Date: January, 2026

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About the Company

Company Analysis: The Yatra Online Ecosystem

Yatra Online Ltd has fundamentally reshaped its identity. Founded in 2006 as a consumer OTA, the company recognized early that the B2C wars would lead to a race to the bottom in profitability. Under the stewardship of Dhruv Shringi, Yatra pivoted towards B2B long before it became a consensus strategy. Today, Yatra is an integrated travel ecosystem where the Corporate business provides the stable, recurring revenue "floor," and the Consumer business provides the "ceiling" of optionality.

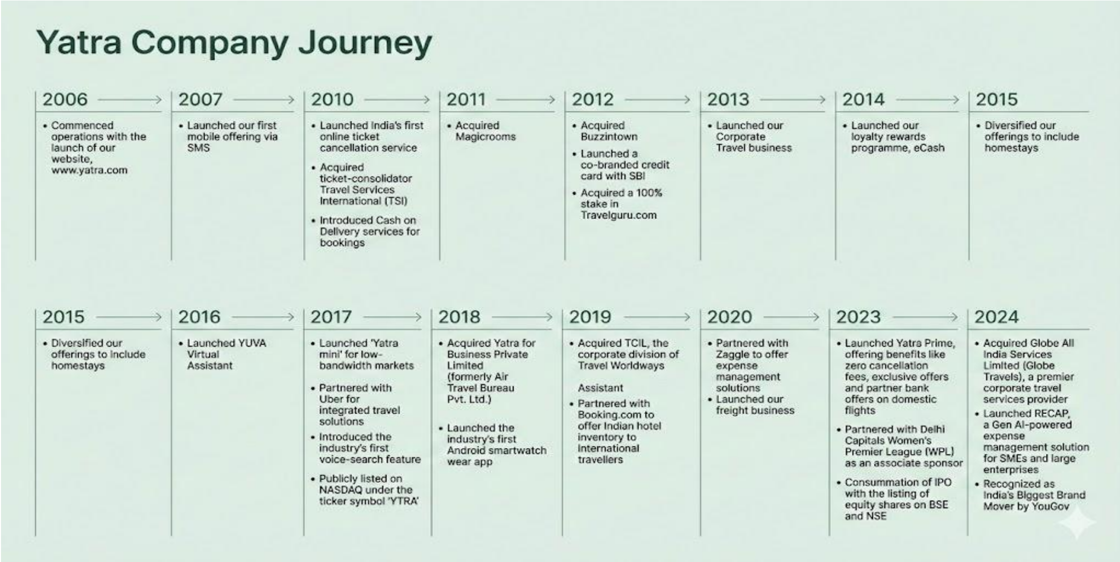
Yatra offers extensive travel coverage through direct integrations with seven domestic airlines and more than 400 international carriers. The company has also built one of India's largest hotel networks, with around 80,000 domestic properties and over 2 million international hotels across roughly 1,497 cities. Its leisure segment is further strengthened by ~887 curated holiday packages spanning major destinations across India.

Beyond ticketing and accommodation, Yatra offers a wide suite of ancillary services including bus, cab, and rail bookings, visa assistance, foreign exchange, and freight solutions. Under "Other Services," the company has expanded into technology-led offerings such as RECAP its in-house expense management platform along with activities and corporate travel solutions. Yatra also leverages its customer base through advertising, coupon sales, and travel insurance partnerships.

The company operates through 10 subsidiaries and is majority-owned by its US-based parent, Yatra Online Inc. Acquisitions remain a core growth driver. In FY25, Yatra acquired Globe All India Service and Adventure & Nature Network Pvt. Ltd., strengthening its presence in corporate and MICE (Meetings, Incentives, Conferences, and Events) travel. Within nine months of integration, it executed over 600 MICE trips for approximately 80,000 travellers, demonstrating strong scaling and cross-selling capabilities.

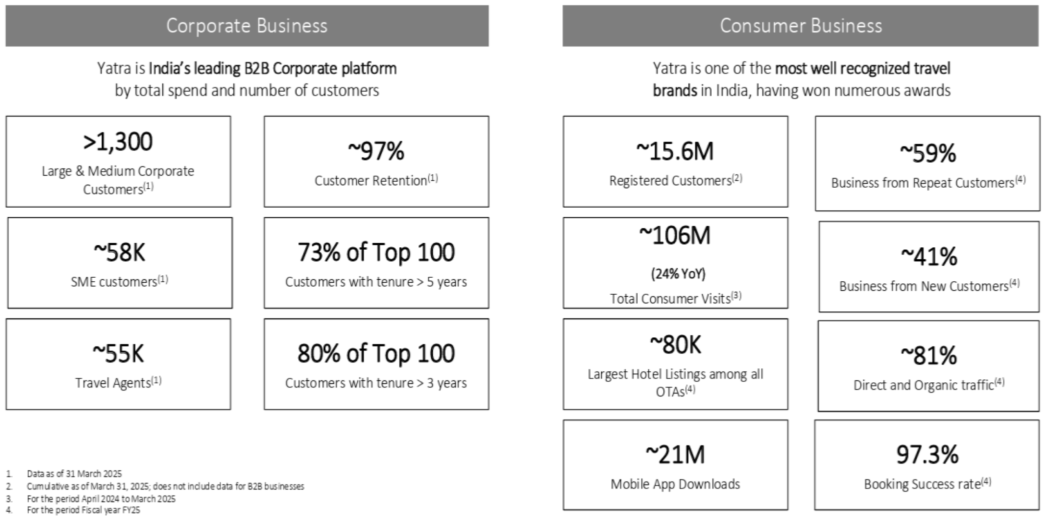
As of FY25, Yatra continues to lead India's managed corporate travel segment while steadily expanding in B2C. With a diversified revenue mix, deep supplier relationships, and a growing suite of technology-driven solutions, the company is well placed to capture incremental market share in a fragmented industry. Future growth is expected to be supported by rising online travel penetration, increasing corporate adoption of managed travel solutions, and focused expansion in high-margin verticals.

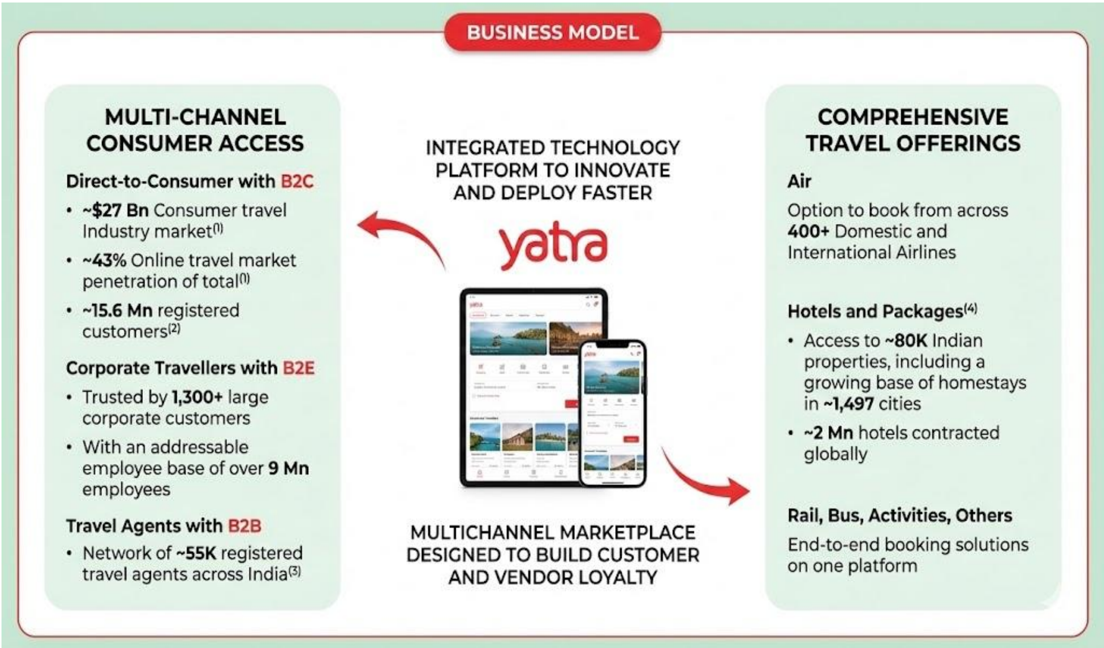
Journey of the Company



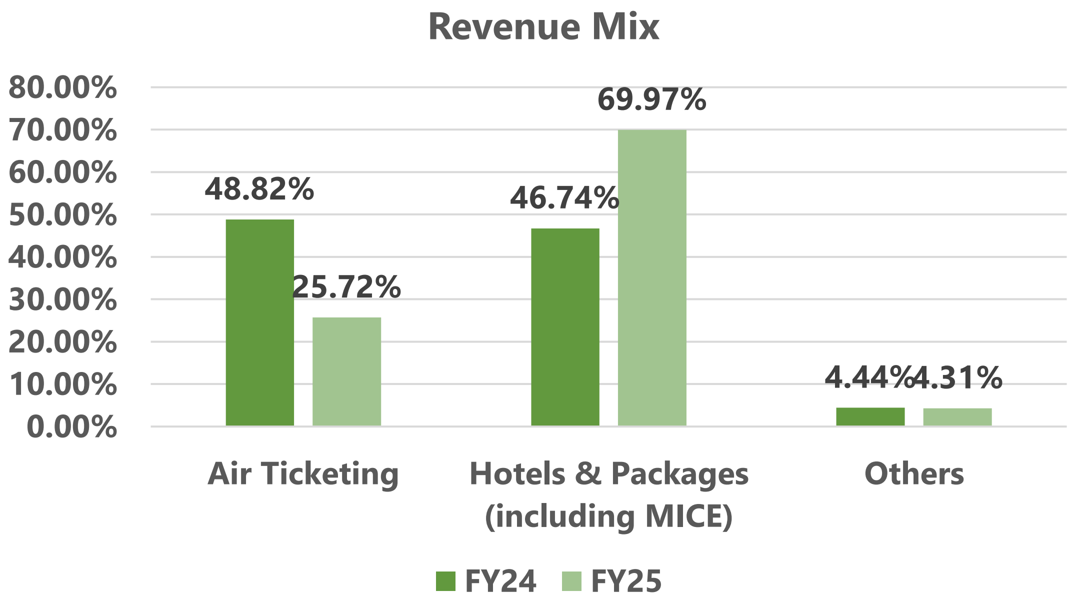
Platform Architecture & Capabilities

Business Segments





The company's business mix is undergoing a structural shift toward B2B (corporate), aligned with management's strategy to prioritise higher-margin and more predictable revenue streams. On a GBV basis, B2B contributed 65% in FY25 and increased further to 66–67% in Q1 FY26, reflecting continued traction in corporate demand. By pure revenue (FY24), the mix was still more balanced at 45% corporate and 55% B2C, but the GBV trend indicates a clear and accelerating pivot toward B2B.



Within product lines, corporate penetration varies meaningfully. In air ticketing, the split remains relatively even, with B2B in the early-50s and B2C slightly under 50%. In hotels, however, B2B is dominant at 65% share, reinforcing the strength of corporate travel and MICE-linked demand in non-air categories.

Management remains committed to deepening the B2B mix due to superior unit economics and stickiness. Corporate margins are materially higher (around 1.5x OTA yields), and retention is strong at 97%, making this segment central to profitability expansion. As a result, the company is targeting 70% B2B share of GBV in FY26, while also aiming for 30% EBITDA-to-gross-margin conversion over the next 36 months an outcome heavily dependent on scaling corporate and MICE volumes.

In parallel, the strategic focus on growing higher-margin hotels and packages is intended to improve the blended category mix over time. The company's longer-term goal is to move toward a more balanced 50:50 split between air ticketing and the higher-margin hotels/packages segment, supporting a structurally stronger margin profile.

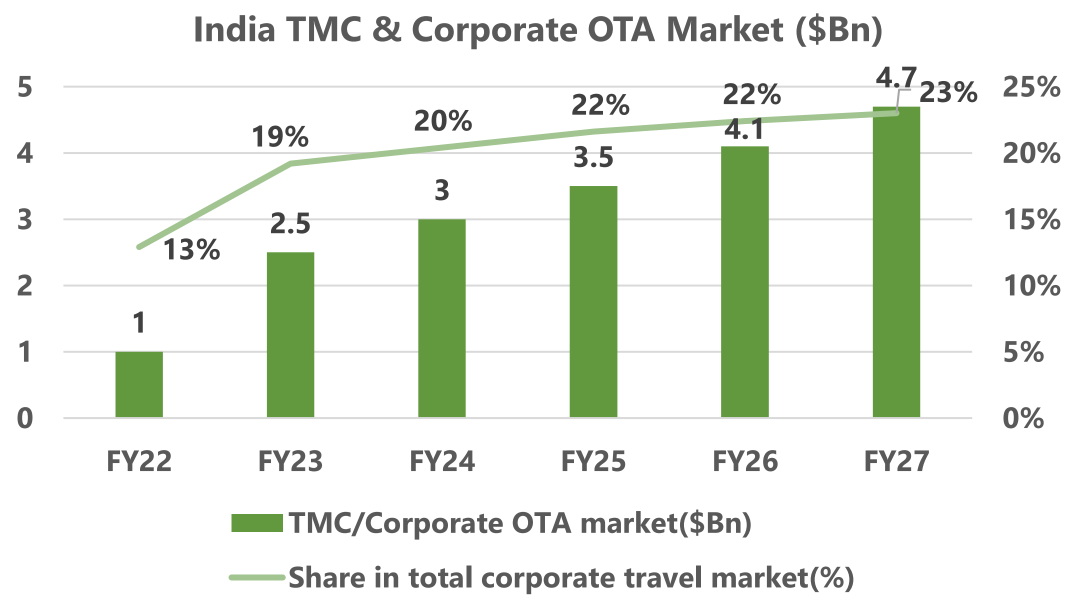
Industry Outlook

Market Size & Growth

India's travel market is rebounding strongly. CRISIL estimates the total travel market at ₹2,825–2,845 bn in FY2023, growing to ~₹4,540–4,560 bn by FY2028 (9–11% CAGR). The online travel segment is expanding faster (projected ~11.5–12.5% CAGR), from ~₹1,900–1,920 bn in FY2023 to ~₹3,335–3,355 bn in FY2028. Within online, pure OTA gross bookings were ~$14.5 bn (≈₹121,000 cr) in FY2024 (64% of online travel), led by air (59% of OTA GBV) and hotels (24%). The OTA segment (gross bookings) is expected to grow ~18% p.a. to ~$30 bn (₹2,440–2,460 bn) by FY2028.

OTA Penetration

Digital booking is well-established for air travel (70% of domestic air tickets are booked online), but much lower for hotels (30% online penetration) and other segments. Overall online penetration of travel is rising (expected ~73–75% by FY2028), supporting organized players.



Industry Landscape: The Structural Shift in Indian Travel

To understand the durability of Yatra's competitive advantage, one must first appreciate the seismic shifts occurring within the broader Indian travel ecosystem. The narrative is no longer just about "revenge travel" post-pandemic; it is about the structural deepening of the market and the divergence between the B2C and B2B value chains.

The Macroeconomic Super-Cycle

The Indian travel market is benefiting from a confluence of macroeconomic tailwinds that are arguably stronger than at any point in the last two decades. The total addressable travel market is projected to expand from approximately $56.3 billion in FY24 to $78.4 billion by FY27, registering a Compound Annual Growth Rate (CAGR) of 11.7%. This growth is not merely a function of GDP expansion but is catalyzed by specific infrastructure and policy interventions.

The operationalization of the UDAN (Ude Desh ka Aam Naagrik) scheme has radically altered the connectivity map of India. New airports in tier-2 and tier-3 industrial hubs such as Jharsuguda, Kishangarh, and Belagavi have directly stimulated business travel by reducing transit times for corporate executives who previously relied on overnight trains. Our analysis of airport authority data suggests that non-metro airport traffic is growing at 1.5x the rate of metro airports, a trend that disproportionately benefits domestic corporate travel aggregators who have the inventory depth in these regions.

Furthermore, the proliferation of Digital Public Infrastructure (DPI), specifically the Unified Payments Interface (UPI) and the India Stack, has lowered the friction for online bookings. However, while digitization in the B2C space is nearing maturity (online penetration of ~70% for air travel), the B2B space remains vast and largely analog.

Sub-Sector Penetration – Fragmented Yet Digitizing Rapidly

Despite overall digitalization, travel sub-segments differ significantly in terms of online penetration:

Segment	Online Penetration (FY24)	Comments
Air Travel	70%	Dominated by OTAs; commoditized pricing
Hotels & Lodging	30%	Low online penetration; fragmented supply
Corporate Travel	20%	Huge runway for tech-based OTAs

Domestic air remains the largest OTA vertical due to high online booking adoption, but lodging, alternate accommodations, and MICE have higher growth potential as offline channels remain prevalent.

The Great Divergence: B2C vs. B2B

Despite overall digitalization, travel sub-segments differ significantly in terms of online penetration:

Particular	B2C	B2B
Traveler Profile	Price-sensitive retail travelers	Large enterprises and SMEs
Nature of Bookings	Low ticket size; single, straightforward bookings	Higher-value, premium, often last-minute bookings
Pricing Power	High transparency, resulting in commoditised pricing	Opaque pricing with individually negotiated contracts
Focus Areas	Branding, promotions, payment convenience, customer service	Negotiated rates and value-added services
Market Landscape	Oligopolistic; dominated by a few large players	Highly fragmented; significant share with unorganised players

Particular	B2C	B2B
Customer Retention	Low loyalty as decisions are price-driven	High retention once clients are onboarded

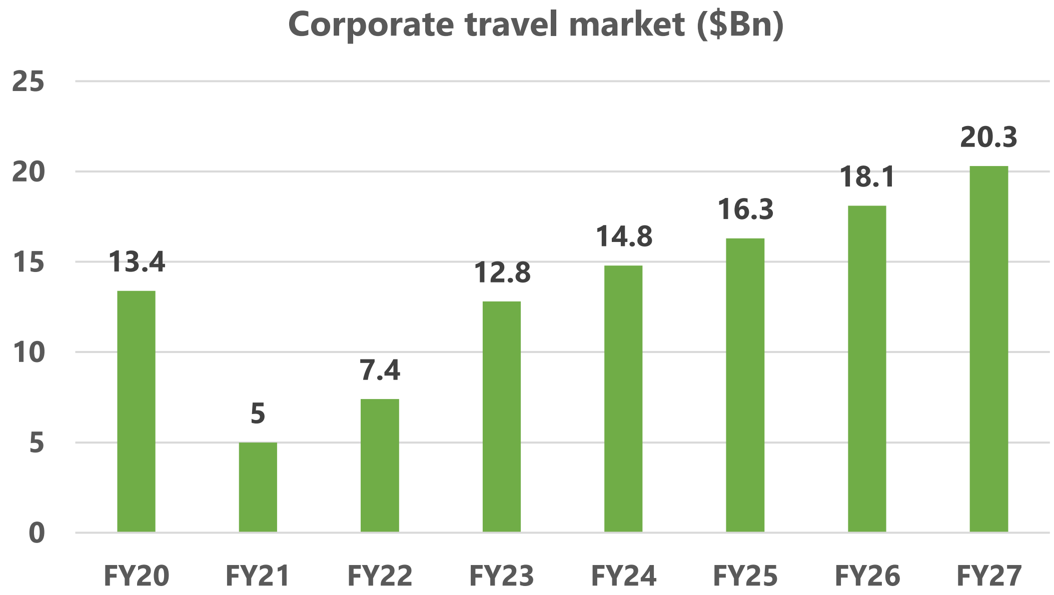
The most critical insight for investors is the stark dichotomy between the consumer (B2C) and enterprise (B2B) segments of the Online Travel Agency market.

The B2C Trap: The consumer segment is characterized by hyper-competition and low customer loyalty. Platforms like MakeMyTrip, EaseMyTrip, Ixigo, Flipkart's Cleartrip, and global giants like Agoda compete fiercely for the same leisure traveler. The primary lever for customer acquisition remains "customer inducement costs" (discounts), which erode margins. A consumer will readily switch apps to save INR 100 on a flight ticket. Consequently, the B2C segment effectively functions as a "cash burn" game where market share is rented, not owned.

The B2B Moat: In sharp contrast, the B2B segment operates on fundamentally different economics. Corporate travel is not bought on impulse; it is procured through rigorous RFP (Request for Proposal) processes. Once a platform like Yatra is selected, it is integrated into the client's Human Resource Management System (HRMS) for employee data and Enterprise Resource Planning (ERP) system (like SAP or Oracle) for expense reconciliation. This integration creates immense switching costs. For a large enterprise with 10,000 employees, switching travel providers is not just about changing a login; it involves retraining staff, migrating data, and re-configuring approval workflows. This structural stickiness results in churn rates of less than 3% for Yatra's large corporate clients. In this segment, the battle is not fought on discounts, but on service levels, credit terms, and technology compliance.

The Corporate Travel Opportunity: A $20 Billion Prize

The corporate travel market in India is estimated to have reached $14.8 billion in FY24 and is projected to grow to $20.3 billion by FY27. What makes this segment particularly attractive for an organized player like Yatra is the low level of digitization. Unlike Western markets like the US or Europe, where online corporate booking adoption exceeds 70%, India's corporate travel online penetration stands at a mere ~20%.

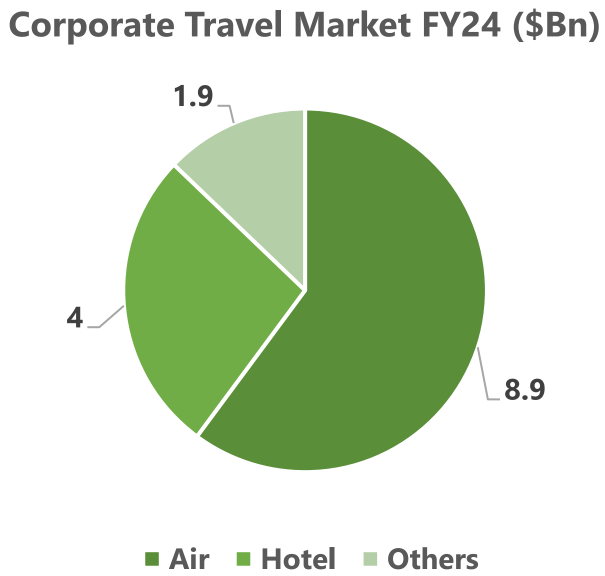


Key drivers of growth in B2E/corporate travel:

- Expansion of SME business travel in Tier 2–3 cities
- Return of large-scale MICE events
- Growing adoption of ERP-integrated self-booking tools
- Corporate focus on compliance and cost management

Yatra and MakeMyTrip are leading digital players in this market. In FY2024:

- MakeMyTrip (Quest2Travel + myBiz): ~$557 m (~18.4% share)
- Yatra: ~$506 m (~16.8% share), gaining 5.2ppts YoY



Historically, Indian corporates relied on a fragmented network of local offline travel agents. These agents provided credit but lacked technology. The implementation of the Goods and Services Tax (GST) was a watershed moment that disrupted this unorganized market. Corporates now require seamless, digital invoices to claim GST input credits—a capability that small, offline agents struggle to provide at scale. This regulatory tailwind is forcing a secular migration of corporate spend from the unorganized sector to organized digital platforms like Yatra.

The Competitive Oligopoly

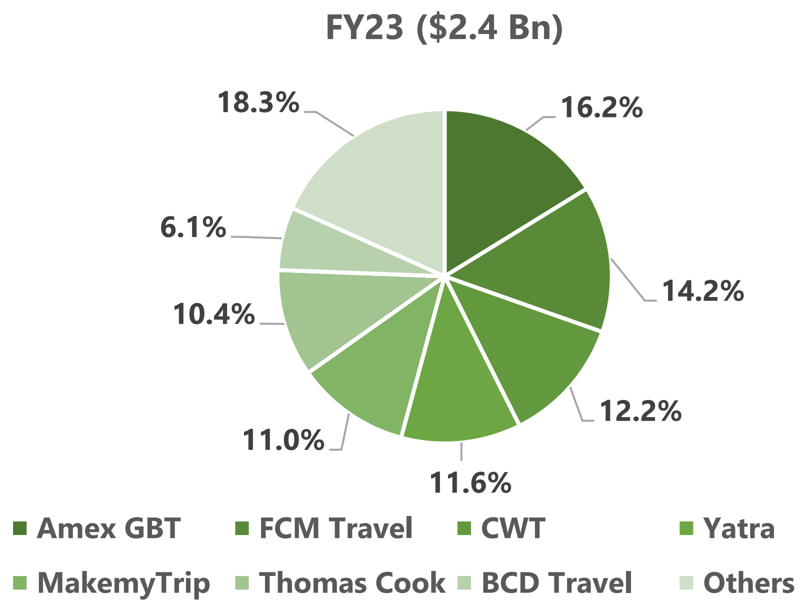
The corporate travel landscape in India has consolidated into an oligopoly, insulating incumbents from new entrants.

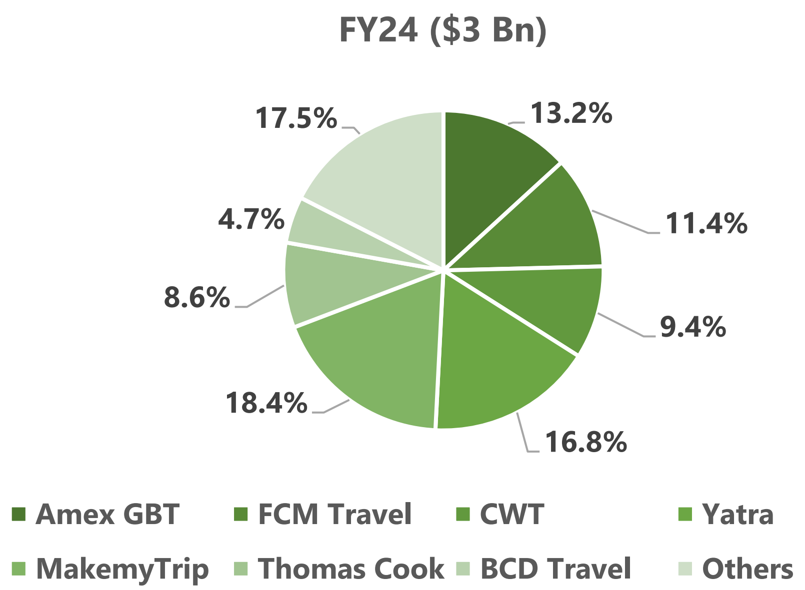
Feature	MMT	Yatra	Global TMC (Amex GBT, CWT)	New Entrants / Startups
Market position	Leader in SME (MyBiz); Strong in Large Ent	Leader in Large Enterprise; Aggressive in SME	Niche focus on Global MNCs	Struggling with working capital
Market Share (B2E) FY24	18.4%	16.8 %	20% (Combined)	Fragmented
Key Strength	Consumer Brand Recall	Proprietary Corporate SaaS Stack	Global Network	UI/UX
Weakness	B2C focus can dilute B2B attention	Historically constrained capital (Pre-IPO)	Lack of LCC content & local nuances	Lack of credit lines

The Indian travel distribution ecosystem is divided among:

- Traditional offline travel agents & TMCs (still handling a major share of unmanaged SME travel)
- Large OTAs like MakeMyTrip, Yatra, and Cleartrip
- Emerging SaaS-first players focused on B2E integrations

Yatra's pivot to B2E gives it a strong moat: deep HRMS/ERP integrations, custom policy workflows, analytics, and low churn (<3%) among enterprise clients ndian travel distribution ecosystem is divided among. Its platform now services 1,300+ large corporates and ~58,000 SMEs.





In FY24, Indian OTAs gained significant ground in the corporate travel space, led by MakeMyTrip Group with an 18.4% share, nearly doubling from FY23. Yatra followed closely, capturing 16.8% of the market, aided by strong enterprise traction and its MICE-focused strategy. Global TMCs such as Amex GBT and FCM witnessed marginal share declines, as Indian OTAs attracted MSMEs through tech-driven onboarding, lower spend thresholds, and product integration. This marks a shift from FY23's TMC-dominant landscape toward a more OTA-led corporate travel ecosystem.

The B2B Alpha in a B2C World

While the Indian Online Travel Agency (OTA) sector is often viewed as a monolithic block, our analysis reveals a sharp divergence in business models and unit economics. Yatra Online Ltd ("Yatra") is increasingly decoupling from its B2C peers MakeMyTrip (MMT), EaseMyTrip (EMT), and Ixigo repositioning itself as a Corporate SaaS platform.

The market currently values Yatra at a steep discount to the sector, largely ignoring the superior stickiness and recurring revenue nature of its B2B book compared to the transactional volatility of B2C peers.

Strategic Positioning & Moat Analysis

vs. MakeMyTrip (NASDAQ: MMYT)

- **The Dynamic:** MMT is the undisputed B2C gorilla with ~60% market share in air ticketing. It trades at a scarcity premium (Valuation >$7Bn).
- **B2B Battle:** MMT's corporate arm, MyBiz (SME focus) and Quest2Travel (Large Enterprise), competes directly with Yatra.
- **Yatra's Edge:** While MMT wins on brand recall, Yatra wins on complexity. Yatra's platform is deeply integrated into the ERP/HRMS systems of large Indian conglomerates and MNCs. MMT's product-led approach works well for SMEs (MyBiz), but Yatra's high-touch service + tech model is preferred by large enterprises requiring complex approval workflows, GST reconciliation, and credit lines.
- **Valuation Arbitrage:** Investors pay 108x earnings for MMT's consumer dominance. Yatra offers leadership in the corporate duopoly at near half that multiple.

vs. EaseMyTrip (NSE: EASEMYTRIP)

- **The Dynamic:** EMT historically commanded a premium due to its "no convenience fee" model and high profitability. However, Q2 FY26 results (Net Loss of ₹36 Cr) exposed the fragility of a low-cost model in a high-inflation environment.
- **The Divergence:** EMT is aggressively diversifying into non-travel segments (acquisitions in manufacturing, etc.) to sustain growth, raising capital allocation concerns. Conversely, Yatra is doubling down on its core competence (Corporate Travel & MICE) through the Globe Travels acquisition.
- **Why Yatra Wins:** Corporate clients prioritize reliability and credit over the small "convenience fee" savings EMT offers. As EMT struggles with B2C pricing power, Yatra's sticky corporate contracts provide earnings visibility.

vs. Ixigo (NSE: IXIGO)

- **The Dynamic:** Ixigo dominates the "Next Billion Users" (Tier 2/3 cities) via rail and bus bookings. It is a volume play with lower ticket sizes.
- **The Overlap:** Minimal. Yatra's average transaction value (ATV) is significantly higher due to its focus on business travelers and premium hotels. Ixigo is a play on travel penetration; Yatra is a play on travel formalization and premiumization.
- **Tech Comparison:** Both are tech-first. However, Ixigo's AI focuses on consumer utility (predicting train waitlists), whereas Yatra's AI (Diya) focuses on enterprise utility (automating policy compliance and expense filing).

Strategic Positioning & Moat Analysis

The market underappreciates that the Indian Corporate Travel market has effectively consolidated into a duopoly between Yatra and MMT, with traditional players like Thomas Cook India holding a distant third in terms of digital adoption.

B2B Market Share & Capability Matrix:

Feature	Yatra Online	MakeMyTrip (MyBiz + Q2T)	Thomas Cook India
Core Strength	**Large Enterprise SaaS**	SME / Self-Service	Forex / Offline MICE
Tech Stack	Proprietary Self-Booking Tool (SBT)	Standardized Platform	Hybrid (Offline + Online)
Large Corp Clients	**>850 (Market Leader)**	~460 (Quest2Travel)	Niche
SME Clients	~59,000	>75,000 (MyBiz Leader)	Low Penetration

Critical Insight: Yatra's acquisition of Globe Travels (integrated FY25-26) has created a significant moat in the MICE (Meetings, Incentives, Conferences) segment. While MMT is strong in individual corporate bookings, Yatra is now the dominant player in managing complex, high-margin corporate events, a segment Thomas Cook historically led. This shift allows Yatra to capture a larger "share of wallet" from existing clients.

Conclusion on Competition

Yatra is not "fighting" MMT for the fickle B2C leisure traveler. It has effectively exited the cash-burn war to build a fortress in the B2B space.

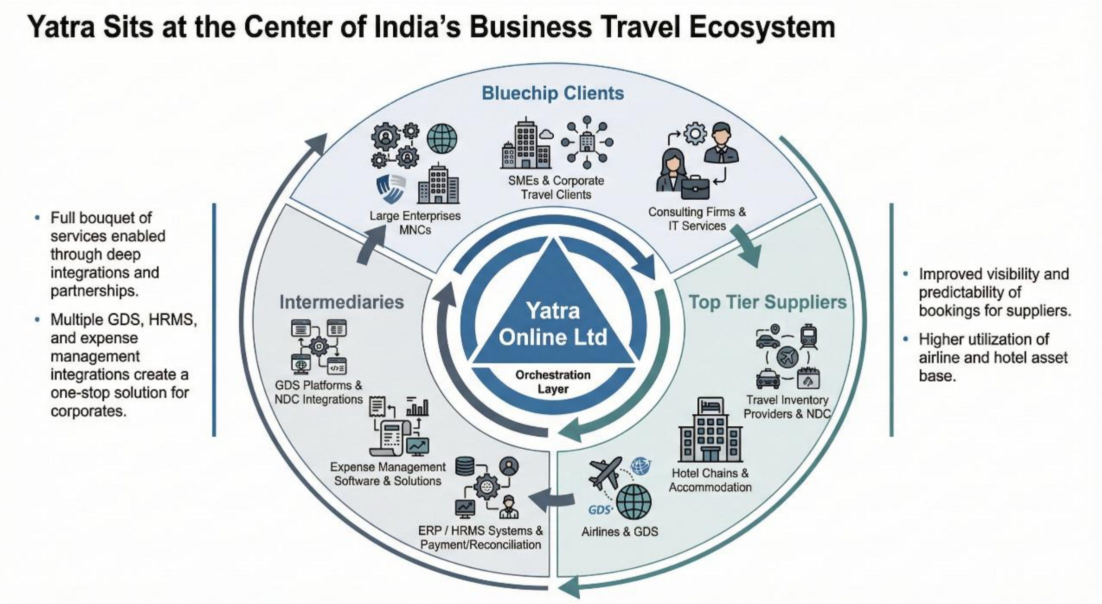
- **Bull Case:** Yatra re-rates to a "SaaS Multiple" (30x-40x) as the market recognizes its 98% corporate retention rate and recurring revenue streams.
- **Bear Case:** MMT initiates an aggressive price war in the Large Enterprise segment. However, high switching costs (ERP integrations) make this difficult to execute compared to the SME segment.

Verdict

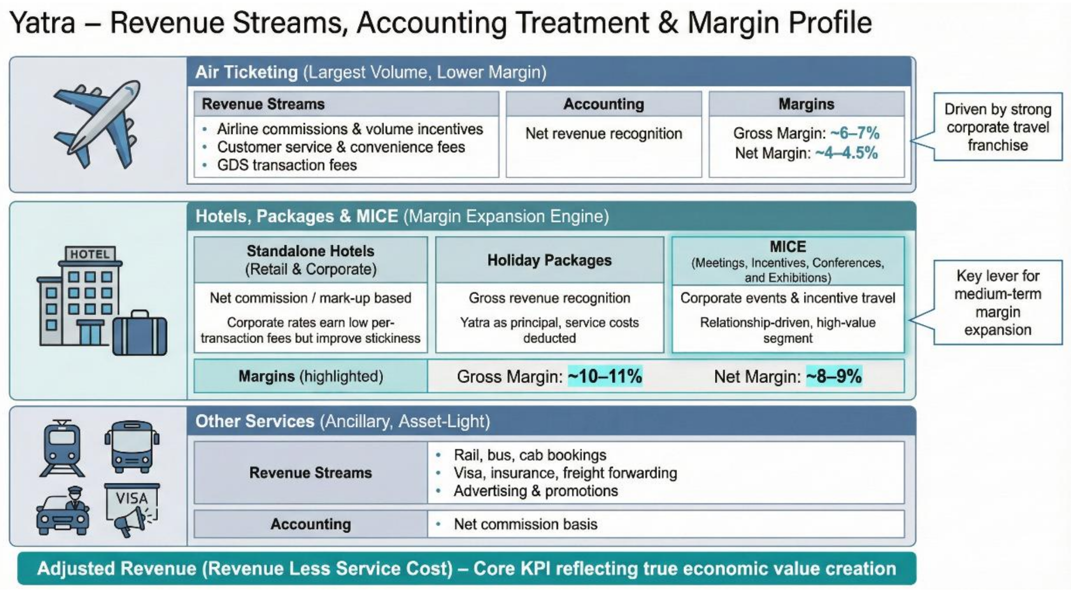
Yatra offers the most attractive risk-reward ratio in the sector. It provides exposure to the same macro tailwinds as MMT but with a protective moat of corporate contracts and a valuation that limits downside risk.

Explaining the Business Model

Supply Chain Understanding



Revenue Model



1. Air Ticketing

Air ticketing continues to be a key revenue contributor to Yatra, particularly driven by its strong corporate travel franchise.

Revenue Streams

- **Commissions & Incentives:** Base commissions and volume-linked incentive payments from airlines.
- **Customer Service Fees:** Convenience fees, cancellation charges, and rescheduling fees charged directly to customers.
- **GDS Fees:** Transaction-based fees earned from Global Distribution System (GDS) providers.

Accounting Treatment

- Revenue is recognised on a net basis, reflecting only commissions and fees rather than the full ticket value.

Margins

- Gross Margin: ~6–7%
- Net Margin: ~4–4.5%

2. Hotels and Packages

This segment continues to deliver structurally higher margins compared to air ticketing and remains a key lever for margin expansion.

Sub-segments & Revenue Recognition

- **Standalone Hotels (Retail & Corporate):**

- Revenue is earned through commissions and mark-ups on room bookings and is recognised on a net basis.
- For corporates booking hotels under specially negotiated corporate rates, Yatra typically earns only a minimal per-transaction or management fee, as pricing benefits are passed through to the client. While margins are lower on these bookings, they enhance platform stickiness and overall corporate wallet share.

- **Holiday Packages:**
  - Bundled offerings (hotels, flights, sightseeing) are accounted for on a gross basis, as Yatra acts as the primary obligor.
  - Payments to hotels and airlines are recorded as Service Costs.
- **MICE (Meetings, Incentives, Conferences & Exhibitions):**
  - Post the acquisition of Globe Travels, Yatra has strengthened its presence in corporate events, offsites, and incentive travel, adding a high-value, relationship-driven revenue stream.

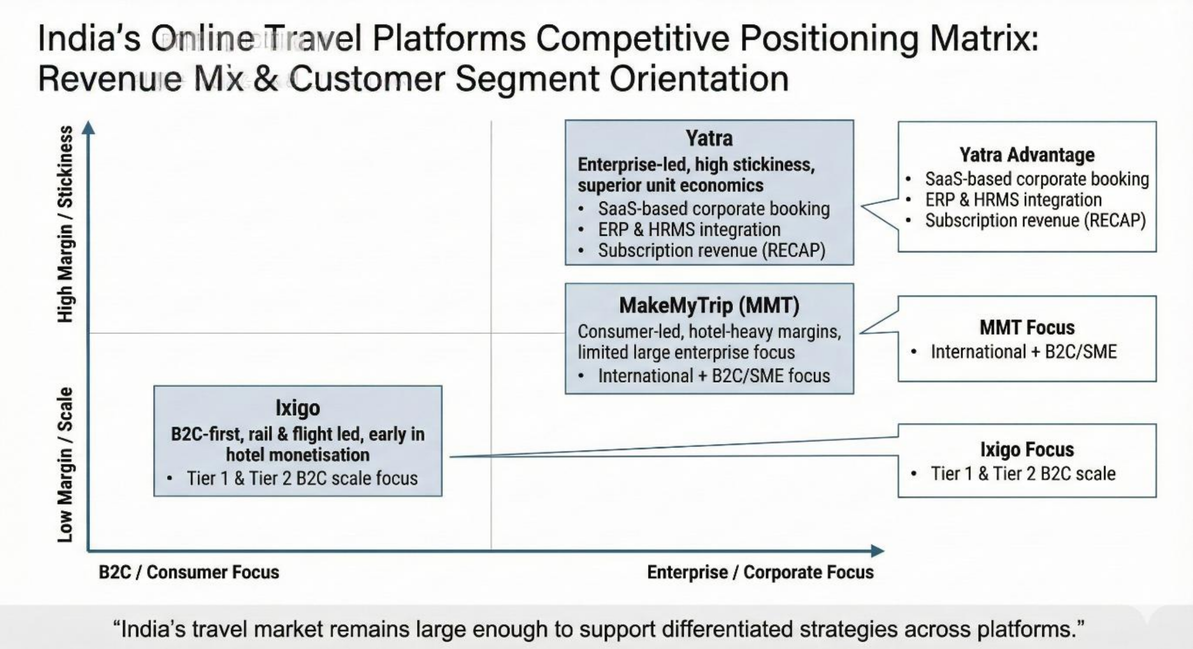
Margins

- **Gross Margin:** ~10–11%
- **Net Margin:** ~8–9%

3. Other Services

This segment comprises multiple ancillary revenue streams, largely recognised on a net commission basis.

- **Transport Services:** Rail tickets, bus tickets, and cab rentals.
- **Ancillary Offerings:** Visa facilitation, travel insurance, and freight forwarding services.
- **Advertising & Promotions:** Third-party advertisements, coupon sales, and voucher partnerships on Yatra's platforms.



Competitive Landscape – Margin Comparison

MakeMyTrip (MMT)

- **Flights:** Gross margin of ~7%.
- **Hotels:** Gross margin of ~17–18%, driven by a higher hotel mix and strong international presence. As Yatra's hotel contribution increases, margin convergence is possible over the medium term.

Enterprise Strategy

- MMT's current focus is skewed towards international expansion and B2C/SME segments.
- Their large-enterprise offering operates through Quest2Travel, contributing a single-digit percentage to overall revenues and serving fewer large corporate clients compared to Yatra.
- Recent feedback from corporate clients on MMT's enterprise platform has been mixed, with Yatra continuing to maintain a stronger position in large corporate travel management.

Ixigo

- **Current Focus:** Predominantly B2C, with strength in rail and flight bookings.
- **Hotels:** Not meaningfully present yet, but expected to enter the segment following recent fundraising.
- **Competitive Positioning:**
  - Competition is expected to be more direct with MakeMyTrip than Yatra.
  - Focus remains on Tier 1 and Tier 2 cities, while MMT dominates Tier 1.

    - The overall market remains large enough to support differentiated strategies.

Strategic Business Models

Corporate Travel (B2B / B2E)

Yatra is positioned as India's largest corporate travel services provider, offering higher customer stickiness and superior unit economics.

- **SaaS-Based Self-Booking Platform:** Integrated with corporate ERP and HRMS systems.
- **Revenue Streams**: Transaction fees, management fees, and supplier incentives.
- **Hotel Bookings at Corporate Rates:**
    - For hotels booked under corporate-negotiated special pricing, Yatra typically earns only a minimal transaction or management fee, reinforcing long-term client relationships rather than near-term margin maximisation.
- **Subscription Revenue:**
    - The introduction of RECAP, an expense management solution, adds recurring, non-transactional SaaS revenue.

Consumer Business (B2C)

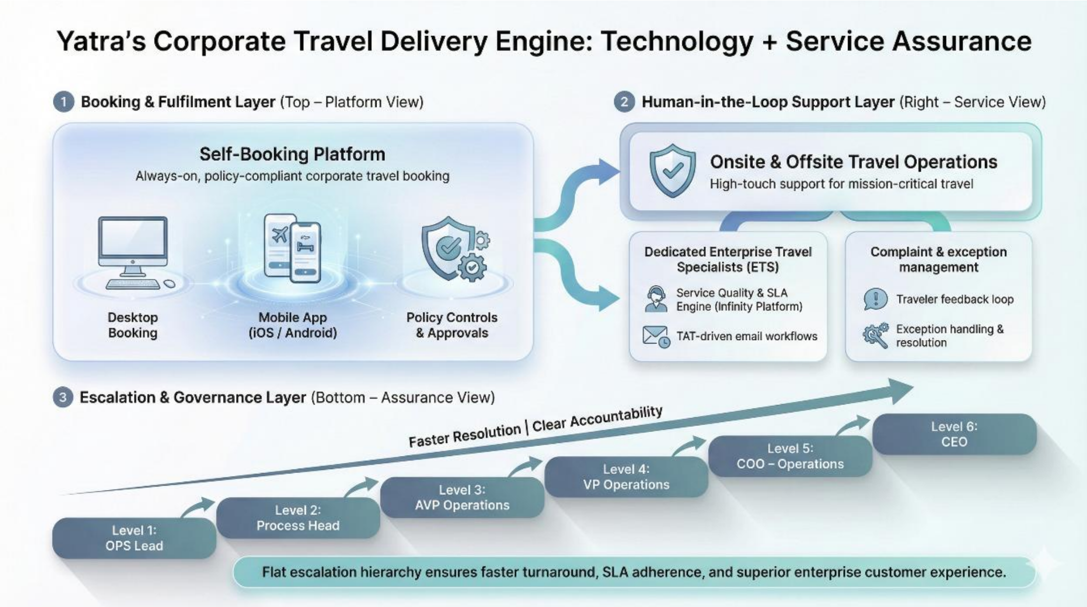
While strategic emphasis has shifted towards corporate travel to reduce customer acquisition costs, the B2C segment remains important for scale and brand visibility.

- **Subscription Model:**
    - Launch of Yatra Prime, offering benefits such as zero cancellation fees and preferential fares, creating a recurring revenue stream.
- **B2B2C Cross-Selling:**
    - Employees of corporate clients are incentivised to use Yatra for personal travel, improving lifetime value and lowering acquisition costs.

Key Financial Metric: Adjusted Revenue

Due to differing revenue recognition practices (gross vs. net) across segments, Yatra tracks "Revenue Less Service Cost", also referred to as Adjusted Revenue, as a key performance indicator. This metric more accurately reflects the company's true economic value creation by excluding pass-through costs.

Delivery Channel & Escalation Framework



Yatra's corporate travel operating model combines a technology-led self-booking platform with a strong human-in-the-loop service architecture. While the majority of bookings are seamlessly executed through policy-driven desktop and mobile platforms, complex, time-sensitive, or exception cases are handled by dedicated enterprise travel specialists.

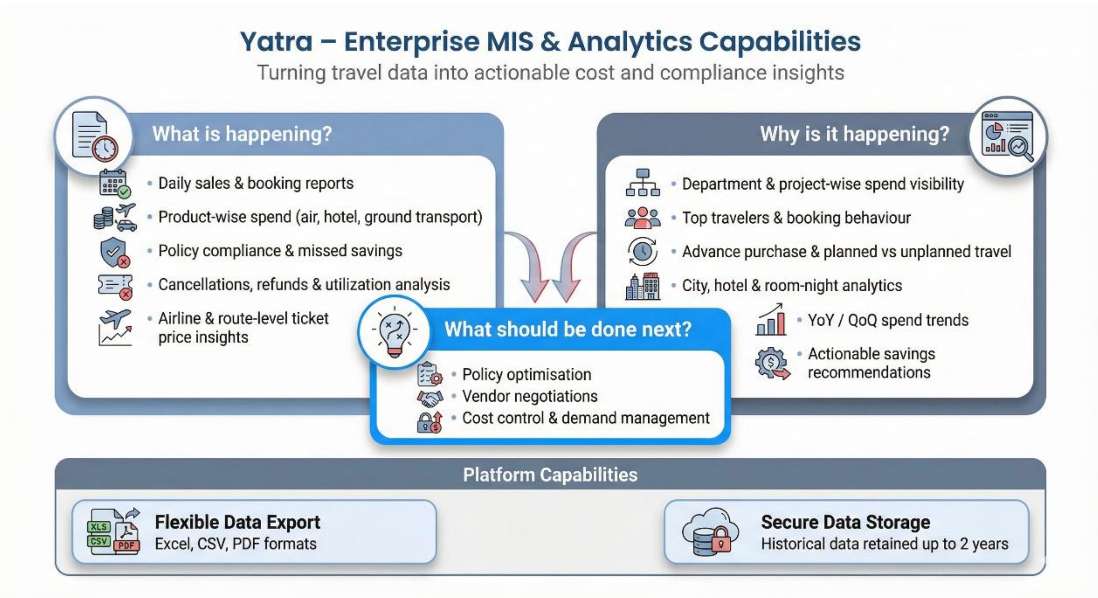
A clearly defined, flat escalation framework extending from operations leadership to senior management ensures rapid issue resolution, high SLA compliance, and consistent service quality. This dual-engine model of technology plus service assurance creates high switching costs, superior customer stickiness, and a durable competitive advantage in large corporate travel management.

Enterprise Governance & Service Management Framework

Yatra's enterprise travel offering is underpinned by a comprehensive governance framework that integrates program management, CRM-driven analytics, continuous feedback, and experienced operations teams. Contract management, rate negotiations, and real-time inventory visibility enable cost optimisation and consistent service delivery across locations.

SLA monitoring, MIS dashboards, and structured feedback mechanisms provide corporates with high transparency and control, while trained, multi-skilled teams ensure disciplined execution and compliance. This closed-loop governance model enhances service quality, improves client satisfaction, and creates high switching costs in large enterprise travel programs.

MIS & Analytics Capabilities



Yatra’s MIS and analytics framework provides corporate clients with real-time visibility and deep insights into travel spend, policy compliance, and booking behaviour. Beyond standard reporting, the platform enables advanced analytics across departments, projects, travelers, and vendors, helping enterprises identify inefficiencies and cost-saving opportunities.

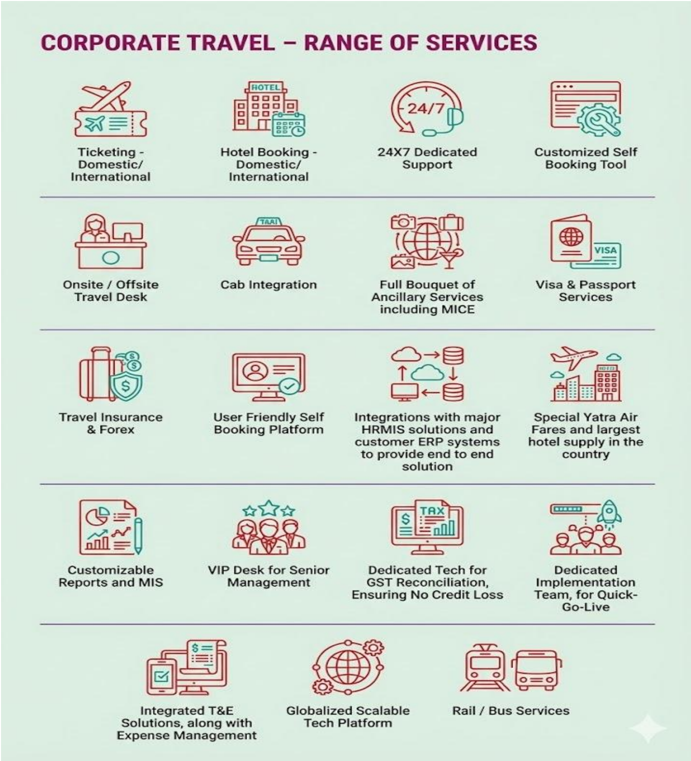
By converting granular transaction data into actionable insights such as advance purchase behaviour, route-level pricing trends, and demand planning Yatra supports informed decision-making and continuous optimisation of corporate travel programs. This data-driven capability enhances client control, improves compliance, and strengthens long-term enterprise stickiness.

Investment Rationale

Corporate Travel (B2E): The Engine of Value

The Corporate Travel business is the cornerstone of our bullish thesis, contributing almost 70% of Yatra’s revenue. The company’s value proposition to enterprises is threefold: Savings, Compliance, and Convenience.

The Self-Booking Tool (SBT): Yatra’s proprietary SBT is a SaaS platform that allows employees to book travel within the confines of company policy. For instance, the system can automatically block a junior employee from booking a business class seat or a hotel room exceeding INR 5,000 per night. This automated policy enforcement drives direct cost savings for the CFO, making the platform indispensable. Client Roster: The company serves over 850 large corporate clients, a list that reads like a "Who's Who" of India Inc., and approximately 59,000 SME customers. The client concentration risk is well-managed, with no single client accounting for a disproportionate share of the book. The "SaaS" Transition: Increasingly, Yatra is moving towards a model where it charges subscription fees or technology fees for the use of its platform, in addition to transaction-based commissions. This shift towards a recurring revenue model improves earnings visibility and merits a higher valuation multiple.



The Consumer (B2C) Strategy: Profit Over Growth

In the B2C segment, Yatra has consciously chosen to cede market share rather than burn capital. The company's strategy is "profitable coexistence." It maintains a B2C presence to ensure volume deals with airlines (which benefit the B2B side) and to keep the brand relevant. However, marketing spend in this segment has been rationalized. The hidden lever in Yatra's B2C strategy is the B2B2C (Business-to-Business-to-Consumer) opportunity. Yatra has access to over 7 million employees through its corporate clients. By offering exclusive "corporate rates" for personal vacations to these employees, Yatra can acquire retail customers at zero Customer Acquisition Cost (CAC). This cross-sell motion is currently being operationalized and represents pure margin upside.

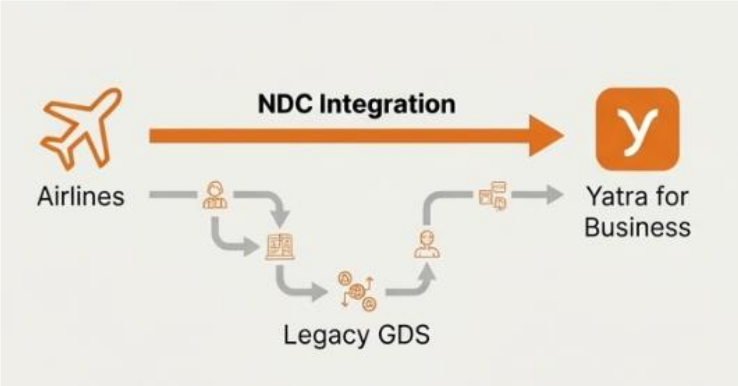
MICE: The Margin Accretive Layer

Meetings, Incentives, Conferences, and Exhibitions (MICE) is a segment where margins are significantly higher than vanilla ticketing. The recent acquisition of Globe All India Services (Globe Travels) for INR 1,280 million was a strategic masterstroke intended to capture this value. Globe Travels was a specialist in the MICE space and had a strong foothold in the Government and Public Sector Undertaking (PSU) segment—a vertical where Yatra was historically underweight. By integrating Globe, Yatra not only added ~360 corporate clients but also gained critical capabilities in managing large-scale offsites and events. This allows Yatra to capture a larger share of the client's wallet: booking the flights (Corporate Travel) and managing the annual sales conference (MICE).

Technology as a Moat: Diya AI and Beyond

Yatra's technology stack has evolved from a simple aggregation layer to an intelligent concierge. The company has deployed "Diya AI," a generative AI-powered travel assistant. Diya AI is not a gimmick; it has tangible financial implications. In the corporate travel world, a significant portion of support costs arises from rescheduling, cancellations, and policy queries. By offloading these routine tasks to an AI agent that can understand natural language and execute changes via APIs, Yatra can significantly reduce its call center headcount and processing costs. We estimate that the mature deployment of Diya AI could improve gross margins by 100-150 basis points over the next three years.

IATA NDC Integration: A First – Mover Advantage

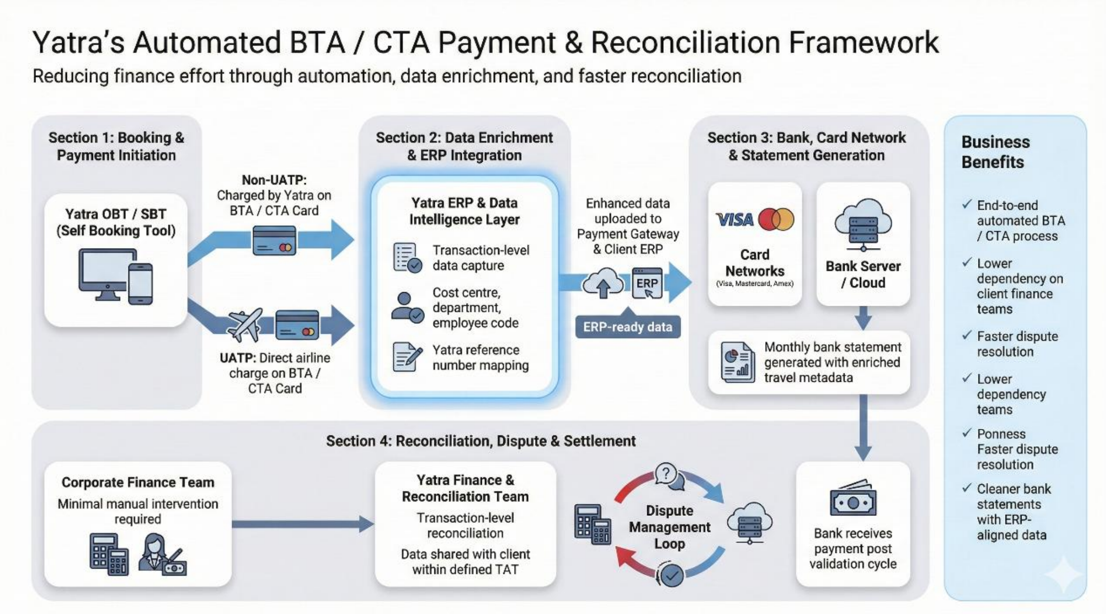


Yatra is one of the first in India to integrate IATA's New Distribution Capability (NDC). This provides the corporate clients direct access to exclusive fares, bundled offers, and preferential pricing often unavailable through legacy Global Distribution Systems (GDS).

Corporate Card Migration: A Structural Lever to Compress DSO and Unlock Working Capital

Management has identified the migration of corporate bookings from traditional credit/invoice-based payments to BTA/CTA corporate credit card platforms as a core, near-term driver of working capital improvement. Currently, only 30% (late-20s%) of corporate transactions are routed through card platforms, indicating that adoption is still in early stages. Over the next 2–3 years, the company plans to deepen penetration to 50%+ of a significantly larger corporate sales base. This shift directly compresses Days Sales Outstanding (DSO): while the corporate segment presently operates at 28 days of DSO, card-based settlements typically occur at T+1 to T+3, reducing the duration of receivables on the balance sheet. As a result, the net working capital deployed in servicing corporate demand declines meaningfully, strengthening operating cash flows and shortening the cash conversion cycle. Management estimates that scaling this initiative could free up approximately 250–300 Cr of working capital over the medium term, helping offset the structurally higher working capital intensity associated with the growing B2B mix.

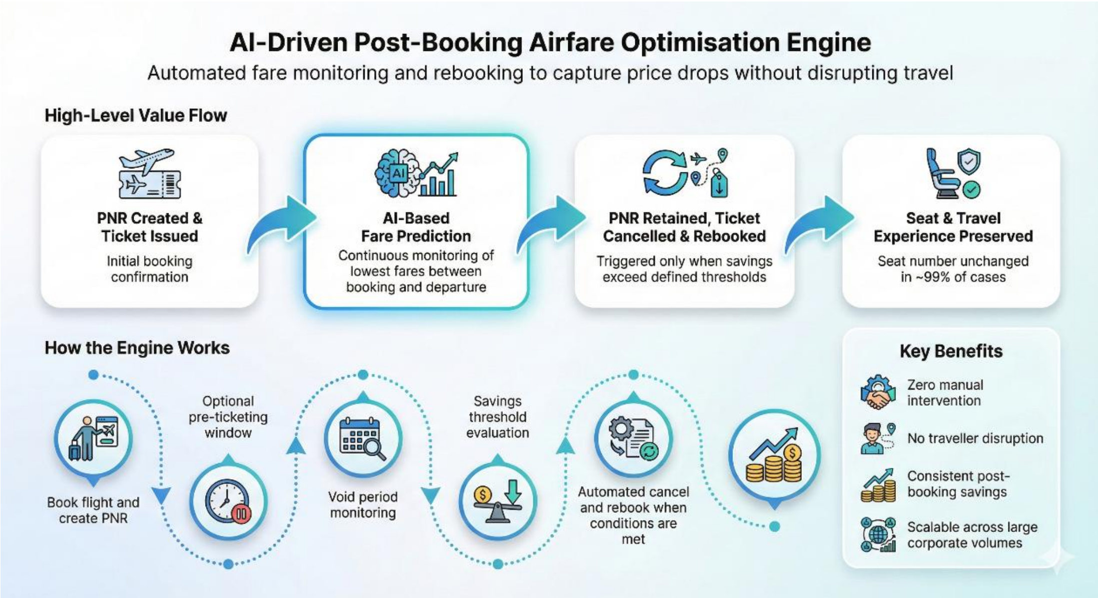
BTA / CTA Payment & Reconciliation Framework



Yatra offers an end-to-end automated BTA/CTA payment and reconciliation framework that significantly reduces manual effort for corporate finance teams. Travel bookings initiated through Yatra's self-booking platform are charged either directly by airlines (UATP) or via Yatra on corporate cards, with transaction-level data flowing seamlessly into Yatra's ERP.

The platform enriches each transaction with cost centre, department, employee, and reference-level metadata before uploading it to client ERPs and banking systems. This enables cleaner bank statements, faster reconciliation cycles, and efficient dispute management. By automating payment, data posting, and validation workflows, Yatra improves transparency, strengthens client control, and increases switching costs in large enterprise accounts

AI-Driven Post-Booking Airfare Optimisation



Yatra leverages an AI-driven post-booking airfare optimisation engine that continuously monitors fare movements between booking and travel. Once a ticket is issued, the system tracks price drops and automatically evaluates potential savings against predefined thresholds.

If conditions are met, the ticket is cancelled and rebooked while retaining the same PNR, ensuring minimal disruption to the traveler experience. In over 99% of cases, seat allocation remains unchanged. This automated process enables corporates to capture incremental savings at scale without increasing operational complexity, reinforcing Yatra's data-led differentiation in corporate travel management.

Leadership Transition: A Catalyst for Institutionalization

On November 25, 2025, Yatra announced a significant leadership restructuring. Dhruv Shringi, the co-founder who has led the company since inception, transitioned to the role of Executive Chairman. Siddhartha Gupta was appointed as the new Chief Executive Officer.

View on the Change: Dhruv Shringi's elevation to Executive Chairman ensures that the strategic vision and M&A roadmap remain in the hands of the founder. However, the appointment of Siddhartha Gupta is the real signal of intent. Gupta is not a travel industry insider in the traditional sense; he is an enterprise technology veteran. With over 25 years of experience at firms like SAP, HP, and Mercer Mettl (where he was CEO), Gupta brings deep expertise in scaling SaaS businesses and enterprise sales organizations. His background suggests that Yatra is doubling down on its identity as a Corporate SaaS platform. We expect Gupta to drive operational rigor, accelerate the cross-sell of expense management software, and optimize the sales motion for the SME segment. This is an upgrade in operational capability tailored to the company's current stage of maturity.

Our Thesis

As AI adoption accelerates, B2B enterprises are increasingly moving toward end-to-end digitisation. This shift mirrors earlier transformations in corporate travel, where organisations migrated from traditional travel agents to online travel aggregators (OTAs) such as Yatra. The catalyst for this change is not digitisation for its own sake, but the growing need for scalable, data-driven analysis and operational control.

Traditional travel agents typically operate through manual coordination and provide limited visibility into enterprise-level travel behaviour. In contrast, OTAs deliver structured, real-time insights that are essential for modern businesses. For example, platforms like Yatra enable enterprises to track per-employee spend, monitor overall team or department expenditure, enforce hotel or travel restrictions based on role or seniority, and implement continuous expense optimisation. These analytics-led capabilities form the central value proposition (USP) of digital travel platforms for B2B customers, and illustrate why enterprises naturally converge toward digitised systems.

Key implications of this shift include:

- Digitisation becomes inevitable as enterprises demand measurable insights and control that manual systems cannot provide.
- Data visibility and analytics drive platform preference, making digital solutions strategically superior to legacy intermediaries.
- AI copilots will act as integration engines, connecting multiple enterprise systems into one intelligent command layer.
- Decision-making will become near-instant, with insights generated on demand rather than through fragmented reporting cycles.

In summary, the rise of AI is not only increasing the pace of enterprise digitisation, but also redefining the value of platforms that provide structured data, actionable analytics, and interoperable workflows across the organisation.

Looking ahead, the integration of AI and organisational copilots will further amplify this transition. Once AI copilots are embedded within workflows, digitised platforms across the enterprise travel, finance, HR, procurement, and operations can interconnect seamlessly. This creates a unified intelligence layer where a single command or query can surface consolidated, cross-functional results instantly, enabling faster decision-making, better compliance, and more efficient resource allocation.

Key Trackables

1. Demand & Volume Indicators

- Corporate Travel Volumes
  - Number of active corporate clients
  - Growth in transactions per corporate account
- Passenger Volume (Pax) Growth
  - Overall and B2B vs B2C split
  - Revenue Mix
- Share of B2B (corporate travel) vs B2C
  - Contribution of Hotels & MICE to Adjusted Revenue

Why it matters: Confirms Yatra's positioning as a corporate-first platform with recurring demand.

2. Unit Economics & Margin Levers

- Adjusted Revenue Growth
- Gross Margin by Segment
  - Air
  - Hotels and MICE
- Net Margin Trend
  - Especially improvement driven by higher hotel mix
- Take Rate / Yield per Transaction
  - Particularly in corporate bookings

Why it matters: Margin expansion is the key rerating lever.

3. Platform & Technology Adoption

- Adoption of Self-Booking Tool (SBT)

Why it matters: Higher automation = lower cost + higher stickiness.

4. Enterprise Stickiness & Client Quality

- Client Retention Rate
  - Especially large enterprise accounts
- Wallet Share Expansion
  - Cross-sell of hotels, MICE, ancillaries
- Subscription Revenue
  - RECAP (expense management)
  - Yatra Prime (B2C)

- Average Revenue per Corporate Client

Why it matters: Indicates switching costs and long-term value creation.

5. Working Capital & Cash Flow Health

- Receivables Days
  - Especially corporate receivables
- Unbilled Revenue Trends
- Operating Cash Flow vs EBITDA
- Net Cash / Debt Position

Why it matters: Corporate travel models can mask stress via working capital.

6. Competitive Positioning Checks

- Market Share in Corporate Travel
- New Enterprise Client Wins vs Peers
- Hotel Mix Trend vs MakeMyTrip
- Pricing & Discount Intensity

Why it matters: Ensures Yatra's differentiation remains intact.

Risks and Mitigations

Receivable Days & Cash Flow Drag

- **Risk:** The B2B model is working capital intensive. Yatra's trade receivables have historically been high (ranging from 130 to 150 days). A deterioration in the credit cycle or delayed payments by large clients could severely impact Operating Cash Flow (OCF).
- **Mitigant:** Yatra is aggressively transitioning clients to "Corporate Card" programs. In this model, the bank pays Yatra immediately, and the corporate client pays the bank after the credit period. This reduces Yatra's balance sheet risk. We are monitoring the adoption rate of this program closely.

Supplier Concentration

- **Risk:** The Indian aviation market is a virtual duopoly, with IndiGo and the Tata Group (Air India, Vistara) controlling >85% of capacity. This concentration gives airlines immense bargaining power to squeeze OTA commissions.
- **Mitigant:** Large OTAs like Yatra earn a significant portion of their revenue through "Volume Incentive Deals." As one of the largest sellers of corporate seats (high yield), Yatra remains a critical distribution partner for airlines. The airlines need Yatra to fill their business class seats as much as Yatra needs the airlines.

Execution Risk on Leadership Change:

- **Risk:** The departure of a founder from the CEO role can lead to a loss of culture or strategic drift.
- **Mitigant:** Dhruv Shringi has not left; he has moved to Executive Chairman. This ensures strategic continuity. Furthermore, the new CEO, Siddhartha Gupta, brings operational expertise that may arguably be better suited for the company's current phase of scaling processes and technology than the founder's entrepreneurial skill set.

Competition from MakemyTrip:

- **Risk:** MMT has deeper pockets and is aggressively targeting the SME segment with its "MyBiz" offering.
- **Mitigant:** The market is large enough for two players. Moreover, large enterprises often prefer Yatra's high-touch service model and customization capabilities over MMT's more standardized, product-led approach.

Financials

Financial Comparison

Yatra Online Ltd					
Particulars (INR Cr.)	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Revenue	**125**	**198**	**380**	**422**	**791**
Growth Rate		58%	92%	11%	87%
EBITDA	**-23**	**-9**	**37**	**15**	**44**
EBITDA Margin	-18%	-5%	10%	4%	6%
PAT	**-119**	**-31**	**8**	**-5**	**37**
PAT Margin	-95%	-16%	2%	-1%	5%

Le Travenues Technology Ltd (Ixigo)					
Particulars (INR Cr.)	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Revenue	**136**	**380**	**501**	**656**	**914**
Growth Rate		179%	32%	31%	39%
EBITDA	**3**	**-12**	**29**	**38**	**72**
EBITDA Margin	2%	-3%	6%	6%	8%
PAT	**8**	**-21**	**23**	**73**	**60**
PAT Margin	6%	-6%	5%	11%	7%

Easy Trip Planners Ltd (Easemytrip)					
Particulars (INR Cr.)	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Revenue	**138**	**235**	**449**	**591**	**587**
Growth Rate		70%	91%	32%	-1%
EBITDA	**78**	**133**	**176**	**210**	**145**
EBITDA Margin	57%	57%	39%	36%	25%
PAT	**61**	**106**	**134**	**103**	**109**
PAT Margin	44%	45%	30%	17%	19%

Makemytrip (USA)					
Particulars (INR Cr.)	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Revenue	**1388.9**	**2583.15**	**5040.5**	**6,651**	**8,316**
Growth Rate		86%	95%	32%	25%
EBITDA	**-305.36**	**-7.92**	**448.8**	**814**	**1,294**
EBITDA Margin	-22%	0%	9%	12%	16%
PAT	**-492.8**	**-401.28**	**-98.56**	**1906.96**	**837.76**
PAT Margin	-35%	-16%	-2%	29%	10%

Income Statement

Income Statement (Cr)	FY23	FY24	FY25
Revenue from Operations	380.16	422.32	791.44
Service Cost	64.46	86.40	403.90
COGS	64.46	86.40	403.90
Gross Profit	**315.70**	**335.92**	**387.54**
Gross Margins	*83%*	*80%*	*49%*
Employee Benefit Expenses	109.01	128.60	148.20
Other Expenses	170.03	192.61	194.92
Total Operating Expenses	343.50	407.61	747.02
Operating Profit (EBITDA)	**36.66**	**14.71**	**44.42**
Operating Margins	*10%*	*3%*	*6%*
Finance cost	23.41	22.28	10.23
Depreciation	18.28	19.68	30.89
Total Expenses	385.19	449.57	788.14
PBT (excl. Other Income & Exceptional Items)	-5.03	-27.25	3.30
Other Income	17.31	25.95	31.83
Exceptional Items	0.10	0.00	0.00
PBT	**12.38**	**-1.30**	**35.13**
Tax	4.55	3.21	-1.44
PAT	**7.83**	**-4.51**	**36.57**
PAT Margins	*2%*	*-1%*	*5%*

Balance Sheet

Balance Sheet (Cr)	FY23	FY24	FY25
Shareholders Funds	11.45	15.69	15.69
other equity	158.07	731.8	768.07
Total (1)	**169.52**	**747.49**	**783.76**
Avg	*169.52*	*458.51*	*765.63*
Non Current Liabilities (2)	**49.13**	**33.96**	**41.53**
Long Term Borrowings	24.00	11.47	2.07
Lease liabilities	20.34	16.44	18.63
Long term provisions	4.08	5.58	6.58
Deferred tax liabilities	0.71	0.47	14.25
Total Current Liabilities (3)	**462.60**	**435.90**	**498.01**
Short Term Borrowings	129.08	52.35	52.51
Lease liabilities	4.78	5.13	5.18
Trade Payables	138.51	173.10	226.52
Other Financial liabilities	115.13	133.70	88.22
Provisons	5.59	4.13	6.25
Current tax liabilities	3.25	0.00	0.03
deferred revenue	4.57	0.00	0.00
Other Current Liabilities	61.69	67.49	119.30
Total borrowings	**153.08**	**63.82**	**54.58**
TOTAL LIABILITIES (1+2+3)	**681.25**	**1217.35**	**1323.30**
Assets			
Non Current Assets (1)	**175.36**	**202.22**	**364.09**
PPE	4.58	7.38	13.68
Right of use assets	20.09	16.01	18.31
Intangible Assets	69.12	69.12	141.47

Intangible under development	4.23	8.04	9.59
Other Intangible Assets	20.85	30.49	99.74
Defferd tax assets	1.07	1.08	2.26
Financial assets	0.62	13.72	0.00
Other financial assets	4.78	2.24	12.59
Non Current tax assets	30.35	33.30	49.49
Other Non-Current Assets	19.67	20.84	16.96
Cash	46.90	140.08	55.18
Loans	0.34	1.09	2.25
bank balance	55.37	262.07	43.5
Contract Assets	19.06	0.00	0.00
investments	0.00	0.00	0.00
Trade Receivables	271.02	450.18	545.29
Other financial assets	23.39	24.47	102.21
Current tax assest	0.00	0.00	0.00
Other Current Assets	89.82	137.24	210.78
Total Current Assets (2)	**505.90**	**1,015.13**	**959.21**
TOTAL ASSETS (1+2)	**681.26**	**1,217.35**	**1,323.30**

Cash Flow

Cash Flows (Cr)	FY23	FY24	FY25
CFO	-153.08	-142.45	-88.65
CFI	-16.67	-233.73	93.70
CFF	138.42	466.31	-102.20
Net Cash Flow	**-31.33**	**90.13**	**-97.15**

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