



February 18, 2026

Re: AMAGI/SE/2025-26/14

BSE Limited

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

National Stock Exchange of India Limited

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

Dear Sir/Madam,

Subject: Transcript of Q3 & 9M FY26 Earnings Conference Call.

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letters dated February 09, 2026 and February 12, 2026, we are enclosing the Transcript of Q3 & 9M FY26 Earnings Conference Call held on Thursday, February 12, 2026.

The said transcript has also been hosted on the website of the Company at <https://www.amagi.com/investors/quarterly-financials>.

We request you to please take the same on record.

Thanking you.

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

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

Encl.: As above

 **Amagi Media Labs Limited**
(formerly known as “Amagi Media Labs Private Limited”)
CIN: U73100KA2008PLC045144
Registered office: Raj Alkaa Park, Sy. No. 29/3 & 32/2,
4th Floor, Kalena Agrahara Village, Begur Hobli,
Bengaluru - 560076 Karnataka

P: +91 80 4663 4444 | E: info@amagi.com | W: www.amagi.com



Amagi Media Labs Limited

Q3 & 9M FY '26 Earnings Conference Call

February 12, 2026



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

**“E&OE” - THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO
RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON FEBRUARY 12, 2026, WILL
PREVAIL.”**

Moderator: Ladies and gentlemen, good day and welcome to the Amagi Media Labs Limited Q3 and nine months FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Baskar Subramanian, the Managing Director and CEO for the opening remarks. Thank you and over to you, sir.

Baskar Subramanian: Hi everybody, this is Baskar, Co-Founder, Managing Director and CEO of Amagi. And I have Vijay, our CFO as well in the same call. We're extremely excited to have you all as part of this today's morning presentation about our first quarterly results post IPO. Thank you very much for joining us. So, we would like to start with a small presentation for all of you.

If you go to our website, you would see an Investor Presentation as part of the investor relationship website web link that you would see there. I would urge you to download that, the Q3 one which we can download there and we intend to kind of walk you through that from an introduction of the company standpoint. So we'll do that right now.

If we look at it, if you go to Slide number 2 of our presentation, wanted to introduce Amagi. Amagi is a media technology software company, primarily working with TV channels, content creators, studios, news, sports producers across the globe. So that's our primary market that we really work with today.

Amagi's fundamental value that we add is to provide a single software platform on cloud infrastructure which covers what we call glass-to-glass, starting from the camera screen, the camera till the final screen where consumers watch content, we provide an end-to-end capability for our customers.

So this is primarily a B2B, a business-to-business business that we do today. And all of this is running on a public cloud software and we start doing for anywhere from production till the point of viewership of a customer, we pretty much manage all the software on the cloud. That's what we do as a company. And if you look at it, primarily we simplify the complexity for our customers in terms of running all their operations on a cloud instead of a hardware base of how to look at things, right?

Now, I'm extremely excited because this is something that we started ten years back as a journey in terms of building a new cloud vision and this is kind of come to fruition. In fact, we operated the Super Bowl just about 72 hours back for all of the US was watching content through an Amagi's infrastructure.

Super Bowl is like the IPL's finals for us which just NFL's football league in the US that we actually operated. As we speak, Winter Olympics is happening on Amagi's infrastructure, we do the Grammys, so we continue to do some of the marquee live events and live news content across all of US today and we continue to expand this in Europe and in the Asia Pac region as well. So that's the primary work that we do as a company.

Going to Slide number 3, just to give you context of how we look at our business, we segment our business into three units. The first one is called Cloud Modernization. This is essentially because this business is all about customers, TV channels who are actually moving their existing on-prem infrastructure which is all in hardware, data centers, people and real estate to a complete software environment which is what we do today with a lot of the large TV networks worldwide.

So that's our first part of the business what we call Cloud Modernization. The second part is what we call Streaming Unification, essentially where we enable our customers to distribute their content worldwide. The third part is we enable what's called Monetization, essentially enable our customers to make money through advertising.

We don't participate in the advertising ecosystem, we are not an ad network but we enable technologies which will allow our customers to connect with ad networks and make money in the process. So our business is always and this is the way we report our financials as well, you would see it as we move forward on this front.

If you go to Slide number 4, the biggest I think the biggest growth area going forward and the biggest investments we're making as a company is in AI. And I'm sure every company today is transforming and this is a big transformation happening in the media business as well, right? Media is going through one of the biggest transformation and AI is going to be a big, big lever for that.

What we see is the fundamental value for us at Amagi because we are a platform for our customers, we have a significant opportunity to go solve the cost of human cost in terms of productivity improvements that we can provide. And that is going to be the biggest opportunity for us. Amagi's already investing on an end-to-end capability and we are in we are in discussions with multiple customers, we're design partners and proof-of-concept starting to happen in our business already.

So we are very, very excited about the whole AI opportunity in front of us and this would be a significant opportunity for us from a TAM standpoint as well going forward. If you look at the market itself, the market that we play today is the television market where when we talk about TV, we talk about both traditional television transforming as well as the streaming television which is the big part of what we Amagi does today for example.

The biggest tailwind in this business for us is that only 10% of the TV channels have moved to the cloud. All others are in hardware and there are billions of dollars, if you look at it, almost 16.9 billion dollars of TAM is today sitting a large part in hardware. Only 10% is moved to the cloud and we see a significant opportunity going forward as this 10% moves towards the 100% over time. And that's the biggest opportunity that we're really following through today and this

would be the biggest tailwind for us as a company going forward and that's the future that we see for ourselves.

If you look at it, our customers are content creators. So what do they do? They take the content, drive this content and they want to take this content to as many people worldwide. So it's a global business, so they want to take their content globally worldwide. They want to distribute to as many places. Once they distribute it, more viewers watch their content, more advertising or subscription revenue that they can make, which in turn drives more content.

This is the flywheel of our customers and we're extremely fortunate at Amagi that we provide an end-to-end capability for our customers starting from taking their content into our systems till the point of enabling them to make money through the monetization efforts that we provide. If you look at it, these are the Northstar metrics that we track as a company.

If you look at the content that's coming into Amagi's system, it's continuing to grow. We have – 8,00,000 hours, that is 8 lakh hours of content that's coming into the system, which is almost 64% year-on-year growth that we've seen in this whole thing. Which essentially tells you that more content that people customers are trusting us with more and more content, which drives the larger part of the business for us.

So it's a very it's a leading indicator fundamentally for us to kind of track internally. We're reaching more places in terms of deliveries that we're delivering today which is about 9,000 plus deliveries that we're doing. We're actually getting to distribute in 408 locations and platforms that we're actually distribute today worldwide in about 40 plus countries that we continue to do that.

And if you look at the ad impressions that we've delivered, we've delivered almost close to 13 billion impressions over the last quarter, which is almost 60% growth in year-on-year. All in all, directionally the numbers look good for us and we're very happy with where we are from a numbers standpoint and what we see going forward as well.

For next Slide and Slide number 7, I'll ask Vijay our CFO to provide a commentary on how the financials existed in this particular quarter and what we see going forward as well.

Vijay NP:

Thanks Baskar, good morning everyone, this is Vijay. Like Baskar highlighted we had some leading sort of indicators that were pretty healthy. Now we are going to talk you through how these manifested in our financials. So I'll start off with revenue then move to margins and wrap with cash.

So on Page 7 if you look at the graphs on the left side, for the first nine months of FY '26 revenue grew 30% year-over-year to INR1109 crores. In Q3 revenue increased 22% to INR404 crores. We saw pretty much secular broad-based growth across all the three segments that Baskar highlighted a few slides back. Just want to highlight a couple of callouts with respect to Q3 growth.

One is that the quarter benefits from seasonal strength given holiday advertising flows. And two is on Q3 year-over-year growth due to accounting recognition, revenue from one of our top five

customers was fully recognized in the first half of FY26 whereas in FY25 it was spread across all four quarters. Because of this, first half of FY26 looks stronger while Q3 and Q4 growth rates will appear softer. This is just a timing impact and does not change full year revenue or demand, right? So overall good story on revenue.

Turning to the costs on the right side of the page, we've got three primary cost buckets. Employee costs, communication costs and other operating expenses. Communication costs primarily reflect cloud infrastructure as our software runs on public cloud platforms and is largely linked to revenue or scales linearly to revenue.

Employee and most other costs are fixed or semi-fixed in total, right? So in total approximately two-thirds of our cost base does not scale linearly with revenue. This structure kind of allows revenue to grow faster than total cost. So for the first nine months if you look at it, our operating costs grew 17% against a 30% revenue growth and in Q3 costs increased only 14% versus a 22% revenue growth, right?

So the key takeaway on this slide is that revenue growth remains strong and broad-based while costs are growing at roughly half that rate. So that difference as you all know is the operating leverage that we see in the business and you'll see that manifest in some of the margin expansion that we'll highlight in the next slide.

So we move on to page eight. So this page has all the detail on the margins. As we highlighted on the previous slide operating leverage is clearly translating into bottom-line expansion. In Q3 if you look at adjusted EBITDA on the left hand side, it doubled year-over-year to almost INR58 crores with margins expanding to 14.3%.

For the first nine months EBITDA reached approximately INR116 crores with margins at about 10.5% reflecting sort of improved flow-through as revenue scales. At the PAT level the progression is sort of equally visible if you look at the right hand side Q3 PAT increased to INR31 crores with margins at about 7.7%. For the nine month period PAT was at INR37 crores.

There were some timing and one-time items in the quarter like we discussed earlier, including the seasonal effects. If you normalize for these, we view steady state EBITDA margins at approximately 10% which we believe is more sort of representative indicator of the underlying profitability in the quarter. The key takeaway is that you know we are demonstrating that our growth model is significantly flowing through to operating leverage and is inherently sort of margin accretive, right?

If you move on to the next page let me turn to cash here. This slide sort of walks through the conversion from EBITDA to free cash flow. In Q3 adjusted EBITDA of INR58 crores translated into an operating cash flow of INR124 crores and a free cash flow of INR118 crores after roughly INR6 crores of capex. The conversion in the quarter was supported primarily by improved collections and a little bit of working capital normalization.

For the first nine months operating cash flow on underlying basis was INR47 crores, reported cash flow was negative INR76 crores primarily due to one-time IPO expenses and buyback related to ESOPs in the first half of the year. Free cash flow also was negative INR96 crores

driven by those same one-time items that I highlighted which impacted the first half. We ended the quarter with about INR803 crores of cash and investments on the balance sheet.

We went public in Jan, so this balance does not reflect the primary raise that that we had in Jan. So to sum it all up we had strong double digit growth in revenue backed by expansion in margin and you know that pretty much is a wrap on the financial slide.

Before I hand it back to the operator just a reminder that in our IR website under quarterly results you'll see a shareholder letter which has detailed sort of Q&A on each of these items which provides a more comprehensive and holistic update. But in the interim for any live Q&A I'm going to pass it back to the operator so that we can start queuing up the questions. So, operator back to you.

Moderator: Thank you sir. We will now begin the question and answer session. The first question comes from the line of Vivekanand from Ambit Capital. Please go ahead.

Vivekanand: Hello, thank you very much for the opportunity. I have two questions. The first one is on your customer acquisition. You have added 40 plus customers in the last year and this seems like you have seen some growth acceleration as far as customer count is concerned. What are the factors driving customer addition acceleration during the current quarter and how should we think about it say if one takes a two three year view on customer addition? That is question one.

And the second question is the gross margin that you have in this business. You commented on EBITDA margins 10% being the number that one should look at as a guiding post. Thanks for that. Just to understand this better how should we think about the build up of this 10% coming in from say gross margin and other costs? Thank you.

Baskar Subramanian: Thank you very much for the question. This is Baskar. I will address the first part of your question primarily in terms of customer addition. Just to give you context right again, our business is largely a vertical market business, essentially working with only the media and entertainment customers worldwide. So it's a fairly concentrated set of customer list that we really go after fundamentally.

I would like to highlight couple of things that you need to look at right. One is if you look at it the market transformation is starting to happen. Then I talked about Cloud Modernization and we seeing acceleration of that trendline of customers wanting to move to the cloud. I think that's a clear trendline that's driving some of the customer acquisitions that you're starting to see number one.

Number two if you look at it is obviously streaming is become larger. We are starting to see outside of the US starting to see progressions, be it in Latin America, being seeing it in Europe and in Asia as well. As we starting to see acceleration of customers wanting to move to streaming platforms and actually starting to build their own streaming capabilities from a business standpoint.

That's a second biggest leverage that we see from a market standpoint. And all of this if you look at from Amagi's standpoint if you look at our sales cost in the S&M is pretty much consistent.

So we've not really dramatically it's not unlike a horizontal SaaS businesses, Amagi's business a vertical business which essentially means with the same amount of sales teams we're able to deliver more efficiencies going forward.

Why is the health of the logos important for us as we kind of move forward in terms of number of logo acquisition is if you look at it ours is an net retention driven business, NRR based business and we had actually talked about 127% NRR last half year that we actually demonstrated and we continue to see that as the important trendline.

Now as customers more and more customers come in these are our foundational customers for the next two to three years for us. So the health of both we track as a company both the NRR metric and the number of customer acquisition that we're making which is a good balance as we move forward to maintain our growth and profitability. That's directional call that we take as a company today. I will hand over to Vijay for providing you an EBITDA commentary on that.

Vijay NP:

Yes. Thanks Vivek for your question on the gross margin EBITDA just one clarification, the 10% is not our steady state in fullness of time. The 10% is you know for the 14% that you saw in the quarter, we believe if you exclude the one-time sort of tailwinds that we had, we think the steady state for this quarter is around 10%.

Now you had asked about the building blocks of where this would come from if you think about in fullness of time. If you look at vertical SaaS companies worldwide or software companies worldwide you'd see that you know they operate at scale at about 25% sort of margins. And the reason they do that is because a lot of your growth is land and expand so you get into a customer and you start growing.

In our DRHP you'll see that we have roughly 45% of the top 50 media and entertainment companies. So, we've seeded a lot of these costs both on sales and marketing and R&D and as these customers continue to grow and because of our NRRs being healthy, these costs don't scale linearly to revenue. So you see secular leverage across sales and marketing, R&D which is a good chunk of your costs and those would be the sort of two primary areas from which you'll start seeing leverage.

Vivekanand:

Okay, understood. Just a couple of follow-up questions. Would you be able to disclose the million plus clients which I think you had disclosed in the DRHP and any further color on the growth of the top 10 clients or say top 5 clients, whatever you wish to provide?

Vijay NP:

Yes, so on the million dollar annual revenue number it's -- because it's an annualized revenue number. So we found it more meaningful to disclose it on an annual basis, not on a quarterly basis and we'll be making that disclosure when we do the FY results. On greater than -- on the top five customers growth it's not a specific metric that we've disclosed and at the right time we'll make that available, but it's suffice to say that our overall sort of arc would be reflective of the growth that we are seeing in the top 5 or top 10 customers.

Vivekanand

Okay. Just one small feedback if it is possible to include some more metrics in the KPI sheet like headcount broken across say sales and tech and others. I think that that is a metric that we would like to track on a periodic basis as well, if you can include that in your KPI disclosures. I

saw the shareholder letter has an annexure KPIs, but if you can make it a bit more richer from our cost structure and productivity standpoint it will really help us? Thank you.

- Management:** Feedback taken Vivek. We will see what we can do to incorporate that.
- Moderator:** Thank you. The next question comes from the line of Kawaljeet Saluja from Kotak Securities. Please go ahead.
- Kawaljeet Saluja:** Hi, Kawaljeet Saluja from Kotak. Thanks a lot for giving the opportunity to ask a question. I have a couple of questions. First is for Vijay. Vijay your revenue growth seemed a little bit light, I understand the explanation that you had given. Let us say if you had to adjust for the timing difference of revenue from your top five clients, what would the underlying revenue growth have been for the quarter?
- Vijay NP:** I think we would be around the 25% to 30% range Kawal.
- Kawaljeet Saluja:** Got that. And when you track these numbers is it on a rupee or largely US dollars? So let's say if I had to just translate this into dollar numbers, what's the range that you are looking at?
- Vijay NP:** This is constant currency. So I think we wouldn't see much of a departure. So 25% to 30% is a reasonable sort of zip code to assume for that as well.
- Kawaljeet Saluja:** Got that. Second question is on the customer additions seems pretty good. What is the LTV to CAC and maybe a gross profit margin payback period if you can just give a directional sense that'll be very helpful in understanding some of those aspects as well?
- Vijay NP:** So Kawal this is as you can imagine we are limited by the amount of metrics we kind of disclose. But our model lends itself to scaling a good chunk with our existing customers, right? And that's why you see significant leverage especially in sales and marketing and other costs. And given the sticky -- I'll speak about that in LTV terms and CAC terms.
- Our sales and marketing is the biggest area of leverage. If you look at sales and marketing expenses as a percentage of revenue they've gone down from approximately mid 40% a couple of years back to about in the 30% range. So that's an area where we've seen significant leverage. On the LTV side given our NRR we typically and given the mission criticality of our platform our logo churn is very minimal, low single digits. So those metrics are healthier than what you'd see in the sort of top quartile, but it's not a metric that we officially disclose.
- Kawaljeet Saluja:** Got that. And just a couple of more questions one is on R&D, so that's an investment which is absolutely necessary given the current pace of changes. So what would your R&D spending be at a ballpark, I know you don't disclose that in your financial numbers explicitly, but if you could just give us a directional sense of what your R&D expenses would be and would that -- is that something which will keep on increasing or is that something on which you'll get a leverage given the investments that you've already made and help your margin expansion into the future?
- Vijay NP:** Yes so R&D is an area where we'll continue to get leverage Kawal. So I think when we disclosed the first half it was around 23.4. I think as of December quarter it's at about 21.8%. So we'll

continue to see leverage because of our platform strategy there. We -- that said we don't also capitalize any of our sort of AI expense it's all incurred. So on one side on the platform side we'll be harvesting R&D that will generate leverage and hopefully fund some of these AI investments. So long-term mental model is to continue to see leverage in that area.

Kawaljeet Saluja: Noted. The final question is for Baskar, Baskar there's an raging debate or rather not a debate. I think investors seem to be voting with their money on the future of SaaS business given the substantial progress on GenAI. Do you want to weigh in on this topic maybe with a specific focus on the relevance of Amagi at a time when the cost of custom build of applications may deploy may decline significantly?

Baskar Subramanian: I think Kawal I think first thing is I think AI we're extremely bullish about the whole AI wave that's starting to happen and for a couple of reasons Kawal. If you look at it as I really point out we're a vertical software company, where the deep understanding of the domain and the customer pain points is super critical here.

So it's not a -- it's not a custom application software that can be vite coded if you will. So clearly, there is a lot of technology from a domain understanding standpoint. It's not obviously we use a lot of our own tools for code generation, but if you look at it the key value that we see ourselves is because it's vertical.

We see a huge opportunity in front of us to be able to use the platform to demonstrate more value for our customers. For example already our customers are starting to adopt better tool sets in terms of agentic infrastructure and software that we providing to them so that they're able to deliver see much more human productivity value out of the systems.

And if you historically look at the media business, it's been a very capital intensive and more importantly human cost intensive business. So we see a significant opportunity in front of us to deliver better experiences for end viewers, but more importantly better human cost productivity for our customers. And we see that as a significant opportunity in front of us Kawal and I truly believe this is going to be big transformative for the media industry and for Amagi to lead that particular trend for our customers. That's the way I see it today.

Kawaljeet Saluja: Noted, thanks a lot Baskar.

Moderator: Thank you. The next question comes from the line of Manish Adukia from Goldman Sachs. Please go ahead.

Manish Adukia: Hi good morning, thank you for taking my questions and congratulations on the listing. I have a few clarifications from the shareholder letter. The first one when you talked about the negotiations that you saw with some of your largest customers, can you maybe help us understand is that in the regular course of the business where I don't know on an annual basis etcetera, there are price negotiations or is that like one off in how and what drove these renegotiated contracts with some of the largest companies that'll be helpful, if you can provide some color there?

Baskar Subramanian: Yes, I think I'll ask Vijay to go through the specifics. Just to give you Manish overall how we see this whole thing. So if you look at our customer contracts typically it's about three to five years. So literally predictability is kind of designed into the business both for our customers and for us. Because if you look at it lots of stuff that we do is mission critical software.

So essentially that that drives for need for our customers to get stability and for Amagi to get stability as well. So that's the way we kind of drive these businesses today from a from a contract standpoint. On specifically is it a specific thing that Vijay you want to address on the customer?

Vijay NP: Yes Manish to your question on whether it's routine, I mean we do opportunistically evaluate customers based on their scaling and look at. We do have the normal lapping of contract end dates, but with the top 5 customers and top 10 customers we constantly look at our sort of concentration and then try to make sure that both from a customer obsession standpoint and a commercial sort of feasibility standpoint and balancing the two.

We try to maybe sort of extend the contract for a longer duration because these are long gestation period contracts. The top five customers wouldn't be routine course of business. It's something that we've intentionally made a call to look at our concentration risk and de-risk that a little bit. Today it's at a good 40% for the top 10 customers. So that's a call that we intentionally make, but I mean what we are aspiring for here is making sure that we lock in long-term secure revenue instead of short-term optics on price increases.

Manish Adukia: Right. And maybe I don't think I fully got the answer to Kawal's question earlier. So did you mention without this impact you'd have grown mid 20s on a Y-o-Y basis? Did I miss hear that number?

Vijay NP: That is correct, Yes. 25% to 27%, Yes...

Manish Adukia: Understood, very clear. And the other big item revenue that you also called out if you can also explain that where you mentioned the timing impact from revenue for some of the largest customers what exactly was that?

Vijay NP: So the timing was mostly you know the first half of what we saw was one of our large customers we have a perpetual license contract. This is a grandfathered contract. According to Ind AS you've got to have an output method without getting into the technicalities of it the rev-rec for that is based on channel go-lives. Last year what happened was that the channel go-lives followed a pro-rata schedule through the year so all quarters were evenly balanced.

This year they came up in the more aggressive timeline to rev-rec all of the year's stuff in the first half of the year. So what that meant was that the first half of the year you know you had to dial down two to three points and the Q3 and in Q4 you'd have to dial it up three to four points in order for it to kind of make sense on a total basis. Does that help?

Manish Adukia: Yes, sure, thank you. And last question on this topic when you mention 14.5% reported adjusted margin versus about 10% underlying steady state. Of this 430 odd basis points of the various one-offs that you called out if you can maybe give like a qualitative pecking order of which one had the largest impact and so on.

- Vijay NP:** So one was the seasonality Manish on the revenue side and then we had a couple of I mean you'd see in our operating cash flow our collections was pretty robust as well in Q4. So some of our reserve rates on the ECL methodology improved but those would be sort of the two broad strokes and the biggest sort of tailwinds that got the four points delta.
- Baskar Subramanian:** And this is also the largest quarter for us Manish in terms of because it's a festive quarter across the globe I think given some parts of a business which gets a tailwind from advertising so this becomes a bigger quarter for us actually as a company.
- Manish Adukia:** Got it, very clear. The next question I had was on Managed Services if you can just maybe give us a rough sense of what proportion of your revenue now is Managed Services and maybe for the benefit of the broader audience on the call if you can tell us or remind us how is your Managed Services maybe different versus what typical services companies do?
- Baskar Subramanian:** Okay, I'll maybe I'll give a color to the whole thing and maybe you can get to specifics. But Manish largely if you look at it, we are a technology company. So essentially given our customer cohorts who are large enterprise to mid-tier enterprise customers who need it, we provide a thin layer of a service which is it's really literally a very, very small percentage points that I don't think we disclose that number but it's actually not even meaningful fundamentally from a number standpoint.
- This is essentially an idea is to kind of provide some sort of a human layer for them to kind of have because they are hundreds of millions of dollars of content passing through the system. So we need to be able to provide them some sort of a 24/7 capability so that they can feel comfortable because our SLAs are sometimes 99.99 to 99.9999, right? Almost like 6 9's reliability for example. So to manage that is where very, very thin layer. It's extremely I don't think even we track it internally in terms of the percentage because it's too small.
- Vijay NP:** Manish this is Vijay just to kind of add like obviously low single digits to Baskar's point but this is an area given our Cloud Modernization segment and the runway that we see there this is an area where with the help of AI we see some of the biggest sort of opportunity as well and so what is ahead is much larger than what we have today.
- Manish Adukia:** Very clear. Just last question would you be able to give any kind of let's say forward if not guidance aspiration of what next three year revenue CAGR may look like for the business and where do you think margins may settle over let's say a three year period at EBITDA margin level? Thank you.
- Vijay NP:** Yes Manish it's -- I'm sure you'd appreciate that it's hard to give prescriptive guidance at this point but our endeavour would be to kind of consistently deliver the growth rates that we've delivered over the last couple of years. And replicate the margin trajectory that we've seen over the last couple of years in over the next two to three years as well. Thank you very much, all the best.
- Moderator:** The next question comes from the line of Omprakash Kavadi from Avendus Spark.

Omprakash Kavadi: Congratulations to the management team for the public market debut and good luck for your future in this journey. Couple of questions. Firstly on the market. So if you just step back and then see how Amagi is positioned in the market with respect to the three segments um the Cloud Modernization, Streaming and Monetization?

Could you give me some color on how the market share has been for Amagi in the recent years and how do you think about that on a go forward basis and maybe a small bit of a color on how are we positioned versus competition where do we exactly differentiate? I have a couple of follow-up questions on that?

Baskar Subramanian: Yes, thanks Omprakash, thanks for that actually. Couple of things that you need to look at from our business standpoint, right? First if you look at it the three business units we talked about. One is Cloud Modernization, second is Streaming Unification and third is the Monetization, the marketplaces. If you look at the first part of our business, historically Amagi has built technology over a decade right now to be able to enable large enterprise broadcasters to move to the cloud.

Which I think is a significant barrier to entry for anybody, right? Literally the Amagi's kind of built it over time and built it as a cloud-first solution that doesn't exist in the world today, right? So literally Amagi's kind of leading that trend in terms of building one of the most complex and comprehensive solution for the TV networks to go forward.

And that has been the reflections that you see in terms of some of the largest media companies today running their Winter Olympics or a Super Bowl or all of that that you see today is because of that trendline of what the technology has been able to deliver for our customers. So that's a big moat for us if you look at it Omprakash.

The second thing that's happening in the streaming business if you look at it is Amagi again starting 2017 was a pioneer in providing ad-supported models and streaming television technology for the whole of US for example that we started. We continue to be a dominant player in that particular business and we continue to as you've seen the number of distributors, we were at 350 plus distributors around the DRHP and RHP filing to what you see right now is about 408 distributors that we're actually supporting today for example.

So we continue to be aggressive in terms of taking our customer content and be able to deliver and distribute worldwide globally. And that's a continuing trend that we see. The third part in our growth that you would have seen again is the number of impressions of ad impressions that we delivering, which has been a record growth that we continue to see as well in terms of 60 percentage plus growth over the last year to get to 13 billion impressions.

So all in all, I see that we have a very well-rounded growth trajectory that's kind of starting to play out and that's essentially because of the platform strategy which has been consciously taken by the company. And what I mean by that is the glass-to-glass strategy. Our customers want to gravitate on a single vendor who could actually provide them their whole mission critical platform from an end-to-end standpoint.

And Amagi continues to deliver on that particular promise. And all the innovations in the AI investments we're making right now is to strengthen and fortify this and maybe supercharge our

customers in terms of human cost reduction. So that's the future of how we see it. We continue to see grabbing more and more market share from our competitors. Our competitors come in two buckets, one is traditional hardware vendors who are moving to the cloud.

These are the companies which are publicly listed 50 plus years in the business continue to kind of transform. We have a second cohort of customers who are cloud competitors who are cloud first who are coming in, but albeit small from an Amagi standpoint and from the sophistication and the platform strategy Amagi is quite ahead in terms of the market position that we've taken. So that's where we are Omprakash as a company.

Omprakash Kavadi: Yes, thank you for the detailed color. The other question is on pricing and slightly connected to the previous participant's questions also. I'm more trying to understand I mean you already indicated in a shareholder's letter that there has been a renegotiation with one of the largest customers and all that stuff, but has there been any phenomena where with respect to the recent advancements what we are seeing with respect to technology be it AI GenAI whatever name we may give it to.

Has there been some pressure on the pricing with respect to the workflows what we get involved into with respect to these advancements in technology in general, not just the large customers or the mid-tier customers?

Baskar Subramanian: Not really anything specific that I can call out Omprakash. At least for now we've not had any conversations related to really in this particular direction of thought process right now. And obviously we'll keep you updated as we see progress but nothing really that I am aware of that that's come to our notice fundamentally. The second part if you look at it is in terms of price again see we serve a mission critical part of an organization's operations.

So essentially here price is important but that's not the only driver for our customers. Our customers really look for reliable forward-looking partners who can provide them stability in their operating environments. So that's a big driver and obviously price comes next to that extent. That's the way our customers value this whole service and the business that we provide today for them.

Omprakash Kavadi: Yes, okay thanks. The last question is maybe probably to Vijay. So how do we think about the ESOP expenses going forward Vijay? Some color would be helpful on that?

Vijay NP: Yes, thanks for that question Omprakash. So I mean ESOP expenses is an area where we also have seen some leverage. So in Q3 FY '25 I think we indicated this in the shareholder letter that it was roughly 8.4% of revenue. That's gone down to about 6.6% of revenue. As a percentage of revenue given that revenue will obviously scale sort of quicker, we expect these to kind of be a little more tempered and follow the trajectory that we've seen over the past year in the coming years as well.

Omprakash Kavadi: Yes, thanks. Thanks a lot and again good luck going forward.

Moderator: Thank you. The next question comes from the line of Rishi Jhunjunwala from IIFL Capital. Please go ahead.

Rishi Jhunjunwala: Yes, thanks for the opportunity. Just one clarification on adjusted EBITDA margins so. Vijay, you said 14.3 has about like 4.3 percentage point tailwinds which are one off on the cost side and probably some seasonality related to it and so, one should look at it at 10%. When you say 10% is it also adjusted for the Labour Code provisions which is in the nature of 170 basis points in this quarter? And so effectively it is even adjusting for that or if we adjust that ideally the EBITDA margins would be like 11.7.

Vijay NP: So that adjusts for the labour Code provisions Rishi, you're right because we had to do a 1 time catch up. Also this is an evolving area where we are continuing to partner with our auditors and look at best practices to kind of pin down the size, but the short answer to your question is it's adjusted for that. We'd be able to provide clarity on the run rate impact of it as we go as things evolve in the subsequent quarters but -- right now it's embedded in that number.

Rishi Jhunjunwala: Okay so the 10% includes that it should not be 11.7.

Vijay NP: That is correct, Yes.

Rishi Jhunjunwala: Okay. The other thing is just in terms of how your business plays out through the course of the year right? So I think, if we really look at it in 1H our revenues were probably growing north of 30%. In 3Q in INR terms it has grown at slightly higher than 22%. So, just want to understand - - and these are year-on-year by the way, so ideally seasonality should reflect in there?

So just wanted to understand one, typically is there a sharp seasonality on a sequential basis that plays out? You said 3Q is stronger quarter? And secondly on a Y-o-Y basis do you see, the growth rates which direction the growth rates will go from here?

Vijay NP: Yes, so if you look at it, I mean over the last 2-3 years also we've hovered in the 25% to 30% sort of ZIP Code range Rishi, because there are some base effects due to one-off contract negotiations or a big event like, last year you had the US presidential elections, or Olympics and this year you have the Super Bowl.

So, our business like you said is not worth looking at quarter-on-quarter sequentially it's more year-on-year. Again this quarter if you look at it the 30% that you saw in the first half was amplified by sort of three points, because of the accounting adjustment that we spoke about. If you put that back here um you know that's the 25%-26% that you'll see in Q3.

To your overall question on seasonality intra year what we typically see is that 45% of our revenues kind of comes from the first half and 55% of our revenue comes from the second half. Of the 55% good chunk is in like 27%-28% is in Q3. So Q4 typically tends to be a slower quarter because a lot of the ad spends go to Q3. But that's how I would think about facing across the year in in terms of seasonality and mix in terms of revenue.

Rishi Jhunjunwala: All right, thank you so much.

Vijay NP: Thanks Rishi.

Moderator: Thank you. The next question comes from the line of Bharat Gulati from Dalal & Broacha. Please go ahead.

Bharat Gulati: Yes, hi sir, thank you for the opportunity. I just had a question on our Cloud Modernization business, just wanted to get a deeper understanding in terms of what exactly do we offer to our customers in terms of Cloud Modernization given that we're a SaaS platform and not a infrastructure as a service player, so we don't provide them with the raw infra that transform them to a cloud-native or a cloud-based company.

So do we help onboard them onto hyperscalers or preferred cloud providers and then transfer relevant workflows to our platform or just a deeper understanding on how that business works? Thank you.

Baskar Subramanian: Okay, I'll given in the interest of time I'll give a quick snapshot, but I think there's more information that we could it's on our website and others that you could look at Bharat. But again, just to give you context here right. Primarily if you look at it Cloud Modernization journey is for TV networks largely these are these are really mid to large enterprise TV networks.

Who have historically run their operations with data centers of their own running applications and all the software for their operating environments sits in that particular office or a real estate that they've actually owned.

Starting from, I'm sure you've seen an Outside Broadcasting (OB) van , which actually stands outside a stadium or what the news journalists today, for example, use example. So starting from that, a lot of things are owned and operated by the media companies themselves, which has been a pretty expensive proposition for them. What Amagi does is to replicate all of that operating environment, on a cloud software infrastructure. Yes, these are all running on hyperscaled cloud providers.

So our job is not a services job of modernizing them. So I would want to kind of call out that it's not a consulting or a service job where we're moving something from X to Y. That's not what it is. We are moving the operating environment so that we provide all our software, which replicates what they used to do on a hardware environment in their offices, now move to a complete on-demand infrastructure on the cloud where it actually happens fundamentally.

So we do not own hardware -- we don't obviously, we run on public cloud infrastructure, which is leased on behalf of our customers. So we are software companies running on the cloud, replicating the environment of an operating environment for our customers so that they can run these operations completely in a virtualized structure. That's the core value that we provide in the, in the context, also convert capex to opex for them.

So they don't need to buy for a 5 year amortization cycles today, for example, people don't need to buy hardware. So they actually buy on a subscription basis as they move forward. But you should look at it as a critical infrastructural component when they look at it from an operating behaviour standpoint for us. So it's not a SaaS application, a generic app application. This is an operating environment for them. This is almost like the ERP for the business, pretty much running the business on our software. That's the way to see this.

Bharat Gulati: Fair enough. So got that. So just a follow up on that. So typically customers who would come in as Cloud Modernization revenues for us would then convert to unified platform revenues going forward. Once we are on, they're onboarded to our platform. Would that be a fair understanding?

Baskar Subramanian: Absolutely Bharat. I think you're spot on that right. What is the first part of journey, right? People want to modernize themselves so that they can actually bring into the new world. So all our customers eventually have the journey of coming into the cloud with the fundamental motivation to go into streaming big time.

If you look at it the growth of every media business today is going to be on streaming. So that's the biggest journey that people are going through. Amagi is the only platform in the world today to provide a unified capability across their existing traditional operating environments moving to the cloud and eventually enabling them to stream to the new world and globally going across and be able to monetize. And that's the power of the platform that we're able to leverage today.

Bharat Gulati: Got it, sir. Just the last question in terms of margins sir. So typically even in the CNBC interview that you've given you said that margins will move up to typical SaaS businesses in that 25% to 30% range. So is this purely leverage that would come from, the employee cost going down as a percentage or would it also be our gross margins would see an improvement and if you can just help me understand how would that work out?

Baskar Subramanian: Directionally, if look at it right there, look at it, we have continued to demonstrate operating leverage in this business. And if you go back to our rendering prospectors, go back a couple of years, 2 and 3 years back as well, you will see that play out very thoughtfully. So this is not any artificial sort of infrastructure that the whole the business lends itself for operating leverage.

And you would definitely see for example both cost of sales and marketing and cost of R&D and gross margin directionally we've kind of proven it over time and you'll continue to see that in a directional point where percentage of revenue would continue to go down, right? That's the fundamental core operating leverage that the business will continue to happen.

Having said that this is not coming at some artificial cost of growth because I think as a company we want to in a longer term balance growth and profitability very, very kind of mindfully about this whole thing. And that's the reason if you look at it like what Vijay pointed out we don't capitalize anything and yet we have a good amount of R&D spend in AI that we continue to do because we believe that's going to be a big part of the future for our customers and henceforth for us as well as we move forward.

So we are I think we're quite comfortable with the investment thesis, the growth plan in front of us and the roadmap of what we're trying to continue to innovate on. And that that's the way I see it Bharat.

Bharat Gulati: Got it, sir. Really helpful. Thank you.

Moderator: Thank you. The next question comes from the line of Rohan Nagpal from Helios Capital Management. Please go ahead.

Rohan Nagpal: All right. Thanks for taking my question. This -- just a question on the pricing and the way it's playing out. So I think in terms of the metrics that you put out in terms of number channels going live, number of ad impressions shown etcetera, are that growth is much higher than the growth that we seeing in revenue?

So would it be possible to get a sense of how much of this revenue is coming from customers who have say perpetual contracts which is not linked to usage or output and how much of that is coming from say variabilized contracts?

Baskar Subramanian: Okay. Directionally if you look at it and I'll give an answer and then Vijay can give some details on that color to that right now right. So if you look at it directionally, I don't think anything to do the perpetual contract there's no such overhang in the system fundamentally, right.

What we show as metrics is the leading indicator of how the strength of the business is for example. And I would kind of urge you folks to look at it in that context where these are leading indicators of the strength of the business.

Now I was kind of indicating that if you look at it largely there is no overhang because of any perpetual license or otherwise here. All the metrics that we deliver as a Northstar for the company is largely leading indicators and obviously these are not reflective of what happens in this quarter. These are all things which we think will flow through over the next years that's coming forward and that's the way we see this whole thing.

Vijay NP: And, Rohan, just to kind of zero in on your question on got I think these to Baskar's point are leading indicators and they're not one-on-one reflective of like the price because there are other sort of layers in between in terms of yield, CPMs and other things and just contract duration and other sliding scales that that come into play before something manifests into revenue including the customer's own trajectory.

It would be suffice to say that a lot of our growth comes from customers adopting more products than pure sort of price appreciation if that's the question behind the question. We've been largely able to kind of hold price, but we are seeing a significant sort of uptick in in volume adoption which is what's driving the growth.

Rohan Nagpal: Okay understood. That's it from my end. Thank you.

Vijay NP: Thanks Rohan.

Moderator: Thank you. The next question comes from the line of Pratik from Bandhan AMC. Please go ahead.

Pratik: Sorry, hi this is Pratik from Bandhan AMC. Am I audible?

Vijay NP: Yes Pratik.

Pratik: Yes just quickly what's your indirect cost base normalized indirect cost base? Is it around INR240-odd crores is that a fair understanding? Just a clarification please?

- Vijay NP:** Our indirect expenses as a percentage of revenue is roughly just give me second.
- Pratik:** Maybe it will -- this includes by the way ESOP costs, so I'll have to remove that also I guess.
- Vijay NP:** Yes so it's around INR220 crores. Yes.
- Pratik:** Perfect. Okay. That's one. The second is just Baskar on the price reduction looks this is an enterprise grade platform right? I'm still slightly unclear as to why was this, I mean, why was there some bit of price cut or was it a retention strategy or just maybe you could obviously you've mentioned a bit on in the letter, but just if you could double click here would be helpful.
- Baskar Subramanian:** Yes, largely I think see one of the things I think for us from a business standpoint is longevity matters in terms of scale, right? So essentially we want to be able to have a quite a predictable growth and profitability curve as a company over the line next few years.
- And that was the reason and the high motivation for us is to get our customers to sign up for longer term contracts which allows longevity and continuity as well as predictability as we move forward. And that's been the driver for us in any of the decisions we make is largely driven by long-term needs rather than any sort of short-term benefit and we'll continue to do that as a practice across all our businesses points.
- Vijay NP:** And Pratik as customers kind of get to -- this is Vijay, as customers get to some sort of threshold scale we fold them into what's called an enterprise agreement, which are typically longer gestation contracts, 3 to 4 years. And as a result to Baskar's point, you're looking at lifetime value more than short-term optics of in-year price or per product price.
- This is normal business practice as I'm sure you're aware in terms of how software gets priced. So it's a matter of business and to Baskar's point, we want to be predictable, durable, long-term revenue growth company. So that that's a product..
- Pratik Mishram** So this is BAU, right? In the sense look maybe two, three quarters...
- Vijay NP:** Yes.
- Pratik:** All I was saying was this business as usual, right? Two, three quarters, let's say one of your clients becomes big and you again pass on somewhat or reduce the prices. That's an ongoing exercise right? There's nothing new in this?
- Vijay NP:** It is ongoing. What is unpredictable is the number of customers that will reach threshold scale in a quarter. That could be lumpy.
- Pratik:** Okay, okay. So maybe a lot of customers are...
- Vijay NP:** More customers reach threshold scale for us to do a lot more enterprise agreements. And in some quarter, just because of timing, you may not have as many customers. So that that would be the bumpy piece.

It is BAU in the broader, when you look at it in a trailing 12-month basis. But in intra quarter, that could be some ups and downs, depending on when customers hit threshold scale.

Pratik Mishram Last question is on acquisitions, right? Given the cash balance which you have, you called out acquisitions could be a strategy. Any broad markers which you can place as to what would be the guardrails for acquisition etcetera?

Baskar Subramanian: So largely, again, just to go from an M&A standpoint, we continue to -- we have a fairly active Corp Dev strategy in place. Obviously, we're looking at it mindfully as a company. Again, we don't do anything irrational.

Like the question is not for anything. We're not forced to do it tomorrow or in any sort of urgency to do it. We continue to see good opportunities coming by and we are actively involved in interactions and conversations across industry to look at explorations.

Having said that, do we have a kind of any specific in mind? We don't have right now. Obviously, as soon as we have anything that we would come back to the streets to kind of give indications. But today, we don't have anything which is kind of in the bag or close to any sort of acquisition today, but we continue to be active. I think we can give you more color to this conversation over the next few quarters as we kind of pan out the strategy and going forward. Today, we don't have anything active to tell you about today.

Pratik: Okay, fair.

Baskar Subramanian: Thanks, Pratik.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. I would now like to hand the conference over to Mr. Baskar Subramanyam, for the closing remarks.

Baskar Subramanian: Thank you very much shareholders and investors who kind of joined the call today. We are very excited about building a pretty long-term sustainable media tech worldwide leader from India to the world. And thank you for being part of this journey with us and hoping to kind of make it all successful for all of us. Thank you very much folks.

Moderator: Thank you sir. Ladies and gentlemen, on behalf of Amagi Media Labs that concludes this conference call. Thank you for joining us and you may now disconnect your lines.