Operator: Good day and welcome to Thomas Cook (India) Ltd. Q2 FY27 earnings call hosted by 361 Capital Market. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Purva Jhavar from 361 Capital Market. Thank you, and over to you, ma'am.

Operator: Thank you, Yusuf. Welcome, everyone, and thank you for joining us for the Thomas Cook (India) Ltd. Q2 and H1 FY27 earnings conference call. From the company, we have with us Mr. Mahesh Iyer, Managing Director and Chief Executive Officer, and the senior management team. We would like to begin the call with brief opening remarks from management, following which we will open the forum for an interactive Q&A session. I would now like to invite Mr. Mahesh Iyer to make his initial remarks. Thank you, and over to you, sir.

Mahesh Iyer – Managing Director & CEO: Thank you, Purva. Good afternoon, everyone, and thank you for joining us as we discuss the Q2 FY27 financial and operating performance. Before we begin, I would like to introduce the management team joining me on the call today. Vikram Lalwani, Managing Director and CEO of Sterling Holiday Resorts; KS Ramakrishnan, Managing Director and CEO of DEI; Vishal Suri, Managing Director of SOTC; Debasish Nandi, who is the Group CFO for Thomas Cook India Group; Mr. Brijesh Modi, who is the CFO at Thomas Cook (India) Ltd.; Krishna Kumar, who is the CFO at Sterling Holiday Resorts; and Urvashi Bhutani, who heads investor relations.

Quarter 2 was a quarter in which we began to see recovery, with momentum improving across parts of our business, although at varying levels. The external environment continues to be uncertain, and some of our international operations are still working through the effects of global geopolitical disruptions. However, the quarter also showed us where demand is holding up, where activity is picking up, and, importantly, how the cost agility we have built into our operations is helping us respond to changing business conditions. This flexibility allows us to better align costs with business volumes, manage the impact on profitability, and protect our underlying performance even as we navigate an uneven recovery.

The quarter's performance reflects 2 things. First, the strong recovery and growth in parts of our India portfolio. Second, the impact of the conflict in West Asia, which is largely limited to a few businesses with direct exposure to the region, namely Desert Adventures and DEI, and parts of our long-haul outbound portfolio. These businesses are still not where we would like them to be, but they are clearly better than they were 3 months ago.

Some of the key performance highlights for the quarter are as follows. Consolidated total income stood at 20,030 million, showing a 5% decline over the same quarter last year. Our India travel segment saw clear signs of recovery, and I will detail this in a little more when I talk about the segments. We ended the quarter just 6% below last year, with EBIT margins holding at a healthy 3.8%. Our international business continued to face a challenging environment, particularly given the geopolitical situation, which had a direct impact on the operations of Desert Adventures and DEI. Overall EBIT margins for the travel segment showed an improvement on a sequential basis from

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2.4% to 2.9% in Q2 FY27. Our consolidated PBT before exceptional items stood at 848 million, which was broadly at the same level as last year despite the reduction in overall income. This is particularly noteworthy given the shortfall of more than 1,036 million in income from operations, coming largely from Desert Adventures and DEI. What is also encouraging is that we have actually managed to improve our PBT margin to 4.2% compared to 4% last year despite the pressure on the top line.

On the distribution front, we continue to expand our reach, with the branch network growing by 7% year-on-year via the franchisee route to 310 branches at the end of September 2026, compared to 289 branches. This takes our network to its highest-ever level, further strengthening our presence and accessibility across markets. In terms of technology, we have further enhanced our AI-powered chatbot with the integration of Dynapack, our dynamic inventory customization feature. While it is still in the initial phase, this enables the bot to generate personalized travel itineraries with real-time pricing, allowing customers to explore holiday options based on their individual preferences.

We have also continued to receive recognition for our efforts across our businesses. During the quarter, Thomas Cook (India) Ltd.'s corporate travel team was recognized as the Best Corporate Travel Management Company for the year at the India Travel and Technology Summit. Our Bhakti business won the Best Spiritual Pilgrimage Tour Operator award at the India Travel Awards, while we also received the ET MarTech Award for the use of generative AI in MarTech and were recognized as the Most Popular Tour Operator at the Millennial Awards. SOTC also had a strong showing, winning Best Travel Agency of the Year and Best Omni-Travel Agency of the Year at the India Travel and Technology Summit Awards. Its MICE and travel team was also recognized as the MICE and Travel Team of the Year at the MILT Excellence Awards 2026.

With that context, let me take you through how the individual businesses have performed during the quarter, starting with financial services. The segment has continued its upward trajectory and reported a strong revenue increase of 21% during the quarter, backed by a 7% increase in gross turnover to Rs.39 billion, driven by the retail segment. Our EBIT for the segment in Q2 improved by 10% year-on-year to 452 million, and margins are at a very healthy 44.1%.

From an H1 perspective, our financial services business continued to deliver healthy growth across key operating parameters. Gross turnover grew 4% year-on-year to Rs.72 billion, with retail turnover increasing 10% to Rs.55 billion. Revenue from operations grew 14% to 1,918 million, while EBIT increased 9% to 856 million, with EBIT margins standing at 44.7%. The retail portfolio in the quarter grew 12% year-on-year, driven largely by the education segment, which delivered strong growth of 33%. The corporate portfolio also recorded an improvement of 10%, while the travel segment saw a decline of 6%.

The performance of our education business is particularly noteworthy when viewed against the broader industry environment. RBI data for April to August 2026 shows that outward remittances under the education category declined by 34%, while travel-related foreign exchange remittances declined by 1%. Against this backdrop, our education forex business grew by 33%. This reflects our ability to gain traction in a challenging market and leverage the strength of our distribution, our relationships with NBFCs and overseas education counselors, and our student-focused product offering, our Study Buddy forex card, which is designed around the needs of students going abroad

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and remains an important part of our proposition for this segment. Our corporate business also performed very well, with turnover increasing by 10%, driven by higher wallet share from existing relationships as well as new client acquisitions during the quarter.

From a distribution standpoint, supporting our growth has been a continued focus on strengthening our distribution reach and digital capabilities. Digital adoption remains an important part of this strategy, helping us improve customer convenience and making forex transactions more accessible. Our digital channels kept gaining ground during the quarter, with overall digital adoption increasing to 22.4% compared to 21.5% in the corresponding period last year. This was supported by strong customer engagement across our apps and WhatsApp channel, which grew fourfold and 3% year-on-year. Continuing the focus on convenience, we continued to strengthen our digital distribution through our pure-commerce platform, Blinkit. The number of forex cards sold through this platform grew 96% compared to Q3 FY26. This is not an entirely like-for-like comparison, but it gives you a sense of the growth.

Alongside our digital expansion, we continued to optimize our retail footprint while strengthening our physical presence in key markets. We operationalized retail counters at Angamaly, Kochi, and Hubli, while closing branches in Thiruvananthapuram as part of our retail network optimization during the quarter. This also positions us to tap into the growing travel demand from tier-2 and tier-3 markets as travel activity expands beyond larger metros.

Moving on to the travel segment, Q2 brought clear signs of recovery, with improving momentum across parts of our India portfolio. We are also seeing gradual improvement in some of our international businesses as they work through the impact of geopolitical disruptions. On a consolidated basis, the travel business reported revenue of 15,683 million during the quarter, a decline of 7% year-on-year. Our India travel business saw a phased recovery through July and August, with momentum picking up more sharply in September 2026. We ended the quarter just 6% below last year, with EBIT margins holding healthy at 3.8% due to the agility in our cost functions. We were able to narrow the EBIT deficit in the India business from 31% to 22%. This is encouraging, particularly given the challenges we faced on the long-haul side of our outbound business. Here also, on a sequential basis, we have been able to reduce the volume deficit by about 50%.

On our international operations, Desert Adventures and Allied TPro continue to face challenges given the ongoing political disruptions in the Middle East and softer inbound tourism into the US. However, as I said, this quarter has seen some degree of improvement from the June quarter, and we have reduced our deficit in Desert Adventures from 89% to 67% and, in the case of Allied TPro, from 40% to 22%. Consequently, total EBIT for the business stood at 455 million, with a margin of 2.9%.

For the first half, travel income from operations stood at 32,789 million, which is about 11% lower than last year. That said, I would like to point out that the second quarter has been encouraging. Our Q2 performance has helped us recover a good part of the ground we lost earlier in the year because of geopolitical volatility, and we have been able to narrow that gap quite efficiently, as I just mentioned.

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Let me now go deeper into the travel business, starting with the B2C side. Within B2C, the business recorded a decline of 17%, largely due to lower activity in the long-haul outbound segment. Geopolitical uncertainty affected flight connectivity on certain routes and pushed up airfares, impacting travel plans and booking conversions. High visa rejection rates for China, traditionally one of our leading destinations, affected booking conversions and travel volumes, weighing on the segment's overall performance.

Our domestic business grew by 8% during the quarter, led by destinations such as Ladakh, Kerala, Sri Lanka, Bhutan, and the Bhakti and Darshan portfolio, especially Char Dham. However, growth would have been higher but for cancellations on some of our Kailash Mansarovar Yatras following disruptions to the China visa process. Our cancellations on account of this were to the tune of 185 million.

Overall digital adoption in leisure holidays was around 20%. I have discussed our approach towards AI integration across many layers of our business in previous calls. As I mentioned earlier, a quick update: {? Casee ?}, our AI-powered chatbot and voice platform, is now integrated with dynamic packaging capabilities. Agent Assist is showing strong early results in an initial pilot, with new agents booking up 85%, 70% on revenue, and 52% compared to Q1. Higher adoption of Agent Assist will continue contributing to improvements in frontline productivity. At the same time, our QC Bot has significantly strengthened service quality and governance by enabling automated audits of 100% of customer calls exceeding 2 minutes compared to only [trails off]

Mahesh Iyer - Managing Director & CEO: ...85% that were reviewed manually earlier. Together, Agent Assist and QC Bot have translated into stronger conversion performance, with conversion rates on offered calls per agent improving from 2.15% to 3.40% post-deployment during the quarter. These initiatives reflect our continued focus on leveraging AI and automation to enhance customer experience, improve productivity, and build a scalable growth platform for the business.

On the product offerings side, we kept adding new offerings to our holiday portfolio for the upcoming season. We expanded our experiential offerings to include iconic luxury rail journeys across South Africa, Canada, Australia, New Zealand, and Egypt. We also added a luxury cruise portfolio with curated experiences across Antarctica, the Arctic, the Mediterranean, and Europe. As we look ahead, we have broadened our fall and winter holiday offerings to include Northern Lights, Arctic adventures, and Alpine experiences. We have also announced charter-led departures from Bengaluru to Luxor and Mumbai to Bhutan, giving customers more distinctive holiday options. Overall, our focus remains on building a broader and more differentiated holiday portfolio, responding to evolving customer preferences, and converting the recovery in demand into sustained business growth.

Looking ahead, we remain optimistic about the momentum in our leisure travel business, with forward bookings currently trending at a healthy 30% growth over last year. This is particularly encouraging given the elevated airfares and other input cost pressures. We are also seeing a rebound in our long-haul travel, especially to Europe and Australia, which is another positive indicator for the business. On the short-haul side, Japan continues to trend well after the cherry blossom season into the autumn months, which is another good sign reflecting Japan's confidence as a year-round destination. Thus, the forward bookings trend gives us confidence in the demand

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outlook for the current quarter, and we expect some of this to flow through in the last quarter of FY27, provided there are no external shocks.

Coming to the B2B businesses, the India DMS business grew by 15% during what is typically a softer quarter seasonally. This was supported by steady business inflows from key source markets, including the UK, Germany, France, Portugal, and Japan. Our MICE business reported a stable performance during the quarter, with outcomes largely reflecting the timing of execution of certain group engagements, and you can see the pattern in the monthly momentum too.

Moving on to the corporate travel side, revenue grew by 11% to 446 million, and gross turnover rose 19% to around Rs.8 billion. Operationally, the business continued to see strong momentum. Air transaction volume grew 18%, with India and international air volumes increasing by 23% and 15%, respectively. Hotel volumes grew 81%. Also, the adoption of our online booking tool was a healthy 32%. We continue to expand our client base during the quarter, adding new accounts across pharmaceuticals, healthcare, auto components, fintech, and digital payments. These wins strengthen our presence across a diverse range of corporate sectors and support our growth ambitions.

Moving to our overseas DMS business, revenue declined by 7% year-on-year, primarily due to the continued impact of geopolitical disruptions in the Middle East and softer inbound tourism in the US. This was partly offset by growth in Asian Trails and the private safaris business across Asia and Africa. In the Asia-Pacific region, Asian Trails grew by 9%, supported by positive performance in China, Singapore, and Thailand, although softer inflows from source markets moderated the overall growth. In the US, Allied TPro saw a 22% decline in sales amid continued weakness in international visitor arrivals. However, the extent of the decline moderated compared with the previous quarter {? with a gap of 40% ?}, which is an encouraging sign.

The Middle East remained the most impacted market, with Desert Adventures recording a 67% decline in sales as geopolitical uncertainty continued to weigh on travel demand and travel confidence. However, this marks an improvement from the 89% decline we recorded in Q1, indicating a gradual recovery. We also saw early signs of improvement in September, with some recovery in demand from key source markets, and expect the business to see a 50% recovery in the current quarter. The business has continued to focus on cost optimization and operational readiness, while encouraging forward bookings provide some cautious optimism for the coming quarter.

On a more positive note, our private safaris business in South and East Africa continued to perform well, with South Africa growing by 31% and East Africa by 14%. This growth helped partly offset the weakness in the Middle East and the US. Overall, the travel segment continues to show a positive trend, with the India business leading the recovery, whereas the international operations are slowly limping back to pre-conflict levels. We enter the second half with cautious optimism and remain hopeful that there will be no major geopolitical disruption that could derail customer confidence. With that, I hand over to Vikram for his comments. Thank you.

Vikram: Thanks, Mahesh. Good afternoon, everyone. Thank you for joining us today. I am pleased to share Sterling's performance for the second quarter and the first half of FY27. The overarching message is that Sterling's growth trajectory continues to strengthen. The scale we built over the last

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couple of quarters is increasingly translating into higher revenue, stronger operating metrics, and a broader platform for sustainable earnings growth. What is particularly encouraging is that this growth is not coming only from adding new properties, but also from improving the performance of our existing portfolio.

Q2 FY27—let me begin with the second quarter first. Sterling delivered its highest Q2 revenue of approximately 1,272 million, registering year-on-year growth of about 17%. This is a significant milestone because, as you are aware, July to September is traditionally a weaker quarter, influenced by the monsoon season and softer demand across several leisure and wildlife destinations. Despite these seasonal conditions, we continued to see strong underlying demand and healthy growth across our operating metrics.

Q2 saw the highest-ever quarterly expansion in Sterling's history as well, with 7 resorts opened during the quarter, increasing the portfolio to 83 properties and taking it past the key milestone of 4,000 keys as of September 30. Room nights sold increased by approximately 23%, while occupancy improved by about 400 basis points. Average room rates in our own leased portfolio also increased by approximately 12%. This has resulted in total RevPAR growth of 12%, demonstrating improved revenue productivity.

This combination of volume growth, higher occupancies, and improved pricing is particularly encouraging. It demonstrates that Sterling is not merely growing through the addition of new resorts; we are also improving our ability to attract guests, optimize pricing, and monetize our existing and growing hospitality network. For us, this is an important validation of the growth strategy we have pursued over the last couple of years.

Q2 profitability and understanding the reported performance. On the profitability front, EBITDA increased to approximately INR 289 million, compared with INR 277 million in the corresponding quarter last year. PBT also grew to approximately INR 140 million. While the reported EBITDA growth was more moderate than the revenue growth, there is an important factor to consider when comparing the quarter with last year. During Q2, we incurred approximately INR 40 million of GST input tax credit-related costs, which were not present in the corresponding quarter last year. This GST-related cost treatment fully impacted Q3 of the previous financial year. Consequently, from Q3 onwards, the year-on-year comparison would become more consistent.

Excluding these incremental GST costs for analytical comparison, EBITDA would have actually been approximately 329 million, representing growth of around 19-20% over the corresponding quarter last year, compared to reported growth of approximately 4-5%. This provides a more meaningful perspective on the underlying earnings conversion of the business.

Importantly, our commercial fundamentals remained healthy through the quarter, with stronger room-night volumes, occupancy, and average-rate growth. We therefore view the reported Q2 margin improvement in the context of this GST-related cost impact, rather than as a change in the underlying direction or performance of the business.

We also received 2 significant recognitions during the quarter: Fastest Growing Leisure Hotel Chain at the Today's Traveller Awards 2026 for the third consecutive time, and Smart Tech Enabled Platform of the Year 2026 for Sterling One at the Indian Travel and Technology Summit and Awards.

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Coming to H1 FY27, looking at the first half of the financial year provides an even clearer perspective on the progress Sterling is making. For H1 FY27, revenues grew approximately 19% to INR 2,971 million. EBITDA increased 15% to approximately INR 910 million, while PBT grew 22% to approximately INR 623 million. This is particularly encouraging because it demonstrates that the increasing scale of our business is translating into meaningful earnings growth over longer operating periods.

Operationally, the first half was equally encouraging. Room nights sold increased by approximately 24%, occupancy improved by 500 basis points, while average room rates increased by approximately 11%. This resulted in total RevPAR for H1 growing by a little over 15% year-on-year.

This is the combination we have consistently worked towards: a larger operating network, stronger occupancy, better realization, and growing profitability. It also reinforces the operating leverage demonstrated in the first quarter, where EBITDA and PBT grew faster than revenue. Our first-half performance validates both the direction of our growth and the underlying earnings capability of the Sterling platform.

On portfolio development and how we are evolving in the hospitality opportunity, our portfolio continued to grow during the quarter, with 7 new resorts opening—the highest number of openings we have done in a single quarter—comprising 6 management contracts and 1 revenue-share property. This is consistent with our asset-right, capital-light approach to growth, allowing us to expand our network while maintaining capital discipline.

At the same time, Sterling is progressively broadening its presence beyond traditional leisure destinations into other travel locations, including business destinations and destinations having a flavor of both business and leisure, apart from continuing to stretch our leisure DNA, including spiritual, wildlife, and destination-led hospitality. Having established ourselves as a leading leisure hospitality player, we see that this is a natural evolution towards a multi-segment, full-format hospitality company, building on our existing capabilities in distribution, revenue management, our network of existing guests, channel partners, and our operations.

A little bit on our financial strength: our growth continues to be supported by a strong balance sheet and a consistent track record of profitability. Sterling remains debt-free, with net cash reserves of approximately 3,805 million at the end of the quarter. Importantly, we have also completed 27 consecutive profitable quarters, demonstrating the resilience of our business model across various demand cycles, seasons, and phases of expansion.

This sustained profitability, together with a strong cash position, gives us the financial flexibility to continue investing in our network, technology, products, and people while maintaining discipline in capital allocation. Our growth has been supported by the strength of our own operations and cash generation, and we intend to maintain that financial discipline even as we scale further.

Now, what is the outlook like? As we look ahead, we enter what are traditionally the stronger quarters of the financial year. October to December [pause] benefits from the festive and holiday season, while January to March typically offers another strong period for travel, leisure, MICE, and wedding demand.

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What makes the upcoming quarters particularly interesting for Sterling is that we enter this period with a materially larger hospitality network than we had a year ago. The expansion undertaken over the last couple of quarters has added new destinations, increased room capacity, and strengthened our ability to address different customer segments. We expect the contribution of these additions to build progressively as the properties mature, their market presence strengthens, and their commercial performance ramps up. We also expect GST cost comparability to become more consistent from Q3 onwards. Taken together... [trails off]

Vikram: ...these developments provide a favorable platform for stronger revenue growth and earnings conversion in the second half. Our focus will remain on translating these opportunities into higher resort productivity, stronger management fee contributions, improved operating profitability, and sustained cash generation.

To conclude, I believe Sterling is at an important phase, or important stage, in its growth journey. We have built a larger and more diverse hospitality network. We are seeing the commercial benefits of that scale through stronger room-night growth, improved occupancy, higher average room rates, apart from scaling supply. Our first-half performance demonstrates that this growth translates into increasing strength. Importantly, the expansion undertaken over the last couple of quarters is progressively creating a platform for our next phase of earnings growth.

We are entering the stronger second half with considerable momentum, a larger operating footprint, a stronger balance sheet, and confidence in the opportunity ahead. Thank you.

KS Ramakrishnan – DigiPhoto Entertainment Imaging: I am—thanks, Vikram. Good afternoon, everyone. This is KS Ramakrishnan from DigiPhoto Entertainment Imaging. Diving right into Q2 FY27 as compared to Q1 FY27, we did a better job. We closed at 147 crores against 130 crores in the last quarter. While compared with the same quarter last year, we are still about 22% down, from 195 crores to just 147 crores. That is on the topline revenue.

On the EBIT margin, fortunately, we have done a much better job from a recovery perspective. We had been in a recovery quarter, so we lost about 1.2 crores compared to making 2.3 crores in the same quarter last year. Compared to the last quarter, when we lost 15 crores, we are now at a loss of 1.2 crores.

We have driven all of this strongly by redirecting our management focus to the priority markets and maximizing revenue at all the existing sites through events and new content. The UAE itself, in spite of the geopolitical scenario around the region, is back to about 40%-50% of the prior-year revenue. This has helped us with higher productivity.

Coming to margins and profitability, our focus has been strongly on workforce optimization, which has given us the maximum benefit and contributed towards better EBIT margins now. The full-quarter benefit in the Middle East from a direct staff reduction, a flatter operating structure in other markets, and support functions being streamlined through technology has given us sizeable benefits.

The team has also done very strong work on cost renegotiation through better indirect terms, both from partners and by working more aggressively on reviewing and renegotiating material and

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service contracts. Last but not least, our IT consolidation, with {? BC ?} now being completely our primary system, has removed all the overlapping IT costs in this quarter, which had been plaguing us in the past. All of these are going to be sustainable for the future.

Throwing some light on {? BC ?}, what we have done is activate post-visit sales across 45% of our portfolio in terms of the number of sites. In terms of revenue, we have implemented post-sales across probably 75% of the portfolio. The good news is that within this last quarter itself, we have seen more than 1,200 transactions, which is nearly at an internal size of about 2%-5% higher conversion compared to the previous years of operation.

We would see maximization of this when the full business comes through. We are still in recovery mode, so that will help us achieve better conversion, better revenue generation, and, above all, better margins. We are also testing a WhatsApp journey, which is intended to lift pre-visit staff conversion.

Overall, both have been maximized through our {? BC ?} implementation across the sites where we could implement it, although all these sites are still not operating at full capacity. Throwing some light on the existing business itself, we had 5 new partnerships signed during the quarter in Malaysia, the Maldives, Singapore, and India. We renewed almost all of our key partnerships. More than 20 partnerships were renewed during this quarter, and we launched 3 new partnerships in Indonesia, China, and the Maldives.

Going forward, in terms of new opportunities, we have just signed up the Warner Bros. Harry Potter exhibition in Shanghai, and we are very optimistic that this would bring a sizeable recovery in our revenue in the coming quarters. We are also anticipating partnerships with Hong Kong Disney and Petronas Malaysia to commence soon.

Overall, looking forward, we are expecting a steady Middle East recovery, assuming no further trading disruption occurs. Above all, we definitely anticipate a much better Q3. Q3 FY27 is supposed to be our largest quarter of the year, so we are very optimistic. Barring any trading disruptions due to unforeseen circumstances, we remain very optimistic about our recovery. Thank you.

Management: [off-mic discussion] You can go ahead with the Q&A, please.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Chetan from Systematic Group. Please go ahead.

Chetan - Systematic Group: Hi, thank you for the opportunity. I have a few questions. Firstly, on Sterling, I believe a newly added resort typically takes 3-4 months to ramp up. With 7 resorts added during the quarter and the portfolio continuing to expand, could you share how long it takes for a new property to achieve mature-level profitability? Any color on this?

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Vikram: [pause] Hi, thanks. This is Vikram here. This is a very good question. The way I would put it is that it also depends on the kind of property or the kind of location that you open in.

For example, in this quarter we opened about 3 wildlife destinations, and we opened them in September, knowing fully well that November onwards is the period of high demand for safaris. So there we could potentially get a better and quicker ramp-up, depending on the timing at which we open as well. If, for example, we open a wildlife property in April, then it could take 6-7 months to ramp up. Whereas if we opened it in September, it could take about 2.5 months.

Technically, in any given property, on average, after 90 days of operations stabilizing and the distribution channels getting a complete understanding of your property, with the first few guests going in and experiencing it, the real ramp-up could actually start after 90 days. So I would always look at the first 90 days as the baby phase, and after 90 days the actual ramp-up starts. Within a year, if you see, for example, it completes 2 or 3 quarters or seasons—2 or 3 seasons—I think that is when the ramp-up is complete.

Chetan – Systematic Group: Got it. The next question is on DEI. We have carried out site rationalization, right? We closed around 30-32 non-profitable sites during the quarter. So if you can highlight how many of these 230 sites we currently have are EBITDA-positive? Or how many more sites do you plan to close during this year?

Management: [pause] This is a cyclic process. Cutting down EBITDA-negative sites is a cyclic process, first and foremost, and it is done in a very scientific manner. The intent is never to have EBITDA-negative sites in our portfolio unless they are linked with another site which is more highly positive.

If you are asking me how many of them are EBITDA-negative, [hesitates] not more than 8%-10% of our sites can be hovering around the EBITDA-negative side. That is not an accurate number I would be able to give you because it is not measured on a day-to-day basis. Historically, we have been holding sites that make money.

At the site level, at the basic level, we are always positive on gross margins. Then what it attributes towards the overall costs of {? ABC ?}. We are conscious of keeping every site gross-level-margin positive.

Chetan – Systematic Group: Got it. Just one last clarification on the travel part. We have indicated that India leisure forward bookings for Q3 are trending somewhere around 30% higher year-on-year. Is it in value terms or in the number of passenger bookings?

Management: [pause]

Operator: Sorry, Chetan, can you hear me? Sorry, I missed it.

Mahesh Iyer – Managing Director & CEO: [line issue] Sorry, Chetan, this is Mahesh here. Our forward booking numbers that we have quoted represent 30% value growth compared to the same quarter last year, which is OND 25 compared to OND 26.

Chetan – Systematic Group: Okay, understood. Thank you, and all the best.

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Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to address questions from all the participants in the question queue, please limit yourself to 2 questions only. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Anil Shah from Insightful Investments. Please go ahead.

Anil Shah – Insightful Investments: Hi. My question is more on the Sterling side. I did hear the factor that there is an impact of about 4 crores on the GST inputs. If you could elaborate a bit more on that because, while all the other parameters in terms of ARR, number of rooms, occupancy, and guest ratios are in favor of much better revenue growth and EBIT growth, we have seen revenue growth at 21% but 9% EBIT growth. I was just wondering if there is anything more to it and if you could elaborate a little more on the GST part.

My second question is again related to Sterling. Where do we see ourselves by 2030, or by 2028 if not 2030, in terms of revenue and EBITDA? In terms of percentage, what is it that you would like us to track you on in terms of performance?

Vikram: [pause] Okay, let me answer both those questions. In a seasonally weak quarter, 4 million—sorry, 40 million—coming out in a seasonally weak quarter reflects far more. I have actually made that point given the fact that, at the same time last year in Q2, the government ruling did not allow much of the ITC, or input tax credit, benefit. It actually kicked in somewhere around September 23, 2025, if I remember that date correctly. So it actually impacted the Q3 numbers and thereafter.

Therefore, in Q2 of last year, we never had this GST ITC cost, which actually impacted us this quarter. But if you do not factor that in and add it back, our EBITDA actually grew closer to 19%–20%, which is in line with, if not slightly more than, the revenue growth that has taken place.

There are inflationary cost pressures that are continuously there, such as LPG and diesel. However, we are managing those through efficiencies in a far better manner because consumption then starts to matter. If you cannot decide the price, then you have to start managing consumption. That is how we are managing efficiencies at our resorts.

Having said this, this is an item which was not there last year but is there this year, which has impacted the overall number. From a business perspective, however, it has not. Now, what is this GST input tax credit? Previously, we could take an input tax credit irrespective of the rate or rate type that was sold. Now, you cannot take the input tax credit for all the rates that are sold at 7,500 and under.

In a seasonally weak quarter, you do not tend to sell more rates above 7,500 unless you go empty or vacant. Therefore, while we premiumized, I still increased our average rates by 12% closer towards 6,500. So, for those rates that have gone below 7,500, you cannot get the benefit of an input tax credit that we received until September 23, 2025. [cut off]

Mahesh Iyer – Managing Director & CEO: Uh, 5, right? So that is where the comparative statement is, number 1. Number 2, to answer your second question, if we see the trajectory of Sterling over the last 4–5 years and how the trajectory has really pivoted and changed, our attempt is to continuously scale the company in terms of the number of hotels, but to scale them with value so that your

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revenue grows and your profitability grows on a capital-light, asset-right basis.

We are net debt-free, we have cash in the bank, and we will do it prudently and systematically. If you take the trend over the last couple of years, we expect that same trend to continue over the next 2-3 years. So I think that is the kind of growth metric we are looking at.

Anil Shah – Insightful Investments: Some numbers would really help, sir, in addition to the qualitative remarks that you made. Just some ballpark figures in terms of how one would like to see the business improving, in terms of whether it is the new resorts opening, the number of rooms increasing, RevPAR, and so on. From an internal perspective, there would be some benchmarks that we would be looking at, whether it is absolute EBITDA, EBITDA margin, or PBT. What exactly should we track? We will soon be a separately listed company as part of FY28, and to begin that journey it would be good to have some starting point there.

Mahesh Iyer – Managing Director & CEO: As I have always maintained, even in my previous discussions with all of you, as and when we keep scaling, the healthy EBITDA margin that we will maintain, depending on seasonality, is between 32% and 37%. A well-run hotel company will have its EBITDA margins in that range. We will continue to operate within that range. Some quarters may be lower and some quarters may be higher, but this is the range in which we will operate.

We are also scaling our number of resorts and increasing our occupancy. I would not be able to give you an exact number for what is going to happen 3-4 years down the line. However, I can safely tell you that the growth momentum we have maintained over the last 3-4 years will continue as we move forward. We will continue to evolve as we move forward.

As I have said in the past, the company, which was led by vacation ownership, has since shifted towards being a leisure hospitality company. We have succeeded in that. In today's statement, I said that we are now progressing towards a multi-format, multi-destination hospitality network. I think that should give us the next momentum of growth and help us maintain the momentum we have had over the last 3-4 years.

Operator: Mr. Shah, does that answer your question?

Anil Shah – Insightful Investments: Yes, sir. Thank you so much.

Operator: Thank you. The next question is from the line of Purva Jawar from 361 Capital Market. Please go ahead.

Purva Jawar – 361 Capital Market: Thank you for the opportunity. My question is on the financial services segment. We have seen strong growth in the quarter in this segment. What led to this, and are there any one-offs in this? What kind of sustainable growth rate should we look for in the segment going ahead?

Mahesh Iyer – Managing Director & CEO: Purva, hi, this is Mahesh. Thank you for that question. I think you are right that we have seen very strong growth in the current quarter, at 21%. As I alluded to in my opening remarks, this was led by strong growth coming from the retail segment. Retail segment growth was about 12%, a large part of which came from the education segment, which grew by 33%, and the corporate segment, which grew by 10%.

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On the education side, the key drivers have obviously been some of the partnerships we have entered into with the NBFC segment, the new relationship we have signed on the student counselor side, and the expansion of our market share in the overall student segment.

You will also appreciate the fact that, if you look at the LRS data, the student segment had actually fallen off, and there has been some softness in demand as far as that segment is concerned. Despite that, we managed to grow our share of the market, and that is reflected in the overall performance of the business.

Now, to your question on whether this will be sustained, I do not think anything should take that growth away. But will we see high-20% growth? It is very difficult for me to comment on that. My expectation, as we have said before, is that we should expect double-digit growth in this business for some time to come because that is the trajectory we are seeing from a travel perspective, a student perspective, and a corporate perspective. I believe the business will continue to deliver double-digit growth.

From a margin perspective, we have already guided the market. We are expecting a range between 42% and 45%, and I think we have been consistently delivering a 45% EBIT margin in the business.

Purva Jawar – 361 Capital Market: Thank you. That is all from my side.

Operator: Thank you. The next question is from the line of Heer Gogri from Choice Institutional Equities. Please go ahead.

Heer Gogri – Choice Institutional Equities: Hi, thank you very much for the opportunity. Just one question from my end. With cash and short-term investments of around Rs.28 billion, how do we plan to deploy this capital across business expansion and any acquisitions that we are planning? What is the strategy here?

Mahesh Iyer – Managing Director & CEO: Abhishek, do you want to come in, or do you want me to take that one?

Abhishek: No, I can come in. Thank you, Mahesh. Thanks for the question. Yes, we have a good amount of cash, but you must also admit that a good amount of that overall balance is also on account of the float that we have on the prepaid forex cards. That is a well-known fact.

As far as the balance is concerned, out of the total cash that we have, we obviously look at it on a net basis. We have net debt of about {? 750 crores ?} on a gross basis, and only the balance is really available as completely free cash.

Our strategy with that cash is to deploy it for the growth of the business. One of the areas is obviously automation, where we have been focusing a lot. We have spent a good amount of money on AI. We are doing it judiciously, though, and are not simply throwing money at it.

We are also modernizing our applications, including the backend SAP applications, so we are spending some money on that. We also want to keep some amount of liquidity with us because COVID taught us that, in times of uncertainty, which come very often nowadays, it is good to hold cash because then it helps us tide over that period of uncertainty, and we do live in a volatile time.

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At the same time, we are looking at possible acquisitions that are the right fit. We do not want to go out and buy something that is completely different from what we do, but we are willing to consider something in our line of business if it makes sense in terms of the price vis-à-vis the returns.

We will work on that. If we do not find such opportunities over the next couple of years, there are obviously many ways of returning cash to shareholders. The fact that we are demerging Sterling, which is also holding 350-400 crores of cash, to the shareholders is one of the ways of rewarding shareholders. Does that answer your question?

Heer Gogri - Choice Institutional Equities: Yes, it does. Thank you so much, and all the best.

Abhishek: Thank you, Heer.

Operator: Thank you. The next question is from the line of Nagraj C from Vanium Capital. Please go ahead.

Nagraj C - Vanium Capital: Hi, thank you. Could you give a sense of the trajectory of recovery within the various travel segments on slide 12 of the presentation? You mentioned one forward guide or indicator that India travel bookings for the OND quarter are up, with forward bookings up 30% year-on-year. Which of those segments would that be applicable to, and forward bookings would make up what part of that overall quarterly revenue, either for the segment as a whole?

Mahesh Iyer - Managing Director & CEO: Nagraj, thank you for that question. This is Mahesh again. I think it is a very important question, and I would like to clarify it in a little detail.

As I said before, the 30% growth that we are seeing quarter-on-quarter for the OND quarter is largely on the India outbound side of the business. It also includes the B2B holidays side, which is the MICE segment. Overall, we are looking at about a 30% improvement in the portfolio.

This is driven by long-haul, which sits within that India portfolio and is growing at double digits, as well as short-haul and domestic. In fact, all 3 segments are growing at double digits, obviously in slightly different proportions.

This India business contributes roughly 51% of our overall travel segment revenue for the respective quarter. Since the reference is to the OND quarter, this is roughly 51% of the portfolio. As far as the balance 49% of the portfolio is concerned, that consists largely of our international DMS operations.

From a recovery trajectory point of view, I mentioned this in my opening remarks: if you look at Q1, the shortfall was 37%, whereas in Q2 we recovered to a negative 24%. So the recovery has been about 13% on a quarter-on-quarter comparison. But if I look at Q3, which is the quarter we are moving into, my belief is that this should be better than the 24% shortfall that we saw.

Overall, our expectation is that for the OND quarter we should see a slightly better trajectory coming from the B2B international businesses as well. Hopefully, that answers your question.

Nagraj C - Vanium Capital: Thank you. Just a follow-up: that 30% forward booking figure—what percentage of bookings for the following quarter are made in the prior quarter, and what percentage are usually made in the quarter itself? I understand it is a long-lead business.

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Mahesh Iyer – Managing Director & CEO: Nagraj, the trends are slightly different for different segments within the business. If you look at long-haul, typically the booking pipeline is anywhere from D-minus 60, D-minus 90, or D-minus 120, depending on visa complications and other factors. If it is long-haul travel, you need to visit multiple countries, which requires that much more time for visa processing and other factors. So typically, that could be D-minus 90 or D-minus 60.

If you look at short-haul, it will be more like D-minus 30, and domestic could be D-minus 7 or D-minus 15. So they have different trajectories in that sense.

Nagraj C – Vanium Capital: Thank you. In Sterling, I just wanted a quick question on Sterling: an update on the demerger process timeline, and also an understanding of its P&L structure. When we are replacing room nights occupied by members over time with free independent travelers, that has gone to 79% of room nights occupied this half-year. That replacement would broadly be accretive to RevPAR per occupied room, is that correct? You are replacing a member who paid an upfront amount long ago and an annual subscription fee with somebody who is paying 8,000, 9,000, or 10,000 in cash for a room night. So would that broadly be correct?

Mahesh Iyer – Managing Director & CEO: [overlap] Okay, let me clarify and also correct you on one aspect of it. We have not replaced the member in the sense that we are not taking away the room from the member and giving it to what we call a non-member. We are also servicing the member, right?

It is just that we stopped selling membership, or what we call membership acquisition. I think 2023 is when I announced this, and that is when we stopped selling it. We will continue to service the existing base of members that we have.

As for how many members we have, we have approximately 65,000-70,000 members, of whom about 45,000 travel in a year. Having said that, we accommodate them based on the rules of the membership. This is why we also report what is known as a guest ratio.

That means that out of every 100 rooms that are sold, assuming the guest ratio is 80%, 80% of those 100 rooms have gone to a traditional resort stay, and 20% are with the member. RevPAR is actually calculated keeping that 80% in mind, and the resort keeps the remaining 20% and takes that into account.

It takes into account the resort business, which is room revenue plus F&B revenue and all other revenue. That is taken into account to calculate total revenue per available room.

Nagraj C – Vanium Capital: Understood. That is good.

Mahesh Iyer – Managing Director & CEO: Okay, okay.

Nagraj C – Vanium Capital: [pause] My first question is obviously about the procedure right now. It is at the NCLT stage as of November 2, and we are following due process to actually come alive.

Management: Maybe I can just expand on that, Vikram. We have received permission or approval from the NSE and the BSE, as well as SEBI. We have filed with the NCLT. We had one hearing with the NCLT for our papers filed with the NCLT. We are expecting them to issue directions in the next

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few days to hold the shareholders' meeting. We will get 60 days to hold that. So that will possibly be held by the end of December or early January.

We are on track with the dates that we promised you, and we are expecting this entire process to get over—that is, to obtain NCLT approval—by the end of March or early April.

Nagraj C – Vanium Capital: Understood. Thank you. Just a follow-up on the earlier question on Sterling. Is it fair to assume that the existing members will roll out over the next 10-15 years and, as you add room nights, that guest ratio will keep going up? Over time, what you are practically doing is replacing a guest who pays an ASR of maybe 1,000-2,000 per room night with a free guest who is paying 8,000-9,000 per room night. So, on a cash basis, the amount you get per room is much higher over time.

Management: [pause] Okay, so let me again explain this through a rather simple illustration. If I have 10 rooms and 7 rooms are occupied, my occupancy is 70%. Now, of those 7 rooms, say 5 rooms go to a typical resort guest, so 5 divided by 7 is actually my guest ratio. That 5 divided by 7 is approximately 72%, right? So that is my guest ratio.

However, in this case, it is not that, as and when we are increasing the supply and the member base is not increasing, we are displacing members. The very fact that we are offering them more opportunities to experience new destinations compared to what was available even 5 years ago means that we are not displacing them; we are dispersing them, right?

They are able to experience new destinations, and we are able to sell them to any other resort company or hotel company. If you also see, for example, most hotel brands have a loyalty program, right? So this is akin to a loyalty program. If you have gone and stayed, accumulated points, and stayed in a particular Hotel X by burning those points, you are not going to get an ARR out of that particular room.

Management: [line issue] ...points out to overall revenue.

Management: So {? Madhur ?}, you are looking at multiple data points. I would rather request you to go through slide number 8 of our investor deck, which clearly shows the trajectory of the business.

If you look at it, gross turnover for the business has been showing a CAGR of 22% from FY22 to FY26, moving from Rs.60 billion to Rs.133 billion. If you were to compare H1 FY26 with H1 FY27, you would see a 4% increase. So, from a gross volume point of view, the business has been growing.

From a revenue perspective, you said it has been struggling, and I disagree with that statement. If you look at it, our CAGR has been improving from 110 crores to 326 crores. That is a CAGR of 31% for the comparative period from FY22 to FY26. If you were to compare that number for H1 FY26 and H1 FY27, the growth is 14%, reflecting an increase from 168 crores to 191 crores.

So obviously, the health of the business has improved. As we have been saying, we have also moved a lot of our business to digital. While we continue to invest in our physical distribution, we have also grown the business digitally, which comes with limited incremental costs. We have also built efficiencies in the business, which have helped improve our EBITDA margins. This is also visible in the same slide, slide number 8, which I request you to kindly refer to.

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Analyst2: No, sir. I think my growth starting point was based on the fact that, if I look at the period between FY24 and FY26 on a quarterly basis, we did close to 80-odd crores of revenue per quarter in this business, but that has improved to closer to 100 crores in the past 2 quarters. What has led to this improvement, if you can help me understand?

Management: [pause] If you look at it from a quarterly perspective, that is because this business has suffered. You know what happened in the offline business. Sorry, when I say the travel business, I mean that its impact also comes through on foreign exchange. So there has been some fluctuation, but clearly some of the drivers have been the focus on our retail business, which has been growing at double digits for the last few quarters.

Within that retail segment, our corporate and student markets have been growing. While we have seen 33% growth in the current quarter, if you go back to my commentary and look at our previous presentations, we spoke about how we built the portfolio around the student segment, how we built our portfolio around the corporate segment, and how we managed to increase our digital penetration.

I think it is a combination of these 3 factors that has helped our retail portfolio hold up well. This has positively affected not only overall revenue but also margins in the business.

Analyst2: Sir, are we targeting a student education platform like {? Flywire ?}, which might have an agent network that is facilitating students going from India abroad to study? Are we targeting those kinds of customers? If you could help me understand that.

Management: [pause] From a segment perspective, the way we look at it is that we have customers, or students, who are looking to go abroad. These students could directly come to a Thomas Cook outlet and conduct that business.

We also have tie-ups with multiple educational counselors who provide services to students, including guidance on the kinds of universities they should look for, career counseling, and other services. We also work with NBFCs and banks that provide education loan assistance to students.

We have a full bouquet of products that we call Study Buddy, which encompasses not only foreign exchange services but also special ticket fares, special baggage allowances, and other services. So we have created an end-to-end proposition for the customer, which we believe is very compelling, and that is driving the growth we are seeing in this segment.

Operator: The line for the current participant has been disconnected. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to management for the closing comments.

Management: [pause] Ladies and gentlemen, I just want to reiterate what I said in my opening remarks. Despite difficult operating circumstances, we delivered a steady set of numbers. Our PBT remained at 848 million for the current quarter, which I believe is a good set of numbers given the difficult environment in which we operated, supported by a very strong performance from financial services, India outbound or India-based travel services, and Sterling Holiday Resorts.

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While some of the pain in our international markets remains, we are seeing steady improvement in the recovery, and we remain optimistic about how the subsequent quarters will pan out, notwithstanding any uncertain events that could change this trajectory.

On that note, I want to thank each one of you and thank management for its continued support, and wish all of you a very happy Diwali. Thank you.

Operator: Thank you very much, sir. On behalf of 361 Capital Markets Private Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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