Company: **YATRA**

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Moderator: **Manish Hemrajani**

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Operator: Good day and welcome to the Yatra Online Business Update conference call. Today's conference is being recorded. At this time, I'd like to turn the conference over to Mr. Manish Hemrajani - please go ahead.

Manish Hemrajani: Well thank you Stephanie - good morning everyone. Welcome to Yatra's Business Update call. I'm pleased to be joined on the call today by Yatra Co-Founder and CEO Dhruv Shringi. Before we begin I will point everyone, to an accompanying presentation available on the investor relations section of our Web site at investors.yatra.com.

The following discussion, including responses to your questions, reflects management's views as of today, June 9, 2020. We do not undertake any obligation to update or revise the information.

As always, some of the statements made on today's call are forward-looking, typically preceded by words such as we expect, we believe, we anticipate or similar statements. Please refer to company's filings with the SEC for information about factors, which could cause our actual results to differ materially from these forward-looking statements.

Additional information concerning these statements is contained in the Risk Factors section of the Company’s Annual Report on Form 20-F filed with the SEC on July 31, 2019. Copies of this and other filings are available from the SEC and on the IR section of our website.

Please note that the purpose of this call is to discuss Yatra's business operations and strategy. As a matter of policy we will not be making any comments or answering any questions on the pending litigation.

With that, let me turn the call over to Dhruv.

Dhruv Shringi: Thanks, Manish and good morning everyone. We'll start with an update on the travel industry and the market in general in India at this point in time. As some of you might have seen in this other listing, the COVID-related lockdown towards the end of May. And we expect a gradual lifting of restrictions over the next several weeks as the economy begins to reopen.

Domestic sites have resumed operation all these on a limited basis and capacity addition is being done gradually. Currently, we anticipate that it's between 15 to 20% of pre-Covid level on the domestic flight front that are operational in the country.

International flights are expected to resume operation sometime in July or early August 2020. The situation is still evolving in India so it's hard to give an exact estimate or timeline for recovery. But we've begun to see the emergence of the initial set of recovery. On page 3, some routine measures have been taken over the last couple of months. These include the implementation of work-from-home policies since March 23rd. These enhance our automation capabilities to largely automate billing and cancellation of booking because that was a key area of concern. As you can well imagine that ((inaudible)) cancellation rate is up 100%. We had days when pretty much booking for the next 30, 60, 90 days were being canceled.

So the call volume coming into the call centers were more than five to seven x of the average daily volume which was there in the pre-COVID days. So this automation has helped us manage that peak. We've optimized the cost side to better align with operations and to minimize the cash

consumption at this point in time. And we've been providing customers with flexible conditions to change and cancel their travel plans.

In terms of liquidity, as of June 4th, 2020, our total available liquidity was 32.5 million. This included unutilized credit facilities of 8.3 million and excluded the cash of 7.6 million. Our sixth ((inaudible)) currently is approximately $1.2 million a month. If you combine these two things given the liquidity of 32.5 million and the fixed cost of $1.2 million per month, you can see that we have adequate liquidity to operate under difficult conditions for an extended period of time.

We've also taken a number of cost reduction initiatives over the past ((inaudible)) sales are (fixed) from April 2020 onwards has even reduced further and currently stands at 43% of March 2020 loans and 30% of March 2019 loans. See a few records of the chart on the bottom right. You'll see that the fixed cost which was closer to $3.8 million in March 2019 has today come down to $1.2 million per month.

These reduce management salaries (down) to 2% and implemented a variable reduction in salaries of 25 to 75% across the board for the near term in addition to freezing any salary hikes. They renegotiated (fixed) cost like rent or for other IT expenses we deferred non-critical CAPEX. Marketing trends have been reduced substantially to better align the revenue of these renegotiated contracts with suppliers and renegotiated alternate payment terms.

Take a look at the highlights of 2020 and this is for the nine-month period ended December 2019. You see that over the past, you know, whatever 14, 15 months now, we've taken a number of steps to optimize our cost space and restructure our business. We then ((inaudible)) our adjusted EBITDA loss of 3 million in the quarter ended June 2019 to a positive adjusted EBITDA of almost 3 million in the period ended or quarter ended December 2019. So in a six-month period we went from a loss of 3 million a quarter to a profit of almost 3 million a quarter. When part of this goes on a

calendar of scaling back the loss (making) hotel's business, but a meaningful part of this came from cost reduction that we undertook.

In addition, given the steps that' we've taken over the past 60 odd days now, we believe that we can base even our tough ((inaudible)) of revenues levels that we were at in the December 19 quarter and get to ((inaudible)) to 20% of operating margins once things normalize.

Switching gears to our corporate business, the ((inaudible)), as you all familiar is one of the most well-recognized home-grown ((inaudible)) and the largest corporate ((inaudible)) in India. India is also one of the fastest-growing ((inaudible)) travel markets globally. In the post-COVID world, there is an increased variance by corporate of adopting digitization. We have seen this happen in the discussions that we've been having with some of our customers. Everyone today wants to have their supply chain digitized, their services digitized. So that's how I think of a great macro-shift that's happening which will benefit Yatra in the time to come.

Our technology allows us to scale and adjust to this anticipated higher demand without the need from our additional manpower. According to some research which has been done by third parties, the corporate travel market in India is estimated at $32 billion with just about a 5, you know, 5% online penetration. The market is highly fragmented with 60% of the corporate travel market currently being filled by small and medium travel agents. And we anticipate an accelerated shift from that side of the market towards large corporate travel management companies such as Yatra who can provide a stable technology-enabled environment for business travelers.

We've built robust tools for organizing business travel, and in this environment, they compete across the globe and focus on cost reduction. We think these tools are a great value-add for our customers.

((Inaudible)) there is a focus on the business travel side of things. We also feel we built a very strong and expansible copper travel platform. And this platform -- which today has almost 800 large (corporate) in India -- we believe it is expansible enough and can be expanded to offer other related services. And we've highlighted some of these below. Great expense management which is into an expense management platform, we believe this can be a potential meaningful contributor to our profitability going forward. We feel that it is an opportunity for us to create a ((inaudible)) operator-((inaudible)) platform for our customers. This is a one-stop platform for corporate supplies and it increases corporate (stickiness). This will fit under the same workflow management engine that kind of approval process mechanism that companies currently use for business travel. These make that workflow engine extensible now to be able to service other products and services as well.

And then see price facilities management in the post-COVID era. Some of the facilities management services like sanitization, etcetera are in high demand. We are adding some relief service providers also in our platform so that companies can seamlessly post these services as well to our platform.

Any confusions? We believe the offer is very well positioned to emerge stronger and leaner. We've got a strong cash flow position and an efficient cost structure that allows us a long runway. We've got a low-cost delivery model. Our technology's scalable and allows us to adjust in line with demand without needing much incremental manpower. We've got a favorable competitive environment as well. So from a macro standpoint, we do believe that over the new few months, a lot of the small and mid-size players will find it soon to be challenging and also there will be a shift from the consumer side to developing technology, and we are also beginning to see that. So that strength towards digitization of corporate travel will favor us we believe strongly given the other market leaders in this segment.

So all in all, we believe they are very well placed to ((inaudible)) to this period and try it in the mid to long run. So with that, I'm going to hand it back to Manish who can then open it up for questions - Manish.

Manish Hemrajani: Thanks Dhruv. - Operator, open up for questions.

Operator: Thank you - if you'd like to ask a question, please signal by pressing Star 1 on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, you may press Star 1 to ask a question. We'll pause for just a moment to allow everyone an opportunity to signal for questions.

Our first question comes from (Ashman Mohad)

(Ashman Mohad): Hello gentleman - this is (Ashman Mohad) calling from Moneycontrol.com in India. Dhruv, I have a few questions. The first one is by when do you expect this Indian business of Yatra to meet the pre-COVID levels in terms of domestic and international trade booking? And secondly, is there any alternate mechanism or backup plan that Yatra has in mind to provide an exit to its shareholders now that the previously ((inaudible)) module with ((inaudible)) has been terminated?

Dhruv Shringi: Hi (Ashman), in terms of looking at the markets in our area right now, we feel that on the domestic front, the ((inaudible)) will continue to come by gradually and by the same time next year, we should come a (long way) point of view via similar levels from a domestic flight perspective. With regards to an international flight, I think a lot of how we play it out on the international side will depend on the kind of developments we see on the vaccination front globally. Because of now what you're hearing from our contacts and different embassies and different airlines, countries will follow a different approach to opening up their borders and that will have an impact on international travel. So this will be a more gradual process that you see happening on international travel. If the ((inaudible)) does come out as I understated towards the end of this year -- currently in 2020 -- we

think by the middle of 2021, we should get back to the kind of run rates that we were in the pre-COVID environment.

So all in all, I think (here) there are some macro-factors which need to be taken into account. But based on what we are seeing right now, our (drought) sense is that by the same time next year, we should be getting closer to the run rate that we were at in the pre-COVID environment.

As far as the second question is concerned, we (offer) today as you can see in (Europe) and the numbers is very well-capitalized. And we will be using this capital judiciously to get some of the growth back into the business. And we are confident that come the same time next year from a run rate point of view if the - into the macro-environment continuously evolves positively, we should be back at the pre-COVID area.

(Ashman Mohad): Dhruv Shringi - can I ask a quick question?

Dhruv Shringi: Sure (Ashman).

(Ashman Mohad): I just want to, you know, check whether this is a possibility of perhaps initiating any arbitration for (keeping reserve) as regards to the (terminating) measure or in about the lawsuit that has been placed?

Manish Hemrajani: (Ashman), it's Manish, I articulated at the start of this ((inaudible)), today's objective was to discuss the business strategy and we will restrain from answering or addressing any questions with regards to the litigation process.

Operator: Thank you - as a quick reminder, if you'd like to ask a question, you can press Star 1 now. Our next question comes from (Michael Nura) with Habitat.

(Michael Nura): Hi, actually I just asked before you said the thing about Ebix. I was just wondering though, wouldn't it be worthwhile to try to renegotiate the merger? I mean I understand that's them backing out because of what happened with COVID, but why give it up entirely and why ((inaudible))? But if you can't answer that then that's fine as well.

Manish Hemrajani:: Yes, I think at this point in time, it's best to let that be. But at the appropriate moment, all of that will end up being discussed.

(Michael Nura): That's fine - thanks.

Manish Hemrajani: Thank you.

Operator: Thank you - there are no additional questions at this time. We did have one additional question just sign up. Next question comes from (Bharati) with New (Press) Capital Partners.

(Bharati): Hi from the ((inaudible)) team. Just checking on a couple of things. You know, you guys think about fixed cost reduction. Could you comment on, you know, is this is sort of all at one-time reduction or it's, you know, to the extent to which that's going to be sustainable.

And the second question is in terms of your cash available that you have on the presentation, I bet you needed liabilities that cash is tied back to or the - what is indicated as the available liquidity is the - is indeed highly available to kind of pay the expenses?

Dhruv Shringi: Sure, so in terms of the fixed cost, we think these are the class levels led we will be sustaining in the near term. And this kind of cost level should be sufficient for us to get to I's say about a third of our revenue base before we start adding more ((inaudible)) gradually as to a new ((inaudible)) business volume continues to rise. So further - for the near term I think this cost base should suffice us.

With regards to your question on the liquidity, there is one open liquidity item which is there -- payout which is there - which is with regards to an ongoing (ADT) litigation which has been carrying on. That is currently going through an audit process that pushed out because of the lockdown. But at some point in the next 60 to 90 days, that is a potential liability which will be there. But otherwise, all other liabilities are - should be achievable on being settled through other sources of current working capital which are not included in this. So this should be lastly ((inaudible)) liquidity to use to grow the business.

(Bharati): Understood and if I can ask a couple of follow-up questions that's (not sharable).

Dhruv Shringi: Share...

(Bharati): So one would be in terms of how much would be the liability that's outstanding? And (ultimately), in terms of, you know, your amount which was indicated as restricted cash here, what would that be on a contrast?

Dhruv Shringi: Sure in terms of the liability which is there, that liability is going through a place determination process in a court-approved, you know, (recommend) and there are two sets of independent auditors who are working on that. Given that it is a good payment process, I wouldn't want to speculate on what that final number comes out to be. We believe that the liability that ((inaudible)) is having and our book is more than sufficient to meet any of that number that comes out of that exercise.

In terms of the other question around restrictive cash, so the restrictive cash has two components. One part of it is margin money which is for the facilities which are (house) spending. So these are the working capital and the receive facilities that we have at the banks. Some part of the restrictive

cash is buying guarantees and fixed deposits becoming maintained against these. And then another part of that is against the ((inaudible)) of bank guarantee which is provided by us.

What did happen under restricted cash is given that the ((inaudible)) bank guarantees are based on your trailing volumes. As we go forward, some of the restrictive cash will free up as the trailing volumes will be lower. So let's say hypothetically the last six month-volumes as we go into next month, will be lower than the last six-month volume as of today. So we will have some of this restrictive cash also getting freed up as ((inaudible)) bank guarantee that ((inaudible)) and balance on account of the low volumes of the past few months.

(Bharati): Understood - no that's very helpful. And last question from me, would you be ready to comment on your (focus) that position right now?

Dhruv Shringi: I'm sorry, I missed that - debt position?

(Bharati): Yes.

Dhruv Shringi: Sure, as of now, we don't really have any term loans or any fixed debt. We only have working capital facilities. Also, 2.8 million is going down and the further 8.3 million is available.

(Bharati): Understood - okay thanks so much.

Dhruv Shringi: You're welcome.

Operator: Thank you - that concludes today's Q and A session. I would like to now transact to our presenters for further remarks.

Dhruv Shringi: Thank you, everyone.

Manish Hemrajami: Thank you everyone - go ahead Dhruv.

Dhruv Shringi: Yes, and just in terms of the way forward, I just want to share that from a Yatra perspective, we believe we are well-positioned to be able to (tie) to this. We've got enough liquidity at this point in time and the steps that we've taken should allow us to come out leaner and stronger in the (post-COVID). Manish, would you like to add anything else?

Manish Hemrajani: Yes, thank you, everyone - if you guys missed the presentation, we have it uploaded on our investor site at investors.yatra.com. You can download it there. And the transcript and detail of the call will be also available shortly. Thanks for joining us today.

Dhruv Shringi: Thank you.

Operator: Thank you, ladies and gentlemen - this concludes today's presentation. You may now disconnect.