



MPS Limited

A-1, Tower A, 4th Floor, Windsor IT Park, Sector 125, Noida
Tel: +91 120 4599 750

Ref: MPSL/SE/80/2025-26

Date: 19 November 2025

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot no. C/1,
G Block, Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051, India

Symbol: MPSLTD

ISIN: INE943D01017

BSE Limited

Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001, India

Scrip Code: 532440

ISIN: INE943D01017

Dear Sirs,

Sub: Transcript of the Earnings Conference Call inter-alia on the Un-Audited Financial Results of the Company for the Second Quarter (Q2) and Half Year (H1) ended 30 September 2025.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Conference Call, held on Wednesday, 12 November 2025, at 04:30 P.M. (IST), inter-alia on the Un-Audited Financial Results of the Company for the Second Quarter (Q2) and Half Year (H1) ended 30 September 2025.

The same is also available on the Company's website, www.mpslimited.com, under the Investors section.

This is for your information and record.

Yours Faithfully,
For **MPS Limited**

Raman Sapra
Company Secretary and Compliance Officer

Encl: As Above

www.mpslimited.com



“MPS Limited
Q2 FY’26 Earnings Conference Call”

November 12, 2025



MANAGEMENT:

MR. RAHUL ARORA – CHAIRMAN AND CEO, MPS LIMITED

MS. PRARTHANA AGARWAL – CHIEF FINANCIAL OFFICER, MPS LIMITED

MR. SREENIVAS T V – CHIEF OPERATING OFFICER, MPS LIMITED

MR. DAVID GOODMAN – CHIEF GROWTH OFFICER, RESEARCH & EDUCATION BUSINESS, MPS LIMITED

MS. ARCHANA JAYARAJ – CHIEF OPERATING OFFICER– CORPORATE LEARNING DIVISION MPS INTERACTIVE AND MPS EUROPA

MS. CHRISTINE MIRANDA – SENIOR VICE PRESIDENT, RESEARCH SOLUTIONS AND HEAD OF AJE, MPS LIMITED

Moderator: Ladies and Gentlemen, good day, and welcome to the Q2 and H1 FY'26 Earnings Call of MPS Limited. As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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 and CEO. Thank you, and over to you, sir.

Rahul Arora: Good Evening from Singapore, and a warm welcome to our Mid-Year Review and Earnings Call. Today on the call, I have with me Prarthana Agarwal, CFO of MPS Limited; Sreenivas T. V., Chief Operating Officer of MPS Limited; David Goodman, Chief Growth Officer at MPS Limited; and Archana Jayaraj, Chief Operating Officer of MPS Interactive and MPS Europa.

Prarthana joins us from our corporate office in Noida, Sreeni from Bengaluru, David from Austin, Texas, and Archana from Bengaluru as well.

Prarthana will kick off things in her opening segment today by discussing our robust financial performance. Then Sreeni will update us on our Research Solutions business segment. Sreeni will then hand it over to David to help you understand the drivers of the remarkable growth in our Education business. Archana will discuss the progress in our Corporate Learning business segments. Finally, I will provide you with an update on key strategic initiatives before opening the call to questions.

Let's get going. Over to you, Prarthana.

Prarthana Agarwal: Thanks, Rahul. Q2 FY'26 demonstrated strong revenue growth with stronger profit margins. Revenue of INR 194.44 crores was up 9.42% year-on-year, driven by healthy growth across the Research and Education verticals. EBITDA improved 13.03% year-on-year to INR 60.47 crores, reflecting continued operating leverage and cost discipline. PBT rose sharply by 43.92%, aided by operational efficiency gains and net exceptional income of INR 12.81 crores.

I would like to highlight the expansion of margins across all levels with EBITDA margins of 31.10%, which is a 99 basis points year-on-year increase. EPS stood at INR 32.67, up 57.3% year-on-year, underscoring strong earnings momentum and net exceptional income of INR 12.81 crores. We continue to maintain a debt-free balance sheet with total cash and cash equivalents of INR 117 crores as of September 30, 2025.

I want to hand it over now to Sreeni to discuss the developments in our Research Solutions business.

Sreenivas T. V.: Thanks, Prarthana. Our Research Solutions segment continues to drive the strong performance overall, and it's currently contributing about 61.5% of our total revenue in Q2 FY'26, reaffirming its dominant position in our portfolio. We achieved an impressive 18.32% Y-o-Y organic growth

in the segment, excluding AJE, which reflects deep engagement with STAR accounts and successful new customer acquisition. This growth significantly outpaced our headcount expansion, demonstrating enhanced productivity and effective AI initiatives. Despite some revenue softness related to AJE, margins at AJE continued to expand from 23.7% to 30.2% as we transitioned from Q1 to Q2 in FY'26.

Strategically, we remain focused on consistently improving performance for existing clients, strengthening relationships, and pursuing organic growth. We are actively attacking the market to acquire new logos and collaborating across the different business units within the Research Solutions business itself, from AJE all the way to HighWire, to amplify cross-selling opportunities. We also maintained tight control over manpower costs and are actively progressing on a comprehensive tech roadmap to enhance efficiency via AI. A key strategic imperative is advancing our technology focus areas to ensure nonlinear growth and to future-proof our business. This includes completely transitioning to AI-powered workflows, prioritizing AI and agentic AI models, removing any dependency on third-party production platforms, and scaling DigiCore Pro, expediting the roadmap for the Rubriq model (from AJE), and implementing new measurement frameworks. These concerted efforts would ensure that we continue to deliver engaging content at scale while driving sustained profitability and operational excellence.

I want to hand it over now to David to discuss the developments in our Education business. Over to you, David.

David Goodman:

Thank you, Sreeni. The Education Practice furthered the momentum from Q1 into Q2. In Q2, revenue grew by 52.4% and EBITDA margin grew from 28.8% to 35.6% year-over-year. All business units in the practice have robust yet varied drivers of growth, with AI being the common or recurring theme. From a market perspective, K-12, Higher Ed, and Professional Development are all firing for different reasons. AI-powered workflows have led to transformational growth in accessibility, translation, and digital transformation solutions. The major drivers of growth in the business include scope and volume expansion from existing customers, MPS tasting absolute success in vendor consolidation, acquisition of new customers, and broadening the presence in the value chain from publishing to schools, colleges, universities, and learning technology companies. The momentum is expected to carry forward into H2 as we enter the busy period of the fiscal year. The order book and opportunity pipeline are at unprecedented levels, indicating strong potential for future business. Existing customers continue to divert volumes to MPS for AI-enablement of their workflows. My team is actively pushing new solutions, leveraging accessibility requirements across various projects and continuously working on improving margins through efficient manpower and controlled outsourcing.

I would like to hand it over to Archana to discuss the progress made in our Corporate Learning business.

Archana Jayaraj:

Thanks, David. FY'26 has been a soft year for the Corporate Learning Business segment at MPS. Our share of total MPS revenue decreased from 17.2% in Q2 FY'25 to 11.3% in Q2 FY'26.

Similarly, for the first half of the fiscal year, its contributions fell from 16.8% in H1 FY'25 to 12.6% in H1 FY'26.

While the numbers have been challenging in H1, H2 looks more promising, considering some of the recent restructuring efforts. We have achieved a significant milestone in our corporate learning growth strategy, consolidating all business operations under MPS Interactive Systems Limited (MPSi), to build a unified and globally competitive learning powerhouse.

As part of this initiative:

- MPSi has completed the acquisition of the remaining 35% stake in the Liberate Group, making it a wholly owned subsidiary as of 28th October 2025.
- MPS Europa AG is in the process of being integrated under MPSi, pending regulatory approval, further strengthening MPSi's presence in Europe.
- To ensure strategic continuity and leadership excellence, Rodney Charles Peach, former promoter of the Liberate Group, has agreed to subscribe to a minority equity stake in MPSi through a preferential allotment of equity shares. He has also been appointed President of the Corporate Learning segment, effective 9th October 2025. While Rod is unable to join us today because he is attending a strategic Managed Learning Services pitch, he will join us at the next earnings call to update us on the progress.

This consolidation represents a pivotal milestone in MPS's journey to create an integrated, innovation-led, and geographically diversified Corporate Learning business, enhancing value creation for clients and stakeholders alike. With duplication reduced and delivery streams more integrated, we are now better positioned to handle sales without compromising on quality, especially for large multi-country deals. The new structure is also enabling greater cross-functional collaboration across geographies and sets the stage for more strategic high-impact opportunities in the quarters ahead.

I would like to hand it over to Rahul to conclude this opening section.

Rahul Arora:

Thanks, Archana, and thank you for the rich update team. Q2 results highlight several key achievements:

- A balanced revenue mix along with a resilient portfolio. Currently, the growth is being driven by the Education Solutions and sustained Research Solutions base, while the contribution has gradually moderated in the Corporate Learning segment over recent quarters.
- From a geographic diversification perspective, we are gaining traction in the U.K., in Europe, and the Asia Pacific as we diversify revenue beyond North America.
- We are also seeing improved efficiency. DSO has improved materially from 45 days in Q1 FY'26 to 37 days in Q2, reflecting enhanced collection efficiency and tighter working capital management.

We can now open the call to questions.

- Moderator:** Sure. Thank you very much. We will now begin the question-and-answer session. The first question is from Rahul Jain from Dolat Capital. Please go ahead.
- Rahul Jain:** Firstly, on the employee cost that has been reduced. And if you could highlight what could be the reason for that? There was a mention that we are using a lot of AI workflow, which is causing a lower requirement for people. So, if you could elaborate on that, is this run rate sustainable? And what more optimization is left? Secondly, there was a restructuring cost in AJE, and there was another exceptional item related to purchase consideration. So, any colour on that would be helpful to know how it could be treated going forward? Thank you.
- Rahul Arora:** Prarthana, I will hand it over to you to answer the data-specific questions, and I can cover the business questions around how is AI improving the margins.
- Prarthana Agarwal:** On the restructuring in Q2, the cost is around INR 44 lakhs. We have incurred this on account of manpower rationalization for our AJE business. In terms of exceptional items, we see a net number of INR 12.81 crores in Q2. This net number is an income of INR 13.25 crores, which is a write-back of the liability that we were carrying for the purchase of the balance 35% stake that is written back. This INR 13.25 crore is netted off with INR 44 lakhs of the cost of manpower rationalization, and that's how it is INR 12.81 crore. On a going-forward basis, this is a one-off. This is treated as an exceptional item because it's a one-time entry.
- Rahul Arora:** Prarthana, also on the Research Solutions business, the margins have improved. If you could provide details on where they have improved, and I can talk about AI separately.
- Prarthana Agarwal:** On the Research margins, if you look on a quarter-on-quarter basis, the margins have improved from 37% to 42%. It's a mix of two factors. So, one is our AJE margins have improved by 6.5%. And the balance, the non-AJE business, there the margins have improved by 5% on account of the overall operational efficiencies and the revenue increase. So, this blended mix is giving us an overall increase of 5%.
- Rahul Arora:** All the operational efficiency that is coming is through automation and AI. That's the first point related to Prarthana's point on the margin expansion through operational efficiency in research. With respect to Education, as David pointed out, there's been a remarkable increase in the margin profile of the Education business; the AI play here is quite significant. We did some analysis and found that more than 60% of the growth in the Education business is coming from AI-powered workflows or AI-powered solutions. And the second point is, historically, even at peak levels, the Education business has performed more like a 30% EBITDA margin level. So, the fact that we are seeing 35%-36% of EBITDA margin it's largely related to automation and AI. So, while the climb from 28% to 31% levels is more operating leverage, the climb from 31% to 36% is all automation and AI.
- Rahul Jain:** I could see the note to account for where we have given that breakup of INR 13.25 crores. What I was trying to understand is the reversal that happened to the other income. Is it settled, or will there be some more entries that will come into other income or exceptional, or are we done?

Prarthana Agarwal: If I understand you correctly, you're asking whether we've completed the exceptional entry for the acquisition. The answer is yes.

Rahul Jain: Please explain the reversal that happened to the other income. What was that related to?

Prarthana Agarwal: The other income part is about the Q1 adjustment that we have done. So, that's basically there was other income of INR 2.48 crores, which pertained to the Liberate transaction, because the transaction closed in the quarter, we just regrouped it to exceptional items.

Moderator: Thank you. The next question is from Ravi Naredi from Naredi Investments. Please go ahead.

Ravi Naredi: Rahul, I really appreciate this Second Quarter (Q2) results and am happy to know how you expand the margin, which is most important this time. You find a suitable partner in Australia, it is fantastic. So, you may give more attention to U.S. business. Secondly, the rise in headcount is always reasonably good. We now have 3,071, an increase of 11.5%.

My question is what we think the company should keep in hand, sufficient money, so we do not raise equity via QIP. Raising of equity is always there. You must understand this logic. If you remove the fear of raising equity, our market cap will rise substantially. Please understand this logic. Secondly, will we still have INR 1,500 crore top line for the financial year '27 intact.

Rahul Arora: Thank you so much for the insightful questions. To give you some background, we always have a robust acquisition pipeline. My corporate development team at any given point in time is looking at 25 to 35 targets actively, and we are in a unique situation where we have 5 deals that are lined up back-to-back, and it's more about closing one and going to the next. And two of them are likely to occur in proximity. Given the remaining time left this FY, we definitely will close one this financial year, if we are hyper productive and efficient, possibly even 2. So, there was this thinking that since we had 5 lined almost back to back, what would be the amount of capital that we would require? And that math was coming close to INR 600 crores. Therefore, we had armed ourselves with this enabling resolution that if we had to quickly deploy INR 600 crores, we would need some equity financing, because that would take us to the Vision 2027 fairly quick. We could then get to INR 1,500 crores in Revenue fairly quick, even ahead of FY '28. So, that was kind of the backdrop with which we had armed ourselves with this enabling resolution.

If you look at our net operating cash flow for the first 6 months, we are roughly at about INR 114 crores. We have improved the margins of the business, but our diligent finance team has now started to improve the quality of the business in terms of working capital management. DSO is now down to 37 days, and we are happy with the 45-day mark. The business is throwing up cash faster than it used to, apart from the margins increasing. So, where we have arrived at is that we are comfortable with, say, INR 200 crores of debt, given this net cash flow that's coming from the operations. And to answer your question precisely, the business should maintain approximately INR 150 crores of cash at any point in time. If you combine the INR 200 crores

of debt capacity with the INR 150 crores of cash, that gives us INR 350 crores, and we can comfortably target INR 300-400 crores of acquisitions over the next 12 to 18 months.”

I know this is a revised thinking, but based on encouragement from partners like yourself, and encouragement from other shareholders, this is a more mature and refined view where debt comes first, and INR 200 crores feels fairly comfortable on debt, and we will probably build up a corpus of INR 150 crores of additional internal cash before we start thinking of any equity financing.

As far as equity financing is concerned, I don't see it happening in the near future, to be completely blunt. It's not something that we will possibly be doing in the near future.

In terms of Vision 2027, it is intact. We are trying to figure out how to get to it faster.

Moderator: Thank you. The next question is from Navid Virani from Bastion Research. Please go ahead.

Navid Virani: Congratulations on a good result as well as a very strong commentary, which you just gave. My question pertains to the Corporate Learning segment. So, since the last few quarters, we have been looking at this segment as dragging the overall business down. At the same time, if I remember correctly, the initial commentary which we had was that we are looking to grow this business first, or maybe scale it up first, and then we will sort of go for margins. So, just wanted to understand your take on where we are on that journey of, a, first bringing in growth; and b, achieving margin later. So, that is the first one.

Rahul Arora: I will let Archana go first, more from a standalone Corporate Learning business. And then I would like to give a couple of points on how that syncs up with the overall MPS strategy. Over to you, Archana, please go ahead.

Archana Jayaraj: This year was intended to be the foundational year. And as we explained in the opening remarks, we are going through an internal consolidation, combining MPSi, Liberate, and MPS Europa. And the intent is very simple. It is to put together the strength of all three organizations, and also eliminate any duplications and bring in further delivery streamlining and cost optimization. And we are well past most key milestones of this restructuring phase, and the next phase is clearly the execution of the turnaround itself.

On the revenue side, we are, in fact, seeing strong conversion signals. There are several solid deals that are in late-stage discussions, positioning us well for a return to growth from FY'27 onwards. In the short run, for H2, we will see improved margin expansion. And we will see momentum in revenue expansion from FY'27.

In short, our delivery model is now consolidated and cost-efficient. We have integrated leadership and specialist capabilities globally, and we are also looking at tighter governance when it comes to sales and solution clarity.

One case in point is that we have an imminent project for an experience center, which is now worth \$1.1 million, up from \$850,000 that we had talked about earlier. This is slated to come in shortly, and that reflects our ability to win and scale strategic engagement. We are also conscious that we should not be chasing growth reactively. We are targeting the right kind of high-value opportunities with repeatable models behind them, and we are focused on long-term value creation.

Rahul Arora:

Thanks, Archana. Overall, we have had a bit of a stutter this year in Corporate Learning. That's in complete transparency and candor. It's not been the greatest year for Corporate Learning, and I would go back to the initial remarks that I made on the balanced and resilient business mix that we have had. If you go back to the last 7-8 years, we had periods where Corporate Learning was really the beacon of growth, and we have gotten into this short-term issue where we have run into a stutter. We remain bullish about the business. With Rod now actually buying into MPS Interactive, that shows the level of confidence as the President of the business that he has. Rod sold his stake in Liberate Learning, and he's bought shares of MPS Interactive with his personal money. That's how much belief a seasoned entrepreneur has in this business, where he's bought into a minority stake in a subsidiary of a public company.

We are drawing great comfort from that. The team is in great hands. We are in the process of combining all 3 entities. MPS Europa has still to be officially combined due to some paperwork. By the end of this year, all 3 entities would have been combined, and we will be operating as one common entity, attacking the market. In terms of the overall business mix, Corporate is now less than 10% -12% of the total revenue. And I expect over a period, as we get to FY'28, going back to the 20% level as the business grows. So, I would be remiss in saying I am inspired by Warren Buffett's farewell letter earlier this week that embraced mistakes. And if a person like him can make mistakes, we can too. So, we have had a stutter in this business, and we are going to bounce back strongly in FY'27.

Navid Virani:

Thank you for the clarity. I had one more question regarding the recent clarification. I mean, just a question back to which you gave. You said the team is in process of very advanced stages of closing, let's say, 5 deals. Now, looking at the current scale of operations and the current bandwidth that we may have, this can be too much to handle. So, my question is regarding the management bandwidth that we may have right now. So, what are your thoughts on taking in this kind of growth from a management bandwidth point of view?

Rahul Arora:

Good question. Let's break down the existing bandwidth and the new bandwidth. In terms of existing bandwidth for the last 2 years, the Board and I have been systematically building the top 3 levels of the organization. We mobilized a Torchbearer initiative, which includes over 120 people, and continues to grow, and the Torchbearers are all stock option holders. So, that's more at the overall managerial agility and depth perspective. And from a leadership perspective, we have had significant additions to the leadership team. We have Prarthana, who joined us as Deputy CFO and became CFO last year; Sreenivas joined us a couple of months ago as the Chief Operating Officer; David who was the CEO of a US competitor, first joined us as Managing

Director of North America, and is now the Chief Growth Officer of Research and Education business; Archana joined us as Chief Operating Officer Corporate Learning business; and now Rod is President of the Corporate Learning business. We have a new Chief People Officer who joined us.

Our senior leadership team is now 16 people from 7. That's the level of expansion we've carried out within the senior leadership team. In terms of my personal bandwidth, I basically have less work right now. I have delegated the Corporate Learning business to Rod and Archana in a box. The Research and Education business is Sreeni and David in a box, and we have obviously got the functional leadership, and then they have strengthened their teams. Hence, my personal bandwidth is allocated entirely to these 5 acquisition deals that are coming up. Unlike the past, where we acquired to operate, now, we are acquiring to grow. The new management team from these acquisitions, including promoters and the senior management team, is being extended. Four out of the five deals that we are going on right now are either staged buyouts, which will happen over a 3- to 5-year period, or have an earn-out component. My concern is not with the management team itself. The key focus should be on cultural alignment and how cross-cultural teams will work together, as this is likely to present the greatest challenge and opportunity. Management depth and agility are less of a concern.

With respect to culture, a large part of our consideration set today, beyond the financial levers, is the cultural lever. We are investing significant time understanding whether the two teams will be able to work together effectively. In fact, we have had situations where promoters of potential acquisition targets have wanted to speak with promoters of our past acquisitions, and similarly, we've been engaging with their customers and peers. So, yes, it's a well-structured and thoughtful process. Whether all five opportunities will materialize in the next 12 to 18 months remains to be seen. So, we are approaching this sensibly. The last time we executed two in a single year, which was Liberate and AJE, we managed them well. So, two in a year seems to be both realistic and achievable for us.

Moderator: Thank you. The next question is from Mahesh B., who is an individual investor. Please go ahead.

Mahesh B: Hi Rahul. My first question is on AI progress and MPS Labs. There was a mention of using AI agents in the Research Solutions. Could you elaborate more on that, and also the scope for the use of AI agents in other segments that you operate?

Rahul Arora: Sure. I will let Sreeni take that question. That's more his world.

Sreenivas T. V.: Thank you, Rahul. And thank you for your question. It's an interesting one, no matter which business you are in, but what we are doing is we are currently leveraging AI agents in our platforms business as part of the SaaS products development and maintenance.

As you all know, we have a suite of SaaS platforms that need constant feature upgrades and constant maintenance, and client-specific upgrades and implementation. So, we are leveraging AI agents heavily as part of the platform's business. We are also using Agentic AI to extend our

language editing AI/ML models for use in the post-acceptance part of the Research content publishing workflows.

While these are just a couple of examples, there are plenty that are in the works as part of the MPS Labs innovation pipeline. And our approach to AI and Agentic AI in specific is not a spray and pray one. It is more use case specific that are tied to actual customer outcomes and business value, and that way, we are very intentional in the way we go about investing in this area, and it sort of feeds into itself in terms of revenue growth and opportunities. But having said all of that, our primary focus would still be the enablement of our very strong team with deep domain expertise or the publishing industry expertise, and AI agents will continue to augment them in a way, so that they can amplify the impact of their expertise in the service of our client outcomes.

Maresh B:

Thanks for that response, Sreeni. My next question is on MPS Labs. Earlier, there was an intent to establish MPS Labs as an independent AI solution entity. What's the update on that, and is there any scope to enter any adjacent markets, based on the work done in MPS Labs?

Sreenivas T. V.:

We are growing the Data and AI practice within MPS Labs with a focus on helping clients build the right data foundation. A lot of people are bullish on AI and Agentic AI while forgetting the fact that for AI to be effective, whether Agentic or not, it needs a very strong underlying data foundation for the organization.

It encompasses data strategy, data platform engineering, focus on data quality and governance. All of these are services that are super critical for the data foundation, because then once you have the right foundation and the right data sets into this unified data platform, it just opens up immense opportunities for our clients to build data products and AI products on top of that, and go to their data roadmap with a product mindset, instead of building point solutions in each part of their organization and reinvesting and recreating the wheel over and over.

For example, we are helping a client with building a unified data platform to help launch new data products to their customers. We are also helping another client with redefining their data foundation strategy in the service of achieving their AI ambitions.

And I believe from my own background in tech services that our expertise in the publishing industry makes it easier for us to add technology depth than for a tech services provider to acquire deep domain expertise. That is just not easy at all. I mean, nobody can replicate the 5 decades plus of expertise that we have accumulated if they are just a tech services provider. So, we are deliberately adding depth in technology capability, not just in MPS Labs, which is continuing to be a major investment focus, but also across the rest of the organization, so that all of our solutions and delivery of these solutions for our clients are infused with tech and AI and this also gives us an edge over pure tech players, so that we can actually serve our clients across the end-to-end opportunity spectrum, which includes technology and digital and AI and Agentic AI-based transformation, and not just in the traditional publishing services. So, this is already underway, and we are seeing very early encouraging signs of this taking traction.

Moderator: Thank you. The next question is from Arjun Balakrishnan, who is an individual investor. Please go ahead.

Arjun Balakrishnan: Hi Rahul. Thanks for the opportunity. In the last call, you said you may give guidance for this year. Is there a chance to give guidance?

Rahul Arora: Yes, we decided not to give guidance. The numbers are looking strong. We are doing well. We don't see the value in terms of giving guidance. At this stage, issuing guidance doesn't meaningfully contribute to either revenue growth or profitability for the company. We have shared the bold vision for FY'28. Earlier in the call, I suggested that we are trying to figure out how to race to it rather than limp to it.

Arjun Balakrishnan: No worries. So, I guess you will not be giving guidance going forward. That's okay, I agree with that. But once in a while, you say you give guidance, and then I just wanted to make it clear that we will not be giving quarterly guidance, so that makes it clear, and my question doesn't come up.

The second question I had is, looking at MPS over the last few years, business has been good. I completely agree. But since, last 5 years or so, the institution holding has come down. I mean it's nothing to do with the business, I am sure, but it's just that the institutional holding, especially the Government of Singapore, for instance, has gone down on the stake gradually. Is there something that we can do? I mean, we cannot control that, but then are we doing enough to bring our business in front of larger institutions and help stabilize the holdings, so that it is good for our overall company?

Rahul Arora: Yes, Arjun, I agree with you. So, as managers, we can basically control the revenue and the EPS, and that's the focus. But in terms of visibility and presence, we were thinking of the QIP as a method to get an institutional investment. However, we also realized that pursuing this approach would dilute the value of the company. If institutional investors want to enter, I am sure that there are ways for them to enter beyond just a QIP. Therefore, we are not looking at the QIP process to get institutional investment anymore. In terms of visibility, my CFO and my Head of Corporate Development Division are attending more events. We have been attending events organized by firms in Singapore. We attended a Motilal event in Mumbai and an Avendus event in Singapore. I visit Mumbai 3 to 4 times a year. We are certainly active in the market. As operators of the business, our primary focus remains entirely on revenue growth and EPS.

Moderator: Thank you. The next question is from Abhilasha Satale from Quantum Asset Management. Please go ahead.

Abhilasha: Congratulations for the good set of numbers, and I hope to continue the improvement. So, my question is mainly about the acquisitions, what we are targeting. As you said that in the past, our focus was on operating, and now the focus has shifted to growth. Similarly, in the past, we have seen some integration challenges.

The gestation period for integration has been longer than we would have thought initially when we acquired the company. Some things have happened at AJE as well. When with our team and everything now put in place, how do you strategically position to handle those kinds of challenges, and therefore, integrate whatever acquisitions are coming for the future with a smaller gestation period?

Rahul Arora:

I will just quickly take the AJE one. AJE was meant to be a richer acquisition. We were supposed to buy the company for \$12.1 million. We ended up acquiring them for ~\$8.5 million. And the haircut that took place on the purchase price was the understanding with one of our strategic customers, who was going for an IPO, that it was probably better for us to right-size the organization rather than them, because they were in an IPO year, which, by the way, has been a very successful IPO for them.

While the integration period has certainly been bumpy, this was always expected, given that we undertook it in exchange for a reduced purchase price. What's important is that the integration has yielded significant strategic benefits. We have had massive spillover effects in terms of improvement of our relationship with one of the world's largest research media companies. Their spend with us is growing at 20%-25% now. Their overall spend is also up for grabs as they consolidate vendors. So, from a strategic objective, it has delivered.

From a financial perspective, we are looking at a payback period ~2 years. We knew what we were getting into with AJE. While it's not the typical distressed acquisition playbook that takes five years, we are looking at buckling down on AJE for three years before we start to see some remarkable growth. This approach is not fully in line with our overarching strategy, but an adjustment to it, because of the outsized benefits that came from it, both at an AJE level and at the overall MPS level.

In terms of the next phase of acquisitions, the next two that we are currently evaluating are in the Education space. And in both cases, we anticipate a loose integration model. What that means essentially is that things, common functions like finance, HR, IT, and admin, would integrate quickly in the first 90 to 120 days. But the business itself, the integration would really be more at the sales and marketing level as we try to cross-sell.

Other than that, these will be independent business units that roll up into the Education practice. We are not looking to tightly integrate them. We are looking to enter these and take over the non-business tasks from the founders and the management team, so that they can focus on the business and help them cross-sell into the MPS customer base as we sell our solutions into their customer base. I am not expecting anything beyond three to four months with these new entities.

Moderator:

Thank you. The next question is from Santosh Kondapuram from Funds Ve'daa. Please go ahead.

Santosh Kondapuram:

Thank you for the opportunity. And congratulations, Rahul, to you and your team for a great set of numbers, especially in margins. I wanted to understand the big picture macro environment, from the business perspective, like with the geopolitical tensions, or from the tariff perspective,

how is the business environment there? Are we expecting any slowdown in orders or in the demand for the services we provide?

Rahul Arora: Overall, we remain bullish about the FY'28 vision, and we are not seeing anything yet that suggests that there is a slowdown. Because of the current environment, the Education business, as David was describing, has started to grow rapidly. Typically, when you have a Republican party in the U.S., Education spending increases, because every state starts to develop its own curriculum. We have seen some of that play out into the K-12 revenue on the Education side. Going back to my earlier comment in the opening remarks, I am satisfied that we have built a balanced and resilient business mix across Research, Education, and Corporate. Also, from a geographic spread standpoint, North America is around 50%. We are blessed in that sense that, from a diversification perspective, if there is a shock to the system, that affects everyone equally, we are probably proofed. And we will probably use that as an opportunity to rise above the competition, like we did in the pandemic. During the pandemic, MPS used that as an opportunity to show how we were different, and since FY'21, we have seen a PBT CAGR ~ 22%. So, if there's indeed a shock to the system, our track record shows that we will rise above and use that as an opportunity to scale, not to let it affect our business.

Moderator: Next question is from Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg: I am just trying to understand whether the juice is out of the AJE or if there is some more cost-cutting left that we can expect in the subsequent quarters?

Rahul Arora: I will bring in Christine, who's Senior Vice President of Research Solutions and is the Head of the AJE business, to respond. The question is that is there some margin expansion possible in the second half of the year. We pointed out that we have gone from 23% in Q1 to 30%, 31% in Q2. Christine, we don't want to give any forward-looking margin guidance, but is there some juice left in AJE for margin expansion?

Christine Miranda: The answer is yes. We are continuing to optimize in terms of the team structure and moving to a contractor-based model. So, we are expecting to see further improvement in margin expansion for Q3 and Q4.

Keshav Garg: You mentioned a few con calls back that we were looking to cross-sell with the AJE customers, our current offerings, and vice versa. So, any progress on that front?

Rahul Arora: Sure. So, Christine, maybe you can talk about AJE, and then David, if you want to talk about Rubriq specifically?

Christine Miranda: We are in conversation with, actually, multiple publishers to sell off-the-self services through white label partnerships. Several of these are existing customers for MPS with strong relationships with the other business units. So, that's definitely part of the plan and currently in conversation with multiple publishers.

- David Goodman:** Yes, on the Rubriq side, we have seen a huge amount of interest across all the MPS sectors. Rubriq was established as an academic AI copy editing tool, but we are now seeing how it can be adapted to our education clients and broader scholarly publishers. So, Rubriq was originally a B2C solution, but we are seeing significant B2B opportunities. They are substantial and continuing to grow.
- Moderator:** Thank you. Next question is from Krushi Parekh from BugleRock PMS. Please go ahead.
- Krusha Parekh:** It was a great insight into the organization's structure and how we are organizing ourselves at this time. So, I think those things are covered for me. But just one question on the MPS Labs: how large is our team? What kind of growth has that team seen? What kind of mandate is it currently running?
- And I think a year back or so, it was mentioned that the team was focusing more on improving the internal processes, improving efficiencies, and helping the clients to develop products better. But are we now in a stage where we can even monetize that particular part of the team?
- Rahul Arora:** Yes. The headcount is somewhere between 250 and 300 for the MPS Labs team specifically. This is different from our platforms team, which is ~300 people. Sreeni, could you talk a little bit about the strategic objectives and focus of MPS Labs and how the monetization part is moving?
- Sreenivas T. V.:** Yes. The MPS Labs team is integral to how we are solutioning and delivering for our clients across all our business units, even in the recent past, and it continues into the present. What I mean by this is that the solutions developed by MPS Labs, and even a few members from the MPS Labs teams, are part of the extended client organization that works towards these outcomes. So, in a sense, the monetization is already happening, and it is reflected in our results in the way the nonlinear profitable growth has been happening, and you can see that.
- What we are going to do and in the process of getting there is also doubling down on the technology depth, especially in the data and AI domains, as part of the MPS Labs organization. So, that way, in addition to helping with internal productivity tools, this team would also actually step up and help clients make progress and drive outcomes towards their data and AI ambitions. And that by itself will also become part of our Go-To-Market offerings. There is already early traction on that, as I had confirmed in my earlier answer.
- Moderator:** The next question is from Yash, who is an individual investor. Please go ahead.
- Yash:** Thank you all. Great results this quarter. It was slightly surprising. And also wish we continue in this territory going forward as well. So, most of the questions the other participants have covered.

And also, I received the physical copy of the annual report. It was very, very beautiful and very good. I think it is one of the best annual reports I have seen in some time, okay? And keep up the good work, all the best for the team. Thank you.

Rahul Arora: Thank you, Yash, for your kind comments. Our roots are in the publishing business, so we'd better produce a good annual report. So, I am glad you appreciated it. A lot of work went into it. So, print is still a thing. So, happy to hear that.

Yash: Yes, exactly speaking, 20 years back, there used to be a company called i-flex. So, they used to produce great annual reports, but after almost 20 years, but also, I think we need to reduce the quality of the annual reports. Actually, after the presentation is done, because I think that doesn't require that much quality, actually, just on a lighter note. Thank you.

Moderator: Thank you. The next question is from Hemant, who's an individual investor.

Hemant: Thank you for providing the opportunity. And congratulations on a very good set of numbers. Sir, I have one question. I had attended the last call where you had said that we would not be giving the annual guidance, and we would be looking at our post-Q2 numbers. And Q2 numbers have really been good. So, can you throw some light on H2?

Rahul Arora: On a serious note, we discussed this at length at the Board meeting. We don't see how this adds value to the MPS journey in terms of guidance. We have shared the FY'28 guidance, and we also shared that we are trying to figure out how to raise it rather than limit it. And overall, the business is doing well. So, yes, we don't see how it adds value. And on a lighter note, if the numbers are so good, getting them as a surprise is also nice.

Hemant: So, that is fine. But sir, I mean, will it be better than H1? This is what you can say, right? Can you guide us?

Rahul Arora: That's exactly what guidance is! You are asking me for guidance. We won't be giving any guidance. No thumbs up, thumbs down, no guidance at all. Thank you for patience and understanding.

Moderator: Thank you. The next question is from Nachiket Kale from NK Properties. Please go ahead.

Nachiket Kale: Good evening, and thanks for the opportunity. The answers to the Q&A so far were very insightful. I appreciate the management's bandwidth spent on this. Most of my queries have been answered. Thanks and best of luck.

Rahul Arora: Thank you so much.

Moderator: That was the last question. I would now like to hand the conference over to Mr. Rahul Arora for closing comments.

Rahul Arora:

Thank you for your active participation in our earnings call. This one was highly engaging and interactive. I really enjoyed it. The question on minimum cash that MPS should hold was truly insightful, and I believe that number is INR 150 crores. And a few of us got to participate this time as well, which hopefully shows you how the management team and the depth have been fairly stepped up over the last couple of years. We appreciate all your thoughtful questions.

Your unique outside-in perspective truly helps us learn and improve. For instance, your question on what the minimum cash should be that the business should hold so that you don't have to do a QIP was a fabulous question. It really pushed me to reflect more deeply and think more critically.

I want to thank all the stakeholders for their continued support and respect. Our journey together has indeed been remarkable, and we have a tremendous opportunity to scale MPS to a whole new level. Look forward to your continued support, feedback, and your partnership mindset, most importantly. Thank you.

Moderator:

Thank you very much. On behalf of MPS Limited, that concludes this conference. Thank you for joining us. Ladies and gentlemen, you may now disconnect your lines.

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy. No unpublished price-sensitive information was shared/discussed on the call.