an inherent operating leverage. So as the revenue expands, we will continue to see an improvement in profitability in Uniware. And you will continue to see a consistent growth in revenues and profits in the Uniware and the overall Unicommerce business.

Moderator: The next question is from the line of Chinmay Nema from Prescient Capital.

Chinmay Nema: Sir, just wanted to follow-up on one of the questions about wallet share. So with respect to some of the largest digital-first brands on your roster, like Lenskart or Mamaearth, do they typically operate 100% through Uniware or do they split volumes in conjunction with some other platforms as well? If you could give some colour around that?

And secondly, if you could talk about how customizable the software is? To what extent are you able to customize it to best use and inventory systems of the clients? Some sense around that.

Kapil Makhija:

Sure. As I mentioned before, given the nature of the product, it is difficult for a brand to operate multiple systems. See, effectively, what we are doing, we are ensuring that the same inventory pool is getting exposed to multiple marketplaces at the same time.

If they were using two systems, it is impossible for them to have a consistent inventory outlook across different marketplaces. And if they were not using the single system, it would make it very suboptimal for them, because a part of the inventory will be visible somewhere else and part of the inventory will be somewhere else.

So given the nature of the product, a brand does not use multiple systems to manage their orders and inventory. And that's why, by design, we have 100% of the e-commerce volumes for any brand that is using Uniware.

The Uniware system, as I mentioned before, operates like a system of record, just like how an ERP operates. You don't hear a brand operating with multiple ERPs, right? Very similarly, you don't see a brand operating with multiple order and inventory management systems. Sorry, I missed the second part of the question that you had.

Chinmay Nema:

Sir, if you could talk about how customizable the product is with respect to the needs of the businesses?

Kapil Makhija:

Yes. So we have been building this platform for more than a decade now and have built this in a fairly configurable way where different use cases can be easily configured, depending on the category, the product mix, the scale, the complexity of the operations.

In majority of the situations, the plain vanilla configurations that we offer are available. If there is a specific need of a customer, what we end up doing is that we understand that requirement and build it in a very generic way so that it not only serves the needs of a particular customer, but for a particular industry.

And over the last decade, while we were building this platform, we have got many requirements from various customers, but we have not implemented it in a bespoke manner. We have instead incorporated it as a general feature in the product so that it can be available to a wider customer base.

So just as an example, if you are able to serve a fashion customer, they need unique serialization, so they want to track each and every item. B2C customer, if they're selling cosmetics, so lipsticks are very small in size, as an example, so they need to print labels which are very small in size, can be pasted on the product itself. There are these small nuances that over time we have built in the product, because of which, it's available to a wide variety of customer base, depending on the product category that they are in.

Moderator:

Next question is from the line of Arvind Arora from A Square Capital.

Arvind Arora:

So my question is on, since if I see, like trailing 12 months basis, our data is all -- like, data process is almost 1.1 billion. So any plan on data monetization, like using data analytics or something like that?

- Kapil Makhija:** So our focus is to keep adding new capabilities in our products. I think we are evaluating internally on how we can look at data. We have amassed data over the last more than a decade having served thousands of customers and have a rich view on the information. But we are also cognizant of the new DPDPA Act, so we are evaluating internally on what we can launch, which is within the regulatory ambit, but at the same time adds meaningful value to our customer base.
- Arvind Arora:** Understood. And the second question is on, since you mentioned that -- and even if I compare the quarter-on-quarter standalone numbers, so our revenue increased 8%, but our PAT increased drastically. So same will happen, like going forward, even you are guiding double-digit growth, so our PAT would be at higher level due to operating leverage. Is my understanding correct?
- Kapil Makhija:** Definitely, yes. So we have an inherent -- strong inherent operating leverage, because of which our profits typically tend to grow faster than our revenue growth. But at the same time, we want to invest in the business in terms of AI investments for product and technology.
- As we mentioned in the beginning, for example, we have launched UniBot in Uniware, which is a GenAI solution, enables faster decision-making, simplification of experience for our customer base. And we anticipate more investment in the AI field for Uniware. So the kind of growth in profit may not be visible every quarter, but in the long term, definitely a large portion of our revenue growth flows to our bottom line, so our profits will continue to grow faster than the revenues.
- Anurag Mittal:** And just to add on, Arvind, here, that, during Q3 year-on-year, as you rightly mentioned, that our revenue has increased 8%, which has contributed to an increase in adjusted EBITDA, PBT and PAT as well. And Uniware operates with high gross margin profile. Uniware's gross margin is around near about 80%. And incremental volumes have a direct positive effect on the bottom line as well.
- And as Kapil also mentioned that as our revenue growth momentum increases to the double-digit trajectory in quarter 4 FY '26 and onwards, this operating leverage should further expand our profit pools and also help us to generate more and more cash.
- Arvind Arora:** Understood, understood. And Kapil, just last one. As you mentioned, we are investing in AI product and everything. So these will open up a new stream of revenue, correct, going forward?
- Kapil Makhija:** Yes, that's correct. It will add meaningful revenue, add meaningful value to our existing customers, plus it will open new monetization opportunities for us.
- Arvind Arora:** Just last request, Kapil. So going forward, is it possible for you to disclose the numbers at a, like, a different product level? And even like you said, for Uniware also, you are getting revenue from two streams, like one is existing business and second would be the growth business. So if you can disclose that from Uniware? And then for Shipway and ConvertWay also, if you can disclose the numbers separately? Is it possible?
- Kapil Makhija:** Yes. We disclose the net growth of our existing customers annually in the form of a metric called NRR. NRR is Net Revenue Retention, which means that if NRR is 103%, if a customer gave me INR100 last year, it gives me INR103 this year. So we disclose this metric annually. Along with

that, we disclose about our new enterprise acquisitions every quarter. So that gives a good perspective about the various levers impacting the growth.

The new products that we're adding contribute to our NRR. So as the new products start maturing, we should see improvement in our NRR going forward. In the current year, given these products are just recently launched, they may not contribute meaningfully to the current year financials.

But as I mentioned, we are investing for future growth. As a result of which, in the subsequent years, you should see a strong contribution coming from these new launches that we are investing in the current year.

Arvind Arora: Understood. But is it possible to disclose the revenue numbers and transaction process at a quarterly level? So that for us, it's also easy to understand where we are going.

Kapil Makhija: You mean for the new products, right?

Arvind Arora: For new product, yes.

Kapil Makhija: So as they become meaningful, we will definitely evaluate this internally. We also want to make sure as a management team that it's easier to model the business and like have better predictability on our financial path.

But like I said, today, these products are very nascent. It may not give a full picture. As the revenue matures of some of these new products, we will definitely evaluate the possibility of disclosing this so that it becomes more accurate to model the business.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand over the conference to Mr. Kapil Makhija sir, for closing comments. Over to you, sir.

Kapil Makhija: Thank you, everyone, for joining the call today. We hope we have been able to address your queries. Should you have any further queries or clarifications, please feel free to reach out to us or Strategic Growth Advisors, our Investor Relations advisors. Thank you, and have a good day.

Moderator: Thank you. On behalf of Unicommerce eSolutions Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.