

HEXAWARE

Hexaware - Q1CY26 Earnings

May 07, 2026

Moderator

Ladies and Gentlemen, good day. Welcome to Hexaware Technology Limited's conference call for the Q1 CY26 earnings call. We'll begin today's session with a presentation from the Hexaware management team followed by a Q&A segment. To ask a question during Q&A please use the "Raise Hand" feature located at the bottom of your zoom interface. This will place you in the virtual queue. I will now hand the conference over to Mr. Niraj Khemka, Head of Investor Relations. Thank you. Over to you, Mr. Niraj.

Niraj Khemka

Thank you, Shawn. Hello everyone. Welcome to Hexaware Technologies' CY26 Q1 earnings call. In the call today, we have with us Mr. R Srikrishna, CEO, and Mr. Vikash Jain, CFO. In the course of this call, we will make certain statements which are forward-looking and may involve a number of risks and uncertainties. All forward-looking statements made herein are based on information presently available to the management, and the company does not undertake to update any forward-looking statements that may be made during the course of this call. In this regard, there is a full disclosure, which has been included in the investor presentation and press release. We consider that as Read. With this, I'll hand over the call to R Srikrishna. Over to you, R Srikrishna.

R Srikrishna

Thank you, Niraj. Good morning or good evening, everyone. Thank you for joining. I want to start by continuing our conversation on AI. So first let me say that at the end of Q2 results, shortly after our Q2 results, we will hold an AI day. We will do it in Chennai. So I'm hoping all of you will find time to get there. And in that, we will walk you through our strategy in detail. But more importantly, the reason for Chennai is that for each element of what we talk about, we will present multiple proof points and platforms. So that's shortly after we announce Q2 results, and we will announce a day soon for all of you.

Now, our objective is to become a trusted partner for our customers' AI journey in everything they do. And for that, the first thing is that we have a comprehensive range of services, anything and everything that a customer will want to do. And we think of that in three buckets: AI for IT, AI for business, and both of these are often enabled by a common foundation layer. Now, we are undergoing the rapid pivot, and the pivot is in the services we deliver, the talent, our business model, and how we charge for our services. Now, we've identified across this page about a dozen areas of new revenue opportunities for us. And this is something we will detail out when we talk about this in the AI Day in detail. But let me give some examples now. If you go to the next slide, please.

On AI for IT, we have a fairly comprehensive set of services that both address our current core and protecting and growing our core but also addresses several new opportunity areas. Let me give a couple of client examples. We renewed in a competitive bid, a large ITO customer. What our platform enabled us to do is to renew the contract at substantially higher value, as a result they became larger, so we were able to address 50% more volume and about 10% more revenue. We give an example on software engineering. This is an airline client for which they have their core systems on legacy. In this case, legacy is like 10 years old, 15 years old legacy written on Java. What we're doing is to strangulate the core out by keeping just the core, but everything else, we are moving to agentic. And this improves the velocity of the product. It reduces the cost and improves the maintainability substantially.

The two most exciting services we launched in this space in this quarter, one, and we spoke briefly about it last time, was what we called a zero-license offering, which we announced in Jan. SaaS is a \$400 billion market. I think the last decade, people have gone from building custom software to building the same functionality on SaaS. I think you're going to see a significant reversal of that. We are the first and probably still the only IT service provider to have a focused offering around getting customers to zero license and independence from SaaS. And this is not just a concept. It is based on a module we built in RapidX that allows us to do what most customers or most of our competition cannot.

The second most interesting service we have launched is a new generation of our IT operations platform, Tensai. What we built is a reasoning ops capability in this. This platform actually has three differences. First, historic automation in the IT space, has focused on task-level automation. And you keep automating tasks and there is a ceiling. What it did not do is edge cases, complex edge cases, because that requires reasoning. And so we've changed the fundamental approach, gone away from task-level automation to complex reasoning that looks at the whole of our customer's IT. The second difference is that we've done this with an SLM for enterprise IT. And we built a custom ontology model that enables us to onboard any clients onto a standard ontology model. And finally, because it is an SLM, it captures a lot of inferencing in the SLM rather than going to SLMs. And it saves on token costs for customers, but it's also a new revenue and profit opportunity for us to capture a part of the savings in token costs that customers would have otherwise spent. Go to the next slide, please.

Now, while AI for IT is interesting, it is still smaller in aggregate. Everything in AI for IT is still smaller in aggregate than AI for business. In the last few weeks, there are two of our clients in different industries that announced agentic AI platforms. In both these cases, one more and one less, we have been involved in helping the customer launch this platform. In both these cases, these platforms are meant to change fundamentally how our customers do business. So, let me give a few examples from different industries.

For a client in Pharma, we are going to redo their entire clinical data management systems with agentic AI. Now, apart from reducing cost of how they do this, one of the outcomes will also be a zero license, because eventually the platform they use for clinical data, which is a COTS third-party platform, will become irrelevant. To give you an example in Airlines, for client, we brought the power of multimodal AI and we are together to help engineers that are repairing complex aircraft parts. Each airline spends about \$5 million per aircraft per year, and this not only reduces the cost and time, but also substantially improves compliance while doing that. If you go back to slide 3, please.

In terms of our quarter, we had a better quarter than we expected. I think the last time we spoke, we said we would have a soft quarter, in general, we said it would be a quarter with contraction. We had a decent quarter on revenue, but we had a good quarter on profitability. If you recall, we cut it for quite a bit lower. We said there will be improvement in the outer quarters. That part is still true, but we started off better than we expected we would be. As always, our cash management is very strong. We closed with a strong cash balance of \$220 million. Our IT headcount continued to increase. We continued to hire. Here we had a net headcount reduction that was on account of BPS. And in IT, we had a net headcount addition, which is actually 11th straight quarter of IT headcount addition. Our attrition remains amongst the lowest in the industry, and our utilization is range bound. Now, we have added two clients at a \$10 million pyramid. So, this is good growth because these are the clients that help us now get into higher layers of the pyramid. We are now at 34 clients that give us over \$10 million. If you go to slide 7, please.

I want to talk about some of the wins. I think we had numerous wins. At the highest level, you know, I spoke a bit about last quarter that one of the more fundamental changes we've made is to substantially improve our hunting. And we won an enormous number of deals in the quarter, so I put out eight here. First, as always, the deals are a mix of outsourcing, consolidation, and transformation deals. So this is a large speaker manufacturer. We have a full-scale ITO plus some BPO and eventually more of both. This will be delivered globally. This is a nice large deal that will start giving us growth from late Q2 and certainly to H2. The biggest positive surprise for us in Q1 was a large global bank that went through a consolidation deal last year. They had spoken about a phase two, but we were not sure if that will happen or not. Not only did they proceed on phase two, we wound up on the winning side. This is a very large bank with a very large spend, and they are aggressively consolidating. And we expect to see material increases in volume from that in the second half of the year. A third one, again, a European

bank consolidation deal. This is an existing client, but there's a pool of work outside of what we currently do, which is one large program, which they were consolidating down to two vendors, and we are one of the two. This is a global professional services firm, not the one that we won last year, this is another one that initiated a consolidation of a book of work within the quarter, and we closed it within the quarter. We will become the sole provider for a service for this client after we complete transition. One of the really interesting deals is on AI for business. This is a fab-based manufacturer which is going through a significant boom due to AI. Instead of client expanding and investing in more fabs, one of the efforts is how can you improve productivity in each fab and how can you produce more SKUs per fab. And they've instrumented their plants with any number of sensors. But what we're doing is to help build custom models that will improve fab performance. Now, that's how it started. We're also doing other normal IT work for them, but the key basis of why we won is our capabilities in being able to build custom models. There is a large brand name workspace company for which we won an AMS deal. I also picked two examples from recent acquisitions. The next one here, a data center company, and that in and of itself is good because they're growing quite a bit as are all data center companies. This came from our Cybersolve acquisition. We won a deal here on identity-led cybersecurity. And the last one is a large asset manager for whom we will set up a GCC. With that, over to you, Vikash.

Vikash Jain

Thanks, Keech. Let's move to the next slide. So, revenue for the quarter came in at \$389 million. In absolute dollar terms, revenue was largely flat, driven by volume growth of close to \$3 million. And we had an impact associated with calendar and furloughs, which we had called out, which was a headwind of close to \$3 million. Now, calendar and furlough impacts are seasonal, and we expect this to reverse materially in Q2. That's what we called out in the last earnings call too. The volume growth of \$3 million is also reflected in the net headcount additions that we did during the quarter and also has a full quarter impact of the hires that we made in the last quarter. License revenue for the quarter was at \$11 million, flat sequentially and was below our historical quarterly average, which is close to 13 million.

On margins, we have aligned our margin reporting to EBIT. EBIT excludes other income and forex impact related to hedging and translation which is consistent with the market practice. Reported EBIT for the quarter was 13%, up 570 bps sequentially. Normalized for one timers that we had last quarter, EBIT was flat sequentially. Now even though the EBIT was flat sequentially there were few puts and takes. We did get a bit of a tailwind from forex of close to 90 bps. There were operational improvements associated with what we're driving in the business that added close to another 50 bps. The 140 bps that we had from forex, and operational improvements were offset by lower calendar of 90 bps. Large deal ramp ups which we had spoken about the new deals that we are signing in the initial phase are going to have a bit of a margin headwind and in the latter part of the year will start improving and the impact of labor code of 20 bps. The labor code impact is the continuing impact of the new wage code, and it will be a recurring item every quarter. There are no one-offs in EBIT in the current quarter. I'd also like to make a specific call out.

During the quarter there was an earn out reversal associated with SMC acquisition. The earn out payable towards the CY25 achievement was close to \$23 million of the same, the performance achievement actually leads to payable of close to \$20 million. So, a large part of what we thought that the asset that we are acquiring is expected to deliver is happening and close to \$3 million was reversed out. Now consistent with the accounting practice, the reversal is recorded in other income and does not impact the reported EBIT numbers. Let's move to the next page.

Some color on the unit level performance. Starting this quarter HTPS has been split into Professional Services and TPP, Technology, Products & Platforms. This split was done to sharpen the strategic focus. TPP, the business unit led by Eravi, while currently the smallest vertical who represents a meaningful growth opportunity for us. In the quarter, four of the seven verticals delivered YoY growth led by Banking, H&I and M&C. Sequential growth was primarily driven by H&I and PS. Now sequential softness in select units is a result of the seasonality and a little bit of GSE client headwind. Keech is going to touch on that later during the presentation, but we did call out a bit of a headwind in the last quarter, so it's an impact associated with it. A few units to be called out. H&I, very strong sequential and YoY growth, and it's driven by large deal ramp ups and the broad-based growth across Europe and

that is reflected even in terms of the strong YoY growth you see from a Europe perspective. In our last earnings we had called out H&I to grow at a pace faster than the company and we see that play out from this quarter itself. M&C was a drag in H1 of last year, because of the tariff and other macros. We see that coming back to growth so there's been a healthy YoY growth supported by traction both in existing accounts and new logos and it has delivered strong YoY growth starting H2 of last year. We expect M&C to be a fully growth contributor. The sequential decline what you see in M&C is driven by seasonality. Q4 demand is a bit higher on account of festive reasons for some of the client retail clients and also calendar. Banking, the sequential decline is due to seasonality. However, there was a very strong YoY growth in line with the last few quarters' trend and we expect the vertical to have a strong CY26.

On geos, all geos delivered YoY growth. North America performance is after including the headwind from the GSE client which we had called out in Q1 and Q4 of last year. So, it's an impact of that which is getting reflected in the YoY growth. Europe returns to strong growth and is expected to lead the full year growth driven by account ramp ups and new logos. APAC, sequential softness reflects the Q1 seasonality. Now more commentary on CY26 outlook by unit will be covered later during the call by Keech. Turn to the next page.

We continue to add meaningful clients to our client base. One of the ways we measure broad-based growth is to track the number of clients delivering greater than \$10 million revenue. As you heard Keech say that in terms of the greater than \$10 million revenues, we have had two clients that we have added on a sequential basis. That number is four on a YoY basis. Next slide.

A bit of a highlight on the operational parameters. Offshore mix continues to improve. On the headcount, as Keech called out, even though the overall headcount is a decline of 46, we continue to add in IT, and BPS was decline. This marks the 11th consecutive quarter of IT headcount addition. Utilization closed at 82.6%, 180 bps up sequentially, and this reflects the reversal of the seasonal Q4 impacts, both with respect to the furloughs and the leaves that we had called out. Next page.

Closing cash balance of \$220 million, and the company continues to remain debt-free. DSO for the quarter came in at 75 days, which is within the level we would expect. Last quarter we had called out that the DSO of 67 days was a high watermark at the year end. On the cash flow, we have changed our cash flow metric reporting in line with the margin metrics. So, the OCF to PAT on LTM basis was 125% and it's one of the industry leading and we expect it to continue to be high in the coming quarters too. ETR for the quarter came in at 25.5% and we continue to reiterate our full year ETR for CY26 to be between 25-26%. With that I'll pass it over to you Keech.

R Srikrishna

Thank you Vikash. So, we're going to talk a little bit about outlook for the rest of the year. At the highest level we feel very good about where our business is. We are hitting a phase of sustained growth. You know last quarter we said we've been running faster for a while but it's going to take time to show up in numbers. We're running faster but we had to outrun some of the headwinds. Booking takes time to translate to revenues and there's calendar issues so we said it will the results will start showing from Q2. We are in Q2 and the next quarter you will see the outcome of it and when you see the outcome, it will not just be a one-off. We think it will be a sustained momentum of growth from this point for us. At a minimum, we are reaffirming what we said last time, the floor of growth of 7.6%. I've spoken about deals already. I spoke eight deals, but there's quite a bit more that we won.

I would say right now AI in SDLC is the biggest source of differentiation and the biggest source of deal activity. There's a sudden and extreme urgency with clients to demonstrate serious value in SDLC using AI. And that's driving a lot of conversations and that is driving a lot of deals. On the GSE customer, we have been down selected as one of the three vendors and expect stability, but even prior to a decision there were more headwinds in the year. So, at this point they did decide down to three vendors. They're consolidating a large number of vendors down to three. So right now, we expect stability. We've had ~40-45 % down over the last four quarters. That's not going to happen. So, we expect stability, not necessarily growth immediately, but we could see growth coming back over a period of time. We spoke about the other deals. So essentially what all these deals and a continued strong pipeline means that we are reiterating our growth. The current growth is underpinned by deals already one and much like we said the last time there are pathways and opportunities for us to improve this, but we want

to first show Q2 results before talking about what more we could do in the year. There are some changes in verticals. H&I will lead growth. Banking will do well. We've been speaking about MNC turning the corner. I think MNC is going to wind up in a pack that will be among growth leaders. It will lead company growth for the year. I think it's a bit of macros and some of portfolio-specific issues that we've solved for, and it is back to decent growth. On the other hand, T&T will lag due to macros, primarily due to fuel price issues that impact the airline industry.

We've started better on margins than we planned for. But again, like in revenue right now, we are sticking to our guidance of the range of 13-14% for EBIT. However, we also want to reiterate what we said last time, that margins will improve through the year, especially in H2, and our exit rate will be higher than what it is for the full year. With that, we will stop for questions.

Moderator

Thank you very much. We will now begin the Q&A segment. To ask a question, please click on the raised hand button at the bottom of your Zoom interface to enter the queue. Once announced, kindly unmute yourself, state your name and organization, and proceed with your question. If your query is addressed before your turn, you may press the lower hand button to exit the queue. We'll pause briefly to allow the team to assemble the list of participants.

Our first question is from Prateek Maheshwari. Please unmute and ask your question.

Prateek Maheshwari - HSBC securities

Thank you for the opportunity. Congrats on the good set of results. I think this quarter went by much better than what you guys expected at the end of the Dec quarter. I had two questions first I would like you to kind of expand on the comment that you've made on the agentic AI being implemented in the SDLC life cycle and you're seeing strong momentum on that. Also, you commented that you guys are now seeing a phase of sustained growth right. So, if we look at your larger peers they have commented for higher AI deflation in 2026 versus 2025 right, and you guys are talking about better on this front plus, also I've seen your mid-tier peers saying very similar comments. They have a better growth expectation than larger peers. So just wanted to understand first of all on the industry level, how do you guys see AI deflation. Do you guys also see that mid-tiers are better placed in this front. So that's my first question.

R Srikrishna

We had called out the AI deflation last quarter. While there was big commentary from our peers, we did say there would be deflation and we budgeted for it in our numbers. Second, I do think the opportunities are real. We've identified 12 opportunities. One example I gave on zero license. And in our AI day, we will talk through what those 12 opportunities are and show you what we're doing and proof points for platforms and customers in each of those. AI SDLC, agentic AI right now, what is happening is, I would say over 90-95% of clients have bought some too, but they don't know what to do with it. Their teams are experimenting with it but there's a pretty hard ceiling of 10-15% that they're getting from that. What we are showing is, hey, don't go chasing the next best tool. Don't go chasing whatever was announced last week. Basis what you already have, we are able to demonstrate to clients how they can materially up the productivity by better use of tools, changing the SDLC process and reconfiguring what squads should look like. And we are not doing this in isolation. We're doing this at scale. And let me give you an example. In our FS vertical, we have 75 delivery AI champions, that work across all of our clients to continuously deliver new projects using AI. Now, the impact this has on us is that we're certainly reducing the volume of work in our existing lanes, but because we're doing this proactively, because we're able to demonstrate better outcomes than our peers, it places us in a great spot to gain market share in SDLC.

Prateek Maheshwari - HSBC securities

Thanks, Keech. I had another question on your GSE client consolidation program. So, congratulations on getting selected in the top three. And I know you said for some stabilization there. I just want to understand what your

confidence level is, that probably this client could also start growing in this year itself, if you could expand on that please?

R Srikrishna

I don't think they'll grow this year. I think it'll be next year. They could be moderate, plus or minus, but that's a normal course of business. We don't expect anything significant this year.

Prateek Maheshwari - HSBC securities

And last question is for Vikash. So Vikash, I know you guys expect a bit of improvement in the margins for the full year. And there's also, I think earlier on, there were some transformation costs that would have gone away. But you guys need to invest on that. So just want to understand, so right now, as Keech said, you guys have scored 75 champions, right? We are seeing similar kind of setups happening with other ITs as well. So do you think the margin expansion that you're getting from automation or AI implementation is that going into investments in such things where you're probably getting a much higher caliber team to probably go and disrupt some of your existing business to win new ones?

R Srikrishna

Vikash, do you mind if I address one dimension of it and then you can add to that. I think first I want to say that 75 we spoke about, is for one vertical. That's for FS vertical. There are similar in each of the other verticals as well. I will say two different things as it pertains to structural profitability and then Vikash can add more specifics here now right. One, I think we are seeing from clients, is a willingness of about 10% to 15% gap between productivity gains and economic gains. Now, that 10% to 15% is from Hexaware, and token costs is outside, and AI costs are outside. In that 10 to 15%, I think some of it will be higher cost for us, higher cost of talent that will be deployed. Some of it could result in improved profit pools, but this is early views. I am seeing clients are okay conceptually saying, hey, you give me 40% productivity, I'm only expecting 25% in terms of economic gains. I spoke about three differentiations in our new Tensai Reasoning Ops platform. One of them is that it's an enterprise-custom LLM that we've built. And what that does is, is to trap the inferencing at the SLM. Not 100% of inferencing, but it will trap maybe 80% of inferencing at SLM and 20% or so will still go to LLMs. But that's a savings for clients. And the model you're doing is to, you know, charge for a percentage of what customers will save on inferencing with LLMs. So that's a second structural source of potentially improved profitability in fusion.

Vikash Jain

From a full year perspective, we reiterate our margin guidance of 13 -14%. Even though there are aspects which are leading to improved profitability, we continue to invest in the business because that's what's important from a growth perspective.

Prateek Maheshwari - HSBC securities

Thanks.

Moderator

Thanks, our next question is from Anmol Garg. Please unmute and ask your question.

Anmol Garg - Dam Capital

Hi, thanks for the opportunity. I have a couple of questions. One more of a broader question for Keech. Currently, I just wanted to understand what kind of AI models are we using in our delivery? And currently, what is the understanding between us and the clients on who bears the token cost, particularly when it comes down to the outcome-based contracts?

R Srikrishna

So, first off, I think it depends on what service we're delivering. And I will talk about AI for IT and AI for business differently. Let's start with AI for IT. Even with an AI for IT, I think there is a difference in fundamental approach between SDLC and in IT operations. And I would say SDLC and data are somewhat similar. So you think of SDLC and data engineering in one pool and IT operations in the second pool. In IT operations, I think there is more willingness. This is consistent with what has happened in the past where specific parts of operations were outsourced through firm outsourcing contracts that already includes baked-in future productivity benefits. As I explained earlier, on our new platform, we are actually providing the inferencing, not 100% of it, but a good chunk of it, which will lower cost than inferencing from LLMs. Any inferencing that does go out to LLMs, the customers still pay for it. On SDLC, for most large customers, for most programs, though not for all, it is mixed themes where it is client and us, and they are a significant part of the large program, so they cannot decide on tool chains. We help them do it, and they own the licenses and they own the token costs.

Anmol Garg - Dam Capital

Understood and secondly, more question for this quarter. So sequentially we saw our license revenue at \$11 million, up from \$7 million and there was some incremental revenue which came in from Cybersolve as well. So organically when it comes to services, how much decline was there in this particular quarter and how much of that was an impact from a particular GSE client.

Vikash Jain

So the license sales for the current quarter was flat. So what we had from a sequential basis was the same license sales in the current quarter as in the last quarter. As I highlighted, the volume growth in the current quarter was \$3 million, with close to two-third of that coming from the acquisition, what we did. The balance of it was organic. In fact, on a gross basis, the organic volume growth was significantly higher, but that was after absorbing the headwind from one of the GSE client, where in the last quarter we had called it out that there was a bit of a ramp down in the month of March, so it had a full quarter impact from the current quarter.

Anmol Garg - Dam Capital

Right, and Vikash just continuing on the same, as per our guidance of 7.6%, which is a floor right now for us. The CQGR requirement is nearly 4.5% for the next three quarters. And given that fourth quarter is usually a seasonal week quarter, the bump up has to happen in the second quarter and the third quarter. So what kind of deals do we have which will be ramping up, which could give us that kind of growth over the next couple of quarters?

Vikash Jain

So Keech already spoke about the deal wins right. We spoke about a few deal wins in the last quarter which has started ramping up. Part of those ramp ups actually got reflected from a Q1 results perspective in the volume growth that I spoke about, net of the GSE decline. And the other deals that we have signed in the current quarter, both of this, added with the seasonality benefit which we'll get from a Q2 and Q3 perspective, are the ones which are going to help us deliver those numbers. And as Keech called out, like in any case is , ramp up of the existing deals, deals which are already won plus the new deals which are in the pipeline, our pipeline continues to be very strong and the conversion of those pipelines and additional revenues from those deals are the ones which will help us in terms of contributing to the current year growth.

Anmol Garg - Dam Capital

Sure, Vikash. Thanks.

Moderator

And our last question in the queue right now is from Dipesh Mehta.

Dipesh Mehta - Emkay Global

Yeah. Thanks for the opportunity. A couple of questions. Continuing the prior question, do you think usual seasonality of December quarter can be negated based on the pipeline which you have as well as ramp-up plan which you have, which will in a way lead to more evenly spread growth across three quarters. How one should expect growth trajectory this year considering all the seasonal pattern plus the deal ramp-up plan or pipeline which you have, if you can give some sense on that. Second question is about the 12 opportunities which you indicated which can provide you confidence about growth acceleration on medium-term perspective. Can you give some sense about TAM based on this 12 opportunity? What kind of cannibalization on existing business is expected because some of them might have some cannibalization impact. And last question is on a vertical perspective. I think you indicated some of the effects affecting this quarter vertical wise, but can you give some sense about some of the puts and takes which you are expecting in some of the vertical commentary? Thank you.

R Srikrishna

So there are three questions. On the first one, I just want to say that what we are hoping to demonstrate from Q2 onwards is a sustained kind of growth. It's a result of a number of things that have changed or we have changed or in some cases macros improving like in Manufacturing. So, you know, no matter what this year looks like, I think you will see growth and accelerating YoY growth through the year. Now, in terms of patterns for the quarter, I think there are two different things. One is, no matter what, Q4 will be worse than Q2 and Q3 because of seasonality, but independently, can Q4 kind of be positive on its own, it could be. But we're not saying that. We're saying, hey, kind of model how you model.

The second question was on the 12 opportunities; these are not cannibalization. These are not the re-engineering AI in SDLC or redoing IT operations. That's the cannibalization part. These are what we think will be new opportunities. In SDLC itself, you know, zero license, legacy modernization which we spoke a little bit about last time and again when you, if you come to Chennai, we will show you multiple examples of that. It is things like observability, setting up a foundation and foundry for AI. All of these 12 are new revenue streams, they're not cannibalization. And you know I think I may have mentioned in the past that the core of our strategy is agility and so we are kind of pushing ourselves to launch a new service every month. We either completely launch new or relaunch or redo some of what we've done in the past and we've thus far been sticking to that. The third question was on vertical commentary. So, just in terms of what's changed, is I will say from our last commentary, I think Manufacturing will be better off than what we said last time and Travel will be worse because of macros. And you know we will kind of make up for the Travel downturn macros through improvement elsewhere.

Dipesh Mehta - Emkay Global

Understand. Thank you.

Moderator

Thank you ladies and gentlemen that brings our Q&A session to a close. I will now hand the conference back over management for closing comments. Over to you.

R Srikrishna

Hey thank you all. Again, I just want to, once again, extend the invitation. We will probably speak once more on the quarterly call of Q2, but it'll be shortly or immediately after that so please make time to visit us in Chennai next quarter. Thank you.