



May 27, 2026

Re: AMAGI/SE/2026-27/28

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 Q4 & FY26 Earnings Conference Call.

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Q4 & FY26 Earnings Conference Call held on Thursday, May 21, 2026.

The said transcript is also being 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



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(formerly known as “Amagi Media Labs Private Limited”)
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“Amagi Media Labs Limited
Q4 & FY26 Earnings Conference Call”

May 21, 2026

“E&OE” - THIS TRANSCRIPT IS EDITED FOR FACTUAL ERRORS. IN CASE OF DISCREPANCY, THE AUDIO RECORDINGS UPLOADED ON THE STOCK EXCHANGE ON MAY 21, 2026, WILL PREVAIL.”



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

Moderator: Ladies and gentlemen, good day, and welcome to Amagi Media Labs Limited Q4 and FY26 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Baskar Subramanian: Good morning, folks, and thank you for joining us for the Amagi's Q4 and Full Year FY26 Earnings Call. I am Baskar, Co-Founder and CEO of Amagi. This is our first Earnings call covering Q4 and the full year results of the public company. We'll be walking through the investor presentation that's available on our Investor Relationship website.

I'll spend the next few minutes on how the business has performed, what's driving the momentum and where we are heading. Our CFO, Vijay, will then take you through the financials in detail, and we'll open the floor for questions.

If you go to Slide number 2, there are 5 key takeaways from the year that I want to point out. First is sustained growth. We saw expanding margins and return to PAT profitability at scale. The second that we've seen is revenue quality strengthening, net retention, revenue retention has been anchored above 115%, specifically 125%-plus for the last 3 years running and our million-dollar customers grew sharply.

Third, the enterprise adoption is deepening. Case in point, AccuWeather migrated end-to-end to our cloud, and we signed some new partnerships in Latin America with ADAMS and with an ad partner Anoki. Fourth, AI is starting to commercialize. NEWSPULSE, our first agentic product is in trials with leading news networks and has its first paying customer as well. And fifth, we executed at the highest stages of Global Media. We did the FIFA World Cup, Super Bowl, Winter Olympics, the Grammys, the Oscars, and we won multiple NAB 2026 awards this year for our agentic AI investments that we've been making. So that's a year in 5 lines. What I would like to do is to unpack them for you over in the next few minutes.

If you go to Slide number 3, you'll see the financial performance. Before Vijay walks you through the financials in detail, 3 points that I would like to cover here. It was a year in which operating model we have built over many years started delivering strong results. And the validation is the AI transition we have anticipated for the industry is starting to happen. Three things stand out from the numbers.

First, revenue grew 30% to INR1,506 crores. with a 23% constant currency growth, Q4 grew about 29%. If you look at the second one, which is a more important point is the return to PAT profitability this time at scale, right, PAT of INR72 crores, a swing of almost INR140 crores from last year on a INR343 crores of incremental revenue that we added. the ratio is important to look at it. The swing tells you that the business we are building today has different unit economics and has an operating leverage in built into the system. And three, if you look at the cash in the bank, it's about INR1,664 crores. And out of which INR907 crores was FY25 exit, the rest of it is what is the IPO proceeds plus continued operating cash generation that we're doing. The headline is simple: growth, profit and cash are all moving in the right direction together for us as a company.

Let's move to Slide number 4. For those of you who are new to Amagi, this is what we do. We operate an end-to-end across the media value chain, what we call glass-to-glass operating environment.

From the camera glass when the content is created, through production, preparation, distribution and monetization till it reaches the audience glass or the television set or a phone where they're watching content. We cover the end-to-end spectrum. We serve three fragmented ecosystem providers today, which is content providers or creators, distributors and eventually advertisers who connect to the ecosystem and monetize the capability for all of us - and all of this on a single cloud-native platform. The more important question that we look at is media is not like other software because everything is very mission-critical in what we do today. I talked about some of the most marquee events that we run, and every workflow is real time.

The volumes are enormous, billions of impressions, thousands of channels, 24/7, and we have zero tolerance for errors in this particular ecosystem. To run at this scale, we operate what we call a video fabric, the core underlying infrastructure and orchestration that makes this all work. Most of the industries only see applications, but where we are today, the fabric is the hardest problem.

This is where Amagi's deepest engineering investments and technology investments have gone. That also makes the rest of the platform, including AI, which we will be talking later, is also possible because of this base core infrastructure that we've built, right? That's the foundation for everything else.

If you come to Slide number 5, our business is segmented into three parts that we've always talked about. First is I want to touch upon streaming unification, which is our largest part of the business, and it's been growing. It grew 26% to INR838 crores. And that's roughly more than half of our business, if you look at it. And that's the engine that connects the content providers to the fragmented OTT, FAST and the CTV landscape, CTV stands for Connected Television landscape across the globe that we serve today.

Monetization and marketplace, which is on the right-hand side that you see, grew 36% to INR381 crores, about a quarter of our business, literally today. This is where we connect the advertisers and the content together through a technology infrastructure. Again, this has been the fastest-growing segment in our portfolio this year.

The third, which is on the left-hand side that you see is the cloud modernization, which grew by 32% to INR286 crores. Again, 1/5 of our revenue. This is where we help TV networks move off their legacy hardware into a cloud-native infrastructure. So that's been a big focus for us as we move forward. You'll see a continued progression on that front.

But in all of this, I would kind of point to 3 things. First is all three segments grew over 25%. And every segment is now worth more than INR250 crores. So, we have real scale across the portfolio, and it's a very balanced portfolio. There's no single segment that carries the business today. But it actually all the three together firing together is what makes it attractive and interesting.

Coming to Slide number 6. If we look at it, Amagi sits at the center of a two-sided market environment. You've seen our glass-to-glass story here. And if you look at it, content owners on one side, the distribution platforms on the other, every new channel or content that comes into our system lights up more distributors and brings more value for the distribution side of things. So, every new distributor who is connected becomes valuable for the content owners. This is the core flywheel, the positive flywheel that's driving this business for us. And if you look at it all the leading indicators that we always talk about is the number of hours of content processed or the channel deliveries that you see there or the number of distributors we deliver to. All of them and the cumulative ad impressions that we monetize for the year. If you look at it, everything has kind of grown pretty well. So, the pattern is very clear. The volume of media flowing through Amagi pipe is growing well ahead of revenue, which means as we layer more and more products on top of these pipes, including the AI-driven ones, we have multiple parts to monetize the volume we have been already carrying. So, I think we are quite excited about the progression that we've been able to make in this particular segment.

If you come to Slide number 7, you see these three structural tailwinds. We talked about streaming. We talked about cloud modernization. We talked about monetization. And all of them, if you look at it from a market tailwind standpoint, cloud modernization - Clearly, broadcasters are in the very early innings of moving off their on-prem premise hardware and get into cloud. We've seen that our serviceable addressable revenue is kind of starting to grow, and we saw it grew almost 11% a year this year to \$1.9 billion.

Streaming continues its path as more and more people are starting to watch on OTT platforms worldwide. In the U.S. alone, we've seen 48% of U.S. TV viewing today in streaming, which is almost 4 percentage points in last 1 year. And within that, if you look at FAST itself, has scaled from a niche category just a few years ago into a dominant streaming consumption mode. In the U.S. now FAST's viewership is as high as Netflix. That's a fundamental durable consumer shift from cable platforms that we're starting to see that. And every percentage point that you use here, that's an infrastructure that looks more like Amagi's and that's where I think the biggest value lies for us as a company.

The monetization CTV spend has been moving up, almost \$42.5 billion and is growing at 10%. So clearly, we're seeing the shift to connected television platforms where people are consuming content and henceforth ad dollars are following the viewership there as well. So, each of these tailwinds are pretty meaningful. And what AI does is to expand this whole addressable

opportunity beyond this whole traditional world. Because now it allows us to use AI to address the operational workflows, and we'll talk about that in a moment.

If you come to Slide number 8, key things, this quarter has been exciting for us for a couple of things, right? One is AccuWeather. AccuWeather is a premium weather channel brand in the U.S, and we pretty much completed the end-to-end migration of their workflows to our Amagi Cloud. This is a classic cloud modernization win, and I think it's an interesting customer who's scaling as well for us. The second is we did two strategic partnerships, ADAMS in Latin America and Anoki, primarily to bring in the distribution of the monetization stack. We also signed 2 strategic partnerships. And post that, we've also built some products.

If you look at the product launches, for example, NEWSPULSE, our first agentic product, signed our first paid customer. It's early, but it is the first data point that AI work has been talking about is starting to convert and not just trials. We are starting to convert into revenues here.

The marquee live events that I mentioned, we've been doing all the FIFA World Cup, Super Bowl, Grammys, Olympics, all ran on Amagi's infrastructure. And we picked up multiple awards that I talked about as well. So, it's been a very, very interesting year for us from a wins and events and recognition standpoint.

If you come to Slide number 9, I think this is a slide I would encourage you to literally look at internalize, right? So as AI is reshaping the industry, like every other industry, media industry is still getting reshaped. And we believe Amagi is positioned to really lead this shift and if you look at the right-hand side of the slide, what you see here is that why is our position so defensible.

If you look at it is because of the deep domain expertise that already exists. We run mission-critical workflows for our customers. When you run Super Bowl, you don't get a second take. That's the depth at which we actually provide from more than a decade to be, right? So that's what we do today.

It took us almost 10 years to kind of build the sort of infrastructure we need to get there. Lots of proprietary data that we have, access to our customer content, the viewership telemetry, the money that flows through the whole pipes, all of that makes it a very data-intensive property that we have today, which is our second biggest moat.

Third, if you look at it is a network effect. Because we sit on both sides, we work with 400-plus content owners and 400-plus distribution platforms. That provides a very, very hard to displace that particular capability, for example. So, in all of this, if you look at it in the middle of the slide that you see there is the AI stack that Amagi is building.

And it's a bottoms-up stuff, the core video infrastructure that I talked about and the core model layer and the AI, applied AI and the infrastructure that we're building as an end-to-end capability. AI doesn't disrupt this position. It actually compounds it for us as we move forward as a company.

If you come to Slide number 10, this is our view about how we see AI. This is the single most compelling growth opportunity in front of the company in the years ahead. I talked about

infrastructure, the data gravity that we have and the network effects that are actually driving our foundation. AI sits on all of this on top of it. And we're seeing it in 2 distinct directions that we're taking this whole strategy. First is on the cost side for our customers. If you look at it, our customers in the media business, a lot of operational toil. They have to have -- today, if you look at it, the business is run by a lot of human eyes and ears. Someone has to watch the channel, someone has to listen to things, someone has to review a piece of artwork before it goes live. So, video by nature needed a lot of humans to look and hear and do things, but that's changing a lot. For every dollar our customer spending, we're seeing that change in the human operations cost and what I call the human toil, the manual work that has to be done will change.

Our agentic products absorb that work into software, freeing our customer's teams to go about and compound their work rather than focusing on all these toil and mature jobs that we are seeing today, for example. That's a big opportunity, both for the industry and for Amagi to go change.

The second, if you look at it is the revenue side, which I think is more exciting as well because we can extend the audience for our customers. All our customers are premium content creators, be it in live sports, news, entertainment. They've already invested in producing this content. What AI does is to be able to enable them to take this content and extend it to new audiences, particularly if you look at it, Gen Z and Gen Alpha audiences, for example, who consume short-form, vertical formats in mobile devices, for example, that they want to extend it to help them across geographies with automated language and localization and extend it to completely new monetization opportunities, social platforms and multiple different formats.

Here, if you look at it, the content is always premium, but what AI allows us to multiply the opportunities and earnings for our customers. And this is not something of a theory. This is happening already. NEWSPULSE is the first proof point from Amagi on the stack. This is our first AI agentic product. We have paid customers for this. And the conversations with leading news networks are progressing in this whole direction. NEWSPULSE enables our customers to now amplify their existing news content into the social platforms and reach Gen Z audiences, for example. So clearly, that's in line with the theme that we're really working with today, for example.

And with a road map of a set of agentic products that's going to roll out across in the next coming months and years, I'm truly excited about the multiyear opportunity that's in front of us. I don't think any time in the history of the company; we've been more excited about the possibilities of the future.

And with that excitement, I would like to hand it over to Vijay, our CFO, to walk through the financials in detail for all of us.

Vijay NP:

Thanks, Baskar. Good morning, everyone. I'll cover the full year financial picture, then double-click on to revenue, margins and cash in subsequent slides. Just a housekeeping item, unless specified otherwise, all growth rates in percentage terms in my remarks will be year-over-year.

So, with that said, starting with Page 11, as Baskar used the word called balance, and that kind of perfectly summarizes the message on this page. FY '26 was a balanced year of execution for

us. We delivered strong revenue growth, expanded profitability, turned PAT positive and improved our adjusted operating cash flow.

Starting with revenue. FY26 revenue is INR1,506 crores, up 30% on a reported basis and 23% on a constant currency basis. In Q4, revenue was INR397 crores, up 29% reported and 21% constant currency. I'll cover the building blocks of this growth on the next slide but moving on to adjusted EBITDA. We delivered about INR156 crores in FY26 versus 23 crores in FY25.

That's more than a sixfold increase. In Q4, adjusted EBITDA was INR40 crores, up 161% year-over-year with a 10% margin. The third chart, like Baskar indicated earlier, is an important milestone for us. FY '26 was our first full year of PAT profitability at scale. We delivered a PAT of INR72 crores compared with a loss of INR69 crores in FY25, which is a swing of about INR140 crores. In Q4, PAT was INR34 crores compared with a loss of INR11 crores last year as well. So that's a meaningful swing. Finally, on cash, adjusted operating cash flow improved INR60 crores versus INR34 crores, up 80%. So, punch line on this slide is that across revenue, EBITDA, PAT and cash flow, FY26 reflects a stronger and more balanced profile for Amagi.

Moving on to Page 12. This slide kind of looks at the quality of our revenue growth. But before getting into each of the sort of parts of the slide, I want to contextualize how we look at revenue quality internally and that comes in the form of three lenses, right? So, we ask ourselves 3 questions. Are we retaining customers? Is the growth broad-based? And are we deepening our enterprise relationships? So, retention, breadth and depth become sort of key lenses for us to evaluate our revenue health. So that's what you see manifested on this page.

So, on the left, we'll start with retention. Net revenue retention is a very important metric for us because it captures how existing customers expand with us over time. For starters, this is similar to the same-store sales metric, which is typically used. It has remained pretty healthy in the last 3 consecutive years, 122% in FY24, 127% in FY25 and 126% in FY26. Anything north of 115% for context is considered best-in-class.

Moving on to the center, while we speak about breadth, growth was kind of secular and broad-based across all three segments, like Baskar mentioned in his opening remarks. Streaming unification grew 26% to INR838 crores. Monetization and marketplace grew 36% to INR381 crores and cloud modernization grew 32% to INR286 crores. So, the growth is not concentrated in one part of the platform. It kind of comes secularly across the platform.

On the right, you see depth. Customers contributing more than \$1 million in annual revenue for us increased from 28 to 35 during the year, which translates to roughly a 25% growth. This tells us that we are deepening our role with large enterprise customers, and it also was kind of highlighted in the opening remarks in the executive summary by Baskar. So, when you bring it all together, these 3 lenses, retention, breadth and depth give us confidence that growth is not just strong, but durable as well.

Moving on to Page 13. This slide talks about how revenue quality flows through to profitability. On the left, if you see adjusted EBITDA improved 800 basis points from 2% in FY25 to about

10% in FY26. In Q4, the margin doubled from 5% to 10%. This was fairly in line with the steady-state level we discussed in the previous earnings call.

The center chart shows where the operating leverage is coming from. Total cost as a percentage of revenue declined from about 118% in FY24 to 90% in FY26. So that's a 28-percentage point improvement over 2 years, while maintaining revenue growth at about 30%, right? So that talks about the balance, again, which Baskar highlighted earlier.

I want to just unpack where the leverage is coming from. So, sales and marketing plus customer success reduced from 44% of revenue in FY'24 to about 24% in FY'26, contributing about 20 percentage points of leverage and R&D also contributed about 10 points of leverage, basically reducing from 33% of revenue to 23%, while we continue investing in product and AI. Direct costs remained broadly stable as they scale with revenue, while G&A increased from 10% to 12%, reflecting investments in systems, governance and public company readiness that we've intentionally made over the last couple of years.

On the right, you see the flow-through at a PAT level as well. PAT margin moved from negative 6% to positive 5% in FY26, largely driven by a reduction in ESOP costs as a percentage of revenue from about 12% 2 years back to about 7% in FY '26, which contributed to the sort of healthy flow-through from EBITDA to PAT. So, the main message in this slide is basically our model, like Baskar said is structurally designed to generate operating leverage because a lot of our growth comes from existing customers expanding. So, we've seeded a lot of these costs, especially on sales and marketing and R&D where customers are growing on the same platform. So, we don't end up having to make incremental investments to generate bulk of the growth, which is why you see, margins sort of scaling through the growth and not from one-off cost actions.

Let me turn to cash flow on Page 14. The key message here is that improved profitability is beginning to translate into operating cash flow. On the left, we've covered adjusted EBITDA, so I don't want to get into too much detail on that one. But if you see in the center, adjusted operating cash flow, excluding onetime items relating to IPO and share buyback went up from INR34 crores to INR60 crores, up 80% year-over-year. On the right, you see that free cash flow improved from INR29 crores to INR38 crores, up 29% as well. There will be intra-quarter movements in cash flow because of working capital timing. But on a full year basis, we are seeing clear improvement in conversion from profitability to cash. As we scale, cash conversion will remain an important priority for us, right? So, it comes down to sort of the 3 pillars, which is healthy revenue growth, expanding margins and translating that profitability into cash.

Moving on to Page 15, we've summarized our FY27 focus areas and added some Q1 seasonality context just for perspective. On the left, the focus areas are pretty straightforward and nothing out of the ordinary and consistent, hopefully, with what you've heard from us. First is the durable revenue growth. We'll be focusing on not just growth, but also the health in the three vectors that we highlighted. Second is the operating leverage. We'll continue to balance growth, investments and margin discipline, especially across product, AI and sort of go-to-market and third, on cash conversion, as profitability improves, we'll focus on converting earnings into operating cash flow and free cash flow as well.

On the right-hand side, we've added some historical context to educate this audience on phasing based on FY'25 and '26 average, Q1 represented about 22% of full year revenue and about 11% of adjusted EBITDA. Just for context, revenue in the first half was roughly 45% of full year revenue and second half is 55%. Similarly, at an EBITDA level, we are at about 37% for first half and 63%. So really growth and profitability scale through the year. This is not a unique dynamic for this year, but given this is our first full year as a public company, we wanted to make sure we give some proactive context on how this business grows from a timing standpoint, right?

So that kind of concludes the financial section. Before I hand it over to the operator, I want to thank all Amagians for the discipline and focus with which they executed through FY '26 to deliver a set of robust and outstanding results. I'd also encourage you to read the shareholder letter, which is posted on our Investor Relations website for detailed Q&A. But for now, to take any live questions, I'll hand it back to the operator.

Moderator: Thank you. We will now begin the question and answer session. The first question comes from the line of Nimit Tanna with DT. Please go ahead.

Nimit Tanna: Two questions on NEWSPULSE, one on the sales motion and one just trying to understand unit economics. So, of the NEWSPULSE paid customers signed this quarter and the broader pilot pipeline today, what's the split between your cross-selling to the existing Amagi platform customers versus net new logos, where NEWSPULSE is the landing product itself? And how many active sales cycles are currently being run by the editorial side buyers rather than your existing distribution and FAST buyers. As you know if you guys want to answer this, I'll come back to the second?

Baskar Subramanian: Okay. So, thank you for that question. So NEWSPULSE, as you know, is Amagi's first agentic AI platform. It's also possibly one of first which is actually agentic in the market today. So, what we do is we target news customers. And when I say new customers, they are largely both broadcast and FAST customers. These are typically traditional news networks. These are large news network companies, which are actually working worldwide. They're either running local stations or they're running national TV channels, news channels. That's the customer cohort that we go with. What we've seen today is the broad-based interest across the spectrum of looking at this whole thing.

Today, we are running tens of POCs across, it's early that I might not be able to give you exact numbers of how it's kind of playing it out. But clearly, these are all traditional news networks who are starting to really explore this as a next-generation product. And obviously, the first port of call is our own current customers.

We have multiple news customers that we already are serving today, and they continue to be the first port of call for us from a buying perspective as well. So, we would see a mix of both. I think first would be our own customers. We see this as a product expansion into the portfolio of what we are serving today, and we're already looking at new customers who are coming in, where the first the logo sale, the first sale for that particular logo is through NEWSPULSE as well. But it's early today. In the next few quarters, we might be able to share more details on this front.

Nimit Tanna: Okay. That's very helpful. And second is just on the unit economics. Is this per channel per minute of output per seat. And I'm just assuming, given the GPU inference and the intensity of continuous live processing fees. Is this different from a steady-state gross margin that you're used to in the other products or I mean I only discussing this because the excitement around you calling this product out. So just wanted to get some sense on that?

Baskar Subramanian: Yes, it is slightly early for us to kind of give you a full indication of how the gross margin will play out across. Having said that, we have not seen any major impact at this point in time, largely the way that's really working with customers today is on outcome-driven pricing models and having said that, today, the way customers are starting to engage is a mix of fixed plus some sort of an outcome-driven approach from a transaction standpoint.

So that's the directional stuff that we're seeing today. But I think that we'll be able to share a lot more in the next couple of quarters, then we'll have a lot more proof points about this whole thing. Today, I don't think we are really unreasonably worried about gross margins in any fashion whatsoever today. But I think that's something that we need to really see how it kind of plays out. But what we've seen, the early indications, I don't see an impact thus far.

Vijay NP: This is Vijay. Just to kind of add a couple of data points. It will likely follow S curve to your point, which will be margin accretive at relatively threshold scale. But the opportunity is compelling enough for us to see good gross margins eventually play out. So, we are taking a medium to long-term view on this. And as things become more clear to Baskar's point, we have additional proof points, we'll give you a more solidified talk track on it. Right now, it's a pretty thin read.

Moderator: Next question comes from the line of Manish Adukia with Goldman Sachs.

Manish Adukia: Congrats on a great set of numbers. My first question is maybe a follow-up on the gross margin where in the shareholder letter that you articulated the factors driving gross margin lower. One, if you can quantify how much of the gross margin compression quarter-on-quarter this time was a result of the client renegotiation that you had called out in the previous quarter versus investments. And a second question to that is, should we think of this as a new base or as we, let's say, go into the June quarter, that's part of this gross margin compression that may reverse again in the quarter? That's my first question, please?

Vijay NP: Thanks, Manish. So maybe I'll unpack that into two parts. One is what drove the gross margin sequential sort of reduction? And then how should we think about modelling this, like think about this in the medium to long term. Just there are really three factors that influence the gross margin sequential sort of dynamic that we spoke about.

One is the customer pricing, but there were 2 other things. One is the AI cost, which is a relatively minor impact on gross margin. And the third one is what we said in the previous earnings call, which was, we are exploring sort of lower-cost alternatives and there's a double bubble cost to incurring that basically running two parallel instances since a lot of our revenue has mission-critical workflows. We can't completely sunset and moved to another one. So, this is part of that. So those are sort of the 3 vectors. AI was not a substantial contributor to the deceleration quarter-

on-quarter. I wouldn't think about quarterly gross margin as an extrapolation factor for full year, right? Like if you look at our gross margin over the last 3 years, we've got lumpiness in quarters, but full year is held steady at about 69%, with minor improvements. And so, I would apply the full year lens versus thinking about it quarter-on-quarter at steady state.

Manish Adukia:

And if I can just ask a follow-on, Vijay, just gross margin compression part of which was because of the client renegotiation. I mean, like would we see more of that? I mean, like because it was a pretty sharp drop quarter-on-quarter. So, let's say, as we go along next couple of years, could there be further such gross margin pressure or do you think there are enough and more offsetting levers for gross margins to directionally continue to move higher?

Vijay NP:

Yes. Great question, Manish. I think the way at least internally, when we are looking at our modelling, there is enough of a tailwind on the volume side to offset modest sort of compression on price. So, we believe that it will net out as a net tailwind. And I think in the medium term, this is not something -- this is more like a speed bump, not a recurring signal.

So, I would think about volume upside more than just modest hair cut on rate as a pressure item. The second thing to also look at is the lens of overall EBITDA, right? Because when you look about our business, a lot of it is making sure there's a lot of volume coming into the system.

So, we try to take a broader aperture of looking at our costs. and delivering leverage at an EBITDA and PAT levels versus just going through the bits and pieces of each cost line. So, you'll see that because a lot of leverage happens in sales and marketing and R&D, we always try to balance what is right from an investment perspective and fiscal responsibility perspective and not swing the pendulum one way or the other extremely.

Manish Adukia:

My second question was on AI and thank you for sharing the details about NEWSPULSE. But if I were to think about it, say, the evolution of AI in the last few months, et cetera, given so much news flow around it. Have you seen anything elsewhere in the world, which could potentially emerge as competition to what you provide to your clients? completely appreciate how deeply integrated you are and mission critical you are to your clients, but are there any signs of any alternatives emerging, whether from your competitors or from other model companies that could potentially have the ability to disrupt what you would provide to your clients? Any color on that would be very helpful?

Baskar Subramanian:

Yes. Thanks for that question. I think, again, AI is the largest opportunity for us for the company as we move forward, right? And that's the reason we're leaning in pretty heavily in terms of -- in fact, if you look at our R&D costs, large part of the R&D, we're actually moving into investments to build the next generation of products.

Having said that, if you look at from a market standpoint, a couple of things, as you indicated rightly, we are bang on inside the infrastructure of our customers, for example. So, it's a platform strategy that's playing out, which I think is an important moat that we should be aware of. That's a big, big moat fundamentally.

What are we seeing in the market today, if you look at it, there's a lot of pockets of small, what I call single point solutions sort of companies coming around. But largely, what's happening

with our customers. Our customers feel that they don't want to go -- have a splattering of tens of products connected to that platform to get their workflows done. These are all enterprises. They would like to have 1 unified platform to come together. So summary, we are not seeing anybody specifically coming to what's Amagi's staple today as we see it, right? And again, this might change, it's dynamic market. But today, we don't see anybody really credible in the whole system.

Second is if you look at it, there are very few companies even targeting a platform approach of glass to glass. And on top of it, having a strong AI strategy with the financial sort of health of what we have as a company and the strong advantages of both R&D and the costs what we do today. I think that there is no competition that we see today as we speak.

Manish Adukia: Very clear. And maybe just last question to Vijay. Given that we are now, let's say, the full year is done. I mean, would you be able to talk about any aspirational guidance on what kind of revenue growth would we potentially target for FY'27Y? And what kind of margin expansion directionally can we expect if not quantitative, maybe qualitatively?

Vijay NP: Yes, Manish, again, as I just want to get back to what we said in the opening remarks, right? I think we will focus on durable growth, operating leverage and cash conversion as sort of the three pillars that drive our planning and execution. So, our aspiration would be to continue to kind of grow at a healthy clip both on top line and just balancing that with fiscal responsibility. It's hard to kind of give prescriptive guidance at this point, but our aspiration is to kind of continue on the trajectory that we have been in the last 3 years.

Moderator: Next question comes from the line of Vivekanand Subbaraman with Ambit Private Limited.

Vivekanand Subbaraman: Two questions. So, number one is on the sales head count. We are seeing that the head count has -- I mean, on the sales and customer service front declining, if I take a 2-3 year view, and the accounts are also growing. So just to understand this better, how should we think about the intensity or the degree of touch that the sales staff needs with respect to growing these accounts? Because you keep mentioning that the first port of call for you for revenue growth is your existing customers. So, at a scale model or at a model where you envisage that the company has become very efficient. How many accounts can be handled by one salesperson. This is just to understand the leverage that you can obtain, say, over a 3-year, 5-year perspective? That is my first question.

The second one is on the monetized impressions; I see that the growth here has continued this year. In fact, there is some acceleration in terms of the monetized impressions this year compared to prior years. Does this have anything to do with market conditions? Because logically, it seems like the macros are getting tougher and it might be harder for the ad-supported channels to keep harvesting -- I mean, harvesting the ad revenue stream. So, is there any linkage that your revenue has or revenue growth or any driver has to the macros and advertising revenue earned by your customers?

Baskar Subramanian: Okay. Thanks for the question. I'll take the question number one first. We talked about sales efficiency improving. And that is a continuing journey as a company that you would see it and

if you look at it, that's also the dynamics of the business. If you look at our NRR, the net retention example, at 126% and above, it's clearly showing you that customers - existing customers are actually adding more and more revenue to us today, for example, as a company. So that is in line with definitely, by definition, that drives sales efficiencies because if you look at it from a new logo win standpoint, that's where you're actually applying to most of your sales forces to go after.

Account management at some point is sublinear in scale. You're not going to add just because a customer of ours is spending \$1 million today and then they're gone to do \$10 million more. It doesn't mean we need 10 more people to solve a particular problem. So clearly, that's very, very sublinear in terms of the needs for sales teams to grow.

And also, if you look at it, thanks to AI and automation that we're starting to look at, you are seeing that more and more touch for the customers is going to be product-led and not just by sales effort alone. So, there's a mix of NRR, the overall tooling and the ability for us to kind of reach our customers and expand our customers through the product approach, what we call the product-led growth approach that we see and the continued expansion into markets. I think sales efficiency is in line with what we're seeing, and we'll continue to see the efficiencies, and we will harvest the efficiencies going forward as well.

Now coming back to your second question, which is the monetized impression acceleration. And again, this is in line with how the market is growing. If you look at it, viewership is eventually, there's only a single way, a directional call that's happening is everybody is moving to streaming. More and more people consume content through streaming; there's more opportunities for Amagi and companies like ours to actually start to demonstrate more value to our customers.

So that's the directional line that you've seen from a monetized impression acceleration standpoint. So, there's no other way to look at it. Are we going to be impacted by the overall advertising economy? obviously not directly, but that's a derivative? Absolutely yes because our customers make money on advertising and eventually that flows through to the way they would actually pay us as well. So macroeconomic environment today has not impacted, as you see it today, but I can never say never with all this geopolitical climate that we don't control. But today, we are in a fairly comfortable place, and I don't see any really directionally, there's nothing that I see is going to impact today as we see.

Vijay NP:

Vivekanand just couple of proof points to that -- on the second one. If you saw the impression growth that was roughly 62% year-over-year, revenue growth was still 36% year-over-year in the segment. So that's obviously, like Baskar said, two dynamics playing out. There might be some modest pressure on CPMs, but that's more than offset by the volume uptick, which is causing a net tailwind, right? So, in the foreseeable future, we expect that to be sort of the trajectory unless we see some leading indicator that's suggesting materially otherwise.

Vivekanand Subbaraman:

Okay. This is very helpful. Just one follow-up to the first topic, which is the leverage that you have on SG&A, so as far as the sales staff is concerned, what would be an indicative take rate that you would have to provide to your sales staff in the sense, is there also an element of, let's say, revenue sharing in the sales? I mean the sales salary or sales wage bill?

Vijay NP: There is no rev share model. So, we kind of follow the standard industry practice sort of commissions model with a blend of rewarding incremental growth and protecting your base. And that's a sliding scale based on whether you're a hunter or a farmer. So that's primarily how the model is anchored. We do have some specific one-off SPIFFs that we run to drive adoption from a cross-sell standpoint on AI and other things, but those are sort of standard SOP items. So that's how we think about our commissions policy.

Moderator: Next question comes from the line of Omprakash Kavadi with Avendus Spark.

Omprakash Kavadi: Good set of numbers. A couple of questions. One, just continuing on the previous participant's point, one more classification, which I thought is required, is while you say the possible compression in pricing will be taken care by the incremental volumes will come. Is it a fair assumption to say that maybe in the very near term?

There could be some timing gap where you see the pricing compression to be there much more than possible incremental volumes, which would come over the medium term. Is that a fair assumption or I mean going wrong in that assumption? I'll have follow-up questions on the second?

Vijay NP: So, I don't think any metrics that we are tracking today suggest that. So, it's in line with the remark that I made earlier Om. So, we see the volumes as a net sort of tailwind that will offset modest pressure on the CPM side. So, we've not seen anything beyond that yet.

Omprakash Kavadi: So again, on the other part, strategically speaking. So where has been the journey of moving towards a marketplace kind of a model? and I'm not sure if I missed it in the later to share, but some clarity on that would be helpful on the marketplace model?

Baskar Subramanian: Yes. Directionally, I think I have been talking about marketplace is a big growth area for us as a company. And given we have 400-plus content creators and 400-plus distributors already network and connecting them through a business layer is the future of how we see a big opportunity in front of trading with all marketplace.

Having said that, we continue to work around that whole thing. I don't think we have anything which is really meaningful today to kind of discuss about it from a standpoint. Obviously, we are investing in that particular part of the business. We're seeing growth in that part of the business. We don't kind of separate that growth yet today. But I think we are quite -- we're seeing a lot of promise in that whole business. We'll continue to invest. we'll come back to you folks over the next few quarters to give it a lot more colour and meaning as we kind of see a lot more trend lines on how it's kind of working out.

As you know, last quarter, we had announced our deal with Vodafone in Germany that we started with and we continue to see that we've done in Australia as well and in the U.S. But we continue to see this as a progression. We'll be happy to kind of share more details as we move forward in the next year.

Omprakash Kavadi: Yes. Sir, one bookkeeping question. So, when I see the numbers in this quarter, I believe whatever seasonality which we have seen in the previous YoY quarters, that has not completely

played also is there any one-off in this quarter where the seasonal impact is not so much from a Q-o-Q kind of analogy?

Vijay NP: No, I think when we think about like our phasing, there might be only a 1-point change Omprakash. So Q3 typically again, our revenue follows a 45%, 55% trajectory, right? First half, second half. Of that 55%, almost like 28% to 29% is Q3 and 25% to 26% is Q4. we are broadly in that sort of ZIP code. So, nothing material to kind of call out that significantly altered the phasing. As you can see in our year-over-year growth rates as well, that's held pretty strong in Q4, so that's probably a better proxy metric to use than looking at inter quarter seasonality.

Moderator: Next question comes from the line of Rohan Nagpal with Helios Capital Management.

Rohan Nagpal: Congrats on the good set of numbers. My question was on the -- on the way currency fluctuations flow through on the P&L. So, I just wanted to get a sense of I believe most of your revenue is non-INR. Wanted to get a sense of what is the proportion of your cost base that is INR denominated and what your hedging policy is?

Vijay NP: Yes. So, Rohan, thanks for that question. Again, for us, conceptually, a good chunk of our revenues, like you said, is USD. From a cost lens, the direct cost, which is roughly 30% and about another sort of 20% is sort of USD denominated for the sales teams. So, on \$100 revenue you're talking about \$50 of U.S.-denominated sort of cost.

So structurally, on paper, it's a net tailwind because you got more USD revenue than costs. In terms of hedging policy, we do occasionally transactionally hedge, but we don't have like a hedging book given that today, it's a net tailwind. And it's something we constantly monitor, to see if we've got into a threshold scale or the swing is another direction to proactively start doing it something we're thinking about this year, but nothing material to call out for this call.

Moderator: Next question comes from the line of Bharat Gulati with Dalal & Broacha.

Bharat Gulati: Yes. Just wanted to understand in terms of new customer additions, that's been on a declining trend for the past 3 years roughly. So just wanted to get a sense of how do we look at new customer additions? And what's actually led to the slowdown? And would this trend continue to move in that way?

And just also on that front, I wanted to understand how do we typically look at new customer additions, given that we bought or good content owners and distributors. So, what kind of a benefit do we get when we onboard probably a new distributor or existing distributors sending new content owners towards us? Just trying to understand how does that play into the flywheel?

Vijay NP: Yes. Got it. So Bharat, I'll take a stab at it and in case I miss any particular part of your multipart question, feel free to flag it back as a follow-up. See, I think if you look at the last 3 years, our customer count has seen a net increase, right? So, I think you're probably referencing the quarter-to-quarter dynamics here.

Again, we like to look at most of our metrics, if not all on a full year basis. So, I think if you look at the customer count in Q4, we actually added 27 customers and we probably churned out

30 because as a part of standard year-end housekeeping on payment, defaults and some accounts, most of them which were less than sort of \$1,000 where we had some sort of issues and payment.

But if you look at our customer count over the last 3 years, right, like it's been 396 in FY '24, roughly 463 in FY '25 and about 492 in FY'26. So, the trajectory is positive. Quarter-on-quarter, there might be puts and takes on how we clean up, right? So that's one.

Two is, if you look at our growth, when you think about probably a question behind the question is, when you think about full year growth. A good chunk of our growth comes from our existing base. That's evident in our NRR, right? So that 125% that you saw is primarily the marker that I would use to kind of underwrite growth. And our quality indicators also moved in the right direction, right, with \$1 million customers, which is the enterprise cohort that we want going from 28 to 35. We added 7 to that cohort versus 6 last year. So, we feel like overall, we feel happy about both the additions and the growth within the additions for our customers.

Baskar Subramanian: And directionally, Bharat, just to give you time to market context as well, is if you look at it, we are also seeing our overall product offering, moving upstream to a lot more larger and larger customer cohorts from an enterprise standpoint. So clearly, from a lot of small to mid-tier, we are seeing a lot more pipeline growth if you look at it over the year.

We're seeing it progressing towards more larger customers and enterprise customers. Obviously, it has two parts. One is the sales cycle part of it, but it's also with a number of customers, the rate of growth of customers in a large enterprise, be lesser. But like what Vijay is pointing out, it will be more depth per customer, and which will also be reflected on the overall ACV on a per customer account that you would see. I think directionally, that's what I think we should assume given we're seeing Cloud Modernization acceleration starting to happen, and that's one of the themes that you will see it playing out over the years.

Bharat Gulati: Got that. That's very clear. And just to understand in terms of acquisitions, I'm just trying to understand the cash balance that we have what sort of acquisitions do we look at? And even mentioned in the shareholder letter, you will talk about there'll be more capability driven in organic acquisition.

So just trying to understand, would that be more in the AI space to short circuit time to market for different products such as NEWSPULSE where we want to garner market share on the faster side? I'm just trying to understand what would be the broad range in the cost of that acquisition? What would that be?

Baskar Subramanian: Again, I think, like I think every quarter we've been talking about, clearly, cash in the bank is a big strength for the company and that we are actively having a Corp Dev directional activities that are happening. Continuously, we're scanning the landscape here. And we're not trying to take one decision versus another.

I think directionally, as we have a thesis in place, which is the glass-to-glass thesis, we're looking at where are the gaps that we could actually look at from an acceleration standpoint instead of us it's a buy-build partners sort of decisions that we are actually going through. And obviously, with the AI, there are new opportunities that's coming along.

So, we're not kind of zeroing in on one versus another today. Obviously, looking at the same trend lines that we talked about earlier, no thesis change. Are there incremental revenue/opportunities where the gaps in our glass-to-glass connects to be filled? Are there new innovations that we could actually be able to acquire instead of actually building internally?

I think this is direction stuff. It's early as we kind of move forward over the next financial year, you will see some progression on this front that we can actually share some of the capabilities that we're actually starting to explore. Today, I don't think that that's a macro view where we are fundamentally.

Have we kind of agreed on the size of the deals? Not really. We're not going with a specific number in mind in terms of any sort of size of deals. Having said that, we've always been a very conservative in terms of approaching things. We don't really go aggressive or be irrational in terms of our valuation, focus doing things rationally. So, the company is very balanced in terms of how we do this. And that's the same major approach that we apply although there is cash in the balance sheet, we are not under pressure to kind of go drive that in any irrational fashion whatsoever.

Bharat Gulati:

Got that. That's really helpful. And just one last question for Vijay sir. If I could get a sense of what would be the CC NRR for FY26 and if not an absolute number to put to that, then just to put it in the context of the delta that we see between the Y-o-Y CC growth and the actual number that we've reported. And just to put it in context to what historical NRR growth looked like as compared to CC growth because given that the FX tailwind this year was pretty significant?

Vijay NP:

Yes. So, I think our sort of dollar-based NRR would be around -- still north of 120%. And so again, we've been in the 120% to 125% ZIP code consistently for a while now like we said. And we didn't have tailwinds in the couple of base years that we spoke about. I think we are pretty comfortable with the NRR even adjusting for the currency fluctuation. Anything north of 120%, as you know, is probably considered pretty best-in-class. So, I think we like the ZIP code that we are in.

Moderator:

Next question comes from the line of Sanjay Ladha with Bastion Research.

Sanjay Ladha:

So just wanted to understand, since our model relies on cost savings for the clients, so I wanted to know how much costs we have saved for our partners this year? Is the number we track, how should -- how these numbers go through?

Baskar Subramanian:

No, I don't think, if you look at it from a customer standpoint, and again, I want to go back to the way to look at this whole business, right? Look at it - we are the media operating system for our customers, driving their mission-critical solutions, how they look at it is in a longer period of time in what we call TCO, right? So Total Cost of Ownership drives this business for them.

So, it's very specific to each part of segments of the business. If you look at Cloud Modernizations, we've already talked about it, typically, customers look at anywhere 30% and above TCO savings is what drives this whole thesis of moving to the cloud and being able to bring their opportunities to home.

I think that's the exact thesis. And if you look at any of our customers, including the likes of AccuWeather that we have signed up this year, I'm sure they don't share the numbers with us. But that's sort of the thesis, which has been kind of been the sales positioning. And I'm sure customers are resonating with that whole thing. So, we may not know the exact numbers of cost savings per se with our customer base, but clearly, that's the pitch that's kind of seemed to be resonating and working for us. Having said that, if you look at it from the AI possibilities that I talked about, it's not only going to be cost efficiencies but also revenue expansion for our customers.

And that's also a big driver for us because our customers who invested billions of dollars creating content, can we really take them to the next tier in terms of taking the content and expanding will be a big focus area for us as we kind of drive lot more AI strategies in the company.

Sanjay Ladha:

Sir, another one would be, since this year, clearly, our breakthrough year in terms of EBITDA and PAT positivity. So going forward, does the operating leverage further kick in. So, the point I'm asking the PAT margin of 5%. Can it go best to 8%-10%? And can it move further from here on or are we on an investment phase right now and it will take another year or two probably to further accelerate the operating leverage? How should one view the future going forward?

Vijay NP:

Yes. So, I think our aspiration would be to kind of continue the trajectory that we've had, and we have opportunities like the AI sort of inflection point presence itself. We'll make ahead of the curve investments and be transparent about it, but we'll back it up with disciplined execution and ensure that is scale and operating leverage, profitability and cash flow, similar to what we outlined in our prepared remarks.

Sanjay Ladha:

So, going forward, the current profitability, which we have, the 5%, 6% of the PAT margin, is that consistent? And is it the new normal we should move forward, maybe the trajectory would be higher side but not the downward trend? Is that the right thing to assume?

Vijay NP:

I think our current margin levels are not steady state, if that's the question you're asking. There is headroom and upside and you've seen that. So, I think there is obviously headroom and upside. So, I wouldn't call these current levels steady state

Sanjay Ladha:

Sir, my last question will be, as you highlighted, the U.S. increasing the same is happening in India as well and across the global market. So how we are trying to present? Do we have a presence in India as well or the India is not the market for us right now, the U.S. is a market which we think from a growth perspective, how should one view yourselves into the India and U.S. market?

Baskar Subramanian:

See, Amagi is a global company. And the opportunity that actually is provided and presented to us is a global opportunity. So, we see it as geographic segmentation is a mix of history and the opportunity that actually presented to us earlier as well.

So, in that context, obviously, U.S. will continue to be a large enough market just because of exposure, the size of the market, media market there is \$150-plus billion of market versus in India is much, much smaller. And that's a reflection in terms of the percentage of contribution of revenue for us as we move forward.

Having said that, India is a very exciting market for us, given it's a home market, number one. Number two, we already have customers in India. So, we work with Zee TV, we work with Viacom18. We work with these customers already, albeit small in terms of where we are today.

I truly believe there's a huge opportunity in front of us. As India's streaming opportunity is starting to become bigger and bigger, and more importantly, cloud maturity and ability for us to kind of start to leverage cloud in India from a cost equation standpoint, I think there's a huge opportunity in front of us from a growth standpoint. But in the larger scheme of things, U.S. will continue to be the large percentage just given the size of the market and the history of what we have been able to accomplish there.

Moderator: Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Baskar Subramanian: Folks, thank you very much for attending this call. And thank you for all your questions. I think it is a point of pivotal point in time for the company. It's been a great year that we've kind of wrapped up, becoming profitable and being a public company, this has been a huge opportunity for us. Thank you for really reposing your trust in us.

We continue to be very excited about the opportunity in the future. and thanks to AI and what's happening and the ability as a platform and building a truly global company out of India for all of the media business worldwide. I think this is a great opportunity. It's a once in a lifetime for us, as promoters and management teams here and hopefully for you as investors as well. And thank you for the reposing faith in us and the opportunity in front of us.

Moderator: Thank you. On behalf of Amagi Media Labs Limited, that concludes this conference. Thank you for joining us. You may now disconnect