

Date: August 25, 2021

To,

Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Scrip Code: 543272

To,

Listing Department,
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Symbol: EASEMYTRIP

Sub: Transcript and Audio Recordings- Investor Call
Ref: Symbol: EASEMYTRIP, Scrip Code: 543272
ISIN: INE07O00101

Dear Sir/ Madam,

Please find enclosed the transcript of the investor call conducted after the meeting of Board of Directors on Saturday, 14th August, 2021, with regard to the financial results of the Company for the quarter ended 30th June, 2021.

This information will also be available on the website of the Company.

The audio recordings of the said investor call are also made available on the Company's website.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For Easy Trip Planners Limited



Preeti Sharma
Company Secretary and Compliance Officer
Membership No.: A34417

Easy Trip Planners Limited

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“Easy Trip Planners Limited Q1 FY22 Earnings Conference Call”

August 16, 2021



**MANAGEMENT: MR. ASHISH BANSAL – CHIEF FINANCIAL OFFICER,
EASY TRIP PLANNERS LIMITED
MR. PRASHANT PITTI – CO-FOUNDER OF EASY TRIP
PLANNERS LIMITED**

Moderator: Good afternoon, Ladies and gentlemen. Welcome to the Q1 FY22 Earnings Conference Call of Easy Trip Planners Limited.

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

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Prashant Pitti – Co-Founder of Easy Trip Planners Limited. Thank you and over to you, Sir.

Prashant Pitti: Thank you. Hello and Good afternoon everyone. Today on the call I am jointed by Mr. Ashish Bansal – our Chief Financial Officer and Orient Capital – our Investor Relationship Partners. We have uploaded our updated investor deck on the stock exchange and company website. I hope everybody had an opportunity to go through the same. Structure of my remark would be I would be sharing briefly overview about the current industry scenario for the quarter gone up and the present situation followed by operational and financial performances for Q1 of FY22, post that we will open up the floor for Q&A.

Let me speak on Quarter 1, the whole nation went through a disruption caused due to devastating second wave of COVID-19. The second wave has affected nearly one and a half months of Quarter 1 affecting the tourism sectors with intermittent lockdown and travel restrictions this has affected our overall gross bookings for the quarter. We use this time to help our fellow nation as much as we could. The promoter family in personal capacity imported 550 oxygen cylinders worth approx 3.5 crores and distributed amongst 20 plus NGO, we distributed 87,000 meal package outside the hospital to patients and their relatives waiting for their turn to get cured.

We are glad to be of some help to people in such difficult times. The impact on the industry was on a lower side as compared to Quarter 1 of FY21 when all India lockdowns was imposed for longer duration. However, even during the second wave the travel restrictions have kept the gross booking for a quarter on a sluggish side. We have been noticing a month-on-month increase in booking post February and March 2021 but have seen a sudden drop since mid-April which continue till the end of May on the account of lockdowns and restrictions and again started picking up from mid-June 2021. Currently, we have been witnessing a sharp surge in our booking volumes on month-on-month basis and it has been increasing from June to July and July to whatever period in August we have seen.

There are multiple reasons for increasing in booking. First revenge travel is one of the major reasons where we are seeing most travelers now opting to travel as and when they get a chance

to go out. Also fully vaccinated people have started to step out and travel and have gained confidence which was the biggest barrier previously. Lastly, we have been following the trends of other countries and I have observed that as population gets vaccinated the travel industry see the sharp sign of recovery and in fact even go beyond pre COVID levels.

We believe the same will be the case with India and hence we are observing an uptake on month-to-month basis. We believe there is a huge amount of pent-up demand for travel and tourism sector post vaccination drives and people are waiting to go out on family on holiday. Once the situation normalized and is under control we anticipate that there is huge opportunity lying ahead to grab market share and grow exponentially. Let me speak about our performance and highlights for the quarter. Despite the challenges lower booking, travel restrictions we have been able to sustain and grow our profitability in Quarter 1. We have been very conscious on our cost control measures and we have taken multiple initiatives over the last year to increase our efficiency. We believe as we achieve scale and are able to get to pre COVID levels or even growth there afterwards a lot of these expenses will be stable and (inaudible) operating leverages are likely to play out increase our margins and profitability even further.

We are doing multiple tie ups with brands like **CultFit** to sell each other product and leverage brand strength for both the parties. We have also been engaged with multiple banks and e-Wallet companies to provide additional benefits to customers and engaging them and bringing stickiness to our portal. We also launched a free refund medical policy on all domestic care takes where in case of medical issues customers will get complete refund amount including the money deducted by the airline. Passengers can opt for this policy at no additional charges. We have introduced this extraordinary offer in these tough times to boost travel confidence and revived travel industry.

Let me speak on financial and operational performances of Q1. Our gross booking revenue for Q1 stood at 357 crores as compared to 987 crores a quarter before. We would have a higher GBR and volumes for this quarter if there were no COVID wave 2, but we are seeing things normalizing and bookings are increasing on month-to-month in fact on day-to-day basis. To give you a comparative our July month gross booking revenue touched 225 crores which itself is 63% of entire Q1 and we believe August months to be even better than July month this is the kind of uptake we are seeing.

In air segment our total booking stood at 10.86 lacs as compared to 3.2 lakh in Quarter 1 of FY21. In non-air which is hotels, bus, trains and other segments our overall transaction stood at 1.95 lakh as compared to Rs. 2.55 lakh we have almost touched 80% of our booking volumes in non-air segment in the first quarter itself. We are growing and building strength-to-strength in our non-air segment hence see a huge growth in these segments going forward. Our strategy to cross sell our various product to customers is playing out very well. We are also very conscious on cost front and hence are able to achieve profitability even in the worst time.

Our overall cost reduction building efficiency with scale and creating synergies amongst segment has helped us maintain and grow our profits. We have been able to reduce our marketing and sales promotions cost by 51% as compared to our previous quarter. Our employee expenses and other expenses have also reduced by 28% and 53% respectively when you compare Quarter 1 with Quarter 4 of last year. Our EBITDA stood at 21.2 crores as compared to 3.7 crores of Quarter 1 of FY21. Similarly, EBITDA margin for this quarter stood at 61% as compared to 31% of Quarter 1 of FY21. Our profit after tax for this particular quarter stands at 15 crores as compared to 2.8 crores of Quarter 1 of FY21 where our PAT margins stood strong at 44.4%.

With this, I will open up the floor for the discussion.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Manish Ostwal from Nirmal Bang. Please go ahead.

Manish Ostwal: Your comment about the travel habits after the vaccination what are we show in the newspaper there is one is remains travel the second is the travel habits also changing people are now staying more than pre COVID levels in terms of staying resort or something of that sort, so can you comments on the spends per customer has customer what percentage compared to pre COVID levels that is the one question, the second question is in terms of demand recovery from the June onwards how has been the recovery in terms of gross booking value versus the March 21 level?

Prashant Pitti: Your question number which is how we are seeing customer trend shape up during the recovery process. So, you have said it absolutely right the length of this day has definitely increased by a lot, customers are taking their time out whenever they travel, but the luxury purchases have increased, we see trend of a lot many more bookings happening for 4 Star and 5 Star and even for the business class travel. Another trend which we are seeing is that we see people and I think this could be a short term trend rather than a long term trend, but we are seeing people make one way bookings much more than what it was pre COVID numbers as people are not very sure of when are they going to travel back we are seeing a lot of one way bookings which are happening and also since a lot of international destinations are curtailed we are seeing a lot of domestic travel is happen to the hidden locations where people may not have travelled before,well these are the trends which we are seeing.

Manish Ostwal: So, other question was related to this travel habits?

Prashant Pitti: Travel habits is something which I think I have covered our travel advisories also to ensure that every safety protocol is followed, people follow wearing the mask, sanitizing themselves and keeping the distance and I think that is the protocol which is probably there for some time.

Manish Ostwal: And the second question was how the demand trend versus the March 2021 to current levels March 2021 what was the gross booking value on a monthly basis and what is the current rate in August 2021?

- Prashant Pitti:** For July I have shared, for the entire quarter one of FY21 which is the most affected quarter due to lockdown which is Quarter 1 of FY21. The entire booking volumes were somewhere around 98 crores and however for this particular quarter for which we are sharing result of Quarter 1 of FY21 the overall gross booking revenues was 356 crores and as I mentioned earlier in the month of July itself which is basically the part of second quarter for the month of July to give you an idea of how the number of bookings are increasing for July of 21 we are seeing the GBR crossed 225 crores which is around 63% of the entire quarter and we believe for whatever we have seen of August the numbers are only increasing. So, we are very hopeful for what is there to come.
- Manish Ostwal:** Lastly one small question what is your comment on the urban hotels demand recovery what percentage of recovery you are seeing in urban places basically?
- Prashant Pitti:** The question is very valid the urban hotel demand recovery is slightly lower than the leisure destinations we talk about the hills, if we talk about even the SME destinations where there is a corporate travels for the SME purpose. The urban recovery is slightly on a lower side, but it is getting there we are seeing the good response even in the urban locations now.
- Moderator:** Thank you. The next question is from the line of Saurabh Shah from AUM Fund Advisors LLP. Please go ahead.
- Saurabh Shah:** I have two questions firstly in the earlier comments you mentioned that you have an insurance that no additional cost for the travel passengers which provides them with full refund of their money is that correct?
- Prashant Pitti:** That is correct.
- Saurabh Shah:** So, does that mean that we would not be charging any cancellation cost and in the next two quarters these would not come in the books of revenues?
- Prashant Pitti:** That is not correct. The way we have created this it has been very well thought of. We have an underwriter a banks who is underwriting this services for us and whatever our charges are the bank will provide to us and whatever deductions it is made from the customers the bank will provide to the customers. So, our revenues will not be hit.
- Saurabh Shah:** So, basically, you will get a cancellation cost from the bank if any customer cancels the ticket or for legitimate of reasons?
- Prashant Pitti:** That is correct.
- Saurabh Shah:** And second can you give me the breakup in terms of revenues from air, hotel booking, bus booking?

- Prashant Pitti:** Those are part of presentation I do not have those numbers on top of my head, but it is part of our balance sheet you may have a look over there.
- Saurabh Shah:** I guess you do have a number of transactions over there, but in terms of revenues it is not there in the presentation if you can just help me out?
- Prashant Pitti:** It is not in the presentation you are correct, but it is there in our balance sheet which we have basically uploaded.
- Moderator:** Thank you. The next question is from the line of Ashish Kacholia from Lucky Investment Managers. Please go ahead.
- Ashish Kacholia:** My question is basically related to sustainability of our margins given the fact that we have been kind of negotiating the other deals with airlines in difficult times how sustainable do you think these margins on that we are current operating that?
- Prashant Pitti:** The deals have been going on since last one year and I think five quarters, we have been seeing the same numbers which we have presented there is no substantial change in the deals which we have from the airline side and we look forward for this number becoming the status quo. However, these actually started at the time of pandemic so one cannot be sure of then these airlines the airlines will call upon renegotiating the terms, but as of now these deals are continuing to exist, but the bigger picture of the important part Ashish over here is that we have attained a lot of efficiencies during the last one and half years of the COVID time and because of which we have been able to cut our costing also done. So, those gains will definitely continue and we believe that even if the negotiations happens we will probably be somewhere in middle in the future.
- Ashish Kacholia:** So, rest year margins is couple of 100 basis points in terms of whenever these prices go back to normal?
- Prashant Pitti:** So, to be honest these are all matter of speculation as you can see even for our competitors the margins have increased even for them as well, but our company has been profitable even prior to these increments while our competitors were in losses and in fact they even are in losses even after these increments. So, to be honest it is very difficult for us to comment if at all this terms will change in the future for that matter.
- Ashish Kacholia:** And what is the visibility of these kind of arrangements if we go on from month-to-month, quarter-to-quarter, year-to-year how does it work?
- Prashant Pitti:** I am sorry I could not your voice was not very audible Ashish?
- Ashish Kacholia:** Just to understand what is the tenure of these kind of agreement is it on a month-to-month basis, quarter-to-quarter?

- Prashant Pitti:** Some of them are on yearly basis and a part of it is on yearly basis basically hence couple of them could be quarterly led and it also depends on various airlines from an airline-to-airline. However, we also have given them advance deposits and those deposits are actually with them and because of those deposits we are getting additional percentage from the airlines.
- Moderator:** Thank you. The next question is from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** I wanted to understand there is item other income if you can explain that I think in the last call you said that it pertains to some cancellation charges which you keep for two years and amount in this quarter is very high 12 crores, what is the amount that we expect regularly as this item I mean is this going to be recurring what is the sense one should expect this amount to be
- Prashant Pitti:** I answer this question pretty much in the last call and I am happy to answer it again. There are two components in the other income. One is basically coming from the UAC which is “unclaimed credits” and the other one is basically the financial related. The financial related we do believe that is basically the correct other income, but the amount which is coming from the UAC we believe that should be part of our revenue from operations. However, because of the auditing purposes we have to show it in the other income. Now basically there is some amount which basically get two years delayed as per policy we give customers two years as an option to make claim for their refund while our competitor usually give three months’ time to make claim for the refund. Now because our policies are better consumer policy we have given them two years time there is certain part of our revenue which remain in our book as the liability and that liability turns to revenues two years later so that is why the amount which you are seeing right now that amount has nothing to do with how we are performing in this particular quarter that amount came from our books, that money was sitting in our book as the liability and it shifted to becoming the revenue. In fact that amount is linked to what our booking were two years in the past and hence it is very much they are very much you can predict them of how these numbers would look like. So, if you look at the GMV of two years before for that particular quarter these numbers should be in line from 0.7% to 0.8% of what the GMV were two years back in the same quarter.
- Tushar Sarda:** So, 0.7% to 0.8% is what we should expect two years later is that on a recurring basis?
- Prashant Pitti:** That is correct.
- Tushar Sarda:** My second question is do you give breakup of your revenues vertical wise online hotels?
- Prashant Pitti:** We do provide the breakup for our revenues for hotels, airlines, bus, train everything these are part of a balance sheet. You may have a look.
- Tushar Sarda:** Not on a quarterly basis?

- Prashant Pitti:** No, it is on the quarterly basis they are part of our quarterly results.
- Tushar Sarda:** I cannot find them if you can just guide me to which slide this is on?
- Ashish Bansal:** Yes it has been recorded in segment reporting in financial which has been submitted.
- Prashant Pitti:** We didn't put it as a part of the presentation, but it is there in the financial. However, there is a very clear trend just to complete this thought process there is a very clear trend. If you can see the number of transactions which are happening on our website which are non-air driven which is hotel, bus, train and everything otherwise, the number of transactions have increased dramatically for the entire year of FY21 it was 2.55 lakh, but for the quarter which was severely hit by COVID for that quarter itself it was at 1.95 lakh which was almost at 75% to 80% of the entire year. So, this is how you could probably see that our cross selling play out is working out very well.
- Tushar Sarda:** Yes but your revenue hotel package revenue is negative as per the segment information that is right?
- Prashant Pitti:** Yes we are operating our hotel at a breakeven cost right now to increase our market share. So, the negative amount is only a few lakhs you can see.
- Tushar Sarda:** You are actually giving money out for people to book hotel is that?
- Prashant Pitti:** If you see it is only a 2 lakh, 3 lakh amount right that is not a huge amount so it is almost at a breakeven amount.
- Tushar Sarda:** 2.7 million 27 lakhs?
- Prashant Pitti:** Basically if you check for the others as well and this is basically amount other as a hotel margin is very different we get less commission in our hotel model, but we have very few operational expenses as well. Our hotel model is where we do not work directly with the hotels we have 23 aggregators and we get 15% commission from the aggregators the average commission is 12% we get around 12% commission from the aggregator and we are passing on majority of that as a discount to the customers right now.
- Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** I have two questions bulk of your revenues is coming from the air passenger side, so if you could tell us let us say three years from now how this mix should look like, what should be non-air passenger revenue as a percentage of your total revenue?

Prashant Pitti: To be honest since our air itself is growing leaps and bounds if you see for FY18 till FY20 our air itself grew at 45% year-on-year. It is slightly hard to predict of what this percentage would look it, but I could tell you whatever endeavor is. We have started focusing extremely heavily on the non-air side, we see that as a great opportunity to grow our business besides the growth in the air segment we have started focusing over there and that is why you can see there is a good amount of increase in number of transactions which are happening on non-air side. Besides that we also have plans to grow inorganic in non-air segment. See air segment we are very well sorted; we are moving in the right direction and I could give you one statistics which will give you comfort on the air and then I could talk about the non-air part. Is it possible to sell 10.9 lakh air segment for this particular quarter while the market leader sold as per their financial they sold 24.66 lakh which is basically they were able to sell 2.3x more air segment compared to these matter and this particular quarter and if you look at the entire year the market leader was 2.7 times bigger for FY21 and they were 4.2 times bigger in FY20 and 5.6 times bigger in FY19. So, clearly giving you the hint that we are inching closer towards them every quarter. So, we believe that we are very well sorted on the air side and we are going for the home run in the next two to three years. For the non-air side we definitely have a plan to grow inorganically as well and there are couple of companies whom we are considering right now to acquire and provide them the traffic which EaseMyTrip gets. EaseMyTrip gets somewhere around 5 lakh or daily business everyday so if we were able to provide them such topic and the kind of companies we are looking for, the kind of company which EaseMyTrip itself is very nimble, very agile, profit oriented have very high efficiency in the way they run the business and they are non air focus, could be hotel focus, could be bus focus, could be trap focus, train is something which we are not very bullish of, but yes for these segments we are considering growing inorganically and we believe on the basis of our organic growth as we are seeing right now and some inorganic activity there could be decent amount of shift in the next couple of years.

Pritesh Chheda: My second question is from the profitability angle so what you mentioned to one of the participant on the UAC side so first of all is it fair to assume that what GMV you book this quarter 0.7% of that GMV will flow in as other operating income let us say two years from now, so basically if this quarter is gaining is this profitability is gaining from what you sold two years back, two years from now you will book 0.7% of this 355 crores as other operating income then right?

Prashant Pitti: That is correct, but however there will be some variance because a lot of cancellations are happening during the COVID times and this amount is directly linked with the cancellation. So, putting that as a caveat your thought process is correct.

Pritesh Chheda: This amount is linked to cancellation?

Prashant Pitti: Correct.

Pritesh Chheda: This amount arises because of cancelations only?

- Prashant Pitti:** For the cancellations because of no issue.
- Pritesh Chheda:** So, and other on the cost based side there is a major variations from quarter-to-quarter let us say previous quarter was at 25 crore cost based this quarter is about 13 to 14 crore cost based, what do you think is the more realistic number on cost based for your time of operations?
- Prashant Pitti:** The thing is this is the good part of our EaseMyTrip being so nimble on the ground the Quarter 4 of last year was a great quarter we did total GMV of around 900 crores, but for this quarter we did GMV of 350 crores. So, obviously business fell down in this quarter because of COVID wave 2 and good thing is that we have been able to change our expenses also accordingly almost in a very quick format we were able to decrease our marketing expenditure, we were able to decrease our discounting expenditure and the payment gateway charge decreased us because there were less number of booking. So, hence I think that there is a very small amount of fixed expenditure this company has and remaining is all variable on how much of business do we do and that is the great thing for us.
- Pritesh Chheda:** And when you report your P&L as per the accounting standard, but discounts is not a part of the P&L what you report in presentation from a representation and hence you tend to show discount as your revenue and then is your expense?
- Prashant Pitti:** That is correct. In the P&L discount is already part of revenues in operations.
- Pritesh Chheda:** What expense that we see is pure operational expense that you incur?
- Prashant Pitti:** Not exactly there is some marketing expenditure as well. Marketing expenditures come in the expense part the discount goes in revenue part.
- Moderator:** Thank you. The next question is from the line of Venkat Samala from Tata Asset Management. Please go ahead.
- Venkat Samala:** So, what I am trying to understand is if I look at the revenue from operations as a percentage of GBV for Q1 and when I compare with the last quarter and likewise for discounts what I observe is that revenue from operations has reduced from 6% odd and 5% odd and likewise the discount have increased from 3% odd to around 5% odd, so just trying to wrap my head around this I mean what are the reasons for the same and how do you expect this to plan out moving forward?
- Prashant Pitti:** See basically the kind of commission we get from the airline is an addition of revenue from operations and discount to the customer. Discount is other prerogative of how much discount we want to give. So, hence revenue from operation is actually a desired number it is not an absolute number it is a derive number, had we chosen to give only 2% discount for this particular quarter our revenue from operations would be 3% higher and that is why it is not very appropriate to compare revenue from operations as a percentage from quarter-to-quarter, but your question is very valid you question could be that why did discount increase for this particular quarter can I

assume that could be question. So, basically discount is also a part of some quarters so for example we ran couple of offers during the Quarter 1 because of which discount percentage went off. However the beautiful part about EaseMyTrip is even if we offer more discount to the customer we do get good percentage back as convenient fee as you are very well aware at EaseMyTrip if you are using a discount then you must pay convenience fees just the way you are paying to the other travel portals. So, even if we give 5% discount to the customers during this particular quarter we probably would have gotten back 2.5% to 3% back at the convenient fee in this particular quarter. So, it is dependent on how the market conditions are it is not an absolute amount for our side and also it is also a function of the GBR the GBR itself is very low for this particular quarter.

Venkat Samala: Then how do we expect this to go moving forward into FY22?

Prashant Pitti: See this is the thing being nimble also has a lot of benefits we are able to generate profit quarter-on-quarter, but being nimble also has a disadvantage that is hard to predict of where the next quarter will be. We are actually very much we would keep our ears very close to the ground and on the basis of how market is reacting we react very quickly. This is the biggest strength of the company and to be honest we would not want to let go of this trend just to be more predictable in nature. However, even then the discount from the customers probably should subside since the booking volumes are increasing for this particular quarter.

Venkat Samala: So, as I understand it purely a function of market and to what extent we are staying nimble to ensure that we get the gross booking value whatever is up there for grabs?

Prashant Pitti: One thing which we have notice is that it has been 13.5 years since we are in this business and in last 13.5 years I do not think so we have seen even one quarter where we were in loss and COVID is a Litmus test for companies like us even in the first COVID wave were profitable even in the second COVID wave we are profitable. So, this company is built on extreme resilience our cost structures are aligned in such way that it is going to be extremely difficult for us to make ourselves in loss.

Venkat Samala: So, another thing which I wanted to check with you is last quarter I think we had extended around 50 odd crores to the airlines and some of the other partners that we work with, so as on today what would be the total advances which would be extended to these partners and are they current on whatever payment they have to pay back to us?

Prashant Pitti: Well the assets and the liability and the cash flow is something which we would be presenting on half yearly basis so that is not part of this presentation it is not part of the balance sheet in which we are uploading.

Venkat Samala: I get that point, but are they really current on whatever payment that they have to make?

- Prashant Pitti:** I could not understand your question very well if your question is the 50 crore advance which we have given are they still existing or not, that I will not be able to answer that because that is a number which we are not presenting in this financial.
- Venkat Samala:** So, we have extended those advances to them so what I am trying to understand is are they paying back to us on time?
- Prashant Pitti:** They do not have to pay us back the way it works is it is a recurring advance if I have given “x” amount of money to an airline I deprive that money in 5 or 6 days and then I put back money back up again. These are not fixed advances which are lying with them it is just that earlier we used to give the money one day in advance now we are giving them five day in advance to get better commissions.
- Venkat Samala:** So, then we are not facing any challenge because we are continuing with that same process is what I am understanding?
- Prashant Pitti:** Absolutely.
- Venkat Samala:** And one last question is we had signed a deal with “Lifestyle”, so what are our expectations there I mean I am just trying to understand what would be the potential benefit from that tie up?
- Prashant Pitti:** So, Venkat I believe that that deal probably came out in the news however to put things in perspective almost every other day we are signing up with one of the other major brand out there whether it is online or offline every other day you can expect EaseMyTrip signing up a deal for cross promotions which is they promote us and they are user base and we promote them on our user base. This is a great way by which you do not have to pay Google or Facebook for the marketing effort which many of our competitors are doing. So, “Lifestyle” is one example I can give you confident another example I could give you so many other example where we are dealing with a very well recognized brands where millions of customers and we both are just cross promoting to each other promoters. These are the values by which we are able to grow without spending much on marketing.
- Venkat Samala:** So, I understand what they are offering to us, what are we offering to them?
- Prashant Pitti:** We are offering similarly like if you are booking an air ticket on EaseMyTrip you may get a discount coupon on lifestyle brand for your further ease.
- Moderator:** Thank you. The next question is from the line of Prateek Kumar from Antique Stock Broking. Please go ahead.
- Prateek Kumar:** My first question is wanted to understand this employee cost better, so while you mentioned that like overall cost structure is very variable kind of nature, but like for example quarter-to-quarter

our cost went down from 6.5 crore to 4.5 crore, so what is exactly the variable components here or how much of the total employee cost let us say variable if you can explain that?

Prashant Pitti: Well you are absolutely right employee is not something which we should vary dramatically on quarter-to-quarter basis. This particular quarter the reason it went down is because we are as a promoter we reduce our salaries starting 1st April, 2021. We reduced our salaries substantially since we are in the market we wanted to be in line and we reduce our salary from 1st of April because of which you are seeing a substantial decrease in this particular quarter. However going forward we do not see a major cut on employee cost except as we continue to do to innovate ourselves and to do things more automatically and then happens there could be some reduction or there could be some increment in employee cost, but you are absolutely right your point is valid that the employee cost is something which we consider as a fixed cost and should not vary as well.

Prateek Kumar: And second question is on just 10.9 lakh bookings which we did in this quarter so you mentioned about GBR run rate, can you highlight how would this be this airline booking number like in July in the month of July?

Prashant Pitti: They are in sync with GBR numbers.

Prateek Kumar: As you mentioned there is some recovery in higher?

Prashant Pitti: In the July month our GBR is somewhere close to 225 crores and the entire GBR for Quarter 1 was 356 crores so which is somewhere around in the July month itself we have done 63% of the entire quarter before and I believe the number of segments will also be in the same.

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

Madhuchanda Dey: So, my question is sir the way the domestic airline industry is shaping up there appears to be a kind of a near monopoly of one player, so does that impact the bargaining power of that airline vis-a-vis a peer like you when it comes to selling of the commission?

Prashant Pitti: So, the way I am understanding your question is that is OTA going to be relevant is that correct.

Madhuchanda Dey: Not only relevant I mean may be it will still be relevant, but that does not impacts the bargaining power of an OTA does it put that particular airlines in a newly granted position whereby they can which used the commission drastically because we have that kind of vintage position in the industry?

Prashant Pitti: So, I keep the question and I will answer this in two parts. First part even one particular airline has a dominant market share why are we still continuing to get the margins which we are that is the question and I will answer it this way. See basically there are lot of leverages companies like

us also have not just about us I am talking about the entire OTA industry. So, supposedly one particular airline starts bullying around and starts reducing the margin which is not happening our margins have only gone up since last one and half years, but hypothetically if let us say something like that happens our OTA can also decide to show that airlines in the last we have tried, the way we show results is totally in our control, we can promote other airlines on top and change the market share for the entire airline industry itself and I am talking from the OTA's perspective I am trying to tell you the kind of power OTA has and this power is invested on OTAs by the customers and why do we have this kind of power equation going for ourselves is because four years before 85% of searches were happening on debt stock now 87% of EaseMyTrip searches are happening on mobile either mobile is there or our application. Now with this trend the dependence on OTA has only increased dramatically where customers on desktop it was still relatively okay for you to open 10 tabs and check the prices, on mobile it is dramatically hard to open up 10 different tabs and because of this the dependence on OTA has only increased over the period of time and this trend is not going to reverse the mobile dependence is only increasing as we speak. So, because of which there is a very good equation balance equation which has played out and I believe we are at a very good equilibrium.

Madhuchanda Dey:

See I get your point I mean you have highlighted it at the time of your IPO also this particular factor of searching the mobile and comparing I fully get your point, but my question is suppose if the competitor do not have the capacity so today you can decide not to play up the near monopoly player and give importance to someone else because someone else still has the capacity should the situation arise that the competitor simply do not have capacity and the entire capacity?

Prashant Pitti:

That is a very hypothetical situation in fact we see new entrants coming in and grabbing market share for example they have come in and they are grabbing market share. So, the question which you are asking is extremely hypothetical of the nature where only one player exist we do not believe something like that will happen because for any business to flourish you cannot have a mere monopoly so that is not the kind of thing any.

Moderator:

Thank you. The next question is from the line of Rajamohan Vaikuntaraman an Individual Investor. Please go ahead.

Rajamohan Vaikuntaraman: You mentioned to gross order value continuing to see resurgence and hit nearly 60% of your whole last quarter revenue at 225 crores for July, do you think you are on track to cross say 3,000 crore of gross order value for this fiscal leaving the risk of a third wave aside there would be a momentum which you could gauge, are we looking at the resumption of that 45%, 50% yearly growth in gross order values that we used to see in the past?

Prashant Pitti:

To be honest yes we are hopeful for that you know barring the third wave it may or may not come barring the third wave we are in likelihood of crossing the 3,000 number for the entire year and we are actually preparing ourselves accordingly. The reason why we are preparing in such ways because we believe because of the vaccination drive which India is going through even if

the third wave comes then the impact might not be as much as what we saw in the first wave or the second wave. The reasoning is very simple the best way is to basically see what is happening in the other countries in countries like UK and Israel where more than 50% people are vaccinated their death rate has declined dramatically and to be honest we believe that COVID could become just another flu in next couple of years and we are hopeful for that and that is exactly how we are planning on the company for and there is a good possibility we might see a good number for the entire year barring there is no big issue related to wave 3.

Rajamohan Vaikuntaraman: Now next coming to the non-air side you indicated to a decent shift in contribution to your overall revenues for the medium term broadly in an objective basis can you give us as a percentage of your sales where would we be say in the next five years from where we are now in the hotel travel segment?

Prashant Pitti: As I said earlier it is going to be hard for us to predict as a percentage because our flight itself is expected to grow. We are inching closer to the industry leader every quarter, but to give you an idea we are extremely focused on hotel, train, holidays, bus and cab services and we are looking to grow even inorganically and inorganic growth can change these number completely. So, this is something which has happened because of competitors as well when they acquired Red Bus or when they acquired Ibibo the number changes dramatically for them for the other segment. So, something like that could also happen for us in the next couple of quarters or a year and to be honest it is going to be very difficult for me to predict of what number would look like, but we have invested upon increasing our diversity, organically and inorganically, but not at the cost of profitability. See our DNA of our company is extremely different you know we have never raised any money. In the last 13 years we fought 6 deeply funded competitors without raising any money and we continue to surpass them just on the basis of our profitability. So, we understand this business very deeply and very well and we believe that at the end the cash is the king and whatever we do in the other segment we would want to do it profitability, the way we have a absolute clarity on that though.

Rajamohan Vaikuntaraman: Finally where to infer on the inorganic part can we expect something in this fiscal on the non-air side?

Prashant Pitti: You know it is going to be hard we are in the phase of negotiating with them, understanding them, we are speaking to multiple people, but it is going to be hard for me to say any timeline right now you will hear as it happens.

Moderator: Thank you. The next question is from the line of Arpit Shah from Stallion Asset. Please go ahead.

Arpit Shah: I just wanted to understand your strategy on the take rate I was just seeing the Indigo numbers the commission when they see it to OTA around 108 or 109 crore which was about 0.3%, 0.7% of the total revenue the passenger revenues, so what is actually drive our take rate 14.7% about 6.5 I understand is from airline and other segment so how is that completely different for us and

how is it different for a player like MakeMyTrip or Yatra which is giving us an edge on the top line?

Prashant Pitti: So, the take rate vary by airlines and even within the airlines they vary by the OTA they are dealing with. Our deal could be drastically different than what they probably are offering to our competitors for the very same reason where we have offered them some advance deposits on the which and it is not just the money which they are looking for, if I am committing them 10 days advance, 6 days advance of money we assume that I maybe more gravitating towards selling their business s that the float time is lower.

Arpit Shah: So, our advance amount is close to around 50 crores right?

Prashant Pitti: No the change was 50 crores there was already some advance amount before.

Arpit Shah: What is that number?

Prashant Pitti: I do not think so we have disclosed the exact number of how much we have given to the airline, but the point is that it varies by the operator, it varies by the airline and our numbers are what you see on our financials. Majority of the revenue which we get are coming from the airline, some of it is coming from the hotels and some of it is coming from the bus operators. So, these money is exactly what we are running.

Arpit Shah: Of the 2.5% that we made in Q1 FY22 what percentage would be from airlines if you can just give out that number?

Prashant Pitti: I am sure that must be the part of the financials if you see and I do not have that number handy with me on the immediate basis.

Arpit Shah: Would that 5.2% the number which you have shown revenue from operations for Q1 FY22 of that 5.2% is coming from airline?

Prashant Pitti: Actually we do not provide breakup of how exactly see when we are selling air tickets there are five different ways by which we earn it is not just the commissions from the airline. One part is of course commissions from the airline right. One part is of course commissions from the airline the second is incentives from the GDA the third is the convenience fees we do charge convenience fees whenever we are offering discount. The fourth part is basically the cancellation fees and the fifth part is basically incentives from credit cards and prepaid card. All of them put together constitute our airline revenues, the revenues coming by selling air tickets. So, it is not to say that the entire 5.2% came as incentives from the airline directly.

Arpit Shah: But the largest would be from the airline or from the convenience fees?

Prashant Pitti: They are actually very well split between the five line items.

- Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.
- Pritesh Chheda:** Sir it was just a follow up on the previous participants question so if we would try to map the commission expense of the airline company vis-a-vis there are revenue to save and try to look at our commissions which is a basic first line item which you report just a commission which was at about 5%?
- Prashant Pitti:** Exactly what I was saying the 5.2% we are not saying that all of it is coming the airline there are five line items which put together make our revenues.
- Pritesh Chheda:** So, how much must be coming from airline in that and how much is coming from the credit card or the payment gateways?
- Prashant Pitti:** We do not provide the breakup of this. This is basically where our competitors and us we try to keep that as something which is within the company even if it is MakeMyTrip, Yatra.
- Pritesh Chheda:** Sir on the margin side what is clearly visible is that and you initially commented that your cost are largely variable in nature, so I was just looking at your numbers since FY20 what is clearly visible is that your expense as a percentage of GBR is at 3% what has moved is basically your income and within that the commissions which move from 3% GBR to about 5% last year and in one of the quarter was at about 7%. So, this 3 to 7 or 3 to 5 movement or let us say the total income that you made as a percentage of GBR excluding the discounts I am removing the discounts because it is a revenue and then shown as an expense as well so even that number has moved from.
- Prashant Pitti:** What you are trying to say is our expense as a percentage of GBR has decreased?
- Pritesh Chheda:** No your expense as a percentage of GBR stays at 3%, but it is your revenue which is at a percentage of GBR has moved higher which gives you that extra profitability so the sustenance of this revenue as a percentage of GBR in your comments we understood the expense part?
- Prashant Pitti:** No actually there is more to understand in the expense part. In FY20 or GBR was 4,200 crores and for this particular quarter it is only 350 crore. Now that is why the expense might look like 3%, but if the amount goes back let us say in FY20 rigid business of 1,200 crores at the last quarter if this 350 crores goes to 1,200 crores the employee expenses are not going to change right by much I hope you get the point. There are lot of things which probably will remain the same the admin expenses are not going to change by much. So, we have worked on all of these categories and we will reduce them and that is why it is still a 3% even after adding such low GBR.
- Pritesh Chheda:** From the expense side as a percentage of GBR there is not much variation if you see across the quarter forget what happened this quarter, Quarter 4 last year when you were back to your 1,000

crore GBR the expense was 3% of GBR FY20 also the expense was 3% of GBR, FY21 at that time where you were about 2,100 crore of GBR even at that time you were at about 3% of GBR?

Prashant Pitti: So, that was improbably and maybe I do not have the FY20 numbers in front of me right now so it is hard for me to comments, but what probably would have happened is for the last particular quarter our marketing expenditures were slightly higher it was at 18.5 I believe it was slightly on the higher side which is probably what is shifting. If you look at the individual one which could be the employee expenses or admin expenses you will see a humongous amount of shift in percentage.

Pritesh Chheda: My question was not on expense I have understood what it is my question is on the revenue side there is a movement which have taken your revenue as a percentage of GBR higher from lets say 4.5% to about 6.5% or 7% this extra 2% movement is what we see in the last four quarters, do you see this 2% extra income as a percentage of GBR sustaining for us was not I understood the expense part I am very clear on it.

Prashant Pitti: Yes I mean as I have answered this question earlier this is a status quo number for now which has not change since last five quarters and we look forward to continuing with this, but again I will go on to reiterate the point that this company was very well profitable even in FY20 numbers. So, we look forward to enjoy the healthy margins we are getting right now, but we are not worried even if they go back that is the point which we are trying to make.

Pritesh Chheda: Even if they go back I did not understand your question?

Prashant Pitti: I am saying the numbers are going since last five quarter it is a status quo right now so it is very hard for me to comment whether they are going to go away or not.

Pritesh Chheda: So, at least the commission part or let us say the revenue as a percentage of GBR you think it will sustain to FY21 what you have book at FY21 was still lower then what you have reported in Quarter 4 or what you reported in Quarter 1 at least that?

Prashant Pitti: It is a status quo right now that is all I can say, it is a deal between two party and it has actually happened industry wide even our competitors are enjoying better margins right now.

Moderator: Thank you. The next question is from the line of Venkat Samala from Tata Asset Management. Please go ahead.

Venkat Samala: I am just trying to understand with respect to our hotel segment what would be the total inventory in terms of keys that would be totally available to our customers who would be booking to our website and as a percentage of the pre COVID levels what would be the total inventory which would be active at this point in time?

Prashant Pitti: So, put together we have around 23 aggregators and direct relationship is about 7,000 odd hotels with whom we work with and one good thing about EaseMyTrip is even if we have direct relationship with the hotel our prices still need to compete against the 23 aggregators we have and whoever has a better price that is the price which customer will see. So, we want to keep our brand image of being a very cost-effective company out there in our customers mind and that is how we have designed our hotel business. Now the inventory which we have pre COVID numbers I know was at 1 million while the industry leader also has this similar number as the inventory which is available for the hotel booking. The current number is something which we do not have I do not have handy with me simply because these numbers are also coming from our aggregator side. So, they are very fluctuating as a number, but I believe that there will be some reduction in this number just because I would think that at least 10% to 15% hotels might not be operating right now.

Venkat Samala: And one last question would be the total revenue that we have booked in the hotel side this time is negative which I am assuming is because on a gross basis we did obviously it did a do a positive revenue, but then we would have build out higher number of discounts and therefore a negative revenue that we are seeing, so how do you see the trajectory for that moving forward?

Prashant Pitti: So, for hotels our thought process right now, our endeavor right now is to increase the number of booking and we want to do it at right now we plan to continue doing that as a breakeven level the number which you are seeing is a very minuscule negative number. We want to continue growing this business at breakeven till we start eating the lion share in the hotel business and then it is basically an easy turn switch where we can reduce the discount and continue to enjoy our hotel business. Right now we are not spending money on marketing on hotel most of the hotel bookings which are coming they are coming by a cross selling to the people who are booking flights on our portal.

Venkat Samala: So, put the other way when do we expect this particular segment to sort of meaningfully contribute to our segmental profits?

Prashant Pitti: You mean on the revenue side.

Venkat Samala: Revenue we are booking negative because as you said we would be operating on a breakeven level?

Prashant Pitti: Our commissions are somewhere around 10% to 12% and that is the amount of discount which we are giving and that is why it is at breakeven stage right now, but is your question that when do we expect our discounts to go low or our commissions to go up so that we start generating profitable net revenues from that is that what the question is.

Venkat Samala: Yes.

Prashant Pitti: To be honest we are not extremely worried about that right now. Our client business is extremely profitable it is growing it is growing very rapidly. As I mentioned even in Quarter 1 we have come closer to the industry leader by a bit. So, we are not extremely worried about making money from all the particular domains, but we would at least want to remain at least at the breakeven stage and continue doing the business.

Moderator: Thank you. The next question is from the line of Nalin Ladiwala from Tata AIA. Please go ahead.

Nalin Ladiwala: Just one quick question look at your segmental reporting I see that the segment assets for air passage segment appears to have gone up by roughly 44 crores and this is quarter-on-quarter I mean from March quarter to June quarter and simultaneously your unallocated assets have declined by around 40 odd crores, so if you could help us understand the two phenomena are they related what has caused increase and what has caused the decrease in the air line item?

Ashish Bansal: Can you repeat your question you are telling about unallocated?

Nalin Ladiwala: So, I am looking at a segment asset for air passage segment assets has increased from 121.4 crores in the March quarter to 164.9 crores in this quarter. So, there is a 44 crore increase so question number one is why is that the other is there is a 40 crore decline quarter-on-quarter in unallocated assets from 256.5 crores to 217 crores in this quarter so if you can explain the increase in the decline?

Ashish Bansal: Increase in air passage only because of increase in deposit with the airline where we are getting the better margin that is why it has been increased.

Nalin Ladiwala: Quarter-on-quarter our gross booking revenue has actually declined in the air passage, so why would our deposit has increased?

Ashish Bansal: For getting the better margins this time we deposit more this quarter and it has been increased.

Prashant Pitti: So, deposits are basically not fixed in nature instead of giving them money 5 day in advance we may chosen to give them money 8 days in advance to get a better margins.

Nalin Ladiwala: The gross booking revenue and a trailing 10 days it is basically it is a number which is forward looking and therefore negotiated between the two parties and could you also explain the decline in unallocated assets?

Ashish Bansal: Yes decline basically there is a reduction in FDR which has not been allocated with the segment and since we have given the dividend this time and we have deposited more to the airlines that is why there is a decrease in FDR that is the reason.

Nalin Ladiwala: Sorry your voice was little unclear what you are saying is...

Ashish Bansal: Unallocated assets refers the other assets which cannot be allocated to the segment which comprise majorly FDR. So, there is a decline in FDR because we pay dividend and we gave extra deposit to the airline.

Nalin Ladiwala: The FDR you mean the treasury that you maintain?

Ashish Bansal: Wherever knew that it is a better chance to get better return we will do it we will follow.

Nalin Ladiwala: The other was basically just a suggestion if you can on a quarter-on-quarter basis take out to gross booking revenue across the three segments that will be helpful most of your competitors also do that, that will allow us to track the progress across the three segments?

Prashant Pitti: That is fine. Sure.

Moderator: Thank you. Ladies and gentlemen due to time constraints that was the last question for today. I would now like to hand over the conference over to Mr. Prashant Pitti for closing comments.

Prashant Pitti: Well to conclude I would like to highlight that it is huge runaway for growth, increasing wallet share from existing customers from hotel and holiday segment adding new customers and operating efficiency. We believe we are well positioned to capitalized on the growth opportunity and increase profitability in the future. Thank you everyone for joining us I hope we have been able to answer all your queries. In case if you require any further details you may please contact us or Orient Capital our Investor Relationship Partners. Thank you everybody.

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