November 13, 2026

Re: AMAGI/SE/2026-27/85

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001, Maharashtra
Scrip Code – 544679

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051, Maharashtra
Symbol – AMAGI

Dear Sir/Madam,

Subject: Transcript of Q2 & H1 FY27 Earnings Conference Call.

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q2 & H1 FY27 Earnings Conference Call held on Friday, November 6, 2026.

The said transcript is also being hosted on the website of the Company at https://www.amagi.com/investors/quarterly-financials.

We request you to please take the same on record.

Thanking you.

For and on behalf of **Amagi Media Labs Limited**

SRIDHAR MUTHUKRISHNAN
Digitally signed by SRIDHAR MUTHUKRISHNAN
Date: 2026.11.13 19:56:11 +05'30'

Sridhar Muthukrishnan
Company Secretary and Compliance Officer
Membership No.: F9606

Encl.: As above

“Amagi Media Labs Limited

Q2 & H1 FY27 Earnings Conference Call”

November 06, 2026

“E&OE” - THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON NOVEMBER 06, 2026, WILL PREVAIL.”

MANAGEMENT: **MR. BASKAR SUBRAMANIAN -- MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AMAGI MEDIA LABS LIMITED**
MR. VIJAY NP – CHIEF FINANCIAL OFFICER – AMAGI MEDIA LABS LIMITED
SGA – INVESTOR RELATIONS – AMAGI MEDIA LABS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Amagi Media Labs Q2 and H1 FY 2027 Earnings Conference Call. As a reminder, all participant lines will be in 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 then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions, and expectations of the company as of the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Baskar Subramanian, the Managing Director and CEO of Amagi Media Labs Limited, for his opening remarks. Thank you, and over to you, sir.

Baskar Subramanian: Thank you. Good morning, one and all, and thank you for joining Amagi's Q2 FY 2027 earnings call. I'm Baskar Subramanian, Co-founder and CEO. We'll be walking through our investor presentation, which is available on our investor relations website. I'll spend the next 15 minutes on the quarter, the market, the customer momentum, and the bets we're making in AI. Vijay, our CFO, will then take you through the financials in detail, after which we'll open the floor for questions.

Look at slide number two. This quarter, we want to kind of focus on four key takeaways of what we've seen here. First, the growth itself. Revenue was a record INR476 crores, up 27% year-on-year. And if you exclude the one-time item in the base that we had, it's 33%. The underlying business continues to grow, and our growth is secular across all the different parameters that you see.

Second, from a profitability standpoint, Adjusted EBITDA more than doubled to INR89 crores, an 18.7% margin, up 7.6% year-on-year. Operating leverage continues to play, and this has been a story that we've been talking about always, as operating leverage is a critical part of the company. PAT was INR75 crores, and about 30x what it was a year ago. So clearly, we're seeing the cash coming into the bottom line directly.

Third, if you look at customers, we've expanded customers. We've added 22 more customers in the half year right now. So, we're at about 503 customers. Our deliveries expanded to 10,787, and the net retention across the last trailing 12 months continues to be 125%.

Fourth, if you look at the flywheel, the content processed for the first time crossed 1 million hours, up 43% from last year. We have had robust ad impressions this quarter as well, in terms of 16 billion impressions coming in. All-in-all, a secular growth story across all the numbers that you see here. IDC MarketScape, one of the analyst groups, named Amagi a leader in the 2026 worldwide assessment of the AI-driven business cycle in the media industry. That has been an interesting journey for us.

Now, we come to Slide 3. For those who are new to Amagi, we operate an end-to-end media value chain, what we call glass-to-glass. From the camera glass, where the content is created, through production, preparation, distribution, and monetization, till it reaches the viewer's

screen. This could be a phone, a television, or wherever people are watching content. We serve that end-to-end value chain for content providers, distributors, and advertisers on a single cloud-native platform.

Media, unlike other software, is very mission-critical. Every workflow is real-time. We do a lot of live sports and news, and there is zero tolerance for errors. To run at this scale, we operate what we call the media industry cloud that underlies a mesh of all of the computing, network, and storage that you see. we eventually create that glass-to-glass operations possible on a native cloud infrastructure. The underlying layer has always been the harder problem for the industry, and it has very deep engineering investments to be made, which is what the company has been making over the last decade.

Look at the two ends of the slide. On the left, we have added what is called vertical short-form content. We're seeing this as a critical growth lever, and we will talk about it over time. On the right, you see these vertical drama apps, all these micro dramas that are happening. Both social media apps and gaming are starting to happen. Pretty much sit alongside broadcast and streaming today as we see this whole progression of the industry. These are new destinations where audiences are consuming content, and Amagi is enabling customers to expand to these audiences. This is one of our AI bets we will talk about today.

We come to Slide number 4. The opportunity continues to remain large. So be it across cloud modernization, streaming unification, and the monetization and marketplace, our TAM is $17 billion. We believe AI could nearly double that over time, and in a couple of ways. On the cost side, for every dollar our customers spend on technology, we believe they spend $2 to $4 in human toil.

AI makes part of the toil software addressable, and that is a big opportunity for us as a company at Amagi. On the revenue side, AI helps customers take existing content to new audiences, new formats, and new monetization services. This remains a directional view, not a forecast, but what has changed over the quarter is that now we have products in the marketplace for both the cost side and the revenue side. I will come to those in a few minutes.

Look at slide five. The tailwind behind each of our three segments continues to strengthen. If you look at cloud modernization, we are starting to see the modernization journey going up, 4.5 points year-on-year that we have seen this grow. Yet, it is a big, big opportunity for Amagi, as 90% of the market is still ahead for us.

Look at streaming unification. Streaming is now close to half of all U.S. TV viewing time. That is a big shift and a very important mental shift that is happening in the industry, where streaming is starting to become the majority viewing in the U.S., which is going to be a very critical change that is happening in the industry.

From a Monetization & Marketplace standpoint, CTV, which is connected television or the smart television that we talk about, is starting to become one of the largest segments where TV ad spends are moving. Roughly 42.5% of all the total U.S. TV spends are coming here, and we

are seeing an acceleration on that front as well. So, in a sense, all three are moving in the right direction, with long runways ahead, and this becomes the core tailwind for us at Amagi.

We come to slide six. The proof points of what is happening over the quarter: first, one of the big trends that we are starting to see, and we will continue to really focus on going forward is that enterprise broadcast, and streaming are unifying in one single platform. If you look at it, the local news network of one of the largest U.S. cable networks moved its live newsroom to Amagi. Roughly 60 regional feeds across more than 30 markets moved to an Amagi infrastructure. We are penetrating the Middle East as well, where one of the largest Middle East entertainment networks chose Amagi's playout systems to replace all their on-prem playout across 13 channels.

In terms of Interestingly, we are also seeing an expansion with South Korea's KT Group, specifically KT Studio. We have obviously expanded them on FAST channels, but more importantly, we are seeing the evolution of vertical video channels on connected TVs. This is mobile-first content on TV screens, and this is a very interesting format taking shape. We will closely watch this and see how user preferences are changing here.

So, in the fullness of time, we are seeing the convergence of Cloud Modernization and Streaming Unification, leading to a unified media operating environment for our customers. This is the direction that we see the industry going.

Second, monetization is extending across the workflows. If you look at Scripps, for example, with more than 60 local stations, almost a quarter of the U.S. TV households is what they cover today, and they have expanded to use our ad technology, which is THUNDERSTORM, and our ads marketplace with ADS PLUS. If you look at NDTV in India, for example, chose our AdFlow product, which clearly allows them to increase their monetization without changing their workflows.

Third, if you look at AI, it is moving from pilots to production. Last quarter, we said a major U.S. network selected NEWSPULSE. This quarter, they moved and went live with NEWSPULSE to summarize all the news for all their national newsrooms. So, it’s getting into production right now, as we speak.

Coming to slide number seven. Typically, this quarter is a busy quarter for us, and in September, we hosted LA PLAY, which is our flagship customer event in Los Angeles. We also had IBC, which is a broadcaster show, and one of the largest shows that happens in Amsterdam.

At LA PLAY, we had more than 700 people attending the show, which is an Amagi-owned show, and 41% of them were senior leaders who came to that event. What we heard there matched what we heard our customer advisory board talk about: consolidating vendors, simplifying workflows, and using AI for cost leverage and revenue maximization. Clearly, given the number of innovations we launched over the last few quarters, NEWSPULSE won the TV Tech's Best of Show awards at IBC, which is the premium broadcast show that I talked about, and the Best Use of Agentic AI in Media at the CSI Awards. So clearly, our innovation is being recognized right now.

If you go to slide number eight, this is important in terms of the different themes that we are starting to bet on, and three themes are in core focus for us as we move the company forward. First is cost efficiencies. We talked about how every dollar of spend on technology has $2-$4 of human toil. Our answer is really a managed service offering run by agents, agentic media operations, smart scheduling systems that we've launched already, which are going after all the NOCs, the network operating centers, and actually creating complete AI-first platforms.

Second, look at audience expansion. Our customers want to expand their audience. They already have content and they want to reach more and more consumers. 54% of the U.S. video ad spend today goes to social media, and the most premium TV content was never built for social media. It was all built for television, CTV, and the regular television world. What we could do with AI right now is to transform that content and take it in vertical video formats to social media and other destinations. That's a big area of focus for the company. You've seen NEWSPULSE launched for news, and FANPULSE for sports, and STUDIO, which is the live production environment, and the substrate on the bottom, through which we're doing this.

Third, our customers would love to maximize revenue with the content they already have. As you know, we sit between almost 400-plus brands and 470-plus platforms. We're connecting all of this with the 80-plus advertisers in the network. Amagi Connect and ADS PLUS, as a marketplace, are driving distribution reach and ad monetization. This is a core focus for us as a company. Three things: cost efficiencies, audience expansion, and revenue maximization. These are core levers for us and our customers, where we can add value.

We come to slide number nine. From an agentic operations standpoint, this is an example of what we're doing today. On the left, you see how today's operating services are managed. You have a bunch of people operating software. There are teams and people watching content, screens, and videos 24/7 in shifts, and we have a small group of decision-makers, people who are judging things in terms of deciding, approving, and handling exceptions. This is what happens today worldwide.

What Amagi is aspiring to do, and as we continue that journey, is: can software operate itself? The execution layer moves to agents acting on the platform's own metrics and telemetry that already exist. The judgment layer stays with people. This is, in principle, where humans become reviewers and approvers, rather than operators and initiators. That's a directional change we're making, and we're already dogfooding it inside Amagi.

Given we have 10,700-plus channels that are available, we have the operating know-how in-house, and that's what we're leveraging today. As a start, we've already engaged with a design partner, one of our top 10 customers, where we're consulting them on creating the next-generation Agentic NOC platform for them. So that's a big area for focus going forward. You'll start to hear more about it over the next few quarters.

If you come to slide number 10. On last quarter's call, I talked about there being a battery of products coming out of the AI stable, and this quarter we delivered four products. This is one of the highest product velocities we've seen as a company so far. First thing is Amagi STUDIO. It's a live production in the cloud where we could take one show and then be able to take it to every

screen; every event can be available on every screen. That is a very important focus for us as a company.

FANPULSE, which is the live sports-to-social platform for vertical content, very similar to what NEWSPULSE is doing for news. We launched FANPULSE for all of the sports networks across the world. We also built an Integrated Localization system, which means all captions, subtitles, and dubbing on one platform across multiple languages. As you know, as globalization of content happens, this is a super important capability for our customers. And of course, the Agentic NOC on the Amagi Intella platform that I talked about, which spots and fixes and actually runs the whole operating environment as we move forward.

On the right, if you look at it, just to give you context of how we're starting to report back to you, is how we're going to track these products across four gates, starting with the beta, then launch, and paying, and scaling. NEWSPULSE obviously is clearing all of that four. We've just got into a production capability there in terms of scale-up. The other four new products have to go through this whole process as we just launched them right now, as you see here.

Over the coming quarters, our job is to move them through the paying and scaling stages on one side, while also bringing newer product offerings, as you will see, over the coming quarters. Let me keep expectations clear. Moving new products through the scaling phase will take more than one quarter, so it's going to take some time, and it won't be a quarter-on-quarter progression that you see. We will continue to have this matrix filled as we move forward, extending more rows and filling the more columns that you see here.

Coming to slide number 11, the flywheel that we always talk about has been the North Star of our business. More content drives more reach. More reach drives more viewers. More viewers drive more ad revenue. This is true for our customers, and it is true for us as we work with these customers.

As I told you earlier, content processed crossed 1 million-plus hours, which I think is extremely good growth that we have been seeing there. Channel deliveries reached almost 10,800-plus channels, up 29% year over year. Distributors reached 477, up by 24%. More importantly, our ad impressions grew 65% to 16 billion this quarter. So, this is the core of the flywheel, and I think it is starting to work extremely well. This is the foundation that our revenue maximization bet is building on as we move forward.

Coming to slide number 12, finally, since AI transformation is going to be a big part of the journey going forward for us, given all the transformation that we are going to see in the media operations environment, we are strengthening the technology and transformation expertise on the board. We propose Dr. Bhaskar Ghosh as an Independent Director and Srividhya Srinivasan, our Co-founder and CTO, as a Director.

Dr. Bhaskar was most recently the Chief Strategy and Innovation Officer at Accenture. We plan to leverage his deep expertise in AI transformations to bring immense value to our journey going forward. Both appointments are, of course, subject to shareholder approval.

To close, growth has been what we have committed in terms of the growth bands that we have been looking at. Margins are expanding. AI is moving from a stated plan to products in the marketplace. I am truly excited about what the team has accomplished this quarter. It was an all-round team effort. And thank you to our customers who continue to repose their faith in us in delivering continuous innovations, and who allow us to manage some of the most critical business operations today. With that, I will hand over to Vijay to take you through the financials in detail.

Vijay NP: Thank you, Baskar, and good morning, everyone. Over the next five slides, I will cover the drivers behind our financials. We will start with the headlines and revenue, then margin and cash. Finally, we will look at FY 2027 priorities and recap H1. Two procedural housekeeping items before I start. First, all growth rates are year-over-year unless I say otherwise.

Second, on the base effect, as we flagged in prior calls, Q2 of last year carried a rev rec timing benefit from a large broadcaster migration. We had estimated that would hit this quarter's growth rate by about 600 basis points. The actual impact was around 614 basis points. So, when we talk about revenue, I will give you reported and ex-base so you can compare side by side.

With that, let us dive right into slide 13. The top half of the slide has our headline results. The bottom half is our Say-Do ratio, which I will come to in a bit. Let me start at the top with the four cards. The title sums up the quarter. Top-line growth was strong. We executed well and beat our own internal expectations on margin, and we started seeing real traction on converting margin to cash. Going through the cards from left to right, revenue for the quarter closed at INR476 crores, up 27% reported. Excluding the base effect, it was up 33%. In constant currency terms, growth was 15% reported and 21% ex-base.

Adjusted EBITDA came in at INR89 crores, up 114%. Adjusted EBITDA margin was 18.7%, up 7.6 points, and ahead of our own expectations. There are a few one-time tailwinds in that number. I will unpack those as we get to margins.

Profit after tax, our ultimate bottom line metric, was INR75 crores at a 14.9% margin, up 14.3 points. Finally, cash closed at INR1,774 crores. First-half adjusted operating cash flow conversion was roughly 67% of Adjusted EBITDA. That sums up our overall headline financials.

Now, the bottom half. Midway through the year, we wanted to take stock of what we said and how we delivered against what we said. Internally, we call this the Say-Do ratio. The three rows in the table are the three priorities that you have heard from us consistently before. Let us go through them row by row.

The first row is durable growth. We said we would grow in a stable band led by expansion, and against that commitment, our growth has been range bound. Ex-base reported growth has stayed north of 30%, and constant currency growth has been north of 20%. This quarter, reported growth was 33% ex-base, and constant currency was 21% ex-base. On the expansion commitment, our NRR has consistently hovered over 120%, which is considered best-in-class.

Moving on to the second row on cost leverage, we said gross margin would be in a stable zip code between 67% to 69%. We said operating leverage would primarily come from costs below gross margin, and we said ESOP would moderate year-over-year as a percentage of revenue. Against those commitments, gross margin for the quarter ended at 68.1%, bang in the middle of the range that we had talked about since the IPO. Indirect operating expenses fell from 58.6% of revenue to 49.3%. ESOP is now 5.3% of revenue. We will discuss that in more detail because the base was a little inflated due to IPO-related grants, but even excluding that timing benefit, we leveraged about 200 basis points on that line.

Moving on to row number three on cash conversion, we said we aspired to convert 50%-60% of Adjusted EBITDA this year. We were also candid that we had some work to do on this front. Q2 conversion was elevated at about 151%, primarily driven by strong collections. But the first-half number of 67% is what I would anchor on as a more steady-state conversion rate, surpassing our own guidance.

To summarize the slide, we met or exceeded all our commitments. This came from a combination, obviously, of market tailwinds that Baskar walked you through, backed by disciplined execution and operational rigor. Despite a strong start to the year, we are not running victory laps quite yet. Our focus is on sustaining this level of execution quarter over quarter.

Moving on to slide 14. Let's start with the chart on the left. The business, if you look at the last three years, has grown by almost 1.7 x in the last two years, from INR278 crores in Q2 of FY 2025 to INR476 crores this quarter.

The growth rate has kind of held in a steady band, even if you look at reported or constant currency, excluding the base effect. Almost 100% of this growth is organic. So those are some salient features of the revenue that we've reported.

Moving on to the middle, you can see: Cloud Modernization is roughly 20% of our revenue, Streaming Unification is 55%, and Monetization & Marketplace is 25%. Across the three years, the mix is broadly stable, showing that our growth has been broad-based across segments. The only movement is in Cloud Modernization. It looks lower optically this year because of last year's base effect, not because the segment lost momentum.

On the far right, there are three lenses we use every quarter to gauge our revenue health and durability. The first lens is expansion. So basically, are we continuing to expand wallet share with our existing customers? The answer to that is that a good chunk of our growth comes from expanding wallet share, and the metric that manifests it is the NRR, or net revenue retention, similar to the same-store sales metric that we are all used to. NRR is typically a full-year metric that we disclose in Q4. Through the year, we'll show the trailing 12-month figure, and it continues to be north of 120%, which is considered healthy. So, we feel good about the first lens: that's expansion.

The second lens is breadth. We ask ourselves, is the growth broad-based across segments? Like I just spoke about it when we were talking about the middle of the deck, growth has been secular,

and that's evidenced by the fact that the mix hasn't changed across segments in the last three years.

Cloud Modernization grew 9% reported and about 36% excluding the base effect. All of the base effect was skewed towards Cloud Modernization. The driver for growth here is broadcasters moving from on-prem to cloud, and as Baskar said, the runway continues to be pretty exciting in that segment. Streaming Unification grew 35%. This is mostly volume. More channels, more deliveries, that drove the growth here. Monetization & Marketplaces grew 28%. That's volume as well, with monetized impressions up 65% year-over-year.

The last lens is depth. So basically, is expansion resulting in deeper engagement with the customers we have? That's why customers above $1 million matter, because they've reached a certain threshold scale, and that rose to 15 at the midpoint of the year, up from 11 a year ago. So, an increase of 4 on a base of 11.

We also watch top 10 concentration, which continues to sit in the 40% zip code for the last couple of years, illustrating that all the growth doesn't come from one customer and continues to be broad-based even across a customer concentration standpoint. So, put together, we are encouraged by growth ex-base. Expansion continues to be a big driver. Growth is secular across segments, and we are continuing to deepen relationships with our enterprise customers meaningfully.

Moving on to the next slide. We saw on the previous slide that the revenue has grown about 1.7x in the last two years. The natural sequel is what happened to profitability. The chart on the left answers that. For each of the last three Q2s, it shows operating cost next to revenue. The green slice on the revenue bar is our Adjusted EBITDA.

The chart tells the story in three stages. Stage 1: two years ago, in Q2 FY 2025, the two bars were about even, so roughly INR280 crores of cost on roughly the same revenue. We were at break-even. Stage 2: last year, the bars started to separate. Revenue outpaced cost, and we delivered about 11% margin. This was the inflection point. Stage 3: this quarter, the gap is INR89 crores on INR476 crores of revenue at 18.7% margin, so the model is scaling. So, for every INR100 of incremental sales, INR47 reaches Adjusted EBITDA. That 47% flow-through on incremental growth is a key number you may want to watch as we continue to give future updates.

On the right-hand side, we've got three headline margin numbers. Let me go through each and the underlying drivers there.

First is gross margin. We ended the quarter at INR324 crores, or 68.1% of revenue. This is down 1.6 points year-over-year, but up 0.8 points sequentially. The year-over-year deceleration is entirely the base effect. Excluding it, gross margin is flat even on a year-over-year basis and is in line with the 67%-69% range we had guided to. Underneath that, obviously, a lot keeps happening. Our cloud FinOps team keeps running cost initiatives that generate savings, and as we've outlined before, we reinvest some of those savings back into the business. So overall, a good story on gross margin.

Second is Adjusted EBITDA, which grew to INR89.1 crores on an 18.7% margin, up 7.6 points. For context, revenue grew 27%, and our indirect costs grew 7%. The gap is the flow-through, and it's excellent as we scale.

I want to spend some time here unpacking the one-time tailwinds so you can update your models accordingly. Current quarter margins were inflated by more than 200 basis points due to specific timing factors: favourable FX rates, some delayed hiring, and certain reserve releases. Excluding these timing benefits, our underlying margin was closer to 16.5%. For the full year, we expect margin to stay close to that range. That's deliberate, as we'll reinvest some portion of our operating leverage back into people, product, and AI.

Looking ahead from here, when we think about Q3, we expect it to be another great quarter with elevated margin levels. With the structural benefit of the U.S. advertising peak backed by the midterm elections and augmented by our recurring cloud savings, we are confident that our overall EBITDA will continue to scale healthily from the base that we just outlined.

Third, on PAT, PAT margin was 14.9%, up 14.3 points. Of that, 7.6 points came from Adjusted EBITDA, and the rest came from ESOP. ESOP cost as a percentage of revenue is down from 12% last year to 5.3% this year. The base was a bit inflated, like I said, due to graded vesting of the IPO-related grants. We now lap that. Even adjusting for that, this line showed a 200 basis point leverage.

To bring it all together on margin, this was a pretty strong margin quarter across all our three margin lines. Structural leverage continues to be a highlight of our P&L, and you are starting to see that inflection turn into scale. Our aspiration continues to be simple, which is to keep delivering profitable growth.

Moving on to slide 16, this is the third pillar that we talk about, which is cash. As always, I will separate the noise from the signal, then give you the number. A couple of framing points first. One, this is a half-year view. Q1 is structurally our weakest cash quarter. Annual increments, incentives, and big software renewals all land in it. Q2 is a relatively strong collections quarter, so looking at either one in isolation will probably send you some misleading signals. Both halves also carry some one-time items unrelated to operations. Last year, for example, had INR103 crores of pre-IPO ESOP and SAR buyback, and this year had roughly INR25 crores of IPO-related payments, which is pretty much our last lap.

Rather than going through everything on the table, the story here is that year-over-year, when you look at the midpoints, we have got more profit and far less tied up in working capital. Adjusted EBITDA more than doubled from INR58 crores to INR139 crores. Underlying working capital absorption fell from INR145 crores to INR14 crores, driven by strong collections and a materially lower DSO. As a result, our operating cash flow swung from an outflow of INR98 crores to an inflow of INR94 crores.

Overall, free cash flow also was INR85 crores, just INR9 crores of capex, so we remain capital-light. So that is sort of the punchline on the table to the left. The three tiles on the right are our calling card numbers on cash. Simply put, last year in the first half, we were not converting much

profit into cash. This year, we are converting almost two-thirds of it. First-half conversion, like I said, came at 67%. That is marginally above the 50%-60% aspiration we had laid out earlier.

Overall, to wrap up on cash, a strong first half and a balance sheet of INR1,774 crores of cash with no debt. That gives us room to keep investing in the business, which is our first priority. It also gives us flexibility to pursue M&A where it adds capability. We will be disciplined on fit and on price, and patient in between.

Slide 17 is the last slide in the financial section. To the left, you are pretty much used to this view. Our FY 2027 priorities have largely remained unchanged. But for folks who are just getting started with us, our aim has to be to deliver durable revenue growth. Second is to translate growth into operating leverage, and third is to convert that operating leverage into cash. These have been our singular priorities through the course of the year, and nothing changes that. We showed these three to you at the beginning of the year, and we hope to show this to you again in Feb.

But on the right side, we don't have any proactive items to guide for in the coming quarter, so we thought it might be good to kind of take a look at an H1 retrospective. Revenue was INR913 crores in six months, up 30%. Excluding the base effect for the first half, it was up 34%. Adjusted EBITDA margin was 15.3% for the first half, up 7 points on INR139 crores. Adjusted operating cash flow was a positive INR94 crores. A year ago, it was negative INR98 crores.

Before I wrap, I want to call out two numbers to put the half in context. First-half adjusted EBITDA of INR139 crores is already about 90% of last year's full-year EBITDA. This quarter's profit after tax of INR75 crores is more than last year's total profit after tax.

So, to sum it up, we had an outstanding quarter across top line, bottom line, and cash. We continue to remain razor-focused on executing well and delivering profitable growth. I'd like to thank our customers and Amagians who helped us deliver another outstanding quarter. With that, let me hand it back to the operator to open the queue for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Manish Adukia from Goldman Sachs. Please proceed.

Manish Adukia: Thank you. Hi, good morning. Thank you for taking my questions. Vijay Baskar and team, congratulations on another very strong quarter, particularly on the operating leverage the business is showing and delivering. I had a couple of questions. The first one is on growth. Vijay, I know you talked about durable growth, and also that December quarter, again, you're expecting a very strong quarter.

But as we think about more medium-term, say, let's say FY 2028 and beyond, I think in one of the slides you talked about AI potentially doubling your addressable market, how should we think about what the medium-term growth outlook of this business looks like? I know you alluded to 20% plus constant currency growth at the time of listing, and you reiterated that in some shape or form. But do you think that the visibility or comfort on the 20% plus constant currency growth continues to increase given just this new opportunity that AI has opened up? Any thoughts and color around that medium-term outlook would be helpful to start with.

Vijay NP: Hi, Manish. Thanks for the question. Again, as you said, I think the opportunity looks pretty compelling on the AI side, and we are starting to see some sort of green shoots on the monetization. So, we're pretty excited about the upside that it could provide to the base sort of case we've modeled. I'm sure you'll also appreciate that it's pretty thin read, and it feels like we are just getting started, and this will have to play out, as Baskar said in the AI slide, in subsequent quarters.

We'll make sure we frame what that looks like from an upside or alpha perspective to our base case in the coming quarters once we have more visibility. That said, our aspiration on the base case is to continue delivering the way we've been delivering for the last couple of years. So, the base layer remains unchanged.

Manish Adukia: Very clear. I know, as you said, we are early in that AI journey and AI cycle, but if we were to take, let's say, a call on AI being a tailwind versus a headwind for the business, do we now have enough proof point and data to suggest that AI is certainly not a headwind for the business, likely a tailwind? Is that a conclusion that we can now safely make, or are we still too early in that journey to take that view?

Baskar Subramanian: Thanks for this question. Again, I think it's definitely not a headwind. That's, I think, super clear for us. And in fact, it will be a pretty large tailwind if it actually plays out the way we are anticipating it to play out over time. To that extent, I think we are fairly clear and, in fact, fairly bullish about the whole thing, and that's one of the drivers for all our investments that's starting to happen in R&D. And interestingly, this quarter has also kind of codified this particular thought process because of the conversations we've had with our key customers over the last three months, including at the events that I talked about.

I think there is clear progression of where I think Amagi is in some sense, at the right place at the right time, given the durability of the company itself to some extent, the availability of talent, and the market ready to transform. I think we're in a very good position for us to be able to leverage this. The only paranoia I would have is our own execution, which I think is what we need to focus on as a company, and we continue to do that. I think it's fairly clear that it's a big tailwind for the company as it actually progresses.

Vijay NP: Manish…

Manish Adukia: Thank you, Baskar. Yes, please go ahead.

Vijay NP: Just to add a couple of proof points to back that sort of hypothesis. I think if we had seen a deflationary impact on AI, it would have manifested in our gross margin by now. But sequentially, we have been improving gross margin for two quarters in a row. Hopefully, those data points illustrate that. In addition, when we look at the top of the funnel, we have not seen any sort of losses or downsell manifest there due to sort of AI-related deflationary impacts.

Manish Adukia: Very clear. My last question is on margins. You talked about 40% incremental margin flow-through. Maybe like two sub-questions there. One, this year, we have had like a fairly decent

currency tailwind given just the INR depreciation versus the USD. Even, let us say, in a normalized currency environment, is a 40% plus flow-through to EBITDA a reasonable assumption to make?

Second, given where your growth outlook is in the medium term, like you said, you expect that durable growth of 20% plus constant currency, and now you are at, let us say, closer to 15% normalized EBITDA margin. Is there a margin number beyond which then you start reinvesting more than what you are doing and capping margins? Or do you think, at least for the foreseeable future, that margin flow-through would sustain, and you are happy to let the margin expand?

Vijay NP: Yes. Maybe I will start with the flow-through, and then we can get to our capital allocation framework. On the margin question, Manish, I think the 47% flow-through is fairly a decent number to pencil in, not the 40% number. It was not significantly influenced by currency fluctuations. For context, we are long US dollars. So, roughly a 10% swing in dollars results in about a 1.5-point uplift in our EBITDA margin. For context, it is small in the grand scheme of things from a flow-through perspective. A good chunk of the flow-through is structural. That is one.

On AI, I think the way I would answer it is, today, we are not making any artificial cuts in our product and engineering cost base to generate margins. We are reinvesting in AI, and as you see, we have launched four products, which is the highest in the company's history. The velocity is there for us to see. What we may look at in the medium or long term is to just see if a lot of these scale faster than expected, which we believe will be the case. We may double down on investments, but that profitable growth continues to be a core part of our DNA, and we will continue to balance both growth and investments, and we do not see a material change in the sort of structure of how our P&L looks from a totality standpoint.

Manish Adukia: Thank you so much. Very clear. Thanks a lot, and all the best.

Vijay NP: Thanks, Manish.

Moderator: Thank you. The next question is from the line of Abhisek Banerjee from ICICI Securities.

Abhisek Banerjee: Hi. Thanks for the opportunity. Just a couple of questions from my side. First is, you mentioned, Vijay, that you may look at M&A, right? Just wanted to understand: is there something that you have identified? If not, what kind of capabilities do you want to add through an M&A?

Vijay NP: Yes. When you think about M&A, I will talk about the capabilities first, our areas of interest include the video supply chain, video distribution, and live sports production, which kind of complement our capabilities and strengthen our platform. In terms of core tenets that we use, it is nothing fancy and back to first principles.

We look at strategic fit in those areas. We look at the attractiveness of the P&L. We look at the autonomy of the management. We look at synergies, integration feasibility, and obviously this all has to come at the right price. So those are some core first-principles metrics that we use to evaluate.

Like we said last quarter, we have an active Corp dev function that is shopping. We are in different gates, from exploratory to preliminary diligence on a few of them, and we will make appropriate disclosures when we reach a point where we think we are getting into some sort of a binding commitment. But nothing material to call out for this quarter, but there is a lot of work happening behind the scenes.

Abhisek Banerjee: Understood. And one more question, which is on your R&D as a proportion of sales. So, can you guide us what can be a steady-state number for this for modeling purposes?

Vijay NP: I think it has been in the early 20% sort of zip code. I think 20% would be a reasonable steady-state number. As I answered in the previous question, we want to make sure that we are balancing growth with margins. So, two parts to it. The tailwind basically comes from us adopting a platform approach. So incremental growth results in a direct flow-through to the margin. So that is the structural underpinning of why R&D gets leverage.

But in terms of the medium term, I think 20% is a good sort of base case. And if we have additional leverage or deleverage on top of it, we will disclose it. But also want to call out that we do not capitalize any expense, so whatever you see in the P&L is fully loaded. So, that is something to have in the back of your mind.

Baskar Subramanian: Abhisek, this is Baskar. Could you unmute that? Just a quick note on

Abhisek Banerjee: Sorry, I could not catch you. Just one more question here. We have spoken about this 20% growth guidance. What do you think it will take to accelerate this number slightly more? Can we, through investments, go towards a 25% odd revenue growth outlook, or is that not something feasible at this point in time? That is my last question.

Vijay NP: Yes, sorry about that interruption. Abhisek, hopefully you got your answer on the AI piece. If there is any follow-up question, let us know, and we apologize for the interruption.

Abhisek Banerjee: No, I was just trying to ask if there is anything that we can do that can accelerate the revenue growth beyond 20%. Is there any investment that we can make, or is it not really feasible at this stage?

Baskar Subramanian: Yes, Abhisek. I was trying to address that question. Fundamentally, our investments are not limited by the financial profile expectations of the company as much as by the conviction in terms of investments driving growth. To that extent, we are happy with what we're doing today, Abhisek.

Obviously, from time to time, if we see anything in the next few quarters where we think a higher investment can drive better or larger growth, if there's high conviction inside the company, we will definitely come back to the streets about it. But today, I think we're very happy with the investments we're making towards this direction and the growth process today, right? I don't think we're kind of artificially constraining growth because of investment constraints in any fashion whatsoever.

Vijay NP: Abhisek, I think just to add to Baskar's point, again, we've got a core of staple products that generate the BAU growth rates. In the prepared remarks, Baskar did talk about the big bets that we are kind of already investing in, which is lapped in our run rate. We are obviously thinking about the future, but where we sit today, it's very hard to predict the alpha that it may generate over the medium term. That doesn't mean we are not seeding the shelf with new products that could get us the next $10, $50, $100 million just for context.

Abhisek Banerjee: Understood. Thanks. Very clear, sir. Thanks.

Moderator: Thank you. The next question is from the line of Omprakash from Avendus Spark. Please proceed.

Omprakash: Yes. Hi. Good morning, team. Advance Diwali wishes. A couple of questions, predominantly on these new products: NEWSPULSE, FANPULSE, and all. Two parts to this question. One, how is the pricing strategy or GTM strategy here? Because traditionally, in FAST channels, it's dependent on the number of deliveries, hours of content processed, and viewership. So how does the pricing work over here and GTM strategy?

Second, slightly connected to the previous participant's question. Are we able to slightly bifurcate this and talk about the incremental growth that is coming from these particular products? In the other way around, is it going to increase our revenue growth expectations when these products gain traction? These are two parts to the question. Thank you.

Baskar Subramanian: Okay. Let me start with the first part of the question. From a pricing standpoint, it's early in the market right now, so we are just starting to see the first set of deals. So, we need to continue to focus on that. But directionally if you look at it, we're going towards more output/outcome-driven pricing. So, think about it as more consumption-driven pricing, but with the clear mechanisms of having a steady-state baseline. So, you have a fixed rate plus some sort of variability built into the pricing. So, it's going to be volume-driven eventually. That's where I think it's trying to go.

So, you're going to see a fixed minimum guarantee pricing along with external variability on top of it. That's the way I think we're going. But it's early. I wouldn't want to kind of judge that as the only way to do it going forward. We are not at outcome-related but output-related right now, but eventually, we want to go outcome-related as well. So that's a directional call that we will take as we move forward as a company.

Vijay NP: Yes. Om, to your second question, I think we are still in the early days. We are obviously excited about the opportunity, and we feel like if the intersection between adoption and our delivery fructifies, we will be able to generate meaningful alpha to our base case. But again, as you may appreciate, it is pretty early to call that sort of growth arc from where we sit. As and when we have better visibility, we will make that sort of a part of our core commentary.

At this point, we are just going after, prioritizing products that have a long runway, where we have got some ability to execute well, the right to win is clear, and we can ship, and there is propensity to pay. So, we are just prioritizing our stable of experiments based on these sorts of

criteria. We have a very thin read on what the magnitude of alpha will be from these things. But we will give commentary on that as we go in subsequent quarters. Happy Diwali to you as well.

Omprakash: Sure. Thank you. Yes. Thank you. Good luck for the future quarters.

Moderator: Thank you. The next question is from the line of Vamshi Krishna from Kotak Securities. Please proceed.

Vamshi Krishna: Yes. Hi. Good morning, and congrats on a great set of numbers, Baskar and Vijay. My first question is on the social, the short-form content that you are launching on social media. So far, your Streaming Unification has been largely on the CTV-led and the traditional content-led FAST channels. How does the new short-form content differ in terms of engagement with the clients as well as with the viewers, as well as the take-up by clients for this particular channel, for this particular offering? I see your TAM for Streaming Unification is about $3.7 billion. Does this include, or are the new products going to expand your TAM?

Baskar Subramanian: Okay, good question. Let me address the first one. So directionally, if you look at it, we are tracking what our customers' North Stars are. That is important. If you look at our customers' North Star, they want to obviously reduce costs, as we talked about it, and extend their reach to new audiences as they come along across any device or format that people are actually consuming content on.

As part of that journey, we have been tracking where the growth is happening from a social standpoint. What sort of formats are driving that growth, and whether we can bring in all the different sets of content that our customers have.

Our customers have millions of hours of content already prepared and available in a particular format. So, the biggest driver that our customers are starting to talk about is asking, "Can we start extending our content to audiences across all these social platforms as well?" If you look at it historically, all these social platforms were primarily marketing tools for TV channels or TV networks. I think they are starting to become content consumption platforms where the final audiences are on their mobile phones and on vertical formats. So, we are truly excited, because our customers are excited about this new format and new opportunities.

We are driving towards creating a full tool set for them. We go where viewers are, and while Connected TV remains a place of growth. We will continue to see that growth happening, but more importantly, we see the social platforms as the next growth area for our customers, and we will continue to invest in that as we move forward.

Vamshi Krishna: Thanks. On the senior hires, can you just give some detail as to which areas you are hiring for and where these people are coming from?

Vijay NP: Vamshi, this is mostly no particular isolated sort of investments. I think some of them are just to strengthen our core central org, but a lot of it will be towards the overlay roles that we see in the GTM. As we continue to scale our GTM sort of org, we see the need to kind of have more specialized overlay functions rather than feet on the street, because a lot of work goes into that space. On the sales side, that would be that, and the other area is obviously customer success,

because today our reps have been doing hunting and farming, so a little bit of demarcating those roles and making sure that we set them up for success at scale is critical. I think those would be the sort of two, three big areas.

From a product and engineering standpoint, obviously AI is an area where we need a skill set refresh. So, we are obviously trying to go through the motions and make sure that in areas like service as a software and all that stuff, we are starting to see some outside-in talent, Baskar, if you want to add anything here.

Baskar Subramanian: Yes, exactly. So, this is a time of transformation, Vamshi. I am sure you are seeing it across industries as well. I think that will also mean a talent transformation that the company is going through, and we will continue to see that going forward as well across all of our structures, right from the hierarchy. It's not only in leadership, but everywhere around. We need to start thinking about restructuring for a new AI-transformed world.

As a company, we will continue to change and transform in that leadership. The challenge obviously is that AI-first leadership and the next-level talent are going to be hard to find. It is not something very easily available because it is also very new for everybody. So, we are really going back to first principles, thinking through what sort of teams and leadership can carry over for us through these transformations.

Vijay NP: Vamshi, some of the GTM and central investments that I called out are not new. They are already largely lapped in our run rate, so it will not be like an incremental sort of step up to our opex base, just for clarity. The second thing is also just to make sure that the leverage continues to be structural, and we will continue to focus on that. Just want to make sure you got the holistic view on it.

Vamshi Krishna: Sure, got that. Thanks, Baskar and Vijay, for the answers.

Vijay NP: Thanks.

Moderator: Thank you. The next question is on the line of Vibhor from Nuvama Equities. Please proceed.

Vibhor: Yes, hi. Thanks for taking my question. I hope I am audible.

Vijay NP: Yes, Vibhor.

Vibhor: Yes, thanks, and thanks, team, and congrats on a very solid performance. Baskar, a couple of questions from a slightly longer-term point of view, not a very immediate quarter-to-quarter kind of thing that I'm looking for here. In terms of the three verticals that we have, do you believe Cloud Modernization is a vertical where, I mean, we're of course growing at more than 30%, if you remove the ex-base of the last year?

But is that a vertical where you would believe that, amongst the three verticals, the growth trajectory would be slightly slower than the other two verticals, given that Cloud Modernization would probably involve moving most of these basically legacy media companies onto the cloud platform and modernizing their applications, which would get done at some point of time, and

after that, maybe there's not much left to do. How do you view that kind of growth vis-à-vis the other two verticals that we have? I'll probably take that question, take that answer first, and then come to my next question.

Baskar Subramanian: Okay, fair enough. Because you talked about the long term, Vibhor, what are we largely seeing? A company that is only doing Cloud Modernization and not doing streaming would not exist in the world. So, essentially, we think eventually this will all merge together. So obviously, the delineation made sense and continues to make sense right now as we speak, but I think more and more of our customers are eventually creating one unified media operating environment across their streaming and as well as for Cloud Modernization.

That is essentially saying, move my on-prem to the cloud and eventually deliver a complete unified experience for their customers and audiences across all different forms of consumption, not only across OTT platforms, but also social platforms, as I talked about. So, we are seeing ourselves directly going towards that particular aspect.

From a growth standpoint, it is very hard for me to kind of delineate between these two, because eventually, it is a question of left pocket, right pocket to some extent, if you look at it. Do I come into the cloud and then actually start growing on streaming, or vice versa, where we have customers who started streaming on the cloud and eventually say, let me move to the cloud itself.

Having said that, the modernization piece is driven by a few clear guidelines of how this happens. Obviously, they are waiting for their hardware to get amortized, which is important. The hardware amortization drives the decision-making of when to move. That is a clear directional milestone for them to kind of see. It is distinct in the time it happens, for example. Other drivers are obviously economics and reliability, which are super important for our customers, given they are doing sports and news and others. Having said that, we continue to see this as a progression. I would not be worried about whether it is modernization versus streaming, and over time, I think they might converge from a growth standpoint.

Vibhor: Fair point. I think that is a very detailed explanation. Thanks for that. My next kind of related question is: if I look at our top 10 customers, they have been on almost 41% of our revenue, flattish on a year-on-year basis. How do you see this bucket growing? Is this bucket growing faster than the company average or below the company average?

Going forward, have they already become too big, or have we already become quite big for them, that we might see their growth come slightly below company average? Because our new clients are probably gaining much more traction, so they will probably drive the growth. Just a color on that would be helpful.

Baskar Subramanian: Okay, I'll give you some directional color here. As you know, top 10 is 41% of our Q2 revenues, and it's been hovering around that range, 39%-40%. What we see is a good, healthy range for us as a company. If you look at our business, which is primarily B2B, you don't want many, many, many small customers who are not betting on you for their full media transformation.

At the same time, you don't want some 10 customers who are driving the whole growth for the company itself. I think in that sense, it's a very healthy balance to be where we are. I think it'll

continue to be in that range as we speak. They are a healthy growth for us going forward as well, because some of these customers, just to give you an idea, are in the tens of millions of dollars to spend with us. I think their potential to spend is about $50-plus million a year with Amagi tomorrow. That sort of is the growth process that I see happening.

Having said that, I don't think we will be dependent on the top 10 for all our growth. Obviously, we continue to kind of see that as an important aspect to grow the next tier of customers as well. If you look at it, our mid-tier is typically a pretty large growth area for us as well. Customers from, I don't know, 11 to 100 customers, for example, are a critical growth area for us as a company as we move forward. All in all, as we talk about it from an NRR standpoint, expansion is a critical part of the business. So, the 125% NRR that we see is driven primarily by expansion. Top 10 is an important part of the expansion growth for us as we move forward. I think in this range, we are quite comfortable with where we are today.

Vibhor: Got it. Vijay, you were saying something?

Vijay NP: Right. Just to add data to it, I think if you look at the top 10 and the long tail, which is not the top 10, if you want to define it that way, the growth rates are pretty much in line with the portfolio growth rates. So, I think there is not much to call out from a differentiation standpoint, and in terms of delta. So, we are not only seeing secular growth across whatever, but even on cohorts, we are seeing that sort of thing. Obviously, in the first year, the ramp-up is going to be lower, but the second and third years are when they start scaling, typically, for context.

Vibhor: Perfect. Got it. Great. Thanks for taking my questions, I wish you all the best.

Baskar Subramanian: Thank you.

Vijay NP: Thanks, Vibhor.

Moderator: Thank you. The next question is from the line of Bharat Gulati from Dalal & Broacha. Please proceed.

Bharat Gulati: Yes. Hi. Thank you for the opportunity, and congrats on a great quarter. Just a question regarding the Cloud Modernization revenue rec. I understand last year in H2, we called out a slowdown, and this year, the revenues have pretty much stabilized. The 900-basis point headwind in H1, roughly, would turn into what sort of a tailwind for H2, if you could quantify it from a top-line perspective, one, and then also from a margin perspective, given that margins would have broadly been flat this quarter if the base effect wasn't there.

Vijay NP: Yes. I will unpack that into two parts, Bharat. When you think about that particular customer, they had one part which was a timing benefit, but they also had a steady-state run rate. Throughout the year, you had a little bit of amortization in play in the base, right? That part is not going to go away. I think what we wanted to call out is that accounting timing benefit was isolated to the first half, so your base levels were elevated. As a result, when you look at the year-over-year comparison for the first half this year, the base effect gets nullified. For the rest of the year, it is BAU to BAU, so you are getting a clean compare, and we have lapped that sequential sort of elevation. You do not have much of a tailwind in the form of a reversal of a

headwind. That is one. From a margin perspective, I think, just to clarify, did you mean the base effect on margin, or how are we thinking about the shape of the margin for the rest of the year?

Bharat Gulati: Yes. You are saying that it is back to normal, so then ideally gross margins from next quarter would also be then normalized. I think that answers the sort of gross margin part also then.

Vijay NP: Exactly. Yes.

Bharat Gulati: Yes.

Vijay NP: The accretion that we saw. 80 basis points quarter-on-quarter, was also structural. We ended up generating about $228,000 of monthly run-rate savings this quarter through optimization initiatives, part of which we reinvested back into the business as well.

Bharat Gulati: Understood. Understood. That's helpful. On the Cloud Modernization vertical, we've seen some robust growth come in ex-base in that. Just trying to get an understanding of how we see, from a mental model perspective, Cloud Modernization sort of indicate or drive growth later for, let's say, Streaming Unification and Monetization? Just trying to understand what trends have you seen in the past as how those sorts of traditional channels switch over to FAST and then sort of expand in terms of NRR? Yes.

Vijay NP: Yes. I think I'll speak about it at a broader thematic level in terms of trend lines that we are seeing, and Baskar, see if you can add color. The first thing that Baskar called out was unification, right? We are seeing the sort of demarcation between cloud and streaming sort of get obfuscated a little bit. You'll see in a couple of years, internally, we've already started tracking a consolidated metric for both segments together, which is more meaningful than the way we called it out. I think in terms of trend lines, the lines are getting blurred between those sorts of two buckets, and we are seeing that uptick manifest in how we look at segments.

And number two, like Baskar said in one of his prepared remarks, we are seeing creative sort of assets that are taking place in terms of consumption, like whether it's vertical shorts on TV and just vertical formats in general across sports and news, right? We are seeing a lot of the legacy folks, because they've got on a platform, having better propensity to adopt these new sort of social formats and other things. That's also causing a structural tailwind, because you cannot do this when you're in a data center, right? There's sort of some structural tailwinds that are playing beneath the numbers to cause Cloud Modernization to get to an inflection point. And in addition to the stuff that Baskar said around hardware refresh cycles and stuff like that. But Baskar, anything to add?

Baskar Subramanian: Absolutely. No, that's right, actually. Again, interestingly, I think if you look at the Cloud Modernization, a big driver was economics that is driving it thus far. But I think we are seeing the first early green shoots of customers wanting to move to the cloud and to a scalable compute environment because they want to accelerate their AI workflows and the innovations thereof, which can drive much better efficiencies and revenue for them. So, that's an interesting sort of a trend line that we see early today to call it out in terms of how much it will accelerate, but directionally, we're seeing that happening.

Bharat Gulati: Would it be fair to say the new products are driving the majority of the growth in the Cloud Modernization vertical, so to speak? Or at least that's what customers are excited about, and that's showing in through the numbers in Cloud Modernization?

Baskar Subramanian: Not really, at least in terms of the way we see it. I think the bread and butter of Cloud Modernization is first moving your workflows to the cloud. I think that's the biggest driver, because while innovation is a great cherry on top, if you will, in terms of driving people to first move to the cloud, you have to make that move so that you can actually leverage all these innovations.

Case in point, the U.S. broadcaster that we talked about, who's gone into production, I think it's a tremendous case study of first taking the visionary step of moving their whole operations to the cloud and then being able to leverage that for driving new formats. I think we have stepped in the right direction for these customers, and that I think is a great case study for what we will see with other customers as well.

Vijay NP: To add, I think you're seeing sort of two broad sort of stages, right? The first stage, to Baskar's point, is you got to get to the cloud to be able to tap into the upside that's there in this form, in sort of new formats of consumption. So, what is embedded in our numbers, and the tailwind that you see, is getting to that base layer, right?

So, the new sort of products haven't even manifested in our numbers yet. So, the base layer is what you're seeing as a tailwind, and hopefully, if we get our execution right, you'll start seeing the new products and products for customers sort of expand as we go in future quarters.

Bharat Gulati: Understood. Understood. That's helpful. Just lastly, the question on the monetization front. I mean, just in terms of CPMs, obviously they've been compressing on a year-on-year basis for quite a bit. Just trying to get a sense of how we see CPMs play out going forward? Do we continue to see compression given the low rate that they're already operating at?

Let's say that at a certain steady state, they stop falling and flatline. What sort of a gross margin benefit should that play for us in terms of the insertion -to- impression economics? If you can just throw a sort of broad understanding on, how do we eventually see gross margin accretion once that sort of stabilizes?

Baskar Subramanian: I'll give you the directional view, and I'll ask Vijay to give you more on the financial part of it. First, if you look at it, we did announce that 42.5% of all TV ads have moved to connected television. Directionally, if you look at it, what is the change happening in the industry? As pay TV is starting to shrink, a lot of viewership has obviously moved to the cloud earlier.

We've seen that big delta of where more viewers come to streaming first, and then you're seeing the advertising following through. Always, we've seen advertising as a follow-through effect of that, and we continue to see it. So, in the mid to long-term, if you look at it, the CPMs will continue to be healthy. Obviously, what is healthy is a definition that depends on supply and demand equations. But what's happening largely at the macro level is that advertising dollars are moving from traditional television into streaming and to these connected television platforms, for example. So, I think CPMs in that context, if you look at it in an arc of a the mid

to long -term, they'll continue to be healthy given the number of ad dollars coming into the whole system. Specifically, Vijay, you want to touch upon what we're doing here?

Vijay NP: Yes. Two parts. On price itself, I think the medium term has been stabilization, not decline, on CPMs. Earlier, we had a little bit of a supply increase with the Primes and the Netflixes of the world just going after the same inventory, so you saw a natural impact manifest in price. But I think that correction is behind us, and CPMs in the short term have stabilized, if not starting to rise. So, I think broad trend lines on CPMs are that, and obviously, we are relatively small compared to the opportunity, so it doesn't have a disproportionate flow-through impact to our P&L as well.

On the gross margin side, we've made some intentional calls to move away from insertion to impression as a driver because that results in leakage in gross margin. We've got a structure that helps us scale better without relying on this external service and not necessarily based on insertion. So, a lot of our cloud costs today are in line with the revenue, sort of monetization. So, you wouldn't see some big vicissitudes or fluctuations in gross margin depending on how volumes go one way or the other. So, I think it starts being in a stable zip code with some potential upside due to seasonality, but there won't be huge standard deviations from the mean based on the architectural changes that we've made. Does that help?

Bharat Gulati: Yes, that's helpful. So just a follow-up on that then, would it be fair to say that that wasn't the case earlier, so gross margins would see a slightly greater swing, let's say, in the seasonally strong quarter? That wouldn't be the case now. Would that be a fair assumption?

Vijay NP: We'd still see some swing more on the overall totality of the P&L, but our gross margin, we will continue to see the alpha because I think a lot of things go into the seasonality, and CPMs also tend to go higher, which weighs into gross margin. And sometimes, if you look at the U.S. midterm elections that we had this time, CPMs there were higher as well. So, there are a lot of factors that play into the mix. So that will be an inherent alpha in a seasonally strong quarter. You can't completely discount it. But we've gotten our cost structures to a place where at least we are not having a heavily leaky quarter. We'll still ride the upside, but we want to cap the downside.

Bharat Gulati: Understood. That's helpful. All right. That's it from my side. Thank you. All the best for the future.

Vijay NP: Thanks, Bharat.

Moderator: Thank you. That was the last question for today. I now hand the conference over to Mr. Baskar Subramanian for his closing comments. Over to you, sir.

Baskar Subramanian: Yes, thank you all for joining us today and for all your questions. To sum up, I think we delivered a record quarter. Margins continue to expand, and AI has moved from a plan to a product in the market. Our current focus on AI is all about getting to paying customers and eventually scaling. Thank you to the Amagi team for an all-round effort and to our customers for their continued trust. We look forward to engaging with all of you again and speaking to you next quarter. Thank you very much, folks.

Moderator: On behalf of Amagi Media Labs Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.