



November 18, 2025

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| <b>Listing Manager,</b><br><b>National Stock Exchange of India Limited</b><br><b>Exchange Plaza, C-1 Block G</b><br><b>Bandra Kurla Complex, Bandra (E)</b><br><b>Mumbai – 400051, India</b><br><b>Symbol: YATRA</b><br><b>ISIN No.: INE0JR601024</b> | <b>Manager - CRD</b><br><b>BSE Limited</b><br><b>Phiroze Jeejeebhoy Towers</b><br><b>Dalal Street,</b><br><b>Mumbai – 400001, India</b><br><b>Scrip Code: 543992</b><br><b>ISIN No.: INE0JR601024</b> |
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**Sub: Intimation – Transcript of Earnings Conference Call for the quarter ended September 30, 2025.**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the transcript of earnings conference call for the quarter ended September 30, 2025.

The above information will also be made available on the website of the Company at [www.yatra.com](http://www.yatra.com).

This is for your information and records.

Thanking You,

**Yours sincerely,**  
**For Yatra Online Limited**

**Anuj Kumar Sethi**  
**Chief Financial Officer**

**Encl.: as above**

**Yatra Online Limited**

[www.yatra.com](http://www.yatra.com)

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**“Yatra Online Limited  
Q2 & H1 FY '26 Earnings Conference Call”  
November 12, 2025**



**MANAGEMENT: MR. DHRUV SHRINGI – WHOLE-TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – YATRA ONLINE  
LIMITED  
MR. ANUJ KUMAR SETHI – CHIEF FINANCIAL OFFICER  
– YATRA ONLINE LIMITED  
IR PARTNERS – VALOREM ADVISORS – YATRA ONLINE  
LIMITED**

**MODERATOR: MR. JAYRAM SHETTY – ICICI SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Yatra Q2 and H1 FY '26 Earnings Conference Call. 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. Did you need assistance during the conference call? Please signal an operator by pressing star then zero on your touchstone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Jayram Shetty from ICICI Securities. Thank you, and over to you, sir.

**Jayram Shetty:** Yes. Good morning, everyone. On behalf of ICICI Security, we welcome you to Yatra Q2 and H1 FY '26 post results earnings call. Before we begin, let me mention a short cautionary statement. Some of the statements made in today's call may be forward-looking in nature. Such forward-looking statement are subject to risks and uncertainties, which could cause actual result to differ from those anticipated.

For the call from the management, we have with us Mr. Dhruv Shringi, Whole-Time Director and CEO; and Mr. Anuj Kumar Sethi, CFO, on the call.

I now hand over the call to Dhruv for his opening remarks. Over to you, Dhruv, sir.

**Dhruv Shringi:** Thank you, Jayram, and good morning, everyone. Thank you for joining us in this conference call to discuss our second quarter and first half of fiscal year 2026 earnings. Let me start by briefing you first on the operational performance for the period under review, after which our CFO, Mr. Anuj Sethi, will brief you on the financial performance in detail.

As highlighted in our recently uploaded results and presentations, Q2 FY '26 was a standout quarter for Yatra. We not only delivered robust financial and operating performance, far exceeding our guidance, but also marked 19 incredible years as one of India's most trusted travel brands.

Revenue for Q2 FY '26 rose by 48% year-over-year, while gross margins improved by 34% year-over-year. This strong performance was propelled by sustained demand and consistent execution across both our corporate and consumer platforms. The momentum in our corporate business strengthened by gains in higher-margin hotels and packages and ongoing progress in the MICE segment has been particularly noteworthy.

Our disciplined execution is further reflected in our profitability. EBITDA increased by 125% year-over-year and PAT was up 96% year-over-year, both coming in well ahead of earlier guidance.

Looking forward, the corporate travel market in India is projected to reach approximately \$20 billion by FY'27, yet online penetration in this segment was only around 20% in FY '24 compared to nearly 45% for the overall travel market. This highlights the significant headroom for expansion for the business travel industry.

Adoption of digital booking platforms, self-booking tools and integrated expense management solutions is accelerating across corporate segments. In lodging, branded hotels curated packages are seeing growing demand from both leisure and MICE travelers, fueled by improved supply, higher service standards and a preference for experiential stays. This expanded market, coupled with rising digital adoption, positions Yatra Online, especially well in the underpenetrated corporate segment.

Our corporate travel business continues its strong momentum. We onboarded 34 new corporate clients in Q2, collectively adding an annual billing potential of INR2.6 billion. In expense management, the transition towards AI-powered automation is helping organizations dramatically reduce manual errors, improve compliance and gain deeper real-time visibility into financial operations.

Solutions now feature automated expense tracking and smart categorization. Mobile apps and cloud-based platforms simplify approvals, while real-time audits and corrections powered by GenAI ensure policy compliance and error-free reporting. Research shows companies adopting AI-driven expense tracking can save substantial cost per report. This is one area where we are quite focused on going forward.

On the B2C side, we are making substantial progress in optimizing our customer acquisition costs and scaling profitably. Bookings previously affected by macro events are now rebounding. The recent reduction in income tax and GST rates is expected to further stimulate demand and discretionary spending, supporting continued growth in subsequent quarters.

On the technology front, we remain focused on delivering a seamless, intelligent travel experience. DIYA AI, our generated AI-powered travel assistant now simplifies flight and hotel searches and bookings, streamlining the experience from planning to payment.

Our newly designed hotel user interface features a clean per room per night pricing and upfront disclosures of taxes and fees, enabling transparency and boosting conversion. With our Best Price Guarantee, customers access to the lowest hotel rates on Yatra and if they find a better rate elsewhere, we match or improve it, further strengthening consumers' trust.

The travel industry is undergoing a significant transformation fueled by rapid advances in artificial intelligence and next-generation expense management solutions. AI is now central to powering more personalized, predictive and efficient travel experiences.

Generative AI and machine learning algorithms can analyze vast amounts of booking history, search behavior and customer preferences to deliver intelligent recommendations. Given the vast data bank that Yatra has and our strong history on both consumer and corporate, we feel this data is a huge advantage for us in terms of delivering personalized travel experiences to our customers using AI.

In sales and marketing, we celebrated our 19th year with a big outing fest, a higher impact campaign promoted across digital, social, outdoor and print channels. We also amplified our corporate travel presence on LinkedIn, increasing visibility and engagement with enterprise clients and businesses.

Looking ahead, we foresee continued growth driven by rising digital adoption in both leisure and corporate travel. Yatra is well placed to capture these opportunities through our expanding base of corporate clients, technology innovation and growing high-margin hotels, packages and MICE businesses.

Our commitment to disciplined cost management, profitable scaling and long-term value creation for shareholders remains steadfast as we strengthen our leadership in the dynamic global business travel landscape.

Thank you, everyone. And I'll now request our CFO, Anuj Sethi, to brief you on the financial performance for the quarter under review.

**Anuj Kumar Sethi:**

Thank you, Dhruv. Good morning, everyone. For the second quarter of financial year 2026, on a consolidated basis, our revenue from operations grew 48% year-on-year to INR3,509 million, driven by continued momentum across key segments, including robust growth in our hotel and packages business, a meaningful contribution from the MICE segment.

Our gross margin, defined as revenue less service cost, rose 34% year-on-year to INR1,257 million, underscoring the strength of our diversified business model. Adjusted EBITDA surged 88% year-on-year to INR255 million, translating to a healthy 20% EBITDA to gross margin ratio. As a result, profit after tax increased 96% year-on-year to INR143 million.

For the first half of the financial year 2026, on a consolidated basis, our revenue from operations grew 66% year-on-year to INR5,607 million. Our gross margins rose 39% year-on-year to INR2,414 million. Adjusted EBITDA surged 109% year-on-year to INR504 million, translating to a healthy 20% EBITDA to gross margin ratio. Profit after tax for the period increased 168% year-on-year to INR303 million.

In terms of segmental performance, our air ticketing passenger volume declined 3% year-on-year to INR1,329,000. However, gross air bookings grew 12% year-on-year to INR1,4811 million. And air gross margin rose 36% year-on-year to INR585 million, with margins improving from 3.2% to 3.9%. Under hotels and packages segment, hotel room nights grew by 9% year-on-year to INR504,000 million.

Gross bookings increased 40% year-on-year to INR5,142 million, while gross margins expanded 52% year-on-year to INR456 million, with margins improving from 8.16% to 8.86%. On the liquidity front, cash and cash equivalent and term deposits stood at INR2,139 million as of 30th September 2025. Gross debt has significantly reduced from INR546 million as of 31st March 2025 to INR211 million as of 30th September 2025.

With this, I would like to hand it back to the moderator and open up for question-and-answer session. Thank you.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Nitin Padmanabhan from Investec.

- Nitin Padmanabhan:** I had a couple of questions. So first is on the how would the year-on-year growth in gross bookings for both corporate and consumer look at the moment for the quarter on a year-on-year basis?
- Dhruv Shringi:** So if I look at this from a year-over-year perspective, Nitin, growth in terms of consumer actually would still be slightly negative. They are about 10%-odd negative year-over-year. And in the case of corporate, corporate is close to about 20% and I'm including MICE in this, right, almost about 25% positive year-over-year.
- Nitin Padmanabhan:** Perfect. And so this is a corporate for us is a reasonably high operating leverage business. Now as we look at it on a going-forward basis and let's say, you balance between the benefits of operating leverage and investments, how should we think about the cost line items broadly? You think certain costs will not move up too much? Just broadly, how are you thinking of the cost?
- Dhruv Shringi:** So on the cost line items, Nitin...
- Nitin Padmanabhan:** From an investment perspective?
- Dhruv Shringi:** Sure. So from a year-over-year perspective, if you look at the cost, there is movement which is there, but that is also on account of the inclusion of the numbers for Globe. Last year in the quarter, Globe's numbers were only there for 21 days, I think, in the quarter. And now you have a full quarter's expenses of Globe included in these numbers, and that's part of the reason, in fact, a significant part of the movement in the cost is coming from there.
- If I was to look at this sequentially on a quarter-on-quarter basis, the only real movement or material movement in expenses which is there is on the other expenses side. And that is on account of some incremental costs that we've incurred on the migration to the GCP, which is the Google Cloud Platform, and some incremental commission, which is paid to affiliate partners where we've seen some affiliate partners grow their business quite meaningfully where they're sourcing their hotel inventory from Yatra.
- So those are the two factors which are there. The GCP cost should moderate as we settle down on the platform, right? So initial transition will always have a little bit of higher cost. But as we optimize for the platform cost, we will see approximately anywhere between INR1 crore to INR2 crore kind of reduction in this cost in the coming quarters.
- So costs should remain broadly range bound only. We should not see any significant change in cost. The cost increase that you see on the employee side, that is a little bit of addition that we've done on increasing the sales force on the corporate side and adding a few more people on the MICE and expense management sales front. And the reason behind doing that is we see a tremendous amount of opportunity and these people can deliver a very quick return on the investment that we are making in them.
- Nitin Padmanabhan:** Perfect. Congrats on another stellar quarter and all the very best.
- Dhruv Shringi:** Thank you, Nitin. In fact, I would go to the extent of saying just looking at the overall performance that we've had, we would look at raising our adjusted EBITDA guidance for the

year from 30% where we were earlier on the guidance front to looking at about a 35% to 40% growth in adjusted EBITDA because we do feel that we will continue to see good operating leverage out of the business. So on the back of that improved operating leverage, we are looking at raising our EBITDA guidance as well.

**Moderator:** The next question is from the line of Biplab from Antique Stock Broking.

**Biplab:** Congratulations for the excellent set of numbers. My first question is you have delivered strong profitability consistently over the past few quarters. And given the sticky nature of the corporate business, can you expect third quarter and fourth quarter to remain equally strong and PAT in this financial year crossing INR65 crores, INR70 crores?

**Dhruv Shringi:** Biplab, as you would firstly, thank you for your generous comments. But as you would know, third quarter is seasonally a weaker quarter for corporate travel. We see with the Diwali and the Dussehra break in October and then with the Christmas break second half of December, corporate travel will be relatively slow in this quarter.

So Q3 would be a slower quarter for us. But then Q4, again, based on the large number of customer wins that we have and it also being a reasonably healthy quarter for MICE, we would expect Q4 to be even stronger than where we are at the moment.

So on the whole, we think the positive momentum which is there will continue in the business. There will be a certain amount of seasonality in the business. As I just mentioned, we've increased our guidance as well in terms of adjusted EBITDA guidance. But I don't want to really put out a number of INR65 crores over there in terms of PAT and get ahead of ourselves at the moment. I would rather look at our performance speak for itself.

**Biplab:** Okay. That's fair, Dhruv, sir. My second question, we observed, correct me if I'm wrong, a decline in airline net take rates from 4.6% in quarter 1 to 3.9% in quarter 2, maybe due to higher discounting, maybe. Could you elaborate on the key driver? Was it due to the higher discounting, I mean, B2C mix going up or investment in corporate pricing to drive growth? What is the reason take rate airline take rate going down?

**Dhruv Shringi:** Sure. Yes. So just one there's one reason, key reason for this, and that is that every year on the 1st of August, Yatra celebrates its 19th anniversary, on its anniversary rather. This year was our 19th anniversary on the 1st of August, and we run an anniversary month sale across August. We've done this every year since literally 2006. So there is a little bit higher consumer promotion, which happens during this quarter.

Last year also, if you see, this quarter would have had a relatively lower air gross margin, right? So last year, it was 3.2%. So versus last year, it's improved pretty significantly from 3.2% to 3.9%, but this is one of those quarters where, yes, we do have a slightly higher discounting and consumer promotion on account of the anniversary offer that runs across the month of August.

**Biplab:** And this is for both corporate and B2C and corporate, the promotion?

**Dhruv Shringi:** The promotion is driven by B2C, but yes, it spills over into corporate as well because corporate personal bookings also get the benefit of that same promotional offer.

**Biplab:** Okay. Okay. And last question is on the AI. You mentioned about AI. So I'm just wondering, everywhere we are hearing AI nowadays. So how do you see AI shaping this OTA landscape, specifically supporting Yatra's growth? And how much Yatra has invested so far in AI capabilities? Can you give us some color what could be the investment, how it would help Yatra and all?

**Dhruv Shringi:** Sure. So firstly, in terms of where the potential of AI lies and where we are using it right now, you would already have seen DIYA AI, which is our AI engine being live on the site. Our endeavor is to make our corporate travel business almost like a concierge where you can give it a very defined one-line request and based on your policies, the corporate engine knows exactly what level of employee you are, what your entitlements are, it should be able to give you matching search results.

So to walk you through this, I could potentially tell DIYA, find me a flight to Mumbai tomorrow morning between 8.00 and 9.00 a.m. on IndiGo. It will only show you that flight option or the two flight options that exist, right?

You can ask in terms of hotels, you could say, show me a hotel near Saki Naka in Mumbai, which is 5 star and offers a continental breakfast. It will show you only those hotels. So what we are trying to do is replicate the kind of human interface that a concierge would have provided to a business traveler using AI.

The power that we have is that we have tremendous amount of data around all our corporate travelers, right? We know their preferences. We know what the policies are, which are applicable to them. All of that is preconfigured in our engine. That allows us to really work towards personalization in a manner which very few can achieve. That's where I think there is a great advantage that Yatra has that we want to build a corporate travel platform which is going to be highly personalized.

This is one example where it's on the user side. The other things which are there is you could simply use this agent to ask it to cancel your flight, you could ask it for e-tickets, you could ask it to help you reschedule. You could be in a situation where in our back office also, we have a vast number of requests coming in today from corporate travelers, and those requests can be fairly standardized, right? People asking for the three cheapest flight options tomorrow morning to Mumbai or Calcutta, right?

So those kinds of requests on the e-mail can all be automated using AI, and that will drive down servicing costs. This is something that I mentioned earlier as well that we are looking at least 75-odd heads being optimized by the end of this fiscal year. And I think this has the potential to optimize about 200 heads from a headcount point of view by end of next year.

So we see tremendous amount of value and application on the AI side. We do have a strong team on AI led by Dr. Shakti Goel, who has, who comes from the IIT, MIT kind of background, who is leading this team of about 15 data scientists, which are focused on building AI-led



applications. So from our perspective, we think this can have a significant impact, both in terms of the user experience and in terms of the servicing cost for the company.

**Moderator:** The next question is from the line of Aditya Sen from Findoc.

**Aditya Sen:** Sir, my first question is about the receivable days. I recently started tracking the company and see that the receivable days is high as compared to the industry. So is there a reason for the same? And are we planning to cut it down to the industry average?

**Dhruv Shringi:** See, firstly, when you say receivable days are above the industry average, in terms of corporate travel industry, our receivable days, and we've looked at the corporate travel industry very closely, would be meaningfully better than most peers in the corporate travel industry.

I can understand if your question is in the context of consumer where there are no receivable days, right? On the consumer side, B2C side, people pay upfront using credit card, whereas on the corporate side, we are typically operating on a 28-day DSO cycle.

So from a receivable days point of view, our receivable days are, pretty much on the corporate side, one of the best in the industry. And part of that stems from the fact that a large percentage of our transactions are all automated, self-booked. There is deep integration that we have with the ERPs of our corporate customers, which allows us to streamline our billing and collection process.

**Aditya Sen:** Understood. And sir, the second question is about the air passenger volume that saw a minor dip Y-o-Y, 3%. So since we are already 1.5 months into Q3, what is the scenario this quarter given that we had good festivity? Could have this because of the corporate passengers, but overall, what's the scenario?

**Dhruv Shringi:** So the overall air volumes, we are seeing some improvement gradually beginning to happen. You're right, there was a marginal dip, 2.5% last quarter for the industry as a whole. But given that seasonally, this should be a strong for the B2C part of the business, we would expect overall industry volumes to be about 2% to 3% higher than last year.

**Moderator:** The next question is Anmol Garg from DAM Capital.

**Anmol Garg:** Congrats for a strong set of numbers. I wanted to understand a couple of things. One thing that I wanted to understand is the volume growth in the Air segment sequentially. Now it was around 10%-odd versus a 3% to 4% kind of decline in the industry.

So was this because of increased traction entirely in the B2B? Or have we also gained some market share in the B2C segment? And also, in terms of that, I wanted to understand that are we looking to spend more on the B2C side to gain market share in the coming quarters as well?

**Dhruv Shringi:** Anmol, in terms of the growth, which is there in terms of the volume, this would have been if I look at the delta of the delta from Q1, about 60% of the delta will come from B2C and about 40% of the delta will come from B2B, right, from the corporate side of things. So we've seen good traction coming together on the B2C front as well.

We've been able to work on a few initiatives, which are allowing us to scale up B2C without needing to invest any negative amount of, any negative cost of acquisition. So we've got some few things going really well for us right now on the B2C side, which are enabling us to grow the B2C business without doing negative cost of acquisition.

So that's what's also driving. B2B anyways continues its own steady momentum in terms of growth quarter-on-quarter with a positive unit economics. So B2B is steady. And on the B2C side of things, we've got a few things that we've been working on for the last six, nine months now, they are beginning to pay results.

**Anmol Garg:** Yes. So in continuation with that, should we expect B2C kind of market share increase going ahead as well? And in terms of the newer initiatives that you have been talking about, are these more related to value-added products that we have launched? And if you can also indicate that what percentage of our total bookings have product associated to it?

**Dhruv Shringi:** So in terms of B2C, we should continue to see the momentum and the trend reflect positively in terms of volume growth as well on the B2C side of things. We are seeing no slowdown in that. So we would continue to see that going forward as well. Part of it is coming from the cross-sell, but part of it also is coming from just fresh customer acquisition on the B2C side of things.

I don't want to publicly speak about, Anmol, the initiatives that we are taking to acquire those because I feel those are a few differentiated steps that from a competitive proposition perspective, we want to just keep it to ourselves right now. But those are some interesting ways in which we are looking at customer acquisition at relatively low cost from a customer acquisition point of view.

In terms of the attach rate, which is there, the attach rate still of value-added products and services hovers between 15% and 20%. So there's a lot of headroom for growth on that going forward. It's still very early days for that.

**Anmol Garg:** Understood. And lastly, wanted to understand if there is any guidance for FY '26 in terms of revenue less service cost growth that we are looking at?

**Dhruv Shringi:** So in terms of revenue less service cost, our initial guidance was about 20% and our EBITDA guidance was 30%. The EBITDA guidance, we have raised to about 35% to 40%. Revenue less service cost also should be comfortably ahead of that guidance of 20% that we had given. I think you can look at maybe a further 10% increase in that. So let's say, a 22%, 23% kind of increase in the revenue less service cost.

**Moderator:** The next question is from the line of Aditi from Iwealth India.

**Aditi:** Sir, actually wanted to know the reason of the increase in service cost because it has bumped up quite a lot. And due to that, our overall gross profit has also increased. So what is the reason for the same? And how should we look at it going ahead?

**Dhruv Shringi:** So the service cost comes on account of the MICE business, and there is a certain amount of seasonality to the MICE business. The increase in service cost is solely on account of the higher

MICE business in the current quarter. If you were to look at this on the gross margin, the revenue less service cost, that is not really affected directly by the service cost element of it.

That is the net revenue that we earn. So that is after deducting the service cost. So the service cost only comes from the MICE business, which has seasonality. For MICE, you will have Q2 and Q4 typically being the stronger quarters.

**Aditi:** Understood. Okay. So, and sir, going ahead, like would this reduce or would this be in the 200 range?

**Dhruv Shringi:** So in the third quarter, it will come down because of, again, seasonality of the MICE business. And then in the fourth quarter, it will again go up on account of the same seasonality. The number you should focus more on rather than the service cost is looking at the gross margin, which is the revenue less service cost number, that is the actual gross income that we have.

**Aditi:** Understood. But sir, that also quarter-on-quarter, it has declined due to the air ticketing thing. Last quarter, you had said that this was because last quarter, the air ticketing take rate was higher, 4.6% because you had done some affiliated partnership with banking and all of that. But this quarter, it didn't reflect?

**Dhruv Shringi:** Aditi, that is actually not correct. Last quarter, our revenue less service cost was INR115 crores. And this year, the revenue less service cost is INR125 crores. So it's actually gone up sequentially quarter-on-quarter by INR10 crores.

**Aditi:** No, sir, take rate, I'm speaking about the gross margin percentage. Like last quarter, it was 6.4%. This time it is 6.1% and yes, so the reason for that.

**Dhruv Shringi:** The take rate, which is there, if you look at the breakup of that, you will see that on the Air side, the take rate has come down from 4.6% to 3.9%. That's the same question that Biplab had also asked, right? So the reason behind that is that there is greater consumer promotion on account of the anniversary, the 19th anniversary, which was there in August. Every year, August will have greater consumer promotion on account of our anniversary month. And that's an annual sale that we run during the Yatra anniversary month. So that is the reason behind that.

**Moderator:** The next question is from the line of Akshay from Xponent Tribe.

**Akshay:** I have a question on sort of the competitive landscape. The B2B side of the market is growing at a reasonably healthy pace. And sort of wanted to understand what is it that sort of we are doing to kind of gain incremental market share? Are we actually gaining more market share versus our closest peers on the B2B side? And if yes, what are we doing to kind of gain that?

**Dhruv Shringi:** Sure. So in terms of the B2B side, the B2B industry typically grows between 1.5x to 2x of GDP, right? So at this point of time, the industry growth expectation is somewhere around the 9% kind of mark, right? We are growing significantly faster, almost double the rate of the industry, if I look at the trend for the last few quarters. So we are definitely gaining share across the board from all our competitors and just overall in the industry.

The factor which is driving this growth in market share for us is basically the fact that we have today a proven technology solution, which is tried and tested across hundreds of large corporate and enterprise customers. That is the solution that is today very actively being pitched across the industry.

And there is an overall move, and this is a move that started coming out of COVID back in 2023, that organizations have been looking aggressively to digitize their business processes. And travel definitely is one of those business processes that they are trying to streamline and digitize.

So being the market leader with a product which is very well positioned for the Indian market with really good content of domestic hotels, we are in a position today to provide our integrated stack to the large enterprises, which goes from travel requisition all the way through to expense management, which integrates deeply within the organization.

So it's providing a completely seamless solution, which is absolutely fit for the Indian market. That is what is helping us win market share today in the industry on the strength of the product and the solution that we are offering to large enterprise customers.

**Akshay:**

So let me make it a little bit more sharper just to, I mean, when I look at MakeMyTrip product, right? I mean when I look at our products and we compare feature by feature, I don't see a material difference on that front. So my question is a little bit more what is it that the customer sees in us and say that, okay, this is why I want to say the Yatra product versus -- I don't want to name the competitor, but say x competitor or y competitor. Like what is it about our product that stands out?

**Dhruv Shringi:**

Sure. So let's go sharper and deeper if that's what we want to do, right? So if you look at the product, you are looking at it only from an end consumer's booking flow point of view. You are not looking at how the guy who is actually making this decision in a large enterprise, which is the procurement guy, which is the CFO, who is looking at policy compliance.

They are saying how complex are the policies of the organization and how well is the system able to handle those policies. If my policy says that as a traveler of a particular level, if my flight is 5.5 hours, I am entitled to business class. But if it's less than 5.5 hours, I'm entitled only to economy. Can the system intelligently figure out these things and make sure that the policy is applied and only the relevant flight is shown to the end traveler?

There are multiple such there are hundreds of such policy configurations based on cost center, based on employee bands, based on geographic locations, which are easily adaptable within our system. That is where the secret sauce lies. The simple booking flow that you see as an end consumer, which gives you the flight options, that is the easier part.

The guy who is making the decision is not the end traveler, right? The guy who's making the decision is somewhere in the background, the CFO or the procurement head. Our ability to show not just market rates, but also integrate market rates seamlessly with the especially negotiated rates that each organization will have across hotel chains, right?

That's another huge advantage which accrues to the corporate from a cost saving point of view. Some of the global multinationals that we service have rates with the global hotel chains that no one else can match. No TMC can match, let's say, the rate that a Big Four or a big consulting firm will have with the Marriott Group.

Those rates flow seamlessly into our platform along with the retail rates. So it makes sure that the best rate wins and the price is always the cheapest, which is available to the corporate traveler. That's where the advantage lies.

The amount of digital information we are able to provide to our customers using our Power BI tools from the procurement side and from the CFO side, which allow them to slice and dice multiple ways the cost that they have.

They can simply look at from a policy compliance point of view, benchmark and see if other peers in their industry are following a particular policy versus the policy that they are following. If they were to change that policy, what is the financial saving that accrues to them. These are tremendous amount of things which are there in the background, which are used by the person who is actually the decision-maker.

So there are multiple such things which exist, right, in the solution, which you maybe on the face of it where you're only comparing the skin to the skin might not see, but that's where the secret sauce lies.

- Moderator:** The next question is from the line of Ankush Agrawal from Surge Capital.
- Ankush Agrawal:** So can you first highlight what was the organic growth in gross margins for the quarter?
- Dhruv Shringi:** Sure. So in terms of organic growth in the gross margins, and you're looking at this from an Air point of view? Or are you looking at this
- Ankush Agrawal:** No, overall basis. I think last quarter, we said that the gross margin organic growth was more than 30%. So similar number for this quarter.
- Dhruv Shringi:** So in terms of gross margin, gross margin grew 34% year-over-year. And this year was INR125.7 crores in terms of gross margin.
- Ankush Agrawal:** Yes. What would be the organic growth? This includes some 20-odd days?
- Dhruv Shringi:** Yes. So in terms of organic growth rate would have been closer to about 21%, 22%.
- Ankush Agrawal:** Okay. Second thing that I wanted to understand is, say, in the medium-term, we have given this guidance that we'll reach, say, 30% EBITDA margin. So what would be the key cost line items where you expect you see the biggest operating leverage going ahead?
- Dhruv Shringi:** So the bigger operating leverage that we will see and just to also clarify, we look at EBITDA to gross margin ratio at 30%, right? So looking at the EBITDA to gross margin ratio, the leverage which will come will come largely from people cost and from the other expenses, right? Those are the two numbers where we will continue to see operating leverage.

If you see sequentially, people cost has moved up by about INR1.5 crores, but our overall revenue less service cost has grown by about INR10 crores, right? Other expenses, as I mentioned earlier, there is while there is a INR5-odd crore increase, part of it is coming from the migration incremental migration costs to the Google Cloud platform, which should tone down in the coming quarters.

**Ankush Agrawal:** Just the last one clarification on this guidance that you're giving in terms of gross margin growth of, say, 22%, 23% and 35% to 40% adjusted EBITDA growth. If I look at our last 12 months number, like last four quarters number, we have already grown like for the full year, like 51% growth in adjusted EBITDA and 17% in the gross margin.

So your guidance sort of gives an impression that we will degrow in the H2, which obviously is not going to be the case. So I'm just trying to understand why are we giving this very mellowed down sort of guidance, even though it's clearly that even if we don't grow for next two quarters, we are going to beat that guidance either way.

**Dhruv Shringi:** Yes. I think to a certain extent, we would rather be conservative and then consistently let our numbers speak for itself. I don't want to get out there with a very aggressive guidance, but just continue with a more moderate guidance and make sure that our performance speaks for itself.

**Moderator:** The next question is from the line of Rohan from Prad Capital.

**Rohan:** Sir, my first question is again on the conversion of gross profit to adjusted EBITDA. And if I see for the last three quarters, our gross profit has been INR109 crores, INR115 crores, INR126 crores, which is very good growth. So adjusted EBITDA conversion has not really grown and adjusted EBITDA is at INR25 crores for three quarters.

So when do we see that operating leverage play out? And when do we see this number trending upwards meaningfully? And what do you think is a realistic number of conversion of gross profit to EBITDA, say, for FY '27?

**Dhruv Shringi:** Right. That's a good question, Rohan. What we've looked at for the time being, at least is that there are some incremental investments that we have made, whether it's being building out the sales team for expense management and even expanding our sales team on the corporate travel side, whether it's the migration investment that we've made to the Google Cloud platform, right, which will enable us to be able to service our customers better in the periods to come.

There is a certain amount of investment that we've been making over the last two, three quarters because our business is growing well. We've got enough headroom at this point of time to invest in some of these other initiatives, which will deliver results in the subsequent quarters as well.

In terms of answering your question from a number point of view, you will start seeing improvement in the number in Q4 itself, right? So not that far out from where we are right now. And then again, going forward from there, it will end up setting a new baseline from the INR25-odd crore number that we are looking at right now. So you will see improvement happening in the fourth quarter itself.

- Rohan:** Got it. And sir, my second question is we've seen a very strong cash flow from operations in first half. And this is irrespective of the B2B business having higher working capital. So you've managed it very well. And you have talked in the past of using corporate credit cards, etc., to sort of contain the receivables. Have you already done that? Is that in the works? Or is that on the back burner right now? And how do you think of it going forward?
- Dhruv Shringi:** No, that's been part of the reason behind the improvement in working capital. That is coming from migration of a few customers on the corporate card platform, right? And obviously, there is the incremental benefit of the revenue or sorry, cash flow from our P&L as well, right? So from the profit conversion into cash flow. So both of those factors are having an impact on this.
- Rohan:** Okay. Sir, but where are you in this journey? Like are you still early days? Can you optimize...
- Dhruv Shringi:** Very early.
- Rohan:** Okay.
- Dhruv Shringi:** Yes, yes. Very early. I mean, in terms of card platform adoption, right, and I think shared this once earlier as well, we are still around the 30%-odd mark in terms of card platform adoption. So there is in fact, it will be even slightly lesser than that late 20s from a card platform adoption point of view.
- So there is a lot of headroom for improvement as the card platform becomes more and more prevalent. If you see from an ROCE point of view, right, last year, our ROCE was around 5%-odd. This year, in the first half of the year itself, we are at about 4 plus. So we should be closer to about 8% plus kind of ROCE, if not 9% this year. And next year, we should be around the 13%, 14% mark in terms of ROCE. So there is a lot of optimization opportunity.
- It is a slightly gradual process, which is there in terms of adoption of the card platform amongst corporate customers. But if I was to model this out two, three years down the road, just seeing the kind of trends which are there, my sense is that the late 20s should become at least 50%-plus over the next two to three years of a much larger sales number.
- Moderator:** The next question is from the line of Sahil from Strokes Capital.
- Sahil:** Congratulations on a great set of numbers. I wanted to understand the 34 new clients that we added in this quarter. So if you could just shed some light, what's the size of these clients? Are they large corporates or are they SMEs? If you could just shed some light on that?
- Dhruv Shringi:** So these would largely be mid to large corporates only. They would not be SMEs. If you just look at from an average spend point of view as well, right, we are talking about companies with an average spend of about INR7 crores to INR8 crores. So they are all reasonably large, medium to large enterprises.
- Sahil:** Okay. Got it. And my second question is, how is the integration with Globe Travels contributed to this quarter? I mean, has that integration been seamless with our platform? And how has that contributed?

- Dhruv Shringi:** Globe has been a very successful acquisition for us. It's over a year now since we acquired that entity, and we've been able to successfully integrate from a sourcing point of view and even from a to a great extent from a technology point of view, Globe into the Yatra platform.
- And in terms of contribution, as I mentioned earlier to someone, in terms of gross margin, organic growth would have been closer to 20% versus the 34% that we see right now, right, on an overall basis, which factors in the Globe acquisition. So Globe has been a very, very successful acquisition for us.
- Moderator:** The next question is from the line of Sonal from Prescient Capital.
- Sonal:** This is Sonal. Just first question is around the accounting part of the reported numbers. Since Globe was not part of the P&L or maybe I think 20 days of Globe was included in September quarter last year. Is it fair to look at the numbers from a standalone perspective? Because this quarter, we have full Globe numbers and September last year, we maybe had just 18 to 20 days of Globe numbers. Just wanted to get that out of the way to understand?
- Dhruv Shringi:** Yes. I guess, stand alone to a certain extent, what you won't see in the stand alone would be, let's say, the synergy benefits, which have accrued subsequent to that, right? But otherwise, yes, you could look at the stand alone as well to that extent.
- Sonal:** Yes. So if we take the P&L reporting out of the picture and we say that, let's say, Globe did x crores of sale in September quarter '24 and only 20 days out of those 90 days were included in your P&L. And this quarter, all 90 days are included. Wouldn't that be a more fair comparison and then say that how much has top line grown?
- Because on a standalone basis, the top line has grown from 202 to 203, which has some Globe days. So it doesn't have any Globe in it. So if I were to include like-to-like, like 90 days of Globe in last quarter and 90 days of Globe in this quarter, ballpark, what would the top line growth will look like? And if you could share those numbers?
- Dhruv Shringi:** So the stand alone number, I think that you're looking at would only be Yatra Online Limited. Maybe I'll ask Anuj to chime in on that, if that includes the consolidation of the other subsidiaries as well, like the business travel subsidiaries.
- Anuj Kumar Sethi:** It does, Dhruv. It does.
- Dhruv Shringi:** It does. Okay. Sorry, just go on please on a?
- Sonal:** Yes. So I was just saying that 90 days of Globe, last year, 90 days of Globe this year. What would the sales number be basically if we were to just take a ballpark? Because then it's a fair comparison on growth, basically, you like to make?
- Dhruv Shringi:** Yes. So if I was to do a like-for-like number, then the gross margin would have improved by about 20% year-over-year. So this is factoring in 90 days of Globe last year versus 90 days of this year.
- Moderator:** The next question is from the line of Aman Jain from PN Securities.



- Aman Jain:** A couple of questions. Just in the call, you said that the ROCE should improve to 13%, 14% next year. Your thought on this is that you're thinking the improvement is going to be due to the pickup of the credit card product and hence, deduction in the debt we have or you are also thinking of some EBITDA improvement as well? And if you think of EBITDA number, what kind of EBITDA improvement you are thinking for next year?
- Dhruv Shringi:** Sure. So in terms of the ROCE, Aman, what we are looking at is going to be a combination of both. A larger part of it will still come from the EBITDA improvement, which will be there, right? And we are just looking at the kind of growth rates that we have, we would expect EBITDA numbers to continue to improve at least 25% to 30%.
- This is not a formal guidance that I'm putting out right now, but just giving you an indication, right? So we would continue to see that kind of EBITDA growth going forward as well. The other thing which also you have to take into account is that on the incremental business that we do, right, given that most of our cost structure is already fixed in nature, the ROCE on the incremental business, even factoring in the kind of working capital of 28-day DSO that we deploy is in the range of 30%-plus, right?
- That's on the incremental business that we do. And as that share continues to improve, right, as we continue to scale up on account of the operating leverage, we will see ROCE also continue to improve as we've seen in the current year, right? We've seen current year ROCE go up from like, let's say, under 5% last year to likely to end about 8%-plus this year.
- So that's what's driving it. So there is operational leverage, operating leverage, which is driving EBITDA improvement. And then you've got working capital optimization, which is happening in parallel in the background.
- Moderator:** The next question is from the line of Vinay from Hathway Investments.
- Vinay:** Very good set of numbers, Dhruv, excellent numbers. Just have one question. I think most of my questions have been answered. Just wanted to know because just like what the earlier participant asked, if I look at the month of October, that would give you an exact like-for-like kind of growth inclusive of Globe last year versus this year. Can you just tell us what kind of growth are you looking at in this month of October? Y-o-Y?
- Dhruv Shringi:** Actually, it won't be like-for-like because the timing of Diwali does play an important part in that, right, given when the Diwali, Dussehra holidays are. But having said that, we would expect organically, right now because it's going to be fully organic. We would expect revenue less service cost growth to be between 15% to 20%, and we would expect EBITDA growth to be upwards of 20%, 25%-25% plus.
- Vinay:** Okay. And second question was on MICE contribution this quarter. What is it? And this half year, what percentage of your sales are coming from MICE business?
- Dhruv Shringi:** So in the second quarter, the contribution of MICE will be approximately 16%. And for the first half of the year, so first quarter is 17%, and for the first half of the year, it would be about 13%.

- Moderator:** The next question is a follow-up question from the line of Biplab.
- Biplab:** Yes, Dhruv, so you have onboarded more than 1,300 corporates till date. And has the business run rate from these accounts reached full potential? What would be the estimated annual revenue potential from this onboarded corporates? And where do we currently stand in terms of run rate from these corporates?
- Dhruv Shringi:** Sorry, was your question on the corporates? I missed a little part of it. In the current quarter or from the previous quarter?
- Biplab:** No. So the run rate, every quarter, the business you get from these corporates, has the business run rate reached full potential? I mean, suppose assume that you as per you have the estimated full potential from these corporates onboarded is, say, INR100 crores per quarter. Has it reached to the full potential of the...
- Dhruv Shringi:** No. So the answer to that is no, from a potential point of view, it would still not be at full potential. There are some customers who are currently in the process of scaling up and ramping up. So these would largely be customers who would have been acquired in the last two quarters. So they would still be somewhere between 60% to 70% of their potential. So on an overall basis, there might be between 5% and 10% kind of a number incremental growth, which will come from the full potential of these customers.
- Biplab:** Okay. So in the future, the future growth will come from corporates that you'll be adding or from the same corporates who will increase their spend? How do I see, say, growth for the next two, three quarters two, three years?
- Dhruv Shringi:** Sir, it will always be a function of both because what we've seen historically is that same customer growth is averaging around 8% to 9%, right, in terms of year-over-year growth. And then there is a further 10% plus growth, which is coming in from new customer acquisition and about 4%, 5% growth coming in from cross-sell of new products and services to existing customers.
- The growth that we see from a same customer point of view, typically, as I mentioned, follows the overall growth in the GDP and the economy. So from that perspective, it ends up growing between 1.5x to 2x of GDP growth.
- Biplab:** Okay. And what is the share of B2B this quarter?
- Dhruv Shringi:** This would be around 67%, 68% 67%.
- Moderator:** The next question is from the line of Akshay from Xponent Tribe.
- Akshay:** Just wanted to kind of complete the thread that I have started. If we had to compare the digital-first players like us, right, which are basically able to provide a direct platform with the rule engines that are built in, right? Would it be fair to say that even that part of the market, which itself is growing at a higher rate than the total market, right, even there, we are gaining market share.

And because that's sort of what's sort of more important because the structural shift from the non-digital to digital is sort of super evident, right? And obviously, we are gaining market from that part of it is very clear. But just sort of wanted to understand if we are also gaining market share within the digital-first sensor platform?

**Dhruv Shringi:**

See, we are gaining some market share in the digital-first platform, but given and if I look at it at a broader level, right, the offline the more traditional players are also trying to come up with some digital-first solution. So for sure, from that overall perspective, we are gaining a lot of market share.

But if I were to look at this more specifically and say, okay, there are only two people who are truly providing that kind of a solution, in that two people race, I would say both of us are maybe maintaining, if not us gaining a slight amount of market share. It's relatively early in that process because companies have adopted this digitization journey two, three years ago only. So most of these will not really come up for renewal that quickly in the cycle.

**Akshay:**

Sure, sure. Fair enough. So our churn would also be what would our churn be like? I mean, if I had to do on value churn?

**Dhruv Shringi:**

Churn is less than 3%. On a customer churn, it's less than 3%.

**Akshay:**

Annually?

**Dhruv Shringi:**

That's right. Yes.

**Moderator:**

The next question is from the line of Prateek Giri from Subla Research.

**Prateek Giri:**

Good set of numbers. Most of my questions are answered. Dhruv, I just wanted to in fact, the last question, I would like to extend a bit upon it. So for example, if an account which is held by Yatra, if it is approved by, let's say, some other companies which are there in the market, what makes a customer switch?

Let's say, the product features are same in both the tech of Yatra and the other guys approaching our existing client. And I just wanted to understand from the switching from the churn point of view because as in insurance, we see there's a pricing analysis every year. Does it happen in this segment also?

**Dhruv Shringi:**

No. See, what ends up happening is because you end up integrating tightly within the organization, right, into the HRMS, the ERPs, the purchasing workflows. When it comes to switching, there is a high amount of inertia. The reason being that from any enterprise point of view, a new player has to then offer a significant amount of incremental value for the enterprise to take on the owners of prioritizing its own technology team to do a new integration.

And that adds to a huge barrier because at a more softer level, right, I would go to the extent of saying very few companies, technology teams will prioritize their bandwidth to integrate a new travel vendor for only a marginal benefit. So the benefit that a new player has to offer has to be substantially large for an organization to take on that onus again. So that's where we've realized

that doing deeper integrations with organizations creates a very long lifetime value for the customer.

**Prateek Giri:** Understood. Very helpful. May I put one more question, if moderator allows?

**Moderator:** We have participants in the queue. The next question is from the line of Hitesh from Cagr Quest Capital.

**Hitesh:** So I just wanted to confirm, in the last con call, you said that the gross margin to EBITDA ratio, basically, I think you gave a guidance that for 12 to 18 months horizon, we should be able to get this to 25%. And in 36 months it's close to 30%. So kind of do you think that is still achievable? Or would you want to change that?

**Dhruv Shringi:** I think if I recall correctly, I said 23% to 25% in the near-term and then going up to like 30% in the medium-term, right? So I still believe that 23% is something that we will see in the relatively near-term. I don't think we need to change anything on that front.

**Hitesh:** Okay. So I'm sorry, actually, could you just define what you mean by near-term, actually?

**Dhruv Shringi:** So over the next, let's say, four quarters.

**Hitesh:** Okay. And please correct me if I'm wrong, if I'm looking at this the wrong way. So kind of given that Q2 is our best quarter, I would have expected the gross margin to EBITDA ratio to go up this quarter, but rather it has gone down. So kind of should we be taking this as a one-off or kind of?

**Dhruv Shringi:** Yes. So yes. So as I explained to that, right, there is one key factor behind that, which is there or maybe two factors which are contributing to it, right? One, given that this is the typical anniversary annual year anniversary quarter for Yatra, we do have a period where we have higher levels of consumer promotions that we run in the month of August, right? So that is one contributing factor to this.

The other which is there is on the cost side, right? As I mentioned that we have incremental costs that we've incurred right now for the migration to the GCP Google Cloud platform. As that stabilizes, we will see a further improvement of about INR1 crores to INR2 crores in the coming quarters.

So if I was to just simply look at that two number, right, INR2 crore number, which would have been there, that itself would have taken us to about 21.5% kind of number from a gross margin or EBITDA to gross margin ratio.

**Moderator:** The next question is from the line of Adit, an Investor.

**Adit:** Congratulations for the great result. So I just had two questions primarily. Number one, we saw that in the last financial year, Globe had reported a loss of approximately INR2.4 crores, but that was also due to the we factored in the interest component. So in this quarter, did we face any did we see any profit from them?

- Dhruv Shringi:** Yes. So Globe continues to be seen, from the time that we have acquired Globe, Globe continues to be healthily profitable. So last three quarters, Globe has been healthily profitable.
- Adit:** Okay. And do we see competition between Yatra Corporate and Globe?
- Dhruv Shringi:** Not really because of the consumer segment that both of them are focused on. Globe is more in the medium to small enterprises largely focused on Eastern part of India. Yatra is more on the large enterprise and a little bit on the mid-enterprise side of things, more strongly focused on Northwest and South. So we see minimal overlap on the corporate customer base between Globe and Yatra.
- Adit:** And one last question, a small one. What guidance can you offer us for Globe?
- Dhruv Shringi:** We are not giving any separate guidance for Globe, right? Globe is now fully integrated within Yatra.
- Moderator:** Thank you. Due to time constraints, that was the last question. I would now like to hand the conference over to the management for the closing comments. Over to you, sir.
- Dhruv Shringi:** Thank you, moderator, and thank you, everyone, for taking out the time today to be on the call. Looking ahead, we remain focused on scaling our high-margin segments, deepening our technology capabilities and driving sustainable long-term value for shareholders on the back of the strong momentum that we've seen. As I've mentioned earlier, we are raising our adjusted EBITDA guidance from the year-over-year growth of 30% to a revised growth guidance of 35% to 40%.
- So with that, we would like to end today's call. And as always, our IR partners, Valorem Advisors are available along with us if you have any follow-up questions. Thank you.
- Moderator:** Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

*Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*