Navan Q1 FY’27 Earnings Conference Call

Prepared Remarks | June 10, 2026

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, non-GAAP income (loss) from operations, and non-GAAP operating margin for the fiscal quarter ending July 31, 2026 and the fiscal year ending January 31, 2027, estimates of future GBV and the rate of revenue growth, 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,” “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 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 and other 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on April 2, 2026, as they may be updated by Navan’s subsequent filings with the SEC. 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, 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.

Ariel Cohen, CEO and Co-Founder

Navan kicked off FY’27 with an outstanding Q1 featuring strong growth across the business. Our performance this quarter is a clear signal that Navan is delivering on our mission to make travel easy for every traveler and achieving our goal of being the best travel agency on the planet.

In Q1, we accelerated our Gross Booking Volume (“GBV”) to a 50% year-over-year growth rate, up from 42% year-over-year growth in Q4 FY’26. And we’ve accomplished this while continuing to deliver leading customer satisfaction, with CSAT at 96% and NPS at 45. We also significantly beat our expectations for revenue and non-GAAP profitability in Q1, and with our forward momentum, we are today raising our guidance for fiscal 2027.

Our results show we are executing well in a business travel market that remains strong and resilient, despite a string of disruptions that included winter storms, long TSA lines, and war in the Middle East. We believe customers are placing increasing value on in-person connections as business travel continues to grow even despite these disruptions and macroeconomic events, highlighting what we believe is the long-term trend of growing demand for in-person connections. We continue to make travel easy for customers, no matter the environment, while also taking share in a very large market. What we are delivering is truly rare - high customer satisfaction, accelerating revenue growth at scale, and margin expansion. And we're just getting started.

Execution and Business Momentum

Our focus at this stage of our growth trajectory is to drive rapid market penetration across our TAM, especially in enterprise. Continuing to grow our bookings and total revenue at a high rate will enable us to accelerate margin expansion and set us up for durable, long-term profitable growth. Q1 shows the very strong progress we're making.

Our momentum in the enterprise segment continues to build: we have recently welcomed a number of global leaders across industry sectors, including **Allegiant, Kiabi, Criteo, Schindler, Opella, Simplot, and PCL** to the platform, continuing to take share from legacy industry players. Customers such as these are bringing large amounts of new GBV onto our platform as we penetrate further into the enterprise market.

These large customers demonstrate our ability to continue winning at every level. At the end of Q1, our rapidly growing enterprise customer base already included **45 of the current S&P 500** companies, up from 28 a year ago. An impressive number, yet one that highlights the huge opportunity in front of us: as we talked about at our recent Investor Briefing at Navigate, RFPs were up over 200% in Q1 FY'27 compared to Q1 last year, and we are converting on many of these opportunities.

We're seeing continued momentum in the smaller businesses segment as well, driven by our Product Led Growth ("PLG") motion. We once again more than doubled PLG revenue year-over-year in the quarter.

In addition to winning new customers and taking share, we also continue to have incredibly high retention of the customers already on the platform, with gross revenue retention remaining strong and stable.

We are also seeing accelerating growth in our payments business, an important focus for our team. Payment volume grew 29% year over year in the quarter, up significantly from the 19% year-over-year growth we saw in Q4 last year. Alongside this strong volume growth, we signed an agreement to expand our partnership with Visa, which will enable us to scale our payments business globally. Similarly, our expense business is growing strongly, and we secured the **largest Annual Contract Value (ACV) deal in company history.**

Navan is in a position to keep driving momentum in our business for several key reasons. It starts with the foundation of the strong and resilient business travel market that we operate in. Despite a myriad of challenges that the world dishes out, business travel has remained an essential investment for growth across industries. We have seen this resiliency play out in the last two quarters, and we believe it is continuing today based on our internal tracking of air and hotel booking volumes.

Secondly, technology is what really sets Navan apart. We believe our platform is structurally superior. We've built an advanced interconnected travel infrastructure and layered proprietary AI on top of it to make travel *truly* easy for *every* traveler.

Finally, our confidence is underpinned by our strong, competitive Go-To-Market strategy. Our dual-motion, Sales-Led and Product-Led, go-to-market engine is humming, allowing us to capture everything from global conglomerates to high-growth startups. There are a lot of tailwinds behind our GTM engine. Travel and expense managers are turning to Navan at a time when their CEOs are requiring them to deliver more efficient tools, leveraging AI. We believe we are the leading AI T&E platform, and one of the rare companies able to offer Enterprise-ready AI-powered efficiency for customers today, not aspirationally. Additionally, consolidation in the space is driving companies to reevaluate their travel solution, opening new opportunities to find Navan. As we add highly visible new logos, we are seeing a network effect with more companies looking at the significant savings and seamless, easy travel that the Navan platform delivers.

Defining the future of Travel

With these strengths and tailwinds behind us, we are making great progress toward our mission to make travel easy for every traveler and achieving our goal of being the best travel agency on the planet.

We've spent more than a decade building deep, real-time connectivity to the global travel supply and fintech layers. We have the agreements and connectivity in place with global travel suppliers, the licenses required to operate, and the ability to serve customers globally by orchestrating human agents and AI agents to deliver a seamless travel experience. This allows us to not just plan travel, but fulfill travel bookings, manage trips, process payments, and seamlessly manage expenses all in one place at enterprise scale with a consumer-grade user experience.

On top of this foundation, we've built proprietary AI layers into our business. We've built our own models, tuned for travel, trained on our deep and unique data on millions and millions of trips and customer support interactions. Increasingly, we are shifting from third-party models to our own. 30% of our AI model calls made by Ava now run on Navan's proprietary model, up from

20% just a few weeks ago and we believe that our internal models will handle the majority of our AI calls over time. Our models are faster, more accurate, and we expect them to be cheaper over time - delivering **better products** for our customers and driving **gross margin expansion**. Navan is now a complete agentic ecosystem. But the secret sauce isn't agents, it's our **orchestration layer: Navan Cognition**. Cognition seamlessly directs tasks between our specialized AI agents (Flights, Hotels, and our new Restaurant agent) and human specialists. **Ava**, our AI travel support agent, manages this flow to ensure the user experience is frictionless. In Q1 Ava handled over 56% of customer interactions.

In short, we've spent a decade building foundational infrastructure and technology, and we are now accelerating our innovation as we work to create the best travel agency on the planet.

So what does the future look like? It starts with Navan Edge. Our AI-powered personal travel assistant is now available and seeing strong early engagement and more repeat customers than we anticipated. It's still very early days but we're excited to keep building this one-of-a-kind product in the coming quarters.

We also recently unveiled Navan Anywhere: making our AI agents available in the tools that employees already use every day. As the first step in this rollout, travelers that have Gemini Enterprise and Navan at work will be able to book their travel with Navan through Gemini Enterprise. This is a major development, but it's just the first step in our strategy to bring the magic of Navan anywhere and everywhere. You will see us integrate with many more tools that our customers and their employees use to make travel planning seamless and painless.

We live in an extremely exciting time for technology innovation and Navan is leading innovation in the travel space at a time when in-person connections are more important than ever. We believe it's the right time, we have the right product, the right technology, the right team and the right culture to continue to lead the next generation of travel.

Wrapping up, Q1 was a tremendous start to the year. Our strong outlook demonstrates the momentum we see as we look through the balance of FY'27. We are taking the market, accelerating growth and expanding margins at the same time, all with very high CSAT. We expect that the unification of our brand as we migrate customers of our Reed & Mackay service model to our Navan service model, our AI-driven deflection goals, measured by Ava's usage rate, and using more and more of our own models will **continue to transform our margin profile.**

Of course, none of our achievements are possible without our amazing team members, and the incredible Navan community of customers and partners. Last month we hosted more than 400 of them - and a number of our investors and analysts as well – at Navigate 26 in New York. Navigate is where we bring together finance, travel and procurement leaders to plan for what's next for T&E, AI, and the future of work. It was great to be able to showcase our community and the excitement about what we're doing for many of you. We are not just building a better travel agency; we are defining the future of the travel market.

Aurélien Nolf, Chief Financial Officer

As Ariel outlined, we had a very strong start to the new fiscal year. In just over three months here I've been impressed with the team's passion for delivering the best experience for travelers, which translates into accelerating growth at scale and the attractive margin expansion we are delivering.

First quarter revenue was $220 million, representing 40% YoY growth, accelerating from 35% in Q4 of last year. Our GBV grew at a faster rate than revenue, up 50% to $3.1 billion, highlighting our strong customer momentum and the increased number of very large enterprise companies leveraging our platform. Non-GAAP operating profit was $24 million, representing an 11% non-GAAP operating margin and 900 bps in margin expansion year over year. Q1 is a seasonally stronger period for business travel relative to Q4, but the strength of our performance went well beyond seasonal factors. Our growth demonstrates our GTM execution, and the wins Ariel highlighted show that our value proposition is clearly resonating with customers who want a modern, AI-native solution. We believe we are in the early stage of capturing an enormous market opportunity.

Before I review the financial details, I want to take this opportunity to thank those of you who attended or watched the webcast of our recent Investor Briefing which we held just a few weeks ago at our inaugural Navigate customer conference in New York. It was important to us that our investors had the opportunity to see the energy we see in the business every day and the first-hand feedback from our customers. We hope you came away with a deeper understanding of our platform and the strength of our financial model. I would encourage those of you who missed the event to check it out on our Investor Relations Website.

Detailed Financial Review (Q1 FY'27)

Breaking down our Q1 total revenue of $220 million: Usage Revenue contributed $202 million, growing 41% year-over-year, while Subscription Revenue reached $18 million, up 26% over the same period last year.

GBV was $3.1 billion in the first quarter, an increase of 50% year-over-year and eclipsing the $3 billion mark for the first time in a single quarter.

This strength in GBV was driven by a continued robust and resilient global travel environment, the ongoing strength of our PLG sales motion, the momentum we've seen in our SLG sales motion in past quarters and new customers ramping usage on the platform during the quarter. While travel cost inflation contributed, it only accounted for approximately 3 percentage points of GBV growth.

Payment volume reached $1.3 billion, up 29% year-over-year, accelerating significantly from 19% year-over-year growth in Q4 FY'26, and compared to 11% growth in Q1 of FY'26. The strength of our balance sheet now allows us to fund this business more efficiently and lean into new business opportunities more aggressively.

Moving down the P&L to gross margins – GAAP Gross Margin was 74% in Q1, and Non-GAAP Gross Margin was 75%, up over 300 basis points year-over-year. Our AI assistant, Ava, continues to be a driver of this expansion by automating customer support at scale. Ava is rapidly increasing her workload, handling 56% of all customer interactions in Q1, including over **59%** of customer interactions in May, compared with 55% in Q4 FY'26.

GAAP Operating Margin was (8%) in Q1. Non-GAAP Operating Margin was 11%, up 900 basis points from Q1 last year, reflecting ongoing scale and leverage in the business.

GAAP Sales & Marketing (S&M) expense was $91.9 million. Non-GAAP S&M expense was $81.5 million in Q1, representing 37% of revenue. As I outlined at our recent investor briefing, the return on our S&M investments is attractive. These investments are critical to driving revenue growth on the platform that compounds, as new customer cohorts ramp and continue to grow over time. We will continue to make these investments while at the same time, see a path to increasing operating leverage as we become more efficient.

GAAP R&D expense was $39.4 million in Q1. Non-GAAP R&D expense was $28.2 million, or 13% of revenue, compared to 16% last year. We are continuing to invest in innovation to extend our lead over competitors. These investments are driving incredible velocity of product launches with over 450 products and features launched last year alone and exciting new products like AI-powered Audit Engine, Travel Admin Companion, Expense Admin Companion, and Book with AI, just in the last few months.

GAAP G&A expense was $49.9 million in Q1. Non-GAAP G&A expense was $31.7 million, or 14% of revenue, down from 18% of revenue in Q1 last year, as we leveraged G&A investments made in the lead up to our IPO and are driving more efficiency in our processes.

Looking at total operating expenses, GAAP operating expenses were $181 million in Q1. Non-GAAP Operating Expenses were $141 million representing 64% of revenue, down from 70% in Q1 FY'26. We delivered over 550 basis points of overall operating expenses leverage, reflecting our company-wide focus on disciplined investment in growth and operating efficiency.

Free cash flow in the quarter was ($11.6) million compared to $0.5 million in Q1 last year. Given the seasonality of our business we believe that free cash flow is more accurately viewed on a trailing twelve months basis. Free cash flow over the last twelve months was $2.7 million compared to ($52.4) million as of the end of Q1 FY'26.

Our balance sheet remains strong. We ended the quarter with $681 million in cash, cash equivalents, and short-term investments, and $124 million in debt.

Guidance

Looking ahead to our outlook:

For the Second Quarter of FY'27:

We expect Revenue in the range of $219 to $221 million, representing 28% growth at the mid-point.

Non-GAAP operating profit is expected to be in the range of $13.5 to $14.5 million, representing an operating margin of 6% at the mid-point.

For the Full Year FY'27:

We are raising our Revenue guidance and now expect Revenue to be in the range of $907 to $913 million, representing 30% growth at the mid-point. This strong guidance raise reflects our exceptional performance in Q1, the strong momentum we see in our go-to-market motions today and our high confidence and visibility into continued growth through the remainder of the year.

We are also raising Non-GAAP operating profit guidance and now expect Non-GAAP operating profit to be between $76 and $80 million, representing an operating margin of 9% at the mid-point.

As you update your models please keep in mind the following:

Our weighted average basic share count was 250.3 million shares outstanding and our weighted average fully-diluted share count was 255.6 million shares outstanding as of April 30, 2026. We expect total stock-based compensation to be in the range of $42 million to $50 million per quarter for the remainder of FY'27.

As a reminder, Q2 tends to be moderately seasonally weaker than Q1 for business travel.

Closing Summary

In closing, FY'27 is off to a fast start and we believe we are well positioned to continue to drive momentum in the business. We are accelerating growth at a large scale, continuing to invest in growth and innovation, and driving operating leverage at the same time. I look forward to continued strong growth and profitability as we execute on our mission to make travel easy for every traveler by becoming the best travel agency on the planet.

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 Revenue Retention (GRR): Measures the ability to retain revenue from an existing customer base, excluding the impact of expansion or upsells. GRR is calculated by taking the total revenue from a cohort of Active customers at the beginning of a fiscal year ("Starting Revenue"), subtracting the revenue lost from customers in that same cohort who churned during the year, and dividing by the Starting Revenue.

- **Active Status:** A customer is considered Active once they have completed at least six (6) successful transactions.
- **Churn Definition:** A customer is classified as Churned following thirteen (13) consecutive months of zero transaction activity.