

NovaTech Solutions — Annual Report FY2023

NovaTech Solutions is a mid-size B2B SaaS company headquartered in Austin, Texas. The company provides AI-powered supply chain optimisation software to enterprise clients across manufacturing, retail, and logistics sectors.

Financial Highlights

Metric	FY2022	FY2023	YoY Change
Total Revenue	\$48.2M	\$61.7M	+28%
ARR (Annual Recurring Revenue)	\$44.1M	\$57.3M	+30%
Gross Margin	71%	74%	+3pp
EBITDA	\$6.1M	\$9.4M	+54%
Net Revenue Retention (NRR)	108%	114%	+6pp
Customer Count	312	389	+25%

Revenue Breakdown by Segment

Software subscriptions contributed 81% of total revenue (\$50.0M), professional services accounted for 12% (\$7.4M), and training and support made up the remaining 7% (\$4.3M). The company saw particularly strong growth in its Enterprise tier, which grew 41% year-over-year to \$31.2M.

AI Investment Strategy

NovaTech committed \$8.2M to AI R&D; in FY2023, representing 13.3% of total revenue. This was a significant increase from \$4.1M (8.5% of revenue) in FY2022. The investment was directed across three pillars: (1) predictive demand forecasting models trained on client ERP data, (2) a new natural language interface allowing non-technical users to query supply chain insights, and (3) anomaly detection for logistics disruptions.

The company partnered with two Tier-1 cloud providers to access GPU compute at scale, committing to \$2.1M in annual cloud compute spend through FY2025.

Headcount & Talent

Total headcount grew from 287 to 364 employees (+27%). Engineering and AI/ML roles accounted for 61% of new hires (47 of 77 new employees). The company launched an AI Fellowship programme in Q3 FY2023, attracting 12 PhD-level researchers on 18-month rotational contracts.

Customer Retention & Churn

Gross revenue retention improved to 91% in FY2023, up from 87% in FY2022. The primary churn driver was mid-market clients citing integration complexity. NovaTech responded by launching a dedicated onboarding squad of 8 engineers in Q4 specifically targeting clients in the 90-day post-onboarding window.

Outlook FY2024

Management projects revenue of \$78–82M for FY2024, implying 26–33% growth. Key growth drivers include expansion into the European market (Germany and Netherlands offices planned for Q2 FY2024), the launch of NovaTech Predict 3.0 scheduled for Q1 FY2024, and an SMB self-serve tier targeting the sub-\$50K ACV segment.