"Latent View Analytics Limited
Q3FY22 Earnings Conference Call"

February 8, 2022

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MODERATOR: MR. DIWAKAR PINGLE, CHRISTENSEN IR

Moderator: Ladies and gentlemen good day and welcome to Latent View Analytics Q3FY22 Earnings Call. As a reminder, all participant 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle from Christensen IR. Thank you and over to you sir.

Diwakar Pingle: Thank you Aman. Good evening to all the participants on this call. Before we proceed on this call, let me remind you that the discussion may contain forward looking statements that may involve known or unknown risks, uncertainties, and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance, or achievement to differ significantly from what is expressed or implied by such forward looking statements.

It gives me great pleasure to invite all of you to the Q3FY22 Earnings Call of Latent View Analytics Limited. This is first quarterly call as you know that the company is doing after the public listing. The results and the investor presentation have been mailed to you and is also available on the website at www.latentview.com. In case anyone doesn't have a copy of the press release or the presentation please do write to us we will be happy to send the same to you.

To take us through the results today and answer your questions, it gives me great pleasure to introduce my classmate from my college and the CEO of the company Rajan Sethuraman and we have another Rajan, Rajan Venkatesan who is the CFO. For purpose of this call, questions to the CEO can be addressed Rajan and to the CFO as Raj, so that there is no confusion while we are transcribing.

We will be starting the call with a brief overview of the company given by Rajan, which will then followed by financials given by Raj. With that said, I am going to give it away to Rajan. Over to you Rajan.

Rajan Sethuraman: Thanks Diwakar. Welcome and thank you all, for joining this call. This is our first quarterly earnings update, as Diwakar mentioned after we went public. And we are really happy and excited to have you on the call today. I hope all of you and your families are safe and healthy in the current challenging times.

Since this is the first time that we are doing an earnings update post listing, we wanted to take a few minutes to give you a brief overview of the company, including who we are and what we do. For the benefit of those of you who are listening to us for the first time, I understand that this might be a bit of a revision for others who have heard it before. I request you to bear with us as we take you through some initial update.

So, first off, we were founded in 2006. So, it's been 15 years now. We are a pure play data and analytics company. In that we do only data analytics work, we don't do the usual services that you find under IT/ITES or some services such as ERP implementations, or software package selection, or custom development or application maintenance. However, within the data analytics spectrum, we do pretty much everything that comes under that. In many of our engagements, we typically start off with consulting or a diagnostic work, wherein we sit down with our stakeholders and help identify what are the data analytics initiatives they can undertake in order to realize their business goals and objectives. About 10% to 15% of our work is actually in the nature of the consulting diagnostic work. And we see that increasing day-by-day as more and more organizations are ramping up on the digital transformation initiatives.

The other big chunk of the work that we do is what we call Data Engineering and Data Services. Herein we actually help clients build the data foundations and platforms necessary to undertake the analytics. Most organizations today have data in multiple silos scattered across their organization. And they also need to use both structured and unstructured data from the outside such as social media or it could be IoT sensors and devices. We help architect, design, and implement platforms that can pull data from multiple silos, which then allow you to do any of the analytics that you want to, to answer the big questions that are standing in front of them.

The mainstay and the bulk of the work we do is what we call business insights and analytics and that's about 60% of the work. Here is where we take a look at, look back and look ahead analytics. Look back is typically of a diagnostic and descriptive nature, answering questions around what happened and why did it happen. And the Look Ahead is around predictive and prescriptive analytics, which is where do we use typically Artificial Intelligence or machine learning or other new algorithms that are relevant to the modeling task at hand. So, about 60% of the work that we do is the business insights and analytics services.

We mostly work with Fortune 500 companies and mostly with the business units and functional heads in these organizations. So, typically the Chief Marketing Officer or Chief Finance Officer, CHRO, or Chief Supply Chain Officer and their teams and we help them solve fuzzy ill-defined problems. In many instances, these problems arise from their business goals and objectives and it could be fairly high level, questions such as How do I improve my market share? How do I reduce my customer churn? How do I optimize my supply chain and reduce my inventory costs for example.

In terms of sharing a few splits, from a geography standpoint most of our revenue today comes from the US. We do have a fledgling business in Europe with subsidiaries out of the UK, Germany, and Netherlands. And it's our intention to ramp up the penetration into the European markets in the coming quarters. We are also looking at expanding our presence in the Asia Pacific region as well. We have a Singapore subsidiary and we intend to capitalize on that in the coming quarters.

From a value chain standpoint, we mostly work at the front end of the value chain addressing problems in customer and marketing analytics. In customer analytics, questions around segmentation, micro segmentation, cross sell, upsell opportunities, identifying customer lifetime value, loyalty, and personalization related questions. And then marketing around marketing return on investment, media mix modeling, campaign analytics, going dark analysis, for example. The rest of the work from a value chain standpoint falls between supply chain, finance, fraud, andrisk analytics and also increasingly people and HR analytics. These are areas that are growing rapidly and we are investing in these areas as well.

From an industry standpoint, a lot of the work that we do is with technology and digital native companies, could be FinTech, eCommerce companies as well. About 2/3rd of our revenue comes from these industries. And the rest of the revenue is split across industries, including Retail, Consumer products, and Hospitality, Industrial which is a mix of Automotive, Oil & Gas, Logistics, and then also Banking and Financial Services.

I just want to also highlight the differentiation that we bring to the table in comparison to some of the other players in the space. We sometimes compete with strategy consulting firms, including McKinsey or BCG, we do see other IT service providers and their analytics practices and systems integration from some on the fray sometimes we also see product companies in the fray.

Some of the things that set us apart is:

I) Our technology and digital native focus. This is a very strong expertise that we bring to the table having built most of our business working with these companies over the last 15 years.

II) The unique combination of business, math, and technology skills that we bring to the table to address the fuzzy ill-defined problems that I talked about. A lot of the work that we do is around helping decompose these ill-defined problems into hypothesis and issue tree and problem statements, which can then be addressed using the power of data analytics.

So, the people that we bring to the table, right, in terms of people who are part of the engagement, the delivery teams also bring a mix of this business, math and technology skills. And that is a very strong differentiation in comparison to other organizations which come from their own vantage points.

We also have a strong suite of solutions, assets, and accelerators that we have built over the last 15 years. And these help us kickstart engagements and get nonlinearity in terms of the effort that we spend, as well as the revenue profile that we can generate. Some of these solutions are very specific at the intersection of an industry and the value chain. Like for example the solution that we built for the beauty and cosmetics industry, which has now been extended to many other CPG market segments primarily focused on identifying trends and starting them before they become big trends so that the company can come up with a product or an innovation that can capitalize on that trend. So, this is a product called Smart Insights. You have more information about the different solutions that we have built available on our website.

Another big differentiation is with consulting led approach. I mentioned early on that many of our engagements start with a consulting diagnostic exercise. In many ways the work we do is more akin to business management consulting as opposed to IT services. We lead with the value propositions that we have been building. One of the recent value propositions that we have put out in the market is around subscription analytics. And you might have seen some media around that. This is addressing the transition that many companies are making in terms of taking their products and services into a subscription model, and as a service model, and we are playing out very strongly right in the space.

So, that's just a bit of background about the company, who we are and what we do. I will now move on to the Quarter 3 update. We had a very strong quarter. And we actually ended the quarter on a high note in terms of the growth that we have seen in our revenue, as well as in terms of the margin and the EBITDA profile. This has been true also of the year to date, where we have actually performed really well in comparison to the last year.

The good thing to note also is that a lot of the work that we have won in this year, and in this quarter, over 15 new clients in this year so far, and 6 coming in this quarter itself. They are all on the back of managed service, engagements, and contracts that we have signed with them, as opposed to Fixed Fee, fixed scope projects that we were doing earlier so a lot more traction on the managed services model. We continue to see a lot of traction in terms of getting work done offshore. And this has helped us retain and improve the onset offshore ratio over the last few quarters.

A few things that were highlights for us this quarter, 1) the launch of the subscription analytics growth accelerator that I talked about. This is finding quite a bit of traction in the market. 2) We are also investing in building out a supply chain practice under our advanced analytics practice. We have hired people recently to head up these practices. And they are further building out the team as we speak.

A few other external recognitions that we had we became a Snowflake Premium Services Partner. This is just one Tier below their highest Tier. We are already collaborating with them from a go-to-market perspective. And we have won engagements, as well as we are in discussions with many clients in terms of helping implement Snowflake within their data ecosystems.

We also won the “Top Firm to Work For in Artificial Intelligence Analytics” put out by the three 3-AI Association. And we were recognized by Everest as a major contender for analytics work. And we recently won the Best Blended Learning Strategy Award by Transformance Forums.

On the people side a few updates, we have been adding people to support the growth that we have been experiencing this quarter. Of particular note is we have hired close to a dozen people at the senior manager and about levels to spearhead many of the initiatives that we are pursuing.

We continue to see very strong demand for our service across the Consulting, Data Engineering, Analytics and Solutions spectrum. In terms of addressing the demand supply gap and the talent shortage that everybody is talking about. We did two wage hikes this year, one in April and one again in October to ensure that we are competitive and that we are benchmarking our compensation policies with the market. We also issued the Employee Stock Options to almost 30% of our people prior to the IPO. So, all of these people are now proud owners and they are vested in the company. And at this point in time, a lot of our hiring is focused on the campus, because we do have a critical mass of people at the experience levels like who are able to induct these newcomers and then make them productive in a very short span of time.

So, overall well positioned both from a demand and a supply perspective; in terms of opportunities that lay ahead of us, with this I am going to turn it over to Raj to take you through some of the numbers.

Rajan Venkatesan: Thank you Rajan. Good evening everyone on the call today. I would like to first of all, thank you for joining this call. This is our first Earnings Call since the time we went public. Looking back in time, we were actually overwhelmed by the response to our IPO as we were oversubscribed, the record 338 times. We welcome all our new shareholders and thank you for trusting your capital with us.

Coming to the financial performance for this particular quarter, we clocked a quarterly revenue in excess of Rs. 1 billion or Rs. 100 crores for the first time in the company's history. Our operating revenue for this quarter was at Rs. 1,078 million, witnessing a growth of about 13.7% on a quarter-on-quarter basis and 37.7% on a year-on-year basis.

EBITDA for this 3rd Quarter stood at Rs.322 million, which was at a growth of 21.8% on a quarter-on-quarter basis and 19.1% on a year-on-year basis. The EBITDA margin for the quarter was at 29.9%.

Coming to our PAT numbers, the PAT again witnessed a growth of about 130% quarter-on-quarter and about 122.4% on a year-on-year basis. PAT for the current quarter was at Rs.499 million at a margin of 44.2%. I will come back to the PAT itself later in the call. But I would like to first talk about the growth in revenues that we witnessed in this quarter.

So, the growth in revenues was driven by strong demand across our existing portfolio clients as well as addition of new logos during this quarter. Specifically, in terms of the verticals that drove this growth Technology, which is already one of our strongest verticals contributed to what 58% of this overall growth. And CPG which is Consumer and Retail contributed about 29% of the growth witness in this particular quarter. Also, historically Q3 has been our strongest quarter, as most of our clients are based in the United States, close to about 95% of our revenues comes from that geography. And most of them follow a Jan to December calendar cycle for the fiscal purposes. Typically, Q4 or the October to December quarter is when they end up consuming all their budget and therefore Q3 is always a fairly strong quarter for us.

Coming to the cost side, in the current quarter the employee costs increased by about 15.2%, primarily driven by the hiring and the investments that we continue to do. And also, Rajan spoke about the increments that were given out in Q3 FY22. We gave our increment ranging between 16% to 17% in India and about 4% in the US. Additionally, Q3 also had the impact of the ESOP that were given to a fairly large base of employees in Q3, and that contributed close to about Rs. 1.3 crores of additional payroll cost in Q3.

The other expenses or the SGNA, have remained fairly flat across quarters. If you take Q1, Q2 and Q3, except for Q2 where there was a marginal increase in other expenses, , that can be attributed to certain IPO related expenses, which we had to charge through the P&L. The total IPO related expenses is charged to the P&L amounted to about Rs. 10 million in Q2, and about Rs. 6 million in Q3.

During the 3rd Quarter we also record an exceptional gain of Rs. 226 million on account of receipts of waiver from the Government of United States in respect of the Paycheck Protection Program (PPP). This was a grant that was given in April 2020. During the current year, the company had applied for a waiver of this grant, and we received that waiver in the Q3 and we have recorded this particular item as an exceptional item on our P&L.

For the nine months, our operating revenue stood at about Rs. 2,904 million or roughly about Rs. 290 crores reflecting a growth of 28.2% on a year-on-year basis. The EBITDA for the nine months period came at Rs. 860 million, recording a growth of about 12.7% on a year-on-year basis. EBITDA margins for the nine months again was almost in line with what we clocked for the quarter; they came in at 29.6%. The PAT before exceptional items was at Rs. 939 million with a margin of about 31%.

In terms of the geography mix, U.S. like I mentioned is the strongest geography contributing about 95% of our overall revenues. Europe contributed about 3% and the rest of the world came in at about 2%. In terms of sectors, revenue from Technology was close to about 67%, followed by 15% in CPG and about 18% coming from the other verticals.

To summarize our performance and what we would like to reemphasize is that we continue to build on the excellent momentum in the market. We continue to add capabilities, sales force as well as domain expertise, we will continue to invest for growth in the coming quarters and also look at inorganic opportunities. Our intent is to continue to deliver healthy growth in the coming quarters as well.

With that, I will hand it back to Diwakar and we can open up for questions.

Moderator: Thank you very much. Ladies and gentlemen we will now begin the question-and-answer session. First question is Venkat from 3Sigma Financials, please go ahead.

Venkat: Thank you for opportunity and excellent set of numbers. Can you just tell me onshore and offshore mix, you just mentioned about the good healthy onsite offshore mix, if you can quantify that can be great?

Rajan Sethuraman: We, are currently trending somewhere in the 1:5.5 or 1:6 kind of a range. It has certainly improved over the last 18 months. Obviously, some of it is driven by the increased acceptance of clients to move more work offshore, given that everything is already happening remote. But in addition to that we have also enabled some of these models through better collaboration mechanism, and also implementing what we call a remote onsite model, wherein people sitting here offshore can perform traditional onsite roles, because of the collaboration and other mechanisms that have been made available. So, I would say that, over 18 to 24 months, it's been trending from around a 1:3 to 1:3.5 range to 1:5.5 to 1:6 kind of a range.

Venkat: What is your average revenue per client, approximately?

Rajan Venkatesan: So, just to just to give you a sense, we don't have a very homogeneous mix of clients, to answer your question specifically, If you look at the earnings presentation that we have put out, we have also highlighted what is the typical revenue that we have from our client side, in terms of how much our Top 5 clients contribute, how much the next 10% contribute. So, if you look at our Top 5 clients, they roughly contribute 61% of our overall revenues, the top 10 client contribute about 75% and our top 20 clients contribute about 90% of our overall revenues.

Venkat: Revenue for employees is the highest in Indian IT industry hope this will continue moving forward, any light on that, any comments on that?

Rajan Venkatesan: So, our revenue per employee, Rajan did speak about the fact that we tend to play at the higher end of the value chain, we differentiate ourselves from the typical IT services providers in the sense that we tend to solve fuzzy business problems. And therefore, the combination of people that we put on any project is typically a combination of engineers/MBA backgrounds, and also people from economics and math background. So, this sort of a skill mix is also in play. And therefore our revenue per employee has always been higher than traditional IT players. And we hope to continue at the same levels, even in the future as well.

Moderator: Thank you. Our next question is from the line of Dev from Invest Yadnya. Please go ahead.

Dev: So, can you tell me the nature of the deals, means what is the deal size and all if you can give some background?

Rajan Sethuraman: Typically the deals, we have been able to migrate more and more to what we call a managed service kind of a deal where we take responsibility, not just for a particular initiative, but a suite of initiatives that have been identified and set up as a book of work on the back of the consulting and the diagnostic engagement that we do upfront. So, the team sizes in these managed service constructs can range anywhere from 5 to even 100 people, right, for example, with the bigger account. And that team then becomes either the exclusive or the extended analytics capability of the client organization, and then they become responsible for executing all of those initiatives that have been identified. And for each of those initiatives, we identify the team composition, size, and everything based on what are the objectives, what are the outcomes that are expected from that initiative, and typically, we price all of these to the client as an entire team. So, that's how the model has been.

So, it ranges therefore in terms of the size of engagement, off late, we are seeing an uptick in terms of the size of engagement because of the managed services construct it means that typical starting engagements could range anywhere from $250,000 to $300,000 to upwards of a million dollars, as well, depending on the initial problem definition and the suite of initiatives that are set up. So, it's a spectrum, but it's been trending upwards, because more and more clients are looking at undertaking the most significant, complex initiatives right through data analytics.

Dev: How is revenue recognized, so it's annuity based or how do you recognize the revenue?

Rajan Venketasan: Our revenue recognition is fairly straightforward, we typically classify the nature of the work that we do into two broad buckets, one of which is managed services, the other one being time & material. So, if you look at the broad split of the revenues itself, managed services contributes anywhere between 70% to 80% of our overall revenue bucket with T&M, contributing to about 20% to 30%, depending on a particular quarter.

For managed services, the way the bill our clients is on a fixed price per month. And the formula for the pricing typically depends on I) The complexity of the business problem that we solve II) The skill or the skill mix that is involved in delivering that particular project and III) Also the business outcome or the value that we deliver to the client. And therefore, all these inputs go into determining the pricing for a particular contract. And using this, we typically arrive at a pricing that needs to be billed to the client on a per month basis. So, their revenue recognition is fairly straightforward. As you bill the client, you recognize the revenue on the billing basis.

Time & Material, of course, there are specific projects where for instance as opposed to the managed services concept we bill our clients on the basis of the number of people or based on the effort that is involved in that particular project and there again, revenue recognition, fairly simple.

Dev: How sustainable are the margins, means margins are very high as compared to others in the profile. So, can you tell me what will be the sustainable margin range for your company?

Rajan Venkatesan: See, if you look at our margin profile, historically, and I am talking about pre-pandemic levels, we have always operated in the range of 25% to 28%. During the pandemic, of course, we had some one-time benefits of lower travel, lower marketing expense that did not materialize. If you look at our margin profile in the current year, you will see that our margin profile is slightly lower compared to FY21. And the reason for that is we have started making substantial investments. I spoke about the fact that we are adding capabilities, we are adding people on the frontline, and we are also bringing in domain experts. So, we will continue to make those investments going forward as well. Our intent is to deliver healthy margins even going forward. But at this point in time, we will not be able to give you an exact range or a guidance, but it will be our endeavor to continue a healthy margin even going forward.

Moderator: Thank you. Our next question is from Ranjithgopal from HSBC Asset Management. Please go ahead.

Ranjithgopal: Thank you and congrats for good set of numbers. I had two questions, first one on the growth side, and also the fact that you mentioned that the new clients have come on the managed services, kind of pricing. So, how do you basically look at it in the context of a medium term, kind of a revenue profile for our company? So, what is managed services be different from a fixed pricing model or a project-based model? So, will it bring in more nonlinearity in the revenue profile for us going forward because clients can actually increase or also decrease the scope of work on an ongoing basis? So, can you help us understand in terms of what exactly will be the drivers of a kind of revenue profile within the managed services part?

Rajan Sethuraman: So, the preferred model is managed services because in the managed services construct, we have more flexibility in terms of staffing, ramping up, buffer resources, making sure that we are also doing exploratory work all of that stuff. Whereas on a Fixed Fee fixed scope, it's a fairly well-defined specified construct and therefore the degrees of freedom available will be will be lower. But having said that, we are okay to undertake a certain volume of Fixed Fee engagement, fix scope engagement, because in instances where we are interacting with the stakeholders for the first time or a new prospect they might want to understand who we are and what we are capable of using a well-defined scoped out engagement as opposed to getting into a managed services construct.

So, typically, what we see is that the Managed Services construct is something that we are able to kickoff, even on the first engagement itself in instances where there is a very strong referral, or there is a connection that we already have on the relationship. And also, on another dimension where it was very similar to work that we have undertaken in the past, so that now we can bring in our suite of solutions, our frameworks and approach and methodology. But as a Fixed Fee engagements tend to be a little bit more exploratory, maybe off the earlier tracks that we have undertaken. So, that's just the context in terms of how Fixed Fee and managed services engagements play out. More than non-linearity of revenue, I would say that Managed Services is really about a certain amount of revenue certainty, longer duration contract, flexibility and fungibility in managing the pyramid and therefore the margin profile. And also taking ownership and getting more involved in the strategic process of the client. Because in a Managed Services construct, we typically get a seat at the table, when they are discussing their business goals, objectives, and how they can dovetail their data analytics initiatives with them. So, therefore, there is more earlier in the value chain involvement that happens from our end. And that is something that provides for greater stability and certainty for the revenue, both Managed Services and in Fixed Fee, we are able to bring in some of our solutions and accelerators and create some non-linearity from a revenue profile.

Ranjithgopal: Just a sub part to the question, I mean, would it be disclosing what is the proportion of Managed Services or a Fixed Fee within our total revenues or you are not disclosing that?

Rajan Sethuraman: We are not putting it out as a specific point on the press release or the investor presentation. But I can say that broadly today about 70% plus is in the nature of Managed Services, that's about 30%, which is really Fixed Fee engagement. And those Fixed Fee engagements will also include some pilots and prototyping that we might be doing for some of the client accounts. This percentage of increase significantly, we used to be at the 35% to 40% level. But over the last couple of years, we have seen a significant shift, so much so that now about 70% to 75% of the work is in the nature of Managed Services.

Ranjithgopal: So, which will mean that incrementally our Managed Services pitch will be larger part of the revenue profile because we are adding more clients on that bucket than ever before?

Rajan Sethuraman: Correct, typically engagements where we have reached a certain amount of steady state rate, meaning if you have been working with a client for more than a year, typically it has already moved into a Managed Services kind of a construct. And in general, new business that we get every year tends to be around 15% mark. So, they tend to be sometimes Fixed Fee engagements, and then there will be a few accounts that we have, right that are still operating in a Fixed Fee model. We expect that the percentage will be thereabouts, I mean, I am not expecting that we will get to a 90% Managed Services kind of a model, given the nature of data analytics and inherent experimentation that is involved in this we believe that about a 25% in the Fixed Fee, fixed scope model is appropriate for this line of work.

Ranjithgopal: The second question is on the seasonality that Raj talked about with large part of our revenue bump coming into 3rd Quarter so just wanted to get a little bit more color on this. So, would it mean that there would be a bit of a moderation in the sequential revenue momentum going into 4th Quarter, typically, I am talking about, in terms of seasonality I am not asking for any guidance for next quarter.

And what has been the kind of typical revenue contribution which is coming in from the 4th Quarter, over the past four or five years? So, how is that actually played out? I understand that our mix has changed, it continuously evolves. So, to that extent, it may not be right like comparison, but just to get a sense, what's the kind of proportion of revenues that we get in the 3rd Quarter that is October to December quarter?

Rajan Sethuraman: Yes, you are right. I am going to request Raj to give you the numbers. But you are right, I mean, the mix is changing plus as we said earlier, the clients are also accelerating and then they have greater confidence in undertaking slightly longer-term initiatives, whether in the Managed

Services construct or in the Fixed Fee kind of a construct. Traditionally, Q3 was big because our Q3 tends to be the last quarter for many of our clients, and therefore, they are intent on spending the budgets and the money that is available. But we are seeing some shifts happening there as well.

Rajan Venkatesan: So, Q3, like I mentioned before, is typically our strongest quarter, having said that, it is not like we will see a dip or a moderation in Q4. Typically, Q3 sets the momentum for us, for the next year. And clients sort of reset their budgets for next year. And clearly from Q2, and Q3 onwards, is when we start seeing some of that momentum coming back. To give you some sense of what the historical split is, Q3 it's not significantly higher, but it is contributes about anywhere between 28% to 30% of our revenues for the full year.

Moderator: Thank you. Our next question is from N. Puranik from Enam Securities. Please go ahead.

N. Puranik: Congratulations for building a great business and a fantastic quarter to begin with. I think you have a great business model and a huge opportunity. There isn't any element of a digital business, which includes Cloud Migration, Customer Experience, Cybersecurity, and Analytics which has the longest visibility in terms of business, like the Analytics, because Analytics is something which will be there and there forever and keep growing. Because there is so much of data, you have to keep looking at building insights on data. So, you are on a great track.

But my question is on the scale and scalability of this business, you are about 850 to 1000 people today. So, how do you scale your business from the current size, to say about 5000 or 10,000 because those economics are very different, because you may have the challenges in terms of getting the crucial skills and training them and retaining them. But how will you do that, because one is that you have rightly gone into the Managed Services project that is the most scalable architecture of the services business where you can manage several large projects. And then, together with your expertise, when you distil your expertise into various digital and business components so then you can really make it profitable and revenue scalable also. So, can you help me understand your scale economies?

Rajan Sethuraman: So, I will just briefly touch on the demand perspective, I think you already said it, the space, this opportunity is immense. I also mentioned that most organizations are only scratching the surface. It's estimated data analytics estimated at about $170 billion now and it is expected to double right over the next four-year timeframe, with a CAGR of both 20% also. So, the demand potential is immense. And even at that scale, I think we will still be scratching the surface, because at the heart of a lot of the work that we do, we are really trying to understand behavior, whether it is human behavior, traffic behavior, connection behavior.

From a supply point in terms of how we can scale the business, you are right, I mean, I think the people talent will become a very important component. At this point in time, when we compare ourselves with IT services companies or other large recruiters we are only going and hiring a fraction of the people. I mean, typically we go into any campus we are looking for the best 10, 20 people that we can find there. VIT for example, which is the campus that we hire, they graduate I don't know maybe 2000 students or more, no, VIT is even larger, I mean 20,000 students. We are looking for 20 people, 30 people, and we are able to put a very attractive employee value proposition. I think that ability to attract high caliber people will hold in good stand, even when we are say 10 times the current size, because of a number of people that were looking for. But having said that, I think the more important aspects are the following: 1) One is that our go-to-market strategy going forward is going to be increasingly based on the specific value propositions that we define I talked about the subscription analytics. There is digital marketing, there is a B2B sales operations, the supply chain connected visibility, that's a big initiative for us. So, there are very specific value props that we have identified. And those value props will be the plank, on which we will go to the market. When you define a value prop, it becomes a solid offering supported by a lot of thought leadership, knowledge capital, assets accelerator that we can bring to the table. So, I think that will be a very important thing that will provide the nonlinearity that we need in the revenue profile.

The second aspect of that is the general drive towards automation. And you are seeing it in IT services. We are no exception, and we are actually into the business of automating decision making. So, increasingly, even the work that we do as a team, we will be looking for ways that we can automate it. We can make it more reliable; we can embed it into a process. Our data services, we are expanding the scope to include automation in some sense so that we are able to embed the decision making into the processes that we support.

So, I believe that these two plans is also very important going forward, right in terms of providing the nonlinearity, kind of platform wherein we can induct more people at the entry level, campus hiring, and train them through that. So, that we are able to sustain that kind of a momentum.

N. Puranik: So, what are these value propositions you are talking about? And you also talked about complexity pricing, that's interesting. If you combine these two, you have a platform in place to execute. The challenge is to hire, train and get right kind of people, and create your own analytics university, and get people, hire, and train them. And then execute, and do more Managed Services contracts on subscription management, various other things. Can you give me some idea about what value propositions these are?

Rajan Sethuraman: So, I will elaborate on the subscription analytics value proposition itself. This is one that we have been working in over the last several years. We have been working with some of the well-known marquee clients in the Bay Area, Silicon Valley, who have transitioned from selling their products and services in a licensed model to a complete As-A-Service model. So, one of the clients that we support, Adobe, we have mentioned that in our DRHP as well, we have been at the heart of their transition from licensed model to As-A-Service model. Today, when you go and buy any of Adobe's products, Photoshop, or Illustrator anything, you buy it As-a-Service. And when you are in As-A-Service model, you are connecting with the clients every day, with every interaction every time they use the software you know what exactly which feature you are using, what are they trying, what are they working on. So, this provides an opportunity to collect and utilize a very large amount of data and information that was not available.

So, our Subscription Analytics Value Proposition is around, how can we help companies make the transition from a product licensed model to an As-A-Service model. So, we have put together a full suite of framework, methodology approach, KPIs, benchmark everything that will enable an organization to dramatically improve their customer acquisition, retention. And how can they put their best product features and innovations in front of them. So, that's what that value proposition. So, when I say a value proposition, it's a very passive offering that includes all of these elements. And that is a very important component to scale our business.

N. Puranik: Someone like Adobe is a great example to work with. But will you find many other clients for making big changes from On-Premise to Cloud SaaS model what Adobe has exhibited.

Rajan Sethuraman: It's happening already. So, if you look at even very hard products it happens --. You would have heard about how Rolls Royce were offering their jet engines as-a-service. We are talking to international tire companies where they want to offer the tire as-a-service. So, everybody is thinking about the As-A-Service model, not because of the continued revenue generation potential that is there, of course. But I think the more interesting idea for many of them is that you are continuously engaged with your consumer, engage with them through digital channels, through IoT, sensors, so that you can collect a lot more data and information about them. And that is really exciting for us.

N. Puranik: And expanding your market also.

Rajan Sethuraman: Exactly, yes that's the game.

N. Puranik: So, the scaling will happen means that you have to grow by hiring more people and do a lot more inorganic way of doing, I mean how do you suppose to do. So, if you have to be at 5000 peoplecompany in just a few years, how will that happen?

Rajan Sethuraman: The talent will be an important component, but because of our plank of value propositions, and because of automation that we are already driving, we are also expecting that a significant amount of scaling can happen through the package value proposition. When you have a package value proposition, the effort involved from a sales and business development standpoint as well as delivery, it goes down, because we are able to bring that entire package to the table. We have something kick start, something that we can directly implement, so the effort reduction will be there. So, it should add in scaling further our business.

Moderator: Thank you. Our next question is from Karan Uppal from PhillipCapital. Please go ahead.

Karan Uppal: Two questions from my side, first is, in your PPT you have mentioned that the pure-play analytics firms are expected to grow by around 25% for next four years. So, are you targeting to benchmark yourself with that growth rate? Or maybe it's even higher than that? That's my first question. Second is on margins so with high attrition and also increased cost pressures, do you think that you will be able to hold on to 30% EBITDA margins or you think offshore can help you maintain that?

Rajan Sethuraman: Let me take this, and Raj add in this if required. So, from a growth perspective, I think the opportunity is plentiful. This is what I have been reiterating even earlier. The market is very large and I think the opportunity is plentiful, there is enough runway and headroom for growth. So, our endeavor would be to try and grow at a fairly rapid pace as well. But having said that we are very focused on profitable growth and therefore, we will want to be at the premium complex end of the spectrum. I already talked about how many of the, much of the work we do is around solving fuzzy ill-defined problems. We will want to focus in that space and that space itself is growing. In fact, one of the things that we are witnessing is that more and more of client engagements are actually maturing, right in terms of the complexity of what they want to go after, because a lot of the low-hanging fruit right has been taken in some sense. So, therefore, we are expecting that the whole data analytic space itself will mature, with increasing availability of data. And we are confident that there will be enough to play there from a growth perspective. But we wouldn't want to chase onsite only staff augmentation opportunities, or we wouldn't want to chase simple lift and shift and migration type of opportunities where the margins are lower. We want to position ourselves as a premium player and we will continue to do that.

From a margin standpoint, obviously, what I just said has a bearing on that. But instead of giving a particular guidance, I would say that the intent is to focus on profitable growth. We see enough headroom. We believe that the investments that we are making will pay as well right in terms of building the necessary capabilities, assets, and solutions, wherein we can get the nonlinearity that I talked about. So, it's not just about what work we go after, but also our ability to generate some nonlinearity in the way we deliver that work. So, all of that should play into the entire profitable growth objectives that we have.

Rajan Venkatesan: The one other point that I would like to add to what Rajan already stated is, again earlier in the call, we addressed this whole question on our revenue per employee being significantly higher, compared to some of the peers that you may track. And that is actually a testimony to the fact that we also solve fairly complex business problems. And therefore, we would like to believe that we have some pricing power, and we are better positioned than some of the other peers in the market to be able to negotiate better pricing from our customers on an ongoing basis.

Even in the current quarter, there were increments given to about 80-85% of our entire workforce, ranging between anywhere between 12% to 16%. Despite this , you would have noted that for Q3, our margins were for close to about 30%. So, we were able to maintain that level even after the impact of wage hikes.

Karan Uppal: One follow-up on this is that you are saying that you are in a better position in terms of pricing than the other players. So, are your pricing higher than some of the maybe system integrators or other analytics firms or how is it?

Rajan Sethuraman: So, the pricing will definitely be different in comparison to regular IT services work. As Raj pointed out earlier when he was talking about the pricing model, the pricing is typically dependent on the complexity of the engagement that we go after, the skill mix that we need to bring in order to address that complexity and more importantly, the outcome that we are able to deliver because of that you know, what you have heard of customer churn reduction, for example, what, how many basis points or percentage points are we able to impact. So, these all go into determining the pricing. And the point I made earlier is that customers are going after tougher more mature problems. So, therefore, that's what, that’s what gives us the confidence that the unique blend of skills and focus that we bring, will continue to give us right the pricing power because of the nature of the problems and the impact that we are delivering.

Karan Uppal: Last question, one bookkeeping question, which is, if you can help us with your attrition rate, and your hiring target for you CY22.

Rajan Sethuraman: So, the attrition rate as with most organizations, we have seen an uptick as well. The whole of last year, I mean, FY21 it was in the 20% to 22% kind of range. It has definitely jumped up in Quarter 1 and Quarter 2, now touching as high as 30% or slightly above that, in some instances. But we have started seeing a dip in the attrition in Q3 also, because of the wage hikes that I talked about and the ESOP - the Employee Stock Option Plan that we rolled out. More importantly, we are also implementing a more robust career planning framework and an internal job rotation program. A lot of the people that we hire, I mean, in fact, a big chunk are all youngsters opting for variety and challenge in the work that they do. And we see that the career framework and the internal job rotation program are addressing their most important concerns in terms of learning new skills, having challenge in their jobs and variety, so all of those things are helping address the attrition. So, attrition has been trending downwards through Quarter 3. And then we see that trending downwards in Q4 as well. Of course, the market is pretty hot. One of the things that we are also doing is focusing more of our hiring, now on the campus joiners. So, recently, we had kicked off our campus hiring for people who will join us in the May/June timeframe. And we have made more than 250 offers already at engineering campuses, as well as Postgraduate campuses, Business degrees, as well as Data Science and Analytics kinds of degrees. I cannot give a specific number in terms of how many people we will hire, in the next quarter or the next year, but it will be sufficient to address the growth and to factor in any kind of attrition that we witnessed right at the lateral or at other levels.

So, right now, it's a fairly robust campus hiring program that we are executing. We have the mechanism in place to bring these people and induct them quickly and make them productive in a short span of time. So, at this point in time, there is a good amount of confidence that we have the people needed to deliver on the growth that lies ahead of us.

Rajan Venkatesan: The one other point that I would like to add on attrition. We had a net addition of about 243 employees in the current year. But if you look at our overall size, we are still a fairly small company in terms of headcount. We are a little short of 900 odd people. And therefore, tracking attrition as a metric on a quarter-on-quarter basis may sometimes be misleading, which is why as we go along, we would like to sort of look at this metric more at an annual level as opposed to tracking it and reporting these numbers on a quarter-on-quarter basis.

Moderator: Thank you. Next question is from the Ritesh Rathod from Nippon India. Please go ahead.

Ritesh Rathod: Have you had more people on your bench or in your hand, you would have delivered higher growth rate, like was there any revenue fulfillment issues because of the supply side of thing?

Rajan Sethuraman: No, absolutely not. I mean, at any point in time we are maintaining at least 15% to 20% of buffer capacity within the organization. Partly, the reason for that is because of the philosophy that our people need breathing time given the nature of the problems that they sought. So, there is enough self-learning, research, market awareness, contextual understanding all of this is called collaboration time as well. So, we do not drive for 97% utilization as you might otherwise see in the IT service space. We believe that an utilization of 85% of thereabouts is appropriate for the nature of the work that we do.

So, typically, we have the buffer capacity needed to take up new engagements. There might be sometimes one or two roles that call for a very specific skill set, which is the ESOP trick and we do not have, which we might have missed out in small numbers. But even these we are able to either upskill or crossskill our current people or find people lateral to come in and take up this opportunity. So, I would say that the revenue leakage or loss on account of not having people with the required skillset is almost zero, I mean its non-existent. And at this point in time, we are operating with buffer which allows us to ramp up on any engagement fairly quickly.

Ritesh Rathod: What's the current utilization number?

Rajan Sethuraman: So, we measure utilization in a slightly different way. I mean, we looked at our billed to people and then how they are utilized and then we also looked at the buffer percentage. As I said, the overall will be between 80% to 85% mark. And that's what therefore translate as the unutilized capacity that's available.

Ritesh Rathod: My second question is, if I see your annualized revenue from Top 5 clients and the concentration which was provided in the client bucket metrics. On an average, you bill them $5 million to $7 million kind of range. If I am assuming correct, can you first help me understand how tough is this journey to reach to a client to $5 million to $7 million revenue range? And when you see yourself in the next three years reaching $100 million to $150 million would these clients also triple from $5 million to $7 million to $15 million to $20 million range or you need to add many more clients to do that. Because if you see on the rate you are solving fuzzy the problems, that itself would be ironical that moment you solve the problem and client is satisfied with it the billing from that project would drop dramatically, even though there could be some maintenance work , but post that you need to go and find another project or another problem in the same client which could be time consuming, which it's sort of a replacement, replenishment kind of things. So, can you help me understand this complexity on the client mining side? I presume you have had it in the past questions which people have asked but some addition will be helpful?

Rajan Sethuraman: No, absolutely not. Thanks for the question Ritesh because it helps illustrate the model a little bit better. If you take the Top 10 to 15 accounts, the revenue coming from a single client would be on an average would be quite high, right, as you pointed out, may not be in the $5 million range, might be slightly lower, but it is definitely north of a million dollars or $2 million.

The interesting thing is that the point that you made right that once you solve a fuzzy, complex problem, then it is done and dusted, and then you move on. Our experience has been entirely the opposite of that. These large organizations, there is no dearth of difficult challenges and problems that need to be solved. In some sense, the deeper you dive into the data, and you understand the business context, the more opportunities emerge for integration, cross-pollination, collaboration, a more holistic approach to the data set that they have and how they can use it across their business. You will be surprised that most large organizations that we work with, they suffer from the same challenges in terms of silo mindsets, data availability, some amount of ownership of data and data legacy challenges. So, all of these things introduce different kinds of hurdles and barriers that need to be overcome.

So, data analytics, you have seen as a way by which you can cut through some of these things, and we keep increasingly uncovering more and more opportunities. Just to illustrate the point, our first account in the United States, we went from about zero to $6 million in terms of revenue over a 10-year timeframe. The largest account that we have today, we have gone from about zero to $10 million in a four-year time span. We started off at zero and then we are about $10 million in a four-year time span. We see that happening in many accounts as well, in terms of what we uncover, as we undertake the work.

We typically use the monthly and the quarterly business reviews that we have to showcase to them, what is the heart of the possible what more they can do with the data that is available to them? What are the appropriate business cases, used cases that they should be pursuing? As I said earlier, because of this the heart of the problem, I said it's understanding behavior, that's a very complex thing and no amount of modeling can actually make it as good as how the person exactly behaves. So, human behavior, process behaviors these are very complex topics. And that is what we see in many of our engagements.

So, to address the question that you have when we get to $100 million, $150 million, we definitely expect that many of our existing accounts will grow. Therefore, the mining farming initiatives that we have today, we believe that a lot of growth will come from that, but having said that, we will also add to the client base. I mentioned earlier in my preamble that there are many dimensions that we are exploring to add to the client base. There is a geographic dimension of Europe and Asia Pacific that I talked about. There is the penetration in the industry segments with BFSI and retail that I talked about. I mean these are huge opportunities on data analytics. And we are hardly working with a handful of clients in these areas.

There is also the horizontal initiatives like data engineering, the advanced analytics work, the supply chain was, we believe that these are very relevant. So, we will definitely continue to add to the client base as well. But with every passing year, the intent would be to try and mine more in terms of the accounts that we can work with.

Ritesh Rathod: And maybe a counter to this point you said in terms of shortest time you ramp up your clients, within four years from 0 to 10, or 0 to $6 million. Does your key employees or the employees who are working on those projects or solving those problems becomes very easy target to get poached either by the client in-house IT team or the large vendors who are working with the same client. And have you seen those kinds of problems?

Rajan Sethuraman: In general, with the clients that hasn't been much of an issue except in one or two instances. The once instance where with happened to the client, the client decided to insource all of analytics and then they approached us and after a little bit of heartburn and discussions, we said that let's support you because we are more interested in the relationship. And we have been working with them for a long period of time. And they were instrumental in our early years right in terms of ramping up. So, we did end up giving a bunch of our people right for them to kick start their internal initiative.

But barring one or two instances like that, in general, we have contractual understanding and arrangements with our client that they do not poach our people. And we don't lose too many people directly to current client organizations. Having said that, when we lose people, we typically see that people join other client organizations, the ones that we may not be working with. And I am lumping them all under the client organization meaning that we may not be working with client XYZ, but they might find an opportunity there and then they join them.

Very few losses to back-office analytics capabilities in India, this is typically on-site client opportunities that are available. We do lose people to product organizations and startups that is the biggest challenge right now because many of them are funded well, and they are ready to attract people by using fairly disproportionate compensation structures. So, we have lost people in those instances. In general, our philosophy and approach has been that even if we end up losing people in the short term to some such organizations, in the longer term, it is beneficial because they continue to be ambassador of the organization. Some of them have turned clients of ours at a later point in time whenever we organize Alumni events either here in India or in the U.S. we find a huge turnout and everybody is a well-wisher so, we are not particularly worried about people joining client organizations or even other product companies at this time.

Moderator: Thank you. Next question is from Akshay Ramnani from Axis Capital. Please go ahead.

Akshay Ramnani: So, I just wanted to ask, you mentioned about nonlinearity in the business. I just wanted to understand which pricing models will lead to this nonlinearity. Are you talking about the outcome-based pricing or would this be led by classification of your IPs or something else, just wanted to understand that?

Rajan Sethuraman: Yes, driven more by, as I said earlier, the value propositions that we are able to build, which contain a full suite approach methodology, thought leadership, knowledge capital, even libraries of utilities that we might have created, right to execute such work. So, for example, campaign analytics and operations, we have created a library of utilities that are applicable and relevant for any kind of marketing campaign scenario. So, these are things that we can very easily bring to the table. And that helps cut down the amount of effort required to deliver the work. Also the classification and automation that you mentioned, that will also be an important component in terms of the nonlinearity, more so in the Data Science, in the data and DevOps kind of scenario, and then data engineering and these are all areas where we believe that there will be opportunities for further streamlining, how we do the work and how we execute the work.

Consulting is the main plank though for all of this, because we believe that a good consulting diagnostic exercise, working with the client sets up the right kind of initiatives. The outcomes that they can shoot for and helps establish the business case, for how you can approach such work. And that is where the pricing discussion also typically happens. So, how we size and how we staff the engagement and which assets and tools and accelerators we bring to the table, those are all influenced by our ability to do a good consulting diagnostic exercise upfront. So, we will continue to leverage that kind of an approach going forward as well.

Akshay Ramnani: And do you engage in outcome-based pricing modules within your business?

Rajan Sethuraman: Not yet though, we can consider. The challenge with many of the situations in which we work is typically attribution. I mean, if we talk about reducing customer churn as an initiator for example, the data analytics and the deliverables, the hypothesis testing and validation, will be one part of the story, in terms of what the data tells, and what you need to do on so on. But in many of these instances, there are numerous other factors that need to be taken into account by the client organization, in terms of their prioritization, other initiatives that are running in parallel, the amount of bandwidth and effort that they are able to commit, their risk profile in undertaking something new that even though the data tells us are they ready to experiment and full steam ahead on all that. So, all of these will mean that it is a fairly challenging attribution, problem when it comes to establishing the outcome itself.

So, right now, much of our engagement and model is in proving the model and helping clients understand that if you undertake these things, you can get that outcome. But in most instances, we still leave that decision on implementation to the full extent to the client. So, therefore, it's not a direct outcome-based pricing. Maybe in certain pockets and niches, for example, inventory reduction, if we just look at that, our shelf space of optimization in the retail context, these are that we can take up. Going dark analysis with respect to marketing campaigns, that's an area where we can actually do an outcome-based pricing. So, we will be exploring these going forward. It's also about client appetite and their willingness to adopt such a model.

Moderator: Thank you. Our next question is from Hemant from ZF Capital. Please go ahead.

Hemant: My question for you is related to the revenue per employee that you are charging today. I know many commentators have mentioned in the earlier part of the call that your revenue per employee is on the higher end, right. And from my calculations, it shows that you have about $60 to $65 blended billing rate for your employees. But my question is many of the dynamics that you mentioned around increasing salaries, you increased salaries twice a year, you provided more ESOPs to about 30% of your employees, leads me to indicate to that to maintain a good profitability, you will have to continue increasing your revenue per employee.

So, compared to the traditional IT firms while your revenue per employee is higher today in fact, to maintain your profitability, you have to continue increasing your revenue per employee over the coming years.

So, my fundamental question is, what are some measures you will take to be able to do that? And the dilemma I see is that when it looks to the type of work, you are moving to more Managed Services work which tends to be generally a lower revenue per employee work. So, how do you solve that dilemma?

Rajan Sethuraman: I will address the second part of the question, because I mean the Managed Services is engagement model that provides us the flexibility and the fungibility that I talked about earlier. The nature of the work that we do continues to remain fairly complex and fuzzy. We are not moving down the value chain, to do work the regular dashboard, lift, and shift, for example. We don't pursue those kinds of opportunity. Every piece of work that we take on is a fairly tough problem that they want to go after.

The Managed Services model is more a construct that allows the client as well as our organization to really use the flexibility in terms of who we bring on, what time we are able to deploy some expert resources. How we are able to ramp up people who know, who might be coming in and coming in fresh from campus, for example, right, as a part of the component. So, all of those things play out right from the managers of construct.

I don't, I haven't seen any reduction in the complexity of the work itself, in fact, if anything, most of the work that we might have considered complex say four years back or five years back, they have all become simpler problems, which are either done through the automation or some of the libraries and utilities that we have built already. So, in general the direction is towards more complexity so that is happening.

So, having said that, coming back to your revenue per employee, we obviously I mean the more complex the challenge is, and the more impact that we can create, we expect that clients will also understand. And therefore, they will be willing to pay the premium that is required for going after those problems. That is what we have witnessed even in the last 18 months or 24 months, we have seen that our premium pricing has continued to move in the right direction, more so at this time, even clients are seeing the effect of inflation, demand supply gaps. And they are very understanding when we say that you know what, this skill set or this combination of skills that you need to pursue this initiative is something that is challenging, and we need to hire the right people, or we need to have the right people on the engagement, and we need to therefore charge you at a certain rate. So, that is happening.

The other thing that will play out here is the nonlinearity that I talked about, I mean, more packaging in terms of the specific value propositions, building the necessary libraries and utilities and assets and accelerators. And then being able to bring all of them to the table, to really drive effort reduction that will be an important aspect as such. The general forces of commoditization and automation will play out. And our endeavor would be to stay ahead of the curve, in terms of the work that we take on. And if it is getting commoditized or automated, that we are also in the action and we are able to address the automation using our own libraries and tools and assets that we can bring to the table.

Moderator: Thank you. Ladies and gentlemen, that would be our last question for today. I now hand the conference over to the management for the closing comments. Thank you, and over to you.

Rajan Sethuraman: Thank you. So, overall, I just want to reiterate a couple of things. One is that we are very pleased with how the quarter has been for us, not just in terms of the revenue and the numbers that we are talking about, but also the fact that we have been able to kick start a lot of the initiatives that will set us up well for the coming quarters. As I have mentioned before we see this truly as an inflection point. In general, there is an acceleration of all things digital transformation and there is an uptick in the volume of conversations and clients propensity to pursue more mature, complex initiatives that can leverage the power of data analytics.

I also see that data analytics is becoming more mainstream, in the sense that earlier it used to be fringe initiatives that were run by a particular business unit or a functional head with the limited data that was available within their own silo. We see that increasingly initiatives are becoming more cross organization. They are moving out of the silo mentality which means that central teams and organizations now like the CIO, CTOs of the organizations will start getting involved. And therefore, the initiatives will become bigger and they will become more meaning and impactful. So, we are excited by the prospects of that as well. We are doing several of the Data Engineering initiatives that we have kick started and that we have won, and we are building relationships with the new ecosystem that is emerging. And we believe that we have the right kind of capabilities.

In general, we are focused on the more complex sort of problem using new technologies, the latest that is happening. For example, in Data Engineering, I talked about the Snowflake partnership, we really work with the cutting-edge stuff that is available there, whether it is

Snowflake or Databricks or Redshift or Synapse, for example, right, these are the areas that we are focusing on. And at this point in time, we feel very confident that we are on a good wicket, and we are putting the place, the initiatives and measures that will play out in the right way in the coming quarters.

So, overall confident about how this quarter has been, and the fact that we are setting things out well for the continuing quarters of course, we will want to make sure that now we are executing well on these as well, to realize the opportunities that Latent offers. Yes, so that's really what I wanted to share. Thank you.

Rajan Venkatesan: And I would also like to add that it was lovely interacting with all of you, this is our first Earnings Call post listing. In case there are any of you who have questions that are yet to be asked, please feel free to reach out to our IR team. And they can share it with us, and we would be happy to answer them.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Latent View Analytics Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.