

May 29, 2024

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Sub: Earning Call Transcript

Dear Sir/ Madam,

Please find enclosed the transcript of the earning call held on Friday, May 24, 2024 at 05:30 P.M. IST, with regard to the audited financial results of the Company for the quarter and year ended March 31, 2024.

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

Please take the same on your record.

Thanking you,

Yours faithfully,

For Easy Trip Planners Limited

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

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“Easy Trip Planners Limited
Q4 FY2024 Results Conference Call”
May 24, 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 Easy Trip Planners Q4 FY2024 Earnings Conference Call. 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: Thank you. Good evening, everyone, and welcome to Q4 and FY2024 Earnings Call of EaseMyTrip. I would like to thank you all for joining us today. Our earnings presentation and press release have already been uploaded on our website and stock exchange, and I hope you have had a chance to review it.

To start with, I would like to begin by highlighting the performance of EaseMyTrip for Q4 and FY2024 and would be able to take the questions afterwards. I'm happy to announce that our company sustained the momentum during the quarter and delivered highest-ever EBITDA of INR 228 crores in FY2024. During Q4, the gross booking revenue was at INR 2,090 crores. Our revenue from operations grew by 40% year on year at INR 164 crores. EBITDA has grown by 23.7% as compared to quarter 4 of the previous financial year and was at INR 58 crores.

The profit before tax had a year on year increase of 24% and was at INR 55 crores. During FY2024, the gross booking revenue grew to INR 8,513 crores. The EBITDA has grown by 19.3% on year on year basis at INR 228 crores; the profit before tax at INR 215 crores, an increase of 16% year on year basis. Additionally, our standalone profit before tax for FY2024 was at INR 233 crores.

Coming to operational performance. During Q4, our Non-Air segment grew leaps and bounds. Our hotel segment recorded 1.4 lakh bookings, a growth of 38.6% year on year and the booking in other segments grew by 53% to 2.7 lakhs bookings. For the period of FY2024, the hotel nights bookings improved by 49.2% year on year to INR 5.2 lakhs and the other segment had a significant increase of 66.6% to 10.4 lakhs.

We have executed several key initiatives during Q4 to drive growth. Let me share few of them one by one. First, we have partnered with Punjab National Bank to launch PNB EMT credit card, offering a variety of rewards to Indian travelers. This shall help EaseMyTrip reach out to millions of PNB customers through 10,100 branch network across the country. This card will provide exclusive benefits for flights, hotels and bus bookings. We are excited to enhance the travel experience of our customers with these benefits.

Second, I'm also delighted to announce that EaseMyTrip Foundation, a wholly owned subsidiary of EaseMyTrip, has partnered with Archeological Survey of India under Adopt a Heritage 2.0 program. As a designated Smarak Sārathi, we will be responsible for upkeep and enhancement of 4 prestigious historical monuments: Qutb Minar in Delhi, The Sun Temple in Konark, Agra

Fort, and the Western Group of Temples in Khajuraho, witnessing footfalls of over 60 lakh visitors annually.

Third, we have entered into an MoU with Ministry of Rural Development to provide training under Lakhpati Didi Yojana. This initiative is designed to help over 1.8 crores identified didis to develop their entrepreneurial abilities and empower them to book tickets and achieve financial independence.

Fourthly, highlighting our dedication in enhancing travel services, accessibility through combination of online and off-line channels, we have strengthened our off-line presence across the country by launching 4 new franchisee stores in Q4 in Indore, Gurugram and Jalgaon.

We have collaborated with common services centers becoming their inaugural travel partner to offer comprehensive travel solutions, including flights, hotels, bus, cab and activities to CSC and vast network of 8 lakh registered village-level entrepreneurs all across India. Sixthly, we have ventured into insurance sector to diversify our service portfolio and tap into INR 7.9 trillion insurance market.

Eighth, following a significant stride, the company has acquired 50% stake in Jeewani Hospitality and partnered with Radisson Hotel Group to develop 150-room Radisson Blu Hotel in Ayodhya City. Through this, the hotel is positioned nearly in the recent established Ram Mandir, enhancing its appeal and accessibility of 1.5 lakhs per day visitors. Furthermore, we have conducted our own nationwide road show aimed at fostering business connections and dialogues within the thriving tourism industry of the nation.

The initiative saw witness road show in 12 cities, including Kolkata, Raipur, Nagpur, Indore and saw participation from 1,800 plus B2B agents. This initiative was conducted in close collaboration with EaseMyTrip's recently acquired domestic travel brands: Guideline Travels and Dook Travels.

More so, EaseMyTrip has been honored with a versatile excellence travel award, VETA 2024, for best online travel agency, along with receiving a prestigious Online Travel Agent of the Year accolade at SATTE India Awards. These recognitions underscore our commitment to excellence, innovation and establishment of robust travel ecosystem, catering to travelers across the nation.

Moving ahead, we remain focused on scaling our business profitably and extending our reach into non-air verticals. Additionally, we are expanding our domestic presence and exploring practical avenues of growth, organic and inorganic. These initiatives are in line with our steadfast commitment to continuous expansion, offering holistic travel solutions and enduring seamless experience to our vast customer base.

In conclusion, we remain focused in our business growth, and we are confident that our strong foundation and unwavering commitment will continue to drive success.

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

- Moderator:** Our first question is from the line of Meet Shah from Finnovate.
- Meet Shah:** During the quarter, our GBR declined by 2.5%. This is third time in a row that we underperformed in the industry. So what's your guidance going forward? Will you be focusing more on profitability or gaining market share?
- Prashant Pitti:** Meet, if you see our GBR number, they are pretty much in line with what it was in the last year. And in the last couple of quarter earnings, I have been saying that we are focusing more on the bottom line than the top line. And because of which you see the result that even while maintaining the similar GBR, our profitability has increased dramatically in this particular quarter.
- So this was the endeavour we wanted. And also, if you may see that the cash flow, which was negative in the last year has turned profitable. And this year, our cash flow from operations has come to around INR 124 crores. All of these were the part of the effort to basically increase the bottom line in the last particular year.
- Meet Shah:** So any guidance on GBR growth for next year?
- Prashant Pitti:** So at this particular moment, the only guideline I'll be able to share is that we are in continuation to grow our company profitably and to continue to the growth. Any particular guidance at this moment, we will refrain from. We will have a Board meeting and as and when we will be able to give clearer guidelines, we'll inform.
- Meet Shah:** Okay, sure. Also in the month of January, EaseMyTrip informed the shareholders about fundraising plan of INR1,000 crores via QIP. So any updates on that. Also, for what purpose will this fund be?
- Prashant Pitti:** So at the time of presenting this to our Board, the Board has already approved the QIP of up to INR 1,000 crores. The idea was mentioned that we would basically be looking to do the QIP for growing inorganically as well and also for the marketing activity. This is the only update I have at the moment. And as and when anything consolidates, we will share with the market.
- Meet Shah:** Okay, sure. Also, last question. Recently, we have expanded our offerings into insurance. Could you share the rationale behind this horizontal expansion like what are the growth opportunities you are seeing in this sector? Additionally, could you explain our business model in retail like whether we are planning to establish our insurance business or focused on insurance broking?
- Prashant Pitti:** Happy to talk a little bit about it. I did mention about this at the time when we released this press release and had a couple of conversations afterwards as well. We are planning to be in insurance broking business. We are not going to be the insurer per se, and the logic was very clear to us. We have 25 million users. And when we did our survey, we found out that there is an overlap of 75% of people who book tickets online and the ones who purchase insurance online.
- And we also want to basically play the game only in an asset-light manner where we don't have to prebook anything, prepurchase anything, and there needs to be no delivery. Just like air tickets are delivered via an SMS or a message, insurance purchase can also be delivered. It's a beautiful

big market, which should be grown profitably. And hence, the logic was that we don't want to get into asset heavy. We don't want to deliver any packages.

Similar to flight bookings, bookings, insurance can also be delivered online completely without any logistical hassle. And since there was a huge overlap, we have considered taking a step in doing a horizontal play over here.

Meet Shah: Sure. And will it be under the brand name Easy Trip Planners?

Prashant Pitti: All these details, we will furnish as and when the time comes.

Moderator: The next question is from the line of Madhuchanda Dey from MC Pro.

Madhuchanda Dey: So my question is very obvious. You have ended this year with a 6% kind of GBR growth. We have seen a decline in the fourth quarter. Even the margins have actually declined, if you look at the operating margin in the fourth quarter. I mean and I see a slight increase, but not a major increase, but a slight increase in advertising and sales promotion expenses there. So is it like, look, you are again going back on your strategy of market share gains? Or what is the strategy for FY2025? I mean what is that we should be expecting from you in terms of GBR, in terms of margin, if you could throw some light?

Prashant Pitti: So Madhu, thank you for the question. At this moment, we will not be able to share any guidelines on how we wish to grow the company. But as a standalone yardstick, which I would share is that the company has always been profitable, and we would wish to continue growing the company profitability to become the second largest while never having any funding, while growing this company in a bootstrap manner.

I think, we have done a decent job in growing company until today. We really believe slow and steady wins the day. And it's a marathon out there. And in this marathon, we would want to continue to participate. Giving any guidelines at this particular moment would be a little bit difficult for me.

However, I would want to correct you that the overall adjusted revenue as a percentage has increased for this particular quarter. I believe that the overall number compared to the large financial year on year basis, the number has gone up. Overall, the margins have gotten better, and the expenses have slightly increased.

Finally, we have increased a bit of discounting. But discounting is basically a function of how markets are behaving and how much kind of discount market is offering. Yet, we were able to post a very good quarter and the entire year. In this quarter, if you remove the exceptional item, the profit after tax comes at about INR 39 crores.

And for the entire year, the profit after tax, if you remove the exceptional item, comes at about INR 157 crores, which is the highest ever for the company.

Even though the GBR, it's pretty much -- GBR only increased by about 5% in last 1 year, our commitment to grow the bottom line is clearly visible. In fact, if you see the PBT, profit before tax, for the standalone business of EaseMyTrip is somewhere at about INR 233 crores.

We are nurturing a few companies. We have acquired some companies. They have opened some subsidiaries which are very new in the phase right now, very, very exciting, but very new because of which there are some losses in the subsidiaries and the companies which we have required put together.

However, the standalone business is making profit, and we were able to basically change a lot of things in this last 1 year in the company, in terms of increasing the bottom line and also in terms of improving cash flow dramatically.

Last year, the cash flow was negative INR 119 crores, if I remember, and this year, it's positive INR 124 crores. So, I could almost go to say that we achieved the cash flow compared to last year by about almost INR 240 crores.

So there were lot of efforts, which were taken in the company in this particular financial year. And I thought that we did pretty well in that side.

Madhuchanda Dey:

Okay. I have just a related question. So it is very difficult for us to calculate your airline take rate from the consolidated number. But if I look at the segment, I don't know whether this is the right approach to calculate, but if I look at your segmental results, which gets published, the air passage margin seems to have gone down from the level it was in Q2 and Q3. So are we to assume that it is because of lower take rates from the airlines?

And a related question now that there is almost a duopoly in the airline segment with Indigo and Air India and also little presence of newer airlines like Akasa etcetera, do you think that take rate has pretty much peaked out and going forward, you have to heavily bank on your non-airline strategy to stay highly profitable. Is that a correct understanding?

Prashant Pitti:

I would not put it this way. The Indian airline industry is growing leaps and bounds. It is expected to grow at 15% on CAGR for the next 10 years as there is no other country which is expecting to have more than 100 new airports come in a decade's time. So clearly, airlines do understand the value which OTA has put in. Almost 87% of all searches begin from OTA side. We are the front customer facing forum for the airline, and the customer queries, everything gets resolved by the OTA.

So I believe whatever commissions airlines are sharing with the OTAs, it has come to a very good equilibrium and we do not see a crunch on the margin side. In fact, margin has slightly increased in this particular quarter compared to the last quarter. The best way to look at this number is, you look at the revenue from operations and add discounts to it. The total number of that would basically come at adjusted revenue. And in that adjusted revenue, you basically divide that by the GBR to understand what is the margin, and since almost 93% of our entire GBR is basically flight oriented, that margin is pretty much for the airline margin.

So I do not see any crunch on that particular side. Having said that, there was a focus to increase our non-air verticals from the day 1 since we went public. At the time when we went public, we promised that we will diversify and we will grow our Non-Air business to a greater height and the results are seen. Even though we have maintained the GBR and growing profitably -- our profitability, we have increased, yet we were able to grow over other businesses at very good scale.

Hotel business grew almost by 50%. The Non-Air business grew by 66%. So that's a testimony to the company that we are capable of growing our Hotel business and other businesses even while maintaining profitability and even increasing it along the way. But the idea is that since there is so much on the table, we can still so much cross-sell to the flight bookers, the hotels, the buses, the holidays. We are working on cross-selling at the moment, and we look to continue to grow the Non-Air business.

Madhuchanda Dey: So I have just a last housekeeping question. You have shared the GBR breakup for the fourth quarter, which is 92.5% airline, 5.6% air, and rest 1.9%. Can you share the same number for the full fiscal please?

Prashant Pitti: We will look into it. Since we have started sharing the segmental GMV very recently, maybe because of which for the entire year, we may not have shared but we will take that as a request.

Madhuchanda Dey: And another request -- I think I had put in earlier also, like you have done a few of acquisitions and you just mentioned to the other participants that some of these acquisitions have not really performed that well, which has been a drag. So if you could start publishing the financials of the acquired entities, that could be really, really helpful.

Prashant Pitti: Well, I just wanted to correct you that I never said that the acquisitions have not gone well. It is just that some acquisitions are loss-making because they are in the initial phase. However, the acquisitions which we have made are growing in a very, very encouraging speed and where we are extremely happy with the results which we achieved. And we look forward to actually nurturing some of those acquisitions, our subsidiaries to become the next EaseMyTrip in the next couple of years.

So not to say that there are some acquisitions which we are not happy about, and I don't think I ever mentioned that. So yes, I do take that as a request. We did note it down. We will consider sharing as and when some of these acquisitions basically mature to become a decent-sized company. Right now, some of them are very small, and hence, they are not really impacting so much on the bottom line or the top line of the company.

We would wait to see a couple of more quarters. For example, the Dook acquisition and the couple of other acquisitions happened only about 7, 8 months ago. So we would rather wait to see the entire 1 year of their productivity and then share the numbers.

Moderator: The next question is from Nilesh Doshi from Prospero Tree.

Nilesh Doshi: Sir, we are participating in the Ayodhya hotel. Are we changing our focus from the asset-light model to asset-based model?

Prashant Pitti: Well, thank you for the question. Firstly, no, we are not changing our strategy. This is a one-off event. We found a really good deal in the Ayodhya hotel which is only 400 meters away from the Ram Temple and we have already seen how the transformation of Varanasi has impacted the travel over there.

Earlier used to get 20,000, 30,000 visitors on daily basis. Now, Varanasi is getting almost 5 lakh visitors on a daily basis. We look forward for Ayodhya to basically become the next spiritual hub for the country. And as we were getting a very great deal, we lapped up on that particular offer. And since EaseMyTrip also does a lot of hotel bookings, we have also basically made commitments to fill that hotel in considerable size and take some exclusivity. So this was just one of those things.

It's not that we wish to be in asset-heavy business model. No. We are looking forward only to acquire asset-light business models, profitable businesses, just the way EaseMyTrip has grown. This, I would want you to treat it as a onetime exception from our side.

Nilesh Doshi: So, it means it's a religious importance. That's why we are investing in the hotel business. Otherwise, this is the only onetime affair and not the recurring. So we will restrict to only at Ayodhya?

Prashant Pitti: I would not even say that we would restrict only to Ayodhya. This was just a great offer, which we got at the right time, and we lapped up on it. We will have an operating partner. We are not going to be the operator of the hotel. There is an operating partner. And again, as I said, that we have not done any asset-heavy acquisition except for this particular part among these acquisitions which we have done. EaseMyTrip is also an asset-light business. So we would want to remain an Internet company and grow on asset-light basis. This is, as I said, is onetime exception for ourselves.

Nilesh Doshi: And sir, we are opening the new franchisees to increase the off-line presence. Are these franchises company owned or third-party operator?

Prashant Pitti: These are all third-party operated. We have opened up 15 franchises so far. These franchises are operated and run completely by third parties. The idea is so that when you sell holiday, there's not just one touch point, there are 100 plus touch points. There are people who would want to ensure that they're getting right kind of meal, Jain meal, vegetarian meal and if they would be well taken care of, would they be escorted to find the right hotel which they have booked?

So there are a lot of touch points in holiday and rural India still -- Tier 2, Tier 3 India still buys a lot of -- in fact, even in Tier 1, a lot of holidays are booked offline. So the reason why we are expanding our franchise stores is basically to allow people who still feel comfortable buying holiday packages offline to be able to consummate them.

Nilesh Doshi: So to attract the Non-Air segment people from the franchisees?

Prashant Pitti: Correct.

- Nilesh Doshi:** Okay. So are we expecting the more growth from the Air segment or Non-Air segment? And how we deal?
- Prashant Pitti:** I mean the results are for the speaking. Our hotel business grew by 50%. Our other businesses grew by 66%. So clearly, a lot of growth will come from the Non-Air business. However, as I said, that the Air business itself is growing at 15% per annum on CAGR basis. So the company will try its level best to take that much share and even go further beyond.
- Nilesh Doshi:** And the GoAir amount is fully provided in this Q4 or anything is still left to provide?
- Prashant Pitti:** No we have taken the entire write-off. Given the current situation, we have taken the entire write-off on the GoAir case, which is a onetime exception item.
- Nilesh Doshi:** And the last case, sir. Sir, are you going to participate in the INR 1,000 crores fundraising plan? Or it will be from the other investor only?
- Prashant Pitti:** I will not be able to comment on that. As and when that happens, more information will be provided.
- Nilesh Doshi:** Okay. And sir -- sorry, this is my last case, sir. Sir, there is a shortage of the supply side from the airline segment. Is it affecting our profitability?
- Prashant Pitti:** Not really. I mean I do see a point that airlines would actually deploy more airplanes, I think there's so much of demand. But since there is so much more demand, because of demand, the profitability or the margin has not reduced. So the flights are going chock-a-bloc and our margins haven't reduced. The price of the ticket has actually increased, which is only helping in our profitability at the moment.
- Moderator:** Our next follow-up question is from the line of Meet Shah from Finnovate.
- Meet Shah:** Sir, if you can update us on how our international business are performing? Like there's been some time since you have established subsidiaries in various markets, including U.S., Philippines. Also, it could be beneficial if you could provide insight like into metrics like take rates, profitability and other relevant information?
- Prashant Pitti:** So we have started operations in 3 geographies: U.K., which is serving the Europe market; UAE serving the Middle East market; and also Thailand. And we will take this as a request to see if we can provide segmental performances from the next quarter onwards. Thank you.
- Moderator:** The next question is from the line of Shiva Shankar Reddy from Yasti.
- Shiva Shankar Reddy:** I have just one question. This is related to segment assets under the air passages. It was reduced around INR 200 crores from this quarter when we compare to the previous quarter. Can you provide details on that please?
- Prashant Pitti:** I'm sorry, I could not hear you well to understand the question.

- Shiva Shankar Reddy:** Okay. My question is regarding to the segment assets regarding air passages, that there is a reduction of around INR 200 crores from this quarter when we compare to previous quarter. Can you please provide details on that?
- Prashant Pitti:** So you're saying that in terms of air segment, there has been reduction in terms of total air bookings. Correct? That is the question?
- Shiva Shankar Reddy:** No. My question is regarding segment assets -- air passage segment assets. There is a reduction from INR 200 crores. In previous quarters, it is around INR 582 crores, and this quarter, it is INR 383 in standalone segment wise revenue.
- Prashant Pitti:** We said that the focus was to fully increase the bottom line and grow the Non-Air vertical in this particular -- in the last couple of quarters. And the results are in showing. Our Non-Air segment grew leaps and bounds and our profitability has also increased. So this was the focus for the next year. We will share the guidelines when the time comes on what would the focus be for the next quarter.
- Moderator:** We have our next follow-up question from the line of Mr. Nilesh Doshi from Prospero Tree.
- Nilesh Doshi:** Sir, can you provide some guideline because the earlier you guided that INR 250 crores maybe the PBT at the standalone level. And this year, we closed by INR 232 crores. Can you give some guidelines, broad guidelines for the FY2025?
- Prashant Pitti:** Well, as I said before, it would be difficult for me to give any guidance, except for the matter that we would try our level best to grow this company profitably as we have tried for the last 15 years and we have succeeded in this. We would like to perform better. In this particular year, we were more focused on ensuring we have a very healthy bottom line and a positive cash flow, plus we grew very well in Non-Air segment.
- We have retained all those 3 metrics for the next year and the next quarter onwards. We will share the guidelines as and when the entire Board approves the thought process.
- Nilesh Doshi:** And is there any plan to acquire the further stake in the earlier acquiring companies, say, in Guideline or any other company and ultimately, to merge with the EMT?
- Prashant Pitti:** As of now, the only information which we have is that we have acquired 51% of these 3 companies, and then we have acquired 100% of a few more companies. Some of these companies are clearly doing well and there could be a possibility for us to acquire further more shares, but that will again also have to be approved by the Board. And as and when that happens, we will inform you.
- Nilesh Doshi:** And are you targeting any further acquisition?
- Prashant Pitti:** Yes. As I said in my opening remarks, we continue to grow the company organically and inorganically. We are looking for companies which are exhibiting EaseMyTrip kind of behaviors and financials, which are basically asset line businesses, Internet-driven businesses, profitable

businesses and disrupting in travel space. These are the kind of key businesses which we are looking and we are speaking to see if basically, we could find synergies to work together.

Nilesh Doshi: And recently, just we acquired the 5% stake in the one tech based company. How it will benefit to the EMT?

Prashant Pitti: So ETrav Solution is basically a B2B travel portal, which is working with lot of travel agents. There are some synergies which we are discussing. And in order to explore those synergies, we basically took 5% of that company. And at this moment, I will not be able to share what synergies exactly are we coming because that's work in progress, but there are some big synergies which are together both of us can do.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Prashant Pitti: Thank you all for joining us today. The quarter concluded positively, and we maintain optimism regarding the robust growth trajectory for our wide range of services. We are excited about opportunities ahead of us and we have a solid value proposition to ensure sustained performance. We look forward to meeting you in the next quarter. Please stay safe, healthy and feel free to reach us in case if any of the questions remain unanswered. Thank you, once again. Thank you.

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