November 22, 2022

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

Sub: Transcript- Investor Call

Dear Sir/ Madam,

Please find enclosed the transcript of the investor call conducted with regard to the financial results of the Company for the quarter and half year ended 30th September, 2022.

The audio recordings of the said investor call are also made available on the Company's website at www.easemytrip.com.

Please take the same on your record.

Thanking you,

Yours faithfully,

For Easy Trip Planners Limited

PRIYANKA TIWARI
Digitally signed by PRIYANKA TIWARI
Date: 2022.11.22 13:13:11 +05'30'

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

“Easy Trip Planners Limited Q2 FY2023 Earnings Conference Call”

November 14, 2022

MANAGEMENT: **MR. PRASHANT PITTI – CO-FOUNDER AND EXECUTIVE DIRECTOR, EASY TRIP PLANNERS LIMITED**
MR. NISHANT PITTI – CO-FOUNDER AND CHIEF EXECUTIVE OFFICER, EASY TRIP PLANNERS LIMITED
MR. ASHISH BANSAL – CHIEF FINANCIAL OFFICER, EASY TRIP PLANNERS LIMITED
MR. RAJAT GUPTA - INVESTOR RELATIONS

Moderator: Good evening, Ladies and gentlemen. Welcome to the Q2 FY2023 Earnings Conference Call of Easy Trip Planners Limited.

Today in this call we have Mr. Prashant Pitti – Co-Founder and Executive Director, Mr. Nishant Pitti – Co-Founder and CEO, Mr Ashish Bansal – Chief Financial Officer and Mr. Rajat Gupta from the investor relations.

The Results for Q2 FY2023 for the Company, the Investors Presentation and the Press Release have been uploaded on the stock exchange and on the Company website.

Before we start the call, a disclaimer. This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions, and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

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 '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prashant Pitti – Co-Founder and Executive Director of Easy Trip Planners Limited. Thank you and over to you, Sir

Prashant Pitti: Thank you Rutuja. Good evening, everyone.

This quarter has been a remarkable one for the Company, as we recorded our highest ever Gross Booking Numbers of approximately INR 2,000 crores, the highest GBR in a single quarter. We have almost reached our full last year GBR in just two quarters of this current financial year, a testimony to our growth capabilities.

We have also, crossed the INR 100 crores milestone in terms of revenue from operations during quarter 2 of FY23, a sharp increase in 92%. year-on-year, back on strong broad-based growth across all segments.

Our core segments which is Air, reported robust growth of 84% year-on-year. In terms of transaction, our Air and Hotel segment registered a healthy growth of 52% and 69% respectively in quarter 2 of FY2023 against the same quarter of last year. Again a testimony to our marketing strategy and sales promotion efforts undertaken through the quarter.

As one of the prominent industry players, we continue to lead the innovation and customer-centric approach by providing the most competitive pricing to customers and giving a great booking experience and running our own call center.

The EaseMyTrip Travel Carnival Sale, for instance, scheduled in August 2022 received an encouraging response evident from the GMV we garnered through it.

Between 1st August till 10th of August, we collected more than INR 300 crores for the first time in the Company's history. Heartened by this we launched 'Travel Utsav' festival between October 6th and 23rd of October, which recorded highest gross sales of more than INR 555 crores for the Company. These accomplishments speak volumes about the robust industry recovery and pent-up demand in general and our brand value in particular. This is also, a significant affirmation for our 'Customer First Strategy'.

Keeping in mind with our brand building investments during the quarter, the Company became Co-Powered sponsor of Asia Cup Cricket 2022 which had an estimate collective viewership of more than 4.9 billion. Given that cricket in India is not just a game but an emotion, this partnership gave Company the most required thrust in visibility to be the part of the most watched and loved cricket tournaments. The brand witnessed visibility on multiple TV spots, impressions, various OTT channels across the globe providing solid push towards the word vision of going global.

In another important campaign initiative, EaseMyTrip became the presenting partner for Road Safety World Series Tournament of 2022. This evolution reflects our responsibility and focused marketing alliances towards supporting and addressing existing significant societal concerns like traffic accidents.

These two initiatives combined; we have spent one-time costs of INR. 13 crores, which we believe would have yield much higher sales and growth going forward. The Company continues to balance its investments towards strategic marketing opportunity, while maintaining cost discipline.

We have taken another step to strengthen our presence abroad by partnering with SpiceJet Airlines through Thai subsidiary which is EaseMyTrip Thai to sell tickets and other services to customers in Thailand. We have also, worked with well-recognized brands such as MagicPin and South Indian International Movie Awards (SIIMA) for various tie-ups. This comes with the back of the Company already setting up subsidiary in other countries like USA, UK, New Zealand, Philippines, Singapore, UAE and our corporate office in Dubai and London in particular.

In appreciation of all noteworthy efforts, we have been bestowed with the 'Asia's Best B2C Travel Provider 2022 Award' as the 'Asia's Best B2C Travel Provider in India for 2022' at the Awards of 29th Annual World Travel Tech Awards. This is a validation of our industry leading and customer centric approach.

Now a brief snapshot of financial highlights for Quarter 2 and first half year of FY2023:

Despite being seasonally dull quarter, the Company continued to deliver robust growth in our GBR, which is gross bookings revenue, standing at INR1978 crores in Quarter 2 against INR 895 crores in Quarter 2 FY2022, an increase of ~120% year-on-year.

We have also, reported adjusted revenue of INR 169 crores for this quarter, which is again an increment of 68% compared to the last year. Our B2C volume for the quarter stood at 84.4%.

We are pleased to report that EaseMyTrip Dubai office has been performing well and in just a few months, it has seen a good response with GMV for Quarter 2 crossing INR 24 crores, which was INR 7 crores in the previous quarter.

Coming to the operational numbers:

Company's Air segments net of cancellation grew by 52% year-on-year. We sold 28.3 lakh Air Tickets in Q2Quarter 2, compared to ~18 lakhs for Q2 FY 22.

Our number of Hotel nights have seen a jump of 70% in Q2FY 23.

Manpower costs in the quarter were 0.6% of the GBR which was similar to the quarters of previous fiscal.

Marketing and promotion expenses as a percentage of GBR was 1.5% of Q2 as compared to 0.9% of last year's quarter 2. Mainly due to one-time promotion and marketing expenses of INR 13 crores that we undertook this quarter towards sponsoring Asia Cup and Road Safety World Series.

EBITDA for Quarter 2 stood at INR 40 crores as compared to ~INR 36 crores of last year. PBT was at INR 38.8 crores, however, adjusting for loss reported due to overseas subsidiary of INR 1.7 crores and one-time marketing expenses of INR 13 crores, the adjusted PBT for quarter 2 would have been INR 53.5 crores compared to INR 36.4 crores of the corresponding quarter last year which would have given a growth of 47% YOY.

We maintained our history of being profitable since inception and a profit after tax of quarter 2 stood at INR 28 crores which was compared to INR 27 crores of last year. On a half yearly basis, the GBR for the first half year stood at ~INR 3,640 crores as compared to INR 1,251 crores of the corresponding two quarters of last year, an increase of ~190%. Our adjusted revenue clocked INR 300 crores for the first half year, which is again up by 100%. EBITDA for the first half year stood at INR 85.7 crores as compared to INR 58 crores for the first half year of FY22 and profit after tax stood at INR 61 crores as compared to INR 42 crores of the last year.

We are in pole position to consistently deliver strong growth given our diversified and low-cost business model backed on healthy balance sheet, strong return ratios and consistent cash generation from operations. We expect this momentum to continue as we focus on various promotional activities and brand building initiatives. We are looking for new territories along with inorganic growth opportunities to create value for our esteemed shareholders

Now I would request the moderator to open up the floor for the questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhuchanda Dey from Mc Pro. Please go ahead.

Madhuchanda Dey: I have a couple of questions. The first question is, we understand that there was this so-called ad-hoc INR 13 crores expenses, which impacted the cost as well as the margin. But going forward, I mean, given where you are, where do you see the marketing expenses settling eventually, that is my first question. I have a second question, which is when I look at your numbers for Hotel nights, there is seems to be a sequential jump of 8.5%, but when I look at your segmental result, there is a significant reduction in the revenue reported under Hotel package from INR 7.3 crores to INR 1.7 crore if you could explain this to us, I mean, what is it behind the numbers and the actual number of Hotel nights going up, but the revenue declining sharply? Thank you.

Prashant Pitti: To answer your first question, the efforts which we have taken were basically branding efforts in the future we do look our marketing to settle anywhere between 0.6 to 0.9% of the GBR which was basically 1.5% this time because of the one-off activity. So, you know in the future, you could consider it to vary anywhere between 0.6 to 0.9% as what we are considering. Related to your question number 2, the number of room nights have increased dramatically, the revenues have not, primarily because we are giving majority of the money back to the consumer as a format of discount on the Hotel side.

Madhuchanda Dey: Okay, is there an entry strategy which is deliberate at this point in time and you expect?

Prashant Pitti: That is correct till the time the business matures. See at the time of listing 97% of our business was flight business and only 3% was everything put together which was Hotel, train, bus, cabs. Now that number has changed significantly there from 3% that number has jumped to 10% around 10% of business comes from everything else besides the flight. The idea is for us to get that number to a good stability, which would be 70:30 and then we probably would start making money. Right now, the Company is following the process of growing this business not at the cost. We want to grow the business either at breakeven or making some money but not at a cost. So, we will continue with this policy for some time.

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

Manik Taneja: Prashant just wanted to understand from you as to how are you seeing the competition play out across the different categories of business and the second one was a bookkeeping question if you could help us understand the GBR breakup between airlines and other non-Air segments and the third question was just a clarification question around the declining cash that we have seen on the balance sheet, help us understand what is changing from a working capital intensity?

Prashant Pitti: Understood. So, question number one is in terms of market share, and growth. See Manik as you would notice, for the entire industry and the competition, you would see that the numbers which they would have reported, is pretty much muted or same as what they would have reported the last quarter. Cyclically speaking, quarter one and quarter three are usually the strong quarters because of summer vacation and winter vacation. Quarter 2 is usually the muted quarter. In the case of EaseMyTrip, we have grown on a quarter-on-quarter basis, we have grown by 20%, whereas you could see our competitors did not grow. In fact, they had slight degrowth. So, on the basis of that, you will be able to understand that we have gained market share considerably in this particular quarter across the segment. The second question is related to GBR. Ashish ji have you provided the breakup for the GBR for this particular quarterly results in our presentation?

Ashish Bansal: No, we have not provided the segment wise GBR breakup.

Prashant Pitti: Correct. So, this quarter, we have not provided the segmental, but I can give you a number which probably existed for the last quarter by volume and I do not think that there will be a monumental change in that. I believe that the Air was somewhere around 90.5%. For the Hotel and holiday packages, it was somewhere around 2.8% and the remaining was basically around 6% was basically for trains, bus and cabs and other services. This was a break up. So, that is the answer for your second question and the third is related to working capital. Working capital pretty much remains the same despite being profitable, and the reason primarily is that there have been, since we report this number every six months, there has been an increase in other current assets, which is the airline deposit by ~INR 61 crores. The trade receivables have also, increased by INR 45 odd crores because of this, the working capital, but there were other things as well. But overall, after paying taxes and everything, overall net cash flow from operations depleted by somewhere around INR 9 crores.

Manik Taneja: And just clarification on the statement estimate around second quarter being flat or declining for one of your larger competition. Just to clarify given the fact that they report numbers in dollar terms and thereby the dollar numbers will have a dilutive impact.

Prashant Pitti: If you look at in terms of their volumes as well, I think there is a slight uptick movement on the volume side. But our volume grew by more than 28%. In terms of our gross bookings revenue, we grew by 20%. But in terms of absolute number of tickets, we grew by about 28%. I think the competition grew by 4% or 5% if I could remember the number correctly even then, there is a significant change.

Moderator: Thank you. The next question is from the line of Santosh Sinha from Axis Capital, please go ahead.

Santosh Sinha: My question is regarding balance sheet items. Now trade receivables are up in this quarter from INR 528 million to INR 987 million and also, contract liability that is INR 700 million that we can see in the balance sheet. So, what are these attributed to? That is my only question.

Prashant Pitti: I understand. The trade receivables is money, which basically is the amount which we are yet to receive from the corporates and from the travel agent that business is going up, as you could see that our B2C component earlier was around 90%, which has come to 85% which is basically our increased efforts in growing our corporate and travel agent as well because of these trade receivables has gone up by around INR 45 crores and the second point which you mention is the contract liability which has gone up by INR 70 odd crores that is because of the advance which we get from the ITQ. So, that contract was renewed this year and because of which you are seeing the additional amount of INR 70 crores, which is basically seen as a liability because that is the money which they have given us in advance in our books, as in the lieu of the commission, which we will get from them over a period of time.

Santosh Sinha: Sorry, I couldn't get the second part actually.

Prashant Pitti: So, we get commissions, not just from the airline, but we also, get commissions from the GDS. Galileo is one of the GDS with which we work. This year, they gave us almost INR 100 crores as advance for the commissions which we will in essence, which we will earn over the period of time, of which 70 we have kept in long term and around 30 we kept in short term because we anticipate INR 30 crores to be utilized within the matter of 1 year and INR 70 crores is kept in the long term because that will capitalize after 1 year.

Moderator: Thank you. The next question is from the line of the Adithya Krishna, an individual investor please go ahead.

Adithya Krishna: My first question actually impressive quarter given the kind of circumstances Company has been. The first question is I can see some different kinds of other expense this quarter. Apart from the one-shot INR 13 crores ad hoc expense which you mentioned. There is a significant difference in other expense which is being categorized just for this.

Prashant Pitti: It is not just for this quarter, even for the last quarter, the other expenses was slightly higher. The reason is that the commissions which we give while working with travel agents reside over there, whether working with travel agents or whether working with B2B2C Company and hence, since our business is shorter on B2B2 side, the commissions which we have to give besides with the other expenses, and that is why that number has gone up.

Adithya Krishna: Sir just a follow up for that, I have another question. This is closely related to that. So, now when our revenue starts shooting up even more and when we start to really go into the explosion phase, is our payment charges also, going to keep on increasing like this, because I can see quarter-on-quarter payment charges are increasing I mean?

Prashant Pitti: Payment gateway charges are basically directly proportional to the GBR, which is gross booking revenue and if you see it as a percentage of GBR, they are pretty much stagnant. In fact, I would say for corollary it might reduce as more and more UPI payment adoption gets adopted.

Adithya Krishna: Okay. Yes, So, that's pretty clear. Second one is importantly, what is the profit PAT percentage or EBITDA percentage more importantly, profit after tax percentage from the Dubai office and the Dubai business because it is expected to be at least significantly higher than the India Business or and the target might be. So, I want to know a little bit about the Dubai office and even the other global businesses we started or has been moving into what kind of phase?

Prashant Pitti: These businesses are under incubation phase right now where we are trying to make our mark, we are increasing our volume we are getting respect from there probably from the respectable airlines, which are based out over there, they might not have dealt with EaseMyTrip as much before. So, this is the incubation phase where we are working with them and as we continue to grow, we will be able to command better margins, better commissions from them. As of now, the business looks good, the business is growing, we are growing on the strong demand, which is coming to EaseMyTrip primarily because the kind of convenience fees or service fees which these global player charges are astronomically higher than what service fees or convenience fees Indian player charges. The incumbent player in Middle East, Europe, US these developed nations which are anywhere between INR. 600 to INR 2000 per passenger as a convenience fee. Now EaseMyTrip strength is not that we do not charge convenience fees, EaseMyTrip's strength is that because of our low-cost business model and operational efficiency, we can afford to not charge convenience fee. In these geographies international geographies which you have asked, these are the geographies which could bring tremendous value for EaseMyTrip as we continue to grow forward because we are proceeding with the same thought process of not charging convenience fees for these geographies and because of that, the demand is coming very strongly and right now, we are, the business is running at breakeven or slightly negative for these regions, but that is not what is perturbing us. We understand that as the business grows, we will be able to make a lot more money from here by commanding better fee, better commission from the respective companies.

Adithya Krishna: That's primarily because we will be charging foreign currency and because of that, we will be able to make money.

Prashant Pitti: Our operations and our technology will continue to exist from India. So, our entire operations and technology will continue to exist from India and because of this cost arbitrage, we believe we are very well positioned to become the global ticketing Company of India.

Adithya Krishna: Absolutely, I mean, we are going to do I mean that is what we are hoping. Just clarify on what you said you which means you are telling me that the INR 238 million, you have not made money from that this quarter or how is that from the Dubai

Prashant Pitti: This is a number which we have not disclosed. Right now, but overall as I mentioned for all of our subsidiaries put together in the quarter we have reported a loss of INR 1.7 crores.

Adithya Krishna: Okay, I mean, that does not give much of an idea anyways, okay, we will keep it that way and what about the three acquisitions we have made YoloBus and Spree and the other one.

Prashant Pitti: We have made two acquisitions, Yolo and Spree. Spree Hotels have been able to increase their number of Hotels from I believe 12 Hotels at the time when we acquired to around 27 Hotels right now, so, the business is doing great and the business is profitable. I believe Spree is able to generate anywhere between 20 to 30 lakh rupees on monthly basis profit. while Yolo is in very incubation stage. The Company which we acquired Yolo when we acquired was in distressful situation. The last valuation at which they raised; Company was at about INR 100 odd crores while we acquired the Company at INR 2 crores. So, the business is coming back. I think the websites and the technology got started only about two-three months ago and we are looking forward for it to as will grow and become a decent part of EaseMyTrip. Okay.

Adithya Krishna: Can you repeat that number of Spree generating profits per month again. I did not get the number.

Prashant Pitti: Between Rs. 20 lakh to 30 lakh per month

Adithya Krishna: Okay, that's still a significant number when we put it up together and then as it keeps increasing, because cash on books in EaseMyTrip has reduced because we are using the cash for other projects, which means this will cushion that little bit as it grows. Okay and these are my questions and thank you So much for answering them.

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

Manik Taneja: Thank you for the follow-on opportunity. Prashant just wanted to understand the fact that in the last six months, we have seen an increase in terms of share of our B2B2C business, which is also, a function of markets opening up and corporate travel etc. opening up, but if I have to think about the next three to five years, what kind of a mix of business you want to have between B2C and B2B and B2B2C because historically, we went from a significantly higher B2B2C business to a bigger share of B2C business and now you are talking about once again increase focus on that. It will be great to get your thoughts as to what kind of a mix are we thinking about over a three-to-five-year timeframe.

Prashant Pitti: So, Manik, basically what has changed between the last time and this time is previously we were pretty much focused on travel agent. However, now the majority of the business is coming from B2B2C which is basically the likes of HDFC SmartBuy or basically being available on the Bajaj Finserv or being available on Just Dial or being available on internet. Basically, it's powering the next set of online organizations and EaseMyTrip is well-positioned to do it beautifully, because of our low-cost operations and due to which this number has gone up slightly in the last couple of quarters. We believe that this number is looking pretty stable right now. We have continued our focus on growing our B2C business and the numbers are speaking. I believe the number, which is right now, which is 85 versus 15 seems like a stable number for the long-term future.

Prashant Pitti: Okay, to conclude, we believe that the business is well positioned to take advantage of growth opportunities, we will strive to deliver paramount results and achieve greater milestones in the future as well. This will be backed by our customer-first strategy, low-cost business model, new age technology and our exceptional marketing campaigns, which will help us realize our vision of becoming a truly global provider for all-in-one travel solution. Thank you everyone for joining us. I hope we have been able to answer all your queries. If you have any other follow-up question, feel free to write to us. Thank you once again.

Moderator: Thank you. On behalf of Easy Trip Planners Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.