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	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai - 400 051, India **Symbol:** MPSLTD **ISIN:** INE943D01017	✓	**BSE Limited** Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001, India **Scrip Code:** 532440 **ISIN:** INE943D01017

Dear Sirs,

Sub: Transcript of the Conference Call of MPS Limited on the recent acquisition of Research Square AJE LLC along with its subsidiary.

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed herewith the Transcript of the Conference Call held on Thursday, 07 March 2024, at 02:00 P.M. (IST) on the recent Acquisition of Research Square AJE LLC along with its subsidiary American Journal Online (Beijing) Information Consulting Limited through MPS North America LLC, the wholly owned subsidiary of MPS Limited via its SPV i.e. American Journal Experts LLC.

This is for your kind information and record.

Thanking you,

Yours Faithfully,
For **MPS Limited**

RAMAN
SAPRA

Digitally signed by RAMAN SAPRA
DN: c=IN, o=PERSONAL, title=9408,
pseudonym=43dbd303263049bf818a076f6d838560,
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Raman Sapra
Company Secretary and Compliance Officer

Encl: As Above

"MPS Limited
Recent acquisition of Research Square AJE LLC along with its subsidiary American Journal Online (Beijing) Information Consulting Limited"

March 07, 2024

MANAGEMENT: **MR. RAHUL ARORA – CHAIRMAN & CEO**
MR. SUNIT MALHOTRA – CHIEF FINANCIAL OFFICER
MS. PRARTHANA AGARWAL – DEPUTY CHIEF FINANCIAL OFFICER

Moderator: Ladies and Gentlemen, Good Day, and welcome to the Conference Call of MPS Limited on the Recent Acquisition of Research Square AJE LLC, along with its subsidiary American Journal Online (Beijing) Information Consulting Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone Phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Arora – Chairman and CEO. Thank you and over to you, sir.

Rahul Arora: Thank you, Sagar. Good afternoon from our corporate office in Noida. A warm welcome to our announcement call on the recent acquisition of AJE. On the call, I have with me, Sunit Malhotra, who is our CFO, and Prarthana Agarwal who is our Deputy CFO, and they join me from our Corporate Office in Noida.

Today, Sunit will kick things off in our opening segment by describing the acquisition followed by Prarthana, who will describe the acquired business, I will then close the opening remarks with our strategic rationale behind acquiring AJE and also describe the road that lies ahead, we will then open the call for questions to which the three of us will respond. Over to you, Sunit.

Sunit Malhotra: Thanks, Rahul.

On 29th February 2024, MPS North America, LLC, a wholly-owned subsidiary of MPS Limited via its Special Purpose Vehicle American Journal Experts LLC incorporated w.e.f. 20th February 2024 in the state of Delaware, USA acquired 100% stake in Research Square AJE LLC, North Carolina, USA, along with its subsidiary, American General Online (Beijing) Information Consulting Limited, Beijing, China, AI-Tool (“Curie”) and Research Quality Evaluation (“RQE”) from Springer Science+Business Media LLC, a subsidiary of Springer Nature Group. The cash consideration of USD 8.4 million was paid as per the terms of the Membership Interest Purchase Agreement and other transaction documents.

The Acquisition of the target entity did not fall within the related party transaction(s), None of the promoter/promoter group/group companies have any interest in the acquired business.

Over to you, Prarthana, to describe the business.

Prarthana Agarwal: Thanks, Sunit. AJE is an author solutions company headquartered in Durham, North Carolina, USA, which also has a 100% subsidiary headquartered in Beijing, China, which was established in 2019 called AJO.

AJE is a B2C-dominated business with excellent gross margins. AJE's strong gross margins are driven by a focus on automation and applying ML/AI in the editing process. AJE has a dedicated AI team with the opportunity to enter the AI NLP market, which is expected to grow $112 billion in 2030 at a CAGR of 25%. AJE delivers a wide range of digital language editing services under the brands American Journal Experts (“AJE”) and Springer Nature Author Services (“SNAS”).

The services comprise language editing, academic translations in several languages, scientific editing, formatting services, and custom illustrations. Under MPS ownership, AJE and AJO will continue to be the supplier of SNAS, and we have signed a five-year exclusive commercial relationship with Springer Nature.

The transaction perimeter composes of two legal entities; one registered in the US, and another registered in China, and an additional two products. "Curie" is an AI-based proprietary language SaaS platform. Curie provides intelligent suggestions, improves writing structures, enhances flow, and assists in citations, thus facilitating the creation of high-quality academic content. Research Quality Evaluation ("RQE") services engage qualified reviewers to expedite the peer review process with its team of active researchers with terminal degrees like Ph.D., M.D., DrPh).

Over to you, "Rahul to describe our strategic rationale and the road that lies ahead.".

Rahul Arora: Thanks, Prarthana. The acquisition of AJE drives us toward Vision 2027 in a meaningful way, and the scale-up will profoundly impact both our content and Platform business. Additionally, current and future AJE customers will see significant benefits from MPS long-term strategy of embracing technology and leveraging efficiency to drive value and quality for our customers.

The acquisition brings several strategic advantages:

- First, the integration of Curie into our portfolio further enhances our AI-driven capabilities, aligning with our commitment to consistent innovations through MPS Labs.
- Second, a definitive entry into the B2C market broadens our reach, a strategic move that is expected to have a meaningfully positive impact on our scaling agenda.
- Third, expansion into China further diversifies our business and aligns with our agenda to strengthen our global presence.
- Fourth, the acquisition of AJE advances us upstream in the value chain bringing us closer to the authors. MPS now stands as the only global player with end-to-end capabilities to service academic publishing from author to researcher.
- Finally, through the acquisition process, Springer Nature and MPS have committed to realizing the tremendous value that will be created by advancing our strategic partnership.

In summary, the acquisition of AJE aligns with our growth strategy called, "Supercharging Gestalt" focusing on a market-based approach, premier customer partnerships, expansion into new markets, investment in new capabilities such as AI, and the acquisition of growing assets.

We have acquired a modified form of the business that is smaller though profitable. We expect to enter FY'25 with a business that is moderately profitable compared to our core business and exit FY'25 with a business that is as profitable as our core business.

We would like to now open the call to questions.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Naveen Bothra, who's an individual investor. Please go ahead.

Naveen Bothra: What synergic benefits and size of opportunity do we see from this combined existing AI capabilities in MPS Labs and AI capabilities added due to AJE acquisition, if you can help us understand the synergic benefits of both MPS Labs and AJE AI capabilities? the second question is regarding the very attractive price we have acquired this company with a turnover of around INR 250 crores with the INR 70 crores cash upfront payment. So, if you can help us understand what were the last mile for the sellers and all these things for this very good price, at which we acquired, because we don't have any numbers for FY'23 as such. We assume that the INR 250 crores is the run rate, and with the EBITDA margin of 13-14% currently which as you said, will move to EBITDA levels of around 28-30%. So, if you can help us understand the rationale behind this attractive acquisition, which as shareholders, is quite good to us and will help us in understanding the acquisition?

Rahul Arora: I'll start with the synergy piece. On the revenue side, AJE is almost entirely B2C. One aspect that we see is being able to market and sell AJE capabilities to MPS customers which are B2B in nature. Because Springer Nature is a publisher, AJE was unable to sell its services to Springer Nature's competitors. Historically, AJE did have B2B customers. In this space, what we have seen is B2C tends to constitute approximately 70% of the revenue, while B2B seems to be around 30% of the revenue in an ideal scenario, and the entire B2B piece is missing today for AJE because they were owned by a publisher, and therefore not able to market those services to other publishers who are competitors of Springer Nature. We saw a similar situation when we acquired MPS while it was owned by Macmillan. Very quickly after the ADI Group acquired MPS, we were able to go after more publishers. That is one revenue synergy that we observe from an MPS customer base standpoint. From an AJE customer standpoint, as you know, we have several products and technologies that we market to our B2B customers that we currently are not selling to B2C customers. Therefore, it also allows us to market our technology solutions, specifically our HighWire suite of platforms to the author side of the B2C side. So, there's going to be immediate revenue synergy. Of course, there is also going to be cost synergy that will be realized, which will primarily drive-up margins through the course of the year. As those events unfold, we will continue to update you, but we have a very high visibility on what those synergies could potentially look like in the next 6 to 12 months. Now, coming to your next question on why Springer Nature sold a business that generates 200 to 250 crores in revenue for $8.4 million, I'd like to give some context and background. Springer Nature had acquired AJE for a very strategic reason which was to improve the author experience. As we know for scholarly publishers, their customers are subscribers who pay to access content that is behind a paywall. The authors are the individuals creating the content behind the paywall. Hence, there was a strategic importance on having strong relationships with the author. Springer Nature wanted to improve the author experience and that is why they invested in acquiring a business like this. Over more than five years of ownership, they realized that AJE is a non-core asset and their partnership with vendor partners like MPS has been improving, and that they could arrive at the same level of author experience by outsourcing it to a vendor partner rather than owning the author experience, thus, they got more comfortable about arriving at the same elevated author experience through partners like MPS. Once they made this determination, they decided to divest AJE, which they identified as a non-core asset, very similar to what they did back in 2012 when we bought MPS from Macmillan, which is largely now part of Springer Nature. At that point, they approached us and we entered negotiation. We were transparent and have been working with them for 50+ years and told them that we would be comfortable acquiring the business where our payback period would be less than three years as this is a new space, it's B2C, and it's not exactly what we currently do and therefore we would like to keep the outlay to a modest level to which they agreed, and we moved on from there. I think for them what's most important is the author experience, so their NPS scores with authors continue to remain high. It's important for them that the employees who work for AJE continue have a good home. With MPS, they have transacted before, and we have taken MPS to a new level from where we acquired it from them back in 2012. This gives them a lot of confidence that not only will the service delivery and the author experience be as high as it is required, but also, the managers and the employees in the company will have a clear growth path under MPS. For an organization that's a multi-billion-dollar organization, a company of this size is not as significant for them. For them, this strategic element, when they calculate the benefits of the strategic elements, it's more important that those play effectively. So, quite like MPS, if you go back, we had acquired MPS in 2012, the revenues were INR 125 to 130 crores and we had paid about 50 crores for it. Similarly, the same event has taken place here where we have acquired a non-core asset that has tremendous value to Springer Nature from a strategic element and they want to make sure that the author experience does not get compromised. Therefore, for them, it's more important to sell to the right partner than to someone who's going to pay the highest price.

Moderator: The next question is from the line of Mahesh who is an individual investor. Please go ahead.

Mahesh: How would you describe the current AI MLP capabilities of AJE? Now that you have access to the AJE AI team, how does it impact the MPS Lab setup? How will you consolidate the two things?

Rahul Arora: AJE is like 250 employees, the AI team of course is around a dozen people, and the MPS team is much larger. These two teams will be combined going forward. In terms of the product itself, AJE uses AI in two ways. One is for internal efficiency and second is that they license their product "Curie" as a SaaS platform. In both instances, when we have compared and benchmarked with the competition, there is very little competition with respect to this type of AI for the scholarly publishing market, the scientific publishing market. Although, lots of tools and technologies exist generally for content, but nothing in the market for this specific type of scientific content. This is a first-mover advantage that this product has, and going forward, we will continue to invest and sustain the first-mover advantage. Additionally, we see applications of this technology within our workflows and our internal development. Thereby we will also be implementing the suite of AI solutions within our workflow environment. It should also improve efficiency and margins in the MPS content business over a period.

Mahesh: You've mentioned the opportunity size of $112 billion for the AI MLP market. How would you describe the existing MLP market either by domain or services?

Rahul Arora: The comment that Prarthana shared was coming from a research report, That's the total market. In terms of how we see our marketplace, we are seeing our customers looking to leverage AI to improve the speed-to-market and be able to monetize their content IP quicker, and as a result, there's a lot of pressure from our customers to reduce turnaround times and number of touch points as content is being created. Our customers are now subscription businesses, so, what differentiates them in a marketplace is the volume of content, but also the quality of content. A lot of the applications of AI are around speed and efficiency.

Moderator: The next question is from the line of Rohit from ithought PMS. Please go ahead.

Rohit: In the past, we have seen acquisitions like Highwire or even Tata Interactive, etc., Post the acquisition, there's been a run-off in terms of revenue. Some customers are sort of moving away, etc., So, do you expect something similar to happen in this case, would like to hear your comments.

Rahul Arora: Historically we have seen that for a couple of reasons: One, there's been a high revenue concentration. For example, at Tata Interactive as well as Highwire top-10 customers were upwards of 60% of revenue, and with a change in ownership, the uncertainty created issues. Second, as a run-up to the sale process, customer satisfaction in both those cases that you described was at an all-time low, and therefore post-acquisition, what we saw was run off as you described. In this situation, the two things are quite different. So, firstly, given this is B2C revenue, there's very little customer concentration, a very highly diversified customer base. Second, from a customer satisfaction level, I haven't seen NPS scores like this in our industry, they are constantly sustaining, with NPS scores upwards of 60, indicating very little customer dissatisfaction. With low customer concentration and a highly satisfied incoming customer base, our strategic momentum continues to sustain and further enhance satisfaction levels. Therefore, we anticipate minimal runoff in this specific scenario, which is our plan. We do not expect the same runoff in this situation. Having said that, we do expect revenue in the first year to be in the INR 200 crore to INR 250 crore range because certain parts of the business were unprofitable that we have not taken over. Therefore, we expect revenue to be sustained in that range that I describe as INR 200 crore to INR 250 crore.

Rohit: The margins are somewhat lower right now and you want to sort of take it to the company average. So, if you can broadly talk a bit about what are the things that you sort of foresee and how will the margins improve?

Rahul Arora: I'm sure that is something that we will be able to share over a period. We are currently in the process of improving the margins and therefore for competitive reasons, we can't detail the specific steps that we are taking. Having said that, as those events unfold, we will share those updates with you. The operating margin of this business is 65%. MPS is very similar to when we had acquired, the operating margin was 50% to 55% in fact and very quickly over a period of 6 to 12 months, we were able to lift the EBITDA and the PBT margins of MPS to a much higher level above 25%. We see very similar trends here. A lot of the steps that we took at MPS will also apply here, but for competitive reasons, it will be very difficult for me to get into those individual steps, as we continue to unlock them, we will update you in the quarterly call but it's difficult to share because that information is sensitive.

Moderator: The next question is from the line of Ayush Bansal from Emkay Global. Please go ahead.

Ayush Bansal: How is the customer base for AJE and what is the client concentration for the same?

Rahul Arora: The customer base is primarily B2C, and the average order values are fairly small. The average order value for a customer that licenses "Curie" is $132, the average order value for someone who picks up a standard package of editing from AJE is $275, and similarly for premium, it's $475. So, it's a B2C customer base. There is no customer concentration like we see in the MPS part of the business. It's a typical B2C business with millions of manuscripts getting edited and thousands of authors being supported.

Moderator: The next question is from the line of Rahul Jain from Dolat Capital. Please go ahead.

Rahul Jain: There is a potential revenue synergy that will come because cross-sell HighWire platform customers is high of the price, because you are behaving in this kind of B2C this is so low, while you may be operating in a little different paradigm in your existing Highwire customer base?

Rahul Arora: Humble correction, I didn't say cross-sell throughout what MPS does. I specifically referred to the platform suite. The platform suite is already configured for authors. The difference is that we are selling the suite to publishers who then open the platform to authors. Therefore, now we would go direct and open the same technology for example DigiEdit which is our content authoring editing platform, we could potentially open that up to the author community directly. A decent portion of the Highwire suite of products is B2B2C, and therefore we should be able to take it direct to B2C for the AJE customer base. Of course, those things will have to be configured and will happen over a period. I would say that from a revenue synergy standpoint in terms of sequence, what is more likely is that AJE services will be sold to MPS customers first and then MPS' platform solutions would be sold to AJE's customers in terms of likelihood and speed.

Rahul Jain: If you could break up this synergy, One is the aspect which you said you will enhance about the less profitable or not profitable part of the business. Second any synergy at the operating level will come in and third this will be because of a very different way of operating revenue-based order that we might have a fairly current way they are operating and when this will happen.

Rahul Arora: Again, for competitive and sensitive reasons, it's very difficult to describe what all levers we have. I can confirm that everything you mentioned is part of our strategy and there are additional elements as well, similar to what we have done with MPS and possibly what we have done with HighWire. Thus, we feel confident, but again information is sensitive, it's also very competitive, so would like to hold it to our chest till we unlock it.

Moderator: The next question is from the line of Vikas Mistry from Moonshot Ventures. Please go ahead.

Vikas Mistry: In one of your answers, you said that there's less competition in this AI market. What gives you such confidence in less competition, whether it comes from proprietary database or comes from multimodal contextual AI algorithms you have? And even if you say that there's less competition you must be growing at a phenomenal rate. So, do you feel that you will be growing at much higher rates, maybe 15% to 20% in this market?

Rahul Arora: We have a first-mover advantage, though I feel that competition will catch up. Whenever there's an attractive opportunity, you can never say that there will not be any competition. The advantage is a first-mover advantage. It comes from a proprietary LLM that AJE has created over the years. Thus, competition potentially will catch up. But yes, from a growth trajectory, we are seeing at least on the "Curie" side of the business, much higher growth. Overall, in this B2C sector working with authors, the growth rate tends to be much higher than in the B2B space. Historically, of course, MPS has played in this part of the value chain before. To illustrate, I remember when I became CEO in 2015-2016, our revenue was INR 225 crores and during the period between then and last financial year, our revenue went from INR 225 crores to INR 500 crores. In that same timeframe, one of the players who were this adjacent market of author solutions, was at INR 200 crores, a Mumbai-based company, I won't name them, but they went from INR 200 crores to INR 850 crores, and we went from INR 225 crores to INR 500 crores. So, we have now entered a marketplace that has more tailwinds and a higher CAGR than the market that we have been operating in. It almost feels like resistance training where we were operating in a very difficult market and doing extremely well, and now we enter this new market where the tailwinds and the weights have been lifted off. Hopefully, if we do a good job in execution, we should be able to achieve higher growth rates in this market compared to our incumbent B2B market.

Vikas Mistry: One of your press releases has stated that the AI national language processing market is $ 200 billion. It looks like a bit of a misnomer. So, try to just put the number which is being only addressable by our company. So, it gives a false impression of being higher total markets, that is a bit of a suggestion from my side.

Rahul Arora: We appreciate the recommendation. We humbly acknowledge that we obtained the information from the seller. We should be talking about TAM and not the total market. Therefore, we'll take your suggestion into consideration. Thank you so much.

Vikas Mistry: One data-keeping question is that I want revenue per user of the company. What is the churn rate? And what is the ad revenue out of these 200 crores whatever you mentioned out of the total revenue?

Rahul Arora: Again, for competitive reasons, I don't feel comfortable sharing that granularity of data points. What we can confirm is total revenue is INR 200 crores to INR 250 crores and we are serving over 80,000 authors. But beyond that, I would be very uncomfortable sharing data because again, we have just taken over and want the company to do well.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Why has the revenue been stalling for AJE for the past three years? And the second question would be sir, I wanted to understand providing correct citations as well as on AI-driven tools that we have been in discussion with various US universities. So, are we planning on making a move in this kind of market or I wanted to gain your understanding regarding how our current tools as well as AJE can help us in growing on this market?

Rahul Arora: Yes. Research integrity is a growing area of investment from our customers. We have developed as MPS both a tool set as well as services to deliver on the research integrity requirements. Much of this is now being outsourced by a customer base. Similarly, AJE also has this capability. Therefore, the Research Quality Service ("RQE"), I was talking about at the top of the call is exactly that. It's an investment towards improving research integrity. So, yes, that's an exciting part of the market and we are expecting significant growth there. In terms of revenues stagnating, I think a couple of reasons. One of course, being attached to Springer Nature meant that they could only capture a certain portion of the market, and that market was authors that were in the Springer Nature Universe and it kind of tapped out their potential. Thus, on the B2C side, the ceiling has been broken because we are now able to reach out to all authors, not just the Springer Nature Universe. Similarly, on the B2B side, now that we have published a neutral publisher-agnostic, we will be able to market these services to the other competitors of Springer Nature and other publishers as well. Consequently, we are more optimistic about the future, However, that was the answer for why the revenues have been stagnant, mostly because Springer Nature acquired this business with a very strategic intent, which was to improve and elevate the author experience or authors engaging with Springer Nature specifically.

Madhur Rathi: The five-year agreement that we have with Springer Nature, so what would be the current revenues that will come from Springer Nature?

Rahul Arora: Those revenues are similar to US$5 million, and Springer Nature is providing author services to authors from their platform and those orders are redirected to AJE. We have a five-year term during which we have an exclusive partnership where we will be servicing those sets of authors, and of course, we also have royalties that we pay to Springer Nature once we get those orders.

Moderator: The next question is from the line of Karan Kapooria, who's an individual investor. Please go ahead.

Karan Kapooria: Hi, Rahul. What type of geography are we looking to target, in this B2C acquisition of AJE, can you throw some light on it?

Rahul Arora: As of today, China is north of 65% of total revenue and various other markets that they're present in, but the majority of AJE, the market is China. MPS of course being a public company in India, we expect markets like India where the "Curie" tool is doing exceptionally well to pick up as we understand the Indian market well. Directly for AJE, it's mostly markets where English is not the first language. Those are the primary markets. China being the biggest, greater than 65%.

Karan Kapooria: Are we planning to target some other bigger geographies maybe in the upcoming years like India or the US?

Rahul Arora: Yes. India is going to be our first course of action given it's home. The US of course, English is the first language. Thus, it's not the right market, but Central and South America would be excellent markets for us to pursue.

Karan Kapooria: Are you planning to do more acquisitions similar to AJE this year or this will planned for next year?

Rahul Arora: Yes, as I had mentioned, we are pursuing two acquisitions this year; one has already been completed, both acquisitions north of $20 million in revenue. Therefore, we are looking at doing another one in the later part of the year.

Karan Kapooria: I missed the revenue part. What is the revenue size that you are targeting?

Rahul Arora: A minimum of $20 million in revenue is what we are looking at.

Moderator: The next question is from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg: We are expecting in FY'25 between Rs.200 crores to Rs.250 crores revenue from the acquired entity. So, if we take Rs. 225 crores and if we assume a 30% operating margin that you are confident of achieving on the acquired business, that gives us somewhere around Rs. 70 crores of additional EBITDA from this acquired entity, which is equivalent to the amount we have paid to acquire it. And as you mentioned the payback period you were expecting was three years, but here it seems that in one year itself we will be able to recoup whatever we have paid at least in operating profit level. So, is that understanding correct or am I missing anything?

Rahul Arora: The gross margin for this business is 65%. We are going to enter the new financial year in the early teens in terms of EBITDA margin and we will exit the financial year in the late 20s, or early 30s. Therefore, there is both an entry point and an exit point. I think if you are taking an average of 30% for the entire year, I wouldn't agree with that math, it'll be somewhere in between. In terms of the payback period, 3 years is when we want to recoup all the monies that have been invested during the 3 years. Historically we have done better than that. for example, in the Highwire acquisition, our ROCE in the first year itself was 86%. Will this one be similar? I'm not sure, but it will be higher than our existing ROCE for the company, which is north of 30%.

Keshav Garg: Now, we have three business divisions. So, now is there a fourth business division, this acquired entity, or which content platform or e-learning, where will these numbers be added?

Rahul Arora: These numbers will be attributed to content and platforms. When we report our first quarter for FY'25 it will be clear what the distribution between those two segments is. At some point, depending on how this business performs, a better way to look at MPS might be B2B and B2C, but again that's two years away. But for now, I think we will probably just look at our business the same way and distribute the revenue and the income across content and platforms.

Moderator: The next question is from the line of Dipesh Lakhani from Dolat Capital. Please go ahead.

Dipesh Lakhani: What is the amortization that we might see on this acquisition?

Sunit Malhotra: This would be based on the fair market which we are going to work out for each asset \ over the useful period of life, which is still under working. Therefore, we should be in a position to do the amortization once we have complete clarity and workings on that.

Dipesh Lakhani: So, next quarter?

Sunit Malhotra: Yes, it would be in the next quarter.

Dipesh Lakhani: What is the timeline for the company's average profitability that you expect for AJE? When could we expect AJE's profitability for the company?

Rahul Arora: We are aiming for 12 months. We are hoping that the new financial year starts in the early teens and ends in the late 20s, or early 30s and the goal is not to stop there. This business also has tremendous operating leverage and beyond that, as revenue grows, margins will continue to expand.

Moderator: The next question is from the line of Ankit Kanodia from Smart Sync Investment Advisory Services. Please go ahead.

Ankit Kanodia: We mentioned in the previous quarterly call results. So, I just wanted to know your point on, as you said that you will be having one more acquisition this year. So, how are we placed in terms of FY'25 do we have more acquisition plans, and what is the funding scenario looking like, are we comfortable with internal accruals or are we planning to raise debt or maybe equity fundraise?

Rahul Arora: The plan for acquisitions remains the same. The acquisition that I was talking about in the last call was this acquisition - AJE. The deal was at an advanced stage. It took longer to close than we had thought, and the next acquisition of course is what we are planning in FY'25. In terms of funds, we think it's going to be a combination of internal accruals, but also if debt is needed, we are comfortable raising debt to the tune of the forward financial years PAT. We have been good on funding for the next acquisition.

Ankit Kanodia: And we maintain our guidance of more than Rs.130 crores of PAT for the accounting year FY'24?

Rahul Arora: In the last quarterly call, given the deferment of a large project on the e-learning side, we will probably miss our guidance of PAT for this financial year FY'24, but FY'25, we are bullish about performance. It's too soon for us to talk about FY'25 guidance, but at some point, next financial year, we will share that guidance. At this point, we can only say that we are very optimistic about FY'25.

Moderator: The next question is from the line of Rahul Bhansali from Parami Capital. Please go ahead.

Rahul Bhansali: Our business has scaled up significantly over the last two to three years and we are in different geographies now and we have B2B and B2C and it is scaled up a lot. So, I just wanted to understand how you plan to govern the business and what is your role going to be because it's a very different company from when you joined and also we are planning to acquire a couple of more businesses, so I just wanted to understand how do you plan to govern the business now?

Rahul Arora: We have been planning and working diligently towards this outcome. Overall, we have been investing in the next three layers of management. We have General Management teams that we call the GMT, which are focused on specific business areas. We have another layer, what we call the SMT or senior management team, which spreads across multiple business areas and not specifically one business area. Finally, we have the leadership team which is focused on a vertical level, and some of us are also focused across verticals. In terms of my role, I'm of course the Chairman and CEO of the Company, and over a period, as we have scaled, I'm doing less and less in terms of daily transactions and focusing more on the growth of the business, the strategic thinking as well as driving the business forward from a Vision standpoint. Therefore, my role has significantly transformed in the last couple of years, and I've been able to do that because of an excellent team that is supporting me and some of the acquisitions that we have done have come with founders, and some of the ones that we will do forward as well, will also come with additional founders. These founders are being placed right at the leadership team from day one so that they can add tremendous value to the company as well as to the rest of the management team. So, absolutely the business scale is increasing, but we are also rapidly investing in management depth. We have created through the hard route, a culture of ownership. We have rewarded that culture of ownership through ESOPs, we today have 50 to 55 people that have ESOPs in the company. We have over 100 people who we call the torchbearers. So, between the GMT, SMT, and LT, there are about 30-35 people, and beyond 30-35 people, there are another 100 people whom we call the torchbearers who are responsible for the day-to-day transactions. So, yes, very astute observation. My specific role has transformed, but so have many others and we continue to invest in management and scaling the business.

Moderator: The next question is from the line of Mahesh, who's an individual investor. Please go ahead.

Mahesh: How long will you wait for the next acquisition? Is it dependent on or contingent on anything related to the AJE acquisition itself?

Rahul Arora: No, nothing contingent on the AJE acquisition. I have a Managing Director in the US subsidiary who is running the integration agenda. He was the CEO at one of our US competitors and he joined us recently in the US. So, he's driving the integration agenda on AJE. My goal would be in 6-8 months, we should do the next one. Of course, we are pursuing multiple opportunities. Therefore, timing also gets determined by how fast the sellers move. But yes, nothing contingent on how what AJE does.

Mahesh: Also in Jan, you mentioned a new launch related to AI. Was that Curie?

Rahul Arora: Yes, that was Curie.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Rahul Arora for closing comments.

Rahul Arora: Thank you so much. AJE is our tenth acquisition since Macmillan entrusted us with the reins at MPS. How serendipitous that life has come full circle, and we acquire AJE from Springer Nature? My team and I are committed to supporting AJE towards its complete potential as we have done with MPS over the past decade.

AJE was founded to democratize discovery and research by an Indian immigrant. At MPS, our deep purpose has always been to further access educational learning and there could not be more alignment in purpose, mission, and values between MPS and AJE. A diligent and responsible team effort lies ahead to take an excellent strategy to a magical reality through a common culture. Thank you for your active participation in our announcement call on the recent acquisition. We appreciate all your thoughtful questions. Your unique outside in perspective helps us to learn and improve. I want to take this opportunity to express my gratitude to all our stakeholders for their continued support and respect. Our journey together has indeed been remarkable, and we have a tremendous opportunity to supercharge scale.

I look forward to your continued support, feedback, and partnership mindset. Thank you.

Moderator: On behalf of MPS Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.