BUY (Maintain)

CMP: **INR 819** Target Price: **INR 1,150 (INR 1,350)** ▲ 40%

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06 November 2026

India | Equity Research | Results Update

RateGain Travel Technologies

Internet

Seasonal dip exacerbated by geopolitical headwinds; deleveraging on track and guidance intact

Q2FY27 revenue fell 5% QoQ, but management attributed the dip to two identifiable factors: a USD 2.5mn FIFA World Cup one-off in Q1 and the usual 5–10% Q1-to-Q2 seasonality in DMO spend. Organic growth was 14% YoY in Q2 and 15.7% in H1, above the 12–15% guided range. Properties and Destinations each grew over 20% organically; the drag is Sojern's corporate business (c.16% of MarTech), down ~14% organically in H1. FY27 guidance was reaffirmed – revenue at the upper end of INR 30–31bn and adj. EBITDA margin of 22.5–23.5%, with H1 at 23.7%. We are building in revenue/EBITDA/PAT CAGRs of 39%/48%/53%. Maintain **BUY** with a TP to INR 1,150 (earlier INR 1,350), as we cut our target multiple to 30x (from 35x) FY28E EPS, given limited visibility on normalcy in Middle East and recovery in the corporate business.

Conference call takeaways

- Management retained its FY27 guidance of revenue at the upper end of INR 30–31bn and adj. EBITDA margin of 22.5–23.5%. This may be led by a sequential DMO rebound through Q3–Q4, as new budget cycles deploy, and the corporate business moving from decline in H1 to flat in H2.
- In MarTech, the QoQ dip reflected the FIFA base and DMO budget timing; DMO revenue still grew more than 20% YoY. The weak spot is corporate (airlines, cruise, car rental, travel brands), a non-priority for Sojern pre-acquisition and down c.20% in USD terms. The reset covers vertical sales teams, new leadership, a signed TikTok agreement and connected TV.
- Sojern's commission-based model is being used as a low-friction entry product for hotels, followed by an upsell to the UNO platform (booking engine, distribution, demand generation). APMEA new sales ran at over 3x the year-ago pace and 50+ properties signed on Direct Stack in the quarter; a new Global Key Accounts team targets the top-10 accounts. NRR recovered to 103.5% in H1 (FY26: 99.6%).
- New contract wins grew by ~54% YoY/(3)% QoQ to ~INR 1.4bn, with the total order pipeline up ~12% YoY/(1)% QoQ to ~INR 6.6bn, pointing to sustained momentum led by cross-sell and property wins.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	10,767	18,236	31,366	35,293
EBITDA	2,321	3,375	6,431	7,348
EBITDA Margin (%)	21.6	18.5	20.5	20.8
Net Profit	2,089	1,944	3,474	4,545
EPS (INR)	17.7	16.5	29.5	38.5
EPS % Chg YoY	36.3	(6.9)	78.7	30.8
P/E (x)	46.2	49.7	27.8	21.2
EV/EBITDA (x)	39.3	30.8	15.6	12.8
RoCE (%)	11.4	11.7	16.2	17.3
RoE (%)	13.3	10.5	15.9	17.6

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Market Data

Market Cap (INR)	97bn
Market Cap (USD)	1,029mn
Bloomberg Code	RATEGAIN IN
Reuters Code	RATE.BO
52-week Range (INR)	1,053 /437
Free Float (%)	51.0
ADTV-3M (mn) (USD)	4.0

Price Performance (%)	3m	6m	12m
Absolute	(16.2)	35.5	19.5
Relative to Sensex	(17.2)	32.5	24.5

ESG Score	2024	2025	Change
ESG score	68.3	71.3	3.0
Environment	54.3	60.3	6.0
Social	67.2	68.5	1.3
Governance	77.2	79.5	2.3

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

07-08-2026: Q1FY27 results review
12-06-2026: Internet Travel Tech

- High oil prices are pushing airlines towards AI-led pricing, driving AirGain wins at Philippine Airlines, Vietjet Qazaqstan and Vietnam Airlines. DaaS also expanded with large global OTAs and an Indian B2C platform, and Navigator ramps on Cloudbeds from Oct'26 with Duetto in advanced testing. Management expects double-digit DaaS growth in FY27.
- Distribution was stable YoY and is guided to single-digit growth in FY27. Smart Distribution is live with bookings flowing and 800+ directly contracted properties; management expects a 'hockey stick' ramp, and Direct Stack (booking engine plus payments) is seeing strong interest in APMEA. Management expects a significant acceleration in growth in this segment in FY28.
- H1 adj. EBITDA margin of 23.7% is above the band, driven by Sojern–Adara single-platform savings, shared services and AI productivity rather than currency (USD revenue and costs are largely matched). Management is comfortable with the figure at above 20% and will likely reinvest margin upside above that.
- Total debt repayment is now USD 53.75mn, bringing the total repayment to ~43% of the acquisition-related loan, and remains on track to be net debt-free by FY28E. Net debt is INR 4.9bn.
- RateGain is running paid ads on AI discovery platforms in alpha, tracking airline fare visibility in AI-generated answers, and has built natural-language interfaces into DaaS (Lens). On the risk that AI makes scraping cheaper, management pointed to anti-blocking capability, direct data partnerships with customers and purchased data as the moat.
- Middle East revenue recovered modestly to ~USD 500k/month in Q2 (Q1: ~USD 425k; pre-conflict: ~USD 970k), with share gains in the UAE and Saudi Arabia.

Downside risks: 1) Slowdown in travel demand; 2) in-house solutions by OTAs/large hotels; and 3) distribution segment weakness.

Exhibit 1: Q2FY27 review

INR mn	Q2FY27	Q1FY27	Q2FY26	QoQ (%)	YoY (%)
Net Sales	**7,454**	**7,850**	**2,951**	**-5.0**	**152.6**
Employee costs	2,846	2,948	1,154	-3.5	146.6
Other expenses	3,078	3,187	1,260	-3.4	144.2
EBITDA	**1,530**	**1,715**	**536**	**-10.8**	**185.4**
EBITDA margin %	**20.5%**	**21.9%**	**18.2%**	**-132 bps**	**236 bps**
Depreciation	393	375	93	4.7	320.1
EBIT	**1,138**	**1,340**	**443**	**-15.1**	**156.9**
Finance Cost	161	165	3	**-2.6**	**5,456.6**
Other Income	**(3)**	**31**	**215**	**-108.5**	**-101.2**
PBT	**974**	**1,206**	**655**	**-19.2**	**48.6**
Minority interest	0	0	0	0	0
Net profit	**747**	**949**	**510**	**-21.3**	**46.5**
Diluted EPS	**6.3**	**8.0**	**4.3**	**-21.3**	**46.8**

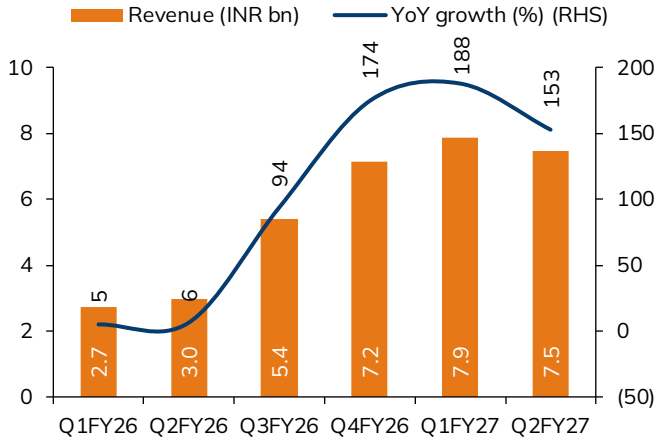
Source: I-Sec research, Company data

Exhibit 2: Segmental revenue trend

Operating revenue (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Daas	**804**	**962**	**934**	**979**	**987**	**1,026**
QoQ (%)	0.0	19.6	-2.9	4.8	0.8	4
YoY (%)	-3.1	10.3	3.3	21.7	22.7	6.6
Distribution	**482**	**506**	**458**	**511**	**497**	**512**
QoQ (%)	-21.1	4.9	-9.5	11.7	-2.7	3
YoY (%)	-9.2	-11.9	-11.5	-16.3	3.2	1.3
MarTech	**1,443**	**1,483**	**4,008**	**5,666**	**6,366**	**5,916**
QoQ (%)	21.1	2.8	170.3	41.4	12.4	-7
YoY (%)	16.5	11.8	193.5	375.7	341.2	299.0
Total	**2,729**	**2,951**	**5,400**	**7,156**	**7,850**	**7,454**
QoQ (%)	4.7	8.1	83.0	32.5	9.7	-5
YoY (%)	5.0	6.4	93.8	174.5	187.6	153
% of revenue						
Daas	29.5	32.6	17.3	13.7	12.6	14
Distribution	17.7	17.1	8.5	7.1	6.3	7
MarTech	52.9	50.3	74.2	79.2	81.1	79

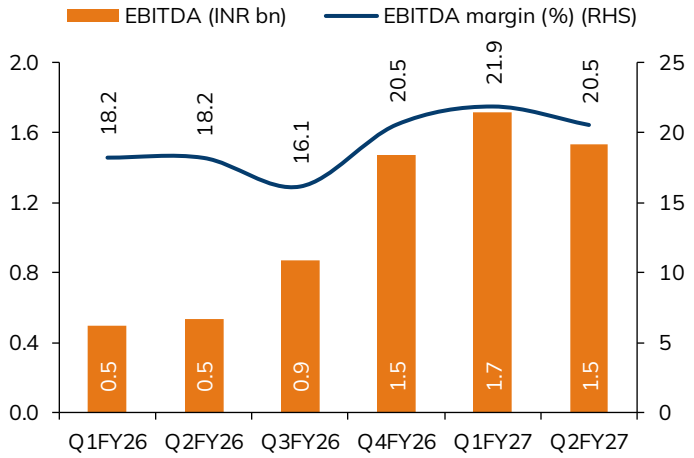
Source: I-Sec research, Company data

Exhibit 3: Revenue vs YoY growth



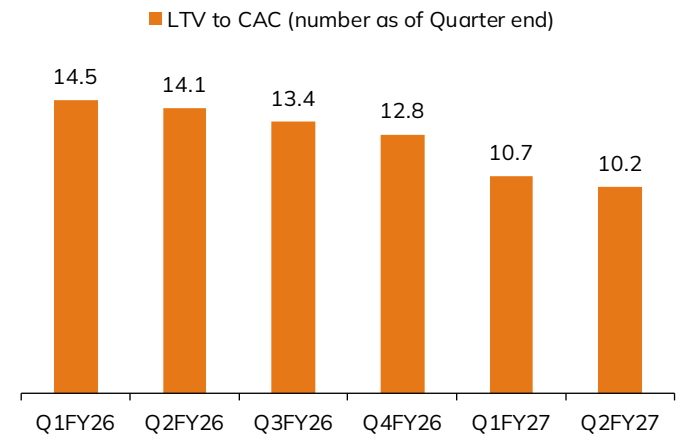
Source: I-Sec research, Company data

Exhibit 4: EBITDA margin trend



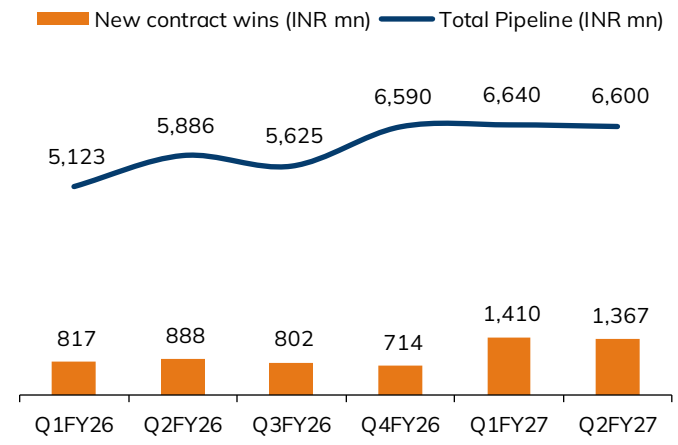
Source: I-Sec research, Company data

Exhibit 5: LTV to CAC ratio



Source: I-Sec research, Company data

Exhibit 6: New contract wins vs total pipeline trend



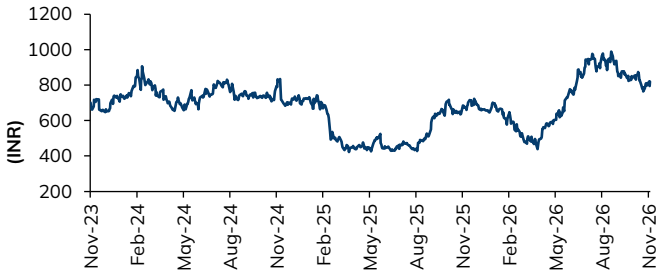
Source: I-Sec research, Company data

Exhibit 7: Shareholding pattern

%	Mar'26	Jun'26	Sep'26
Promoters	48.8	48.8	48.9
Institutional investors	26.3	26.6	27.5
MFs and others	19.9	20.0	20.3
FIs/Banks	0.0	0.0	0.0
Insurance	1.1	0.9	0.3
FIIs	5.4	5.8	6.9
Others	25.0	24.6	23.6

Source: Bloomberg, I-Sec research

Exhibit 8: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 9: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	10,767	18,236	31,366	35,293
Operating Expenses	**8,446**	**14,861**	**24,935**	**27,945**
EBITDA	2,321	3,375	6,431	7,348
EBITDA Margin (%)	**21.6**	**18.5**	**20.5**	**20.8**
Depreciation & Amortization	349	807	1,577	1,584
EBIT	1,971	2,568	4,854	5,764
Interest expenditure	13	315	561	392
Other Non-operating Income	764	613	219	531
Recurring PBT	2,722	2,866	4,512	5,903
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	**633**	**576**	**1,038**	**1,358**
PAT	2,089	2,291	3,474	4,545
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	2,089	1,944	3,474	4,545
Net Income (Adjusted)	**2,089**	**1,944**	**3,474**	**4,545**

Source Company data, I-Sec research

Exhibit 10: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	12,113	9,300	17,496	22,314
of which cash & cash eqv.	3,496	1,731	4,541	7,834
Total Current Liabilities & Provisions	1,768	4,082	8,134	9,216
Net Current Assets	**10,346**	**5,218**	**9,362**	**13,098**
Investments	3,186	245	245	245
Net Fixed Assets	103	123	94	59
ROU Assets	135	244	244	244
Capital Work-in-Progress	-	-	-	-
Total Intangible Assets	3,240	23,659	22,177	20,696
Other assets	37	348	351	355
Deferred Tax Assets	226	1,678	1,678	1,678
Total Assets	**17,274**	**31,515**	**34,152**	**36,375**
Liabilities				
Borrowings	**-**	**9,212**	**8,212**	**5,712**
Deferred Tax Liability	**133**	**199**	**199**	**199**
provisions	78	150	150	150
other Liabilities	76	1,621	1,783	1,962
Equity Share Capital	118	118	118	118
Reserves & Surplus	16,709	19,940	23,415	27,960
Total Net Worth	**16,827**	**20,059**	**23,533**	**28,078**
Minority Interest	-	-	-	-
Total Liabilities	**17,274**	**31,515**	**34,152**	**36,375**

Source Company data, I-Sec research

Exhibit 11: Quarterly trend

(INR mn, year ending March)

	Dec-25	Mar-26	Jun-26	Sep-26
Net Sales	5,400	7,156	7,850	7,454
% growth (YOY)	94%	174%	188%	153%
EBITDA	871	1,470	1,715	1,530
Margin %	16.1%	20.5%	21.9%	20.5%
Other Income	166	26	31	(3)
Adjusted Net Profit	265	700	949	747

Source Company data, I-Sec research

Exhibit 12: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**1,200**	**2,337**	**4,219**	**5,721**
Working Capital Changes	(373)	(578)	(1,174)	(269)
Capital Commitments	(64)	(41)	(50)	(50)
Free Cashflow	**1,264**	**2,379**	**4,269**	**5,771**
Other investing cashflow	**(389)**	**(12,774)**	**219**	**531**
Cashflow from Investing Activities	(454)	(12,816)	169	481
Issue of Share Capital	18	2	-	-
Interest Cost	-	8,732	(1,000)	(2,500)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	-	-
Others	(36)	(375)	(578)	(409)
Cash flow from Financing Activities	(17)	8,359	(1,578)	(2,909)
Chg. in Cash & Bank balance	**728**	**(2,119)**	**2,810**	**3,292**
Closing cash & balance	3,474	1,731	4,541	7,834

Source Company data, I-Sec research

Exhibit 13: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	17.7	16.5	29.5	38.6
Adjusted EPS (Diluted)	17.7	16.5	29.5	38.5
Cash EPS	9.6	19.5	35.4	48.1
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	142.8	170.2	199.7	238.3
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	12.5	69.4	72.0	12.5
EBITDA	22.3	45.4	90.5	14.3
EPS (INR)	36.3	(6.9)	78.7	30.8
Valuation Ratios (x)				
P/E	46.2	49.7	27.8	21.2
P/CEPS	85.1	42.1	23.2	17.0
P/BV	5.7	4.8	4.1	3.4
EV / EBITDA	39.3	30.8	15.6	12.8
P / Sales	9.0	5.3	3.1	2.7
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	75.0	70.6	-	-
EBITDA Margins (%)	21.6	18.5	20.5	20.8
Effective Tax Rate (%)	23.3	20.1	23.0	23.0
Net Profit Margins (%)	19.4	12.6	11.1	12.9
NWC / Total Assets (%)	-	0.1	0.0	0.0
Net Debt / Equity (x)	(0.3)	0.4	0.1	(0.1)
Net Debt / EBITDA (x)	(2.4)	2.1	0.5	(0.3)
Profitability Ratios				
RoCE (%)	11.4	11.7	16.2	17.3
RoE (%)	13.3	10.5	15.9	17.6
RoIC (%)	19.4	13.3	17.9	21.9
Fixed Asset Turnover (x)	113.9	161.0	288.4	460.3
Inventory Turnover Days	-	-	-	-
Receivables Days	125	44	67	86
Payables Days	27	43	58	49

Source Company data, I-Sec research

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