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Listing Manager, **National Stock Exchange of India Limited** **Exchange Plaza, C-1 Block G** **Bandra Kurla Complex, Bandra (E)** **Mumbai – 400051, India** **Symbol: YATRA** **ISIN No.: INE0JR601024**	**Manager - CRD** **BSE Limited** **Phiroze Jeejeebhoy Towers** **Dalal Street,** **Mumbai – 400001, India** **Scrip Code: 543992** **ISIN No.: INE0JR601024**

Sub: Intimation – Transcript of Earnings Conference Call for the quarter ended September 30, 2026.

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the transcript of earnings conference call for the quarter ended September 30, 2026.

The above information will also be made available on the website of the Company at www.yatra.com.

This is for your information and records.

Thanking You,
Yours sincerely,

For Yatra Online Limited

JYOTI CHAWLA

Jyoti Chawla
Company Secretary and Compliance Officer
M. No.: A20392

Encl.: As above

"Yatra Online Limited

Q2 FY27 Earning Conference Call"

November 13, 2026

MANAGEMENT: **MR. DHRUV SHRINGI – EXECUTIVE CHAIRPERSON AND WHOLE-TIME DIRECTOR – YATRA ONLINE LIMITED**
MR. SIDDHARTHA GUPTA – CHIEF EXECUTIVE OFFICER – YATRA ONLINE LIMITED
MR. ANUJ SETHI – CHIEF FINANCIAL OFFICER – YATRA ONLINE LIMITED

MODERATOR: **MR. JAYRAM SHETTY – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Yatra Q2 FY27 Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jayram Shetty from ICICI Securities. Thank you, and over to you, sir.

Jayram Shetty: Thank you. Good morning, everyone. On behalf of ICICI Securities, I welcome you all to the Q2 FY27 Earnings Conference Call of Yatra Online Limited. Today, we have with us the management team of the company represented by Mr. Dhruv Shringi, Executive Chairperson and Whole-Time Director; Mr. Siddhartha Gupta, Chief Executive Officer; and Mr. Anuj Sethi, Chief Financial Officer. Thank you all for joining us today.

With that, I would like to hand over call to Dhruv, Siddhartha, and Anuj. Over to you, sir.

Dhruv Shringi: Thank you, Jayram, and good morning, everyone. Thank you for joining us in this conference call to discuss our second quarter and first half of fiscal year 2027 results. Let me begin with the broader industry backdrop and what it means for Yatra. India's long-term travel opportunity remains compelling, a growing base of consumers, improving connectivity, and participation from smaller cities are expanding the market.

At the same time, the continuing shift towards organized and online travel creates opportunities for the platforms that combine relevant choice, reliable service, and a strong understanding of consumer needs. However, it is important to distinguish these structural drivers from the operating environment in the current quarter.

The near-term picture has been uneven with demand and growth varying significantly across travel categories, destinations and consumer segments. The continuing conflict in West Asia has affected parts of the international travel network. Disruptions to connectivity, elevated fuel costs, and higher airfares have weighed on affordability, while the depreciation of the rupee has added to the cost of overseas travel.

These pressures have been particularly visible in long-haul outbound travel. Domestic aviation has also faced a challenging environment. Higher fares and constrained capacity have affected passenger volumes with industry volumes declining approximately 6% in the domestic passenger segment during the quarter.

Importantly, however, this should not be interpreted as an equivalent decline in the broader travel opportunity. International travel also needs to be viewed with greater nuances. Long-haul travel and destinations more directly exposed to geopolitical disruption remain under pressure, while demand in other markets has been more encouraging.

The pace of recovery is therefore unlikely to be uniform across destinations or across travel businesses. There are encouraging signs in forward bookings in parts of the industry, and these

suggest that some customers are returning to travel plans that were previously deferred. We are beginning to see the offshoots of this positivity in our MICE business also in the current quarter.

For Yatra, our approach is to remain focused on the opportunities within our control while maintaining the flexibility to respond as market conditions evolve. In corporate travel, our priority is to deepen relationships with existing enterprise customers and capture a greater share of their travel requirements.

We want to be more than a booking channel. Our objective is to be a trusted partner that helps enterprises manage travel effectively, combining convenience for employees with visibility and control for the organization. The opportunity extends beyond conventional business travel.

We see scope to increase adoption of employee leisure travel offerings and cross-sell additional travel services to our existing corporate customer base. This allows us to build on relationships we have already established while addressing a broader set of customer needs. Alongside this, we continue to strengthen our SME and mid-market proposition. Our focus is on making organized technology-enabled travel management accessible to a wider range of businesses with solutions that are convenient for travelers and practical for business owners and administrators.

In MICE, which is the meetings, incentives, conference, and exhibitions businesses, we remain constructive on the long-term opportunity while recognizing that individual programs can be sensitive to travel costs, destination choice and the timing of corporate decisions.

Our focus is on working closely with customers to offer alternatives that meet their objectives and budgets rather than relying on a particular pace of market recovery. Another important opportunity is the continued digitization of travel. Online adoption is well established in air ticketing but remains less developed across parts of the accommodation and other travel services business, particularly where supply is fragmented.

Bringing that supply online requires more than technology alone. It requires supplier relationships, accurate information, dependable fulfillment, and support when plans change. We believe these capabilities are at the core of what Yatra delivers and will remain central to the value proposition that we offer to our travelers. Technology and AI are increasingly important as well in strengthening that proposition.

Across the industry, the opportunity is moving beyond travel discovery to improving conversions, automating routine service interactions and increasing operating productivity. These are all things that Sid will discuss further in detail in the second half of the discussion. For Yatra, our investment priorities are guided by the practical outcomes, making travel easier for users, improving visibility and control for enterprise customers and building a more scalable operating model.

We see AI as an opportunity to strengthen these outcomes over time, not simply as an additional interface, but as a tool to improve service quality and the economics of service delivery. As we look ahead, we will balance investment in these capabilities with discipline and execution.

Our priorities remain clear: strengthen our core business, deepen enterprise relationships, increase cross-sell, broaden our SME and mid-market reach, and continue improving the customer experience. The external environment may influence the pace and mix of growth in the near-term.

Our responsibility, however, is to build a business that can respond to these changes while continuing to strengthen its long-term competitive position. After 2 decades of building Yatra, our conviction in India's travel opportunity remains strong. Our focus is on translating that opportunity into sustainable growth and long-term value for our shareholders.

Thank you for your continued trust and support. I will now hand you over to Siddhartha to take you through our operating and financial performance in greater detail. Siddhartha?

Siddhartha Gupta: Thank you so much, Dhruv, and good morning, everyone. Building on Dhruv's comments, I would like to spend some time discussing our performance during the quarter, the factors that have influenced our results and the progress we are making across the strategic initiatives we discussed in our last earnings call.

Let me begin with the broader operating environment. The travel industry continues to navigate a challenging period with several of the macroeconomic and geopolitical headwinds we discussed last quarter persisting into Q2. The domestic aviation industry, in particular, has witnessed a significant contraction in passenger volumes.

Domestic air passenger traffic declined approximately 6% year-on-year and nearly 15% sequentially. International passenger traffic for Indian carriers also declined approximately 19% year-on-year. Elevated fuel costs and continued pressure on airline profitability has led to capacity rationalization and higher airfares.

Domestic air ticket prices increased approximately 26% year-on-year, while international fares increased around 20%. The combination of higher fares, constrained capacity and continued uncertainty around international travel has weighed on passenger demand. These conditions have also had a disproportionate impact on corporate group travel and MICE, where elevated travel and accommodation costs have influenced corporate budgets, destination choices, and the timing of the programs.

Against this backdrop, let's look at our performance in the context of the broader market. Despite these industry-wide challenges, Yatra continued to deliver growth in gross booking and transactions. Our gross bookings increased approximately 6% year-on-year to INR21,655 million. Our passenger -- air passenger volumes declined approximately 2.4% year-on-year, outperforming the broader domestic aviation market, which declined 6%.

More importantly, on a sequential basis, our domestic air passenger volumes increased approximately 4% against an industry decline of nearly 15%. Even as the overall aviation market has contracted, we have continued to strengthen our competitive position and gain market share. Revenue from operations for the quarter stood at INR2,136 million, with the year-on-year comparison primarily reflecting lower MICE business volumes.

Our gross margin, defined as revenue less service costs, remained broadly stable year-on-year at INR1,255 million. I believe this reflects the underlying strength of our core air and hotel businesses, where continued growth and improved monetization has substantially offset the impact of lower MICE volumes.

Adjusted EBITDA for the quarter stood at INR150 million compared with INR255 million in the corresponding quarter last year. On a sequential basis, however, adjusted EBITDA remained broadly stable at INR150 million. Let me now spend a moment highlighting some of the underlying trends that have influenced our performance during the quarter.

What is particularly encouraging is the continued strength of our core business, even against a very challenging industry backdrop. Our air business continued to outperform the broader aviation market with gross bookings growing approximately 15% year-on-year. Importantly, air margins also expanded from approximately 3.95% to 4.45%, supported by stronger supplier commercials and improved revenue realization.

This growth was aided by increase in business from our affiliate partners which came in at a positive contribution margin, optically though increasing our other expenses given the accounting treatment of our affiliate commission. Our corporate travel business remains an important growth driver with gross booking increasing approximately 18% year-on-year, supported by greater business from existing customers and the continued addition of new corporate accounts.

Similarly, stand-alone hotels delivered approximately 20% year-on-year growth in gross bookings, reflecting the progress we are making in strengthening our hotel supply and distribution capabilities. Together, these businesses have helped sustain our consolidated gross margin, which remained broadly stable year-on-year at INR1,255 million despite the impact of lower MICE volumes.

We believe this reflects the resilience of our underlying business and benefits of improving monetization across our core segments. At the same time, we have continued to invest ahead of anticipated market opportunities, strengthening our technology infrastructure through GCP, expanding internationally through Kanoo and scaling growth initiatives such as RECAP and Travel Pro.

These investments are at different stage of maturity with their full revenue potential yet to be realized. During the quarter, we incurred approximately INR52 million in costs associated with these initiatives, reflecting our continued commitment to building for future growth. As these initiatives gain scale, we expect their growing contribution alongside continued operating efficiencies to strengthen our operating leverage.

Air business continued to demonstrate resilience during the quarter despite a challenging operating environment for the broader aviation industry. As I mentioned earlier, gross booking increased approximately 15% year-on-year. Importantly, our passenger volume continued to outperform the broader market, reflecting our ability to capture a greater share of travel demand.

We believe this outperformance is being driven by the strength of our distribution network, deeper engagement with existing partners and customers, and continued improvement in our supply capabilities. Alongside this growth, we have continued to improve monetization.

Overall, air margins expanded from approximately 3.95% to 4.4%, supported by strong supplier commercials, improved revenue realization and continued focus on optimizing our business mix. I think this is an important reflection of how our air business is evolving. Our focus remains on building a scalable and sustainable air business, supported by stronger customer relationships, competitive supply and disciplined capital deployment.

Hotel and Packages, I would like to discuss stand-alone hotels and MICE separately given the different operating trends we are seeing in these businesses. Our stand-alone business continued to demonstrate healthy growth during the quarter with gross booking increasing approximately 20% year-on-year.

This performance reflects the growing strength of our hotel offerings, supported by deeper customer engagement, improved distribution and our continued focus on expanding the breadth and quality of our hotel inventory. We also continue to strengthen our supply relationships and improve competitiveness of our hotel offering.

We believe these efforts will help drive greater customer adoption, increase hotel attachment across our platforms and improve monetization over time. Importantly, stand-alone hotels continue to demonstrate growth independent of the challenge we are witnessing in MICE.

We are confident about the opportunity in this business and believe that we expand our supply capabilities, as we expand supply capability stand-alone hotels can become an increasingly important contributor to our overall growth and revenue diversification.

Coming now to MICE. This business has faced a challenging operating environment, particularly as corporates have adjusted their group travel plans in response to higher travel costs and continued geopolitical uncertainty. During the quarter, we witnessed a shift from larger international programs towards smaller, more manageable groups as corporates sought greater flexibility around travel budgets, destination choices and potential disruptions.

This change in business mix has impacted both volumes and margins with smaller programs typically attracting greater competitive pressure. The year-on-year comparison also reflects an unusually strong quarter 2 FY26 when we executed very large international corporate programs. Against this backdrop, MICE gross booking declined approximately 63% year-on-year.

However, what is encouraging is the sequential improvement we are beginning to witness. Our MICE business grew approximately 37% quarter-on-quarter, and we entered quarter 3 with a stronger order book. While margins remain under pressure, the improvement in business volumes and forward bookings provide early indication of a gradual recovery. We continue to believe that the underlying demand for corporate groups' group travel remains intact.

Our focus is on rebuilding volumes, maintaining discipline around program profitability and positioning ourselves to benefit as larger corporate programs return. We believe MICE can provide an additional layer of growth and profitability as the operating environment normalizes.

Let me now turn to corporate travel business. Corporate travel remains one of Yatra's most important strategic growth pillars, and we continue to see encouraging progress both in our existing customer relationships and in new customer acquisition. During quarter 2, corporate gross bookings increased approximately 18% year-on-year.

What is particularly encouraging is the broad-based nature of the growth. Approximately 54% of our existing customers expanded their business with us, while 177 new corporate customers have gone live during the year. I think these are important indicators of the strength of our corporate franchise. Our growth is not simply coming from adding new customers.

We are also seeing existing customers increase their business with us as we deepen relationships and expand the range of services available through our platform. This combination of new customer acquisition and increasing wallet share from existing customers continues to be an important driver of our corporate travel business.

In our last earnings call, I also spoke about the investments we are making to expand our addressable market through Travel Pro and RECAP. Both initiatives continue to make encouraging progress. Travel Pro, our offering focused on the mid-market and SME segment, continues to build momentum.

We secured more than 30 customer closures in quarter 2, representing an estimate annual business potential of approximately INR825 million. The mid-market and SME segment represents a significant opportunity for us. Historically, much of our corporate business has been concentrated around large enterprises.

Through Travel Pro, we are building a differentiated go-to-market approach that allows us to serve a much broader segment of corporate customers, supported by our existing technology and supply and service infrastructure. What is encouraging is that we are able to leverage capabilities that we have already built for our enterprise customers to address a significantly larger market opportunity.

While still at early stage, the customer response gives us confidence in the potential of this initiative. Our expense management offering, RECAP, has also continued to gain traction. We now have 25 customer wins with 8 customers already live and another 5 approaching implementation. We continue to invest in strengthening the product and technology capabilities behind RECAP.

We believe that expanding our proposition beyond travel booking into broader travel and expense management ecosystem can deepen our relationships with enterprise customers and create additional opportunities for growth. Importantly, Travel Pro and RECAP represent 2 complementary opportunities. Travel Pro allows us to expand our reach into new customer segments, while RECAP enables us to broaden our engagement with customers beyond travel booking.

Together, these initiatives are helping us expand our addressable market while leveraging the technology, supply and operating infrastructure we have built over the years. Another initiative we discussed last quarter was extending our corporate travel capabilities beyond India through our partnership with Kanoo Travel.

During the quarter, we continued to strengthen the technology, service infrastructure, and operating capabilities supporting this partnership. While still at early stage, the partnership has begun generating revenue and is already making positive contribution at the operating level. We believe this provides an opportunity to leverage our existing capabilities across new geographies alongside an established regional partner as we continue to build a scalable operating model for the long term.

On -- we continue to strengthen our hotel supply capability through deeper relationship with hotel chains, expanding our inventory with special attention to Tier 2 and Tier 3 cities and improving technology integration with aggregation platforms. Our focus is on offering a broader range of hotels at competitive prices, improving customer experience and increasing hotel attachment across our corporate and consumer business.

With a significant base of existing Air customers, we see an opportunity to capture a greater share of their accommodation spending. The continued growth in stand-alone hotel reinforces our confidence in this opportunity. The final area I would like to touch upon is technology and operational efficiency.

As discussed in our last earnings call, we believe AI and automation can fundamentally improve the economics of managed travel. Our focus is on automating routine workflows, improving service quality and enabling higher transaction volumes more efficiently.

We are making progress across several initiatives, including AI-led voice quality monitoring and automation of corporate servicing workflows. We are also seeing increasing customer adoption. Chats handled by our AI assistants grew approximately 25% sequentially, while cancellations processed through chat increased by 67%.

Beyond customer-facing applications, technology and automations are helping us improve efficiencies of our underlying operation. This is reflected in an approximate 5% improvement in our operating headcount efficiencies year-on-year, even as transaction volumes in our corporate -- core corporate business continues to grow and additional teams being built for future growth initiatives.

As the business scales, we believe these efficiencies will increasingly translate into stronger operating leverage. Looking ahead, we remain constructive about our growth opportunities despite the uncertainty in the broader operating environment. Our air business continues to outperform the market.

Stand-alone hotels are gaining traction and corporate travel remains a key growth driver, supported by deeper customer engagement and our expansion into the mid-market and SME segment. Importantly, the investments we discussed last quarter, including Travel Pro, RECAP and our international expansion are beginning to translate into tangible commercial progress.

Alongside this, our continued focus on AI automation and operating efficiencies is helping us build a more scalable business. We also see signs of recovery in MICE, supported by sequential improvement and a stronger order book. We view this recovery as an additional opportunity rather than something our broader growth strategy depends on.

I want to reiterate something I mentioned in our last earnings call, periods of disruption have often been when Yatra has done some of its most important building. This time is no different. Our priorities remain clear: deepen our corporate franchise, strengthen distribution and hotel supply, expand into new markets and build a more efficient and scalable platform. Thank you, everyone.

And I now request our CFO, Anuj Sethi, to brief you on the financial performance for the quarter under review.

Anuj Sethi: Thank you, Siddhartha. Good morning, everyone. For the second quarter of financial year 2027, on a consolidated basis, our revenue from operations decreased 39% year-on-year to INR2,136 million.

Our gross margin, defined as revenue less service cost, remained flat year-on-year at INR1,255 million. Adjusted EBITDA decreased 41% year-on-year to INR150 million, translating to 11.96% adjusted EBITDA to gross margin ratio. As a result, the company reported a net loss of INR7 million.

Moving on to our financial performance for the first half of FY27. Revenue from operations declined by 28% year-on-year to INR4,015 million. However, our gross margin, defined as revenue less service cost, remained resilient and increased by 3% to INR2,482 million.

Adjusted EBITDA stood at INR301 million, down 40% year-on-year, translating into an adjusted EBITDA to gross margin ratio of 12.12%. Consequently, the company reported a net loss of INR4 million for the first half.

Now coming to the segmental performance for the period under review. During the quarter 2 FY27, our Air Ticketing business witnessed a 2% year-on-year decline in passenger volumes to 1,298,000. Our gross Air bookings grew 15% year-on-year to INR17,006 million, while Air gross margin increased by 29% year-on-year to INR757 million.

Our gross Air margin as a percentage of gross bookings also improved to 4.45% compared with 3.95% in the corresponding quarter last year, reflecting improved monetization. In the Hotels and Packages segment, the hotel room nights declined by 3% year-on-year to 490,000. Gross bookings decreased by 21% to INR4,054 million, while gross margin declined by 34% to INR299 million.

Consequently, the gross margin as a percentage of gross bookings moderated to 7.37% compared to 8.86% in the corresponding quarter last year. During the first half year of the financial year 2027, our Air Ticketing business grew marginally by 1% year-on-year to passenger volume of 2,561,000.

However, gross Air booking grew by 16% year-on-year to INR33,585 million, while gross Air margin increased by 18% year-on-year to INR1,455 million. Our Air gross margin improved to 4.33% from 4.26%.

In the Hotels and Packages segment, the hotel room nights increased by 12% year-on-year to INR1,038,000. Gross bookings decreased by 8% year-on-year to INR7,930 million, while gross margin declined by 11% year-on-year to INR684 million. Consequently, gross margin moderated to 8.63% compared to 8.93% in the corresponding half last year.

On the liquidity front, cash and cash equivalents and term deposits stood at INR2,180 million as of 30th September 2026. The net cash position improved by INR331 million quarter-on-quarter by further strengthening the streamlining of the collections process.

With this, I would like to hand it back to moderator and open up for question-and-answer session. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Nitin Padmanabhan from Investec.

Nitin Padmanabhan: I had a couple actually. The first is, if you could give some context on the underlying dynamics for the revenue less service cost for the quarter. It appears MICE is maybe better sequentially, as you explained. And Kanoo also would have seen some revenue accretion. Still, the overall sequential growth is sort of just marginal.

So just wanted to sort of broadly understand the puts and takes there as to why it is just 2% higher despite such a sharp improvement in MICE and Kanoo accretion. That was the first one. I have 2 others as well, if I may, but I'll start with this.

Dhruv Shringi: Sure, Nitin. Thank you for your question. Nitin, one of the primary reasons behind this is that, in MICE, we've tried to rebuild relationships with customers. And given that customers' budgets are limited to be able to drive volume, we've had to be a bit more flexible on pricing. So that's the reason why at least for the short term, in the current quarter, you saw volume go up, but margin didn't really improve at the same rate.

So that's the reason for it. And there is maybe a midterm kind of rationale to this, which is that we want to start reengaging with customers and get them into the habit of getting the MICE business back off the ground. And as prices then rationalize, the margins will automatically improve, right? So this is more of a strategic call that we took at this point of time to start at least building the volume back into the business and be a bit more aggressive on the pricing.

Siddhartha Gupta: To add to that, Nitin, on Kanoo, this is the first quarter where we have just started the execution of managing only about 30% of the overall corporate business that the Kanoo does in that region. So this is -- what you're seeing is just about 1.5 months of execution of that. And hence, going forward, in the subsequent quarters, you would see better margins and better top line coming through Kanoo than this quarter being a measure of that.

Nitin Padmanabhan: Got it. The second was, if I compare on a year-on-year basis, where the revenue less service cost is almost similar, our other expenses are up by like maybe INR15-odd crores. So I was just wondering, you did mention that commissions are up there but how much of that would really be explained by commissions on a year-on-year basis?

And because obviously, the profitability is maybe halved almost. So just broadly, how should we think about that number? And going forward, how should we think about it?

Siddhartha Gupta: So Nitin, as I mentioned in my speech, last year, we are coming off a very, very large MICE quarter last year, Q2. And we were aware that the larger macro impact on MICE is going to happen on the top line as well as bottom line. Our idea was to ensure that we minimize the impact on revenue less service cost.

Hence, we work very closely ensuring that our Air business expands, our hotel business stand-alone expands. For that, we opened all channels and affiliate was one channel that we especially focused on because a lot of demand can be brought in if we run that business efficiently.

So this quarter, we've done very well with our affiliate partners, and that has resulted in an equivalent impact on the commission cost that has gone up. From an accounting standpoint, that commission increase obviously gets accounted as other expenses. But we've ensured that our Air margins, which are dependent on the larger volumes that we do with the airlines, that goodness has come to us.

So we've kind of tried to make sure that the contribution remains positive overall in our business while we do more affiliate business and ensure we protect the RLSC. So that was the larger logic with the execution in quarter 2.

Dhruv Shringi: This would not be, Nitin, a permanent fixture where you would see other costs being -- other expenses being at these elevated levels. As Sid mentioned, this is more of a short-term dynamic that we are using at this point of time to make sure that we don't be in a situation where we don't hit the top slabs of the airline commission, etcetera, right? So this is more of a short-term measure, which is there. As other businesses begin to recover, you'll start seeing this taper down to an extent where you'll see greater operating leverage on this cost.

Nitin Padmanabhan: Yes. So what I was trying to understand is on a year-on-year basis, the INR15 crores increase is, I'm assuming that will have a component of these affiliate commissions plus tech costs, which would have increased. So between both of them, will the tech cost sort of plateau and -- or how much of this is led by each of those was broadly what I was trying to understand.

Dhruv Shringi: Yes. So there is a INR13 crores increase in this cost. I mean every crore matters, Nitin, so it's not INR15 crores. But having said that, of the INR13 crores, a larger part of it is coming from the affiliate cost, which is there, right? So that's going to be the largest contributor to this line item of total cost, which is there. So we should see some tapering out of it, at least to the extent of INR3 crores to INR4 crores in the coming quarters.

Nitin Padmanabhan: Perfect. And just one last one, if I may.

Dhruv Shringi: Yes. So level should be similar to where we were in the first quarter. So that INR47 crores, INR48 crores kind of a number represents a more normalized level from an other expenses perspective.

Nitin Padmanabhan: Got it. Just one last one, if I may. Our debt has sort of increased quite meaningfully over the last 3 quarters. And how are we sort of looking at this? And how should we think about this on a going-forward basis? Because I presume if the market is tight for another 3, 6 months, if that is how we should think about it, then would you need to sort of shave off cost is the broader question?

Dhruv Shringi: So on the debt side, there are a couple of things, Nitin, to take into account, which are driving this. One, the MICE business typically also generates a certain amount of float for us, as you're aware, right? There is an advance that we get from customers. So there is a certain benefit of the float that accrues to us. Given the lower MICE levels right now, that float is much lower than where it's historically been.

So that's one factor which is temporarily impacting the debt. The second, which is something a little bit more in our control, there are IPO proceeds, which are still lying unutilized, which we've started utilizing in the recent -- in the current quarter. So that will also have a positive effect to the extent that it will bring down the debt because some of the debt will end up getting repaid from the cash that gets freed from the IPO proceeds.

So we will see improvement in the current quarter, not to the full extent, but we will see material improvement in the debt in the current quarter and the full benefit of it you will see in the fourth quarter.

Moderator: The next question is from the line of Sonal from Prescient Capital.

Sonal: Hi. This is Sonal Minhas. I had a question which is linked to the previous participant. So, I'm on Slide 15 and the delta in operating expenses between Q2 this year versus Q2 last year is to the tune of INR10 crores -- thereabout, yes, INR10 crores. So can we assume this is largely because commissions that you paid out to affiliates?

Dhruv Shringi: Yes, a large part of that pertains to that element.

Sonal: Okay. So while reporting the numbers, because -- I think there are now 2, 3 listed peers in your account -- in your peer set. A lot of them actually adjust variable costs from their gross commissions, which is your gross margins, to come to gross margins which are comparable to, let's say, your peers because for somebody who is an analyst, basically trying to benchmark everyone.

Can there be a process which basically includes these costs in the variable costs going ahead in the future? I also see the fact that there are some other variable costs which are reported annually, which are also in other expenses which we need to factor in basically while computing the net margins. So all variable costs basically, can they be included while computing gross margins for the future?

Dhruv Shringi: Sure, sir. your request, we'll try and see if in the investor presentations, we can start including a walk because otherwise, changing in the financials will mean changing last year numbers as well and running it past the auditors. But a simpler solution might be to just have a walk in the investor presentation that provides a bridge to this.

Sonal: Yes, the walk does the job, thank you, sir. The walk does the job. Also the fact that from a guidance perspective, now -- this is the second question I'm asking. So from a guidance perspective, do we expect that the adjusted EBITDA margins are expected to be there in the 12%, 13% range thereabouts as against what we used to see in the last financial year?

Siddhartha Gupta: So Sonal, we have maintained that we are not giving a guidance given that the macro fluctuations are still persisting. But we had opined in the last earnings call as well that from a medium-term standpoint, we believe the growth would remain in the range in which we started off with last year, which is a gross booking of 15% resulting in RLSC growth and an EBITDA growth. So the guidance that we had given a year before, that is applicable for the medium-term standpoint. But this year, we are not holding any -- giving any guidance out.

Dhruv Shringi: Sonal, on the EBITDA margins, the EBITDA margins currently are hovering around the 10% kind of mark and lower than where we were last year. But the nature of our business is such that there is obviously a fair bit of operating leverage in our business. We are carrying the cost, as an example, of things like MICE, etcetera, where business is today quite muted, right? So the incremental revenue from there flows through straight to the bottom line. So margins should recover quite significantly and exponentially as the business comes back, right?

The cost structure should not change that much. And I think once we put out that walk, which was a good suggestion from you, that will help elaborate on what is the degree of operating leverage in the business. We are not giving a formal guidance on margins at the moment, but just mathematically, the margins should improve given the operating leverage in the business as the volume comes back.

Sonal: Got it. That will be helpful. Looking forward to seeing that in the future. Although if you and the team can just elaborate, give a ballpark on how much of business was coming from Middle East on a percentage basis last year, same time compared to now? How much has it shrunk by that ballpark that you pictured?

Siddhartha Gupta: So I think if you're referring to the partnership that we have signed with Kanoo?

Dhruv Shringi: No, no, just overall Middle East business.

Sonal: Overall business from the Middle East.

Siddhartha Gupta: Okay. So our Middle East business overall is not a very sizable percentage of our business. I think it's around 35% to 40% of our international travel. And that business obviously got impacted quite significantly in Q4 and has been on the recovery path in Q1. We would still see it muted by about 15% to 20% because the business has still not flown back.

But then again, in the larger scheme of things, our business is not that dependent on Middle East only as a region. We have seen that the international travel, especially the corporate, which used to flow through the Middle East region earlier, has found alternate paths and direct flights from India to the Europe and U.S. have also increased their market share.

Dhruv Shringi: I think one thing to also just add to that is, see, Middle East is a key region for things like MICE. Dubai, Abu Dhabi offer great destinations, which have large capacity for group events. So to give you an example, one of our Big 4, right, consulting firms would have taken 2,000 of its partners and spouses to Dubai last year for a large event.

Now there aren't too many other destinations in the region, which would have those kind of convention capacities which are available, right? So Middle East is a very important market for MICE, and that's why we are facing the bulk of the disruption right now.

When it comes to forward traffic, as Siddhartha rightly pointed out, forward traffic has found a way of moving beyond the Middle East on to Continental Europe and beyond now for North America-bound travel. Though price points over there are still significantly higher. And given those higher price points, you've seen volume decline.

Sonal: Got it. So...

Siddhartha Gupta: So the impact of, just to summarize that, the impact of Middle East is more accentuated at the moment for things like MICE and short-haul holidays.

Moderator: The next question is from the line of Chirag from Motilal Oswal.

Chirag: Dhruv, a couple of questions I have. So directionally, what trends you are experiencing between October to mid-November so far? And how do you look like H2 going to be compared to H1 and last year H2? That is question number one.

Second, in terms of investments and other expenses have gone up, what one can expect in H2? And how operating leverage is expected to play out once the business normalize and geopolitics stabilize and macros also and travel demand come back the way it was in a normal circumstance?

Siddhartha Gupta: So Chirag, this is Siddhartha here. So from a H2 standpoint and from the trends that we are seeing from October and whatever of November that we have seen, broadly, as I mentioned in my speech, that the order book that we are seeing and the execution that we're seeing in the MICE part of our business, which had the maximum impact in Q2, that seems to be improving from quarter 2.

So that's one trend that we are seeing. Beyond that, from a -- from an air and hotel standpoint, we are seeing that as per our plans that we had, we are trending pretty close to the expectation that we have, that is a slight improvement from quarter 2 to quarter 3 and then further subsequently Q4, a far better performance. So from a H1 to H2 standpoint, we see business improving.

From last year's H2 to this year H2, we believe that there is a positive trend to air, hotel as well as MICE. And we expect that the H2, we will see some significant improvement than where H1 has finally landed for us.

Dhruv Shringi: On the operating leverage, approximately 60% of our cost is fixed in nature, right, which is basically salary costs, infrastructure costs, data center costs. While data center varies in a step function, at least given where we are, it still has a lot of headroom at the current base to take on incremental capacity, right?

So we've got a fair bit of operating leverage on that, Chirag, as we move forward. So effectively, you will see that as the business recovers for every, let's say, extra rupee of income that we generate, INR0.60 should flow through to the bottom line as profitability, assuming the same business mix, right?

So based on the current business mix, that's the kind of trend that you can expect going forward because the variable costs are largely payment gateway and a certain amount of affiliate commission, which is there. The rest of our cost, which is largely employee costs and infrastructure costs, representing 60% of our total cost base is fixed in nature.

Chirag: Okay. Also the international tour and packages demand, what trend -- is it improving trajectory or still the demand for smaller packages.

Siddhartha Gupta: So Chirag, as I mentioned, we already have seen the sequential improvement in MICE. In Q1, when the -- out of the total volume, if it was leaning more towards smaller domestic groups, it is now again trending back towards international group travel also picking up as part of the overall business mix. So as I mentioned, from a top line standpoint, we have already seen about 37% improvement quarter-on-quarter.

As Dhruv mentioned earlier, in this quarter, strategically, we decided that we have to be more aggressive to ensure that there is existing relationships are honored, and we are able to show momentum with our customers as well. So we might have picked up some business which was not at the same level of gross margin as last year.

But what it has done is it has actually ensured that we pick momentum with some of our largest MICE customers. And that's actually now translating into a much better order book in quarter 3. And also subsequently, our teams have worked out better cost structures to improve our margins back to the levels at which we were last year.

So I think broadly, if you ask us, the trend is that the international group travel is also coming back on track now and the margins are also on their way to become healthier than what we have seen in the last 6 months.

Chirag: Okay. And just one final question. In terms of growth and GTV for full year and H2, should we expect like in terms of revenue, the revenue less service cost would be in low to mid-teens kind of for the full year and margin could be like in similar low to mid-teens kind of?

Siddhartha Gupta: Yes. So, Chirag, I think that's -- though we are not giving a formal guidance for the year, but that's the expectation that we have from RLSC as well as from a margin standpoint.

Moderator: The next question is from the line of Akshit Shetty from Family Office.

Akshit Shetty: My first question is related to receivable and the cost of corporate growth. I see on the third quarter of FY26 call, the company said that the corporate customer pay in about 28 days. But the receivable at the end of second quarter of '27 that INR610 crores, up 15.6% over the second quarter of FY26. While the first half of the FY27, gross booking grew only 11%. So by our estimate that is comes around 37 to 39 days of B2B bookings.

So could you split the INR600 crores between the corporate, airline and MICE dues and the share over the 90 days old? And after the INR306 crores of factoring and INR8.3 crores of doubtful debt provision in the first half of FY27, what does the rupee of corporate booking earn?

Dhruv Shringi: Sure. So if you look at the overall trade receivable position, right, the trade receivable position, if I just compare that in the 6-month period, right? So comparing it versus March of 2026 versus September of 2026. In March, the trade receivable was about INR535 crores, which has now increased to INR610 crores.

This increase is largely coming from increase in business and a certain amount which is coming on account of increase in the airline receivables, which are there because as you continue to do business with the airlines, the amount continues to increase. And some of this has come in, in the month of October.

So we'll see some improvement in this happening and that's only on the airline part. But the rest of the piece, which is there is largely coming in from increase in the corporate business. The corporate business, as Siddhartha mentioned in terms of gross bookings is growing at high teens. So that is what is leading to the increase in receivables.

You will appreciate that when it comes to the receivables, the receivables tend to be for the entire amount of the ticket and not just the commission income, which gets recorded in our RLSC. So the delta that you see out here is for the increase in business only and there is no material change in the DSO, the days sales outstanding when it comes to the corporate business.

Akshit Shetty: Okay. Okay. My second question is related to air margin quality. Actually that would be second quarter of FY27 Air gross margin growth 29% over the second quarter of FY26, while the passenger fell 2% and the Air take rate rose from 6.5% in first quarter of FY27 to 7.2% in the second quarter of FY27, so approximately out of FY26 Air gross take of INR437 crores split between airline, commission and PLB incentives and customer fees and how much of the second quarter of FY27 was catch up of first quarter of FY27 incentives and as airline push direct sales, how much of the air margin is protected by customer contracts rather than airline incentives?

Siddhartha Gupta: So I think the metric that you should focus on is the gross margin on the air business that we've been able to realize. If you see in a very tough operating environment from quarter-on-quarter, we have moved from 4.2% to 4.4% in gross margins in the air business. Also, if you compare it

year-on-year from the same quarter last year, we were at about 3.9%, and we have improved that to 4.4%.

So actually, gross margin is a better metric to look at the quality of air business that Yatra has been able to do over the year and quarter because take rates then also have a component of discount that gets discounted after that and which is what sometimes gives a different picture that the quality of business that we have done is not good.

Actually, out of in the entire industry, from an air margin standpoint, Yatra has been very, very prudent in ensuring that the growth that we have mentioned about 15% year-on-year in the gross booking in air has come in at a -- with a very high quality of margin also built into it.

Moderator: The next question is from the line of Rahul Sharma from UHNI 0:54:09.

Rahul Sharma: So my only question is that in the stand-alone profit and loss, we see there is a jump in profit. But when it comes to consolidated, there turns out to be a loss in the subsidiaries. So which subsidiary caused the most loss, is my question?

Dhruv Shringi: This is largely from the Globe business, which is more focused on MICE, given that the impact is more accentuated on the MICE business, the subsidiary that's focused on MICE is the one where the impact has come down to the bottom line.

Moderator: The next question is from the line of Moksh Ranka from Aurum Edge.

Moksh Ranka: I wanted to ask regarding the update on the U.S. Holdco, which you guys are planning to engage. Should we expect it by this financial year or maybe it could happen in next financial year?

Siddhartha Gupta: So Moksh, we have been working on it, and I know that it has been some time that we've been giving this update to the market. It is actually because the entire process has multiple jurisdictions, and we have to follow compliances in multiple regions like Cyprus, U.S., Singapore as well as Cayman while also meeting all our compliance requirements in India with SEBI.

So the process has taken long, but we are working on it. We had created funds to pay for this counsel cost as well as early as in Q1. So we cannot still guide you that we'll be able to complete everything in this financial year but we need to -- message it to you and to everyone that we are working honestly towards getting this to a close.

Moksh Ranka: My second question is on the corporate card. There were some cost issues were there. So any update regarding that? Is it something which could really help us in the future in reducing our receivables?

Dhruv Shringi: Yes. So the corporate card discussions obviously have been going on with the banks. But given the current macro environment, it is going a bit slower than what we had expected when it comes to the partnerships with the banks for corporate credit cards. It will take a little bit more time.

I think the macro from a lending standpoint or a credit risk point of view has to improve a little bit for the banks to come out with the products that we need at the cost point that we need. So

the issue is not so much around the product itself, the issue is the cost at which we need the banks to do this with us.

Moderator: The next question is from the line of Harish Singh from Shubh Labh Research Private Limited.

Prateek: Prateek this side from Shubh Labh Research. Dhruv, my first question is experientially, if you can tell us this industry had a lot of smaller players also, one-room office, etcetera, doing business probably with reasonably sized organizations. So in your experience, how has been they faring these difficult times? Are you seeing people exiting this business or they are yet surviving anyhow?

Dhruv Shringi: Prateek, I think what we are hearing in the market, and we have -- I've also seen 1 or 2 examples of it, given that the corporate business from the working capital deployment that needs to be put into it is increasing, right? So the same ticket, which was costing, let's say, INR2 lakhs last year is now costing INR3.5 lakhs.

So as an average small mom-and-pop travel agent, the working capital that we are having to deploy to do the same amount of business is going up exponentially. And that is leading to some of these players beginning to be squeezed out of the market. So we are seeing that happening.

And the other reason why there is also a squeeze out that's happening is that even mid-tier customers now are looking for technology solutions, which can combine things like booking and expense management. So that's a trend, again, which is a very secular trend that we are seeing. So my sense is that the squeeze out will happen at a faster pace right now because of this working capital challenge that a lot of agents are facing.

From a year-on-year growth standpoint, the B2B affiliate partners that we have, we have seen growth, but that growth also is coming from more mature and financially more secure partners. I think that's something that's also worth noting. So yes, the market is responding, but I think it's consolidating into larger players who have deeper pockets and more mature technology and more talent.

Prateek: Got it. Understood. Just one follow-up on this is, despite that we were booking businesses at a little lower margins this quarter was a little surprising to me. But I understand probably it will escalate your peer consolidation and it will squeeze them further, if I'm -- if that understanding is correct, Dhruv?

Dhruv Shringi: See, that's partially correct. And also if you think from a customer's point of view, we have to support our large corporate customers. The practical situation is that most corporate customers would have closed their budgets of MICE last year around Jan, Feb, right, which is before the prices really started escalating.

So now if a customer had budgeted INR150,000 for a trip to -- incentive trip to Europe for their 3,000 DSOs, right, they can't certainly do that at INR2.5 lakhs, right? So we are trying to find price points which make it viable for us also to do it and for them also to be able to do it by stretching their budgets to the extent that they can.

So that's the kind of conundrum that we find ourselves in right now. And the view we've taken is it's better to keep the business going with the customers rather than get into a situation where the customer defers it for an extended period of time.

Prateek: Got it. No, this makes a lot of sense, Dhruv. In fact, I'm sure we'll come out stronger out of this. Just one last question probably to Siddhartha is we -- you mentioned about Travel Pro, which probably will be focusing a lot more on smaller companies, smaller enterprises.

So Siddhartha, this business, in your opinion, is going to be as profitable as serving a large enterprise because I understand serving a smaller customer sometimes skews the cost structure to an extent where it makes less profitable even at a scale? So if you can throw some light there. I know the question has some assumptions, but if you can help me understand the cost of servicing a smaller customer.

Siddhartha Gupta: Yes. I want you to understand from a first principle standpoint that Yatra has done the heavy lifting from a perspective of investing in, creating a platform, creating a booking engine, workflow approval engine and all the nuances that a corporate customer needs. And this is the needs of some of the largest companies in the world.

So -- and we have run it for more than 5 years now, and the systems have matured beautifully. Our strategy of trying to increase our addressable market came from taking a slice of that offering and then offering it to medium enterprises as a first step and then small enterprises as a second step. So hence, what we've done is we've taken our investments and are now trying to increase our addressable market. So the operating leverage is going to come into play there.

Secondly, with very large customers, usually their corporate rates, both on the air and the hotel front are also very neatly defined, whereas the larger Yatra inventory and our discussions with our air supply partners to create a deal for the medium enterprise and small enterprises ensures that when we take an offering to the medium enterprise and small enterprise, we are able to get actually better profitability from our suppliers as well.

So I think to answer your question direct, operating leverage from a perspective of investments that have already gone in only at an incremental cost of adding a sales go-to-market, we are able to address a much larger addressable market, while improving our profitability. So these are still early years because it's only 3 quarters of Travel Pro executing but we are seeing very good results in terms of adding new nearly 30-plus, 35-plus new logos every quarter with a INR80 crores plus kind of an annual travel potential.

So we are seeing this business expand for us in the future. Good point is unlike very large implementation for a large customer, these implementations take a lot smaller time frame. So hence, monetization is faster as well. So that's the strategy overall.

Moderator: The next question is from the line of Jalaj Manocha from Prescient.

Jalaj Manocha: So just double-clicking on the affiliate business, which you talked about, would it be spread more across air ticketing or hotel packaging? Or how should we understand that?

Siddhartha Gupta: So it's more skewed towards air ticketing from a volume standpoint. And hotels, we are focused around a few key partners through whom we can drive our hotel business as well. It's a very, I think, economically viable channel when it comes to hotels.

So there is an avenue of growth over there that we are putting teams in place to scale that up. On the current business, it's more air focused rather than hotels. But hotels is a big growth opportunity that we are focused on.

Jalaj Manocha: So just putting the numbers there. So the gross margin for air ticketing happens this quarter to be INR757 million. Now you put in that the affiliate expense was around INR12 crores, INR13 crores. So if I were to adjust that, it comes to INR63 crores, INR64 crores again. So the gross margins again would start to look lower because the expense for affiliates discounts are right now sitting below the gross margin.

So how should I understand this? Because you were at one point in time mentioning that we have been able to get better deals in the Air Ticketing. But if I were to adjust this affiliate expenses, it comes back to similar or it would be lower?

Dhruv Shringi: See, there are 2 things to take into account. One, last year's numbers also will have a certain amount, which is there and then not the entire INR12 crores is coming on account of the affiliate part of it. Secondly, this number of incremental spend, which is there is a combination of both hotels and air. So not the entire air part.

If you were to strip that out, while I do acknowledge the point that you're making, if you were to strip that out also, you will still see year-over-year about 20-25 basis points of improvement on account of the better negotiation that's been happening.

Jalaj Manocha: Got it. Got it. And from a little longer perspective, we have been trying to understand the pace of the operating leverage playing out. So I do understand that the macro has not been supportive or the growth hasn't been there enough.

But I do understand that we have been adding more customers slowly and steadily every quarter, but that has not turned into a better growth per se and then even eventually an operating margin -- operating leverage playing out.

So should we be right now, is it understand that we are in a phase of those investments or getting on more customers and eventually when the macro improves, we should start to see an inflection point in the earnings and the top line and the earnings. How should we -- because we have been tracking the company for a little while, so we are also waiting for that inflection point. So you have some thoughts around that?

Siddhartha Gupta: No, absolutely. So if you look at our commentary, we spoke about the fact that corporate business has grown year-on-year at nearly 18%. And every quarter, we have been announcing the new logos. And this time, we also spoke about expansion of business year-on-year from 54% of our overall Elite customers as well as new 177 customers going live this year. Obviously, the larger macro is impacting.

You've heard us speak about the fact that volumes are -- domestic volumes are down, international volumes are drastically down as well. That's why the real impact of the operating leverage is not yet visible. But the investments, as Dhruv was talking about, the larger investments have already gone in.

And as soon as the macros turn, we would see that the operating leverage would literally play out. What it's already done for us is despite a drop that we saw and fairly significant drop in the MICE numbers, our RLSC is still holding.

That shows that our core business operating leverage has played in our advantage to ensure that we have offsetted a lot of impact that would have otherwise had on our RLSC. So you can expect that as the business improves, as the macro improves, larger operating leverage would be in play, and that's the strategy that we are playing on and relying on.

Jalaj Manocha: Got it. And then just last question. So while we onboard new customers, what sort of time does it take for them to -- given a larger wallet share of their spend in the travel to us? Just trying to understand the journey there. Could you talk about that?

Siddhartha Gupta: Yes. So as I was mentioning that the 2 different pillars of the go-to-market. One is the Elite customers, which tend to spend more than INR10 crores a year. Their usual implementation requirements are far more complex.

There would be a larger amount of diligence that would be required for us to connect through APIs with their systems, to connect with their back-end ERP systems, to configure all the workflows that are needed for them to deliver a travel management solution and in most cases, also an expense management solution along with it.

So an implementation in the Elite space usually takes about 1.5 to 2 months. Once they go live, we have seen it takes about 4 to 5 months for them to reach a stage where the -- they start trading at a revenue run rate, which is equivalent to or closer to their annual potential. In case of a medium enterprise and a small, medium enterprise, what we've worked very hard on is to ensure that we shrink the implementation time from 1 month, 1.5 months to less than 2 weeks.

There, we start off again at about 25% to 30% of the travel spend moving on us because there usually all small companies would have multiple relationships with other travel management companies as well. And we have to then work towards in the next 3 to 4 months to build and come closer to their annual potential. So that's the usual lag which plays out depending on the size of the customer.

Jalaj Manocha: Got it. That explains it. And just last point from the Elite customers. Typically, wherever we have implemented, so -- it's about the consults or consulting companies that we usually talk about. Are we the sole vendors who are -- once they move us -- once they get us enrolled, are we the sole vendors...

Moderator: I'm sorry to interrupt you, sir. If you have a follow-up question, please rejoin the queue.

Dhruv Shringi: Sorry, it's a simple question. I'll just answer that. So out of our top 100 customers, 62 are exclusive with us and 38 are shared accounts.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing remarks.

Dhruv Shringi: Thank you, moderator. And I'd like to thank all of you for joining our call today. We greatly appreciate the support that you've shown for Yatra over the years. We know that this is a tough macro, and we are still in the process of coming out of the macro environment, but we greatly appreciate the support and understanding from our shareholders. And if there are any follow-up questions, please feel free to reach out to Siddhartha, Anuj, or me. Thank you. Thank you, moderator.

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