



# ▶ Investor Presentation

Q2 & H1 FY24

RateGain®



# OUR VISION

To offer an integrated technology platform to our customers in the travel and hospitality sector, powered by artificial intelligence enabling them to increase their revenue through guest acquisition, retention and wallet share expansion.

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# Key Business Updates

Q2 & H1 FY24



## Management Commentary



**BHANU CHOPRA**

Chairman and  
Managing Director

“

With the travel industry making AI a priority to create predictable revenue streams and drive cost efficiencies, RateGain is emerging as a natural choice for industry leaders to help them get access to accurate pricing and travel intent data, powered by a dependable digital infrastructure to improve conversions.

Our experience of managing scale across different segments by consistently showing results is helping us differentiate from other players in the market, and driving tremendous growth in our new contract wins.

”



**TANMAYA DAS**

Chief Financial  
Officer

“

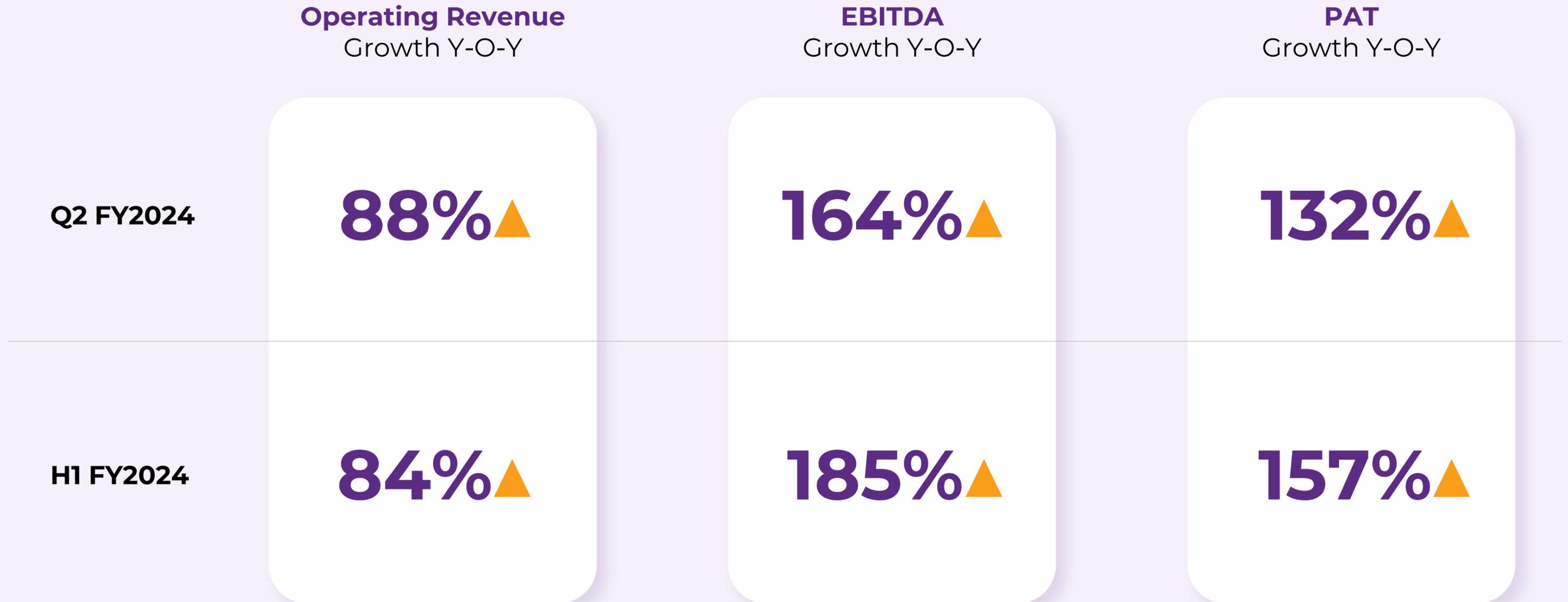
The company is carrying forward the momentum from its last quarter into this one, with strong performance across key operating metrics as we continue to scale up across verticals in a sustainable manner. The margin expansion continues ahead of guidance and stands at a 15-quarter high.

Our steadfast focus on operational efficiency and value creation has resulted in stellar margins, affirming our capability to convert revenue into sustained profitability. The solid foundation positions us well to drive innovation and capitalize on future opportunities.

Despite recent macro uncertainty, we see growth holding steady across the travel space but will maintain a cautiously optimistic approach keeping an eye on developments across key regions.

”

## ▶ RateGain posts Robust Growth with Strong Margin Expansion



## ▶ Steady Demand with Stable Revenue Streams Driving Growth and Margins

### Operating Revenue

Q2FY2024 INR 2,347.2 Mn  
**88.4%** Growth Y-O-Y

H1FY2024 INR 4,492.0 Mn  
**84.2%** Growth Y-O-Y

### EBITDA (Margin)

Q2FY2024 INR 464.2 Mn  
**163.9%** Growth Y-O-Y

H1FY2024 INR 842.1 Mn  
**185.3%** Growth Y-O-Y

### PAT (Margin)

Q2FY2024 INR 300.4 Mn  
**131.7%** Growth Y-O-Y

H1FY2024 INR 549.5 Mn  
**157.0%** Growth Y-O-Y

### Predictable Revenue\*

Subscription Revenue **59.2%**

### Strong Balance Sheet#

Net Cash & Equiv.: INR 4,235.1 Mn

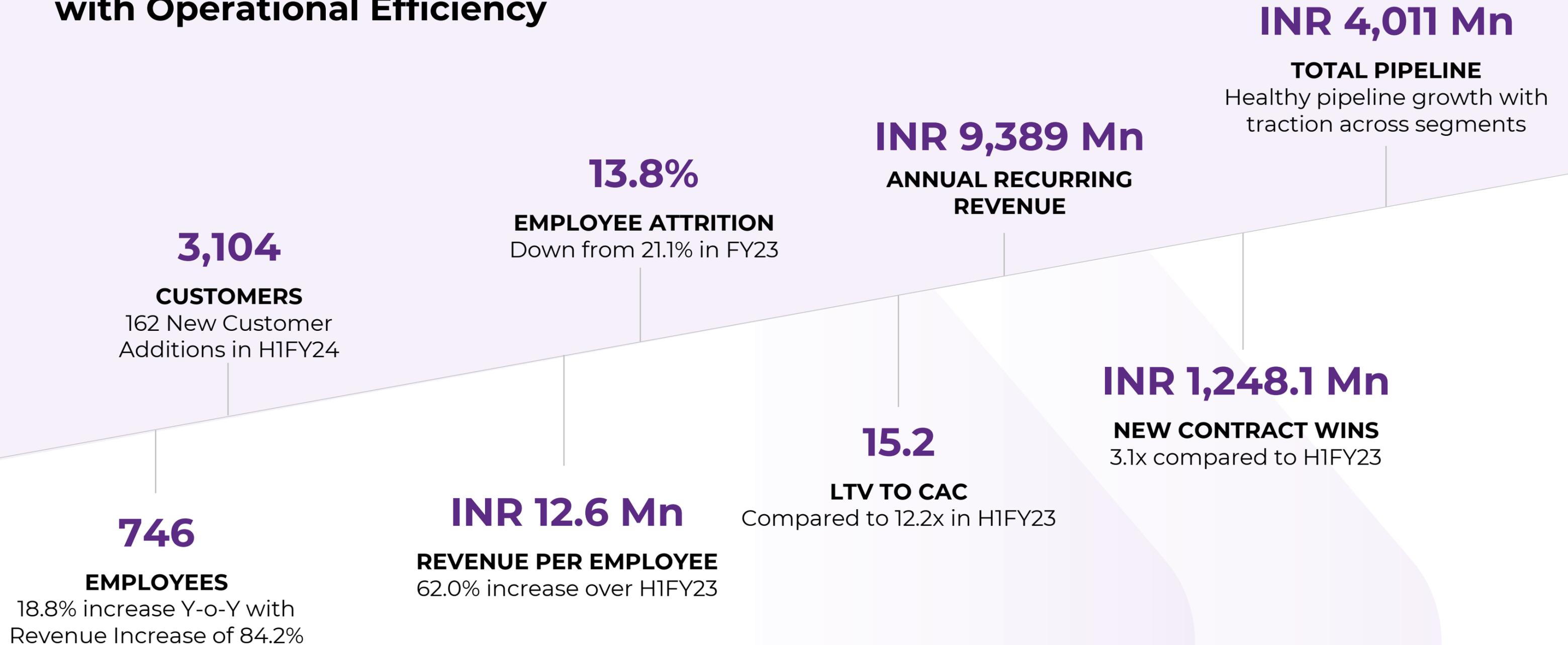
Cash from Ops: INR 769.2 Mn

### Sustainable Revenue\*

Gross Revenue Retention **90.2%**

Net Revenue Retention **110.1%**

# ▶ Strong Growth Metrics Combined with Operational Efficiency



# ▶ Steady Revenue Streams Driven by **Constant Product Innovation**

## Segment wise Growth (Y-o-Y) (H1FY24)

### DISTRIBUTION

**18.1%**

### MARTECH

**114.0%**

### DAAS

**128.7%**

## Key Highlights

- ▶ Steady **growth in booking volumes** on the back of healthy travel demand
- ▶ Continued traction in **GDS vertical** with volumes now surpassing 2019 levels
- ▶ Booking levels into key travel markets are reporting healthy growth as **International travel continues to remain strong**

- ▶ **Integrated Digital Marketing** offering to drive higher RoAS; Further strengthened by powerful travel intent-based audiences
- ▶ Improved offering under **Metasearch Marketing** to enhance value proposition
- ▶ Paid Digital Media offering – **Strong growth in ARPU** and improved traction in Europe, APAC and ME regions

- ▶ Strong traction witnessed across **OTAs, Airlines, Car Rentals, Rev AI & Cruise**
- ▶ **Rev AI gaining traction** with a Land & Expand strategy across car rental franchisees
- ▶ **Volume demand** continues to be strong across enterprise accounts

## Achievements

- ▶ **Expansion of some key accounts** in the backdrop of evolving industry developments
- ▶ **Deal closed with Marquee European brand** to offer distribution, central reservation and pricing capabilities

- ▶ **Healthy new closures** for Adara across leading Airlines, DMOs, Hotels, and Travel Retail brands
- ▶ **Continued traction across Hotels in Europe and Middle East regions**, basis our enhanced PDM offering and focus on direct channels

- ▶ **Leading Asian Airline** chose AirGain to get real-time competitive pricing insights
- ▶ **New closures for Rev AI** with franchisees of leading Car Rental companies in the Americas Region
- ▶ Healthy expansion with **incumbent revenue management solution** for leading Hotel Chains to drive efficiencies

# ▶ Award Winning Team Driving Performance



## PARTNER RECOGNITIONS



## PEOPLE EXCELLENCE



World's Best Channel Manager



Best Car Rental Technology Provider



## INDUSTRY AWARDS

## ▶ 360 Approach to People : Learning, Growth, Wellness and Inclusion



### Building Diverse & Inclusive Workplace

- ▶ RateGain's DE&I Initiatives
  - ▶ Launch of key initiatives under RGForAll program.
  - ▶ ERGs (Employee Resources Groups) created focusing LGBTQIA+ employees (PRISM@RateGain) and individual representation at the workplace (ME@RateGain) and female employees (SHE@RateGain). This commitment to diversity and inclusion is deeply ingrained in our business strategy.

### Talent Management & Experience

- ▶ Launch of RateGain Code Rangers – Hackathon providing opportunities for tech talent to show their innovative skills.
- ▶ Launch of Sales Velocity program focusing on sales professionals and getting them future ready
- ▶ Promoting a performance-based culture through rewards and recognition programs.



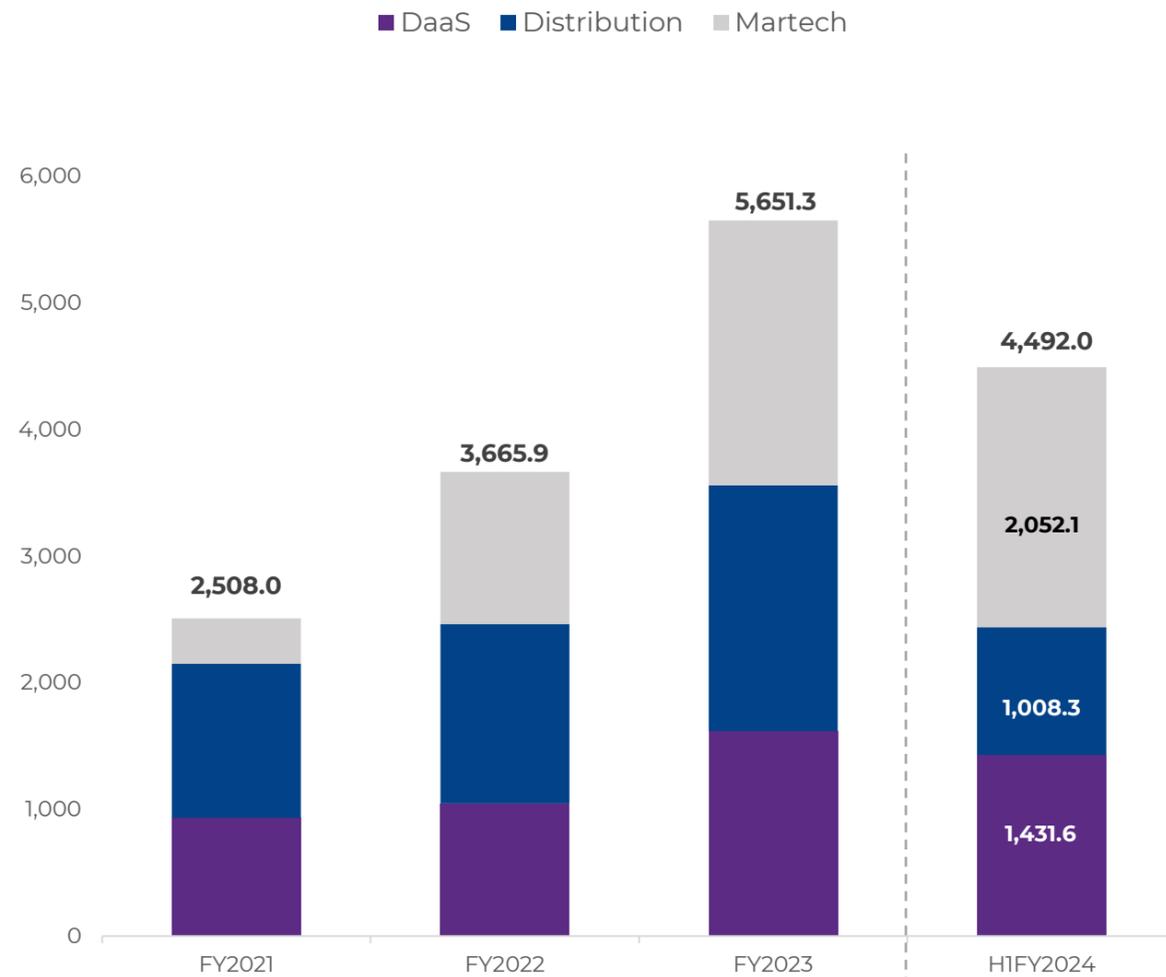
# Detailed Financials

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# Strong Financials and Profitability Metrics

Strong profitability metrics supported by improved positive cash flow generated from Operating Activities  
 Ability to drive revenue through multiple products by cross-selling to existing marquee customers

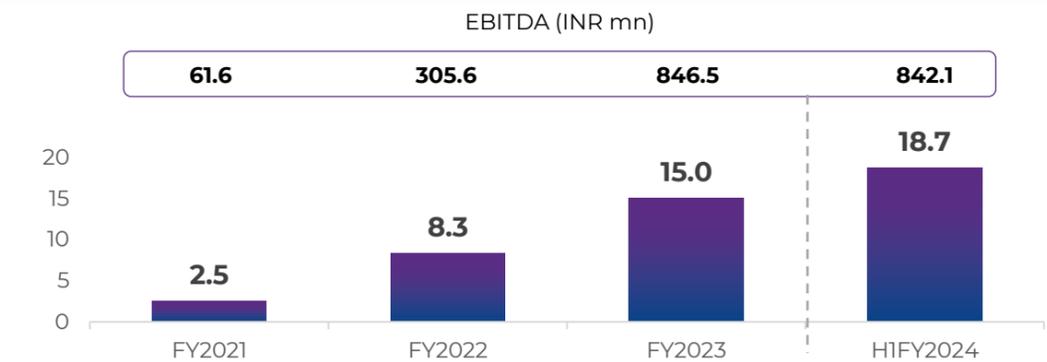
**Operating Revenue (INR Mn)**



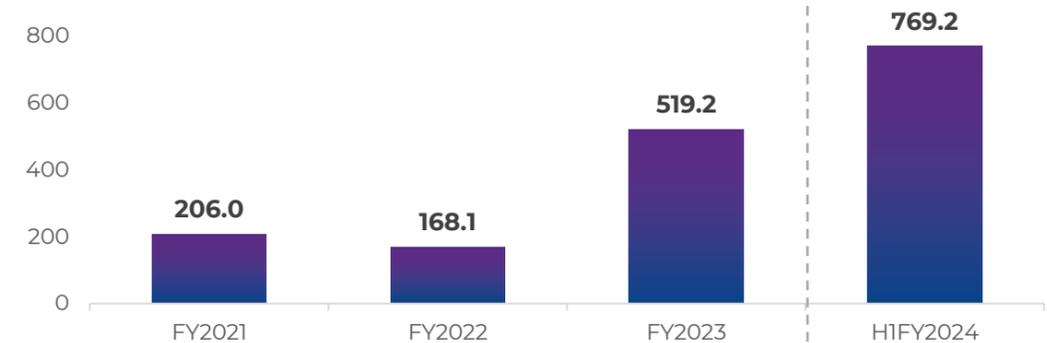
**Gross Margins (%)**



**EBITDA Margins (%)**



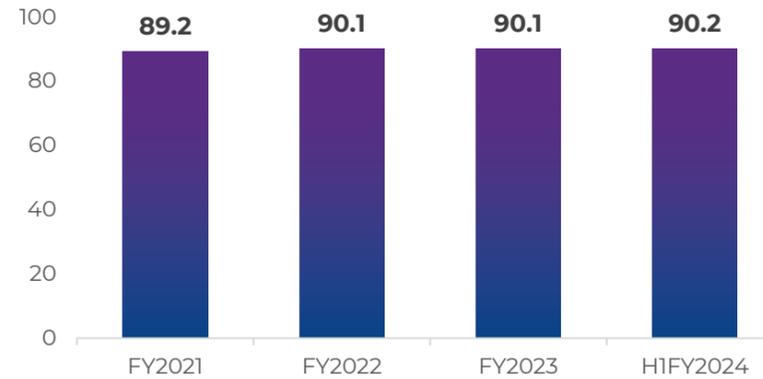
**Cash Generated from Operating Activities (INR Mn)**



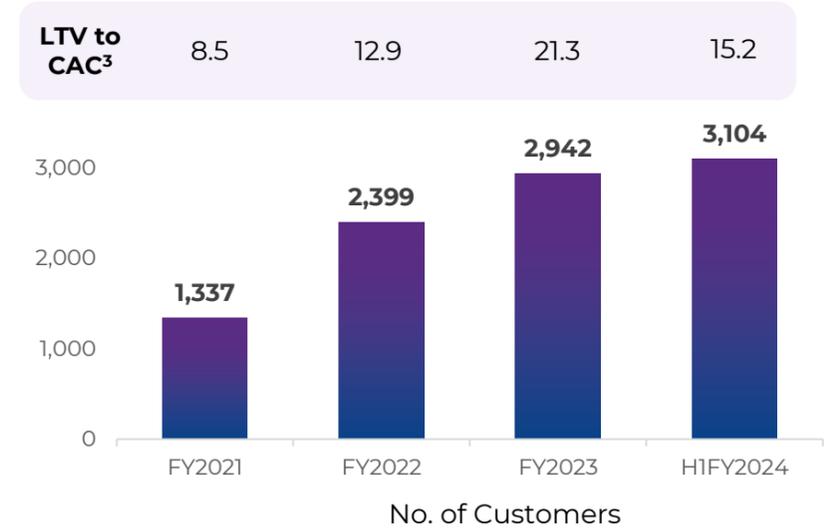
## » Diversified and Recurring Revenue Streams

- Diversified revenues across offerings, geographies & customers
- High recurring revenues with subscription business forming a large part of customer engagement

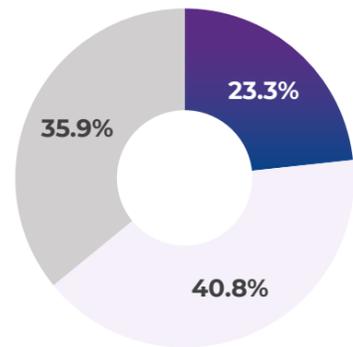
### Gross Revenue Retention<sup>2</sup>



### Client Count & LTV to CAC

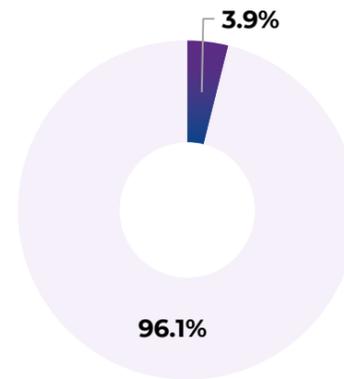


### Revenue by Engagement<sup>1</sup>



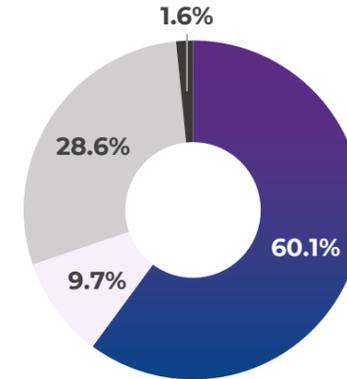
■ Subscription ■ Transaction ■ Hybrid

### Revenue by Travel Type<sup>1</sup>



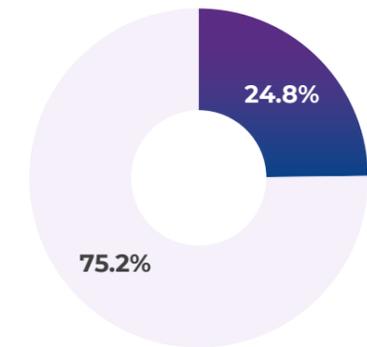
■ Business ■ Leisure

### Revenue by Geography<sup>1</sup>



■ North America ■ Asia Pacific  
■ Europe ■ Others

### Revenue by Customers<sup>1</sup>

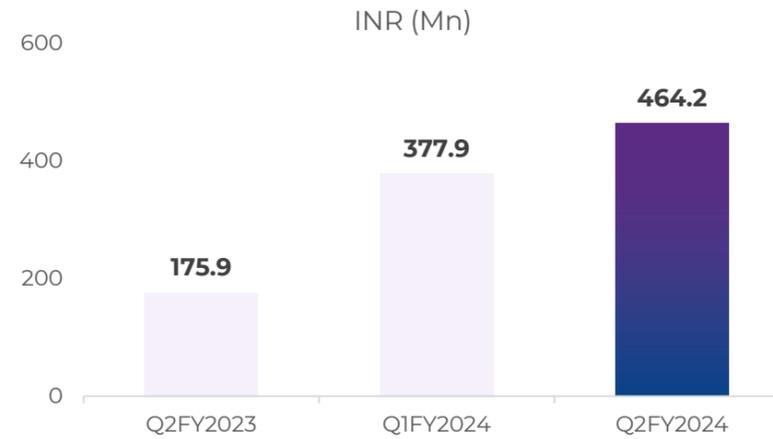


■ Top 1-10 ■ Others

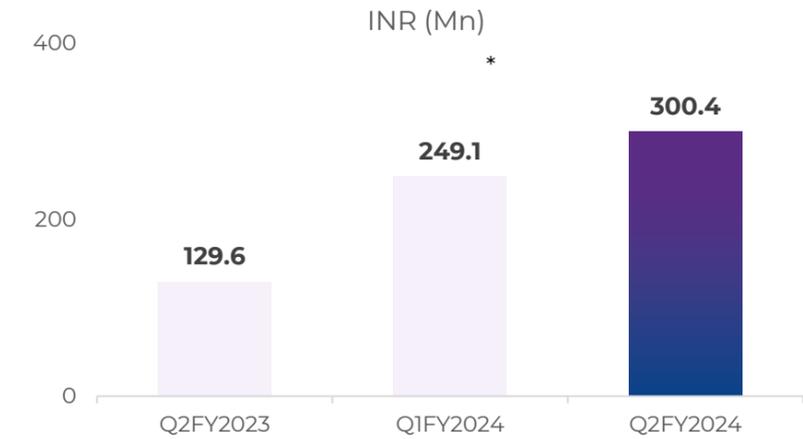
## » Key Financial Highlights for Q2FY2024

- Robust growth registered YoY in Operating Revenue
- Operating leverage contributing to strong Operating Margin growth

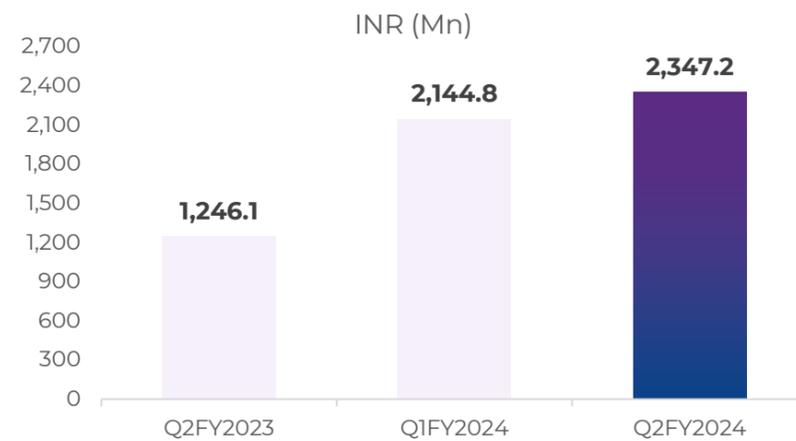
### EBITDA



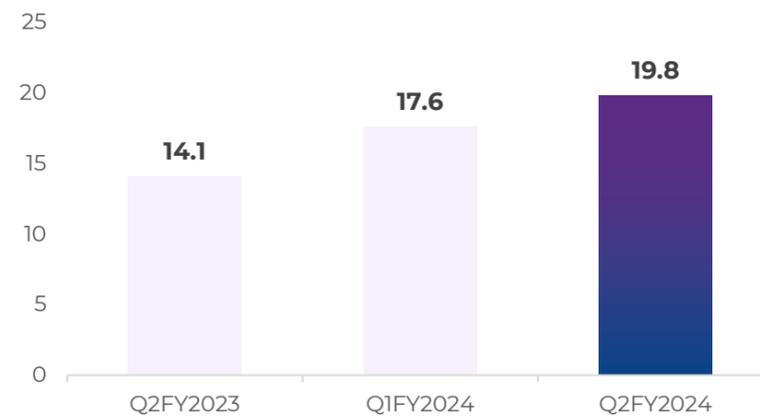
### PAT



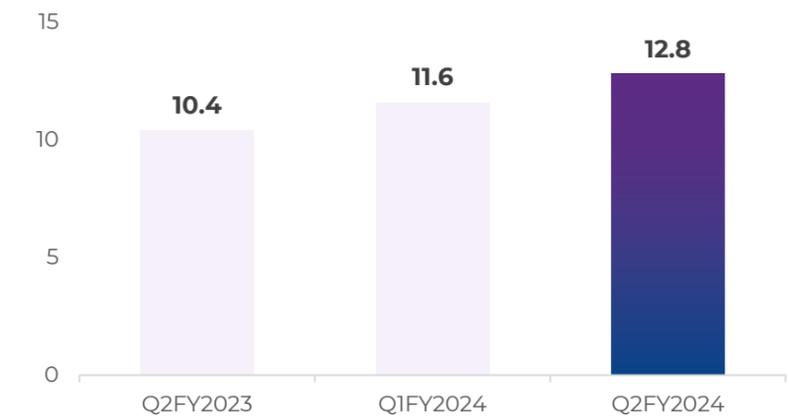
### Operating Revenue



### EBITDA Margin (%)



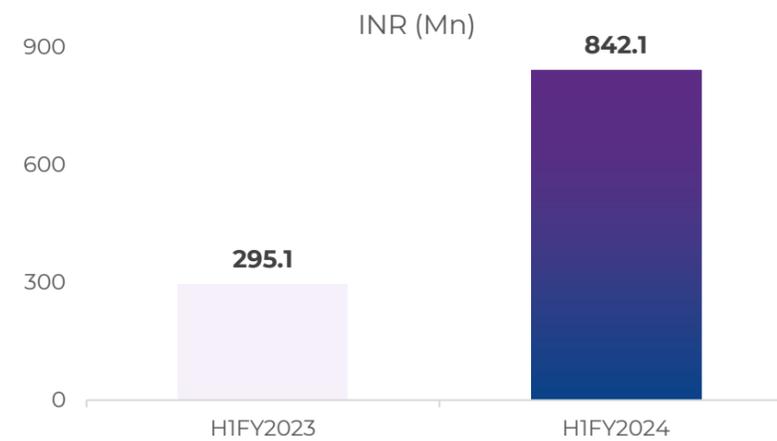
### PAT Margin (%)



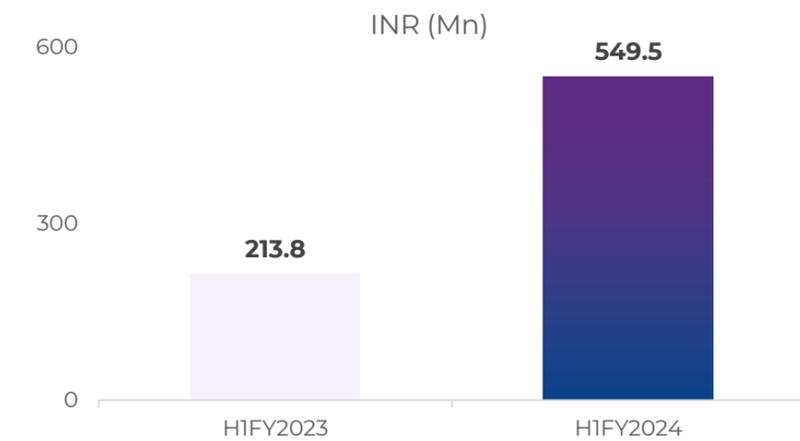
## Key Financial Metrics for H1FY2024

- Strong growth registered YoY in Operating Revenue, EBITDA & PAT terms
- Margin expansion on the back of improving operational efficiency

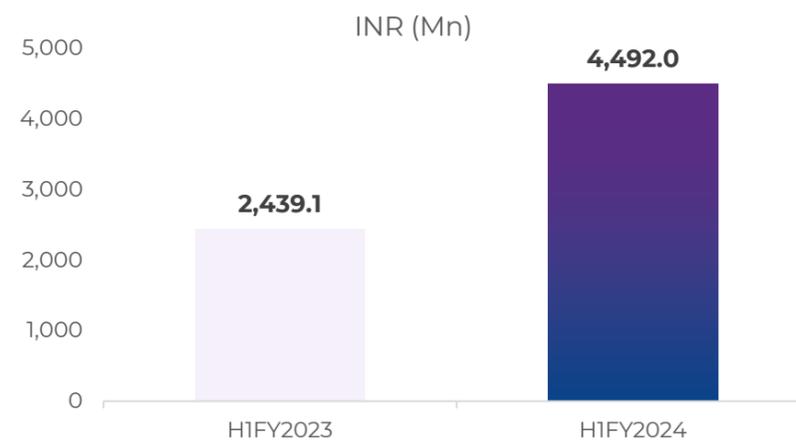
### EBITDA



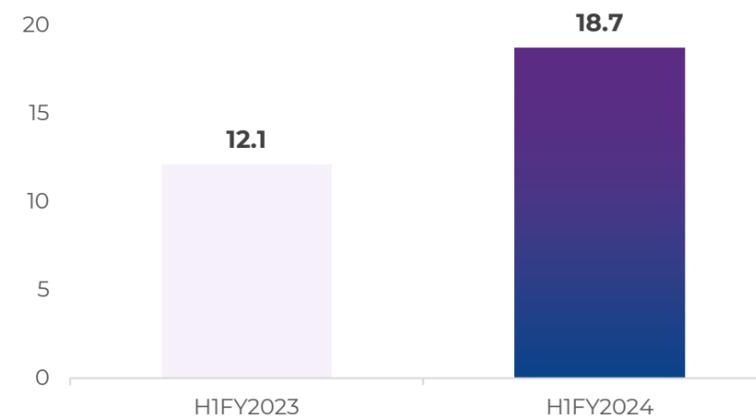
### PAT



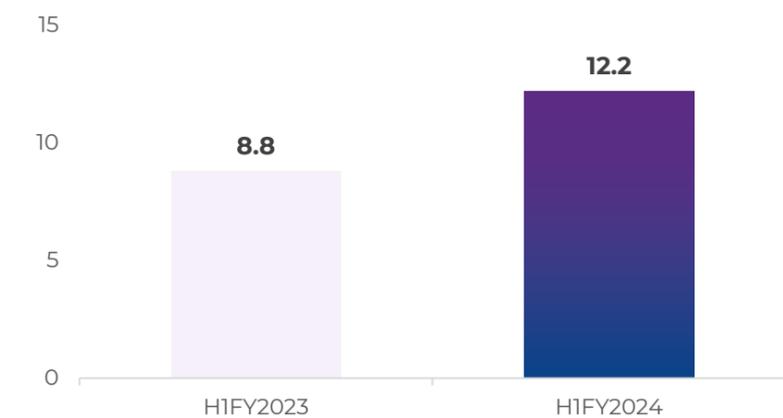
### Operating Revenue



### EBITDA Margin (%)



### PAT Margin (%)



## ► Consolidated Profit & Loss

Particulars (INR Mn)	Q2 FY24	Q2 FY23	YoY	Q1 FY24	QoQ	H1 FY24	H1 FY23	YoY
<b>Revenue</b>	<b>2,347.2</b>	<b>1,246.1</b>	<b>88.4%</b>	<b>2,144.8</b>	<b>9.4%</b>	<b>4,492.0</b>	<b>2,439.1</b>	<b>84.2%</b>
Employee Expenses	943.3	579.7	62.7%	879.6	7.2%	1,822.9	1,155.4	57.8%
Other Expenses	939.7	490.6	91.6%	887.3	5.9%	1,827.0	988.6	84.8%
<b>Total Operating Expense</b>	<b>1,883.0</b>	<b>1,070.3</b>	<b>76.0%</b>	<b>1,766.9</b>	<b>6.6%</b>	<b>3,649.9</b>	<b>2,144.0</b>	<b>70.2%</b>
<b>EBITDA</b>	<b>464.2</b>	<b>175.8</b>	<b>163.9%</b>	<b>377.9</b>	<b>22.8%</b>	<b>842.1</b>	<b>295.1</b>	<b>185.3%</b>
<b>EBITDA %</b>	<b>19.8%</b>	<b>14.1%</b>	<b>40.1%</b>	<b>17.6%</b>	<b>12.2%</b>	<b>18.7%</b>	<b>12.1%</b>	<b>54.9%</b>
Depreciation	18.7	17.6	6.3%	15.4	21.4%	34.2	35.3	-3.3%
Amortization of Acquisition cost	85.5	66.1	29.3%	97.8	-12.6%	183.3	130.5	40.5%
Finance Costs	3.6	3.8	-4.7%	3.4	7.1%	7.0	8.1	-13.7%
Exceptional expenses	0.0	0.0	-	0.0	-	0.0	0.0	-
Other Income	36.5	68.3	-46.5%	59.9	-39.0%	96.4	145.8	-33.9%
<b>Profit/(Loss) Before Tax</b>	<b>392.9</b>	<b>156.6</b>	<b>150.9%</b>	<b>321.2</b>	<b>22.3%</b>	<b>714.0</b>	<b>267.0</b>	<b>167.5%</b>
Tax	92.5	27.0	242.7%	72.1	28.3%	164.5	53.2	209.5%
<b>Profit/(Loss) After Tax</b>	<b>300.4</b>	<b>129.6</b>	<b>131.7%</b>	<b>249.1</b>	<b>20.6%</b>	<b>549.5</b>	<b>213.8</b>	<b>157.0%</b>
<b>PAT %</b>	<b>12.8%</b>	<b>10.4%</b>		<b>11.6%</b>		<b>12.2%</b>	<b>8.8%</b>	

## ► Consolidated Balance Sheet

Assets (INR Mn)	Sep-23	Mar-23
<b>Non-Current Assets</b>	<b>4,196.0</b>	<b>4,406.1</b>
Property, plant and equipment	65.4	63.1
Goodwill	1,746.9	1,737.3
Other intangible assets	1,823.3	1,991.2
Other intangible assets under development	14.3	14.3
Right to use assets	165.1	166.5
<b>Financial Assets</b>		
i. Investments	159.7	238.6
ii. Other financial assets incl. Loans	22.9	19.8
Deferred tax assets (net)	176.8	157.4
Non-Current Tax Assets	10.5	8.5
Other non-current assets	11.1	9.4
<b>Current assets</b>	<b>6,324.9</b>	<b>5,046.7</b>
<b>Financial assets</b>		
i. Investments	1,120.4	1,160.1
ii. Trade receivables	1,998.8	1,607.8
iii. Cash and cash equivalents	1,865.9	999.3
iv. Bank balances other than (iii) above	1,089.2	1,015.3
Other financial assets incl. Loans	36.1	41.7
Other current assets	214.5	222.5
<b>Total assets</b>	<b>10,520.9</b>	<b>9,452.8</b>

Equity & Liabilities (INR Mn)	Sep-23	Mar-23
<b>Equity and Liabilities</b>	<b>7,708.3</b>	<b>7,097.4</b>
Equity share capital	108.4	108.3
Equity attributable to owners of the Company	7,599.9	6,989.1
<b>Non-current liabilities</b>	<b>541.1</b>	<b>432.4</b>
<b>Financial liabilities</b>		
i. Borrowings	-	-
ii. Other Financial Liabilities	154.9	152.8
Lease Liabilities	141.5	140.3
Deferred tax liabilities (net)	82.4	93.6
Provisions	53.1	44.5
Other non-current liabilities	109.2	1.2
<b>Current liabilities</b>	<b>2,271.5</b>	<b>1,923.0</b>
<b>Financial liabilities</b>		
i. Borrowings	-	-
ii. Trade payables	907.0	822.7
iii. Other financial liabilities	401.2	333.9
Lease liabilities	40.0	36.6
Current tax liabilities (net)	161.4	49.5
Provisions	3.8	3.1
Other current liabilities	758.1	677.2
<b>Total equity and liabilities</b>	<b>10,520.9</b>	<b>9,452.8</b>

## ► Consolidated Cash Flow Statement

Cash Flow Statement for Period ended (INR Mn)	For the Half-Year ended Sep-23	For the Year ended Mar-23
Profit before tax	714.0	672.6
Adjustments	169.5	296.5
Operating profit before working capital changes	883.5	969.1
Changes in working capital	(31.6)	(332.4)
Cash generated from operations	851.9	636.7
Direct taxes paid (net of refund)	82.7	117.5
<b>Net Cash from Operating Activities</b>	<b>769.2</b>	<b>519.2</b>
<b>Net Cash from Investing Activities</b>	<b>101.0</b>	<b>125.8</b>
<b>Net Cash from Financing Activities</b>	<b>(11.7)</b>	<b>(17.0)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>858.5</b>	<b>628.0</b>
Net foreign exchange difference	8.1	30.3
Cash and cash equivalents at the beginning of the year	999.3	341.0
Cash and cash equivalents of acquired subsidiary		-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,865.9</b>	<b>999.3</b>

## ► Use of Funds raised from IPO

PARTICULARS	AMOUNT (INR Mn)	STATUS OF UTILIZATION
Repayment of Debt availed by RateGain UK to Silicon Valley Bank	852.6	Fully utilized
Payment of Deferred Consideration – DHISCO	252	Fully utilized
Strategic Investments, Acquisitions and Inorganic Growth	800	Fully utilized with the acquisition of Adara
Investment in Technological Innovation, AI and other Organic growth initiatives	500	Fully Utilized
Migration & usage of our services from self-managed Data Center to Amazon Web Services Cloud	407.7	Utilized INR 82.5 Mn towards migration of services to AWS Cloud
General Corporate Purposes	937.7	Total of INR 937.5 Mn utilized with INR 182.9 Mn towards IPO issue related expenses, INR 534.1 Mn towards the acquisition of Adara and INR 220.6 Mn towards working capital requirements of subsidiary

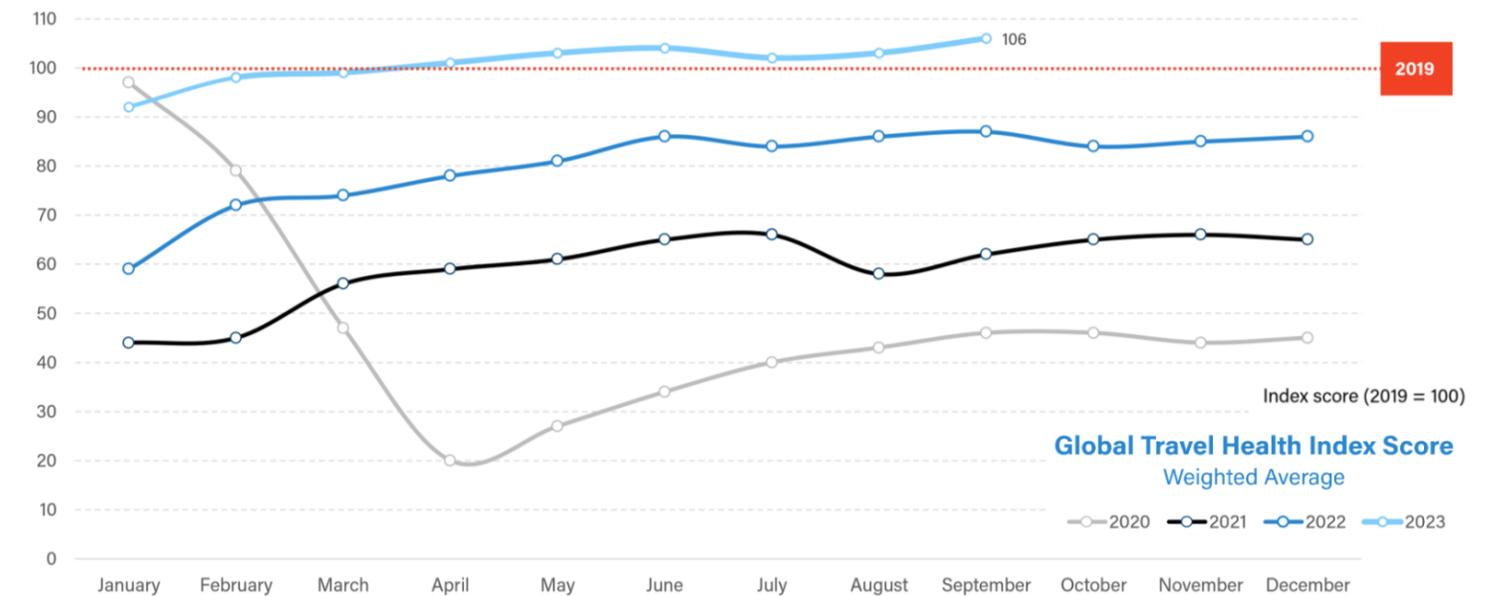


# Industry Trends

# ▶ Global travel already at 106% of 2019 levels; Americas driving international travel

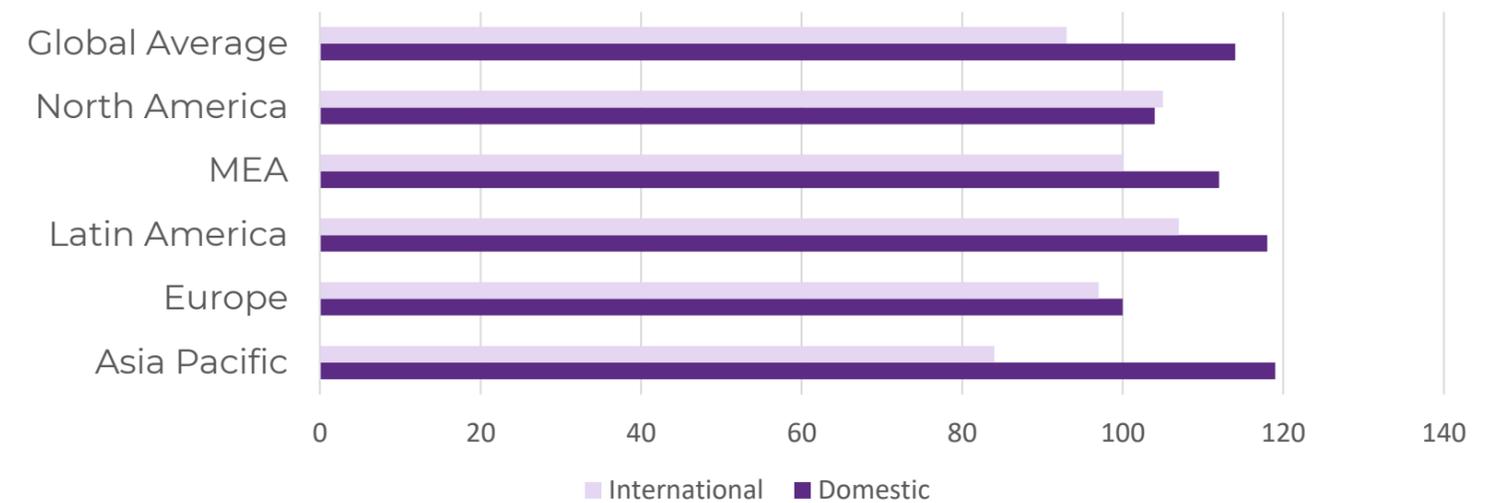
**106** = Global Travel Health Index

As of September 2023, global travel performance soared 6% points above 2019 levels. All regions surpassed September 2019 performance levels. Except for Europe, other regions gained 2 to 3 pp over the past month.



**Close alignment of Domestic & International Performance Indicators** is seen in most regions, with international performance surpassing domestic performance in North America

Global Domestic & International Scores by Region (September 2023)





# Company Overview

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# ▶ RateGain is well positioned to Help the Industry Embrace this Change

India's Largest SaaS company in the hospitality and travel industry helping the industry to Improve Guest Acquisition with the Power of AI



8 Global Fortune  
500 Companies



23 Of Top 30  
Hotel Chains



25 Of  
Top 30 OTAs



All Leading  
Car Rentals



Large  
Cruise Lines

**Leading Platform to  
maximize revenue for  
the hospitality industry**

**15.2**

LTV to CAC

**59.2%**

Subscription  
Revenue

**110.1%**

NRR

**75.3%**

Gross Margins

**Strong Financial Metrics  
with a proven acquisition  
playbook (H1FY2024)**

**Large Enterprise  
Customer base**  
to drive Up-sell &  
Cross-sell

**Investing in New  
Geographies**  
which offers good  
growth potential

**Product Innovation to  
improve value offering**  
to customers and  
deepen relationships

**Dedicated Strategic  
Investments Arm**  
to Identify inorganic  
opportunities & Drive  
Synergies

**Clearly demarcated  
Growth Levers for  
future growth**

# ▶ Expanding our Offering to enable Global Clients to Unlock New Revenue

Business Units Aligned to our vision of acquiring guest, retaining them and wallet share expansion

	2005	2008	2019
	DaaS	Distribution	Martech
Overview	<ul style="list-style-type: none"> <li>▶ Provide data and information to players across the travel &amp; hospitality industry</li> <li>▶ Deliver insights including competitive and rate parity intelligence</li> <li>▶ AI led Products to gauge Demand and optimise pricing</li> <li>▶ Custom audiences based on travel intent</li> </ul>	<ul style="list-style-type: none"> <li>▶ Seamless connectivity between Hotels and their demand partners including OTAs, GDS and others</li> <li>▶ Communicate availability, rates, inventory and content</li> <li>▶ AI led product to standardise content distribution</li> </ul>	<ul style="list-style-type: none"> <li>▶ End to End Digital Marketing Suite to manage Brand presence for Hotels across Social Media and Metasearch platforms</li> <li>▶ To Optimize Direct Bookings</li> <li>▶ Monitor Guest Engagement 24x7</li> <li>▶ Performance marketing operation leveraging the travel-intent data</li> </ul>
Revenue Model	Subscription model Hybrid model <sup>1</sup>	RezGain - Subscription model <sup>2</sup> DHISCO - Transaction model <sup>3</sup>	Subscription model Transaction model <sup>4</sup>
Revenue Mix – (H1FY2024)	<b>31.9%</b>	<b>22.4%</b>	<b>45.7%</b>
Total SAM (CY25E)	USD 1.1 Bn	USD 1.9 Bn	USD 5.5 Bn
Acquisitions	Adara (2023)	DHISCO (2018)	BCV Social (2019) MyHotelShop (2021) Adara (2023)
New AI based Products developed	Rev AI Demand AI	Content AI	

# Annexures

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## ▶ Key Shareholders

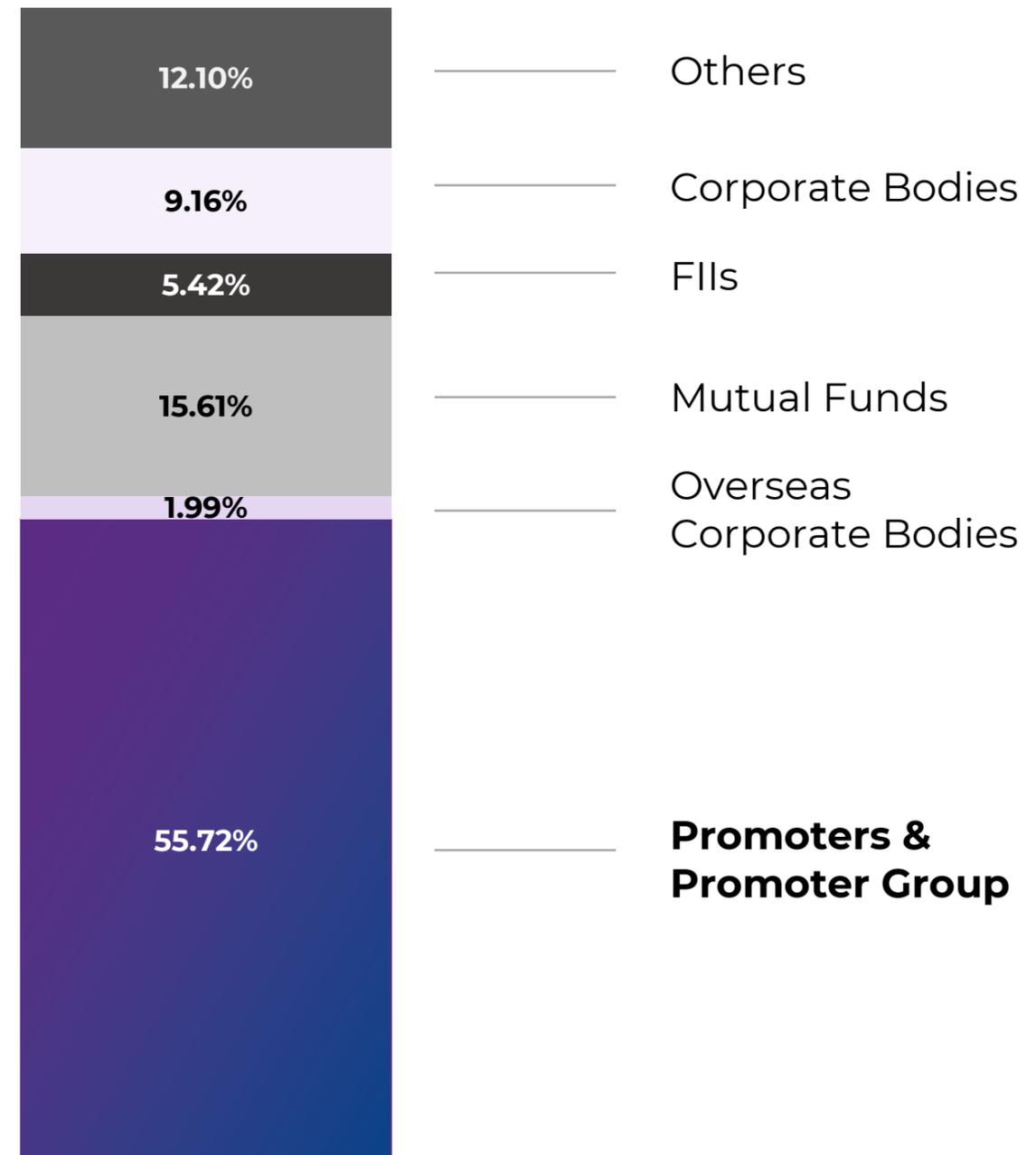
### Promoters

- Bhanu Chopra & Family currently hold **55.72%**
- They continue to hold same number of shares since IPO

### Key Shareholders

Nippon Life India Mutual Fund	<b>7.62%</b>
Plutus Wealth Management	<b>6.92%</b>
Aditya Birla Sun Life Mutual Fund	<b>4.30%</b>
Goldman Sachs Funds	<b>2.65%</b>
Avataar Holdings	<b>1.99%</b>
ICICI Prudential Mutual Fund	<b>1.18%</b>

## Shareholder Types (as of Sep 30, 2023)



# Thank You



**COMPANY**

**Mr. Divik Anand**

Email: [investor.relations@rategain.com](mailto:investor.relations@rategain.com)

CIN: L72900DL2012PLC244966

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