February 12, 2025

BSE Limited
The Listing Department
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Fort, Mumbai 400 001
Maharashtra, India

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai 400051
Maharashtra, India

BSE Scrip Code: 544309

NSE Symbol: IKS

Dear Sir/Ma'am,

Sub: Transcript of the earnings conference call for the quarter and nine-month period ended December 31, 2024

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on Thursday, February 6, 2025 for the quarter and nine-month period ended December 31, 2024.

The said transcript has also been uploaded on the Company's website and can be accessed through the following link:

https://ikshealth.com/investor-relations/

This is for your information and records.

Thanking you.

Yours sincerely,
Inventurus Knowledge Solutions Limited

Sameer Shashikant Chavan
Digitally signed by Sameer Shashikant Chavan
Date: 2025.02.12 21:49:00 +05'30'

Sameer Chavan
Company Secretary and Compliance Officer
Membership No. F7211

Encl: As above

"IKS Health Q3 FY '25 Earnings Conference Call"

February 06, 2025

MANAGEMENT:	**MR. SACHIN GUPTA – FOUNDER AND CHIEF EXECUTIVE OFFICER** **MS. NITHYA BALASUBRAMANIAN – CHIEF FINANCIAL OFFICER** **MR. SARANSH MUNDRA – ASSISTANT VICE PRESIDENT, INVESTOR RELATIONS**
MODERATOR:	**MS. RUCHI MUKHIJA – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good morning, and welcome to the IKS Health Q3 FY '25 Earnings Conference Call, hosted by ICICI Securities.

As a reminder, all participant lines will remain 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 the operator by pressing "*", then "0" on your touch tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Ruchi Mukhija from ICICI Securities. Thank You and over to you.

Ruchi Mukhija: Thank you, Ryan. Good morning, ladies and gentlemen. Thank you for joining us today for the Q3 FY '25 earnings call of IKS Health. On behalf of ICICI Securities, I would like to thank the management of IKS Health for giving us this opportunity to host this earnings call.

Today, we have with us Mr. Sachin Gupta – Founder and CEO; Ms. Nithya Balasubramanian – Chief Financial Officer; Mr. Saransh Mundra – AVP (Investor Relations).

I will hand over to Saransh for the Safe Harbor statement and to take the proceedings forward. Thank you and over to you, Saransh.

Saransh Mundra: Thank you, Ruchi. Good morning, everyone. Welcome to our First Ever Earnings Call for the quarter ended 31st December 2024. I am Saransh Mundra, I head Investor Relations at IKS. We hope you have had an opportunity to review the "Earnings Release and the Presentations" that we have issued last night.

Before I hand over to Sachin and Nithya for their views on the result, let me just begin with the Safe Harbor statement.

As part of our remarks and during Q&A, we make certain statements which are forward-looking and may involve significant uncertainties. IKS does not take any responsibility to update such forward-looking statements and your discretion is warranted while making any investment decisions. Over to you, Sachin.

Sachin Gupta: Hi, good morning and good evening, everyone, depending on where you are. Thank you so much for joining our first earnings call as a public company for the quarter three fiscal year 2025.

Today, I wanted to start off with a few remarks and a little recap about our business model, because this is our first call and perhaps the last time I spoke with many of you was on the road show. So, we will start with a quick recap of the business model, then I will remark a little bit about the key themes that the business is strategically executing on. And then I will dive into some key themes that we are specifically focused on in Fiscal '25. And from there, I will dovetail into a high-level summary of our Q3 Fiscal '25 Results, after which I will turn it over to Nithya to talk through the details of the financials for you. And then we can dive into Q&A.

So, as you all would recall, IKS is a Care Enablement Platform that operates in the physician segment of the US healthcare market. That physician segment consists of about 900,000-odd physicians driving $1.5 trillion of revenue in what is a nearly $5 trillion US healthcare market. That physician segment of the US healthcare market we think is the fulcrum and the most important point of care delivery within the continuum of care, simply because as the US healthcare system tries to achieve sustainability by solving for the cost, quality and access challenges that they are struggled with, we believe the only way to really do that is through the transformation of care delivery from a reactive hospital-centric care delivery system to a proactive physician-led and patient-centric care delivery system, in which physicians reassume their role as being quarterbacks of care truly configuring care attached to patients' value system.

And so, given that this physician market is becoming the new fulcrum of care delivery, what we saw when we started our business and started building this Care Enablement Platform is that the physician market would rapidly consolidate as people would realize that it is the new fulcrum of care delivery. And along with that consolidation would come a maturity that would lead them to actually rediscover what we call their core versus chores equation, and start to really focus on the core tasks around patient care and patient experience. And identify all of these chores that are taking them away from the core task of patient care. And then start to delegate or outsource these chores to some entity or platform that could do these chores better, cheaper, faster at scale.

Remember, the most important entity in care delivery, the physician, was traditionally spending as much as 50% of their time on non-patient care non value add, non-discretionary tasks. And through the deployment of our platform, not only are they able to direct a lot of that 50% of their time back to patient care which then improves cost of care and quality of care, but also then fundamentally changes their economics from a revenue and cost perspective. Just to put in perspective, physicians are spending nearly 15% of their revenue on these chore tasks, which is about $225 billion. And the physician market is growing at about 8%.

And so we are talking about $225 billion TAM growing at 8%, which is nearly the size of the IT services industry in India today, that $225 billion. And what's interesting is that only $30-odd billion of that $225 billion has been outsourced to date to platforms like us. And that outsourced TAM now recognizing the value that this outsource can create is actually growing at 12%. So, while the industry is growing at 8%, the outsourced TAM within that $225 billion, which is at about $30 billion, is really growing at about 12%.

And within that ecosystem what IKS has done is, has created a tech-led human in the loop Care Enablement Platform. And really the only platform in the world that truly delegates all of these chore tasks that have been discovered so far through the right combination of the proprietary technology that we have built and the global human capital that we have developed over these last 18-odd years.

And I say the only platform because given that these chores, there's about 16-odd chores that one has identified across the continuum of the physician setting, what we have discovered really is that a lot of companies have been built over the years that are focused on one, two, three, maybe five of these 16 tasks. But buyers are starting to discover in the physician enterprise world that they should not be in the business of buying individual point solutions and then trying to integrate them. Imagine buyers having to buy 10, 12, 14, 15 point solutions, then integrating them and holding the bag on consolidating and creating value from those point solutions.

And so I think buyers are discovering that the value of the whole is much greater than some of the individual parts. And as they discover that and buying behavior shifts from sort of best in class point solutions to the overall platform, I think, IKS continues to be perhaps the only company in the world that truly provides them that alternative.

Over these last 18 years IKS has built a business model where 95% plus of our revenue is recurring in nature. We have very low client attrition, it's a sticky business model. Our top ten clients and our top five clients are all having average vintages of five plus years. We have grown to a workforce of about 13,150 employees as of December 31st, 2024. Of which nearly 500 employees are technologists that are building our proprietary technology, and nearly 2,500 employees of those 13,150 are clinically trained. And it's through the combination of our proprietary technology and our human capital that we are being able to delegate these tasks to them better, cheaper, faster and at scale.

Let me just comment quickly on the key themes by which we are executing on this business through which we intend to continue to retain and consolidate our leadership position as the Care Enablement Platform of choice in this space:

- The first theme really is to continue to further enhance our journey from where we were human-led and tech in the loop for certain of these chores, to now becoming more and more tech-led and human in the loop. That affects both the scalability of our tasks as well as obviously the pricing and the profitability at which we are able to deliver these.
- Second, the idea, because the buying behavior is still in transition from point solution, best in class buying to now starting to buy more and more of the platform manifest, one of our strategic execution predicaments continues to be that we need to be number one, two or three in each of the features, each of the 16 features in the platform, even as we are the only company in the world that has the full breadth of the platform.
- And number three, obviously, continue to proliferate the full breadth of the platform into our captive customer base. Which as you imagine, as you know now, our captive customer base went from about 50-odd large enterprise scale customers, which has traditionally been our area of focus at IKS. Because we believe in a market that's consolidating you want to work with the large consolidators versus the ones getting consolidated. So, traditionally we had 50-odd large enterprise scale customers. But through the acquisition of AQuity Inc., we expanded that customer base to north of 850-odd customers, of which really 500-odd tend to be that enterprise scale consolidator customers.

And so, across these 500-odd enterprise scale customers that we intend to really focus on going forward, there's nearly 150,000 physicians that are employed by them. Which, as you can imagine, is nearly 18% of the overall physician market in the US. And the full manifest of the platform being cross sold to that entire installed base of 150,000 physicians, it makes for a massive growth runway over the next couple of decades. And that's really the journey that we are on.

So, those are the three big execution themes at a strategic level. And then specifically from an FY '25 perspective, just to remind everybody the themes that we have been executing on is:

- First, effectively integrate the AQuity acquisition into making IKS one integrated platform. As a part of that, one of our key themes is that, because our traditional focus has been and will continue to be on large enterprise scale customers that are consolidators, with the additional AQuity we have grown to about 850-plus customers together. And we will actually through FY '25 and perhaps the early part of FY '26, continue to cut some of that tail and really consolidate into 500-odd large customers. And so, one of the big themes of FY '25 was to really start to cut that tail and bring the customer base to those large customers that we want to focus on.

- The second big theme that we have been executing on is, as you know, AQuity traditionally did not have too much proprietary technology, nor were they using the global human capital model that effectively. And so our second big execution theme for FY '25 really was to transform the AQuity operating model with the IKS operating model. And in that process, take our blended margins that had dropped from 24% pro forma after AQuity's consolidation into IKS back towards that early to mid-30s which we think is where the steady state business should settle down at. So, that was our second big theme for FY '25.
- And our third big theme was to really activate the most strategic aspect of the acquisition, which is the cross sell, where we will be able to cross sell the full breadth of our platform across these large 450-plus enterprise scale AQuity customers that have come to us through this acquisition.

So, those are the three big themes that we have been executing on through FY '25.

With that, I will now actually dive a little bit and provide a high level intro to our "Q3 FY '25 Results":

I am very happy to note that actually we have been able to execute better than we had imagined across all of the three themes for FY '25. As I had mentioned earlier, because we are cutting the tail for some of the smaller customers, as well as because we are transforming the AQuity delivery model by deploying the IKS technology and global human capital, that has a dampening effect on our revenue growth in FY '25.

- One, because of course we are reducing our customer base which as you see has gone from 850-plus to now about 750 customers by December 31st, 2024, that has a revenue dampening effect. And the second, because we are giving the traditional legacy AQuity customers incentives in terms of discounts to transform their delivery model leveraging the IKS technology, that has a little bit of a dampening effect on the revenue.

So, as we have been going around, we have been mentioning that FY '25 will be somewhat muted from a revenue growth perspective. Of course, over a period of time, we believe that our growth will continue to be well north of that 12% that the outsourced TAM is growing at.

Happy to note that in Fiscal '25 Q3, in spite of the dampening effect of those two strategic endeavors, we have actually been able to grow the business 16% year-on-year from FY '24 Q3. And in constant currency terms, that's about 12% year-on-year growth. So, in spite of the dampening effect, that was very deliberate in our FY '25 revenues, we have been able to grow 16% year-on-year in revenue terms to a revenue of about Rs. 657.2 crores.

Second, we have actually been able to accelerate our earnings significantly faster than we had imagined. As we were going around in our roadshows, we had mentioned that we believe we will get to the early to mid-30s consolidated EBITDA margins perhaps over the next 18 to 24 months. Very happy to report that we have actually clocked nearly a 31% EBITDA for the quarter ending December 31st, 2024, which is for us well ahead of the glide path that we had in mind to get to the sort of early to mid-30s, which is where we will stabilize. That reflects a 24% year-on-year growth in EBITDA margins and a 28% growth in PAT margins between Q3 Fiscal ‘24 and Q3 Fiscal ‘25.

Obviously, a lot of this has been achieved by actually instead of increasing headcount, decreasing headcount. So, we have actually taken headcount from Q3 Fiscal ‘24, which is about 13,250 people to 13,150 by Q3 Fiscal ‘25. Which means for a 16% year-on-year growth, we have actually reduced headcount by about 100 people instead of growing headcount. And this is in spite of actually increasing SG&A headcount, because we continue to invest significantly in sales and marketing to activate the cross sell motion as well as in R&D to continue to drive more and more transformation from human-led tech in the loop to tech-led human in the loop. So, that continued sort of non-linearity between revenue growth and people growth continues to be exhibited in the actual headcount. And then, of course, in the margins themselves that are exceeding our expectations.

And one other thing that I want to mention is that, because we were able to activate some of the cross sell faster than we had imagined, we are still being able to demonstrate faster than the TAM growth of 12% to 16% year-on-year growth in revenue, in spite of the damping effect. So, we feel like we have been able to activate the cross sell relatively faster than we had imagined, which is leading to this revenue growth and keeping it relatively robust.

That's a broad summary of sort of what our fiscal performance has been. Nithya will obviously dive into the details of some of this financial performance as we get along here.

One thing that I will mention is, even as we are publishing year-on-year growth and quarter-on-quarter growth, it's really important to note that in our business year-on-year is really what is relevant, because there is significant seasonality that happens from one quarter to the other.

For example, Q3 and Q4 are traditionally weaker quarters than Q1 and Q2 because of the seasonality that sets in patient volumes due to the holiday season in Q3 and due to the severe winter weather in Q4. And so, I would encourage everybody to think of our business much more on year-on-year terms so that we are doing a little bit of a like-on-like comparison versus a Q-on-Q terms, even though we are publishing the Q-on-Q numbers for your benefits itself. So, that's some high level remarks on the financials.

Moving on, some of our revenue momentum is actually being driven by certainly some of the cross sell that we have been able to activate in customers like Louisiana Children's Medical Center and several others. But I think the revenue momentum is also being driven by the fact that we are actually being able to execute on our strategic thesis of driving more and more of the full platform penetration.

So, really happy to report that there have been three very significant customer wins. These are new customer wins over Q3. First, $1 billion health system called Palomar Health, as you must have seen in the press release, have committed to the full platform manifest of IKS for their employed physician group in a 15 year path breaking deal for which they have committed to our platform. In this deal, Palomar will deploy the full breadth of IKS' platform across our feature clusters of revenue optimization, clinical support and value based care in their entire physician installed base. And from that deployment we are expecting some very significant upsides.

The other thing that makes this deal unique is we have actually, based on our own modeling of what upsides we will create, we have actually guaranteed an upfronted a significant amount of those upsides, about $16.5 million to Palomar in this process. And in a unique arrangement, the way this will happen is, as those upsides start accruing now that we have gone live with Palomar, up to the $16.5 million will accrue directly to IKS. And then even beyond that $16.5 million over the years, there's a significant gain share arrangement that IKS will have with Palomar which will continue to add non-linearity to our margins and yet create significant value for Palomar.

Similarly, we are very proud to announce a deal with Radiology Partners, which is the largest consolidation of radiology physicians across the U.S. They are 10x the size of any other consolidated entity in the radiology market in the U.S., nearly $3.5 billion in revenue and 3,000-plus radiologists. Partnering with them, we are creating a very unique virtual radiology assistant model that through a combination of technology and global human capital has the potential to improve radiologists' productivity on the same fixed cost by as much as 25% to 30%. So, imagine the impact of a fully manifested VRA model on a 3,000 radiologists group like Radiology Partners with $3.5 billion in revenue, the numbers start to get very, very significant at north of $600 million, $700 million a year in value creation.

And the way we have created this model with Radiology Partners is, once the model is manifested at a significant scale, this will turn into a JV where Radiology Partners and IKS will together then take this unique radiology enablement platform to the market, to the entire radiology market, based on the credibility and the learnings and the IP that we would have developed through that relationship with Radiology Partners.

Last but not the least, I would like to comment a little bit on Western Washington Medical Group, which is one of the largest independent medical groups in the Pacific Northwest. While the initial relationship that we have struck with them is on the revenue cycle side, that relationship is rapidly maturing into other manifests of the IKS platform. So, strong deal momentum, both on new customer acquisition, but faster-than-anticipated momentum on the AQuity legacy installed base cross-sell.

With that, I would like to just turn attention to a couple of product-related exciting launches as well. Super excited to announce the launch of Scribble Now, which is our fully autonomous GenAI and NLP-enabled offering for clinical documentation, ambient clinical documentation. With Scribble Now, today, IKS is now the most comprehensive suite of clinical documentation offering to the U.S. healthcare industry. By that I mean that depending on different care delivery settings and different types of specialties, there is a need for different type of clinical documentation solutions in U.S. healthcare.

All the way from settings like radiology and pathology, where there is no conversation between the physician and the patient, there you still need technology-enabled transcription-type solution, which we enable through our Scribble Transcribe product; to live virtual scribing for which we have our Scribble Live product; to Scribble Pro which is really important for complex encounters that often primary care-type physicians have, where there are multiple paths of diagnosis, there we have our GenAI-enabled and clinician-supervised Scribble Pro product. And then we also have our Scribble Swift product, where the GenAI is supervised by a human to eliminate any hallucinations.

So, through this breadth of clinical documentation offering, which I think is unique in the world, we are now able to meet the various physicians and their settings, where they are in their journey of clinical documentation needs. And I think this should turn out to be a very significant competitive advantage for us over a period of time.

And then, given that we are living in this world of so much hype and attention to GenAI, I thought I will spend just a couple of moments talking at a high level about our AI strategy. So, our approach to automation enabled by technology really began sort of in 2017-'18, first with RPA, non-cognitive RPA, and then with cognitive RPA, as you must have seen in the presentation that was shared. And not to oversimplify, but if you really think about RPA, what it does is it's a technology that follows specific instructions and commands through some rule-based automation.

Over the last couple of years we graduated that use of cognitive RPA to really intelligent GenAI-embedded automation. We have seven or eight use cases, just like Scribble Now, across the 16 features of IKS, where we are actually embedding GenAI in those features. And as you can imagine, the value from GenAI really is that it helps create complex content based on prompt engineering that really leads to significant enhancement in productivity and efficiency.

So, one way to think about it is, while cognitive RPA maybe leads to 5% to 15% automation, GenAI could lead to 20% to 35% automation; and in some cases, like clinical documentation, even 70% to 85% automation. And really as we are now starting to see the benefits of GenAI, we are excited to launch our journey towards Agentic AI, where the actual Agentic AI agents understand the goal of the task and are autonomously able to determine and execute the next steps to achieve those tasks.

So, we are super excited to sort of embark on this journey, empowered by the success of the automation that we have seen that is reflected both in our scalability and our continued margin improvement. In fact, happy to note that based on all the success we have seen, we are actually launching a GenAI center of excellence in the U.S. That will be working across all of the use cases that we have developed over these years and that have the potential to not only leverage GenAI, but now move towards the Agentic AI world.

So, with that, I will quickly summarize our performance for Q3 again. Solid execution across all our macro business themes, as well as the specific themes for FY '25. Ahead of glide path execution on margins, relatively rapid activation of the cross-sell into the AQuity installed base. And appropriate optimization of the customer base so that we can really focus on growing the customers that will create value over a period of time.

With that, I will turn it over to you, Nithya, to dive into some details of the financials.

Nithya Balasubramanian: Thank you, Sachin. Good morning and good afternoon to everyone on the call. This is obviously a very special call, not just because this is our First Earnings Call, but also because not too long ago I used to be on the other side of the call.

So, diving into the numbers, if you're following the slide deck I am on Slide #10:

Our revenues, we reported Rs. 657.2 crores in Q3 FY '25, which was a very, very healthy 16% year-on-year growth. Looking at EBITDA, again, we are very happy to report significant margin expansion. Some of you will remember that in FY '24 our pro forma EBITDA, which is 12 months of AQuity and IKS combined, came in at 24%. And from there, we have been able to achieve a significant 650 bps expansion to 30.5% or 31% almost EBITDA in Q3 FY

'25. We continue to believe that as we continue to transform AQuity's delivery model, these numbers will keep inching up in the future as well. So, the growth in EBITDA came in at 24% year-on-year.

Looking at profit after tax – again a very healthy 20% is what we were able to report in Q3 FY '25, which is again a significant expansion even if you look at quarter-on-quarter, we have been able to expand these numbers by more than 200 bps. And you will note that PAT growth actually came in at 28%. Sachin mentioned this before, the growth in PAT is actually higher than the growth in EBITDA, because our interest expense has come down, which has been enabled by the strong cash generation and therefore our ability to pay down the debt that we had assumed when we acquired AQuity.

Looking at our adjusted PAT, where we are adjusting out amortization of intangible assets which we had recognized during the acquisition, which, as you appreciate, is a non-cash expense. Looking at adjusted PAT, it came in at 22% in Q3 FY '25. And we saw a growth in adjusted PAT of 31% year-on-year.

Moving on to other operating metrics:

Again, EPS came in at a very healthy, almost Rs. 8 per share in Q3 FY '25. And ROE continues to be on a healthy expansion trend. Of course, prior to the acquisition, our ROE metrics in FY '23, if you look at the full year, we were at 36%. Our current numbers continue to see a healthy expansion as we are able to achieve the AQuity transformation. So, ROE in the quarter was at 33.2%.

I did mention healthy cash generation before, as you can see on the slide deck in slide number 12, you will see that our operating cash flow came in at Rs. 154 crores, our free cash flow at Rs. 109.5 crores. And looking at net debt, had it been business as usual, our net debt position would have actually landed at Rs. 503 crores. I will just take a moment to explain these numbers.

So, if you remember, in FY '24 our net debt position was Rs.850 crores. Through very healthy cash generation, we were able to pare it down to Rs.553 crores by the first half. And business as usual, this cash generation that we had done would have brought down our net debt position to Rs. 503 crores.

There are two exceptional items in the quarter. One of which is almost Rs. 25 crores IPO-related expense, which was advanced by the company on behalf of the selling shareholders. And this has already been recovered from them in the January month. So, this is a one-off non-recurring item. And the other item is the Rs. 139 crores, or the $16.5 million, that we have advanced to Palomar, which is an upfront guarantee of the net economic value add we will be able to deliver to them through our platform. This again, Sachin explained in detail during his remarks.

So, our net debt position, had it been business as usual, would have been Rs.503 crores. And what you will see going forward is this number continue to inch down as we continue to generate cash in the business.

Looking at our Summary Financials:

I will just call out some additional items which I have not covered on the previous slides. So, revenue came in at Rs. 657 crores. Our other income, excluding interest income, which is non-operating, the rest is all operating other income, came in at an additional Rs. 20 crores.

Our adjusted EBITDA, where I am adjusting ESOP cost, adjusted EBITDA came in at Rs. 207 crores, which translates into a margin of about 31.5%. Including ESOP cost, our EBITDA was Rs. 201 crores and EBITDA margin was at 30.5%.

Our finance cost, I already mentioned that we have been already able to pare down our debt fairly significantly, which is why you see that number is coming down and it will continue to come down in the future as well. Our finance cost was about Rs. 20 crores in the quarter. Our tax expense was about Rs. 30 crores. Our ETR in the quarter was about 19%, and therefore the profit for the period, or PAT, came in at Rs. 130 crores, or a PAT margin of about 20%. Adjusted profit, adjusting for amortization, came in at Rs. 145 crores and a margin of 22%.

With that, I will conclude my remarks. We are, of course, very, very excited by the strong and healthy trends that we are seeing across the board. Thank you for your attention, and we will now open the floor for questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Seema Nayak from ICICI Securities. Please go ahead.

Seema Nayak: Hello. Yes, congratulations on the first quarter after listing, and thanks for taking my question. My first question is, out of your service offerings such as RCM, coding, Scribble, etc., which one is getting the maximum traction? And what is the revenue breakup of service offerings? And my second question is regarding AQuity, what kind of cross-selling traction are we seeing with the newly acquired large set of clients?

Sachin Gupta: Thank you for the question, Seema. I appreciate it. So, as it relates to your question around which of the 16 features are seeing the most traction, I am happy to note that actually we have sort of stratified these 16 features into three feature clusters; revenue optimization, clinical support, and value-based care, based on the type of value they create for the customer. And at this point I can tell you that we are seeing a pretty secular growth trend across those features.

Also, given that our go-to-market now is really not feature-wise but is really much more platform, I had mentioned earlier that our go-to-market now has pivoted from you can buy certain features to either you buy the clinical bundle or you buy the administrative bundle. And the clinical bundle consists of about nine of the 16 features, and the administrative bundle consists of about seven of those 16 features.

And so, given that we are going to market in that manner where either the customer buys the entire clinical bundle and then they can pick and choose from the administrative bundle, or they buy the entire administrative bundle and they can pick and choose from the clinical bundle, we do not really report numbers based on individual features. But I am happy to note that the growth is secular across the three feature clusters or the two bundles, depending on how you look at it.

Your second question was really around the AQuity cross-sell. Look, like I would mentioned earlier, we actually had anticipated that the cross-sell will take a little longer to actually put into motion, because we had to create an overlay consultative sales engine that would take some of the more transactional point solution-based relationships that AQuity traditionally had and elevate them to a platform sale. So, we actually created that overlay cross-sell engine in the first six months of the fiscal. But happy to note that in Q3 itself we were able to start to see traction in the cross-sell motion. There are several deals that we were able to consummate in Q3. The one that I am able to publicly announce is the Louisiana Children's Medical Center, which is a very significant health system in the New Orleans area. But there are several other marquee systems that are already starting to consume other manifests of the IKS platform beyond what they traditionally had in the AQuity relationship.

So, that's one of the reasons why we have been able to deliver a 16% year-on-year growth for Q3 in spite of the muted effects of cutting the AQuity customer tail as well as offering customer discounts and incentives in order to allow us to transform their operating model that is now then showing up on the bottom line.

Seema Nayak: Thank you, and all the best.

Moderator: Thank you. The next question comes from the line of Abhishek Kumar from JM Financial. Please go ahead.

Abhishek Kumar: Hi. Good morning, Sachin. Always good to hear from you. A couple of questions from my side. First, as we look at 12% dollar revenue growth year-over-year this quarter, can we break this down between the growth in the heritage IKS business and in the AQuity? The reason I am asking is, as you pointed out, there is some dampening impact of tail cutting and offshoring. So, just wanted to appreciate the strength in the heritage IKS business from a year-over-year perspective.

Sachin Gupta: Great question, Abhishek. Thank you. And good to hear from you. So, look, obviously, because the dampening effect of the revenue is largely in the AQuity installed base, obviously the IKS legacy business and installed base is actually growing significantly faster than the 12%. While we do not want to give specific numbers because we really are now operating like one company and one platform, I will tell you that the growth in the legacy IKS business has been robust. Also, there's been some tremendous new logo addition, like I called out in deals like Palomar and Western Washington and Radiology Partners, which are all reflecting in the IKS numbers.

And so yes, the IKS business is back to its historical growth rates, which you have evidenced FY '22 to '24. The legacy AQuity business obviously is going through a dampening effect. But again, as the AQuity cross-sell motion starts to truly get activated and kick in, we hope to be able to overcome that. And then obviously the blended growth rates will continue to be far superior than the 12% that the industry is going at.

Abhishek Kumar: Okay. Maybe a related question. When I look at the standalone numbers, on a Y-o-Y basis they seem to have kind of remained flat or a slight decline actually. So, I was wondering if that standalone number is a reflection of heritage IKS business or there are some subsidiaries which are excluded and therefore my reading is wrong.

Nithya Balasubramanian: Sachin, I can take that. So, the standalone numbers are not reflective of legacy IKS business. We have other subsidiaries in the U.S. where the rest of the revenues have been booked. So, I think you should refer to Sachin's comments on the growth related to the legacy IKS business.

Abhishek Kumar: Okay. One last question from my side. Palomar deal, we have mentioned that we have paid upfront guarantee of Rs. 139 crores and Sachin, you indicated that it's a 15-year deal. So, first, I wanted to just understand the structure and does this Rs. 139 crores, or $16.5 million, represent the saving that we will do for them over the 15 years that the tenure of this deal is for. Any color on how we structure and then how overall what kind of ROI, etc., we make on this upfront investment? Thank you.

Sachin Gupta: Great question, Abhishek. Thank you. So, the way the Palomar deal is structured is like I was saying it's a 15-year no out for convenience deal and what's most unique about it is that they are committed to deploying the full 16-feature manifest of the IKS platform from the get-go. At the deployment of this full 16-feature platform, we actually anticipate that the value created, the net economic value that we will create for Palomar at the confluence of the costs that we will save for them and the revenue upsides that we will generate for them will be many multiples of that $16.5 million.

I cannot reveal exactly how much, but it will be many multiples of the $16.5 million and so hence we were comfortable advancing that $16.5 million to them, and the way the deal is structured is the first $16.5 million of the net economic value add that will be created will come to IKS. After that, up to a certain threshold, the net economic value add is shared 50-50 between IKS and Palomar, and then another certain threshold, a larger amount of the benefit accrues to Palomar.

So, a very unique deal structure. Very exciting for us, because traditionally our deals, even though our customer stickiness is longer, tend to be four to five year-duration, this is 15 years, no out for convenience, full manifest to the platform. And based on our estimates of the value that will be created which is many multiples of the $16.5 million over the 15 years, not only will we expect to claw back the $16.5 million relatively rapidly, but then start to add significant non-linearity in our margins beyond the traditional gross margins that we expect from our platform.

Abhishek Kumar: Great. Thank you, and all the best.

Moderator: Thank you. The next question comes from the line of Srivathsan from Avendus Spark. Please go ahead.

Srivathsan Ramachandran: Yes. Hi, just two quick questions. One, does the last year sale numbers factor in the full three quarters of AQuity? That's one. Second, just wanted to get your sense on this Palomar deal, is this a first deal of this nature and is there any existing revenue from this client that's sitting in the financials already? Thank you.

Sachin Gupta: So, this is absolutely our first deal with this customer and that makes it even more exciting that now large customers are trusting us with the full manifest of the platform in such a long-term deal construct. So, there is no other existing revenue from Palomar prior to this deal, which makes it even more exciting. As to your earlier question about the nine months, I am sorry, I did not quite catch the question. Maybe Nithya, if you did, you can answer it or if you can please repeat your question.

Nithya Balasubramanian: Yes, I did. So, to your question, in Q3 FY '24, there is two months of AQuity baked in.

Srivathsan Ramachandran: Okay, thank you.

Moderator: Thank you. The next question comes from the line of Gaurav, an investor. Please go ahead.

Gaurav: Yes. Thanks to the IKS team for this and congratulations on the phenomenal results. One of my questions is, as we talk about integration and amalgamation of AQuity into the IKS structure, are we also looking at any other similar acquisitions now or in the near future?

Sachin Gupta: Thank you for the question, Gaurav. Look, I think the AQuity acquisition, as you know, was the first significant acquisition that IKS did after nearly 16 years of existence. And we did this through a combination of the cash we had on the balance sheet and a very conservative amount of debt as a multiple of our EBITDA. Through this, as you know, we have created a massive customer base that we are actually trying to right size so that we could really focus on those 500-odd enterprise scale customers. And I think, as I mentioned before, those 500-odd enterprise scale customers employ 150,000-odd physicians, which is 18% of the entire U.S. physician market.

If we were to be able to successfully cross-sell our platform across those 500-odd customers, we are talking about a 90x growth opportunity from our current scale. So, our preferred growth path from here is really going to be organic in nature, given the massive customer base that we develop. Our inorganic strategy will be much more focused on perhaps bleeding-edge technology-type acquisitions, where we will be able to bring the power of our massive customer base and the access to data and context that we have, by which we can mature that technology rapidly. So, the inorganic strategy will be much more focused on tuck-in tech acquisitions.

As a gene pool, we are not a company that relies on acquisitions for growth. In fact, even before we did AQuity, as you know, we were growing at nearly 30% year-on-year CAGR. So, AQuity was a unique strategic merger, really, that we embarked on, and I think we have a lot of good work to do ahead of us to capitalize on the benefits of that. Inorganic activities will be much more focused on technology to accelerate our journey from human-led tech-in-the-loop to tech-led human-in-the-loop.

Gaurav: Got it. Thank you, Sachin.

Moderator: Thank you. The next question comes from the line of Sagar Dhawan from ValueQuest. Please go ahead.

Sagar Dhawan: Yes. Thank you for the opportunity, and congratulations on a good set of numbers. Just a question on the Slide 14 that we have in the presentation, revenue from top 10 customers, which is there Rs. 272 crores. Does this include any customer which has gotten consolidated in this top 10 into the acquisition of AQuity, or these are only the top 10 customers of the IKS ex of AQuity?

Nithya Balasubramanian: If you are referring to the Q3 FY '25 number, this includes top 10 customers of the consolidated entity. But if you are comparing it to Q3 FY '24, there was only two months of AQuity, as I mentioned before.

Sagar Dhawan: Right. So, could you please provide the revenue from the top 10 customers on a Y-o-Y basis, ex of AQuity, just from the top 10 customers of IKS, ex of AQuity?

Nithya Balasubramanian: We can take this offline. Somebody from our team will be in touch.

Sagar Dhawan: Sure. And there's just another question on the cross-sell opportunity. Just wanted to understand whether, basically what kind of revenue per client potential do we see in the AQuity's customer base for the cross-sell, if you can just provide some guidance on that.

Sachin Gupta: So, that's a good question. Look, I think one way to think about that is that our opportunity set in a customer tends to be, if they are spending about 15% of their revenue on these tasks, at the full manifest of our platform, they will probably end up paying us, depending on their specialty mix, payer mix, something in the range of 10% to 12% of revenue, right? And so when you start to think about 18% of America's physician market existing in these 500-odd large enterprise scale customers that we will want to retain and cross-sell to, you can start to do the math.

Typically, the 500-odd customers that we are really going to focus on, at the full manifest of IKS, should all be able to generate nearly $100 million a year of revenue to IKS. And that's the type of customer base that we are retaining. And that's sort of the ACV potential at the full manifest of the platform. That's also why the Palomar deal is so exciting for us, because it starts to set a paradigm for customers embarking on journeys that apply the full manifest to the platform. So, that's sort of a high-level way of thinking about what the ACV potential will be is that we are really focused on retaining those 500 customers across the legacy IKS and legacy AQuity customer base that at full manifest could be $100 million ACV customers.

Sagar Dhawan: Understood. Thank you and all the best. That's it from my side.

Moderator: Thank you. The next question comes from the line of Nilesh Jain from Astute Investment Management. Please go ahead.

Nilesh Jain: Hi, congratulations on a great set of numbers. Firstly, I had a question on AQuity. At the time of acquisition, when we had acquired, it was a 9% margin. Where are we now in terms of journey to presently, at what margins will be AQuity operating? That's my first question. And maybe I can take other questions.

Sachin Gupta: So, thank you for the kind remarks. I will say that, like I was saying earlier, we are now operating like one platform. And so, we really would not like to reveal individual margin profiles of AQuity and IKS, but it'll suffice to say that there's obviously been significant margin transformation in the legacy AQuity business. And our estimate of being able to get to sort of the mid-30s on a blended basis was based on that journey, except that we have been able to accelerate that journey significantly faster than we had thought. And so, we have gotten to nearly a 31% EBITDA margin and a 32-odd percent adjusted EBITDA margin in this quarter itself. But I think you can safely assume that the AQuity margins are well on their way to transformation and there is still a significant runway ahead of us.

One of the math that I would share with many people in the roadshows was that, for every human that we are able to transform or replace through a combination of our technology and some supervision through a global human capital, we are able to create about, give or take, $20,000 a year of additional gross margin through every human that we replace. And when we started out, there was nearly 2,500-odd humans in the U.S. So, depending on what we are able to take that down to, based on our customer agreements and customer comfort, that will eventually signal sort of the end of that runway for AQuity margin transformation. I will say that we are probably not even at the halfway mark yet.

Nilesh Jain: All right. All right. My second question is, you mentioned you have around 16 tasks. So, just wanted to understand, are there any other features or tasks where you are not present and which are not part of your offering. And what would be those and if you are looking to add those as well?

Sachin Gupta: Absolutely. Great question. Thank you. So, look, I think at any given point of time, we have at least two or three new features or tasks that are in co-development with customers that obviously continue to then increase the TAM further than what is available today. And so happy to note that we have at least two or three in co-development right now.

One such example, for example, would be several tasks within the value-based care feature cluster of our platform. That value-based care phenomenon in the U.S. is going through a major shift. Initially a lot of the focus was on risk and quality optimization, whereas now the focus is in total cost of care management. And so when you start to think of care coordination, transition of care management, risk stratification of populations, utilization management, at least the back office of the utilization management, those would all be new features.

Also, there are some other features within the physician's workflow that are applicable both in fee-for-service and value that are under development. For example, one example for that would be order entry, both synchronous and asynchronous order entry. So, yes, constant development of new features. I would not be surprised if we would reveal three to four new features over the next 12 to 18 months.

Nilesh Jain: Good to hear. And then last question is, I mean, we have seen that there's been a lot of M&A activity recently by private equity on the RCM side. So, where do you see competition on your revenue optimizing side of offerings, which you have? How do you see them and how do you compete?

Sachin Gupta: It's a good question. Look, I think that's a very interesting market, and it's really changing rapidly. If you think about it, one way to think about it is, traditionally, there were sort of two genres of companies in the web cycle space, maybe three genres of companies. One, U.S.-based companies that were directly contracting with healthcare providers and leveraging a combination of their U.S.-based human capital, their U.S.-based technology, and subcontracting a bunch of offshore labor to deliver the RCM outcomes to customers. So, companies in that genre would be companies like R1 RCM, which was formerly called Accretive, or Ensemble Health or Conifer. Those would be that type of RCM companies.

The second type of RCM companies were the ones that grew up and traditionally as Indian task vendors, those are the ones that I think have been a lot in the news in the Indian ecosystem. You heard of Access Healthcare and GeBBS and Omega. Their legacy was where they were subcontractors of tasks for U.S. RCM companies, but they did such a good job of executing and got to so much scale that now they are actually going upstream and trying to acquire customers directly in order to be able to deliver those efficiencies to the customers. Might that create some channel conflict? Maybe, but we have to give them credit for the type of scale they've driven.

And then the third genre perhaps is a company like us that was neither a U.S. company nor an Indian company, but deliberately created a global execution model with proprietary technology and always had direct customers in the U.S. where we took accountability for their outcomes. And so I think those would be the three genres of the companies. I feel like all those three genres today are converging into that globally enabled tech-driven RCM solution. Some of us perhaps started like that. Others are converging to that. So, it will be very interesting to see how the winners emerge in this space.

But again, remember, our competitive positioning is that RCM is just one part of the overall value chain of chores that physicians are straddled with. And so our competitive positioning really and our right to win often has been that not only are we a best-in-class RCM, but we are actually able to drive a lot more improvement in the physician productivity through our clinical support solutions. And then also beyond the fee-for-service patient panels that are affected by RCM, we are actually able to help physicians with their value-based care patient panel with our VBC feature cluster.

Nilesh Jain: Thank you for that detail. Just a last bookkeeping question. You generated around Rs. 500 crores to Rs. 600 crores of operating cash flows. By when do you think you will be paying off your entire debt or you will become debt free? That's it. Thank you.

Sachin Gupta: So, all things remaining equal, remember, we have operated for 16 years with no debt and actually significant amount of cash. So, all things remaining equal, we should be able to get debt free sometime next fiscal. But obviously, there might be other uses of capital, including tuck-in tech acquisitions, more innovative arrangements with customers where we align the value that we create with their outcomes. And so depending on that, there might be some dethrows to that. But all things remaining equal and us not embarking on any such endeavors, there's no reason why we wouldn't be debt free next year.

Nilesh Jain: Thank you. And all the best.

Moderator: Thank you. The next question comes from the line of Siddharth Mishra from Fidelity International. Please go ahead.

Siddharth Mishra: Hi, Sachin and Nithya. Good to hear from you. I wanted to ask a couple of questions. One is, firstly, I appreciate the very long-term opportunity which is there and congrats on the progress which you have done in the AQuity acquisition. I just had a question on the deals which you won in the last quarter. What is the ramp timelines of these deals and when do they convert into revenues?

And secondly, Q4 will be, I think, the quarter where you will have a base where you have the full AQuity company in the base. So, do you expect to grow as strong as we have seen in this quarter, even in Q4, considering the ramp-up of the deals which you won in Q3?

And secondly, this is more of a philosophical question. So, you are at 750 customers as of end of December 2024 and you want to get to that 500 customers with AQuity. So, just wanted to understand, how aggressive will you be in cutting the AQuity clients versus having also a good overall growth, top line growth?

Will you kind of go in a pace which will still keep our overall growth good in the double-digit category? Or do you think you will first be very aggressive in cutting AQuity clients irrespective of what impact it might have on revenues? And then how will it impact your profitability growth as well? So, these are two questions.

Sachin Gupta: Great. Thank you. Thank you, Siddharth. So, look, first of all, just to sort of recap, our theme for FY '25 was to cut the lowest hanging fruit of the tail that we definitely do not want to play with going forward, which I think we have executed on for the large part, and really get the blended margins of the business to the place that they need to be in.

And so as you have seen, we have really been executing to that. And I am fairly confident that we will be able to continue to execute to those themes in Q4 and beyond. The one way to think about it is, even in spite of all of the rationalization of customers as well as transformation of margin-related discounts, we have delivered a 16% year-on-year growth. And this is before the cross-sell has gotten activated. And this is before, like you noted, some of the ramp effect of the IKS new customers come into play.

So, I have maintained through the roadshows, and I will still maintain that the opportunity that we have created for ourselves is to execute far faster than the 12% TAM growth over the next 10, 15 years, not just over the next few quarters. So, I have no reason to believe going into Q4 and well into the next several years, we have any reason to slow down that growth to any lower than much faster than the 12%. So, that's one.

Yes, we will continue to optimize margins. We have been a little lucky in that we have been able to accelerate that faster than what we had originally thought. And I think as long as we stay on that path, maybe we get to the steady-state margins towards the mid-30s instead of the next two years within a year. So, yes, I do believe that we will be able to deliver significantly faster than the 12% growth and continue to run towards that steady-state EBITDA margin profile of getting to the mid-30s over the next year.

As it relates to your specific question about when these deals will ramp, all of these three deals actually have gone live as we talk and they will ramp through Q4 of Fiscal '25 and Q1 of Fiscal '26. So, the full effect will be felt over the next two quarters and that will continue to reflect in even faster year-on-year growth than perhaps we have been able to witness in Q3.

Siddharth Mishra: Yes, thanks for that. So, just to clarify, the 16% year-on-year growth which is shown in this quarter is over a base which had only two months of AQuity, right? And in Q4, you are saying that even with the full impact of AQuity acquisition in the last year, you still expect to grow very strongly. Is that a fair understanding or --

Sachin Gupta: While I am not giving formal guidance, I think that will be safe to assume.

Siddharth Mishra: Okay. Got it. Thanks. Thanks a lot.

Moderator: Thank you. The next question comes from the line of Chirag Kachhadiya from Ashika Institutional Equities. Please go ahead.

Chirag Kachhadiya: Hi, am I audible?

Moderator: Yes, please go ahead.

Chirag Kachhadiya: Yes. So, I have one question. So, every year, what average price increase took place in for the 16 available features on platform for the existing legacy clients? Yes.

Sachin Gupta: So, good question. Thank you. Look, first of all, let's all recognize that we are operating in an environment where it's significantly intensely competitive and customers are looking for more and more value from their partnerships. Having said that, I think a reflection of the strength of our platform has been that we have cost of living adjustment clauses in our contracts with most of our customers that are indexed to U.S. inflation.

And we are working hard towards not only retaining those clauses, but then also creating further non-linearity opportunity in our contracts through conservative, but unique value-sharing arrangements like we have done in the case of Palomar and several others. So, generally, we have COLA indexed to U.S. inflation and beyond that, we are coming up with value-sharing constructs that will give us further protection and enhancement of margins.

Chirag Kachhadiya: Okay. In addition to my question, so in the growth which we are anticipating north of 5%, that is industry growth, what is COLA led and net new growth will be there on incremental basis? Yes.

Sachin Gupta: Yes, I think the bulk of the growth is actually incremental growth, I would just say that the bulk of the growth is actually incremental growth, because legacy AQuity really did not have much COLA in their contracts at all. And so I would say, the bulk of the future anticipated growth should be attributed to real growth in existing customer volumes or new customer additions.

Chirag Kachhadiya: Okay, thank you.

Moderator: Thank you. The next question comes from the line of Ruchi Mukhija from ICICI Securities. Please go ahead.

Ruchi Mukhija: Hi. I have two questions. We have announced three large deal wins. Sachin, can you define for us what constitutes large deal for IKS?

Sachin Gupta: Yes, that benchmark continues to change, Ruchi, over a period of time. But I will say that in today's world, a large deal for IKS still is one that is able to contribute north of $10 million in annual contract value per year.

Ruchi Mukhija: Got it.

Sachin Gupta: Now, many of these deals will take some time to ramp to that. But as long as they have that type of a commitment and potential embedded in them, they will qualify for the large deal.

Ruchi Mukhija: Noted. Secondly, we have given aging of our top 10 and top five clients. The aging reported for three quarters implies that they have been shown in our top five and 10 accounts. Is that the right understanding? And the reason for that?

The second part of this question is, what business attribute by you, as a management team, look to track when you are looking at a client aging? Is the client vintage, which stresses the deep client relationship? In that case, this number should show consistent and gradual increase? Or is it a churn, which has been the characteristic of this metric when you look at the past history?

Nithya Balasubramanian: Hi. Let me take that, Ruchi. Thank you for the question. So, what do you see on the slide in terms of vintage of top five and top 10, the numbers are not really comparable. If you look at IKS legacy, our vintage has only improved. There are some clients after AQuity acquisition who got into our top 10 and top 5 who had slightly lower vintage. So, that's the reason you have seen, let's say, if you are looking at Q3 FY '24, our top five client vintage, the numbers might look like it's come down from six to five, it's only because the mix changed with AQuity acquisition.

Ruchi Mukhija: So, going forward, what I am trying to understand is the churn is a constant feature of this metric, or should we expect that the large client stay in this top position and this vintage keep on increasing?

Nithya Balasubramanian: No. This vintage will keep on increasing. I think at the outset, Sachin had mentioned that 95% of our revenues are from repeat clients. And I can share that even amongst the AQuity clients, since our acquisition, we have not really lost any top clients that we are focusing on. And of course, IKS clients as well remain steady with us.

Ruchi Mukhija: Got it. Thank you and all the best.

Moderator: Thank you. The next question comes from the line of Devesh Mehta from Preeti Investment Managers. Please go ahead. Ladies and gentlemen, Devesh has left the question queue. We move on to our next question, which is from the line of Hemendra Kumar, an investor. Please go ahead.

Hemendra Kumar: Good morning. Thanks for the opportunity. I really appreciate the business, the model of what IKS operates. My question is, as you have a platform helping admin jobs and taking care of physicians' tasks, etc., what is the company's perspective on continuum of care to patients? Maybe I am not aware of U.S. policies about patient care.

And are you doing anything in that aspect where you can devise a model where you can give a dietary management or lifestyle management, cardiovascular management, etc., all such lifestyle diseases where you can focus? Because you have a very large human capital and maybe you can operate on this model also. But again, as a pilot project, can you do the same for patients in India so that as a pilot batch, you can generate the same across the U.S.? Thank you.

Sachin Gupta: So, Nithya, do you want to take that? I had trouble following the question.

Nithya Balasubramanian: I did too. I am sorry. If you do not mind repeating the question.

Hemendra Kumar: Yes. My question was basically on continuum of care to patients where typically you are operating a model which is of physicians taking care of admin tasks, physicians, etc., joining the hospital and exiting the hospital, etc.. But is there any model from your side of continuum of care to patients who are leaving the hospital and leading a life where they are having lifestyle diseases, chronic conditions, and are we doing anything to manage such people? Is there a policy in the U.S. where you can contact patients and give continuum of care because you have a large human capital? And can you do the same in India also?

Sachin Gupta: It's a great question. Actually two questions there. So, yes, like as I was referencing when the question was asked around some of the new features we are creating, our entire offering that enables total cost of care management in fully delegated risk contracts actually involves exactly that, where we are building care coordination, transition of care management models, enabling effective home-based care for patients, community-based care enablement, all of that is really aimed at managing the patient across their journey within the continuum of care, including their home.

And so yes, from our total cost of care offering, sir, we will actually start to take baby steps in the realm that you are talking about because the reality is that outside of end-of-life care, as much as 60% to 70% of all cost of care is driven by chronic lifestyle disease. And to manage those patients, one needs to sort of follow them and meet them wherever they are in their care journey.

So, yes, we will start to see significant expansion into managing our customers' customers, which is our customers' patients across the continuum of care. As it relates to India, we feel right now we are still focused in the U.S. The Indian market to us seems a little immature. For example, a lot of the ambulatory physician office-based care isn't even covered by insurance.

So, as the Indian market matures a little bit, I am sure there will be learnings from our journey in the U.S. that we will be able to bring to India, but that's not an immediate-term focus.

Hemendra Kumar: Yes. Thanks for that answer, but I just want to update you that from 2008 or '09 onwards, the workshop dome of a U.S.-based company has invested in continuing of care for the diabetes management molecule in India and I was a part of that program which was successful and I have seen reduction in HbA1c, cardiovascular management, patient satisfaction, etc., dietary management. It was a wonderful, wonderful program. So, you can take feedback from such companies and implement and maybe guide your team on management practices, etc. Thank you.

Sachin Gupta: Thank you for the suggestion.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Saransh Mundra for his closing comments.

Saransh Mundra: Hi. Thank you, everyone, for joining our first earnings call. It was a really insightful session. I think many more participants came in than we expected. For any further questions, please feel free to reach out to me or anyone in the company. We will be very happy to answer you. Thank you, everyone.

Moderator: Thank you.

Sachin Gupta: And again, I will just end by saying that we are literally at the start of this, what I think is a multi-decadal secular journey to drive sustainability in the U.S. healthcare market and we are super excited to have you on this journey with us.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

Please note that this transcript has been edited for readability.