

August 05, 2026

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Dalal Street,
Mumbai - 400 001, Maharashtra, India
Scrip Code: 544174

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051, Maharashtra, India
Symbol: TBOTEK

Sub: Transcript of the Investor Earnings Conference Call

Ref: - Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Dear Sir/ Ma'am,

In furtherance to our intimation dated July 22, 2026, and pursuant to Regulation 30 of the Listing Regulations, please find enclosed the transcript of the Earnings Conference Call held on Thursday, July 30, 2026, on the financial results of the Company for the quarter ended on June 30, 2026.

This disclosure will also be available on the website of the Company at <https://www.tbo.com/engagement/investors/#StockExchangeSubmission>

This is for your information and records.

Thanking you,

Yours faithfully

For and on behalf of TBO Tek Limite

Neera Chandak
Company Secretary & Compliance Officer

Encl.: As above

TBO Tek Limited

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TBO Tek Limited
Q1 FY27 Earnings Conference Call
July 30, 2026

MANAGEMENT: MR. ANKUSH NIJHAWAN - CO-FOUNDER AND JOINT MD
MR. GAURAV BHATNAGAR - CO-FOUNDER AND JOINT MD
MR. AKSHAT VERMA – WHOLE TIME DIRECTOR AND CTO
MR. VIKAS JAIN - CHIEF FINANCIAL OFFICER
MR. PRAMENDRA TOMAR – GENERAL COUNSEL
MR. SHRESHTH MAHAJAN, ASSOCIATE DIRECTOR- INVESTOR RELATIONS

MODERATOR: MS. AASHVI SHAH – ADFACTORS PR: INVESTOR RELATIONS

Aashvi Shah: Good evening, everyone. This is Aashvi Shah from the Investor Relations team at Adfactors PR. On behalf of TBO Tek Limited, I would like to welcome you all to the Earnings Conference Call for Q1 FY27.

Today on the call, we have with us from the management, Mr. Ankush Nijhawan – Co-Founder and Joint Managing Director, Mr. Gaurav Bhatnagar – Co-Founder and Joint Managing Director, Mr. Vikas Jain – Chief Financial Officer, Mr. Akshat Varma – Whole-Time Director and Chief Technology Officer, Mr. Pramendra Tomar – General Counsel, Mr. Shreshth Mahajan – Associate Director: Investor Relations.

We will begin the call with brief opening remarks from the management followed by a Q&A session. Please note that certain statements made during this call may be forward looking in nature. Such forward-looking statements are subject to risks and uncertainties that could cause the actual results or projections to differ materially from those statements. TBO Tek will hold no responsibility for any such actions taken based on such statements and undertakes no obligations to publicly update these forward-looking statements.

I will now hand over the call to Mr. Gaurav Bhatnagar for his opening remarks. Thank you and over to you, sir.

Gaurav Bhatnagar: Thank you, Aashvi, and good evening, everyone. Welcome to our Q1 FY27 Earnings Call. We uploaded our shareholder letter on our website yesterday and I hope all of you have had a chance to go through it.

Before we jump into Q&A, we wanted to highlight a few salient features from this quarter:

The first one, I think this was by far the toughest quarter for the company in the last two years. The increasing disturbances in the Middle East caused severe disruption in travel across the globe and the disruption expanded far beyond Middle East. Markets like India and Europe were also impacted because travel from East to West and West to East was disrupted because it is heavily reliant on the Middle East carriers. The airfares are

also very high. In spite of that, the company has delivered growth both on top line and bottom line and we are very proud of it.

It has started to show the fact that the diversity of source markets that we operate in is a big factor in building resilience in our business model. Given that no one country or no one region heavily dominates, our top line helps us cushion effects like the ones that happened in the last quarter.

A couple of other things that have helped us are that we were, as you all know, investing heavily into market development in Europe and that helped tremendously. Even in a very tough quarter, travel in Europe was generally impacted as well but we still delivered 24% YoY growth in Europe.

The other thing that is helping the business, especially looking forward, depending on how long this crisis lasts, is the increasing saliency of North America. With the acquisition of Classic Vacations, North America is starting to be almost a quarter of our hotel GTV, which is substantial and we believe we will be able to create growth plans over there and that saliency will help us because that corridor, the North America-Europe corridor, is far more resilient compared to other travel corridors at this point in time.

The final highlight purely on the numbers was that the Middle East, in spite of the massive crisis within the region, delivered flat numbers. It delivered 1% growth in constant currency which is very commendable and full marks to our team for delivering that. So, net-net, our view is that the expanded investments that we made in retrospect were very timely because that helped us cushion a potential degrowth that could have happened in this quarter given our heavy reliance on the Middle East market, but Europe came through and the acquisition of Classic was also very timely because it has given us an entry into a much more resilient corridor.

The second thing to highlight for this quarter is that operating leverage was quite visible. Our bottom-line EBITDA margins grew significantly

faster than our GP or revenue margins. You all know we have been promising operating leverage, and it started to feel a bit mythical because Europe, we have been promising for some time.

We were expecting to see it in Q4 but unfortunately the war broke out in that quarter. But we are happy with the fact that Q1, there is a clear demonstration of operating leverage and we expect, given that margins have expanded even on moderate top line growth given the war situation, our expectation is that as top line growth normalizes when things come back to normal, the bottom-line growth should accelerate further.

The final point we want to highlight is that you would have observed that we have shared numbers in constant currency as well. This was feedback from some of you in the last call as well and secondly, this specific quarter was very unusual, and you would see numbers both in INR and in constant currency. There was almost an 11% gap in our hotel GTV when we looked at in constant currency versus INR and which is leading to significantly higher growth numbers if you looked at INR standalone. In the interest of transparency, we have started reporting numbers in constant currency as well.

We should also highlight this was the first quarter when such a significant gap happened. For example, even last quarter when the rupee started to depreciate, there was only a 3% gap in hotel GTV in constant currency versus INR. So, we did not find it significant enough to report separately but given the steep depreciation that has happened on a YoY basis, we have started reporting numbers in constant currency as well.

With that, we will take a pause and open for questions.

Aashvi Shah:

Thank you, sir. We will now begin the Q&A session. I would request all participants to raise their virtual hands and introduce themselves and the firm they represent. The first question is from Mr. Karan Uppal. Karan, please unmute yourself and go ahead with your question.

Karan Uppal: Thanks for the Opportunity. Congrats team on very strong execution yet again in a very tough quarter. So, all-round performance on top line as well as bottom line. Congrats on that.

The first question is about the operating leverage. The EBITDA to GTV number in this quarter was at 1.3%, which was quite strong. The quarter got benefit from the classic seasonality and operating leverage in the organic business also. But going ahead do you believe that this on a consolidated basis EBITDA to GTV number at 1.3% is sustainable and hopefully grows from here as the revenue growth accelerates?

Gaurav Bhatnagar: Karan, I think EBITDA to enterprise GTV is going to be a tricky number to track especially at this point for a few reasons. First one is that, and as you know, there is a fair bit of difference between the take rate of our airline business vis-a-vis our hotel's business. As airline business starts to show its own growth, that saliency can move a little bit which can have an impact because the GTV volumes on airline are very high.

The second aspect is that given the crisis, you would have seen that the take rate in this quarter was slightly lower because of the fact that there is the regions were fighting for business in a tough environment and from a dollar value perspective, any growth would be accretive. But they will be selective places in such crisis situations where we do drop margin a little bit to win disproportionately more business. I think the right metric to continue to look at especially from an operating level perspective is GP to EBITDA conversion and that number should continue to improve.

Karan Uppal: Gaurav, you are indicating 26% EBITDA to GP. That number should continue to improve from here on. Is that what you are saying?

Gaurav Bhatnagar: That is correct.

Karan Uppal: Got It. Thanks for that. Secondly, in terms of Middle East, given the situation remains volatile, do you expect that to come back to growth anytime soon because last time you had mentioned that the cancellations

were lower and then search volumes were also increasing? How are things on the ground currently?

Gaurav Bhatnagar: Karan, the situation is extremely fluid, and the fact that the Middle East was flat is quite an achievement in all honesty given that is the eye of the crisis right now. It is also very hard at this point, we have given up on predicting what is going to happen because the situation literally changes every hour. You know the last 72 hours again some kind of escalation has happened and that is true just on the ground as well. There is a frequent change in behavior and mood on travel on the ground.

I would really not hazard a guess on what is going to happen in the Middle East and when it comes back to growth. We are just thinking of that as optionality now that should that growth come in, that helps us accelerate bottom line growth even faster, but given where the situation is, it is very hard to back on it.

Karan Uppal: We understand that. Ex of Middle East, Q2 is generally seasonally strong for TBO, but Classic, the positive seasonality will reverse in Q2? How should we think about the growth in rest of the markets like Europe, North America, and APAC from here on?

Gaurav Bhatnagar: Look, I think YoY growth should be somewhat irrespective of seasonality because we are comparing year-on-year and then especially outside of Middle East. Middle East has dependency on when Ramadan falls and when Eid falls, but other than that rest of the regions have similar seasonality same period every year more or less. So, the YoY growth would look probably similar.

You are right that from a QoQ perspective, this is a heavy season, heavy quarter for Classic. No doubt about it. So, obviously, from a QoQ perspective, that can have an impact, but beyond that outside of Middle East, we would expect nothing significant to change from a trajectory perspective assuming you know nothing adverse is happening in the world.

- Karan Uppal:** No, I was just thinking about, let's say, in this quarter, FIFA World Cup was there, next quarter European summer holidays would be there. So, are they impacting the overall growth trajectory for you?
- Gaurav Bhatnagar:** On a QoQ basis, Karan, historically, Q2 is bigger than Q1 and you would expect it to be same way and that is what we are really anchoring around that just like last quarter we said that let's aim for QoQ growth and YoY growth. We continue to aim for that. From that perspective, Q2 should be somewhat better than Q1 given that July, which is the heaviest travel month in the northern hemisphere, falls in Q2.
- Karan Uppal:** Got It. Thanks a lot for answering my questions and I will fall back into the queue.
- Aashvi Shah:** Thank you, Karan. We will now move to Mr. Swapnil. Sir, please unmute yourself and go ahead with your question.
- Swapnil:** Hi, everyone. Thanks for the opportunity and also thanks for taking the feedback and sharing the CC numbers this time around. So, my first question is about your growth numbers for the organic business. So, 15% YoY growth on a CC terms is great at a time when the Middle East is affected definitely.
- From your growth standpoint how do you model this from a go forward perspective assuming everything comes back to normal? How should we model this growth from a slightly medium-term perspective?
- Gaurav Bhatnagar:** Swapnil, I think if we were to just look at where we were from a growth profile perspective in Q3 of last year which was last full quarter which was in some sense of normalcy, we would absolutely expect to get back to that when things get normal. The “when is a big when” and we really don't have an answer for it. I guess nobody does, but our expectation is that when things can get back to normal, business comes back to similar growth profile on the way we were growing at that point in time.

Now whether this happens in this Q3 or Q4, very hard to say given what the situation is, but broadly, we don't expect a change in trajectory pre and post war at this point in time if anything, this is not a commitment at all, but if anything what we have seen is that post crisis, usually the players, the bigger players become bigger because of the fact that attrition usually happens in smaller and mid-sized players.

Swapnil: Will it be fair to say, Gaurav, that most of this growth will be driven by Europe and APAC which this quarter did fantastically well for you given that a lot of your investments last year would have gone in these two markets?

Gaurav Bhatnagar: Yes, Swapnil, that is fair to say. Europe and APAC are leading the growth charter right now. We are also expecting to see reasonable growth like-for-like basis in North America as well starting whenever October, November, December when it's a like-for-like comparison admittedly on a very large base in a very tough market, but we are looking for growth levers over there as well.

Swapnil: The second question is with respect to your organic margins, this quarter around you delivered 1.5% EBITDA margin on GTV. Let's just assume things normalize and you start reporting 20% plus growth at the GTV level and possibly higher at a GP level. These margins can expand to around 1.5% eventually. Is that the right way to look at it assuming your investment phase is behind and you don't need to meaningfully increase your SG&A cost here on?

Gaurav Bhatnagar: Swapnil, internally, like I was mentioning, we have come down to starting to look at our numbers from a GP to EBITDA conversion because now we have three different types of GTVs which are very, very varying GP profiles. We have the air GTV which you know is like a 1% kind of GP profile, but on the other hand there is Classic which is 11% GP profile and then there is our organic business which is in the middle.

For us it just becomes very hard to model by looking at GTV as blended GTV, but what we do know is and from at this point SG&A is unless we choose to and we will tell you if we choose to, if we choose to re-look at accelerating market development etc., our SG&A growth will be significantly slower than GP growth and hence those margins should expand meaningfully.

Swapnil: How to look at the Classic Vacations margins? When I do the same math on Classic Vacations; the 3.4% margin is meaningfully higher versus the previous numbers that we have reported. Directionally, how should look at that business?

Gaurav Bhatnagar: Swapnil, I think, directionally, we see, look, we acquired this business only six months ago and directionally not a whole lot has changed in it. You would be seeing higher numbers because this is a heavy check-in period, right? So, hence the EBITDA is historically highest in this quarter for Classic and hence those numbers will look higher, but nothing has materially changed either way in that business.

Swapnil: On a full-year basis, one should build in around 2.5% margin. Will that be a fair assessment?

Gaurav Bhatnagar: Yes, I think that is a fair assessment.

Swapnil: Just the last thing on your working capital side as well. There was some release this time around. I remember that there were some working capital investments last time. From a seasonality perspective, is this the way to look at, there will be some quarters where you will need some investments in working capital, some quarters where you will have some these releases, or should it ideally be a meaningfully negative working capital each quarter? I am just trying to triangulate those things.

Vikas Jain: Swapnil, working capital does have a seasonality impact and to give an example like in the last quarter we have explained some of those items were more seasonality or I would say driven through how the business works. For example, the performance linked incentives etc., they get

accrued from the hotels or the airlines suppliers etc., over the year. Either they would be on the Jan to December calendar or April to March.

So, generally those accruals would be more or less highest at the time of margin, but those accruals get released, the payment gets released during the first half of the next year. Similarly, at times because of the supplier mix etc., as well some changes happen in the supplier mix and because there are different payable days for different suppliers, that may also impact on the working capital movement.

Swapnil: Just a related question to that. What would our net cash position be right now? I understand that there is some borrowing that we have for the Classic Vacations business. So, net of that?

Vikas Jain: We have reported Rs. 1,980 plus crore as the cash in bank and we have 70 million USD of loan as well as 6 million euro of a working capital loan for Jumbo.

Swapnil: Got it, Vikas.

Aashvi Shah: We will now move on to Mr. Kavish. Kavish, please unmute yourself and go ahead with your question.

Kavish: Hi Team, thanks for the opportunity and congratulations on the great set of numbers. My first question pertains to India Airlines. Just trying to understand a bit more on this 15% percent GTV growth this quarter on the back of volumes shifting to East Asian carriers. Does this mean our market share is far higher with East Asian Airlines versus other geographies and overall airlines grew 20% in Q3 and Q4 FY26? That was 17% this quarter. What was driving the momentum in H2 FY26 if this quarter's strength was attributed to this volume shift that we have spoken about in the shareholders' letter?

Ankush Nijhawan: Kavish, very difficult to say that because of the Far East Airlines picking up the share. I think a lot of people are also flying on European Airlines, but I think we kind of are proactive in grabbing the business and I think we did

some right things in terms of our customer service, and I think the camps were very aggressive, picking up this business. So, nothing to do with the shift of Far East etc., but I think overall it paired up well and that 15% growth what we are showing you is something which I think was commendable keeping in mind the situation we were in. So, kudos to the team for the same.

Kavish:

Got It. On Classic, we have mentioned that bulk of integration of Classic will be completed by Q3 FY27. Earlier of course we have spoken about the steps that we have taken to integrate and start cross-selling with Classic, but what levers are yet to start contributing to the business and what kind of impact would you envisage led by re-spending levers?

Gaurav Bhatnagar:

Kavish, basically it is a three-pronged strategy, and it is quite straightforward. One is that we are expanding our feet on street sales team in North America both in the Classic as well as the TBO North America business because it is a very large geo and very distributed and a very large travel advisor base over there. So, that is the first step and this mostly happened. We have already upped our hiring and most of the hiring is completed.

The second priority is integrating and automating several Classic Vacations back-office and customer-service experiences. For example, we are implementing our enterprise CRM in Classic Vacations. These initiatives are underway and will help improve service quality, make performance more measurable, and increase efficiency.

The third is platform integration, which is the big one and which we are likely to finish by CY end of this current calendar year. This is what will allow one seamless integration of the TBO platform into the Classic ecosystem and secondly a more seamless selling and buying between the two platforms. While we have already integrated one way where TBO supply is now powering a fair bit of Classic supply, the vice versa cannot happen unless the platforms migrate. So, that is the other upside that we will see once this platform migration is completed.

- Kavish:** Is it fair to assume that most of the cost synergies are in the numbers already or cost impacts are in the numbers already and revenue bit will see some pickup going ahead. Would that be a fair conclusion?
- Gaurav Bhatnagar:** Yes, I think that is a fair conclusion. Got It. Thank you so much. All the very Best.
- Aashvi Shah:** Thank you, Kavish. We will take the next question from Mr. Manish. Sir, please unmute yourself and go ahead with your question.
- Manish Adukia:** Hi Good Afternoon and thanks for taking my question. This is Manish Adukia from Goldman Sachs. Firstly, congratulations again on a fantastic set of numbers across the board. I had a couple of questions. The first one was just maybe a little bit more or delving deeper into just the modeling bit, as we think about full integration of Classic and starting December quarter, they will fully be in your base. When I look at, let's say, your GP growth, there are maybe two opposing forces as we approach the December quarter. One is, let's assume that Middle East and Europe maybe normalize a bit more. So, that should be a tailwind to growth. But then on the other hand, you have Classic, which will start forming a part of your organic growth. Because at least for the quarters, we don't have some visibility of how the seasonality there plays out. How should we think about your overall GP growth once Classic fully comes into the base?
- At this point in time, you are growing at about mid-teens or mid to high teens on organic basis. But because Classic is one quarter of your overall GP, is it safe to assume that from December quarter, overall company level GP could see a bit of deceleration despite Middle East coming back? Or is that maybe a bit of a premature assumption?
- Gaurav Bhatnagar:** Manish, I think you are right. There are two opposing forces playing right now. I think the first thing to acknowledge is that for Classic, which is a business that we have just recently acquired, it will be a period before we get Classic standalone. I am not saying North America as a whole, but Classic standalone to start delivering enterprise level growth. I think we

will have to find those levers. We are confident we will find them, but that is definitely a few quarters away.

On the other hand, if you remember when we presented our Q4 numbers, we shown the organic growth in Jan and Feb before this war broke out. That growth was far higher than 15%. That is historical and that probably we are trending at.

Those are the two opposing forces that we need to blend for. I don't have an answer for you that what will that blend will look like. But wishfully thinking, if things were to normalize back, I think we did not enjoy the full benefit of the investment we made last year. Well, we enjoyed it in the sense that the market was disrupted, and we still managed to grow. But had the market not disrupted, we were expecting just absolute bumper growth in Q4 and Q1.

Now, how soon normalization happen? Does it happen in one quarter? Are we able to see similar growth numbers at Jan Feb? Then, we are not concerned at all. But we also know that the ground realities of the Middle East are very unpredictable right now. But we are also three, four months away from that quarter. So, very hard to predict, Manish. But we remain optimistic that between the blend of what we are expecting to do in North America versus where our organic growth was starting to normalize at a new normal, if that comes back, we should still remain fairly healthy.

Manish Adukia:

Very helpful, Gaurav. Thank you so much. Just a follow on question. Firstly, on the two regions which were discussed earlier in the question as well, which is APAC and Europe, which continues to do really well organic basis, 30% plus growth to 15% in APAC, and part of it you alluded to were a function of your timely investments which have helped you get this level of growth.

Would you be able to provide any color as to the investment that you have already made? For what duration would you be able to reap the benefits of those investments before you may need to undertake another new investment cycle? What I am going to get at is, for how long do you think

these APAC and Europe growth could sustain before you maybe need to undertake a new round of investments?

Gaurav Bhatnagar: It is a tricky question to answer, Manish. But let me just share that overall, a key account manager will show at least four to six quarters of increasing growth before they start to exhaust whatever they could have gathered within their region. With the caveat that this varies a lot, especially in terms of how much revenue you get per camp varies depending on the source market.

Germany would look very different from Italy, would look very different from Philippines, Indonesia, and so on. But this is sticky, right? So, one of the premises that we work with is that once you bring a customer in, they organically grow plus your sales guy does bring in more business as well and which is where the operating leverage happens.

So, it should not be so time sensitive that you need investment every three or six months to drive another three or six months of growth. It is more than that. We don't have any early signs right now, especially because signals are disrupted because of the crisis. But we don't have any early signs that we would start to see slowing growth because the investment just started to kind of already mature.

Manish Adukia: Very clear. My next question was on Classic again. It's been early or it's not been even a year since you have completed the acquisition. But from a marker's perspective, what will give you comfort that your Classic Vacations acquisition is moving in the right direction and is allowing you to get a foothold in the largest travel geography, which is North America? What might it take for you to really realize the full potential of that market? I know it is a very subjective 20,000 feet view question, but any color maybe you can provide, that will be helpful.

Gaurav Bhatnagar: Manish, the first realization for us and which is really a revelation for us is how large the North America market is, especially when it comes to luxury outbound travel. I am not on exact numbers, but probably North America

alone contributes more to luxury travel than the rest of the world combined. So, that is just the scale of that market.

The other bit that we have come across we have started to realize is how large the travel advisor base is in North America and how large that opportunity is and how large some of the players are who are operating this space. If you look at a consortium like Virtuoso and Travel Leaders, they top up North America because they aggregate travel, they are not merchant of record, but they aggregate travel demand to travel agencies. Both those report more than say \$25 billion each of GTV that flows through their consortia, their networks, right? These are just two. So, that is the size of the market is immense.

For us, the core market is North America on the whole growing for us or not, right? That is really where we want to get to, that if this is the market that we are operating in, which is that large, we should over a course of, and this is, look, I think we will be realistic. These are very developed and mature markets. They take time to break through. You would say Europe, we have been trying for almost five or six years before we reached where we did. But hopefully it will be not that long in North America, but several quarters through.

If we are able to find enterprise level growth in North America, then that is a big win for us because what we know is that that kind of top line growth in North America will drive a far larger bottom line in that market.

Manish Adukia: Thank you so much, Gaurav and team. Really appreciate your responses. All the best.

Aashvi Shah: Thank you, Manish. We will take the next question from Mr. Prateek Kumar. Sir, please unmute yourself and go ahead with your question.

Prateek Kumar: Good evening. Congrats on good results. My question is on investments. The company went through heavy investment cycle for two years and which is now concluded. How should we understand in terms of investments? While you said that there is no rule there, probably how

soon your investments' benefit gets exhausted. But that should be like for our modeling purpose, that should reflect in our peak EBITDA to gross profit at some stage. Like what is that EBITDA to gross profit you kind of see for a company on a total basis?

Gaurav Bhatnagar: Prateek, two things I will focus on. First is that the quantum of investments, because the nature of investment in our business is an investment in a sales force, right, which is really hiring people. So, the quantum of investment as a percentage of your GP will continue to shrink even if your investment is at the same levels as before and right now we are not.

But even if you do invest at the same levels as before, because we are at a higher GP and there is a higher cash generation happening in the business, the quantum of investment doesn't correlate with the size of the business. It kind of remains the same while the GP grows. So, that will fundamentally mean that even when the investment cycle comes back, we should still be able to continue to grow our margins.

Now on where those margins can land, Prateek is very hard to comment on because we don't want to give any guidance on that because several things are in play right now. One of those is that there is a whole thesis we still need to form on what AI does to efficiencies and the jury is still out on it.

The second bit, is that what happens in the Middle East in the medium to long run, right? If this is a crisis which becomes something like Russia-Ukraine, then you will have to go back, look at it and say, "Look, we need to find other levers of growth" and maybe there is an investment cycle because of it.

The flip side is that if Middle East starts to normalize in the next couple of quarters, then we will be generating significantly more cash and hence an investment can still be absorbed while continuing to grow the EBITDA margins. If you wanted to look at where steady-state businesses which are scaled up, say hotel beds or web travel kind of businesses, those

businesses are starting to normalize anywhere between 45% to 60% EBITDA margins, which we are not at all. I just want to be very clear; we are not at all anchoring towards in any short to medium term. But platform level dynamics should play out and if we choose to optimize, there is a significant runway for improving those margins from where they are today.

Prateek Kumar: Of course, improvement in margin is great. You are not focusing too much on margin versus growth. The question is like flipped versus what we used to ask earlier.

Gaurav Bhatnagar: Sorry Prateek your voice broke, so we couldn't really understand the question.

Prateek Kumar: My question was, so while we are kind of encouraged with your margin improvement, what we have seen in like the past two quarters, but are we not like focusing too much on margin versus growth, right? We will be like kind of optimizing growth versus margin and incrementally focusing on growth, which is like upwards of 20% and plus margin expansion, which is like kind of implication there.

Gaurav Bhatnagar: Absolutely, Prateek, there is no change in that strategy.

Prateek Kumar: Coming on to the AI question, which you mentioned earlier. What is the Capex and Opex intensity in AI investments like VOYA rollout and where do they sit? Are there any measurable improvement in agent productivity from that?

Gaurav Bhatnagar: Prateek, there are three broad initiatives happening right now. One is on CX productivity, second is on sales productivity and third is VOYA, which is our AI itinerary tool. VOYA remains very much experimental at this point in time. I mean, look, we have seen a few bookings happen through it, but nothing that is going to impact on your top line. Having said that, the Capex on it is also very minimal right now, which is probably sitting in Capex, but yes, it is in intangibles.

Vikas Jain: It is all in-house. So, it is all done through the tech team, which is all in-house team.

Gaurav Bhatnagar: It is a lean team as is the modern AI native projects. So, it is not impacting on our cost structures in any way at this point, but it is creating optionality on the other side. CX is where we have seen a significant improvement in productivity. The metric that we are trying to drive, and I don't have numbers for you today, but the metric we are obviously trying to drive is what percentage of GP do we spend on CX today? Can that number start to come down because that again is a lever for margin expansion.

There we have made significant inroads. Some of them are actually translating, though we have not reported any of it yet, but some of it is actually translating into efficiency gains on the P&L, but it is a journey.

The other way place where we are actually investing is creating, in our CRM, creating a very interesting AI layer, which allows us to start doing things, which allow our sales teams to know which travel agencies to go to basis signals, which we are collecting from across the enterprise, basis which are promising leads, which are at-risk travel agencies, which are travel agencies which are healthy. So, that is a project that is happening. The key there is that, can that increase number of active agents per key account manager? Very early days on it, this is like a launch that happened a few weeks ago, a couple of weeks ago. So, I don't have any early results on it and I can't even say that this is a successful project yet, but we are very hopeful on this project and there is significant amount of engineering effort has gone into building this out.

Prateek Kumar: Sure. The third question is on your competition. How do you think competition would have done in markets like Asia, PAC and Europe, where you have done strongest post your investments?

Gaurav Bhatnagar: Prateek, hard to say, but we have clearly taken share because it is hard to imagine that these markets could have grown at this level at all. In fact, they won't have grown at all, but we have high double-digit growth. So, we must have taken share. I believe some of our peers would be releasing or

have released the results in the last couple of days. So that may give some indication, but we haven't studied yet. But yes, we are clearly taking share because now, there isn't any organic growth in the market.

Prateek Kumar: Next on your constant currency numbers, great disclosures on every line item. Will you be like sort of giving this data every quarter from here on, like including region wise, GP, impact and all the data which you have given, which I think is like over disclosure, frankly, but would you be like kind of disclosing this in later quarters also?

Vikas Jain: Prateek, directionally, yes. As Gaurav pointed out in the initial comments as well, we had seen a wild fluctuation in this quarter. That is the reason we wanted to transparently show the numbers in the constant currency so that, we have the real picture of the numbers. So directionally, yes, we would tend to show the numbers in the coming quarters as well. Wherever it feels that it is over disclosure, we can look at it and see whether that makes sense or not. But Ya, directionally Yes.

Ankush Nijhawan: I think there was a lot of compelling advice for us to give our region breakup for the last two quarters, I think we have been giving. I think that is something we will continue with as well.

Prateek Kumar: Lastly, this hosting and bandwidth expense fell like 14% this quarter. Any specific reason there?

Akshat Verma: This is something we also discussed some time back. We had made significant investments in terms of technical investments to make sure that we optimize our traffic. Also, on the infrastructure, we essentially try to move away from expensive solutions, infrastructure solutions to solutions that we manage ourselves to essentially bring that cost down. So, that is the new baseline that we can assume from now on.

Prateek Kumar: Thank you. These were all my questions. All the Best.

Aashvi Shah: Thank you, Prateek. We will take the next question from Mr. Chirag. Please unmute yourself and go ahead with your question.

- Chirag:** Hello. I have two questions. If I look at your gross margin, it is down sequentially and as well as one YoY. Is it due to the increase in the contribution from plastic and fast foot to the retail is a little bit on the higher side? That is why we see this number as a percentage of revenue sequentially down. Secondly, regarding the operating leverage which we witnessed during the quarter in terms of margin expansion, should we expect it to continue?
- Gaurav Bhatnagar:** I think the first one is a mixed change, right? Because of revenue to GP.
- Vikas Jain:** Chirag, if your question is on revenue to GP margin on sequential basis, it is you are saying down basically that as you mentioned, that is primarily because for Classic, it is a big season and that is kind of driving down.
- Gaurav Bhatnagar:** That is a saliency and Chirag, on your other question on operating leverage in the short to medium term, especially, as the top line grows, for example, we expect historically Q2 to be bigger than Q1 on top line. So, we should definitely see a little bit of other margin expansion in Q2.
- Chirag:** So, this run rate of margin will continue throughout the year, right?
- Gaurav Bhatnagar:** No. I think, because our business has seasonality, it will go both ways, right? for example, Q3 historically is less than Q2. So, you will again see a dip in margin just because the fact that revenue would be lesser given that seasonality is not there.
- Chirag:** Once the integration of Classic will complete, should we expect after that subsequent quarter a meaningful improvement or will it take some time?
- Gaurav Bhatnagar:** Sorry, I didn't understand the question.
- Chirag:** Once the integration of Classic will complete, during this year, should we expect this outperform, operating leverage will continue to play out after the quarter?

- Gaurav Bhatnagar:** Yes, Chirag, I think there is, because Classic is a similar platform kind of business with the fixed cost. You would expect any growth, any top-line growth in Classic will also lead to operating leverage and margin expansion.
- Shreshth Mahajan:** So, in fact, if you look at the current quarter itself, you will see some margin expansion in Classic. Because of the seasonality, the GP was higher and the costs were what they were. So, the flow through was better in Classic as well.
- Chirag:** From seasonality point of view, Q1 and Q2 is a little better for Classic. Is that understanding, correct?
- Vikas Jain:** Q1 is the highest. Q2 would be the lowest because in Classic as we mentioned that it is on the check-in basis. Thank You.
- Aashvi Shah:** Thank you, Chirag. We will take the next question from Mr. Samarth. Samarth, please unmute yourself and go ahead with your question.
- Samarth:** I had 2-3 questions. Firstly, if I just look at the organic SG&A growth, right, that was around 4% on a YoY basis in a constant currency term. Is that the kind of run rate that we should carry into the rest of FY27? That is the first question.
- Gaurav Bhatnagar:** Samarth, I think it will expand a little bit from here in the short term. One, because it is also increments season in Q2. Secondly, as business recovers, there will be opportunities for us to opportunistically do a little bit of more market development exercise. I would say that it will be range bound, but it may be the SG&A growth may slightly increase, but not at the pace of top line.
- Shreshth Mahajan:** Some elements of SG&A like payment gateway costs, etc., that are also linked to the top line.
- Gaurav Bhatnagar:** Yes.

- Samarth:** Very helpful. The second question is, if I look at the organic hotels and ancillary gross profit as a percentage of GTV, that came down by around 30 bps. Can you just help me with 30 bps between, let's say, lower saliency coming from Middle East, and our calibrated decision to protect the volumes? Any rough ideas that you can provide?
- Gaurav Bhatnagar:** It is very hard to do a breakup of this. But absolutely, we have fought for business in this quarter, with the view that we don't want to lose money on it. But because we are an operating leverage fixed cost business, it sometimes does make sense in a tough situation to lower your margins and take top line share. We have done that. It is impossible to say what happened because of saliency and what happened because of just dropping margins. Because both have happened, right? Middle East, being at 1% growth in this market, is also because we drop margins there, but it is also historically a higher margin market.
- Samarth:** Understood. Now, my last question is, if I just look at the intercompany elimination on TBO sales to Classic, that was around INR 65 crores, thereabout. So, is that the right proxy for the cross-sell today? Where do you expect that number to stabilize when the entire integration completes, which is, let's say, end of the year, as you are indicating?
- Vikas Jain:** Yes, the numbers that you saw is that the sales which is currently being made by TBO to Classic per se. As we are expanding our reach and try to optimize on the inventory which would be selling from the TBO platform to Classic, we obviously look forward to increasing that share. We have seen the early shoots in the last quarter, and we hope that that number will keep on increasing from here.
- Samarth:** Just follow up on that question is, I mean, there would also be some selling that would be happening from Classic to TBO, right?
- Gaurav Bhatnagar:** That has not started yet, as I mentioned that that requires us to first migrate and integrate the platforms. That will start showing up on the platform migration and happen probably early next year.

- Samarth:** That was very helpful. Thanks again for providing me with the opportunity and congrats on good set of numbers.
- Aashvi Shah:** Thank you, Samarth. We will take the next question from Mr. Divyansh. Please unmute yourself, introduce the firm you represent and go ahead with your question.
- Divyansh:** Hi, team. This is Divyansh from Latent PMS. The first question, I think you mentioned during discussion, are you seeing players vacating or shutting shop in the Middle East market because of all the events that are happening? If yes, then the second question is how easy or difficult is it for them to, let's say, go active again?
- Gaurav Bhatnagar:** Divyansh, at this point, I think inbound into Middle East is most impacted. As you know, our business is more anchored around outbound. So, I would say there isn't massive attrition in our, say, what you will call our direct competitors or peers. But what is under serious stress is inbound businesses, which depend on travelers coming into Middle East. I think there we have serious stress and hopefully, situation will revive soon. Otherwise, we will see attrition over there.
- Divyansh:** But does that imply that for, you are saying inbound guys are struggling. But these inbound guys will also be, let's say, enabling people to move from, let's say, Middle East to Europe for travel.
- Gaurav Bhatnagar:** No, I think that is a different ecosystem, right? The inbound is more like DMCs and hotels and providers of other services coming into Middle East, which is somewhat distinct. There is some overlap, but somewhat distinct from the outbound ecosystem, which is players like us who sell the world to people traveling from Middle East.
- Divyansh:** The second question is when, let's say, I am a traveler and I go to a TBO agent and he helps me book a place which is sourced by Classic, which is, let's say, Rs. 64 crores of business that we have highlighted, right?

- Gaurav Bhatnagar:** Divyansh, the Rs. 64 crores you have highlighted is the reverse where TBO Inventory is selling on Classic.
- Divyansh:** TBO Inventory is selling on Classic. So, then maybe change in question. Given that TBO has a lower take rate and everything, how does the P&L recognition happen between Classic and TBO? Because while there is a consol basis, but you will net it off, but we report different take rates, GP and everything.
- Vikas Jain:** We follow arm's length pricing between whatever the intercompany sales are happening. While the GTV gets eliminated, but from the transfer pricing perspective, we keep the required margin, which is required to be kept by the selling entity. There would be some margins which would be booked in the TBO Dubai entity. The revenue which is generated by the Classic entity is getting booked in the legal entity level at the Classic level.
- Divyansh:** Just the last question. In the opening comments, we mentioned that typically the currency depreciation impact is, let's say, or I think the number mentioned was 3% and this time it is 11%. So, it is just purely driven by the volatility of the currency or was there a, let's say, opportunistic benefit or change in policy which led to such a big difference?
- Vikas Jain:** No, this is primarily what Gaurav mentioned in the opening comment that in the Q1 of this current quarter FY27 versus FY26 last year same quarter, when we translate the GTV of hotels business in the currency form in the last year numbers, there was an 11% growth coming just because of the currency translation. The 3% was the Q1 FY26 versus Q1 FY25. So, what we are highlighting is that this quarter is impacted too much by currency fluctuations and that is why we want to transparently present the constant currency numbers.
- Divyansh:** No, no, my question is a bit different. I am saying was there a change in policy?
- Vikas Jain:** There is no change in the policy.

Gaurav Bhatnagar: Nothing. It is just that Rupee has depreciated.

Vikas Jain: Yes.

Divyansh: Understood. Got It. That's it.

Aashvi Shah: We will take the next question from Mr. Shaurya. Shaurya, please unmute yourself, introduce the firm you represent and go ahead with your question.

Shaurya: Hi, Shaurya here from GrowthSphere Ventures. Just have one question from my side. Beyond the agent facing AI tool, could you walk us through how AI is specifically being applied on the supply side, particularly the contract rate negotiation with hotel and airlines and inventory loading etc? Because if you see the hotel supply chain below Tier 1 markets globally are highly fragmented and traditionally it requires large manual management team, on ground team for the hotel name and listing etc. So, as we say AI adoption in the travel and tourism sector across the whole ecosystem, not just the TBO but also the supplier and competitors, how much structural leverage do you think that TBO can capture from the usage of AI?

Gaurav Bhatnagar: See, Shaurya, I think on the specific thing that you mentioned contracting long tail through AI led negotiations is not a big focus area for us to be honest. Because a lot of our contracts is either with chains or with large luxury hotels because that is really where we operate. Also, for long chain, the whole hotel distribution ecosystem has significantly created an ecosystem of channel managers and aggregators who do this for you in a way. To be very fair, this isn't an area of focus for us now.

Shaurya: Ya, Thank You.

Aashvi Shah: Thanks, Shaurya. We will take a follow-up question from Mr. Karan. Karan please unmute yourself and go ahead with your question.

- Karan Uppal:** Ya , thanks for the opportunity again. Just wanted to check the split of the GTV in retail versus the B2B side of things, the API business, how is the split in this quarter?
- Vikas Jain:** GTV numbers would broadly be between 50-50 only as the last quarter.
- Karan Uppal:** Just feedback if we can share further details on the B2B side of the business or the API business given that 50% of the GTV is derived from API and last time also we had mentioned that the growth was mainly led by this API partnership. So, if we can share some further details around how we should know the trends are moving in that part of the business, that would be very helpful for me.
- Vikas Jain:** We will see what best we can do from the disclosure perspective.
- Karan Uppal:** Sure. Thank You.
- Aashvi Shah:** Thank you, Karan. We will take the last question from Mr. Kavish. Kavish, please unmute yourself and go ahead with your question.
- Kavish:** Thanks for the follow-up. Sir, in the context of AI, we would appreciate your perspective on how the broader travel ecosystem is evolving? While there had been concerns that AI could potentially disrupt business models across the value chain, an alternate view is that the impact may be more pronounced for OTAs while travel aggregators and B2B players like TBO could remain relatively insulated or even benefit from that shift. How do you assess the likely impact of AI across different participants in the ecosystem and are there any recent industry developments or trends that you believe are relevant here?
- Gaurav Bhatnagar:** Kavish, I think you are right. There has been a fair bit of speculation on how the AI business models evolve and then who do they impact. What has happened in the last couple of quarters, I guess, is that both Anthropic and OpenAI haven't really tried to create a transaction or a payment framework within their apps which basically means that there isn't a

significantly easier way to make a booking via an agentic interface vis-a-vis just going on the website of an OTA.

On the other hand, OTAs have started to participate through MCPs within these channels, but I don't think anybody has indicated or disclosed any numbers to say that there is a meaningful conversion happening through those channels. As of now, it just feels like a status quo. There was a fair bit of trepidation and concern maybe two quarters ago. At this point, it does feel like priorities have shifted for the Frontier Labs to not so much focus on say; cannibalizing OTA businesses or anybody else rather than focusing on other more enterprise use cases, I guess.

From our perspective, we continue to experiment with all of it. We are keeping track of what is happening in the ecosystem. We are experimenting with the similar MCP infrastructures and travel and itinerary planning tools, but it will be fair to say that, I think, most of the predictable gains in the business are really going to get driven by what we have already talked about like the implementing CX in AI and in sales effectiveness.

- Kavish:** Understood and pretty interesting. Got It. That's it from my side.
- Aashvi Shah:** Thank you, Kavish. I will now hand over the call to Mr. Ankush. Sir, please go ahead with the closing remarks.
- Ankush Nijhawan:** Thank you everyone for joining the call today and truly appreciate your time and any further follow-up questions, please feel free to reach any one of us and look forward to seeing you in our next earnings for Q2. Thank you.
- Aashvi Shah:** Thank you everyone. You can now disconnect your lines.

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