

Navan Q2 FY'27 Earnings Conference Call

Prepared Remarks | September 9, 2026



Ariel Cohen, CEO and Co-Founder

Q2 was another quarter of exceptional execution, marked by the highest level of new signed GBV in Navan's history. We beat our revenue and non-GAAP operating income expectations for the quarter, and grew our Gross Booking Volume (GBV) 45% year-over-year. We achieved this growth while continuing to deliver high customer satisfaction, with CSAT at 96% and NPS at 44.

Our performance this quarter reflects the combined strength of our superior technology, dual-motion go-to-market model, and differentiated customer experience. We closed Q2 with new signed GBV of \$4.0 billion over the trailing twelve months in our Sales-Led Growth (SLG) business, representing 60% growth year-over-year, which we believe gives us increased visibility into continued growth as these customers launch and ramp.

The broader corporate travel environment also remains resilient. Companies continue to prioritize face-to-face interaction as an essential investment in growth. In Q2, travelers both took more trips and spent more per trip on average, reinforcing our view of durable corporate travel demand.

For all these reasons, we are again raising our full-year guidance as we enter the second half of FY27: we believe our execution is strong in a healthy market, forward momentum is accelerating, and the business is scaling with efficiency. **We are orchestrating the future of global travel in the agentic era, advancing our mission to make travel easy for every traveler by being the best travel agency on the planet.**

Execution & Business Momentum

In Q2, we continued to deepen adoption within our customer base and win in our large addressable market. We facilitated over \$3.0 billion in bookings in the quarter, and continued to see strong retention and expansion among existing customers, while new and ramping customers contributed an increasing share of our revenue growth.

Moreover, our go-to-market team delivered another strong quarter. Our SLG motion is firing on all cylinders, as evidenced by the \$4.0 billion of new signed GBV generated over the trailing twelve months. In Q2 alone, new signed GBV in our SLG business was 30% higher than in any prior quarter.

We believe our investments in sales and marketing are translating directly into greater penetration in the enterprise segment, positioning us to win larger customers and gain share from legacy providers. RFP activity continued to grow more than 200% in the first half of fiscal 2027 compared with the prior-year period. We convert those opportunities by delivering clear, measurable value: Navan customers have saved an average of 15% on their budgeted travel spend and on average have reduced time spent to book a trip to seven minutes, versus 45 minutes for most trips across the broader market.

Our accelerating enterprise momentum continues to be clear, with global leaders including Cummins, Enbridge, Evotec, Ingersoll Rand, Insight Enterprises, and Viessmann Generations Group recently selecting Navan to modernize their travel and expense programs. 50 of the S&P 500 companies are now Navan customers – up from 45 just a quarter ago.

We saw further validation at the Global Business Travel Association (GBTA) convention in Chicago, the industry's largest annual gathering. The acceleration we've mentioned in our RFP participation, new signed GBV, and competitive wins was reflected in the level of engagement with Navan at the event and the volume of meetings we hosted with enterprise prospects. More than 1,200 corporate travel buyers and suppliers attended our party, and our customers joined us in speaking directly with prospects about why they chose Navan. We think that the response at GBTA illustrates that Navan is at the center of the business travel conversation – and increasingly setting the standard for the industry.

In addition to upmarket strength, Product-Led Growth (PLG) revenue more than doubled year-over-year again in Q2, reinforcing our belief that our platform can scale efficiently well beyond a traditional enterprise sales motion to reach customers, including those who have traditionally been undermanaged.

Together, we believe our two go-to-market motions create a compounding growth engine. But winning new customers is only the beginning of our opportunity; we are always working to deepen adoption across our travel, payments, and expense offerings.

Travel is the entry point and foundation of the Navan flywheel. We are continuing to strengthen the breadth, quality, and reliability of the inventory available to travelers through recently announced partnerships, including Hilton Direct Connect and ITA Airways NDC integrations, as well as the upgraded direct connection to Singapore Airlines' NDC. Better choice and connectivity drive a better booking experience; a better experience drives adoption; and greater adoption makes the platform more valuable to customers and suppliers while strengthening the data and intelligence behind it.

That adoption creates a natural path into payments, expense management, meetings and events, VIP, and bleisure. Each additional product replaces another fragmented workflow, increases the share of spend Navan can manage, and expands the revenue opportunity within an existing customer relationship.

Payment volume reached \$1.3 billion in the quarter, with growth accelerating to 34% year-over-year. As we mentioned last quarter, our expanded partnership with Visa is enabling us to scale our payments business globally, and we expect continued momentum given the strength of our balance sheet. We see a similar dynamic playing out in Expense: customers are entrusting us with a greater share of their spend and expanding their use of the Navan platform.

Broader adoption across travel, payments, and expense simplifies the employee experience, improves real-time visibility and control for finance teams, and increases the strategic value of Navan inside the enterprise.

AI Powers the Next Phase of Growth

Modernizing business travel for the agentic era requires far more than a model that can suggest an itinerary or recommend a flight. Let me explain Navan's advantage in four layers: connectivity, orchestration, our differentiated AI strategy, and how we bring it to users wherever travel intent begins.

First, connectivity. Navan Cloud connects to the global travel and payments ecosystem at a scale that is extremely difficult to replicate. We have dual global GDS connectivity, IATA-certified NDC leadership, and

access to more than 600 airlines through GDS, NDC, and direct connections. We connect to over 2 million lodging properties, 40 major train providers, over 40 rental-car companies, and more than 45 black-car providers. On the fintech side, Navan Connect integrates with more than 200 banks and the major global card networks. We continue to expand this ecosystem, including through our recently announced integration with Engine.

That breadth reflects far more than API access. It represents the years of technology integration, supplier relationships, licenses, payments infrastructure, local capabilities, and operating expertise across global markets and industries.

Second, orchestration. Connectivity alone is not enough. Through Navan Cognition, we orchestrate specialized AI agents and human experts based on the complexity of the task and the traveler's profile, adjusting that routing in real time. Together, they move from traveler intent to a completed transaction—applying company policy and traveler preferences, accessing live inventory, completing payment and fulfillment, reconciling expenses, managing changes and disruptions, and supporting the traveler throughout the journey.

This orchestration connects travel supply, fintech, expense workflows, proprietary data, and human service operations end-to-end in one cloud-based platform. Because context is preserved across every handoff, a traveler using Ava may not know whether an AI agent or a human expert is handling a particular step.

Ava demonstrates the value of this architecture today. **In Q2, Ava handled approximately 60% of customer interactions. Today, customer satisfaction is at a record high.** This is important as we scale: Ava allows us to support substantially more growth efficiently without compromising service, while enabling our human experts to focus on the most complex and consequential cases.

Third, our differentiated AI strategy. We continue to move more T&E execution to our own specialized models, purpose-built for travel and expense and trained on Navan's proprietary data, including millions of trips and customer-support interactions. Approximately 50% of our AI calls run on our own models today, up from the 30% we reported on our last earnings call. This gives us greater control over the technology stack, allowing us to fine-tune for specific workflows and optimize for domain-specific accuracy, speed, and reliability. We have also secured GPU capacity at a fixed cost, providing greater infrastructure predictability and capacity planning as usage scales. We believe that as more execution moves onto our models, Ava becomes more capable, and our AI resolution rate improves.

Fourth, we are bringing this intelligence to users wherever travel intent begins. Ava's success is now extending across the broader platform through Book with AI, Navan Edge, and Navan Anywhere – allowing travelers to express complex intent in natural language and access Navan wherever that intent originates. The result is less friction between intent and action, higher conversion, broader distribution, and a greater share of each travel journey managed on Navan.

Navan Model Context Protocol (MCP) is an important extension of our Navan Anywhere strategy. It allows customers to connect Navan's travel, expense, booking, and policy data to the AI interfaces where they already work, including ChatGPT, Claude, Cursor and other compatible tools. This creates a conversational access layer to Navan's underlying T&E infrastructure while preserving Navan's intelligence and workflow orchestration behind the scenes.

In addition to Gemini, we have also added support for Slack, bringing Navan's agentic capabilities into one of the primary collaboration environments used by businesses. All Navan employees now use the integrated Navan Slack experience internally, giving us a live production environment to improve the product and validate real-world workflows. It will be available to all of our customers in the coming weeks.

Navan Edge represents another important growth vector by extending our reach into the estimated \$56 billion unmanaged travel business segment. Navan Edge intelligence goes far beyond AI tools that generate itinerary inspiration or recommend flights – it is designed to be a full, 360-degree travel concierge. Edge understands the traveler, plans and books flights, hotels, and restaurants using real-time inventory, remembers preferences and loyalty status, manages the itinerary, responds when plans change, and brings in a human expert with full context when judgment is required.

Taken together, we believe our connectivity, orchestration, differentiated AI strategy, and broad distribution create a compounding advantage. The moat is the infrastructure, data, supplier access, licenses, and operations of Navan Cloud. AI compounds that moat by making the platform more capable, more personalized, and more economically scalable with every interaction.

Expanding the Global Platform

Navan is continuing to scale by leveraging our AI-driven platform and product innovation, but we believe we've only just scratched the surface of our potential. That's why we are actively expanding across multiple vectors: from adjacent services, to new markets, to new service tiers. We've announced attractive deals in each area over the past several quarters, advancing our goal to become a kind of travel agency the world has never seen.

Today, we announced the acquisition of BoomPop, an AI-powered platform for meetings and events. Meetings and events represent roughly 30% of corporate travel spend, yet the majority of event spend remains unmanaged. BoomPop helps companies manage the full event lifecycle—from venue and vendor sourcing through room blocks, contracting, payments, and event operations. Bringing BoomPop into Navan gives customers one platform for travel, expense, payments, meetings, and events. We believe that makes Navan even more indispensable to our current customers, while creating opportunities to win new ones.

BoomPop already powers Navan Advanced Meetings & Events, so the acquisition builds on a proven partnership. By uniting the teams and technology, we expect to deepen integration across the platform, accelerate our AI leadership across these offerings, and meet a broader range of customer needs – from smaller self-service meetings to large, complex events.

The acquisition of Smartrips, a leading Brazilian travel management company, extends Navan's presence in Latin America—one of the largest and fastest-growing regions of the global travel market. By integrating Smartrips' local capabilities and expertise into Navan's global platform, we are enabling multinational customers to consolidate Brazilian travel that has historically sat across partner sites and off-platform booking systems—strengthening our ability to serve existing customers and capture new demand across the region.

Q2 provides another quarter of evidence that we are delivering across the business. We are taking share in a resilient business-travel market, winning larger and more complex customers, deepening adoption across travel, payments, and expense, and turning AI into measurable customer and business value.

We believe our strong sales execution is increasing our visibility into future growth and gives us the confidence to raise our full-year outlook again. Yet even with this momentum, we believe Navan is just beginning to capture the opportunity ahead.

We are combining our global travel and fintech infrastructure, proprietary AI, and human expertise to build the best travel agency on the planet for the agentic era—one that can understand intent, complete transactions, manage trips, and serve travelers at scale. This is how we plan to make travel easy for every traveler.



Aurélien Nolf, CFO

Navan continues to outperform. During the quarter, Revenue grew 35% year-over-year and GBV grew 45% year-over-year. Q2 upside was driven primarily by sustained, strong demand. GBV strength was broad-based across cohorts, marked by expansion in our existing base, growth from ramping customers, and an acceleration in new customers. We also saw pricing favorability from increased premium-cabin mix.

In parallel, our platform has and we believe will continue to become more efficient. As more execution moves onto our proprietary models, Ava's resolution rate continues to improve rapidly while customer satisfaction remains high – which we believe will drive further operating leverage. We view Q2 margin expansion as evidence that these efficiencies are improving the economics of the platform, even as we continue investing for growth.

The headline is clear: rapid growth and operating leverage are advancing together.

Q2 Financial Review: Structural Growth + Execution

Turning to the revenue mix in Q2, Usage Revenue contributed \$211 million, growing 35% year-over-year, supported by bookings volume, payment volume, and continued platform adoption. Subscription Revenue was \$21 million, up 39% year-over-year, driven by new business and customer expansion. Together, these components drove total Q2 revenue growth of 35% year-over-year to \$233 million, demonstrating the breadth of growth across both usage and subscription.

GBV reached \$3.0 billion in the quarter, representing 45% year-over-year growth, driven by strength across our customer cohorts, as mentioned above, combined with growing premium-cabin mix and higher average booking values.

Stepping back, our growth algorithm starts with continued strength in SLG demand. Over the last twelve months, we signed \$4.0 billion of new GBV in our SLG business, which we believe is a leading indicator of future revenue growth. While ramp-up timing varies by customer, meaning it does not translate to a specific growth rate for GBV in any specific period of time, we believe this metric reinforces our expanding footprint in the sector driven by our accelerating go-to-market momentum.

In addition, PLG revenue more than doubled year-over-year, representing a mid-to-high single digit percentage of revenue year-to-date. We view PLG as an attractive growth channel as it continues to scale given its efficient customer acquisition model.

Usage yield was 7.0%, up 50 basis points from Q1 FY'27, and down 52 basis points year-over-year.

We expect yield on a quarterly basis to be dynamic. While trends are unchanged and yield percentage by customer segment continues to be steady, our strategic push into enterprise and PLG will naturally adjust our overall yield. Through market share expansion and faster customer onboarding, we believe we are building stronger, higher-value platform relationships that should ultimately deliver superior long-term economics.

Payment volume reached \$1.3 billion, and growth accelerated to 34% year-over-year.

Moving down the P&L, GAAP Gross Margin was 74% in Q2, while non-GAAP Gross Margin was 75%. Gross margin expanded even as we increased investment in AI infrastructure for further future growth. We believe this result demonstrates that the platform is becoming more efficient as it grows, enabled by a higher resolution rate of customer support by Ava as Ariel mentioned.

GAAP operating margin was (11%) in Q2, while non-GAAP operating margin improved to 7% from 5% in the same period last year, evidence of the leverage embedded in our model.

S&M remains our largest area of investment, supporting a go-to-market engine that generated \$4.0 billion of new signed GBV over the last 12 months and our customer success in the SLG motion, and PLG revenue that more than doubled year-over-year. At the same time, non-GAAP R&D and G&A grew more slowly than revenue as we continued investing in Edge, proprietary AI models, Cognition, MCP, and global growth while improving the efficiency and scalability of our model.

Given the seasonality of the business, free cash flow is best viewed over the trailing twelve months. On that basis, free cash flow was \$28.3 million, compared with \$(32.8) million one year ago. We remain focused on translating growth and operating leverage into durable cash generation over time. We ended the quarter with \$820 million in cash, cash equivalents, and short-term investments and approximately \$125 million of debt. This balance-sheet position should give us the flexibility to invest in organic growth, accelerate innovation, and pursue strategic opportunities such as Smartrips and BoomPop, all while achieving growth and operating leverage.

Guidance

For the Third Quarter of FY'27:

- We expect Revenue in the range of \$253 to \$255 million, representing 30% growth at the mid-point.
- We anticipate Non-GAAP operating income in the range of \$35.5 to \$36.5 million, representing an operating margin of 14% at the mid-point.

For the Full Year FY'27:

- We are again **raising our Revenue guidance** and now expect Revenue in the range of \$927 to \$933 million, representing 32% growth at the mid-point.
 - This strong guidance raise reflects our exceptional Q2 performance, record momentum across our go-to-market motions today, and greater confidence and visibility into continued growth through the remainder of the year.

- We are again **raising our Non-GAAP operating income** to a range of \$82 to \$86 million, representing an operating margin of 9% at the mid-point.

Q2 captured the elements that matter most in the Navan financial story: strong growth, continued efficiency, and disciplined investment. We believe this balanced approach positions us to extend our leadership in global travel and AI – all while advancing our mission to make travel easy for every traveler.

Appendix:

Non-GAAP Reconciliation

These prepared remarks and today's earnings call include non-GAAP financial measures. Additional disclosures regarding these non-GAAP measures, including a reconciliation of GAAP to non-GAAP measures, are included in the press release we issued today and our supplemental slides, each of which is posted to Navan's Investor Relations website at investors.navan.com. We ask you to review our earnings press release for a detailed financial review and our supplemental slides for additional disclosures that provide context on recent business performance.

Definitions:

Gross Booking Volume (GBV)

We define GBV as the total amount paid for valid bookings on our platform, measured on a booked basis and inclusive of total price, taxes, and fees, and adjusted for cancellations and refunds. We generate GBV through hotel, flight, car, and rail bookings, along with usage of our Meetings and Events, VIP, and Bleisure offerings by our customers. We expand GBV by growing our customer base, managing more business travel spend on our platform, and introducing new offerings to address different types of business travel.

Payment Volume

We define payment volume as the aggregate dollar amount of spend through Navan issued cards, settled for a given period and net of any chargebacks, cancellations, or refunds. Our payment volume grows as we increase adoption and usage of our Corporate Payments offering, where we support and issue our own cards.

New Signed GBV

Represents the estimated total annual travel spend available for revenue attach from newly acquired GBV once fully launched and ramped. Calculated based on a customer's verified historical travel spend from the prior year, this forward-looking metric serves as a leading indicator of future platform volume.

Safe Harbor

These prepared remarks contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding Navan’s anticipated total revenue, estimates of future GBV, non-GAAP income (loss) from operations, and non-GAAP operating margin for the fiscal quarter ending October 31, 2026 and the fiscal year ending January 31, 2027, the size of Navan’s market opportunity, market trends, and the company’s business strategy and plans. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “project,” “should,” “will,” or similar expressions. Such statements are subject to risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by the forward-looking statements. These include, but are not limited to: Navan’s limited operating history; the growth rate of the markets in which Navan competes; Navan’s ability to effectively manage and sustain its growth; Navan’s ability to compete with existing competitors and new market entrants; Navan’s ability to attract new and retain existing customers, or to renew and expand its relationships with current customers; adverse changes in relationships with third parties on which Navan depends; Navan’s ability to utilize AI successfully in its platform and current and future products; disruptions or other business interruptions that affect the availability of Navan’s platform, including cybersecurity incidents; and general global market, political, economic, and business conditions, including those related to global macroeconomic conditions, actual or perceived instability in the banking sector, energy market and supply chain disruptions, a potential recession, inflation, interest rate volatility, and geopolitical uncertainty due to ongoing conflicts around the world. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements contained herein are included in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Navan’s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2026, filed with the Securities and Exchange Commission (SEC) on June 11, 2026, as they may be updated by Navan’s subsequent filings with the SEC, including Navan’s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2026. Except as required by law, Navan undertakes no obligation, and does not intend, to update these forward-looking statements. In addition, these remarks refer to non-GAAP income (loss) from operations, non-GAAP operating margin, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating expenses as a percentage of revenue, and free cash flow, which are non-GAAP financial measures that provide useful information for investors. Reconciliations of these non-GAAP financial measures to their corresponding GAAP financial measure, to the extent reasonably available, can be found in the press release Navan issued today and the supplemental slides posted today to Navan’s Investor Relations website, each of which can be found on Navan’s Investor Relations website at investors.navan.com.