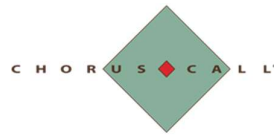




“RateGain Travel Technologies Limited  
Q1 FY '26 Earnings Conference Call”

August 07, 2025



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

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Q1 FY '26 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 the conference call, please signal an operator by pressing star then zero on touchtone phone. Please note that this conference is being recorded.

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

**Bhanu Chopra:**

Thank you, Anushka. Good afternoon, everyone. And thank you for joining us today for RateGain Travel Technologies Earnings call for the First Quarter of FY '26. I am joined by Rohan Mittal, our CFO; and Divik Anand, our Head of Investor Relations. We announced our Q1 results earlier today, and I hope you've had a chance to review our financials press release and investor presentation available on the stock exchanges and on our website.

We started FY '26 with strong momentum. In Q1, RateGain recorded new contract wins of INR81.7 crores, a 6-quarter high growing 37.7% year-on-year. This includes our highest ever new contract wins for RateGain, excluding Adara, which grew by 53% year-on-year to INR46.1 crores in the first quarter. These numbers validate the strategic investments we have made since the start of the year in scaling our GTM engine, expanding presence across key geographies and strengthening our product and leadership.

In line with this approach and given the growth potential in APAC and Middle East, we've expanded our GTM headcount from 15 to 55 in the region. And this has helped us grow our revenue within the region at 23.2% compared to the same time last year, and we also saw a healthy uptick in new contract wins.

We continue to see offshoots from the investments we have been making, and we'll continue to seek to double down on these investments basis the traction we see in these markets.

In the previous quarter, we also spoke about our continued investments in building an AI-first portfolio. We are now seeing early results from these efforts. our UNO VIVA AI voice agent is progressing well with initial deployments underway and strong interest from regional players.

RG Insights, a real-time analytical solution providing deeper visibility into distribution performance is now used by over 30 partners and praise for its ease of use, real-time insights and clean interface by our customers. Smart ARI, our AI-powered ARI management engine has helped partners reduce AI traffic by 45% without impacting bookings.

With that, let's take a brief look at our business units. On the back of new AI capabilities and our ability to deliver at scale the DAS business has been expansion of key existing customers across product lines and verticals. In Air, AI-led capabilities for route performance and price intelligence are driving strong momentum supported by new signings and positive feedback from revenue teams. We announced key partnerships with TezJet, Air Montenegro, Cypress Airways and others.

In Car and RevAI we've seen expansion across key enterprise accounts and new key signings. For the OTA segment, I'm pleased to announce we won a very large deal and one of the largest travel tech companies expanded key strategic accounts and secured a major deal in

Distribution continues to be a key area of investment for us, especially in the mid-market segment. We recently announced partnership with Cloudbeds to redefine how hotels, hostels and vacation rentals optimize their distribution strategy using AI-powered capabilities. We see a clear opportunity to evolve from being a connectivity provider to helping hotels drive incremental revenue. UNO continues to be a key investment we are gaining traction in APAC and the Middle East driven by our expanded GTM efforts.

In our MarTech business, Adara continued to perform well this quarter with steady growth in both new and renewal business. Within Adara our renewals grew by 41% compared to Q1 of last year, a great validation of the value and ROAS we are delivering to our customers. We have seen good traction within the BMO segment, which remained a key contributor this quarter. We saw a healthy demand across key sectors, including airlines, financial services, hospitality, entertainment parks.

Demand booster also saw a consistent increase in client acquisition across regions, reinforcing the relevance of our solutions in helping hotels drive direct demand. RateGain continues to lead industry conversations of the future of distribution in hospitality.

This quarter, we released the second edition of the State of Distribution 2025 with New York University, SPS, Tisch Center and HEDNA based on insights from over 700 hotel brands and 21,000-plus properties. The report highlights how distribution is becoming leaner and more integrated. It reinforces our focus on building solutions that simplify operations and support faster, more connected decision making.

In line with broader industry trends, the Skift Travel Health Index supported a 3% year-on-year increase in global travel performance in the first half of 2025 supported by resilience in North America, APAC and Latin America. Booking windows have shortened and there's growing caution in leisure spending, but overall travel activity remains steady. You've also seen some commentary of leading travel brands, which talk about improving demand for the second half of the year reinforcing optimism across the sector.

We also continue to invest in strengthening our leadership team. This quarter, we made 3 key appointments.

Parijat Tiwari has joined us as Executive Vice President and General Manager for Distribution. He will lead the global strategy, innovation and growth of RateGain's distribution business. Parijat brings over 17 years of experience in strategy, operations and digital transformation across diverse industries. He joined us from PayTm and has held positions at BCG, and Kearney. He owns an MBA in Strategy and Finance from IIM Calcutta.

Ashish Sikka has joined us as Senior Vice President and Business Head of UNO. He joins to lead UNO RateGain's AI first suite combining CRS Channel Manager, Booking Engine and

Viva with responsibility for product strategy, innovation and global adoption. He has over 17 years of experience in strategy transformation and regional leadership at firms across India, Europe and Southeast Asia. His prior roles include leadership positions at e-com Express and at OYO.

Sanchit Garg joined us as Executive Vice President and General Rev-AI & Car business. He will oversee global strategy, operations and growth for RateGain's RevAI and car verticals working closely with regional teams to scale innovation and performance. He brings entrepreneurial experience, having founded the Sequoia-backed start-up and has held senior leadership roles at Lazada and Group One. He's an Illumina of IIT Delhi and IIM Calcutta.

Continuing with our vision of AI-first organization this quarter, we also introduced REMO, RateGain's first AI employee as part of our people and culture teams designed to foster a more inclusive and empathetic workplace, REMO creates a safe space for honest dialogue reflection and employee well-being. Alongside product innovation, we are also investing in AI Literacy and adoption. Over 300 employees have been trained on core AI concepts and use cases with more training sessions underway. These skills are being applied across engineering, sales and marketing and support to drive faster execution and better decision making.

Also, I'm pleased to share that RateGain was once again recognized by Great Place to Work India as one of the top 100 mid-sized companies to work for in 2025. The company was ranked 77th, meeting a 20 place jump from previous year. We also won the Economic Times award for best B2B campaign for the state of Distribution report. These awards reflect the commitment of our team and the culture we continue to nurture.

With that, now I'll hand it over to Rohan to walk you through the financials. Thank you.

**Rohan Mittal:**

Thank you, Bhanu, and a very warm welcome to everyone on this call. It's a pleasure to connect with you all today. Starting with an update on the numbers for the quarter 1 FY '26.

We have reported a revenue of INR273 crores, which reflects a growth of 5% year-on-year. Our operating margins came at 18.2%. We continue to maintain a healthy margin with a relentless focus on cost control. And this is despite the fact that our quarter 1 margins also carry the impact of annual wage hikes as well as the investment ramp-up. As was mentioned in the last quarter's call, could drive the next leg of growth.

Our PAT grew marginally compared to last year and stood at INR46.9 crores in this quarter. Our market vertical witnessed strong growth in this quarter at 16.5% year-on-year growth with continued strong traction in Adara. That business continues to be momentum on the back of a strong value proposition, delivering superior ROAs for our customers.

Our DaaS vertical degrew by 3.1% in this quarter and this was mainly due to the shift from Adara DaaS to Adara MarTech. This has been a strategic call and focus for us since the acquisition of Adara. Given that Adara MarTech is higher of the value chain in terms of offering to our customers, and we own the entire relationship. Organic RateGain DaaS excluding Adara DaaS grew at 5.9% year-on-year with continued traction in key sub segments of travel.

We continue to drive investments in our Uno RevMax platform within our distribution business and are committed to scaling this up in the coming few quarters. Along with this, we continue to establish key partnerships with travel software companies to scale up presence across their established customer base.

As management, we are committed to drive investments in key areas, which will help us deliver growth in line with our aspiration, and I'm happy to see the traction in this quarter. Our new contract wins came in at a 6-quarter high growing at 37.7% compared to the last year and stood at INR81.7 crores. This was also the highest ever new contract wins for RateGain excluding Adara with both DaaS and distribution outperforming. New contract wins within the DaaS segment 68% compared to Q1 last year with a large order win with one of the largest travel-tech companies on the planet. In distribution as well, our new contract wins in quarter 1 came in at over 65% of the entire new contract wins of last year. Along with this, we saw strong growth in the APAC and Middle East markets. This has been a high investment market for us for the past few quarters and we continue to see positive traction with the customers. We continue to see steady growth in our North American market in quarter 1 as well.

With continued traction across key customer segments and geographies. We have a healthy pipeline in which currently stands at INR512.3 crores. We've added INR41 crores of fresh pipeline in quarter 1 itself.

We continue to have a strong balance sheet with our net worth currently at INR1,740 crores and our cash and cash equivalent at the end of the quarter stood at INR1,281 crores.

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

**Moderator:** Thank you very much. We will now begin the question and answer session. We take the first question from the line of Jyoti Singh from Arihant Capital Markets Limited. Please proceed.

**Jyoti Singh:** Thank you for the opportunity and congratulations on the good set of numbers and a good deal wins execution. Sir, basically, I wanted to get a sense on the new pipeline contract means came from major geography like North America and Europe and how are you tailoring your offering in the geography versus India or Asia Pacific?

**Bhanu Chopra:** So I'll address the second part of your question about the geographies that we are focusing on from GTM execution and let Rohan fill-in on the numbers specific to the pipeline. So as I remarked in my opening remarks and something that I've been saying along across past two quarters.

We've been really investing in the GTM engine, specifically for the SMB market, which is quite prevalent in APAC and we have increased our GTM strength from 15 to 55 people and that's really yielding very, very good results. Similarly, we have made some incremental investments in Europe and U.S. as well. But our focus really on executing on Uno and the SMB GTM machinery has been really an APAC.

And that's why you see a good amount of growth in the business -- in the APAC business from last year and we will continue to see that growth over the next few quarters as well. Rohan, do you want to fill in on the pipeline?

**Rohan Mittal:**

In terms of the pipeline, our current pipeline stands at INR512 crores. There is a healthy representation across North America, Europe, Africa markets. We don't disclose the exact numbers across these markets, but there is a very strong healthy presentation across all three markets.

I can tell you that if you were to look at the year-on-year numbers, our Northern market which is the North American market and APAC market has registered the strongest growth. This is just a reflection of the pipeline and the investments that we've done in these markets.

**Jyoti Singh:**

Okay. Thank you, sir. Just one more question on the revenue side like 49.1% of revenue now from the subscription and hybrid models. So how do you see the shift impacting customer lifetime value and up sell potential?

**Rohan Mittal:**

So if you look at our numbers, our transaction business, our transaction revenue has grown from 40% to almost 51%. If you were to look at the year-on-year numbers while my subscription and hybrid business brings up the rest of the business. From a customer life cycle point of view, we mentioned that the renewal in our Adara business, which primarily contributes to the transaction business continues to be exceptionally sound.

We are trending at North of 35% renewal rate on a year-on-year basis. So even if it is a transaction business, we continue to retain those businesses and expand those businesses over a longer period of time. So we are not seeing any major concerns or any concerns for that matter on owning the lifetime value of those customers.

**Jyoti Singh:**

Okay. And sir, on the margin side like a very good show on the margin, 18.2% this time and largely our growth -- our margin guidance, 15% to 17%. So if we can guide further, will be remain same guidance or any changes on that side as a lot of good deal wins execution?

**Bhanu Chopra:**

So, Jyoti, on the question on margins and revised guidance. We want to stick to the guidance that we have given at the beginning of the year and we really want to forego this thing of actually revising guidance every quarter, it puts unnecessary pressure on us. So we will stick to the guidance that we have provided at the beginning of the year and our aspiration and effort would be that we exceed that.

**Jyoti Singh:**

Understood. Thank you so much, sir.

**Moderator:**

Thank you. The next question is from the line of Rahul from Dolat Capital. Please proceed.

**Rahul:**

So basically if I look at the booking input that you have shared both on the overall and non Adara part of it, it is pretty up and you have also separately commented on Adara renewals 40% up. So can we say that the current pain from a distribution point of view is behind us. And within DaaS, it's only the data part of the business, which continues to remain under challenge and rest of the businesses are up for a good double-digit plus growth?

- Bhanu Chopra:** Yes. So I think, Rahul, that's a good summary because as you noted on the distribution side of the business, Q1 alone -- our new wins were equivalent to 50% of the new wins of all of FY '25. So we have a very, very good order book and even from a pipeline perspective, we are in a very good place.
- So, yes, I would say that given the focus on distribution and something that I have said all along, eventually, I see it as a very high-growth area given the investments we are making in Uno and new areas like smart distribution. The other part of the business that you mentioned about Adara data that has subsided and we not be worried about that because it's a strategic call that we made that we want to be more in Managed Media business versus the data business.
- And overall, Adara business continues to outperform. So, yes, overall it does feel like we are now behind the pain and given the GTM execution and the wins that we are seeing, I feel very, very confident that we should see much higher prospects of growth from here on.
- Rahul:** Bhanu, just to further if I may your view on that. So one part of the question, which was on the Adara DaaS. I think this business in FY '24 used to be around \$15 million, give or take. Can you tell us where it is now, where it was in FY '25? What is structural potential here for this year, next year? Any input on that part would be great. And taken cue from your distribution comment, is it safer to assume sequential growth from this point should continue in that?
- Bhanu Chopra:** Yes. On the Adara DaaS business I will refer to Rohan on the exact numbers, but directionally, like I said to you it will continue to remain stagnant or maybe a little bit declining. But like I said, we are seeing very, very good growth on the other side of Adara business. So I'm not concerned about it at all. And as I noted on distribution, again, directionally, we've had some very, very good wins.
- And we have a very large order book. Now it's really in terms of seeing sequential growth. It's our ability to monetize the order book that we have. But directionally, it should improve from here on.
- Rohan Mittal:** On the number side, Rahul, last year, Adara DaaS as a percentage of total revenue, was about 7% revenue of RateGain.
- Rahul:** Yes. And last question from my side. Just trying to understand, is there some bit of realignment that we have done within the three sub segments the way we define it because the reason of asking this is the aberration in the quarterly performance in the three segments have become very, very sharp or is there a mix of seasonality that has evolved in a different manner, which is driving this kind of movement?
- Bhanu Chopra:** No, there hasn't been any change in alignment on how we categorize the revenue around. In distribution, there is some amount of seasonality between different quarters. And similarly, there is some seasonality in the Adara business as well. Some amount of aberration that you may see in our distribution business is last quarter, we had some onetime collection of bad debt.

And something that I've noted earlier also on the distribution side, we have one of our big OTAs that has consolidated as a result of which we continue to see some declining. But given the new order will then the order book, we're able to -- as we monetize, we are able to recover on that.

**Rahul:** Fair enough. That's it from my side. Thank you.

**Moderator:** Thank you. We take the next question from the line of Karan from PhillipCapital. Please proceed.

**Karan:** Hi, thanks for the opportunity and congratulations on good set of numbers. The first question is on the MarTech segment. So if you can just mention about the segmental breakup within MarTech, it used to be within paid digital media, brand management and Adara, if you can highlight how are the sub segments doing? What is the overall contribution of these three sub segments to total markets in these three sub segments? Thanks.

**Bhanu Chopra:** Yes. So, in the MarTech business, Adara continues to outperform. On the social media, which is around brand engagement and brand monitoring, that's a business that has declined over the last couple of years and we continue to figure out a way on how we pivot that. But we do feel that we are at a point where the focus on product innovation should land us at a good place on how we pivot the business. And we are experimenting in launching a self-serve and there are some experiments underway, but it's a very small part of our business, overall, maybe 2% or 3%.

And on the paid digital media, as I had noted a couple of quarters ago, we had lost one major client, which was acquired by a big hotel brand. And so, as a result of which we see some attrition, but the new wins that we have and the continued momentum, this is going to be an area of growth and focus. And now that we have really started to focus on the integrated suite, we are now going into the market with UNO, which is starting with our direct booking stack, where we are bundling the paid digital media along with the booking engine, along with the VIVA, along with the channel manager. And that's seeing a very, very good traction and also very healthy contract wins as well.

**Karan:** So, Bhanu, can you give us a ballpark number in terms of the split between these three segments?

**Bhanu Chopra:** Rohan, can you help me with that, please?

**Rohan Mittal:** Bhanu? Sure, Bhanu. So from a Q1 revenue point of view, Adara would typically continue -- Adara would typically contribute close to about 65% to 70% of the business and the balance -- and the social media business would contribute to less than 5%, less than 6%. The balance is all paid media.

**Karan:** 65% to 70% is of MarTech, not on the total revenue, right?

**Rohan Mittal:** Yes. Of MarTech.

**Karan:** Okay. Great. Thanks for answering that question. Secondly, we wanted to check on DaaS and distribution. So, Bhanu, you had mentioned in the previous few calls about pricing pressure



within these two segments. So, is the pricing pressure still there? Just an update on that would be helpful.

**Bhanu Chopra:** Yes. There is no new conversation on pricing renegotiations. So, we actually haven't seen any of that happen in this quarter. And even in the future outlook on renewals that we are having, we continue to insist on CPI increases in our contracts. And so, as I mentioned, a couple of contracts were legacy contracts in distribution that we had acquired and that had to have a relook. So, most of that is now behind us. And in DaaS, the dimension of pricing pressure maybe was more of an anomaly than a trend. So, we don't see any of that anymore.

**Karan:** Okay. Okay. Great. Thirdly, on the outlook on US geographies. So, some of the hotel -- listed hotels and airlines have spoken quite positively on the demand revival. So, what are you seeing in terms of outlook from US?

**Bhanu Chopra:** Yes. If I could talk about macro level, I would say, US is kind of holding steady. More focus is on domestic tourism and travel versus international, given Trump policies. But the demand is holding steady. Europe is similar, but it's really APAC, where a lot of investment continues to happen.

In fact, over the last one or two quarters, every conference and event that I've been at, all these hotel majors that you talked about, their CEOs are present there and looking to really invest in double down. So, it really marries very well with our strategy to continue to increase our investments in the APAC region. And really, if you think about our competitors set also, they are mostly based in Western economies. So, I feel very strongly in the next year or two, in our backyard, in our neighborhood, we will be the most dominant player.

**Karan:** Okay. Great. Thanks a lot and all the best.

**Moderator:** The next question is from the line of Pratap Maliwal from Mount Infra. Finance. Please proceed.

**Pratap Maliwal:** Hi, sir. Thank you for taking my question. I just wanted to ask that I was going through your PPT. I don't think the annual recurring revenue number is mentioned on this quarter's PPT. So, can you help us with that number, please?

**Bhanu Chopra:** Rohan, do you want to take that, please?

**Rohan Mittal:** Sure, Bhanu. So, Pratap, we have stopped publishing our ARR numbers from this quarter onwards. And the reason for that is now 50.9% of our business is transaction business. So, we don't think it's the right metric to track going forward.

**Pratap Maliwal:** But sir, even in previous quarters, a substantial portion was transaction based. And I believe we were taking that into account based on certain estimations in our ARR calculations, right? What has changed?

**Rohan Mittal:** You're right about that. If you look at our last quarter, the contri -- if you look at the entire last financial year, the transaction business was contributing 42.4%, right? Since that number has crossed...

- Pratap Maliwal:** Yes.
- Rohan Mittal:** The 50% threshold, that's why we've taken a call to stop publishing the ARR numbers. But if you still need some additional clarity on the annual recurring revenue, which will come from our -- specifically come from our subscription and hybrid business, I'm happy to connect offline and shed some light around that.
- Pratap Maliwal:** Sure, sir. That would be great. And just one other thing, I noticed that our NRR number has been declining and we've come to about 100% right now. So, do we see any concerns regarding our client churn? And how are we trying to make up for this?
- Bhanu Chopra:** So, if you look at our GRR and NRR, the GRR, which is really on the churn, it has been hovering around 90%, which is very, very healthy for SaaS companies. And we continue to be on track on that. And a comment that I had made previously also is that, given the fact that we are investing in the GTM machinery, a lot of focus is also now on new logo wins.
- So, if you notice that we are selling more, but perhaps we haven't done as great a job of selling to our existing customers. So, I think it's an aberration. I don't think this is a long-term trend as we hunt for new logos, because the idea is you bring in new logos, and ultimately, we will be able to cross-sell and upsell to them.
- So, yes, so, overall on the GRR, NRR, I'm not too concerned. And I think it should, given the fact that GRR has remained at 90% or thereabouts, which is very healthy, I do think that the NRR number over the next couple of quarters will continue to move up as well.
- Pratap Maliwal:** Okay. Sure, sir. Thanks for taking my questions and congrats on a good set of deals.
- Moderator:** Thank you. The next question is from the line of Rishika Agarwal from Bastion Research. Please proceed.
- Rishika Agarwal:** Hi, thank you for the opportunity. I have a couple of qualitative questions. So, my first question is regarding the industry maturity. Like, I wanted to get a sense on how mature the industry is to which we are catering. Like, if we add a new client in the DaaS segment, so is it like a client who's not already using such services from us or our competitors or is the industry mature to the extent that the clients which we will be acquiring will mostly be from competitors? So, if I could get a sense around this.
- Bhanu Chopra:** Yes. It's a great question. And really depends on where in the life cycle the product is. So, some of our traditional products and have given this analogy previously also, we qualify our products as babies, teenagers and adults. So I would say for the most part, on products that I would categorize as adults, which are cash cow, there is healthy growth of the industry. So in 50% of the cases, the new win will be a displacement deal and in 50%, it will be new customer acquired.
- But when it comes to newer products, like our VIVA, our smart distribution, our approach to going in with like an integrated platform like UNO, which I would categorize as more as a teenager -- in those cases, the -- it's more of a greenfield and the opportunities are very, very

large. And similarly, with our babies, which are experimental products, some of them made through depending on what we realize in the product market cycle.

And some of them, unfortunately, we have to fill so really depends on where we are in the life cycle. But given the progressive nature, any adverse mentality of the company, we continue to launch new capabilities that we are seeing as an opportunity. And as you can imagine, AI is quite a transformational event for tech industry and our ability to drive a lot of cost efficiencies and revenue opportunities for hospitality industry.

So I'm very excited about everything that we are doing. And I feel a lot of it is going to be greenfield. It will take some time to reach the tipping point, but once we do on some of these products, we would see tremendous amount of scale.

**Rishika:** The second question I had was as you can see that our business mix is tilting a lot towards martech, which is our highest growth segment. So as we move towards market, is it -- is my understanding correct that we'll be moving from a platform-led business to an employee-intensive business?

**Bhanu Chopra:** No, that's incorrect assessment. If you look at our MarTech business, it's completely digitized. It's AI-led -- everything that we do is done by machines in terms of how we spend the marketing dollars. And in fact, if you think about the transformation that AI is leading in the MarTech area. We are at the forefront of it in terms of doing the creators in terms of devising multichannel programs that optimize the spend to deliver the highest return on our spend.

So even if I look at the revenue increase and the number of people that we have, it's nonlinear. So we will continue to see expansion of our margins in that business versus visa versa.

**Moderator:** The next question is from the line of Shailesh Naik from Scode

**Shailesh Naik:** I had a small query regarding the Slide Number 9. I think that's very -- sorry where you have a client count. Now when you say this client count, is it unit plants? Or is there a product in different products so you can them as a different plant?

Secondly, what is the issue why they are declining from 2024 to now, but every quarter, we are losing customers -- is there some mix if you're trying to change? Or are we declining certain sets of customers? That is what I wanted to understand from the...

**Bhanu Chopra:** Yes, directionally, we are actually increasing the strategic customer count -- so it's not by any means a worrisome trend. The decline that you see is because of some long-tail that may have churn, but I'll let Rohan give more color?

**Rohan Mittal:** Yes. So the way to look at that is that the way we represent our clients, certain clients are represented at a master level and certain clients might be represented at an individual property level, for example, yes. Then it belong to the same martech client, but we may not have the contracts for all the properties which are run by the master client, and therefore, we will represent them at an individual level.

So one, that's how we calculate and submit our client count the churn number is a very, very small number, 23 accounts on a base of 3,224 -- and as Bhanu mentioned, that's just some churn on the long tail side. To answer your second part of the first question, we are not declining or trying to move to a certain direction actively that a certain product has to grow faster than the other.

We are actively investing and pursuing growth in all our 3 categories of business, DaaS distribution end market. This is just a reflection of how and where we get traction in a particular quarter. You will -- as Bhanu rightly said, there is no cause for concern here. You should not construe this as a long-term trend side.

**Shailesh Naik:** So and long term we would be looking at increasing the count as that is the metric the way we should look at right? That is how we are saying the right metric is to see that the client count has to go up and that is the sign of growth. Is that the way I should look at it in the long run?

**Rohan Mittal:** I'm sorry, your voice is a bit muffled. I could not really understand your second question. Could you please repeat that?

**Shailesh Naik:** Yes. So basically, I believe this client count is a metric which is to be looked at as a number of -- as a growth and the line count are somewhat correlated. Is that the way I look at it or it has no correlation more into focus is more on depth or width?

**Rohan Mittal:** No. So let me put it this way -- let me put it this way, let's say, we've signed up a master account, and there are 1,000 properties and we at master we may initially start with 100 and gradually, our intervention would be to obviously scale up to 1,000.

**Shailesh Naik:** So you count that as 1,000 or you count that as 1 client?

**Rohan Mittal:** That varies from product to product. In certain important products, we will count as 1 in certain products, it will count as 1,000.

**Shailesh Naik:** There is another slide, where you have given the segment-wise growth rate. So there, you have mentioned that, let's say, DaaS is minus 3.1%, which you mentioned. And in highlight, you are mentioning that rate gain DaaS growth is 5.9. I didn't understand that. But is there something different in these 2? What does that mean exactly? This is Slide Number 10?

**Rohan Mittal:** No, no, we are aware of that. So the way to look at that, and I included this in my opening remarks. The way to look at that is there are 2 parts to this. One is the RateGain organic DaaS and the second is the DaaS business that we inherited as part of the Adara acquisition about 2 years ago there was a strategic call that the Adara DaaS will migrate to Adara MarTech, which is continuing to show very strong growth, as you can see in the MarTech business. So we are calling out the RateGain organic DaaS growth, which is excluding the Adara DaaS, the RateGain organic DaaS continues to show strong growth numbers.

**Moderator:** We take the next question from the line of Mayank Babla from Enam Asset Management.

- Mayank Babla:** Congratulations on the new contract wins and the margin performance. My first question is around if you could give us some sort of clarity or insight on the growth for FY '26, given that we've signed -- we've had a great quarter in terms of new contract wins. I'm asking this because the last time we won around INR84 crores of new contract wins was in Q3 of FY '24, and I'm unable to a because there was no Adara in the base back then. So how should we look at growth for FY '26?
- Bhanu Chopra:** So as I indicated Mayank earlier, we'll continue to hold the guidance that we gave at the beginning of the year, which is 6% to 8% growth and 15% to 17% of margin.
- Mayank Babla:** Okay. So that means you would be your -- can we expect that there might be some impact in the next quarter in terms of margins?
- Bhanu Chopra:** Yes, there is -- look, something that I just said earlier, we just don't want to be having the pressure of every quarter revising guidance. We want to stick to what we have provided earlier and our endeavour would be to exceed that expectation. But if you're asking me, do I see anything in the next few quarters that I see as an impact, no, I do not see anything.
- In fact, I see a lot of optimism -- and I am hoping that we continue to outperform on new wins. We've also started this quarter, which is Q2 in quite a fantastic in terms of new contract wins. So I'm hoping we'll continue to deliver on that promise. But there is no foreseeable impact as we speak today?
- Mayank Babla:** Okay. So essentially, you mean to say that we are moving away from that whole format of giving guidance -- and it would be -- I mean if you -- your aspiration to beat that whatever guidance you gave in Q4? Or is safe to assume that we would meet that guidance?
- Bhanu Chopra:** That is correct. We are forgoing this habit of providing guidance every quarter. We want to stick to what we have delivered or given at the beginning of the year and our endeavour would be to meet and beat it.
- Moderator:** The next question is from the line of Miten Shah an Individual Investor.
- Miten Shah:** So I would like to know what is the status of acquisition where it's been -- we have been waiting for we can understand, it takes time and the ever results which have been alluded. And do we see Guestara as a rising competition? And any plans of being a potential acquisition candidate?
- Bhanu Chopra:** Sorry, I didn't follow the second part of your question. I think first was around the M&A the second part of the question?
- Miten Shah:** The second part of the question is, are we aware of Guestara as a rising competition, Guestara as in G-U-E-S-T-A-R-A and are we aware of this company as a rising competition? And could this be a potential acquisition candidate, have you ever looked upon it? That was my question?
- Bhanu Chopra:** Okay. So on the M&A side, I will sound like a broken record. We continue to have very, very active conversations. And our pipeline continues to be robust. However, we are extremely

disciplined about creating shareholder value by ensuring that what we pay as needing certain IRR and payback thresholds that we have. I'm pretty confident something will happen.

And whenever it happens, I think the investor community will understand and we'll also appreciate how patient does get rewarded. So I am very confident that we will, in our M&A journey continue to make the right deals that will be extremely value accretive that we have demonstrated in past deals, such as Adara and to get the right deals, you have to be patient.

On your second point about the company you mentioned, no, I'm not aware of them but we'd love to connect off-line and get more details about this company. And also maybe your voice is a bit muffled. So I didn't get the name quite accurately. So we'll connect offline and get more information about this company that you mentioned.

**Miten Shah:** I'll just repeat the spelling as G-U-E-S-T-A-R-A.

**Rohan Mittal:** Bhanu, I've got the details. I'll share that with you.

**Miten Shah:** Then the next question -- the second question would be -- and by the tariffs because the majority of revenues come from the North of America.

**Bhanu Chopra:** Sorry you cut off in the middle. Can you repeat the question, please?

**Miten Shah:** Yes. Would we be affected by the tariff from U.S., as our major revenues come from North America? In terms of revenue.

**Bhanu Chopra:** Talking about the tariffs, no. So, there is no impact on us because the tariffs are more on the goods, and we are a tech company, so it does not impact us.

**Miten Shah:** All right. All right. Yes, thanks. Thanks a lot. And I'll stand it queue if I get an opportunity. Once again, once again, thanks a lot for doing the opportunity. Wish you all the best.

**Bhanu Chopra:** Thank you. Thank you, sir.

**Moderator:** The next question is from the line of Darshil Zaveri from Crown Capital. Please proceed.

**Darshil Zaveri:** Hello, good evening, sir. Thank you so much for taking my question. Hopefully I'm audible.

**Bhanu Chopra:** Yes, you are.

**Darshil Zaveri:** Yes. So, some of my questions have already been answered. So, I just want to know from a business point of view, how do we see next few years, like I think FY '26, as we have said, maybe is an investment year, and we are trying to get into sort of new more products. So, what do we see maybe FY '27 as -- and like in terms of all like what we can see and what you've been alluding to also that the second half can be much better right now. So how do we see that, sir? Just wanted to grab your thoughts on it.

**Bhanu Chopra:** Yes. So, our endeavor this year has been really to go back into an investment mode largely into building out our GTM machinery, which is beginning to see results. But I don't think this is the

end of it. We will continue to double down as we see traction in certain key markets, including APAC. So, our really focus is building out the GTM machinery, continuing to launch our AI-powered product suite.

I feel very excited about the integrated suite that we are building that will allow us to participate in some sort of a fee for every booking that a hotel makes irrespective of the channel that it comes from -- because if you think about the industry side, that's almost \$500 million, \$700 billion, and if you're participating in taking a percentage of that, it can be a very, very large business for us. So, I'm very excited about that vision and future that we have built for us.

But looking at near term given the investments we are making into the GTM machinery and product innovations, our endeavor for next year and the year after that is to get back to double digit and hopefully get to that 20% organic growth path that I've indicated in previous calls as well.

**Darshil Zaveri:** Okay. Okay. That helps a lot, sir. And so sorry to ask again about the acquisition. But the current growth that you said double digit is organic, right, not including the acquisitions?

**Bhanu Chopra:** That is correct.

**Darshil Zaveri:** Okay. Okay. Fair enough, sir. And on the acquisition side, like is there anything that maybe can happen in this year? Or how do we see that, sir, because just right now the market conditions are better than what they were?

**Bhanu Chopra:** Yes. Look, as I said, we are in active conversations. So, something can happen this year, absolutely something can happen. But I don't think we would commit to anything as of this point because -- like I said, we are very disciplined about what we would pay. And sometimes it takes, some time to get meeting of the mine, especially with the seller.

And can we arrive at that number sooner than later? Who knows? So -- but like I said earlier, I do feel very, very confident that our patients will pay off.

**Darshil Zaveri:** Okay. Fair enough, sir. And just last question from my side, sir. In the transaction-led model, is the profitability better or similar to like a subscription or hybrid model? Because I think now most of our revenue is coming from the transaction side. So, I just wanted to know, is the overall margins better? How do they move around, sir?

**Bhanu Chopra:** Rohan, do you want to take that, please?

**Rohan Mittal:** Could you please repeat that?

**Darshil Zaveri:** So, I think our transaction-based revenue is now more than 50%, where it was around 30% last year, I think. So, in that, how do the pricing of transaction-based happened like -- is that -- does this give us better margins? Or is it like because like there are more direct costs involved in the transaction. So, the margins can become a bit less than what we used to do previously. So, I just wanted to understand how does the economics of that work?

**Rohan Mittal:** Like -- so if you look at this quarter's presentation, you'll notice that there is a slight dip in our gross margins, while our EBITDA has largely stayed flat. And that's actually in part the answer to your question. As the mix changes to our transaction business, which is largely market the gross margins have slightly come down from trending at about 74%, 75% to about 72.8%. Yes, we didn't expect them to come down any further.

However, at an EBITDA level, which is what is most important -- the transaction business continues to operate at an EBITDA north of 17% to 18%. So, we don't see any EBITDA impact coming in by virtue of the transaction business gaining a larger share of the total revenue, there can be a slight impact on the gross margins. Does that answer your question?

**Darshil Zaveri:** Yes, that helps a lot, sir. And sir, just wanted to like 1 to OTAs, we were thinking of those legacy contracts will be on the side. So, how much of that would impact our revenue in the current year, like what would its contribution be in FY '25 and what could it be expected in FY '26, sir.

**Rohan Mittal:** Okay. So, if you were to look at the sunset OTA that we have spoken about in the past, almost 60% of the impact that was supposed to come and has already come in. on a year-on-year basis between quarter-1 FY '25 to quarter-1, '26. Yes. So only about 40% of that is balanced. That number will account for a very small number of the total revenue as on date.

**Darshil Zaveri:** Okay, okay. Fair enough. Yes, that's it from my side, sir. Thank you so much.

**Rohan Mittal:** Alright.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question. I would now like to hand the conference over to the -- to Bhanu Chopra, sir, for closing comments. Over to you, sir.

**Bhanu Chopra:** Yes. Thank you, Anushka. So as we look ahead, I am incredibly excited about the future. Our ongoing investments in go-to-market acceleration and AI-powered product innovation laying the foundation for sustainable long-term growth. These are not just tactical bets.

These are strategic moves that position us to meet in an evolving landscape, deliver more value to our customers and scale efficiently -- the momentum we are seeing is just the beginning, and we are confident that the steps we are taking today will translate into even greater impact and shareholder value in the quarters to come. And so thank you all for your continued support.

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