Persistent

NSE & BSE / 2026-27 / 080

July 3, 2026

The Manager,
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,Bandra (E),
Mumbai 400 051

Ref: Symbol: PERSISTENT

The Manager,
Corporate Services,
BSE Limited
P J Towers, Dalal Street,
Mumbai 400 001

Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub.: Transcript of investor/analyst call held on Sunday, June 28, 2026
Ref.: Our earlier intimation under Ref. No. NSE & BSE / 2026-27 / 070 dated June 28, 2026

In continuation to the above-referred intimation and pursuant to Regulation 30 read with Schedule III (Para A) (15) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to submit the transcript of the investor/analyst call held on Sunday, June 28, 2026.

The transcript of the investor/analyst call is also made available on the Company's website as follows:

Investor/Analyst Call Transcript

Please acknowledge the receipt.

Thanking you,

Yours sincerely,
For **Persistent Systems Limited**

Amit Murari Atre
Digitally signed by Amit Murari Atre
Date: 2026.07.03 11:55:58 +05'30'

Amit Atre
Company Secretary
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Encl.: As above

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"PERSISTENT SYSTEMS - CONFERENCE CALL JUNE 28, 2026"

11:30 AM IST,

Sunday, June 28, 2026

MANAGEMENT:

Dr. Anand Deshpande
Chairman and Managing Director

Mr. Sandeep Kalra
Executive Director and Chief Executive Officer

Mr. Vinit Teredesai
Executive Director and Chief Financial Officer

Mr. Saurabh Dwivedi
Corporate Vice President, Finance and Strategy

Moderator: Ladies and gentlemen, good day and welcome to Persistent Systems Conference Call. We have with us today on the call –

Dr. Anand Deshpande - Chairman and Managing Director
Mr. Sandeep Kalra - Executive Director and Chief Executive Officer
Mr. Vinit Teredesai - Executive Director and Chief Financial Officer
Mr. Saurabh Dwivedi - Corporate Vice President, Finance and Strategy.

Please note, all participants' line will be in 'listen-only' mode and there will be an opportunity for you to ask questions after management's opening remarks. Should you need any assistance during the conference call, please raise your hand from the 'Participant' tab on the screen. While asking questions, request you to please identify yourself and your company. Please note, this conference is being recorded.

I now hand over the conference to Mr. Saurabh Dwivedi. Thank you and over to you, Sir.

Sandeep Kalra: Good morning, good afternoon, good evening to everyone. This is Sandeep Kalra joining from Munich along with my colleagues, Saurabh and Vinit, and we are here to share with you an exciting news about a potential acquisition that we have announced and which is a combination of Persistent and Nagarro to form an AI-led digital engineering powerhouse.

Before I start, I'll hand over to Anand for his initial comments.

Anand Deshpande: Yes. Thank you, Sandeep. Welcome to all of you for being here on a Sunday morning. We are very excited to announce a major step in the life of Persistent, a company we started about 36 years back, and we are very delighted to announce this great partnership with Nagarro. As you will observe and look at the rest of the slides today and know about Nagarro, it seems like this partnership was made in heaven. We are so aligned in terms of our thinking, in terms of how we look at customers, our employees, our culture and our engineering DNA that we couldn't have chosen a better partner in this journey as we move ahead.

This partnership would be very valuable to all our customers who will see a scaled partner who is able to deliver globally across in various areas of interest, especially AI and the new technologies that are coming up. All the employees should see a very good advantage of having a similar company with scale across the world and the ability to work together as an engineering team at scale. The partners should see also a similar benefit. I'm very delighted to say that the shareholders also should see benefit in this arrangement and the agreement that we have for the group. All the Nagarro shareholders will see an immediate return on their share price. And also, I believe that as we build a scalable and a scaled company over the next few years, Persistent shareholders will also see long-term benefits of being invested in a partner who is at scale, up with new technologies and has global presence and customers across the world.

I must complete the fact that we have also found similar alignment in terms of our commitment to environment, society and some of the community work that we do at Persistent and we have seen similar trends with Nagarro. So, we're looking forward to being a very, sort of, globally leading group which would be useful and beneficial to all stakeholders.

I'll stop here and I think let's get to the point and if there are questions we'll take more.

Sandeep Kalra: Thank you, Anand. And as you would have also noticed, we had another announcement that we did over the weekend. This is regarding a strategic, long-term agreement that we have signed with an existing global technology leader headquartered in the US, an existing big customer for us. So, let me first start with that announcement and the implication for us and then I'll dig deeper into the Nagarro transaction that we have announced.

So, from this deal perspective, this is a net new deal which will add roughly about $125 million plus on an annual basis and overall for the period of the contract it will be roughly about $650 million plus over 6.5 years. This is a true testimony to the relationship and to what we have delivered for this customer over the years. It talks about our engineering prowess, the deep domain expertise and the belief that using AI we would be able to deliver even better in the years to come. This, in our investors mind, should cement the growth that we have seen in Persistent for the last several years and should continue our 24 quarter streak of growth for times to come.

With this, I will move on to the other announcement that we have which is in line with our stated M&A strategy. You would have heard us whether it is me, Vinit, Anand, Saurabh or others talk about our M&A strategy clearly stating if we were to do a scaled acquisition that would be aimed at expanding our footprint in Europe. That has been an ambition for us for times, in the last several years, and today is an exciting part of the journey where we have sincerely found a partner which is very, very complimentary to us. This is not a consolidation play. This is an expansion play for us bringing together, as Anand rightly pointed out, people, capabilities, markets which are all complimentary to us and very much aligned to the direction in which we want to take our company and make a company to last for many, many decades to come.

Now, in terms of the combination, what does this combination mean for us? We are calling it the Persistent-Nagarro group. The two companies have very strong brand name in respective markets. Bringing the group together, we will be 46,000+ team members globally spread across 40+ countries. It will be a 2.9 billion dollar+ powerhouse focused on forward-looking technologies and will also have an addition of complimentary verticals, capabilities, provide career path to our joint employees and the transaction, as you will hear later in this presentation, is very accretive to both the shareholders, the existing shareholders of the Nagarro group and the existing shareholders of Persistent. We will talk about how we intend to create disproportionate value for our shareholders in line with what we have done in the past.

Now, just to go over the strategic priorities that we have set for Persistent over the years. We have always said we want to be the best technology services firm, not a general purpose IT services firm, a technology services firm with forward-looking capabilities whether it was digital engineering, Cloud in the past and now AI in the current times and for the times to come, building on the tenets of the digital side that we had. We have always said we will go deeper and broader into the service lines, add to the verticals as we go along but first go deeper into the existing verticals, expand in Europe and also from a near shore perspective have European delivery presence. And we will talk about how with this announcement we tick off each one of these boxes and even more with the combination coming through.

Now, let me talk a little bit more in detail on all this. For all of us, just to refresh who we are as Persistent and for some of the Nagarro shareholders who may be joining this call today, -

- Persistent today is roughly a $1.654 billion entity from a FY26 perspective.
- From a run rate perspective, we are more than $1.7 billion.

- We are focused on AI-led, platform-driven digital engineering. We have grown very well over the last several years whether it is from the time we went IPO.
- We have grown at about 17%+ CAGR, Compounded Annual Growth Rate, and for the last 5 years we are happy to say we are among the top as far as the growth is concerned in our industry.
- We have grown at roughly about 23.9% for the last 5 years from a compounded annual growth rate perspective.
- And while we have done that, we have meaningfully expanded our margins. Today, our margins stand at roughly 15.6% and the PAT margin stands at about 12.6% .
- Being a public company the market cap is another indicator of the confidence of the capital markets. Today, we stand at about $8.1 billion in terms of market cap.
- All of this is backed up by 27,500 of our team members across 21 countries.
- Predominantly if you look at it, and this is again a thing that we will talk about how it is relevant in the current context, significant amount of our revenue comes from the US/North America - roughly 81%+. Europe has been roughly about 8%-8.5% of our revenues.
- And even in terms of our team members, roughly about 3,000 of us are in North America and 300+ are in Europe, 200+ are in the rest of the world.

Now, if we look at similar footprint, if I were to go ahead, -

- Nagarro today is roughly a billion Euro organization which translates into roughly $1.14 billion from a Trailing 12-month perspective.
- They have grown very well if we look at the 5-year revenue CAGR, which is 18.4 %.
- The revenue growth in constant currency has been decent for the last 3 years but has taken a small hit compared to what they've done over the last 5 years.
- Now, if we were to look at their margins, they are today at 13.9% in terms of EBITDA margins.

This is for the Persistent shareholders so that they understand what we are, kind of, integrating into Persistent going ahead. Nagarro is headquartered out of Munich, Germany. They have a very seasoned management board. The founders Manas and Vikram have been with the organization from the beginning. They are complemented by Annette who has been there in the organization for 6 plus years and Prateek Aggarwal who has been a seasoned CFO from an Indian listed perspective. He recently joined their management board. Roughly 18,500 professionals, so while they're heavily focused on Europe and significant part of their revenues come from Europe, culturally, and this is a very important point because usually the biggest challenge in any kind of merger and acquisition is the integration part. So, while they are a European headquartered, European revenue focused company they have a fairly good cultural mix between India-Europe corridor and the rest of the world. 13,500 of the team members in Nagarro today reside in India, 1,500+ reside in the rest of the world. So, from a cultural perspective they are already a very heterogeneous company into a homogeneous Nagarro.

So, from that perspective we believe we have found the right fit because even from an integration perspective it would be an easier integration than having a pure play, onshore European kind of an organization. Here the founders come from a different origin, management is diverse, people are diverse. Having said that, they understand how to live well culturally with each other and that's one of the biggest reasons why we were in addition to the customer base, in addition to the technology progress very enthusiastic about this combination.

Now, if we look at it from an overall perspective, the partnerships that they have, the partnerships like SAP where they do work with SAP, both on the product engineering for SAP including some of the forward-looking work that we may talk about as we go along, and they are a very key implementation partner for SAP whereas our ERP progress is not necessarily at scale. So, these kind of additions are fairly important for us.

Similarly, from an OpenAI perspective, they are one of the few organizations which are accredited resellers to OpenAI and they have a forward deployed engineering practice around OpenAI. So, from that perspective as well whether it is capabilities on ERP, which are important if you are trying to do end-to-end kind of transformation, and the complementarity that you will see in the next few slides, there is significant value in this. And just to reinforce one more time, this is not a cost consolidation, this is not a consolidation of management but this is complementarity and there's enough and more for every one of us to do globally in this merger.

Now, from a perspective of overall statistics. We talked about this before, $2.9 billion, 40 plus countries, 46,000 plus team members. And if you look at the quote below, from Pari Natarajan, who's the CEO and Co-founder of Zinnov, a well-respected firm in our marketplace, even people like him see this as a fairly rare combination, purpose-built for the future and something that can be built to last and can deliver significant value to customers, employees and shareholders.

Now, let's dig deeper into some of the statistics and why we are so excited about this combination. So, if you look at Persistent in North America, as I said before, we have a dominant market share as far as our own revenues are concerned. Coming from North America is roughly about 81% +, in terms of employee footprint we are 3,100+ of our team members there. Whereas if you look at Nagarro, Nagarro is only 35% of their revenues in North America and roughly 500 of the team members there. And now if you look at the combination, similarly I could go through Europe and so on, but the fact is, today, if we combine these two organizations, North America for the combined organization becomes 62%, Europe becomes 22%, Rest of the world, which includes places like Australia, Singapore, Japan, Israel and others, become roughly about 16%. So, not only do we get revenue diversification but we get talent diversification, we get scaled nearshore centers in Europe from this acquisition/merger. And we also, if you look at the vertical side of the house, from our perspective from Persistent we have a dominant share coming from TMT, BFSI and HLS whereas with Nagarro we add a significant might in industrial consumer and a fledgling business in public sector.

One other thing one should know, this also gives us an entry into Middle East where today Persistent's footprint is minimalistic and Nagarro has a fairly decent practice across various industry verticals within Middle East. So, it's a pretty good mix of Europe, Middle East, Japan, Israel and other places which gives us enough and more addressable market to expand whether vertical-wise, geography, service lines and more.

Now, how does it position us globally? We would, as a combination, look to be the 2nd largest digital engineering player globally, 7th largest in terms of technology services company from an India listed landscape. And, if I may say so, if we are able to bring our track record of growing consistently over the last several years, the operational rigor that we have put together, the capabilities we have put together combine these two into two organizations, the amount of synergies we can drive from a revenue perspective would place us at the best of the value creation for our shareholders going ahead.

Now, just to summarize here, if you were to look at this combination for the Persistent Nagarro group, not only we become a leading AI led engineering powerhouse, we have a new dimension of scale. And why is scale important? A number of you may be thinking in today's day and age why have bigger scale? It's not about scale for the sake of scale, it is, where does the scale come and why is it important? This basically brings scale, which is an additive to Persistent and to Nagarro in different geographies, in different verticals. And let's say we are dealing with a large customer putting out a large bid, the geographical presence across the globe is significantly important and that is what gives us the seat to the table and right to win in the larger bids going ahead with this potent combination.

Coming to the capabilities, I've talked about this before, we believe the capabilities whether it is our digital engineering capabilities, whether it is the ERP edition, whether it is the forward-looking and the most important AI led things, I talked about the OpenAI part from Nagarro, similarly we have partnerships with Anthropic, we have partnerships with other leading hyperscalers and so on, bringing all of this together our capabilities on AI forward deployed engineering become impeccable and possibly much bigger than any of the sized players who are general purpose IT services technology players in our world from a revenue diversification.

Now, this also, from a geopolitical perspective, is a fairly good balance. And also keep in mind, from an AI perspective as well if we can work with the leading companies in the west coast of the US where literally everything that anyone talks is AI and we can serve those demanding customers. We can bring it to the US and North America. North American markets are usually ahead of the European markets in adopting technology. So, if we can bring those tenets to Europe, we can get an unfair share of the market share in European markets and grow Nagarro big time in the years to come.

Similarly, on the cultural fit and which is very important from the integration perspective whether it is the entrepreneurial culture of the two organizations, the engineering first culture, whether it is the India-US, Europe-India corridor and even in the times to come, the collaboration between countries like Germany, India, broader Europe and

India, a lot of these will play very nicely into us being able to integrate, And in integration this is, again as I said before, we are not looking at huge amount of people coming from Persistent in Europe taking over leadership responsibilities, in fact it will be the other way round. Increasingly the team in Nagarro will play a bigger role in their strength areas whether geographically, vertically and so on. So, from that perspective, the discussions between the two management teams are very encouraging and we are very confident.

Obviously, it will be a planned execution of integration over a period of time and usually these things have to slow roll. Usually these things will take time to create value but we are very confident of doing it the right way.

Now, let me go back to our priorities and how does this fit in. Now, with the Nagarro group coming in with Persistent and the overall Persistent Nagarro group, if you were to look at it, we create an impeccable set of forward-looking capabilities creating a company built to last. We have service lines diversification, we add ERP from their side, CX from our side, we augment the verticals. Many of you have asked us in Earning Calls before, do we need additional verticals to scale to the aspiration of $5 billion that we have? By FY31, we get that as well at a nice scale. We add to the European business, we live to our dream of having European business at 15% plus. In fact, it's a very nice combination which gets us to 22% in Europe, it adds nearshore delivery presence and it, as I said before, it gives us a Japan presence, a Middle East presence, a presence in some other parts of the world where we are not there and also adds to us a small embedded software practice, which if we were to do these acquisitions, as sum of parts we would have had to pay far more and integrating would have been a very difficult job.

So, with that, let's come to the video from Manas, who is the CEO and Co-founder of Nagarro and let's just hear him out on the combination.

Nagarro is an engineering first company much like Persistent and in that the two companies share a very common culture. At Nagarro we believe that we should not be running to where the ball is but where the ball is going to be. And with this in mind, many years ago we designed the company around digital transformation optimizing it for digital transformation work and we were able to ride that wave of growth for many years and today we are designing the company and moving the company and preparing the company for the AI transformation wave and *we really look forward to riding that wave of growth. And in this riding and capturing this wave of growth, the partnership with Persistent is extremely exciting because if you sat down with a pen and paper to design the complementarities, the ideal complementarities, we may not be doing as good a job as we just happen to have with Persistent but just by a sheer stroke of luck. So, across industries there are these complementarities, across geographies, across service lines and even partnerships, you know, we we're very complementary. And so, we really look forward to making this all work out and actually riding this wave of growth with this whole AI transformation in the next years to come.*

So, now, with that, we are very excited about this whole thing, we believe this could be a game changer for all the shareholders.

- Whether it is the existing shareholders of Nagarro who will be exiting, they get a reasonably good premium.
- From the Persistent shareholder perspective, rest assured we just expanded our horizons from an addressable market perspective, geography, accounts and so on. We are confident of bringing our rigor, our joint capabilities, etc., to growth for the combined organization.
- For our clients, we just became an even more relevant player at a global footprint.
- For our partners, they have even more incentive to work with the forward-looking, scaled Persistent.
- And for our employees both sides, it means broader, bigger ambitions, possibilities, opportunities and that way, more reasons to stick with the organization for longer.

With that, I'll hand over to Vinit to explain the transaction details and come back later for summarizing and answering questions. Vinit, over to you.

Vinit Teredesai: Thank you, Sandeep. Good morning, good afternoon, good evening to everyone and thanks for joining this call. Just let me walk you through in terms of the transaction details.

- Persistent has agreed to acquire 100% of the Nagarro shares at an enterprise value of €1.27 billion based on an €81 per share in cash; a premium of 140% to the undisturbed closing price on June 25-26 and 94% to the 3-month volume weighted average price.

- Transaction values Nagarro at 1.27 times the enterprise value to the revenue and 9.12 times enterprise value to the EBITDA. And I will walk you through in the next slide the details about it.
- It has already secured 21% stake in Nagarro via share purchase agreement from the major shareholder. Management Board has already expressed their interest to tender their shares into the open offer. Both Nagarro boards fully support the transaction and have signed a business combination agreement. Persistent extends the voluntary public takeover offer to all the outstanding shares at the same price of €81 per share in cash. And we have put a minimum acceptance threshold for this open offer at 50% plus 1 share.

So, just coming on to the valuation part of it –

- The offer price is at €81 per share.
- The outstanding shares, which are excluding the Treasury shares, is around €12.4 million. That translates into an equity value of €1 billion.
- Then there is a Net Debt, reported Net Debt, of around €267 million. And that translates into the enterprise value of €1.27 billion.

That's how the calculation on the enterprise valuation wise. And if you look at the revenue multiples or the EBITDA multiples based on the Calendar Year 25, revenue and EBITDA that has been declared or the other consensus in terms of what are the Calendar Year 26 guidance, all fit within the number what I already talked about. Rather if you go with the calendar year guidance on the upper end, the multiples from the EBITDA perspective drop down to around 7.73. So, we believe this is a very, very fair and attractive valuation that is being paid both for the Nagarro shareholders and the asset that we are acquiring for us.

Let me get on to little bit on the financing part of it.

- This will be completely funded through a committed bridge financing from Barclays.
- The interest rate is going to be Euribor plus a margin of 175-250 basis point. At this point of time that translates somewhere in in the range of around 4.1%-4.8%. The requirement will be a few months later, that's why we given this as a range.
- The leverage, that is the Net Debt over the combined EBITDA, is going to be 1.9 times-2.5 times based on how much will be the open offer

acceptance. So, at 50% plus 1 share to 100%, it is expected to reduce down to 1X by FY2030.

- The total amount of facility, committed bridge financing facility, of €1.4 billion includes the refinancing of Nagarro's existing debt, if required. And Persistent Systems Limited, which is the parent entity, will provide a corporate guarantee of €1.4 billion and it will also include any outstanding accrued interest in addition to the bridge facility of €1.4 billion.
- Goodwill and Other Intangibles put together, so we are anticipating it will be roughly around 70% Goodwill and 30% Other Intangibles. And those Other Intangibles will be amortized over a period of 8 years.
- The transaction is expected to be Cash EPS accretive as well as Reported EPS accretive in Year 1 if you remove the transaction expenses that will be incurred in the first year.
- Revenue and cost synergies to be detailed post the regulatory approvals.

Just from a timeline perspective, on 26th June 2026 we announced the offer for the voluntary public takeover. In the next 4 weeks, we'll be filing our documents with the regulatory authority BaFin here in Germany. And they will take around 10 working days to two weeks' timeframe for us to get back and clear the offer document. After that, we'll launch the voluntary public offer. Acceptance period will be there for a period of 4 weeks. We can have an additional acceptance period of 2 weeks further. The Persistent Annual General Meeting is expected by in the last week of July and we intend to put forward the transaction for shareholders' approval in the same Annual General Meeting. And based on the current anticipation of various regulatory approvals that are expected, we expect this transaction to close sometime towards the Q4 of Calendar Year 2026 or early Q1 of Calendar Year 2027.

With that, I will hand it over back to Sandeep to summarize it.

Sandeep Kalra: Thank you. Thank you, Vinit. So, if we were to summarize this between the large deal that we have announced and the transaction that we are announcing for Nagarro acquisition, we are very confident, first, about maintaining our growth in the existing Persistent part of it, we are confident that we are having a right partner for the combination for creating the company which will be sustaining the same revenue growth momentum for times to come, creating a unique capability from a customer perspective. We are excited about this journey and we look forward to your support in this journey together.

So, with that, we will stop and we look forward to the questions from our investors.

Q&A Session

Moderator: Thank you, Sir. We will now open the call for Q&A Session. We will wait for few minutes until the queue assembles. We request participants to restrict to 2 questions and then return to the queue for more questions. Please raise your hand from the 'Participant' tab on the screen.

The first question is from Kumar Rakesh.

Kumar Rakesh: Hi, good afternoon. Thank you for taking my question. My first question was around the books of Nagarro, so have we done any incremental due diligence on the books of Nagarro? And are we confident that all the issues related to their books are behind? And related to that is the acquisition multiple as well that it looks like it's premium compared to some of the peers especially in Europe who are trading at. Given the growth profile of the business, what has been the rationale behind the valuation multiple as well?

Sandeep Kalra: Sure. So, as far as the books of Nagarro are concerned, I think you are referring to the BaFin queries that they've got over the years. So, they have got two set of queries. One was related to the time that they basically were carved out of Allgeier. The second is about how they have taken the accounting principles and so on. And we have done the diligence on both, we are confident that those issues are more answering BaFin rather than any issues that have any impact on the company's performance or any of the practices being followed by the company and so on. So, we are fairly convinced. We have had a legal / tax diligence and we have appropriate responses from the management and good reasons to believe nothing to worry.

Now, in terms of the premium. Obviously when you're looking at the premium, if you compare these companies, the growth profile or where the stock prices were over the last 1 year, last 3 years, we believe we have paid a reasonable premium for a control transaction. And from a perspective of integration, this would be a much better integration than having just another company in Europe. And if you were to compare this transaction, you should also compare to the private transactions that are happening in a controlled manner.

So, from our perspective, we believe it is not about buying cheap but it is about buying the right asset, it is about having the right management team capabilities which can help us build for the future. So, it's a value acquisition for us, it is a very complementary acquisition for us and we are convinced about the value we are paying and about the value we can create for our shareholders.

Kumar Rakesh: Thanks, Sandeep, for that. My second question was, you spoke about ERP and CX capability, which two companies bring together. But there's a lot of service line capabilities which are very similar between the two companies, so beyond the industry and geographical expansion is there any cross-selling opportunities as well, sizable, that we can look forward to?

Sandeep Kalra: Yeah. So, if you look at it, you are right, from a service line perspective it is ERP, it is CX and they have a very strong consulting practice as well. Now, if you look at a vertical side of it, there are complementary verticals. So, we don't have a scaled industrial vertical, we don't have a scaled consumer vertical, we don't have a presence in public sector, we don't have today the ability to service our customers globally in different parts of Europe, for example, scaled presence in Germany, Italy, France, Switzerland, Spain and Turkey and so on and so forth. So, there are many vectors, which are meaningful vectors in terms of synergies, whether verticals, geographic presence, capabilities and so on. So, we are very enthusiastic about this and we sincerely believe we can scale the combined entity very well over the next several years.

Kumar Rakesh: Thanks a lot, Sandeep. All the best.

Sandeep Kalra: Thank you.

Moderator: Thank you. The next question is from Ravi Menon.

Ravi Menon: Hi, thanks for the opportunity and congrats on the deal. So, first of all, you talked about the management team, so are these guys staying on? And do you have a certain run-out and other factors attached for a certain period of time?

Sandeep Kalra: Yeah. So, management team is absolutely committed to staying on. And the European laws work slightly different than the things work in America and India etc. Since part of the management team is also an investor in the company, these incentives, etc., we have to be very compliant to the minimum pricing regulations, etc. At the same time, there are enough and more commitments from both sides. And the good part, Ravi, from that perspective is we are complementary, as we talked multiple times, even for the last question, whether it's vertical, geography, capabilities, etc., our presence in Europe is minimalistic, our presence in many other countries outside of Europe like Middle East that they are in, so we will look to their leadership to take on more with time. And so, there is no reason for anyone to be unhappy in this. And yes, wherever required as we integrate we will put the right incentive plans in place like we have in Persistent for our senior management. And we are confident of the teams working together based on the diligence that we have done.

Ravi Menon: And you have had really good growth until quite recently, and especially automotive manufacturing now that's started picking up. So, can you talk about the type of clients, and sort of the work that Nagarro does in this segment.

Sandeep Kalra: Yeah, so we are in the process of the transaction. We have to take all the regulatory approvals and so on. So, I have to be at a high level at this point in time. But at a high level if you look at it – they count some of the largest auto manufacturers here. But automotive is not necessarily the biggest segment for them, it is a broader industrial segment. They have a very good partnership for example with Siemens, where they do both - the product engineering for them, they also do significant go-to-market implementations for Siemens and similar players. If you travel in Lufthansa Airlines, they have done a significant amount of work for Lufthansa. They have done a significant amount of work for SAP for SAP itself.

So, for example, the next generation, you know, work that is being showcased by customer by SAP in their customer briefing centers in India or otherwise a significant part, Nagarro has a role to play. So, the kind of work that they do is cutting edge, whether it is an industrial consumer, even some parts of travel, transportation, and so on. So, we pretty much see this as a vector that we can also take to our side.

And so, from that perspective, they are not necessarily, if I may put it straightforward, if one is thinking about automotive slowdown and so on, that's a small part of their revenue and where they work also is more on the digital side.

Ravi Menon: Thanks a lot. And you know, the segments that have declined for them, the horizontal tech, energy utilities, telecom travel segments, some of these have been quite sharp declines. And are there any structural issues in any parts of the portfolio, especially horizontal tech, which seems to have been declining in, you know, over the last few years?

Sandeep Kalra: No, so, Ravi, I'll put it this way. I don't think at an uber level, and I don't want to go into the structural part of every vertical. I'm currently running Persistent and I would rather have Nagarro CEO comment on all the verticals. But from an uber perspective, if you look at it, they have on a constant currency grown more than 5% even in these environments. And keep in mind, if I may say so, they were distracted for some time when they were taking a transaction to take Nagarro private in the last year. And you can do your own research on that. And we believe that with this behind, this whole transaction thing behind Nagarro, and with the single-minded focus of the management of Persistent and Nagarro on growth, we are very confident of bringing this back to an industry leading growth. Obviously, it has to be in the context of Europe, and other geographies. And so, from that perspective, we have no reason to believe any of those, you know, slowdowns that you're talking about should impact it.

Ravi Menon: Great. And, you know, do you see any cost synergies, or the combined merged entity you think will operate at slightly lower margins as Persistent currently does?

Sandeep Kalra: So, look, the combined entity, even today, if you look at their margins, their margins in the last quarter are reasonably good. Now in the combined entity, our ambition would be, yes, there would be cost synergies. But our ambition is to put that back, a significant part in growth related initiatives, and expansion initiatives.

Having said that, we do not believe that the combined entity will be at any significant lower margins than what Persistent has today. And if you look at our track record, we have brought our margins over the last several years up significantly. And two companies at this scale, there will always be cost synergies, which can enable us despite the investments that we talk about. So, long answer, but to summarize, we believe we can maintain the margins and better them.

Ravi Menon: I am sure of it. Best of luck.

Sandeep Kalra: Thank you.

Moderator: Thank you. The next question is from Vikas Ahuja.

Vikas Ahuja: Yeah, hi. Thank you for the opportunity. And congrats on winning the large deal and this acquisition. I mean, the strategic logic is sound, you know, geography, vertical diversification, scale, multiple arbitrages. But, you know, my first question is Nagarro revenue has been flat for two years now, and with margin pressure. What gives us confidence that this is a turnaround asset? And, obviously, you know, when I also look at the stock price from the peak, it's down 85% from 212 levels. How do we think, you know, we can help the business recover?

Sandeep Kalra: So, see, stock price and business are related. But at the same time, stock price is business fundamentals multiplied by the multiple that you get in a geography. So, I'll just leave it there. You are as investors much better experts at this.

Now, if I look at the revenue growth, you look at Nagarro itself, they have in the past grown very well. And for various reasons, whether it is management distraction in the take private transaction that they worked on or other reasons, there may have been some hiccup.

If you look at our own track record of Persistent, we have grown from the time we went IPO at about 17.5% plus CAGR. If you look at the last five years in an industry where others have not grown, we have grown disproportionately. From our last five years CAGR perspective, we are at 23.9%. If we bring in the technical capabilities and the rigor of a Persistent into the joint entity, and we work together well, we are very confident of the growth that we can bring to the joint entity.

Now, obviously, the other part is most of these integrations, most of the acquisitions have an integration issue that can derail them. As I said before, culturally, we believe the company has a beautiful culture, where while they are local, they are global, they have significant presence in countries like India, and otherwise in many other countries. So, there is already a significant amount of integration from a cultural perspective that exists in the company. That takes one big thorn out of this acquisition.

If it was a pure play European company with no footprint in countries like India, where we have a significant footprint as well, that would have been a little harder boulder to push up the hill. So, if the integration is something that is a little easier, if the management in that company is entrepreneurial, we were founded by Anand, the similar cultures exist, technology wise, somebody pointed out earlier, some part of the basic ethos of service lines, etc. are common. So, it is a lesser problem on the integration side, more on the expansion side. And so, we are confident and obviously, time will tell, but we are confident we'll bring the growth into the asset, and we'll maintain the margins.

Vikas Ahuja: Right. Sandeep, also, you know, one clarification on the margin, and especially if I look at the EBIT margin, I thought for Nagarro it's high single digits versus, you know, we were doing around 15-16%. So, I thought the value accretion seems to be contingent on lifting Nagarro's margins. But I think you made one statement that, I mean, margins are the same. Can you just clarify on that point?

Sandeep Kalra: Yeah, so, Vikas, for the sake of time, I would request you to read their financials and even the presentation that we'll share, their margins on EBIT side are not single digit. Their margins on the EBIT side are 13.9% plus, and so on. So, I would sincerely request you to review their financials and even the reviews that we do. Thank you.

Vikas Ahuja: Sure, thank you.

Moderator: Thank you. The next question is from Karan Uppal.

Karan Uppal: Yeah, thanks for the opportunity. Just a question on Nagarro's financials on CY21 and CY22. The overall growth seems to be pretty high. How much of that was organic during that period?

Sandeep Kalra: So, Vinit, do you want to address that?

Vinit Teredesai: No, so they did have a couple of acquisitions at that point of time, which had basically increased numbers. Again, those numbers are available in public domain, have a look at it. The point is we have looked at it more as a combined entity that existed on calendar year '25 and Q4 of, sorry, Q1 of calendar year '26 basis. And right now, they don't have any material.... all of that, all the growth that has been factored in is all organic from our perspective.

Karan Uppal: Got it. Second question is on the vertical performance. Sandeep, you have touched upon this a bit. So, automotive, manufacturing and industrial seems to be pretty consistent in terms of growth, but other verticals seem to be quite volatile. So, what changes would you like to make in the combined entity so that the performance is quite consistent like the way we observe in Persistent?

Sandeep Kalra: Yeah. So, look, we have just announced the transaction. I wouldn't want to stretch the envelope by saying we have all the answers to your questions in terms of what changes we would make and so on and so forth. I think the fair thing to say would be, have we done the diligence at the level that we are comfortable in each of these, whether it is verticals, whether it is geographies, whether it is the overall operations to be able to say, we have a draft plan. I don't think it is a time to share that plan right now. We still have to wait for the regulatory approvals, whether it is the RBI approval, whether it is the regulatory approvals in various countries, including, you know, here in Germany. So, there will be a time where we will share a value creation plan, but I think we have to let that time go by when we have the regulatory approvals before we kind of jump the gun. But from the diligence, we have a value creation hypothesis that we have presented to our board to get the approval for this transaction.

Karan Uppal: Cool. Thanks. Just a last question to Vinit. Vinit, how much interest cost one should bake in once the transaction is over from, let's say, assuming FY28 basis?

Vinit Teredesai: Yeah, obviously, at this point of time, you know, one of the critical part that we need to get it is how much is the acceptance that comes up in the open offer. And as a result of that, how much debt we'll have to look at it. The good part is that both Persistent and Nagarro are good in terms of their cash generation. So, our intent is basically to see some of these loans are repaid to the cash generation that will be happening over a period of time.

So, in the next couple of months, you will get a lot of answers in terms of, let's see how much we'd get as a part of the open offer, how much we are able to generate as we maintain our cash generation, and we should be able to reduce down. The good part, entirely debt-driven transactions on our assumptions, and we are pretty confident that we'll be able to service the debt, become cash EPS accretive from Year 1, and remove the transactional expenses, even the reported EPS should be positive from Year 1.

Karan Cooper: Okay, thanks. Thanks a lot, and all the best.

Moderator: Thank you. The next question is from Nitin Padmanabhan.

Nitin Padmanabhan: Hi, good morning. Congrats on the transaction. I had a couple of questions. So one is, if you look at Nagarro's, you know, distribution of verticals and average size of the clients, they are much smaller, significantly smaller than what it would be for Persistent. We have sort of scaled clients pretty well. And there also is sort of a long tail. So, I wanted your thoughts on how we would sort of address that. And do you think that could be a risk to growth from an overall combined entity perspective? So that's one.

Two, how are you thinking about sort of being able to sort of extract value out of that? And would you need to invest more from a GTM perspective within those accounts or let go of some of those tail accounts? So that's the part of the first question, I'll ask next after this.

Sandeep Kalra: Sure. So, Nitin, very well said. In fact, that's a good opportunity for us. So, if you look at the story of Persistent, even we have moved up the value chain. Today, if we look at it, the top four customers or top five customers – the average, let's say for the top four is more than $100 million. And if you ask us 3-4 years back, when we used to do our investor meetings, people would ask, would we have the ability to have $100 million plus account? And today we have at least two which are $100 million plus, third is reaching there very soon, and so on. So, this is actually an opportunity for us.

The logos, the quality of logos is very good. One thing that I will also say is, there are only this single digit overlap of customers at any value. So, from that perspective, there are less than 10 customers where we have any significant overlap. And there also we are working in different parts of the organization. Now, if you have 180 logos, which are 1 million plus, and they are very good quality, and the highest customer may be less than $50 million. If we bring the tenets of Persistent, if we bring together the minds to be able to mine those customers, we actually don't need to hunt for any other logo. So, from that perspective, there is significant amount of opportunity on the table. And if we are able to bring the service lines together, take it globally to the customers, we are very enthused - both sides - about the potential that exists in mining this. Now, is there a possibility of, you know, tail accounts being rationalized? There's always a possibility and we'll look into that as well. That should release the SG&A to be able to invest where we need to. So, from overall perspective, look, the two companies put together have more than 350 million, you know, $1 million plus accounts. The quality of their accounts are pretty good. Ability to mine that will decide how much we are able to scale even further. And overall, we think there's significant amount of untapped potential in those accounts that can be value accretive.

Now, your next question.

Nitin Padmanabh: Yeah, the next one was on the delivery side of things. 68% of their revenue is time and material. And in the context of cannibalization, with AI and all of that, how are you thinking about that in the context of Nagarro? That was the second.

And finally, I think their free cash flow seems almost double that of PAT. Obviously, there's interest costs there, but interest is below the line. So how sustainable is your free cash flow? How are you thinking about that in terms of being able to, if I assume the whole debt, it's around almost $41 million of debt repayment, I mean, interest costs. So, just in that context, that was a second question there, third question. Sorry.

Sandeep Kalra: Yeah. Yeah. So, I'll first have Vinit answer the other questions, and then I will come back.

Vinit Teredesai: Yeah, see, look at it. At the end of the day, you know, even from a position perspective, we have made improvements over a period of time in terms of generating our operating cash flow, coming out with different models in terms of how to fund the CapEx, etc. So, our intent is over a period of time, we will bring the best of the practices into the combined organization and try to improve the cash flow, ensure that the debt is serviced within the cash flows that are being generated.

And, you know, we have moved away from a lot of CapEx model to an OpEx model of working, funding our working capital. A lot of these things will help us in terms of supporting our cash flow and ensuring that we remain in the positive and comfortable zone.

Sandeep Kalra: So, I'll come to the first part, the T&M business being 65%, and so on. So, let's dig a little deeper into what companies like Persistent and Nagarro do. We are not comparable to some of the largest peers we have. And they are good companies, the bigger peers are not bad companies, they're good companies. But a significant part of their work is support-related managed services, or, you know, support related T&M work, and so on. Now, when we look at Nagarro and Persistent, we are more into the build side of it, whether it is the digital engineering side of it, more and more AI led digital engineering. And these, at times, don't lend themselves to the fixed bid managed services kind of constructs.

So, while they may be T&M, while it may be a T&M leveraging AI tools, or at times, where for example, some deals we may be able to do on business outcomes, the T&M model is not dead, at least for the next few years, it will increasingly go down. And that's what they are also doing.

So, I would not worry too much about that. I'm pretty reasonably sure, based on the diligence that we have done, and the kind of top customers, what the work they do, what we have understood, we are comfortable with this. And over a period of time, these business models will evolve wherever they have to evolve. And that's the same thing applicable for Persistent or anybody else as well.

Now, hopefully that answers you. And I go back, I want to go back to Vikas Ahuja. Vikas, I want to make sure I give you the right data points.

So, the EBIT for CY25 for Nagarro is 10.9%. For Q1 CY26, it is 12.1%. And they recently brought on a CFO. For the longest period of time, they had run the CFO organization, not necessarily in the most regimented ways. We have good reasons to believe that this will improve. And there are many tenets that we have seen, which we don't want to discuss on this call. As we build the integration plans, as we build the synergy plans, we are confident of taking their margins up, working closely with them.

Nitin Padmanabhan: So, Sandeep, you missed the cannibalization part of the question. On your assessment of cannibalization of revenue with AI for them in their context.

Sandeep Kalra: So, look, the same thing applies for Persistent as well. So, I want to answer it at an uber level. And thanks for reminding me on that. So, if you look at cannibalization, even today, we are cannibalizing as Persistent our own revenues. And the way we are doing this is, we are adopting tools and we are building our own IP. So, for example, the SASVA platform that we have, it can do end-to-end engineering. It also showcases to the world whether they use SASVA or not, whether we use Anthropic or OpenAI or whatever. So, we are able to get more business.

So, the point is, if we are able to disrupt ourselves, cannibalize ourselves, we are winning more business. And the fact that we won the large deal is also on the back of the entire AI thing that we are basically saying we can do more for less, or for the same amount, we can do far more. So I wouldn't be that worried. Is the cannibalization going to reduce the T&M revenue for the scope of work that they do currently? Yes.

Now the secret to the whole thing would be, are you able to win disproportionately? Are you able to move the capability needle much faster than the bigger organizations? And that's what our entire strategy has been in Persistent. And that's what these people, if you look at Manas' video as well, he was referring to that. And that's what we will continue to build. So, win more business while cannibalizing the existing share. And we are both companies put together $2.9 billion, much smaller than many bigger peers, much more than the market. We are confident despite the cannibalization, we will continue to grow. And as I said, even the large deal cements the growth for Persistent for this year. Hopefully that answers.

Nitin Padmanabhan: Thank you, Sandeep. Wishing you the very best.

Sandeep Kalra: Thank you.

Moderator: Thank you. The next question is from Abhishek Bhandari.

Abhishek Bhandari: Thank you for the opportunity. Sandee,. I had three questions, two on the deal, the M&A and one on the large deal. I'll start with the M&A. So, in one of the points in the press release, you have mentioned Persistent does not intend to enter into a domination and/or property loss transfer agreement for two years. Do you think Nagarro will run as an independent company for two years without integrating into Persistent after the closure?

Sandeep Kalra: Yeah. So, the way it will work is - we will have, depending on the acceptance, and we are assuming we'll be successful, given we already have 21%, given we already have management commitment for their shares, and reasonably good confidence that we will be to get to the level we want to. With that, we will have the ability to work with the management team to be able to bring the change. Obviously, they are running the company. We are the shareholders and controlling shareholders. We'll run the company with them. We'll, over a period of the next two years, look at where we can do the squeeze out. And we are in no hurry to do the squeeze out. We can do the squeeze out at the right period of time. Ultimately, it'll become one entity going ahead. But we will have the agreements in place to drive synergies and be able to make impactful change in their decision making, working with them. That is the way we are looking at it. And that's the way mature transactions in the European public-to-private transactions work.

Abhishek Bhandari: Got it. My second question is on the options you had, the entire cash flow to buy the shareholders. When you're acquiring such a large company, which is almost two-third of the current size, as a risk mitigation strategy, do you think doing some kind of a cash-plus-share swap would have been a better strategy to reduce your risk and also have more skin in the game from the company holders who are entering into this transaction?

Sandeep Kalra: Yeah. So very good question, Abhishek. So, the thing is this, this is not a private equity asset that we can do an easy share-swap and stuff like that, that many of our peers may have looked at. In a public-to-private transaction, the dynamics are different, especially in places like Germany. And we have gone into enough details with the lawyers and bankers on this. Having said that, there is a significant amount of inbound interest, even in the last 24 hours, that we have from private equity and other people in the market. We may look at that over a period of time at the asset level, not at the Persistent level.

We don't intend doing any QIP, just to be clear for everyone. We don't intend diluting our stake at this point in time. We may look at if there is a merit in deleveraging by having a private equity or some other participation at the asset level. Those options are open. No decisions taken. Right now, our decision is to go solo. We are confident we have the Barclays financing commitment. The interest rates are pretty favorable, and our combined EBITDA supports the entire transaction. Options are open.

Abhishek Bhandari: Last question is on the large deal - on the usual business that we have. Congrats on that. If you could share more details around what exactly you are going to do with your top tech accounts on this project? Any kind of timeline around the ramp-up of this particular $650 billion? You mentioned 125 ACV, which should be assumed from Q2 itself. And are there any margin implications of such large projects? Is it a consolidation project for you? Or is it scope expansion on the work that you're doing?

Sandeep Kalra: Yeah, so we will not talk about the customer’s name. We are under NDAs not to disclose the customer names, etc., and that's not a good practice. Having said that, this is a net new business. There's not much ramp-up required in this because this may also have employee transitions and so on. And from that perspective, we are responsible for end-to-end product engineering and product support for a significant portfolio of products globally. That should give you the confidence. And yes, it will be accretive - revenue & margin from Q2 onwards. And from that perspective, margins are fairly healthy. It is not necessarily, you know, large deals like this don't come at the margins at the company average, but a company is always a sum of parts. This is at a fairly healthy margin and we are pretty happy with the deal.

Abhishek Bhandari: Got it. Thank you.

Moderator: Thank you. The next question is from Kawaljeet Saluja.

Kawaljeet Saluja: Yes, Sandeep, congratulations on the two deals. My question is just a short one for Vinit. Vinit, can you just walk us through the EPS accretion math on a gap basis in the first year itself? Now, the math I'm doing, unless and until you assume some margin expansion, it's difficult to get to that EPS accretion, so if you can just help us with that.

And the second thing is that the debt that you're raising, is the interest expense a tax-deductible expense as such?

Vinit Teredesai: So, what we said is from a cash perspective, so first of all, what we are right now anticipating is a 70-30 split in terms of the goodwill and intangibles. The intangibles will be amortizable over a period of eight years. The interest rate, as I said, a billion dollar plus acquisition and debt will cost us roughly anywhere between 4.1 to 4.5% sort of interest rate at this point of time.

Number two, if you look at when we say cash EPS accretive, is basically because if you remove the amortization expenses, etc., all put together, it's cash accretive for us. Even when you look at from a reported perspective, what we are saying is, if you remove the one-time expenses that will be incurred as a result of the transaction expenses, etc., those one-offs, if you remove and look at it, it will be even reported basis EPS accretive for us.

Kawaljeet Saluja: Okay. The second question is for Sandeep. Sandeep, I know you have multiple times you have said that there are significant synergies and growth will be a focus. But I just thought, let me just ask this again, that when you do such a large acquisition, the size of the organization increases. And in your case, there's a complexity of a two-year complete integration plan as well before you squeeze out the minorities. So how do you ensure that the growth engine keeps on going? I think investors are fairly comfortable, all of us are fairly comfortable with the Persistent part of the growth story. But something which is growing at 3-4%, how do you bump up the growth of the combined entry to that Persistent level growth rate?

Sandeep Kalra: Yeah. So, if I may humbly say so, look, any company goes through its own phases. There are times when the growth slows down. And even in Persistent, we have had a few years where our growth was not necessarily at the clip that we are today. And we have done our diligence. We have done the diligence on how they go to market, what their structures are, what are the low-hanging fruits, how do we structurally, while we wait for the full combination to happen, work with them. And we are pretty reasonably confident based on the diligence and the kind of chemistry we have developed with their management teams and the kind of low-hanging fruits that we see that we will be able to do that.

Second, putting the right contracts in place to drive synergies even while we run the two companies publicly as one company owned by us fully and as in one company where we have full control and one company where we have control over the shares and we have management working with us. So, we are fairly convinced we can execute to this. And our track record ourselves should show our capability to do that.

Now, we have to be cognizant of time, we are already at 9:02. If there is one last question we can take, we will take. And we will be looking forward to meeting our investors on a one-to-one meeting. And we can follow up with any of you in those meetings as well. So, one last question, Vandit, if you can take, we will try to close the thing.

Moderator: Sure.

Sandeep Kalra: Kawal, we will follow up with you after this call as well.

Moderator: Sure. The last question is from Vibhor Singhal.

Vibhor Singhal: Yeah. Hi. I hope I am audible. Thanks for taking my question. So, Sandeep, I think the business logic and all is very well explained. I won't take much of your time.

I'm just looking for a couple of transactional details from Vinit. So, Vinit, I'm just trying to draw out the decision tree here. The press release says that we have basically understanding of 21% stake from the existing promoters. And our transaction is basically subject to the fulfillment of 50% acceptance plus one share. So, I am just trying to play out the different scenarios, not necessarily which of them will fructify. If we acquire, let's say, 21% stake and whatever stake that we have commitment to, but if there is less than 50% commitment, let's say, acceptance from the open offer, what does that happen? Does the transaction go null and void? If we acquire 50% plus one share, then but let's say whatever number we reach to 60% or 70%, then how does this happen? And eventually, is the target to take this company public? And would that happen after the DPLTA comes into force? And how will be the timeline of that?

Vinit Teredesai: So, look at it, 21% is something which we already got a share purchase agreement. As we said that the management also has expressed their intent to offer their shares into the open tender offer. And that roughly is in the range of around 13-14%, you know, so that takes us closer to around 35%. There are certain other stakes, other shareholders who also expressed their interest, that we have a confident bet between 35 to 40, it is, you know, more or less committed.

Number two, we are paying a reasonably good premium to the existing share price. That gives us a confidence that, you know, we should be able to get easily above the 50% part of it. Now, our interest will be to go as close as possible to 100%. So, that helps us in terms of the integration and, you know, getting the squeeze out much easier. So that will be something which we will watch out. But 50%, I think so we are pretty close, we do not anticipate any reason why we should not be able to get 50%.

Obviously, we have a lot of bankers and etc., who have advised us on this. And based on the shareholding pattern that we are privy to, we are pretty confident that this should not be a challenge for us.

Vibhor Singhal: Got it. And just one last part on that, post 50% are the rules pretty much like Indian open offer? Is it the majority of minority that have to agree, and then basically the company can be taken private? Or is there a different threshold to eventually acquire 100% stake in the company?

Vinit Teredesai: Yeah, it is pretty much on the same lines. There are a few local things that need to be taken care of, but yes, with 50% we get a good amount of control over the supervisory board and you know, a lot of things should be possible to be integrated with the help of the management.

Vibhor, we can subsequently answer these questions in good level of detail.

Sandeep Kalra: So, we are at 9:05, we'll just summarize the call and we will make sure that we end in time, we are a little above.

So, from our perspective the summary for all of you is, with the momentum that we are seeing in our current business despite the headwinds and the tailwinds that various people see we are with our growth journey in Persistent. With this particular transaction, we are confident of building our next together. We are confident of the integration, we are confident of what we are seeing in terms of the industry verticals, service lines, management commitment. We believe we have the right chemistry, and we believe the asset gives us the ability to build the next generation of Persistent and value to our customers, shareholders and employees at a larger scale.

With that, we will stop. Thank you for your time today and we will be in touch for further updates.

Vandit, if you can close the call please.

Moderator: Thank you very much to the Persistent management team.

Ladies and gentlemen, on behalf of Persistent Systems Limited that concludes today's conference. Thank you for joining us and you may now disconnect your lines and exit the conference. Thank you.

End of transcript

Please note that this transcript has been edited for readability.