Management Discussion

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Thank you so much. And a very good afternoon everyone and thank you for joining RateGain Travel Technologies earnings call for the first quarter of FY '27. This is the first time we are speaking since we closed a defining year for RateGain and I am pleased to say we have opened FY '27 with real momentum, carrying forward the trajectory we laid out on our last call. We began this year as a stronger, more integrated company than we were ever six months ago and better positioned than ever for the opportunity ahead. For Q1 FY '27, we reported our highest ever quarterly operating revenue of INR785 crores up 188% year on year.With this, our annualized revenue run rate now stands at a new all-time high of INR3,140 crores. Within this, organic revenue growth for the combined entity stood at 17 and a half percent year on year as we continue to build on the investments we've made over the past 18 months. Our adjusted EBITDA margin stood at 24.6%, another record margin with our adjusted EBITDA coming at INR193 crores. Up 289% compared to the same period last year. This reflects the true operating margin of the business. Our EBITDA is adjusted to exclude the deferred deal consideration payable to the Sojern team over three years. That deferred consideration will run at roughly 80 to INR90 crores a year and will be incurred up to Q3 FY '29. Our free cash flow generation for the quarter was healthy with conversion at 78.8%. FCF generation typically improves as the year progresses and we are on track for 75% conversion or better for the full year. In regard to this, I am also happy to report that we have made an additional repayment of 16 million dollars on our outstanding debt yesterday and now have repaid 38% of our total debt taken in November 2025 for the Sojern acquisition.Given our continued momentum on cash generation, we remain on track to retire the balance of our acquisition-related debt and be net debt-free by FY '28. Before I turn to the segments, let me set the context because the numbers alone don't tell the full story. FY '26 was the year RateGain crossed a structural inflection point, marked by the Sojern acquisition, the unification of Adara under the Sojern brand, and the creation of the world's largest source of travel intent data. We entered FY '26 as a strong travel technology platform and now we enter FY '27 as an AI-powered operating system for travel revenue growth, connecting demand generation, distribution, and revenue optimization on one platform. No other player combines travel intent data at this scale, provides distribution infrastructure of this depth, and an AI-powered commercial intelligence under one roof. This integrated stack is our moat.An AI now runs across every one of our products and lines of business. It's simply how we build. The first phase of the Sojern integration, bringing the two companies together and delivering the cost synergies, is complete and was executed well. Our focus now is firmly on the second phase, the revenue and go-to-market synergies, and the early signs are strong, most visibly in Adara, which I'll come to shortly. On the data side, we've brought the partnerships carried by Adara and Sojern into a single unified source of travel intent. Our ecosystem now spans more than 320 data partners across travel brands, and we grew our addressable travel audience by around 14 and a half percent year on year. That scale is what makes our AI genuinely differentiated, and it translates into pricing power and commercial momentum through FY '27. The demand backdrop helped. Travel held firm across our major markets, with the FIFA World Cup lifting activity in North America even as the Middle East continues to face uncertainty.The FIFA World Cup and related campaigns that we managed for destinations provided a revenue uplift of 2 and a half million dollars, and we don't expect that to repeat at the same scale in Q2. On the Middle East, our revenue from the region has moved from range of $970,000 a month before the disruption to about $425,000 a month today. And while it remains a headwind, we see it as a recovery opportunity as conditions stabilize. And a strong

quarter of profitability, our highest ever EBITDA, shows the platform converting that demand efficiently. That scale is also why media increasingly comes to us for a read on travel demand. This quarter, our data and our people featured across outlets including Skift, and CNBC, CNBC Asia on World Cup demand. We are steadily becoming the definitive voice on where the world wants to travel, a position no competitor in our space holds today.Our focus for FY '27 is clear, driving go-to-market growth and converting platform strength into commercial momentum. With more than 14,000 customers across the combined business, the cross-sell opportunity is significant and we are pursuing it with structure and urgency. Every product we build and every commercial motion we drive is aligned to three outcomes for our customers. Acquire guests efficiently, engage them meaningfully, and expand wallet share over time. Now let me talk about our Martech business. Our largest growth engine, and now contributing over 81% of revenue. I'll share the way we now run it across properties, destinations, and corporate, and then call out Adara separately. Our proposition for hotels is simple, drive direct bookings and improve marketing ROI. And because much of this business is outcome-based, we grow as our hotels grow. New wins on Sojern commission accelerated compared to last year with another strong quarter of new property additions. With a bigger global GTM team now empowered to sell this product, the momentum we are seeing is significant, and we see it as a big growth driver given the strength of the product and the value proposition for our customer base. Within this, email is a new channel we have recently introduced and we are seeing strong early adoption which is helping us expand our presence with customers and lift net revenue retention.

Our bidding technology has also become significantly more sophisticated this quarter with machine learning models powered by expanded Travel Intent data set now driving much of our real time bidding decisions. That's translating into a meaningful increase in ARPU as our smarter bidding is driving more bookings and higher revenue per property across our hotel base. We also continue to see strong traction with the large enterprise brands and properties we cater to with a healthy revenue uptick year-on-year. Our destination segment had a strong quarter with a healthy uptick around the recently concluded FIFA World Cup. We saw healthy growth across key accounts in the North American market and within co-op programs which we continue to focus on and scale. Co-op programs are jointly run marketing campaigns that Sojern manages in partnership with destinations and a travel supply partner to target the right customers, attract visitors, and deliver joint outcomes.

A key differentiator for us in this segment has been the economic impact reports we generate which enable our destination partners to understand exactly what their marketing spend delivered in terms of visitor arrivals and economic impact, not just clicks or impressions. We continue to improve this reporting and add new features with the goal of becoming the most trusted measurement partner for destinations anywhere in the world.

Within corporate we saw two main trends this quarter. We are seeing traction with our existing data partners, converting them into customers. This flywheel continues to gain traction and we expect to build on it further in the coming quarters. One of our key partners in this segment signed a two year extension with us and other larger brands continue to scale up their spending. We're also seeing renewed momentum in the car rental segment driven by closer collaboration with our DaaS team which has strong existing relationships with large car rental companies. That's opening up a significant cross sell opportunity. I want to call out the APMEA on its own because it's where our FY27 go to market synergy pieces is playing out fastest. APMEA delivered its strongest ever quarter for new customer wins, up 200% year-on-year. We also saw significant momentum on our properties commission product signing the record number of new properties in the region.

This is the clearest early proof of the phase two go-to-market synergies I spoke about moment ago and we expect to build further on this in the coming new quarters. In distribution, the strategic work of the past year is translating into a stronger, more differentiated platform. Enterprise conversations increasingly move beyond connectivity towards distribution optimization, profitability and AI native automation across the full stack. We're increasingly seeing not as a connectivity provider but as a strategic outcome-oriented infrastructure partner for modern hotel commerce. Agentic ARI makes Uno the world's first channel manager built on intelligent distribution logic, prioritizing rate and inventory updates by booking urgency and commercial impact. Hotels are seeing up to 30% to 40% optimization in ARI traffic and meaningfully better rate accuracy.

This quarter enterprise customers are increasingly adopting it alongside RateIQ to drive the next leg of growth. RateIQ, as I mentioned, is one of our new offerings, is resonating very strongly with enterprise customers. It solves a real problem for large chains connected to dozens of OTAs using AI to show which channels are truly driving bookings and where revenue is leaking, whether through missing inventory, parity breaks or underperforming connections. It also quantifies the commercial impact of each. This is resonating really well with both supply and demand partners since it leads to better channel optimization and lift in booking. Uno Viva, our agentic AI voice platform, has expanded from voice into multi-channel activation and now supports more than 50 languages including channels like WhatsApp.

We continue to see improved adoption and conversion with key customers across geographies and are also on the verge of signing a very large customer in the Middle East, which would be a strong validation of the product and catalyst for future growth. Our direct stack bringing booking engine, connectivity and payments together had a strong quarter with good traction in APMEA. It's a clear proof point of our unified platform strategy and points to a cross sell opportunity that could be significant growth enabler for us. Our DaaS segment delivered steady, reliable performance in Q1 and continues to gain traction in key segments. It continues to be a winner. A clear highlight was our Philip Airlines partnership, strengthening our position in Southeast Asia where we are now the dominant provider with most of the region's major airlines as our customers.

Across our base of airline customers within DaaS, we see strong cross sell potential into our MarTech performance marketing product. On the product side, AirGain's AI Digest is now live with all our customers and we've extended it into conversational analytics positioning AirGain as an AI first pricing intelligence platform. On the OTA side, we renewed our partnership with one of the world's leading global OTAs for a multi year term and continue to deepen our presence across key accounts with healthy volume growth.

In car, we delivered strong performance with continued enterprise engagement and expansion discussions progressing across key markets for our Rev-AI Price Recommendation product. Let me spend a moment on AI because it runs through everything I have described. Our approach is to build AI agents that do the actual work of our industry. A revenue manager agent, a distribution agent, a marketing agent. They begin semi autonomous and become fully autonomous as customers grow comfortable. Today we largely provide the tools these teams use. Our direction is to provide the agent that actually does the job. On AI price visibility, which is live across Navigator and Parity lets hotels see how their pricing shows up on the emerging AI driven search and discovery platforms that travelers are starting to use.

The next generation of Parity Plus launched this quarter as AI powered issue identification and prioritization and automates much of the test booking process for our enterprise customers.

ChatGPT ads on property, also launched this quarter, lets us capture travel intent upstream as Discovery itself shifts towards AI. Uno Viva, our CRS integrated AI voice agent, now supports more than 50 languages across multiple channels including WhatsApp, and continues to recover revenue from hotel calls that would otherwise go unanswered. On the DaaS side, AirGain has moved beyond search into conversational analytics, surfacing trends, anomalies and insights in natural language with AI Digest now live for every customer, positioning AirGain as an AI first pricing intelligence platform in its own right. This quarter our people were featured in Skift's flagship coverage on AI and travel, discussing how AI is reshaping the industry and what changing traveler behavior means for marketeers.

They were the voices explaining what AI means for this industry, not simply a company that uses it, which is the clearest sign that this is an experimental. AI is now embedded across our commercial workflows spanning marketing, pricing, distribution and guest engagement and we are building it as an AI company from India for the world. This quarter marked a shift from building the foundations of one great game to operating as one company. With the people integration agenda now substantially complete across policies, processes, rewards and systems, our focus has moved to scaling what we built, a unified performance rhythm, an AI native people ecosystem and people leadership continuity across every region we operate in.

Now let me turn to the guidance for FY27. Before I get into it, I do want to mention that we did see a onetime revenue uplift of $2.5 million in Q1 on the back of FIFA World Cup and our strong presence within those markets. This positively impacted our EBITDA in Q1 as well. This did give us a strong start to the fiscal and we do expect this to normalize marginally going into Q2. Building on the momentum we are seeing across the platform, we are revising '27 guidance. We now expect full year revenue to come in at the upper end of the range we shared with you last quarter around INR3100 crores for FY27.

This signifies growth of 70% year-on-year and captures double digit growth for the combined base. On margins, we now expect adjusted EBITDA margins of between 22.5% to 23.5% for FY27, roughly 100 basis points or 1 percentage point uplift from the earlier 21.5% to 22.5% range I shared with you last quarter. This reflects the successful execution of the first phase of our integration. The growth visibility we have across the combined entity and further synergies we see ahead as we go to market and it accelerates. Taken together, that gives us the confidence to revise our margin guidance upward. We'll continue to look for ways to reinvest into the business for higher growth consistent with our aspiration to grow at 15% to 20% in the near to medium term. The nature of reinvestment is different for a B2B company like ours compared to a B2C business and we will continue to strengthen our product and our presence in key geographies as we see the right opportunities.

To close FY26 was a year of transformation, foundation building and validation. As we move through FY27, a focus shift decisively from integration to monetization, scaling enterprise adoption, deepening wallet share and turning platform scale into durable profitable growth. The platform is built, the data is unmatched, the first phase of the integration is behind us and the revenue synergies are ahead. The opportunity in front of us is is the largest in our history. With that I hand over to Ankit to walk you through the financials. Thank you.

Ankit Aggarwal - Deputy Chief Financial Officerl, Rategain Travel Technologies Ltd
Thank you Bhanu and very warm welcome to everyone on this call. This quarter reflects a strong all-around performance across revenue growth, profitability and financial discipline, capturing

healthy performance across segments and strength of the underlying business model. Starting with the numbers for Q1 FY '27, we reported our highest ever quarterly reporting revenue of INR785 crores up 187.6% on a year on year basis. On a sequential basis, revenue grew 9.7% over Q4 FY '26, capturing the underlying momentum and focus on growth. The organic growth for Q1 FY '27 for the combined entity stood at 17.5% year on year. Our DaaS segment grew 22.7% year on year with healthy performance across air, OTA and car. Distribution grew 3.1% year on year, while this is more modest, we are seeing strong early traction in newer launches like Agentic ARI and RateIQ which we expect to convert into meaningful revenue contribution in the coming quarters. Martech segment grew by 341% year on year with the consolidation of Sojern and strong growth within our property and destination segments. Our adjusted EBITDA margin came in at 24.6% with the adjusted EBITDA of INR193.4 crores. Up 289.3% year on year. On reported basis, EBITDA was INR171.5 crores, a margin of 21.9%.As a reminder, this adjustment adds back the deferred consideration payable to the Sojern team which is contingent on revenue growth and EBITDA targets over 3 years and will end in Q3 FY '29. This quarter's add back was INR21.9 crores, consistent with the INR 20 to INR22 crores per quarter range we had previously guided to. Adjusted PAT which also adds back the same deferred consideration was INR116.8 crores, a margin of 14.9%. Up 148.8% year on year. On the reported basis, PAT was INR94.9 crores, a margin of 12.1%. I would like to walk through the bridge from EBITDA to PAT since it's a useful context for the year ahead. Amortization of acquisition cost was INR33.8 crores this quarter, up from INR6.8 crores in Q1 FY '26, mainly due to the additional amortization related to the Sojern acquisition. Finance cost were INR16.5 crores reflecting the acquisition related debt now on our book. On the debt repayment, we have maintained strong discipline, having repaid USD 47.5 million to date. Equivalent to 38% of our original loan, bringing our outstanding balance down to USD 77 and a half million as on date.Other income was lower at INR3.1 crores down from INR20.7 crores last year as surplus cash previously earning interest was deployed towards the Sojern acquisition. This is a structural reallocation of capital, not a recurring operational drag. Our focus remains on driving higher and sustainable organic growth, accelerating cross sell and expanding our presence in high growth geographies. Free cash flow generation this quarter was strong at INR135.2 crores with a conversion at 78.8%, highest ever in RateGain history. We continue to maintain a strong balance sheet with net worth at INR2,114.2 crores as of June 30, 2026. Cash and cash equivalents of INR255.6 crores and a net debt of INR615.4 crores.The broader travel industry continues to prioritize technology investments that deliver measurable revenue outcomes and operational efficiency. We believe these positions RateGain strongly, given our expanding footprint, diversified product portfolio and increasing relevance across the travel and hospitality ecosystem. As we move ahead, our focus remains on sustaining profitable growth, executing our integration thoughtfully and continuing to strengthen our platform for long-term value creation. With that, I'll close my remarks, we are happy to take the questions. Thank you.

Questions & Answers

Operator
Thank you. We will now begin the question and answer session. [Operator Instructions] The first question is from the line of Nitin from Investec. Please proceed.

Nitin Padmanabhan - Analyst, Investec
Hi. Good evening. Congratulations on a very solid all-around quarter. Bhanu, you mentioned about how the combined entity now has increasing far better pricing power. Any examples or client

conversations to give some glimpse into that? How do you see that evolving on a going forward basis? That was the first one. The second is considering that a lot of the people integration is largely behind us.

Ankit Aggarwal - Deputy Chief Financial Officerl, Rategain Travel Technologies Ltd
Hello? Nitin, you broke up. Can you hear us?

Nitin Padmanabhan - Analyst, Investec
Yeah, sorry. Yeah, I can hear you. Am I audible?

Ankit Aggarwal - Deputy Chief Financial Officerl, Rategain Travel Technologies Ltd
Yeah.

Nitin Padmanabhan - Analyst, Investec
Yeah. Okay. I don't know where you missed me. The first one was on the pricing power on the combined entity. Any examples that are interesting standout that sort of show that? The second is on the deal wins. On the deal wins, considering we now have completed people integration, do you think that we should start seeing better deal velocity? While it's already strong, do you think that that'll continue to improve and get stronger?

Ankit Aggarwal - Deputy Chief Financial Officerl, Rategain Travel Technologies Ltd
Yeah. On the MarTech side, in respect to the pricing power that you mentioned, yes, there have been instances where, I can't name the clients, but we've been able to command a higher price. Or let me rephrase it, that the need to discount is much lesser now when we are negotiating. We can hold our price as compared to earlier when Sojern and Adara were competing with each other. We see that definitely in the destination space. What we are also seeing is, as I mentioned, our numbers on the DMO side have been quite significant, and we are seeing the second or the third competitor are distant second and third, and we are seeing weakness in them. In fact, one of them approached us to buy them out. I do see our ability to hold price.In destination specifically, we are now looking at instead of just charging more, because even if you have the ability to charge more

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
The markets don't see it well. We have to be very intelligent in how we bundle it. What we're intending to do is include some freebies in terms of our measurement products, in how we position this as a pricing power versus saying that we're the only game in town, you got to pay more. That's how we are positioning it now. On the property side also, the ability to now integrate using our one platform. We are about to sign a very large deal in India itself, where We've been able to negotiate higher outcome-based fees versus before as a result of the power of one platform. To your question on deal velocity, yes, I do believe that integration of teams as well as platforms will continue to accelerate deal velocity.I think a lot of that work on the destination side and corporate side on those customer segments has already been done. On the property side, we've unified the APAC team, but we are yet to unify the team in Europe and U.S. on just the property side of the business. As and when we do that, we will see acceleration there as well. Yeah, overall, I'm feeling very good about where we stand. As I noted in our opening comments, I think the revenue synergies should continue to play out very well in future quarters.

Nitin Padmanabhan - Analyst, Investec
Sure. Thank you. That's very helpful. Just one quick follow-up. On the pricing bit, do you think it's

more a function of having bought out-

Operator
Nitin, can you please speak little loudly? We can't hear you properly.

Nitin Padmanabhan - Analyst, Investec
Is it better now?

Operator
Yeah, much better.

Nitin Padmanabhan - Analyst, Investec
I am on the phone. Yeah. On the pricing power, which you explained quite well, just wanted to understand, do you think it's a function of having bought out competition, or is it because of our ability to measure outcomes, at least from a destination perspective? Is it the bundling that we are able to do that sort of gives us a better ability to do that? Although we will not really harness that entirely. What do you think is a bigger sort of standout for us?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
It's a combination of all. I would not attribute it to one of those factors, because now the unification of both companies also led to really unification of the data that we have, and that has significantly enriched the data that we have in our platform, and that in turn increases the marketing performance of ad dollars that these customers are spending with us. Secondly, the fact that we are now able to also bring in adjacent capabilities and products and bundle it into one platform is also very appealing. Look, most of these customers that we work with are not sophisticated customers. Ideally, they want a one-stop shop, and we are able to offer that now, which is the entire unified MarTech stack. If you're looking for direct bookings in case of properties, we're able to provide that entire stack.Definitely, when you take out competition, that helps as well. I would say all of those factors are contributing to a commanding position that we stand on right now.

Nitin Padmanabhan - Analyst, Investec
That's very helpful. Thank you so much, all the very best.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Thank you.

Operator
Thank you. The next question is from the line of Pranay Chatterjee from Burman Capital. Please proceed.

Pranay Roop Chatterjee - Analyst, Berman Capital
Good evening, everyone. Am I audible?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yes.

Pranay Roop Chatterjee - Analyst, Berman Capital
Hi. My first question is on organic growth. Just wanted to confirm, 17.5% would be in INR terms, right?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
That is correct.

Pranay Roop Chatterjee - Analyst, Berman Capital
Okay. Basis the data mode that you have in the combined business and the cross-selling potential, do you envisage organic growth potentially reaching in the 15%-20% growth rate even at a run rate basis by year-end, given we also have the currency tailwinds?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah. You're saying in INR 15%-20%?

Pranay Roop Chatterjee - Analyst, Berman Capital
Yeah. What I mean is right now we are at INR 17.5%.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yes

Pranay Roop Chatterjee - Analyst, Berman Capital
That has some amount of uptick because of FIFA. Looking beyond that.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah

Pranay Roop Chatterjee - Analyst, Berman Capital
for even by, let's say, the last quarter, when you have had sufficient time to combine the teams and start cross-selling, do you see the exit run rate of FY 2027 potentially nearing the 20% INR organic growth rate mark? Run rate basis exit.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah. This is what we see today, the visibility that we have. I do see it at a higher end of that 15%-20% range. I do see, given the pipeline that we have, and to the earlier question Nitin pointed out, I do just see an acceleration of momentum because we are behind a lion's share of the integration work. Yes, and all the good has to still play out. I'm very optimistic about the future quarters, especially Q3 and Q4. Also this FIFA World Cup, we just wanted to call it out, but in the grand scheme of things, it's not a very large number. Most of our revenue, as you know, is recurring in nature, so we just wanted to provide that transparency and call that out.I don't see that changes anything in the growth trajectory, and that's why we came in with revising the guidance on the revenue side as well as on the margin side.

Pranay Roop Chatterjee - Analyst, Berman Capital
Got it, sir. In that case, even for full year FY 2027, your revised guidance of INR 3,100 crores, is it fair to say it's more like a number you would definitely beat rather than a number you'll be happy achieving?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah. That's the number we should definitely beat.

Pranay Roop Chatterjee - Analyst, Berman Capital
Understood. My next question is on the margin side. $2.5 million of FIFA revenue is the uptick. Let

me call Middle East as one-off, even though we don't know when that ends, but let's call it one-off as well. About INR 1 million down from Middle East. Net around INR 1.5 million uptick in this quarter. What would be the margin benefit from this incremental INR 1.5 million in that 24.6% adjusted number that you have reported?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah. I'll give you ballpark numbers. Just to the beat, INR 2.5 million uplift from FIFA, about INR 1.5 million is the dip in Middle East. Net-net, we are talking about INR 1 million. Out of that INR 1 million, our gross margins are 70%, I want to say maybe INR 600,000-INR 700,000.

Pranay Roop Chatterjee - Analyst, Berman Capital
Understood, sir. Got it. One final question. When I've asked this question before, your answer has been, and rightfully so, that you don't look at Adara and Sojern separately because it's combined. Let me ask this question mathematically. Before Sojern came in, the margins of RateGain was in the 16%, 17%, 18% range. Right now we are at 24.5%. There's one-off impact, let's call that 24%. Mathematically, there is an external entity that has come and latched onto RateGain, then there has been synergies realized there, and we are at 24%. That external entity is right now at nearly 30% EBITDA margin. Is that a fair statement to make?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
I wouldn't be able to Ankit, can you help me out here?

Ankit Aggarwal - Deputy Chief Financial Officerl, Rategain Travel Technologies Ltd
Yeah. I think here, as Bhanu has already mentioned, that we have a combined entity basis. The synergies which we are talking about, these are combined synergies, not only the synergies coming from Sojern. As we are integrating both the platforms, there are some synergies we are seeing from Adara side as well. Saying that the new entity is contributing 30% might be a difficult and challenging number to come up with, as synergies are coming from both the sides, Adara as well as Sojern. In some of the places, we are also adopting the Sojern platforms to run the campaigns, and giving up the Adara stuff. That mix we could work out and maybe we can come up in some later discussions.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
See, as I indicated in my remarks as well, I think of all the acquisitions we've done so far, this one, we've actually integrated quite fast and we've integrated the platforms also and we've unified the teams. It's very difficult to give attribution to one entity versus the other. When I am selling to a destination, I am one team, I am one platform. How do we divvy it up between Adara and Sojern any longer, right? Same is the case with our corporate business. We are going in as one unified team called Sojern, and most of the platform integration is also done. It's very difficult to do that kind of attribution. What Ankit said is what it is, that the synergies are being driven on both sides and in the combined unit.

Pranay Roop Chatterjee - Analyst, Berman Capital
Thank you, sir. All the best.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Thank you.

Operator
Thank you. The next question is from the line of Deepak from Sundaram Mutual Fund. Please proceed.

Deepak - Analyst, Sundaram Mutual Fund
Okay. Thank you. Am I audible?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yes.

Deepak - Analyst, Sundaram Mutual Fund
Yeah. Hi, Bharath. Yeah. First of all, congratulations on delivering a very strong set of numbers. I just had a couple of questions. First, on new contract wins. This new contract win of INR 141 crore, which we are showcasing in our PPT, I presume this is the combined one, means including Sojern and RateGain?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yes, that's correct. Deepak, I want to also clarify. We just need to come up with a better way of reporting on new contract wins, because what we've done is how we internally The terminology we use for contract wins is being translated externally as well. I think that doesn't do a very good job of communication of what's the true contract wins that are happening. These contract wins are largely new logos. It does not account for a lot of the upsizing of existing customers that we have. Let's say if I have Hilton as a customer and I go and win additional business with them, that does not get recognized in this. It's really largely new logos. We are working through better KPI reporting in that context to give better lead indicators on business wins that we are having. In a way, it's kind of underrepresented.

Deepak - Analyst, Sundaram Mutual Fund
Okay, this would be true for all the representation which we have showcased in the past also?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
That is correct.

Deepak - Analyst, Sundaram Mutual Fund
Yeah. Okay.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
It's just become harder with our MarTech business also. Yeah, we'll come back with Yeah. Your assumption is right.

Deepak - Analyst, Sundaram Mutual Fund
Because why I asked that question is last year we had a very good growth in our new contract win at almost 25, 30% YOY. But if I look at our quarterly run rate of DaaS segment, it is still hovering around at INR 96 crore-INR 98 crore. Similar is the case with distribution also, around INR 50 crore. I do understand that there was an impact of sunset of a sub-brand of an OTA. Just wanted to know your thoughts. How should one think about the growth outlook for this DaaS and distribution, let's say at least in the near term for FY 2027?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
To answer your question, the new contract wins, like I said, is not something that we need to work on because, with the combination of Sojern, pretty much every entity is our customer. Given the way we record contract wins, maybe a lot of it is not being shown, and that's why I said it's been underrepresented. On your question about organic growth. We see double-digit growth, continued double digits, as you have seen, Q1 was 22% for DaaS, a little over 3% for distribution. We continue to see growth in our DaaS segment. I think our OTA and hotel segment will continue to stay steady. Whereas on the airline segment, we are anticipating some very large deals. If those come through, that can have a significant bump up to our DaaS revenue.On the car side, as you know, a couple of years ago, we launched revAI, and that's finally seeing a lot of traction. As we begin to add more customers, we are actually sitting on a very good size order book also on our revAI product. As we begin to monetize that should also lead to a bump up on the revenue on the DaaS side. There is an experiment we are running on the hotel side that I'll be able to talk more about if it begins to yield us some results. On the distribution side, I mentioned about RateIQ. I'm very bullish on that. That's the Agentic AI that enables to optimize the pairing between demand and supply.We have seen significant uplifts in a lot of the pairings that we have applied this to for big chains, where we have seen anywhere between 10%-100% uplift in the bookings. For a demand partner, this can be significant. Let's say, as an example, Hilton is distributing through Expedia, and we increased by 20% the booking. That number is in tens of millions of dollars. We've already showcased this to a lot of our key customers, and there's a lot of interest, and we've demonstrated that it can lead to an upside. Now we've taken it to almost a dozen customers and they are all at different stages of discussions with us. I think that can uplift.The big bet on distribution that is our direct stack, which is the entire stack that we sell to a hotel to not only drive traffic to their website, but also help convert that traffic into bookings. Given the investments we made into our sales infrastructure in APMEA, we are just first rolling it out to the hotels in APMEA, and we are having some very large wins there. The pipeline is also very strong and as I mentioned, we've had almost a 200% growth. A lot of that sits in not only in our pipeline, but a lot of it is also now sitting as on our order book. I'm quite hopeful that our distribution business at the end of the fiscal year should start to show double-digit growth.

Deepak - Analyst, Sundaram Mutual Fund
Okay. Lastly, would it be possible to call out, ex of Sojern, what was our MarTech growth this quarter?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
No. This is going back to the question that the gentleman before you asked us, and as I was explaining, we've unified the teams, unified the platform. It's very difficult to attribute our Adara business, which was mostly our MarTech business, it's very difficult to attribute of the total revenue, how much would be attributed alone. Because of the unification of teams and the platform, it's very difficult to call that out. Overall, I can tell you our MarTech business organically grew about 18.2%.

Deepak - Analyst, Sundaram Mutual Fund
Okay. That's very helpful. If you allow me, I want to ask one last question.

Operator
Sorry to interrupt you, Mr. Deepak, Can you please rejoin the queue? Thank you. The next question is from the line of Ashutosh Parashar from Mirabilis. Please proceed. Ashutosh, we cannot hear you properly. Ashutosh?

Ashutosh Parashar - Analyst, Mirabales
Velocity of launch. Hello. Yeah.

Operator
Yeah. Continue.

Ashutosh Parashar - Analyst, Mirabales
Yeah. First question is on the product side. We have seen quite a few launches from you, That velocity of launches has increased quite a bit. Just wanted to understand, in terms of pricing, would all these incremental products would be on the outcome-based pricing side? Incrementally, how are you looking at the areas that you are going to target in product launches? Then a few financial questions after this.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Sorry, I didn't follow the first question. Sorry, the second question. The first question, in terms of our pricing, it's a combination. Some are outcome-based, some are subscription-based, some are transactional-based. It's a combination. Frankly, depending on the maturity of the product, et cetera, we are also testing waters by A/B testing pricing methodology on what resonates well with the customer. It's a combination, but I will tell you that what AI has done is really sped up. It's really expedited our ability to bring new products to market. In fact, I did a LinkedIn post a couple of days ago saying that the level of experimentation at RateGain has never been higher since the past 20 years. You can make INR 1 of R&D investment produce a lot more than it could pre-AI.Now the problem is not ability to capture and build based on new capabilities that the market desires. It's how quickly can you take it to market and make it successful.

Ashutosh Parashar - Analyst, Mirabales
Got it. That's very helpful. Second question is on the gross margin side. Is it fair to say that with increasing MarTech mix, 70% is kind of the range that we will settle at, or can we go back to the previous 75% number? On the M&A side, would it be something that we will again start looking out for by the end of this year, given that we are prepaying a lot of debt? That's all.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah. On the gross margin side, I would say, in the near term, it should remain the same. I would be able to give better commentary basis the question Nitin asked about our pricing power, et cetera, how that plays out. If we are able to be in a position to increase gross margin, that I think we would have better clarity because there are things, especially on the property side that we are bundling that enable us to charge a little bit more, as I was explaining earlier. I would not commit to a higher gross margin at this point, but indication is that we could get there, but I think I'll have to come back to you in a couple of quarters. Sorry, what was your other question?

Ashutosh Parashar - Analyst, Mirabales
Yeah. On the M&A side, given that we are prepaying a lot of our loans, would it be something that you'll start looking out for by the end of this year?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yeah, I think that's a fair assumption. We are on the lookout even now because as I mentioned that the integration has gone really, really well. As you have seen in the past as well, we are very judicious about what we will do and what we will pay. I don't think anything will happen this year. It's

going to be something that most likely, it'll be an event in 2027 now.

Ashutosh Parashar - Analyst, Mirabales
Okay. Thank you. Thanks a lot. That's all.

Operator
Thank you. The next question is on the line of Miten Shah, an individual investor. Please proceed.

Miten Shah - Analyst, Individual Investor
Good evening. Am I audible?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Yes, sir, you are.

Miten Shah - Analyst, Individual Investor
Yes, sir, you are.

Operator
Yes.

Miten Shah - Analyst, Individual Investor
Thank you for giving the opportunity and again, heartiest congratulations for posting good set of numbers. My first question would be could we consider Airbnb as a threat? Because if you see, 50% of the contribution comes from hospitality. Could Airbnb considered as a threat, or how should we look at it, basically, if it grows?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
No, sir. Airbnb is a B2C. It's in the area of vacation rentals. Airbnb is actually a big customer of RateGain. We provide connectivity and DaaS solutions to them. No, I don't see it as a competitor. In fact, if they continue to grow, given the strategic partnership we have with them, we should grow as well.

Miten Shah - Analyst, Individual Investor
Got it. I could see something called a 6.5% contributed by others, in revenue bifurcation. What is it others, apart from this hospitality and all other segments that we report?

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
As we have indicated, we are now the world's largest travel intent data company, and we have very interesting travel audiences and cohorts. Those cohorts can be interesting to different kinds of industries. For instance, credit card companies like Visa and Mastercard would use that data to run campaigns, digital campaigns, to those types of customers because they are now traveling for FIFA World Cup, and they want to be on top of mind to enable these credit card holders to spend on Visa or Mastercard. If they are doing top of the funnel awareness campaign, they would use RateGain to get access to those travel audiences, depending on the use case.

Miten Shah - Analyst, Individual Investor
Got it. Thanks a lot for giving the opportunity, and trust me, by each and every con call and every quarter, the belief keeps on increasing, Bhanu. Since last four years, I've been attending this and holding it. Thanks a lot once again. Really appreciate your time.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Thank you, sir. Thank you.

Operator
Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to Mr. Chopra for closing comments. Over to you, sir.

Bhanu Chopra - Chairman and Managing Director, Rategain Travel Technologies Ltd
Thank you all for your time and questions today. We are entering FY 2027 with real momentum, a differentiated platform, and a clear line of sight to durable profitable growth, and we look forward to updating you on our progress next quarter. Thank you and have a good day.

Operator
[Operator Closing Remarks]