February 02, 2024

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.
Scrip Code: 543398

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex Bandra East,
Mumbai 400 051
Scrip Symbol: LATENTVIEW

Dear Sir/Madam,

Sub: Transcript of Earnings Call held on January 29, 2024

Pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Call held on January 29, 2024, post announcement of financial results of the Company for the quarter ended December 31, 2023.

The transcript is also uploaded on the Company's website at https://www.latentview.com/investor-relations/financial-results-reports/

This is for your information and records.

Yours Sincerely,

Thanking you,
For **Latent View Analytics Limited**

PARTHASARATHY SRINIVASAN
Digitally signed by PARTHASARATHY SRINIVASAN
Date: 2024.02.02 16:14:52 +05'30'

P. Srinivasan
Company Secretary and Compliance Officer

"LatentView Analytics Limited Q3 FY '24 Earnings Conference Call"

January 29, 2024

MANAGEMENT: **MR. RAJAN SETHURAMAN – CEO**
MR. RAJAN VENKATESAN – CFO

MODERATOR: **MS. ASHA GUPTA – EY LLP, INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the LatentView Analytics Limited Q3 FY24 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is been recorded. I now hand the conference over to Ms. Asha Gupta. Thank you and over to you ma'am.

Asha Gupta: Thank you, Manuja. Good evening and welcome to the Q3 FY24 Earnings Call of LatentView Analytics Limited. The results and presentations have already been mailed to you and you can also view them on the website www.latentview.com. In case anyone does not have the copy of press release or presentation or you are not marked in the mailing list, please do write to us and we will be happy to send you the same.

To take us through the results today and to answer your question, we have the CEO of the company, Rajan Sethuraman, whom we will refer to as Rajan and we have the CFO of the company, Rajan Venkatesan, whom we will be referring as Raj. This is just to avoid the confusion while doing the transcript. We will start the call with a brief update on the business, which will be given by Rajan and then followed by financials given by Raj.

As usual, I would like to remind you that anything that is mentioned on the call that reflects any outlook for the future or which can be construed as forward-looking statement must be viewed in conjunction with the risk and uncertainties that we face. This risk and uncertainties are included but not limited to what we have mentioned in the prospective file with the SEBI and subsequent annual report that you can find on our website.

Having said that, I will now hand over the floor to Rajan. Over to you, Rajan.

Rajan Sethuraman: Thank you, Asha, and welcome everybody for the Q3 Earnings Call and update. I thought I would use the opportunity to give a few additional highlights about the quarter that has gone by in addition to what you probably already see on the press release and the investor presentation.

We are particularly happy that this quarter continues to move us in the right direction from a growth trajectory as well as the margins improvement. Some of this is obviously on the back of slightly improving macroeconomic conditions in terms of a few more decisions being taken by our clients, especially with the existing stakeholders that we are already working with. We are also starting to see the impact of some of the investments that we are making at the front end in terms of account mining as well as new business and sales. In fact, we were able to actually win three new accounts in Europe in this particular quarter, and while the engagements are small to begin with, they are with the right kind of enterprise customers that we have traditionally partnered with. And we believe that this actually sets the stage well for long-term partnership and growth with these accounts as well as potential growth in the region and the market itself. Of course, it is still early days in terms of Europe starting to pick up in a significant fashion, but we believe that the start provides the necessary interpretant momentum and we will be able to capitalize on this in the coming quarters.

In the U.S. as well, on the growth-related investments, we have continued to bring in full-time employees who have become part of our sales and business development team, as well as advisors who have been helping us with the value propositions and solutions that we have been building and connecting us to potential buyers and clients in the marketplace. We added a couple of new advisors in Europe as well, specifically on the financial services side and on the consumer side, and we already are starting to see traction with their connections and expertise, helping us win some of the logos that I just mentioned. Overall, we feel that the year is starting to pan out better.

I had mentioned in earlier conference calls that we are expecting the second half of the year to be better than the first half, and in some sense that is playing out. We are expecting that the fourth quarter and therefore the second half of the year will also continue on a similar trajectory and that we will be able to end the year well. Particular note is that our pipeline build-out has happened at a fairly steady pace, and in comparison to where we were at the same time last year, our overall opportunity pipeline is more than double of what it used to be a year back. Of course, we are still at various stages in terms of discussions and closure, but we are energized by the fact that there are a lot more conversations and that some of the conversations are starting to proceed in the right direction. The size of the deals and the velocity with which we are able to close the deals, I would say that the matter is still in some sense getting decided. We have not had too many very large closures this year so far, but as I mentioned, the pipeline has at least a dozen such opportunities in that, and we are expecting that we might have a few good closures even before the end of this fiscal year.

Of course, the impact of all of this will be felt more in the next year rather than in the current year. We did not have too many net employee additions. Of course, we did onboard a batch of campus joiners and we also completed the boot camp for an earlier batch in this quarter. We did have some attrition this year in this quarter, and the next impact was marginal in terms of employee strength, but on the back of all of this and the increasing revenues that we have had in this quarter, that meant that our utilization in this quarter has been much better, and that has also aided us in terms of the margin expansion that you see.

Our CFO Raj will give you more highlights about the margin expansion and some of the other highlights that we have on the financial side, but I want to end this initial opening remarks by saying that in general, we feel that the momentum is more upbeat than what we witnessed in the first half of the year, and we are now gearing up and making some of the tweaks and adjustments, not only on the front end bandwidth, but also in terms of how we shape the horizontal capabilities that we are building so that we are well prepared and set up for the growth that is expected in the remainder of the year and into the next fiscal.

So, with that, I'll pass it on to Raj to touch up on the financial guidance.

Rajan Venkatesan: Thank you, Rajan. Good evening, everyone, and welcome to our Q3 earnings call. Just to summarize our quarterly performance, Rajan did speak about qualitatively some of the developments and the business updates for the quarter.

In terms of the financials, of course, we are pleased to report that our top line grew by about 6.4%, and we are happy that on a sequential basis, if you compare the growth rate that we clocked in Q1 versus Q2 versus Q3, we are continuing to see an upward trajectory in the sequential quarter growth. We are happy to report the third quarter in which we were able to report a fairly healthy sequentially quarter growth. If you take the same metric on a year-on-year basis, we grew by about 14% compared to the last year in rupee terms.

In constant currency terms, again, I would say our growth for the current quarter came in at close to about 6.2% or 6.3%, so we grew at the same rate in constant currency terms as well. As you guys would be aware, Q3 typically is seasonally a strong quarter for us, and that's been demonstrated several times in the past fiscals as well, and this quarter was no exception. A lot of this is also primarily driven by, I would say, a budget flush or clients looking to exhaust their budgets for the fiscal right. But in this particular quarter, apart from growth that came in from existing accounts, what we also witnessed was we had three to four good, nice logo additions that came in all of which contributed to the revenue growth in this particular quarter.

In terms of some of the other financial metrics, other income for the quarter came in at about INR23 crores, a growth of almost 35.5% on a sequential basis. A lot of this growth in other income was primarily driven by a large forex gain that we recorded owing to some intercompany loans that we had given. So, excluding this, the other income growth for the current quarter would be lower by about INR5.5 crores. So that's the amount of forex gain that we recorded in this particular quarter.

The EBITDA for the quarter came in at INR36.8 crores, reflecting growth of 19.4%. We were able to improve our EBITDA margins to 22.2% up about 242 basis points on a sequential basis. A couple of factors that led to this margin expansion. One, Rajan already touched upon the fact that the utilization and the operational efficiency for this quarter was significantly better, and we were able to deliver a higher level of revenue on pretty much the same level of employee base. But two more importantly, what we are also beginning to see in, I would say, small measure is some of the work that we are delivering is on the back of the value propositions that we are creating. And therefore, the delivery effort in delivering some of these projects is significantly lower and the margins on some of these projects are much higher than the typical gross margins that we would have on some of our services contracts. So operational efficiencies were driven by better utilization coupled with a small uptick or a decent uptick in value proposition-led services meant that our gross margins were better for this quarter. That coupled with the fact that our revenues increased whereas our overhead spends were pretty much in line with what we spent for the last quarter meant that there was operating leverage kicking in, which both these factors led to the margin expansion that we spoke about.

Directionally, I would say that for the following quarter as well, we would expect to clock similar EBITDA margins. In fact, we would want to say that we would, on the back of the current order book and the visibility that we have, our EBITDA margins are expected to be in the range of 22.5% to 23.5%. So, it will be in that bracket for the following quarter, which is Q4.

Our PAT for the current quarter stood at about INR46.5 crores, reflecting a growth of almost 36.7% on a quarter-on-quarter basis. The PAT, of course, benefited from higher operational as well as non-operational income that was generated in the current quarter.

One other call-out that you would want to sort of emphasize on is in this particular quarter, we did have an SEZ benefit that came out of an extension that we will be filing for the next five years. And therefore, there will be a certain amount of investment that will be earmarked for the SEZ that we operate out of, on the back of which we will be eligible for an extension in the direct tax benefit. And so that entire benefit was booked in the current quarter, which also means that our effective tax rate for this quarter was lower than the historical period that we reported. Our EPS without tax benefit would have actually stood at INR 2.21 against the INR 2.27 that was reported.

For the nine months, our revenue came in at INR469 crores, reflecting a growth of 17.9% with an EBITDA of 20.4%.

In terms of the geographical split of revenues, the US continues to again be the dominant geography, contributing 94.5% of overall revenues. Europe contributed about 2.2%. As we mentioned in the call earlier, we continue to see good traction in the European region. While some of the deal wins are fairly small, we believe that these are the right sort of logos that we would want to work with. On the back of some of these projects that we will be delivering, we expect follow-on and continued work from these clients. In FY24, we would ideally expect the contribution of Europe to go up from the current 2.2% levels, but we will be able to give a better outlook on the contribution from Europe as we get into FY24.

Technology again continues to be the strongest vertical for us, contributing 71% of our overall revenues, followed by industrials. Industrials, in terms of performance, has been a bit of a standout vertical for us. Technology has always been the strongest vertical for us, but in this current fiscal, industrials has shown fairly good strength in adding new customers and also growing some of the existing customers that we had. Therefore, that is the second largest vertical for us today. Consumer and retail came in at 8.6%, whereas financial services contributed about 7.6%.

In terms of our balance sheet size, our balance sheet continues to be healthy. Our total fund balance, including the IPO money, stood at about INR 1,200 crores as of 31st December 2023.

During the quarter, we onboarded about 60 people from the campus hiring that we had done, and we closed the quarter with about 1,162 headcounts. As mentioned earlier, we will continue to invest in people. In fact, in the current quarter, we will be onboarding two more batches, most likely from the campus hires that we had done last year.

Lastly, I know this is a question that everyone would have. This will be on M&A specifically. The update from our side is that we continue to invest a fairly substantial amount of time in evaluating new prospects. We would also like to give an update at this point in time, we are in a fairly advanced stage of discussion with one of the prospects, and we are carrying out legal due diligence and working on some of the other closing matters for us to be able to conclude on this deal. As is customary in a process like this, we envisage that this process could take anywhere between four to eight weeks to complete, post which we will be able to give a further update on the transaction itself.

With that, I would like to conclude our opening remarks and would hand it back to Asha for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: Sir, congrats, good quarter. First is on 4Q outlook. So, generally it is weak for us those last few years. So, are we saying that given our order backlog, etcetera, 4Q is likely to be as strong as 3Q or 2Q?

Rajan Sethuraman: Yes, hi Mohit, thanks. Firstly, at this point in time, I would say that we should end the year well. Our quarter four numbers should be better than what we have done in quarter three. And both in terms of revenue as well as margin, I would expect a smaller peak in comparison to quarter three. We will have a better read on the next year towards the end of this fiscal. So, when we do the next conference call update, I might be in a position to give you an update for the next year.

Given that, I mean, the pipeline is large, as I mentioned, but I also indicated that in general this year, the number of large deals and the velocity with which we are able to close has still been sluggish. Of course, we are expecting that things will continue to improve over the course of this quarter as well. So, I would be able to give better guidance on the next year then. But definitely, Q4, we should see upticks in terms of revenue as well as margin.

Mohit Jain: Okay. And second, where should your utilization be broadly for this quarter?

Rajan Sethuraman: I think for the current quarter, the utilization could get impacted a little bit because we do want to onboard a bunch of the campus hires and offers that we have made. The timing of the onboarding, we are still working through that. And as I said, it will depend on how quickly we see some of the larger opportunities closing.

So, if they close sooner and we see strong signals, then we might even start, I mean, we might do the onboarding even in the month of February. And then those people will go through the boot camp in the month of February and March, which means that they will be unbilled. And therefore, to that extent, it could impact utilization.

If we see a little bit more delay, then we will accordingly push the onboarding. But with all of this taken into account, we are still planning to complete onboarding everybody to whom we have made offers by April at the latest. We are just trying to phase this out in line with what we see as the demand trajectory.

So, the utilization could get a bit of an impact on the account of the campus onboarding. We will be very watchful of any lateral hiring. I mean, in fact, we have initiated a fairly disciplined exercise of Pyramid Refresh so that a lot of the upcoming demand, we will be able to staff internally, meaning that we release people who are even currently on build engagements and backfill them either directly or through a tiered model with the campus hires.

So that we are able to absorb and make more of the campus hires productive while at the same time meeting the demand for the new jobs as well. So, now, all of this will mean that the utilization will get impacted by these factors. I'm expecting that the utilization could be a tad lower in this quarter.

Mohit Jain: And in third quarter, we would be around?

Rajan Sethuraman: In the third quarter, it did improve. The utilization levels have improved in comparison to the previous quarter because we were very calibrated both on the external hiring front as well as on the campus onboarding. I mean, we did one round of campus onboarding, but that was a controlled action that we took and we didn't let the numbers run up too much ahead of the curve. So, our utilization for quarter three, the quarter that just ended, that's been better than what we did in quarter two and quarter one.

Mohit Jain: Right. And last is on the tax rate. Now, this quarter we had an exceptional item. So, should we expect you to revert to this 23%-24% range for FY25 or do you think it could vary from there?

Rajan Venkatesan: Mohit, your question was for '24 or was it for Q4? Sorry.

Mohit Jain: FY25.

Rajan Venkatesan: Yes, FY25, a couple of things will happen, Mohit. So, like we've mentioned in the past, there was a fairly large ESOP exercise that had happened in the U.S. for which we were getting a tax break, right? And we continue to enjoy that tax break. I think for us, it will take us up to Q1 or even potentially Q2 of next year for us to completely exhaust the tax break that we had in the US. Secondly, the entire tax benefit for the SEZ facility that we operate out of, which is SEZ in Chennai, will run out in March '24, both the SEZ units that we operate out of will come to an end as far as the tax quality is concerned. And therefore, I think, in fact, our effective tax rate for the group as a whole will go back to 26%-27% for the next year.

Mohit Jain: 26%-27%. Okay.

Rajan Venkatesan: Yes.

Moderator: Thank you very much. The next question is from the line of Rushabh Shah from O3 Wealth Asset Management. Please go ahead.

Rushabh Shah: Okay, sir. So, my first question is, sir, has there any M&A happened in our industry at a global level? And what could be the valuations of that M&A, sir, if possible you could state?

Rajan Sethuraman: From an industry global perspective, I would say that most data analytics service providers, as well as analytics practices are still experiencing the sluggishness that I talked about. In many instances, they have even commented that analytics initiatives can be sometimes discretionary in nature, especially if that revolves around newer technologies and some amount of change management to be implemented on the part of the client and as well.

Of course, analytics initiatives that support cost reduction and revenue enhancement that have a direct P&L impact, they have seen more traction even during the course of the year. Although I would say that clients have been reluctant to kick off large new initiatives. In many instances, they have continued with initiatives that already have found favour within the management, and that has been the case for us as well.

For this year, we were pretty much able to renew all of the managed services work that we were doing last year. We did see some drop off this year in terms of fixed fee engagements. We did see some impact in the case of clients that were directly affected by the interest rate regimes that prevailed in the US and Europe. But barring that, we did see renewals coming through pretty much as expected.

What has been challenging, of course, are large new deals with new clients and even with existing clients. With existing clients, a lot of the growth that we have had this year so far has been smaller incremental additions to ongoing engagements and smaller newer initiatives that they have kicked off. I would say that that is reflective of the general global environment that prevails at this point with respect to data analytics. The one big kicker that the entire industry has been witnessing is generative AI, and I'm sure that you have seen a lot of news on that as well. I would say that at this point in time, while that is generating a lot of excitement, the initiative sizes and the nature of the initiatives are still in an earlier stage of maturity. Smaller initiatives, many of them could even be unpaid POCs and pilots. There might be some infrastructure work that is happening in preparation for larger initiatives, but otherwise organizations are still figuring out the best use cases to make use of the generative AI capabilities. I'm expecting, however, that this will be a fairly significant lever in the next year as we see organizations taking up newer initiatives on the back of improving macroeconomic scenarios. So, I would say that is a broad commentary in terms of what we are witnessing globally.

On the M&A question, we are generally looking for opportunities where the revenue ranges between $10 million to $20 million, and in general, you will see that if it is a services organization, multiples are in the range of $3 million to $5 million revenue to valuation multiples. If there is any nonlinearity at play in terms of product or IP that the organization brings to the table, then the valuation multiples could be better than that. At this point in time, the conversation that is currently on the table where we are in advanced stages, as Raj mentioned, is more of a services play, but they do have some IP and a product that they have built, which has already started giving them revenue. So, we will be factoring that into the valuation discussions that we are having.

Karan Uppal: Thank you, sir, for the detailed answer. My second question is, what could be the entry barriers for your business in the future? Like what more latent view has that it can defend and no other competitive player can enter into it? What could be the entry barriers?

Rajan Sethuraman: Yes, so I believe that there are two or three that are worth mentioning. Of course, there can be a very long list that one can talk about, but I would say that the real differentiators are the two or three that I will just mention. One is that as an organization, we have built pretty much all of our expertise and capability working with technology and digital native companies.

In fact, the very first account that we won back in 2008 when we actually started focusing on the U.S. market, Microsoft is one of the big five in the technology space, and we continue to work with them. And we have expanded our limit to work with many of the leading technology and digital native companies in the Silicon Valley and the U.S. West Coast. These organizations are pioneers themselves in the area of data analytics.

They are inventing the next new, like you know how Microsoft has invested in OpenAI, for example, and they are building Microsoft Fabric, for example, to compete with Snowflake and Databricks. So just to share experience of working with the organizations that are creating the next new in the space has given us an edge in terms of the technological as well as the algorithmic novelties and approaches that are emerging in the space of data analytics, and we are able to take these and apply in many other situations and in other industries, like retail and consumer and industrial, for example. So, I think that is a very important, significant differentiator factor.

The second point I would say is that consciously we have strayed away from the lower end of work that happens in the data analytics space. So, for example, in data engineering, we don't do too much of the lift and shift work, nor are we too much into the regular dashboarding and reporting work. A lot of the work that we do has a significant element of complexity and softness, and that is also reflected in the premiums that our clients are willing to pay for the work that we do.

Of course, this means that we are a little selective and choosy in the work that we take on, and if we take on work at slightly the lower end of the spectrum, we bring in a lot of the automation and the latest tooling and technology that is available to get that work done in a very productive, efficient manner.

This has meant that we have to hire a certain calibre of people, whether it is from engineering colleges or whether it is from the management institutions or whether it is from statistics and mathematical institutes. I think the combination and calibre of people that we hire and the fact that we focus on fuzzy, complex problems, has again stood us in good light in terms of the kind of premiums, and like you said, right it provides a certain level of comfort and moat to the work that we are doing.

I would add the third thing as the solutions and accelerators that we have been able to build. Over the last 16 - 17 years of our existence, we have built a very solid set of accelerators and solutions that provide, if not a non-linearity, and that has happened in many instances, but even if there is no non-linearity in terms of the revenue on the particular engagement, these are fantastic conversation starters and the tip of the spear strategy in terms of getting us connected and having discussions with the right set of stakeholders and convincing them that we have the ability to solve their toughest problems.

We now have a very good suite of products and solutions that we have built over the years. In the last year and a half, we have also been layering in capabilities around generative AI into those solutions, in addition to having solutions that have been built with generative AI at the core, and all of these are helping us in terms of newer conversations as well as in terms of increasing the efficiency with which we are able to do the work.

I would kind of restrict my answer to these three. I believe that these are the most significant differentiators.

Karan Uppal: My last question is, how has been the learning curve for Latent View, like before six to seven years versus now? How has Latent View evolved?

Rajan Sethuraman: I think that's a good question, and it kind of provides me an opportunity to talk about some of the changes that we have been making internally at our end. In general, data analytics is a fairly dynamic place, and this is something that we have witnessed over our entire existence. But having said that, I would say that the same principles of Moore's law are at work in the data analytics space. If anything, the pace of change and the dynamism is accelerating even more, and we now see the emergence, the maturing, and the fade-out of newer technologies at an even more rapid clip in comparison to what might have happened five years back or ten years back.

So therefore, the ability of organizations, and this I mean both service providers as well as client organizations, to be able to quickly appreciate what is the next new that is emerging, find the right kind of business problems that can be tackled in an entirely new way or in a more impactful manner using these technologies, and being able to quickly kick off initiatives that can capitalize on that, I think that is the defining characteristics of successful organizations, and I think that is also exactly what we have been doing.

So, in the past, five years back, six years back, we were largely organized as a portfolio construct with three or four portfolios of accounts, and that was the only construct that we had. Everybody was part of one of those other four portfolios. These portfolios were not defined by industry, nor were they defined by any kind of horizontal capability. They were just loose clusters of accounts, and in many instances, defined by geography rather than any other factor.

In the last three, four years, we have reorganized ourselves by industry as the main defining dimension, and I think that is significant and important because our ability to come up with industry-leading solutions that tackle the most pressing problems of the industry have been significantly impacted by that new organization.

In addition to that, we have also set up multiple technical as well as value chain-based horizontals. One of the value chain horizontals that we have is supply chain analytics, and there are three value propositions that have come out of the supply chain analytics horizontals that tackle the core problems of supply chain organizations across industries, around on-shelf availability, around multi-tier supplier visibility, around demand forecasting, for example, and these are the value propositions that are again finding traction in the market.

So the horizontals that we have set up, whether it is a functional horizontal like supply chain analytics or whether it's a capability horizontal like the data science practice or the data engineering practice, they are actually pushing the envelope in terms of the technical as well as the algorithmic and the functional problems that we are able to bring to the table, and I think that again is a very important defining characteristic of what has changed for us in the last few years.

Lastly, I'll mention that with all of this happening, we are also very conscious that we need to be able to put our arms around all of these things and then act as a consulting and a thought partner to our clients and not just be an execution partner. So, the other thing that we have been focusing on is the consulting capability and the consulting practice, and that practice has been doing really well, especially in this fiscal.

Our consulting practice is currently operating at a chargeability of 80%, and we are looking to add more people into the practice. There are several engagements where we are helping define the analytic strategy and the roadmap of initiatives that our clients should be undertaking. I believe that these are the ones that are also helping us with generating a lot of opportunities that we currently see in the pipeline. So, I will mention that these are the three substantive changes that we have made in the last three, four years.

Moderator: The next question is from the line of Rohan Nagpal from Helios Capital. Please go ahead.

Rohan Nagpal: Hi, I have a few questions. I will just ask them one by one. So, the first thing I want to know is you talked a bit about the right kind of logos that you are finding traction with in Europe. So, could you just provide some colour on the kinds of logos you have found in Europe that are sort of giving you confidence for expansion in that geography?

Rajan Sethuraman: Yes, sure, Rohan. We have shared a bit of that in the press release. In fact, three out of the four bullet points that you see under select key client wins in the press release pertaining to the account additions that we have in Europe. One of them is one of the largest players in the consumer space. They actually are a well-known global brand into beverages, into food, and other products. So, we are working with them.

We are going to be helping them with, on the innovation and the R&D front, helping them validate what kind of flavours are likely to work in what kind of markets, and we are helping them on the front. Another one is an asset management company, and we are helping them with their data strategy. They are, again, a fairly significant player within that space.

A third one is also in the consumer package good space, and they are a biscuit manufacturer, and we have been helping them with a tool that goes right up to the CEO level in terms of decision-making and data utilization. In addition to that, if I look at the current set of opportunities in the pipeline, most of them fall, again, either within the BFSI space, the consumer space, or into the automotive manufacturing space. That is where we are finding a lot of traction.

We have mentioned that, we are already working with one of the largest iconic luxury car manufacturers based out of Germany. We are having plenty of open opportunities with them. There are also several other car manufacturers, automotive manufacturers that we are in conversation with on the back of the capabilities that we have, especially around warranty analytics, around predicting part failures, and so on. I think that's an interesting area that we are finding traction. The entire R&D innovation suite, leveraging our smart innovation solution, that is also finding a good amount of traction in the European market, and the solutions that we have around payback growth payments and asset management, is again finding traction in the European market.

So again, just in terms of the profile, pretty much all of them would be in the Fortune 500 list, and that is the type of clientele that we have focused on in the past, even in the U.S., so we are happy to note that the conversations in Europe are also with the right kind of client.

Rohan Nagpal: Got it. That's really helpful. The next two questions pertain to margins. So based on where we revers on a year a little more than a year ago, with a significantly more profitable company, I already see the company making significant strides towards improving that, but there's still a lot of headroom, if I just take the past as a benchmark. I think next quarter, you just guided for 22.5% to 23.5%, but what is the longer-term outlook on profitability over here? Is it just a matter of the investments in Europe sort of kicking in, or are there other factors weighing on profitability?

Rajan Venkatesan: I'll answer that question in two parts. One is, this is the current level of investment that has gone into the business. I think we did sort of respond to this question in one of our earlier conference calls as well. Beginning of this year, the level of investment that we had planned for, which is in the capability teams, which is the sales and business development teams as well as the account management teams, a lot of the investments were planned with an intent to and also to build a capacity which will enable us to get up to $25 million on a quarterly basis, right.

So, at which point in time, these investments would mean that we would be back to the 25% odd margin levels, right. That's the sort of current investment that has gone into the business. Once the business hits a run rate of $24 million to $25 million on a quarterly basis, we should be back at the

25% EBITDA margin trajectory.

Having said that, our endeavour again is not to really ramp up or sort of rev up the EBITDA margins to historical levels of 28%, 30%, right. The intent is to continue to grow at a much faster and healthier clip than the rest of the market. Therefore, for us, the goal for the next couple of years, in fact, two to three years, would be to grow at a much faster rate, if trying. This year, we'll probably end the year with a growth rate of between 16% to 18% on an annualized basis. But if you look at the last couple of years, last year we grew at an excess of 25% plus. The year before that was 33% plus.

So, our endeavour would be to get back to those growth levels, even if that means that EBITDA margins stay in the range of 24% to 25%, right. So, as a management team, we are comfortable giving up a few basis points on the EBITDA margins so long as we're able to maintain a certain growth trajectory. That's the guidance from our side at this point in time.

We will be able to give a better view on the margin outlook for the next year once we close our planning exercise, and once we sort of meet during our next earnings call. At that point in time, we would have a better view once of the order book, the pipeline visibility, plus the level of investment that we would like to commit for the next year. And we will be able to give a better margin trajectory when we meet in the next earnings call.

Moderator: The next question is from the line of Karan Uppal from Phillip Capital India. Please go ahead.

Karan Uppal: Yes, thanks for the opportunity and congratulations on a strong set of numbers and great to see positive demand commentary. So, Rajan, just the first question is in terms of the improvement in the demand. Would you characterize this as an improvement in the discretionary spending or the outlook of discretionary spending improving from the clients or do you think other factors are also at play? So that's the first question.

Rajan Sethuraman: Yes, hey, Karan. I would say that maybe there is some element of confidence returning on the macroeconomic front with potentially interest rate softening and getting back to earlier levels, which might be encouraging people to take up some discretionary initiatives. But I would add that most of the profits and clients that we are talking to are still very focused on ensuring that the initiatives are helpful in terms of either revenue growth or margin enhancement. And therefore, there is a lot more levels of internal scrutiny and validation before they sign off on the engagement.

And even when they are ready to in some sense, take a plunge into an initiative where everything may not be quantified and set in stone, they would want to do it on a smaller scale rather than launch a big initiative. So, for example, they might want to test the waters in a few markets or with a few SKUs or they try and do it in one part of the business before they go more aggressive in terms of the coverage.

So, the sentiment is improving, but it is definitely not back to the earlier levels in terms of being willing to take on bigger initiatives. I think the sentiment will improve, though. I mean, obviously, there is some expectation that interest rates will turn the corner.

Obviously, the whole higher interest rate regime increases the cost of capital and therefore it means that, all considerations will have to be weighed against IRR and payback and other things, And therefore, it's tougher for teams to justify new initiatives.

What we have seen though is, where it is already proven and they are seeing the benefits either on the cost reduction or on the revenue enhancement front. We have seen substantial increase in budgets that have been allocated.

So, this year, for example, if we take the whole year till date, we grew significantly in the three largest accounts that we have and it's really significant growth that I'm talking about. And with all of them, it's been on the back of work that's been already done, that's been proven where they know for certain that the work is already giving them the kind of impact that they are looking for. So, they have been more comfortable betting on expanding initiatives that are already working for them, still a bit conservative when it comes to kicking off completely new initiatives.

Karan Uppal: Okay, thanks for the detailed colour. Second question is in terms of the large deals. So, you mentioned that the large deal pipeline has doubled. So, in any colour in terms of the nature of work, the deal size, duration, as well as the stickiness of the work which you guys are getting?

Rajan Sethuraman: Yes, the deal sizes, when we say large deals, I mean, what I meant by large deals in this conference call are deals that are at least a $1 million and above. Internally, when we classify deals, anything that is more than $0.5 million, we call it a large deal or a strategic opportunity. But for the purpose of this conference call, I really had a $1 million kind of a threshold in mind. And we do have several opportunities that are upwards of a $1 million at this point in time.

The nature of the deals are not very different. I mean, they span the full spectrum, going all the way from undertaking strategic work to data engineering, getting the data ecosystem in place, to actually applying newer principles of decision-making in terms of the kind of dashboards and reports and work that they want to do, as well as quite a bit of work on the advanced analytics front, especially around innovation, around the one customer view value proposition that we have.

For example, work around applying Generative AI and newer concepts to how they generate insights from a lot of data that they might be already having in unstructured format. So, I wouldn't say that the nature of the work is very different. But these are larger initiatives, which cut across the organization, maybe involve multiple business units and so on.

The time duration of the deal and the contracting model, the larger deals, I would say that most of them are in the managed services model, where the client actually has already identified a set of initiatives that needs to be done and therefore, they are looking at working with a partner to make all of that happen. And therefore, we will be contracting in a managed services kind of a model only.

And in most instances, therefore, these would also be repeatable over a longer time horizon, and these are not just once-and-done, fixed-scope projects, but instead on-going initiatives that will need to be continued for the foreseeable future.

Moderator: The next question is from the line of Manan Poladia from MKP Securities. Please go ahead.

Manan Poladia: Hi. So, my first question is on the lines of the Generative AI thing that you mentioned in this call and the previous call. I just wanted to understand what sort of role we're playing when it comes to Generative AI? I understand what you said about LASER and the other products, but if you could please just give me some specifics of what kind of generative AI projects we're looking to work on?

Rajan Sethuraman: Yes, sure. As far as Generative AI is concerned, we are taking a three-pronged approach in terms of how we are looking to utilize and leverage that. The first prong of the approach is to build products that are Generative AI at the core, and that's what LASER and AI Pen Pal are all about. And I already talked about both LASER and AI Pen Pal.

But just as a quick refresher, LASER is all about using the power of Generative AI to look at documents that organizations already have within their internal knowledge repositories in text and unstructured form and being able to generate insights. These could be contractual documents, for example. These could be customer reviews or employee surveys that they have conducted, right? And how do you use the power of Generative AI to generate insights from all of that?

AI Pen Pal is more focused on generating new content that is tailored to the preferences and the understanding that we have about specific customers, potential customers or cohorts as the case might be, where instead of sending mass mailers, you can actually be more targeted in terms of designing campaigns and executing along the lines of what will appeal to individual customers or specific cohorts. So that's what AI Pen Pal is all about. It actually uses the generative capability of Gen AI to come up with very tailored content. So, these are two examples where the core of the product itself is Generative AI. So, this is one prong of the approach.

The second prong of the approach is to build a layer of Generative AI into all of the other value propositions that we have. So, for example, one of the value props that has found a lot of traction in the recent years is what we call insight lens. And essentially, this is about how do you use the latest in technology to move away from a dashboard kind of a concept to more of a decision board.

A dashboard still tends to be a representation of what somebody wants to look at in terms of data and the visual representation of it, whereas a decision board goes one or two steps about it in actually spurring action, giving very particular and specific recommendations on what needs to be done, given what is there on the dashboard. And that is where we have, again, implemented Generative AI to come up with very specific actionable points, actions that the decision makers can take.

And this is something that we are trying to implement in as many of the value propositions as possible, bring the Generative AI to answer the so what question. The dashboard tells you what, but the so what is where the Generative AI comes into play.

And then the third prong of the approach is to use Generative AI internally for enhancing and improving the productivity of our own people. So, whether we are building data pipelines or whether we are building a model or a dashboard or whatever it might be, can we do it faster? Can we do it with less effort? Can we leverage code or options and suggestions that are already available? And that's where, again, Generative AI can be put to good use.

Of course, on the third prong, it is still early days because we also want to be careful that we are not taking any issues that might be there in what Generative AI comes up with because everybody knows the issues around hallucination and so on. So, we are being calibrated on the third prong. But that's another area where we are already starting to see traction in terms of improving the productivity of people. So, these are the three things that we are doing in terms of how we make use of Gen AI.

Manan Poladia: Right. So that sounds like a fantastic initiative, sir. Secondly, sir, I have a follow-up question. On the revenue front, the first prong that you did explain, are we seeing any meaningful traction, number one?

Secondly, when we are making pitches to customers, especially customers that are Fortune 500 customers and larger logos that you speak about in Europe, are we seeing any sort of generation from them where they want to move towards Generative AI within your contracts? Or is that something that's not happening very commercially right now?

Rajan Sethuraman: There is a lot of traction. There is a whole lot of interest and excitement when it comes to Generative AI. Some of it is just driven by the general excitement and the hype that is there around the topic.

So even board members and very senior people, irrespective of whether they really know how a large language model works, they have all experienced it in some shape and form. I mean, for all you know, their children or grandchildren might be using an LLM actually to write their school essays or come up with a poem for their granddad's birthday, for example. So given the general democratization that has happened, there is a great deal of visibility and excitement right on account others.

So, when you talk Generative AI, and when you then mention how can it be put to good use in the context of problems that they are trying to solve, there is always openness and willingness to engage. Now, of course, this doesn't mean that it will immediately translate into very large initiatives engagement. You still need to go through the entire process of evaluating whether it will work within their context with the data that they have for the problem that they are trying to solve and whether it will still be meaningful for them in terms of what emerges from that.

Having said that, I mean, we have won already several engagements with Generative AI. In fact, one of the most strategic opportunities that we won, this year is a complete Generative AI engagement. It actually utilizes the laser value proposition that I talked about, solution that we have built. This is with one of our existing customers. In fact, they will be the largest account that we have. And it's more than $650,000 of work that we have won with them, just implementing that particular solution.

So, there is traction. Now, obviously, the understanding of what Generative AI can do for them will, again, vary based on the maturity of the organization in terms of how much they have been already leveraging data and analytics and the data ecosystem that they have. We see better traction even now with technology and digital companies. When it comes to consumer, retail, other organizations, it's still more education that is called for at this point in time.

Moderator: Thank you very much. The next question is from the line of Sumangal Pugaliya from Rare Enterprise. Please go ahead.

Sumangal Pugaliya: Hi, I'm Sumangal Pugaliya. First time on the acquisition. Can you help us just give some colour on what kind of ballpark size and nature of the asset?

Rajan Venkatesan: Yes. I'll take that question. While we can't give you exact specific details in terms of the transaction because at this point in time, we are, I would say, still in the process of completing the entire due diligence exercise as well as some of the other confirmatory checks that we would like to do in a transaction of this nature.

But in terms of, I think, guidance, Rajan has already mentioned the targets that we are looking for are in the range of $10 million to $20 million in revenue. So, you know, it would be fair to assume that the target that we will be looking at would be somewhere in the sort of midpoint of the range that I spoke about. Secondly, in terms of the size of the deals, of course, there is a certain structure that we would, you know, we would sort of put out even while evaluating target, which would mean that there would be a certain upfront acquisition, you know, which will then be followed by a target acquisition of the remaining stake in the company.

But typically, what we've seen, specifically for companies that are there in the analytics space and which also have, you know, high quality logos as claims and have some sort of repeatable, I would say, solutions or accelerators that they've developed on the back of which they're able to charge premium pricing. We've seen the deal multiples range between $3 million to $5 million , with $4 million to $5 million being the multiples for, I would say, more premium businesses which have high quality logos, better pricing, as well as accelerators that I spoke about. So, the transaction that we are evaluating at this point in time can, you know, we can safely assume that the valuation multiples will be in this range. And the ticket size of the transaction would obviously be based on the revenue number that I just spoke about.

Sumangal Pugaliya: That's very helpful. Final question on the go-to-market investment. So, going forward, what is the outlook relative to what we've been doing last year? And also, any colour on the evaluation of the go-to-market investments so far?

Rajan Sethuraman: Yes, sure. So as Raj mentioned in response to an earlier question, the investments that we made starting the beginning of the fiscal and maybe a little bit even in the last fiscal, they're all done a little ahead of the curve, even before this interest rate, we have started playing out. And the intent was to set up a team, a front-end team, that can actually take us all the way to about $25 million-$26 million, in terms of a quarterly run rate.

So today, we are actually at about a $20 million kind of a run rate. So, we believe that the current level of investments are adequate to carry us to the $25 million-$26 million range. There will be some churn and some exits and new additions.

I mean, backfills that will happen on the back of performance of the people who are there at the front-end, whether they are on the entity side or on the client-servicing side or whether they are on the new business development side. But we do not expect that the level of investment itself will change significantly till we get to the $25 million kind of a mark. When we get to that, we will be evaluating what else is needed.

Of course, we have already begun that kind of a thought process. And we are expecting that we will probably get to the $25 million mark in a couple of quarters, in terms of run rate. So, we will start making the preparation for that.

There is also a lot of learning from the last year, in terms of what kind of people have clicked for us and worked well, whether it is on the client-servicing side or whether it is on the new business development side. So, all of those learnings will be factored into the type of people that we hire into the organization. We are not anticipating any other significant investments. Marketing and other investments will be in line with the revenue trajectory and the kind of plan that we have for the next year.

Moderator: Thank you very much. The next question is from the line of Kshitij Saraf from Tusk Investment. Please go ahead.

Kshitij Saraf: Hi, good evening. I wanted to know, because Microsoft is both a customer and a key partner, just a sense of how much revenue comes as part of the partnerships for not just Microsoft, but the other hyperscalers. So, we have all these partnerships outlined in the presentation. So could you just throw some light on how these fit into the overall scheme of things and what sort of contribution is there, which are the most key partners, at least in terms of revenue, as we stand. And given that you're looking to focus slightly more on the BFS side and on CPG and DTL, is this mix expected to shift in favour of any of these partners away from Microsoft? How do we think of it?

Rajan Sethuraman: Right. So, the simple answer, Kshitij, is that the partnership channel as a source of new leads and opportunities, it has not been a very significant one for us so far. I mean, we have got leads and opportunities, and we have closed some revenue. I mean, in the past, we have seen traction from Snowflake.

We have seen some traction from Databricks, from Microsoft, Azure, as well as the Power Platform ecosystem. We have seen some traction from Amazon AWS as well. So, these are the partnerships where we have seen lead generation and some revenue come in.

But I wouldn't say that this is a significant source of revenue for us, not for me to actually even put out a percentage in terms of that this is a contribution coming from this channel. Now, because of this reason, we are also doing a bit of a refocus. And the intent going forward is to just work very seriously with two partners.

And at this point in time, the two that we have zeroed in are the Microsoft, Azure, Power Platform, Fabric ecosystem. I mean, actually, Microsoft itself is also looking at promoting Fabric as the main go-to-market plank, which actually unifies and integrates many things that they have within their tech stack. And of course, AWS, given that AWS is a significant player in some of the industries where we are present.

So, the plan is just to double down on these two and drive more engagement with them. So, the partnership team is focused on how do we get more of our solutions showcased within AWS as well as Microsoft. So, for example, many of the solutions that I talked about even earlier, whether it is one customer view or whether it is smart innovation, they are already hosted on AWS and Azure.

And they're expecting to capitalize on that going forward. So, the intent is to build stronger relationships with specific account executives who are also focused on the prospects that we are interested in and bring in more leads and revenue through the channel.

Kshitij Saraf: Okay. And just to follow up on that. So, it's safe to say that you're looking at garnering direct business on the basis of LatentView capabilities itself and partnerships would just be some sort of an enabler. What would differentiate LatentView compared to other similar offerings in the market? What would you say is your USP when you look at the solution for the client?

Rajan Sethuraman: So, I think I kind of answered this question earlier in terms of what we believe are our differentiators and boards. And I mentioned three points there. One is just the fact that a lot of our analytics shop and capability has been built on the back of working with the technology and the digital native ecosystem. So therefore, the robustness of our technical, as well as math and algorithmic approaches are exceptionally strong.

The second point that I had mentioned was the fuzzy and the complex problems that we go after. And therefore, the commensurate calibre and capability of the people that we bring to the table, right, in terms of who we hire and how do we groom them. And the third are the solutions and the accelerators. And the third point is probably more relevant, right, to this question and the earlier question that you asked.

These solutions and accelerators in many instances have actually been very pioneering in nature. For example, with AWS, we had actually won, we had participated in the AWS re-invent event even as many as eight years back, because we actually pioneered the build-out of specific solutions, leveraging some of the newer capabilities that AWS was putting out at that point in time. And we have collaborated directly with AWS in building some of the solutions.

So, I think the strength of the solutions that we are building, which address very specific pain points that the industry is facing, I think that is really what helps us in terms of differentiating ourselves when we go and have conversations. So, our smart innovation solution, for example, it incorporates a lot of the nuances and latest capabilities around AI and modelling that is able to ingest vast amounts of data from multiple sources.

And apply the right kind of modelling techniques to identify what is trending, how big it is likely to get, and therefore, what kind of actions an organization should be taking on the R&D and innovation front. I think that is really the main differentiator. Of course, this will only benefit further if you are also able to showcase these solutions within the context of an AWS or an Azure, And how these solutions can work within those ecosystems as well.

And that is really what we are attempting in terms of the partnership conversations we are having.

Kshitij Saraf: Thank you. That clarifies. Congratulations. All the best.

Rajan Sethuraman: Thank you, Kshitij.

Moderator: Thank you, very much. The next line is Rohan Nagpal from Helios Capital. Please go ahead.

Rohan Nagpal: Hi. Thanks for the follow-up. I have a question on the impact of profitability as a result of this acquisition. I mean, you're going to add about maybe 15% to 20% of your margin this year. Do you see this as being margin neutral? Do you anticipate margin compression? How should we think about that?

Rajan Sethuraman: So, the way to sort of look at this acquisition, Rohan, would be, one, at an EBITDA level, this deal will definitely be margin accretive, right? Although at an EBIT level, we are still at this point in time undertaking an exercise where, of course, you will need to allocate a portion of the purchase price itself to intangibles or assets that will come as a part of the acquisition. And therefore, you need to do a purchase price allocation.

We will be able to comment on the impact on EBIT specifically once we've had a chance to complete the entire due diligence exercise. But the sort of guidance that you can give us at an EBITDA level, this will definitely be margin accretive for the business because the margin profile of the opportunity we're evaluating is more healthier than the current LV business, LatentView business.

Rohan Nagpal: Perfect. Okay. And is this a company that broadly operates in Europe or is this a North America thing? So, are there synergies or is it just expanding the scope of business that you're looking at?

Rajan Sethuraman: So, geography is not the primary driver for this particular opportunity. It's more the capabilities that come along with this particular opportunity because we've repeatedly stated that our primary focus for any acquisition would be, one, if they help us fill up a white space that we have today. So of course, expanding into Europe is important for us. But for us, I think the first focus would be to expand or sort of reduce the dependence, one, on technology and expand our footprint in consumer and retail and financial services. So, this particular opportunity will help us expand into the verticals that I just spoke about.

Rohan Nagpal: Got it. Thank you. That's really helpful.

Moderator: Thank you very much. The next question is from the line of Karan Uppal from Philip Capital, India. Please go ahead.

Karan Uppal: Yes, thanks for the follow-up. So just one question in terms of next year's growth. Given that you will exit strongly in Q4, you are mentioning that Q4 will be similar or slightly better than Q3. So given a strong exit, do you believe that FY25 growth rate can be back to the pre, maybe one year, two years back when you used to do 25%-30% kind of a growth, can FY25 growth be around those levels?

Rajan Sethuraman: A little early, Karan. Like I said earlier, we would actually be able to be in a better position to provide that guidance when we actually wrap up Q4 and we do the next conference call. Like I said, it depends on the velocity and the closure of some of the larger opportunities that we see in the pipeline. The signs are encouraging at this time. So therefore, we would want to push further ahead with the momentum that we are seeing. But we'll be in a better position to give you guidance when we do the next earnings call.

Karan Uppal: Okay, thank you. All the best.

Moderator: Thank you very much. The next question is from the line of Parikshit Kabra from Pkeday Advisors Limited. Please go ahead.

Parikshit Kabra: Hi, thanks for the chance. I just wanted to ask one question about competition. Who do you typically compete with when you're pitching for a new business? And typically, when you are pitching to a client for a new business, are you typically the first vendor for data analytics support or usually replacing somebody else?

Rajan Sethuraman: So, we see competition from different kinds of players, Parikshit. Of course, there are the other pure play data analytics companies like ourselves, like Mu Sigma, Fractal, Tiger, Tredence, and so on. We see them in some instances. Interestingly, though, each of us have carved out a slightly different niche for ourselves. I mentioned that we are very strong in the technology in the digital data ecosystem.

So therefore, we do, I mean, while we see them in some instances, we don't see them in all the instances. We also compete sometimes with the analytics practices of larger organizations, like an Accenture or Infy or TCS. And sometimes we see them as a threat. Deloitte, for example, we have seen them as a threat. Especially, if it is also around a strategic type of exercise. As I mentioned that our consulting practices focus on analytics strategy and roadmapping. We have even competed with the likes of McKinsey or a BCG in some instances. And then we see competition in cases from product companies because if it is a very specific problem that the client believes can also be solved using an off-the-shelf solution or a SaaS model, then sometimes we see those players also in the frame. So that's the kind of the competition spectrum. The good news, though, for us in many instances, we are actually creating the opportunity ourselves.

This is the second part of your question. So, the number of instances where we are responding to an RFP or a competitive situation, it is still a smaller percentage. I wouldn't say that it is non-existent. It used to be even smaller earlier. In the last couple of years, I would say that clients are also becoming more aware and then they are bringing multiple kinds of perspectives into the frame. And therefore, we do see instances of RFP and competition. But even today, a fairly significant portion, I mean, read about 65%, 70% of the work that we do, is something that we are able to co-create directly working with the stakeholders that we are interacting with. And in those instances, in many of those instances, we will be in a sole source position or maybe worst case, have to compete with one or other two competitors that the client chooses also to bring into the frame. But in many instances, it is really our ability to craft the right kind of opportunity and value proposition that defines what happens going forward.

Parikshit Kabra: So just a quick follow-up on that. This percentage that you mentioned, about 65% to 70% is the opportunities that we have created or co-created with the client. Is that number changing significantly rapidly or is that how you see that progressing going forward as well?

Rajan Sethuraman: It used to be about 80%. I think now it is about 65%, 70%. I would say that that percentage will actually drop further when it comes to completely new accounts and stakeholders with whom we do not have a relationship. With existing accounts, with many of the referral-based contacts and clients that we get, that percentage is still very high.

I mean, we are mostly in a source-source model when it comes to defining those engagements and initiatives. But if it is a completely new prospect where they do not have any introduction to us or a referral path experience, then I would imagine that they will increasingly become more competitive in the days to come.

Parikshit Kabra: All right, great. Thank you.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to management for closing comments.

Rajan Venkatesan: Thank you. I think we have covered our current quarter performance as well as the outlook in a fair amount of detail in the current call. We would like to sort of end the call by stating that we have seen, I would say, an increased positive sentiment as we have travelled through this year. I think we started the year on a very, very cautious footing. And as we head into Q4 of the current year, definitely the confidence levels are better than what they were at the beginning of this fiscal.

However, we continue to watch some of the trends, especially some of the news that we read about large technology players, specifically in the U.S., who are continuing to, I think, rationalize costs and look at how can they become a lot more tighter in terms of their spend and what would be the likely impact on our business. So, we will continue to be very nimble and cautious as we trade into the next year.

However, having said that, several of the initiatives that we have started in the last year are beginning to bear traction now. And we are seeing that in the form of a significantly higher pipeline that we carry today, there is an uptick in the confidence level for the business as we head into FY'24, '25. We will, as we've done in the past, we will be, as we head into FY' 24, '25, we will give you an update of where we are likely to sort of head in terms of revenue growth as well as our margin guidance, which we will be able to do towards the end of Q4 when we meet for the next conference call.

And with that, I think we pretty much covered whatever we had to say, and I'll hand it over to Asha again to close the call now.

Moderator: On behalf of Latent View Analytics Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.