Turtlemint Fintech Solutions

Q4 and Full Year FY26 Earnings Conference Call

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MANAGEMENT DETAILS:

Mr. Dhirendra Mahyavanshi

Managing Director and Chief Executive Officer

Mr. Anand Prabhudesai

Executive Director and Chief Operating Officer

Mr. Badrinarayan Sanjeevi

Chief Financial Officer

Mr. Nitin Garewal

Head – Investor Relations

Q&A PARTICIPANTS:

1. **Prayesh Jain** : Motilal Oswal Securities Limited
2. **Satvik Kanabar** : Jeffries India
3. **Shubham Prajapati** : ICICI Securities Limited
4. **Shubham Karvande** : JM Financial
5. **Rahil Bharat Shah** : HSBC
6. **Nidhesh Jain** : Investec India
7. **Nischint Chawathe** : Kotak Institutional Equities
8. **Divyansh Jaju** : Trinetra Asset Managers
9. **Mokshit** : Shriram Family Office

Moderator

Ladies and gentlemen, good evening, and welcome to the Turtlemint Fintech Solutions Earnings Conference Call for Q4 and full year FY26. 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. Please note, this call is being recorded.

I would now like to hand over the conference to Mr. Nitin Garewal, Head Investor Relations. Thank you, and over to you, sir.

Nitin Garewal

Good evening, everyone. Welcome to Turtlemint's first earnings call post our listing, and thank you for joining us today for the discussion of our Q4 and full year results for the financial year ending March, 2026. Joining with me on the call are Mr. Dhirendra Mahyavanshi, Chairperson, MD and CEO; Mr. Anand Prabhudesai, Executive Director & COO; and Mr. Badri Sanjeevi, Chief Financial Officer.

We would like to highlight that the management may make certain statements that may be forward-looking in nature. Please be advised that our actual results may differ from these statements. We do not guarantee these statements or results and are not obliged to update them at any point of time.

We will begin with Dhirendra, who will share our vision and business model. Anand will then talk us about our digitization and AI initiatives, and Badri will walk you through the financial highlights. After that, we will open the floor for the Q&A. Let me hand it over to Dhirendra.

Dhirendra Nalin Mahyavanshi

Thank you, Nitin, and good evening, everyone. Welcome to our first earnings call. Since this is our first call, we will start with a quick brief of the company.

We started Turtlemint with a mission to make insurance simple, accessible, and trusted for every Indian household. Over the last 11 years, we have worked relentlessly towards this mission and have scaled our platform into one of the leading digital insurance distribution companies. In India, insurance is significantly underpenetrated and, hence, provides an immense opportunity for growth. We believe a tech enabled adviser led model is best suited for reaching underserved segments of the market. Turtlemint is uniquely positioned to achieve the vision of, “Insurance for All by 2047.”

Our thesis that customers need advisory and guidance support in selecting insurance products. This is reflected in data which states that assisted distribution accounts for over 95% of all retail insurance sales in India. Our platform today connects 6.5 plus lakh advisors, whom we call digital partners, 46 insurance companies, and policyholders spanning 19,000 plus PIN codes across India. This triadic ecosystem creates value for every stakeholder. Policyholders benefit from choice, expert guidance, claim support, especially in Tier 3, Tier 4, or B30 markets, where trust and assistance are critical.

Digital partners get products of multiple insurance companies to distribute, digital tools, training, income opportunities, and a long-term career path in insurance. Insurers get reach, granular underwriting, and scale in a cost-efficient way.

Our growth strategy is anchored in our ability to recruit individuals at scale, seamlessly onboard them onto our Turtlemint Pro platform, handhold them in their training, give them skills and tools to get activated. We help them start producing and learn the necessary skills to improve productivity YoY, and create a long-term career path in insurance.

In other words, we do what is called RAP, Recruit, Activate, and Produce. This, we are now able to do at scale and have created a repeatable growth engine. This tech enabled digital partners are diversified and are present in the last mile in the country. Our network is granular, such that the top 100 contribute less than 5% of the business. While insurance remains our core, we also started distributing other financial products like mutual funds and loans. These are adjacencies given our large customer base and wide DP network. Our enterprise solution in the form of Turtlefin further increases our offerings and contributes to overall growth.

Now, some key highlights of FY26 and Q4. FY26, for us, was a strong year of performance. Our platform premium grew from INR 2,946 crores to INR 3,868 crores. Our revenue grew from INR 700 crores to INR 1,098 crores, just INR 2 crores short of 1,100, and growth was 57%. Our renewal revenue grew by 51% to INR 225 crores. Service EBITDA grew 70% to INR 142 crores.

In Q4, revenue grew 42% to reach INR 357 crores, and service EBITDA grew by about 60% to reach INR 60 crores. We are also happy to announce, in Q4, that this was our first breakeven quarter ever at an adjusted EBITDA level on a consolidated basis. Historically, we have executed on all key tenets of our business. This is reflected in the last 6-year data of our key parameters. Since FY20, our quarterly active DPs have grown from 7,000 to approximately 84,000 at a CAGR of 64%.

Our verified DPs grew from 1.2 lakh to 6.5 lakh at a CAGR of 41%. Revenue has grown from INR 163 crores in FY20 to now close to INR 1,100 crores at a CAGR of 46%. Looking ahead, we'll continue to execute as we have done historically. Our key focus areas will be to deepen our penetration in the B30 markets, leverage technology and AI to drive efficiencies and scale, expand our product suite, strengthen our brand, and invest strategically, including partnerships and acquisitions that enhance our capabilities.

With that, let me now hand it over to Anand, who will share how digitization and AI are powering this model and transforming experiences for both customers and partners.

Anand Rohidas Prabhudesai

Thank you, Dhirendra, and a very good evening to everyone. As Dhirendra mentioned, this is a really proud moment for all of us at Turtlemint. I would like to extend my gratitude to each of you for supporting us and making our IPO a successful one.

At Turtlemint, technology has always been the backbone of our business. Over the past few years, we have accelerated our digitization and AI driven initiatives, ensuring that we stay at the forefront of insurance distribution. Our tech led platform connects customers, advisors, and insurance companies in a seamless manner, and we believe that tech enabled assisted selling will be critical in realizing the vision of, “Insurance for All by 2047”.

To support this model, we have built a strong digital ecosystem for our advisors. I'd like to describe it briefly. Firstly, we have Turtlemint Academy for mobile based training. We see an average of 52,000 plus monthly active users consuming over 6,500 hours of training content every month on this platform across products, claims handling, and selling skills. Turtlemint Academy enables us to certify and activate more than 5,000 new sellers each month and to equip them with the confidence to face customers.

Second is our customer engagement tools that enable advisors to share personalized posters, videos, and other content to engage with customers. Over 1.25 million pieces of content are shared each month in 8 regional languages, helping our digital partners generate leads and engage with customers in their social networks through WhatsApp and Facebook, and do this at scale.

And third is our digital transaction infrastructure, which powers over 8 lakh quotes generated daily, with policies issued across 40 insurers, enabling a 100% paperless journey. So, our technology platforms are also the most widely adopted in the country. The Turtlemint Pro app crossed 5 million downloads on Google Play last year, making it the number one highest downloaded app among insurance seller apps with a strong 4.5-star rating.

We've also built proprietary Ninja Sales Pro app, which is an internal sales and ops CRM application that equips our relationship managers and frontline staff with AI powered dashboards, tools, and training modules to support, recruit, and activate our digital partners. These initiatives have enabled us to improve the productivity of our frontline staff consistently by 20% plus each year, which contributes to improved service EBITDA margins.

Beyond this, we've also invested in building core infrastructure solutions like our Insurance Hub, which streamlines policy issuance and integrations across our 40 plus insurer partners in a fully paperless manner. And through Turtlefin, our enterprise distribution platform, we are also enabling banks, NBFCs, FinTechs, and other enterprises to digitize their insurance in their ecosystems through plug and play modules and a robust one API solution.

We also have a consumer app, which helps customers simplify insurance management. We are now actively working on building agentic AI enabled services to drive our key KPIs, which is increasing agent activation and productivity, higher cross sells and renewals, superior customer service, and much better claims support. We will update you on these developments from time to time.

With that, let me now hand it over to Badri, who will walk you through the financial highlights of Q4 and FY26.

Badrinarayan Sanjeevi

Thank you, Anand, and good evening, everyone. As Dhirendra and Anand highlighted, FY26 was a strong year of growth, improving margins, achieving key profitability milestones, and continuing to improve our cash conversion cycles.

Before I start with the actual commentary on the numbers, there is an important point regarding FY25 financials I want to highlight, what is included in this presentation deck. Our FY25 financial numbers and financial KPIs are on a pro forma basis, consistent with our disclosures in the RHP. The reason for the pro forma is that the listed entity, TFS, in FY25 acquired a material subsidiary, Turtlemint Insurance Broking, I will refer to that as TIB on May 8th, 2024. So, the audited financials have consolidated TIB for 328 days and not 365 days.

Hence, for the purpose of providing comparative financials, we compare one whole year with the prior year whole year. We have presented numbers in this presentation on a pro forma basis. Our prospectus has detailed this pro forma presentation extensively. In this presentation file, wherever the numbers are on pro forma, they have been clearly highlighted.

Moving on to the summary slide, the premium for the year, FY26, as Dhirendra highlighted earlier, is INR 3,868 crores, and this has grown by 31% YoY. This is a combination of premium generated by our PoSPs, which is generated in an insurance broking subsidy, and premium generated by enterprise partners in our Turtlefin business, who are also insurance distributors. This PoSP premium has grown at a healthy rate of more than 40% in FY26. We deliver on revenues.

We delivered one of the strongest growth years in revenue terms in FY26, where operating revenue of INR 1,098 crores has grown by 57% over the prior year. Service EBITDA has grown faster than our revenues in the last few years. In FY26, service EBITDA has grown at 70% over the prior year to reach INR 142 crores. This is approximately 13% of our revenues.

In this slide, the graph that you see indicates a number of digital partners who are active on our platform on a rolling 90-day basis. We call this metric internally as the P3M Active or the prior 3-month active. This number, as at the end of March 31, 2026 was above 93,000, and this active digital partner base has grown at a CAGR of 51% over the last seven years as can be seen in the graph.

This growth comes primarily from strong retention of digital partners on our network and new recruitment during the year. Our premium generation and revenue growth closely reflects this growth of active digital partners. It's a strong indicator of our near-term performance that can also be expected from the company.

A second key metric on this slide is intended to reflect the granularity of our digital partner network, what you see on the top right-hand side. As of March 31, 2026, the top 100 digital partners have generated 4.62% of our platform premium. Our digital partners are present in all the 19,000 codes, and this granularity helps us achieve high policyholder contactability and, hence, strengthen our ability to service our policyholders better and secure high rates of premiums.

Slide 43 in the deck is a key metric that indicates how the earnings of our digital partners on the platform continues to grow YoY. In the rows, you see the cohorts of digital partners from years '20 to '26. As you can see, across each of these cohorts, our digital partners' earnings continue to increase YoY on our platform.

Our digital partner onboarded in FY20 is earning up to 3.8 times of his initial earnings on our platform. This growth in earnings is facilitated by growing familiarity with our platform, ability to confidently sell products across multiple insurance companies, sell products across multiple categories of assets, and securing the renewal of policies as they fall due.

This is the data points that Dhirendra mentioned in his opening comments. I will not spend more time on that, but to indicate that over the last six years, we have enjoyed strong CAGR growth rates on whether it is verified digital partners on our network or active digital partners or premium and revenue from operations.

The next two slides, I'll jump straight into our financial performance. What these two slides give us is details on our growth in revenues and service EBITDA. I'll take this opportunity to explain what service EBITDA is in detail and why we have used this metric.

Service EBITDA is our measure of profitability after accounting for all the variable cost of our business. These variable costs include commissions that we pay to our PoSP partners, the campaigns that we run with them, the selling and distribution costs, particularly the frontline team costs who are involved in engaging with the partners, and direct-tech API costs that we incur in production of the policies. This metric is unique and, in some ways, reflective of the unique business model of Turtlemint.

Turtlemint has aggregated thousands of producers on our platform, and we needed a way to show clearly the economics of this producer network that includes the commission cost, and the cost of the operating infrastructure required to support this base of producers. Service EBITDA for us has grown at a pace and faster than the revenue growth rate historically for us, and I'll elaborate more on that shortly.

Hence, improvement in service EBITDA is a strong indicator of how historically we have improved our adjusted EBITDA impact. Beyond these costs that are in service EBITDA is what we call corporate overheads. Corporate overheads include people’s costs, marketing and other expenses.

These people costs are the teams that build our intellectual property, whether it is our technology teams or brand teams.

And, of course, it includes the other corporate and compliance teams. These costs, by nature, do not expand with the number of transactions on the platform, and hence, we have been able to see strong operating leverage. These corporate overheads have been shrinking significantly as a percentage of revenues over the last three years.

Now, I'll move on to the specific highlights for FY26 first and then Q4. Revenue, as mentioned earlier, has grown by 57%, while service EBITDA for the year has grown by 70% to about INR 142 crores for the whole year. Just as an operating context, service EBITDA was at a loss of INR 65 crores in FY23. From that position, when we were incurring a loss, our service EBITDA has expanded rapidly. Service EBITDA now is at 13% for the full year of FY26.

Now on the slide, you can see performance for Q4 FY26. Our revenues were INR 357 crores for Q4, and we said growing by 42% over the prior year. Service EBITDA at INR 60 crores has grown by 60% over the prior year. There are two key levers for expansion of service EBITDA. One is the growth rate of growth of our renewal revenues, and that's the number that Dhirendra alluded to earlier, which has grown by about 50% over the prior year. And second is the improving productivity of the relationship managers whose cost we include within service EBITDA.

Our premium productivity for frontline employees in the last one year has grown by over 20%. This has been possible by investments that we have done in our tech platforms. With the vast majority of our policies being end-to-end digitally issued on our platform by our PoSP partners, it increases the number of partners that our frontline staff is able to service on a monthly basis. The renewal revenue chart that you see on the slide, which has grown by 50%, now these renewal revenues now constitute about 20% of our overall revenues in FY26.

We enjoy higher service EBITDA and renewal revenues. Across all the product categories that we sell insurance policies on; our renewal rates are higher than the industry average given the high granularity of our PoSP base and high contactability of the end customers.

I'll now move on to the cost below service EBITDA. Now, these are corporate overheads. As I mentioned before, corporate overheads comprise people costs, marketing, and other expenses. We have maintained our costs largely flat in the last four years while the company has scaled materially.

In FY26, our corporate overheads were INR 247 crores for the whole year, down from nearly INR 270 crores in FY25. This has resulted in corporate overheads as a percentage of revenues, reducing from 38% of revenues in FY25 to 23% for the whole year FY26. This improvement in cost structure comes from a continuous deployment of automation and taken our own internal processes and business.

For the quarter ended March 31, as you can see on the screen, corporate overheads have further shrunk to about 16% of revenues for the quarter. This operating leverage has had a direct impact on improvement in adjusted EBITDA. Adjusted EBITDA for the whole year was INR 105 crores loss, or about roughly minus

10% of revenues. This is significantly lower than INR 186 crores of loss in the prior year at minus 27%. As Dhirendra highlighted earlier, we are very pleased to report that we have achieved a breakeven adjusted EBITDA for the fourth quarter of the FY26.

Profitability and cash from operations. What you see on the slide are profit after tax, but for the purpose of this slide, we are showing it as excluding the exceptional items in the P&L, and I will comment on the exceptional items as well. For the year ended FY26, PAT before exceptional items was INR 129 crores, or about 12% of revenues. This has improved for about INR 203 crores for the prior year, which was nearly minus 30% of revenues.

Accounted for within the PAT are the ESOP costs, which for year ended FY25 -- sorry, year ended FY26 was INR 25 crores about 2.3% of revenues. This was about 1.7% in FY25. The increase in ESOP cost as a percentage of revenues is owed to a larger grant that was done in the FY26, and the accounting estimates for the grants made up to FY26, we have computed, will reduce significantly by FY28.

Cash from operations. Our cash from operations are historically seen, and in FY26, a high conversion from PAT. We have always been conservative in how we manage our cash conversions and working capital management. With the support of our insurance partners, we ensure that our billings are collected on time, and our payouts to our PoSP partners are also, in a large part, after our collections are completed. For the year ended March 31, 2026, our cash conversion is at 99% of profit after tax and before exceptional items.

I want to just clarify a quick line on the exceptional items. FY26 financials include an exceptional item charge of INR 55 crores. This exceptional item was a noncash adjustment. It resulted from certain arrangements related to the conversion of preference share capital to equity capital, as was documented in the shareholders' agreements. This charge was recorded in the nine-month period up to 31st December, 2025, and that's been disclosed in our prospectus. There are no exceptional items in March 31, 2026, as in the quarter ended March 31, 2026, and we don't expect any in FY27 either.

So finally, just to kind of summarize our Q4 performance in a quick recap of snapshot, we had a revenue of INR 357 crores and growth of 42%. Service EBITDA at INR 60 crores. It's a growth of about 60%. Corporate overheads as a percentage of revenues are down to 16% of revenues, and we have delivered positive adjusted EBITDA and a positive profit after tax.

In summary, last few concluding points, the key elements of our growth in FY26 have been about following four key themes that continue to remain our operating principles. A, driving strong volume growth and revenue growth on our platform. B, continuing to grow the renewal revenues, which are a key driver for scale and profitability.

C, continuing to maintain strong operating leverage in our business such that corporate overheads shrinks significantly as a percentage of revenues, driving adjusted EBITDA and PAT improvements. And finally, D, being disciplined in our cash management and working capital management that keeps the cash conversion for business very high.

Thank you. I'll conclude my remarks and hand back to the operator and Nitin for next steps in Q&A.

Moderator

Thank you, sir.

Nitin Garewal

Operator, we can open the call for Q&A.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Participants who wish to ask questions may do so by clicking the raise hand icon at the bottom of your screen and wait for your turn to speak. We request the participants to introduce the firm you represent, and ask your questions or give comments. Wait for a moment while the question queue assembles.

The first question comes from the line of Prayesh Jain. Please go ahead.

Prayesh Jain

Yeah. Hi, everyone. This is Prayesh Jain from Motilal Oswal. Anand, Dhirendra, congratulations -- Badri, all congratulations on a very good set of numbers.

A few questions. Firstly, if you look at FY26, we've seen a very strong growth in premiums and revenue. First of all, could you highlight some factors? I think, one of the tailwinds could be GST that could have played an important part in the second half as well. What are the other factors that would have played? Productivity of DPs or how things would have changed in FY26?

Similarly, what would you think about sustainability of this growth going ahead, given that second half of FY27 would have a base effect of high growth that we've seen? So, yeah, that's my first question. I'll ask the second question later.

Dhirendra Nalin Mahyavanshi

Thanks, Prayesh. I'll basically explain what are the growth drivers for us. At Turtlemint, what I earlier mentioned, we have a large-scale Recruitment, Activation, and Production engine that keeps running.

What it essentially means is that we are able to identify and recruit individuals who are not from the insurance industry, take them to handhold them to a training program, and get them to start getting activated using the tools that Turtlemint provides.

Now, once they start, their career path on Turtlemint, what we see essentially is that you can divide the cohorts into two parts, where one set of cohort, which is the existing cohort, grows through productivity. You see every year productivity improvement on existing cohorts. And there is a new set of cohort that comes in onto the platform, and they start their journey, and they add to the growth. This two become key growth drivers. This also leads to another compounding effect, which is the book-building effect that happens, where you build a renewal book, and that renewal book contributes to the growth as we build the business.

This is a key lever and the key growth driver for the business. Obviously, if there are tailwinds, it helps. One of the key things that happened last year was improvement in affordability for products, especially like health insurance. We did see a massive impact. We had a health insurance growth led by our growth drivers and also by these tailwinds of 75% plus, and that led to the overall growth of the company.

Prayesh Jain

And could you allude something on how do you think that this growth rate is sustainable going ahead?

Dhirendra Nalin Mahyavanshi

Last year, we grew from a revenue point of view at about 57%. That revenue growth, if you were to divide between H1, H2, H1, there was a base effect of the previous year of FY25, so H1 growth would have been higher. But Q4 growth is closer to the growth in a steady state that you would see. Historically, if you see, we have grown at a rate of 40% plus in our revenues and also in other key KPIs. I would say, historically, you can look at how we are performing, and we'll continue to sort of deliver on that performance.

Prayesh Jain

Okay. The other question was on the commission regulations or the discussion that has been ongoing for some time now. Two-part question there. First part, if there are any commission cuts, what gives you the confidence that you'll be able to pass it on? Any past examples in terms of GST? How were you able to pass on to your distributors?

Second part of the question would be, how does the regulator think about PoSP? Whether the PoSPs are bucketed as agents or PoSP are bucketed as brokers? In what kind of, segment would -- because we are hearing a lot many things on it could be differentiated across channels.

How a PoSP would be kind of treated under commission regulations, if you could give your thoughts on it. I understand they wouldn't have a certainty on it, but, yeah, your thoughts would be helpful there. Thank you.

Dhirendra Nalin Mahyavanshi

Yeah. So, first, let me just mention that government's mission is to increase penetration, and there is zero doubt about it. In that mission, a tech enabled distribution platform is sort of the only way to achieve that goal. Any step to increase penetration will drive higher volumes in the industry.

Now, specifically on the regulation point of view, it could be a bit of speculation because we do not know the actual discussion paper that will be coming out. But from a Turtlemint point of view, the business model is quite, watertight. Our business is what we call an asset-light, performance-driven kind of a platform where all the costs that are incurred onto the platform are incurred only after a transaction has been enabled, and no marketing or no cost is incurred before a transaction has been done apart from the fixed cost that Badri spoke about.

In that sense, the platform has the ability to absorb any volatility, and it is able to pass down any cost structure, any commercial structure changes. This also goes back to the OND (October, November, December) period when GST cuts were implemented. The health insurance companies had reduced commissions for distributors, and we also saw a reduction in that commission. It was simply, I mean, the platform was able to absorb. We were able to pass down those cuts, and the net effect was what I just mentioned, that the growth was about 70, 75% plus. The platform is able to absorb any changes in the commission, so we represent the market, and whatever volatility in the market is there that we are able to absorb.

Also, another point is that the PoSPs are sort of micro entrepreneurs. They have gone through a certain set of training, and they are distributing insurance product within their community. They are quite entrepreneurial in nature. As we keep adding more products, we create options for our PoSPs to distribute more. They would start with a journey of a particular product, but they are able to then go to the existing customer and offer more and more products increasingly. And that is what we have been doing in terms of increasing supply onto the platform.

Our ability to add more products, handhold them, and train them, and put them onto a career path allows us to sustain a certain level of transaction volume and a business volume for the company, and that has been proven in the past. Like, for example, when COVID happened, there was a lockdown. You know, PoSPs immediately switched to digital means of reaching out to their community and were able to start doing equal volumes as what they were doing before the lockdown was implemented.

In the past, we have experienced that. And that entrepreneurial sort of spirit will also continue to drive platform volumes is what we believe.

From a regulatory point of view, I think, I would not know exactly whether the PoSPs is treated as compared to an agent or not. But in terms of effort, the PoSP is definitely somebody who is driving penetration, especially in the Tier 3, Tier 4 market. And they are working under a broking license and representing the Insurance Act, the policyholder. That sort of continues to play -- and they continue to play an important role in driving distribution in the country.

Prayesh Jain

Got it. Thank you, and all the best.

Moderator

Thank you. The next question comes from the line of Satvik Kanabar. Please go ahead.

Satvik Kanabar

Hi, this is Satvik from Jefferies. Thank you for taking my questions. Firstly, congratulations to the entire team on the company's first profitable quarter. I have three questions. Firstly, how are you able to recruit such a large number of digital partners in the light of high competition? How big is the TAM?

Dhirendra Nalin Mahyavanshi

So, we have created sort of a platform that allows us to reach out to the market both online and offline and onboard this potential PoSPs at scale. About 80% of the PoSPs we onboard, the digital partners we onboard, do not come from the insurance background. They are freshers to insurance. Most of them are less than 35 years of age.

There are about 60-65 different profiles that we encounter when they come onto the platform. So, somebody could be a college student, a financial adviser, or a retired bank employee. Depending on the different kind of occupation that they have, either they are socially active or they have an existing customer base that they would want to start distributing insurance to. We are able to identify them.

Because the journey is digital, we add scale. We can onboard, and we are able to recruit them, put them onto Turtlemint Academy, create customized training paths for them, basis their background, and basis their experience, and then at large scale, get them activated onto the platform.

This has been sort of fine-tuned over the years and has become a key moat for the organization in terms of how we are able to build the last mile granular network on the platform.

Largely, it is digitally done through our app, also through the offline presence that we have through the branch network that is present in pan-India.

Also, these PoSPs are spread to 19,000 plus PIN codes. So, they are present in some of the remotest parts of the country and are distributing insurance to a community which otherwise would not have access to an adviser within their network, and they are able to serve those communities which otherwise were underserved.

Satvik Kanabar

Got it. Then secondly, what role does AI play in your business? Do you see or are you seeing any cost savings from the use of AI? Also, just an extension of that, how can AI potentially disrupt your business model?

Dhirendra Nalin Mahyavanshi

Yeah. I'll let Anand take this question.

Anand Rohidas Prabhudesai

Thanks for that question. So, insurance is a complex products and underwritten product. Because of that, there are various points at which there is a human-to-human interaction. This could be, for example, in servicing the customer, there are things like claims that are endorsements. There may be follow-ups needed to understand the underwriting salience of the customer. Or given it's a product that customers are just under inertia in terms of buying, there is need for follow-ups and so on, nudging and so on.

All of these human-to-human interactions lend themselves very well to automation through the agentic AI or LLM-based model automations. That is where we see a huge opportunity for us to build better automation and not just automation, but have better customer experience as well.

We've already done AI investments in many different parts of our business. For example, support tickets, a good percentage of them are now handled by AI-first, and there's only fallback to humans if required. We're also doing renewal calling just to nudge customers to remind them for doing their renewals, and this was kind of difficult to do over voice, especially for smaller ticket size products.

We are seeing some, great results in terms of what we are able to do on renewal rates as well. There are lots of such kinds of opportunities that we see where we can use voice or chat-based automations using agentic AI. So, we see it as a huge enabler for our business.

Satvik Kanabar

Understood, very clear. Lastly, can you give any guidance on how FY27 will look, while you already alluded to, revenue, premium, and revenue growth, any color on OpEx growth, including corporate overheads would be useful. Thank you.

Dhirendra Nalin Mahyavanshi

So, while we as a board decided not to give any future guidance, but since this is our first earnings call and would like to happy to give some sense. Q4 became our first profitable quarter. It just demonstrated the fact that there is operating leverage and with scale and expanding service EBITDA, there is significant high profitability to come.

Now, this quarter was also a seasonally a bigger quarter because Q4 usually is a high season. So, from a next year FY27 point of view, it will play out the way it has played out historically. We will reduce our losses or improve our profitability by more than 40% how we have done in the past.

The way the year goes by is that every quarter is bigger than the previous quarter in a financial year and Q4 being a big season during the year. We will see improvement in profitability. We will see entire year achieve profitability on a consolidated basis, and we will continue to perform the way we have done historically for the last three, four years for the last four plus years that we've given the data in terms of how we have been growing our business.

Largely, our P3M active will grow, and that will lead to the growth in productivity of existing cohorts and new cohorts, and that will drive improvement in our profitability. There is also a renewal improvement that we are seeing in terms of renewal book. Our renewal rates, in this quarter were significantly higher than the same time previous quarter, and that benefit we will also see accrue to the business.

On a long-term basis, in the next five years period, we expect our service EBITDA to expand and our corporate overheads to shrink as a percentage of revenue. Obviously, there will be an inflation, absolute value increase, but as a percentage of the revenue, we expect our EBITDA to be in the range of 18-20%.

Satvik Kanabar

Very, very clear. Thank you so much.

Moderator

Thank you. The next question comes from the line of Shubham Prajapati. Please go ahead.

Shubham Prajapati

Hi, everyone. Congratulations on the great set of numbers on turning EBITDA positive. I have two questions. First, on the overall product mix. How do you expect, like, your premium mix across life, health, and motor, and other general insurance product to pan out over the next year? How this product mix influenced your overall margin?

My second question is, as your business has scaled up to EBITDA positive, how do you expect your operating leverage to play out in coming years? At what level do you expect, like, your adjusted EBITDA margin will stabilize? These are my questions.

Badrinarayan Sanjeevi

Hi, this is Badri here. Your first question was with respect to product mix. Sir, what we have highlighted in the past is that general insurance businesses are more than 90% in terms of platform premium for us as compared to life businesses. But beyond that, we do not want to kind of highlight further splits within the GI business. As you can imagine, and as Dhirendra alluded, within the GI business, health has been growing extremely strong for us. Dhirendra highlighted that our health business within that has grown at more than 60% in the last year.

As you rightly say, sir, as the health business in particular and as the renewal margin, renewal book size keeps growing over time, you should expect to see our profitability improve. Some of the points that I made earlier with respect to our renewal book being 20% of our revenues, going to about INR 230 odd crores for the financial year FY26.

We continue to expect that as our renewal rate strengthen in absolute terms and in relative terms as well, our renewal business should keep growing, which earn us a higher service EBITDA. To help in the renewal book growing, the growth in the health and other businesses certainly support. Those are our key comments on the product mix point, sir. The next question, I'm forgetting. What was the question?

Shubham Prajapati

Operating leverage.

Badrinarayan Sanjeevi

Operating leverage. The key point of operating leverage is that, as I mentioned earlier, the fixed cost for the FY26, what we call corporate OpEx, was about INR 245-246 crores. In the last year, in the prior year, it was about INR 270 crores. Sir, in the DRHP also, we highlighted a corporate overhead strength from 2023, that is FY23, out to FY25. If you observe the trend there, sir, we have maintained our corporate overhead in a narrow band between roughly about INR 230-260 crores across all these four years. This has happened while our top line has grown significantly from FY23 to now.

So that is what Dhirendra sir, was mentioning, that the corporate overheads and the percentage of revenues is sharply falling year after year. As we have demonstrated this ability to deliver on operating leverage in the last four years, we are confident that the future growth rate will also be inflation-led rather than necessarily expanding in line with our volumes.

This is what gives us confidence that our path to profitability so far up to FY26, which has been demonstrated in the presentation, that's what has helped us achieve till now, and we'll work hard to continue this sustaining of this trend going forward.

Shubham Prajapati

Yeah, thank you, sir. In future, at what level do you expect your adjusted EBITDA margin will stabilize for the future years?

Badrinarayan Sanjeevi

I just refer back to the overall guidance that Dhirendra sir, just gave, which is in about five years' time, we would like our profitability at the PBT or a PAT level to be roughly between 17-18% to 20% of our revenues, which will largely be led by improvement in service EBITDA from today's levels while holding the corporate overheads at a relatively flat.

Shubham Prajapati

Yeah, thank you, sir.

Moderator

Thank you. We have the next question from the line of Shubham Karvande. Please go ahead.

Shubham Karvande

I am Shubham Karvande from JM Financial. Thank you for taking my question. First of all, congratulations to the entire team on the good set of numbers. I have a couple of questions. One, could you elaborate on your role in the claims settlement process?

Specifically, how do you assist customers during the claims journey, and to what extent are you involved from claim initiation to settlement? Could you provide some insights into your working capital cycle? I mean, how has it evolved over the past few years, and what are the key factors driving any changes in the working capital requirements that you have?

Dhirendra Nalin Mahyavanshi

Great. Thanks for asking this question. We are in the business of insurance distribution, and the product actually is a promissory note, and the real moment of truth is the claim. It's a sort of very serious and important part of our service that we provide to the policyholder. We have created an in-house expert claims desk and a claims engine that helps our policyholders get support at the time of claim.

Usually, if it's a straight-through claim, it goes through the process. Insurance companies have significantly improved their processes in terms of how they settle the claim and the turnaround times. However, if there is a delay or there is a rejection there in the claim, we have our expert desk that gets involved in supporting the policyholder.

Usually, the delay is due to some communication gap or some documentation which has been pending or maybe some understanding issue on the policy. We have our expert depending on the product, like, for example, for health insurance, we have an in-house doctor. For other products, we have ex-surveyors who are part of our claims team. They are engaged with the policyholder. We also give them status updates on the app itself so that they are able to track their documentation and see the process of the claim.

Using the expert desk and the tech offering that we have in the consumer app, we are able to help them settle the claim. In Q4, we settled about INR 85 crores plus claims that were either delayed or rejected, while working very closely with the insurance companies and delivering that to the policyholders. Regarding the next question on working capital, I'll invite Badri to answer that question.

Badrinarayan Sanjeevi

Thanks for the question on working capital. First of all, just to add some color on the balance sheet. In our balance sheet, we really don't have too many fixed assets beyond the what we need as IT equipment for our staff and offices. Neither do we capitalize any of the costs. Basically, all the costs are expensed. What you see on the balance sheet fundamentally is that the net working capital and cash and bank balances represent our net worth. That is point one.

Now within the net working capital, really the most important number that we excessively track and manage is really the accounts receivable. Now, sir, in this, we are really supported a lot by our insurance partners, whether it is private sector insurance partners or the PSU insurance partners. With many of the insurance partners, we have an arrangement that we can bill every 15 days and collect from them, while with the others, we have a monthly billing cycle. This suppose that we get from them enables us to keep our receivables at the end of the year fairly short.

So, sir, from the balance sheet, if you were to compare the closing receivables on a consolidated basis, which has been roughly about INR 150-160 crores, and compare it with, let us say, our quarterly revenues that we just spoke about, we'll realize that we don't have more than about 40-50 days of receivables there, which reflects a strong collection cycle.

The other side is that how we pay our, let us say, our PoSP partners’ the commissions, because that is really the large cash outflow in our business. Here, again, we've been disciplined right from the inception of the company where, to the maximum extent possible, we pay after we collect from the insurance companies. Hence, we try and maintain a positive cash cycle, sir.

Some of those trends that you see on the cash flow details which are there for the financial year FY26, you'll see in the cash from operations. You'll see that the movement in receivables and movement in payables is very small compared to the scale that, let us say, the company had achieved. Hence, like to the point that nearly 99% conversion that we see from PAT to our cash flow from operations. So, those are the key points, sir. Thank you for asking this question, and we were able to highlight these achievements.

Shubham Karvande

Thank you, sir. Very clear.

Moderator

Thank you. The next question comes from the line of Rahil Bharat Shah. Please go ahead.

Rahil Bharat Shah

Hello. Thanks for the opportunity, and congratulations on a strong quarter. I wanted to understand around the enterprise business. First, can you quantify the premium from that business line? What sort of growth outlook can you give on that?

My second question is around the take rates who wanted to understand know how this is decided. Like, are these links to only group targets, or they are also linked to other factors like loss ratios or, say, growth in number of policies or something else? These are my two questions.

Dhirendra Nalin Mahyavanshi

Thanks. I'll invite Anand to answer the question on Turtlefin.

Anand Rohidas Prabhudesai

Yes. So, Turtlefin is the premium that we generate are through our enterprise customers. These are large banks, FinTechs, NBFCs, so on that are using our tech platform to drive digitization in their own ecosystems.

The premium growth there, I mean, roughly about 20% of our premiums come from there. The premium growth there, is driven by, of course, the growth of their own businesses as well as the amount of digitization that they're able to drive, the change management and so on that they're able to do. That drives our premium numbers in that.

You know, in this last year, we've also added a good number of new accounts, and these will go live in the coming year. We should start to see growth in our enterprise premiums also at a faster pace than what we saw in the last year. This is how the enterprise business works. So, that addresses the question.

Rahil Bharat Shah

Okay. Sorry. So, I mean, if I see the number of last year, it was around 29.5 billion total platform premium. So, of that, around 6.6 billion was enterprise premium. This time around, out of 38.6 billion you are saying around 20% would be coming from enterprise premium. Is that understanding correct?

Anand Rohidas Prabhudesai

Yeah.

Rahil Bharat Shah

Okay, sure. What sort of profitability this business generates? I would assume this would be a low margin business.

Anand Rohidas Prabhudesai

It's actually a high-margin business because tech is already built up, and we are licensing our technology to these partners. Of course, the take rate is based on is low given it's a technology fee, and it's not the full broking commission, which may be in our PoSP business. The take rate, in that sense, is low, but its transaction-based or volume-based, but it's a high margin for us.

Rahil Bharat Shah

Okay. Got it.

Dhirendra Nalin Mahyavanshi

With respect to the second question on how we have plan. Basically, see, we work with insurance companies, and we solve for several of their requirements. One is that we have a presence in some markets where insurance companies may not be present, so Tier 3, Tier 4 access is what we deliver them.

Second, they are able to do granular underwriting in the sense that they can -- because the platform is digital, policies are issued digitally in pockets of PIN codes, different kinds of asset or different kinds of policies. They can do their underwriting on a sort of at a micro level. That is the second key offering to them.

Third, it's at large scale at low OpEx that they are able to distribute onto the platform. Depending on the insurance company’s key goals, we have partnership with them, and we sort of work closely in adding value to their requirement. There is no standard structure in that sense. I mean, it will all depend on the insurance company's way of thinking about the business and their own underwriting.

One other thing that is appreciated a lot about the Turtlemint business is the quality of the book that we are able to deliver. We obviously have aligned to better renewal rates, build a good renewal book. Second, to keep constantly improving the renewal rates and also the persistency. Third you're using tech, to identify any leakage or any fraud, and eliminate them from the process. Overall, insurance company sees good value.

We also work on improving better, improving loss ratios. With the few insurance companies, we have demonstrated lower loss ratios versus their own product for that specific category. These are several factors that we have in working with insurance companies. These are long-term relationships built over the last several years. When we partner with them, again, the conversations are over longer period times.

Rahil Bharat Shah

Okay, sure. Since you talked about renewals and focus on that, sir, can you quantify the renewal premium? How much it is of your total platform premium?

Dhirendra Nalin Mahyavanshi

I will quantify the income. It is 225 Crs.

Rahil Bharat Shah

That is okay, but not in terms of premium?

Dhirendra Nalin Mahyavanshi

No, not in the terms of premium. Somethings allow us to keep confidential because it helps us work and sort of some of it is our bit of a core competence, so, yeah.

Rahil Bharat Shah

Why I'm asking is that if I see your premium growth number at the headline level, for the full year, it has grown at around 31%, and your renewal book has grown -- sorry, renewal revenue has grown very sharply. So just wanted to understand what is the sort of growth which is coming from new business. Just wanted to get some sense around that.

Badrinarayan Sanjeevi

Sure. Rahil, and within the 31% growth in the overall premiums, one of the points that I made in my narrative was that what I offered another data point was that how much the premium from the insurance broking entity that is driven by the PoSPs have grown. That grew in FY26 at about more than 40% for the year.

Now, renewal revenues are a function of two things. One is what the underlying volume growth in the prior year have been. That is a strong indicator of how the renewal revenues in next year will grow. Second is how much you're able to improve on the renewal rates across all our policies and products from YoY. What we have seen over time is that as we have built our tech platforms and some of the points that Anand mentioned earlier about how we are able to contact even policyholders having low-ticket policies using AI platforms to strengthen our renewal rates, those have helped us in growing our renewal rates faster than, let us say, what can be implied by simply taking last year's renewal rates on the base.

In the coming quarters also, always a big effort and focus will be: A, on ensuring that we have high contactability with the end customers by keeping our network granular. That is point one. Point two, continuing to work on presenting the right products to our end customers. So, the product is right for them and the renewal rates are secured at the time of setting the policy itself.

Three, using technology and tools to keep maximizing on the renewal rates. Then using this strong renewal rate to work with our insurance partners and maximize the revenue potential that we have from our renewal business. I think the order in which we execute within our company as well.

Rahil Bharat Shah

Some part of this higher growth in revenues is also driven by better take rates in renewal books. So that would be a fair conclusion?

Badrinarayan Sanjeevi

It's driven by a strengthening renewal rate and then working with the insurers that we get fairly compensated. That's the way.

Rahil Bharat Shah

Okay. Got it. That's it from my side. And again, congratulations on good side of numbers.

Badrinarayan Sanjeevi

Thank you.

Moderator

Thank you. The next question comes from the line of Nidhesh Jain. Please go ahead.

Nidhesh Jain

Hi, sir. I have couple of questions. First question is, what is the differential between new and renewal service EBITDA margin?

Badrinarayan Sanjeevi

Sir, we don't have to give it out, sir.

Nidhesh Jain

But in terms of quantum letter, it is 50% higher, 20% higher. Any indication would be helpful.

Dhirendra Nalin Mahyavanshi

It's about 2.5-3 times higher than the new service EBITDA.

Nidhesh Jain

Okay. Secondly, can you share some color on non-insurance revenue? What is the share of non-insurance revenue, let's say, in for Q4 and how that is trending?

Badrinarayan Sanjeevi

On a revenue basis, sir, I think, I'll go back to what Anand sir referred to. While the Turtlefin business and the enterprise premiums we generate are meaningful in a premium basis. Anand also highlighted that our take rates on that are not that high. Beyond that, the Turtlefin business, obviously, we also, through our other subsidiary, distribute mutual funds as well. Some of our non-insurance digital partners are able to distribute post getting the right certification that they need to get.

On an annual basis in FY26, 97% of our revenues are in the subsidiary, which is Turtlemint Insurance Broking, and our revenue is commission. The remaining 3% is non-insurance businesses for now. These businesses enjoy a stronger profitability that Anand sir referred to. Like, for example, in the Turtlefin business, while we earn tech service fees from our enterprise partners, we don't have any direct variable cost associated with it, and the existing teams and tech platforms deliver to those revenues. Our objective in driving the other business also is that, as we continue to invest in it and the business grows, it should offer us higher margin accretion in the outer years.

Dhirendra Nalin Mahyavanshi

Will just add to that. So apart from the Turtlefin, because we have a very wide consumer base and the last-mile digital partner who is engaging with the customer, we are able to offer other financial services products that the digital partner offers to the policyholder. The other products are mutual fund, where mutual fund AUM would be close to about INR 1,400 crores. We have also added loans, which is a very recent addition. What the run rate there would be about INR 300 crores in terms of how much loan is getting disbursed.

Again, this is the same customer base and the same distributor base. These have been added as additional SKUs and run on the back of the existing granular network that has been created onto the platform. The incremental revenue that comes in mostly sort of drops in directly into the service EBITDA and into the EBITDA. In near term, I would say it's early because we have recently started. So, it's early in the journey, but we see sort of good optionality coming up as we learn and as we build these businesses.

Nidhesh Jain

The disbursement that you mentioned is per month or per quarter, INR 300 crores?

Dhirendra Nalin Mahyavanshi This is for annualized disbursement as per the last quarters.

Nidhesh Jain

Sure. And in the slide, you have shared cohort-level data, but I think that is on per active, let's say, active DP. Can you share the absolute revenue how that grows? In the year one, if you see the revenue of 100 from those entire DPs that we acquired in that year, what number that becomes in five years out, six years out, of absolute revenue for you?

Dhirendra Nalin Mahyavanshi We'll take this as a requirement. Right now, we don't have it handy on an absolute value basis. On a per-person basis, it becomes a 4X, but we will work it out and see if feasible. We will share it next year.

Nidhesh Jain

Sure. And you mentioned that in terms of insurance revenue, 90% of revenue is GI and 10% is non-GI. That is on revenue or that is on premium?

Dhirendra Nalin Mahyavanshi It is on revenue.

Nidhesh Jain

Revenue, okay Thank you. That's it from my side.

Moderator

Thank you. The next question comes from the line of Nischint Chawathe. Please go ahead.

Nischint Chawathe

Hi, thanks for taking my question. I just want to understand how relevant or how large is motor business for you. Out of the 83,000 non-digital partners that were active last year how many have kind of migrated beyond motor?

Dhirendra Nalin Mahyavanshi

I'll just clarify on the 83,000 number. The 83,000 number is not the total active for the year. It is the average at the end of each quarter. So, Q1 P3M, Q2 P3M, Q3 P3M, Q4 P3M, all of that put together, an average of that is the number. The KPI that was mentioned when Badri spoke was what are the P3M active as on March for that quarter alone, which was about 93,000. The total number of active for the year is significantly higher than the 83,000 number.

Now, from the journey point of view of a PoSP, most of the PoSPs come without an insurance industry background. They enter the platform through the Turtlemint Academy onboarding engine. Usually, they start their journey by distributing awareness-related content within their social network and community, and often it is around two-wheeler.

They will distribute saying that, “Do you know insurance? If you are not insured, you will have a fine of INR 2,000, and second time it's INR 4,000,” something like that. And they generate dialogue in the industry, they enter the product through two-wheeler. What we have seen is that depending on the person's interest now, they migrate from that category to doing more.

Most of the people who do other higher-end products, like, let's say, health insurance or even some products where consultation is needed, they come from the motor category, and all of our supply of this higher-end products comes from the existing supply of digital partners who have already been activated. We constantly engage with them in terms of carrying out bite-sized trainings so that on the go, they can do training.

We also have an expert desk that enable them to do a conversation with the policyholder, but we have an expert desk at the other end that engages with the policyholder so that the right kind of advice is made available.

The platform also has a policy recommendation engine that recommends this is the demographic of the customer and recommends the options and the products that the customer can look at.

All of these factors combined, we train them, push them, and get them to start doing multiple, even our mutual fund distribution comes from the existing set of people whom we get trained and take the requisite training requirements and then start offering more. It also depends a little bit on the background of the person who is coming in.

Like, for example, somebody who is like a financial adviser profile. He will immediately easily able to do other product categories. But somebody who is, like, let's say, an RTO agent who is doing maybe only two-wheeler policies, he may not switch easily. But most of our other categories come from the existing set of digital partners that we recruit.

Nischint Chawathe

Got it. But any color you could give in terms of how large is motor and what proportion of people are doing anything beyond motor?

Dhirendra Nalin Mahyavanshi

I would say, more than one category, people are more than 60%. People operating across categories.

Nischint Chawathe

Sure. And in terms of motor being contributed to a 90% in non-life?

Dhirendra Nalin Mahyavanshi

No. The 90% split that Badri gave in terms of revenue was for GI versus LI. Within GI, obviously, there is a split across different product categories.

Nischint Chawathe

Yeah, that's why I was just curious. If you could give some color in terms of how much is motor, maybe ODTP or probably how much of it is the CV or the larger fleets and highway business versus how much is two-wheelers and local consumer business. Maybe some color on that. I think we just get a little bit of a handle of the business.

Badrinarayan Sanjeevi

I understand. We don't want to give out these breakups. I understand why you may need it for your own modeling and to understand our business. Allow us a few more quarters maybe to get as we establish our credibility on the street and keep delivering numbers that we share more and more. Allow us some more time.

Dhirendra Nalin Mahyavanshi

I think one point I mentioned, Nischint, is that about 76% of our premium comes from beyond the top 30 cities.

Nischint Chawathe

Got it. Fair enough. Just one last question, if I can ask. When you're giving a target of adjusted EBITDA margin of 18-20% in the next, whatever, three to four years, just curious what kind of a renewal-new mix do you kind of envisage at that point of time? I know, we're not discussing it for today, but maybe on a steady state basis, could give that would just help us work backwards. Thank you.

Dhirendra Nalin Mahyavanshi

I think I'll give this in terms of service EBITDA. I can maybe, once at the right time, we can also engage more. But from a service EBITDA point of view, today, we would be at about 13-14%. The expansion from 13-14% will go to in the next few years to about 24-25%. Now, our corporate overheads, since they are not scaling, will be in the range of sub 5-6%. That's how we have planned our sort of the FY30 numbers and which will lead to an EBITDA translation of about 18-20%.

Nischint Chawathe

Yeah, but I guess the contribution of renewal also goes up, right, I mean, over the years?

Dhirendra Nalin Mahyavanshi

Yeah, so large part of our business is basically book building. That's actually the business book-building, because it creates annuity income, and all the annuity directly drops into the EBITDA. And the quality of the book is something that we obsess over. Maybe one point I could mention is that our TP-only policies is very, very low in our business, and that translates to a better quality of the book.

Contactability of the customer is very high, almost 100%, because of the granular nature of the business. There is a sort of a learning in terms of calendar of engagement with the policy holder directly digitally so that the renewal is done timely and the book keeps getting built. As we keep sharpening that, keep getting better, our renewal has improved significantly, and it will continue to improve as we go forward and will contribute significantly to the expansion in the service EBITDA that we see.

Nischint Chawathe

Sorry. Just one last one. If I can ask, and if you're sharing this data, any texture on the concentration of insurer partner contribution to your overall revenue? Anything that you can share would be helpful. Thank you very much.

Dhirendra Nalin Mahyavanshi

Yes, there are no great question. And in fact, this we had shared in the DRHP that we have very low concentration. We work with all the partners, 45 plus. Top 3 are about 22% of our business. The difference between one to five is not very high. So, depending on the supply and depending on their underwriting requirements, insurance companies get their share.

One of the key factor, for an insurance company to, work with us and get a better share is the quality of the tech integration that we have with them. So, if the mapping is right, the number of times the quotes show up is high, then the insurance companies gets a good share and we have seen this historically that there is no concentration with any insurance companies.

Nischint Chawathe

Got it. Thank you very much, and all the best.

Dhirendra Nalin Mahyavanshi

Thank you.

Moderator

Thank you. The next question comes from the line of Divyansh Jaju, please go ahead. Divyansh Jaju, please go ahead with your question.

Divyansh Jaju

Good evening, sir. Thank you for giving me opportunity. My first question was, at what scale we are expecting that our EBITDA will be positive?

Dhirendra Nalin Mahyavanshi

Last quarter, we already achieved a positive adjusted EBITDA. And there is a seasonality here, and that seasonality will play out during the year. But for the year, we expect FY27 to be profitable.

Divyansh Jaju

Okay. And apart from it, for the FY27, what the management is considering, like, it will be from the financial and operations from both perspective, it was a successful year. What is our target for renewal?

Dhirendra Nalin Mahyavanshi

So specific guidance in terms of numbers, are not giving, but historically, we have grown at a CAGR of about 40% plus, and we will ensure that we keep performing as per how we have done in the history of the company.

Divyansh Jaju

Okay, sir. Thank you for sharing that.

Dhirendra Nalin Mahyavanshi

Thank you, Divyansh.

Moderator

Thank you. The next question comes from the line of Mokshit. Please go ahead.

Mokshit

Hello, sir. Thank you for the opportunity. Sir, I have two questions. My first question is that, as you know, today only 3-4% insurance penetration in India, and India is a big market for you. So, I just want to know what you do different from distributor like Policybazaar, who holds more size.

Dhirendra Nalin Mahyavanshi

Right, Mokshit. So great question, Mokshit, in terms of identifying this problem of having low penetration in the country. Historically, insurance as a product had a significant overhead when there was distribution that was when the products were getting distributed. But with digitization, increased financial awareness and overall macro changes that are happening, insurance penetration has started to now go to the Tier 3 and Tier 4 markets.

There is a mission of the Government, which is called, "Insurance for All by 2047", which means that by 2047, everybody in the country should have insured for one asset, one health, and one life insurance policy. Driving that penetration is something that Turtlemint is focused on. The markets that we operate are the markets that have been classic underserved markets.

Now the way to reach that market is the first problem that exists in the country is awareness. We have created a network, a granular network of digital partners who distribute awareness related content in 8-10 languages. Once that, awareness becomes a dialogue, there is a discussion, it leads to some inquiries, and then you start distributing policies in those markets. These markets are remote. Like, we have somebody in Ladakh, in Arunachal, in Lakshadweep Islands, there are 19,000 plus PIN codes, which is 98 or 99% of the market, where we have created this PoSP network. The key role in driving this penetration will be played by this tech enabled digital distributors.

Turtlemint will play a role in creating enough supply, training, engagement, and ensuring that the right kind of reward structures exist in the market to drive penetration in the country. So, in that sense, our primary belief is quite different. We believe that insurance is an advisory led product. It doesn't come naturally to people, and it has to be told, people need to be made aware.

Doing that through a person, through a network of individuals who are in the social community of the potential policyholder and creating an economic model out of it is what Turtlemint has done and today has achieved significant scale, has a high operating leverage, the platform has been built, and you will start seeing Turtlemint also benefit from these key moat that have been built in terms of tech and the network that is existing in the country.

Mokshit

Yes, sir. Thank you, sir. My second question is that you have only around one-tenth of total shareholding. Currently, you hold major cash block. Is a plan of buyback or taking a major decision in coming quarters, which have major impact on your performance?

Badrinarayan Sanjeevi

Mokshit, I think in terms -- see, clearly, we need to kind of continue on our path of profitability. I understood your question. What is our future dividend policy of the company or distribution policy of the company?

Thank you for asking the question, and we are massively ambitious to do that as we go forward. What we have always been a conservative management team, and some promoters also led the company to be highly conservative on cash. As we demonstrate, maybe one or two years of sustained profitability and strengthening profitability, we do look forward to having the appropriate dividend distribution policies for all the shareholders.

The key point I would really want to reiterate is that revenues are growing strongly. Our service EBITDA is expanding. Our fixed cost don't increase. So as a business, we are well set up to be a high operating leverage business. All that means that we have all the right ingredients to work hard towards the right distribution policy for our shareholders.

Mokshit

Okay. Great, sir. Sir, last question is, can you just share the attrition rate of employees?

Badrinarayan Sanjeevi

I don't have it handy immediately for the latest quarter, sir, but in the DRHP, we have given extensive data on it. I think whether it is the frontline teams or the non-frontline teams, we actually enjoy a better attrition as compared to the industry.

This, I will credit to the compensation structures that the board has enabled for us. Our employees earn a combination of fixed pay, a variable pay tied to performance, long-term guaranteed bonus that we pay over four years to retain some of our top employees, and a very generous ESOP scheme that covers more than 500 employees in the company. We have worked really hard at being fair and, in fact, generous as being compensation providers for our people. That has enabled us to keep our attrition levels quite low.

Mokshit

Thank you, sir. Thank you for a great explanation.

Badrinarayan Sanjeevi

Thank you, sir.

Moderator

Thank you. As there are no further questions, I would now like to hand the conference over to the management for the closing comments.

Nitin Garewal

All right. Thank you all for joining the call. We look forward to be in touch with you.

Dhirendra Nalin Mahyavanshi

Thank you. Thank you, everyone, for joining.

Moderator

Thank you, sir. Ladies and gentlemen, on behalf of Turtlemint FinTech Solutions Limited that will concludes this conference. Thank you for joining us, and you may now exit the meeting.

Note:

1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.