February 10, 2023

BSE Ltd. P J Towers, Dalal Street, FortMumbai – 400001 **Scrip Code: 543272**	National Stock Exchange of India Limited (NSE). Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051 **Symbol: EASEMYTRIP**

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor Conference Call Transcript

Dear Sir/ Madam,

Please find enclosed the transcript of the investor conference held on Monday, 06th February, 2023, with regard to the financial results of the Company for the quarter and nine months period ended 31st December, 2022.

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

Digitally signed by PRIYANKA TIWARI
Date: 2023.02.10 14:26:21 +05'30'

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

“Easy Trip Planners Limited Q3 FY-23 Earnings Conference Call”

February 06, 2023

MANAGEMENT: MR. PRASHANT PITTI – CO-FOUNDER AND EXECUTIVE DIRECTOR.
MR. NISHANT PITTI – CO-FOUNDER AND CEO.
MR ASHISH BANSAL – CHIEF FINANCIAL OFFICER.
MR. BASAVRAJ SHETTY – HEAD OF INVESTOR RELATIONS.
MR. RAJAT GUPTA – INVESTOR RELATIONS.

Please note, the opening remarks in the transcript and those spoken on call may be different as these have been modified for corrections. The same information had been previously intimated to the stock exchanges immediately post call in a separate communication to exchanges dated 6th February 2022. The filing can be accessed here .

Moderator: Good evening, ladies and gentlemen. Welcome to the Q3 FY2023 Earnings Conference Call of EaseMyTrip. Today in this call we have Mr. Prashant Pitti – Co-Founder and Executive Director, Mr. Nishant Pitti – Co-Founder and CEO, Mr Ashish Bansal – Chief Financial Officer, Mr. Basavraj Shetty – Head of Investor Relations and Mr. Rajat Gupta from Investor Relations. The results for Q3 FY2023 for the Company, the investors presentations and the press release have been uploaded on the stock exchange and on the Company website.

Before we start the call, a disclaimer:

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

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prashant Pitti – Co-Founder of EaseMyTrip. Thank you and over to you sir.

Prashant Pitti: Thank you. Good evening everyone. In the previous quarter, that is quarter 3 of fiscal 23 we delivered yet another solid performance, driven by our customer first strategy, long term investment in people and technology & by focusing on our growth priorities for FY23 and beyond.

During the quarter, we booked record gross booking revenue of INR 2,267.0 crores, an increase of 75% year-on-year and nine monthly Gross Booking Revenues of INR 5907.8 crores, a 132% increase year-on-year. We have already surpassed our full year, FY22 gross booking revenue by 59% and are up to setting up a new level for the current fiscal. In doing so, we applied the same disciplined approach to efficiency that has produced consistent and predictable earnings for us in the past.

During the quarter, we saw increased volumes in our Air travel and Hotels segments, which benefited from the superiority of our brand, our investments towards our marketing and promotions in the last quarter, and the festive season sales in India, which is regarded as one of the busiest travel periods in the world. Our core segments, which is air travel booking, grew by 31% in Q3FY23 year-on-year, whereas hotel segments grew by 88% in Q3FY23 year-on-year.

We have heavily benefited from being a customer first Company. Building on our customer centric approach, we concluded our Travel Utsav Festival Sales exceeding Rs. 555 crores between October 6th and 23rd. The success of the festival season demonstrates the appeal of our value proposition to our customers. Recently, the Company introduced a robust referral-based reward programme, EMT Pro, that aims to reward loyal with a refer now and earn forever scheme. In order to further accelerate the adoption of B2E offerings, which is business to enterprise offerings, your Company launched 2.0 Self-Booking tool for corporates. The tool uses AI, Machine Learning and Data Mining technologies to become more efficient and resourceful.

On this journey of creating our customer experiences, we have also built several trusting, respectful and complementary partnerships. During the quarter the Company collaborated with MobiKwik Zip, India's leading "buy now, pay later" platform to enable users to book their travel today and pay at a later date, all the while gaining attractive discounts.

Your Company has also signed a GSA with Go First to exclusively sell, promote and market passenger tickets to passengers in Saudi Arabia. Over the past months, we have also become official travel partners for the first World Tennis League held in Dubai and the official travel partner for IIFA Awards 2023 to be held in Abu Dhabi.

We are very optimistic about future levers of growth, both inorganic and organic. We continued to execute our previously announced portfolio expansion strategy during the quarter and acquired Gujarat's GIFT city based Nutana Aviation. Nutana Aviation leases charter aircrafts, enabling operators to run efficiently, along with providing charter booking services to its clients. The acquisition will add a new revenue stream to the Company's well diversified business model and will help developing EaseMyTrip into comprehensive travel ecosystem.

In order to further strengthen our hotel booking portfolio, we recently acquired a majority stake in CheQin. CheQin is a first of its kind real-time marketplace for hotel booking, which allows travelers to bargain directly with the hoteliers over the prices of the room. With these acquisitions, we are prudently investing in our capabilities for future growth and returns.

Building on the sustained growth the industry has witnessed during FY23 with domestic travel almost touching the pre-pandemic levels, the budget announced last week reiterated the government's continued focus on developing tourism in India. The revival of 50 additional airports, heliports, water aerodromes and advanced landing grounds would most certainly help in improving regional air connectivity. Developing 50 cities across India as a complete package for tourism would work well with Dekho Apna Desh initiative, which is aimed at promoting domestic tourism amongst the youth of the country.

The governments push to set up unity malls in the popular tourism destinations in all states would enable the states to promote their rich culture and history, while also promoting "Made in India" products. We strongly believe all the government efforts to promote tourism in the country, backed by the proposed increase in capital investments in infrastructure would be key in driving long-term growth for all the stakeholders in the industry.

Now moving to the financial performance highlights:

As highlighted earlier, the gross bookings revenue the GBR for quarter three stood at a record INR 2,267.0 crores as against INR 1,293.1 crores in the corresponding quarter, representing industry leading growth of 75% year-on-year. The growth is a testament to our unique business model and solid industry positioning. The robust growth resulted from strong seasonal push, vigorous festive spending and was backed by multitude of marketing strategies deployed across each segment. The GBR for 9MFY23 stood at INR 5,907.8 crores as against INR 2544.9 crores in the corresponding period, a growth of 132% year-on-year.

The adjusted revenue for this quarter stood at Rs. 196.2 crores, growing 29% year-on-year from INR 152.1 crores in Q3FY22. The nine-month adjusted revenue was at INR 496.8 crores growing by 65% year-on-year. The revenue from operation for Q3FY23 stood at INR 136.2 crores as against INR 86.6 crores in Q3FY22, again registering a sharp growth of 57% year on year.

Our manpower costs as a percentage of GBR has slightly increased to 0.6% of GBR as compared to the corresponding quarter's level of 0.5% of GBR, as we continued to invest in our workforce. Marketing and sales promotion as a % of GBR were at 0.9%, which were slightly down as compared to corresponding period of the previous fiscal. EBITDA for the quarter stood at INR 58.9 crores as compared to INR 54.8 crores in Q3FY22. For 9MFY23 EBITDA stood at INR 144.6 crores an increase in 28% as compared to INR 112.9 crores in the corresponding quarters. EBITDA margin remained at 42% for both Q3FY23 and 9MFY23.

We have consistently delivered profits since inception; this quarter was no exception. During the quarter Profit after Tax was at INR 41.7 crores as compared to Q3FY22 PAT of INR 40.0 Crores. The PAT for 9MFY23 stood at INR 103.0 crores as compared to INR 82.6 crores in the corresponding period, marking a growth of 25% year-on-year. The PAT margin for Q3FY23 stood at 29.8% and for 9MFY23 at 30.0%.

In terms of volumes, this quarter we sold approx. 32 lakh air ticket net of cancellations. 96 thousand hotel nights and 1.74 lakh tickets in the 'others' segments, which primarily consist of bus and rail tickets.

During the quarter 84% of total volumes were sold in our B2C segments, 14% in B2B2C segment, and remaining in our B2E segments.

Our endeavor to grow globally is also coming into fruition as we are able to grow our Middle East GBR from INR 7 crores in Q1FY23 to INR 24 crores in Q2FY23 and in the last quarter it stood at INR 44.2 crores.

Now, I request moderator to open the line for the questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from HS with AUM. Please go ahead.

HS: Sir, firstly I had this question on employee expenses. The employee expensive on quarter-on-quarter basis have increased my around 17% to 18% and Y-o-Y it has more than doubled. So, what might be the reason for it?

Prashant Pitti: One of the bigger reasons is that we have also acquired companies and in consolidated view their numbers have also added up, but otherwise of course there is an increment and push towards increasing the headcount as we are growing globally.

HS: So, going ahead should we assume that 14.5 crore should be your constant number now with no new operations?

Management: Well, I would not be able to say that, of course there is an appraisal process as well which happens on regular basis, but otherwise we should say that there was one-time big shift because of the new acquisitions, Spree hospitality the entire staff also got added into our numbers. But otherwise, there should be reasonable growth not the kind of numbers as Y-o-Y you have said the numbers have doubled, that is not what should be expected from henceforth.

HS: Okay. So, can you just break up how much would be the revenue which has due to acquisition in in-organic terms and how much did we grow organically and the breakup of expenses also in the same way if possible?

Prashant Pitti: Ashish Ji?

Ashish Bansal: Presently our majority of the revenue are coming from the EMT India and from the subsidiaries there is no significant volume, but they are growing quarter-on-quarter basis.

HS: Sir your voice is a bit muffled, if you can come closer to the speakerphone if possible.

Ashish Bansal: You are asking about our subsidiary numbers?

HS: Sir, I just want a break up of how much would be the organic revenue numbers and employee cost.

Ashish Bansal: More than 95% if you say the number is organic and less than 5% inorganic which is to overseas subsidiaries and the acquisition. So, you can say the majority number is coming from standalone financial only.

HS: Okay. Sir, my second question was on other expenses. So, as other expenses has nearly tripled on a Y-o-Y basis from seven to around 21 odd crores. So, can we in fact understand the break of expenses how much would be due to commission and how much would be corporate or admin expenses in nature?

Prashant Pitti: So, most of the other expenses increase and happen because of the commission's which are going to the B2B2C segment. The corporate expenditures, there isn't that much of a shift, except that the B2B2C is growing as we have mentioned that right now 84% of business is B2C, 14% is B2B2C and commissions are going on those B2B2C business and that is why the other expenses have gone up slightly.

HS: So, should we understand other expenses to remain stable as a percentage of revenues itself at 0.8%, 0.9%?

Prashant Pitti: That would not be correct, because the admin expenditures would not change as much. But yes, as B2B2C business grows, that percentage will probably remain the same. So, hence, you can assume that overall on the percentage basis it might go slightly lower. But again, there is a component which goes up as the business grows in the other expense.

Moderator: Thank you. Our next question is from the line of Swapnil Potdukhe with JM FL. Please go ahead.

Swapnil Potdukhe: So, just wanted to check on the current competitive intensity, how is that playing out. Given the recent quarter we seem to have held up our market share, but at the same time our discount have also come down, and A&P spending are also down. So, just wanted to understand, how are you looking at this space right now, do you intend to hold on to the market share or are you aggressively looking to increase your market share?

Prashant Pitti: In the last couple of quarters, you have to see that we have gained market share in air travel. You should be able to compare it with the other players and you should be able to see that the air segment, our market share has only increased, while we have reduced our discounts dramatically. And that is why this Company is growing profitably.

Swapnil Potdukhe: What is the exactly playing out over there, if you can elaborate a bit more?

Prashant Pitti: Sorry, what is?

Swapnil Potdukhe: What is helping you gain market while you are reducing your discounts?

Prashant Pitti: Well, first is basically our, the first and foremost is our brand acceptability, after being listing we have lakhs of people who are our shareholders right now, we have also started one promotion scheme for our shareholders to thank them back for putting trust in EaseMyTrip which is EMT Family in which they basically get subsidized rate compared to the other people. By the virtue of being the only OTA which is listed in India, surely the brand validation and acceptability has increased and also we have put in decent amount of effort in building brands by partnering various events and various cricket matches, which is also helping the Company to grow faster.

Swapnil Potdukhe: Right, understood. And my second question is with respect to your acquisition. So, can you just help us understand the business models of this newly acquired companies Nutana and CheQin, a bit more in detail would help. Thanks.

Prashant Pitti: See, Nutana is a recent Company, where we have taken 75% stake in the Company for the consideration of INR 1.5 crore which is a primary capital. So, there is no secondary purchase. We have infused INR 1.5 crores in the Company, and we have taken 75% stake in the Company. The business model of Nutana is fairly straightforward. It basically leases out the air charters to various corporates, individuals and even various OTAs, it could even lead out to various OTAs. At EaseMyTrip we look forward to grow the air charter business, which is highly fragmented right now, it is between $2 to $3 billion at the moment and it's highly fragmented. And using Nutana capability, we would want to grow our organization for non-scheduled air traffic as well. Right now, majority of our business is scheduled air travel, we would want to grow over non-scheduled air travel as well. And if you want, I can talk a little bit about CheQin as well. It was the second acquisition.

Swapnil Potdukhe: Yes, just before we go to CheQin, just wanted to understand the non-scheduled listings will be available on your platform going ahead, or it would be a completely different?

Prashant Pitti: No, it will be listed in fact, you can even see it right now air charters option is available on EaseMyTrip. Of course, a lot of work needs to be done on that and we are working on it as we speak. But this would also become, we already have a very good amount of demand between 10 to 12 lakh people visit our website on a daily basis. Now, for many of them non-scheduled air charter might actually make a lot of sense. Right now, when people travel via air charter they have to actually pay for both ways. At EaseMyTrip, we can democratize it by actually fragmenting it, where you can just buy the seat and also just for the one way, rather than you have to buy for both way fare. So, a very solid demand exists at EaseMyTrip platform, we want to capture the market of another $2 to $3 billion, which exists for non-scheduled aircraft. And that is why that was the rationale behind Nutana, in acquiring 75% of the stake at INR 1.5 crore, for the consideration of INR 1.5 crores, which was issued primary.

Swapnil Potdukhe: Right. And a few words on CheQin please.

Prashant Pitti: CheQin of course. See CheQin again is a first of one of its kind business model we see a tremendous hope and faith in what CheQin can do. We have acquired 55% stake of CheQin in consideration of INR 3 crores, which was again also primary investment in the Company. It's a newly formed Company, what it does is it allows travelers to negotiate directly with the hotelier. And we really believe that this technology could be of tremendous use, specifically for the last-minute booking, when a hotel is occupied 80% to 90% and if they can get additional last minute booking at substantial price, substantially lower price as well, they might still also be willing to take that provided the rates are not public. And that is what CheQin does. It allows people to quote the price and hoteliers to accept the price. Hence their published price actually does not change. And because of which it might be a win-win for everybody for the last-minute booking.

CheQin also has provided a web platform to hoteliers not just the app, and the majority of the hoteliers prefer the web platform. And we have had about 50,000 hoteliers who have actually created the login on CheQin and customers can basically bargain for those hotels with the hoteliers.

Swapnil Potdukhe: And what would be the volumes right now that we are doing over here?

Prashant Pitti: The volumes have just begun, both of these companies and newly formed companies, we have acquired these companies not on the basis of their past record, but on the basis of what the future could look like and that is why the acquisition amounts are also significantly lower.

Moderator: Thank you. Our next question is from the line of Jins Varghese with Tavasya Capital. Please go ahead.

Jins Varghese: See two new line items have been added in the expenses side, service costs and cost of materials. Can you please elaborate on that?

Prashant Pitti: Service cost is basically the cost which is related to group movement. We have recently started doing group movement, MICE moments in which we give the entire package to a corporate and then the entire servicing is done by us. Yes, there is a revenue as well which comes along with that, but there is also a service and that is the service cost. That is one line item, which comes along with the group bookings and the MICE booking which was the other line item you mentioned?

Jins Varghese: Cost of material consumed?

Prashant Pitti: It was there before as well.

Jins Varghese: Last quarter it was zero. The service cost will also include the incentives that you are getting from the group airlines with a group.

Ashish Bansal: That comes in revenue, it's the cost which the Company incurs.

Jins Varghese: Okay. And one more question with regards to EBITDA margin, do I expect this to settle around 40% or it can go further down?

Prashant Pitti: Since last three quarters our EBITDA percentage has only gone slightly up, it started with about 40% now it is about at 45%. I believe that as an internet Company we are overall, the EBITDA margin should only go up and if you see, if you just not the last year was an exceptional year. But if you start seeing from 2017 onwards, I believe that our EBITDA margin went up from 7% to right now at 45% odd. And that is how it should be for an internet Company. The EBITDA margin should continue to go up, because the revenues can increase exponentially, but the cost should only go up algorithmically and that is why internet companies are valued so better.

Jins Varghese: So, it will incrementally grow from here as you say?

Prashant Pitti: That is what we expect as our marketing expenditures, our employee expenditure should not grow in direct proportion to our GBR. It would be a slow and steady increase, but we are looking forward to keep bettering our EBITDA margin.

Moderator: Thank you. Our next question is from the line of Madhuchanda Dey from Mc Pro. Please go ahead.

Madhuchanda Dey: I have three questions. So, far, we've seen a smaller acquisition from you that has actually, so far, I know it will take time, not move the needle away from our dependence on the air travel, air ticket segment. So, what is holding us back, is it the lack of availability of the right candidate, or is it the pricing, or is it our management bandwidth in expanding into other segments, what is basically holding us back from doing something?

Prashant Pitti: So, Madhu I would actually like to reiterate the fact that at the time of listing, at the time of IPO, 97% of our business was basically a flight business and 3% was everything else, which is bus, train, hotels, holiday. Now that number is somewhere around 89% and 11%. 89% is flight and 11% is everything else put together. So, that clearly demonstrates that the number is changing and also for the matter of fact that since our flight business is almost doubling, this change becomes even more harder, as all the others you have to actually quadruple to be able to get in over here. So, I would like to reiterate the fact that the Company is able to grow our non-air business organically. Also, another thing is that we also come with a thought process that we don't want to grow at every cost, we want to grow profitably. So, each of our line item be it bus, be it train, be it hotel are either breaking even or are making money for the Company. We do not want to go burn today to earn tomorrow that is not the kind of mindset which we have. On the terms of acquisition, of course the Company is very cautious and wants to utilize money very judiciously and that is why we are taking very calculated approach in what we acquire and what we don't. So, far, our two acquisitions have done fairly well. Spree hospitality is profit making, is already profitable and at the time of acquisition, it had about 12 hotels. And now it has about 28 hotels in its portfolio and many more lining up. The target is to actually keep adding five new hotels every quarter for Spree, and we look forward to growing that Company profitably. Yolo has also started doing pretty well. Business has started come in, last quarter there was a loss on Yolo, but we are catching up on the profits and the business is also growing pretty rapidly. For these two new acquisitions as we said that these two are basically newly formed companies and especially because we want to focus more on the companies which can actually be disruptive. And since let's say we were not able to find any disruptive Company, we thought that these companies which exist but have very minimal business should back them because overall technology seemed pretty robust to us. And it's not that the Company is not aggressive on the acquisition side and there is an ample amount of management bandwidth as well because there is an endeavor from our side to grow Company in-organically as well in the non-air space. So, we look forward to continuing our growth on non-air space and as more acquisition happens.

Madhuchanda Dey: Thanks for that long answer. My second question is slightly macro. See, post the pandemic there was a big rush and that was expected because of pandemic induced mentality and then people were trapped in, but we see that kind of continuing, Q3 has been a record quarter for airlines, hotels, for everyone. So, what is changing structurally or is that something you see that very, very different from what we know but we few years back?

Prashant Pitti: I see two macro level, big transformations one is the way how customer things and feel, which is I really do not think that there is any revenge travel it is just the new way of how people live. Pandemic has taught us it's best to live in the moment and travel constitutes as one big portion to live in the moment. So, I believe that the expenditure on travel will only continue to go up as the country's GDP, economy continues to do better and people enjoy living their life. But the other big reason why we believe we are very, very bullish on Indian travel ecosystem is that there is no other country in the world which can say that there are 66 new airports which are going to come in the next decade, except for India. In India, the infrastructure development is at record pace, most of the countries are not developing new airports except for India. So, we really believe that as per multiple projected reports the entire domestic air segments in the next 10 years might go up by three times. And hence, OTA which have become a necessity in travel will only continue to grow. Gone are the days when we were on laptop, and we could have opened 10 different airlines websites, 100 different hotel websites to check the prices. Now everybody is booking on mobile. And on mobile, it becomes extremely cumbersome to open up various websites. And hence OTA has become part and parcel of the travel industry and we look forward to continue to grow as the Indian macro continues to grow in travel side.

Madhuchanda Dey: So, do you want to call out your expectation about the kinds of GBR growth that you expect in the coming two to three years?

Management: I would say that we are aiming to become a INR 500-crore profit Company in the next three to four years given our International impetus, given our growth in India. We are looking forward to becoming a INR 500-crore profit Company in the next three, four years.

Moderator: Thank you very much. Our next question is from the line of Aditya Chandrasekar with UBS. Please go ahead.

Aditya Chandrasekar: Just a quick question from my side. So, is it possible to kind of give the gross booking revenue breakup between the different segments in terms of air, hotel, bus, train, et cetera that is first one.

Management: We will start indicating it from next quarter onwards, this quarter we have not indicated it.

Aditya Chandrasekar: Okay, sure. But I got your percentage you said 89% is air right, currently?

Prashant Pitti: At the overall level 89%, 90% is something which is the air and the remaining is non-air that is correct.

Aditya Chandrasekar: Got it. And secondly, can you just qualitatively talk a little bit about the hotel business on how you plan to scale it both as a percentage of your overall business as well as how do you kind of reduce the gap between you and the market leaders in terms of the gross bookings from hotels. What's the strategy for that segment to grow rapidly?

Prashant Pitti: See, we operate our hotel business in a very unique way, through our channel partnerships with aggregators, which enables us to provide the best room rates in the industry, because of which our hotel business is already increasing, manifold on year-to-year basis. I'm assuming that you're aware of our aggregator model, which is a huge differentiator between us and the other. Now, this model itself allows us to keep adding more and more aggregators so that our prices keep going down. Not because we are heavily discounting it, but because there are multiple parties who are contesting for our business by reducing their price for any particular hotel via the aggregator model. So, this model is helping us grow this business, while make some money for the Company while our competitors who enjoy a substantial position in hotel industry are still loss making in their businesses. So, this is a win-win strategy, which we have with us and we would like to continue to build on top of it.

Aditya Chandrasekar: Got it. And do you have some kind of long-term target in terms of as a percentage of your overall business, what should air contribute and hotels and other segments contribute?

Prashant Pitti: At the time of listing, we said that within the next three to four years we would want to be 70:30, which is 70% in air segment and 30% non-air we are getting very closer to that. And we might reach that position even before what we committed.

Moderator: Thank you. Our next question is from the line of Gowtham Kotagiri, Retail Investor. Please go ahead.

Gowtham Kotagiri: I have a couple of questions. One, you briefly touched upon Spree hospitality, can you just give the contribution of Spree to the bottom line as of now, it's already one year since we have acquired Spree. How is it doing on the revenue front and what's the profits that it's making as of now.

Prashant Pitti: I would like to just answer the question, because I might even forget this question. So, Spree is doing fairly well for the Company. I don't think we have given very specific numbers, but I'm happy to give an indication that this quarter in the bottom line, which is profit Spree has added about Rs.30 lakh for the organization.

Gowtham Kotagiri: And my second question is on the overall marketing strategy for us, I see we are sponsoring big ticket events off late and events that are lined up across the year. In the last quarter, that is Q2 we had about 30 crores in marketing and sales promotion expenses and in the Q3 we have about 20. So, can you share some guidance on how this is going to pan out in the future quarters?

Management: Sure. So, as you have rightly mentioned, the marketing budget for this particular quarter has reduced substantially as what we spoke in the last earnings call that the Asia Cup sponsorship was one of the events and which added almost 13 crores to the cost of the Company on marketing side. However it is paying off really well for the organization. As we mentioned that despite reducing the discounts, we are still gaining market share. I believe that a lot of credit goes to our branding initiatives which we are taking. For this particular quarter, our marketing expenditure actually is in line with what expenditure we have been taking as a percentage of GBR, this quarter it was around 0.9% and if you look prior, you would always find our marketing expenditure to be anywhere between 0.9% to 1%. So, for future guidance as well, we would want to continue growing our marketing expenditure as a percentage of GBR, keeping in between 0.8% to 1%. This effort would only help us to grow our GBR even faster, hence maintaining this pace is not a bad deal for the Company.

Gowtham Kotagiri: I just had one more question. Recently, I saw some news about the acquisition of the Company called Gleego.

Prashant Pitti: Sorry. We recently acquired CheQin.

Ashish Bansal: Gleego is the legal name of CheQin.

Prashant Pitti: So, what was the question around it?

Gowtham Kotagiri: No, I just wanted to know what business is Gleego into, I got the answer.

Moderator: Thank you. Our next question is from the line of Saket Kapoor with Kapoor & Co. Please go ahead.

Saket Kapoor: Sir just a word on this CheQin point and the non-scheduled flight business model, so if you could just dwell more into the non-scheduled for and the CheQin option how are the customers going to experience something better by these two line items?

Prashant Pitti: I did answer this question you may not be there at the call at that time, but I'm happy to reiterate. Basically, the non-scheduled which is Nutana would help customers to basically book non-scheduled air flight tickets on EaseMyTrip and also corporates and individuals who would want to basically lease out the charter or the airplane on EaseMyTrip, we already have a decent traffic. For scheduled travel, non-scheduled air travel could also be utilized by the help of Nutana for EaseMyTrip. For CheQin it would enable customers to basically bargain for the last-minute booking for the hotel rather than if a hotel is showing a price of Rs.6000 everywhere including at EaseMyTrip. A customer who wants to check-in let's say three hours from now might quote a price of Rs.4000 for a night and the hotel actually might accept it. Because that's an additional revenue which they're getting. The reason why hotels do not publicize the price of Rs.4000 because that determines their brand value. But in this particular case, the deal came from a customer who is willing to pay Rs.4000 and the hotel accepted that deal that means that price was not published publicly. And that is why hotels would be very eager to take the last minute booking at a cheaper discounted price, which is not available anywhere including at EaseMyTrip. And hence, CheQin can bridge the gap of last-minute booking. It already has about

60,000 hotels which have logged in into the platform. And we're looking forward to grow that number and offer CheQin services using their mobile web and applications to our customers.

Saket Kapoor: So, sir this CheQin option is only subject to the hotel booking and this will go down for air tickets also because we find the same rational applicable even for last minute air ticket booking, where the prices are significantly higher than what the average being for 10-15 days.

Prashant Pitti: I might not be able to comment on that, currently the business model of CheQin is basically last-minute booking for hotels. I might not be able to comment whether airlines will or will not be willing to accept this kind of business model. But for hotels, it's a surely win-win situation. As they can continue to increase their price on OTA for the last-minute booking, but for CheQin they should be happy to get a discounted price for the last minute as otherwise the inventories are going unsold.

Saket Kapoor: Right sir. But the rationale still remain for the air ticket also because the seats will remain vacant because of the high prices.

Prashant Pitti: The rationale might change because the number of hotels are in millions, while the number of airlines are in numbers of tens and hundreds if you look internationally as well. So, there might be a rationale behind it, but again, I would not like to speculate either ways it might or might not work.

Saket Kapoor: Right sir. And one more point that I want to understand is, what are the key entry barriers in the business model setup by EaseMyTrip looking at the type of valuations we people are commanding today and definitely you have guided for significantly higher percentage in EBITDA terms in terms of percentage even higher at 50%. So, what are the key entry barriers you feel in the business that you will not attract bigger competition going ahead the type of numbers now we are showcasing?

Prashant Pitti: See we have dealt with competition ever since we were born. It's been 14 years and we have had six or seven heavy players who all have raised a significant amount of capital. While we grew bootstrapped even till today. To all of our investors, I would like to share one fact which is in the first five years of EaseMyTrip we only put in Rs.15 lakh of our own capital in the Company. That's the only amount which went inside the Company for the first five years and hence Company actually grew while having very strong fundamentals, not by throwing money at the problem. It would be very, very hard for you to find a bootstrapped consumer tech unicorn in India, I believe there are only a couple of them and EaseMyTrip is one of them. So, the foundation of the Company is extremely strong and we look forward to utilize our strong foundation of being extremely high cost-efficient Company and while growing via word of mouth, and also running being the only OTA in India, who runs our own call center. We believe that we are poised to continue our growth not just in India, but worldwide. As we have mentioned that we have opened up three offices and our Dubai business is growing really, really strong. And so is our UK business and Thailand business. And we look forward to become the OTA for the world, not just for India and we really believe that the world is our oyster given the extremely competitive cost advantage which EaseMyTrip has and on top of that, which India has compared to the developed nations, we really believe that we can beat a lot of incumbent players across the world by not charging convenience fees where they are charging anywhere between 500 to Rs.2000 per passenger as convenience fees because their business model requires so. So, these are the significant advantages our organization has and we look forward to growing and create value for all our shareholders, customers and everyone.

Saket Kapoor: Just a small chip in question sir. When is the lock in of shares for the promoters, the deadline taking over?

Management: I would not be able to comment on that. This probably would be a public information, I'm also not sure myself.

Saket Kapoor: I congratulate you especially for the, not only for not charging the convenience fee, but also for the total refund which your customers are getting in case of illness. And that is really a game changer for air tickets so, kudos to the team and for the ideas also.

Management: Thank you, we have heard this multiple times that having an extra insurance that people would get their money back, if they fall sick, 100% money would be refunded by EaseMyTrip is that it's absolutely a big reason why people are switching to EaseMyTrip over others.

Saket Kapoor: Yes, sir. And sir for the shareholder promotion scheme, what is the amount we are spending and if you could give the advantage pertaining to who would be the section of the shareholders who would be benefiting from the scheme and the amount.

Prashant Pitti: This scheme is basically for the retail investors who would basically be able to book their flight, hotel, buses at a discounted price, because they are the shareholders of EaseMyTrip by using EMT family as a pool, I believe more detailed information is available online.

Saket Kapoor: But any amount you can give that we are sacrificing on or we are just trying to bring the brand for, we will be spending annually on the same?

Prashant Pitti: I do not consider that as an expense, that's a value which we are adding to the life of the shareholders who have added tremendous value in the life of EaseMyTrip. So, it's only going to the family, this is how we see it as and I would not be able to give you the exact amount but it is going back to the family.

Saket Kapoor: Great sir. And one more on the hotel package part for this quarters, is there seasonality factor because of which the revenues and the profitability has been there or what is the understanding for hotel packages on an annual basis what kind of revenue and the bottom line are we looking from this?

Prashant Pitti: It's very difficult for me to predict the numbers because the numbers are growing so rapidly for the hotel and non-air space and we look forward to continuing growing this particular piece without burning holes in the Company. As I said before that we truly believe that businesses are done only for two reasons - one is to basically add value to your customers life and second is to do it profitably so you can do it consistently. On VC Money, PE Money you cannot give discounts for a really long period of time and consistency can only be done if you are doing anything profitably. So, we really believe in consistency and we look forward to grow our hotel and non-air business as we have grown our air business over the due course of time.

Saket Kapoor: Lastly on the valuation front what kind of comfort should investors have, the type of valuations currently commanded, we came with bonus issues there is lot of floating today and then again if we look at your numbers and that type of PEs which we are commanding today, what kind of annual compounded growth can we look through sustain these valuations?

Prashant Pitti: Again, I will not be able to comment on the valuation part, that is for the market to decide. As you can see last year we have done our gross bookings revenue of INR 3700 crores and in this year in the first nine months we have touched almost INR 6000 crores. This should give you enough comfort of where the Company is heading towards and that to do it profitably. So, again on valuation part I may not be able to comment anything at all beyond this.

Saket Kapoor: Okay. And for the nine month cash generation can you give the numbers, in the cash flow how was the?

Prashant Pitti: The cash flow once every six months. So, we did a report during quarter two and in the next quarter we would be putting cash flow again.

Moderator: Thank you. Our next question is from the line of HS with AUM. Please go ahead.

HS: Sir, going ahead would we be able to see any operating leverage with the kind of the employee cost not growing in-line with the revenues and same goes for other expenses?

Prashant Pitti: For employee expenditures you should be able to see some leverage in the next couple of quarters. There was a heavy investment on the employee side, especially since we are growing international. But, overall, yes, you should be able to see leverage coming in the next couple of quarters.

HS: And other expenses also?

Prashant Pitti: As I mentioned about other expenses, some portion of other expenses would basically grow in cumulation with the GBR as it is a percentage of commissions which we give to B2B2C clients of our own. Hence, some percentage just like discounts to customers, some percentage of other expense will also be part of the equation. But again, yes, you're absolutely right the admin cost and the other cost should not increase as much as we grow our GBR. So, yes, there will be some level of operational efficiency which will come along the way.

HS: Okay. Going ahead sir, I have one more question so quarter-on-quarter hotel segment revenues have increased from around 5.5 odd crores to 24 crores and which was negative in the last year. So, can you just give clarity on the same?

Prashant Pitti: The numbers have increased as we have mentioned that we have also started the group booking and the MICE movement. So, a certain percentage is coming from the group bookings in MICE movement and that is why you also see a new line item which is service cost to the Company, which is around at 10 crores. So, a good portion of increase has happened organically but there is also one big portion which is of its new line item which is the group and MICE booking because of which the numbers have substantially jumped up.

HS: Okay. And any reason why would it be negative for the same quarter last year. So, as given in the results?

Prashant Pitti: Ashish Ji?

Ashish Bansal: Now as Mr. Prashant said, our all segment are profitable but last year it was the discount which we gave in this segment more than the revenue, that's why it was negative**.**

Prashant Pitti: So, is that slightly, what you're saying is about at Rs.50 lakh?

Ashish Bansal: Yes.

Prashant Pitti: So, it was basically we are trying to break even our hotel segment by whatever commissions we are getting from the aggregators by passing it back to the consumers and grow our hotel business as you are seeing in the results. Rs.50 lakh is basically breakeven, according to us.

HS: Okay. Sir and this last question, so what kind of EBITDA margins would be a sustainable number going ahead?

Prashant Pitti: As I mentioned earlier, at the current level where we are at 45%, I believe this number should be sustainable and should only go up as the operating levels will continue to exist as we continue to grow our business. I believe that this number should only go up slowly and steadily.

Moderator: Thank you. Our next question is from the line of Swapnil Potdukhe with JM FL. Please go ahead.

Swapnil Potdukhe: So, I just wanted to ask, get a sense on your take rates. They seem to be holding off well, but what we're seeing is one of the competitors' numbers is that the airline take rates have come off in recent quarters.

Prashant Pitti: Sorry on the competitor side what the airline take rate has?

Swapnil Potdukhe: Airline take rates have come off sequentially. So, I wanted to get a sense on like, how the take rates are playing out for us on the airline side. And is it a fact that the increase in revenue share or GBR share of hotels and tours business helping us maintain our take rates at a flattish level or slightly better?

Prashant Pitti: No, I don't think so that the 10% of business could impact the take rate of airlines as much and have if you are seeing in the last three quarters our take rates have been pretty stable anywhere between 8.5% to 8.7% it has only gone up slightly. We do business slightly differently compared to our competitors because of which things might not directly be correlated with what they are seeing and we are happy to continue enjoying the take rate which we are enjoying right now. It is pretty stable since the last three quarters as you can see.

Swapnil Potdukhe: Can you call out a few structures that are helping you to get better take rates than the competition?

Prashant Pitti: Those are industry trade secrets, something which we would not like to describe.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Prashant Pitti for closing comments.

Prashant Pitti: Thank you. To conclude, I would like to highlight our recent acquisition, ongoing brand building investment and our unique low convenience fees model. We are positive that we will continue our exceptional growth journey and remain the fastest growing OTA in the industry. We will continue to operate with the same disciplined approach that has helped us to deliver profits. The tourism industry is expected to get a lot of traction in the next coming years on the back of various projects and schemes undertaken by the government towards the development of travel infrastructure in the country. We firmly believe that EMT is the best place to capture the growing opportunities in the periods to follow. Thank you all for attending today's call we hope all your queries were answered. Feel free to reach out to us if you have any other further queries. Thank you so much.

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