



“MPS Limited Q2 FY22 Earnings Conference Call”

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Moderator: Ladies and gentlemen, Good day and welcome to the MPS Limited Q2 FY22 Earnings Conference 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 touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rahul Arora, Chairman – CEO and Managing Director of MPS Limited. Thank you and over to you Mr. Arora

Rahul Arora: Good morning, everyone from New York. I just arrived yesterday after spending the last 3 weeks with our teams in Noida, India. Our Noida City Center is gradually becoming one of more strategic centers. In the past 12 months, we have added over 120 talented professionals in the region to support the growth across all lines of business – content, platforms, and eLearning solutions.

In our opening segment today, I will discuss our consolidated performance in the first half of FY22 and Q2 FY22. Then Sukhwant Singh, Senior Vice President will update us on the Content and eLearning business. Finally, I will provide updates on the Platform business and share strategic updates from our recent Board meeting before we open the call to questions.

Our Fx adjusted Revenue in H1 grew by 18.5 percent above PY. At Revenues of INR 228 crores and an EPS of INR 23.86, MPS created history here as these levels have been unprecedented in our rich history of over 50 years. A true reflection that MPS has entered a Thriving phase and FY22 is turning out to be the first year of our expansion. And while Q2 was modest in Revenues, this was expected due to the seasonality in our business, and I am extremely pleased to see EBITDA margins at 29 percent at this lower base. This was also reflected in an unprecedented Q2 EPS of INR 12. Our business has tremendous operating leverage and as Revenue expands further our margins will only continue to expand.

I would now like to hand it over to Sukhwant.

Sukhwant Singh: Thank you, Rahul and hello everyone. The momentum carried forward from Q1 into Q2 FY22 in the Core Content Solutions business. Revenue was ahead by 15.4 percent against PY and segment profit was ahead by as much as 24.28 percent given the operating leverage available in this business.

The Educational Business Practice continued to lead the charge. Our global delivery model enabled 24 percent growth of this practice in Q2 FY22 compared to Q2 of FY21. We continue to be awarded projects across a more comprehensive array of content areas and clients.

Our Journals business is also shaping well. Except for one customer, we have increased business from all key customers. And we have firm commitments from the one customer that I mentioned and other customers that volume inflows will pick up by the end of 2021, resulting in an expected growth spurt in this business in FY23.

Shifting focus now to our eLearning business – MPS Interactive, which is the largest business interest in this segment, grew by over 20 percent in Revenues in Q2 of FY22 compared to the same quarter last year. Again, EBITDA margins improved from 3 percent to 20 percent at MPSi due to the HIGH operating leverage available in this business. Revenue was up, due to the addition of several new customers and growth in key accounts as well. All sales metrics look great in this business right now as we have a Pipeline, Order Book, and Conversion rate at their highest in the past 2 years.

Thank you and back to you Rahul.

Rahul Arora:

Thanks Sukhwant. Moving to our Platform business...

While Revenues in our Platform business were soft in in Q2 FY22 compared to the same period last year; PBT margins were better than expected and ahead of last year. The softness in Revenue was due to the expected customer off-boarding in HighWire that I have been discussing in the past earnings calls. As shared previously, we expect this trend to continue into Q3 and arriving at a more stable revenue base for this business in Q4, albeit lower but at great margins.

Product leadership is the value proposition that unifies our product strategy. We have built a Product team from the ground up that includes 2 Product Directors, 3 Product Managers, 3 Junior Product Managers, and 4 Business Analysts. The team is global and spread across the US, UK, and India and is led by an experienced veteran in the Academic Publishing space. We have begun to consolidate products between MPS and HighWire. Also, there is an increased focus on innovation with a New Generation Publishing Platform under the works. This new platform will:

- Be a Modular system connected by APIs
- Allow HW and MPS products to interact
- Assume that publishers don't just want to publish research, they want to help authors improve their research.

There are also several key growth initiatives in the Platform Business underway that are showing early signs of success, and I would be happy to get into them, if there is interest, later in the call when we open it up for questions.

And finally, some key updates from our Board meeting:

1. Subject to shareholder approval, the Board has recommended Buyback of up to 944,444 equity shares at a price of INR 900 for an aggregate not exceeding INR 85 crores, excluding taxes and expenses. The proposed Buyback is subject to approval of shareholders by way of a special resolution through a postal ballot. The process, timelines, and other requisite details with regard to the postal ballot will be

separately communicated in due course. The Board has constituted the Buyback Committee and have authorized the Committee to do all such acts, deeds, matters and things as it may at its absolute discretion, deem necessary, expedient, usual or proper in connection with the Buyback.

2. Subject to shareholder approval, the Board has recommended the reappointment of Ms. Dave, Ms. Khanna, and Mr. Mankotia as Independent Directors for a period of three years each.
3. Ratish Sharma has been appointed as CFO of MPS. Sunit Malhotra continues as Company Secretary. At our new scale dedicated leadership for our Finance and Legal operations is extremely important. These changes reflect that.

Let's now open the call to some questions that can help us be better at what we do.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Keshav Garg from CC IPL. Please go ahead.

Keshav Garg: Thank you very much for the share buybacks, on behalf of all the shareholders. Sir, I just wanted to get an idea about what kind of growth can we expect going forward, any ballpark number that you'd like to give on the top line?

Rahul Arora: I can share with you the growth that we expect across the various lines of business. Content solutions, which is our largest business segment at 55% of our revenue for the past couple of years, has been growing at about 12%. We expect this level of growth, maybe even 15%, to continue over the next couple of years. As I have explained in prior calls, this is our highest margin business. The Pandemic has created strong lines of differentiation between us and our competition. We expect to capitalize on that differentiation, over the next couple of years as we build a new scale in the content business. Moving on to the eLearning business, which we entered through the acquisition of Tata Interactive back in 2018, we expect a higher rate of growth. As you have seen in the first half of the year, the business is going through a rebuild and we are seeing both revenue growth and margin expansion. In the eLearning business, we expect growth north of 15% going forward for the next couple of years. Our third segment, which is our platform segment, the second largest segment; we have expanded this business segment, through the acquisition of HighWire last year. Before the acquisition of HighWire, this was a smaller business segment for us. As we have done previously, we have obviously acquired a business, at a competitive purchase price that was in a declining phase. Typically, we acquire such businesses that have lost their way and our contribution them is to bring them back to their mission/purpose. The first year has been about stabilization. We've reported every month, every quarter, as profitable in the last 12 months. Now we're looking to stabilize revenue and that revenue we expect to stabilize into Q4 of this year. We'll have to see, at what level that revenue bottoms out. After Q4 of this year, we expect to grow at clip of 10% to 15%.

So I hope that answers your question.

- Keshav Garg:** Yes, sir. Thank you very much, sir. And it is very encouraging. And any idea about the margin, are they expected to stay at this level or is there possibility of margins moving higher?
- Rahul Arora:** As we were describing in our opening remarks, our business has tremendous operating leverage. There are significant, economies of scale in our business. As Sukhwant was talking about how the content business has grown, the top line has grown at about 15% and I'm giving you a ballpark numbers here, while the content business Revenue has grown at 15%, the PBT has grown at 25%. We can expect the same trend to continue across all lines of business, margins would obviously expand faster than revenue because of the tremendous operating leverage.
- Moderator:** The next question is from the line of CA Arun Marosi, an Individual Investor, please go ahead.
- CA Arun Mahosi:** I would like to know any organic or inorganic opportunity we are looking for?
- Rahul Arora:** As covered earlier on the organic front, on the content side, the Pandemic has created serious lines of differentiation between some of the larger players, the top three players, and the rest of the market, the next 100-150 vendor partners. We'll be looking forward to capitalize on this differentiation. In terms of growth, we are definitely expecting volume growth. So, more of what we do, but also some scope growth. There are new areas of outsourcing in the content space that we are examining, in consultation with our publishing customers. In the last couple of years, we have seen an increase in volume of revenue in the areas of accessibility, as well as in the area of interactive learning. Those are the kind of the levers in the content business. On the eLearning business, we are seeing tremendous organic opportunities, as digital learning is becoming the standard. Traditionally you had classroom learning and digital learning as a blend. But increasingly, coming out of the Pandemic, most organizations are going 100% digital. We are seeing volume growth from our existing customers, the established customers that we have been working with for over two decades. We have also been acquiring a lot of new logos gradually. These customers, while they start small, we are seeing that they are ramping up very quickly because the quality and delivery that we present. On the platform segment as well, we expect growth, from a next generation platform that we are launching next year. But there are certain lines of products that we expect more growth from, specifically on the content management side. In the inorganic space, we continue to pursue active opportunities in the eLearning and platforms domain. Those are the two areas where we are having active conversations. When we are looking at an acquisition, our goal is always to look at expansion of capabilities rather than expansion of only customers. That offers us a significant competitive advantage. We are looking at such acquisitions, both within the eLearning space and the platform space, and looking at capability expansion as well as some geographic expansion.
- CA Arun Mahosi:** And, whether anything in pipeline, regarding these acquisitions?

- Rahul Arora:** Acquisitions are core to our business strategy. We acquired eight companies last 10 years. So, we are always in an active conversation and have a pipeline. You have probably seen from our track record, we tend to acquire businesses that were number one or number two in this space at some point in the journey. And we help them find their core mission again. So, we are very selective in what we acquire. Having said that we are always highly active in conversing with opportunities.
- Moderator:** The next question is from the line of Ajay Kapadia from Motilal Oswal, please go ahead.
- Ajay Kapadia:** It is very good that you have started giving some guidance in the con calls because I properly remember that we didn't use to give any guidance, before.
- Rahul Arora:** Yes. I think what we are sharing is more broad level guidance, what we expect to see in the next two or three years. And that's consistent with our overall approach.
- Ajay Kapadia:** When I met you at the AGM we had discussed that with all the resources acquired from companies in the last couple of years, first target was that we should reach a turnover of INR 450 crores. That is a bare minimum target, which we could achieve with whatever we have. From there onwards, we have stretched a bit more and got more out of these resources. So this year it looks like the base target will surely hit. I just wanted to know from that level how much more can we grow with the same resources.
- Rahul Arora:** Yes. Like I was explaining, this business has a significant operating leverage. There's at least, 20% to 30% growth that can be arrived at from the same level of resources.
- Ajay Kapadia:** I just missed the opening comments from the person who spoke after you. You said that the next year would be a good year. Which segment from the 4th quarter will have business from a new client? I just missed that part.
- Rahul Arora:** Yes, sure. So, what we spoke about was that the question was around, how do you expect the business to grow? And I commented that, the content solutions business has been growing at a clip of 12% over the last couple of years and we expect that to continue or even do better. For the eLearning business, we expect growth to be between 15% and 20%. And the last comment was on platforms, where we're seeing a revenue slide, because we acquired a business that was going through revenue slide. That Revenue will stabilize by Q4 and we expect the business to bounce back, growing at 10% to 15% next year. That is the platform business, which is predominantly HighWire.
- Moderator:** The next question is from the line of Sachin Makhwani from Param Capital, please go ahead.
- Sachin Makhwani:** My first question is, I wanted to understand the off boarding of a few clients you mentioned about in HighWire, which impacted your platform business. What is the size of those clients? Are they really big clients and have they moved to competitors?

Rahul Arora: Yes, lot of this was information was in fact available to us right at due diligence. We were presented with customers that had already served notice, customers that were at risk and customers that are dissatisfied. Those serving notice, of course they were off boarding. Typically, in the platform business, it can take anything from 6 months to 18 months for a customer to off board. What that typically means is that you keep accruing revenue until they off board. The second type of customer that I talked about, were customers who were the kind of at risk. We have seen some of them move on in the first three months of the acquisition. So, in 2020, we received notice. Then there was third category, which was a dissatisfied customer category. I am pleased to report that in 2021, we really have not lost customers. It's really been what we carried forward from the previous ownership. So, we have gotten support and delivery in great shape. There was a strong issue with capacity in the HighWire operations and we scaled that up and been able to solve for that. In terms of the type of customers, it's a pretty unique mix. HighWire has lost some big customers, pre-acquisition, which was shared with us during due diligence of HighWire. We also lost some mid-size and small size customers right after the acquisition. In the first three months, they were kind of at risk. In terms of where they are moving again mostly it's a combination of moving to competitors, as well as moving to publishers. So, often what value proposition we provide is we offer a platform that allows for midsize publishers to be independent. So, not for profit type organizations that have a mission, the platform allows them to be independent. But if their business model is not doing well, they also look at the opportunity to entirely outsource their publishing program. If I am a society of physics, I could choose to outsource my entire publishing program to a large commercial publisher. There are some customers who have chosen that route where they've outsourced the entire publishing program to a commercial publisher. Of course, then there is an opportunity to work with a commercial publisher directly from our perspective, but that is the dynamic. Either moving to competitors or aligning and outsourcing the entire program to commercial publisher.

Sachin Makhwani: How has been the performance of platform business except HighWire?

Rahul Arora: So that business is doing very well. In fact, our Think business is growing and other products are going as well. So, minus HighWire, business is growing.

Sachin Makhwani: Approximately what would be the growth trend rate like excluding HighWire?

Rahul Arora: About 10%.

Sachin Makhwani: And in the eLearning business, the quarter-on-quarter decline that we've seen, this is also driven by seasonality, is it?

Rahul Arora: The eLearning business is in fact growing. So, having said that, in fact all lines business we have some seasonality, of course the degrees are exaggerated within content and eLearning. So our strongest quarter for both these lines of business tends to be Q3. It's a combination of customers trying to meet year end budgets and customers also trying to launch a new product

for the new year. So Q3 tends to be our strongest quarter, followed by Q1. Because as a management team we like to get off to a good start. So Q1 tends to be a strong quarter for us and then Q2 and Q4 tend to be similar. There is definitely seasonality, but different degrees depending on which business segment. The most exaggerated in the content is eLearning business.

Sachin Makhwani: Lastly, in terms of inorganic, are there enough opportunities out there in the eLearning or platform place to scale the verticals up further?

Rahul Arora: Absolutely. There are lots and lots of opportunities. In our space, we have seen lots of transactions being closed. Yes, this is a hot space right now for M&A activity.

Moderator: The next question is from the line of Rahul Jain from Dolat Capital, please go ahead.

Rahul Jain: I would appreciate if you could share your long-term strategy in the learning side of the business. As we see the industry growth rates have been quite robust, for the last several years. Somehow, the way we have kind of realigned our business, we are yet to see that. In what part of the pieces within your existing business, things are doing well? When can we see the entire portfolio match up to 10% to 15% kind of a growth rate on a sustainable basis and what would drive that?

Rahul Arora: Yes. Thanks for your question Rahul. As you rightly pointed, over the last five years, we have really been trying to build a more diverse and complete business. We have moved on from being an India-based content services provider, where the fundamentals were driven on wage arbitrage, to an end-to-end global learning and platform solutions provider, where our value is really focused on creating value for our customers rather than just providing cost efficiencies. From our perspective, this year is the first year of that, where our growth since last year was kind of an inflection point. During the Pandemic, we were able to significantly differentiate our content business from other providers. While our eLearning business was soft, we were able to add lots of new logos, diversifying our customer base and on the platform side we had this opportunity to acquire HighWire press, which was incubated at Stanford University 25 years ago. A lot of great IP and brand equity with that brand. We finally ended up with a very rich business mix of content, learning, and platform solutions. We feel that this mix in its current form is optimal, where we were able to provide our customers with a complete, product and services side. Of course, our mission as a company is to help make learning smarter, how we help make learning smarter changes from business segment to business segment. On the content side, we enable smarter learning through more unique product, but also with unprecedented cycle times, so helping publishers improve their time to market. On the eLearning side, we help make learning smarter by providing experiential and immersive learning experiences. On the platform side, we really allow our customers to provide customized experiences to each of their learners as they go through the learner journey. So, to answer your questions, I think we are in the year where we will start to start now seeing stable year-on-year revenue growth and given the operating leverage significant margin expansion as

well. So, FY22 is our first year of that phase, we're calling it the Time to Thrive phase and with all of your support, we've been able to achieve this over the last five years. Like the last five years has really been about building an organization that can unlock the opportunities available and we believe that we are there yet already.

Rahul Jain: So, since somehow these things are now finally coming into place. Also if you see IT services would not be apples for apples. But as you see there is an overall thought process of acceleration in the growth. So, what kind of opportunity, what kind of growth rates we could chase FY23 onwards, on a longer chart and will that kind of an acceleration thought process continue till FY26-FY27?

Rahul Arora: The acceleration thought process for us is really strategically finding ways to reduce the distance between us and the end learner. And, we are doing that now through increased revenue coming directly from educational institutions. Having said that, we want to do it in a B2B way because that is our DNA. We are trying to reduce the distance between MPS and the end learner, through a B2B model. We have had now, at least three universities that we have on boarded in the last couple of years that have revenues above a \$500,000 and growing. So that is one lever. The other lever of course is publishers are also now becoming more hands-off allowing us to work with the end customer more directly. That is where we see the acceleration is coming from and where strategically we are stepping forward, in the value chain, reducing the distance between us in the end learner. From a growth perspective I have already shared, on the content side we've been growing at a clip of 12% for about the last couple of years. We expect that to maybe continue or get better. On the eLearning side I think we will see some significant growth till we get to INR 150 crores which is the level at which we will then start to see more normal growth at 10%- 12%. But till we get INR 150 crores, we will probably see higher clip of growth in the eLearning business. On the platform side, while growth will be slower 10% to 15% because it takes time for customers to switch from one platform to another platform, from a long-term perspective and customer lifetime value perspective, it is very high quality of revenue.

Rahul Jain: Just a very small clarification on the platform side. When you say platform growth can be upwards of 10%, this we are saying on the total platform business, and it will also take care of any unforeseen, maybe clients kind of an issue, which maybe they are possibly in HighWire or you think that is behind us now?

Rahul Arora: Most of the HighWire issues are behind us. We already know which customers had to leave, who is about to leave. They have served notice. Those issues are kind of behind us. Like I said, Q4 FY22 platform revenue will stabilize, and then grow from there.

Rahul Jain: Lastly, on the supply side, are you facing any challenges per se where attrition is getting difficult to kind of filled-in. This issue in my view could be much lesser for you, but the talent availability in those markets also be of a different silence. That is one, and secondly what could be the impact on the profitability because of that and since all the business will come

back to a more stable growth trajectory, can we see our long term aspiration of segmental profitability at least in second half of FY23 if not in first half?

Rahul Arora:

To answer your first question on talent, I think we are in a very unique space in the sense that we have chosen a fairly different strategy, where, we have about 2600-2700 employees across the globe, 2500 odd from India. In India, we are present in seven different cities. Normally in our space with company having same headcount as ours, you will find maybe two, maybe three centers, at most. You rarely find companies that operate across seven cities just for 2500 people. That is a strategy that has come to us that we have inherited, because we have grown through acquisitions. But, we have sustained it because it has always helped us in environments where there could be talent spikes or shortages. So, in terms of attrition, I think what we're seeing is that last year in 2020, during the Pandemic, we almost had no attrition. This year we are going back to the pre-planned Pandemic attrition level. So no significant change from pre-Pandemic, because of this unique setup where we have 7 centers in India, we have 3 centers in Europe, 5 in the US. So we are fairly spread out, which allows us to deal with local challenges. Of course, in India, Dehradun continues to be a unique lever for us where our Dehradun head count is growing as a proportion of the total head count, which helps us maintain our operating expenses. In terms of, like I was describing on the margins, given the operating leverage available in the business, if the business keeps growing at 10% to 15% as we are visualizing, we will see margin expansion step up, in a better proportion than the revenue.

Moderator:

The next question from the line of Ajay Goel, an Individual Investor.

Ajay Goel:

My first question is regarding the pay-out policy. If you can talk little about what is the board's or your line of thinking on the side of the buyback, which is 85 crores. I mean, it's more than the pack we ever made. If you can talk about how you arrived at this figure of 85 crores as a pay-out that will be very helpful.

Rahul Arora:

Good question. So, just to give you overall thought process, we want to make sure that our business is focused on our core competency, which is to help make learning smarter. On the cash side, as our margins are growing, we are accumulating cash and honestly, cash management is a significant distraction for us. We want to focus on our core business. What we projected out is that what we need really is INR 100 crores to 150 crores in the business, which enables us to grow. So, if we look at our acquisition strategy, our largest acquisition was at a size of INR 74 crores, back in 2018 of Tata Interactive. Going forward as well, I think we can expect this number to grow by 30%-40%, but nothing more significant than that. And, so given that our needs really are in the INR 100-150 crores range, basically post buyback will be closer to the top end of that range. That is how we decided to conduct a buyback of the size that has been recommended. So, that is the overall thought process that we want to have the management team focused on the core business. This INR 150 crores level of cash kind of allows us to pursue both our inorganic growth aspirations and reinvest into the business. In addition, if we do have an opportunistic play where we can pursue an acquisition of a larger

size, there are many different sources of capital given a strong balance sheet that we can use. Currently, we are looking more at acquisitions no more than INR 100 crores from an acquisition price perspective.

Ajay Goel:

That's actually very encouraging. My second question is that, I do not know if you have already answered it in some form, if you can talk about the cross-sell opportunities, between the different nine segments, because I believe that the rationale for these various acquisitions was we get a larger client base. So, if you can talk maybe in the last three months or six months that what headroom have we made, being able to or what has been the success rate in cross-selling of product to another client etc.?

Rahul Arora:

So if you look at whatever revenue growth we are achieving in the content and the eLearning business, half of that is coming through acquiring new customers and half of that is actually coming from cross-selling. What we have over the years done is, every time we acquire a business there are a certain sequence of events. First, the business settles down and we start making MPS level margins on the business. We consolidate the business into our operations. Second, we are able to sell the newly acquired capabilities because what we acquire. We do not look to acquire customers; we look to acquire capabilities and customers. Of course, we end up getting more customers as well. We are able to market and sell those capabilities to our established and mature customer base. That is the second phase. The third phase is when were able to take our incumbent capabilities and sell it to the acquired customer base. I think what we are seeing, in the last couple of years is in terms of cross selling is, we have been able to sell interactive services to the MPS customers. We are now also slowly seeing where we are able to sell the MPS services to the interactive customers. Then, the growth that we are really seeing or expecting in HighWire is where we are able to sell HighWire capabilities to existing MPS customers. So, I would say on the organic growth side, bulk of it over the next two or three years is going to be through cross-selling as you described. Strategically, we also are trying to invest in partnerships where we have at least four lines of engagements with our customers where we are selling at least 4 different products or services because we believe that number the number of 4 really enables a very strategic partnership between us and the customer. It creates some mutual dependency. That is an average number that we are watching. How many customers today consume at least 4 different products or services from MPS.

Ajay Goel:

So, in your opinion it is the relationship with your customer, as they reach, like what level of maturity? Is there significant headroom still available to cross sell as you say or do you think that it's pretty much tapped out?

Rahul Arora:

There is a lot of headroom, predominantly because every year we acquire new capabilities. So, if I look at our top five customers over the years, every time we have acquired a business in the next 12 to 18 months they have consumed the newly acquired product or service. Fundamentally, there is a strong level of trust between our core customer base and us. And, we only acquire businesses that expand our capability set and that will be valuable to our customer base. There is a lot of headroom. Whenever someone asks me a question - Where do you see

this business growing? Is this a growth business? Is it a mature business? My answer is also a question. Which is think about 20 years later, is there going to be more content or less content? And that kind of answers the question, because at the end of the day, as long as more content keeps getting produced, MPS is going to be front and center of that content development, production, and delivery.

Moderator: The next question is from the line of VV Rath, an Individual Investor. Please go ahead.

VV Rath: I assume most revenues are coming from the publishing segments. Is there a plan to get into non-publishing segment in the future?

Rahul Arora: Yes, absolutely. Thank you for that question. We started that drive back in 2018 when we acquired Tata Interactive, where we were looking at, like I said, diversifying a business over the past five years, both in lines of business and type of customers that we work with. Through the acquisition of Tata Interactive, we got into the whole corporate learning and development space. We work with over a 100 of the Fortune 500 companies in the learning sphere where we enable creation of learning experiences, both from a content perspective and technology perspective. That was the first level of diversification where we are now working with corporates. In the corporate space, our sectors are traditionally, like in most professional services firms, the corporate sectors that we work with include, BFSI, Healthcare, Travel and so on and so forth. Then, the other areas where we are looking to expand our portfolio are continuing education institutions. We have pretty much been doing this organically. There are also inorganic options that we are pursuing, but we have had some success organically as well as working directly with universities that offer continuing education or professional development. We have on boarded three customers, like I mentioned earlier, over the last couple of years in the north of \$500,000 in revenue analyzed. We are working to help them create custom learning programs for these professional development courses for professional learners. Absolutely, diversification has been a core theme for us and will continue to be the core theme for us. The two adjacent markets that we have kind of already gotten deep into, is, like I mentioned, the corporate space, as well as the continuing education market.

VV Rath: Is it possible to give a breakup of non-publishing revenue percentage currently? What we would aspire to be maybe 3 years down the line?

Rahul Arora: I would say still we continue to be about 80%-85% publishing. An aspiration of course, would be to have a split of 50%-50% in the next 5 years. That is the goal.

Moderator: The next question is from the line of Nilesh Shah from Envision Capital. Please go ahead.

Nilesh Shah: My question is a bit more strategic. I think you have been successfully, steered the company during some really tough times. I am just wondering that, is there any potential or scope for MPS to kind of look at the entire SaaS space? I mean, I believe of course our current platforms business is a bit of an overlap with the overall SaaS space. But given that we are an enterprise solutions company and with the Tata Interactive acquisition, we also have an expanding scope

of enterprises as our client segment. But I am just wondering that any thoughts which you and the senior leadership are looking at the space of SaaS. Is it like a relevant, not relevant for us right now? And I'm asking this question in context that a lot of successful Indian companies have been hugely successful in the space of late, especially including the listing of FreshWorks on the NASDAQ. My question is in context of the current environment.

Rahul Arora:

Absolutely. If you look at our platform business, 70% of the revenue is SaaS. What is unique is that we have about 8 different products in this space. Our highest revenue generator is at \$8 million in revenue. You can see how scattered we are in terms of our revenue from each of these offerings. Our largest competitor for any of these offerings is north of \$50 million in revenue. So there are a lot of opportunities available. What we have done really is that we have created these pods of teams where each of the products are led by a combination of a business leader, a product leader, and an engineering leader. Between the three of them, they are really focused on making these small SaaS space offerings into large offerings. We do not know today which one will be a jackpot, so we have eight different bets. We do not know which of these bets is going to be a \$100 million type of revenue, but we are definitely placing a lot of engineering, product management and marketing focus to pursue these opportunities independently. Ultimately, even if one of these bets pays off, it is going to be pretty significant for our organization. So, it is something we are actively pursuing, because, we feel this is going to ultimately be the future of the business. Because on the content and learning side, once we get someone on our platform, they tend to very quickly consume the content and learning services simply because, we are so integral to them because we are like their retail store, right? The platform is through which they distribute the content to the end customer. If someone is switched on to a platform, then for us to market content learning service is straightforward for them. So, for us this is a very important piece of our growth strategy. Like I said, we have 8 bets in this space and fingers crossed, that more than one or two convert in the next couple of years.

Moderator:

As there are no further questions from the participants, I now hand the conference over to Mr. Rahul Arora for closing comments.

Rahul Arora:

Thank you everyone for your thoughtful questions. We always enjoy these questions because it keeps us honest and keeps us stay humble and also allows us to pause and reflect on our progress, both on growth but also on strategy. Again, a very big thank you to each of you for the thoughtfulness that has gone into these questions, and I look forward to interacting with all of you on the next earnings call. Thank you so much.

Moderator:

Thank you. On behalf of MPS Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.