



July 23, 2025

LTTL/L&S/2025-26/07/24

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 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 transcript of the Earnings Call conducted on July 16, 2025, pertaining to the financial results 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
(Group General Counsel, Company Secretary and Compliance Officer)**

Le Travenues Technology Limited | Regd. Office: Second Floor, Veritas Building, Sector-53,
Golf Course Road, Gurgaon-122 002, Haryana | CIN:L63000HR2006PLC071540
Tel: 0124-6682111 | www.ixigo.com | info@ixigo.com



ixigo apps - helping millions of travellers everyday!



**Le Travenues Technology Limited (“ixigo”)
Q1 FY26 Earnings Conference Call
July 16, 2025**

Management Representatives:

- Mr. Alope 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 the Le Travenues Technology Limited Q1 FY '26 Earnings Call, hosted by DAM Capital Advisors Limited. 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 star then zero on your touch-tone phone. I now hand the conference over to Mr. Anmol Garg from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Anmol Garg: Thank you, Zico. Good evening, everyone. On behalf of DAM Capital, I welcome you all to ixigo's Q1 FY '26 Earnings Call. We have with us Mr. Alope Bajpai, Chairman, MD and 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 Alope, I would like to highlight the safe harbor statement on the second slide of the earnings presentation, and it is assumed to be read and understood. Thank you, and over to you, Alope.

Alope Bajpai: Hello, everyone. This is Alope here. Welcome to our Q1 FY '26 earnings call. We kicked off FY '26 with a fantastic quarter for the ixigo Group. We have managed to beat our own expectations and continue to grow at a strong pace despite this quarter having its share of challenges for the broader market.

Q1 FY '26 had a few events that impacted the aviation market in India and the region. Operation Sindoor led to a temporary airspace closure across parts of North India in May, affecting flight operations for nearly 8 to 10 days. While this was a significant disruption during the period, 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 in the interim.

Air India also voluntarily cut 15% of its international wide-body flights till

mid-July to accommodate enhanced safety inspections. And then the Middle East airspace closures affected many carriers as well towards the end of the quarter.

While all this is normalizing, we believe that quarters like these, which have some headwinds, give us an opportunity to test our customer-oriented mindset. In Q1 FY '26, our team saw spikes in customer reach out for reschedules, cancellations and alternate arrangements. With the help of our AI augmented customer support and newly launched voice AI capabilities, we got the ability to go above and beyond for our customers, and we were able to demonstrate more agility and responsiveness in these situations, helping us to continue to gain market share.

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% plus in China and 85% plus in the U.S. And once the GDP per capita crosses the \$400 mark in India, we expect discretionary to flow further into flight and hotel categories.

India's airport infrastructure is also undergoing a transformative expansion, with a 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 an INR 92,000 crores investment push.

The regional connectivity boom backed by INR 60,000 crores in private terminal upgrades, unlocks massive demand from tier 2, 3 cities, where ixigo already has a very deep market penetration.

Our multimodal capabilities and personalized offerings position us perfectly to serve and scale with this next wave of Indian air travelers. In our bus business, we have strategically been prioritizing growth over near-term margin optimization for a few quarters now, given the sheer size of the opportunity in front of us. That philosophy remains unchanged. Bus travel in India is also undergoing an inflection point. Despite the segment scale, only 20% of bus bookings happen online, leaving vast room for digital expansion.

Simultaneously, most buses run at 60% to 70% capacity while trains and

flights on parallel routes are frequently wait-listed or overbooked. This supply-demand mismatch, coupled with rising expectations around travel comfort and flexibility, presents a massive opportunity. Private operators are already upgrading their fleets, and bus travel is now happening on clean, modern buses and is being marketed as a preferred mode of transportation for Gen Z travelers. This growth is being further accelerated by the massive expansion of India's road infrastructure.

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

Our bus partners are working more closely with us than ever before to identify ways in which we can help their business not just grow but also market their new routes, bus amenities and improved passenger experience.

This quarter, we've made significant strides in cross-selling buses and flights both across our ecosystem on ixigo, ConfirmTkt and AbhiBus apps and websites, thanks to proprietary tech enhancements and products such as Travel Guarantee, which offer customers flexible multimodal alternatives, capturing spillover demand from wait-listed customers.

Our biggest achievement has been our ability to maintain leadership in the OTA category in terms of user base, not by outspending competition, but by continuing to see a lot of organic product-led growth as well as word-of-mouth about the overall customer experience we've built, leading to market share gains on all three lines of business that we operate in.

On the train front, our market share has now crossed 60%, up from 58% two quarters ago. We have recently seen some minor volatility due to a series of passenger-oriented policy changes introduced by Indian Railways. However, our train business remains resilient, and our user experience has continued to improve, which is reflected in our rising App Store ratings as well as our growth.

I'm pleased to report that now we operate India's highest-rated travel apps



by far. ConfirmTkt and AbhiBus have both got a 4.8-plus rating on the Google Play Store. ixigo flights have crossed 4.7, and the ixigo trains app is 4.6 plus. And we have a staggering 50-plus lakh user ratings, 5 million-plus ratings on the store across these apps, reflecting our scale.

For the first decade of our existence, our entire growth story was organic, and we spent almost nothing on brand and performance marketing. It was only in 2023 that we began making deliberate long-term investments in the brand, once we gained more confidence in the superiority of our product and customer experience.

We recognize that top-of-mind recall, brand affinity and trusted 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.

This quarter, we ramped up brand spend in line with growth and ran a major ixigo anniversary sale and flat sales for flight and hotels in which we leverage AI into our marketing workflows. Our AI video production cost is 0.1% of what it would be with traditional campaign production. On the train side, we've entered into various brand partnerships, most notably with Rohit Sharma for ixigo trains, which help drive awareness and adoption of our Travel Guarantee features and improve top-of-mind recall, particularly in North India.

On the bus side, AbhiBus partnered with Chennai Super Kings and the Tamil Nadu Premier League, while ConfirmTkt collaborated with the Royal Challengers Bengaluru team. The RCB partnership gave us nationwide visibility especially during the iconic 18th year title win, an emotional high recall movement that coincided with ixigo's 18th anniversary.

These campaigns were not just about visibility, they were about building deep user trust and emotional resonance across markets. Our line of business owners may choose to prioritize between performance marketing discounts or brand building initiatives based on when and where they see most value for these throughout the year.

And we focus on measurable outcomes such as the baseline shift, the stickiness and repeat behaviour of the incremental traffic as well as lift in



conversion rates across organic and performance channels. Since this is a multiyear exercise, some of these efforts may not show material impact immediately, but early results indicate these initiatives are working for us, and we'll continue to do them within specified guardrails.

Our strategy of building for Bharat, staying asset-light and creating deep user trust over years is what has led to the kind of growth you have seen at ixigo over the last few years. The gross transaction value CAGR of 83.7% over the last 6 years or EBITDA CAGR of 84.3% since we turned profitable in FY '21 are a reflection of what execution-DNA we've built over time.

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 growth in plain with multiple optionalities for new latch on additions such as what we did with food delivery on the trains business.

Travel is an inherently unpredictable experience due to constantly changing prices, availability, terms and conditions, finding trains and all. At ixigo, we believe it's not just our responsibility but our duty to offer not just tickets, but peace of mind to our users. Our unique peace of mind stack of value-added services allows us to reduce anxiety, protect downside and increase predictability for our customers. And our ability to use AI to price and personalize all these products has been accretive to our growth and margins.

We are now able to use a large user base and trust built over years to move up the value chain and grow faster in new categories such as flights and hotels. Very few companies have been built this way in India since more chose to focus on the top 50 million consumers only. But since the proverbial pyramid will now become a diamond as middle-class India growth or I should say Bharat, ambitions and wallets continue to expand, consumer discretionary categories will continue to see disproportionate growth.

Travel continues to be in the top three things people want to spend on to improve their lifestyle. And when you look at buses, budget hotels, tours, etcetera, online penetration is only getting started. Finally, I'd like to point out that our business has a seasonal cadence. Q1 and Q3 tend to be strong quarters due to 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 the regional New Year celebrations. Despite this seasonality, we remain well-positioned to sustain Y-o-Y growth faster than the overall market in the near to mid-term.

With that, I'll hand over to Rajnish, who will talk about something we have been talking about for many, many years, but people have recently started paying more attention to, which is AI and our reinvention to an Agentic organization. Over to you, Rajnish.

Rajnish Kumar:

Thanks, Alope. So Alope talked about why we are growing the way we are. But I believe this growth 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, which is the ability to identify, design and deliver tech-led innovations, at par with 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 multimodal routing. We are not just optimizing bookings. We are elevating the experience of travel. That's what fuels our continued momentum. At ixigo, our journey with Agentic AI started as early as 2017. When we introduced our travel assistant and recommendation agent, better known as TARA today, an award-winning multimodal agentic travel assistant. TARA was way ahead of its time.

It was autonomous, pre-emptive, multimodal with voice and app-based and hyper-personalized. It could understand our users' past travel patterns, preferences, loyalty programs, everything else to make intelligent travel decisions, showcasing our early beliefs in the power of agentic systems to transform the travel experience.

Fast forward to today, agentic AI is now 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-in agents that deliver your boarding pass straight to your Apple or Google Wallet, much of what a user experience is on ixigo today is



already powered by invisible agents working behind the scenes, interacting with complex third-party interfaces to get your job done efficiently and pre-emptively.

Internally, we are driving significant productivity gains through our Project Trishul, our three-pronged AI-first infrastructure strategy, centered around efficiency, revenue and disruption. Automated testing, intelligent code generation, smart deployments, rollbacks and ML-driven pricing models for products such as Price Lock and Assured 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 run all 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. Democratization of agentic AI across the organization is a key part of our strategy as well.

Anyone at ixigo can build, test and deploy autonomous workflows without needing an engineering background and without having to write a single line of code. As for the future, we believe travel apps will evolve into conversational multi-model and hyper-personalized autonomous agents, not just recommending but doing for you.

From booking your trip at the optimal time to reserving your travel 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.

A lot of people ask me what percentage of our code is now AI-generated. And I think the commonly coded metric, X% of our code is now AI-

generated is fundamentally flawed if you're trying to really measure the real impact of AI in software engineering. And the reason is simple, coding itself is not the main bottleneck in software development.

In most real-world engineering workflows, writing code barely 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, setting up CI, CD pipelines, etcetera.

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

So more of a code generation has been getting incrementally easier over years, whether it's by autocomplete in the early version of CoPilot or people just copy-pasting stuff from Stack Overflow. But more recently, with tools like Copilot or Cursor, etcetera, those things have evolved a lot. So while these are impressive evolutions in productivity, they are at best evolutionary, not revolutionary.

Where AI is now playing a role in tracking, in tackling the upstream and downstream parts of the software development lifecycle, from exploring trade-offs to helping with design and architecture decisions, generating documentation, writing test cases, creating mocks or deployment scripts, and managing infrastructure code, or handling observability and rollback logics for self-healing failures. This is where Agentic AI becomes especially powerful, not just passively generating code when prompted, but through actively owning parts of the entire software engineering process.

So rather than asking what percent of our code is AI-generated, a better question would be what percentage of the end-to-end engineering process is now autonomously handled or significantly accelerated by AI? And for us, that number currently would be north of 40%. When it comes to leveraging emerging AI models and tools, we have taken a forward-leaning experimental approach, both to enhance internal efficiencies and to power

new customer-facing experiences.

We recognize 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-scale 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 and 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 costs today, front-load it, and build a defensible mode that compounds over time through proprietary AI-driven efficiencies and user delight.

The other question I get asked frequently is whether Agentic AI will disrupt OTA businesses. Agentic AI may pose risks for those who don't adapt, but for us, it's a once-in-a-decade opportunity to leapfrog. We're not only ready for this shift, we've been building towards it for years. If you want to measure how good a company is at AI adoption for accelerating growth and efficiency, the best measures would be to look at their revenue per employee.

For us, last quarter, we crossed INR 2.2 crores annualized revenue per employee in Q1, or roughly USD 256,000, which even on global benchmarks, is pretty decent. We believe this is just a start. In FY '25, we managed to grow our revenue nearly 40% while growing our employee base by less than 10%, in spite of adding newer business lines like hotels, food on trains, etcetera, which will require a couple of years to scale. This is only possible if the mindset inside the team is to use technology and AI instead of just hiring more people.

And with that, I'll not bore you further and pass it to my friend who has a unique knack of being good with both numbers and people, Saurabh Devendra Singh.

Saurabh Singh:

Thanks, Rajnish. And you are not even close to being boring. In fact, I have

to tell the larger forum, I feed on Rajnish discussions on AI. In fact, I regularly get inspired by them. A few days after our last quarterly call, inspired by Rajnish and the work he's doing on AI, I fed all our past presentations, financial for 6 years, annual reports, DRHP, and conference call into an artificial intelligence model that I've been using a lot recently just to see what it comes up with.

I requested AI models to give me a hopeful best case prediction for this quarter. The model came out with three outcomes, outcomes that were back then classified as highly optimistic. One, ixigo would build on its momentum, gain OTA market share across every segment we operate in. Two, ixigo would kick off FY '26 with record revenue and more notably, record profit.

And three, I, Saurabh Devendra Singh, would finally stop saying *hmm* after every couple of words and lose the fumble or the retroflex, *sa and dha*, that heavily defined my conference call accent. I'm happy to report that AI got two of the three right. Okay, jokes apart, let's walk through the highlights of Q1 FY '26.

As always, all the figures are in rupees crore, unless specified otherwise. Year-over-year comparisons are made for Q1 FY '26 against Q1 FY '25. Starting with the headline numbers, our gross transaction value, GTV reached INR 4,644.7 crores marking a 55% increase over INR 2,988.1 crores that we saw in Q1 last year. Revenue from operations stood at INR 314.5 crores, up 73% from INR 181.9 crores in Q1 FY '25. Contribution margin grew to INR 128.1 crores, marking a strong 48% year-over-year increase.

Contribution margin percentage stood at 40.73 versus 47.74 in the prior year. The decrease in percentage was as per plan and as Alope talked about, driven by our focused investments in driving growth and strong performance of cross-sell products like Travel Guarantee. We've talked a lot about this in the previous FAQ in case somebody wants to dig deeper.

Adjusted EBITDA, excluding other income and ESOP costs, improved to INR 31.4 crores compared to INR 20.3 crores last year, an increase of 54%. Profit after tax came in at INR 18.9 crores compared to INR 14.9 crores in Q1 FY '25. There are some one-off/callouts in this number, which I will discuss in the end.

Turning now to our individual business lines. For Flight, this was a challenging quarter with several unfavourable developments in the macro environment, which Alope alluded to in his talk. Despite these headwinds, the supply team has risen to the occasion, staying focused on delivering peace of mind to our customers.

Our suite of value-added products have played a key role in maintaining the strong performance and building customer trust during these times. The numbers reflected that. We booked 2.79 million flight segments with GTV rising to INR 1,848 crores. Contribution margin grew to INR 43 crores, representing a 42% contribution margin percentage. Flights accounted for 33.5% of the group's total contribution margin this quarter.

Our bus business operates out of Hyderabad. And like the city itself, is a seamless blend of the traditional and the modern. The business pairs deep-rooted empathy for customers and operators with cutting-edge technology to drive efficiency and scale. Fittingly, the results this quarter were fully balanced, calm, steady and right on plan.

This quarter, we completed 6.67 million passenger segment bookings, marking a 74% year-over-year increase. GTV rose 81% to INR 681 crores. Contribution margin for the category grew 44% to INR 42.3 crores with a contribution margin percentage of 55%, a planned tapering consistent with what we talked about in Q1 FY '25 conference call.

Buses contributed 33% of the group's overall contribution margin in Q1 FY '26. The pace of growth of the train business continues to surprise me personally. We have a dominant position in this business line. And in that context, the fact that this business continues to grow significantly faster than in the train OTA market is extraordinary.

In Q1 FY '26, we booked 26.6 million train segments, marking an impressive 26% Y-o-Y growth. GTV stood at 2,055, a 30% rise. Revenue from operations was INR 129.9 crores, up 29% and contribution margin came in at INR 41 crores, up 14% and at a 32% contribution margin.

The train segment contributed 32% to the overall contribution margin, the group contribution margin. Now as promised, let me discuss the one-off

items and the callout. Now in Q1 FY '26, the share of loss from FreshBus, which is an associated company, was INR 2.34 crores. For Q1 FY '25, there was a revaluation gain of INR 5.77 crores on Freshbus, share of loss from Freshbus of INR 2.01 crores and IPO expenses of INR 2 crores charged to the P&L.

Now if I was to compare on a like-to-like basis by excluding all these items in both periods, our profit before tax would have increased by 76.2% from INR 16.2 crores to INR 28.7 crores. So what do I expect from the rest of FY '26 and beyond? To answer that, we'll have to start with the reality of what we are stepping into.

Artificial intelligence isn't just another trend, it's a seismic shift. On par with the invention of the wheel, printing press or maybe even greater. It's already reshaping how we think, build and adapt. And in moments like these I'm reminded of a line often misattributed to Charles Darwin, but actually written by Leon C. Megginson in 1963 when he reinterpreted Darwin ideas for the business role.

"It is not the most intellectual of the species that survives, it is not the strongest that survives. But the species that survives is the one that is best able to adapt and adjust to the changing environment which it finds itself in." That insight has never been more relevant. And as Alope and Rajnish have talked about, we are ready.

There will be quarters like this one, full of energy growth and the sale of getting things right. And then there will be quarters that humble us, when we reflect, recalibrate and learn. But through both of our - through both our compass will remain steady. Empathy, honesty and adaptability. With that, I'll hand it back to the moderator for questions.

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

Anmol Garg: Hi, guys. Thanks for the opportunity and congratulations on very, very strong performance. Just a few questions. Firstly, I wanted to understand what led to a sharp increase in the take rates in the flight business in this quarter. We have now reached almost at a 9% kind of take rate. And is this sustainable going ahead?

Saurabh Singh:

So yes, there are a couple of things. So one is that the underlying ticket price has gone down. It's a fixed business. Second, as I said, we have what we call a peace of mind or value-added services product and I've talked about how some of them have done well. It's such a combination of these, which are leading you to feel as though the take rate is higher, but remember a large part of what we have in the take rate as a percentage is a fixed amount.

And thirdly, you have to realize that in place, what has led to some of the things is also the fact that we've run promotions. So look if you see us compared to others and as I've mentioned multiple times before, we look slightly different because we are more domestic. And domestic is the underlying amount, it's a lower ticket item.

Our geographical shifts are different. So on the take rate, going back to your original answer on a take rate percentage, yes, we don't look at it that way as a take rate percentage because I don't control the price of the tickets. I control what I take as commission. But what we take a commission and what our attach rate for our products should be, we remain confident on that.

Anmol Garg:

Understood. And secondly, I wanted to understand that while our bus segment is growing at a very fast rate. However, if I look at the contribution margin here, on a Y-o-Y basis, it means that it has dropped almost 20 percentage points. Now is this because of this onetime IPL advertisement that we have done in this quarter or do you think that this is the range that it will be going ahead as well?

And from that perspective, overall margins for the company, should we expect the leverage to come in the overall margins or the focus currently will be on the growth side?

Saurabh Singh:

So let me break the question down in a couple of parts. The easiest part out of these is that whenever we are doing branding, that will come below because we see branding as more long-term. And I think Alope has talked about the IPL in buses that we have done, why we've kind of done it for the Tamil Nadu market, which is where we've been focused on.

Look, a year ago, we talked about we were in the mid-70s as a contribution margin, and we talked about that we see this as a very low penetration market. We believe it can grow. And when I look at the numbers right now, I know that looking at the contribution margin percentage is important in a lot of cases. But for me, the growth of 44% in the actual absolute contribution margin is very important, especially in an industry or in a sector where it's underpenetrated, it's very underpenetrated.

So we have been focusing on that. Is it something where we feel that this is a number that if we continue growing like we are would we be comfortable with this kind of CM? Yes, we would be. But I would say on both sides that, and I said it multiple times before, I don't believe that you'll see all quarters being 81% growth in buses. I think we're doing well. I hope we continue doing as well. But we'll keep a look out here in that sense. And in terms of what we have, our CM is a very controlled expense. We can manage it because it's on a per unit basis. It's much easier to manage.

Aloke Bajpai:

Also, Aloke here, the brand expenditure is not knocked up from CM, it's actually below. So I don't think brand has played a role here. It's largely discounting performance and variable costs that is knocked off from the CM side in that sense.

Anmol Garg:

Understood. And so should we expect that for the full year basis, we will see some kind of operating leverage benefit to the company.

Aloke Bajpai:

See, operating leverage on the fixed cost level is already visible. It's just that we are reinvesting that into multiple areas, right? So if you think about new initiatives like hotels or some of the AI initiatives that Rajnish was talking about are also things like food delivery on trains and things. Those are areas where, as a company, we are pushing the pedal on saying, okay, how do we capture the market opportunity, how do we build out.

So despite those investments, etcetera, we are essentially seeing this kind of operating leverage play out. So have we not been making those new initiative investments on the operating leverage, will be more visible in the bottom line? But we choose to do that because we want to continue to grow fast and seize on those opportunities. So that's what Saurabh was alluding to.

- Saurabh Singh:** And the other part, which you said, this quarter, and as I've said that multiple number of times, you have to realize the branding is bunched up together. What you're seeing is the branding cost right now, the amount that we are putting that on branding, which is below CM and above EBITDA. That will kind of spread across the year. This quarter was a heavy branding quarter because of the IPL being there. So a little kind of balance out.
- Anmol Garg:** Understood. Understood. Sure. Thanks, guys, for answering my question. I'll get back in the queue.
- Saurabh Singh:** Just, I think Rajnish wants to add.
- Rajnish Kumar:** Yes, just one more thing that I wanted to add is that there are new business lines which are very far, far away from reaching operating leverage. In fact, they are in the buildout phase, and they are like a bigger cost centre than all of the other businesses. So you might not completely see that operating leverage. There's some absorption of that happening because of these new lines of businesses like hotels and food on trains, etcetera.
- Anmol Garg:** Sure. Understood.
- Moderator:** Thank you. Our next question comes from the line of Swapnil Potdukhe with JM Financial. Please go ahead.
- Swapnil Potdukhe:** Hi, guys. Thanks for the opportunity and congratulations on a very good set of numbers again. My first question is with respect to your Travel Guarantee feature. I would like to know what percentage of your flight business and the bus business in this particular quarter came from this feature that you have been running and what would be the contribution in GTV terms? So how would you like to explain?
- Saurabh Singh:** Swapnil, I would have loved to give you a lot of details, but we don't declare that. So the answer would be, we can't tell you because we don't declare that.
- Swapnil Potdukhe:** Yes. But would it be fair to say.
- Aloke Bajpai:** Just to say something here, I mean, even if you look at just the fact that even when we hadn't launched Travel Guarantee, we were able to grow at a certain velocity even 2 quarters ago. I think we are starting off at a very

low base of market penetration when we started our flight business just about 4-5 years back. So in that sense, I think there is still a very, very, very long runway even outside of the additional delta that Travel Guarantee might be adding in terms of upsell, etcetera. So I think in the larger scheme of things, it will look like a smaller piece.

Swapnil Potdukhe: Okay, Alope.

Saurabh Singh: And I would recommend this. Last quarter, if you go to our FAQ, we did a very detailed explanation of how we think of this product. So you can just go through that part and you'll get a lot of your answers on this product thematically.

Swapnil Potdukhe: Right. Great, sir. But if I were to just prod you a bit more. I mean, yes, you may not give me any numbers per se, but any sense as in, incrementally, how much is that growth coming because of this future. And also because of not just Travel Guarantee, but also your partnership with someone like a PhonePe, which has been there for 1-year now almost, but because I'm just trying to triangulate things because your contribution margin has been a bit under pressure. So where exactly growth is coming from?

Saurabh Singh: So firstly, Swapnil, I think you are slightly different on the definition. When I say contribution margin, it's a rupee crore number, contribution margin percentage is what you are referring to?

Swapnil Potdukhe: Yes, I'm talking about the percentage.

Saurabh Singh: So, I'd like to kind of clarify that part. The second part is to realize, look, contribution margin percentage is something you look at. And when I look at them, which is what I'm saying, in each of these businesses, when I introduce a new product and which is why I'm saying -- I've given that logic in a lot of detail in the last FAQ, when I introduced a new product, I then decide on what I want to optimize on. Am I optimizing it on margin, or am I optimizing it on usage?

Now a couple of things from our side is we don't like having a loss-making product sustainably for a very long time. So when we look at it, we say that, firstly, we are able to launch the product and why we can launch the product at probably a more optimized cost than anybody else is because of

what Rajnish talked about in his section, in the AI and products that he is launching.

So when we launch a product, we kind of take that call saying, look, in the initial parts of the product, I don't want to get a crazily high margin. I want to make money on that because otherwise, it doesn't make sense to me. I'm an OTA, that's my idea, but I wanted to be a win-win between me, the customer and the supplier in cases where it might be, which is why whenever you see a product initial and especially what we call the peace of mind stack product, we would optimize this for a lesser margin. Now as the products grow, we might choose to increase the margin if people find the utility and people are using it much more.

The other part for you to realize what you've asked for on Travel Guarantee. Say you have a train ticket with Travel Guarantee, you can buy a flight. Essentially, you should use Travel Guarantee if you travel on trains, you'll realize the utility of the product. If you have a time-sensitive meeting, event, function where you have to be there. In that case, what I'm doing is giving you an incentive to get into a new mode of transport in many cases. So when Alope talked about the 4% penetration of flight and where it is growing, I think if you want the real answer, you can check how many new flyers are coming in, in India. And I would argue that a significant percentage of those would be from us.

Alope Bajpai:

So last time we had given out this metric that, for the new flyers that we are adding from our NBU apps, half of them were actually flying for the first time because we've run surveys on that cohort and ask them whether it's the first flight of their life, right?

So I think the real win-with products like Travel Guarantee is that we are making flyers out of people who have not flown before. And in that sense, we are growing the market, growing the aviation market and not necessarily eating into anybody's market share.

Swapnil Potdukhe:

Understood. That's pretty clear. So, another question on flight business over here and this is a follow-up to the previous question that was asked by Anmol. You did mention three reasons for your take rates going up. One was your domestic pricing coming down, which is understandable. But you

did mention that there were some anniversary sales and flash sales promotions also with certain bank partners. How does that help your take rate or do you.

Saurabh Singh: It doesn't. I was just talking about general flight business. So I wasn't talking about take rates. I was giving you the two reasons which I said. One is the domestic/Tier 2 base. The second, which I was giving was the fact that I have these products, which are also included in the take rate. And the third, which is the underlying ticket price, which was what I said is the ticket price because mine is a fixed price, what I get if the underlying ticket price of a flight changes or average flight changes in our route, my take rate varies.

Swapnil Potdukhe: Got it. So just to be clear, when you report gross revenue, you don't include ad income there. You include that in the net revenue that we report?

Saurabh Singh: So when you're looking at GTV, there wouldn't be any ad income, GTV into take rate would be ticketing revenue, then you add other income, which is ad and bank offers. And then you take off the discount, you get revenue from operations. So things like advertising will show up in the revenue from operations growth. So whenever we run these kinds of campaigns, if you see any excess jump in the revenue from operations, some of it could be because of that. But on the gross take rate side, it's basically the gross ticketing revenue that we consider.

Swapnil Potdukhe: Right. Perfect. That answers that question. And just on your bus business, was there any tailwind on, when you look at a Y-o-Y basis, because last year, probably there was an election quarter. And so the numbers could have been a bit depressed when you look at it from a Y-o-Y perspective? And any incremental benefit you had mentioned in the last quarter also that some of the traffic which was affected on the air side because of the situation in the North Indian states with Pakistan. The bus business was likely to benefit from that right there some traffic shape shifted.

Aloke Bajpai: Not really see the growth you're seeing on the bus side, it's not just a 1 quarter story if you look at the last 3 quarters. Actually, we've been growing pretty rapidly on the bus side. And again, there is no base effect here. I mean elections, what happens is yes, there could be some people who may choose not to travel during that, but then there are other people who will go back to both in the city where their vote is.

So in some cases, we've seen even more travel on certain access as a result of the elections. So I don't think there is any kind of a base effect playing out here. And the fact is that, look, we are still number two in this, and there's a long runway for us to grow because the market is only 20% penetrated.

So like Saurabh said, I think those are the reasons why we are not looking at whether the CM is 55% or 60%. I mean that's not material for us because as long as the absolute CM is growing at this kind of velocity there will naturally be operating leverage slowing because our fixed costs are not growing at that kind of base of contribution margin growth.

Saurabh Singh:

But you should see the product that we have right now. What has happened over the past year is, we have really improved the product. Again, maybe Rajnish can talk a bit more about what we have done there, but it's a product that has really improved.

Rajnish Kumar:

Yes. I mean, like a lot of changes that we have done in the product recently, including the introduction of the new Edge platform utility features like Bus Insights, etcetera., which is giving passengers really deep insight into an otherwise a really fragmented inventory business side when you're actually traveling in bus, you really don't know what kind of bus is going to arrive.

And I think Bus Insights is giving you this peak into the quality of the fleet and to be filters like brands in bus filters, etcetera. All of this has boosted a lot of trust and conversion rate in bookings. And I think some of these things are kind of feeding into a positive customer service getting us to 4.8 rating and the conversion rates, etcetera.

All of these things are kind of impacting our conversion rates and creating a virtuous cycle of quality and demand where we are able to kind of capitalize on this and grow purely like with a product-led growth approach and then amplifying that with performance spends, which are optimized.

Swapnil Potdukhe:

Okay. Just one thing on the train as well, some comments because there were some changes by IRCTC recently. And I think Saurabh also had touched upon briefly on this point. So any impact of those changes, if you can just clarify or give some color on that?

Aloke Bajpai:

There were probably three types of changes that happened there. Just so I mean, one was because the change in the Tatkal timings, which reverted back to a 30-minute delay from 10 minutes that it had earlier been reduced to and while we are still in discussion to understand what the impact and why, it's just too early to quantify the impact of that.

We did see some volatility as a result of that. But of course, since we are also growing quarter-on-quarter, month-on-month. So it's harder to break out how much of that is resulting from the change in particular. Aadhaar linking is the other change where on Tatkal tickets, you need to link your Aadhaar and there's an Aadhaar OTP that needs to be filled in.

And while this is now rolled out, it's just the first couple of days that this change has been implemented. So it's very early and we haven't seen, we haven't really seen a material impact as a result of that, but there is a slight impact, I would say.

And in terms of the third change, which was chart preparation being done 8 hours prior rather than 4 hours. I think that's a great move because it allows customers to plan accordingly and maybe shift to alternate modes of transport sooner rather than later. So in that sense, I think that has been a positive move in terms of even booking volumes, etcetera.

So I think net-net, we are not seeing, if I had to say that some impacts were positive, somewhat negative and they kind of are cancelling out each other as we speak. But it's very early to comment. I think these changes are very, very recent. And I think even passenger behavior will adapt to it over time, over the next few weeks. So I think we will only know at the end of this quarter how this kind of impacts us. But nothing materially negative to report here.

Swapnil Potdukhe:

Got it. And just a last word on Zoop. How is that business doing? You mentioned that it's doing more than 10,000 orders per day. I would like to understand, like any sense on the unit economics of what kind of revenues you make on a per-order basis?

Saurabh Singh:

Swapnil, it's still a smaller business in that sense. If it were material enough, I would have held it out to another line of business. It's not material as of

now. Look, as I said before, when we acquired Zoop, the idea of Zoop to increase the monetization of the users that we have.

So it's our funnel, which is traveling to increase the monetization. So right now, we're still building the product, expanding our user base. So giving any color, it won't help you, it won't help me and it will put unnecessary pressure on the team beyond this.

So the idea is we have been factual in what we've been reporting, but beyond that, we're still working on the product. And like we do for everything which is new, we would only start giving more numbers once the product has been established and stabilized.

Swapnil Potdukhe: Got it, sir. Thanks a lot for your time, guys, and all the best for future quarters and great going. Thanks.

Saurabh Singh: Thanks a lot, Swapnil.

Moderator: Thank you. Our next question comes from the line of Rohit Thorat with Axis Capital. Please go ahead. Rohit, your line has been unmuted. May I request you to unmute your side and go ahead with your question, please?

Rohit Thorat: Thank you for the opportunity. First of all, congrats on the good set of numbers. My first question is on the technology and related cost part. So we have seen a sharp decline on a sequential basis in technology costs. Now, in the previous quarter, you had mentioned that the cost increased because you had seen a surge in the number of queries in some of your products like Flight Tracker Pro and Train Tracker, due to which the cost has gone up.

Now, this quarter is also not like a seasonally weak quarter. So those queries should be high in this quarter as well. So what is driving the reduction in technology costs for this quarter? And how do you see the trajectory going forward for the rest of the year?

Saurabh Singh: Technology costs are getting bunched up. I would say just look at it over the years. Over the years, what we've talked about last time will remain. So it is what you see this time, is just some bunching up, but otherwise not reflective of the year in that sense. The simple answer is what we said last

quarter is what you should look and model.

Rohit Thorat: Okay. And the second question is on the bookkeeping side of things. Today also you have made an announcement that you have granted some ESOP. So how do you see the ESOP costs going forward on a full year basis?

Suarabh Singh: Look, I've talked a lot about ESOP and you can go through question nine. But ESOP cost going forward would be around, I think, slightly north of INR 30 crores per year. If you see what I've talked about, the change from, I think, Manik or Swapnil, one of these guys asked the question last time. And in this FAQ, I thought I'd document my answer in a lot of detail, why there was a difference between INR 20 crores and INR 30 crores. Part of it is because we get three kinds of ESOP.

So one is the Black-Scholes, which is a time-based ESOP. The other is a success-based ESOP, which is calculated using Monte Carlo. And you have to realize that if the success doesn't happen, it is expensed, but there is no real payment. The ESOPs are not given, but it's still an expense, and you don't get it back in that sense.

And the third is when, say, something like Zoop, where we have a choice to either decide to acquire Zoop and give them cash or give ESOP, because we feel ESOP is more aligned to the long-term vision for the company.

So Zoop, we have chosen the ESOP path, even though it affects the P&L rather than cash, which won't have affected the P&L at all. So it's a combination of these three, but yes, the number would be slightly north of INR 30 crores.

Moderator: Mr. Rohit, does that answer your question? So there is no response from the participant. May we move to the next one?

Saurabh Singh: Yes. We can take one more question. And again, I apologize to all the others who've asked a question and we can't answer, but please drop an email and we'll set up a call and do that. But, yes, we can ask one more question.

Moderator: The next question comes from the line of Lakshminarayanan K G with Tunga Investments. Please go ahead.

Lakshminarayanan: Sir, a couple of questions. First, I just want to understand how the hotel's vertical is gaining traction. The second question is, I just want to understand, do you have any B2B verticals for travel, especially air and hotel? And the third question is that I just want to understand, what's your market share, and how it has trended on airlines? And second, on IRCTC, your train market share and how the bus share has been shaping up? These are my questions.

Aloke Bajpai: Can you repeat the second question? It wasn't very clear.

Management: Yes. We didn't get the second question.

Lakshminarayanan: The second question is that, do you have any B2B verticals? For example, some of your competitors do offer B2B options where they tie up with the corporate and the entire corporate travel happens to some kind of a micro vertical based on the internet. Do you actually have that thing? Is that a big opportunity for you? That's my question.

Rajnish Kumar: Sure. So let me answer the first two for you and then I'll let Alope answer the third one. So on hotels, like, I mean, it's still very early. We're still in the build-out phase. And we believe it will be premature to share specifics or discuss any numbers at this point beyond the fact that we are seeing very strong month-on-month growth in room nights, which is the only metric. Checked out room nights is the only metric that we are right now tracking very obsessively.

But apart from that, fortunately, we have access to this very strong top of the funnel, which is 84 million unique monthly active users on our platform. And this large user base gives us this unique advantage of creating the right product market, which requires you to kind of run your product through multiple iterations, identifying problems, and then iterate through solutions.

And we have an amazing test of a massive number of users, which we are using to kind of fine-tune the product and arrive at the correct product market fit. The fact is that, you know what, we've been very, very late entrant to this vertical. And there have been lots of players out there in the last two decades in this space.

And what we have discovered, there are still a lot of unsolved customer pain areas and even supply-related problems that could drastically improve customer experience and solve some of these problems. And so we have focused entirely on some of these problems, and we are trying to kind of get to a point where we have this product market fit, and we feel confident about scaling beyond that. So that's what I would say about hotels.

Regarding corporate, etcetera, it's pretty obvious that these are verticals that we would definitely want to get into at some point of time. It's only a matter of time. And the reality is that, given that your platform has 84 million monthly active users, it's almost like saying that you have a mall where you have a huge amount of footfalls, but you don't have a certain kind of section in the mall.

And so it would only make sense to kind of have some of these products. However, at this point, I can't tell you exactly where that fits in our roadmap or timeline, etcetera, but definitely something that we have on our radar.

Lakshminarayanan: The third question is regarding the market share in shares? And your market share outside IRCTC, I mean, IRCTC and train, and outside the bus? I know it has been trending?

Aloke Bajpai: So on the train, like we said earlier, we have crossed 60% of OTA market share, and I think that's about 2% more than where we were two quarters ago. On buses, we would be in our mid-to-late teens. We still await others to declare their results, conclude where the market share exactly was.

And similarly on flights, I think since we are the first to disclose our results this time around, I think we will await numbers from others in order to get a sense. But based on DGCA numbers, we are growing nicely quarter-on-quarter in terms of market share, even on the flight side. So we would have definitely gained share.

Rajnish Kumar: I mean, that should be obvious with our growth numbers. You can look at how the market is doing, how others are doing and what our growth rate is. That part is pretty obvious.

Lakshminarayanan: Right. Just on the train thing, what percentage of train reservation happens



outside IRCTC?

Aloke Bajpai: It is 20-21% of IRCTC bookings that are happening through OTAs, based on their last disclosed numbers. And I think that, outside of that, there are also third parties which are offline or B2B, etcetera, which would be another 10-15%. But, Yes, I think in that 20-21% bucket, we are 60% of that.

Lakshminarayanan: Got it. Yes. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that is the last question for the day. I now hand the conference over to the management for closing comments.

Aloke Bajpai: Thank you so much for all of you joining us today from all parts of the world to hear our story. And it's definitely getting late here in India, so I'll let you all go. We'll speak next quarter. Thank you.

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

