July 16, 2025 LTTL/L&S/2025-26/07/11

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 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings Release - Financial Results for the quarter ended June 30, 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 Earnings Release on the financial results (consolidated and standalone) of the Company for the quarter ended June 30, 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: 2025.07.16 16:39:40 +05'30'

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

ixigo

EARNINGS RELEASE

Q1 FY26 | July 16, 2025

ixigo ixigo Confirmtkt abhibus

Vision

Our vision is to become the most customer-centric travel company, by offering the best customer experience to our users

Who We Are

We are a technology company focused on empowering Indian travellers to plan, book and manage their trips

What We Stand For

Leading OTA for Next Billion Users with **544.35 Mn Annual Active Users**[1]

Assisting travellers in making **smarter travel decisions** by leveraging **artificial intelligence**

Empowering travellers to plan, book, & manage trips across trains, flights, buses & hotels, assisting them before, during, and after the journey

Culture and values defined by core tenets of customer obsession, empathy, ingenuity, ownership, resilience and excellence

Note: 1 is for the year ended 31st March 2025

Headline Results

Q1 FY26 (YoY Growth)

₹46,446.58 Million	₹3,144.72 Million	₹1,280.88 Million	₹313.53 Million	₹286.63 Million
GTV	REVENUE FROM OPERATIONS	CONTRIBUTION MARGIN	ADJUSTED EBITDA	PBT*
55% ↑	73% ↑	48% ↑	54% ↑	76% ↑

Note:

1. GTV (Gross Transaction Value) refers to the total amount paid (including taxes, fees and service charges, gross of all discounts) by users for the OTA services and products booked through us in the relevant period/year.
2. Contribution Margin is defined as net ticketing revenue plus other operating revenue less direct expenses.
3. Adjusted EBITDA is calculated as the restated profit for the period or year plus tax expense, finance cost, depreciation, amortization expenses, Employee Stock Option Scheme less other income, exceptional items, share of profit/loss of associate.
4. *Profit / (loss) before share of loss of an associate, exceptional Items and tax.

Key Performance Highlights - Q1 FY26

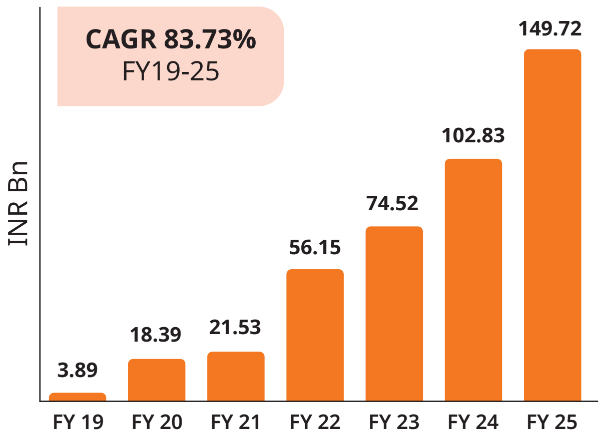
- **Gross Transaction Value (GTV)** is at ₹46446.58 Mn in Q1 FY26, growing by 55% YoY. Flight & Bus GTV each grew 81% YoY while Train GTV grew 30% YoY for Q1 FY26 vs Q1 FY25.
- **Revenue From Operations** grew by 73% YoY in Q1 FY26 to ₹3144.72 Mn from ₹1818.78 Mn in Q1 FY25.
- **Contribution Margin (CM)** increased by 48% YoY, reaching ₹1280.88 Mn in Q1 FY26.
- **EBITDA** increased by 69% to ₹324.89 Mn for Q1 FY26 as compared to the same period in the previous year. **Adjusted EBITDA** (EBITDA plus ESOP Expenses less Other Income) increased to ₹313.53 Mn for Q1 FY26, an increase of 54% from ₹202.99 Mn in Q1 FY25.
- **Profit Before Tax, Share of Loss of Associates and Exceptional items** is at ₹286.63 Mn in Q1 FY26 as compared to ₹162.67 Mn in Q1 FY25, recording an increase of 76% on a YoY basis

In the letter below, we will address the key questions that we think investors might have. In case there are questions that you would want answered in the next quarter, please mail ir@ixigo.com

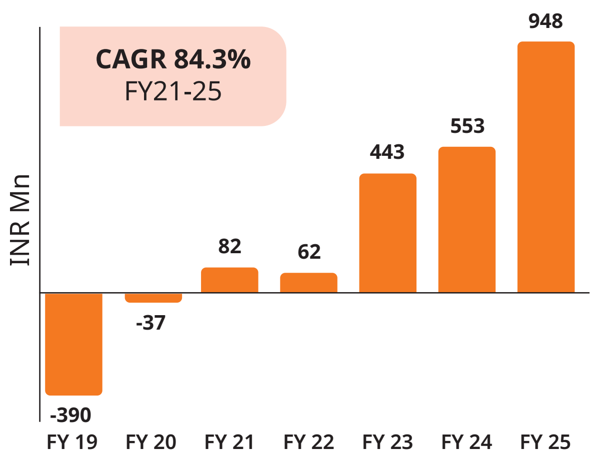
Ques 1. Your recent growth has been impressive and surprising to many. What do you see as a sustainable growth rate going forward?

Aloke: That's a question we've been asked frequently, especially by new investors we've engaged with post our IPO. But to us, what you're seeing now is how any well-run, tech-led, capital-efficient and utility-first platform should scale in its growth phase. Our growth is not accidental or opportunistic - it is the outcome of years of deliberate product thinking and operating discipline. It is reflective of our business's stage of evolution in various categories we operate in.

If you trace our journey from 2019 onward, you'll see a consistent pattern of building for Bharat, staying asset-light, and creating deep user trust. The Gross Transaction Value (GTV) CAGR of 83.7% over the last 6 years and Adjusted EBITDA CAGR of 84.3% since we turned profitable in FY21, are a reflection of that execution DNA. Over the next few years, I believe that we can continue to grow significantly faster than the market in Hotels, Buses and Flights, and in line with the online market's growth in Trains.



GTV Growth (INR Bn)



Adjusted EBITDA Growth (INR Mn)

Rajnish: We firmly believe that growth is never a right, it is a privilege that has to be earned and re-earned, every single quarter. Our conviction comes from a clear understanding of what drives our differentiation: the ability to identify, design, and deliver tech-led innovations that power what we call our "peace-of-mind product stack" - features that reduce anxiety, improve reliability, and simplify complex travel decisions.

This focus has enabled us to acquire and retain customers cost-efficiently, even in competitive markets. Whether it's delay predictions, intelligent fare locks, or multi-modal routing, we're not just optimising bookings, we're elevating the experience of travel. That's what fuels our continued momentum.

Saurabh: The near-term trajectory is strong, and my belief in Rajnish and our extraordinary product-tech teams, built over more than a decade has only deepened. That said, I've always been a realist (or a pessimist, depending on who you ask).

So let me repeat what I shared in our Q1 FY25 FAQ: we still have significant headroom for growth. But as we scale and category penetration deepens, it's natural that our growth rates will gradually moderate and align more closely with the long-term category growth rates in our industry. Our job is to extend this phase of outperformance as long as possible - through product leadership, deep empathy for our users, and smart allocation of capital and talent.

Ques 2. Your overall growth in the flight business continues at a fast pace despite the headwinds faced by the industry in this quarter. What would you attribute this to, and how do you see its growth in the future?

Aloke: Before I talk about the numbers or strategy, let me reiterate that our core objective in the flight business remains unchanged - to build with deep empathy for travelers, and to drive growth on the back of strong product-market fit and exceptional customer experience. The unpredictability that travelers inherently deal with is something we have endeavoured to mitigate through our "peace of mind" stack of value-added services. Quarters like these highlight the importance of having this stack.

Q1 FY26 was a challenging quarter for the industry. Operation Sindoor led to temporary airspace closures across parts of North India in May, affecting flight operations for nearly 8-10 days. While this was a significant disruption, the post-event recovery has been swift, and the ecosystem has adapted quickly.

The tragic AI-171 crash in June created another setback due to the dent in morale and passenger confidence in the immediate aftermath. In addition to this, the airspace closure in Pakistan, as well as the airspace disruptions in the Middle East during the Iran-Israel situation, led to some dampening of international flight growth. Air India also voluntarily cut 15 % of its international wide-body flights till mid-July to accommodate enhanced safety inspections and due to the Middle-East airspace closures.

We believe that quarters like this, which have some headwinds, give us an opportunity to test our customer-oriented mindset. In Q1 FY26, our team saw spikes in customer reachouts for reschedules, cancellations and alternate arrangements. With the help of our AI-augmented customer support and our ability to go above and beyond for our customers, we were able to demonstrate more agility and responsiveness in these situations, helping us continue to gain market share. Optically, our take in flights was higher in this quarter due to three reasons - firstly, there was some compression in domestic airfares, secondly, we ran our anniversary sale and flash sales promotions with certain bank partners, and thirdly we added some new ancillary services.

Hence, despite the headwinds, we continued to grow faster than the overall market.

Rajnish: Our resilience and growth in the flights business comes from a few underlying core drivers:

1. **Cross-selling to our existing base** - Our ability to maintain leadership in our category in terms of userbase, and our growing market share in both rail and bus help us effectively sell more flights, thereby increasing share-of-wallet spent on our platform.
2. **Strong Tier 2/3 momentum** - Our differentiated value proposition continues to resonate in Bharat, where we're seen as a more trusted and intuitive platform for budget-conscious travelers, and have continued to grow our base year on year despite our existing penetration
3. **Product-led growth** - Features such as AI-driven ixigo Assured Flex, Price Lock, Flight Tracker Pro, seamless reschedule and cancellation flows, and automated trip management continue to reduce friction and build loyalty among more advanced users from Tier I/II cities.
4. **Payment Flexibility:** We have also enabled more financial flexibility through No Cost EMI and Buy Now, Pay Later options on both flight and train bookings. These are offered via tie-ups with third-party partners and are useful for those planning high-value trips.

Looking ahead, we remain optimistic about the flights business. Penetration of air travel in India is still in its early innings compared to global benchmarks, and we see headroom for growth, particularly from regional airports and underserved segments. Just over 4% of Indians travel on flights, compared to 37%+ in China and 85%+ in the US and once the GDP per capita crosses the $400 mark in India we expect discretionary to flow further in flight and hotel categories.

We're intensifying efforts on AI-based personalisation, bundled travel offerings, and AI customer support on Voice, where TARA Voice, our agentic customer support, is now resolving over 60% of customer calls end-to-end. We've further enhanced our Price Lock feature and are bundling new value-added services such as Travel Insurance and Visa Rejection Protection for our flight bookers. Our focus remains on profitable, customer-led growth, not chasing GTV for vanity, but solving real problems at scale.

Saurabh: The trends we identified and spoke about in Q1 last year are clearly materialising today. (Q1 FY25 FAQ link). India's airport infrastructure is undergoing a transformative expansion, with the number of operational airports doubling from 74 in 2014 to over 160 in 2025. The government is targeting 200 airports by next year and 240 airports by 2030, through a ₹92,000 crore investment push. Under the UDAN scheme alone, 405 routes across 65 underserved airports have been activated, with 120 more airports planned. Major greenfield projects such as Jewar (targeting 70M passengers annually), Navi Mumbai and the newly announced Vadhavan offshore airport are set to redefine regional access. This regional connectivity boom, backed by ₹60,000 crore in private terminal upgrades, unlocks massive demand from Tier II/III cities, where ixigo already has deep market penetration. Our multimodal capabilities and personalised offerings position us perfectly to serve and scale with this next wave of Indian air travelers.

I'd also like to highlight that we are currently in a 'Goldilocks Zone' in our flight business. We are large enough to be a significant player capable of driving and influencing change, yet still nimble enough to differentiate through our customer base, product offerings and marketing strategies, leveraging new trends in AI. This unique positioning creates corridors of secular growth, as Aloke and Rajnish have emphasised.

Ques 3. Your bus business appears to have one of the largest growth runways among the segments you operate in. What's your strategy for scaling up and capturing this opportunity?

Aloke: We spoke about the bus segment at length in Q1 of last year, when its contribution margin had reached 74%. At that time, we made a conscious strategic choice, to prioritise growth over near-term margin optimisation, given the sheer size of the opportunity in front of us. That philosophy remains unchanged.

Bus travel in India is undergoing a digital inflection point. Despite the segment's scale, only ~20% of bus bookings happen online, leaving vast room for digital expansion. Simultaneously, most buses run at 60-70% occupancy, while trains and flights on parallel routes are frequently waitlisted or overbooked. This supply-demand mismatch, coupled with rising expectations around travel comfort and flexibility, presents a massive opportunity. Private operators are already upgrading fleets and bus travel on clean, modern buses is now being marketed as a preferred mode of transportation for Gen-Z travellers.

This growth is being further accelerated by the massive expansion of India's road infrastructure. Over the last decade, the national highway network has grown by nearly 60%, and the pace of highway construction has more than doubled. Four-lane highways have expanded significantly, creating faster, safer, and more reliable intercity routes. This has made bus travel a far more attractive option, especially in underserved Tier II and III corridors, and at times, offering a similar experience as AC train travel.

We've been expanding our geographic footprint aggressively. AbhiBus, which initially had strongholds in South and West India, now has a growing presence in the North and East as well. Our partnerships spanning both private fleet operators and State Road Transport Corporations (SRTCs) across the country have continued to grow. These relationships are foundational to our ability to scale efficiently.

Importantly, we've made significant strides in cross-selling buses across our ecosystem, thanks to proprietary tech enhancements and products such as Travel Guarantee, which offer customers flexible, multi-modal alternatives. As the second-largest and fastest-growing player in India's online bus booking category, we've been improving our market share quarter after quarter and we believe we're just getting started.

Rajnish: Our growth in the bus segment is being driven by a focused strategy across four levers: product, supply, trust, and utility.

On the product side, we've made deliberate investments in enriching the user experience. Our upgraded supplier platform, EDGE, has enabled better supply-side control and onboarding.

On utility, we've introduced new UX features like "Bus Insights", giving passengers greater visibility into fleet quality, and filters like "Brand New Bus", which have boosted trust and bookings.

To improve monetisation and drive operator performance, we've scaled our Abhi Assured program and launched an advertising platform that gives high-performing operators better visibility on our platform, creating a virtuous cycle of quality and demand.

For enhancing trust, we've also deployed agentic AI in customer support for the bus vertical, which has significantly improved response times and resolution quality. This has helped us enhance both efficiency and NPS, and is reflected in the AbhiBus app's industry-leading 4.8 rating on the Play Store.

The combination of strong supply partnerships, smart product innovation, and a relentless focus on customer experience positions us to capture the next wave of growth in this category.

Ques 4. What are your views on Agentic AI? Do you see this as a threat or an opportunity? Are we able to leverage AI internally to become more efficient, and do you believe that there is any disruption risk for OTAs?

Rajnish: At ixigo, our journey with Agentic AI started as early as 2017, when we introduced TARA, an award-winning multimodal, agentic travel assistant. TARA was ahead of its time: it was autonomous, pre-emptive, multimodal (voice and app-based), and hyper-personalized. It could understand a user's past travel patterns, preferences, and loyalty programs to make intelligent travel decisions, showcasing our early belief in the power of agentic systems to transform the travel experience.

Fast forward to today, Agentic AI is deeply embedded across our business, enhancing efficiency, personalization, and autonomy at scale. From real-time fare trackers and price prediction agents to autonomous web check-ins that deliver your boarding pass straight to your Apple Wallet, much of what a user experiences on ixigo today is already powered by invisible agents working behind the scenes.

Internally, we're driving significant productivity gains through Project Trishul, our 3 pronged AI-first infrastructure strategy centred around Efficiency, Revenue and Disruption. Automated testing, intelligent code generation, smart deployment rollbacks, and ML-driven pricing models for products like Price Lock - all run on self-governing agentic pipelines. Teams across HR, finance, and marketing use DIY agentic tools to automate workflows, generate content, or even deploy voice agents that can call customers or partners autonomously.

One of the most powerful applications of Agentic AI at ixigo is in voice agents. Today, more than 60% of our customer support voice interactions are handled end-to-end by fully autonomous AI agents. These voice agents don't just respond, they proactively call customers to deliver critical travel updates, collect NPS scores or feedback, and even follow up with business partners, on behalf of our users or internal teams. This is saving time, improving service levels, and enabling proactive customer care at scale.

What sets us apart is not just the use of AI, but how deeply we've operationalized it. Anyone at ixigo can build, test, and deploy autonomous workflows without needing an engineering background. This democratization of Agentic AI across the org is a key part of our strategy.

As for the future, we believe travel apps will evolve into conversational, multimodal, and hyper-personalized agents, not just recommending, but doing. From booking your trip at the optimal time to reserving your table at a restaurant on arrival, future travel assistants will act, not just advise. And to power this, they'll need real-time inventory, context-aware decision systems, and value-added services - all of which ixigo is uniquely positioned to provide.

So, while Agentic AI may pose risks for those who don't adapt, for us, it is a once-in-a-decade opportunity. We're not only ready for this shift, we've been building towards it for years.

Ques 5. Given the increasing focus on AI in the tech industry, where CXOs of global companies are talking about the % of code that is now AI-assisted or AI-generated, do you have plans to start sharing similar disclosures in the future?

Rajnish: I think the commonly quoted metric - "X% of our code is now AI-generated" is fundamentally flawed if we're trying to measure the real impact of AI in software engineering.

The reason is simple: coding itself is not the main bottleneck in software development. In most real-world engineering workflows, writing code only accounts for about 20–30% of a developer's time. The remaining 70-80% is spent on far more cognitively intensive and collaborative tasks, like system design, architectural planning, writing detailed documentation, thinking through edge cases, defining interfaces, creating test strategies, and setting up CI/CD pipelines.

In that context, even if an AI assistant can generate 80% of your code, that's still just a productivity boost on a small slice of the overall effort. Mathematically, it amounts to about a 15-20% efficiency gain at best, and that's assuming near-perfect AI-generated code, which often still requires review, debugging, and refactoring.

Moreover, code generation has been getting incrementally easier for years - whether it's via autocomplete, StackOverflow copy-pasting, or more recently with tools like Copilot or Cursor. So, while these are impressive evolutions in productivity, they are evolutionary, not revolutionary.

Where AI can be revolutionary is in tackling the upstream and downstream parts of the development lifecycle:

- Helping engineers strategise and explore trade-offs before they even write a line of code
- Generating technical design docs and ADRs that align with team conventions
- Writing unit tests, integration tests, mocks, and even setting up the automation around them
- Creating deployment scripts, managing infra-as-code, or handling observability and rollback logic

This is where agentic AI becomes especially powerful, not just passively generating code when prompted, but proactively owning entire subtasks across the software development lifecycle.

So, rather than asking *"what % of our code is AI-generated?"*, a better question is:
"What % of the end-to-end engineering process is now autonomously handled or significantly accelerated by AI?"

That's the metric that will truly reflect how AI is transforming software development, not just in quantity, but in quality, velocity, and scale. If you still insist on the number, it is currently north of 40%.

Ques 6. Your Branding and Advertising expenditure seems to have increased this quarter. How are you thinking about this?

Aloke: Let me share a more philosophical view on how we think about branding and advertising at ixigo. For the first decade of our existence, our entire growth story was organic, and we spent almost nothing on brand and performance marketing. Pre-COVID, we already had the largest user base in the OTA category, built on the back of strong utility, word-of-mouth, and product-led growth.

It was only in 2023 that we began making deliberate, long-term investments in brand once we had more confidence on the superiority of our product and customer experience. We recognized that top-of-mind recall, brand affinity, and trust at scale not only serve as a long-term moat but also materially improve conversion rates and the effectiveness of our performance marketing channels once product-led growth has established a strong base of early adopters.

Most of our current brand investments are focused on our bus and train verticals. On the train side, we've entered into various brand partnerships, most notably with Rohit Sharma for ixigo Trains, which helped drive awareness and adoption of our Travel Guarantee feature, particularly in North India. On the bus side, AbhiBus partnered with Chennai Super Kings and later the Tamil Nadu Premier League, while ConfirmTkt collaborated with Royal Challengers Bengaluru. The RCB partnership gave us nationwide visibility, especially during their iconic 18th-year title win - an emotional, high-recall moment that coincided with ixigo's 18th anniversary as a company. These campaigns were not just about visibility; they were about building deep user trust and emotional resonance across markets.

Speaking of our 18th anniversary, we also ran a major ixigo Anniversary Sale and Flash Sales for flights this quarter. What made these campaigns unique was how deeply we integrated AI into our marketing workflows - from creative ideation to video generation, personalisation, A/B testing, and deployment at scale. AI is now core to how we conceptualise, execute and optimise campaigns, allowing us to move faster, experiment more, and deliver tailored experiences across user cohorts.

We don't evaluate brand spend only by top-of-funnel impressions or reach. Instead, we focus on measurable outcomes: the stickiness and repeat behaviour of the incremental traffic, as well as improvements in conversion rates across organic and performance channels. At the same time, we acknowledge that brand building is a multi-year exercise. Some of these efforts may not show material impact immediately, and we remain humble in refining our attribution models and frameworks to better assess long-term ROI. The early results, however, are promising, showing uplift in both conversions and engagement.

Saurabh: We do not look at branding and advertising spends based on a single quarter's spends alone, as our lines of business plan their branding expenditures strategically across the year to maximise effectiveness and leverage seasonality. So, the line of business owners may choose to prioritise between performance marketing, discounts, or brand-building initiatives based on when and where they see most value for the same. In this particular quarter, we saw more branding expenses due to IPL-related campaigns driven by our train and bus verticals. As we have said in the past, we expect the sum of all customer inducement, branding and marketing costs, across discounts, performance marketing and branding to be centred around 3.5%. From quarter to quarter, this could be slightly above or below this level. Over the course of the year we expect our overall brand, performance marketing and customer inducement to broadly remain within our plans.

Ques 7. Even though your EBITDA margin is trending up, why isn't the operating leverage scaling at an even faster pace?

Aloke: That's an important and, dare I say, another popular question. As a diversified OTA platform offering a broad range of travel and related services, we operate a portfolio of businesses and products, each with its own margin profile and stage of maturity. While we are seeing operating leverage materialize meaningfully across several of our more mature offerings, the impact may not always be immediately visible when you look at our line of business-wise growth in contribution margin.

Let me expand on this. As I mentioned in last quarter's FAQ (link, question 4), certain offerings such as Travel Guarantee from our "peace of mind stack of offerings" start with relatively modest initial margins, as they are designed to build customer trust and enhance overall platform volume, however with enhanced adoption and word of mouth as well as more accurate AI-based pricing models over time, such add on services can potentially start improving the bottomline. Similarly, our hotels business would require less investments than most new entrants who are required to build even the hotel booking distribution pipe from the ground up. However, it will still require some upfront investments in the early years as we build the team, establish our base on product/technology, content and features and then scale beyond just exposing it to our own captive user base. Over time, as the first-time hotel bookers on our platform come back and make subsequent bookings, we start seeing some payback on these investments, and at a certain scale of growth of hotel room nights, it will start showing up in our topline, bottomline, etc.

Rajnish: When it comes to leveraging emerging AI models and tools, we've taken a forward-leaning, experimental approach, both to enhance internal efficiencies and to power new customer-facing experiences. We recognise that we are still in the early innings of what is effectively a new industrial revolution. The AI landscape is evolving at breakneck speed, with no single model, platform, or framework having yet emerged as a clear long-term winner for deep, scaled investment. In such a dynamic environment, we believe it's critical to stay agile and continue investing in cutting-edge technologies and capabilities.

These technology expenditures may not immediately translate into operating leverage in the short term, but when one of these bets pays off, when a particular use case matures and can be deployed at scale, it unlocks significant operating leverage and competitive advantage. Our philosophy is to stay ahead of the curve, absorb the learning cost today, and build a defensible moat that compounds over time through proprietary AI-driven efficiencies and user delight.

In addition, as we introduce newer offerings, we are also backing them with increased investments in branding and awareness-building in the short to medium term. These efforts are intended to accelerate adoption and support long-term growth.

So, while operating leverage does exist and is playing out within the business, a portion of the gains are intentionally reinvested into the above strategic initiatives and brand-building efforts. We believe this disciplined yet growth-oriented approach enables us to create sustainable value and build a more resilient business over the long term.

Saurabh: Given where we are in our growth journey, I believe that the absolute EBITDA at the consolidated level offers a more accurate reflection of our portfolio's performance rather than the contribution margin percentages alone, as synergies will play out across verticals with scale.

Ques 8. Since you have mentioned hotels in the last question, can you share any data points on your hotel business?

Rajnish: Our focus right now remains on identifying problems and fine-tuning effective solutions for our users. We're fortunate to have a strong top-of-the-funnel with over 84 million monthly active users across our platform. This large user base provides us with the unique advantage of gathering insights and feedback that guide our solution-building process in a capital-efficient way. Despite being the last entrant to the hotel OTA market, we have discovered several unsolved customer pain areas and supplier problems that could improve the experience.

On data, as we are barely over a year into our three-year plan of building our hotel vertical, we believe it is premature to share specifics or discuss numbers at this point beyond the fact that we are seeing month-on-month growth in room nights. Until our product has solved our identified pain areas of travelers, giving out these numbers is meaningless.

Saurabh: I just want to remind ourselves that the market is still in its infancy when it comes to online hotel bookings, given that penetration for online hotel bookings is still around 30% of overall bookings, and even lower in the budget hotel category. Compare this to US and China, where the online hotel booking penetration is already 70%+. Hence, even a couple of years out, when hopefully we will be talking more about hotels, the market creation opportunity would remain.

This is in line with our playbook of building product and customer experience out patiently and deeply before seeing any breakout numbers. For example, even in our flights business we were a late entrant to the Flight OTA business and spent years on perfecting the product, content and experience before delivering any meaningful numbers.

Ques 9. Can you talk about how you think about ESOPs and how your ESOP cost will move going forward?

Saurabh: I would like to share a few thoughts on our ESOP policy, particularly why we have chosen to continue with it even after becoming a public company, and how it has evolved over time. ESOPs have always been a core part of our philosophy, reflecting our commitment to fostering long-term alignment and a strong sense of ownership across the organisation.

Our ESOP expenses are non-cash expenses and consist of three types of stock-based grants, each for a different set of employees and with distinct impacts.

1. **Time-Based Vesting ESOPs:** These, we grant to senior team members who play a pivotal role in driving long-term, multi-year initiatives. These are individuals whose talent, expertise, and mindset are not only exceptional but also deeply aligned with our values and aspirations. People who are truly difficult to replace and whose contributions leave a lasting impact on our journey, and therefore whose success needs to be aligned with ours. These options are valued using the Black-Scholes Model. As per <"Ind AS 102- Share Based Payment"> these options are expensed over their vesting period, creating a non-cash charge to the P&L. If an employee leaves before vesting*, we reverse the unvested portion. Although the expense appears in P&L, it doesn't affect cash flow immediately, but it does increase the share count

(dilution) once exercised. The total projected dilution attributable to currently outstanding (vested + unvested) time-based ESOPs is estimated to be approximately 2.5%.

** The average churn rate in the tech industry typically ranges from 15% to 25% annually.*

2. **Success-Based Vesting ESOPs:** These options are granted to key leadership with the intent of aligning the interests of all stakeholders, particularly as we work to evolve from being a good company to a truly great one. The rationale behind this grant was to ensure that while we incentivise long-term performance and commitment, we also maintain robust, even industry-leading governance standards and guardrails.

   In line with Ind AS 102-Share Based Payment, the market-linked success-based options are valued using the Monte Carlo model. Here, I also want to provide some context around some variance in the number I had referred to in our previous conversation, in the answer to a question and the number we are working towards now. One reason for the variance is the time it takes for an ESOP grant to go through its full cycle, starting from the proposal stage [March 08, 2025 link], followed by the shareholder ballot announcement [March 18, 2025], then shareholder approval [April 17, 2025], and finally culminating in the grant itself [May 24, 2025 link]. This time gap caused fluctuations in market prices, which, when combined with the Monte Carlo simulation used for valuation, led to differences from the initial estimates and the actuals.

   While full accounting expense is recognised during the estimated tenure the target is expected to be achieved, it is important to note that no dilution actually occurs unless the specific performance targets are met within the defined time lines, as defined in the relevant ESOP Plan, as this is entirely success-based. The current allocation of success-based ESOPs amounts to 12 million options.

3. **Acquisition-linked Performance-Based ESOPs:** As we've mentioned in an earlier FAQ, our approach to acquisitions typically involves the founders and/or key leadership continuing to lead and grow the businesses they've built. We believe their continued involvement is essential to preserving the entrepreneurial spirit and driving long-term success. To support this, it becomes important to align their interests with those of the broader company over time. One way we do this is by structuring a portion of the acquisition consideration in the form of ESOPs. While these ESOPs are technically a part of the transaction value, they serve a much larger purpose, i.e. to reinforce alignment, encourage sustained performance, and ensure that we are all working toward the same long-term vision.

   Case in point of this approach could be seen in our investment in Zoop; we had the option to structure the entire consideration in cash, which would have had no impact on the P&L. However, we consciously included ESOPs as part of the consideration, as we believe this approach fosters shared ownership, better aligns long-term interests, and is ultimately more meaningful for both the Zoop leadership team and the company's future.

Overall, we view stock-based compensation as an instrument for aligning top management with the goal of broader shareholder value creation and to attract, retain, and align experienced talent, though we remain thoughtful about its use and are always open to feedback.

Ques 10. What are the one-offs or call-outs this quarter?

Saurabh: The one-offs that are there in Q1 FY26 include:
- Share of loss from Freshbus (an associate company) of ₹23.35 million

For Q1 FY25, the one-offs comprised of the following:
- A revaluation gain of ₹57.71 million on Freshbus
- Share of loss from Freshbus (as an associate) of ₹20.10 million
- IPO expenses of ₹20 million charged to the P&L

If we were to compare on a like-for-like basis by excluding these items in both the periods, our profit before tax would have increased by 76.2% from ₹162.67 Mn in Q1 FY25 to ₹286.63 Mn in Q1 FY26.

Ques 11. What can we expect from next quarter?

Rajnish: We are building for the long term and not for a quarter. While we review the business closely on a daily and, in many cases, an hourly basis, our planning and decision-making are guided by a multi-year perspective. In that context, answering this question purely from a short-term lens may not be very meaningful. What is certain is that the ixigo of the future will have more AI-enabled features and will increasingly use agentic AI to transform ourselves and the industry.

Aloke: Just to add, our exceptional growth over the past few quarters was also supported by spillover demand, particularly in our flights and bus verticals. In situations where train tickets are waitlisted or sold out, especially for last-minute travel users, they increasingly turn to alternate modes. Bus operators typically have the flexibility to add capacity quickly and capitalise on these spikes. Flights, however, are more capacity-constrained, making them a natural fallback when airfares are attractive or rail/bus options are unavailable.

This is where our product innovations, such as Travel Guarantee, play a pivotal role. By offering steeply discounted alternate travel options across modes, we've been able to capture this spillover demand efficiently, without burdening the user with exorbitant last-minute fares.

On the trains front, we've recently seen some minor volatility due to a series of passenger-oriented policy changes introduced by Indian Railways. However, our trains business remains resilient and our user experience has continued to improve, and that is reflected in our rising app store ratings. Today, we operate India's highest-rated travel apps: ConfirmTkt and AbhiBus are both rated 4.8+ on the Google Play Store, ixigo Flights has crossed a 4.7 rating, all with lakhs of ratings and ixigo Trains app is 4.6+ and rising with lakhs of reviews on each platform.

Finally, I'd like to point out that our business has a seasonal cadence. Q1 and Q3 tend to be stronger quarters due to summer vacations and major festivals. Q2 is historically a leaner period, while Q4 sees regional surges, particularly in South India, driven by festivals like Pongal, Ugadi, and regional New Year celebrations. Despite this seasonality, we remain well-positioned to sustain momentum across verticals.

Saurabh: On a more serious note, in the next quarter, I'll be lighter on the weighing scale, slimmer at the waist, and maybe even sporting a few more strands of hair (I have started with Minoxidil, though Aloke advises that acceptance is a better antidote). I would clarify that this is not to be taken as forward-looking guidance, merely a personal (and somewhat hopeful) opinion.