

Issue highlights

- RateGain Travel Technologies Limited ("RateGain") was incorporated on November 16, 2012. RateGain is among the leading distribution technology companies globally and is the largest Software as a Service ("SaaS") company in the hospitality and travel industry in India. They offer travel and hospitality solutions across a wide spectrum of verticals including hotels, airlines, online travel agents ("OTAs"), meta-search companies, vacation rentals, package providers, car rentals, rail, travel management companies, cruises and ferries. As a SaaS company, company's cloud-based products offer customer improved usability and they can effectively scale their operations.
- Rategain offers a comprehensive platform of industry-specific solutions with growth and monetization capabilities. Product and technology innovation is at the core of their success.
- Given the fragmented nature of the hospitality and travel industry, RateGain has developed products that are inter-operable and integrate across a single platform allowing customers to maximize their revenues while also resulting in cost savings. They have built their proprietary AI algorithms and applied it in connection with their SaaS products to provide the customers with next generation of product features.
- Company's suite of products for rate intelligence include **OPTIMA, Parity+, AirGain, CarGain and FerryGain** that offer customers competitive pricing intelligence leveraging an AI-powered data platform while tracking real-time parity with features such as advanced dashboards, identification of key violators and reasons, revenue leakage. Company's revenue optimization products, **Rev.AI** offer revenue management through historical pricing insights.
- As of September 30, 2021, they serve 1,462 customers including 8 Global Fortune 500 companies. Their customers include **Six Continents Hotels, Inc., an InterContinental Hotels Group Company, Kessler Collection, a luxury hotel chain, Lemon Tree Hotels Ltd and Oyo Hotels and Homes Pvt Ltd.**
- They also count 1,220 large and mid-size hotel chains, 110 travel partners including airlines, car rental companies and large cruise companies and over 132 distribution partners including OTAs such as **GroupOn** and distribution companies such as **Sabre GBLB Inc.**, in over 110 countries as their customers, as of September 30, 2021.

Brief Financial Details*

(₹ In Cr)

	As at Aug' 31,		As at Mar' 31,		
	2021(05)	2020(05)	2021(12)	2020(12)	2019(12)
Equity Share Capital	7.86	0.66	0.66	0.66	0.66
Instrument entirely equity in nature	0.15	0.11	0.15	0.09	0.09
Reserves	236.19	188.99	244.12	136.98	142.49
Net worth as stated	244.20	189.75	244.92	137.72	143.23
Revenue from Operations	125.27	97.90	250.79	398.71	261.57
Revenue Growth (%)	27.96%	-	(37.10)%	52.43%	-
EBITDA	(0.19)	9.18	6.16	28.70	21.76
Adj. EBITDA	12.39	18.38	23.67	31.77	37.30
Adj. EBITDA Margin (%)	9.89%	18.77%	9.44%	7.97%	14.26%
Profit before Tax	(9.37)	(6.14)	(24.63)	(17.76)	9.49
Net Profit for the period	(8.34)	(7.86)	(28.58)	(20.10)	11.03
EPS (₹)	(0.86)	(0.88)	(3.09)	(2.27)	1.24
RoNW (%)	(3.41)%	(4.14)%	(11.67)%	(14.60)%	7.70%
Net Asset Value (₹)	25.33	21.33	26.49	15.52	16.14

Source: RHP *Restated Consolidated, EPS and NAV calculated on increased equity Capital ^ not annualised.

Issue Details

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

Issue summary

Issue size: ₹ 1,291 – 1,336 Cr

No. of shares: 31,878,318 – 31,441,282

Face value: ₹ 1/-

Employee Reservation: Equity Shares aggregating upto ₹ 5 Cr.

Price band: ₹ 405 - 425

Bid Lot: 35 Shares and in multiple thereof

Employee Discount: ₹ 40/- Per Share

Post Issue Implied Market Cap = ₹ 4,341 – 4,537 Cr

BRLMs: Kotak Mahindra Capital, IIFL Securities, Nomura Financial

Registrar: KFin Technologies Pvt. Ltd.

Issue opens on: Tuesday, 7th Dec'2021

Issue closes on: Thursday, 9th Dec'2021

Indicative Timetable

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

Issue break-up

	No. of Shares ('000)		₹ In Cr		% of Issue
	@Lower	@Upper	@Lower	@Upper	
QIB	23,806,000	23,483,560	964.14	998.05	75%
NIB	4,761,199	4,696,711	192.83	199.61	15%
RET	3,174,133	3,131,141	128.55	133.07	10%
EMP	136,986	129,870	5.00	5.00	-
Total	31,878,318	31,441,282	1290.52	1335.74	100%

Listing : BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue~	Post issue^
97,922,360	107,195,148	106,758,112

~@Lower price Band ^@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	65.42%	55.01%
Promoter Group	1.87%	1.71%
Public	32.71%	43.28%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was incorporated as 'Ridaan Real Estate Private Limited' on November 16, 2012, at New Delhi. Bhanu Chopra and Megha Chopra are the Promoters of the company. Currently, Promoters together hold 64,064,520 Equity Shares, comprising 65.42% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Brief Biographies of Directors

Bhanu Chopra is the Chairman and Managing Director of the company. He is also one of the Promoters of the company and has been a member on the Board since incorporation. He is an entrepreneur with experience of over 15 years and has been actively involved in the day-to-day running of the company since incorporation.

Megha Chopra is an Executive Director of the company. She is also one of the Promoters of the company and has been a member on the Board since incorporation. She is an entrepreneur with more than 8 years of experience in the company and has been actively involved in the day-to-day running of the company.

Nishant Kanuru Rao is the Non-Executive Nominee Director of the company and a nominee of Avataar. Previously, he has been associated with LinkedIn Corporation USA, Freshdesk Technologies Pvt Ltd and Sirion Labs Pvt Ltd. Currently he is a partner at Avataar Venture Partners, which was founded by him in 2019.

Girish Paman Vanvari is the Independent Director of the company. He was appointed on the Board of the company on June 29, 2021. Previously, he has been associated with KPMG, India as the national head of tax. Currently, he is a partner at Transaction Square, which was founded by him in 2018.

Aditi Gupta is the Independent Director of the company. She was appointed on the Board of the company on July 15, 2021. She has an experience of over 10 years as a company secretary.

EC Rajakumar Konduru is the Independent Director of the company. He was appointed on the Board of the company on July 15, 2021. He is a venture capitalist with an experience of over 13 years in equity investments. Previously, he has served as an officer of the Indian Revenue Services and as the regional director of SEBI. Currently, he is the managing director of Ascent Capital Advisors India Private, which he founded in 2008.

Key Managerial Personnel

Harmeet Singh is the Group Chief Executive Officer of the company. He has been associated with RateGain US, the subsidiary since October 17, 2019. Prior to joining the company, he served as the President-J2 Cloud Services.

Tanmaya Das is the Chief Financial Officer of the company. He has been associated with the company since August 20, 2015. Prior to joining the company, he was associated with Dion Global Solutions Ltd, PricewaterhouseCoopers and Avya Global Connect Ltd.

Chinmai Sharma is the President – Americas of the company. He has been associated with the company since October 1, 2018. Prior to joining the company, he was the chief revenue officer of Taj Hotels and the vice president revenue of Starwood Capital Group.

Mark E Skroch is the General Manager of BCV Social, a Subsidiary of the company. He has been associated with BCV Social since March 30, 2020. Prior to joining the company, he was the senior vice president of accounts in Fusion92, Chicago and an associate partner at VSA Partners, Chicago.

Sahil Sharma is the Global Human Resources Head of the company. He has been associated with the company since June 22, 2016. He has over 8 years of experience in human resource management. Prior to joining the company, he was the senior manager of human resources in Indiamart Intramesh Ltd.

Yogesh Chandra is the Global Head Corporate Development (Mergers & Acquisitions) of the company. He was associated with the hospitality and travel business of RateGain IT Solutions Pvt Ltd since 2010 and has been associated with the company since March 13, 2015.

Mark Haywood is the Senior Vice President - Sales of RateGain Spain, a Subsidiary of the company. He has been associated with RateGain Spain since April 2, 2019.

Sachin Verma is the Company Secretary and Compliance Officer of the company. He has been associated with the company since June 29, 2021. He has over 5 years of experience as a practising company secretary.

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Repayment/prepayment of indebtedness availed by RateGain UK, one of the Subsidiaries, from Silicon Valley Bank	86.43
• Payment of deferred consideration for acquisition of DHISCO	26.24
• Strategic investments, acquisitions and inorganic growth	80.00
• Investment in technology innovation, artificial intelligence and other organic growth initiatives	50.00
• Purchase of certain capital equipment for the Data Center	43.33
• General Corporate Purposes	[•]
Total	[•]

OFFER DETAILS

The Offer	No. of Shares
Fresh Issue (₹ 375 Cr)	Upto 9,272,788 [~] - 8,335,752 [^] Equity Shares
Offer for Sale	Upto 22,605,530 Equity Shares
<i>Bhanu Chopra – Promoter Selling Shareholder</i>	<i>Upto 4,043,950 Equity Shares</i>
<i>Megha Chopra – Promoter Selling Shareholder</i>	<i>Upto 1,294,760 Equity Shares</i>
<i>Wagner Ltd - Investor Selling Shareholders</i>	<i>Upto 17,114,490 Equity Shares</i>
<i>Usha Chopra – Other Selling Shareholders</i>	<i>Upto 152,330 Equity Shares</i>

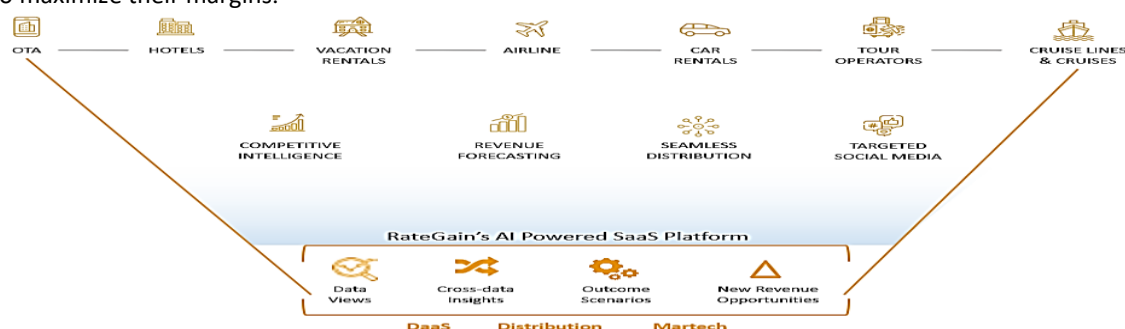
([~] at lower price band and [^] upper price band)

SHAREHOLDING PATTERN

Shareholders	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
<i>Promoter</i>	64,064,520	65.42%	5,338,710	58,725,810	55.01%
<i>Promoters Group</i>	1,827,960	1.87%	-	1,827,960	1.71%
Total for Promoter and Promoter Group	65,982,480	67.29%	5,338,710	60,553,770	56.72%
<i>Public – Investor Selling Shareholders</i>	24,647,280	25.17%	17,266,820	7,380,460	6.91%
<i>Public - Other</i>	7,382,600	7.54%	-	38,823,882	36.37%
Total for Public Shareholder	32,029,880	32.71%	17,266,820	46,204,342	43.28%
Total Equity Share Capital	97,922,360	100.00%	22,605,530	10,758,112	100.00%

BUSINESS OVERVIEW

RateGain Travel Technologies Limited (“RateGain”) is among the leading distribution technology companies globally and is the largest Software as a Service (“SaaS”) company in the hospitality and travel industry in India. They offer travel and hospitality solutions across a wide spectrum of verticals including hotels, airlines, online travel agents (“OTAs”), meta-search companies, vacation rentals, package providers, car rentals, rail, travel management companies, cruises and ferries. They are one of the largest aggregators of data points in the world for the hospitality and travel industry. RateGain offers a suite of inter-connected products that manage the revenue creation value chain for their customers by leveraging their big-data capabilities and integration with other technology platforms helping hospitality and travel providers acquire more guests, retain them via personalized guest experiences and seek to maximize their margins.



RateGain began operations in 2004 with the introduction of a competitive intelligence price comparison product for hotels and have over the last 15 years, expanded their product portfolio to include artificial intelligence and machine learning capabilities that leverage their in-house data lake to offer products in the areas of rate intelligence, cognitive revenue management, smart distribution and brand engagement.

Total Addressable Market and Serviceable Addressable Market

RateGain serves a large and rapidly growing total addressable market. Third party travel and hospitality technology is estimated to be a US\$ 5.91 billion market in 2021 growing to an estimated US\$ 11.47 billion in 2025 at a CAGR of 18%. Enterprise applications focused on guest acquisition, distribution, revenue maximization and wallet share expansion in the hospitality and travel industry have a serviceable addressable market size of \$4.34 billion in 2021, growing to an estimated US\$ 8.45 billion in 2025. This is a large and rapidly growing addressable market opportunity for a vertical specific platform company like RateGain. The travel technology segment is further favoured by industry tailwinds of digitization in the post COVID times.

According to Phocuswright, pre-COVID-19 in 2019, the global travel and tourism industry was 10.4% of the global GDP but faces a number of challenges, the most critical of them being low digitization and disparate systems that are not inter-operable.

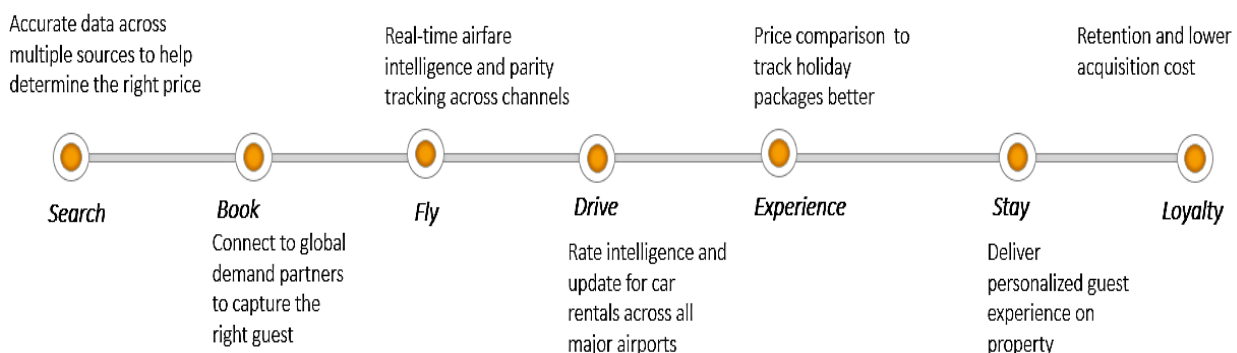


COVID-19 has however, accelerated digitization of customer interactions with hospitality and travel companies. These changes are likely to lead to a shift by hospitality and travel companies from in-house solutions to third party software and services

Platform Play Advantage

In a highly fragmented landscape of travel technology providers, RateGain offers a platform that bridges the data gap across the hospitality and travel industry. They provide inter-operable products that leverage data across internal and external sources, unlock value through integration and enable better, faster and automated decision making. Their solutions help hospitality and travel and companies find the right guest, decide the right price, distribute it to the preferred channel of the guest, and once converted, helps them have an exceptional experience.

COVID-19 has however, accelerated digitization of customer interactions with hospitality and travel companies. These changes are likely to lead to a shift by hospitality and travel companies from in-house solutions to third-party software and services.



- **Hospitality and Travel Technology Solutions**

RateGain delivers their hospitality and travel technology solutions through their SaaS platform and their products are classified into 3 strategic business units:

- **Data as a Service (“DaaS”)** – Delivers insights including competitive intelligence. They are able to equip suppliers and demand providers with the ability to connect with data and information to increase acquisition and conversion. They offer data under two categories:
 - **Market Intelligence:** This provides access to pricing and availability data at scale along with analytics to present trends, opportunities and market developments.
 - **Dynamic Pricing Recommendations:** They serve certain segments within the travel industry that have traditionally used a flat pricing or a seasonal pricing structure with their proprietary dynamic pricing technology to help them maximize revenue.
- **Distribution** – They provide mission critical distribution including availability, rates, inventory and content connectivity between leading accommodation providers and their demand partners. Distribution also enables delivery of reservations back to hotel systems to ensure smooth operations and accurate reporting by hotels.
- **Marketing Technology (“MarTech”)** – Their MarTech offering enhances brand experience to drive guest satisfaction, increase bookings and increases guest loyalty. They also manage social media for luxury travel suppliers allowing them to be responsive to social media engagements 24x7 as well as effectively manage their social media handles and run promotional campaigns.

Reliable, widely available and affordable internet-based computer-to-computer communication has made practical the implementation and use of cloud-based systems. Cloud adoption is becoming viable owing to the basic benefits of uptime, availability, and high level of support in the cloud, as well as the superior development environment for building applications and platforms that can auto-scale through micro-service architectures. It is expected that companies with modern solutions that operate in the cloud to provide a broad range of services are certain to be beneficiaries of these trends. As a SaaS company, company’s cloud-based products offer customer improved usability and they can effectively scale their operations. The scale of their operations and the strength in analytics has helped them grow in operations and monetize their offerings.

For their DaaS products, RateGain operates on a subscription model where their customers in the hospitality sector subscribe to their DaaS products such as Optima and Parity for a period. For their OTA customers and airline, car rental and vacation packages customers they operate on a hybrid model where they charge a minimum subscription fees for use of their products and a pay-per-use charge for accessing additional data. In their Distribution segment, they operate RezGain on a subscription basis where customers pay a subscription fee to access the product while DHISCO operates on a transaction model where they generate revenues from bookings done by OTAs and GDS operators.

In Fiscals 2019, 2020 and 2021 and in the 5 months ended August 31, 2020 and August 31, 2021, they generated 34.65%, 35.06%, 26.34%, 26.02% and 27.19% of their revenues from operations from the sale of services of their transaction-based products while they generated 30.07%, 40.86%, 44.16%, 46.43% and 48.35% of their revenues from operations from the sale of services of their subscription-based products in similar periods and they generated 35.28%, 24.07%, 29.50%, 27.54% and 24.47% of their revenues from operations from the sale of services of their products which are on a hybrid revenue model of subscription and transaction based pricing.

Company’s product development philosophy is based on helping drive scale and reducing the total cost of ownership for their customers by building cloud-first products and following agile development practices. Company’s success in product and technology innovation has been recognized through numerous awards and accolades, such as being the winner of the Deloitte Technology Fast50 Award in 2020 and the ‘Most Innovative Startup’ at the Economic Times Innovation Awards 2020.

As of September 30, 2021, they serve 1,462 customers including 8 Global Fortune 500 companies. Their customers include **Six Continents Hotels, Inc., an InterContinental Hotels Group Company, Kessler Collection, a luxury hotel chain, Lemon Tree Hotels Ltd and Oyo Hotels and Homes Pvt Ltd.**

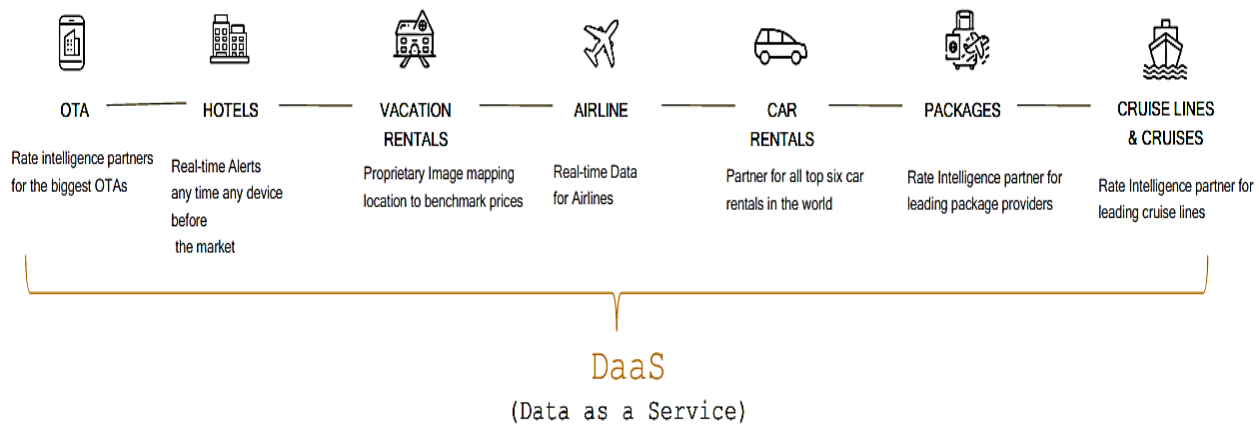
They also count 1,220 large and mid-size hotel chains, 110 travel partners including airlines, car rental companies and large cruise companies and over 132 distribution partners including OTAs such as **GroupOn** and distribution companies such as **Sabre GBLB Inc.**, in over 110 countries as their customers, as of September 30, 2021. They service

their customers in multiple geographies with local go-to market teams and as of September 30, 2021, have offices in 6 countries.

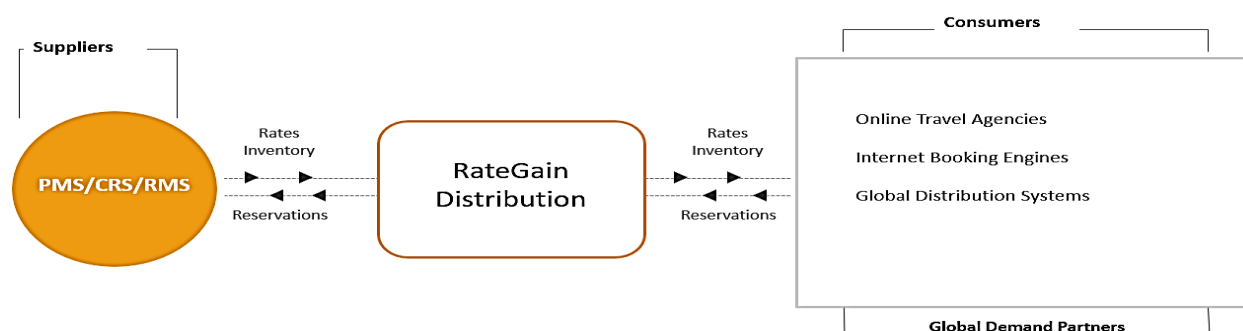
As of September 30, 2021, over 415 customers have been associated with them for over 5 years and they have grown their customer base over the years through their well-developed sales, customer success and marketing function that focuses on generating and converting quality sales leads and measuring customer satisfaction through a net promoter score tracking process helps in their land and expand strategy After their initial contract, and based in their customer’s experience, their customers typically purchase additional licenses for other properties or functions, branches as well as buy additional products from them thus expanding the overall commercial value of the contract. They often bundle the offerings as a platform package which, in their experience, helps with customer retention and acts as an advantage over point solutions. Their internal practices have developed over a decade and have helped increase their net promoter score (“NPS”) and their NPS was 8.44, 18.43, 40.78 and 33.33 in Fiscals 2019, 2020 and 2021 and in the 6 months ended September 30, 2021, respectively. They track this through an automated and independent process to measure customer health and gather feedback for continuous improvement.

Strategic Business Units

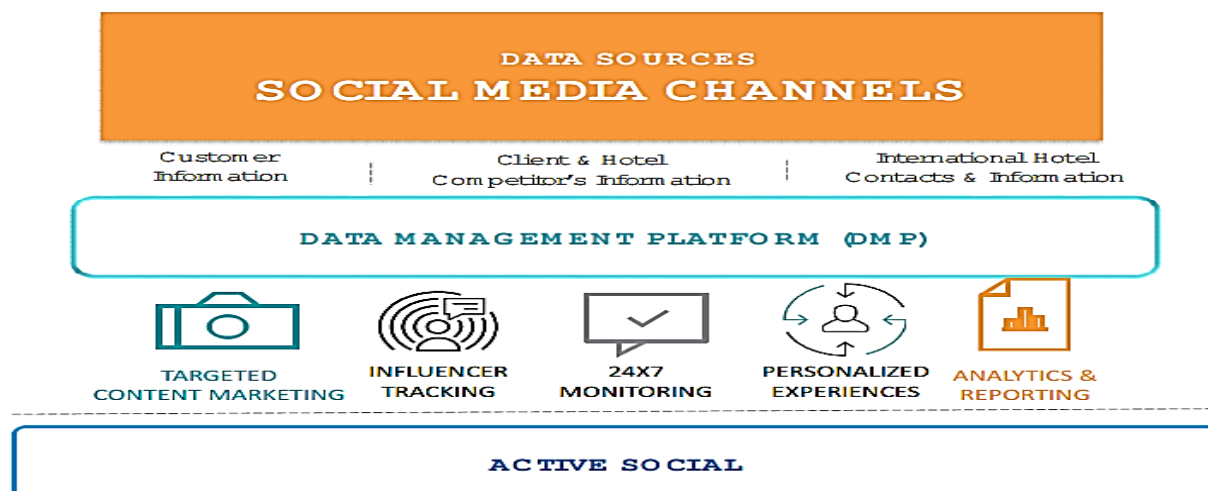
DaaS: RatgeGain provides competitive intelligence and parity intelligence to help hotels and travel suppliers stay competitive and optimize their revenues. Their competitive intelligence products tracked over 3.61 billion price points across over 2,900 hotels, OTAs, airlines, cruise lines and car rentals in the 6 months ended September 30, 2021 and covers points such as pricing, ratings, rankings, availability, room descriptions, cancellation policy, payment policy, discounting and package inclusions. They operate a subscription model where the customers in the hospitality and travel sector subscribe to their DaaS products such as Optima and Parity+. Active Customers in their DaaS business have grown from 945, as of March 31, 2019 to 1,083 Active Customer, as of March 31, 2020 and to 1,160 Active Customers, as of March 31, 2021 while as of September 30, 2021, they had 1,406 Active Customers.



Distribution: RateGain has 2 products in the distribution space: **RezGain**, which operates on a subscription basis and targeted to mid-market, and **DHISCO**, which operates on a transaction model where they generate revenues from bookings done by OTAs and GDS operators. DHISCO caters to enterprise customers. They covered over 194,000 hotel properties with over 70 demand partners, as of September 30, 2021. These connections are available through multiple flow architectures including various combinations and conduct distribution of availability, rates, inventory, negotiated rates, cancellation policy, amenities, attributes, images and description, all in multiple languages.



MarTech: RateGain is a 'single source provider' of social media management to leading hospitality and travel brands including well-known luxury properties. They offer real-time social listening and guest communication, active management of their social assets and campaign management through their AI based solution to increase awareness, engagement and sales that help in personalization of guest experience. They are the #1 Social Media Management provider for hotels globally as of September 30, 2021. They generate revenues from their MarTech solutions on a subscription basis. As of March 31, 2020 and 2021, they had 384 and 242 Active Customers in this vertical while as of September 30, 2021, they had 341 Active Customers.



COVID-19 IMPACT ON BUSINESS

The COVID-19 pandemic has severely restricted the level of economic activity around the world, and has had and is having an unprecedented effect on the global hospitality and travel industry. As COVID-19 cases recede, key service sectors including hospitality and travel have resumed in major parts of the world, leading to higher confidence and consumer spending globally across advanced economies and emerging markets. RateGain derive a significant majority of their revenues from their operations outside India and in particular from North America and Europe. In Fiscals 2019, 2020 and 2021 and in the 5 months ended August 31, 2020 and August 31, 2021 revenue from operations from the aforementioned regions were ₹ 214.80 crore, ₹ 333.34 crore, ₹ 199.98 crore, ₹ 75.08 crore and ₹ 104.85 crore and accounted for 82.12%, 83.60%, 79.74%, 76.69% and 83.70% of their total revenue from operations. A vast majority of the business is influenced by leisure and non-managed travel. While much uncertainty remains, vaccinations combined with loosened restrictions and the opening up of local economies have spurred leisure demand from travellers in the United States. While company's operations were impacted on account of lockdowns imposed and travel restrictions, they have witnessed an increase in OTA and GDS bookings since the beginning of 2021. They also generated 96.48% and 95.08% of their total revenues in Fiscal 2021 and in the 5 months ended August 31, 2021, respectively, from leisure travel. With travel restrictions expected to ease, and their focus on solutions aimed at leisure travel, they expect their revenues to grow going forward.

Their Gross Revenue Retention Rate, which denotes the percentage of renewed revenue as compared to previous Fiscal, has continued to remain stable and was 89.24% in Fiscal 2021 compared with 95.46% in Fiscal 2020. Their net cash generated from operating activities increased from ₹ 19.14 crore in Fiscal 2020 to ₹ 20.60 crore in Fiscal 2021, and was ₹ 7.05 crore for the 5 months ended August 31, 2021.

REVENUE FROM OPERATIONS: PRODUCT-WISE

Product Verticals	5 months ended August 31,				Year Ended March 31,					
	2021		2020		2021		2020		2019#	
	Revenue (₹ in Cr)	% to Total	Revenue (₹ in Cr)	% to Total	Revenue (₹ in Cr)	% to Total	Revenue (₹ in Cr)	% to Total	Revenue (₹ in Cr)	% to Total
DaaS	39.87	31.83%	36.82	37.61%	93.38	37.23%	125.36	31.44%	129.39	49.46%
Distribution	57.20	45.66%	50.09	51.16%	121.81	48.57%	199.37	50.00%	132.19	50.54%
MarTech	28.20	22.51%	10.99	11.23%	35.61	14.20%	73.99	18.56%	-	-
Total Revenue from Operations	125.27	100.00%	97.90	100.00%	250.79	100.00%	398.71	100.00%	261.57	100.00%

The key performance indicators for the business operations:

Key Performance Indicators	For 5 Monthd ended August'31		As of and for the Financial year ended		
	2021	2020	2021	2020	2019
Annual Recurring Revenues ("ARR") (₹ Cr)					
- DaaS	95.70	88.36	98.61	131.15	130.12
- - Distribution	137.28	120.21	120.28	181.36	188.92
- - MarTech	67.68	26.38	44.13	92.24	-
Total	300.65	234.95	263.01	404.75	319.04
Active Customer Count					
- Hotels	1,220	1,057	1,098	1,034	957
- OTAs	132	120	132	125	138
- Airlines	27	27	31	28	17
- Car Rentals	65	66	58	69	69
- Others	18	16	18	18	9
Total	1,462	1,286	1,337	1,274	1,190
Average Revenue Per Customer (ARPC) (₹ Cr)	0.21	0.18	0.20	0.32	0.27
Gross Margins	78.61%	78.21%	79.46%	76.17%	80.21%
Gross Revenue Retention (GRR)	92.92%	94.20%	89.24%	95.46%	92.78%
Revenue by Engagement (%)					
- Subscription	48.35%	46.43%	44.16%	40.86%	30.07%
- Transaction	27.19%	26.02%	26.34%	35.06%	34.65%
- Hybrid	24.47%	27.54%	29.50%	24.07%	35.28%
Recurring Revenues (% of total revenues)					
- DaaS	97.57%	97.89%	97.00%	98.00%	97.00%
- Distribution	97.37%	95.20%	95.00%	97.00%	98.00%
- MarTech	99.80%	97.92%	99.00%	98.00%	NA
Customer Acquisition Cost ("CAC") (₹ Cr)	0.07	0.09	0.09	0.10	0.09
Revenue per Employee (₹ Cr)	0.59	0.54	0.59	0.63	0.75
Average Booking Value (₹)	24,123.35	19,955.27	15,732.56	16,339.08	20,133.63
Price Points Aggregated (DaaS) (Cr)	299.20	283.61	583.35	655.87	500.90
Active Count of Hotel Properties (MarTech)	337	176	242	384	NA

COMPETITIVE STRENGTHS

- **Marquee global customers with long-term relationships**

As of September 30, 2021, their customer base of 1,462 customers including 8 Global Fortune 500 companies comprised both travel suppliers and travel intermediaries including airlines, hotels, cruise lines, car rental companies, online travel agents, tour operators and wholesalers. Their customers include 25 out of the top 30 OTAs, several of the world's fastest-growing airlines, 23 of the top 30 hotel chains, tour operators and wholesalers, all leading car rental companies, all large cruise lines, and the largest travel management companies.

In the hotel segment, they work primarily with large and mid-size chains including the InterContinental Hotels Group, Kessler Collection, a luxury hotel chain, Lemon Tree Hotels Ltd and Oyo Hotels and Homes Pvt Ltd along with independent hotels. Besides hotels, they also work with leading OTAs such as GroupOn. They also work with a number of airlines. They also work with 7 global car rental companies and major cruise lines. Their customer base has increased over the years and they added 272 Active Customers in the last 3 Fiscals and in the 6 months ended September 30, 2021.

Their customer base grew from 1,190 Active Customers as of March 31, 2019 to 1,274 Active Customers as of March 31, 2020 and to 1,337 Active Customers as of March 31, 2021 and they had 1,462 Active Customers as of September 30, 2021, as a result of their sales and marketing efforts. They serve customers in over 110 countries, as of September 30, 2021 including in other parts of Asia, Europe and the United States.

Certain of their key customers including Sabre GLOB Inc., have been associated with them since 2003. As of September 30, 2021, 7 of their Ttop-10 customers (by revenue in Fiscal 2021) have been associated with them for over 10 years.

	5 months ended Aug'31,2021	5 months ended Aug'31,2020	FY2021	FY2020	FY2019
Top 10 Major Customers	50.19	35.09	92.81	176.66	110.27
% to Total Revenue	40.19%	35.93%	37.01%	44.31%	42.16%
Gross Revenue Retention	92.92%	94.20%	89.24%	95.46%	92.78%

RateGain seeks to continuously grow revenues from their existing customers by offering additional products that address their requirements. Their broad range of product and platform offerings helps them to cross-sell to their existing customers as well as to acquire new customers.

Leading Global Hotel Chain	Year	Properties	Product
	2016	38	Distribution
	2020	66	Distribution + Optima + Parity

- Innovative AI driven industry relevant SaaS solutions**

Rategain offers a comprehensive platform of industry-specific solutions with growth and monetization capabilities. Product and technology innovation is at the core of their success. Given the fragmented nature of the hospitality and travel industry, RateGain has developed products that are inter-operable and integrate across a single platform allowing customers to maximize their revenues while also resulting in cost savings. They have built their proprietary AI algorithms and applied it in connection with their SaaS products to provide the customers with next generation of product features.

Company’s suite of products for rate intelligence include OPTIMA, Parity+, AirGain, CarGain and FerryGain that offer customers competitive pricing intelligence leveraging an AI-powered data platform while tracking real-time parity with features such as advanced dashboards, identification of key violators and reasons, revenue leakage. Company’s revenue optimization products, Rev.AI offer revenue management through historical pricing insights.

Their products are enabled with an intuitive user interface, offer a high degree of personalisation at a subscriber level and break down market rate and pricing strategy into logical insights.



Market DRONE

Track intra-day rates any time, any device, any where



Demand AI

AI-powered Demand Index based on leading indicators



Smart Distribution

AI-powered real-time revenue opportunities

They are focused on developing applications that use data science, artificial intelligence and machine learning. Through RateGain Labs, their in-house incubator, they develop data and AI driven products for the travel. Company’s ability to track large volume of proprietary data across various categories of travel enables their artificial intelligence models to predict and forecast demand accurately and on a real-time basis.

- Diverse and comprehensive portfolio of revenue maximization and business critical solutions**

RateGain has developed a comprehensive product portfolio that caters to the technology ecosystem for the hospitality and travel industry and in particular, to enterprise and mid-market customers for revenue management decision support, competitive intelligence, distribution and social media marketing, online reputation and brand engagement. The company offers a wide range of travel and hospitality solutions across the spectrum of verticals: hotels, airlines, OTAs and METAs, vacation rentals, package providers, car rentals, rail, travel management companies, cruises and ferries.

RateGain frequently contributes to the travel recovery index published by one of the largest travel industry intelligence platform providing insights to key sectors of travel.



RateGain has diversified their products to offer revenue optimization, distribution solutions and marketing technology solutions as well as expanded to adjacent segments within the hospitality and travel industry. They have introduced AirGain, CarGain and FerryGain, pricing intelligence products that are custom created for the airline, car rental and cruise and ferries industry, respectively.

Integration of their products with major property management systems (“PMS”), central reservations systems (“CRS”) and revenue management systems (“RMS”) and long-tail channels such as tour operators, GDS, bedbanks, wholesalers and OTAs, allows them to access data that results in a strong network effect for their business.

RezGain provides CRS level connectivity, automated currency conversion, productivity reporting, business intelligence and content management. In the 6 months ended September 30, 2021, they covered over 194,000 hotel properties, and processed 6.93 million bookings through their channels. DHISCO, their two-way channel, connects with over 70 demand partners, as of September 30, 2021.

Their distribution platform is one of the largest processor of electronic hotel transactions, delivering advanced and affordable connectivity and distribution solutions to hotels worldwide. They also develop customized social strategies for their customers to align with their marketing objectives and create content optimized for social media.

- ***Strong financial performance with track record of successful acceleration post acquisitions***

RateGain has maintained focus on capital efficiency and have grown without incurring material indebtedness, their conservative approach of operating with low debt has enabled them to remain in a good position during the COVID-19 crisis. Their net cash generated from operating activities have been positive in all periods and were ₹ 36.21 crore, ₹ 19.14 crore, ₹20.60 crore, ₹ 12.96 crore and ₹ 7.05 crore in Fiscals 2019, 2020 and 2021 and in the 5 months ended August 31, 2020 and August 31, 2021, respectively. Their balance sheet position enables them to make strategic investments by acquiring stakes in certain companies, and consolidate their position by acquiring brands, complementary technologies and product lines.

They acquired **DHISCO** in 2018 and turned it profitable following its acquisition. As a result of the acquisition, they have been able to expand operations to hotels and OTAs in Asia. They also acquired, **BCV**, a marketing technology company in 2019 and have been able to extend its offerings to their customers globally. They have migrated the centre of excellence from the United States to India that has resulted in margin expansion and productizing offerings to improve gross margins. They have recently completed the acquisition of **myhotelshop**, a company which offers reporting, bid management and campaign intelligence platform for metasearch publishers and other travel products that enables hotel suppliers, OTAs, and agency clients to reach more customers at higher returns.

- ***Global and diverse management team with relevant technology and domain expertise and focus on employee welfare***

The company benefited from the vision and experience of their senior management team. Key members of their senior management team include Bhanu Chopra, Promoter and executive Chairman of the board who has over 20 years of experience. Harmeet Singh, Chief Executive Officer, was the former President of j2 Global Incorporated. Tanmaya Das, Chief Financial Officer, has extensive experience in consulting and has been associated with pricewaterhouseCoopers in the past, Their Global Head of Corporate Development, Yogeesh Chandra has experience in hospitality industry and has been associated with Taj Hotels, The Spencer on Byron Hotel, New Zealand and Kingsgate Hotel, Parnell, Auckland. They are also supported by Chinmai Sharma, President – Americas

who has been associated with the Taj group of hotels as their Chief Revenue Officer, and Mark E Skroch and Mark Haywood, the General Managers for their international operations. Sahil Sharma, the Senior VP and Global Head – Human Resources has been instrumental in managing their human resources and CSR efforts.

The senior management team has over a decade of experience each in contribution to revenue growth in the SaaS and hospitality and travel sectors. They have extensive go-to market and product development experience. They have also benefited from investments by affiliate entities of **TA Associates** and **Avataar Ventures** and the support of their nominee directors on the board. They benefited from the capital infusion, and professional expertise of their shareholders.

KEY BUSINESS STRATEGIES

Going forward, Company’s growth levers to include:

New product development capabilities: They are substantially investing in their products to build capabilities that will be used by travel companies in the post COVID-19 era. These AI-led products will offer real time intelligence and make pricing recommendations for revenue maximization.

Land and expand: They continue to focus on the success of their customers through bundling which will add to stickiness and present them with a platform option for vendor consolidation.

Penetration: They will continue to expand their enterprise sales infrastructure in specific segments to increase their penetration in areas such as MarTech and certain categories within DaaS and Distribution.

Go-to-market at scale: They will continue to build their network that will be used for integrating their products with regional niche players that will leverage their capabilities to strengthen their respective offerings to their customer base.

- **Continue to scale DaaS and Distribution offerings through cross-sell and geographical expansion**

The company intends to expand their existing product offerings into segments of the hospitality and travel industry that they expect to grow following greater normalization of travel as COVID-19 recedes. They intend to leverage their portfolio of products and products under development to provide additional solutions to their existing customers. The interoperability of their products allows them to displace point solutions and offer bundled offerings to their customers.

Their bundled offering include:



They also plan to expand into adjacent verticals within the travel industry that rely on the same product set to guide their businesses. They intend to cost-effectively expand into adjacent verticals and new geographies through partnership with existing revenue management solution providers to offer their solutions.

- **Focus on MarTech solutions for the hospitality and travel sector**

Company’s strategy to grow the MarTech vertical is aimed at creating customer value at a time when guest traveller engagement with travel suppliers is being re-invented in the post COVID-19 scenario. They offer end-to-end social media management for their customers. They intend to continue to expand on the following offerings:

- **Social Media Monitoring:** RateGain intends to extend to additional and more upscale and luxury hotels in key geographies so that social media interactions by users with customers do not go unengaged. As of September 30, 2021, they had 341 Active Customers in this segment.
- **Reputation Management:** This addresses the objective of gaining a full and detailed understanding of traveller's sentiment associated with their stay at a property (or a brand). As customers tend to rely more on other client's reviews, social reputation needs to be managed and supplier side of any service recovery will need to be promptly published to acknowledge, and present suppliers point of view.
- **Social Media Influencer Engagement and Management:** As social platforms continue to grow based on human behavior and smartphone penetration, they intend to build capabilities to make influencer commerce seamless for travel suppliers.
- **Social Media Advertising:** They aim to leverage their data lake to prepare ad campaigns based on city demand, prevailing rates and source markets where demand is originating from.
- **Expansion of Social Platforms:** They intend to expand their channel coverage based on new social platforms that gain traction and become a viable means of social media communication for their target segment.
- **Continue to leverage unique data assets to create new AI product offerings**

RateGain is one of the largest aggregator of travel pricing data in the world. They use their data lake for storage and modelling travel related data. They have over the years been able to leverage their large data assets to offer their customers rate intelligence, cognitive revenue management and distribution products. The scale of their operations and their strength in analytics has helped them grow their operations and monetize their offerings. They intend to continue to leverage their extensive data assets through introduction of additional product offerings based on latest technologies. Company's focus will be to enhance their cross-product uses cases such as Market Drone, Demand.AI and Smart Distribution.

To grow their product development capabilities, they have set up RateGain Labs, an in-house incubator that will leverage their existing expertise to solve current travel industry problems through data, proximity to clients and business experience.



- **Pursue strategic investment and acquisition opportunities**

Given the scale of their operations, balance sheet position, agile and innovative product offerings and track record of successful acquisitions, inorganic opportunities present viable growth opportunities. They intend to selectively pursue strategic acquisitions and investments and other strategic alliance partnerships that are complementary to their growth strategy, particularly those that can help them enrich their offerings, enhance their technologies and products, and expand their customer base.

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