

November 19, 2024

BSE Ltd. P J Towers, Dalal Street, FortMumbai – 400001 Scrip Code: 543272	National Stock Exchange of India Limited (NSE). Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Symbol: EASEMYTRIP
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Sub: Earning Call Transcript

Dear Sir/ Madam,

Please find enclosed the transcript of the earning call held on **Thursday, November 14, 2024 at 05:30 P.M. IST**, with regard to the unaudited financial results of the Company for the quarter and half year ended September 30, 2024.

The audio recordings of the said investor call are also made available on the Company's website at <https://www.easemytrip.com/investor-relations.html>.

Please take the same on your record.

Thanking you,

Yours faithfully,

For Easy Trip Planners Limited

Priyanka Tiwari
Group Company Secretary and Chief Compliance Officer
Membership No.: A50412

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“Easy Trip Planners Limited
Q2 & H1 FY2025 Earnings Conference Call”
November 14, 2024

**MANAGEMENT: MR. PRASHANT PITTI – MANAGING DIRECTOR
MR. NISHANT PITTI – CHIEF EXECUTIVE OFFICER
MR. ASHISH BANSAL – CHIEF FINANCIAL OFFICER**

Moderator: Ladies and gentlemen, good day, and welcome to Q2 and H1 FY2025 Earnings Conference Call of Easy Trip Planners Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prashant Pitti from Easy Trip Planners Limited. Thank you, and over to you, sir.

Prashant Pitti: Thank you. I hope my voice is loud and clear. Good evening, everyone, and welcome to EaseMyTrip Q2 FY2025 Earnings Call. Thank you for joining us today. Our earnings presentation and press release are available on our website and stock exchanges, and we hope you have had a chance to review them.

To get started, I will walk you through our performance for Q2 FY2025, following which we will be pleased to address any of your questions, if you may have. During the quarter, we continued our growth journey with a strong emphasis on expanding our Non-Air business segment and enhancing our international operations. Through ongoing cost control measures and operational enhancements, we remain committed to building sustainable long-term growth.

Our efforts in diversifying, especially in Hotels and Holiday Packages segment, along with our growing presence in key markets like Dubai, continue to be the key drivers in our goal of delivering lasting value to our shareholders. During Q2, the gross booking revenue was at INR 2,076 crores. The revenue from operations grew 2% year-on-year to INR 145 crores. EBITDA for Q2 stood at INR 42 crores with a healthy EBITDA margin of 28% and PAT stood at INR 26 crores with a PAT margin of 17.9%. In this quarter as well, company achieved strong cash flow from operations, which stood at INR 58 crores.

Our strategy to expand beyond air services continues to yield strong results, particularly in Hotel and Holiday Packages segment, which achieved an impressive 178% year-on-year growth with gross booking revenue reaching INR 241 crores. This performance highlights the progress of our diversification efforts, which remain integral to our long-term growth plan.

Our Dubai operations have also shown remarkable progress. The growth reflects our success in capturing marketing opportunities abroad, particularly in Dubai, and reinforces our commitment to strengthening our international footprint. As we move forward, expanding our presence in key markets remains our priority, positioning us well for sustained growth in region and beyond.

Coming to operational performances. During the quarter, our Hotel segment achieved a significant growth with total bookings reaching 2.2 lakhs with an impressive 75% year-on-year growth, underscoring the successful execution of our strategy to grow in this segment. Meanwhile, the Trains, Buses and Others segment showed a steady progress to reach 2.8 lakh bookings in this particular quarter.

During Q2 FY2025, we introduced several focused initiatives to support and drive growth. For example, EaseMyTrip continues to make strides in transforming travel industry with recent launches, partnerships and achievements. One of the most significant developments is launching

India's first metasearch engine, ScanMyTrip.com, which is integrated into ONDC network. The platform brings new levels of access and reaches to digital travel ecosystem, empowering OTAs and small service providers to grow their customer base.

ONDC hosts over 7.32 lakh sellers across 12 categories, serving 588 cities and fulfilling transactions in 800+ cities nationwide. Expanding our offline presence, EaseMyTrip recently inaugurated a new office in Gurgaon and opened its first franchisee store in Ahmedabad, Gujarat. These expansions mark a strategic move of complementing EaseMyTrip's robust online platform with physical touch points to connect with more customers.

In line with its commitment to promoting sustainable tourism, EaseMyTrip signed an MOU with Uttar Pradesh Ecotourism Development Board to boost ecotourism within the state. The partnership underscores company's dedication for fostering environmental conscious travel options.

EaseMyTrip has also forged an impactful partnership, including an exclusive agreement with PhonePe to power Hotel segment on their platform, enhancing convenience for 560 million users of PhonePe to offering them seamless access of millions of domestic and international hotels. The company has also become the official travel partner for prestigious IIFA Film Festival 2024 with a global reach of over 1.3 billion viewers, offering curated holiday packages and chance for select customers to attend a star credit event.

Building on these collaborations, EaseMyTrip has also teamed up with Bank of Baroda to introduce co-branded travel debit cards. The card provides customers with travel discounts and benefits, enhancing their travel, entertainment and shopping experiences. This card shall be promoted by bank's global customer base of 165 million, over 70,000 touch points spread across 17 countries and through its various digital banking platform.

In an exciting addition to brand's appeal, Jacqueline Fernandez has joined EaseMyTrip as brand ambassador as a long-term partnership. Our association aligns with company's vision to reach a wider audience and strengthen its brand imagery by tapping into our fan base of over 70 million Instagram followers and millions more, nationwide.

Celebrating India's Independence Day, EaseMyTrip held its Azadi Mega Sale offering substantial discounts on flights, hotels and holiday packages. The scheme was a great success, reflecting a strong loyalty of its customer base and EaseMyTrip's dedication in providing value-driven travel solutions. We are also proud to announce the launch of Easy Green Mobility, our new subsidiary, marking EaseMyTrip's entry into electrical bus sector, which is projected to grow at CAGR of 24% from FY2024 to FY2030.

The initiative will drive focus on research, product development and establishment of manufacturing facility over the period of next 2-3 years. YoloBus, our another subsidiary, will serve as the operational arm for this venture. Easy Green Mobility reflects our commitment to sustainable mobility solutions and position us to cater to growing demands of electric vehicles in India. EaseMyTrip's achievements have not gone unnoticed in this quarter. The company was recently honored as Best Online Travel Portal of India at Prestigious Brands of India 2024 and

won Best OTA award at Global Tourism Awards 2024. These accolades are testaments to EaseMyTrip commitment to enhancing travel experiences and driving excellence in the industry.

In conclusion, I'd like to say that EaseMyTrip remains committed to delivering value, enhancing customer services and contributing to the growth of travel sector through innovation and sustainability. We look forward to opportunities ahead as we continue our journey to transform and grow. Thank you once again.

And now I would like to open the floor for Q&A. Over to you, moderator.

Moderator: Thank you very much. We will now begin the question-and-answer section. The first question is from the line of Mayuresh M, an individual investor.

Mayuresh M: My question is, I see that the PAT for Q2 FY2025 has almost reduced by half as compared to Q2 FY2024. May I please know the reasons why that has happened? And will the pressure on PAT continue in the coming quarters? And also, I noticed that the promoters have sold almost 25% of their stake since March 2023. Any specific reason behind that as the company is doing really well?

Prashant Pitti: Thank you, Mayuresh for both your questions. I'll answer your first question first, which is with respect to the PAT. So if you compare quarter-on-quarter, yes, the last year, the PAT was INR 46 crores. And this year, it is about INR 26.8 crores. So the PAT is reduced primarily from multiple perspectives. One is basically in the last 1 year, we have added three subsidiaries in the company.

We have acquired three companies. And being a smaller scale company, their employee expenses, marketing expenses have added up. However, the revenues have not been added up so much. But as those companies continue to grow and become bigger and stronger, we believe that the PAT pressure will only release, especially since those three companies are in holiday state, the margins get even better.

It's just that the scale of operations are slightly lower because of which you see the employee expenses and the other expenses rise up. Marketing expenses for this particular quarter specifically went up by at least -- if you compare from the last year, it went up by almost INR 11 crores, which was primarily because of our various associations like WCL and IIFA and Yas Island promotion because of which the marketing expenses for this particular quarter was one-off and on the higher side because of which you see the PAT has reduced.

Answering your second question, we are -- as a promoter family, we are still very, very committed to the company. Most of the Internet company founders, they only have 2% to 10% of the shareholding in their company, while we still enjoy the majority, more than 50%.

There were some requirements on the basis of which we did sell some blocks of our own. However, as we still own more than 50% of the company, our interests are very well aligned with the shareholders' interest. And we continue to look forward to serve the company.

- Mayuresh M:** The second question I have is regarding the notice that was published on BSE on the 12th of November saying intimation for considering the proposed acquisition. Is the company planning to have another acquisition? And if yes, is it related to the same business? Or are we planning to acquire something which is a new business?
- Prashant Pitti:** So this information will come to you as the time comes. We will present it to the board. And on the basis of that, we will take a call. Right now, I will not be able to provide any further information on this notice.
- Mayuresh M:** Understand. I understand. It's quite confidential. Last question regarding the EV bus manufacturing business that we are entering. Are we planning to do some collaboration, technical collaboration with already existing companies, domestic or international? Or are we completely dependent on our R&D team to start the research and development from scratch?
- Prashant Pitti:** I mean there is no need to reinvent the wheel. Clearly, we are utilizing the best resources which are available to us. Our bigger role over here is basically to supply the EV buses to our subsidiary, YoloBus.
- And while we have been talking to various other people, there have been some government agencies who have also shared their requirements for the electric bus and plus other private companies as well who are in extreme shortage of electric buses for intracity and intercity requirement both. And we look forward to fulfill their requirements on the basis of the work which we are putting in forward.
- Mayuresh M:** And any idea what would be the capacity of manufacturing these buses per year?
- Prashant Pitti:** It would be a little bit hard for me to comment on all these numbers as these are a work in progress.
- Moderator:** The next question is from the line of Vikas Agarwal, an individual investor.
- Vikas Agarwal:** No, sir my question has been answered. Thank you.
- Moderator:** The next question is from the line of Pramod, an individual investor.
- Pramod:** Yes, my question on share performance of the company. Many developments like new business expansion is happening in the company and revenue is increasing every year. But share price is stagnant since many quarters and with the consistent selling coming from insider or something else, can you please explain why EaseMyTrip is not attracting institutional investors like (inaudible 15:44) as their contribution in the company is very negligible. How do you think...
- Prashant Pitti:** So share market and prices are beyond our control, and it would be very hard for us to comment on it. We are over here to deliver results. The company is growing and growing profitably. We are growing not just in India but outside India as well. We are able to grow our Non-Air businesses as well. Hence, we are over here just to do our work. And honestly speaking, it's very hard for me to comment on the share price about the company.
- Moderator:** The next question is from the line of Vinay Agarwal from Shree Venkatesh.

- Vinay Agarwal:** Sir, as you had mentioned in the first call that there were -- the decline in margins is mainly due to one-off expenses. So since we are through the mid of the year, so could you comment or give any color in regard to the kind of margins. Going forward, you can see -- we could see in the coming quarters?
- Prashant Pitti:** So my anticipation is that whatever an average, which we have been enjoying over the period of last couple of years, those are the kinds of average which we should be able to expect over the period of other quarters as well.
- Vinay Agarwal:** Just I wanted to ask, if I look from a 2-year hence perspective, just wanted to know from the management. Do they think that going forward also, that air travel business or ticketing business will be the main contributor to revenue or the new segment which we are entering into like electric vehicles or something would be the major contributor or how much they should be contributing to the top line or the main revenue source of the business?
- Prashant Pitti:** So within the 2 year's horizon. I do not expect anything changing significantly. The major business contributors will remain the ticketing business. However, we are ought to see how this EV particular manufacturing business takes up.
- And on the basis of that, the demand is huge, and we are looking forward to meet those demands. But again, to make any comment on how much contribution it can make to the GMV of the company or to the profitability of the company would be too short-sighted at the moment.
- Vinay Agarwal:** Sir, lastly that because the main quarters from the Traveling segment perspective, Q3 and Q4 are good. So accordingly, can we expect the coming quarters to be much better than this quarter that has passed by?
- Prashant Pitti:** So historically, half -- second half of the year is always performing much better than the first half of a travel company. Yes, I will agree on that.
- Moderator:** The next question is from the line of Arpan Saxena from RecRoots
- Arpan Saxena:** If I look at most of the other OTAs, especially those who are dealing at the global market, their software engineering team has been pretty robust, actually. Most of them come from good education and professional background. Similarly, is where the product management teams, too. While we're expanding globally, do we have any planned strategy to make our engineering like the web platform more robust in skills?
- Prashant Pitti:** Sorry, your voice cracking in between. I misheard a couple of other things which you said. So...
- Arpan Saxena:** Could I repeat? Is it clear now?
- Prashant Pitti:** Please, repeat. Somehow your line is breaking for me.
- Arpan Saxena:** Okay. Let me just try it once again. Most of the other platforms, especially the global platforms, their software engineering team for the web portal is pretty strong and robust. While we are expanding globally, do we have any plan to hire in tech and product and make the platform to be more robust and scalable. And are we planning to...

Prashant Pitti: There is a very strong growth in our technical technology-related team. We are about 100-odd people -- 180-odd people now. And there is always an opening in technology, specifically since we are growing internationally as well. However, we are hiring most of these people in our Noida or Gurugram office. We do not plan to hire technology-related people anywhere outside India.

In fact, even the services, the operations, everything is run by Indian team, which is why it is able to create a very good alpha as the entire technology, entire operations runs out of India, while we are competing and earning in dirhams and dollars. The earnings are -- in fact, in the first 2 years itself, the Dubai business started breaking even, has started making money for the company, which will, of course, not add high margin as what we are enjoying in India.

But as the scale continues to grow, we expect the margins of the international business to be even more better than India because of the cost arbitrage, which we enjoy.

Arpan Saxena: Yes. Because you have done a lot of hiring for most of the bigger -- like the top 2 OTAs across the world for their Indian offices. I see a considerable difference in terms of the quality of people who have been hired. So this came out to be the question.

Prashant Pitti: Correct.

Moderator: The next question is from the line of Aman Singh from ProfitGate Capital Services.

Aman Singh: First question was around in the profitability. As you highlighted in the last -- in an earlier question, the profit -- the hit in profitability is due to the higher expenses in subsidiary. But on the stand-alone basis as well, the net profit has gone down by 45%, which I think is due to some issues in our airline business. The segment profit of airline business is also down. So I want to understand why is it so.

Prashant Pitti: So as I said that there were a mix of a couple of reasons. One is, of course, with respect to the subsidies. The other one is basically with respect to be marketing expenses for this particular quarter as we have done multiple deals in this particular quarter. The results for them will pay over the period of time. However, all the expenses were booked in this particular quarter.

And if you're comparing year-on-year, we have almost spent INR 11 crores extra on marketing for this particular quarter, which basically pretty much summarizes why the profits were down for this particular quarter.

Aman Singh: Right. The marketing expenses are just that we can see from the statement. But still, I don't understand the top line is also down in the -- the airline ticketing business. Is there some lower take rates in airline business that we are seeing lately?

Prashant Pitti: So when you compare the take rate compared to the last quarter, the take rate went up. But if you compare year-on-year, the take rate went down by 0.3 bps, I mean you said 30, 30 bps. So yes, the take rates went down if you compare year-on-year. However, I would not be able to read too much into it. 30 bps of take rate plus and minus wouldn't matter as much. I would pretty much contribute the pressure on profitability, primarily on the marketing, right?

- Aman Singh:** So just 30 bps that you are saying is on the airline business or on the consolidated basis?
- Prashant Pitti:** I'm saying on the total business, the adjusted revenue did decrease from...
- Aman Singh:** Can you give some qualitative data on how the take rate in airline business has been facing?
- Prashant Pitti:** So that number, you can also derive since we do report stand-alone airline related revenues and airline related GBR, I -- that number is also available online. However, that number, I believe, for this particular quarter is 9.5%. And earlier that number was somewhere around with similar around 9.8% for the last year.
- So it hasn't really changed so much. I do not think there is any pressure on the take rate side. In fact, if you compare from the last quarter, it has only gone up. And again, my request would be to see marketing expenses, that's one of the bigger leverage for PAT to go down in this particular quarter.
- Aman Singh:** And again, on the top line growth on the stand-alone company. So on a year-on-year basis, the growth has been negative for stand-alone company, but the airline traffic has gone up. So have we lost some market share there?
- Prashant Pitti:** So our focus right now is to basically enjoy profitability and continue to grow with very strong bottom line. We do see this particular quarter has a lot of competition intensity increasing. And hence, the discounting also went up in this particular quarter compared to the last quarter. And because of which, we did go to the extent where we felt comfortable to go. We did give discounts of 3.8% in this particular quarter, while we believe that the market went even higher, which is why you might see a small decline in the airline number.
- However, we are not very concerned about it because this is just typical in nature. Some months, we do -- some quarters, we see high density of competition in some quarters we don't.
- Aman Singh:** So do you think the current discounting level in the current marketing expense as a percentage of revenue that you are doing is cyclical? Or this will be -- this is more structure and the marketing expense would be higher going forward?
- Prashant Pitti:** So marketing expense, we do anticipate to go down. In terms of discounting, we are actually bounded by how market is behaving and how competition is behaving. So it would be very difficult for me to say that. But surely in terms of marketing and sales promotion, the number should go down.
- Aman Singh:** Right. And the second question is around subsidiary. So can you give some time lines or capex estimate that we are going to invest in the next 2 to 3 years on the maybe Hotel business that we are doing or the electric bus manufacturing that we are going to do?
- Prashant Pitti:** So the subsidiaries of the EaseMyTrip are doing pretty well. We do share their numbers on an annual basis. We do not see any need to share -- since they are smaller in nature, we do not see the need of sharing them on a quarterly basis. But on annual basis, the numbers are reported and

filed. We believe that Spree has turned profitable, is growing profitably. Yolo in the last few months has started breaking even.

Our Dubai business has started breaking even and started actually even making some money. But then there are certain other companies as well which we are incubating and we are waiting to see them turn profitable and show the growth. But, however, we feel extremely confident about our management time and our ability to turn around the business and make them grow at even much faster pace.

Aman Singh: Can you give some time line around the capex that we'll be incurring for the Electric Bus manufacturing and the Hotel business? Hotel in Ayodhya?

Prashant Pitti: Hotel business does not require as much capex. The hotel in Ayodhya, which we have announced about a year ago does not also require capex because it's an equity deal. There is another partner who is basically putting in the capital. We have basically offered them the equity in return. So that does not require capex from our side.

The capex from with respect to EV manufacturing will be utilized. And for that, we probably would also be taking loans from various banks. So hence, not all the money will actually come from EaseMyTrip free cash reserves, which right now stands at about INR 312-odd crores. So some of it will be utilized by EaseMyTrip free cash reserve, but most of it will basically come as a loan from various banks and other investors.

Aman Singh: Right. How much stake do we have in Ayodhya hotel?

Prashant Pitti: I believe we have 50% or 51%.

Moderator: The next question is from the line of Mohan Krishna Reddy from [EaseMyTrip], an individual investor.

Mohan Reddy: Actually, we have seen lot of pressure -- previously when the promoter group sold around 13% share -- 30% stake in one day. Hope we can -- hope we don't see in any -- in the future any such type of price pressure in the future and the...

Prashant Pitti: Mohan, firstly, can I understand which organization are you from? They said from EaseMyTrip, but surely, you're not from EaseMyTrip, I'm assuming. So which organization?

Mohan Reddy: No, no, I'm not from -- I'm an Individual Investor, but actually, the thing is that I've selected wrong. Actually, I don't know but this is the first conference call for me.

Prashant Pitti: Understood. You're an Individual Investor. I just wanted to confirm that over the line. So Mohan, as I've already answered this question in the past, as I said, as a promoter group, we still own more than 50% of EaseMyTrip, and hence, our interest are very well aligned with other stakeholders, and we are looking forward to do our best to continue to grow the company. Most of the new age company founders hold anywhere between 1% to 10% maximum is what I've seen.

And hence, we are still a majority and a significant majority in the company. And moving forward to continue, I will not be able to comment on the future in any respect. However, our interests are very well aligned with the growth of the company.

Mohan Reddy:

Yes. And the thing is, can we expect -- like can we expect the future of the electrical business which you have started before that YoloBus you're starting -- you are going to invest money in that YoloBus. Can we expect better revenue from the YoloBus in the future? There is a lot of opportunities that company can partnership with another company who manufacture the electric buses but these companies is investing a lot of money in the YoloBus company. So...

Prashant Pitti:

Mohan, your voice is cracking a lot, but I will say that we have chosen an opportunity on the basis of already existing business venture, which we have, which is YoloBus, which is growing very, very rapidly. And idea is basically why we were trying to procure electric buses for YoloBus, we were not able to identify the right supplier. And hence, we thought that we might just -- we might assemble those buses by ourselves.

And then when we announced to various people that we are planning to assemble and manufacture electric buses by ourselves, we started getting orders from outside as well, which is why we started doing more in-depth analysis around it, and we found that this is a great opportunity, and we're looking forward to work on this in the next couple of years. You will see us set up a unit and start rolling on the bus.

Mohan Reddy:

Yes. One last thing. Actually, the thing is that price -- share price is very -- compared to share price is very low, and you have announced that like bonus actually one is to one, means that share price will comes under INR 15 -- around INR 15, less than INR 15. It means that maybe like there is a lot of volume is there in that particular type of penny share price.

So this is -- I think we are thinking that like these bonuses are not there. But this is not a right time to like issue a bonus actually. I think next year...

Prashant Pitti:

So when we give the bonus, there is no loss to the investor. It gets basically split and the amount remains the same, right, eventually. So again, this is -- it's a board's decision and the board has decided to do it and hence, I will not be able to comment so much on that.

Moderator:

The next question is from the line of Vikas Agarwal, an individual investor.

Vikas Agarwal:

I just wanted to know the reason for announcing the bonus? I mean, how will it add value? Or what could be the possible reason we are announcing bonus?

Prashant Pitti:

Again, it's a board's decision, and I may not be able to share the exact details of the discussions which happened in the board meeting. So it would be beyond by prerogative to share this information over here on this call.

Moderator:

As there are no further questions from the participants, I would now like to hand the conference over to Mr. Prashant for closing comments. Over to you, sir.

Prashant Pitti:

Thank you. Thank you all for joining us today. The quarter concluded positively and we remain optimistic regarding the robust growth trajectory of our wider regions of services. We look forward to meeting you in the next quarter. Please stay safe, healthy and feel free to reach us in case we could not answer any of your questions. Thank you once again. Have a good day.

Moderator:

Thank you, sir. On behalf of Easy Trip Planners Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.