May 20, 2025 LTTL/L&S/2025-26/05/21

To,

The Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Maharashtra, India

The Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Maharashtra, India

Dear Sir/Madam,

Sub : Announcement under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript - Earnings Call - Financial Results for the quarter and financial year ended March 31, 2025

Ref : Le Travenues Technology Limited (the "Company")

BSE Scrip Code: 544192 and NSE Symbol: IXIGO

In compliance with Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the transcript of the Earnings Call conducted on May 14, 2025, pertaining to the financial results of the Company for the quarter and financial year ended March 31, 2025.

This is for your information and records.

Thank you,

For Le Travenues Technology Limited

SURESH KUMAR BHUTANI
Digitally signed by SURESH KUMAR BHUTANI
Date: 2025.05.20 21:57:17 +05'30'

Suresh Kumar Bhutani
(Group General Counsel, Company Secretary & Compliance Officer)

Le Travenues Technology Limited (“ixigo”)
Q4 FY25 Earnings Conference Call
May 14, 2025

Management Representatives:

- Mr. Aloke Bajpai, Chairman, Managing Director and Group CEO
- Mr. Rajnish Kumar, Director and Group Co-CEO
- Mr. Saurabh Devendra Singh, Group CFO

Moderator:

- Mr. Anmol Garg - DAM Capital

Moderator: Ladies and gentlemen, good day and welcome to Le Travenues Technology Limited Q4 and FY '25 Earnings Conference Call, hosted by DAM Capital Advisors Ltd.

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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Anmol Garg from DAM Capital. Thank you and over to you, sir.

Anmol Garg: Thank you, Steve. Good evening, everyone. On behalf of DAM Capital, I welcome you all to ixigo's Q4 FY '25 Earnings Call.

We have with us Mr. Aloke Bajpai, Chairman, Managing Director and the Group CEO of the company. Mr. Rajnish Kumar, Director and the Group Co-CEO of the company; and Mr. Saurabh Devendra Singh, Group CFO of the company.

Before I hand over the call to Saurabh, I would like to highlight the safe harbor statement on the second slide of the Earnings Presentation and is assumed to be read and understood. Over to you, Saurabh.

Saurabh Singh: Hi, thanks, Anmol. As we sit on this call, I am reminded of a year ago. That time we were in the last stages of our IPO. ixigo was stepping into a new arena, public market, where scrutiny is sharper, timelines are shorter, and the stakes are inevitably higher.

A question kept on circling in my mind, sometimes quietly during the meeting, and sometimes loudly in the solitude of late night, would we be able to honor the belief that the public market investors are placing in us? As some of you might know, I have spent a large part of my career in the public market. I have seen many IPOs, and that is why the transition worried me. The IPO is a moment, yes, but being public is a mindset, a discipline, a daily commitment to openness, accountability, and performance under the bright, unforgiving light.

And these lights are glittery, the coverage, the clap, the ringing of the bell, but they cast long shadows. A single misstep travels fast. Win needs context, mistakes must be owned, in real time, in full view.

That's the reality we stepped into a year ago. And today, as we close FY '25, our first full year as a listed company, I feel something deeper than relief. I feel gratitude, that even in this new paradigm, we stayed faithful to who we are and what got us here. And more importantly, we have shown that being public doesn't mean being something else, it means being more of what matters. With this thought, I will pass it on to Aloke, our Group CEO.

Aloke Bajpai: Thanks, Saurabh. Good evening, everyone. There are great quarters and there are blockbuster quarters. Q4 FY '25 was a blockbuster quarter for us. In fact, FY '25 was a blockbuster year because we grew quarter-on-quarter without any impact of seasonality that our industry usually witnesses.

When I use the word blockbuster, it's not just because of our GTV for the full year being close to INR 15,000 crores, which is actually more than Bollywood's annual box office collection even in its best year, but also because it is a quarter that demonstrated our ability to scale with discipline, and generating operating leverage that is both visible and sustainable with INR 122 crores of cash generated from operations in the full year, as well as a more than doubling of our Profit After Tax for Q4.

While building a company, we have to make conscious decisions that balance our short-term interest with our long-term ones. We have had the good fortune at ixigo to never have to compromise our long-term interest in optimizing for purely short-term objectives.

Our investors have also been always supportive of this approach. This allows us to continue betting on areas that could one day disrupt our core business or derisk it to a large extent. It also allows us to keep taking small side bets time-to-time, which if they work well, can end up defining us. And if they don't, will give us learnings at hopefully, not too big a cost. What matters most here is the foresight and conviction that the team needs to build about how the market will evolve in the future and what would be required to offer superior customer experience and product differentiation.

As an outsider, at times, it is hard to appreciate this approach because some of the things we spend disproportionate time or effort talking about or doing may not make much sense today. And it is only after 2 to 3 years, sometimes more that those start to impact our growth and P&L in any meaningful way.
When we listed in June last year, we had a solid foundation of a large and sticky user base, dominance among OTAs in the Train line of business, a young but fast-growing Flight and Bus OTA business, and the product agility and nimbleness that a challenger brand typically needs to have in a competitive space.

The promise was that as our large widespread base of aspiring middle-class travelers would mature, they would come back to us for a wider array of their travel needs, pay up for value-added services that solve their pain areas and as their incomes improve, spend a larger share of their wallet on us through premiumization of the spend.

Our FY '25 performance is proof that the market is evolving exactly how we expected it to, with flights and buses becoming our fastest-growing verticals, both in GTV terms and revenue terms. There are visible market share gains we see across the 3 core lines of business. We have hit pretty meaningful scale with annual active users crossing 544 million for the full year and our monthly active users crossing 83 million across our brands, apps and websites.

The bigger achievement, though, is how we have grown our monthly transacting users, which have crossed 3.7 million monthly transacting users as of Q4 with a 4% MTU to MAU ratio. If we look at our GTV scale now, it is nearly 2% of all B2C e-commerce being sold in our country today.

In the Flights and Buses business, we are seeing material acceleration and some gains in market share as well. Buses, in fact, now have the largest share of contribution margin across our lines of business. So we are a much more diversified business in that sense. We are no more just a Tier 2, 3 brand either. If we look at our growth coming from Tier 1 to Tier 1 flights, it was at 68% in Passenger Segment terms in Q4, which is multifold faster than the overall market growth of flown passengers between the top metros, indicating our increase in market share even in those axis.

ixigo's uniqueness lies in its ability to tap into a growth vector that is rare, which is not just that of people making their first online travel booking, but of people booking the first ticket of their life on that mode of travel itself. This new-to-market segment essentially allows us to create a blue ocean for ourselves rather than compete in existing red oceans.

An interesting statistic to share with you all is that the NBU users that we have, the ones that come and book new flights with us, the ones that came in Q4, our surveys indicate that half of those users that was the first flight booking of their life. So essentially, half of those new users who came to book on the NBU apps had never booked a flight in their life. So we are basically creating a new market.

One contributor to that is also Travel Guarantee, which is now fully rolled out across Ixigo trains and confirmed ticket, a value-added service that leverages our unique advantage of a strong presence across the travel segments that we operate in, trains, buses and flights.

Travel Guarantee helps travelers gain greater visibility into seat availability for their trips and allows them to get steeper discounts on alternate modes of transportation in case their waitlisted train ticket does not confirm on the date of travel.

In many cases, this introduces the next billion users to new modes of travel such as flights and buses. This product has received strong initial uptake and is helping a lot of travelers to be able to benefit from up to 3x discount on a bus or a flight booking or up to 2x discount in an alternate train booking when their train ticket doesn't confirm. All 3 lines of businesses are seeing a positive impact of Travel Guarantee on the revenue and GTV growth.

At this stage of our journey, we are not optimizing Travel Guarantee for margins, but instead prioritizing trials and adoptions by our customers, and measuring customer satisfaction while observing their propensity to book alternate transport.

Our AI-based optimization algorithm for pricing this product as well as deciding for which waitlisted ticket this product even gets offered for, allows us to run this product in a profitable manner. But in the initial phase, the Travel Guarantee will be a lower margin offering than the overall margins in our business, given there is a slightly higher variable cost to operate this product.

As you can see in our financials, it has strengthened our overall portfolio. And despite the marginal dilution in unit economics that it brings for the Trains business, 31% trains contribution margin in Q4 FY '25 versus 34% in Q4 FY '24, it has still contributed to a healthy GTV and revenue growth for the Trains business and the other lines of business.

In FY '25, we have also doubled down on brand and performance marketing across our portfolio, building upon the organic growth foundation that we had. We partnered with Rohit Sharma for our ixigo trains brand campaign, which had visibility across railway stations, TV channels, Maha Kumbh and more.

We also doubled down on our ConfirmTkt partnership with RCB in IPL and executed a new campaign for Travel Guarantee featuring Virat Kohli and other cricketers. We also renewed our Mahesh Babu association for AbhiBus brand as well as signed up with the CSK team in IPL. Apart from these, we did several tactical campaign sponsorships, brand partnerships and offline activations, which have been enhancing our brand recall across our brand portfolio.

Let me speak a bit on the macro development since we last spoke:
The Maha Kumbh Mela in the months of January and February 2025 saw a surge in searches and bookings for us across our 3 lines of business. And not just for Prayagraj, but also for nearby towns such as Varanasi, Lucknow, Kanpur, and Ayodhya. These act as feeder routes into Prayagraj.

Our bookings to Prayagraj surged 20x Y-o-Y for buses, 5.4x Y-o-Y for flights and 4x Y-o-Y for trains during this period, reflecting that for categories such as bus, where supply was not constrained like the others, there was a decent spike noticed during the Mela. What came as an eye-opening insight for us was how Gen Z and solo travelers form the dominant demographic for Maha Kumbh, shattering stereotypes about what demographic drives spiritual travel demand in our country.

On train, solo travelers made up over half the train bookings to Prayagraj and a staggering 50% of all visitors to Maha Kumbh across all modes of travel that we saw were under 30 years of age. Having witnessed it myself, I believe that this event was a testament to the true power of spiritual tourism in our country, marking the beginning of a structural multiyear theme.

Though some bit of our performance in Q4 might appear to be influenced by what was happening at the Maha Kumbh, let me also clarify that only a mid-single-digit percentage of our GTV for that quarter is directly attributable to the Maha Kumbh. The event was an eye-opener to many on the power of spiritual travel in India, and there's an opportunity in the long term to serve this market in many ways.

In more recent developments, the Pahalgam terror attack happened at a time when Jammu and Kashmir was seeing 70% growth Y-o-Y in bookings for us in the month of April. The attack marked a significant blow to the state's tourism momentum and the region's security environment and led to a military conflict that impacted flight operations in North India.

At ixigo, our first priority was to ensure the safety and well-being of our travelers by ensuring we were disseminating information about disruptions and closures in a timely manner and to help them find alternate means of transportation to return to their homes safely.

We were also supporting our users by offering full refunds, including convenience fees, free reschedules to all passengers flying from or to the affected airports. We also saw some increase in customer reach outs to our customer support channels and our CX teams work proactively day and night in coordination with our airline and hotel partners to resolve customer queries efficiently with the help of some AI as well.

On May 10, 2025, driven by feedback from our users, we took a decision to suspend flight and hotel bookings for certain countries whose actions and stance during the conflict sparked significant public outrage in India.

As a company deeply rooted in Bharat, we believe it is our responsibility to take a stand in solidarity with our nation during this critical situation. This action reflects our unwavering commitment towards aligning our business practices with the sentiments of the people in our country.

We remain dedicated to reviewing this position as the situation evolves. Should geopolitical equations change, we will reassess the stance and we will do what is right for the broader travel ecosystem. This decision aligns with our core value of empathy and is reflective of our responsible corporate citizenship.

Lastly, I want to end by quoting Swami Vivekananda, whose life and principles have been inspiring for me:
“Take up one idea, make that one idea your life, think of it, dream of it, live on that idea. Let the brain, muscle, nerves every part of your body be full of that idea, and just leave every other idea alone. This is the way to success.”

For us, that idea has been to serve the underserved travelers. When I say underserved, travelers not just from the next billion user segment, but also the ones from the existing market who haven't been fully served in terms of the depth of customer experience as of now.

On June 3, we will complete 18 years from launch, and our journey is a testament to the true power of compounding. We remain thankful to the immense faith of our customers, employees, airline partners, IRCTC, bus operators, hotel partners, and all our stakeholders who have reposed their faith in us throughout. And we remain conscious of the great burden of trust we carry on our shoulders. With that, I will now hand over the call to my friend and Co-CEO, Rajnish.

Rajnish Kumar: Thanks, Aloke. Today where we are, it involves a series of all the bets we took ahead of time, even when it seems counterintuitive on why we were taking those bets. We took those bets because we felt they would help improve customer experience and pain points in the travel industry over the long term. What we are seeing now is, therefore, a result of some resource allocation decisions we took several years ago.

If you see our growth trajectory over the last 3 quarters, the acceleration coming quarter-on-quarter is a result of multiple factors; improvement of our products, especially for more evolved users, firstly, with utility features such as Flight Tracker Pro, automated trip management, Bus Insights. Secondly, enrichment of supply in buses and flights is now starting to happen in hotels as well. Thirdly, deeper cross-integration and synergies across our products and services in our app ecosystem across ixigo, ConfirmTkt, AbhiBus. Fourthly, better cross-sell through the integration of food, hotels, advertising, etc. And lastly, enhanced monetisation from new value-added services such as Travel Guarantee and Price Lock.

We already have a large user base, so our focus is on enhancing our monetisation and expanding our share of wallet among our users. Our approach to expanding the share of wallet is centred around solving customer problems through innovative products that build trust and loyalty through a better customer experience. This loyalty and trust then translates to better cross-selling and upselling, leading to enhanced monetisation per user over the long term. Over the years, we have focused on utility-first, community-driven use cases to organically acquire customers.

Since travel is an infrequent use case, the best way to measure share of wallet growth for our business is by tracking annual spend per transacting user calculated as GTV divided by annual transacting users. This metric reflects how much each transacting user is spending on our platform annually and serves as a proxy for our wallet share expansion.

We have grown from INR 6,537 per user per annum in FY '23 to INR 9,705 per user per annum in FY '25, compounding at 22% CAGR, signifying our deepening relationship with our customers. This increase in share of wallet is also correlated with the rising trend of what we call premiumization in our country.

We are witnessing a clear and accelerating growth trend of premiumization in Indian travel, a shift driven by rising purchasing power and innovations that are delivering better value at lower cost to the customers. Destinations once considered aspirational, such as Goa, are being substituted at times by international travel places such as Vietnam, Thailand, Dubai, Abu Dhabi and Singapore. Domestically, too, there's a strong surge in spiritual travel destinations like Prayagraj and Ayodhya, reflecting both evolving aspirations and deeper cultural exploration.

Mode of transport is also seeing upgrades. We are seeing people transitioning from trains and buses to flights. These behavioural shifts are being fueled by 2 core underlying drivers. First one is rising disposable income, enabling more Indians to spend on travel and experiences. And secondly, massive infrastructure investments, including expansion of airports to tier 2 and tier 3 cities and the development of major tourist lines like temples and monuments.

The recently introduced Travel Guarantee value-added services are another step in this direction, created to ensure that users without a confirmed train ticket can conveniently and affordably switch to alternate modes of transport. As previously highlighted, this feature is also enabling many users to experience new modes of travel such as flights for the very first time in their life. Aloke has already talked about the growth in our flights and buses vertical, which continues to surpass our own expectations. Hotels is still nascent, but we are very satisfied with what we have achieved in the fiscal year where we have worked upon it.

There are quite a few learnings we have in that vertical when it comes to product market fit, both on the supply side and the customer side. There's also lots of work to be done there in the coming quarters to get to a point where we feel we have solved some customer pain points that still exist in that space in terms of customer experience on the ground and the expectation versus reality of it.

As a trusted customer-first brand, it is important for us to continue investing in technology, AI and new initiatives that will enhance our customer experience as well as in brand marketing. Some utility products that we launched, such as crowdsourced products on trains, Flight Tracker Pro or Bus

Insights may, at times, lead to disproportionate growth in tech costs without a proportionate increase in revenue. However, in the long term, these products help increase engagement and stickiness and improve our repeat bookings, leading to a reduction in our consumer acquisition costs.

Over the past year, a number of investors have asked us about this. So let me share an interesting metric for you. In FY '25, 85.8% of our transactions were done by repeat bookers, who have booked with us, which shows the loyalty and faith our users have put upon us.

Given the accelerated progress in the field of AI, the adoption of AI tools has accelerated across all our teams as well as in customer-facing products. This incremental investment also shows up in our technology costs, but it ends up creating operating leverage in other areas, such as employee costs and customer support costs.

To give you an example, recently, we rolled out voice AI agents for our flight and train customer support, and we are already seeing 45% of our flight customer support on voice being done end-to-end by these AI agents, allowing us to scale the flight business without adding incremental human support agents.

If you look back and see where we are coming from, it looks like an impossible feat to have, grown nearly 23x of our revenue from operations from INR 40 crores pre-COVID in FY '19 to INR 914 crores in FY '25. However, we remain extremely paranoid about the future, and we will continue to place our bets on areas that can potentially disrupt us because that is the only way we know we will remain relevant and continue growing.

I want to end by thanking our team now, 509 people strong in the ixigo core business. Their contribution to this journey is commendable, and I think they are the true creators of this impact.

As we approach our 18th anniversary as a company, I can't help but reflect on the early days, marked by a series of venture capital pitches and the string of repeated rejections that we faced. Back then, we believe that securing that funding would have significantly accelerated our growth trajectory.

What we didn't realize then was that those very rejections were helping shape the DNA that would allow us to build a stronger foundation for future growth. With capital always in short supply, we were left with no choice but to rely on technology, creativity, product-led growth, organic growth marketing. And we built a culture deeply rooted in capital efficiency and customer centricity. What began as a necessity soon became second nature, and that discipline has served us remarkably well till this day.

With that, I am handing over to my friend and Group CFO, Saurabh Devendra Singh. Over to you.

Saurabh Singh: Thanks, Rajnish. Let's walk through some highlights. As always, all figures shared are in rupees crores in case I forget to mention it, unless mentioned otherwise. Year-over-year, comparisons refer to the same period in FY '24 for annual and Q4 FY '24 for quarterly.

Now let's start at the top. Our gross transaction value or GTV rose by 65% in Q4 to INR 4,418.4 crores. For a full year FY '25, we recorded INR 14,971.6 crores in GTV, a 46% increase year-over-year. Revenue from operations stood at INR 284.1 crores for the quarter, a 72% increase Y-o-Y. For FY '25, the number was INR 914.2 crores, a 39% increase Y-o-Y. On contribution margin, we delivered INR 120.9 crores in Q4, up 69%.

For full year, our contribution margin totalled INR 401.3 crores, growing 37% Y-o-Y. While the quarterly margin percentage dipped slightly from 43.5% to 42.5% in Q4, that was in line with our decision to lean into growth opportunities and along the lines of what we have been talking about in every call that we have had.

Adjusted EBITDA, excluding other income and ESOP costs, improved to INR 29.1 crores for the quarter, up from INR 17.1 crores in Q4 FY '24. On a full year basis, we closed FY '25 at INR 94.8 crores in adjusted EBITDA compared to INR 55.3 crores last year. Profit After Tax stood at INR 16.8 crores for the quarter compared to INR 7.3 crores in Q4 last year, an increase of 128%.

For the full year, PAT was INR 60.3 crores versus INR 73.1 crores in FY '24. This year-over-year difference is explained by one-off, which we have already discussed in the previous quarter, and I will also summarise again close to the end. I should highlight that our operating cash flow has nearly quadrupled over 3 years from INR 30.8 crores in FY '23 to INR 122 crores in FY '25.

Now let's take a quick look at how our major business lines are performing this quarter. Our Bus segment is now cruising like a well-maintained Volvo 9600, smooth, category refining and ahead of schedule. Whoever hasn't traveled, please travel in AbhiBus and you'll realise how good it is.

In Q4, we recorded INR 0.55 crores Passenger segment bookings, making a 78% year-over-year growth and generating a GTV of INR 552.5 crores. The contribution margin rose to INR 40.1 crores with a healthy contribution margin percentage of 60.9%. Thanks to this strong profitable growth, the Bus segment now contributes 33.2% of our overall contribution margin.

Now, much like the Boeing 787 Dreamliner, which was a bold rethinking of what long-haul travel should be, our approach to the Flight business has been intentional, ambitious and built for the long-term. We didn't rush to scale. Instead, we invested in the underlying systems and customer experiences needed to build something enduring. And now the strategy is taking off. In Q4, we booked INR 0.25 crores Flight segment, a 73% year-over-year increase with a GTV of INR 1,709.2 crores, which is a 92% growth Y-o-Y. Contribution Margin reached INR 39.6 crores with a margin percentage of 45.2%. Flights now contribute 38.7% to overall GTV and 32.7% to group's total Contribution Margin.

When it was first launched in 1969, the Howrah Rajdhani taught India to expect more from train travel, not just in terms of speed, but in consistency, comfort and trust. Our Train line of business carries forward the same spirit. In Q4, we booked INR 2.62 crores segment, marking a 30% growth over Q4 FY '24 and contributing to INR 2,107.1 crores, up 41% year-over-year. Operational revenue came in at INR 126.3 crores with a Contribution Margin of INR 39.2 crores at a 31% contribution margin percentage. Trains accounted for approximately 32.4% of group's total Contribution Margin.

Now as promised, I would like to highlight a few one-off or call-out items that influenced the comparison between FY '25 and FY '24. Revaluation gains for our associate, Fresh Bus was INR 29.7 crores in FY '24 and INR 5.8 crores in FY '25.

Share of loss of Fresh Bus increased from INR 5.9 crores in FY '24 to INR 9.1 crores in FY '25. FY '24 also had a Fresh Bus loss of INR 5.2 crores consolidated with us. At that point of time, it was a subsidiary. There was INR 1.2 crores related to share issue expense in FY '25, related to our IPO. Further, we had a tax expense of INR 21.5 crores in FY '25 as compared to a one-off tax credit of INR 12 crores in FY '24. Thus, due to the above item, on a like-for-like basis, we had a net charge of INR 26 crores in FY '25 against a net gain of INR 30.6 crores in FY '24.

Lastly, let me quickly touch upon the impact on our business due to the recent geopolitical issues. The temporary shutdown of 32 airports resulted in some disruption to flight services with cancellations affecting 5% to 8% of total scheduled flights between May 7 and May 12.

While there wasn't much impact on train business, our bus business actually saw some increase in demand during this time. And hence, at a company level, we didn't see much impact. With the announcement of the reopening of affected airports from 12th May, we are glad to report that as of 13th May and onwards, we have returned to normal flight booking levels prevalent in early May.

Now where does the end of FY '25 leave us? It leaves us with a strong start on a long and ambitious journey. While we have strengthened our platform, invested and reinforced our value proposition, we know that next few years won't be easy, because defining chapters are rarely the comfortable ones.

I will end up with a quote, which means more or less what Aloke said, but he's a spiritual guy, while I am a dark, brooding type. So Kafka, once wrote. *"Don't bend, don't water it down. Don't try and make it logical. Don't edit your own soul according to the passion. Rather, follow your most intense obsession mercilessly."*

We are following our mission to democratize access to travel with integrity, empathy and innovation at the heart of everything we do. It's that obsession that has brought us here. And it's the same focus that will carry us through good quarters like this one and also through others, which may not be as smooth, though in which things don't go as planned, regardless of the challenges, we will remain steadfast to our core values and mission. Thanks. And with that, I will hand it back to the moderator for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Anmol Garg from DAM Capital. Please go ahead.

Anmol Garg: Yes. Hi. Congratulations guys for a very strong performance. I have a few questions that I wanted to understand. Firstly, in both our Flight and Bus businesses, our take rates have gone up significantly versus the last quarter. So just wanted to understand whether there has been an increase in the overall international booking in our Flight segment?

Saurabh Singh: So I will take the first one, Anmol. Look, part of it is what we have as a value-added offering. So one of the things that, say, in the case of bus, what we have been doing is we have been increasing and expanding the footprint of Abhi Assured across. And in general, as we have discussed in the presentation, we have introduced a number of value-added services and a part of, look, why our take rate would always be slightly different is our underlying route mix might end up being different to the market, and we don't know what the market is right now. But partially, it's more of math in that sense.

On the second question, sorry, you had was?

Aloke Bajpai: International. So I will take that, Anmol, Aloke here. I think the growth we saw in international this time around was pretty much in line with the kind of growth that we saw for the overall Flights business, you could look at it that way.

Anmol Garg: Understood. Understood. Secondly, I wanted to understand that you have launched a Travel Guarantee this quarter. Also, we have other value-added products. So currently, what would be the percentage of revenue that is currently coming out of this product? And how has it changed over the last year?

Saurabh Singh: We are not declaring the revenue on this. Firstly, and again, it was launched last quarter. So whatever it is over last year. But let me give you a more qualitative idea and probably Aloke and Rajnish can talk a bit more about the product. Remember, the product came from the need of the users a lot of times. So it's a product which came with the need of users. And secondly, with the kind of base that we had in train, we felt we could make it really work in this sense. So what I can tell you is that the product is doing extremely well for us.

And what we are trying to do is and part of what you see in the decrease in the margin of the train business is what is happening with the Travel Guarantee, because we are not optimizing the product right now for margins. We are keeping it profitable, but we are prioritizing adoption by customers, trying to see the customer satisfaction really works, where it works. But yes, it is a very popular product for us. So if you see the in general growth, what has happened in that segment has been driven by this, and we are getting a lot of people in this segment.

I will let Aloke and Rajnish to add more.

Aloke Bajpai: Yes. So I will just add that, if you look at the utility value of this product, right, as an end customer, it's superb, right? Because if you were planning to go somewhere and you had a waitlisted ticket, now you have the chance to be assured about the fact that if the ticket doesn't confirm, you will have enough discount to buy a bus or a flight at a steep sort of discount from where the fares typically are at the last minute or you could take a train the next day and still you could afford a more premium tatkal train, right, with 2x the refund.

So in that sense, the folks who actually do opt-in for this product, and who do not get a ticket at the end of the day, confirmed seat, you can assume that a large part of them will actually start using this to book an alternate trip. So in that sense, it also kind of expands the market because that person would not have traveled at all or would not have found anything on our app worthy of their spend, but now get that option and largely priced with data science and AI. So we keep it profitable that way. But like Saurabh said, it's very early days. I think I would love to talk more about it in a few quarters from now. Rajnish, you want to add something?

Rajnish Kumar: No, I just wanted to say that as the name suggests, the goal of this product was, like I said, everything; it's not about making money right in the beginning. So as the name suggests, Travel Guarantee, the goal of the product was to make people travel.

Moderator: The current participant got disconnected. We will move on to the next question. It's from the line of Swapnil from JM Financial. Please go ahead.

Swapnil Potdukhe: Hi. Thanks for the opportunity, and congratulations on a good set of numbers all through. Just starting with the Flights business. See, if I were to look at from a seasonal perspective Q-on-Q, 4Q to 1Q, typically, I believe there is a decent growth that you see, because of holiday season in 1Q. But there were few events like you called out, right? There was some disruption in Kashmir, there was Kumbh in the base of 4Q. And then there are certain markets where you have stopped taking some bookings. Now my question here is like will we see the usual seasonality despite these events or should we build in a slightly unusual quarter for 1Q this year.

Aloke Bajpai: Thank you, Aloke here. I just wanted to call out, first of all, that Maha Kumbh itself, like we said in our narrative, was just contributing single-digit percentage of additional GTV as of Q4, right? So even though it did help us grow a tad a bit faster. But I would say that the secular growth trajectory itself was pretty exciting even without it. And this I am saying especially for flights where the inventory addition, which was purely Maha Kumbh related was not as big as, let's say, on a vertical like buses, where the impact could be felt more materially, right, in that sense.

So I think at an overall business level, we would have still grown very fast even if there was no Maha Kumbh in Q4, let's put it that way. As far as the disruptions that you mentioned are concerned, those disruptions, which happened just for a period of 5 days during the conflict, I think as I speak today, we have already recovered levels that existed pre-conflict. So let me put that to rest.

Saurabh Singh: Swapnil, you have to realize one thing that because we are multimodal, as I called out in the last question, there are different businesses which react differently to this kind of event. So it's in that sense, it's kind of balanced out for us. And so going back, I would not say that this is a quarter which is where the one-offs, and then we kind of have called everything out. If you go through an FAQ, you'll find most of these things also put on paper where we have highlighted these points.

Swapnil Potdukhe: Got it Saurabh and Aloke. The second question is with respect to your Bus segment. Your take rates have increased materially this quarter. I presume this is one of the highest take rate quarter for a long period of time. Now my question here is like, first, is this a sustainable number to look at it? And secondly, was there any element of better commissions that you are able to get from the suppliers or is it purely the value-added services that you might be offering?

Saurabh Singh: Swapnil, I missed the last part of the question. Could you repeat that part again, please?

Swapnil Potdukhe: My second part of the question was like is the take rate increase because of you getting better commissions from the suppliers, the bus operators or is it because of the value-added services, customers taking more number of value-added services or the percentage contribution from the services increasing?

Saurabh Singh: Yes, it's a mix of a number of things. So as you have probably summarized all the things there. As in what you have got is one is the share shift, which is private versus government, that is working out. The second, as I mentioned earlier on the VAS, which includes things like "Abhi Assured," which gets us into things like the first-time users that we are getting or the returning users after years that we are getting to the Bus segment from the Train segment to the Travel Guarantee move, it is also a combination of us going deeper into our relationships with the bus operators.

And remember, for bus, the interesting thing is bus is a fixed CAPEX business. So in case we are able to get better CAPEX utilization, better utilization for a bus operator, he is willing to share much more. So this is a very different business than the other 2 businesses.

Rajnish Kumar: Yes. So just wanted to add that there is also the value-added services that we sell, specifically Abhi Assured, etc. You have to understand that these value-added services are not priced manually by people. There is an AI algorithm that prices them. And as time progresses, these algorithms start optimizing for P&L.

And I think what we are seeing also is that this optimization is resulting in significantly better attach rate, better revenue and margins that we are starting to see now. And this is one of the reasons why we might be seeing these things. So this is one of the areas that could potentially impact like you rightly mentioned.

Swapnil Potdukhe: So will it be fair to say that 12% plus may be the new normal for your bus ticketing business?

Rajnish Kumar: I don't think we would like to kind of comment anything on that front about whether this is the new normal or not. All we can say is that we are seeing these optimization yielding results. We don't know what's going to happen in the future. But hopefully, with all the efforts we are making on the AI side and data science and personalization related to these products, we might see further optimization in the future.

Swapnil Potdukhe: Got it. And one question on your cost side. So you did call out in your earnings note that there was some operating leverage that you were able to drive in FY '25 when it came to technology and branding costs. But what my sense is that both these cost items increased materially in the second half of FY '25, which means the full impact of these investments, the technology and branding investments should be visible in FY '26. Does that mean while in absolute terms, we might be able to deliver very strong EBITDA growth in FY '26, but on a percentage margin perspective, things may not move in the same manner?

Rajnish Kumar: Yes, sure. You have to look at technology expenses in a slightly different way. Technology expenses generally are proportional to the number of queries or hits or searches, as you say, as we get in our tech infrastructure. And this includes all kinds of services hosted on our platform. Sometimes we keep building these utility products that we talk about, right, whether it is the Flight Tracker Pro or the crowdsourced Running Status on trains or Bus Insights. And many of times, this kind of products, since they don't have a direct revenue impact, will lead to disproportionate growth in tech costs without any proportionate increase in revenue.

However, in the long term, if you look at these products, they help increase engagement, right, and stickiness, and eventually it will lead to a reduction in our customer acquisition costs, and we are able to acquire more customers for free.

I think what we measure in terms of our technology efficiency is whether our cost per million queries, right, which is defined as the server infrastructure cost that is needed to support about a million queries by dividing the numbers is constant or declining over time or not.

And I can share that, that number has been only reducing year-over-year since we started measuring it. So an interesting insight number I can share with you is that at the current spend, we are roughly seeing about 8 billion hits every week on our infrastructure. This is the cost at which we are doing it.

The other reason why this cost is an investment right now is that there is a very accelerated progress happening in the field of AI, and the adoption of AI tools has accelerated across all our internal teams. People are using a lot of AI across teams, whether it is engineering, customer support, etc. And also this adoption of AI or implementation of AI in customer-facing products that we have built, like everything that we do, every product feature that you see, there's some amount of AI inside it, right? This incremental investment that we are doing in AI is also showing up in our technology cost.

And I think this is something that we had already said as use of funds at the time of we went public that we will be using these funds for investment in AI. So this cost may end up creating more operating leverage in the future, in areas such as employee cost reduction or customer support costs reduction.

Just to give you an example, I think I talked about it in the call as well. We have our voice-to-voice agents, AI agents now operating at full scale. And we have already seen that almost 45% of our flight customer support voice queries are being completely handled end-to-end by AI, right, allowing us to scale this business significantly. So there is a rationale behind this spend. But having said that, even if you look at an overall level, even as a percentage of GTV, that number is not growing. It's the only constant.

Swapnil Potdukhe: Got it. And just the last one, if I can squeeze in. It's more on a long-term perspective. So while you guys are doing fantastic across all these 3 key segments that you are operating, at some point of time, my sense is like you will have to build the Hotels segment also in a meaningful manner and a direct manner. So any thoughts around that? How do you intend to do that? And what kind of efforts will be needed or any thoughts around that will be very helpful.

Rajnish Kumar: Sorry, you are talking about hotels specifically?

Swapnil Potdukhe: Yes, yes.

Rajnish Kumar: Yes. like I said, hotels is still in the build-out phase. Obviously, we are seeing very good growth in hotels. But as of now, we are not disclosing those numbers. The reason is that we are still in the early phase of build-out. We are focusing a lot on customer experience on the hotel side. There's still a lot of unsolved pain areas that we see on the hotel side, which we are trying to solve for, whether it is on the inventory side, whether it is in solving areas related to trust or whether it is areas related to why do people don't transact online enough because of this lack of trust or the availability of digital content, et cetera, that allows people to take those decisions to book online, etc.

So we are focusing on a lot of these areas in order to kind of optimize the customer experience on hotel side. And I think that we will be able to build something which will have a differentiated customer experience. And I think that is what will create that product-market fit that we are looking for.

And I would just reiterate the same thing. Our playbook will continue to be the same, which is we will go very deep on the customer experience side, and we will explore most of the customer pain areas that are there in the hotel side as well, and we will try to solve them from first principles. And the thesis is that if we are able to solve the right problems at the right time, we should be able to create a product that creates that customer stickiness.

And the other thing we are confident about is that as of now, we are not spending a single amount of dollar or penny to acquire customers to transact on hotels on our platform. And the reason is very simple because we have an extremely large captive audience in our platform, like 83 million people coming monthly on our platform. So our focus and goal would also be to kind of optimise that large base of customers that we have and start cross-selling and upselling in order to improve the adoption of hotels in the future.

Swapnil Potdukhe: Got it. Thanks a lot for the opportunity, and all the best.

Moderator: Thank you. The next question is from the line of Harikesh from Avendus Spark. Please go ahead.

Harikesh V: Thanks for the opportunity. Firstly, congratulations for the great result. And I think it obviously is an island of opportunity in what otherwise looks like a fairly sad consumption sentiment in India. So I had a couple of philosophical questions. I will just leave it with some of the numerical ones as well.

So I think you had alluded in your opening remarks about user, usage and premiumization. And essentially in a consumer category, which is structurally growing, the people who execute this well, multi-years out, essentially both hold margin, power and cash flows.

Now I wanted to just address all the 3 in one question. In terms of usage, you obviously opened up with your original business model and opportunity, which no one else saw, but multiple players or large competition has seen it and started entering it, and hence, you are being flanked there. So how are you thinking about it and where do you defend that? That's on users. In terms of usage, your ATU to AAU is a number, which we have been tracking, there is some improvement. How are you thinking about it? Do you have a target in mind and where it goes?

And in terms of premiumization, I would love to hear how you think of it, or are there cohorts which you can break up? You obviously alluded to the average value, which has gone up substantially. But if you break it by cohorts, are you seeing something different in terms of where you tried premiumization offerings and how they have been moving? So if you can just address these 3, that would be great.

Aloke Bajpai: Sure. Hi. This is Aloke here. Just the first part of your question, I just want to make sure I understood it. Which part were you referring to when you said it's flattening?

Harikesh V: No, I didn't say it was flattening. I said in terms of users, you opened up an opportunity for the market, focusing on tier 2, 3 and then everybody else is seeing an opportunity there. So obviously, they will flank you, and they try to enter it. They'll be more aggressive. So how do you defend that core moat? And between the prioritization, right, you said you are focusing on growth now, user, usage, premiumization, how does your focus and prioritization stand today? So that was that part of the question.

Aloke Bajpai: Got it. So see, we have to start by understanding how we got here, which is a decade-long journey, which was built largely on understanding deeply the pain areas of these users that have very different needs at time, right, when it comes to travel. And most of the usage that came initially was for utility and not transactions, right?

So if you think of why ixigo has the largest user base in the market today, the answer probably will have very little to do with our transactional funnels, and more to do with our utility funnels because we cared about use cases that did not make any money for us or made very little money for us in the first decade. But we went very deep in them and solved those problems to such an extent that we built a very sticky, repeat and closed ecosystem of these users.

And when I talk about that, of course,the train is at the forefront of it. But even today, when I talk about flights and when we see the growth coming there, a large part of that growth is being driven by product-led growth, right, because we have launched these new things like Flight Tracker Pro or helping people get their boarding pass directly, at the time we have check-in opens. All those kind of things are essentially helping build more word of mouth and get more new users on the platform.

Now, one could ask why nobody else did it because everybody has been in the same market for the same time as us. But I think it's really a question of where you place your focus and bets. And for us, we spend disproportionate time worrying about the smallest of things that our users struggle with. And I think that's really our moat, right? And of course, one can argue that, of course, we have network effects now. There's a lot of data that we have, which is proprietary, which is hard for anybody to copy, and all those things are there. But if you go back even one more step before that, how did we get there, by understanding customer problems more deeply than anybody else, right? And I think that's a harder playbook to copy, because it takes a while to build some of those things or scale some of those things or prove them.

Now, when you talk about how this usage will grow, et cetera, see, on an annual active user basis, if you look at the numbers, and there's a reason why you will see that the growth is slower there in the last couple of years. We have reached a point where like 1 out of 2 people on the Internet have used us at least once across at least one of our brand apps or services, right, in the last 1 year.

Now, if you reach that point of growth, the focus needs to shift on how do you build enough services that bring these people back for a diverse set of use cases, as well as how you monetise that better through transactions and deepen the relationship with that customer through transactions in other categories.

To give you a small example, let's say, when we launched food delivery on trains, we are deepening that relationship, right? We are bringing the customer back to the app for one more use case. We are monetizing even further from that customer.

When we talk about value-added services that Rajnish talked about, all of those deepen our relationship and give the user a reason to come and spend more on us. So in a way, TAM expansion, once you have hit this sort of scale, TAM expansion makes a lot of sense. And we have been working on TAM expansion as well as tapping into these new areas, which is resulting in this kind of growth.

Now if you look at the ancillary attach rate of 29% or if you look at our repeat transaction rate, right, which again, has always been in the 80s, even if you look at our DRHP today, it's 85.8%, close to 86% of our transactions in FY '25 were done by repeat bookers.

That's just a testament to the kind of stickiness that we have built. Was it built by spending money on brand or by discounting? No, right? So am I worried about if anybody decides to do that in this market? No, because that's not my moat. And that will never be my moat, if you ask me. Yes, those things will accelerate my growth as well if I do that.

And brand is something we are already talking about how we are doubling down on in proportion to revenue growth. But to understand our business, one has to understand why we do the things that we do, right? And that's the answer. Rajnish, you want to add something?

Rajnish Kumar: Yes. Since it's a philosophical question, I wanted to give a philosophical answer to this question as well. So the short answer to your question, whether somebody can copy us, is yes, of course, people can copy us. And there's no surprise in that. But the reason why we feel that we will keep innovating and we will keep being ahead of the curve is because this extreme sense of customer obsession that we have built the DNA around, it allows us to be extremely close to customers and their problems, and we always have our ears to the ground, listening to what customers want and what their problems are. So we don't have to go looking out for what to solve for. We already know what we need to solve for next because of this obsession.

The only issue now is what is the right problem to solve is. And I think it's not really about solving a problem, given a problem, anybody can solve it, but this is more about solving the right problem at the right time and additionally having the courage to say that you are going to spend disproportionate amount of time, resources in solving a problem, which might not give you immediate ROI in terms of revenues, profits, etc.

And for the company, it takes courage to do that. But you might have seen that some of those investments we have made in the past, have yielded results like after years or months or quarters, right? And this is the reason why we do what we do, right? And that's the reason why we don't have to look outside for what we need to do next. Most of the time, what happens is that we do something, and yes, people would copy us. That's something that it's unavoidable, right?

Harikesh V: Yes. Okay. I think that the last part on premiumization, in case you have some insights from some cohorts which you are looking at, which are higher than the average in terms of what I was looking for as a multiple service and premiumization. If there is something.

Rajnish Kumar: Yes. See the whole point of premiumization in our country is that, so one thing that people fail to understand is that generally, if people don't have enough purchasing power, it doesn't mean that they can't spend enough. It just means that people are not price conscious, really in the real sense of the word. They're more value-conscious. They value what they're purchasing, they value their money more, right? And hence, they are people who are willing to spend, let's say, INR 100 to kind of protect their ticket, and travel or people who really want to travel are willing to spend some amount of money and say that they would want to purchase Travel Guarantee. And we, as a company, would create a product, and say that, yes, we would ensure that we would be able to take you from point A to point B, come what may. If you won't be able to go in train, we will put you in a flight or in a bus and we will make you travel.

So the purpose of the Travel Guarantee was to help people get to their destination, irrespective of the mode of transport. And then people are willing to pay an additional price for that or for free cancellation or for Price Lock or for Abhi Assured, like any of these products. And this is the trend of premiumization, because when you create value and customers are willing to pay for it, and they have the loyalty and trust built into you and the purchasing power as we see is increasing, we see more and more people keep on buying these value-added services and products that they are building.

And that trend is secular like we talked about. I think we are seeing this happen across the board. We are seeing people move from flights from process and trains and upgrading to flights. We are seeing like a lot of first-time flyers in our ecosystem as well, because of the same trend. So yes, premiumization is real. It's happening, and I think there's an accelerated trend around that.

Saurabh Singh: Harikesh, I have given you an ancillary attachment rate at 29.23%. The reason you ask about the comparison, I can't give it because nobody else has this disclosure. As you are a great broking house, I would want you to ask other companies to have disclosures, so that we can compare better, but my point rests there.

Harikesh V: Sure, Saurabh. Thanks for the opportunity.

Moderator: Thank you. The next question is from the line of Manik Taneja from Axis Capital. Please go ahead.

Manik Taneja: Hi, thank you for the opportunity, and congratulations for continuing to accelerate in terms of growth through the recent quarters. I don't know if my question has already been asked, because I got cut off in between. And you have already answered about what drove the improvement in take rates on the bus side, but it will be great to essentially understand the improvement in take rates on the air side, and how that's translating into the contribution margins for the segment, given they are possibly the highest in over 5 or 6 quarters? And how should we be thinking about this trend going forward? And the second question is basically with regard to ESOP expenses on a go-forward basis, given the new approval that you have taken. Those would be my 2 questions.

Saurabh Singh: Hi Manik, thanks a lot. There are 2 points to your question. One part is where you have talked about the contribution margins for the Flight segment being highest over many segments, I don't think that's the case.

Manik Taneja: No I said many quarters.

Saurabh Singh: Many quarters. Remember, look, part of it it is not out of any range, which is there. In fact, if anything, I have been investing on growth there. A couple of things on the take rate part. One of the take rate parts is if you see my flight take rate is mathematical, like it's for many people, where a large part of my take rate is fixed, and the underlying flight price decides what my take rate would be.

So if you go back a couple of years and see the range of take rates that we have given, hence, it's the variance in the take rate is there, because it's the underlying price and it's how my mix moves, because as the core of our business still lies outside the top 4 metros, my underlying price would be, is spread across different places.

The other part with Slide 2 is what Rajnish mentioned with the bus answer. And it's the products that we have, it's the optimization coming of age of the value-added products, where they've been starting to improve, and which are giving you an improvement, and also the cross-functional advantage that we are getting with products like PG adding on to this.

Rajnish, would you want to add on the product side on this?

Rajnish Kumar: No, I think on the flight side, the contribution margin, if you talk about why it has improved, obviously, there are new value-added services that we have built, like Price Lock, which is also contributing in some way. But there are existing value-added services as well, which are getting optimized further as our algorithms start seeing more and more data and keep optimizing and improving the algorithms. So I think a combination of all of those things is what is causing this. I think, overall, the ancillary attach rates are optimal. I think the pricing algorithm attach rate, it's something that needs to be optimized at an algorithm level to make sure that it kind of derives the best value for us. And I think that is a work that AI does beautifully. So we don't need to do much work here in that sense. And we see some of those benefits kind of coming in overtime as these algorithms keep maturing.

Manik Taneja: Sorry to prod you on this one. Just to clarify, there may not be any element of one-off in terms of any one-time GDS incentives, in terms of true-up for the full year or similarly from a VAT standpoint in terms for Q4?

Aloke Bajpai: Yes, Aloke here. There are no one-offs in there, just to clarify that. And typically, this kind of incentive, even if they come, are prorated across the period on which they are applicable, etc. So we don't recognize it as a one-off, typically even if they come. But more importantly, I think as a percentage, the Contribution Margin hasn't really grown if you see, in the last 3 quarters, our stated strategy has been that we are chasing market share growth on flights.

We are doing it by allowing the percentage Contribution Margin to dip a bit, which it has, right? We used to be in the 50s at one point. And now if you see, it's come down from there.

And as a result of also the things that Rajnish described, obviously, it hasn't dipped as much as what it would have if the AI hadn't kicked in, and sort of improved the attach rates and the value per ancillary sold, etc. So I think in that sense, we are striking a balance. We want to grow as fast as we can without our unit economics deteriorating, and I think we are happy with what we are able to produce now.

Manik Taneja: Sure. And the last one was for Saurabh in terms of the ESOP cost going forward.

Saurabh Singh: Yes. ESOP cost going forward, sometime back, I told you that we would be roughly within the range of around 20 maximum. It might go slightly above 20, because as we have already declared, we have got a target-based incentive plan, which the shareholders have voted on. But it will be approximately the same pin code, which is there. And remember, in the new ESOP, which we have got, you can read through the filing. Now that it's public, it doesn't get kicked in until the market cap limits are reached.

And what we have also done, and it's an important thing that we have talked about this ESOP plan too. So I thank you for asking this question. So in our case, what we have tried to do is to make this fair in terms of we have got a VWAP over a month, over 30 days as criteria. We have got a market cap criteria. We have got a time-based criterion on this to just ensure that it's not unfair to anybody on this plan. But you can get much more details in the filings that we have done on this, but it will be around that going forward.

Manik Taneja: Sure. Thank you, and all the best for the future.

Saurabh Singh: Thank you.

Moderator: Thank you. The next question is from the line of Akhil from Hornbill Capital. Please go ahead.

Akhil Gulecha: Good evening, and congratulations on a great set of numbers. So you have grown nearly 40% in revenues this year. And clearly, the industry is not doing so well. And you have had 2 years of post-COVID boom, and now we have had a great quarter for the Maha Kumbh. How do you see this going ahead in the next few years? Because these are very high numbers. You are clearly gaining market share. Your competitors are not growing as fast. So what gives you confidence that you can sustain such numbers?

Aloke Bajpai: So first of all, I don't know if you have seen our growth trajectory over the last 6 years, right? Like if you go back to pre-COVID and look at where ixigo is today, we are at 23x of the revenue that we had in FY '19, right? And our CAGR is like 68%. Even during COVID, we were continuing to grow. We have not had a single down year. And I think some of the things we have described earlier today are factors that have been driving that growth, which is our ability to grow user base through product-led growth as well as monetize through value-added services and cross-sell, upsell better.

Now if I speak about the industry, right, like I think we have to break it in 2 parts, right? So we are not just in the ticketing business. If you think about ixigo, right, we didn't start out as being an OTA. Even today, we are not your typical OTA, right? Let's put it that way. We have a large utility-based reason for people to come to us.

We monetize through avenues that are built on top, and create a new TAM. The value-added services, I believe, create a new TAM, which didn't exist earlier, and allow us to sort of grow disproportionately faster by tapping into that new TAM. And I think if you look at the industry, I will actually not agree with what you said, like if I look at how the incumbent is growing, and if I look at how the overall market is growing, it's pretty healthy.

If you look at categories like buses, it's actually growing all around, right? It's not just us. If you look at flights, I think, barring the supply constraints that exist, the demand is there. It's very strong. People are paying a premium on fares year-on-year and still flying 85%, 90% load factors, so it's nota one-off. There is no major impact of Maha Kumbh. Like I said, it's a single-digit percentage GTV contributor. And I think even without that, we would have grown decently well, as we were growing even last year. 68% CAGR is what we are doing on revenue, if I look at the 6-year view.

Akhil Gulecha: Got it, Aloke, but that is the past. Now your base is much bigger. You are already probably the second largest OTA. So, do you feel confident that you can sustain the growth numbers on this basis as well?

Saurabh Singh: This is Saurabh. The first thing I would say is we don't give forward-looking guidance. So I would not comment on any specific number. Having said that, yes, as I said at the end of my speech, as of right now, we believe that there are problems to solve and we will continue to solve them. And from what we see, we remain confident in our ability to solve problems.

As a company, we have always believed that if we solve the right problems and if we do the right things for the customers, monetization will follow. The logic remains the same. Nothing has changed for us in that sense.

Aloke Bajpai: Yes. I would just like to add that we are still nascent in many categories that define how OTAs are built, right? So in those categories, I think we still have a lot of upside in the years to come waiting for us, right? So it's not like we are maxing out on growth. So on trains, we disclosed this last quarter, 58% share of the OTA market. We continue to grow at the speed that we do, right? So by that logic, we should have been tapering out. I think innovation is the reason why you can find new growth vectors. And I think this is a company that has always managed to find new growth vectors every year or two.

Akhil Gulecha: Got it. Got it. Thanks. That was very helpful. Lastly, on the Contribution Margin. So that has seen a slight dip this year as opposed to last year. So is it because the value-added service component has increased? Is that the reason or is it because your performance marketing has increased? Of course, we will find out in the annual report, but if you just throw some light on why the contribution margin has dipped? And how are you seeing performance marketing as a cost?

Saurabh Singh: So what we have said in a regular quarterly basis is that I look at performance marketing discount and branding as a combined customer inducement cost. And it will be between 3% to 3.5%, where I will remain comfortable on that. And in that sense, I kind of remain there. Yes, the combined number is at a higher end, but you should look at it in that range going forward. And probably in some sense, if you look at that in another context, what we mentioned earlier.

So if you go back to our first quarter or say, first quarter call, at that point in time, as I said, buses were giving you a great Contribution Margin, and we had said that we would be investing in growth. The underlying business is growing, as in if I look at industry numbers, everybody talks about, OTAs being 18% CAGR, the world takes whoever you are using. And we believe that if that is the case, that the underlying business is growing this fast, it is time to invest. And that's what we are doing. We are investing. But I think the answer that you are looking for, if you go back to my FAQ 1 or 2 quarters back, you'll find it.

Akhil Gulecha: Okay. Understood. Thank you so much. And the result has been incredible, so congratulations once again.

Saurabh Singh: Thanks.

Moderator: Thank you. The next question is from the line of Shrinarayan Mishra from Baroda BNP Paribas. Please go ahead.

Shrinarayan Mishra: Thank you for the opportunity. My first question was on the headroom that we have in terms of cross-selling. So if you can highlight what percentage of users are using either of the 2 services and what percentage are using all three 3 services, that will be great.

Aloke Bajpai: Yes, so Aloke here. I think at this point, we don't disclose this particular metric, but it's a great input. Perhaps at some point, we should look at talking about it. What I can tell you is that there are 2 things you can track, which give you some sense of this. One is how fast we are able to grow in the flight and bus line of business. I think a very significant part of the answer lies in our ability to cross-sell, upsell better. And now with hotels also, we are seeing the ability, because, like Rajnish said, we are not spending any money outside our ecosystem to acquire users.

So there is no brand or performance marketing, et cetera, we are doing for hotels at this point, largely whatever growth we are driving internally through cross-sell, upsell. And similar is the case with Zoop, so most of the food orders that we are doing there are now largely coming from within our ecosystem. And I think there is still a huge headroom.

Just to give you one sense of this, right, there is still a significant number of people who use our apps, just for utility and do not book yet with us, right? I think the biggest headroom still for us, lies in that bucket.

Shrinarayan Mishra: Okay. Okay. So, how much would that user base be, which is just for utility purposes?

Aloke Bajpai: Yes, you can look at the MTU, MAU ratio, right? We have disclosed this in our presentation, if you go and see there, but we have basically crossed 4% there. It used to be early 3s. So we have managed to sort of increase that, which is a sign of, again, how well we are able to sell to our own users, right?

Saurabh Singh: So, the top of the funnel if you see on a monthly basis, it's our MAUs, it's 82 million, we have got monthly actives, which is the top of the funnel, and that is the potential which you are talking about.

Shrinarayan Mishra: Okay. Okay. Got it. Got it. And second question was on the Bus segment. So will it be possible for you to give the market share geographically? So I was trying to gauge how the Bus segment, where this growth will be coming from?

Aloke Bajpai: See, the Bus segment, the good news is that there are 3 things happening there. One is supply expansion, which is that existing operators are adding new buses, and new operators are coming in. So we had the likes of FlixBus, NueGo, Fresh Bus, et cetera, entering the market in the last couple of years. We have existing operators like even Intercity, Zingbus and all who have added supply in the last couple of years.

The second thing is the premiumization, which we were talking about, which is moving from non-AC to AC buses, moving from just government to private as well. Those 2 things are also happening.

The third part, which is penetration, is that only under 20% of bus tickets get booked online today. And that sort of penetration number will move over time, right, because in other verticals, that's much higher. But on buses, there is still a lot of scope to move this metric as the market expands.

So experience will matter a lot, because it's a very last fitted product, right? So it's the last people who typically realize that they need to book a bus in the last 2, 3 days. So I think a lot of it is being able to target the right user at the right time. And also get the experience right, so that people come and book with you. And on the experience, we have launched a few things, maybe Rajnish can talk about, which are also helping this expansion.

Rajnish Kumar: So, on the experience, as you would have noticed that our ratings from the app store, at least for AbhiBus have been constantly increasing. We are at almost 4.8 now. This is something that is proof of the fact that the product experience has significantly improved.

And some of the examples of the things that we have done are things like Bus Insights that we talked about in the call, which have significantly improved the confidence of customers trying to book a ticket. Abhi Assured was one such product we built in the past, which has helped us build that confidence in customers to book with confidence, right, whether you get cancelled or not and whether for service level reasons, etc.

You will never be let down all of it seems to be refunded, most of it or even more than that in certain situations, where service level promises were not delivered. So this has always been our effort, and I think we have been using now, AI tech and data science, all the more to kind of create these kinds of experiences where we can predict exactly what bus gets assigned to you, what case the bus has, etc. And people can kind of make that decision.

The problem with buses as a category is always because the inventory is so fragmented and unpredictable that you generally don't know what kind of bus you'll get, or what the experience of travel experience will be. Giving people that kind of insights, using Bus Insights product is helping people make that decision and is letting them book with confidence.

So we are seeing that kind of product and features also result in revenue and margins, although the intent was just to solve customer problems, right? But the side effect was that it led to better stickiness, it led to better conversion rates , and then eventually, we were able to kind of drive higher revenues and margins.

Moderator: Thank you, sir. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to the management for closing comments.

Aloke Bajpai: Thank you. I would like to thank everybody who has joined the call today, and we will speak to you again very soon. Have a great day, good night, depending on where you are. Take care.

Moderator: Thank you. On behalf of DAM Capital, we conclude this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.