



“RateGain Travel Technologies Limited  
Q4 & Full Year FY26 Earnings Conference Call”

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**MANAGEMENT: MR. BHANU CHOPRA – CHAIRMAN AND MANAGING  
DIRECTOR – RATEGAIN TRAVEL TECHNOLOGIES  
LIMITED  
MR. ANKIT AGGARWAL – DEPUTY CHIEF FINANCIAL  
OFFICER  
MR. DIVIK ANAND – HEAD, INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day, and welcome to RateGain Travel Technologies Q4 and Full Year FY26 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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

**Bhanu Chopra:** Thank you so much, and good afternoon, everyone. Thank you for joining RateGain Travel Technologies Q4 FY26 and Full Year Earnings Call. This call marks the close of a defining year for RateGain, one in which we materially expanded both the scale of our platform and the breadth of our market opportunity. This was an important year for us operationally, strategically and structurally. And the opportunity ahead of us is the largest we have ever seen.

For Q4 FY26, we reported the highest ever quarterly revenue of INR716 crores, up 175% year-on-year. Within this, the RateGain organic revenue stood at INR311 crores, up 19.3% year-on-year, which is in line with the messaging shared with you in earlier calls of RateGain getting back to double-digit organic growth by the end of fiscal year '26.

Our adjusted EBITDA for Q4 came in at 23.5%, a growth of 177% compared to same period last year. The EBITDA is adjusted for the deferred consideration related to the Sojern acquisition which is due to be paid for 3 years, given the team meeting agreed upon revenue growth and EBITDA targets.

For the full year fiscal year '26, revenue came in at INR1,824 crores, reflecting a 69.4% growth year-on-year, and this is ahead of the revised guidance we gave post the acquisition. We also now crossed a new record of INR2,850 crores on annualized revenue run rate basis. Given the strong momentum on free cash flow generation, we expect to retire the balance of acquisition-related debt by fiscal year '28. By fiscal year '28 end, we will be debt free.

Before I go into the business segments, I want to set the strategic context for this year because the numbers alone don't tell the full story. FY26 was the year RateGain crossed a structural inflection point. The completion of the Sojern acquisition, the unification of Adara under the Sojern brand and the creation of the world's largest source of travel intent data were not just milestones. They were the foundation of a fundamentally different company.

We entered fiscal year '26 as a strong travel technology platform. We are exiting it as the AI-powered operating system for travel revenue growth, connecting demand generation, distribution and revenue optimization through one intelligent platform spanning marketing, data intelligence and guest engagement. No other player in our market combines travel intent data at this scale, distribution infrastructure of this depth and the AI-powered commercial intelligence under one roof. That integrated stack is our moat.

Just to give you an update on the Sojern integration, I'm pleased to say that it is ahead of plan. We've delivered the full cost synergy in Q4. Adara and Sojern has been unified under a single brand that is Sojern. The underlying technology platforms of Sojern and Adara are now consolidated into one platform. Full customer migration to that unified platform is on track and is set for completion by end of Q2. Equally important, we have also consolidated the data partnership that Adara and Sojern each brought into the combined entity. As a result, RateGain today operates the world's largest single source of travel intent data at a scale no other provider in our market can match. The integrated platform now delivers 2 things at once, operational efficiency on the cost side and an unmatched data moat on the revenue side. Both translate directly into pricing power and commercial momentum as we move through FY27.

Our focus for FY27 is clear, driving GTM growth and converting platform strength into commercial momentum. With 13,000-plus customers across the combined business, the cross-sell opportunity ahead of us is significant, and we are pursuing it with structure and urgency. Every product we are building, every commercial motion we are driving is aligned to 3 outcomes for our customers, acquire guests efficiently, engage them meaningfully and expand wallet share over time. That is the integrated thesis, and that is the opportunity ahead.

Let me walk you through now each of our businesses. Our number 1 engine is our Martech engine. Martech continues to be our largest growth engine and an increasingly strategic differentiator for the company.

I wanted to highlight some key points here. The Sojern's property business is performing well and with strong customer addition, improved conversion and sustained pipeline momentum. Our value proposition for hotels is clear, drive direct bookings and improved marketing ROI. APMEA is our priority growth engine for FY27, where we see the strongest pipeline and fastest adoption.

Our travel intent data platform was showcased through the FIFA World Cup 2026 Market Pulse dashboard, a free real-time intelligence tool built on Sojern's travel intent data, tracking booking signals across all 16 host cities in the U.S., Canada and Mexico. This serves as an early proof point of the combined platform's value, generating significant global media attention and positioning us at the center of industry conversation regarding destination intelligence. As the world's largest travel intent data company, we are increasingly the source for major media seek out for expert commentary on global travel demand.

In the first 5 months of 2026 alone, our data has driven record-breaking coverage across the world's most influential business publication including the New York Times, Reuters, the Financial Times, Bloomberg, CNBC, Axia and the Seattle Times. 78 dedicated articles since March alone. A single Reuters feature built on our RateGain World Cup Index was republished 104 times across global outlets, including MSN, The Independent, The Economic Times and The Straits Times. This is no longer simply a vendor of travel data. We are becoming the definitive lead on global travel demand, and that is a position no competitor in our space holds today.

AI strategic focus. AI remains a core focus with investments centered on helping travel brands remain discoverable and commercially optimized as travel behavior towards AI-powered and intent-led experiences. Our Martech team won 8 2026 HSMAI Adrian Awards, one of the hospitality industry's highest market recognition, reinforcing the momentum the business is building.

Let me now speak about our distribution business. Distribution had a soft year on headline growth, but the strategic work done in FY26 has meaningfully strengthened the platform and positioned us well for FY27. Enterprise conversations are increasing moving beyond connectivity towards broader distribution optimization, profitability improvement and AI native automation across the full stack. This reflects the maturity of the UNO platform.

We are increasingly being viewed not simply as a connectivity provider, but as a strategic and outcome-oriented infrastructure partner for modern hotel commerce. A key strategic addition during the quarter was RateIQ, which addresses a challenge many hotel chains face being connected to a dozen of OTAs without clear visibility into which channels are truly driving bookings and where revenue leakage exists. RateIQ uses AI to service gaps such as missing inventory, parity breaks and underperforming OTA connections while quantifying the commercial impact of each.

We announced Agentic ARI, making UNO industry's first channel manager built on intelligent distribution logic, prioritizing rate and inventory updates by booking urgency and commercial impact. Hotels are seeing up to a 30% to 40% optimization in ARI traffic and meaningfully improved rate accuracy. This is a structural shift in how distribution technology works. One of the big global OTA has shown interest in piloting Agentic ARI platform to preprocess the traffic from other sources so to increase effectiveness of the integration and revenue strategies.

We introduced RG Pay, a unified embedded payments infrastructure bringing together localized payment acceptance. RG Pay is live with Juspay, Razorpay, Easebuzz and Cashfree Payments and extend RateGain's role deeper into the commerce infrastructure of program.

Now let me talk about DaaS. The DaaS segment delivered steady performance through FY26 and continues to be a reliable contributor to overall growth. For our air segment, the Air business continued its strong momentum with new airline wins across emerging and high-growth markets globally. Singapore Airlines extended its partnership with RateGain for an additional 4 years, while new customer additions included Tigerair, Myanmar Airways International, Mongolian Airlines, Kazakh Air and Air Serbia, further strengthening AirGain's global presence. The business also secured marquee long-term partnerships with Vietnam Airlines and Philippine Airlines, reinforcing AirGain's growing position as a global air travel intelligence platform.

On the product front, AirGain launched the new route performance guidance providing airlines deeper visibility into group level performance and competitive position. AirGain is also preparing to launch the industry's first agentic AI interface, enabling faster insights and more intelligent decision-making for airlines.

On the OTA, we continue to deepen our presence across key accounts and continue to see healthy volume momentum. In the Car segment, we delivered a solid performance with continued engagement with existing enterprise partners and expansion discussions progressing well across key markets.

On the Hospitality side, we've evolved from a market monitoring play into an active decision support platform with a long-term lens. Our AI-powered conversational intelligence layer that enables revenue teams to interact with complex pricing parity and demand intelligence through a conversational interface. FY27 focus will be on scaling through these partnerships.

Let me now talk about AI across our stack. Our approach is to really build AI agents that do the work in our industry. So for instance, a revenue manager AI agent, a distribution AI agent and a marketing AI agent. They are semiautonomous first and then fully autonomous if the customer has built comfort with the AI agent. We currently provide tools to this audience, but ultimately, we see that agents will do the work.

So some of it I have already mentioned in my commentary, but just to reiterate, we are building AI ads and campaign agents running independent campaigns through AI agents to deliver higher ROI for our customers.

Agentic ARI that I spoke about earlier, reduces the traffic by 30% to 40%, improves greater accuracy across channels. This data reduction translates directly into savings for our customers and reduction in errors.

UNO VIVA handles voice reservations across 30-plus languages, is available 24/7 in hotels reporting up to 40% increase in revenue. AI Concierge deployed across Red Roof's 700-plus properties is now delivering up to 300% improvement in ancillary revenue and 75% improvement in NPL.

At RateGain, AI is no longer experimental. It's embedded across commercial workflows, delivering measurable revenue impact, operational efficiency and stronger customer retention. This intelligence spans marketing, pricing, distribution and guest engagement. That integrated stack, embedded, measurable, monetizing is our moat.

Let me now talk about people and culture. We are now over 1,300 people strong globally and recognized as a Great Place to Work for the seventh consecutive year in India and for the first time in Spain and United States. RateGain was named Emerging Company of the Year at the ET Corporate Excellence Awards, one of India's most prestigious corporate recognition. To be recognized alongside some of the most iconic business leaders in the country is both humbling and validating. It reinforces the credibility of our acquisition strategy, the strength of our integrated platform thesis, the discipline of our execution and the ambition of our long-term vision.

Within people and capability development, we rolled out Delta, our AI-powered learning platform delivering personalized go-specific learning journey. We announced the launch of

RateGain Varsity, a digital marketing certification program for hotel, commercial and marketing teams globally, bridging the priority gap the industry faces and activating technology effectively.

Let me now talk about the organic growth and guidance for FY27. We expect to grow the revenues to INR3000-3,100 crores, which translates to 65% to 70% growth for the full year FY27 over FY26. This implies an organic growth of 12% to 15% for the combined entity for the RateGain and considering Sojern numbers from the prior year.

On the margin front, we expect to deliver an EBITDA of INR650 crores to INR700 crores at a margin of 21.5% to 22.5% for FY27. This does not include the earn-out consideration related to the Sojern acquisition.

In closing, FY26 was a year of transformation and foundation building and validation. As we enter FY27, our focus shift from integration to monetization, scaling enterprise adoption, deepening customer wallet share and translating platform scale into durable profitable growth. Our ambition is to build a \$1 billion revenue company by FY '30, '31, is grounded in the platform we have built, the markets we serve and the commercial opportunities now opening across the combined business.

The platform is built, the data is unmatched. The integration is on track and the opportunity ahead is the largest in our history. We're building an integrated AI-powered travel technology stack focused on three outcomes for our customers; guest acquisition, guest engagement and guest wallet share expansion. And we are doing so with measurable outcomes.

With that, I will hand it over to Ankit Aggarwal to walk you through the financials. Thank you.

**Ankit Aggarwal:**

Thank you, Bhanu, and very warm welcome to everyone on this call. It is a pleasure to connect with everyone on the call today. This quarter marks another important milestone in RateGain's growth journey as we delivered a strong turnaround performance across revenue growth, profitability and strategic execution.

Starting with an update on numbers for Q4 FY26. We have reported our highest ever quarterly revenue of INR716 crores, a growth of 175%, with operating margin coming at 20.5%, showcasing disciplined execution even as we continue to invest. This revenue includes full quarter of Sojern's revenue.

RG organic revenue grew at a healthy pace, coming in at all-time high of INR311 crores, growing at 19% compared to the same period last year. RG organic growth is back in double-digit as we had mentioned earlier in the last quarter. Within this, I'm happy to report that DaaS segment grew at 21.5% in Q4 FY26 with healthy performance across the organic DaaS business. RateGain Martech business, excluding Sojern grew at an impressive pace of 37.5% in Q4 with healthy performance across all 3 segments.

As Bhanu had mentioned earlier, we have also reported an adjusted EBITDA margin of 23.5%, slightly ahead of our Q4 exit margin last year. This adjustment is part of earn-out consideration related to Sojern acquisition, will be expensed over 3 years. This expense is in cash and SARs

will true up true down in line with the actuals since this entire payout is conditional in nature over a period of 3-year basis revenue growth and EBITDA target. And this amount will be in the range of INR20 crores to INR22 crores per quarter for 12 quarters from here on. With the earnout, consolidated EBITDA stands at 20.5%.

RG organic Q4 EBITDA stood at 20%, ahead of the stated guidance. The adjusted PAT for Q4 stood at INR90.9 crores with a margin of 12.7% and INR249.9 crores for FY26 with a margin of 13.6%. The PAT for the quarter stood at INR70 crores with a margin of 9.8% and INR194.4 crores for the full year FY26.

I would like to walk through the bridge from EBITDA to PAT as it is important context for projecting EPS for '27 and beyond. The key recurring component of this delta are amortization of Sojern purchase price consideration. This is a running USD2.8 million per quarter and will continue for a duration of amortization schedule.

Finance costs are running at approximately USD1.6 million per quarter and will continue to reduce as we repay principal. On debt repayment, we have maintained strong discipline, having repaid USD31.5 million to date, equivalent to 25.2% of the original loan through a combination of scheduled installment and prepayment. This brings our current outstanding balance to USD93.5 million.

Unlike Q3, which carries an exceptional onetime charge of INR34.6 crores related to M&A cost and labor law changes, Q4 had no exceptional items. This is directly reflected in the strong sequential PAT recovery from INR26.5 crores in Q3 to INR70 crores in Q4. PAT has also been impacted by a reduction in interest income as a surplus cash previously earning interest was deployed towards the Sojern acquisition. This is a structural reallocation of capital and should not be read as recurring operational drag. At an overall level, recurring EBITDA to PAT delta is approximately USD6 million to USD6.5 million per quarter, comprising amortization of acquisition cost, finance cost and foregone interest income on the fund deployed for the acquisition.

It is worth noting that actual cash impact of this delta is only USD3 million to USD3.5 million per quarter as amortization is a noncash charge. We are actively working to offset a significant portion of this through our cost synergies and operational leverage as integration benefit flow through.

Sojern integration is progressing ahead of plan, and our focus remains on driving higher organic growth, accelerating cross-sell opportunities and expanding our presence in high-growth geographies. We make calibrated investment where we see the right opportunities. On synergies, I'm pleased to report that we have exceeded our initial Phase I target.

Annualized cost synergies now stand at USD15 million, up from the USD12 million we had communicated last quarter. This positions Sojern on a clear trajectory towards 19% to 20% EBITDA margins. Free cash flow generation in Q4 was healthy at INR82 crores, bringing full year FY26 free cash flow to INR230 crores.

Going forward, we are confident of generating cash flow at a healthy pace and expect free cash flow to EBITDA conversion to be higher than 75% in FY27. We continue to have a strong balance sheet with our net worth currently at INR2,005.8 crores and our cash and cash equivalent balance at end of quarter stood at INR199 crores. Net debt as on date is down to INR722 crores.

The broader travel industry continues to prioritize technology investment that can deliver measurable revenue outcomes and operational efficiency. We believe this positions RateGain strongly given our expanding global footprint, diversified product portfolio and increasing relevance across the travel and hospitality ecosystem. As we move ahead, our focus remains sustaining profitable growth, driving integration synergies thoughtfully and continuing to strengthen our platform capabilities for long-term value creation.

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

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Karan Uppal from PhillipCapital India.

**Karan Uppal:** Congratulations on a decent set of numbers. The first question is on the Martech segment. You mentioned about the scale of your operation combining Adara and Sojern. So if you can just provide some further color as to how many data partners are there in total with the combined Adara and Sojern entity? How many unique travelers are being targeted by RateGain in a particular quarter? And how does these metrics compare with the second or the third year, just to get context?

**Bhanu Chopra:** On the platform side, I'll take that part of the question. So essentially, both at Adara and Sojern, as you know, are in the same well-known business of doing digital marketing, and we're using independent platforms and we took the decision to consolidate that platform into one platform.

So essentially, we have now merged the platform and every new customer that we got, that we bring on board will be executed on the new platform. In addition to that, we have now also from a go-to-market perspective, consolidated the brands. So instead of operating those 2 separate brands at Sojern and Adara and RateGain, we are now taking our market brand largely as a Sojern brand. So we have deprecated the Adara brand.

And similarly, associated with that, we have combined now the different teams -- the go-to-market teams, the product engineering team into one consolidated entity into our market business that we are referring to as Sojern. In terms of the number of data partners, Ankit, would you be able to give those numbers?

**Divik Anand:** Yes. This is Divik. I think in terms of data partnerships, we would have on a combined basis over 320 data partners for the combined entity, combining both from Adara and Sojern onto the 1 platform. And in term of travel graph IDs, that we are tracking, that would be over 1.5 billion graph IDs. That's not to say that that's individual travelers that we are tracking. Those are graph IDs that we are tracking.

**Karan Uppal:** Okay. And any metrics in terms of peer comparison? How do, let's say, the second largest or the third largest player...

**Bhanu Chopra:** So as I mentioned in my commentary, there isn't really a true competitor to us now which is anywhere close that is worth mentioning. We operate in largely 3 segments. On the property side, I would say there is pretty much very, very limited competition. If I had to compare the second nearest competitor to us, that would be just 1 fifth the size of our properties business alone. In fact, pretty much every major technology partners that requires digital marketing capability is wide labeling our product now.

On the DMO space, we are absolutely number 1. The nearest competitor would be 1/10 our size in the DMO space. And on the corporate side, I would say that we are largely competing with - - when I say corporates, which is the large enterprise travel brands, maybe largely competing with agencies, which are non-tech. And we continue to see a shift of business from there to overall.

**Karan Uppal:** Right. Thanks for that color. Bhanu, just on AI, because of the changing customer behavior, a lot of planning and itinerary creation is happening on all these platforms like ChatGPT. So how does a player like Adara or Sojern capture a high-intent travel customer in this scenario?

Do you plan to partner with these frontier AI companies to source this data? Or will they be open to it? And secondly, how does the customer targeting be impacted as a lot of the I high-intent travelers move to AI?

**Bhanu Chopra:** Yes. And so we are in active conversations with all the AI services, both in terms of being able to get the data but also being able to advertise. As you know, OpenAI is now contemplating selling ads, and we are in early conversations with them to enable self-serve ads on their platform from a travel and hospitality perspective. And similarly, we are very heavily engaged with Google to leverage their platform both from a perspective of using their advert inventory on AI services and also in terms of data partnership.

**Karan Uppal:** Okay, okay. Thanks for that. And thirdly, in terms of the organic guidance, which you've had shared, 12% to 15% in INR terms. If I just convert in dollar terms, it appears to be in, I think, mid-single-digit to maybe high single-digit. It appears a bit conservative given the good deal bench which we had.

So is it due to, let's say, West Asia crisis which is impacting travel? Any further color you can share on the organic guidance? And also, if you can share the outlook across that segment, that distribution and market. Thanks.

**Bhanu Chopra:** So on the USD guidance, we are at about -- I don't know where you got single-digit. We still believe we are double-digit growth on the dollar guidance between 10% to 12%. On the individual products, just give me a second. Divik, would you be able to give the numbers.

**Divik Anand:** I can do that. So if we were to break this down, as Bhanu mentioned, on USD terms, we are looking at 10% to 12% kind of a growth is the outlook that we have. Within that, the DaaS

growth is probably expected to be like a low double-digit number, which is going to be in the 10% to 14% growth range is where we expect DaaS to grow as we still continue to see good traction with some of the marquee clients and growth opportunity -- volume growth opportunities over there.

Distribution, I'm happy to report from a soft year, but we are -- I think it's safe to say that this quarter it has kind of bottomed out. And from here on, we do expect to see growth going into next year, which will be anywhere like a mid-single-digit growth is what we see.

And on the Martech side, at a consolidated level, we see opportunity for about, again, 12% to 15% kind of a growth for the Martech segment as a whole, within which we do see properties business growth to be on the higher side and then low double-digit growth across our destination segment.

And SoHo, which is a very small piece, is expected to grow at a very healthy 30% plus kind of a number. Please do keep in mind, Karan, that we'll always be very conservative with our guidance going forward. And this 10% to 12% number is a conservative number that we are guiding the market on. And from our perspective, the idea is to always outperform on guidance and beat it and outperform on that front.

**Moderator:**

Next question is from the line of Nitin Padmanabhan from Investec.

**Nitin Padmanabhan:**

Congrats on a solid quarter. I had a couple actually. So one is you mentioned that APMEA is seeing very solid traction in terms of deal wins and stuff. If you could give some color around what's driving that strength? How are you seeing -- you know, do there?

And how are we looking to sort of replicate this success in the other geographies? And what at the moment are constraints to be able to sort of replicate that at the moment? That's the first one.

**Bhanu Chopra:**

Yes. Hi, Nitin. So, I think we talked about this a lot in the last few quarterly calls about our investment in the global market. And we had talked about investing about \$5 million in -- largely in doing go-to market investments and most of those investments went into building out our APAC sales and customer success teams.

So, just to give you an idea, we were about 15 people at the beginning of FY26 and today, we are almost sitting at 85 people in that team. And we are seeing some excellent traction in terms of bookings velocity as a result of that. Now to your point about replicating similar process in other geographies. That's the intent.

We intend to take up Europe next. We already have a significant team in Europe, given the Sojern acquisition and they have a bunch of people there already. But our aim will be as long as our threshold on sales and marketing investments are being met, that we will continue to reinvest.

So I do see acceleration of investment in Europe and LATAM. And then in the U.S., I feel like we have a currently large footprint already, but we are continuously seeking opportunities where we can double down on investment.

**Nitin Padmanabhan:** Got it. So in that context, well we did -- let's say \$5 million of GTM last year. Are we looking to up that? Because if I look at the guidance compared to this quarter's adjusted margins, you seem to be sort of highlighting a lower margin for next year. So is that sort of a certain level of GTM that you have in mind that you're already investing or is this conservatism and you will -- this will sort of evolve as we go forward?

**Bhanu Chopra:** So we're taking a calibrated approach. The idea is we made a lot of investments. We are integrating the teams in U.S. and Europe between Sojern and RateGain. As we normalize those efforts, the idea would be to continue to invest where we see the opportunity.

So it's hard to suggest the number as of this point, a definitive number, but as you can imagine, integration has also created a larger footprint in some places. So for instance, we may have from Sojern and they give more number of people servicing a certain geography and we have the ability to reallocate that to under-penetrated geos.

So that's some of the growth that we will do first. And then we will look to invest more. But we will keep you posted as we sort of go along. And it's hard to put out a number right now. But as I've been stating, the opportunity is there and we will continue to accelerate the organic growth.

**Nitin Padmanabhan:** Sure. I ask that because the \$15 million is a good almost 5% on revenue. And in that context, that's -- the guidance appears relatively conservative. So yes, so that's where I came from. Perfect. So that's helpful.

The only other thing is that from a -- if you think of geographies, at the moment, you're the most bullish on -- obviously, because a lot of work has gone into that geo last year. When you think of the other geographies, which geography do you think really leads growth from a geographic perspective between Europe and Americas? Which is seeing more traction at the moment?

And finally, I think from a deal wins as well, it looks like we have not included Sojern, right? So while the deal wins have been solid on an organic basis, that number does not include Sojern so maybe understated. So just wanted your thoughts there as well in terms of how we should sort of broadly think about that.

**Bhanu Chopra:** Yes. In terms of the growth in regionally, I think the U.S. growth will mimic the consolidated growth numbers that we have projected. And as you know, it's still a majority of our revenue. And I do see an opportunity of acceleration both in Europe and Asia Pac. And the reason I am -- it's not that I'm not bullish about U.S., it's just that the revenue base in the U.S. is significantly higher now than other regions. But I do see that ultimately APAC and Europe will probably be exceeding our overall consolidated growth numbers.

**Nitin Padmanabhan:** If I may, I'll just drop in one more. In the context of a lot of transaction-based revenue and what we are seeing today in terms of airfares going up and all of those things, do you think that in some form is a potential risk to growth for us? How would you think -- how should one think about that broadly?

**Bhanu Chopra:** Yes. I almost feel like a businesses is counterintuitive in terms of growth in the overall industry growth. What do I mean by that? I think like people usually come to us when they are slightly troubled and need ways to unlock revenue through technology. I mean just to give you an example, for instance on what's happening in Middle East, right?

The DMOs in Middle East, obviously, they have pause on what they have been doing with us given the situation there, but the commentary they are giving to us that as soon as things stabilize, the budget that they have and what they will be willing to spend is coming like we have never seen before.

So while the Middle East business may be -- may only go back up slowly. But because we are enablers of unlocking revenue opportunities, we will be seeing a lot more opportunity from our DMO marketing activation perspective.

And on the whole, it kind of does employ in other areas also because if the hotel is full, and it's getting -- is able to charge more, we usually see a smaller need to use us, given their need opportunities to unlock revenue and drive more cost efficiency, that's when they think of us, even a little bit more. So, yeah, so I'm not worried and I see a very good opportunity ahead of us.

**Nitin Padmanabhan:** That's very helpful, Bhanu, and all the very best for the next year.

**Moderator:** Next question is from the line of Ankit Kanodiya from Zen Nivesh.

**Ankit Kanodiya:** I have just one question. In fact, I happen to read on news article, which I got from your LinkedIn post only, which talks about which is competing for relevance in the AI area. And I would just request you to kind of little expand on this theme. How we are positioned for this and how do we see our business evolving based on this?

And maybe some color as to -- I'm not asking for a guidance, but may give some color as to how our revenues will look like given this new era. If you can throw some light, that would be very helpful.

**Bhanu Chopra:** Yes, absolutely. So let me break the question into a couple of parts on how I believe AI is helping us internally and what we are doing with it externally and what I believe is it's going to help in terms of our story and scale in years to come.

So internally what I am very, very excited about is of course the operational efficiency and the productivity that we are able to drive of every employee and every function. But what excites me the most is our ability to prototype and test new concepts very, very quickly.

So I'm happy to report to you that as a result of AI tools, now our ability to experiment has gone up several fold. So the number of experiments that we are running a several fold versus what we could run earlier. And also are cycle to prototype, digital market validate the thesis has also shortened quite significantly as a result.

So as a tech company, ability to test new concepts and take it to market is its very, very fascinating. And I talked about internally, are we using it from an engineering perspective, from a product perspective, even in our HR, a lot of our retention and hiring capabilities and processes and now have AI embedded into it.

We have our first AI HR person which is REMO. REMO 24/7 and speaks 30 languages. On the external side, I talked about a lot of our capabilities that we have launched on our Martech running AI ads we are running and turning AI campaign agents. And one of the outcomes of AI-native product is to have an outcome-based pricing, which we already inherently have built in our business model.

So if you look at our Martech business, we usually go to the hotel and say that are we prebuilt, take the onus of doing all your digital marketing and for every booking that you get, do you pay us an X percentage of that booking. So there is a subscription fee to be paid. So how we run those campaigns now internally is completely automated and being run by AI agents.

On our distribution side, I talked about agentic ARI, which is reducing the traffic between the hotel and the OTA systems. And we're very encouraged by what I talked about in our opening remarks. We have one big OTA that largely use our ARI agent to monitor the traffic between hotel and then to reduce that traffic because that -- reduction of traffic could mean savings of hundreds of millions of dollars in token consumption and cloud build. And so that's very exciting.

And similarly, we are yielding more booking because we are enabling more real-time thing between the hotel and OTA partners. And on the DaaS side, we have now moved from just not providing intelligence but actually doing the work.

So for a couple of segments, we are launching an AI revenue manager. And then one of the key AI offerings that we launched a couple of quarters ago, that is still a lot of potential for us is our VIVA product, which is an AI-enabled voice agent. So it basically enables the hotel to receive calls through the AI agent and answer any discoverability related questions about hotel, take bookings, etcetera.

And a lot of our hotel customers, good-sized customers that have reservation offices have seen a huge advantage in deploying AI agent. Why? Because the AI agent is available 24/7, can speak multiple languages, does not need to be continuously trained because as you know, call centers have a huge churn problem so we're able to solve for that.

And overall, the fact that we have -- I've talked about this, data is the new oil in those AI world. And we are the largest producers of travel intent data, distribution and pricing data. That creates a moat for us in this AI world, and we are very confident of being able to commercialize this into AI agents that actually do the work for the segments that we serve.

So instead of providing tools that a revenue manager or distribution manager and the marketing manager can use, you ultimately want to be able to provide autonomous agents that actually do

the work. So think of us as being that vertical AI specialists that would be able to spawn out AI agents to take advantage of all these commercial opportunities that are presented.

**Ankit Kanodiya:** No, that's very helpful. My question was more related to this point with the article talks about, which is basically the next era of travel marketing will be defined less by volume and more by relevance. If you can probably explain on this one, that would be very helpful, that is my last question.

**Bhanu Chopra:** Yes, I'm sorry I don't recall the post because I had been posting a bunch about AI and also why companies like us are in a position to take advantage of this AI opportunity. So if you're talking about my recent post about relevance of AI, I think that post was referring about how we are able to use, as I mentioned, our travel intent data to be able to personalize both bases, pricing and the needs of the customer to drive a larger conversion and thus a larger return on ad spend.

**Moderator:** Next question is from the line of Miten Shah, an Individual Investor.

**Miten Shah:** Congratulations on great set of numbers. So I just missed the initial con call regarding the guidance, FY27 guidance. Did I hear it correctly? I don't know somewhere targeting around INR3,000 crores top line and around INR600 crores as the bottom line with 21.5% margin. Was my understanding correct?

**Bhanu Chopra:** Yes. So we are projecting INR3,100 crores in revenue, which translates to about 65% to 70% growth over this year. And on the margin front, we are targeting an EBITDA of INR650 crores to INR700 crores, which is a margin of 21.5% to 22.5%, but this does not include the earn-out payments for Sojern.

**Miten Shah:** Got it, got it. Thanks a lot for that clarity. And I believe -- I mean I don't know if you recollect, Bhanu, I have been attending the con call since last 4 years actually for almost since inception when we got listed and I invested in then. And my confidence just keeps on increasing every con call that I attended. So thanks a lot for your kind guidance. And we expect \$1 billion -- I mean, I don't see -- was it for FY30, if I'm not mistaken?

**Bhanu Chopra:** FY31, FY30, '31.

**Miten Shah:** FY30, '31. And I guess, we are pretty much close there. But only one thing what I wanted to ask, if I see the presentation, Bhanu, of all the verticals, obviously, the hospitality seems to be the major chunk, somewhere around 45%. What I see is that the DMO still almost one-fourth, almost 25%. Is that a larger TAM than even the airlines sector by any chance?

**Bhanu Chopra:** Sorry, can you repeat the last question? I didn't follow it.

**Miten Shah:** Yes. So if I see the presentation, the hospitality sector seems to be the larger chunk of our revenue, almost 45%.

**Bhanu Chopra:** That is correct.

**Miten Shah:** But I see that the DMO was considered almost 1/4, almost 25%, which is even larger than the airline sector. So is that the TAM on the DMOs -- on the DMO sector is larger or is it that we are less penetrated in airlines? Because I thought airlines would be comparatively larger TAM as compares to DMOs, but our DMOs constituted 25%.

**Bhanu Chopra:** Yes. I think this is something that I'll have to come back to you. The sense on the TAM for airlines, is that it's significantly lower. But I would say at the same time, we are quite under-penetrated. And given the -- given now the combined unit, I think there is a huge opportunity for us to cross-sell and upsell to RateGain customers because RateGain has a much larger footprint where the airlines on the DaaS side.

We will now have the ability to cross-sell and upsell our market solutions to them, and we are seeing some very good early signs both on car rental and airlines. But we'll have to come back to you on how big that TAM is for airlines versus hotels.

**Miten Shah:** No, the only reason why I asked because our revenues on DMOs are almost 25% as compared to airlines, which is hardly less than 10%. So that's the reason why I asked this.

**Bhanu Chopra:** Mr. Miten, I think I got a part of your question. So I'll take this offline with you, and I'll send you an e-mail and connect with you over a call on this.

**Moderator:** Next question is from the line of Anmol Garg from DAM Capital.

**Anmol Garg:** Just one thing. In this particular quarter, how much was the impact because of Middle East war? And just wanted to understand that we are talking about APMEA being the fastest growth geography, while I'm assuming that the revenue from Middle East will still be impacted.

So how much does Middle East contribute to our APMEA vertical -- APMEA geography? And within this, do you -- when do you think that this revenue will start coming through for us?

**Bhanu Chopra:** So, in terms of the exact numbers on what was the impact on Middle East, I will let Divik or Ankit answer that. Maybe we will connect offline and share with you. But I will say this, we were definitely impacted. As I was stating earlier, our DMO business was quite impacted. Our properties business was also impacted. Properties meaning hotel business was impacted.

The exact magnitude of it, unless Divik and Ankit comment on it. In terms of when do we think -- when we think that when we can come back to normal, well, look, I don't think anyone can give you a clear answer on that. I don't even think Donald Trump can give you an answer on that. So it's difficult to me to state when things normalize.

But as soon as they normalize, as I was stating earlier, I think it will be a big boon to our business because we do expect, especially the DMOs to go quite crazy in terms of their marketing spend to rebuild the credibility and confidence to attract back the tourists.

**Ankit Aggarwal:** Yes, I can take the number question, Bhanu. So as you asked, it's 4% of the total revenue that we get from Middle East. And the impact which we are seeing is approx. \$2 million, and that too also deferred, not the revenue hit.

**Anmol Garg:** Okay. Understood. And just a small data point question, is that -- within our Sojern now combined Adara business, how much of the -- approximately when you come directly from customers, by how much comes through agencies?

**Ankit Aggarwal:** I think we can take that question offline.

**Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to Mr. Bhanu Chopra for his closing remarks. Over to you, sir.

**Bhanu Chopra:** Yes. So, I want to take this opportunity to thank our customers, our partners, our employees and more importantly, our shareholders for the trust they have placed in us through what has been a defining year for RateGain. The opportunity ahead of us is the largest you've ever seen and we are pursuing with everything we have. So thank you, everyone.

**Moderator:** Thank you, sir. On behalf of RateGain Travel Technologies, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.