



**Le Travenues Technology Limited (“ixigo”)
Q2 FY26 Earnings Conference Call
October 29, 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 Le Travenues Technology also known as ixigo Earning Calls Q2 FY25-26 hosted by DAM Capital Advisors. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

Anmol Garg:

Thanks Danish. Good evening everyone. On behalf of DAM Capital, I welcome you all to ixigo's Q2 FY26 Earnings Call. We have with us Mr. Alok Bajpai, Chairman, MD and Group CEO of the company. Mr. Rajnish Kumar, Director and the Group Co-CEO of the company. Mr. Saurabh Devendra Singh, Group CFO of the company. Before I hand over the call to Alok and Saurabh and Rajnish, I would like to highlight the Safe Harbour Statement on the second side of the presentation and it is assumed to be read and understood. Thank you and over to you guys.

Alok Bajpai:

Thank you Anmol. Good evening to everyone on the call. Hope everyone had a fabulous Diwali break. Before we begin with our regular quarterly updates, I wanted to touch upon the fundraiser for around INR1,296 crores through preferential issuance that we are undertaking at ixigo. This fundraiser will strengthen our balance sheet, accelerate AI-led growth, fuel our investments in the hotel OTA space and allow us more flexibility in pursuing inorganic opportunities. You may be wondering why we are raising money at this time when we are cash flow positive and growing quite decently.

Let me tell you why we think it is time to double down on our conviction. Over the last 18 years, we have patiently built travel technology building blocks across utility and transactional use cases for the next billion users. Our early years marked by limited capital and the multiple crisis we had to overcome along the journey, have given us the muscle and resilience to do more with less.

Even though we had raised very little capital throughout our journey when



compared to most of our peers, we ended up innovating and solving deeper problems for Bharat, giving us a solid foundation and the largest organic base of travel and tourism users in India. In the recent five years, we've evolved further into a company that not just sells tickets but also offers peace of mind with our AI-powered value-added services and AI native customer service.

In the last 16 months as a public company, we've established our track record of driving rapid growth and operating leverage through thoughtful investments in technology development, marketing and building AI-first experiences, all while generating free cash flow from our core business.

Given the world is at an AI inflection point and our hotels OTA business is nascent, this investment comes at an opportune time for us to take advantage and double down on these. A little bit about our incoming investor, MIH Investments One B.V. or Prosus as the world knows them. Prosus is a leading global tech company that invests in high-growth markets with a significant focus on India, Latin America and Europe.

Prosus is well known as a patient long-term investor, bringing deep domain expertise in e-commerce marketplaces, a global perspective and an AI-first mindset to its portfolio. Its portfolio spans sectors such as e-commerce, food delivery, travel, payments and fintechs and classifieds.

A long-term investor in India with over 8.6 billion dollars capital deployed to date, Prosus' investment portfolio includes Swiggy, Meesho, Urban Company and Rapido. Its global portfolio includes Tencent, Latin American OTA, Despegar, OLX, iFood, Just Eat Takeaway among others. We wish to clarify upfront that we have no intention to start any price war or discounting war nor get into any sort of projects involving major cash burn just because we have the capital. Our track record demonstrates our discipline and capital efficiency quite well.

We have never believed in the capital as a moat playbook and hence we have never been the biggest aggressor on discounts or marketing spend. Our competition has historically been better capitalized than us and invested a higher percentage of GTV back into marketing and despite that we have managed to continue going faster by deploying our capital towards long-term product, tech, AI and growth investments along with



some smart acquisitions along the way.

This capital allows us to solve customer problems that need deeper longer-term investment horizons with long-term returns. We will soon arrive at a point where accelerating our investments in hotel product enhancements and supply creation will bring sustainable long-term gains and in terms of brand recall and marketing spend we'll continue investing given the critical mass of organic users we have.

Judicious investments every year can help us bring top-of-mind brand recall in categories such as flights and buses over time. As far as optionality on acquisitions is concerned our playbook for acquisitions remains exactly the same as when we acquired ConfirmTkt in February 21 and AbhiBus in August 2021 both of which are not just successfully integrated but yielding synergies for our core business.

A balance sheet will broaden our canvas for both organically seeding new opportunities and judiciously pursuing investments and acquisitions allowing us to take bolder long-term bets when we have strong conviction in any team technology market or vertical.

Moving to this quarter, using a cricket analogy we learned this quarter that one has to adapt to the pitch conditions when we come out to bat. Despite some market-led headwinds in the flight and train business lines, the teams found areas of opportunity where our agility diversification and resilience led to continued growth.

Our leadership demonstrated that it could take calls on where to go more aggressive and where to defend. On the bus side, this quarter further reinforces the long-term runway that exists for growth in online bus bookings. At an overall level I'm pretty happy with what we have achieved both this quarter and in the first half of the year.

We have delivered strong cash flows of INR91.5 crores and a GTV growth of nearly 38% for H1 FY'26 and a revenue from operations growth of nearly 54% for H1 versus H1 of last year. In second quarter our revenue from operations was INR282.7 crores for the quarter up 37% Y-o-Y and a GTV growth of 23% for the quarter coming in at INR4347.5 which is INR4347.5 crores.



Our adjusted EBITDA was INR28.5 crores maintaining 10% adjusted EBITDA margin for the quarter. In fact our adjusted EBITDA for H1 has grown at nearly 45% Y-o-Y versus last year surpassing our own expectations on balancing profitability and growth.

We do understand that optically the PAT may look negative but that is largely due to a non-cash non-recurring ESOP one-off that Saurabh will provide more color on in a bit. For flights the overall domestic market had actually contracted by about 2% Y-o-Y that means decline of 2% in Q2 due to capacity constraints and impact of stronger monsoons and Delhi runway closer during the quarter.

However, at ixigo we still grew our GTV by 29% Y-o-Y and our flight revenue grew by 60% in Q2. This was despite some moderation in our discounting and hence our contribution margin percentage came out even better than Q1.

Our growth headroom lies in our scale of users though we are still relatively small on flights as compared to our true potential and our strong brand presence in NBU markets is driving a decent part of this growth.

Over 50% of new flight bookers that were coming from our NBU app users continues to be first-time flyers allowing us to keep adding new travelers to the overall market even in a time when the overall market did not grow, demonstrating the unique demand pool we have access to.

Our Tier 1 flight bookings also continue to grow nicely and we see our brand searches for the keyword 'ixigo' continuing to rise as evident on Google Trends. Finally our international flights business is growing faster than domestic and remains a focus area for product enhancement. We've also managed to improve take rates through our peace of mind stack and other ancillary services that we sell to those users.

On capacity 2 we are seeing some green shoots in October with a peak day recently crossing 500,000 passengers flown in the market in a day and as for the winter schedule filed with DGCA departures across airlines will be up nearly 6% to 26,495 per week over the winter schedule of 2024 when there were 25,007 weekly departures.



On buses we saw good inventory additions in the overall market with private operators adding many new buses and routes and the addition of seven new SRTC's in our inventory Odisha, Southern Bengal, Telangana, Punjab, Kerala, Sikkim and Uttarakhand, now aggregating 17 major state transport corporations on AbhiBus for wider route connectivity.

We saw strong demand for pilgrimage routes to Tirupati, Nashik, Ujjain, Varanasi and Haridwar this quarter. On trains it was actually a defining quarter, testing our resilience amid ecosystem related adjustments. Our DNA to adapt and turn change into opportunity has helped us maintain our market share leadership and seed new growth engines.

While growth in this vertical standalone appears softer compared to our exceptionally strong past quarters, we have to see it in the context of the overall business growth as well as the real markets inventory growth given the series of changes introduced by Indian Railways this quarter and prior which I had already alluded to in our previous earnings call last quarter.

These changes include things like the reduction of the advance purchase window, some reductions in waitlisted inventory, Aadhaar based authentication for Tatkal bookings and the restricted time window regressing to 30 minutes for Tatkal bookings. However for the advance reservation period bookings, Aadhaar verified users on OTAs have been allowed to book just 10 minutes after opening time for ARP that is 8:10 a.m. onwards.

So all these changes temporarily altered booking patterns in the beginning of the quarter for the whole ecosystem and it took a couple of weeks for the users to adjust to these changes, making year-over-year comparisons less representative of the underlying momentum in the train segment.

Though we rapidly implemented Aadhaar based authentication, these changes impacted our algorithms for ixigo Assured and travel guarantee which we now know as Alternate Travel Plan and it took some weeks of data for the algorithms to recalibrate and adjust to the new demand patterns as well as the new waitlist confirmation prediction patterns, leading to some contribution margin squeeze in this segment when seen year-on-year.



By the end of the quarter we saw some normalization and stabilization from the dip we saw in the beginning of the quarter due to these changes. In fact we touched a new all-time high of 350,000 train-pax segments in a day around the time when the advance bookings for Diwali opened in August.

The new policies introduced also mean that the future revenue and profit pools will need to come from more product and tech-led solutions and we will continue identifying more opportunities to solve customer problems and maintain our growth.

To summarize, this was a quarter that tested our resilience, agility and responsiveness to changes in the macro environment and the fact that we still deliver profitable growth across all three lines of business and remain the fastest-growing OTA in the market, I remain hopeful that in quarters where the macro is more favourable we can continue to shine.

With that I hand over the mic to my dear friend and Co-CEO Rajnish to talk about hotels and our product and AI initiatives.

Rajnish Kumar:

Thanks, Alope. This quarter, our product and teams were quite busy improving the customer experience by users. Beyond Amadeus integration, we expanded our international both GDS and ONDC content. We also launched smart AI filters on our flights desktop funnel, allowing users to apply filters to national language.

Our sales team rolled out an upgraded version of Train Alternate feature, even more conformed ticket options by exploiting near-by stations, partial journeys and alternate dates. We implemented AI-based authentication, advanced bookings in record time, which resulted in us doing over 10,000 verifications daily and fully compliant with the railway regulations.

Moderator:

I am really sorry to interrupt you, sir, but your voice is not audible.

Rajnish Kumar:

Okay. I'm afraid I think Alope will have to take this.

Alope Bajpai:

Sure. I'll take it forward. So we also integrated Delhi Metro rail ticketing through ONDC, which is seeing encouraging uptake. And partnerships with



HDFC SmartBuy and Rapido are already helping us expose our trains funnel to new user segments. Even small UX changes are improving food on train uptake and conversion rates. Overall, our MTU to MAU ratio reached 4.9% in the first half of FY '26, reflecting better engagement and monetization.

We're still in the early stages of scaling up performance and brand investments in buses, flights and hotels. So there are plenty of growth levers ahead. On hotels, I'm pleased with our progress on both product and supply enrichment and as well as the consistent room night growth quarter-on-quarter.

Many of you have asked how building a hotel OTA today differs from building one a decade ago. The short answer is a lot has changed, but a lot still needs to. 10 years ago, most hotels were offline, manual pricing, opaque inventory and on-ground aggregation teams doing the heavy lifting. Today, a majority of midrange and budget hotels use PMS and channel manager, making rates, availability and content live across platforms.

Access to inventory is now a commodity - Tier 2 and Tier 3 cities are the new growth engines. Digital payments and pay-at-hotel options have reshaped booking behaviour. Consumers are no longer chasing the lowest rate. They want peace of mind. Assurance, transparency, cancellation, flexibility and refund speed matter as much as discounts.

For hotel owners, the OTA role is also evolving. The real value-add comes from solving their pain points with empathy, ensuring that travelers actually get what was promised. Over time, as we integrate more directly and curate deeper mid-tier supply, quality of experience will matter more than sheer quantity of inventory. And interestingly, even today, OTAs only drive about 10% to 20% of bookings for the average budget hotel in India. So the opportunity remains massive with over 2 million rooms to fill daily. Now moving to AI. We believe that our company is at an inflection point in fulfilling its vision of building the best AI-first travel experience. The immediate opportunity is to invest deeply in emerging agentic AI capability. This is needed to solidify our presence in hotels, build stronger brand recall and accelerate growth through new AI platforms, products and services.



Our incoming investor Prosus has been a global pioneer in AI-led innovation and backed companies that are reshaping industries. Their vision of unlocking an AI-first world for billions aligns beautifully with ixigo's mission to build the best AI-first experience for the next billion travelers of Bharat. This moment in history is rare.

First, the global build-out of AI and infrastructure means the cost of models will keep falling as adoption grows. Second, efficiency gains are already visible. Early adopters are driving meaningful productivity jumps. And third, we are still defining what the best AI-native experience looks like for travel, which will open entirely new demand pools and business models.

The dawn of the AI era gives us a once-in-a-lifetime opportunity to reimagine our company's future. Companies that succeed in the next decade will look very different from those today. Travel apps will evolve into conversational, multi-modal, hyper-personalized agents that don't just assist but act. At ixigo, that's a vision we had even back in 2017 when we launched TARA, our travel assistant.

On the AI efficiency side, the impact is already visible. Nearly half of our voice support calls are now resolved end-to-end by agentic voice agents. And over 90% of customer chat interactions are handled by AI, managing 2.69 million interactions this quarter. As a result, 97.4% of calls are answered within two minutes now, and refunds now happen in just under 3 hours on average, with a large percentage processed within minutes.

Now stepping back for a moment, every few decades the world experiences a technology inflection point. These movements don't just change tools, they redefine entire industries. For incumbents, they are both an opportunity and an existential threat. Startups born in the new era move faster, unbundled by legacy systems, while incumbents struggle with inertia. The paradox is simple. The very size and success of incumbents make them vulnerable. The only way to avoid being disrupted is to disrupt yourself first.

With that I will hand it to Rajnish.



Rajnish Kumar:

The paradox is simple. The very size and success of incumbents make them vulnerable. The only way to avoid being disrupted is to disrupt yourself first. We call this building a new co inside the old co. The new co behaves like a startup, small, focused, unencumbered, but with the parent's data, domain expertise, and resources. Done right, it can disrupt your old business model before the outside world does.

We've lived this story before. Back in 2013-14, as the mobile revolution was unfolding, we were hit with this desktop-first business that was at risk. Instead of tinkering at the edges, I locked myself in a room with key engineers. Out of this, a sprint was born, the ixigo Trains app. That app didn't just supplement the old business; it rewrote our future. It gave us massive distribution, created a new growth engine, and eventually made old business models obsolete.

We disrupted ourselves, the new co overtook the old co. Today we stand at the biggest friction point in the history of humanity, which is AI. Unlike mobile, which changed how we accessed the internet, AI is reshaping how we think, work, and create. At scale of disruption means the risks are proportionately larger. For incumbents, the danger is not simply losing market share, but becoming irrelevant overnight. So this time, our new co must be AI native from day one.

Rethinking products, processes, and customer experience with AI as the default, not as an add-on or a band-aid. Becoming AI native means re-adjusting around three key vectors. Conversational multi-modal interfaces, which means moving away from Pig-based rigid workflows, from natural human-like interactions that scale infinitely.

Number two, hyper-personalization through vertical data. Using our deep-traveled data to deliver predictive preemptive experiences, knowing what the user wants before they ask for it. And lastly, agent autonomy.

Going beyond just recommendations to real actions. Researching, booking, and solving tasks automatically on behalf of the customers, without them having to lift a finger. These three pillars map directly to our AI strategy, that is Project Trishul, around efficiency, leveraging, and disruption.



Because when disruption arrives, you only have two choices. Be the company that gets disrupted or be the company that creates that disruption. The only safe path is to choose the latter, again and again, at every inflection point. There's a narrow window right now to combine our deep tech DNA and proprietary data with disciplined investments in self-disruption. Those who do will be rewarded disproportionately in growth and operating leverage.

As I've said before, we'll deliberately deploy some capital. Our AI disruption strategy led to what execution looks like in the AI native world ahead. I'll end by saying that we're all probably using the worst AI we'll ever use in our lifetimes. From here, it only gets smarter, stranger and far more capable, which makes this the most exciting and slightly terrifying time to be building. And with that, I'll hand over the call to our friend and Group CFO, Saurabh Devendra Singh, to talk about numbers.

Saurabh Singh:

Now, if I had to name this quarter, I would call it adolescence. We've outgrown childhood, but our journey towards who we are meant to become is only just beginning. Now, we are at an age that allows us to stumble, like we did right now, or occasionally fall, scrape our knees, then rise again, stronger and perfect, and then smile and say, we told you so.

Now, I know what you might be thinking here. Here, I'm being pompous, and you've just seen the result, and Slide 28 of what we call the beautiful slide has its first hint of red. Now, you would not be wrong to point out that unlike recent quarters, this one was not perfect. But then again, like all things adolescent, this was never meant to be perfect or easy.

If I'm being totally honest here, most of the quarter was tough and that is what makes it special. We fought hard, we accelerated when we had to and we also learned to stop when that was the wiser choice. When the present looked tough, we built for the future. We also made new friends through new customers, new partnerships and some great new investors. Quarters like this showcase the ixigo DNA, and form the foundation of our growth for years to come.

Now, let's talk numbers. As always, all numbers are in rupees crore, unless stated otherwise, and year-over-year comparisons are Q2 FY '26 against Q2 FY '25. On the headline numbers, our gross transaction value stood at



INR4,347.5 crores, up 23%, from INR3,528.7 crores last year. Revenue from operations came in at INR282.7 crores, a 37% Y-o-Y increase. Contribution margin was INR109.6 crores, up 20%, with a contribution margin percentage at 39%.

Adjusted EBITDA stood at INR28.5 crores, compared to INR21 crores in Q2 FY '25. This was a growth of 36%. PAT came in at a negative INR3.5 crores versus INR13.1 crores last year. This included a one-off, listing milestone-based non-cash ESOP charge of INR26.9 crores, and also some other one-offs, which I will discuss closer to the end of my speech. Our cash flow, as Aloke mentioned earlier, came in at INR91.5 crores for the first half of FY2026.

Let's go on to the business segment overview. In flights, now it was a month and a half ago when I found myself sitting in the Gurgaon office mess, for a late lunch. Now as luck would have it, our flight business head walks in a few minutes later and chooses the seat furthest away from mine. I obviously ask him why.

He smiles and says, he wants to avoid another conversation about how we will be growing in the flight business compared to the industry. Now that the numbers are out, I owe Nitin an apology and thank you. In a slow market, we stood out for our growth. We booked 2.41 million flight segments, up 19% with a GTV of INR1,592.4 crores, up 29%. Contribution margin for flights rose 45% to INR39.6 crores, at a contribution margin percentage of 44%. Flights contributed 36% of our group's total CM.

Our bus business reminds me of elephants. They listen carefully, remember everything that matters, and move with a surprising speed to turn feedback into better products. And, before you say elephants are not fast, remember they can move at almost 40 kilometres per hour, not too far away from peak Usain Bolt.

Now, the speed for our bus team was evident in this quarter's numbers too. Our passenger segment grew at 46% Y-o-Y, reaching 6.04 million passenger segments, with a GTV up 51% to INR571.9 crores. Contribution margin was up by 31% to INR34.1 crores, at a 52% contribution margin. Now, we see this as a high-growth area and will continue to invest in this business. Buses contributed about 31% of our total CM.

I think I've mentioned this before, but I have a standing coffee bet with our train business head. With our dominant market share in trains, we shouldn't be able to grow faster than the market. Now, every quarter till now, I have lost this bet badly. It took what I call a perfect storm, or what Alope referred to as ecosystem-related adjustments, to convert this to a closed site.

Still, we grew faster than the market, and though it was much, much closer than before. So, Dinesh, if you're in this call, I think we'll call this quarter a draw. In the Train segment, we booked about 27.2 million train segments, up 10% Y-o-Y, with a GTV at INR2,125.9 crores, up 12%. Revenue stood at INR122.9 crores, up 11% Y-o-Y. PM shrank by 9% to INR34.2 crores, with a 28% contribution margin percentage. Trains contributed 31% to our overall group CM.

Now, in their sections, both Alope and Rajnish talked about the capital race and why the future will allow us to be more strategic and allow us to invest in building AI-driven digital assets, platforms, and capabilities that will power the next phase of growth. That said, as an ongoing business, let me highlight the one-offs and key call-outs in our current operation.

The one-offs and call-outs that are there in Q2 FY '26 include a one-time ESOP accounting charge of INR26.9 crores on account of early achievement of performance thresholds specified in the grant terms. Two, share of loss from FreshBus, an associate company, of INR1.47 crores.

For Q2 FY '25, the one-offs and call-outs comprise of the following. Share of loss from FreshBus, an associate company of INR1.93 crores.

Gain on account of reversal of exceptional item pertaining to share issue expense amounting to INR0.83 crores. If we were to compare like-by-like basis by excluding the respective item in both the periods, our profit before tax would have increased by 26% Y-o-Y from INR19.4 crores in Q2 FY25 to INR24.4 crores in Q2 FY26.

Now, this quarter is about growing up and putting the building blocks in place for what we know is our true destiny. I am reminded of a few lines from Shivmangal Singh Suman's poem that my father used to recite back

when I was an adolescent. *Kya haar mein, kya jeet mein, kinchit nahi bhaybeet mein, Sanghash path par jo mile, ye bhi sahi, wo bhi sahi, Vardaan maangunga nahi.*

Over the next few quarters and years, there will be victories and there will be setbacks. And then there will be moments when patience will be the most prudent. During this journey, we ask not for luck, but for endurance and focus to deliver perfect journey to our customers. And with this slightly philosophical closure, I will pass it on to operators for Q&A. Hi, can we pass it on back to the operator and you can pick it up from us?

Moderator:

Thank you very much. We'll now begin with the question and answer session. The first question is from the line of Anmol Garg from the Dam Capital Advisors. Please go ahead, sir.

Anmol Garg:

Yes, hi. Thanks for the opportunity. So I have a couple of things. Firstly, out of the INR1,300 crores that we are raising, we have allocated nearly INR320 crores to acquisition and a similar amount to working capital. Now, I understand that working capital in our business is a negative. So what is the reason for raising money or allocating the same money for working capital? Are we looking to acquire a company with higher working capital requirements?

Saurabh Singh:

Hi, Anmol. So there are parts to this. One of the part of this is as the business grows, there is a need for working capital based on how the business is growing. And I'll explain it to you. In fact, I had done that earlier too. But I'll explain to you something like when bank offers come in or when we build up, build out our advertising platforms.

And then more and more advertising come in. All of these require working capital. Then with volume in the normal course of business, even though it's not for a large period of time, it's just for a few days. When you see, say, look at my March 31st number, look at the number right now.

Whenever you're in the long holidays or there is a certain amount of money where train and flight do need working capital. So bus is a negative working capital business, but train and flight do need working capital and as they grow, there will be a need there too. So it's a combination of these and it's a combination of how the business grows, where this comes in.



Anmol Garg: Okay, understood. Just on the second part of this question, what kind of acquisition are we looking at? What I mean is that in which particular area are we looking to acquire any assets?

Aloke Bajpai: Yes, hi Anmol this is Aloke here. See, we have specified unidentified acquisitions because at this point we do not have any identified acquisition target per se. But I'll just walk you through our typical thinking on our acquisition philosophy. Typically a past track record is that we have found good quality, high quality entrepreneurial teams who are building something either synergistic to what we do or which can add a new vertical or a new market to our business.

And the process for evaluating these deals typically spans several quarters. And I think Saurabh will vouch for how rigorous that process is at our end in terms of how long we take to evaluate these deals and due diligence on them. So typically the criteria is essentially around four pillars. So there's quality of the leadership or founding team and its cultural fitment with us, clear strategic fit and synergy with the existing business either in terms of offerings or in terms of what we want to enter and market impact, including share gains or is it entering into a new vertical or a new geography or a new product type. And then there's access to technology or IP or some sort of leverage that you can gain on some of the AI stack that we're building.

I think those are the areas where we look at. And of course, the pricing has to be reasonable. The terms have to be favorable and the company should not be heavily into losses and all that. We typically don't even look at those assets. Those come as a natural filter. So our playbook will not change if you look at what we did with ConfirmTkt and AbhiBus and even Zoop.

These were companies which were already well proven, small team, frugal, capital efficient, profitable. And that's the kind of acquisition that we typically like. Having said that, we usually have a long pipeline of things we are evaluating and as and when we build conviction, we'll move on something.

Saurabh Singh: What this capital does give us is the ability to be very, very strategic and

decide when such an opportunity arises. But having said that, as Alope said and Rajnish can vouch for and I've seen Alope, Rajnish both on this and the team. I think the first reaction is not to look at anything rather than look at anything.

Anmol Garg:

Sure, understood. And second, on the quarter itself. So just talking about the air segment, while our Y-o-Y growth looks decent versus the industry. However, we have seen a sharp dip in the GTV in this quarter when I look at it more sequentially, where the dip is around 14%, while the industry dip or the DGCA dip is relatively lesser. So while I understand it was a weak quarter from the volume perspective from the industry level, but still can you indicate that why our growth sequentially was a little lower? Is it because of lower ad spends during the quarter or is it something else?

Saurabh Singh:

So, Anmol, firstly you have to realize something and Alope mentioned it in his call. The audience that we are getting have a different cycle than the audience you are conventionally used to on this. So what you have to realize is when you start looking at sequential on a particular thing, it's a different audience I'm creating.

So when I launched a Travel Guarantee product and when we are getting new flyers in this world, I think this is a metric which you can look at. In my mind, it's on either way. It's a great growth and last time my growth number, my base number and which I've said in your meeting or every meeting that I've had is, last two quarters, the growth number is something which was extraordinarily high.

Alope Bajpai:

Yes, I mean, just to add to that, we have to recognize we are in a seasonal business, when it comes to all three lines of business. Flights are typically JAS, B2C flights, seasonally weakest quarter. But not just that, if you look at year-on-year, I'm very satisfied with what we've achieved this quarter, because if you look at the market, there was a 2% decline.

So, I mean, if you're talking about growing 29% on GTV in an environment where there's a 2% decline, I would rate it as an achievement and nothing to be shy about. I think what we could have done and maybe we underinvested, we could have grown faster if we actually chose to invest more and sort of not optimize on discount or marketing spends as we did, because if you look at our contribution margin percentage.

And there if you look at it sequentially, our contribution margin percentage has actually gone up Q1 versus Q2, where we have actually increased our contribution margin in the flight business. But that was deliberate. When the market is not growing why would you choose to invest more?

So, we kind of remained a little conservative. That's my read on it. And as the market comes back, which we are seeing already green shoots in October, November, how the market seems to be coming back in terms of supply, I think you will see the kind of acceleration we want.

Saurabh Singh:

But Anmol looking at business here. I don't look at things quarter by quarter. If I've had a great quarter, that doesn't mean that next quarter we need to do anything silly, just to give a segment number for the next quarter or so.

Anmol Garg:

Understood. And just one last thing from a more outlook perspective. Going ahead, how should we look at the business? Are we looking at growth going ahead or the focus would be towards market expansion?

Saurabh Singh:

The biggest focus would be trying to solve customer problems like Rajnish and Rajnish can talk about that. We believe everything else is a follow up from that.

Aloke Bajpai:

Yes, I think, I mean, I don't think any changes in our playbook and Rajnish can add to that. But basically we keep doing the same. I don't think we did anything dramatically different last quarter, except that we were trying to sort of understand the ecosystem-related or macro-related impacts and try to optimize for that.

But then again, you know, as supply comes back and I think I see it as a one-time problem last quarter, essentially supply on both train and flight felt a squeeze in the market. And you saw the result of that, not just for us, but also for our peers. And I think as that situation improves and we already see it improving.

I think that's the demand is very strong. I mean, that's something we can just put out there that the demand continues to be very strong. I think it's

the supply side that has to catch up. And buses is a proof that when the supply actually catches up, you see the growth in that category.

Anmol Garg: Yes, sure. Understood. Thanks, guys. I'll join back in the queue. And best of luck for going ahead. Thank you.

Moderator: Thank you, sir. Next question comes from the line of Swapnil Potdukhe from JM Financial. Please go ahead.

Swapnil Potdukhe: Hi, everyone. Thanks for the opportunity. I have two or three questions. And just continuing with the previous participant's question on the flight growth over there. And especially when you look at it at a sequential basis. I was just looking at your numbers and comparing it with your large competitor. And the passenger segments declined on a sequential basis seems to be far more than for the last year also. So any particular things to look at? Any things related to your PhonePe partnership coming into the base this quarter?

Saurabh Singh: It's more basic than that. Last year, the look at what last quarter, why did a particular person decline or not decline? Even that point of time, you have to look at the market and you look at the performance last quarter. Yes, sequential quarter-on-quarter. First thing, this is not a sequential industry as Alok mentioned right now.

The second part is, say I mentioned it in the last quarter answer too. Why did I do better with geopolitical problems is because I was more domestic on that sense. Even in that part, with the world changing like it is, I believe that on a world where it's moved minus two and me giving you 29% growth. As in on any level, it looking at a sequential number where Operation Sindoor or issue around it happened for international problems. Yes, it's mathematical. I kind of more than what it happened on the outside world or why did somebody perform badly last time is not something that I can cure, but what I can cure is what I did last time and what I did this time. And I think in both the quarters, I've done far better than the market. And that is what I have to do.

Swapnil Potdukhe: Yes, Saurabh, but if I were to just add one more variable to that, your attached rate, which used to be around 29% to 30%, that also seems to have come down to 27%. Because we were benefiting from the Travel

Guarantee feature in the past. We were able to move some custom train customers to flights. And is that also a part of the reason that the numbers seem slightly below what most of the sales or the consensus was expecting?

Saurabh Singh: Firstly, why is the number below? I like you saying it that is your choice the number below, what is the industry number for this quarter.

Swapnil Potdukhe: No, obviously, the industry numbers are poor. No doubt about that. I'm just building.

Aloke Bajpai: Let me come in here for just a very macro perspective on this side. Last quarter, where I'm saying Q1, despite Sindoor and everything and 20 other things that were going wrong in that quarter, if we were growing at a 70% plus sort of revenue, I think it's not a great benchmark to look against on a sequential basis, to be honest because I think that was by far in the last five quarters we've given out our best quarter.

Having said that, even if you look at it, including that and you look at the overall pace of the industry, the OTA market growth and our growth, we are going faster than all OTAs out there in all the three categories we operate. I mean, and that's something, I think that's the way we think about building up like we are not going to hold ourselves accountable to what somebody else is doing out there.

Saurabh Singh: Look, think of it differently. And I'll come and answer your question on attach rate now. Now, one of the parts of attach rate, if you're asking me, are we getting more train bookers to fly? The answer is a vehement yes, we are still. And if you look through, I know that we have to increase the time between we release the FAQ and let you absorb it, but if you look at FAQ, we have answered that question, saying that we are still doing that quite nicely and getting a lot of new users in the market.

The other part is to realize that the attach rate that you have is a combination of attach rate across all parts of business. Now, what has changed is that monsoon did affect the trains and buses side of the business. And in some of the scenarios in trains, as Aloke mentioned in his call, the algorithm needed to be rechecked.

And TG is just one of the many products that we are selling. So if your question is, did that change? No, in fact, I'll say the reason that why when the industry shrunk and we grew 29% was because we were doing that a lot. But the pattern changes, the thing changes. It takes some time, but attach rate, yes, it did go down, but not for the reason which you suspected to.

Swapnil Potdukhe: Got it. Now, just taking this forward conversation. How do we see this full year FY26 planning for you at a GTV growth level? Because if I remember correctly, we were aspiring to do around 40% GTV at a console level. But obviously, it was not a guidance. It was an aspiration?

Saurabh Singh: I will repeat, but I am always there. I have said that where we are, we expect to grow significantly faster than the market on this. And I'll keep it there. I have never guided to a particular number on this. But yes in either of the three, we continue, continue growing. And I can talk about in more detail why we feel we can grow significantly faster. I feel that had you asked me earlier, say, this was a 15% market quarter.

And had you asked me what is a 20% market quarter and you'd ask me, what would you have expected on flight? I would have said it's a 20% market quarter where the market has grown by 20%. I would have ideally wanted to expect that grow of flights at 40%. Now, it's a lower market quarter. I'm in the market as a participant and the idea is 29% is great.

So I'm a market participant. It depends on market, but I still continue believing that way. Buses is the one which is more interesting in that sense. It's a lower penetration market. A lot is changing. We believe a lot can happen there. So that is how it is. And as I said in my train section, and I've always said that I personally believe that with our market share, we'll grow closer to the market. My train LOB, we believe we still grow faster. And so it's who you want to believe out of the two.

Swapnil Potdukhe: Saurabh sorry to push you on this a bit more. So now what I'm hearing is that the supply side issues on the flight side will slightly improve. There is not a meaningful improvement, even if in the December quarter also. So should we be looking at - should we start reworking our numbers with that thought in mind going ahead in the second half is what I'm trying to understand.

Saurabh Singh: If I was you and if I had a clearer view on where the market would be based, your knowledge on where you feel the market should be and expect us to grow significantly faster than the market. If you're very bullish on the market or if you're an analyst who covers the flight is very bullish on the market. And if you can base it, take a multiple of that and that is where we will be.

Swapnil Potdukhe: Got it. And just on the cost side. Now, there are two ESOP numbers mentioned in your presentation, one of INR32 crores and one of INR27 crores. You have mentioned INR27 crores as a one off.

Saurabh Singh: Swapnil as discussed if you go back to my last quarter FAQ, there are three kinds of ESOP that we would have. One is the normal Black Scholes based ESOP. The other ones were the ones which were given, which were target based, given to guys. And then there is another ESOP which we give. Say I'm acquiring a company like we did with Zoop.

I've got a choice of either giving and I've talked about it a lot in detail. That's the question which I would recommend that you go to the last FAQ, but I'll give you a summary on this. So there are some ESOPs we say I acquired Zoop. I could have given him cash. It goes from the balance sheet. I don't think that's right because that doesn't align him to me. I would take it on the - take it on as an ESOP. And I would give it because I want his interest to be aligned to the company interest going up in the future. So it's a combination of these three, which I would give.

Swapnil Potdukhe: So going ahead, we should factor in the difference between the two?

Saurabh Singh: There is one and that too I've given in a lot of detail. There were two targets and both were based on and in fact this one too. So both were based on 30-day revamp. And in fact, if anything, I believe that the fact that this was reached earlier is a kind of reflection of investors believing in it because it was in the public domain all the time.

And I've kind of hinted at it much, much more clearly. One was at INR9,000 crores. The other is at INR14,000 crores. So depending on when you believe or when you project that INR14,000 crores to come in and I have zero idea on that, but that will be the other part. But these would be



the only two, which would be what I call the Monte Carlo based ESOPs.

Swapnil Potdukhe: Okay. And just a last one on your brand spends. Sequentially, they were down by around INR10 odd crores. Is that entirely because there were few spends related to the IPL last quarter and this quarter onwards, we should see some normalized spends of around INR20 crores? Is that how should we look at those brand spends?

Saurabh Singh: Swapnil, I discussed this last time in the first quarter. Sorry, because there are English-speaking audience too. But what happens with us is that we choose our brand spends across quarters. So when you look at brand spend, look at it as a complete year number. As a mass business, there are times when I would be using IPL to increase the buck for my brand spends. So it all remains the same, what we've talked about for two years. There is no other change in this. But again, broadly, it's nothing else to do apart from where we had budgeted it.

Aloke Bajpai: Just to add, I think brand spend is somewhat discretionary in nature. So there could be quarters where we choose to spend more and there could be quarters where we choose to spend less. And again, it's a function of the strategy and how we believe the market and demand for supply is shaping up out there. And I think given how these quarter macros were looking like, we chose not to spend more.

Swapnil Potdukhe: Got it, Aloke. Thanks a lot for the answer. And all the best guys going forward.

Saurabh Singh: Thanks a lot.

Moderator: Thank you, sir. Our next question comes from the line of Arpit Shah from Stallion Asset. Please go ahead.

Arpit Shah: Hi, Saurabh. Hi, Rajnish. Hi, Aloke. Phenomenal execution in a tough quarter growing aviation, flight, railways also in a very tough situation with Aadhaar card authentication. Was it a tough scenario to judge what the demand patterns could look like? But it's coming to quarter 3 like you've already seen Diwali gone by, Dussehra, gone by, October gone by. It's probably the advanced bookings for the quarter which is happening currently. Do you see trends which are similar to Q1 in terms of growth

rate or you would see a very muted quarter like Q2 or Q3?

Aloke Bajpai:

Yes. I think I wouldn't call it a muted quarter. I would just call it a quarter where the macro was tough and we managed to continue executing our strategy. But having said that, I think there are green shoots in October that we are seeing. Both in terms of supply coming back on the air side and we've seen announcements from airlines. We've seen the winter schedule that was filed in DGCA.

Both indicate that there will be more planes in the air. And, of course, because of the change from four months to two months for the train advance booking we've started to see now bookings for Christmas, New Year break. And I think that's shaping up quite well. So all I can say is that the macro environment looks better in this quarter. I mean, I would not give any specific guidance around it, but I can just say that we don't see the kind of supply constraints we were seeing in the beginning of the previous quarter.

Arpit Shah:

Got it. And now when do we start expecting to see the cash on the books from Prosus? Like does it happen from quarter 3 and onwards or when do we see the cash come in the books?

Saurabh Singh:

So the EGM happens in about two days time and the voting happens. So once that happens, then there is a process of a couple of days and you get that.

Arpit Shah:

And it will be complete cash coming on one go, there is no disruption?

Saurabh Singh:

Remember that this is the voting is still not done. So whatever I'm saying, I assume that the voting gets passed, but if the voting gets passed and EGM is successful on first, in a maximum of a couple of weeks, we should have the capital in.

Arpit Shah:

Got it. And you mentioned ESOP targets for INR14,000 crores market cap. So would the quantum also be similar to what we had this quarter?

Saurabh Singh:

It is exactly similar. So what I would recommend here and I have given all the links to all the filings in the last quarter's FAQ. Just go through that. It's the same amount as this one. And the stock needs to be there for 30

trading days for that to actually come into action.

Also remember that the actual thing, the actual vesting that will happen, will happen after a year for this. And so right now what we're doing is because the target has been hit, but even in that case, too, if it happens before and I have no way of knowing whether it will happen before or not. But if it happens before, it will be in a similar way.

Arpit Shah: Got it. Yes. Thank you so much.

Saurabh Singh: Thank you.

Moderator: Thank you, sir. Our next question comes from the line of Akhil Gulecha from Hornbill Capital. Please go ahead.

Akhil Gulecha: Yes. Hello and congratulations on another great quarter and the fundraise as well. My question is on the flight segment. You showed a GTV growth of 29%, but we see a revenue growth of 60%. So would it be fair to understand that the difference between the GTV and the revenue growth, as a large portion of that has come from the value-added services component. So are there any new products that you worked on in the flight segment? Can you explain the difference?

Saurabh Singh: That's a good question. What you mentioned, there are a couple of legs to that. Now, part of it was what you're saying, yes, it's WAP or what we call the peace of mind stack. So say something like what we called as either Travel Guarantee or Price Lock. All of that appear much stronger in the operating revenue than otherwise, but then there is more to it too. It kind of answers what we talked about earlier in the question.

Things like bank offers and advertisements, they are chunky and campaign based. So they'll appear in some quarters. They won't appear in some quarters. My hope is that as we keep on gaining more market share in the flight segment, assuming we continue doing that, these keep on increasing, but they are selective.

So again, what I would always say is that for this line item to think more over the year, don't think of it as sustainably, we'll keep on having that difference. Apart from this, there's just one more small point, which also

leads to this and which Alope mentioned in his speech, which is that the discounts this quarter were slightly less than the corresponding quarter last year.

Because our team took that call, which is what I was mentioning to Swapnil in his meeting. At times, they could have chosen to chase the top line, but they took the call that it is not profitable chasing top line because the markets are tougher. So they took a call that let's not go too aggressive on everything. There are times when you kind of work through things which are more sustainable.

Akhil Gulecha: Okay, got it. Thank you so much. And last question. So all of these investments that you would be making in the hotel segment or on AI, etcetera. How would we be accounting for it? Will we be writing it off immediately as investments happen? Will we be following a depreciation policy? What are your thoughts on it?

Saurabh Singh: So look, there is something we've always done. So part of it and it depends on what kind of investment it is and what the impact is. Things which are more short term, they will be expensed off right away. Things which are massively strategic in nature and I'll give you an example. You've done it before when the world changed and what Rajnish referred to when he talked about the mobile evolution. At that point of time, there will be some things which will be capitalized and which are more long term in nature. So it will be a combination of both.

Akhil Gulecha: Okay, got it. Thank you so much and best of luck.

Saurabh Singh: Thank you.

Moderator: Thank you, sir. Our next question comes from the line of Prateek Kumar from Jefferies. Please go ahead.

Prateek Kumar: Yes, good evening everyone. I have a couple of questions. Firstly, what is ixigo's current market share in air and bus bookings and how do you expect it over the next 12 months and 24 months? And in general, how do you see competitive intensity across segments?

Alope Bajpai: Yes, so hi, this is Alope here. I think we haven't called out specifically the

market share. But what I can guide you towards is that on buses, we would be mid to late teens of the OTA market. On flights, we would be close to 10% of the OTA market at this point. And I think we're not really super obsessed about chasing market share for the sake of it.

But I think what we want to do is grow faster than the overall OTA market, which is what Saurabh was talking about, which I think we've managed to do in the last five quarters in a row. And we want to continue doing, going forward. But there's no sort of short-term target that I can talk to you about.

Saurabh Singh: And remember, flight market share, we know once everybody releases too. And one of the participants doesn't release, so otherwise.

Prateek Kumar: And what about the competitive intensity as you said, lowering of discount for yourself. But overall, like smaller players or larger players, how is the overall competitiveness in segment?

Aloke Bajpai: We've not seen it change materially, like for us, because remember that we don't really overlap in terms of audience with most of the other sets. Even on flights, I'm talking about our audience, part of it is pretty much unique to us. So we don't really spend that much time looking at the competitive intensity, to be honest because we've been kind of immune to it for the last five years that we've been building the flight OTA business.

And I think one thing is very certain that in the world that's coming, if you're building with the AI first approach that we are now building our entire new existence around product and tech capabilities are what will matter. And I think on that metric if you talk to industry experts. You will get to know that there's a few companies who have the kind of talent or the kind of resources disposable to build what we are talking about. And of course, it requires patience because it's not going to get built overnight. It might take several quarters to build out what our vision is, but we are confident that we will build it because we have a track record of doing these things.

Prateek Kumar: Just another philosophical question. What do you think can be most breakthrough AI, which you may probably work on, which can help solve problems which you are currently not able to solve?



Aloke Bajpai: Yes, I will defer this question to Rajnish. I hope his line is better at this point. Rajnish, do you want to come in on that?

Rajnish Kumar: Yes. Can you hear me or is it still not clear.

Aloke Bajpai: It's better Rajnish. Go on.

Rajnish Kumar: Okay. Sorry. So just I mean, just trying to understand your question. Your question was about any specific technology built with AI for travel or like you're talking about in general AI as a technology doing to travel as a vertical?

Prateek Kumar: My question was like the general AI-related travel, which can help boost your market share and engagement with the customer?

Rajnish Kumar: Yes, I mean, so now, as you can see, what has happened with AI is that execution in some form has been commoditized to a large extent. I mean, companies, everybody has the same starting point. Everybody has the same set of technologies to build. And so right now if you think about it like earlier, in the earlier work customer experience used to share the center stage with things like distribution, IT technology, etcetera.

But none of that matters anymore. I think the only thing that matters in the current world is customer experience. So, if you have that DNA of extreme customer obsession, if you're obsessed with customers and solving their problems, this is the best time to be building because it has kind of commoditized execution to a large extent.

So, our belief has always been the same. So, we keep focusing on customer problems and keep solving them through AI. What is definitely going to happen is as you know, with AI, you will see like a complete cross-functional change in how consumers research and look. And a lot of those things that I think we talked about, how multi-modal and hyper-personalized experiences will change the way people look.

This kind of opens a new way for people to kind of research and look because it just makes it a lot easier for them to kind of research and look, but at the same time people are also able to kind of in this kind of world,

the user experience and the user interface is such that people are actually exposing a lot more about their tastes and preferences and a lot of personal information about what they really want compared to the world where they were just doing a keyword search on Google and just putting some hypertext links.

So, in that sense, the world is changing very rapidly. And I think there are already scenarios where we are experiencing people using our products and services where the users themselves are not doing anything whereas our agentic systems are doing a lot of things for them on their behalf.

So, I think those the rise of agentic systems is, I think, probably that's one thing that I think is going to change the whole landscape of how travel or any other vertical is seeing the consumption of purchases online. And I think that shift is going to be game-changing.

Prateek Kumar: Thank you, Rajnish. These are my questions.

Moderator: Thank you very much. In the interest of the time, that was the last question. I now hand the conference over to management for the closing comments. Thank you and over to you, sir.

Aloke Bajpai: Thank you, everybody, for attending our Q2 earnings and hope you all have a great Christmas and New Year break and we'll see you on the other side.

Moderator: Thank you, sir. On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your line.

