

February 14, 2024

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

Dear Sir/ Madam,

Please find enclosed the transcript of the earning call held on Friday, February 09, 2024 at 17:30 hours, with regard to the unaudited financial results of the Company for the quarter and nine months ended December 31, 2023.

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**

**Easy Trip Planners Ltd.**

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“Easy Trip Planners Limited  
Q3 FY2024 Results Conference Call”

February 09, 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 the Easy Trip Planners Limited Q3 FY2024 Earnings Conference Call. From the management we have with us Mr. Nishant Pitti, Chief Executive Officer, Mr. Prashant Pitti, Managing Director, Mr. Ashish Bansal, Chief Financial Officer. 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 "\*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Pitti from Easy Trip Planners. Thank you and over to you sir.

**Prashant Pitti:**

Good evening everyone and welcome to Q3 and 9M FY2024 earning call of EaseMyTrip. I would like to thank you all for joining us today. Our earnings presentation and press release has already been uploaded on our website and stock exchanges. I hope you all had a chance to review it. To start with, I would like to begin by highlighting the remarkable performance of EaseMyTrip for Q3 and 9M FY2024 and would be happy to take questions afterwards. I am glad to announce that our company had sustainable growth during the quarter continuing the strong momentum in our operations and we are continuing to enhance our focus on profitability. During Q3 the gross booking revenue was of INR 2,026 Crores. Our revenue from operations grew by 18% year on year to 161 Crores. EBITDA had grown by 10.9% as compared to Q3 of previous fiscal year and was 65 Crores and the PAT year on year grew by 9.6% to 45.6 Crores for this quarter. During 9M the GBR grew by 8.7% to INR 6,427 Crores. The EBITDA had grown by 18% year on year to 171 Crores. The profitability after tax was 119 Crores, an increase of 15% year on year. During this Q3 and 9M FY2024 we have put strong focus on maximizing profitability. Coming to our operational performances. During Q3 our core segment air travel booking recorded 22.6 lakh bookings, hotel segments recorded 92,000 booking and bookings in other segments grew by 82.5% to 2.7 lakh, for the period of 9M there were 83.7 lakh air segment booking, hotel nights booking increased by 49% year on year to 3.7 lakh and other segment had a significant increase of 72% to 7.6 lakh. We have executed several key initiatives during Q3 to drive the growth. I am happy to announce that during the quarter we have acquired 13% stake in Eco Hotels and Resort reflecting our commitment towards sustainable and responsible business practices by fostering environmentally conscience initiatives we aim to shape up the future of travel and hospitality industry positively. At the Global Investor Summit held in London, we officially entered into a memorandum of understanding with Government of Uttarakhand. This partnership is aimed to enhance Uttarakhand's global appeal as a tourist destination utilizing EaseMyTrip's extensive global network. The goal is to fortify and expand Uttarakhand's tourism sector. We have also introduced Easy Darshan providing curated pilgrimage packages across India. These packages offer hassle free journey including transportation, accommodation, guided to special puja prioritizing safety and convenience. Additionally, we have also launched "Explore Bharat - Discover the Soul of India" to showcase nation's rich heritage, culture, landscape and targeting overseas travelers. These initiatives underscore our continuous expansion in services catering to niche customer segments. Moreover, we have also announced an invite based subscription programme for high net worth individuals. Through this program we are excited to offer a range of benefits and plans designed to enhance these travel experiences offering substantial savings, exclusive privileges, and dedicated support that they truly will enjoy in their journey. Our partnership with VI is aimed to bring more convenience and best offers to VI users and ensuring travel bookings become easy and seamless for them through VI application. EaseMyTrip has also been awarded the best online travel

marketplace of the year in B2C category by ET Travel Awards. We have always been dedicated to offering a wide range of travel services. As travelers need evolve we continuously expand our offerings to meet the demand. Going forward, we are focusing on growing our air ticketing business globally and expanding our presence into other areas like hotels, holidays, and other travel services. We are also expanding our footprints domestically and exploring ways to grow organic and inorganically. These moves align with our commitment to continuous growth providing comprehensive travel solutions and ensuring smooth experiences for our customers. In conclusion, EaseMyTrip delivered a strong performance in Q3 and 9M FY2024. We remain to focus on our strategy of striking a balance between profits and top line. We are confident that our strong foundations and unwavering commitment will continue to drive our success. Thank you now and 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 session. The first question is from the line of Manik Taneja from Axis Capital. Please go ahead.

**Manik Taneja:** Hi thank you for the opportunity. Prashant just wanted to understand a few things around quarterly performance, if you could first of all talk about the fact that why are volumes across both air and the hotel side were down on a sequential basis despite Q3 being a seasonally strong quarter that is question number. The second question was with regards to some of the implied arithmetic as per the breakup that you have provided on the GBR breakup between airlines, hotels, and other segments so on that front if I look at the ARR for the hotel side that appears to be about 17,000 odd per my calculation it will be great to understand how this significantly higher than what we see typically for competition. The third question was with regards to the number of equity shares that we have since some of the acquisition we made were essentially stock involved fresh issue is there a reason why the total number of equity shares has not gone up and the fourth question was with regards to our cash flow in terms of the negative working capital that we continue to see through FY2023 as well as first half of FY2024.

**Prashant Pitti:** Okay Manik thanks for all the questions. I will try to answer them in the order you asked. Question number one related to the volumes, the reason why decrease is Manik as you would see that our discounts have also gone down dramatically. We have reduced the discounts from about 4% to 2% in this particular quarter if you compare on yearly basis so the discounts as we have mentioned the company has continued to focus on profitability, we have reduced the discounts quite considerably for this particular quarter which is why you would see the volumes go down. Related to your second question can you please repeat? that is why I was asking if you could just wait and let me answer the question.

**Manik Taneja:** The second question was with regards to the split up of the GBR that you provided between airlines, hotels and other segments.

**Prashant Pitti:** So, this time for the first time we have provided the GBR split as it was requested last time and you could see in terms of GBR our flight versus non air is about 90:10 and in terms of revenue it is somewhere around 78 and 22%.

- Manik Taneja:** I understand that. I was just trying to compute the average hotel booking rate and that comes out to close to about 17,000 given the volumes that you provided.
- Prashant Pitti:** Actually, it doesn't just have hotel Manik it has packages as well so hence it is a blended number of transactions is what probably you are seeing. You are dividing GBR by number of transactions but hotels is not a standalone hotel it has packages as well that is why the number might have come out bit larger.
- Manik Taneja:** Okay the third one was with regards to number of total amount of equity shares that we see in your BSE release when we made a few acquisitions at the start of this year that involved issue of fresh shares but the total number of equity shares in the BSE release seems to be unchanged through second quarter as well as third quarter so what explains that.
- Ashish Bansal:** The shares were issued in Q2 itself so there is no change in Q2 and Q3 share.
- Manik Taneja:** Okay I understand that but the number of shares even from year on year perspective there is no change. I get it and last one was regards to the cash flow that we see, we generated negative cash flow both in FY2023 as well as in first half of FY2024 what explains the negative cash flow despite this.
- Prashant Pitti:** So, in this particular quarter I do not think so there is a cash flow information but yes compared to last two years the cash flow has been negative primarily because we have been depositing slightly more money with the airlines significantly because the business has increased dramatically compared to the last two years.
- Manik Taneja:** Okay and if you could call out the contribution of the increase in take rates that we are seeing at an overall level because of the GSA agreement with Spice jet and also provide some details on the sales and marketing agreement that we signed up with the customer at the start of this year which is contributing significantly to the improvement in terms of take rate because of the 10 Crores odd revenue recognition that you are doing on a quarterly basis.
- Prashant Pitti:** Sure, we will consider this.
- Manik Taneja:** Sure, thank you and all the best to the team.
- Moderator:** Thank you. The next question is from the line of Bala Murali Krishna from Oman Investment Advisors. Please go ahead.
- Bala Murali Krishna:** Hi Prashant, good evening so my question is regarding this last three acquisitions which you had done in the month of September so what is the contribution of those three acquisitions in this quarter and what could be the margins of those businesses.
- Prashant Pitti:** So, I think that the acquisition which we did in last quarter some of the numbers have added up in this particular quarter and because of which you might even be seeing that our employee cost has increased and that is primarily because of the newer acquisition which has happened. In terms of

contribution, Ashish ji are we mentioning contribution separately or is it two types of files which we are doing right now standalone and consolidated.

**Ashish Bansal:** It is consolidated in the consol numbers it is not separately mentioned.

**Prashant Pitti:** So it is not separately mentioned at the moment but yes in this particular quarter the effects of the three acquisitions have come because of the three acquisitions our onetime other expenses have also increased in this quarter which is why profitability came slightly lower than what it should have but those are onetime expenses related to acquisition which has become part of our other expenses as you would see that our other expenses in this particular quarter jumped to about 30 Crores from what it was in the last quarter at about 20 Crores so certain portion of that also went into the three acquisitions which is why profit became slightly lower than what we were anticipating.

**Bala Murali Krishna:** I see that 2.1% of the rest so we can get to previous 1% of other expense in the next quarter.

**Prashant Pitti:** We expect something similar number yes.

**Bala Murali Krishna:** Just follow up on these three acquisitions only so the EBITDA which we are getting from these acquisitions is positive or still it is under break even.

**Prashant Pitti:** That I would not be able to share it because we have not given specific numbers related to these three acquisitions for this particular quarter.

**Bala Murali Krishna:** It is fine as of now we do not have it because we are focusing on this holiday package section so we as investors would like to know.

**Prashant Pitti:** I understand but I may not be able to share because we have not shared the results at this moment.

**Bala Murali Krishna:** Okay fine and regarding the discounts in this quarter it came to 2.2% from the last quarter of 4% so going forward how it will pan out percentage of the revenue.

**Prashant Pitti:** The idea was to reduce the discount, but not let GBR fall and which is why you can see from 4% the discount went to 2.2% yet the GBR remained flattish between the two quarters or it did not decrease much. The last quarter was INR 2,025 Crores and this quarter is 2026 Crores so that is a significant improvement. The company is able to optimize reducing discounts without reducing the GBR and which are the healthy signs which you should look in the company that the company is able to grow not primarily on the basis of the discounts which they are offering.

**Moderator:** Thank you. The next question is from the line of Santosh from Path 2 Wealth. Please go ahead.

**Santosh:** Hello thank you for the opportunity. Sir I have a question regarding your acquisition in this quarter about Eco Hotels looks like this is a hotel in Maharashtra can you explain us like what is the rationale behind the acquisition does not seem like it trades in BSE but it does not have any revenue as such as per what they have published.

- Prashant Pitti:** So basically it is a chain in the UK and they are starting up the operations in India. We have already acquired Spree Hotel chain as you must be aware of. Eco Hotel chain basically will allow us to foray into sustainability and providing customers sustainable ways to travel. There has been strong momentum towards that side where customers are looking for ecological and sustainable ways to travel and this is why we have taken a minority stake of 13% in this company.
- Santosh:** And what would be the revenue of this hotel chain globally?
- Prashant Pitti:** I may not be sure about their numbers currently that is a minority stake which we have taken in the company given that their chances to grow in India are quite considerably higher and we can promote them. We can cross promote them in our platform. We have taken minority stakes in the company.
- Santosh:** And this minority stake is only like India entity or it is all over.
- Prashant Pitti:** It is India entity.
- Santosh:** Okay and regarding Easy Darshan looks like you have plans to promote tourism in India do you have strategy for newly opened up Ayodhya temple we see lot of focus for tourism is going to be generated there so any specific plan for that.
- Prashant Pitti:** Of course that is a good question. We really believe that Ayodhya can become the next Vatican City for the world not just people from within India but even from outside India can come and travel and at EaseMyTrip we have very strong plans to grow along as the number of footprints in Ayodhya increases. At least the point which we have seen firsthand is actually Varanasi. Varanasi about 10 years ago we used to see about 25 to 30,000 tourist on daily basis and nowadays Banaras is seeing anywhere between 4 lakh to 5 lakh tourist on daily basis, so religious tourism is actually a very big category in India and which is why we have started a separate services all together related to it because it needs to be dealt differently. We realized most of the time these packages are booked by the sons and the daughters for the elderly parents and hence the requirements, the needs everything is very different and we are looking forward to grow in this segment. There are special plans which we have related to Ayodhya but we will grow as the capacity of Ayodhya continues to increase.
- Santosh:** Got it okay thank you so coming back to this hotel acquisition so do you have any like further plans that you will be going to acquire other hotels in India in the future.
- Prashant Pitti:** That would be difficult for me to say at this particular moment, but yes if there is a company like EaseMyTrip which is asset light which is disruptive in nature, which is profitable in nature and if it is adding value to both the companies we will not shy away but at this moment it will be difficult for me to say whether we will or we will not.
- Santosh:** Okay got it Sir. One last question like regarding your service cost and employee benefit expense, service cost looks like 9M period it increased like threefold and employee expenses are almost double so can you explain the reasoning behind is it like your operating cost or what exactly it is.

- Prashant Pitti:** I did explain just now related to it. The employee cost specifically in this particular quarter increased basically because we have added three more subsidiaries and with those three subsidiaries their employee also got added into this cost structure at the moment.
- Santosh:** Okay thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Bala Murali Krishna from Oman Investment Advisors. Please go ahead.
- Bala Murali Krishna:** Thanks for the follow up opportunity. We are talking about regarding the guidance. We have a guidance of PBT of 250 Crores for the year FY2024 earlier so are we on track or we expect any uptick on the guidance.
- Prashant Pitti:** We would be trying our level best to reach that number, but it looks like we might fall short by about 25-30 Crores specifically because I said that in these three acquisitions for this particular quarter the other expenses had increased from the amount which we were not expecting and some of the other expenses may even come in the next quarter because of which I think we may have to change our guidelines to about 220 odd Crores for profit before tax.
- Bala Murali Krishna:** Sure thank you and one more thing recently we have seen a surge in the app downloads of the EaseMyTrip so do we see any booking from the new users recently in the last one month or is there any reason because of those app downloads of the new users.
- Prashant Pitti:** That is correct we took a nationalistic stand in this particular quarter and on the basis of that we got a lot of people who basically stood with our decision and on the basis of that the number of app downloads, the number of website visits did increase. I may not be able to share all the numbers at this particular moment, but yes overall visibility of the company has increased many folds in this particular quarter.
- Bala Murali Krishna:** Thanks a lot and all the best.
- Moderator:** The next question is from the line of Madhuchanda Dey from MC Pro. Please go ahead.
- Madhuchanda Dey:** Hi thanks for the opportunity. First is a housekeeping question. There is a sharp spike in the depreciation and amortization expense this quarter if you could explain that.
- Ashish Bansal:** Basically, this quarter we did few acquisitions and because of this acquisition we recorded intangible in our balance sheet and now we are amortizing the same over the period of useful life so that is why it has been increased.
- Madhuchanda Dey:** So, we can expect this run rate to continue because I was also thinking that it could be goodwill amortization but of the 3.7 Crores what would be the recurring run rate of this goodwill amortization.
- Ashish Bansal:** It will be recurring, now it will be recurring because every quarter it will be amortized.



**Madhuchanda Dey:** Okay and you expect to amortize this over the period of.

**Ashish Bansal:** Five years or useful life of the asset.

**Madhuchanda Dey:** Useful life of the asset okay now I have a question which is a little more general question like last quarter the company shifted its focus on profitability I mean of course it was a profitable company all along, but in between there was this thing that you kind of resorted to increasing advertising expenses and you wanted to grab market share but last quarter the rationale was we wanted to be more profitable. We were guiding to 250 Crores PBT and growing GBR was not the focus and we have seen this in this quarter although it is a seasonally strong quarter GBR has been flat sequentially there is a year on year decline but given this acquisitions and other pressure and in fact ad expense also as a percentage of GBR is up maybe because of this up post Lakshadweep we saw you guys advertising in a big way so basically the margin has contracted despite this change in strategy where you are not chasing market share so the result is you have lost market share and albeit the loss of market share the profitability has not improved whereas if I see your largest competitor their GBR has improved year on year sequentially they have been able to maintain margin as well so I mean if you could explain how do you plan to tackle this going forward.

**Prashant Pitti:** Good question Madhu, I would want you and others to see the company in a more holistic way rather than see on quarter on quarter basis, yes some quarters GBR increases some quarters GBR do not increase. For us the bigger win in this particular quarter was how do we maintain our GBR while reducing the discounts and we did reduce the discounts quite considerably sharply in this particular quarter and yet we were able to maintain the number of GMV in the same way so hence we are taking one win at a time and you also have to understand the DNA of the founders of this company. The company was built boot strapped. We are very high on perseverance and grit and hence one quarter here and there does not really bother us as much whether it is aligned with our long-term strategy or not and in long-term strategy we have mentioned earlier we have started experimenting with charging convenience fees. We are reducing the discounts while the idea is to continuously maintain or grow our GBR, but some quarters yes you are right we may not be able to maintain our GBR specifically because we have taken a call of reducing the discounts. Next quarter onward I think you should see things change dramatically, especially in this particular quarter as you have mentioned the company did gain a lot of eyeballs and there was a lot of public all across India which was on our side with very limited amount of marketing we were able to gain a lot of people's attention though I would like to say that that was not the intent and the intent was very clear that we were very sure of what should be done whether irrespective it financially makes sense or not good thing is that for the company it did make sense financially, but the call was very nationalistic in approach and just to do the right thing, but going forward I think you should be able to see strong numbers come.

**Madhuchanda Dey:** Sir I did not understand what has changed. I mean I understand that post that Lakshadweep controversy you did get a lot of limelight because of a particular stance that you took, but is that the reason why you expect this trend to reverse, the stagnating GBR in a Q4 or is there something that I am missing.

- Prashant Pitti:** GBR went down specifically because I said that we have reduced the discount dramatically. The profits did not grow because our other expenses grew by about 10 Crores and then otherwise as well in terms of acquisitions when you are acquiring multiple companies there are certain things which we expect and which may not come on the way as you were expecting so because of this some expenses in terms of other expenses increased in this particular quarter otherwise we were expecting to see 5 to 6 more Crores of profit in this particular quarter.
- Madhuchanda Dey:** Okay thank you.
- Moderator:** Thank you. The next question is from the line of Manik Taneja from Axis Capital. Please go ahead.
- Manik Taneja:** Hi thank you for the follow up opportunity. Prashant just trying to pick your thoughts around the previous question itself when we went for an IPO two years back we were very clear that we wanted to continue to gain market share and solidify or reduce the lead of the number one player and here in terms of GBR we have been the number two OTA in the industry with the change in strategy that we have seen this year it appears that we would essentially lose the number two spot in terms of being the second largest OTA in India would you be okay to essentially do that that is question number one. The second question was clarification on the other expenses historically this also included some part of expenses that we would incur around our B2B business and whenever that business would do well this number would increase so is there some element of that contribution as well in addition to the acquisition impact and how should we be thinking about this expense on a go forward basis.
- Prashant Pitti:** Related to your first question Manik, we would like to maintain our second position spot and we are working towards it in this particular quarter you should see that number do its work and I do not think so there is any threatening towards us being in that position, you are right in this particular year we have taken a little bit more conservative approach rather than growing the business we wanted to maintain our profitability and grow our profitability that may not be the case going forward, but for this particular year, we did take that call and that is the management's call as the board we decided it together. I am forgetting what was your second question again.
- Manik Taneja:** My second question was regards the other expenses which you also remarked that has become about 31 odd Crores versus 21 Crores last quarter and typically that also includes some part of the B2B or the cost that we incurred related to the ramp up of B2B business so how much of this increase essentially is acquisition related and how much of it is B2B business related and how should we be thinking about this cost item on a go forward basis.
- Prashant Pitti:** So half of it is coming from related to acquisitions and half of it is coming from B2B you are absolutely right and B2B business as long as it is done basically in advance the company is quite happy to continue to grow that business and hence that number may increase in the future, but that number also brings profitability in revenue along. So that that number is something which we not worried about it is just that the other expenses which basically turn out to be an expense, expense causes company little bit of a hard vibe but otherwise B2B business is something which we are excited about and we would like to continue grow that business.

- Manik Taneja:** The last one if you could clarify on with regards to the outlook that we had so at the start of the year we are talking about a significant growth from a GBR standpoint subsequently we shifted focus to profit and you talked about a certain amount of increase in terms of PAT for FY2024 last quarter if you could update us on the revised outlook on that front.
- Prashant Pitti:** So as I said that last quarters when we said that we are focusing PBT of about 250 Crores I believe that we will have to change our strategy to about 220 odd Crores for this particular year.
- Manik Taneja:** Okay sure. Thank you and all the best.
- Moderator:** Thank you very much. As there are no further questions I will now like to hand the conference over to Mr. Prashant Pitti for closing comments.
- Prashant Pitti:** Well, thank you all for joining us today. The quarter concluded positively and we maintain optimism regarding the robust grow trajectory for our wide range of services. We are excited about the opportunities ahead of us as we have a solid value proposition for entire sustainable performances. We look forward to meeting you in next quarter. Please stay safe, healthy, and feel free to reach us for any remaining question and answers. Thank you once again.
- Moderator:** 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.