



Message from the CEO

DEAR SHAREHOLDERS,

In our last letter, we enumerated what makes the CMS platform unique. We are the only global company which has evolved from being a pure play cash logistics company to a broader business services institution. This transformation towards becoming a platform-led solutions and services company with the Managed Services business segment contributing to 40% of our revenues, has significantly enhanced the value and impact we deliver to all our stakeholders.

FY25: A YEAR OF STRATEGIC CONSOLIDATION

The year was marked by a series of unexpected events, including heatwaves, a prolonged election cycle, and a liquidity crunch, all of which contributed to a significant slowdown in consumption. Furthermore, order book execution experienced delays due to various factors, including technology testing and supply chain disruptions.

In Q4, a large and publicly listed competitor was forced to cease operations due to liquidity-related problems. This led to severe disruptions in the ATM channels of key banks, and we helped them in managing their networks, reiterating the reliability of CMS.

Despite these macro-overhangs, CMS delivered resilient revenue and PAT growth at 7% and 8% respectively. We managed inflationary pressures through investments in automation, to maintain a strong 15%+ PAT margin. Our financial discipline helped deliver a 75%+ OCF to EBITDA conversion and our balance sheet strength increased to ₹1000+ crores thanks to prudent capital allocation. We announced dividends for the sixth consecutive year, and the board approved a special interim dividend, increasing the total payout ratio to 42% (of PAT).

We are happy to share that we were able to strengthen our market leadership, across all key businesses:

- 200 basis points market share gain in Cash Logistics business
- #3 player in the Managed Services business (from #5)
- Wins and expansion in new sectors including Quick Commerce and EV Infrastructure, in our Vision AI business

In addition to gaining market share and maintaining margins, we undertook a complex reorganization to consolidate all our business units, covering over 27,000 employees and associates. Increasingly, a higher share of our revenue comes from end-to-end integrated contracts across our Managed Services, Cash Logistics, and Vision AI businesses. To ensure customer centricity and to meet stringent SLA conditions, we have unified all our business and operations teams into a single organization, led respectively by Anush Raghavan, Chief Business Officer, and Puneet Bhirani, Chief Operations Officer. This unified organization will enhance our efficiency and agility while leveraging technology to help us achieve more with less, embodying a core CMS value.

On our board, we are delighted to welcome Mr. Sunil Mehta, former MD & CEO of Punjab National Bank and former Chief Executive, Indian Banks' Association, and Mr. Vishnu Jerome, Founding Partner at Jerome Merchant + Partners and former Partner, AZB & Partners, as our new Independent Directors. We also take this opportunity to express our sincere gratitude to Mr. Jimmy Mahtani, Partner – EQT, who resigned from the board after 10 years and following the exit

of Sion Investment Holdings Pte. Limited (a holding company of the leading global private equity firm, EQT) as a shareholder in the company.

'CMS' BRAND UPDATE

You will be pleased to know that CMS was ranked #22 on Fortune India's 100 Emerging Stars (May 2025). Pankaj Khandelwal, our CFO, won the 'Best CFO - Medium Enterprises' award by Financial Express (FE CFO awards, September 2024) for our financial strength and governance excellence.

As we transform towards becoming a platform-led solutions and services company, it has been imperative to evaluate our identity and positioning. A Brand Valuation Study conducted by Brand Finance few years ago had reaffirmed the strong recognition, trust, and respect customers have for 'CMS'. We have decided to retain the CMS name, as the brand recall is firmly established among our customers.

To better reflect our evolution from a facilitator of commerce to an enabler of innovation and transformation we have

decided to enhance our brand positioning from "Connecting Commerce" to a brand promise of "Unified Platform. Limitless Possibilities." It is bold, forward-looking, and underscores the impact on our customers, examples of which are on our refreshed website.

FY26 AND BEYOND

The world is currently experiencing considerable volatility, both in global trade and geopolitical affairs. These are expected to settle down over the year but likely to impact in the short term.

At an industry level, we expect to see further consolidation in the Managed Services sector. Banks are increasingly recognizing the benefits of partnering with high quality, trustworthy, integrated, end-to-end players. Credit access and liquidity will be a challenge for weaker players. We are well-positioned to gain from this trend.

Our Total Addressable Market (TAM) continues to grow across all business segments. All our 7 business lines contribute meaningfully to our revenues, with the oldest at 33% and the

youngest at 5%. Investments in our enterprise sales organization are resulting in a larger share of wallet, across customers. We continue to win complex projects and are currently executing a unique, AI-enabled surveillance solution for a leading bank across thousands of its branches.

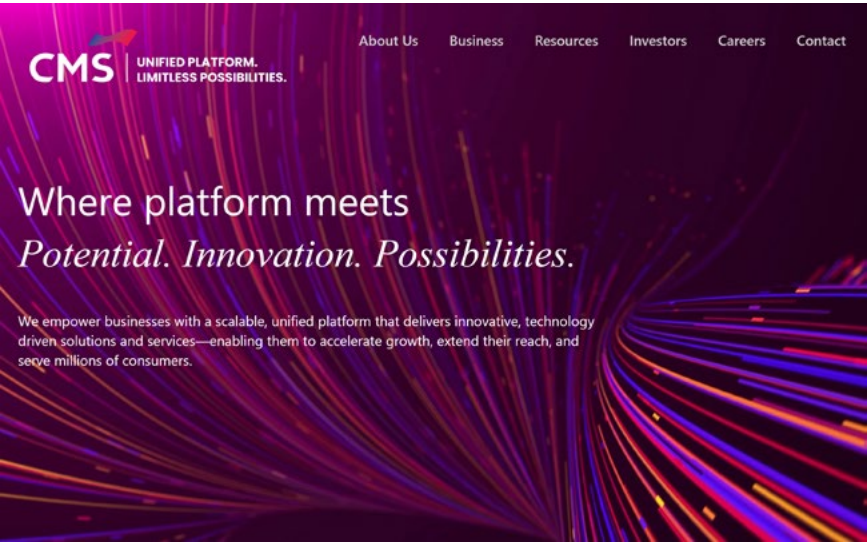
Expansion into new segments through M&A efforts is a key focus area. Over the last decade, CMS has built a strong and programmatic M&A track record, with 8 successful deals. Most of these were funded through internal accruals and on the strength of our balance sheet. We evaluate numerous companies each year, looking for: (i) strong cultural alignment; (ii) synergy with the CMS platform; (iii) value we can provide to our customers; (iv) potential for market leadership.

We remain focused on the domestic market with a strong correlation to consumption, formalization, and outsourcing trends in BFSI and retail sectors. Given our market position and growth opportunities, we aim to aggressively invest in growth expansion and acquiring new capabilities, to continue our strong growth track record.

In closing, I want to thank our 1.8 lakhs+ shareholders, including several marquee DIIs and FIIs, for their overwhelming trust and confidence in CMS.

Thank you.

RAJIV KAUL
Exec VC & CEO



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