

November 10, 2025

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001, Maharashtra, India  
Scrip Code: 544174

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1  
G Block, Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051, Maharashtra, India  
Scrip Symbol: TBOTEK

**Sub: Transcript of Earnings Conference Call**

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Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we are enclosing herewith the transcript of Earnings Conference Call held on November 3, 2025, in relation to the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2025.

Kindly take the above disclosure on record.

Thanking you,

Yours faithfully  
**For and on behalf of TBO Tek Limited**

**Neera Chandak**  
**Company Secretary**  
*Encl.: As above*

**TBO Tek Limited**

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TBO Tek Limited  
Q2 & H1 FY26 Earnings Conference Call

**November 3<sup>rd</sup>, 2025**

**MANAGEMENT:** MR. ANKUSH NIJHAWAN, CO-FOUNDER AND JOINT MD  
MR. GAURAV BHATNAGAR, CO-FOUNDER AND JOINT MD  
MR. AKSHAT VERMA, WHOLE-TIME DIRECTOR AND CTO  
MR. VIKAS JAIN, CHIEF FINANCIAL OFFICER  
MR. ANIL BERERA, ADVISOR  
MR. PRAMENDRA TOMAR, GENERAL COUNSEL  
MR. SHRESHTH MAHAJAN, ASSOCIATE DIRECTOR-INVESTOR RELATIONS

**MODERATOR:** MR. SNIGHTER ALBUQUERQUE, ADFACTORS PR: INVESTOR RELATIONS

**Snighter Albuquerque:** Good evening everyone. I am Snighter Albuquerque from Adfactors PR Investors Relations. On behalf of TBO Tek Limited I would like to welcome you all to the Earnings Conference call for Q2 and H1 FY26.

Today on the call we have with us from the management, Mr. Ankush Nijhawan: Co-Founder and Joint Managing Director, Mr. Gaurav Bhatnagar: Co-Founder and Joint Managing Director, Mr. Vikas Jain: Chief Financial Officer, Mr. Anil Berera: Advisor, Mr. Akshat Verma: Whole-time Director & CTO, Mr. Parmendra Tomar: General Counsel and Mr. Shreshth Mahajan: Associate Director - Investor Relations. We will begin the call with a brief opening comments from the management followed by a Q&A session.

Please note that certain statements made during this call may be forward-looking in nature. Such forward-looking statements are subject to certain risks and uncertainties that could cause the actual results or projections to differ materially from those statements. TBO Tek will hold no responsibility for any such actions taken based on such statements and undertakes no obligations to publicly update these forward-looking statements.

I would like to hand the call over to Gaurav Bhatnagar now for his opening remarks. Thank you and over to you Gaurav.

**Gaurav Bhatnagar:** Thank you Snighter. Good evening everyone and welcome to our Q2 & H1 FY26 Earnings Call.

Just prior to the call we have shared a detailed shareholder letter on the website in investor relation section just like we did last time, and we believe that format works better where we give you all the chance to review the numbers and then spend more time on Q&A. I will just take a minute to summarize the results and then we will jump straight into Q&A.

Q2 FY26 was an exciting and eventful quarter for us. As you all know this is a peak travel period for most of northern hemisphere which is reflected in our results as well. Historically Q2 has been our strongest quarter and it is the same this year as well. We are happy to report that after the macroeconomic headwind and the geopolitical challenges that we faced in Q1, we had a relatively stable and growing quarter in Q2.

The GTV grew by 12% largely aided by faster growth nearly 20% growth in the hotels business. GP grew by 19% which is growing faster than GTV again because the mix is changing towards hotels and there is slight improvement in retention as well on the hotels business. The EBITDA before M&A cost, as we acquired Classic Vacations this quarter and the cost is appearing in our numbers but before M&A cost we delivered an adjusted EBITDA of Rs. 104 Cr which is a 16% growth as compared to same quarter last year. You will see that the gap between GP growth and adjusted EBITDA growth is narrowing down now which is a reflection of the increasing operating leverage in the business. Apart from this the other big event in this quarter was the acquisition of Classic Vacation. As of 1st October, the transaction has been closed and Classic Vacation has started to integrate into the business. You will start to see numbers from Classic getting consolidated in our numbers starting Q3 onwards.

With that we will open the floor for questions.

**Snighter Albuquerque:** Thank you so much Gaurav. We will now begin the Q&A sessions. Participants are requested to raise their virtual hands to ask questions. We request you to introduce yourself and the firm you represent before going ahead. We will wait for the Q&A or for the question queue to assemble.

We will take the first question from Manish Adukia. Manish, please unmute yourself and go ahead with the questions.

**Manish Adukia:** Thanks for taking my question. Good evening team. Really appreciate the detailed shareholder letter and the disclosures. I have couple of questions. First, congratulations on completing the Classic transaction versus the last time we spoke when you had done the call to announce the Classic transaction. I would love to get a little bit more detail around how that business may change your growth and margin profile. I think your business of course this quarter did mid-20s revenue growth, 20% GP growth. Classic, from whatever you have shared in the past last few years has not shown any meaningful growth at least. So, now with classic integrated from the December quarter, over the next one to two years, do you see TBO's overall growth profile as resetting lower versus what you were delivering? Maybe the growth may be slightly more profitable but just want to get your overall sense on how classic integration could change the growth profile of the business.

**Gaurav Bhatnagar:** Manish, I think that is a very fair question. One, it is very early and premature for us to be able to comment on the combined businesses growth profile. The way we are looking at it right now is that Classic at a top line at a GTV level would still be contributing roughly 500 million on a GTV basis on a total base of roughly three and a half billion dollars. From a GTV profile perspective, Classic adds to the denominator but not so significantly for us to have a big drag. I think the bigger challenge is going to be to look at the revenue and GP profile of Classic because Classic does operate at a much higher revenue at almost 22% of take rate and 11% of GP. Now, two things are going to happen over there. Yes, absolutely this from a revenue perspective it will add meaningfully large number to our existing revenue. On a GP basis, I think the business is more similar to our business. Yes, it is slightly more accretive in terms of what it generates in as a percentage of GTV but at that line we should be able to find in the short term growth synergy to drive GP continue to drive GP at a similar rate as before. The other bit is there are a couple of pockets of opportunity and we will talk a little bit about it later as well. For example, India is starting to come back from you know a period of de-growth to flatten more so that is an open opportunity for us to add up to the overall growth in the subsequent quarters and years. Secondly, as a base US is a very large market right. So the question that we need to answer is; can we unlock you know 15% - 20% kind of growth in that business given that the size of the market is very large and the business is right now owned by a private equity as against a strategic that is the only bit we need to answer for rest of the engines are shooting at higher than 20% growth as you would see in a shareholder letter as well. Most regions are actually delivering even maturing regions like Middle East are delivering 20% plus growth so we remain confident I do not want to comment that will that overall growth profile remain same at the bottom line absolutely it should accelerate at the top line we are still confident that we will find ways to get similar growth profile but too early to comment in a definitive manner.

**Manish Adukia:** Thank you Gaurav. I really appreciate that response and that statement that you made about ability to unlock that 15% to 20% growth in Classic for a period of time whether that happens or not. I mean I am sure you have a structure in place in terms of how you think about the growth getting to 15%, - 20% for classic but like could that be like a two-year journey five-year journey I mean for you to get there would that require a lot of investments in Classic and could the journey be more like a near term or could that be like a much more longer term journey for classic to you know get to those kind levels of growth?

**Gaurav Bhatnagar:** I think in the short term what I would expect is that we would see a faster synergy realization on the bottom line and the reason I say this is because we have seen happen in our previous acquisition as well is that we do have a significantly larger supply pools that will be plugged into the Classic ecosystem. Usually, these synergies first start showing up

in margin expansion within the existing business and hence the bottom lines will show some improvement to begin with. Subsequent to that, again the same question come that we have been grappling with as well how much of that bottom line improvement you want to push back into the top line but broad theme, will remain saying that it is going to be profitable growth we are not looking at taking any further cash from the core business to accelerate growth in Classic. The Classic investment thesis was that this business will be profitably growing without any further investment and we stick to that. I do not think it is a five-year journey it should be shorter than that now whether it is a one-year journey or a three-year journey that is hard to say but if we do not find growth levers in two years we will not find them.

**Manish Adukia:** Very helpful maybe just one or two quick follow-ups on, you mentioned GP to EBITDA growth has now started to converge in your previous call you had mentioned that a lot of investments will be done by this fiscal year in the core business. So, is it safe to assume that let us say at least starting next fiscal year EBITDA growth should start outstripping GP growth for the business?

**Gaurav Bhatnagar:** I think that is a fair assumption for the core business and we have shared it in our shareholder letter as well. YoY quarterly SG&A growth is starting to slow down now. We expect that trend to continue for the next couple of quarters as well. So, you are right Manish that we would expect operating leverage to flow through and EBITDA should start accelerating faster than GP in the subsequent quarters.

**Manish Adukia:** Just my last question. India business of course encouraging to see the growth now starting to at least stabilize. Do we have any view on the outlook of that business I mean it is stabilized now from here on should it accelerate should it stay in the current range and within that just the hotel versus air bit like hotel of course doing better than air today but on the air is there like meaningful scope for acceleration? Would love to get your thoughts. Thank you for taking my questions.

**Ankush Nijhawan:** Of course, again repeating hotel business is our core theme of the company right I mean for obvious reasons which all of us know. So, that is something we will keep building on. Air is definitely we had to arrest the de-growth because it is a big hook for us. First to make sure that our penetration continues in India plus helps us to sell our non-air business as well and all of us know the growth which the aviation is going to see in India, being a leader already in that space we still want to control and ensure that we are a very serious relevant player for the airlines which will obviously help us to penetrate more, create stickiness amongst our travel agents and help us to cross sell hotel products so that remains the theme. It is in the right direction and we do anticipate growth going forward you know as we move into this quarter as well as 2026.

**Manish Adukia:** Thanks a lot thanks for taking my questions.

**Snighter Albuquerque:** Thanks Manish. We move to the next participant Karan Uppal. Karan, request you to please introduce yourself and the company you represent and go ahead with your question.

**Karan Uppal:** Yes, thanks for taking my question. This is Karan Uppal from Phillip Capital. Good quarter, congratulations on that. Three questions from my side. Firstly on the monthly transacting buyers so very smart addition in the international markets, the growth rate is really strong so can you elaborate which particular markets or countries are doing well, where SG&A expenses are showing results and where you can catch up? That's my first question.

**Gaurav Bhatnagar:** Okay. Karan the good news is that active agent growth has been largely secular across almost every region. It has also translated to new business growth particularly well in Europe for us right now and parts of Middle East. Those are two regions where we have

actually seen that not only have it added new customers they have immediately started delivering as well. Part of it is just the nature of those markets because each travel agent is worth much more because these are richer country with per capita travel spend is much higher. On the other hand markets like APAC have shown a large growth in the number of transacting buyers because each transaction is smaller in value they are still not very significantly contributing to the top line. Now the hope is that these travel agents as they mature into from a T1 or T5 to a T10, T20 transaction. Hopefully Q4, Q1, Q2 next year they will also start meaningfully delivering. Broadly speaking, I think almost every region has seen a strong growth both on new agent addition as well as business given by the new customers.

**Karan Uppal:** Okay that is great to hear. Secondly in terms of the markets, Europe and Middle-East are our largest markets and the growth you know smartly recovered in this quarter. So, now post Classic acquisition how should we think about the growth in these two markets which are almost 60% of the GTV contribution for us?

**Gaurav Bhatnagar:** I think from a percentage of GTV contribution and saliency perspective, obviously US has also become significantly large for us now. I think combined TBO core business and Classic business will be north of \$700 million, \$800 million GTV so that will just change saliency a little bit. The growth profile for Europe and Middle East standalone should not be affected at all. The way our business operates is that each of these regions run fairly independently while sharing supply and platform as a common lever. So, these businesses should continue to see the benefits of all the new agent addition all the investments done over there in the growing our sales team. So, I would not see them getting impacted either way because of addition of Classic. Their share of wallet of the overall TBO business will reduce because we have now added significantly larger GTV in North America.

**Karan Uppal:** Okay. A related question to that is since Classic source market is mainly in US. With respect to cross selling it to, let us say Europe and Middle East. So, can we expect this numbers which you are reporting can they accelerate from here because of Classic integration?

**Gaurav Bhatnagar:** The Classic integration will have one supply benefit that Classic has access to about 1500 luxury, and ultra-luxury hotels which many of them were not directly working with TBO in the past. Those hotels will become available to the broader TBO ecosystem in due course of time. Classics technology still needs to be integrated which will take some time but once that happens, we should see overall benefit of that in the entire ecosystem. In Europe and in the Middle East, it is very hard to quantify right away; as to how much of that upside is going to be and also not very easy to quantify that how much of that upside is actually margin expansion bottom line upside and how much of it is just new growth that happens because of it. So, very early days but you are right that the supply that we get access to because of Classic should benefit our overall bigger broader TBO ecosystem as well.

**Karan Uppal:** Okay great last question from my side is, the gross margin in the hotels and ancillary business second quarter in a row is in the mid-60s, this number used to be around 70%. Last time you mentioned that the contribution from the commission business was a bit higher so was that the same phenomena this quarter as well?

**Gaurav Bhatnagar:** Yes, our revenue has grown you know significantly faster than GP and we have made a note of this in our shareholder letter as well. Essentially what is happening is that when the share of wallet of suppliers who work on a commissionable model increases in any specific quarter then all of that commission obviously flows back into revenue; but then part of that commission gets shared as netted off when we come down to the GP line and hence in such quarters you will see revenue run faster than GP.

- Vikas Jain:** Just to add Karan; if you see GP as a percentage of GTV it has been almost flat. It has marginally grown from 5.5% to 5.6%.
- Karan Uppal:** Okay. Just one clarification. With regards to this commission versus take rate, what is the broad split right now in the hotels naturally at this point of time?
- Vikas Jain:** In terms of the GTV contribution it would be approx, 35% of GTV is coming from the commissionable model.
- Karan Uppal:** Okay. Great. Thanks a lot and all the best.
- Snighter Albuquerque:** Thanks Karan. We move to the next participant Swapnil Potduke. Please unmute yourself please also introduce yourself and the company that you represent and go ahead with your question.
- Swapnil Potduke:** Thanks for the opportunity. First of all congrats on a good set of numbers. I would like to start with the Classic accounting policies. I want to understand over here is like how do you book the GTV in Classic? Do you book it at the time of a customer making the transaction or is it at the time of travel? Also, a related question to that this is that how should we see the seasonality playing out in the classic business particularly?
- Vikas Jain:** Currently the numbers, Classic has been reporting in their historical financials the GTV numbers have been reported basis the time of travel. However, considering our accounting policies that we record GTV based on the booking basis; we are working on to arrive the numbers that we would be reporting in the subsequent quarters based on our accounting policy. So, there would be some change in the way that historically Classic has been reporting the numbers and the way it would get consolidated in our numbers.
- Swapnil Potduke:** How would that affect your seasonality? How should we look at that business affecting your quarterly numbers?
- Vikas Jain:** Give us time for this quarter. I still to have those numbers exact numbers based on the booking related to the near to the last cancellation date etc. We will share more insights about the same in the next quarter.
- Swapnil Potduke:** Okay. The next question is on your LatAm business whether growth over there has been 10%; while the rest of the portfolio is firing good enough, when do we expect the growth to you know recover back to let us say 20s or around those that growth number?
- Gaurav Bhatnagar:** LatAm as a region is facing significant headwinds, in fact some of some growth has revived but there have been just structural challenges over there. One, some of it is beyond our control we talked about the IOF tax which remains an ongoing issue because it does make outbound travel more expensive and harder for us to do that business. The second challenge is that their currencies still remain volatile and given their booking windows are very long in the sense they book significantly in advance, it creates a little bit of currency FOREX risk for us as well. We have taken some action and hence you have seen some growth come back. I would not hazard a guess on how quickly we can get this into say 20% kind of growth as yet because there are factors you know which are rapidly changing and are really beyond anybody's control at this point in time. Having said that, from a saliency perspective this has not a very major impact on the overall numbers for us. We are tracking closely and are driving for higher growth in Q3 but very hard to say that will it come back to 20 plus kind of a growth very quickly.
- Swapnil Potduke:** Got it and a question on your organic margin given that going ahead we will have Classic also integrated in our numbers. So, let us just assume your business grows 20% in the

hotels business next quarter also, will it be fair to say; that except Classic we will still see operating leverage on a YoY basis and because on QoQ basis there will be seasonality; but on a YoY basis we should expect operating leverage playing out and some bit of margin expansion except Classic.

- Gaurav Bhatnagar:** Swapnil, the original thesis remains and we have been really anchoring around Q4 but the number that we are tracking right now is that how is SG&A YoY slowing down because we had a very strong high 25% to 30% SG&A growth in the beginning of this calendar year on YoY basis. That is definitely slowing down much more in our control. The GP growth should continue at a certain pace minus the seasonality. So yes; you are right to say that ex of Classic we should see EBITDA catch up with GP and eventually overtake GP as well. We are anchoring more around Q4 right now given that Q3 historically is the leanest of all quarters for us.
- Swapnil Potduke:** Okay got it. One question on your cash flows also, this quarter it seems your cash flow conversion on OCF2 EBITDA seems to have dipped a bit. Any particular reason that you can call out why that has changed from historical trends here?
- Vikas Jain:** Yes. Specifically in the Brazil market, it works on an installment basis and we earlier used to anticipate those installments to get the funds up front but what we have realized is that the cost of anticipation is much higher. We have experimented this quarter and we do not do anticipation but instead of that we have a negative working capital. So, instead of anticipating the same, we have kind of done away with that practice and try to hedge our FOREX risk and that is what has impacted some bit on the working capital side but we are still evaluating that experiment and if it makes sense we will continue with it in the future.
- Swapnil Potduke:** Got it. Just one question on your amortization policy also. There has been some bit of amortization in your balance sheet of this quarter, intangibles. So, any and that number, if I look at FY25 full year and the half year for this then the number seems to be the same. It seems like there is some acceleration on amortization cost possibly some R&D related costs. If you can just help explain that?
- Vikas Jain:** So, it is primarily not. I would say not much increase in the amortization of the intangible per se even some I would say minor increase in the capitalization, that would have led to some increase in the amortization cost over time and secondly at times like some projects would get capitalized and would get amortized over a period of five years but in some time where the project life is short. The amount gets amortized over three years, so our policy is that amortization of the intangible will happen between three to five years and so that that would also have some impact on the numbers which we report on the amortization.
- Swapnil Potduke:** Got it Vikas. Just last one on your ESOP. There has been some decline in the ESOP QoQ Rs. 4 Cr delta. Is this the new render that we should be looking at?
- Vikas Jain:** No. This is actually one offs due to the reversal of the sum of the cost because of the resignees in this quarter. The cost that we were seeing in the last quarter is around I would say Rs. 7 Cr a month should continue in the upcoming quarter based on the grants that have been issued till 30th of September. Obviously the further grants get issued in this quarter the cost may change.
- Swapnil Potduke:** Got it. Thanks a lot guys for the opportunity and all the best for your future quarters.
- Gaurav Bhatnagar:** Thanks Swapnil.
- Snighter Albuquerque:** We will move to the next caller Mr. Sucrit Patil. Please introduce yourself and the company you represent and go ahead with your question.

- Sucrit Patil:** Good evening. My name is Sucrit Patil and I am from Eyesight Fintrade Private Limited. I have a forward-looking question. As travel platforms get more tech driven and inventory access becomes easier, what is TBO Tek doing to build a strong edge not just through technology or supply but through something deeper that makes the platform hard to replace?
- Gaurav Bhatnagar:** We have to look at the platform in totality to understand where it creates modes and network effects. There are two sides and one is yes the supply side which is increasingly getting tech enabled. Having said that the supplier especially the larger hotel chains and larger hotels are getting very selective in who they want to work with. So, the scale allows us to make sure that if they select to work with a handful of players we have among those handful of players. For a new entrant it is increasingly harder to get access to that supply. On the demand side the business is far more fragmented because we are servicing the travel agent market which is millions a travel agencies across hundreds of countries. To aggregate this demand at a global scale is quite hard which is a combination of a tech play but also the feet on street that we set up the local infrastructure that we set up for local support, local payments, customizing supply for and the user experience for different parts of the world. Both have to come together and at scale for a business like this to be recreated. So, our belief is that as the size of the network grows especially on the demand side it becomes harder and harder to recreate this business and the network effects make it that much easier for us to grow faster vis-a-vis competitors who are new to the market or who may be one or two country players.
- Sucrit Patil:** Okay and my final question is to Mr. Vikas Jain. As you invest more in tech and expand globally, how are you making sure the company stays efficient and what cost levers do you think will help protect the margins over the next few quarters? I am just trying to understand how you are going to balance growth and innovation with long-term margin stability. Thank you.
- Vikas Jain:** As Gaurav had pointed out that in coming what we have been in investment phase specifically, I would say on our sales feet on street across the global markets and as the same is nearing finalization we will be seeing operating levels coming in specifically the SG&A growth would be lower than the growth in our gross profit and thus we anticipate that EBITDA growth should be faster than the revenue or the gross profit growth in future.
- Sucrit Patil:** Thank you. I wish the entire team best of luck for Q3.
- Gaurav Bhatnagar:** Thank you.
- Snighter Albuquerque:** Thanks Sucrit. We move to the next caller Mr. Moez Chandani. Please introduce yourself and go ahead with the question.
- Moez Chandani:** Good evening. This is Moez I am calling from Ambit Capital. My first question was on the APAC markets, which saw very good growth in the APAC markets nearly 40% plus. Now given that this is still a small market for you, is this something that you think will continue to keep growing at this 40% rate or do you think that growth would maybe taper off at some point in these markets?
- Gaurav Bhatnagar:** Coming on a smaller base in a relatively large market we are seeing high double-digit growth in that market right now. A lot of this growth is driven by new markets specifically Australia which we count as a part of APAC in our business where we have seen good traction. It is very hard to comment and give such a specific guidance on where this growth will sit in subsequent quarters but I can just generally talk about how we see the market. It is a very large, it is the world's most populated market and the largest travel market in

terms of number of passengers may not be necessarily the largest in terms of travel spent but in number of passengers. So, if you look at the runway for growth in these markets, there are just immense source markets that we have barely touched. Australia is very small for us but growing at a very fast pace. We are somewhat penetrated in Indonesia but again it is a very large market compared to our presence over there. We have not even touched markets like Japan and Korea as yet and no immediate plans in the next few quarters as well.

So, if I was to look at a three to five year view on this market it should be very large for us because that is how it is eventually going to be one of the larger global markets and hence our business should mirror that. Today you will see it is one of the smallest markets for us. There is a runway for growth but very difficult to comment that will this specific growth rate continue, will it accelerate or decelerate over the next few quarters.

**Moez Chandani:** Okay. Got it, understood. The next question was on your adjusted EBITDA margins, x of the one offs they have seen a very sharp improvement. Now is there a particular target EBITDA margin that you have in mind post which you would rather reinvest in growth or rather than focus on margins or do you think that there is this is more or less a steady state in terms of incremental margins going forward?

**Gaurav Bhatnagar:** We do expect to improve margins from here because like we discussed earlier in the subsequent quarters we would see a slowdown in growth, in SG&A on a YoY basis while top line should continue to grow. So, we would expect margins to expand. Now the question on how you know till to what extent they can grow and at what point you start reinvesting some of those margins back into the business, is would be conjecture at this point in time.

Our first focus is that demonstrate that the investments that we have made in first half of this calendar year have a fairly quick payback period, over the next 12-18 months this translates into higher operating margin and then expanding of EBITDA margin, so the operating leverage does flow through. We had taken a very considered call last year when we discussed on how we think your investment to say that let us take all of the margin expansion because of operating leverage and reinvest into the business and hence the general view for us was that as long as the bottom line grows in line with top line we are satisfied because this is an investment into the future. We will have to take similar calls for subsequent years as well but it is very premature to say that what those calls would be and what percentage of operating leverage would you want to reinvest in the business but we remain committed to expanding the EBITDA margin on the core business minus the CV business for the next several quarters.

**Moez Chandani:** Okay. Got it. Thank you and best of luck.

**Gaurav Bhatnagar:** Thank you Moez.

**Snighter Albuquerque:** Thanks Moez. The next question is from Raghav Malik. Raghav I request you to please introduce yourself and the company you represent and go ahead with your question.

**Raghav Malik:** Thank you for the opportunity. This is Raghav from Jefferies. The first question just on the air business we have seen GTV expand like a turnaround after a few quarters but the take rate seems to have shrunken. Could you elaborate where the competition mainly is coming from is it more on the OTA side or are you facing more competition on the B2B side for the air business?

**Ankush Nijhawan:** It is a business which everybody is trying to win a buy. So, yes it will not be fair to say that one particular com set is kind of competing with us including OTAs as well as our own B2B

peers right. So, everybody's fighting for that chair. It is not one particular segment we are competing with. I think it is a few players I would say in the industry which we are obviously competing with.

- Raghav Malik:** Okay and in terms of outlook for the segment like do we expect take rates to now stay at these new levels and GTV to subsequently maybe grow or how do we see that?
- Ankush Nijhawan:** Take rates should be at the same levels Raghav but definitely we do anticipate a growth in our air business as we have now turned around things in Q2 and hopefully we will continue the same trends as we move into Q3 and Q4.
- Raghav Malik:** Okay thank you and my second question was on the platinum business. Any indication on how many hotels we have added on that front and how do we see that business shaping up?
- Gaurav Bhatnagar:** Yes, Raghav the business is shaping up well we have crossed the 150 mark on the total number of participating hotels. The good news on that business is that for the cohort of hotels that we have signed up as platinum, we have seen a sharp uptick in the share of business that those hotels are getting in the in the same city on an YoY basis which means that we have demonstrated to the hotel that we can divert business a basis the prioritization of how we list the hotels and how we how we market the hotels on the platform. So, we remain bullish on that program it is meaningfully adding to the bottom line as well because it is incremental new revenue that we are generating from the override that we negotiate with the hotels for this business.
- While from an enterprise perspective it is subscale right now to talk about its 150 hotels only but from a strategic perspective of saying that are we able to demonstrate to supply that we have influence over the purchasing decision of the travel agents and their customers; I think this is quite significant.
- Raghav Malik:** Sure. Thank you. That is all from my side. Best of luck.
- Snighter Albuquerque:** Thanks Raghav. The next question is from Samarth Patel. Samarth request you to introduce yourself and the company you represent and go ahead with your question.
- Samarth Patel:** Thanks for providing me the opportunity. This is Samarth Patel from Equirus Securities. I joined a bit late so my apologies if the question has already been answered. I just wanted to get a sense of what is the current retail versus enterprise mix for us and how should it evolve in the medium term? That is my first question.
- Gaurav Bhatnagar:** I think at a GTV level for the hotels business, it remained at about half and half for the international business. Obviously at a GP contribution level I would say the retail business delivers a higher GP compared to the API business. We would expect the numbers to not materially change in the near future. In the long run, we do expect the retail business to start growing at a faster pace because a lot of investment is going into building out the long-tail distribution that we have been focusing on and hence this would lead to our retail business growing at a faster pace in the long term.
- Samarth Patel:** Thank you that was really helpful. My second question is like if you can just help us with margin and profitability profile of any particular mature market like Middle East and how it differs from let us say consolidated margin that would be really helpful.
- Gaurav Bhatnagar:** We do cannot do a financial P&L for a region because there is a fair bit of shared cost for example there is a cost of platform, there is HO cost and even supply is shared across multiple geographies. So, it is very hard to you know break out a regional P&L per se. All I

can say is that what we have seen demonstrated in the business is that if you were to look at regional contribution, which is to say revenue or GP which can be directly attributed to a region and the direct cost of that region right. The sales people on the ground in that region; if you look at that number then the GP to the regional contribution improves very sharply with growth; so we see huge operating leverage play out over there but obviously because there is certain cost which is setting centrally which is supply cost, cost of technology platform and then some of the investments that happen in newer geographies where this operating leverage is still not kicking in so when you look at it at an consolidated level you see some dilution happen. But rest assured, if you were to look at maturing markets like Middle-East for example there is a very strong conversion from GP derived in the region to the regional contribution.

**Samarth Patel:** Understood. That was really helpful. That is it from my side and thanks for providing the opportunity.

**Vikas Jain:** Thank you Samarth.

**Snighter Albuquerque:** Thanks Samarth. The next question is from Divyansh Gupta. Please introduce yourself and the company you represent and go ahead with your question.

**Divyansh Gupta:** Sure. Hi this is Divyansh Gupta from Latent Advisors we run a PMS firm. A quick question on the GTV concentration. In our IPO time we had mentioned that we had given the top five and ten concentration; how would have the data evolved now? Is there a concentration any particular side?

**Vikas Jain:** On an enterprise level the number remains the same. The top 10 customers would be contributing less than 10% of our GTV similarly top 500 will be contributing 45% to 50% of our GTV. They remain in the similar line

**Gaurav Bhatnagar** There is no material change that will happen either way.

**Divyansh Gupta:** Got it and I am assuming we are comfortable with this concentration level because that is how the industry is structured or are we trying to de-risk the business?

**Vikas Jain:** These ranges over very last few years so we are very comfortable with these.

**Divyansh Gupta:** Got it and one more question. We are introducing a lot of AI on our platform which can help let us say the agents book. So, how does the AI work from a pricing prospect? Does it help let us say optimize for booking so that the booking gets through or it is on revenue maximization so that the by the suppliers earn higher; so how should we understand the infusion of AI into the business?

**Gaurav Bhatnagar:** There are several touch points where we are introducing AI. If you specifically talk about pricing then a lot of AI and data analytic work happens behind the scenes on driving higher conversion and the maximum possible markup. The problem statement that we try to solve for is that, how out of every 100 searches how many can we convert at a highest possible markup without with leading to net dollar value incremental outcomes.

You would see there is slight improvement in take rates in the hotels business on a QoQ basis. Some of it, can be attributed to some of these experiments some of it also leads to top line growth so because sometimes the conversion is not happening because you are marginally more expensive than competition. In those situations while the take rate may not improve the take rate may actually also come down but then top line growth is happening. So, a lot of this happens behind the scenes. It is very hard to present this and explain how it works, some of it is IP as well but needless to say this has been a key focus

area for us for the last few quarters and I think we have done a good job of it and reflecting in the numbers.

**Divyansh Gupta:** Got it and if you have answered this earlier because I joined later then I will refer back to the previous questions but how has Classic's performance in this quarter been?

**Gaurav Bhatnagar:** Classic's transaction was closed only on 1st of October. So QND will be the first quarter where we will be consolidating on Classic.

**Divyansh Gupta:** I am not asking from a consolidation perspective just that from the time we acquired till let us say till 30th of September.

**Gaurav Bhatnagar:** It has been in line with the expectation. So, no red flags or no concerns either way. The business has been delivering in line with its historical performance.

**Divyansh Gupta:** Got it. The follow-up question on Classic. From Covid where people, let us say there was a lull and then revenge travel, the overall revenue has not increased and while let us say it was not part of Expedia then to the P, why would someone acquire and then not be in core and not grow? I am just trying to understand for whatever it is worthwhile why was not the growth there in the business, even if let us say the investor might not be that interested.

**Gaurav Bhatnagar:** It is a nuanced question and without disclosing a lot more detail it is hard to explain why we feel confident that we can initiate growth in this business. But let me try and summarize it. So, in a nutshell Divyansh, this happens with pretty much every business in our space which is somewhat subscale, is that the access to supply and access to competitive supply is extremely limited right unless you are doing billions and billions of dollars of GTV. So, if you are subscale if you are in that hundred million to say half a billion kind of a range; the access to supply is very limited, which has a subsequent effect that the travel agent or your travel advisors use you for very limited business. So, the Classic business has largely been limited to four geographies which is Mexico, Caribbean, Hawaii and parts of Europe, very small parts of Europe which is one obvious opportunity that is visible that if you to expand the supply and expand the number of destination then you would become more relevant for your existing customer base.

The second bit is that given the size of that business their ability to invest in technology is very limited right the full technology team for Classic is less than two dozen like less than about just about 20 people. So, they would benefit from the much larger technology team and the technology infrastructure that we have already built once we do that integration. All of these things are not possible for a standalone Classic business when they were owned by a family office; because they were not a part of a bigger strategy ecosystem. They could not have afforded the technology and could not have access to that supply. Now that we create access to both these things we build more confidence that yes at this point in time we can actually spur growth in that business.

**Divyansh Gupta:** Got it. Understood and just one last question. We started in India and therefore airline was a stronger suit for us and for whatever is happening in India is let us say whatever is happening the question is more on the international flight booking. A very basic question; that why would an operator use us for booking flights for business originating outside India, because we do have some air business. So, it is just that it just happens like if it happens it happens or it is something that we have not focused on and we are trying to focus or that market has gone to the OTAS?

**Gaurav Bhatnagar:** Globally the airline market has not even gone to the OTAS; it has gone direct. If you see the European carrier like Ryanair they have a very strong bias for direct if you see the US market as well it is largely supplier direct on the airline website. We still have a very small

airline business outside of India because we need to provide one for the completeness of the solution.

There are always pockets of inconvenience for a travel agency for example if I am a travel agent in US and I need access to Indian low-cost carriers, I will not have or Asian low-cost carriers or European low-cost carriers I will not have access. Occasionally I need to book those. We are a big believer in keeping the ecosystem comprehensive, so that a travel agent has to never leave the platform. From that perspective it serves a useful purpose. The second bit is that as we are expanding our own thinking around complex itineraries and packages and creating frameworks where us the travel agent in a single itinerary is booking flight plus hotel plus transfers plus sightseeing flight is a very key element of that. The ability to deliver and book flight tickets is very critical. Standalone building that business outside of India does not make sense because that ecosystem is very mature and there is not a large gap that will be fulfilling. So, that is the way we think of it. It completes our platform and eventually as we look at packaging and multi-product in a single transaction then flight will be very critical.

- Divyansh Gupta:** Okay and just one last question. The take rates for us in flights versus take rate for make my trip there is a very large difference and why would that be? I understand we would be passing on something to the agent. So, it will flow through but on a revenue take rate basis it should typically be on par right?
- Ankush Nijhawan:** Typically the take rates are same or probably lesser in a case of a B2C OTA, but what the difference between us and our take rate is that they have a convenience fee if you see in their financials which they add on every ticket they sell, which technically we cannot charge because we are obviously distributing it back to the travel agent. So, the travel agent actually keeps that convenience fee for his margin which he does not always share with us. For a fair comparison probably the take rates are lower or similar as ours; but the convenience fee makes you feel that the take rates are higher in a B2C like Make my Trip.
- Divyansh Gupta:** Understood. Thank you very much for patiently answering my questions.
- Snighter Albuquerque:** Thanks Divyansh. We will take Karan Uppal next. Karan please unmute yourself and go ahead and ask a question.
- Karan Uppal:** Thanks for the follow-up. Just one question on the acquisition related costs. So, this quarter it was around Rs. 13 Cr, next two quarters how should we think about this number and the margin guidance which you are giving in terms of the adjusted margin expansion. Should it be that 16% margin levels or 18.3% which you have reported?
- Vikas Jain:** On the acquisition related cost, we have kind of provided for the entire cost related to this acquisition in this quarter itself. We do not anticipate any major cost to come up in in the subsequent quarters per se. The EBITDA margin that we are saying; since in the future period this cost would not be there. It should be fair to see our EBITDA margin before M&A cost which is 18.3 as the base for this quarter.
- Karan Uppal:** Got it. Thanks Vikas.
- Snighter Albuquerque:** Thanks Karan. The next question is from Vidhi Raval. Vidhi go ahead and ask a question. Please introduce yourself before that.
- Vidhi Raval:** Hi. Thanks for taking my question. I am Vidhi Raval. I am from Yes Securities. Just one thing as most of the questions have been answered. Last quarter we did mention that payroll cost should be streamlined Q2 onwards. Just wanted to check where are we in terms of the entire payroll cost and the international hiring that was there on track. That is first

question and secondly, where are we on the new travel agent contribution that we have towards the GTV.

**Gaurav Bhatnagar:** Okay. We have covered this in our shareholder letter as well. Largely we are done with the hiring that we were going to get done for this year. There will be some subsequent hiring that will happen in Q3 and Q4 as well but I think the bulk of the cost is not built in; which is also why we have a favorite of confidence that on a year-on-year basis the SG&A growth should start to taper down.

Your second question was on the contribution on the newer travel agents to the GTVs. We have done a fairly detailed analysis in our shareholder letter and this number. It is a very important number for us because it is a significant uptick. So, if I look at the first six months of this year compared with first six months of last year, the share of business that we have that we have derived from the travel agents added in the same financial year has materially improved.

**Vikas Jain:** That number is going from 4.3% to 6.9%.

**Gaurav Bhatnagar:** For the same period last year, the travel agents who were added in the first six months contribute 4.3% of the GTV in that international business. This has now almost grown from 15% to around 16%. This is the number that we expect to continue to grow in in H2 as well, because these travel agents should become even more productive in the second half of the year.

**Vidhi Raval:** Sure sir. There is one last question. We have Classic kind of coming on board from H2 onwards, so wanted to understand their take rates, we understand that the entire model is commission-led over there. How should we look at the split between commission-led and standalone take rates that we are sitting on as of today?

**Vikas Jain:** While we should share more details when we consolidate the Classic numbers in the coming quarter. As Gaurav mentioned, the take rate of Classic business is a bit different than our core business. They operated around 22% take and 11% GP while our GP in hotel business is at 5.6%. They would be changed due to mixed impact coming in, but we will try to share transparently as our core business numbers as well so that the readers have clear understanding of how the impact is coming from the Classic.

**Vidhi Raval:** Sure sir. Thank you so much.

**Snighter Albuquerque:** Thanks Vidhi. That is the last question for the evening. Thank you everyone for participating in this call. I would now like to hand the call over to Ankush Nijhawan for his closing remarks.

**Ankush Nijhawan:** Thank you everyone for taking time and being part of the earnings call and if anybody has a follow-up question please feel free to write to any one of us. We are always available and I look forward to see you sometime after this quarter. Thank you for your time.

**Snighter Albuquerque:** Thank you Ankush. On behalf of TBO Tek Limited, that concludes this conference. Thank you everyone and have a great evening.

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