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# Varanium Cloud Limited

(NSE Emerge: Cloud)

*H1FY23 Earnings Analysis &  
Guidance For H2FY23*

  
Varanium

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# Our unaudited results for H1FY23 (April 1, 2022 to September 30, 2022)



SN		HALF YEAR ENDED		YEAR ENDED	
		30.09.2022 (Unaudited)	31.03.2022 (Audited)	30.09.2021 (Unaudited)	31.03.2022 (Audited)
1.	Total Income From Operations	12,355.73	3,390.54	144.67	3,535.21
2.	Net Profit / (Loss) For The Period (Before Tax, Exceptional And / Or Extra Ordinary Items)	3,525.19	1,190.18	4.32	1,194.50
3.	Net Profit / (Loss) For The Period Before Tax (After Exceptional And / Or Extra Ordinary Items)	3,525.19	1,190.18	4.32	1,194.50
4.	Net Profit / (Loss) For The Period After Tax (After Exceptional And / Or Extra Ordinary Items)	2,637.90	835.86	4.32	840.19
5.	Total Comprehensive Income For The Period (Comprising Profit For The Period (After Tax) And Other Comprehensive Income (After Tax))	2,637.90	835.86	4.32	840.19
6.	Paid Up Equity Share Capital (Fv Of Re. 10/- Each)	1,005.14	635.14	635.14	635.14
7.	Other Equity	6,964.24	-	-	877.34
8.	Earnings Per Share (Of 10/- Each)				
	A) Basic- Rs.	41.47	13.16	0.07	15.90
	B) Diluted- Rs.	41.47	13.16	0.07	15.90

**NOTES:**

- The Financial Results have been reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors in its meeting held on 21st October, 2022. The Statutory Auditors of the Company have carried out a "Limited Review" of the financial results for the Half Year Ended 30th September, 2022.
- The above is an extract of the detailed format of the Half Year Ended Financial result filed with the National Stock Exchange under Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The full format of the Half Yearly Financial Results are available on the National Stock Exchange website ([www.nseindia.com](http://www.nseindia.com)) and on the Company's website (<https://vrnm.com>).
- The financial results are prepared in accordance with the Indian Accounting Standard ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under.
- Figures for the previous period / Half Year have been rearranged / re-grouped wherever necessary, to confirm with the figures for the current year / Half Year.

For and on behalf of the Board  
For VARANIUM CLOUD LIMITED

Sd/-  
HARSHAWARDHAN HANMANT SABALE  
DIN: 00168418  
MANAGING DIRECTOR

Listed On  
 NSE | Emerge

Place: Mumbai  
Date: 21.10.2022



INR Lacs	H1 FY23 (01.04.22 to 30.09.22)	H2 FY22 (01.10.21 to 31.03.22)	% change in H1FY23 compared to H2 FY22	Management Analysis and H2FY23 Guidance
<b>Total Income From Operations</b>	12,355.73	3,390.54	264.4%	<ul style="list-style-type: none"> <li>Strong increase in revenue compared to previous 6 months driven new client wins in B2B SaaS (Software-as-a-Service) revenue of VoIP platform;</li> <li>SaaS revenue run rate to continue into H2FY23;</li> <li>Additional revenue from deployment of edtech platform, clients in eCommerce-as-a-Service (EaaS) and in house data centre capacity expected in H2FY23.</li> </ul>
Revenue Split By Geography (INR Lacs)	H1 FY23 (01.04.22 to 30.09.22)	H2 FY22 (01.10.21 to 31.03.22)	% change in H1FY23 compared to H2 FY22	Management Analysis and H2FY23 Guidance
Export Revenue	10,570.30	2,932.76	260.4%	<ul style="list-style-type: none"> <li>Additional clients for VoIP SaaS platform from Europe and Africa expected to be brought on stream in H2FY23.</li> </ul>
Domestic Revenue	1,785.43	457.78	290.0%	<ul style="list-style-type: none"> <li>Strong push for SaaS white labeled B2B video conferencing platform focused on SMEs caused client wins domestically;</li> <li>Increase in domestic clients expected once in house data centre hosting comes on stream as domestic margins are lower and not elastic requiring highly controlled costs of delivery.</li> </ul>
<b>Total Income From Operations</b>	<b>12,355.73</b>	<b>3,390.54</b>	<b>264.4%</b>	
Revenue Split By Service (INR Lacs)	H1 FY23 (01.04.22 to 30.09.22)	H2 FY22 (01.10.21 to 31.03.22)	% change in H1FY23 compared to H2 FY22	Management Analysis and H2FY23 Guidance
SaaS Revenue (VoIP)	10,570.30	2,932.76	260.4%	<ul style="list-style-type: none"> <li>Additional client wins expected in H2FY23.</li> </ul>
Online PayFac Commission Revenue	1,539.23	361.98	325.2%	
eCommerce-as-a-Service (EaaS/ITES Revenue)	246.20	95.80	157.0%	
<b>Total Income From Operations</b>	<b>12,355.73</b>	<b>3,390.54</b>	<b>264.4%</b>	



INR Lacs	H1 FY23 (01.04.22 to 30.09.22)	H2 FY22 (01.10.21 to 31.03.22)	% change in H1FY23 compared to H2 FY22	Management Analysis and H2FY23 Guidance
<b>Purchase of Stock-in Trade</b>	8,129.04	1,011.26	703.9%	<ul style="list-style-type: none"> <li>This line represents data centre hosting &amp; server hire charges for operating the SaaS platform;</li> <li>Disclosed in this line item of SEBI LODR reporting format as these costs are fundamental to the business and should be disclosed separately for analysing gross margin;</li> <li>Due to the format of reporting mandated under the SEBI LODR provisions, we expect to continue reporting our costs on data centre and server hosting outsourcing under this line item.</li> </ul>
<b>Gross Margin</b>	4,226.69	2,379.28		
<b>Gross Margin %</b>	34.2%	70.2%		<ul style="list-style-type: none"> <li>Reduction in Gross Margin % due to requirement to hire additional servers and hosting costs at global data centers to meet the strong increase in B2B revenue and for meeting client timelines in a highly competitive SaaS market;</li> <li>Long term sustainable gross margins in vertical SaaS expected to average around 55% and we will trend towards this average in H2FY23 as we bring on our in house data centers (key thesis of IPO use of funds) and we negotiate additional long term contracts for data centre hosting and server hiring charges for additional capacity.</li> </ul>



INR Lacs	H1 FY23 (01.04.22 to 30.09.22)	H2 FY22 (01.10.21 to 31.03.22)	% change in H1FY23 compared to H2 FY22	Management Analysis and H2FY23 Guidance
<b>Employee Benefit Expenses</b>	83.40	829.18	-89.9%	<ul style="list-style-type: none"> <li>Significant reduction due to Promoter cost-to-company (as disclosed in FY22 audited financials) reduced to be able to share profits with public investors in the interest of corporate governance;</li> <li>Additional manpower will be required in H2FY23 – however, total employee benefit expenses will remain well below FY22 levels due to reason stated above on a long term and sustainable basis.</li> </ul>
<b>Finance Cost</b>	-	0.44	-100.0%	<ul style="list-style-type: none"> <li>The Company is expected to remain debt free in H2FY23 and, hence, no finance costs are expected to be incurred.</li> </ul>
<b>Depreciation &amp; Amortisation Expenses</b>	9.30	4.83	92.6%	<ul style="list-style-type: none"> <li>This will increase in H2FY23 as the capital expenditure on in house data centers and additional edtech centers under the brand “Edmission” (currently under development and construction) will be commissioned to Fixed Assets block from Capital Work In Progress (CWIP).</li> </ul>
<b>Other Expenses</b>	608.80	354.65	71.7%	<ul style="list-style-type: none"> <li>Expected to grow in line with business scale.</li> </ul>
<b>Profit Before Tax</b>	3,525.19	1,190.18	196.2%	
<b>Profit Before Tax Margin %</b>	28.5%	35.1%		
<b>Tax Expense</b>	887.29	354.31	150.4%	
<b>Profit After Tax</b>	2,637.90	835.86		<ul style="list-style-type: none"> <li>Margins expected to improve due to expected increases in Gross Margin % due to reasons explained previously.</li> </ul>
<b>Profit After Tax Margin %</b>	21.3%	24.7%		



# Milestones for H2FY23

- Quarterly reporting of financial results for transparency to public shareholders;
- Additional clients wins in Europe & Africa for VoIP SaaS;
- Deployment of at least 3 containerized data centers under proprietary design to improve gross margins;
- Commissioning of at least 1 more edtech “Edmission” centre in Sindhudurg;
- At least 3 more client wins for EaaS services;
- At least 1 more large client win from Europe for PayFac services.



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# Thank you.

  
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