Company Name: Yatra Online Ltd

Quarter under review: Q1-FY27

Yatra Online Ltd – Q1-FY27 Concall Highlights:

Yatra Online Ltd (Consolidated)					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Operational Income	1,879	2,098	-10.4%	1,890	-0.6%
EBITDA	124	231	-46.2%	109	14.1%
EBITDA M (%)	6.61%	11.00%	-439 bps	5.76%	85 bps
PAT	3	160	-97.9%	57	-94.0%
PAT M (%)	0.18%	7.62%	-744 bps	3.00%	-282 bps
Diluted EPS	0.02	1.02	-98.0%	0.52	-96.2%

Operational Highlights:

- 20 years of operations were completed during the quarter, supported by a base of over 1,000 corporate customers and millions of retail customers, along with strong technology capabilities and a diversified business model
- Corporate customer net retention remained strong at ~97%, a level sustained over the past two to three years, reflecting healthy customer stickiness
- The travel technology platform now serves 1,300+ large and mid-sized enterprise customers across India, while the Kanu Travel partnership is expected to extend the corporate travel offering into the Middle East
- Gross bookings increased ~17% YoY to INR 21,007 million, while total transactions grew ~12.2% YoY, supported by healthy growth across air and hotel businesses
- Gross margin increased 6.1% YoY to INR 1,227 million, while revenue from operations declined 10.4% YoY to INR 1,879 million, primarily due to lower MICE volumes
- Adjusted EBITDA declined 39.4% YoY to INR 151 million, compared with INR 247 million in Q1 FY26, resulting in an adjusted EBITDA-to-gross-margin ratio of 12.29%
- PAT stood at INR 3.4 million, with profitability impacted by lower MICE gross margins, pressure on air margins and incremental costs associated with the Kanu Travel opportunity
- The MICE business witnessed an approximately INR 60 million gross-margin impact, comprising INR 30 million from lower international group travel supply and INR 30 million from increased competition as demand shifted towards domestic group travel
- Air gross bookings grew ~18% YoY to INR 16,579 million, while air gross margin increased 8% YoY to INR 699 million; however, the margin ratio moderated to 4.2% from 4.6%
- Air passenger volumes increased ~5% YoY, nearly twice the industry growth rate, indicating continued market-share gains despite capacity constraints and elevated airfares
- Hotels and packages gross bookings grew ~13% YoY to INR 3,876 million, with gross margin increasing 24% YoY to INR 386 million and the margin ratio improving to 9.95% from 9.05%
- The standalone hotel business remained a key growth driver, with gross bookings rising ~34%, revenue increasing 62% and room nights growing nearly 30% YoY to ~548,000

- The MICE pipeline strengthened materially, with Q2 bookings trending ~50% above Q1 levels during the first half of Q2, alongside a healthier margin profile.
- 53 new corporate customers were added during Q1, carrying an estimated annual billable potential of approximately INR 2,273 million, creating a healthy pipeline of incremental business as these accounts ramp up.
- TravelPro contributed over 30 of the 53 new corporate logos, representing approximately INR 800 million of annual billable potential, while ReCap added 20+ customers since its launch.
- International business now contributes less than 30% of the overall mix, compared with the historical high-30% to nearly 40% range, reflecting the impact of West Asia-related disruptions on international and MICE travel.
- Cash and cash equivalents, including bank balances, stood at INR 1,976.9 million as of June 30, 2026, providing a strong liquidity position for ongoing growth initiatives.
- EBITDA margins are expected to recover towards 20%+ in H2 FY27 as MICE volumes, air margins and corporate travel conditions normalize, with a medium-term aspiration of reaching approximately 30% EBITDA-to-gross-margin levels.

Key Questions & Answers discussed during the Concall:

- **How has the international business mix changed?** International business has declined to below 30%, versus the historical late-30% to ~40% range, mainly due to disruptions in international and MICE travel.
- **Has the focus shifted towards B2C amid pressure in corporate bookings?** The diversified model has allowed greater reliance on B2C to support volumes and supplier thresholds. Strong domestic demand and technology investments have also helped drive market-share gains.
- **What is the roadmap towards the 30%+ margin aspiration?** Margins are expected to recover towards 20%+ in H2 FY27 as MICE recovers, international air margins stabilise and corporate travel grows. The 30% medium-term aspiration remains achievable through operating leverage.
- **Should margins improve from the next quarter?** A marginal sequential improvement is expected, primarily from recovering MICE activity, while airline capacity constraints may limit near-term improvement.
- **What is the status of the proposed India-parent merger?** The restructuring remains a key priority and work continues across India, Singapore, Cyprus, Cayman and the SEC. However, regulatory complexity makes it difficult to provide a firm completion timeline.
- **Why have customer promotion expenses increased?** The increase primarily reflects the higher B2C mix, where discounting forms part of marketing expenditure. The ratio is expected to normalise as the MICE mix improves.
- **Has any full-year financial guidance been provided?** No formal FY27 guidance has been issued yet. Further guidance is expected once market conditions stabilise.
- **What is the rationale for merging the US-listed entity with the India entity?** The US entity has limited liquidity and trades at a significant discount. The merger is intended to create fungibility and improve value realisation for larger shareholders through a more liquid Indian-listed entity.
- **Why have employee costs increased sharply?** Higher employee costs reflect investments made for the Kanu Travel opportunity, including hiring, training and technology infrastructure. Revenue contribution from Kanu began in July and is expected to offset these costs from Q2 onwards.

- **How significant is MICE to overall profitability?** MICE has a disproportionate impact on profitability because of its 9–10% gross margins and high operating leverage, but it is not expected to contribute more than ~20–25% of annual profitability.

- **What were the key factors behind the Q1 margin decline?** The decline was driven by weaker MICE performance, softer international air margins and incremental Kanu setup costs. All three factors are expected to improve over the coming quarters.

- **How much of international travel is linked to the Middle East?** The Middle East accounts for less than 20% as a destination, but nearly 30%+ of international travel passes through the region. Capacity constraints have also pushed up fares on Europe-linked routes.

- **How is elevated international airfare affecting corporate travel?** Higher fares are discouraging large group movements and non-essential corporate travel, particularly in sectors such as IT, while also increasing average ticket prices on international routes.

- **When is the Kanu business expected to become profitable?** The Kanu initiative is expected to become contribution-positive from Q2 FY27, as revenue ramps up against the people, infrastructure and technology investments already incurred.

- **How dependent is profitability on MICE recovery?** MICE recovery will provide a meaningful margin boost, but profitability is not dependent solely on MICE, with improvements in air margins, corporate travel growth and Kanu contribution also expected to support earnings.

Key Participants:

- *Anmol Garg – DAM Capital*
- *Nitin - Investec*
- *Sagarika Chetty – Antique Stock Broking*