



June 06, 2024

Listing Manager, National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400051, India Symbol: YATRA ISIN No.: INE0JR601024	Manager - CRD BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001, India Scrip Code: 543992 ISIN No.: INE0JR601024
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Dear Sir/Madam,

Sub: Intimation – Transcript of Earnings Conference Call for the quarter and year ended March 31, 2024.

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the copy of transcript of earnings conference call for the quarter and year ended March 31, 2024.

The above information is also being made available on the website of the Company at www.yatra.com.

This is for your information and records.

Thanking You,

Yours sincerely,

For Yatra Online Limited

Darpan Batra
Company Secretary and Compliance Officer
M. No. A15719

Encl.: as above

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 (Formerly known as
 Yatra Online Private Limited)

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“Yatra Online Limited
Q4 FY24 Earning Conference Call”

May 31, 2024



**MANAGEMENT: MR. DHRUV SHRINGI -- WHOLE TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER – YATRA ONLINE
LIMITED**

**MR. ROHAN MITTAL -- GROUP CHIEF FINANCIAL
OFFICER – YATRA ONLINE LIMITED**

**MR. MANISH HEMRAJANI – VICE PRESIDENT,
CORPORATE DEVELOPMENT AND INVESTOR
RELATIONS – YATRA ONLINE, INC.**

MODERATOR: MS. DWANI SHAH -- INVESTEC CAPITAL SERVICES



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Moderator: Ladies and gentlemen, good day and welcome to Yatra Online Q4 FY '24 Earnings Conference Call hosted by Investec Capital Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Dwani Shah from Investec Capital Services. Thank you and over to you ma'am.

Dwani Shah: Good morning, everyone. Thank you for joining the Yatra Q4 FY '24 earnings conference call. Before we begin let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated.

Such statements are based on management beliefs, as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is to purely educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We firstly have with us Mr. Dhruv Shringi, Whole Time Director and Chief Executive Officer, Mr. Rohan Mittal, Group CFO and Mr. Manish Hemrajani, Vice President of Corporate Development and Investor Relations. Without any further delay, I request Mr. Dhruv Shringi to start with his opening remarks. Thank you. And over to you, sir

Dhruv Shringi: Thank you Dwani and good morning, everyone and thank you for joining us for our fourth quarter and fiscal year 2024 earnings call. We are pleased to report a solid 2024 fiscal year with an annual reported revenue of INR 4.2 billion up 10% year-over-year with Air passenger volumes up 24% nearly double the industry growth rate of 12%.

For FY '24, we largely met or exceeded all our analyst expectations. On a quarterly basis, gross bookings expanded 12% year-over-year in the fourth quarter of FY '24, driven by a 13.5% growth in Air gross bookings. This growth was fuelled by a robust rebound in international travel. Additionally, our EBITDA margin expanded to INR 108.3 million from INR 44.5 million in the previous quarter.

EBITDA Margin improvement was approximately 7% sequentially reaching 13% EBITDA margin in the current quarter, due to optimization of customer inducement costs in the B2C business and a strong recovery in the corporate business.



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Overall, from a domestic Air Passenger volume perspective, the quarter was soft due to supply side constraints with the largest airline in the country having taken out capacity for engine repairs related issues. We expect supply side constraints to start improving in the second half of the year in fact the indication we have is that starting August we'll start seeing some easing of supply side constraints and by the same quarter of next year we expect almost 100 to 150 incremental aircrafts being in operation.

For the quarter ended 31st March 2024, we reported revenues of INR 1.07 billion, down 10% year-over-year and adjusted revenue of INR 1.8 billion down 6% year-over-year. This decline was largely due to the impact of a catch-up income in the same quarter of last year, while coming out of COVID and that catch-up income was up approximately INR 119 million, excluding that benefit and comparing on a like-for-like basis, revenue was up 7% year-over-year and adjusted revenue grew 4% year-over-year.

Our strategy to balance our consumer and corporate business while focusing efforts more on the profitable corporate business has resulted in a favourable business mix for us. During the fiscal year of 2024, we signed 83 new corporate customers, which translates into annual billing potential of INR 5.4 billion. In the March quarter alone, we signed 25 new corporate customers.

And as mentioned in the prior quarters during the year, we landed numerous deals with large and industry-leading companies like Aramco and during this reporting quarter as well, just to give you a few examples, we won two large MNC customers, signed up a large private sector bank, a large pharma company and one of India's largest manufacturing conglomerates.

Our consistent wins and high customer retention provides concrete evidence of our team's relentless pursuit to expand our corporate share and provide service excellence. Furthermore to expand the TAM that we are addressing we have also looked at building out new products and services. One of the products and services that we are expanding and we launched recently is an expense management solution. This solution stands out for its utilization of cutting edge technologies including Gen-AI, large language models for receipt analysis.

And unlike traditional OCR technology this ensures much more accurate and comprehensive expense tracking significantly reducing errors and saving time for our customers. Additionally, it features an integrated chatbot based on GenAI and RAG models. This solution not only meets market demand, but also anticipates future needs. Our expense management solution is designed to grow with our clients offering scalability and flexibility as their businesses evolve.

We now have the opportunity to cross-sell this solution to our already large and well-established corporate and SME customer base and I'll discuss this in greater detail later in my remarks as well.

Now let me provide you with some more details on our fourth quarter.



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Travel volumes in the IT sector continue to remain soft in the fourth quarter. However, we are pleased to announce that volumes in the corporate segment overall are now back to pre-COVID levels and with IT softness being offset by our customer wins earlier in the year starting to online and picking up volume from other sectors.

We are increasingly optimistic about our ability to grow our corporate business through new customer wins and the potential of cross-selling new products such as expense management in the future. Incidentally in the current quarter we've already begun to see recovery in most of our IT services customers as well. I would also like to take the time to highlight some of our recent strategic initiatives to expand our market and growth potential.

In the recent months we have from an engineering and technology standpoint launched a new and improved user interface on our domestic site search platform. This enhancement is designed to provide a more seamless and intuitive booking experience for our customers, driving greater engagement. One of the key features of this new UI is the focus on upselling ancillary products and multiple fare types to our customers giving them incremental convenience and driving further revenue for us.

These products include premium seats, travel insurance, additional baggage allowance, the ability to offset carbon footprint and by integrating these offerings more prominently in the booking process we aim to not only enhance the overall travel experience, but also increase our revenue streams. The revamped UI is not just about adding new features. It also includes significant improvement in functionality and design. The new layouts faster loading times and enhanced search capabilities make the booking process smoother and more efficient for customers. We have also incorporated personalized recommendations based on customer preferences and booking history further enhancing the user experience.

Additionally, on the corporate side we have launched a new guest house booking platform for corporate customers. This new service is designed to provide companies with convenient and comfortable accommodation options and also for large corporate customers who already have a number of guest houses within their portfolio. It allows them to optimize their lodging costs.

To further touch upon the capabilities of the expense management solution that I touched upon earlier, this multi-level approval, this solution has multiple benefits including multi-level approval processes which are tailored to meet specific company requirements. It seamlessly integrates with ERP systems and has advanced analytics powered by a Power BI dashboard. It also provides deep insights for comprehensive expense analysis. It's supported by a mobile application on both the android and the iOS platform. It has expense auditing, integration with Google APIs for mileage tracking and split expense capabilities. Expense management is a large and highly profitable segment and our product capabilities make it a product that is suitable not just for the Indian market, but for international markets as well.



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Our initial response from customers has been very encouraging and this solution allows us to further deepen our relationship with our customers and it also provides us with an opportunity to differentiate our offering from our competitors by effectively offering a bundled pricing to our customers.

In terms of team expansion, we recently brought on board a senior executive who until recently was the CEO of one of the largest corporate travel companies in the country as our Chief Business Officer for new business development. He will be responsible for building and further enhancing Yatra's mid-market and SME corporate travel proposition and developing new solutions for visa facilitation and car rentals for business travellers thereby delivering further financial growth for the company.

He brings with him a wealth of experience and capabilities that will be fundamental to helping us accelerate our presence in the mid-market travel management space. In addition, we've also built out a team that is focused on the highly profitable MICE segment and the initial traction of this is very encouraging. While these additions have led to an increase in salary cost in the quarter under discussion, we expect the benefits of these expansions to start accruing in the very near term itself.

Now turning to the broader economic landscape. As per the Reserve Bank of India, despite subdued global economic activity and multiple headwinds the Indian economy expanded impressively with real GDP growth accelerating to 7.6% in fiscal year 2024 from 7% in the previous year. This is third successive year of 7% or above growth. The RBI further highlighted in its recent report that the easing of supply chain pressure, broad-based opening and core inflation and early indications of an above-normal monsoon augur well for the inflation outlook in 2024-25.

The domestic economy is poised for high growth and on the back of this higher growth and incremental disposable income we continue to expect strong growth in the travel ecosystem as a whole. While there have been short-term pressures on account of supply side constraints in domestic aviation, we expect these pressures to ease off in the second half of the current fiscal year.

In the March 2024 quarter there was a total of 39.2 million passengers travelling domestically in India. This is close to an all-time high demonstrating the strong and still growing Indian aviation sector. As mentioned previously, religious travel is a huge and growing sector in India with tens of millions of tourists visiting popular religious sites and the improvement in infrastructure is enabling this to grow further with the Ministry of Tourism quoting a compounded annual growth rate of 16% from 2023 to 2030 for religious travel.

In addition to seeing growth in domestic travel, India is also one of the fastest-growing countries in terms of outbound travel. In 2022, India surpassed China, South Korea and Japan as the largest source market for outbound travellers in Asia and is still growing rapidly. In a recently published



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report in the ITB Berlin, India experienced an impressive year-over-year rise of 190% for Indian outbound travellers in 2022 a sharp recovery post-COVID.

With this backdrop of a strong economic landscape we are witnessing the transformation of our country amid a bounce-back in both corporate and leisure travel while discretionary spending remains on the rise. We are confident in our market and financial position and remain very optimistic about a strong year ahead. We continue to expect to benefit from the accelerating growth in our corporate and consumer business as we work to repeatedly win new corporate customers and build up further value for our brand.

We have seen improving supply and margins and continue to expect further improvement in the quarters ahead, meaningfully contributing to our operating performance going forward. With that, let me hand it over to Rohan to walk you through the details of the financial performance.

Rohan Mittal:

Thank you Dhruv. Good morning to everybody. I will now review our numbers for the quarter ended 31st March 2024 followed by the full-year fiscal 2024 results. We delivered a strong quarter with a 12% Y-o-Y growth in our gross bookings to INR 19.9 billion accounting for one-time cost of listing expenses in Q2 we have delivered a second consecutive year of PAT positive.

Our air gross bookings grew by 13.5% on a Y-o-Y basis for the quarter ended March 31st while our H&P hotel and packages gross bookings grew by 5% on a Y-o-Y level. Our overall adjusted margin for the quarter was at INR 1.57 billion. Our adjusted margin percentage has remained range-bound this year with air ticketing at 7.3% in Q4 and hotel and package margins at 13.1%.

Moving on to the expenses, marketing sales promotion expenses including consumer promotion, loyalty program as a percentage of the total gross booking for the quarter came in at 4.85% which is lower by about 100 bps versus previous year same quarter. Our personal expenses excluding the share-based payment expenses increased by 20% on a Y-o-Y basis. This is on account of a one-time investment in talent which Dhruv explained to build out certain additional business lines for Yatra.

Other costs have remained largely range bound compared to the year ago quarter. On an overall basis, the adjusted EBITDA stands at INR 155 million as compared to INR 239 million in the quarter ended March 23 and versus quarter three FY'24 100 million. For the full year ended March 31 2024 we reported a revenue of INR 4.2 billion. This shows a 11% growth in FY24 versus FY23.

On a full-year basis our gross booking values increased by about 13% to INR 76 billion in FY24. Our overall adjusted margin for the full year was INR 5.9 billion which is up by 5% compared to FY23. For the full year our adjusted margin percentages for air and hotel and business have again remained range-bound at 7% and 13% respectively. Coming down to profitability our adjusted EBITDA for the entire year has come in at INR 534 million.



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Lastly, as of March 31, 2024 we were carrying cash and cash equivalents equivalent to INR 4.1 billion. Our gross debt as of March 31, 2024 was INR 638 million compared to INR 1.53 billion as of March 31, 2023. It is down by INR 890 million on a Y-o-Y basis. With this, we conclude our prepared remarks. I would like to hand it over to the moderator for the Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. First question is from the line of Nitin Padmanabhan from Investec Capital Services. Please go ahead.

Nitin Padmanabhan: Hi, good morning. If you could give us a sense of both consumer and corporate performance for the year and how has it sort of evolved from a growth and margin perspective. If you could also sort of contextualize considering that corporate has been on a recovery path how it is and also it would be great if considering it's the end of the year, if you could give us a comparison on the mix versus year-on-year basis?

Dhruv Shringi: Good morning, Nitin, and thank you for your question. So in terms of the overall business, firstly we've seen strong recovery happening both in terms of corporate and consumer. And if you were to strip out the one-time effect last year then effectively we are seeing both businesses growing in the late double digits. Corporate in terms of profitability has grown almost 65%-70% and on B2C as well we are seeing significant improvement in growth.

What we've seen overall from a year point of view is that in the second half of the year, we've started seeing on the corporate travel front gradual recovery and the new wins that we've had begin to kick in. So the exit is obviously much better than where we were in the earlier quarters and this trend carries forward into the current quarter as well.

On the B2C side, I think the B2C side while we've been focused more on driving operational profitability, there is some volume challenge on the B2C side especially given the supply-side constraints. So, on B2C we are focused on improving margins and farming the existing customer base given that volume growth is going to be tempered because of supply side constraints. The supply-side constraint has also led to an increase in air ticket pricing and we see pricing being relatively on the higher side in the current quarter.

So I would expect in the current fiscal year as well growth to be led by corporate from a profit growth point of view and B2C would be more of an enabler from a profitability perspective, but the larger growth will come from the corporate business. In terms of your last point on the mix, our mix today from a pure revenue standpoint it will be almost about 45% coming in from corporate and 55% coming in from B2C.

Nitin Padmanabhan: Perfect. That's helpful. Thank you so much and I'll get back into the queue.

Dhruv Shringi: Sure. Thank you.

Moderator: Thank you. The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.



Anmol Garg: Thanks for the opportunity. Firstly wanted to understand from you the guidance for next year. So, you indicated last time that we are going to see around INR 20 crores of profitability from 1Q onwards. Is that still stands?

Dhruv Shringi: We continue to work towards that Anmol. We've seen good recovery happening in our businesses, while there is a slight impact on account of the slowdown in the capacity, capacity constraints continue to be a bit of a challenge on the B2C side. We are seeing good recovery happening on the corporate side as well and some of the benefits of the newer teams that we've put in place, those are also beginning to kick in.

And we should see some impact of that in the current quarter and more so in the July, August, September quarter. So from our perspective we continue to work towards that. We are maybe looking at numbers in that range only.

We might be slightly off on that, but we are trying to see how we can exploit. There are certain levers that we are trying to work on to see that we get to the INR 20 crore number from an adjusted point of view.

Anmol Garg: Sure, that's helpful, Dhruv. Secondly, I wanted to understand on our receivable front. So, receivable days have increased very strongly for the fourth quarter. Now, I understand that our corporate business is recovering, but I wanted to have outlook from you that as IT recovers again in June quarter, can we assume further increase in receivable days from here on?

Or do you think that this is the range where we will operate at?

Dhruv Shringi: We are now back to a more or less normalized receivable days. So, we shouldn't see receivable days going up meaningfully from the current levels.

Anmol Garg: Sure. Secondly, I wanted to understand that what steps are we taking for growing our hotel business given that the volumes were a bit subdued as compared to the last year?

Dhruv Shringi: Yes. So, this year, for example, one of our key agenda items of the business is to grow our share of hotels, both on B2C and on the corporate side. And for that reason, we've put together, firstly, there is a team which has also come on Board to support growth of hotels.

They focus largely on hotels for corporate travel. So, that's one thing that we are looking at right now. And we are also actively pitching hotels to our current corporate customers.

So, we should see meaningful improvement and growth happening on hotels in the second half of this year as the teams that we've put in place start delivering the numbers that have been projected out for them. So, hotels is going to be a key focus area for us. There is work which is being done in terms of enhancing our hotel platform as well in the background.



So, that's another big change which we are currently undertaking to modernize and enhance our hotel platform. And this is the platform which is used by thousands of hotels across the country to manage their rates and inventory. So, hotels would be a key growth area for us.

And you'll start seeing meaningful improvement in this beginning to happen starting the July, August, and September quarter.

Anmol Garg: Sure. And I have a last bookkeeping question for Rohan if I can squeeze in. So, Rohan, in our PPT, we have highlighted our finance cost as INR 66 million while on the BSE release. It is indicated as INR 42 million.

So, what is this difference related to? And also, if there is an item highlighted as INR 49 million in the other income, which is apart from the finance cost, what is this related to?

Rohan Mittal: So, the difference in the finance cost that you're seeing is primarily the non-cash accounting adjustments on Forex. That's about INR 200 million. Sorry, INR 20 million.

Could you please repeat the second question again?

Anmol Garg: So, there is an item in our presentation which is INR 49 million, which is other income apart from the finance income. So, what is that related to?

Rohan Mittal: The other income other than finance income would typically be provisions that were carried in the prior years, which are no longer required.

Anmol Garg: Okay. Would these provisions be related to any bankruptcy related airlines that we have seen in the past?

Rohan Mittal: No.

Anmol Garg: Okay. Sure.

Rohan Mittal: This is regular accounting, wherein in a certain period, we may take a certain provisional cost. This is the fact pattern that is available to us at that point in time. And obviously, all this is governed by prudent conservative accounting standards, which may get reversed in the subsequent quarter. So, it's nothing else.

Moderator: Thank you. The next question is from the line of Swapnil Potdukhe from JM Financial Limited. Please go ahead.

Swapnil Potdukhe: Hi. Thanks for the opportunity. The first question is on the air ticketing revenue side.

So, there was a mention of GDS bonus been there in the last quarter, last year, same quarter, which was not available this year. Now, I would like to understand, isn't the bonus supposed to



be a recurring activity? I mean, you do get a bonus end of the year from the GDS, from the airline, if you deliver a certain number of volumes.

Dhruv Shringi: Swapnil, let me just firstly address that. It's not that the bonus wasn't available in the current year. In the prior year, what had happened was, because there was COVID disruption in the middle, we couldn't accrue the bonus for the previous years because there was no trending of volume.

But as the business recovered strongly last year, there was catch up of prior year bonus as well. So, it's not that the bonus has gone away from the contract. It's just that last year had a catch up of multiple years of bonus being accrued, that's the only difference.

Swapnil Potdukhe: Okay. But going ahead, will there be such scenarios wherein we will have...?

Dhruv Shringi: So, This will still continue to be there in the normal course of the business now. There won't be multiple years of catch up being recorded in one particular year. That's the only difference.

Now, this is again back to normalized levels and we'll continue to see this going forward as well. So, it's not that that part has disappeared from the contract. It's just a case of in the previous year, there were 2-3 years of catch up which were recorded because the trending improved in the year.

Let's say, if you look at realistically 2021, 2022, there wasn't enough fact pattern from a trending point of view to accrue bonus in that contract. But in 2023, as volume recovered, the fact pattern changed and it was evident that we would end up meeting the terms of the contract. And that's why then the bonus got recognized.

So, it's only a multi-year catch up which happened last year and nothing else. Otherwise, it continues on a normalized basis.

Swapnil Potdukhe: Okay. Got it. The second question is on your reported EBITDA and the EBITDA which you have shown in the PPT.

Now, there I see a meaningful difference between your BSE filings and PPT because other expenses in the PPT are shown as INR 75 crores versus if I were to add up the numbers from the BSE filings, it comes to around INR 82 crores. So, that's INR 7 crore difference is there. And I'm unable to understand why that number should be there.

Dhruv Shringi: So, Rohan, can I request you to take that?

Rohan Mittal: So, sorry, which file are you referring to? I mean, other expenses in our SEBI filing for the quarter is INR 25.47 crores.

Swapnil Potdukhe: No, if you see, if you add up the numbers, marketing expenses, employee expenses and everything, that number comes up to around INR 82 crores, whereas your slide number 12 shows operating expenses as INR 75 crores. And there is a difference of INR 7 crores?



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Rohan Mittal: I'll have to just check this once and get back to you offline, maybe. There is no error in the slide that much I can confirm to you. SEBI filings are obviously audited. There is no error in the slide. We'll just help you understand the difference in the numbers separately, maybe. Is that okay?

Swapnil Potdukhe: This has been the case for the last 1 or 2 quarters also. There is always a slight difference between what you report on the PPT and what's there in this filing. So, that is one thing that, if you can clarify going ahead as well, that would be helpful.

Rohan Mittal: Let's connect immediately at around 11.05 as soon as the call ends. And we'll clarify this just to be very, sure and very clear. If you look at the PPT numbers, the revenue from operations is the starting point and the PAT number is the end point. The numbers are exactly matching with the SEBI filings. We'll help you understand the difference that you are seeing. That difference should be explainable.

So, we'll connect at 11.05 one-on-one and we'll help you understand that. And going forward, what we'll try and do is we'll discuss internally if there is any improvement to be done on our investor presentation. We take that feedback positively. We'll take that into consideration going forward as well.

Swapnil Potdukhe: Definitely. And the second point is with respect to the other income portion that you show in the EBITDA again. Now, this is something disproportionately improves your EBITDA because INR 4.9 crores of EBITDA on a reported number of INR 10.8 crores is meaningful and that too for something for which provisions would have been taken in the past.

And these write-backs might happen in any quarter. There's nothing related to your day-to-day business activities. So, I am unable to just reconcile as to why should we be showing those numbers in our EBITDA numbers and then that disproportionately shows a higher EBITDA than what the actual number would be?

Rohan Mittal: There's a slight disconnect here. The provisions that get released are entirely related to our business expenses. In reality, they should have gone to revenue from operations because in the period in which that provision was taken, it was shown as an expense. It was not shown and therefore the EBITDA was lower by that much amount.

So, when that provision is getting released in future basis fact pattern, then it has to be included in our adjusted EBITDA. These are not non-business activity related income. Our finance income is something which sits outside and therefore it is excluded from our conversation.

Swapnil Potdukhe: Okay, Rohan. I'll check with you offline.

Rohan Mittal: Just to be clear, these are not non-cash items or accounting entries. I want to be super clear about that.

Swapnil Potdukhe: Sure Rohan.



Moderator: Thank you. The next question is from the line of Manik Taneja from Axis Capital. Please go ahead.

Manik Taneja: One part of my question is already clarified. The second question was with regards to some of the volume numbers that you share on the hotel business side. What I see is that the Q4, FY'23 volume numbers that you share on the hotel nights, while the implied numbers, given your earlier numbers, don't seem to catch up. So, I just wanted to clarify if there is some restatement on that front.

The second question was with regards to the state rates that we see in the business as well as the increase in the customer acquisition cost in the course of FY'24. If you could comment as to how you see this playing out over the foreseeable future?

Dhruv Shringi: Sorry, I had a hard time hearing that. Could you repeat the second part of your question please?

Manik Taneja: So, my first question was with regards to the hotel volume night numbers. When I see the year-on-year comparison, those numbers seem to be different from what was reported last year. And thereby, I just tried to confirm if there is some restatement on that front. That's question number one.

The second question was with regards to the increase in customer acquisition cost that we've seen happen through the course of FY'24, especially on the Airline side. If you could give us some commentary on that front as well as how should we be thinking about our adjusted take rate from the Airline's business over the foreseeable future?

Dhruv Shringi: So, let me address the first part. Sorry, the second part, which is on the Airline take rates. Then Rohan can respond to the first part of the question. On the air take rates, there has been some competitive intensity which has been there in the last 6 months to 9 months now, led by one of the players in the category.

And on account of that, air inducement cost has remained slightly at elevated levels. But we have taken the view, especially in the last quarter and now more so in the current quarter and going forward, our view is that on the B2C side of things, we will focus more on profit enhancement rather than volume growth.

Our volume growth will come more from the corporate side of the business. So, on the B2C side, we will continue to look at optimizing our customer inducement cost going forward. We've already started doing that in the last quarter. We've further accelerated that in the current quarter and will continue to do so.

Because I do feel that on the customer inducement cost, these short-term steps that are taken at times by competition might lead to volume increases in the near term, but these are not permanent volume gains that happen. So, I would rather focus on driving more cross-sell from our corporate customer base, focus on driving faster growth on our corporate side, where at least



the customer wins that we make are sustainable in nature rather than delve into incremental inducement cost on the consumer side.

With regards to the take rates on the air front, air take rates have remained a bit muted right now because of supply side constraints. We do expect that as the supply side constraints improve in the second half of the year, with more capacity being brought back both from Indigo and incremental supply that's being added by Air India and Akasa, we do expect air take rates to improve a little bit in the second half of the year.

Manik Taneja:

So, just to, essentially applaud you on that response. So, I do understand that there will be some incremental supply that will come through in the course of FY'25 and because of which you are expecting that the take rates in the year business go up. But at a very fundamental level, given the way we've seen consolidation in the space and the top two players almost now hunting for 90% of the market, don't you see that as a risk, especially with regards to the commission that we earn from the Airline business going forward?

Dhruv Shringi:

So, on the B2C side, there is hardly any commission that comes from the Airline. What's part of the commission earning or the earnings on B2C come from convenience fee that is paid by the customer. The same convenience fee or similar convenience fee is charged by all peers and by the airline direct websites as well.

So, I don't think that there is any further impact of this on the earnings on the air front. There will be some improvement because typically what will happen is as capacity gets increased, the Airlines also need support in filling out the incremental capacity. And for filling out the incremental capacity, you do then get higher take rates and payouts from the Airline.

That's typically how the model will evolve. I do completely agree with you that the model in terms of raw commission payouts on domestic airline especially has changed quite meaningfully over the last decade. But the move has been a reduction on the supplier side payments and a higher payout on the customer side.

So, there is a platform fee and a convenience fee which gets levied to the customers and customers are willing to pay for it. We've been seeing this now for the last 7 years, 8 years. Consumers are open to paying for the convenience of getting an aggregated platform where they can compare all their different flight options.

Moderator:

We'll move to the next. The next question is from Pulavarthi Sai Kiran an individual investor. Please go ahead.

Pulavarthi Sai Kiran:

Just one question. Do you foresee in the next couple of years to be a market share gainer, in the air ticketing space? And what are your thoughts about it and what could drive, if any, in terms of market share gains? You've mentioned that once the supply increases in the new ticketing revenue, increases. However, assume that things stand as they are. Do you see meaningful market share gainers in the segment as such?



Dhruv Shringi:

So, we continue to gain meaningful share on the corporate travel side and our endeavor would be to accelerate that growth rate on the corporate travel side. So, we will continue to see share gain happening on the corporate side. On the B2C side, I would expect us to maintain share, but I would not look at significant share gains on the B2C side.

Our endeavor, as the largest corporate travel player in the country, is to continue to strengthen our proposition over there by adding more products and services. So, have a much larger share of wallet of our corporate customer by cross-selling incremental products beyond just flights to hotels, car rentals, visas, MICE, for which we've expanded all these teams over the course of the last quarter. So, our endeavour would be to definitely gain a lot more market share on the corporate travel side and maintain share on the consumer side.

Pulavarthi Sai Kiran:

Can I ask you as a follow-up, what can break you in terms of incremental market share in the B2C business? Primarily, because if you look at the last 2-3 years, post-COVID, we have seen a meaningful jump from the retail or consumer spends on the travel and tourism, which is reflected across the segments, hotels or travels and everything. Assume that you are not participating in that growth in the best of the times of the industry.

Are you losing out the opportunity?

Dhruv Shringi:

So, it is a growth at a particular cost, right? So, we think there are definitely other ways to participate in the growth and that opportunity. The employees of the corporate customers that we service, and there are in addition to almost now touching 7.5 million employees who are employed by the corporate customers that we service, right?

These are the premium customers of India, the guys with high purchasing power, access to internet, digital forms of payment. This to me is the core consuming middle class of India, right? Each one of them supports a family of 4.

On average, you're looking at 30 million customers out here. So, my focus would be in terms of farming this customer base out here. And I also feel the B2C market, it's not that the market is disappearing, right?

So, by not participating in price competition, if for a quarter or two, when intensity is high, it does not mean that in the long-run, we will lose out on that, right? So, I feel it's better to just continue to participate through more effective and efficient means of customer acquisition than to do this through large scale discounting.

Pulavarthi Sai Kiran:

Understood. So I assume that the pricing, keeping it aside, what are the other factors which can help any organization in the B2C business to gain the market share? And if you have to do an analysis of yourself, where do you lack and what are your strengths? If you can just elaborate on that?



Dhruv Shringi: Sure. So, beyond pricing, there are 2 other key factors which are there. One is in terms of brand recall, right?

So, saliency plays a very important role in this category for top of mind perspective. And the Yatra brand continues to have one of the strongest brand recalls. In fact, the second highest brand recall in this category, right?

So, brand recall for us continues to remain extremely high and that's a very big positive for us that drives a large amount of direct traffic to us. And that will continue to be there, right? So, we will continue to strengthen the brand as we go forward.

The other element which is there is the customer experience and the service that we deliver. And on the customer experience side, I touched upon this in our prepared remarks around how we are working in terms of enhancing the user flow, in terms of adding more products and services to become truly a single one-stop shop for our corporate and our personal travellers. So, to that extent we continue to expand the product proposition that we have and make it easier for customers to book.

There is another interesting facet that we've launched for premium leisure travellers, which is, you know, people who travel more frequently for leisure purposes as well. That's our Yatra Prime proposition. And if you become a member of that Prime proposition, then you don't have to pay a service fee or a convenience fee on every subsequent transaction.

And we are seeing very strong traction on that Prime proposition as well. In addition, we continue to work with our partners, which are the leading banks in the countries, to put together interesting propositions for their credit card and debit card holders as well. So, there are multiple factors on which we continue to work beyond just raw price discounting to drive customer growth and customer satisfaction.

Moderator: The next question is from the line of Jayesh Shah from OHM Portfolio EQ Research. Please go ahead.

Jayesh Shah: Yes. My question is actually on your parent company, Yatra. I believe that's a mirror reflection in terms of the business of Yatra India.

So optically, it trades at a big discount to the Indian stock. What are the ways in which we can resolve this thing? I do believe you've been doing share buybacks at the parent level, but is there any long-term solution?

Because as an investor, one could see that the parent company is actually trading at a discount, which we are unable to buy beyond the LRF limits from a family office account. Thank you.

Dhruv Shringi: Right. So that's an interesting question, and maybe we can spend some time offline on that, because we are much more focused out here on the India operating entity. But if you want to



understand the dynamics, the trading dynamics of the whole go, we can set up a time to connect on that.

But there is obviously a huge discount at which Hold Co trades right now, largely on account of lack of liquidity in that market. But we can connect offline to discuss that.

Jayesh Shah: Sure. I would get in touch with Rohan and fix up.

Dhruv Shringi: Yes. Sure. Thank you. Yes.

Moderator: Thank you. The next question is from the line of Nilesh Doshi from Prospero Tree Financial Services. Please go ahead.

Nilesh Doshi: Thanks for the opportunity. Sir, my question is that quarter four revenue is affected due to one-time accruals of the threshold bonus of GDS. Sir, I would like to understand whether any such negative surprises are there for the next year?

Dhruv Shringi: Not really. A lot of this which is there in terms of one-time effects and all came in on account of COVID. All of that is now firmly behind us, right?

So there shouldn't really be anything now going forward. I mean, historically also, there weren't any such instances. Obviously, our industry went through a big disruption in those 3-year period in the middle.

So some of it is just legacy of that which got addressed in fiscal '23. If you see fiscal '24, right, so the current fiscal year that we are debating, there is no such effect from a one-time perspective in this kind of fiscal year, and I don't foresee anything going forward either.

Nilesh Doshi: So the next year will be the normal year. There will be no negative or positive surprises involved, or it is likely to be happened?

Dhruv Shringi: So, as I said, now we are in a more normalized environment, and I don't see any kind of surprise coming in, in a normalized environment. Now, obviously, there is some large disruption that happens on account of force of nature. That's not something that we can foresee.

But in an as-is kind of scenario, we don't anticipate any kind of surprises.

Nilesh Doshi: Sir, I am an investor in both OTA listed companies. One is now more focusing on the profitability. Say, one OTA which is listed, the GBR of that company is INR 8,500 crore, and Yatra, it is around INR 7,600 crore.

But when I compare the EBITDA of both the companies, one company which is now focusing on the profitability, their EBITDA is INR 228 crore, whereas our EBITDA is only INR 53 crore. So, is Yatra focusing only on the market share gain, or will there be a focus on the profitability also, or how the gain in the market share will convert it into profitability?



Dhruv Shringi: Sure. So, our focus is on growing and rebuilding the corporate travel business. So, in the corporate travel business, where we are the market leaders, we will continue to expand our position and focus on driving profitability.

So, this year, the focus will be on continuing to improve profitability as we go forward.

Nilesh Doshi: Because in the first conference call, I remember that I think the INR 20 crore rupees PBT or PAT was guided though it was only the guidance. But can we match that number or near to that number because of the current EBITDA? It does not seem that we can achieve that level.

Dhruv Shringi: So, from an EBITDA point of view, if you look at the adjusted EBITDA, we feel that's a better measure of the business. The adjusted EBITDA in the current quarter is about INR 15.5 crores. And we think there is more growth opportunity and optimization of costs that we've done in the current quarter and continue to work towards.

There are new teams that we've built out new lines of business that we have invested behind. And we should start seeing the effect of these coming in the very near term itself. So, I'm optimistic that we should be able to get to that number in the near term.

Nilesh Doshi: So, the profit will grow by increasing the revenue or by decreasing the cost because our costs are, since it's a fixed cost model, a very high fixed cost model. And so, the net remains very low. So, how we are thinking to grow?

Dhruv Shringi: So, we are doing a combination of both. We continue to focus on improving both the business mix, the mix of our business, which is having a positive impact on the overall profitability of the company. So, it will happen through growth of revenue and optimization of cost.

Nilesh Doshi: But in a B2B business, the employee cost is not on a higher side, sir?

Dhruv Shringi: On the B2B business given that there is more technology enhancement and development that we are doing, plus the fact that we have built and like we've just mentioned, there's a new product that we've built out in the case of expense management. Now, if we were to go out and buy a company that was building this kind of solution, it would cost us tens of crores. Whereas this has been built in-house.

So, there is a technology team that's focused on building out new products and solutions. Similarly, there are new lines of business that we've started, like MICE. There is more a team that we've built out for mid-market.

These are all growth opportunities behind which we are investing at the moment. So, from that perspective, we will start seeing the benefits of this accrual in the relatively near term. So, in this fiscal year itself, you'll start seeing the benefits of these investments paying off. And that's how the profitability will improve.

Nilesh Doshi: Okay. Sir, my last question. I'm sorry. I will be in a queue. Thanks for the opportunity.



- Moderator:** Yes, thank you. The next question is from the line of Himanshu Dugar from SafeGainz Financial Advisors. Please go ahead.
- Himanshu Dugar:** My question is around the service costs that are related to the H&P business. Is there some kind of seasonality or timing to that? And second question related to this, I mean to follow up on this one, the service costs are they directly related to the revenue booking that is your take rate or should they be considered as a separate cost base?
- Dhruv Shringi:** So, the service cost is directly related to the holidays business and there will be seasonality. The two key holiday periods are the October to December period around Diwali Dussehra, and then again, the summer holiday season, which we are currently in. So, these are the periods in which service costs would be at a more elevated level but it's directly related to the revenue itself. So, there is no other pay in-service cost, it is directly linked to the volume of packages which are sold.
- Himanshu Dugar:** So, would it be fair to adjust the service cost from your gross take rate that you report like 13%? If that is the case then when I look at the last four years, the net take rate is basically reduced from the gross take rate to the service cost. I find that the numbers are slightly reduced in this year. Any comments on that?
- Dhruv Shringi:** So, when you say net take rate, are you looking at the adjusted margins?
- Himanshu Dugar:** No, I mean, the gross take rate that you put in the PPT adjusting that for the service cost on a GBR basis.
- Dhruv Shringi:** Sorry, I'm not clear on what you're trying to point towards.
- Himanshu Dugar:** Around 13% of the gross take rate that you report, right? On the H&P side?
- Dhruv Shringi:** Yes, on the HNB.
- Himanshu Dugar:** Yes. And the service cost broadly works to 3% to 3.3%. If I look at the annual number. So, that indicates that over the last four years, I am talking about since FY '19 to FY '24 there seems to be a decline in the rate. I mean, are the service costs going up for you? Or the take rates seem to have slightly increased. So, does it mean that the service cost is going up? And if that is the case, how should we look at it for FY '25?
- Dhruv Shringi:** Sure. Service cost is as a proportion of the holiday packages business. So, as the holiday packages business recovers, service cost is going in line with that. So, that's a function of the holiday package business recovering. After the two, three years in the middle the holiday packages were obviously at a much lower level.
- Himanshu Dugar:** So, if holiday and package business managed to grow 15% in FY '25 would it mean that the service cost will go at the same ballpark? Or would it be a slightly higher number?



Dhruv Shringi: No, it would go in the same ballpark. So, it will go in proportion to that. So, there are two things which are there. This is hotels and packages. So, if the standalone hotel sales grow then the service cost does not go up in line. If the packages business grows, the service cost grows in line with the packages business. So, the mix between standalone hotels and packages also impacts the ratio of service costs. But at the most fundamental level, service cost grows directly in proportion to the growth in packages business.

Himanshu Dugar: Got it. The other question for me was around your, on the platform is it airlines business also being an important driver for the hotels and packages? Or the hotels and packages are separately booked versus the online ticket booking?

Dhruv Shringi: So, typically, customers will book hotels and packages separately. We don't see too much bundling happening in India while this is a trend that does happen globally. In India, still, the trend is for people to book these individually. And the customer, obviously the air passenger does help from a pool point of view, which can be cross-sold to. But vast majority of these are then booked individually by customers not as part of the same booking process.

Himanshu Dugar: Got it. Just one last point on this aspect. Are you also offering do-it-yourself kind of packages and build your own package kind of models also in your platform?

Dhruv Shringi: That's right. So, we are offering customization to customers whereby they can create their own packages beyond the standardized package. In fact, vast majority of our sale is towards customized packages and not fixed departure packages.

Himanshu Dugar: But overall, those would also have a similar take rate that there's no add-on that you are able to generate out of it, like additional revenue to generate out of it?

Dhruv Shringi: No, the take rates are similar at this point.

Himanshu Dugar: Got it. Yes, that's it. Thanks.

Moderator: Thank you. Ladies and gentlemen, we'll take this as the last question for the day. I now hand the conference over to the management for closing comments. Over to you, sir.

Dhruv Shringi: Thank you so much. Thank you for hosting the call. And thank you, everyone for joining us this afternoon or this morning, rather. We are available offline as well for any follow-up questions that you might have. All three of us, Manish, Rohan and myself are available. We are looking forward to a strong year.

We do understand that there is some short-term supply-side constraints which are causing a bit of pressure in terms of growth. But we think our corporate travel business is very well-positioned and insulated from some of these supply-side constraints. And we expect to see strong growth and profitability in that sector in the coming year as well. And as I said, we are always available for any follow-up questions that you might have. Thank you for being on the call today.



*Yatra Online Limited
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Moderator: Thank you. On behalf of Investec Capital Services, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.

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