

**Company Name:** Basilic Fly Studio Ltd.

**Quarter under review:** Q4-FY26

**Basilic Fly Studio Ltd – Q4-FY26/FY26 Concall Highlights:**

Basilic Fly Studio Ltd. (Consolidated)								
INR in Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	1134	1336	-15.10%	1050	8.00%	4078	3041	34.10%
EBITDA	239	326	-26.70%	177	35%	852	715	19.20%
EBITDA M (%)	21.08%	24.40%	(333) bps	16.86%	422 bps	20.89%	23.51%	(262) bps
PAT	154	204	-24.50%	89	73%	506	447	13.20%
PAT M (%)	12.88%	15.21%	(234) bps	8.27%	460 bps	12.09%	14.60%	(250) bps
Diluted EPS	6.1	8.76	-30.40%	3.49	74.80%	20.78	19.2	8.20%

**Operational Highlights:**

- 410 projects were successfully delivered for 108 global clients during FY26, executing 624 movies and series, demonstrating scale and consistent delivery quality across diverse production requirements.
- Three movies Mission Impossible, Electric State and Shutterbird received Academy Award nominations during the year, alongside major top-tier film production and TV network collaborations.
- FY27 order book stands at approximately INR 232 crore, with active bid pipeline of approximately INR 456 crore (~35 million GBP), of which 40-50% is expected to convert.
- Both Netflix and Amazon were onboarded for full-length domestic OTT mandates during the year, with two full series already secured in the domestic market within Q1 FY27.
- 14 senior leadership hires were onboarded in FY26 including Adrian DeWitt (ex-Netflix), Abhishek Nair (ex-ILM) and Sebastian Gödel (creative VFX AI lead) bringing in credentials from blockbusters such as The Matrix, Harry Potter, The Fan Man and Tron franchises.
- The senior hires are distributed across business development, operations, creative leadership and AI roles, with combined annualised fixed + variable cost in the range of GBP 1.2-1.5 million the first major win attributable to these hires (a GBP 3-3.5 million project) closed in April.
- The India-led delivery model continues to deliver a structural cost advantage of approximately 30–40% versus traditional VFX delivery locations, with rotational migration of work from the UK and Europe into India and continued Bengaluru expansion.
- The Bengaluru expansion has grown to approximately 40 people from its initial start in October–November, supporting the offshoring strategy and operating leverage.
- Proprietary AI-enabled workflows (built on ComfyUI) including 4K de-aging, age conditioning, AI-assisted 3D generation and high-fidelity texture creation are already operating within live delivery pipelines, reducing execution timelines and improving project-level profitability.
- The Universal Scene Description (USD) pipeline investment enables multiple departments to work simultaneously on the same asset/shot, accelerates production timelines, and strengthens qualification for higher-value tier-one global mandates.
- Total employee base stands at 775+ people operating across Chennai, Pune, London, Paris and Vancouver planned expansion includes Bangalore, Mumbai and North America in the near term
- Premium client list includes Netflix, Amazon, Disney, Sony, Warner Brothers and HBO. Netflix and Amazon together contribute over 50% of revenue, while Europe and North America contribute over 80% of revenue.

## Key Questions & Answers discussed during the Concall:

- **What is the cost and revenue conversion timeline for the 14 senior hires made in FY26?** Cost-wise, the combined annualised fixed + variable burden is GBP 1.2-1.5 million. On the revenue side, the team has already enabled a GBP 3-3.5 million win in April FY27 beyond traditional ticket sizes of GBP 1-2 million and is unlocking bids of GBP 5-7 million in the active pipeline.
- **What is the maximum potential revenue from the current workforce?** Current utilisation runs at 75-80%, giving a near-term headroom of 10-15% with the existing team. Beyond that, AI-enabled productivity and a partner-led outsourcing channel (both India and overseas) enable rapid further scale-up at minimal incremental commitment.
- **When will the existing order book be executed?** Approximately 90% of the current order book of INR 232 crore will be executed by Q4 FY27, with some spillover into Q1 FY28. Active bidding continues with projects expected to fill up across the year.
- **What top-line growth is expected for FY27?** Approximately 30% growth over FY26 is achievable conservatively on an organic basis pointing to a top-line of approximately INR 500-550 crore with strong momentum visible across both order book and bid pipeline.
- **Can a PBT of INR 70 crore plus be expected on incremental revenue of INR 150 crore?** Yes even at the current PAT margin of approximately 50 crore, an additional 16 crore PAT is comfortably absorbable on incremental revenue, taking the absolute number to INR 65-70 crore. With offshoring expansion, AI-driven workflows and higher-value project mix, this could be surpassed by 1.5-2 percentage points on the margin side.
- **What is the status of aged receivables collection?** Approximately INR 20 crore was collected in March, followed by INR 17 crore in April-May post balance sheet, totalling INR 37 crore in the last three months. Total receivables of INR 100 crore (standalone) reduces to INR 86 crore post these collections, with continued momentum expected in Q1 FY27.
- **What is the status of the M&A pipeline?** Seven to eight companies have been evaluated, with two to three at advanced stage meaning almost finalised from BFS's end, awaiting counter-party closure. Targets are sized at INR 200-300 crore of acquired revenue, focused on geographic diversification (North America, Spain) and service capability expansion (commercial, immersive content, gaming).
- **What does the INR 73 crore FY26 investment cover?** The investment spans multiple areas AI workflows and ComfyUI, the USD pipeline, NetApp enterprise storage, hybrid cloud-on-prem infrastructure (cutting cloud costs by 62% vs pure-AWS), production tools upgrades, and R&D capitalisation. AI is significant but not the only component.
- **How much capex is pending for FY27?** Approximately INR 15-20 crore is expected to be deployed across the year, spread between India and overseas. Additional R&D capitalisation may be incremental depending on the complexity of incoming projects.
- **Will senior hiring continue at the same pace going forward?** Largely no the current senior team is sized adequately to handle the upgraded scale of projects. Focus now shifts to execution, project conversion and expansion. Selective upgrades may occur but no large additional cohort is anticipated.

- **Why doesn't operating leverage translate to a bigger PAT margin jump?** EBITDA improvement will be more visible than PAT improvement in the near term, as the FY26 capex investments will start being depreciated through the P&L. Full-year cost absorption of the 14 senior hires will also continue into FY27 (they joined gradually from October onwards), partially offsetting margin gains.
- **What was the rationale for hiring senior executives at this scale?** As a combined group with One of Us, BFS is no longer a standalone entity and needs to compete for tier-one projects of GBP 3.5-10 million plus. The hires were enabled by QIP funds (originally earmarked for organic/inorganic expansion and technology investment), enabling industry-wide consolidation opportunities to be capitalised on.
- **What is the status of the main board migration from SME?** The process has already been kick-started internally eligibility threshold is reached by September 2026, and the team is working with the right consultants to expedite the listing transition.
- **What is the status of the earlier LOI for an M&A target?** The earlier LOI is currently on hold from the seller side. Other prospects are being explored in parallel, with two to three at advanced stage and signed LOIs expected very soon.
- **What is the currency mix of revenue, and the benefit from rupee depreciation?** Europe (GBP/EUR) contributes approximately 60% of revenue and North America (USD) contributes approximately 21%. India business is also almost entirely export-driven. Rupee depreciation benefit has supported other income of approximately INR 10 crore for the year.

## Key Participants

- *Viraj Mahadevia – MoneyGrow*
- *Shikhar Munda – Vivog Commercial Limited*
- *Nitin Babulal Gandhi – Nine Quest Advisors*

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