Q2 2024 Earnings Call

Company Participants

- Jamie Arestia, Vice President of Investor Relations
- Jim Caci, Chief Financial Officer
- TJ Jiang, Chief Executive Officer

Other Participants

- Chirag Ved, Analyst, Evercore ISI
- Derrick Wood, Analyst, Cowen & Co.
- Joel Omino, Analyst, Citi
- Max Gamperl, Analyst, Goldman Sachs
- Thomas Shinske, Analyst, Cantor Fitzgerald

Presentation

Operator

Good day, and welcome to the AvePoint, Inc. Second Quarter 2024 Earnings Call. All participants will be in listen-only mode. (Operator Instructions) Please note, this event is being recorded.

I would now like to turn the conference over to Jamie Arestia, Vice President of Investor Relations. Please go ahead.

Jamie Arestia {BIO 19836110 <GO>}

Thank you, operator. Good afternoon and welcome to AvePoint's second quarter 2024 earnings call. With me on the call this afternoon is Dr. TJ Jiang, Chief Executive Officer; and Jim Caci, Chief Financial Officer. After preliminary remarks, we will open the call for a question-and-answer session. Please note that this call will include forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from management's current expectations. We encourage you to review the safe harbor statements contained in our press release for a more complete description. All material in the webcast is the sole property and copyright of AvePoint with all rights reserved.

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With that, let me turn the call over to TJ.

TJ Jiang {BIO 20151191 <GO>}

Thank you Jamie, and thank you to everyone joining us on the call today. We are pleased to deliver another strong quarter, and our results reflect the ongoing customer demand for the AvePoint Confidence Platform, which enhances data security and cyber resilience, reduces costs, and improves decision making.

At the same time, our steady focus on execution and profitable growth once again enabled us to exceed our financial guidance for all key metrics.

As organizations grapple with the tensions between the rising demand for AI tools and their current state of digital maturity, the critical role of data readiness becomes increasingly clear. Additionally, the frequency and sophistication of cyberattacks is escalating, further underscoring the need for robust data governance and security.

These challenges only become more pronounced in a multi-cloud environment, which is what we typically see in our customers and prospects. Taken together, these macro trends position AvePoint exceptionally well, because they are problems we have solved for more than 20 years. And over that time, our platform evolution has kept pace with the proliferation of data, an increasingly dangerous threat environment, and the growing need for data security.

Our technical expertise and innovation have brought us to this moment, where addressing these data management needs has never been more urgent. We see this playing out across our global business, driving our outperformance in the second quarter and providing us the confidence to again raise our full-year expectations.

I'll spend my time today discussing these trends and will share some key customer wins from the quarter. Then, Jim will cover our financial performance and updated guidance in more detail. So let's jump in, starting with the customer demand to leverage generative AI, contrasted with the reality of where most organizations currently are in their digital workplace journey.

I recently hosted a CXO event on how to navigate AI with confidence. The discussions I had with the panelists and attendees revealed a significant appetite for practical AI implementation strategies, and the knowledge that a strong data foundation is a crucial prerequisite to deploying AI. These conversations reinforced that the success of Gen AI implementation is closely tied to an organization's digital workplace maturity.

Specifically, effective AI strategies hinge on strong data management, which addresses the data security issues that often hinder AI adoption. And the reality is that today, most digital workplaces are woefully immature. Statistics from Gartner, which established a five-stage model assessing the maturity of digital workplaces, back this up. Gartner finds that the successful integration of generative AI happens at the fourth stage, and only after organizations have modernized their infrastructure and data to keep pace with technological changes.

So where are most organizations today? Gartner's recent assessment shows nearly 85% of organizations are still in the first two stages and are just

Starting to take action to modernize the data. And less than 2% have reached that critical fourth stage, where the successful integration of generative AI can occur.

This is where AvePoint comes in. Our approach manages our customers' entire data estate, which often spans multiple cloud environments, ensuring their data is ready for AI and can remain competitive in a rapidly evolving digital landscape. This is why we continue to see a healthy pipeline and demand for our platform. Our unique ability to solve a wide swath of technical challenges, in turn enabling AI adoption across the enterprise, is something that no other software provider can match. And while we will remain cautious of the macro environment, we are confident in our ability to continue capitalizing on the long-term opportunity ahead of us.

I want to highlight a few recent customer wins that demonstrate our resounding success in data management, and in addressing these data security and data governance challenges, as the team had another strong quarter acquiring high quality new logos and selling even more of the AvePoint Confidence Platform to existing customers.

Let's start with the financial service industry, where a recent McKinsey survey found that the quality of unstructured data, particularly the security classification of new data created, was one of the biggest challenges to scaling Gen AI. This led a Fortune 20 global financial services organization with 280,000 users to become an AvePoint customer in the quarter. They could not meet their legal team's requirements for secure records management, which prevented them from moving legacy data into the cloud.

After purchasing products from all three suites, one of the world's largest investment banks can securely unify their data, build a scalable data governance framework, and streamline records management policies. As a result, they will realize improved data visibility and data quality, and reduce the risk of breaches, positioning them to more confidently deploy Gen AI tools going forward.

Another financial services win was a Fortune 500 U.S.-based institution, which sought to deploy Copilot for Microsoft 365, but could not begin until they implement data governance controls to address oversharing of sensitive data for their 25,000 users. After we demonstrated our ability to mitigate these concerns, this existing customer purchased multiple products from our control suite, allowing them to quickly understand security risks across their environment and proactively prevent future oversharing of data. These are fantastic financial services customer wins, but as we have said many times, the problems we solve are not confined to particular industries. In managing vast digital workspaces, both a global automotive manufacturer and Fortune 10 healthcare giant faced challenges like the ones I just described.

In order to comprehensively manage their Microsoft 365 workspaces and ensure data ownership, regulatory compliance, and proactive policy enforcement across their 75,000 users, the automotive manufacturer became a new customer in Q2, purchasing multiple products from our Control and Resilience suites.

At the same time, we saw the healthcare organization expand their existing investment in AvePoint in Q2, purchasing the entire set of solutions in our Control suite. Going forward, they can quickly identify and remediate oversharing, implement effective data access policies, and ensure a secure

And compliant digital environment to adopt generative AI solutions across their 200,000 users.

These are just a few examples of how our platform establishes the foundational elements of data management and data governance, setting the stage for the adoption of successful AI strategies, including Copilot for Microsoft 365, and driving transformative outcomes for organizations around the world.

Before I turn it over to Jim, I want to spend a moment discussing how we continue to innovate and meet the evolving needs of our customers, many of whom have multi-cloud strategies today. And a recent Flexera survey confirmed this to be the case for nearly 90% of enterprises, which, in addition to Microsoft 365, depend on platforms such as Google and Salesforce to meet diverse business needs.

While this approach makes good business sense, it also introduces significant challenges in data management and governance such as cloud misconfiguration. Gartner reported that 60% of organizations today will prioritize addressing this risk, up from 25% in 2021. As our customers have evolved, we have expanded our multi-cloud approach, ensuring that the leading data protection solutions of the AvePoint Confidence Platform span the most commonly leveraged cloud ecosystems.

One example is the strategic partnership we recently entered into with Sada, one of the world's top Google Workspace partners. Sada now offers our award-winning data protection solution for Google Workspace and Google Classroom, and this partnership will be especially significant for regulated

Industries, where security and compliance are paramount.

By facilitating seamless integration and protection across cloud environments, AvePoint empowers organizations to maximize their multi-cloud strategies and confidently adopt AI technologies, while maintaining the highest standards of data protection and cyber resilience. For example, a leading North America grocery chain struggled to manage over 400,000 user accounts across multiple cloud ecosystems, a challenge further compounded by the recent acquisition of another major chain. To effectively manage and report on their expanded user environment, this Fortune 50 company purchased three solutions from our Control Suite. Going forward, they can now meet data governance and security audit requirements, realize improved security resource allocations, and more efficiently manage users and workspaces across multiple cloud environments.

To conclude, AvePoint is uniquely positioned to support organizations in their journey toward AI-driven transformation. By addressing the critical challenges of data security, governance, and management, we empower our clients to mitigate the risks of Gen AI, while harnessing its full potential. I want to thank the team for their tireless efforts this quarter, and I know I speak for them when I say how excited I am for a strong second half of 2024.

With that, let me turn the call over to Jim.

Jim Caci {BIO 18051667 <GO>}

Thanks, TJ, and good afternoon, everyone. Thanks for joining us today, as we review another strong set of results across the board. You have heard us discuss our commitment to profitable growth since the beginning of 2023, and today we are pleased to deliver our sixth consecutive quarter of both meaningful topline growth and operating margin expansion, raising our full year expectations each step of the way. In an uncertain macro environment, our focus has been on controlling the controllable, and the team's ongoing execution positions us well to continue delivering value to AvePoint shareholders, as we progress toward our Rule of 40 and GAAP profitability targets in 2025.

With that, let's turn to our Q2 results. For the second quarter ended June 30, 2024, total revenues were $78 million, an increase of 20% year-over-year, and above the high end of our guidance. In addition, we are pleased that total revenues reached approximately $300 million on a trailing

12-month basis this quarter. Within total Q2 revenue, second quarter SaaS revenue was $53.6 million, growing 40% year-over-year and continuing to be our fastest growing revenue segment.

And in Q2, SaaS comprised 69% of total revenues, compared to 59% a year ago. Additionally, our other revenue lines continue to perform in line with our expectations and commentary. Term license and support as well as maintenance revenue declined year-over-year, both in dollars and as

A percentage of total revenue. At the same time, services grew 4% year-over-year, but declined as a percentage of second quarter revenues to 13%. And because services is our only non-recurring business, 87% of our total Q2 revenues were recurring, our highest ever percentage, surpassing the 86% recurring

Revenue mix we called out last quarter.

Our strong SaaS performance is also evident as we look at our results from a regional perspective. In North America, SaaS revenues grew 40% year-over-year, and represented 74% of total North America revenues, which in turn grew 12% year-over-year. In EMEA, SaaS revenues grew 36% year-over-year, and represented 84% of total EMEA revenues, which in turn grew 18% year-over-year. And in APAC, SaaS revenues grew 50% year-over-year, and represented 46% of total APAC revenues, which in turn grew 36% year-over-year.

The same strength is evident as we look at the year-over-year growth in regional ARR, which, as we have said, provides a better view of the underlying momentum of the business everywhere we operate. Each region was again a strong contributor to our overall performance, as North America and EMEA ARR each grew 23%, and APAC ARR grew 22%.

Lastly, our EMEA region's ARR surpassed $100 million this quarter, and I want to congratulate the entire EMEA team for their efforts in achieving this milestone. Continuing now with total ARR and other key metrics we assess on a quarterly basis. As of June 30, 2024, total ARR was $290.1 million, representing year-over-year growth of 23%. As a result, net new ARR in Q2 was $15.6 million, and grew 13% year-over-year. Additionally, we ended the second quarter with 594 customers with ARR of over $100,000, an increase of 20% from the prior year. As of the end of Q2, 52% of our total ARR came through the channel, compared to 49% a year ago. And for Q2 specifically, 61% of our incremental ARR came through the channel, compared to 62% for Q1 of 2024, and 61% in Q2 of 2023.

Turning now to our customer retention rates. Adjusted for the impact of FX, our trailing 12-month gross retention rate for the second quarter was 87%, consistent with our performance in Q1 and throughout 2023. At the same time, our FX-adjusted net retention rate for the second quarter was 110%, an improvement from the 107% we delivered a year ago and in line with Q1. On a reported basis, Q2 GRR was 86%, compared to 85% in Q2 of 2023 and in line with Q1. Q2 reported NRR was 109%, compared to 104% in Q2 of 2023 and 110% in Q1.

Turning back to the income statement, gross profit for Q2 was $59.4 million, representing a gross margin of 76.2%, compared to 71.1% in Q2 of 2023. The improvement in our gross margin is the result of our product mix, as we again had more SaaS revenue and less services revenue as a percentage of our overall revenue. In addition, we saw improved services and SaaS margins this quarter compared to last year.

Moving down the income statement, operating expenses for Q2 totaled $50.6 million, or 65% of revenues, compared to $43.3 million, or 67% of revenues a year ago. As a result, Q2 operating income was $8.7 million, or an operating margin of 11.2%, a year-over-year improvement of nearly 700 basis points. Our Q2 operating income was well ahead of guidance, and the outperformance was primarily driven by two factors. First, the meaningful revenue beat, most of which flowed to the bottom line. And second, improved sales efficiency and prudent expense management across the business.

In addition, approximately $1 million of expenses that we had originally planned for Q2 are now expected in the second half of the year and in early 2025. Taken together, our ongoing commitment to profitable growth resulted in another quarter of margin expansion, and was another step on our path to GAAP profitability.

Turning to the balance sheet and cash flow statement, we ended the second quarter with $230.8 million in cash and short-term investments. And for the six months ended June 30, 2024, cash generated from operations was $23.9 million, while free cash flow was $23 million. This compares to cash generated from operations of $9.3 million and free cash flow of $8.5 million in the first six

Months of 2023. During the three months ended June 30, we repurchased 653,000 shares for a total cost of approximately $5.4 million.

I would now like to turn to our financial outlook, where for the full year, we are pleased to again raise our expectations for total ARR, total revenue, and non-GAAP operating income. For the third quarter, we expect total revenues of $82 million to $84 million, or approximately 14% year-over-year growth at the midpoint. We expect non-GAAP operating income of $11 million to $12 million.

And for the full year, we now expect total ARR of $319 million to $323 million, or approximately 21% year-over-year growth at the midpoint. We now expect total revenues of $320.2 million to $324.2 million, or approximately 19% year-over-year growth at the midpoint. And given these higher topline expectations, coupled with our outperformance on profitability this quarter, we now expect full year non-GAAP operating income of $38.3

Million to $39.8 million, or an operating margin of 11.9% to 12.3%.

Lastly, on a Rule of 40 basis, which for AvePoint is the sum of ARR growth and non-GAAP operating margin, our updated guidance today reflects a 33, compared to the 29 that we initially guided for the year in February, and to the 31 we guided to in May. In summary, Q2 was an outstanding quarter for AvePoint, and the team remains laser focused on profitable growth and continued execution.

Thanks for joining us today, and with that, we would be happy to take your questions. Operator?

Questions And Answers

Operator

We will now begin the question-and-answer session. (Operator Instructions) Our first question comes from Derrick Wood with Cowen & Co. Please go ahead.

Q - Derrick Wood {BIO 4963641 <GO>}

Great, thanks. Congrats on another strong quarter. Maybe I'll just throw out the obligatory macro question. Doesn't seem like you guys have seen much change, but just when looking across verticals or deal sizes or customer cohorts, how would you describe the buying behavior out there in the market and anything that's perhaps getting better or more challenging?

A - TJ Jiang {BIO 20151191 <GO>}

Hey, Derrick. Great question. So on the macro, things are same. Enterprise deal continue to have the same type of conservatism and we continue to win based on our platform play that works very well. Applies to across all industries. In our prepared remarks, you hear that we -- whether it's enterprise, mid market, SMB, as well as across all geos, we are growing from strength to strength. At the end of the day, customers need to secure data before implementing AI strategy and that also position us well. And lastly, customers continue to seek to optimize costs and this is where we partner with them. And with our platform -- Confidence Platform, and also multiple end-to-end data management capabilities, we allow them to consolidate vendors. So those trends still hold for us.

Q - Derrick Wood {BIO 4963641 <GO>}

That's great to hear. TJ, maybe if we could just double click on kind of data readiness projects around Copilot. I mean, I've seen studies, similar studies that you called out in your prepared remarks that like, there are issues of lack of information governance and that's holding back on driving more adoption of M365 Copilot. That's obviously where you guys can come and help address those initiatives. So can you just give us an update on where you're getting pulled into Copilot Readiness programs? Maybe share kind of the -- how the volumes of activity has been trending and how you're thinking about this becoming a bigger driver in the model?

A - TJ Jiang {BIO 20151191 <GO>}

Yes, that's a great question, Derrick. So we are -- as we share last quarter as well, we are in a ton of conversations as experimentation continues. We do know that last quarter we have very, very strong showing in our Control suite, because of the data management governance capabilities that we bring to the market. We think we have the most advanced SaaS offering when it comes to Copilot Readiness in the cloud.

And yes, we have a lot of the go to market motions with large customers as well as medium sized customers across all geos. Japan is actually very strong in terms of AI experimentation. What we do see is, while we don't see many enterprise-wide deployment, we do see bigger size experimentation now, especially in the medium 5,000 plus employee size companies. So that's encouraging. The focus continue to be ROI driven, business outcome driven experimentation with AI.

Q - Derrick Wood {BIO 4963641 <GO>}

Great to hear. I'll pass it on. Thanks.

A - TJ Jiang {BIO 20151191 <GO>}

Thank you.

Operator

Our next question comes from Joel Omino with Citi. Please go ahead.

Q - Joel Omino

Good afternoon, this is Joel dialing in for Fatima. Thanks for taking that question. So just maybe a two-part question for Jim. It's a pretty substantial race to the calendar 2024 operating margin, but we're also seeing a bit of a top line raise as well. I think you spoke about this a bit in your prepared remarks, but could you give any additional color on what's facilitating this efficiency? And then maybe as the second part on sales rep productivity specifically, how is this coming in relative to your expectations? And what are you baking into the guide for the second half? Thank you.

A - Jim Caci {BIO 18051667 <GO>}

Yes. great, Joel, thank you for the question. So maybe on the first, in terms of operating income, I think you're right. We're seeing two-fold, right. We're seeing improvement on the top line, so that's definitely having a contribution. And then, as we demonstrated in the first half of the year, we're seeing some cost efficiencies even better than we had planned. And that's kind of across the board from how we think about R&D and our global optimization there of our costs, how we think of some of the G&A.

And then, as you mentioned and alluded to, when we think about sales productivity and sales efficiency, we are seeing improvement there as well. We've been talking a lot about using the channel, and we're seeing some efficiency there. But even on the direct side of our house, we're seeing better rep productivity across the board. We're seeing faster ramp up of new reps coming onto the team.

And then maybe third and probably the most important or the most beneficial, is our more tenured reps are even producing more than they did last year. So we're seeing that efficiency and productivity across the board, and all of that is contributing nicely to the operating margin that not only we saw in the first half of the year, but gives us confidence to expand, as you mentioned, significantly for the second half of the year.

Q - Joel Omino

Got it. And if perhaps, let me just sneak in a second question here. So we're seeing pretty healthy growth in the 100k plus customer cohort, I think both on a year-over-year basis and also the net adds. So I was just hoping you could shed some additional light on the behavior that you're seeing in this cohort, if there's any discernible demand or adoption trends, and then also if you could share what percentage of ARR they make up. And that's all. Thank you.

A - Jim Caci {BIO 18051667 <GO>}

Yes. Well, one of the good things about our diversification across both our customer base and even geos is we have very good diversification across the customer base, both SMB, mid-market as well as enterprise. Obviously, some of the bigger accounts that you're referring to are enterprise, but we're seeing growth across all three segments.

It is not just focused on the large accounts. Now we are seeing nice growth in those large accounts. So that's very helpful and good, and we like to see that. But again, it's literally across the board in terms of growth. So that's been very productive. And really, when we think about the concentration of customers, I think we've talked about this before, Joel, we don't have any one customer above 2% of our total revenue.

So again, we feel really confident that there's room for expansion in our customers. I think the platform play that TJ alluded to before is ringing true in terms of how customers think about vendors, how they think about consolidation, how they think about, hey, can we get more from existing vendors.

I think that plays right into our sweet spot. We're seeing that in some of the expansions. Three of the five deals that TJ alluded to in his prepared remarks are through existing customers that are expanding with us. Again, we're seeing that across the Board. I think the one metric, the 594 customers above 100,000 is just one metric. But we're seeing that expansion across the Board, and obviously we're looking forward to continuing that.

Q - Joel Omino

Thank you. I'll pass it on.

Operator

Our next question comes from Kirk Materne with Evercore ISI. Please go ahead.

Q - Chirag Ved {BIO 22913348 <GO>}

Hi, this is Chirag on for Kirk. Thanks for taking my question, and I'll echo my congratulations on yet another strong quarter. So you spoke to the Control suite a few questions ago. Can you go into a bit more depth on traction? You're seeing across your three suites, resilience, control, modernization, and whether they're performing in line with the revenue breakout you last provided or whether any of these categories are seeing stronger growth and what's driving that. Essentially, what are your customers most focused on right now?

A - TJ Jiang {BIO 20151191 <GO>}

Yes. I think what I mentioned in Q2, we actually have very strong growth of our Control suite, it's the strongest growth, in fact. So we currently don't disclose the actual specific split between the three suites. We expect to do that on an annualized basis. But what's driving that is absolutely around data management and governance, as every company is looking at ways to modernize their data, each estate, so that they can take on more AI strategies and deployment capabilities. So that's definitely the tailwind there.

Q - Chirag Ved {BIO 22913348 <GO>}

Okay. And Jim, maybe one for you. Gross retention rates are continuing to increase. Can you speak a little bit to the steps you're taking to increasing gross retention to 90% or even above that and how we should think about expansion here? Thank you.

A - Jim Caci {BIO 18051667 <GO>}

Great question and thank you. I think, overall, we're really pleased with the results of Q2 literally across the board, right, where we had a really strong quarter. I will tell you the one thing that we are focused on, and as we sit around the table and kind of rehash the quarter, we've actually been flat in terms of our GRR, around 87%.

So we actually haven't seen the growth there that we're actually anticipating and we're working real hard to actually have come to fruition. You're right, our longer term target is 90% plus. So I would say, that's the one takeaway for me from this quarter is that really strong quarter. We're happy and pleased that the retention rate has been stable at 87, but our goal is to see that improve. We are working on a number of initiatives on a regional basis across the globe to ensure that we see movement and progress toward that 90% target. So I do think, I appreciate you pointing that out. It is something we are focused on. It is definitely top of mind for us.

Like I said, there's a number of initiatives that are going on. We've talked about those in the past, both personnel related, technology related, and then even from a when we think about what's the drivers behind that retention. And our biggest challenge on the churn side of why we're using is really around our migration products, which have a lower retention rate than some of our other products.

And so we're working hard to ensure that that customer base that's coming in utilizing migration product, we make sure that they have the full value and see the full value of the platform and we make available to them and they take advantage of the other opportunities and the other products that they have in the platform. And so that's really a critical step for us to see improvement there. And again, we're working real hard to make that happen.

Q - Chirag Ved {BIO 22913348 <GO>}

Thank you. And congrats again on a strong quarter.

A - TJ Jiang {BIO 20151191 <GO>}

Thank you.

A - Jim Caci {BIO 18051667 <GO>}

Thanks, Chirag.

Operator

Our next question comes from Gabriela Borges with Goldman Sachs. Please go ahead.

Q - Max Gamperl {BIO 21673024 <GO>}

Hi, good afternoon, this is Max Gamperl on for Gabriela. Thanks for taking our questions. A couple from us. TJ, you've talked about Opus' product role in helping customers get their data strategy ready. And can you talk a little bit about the uplift for customers and any update on the monetization timeline for this product?

A - TJ Jiang {BIO 20151191 <GO>}

Yes, Opus has done well so far. It was launched in late 2023. To remind everyone, Opus is an evolution of our information management story. It bring together the best of our cloud records product with more informal information management practices to create a holistic solution for the lifecycle management of content.

So, it's really actually three different functionalities around record management, retention, archiving, classification infused with AI. We also released a product called tyGraph for Copilot, which helped identify density of collaboration because a lot of the Copilot deployments are also massive change management exercises as well. So we're happy with both products' progression and very strong pipeline billing. So yes, we're monitoring them very closely.

Q - Max Gamperl {BIO 21673024 <GO>}

And any update on a monetization timeline of this product and when we should expect a material contribution.

A - TJ Jiang {BIO 20151191 <GO>}

So, Opus is part of our Control suite. And so yes, Control suite performed very well, especially around governance. We actually have a whole set of product that talk about Copilot Readiness, a three-step process, right, so discovery, secure and optimized. So it's a -- we don't today split them out specifically on the monetization split. We do talk about the suite level, but I will just again, saying that the governance and management aspect of it is our strongest and fastest growing segment.

Q - Max Gamperl {BIO 21673024 <GO>}

Understood. Thank you. And then taking a step back, there's been quite some volatility in software earnings the last couple of quarters, but it seems that you've been very consistent in predicting the business. What's driving that consistency in your results and execution?

A - TJ Jiang {BIO 20151191 <GO>}

Yes, I mean, I think you hit it right on the head. Our goal, we said this back at the beginning of 23, right, was to focus on profitable growth, controlling what we can control, and really providing guidance that we were confident and that you all could have confidence in. And I think when we think about that, we want it to be reliable, we want it to be predictable, and sometimes that might be boring. But our focus was on the executing and delivering and again, the credit really goes to our teams around the globe that have been doing the heavy lifting and executing well quarter after quarter.

You saw it in some of the prepared remarks, right? We've got consistent growth across each of the regions. That doesn't happen by accident. There's a lot of people that are working really hard to make that happen. And so again, the credit really goes to them. And I think what we've tried to do is be forthright. We provided additional metrics this year in terms of what we were sharing. We've tried to be open, as transparent as we can, and again provide expectations that we believed were achievable. And then we've again tried to aggressively go out and hit those objectives, you know, again, six straight quarters that we've been able to do that. And we'd like to continue to see that happen.

Q - Max Gamperl {BIO 21673024 <GO>}

Great. Thank you.

A - TJ Jiang {BIO 20151191 <GO>}

Thanks, Max.

Operator

(Operator Instructions) Our next question comes from Brett Knoblauch with Cantor Fitzgerald. Please go ahead.

Q - Thomas Shinske

Hey, guys, this is Thomas Shinske on for Brett. Congrats on another really solid quarter. On the AI front, I guess are you guys seeing increased urgency from enterprises to deploy AI? Because a lot of the excitement has been lagged by broader deployment. So I'm just curious to see where you're seeing deployment on an enterprise wide scale. Thanks.

A - TJ Jiang {BIO 20151191 <GO>}

Yes, as we mentioned earlier, we do see continued experimentation, and the experimentation sizing are getting larger. So that's very encouraging. Enterprise wide deployment, however, is still few and far in between, but the enthusiasm around deploying Gen AI across enterprises is still very much there. So that's very encouraging.

Q - Thomas Shinske

Awesome. And then just if I may touch on tyGraph, Microsoft just recently reported and they highlighted double quarter-over-quarter growth of Copilot. I guess I'm just curious how much you guys are seeing that flow through to demand for tyGraph and kind of also, I guess, on Opus and MyHub and power, I guess, how has the AI demand been there as well?

A - TJ Jiang {BIO 20151191 <GO>}

Yes. MyHub is actually the number one used teams application with hundreds of thousands of half heartened admins on a daily basis. And yes, we'll continue to see strength there. Microsoft's Copilot growth, we do see that obviously starting from a small number. So -- but we are very pleased to see the adoption growth there. So that's why we talk about, hey, it's the enthusiasm there. And of course we are involved in a ton of Copilot readiness conversations and all the product that you mentioned sets us well as the the most comprehensive SaaS platform to have a multiple holistic solution around Copilot Readiness. So that really bodes well for our pipeline building and also continued business growth.

Q - Max Gamperl {BIO 21673024 <GO>}

Awesome. Thanks and congrats again.

Operator

This concludes our question-and-answer session. I would like to turn the conference back over to TJ Jiang for any closing remarks.

A - TJ Jiang {BIO 20151191 <GO>}

Thank you. We're proud of our strong second quarter results, which reflect our continued ability to help our customers and partners achieve AI driven transformation with comprehensive and scalable data management and data governance solutions across their data estates. In addition to these strong results, we were also honored to be included Inc.'s annual Best Workplaces list, reflecting our continuous investment in our people. It was also an honor to win our sixth Global Microsoft Partner of the year award, as well as being named Microsoft Singapore Education Industry Partner of the year for our excellence in innovation, as well as implementing solutions to meet the needs of our customers. Having met with many of our teams, customers and partners in the past several weeks, I'm confident that our message is resonating stronger than ever and we are in a great position to continue capturing the massive opportunities we see ahead of us. Thank you again for joining us today and we look forward to speaking with you more this quarter.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.