



For the complete transcript of the earnings call, please refer to the [full earnings call transcript](#).

### Positive Points

- Exela Technologies BPA, LLC ([XELA](#)) reported a slight year-over-year increase in revenue to \$39.2 million.
- Information and transaction processing solutions saw a significant increase of 11.5% year over year.
- The company achieved a 6.7% sequential improvement in adjusted EBITDA.
- Exela Technologies BPA, LLC ([XELA](#)) renewed contracts worth over \$113 million by the end of the quarter.
- The company added 81 new logos and identified approximately \$40 million in new annual contract value (ACV) during the quarter.

### Negative Points

- Healthcare solutions and Legal and Loss Prevention services experienced declines of 5.3% and 2.4% year over year, respectively.
- Margins in the Legal and Loss Prevention services were down approximately eight basis points.
- The company faced higher postage costs, impacting overall margins negatively.
- Exela Technologies BPA, LLC ([XELA](#)) was delisted from NASDAQ due to not meeting the \$35 million market cap minimum requirement.
- The company reported a net loss of \$24.9 million, although this was an improvement of \$2 million sequentially.

### Q & A Highlights

**Q:** Can you provide more details on the revenue growth and the factors driving it?

**A:** Matt Brown, Interim CFO: We reported \$39.2 million in revenue, which is up slightly year over year. The growth was primarily driven by an 11.5% increase in our Information and Transaction Processing Solutions segment. However, our Healthcare Solutions and Legal and Loss Prevention Services saw declines of 5.3% and 2.4%, respectively.

**Q:** What are the main challenges affecting your margins this quarter?

**A:** Matt Brown, Interim CFO: Our margins were impacted by higher postage costs, which led to a 330 basis point sequential decline and a 140 basis point year-over-year decline. Additionally, our Legal and Loss Prevention Services margins were down approximately eight basis points, while Information and Transaction Processing Solutions margins decreased by 100 basis points. However, Healthcare margins improved by 160 basis points.



**Q:** How is Exela Technologies BPA, LLC addressing its recent delisting from NASDAQ?

**A:** Matt Brown, Interim CFO: Despite the delisting due to not meeting the \$35 million market cap minimum requirement, we are continuing to operate on a business-as-usual basis. There will be no disruption to our operations or financials, and we remain focused on growing revenue and improving profitability.

**Q:** What strategic initiatives are you focusing on for future growth?

**A:** Matt Brown, Interim CFO: We are investing in new business divisions such as Reactor Data and AI. Additionally, we are shifting from CapEx to OpEx as we move our data center infrastructure. We have also consolidated over 300,000 square feet of real estate and are in the process of consolidating an additional 65,000 square feet.

**Q:** Can you elaborate on your cash flow situation and any improvements made?

**A:** Matt Brown, Interim CFO: Our cash flow from operations continues to improve, with \$5 million of positive cash flow from operations in Q3. This improvement is part of our ongoing efforts to enhance liquidity and profitability.

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