Signpost India

03 June 2026

Operator: Welcome to the Q4 and FY26 earnings conference call of Signpost India Limited. This conference call may contain certain forward-looking statements about the company which are based on the belief, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve 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 and then zero on your touchtone phone. Please note that this conference is being recorded. From the management today, we have on the call Mr. Shripad Ashtekar, Managing Director; Mr. Syed Haseeb Arshad, Chief Business Officer; Mr. Nalin Kumar Somani, Chief Financial Officer; Ms. Kinjal Mistri, Company Secretary and Compliance Officer; and colleagues from SGA, their investor relations advisors. Now I hand over the conference to Mr. Shripad Ashtekar, Managing Director of Signpost India Limited. Thank you, and over to you, sir.

Management: Good evening everyone. A very warm welcome to the Signpost India Limited earnings conference call for the fourth quarter and the full year ended March 31, 2026. I thank my team and I thank them for achieving the numbers we have achieved this year. Rather, this year was more of a transformation year for us where we believed in and strategically aligned ourselves with digital transformation and the booming infrastructure across the country, where we operate in more than 6 states and multiple cities.

This is a particularly special occasion for us as today is our maiden earnings call. FY26 was a year of both expansion and consolidation. We materially widened our national footprint by activating 9 new cities in the portfolio. Overall, given the background of this being our first maiden earnings call, Signpost India Limited is not a billboard company; it is a company that works on three meticulous lines: first is data; second is the earnings for the city, the state, and the country, which is ancillary revenue for the state or the city; and third is the status and upgradation of the value proposition for the brand and the members who work as partners with us.

When we say we are not a billboard company, we mean that we normally enter into contracts with multiple authorities and partners where we foresee revenue patterns and opportunities based on our 10 years of national experience. We have a portfolio of a huge number of clients who have been active for many years, and some are repeatedly giving us business. When we pitch for projects, our cautious call is to take up responsibility for projects that have a longevity of 7+ years. When we see an opportunity, it is mostly in a transit medium or a data-led medium centered around digital.

The transit segment includes metros, the evergreen buses, airports, bus shelters, and the street furniture you see across cities. This is a linear medium and very lucrative for brands because they want to reach all across the city without spending heavily on a single node. Plus, these businesses around transit involve a captive audience where people spend time every day during their work hours or travel journeys. On average, Indians spend more than 1 hour in a daily commute for purposeful visits, whether for education or work.

We build the company around that by bidding for e-tenders floated by various authorities across the country, which are not restricted to Maharashtra or Karnataka. Regarding the digitization

Report is AI-generated and may contain inaccuracies.

movement we targeted in 2017, we were the first to implement digital out-of-home in India. Others had tried and tested this but failed because they felt the medium was just a replacement for neon signs or they implemented content designed for TV.

This medium does not have audio, so we used a presentation format, which is a slide format with a little bit of motion that communicates primarily on brand communication and the logo. This cautious approach, which we implemented in 2017 at the Kolkata airport, has achieved humongous traction, and every competitor is trying to follow the path we derived in Mumbai or Bangalore. We were the first to implement street furniture featuring 20-25 features that help commuters, like telephones, smart chargers, libraries, and facilities for persons with disabilities. This adds significant value in terms of sustainability. Digitization is also part of the sustainability program that Signpost India is implementing across all formats wherever we find the opportunity.

Investors or people outside the industry often ask if we can see a multiplier effect of 3-5 times if we digitize. We need to deep dive cautiously when giving weightage to digital implementation because it is a shared medium, not a static one, where 4-10 brands share the space. It becomes more affordable for them, but implementation requires checking traffic bottlenecks where we have opportunities, like signals with 30-60 second wait times or baggage and security hold areas in airports.

These are locations we have to prove scientifically when implementing digital; it is not just about converting every space we own. With the understanding and immense potential of our team—the technical team in Bangalore, the planning team in Delhi, and the project implementation team across the country—our footprint has grown from 4 cities at the time of our 2024 listing to 32 cities. We added approximately 866,000 square feet this year across metro, transit, and digital assets, including a significant expansion of the Bangalore Metro network.

We added electric premium bus fleets across Mumbai, Hyderabad, and Goa. Alongside this expansion, we made a deliberate qualitative shift by moving from lower-quality, intermediary-led networks toward direct, long-term relationships with advertisers. Our anchor client contribution has risen to around 29% of revenue. The result is a structurally superior revenue mix with longer campaign durations and multi-city implementations, providing better billing visibility and a clear pivot. We are moving from footprint-led expansion to a disciplined focus on yield and on monetizing the assets we already own.

Coming to the outlook for FY27, FY26 has given us a strong platform for direct engagement with clients. We believe global climates are not affecting us because we have strong relationships with Indian brands and the MSMEs of the country, which contribute to a huge growth pattern overall. This resulted in revenue growth of more than 27% this year, and we see similar double-digit revenue growth in FY27.

The EBITDA margin is in the 25-27% range, supported by continued operating leverage, improving asset utilization, and a rising contribution from higher-margin digital out-of-home. Instead of just selling spaces, we are smartly building spaces and generating better yields. Growth will be underpinned by a capex of around 60-75 crores this year for infrastructure, capacity expansion, and technology implementation.

Report is AI-generated and may contain inaccuracies.

Our strategic priorities for the coming year are clear: deepen the monetization and yield of existing assets and accelerate the rollout of ongoing projects. we plan to extend our geographic footprint across smart cities, tourism locations, and holy places where we see a lot of traction. This includes locations like Varanasi, Puri, Ayodhya, and Tirupati, where there is immense requirement from brands across the country. We will continue shifting our mix toward long-term advertiser relationships, which is the core essence that has allowed us to grow faster than the competition.

In this year of transformation, when we signed up clients for multi-city campaigns, we evaluated bottlenecks that we would like to correct this year, specifically regarding cash flow collection. Multi-city campaigns require compliance and approval from regional offices. Completing that takes humongous time and energy, so we are refixing this bottleneck by changing the mandate of the compliance process. We will take approvals for a city and submit an invoice for that, which will help improve our cycle. You will see this significant improvement by Q3 FY27.

Management: When we talk about working capital and capital allocation with a clear focus, we believe in sustainable returns on capital. Underlying this priority is a model that we believe is increasingly self-enforcing. An asset-light model will be the next new thing we are adding this year because we have completed a 100-city survey, which was a humongous task. We will be adding a data layer of technology, including transactions via e-commerce, payment gateways, and travel patterns. This adds more than 70-80 layers of data, which will be more strategic. We engage with multiple assets across 100 cities to integrate into our model and command a higher asset-light model to grow faster and deeper across the country.

The foundation of generational infrastructure-led civic assets with multi-decade tenures gives us recurring revenue. Currently, we have more than 14 years of clear period remaining from existing contracts signed with more than 32 authorities nationwide. As scale generates cash, that cash is redeployed into further low-risk utility infrastructure, which in turn extends the network. This creates a compounding flywheel that we intend to carry from our present footprint of more than 30 cities toward a medium-term ambition of 100 cities. That is the essence of our vision, what we call the science of tomorrow, where we are focused on data, technology, and adding an AI-led department to the company this year. With that, let me hand over the discussion of the business and industry operations to our Chief Business Officer, Mr. Syed Haseeb Arfat.

Management: Thank you, Mr. Pawan. Let me begin by giving you some brief context on our business and the industry. Signpost is an end-to-end out-of-home media platform. We have always focused on designing, building, owning, operating, and commercializing high-visibility assets. These advertising assets across three formats—transit media, digital out-of-home, and conventional static media—are our focus, with transit being primary as it is anchored on long-term contracts.

Today, we manage over 12,500 assets across more than 32 cities, serving over 1,600 active advertisers and reaching upwards of 60 million people every month. Our platform becomes the mode of primary communication for brands wanting to touch lives at scale. We are among the largest transit media operators in the country and the largest bus shelter operator nationally.

Around three-quarters of our revenue is direct. We have built a very strong pipeline with blue-chip and digital-first companies that primarily focused their budgets on digital but have moved to

Report is AI-generated and may contain inaccuracies.

experiment with OOH. We were among the first to get them on board. Some of these clients are experimenting with OOH for the first time despite traditionally prioritizing non-OOH channels.

A rarity in this large agency-intermediated industry is that around three-quarters of our revenue is direct. Our contracts carry an average remaining tenure of roughly 14 years, giving our revenue a long, visible, recurring quality. We win city contracts for street furniture, including bus shelters, metros, airports, and digital assets, bringing in non-fare revenue for these public utility infrastructure projects. As infrastructure grows across Tier 1 and Tier 2 cities and capital is pushed in, our growth aligns with that. Following competitive techno-commercial bidding typically for 7-20 years, we invest to construct and digitally enable them. We leverage these long-term assets to ensure revenue visibility from day one, which improves over the lifecycle. Revenue builds as assets come on stream, while capex and license fees are front-loaded. A newly won project creates a short-term mismatch that normalizes as utilization ramps up. The vintage asset effect—where assets beyond their first year deliver materially better utilization—results in better returns and EBITDA. This is an important lens for our financials.

As Pawan Sir mentioned, we are basing our business on a strong layer of data science. We leverage hyper-local data from multiple sources to understand the demography and target group density of every pin code. We can then tell a client the specific density at a pin code level, which enables them to look at us as brand custodians and consultants rather than just a vanilla platform provider. Underpinning this is Captura, our proprietary AI-powered media planning and CRM platform. It integrates AI analytics, video analytics, and geospatial planning to bring measurability and accountability to a medium that historically lacked both. This helps us gain trust, as seen in our legacy long-term contracts. We now see many more clients engaging us for one full year.

Regarding the Indian OOH industry, latest FICCI-EY estimates show the organized market grew 13% in 2025 to a record 6,690 crores and is projected to reach about 8,500 crores by 2028. Digital out-of-home is the clear engine for this growth. Digital revenue rose from 700 crores in 2024 to 1,220 crores in 2025, now accounting for 18% of total OOH revenue—a share expected to reach 25% by 2028. The installed base of digital screens crossed 223,000 in 2025, a 21% growth in a single year. However, three-quarters of these screens remain concentrated in metro cities, indicating considerable headroom beyond top cities. The share of programmatically traded deals doubled to 30% in 2025. Industry measurement is professionalizing through ROI mapping and geospatial systems. This year, we established a dedicated R&D budget to grow this data layering effectively.

The second cohort is transit media, which expanded 22% in 2025 to 2,020 crores and contributes 30% of OOH revenue—a share expected to reach 33% by 2028. Airports and metro stations account for over half of this, with metro and rail accounting for a further 37%, supported by new launches in buses and public utility infrastructure. Transit and digital are the fastest-growing segments, and that is exactly where Signpost has chosen to build its leadership. Roughly 48% of our top line today is generated from these two formats. Three structural forces reinforce our conviction: the premiumization of inventory and rates, geographic broadening beyond top 10 cities—a whitespace we are addressing through Tier 2 and Tier 3 expansion—and the shift toward a measurable, self-serve medium that widens the advertiser base.

Report is AI-generated and may contain inaccuracies.

This growth is now structural rather than event-led. The industry delivered 13% growth in 2025 even without the election and sporting catalysts of 2024. Our industry is at an inflection point, and Signpost has positioned itself at the intersection of urbanization, infrastructure expansion, and the digitization of advertising.

Regarding our consolidated financial performance for Q4 and the full year FY26: For the fourth quarter, revenue from operations grew 46% year-on-year and 14% sequentially to 162 crores. Gross profit rose to 67 crores, with gross margin expanding to 41.5%. Operating EBITDA more than tripled year-on-year to 42 crores, at a margin of 26.3%. Profit before tax was 27 crores, and net profit was 21 crores with a net margin of 13%, translating into an EPS of 3.95 rupees for the quarter.

For the full year, revenue from operations grew 27% to 576 crores from 453 crores in the previous year. Gross profit rose 33% to 236 crores, with gross margin improving to 40.9%. Operating EBITDA increased 65% to 147 crores, with the EBITDA margin expanding by close to 600 basis points to 25.5% from 19.6% in FY25. Net profit more than doubled to 70 crores compared to the previous year, with a net margin of 12.2% against 7.5% a year ago. EPS for the year stood at 13.14 rupees against 6.34 rupees in FY25. With that, we would be happy to open the floor for questions.

Operator: Thank you very much. We will now begin with the question and answer session. Your first question comes from the line of Sripath Nasir with Nasher Investment. Please go ahead.

Sripath Nasir – Nasher Investment: Sir, good afternoon and congratulations on a fantastic set of numbers for Q4 and the year. You have already given guidance for revenue growth of 20% and strong EBITDA. You mentioned the payment cycle—receivables look slightly higher this quarter. How do you plan to address this going forward?

Management: Good evening, Mr. Sripath. This is Pawan. We internally deliberated on this in Q4 FY26, where we implemented large-scale projects and increased direct interaction with clients across the country. This added about 192 crores to our top line compared to last year. When we implement a multi-city campaign for brands headquartered in Gurgaon, Ahmedabad, or Mumbai, they expect compliance pictures from regional offices. This adds stress to the compliance part because authorization comes from regional offices, and the consolidation of invoices happens at the headquarter level. To mitigate this, we discussed it, and clients have given us a green signal. This delays the cash flow cycle for us and for them as well.

We have pushed for milestone-based billing. Whatever compliance we get from a specific region or city, those funds will be clocked into the account immediately rather than waiting for a full check. This is a measured approach. While the out-of-home industry typically works between 90 to 120 days, we are confident that by Q3 FY27, we will achieve that and perhaps even surprise you with the numbers.

Sripath Nasir – Nasher Investment: So we could assume that it is a normal path to growth, correct?

Management: No, I am not saying it is a normal path; it is an unusual path we have taken. Instead of depending on intermediaries, we are leveraging our national presence to implement campaigns for brands. For a multi-city campaign in 200 cities, it becomes a challenge if the brand expects compliance from 200 regional heads. A milestone-based approach is a natural way for us and the

client to improve the cycle. This will help us achieve numbers better than what the industry has seen for years.

Sripath Nasir – Nasher Investment: Thank you. Looking at your growth trajectory and the large open market, could we expect Signpost to cross the 1,000 crore mark by 2029 or even before that?

Management: Thank you for the question. Currently, for FY27, around 48% of the numbers we achieved last year are already aligned in the pipeline. If we continue this national expansion, I would be the first person happy to see that number in 2029. I cannot assure you of that specific number right now, but we will be pushing hard to make this a smarter, more compliance-driven, and dividend-driven company for investors.

Sripath Nasir – Nasher Investment: Thank you, sir. Best wishes.

Management: Thank you, Mr. Jagdeep.

Operator: Thank you. Participants are requested to limit themselves to two questions each. The next question comes from Kiran D with Abletree Capital. Please go ahead.

Kiran D – Abletree Capital: Thank you for the opportunity and the fantastic explanation in your maiden conference call. I have two questions for understanding. First, gross margin. As per the annual report, the cost of services rendered consists primarily of lease rent, license fees, and display charges. This cost seems to have increased linearly with revenue—revenue jumped 27% and cost of services also jumped 27%. Can you explain the gross margin dynamics and whether lease rent and license renewals are directly proportional to revenue, especially for transit media?

Management: Overall, the cost of services is primarily the license cost toward the contract, plus production and display costs. This includes efficiency in delivering services like Wi-Fi or power. We have deliberated internally and see scope for a 7-8% reduction in costs in the coming years without hurting the top line.

Kiran D – Abletree Capital: Is the license fee directly proportional to revenue, or is it fixed?

Management: India has not yet matured to that pattern. Globally, most countries still operate on a minimum guarantee model where you must assure revenue; it is not linked to your top line. It is an assured revenue for the principals. Revenue-share models represent a very minuscule portion, not even reaching double digits in our portfolio.

Kiran D – Abletree Capital: Thank you. Regarding the contribution from different sectors, for FY26, what was the share of revenue from government/PSU versus corporate clients? Are specific sectors like BFSI or FMCG driving the jump in receivables?

Management: Our dependency is not on a single category. For the street furniture, transit, and digital mediums we own, we do not see much contribution from real estate companies. Instead, we see interest from entities like PSUs, such as SBI, and fintech companies like NPCI or Punjab National Bank, who want multi-touchpoint visibility. Our second preferred sector is FMCG and education, along with the MSME sector, which is propelling FMCG nationwide. BFSI is a clear path for the multiple cities where we operate our digital network.

Report is AI-generated and may contain inaccuracies.

Operator: Thank you. The next question comes from Madhur Rathi with Counter-Cyclical Investments. Please go ahead.

Madhur Rathi – Counter-Cyclical Investments: I wanted to understand why receivables increased by 80% year-over-year. How much of this is over 6 months old? Could we use bill discounting since these are blue-chip, Fortune 500 customers?

Management: We explored bill discounting, but it would add a cost to the company. Instead of going in that direction, we are implementing milestone-based infrastructure across our offices and contracts to drastically reduce the receivable days. We assure you that by Q3, you will see a significant improvement.

Madhur Rathi – Counter-Cyclical Investments: How do you see gross margins improving? Your digital ad space increased from 25,000 to 80,000 square feet between Q3 and Q4. Can margins move toward the 30% range over the next one or two years?

Management: Any new asset in a new geography requires a maturity period of 4-6 months. The growth from the numbers you mentioned will start resulting in better yields than what we have seen. For example, in the Bangalore Metro, where we have 67 stations, we are seeing growth of 18-25%, which is higher than expected. However, it takes time for brands to understand these contracts, especially since Bangalore has not seen metro advertising like this in past years. It is a process that involves planning tools for both the brand and ourselves to measure and prove the approach's success.

Operator: Thank you. The next question comes from Ashop Patel with Molecule Ventures PMS. Please go ahead.

Ashop Patel – Molecule Ventures PMS: Congratulations on the numbers. Can you highlight the revenue potential of recent contracts like the Kolkata Streetscape Renaissance project, the Bangalore Metro, and the OMC contract for petrol pump hoardings?

Management: Regarding new projects in Hyderabad, Goa, Bangalore, and Kolkata: for the Kolkata Renaissance project, we were affected by the election period, but we expect to achieve 60-70% implementation by September or October, before Durga Puja. The Bangalore Metro is progressing faster. We are already seeing revenue from 18-25 stations, with some brands signing 1-3 year contracts due to the humongous traffic. The metro has added immense value for both the working and elite classes as a preferred mode of transport, attracting brands for better visibility.

As I mentioned, 48% of our revenue target is already in the bucket as signed contracts, which is a great advantage. We anticipate 20% plus growth again in the coming year. The asset-light model we are adding for multiple cities using data and physical foot-on-street information will help us grow our client relationships. For example, a client in Jaipur looking to grow in other cities will prefer us because we already serve their preferred market.

Ashop Patel – Molecule Ventures PMS: Regarding margins, if you can save 7% on costs, that could translate to operating margins closer to 30%. Are you being conservative with your guidance?

Report is AI-generated and may contain inaccuracies.

Management: That is our internal target. We see an opportunity to save 6–7% on the current top line or costs incurred this year, which will flow directly into our profit before tax.

Ashop Patel – Molecule Ventures PMS: Does the current cost structure include the initial expenses for long-term contracts that are not yet yielding?

Management: Yes, exactly. Some assets require maturity, while others yield from day one. For example, our project in Puri started giving yields immediately because of the pilgrimage. However, a project in Shimla implemented in November is only now seeing results as the holiday travel season improves. On average, we anticipate a 5–6 month leverage time to attain decent revenue scales from an asset.

Operator: Thank you. The next question comes from Sam Pokharna with Invert Capital. Please go ahead.

Sam Pokharna – Invert Capital: Congratulations on the performance. Regarding the business model, as utilization improves beyond the fixed hurdle of these contracts, should we see significant operating leverage?

Management: Regarding global versus Indian industry standards, our population density means we cannot match global measurement scales exactly. However, investment from brands is substantially increasing in Tier 2 and Tier 3 cities—this is the real India. We are cautiously investing in Tier 1 cities due to high advertising costs. The seasonality that existed 10 years ago has changed; consumers are active every day. It is no longer just about Diwali or Dussehra. Campaigns are becoming more continuous, moving from 10–21 day durations to 6–12 month sustenance campaigns.

Operator: Thank you. The next question comes from Sanjay Shah with KSA Securities Private Limited. Please go ahead.

Sanjay Shah – KSA Securities: What is Signpost's biggest competitive advantage—scale, technology, authority relationships, or capital strength?

Management: This business is typically family-driven and limited to specific geographies. Competitors often focus on conventional media. For example, for one project in Mumbai, 27 agencies bid for a single space; we did not even bid for it. Conversely, for the Mumbai Metro Red and Yellow lines, only three companies qualified techno-commercially, and several were disqualified. You need a track record of implementing projects of that scale. We prefer 7+ year models for sustainability. Our differentiation lies in direct relationships with brands through solution-based and advisory-led discussions rather than commodity delivery. It is hard for a local agency to serve a client who wants to deliver across 10–500 cities at once.

Operator: Thank you. The next question comes from Rohan Pitcha with Dexter Capital. Please go ahead.

Rohan Pitcha – Dexter Capital: I wanted to understand the merger economics with Pressman. After the merger, why did the main founders' holding drop from 66% to 44%?

Report is AI-generated and may contain inaccuracies.

Management: We cannot comment on the valuation. The promoters of Pressman converted their equity into non-promoter status due to personal family issues and the age of the promoter. At age 72 or 73, they sought a peaceful retirement.

Operator: Thank you. The next question comes from Zaheer Ahmed with FSC Bazaar. Please go ahead.

Zaheer Ahmed – FSC Bazaar: How many bus shelters in Mumbai have been digitized so far, and are you looking at Tier 2 and Tier 3 city contracts for bus shelters?

Management: This is a street furniture contract for the city. Our contract requires us to refurbish or implement new designs for at least 20% of bus shelters, though digitizing is our prerogative. We have observed infrastructure shifts; for example, traffic shifted from Peddar Road to the Coastal Road. We shifted digital assets from Peddar Road to the Atal Setu area, which sees 30,000-40,000 vehicles per day. We have three years to complete the 20% improvement of the 3,000 bus shelters in Mumbai and have completed 11% so far.

For Tier 2 and Tier 3 cities, we will not follow the same bus shelter pattern. Instead, we will implement new ideas, like the drone show we recently did on Nariman Point. We will use an asset-light model in those cities, engaging via data and AI technology.

Operator: Thank you. Ladies and gentlemen, due to time constraints, this concludes our conference for today. On behalf of Signpost India Limited, we thank you for joining us. You may now disconnect your lines.

Report is AI-generated and may contain inaccuracies.