Arihant Capital
Generating Wealth

Result Update
Q4FY26
26th May,2026

RateGain Travel Technologies Ltd

Sojern integration ahead of plan; margins set to re-rate.

CMP: INR 725

Rating: Buy

Target Price: 966

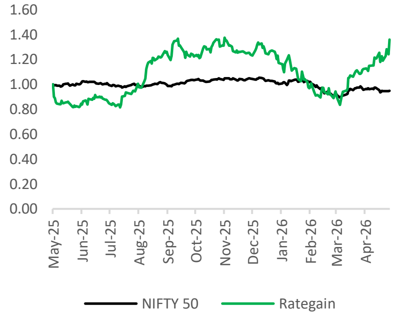
Stock Info	
BSE	543417
NSE	RATEGAIN
Bloomberg	RATEGAIN:IN
Reuters	Rate.NS
Sector	IT
Face Value (INR)	1
Equity Capital (INR Mn)	117.9
Mkt Cap (INR Mn)	86,140
52w H/L (INR)	743 / 417
Avg Yearly Vol (in 000')	628

Shareholding Pattern %

(As on March, 2026)

Promoters	48.77
FII	5.35
DII	20.86
Public & Others	25.02

RateGain Vs Nifty



Source: Arihant Research

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RateGain Travel Technologies reported Q4 FY26 consolidated revenue of INR 7,155 million, up 174.5% YoY, driven primarily by the Sojern acquisition with organic MarTech growth of 18.9% providing an underlying tailwind. Adjusted EBITDA recovered sharply to INR 1,679 million (23.5% margin) from the Q3 FY26 trough of 16.1%, as integration synergies began flowing through, while adjusted PAT of INR 909 million (12.7%) remained pressured by elevated acquisition amortization of INR 324 million and finance costs of INR 184 million — both reflecting the debt-funded Sojern deal. For FY26, the company reported revenue of INR 18,236 million, adjusted EBITDA of INR 3,583 million (19.6%), and free cash flow of INR 2,300 million, entering FY27 with net debt of INR 7,223 million and a USD 1 billion revenue ambition on the horizon.

Investment Rationale:

AI-Native Platform at the Intersection of Travel's Largest Spend Categories

RateGain has structurally repositioned itself from a niche rate intelligence vendor to a full-stack RevMax platform spanning guest acquisition, distribution, and engagement. The Sojern acquisition materially expanded the company's MarTech addressable market to USD 5.8 billion — the largest of its three segments — while simultaneously adding what management describes as the world's largest travel intent data asset. With AI now embedded across products including VIVA (voice reservations), RateIQ (distribution intelligence), and Agentic ARI (real-time inventory updates), the platform is increasingly difficult to replicate at comparable scale, creating a defensible moat around its 13,410-customer base that spans 33 of the top 40 hotel chains, 4 of the top 5 airlines, and all leading OTAs.

Sojern Integration Ahead of Schedule, Margin Recovery Underway

The sharp sequential EBITDA margin recovery from 16.1% in Q3 FY26 to 23.5% in Q4 FY26 is the clearest evidence yet that Sojern integration costs are normalizing and operating leverage is asserting itself. With the deferred deal consideration expense running through Q3 FY29, adjusted metrics already reflect a mid-teen PAT margin business generating healthy free cash flow — INR 2,300 million in FY26, representing a 49.3% CAGR over three years. GRR held firm at 94.9% in FY26, and while NRR moderated to 99.6% from 120.9% in FY24 (the latter inflated by the Sojern contribution from new cross-sell), the underlying retention profile signals a sticky, recurring revenue base that should support margin expansion as integration-related friction dissipates.

Outlook and Valuation: RateGain enters FY27 as a structurally stronger business, with the Sojern integration delivered ahead of plan, an expanding AI-native product portfolio, and a margin trajectory that demonstrated clear upward momentum through Q4 FY26. The sharp sequential EBITDA margin recovery to 23.5% in Q4 — from a trough of 16.1% in Q3 — provides early but meaningful validation that integration headwinds are receding and operating leverage is beginning to assert itself across the combined entity. On the revenue side, cross-sell of Sojern's MarTech capabilities into RateGain's existing DaaS and Distribution customer base — and vice versa — represents a significant NRR recovery opportunity that is only in its early innings. With a pipeline of INR 6,590 million, free cash flow of INR 2,300 million in FY26, and a USD 1 billion revenue ambition providing a credible long-term growth anchor, we believe the company is well-positioned to deliver sustained double-digit revenue growth alongside meaningful margin expansion through FY27 and beyond. **We have a Buy rating on the stock with the TP INR 966 based of 22x of FY29e EPS of INR 43.91 and Upside of 33.3%.**

Exhibit: 1 Financial

	Year-end March				
(INR Cr)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Net Sales	1,077	1,824	3,009	3,460	3,979
EBITDA	232	337	632	744	875
EBITDA Margin(%)	21.5%	18.5%	21.0%	21.5%	22.0%
PAT	209	194	413	466	518
PAT Margin(%)	19.4%	10.7%	13.7%	13.5%	13.0%
EPS	17.70	16.47	35.00	39.45	43.91
ROE(%)	12.41	9.69	17.08	16.14	15.23
ROCE(%)	8.90	9.73	15.95	15.02	14.11
PE(X)	26.21	28.17	13.26	11.76	10.57
EV/EBITDA	18.03	16.31	8.05	6.98	5.09

Particulars	Q4FY26	Q3FY26	Q4FY25	QoQ %	YoY%
Revenue from operations	716	540	261	33%	174%
Employee benefit expenses	269	218	88	24%	206%
Other expenses	299	235	112	27%	167%
EBITDA	147	87	61	69%	143%
EBITDA Margin (%)	20.5%	16.1%	23.2%	4.41	
Add: Sojern - Deferred Consideration	20.9	0	0		
Adjusted EBITDA	167.9	87.1	60.6	93%	177%
Adjusted EBITDA Margin (%)	23.5%	16.1%	23.2%		
Depreciation and amortisation expenses	35	28	8	26%	318%
Operating Profits	112	59	52	88%	115%
EBIT Margin %	15.7%	11.0%	20.0%		
Other income, net	3	17	20	-84%	-87%
Finance cost	18	12	0	48%	5906%
Extraordinary Items	0	35	0		
Profit before tax (PBT)	96	29	72	233%	33%
Tax expense:	26	2	18		
Tax Rate	27%	9%	24%		
Profit for the period (PAT)	70	26	55	165%	28%
PAT Margin (%)	9.8%	4.9%	21.0%		
Adjusted PAT	91	61	55	49%	66%
Adjusted PAT Margin (%)	12.7%	11.3%	21.0%		

Source: Arihant Research, Company

Q4FY26 Concall Key Takeaways

Record Revenue Quarter

Q4FY26 revenue hit an all-time high of INR 7,160 million, up 175% YoY, driven by four full quarters of Sojourn consolidation. Organic revenue (RG standalone) came in at INR 3,110 million, up 19.3% YoY — marking the return to double-digit organic growth as guided.

Full Year FY26

Annual revenue stood at INR 18,240 million, up 69.4% YoY, ahead of revised post-acquisition guidance. Annualised revenue run rate has crossed INR 28,500 million.

Profitability

Adjusted EBITDA margin for Q4 was 23.5% (adjusted for Sojourn earn-out of INR 200–220 million/quarter over 12 quarters). Reported EBITDA margin was 20.5%. Adjusted PAT for Q4 was INR 909 million (12.7% margin); full year adjusted PAT was INR 2,499 million. Free cash flow for FY26 was INR 2,300 million; FCF-to-EBITDA conversion expected above 75% in FY27.

Sojourn Integration — Ahead of Plan

Full cost synergies delivered in Q4. Adara and Sojourn unified under a single brand (Sojourn). Annualised cost synergies now at USD 15 million, up from USD 12 million guided last quarter. Full customer platform migration on track for Q2FY27 completion. Sojourn trending towards 19–20% EBITDA margins.

Balance Sheet

Net worth at INR 20,058 million. Cash and equivalents at INR 1,990 million. Net debt down to INR 7,220 million. USD 31.5 million of acquisition debt already repaid (25.2% of original loan); full debt retirement expected by FY28. Company expects to be tax-free by end of FY28.

World's Largest Travel Intent Data Platform

Combined entity now has 320+ data partners and tracks over 1.5 billion travel graph IDs — a scale no competitor comes close to. This data moat underpins pricing power and cross-sell opportunities across 13,000+ customers.

Segment Highlights

Martech (Sojourn) grew 37.5% organically in Q4. DAS (data & analytics) grew 21.5% in Q4 with marquee airline wins including Singapore Airlines (4-year extension), Vietnam Airlines, Philippine Airlines, Tiger Air and Air Serbia. Distribution had a softer year but management believes it bottomed out in Q4 and expects mid-single-digit growth in FY27. The AI concierge deployed across Red Roof's 700+ properties delivered up to 300% improvement in ancillary revenue and 75% improvement in NPS.

AI Across the Stack

AI is now embedded operationally — not experimental. Key deployments include agentic ARI (reducing hotel-OTA traffic by 30–40%), AI campaign agents (running autonomous marketing), Uno Viva (voice reservations in 30+ languages, 24/7), and an AI revenue manager. One major global OTA is piloting RateGain's agentic ARI to manage its own traffic. The long-term vision is fully autonomous vertical AI agents replacing manual revenue management, distribution management, and marketing functions.

FY27 Guidance

Revenue guided at INR 30,000–31,000 million (65–70% growth), implying 12–15% organic growth on a combined basis. EBITDA guided at INR 6,500–7,000 million, implying margins of 21.5–22.5% (excluding Sojourn earn-out). In USD terms, organic growth is expected at 10–12%. Management emphasised guidance is conservative and they intend to outperform.

Long-Term Ambition

Target of USD 1 billion in revenue by FY30–31. APMEA is the fastest-growing region (team scaled from 15 to 85 people in FY26); Europe and Latam are next investment priorities. Middle East contributed ~4% of revenue; current geopolitical impact estimated at ~USD 2 million (deferred, not a direct revenue loss).

Income statement (INR mn)

Year End-March	FY25	FY26	FY27E	FY28E	FY29E
Gross Sales	1,076.66	1,823.55	3,008.86	3,460.19	3,979.22
Net Sales	1,076.66	1,823.55	3,008.86	3,460.19	3,979.22
YoY (%)	12.50%	69.37%	65.00%	15.00%	15.00%
Adjusted COGS	**247.63**	**401.18**	**661.95**	**726.64**	**795.84**
Personnel/ Employee benefit expenses	398.80	711.67	925.18	1,045.45	1,181.36
YoY (%)	4.97%	78.45%	30.00%	13.00%	13.00%
Manufacturing & Other Expenses	445.89	774.43	1,451.83	1,670.80	1,922.44
YoY (%)	15.10%	73.68%	87.47%	15.08%	15.06%
Total Expenditure	**844.69**	**1,486.10**	**2,377.00**	**2,716.25**	**3,103.79**
YoY (%)	8.30%	75.93%	59.95%	14.27%	14.27%
EBITDA	**231.97**	**337.45**	**631.86**	**743.94**	**875.43**
YoY (%)	22.27%	45.47%	87.24%	17.74%	17.67%
EBITDA Margin (%)	21.55%	18.51%	21.00%	21.50%	22.00%
Adj EBITDA		**358.30**			
Adj EBITDA Margin (%)		19.65%			
Depreciation	34.94	80.71	124.30	174.02	243.62
EBIT	**197.03**	**256.74**	**507.56**	**569.92**	**631.80**
EBIT Margin (%)	18.30%	14.08%	16.87%	16.47%	15.88%
Interest Expenses	1.26	31.50	31.50	31.50	31.50
Non-operating/ Other income	76.41	61.34	67.47	74.22	81.64
PBT	**272.18**	**251.96**	**543.53**	**612.64**	**681.94**
Tax-Total	63.34	57.57	130.45	147.03	163.67
Adj. Net Profit	**208.84**	**194.39**	**413.09**	**465.61**	**518.28**
Reported Profit	**208.84**	**194.39**	**413.09**	**465.61**	**518.28**
PAT Margin	19.40%	10.66%	13.73%	13.46%	13.02%
Shares o/s/ paid up equity sh capital	11.78	11.80	11.80	11.80	11.80
Adj EPS	17.70	16.47	35.00	39.45	43.91

Balance sheet

Year-end March	FY25	FY26	FY27E	FY28E	FY29E
Sources of Funds					
Networth	**1,682.66**	**2,005.86**	**2,418.94**	**2,884.55**	**3,402.83**
Unsecured Loans/ Borrowings/ Lease Liabilities	0.00	238.68	238.68	238.68	239.68
Other Liabilities	28.66	878.00	921.90	968.00	1,016.39
Total Liabilities	**1,711**	**3,123**	**3,580**	**4,091**	**4,659**
Total Funds Employed	**1,711**	**3,123**	**3,580**	**4,091**	**4,659**
Application of Funds					
Net Fixed Assets	**347.83**	**2,402.63**	**2,358.25**	**2,315.06**	**2,273.04**
Capital WIP	2.00	3.00	4.00	5.00	6.00
Investments/ Notes/ Fair value measurement	115.52	0.00	0.00	0.00	0.00
Inventory	0.00	0.00	0.00	0.00	1.00
Days	2.00	3.00	4.00	5.00	6.00
Debtors	210.00	471.43	700.69	805.80	926.67
Days	71.19	94.36	85.00	85.00	85.00
Other Current Assets	26.20	271.76	285.35	299.62	314.60
Cash and Cash equivalent	1,178.35	211.38	628.44	1,122.86	1,662.32
Current Liabilities/Provisions					
Creditors / Trade Payables	98.31	238.30	397.76	457.75	526.69
Days	80.47	112.31	100.00	100.00	100.00
Liabilities	94.48	198.01	237.62	285.14	342.17
Net Current Assets	**43.41**	**306.88**	**350.67**	**362.52**	**373.40**
Total Asset	**1,711**	**3,123**	**3,580**	**4,092**	**4,659**
Total Capital Employed	**1,668**	**2,817**	**3,230**	**3,730**	**4,285**

Source: Arihant Research, Company

Cash Flow Statement

Year End-March	FY25	FY26	FY27E	FY28E	FY29E
Opening Cash	1,096.77	1,178.35	211.38	628.44	1,122.86
Cash profit	243.78	275.10	537.38	639.63	761.90
(-) working cap	-48.89	-263.48	-43.79	-11.85	-10.88
% of sales	0.05	0.14	0.01	0.00	0.00
(-) Capex & Acquisition	-16.50	-2,135.51	-79.92	-130.82	-201.61
Free cashflow pre dividend	178.39	-2,123.89	413.68	496.95	549.41
(-) Others	-89.80	50.00	3.38	-2.53	-9.95
(-) IPO proceeds/ QIP / Debt Raised	0.00	1,107.00	0.00	0.00	0.00
(-) Dividend	0.00	0.00	0.00	0.00	0.00
Free cash flow after dividend	**88.59**	**-966.89**	**417.06**	**494.42**	**539.46**
Closing Cash	**1,185.36**	**211.46**	**628.44**	**1,122.86**	**1,662.32**

Key Ratios

Year End-March	FY25	FY26E	FY27E	FY28E	FY29E
EPS	17.7	16.5	35.0	39.4	43.9
Book Value	142.8	170.0	205.0	244.4	288.3
Valuation (x)					
P/E	40.3	43.4	20.3	18.3	17.0
P/BV	5.0	4.2	3.5	2.9	2.5
Return ratio (%)					
EBITDA Margin	21.5	18.5	21.0	21.5	22.0
EBIT Margin	18.3	14.1	17.0	16.3	15.2
PAT Margin	19.4	10.7	13.8	13.3	12.5
ROE	12.4	9.7	17.2	16.0	14.7
ROCE	8.9	9.7	16.0	14.8	13.6
Turnover Ratios					
Creditors Days	80.5	112.3	100.0	100.0	100.0
Receivable Days	71.2	94.4	85.0	85.0	85.0

Source: Arihant Research, Company

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Stock Rating Scale	**Absolute Return**
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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