# "RateGain Travel Technologies Limited Q4 FY '25 Earnings Conference Call"

**May 26, 2025**

**MANAGEMENT:** **MR. BHANU CHOPRA – FOUNDER AND MANAGING DIRECTOR, RATEGAIN TRAVEL TECHNOLOGIES LIMITED**
**MR. ROHAN MITTAL – CHIEF FINANCIAL OFFICER, RATEGAIN TRAVEL TECHNOLOGIES LIMITED**
**MR. TANMAYA DAS – OUTGOING CHIEF FINANCIAL OFFICER, RATEGAIN TRAVEL TECHNOLOGIES LIMITED**
**MR. DIVIK ANAND – HEAD, INVESTOR RELATIONS, RATEGAIN TRAVEL TECHNOLOGIES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 and FY '25 Earnings Conference Call hosted by RateGain Travel Technologies.

As a reminder, all participants' lines will be in 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. Bhanu Chopra – Founder and Managing Director of RateGain. Thank you, and over to you, sir.

**Bhanu Chopra:** Thank you, Sejal, and good afternoon, everyone. Thank you for joining us for RateGain Travel Technologies Limited's Earnings Call for the 4th Quarter and full Fiscal Year '24-'25. It is a pleasure to reconnect with you and share key highlights from the quarter as well as the year gone by.

Joining me today on the call are Mr. Rohan Mittal. It's his first call as our new CFO. Mr. Tanmay Das, our outgoing CFO. And Mr. Divik Anand, our Head of Investor Relations.

We announced our Q4 and FY '25 Results earlier today. And I hope you have had a chance to review our financials, press release, and investor presentation available on the stock exchanges and on our website.

As AI adoption increases across industries, the need for easy-to-use technology that helps in generating new revenue is increasing across the travel and hospitality industry as well. As an AI-first company, RateGain is very well capitalized on this need as we continue to identify several new use cases to solve, shipping new features and products across all our business lines, to constantly provide an easy way for our customers to solve their revenue challenges.

This focus on becoming AI-first has helped us end the year with record EBITDA margins for both Q4 and the full year, alongside driving steady growth across our existing relationships, which continues to demonstrate the trust that our long-standing customers have in RateGain.

Building on this momentum, as mentioned in our earlier calls, we are ramping up investments in GTM efforts across geographies, with a sharper focus on APAC and the Middle East. Revenue contribution from these regions has grown from 11% two years ago to 13.7% year-to-date, that too on a significantly larger base.

As industry continues to navigate a cautious outlook, amiss continued global uncertainty, we remain focused on operational excellence, making deliberate investments to prepare for what comes next. Central to this is our continued commitment to being an AI-first company, a shift that is shaping how we build, operate and deliver across the business.

With that, let me take a brief look at our business units. The DaaS business continues to perform well and contributed to 32% of our revenue. This vertical grew at a healthy pace with continued traction across key accounts and with the addition of new logos.

The airline segment led the way with major renewals and new signings, including multi-year agreements with some of the industry's biggest names. We also continue to gain traction amongst a host of mid-sized airlines we have partnered with over the past year, along with key national carriers across Asia. Hotel, car rental, and OTA segments are steady activity as we continue to make inroads with key clients and deepen our presence.

Our ability to process and analyze large volumes and data in real time continues to be a big differentiator and has really allowed us to build a leadership position within this segment as we continue to see incremental opportunities with key accounts.

Our Distribution business remains stable for the third consecutive quarter. We continue to remain the top technology provider that has been consistently recognized by all top OTAs. Metasearch providers including Booking.com, Expedia, Agoda, Google, Trip.com, Microsoft and much more as a preferred technology partner.

We also closed a large enterprise deal with a global travel tech provider owned by one of the largest software companies in the world. This multi-year relationship will drive significant growth to our distribution business. We continue to see opportunities with large chains to enable further connectivity for them as they undertake digital transformation and have a healthy pipeline of conversations underway.

For Uno, we see good traction across small to mid-sized chains across Middle East and APAC to further scale this up in the coming quarters.

In Martech, we continue to deliver strong performance, contributing 47.6% of our total revenue.

Adara remains a key growth driver, signing new contracts and healthy renewal rates with leading DMOs, financial institutions, hotel groups, airlines, and entertainment parks. By leveraging real-time travel intent data, Adara enables brands to target the right audience at the right time, optimizing their marketing efforts across channels and devices. This empowers our clients to deliver more personalized, effective campaigns and drive stronger ROI.

We are placing a strong focus on driving growth in the European and Asian markets, where demand booster is gaining strong traction, particularly as part of our integrated Uno bundle. We continue to drive innovations that align with our vision of building an integrated technology stack to enable our customers to acquire guests, retain and engage them, and do a wallet share expansion with them.

Let's now talk about the innovations driving our commitment to becoming an AI-first organization:

In our annual survey with New York University through the state of distribution, we found that three big challenges facing hotels today. Number one, hotels struggle in integrating technologies and getting a single view of their assets. Number two, getting higher ROI from the digital marketing efforts. Number three, training team members to deliver higher outcomes. Number four, manual management of rates and rate parity violations.

To help hotels tackle these challenges, we launched multiple new products last year. Last year, we launched Uno, our AI-powered hotel commerce cloud, which is our integrated RevMax platform designed to power every step of the guest journey. Integrated, easy to use, quick to implement, Uno helps hotels to get a single view of their revenue across all channels seamlessly.

As part of this integrated offering, we also introduced Demand Booster, an AI-powered digital marketing offering with Uno that helps hotels optimize campaigns and drive higher return on ad spends.

Most recently, we launched two very innovative solutions.

According to our study with New York University State of Distribution, 18% of hotel reservations still come through phone calls. Yet, for the longest time, calling a hotel has been associated with long wait times, repeated transfers, and having to explain the same request multiple times, often resulting in guest frustration and in some case, a lost booking altogether.

So, we are solving this with Viva, the world's first CRS integrated AI voice agent designed to help hotels convert more bookings, reduce missed opportunities and strengthen guest engagement by engaging guests in over 18 plus languages, answering common and complex queries. processing reservations and confirming bookings.

While many voice solutions exist in the market Viva stands out as the only solution that uses Generative AI built on top of open AI integrated directly with the hotels CRS to help hotels quickly onboarded and start making bookings. Hotels will now save time and effort of training new team members, as well as ensure there is no revenue leakage.

In addition to this, a very big problem for hotels over the last decades has been overbookings and rate parity violations. This issue has existed due to outdated technology which sends a lot of junk updates to OTAs. As OTAs process these junk updates, there is mismatch between inventory and rates leading to overbookings and parity issues.

RateGain has used AI to solve this problem with a new product called Smart ARI. Our innovative AI-powered ARI management engine designed to streamline how hotels manage and update their availability, rates, and inventory across OTAs and demand partners. While Smart ARI helps hotels, it will also help OTAs and demand partners reduce IT spends and fewer updates to process saving costs and getting updates in real time.

According to our study with New York University State of Distribution, reporting tools are often developed with revenue managers in mind, leaving the specific needs of distribution teams underserved. As suggested earlier, helping commercial teams make faster decisions is a key focus for us at RateGain. And to solve that, we have introduced RG Insights, a real-time analytics solution that provides hotels and demand partners with in-depth visibility into their distribution performance. It enables them to assess the impact of each partner, identify revenue opportunities, and make data-driven decisions with greater speed and accuracy.

For our fast-growing airlines business, we have launched an AI-powered digest, which provides airlines with real-time insights into route performance, demand trends, and anomalies. This enables any airlines to make proactive pricing decisions by offering timely access to critical data, helping them optimize pricing strategies, and stay ahead in a competitive and dynamic market. Enabling this change across our products is critical. And to ensure that our customers get timely support as we are also leveraging AI to deploy timely support with a conversational AI assistant, enabling faster problem solving and the adoption of new features.

As we continue to drive this shift towards building an AI-first culture, we are seeing huge productivity gains as we ship out more code while deploying AI internally. We have seen improved developer productivity and faster deployment through our AI adoption. Along with this, we are using AI in our marketing and sales functions for increasing reach, better targeting, capturing intent, and improving conversion.

We continue to strengthen our leadership team as we scale the business globally, and I am pleased to share some of the key additions and movements in the past year. These changes are aligned with our AI-first vision, ensuring we have the right leadership to drive innovation, scale and customer success.

Rohan Mittal recently came on board as a Chief Financial Officer, bringing over 18 years of financial leadership and transformation expertise. Rohan has played key roles in scaling businesses, managing IPO readiness and driving strategic planning and operational excellence for fast growing companies like Yatra.com, Allcargo Logistics and Gati.

Anurag Jain has joined to drive our expansion across APAC, the Middle East, and Africa. In his last stint, Anurag was responsible for driving expansion for Expedia in the Indian subcontinent. An IAM alumni, Anurag will leverage his experience across Amazon, Johnson & Johnson, and Godrej to implement new go-to-market strategies that help us grow faster in the region.

Toby March has joined us to accelerate growth in the U.S. market. With extensive experience of driving commercial strategy for some of the world's leading travel brands, Toby brings deep expertise in hotel tech and enterprise sales, having worked with major chains and tech platforms across North America. His career includes leadership roles at WNS, Galileo, Saber, and Abacus, amongst others.

Carla Shaw has come on board to lead our social media offering based out of the U.S., which focuses on helping luxury hotels drive social media engagement. Carla has extensive experience in building high-performing customer teams and scaling digital programs across global hospitality portfolios. Her background spans both SaaS and travel, helping clients realize long-term value through meaningful engagement.

Lastly, Deepak Kapoor has been elevated to the role of Chief Technology Officer in recognition of his pivotal role in our AI-first transformation. Deepak has been instrumental in leading the development of our SaaS infrastructure and data platforms, ensuring we continue to innovate at speed and scale.

This quarter, we continue to build on our momentum with strong progress across our people agenda. Our attrition rate remains at record low levels, reinforcing the impact of our efforts to retain and grow top talent. We have taken steps towards a more future-ready workforce by embedding competency-based hiring and learning across roles, enabling sharper decisions and more aligned development.

We are also actively integrating AI across the HR ecosystem from smarter hiring to always-on feedback through our first AI employee bringing speed, insight, and scale to how we engage with our people. As we step into this new fiscal year, our focus is clear. Hire right, retain right, nurture right. That's how we will continue to unlock potential and build a workforce where high performance and growth will go hand in hand.

The investments we are driving in product leadership and building an AI-first culture is helping us with the right results as we have been recognized across industry.

Some of the awards that we got over the last year, we have won four HSMAI Adrian awards for excellence in digital marketing on behalf of our clients. We were once again named among the top 10 most loved tech products globally in a survey by vote of over 120,000 hoteliers by hotel tech report.

The Economic Times recognized as the best B2B travel technology provider, and we were named one of the Deloitte India Technology Fast 500 companies. We were also honored by Great Place to Work as one of the top 100 midsize companies in India for 2024.

Last but not the least, we continue to be one of the only companies covered by a top university as a case study which is New York University in the SaaS segment for their growth.

These accolades are a testament to the dedication of our people, the commitment to innovation, customer success, and our shared vision of building an AI-first company.

With that, I will now hand it over to our CFO, Mr. Rohan Mittal, to take you through the performance of Q4 and the fiscal year. Thank you.

**Rohan Mittal:** Thank you, Bhanu. And a very warm welcome to everybody on this call. It is a pleasure to join you all today. And I am looking forward to interacting and working closely with all of you.

Now coming to our numbers for Q4 FY 2025:

We have reported a revenue of INR 260.7 crores, with a continued year-on-year growth in EBITDA and PAT at 11.7% and 10% respectively. This is the third consecutive quarter where we were able to deliver more than INR 50 crores impact.

Overall, for the entire Fiscal Year 2025, the company has reported a revenue of INR 1,077 crores, with a year-on-year growth of 12.5%. This is the first time we have crossed the INR 1,000 crore revenue mark. This was on the back of steady growth across all verticals, with DaaS growing at 8.5%, distribution growing at 5.4%, and Martech growing at 19% for the full year.

Our EBITDA grew by 22.3% to INR 232 crores, with the margins coming in at 21.6%, up by 180 bps over previous year. We have delivered a PAT of INR 209 crores for the entire year which is up by 44% from previous year, same time. All of this has helped us deliver a strong free cash flow of INR 120 crores for the entire year.

Further, we have reported an NRR of 105% for the full fiscal year on the back of strong customer relationships and our continued ability to upsell, cross-sell and add new logos. This is further supported by the fact that our revenue from the top 10 customers grew by 17.3% on a YTD basis. Our total customer base currently stands at 3,224 customers.

We continue to closely track and strive to outperform on key operating SaaS metrics. Our revenue per employee stood at INR 1.3 crore per employee. And our LTV to CAC stands at 13.6x. With continued traction across three customer segments and geographies, we have built a healthy pipeline of about INR 516 crores. We continue to have a strong balance sheet with our net worth currently at INR 1,682 crores and our cash and cash equivalent balance at INR 1,267 crores.

Further, I am also happy to report improved traction and growth in the APAC and Middle East geographies over the past year, a great outcome basis the investments we have made in expanding our GTM teams in these geographies over the last few months.

As we continue to navigate an evolving demand environment, the Management and the Board have approved the plan to ramp up investments in the coming year across both AI native products as well as GTM. These investments should enable us to capture the opportunity ahead of us by enhancing our market reach and customer engagement, thereby driving long-term value creation.

Last but not the least, inorganic growth remains a key value enabler for us, and we continue to have conversations with prospects. We remain keen to consummate deals that will meet our risk and valuation parameters.

With that, I would like to conclude our prepared remarks. Happy to open the floor for questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Parth Agrawal from Bastion Research. Please go ahead.

**Parth Agrawal:** I have two questions. One is regarding the DaaS segment. So, this quarter, Q4 FY '25, you have reported a decline of almost 9% in this quarter. So, can you help me understand the reason for that?

**Tanmay Das:** Hi, Parth. This is Tanmay. So, I think this quarter in Q4, we had few contracts that needed to be reorganized. And we had some pricing pressure in the DaaS segment. So, we had to reprice some contracts. That's why there was a decline.

**Parth Agrawal:** And the second is coming to all the three segments. So, going forward into FY '26, what kind of growth we can expect in each of your business segments? I am sure we have seen some customer loss in Martech segment as well, which you highlighted in the previous quarter. So, you know, can you just give me some sense on that?

**Bhanu Chopra:** Hi. So, on the growth, you know, as Rohan indicated in his opening remarks, so this year is going to be a year of investments. We want to accelerate our focus on GTM, especially, we are basically hiring more people, et cetera, across all the three geographies, APAC, U.S. and Europe with a larger focus on APAC because we see a huge amount of growth potential. And we believe that the growth will be single digit this year because the impact of new sales on revenue is usually lagging. And it can lag anywhere between one to four quarters.

So, as I have indicated earlier also, the focus is really to increase the new sales, the new bookings amount, which we didn't do very well on last year. And we want to make it more predictable because in the past it has been also quite dependent on one or two big deals. This year, we are very, very close to signing a couple of big deals, but we want to, going forward, make it a predictable engine and thus we are making investments.

So, net net, I believe that we should be able to get to about 6% to 8% growth this year. And with the investments that we are making into GTM, my view is over a three-year period, we want to beat the rule of 40, which is an aggregate of our growth and our EBITDA margin. And as we continue to sort of grow and invest in our GTM, I am very, very confident that we can get into high double-digit growth rates organically. And hopefully with some of the opportunities we are chasing on the M&A side, that would be additional growth.

**Parth Agrawal:** So, even in the DaaS segment and distribution segment, I think you guys have been facing margin rising pressure for some time. So, I just wanted to get a sense, so when our customer decides to choose us versus our competitors, apart from pricing, what are the qualitative aspects generally they select?

**Bhanu Chopra:** So, you know, it depends on the kind of customer. For the bigger customers, they are actually seeking a trusted partner that has scale and flexibility and ability to serve basis their specific needs. And scale becomes very, very important. And given we are one of the scale companies, that's why we are in with most of the customers.

For the SME segment, the approach has been to have a one stop solution because they don't have the wherewithal to work with different point solutions and most often, because these solutions are not interoperable and don't talk to each other, the value accretion is lost. So, we are trying to solve that by having one integrated platform that we call Uno. And those are the reasons that we are winning.

On the point about pricing pressure, yes, there have been a couple of accounts where we have faced this issue, but I don't want to generalize this as a common issue across all DaaS Distribution customers. We have had some favorable pricing historically through legacy contracts that we acquired and those had to be corrected. But for the most part, most of our contracts actually have CPI increases.

**Parth Agrawal:** Thank you so much and best of luck for the future quarters.

**Moderator:** The next question is from the line of Karan Uppal from PhillipCapital India. Please go ahead.

**Karan Uppal:** So, the first question is on the employee expenses. So, we have seen a sharp drop of almost 15% in this quarter, sequentially, in employee expenses. Also, the number of employees are down by almost 15%. So, if you can explain what's the reason for this decline in employee expenses? That's the first question.

**Bhanu Chopra:** So, current, the decline in expenses is on account of some bonuses that had to be clawed back that we had accounted for basis meeting yearly targets. Obviously, we didn't meet those targets. And as a result of which, those bonuses had to be reduced.

The other reason for seeing a net decline in employee number as, you know, was pretty consistent in my opening remarks. And I am quite hopeful that the size of the company in terms of number of people will continue to stay where it is because we are investing quite significantly in this AI transformation, not just in our products, but also how we run as a company.

So, given we are a tech-based company and we are seeing some massive transformative things happening in engineering, I think the whole engineering organization is going to be reimagined given the advances that we are seeing using AI transformative tools. So, we continue to see net-net a lot of productivity gains.

In fact, in all our departments, I am really pushing our teams to think AI first. Whenever there is a task, we ask AI if it can do it. And we will continue to see these optimizations happen organically as we go forward. Like in HR, as I mentioned in my opening remarks, we have now an HR AI, agent AI employee and we are introducing similar kinds of productivity gains where we are AI-first in what we do and how we do it. And so I don't anticipate adding a lot of people even going forward.

**Karan Uppal:** Thanks for that clarification. The second question is on the margin outlook for FY '26. Considering that you are talking about ramping up your investments in geographies like APAC and Middle East, and also you are deriving lot of productivity benefits through AI, so given these levers are quite in opposite directions, so how should we think about margins for next year?

**Bhanu Chopra:** So, the productivity gains we have not really factored into like a lowered cost simply because we think we will just ship out more stuff and do more versus reduce more people. I mean, if it happens organically, that's fine, but that's not how we are accounting it. Even in future, we just expect our teams to deliver more.

On the GTM investments, so additional investments that the Board has approved is about $5 million in FY '26, with bulk of it about $4 million, close to $4 million going into GTM. So, we do think that our margins, as a result, will come down in this year. So, it will be more around 15% to 17%.

But as we sort of look to scale the company and see the impact of the GTM investments in terms of new bookings and how they impact our revenue, in FY '27 and '28, because of the operating leverage that you have seen, we should come back to that 19% to 22% kind of EBITDA range as we see the impact of operating leverage as a result of new bookings.

**Moderator:** The next question is from the line of Deep Shah from B&K Securities. Please go ahead.

**Deep Shah:** Hi. Thanks for the opportunity. So, Bhanu, one question on the market space. So, despite these headwinds and we lost a client, yet it was doing well. Suddenly, this quarter, it seemed that it has fallen down. So, is there any new pain here or nothing meaningful to call out?

**Bhanu Chopra:** No, no, nothing new. So in Martech, we also account for our Adara business. And it's more of a seasonal thing. The first quarter, calendar quarter in Adara is usually softer than the Q4 of the calendar year. And because of that, you know, you are seeing that softness, but it's a seasonal thing. There is nothing new to report. In fact, I continue to feel very, very bullish about our Martech business. Adara is doing significantly well. And barring that big customer loss that we had in Demand Booster, we continue to see traction.

The only thing to call out will be our social media offering, which has been struggling over the last sort of two, three years. And we brought in like a new GM, new leader to sort of lead that business. And we are integrating it to being part of our full Martech stack. So, I am optimistic that we will turn the corner there as well. But it's a much, much smaller part of the business. So, it doesn't move the needle as such. But yes, overall, it still looks pretty good.

**Deep Shah:** That is all from my side.

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

**Anmol Garg:** A couple of questions. Firstly, I wanted to understand that since the last two years our LTV to CAC ratio is coming down for the company as a whole. And this is despite Adara having relatively larger and longer duration clients. So, is it because that our focus has somewhere shifted to smaller hotels or smaller clients overall, and the churn is relatively higher over there?

**Bhanu Chopra:** Yes, so I think, if you look at our historical numbers, they have been significantly exceeding industry benchmarks by 2x or 3x including the LTV to CAC. And something that I have been looking retrospectively on how that happened, one key realization was that you know we have been quite lucky in securing one or two big contracts every year. And the reason we felt kind of short last fiscal year in terms of new sales is because we didn't really win any of those big size contracts. In the fag end, we did win.

And like I was saying earlier, the new bookings always have a lagging impact on revenue because we have to monetize the order book. I feel that going forward, we need to be much more predictable on the new bookings because repeatedly I have been saying that if there is one key driver that we really need to solve for is the new bookings.

So, there is a lot of focus now on introducing this GTM intensity and also how the teams are organized. We were largely focused on feet on street, meaning very, very enterprise sales led. I wouldn't necessarily say that we have now become not enterprise sales led or are focusing on the SMB segment, we are focusing on the SMB segment. But we are also reorganizing how we go to market where there is, you know, we are sort of breaking down the structure and the process of go-to-market teams.

For instance, to generate more interest, we are doing a lot of marketing-led initiatives. We have instituted a new team of what are called in SaaS SDRs, Sales Development Reps that help create interest. And create brand awareness in the market through core calling and through lead gen efforts. We have also introduced an inside sales team that enables to help close out the smaller deals so that the bigger enterprise deals get attention of the enterprise teams and they are not spending time on the smaller deals.

So, net net, there is a little bit of a reorganization of how we were organized. There is massive investment into making these resources sales enabled. So, there are sales enablement teams, there are a number of tools, AI tools that we are investing in. And also, we are investing in building out, as I said, this year we are investing $5 million in addition to all the other investments we had to increase our GTM intensity. And I think it's a very modest amount of investment, and as we begin to see results of these investments, my goal is to continue to invest and aim for much, much higher growth because I know we haven't delivered on the overall promise of the growth narrative that we had stated a couple of years ago. But I do not believe for a minute that the opportunity has diminished.

The opportunity is still very, very large. We have built out massive capabilities. We just now need to build out our distribution engine to be able to process the massive and diverse set of capabilities that we have built. And like I said earlier, we began this process a couple of quarters ago. And I do believe that it is beginning to show results. So much so, I am quite hopeful that this quarter will be hopefully, fingers crossed, the best sales quarter in the history of the company. And as we begin to see these kinds of results, we will continue to invest and scale the company further.

So, net net, my point is, look, our sales efficiency was very, very awesome. It was industry beating by 2x or 3x. Now as we begin to scale the company, that sales efficiency will come down, which is very, very natural, but still will be industry beating. And we will not hesitate to increase this intensity to go out and win.

**Anmol Garg:** And just one more from my end. So, our Martech businesses can be more sector agnostic. Are we planning to kind of increase or go to the other sectors, particularly for our Martech offering? And also if you can give overall outlook for all the three segments that we have in terms of the growth rate for next year while you said it is 6% to 8% for the full year, but how do you see each of these segments panning out?

**Bhanu Chopra:** So, to your question about do we intend to go outside of travel and hospitality? No, we don't. We do continue to get requests outside of travel and hospitality to service other industries. Like our travel intent data is something that is of huge amount of interest to a number of industries and we are not proactive, but reactive to service those requests. Very recently, we had requests from some very, very large financial institutions on a lot of the pricing data because a lot of hedge funds are very keen to use that data to decide on their investment strategy.

So, we proactively don't go after these, but reactively we do address them. But we are very clear on our strategy, which is to be very focused on travel and hospitality because our TAM is fairly large and we haven't penetrated it. It's about 7-8 billion and the company is quite small compared to the opportunity that exists. And we need to keep our heads down and stay very, very focused.

Your second question about what is the growth that I see across different segments, so on DaaS and Martech, we will have double-digit growth. I don't want to put the exact numbers in a broader call right now because of the sensitivity and competition intel, etc.

Our Distribution business is projected to be going a bit negative. This is because of a couple of things that have happened. I think one was, which is something that we have already indicated to the market as a big account, a big OTA that is part of a big larger OTA group and is going to be sunset. And we had significant volumes going through that OTA, which will continue to sunset and it is projected that this year it will be completely sunset.

The second reason is there was one of these other legacy contracts where we had favorable pricing from the time of the acquisition of DHISCO that we had to renegotiate. So, we were in good luck for a number of years, but we had to relook at given the long-term nature of the partnership that we enjoy with this particular client.

However, again, I will go back and say, although distribution is the smallest and is showing a decline in this current year, but I remain quite optimistic given the investments that we are doing and our focus that this will eventually be the fast-growing segment for us.

**Moderator:** Sir, the current participant has got disconnected. Should we move on to the next question? Okay.

**Bhanu Chopra:** Yes, please.

**Moderator:** The next question is from the line of Pankul Sood from Satya Wealth. Please go ahead.

**Pankul Sood:** Hi. Thanks for the opportunity. Sir, I would like to know, is there any revision to our FY '27 guidance of Rs. 2,000 crores top line since FY '25 has been subdued?

**Moderator:** Sorry to interrupt, sir. Can you please repeat your question?

**Pankul Sood:** So, is there any revision to FY '27 guidance of Rs. 2,000 crores topline since FY '25 has been subdued for us and we almost need to clock in 36%-37% CAGR for the next 2 years?

**Bhanu Chopra:** Yes, so as I indicated earlier, there is a revision in the sense that we are, for this current year, it's a year of investment. And like I said, new bookings have a lagging impact of 2-3 quarters usually. And so this year we continue to produce the bookings that we intend to through our GTM investments. It should show up results in FY '27 and FY '28. Our aspiration is obviously to be north of 20% organic growth. But I feel quite confident that we should get to mid to high teens, given the investments we are doing.

So, we are building the sales engine. But it's probably prudent to have a discussion on it a quarter or two down the line to see the kind of results that we are seeing and give you a more updated status, but we are going in a very, very deliberate and calibrated manner on how we will increase these investments.

So like I said, we began this process two quarters ago. It's showing very good signs with the potential of this quarter being the best sales quarter in the history of the company. But I don't yet feel comfortable that it is completely predictable. And I want to make sure that that happens before we continue to invest and accelerate. So, we will do this in a calibrated fashion and we would be able to come back and give you a more revised guidance as we go along here.

**Pankul Sood:** And my second question is on the capital allocation part. So, like, currently I think we have around INR 1,200 to INR 1,300 crores cash on the books, right? So, what is the acquisitions are we looking at in terms of size? Like, our last acquisition was approximately $16 million. And now even if we go for 3x bigger, $50 million will still be left with almost INR 800 crores of cash on our books. So, what is the thinking on that part?

**Bhanu Chopra:** So, we are very, very active on the M&A side, and we continue to evaluate different assets that fit our product roadmap and our strategic assets for the long-term growth of the company. We are seeing assets in sort of different ticket sizes. There are some bigger opportunities that are available as well, and we are evaluating those.

But I have seen this cycle play out in the past as well where there were a couple of years we didn't do anything and then we did a bunch of stuff in quick succession. That should also give you, as investors, a lot of confidence that the company is extremely judicious in its M&A lens. And so I do feel like opportunities will come. And when they come, they will come in quick succession as well.

But we need to ensure that our IRR and payback thresholds are being met. We are building the company for the future. I am not going to get swayed by seeing what crazy prices other buyers are willing to pay. Hopefully, they will make a mess of it and come and sell it to us much cheaper.

**Moderator:** The next question is from the line of Harsh Chaurasia from Vallum Capital. Please go ahead.

**Harsh Chaurasia:** So, my question is on the growth side, mainly from the top 10 client perspective if I see. If I compare it on a full-year basis, the top 10 client have grown significantly versus the other clients. So, I wanted to understand the growth this year has been much more tilted towards the large clients. So, what I want to understand here is what is the distribution of the growth among top 10 clients? Is it concentrated to just 2-3 clients or it is more fragmented? So, this is my first question.

And second is on the number of clients which we put out. If I see, there is a 55 clients decline when I compare to FY '24 clients. So, what I wanted to understand here is if you can give me a bifurcation between how much it would be for Martech and DaaS and distribution. So, these are my two questions.

**Bhanu Chopra:** Tanmay, can you take this question?

**Tanmay Das:** Yes, sure. I think most of our bigger clients have grown quite well. I think 2-3 clients, I think the majority of our clients in the top 10 have grown in a kind of equal fashion. As far as bifurcation is concerned, I don't have data ready at this point of time, and we probably can provide you when we have a one-to-one interaction.

**Moderator:** Sir, does that answer your question? Due to no response from the current participant, we will move on to the next participant. The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

**Prolin Nandu:** Thank you for giving me the opportunity. So, Bhanu, first a clarification, right? First, you mentioned that you are looking at a 6% to 8% growth. Then in a subsequent interaction, you mentioned that we are looking at mid to high teens. So, what is the top line growth that in FY '26 one should be looking at?

And just a broader question on the growth, right? Even in the last five years, we have grown at 20%, despite one of them being the COVID year. And as early as last year, we were very confident about this INR 2,000 crore number in 3 years' time, right? So, what has changed in our reading of the market either on the sales side, right, the kind of effort that is required on the sales side, as well as on some of these products that we have, right, we call it adult, teenagers and kids, right, in some sense.

So, you talked a lot on the sales side of things, but could you also touch base on, has something changed in terms of how products are progressing across their lifecycle, right? So, just in one year, a lot has changed for us, right, in terms of the outlook for the company, at least in the near term. So, can you just help us, your understanding about all these issues?

**Bhanu Chopra:** So, good question. The first point about clarification of top-line growth, it is 6% to 8% for FY '26. What I was alluding in terms of mid to high teens growth is in FY ' 27 and '28, where the investments that we are making in GTM will begin to show results in the next couple of years as I have repeated on the call that the new bookings have a lagging impact on revenue.

Now your question on what has really changed that has kind of changed the outlook of the company. So, I would say that in terms of the opportunity, nothing has changed. I think there are a couple of things that have happened. I think there have been some execution challenges.

U.S. was a very, very important market and is a very important market. And frankly, we lost in year, year-and-a-half there because we didn't have the right leadership from a sales perspective.

In the APAC region, similarly, our senior commercial leader, we lost her to cancer. And we had to find somebody else. So, there have been some people changes that had to be done, execution challenges that we are solving for.

I think the other thing is in terms of the outlook that we had given, maybe we underestimated the effort involved, especially from a new sales perspective. And I think we were always doing really, really well. Something asked about the LTV to the CAC and our sales and marketing costs as a percentage of revenue, they are quite modest compared to our other SaaS peers. And we felt that that sales efficiency that we had could continue to operate in that fashion. And when I look back, I do feel that we were consistently winning large deals, which helped that. And my view on looking at those large deals is to look at them as cherry on top, but have like a very predictable engine that continues to have a momentum of deals coming in irrespective of a large deal or not.

So, I am quite confident we will solve for that. I am very confident about a lot of the investments that we have done. And some of these things also get underestimated when things are going really, really well, right? As you have indicated, our growth was just phenomenal, over 50% over the last 3 years. And when there are structural and fundamental issues, when the going is good and it's not addressed, they come back to bite you and that's what seems to be happening.

But it's okay. I think we are all in it for the long term. I am very pleased with all the corrective action that we are taking and personally and even with the team, there is a very, very high degree of confidence. The stability and the fundamental strength that we are building in the company that position us, really will position us to march forward to being a billion dollar in revenue company.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Bhanu Chopra for closing comments.

**Bhanu Chopra:** Yes, thank you everybody for taking the time out to go through our Q4 and full fiscal year. As I have reiterated, this is going to be an year of becoming AI-first, increasing our GTM intensity, bringing out AI powered products that enable generate more revenue for our customers. Your company is now very, very disciplined, and as we go out and build the future for revenue generation for travel and hospitality industry. Thank you.

**Moderator:** Thank you. On behalf of RateGain Travel Technologies, that concludes this conference. Thank you for joining us and you may now disconnect your lines.