

November 07, 2022

To,

National Stock Exchange of India Limited
(NSE: RATEGAIN)

BSE Limited
(BSE: 543417)

Subject: Investor Presentation on the Un-Audited (Standalone and Consolidated) Financial Results of the Company for the Quarter and Half year ended September 30, 2022

Dear Sir/Ma'am,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Investor Presentation on Un-Audited (Standalone and Consolidated) Financial Results of the Company for the Quarter and Half year ended September 30, 2022.

Please take the above information on record.

Yours faithfully,

For RateGain Travel Technologies Limited



(Thomas P. Joshua)
Vice President – Legal & Company Secretary
Memb. No.: F9839

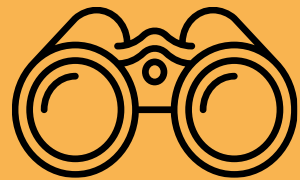
Encl.: As above

RateGain®

Investor Presentation

Q2 & H1 FY23





Our mission is to be the leading **revenue maximization SaaS platform** for the hospitality & travel industry.

Our vision is to offer an **integrated technology platform** powered by **artificial intelligence** enabling our customers to increase their revenue through **customer acquisition, retention and wallet share expansion.**



Safe Harbor

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Management Commentary



Bhanu Chopra

Chairman and Managing Director



We continue to deliver on our promise of responsible growth and with operating leverage unfolding, we are delighted to report our highest operating margin in the past 10 quarters. This has been achieved by expansion of existing relationships while costs remained flat

Our focus on solving critical industry challenges continues with the launch of our new offering – Engage AI, that will help hotels address staff shortages while delivering guest delight.

Demand continues to remain strong across the travel & hospitality space and we are seeing healthy traction across all business segments



Tanmaya Das

Chief Financial Officer



The company has posted another quarter of strong performance with the expansion in Margins being the standout. The improvement in margins y-o-y & sequentially is a testament to our strong fundamentals.

Our revenue growth continues at a healthy pace with more broad-based growth across all three segments. We witnessed another quarter of healthy performance across key KPIs contributing to all round growth and margins.

The growing pipeline and strong client addition despite a volatile global environment, highlights the strength of the travel industry and the adoption of tech products to drive revenue



RateGain posts Healthy Growth with Robust Margin Expansion

Q2 FY23

47%↑

Operating Revenue
Growth y-o-y

170%↑

Adjusted EBIDTA
Growth y-o-y

430%↑

Adjusted PAT
Growth y-o-y

H1 FY23

53%↑

Operating Revenue
Growth y-o-y

139%↑

Adjusted EBIDTA
Growth y-o-y

345%↑

Adjusted PAT
Growth y-o-y

Healthy Demand with Stable Revenue Streams Driving Growth and Margins

Operating Revenue

Q2FY23 INR 1,246.1 MN
47.0% growth y-o-y

H1FY23 INR 2,439.1 MN
52.7% growth y-o-y

Adj. EBIDTA (Margin)

Q2FY23 INR 189.5 MN (15.2%)
169.6% growth y-o-y

H1FY23 INR 313.2 MN (12.8%)
139.0% growth y-o-y

Adj. PAT (Margin)

Q2FY23 INR 195.7MN (15.7%)
430.4% growth y-o-y

H1FY23 INR 344.3 MN (14.1%)
344.7% growth y-o-y

Predictable Revenue*

Subscription Revenue **76.8%**
Recurring Revenue **99.0%**

Strong Balance Sheet#

Net Cash & Equiv.: **INR 4,344.5 MN**
6.0% growth over FY2022

Cash from Operations: **INR 242.2 MN**
1.4x of Cash from Operations in FY2022

Sustainable Revenue*

Gross Revenue Retention **90.0%**
Net Revenue Retention **105.0%**





Strong Growth Metrics Combined with Operational Efficiency

628

Employees
Flat Q-o-Q with Revenue Increase of 4.4%

2,557

Customers
150 Net New Customer Additions in Q2FY23

24.5%

Employee Attrition

INR

7.77 Mn

Revenue Per Employee
12.4% increase over FY22



INR

4,878 Mn

Annual Recurring Revenue

12.2

LTV to CAC
For H1 FY23

INR

212 Mn

New Contract Wins
12.5% growth y-o-y

INR




3,140 Mn

Total Pipeline
Healthy pipeline growth with traction across segments





Steady Revenue Streams Driven by Constant Product Innovation

	 Martech	 Distribution	 DaaS
Key Highlights	<ul style="list-style-type: none"> Integrated end-to-end Digital Marketing offering to drive higher RoAS Increased demand for Metasearch Marketing to tackle higher costs Launch of new Guest engagement platform - Engage AI 	<ul style="list-style-type: none"> 72% y-o-y increase in booking volumes on the back of consistently high travel demand Increasing traction in GDS vertical 	<ul style="list-style-type: none"> Good growth momentum across OTAs, Airlines and Vacation Rentals Strong traction in Rev AI as key Car Rental CRS Integrations completed Industry's first AI powered Airline Travelers' Forecast launched to get more accurate demand forecasts
Segment wise Growth (Y-o-Y) (Q2FY23)	86.2%	38.7%	21.2%
Achievements	<ul style="list-style-type: none"> Over 80+ New Hotel Properties Added Iconic luxury hotel properties in the Middle East added as customers Joint case study with Google launched for increasing RoI on direct bookings 	<ul style="list-style-type: none"> Good momentum on new pairings with the world's fastest growing mobile travel app Sonder selected RateGain to expand Corporate Travel Access on GDS Royal Orchid Hotels selected RateGain for connectivity to Global OTAs 	<ul style="list-style-type: none"> Leading Airlines are choosing AirGain including Air India, Akasa Air, Jazeera Airways amongst others Large UK based Holiday Parks chain selected Rev AI 2 new Luxury Cruise liners on-boarded



Award Winning Team driving Performance



**World's
Best Channel Manager**



**World's
Best Car Rental
Technology Provider**



**India's Best
Talent Management**





New Product Launch - Engage AI for Improving Guest Interaction

KPI Impacted for Hotels:
Boosts Guest Experience

VIRTUAL CONCIERGE & UPSELL TOOL
smartest way to engage with Hotel Guests

Online Check-in/Check-out

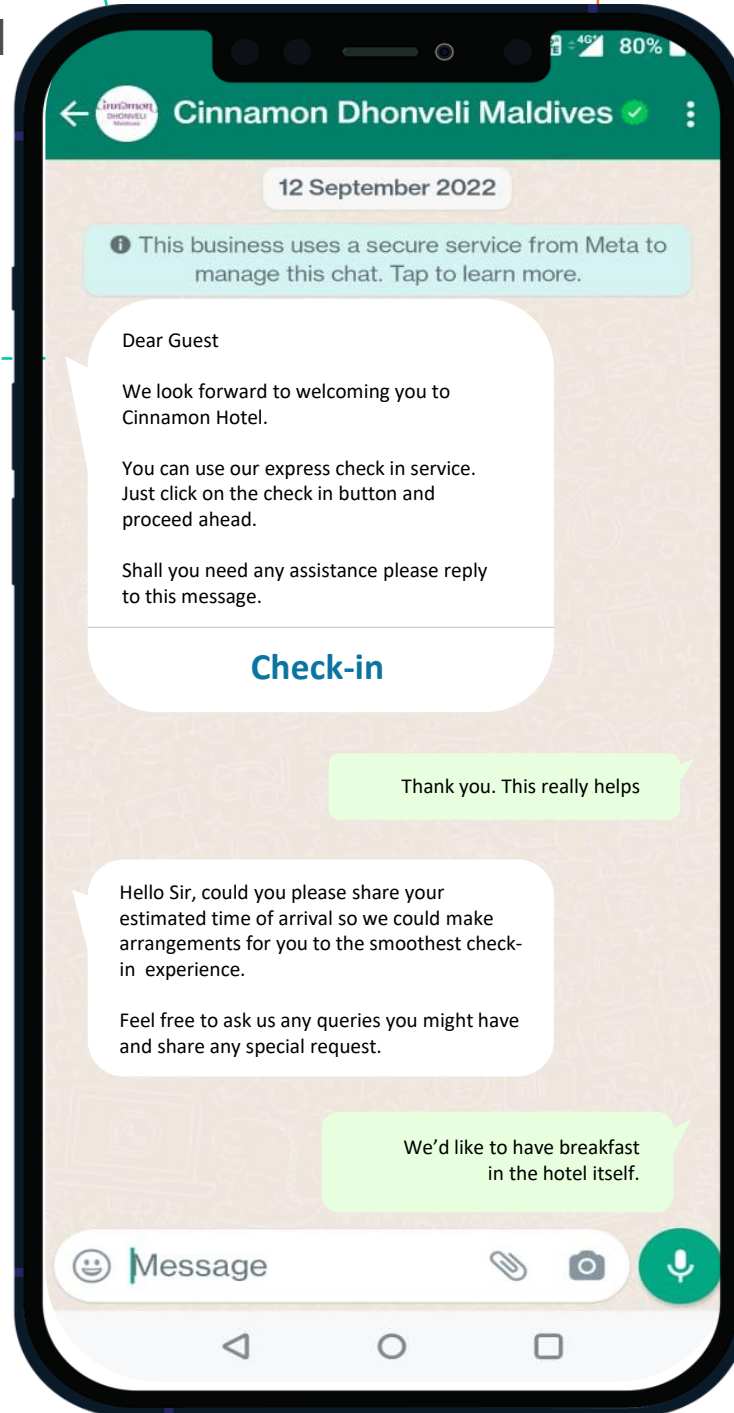
Guests deal with long queues at Front Desk during check-in/check-out. With Engage-AI, hotels can provide **digital check-in & check-out** to hotel guests and free them from waiting game.

Guest Engagement

Guests want **real-time enquiry resolution** and stay planning. Engage-AI lets guests interact with Hotels in real time during their stay. Two-way translation enables **conversation in 118+ languages**.

Upsell Services

Hotel front desk gets too busy answering questions to advise guests about regular things. With Engage-AI, hotels can share services, communicate offers, and nudge guests. **Boost ancillary revenue**.



- Check-Out
- Mid-Stay
- Check-In
- Pre-Arrival
- Booking

Making every **conversation** a **new possibility** throughout the Guest Journey



>> 360 Approach to People : Learning, Growth, Wellness and Inclusion

Career Path Change Opportunities

- 21% of Workforce enrolled for career development programs
- 80% of 10 participants of “Product Oriented Learning Opportunity” program already absorbed into Product Management teams
- Recognized our efforts for Talent Management; Award for Talent Management by Times Ascent (India)
- 3800+ hours of training completed

Digitization of Learning

- Digital Learning platform & content library - more than 80,000 courses
- Learning journeys being created for all roles & departments

Building Sales Foundation Strong

- Enhancing skill of sales professionals
- 17 participants have undergone the program based on Conceptual Selling & SPIN Selling
- Phase - 2 for Global Sales Training being planned

Bringing Women Back to Corporate

- Working on building program to bring back women to corporate (India)
- This will target women on career break
- Tailored learning programs, flexibility of work, mentorship & on-the-job training
- To be launched in Q4

#RGForAll | Being Inclusive

- Defining Global DE&I Pillars & Themes
- WIN (Women in RG)
- RG PRISM (People Respecting Individuality & Sexuality of All Members)
- BE RG (Black Empowerment in RateGain)



Voice of People

4.1 ★★★★★
glassdoor

Culture Score

A+
4.7/5 ★★★★★
COMPARABLY

Diversity %

32:68_(F):_(M)

Increased from
29:71 in the end of Sep'21





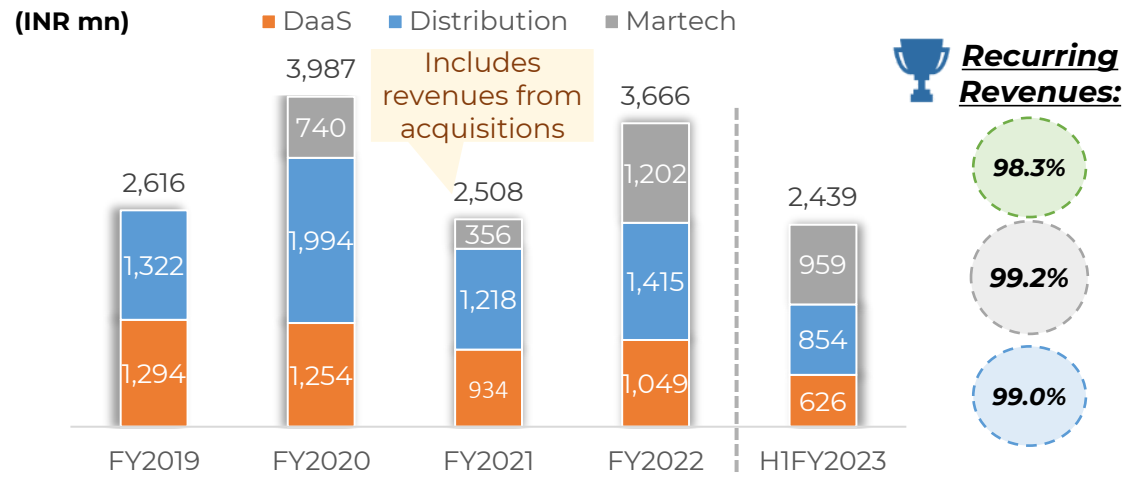
Detailed Financials



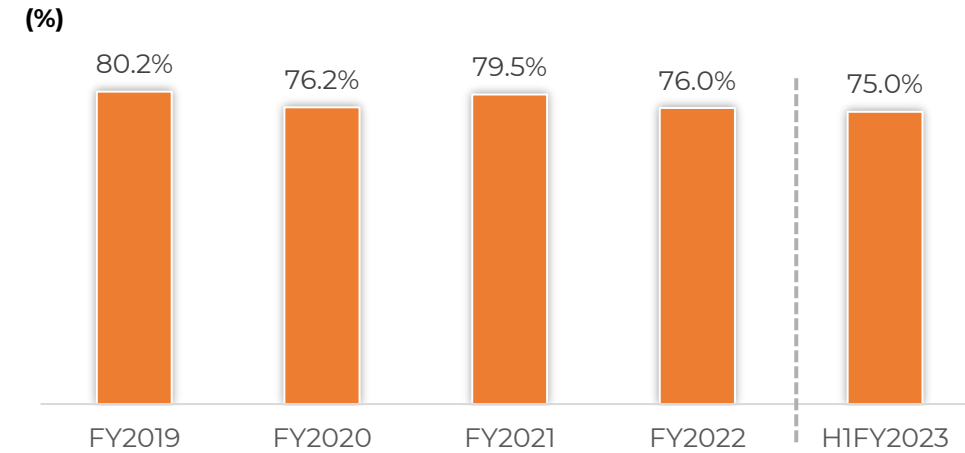
Strong Financials and Profitability Metrics

- Strong profitability metrics supported by positive cash generated from operating activities
- Ability to drive revenue through multiple products by cross-selling to existing marquee customers

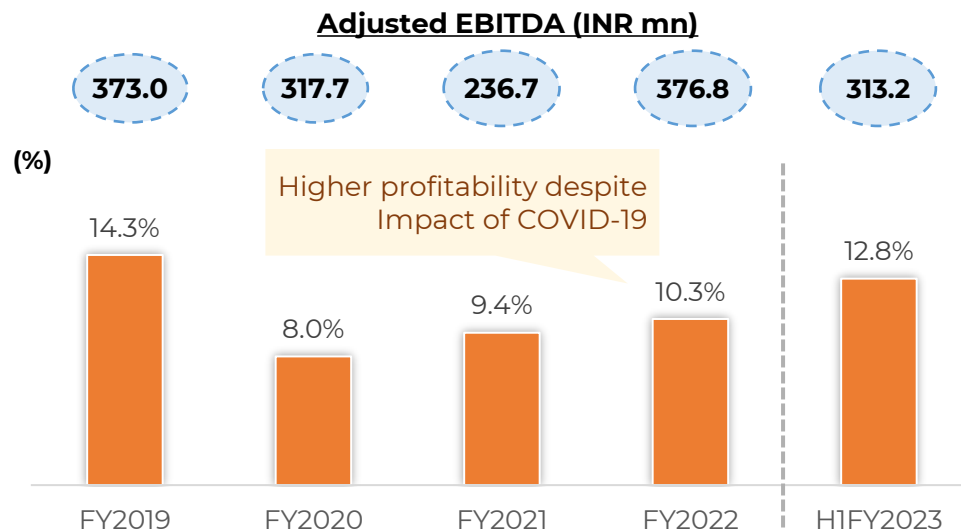
Operating Revenue



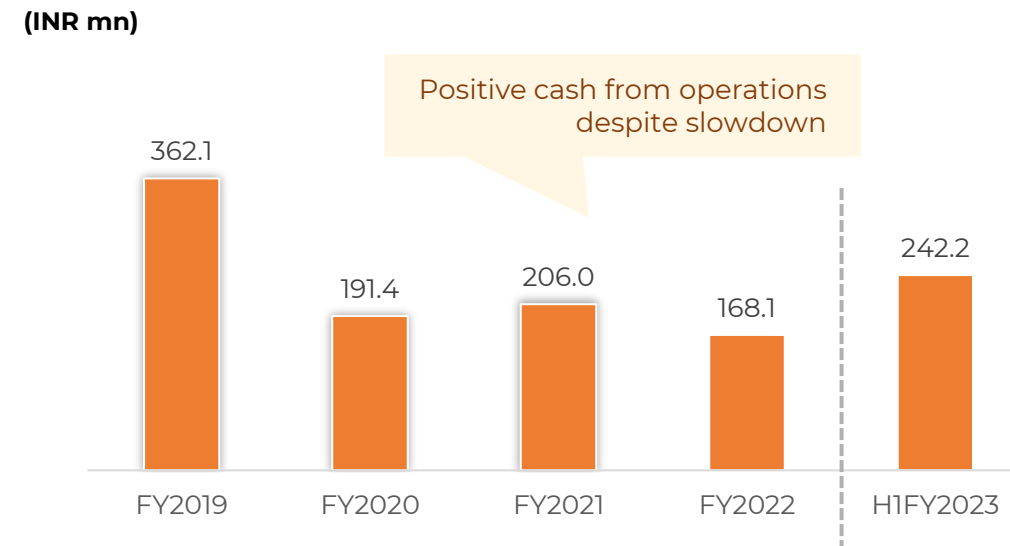
Gross Margins



Adjusted EBITDA Margins¹



Cash Generated from Operating activities

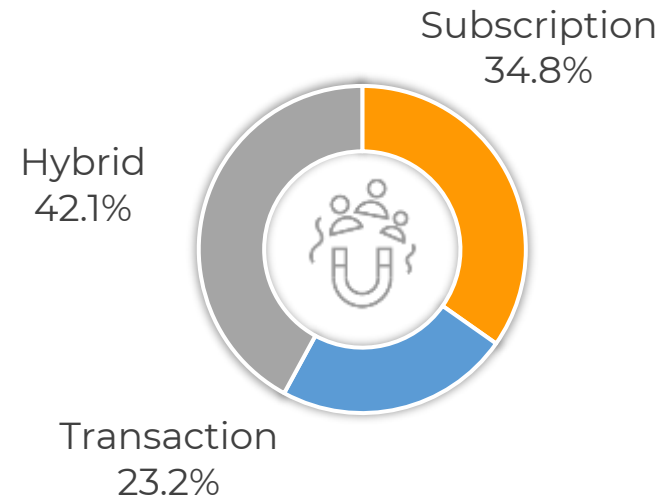


¹Source: Company Information. Notes: 1. Adj. EBITDA is calculated as the sum of profit, tax expenses, depreciation and amortisation expense, finance costs, stock option expenses, impairment of goodwill and foreign exchange fluctuations.

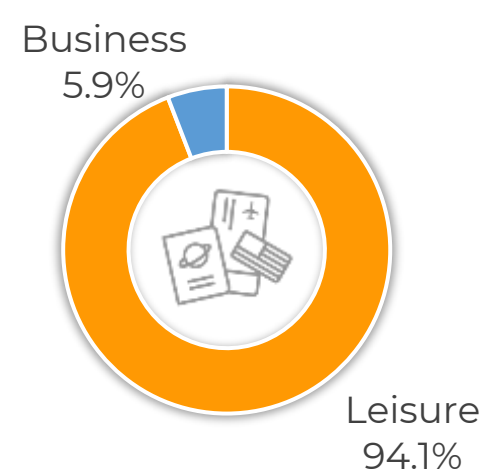
Diversified and Recurring Revenue Streams

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

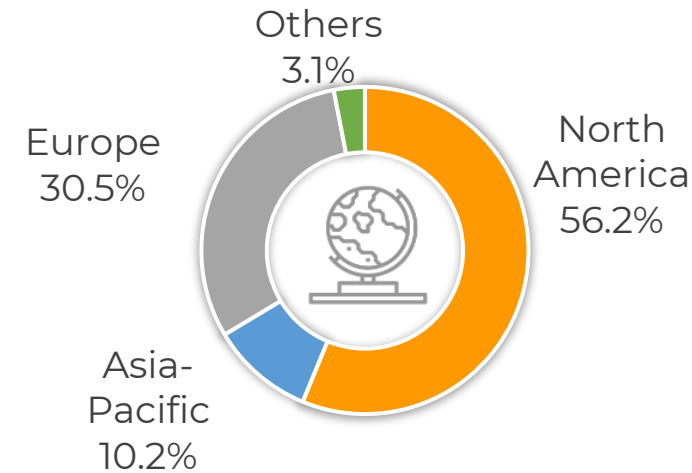
Revenue by Engagement¹



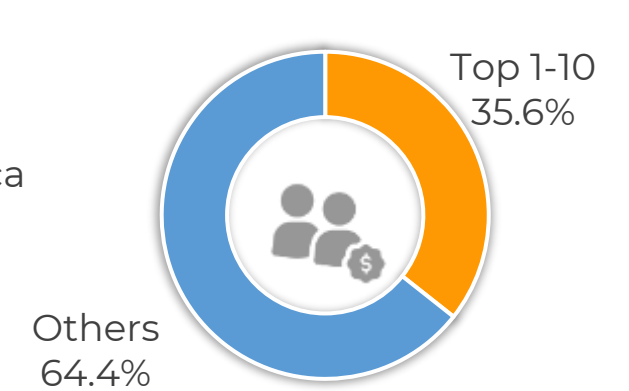
Revenue by Travel Type¹



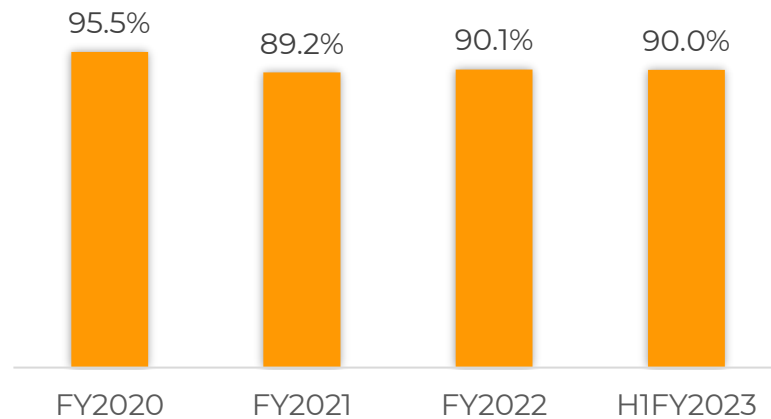
Revenue by Geography¹



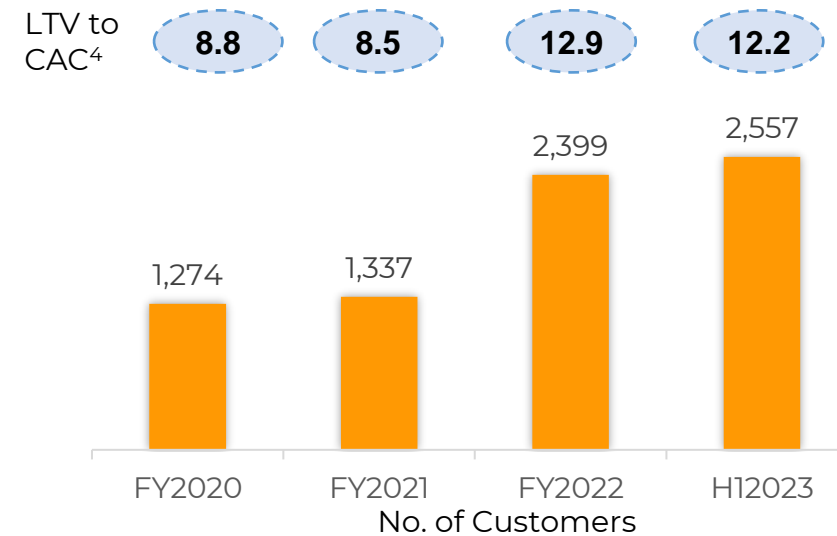
Revenue by Customers¹



Gross Revenue Retention²



Client Count & LTV to CAC



Note: Numbers have been rounded to nearest whole percentages or two decimal place.. 1. H1FY23 Revenue from contracts with customers. 2. GRR denotes percentage of renewed revenue as compared to previous Fiscal. 3. Recurring revenues refer to revenues which are contractually recurring and not one-off. 4. LTV:CAC is computed by i) Multiplying Gross Margin from New Sales with expected life time of the contracts to arrive at LTV ii) CAC is calculated by dividing sales and marketing costs by no of customers added.

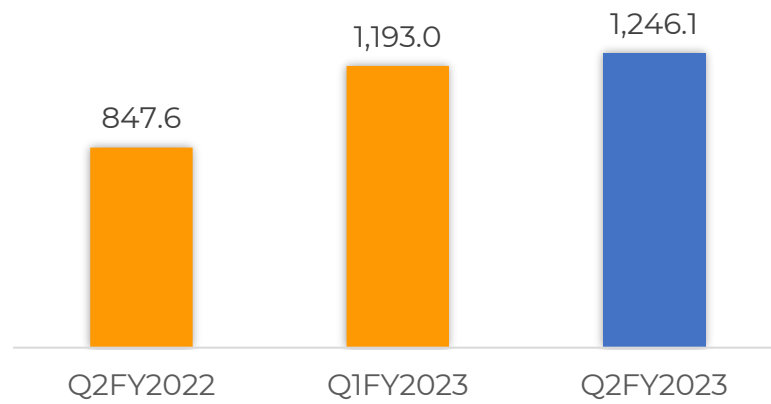


Key Financial Highlights for Q2FY2023

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

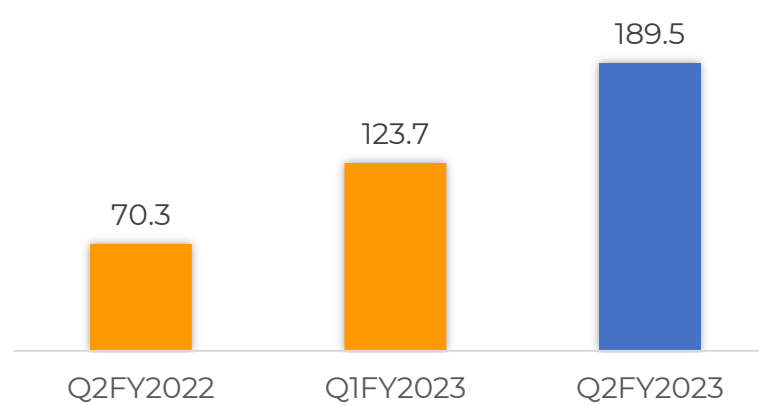
Operating Revenue

(INR mn)



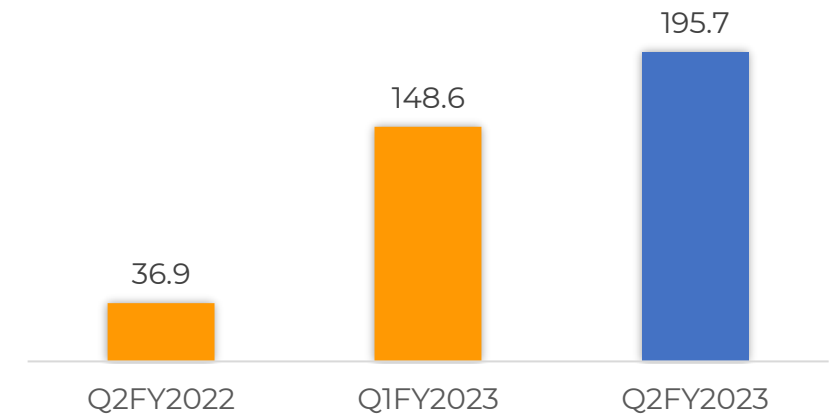
Adjusted EBIDTA

(INR mn)

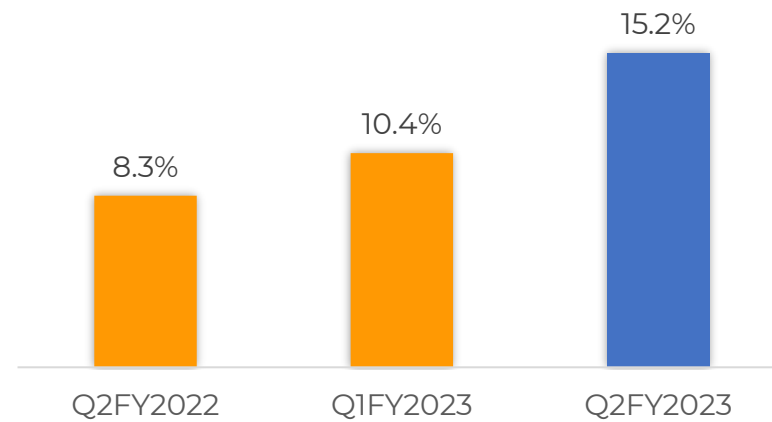


Adjusted PAT

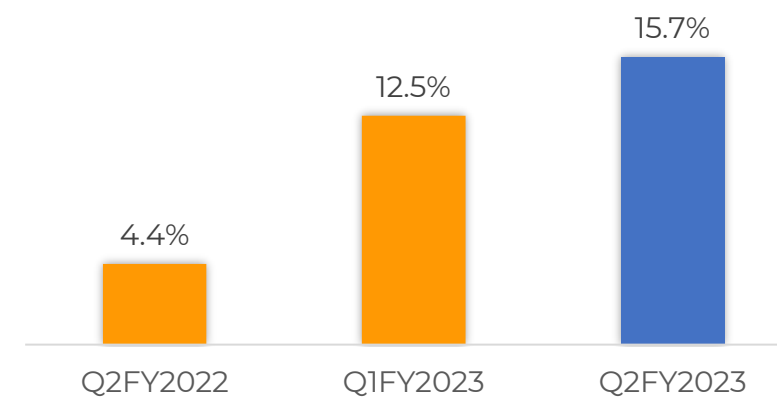
(INR mn)



Adjusted EBIDTA Margin



Adjusted PAT Margin



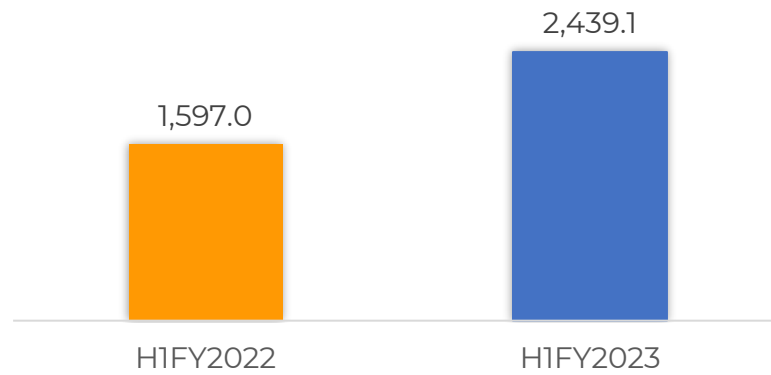


Key Financial Metrics for H1FY2023

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

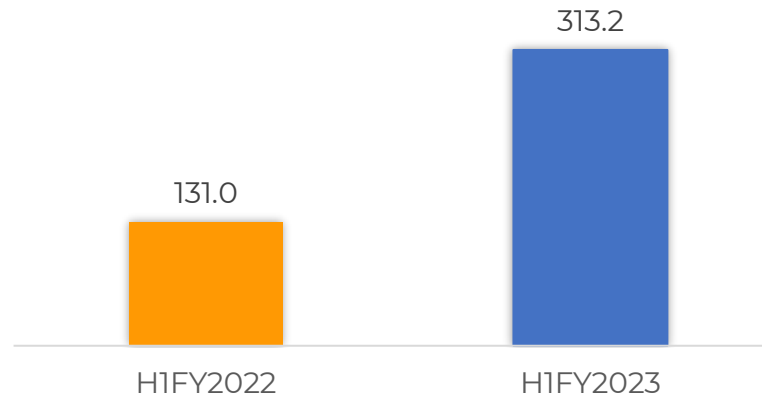
Operating Revenue

(INR mn)



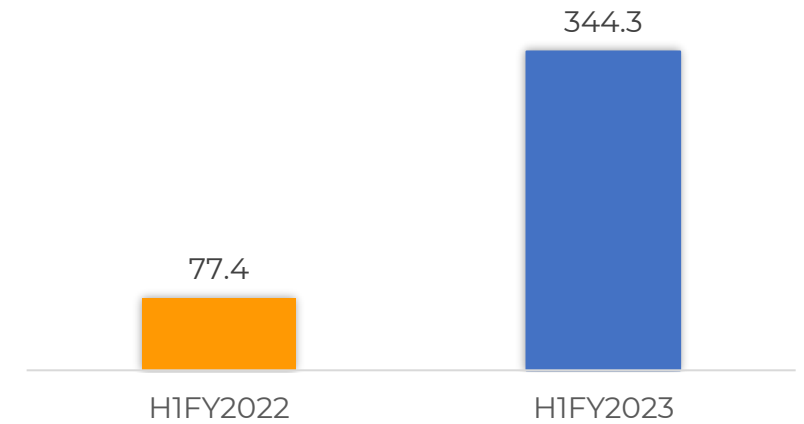
Adjusted EBIDTA

(INR mn)

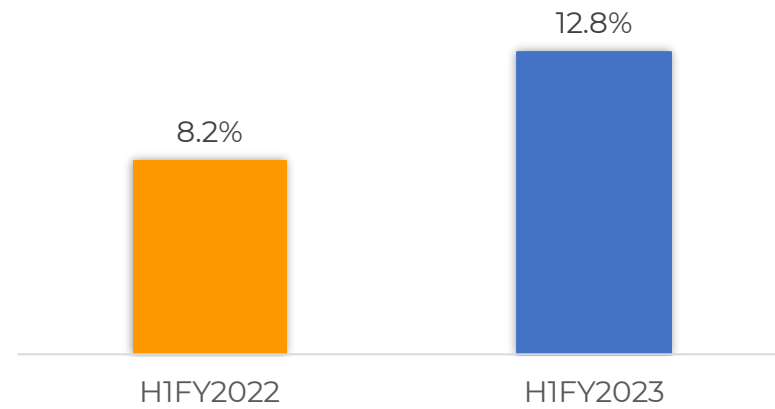


Adjusted PAT

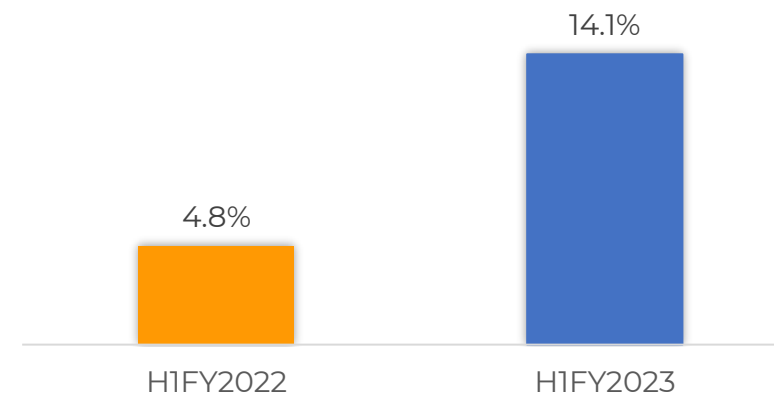
(INR mn)



Adjusted EBIDTA Margin



Adjusted PAT Margin





Consolidated Profit and Loss

(INR Mn)	Q2 FY23	Q2 FY22	YoY	Q1 FY23	QoQ	H1 FY23	H1 FY22	YoY
Revenue	1,246.1	847.6	47.0%	1,193.0	4.4%	2,439.1	1,597.0	52.7%
Employee Expenses	579.7	460.2	26.0%	575.7	0.7%	1,155.4	929.1	24.4%
Other Expenses	490.6	347.6	41.1%	498.0	-1.5%	988.6	608.7	62.4%
EBIDTA	175.8	39.8	341.7%	119.3	47.5%	295.1	59.2	397.7%
EBIDTA %	14.1%	4.7%		10.0%		12.1%	3.7%	
Add:								
ESOPs	13.7	30.5	-55.2%	4.4	213.5%	18.1	71.8	-74.9%
FX expenses								
Adj. EBIDTA	189.5	70.3	169.6%	123.7	53.3%	313.2	131.0	139.0%
Adj. EBIDTA %	15.2%	8.3%		10.4%		12.8%	8.2%	
Depreciation	17.6	14.3	23.1%	17.7	-0.4%	35.3	29.1	21.2%
Amortization of Acquisition cost	66.1	55.8	18.4%	64.4	2.7%	130.5	110.2	18.4%
Finance Costs	3.8	13.6	-72.0%	4.3	-11.9%	8.1	26.5	-69.5%
Exceptional expenses	-	-		-		-	-	
Other Income	68.3	30.1	126.6%	77.5	-11.9%	145.8	87.2	67.1%
Profit/(Loss) Before Tax	156.6	-13.8		110.4	41.9%	267.0	-19.4	
Tax	27.0	5.2	422.9%	26.2	3.1%	53.2	13.4	295.5%
Profit/(Loss) After Tax	129.6	-19.0		84.2	53.9%	213.8	-32.8	
PAT %	10.4%	-2.2%		7.1%		8.8%	-2.1%	
Add: Amortization of Acquisition cost	66.1	55.9	18.4%	64.4	2.7%	130.5	110.2	18.4%
Adj. Profit/(Loss) After Tax	195.7	36.9	430.4%	148.6	31.8%	344.3	77.4	344.7%
Adj. PAT %	15.7%	4.4%		12.5%		14.1%	4.8%	

Note: 1. Adj. EBITDA is calculated as the sum of profit, tax expenses, depreciation and amortisation expense, finance costs, stock option expenses, impairment of goodwill and foreign exchange fluctuations.



Consolidated Balance Sheet

ASSETS (INR Mn)	Sep-22	Mar-22	EQUITY AND LIABILITIES (INR Mn)	Sep-22	Mar-22
Non-Current Assets	2,456.9	2,528.5	Equity and Liabilities	6,525.8	6,191.5
Property, plant and equipment	65.6	65.5	Equity share capital	108.2	107.3
Goodwill	677.4	687.5	Equity attributable to owners of the Company	6,417.6	6,084.2
Other intangible assets	1,220.0	1,292.6	Non-current liabilities	323.1	323.5
Right to use assets	180.8	179.2	Financial liabilities		
Financial Assets			i. Borrowings	0.0	0.0
i. Investments	230.9	228.8	ii. Other Financial Liabilities	47.1	51.9
ii. Other financial assets incl. Loans	18.1	17.9	Lease Liabilities	150.3	147.2
Deferred tax assets (net)	45.8	42.3	Deferred tax liabilities (net)	87.0	86.6
Non Current Tax Assets	5.3	6.1	Provisions	38.6	37.6
Other non-current assets	13.0	8.6	Other non-current liabilities	0.1	0.2
Current assets	5,496.3	5,282.4	Current liabilities	1,104.3	1,295.9
Financial assets			Financial liabilities		
i. Investments	1,323.8	1,417.8	i. Borrowings	0.0	0.0
ii. Trade receivables	873.7	941.2	ii. Trade payables	439.7	418.1
iii. Cash and cash equivalents	409.4	341.0	iii. Other financial liabilities	139.9	255.8
iv. Bank balances other than (iii) above	2,380.5	2,110.0	Lease liabilities	36.6	33.1
Other financial assets incl. Loans	298.1	327.5	Current tax liabilities (net)	103.6	66.2
Other current assets	210.8	144.9	Provisions	3.0	2.5
Total assets	7,953.2	7,810.9	Other current liabilities	381.5	520.2
			Total equity and liabilities	7,953.2	7,810.9





Consolidated Cash Flow Statement

Cash Flow Statement for Period ended (INR Mn)	Sep-22	Mar-22
Profit before tax	266.9	108.4
Adjustments	144.0	435.2
Operating profit before working capital changes	410.9	543.6
Changes in working capital	(158.9)	(342.2)
Cash generated from operations	252.0	201.4
Direct taxes paid (net of refund)	9.8	33.4
Net Cash from Operating Activities	242.2	168.0
Net Cash from Investing Activities	(164.5)	(2,951.4)
Net Cash from Financing Activities	(5.6)	2,399.1
Net Increase in cash and cash equivalents	72.1	(384.3)
Net foreign exchange difference	(3.7)	(1.1)
Cash and cash equivalents at the beginning of the year	341.0	537.6
Cash and cash equivalents of acquired subsidiary		188.8
Cash and cash equivalents at the end of the year	409.4	341.0



Use of Funds raised from IPO



Sr. No.	Particulars	Amount (INR mn)	Status
1	Repayment of Debt availed by RateGain UK to Silicon Valley Bank	852.6	Repaid in 1 st Week of Jan 22
2	Payment of Deferred Consideration – DHISCO	252.0	Repaid in Q4
3	Strategic Investments, Acquisitions and Inorganic Growth	800.0	Not Yet Utilized
4	Investment in Technological Innovation, AI and other Organic growth initiatives	500.0	Utilized INR 147.1 Mn towards in-house product development
5	Purchase of certain Capital Equipment for the Data Center*	407.7	Not Yet Utilized
6	General Corporate Purposes	937.7	Not Yet Utilized

- #5* - The company via a Special Resolution is seeking variation in the use of INR 407.7 Mn of funds from the abovementioned to “Migration & usage of our services from self-managed Data Center to Amazon Web Services Cloud” – The same is communicated via Postal Ballot Notice and under e-voting to be approved





Industry Trends

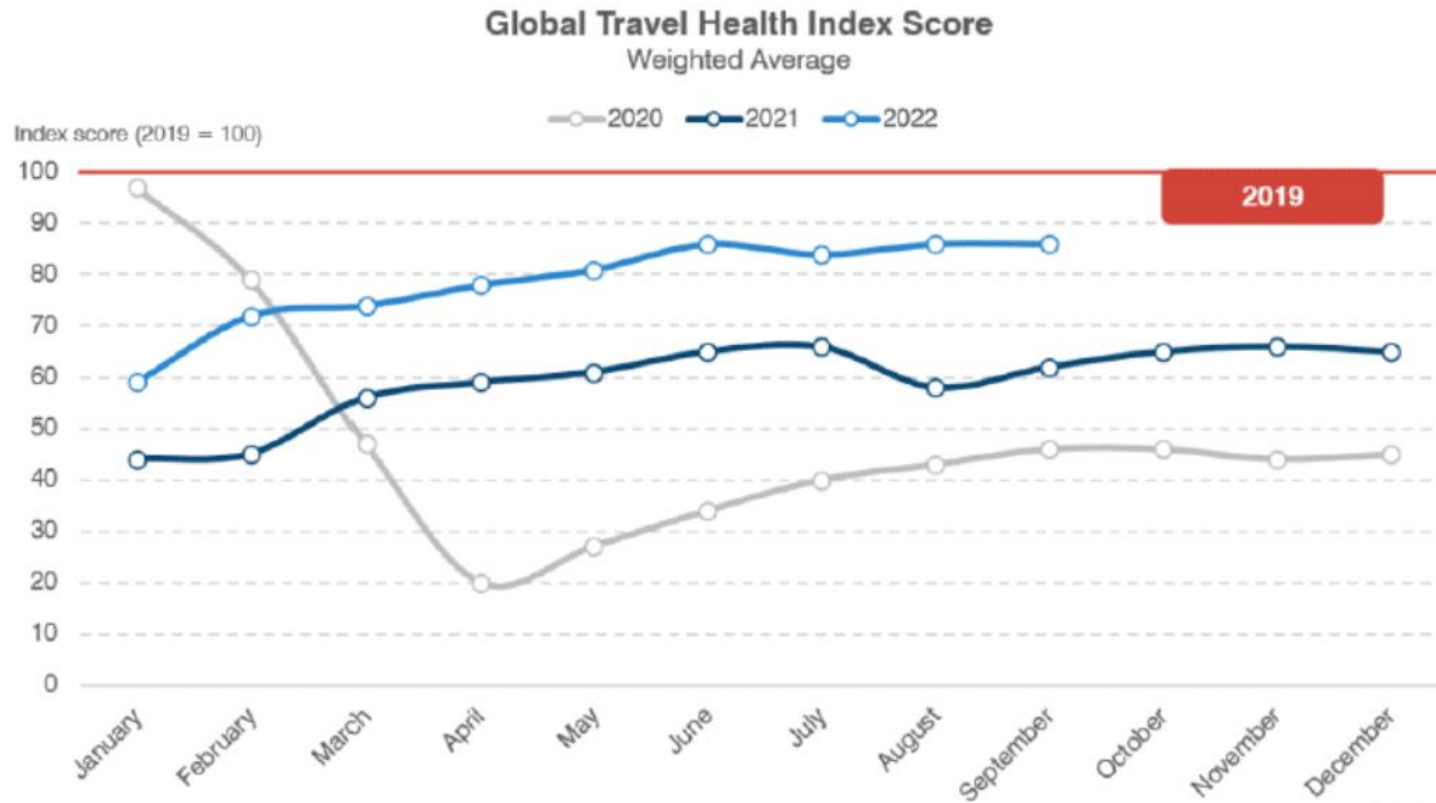
“

In the U.S., we no longer talk of recovery in leisure travel. The demand for travel has been above 95% of pre-pandemic levels since February 2022 – Skift

”

RateGain®

Strong Travel Demand In Key Markets

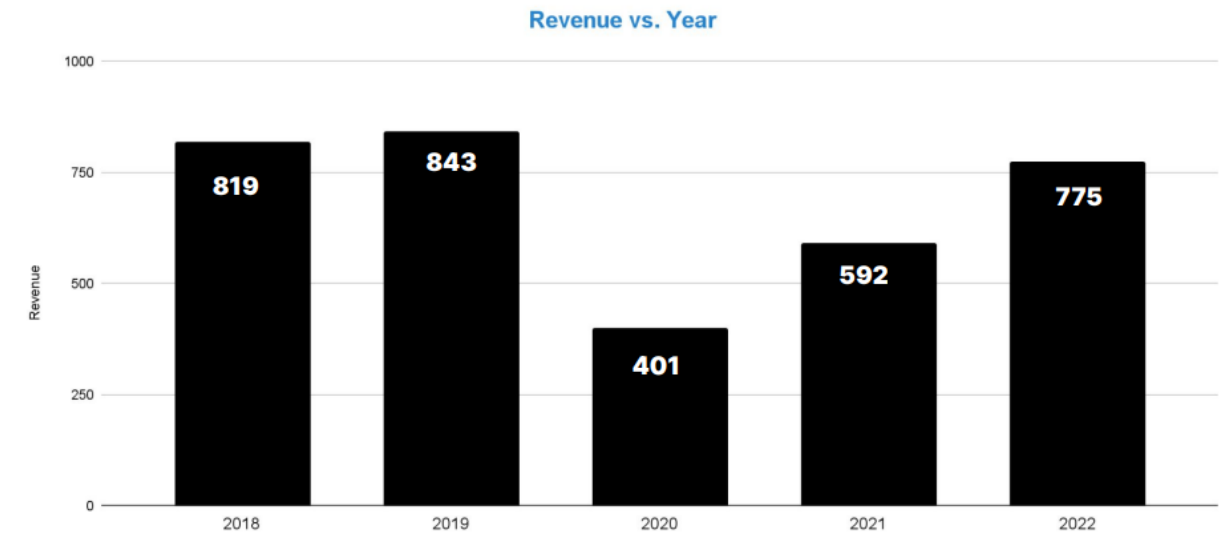


Source: Skift Research from partner data. All data vs same month in 2019.



Source: Skift

Recovery of the Industry continues to stay strong inspite of inflationary headwinds



Source: Skift

Hotel Revenue in US\$ Billions is almost back to pre-pandemic levels



Company Overview

“

RateGain's high-quality data and extraordinary team support helped us resolve issues and added to the best-in-class experience.

”



RateGain®

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

Uniquely positioned to capture a **Large TAM**



US\$1.4tn
Global Travel Bookings (CY24E)



US\$11.5bn
TAM (CY25E)



US\$8.5bn
SAM (CY25E)

Interoperable products to unlock new revenue across the travel value chain



Martech

BCV | MHS | Engage.AI



Distribution

RezGain | DHISCO | Content.AI



DaaS

Parity + | Optima
CarGain | AirGain
Rev.AI | Demand.AI

Strong Financial metrics with a proven acquisition playbook (H1FY23)

12.2 LTV to CAC

99.0% Recurring Rev.²

105.0% NRR

75.0% Gross Margins

Leading platform to maximize revenue for the hospitality industry



8 Global Fortune500 Cos



23 Of Top 30 Hotel Chains



25 Of Top 30 OTAs



All Leading Car Rentals



Large Cruise Lines

Clearly demarcated **Growth Levers** for future growth

Dedicated Unit to Work on New AI-led products

Investing Actively in Martech which offers good growth potential

Large Customer Base to drive cross-sell-Up-sell

Dedicated Strategic Investments Arm to Identify inorganic opportunities & Drive Synergies






Source: Company information, Phocuswright report.

Note: Updated as of half year ending September 30, 2022. Numbers have been rounded to nearest one decimal place. GRR – Gross Revenue. Retention. 1. GRR denotes percentage of renewed revenue as compared to previous Fiscal. 2. Recurring Revenue - DaaS (99%), Distribution (99%), Martech (99%). Recurring revenues refer revenues which are contractually recurring and not one-off.



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"> ➤ Provide data and information to players across the travel & hospitality industry ➤ Deliver insights including competitive and rate parity intelligence ➤ AI led Products to gauge Demand and optimise pricing 	<ul style="list-style-type: none"> ➤ Seamless connectivity between Hotels and their demand partners including OTAs, GDS and others ➤ Communicate availability, rates, inventory and content ➤ AI led product to standardise content distribution 	<ul style="list-style-type: none"> ➤ End to End Digital Marketing Suite to manage Brand presence for Hotels across Social Media and Metasearch platforms ➤ To Optimize Direct Bookings ➤ Monitor Guest Engagement 24x7
Revenue Model	<ul style="list-style-type: none"> ➤ Subscription model ➤ Hybrid model⁴ 	<ul style="list-style-type: none"> ➤ RezGain - Subscription model² ➤ DHISCO - Transaction model³ 	<ul style="list-style-type: none"> ➤ Subscription model
Revenue Mix (H1 FY23)	25.7%	35.0%	39.3%
Total SAM (CY25E)	USD 1.1 Bn	USD 1.9 Bn	USD 5.5 Bn
Acquisitions		DHISCO (2018)	BCV Social (2019) MyHotelShop (2021)
New AI based Products developed at RG Labs	Rev AI Demand AI	Content AI	Engage AI



*Source: Company information, Phocuswright report. Note: Numbers have been rounded to nearest one decimal place. 1. Others for Distribution includes GDS and Corporate travel agents, and DaaS includes vacation rentals, package providers, tour operators and cruise lines. 2. Subscription model - where customers pay a subscription fee to access the product. 3. Transaction Model - company generates revenues from bookings. 4. Hybrid Model - charges a minimum subscription fee and a pay-per-use model for accessing additional data.



Annexures



Key Shareholders

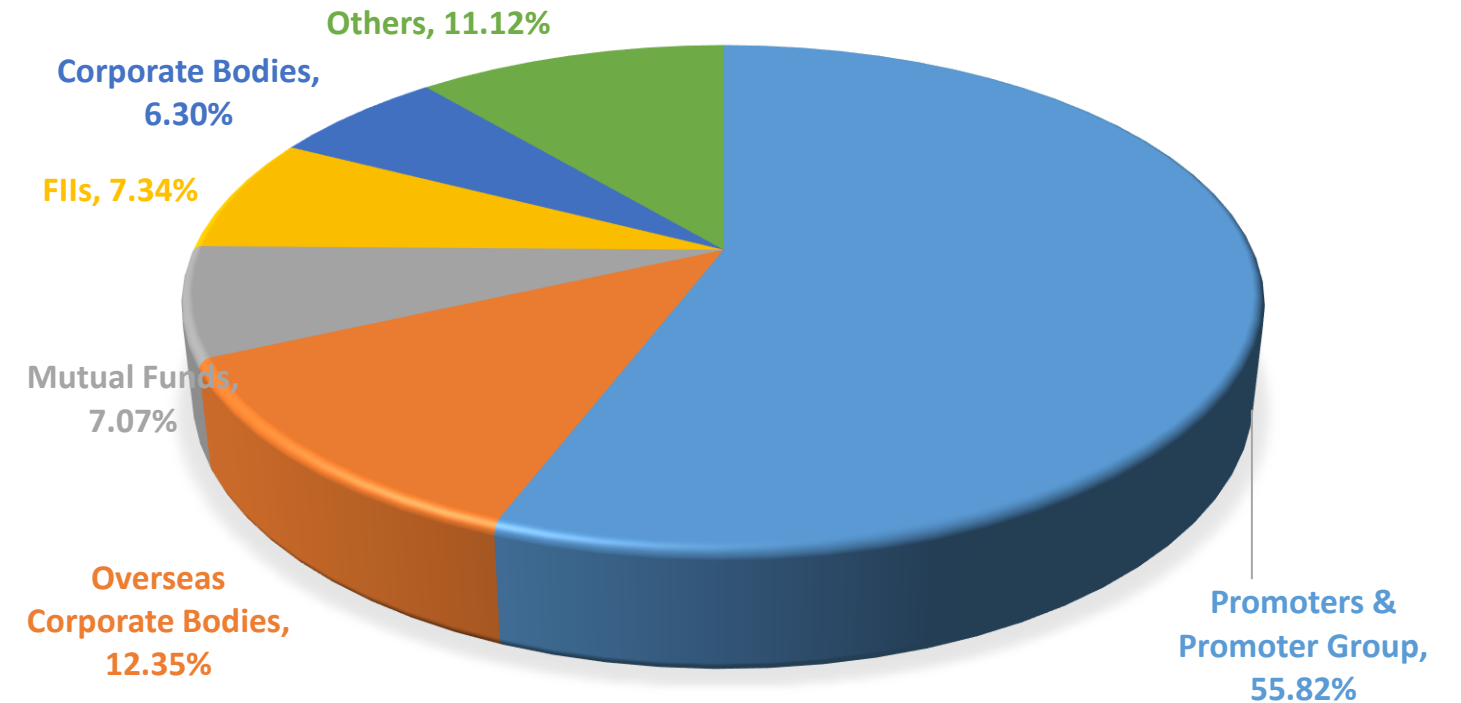
Promoters

- Bhanu Chopra & Family currently hold 55.82%
- They continue to hold same number of shares since IPO

Key Shareholders

Avataar Holdings	7.08%
Wagner Limited	5.27%
Plutus Wealth Management	4.39%
Nippon Life India Mutual Fund	3.71%
Kuwait Investment Authority	2.66%
Goldman Sachs Funds	2.48%
Aditya Birla Sun Life Mutual Fund	1.34%
Nomura Investment Fund	1.30%

Shareholder Types (as of Sep 30, 2022)





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