



“RateGain Travel Technologies Limited Q2 & H1 FY’26
Earnings Conference Call”

November 11, 2025



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Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q2 & H1FY26 Earnings Conference Call hosted by RateGain Travel Technologies.

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 “*,” then “0” on your touchtone phone.

I now hand the conference over to Mr. Bhanu Chopra – Founder and Chairman from RateGain. Thank you and over to you, sir.

Bhanu Chopra: Thank you and good afternoon, everyone. Thank you for joining us for RateGain Travel Technologies Limited Earnings Call for the 2nd Quarter and the First Half of FY26. It is great to reconnect with all of you and I wanted to share some key highlights from the quarter.

So, joining me on the call today are Rohan Mittal, our CFO, and Divik Anand, Head of Investor Relations.

So, we announced our Q2 FY26 results earlier today and I hope you have had the opportunity to go through Financials, the Press Release and Investor Presentation, all of which are available on our website and also the stock exchanges.

As you would all recall, at the beginning of FY24, I had laid out our medium-term vision of doubling revenue within three years from approximately INR 1,000 crores to INR 2,000 crores by FY27. So, I am delighted to share with you that we are well ahead of that goal and on track to close FY26 at a revenue run rate of INR 2,700 crores, achieving this milestone a year ahead of schedule. This outcome reflects our continued focus on product innovation, delivering value to customers, expanding our geographical footprint, and discipline in organic growth focus, which recently has enabled us to complete the acquisition of Sojern.

Sojern is a global leader in AI-led marketing for travel and hospitality. With this acquisition, we are building the world’s most comprehensive AI-First travel technology platform, which will help our customers to acquire guests, retain and engage them, while driving greater share of wallet through one integrated tech stack.

Now, coming to our performance in the quarter gone by:

We have achieved an important milestone for RateGain as we delivered our highest ever quarterly revenue driven by healthy growth across our MarTech and DaaS verticals as we continue to deepen relationships across key customers. This growth underscores the continued trust our customers place

in us and the strength of our strategy to build a connected AI-led ecosystem that supports every stage of the traveler's journey from discovery to booking to loyalty.

The GTM expansion investments made earlier this year are now delivering visible results across regions and this is reflected in the healthy pickup in new contracts in our first half of the year. Our expanded GTM teams in APAC and Middle East delivered their best quarter in terms of new sales, validating our decision to strengthen local presence in these regions. The growth is driven by stronger customer engagement and growing adoption of our integrated UNO platform, which unifies marketing, distribution and booking to help hotels generate and convert direct demand efficiently.

We also expanded into five new markets, the Maldives, Sri Lanka, Phuket and select destinations in the Middle East and Africa, further deepening our presence in high growth travel corridors. Alongside this, we continue to see healthy traction in LATAM, where we grew at over 52% in Q2 and North America where recent investments in sales leadership and on-ground teams are translating into stronger pipelines and deeper customer relationships.

Innovation continues to be the foundation of our strategy, and we continue to invest in further enriching our product portfolio to deliver superior value to our customers. In line with this, during the quarter, we introduced the Model Context Protocol integration for our booking engine, an industry-first that enables conversational AI systems like ChatGPT or Cloud to share real-time hotel rates and availability, allowing travelers to search and book through a single intelligent interaction. UNO VIVA continues to enhance AI-led voice engagement while Zoho helps hotels deliver personalized and targeted social media marketing. Within ADARA, we continue to invest in AI-driven tools and internal capabilities to improve media operations and deliver more effective campaign outcomes for customers.

Now, let us take a brief look at our business unit:

The MarTech segment continue to perform well this quarter, supported by healthy growth in ADARA and strong momentum for Demand Booster with increased customer engagement. ADARA delivered steady performance with healthy renewals and deeper engagement from larger enterprise clients across industries.

Our data-driven marketing and measurement capabilities continue to deliver strong value, helping brands optimize and spend and reach high-intent travelers across digital channels.

We are further centering our data partnerships and platforms to deliver better return on ad spend for clients across verticals and expanding into new mediums to enhance measurement capabilities.

SoHo was rebranded and repositioned earlier this quarter to better reflect this focus on helping hotels build social presence and drive engagement across emerging channels. We expect this to translate into a stronger sales pipeline in the coming quarters.

Demand Booster saw good traction with growing adoption across Europe and the APNEA region. As hotels diversify beyond OTAs, Demand Booster remains critical to their direct acquisition strategy, combining search and social to drive direct revenue efficiently. And now that we combine this with the scaled properties business of Sojern, the complementary AI and data-led capabilities will help us deliver smarter marketing solutions to a broader customer base across geographies.

The DaaS segment delivered healthy growth in Q2 with the organic DaaS business growing at 12%. This continues to be a key contributor to overall performance, supported by strong delivery across our enterprise customer base.

For the OTA segment, performance remains steady with continued upsell from existing enterprise accounts and strong volume growth. OTAs remain the largest revenue driver within DaaS, supported by deeper data integration and expanded engagement models.

Navigator saw continued progress with a focus on strengthening partnerships and enhancing product capability. Our collaboration with a leading revenue analytics company is helping us strengthen our value proposition and Rate intelligence. We also announced a strategic partnership with FLYR, a leading revenue management system provider in the US, to offer Navigator to hotel customers worldwide.

In CAR, we delivered a stronger quarter with new wins from tech-forward rental operators in Europe and deeper engagement with existing enterprise partners. Expansion discussions are progressing well, positioning this vertical for sustained growth.

In AIR, we continue to add customers, including a leading national carrier in the Middle East. We also made progress in the cruise segment, now serving most major players in this segment. This quarter, we signed new partnerships with Air Astana, the flag carrier of Kazakhstan, and Sunrise Airways, a fast-growing Caribbean airline.

Our distribution business continues to progress, driven by partnerships and key platform integration. Our focus now is on scaling and monetizing these alliances while deepening collaboration with leading technology providers.

Within enterprise connectivity, we saw steady progress through new wins and expansions, building on the momentum from the previous quarter. We continue to engage with both large hotel chains and OTAs to further expand our footprint.

Our focus remains on scaling UNO, our RevMax platform, which had its best-ever quarter in terms of new wins. We made significant inroads with key customers and have a healthy pipeline ahead. The introduction of VIVA, AI voice agent in Europe, has added further diversity. A notable win for the quarter was Royal Orchid Hotel, which adopted to our UNO suite to drive guest engagement and maximize direct bookings.

Within UNO Channel Manager, our focus remains on adding more properties through partnerships with leading hotel tech platforms, helping them enhance their connectivity and distribution efficiency.

The global travel landscape remains resilient, with growth varying across regions. According to the Skift Travel Health Index of August 2025, Global Health Index stood at 101, reflecting the sector's ability to sustain momentum despite ongoing geopolitical challenges. Latin America led growth, followed by Asia-Pacific and the Middle East, while North America saw a slight dip due to software-inbound travel. Domestic and short-haul leisure demand remains strong as booking patterns evolve globally.

We further strengthened our leadership team this quarter, with Amarpreet Singh joining us as our Chief Customer Officer. He brings extensive experience from Cvent and WNS, and will focus on driving deeper customer engagement and operational excellence, helping us strengthen relationships and accelerate growth. With his expertise, we aim to build a more connected, value-driven experience for our customers across every interaction.

On the people front, RateGain continues to strengthen its culture of innovation and inclusion, earning Great Place to Work Certifications internationally in both Spain and the U.S. These recognitions underscore our commitment to build a people-first, AI-enabled organization that empowers teams to lead with purpose and creativity.

Additionally, RateGain won the CII Award for Best AI Solution Showcase for our flagship product UNO VIVA, recognizing our leadership in developing transformative AI-led solutions for the travel industry.

In terms of guidance for FY26, given the acquisition, we are increasing our revenue guidance for FY26 to now around 55%-60% year-on-year growth for the full year over FY25.

In terms of EBITDA, we would be looking at a full-year EBITDA margin of around 16%-17% considering Sojern's current EBITDA margin stands at 14%. The March 2026 EBITDA exit run rate will be anywhere between 16.5%-17.5% based on Phase-I of our integration and cost synergy. The consolidated EBITDA of RateGain and Sojern's run rate at this time will be 17%-18%, that is March 2026 on an exit basis. We will be issuing FY2027 guidance in Q4 FY26 earnings call.

With that, I will now hand it over to “Rohan to take you through the Financial Highlights for the Quarter.” Thank you.

Rohan Mittal:

Thank you, Bhanu and a very warm welcome to everyone on this call.

Starting with an update on the numbers for Q2 FY26:

We have reported our highest ever quarterly revenue of INR 295.1 crores, a growth of 6.4% year-on-year with operating margins coming in at 18.2%. We continue to maintain a healthy margin with our focus on cost control while we continue to ramp up our investments in the key geographies to drive the next leg of growth. Our PAT came off marginally compared to last year and stood at INR 51 crores in this quarter.

Our MarTech vertical witnessed healthy growth in this quarter at 12% year-on-year growth with continued traction in ADARA. That business continues to build momentum on the back of strong value prop delivering superior ROAs for our customers.

Our DaaS vertical which de-grew in Q1 has delivered double-digit growth 10% in Q2 at an aggregate level, while the organic DaaS business has grown at 17.5%. This has been led by a healthy volume growth across existing key customers as we continue to deliver superior value to our customers.

We continue to have a strong balance sheet with our net worth currently at INR1,817 crores and we had cash and cash equivalent balance at the end of the quarter at INR1,351.6 crores. Out of this, as on date, we have utilized approximately INR1,090 crores towards the Sojern acquisition.

Our focus now is on leading a successful integration of Sojern to deliver value for our customers and optimal outcomes for all stakeholders involved.

With that, I would like to close my remarks and happy to open the floor for questions. Thank you.

Moderator:

We will now begin with the question-and-answer session. The first question is from the line of Karan from PhillipCapital. Please go ahead.

Karan:

Yes, thanks for the opportunity and congratulations on a good set of numbers. Just some clarifications on the guidance which you have provided. So, 55% to 60% YoY growth for this year. How much would be the organic growth for FY26?

Rohan Mittal:

I will take that. So, out of the numbers, Karan, that we have just quoted, we are not changing our organic growth guidance for this year. At the beginning of the year, we had given a 6% to 8% organic

growth guidance. At this point of time, we are not changing that and we think we will comfortably meet that guidance as well.

Karan: Okay. So, just a follow up on that. So, considering five months of revenue from Sojern, it appears that 55% to 60% is a bit of a conservative guidance. Is there some slowdown at Sojern post-acquisition?

Rohan Mittal: There is no slowdown of any sort that has been baked in. But yes, our market guidance's will be conservative. This is something that we had mentioned at the beginning of FY26 as well. And this is in light of some of the past revisions that we had to do in FY25. So, our guidance will remain to be slightly on the conservative end of the spectrum. But I can assure you there is no slowdown expected. We are expecting to see revenue growth on the Sojern side of things as well. As far as the consolidation is concerned, Karan, we are looking at about slightly less than five months of consolidation, revenue guidance. And it has to be kept in mind that our financial year Q3, Sojern follows a CY model, not FY. Our Q3 is the slowest quarter for Sojern. So, to that extent, there is some seasonality which is baked into these numbers. Other than that, there is nothing negative in the outlook.

Karan: Okay. Thanks for that. And just on the margins front, so you mentioned 16% to 17% margins for the full year, that is on the EBITDA. But how should we think about the depreciation as well as the finance cost, given that you are also taking the debt on the balance sheet for this, how should we think about these two line items?

Rohan Mittal: So, there are two parts to it. The first part is the debt part. The debt part is pretty straightforward. There is a \$125 million loan that we have taken. As on date, the interest cost is 6.5% on that. It is SOFR plus 250 bps. So, to that extent, the interest calculation can be done. For depreciation and amortization, we will have to wait till Q3 numbers because the PPA exercise is just getting started now. We will know the split of goodwill and intangible assets as soon as the PPA exercise is over. So, we will be able to report those numbers, share some outlook around that in Q3 numbers.

Karan: Okay. Great. Just one question to Bhanu. The latest US government shutdown is causing thousands of flight cancellations in the US. So, any impact on RateGain across DaaS, distribution and MarTech, if you could quantify that?

Bhanu Chopra: So, we have not seen any impact on to our business. Everything is steady. There is some impact in the distribution business, but it is also a seasonal thing. So, there is nothing material to report on.

Karan: Okay. So, no impact in Q3 you are saying?

Bhanu Chopra: That is correct.

Karan: Okay. Great. Thanks a lot and I will come back in the queue.

Moderator: The next question is from the line of Ansh from Niveshaay. Please go ahead.

Ansh: Good afternoon, sir and congratulations for good set of numbers. So, my first question is that your annual revenue is around \$125 million.

Moderator: Sir, can you please talk a little louder? We cannot hear you.

Ansh: Your annual revenue is around \$125 million and EBITDA around 18%. Sojern, on the other hand, has a revenue of \$172 million and 11% of EBITDA. So, how are you giving EBITDA guidance of 18% to 20%, can you please explain the reason behind the logic of this? And the second question is before merger, our revenue was around \$125 million and your addressing market was around \$800 billion. So, why it is so? That is the question.

Rohan Mittal: I did not catch the second question. I will answer the first question to begin with. So, your numbers on the RateGain side of things are accurate. As far as Sojern is concerned, for calendar year '25, they are expected to close the full 12-months of 2025 at an EBITDA percentage of around 14%, not 11.5%, 14%. So, their 14%, over and above, there is a phase-I integration, which is already live right now, which should see some cost synergies getting baked in. That should take the exit run rate EBITDA percentage of Sojern in March 2026 at the 16.5% to 17.5% mark. Our EBITDA is running at the 18% to 18.5% mark. So, our blended EBITDA should remain in the 17.5% plus/minus range on an exit run rate basis because the cost and revenue synergies, these are not one-time, we will have different levers which will get executed over a period of time. So, we will continue to see some incremental ramp up as we move forward. So, I am only referring to the March '26 exit run rate. I am sorry, I did not catch the second question. If you could repeat, we will try and address that.

Ansh: Yes, sir. So, my second question is, before merger, our revenue was around \$125 million and your addressing market was around \$800 billion. So, my issue here is that if we are not growing organically, but only inorganically, if our offerings are so good, then what is stopping us from growing organically back then our growth? That is my question.

Bhanu Chopra: So, Rohan, I can take that. So, our addressable market size is about \$7 billion, I did not quite follow where you got the number, but where we operate in is software parlance is front office software, and these areas of DaaS, Distribution and MarTech cumulatively is a \$7 billion opportunity. And as you are aware, we are a global company servicing customers over 100 countries, and as we continue to expand on our GTM motion, something that we have been investing for the last 12-months, we will continue to see a tick up in our organic growth as well. So, something that I have been saying over the last couple of quarters as well, our aspiration is to move into a decent double-digit organic growth. And I am happy to report that our sales numbers, minus if I exclude ADARA where we have already

consistently been doing well, but we really invested because the rest of the business was kind of slowing down. So, I am happy to report that when I look at our sales numbers, just in first half, we were over about 37% in new wins. So, that is the order book that swelled from last year. And even in the current quarter, we are seeing some really, really great generation of pipeline and closures. So, I expect this momentum to continue to grow. And we will be looking to invest more and trying to develop a more deeper inroads into the different markets with our special focus being on APAC and Middle East.

Ansh: Okay, understood. Thank you.

Moderator: The next question is from the line of Jyoti Singh from Arihant Capital. Please go ahead.

Jyoti Singh: Thank you for the opportunity. So, I just wanted to understand on the DaaS side that posted 12% growth while MarTech saw a decline. So, what is driving this divergence and across vertical? And when do you expect MarTech to re-accelerate? And within this distribution with sub-products, example like RateGain, and seeing the strong traction, especially after the Oracle Opera Cloud integration. So, I wanted to understand both the points.

Bhanu Chopra: I will just correct you. Maybe you meant distribution when you were saying MarTech, because our MarTech business grew about 14% for the first half. And you are absolutely right, DaaS business also grew and it is really distribution that took a beating. And we have had some challenges over the last couple of quarters. So, something that I alluded to almost a year ago that we had an OTA, which was a part of a bigger OTA family that was kind of being sunset. And we had a lot of transactions, especially with the big chains on this OTA. So, that has accelerated and taken full effect. So, my good sense is that it will be really this quarter that we should see the bottom. And going forward, we should now begin to see growth in this area. I am also happy to report, if I look at the overall transactional volume year-on-year, it is almost a 5% growth in our transactional volume in our distribution business. And a lot of these new initiatives that we have that are housed under distribution, our booking engine, our direct booking stack, our VIVA, our AI voice application, and the kind of traction that we are seeing in the buildup of the pipeline and the contract wins. And there is a new initiative that I will talk about probably a couple of quarters down the line, something on smart distribution, where we are also, again, getting a lot of traction. My sense is we should be bottoming out here in this quarter or max next quarter and then begin to see some very, very good growth in the distribution business. So, net-net, it is a churn of a larger OTA that was responsible for a chunk of the distribution transactional volume that has kind of like played out completely now.

Jyoti Singh: And just like we have done some acquisitions, so, because of that, cash generation has softened. So, what is the expected cash conversion trajectory for 2026?

- Rohan Mittal:** Actually, our cash conversion cycles have improved if you look at H1 versus H1. But for the entire year, our estimate is that we should look at a cash conversion of about 75%. We are not expecting any softening in the cash conversion cycles. We are only seeing slightly better off rather than any softening in that. And I would like to just add here that Sojern, our acquisition, is also a free cash flow positive organization, so, it should add to our internal accruals.
- Jyoti Singh:** Thank you so much.
- Moderator:** The next question is from the line of Deepak from Sundaram Mutual Funds. Please go ahead.
- Deepak:** Yes, thank you for the opportunity. So, my first question is on Sojern. Would it be possible to highlight the sales pick of Sojern's paid digital marketing segment by channels such as social media, paid search, CTV or meta search? And more importantly, can you also describe how profitability and competitive defensibility differs across this channel? And let us say going forward, where will we be focusing our investment to drive the growth ahead in Sojern?
- Rohan Mittal:** So, if you look at Sojern's numbers, first and foremost, if you look at the split close to about 40%-45% of the business comes from the properties business, which is something which is exactly same as our Demand Booster program. This is the acquisition of Myhotelshop that we had done a few years ago, and the balance comes from DMOs and corporates, which is again, similar to what ADARA does. If you were to look at the media split, the two set of businesses are actually complementary. Because on the RateGain side of things, we have been doing a lot of social, meta, CTV, etc., as well, while on the Sojern side of things, they are predominantly focused on display, CTV, and they have been low on social and meta. So, we find the media spends to be complementary, largely speaking. I think that covers the first part of your question.
- Deepak:** And the second was that, how is the profitability and let us say, competitive defensibility across this channel for us? And going forward, where we will be focusing our investment, let us say, to drive the growth from this 4% to 5% what Sojern does, let us say to double digit what our aspiration is on a consol entity?
- Bhanu Chopra:** So, from a profitability perspective, I think we already guided for 17% to 18% kind of margins in this business. And something that I have alluded to over the last couple of quarters, and even in this call, we want to continue to reinvest some of our margins into growing the business. So, theoretically, we could be actually even at higher margins, but we want to continue to deepen our global footprint, as I talked about earlier. Now, in terms of defensibility, let me state this. I think this is a huge, transformational deal for us, because having this kind of domain knowledge and doing digital marketing, really, it is a combination of number one and number two player in the industry. So, ADARA could be considered number two, whereas Sojern was considered number one. In fact, a lot of the technology players that are looking to offer this as a complimentary service, actually white

label either us or white label Sojern, so, it does position us in a very, very strong position as a domain-specific player. Yes, we will continue to compete with industry-agnostic players. But the fact that we are well integrated into this tech ecosystem of hospitality specifically, will give us an edge. And something that we have talked about all throughout is having this one integrated tech stack. So, it really positions us in a very, very compelling value proposition to the customer that you can go to RateGain, and they can do the digital marketing, bring customers to your hotel website, to your direct channel, help you convert those. And then now that we have acquired Sojern, we have also acquired a guest engagement platform. So, when you are at the property, and the guest is being engaged on WhatsApp or any other channel, we facilitate that as well. So, it is also fulfilling a part of our growth vision on the product and it does position us in a very, very compelling way because we are now the one stop shop for the hotel from our guest acquisition, guest retention and engagement and guest wallet share expansion.

Deepak:

Okay. And secondly, some of the new contracts in this quarter has again showed a very strong growth at 36%-37%. I just wanted to understand where this new contract wins are coming from, let us say, from a geography perspective -- is it right now more driven by APAC and Middle East region or is it that US and Europe has also started to contribute to this new contract win? I am asking because on the revenue front, there seems to be some slowdown in the American revenue. So, that is why I wanted to understand from new contract win perspective, like where is that maximum contract wins is coming for us?

Bhanu Chopra:

Yes. So, contract wins is really the leading indicator on what is going to happen to the revenue because it really just becomes a part of our order book. And as we monetize it, meaning more onboard the customers, that is when we begin to realize it. So, your question about where have we been doing well? I mean, it has been pretty uniform all across. We have on the RateGain side of business, it is fairly uniform across all the three regions. I would say that the APAC and Middle East is accelerating a little bit more, where we are almost at 100% growth year-on-year. And as I mentioned previously as well, we are continuing to invest and we will be strengthening those teams even further because we think none of our competitors reside in this region, this is our backyard and we can really dominate in this region. So, we will continue to see acceleration in APAC. I do see investments that we have made maybe of not the same magnitude in US and Europe, we will continue to see that growth as well. So, as I had pointed out earlier in the previous calls as well, at a scale of Rs,2,700 crores, the margins can be higher, but we will continue to reinvest into our GTM machinery.

Moderator:

The next question is from the line of Shubham from Dexter Capital. Please go ahead.

Shubham:

Hi. Thank you for the opportunity. I had three questions. My first question was, sir, we have spent some time interacting with revenue managers of brands such as Accor, Hilton, Marriott, etc., and one common feedback that we received from them was that going forward, more hotel chains are shifting to their own software for connecting with demand partners such as OTA, right? So, I wanted to

understand how is the trend that we are seeing for our distribution business because that is the feedback that we have received from the customer?

Bhanu Chopra:

I am very surprised that you say that, because most of the big chains used to have in-house CRSs and they have all now opted for third-party CRS where third-party distribution is typically connected via RateGain. So, we are actually not seeing that, we are actually seeing the opposite of that. But like I mentioned earlier, our focus is not just on the big chains but also the mid-market that is seeking one integrated solution that can enable both direct bookings as well as indirect bookings. And over the last couple of years, we have really grown our product capability set that we can pretty much power every booking that a hotel has, whether it is on their direct channel or their indirect channel.

Shubham:

So, sir, you are mentioning that as far as RateGain is concerned, we are not seeing that at all for the hotel chains, right? And the only reason for no growth for the past four quarters in distribution is majorly because of the large OTA that was sunset earlier last year?

Bhanu Chopra:

And that OTA, I do not have the number in front of me, but it was probably the biggest OTA in terms of generating volumes for us. Maybe I can ask Rohan to get back to you with that information but that really dented our numbers. But I am quite hopeful and see the distribution business to be a high growth business. And hopefully, this quarter or next quarter, we bought them out and we begin to see basis the contract that we are having and also a lot of these new initiatives that we have launched like our new product which is our voice agent that we count under our distribution business. It is basically removing call center employees and can handle any questions that a hotel guest over voice because we have all experienced this especially in Western countries. There is shortage of labor and people cannot take calls and there can be missed revenue opportunity because somebody could be calling to make a new reservation or wanting an upgrade. So, our VIVA really has been like a big, big hit. It is an AI voice agent that can help in answering questions around discovery around the hotel but also enable reservations or upgrade of reservations. So, it is a revenue generator and we have a bunch of customers signed on beta but there is just tremendous amount of excitement in the market for this product. Coupled with AI capabilities that we have done on our pipe, we have launched stuff like Smart ARI which makes the update much faster, removes redundancy in the queue system, organizes the updates and prioritizes the updates that are relevant and near booking window which gives a much faster sync with the OTAs on the rates and availability which can again be incremental to the booking that the hotels get. We are the first ones to do this in the industry and it is getting a lot of traction and a lot of our big OTA customers are wanting their hotel partners to use us instead of whatever they may have. Our integrated platform UNO that powers not just the indirect channel but also the direct channel again is resonating really, really well, because what we have also done is change the commercial model and how we go to market very much in line with how the OTA is charged which is pay for performance. So, we are saying to the hotel that look for whatever direct booking we generate for you, you pay a similar percentage actually less than what they pay the OTA which is typically between 15% to 20%. So, that is resonating very well and we also like that model

because that model is far more superior in terms of what ticket size we can attain with each of these ones.

Shubham: So, basically post let us say after Q3 FY26, so what is the growth that we are expecting in distribution because by then the base effect of that large OTA will be entirely diminished, so, what is the growth you are expecting in distribution?

Bhanu Chopra: So, I would not say Q3 because some of it is still playing out. I would say FY27 we should expect a double-digit growth in our distribution business, but I will be able to give you a better sense on it probably in Q4.

Shubham: All right, okay. Thank you, sir. My next question was we had lost a key client for MarTech earlier which nearly contributed 4% of MarTech's revenue rate. However, you had indicated that the parent company's Martech capabilities were not that effective and they were having active conversations with us on getting back our MarTech services. So, any positive outcome that we have had there?

Bhanu Chopra: No, so we are still engaging. I think it is a little bit of a political issue on the parent and newly acquired entity, but we know our customers are suffering and not achieving the similar kinds of results that they were when they were under our stewardship. So, we are hoping something positive will come about but it looks like it is taking longer than we had expected because of larger company setups and the bureaucracy that goes with it.

Shubham: Yes, I understand, but the conversation we have had up till now we are expecting a positive outcome right, whether it is like three months or six months down the line?

Bhanu Chopra: Yes, we are quite optimistic and hoping that yes, it will come in our favor, but I cannot confirm that either way right now.

Moderator: The next question is from the line of Naeem Patel from Bastion Research. Please go ahead.

Naeem Patel: Hi, thank you for this opportunity and congratulations on a very good set of numbers. So, I had a couple of questions regarding our cross-selling ability like I see our numbers over the years our net revenue retention has been coming from 110 to 100. So, it has been declining and in the earlier quarters as well you have said that our cross-selling efforts have not been as optimal as we wanted. So, what changes have we made especially in FY26 internally in terms of our cross-selling efforts if you could highlight on that?

Bhanu Chopra: So, to address your question on NRR as you saw that our MarTech business which is the biggest component continues to grow very, very nicely for us. In fact, 14% growth over H1 and that business unfortunately has two characteristics that dent our gross margin overall because it is a lower gross

margin business and the other thing is it is a little bit more transactional in nature especially with the bigger guys where they have unused budget, they may allot those budgets to us at the end of the year. So, it is very difficult to get a normalized view in any one quarter. You have to kind of look at it on a normalized basis over the last 12 months. So, you will see some amount of fluctuation in that NRR numbers because now we are becoming more and more MarTech. I do want to say though that our GRR which is our gross retention or the churn on the local side has been consistent at 10%. So, it is really about how much upsell we are being able to do.

The second point I want to mention to you is that we especially in the small-to-mid-market because earlier on RateGain focus has been on the enterprise and we do work with a bunch of them, but in the small-to-mid-size market I think there are a number of logos that we can continue to acquire and we have been very, very focused even with our GTM investments and net new logo addition. I do believe that we have a very, very strong base. Now, given this acquisition that was happening and other initiatives, the cross-sell, upsell is something that we want to now focus on and we will be as we have added more hunters to land net new logos we will now continue to invest in adding farmers that can help us deepen our relationship with our customers and that should hopefully reflect in our NRR, but like I said it will be some time before that happens because with Sojern also now we are more MarTech-focused and there is some transactional nature to that business.

Naeem Patel:

Yes, that makes sense. Secondly, I wanted to ask about one of the past acquisitions myhotelshop. So, in FY23 when we had acquired, it had like a revenue of INR 108 crores and PAT of around INR 8 to 9 crores and if I look at FY25 numbers now the revenue has grown modestly but the PAT has declined substantially to INR 3 crores, so has there been any business specific risk or any synergies that we wanted to play out have not been playing, can you just show more color on that?

Bhanu Chopra:

Yes, so one of your colleagues asked in one of the previous questions about this big customer that we lost, that was an MHS customer that we had lost, so that is why the growth seems a little bit muted. I think the profitability has been a function of the investments that we are doing and all the GTM investments that we are doing are getting equally allocated to each of these product lines, and thus the profitability may seem lower given the investment in the GTM. MHS business is very well complementary to our Sojern business where each of these units focus on different channels from digital marketing which were DaaS upon earlier where Sojern is a master at display and programmatic, where MHS is more focused on meta and social. So, now the combined offering will allow us to have "One Platform One Team." There will be cost synergies there, but more importantly from a perspective of going to market, we will have a lot more compelling solution to offer to the customer. So, I think on a combined basis as we start to report subsequent earnings we would not be looking at MHS and Sojern or ADARA separately because there is huge amount of synergy and we will be bringing platforms and teams together and reporting it as one. So, on a consolidated basis I see it to be extremely cash generative and value-accretive.

- Naeem Patel:** Understood. And just one final quick bookkeeping question. What has been the PAT for Sojern in calendar year 2024?
- Rohan Mittal:** Sorry come again, please. The PAT for Sojern in -?
- Naeem Patel:** Calendar year '24
- Rohan Mittal:** 2024?
- Naeem Patel:** Yes, like we had reported Sojern has been doing 172 million revenue, it had 11% EBITDA, so what was the PAT on the same year?
- Rohan Mittal:** EBITDA of Sojern in CY24 was close to about \$18.5 million, against that the PAT was somewhere in the range of \$5-6 million. There are two reasons for that. There was a loan sitting on the books of Sojern which is no longer there now, one. So, there was an interest cost associated with that and again to repeat there is that loan has been paid off here before we acquired the company and Sojern has been capitalizing assets, yes, unlike RateGain's accounting policy of not capitalizing assets. So, there has been depreciation, amortization charge also associated to it.
- Naeem Patel:** That makes it clear. Thank you. That is all from my side
- Moderator:** The next question is from the line of Aabhas Verma from East Green Advisors. Please go ahead.
- Aabhas Verma:** This question is not just for FY26. I just want to understand in the next say two to three years in the medium term where is the growth expected to come from? So, could you walk us through how each of our segments be it DaaS, distribution or MarTech or likely to contribute to this growth? So, that is my question.
- Bhanu Chopra:** So, Aabhas, this is something that we would be in a better position to talk about in Q4. As I mentioned previously we actually are just doing yearly guidances and given we had a big event happen with this acquisition, that is why this was more of an anomaly to set up revised guidance for the rest of the year, but as we digest this acquisition and come up with like a revised plan on how we go to market because they are just tremendous opportunities and compelling value propositions that we inherit as a result of this. We would be able to give you a more educated guidance in a couple of quarters towards the end of the fiscal year.
- Aabhas Verma:** Understood. I am not specifically looking for any guidance per se, but also if you can qualitatively also just directionally tell where are we heading towards, which business segment, that is also fine?

- Bhanu Chopra:** My sense is that I continue to be very, very bullish on our distribution business given all the investments and new product capabilities that we have launched, I do see significant growth coming there. Our Martech business we have now with this acquisition changed the complete landscape, right, we are now in a very commanding position with a lot of our customers and the ecosystem. So, as I mentioned earlier this is a combination of domain-specific player number one and player number two and it is a pretty lethal combination which will unveil a new set of opportunities for us. So, I do not want to speak early and underestimate the opportunity that has presented ahead of us. So, we are doing a lot of that planning and understanding on how we can leverage the data partnerships that we have, the data that we have, the combined platform that we gave an example of how Demand Booster and Sojern makes it very, very compelling in addition to our UNO, similarly on the DMOs and the corporates which are the other segments that we go after, it is extremely complimentary, gives us some amount of leverage on pricing as well. And I think we will need to be more intelligent in how we can guide for it, but I do feel we are in a very, very commanding position now in the MarTech side of our business.
- Aabhas Verma:** All right, sir. Thank you so much
- Moderator:** The next question is from the line of Aditya Trivedi from Nepean Capital. Please go ahead
- Aditya Trivedi:** Hi. So, between Sojern's customer base of over 13,000 and RateGain's existing hotel and OTA clients, what percentage of overlap versus net new customers for RateGain?
- Rohan Mittal:** So, the 13,000 customers that you are referring to is largely the properties business of Sojern versus approximately 900 to 1,000 for us. We have not seen any overlap in these two segments.
- Aditya Trivedi:** That is it from my end. Thank you
- Moderator:** Due to time constraints we will take that as a last question for today. I now hand the conference over to Mr. Chopra for closing comments.
- Bhanu Chopra:** Thank you, everyone for your time and questions. To sum up, Q2 marked another step change for RateGain. We delivered record revenue, deepened relationships across customers and regions and advanced our AI First platform with the integration of Sojern and continued innovation across UNO, VIVA and our DaaS portfolio. We are executing ahead of our medium-term plan of INR 2,000 crores and now run rating at INR 2,700 crores and thus have raised our FY26 revenue outlook to a 55% to 60% growth over FY25 with an EBITDA margin of 16% to 17% for the whole year and we should be exiting March 2026 at a 17% to 18% on a consolidated run rate basis. Our priorities are clear, seamless Sojern integration, disciplined investments in GTM and product innovation that helps our customers acquire convert and retain travelers more efficiently. We believe this position helps us



*RateGain Travel Technologies Limited
November 11, 2025*

well to create durable compounding value. On behalf of the entire leadership team, thank you for your continued engagement and support. Thank you.

Moderator:

On behalf of RateGain Travel Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.