

Rating: Subscribe | Pirce Band: Rs 405-425

December 2, 2021

## IPO Note

### IPO Fact Sheet

Opening Date:	December 7, 2021
Closing Date:	December 9, 2021
BRLMs:	Kotak Mahindra Capital, IIFL Securities, Nomura Financial Advisory and Securities
Issue Size:	Rs. 1,291 Cr - Rs. 1,336 Cr
Numbers of Shares:	31,878,318 – 31,441,282
Face value:	Rs 1
Bid lot:	33 Shares
Employee Reservation	Equity Shares aggregating upto ₹ 5 Cr.

### Indicative Timetable

Activity	Date
Finalisation of Basis of Allotment:	14-12-2021
Refunds/Unblocking ASBA Fund	15-12-2021
Credit of equity shares to DP A/c	16-12-2021
Trading commences	17-12-2021

### Issue Structure

QIB	75%
NIB	15%
Retail	10%

### Issue Details

Pre-issue equity shares	9,79,22,360
Post-issue equity shares*	10,67,58,112
Post-issue Market Cap (Rs Crs)*	Rs 4,537
Post-issue Market Cap (Rs Crs)#	Rs 4,341

\* Upper Band / # Lower Band

### Object of the Issue

Fresh Issue of Equity shares aggregating upto ₹ 375 Cr. and Offer for sale of 22,605,530 Equity shares

### Shareholding Pattern

(%)	Pre-Issue	Post-Issue
Promoters	65.42%	55.01%
Public	1.87%	1.71%
Others	32.71%	43.28%

### Aniket Pande

aniketpande@plindia.com | 91-22-66322300

### Aditi Patil

aditipatil@plindia.com |

## Leading global SaaS player in hospitality and travel sector

**RateGain Travel Technologies Limited (RateGain) is among leading distribution technology companies globally in travel and hospitality (T&H) industry. In highly fragmented market, the company is well positioned to capture wallet share given 1) its comprehensive, inter-operable, innovative industry specific solutions and 2) marquee client base. Rising adoption of technology in T&H industry and increasing demand for third-party technology vendors due to COVID-19 is likely to double serviceable market to \$8.45 bn in CY25E for RateGain.**

**Revenue decreased by 37% in FY21, impacted by covid-19. Signs of recovery in T&H industry are visible as number of active customers for RateGain grew by robust 9% in H1FY22 vs FY21. It showed strong operating performance with adjusted EBITDA margins at 9.44% in FY21 vs 7.97% in FY20. In spite of revenue decline, underlying business metrics remained healthy with steady gross revenue retention, increase in active customer count, healthy gross margins and increasing NPS scores.**

**The IPO comprises a fresh issue of Rs3.75 bn and OFS of up to 22.6 mn (up to Rs9.60 bn) shares by selling shareholders (Exhibit 5 details use of offer proceeds). Price band of Rs. 405-425 implies P/S of 18x on FY21 sales (of Rs2.5bn). Global vertical SaaS peers are trading at average P/S of ~14x FY21 sales. We believe premium valuations are justified given - 1) its superior product portfolio integrated across all value chain partners enables it to access data at granular level which cannot be easily replicated and 2) highly predictable, scalable and profitable business model. We recommend investors to subscribe for long term gains. Risks: 1) revenue dependent on a single industry (T&H), 2) high client concentration and 3) considerable contingent liabilities**

- Comprehensive, inter-operable, innovative industry specific solutions:** RateGain's artificial intelligence (AI) powered SaaS platform has presence across the entire value chain of travel & hospitality industry, from acquiring guests to improving retention and maximizing revenue potential. RateGain has developed inter-operable products which provides access to vast amount of data across products. Depth of business intelligence data fed into deep learning AI models enables RateGain to create innovative use cases and drive competitive differentiation.
- Marquee client base to provide more cross selling opportunities:** RateGain has access to a marquee global customer base, like i) 7 global car rental companies, ii) major cruise lines & the largest travel management company, iii) 23 of the top 30 hotel chains, iv) 25 of the top 30 OTAs & several of the world's fastest-growing airlines. It focuses on improving its net promoter score (NPS) by benefiting from long-term relationships, and emphasis on selling bundled contracts. This reflects in its high gross revenue retention rate of 95.5%/89.2% in FY20/FY21, respectively & also seven of its top ten clients have been customers for 10+ years & Sabre GLOB Inc. has been a customer since 2003. This all provides RateGain with opportunities to cross-sell to existing customers and expand into new customers.

## About the Company

### Leading global SaaS player in hospitality and travel vertical

*RateGain's competitive intelligence products tracked over 5.83 bn price points across over 2,900 hotels, OTAs, airlines, cruise lines and car rentals, as of June 30, 2021*

RateGain is a SaaS company in hospitality and travel industry offering solutions across wide spectrum of verticals including Hotels, Airlines, OTAs (Online Travel Agents) & METAs (Meta search engines), vacation rentals, package providers, car rentals, rail, travel management companies, cruises and ferries etc. with a suite of inter connected products that help clients in revenue creation and margin maximization. It has 1,434 clients including 8 Global-500, 1,186 large & mid-size hotel chains, 104 travel partners including airlines, 7 car rental companies & large cruise companies and over 144 distribution partners including OTAs & GDSs in over 110 countries. SaaS products are classified under three business units— (1) DaaS (Data as a Service), (2) Distribution and (3) MarTech (Marketing Technology).

RateGain started in 2004 with a 'competitive intelligence price comparison product' for hotels. Since then it expanded the product portfolio to include artificial intelligence and machine learning capabilities that leverages in-house data lake to offer products in areas of rate intelligence, cognitive revenue management, smart distribution and brand engagement.

#### Exhibit 1: Sharp decline in revenue in FY21 due to COVID led slowdown in travel & hospitality industry

	FY19	FY20	FY21
<b>Revenue mix</b>			
DaaS	49%	31%	37%
Distribution	51%	50%	49%
MarTech	0%	19%	14%
<b>Revenue (Rs. Mn)</b>			
DaaS	1,294	1,254	934
<i>YoY gr.</i>		-3%	-26%
Distribution	1,322	1,994	1,218
<i>YoY gr.</i>		51%	-39%
MarTech	0	740	356
<i>YoY gr.</i>			-52%
<b>Total</b>	<b>2,616</b>	<b>3,987</b>	<b>2,508</b>
<i>YoY gr.</i>		52%	-37%

Source: Company, PL

#### Exhibit 2: Geography mix

	FY19	FY20	FY21
<b>Revenue mix</b>			
North America	62%	72%	65%
Asia-Pacific	12%	12%	15%
Europe	20%	11%	15%
Others (excluding India)	6%	4%	5%

Source: Company, PL

## Business Segments

RateGain's SaaS platform and products for hospitality and travel industry are classified into three strategic business units.

*RateGain's distribution platform has covered over 191,000 hotel properties with over 70 demand partners, as of June 30, 2021.*

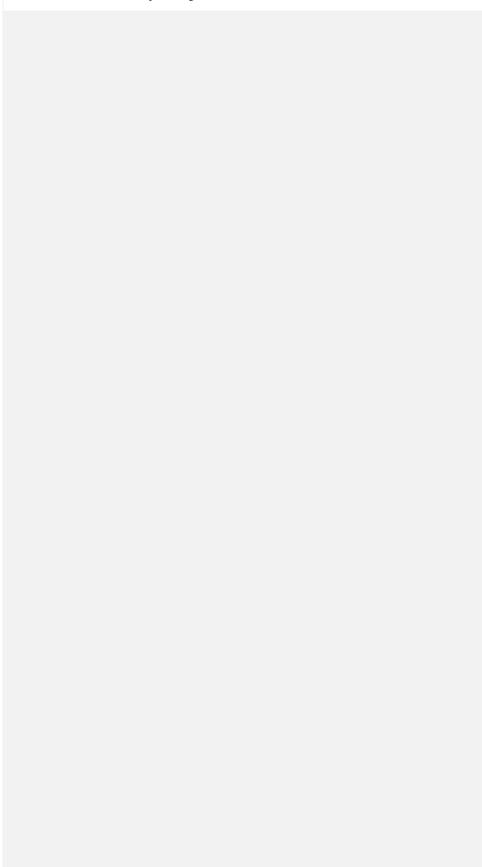
- **Data as a service (DaaS):** RateGain connects suppliers and demand providers with data and information in order to increase acquisition and conversion. It covers entire set of data points such as pricing, ratings, rankings, availability, room descriptions, cancellation policy, payment policy, discounting and package inclusions. It operates on a subscription model wherein customers subscribe to DaaS products such as Optima and Parity+ which offer data under two categories:
  - **Market Intelligence:** RateGain provides access to pricing and availability data at scale along with analytics to present trends, opportunities and market developments.
  - **Dynamic Pricing Recommendation:** RateGain serves certain segments within the travel industry that have traditionally used a flat pricing or a seasonal pricing structure with proprietary dynamic pricing technology to help them maximize revenue.
- **Distribution:** Technology infrastructure platform helps hotel chains and demand partners such as online travel agents, GDS providers and corporate travel agents communicate availability, rates, inventory as well as process bookings. It helps hotels to sell the right product at the right price on the right channel by serving the right content through demand partners. RateGain has two products in this space:
  - **RezGain:** It is an AI enabled smart distribution channel manager that helps distribute, availability, rates, and inventory and generates additional revenue opportunities.
  - **DHISCO:** DHISCO Switch provides mission critical connectivity which enables hotels to drive reservations connects the hotel and hospitality chains with demand channels using advanced switch technology.
- **Marketing Technology ("MarTech"):** RateGain is a 'single source provider' of social media management to leading hospitality and travel brands including well-known luxury properties. It offers real-time social listening and guest communication, active management of their social assets and campaign management through AI based solution which helps increase awareness, engagement and sales. It also helps in personalization of guest experience. Pricing of "MarTech" solution is on subscription basis.

*As per the HotelTech Report, RateGain is the number one Social Media Management provider for hotels globally as of June 30, 2021.*

**Exhibit 3: RateGain’s products and solutions spanning across travel and hospitality industry**

<b>DaaS</b>	<b>Real-time competitive and parity intelligence for hotel and travel suppliers to stay competitive and optimize revenues</b>
<b>Competitive Intelligence tools</b>	
Air Gain	Airfare pricing intelligence
CarGain	Car Rental pricing intelligence
FerryGain	Ferry pricing intelligence
Optima	Hotel pricing intelligence
Rate intelligence (for tour operator and package providers)	Customized pricing intelligence for OTAs
<b>Rate Parity</b>	
Parity +	Hotels rate parity solution
AirGain Parity Watchover	Airlines rate parity solution
Parity Watchover	OTAs rate parity solution
<b>Revenue maximization</b>	
Rev.AI Packages	Travel package price management system
Rev.AI Car	Car rental price management system
Rev. Cruise	Cruise price management system
Demand.AI	Demand forecasting tool
<b>Distribution</b>	<b>Technology infrastructure for hotel chains and demand partners communicate availability, rates, inventory and as well as process bookings</b>
RezGain	AI enabled smart distribution channel manager that helps distribute availability, rate and inventory and generates additional revenue opportunities
DHISCO Switch	Mission critical connectivity between hotel/hotel chains and demand channels using advanced switch technology
Smart Distribution	Provides hotels and hospitality chains an ability to discover and receive recommendations on new demand opportunities, auto contract with new channels using advanced switch technology
Distribution for travel sellers	Provides access to large inventory of accommodation providers to travel sellers like OTAs, travel management companies, GDSs and wholesalers
<b>MarTech</b>	
Targeted content marketing	Develop customized social media strategy
Operations Support	Tech enabled solutions captures relevant interactions and allows users to engage with guests in real-time
Analytics and reporting	Platform to capture analytics for each hotel partner across social media channels

Source: Company, PL



## Offer Details

The IPO comprises a fresh issue of Rs4 bn and offer-for-sale (OFS) of 22.6 mn shares by selling shareholders. Net proceeds will be used towards 1) Servicing debt & deferred payment obligations, 2) Funding growth initiatives, 3) Capital expenditure and 4) General corporate purposes.

### Exhibit 4: Offer details

Fresh Issue (Rs. 3,75 Cr)	Upto 9,272,788# - 8,335,752* Equity Shares
Offer for Sale by Selling Shareholders	Up to 22,605,530 Equity Shares
Bhanu Chopra – Promoter Selling Shareholder	Upto 4,043,950 Equity Shares
Megha Chopra – Promoter Selling Shareholder	Upto 1,294,760 Equity Shares
Wagner Ltd - Investor Selling Shareholders	Upto 17,114,490 Equity Shares
Usha Chopra – Other Selling Shareholders	Upto 152,330 Equity Shares

Source: Company, PL, Note: # lower price band and \* upper price band

### Exhibit 5: Utilization of net proceeds

Utilisation of net proceeds	Total estimated amount (Rs mn)
Repayment/prepayment of indebtedness availed by RateGain UK, one of our Subsidiaries, from Silicon Valley Bank	864.3
Payment of deferred consideration for DHISCO acquisition	262.4
Strategic investments, acquisitions and inorganic growth	800
Investment in technology innovation, artificial intelligence and other organic growth initiatives	500
Purchase of certain capital equipment for our Data Center	433.3
General corporate purposes*	[•]
Net Proceeds	[•]

Source: Company, PL

Note: Amount utilized for general corporate purposes will be finalized upon determination of the Offer Price and shall not exceed 25% of the Net Proceeds of the Fresh Issue.

### Exhibit 6: Selling shareholders

Shareholders	Pre-offer		No. of shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	6,40,64,520	65.42%	53,38,710	5,87,25,810	55.01%
Promoters Group	18,27,960	1.87%	0	18,27,960	1.71%
<b>Total for Promoter and Promoter Group</b>	<b>6,59,82,480</b>	<b>67.29%</b>	<b>53,38,710</b>	<b>6,05,53,770</b>	<b>56.72%</b>
Public – Investor Selling Shareholders	2,46,47,280	25.17%	1,72,66,820	73,80,460	6.91%
Public - Other	73,82,600	7.54%	0	3,88,23,882	36.37%
<b>Total for Public Shareholder</b>	<b>3,20,29,880</b>	<b>32.71%</b>	<b>1,72,66,820</b>	<b>4,62,04,342</b>	<b>43.28%</b>
<b>Total Equity Share Capital</b>	<b>9,79,22,360</b>	<b>100.00%</b>	<b>2,26,05,530</b>	<b>1,07,58,112</b>	<b>100.00%</b>

Source: Company, PL,

## Investment Argument

### Comprehensive, inter-operable, innovative industry specific solutions

*The company was awarded HSMAI Europe Region Best Technology Innovator Award in 2019 for its Market DRONE product.*

*According to LATKA, RateGain is the largest SaaS Company in the hospitality and travel sector in India.*

*RateGain's MarketDRONE is a first of its kind AI-enabled tool that provides instant reporting on intra-day rate changes. Hoteliers are able to access rate change data as it happens without scheduled reports, even on their mobile device, unlocking last minute revenue opportunities that previously may have remained untapped.*

**SaaS offerings covering entire value chain:** RateGain's artificial intelligence (AI) powered SaaS platform includes a suite of inter-connected products, which assist customers in the revenue creation value chain – 1) acquire guests across multiple channels, 2) increase retention through personalized guest experiences and 3) maximize revenue potential. RateGain's solutions help hospitality and travel companies find the right guest, decide the right price, distribute it to preferred channel of the guest and once converted, helps them have an exceptional experience. Its architecture is scalable and flexible to meet demands of customers and can be deployed at scale to support vast amounts of data.

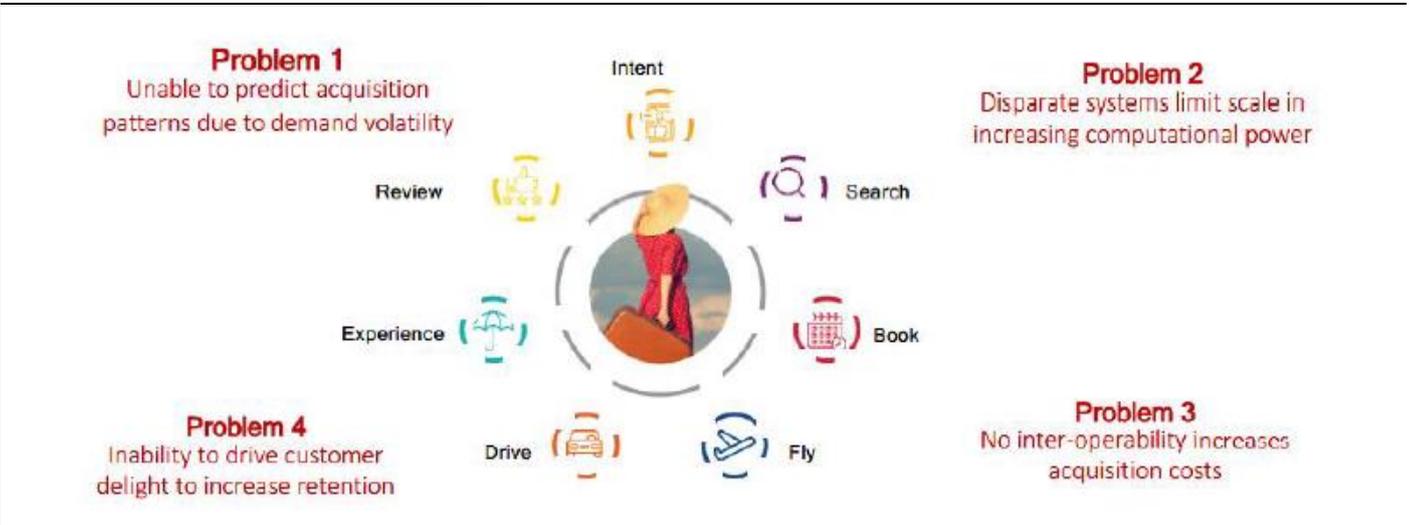
**Interoperable products provide access to vast amount of data and unlock value through integration:** Integration of products with major property management systems ("PMS"), central reservations systems ("CRS") and revenue management systems ("RMS") and long-tail channels such as tour operators, GDS, bed-banks, wholesalers and OTAs, allow RateGain to access data at a level that cannot easily be replicated. The company has developed inter-operable products which benefit from data collected across other products thus helping bridge the data gap across highly fragmented travel and hospitality industry as well as provide cross-selling opportunity. For example, the company feeds data from DaaS products into its AI based products such as Rev.AI, which enables to better predict future. Similarly, depth of business intelligence data is used to make MarTech vertical more efficient. This has led to creation of innovative cross use-cases across products that cannot be easily replicated.

**The interoperability of products displaces point solutions with bundled offerings.** For example, to assist customers that require both rate intelligence and distribution capabilities. It has launched Demand.AI that provides an aggregated, real-time view of demand based on data-mining across various silos including internet searches, flight activity, local COVID-19 lockdown rules, booking engine inventory and pricing data. Using this tool, hotel customers can gauge predicted demand for a particular property. Customers are also able to generate granular information to manage demand fluctuations in its vicinity and for similar category of hotel rooms.

**Large data-sets with deep learning AI models are difficult to replicate for competitors:** RateGain's DHISCO distribution platform is one of the largest processors of electronic hotel transactions and it is one amongst few travel technology companies to provide end to end support from Data & Decision through distribution and marketing technology. Gathering of data across all supplier sectors and geographies forms basis of AI models that become more powerful as the data models grow. As the models consume more data, they improve and can spot relationships humans cannot uncover. Once a company begins saving data and building these models, it becomes increasingly difficult for other companies to catch up.

RateGain’s inter-operable products integrated across a single platform not only allow customers to maximize their revenues but also result in cost savings by enabling better, faster and automated decision making. Its comprehensive portfolio, inter-operable nature of products enables it to create innovative use cases and drive competitive differentiation.

**Exhibit 7: Industry challenges addressed by RateGain’s products**



Source: Company, PL

**Exhibit 8: Innovative AI driven industry relevant SaaS solutions**

Products	Details
Market Drone	Real-time cognitive rate intelligence solution, tracks the intra-day rate and rate plan changes by competitors in real-time
RezGain	RezGain provides CRS ("Central Reservation Systems") level connectivity, automated currency conversion, productivity reporting, business intelligence and content management. It covers over 190,000 hotel properties and processed 7.46 million bookings.
DHISCO	DHISCO is a two-way channel connects that connects over 70 demand partners.
Smart Distribution tool	Smart Distribution tool allows customers to effectively discover new demand, automate contracting with new channels, set content and rates automatically, optimize the channel mix and thereafter distribute across various channels.
Demand.AI	A self-serve unique SaaS solution powered by AI to help businesses track hyper-local demand at a city level and optimize their commercial strategy and ensure better ROI.
Content.AI	Content distribution tool, Content.AI, tracks content related KPIs such as amenities, images and room types to identify potential gaps and provides actionable insights to hotels. It is able to transform content and augment imagery that increases the chances of conversion on demand platforms.
AirGain, CarGain and FerryGain	AirGain, CarGain and FerryGain are pricing intelligence products that are custom created for the airline, car rental and cruise and ferries industry respectively.

Source: Company, PL

**Exhibit 9: RateGain’s platform bridges the data gap across hospitality and travel industry**



Source: Company, PL

**Exhibit 10: Interoperable nature of products provides significant opportunity to cross-sell**

	DaaS	Distribution	MarTech	Comments
DaaS		26.38%	10.52%	26.38% of RateGain's DaaS customers used its Distribution products while 10.52% use its MarTech solutions
Distribution	33.01%		12.62%	33.01% of RateGain's Distribution customers used DaaS products and 12.62% used MarTech solutions
MarTech	50.41%	48.35%		50.41% of RateGain's MarTech customers used DaaS products and 48.35% used its Distribution products.

Source: Company, PL

**Exhibit 11: RateGain's bundled offerings**



Source: Company, PL

**Globally diverse, marquee, long-standing clientele**

**Diverse global customer base:** RateGain has diverse global customer base of 1,434 customers including eight Global Fortune 500 companies comprising of both travel suppliers and travel intermediaries. It serves almost all top players in respective sub-segments such as 1) 25 out of the top 30 OTAs, several of the world's fastest-growing airlines, 2) 23 of the top 30 hotel chains, 3) tour operators and wholesalers, 4) 7 global car rental companies, 5) all large cruise lines, and 6) largest travel management companies.

RateGain works with leading large and mid-size chains including the **InterContinental Hotels Group, Kessler Collection, a luxury hotel chain, Lemon Tree Hotels Limited and Oyo Hotels and Homes Private Limited** along with independent hotels. It also works with **leading OTAs such as GroupOn and Distribution companies like Sabre GLOB Inc.**

**High customer retention rates:** Company's AI enabled platform and technology focused offerings, 24x7 customer support, quick resolution of issues and customer feedback mechanism to improve customer satisfaction has led to consistent customer retention rates. For example, 7 out of top 10 customers have been with the company for more than 10 years and certain key customers including Sabre GLOB Inc., have been associated with the company since 2003. Gross Revenue Retention has consistently remained high at 92.78%/95.46%/89.24% in FY19/20/21, respectively.

**Exhibit 12: Active customers increased by 125 in 6MFY22**

	FY19	FY20	FY21	6MFY22
Overall Active customers	1,190	1,274	1,337	1,462
Customer Additions		84	63	125
Active customers in DaaS business	945	1083	1160	1406
Customer Additions		138	77	246
Active customers in Martech solutions		384	242	341
			(142)	99
Gross revenue retention rate	93%	95%	89%	

Source: Company, PL

**Exhibit 13: Reduction in client concentration risk**

Revenue mix	FY19	FY20	FY21
Top 5	29%	33%	26%
Top 6-10	13%	11%	11%
Top 10	42%	44%	37%

Source: Company, PL

**Exhibit 14: DaaS case study: Rate recommendation solution for mid-segment hotel chain in North America**

<p><b>Issues Identified</b></p> <ul style="list-style-type: none"> <li>✓ Automated competition mapping strategy</li> <li>✓ Real time rate updates</li> <li>✓ Like-to-Like comparison in the market</li> <li>✓ Intelligent and automated rate parity strategy</li> </ul>	<p><b>What we Delivered</b></p> <ul style="list-style-type: none"> <li>✓ Connection to top OTA channels and enabling availability parity</li> <li>✓ Room type mapping feeding data directly into their revenue management system</li> <li>✓ Direct feed into tableau enabling all graphs and statistics across top 100 hotels.</li> <li>✓ Dedicated 24 / 7 support and quarterly on site reviews with top management aligning the product strategy with company strategy</li> </ul>	<p><b>Benefits Realized</b></p> <ul style="list-style-type: none"> <li>✓ Improved operations and visibility across hotels</li> <li>✓ Quick identifications of trends and better tracking of rate anomalies</li> <li>✓ Easy to use user interface and graphical reports</li> </ul>
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Source: Company, PL

**Exhibit 15: Smart distribution case study of one of the world’s largest hotel chains**

<p><b>Issues Identified</b></p> <ul style="list-style-type: none"> <li>✓ Automated multi-channel distribution</li> <li>✓ Easy to use interface</li> <li>✓ Standardization across their portfolio</li> <li>✓ Quick ‘Go-Live’</li> </ul>	<p><b>What we Delivered</b></p> <ul style="list-style-type: none"> <li>✓ Connection to the top booking websites/OTA channels, allowing for real-time rate and availability parity</li> <li>✓ Seamless integration with partners to over 700+ Channels</li> <li>✓ Dedicated 24X7 support and deployment</li> </ul>	<p><b>Benefits Realized</b></p> <ul style="list-style-type: none"> <li>✓ Substantial increase in net bookings</li> <li>✓ Instant connectivity Using Smart Distribution</li> <li>✓ Reduction in operational costs</li> </ul>
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Source: Company, PL

**Exhibit 16: Channel Manager case study of a hotel management chain in Southeast Asia**

<b>Issues Identified</b>	<b>What we Delivered</b>	<b>Benefits Realized</b>
<ul style="list-style-type: none"> <li>✓ Automated multi-channel distribution</li> <li>✓ Streamlined third party/OTA inventory distribution</li> <li>✓ Healthy mix of online traffic and conversions</li> <li>✓ Staff productivity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Connection to the top booking websites/OTA channels, allowing for real-time rate and availability parity</li> <li>✓ Seamless integration with booking engine to over 37 channels</li> <li>✓ Dedicated 24X7 support and deployment</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increased online revenue by 54%</li> <li>✓ Increased bookings volume by 125%</li> <li>✓ Reduction in operational costs</li> </ul>

Source: Company, PL

**Exhibit 17: MarTech case study of revenue generation through Social Media for a luxury hotel in Mexico**

**Customer.** A luxury hotel in Mexico.

**Background.** The customer wanted to improve occupancy by running a summer campaign that helps in generating interest and inspires travelers to book during summer need periods through social media.

<b>What we delivered</b>	<b>Results achieved</b>	
<ul style="list-style-type: none"> <li>• Custom-developed animated graphics and other dynamic assets to highlight the resort’s “Art of Summer” campaign</li> <li>• Different Ad types (Canvas, Rate Exposure and Collections Ads)</li> <li>• Audience Recurring Website visitors and lookalike audiences                             <ul style="list-style-type: none"> <li>• Frequent travelers earning \$300,000</li> <li>• Families of frequent travelers above</li> <li>• Existing social media audience</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Post Elevation:</b> Drove 47% of total bookings &amp; revenue on social media for the campaign</li> <li>• <b>Rate Exposure:</b> Drove 53% of total bookings &amp; revenue on social media for the campaign</li> <li>• Dynamic ad types such as the Collection Ad drove some of the <b>best results in terms of bookings: 6 and 19.18X Return on Ad Spend</b></li> </ul>	

Source: Company, PL

**Strong operational performance & successful track-record of M&A**

Company showed strong operating performance with adjusted EBITDA margins at 9.44% in FY21 vs 7.97% in FY20 despite 37% YoY decline in revenue due to impact of COVID in FY21 led by cost rationalization measures such as: 1) temporary salary reductions, hiring freeze and furloughs (furloughed employees were later brought back), 2) negotiated contracts with vendors globally, and 3) curtailed travel expenses and rationalized sales and marketing expenses. Net cash generated from operating activities was also healthy at INR 206.04 mn in FY21 +7.7% YoY.



RateGain's products are developed in-house through centralized group of software development, product management and data science talent which offers high operating leverage as employee costs as % of revenue will decrease, as revenue from SaaS based products and platform scale up.

**Track record of successful strategic M&As:** Strong balance sheet position (check for off-balance sheet liabilities) empowers RateGain to make strategic investments and consolidate its position by acquiring brands, complementary technologies and product lines. RateGain has proven track record of successful M&As. For example, it acquired DHISCO with operations in North America and Europe in 2018, integrated it with RateGain's proprietary technology, expanded it to hotels and OTAs in Asia, maintained and grew its existing customer base.

Similarly, it acquired BCV (MarTech), a marketing technology company in 2019 and has extended offerings to customers globally, migrated Centre of Excellence (CoE) from the United States to India that resulted in margin expansion. Post-acquisition and with the installation of CoE across multiple functions, RateGain has deployed MarTech offerings in other regions. It offers MarTech product as a bundle to existing clients along with other products to increase unit ticket value of commercial relationship.

Recently, RateGain acquired Myhotelshop, a German company which offers reporting, bid management and campaign intelligence platform for metasearch publishers and other travel products that enables hotel suppliers, OTAs, and agency clients to reach more customers at higher returns. Myhotelshop will boost both RateGain's revenue and profitability as it posted revenue of INR 503.3 mn (20% of RateGain's revenue) and PAT margin of 21% in FY21.

## Competitive landscape

RateGain is unique in terms of 1) its specific breadth of supplier coverage, 2) its breadth of functional coverage, 3) its ability to gather and leverage vast amounts of travel data for its AI models, and 4) its ability to use that data to create actionable business intelligence for its customers. The company has offerings in hotel vertical with strong placements in Hotel Tech Report rankings. It is one of the few players with presence across DaaS, Distribution and digital marketing (MarTech).

In DaaS business, it competes with TravelClick, OTAinsight and Fornova in hotel segments while it competes with InFare in the airline segment. In car rental segment its primary competitor is RateHighway while for OTAs it competes with Fornova.

In Distribution business, DHISCO and RezGain compete with Siteminder, DerbySoft and TravelClick all focused on hotel segments.

There are limited scaled participants in the digital marketing industry that are focused on hospitality and travel industry. Typically, this is done in-house or social media agency is engaged by the hotel.

*RateGain's BCV (MarTech) tops the list in Hotel Tech Report's social media category (ranking 1/19).*

### Exhibit 18: RateGain's offerings in the hotel vertical have strong placement in Hotel Tech Report Rankings

Category	Product	Rank
Rate Shopping/Marketing Intelligence	OPTIMA	4th rank among 29 other global competitors
Channel Managers	RezGain	7th rank among 77 other competitors
Parity Management	RateParity+	4th rank among 9 other competitors
Social media	BCV	1st rank among 19 other competitors

Source: Company, PL

### Exhibit 19: Competitors in DaaS platform

DaaS	RateGain's DaaS product	OTA Insight	Fornova	Paraty Tech	Rate-Highway
Products / Offerings	Market and price intelligence; Dynamic Price recommendation	Market and price rate intelligence; tracking parity performance and PMS analytics	Competitive and distribution intelligence; e-commerce optimizer; revenue intelligence and operational analytics	Booking Engine; Revenue Management; Web and Online Marketing; Loyalty Clubs; Ring2Travel	Rate-Monitor, car rental revenue management; Additional services including technical integration, training, and custom reporting and analytical services.
Verticals	Travel and hospitality verticals: hotels, airlines, OTAs and METAs vacation rentals, package providers, car rentals, rail, travel management companies, cruises and ferries.	Single/Multiple Property	Hotel groups, OTAs, Car rental companies, Booking sites	Hotels	
Clients	1,188	50,000	50,000	Over 3,000	Unknown
Revenue	USD 12.6 mn in FY21	USD 22.2 million in 2019	£ 10.3 million in 2018	Unknown	US\$3.34 Million in 2021
Funding		USD 20 million	USD 26 million	Unknown	Unknown
Employees		191	51-200	11 to 50	11 to 50
HQ	New Delhi, India	London	London	Málaga, Spain	Irving, California
Founded (Year)	2004	2012	2010	2011	2003

Source: Company, PL

**Exhibit 20: Competitors in Distribution platform**

Distribution	RateGain's distribution product	Travel Click	SiteMinder	DerbySoft	Infare
Products / Offerings	Integrated distribution channel management, CRS (Central Reservation Systems) level connectivity, business intelligence and content management.	Media solutions; reservations & booking engine; central reservations system; property management; guest management solutions; business intelligence; service optimization	Channel manager; booking engine; website design; business insights; hotel metasearch hotel payment processing; GDS distribution	Streamlined connectivity; property connect; marketing services, WeChat Mini Program Provider; Content services	Airline network management and route planning; Airline revenue management and pricing teams; Data-driven market pricing insights; comparative analysis and benchmarking for tour operators
Verticals	Hospitality	Hotels, gaming, exhibition, events and banquets	Independent and chain hotels	Hotels	Airlines, Airports, Travel Agencies
Clients	144 distribution partners including OTAs such as GroupOn and distribution companies such as Sabre GBLB Inc., in over 110 countries as our customers,	52,000	35,000	Top 10 global hotel groups; all leading third-party Central Reservation Systems and hundreds of regional hotel chains of all sizes throughout Europe, China and North America.	Over 250 airlines worldwide
Revenue	USD 16.2 mn in FY21	USD 373 million in 2017	AUD 100 million in 2019	Unknown	Estimated USD 19.4 million per year
Funding	NA	Acquired by Amadeus for USD 1.5 billion	USD 105.3 million	USD 30.5 million	Infare has acquired Air Cube on May 5, 2021
Employees		1001-5000	501-1000	251-500	51-200
HQ	New Delhi, India	New York, US	NSW, Australia	Dallas, Texas	Copenhagen, Denmark
Founded (Year)	2004	1999	2006	2002	2000

Source: Company, PL

**Exhibit 21: Competitors in MarTech platform**

	RateGain's MarTech	Destination Think	Lodging Interactive	Casual Fridays	Pandemic Labs
Products / Offerings	Social Media Monitoring; Reputation Management; Expansion of Social Platforms; Social Media Advertising; Social Media Influencer Engagement and Management;	Destination strategy; Destination branding; Creative platforms; Tourism Sentiment Index	HotelSiteXPRESS – hotel websites; Commingle Engage – social media marketing and reputation management; Omnichannel Marketing; Dining Click – ADA-compliant dining menus	Digital Marketing Strategy; Social Media Ads; Social Media & Reputation Management; Content Marketing; Influencer Marketing; Video Marketing & Production	Full-service digital marketing including digital strategy; content production; measurement & analytics; social media management; digital media planning & buying; content audits; influencer marketing; events, experiences & activations
Verticals	Travel & Hospitality	DMOs, NTOs, CVBs and events	Hotels, restaurants, spas, management companies	Hospitality; tourism; non-profit; education; entertainment	Lodging; cruises; DMOs; non-hospitality brands
Clients	~311	Over 100	Over 65 hotel management companies and nearly 700 hospitality properties worldwide, including luxury independent hotels and resorts and branded properties.	Unknown	Global client roster includes some of the most well-known brands in the world, especially in the travel industry.
Revenue	USD 4.8 Million	USD 5 Million	USD 1.80 million	USD 5.55 million in 2021	USD 860,514
Funding	NA	Unknown	Unknown	Unknown	Unknown
Employees		11 to 50	51-200	11 to 50	11 to 50
HQ	New Delhi, India	Vancouver, BC	Parsippany, NJ	San Diego, California	Boston, Massachusetts
Founded (Year)	MarTech was started in 2019 via acquisition of BCV	2009	2001	2009	2007

Source: Company, PL

**Exhibit 22: RateGain has presence across revenue maximization value chain**

	RateGain	OTAIInsight	Fornova	TravelClick	SiteMinder	DerbySoft
DaaS	√	√	√	√	√	
Distribution	√			√	√	√
MarTech	√					

Source: Company, PL

**Peer financials & valuations**

There are no listed companies in India that engage in a business similar to that of RateGain. We have compared financials and valuations of global Vertical SaaS, global Travel Tech, India B2B Tech peers in listed space.

Price band of Rs. 405-425 implies P/S of 18x on FY21 sales of Rs2.5bn. Global vertical SaaS peers are trading at P/S of ~14x FY21 sales. We believe premium valuations are justified given - 1) its superior non-replicable product portfolio and 2) highly predictable, scalable and profitable business model.

**Exhibit 23: Peer Financials**

	Revenue (USD mn)					Revenue growth YoY					EBITDA margin					PAT				
	CY19/ FY20	CY20/ FY21	CY21/ FY22E	CY22/ FY23E	CY23/ FY24E	CY19/ FY20	CY20/ FY21	CY21/ FY22E	CY22/ FY23E	CY23/ FY24E	CY19/ FY20	CY20/ FY21	CY21/ FY22E	CY22/ FY23E	CY23/ FY24E	CY19/ FY20	CY20/ FY21	CY21/ FY22E	CY22/ FY23E	CY23/ FY24E
<b>Travel Tech company</b>																				
Amadeus	6,236	2,482	3,189	5,110	6,244	7%	-60%	28%	60%	22%	43%	14%	25%	37%	41%	1,246	-714	-60	806	1,252
<b>Vertical SaaS Companies</b>																				
Freshworks	172	250	366	484	637		45%	47%	32%	31%	-13%	-18%	-1%	-10%	-4%	1,351	-500	-4	-51	-25
Zendesk	816	1030	1333	1688	2107	36%	26%	29%	27%	25%	-11%	-7%	10%	10%	13%	-170	-218	-218	-217	-191
Veeva	1104	1465	1835	2185	2576	28%	33%	25%	19%	18%	21%	21%	23%	35%	34%	301	380	446	530	654
Guidewire	742	743	786	868	868	3%	0%	6%	10%	12%	6%	4%	-7%	-1%	2%	-27	-67	-150	-135	-88

Source: Company, PL, Note: Zendesk, Amadeus, Freshworks follow Dec year ending, Guidewire follows July year ending and Veeva follows Jan year ending

**Exhibit 24: Peer Valuations**

	Price/Sales			
	CY20/FY21	CY21/FY22E	CY22/FY23E	CY23/FY24E
<b>Travel Tech</b>				
Amadeus	11.9	9.3	5.8	4.7
<b>Vertical SaaS</b>				
Freshworks	4.8	3.2	2.5	1.9
Zendesk	12.1	9.3	7.4	5.9
Veeva	26.7	21.3	17.9	15.2
Guidewire	13.2	12.5	11.3	10.1
<b>Average</b>	<b>13.7</b>	<b>11.1</b>	<b>9.0</b>	<b>7.5</b>
RateGain	18.1	13.6	10.0	7.8

Source: Company, PL

## Key Strategies

### Growth levers for the future:

- **New product development capabilities:** RateGain invests in products used by travel companies in post COVID-19 era. These AI-led products will offer real time intelligence and make pricing recommendations for revenue maximization.
- **Land and expand:** RateGain focusses on mining existing customers through bundling which will add to stickiness. It will also present customers with a platform option for vendor consolidation.
- **Penetration:** RateGain will continue to expand enterprise sales infrastructure in specific segments to increase penetration in areas such as MarTech and certain categories within DaaS and Distribution.
- **Go-to-market at scale:** RateGain will continue to build its network for integrating products with regional niche players that will leverage RateGain's capabilities to strengthen their respective offerings to their customer base.

**Expand further in to Care Rental Segment:** RateGain believes that there is an opportunity for pricing solutions among existing car rental companies globally given that there are limited means for the industry in terms of distribution channels unlike airlines and hotels. The company has recently launched the pilot for its Rev.AI product focused on car rental segment that intends to replace static pricing mechanisms with dynamic pricing recommendations to optimize yield, generate demand through cohort promotions and enhance utilization through inventory management.

**Partnerships and alliances to be a key growth lever:** RateGain intends to cost-effectively expand into adjacent verticals and new geographies through partnership. For example, in Feb 2021, it entered into a global strategic partnership with IDEaS, a leading provider of revenue management software and services, to deliver real-time and AI-powered rate intelligence to its customers globally. RateGain's significant data assets and cross-product insights have helped cement this partnership and will allow customers to improve their operational efficiency, receive on-the-go updates, and optimize revenue management strategies against their competitors set by leveraging real-time market data.

**Expand MarTech solution:** MarTech offers end-to-end social media management solution. RateGain aims to further expand MarTech and capitalize on changing social media management needs as guest traveler engagement with travel suppliers is being re-invented in the post COVID-19 scenario. MarTech aims to expand offerings into following segments:

- **Social Media Monitoring:** RateGain aims to upscale and add luxury hotels in key geographies so that social media interactions by users with customers do not go unengaged. Addressable market for this segment currently is about 92,000 hotels globally while RateGain had 242 active customers in this segment as on FY21.

*RateGain intends to leverage its well-entrenched relationships with its customers to add additional verticals that will allow it to grow revenues at minimal customer acquisition costs.*

*RateGain plans to expand into adjacent verticals within the travel industry such as car rentals that rely on the same product set to guide their businesses.*

- **Reputation Management:** As customers tend to rely more on other client's reviews, social reputation needs to be managed and supplier side of any service recovery will need to be promptly published to acknowledge, and present suppliers point of view.
- **Social Media influencer and engagement management:** RateGain intends to build capabilities and make influencer commerce seamless for travel suppliers
- **Social Media Advertising:** The company plans to leverage its data lake to prepare ad campaigns based on city demand, prevailing rates and source markets where demand is originating from. This differentiates it from other ad campaigns based on blanket mandates.
- **Expansion of Social Platforms:** RateGain aims to expand its channel coverage based on new social platforms that gain traction and become a viable means of social media communication for target segment.

**Leverage unique data assets to create new AI product offerings:** RateGain intends to continue leveraging extensive data assets through introduction of additional product offerings based on latest technologies. Its focus will be to enhance its cross-product use cases such as Market Drone, Demand.AI and Smart Distribution.

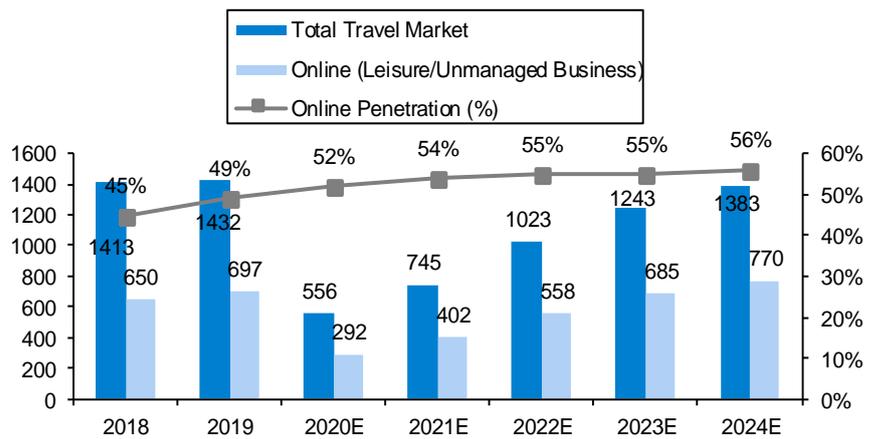
The company has set up RateGain Labs, an in-house incubator that will leverage existing expertise to solve current travel industry problems through data, proximity to clients and business experience. RateGain labs have 15 full-time employees and is led by Promoter, Bhanu Chopra. It will continue to innovate travel and hospitality industry through this initiative.

## Industry Snapshot

The travel and tourism sector bore the brunt of the pandemic in 2020. Global travel spending dropped 61% YoY from \$1432 bn to \$556 bn in CY20. With improving pace of vaccinations and easing travel restrictions, Phocuswright expects sharp recovery in global travel & hospitality industry with growth on 22.8% CAGR over CY21-24E to reach \$1383 bn in CY24E. Leisure travel witnessed faster recovery, resulting in an increase in the share of leisure travel to 82% of total travel spend in 2020 vs 78% in 2019, according to WTTC. This is positive for RateGain given it generated 94.8% of its FY21 revenue from leisure travel.

According to Phocuswright and McKinsey survey of 899 C-Level executives conducted in 2020, COVID-19 has significantly accelerated pace of digitization across industries including travel and tourism. Online portion of the travel market has grown from 26% in 2010 to nearly 52% in 2020. Pandemic accelerated the shift and online is further estimated to reach 56% by 2024. Mobile part of the online travel market and has grown from a miniscule 0.2% to nearly 47% in 2020 as travelers adopted technology across the travel lifecycle.

**Exhibit 25: Global online travel market to grow at 24% CAGR over 21-24E**



Source: Company, PL

**Exhibit 26: All sub-segments in travel and hospitality are expected to grow at accelerated pace post sharp fall in CY20**

Gross bookings (USD Bn)	2015	2016	2017	2018	2019	2020E	2021E	2022E	2023E	2024E
Global Hospitality industry	442	458	485	515	520	233	307	406	479	522
<i>YoY growth</i>		4%	6%	6%	1%	-55%	32%	32%	18%	9%
Global Vaccination Rentals industry	NA	NA	79	82	85	60	71	85	95	101
<i>YoY growth</i>				4%	4%	-29%	18%	20%	12%	6%
Global OTA industry	180	200	227	259	281	120	169	229	280	315
<i>YoY growth</i>		11%	14%	14%	8%	-57%	41%	36%	22%	13%
Global Airline Passenger gross bookings	522	528	571	618	626	203	266	396	499	571
<i>YoY growth</i>		1%	8%	8%	1%	-68%	31%	49%	26%	14%
Global Car Rental industry	44	45	47	51	52	30	36	43	49	53
<i>YoY growth</i>		2%	4%	9%	2%	-42%	20%	19%	14%	8%
Global Cruise industry	NA	NA	24	26	27	3	7	19	25	30
<i>YoY growth</i>				8%	4%	-89%	133%	171%	32%	20%
Global Holiday Park, Camping and Caravanning industry	40	NA	NA	NA	50	40	45	51	NA	NA
<i>YoY growth</i>						-20%	13%	13%		

Source: Company, PL

*In the global hotel industry, "High Touch, not High Tech" has been replaced by "High Touch through High Tech".*

### Key technology trends to shape travel demand

- Increasing use of mobile:** Mobile part of online travel market was 47% in 2020 as travelers adopted technology across the travel lifecycle.
- Availability of multiple platforms** for travel bookings, including OTAs, supplier websites, meta-search websites, search engines and travel review websites.
- Shift of activity booking to online:** The in-destination segment that was once characterized by last-minute, offline business is rapidly shifting online. In the U.S., online penetration of tours, activities and attractions is expected to rise from 32% in 2019 to 46% by 2022, reaching \$14 billion.
- Social media is gaining prominence shaping up demand for travelers:** Social media plays a bigger role in mobile-first markets where social travel content influences travel decisions. In China and Indonesia, photos and videos from friends or travel brands have influenced the travel decisions of approximately two in three travelers.

Above key technology trends indicate growing digital adoption of end consumer which will lead to sharp increase in adoption of technology by players in travel & hospitality players. Phocuswright expects increasing adoption of technology in below areas:

- Social media management:** Social media is now one of the most important customer acquisition channels. Companies like RateGain help them monitor client's comments (and selectively responded to), design promotional strategies, manage influencer strategy, track consumer sentiment about both the hotel and competitors etc.

*On average hotel company IT departments have laid off 40% of their staff. Similar cuts have happened in other departments including Marketing & Sales, Revenue Manager and Distribution.*

*Hotel executives may use technology in new ways that enable automation of work that previously required human hands.*

*Migration of systems from “on-premise” to “cloud-based” with first generation cloud-native systems is resulting in improved usability.*

- **Electronic distribution of hotels:** Within the hotel industry, distribution is considered to be communication of sales-oriented information (facilities, brand affiliation, accommodation availability and rates) about a hotel. Even though hotels have embraced technology for distribution, they remain a laggard for overall digitization, an increasingly important competitive requirement.
- **Hotels prefer direct bookings by guest:** Reservations booked directly on hotel’s website are more lucrative for hotels vs other electronic distribution channels. Hotels are thus investing in technology to offer smooth online booking experience on their website.
- **Hotel pricing and daily rate setting:** Hotel room rate setting i.e. charging the highest possible rate to get highest possible flow of new reservations in each of the market segments while maintaining rate parity (preventing online travel agents from under-cutting hotel rates) is very labour intensive and can be solved using technology (example: Parity+ product of RateGain)
- **Automating revenue management systems:** Revenue Management Systems are capable of accepting, analyzing and developing action recommendations using considerably more data and evaluating many more if/then scenarios than would ever be possible by Revenue Managers using manual tools. Forecasting capability in the post-COVID-19 era is a challenge which can be solved by incorporating near real time travelling trends in the automated RMS system.
- **Replacement of on-premise systems with cloud first approach:** The benefits of cloud-based systems to hotel operators includes centralized updating of software by specialized technicians, reduced or eliminated need for on-premises IT staff, computer room space freed for other uses and reduced utility costs. Additionally, the cost of system use transformed from a major initial capital expense followed by annual license fees to a monthly operating expense. Moreover, the opportunities for interfacing, or going further and deeply integrating, cloud-based systems are becoming increasingly clear and appealing.
- **Use of analytics, business intelligence and data science to provide insights and drive faster decision making:** Hospitality industry is increasingly focused on data. General Managers have become much more focused on statistics as a performance measure; Revenue Managers apply an unwavering priority to data collection, interpretation and presentation. And as more and more data is collected and analyzed, hotel operators and their data scientists are evaluating potential role of artificial intelligence to reveal insights and prompt action.
- **Global systems from global vendors and focus on anytime anywhere:** The combination of mobile devices – be smartphones or pads – and internet access, has now enabled nearly unlimited “anytime, anywhere” system access for these individuals. Increasingly, operations staff such as Revenue Managers can adjust guestroom availability and rates in real time from any location and at any time. Property managers can view activity statistics; property owners can view financial data.

### Addressable market to grow at 18% CAGR over 2021-25

There is a large and rapidly growing addressable market opportunity for a vertical SaaS companies like RateGain. Phocuswright expects increased use of third party vendors compared to in-house as COVID-19 has resulted in significant lay-offs, in terms of technology talent in travel industry. Third party travel and hospitality technology is estimated to be a US\$ 5.91 billion market in 2021 growing to an estimated US\$ 11.47 billion in 2025 at a CAGR of 18%.

#### Exhibit 27: Total Addressable Market size is at USD 5.9Bn in CY21E and expected to grow at 18% CAGR over CY21-25E

USD Bn	2021E	2022E	2023E	2024E	2025E
OTA	17	23	28	32	34
Airlines	266	396	499	571	616
Hospitality	307	406	479	522	554
Vacation Rentals	71	85	95	101	104
Car Rental	36	43	49	53	56
Cruise	7	19	25	30	34
Holiday Parks	45	51	54	56	57
<b>Total Revenue</b>	<b>749</b>	<b>1,023</b>	<b>1,229</b>	<b>1,365</b>	<b>1,455</b>
Technology spend as % of revenue	3.94%	3.94%	3.94%	3.94%	3.94%
<b>Technology spend</b>	<b>29.5</b>	<b>40.3</b>	<b>48.4</b>	<b>53.8</b>	<b>57.3</b>
3rd party spend as % of total tech spend	29%	29%	29%	29%	29%
<b>3rd party spend</b>	<b>8.6</b>	<b>11.7</b>	<b>14.0</b>	<b>15.6</b>	<b>16.6</b>
<b>Excluding hardware spends from 3rd party tech spend</b>	<b>5.9</b>	<b>8.1</b>	<b>9.7</b>	<b>10.8</b>	<b>11.5</b>

Source: Company, PL

Addressable serviceable market size for RateGain is \$4.34 bn in 2021, growing to an estimated US\$ 8.45 bn in 2025 encompassing enterprise applications focused on guest acquisition, distribution, revenue maximization and potential wallet share expansion in hospitality and travel industry. The travel technology segment is further favored by industry tailwinds of digitization in post COVID times.

#### Exhibit 28: Serviceable addressable market (SAM) to grow at 18% CAGR to \$8.45 Bn in 2025

SAM in US\$ Bn	2021E	2022E	2023E	2024E	2025E
Current Products	3.70	5.06	6.07	6.75	7.19
Future Products	0.65	0.88	1.06	1.18	1.26
<b>Total</b>	<b>4.35</b>	<b>5.94</b>	<b>7.14</b>	<b>7.93</b>	<b>8.45</b>

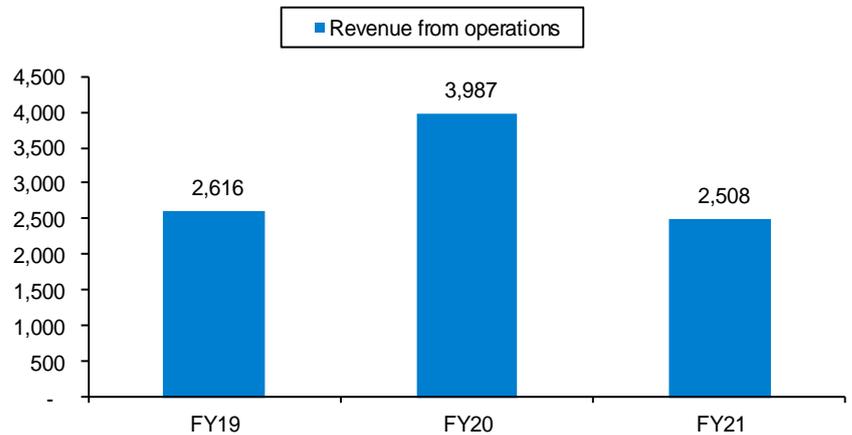
Source: Company, PL

## Financial Performance

### Revenue impacted in FY21 due to COVID

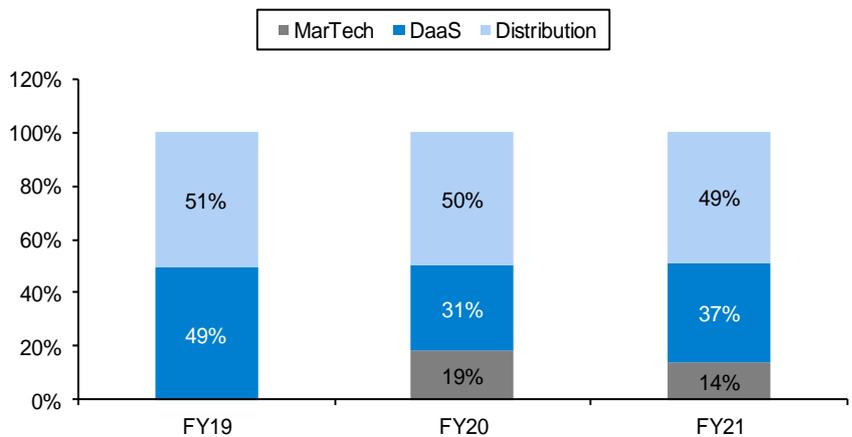
Revenue decreased by 37.1% in FY21, primarily on account of impact of COVID-19 pandemic on all three business segments. Revenue from DaaS segment decreased by 25.51% in FY21, primarily due to customers seeking price reductions, waivers and discounts on subscription products owing to RateGain’s long-term relationships with such customers and reduction in the volume of data they sought to contain costs. Revenue from Distribution segment declined by 38.90% in FY21, primarily due to the reduced volume of hotel reservations and bookings due to COVID-19 which significantly impacted revenues. Revenue from MarTech segment decreased by 51.87% FY21, primarily due to customers requesting to pause their subscriptions. Active count of hotel properties covered declined from 384 as of FY20 to 242 as of FY21.

**Exhibit 29: Sharp revenue decline of 37% in FY21 due to COVID**



Source: Company, PL

**Exhibit 30: Revenues diversified across three segments**



Source: Company, PL

**Exhibit 31: Strong growth in FY20 led by Distribution and MarTech**

	FY19	FY20	FY21
DaaS	1,294	1,254	934
YoY		-3%	-26%
Distribution	1,322	1,994	1,218
YoY		51%	-39%
MarTech		740	356
YoY			-52%
<b>Total</b>	<b>2,616</b>	<b>3,987</b>	<b>2,508</b>
YoY		52%	-37%

Source: Company, PL

**Exhibit 32: Pricing model of RateGain**

<b>DaaS products</b>	Subscription model where customers in the hospitality sector subscribe to DaaS products for a fixed period. For certain DaaS products, it also operates on a hybrid model where it charges a minimum subscription fees for use of products and a pay-per-use charge for accessing additional data.
<b>Distribution segment</b>	
RezGain	Subscription model where customers pay a subscription fee to access the product.
DHISCO	Operates on a transaction model where it generates revenues from bookings done by OTAs and GDS operators.
<b>MarTech</b>	Subscription model

Source: Company, PL

**EBITDA margin**

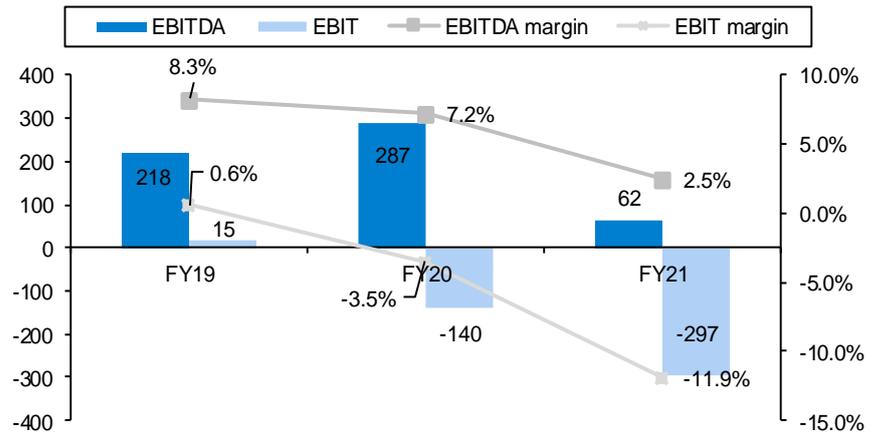
RateGain showed strong operating performance with adjusted EBITDA margins at 9.44% in FY21 vs 7.97% in FY20 despite 37% YoY decline in revenue due to impact of COVID in FY21 led by cost rationalization measures such as: 1) temporary salary reductions, hiring freeze and furloughs (furloughed employees were later brought back), 2) negotiated contracts with vendors globally, and 3) curtailed travel expenses and rationalized sales and marketing expenses. Net cash generated from operating activities was also healthy at INR 206.04 mn in FY21 +7.7% YoY despite negative of – INR 286 mn.

**Exhibit 33: Adjusted EBITDA margin improved by ~140 bps YoY despite sharp decline in revenue in FY21**

	FY19	FY20	FY21
EBITDA	218	287	62
EBITDA margin	8.3%	7.2%	2.5%
Employee stock option expenses	147	30	113
Loss on foreign exchange fluctuation	8	1	62
<b>Adjusted EBITDA</b>	<b>373</b>	<b>318</b>	<b>237</b>
Adjusted EBITDA margin	14.3%	8.0%	9.4%

Source: Company, PL

Exhibit 34: EBITDA margins



Source: Company, PL

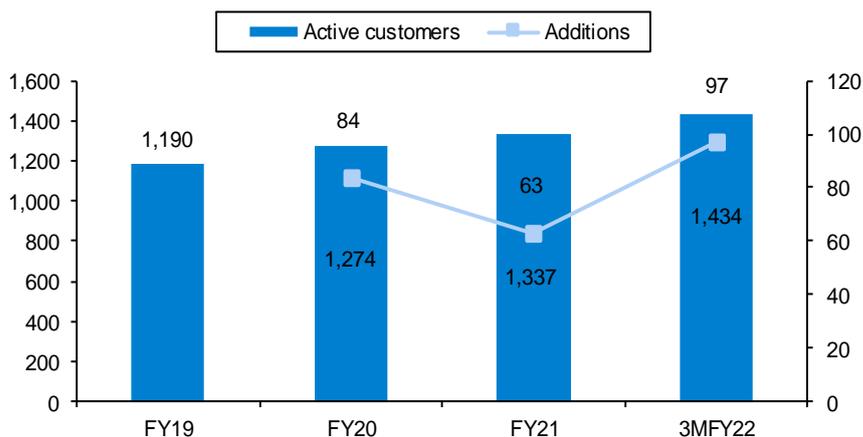
### Enhance operating efficiency through investments in technology

Technology infrastructure costs, i.e., hosting and proxy charges and software subscription charges represented 14.86%/8.14%/10.82% of revenue in FY19/20/21 respectively. The company will continue to invest in technology to further enhance its operations, which may increase operating costs but will improve operating leverage, cost efficiency and service quality. Investments in technology will improve customer experience for RateGain’s SaaS products plus improve the rate of transactions and generate revenues.

### Signs of recovery in FY22

RateGain’s operations were impacted on account of lockdowns imposed and travel restrictions in FY21. However, with rising vaccinations and easing travel restrictions, RateGain has witnessed an increase in OTA (Online Travel Agencies) and GDS (Global Distribution Systems). The company also generated 96.48% of its revenue from leisure travel in FY21. Gross revenue retention rate (% of renewed revenue as compared to previous year) continued to remain stable at 89.24% in FY21 vs 95.46% in FY20. Number of Active customers grew by robust 97 in just first three months of FY22.

Exhibit 35: Active customers increased by 97 in 3MFY22



Source: Company, PL

### Inorganic growth through strategic acquisitions

RateGain has track record of inorganic growth through strategic acquisitions that supplement its business verticals. In FY19, it entered into an asset purchase agreement to acquire selected assets and liabilities of DHISCO, a processor of electronic hotel transactions that delivers connectivity and distribution solutions to hotels. DHISCO business contributed INR 1,118.48 mn of revenue and incurred a loss of INR 4.15 mn in FY19. In addition, in FY20 it also acquired BCV Social, a marketing technology company. BCV Social contributed revenues INR 679.38 mn and a loss of INR 288.28 mn in FY20. RateGain will continue making strategic acquisitions and entering into new business ventures or initiatives.

Recently, RateGain acquired Myhotelshop, a German company which offers reporting, bid management and campaign intelligence platform for metasearch publishers and other travel products that enables hotel suppliers, OTAs, and agency clients to reach more customers at higher returns. Myhotelshop will boost both RateGain’s revenue and profitability as it posted revenue of INR 503.3 mn (20% of RateGain’s revenue) and PAT margin of 21% in FY21.

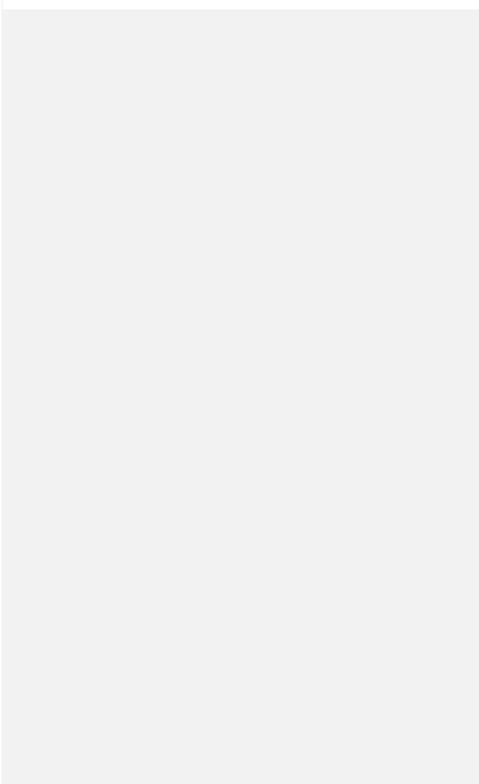
### Company has to comply with restrictive financial covenants

Due to pandemic, the company was unable to meet certain covenants included in its credit agreement with Silicon Valley Bank. This breach was eventually waived by the bank and it set aside the current covenant requirement until June 2021. Bank included a fresh set of financial covenants using forecasts that take into account the impact of COVID-19 until June 2021. Additionally, principal amount payable for three months ended June 2020 and six months ended Sep 2020 have been deferred until the term loan maturity. **RateGain proposes to prepay the entire amount outstanding to Silicon Valley Bank (principal amount), from the portion (Rs. 864.3 mn) of the net proceeds of the Fresh Issue in FY22.**

**Exhibit 36: Key Performance indicators**

Key Performance indicators	FY19	FY20	FY21	5MFY22
<b>Annual Recurring Revenues ("ARR") (Rs. mn)</b>				
DaaS	1,301.16	1,311.46	986.07	957
Distribution	1,889.21	1,813.64	1,202.82	1372.8
MarTech	0	922.39	441.25	676.8
<b>Total</b>	<b>3,190.38</b>	<b>4047.49</b>	<b>2,630.14</b>	<b>3006.5</b>
<b>Active Customer Count</b>				
Hotels	957	1,034	1,098	1,220
OTAs	138	125	132	132
Airlines	17	28	31	27
Car Rentals	69	69	58	65
Others	9	18	18	18
Total	1,190	1,274	1,337	1,462
Average Revenue Per Customer ("ARPC") (Rs. mn)	2.68	3.18	1.97	0.21
Gross Margins	80.21%	76.17%	79.46%	78.61%
Gross Revenue Retention (% of renewed revenue as compared to previous Fiscal)	92.78%	95.46%	89.24%	92.92%
<b>Revenue by Engagement (%)</b>				
Subscription	30.07%	40.86%	44.16%	48.35%
Transaction	34.65%	35.06%	26.34%	27.19%
Hybrid	35.28%	24.07%	29.50%	24.47%
<b>Recurring Revenues (% total revenues)</b>				
DaaS	97.00%	98.00%	97.00%	97.57%
Distribution	98.00%	97.00%	95.00%	97.37%
MarTech	N.A.	98.00%	99.00%	99.80%
Customer Acquisition Cost ("CAC") (Rs. mn)	0.9	0.98	0.93	0.07
Revenue per Employee (Rs. Mn)	7.45	6.31	5.91	0.59
Average Booking Value (Rs.)	20,134	16,339	15,733	24,123
Price Points Aggregated (DaaS) (mn)	5,009	6,559	5,834	299
Active Count of Hotel Properties (MarTech)	N.A.	384	242	337

Source: Company, PL



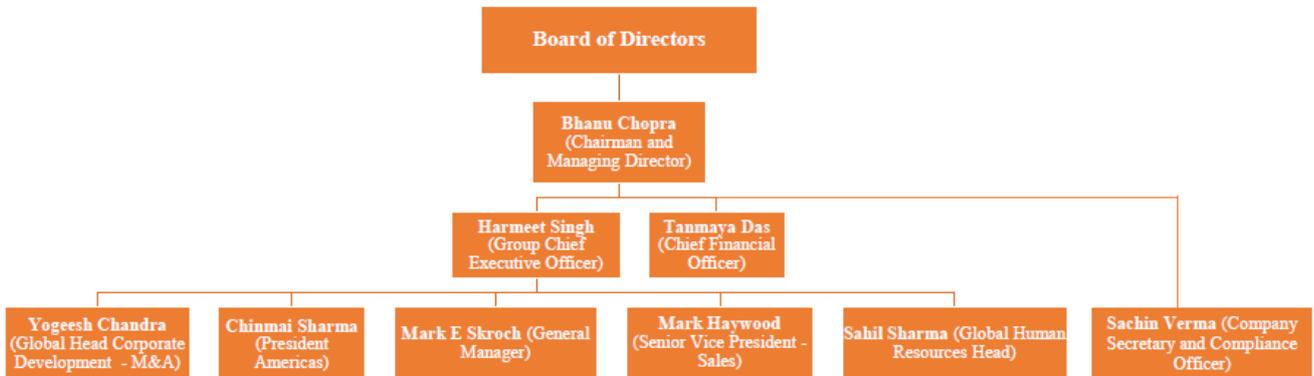
## Management Profile

Mr. Bhanu Chopra is the founder and executive chairman of RateGain. He has rapidly grown the company since 2004. Mr. Bhanu Chopra earned his master's degree from Indiana University and began his career at Deloitte Consulting. His inspiration for starting RateGain was the rising trend of online bookings and increasing demand and popularity of online travel agents (OTAs). Both hotels and OTAs identified the need to compare their room rates with the competition-set rates. The company started with a 'competitive intelligence price comparison product' for hotels and since then it expanded its product portfolio across value chain.

Mr. Bhanu Chopra has over 20 years of experience. He has been profiled on "Young Turks" by CNBC-TV18 and is a member of Delhi chapter of Young Presidents Organisation.

Senior management team has over a decade of experience each in contribution to revenue growth in SaaS and hospitality and travel sectors. They have extensive go-to market and product development experience. Given that senior management team is located across three continents, RateGain benefits from teams across multiple geographies including go-to market teams that are located near enterprise and mid-market customers allowing it to maintain relationships with them.

Exhibit 37: Management Structure

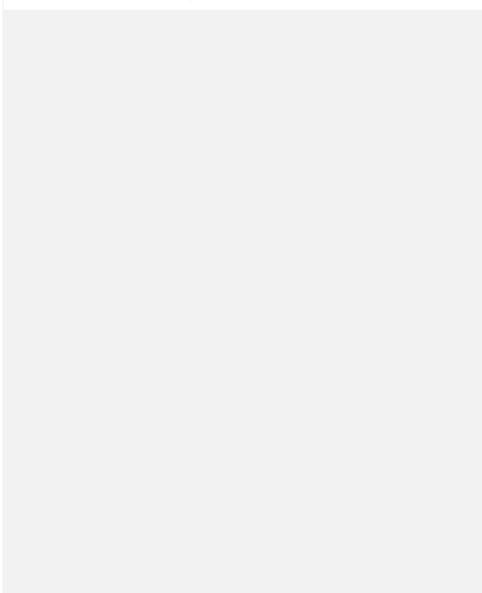


Source: Company, PL

**Exhibit 38: Board of Director profile**

<b>Name</b>	<b>Designation</b>	<b>Associated From</b>	<b>Educational Qualifications</b>	<b>Work Experience</b>
Bhanu Chopra	Chairman and Managing Director	Since incorporation	Bachelor's degree of science in business from Indiana University, after which he began his career with Deloitte in 1998.	He is an entrepreneur with experience of over 15 years and has been actively involved in the day-to-day running of the Company since incorporation
Megha Chopra	Executive Director	Since incorporation	Post graduate diploma in family business management from Narsee Monjee Institute of Management Studies, Mumbai	She is an entrepreneur with more than eight years of experience in the Company and has been actively involved in the day-to-day running of the Company. Prior to directorship in the company she was associated with HCL Infosystems Limited.
Nishant Kanuru Rao	Non-Executive Nominee Director		Bachelor's degree in computer science from University of Texas, Austin, United States and a master's degree in business administration from Massachusetts Institute of Technology, Cambridge, USA	He is a venture capitalist. Previously, he has been associated with LinkedIn Corporation USA, Freshdesk Technologies Private Limited and Sirion Labs Private Limited. Currently, he is a partner at Avataar Venture Partners, which was founded by him in 2019.
Girish Paman Vanvari	Independent Director	29-Jun-21	Bachelor's degree in commerce from Shri Narsee Monjee College of Commerce and Economics, University of Bombay and is an associate member of the Institute of Chartered Accountants of India	
Aditi Gupta	Independent Director	15th July 2021	Bachelor's degree in commerce and a bachelor's degree in law from Chaudhary Charan Singh University, Meerut and a master's degree in commerce from Indira Gandhi National Open University.	Member of Institute of Company Secretaries of India and has an experience of over 10 years as a company secretary.
EC Rajakumar Konduru	Independent Director	15th July 2021	Bachelor's degree in science and a master's degree in science and a master's degree in philosophy from Sri Venkateswara University, Tirupati.	Venture capitalist with an experience of over 13 years in equity investments. Previously, he has served as an officer of the Indian Revenue Services and as the regional director of SEBI. Currently, he is the managing director of Ascent Capital Advisors India Private, which he founded in 2008.

Source: Company, PL

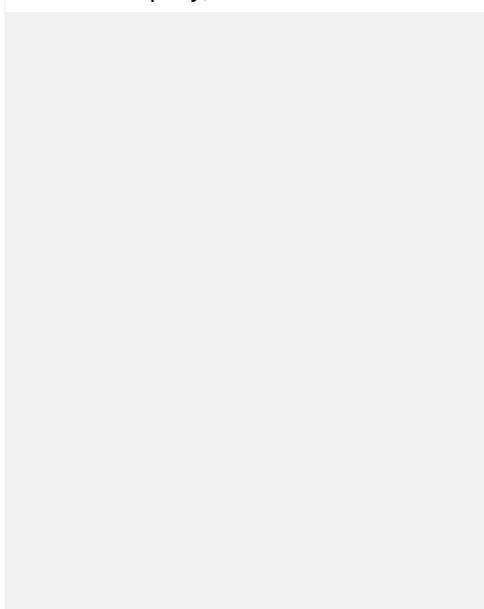




## Exhibit 39: Other Key Management personnel

Name	Designation	Associated From	Educational Qualifications	Work Experience
Harmeet Singh	Group Chief Executive Officer	17th October 2019	Bachelor's degree in science from California State University, Northridge	Prior to joining RateGain, he served as the President - J2 Cloud Services
Tanmaya Das	Chief Financial Officer	29th June 2021	Bachelor's degree in commerce from Utkal University, Bhubaneswar and is a member of the Institute of Chartered Accountants of India	Prior to joining the company, he was associated with Dion Global Solutions Limited, PricewaterhouseCoopers and Avya Global Connect Limited
Chinmai Sharma	President – Americas	1st October 2018	Bachelor's degree in arts from University of Delhi and a master's degree in business administration from Institut De Management Hôtelier International	Prior to joining the Company, he was the chief revenue officer of Taj Hotels and the vice president revenue of Starwood Capital Group. He has been named as one of the 'Top 20 Extraordinary minds within Sales, Marketing and Technology' by Hospitality Sales and Marketing Association International, Europe.
Mark E Skroch	General Manager of BCV Social	30th March 2020	Master's degree in business administration from JL Kellogg School of Management, Chicago	Prior to joining the company, he was the senior vice president of accounts in Fusion92, Chicago and an associate partner at VSA Partners, Chicago
Sahil Sharma	Global Human Resources	22nd June 2016	Bachelor's degree in arts from University of Delhi and has completed an executive program in human resource management from Indian Institute of Management, Calcutta	He has over eight years of experience in human resource management. Prior to joining the company, he was the senior manager of human resources in Indiamart Intramesh Limited.
Yogeesh Chandra	Global Head Corporate Development (Mergers & Acquisitions)	13th March 2015	Bachelor's degree in commerce from University of Delhi, a diploma in hotel management & catering technology from National Council for Hotel Management and Catering Technology, New Delhi	Prior to joining the company, he was associated with Taj Hotels, The Spencer on Byron Hotel, New Zealand and Kingsgate Hotel, Parnell, Auckland
Mark Haywood	Senior Vice President - Sales	2nd April 2019	He attended West Hatch High School Chigwell and the City and Guilds of London Institute. He is also a supplier member of the Institute of Travel Management	Prior to joining the company, he was associated with Bishopsgate and Zinc House and Ascott Limited. He has received the CEO Award for his contribution to Travelclick.
Sachin Verma	Company Secretary and Compliance Officer	29th June 2021	Bachelor's degree in commerce from University of Delhi and a bachelor's degree in law from Chaudhary Charan Singh University, Meerut.	He is a member of the Institute of Company Secretaries of India and has over five years of experience as a practising company secretary. Prior to joining the company he was the company secretary in Fair Exports (India) Private Limited

Source: Company, PL



## Key Risks

### Revenue dependent on hospitality and travel industry

RateGain substantially derives all of its revenues from worldwide travel and hospitality industry. The 'Travel and Hospitality industry' is highly sensitive to economic conditions and trends. COVID-19 led to overall industry slowdown, not only due to health concerns but also due to underlying economic slowdown and job losses.

### High revenue concentration from top clients

Revenue contribution from top 10 customers was 40.8%/41.0%/36.9% during FY19/20/21. The company targets to generate significant portion of revenue from existing customers in the form of long-term arrangements, increasing scope of contract terms and number of engagements of existing customers. Losing few of these top clients may significantly impact financials of the company.

### Company has contingent liabilities that have not been provided in financial statements

As on FY21, company had contingent liabilities (Indirect Tax expenses) of Rs. 683.77 INR mn (27% of revenue and 37% of cash & short investments in FY21). If a significant portion of these liabilities materialize, it could have an adverse effect on RateGain's financial performance.

### Company may be subject to penalties for non-compliance with certain provisions of Companies Act, 2013

Company had filed a compounding application to Ministry of Corporate Affairs, on August 14, 2021 for non-compliance of Section 42 of provisions of the Companies Act, 2013. It had allotted 160 Equity Shares, as partly paid-up shares, to certain company executives on private placement basis on March 8, 2021. However, during the process of offer and allotment of equity shares, it inadvertently contravened afore-mentioned compliance requirements under the Companies Act, 2013 and rules made thereunder. While RateGain has taken steps to rectify these non-compliances, there can be no assurance that it will receive favourable order in the compounding application and even after receiving favourable order, it may be subject to penalties for such past non-compliances.



## Financials

### Exhibit 40: Key Ratios

	FY19	FY20	FY21
<b>Profitability Ratios</b>			
EBITDA margin	8.3%	7.2%	2.5%
PBT Margin	3.6%	-4.5%	-9.8%
Pre-exceptional Net Profit margin	4.2%	8.4%	-11.4%
EBIT margin	0.6%	-3.5%	-11.9%
<b>Growth</b>			
Revenue Growth		52.4%	-37.1%
EBITDA Growth		31.9%	-78.5%
Pre-exceptional PAT Growth		204.9%	NA
<b>Return Ratios</b>			
ROCE		0.8%	-4.8%
ROE		23.9%	-14.9%
ROIC		-10.0%	-18.5%
<b>Operating Ratios</b>			
Cash & Cash equivalents / Total Assets	30.0%	17.4%	42.4%
DSO	87.08	70.13	96.04
OCF/EBITDA		1.86	NA
OCF/PAT		1.59	NA
FCF/PAT		NA	NA
EPS	1.2	(2.3)	(3.0)
DPS	-	-	-
BVPS	16.1	15.5	25.4

Source: Company, PL

**Exhibit 41: Income Statement (Rs mn)**

Y/e March	FY19	FY20	FY21	5M FY22
<b>Gross Revenue</b>	<b>2,616</b>	<b>3,987</b>	<b>2,508</b>	<b>1,253</b>
<i>YoY growth</i>		<i>52.4%</i>	<i>-37.1%</i>	
Employee benefit expense	(1,208)	(2,058)	(1,513)	(759)
<i>as a % of Gross Revenues</i>	<i>46.2%</i>	<i>51.6%</i>	<i>60.3%</i>	<i>60.6%</i>
Other expenses	(1,190)	(1,642)	(934)	(449)
<i>as a % of Gross Revenues</i>	<i>45.5%</i>	<i>41.2%</i>	<i>37.2%</i>	<i>35.8%</i>
<b>EBITDA</b>	<b>218</b>	<b>287</b>	<b>62</b>	<b>45</b>
<i>EBITDA margin</i>	<i>8.3%</i>	<i>7.2%</i>	<i>2.5%</i>	<i>3.6%</i>
D&A	(202)	(427)	(359)	(130)
<i>as a % of revenues</i>	<i>7.7%</i>	<i>10.7%</i>	<i>14.3%</i>	<i>10.3%</i>
<b>EBIT</b>	<b>15</b>	<b>(140)</b>	<b>(297)</b>	<b>(84)</b>
<i>EBIT margin</i>	<i>0.6%</i>	<i>-3.5%</i>	<i>-11.9%</i>	<i>-6.7%</i>
Other income	111	589	133	60
<i>Implied Yield</i>		<i>76.1%</i>	<i>10.4%</i>	
Finance costs	(32)	(89)	(82)	(22)
<i>Implied interest rate</i>		<i>9.8%</i>	<i>7.1%</i>	
Exceptional items	-	(537)	-	(47)
<b>PBT</b>	<b>95</b>	<b>(178)</b>	<b>(246)</b>	<b>(94)</b>
<i>PBT Margin</i>	<i>3.6%</i>	<i>-4.5%</i>	<i>-9.8%</i>	<i>-7.5%</i>
Total tax expense	15	(23)	(39)	10
<i>Tax rate</i>	<i>-16.3%</i>	<i>-13.2%</i>	<i>-16.0%</i>	<i>-11.0%</i>
<b>Profit/Loss</b>	<b>110</b>	<b>(201)</b>	<b>(286)</b>	<b>(83)</b>
<i>PAT margin</i>	<i>4.2%</i>	<i>-5.0%</i>	<i>-11.4%</i>	<i>-6.7%</i>
<b>Pre-exceptional Profit/Loss</b>	<b>110</b>	<b>336</b>	<b>(286)</b>	<b>(36)</b>
<i>Pre-exceptional PAT margin</i>	<i>4.2%</i>	<i>8.4%</i>	<i>-11.4%</i>	<i>-2.9%</i>

Source: Company, PL

**Exhibit 42: Balance Sheet (Rs mn)**

<b>Y/e March</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>5M FY22</b>
<b>Total non-current Assets</b>	<b>1,174</b>	<b>2,264</b>	<b>1,725</b>	<b>1,595</b>
Property, Plant & Equipment	171	131	79	57
Right-of-use asset	216	197	46	19
Intangible assets	674	1,831	1,554	1,453
Financial assets	66	55	8	8
Non-current tax assets (net)	45	48	38	57
Other non-current assets	2	1	1	2
<b>Total current Assets</b>	<b>1,675</b>	<b>1,708</b>	<b>2,673</b>	<b>2,687</b>
Cash and Cash equivalents	855	693	1,864	1,899
Cash and Bank Balance	396	210	538	551
Other Bank Balance	52	34	36	36
Investments	407	449	1,290	1,312
Trade Receivables	633	777	669	641
Loans	9	2	2	3
Other current Assets	178	236	138	144
<b>Total Assets</b>	<b>2,849</b>	<b>3,971</b>	<b>4,398</b>	<b>4,282</b>
<b>Total non-current Liabilities</b>	<b>491</b>	<b>1,421</b>	<b>1,040</b>	<b>989</b>
Borrowing	244	1,007	981	951
Lease liabilities	213	180	26	3
Long-term provisions	31	30	33	35
Other non-current liabilities	2	203	-	-
<b>Total current Liabilities</b>	<b>926</b>	<b>1,173</b>	<b>909</b>	<b>851</b>
Lease liabilities	86	100	27	20
Short-term provisions	2	2	2	2
Trade payables	193	386	243	234
Other Current Liabilities	646	685	637	595
<b>Total Liabilities</b>	<b>1,417</b>	<b>2,594</b>	<b>1,949</b>	<b>1,840</b>
<b>Equity</b>	<b>1,432</b>	<b>1,377</b>	<b>2,449</b>	<b>2,442</b>
Equity Share capital	7	7	7	79
Instruments entirely equity in nature	1	1	1	1
Other equity	1,425	1,370	2,441	2,362
<b>Total Equity and Liabilities</b>	<b>2,849</b>	<b>3,971</b>	<b>4,398</b>	<b>4,282</b>

Source: Company, PL



## Exhibit 43: Cash Flow (Rs mn)

Y/e March	FY19	FY20	FY21	5M FY22
<b>Operating activities</b>				
Profit/(loss) before tax	95	(178)	(246)	(94)
<b>Adjustments for:</b>				
Depreciation and amortization expense	202	427	359	130
Finance cost	31	89	81	21
Employee stock option expense	26	73	96	78
Trade and other receivables written off	23	47	74	11
Allowance for expected credit loss	36	37	20	33
Net gain on current investments measured at FVTPL	(42)	(27)	(31)	(22)
Interest income	(8)	(9)	(7)	(1)
Unrealized foreign exchange loss/(profit)	(19)	28	(0)	2
Gain on termination of lease	-	-	(54)	(3)
Sundry balances written back	(50)	(3)	(2)	(7)
Write off of property, plant and equipment (net)	1	-	0	-
Impairment of goodwill	-	537	-	-
Gain on fair valuation of contingent consideration	-	(537)	-	-
Gain/loss on sale of property, plant and equipment (net)	-	(0)	0	0
Gain on disposal of investment in subsidiary	(10)	-	-	-
Loss on subleasing agreement	3	-	-	-
<b>Operating profit before working capital changes and other adjustments</b>	<b>288</b>	<b>484</b>	<b>291</b>	<b>149</b>
<b>Working capital adjustments:</b>				
(Increase)/ Decrease in trade receivables	(41)	(97)	29	(18)
(Increase)/ Decrease in financial assets	40	3	67	4
(Increase)/ Decrease in loans	(5)	8	0	(1)
(Increase)/ Decrease in other assets	(1)	(31)	34	(12)
Increase/ (Decrease) in trade payable	(15)	121	(141)	(1)
Increase/ (Decrease) in other financial liabilities	132	(39)	28	(18)
Increase/ (Decrease) in other liabilities	(22)	(186)	(82)	(28)
Increase/ (Decrease) provisions	12	(35)	3	2
<b>Cash generated from operating activities post working capital</b>	<b>387</b>	<b>228</b>	<b>229</b>	<b>78</b>
Income tax paid	(25)	(37)	(23)	(7)
<b>Net cash generated from operating activities</b>	<b>362</b>	<b>191</b>	<b>206</b>	<b>70</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment and intangible assets	(20)	(55)	(7)	(4)
Proceeds from sale of property, plant and equipment	-	0	-	1
(Investments in) / sale of mutual funds (net)	754	(15)	(810)	-
Proceeds on maturity / (investments in) bank deposits (net)	(15)	18	(2)	(0)
Interest income	1	3	2	1
Investment in assets acquired from Dhisco Inc. and BCV Social LLC	(753)	(1,075)	-	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(34)</b>	<b>(1,123)</b>	<b>(817)</b>	<b>(3)</b>
<b>Financing activities</b>				
Proceeds from issue of equity instruments #	-	-	-	-
Proceeds from issue of compulsorily convertible preference shares	-	-	1,111	-
Repayment of long-term borrowings	-	(11)	(22)	(23)
Repayment of lease liabilities	(41)	(68)	(17)	(8)
Proceeds from long-term borrowings	-	868	-	-
Share application money received/(paid)	-	-	0	(0)
Share issue expenses	-	-	(74)	-
Finance cost paid	(23)	(61)	(69)	(20)
<b>Net cash generated from/(used in) financing activities</b>	<b>(63)</b>	<b>728</b>	<b>929</b>	<b>(52)</b>
Net increase/ (decrease) in cash and cash equivalents	265	(204)	318	16
Net foreign exchange difference	5	18	10	(3)
Cash and cash equivalents at the beginning of the year	126	396	210	538
<b>Cash and cash equivalents at year end</b>	<b>396</b>	<b>210</b>	<b>538</b>	<b>551</b>

Source: Company, PL

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	1,496	1,169
2	Coforge	BUY	5,596	5,069
3	Cyient	BUY	1,315	1,160
4	HCL Technologies	BUY	1,386	1,251
5	Infosys	BUY	2,004	1,709
6	L&T Technology Services	BUY	5,621	5,132
7	Larsen & Toubro Infotech	BUY	6,710	5,906
8	Mindtree	BUY	4,804	4,364
9	Mphasis	BUY	3,674	3,396
10	Persistent Systems	BUY	4,641	4,060
11	Redington (India)	BUY	213	145
12	Sonata Software	BUY	994	918
13	Tata Consultancy Services	BUY	4,113	3,936
14	TeamLease Services	Reduce	4,259	4,668
15	Tech Mahindra	BUY	1,862	1,522
16	Wipro	BUY	736	651
17	Zensar Technologies	BUY	539	453

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<b>Buy</b>	: >15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



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## **Prabhudas Lilladher Pvt. Ltd.**

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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