

RateGain Travel Technologies Ltd. – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 8 June 2026

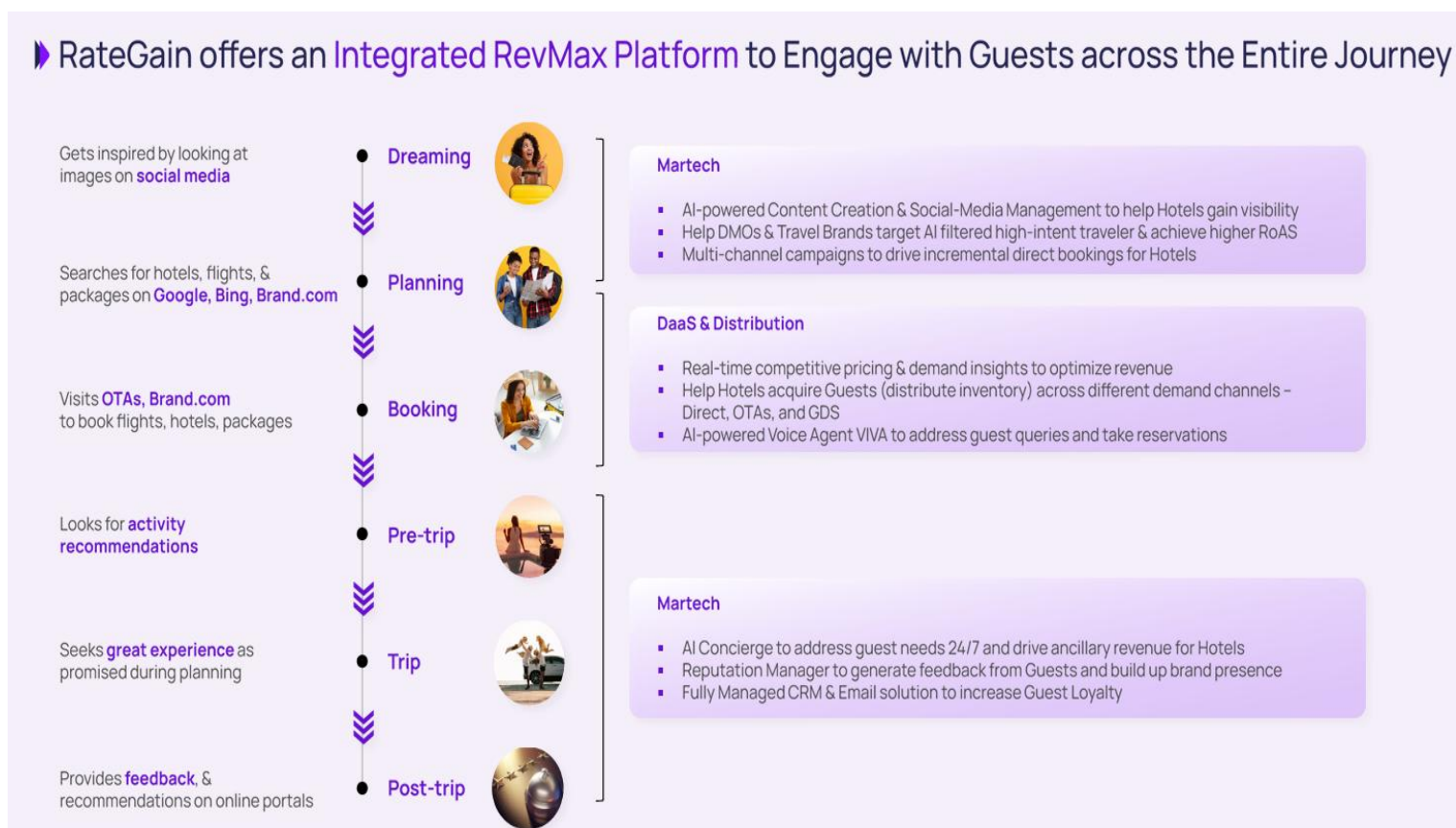
CMP -> 755

Upside Potential-> 13%

Investment Horizon -> 6 Months

Target price -> 853

What Company Do:



RateGain Travel Technologies has emerged as one of the most compelling technology-led travel platforms globally following the successful integration of Sojern and the transformation of its business into an AI-powered operating system for the travel and hospitality industry. The company operates across three key segments—MarTech, Distribution and Data-as-a-Service (DaaS)—offering solutions for demand generation, travel intent data, revenue optimization, pricing intelligence, OTA connectivity, payment infrastructure and guest engagement. Its products serve hotels, airlines, online travel agencies (OTAs), destination marketing organizations (DMOs), car rental companies and cruise operators, helping customers improve guest acquisition, retention and wallet share expansion. The company today serves over 13,400 customers globally, including several Fortune 500 companies and leading travel brands.

The company reported a strong set of Q4FY26 results, with consolidated revenue rising 174.5% YoY to INR 715.5 crore, the highest-ever quarterly revenue, primarily driven by the full-quarter consolidation of Sojern. Organic revenue growth in the legacy RateGain business remained healthy at around 19%, reflecting improving business momentum across core segments. Adjusted EBITDA stood at INR 167.9 crore with a robust margin of 23.5%, while adjusted PAT increased to INR 90.9 crore. For FY26, revenue grew 69.4% YoY to INR 1,823.6 crore, exceeding management guidance, while adjusted EBITDA and adjusted PAT increased 54.4% and 19.6%, respectively. **Management believes the company has successfully returned to a sustainable double-digit organic growth trajectory and is entering FY27 with stronger execution capabilities and significantly enhanced scale.**

RateGain's balance sheet remains healthy despite the transformational Sojern acquisition. The company generated operating cash flow of INR 233.7 crore and free cash flow of INR 230 crore during FY26, demonstrating strong cash generation despite integration-related investments. The **company has already repaid USD 31.5 million of acquisition-related debt, representing over 25% of the original loan amount, while outstanding acquisition debt stands at USD 93.5 million. Management expects continued debt reduction through strong cash flows and aims to become debt-free by FY28. Finance costs are expected to decline progressively as debt repayments continue, which should support earnings expansion over the next few years.**

A key investment trigger remains the successful integration of Sojern, which management indicated has progressed ahead of schedule. The company has already achieved full cost synergies during Q4FY26, completed the consolidation of Adara and Sojern under a unified brand and integrated major technology platforms. Customer migration to the unified platform is expected to be completed by Q2FY27. The combined platform now benefits from approximately 320 travel data partners and over 1.5 billion graph IDs, creating what management describes as the world's largest travel intent data ecosystem. **Going forward, management's focus is shifting from integration to monetization, leveraging cross-selling opportunities across more than 13,000 customers globally. This acquisition is expected to contribute meaningfully to revenue growth, operating leverage, customer retention and margin expansion over the coming quarters.**

The MarTech segment remains the company's largest growth engine and now contributes nearly 70% of overall revenue. This segment is benefiting from increasing adoption of travel-intent-based advertising, AI-powered campaign management, social media optimization, guest engagement solutions and performance marketing offerings. The company continues to witness strong momentum in its property business, improving customer conversions and healthy pipeline additions. The launch of products such as SoHo Suite, AI Concierge and travel demand intelligence tools further strengthens RateGain's leadership position in digital travel marketing. **Management expects the consolidated Martech business to deliver 12–15% growth in FY27, while certain sub-segments could grow at significantly higher rates.**

The Distribution segment is showing signs of recovery after a relatively softer FY26. Management indicated that the business has likely bottomed out and is positioned for improved growth during FY27. New AI-driven products such as RateIQ, Genpic ARI (Agentic ARI) and RGPAY are expected to unlock incremental monetization opportunities and strengthen customer value propositions. Agentic ARI has already demonstrated 30–40% optimization in ARI traffic, while RGPAY extends RateGain deeper into the travel commerce infrastructure ecosystem through integrated payments, cross-border settlement and revenue optimization capabilities. Interest from large global OTAs to pilot these solutions could act as a meaningful catalyst for future growth.

The DaaS business continues to deliver steady and predictable growth through products such as AirGain, rate intelligence, parity monitoring, demand forecasting and hospitality analytics. The segment reported 21.5% growth during Q4FY26 and continues to secure long-term customer relationships with leading airlines globally. Recent contract wins and renewals from airlines such as Singapore Airlines, Vietnam Airlines, Air Serbia, Myanmar Airways and Mongolian Airlines reinforce the company's competitive positioning. Furthermore, the launch of AI-powered conversational intelligence tools such as Lens and planned AI-based interfaces within AirGain should enhance customer engagement and support higher wallet-share opportunities.

Looking ahead, future growth is expected to be driven by multiple engines, including monetization of the Sojern platform, accelerated cross-selling across the enlarged customer base, AI-led product innovation, geographic expansion into Europe and Latin America, increasing adoption of autonomous AI agents and continued growth in travel demand globally. **Management has guided for FY27 revenue of INR 3,000–3,100 crore, representing growth of 65–70%, alongside EBITDA of INR 650–700 crore. Near-term growth over the next two to four quarters is expected to be led primarily by the Martech segment, continued Sojern integration benefits, expansion of AI-powered solutions, higher adoption of travel-intent data products and improved monetization within Distribution and DaaS businesses.**

Despite the strong outlook, investors should monitor certain risks. Continued geopolitical uncertainty, particularly in the Middle East, may temporarily impact travel demand and DMO spending. Integration execution risks, slower-than-expected customer migration, higher earnout-related expenses, elevated acquisition-related amortization charges and macroeconomic weakness affecting travel budgets remain key concerns. Nevertheless, the company appears well-positioned to navigate these challenges given its diversified revenue streams, recurring business model, strong cash generation, expanding AI capabilities and leadership position within the travel technology ecosystem. Considering the successful Sojern integration, improving organic growth trajectory, robust FY27 guidance, strong free cash flow generation and significant AI-driven monetization opportunities, we maintain a BUY recommendation on RateGain Travel Technologies with a medium-term investment horizon of 6 months.

Q4FY26& FY26 Consolidated Results:

Particulars (INR Cr)	Q4 FY26	Q4 FY25	YoY	Q3 FY26	QoQ	FY26	FY25	YoY
Revenue	715.5	260.7	174.5%	540.0	32.5%	1,823.6	1,076.7	69.4%
Employee Expenses	269.5	88.1	205.9%	217.6	23.8%	711.7	398.8	78.5%
Other Expenses	299.0	112.0	167.0%	235.3	27.1%	774.4	445.9	73.7%
Total Operating Expense	568.5	200.1	184.1%	452.9	25.5%	1,486.1	844.6	76.0%
EBITDA	147.0	60.6	142.7%	87.1	68.8%	337.5	232.1	45.4%
EBITDA %	20.5%	23.2%		16.1%		18.5%	21.6%	
<i>Add: Sojern - Deferred Consideration</i>	20.9					20.9		
Adj. EBITDA	167.9	60.6	177.1%	87.1	92.7%	358.3	232.1	54.4%
Adj. EBITDA %	23.5%	23.2%		16.1%		19.6%	21.6%	
Depreciation	2.6	1.7	57.2%	4.6	-43.1%	11.4	6.7	69.1%
Amortization of Acquisition cost	32.4	6.7	382.7%	23.1	40.3%	69.3	28.2	145.9%
Finance Costs	18.4	0.3	5905.9%	12.5	47.8%	31.5	1.3	2380.2%
Exceptional Expenses	-	-	-	34.6	NA	34.6	-	NA
Other Income	2.6	20.5	-87.4%	16.6	-84.5%	61.3	76.4	-19.7%
Profit/(Loss) Before Tax	96.2	72.4	32.9%	28.9	232.6%	252.0	272.2	-7.4%
Tax	26.2	17.6	49.2%	2.4	963.0%	57.6	63.3	-9.1%
Profit/(Loss) After Tax	70.0	54.8	27.7%	26.5	164.6%	194.4	208.9	-7.0%
PAT %	9.8%	21.0%		4.9%		10.7%	19.4%	
Adj. Profit/(Loss) After Tax	90.9	54.8	61.2%	61.1	48.8%	249.9	208.9	19.6%
Adj. PAT %	12.7%	21.0%		11.3%		13.7%	19.4%	

Note: Adjusted EBITDA & PAT – Adjusted for Deferred Deal Consideration related to the Sojern Acquisition. This expense is to be incurred for 3 years ending Q3FY29. For FY26, Adj. PAT accounts for Deferred Deal Consideration and One-time exceptional expense incurred in Q3FY26.

Q4FY26 Results:

		YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr		174.5%	32.5%	716	540	261
Operating Profit Cr	^	142.7%	68.8%	147	87	61
OPM %				20.6	16.1	23.2
PAT Cr	^	27.7%	164.6%	70	26	55
NPM %				9.8	4.9	21.0
EPS ₹		27.5%	164.7%	5.9	2.2	4.7

Historical Operational Highlights:



Note: * - Adjusted EBITDA-EBITDA is Adjusted for Deferred Deal Consideration related to the Sojern Acquisition. This expense is to be incurred for 3 years ending Q3FY29.

Recommendation Timeline & Performance Summary: -

1. 11 Dec 2025 – Initial BUY Recommendation: The BUY call was initiated at a price of 660 with a target price of 800, implying an upside potential of ~21% over a 12-month investment horizon.

2. 1 June 2026 – Target Achieved: The stock achieved our target price of 800 on 1 June 2026 within 6 months of our recommendation. The stock price further appreciated to 802 on the same day, delivered a return of 21.5% from the recommendation price within 6 months, significantly ahead of our envisaged 12-month investment horizon.

3. 8 June 2026 – Re-Initiation of BUY Call: We have re-initiate the BUY call at the CMP of 755 with a target price of 853, indicating an envisaged upside potential of 13% over the next 6 months.

Happy Investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team