

Navan, Inc. (Q4 2026 Earnings)
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Corporate Speakers:

- Ryan Burkart; Navan; Vice President, Investor Relations
- Ariel Cohen; Navan; Chief Executive Officer and Co-Founder
- Aurélien Nolf; Navan; Chief Financial Officer
- Michael Sindicich; Navan; President

Participants:

- Steven Enders; Citi; Analyst
- Samad Samana; Jefferies; Analyst
- Noah Naparst; Goldman Sachs; Analyst
- Sitikantha Panigrahi; Goldman Sachs; Analyst
- Scott Berg; Needham; Analyst
- Jed Kelly; Oppenheimer; Analyst
- Keith Weiss; Morgan Stanley; Analyst
- Patrick Walravens; Citizens; Analyst
- Ari Friedman; BNP; Analyst
- Blair Abernethy; Rosenblatt Securities; Analyst
- Daniel Jester; BMO Capital Markets; Analyst
- Mark Schappel; Loop Capital; Analyst
- John Roberts; FT Partners; Analyst

PRESENTATION

Operator: Good day. Welcome to the Navan, Inc. Q4 Fiscal 2026 Earnings Call. (Operator Instructions). Please be advised that today's conference is being recorded. I would now like to hand the conference over to your speaker, Mr. Ryan Burkart, Vice President of Investor Relations. Please go ahead.

Ryan Burkart: Thank you, Operator. Good afternoon, everyone. Welcome to Navan's fourth quarter fiscal 2026 earnings conference call.

With me on the call today are Ariel Cohen, our Chief Executive Officer and Co-Founder; Aurélien Nolf, our Chief Financial Officer; and Michael Sindicich, our President.

Before we begin, during the course of today's call, we may make forward-looking statements within the meaning of federal securities laws. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially, including the risks and uncertainties described in our earnings press release,

our quarterly report on Form 10-Q filed with the SEC on December 15, 2025, and our other filings with the SEC.

In addition, on today's call, we will refer to non-GAAP income and 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 measures to the extent recently available can be found in our earnings press release.

With that, it's my pleasure to turn the call over to Navan's CEO and Co-Founder, Ariel Cohen.

Ariel Cohen: Hello. Thanks, everyone, for joining. I hope that you had the time to read our prepared remarks.

I have one thing to say: we are doing it. We just closed a very good Q4 and a year with incredible results.

Our NPS in Q4 is at 47. This is all-time high.

Our CSAT is at 96% and maintains very high.

This is a proof point for meeting our mission to make travel easy for every traveler by being the best travel agency on the planet. The 35% Q4 year-over-year revenue growth and the non-GAAP operating profit in the quarter are demonstrating the leadership position that we are at. We are executing very well on both our SLG Motion and our PLG motion.

So if you think about it, in Q4, we signed net new GBV that is over 50% more, compared to the Q4 in the previous year. This is a huge growth rate.

We are displacing legacy players because we offer great user experience, real savings, and proven AI value today. This also brings us very close to the rule of 40 for the first time in our history.

The item on the K, we actually turned free cash flow positive for the first time in our history, and a year ahead of our plan.

Now, I want to take a step back and talk about AI because, as an AI leader in the travel space, I'm getting a lot of questions. What does it mean for travel, for the space?

So I want to really take the moment and explain it.

So first of all, we, Navan – we are a travel agency. It means that we care about every step of the travel experience from the moment that you are planning your trip, while you're going to go and something happens, and until you return home and you need to expense the trip.

We care about travel for travelers, for the executive assistant that needs to support you, for the business travel managers that are managing the entire travel program in an organization, for CFOs, for accountants, for everybody that is involved in travel. Travel is a huge part of the OpEx, and it means that a lot of people will care about it. And Navan is the best solution for you.

So that's the first thing.

Second, we have created, in the last 10.5 years, the best real-time travel infrastructure on the planet. We call it Navan Cloud.

It's our connectivity to everything in the travel world through software. It requires global licenses, supplier contracts, and massive financing for the payments business.

Then the most important part is our agent orchestration platform. When you interact with us, we seamlessly orchestrate an AI agent that can book your trip, change your trip, get your money back, give you any information about your trip with human agents.

In fact, we basically married human intelligence and judgment with artificial intelligence to create the best experience for our customers. The proof points are in our high NPS and CSAT, ongoing gross margins expansion, and the acceleration of gaining market share.

The recent and the most exciting release of Navan Edge, our latest breakthrough in agentic AI, is bringing the power of hyper-personalized, executive-level travel assistant to the unmanaged travel market, which we estimate at a \$57 billion TAM. The bottom line here is, not only we are a leader in the AI travel space, it's very clear that we, and our customers, are a huge beneficiary of AI.

We also recently announced the migration of the Reed & Mackay customers to our AI platform.

So they will be able to enjoy from both the benefits of both worlds. Their really amazing, high-end VIP service that can help you step in when you are stuck in an airport with everything that our AI platform is creating.

For FY'27, we are going to focus on high growth, scaling in all channels and with all of our offerings, accelerating our innovation, which means that we will continue to invest in AI and to release new products and capabilities using our AI platform, and will continue to demonstrate financial discipline.

With that, before I turn over the call to Aurélien, which will talk about our results, I'm actually very excited to have Aurélien as part of the team. I've been working with Aurélien the last three weeks, and it was just amazing. I'm actually happy that he has the opportunity to talk with you with this historic quarter for us.

So thank you.

Aurélien Nolf: Awesome. Thank you. Thank you so much, Ariel.

It's such a great privilege for me to join Navan and the Navan team at such a great moment with such a great momentum in the business.

As you know, I saw the power of our platform firsthand when I was a customer myself, and I know it's not just a layer on top of old tech. It's clearly a clean-sheet redesign that addresses a huge market of \$185 billion.

Looking at the numbers, Q4 revenue was \$178 million, up 35% year-over-year, while our GBV reached \$2.3 billion, up 42% year-over-year, a growth acceleration driven by an incredible go-to-market momentum and faster-than-expected enterprise onboarding and ramp.

Addressing the GAAP figures, you'll notice our GAAP operating margin was negative 50% in Q4. This was mainly driven by a strategic one-time move. We decided to retire the Reed & Mackay brand for new sales, resulting in a \$36.2 million noncash amortization charge. As Ariel just mentioned, this is a very intentional move that will ultimately deliver the power of the Navan platform to the Reed & Mackay customers.

Our non-GAAP operating margin was breakeven, a remarkable 1,100-basis-point improvement over last year.

We are driving leverage across the board with our non-GAAP operating expenses being down as a percentage of revenue, even as we invest in more product innovation and our incredible go-to-market strategy.

We ended the year with a very strong balance sheet, \$741 million in cash and short-term investments against just \$125 million in debt, mainly related to our expense business.

We expect this great momentum to sustain fiscal 2027. And from a guidance perspective, for the full year 2027, we expect revenue between \$866 million and \$874 million, or 24% growth at the midpoint, and a non-GAAP operating profit between \$58 million and \$62 million, a 7% margin at the midpoint.

For Q1 fiscal 2027 specifically, we expect revenue between \$204 million and \$206 million, which represents 30% growth as we head into a seasonally strong spring with non-GAAP operating profit expected to be in the range of \$4.5 million to \$5.5 million. Navan is

proving that we can grow fast when we are becoming a disciplined and profitable engine. We have an incredible mission, the right product, and the right team to execute.

And with that, we'll open it up for questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) And our first question will come from the line of Steve Enders with Citi.

Steven Enders: I guess just to start, I want to get a better understanding for the bookings momentum that you're seeing in the business. I think you called out 50% growth in bookings there. Just how do you view the sustainability of that growth and what you're seeing in the sales pipeline? And I guess as we think about that 50% number, I mean I guess that implies an acceleration versus the 42% GBV growth we saw this quarter. So just how should we think about the potential for overall GDV growth to excel further from here?

Aurélien Nolf: Steve, this is Aurélien Nolf.

I'm going to tag team with Michael on this one, but I'm going to start with highlighting the 42% traded GBV growth we saw in the fourth quarter, right?

So incredible momentum, and Michael is going to speak to why we are seeing this momentum with our customers so far. But clearly, this acceleration of our booking growth is very, very exciting.

What I just want to really clarify here is the 50% I already mentioned is the new signed GBV.

So the new signed GBV is something we are looking at internally. It's a data point we are looking internally. It's the total annual travel spend that we explained from new customers that we just signed during the quarter, right?

So it's what we know is going to fuel our revenue going forward. And it's – we are seeing great momentum there. So we believe we're going to keep seeing very strong bookings growth going forward.

Michael Sindicich: Yes, maybe I'll take – to give a little bit of color on what we're seeing.

First of all, I don't know how many people on the call here have been in sales before. But what I can say is it feels damn good to be able to walk into any room at any size of customer around the globe and believe in our bones that we can support their travelers better than anyone else on the planet.

So we take that energy into these customers, and we really explain what we deliver. When we think about what matters to our buyers, first of all, we delivered 15% median savings off of your current travel budget compared to whatever you're currently using. That's huge, right? T&E budgets are big, and at a time now, people are really focused on being able to save money.

Next, if we can tell you that through AI and through our products we can book in seven minutes or less on average compared to 45 minutes, think about how many travelers are booking day in, day out. They're really expensive employees that need to go win customers or drive the business forward, and we're saving a ton of time.

More than 70% of our expenses are automated. We just launched the expense AI agent where you can just launch or drop in receipts and automatically code your expenses.

Then, when we have a saying internally, when it rains, Navan shines. We just had massive storms. There's wars going on and your employees or customers' employees are typically waiting on hold or sending e-mails to get a hold of their travel agent when 50% of our support is completely automated with Ava. Then you can also call in 24/7/365 in a bunch of different languages.

So ultimately, it's a really high NPS. It's a really high CSAT. We're showing really new AI capabilities that are actually launched and deployed that travelers are using every single day. And then everyone loves the system so they use it. So you can actually manage from a duty of care perspective, and when things are crazy, the thing that you need is visibility on where your employees are and then people who can support them.

So I think that's why we win. Then we see a lot of tailwinds in the industry.

We eliminate Frankenstein, cobbled-together solutions, legacy booking tools, legacy TMCs, we have our customers that are happy talking in back rooms and really sharing why they're buying Navan, because people would rather listen to their friends. They don't want to listen to our sales team.

So that's a big tailwind for us. Then lastly, there's a lot of consolidation in the space. We've seen that consistently over the last couple of years.

So there's a lot of turmoil which – we're steady. We're growing fast. We have happy customers. And all those things ultimately result in our RFP volumes increasing hundreds of percent, which we saw and told you earlier.

So I think that's the confidence that we use when we walk into a new sale.

Steven Enders: Okay. That's great to hear. I guess just a follow-up. You mentioned some of the, I guess, uncertainty out there, conflict, war out there. Just maybe what impact has

that had on what you're seeing from bookings activity or from the impact that's having on the business? And I guess on the other side of that, just how are you incorporating that ongoing conflict into the outlook here?

Aurélien Nolf: Yes. It's a great question. So far, we're seeing very minimal impact. Right? We have a very, very low volume exposed to the Middle East, in fact, low single-digit volume exposed to the Middle East. So we're not seeing any significant impact at this point.

It's very, very hard for me to sit here today and say that I can predict everything that's going to happen in the world. But what I can tell you is during our Q4, we saw actually a lot of disruption to travel. When you think about the winter storms on the East Coast, we had this war in the Middle East, TSA also has been disrupted recently.

That's exactly what Michael just mentioned, that's when our platform really stands out as being the right tool for people to use. But, what I would say from a guidance perspective, our forecast today assumes, I would say what is a typical amount of disruption, we are expecting to see in the world. Nothing more, nothing less. I mean disruption is part of the business. That's something we know and manage very, very well.

Yes. That's the color I can provide.

Operator: One moment for our next question, and that will come from the line of Samad Samana with Jefferies.

Samad Samana: It's great to see the strong close to the fiscal year and the strong outlook for '27 – or fiscal '27.

Just a couple of things. Maybe first, on the Reed & Mackay transition, can you help us maybe think through what the benefit of that will be going forward beyond the branding component? Should we expect maybe better unit economics there? Should we think about -- that it makes it easier to sell so you're not describing it separately. Just help us think about both the financial impact and then the selling impact there. Then I have one follow-up question.

Ariel Cohen: So first of all, we actually always, always, always in Navan, working it back from our customers.

So the main reason for accelerating the integration of Reed & Mackay into the Navan platform is that, that's what our customers want. We have endless discussions with customers that are telling us on one side, I do want to have the ability to sometimes talk with an agent and a really, really, really good travel agent, especially if I'm stuck especially if it is an extremely complex trip. Sometimes I just want to offload the entire thinking to somebody else, and I'm actually willing to pay for it.

So that's on one side. On the other side, I see a lot of things in your platform that I cannot get from this travel agent. For example, the level of access to content that we have, different types of airlines, low-cost carriers that even VIPs want to use when they're out there in Europe. The ability to change stuff instantly to book stuff immediately. Digital things that we are hearing from our VIP customers, the C-level, the executive assistants that they want to see.

So basically, bringing a solution that marries the two together. We see it as a huge upside. We see it as an upside for the sales organization, for our sales organization, to upsell, Reed & Mackay, for all of our 12,000 customers. So that's definitely an upside.

There is another upside here: the economics of our AI platform. So gross margins, unit economics are completely different than the economics of the Reed & Mackay platform. The Reed & Mackay platform, you can think about it as very, very, very similar to any travel management company that you are familiar with, while the Navan platform, it's really an AI-driven platform.

So there are mainly two benefits here. On the top line, we will see more people using our VIP offering. And from a unit economics perspective, it's definitely a higher gross margin business.

Aurélien Nolf: And maybe some financial color that I can add here. You can see in the prepared remarks that we just published that the Reed & Mackay business is roughly 20% of our total revenue for FY '26.

They had a growth rate that was significantly lower than your core Navan platform. In fact, the core Navan platform grew the high forties from a GBV perspective, and just above 40% from a revenue perspective.

So there's clearly very, very different dynamics there. And what I would say to wrap on this topic is the net revenue retention rate for Navan overall in 2026 was 107%, right?

So it was slightly lower than the 110% we've seen in the past. And that was fully driven by the Reed & Mackay dynamics, right?

Because the core platform, the core Navan platform grew; the net revenue retention was 110%, very, very stable there. If you add the ramp of our new customers, it was even above 120%. So we are seeing a very strong retention in our core business, but it was a little bit offset by this dynamic within the Reed & Mackay business, which is the reason why we are very excited about migrating those customers to the Navan platform.

Samad Samana: Good, helpful. Then maybe just as a follow-up. If I unpack the fiscal '27 guidance, very good growth, just can you help us get some context around how you're thinking about GBV growth versus usage yield, especially given the context that the usage yield in the fiscal fourth quarter was much better than investors were expecting?

Aurélien Nolf: Yes, absolutely. So we just guided to a 24% revenue growth. We are seeing a lot of acceleration in the business right now like the platform is growing very, very nicely, great momentum. Michael just described it with our customers. But it's very, very early days in the year, and so we have a prudent approach to our guidance with those 24%.

I'm expecting bookings to grow slightly faster than revenue. So that means we may see a 30-basis-point yield change in 2027 versus what we see in 2026. That would be mainly driven by Reed & Mackay dynamics that we just described, but also a mix across the different channels, a mix of all the different customer. We are now, we have a very diversified base of customers, and they all have different characteristics, right?

The enterprise business has a slightly lower yield than a smaller company for many different reasons. Reed & Mackay we just discussed, but we have a lot of opportunities to also optimize this yield percentage with our payment business, with Meetings & Events.

And so I'm very excited to see the momentum from a bookings perspective and this great guidance we are able to share on the revenue side as well.

Operator: One moment for our next question. That will come from the line of Gabriela Borges with Goldman Sachs.

Noah Naparst: This is Noah on for Gabriela. Given the expense control – cash expense control that you guys have managed to show, we were wondering if that impacts at all your strategy for payments. You noted in the prepared remarks that the financing that you have for that side of the business, that's a moat that you have versus some of the nascent companies. So we were just wondering, are you more willing to move into that space in terms of the terms you offer and things like that?

Aurélien Nolf: Yes. Yes, we are growing the payment business, right?

In fact, we are plus 19% year over year in Q4. So we see a meaningful growth year.

What I would add to that is that coming out of our IPO, we have a very, very clean balance sheet, right? We have a very strong balance sheet with \$741 million of cash, cash equivalents, and short-term investments, small debt.

That's going to help us, over time, grow this business as we are upselling our customers. This is a huge opportunity for us. And frankly, I think we are only scratching the surface of what we can do with this business. So you should expect us to keep being very aggressive from a sales perspective there and really lead to more upsells in the marketplace.

Operator: One moment for our next question. That will come from the line of Siti Panigrahi with Mizuho.

Sitikantha Panigrahi: Great. I want to go back to the fiscal '27 guidance to understand the factors you have embedded into it. We see a lot of different factors. Airlines, mainly Delta talked about strong corporate travel momentum for this year. Then we see some offset with the war, and also internally you were seeing a lot of strong momentum. I'm just wondering what are the puts and takes you have embedded into your guidance?

Aurélien Nolf: Yes. That's a great question. So as we said, we're seeing great momentum in the business, right? Again, 42% GBV growth in Q4, very, very strong momentum. We are not seeing any impact from any geopolitical tensions right now in our business.

In fact, we believe, historically, business travel has been pretty resilient, right? It's a category where you see people traveling, they need social interactions with their customers, with their coworkers, so people are really craving for those in-person interactions.

So we do see the corporate business travel to be a very, very strong category. In fact, the GBTA index right now is showing a growth in mid- to high-single digits year-over-year way faster than the TSA checks, which are more in the low single-digit range of growth.

So we think corporate travel to be very strong. But on top of that, we're gaining share, right? Our bookings are growing fast, they are accelerating. And so no matter what, I would say what happened in the industry, we are gaining share. So we are seeing a lot of momentum, more customers joining our platform, onboarding faster than ever.

So we believe that the combination of a very strong industry, very strong dynamic and the momentum we have in our business right now is going to help us grow the business very significantly in 2027.

Ariel Cohen: I want to add something to this. If you should think about the two storms that we had in January, which really created huge interruptions in the Eastern part of the U.S.

Business travel people will obviously cannot travel when the airport is closed; there is no question about that. But they will travel the week after. If you support them well during the storm and really help them to reschedule the trip, the trip is going to happen. This is why you actually don't see an impact on our business when these things are happening. This is how much business travel is way more stable than any other type of travel.

And to add to the point that Aurélien was talking about, the SLG channel, we just gave you a number of 50% growth year-over-year in one quarter. This fits our system for the next years to come.

So that's one thing. PLG, basically, this is people coming to us from Instagram, from TikTok and starting to be a customer, is growing extremely fast, and we've just released a very important release that is based on our agentic platform, which is Navan Edge, which we have huge expectations from it. And although it's early, we see really good signs there.

So we are actually very, very confident about our forecast, and we are very aware of the various interruptions that are out there.

Aurélien Nolf: And we are prudent, right? It's early days, we just grew our revenue in Q4, more than 30%. We guided to 30% growth in Q1, 24% for the year, but we are prudent. Very early days.

Siti Panigrahi: Yes. That's great. I was going to ask this Navan Edge question. Specifically on the demand side that you're seeing right now, are you seeing travelers from your unmanaged market that's signing up now independently? Or is this primarily from your existing Navan corporate customer that are extending that usage to their employees for unmanaged travel? What kind of trends are you seeing on the Navan Edge side?

Ariel Cohen: Yes. It's actually an amazing question. So first of all, Navan Edge targets known Navan users and customers, okay? So that's the targeting there. And everybody that's using the platform right now are non-Navan customers and users.

So that's basically a completely new market for us, and we are only targeting that market. And we see better signs than what we thought we were going to see. But again, very early days, but very, very, very promising. So that's one side. On the other side, because we are running on agentic platform, and what does it mean, agentic platform? You have capabilities, right? This is our connectivity to everything travel. Then you have all of the knowledge, right? Some of the knowledge is in our actual code. Some of our knowledge in a travel agent, and the ability to capture these skills and marry it together with capabilities and deliver it as an agent.

So we are an agentic platform. That's what we've been building here in the last three years. So once you see an agent, an AI agent that is doing something extremely well in the Navan Edge platform, let's take booking a restaurant for you. We are actually taking this agent and providing it in the main Navan platform. So our customers are actually benefiting from the development of agent in the Navan Edge, in the Navan main platform.

So both are benefiting from it. The platforms are feeding each other with different AI agents, and different human agents, by the way, in both platforms. But the target from a go-to-market perspective and the users of the Navan Edge platform are only non-Navan customers from the non-managed segment.

Operator: One moment for our next question. That will come from the line of Scott Berg with Needham.

Scott Berg: I guess two questions for me. I guess on the shareholder letter that was written there, the prescribed remarks, I guess, you talked about adding restaurant bookings to the platform. That's obviously new to the Navan platform. I guess how should we think about the economics, maybe the inventory that's available there? And any implications in terms of your guidance from that new offering this year?

Ariel Cohen: Yes. So the way that we are thinking about Navan, right, and think about it also of where everything is going. People really, really care about meeting face-to-face, of being there. But they also care about their experiences. So it's no longer just a transaction. I need to book a trip. I want to when I'm planning the trip, I want to feel that you know who I am, that you know how I'm thinking about this trip, what kind of hotel will I want to be at, the type of airline that I like, who am I loyal to? Loyalty is a really, really big component on travel.

But then I'm arriving and I'm taking my Lyft, my Uber, my Black Car, and I'm getting to the hotel, and now it's night, right? And I can have a business trip, sorry, a business dinner. I can meet with a coworker. We see this as start of the trip.

In fact, in Navan, we see every aspect of being there, this is part of the entire trip. Part of this is obvious. You book stuff. Part of this, we really care to match what you want, what you need with our platform and then how you pay for it. So this is the payments business. This is the expense management business and so on.

So basically from every direction. So restaurant – getting into restaurant was a very obvious move for us. And this is actually when AI is important. We can build endless amounts of things. Travel is endless. You can think about it as Amazon. It's just endless.

You can sell flights. You can sell cars. You can sell hotels, book restaurants, the experiences while you are on the go, okay? Just endless. And because AI is so powerful, we are actually accelerating our roadmap across the board. So you're going to see us releasing more and more and more offerings, basically AI agent to our customers across the board. Restaurants is one of them.

Michael Sindicich: And I would add, since you asked about the economics, Navan Edge is not a significant contributor to our 24% year-over-year revenue guidance, right?

It's early days, it's a new category that we want to redefine here. We have a completely new product. We're very, very excited. We are ahead of our expectations from an acquisition perspective and a conversion perspective. But it's still early days. Although it's the biggest part of our addressable market, right, \$56 billion is the size of the addressable market, what we call the unmanaged market.

So very, very exciting.

Scott Berg: Understood. Very helpful. Then from a follow-up perspective, your new premium offering that's going to replace Reed & Mackay there. I guess what's different about that, whether it's experience or maybe some of the products offered there? Can you help us understand if there's really any differences or if there's going to be something similar?

Ariel Cohen: Yes. We -- first of all, we call it now Navan Pro. So that's part of the change of the brand, and it's part of the Navan platform. It's really, I've talked about it at the beginning, this orchestration of when do we deploy AI, when we are actually having a really good, highly personalized discussion with you with an AI agent, and when are we deploying a real agent? And all of us, I'm sure, have experienced some bots in their life.

You have this thing that there is a point that you are starting to yell at the bot representative, and that's not the experience that we've created here. The experience here is so amazing. It's so seamless. The CSAT there, the satisfaction is almost the same as a human being. And in a lot of cases, people will prefer it because it's faster and never make mistakes.

So this is an AI platform and the benefit from that. But when you marry it with really the best, most experienced VIP agent that you can think of, and you marry the two together, you're just getting a really, really good experience when you plan your trip, when you're at any airport, when you are coming back.

That's really what we are doing here.

I've mentioned AI high acceleration earlier. I can do today way more things with our engineering department, with our product department, with our designers. That's why you will see us accelerating delivery of staff to our customers in the years to come. That's what you're going to see from Navan.

Operator: One moment for our next question. That will come from the line of Jed Kelly with Oppenheimer.

Jed Kelly: When we listen to the airlines on recent conferences and everything, they're really leading with how corporate travel is leading the results and driving a lot of the growth. Is there something they are doing with direct investment, with NDC and leaning into corporate travel and then that's benefiting? And can you just explain how you're benefiting from some of the growth we're seeing with the benefit of corporate travel for the airlines?

Ariel Cohen: Yes, 100%.

So first of all, NDC Navan is the leader in that, which means that we connect to airlines, sometimes actually a lot of the – in a lot of cases directly through the NDC protocol. We

are also using GDS. So we will sometimes connect to airlines through GDS. As I said earlier, we took the decision 11 years ago to connect to everything.

And it is about trust. It's about the trust with our travelers, with our customers, to tell them that in 100%, if it is out there, you're going to see it in the platform.

What NDC gives you is the ability to merchandise, to take it further, to buy stuff together. I don't know how many of you have sat in an airplane, and suddenly I don't have the Wi-Fi, and I need to, in a very, very slow way, to buy Wi-Fi for the flight, right?

So that's an example of something that you can attach if you are going through NDC, you can attach to the time that you are buying the ticket, when you're selecting the seat, and so on. And just one example of merchandising, of assuring the right price at that moment, the right class, and etc.

So the experience that NDC is giving to our customers is extremely good. It's part of what I was talking about earlier, Navan Cloud.

When you are marrying that ability to connect to the airline directly with the knowledge of what to book for you, that's basically the skills of the agent, you are creating really, really good experience for the traveler, but also for the company because you are ensuring the right price. Therefore, you are making sure that nobody is overspending on the travel expense.

Jed Kelly: Great. That's helpful. Then just as a follow-up, we recently saw OpenAI pull back from within their app, and Walmart cited that they weren't seeing great results. Are there any parallels to what we saw with OpenAI and just the complexity of all the underlying travel technology, and just how hard it is to complete travel transactions even if you think in just the normal LLM AI experience?

Ariel Cohen: 100%. The reason that I took the time at the beginning of this discussion to explain our platform. And the first complexity, when you have a travel agency, it's not just to connect to stuff.

Obviously, we are connected to everything. And by the way, there is no travel agency on this planet that took the time, the effort, the money to connect to everything globally. I'm talking in China, in India, obviously in Europe, in the U.S., everywhere in the world.

So that's the first thing. Connectivity is just one thing. It's about knowing the airline rules about everything that you do. There are various internal classes. What happens when you cancel a trip? How exactly are you going to get the credit back? How are you going to apply it later?

It is actually very complex per airline, per hotel, per any type of inventory that is out there.

What I've just described, this is, I would say, one-third of what our platform does. Then there is all of the knowledge. The knowledge means that I actually know when you told me, I want to book this flight, I know exactly what type of airline class I will book for you.

What type of food? There are endless amounts – you think that a hotel that has 100 rooms, there are 100 rooms. The amount of permutations there is endless, which means that there is a lot of skills that you need to marry with that.

We've said it time and again, we are basically creating a seamless orchestration between people, real live agents that sometimes they're working in the background, sometimes they are talking with you, with AI agents. The reason is travel is so complex and business travel is even more complex, but a payment is extremely complex.

So the complexity level here requires a combination of AI. And we think that we are one of the leaders in this space when it comes to travel. With the connectivity that I've talked about earlier, the airlines agreement, the licenses that you need to get, the amount of money that you need to raise in order to provide credit in the credit card business, and so on.

So the level of complexity here is huge. I've been saying it in the past, everybody can create nice demos to actually doing it. The only one that is doing it in the AI world is Navan.

Operator: One moment for our next question. That will come from the line of Keith Weiss with Morgan Stanley.

Keith Weiss: Sitting in for Chris Quintero. Congratulations on a really solid quarter. Maybe two questions. If I may, bringing Aurélien Nolf into the conversation, it's always very interesting to hear from a CFO when they first joined the company. I think CFOs look at companies very similar to how we and investors do. And particularly at this point in time when there's so much uncertainty and so much investor concern around software companies broadly, including Navan, so maybe what was it that got you comfortable and got you excited about joining Navan as CFO at this point in time? And maybe that will help us get more comfortable with the durability of this story.

Aurélien Nolf: Yes. That – it's a great question. So first of all, I would say I don't see ourselves as a software company. So maybe that helps answering that question a little bit. I think when Ariel and I discussed about me taking the role, we really discussed about how we can transform an industry. We are a travel agency, right? And we are doing it very, very well because we are leveraging a very cutting-edge technology, which are obviously something that got me excited.

But really the mission 00 people are mission-driven here. And when you walk in door, by day one, I met a lot of people that are very passionate about our travelers and how they can make their travel experience seamless and frictionless. So that's super important to

me, joining a company of people that are so excited about what they are doing and their mission is obviously super important.

The size of the addressable market is huge, right? \$185 billion huge opportunity. I think we are only scratching the surface today, although we are getting share and we see so much momentum in the business. It was very clear to me that given the quality of the sales team, the quality of the product, the quality of our marketing and the passion of the team, that we had something very, very special here that we can take pretty far.

So I would say those are the different things that I've been really looking at. Then on top of that, a clear vision of how we're going to expand profitability, generate free cash flow, et cetera, is also top of mind for us as a company. And I think it's something that got me very, very excited.

Keith Weiss: Got it. And maybe a follow-up on that. Earlier in the commentary, you guys talked about approaching rule of 40, not quite there yet. As we're modeling out the company over the next couple of years, should we be thinking about that as the North Star in terms of how we should be looking at where the Navan is going to be heading?

Aurélien Nolf: I would not say it's a North Star. I think it's a good benchmark that people have been using across many different industries. Obviously I don't see that as a limiting factor. We have a lot of ambition and when we see, again, the momentum in this business and how differentiated our platform is versus we know what our competition is offering, I don't see that as a ceiling.

But to be very clear, we just guided to strong growth for next year. As I said, we are prudent. It's very early in the year. We also guided to margin expansion, which is pretty awesome given the level of growth we are seeing in the business. We are extending our margins. And on top of that, we turned free cash flow positive one year earlier than we initially anticipated.

So I think the rule of 40 is interesting, and it's a good benchmark, but clearly, that is not a ceiling for us.

Operator: And one moment for our next question. That will come from the line of Patrick Walravens with Citizens.

Patrick Walravens: Great and congratulations on all the success. Ariel, I have three trips I need to book after this call. So hopefully I can do them all in seven minutes on Navan. My question is about the RFPs. So Michael, you're talking about – I forget exactly what you said, but I think you said hundreds of percent. So I was wondering if you could just give us more details about what you're seeing in the RFPs, who you're seeing them from, how that's different from maybe a year ago, and whether being public is helping drive those inbound inquiries.

Michael Sindicich: Yes. Great question. And by the way, you'll definitely book your trips in less than seven minutes. Let me know if you can. But really, thank you guys so much for being a customer. It really means a lot.

When I think about RFPs, so who runs an RFP? It's typically a larger company, right? So our commercial segments and our lower mid-market segments, they oftentimes we can make a switch without going out to an RFP, but the larger and larger, the more global the company, they'll typically run an RFP to see that.

So to answer your question directly, where do we see the acceleration of the RFP, it's upmarket. That doesn't mean it's not an indication of the increased demand downmarket as well.

As Ariel mentioned, the PLG segment is growing extremely fast. About 50% growth in new GBV from our SLG market includes commercial mid-market and enterprise. So we see it across all segments, and RFPs come from larger customers.

Patrick Walravens: Cool. And does being public, are you noticing that make a difference?

Michael Sindicich: Yes. Sorry, I was just going to answer that.

We do. So there is a lot of smaller travel agencies or expense management platforms or payment platforms that are not public today. And that level of transparency is something that we see as an advantage because it means that we're durable, it means that we're not hiding anything. When we were private before, right, we'd have to talk about these questions without revealing our finances and things like that. Today we're at a state where we can say, hey, just go listen to the last earnings call or look at our press release.

So I think it's giving a lot of confidence, one, on our numbers, but then two, on the durability of us, right? When we engage in an enterprise deal, typically, they might have been on their incumbent for 20 years. When we're pitching someone, we want to be their incumbent for the next 20 years and beyond.

And if you think about a couple of hundred thousand employees, travel and expense, it's not just a feature that you launch to some subset of the employees. It's a full rip-and-replace globally for our employees. So while we do the implementations extremely fast, it is something that requires change management and someone doesn't want to switch in two years, if that makes sense.

Operator: One moment for our next question, and that will come from the line of Andrew DeGasperi with BNP.

Ari Friedman: This is Ari Friedman sitting in for Andrew. I just had one question. In terms of investments, we're noticing a meaningful uptick in hiring in your sales force. What's the

typical ramp for a sales rep to where they're fully productive? And do you guys know how much more productive approximately a fully ramped rep is?

Michael Sindicich: Yes. It's a good question. So we are hiring across our different go-to-market channels. So the ramp time is usually pretty correlated to the segment that the rep is starting it.

So we have a lot of SDRs, which are the ones that are pipeline generation. They're doing a lot of cold calls and e-mails for the sales reps. They get promoted, right, into the commercial segment. If someone is internally being promoted, we see that ramp time a little bit faster because they know the company, they know the system, the value props, et cetera.

So that's a pretty fast ramp. Then if we were to hire from the outside someone like an enterprise rep, you start thinking about those deal cycles which can be relatively long.

So a big enterprise company, maybe it's a six-month sales cycle and then with the whole RFP, and then it's an implementation, launch a little bit later.

So it can extend from, let's call it, a year and so really fully ramped in all the knowledge to couple of weeks downmarket for us. So that's how we think about it. We are growing across all the different segments.

Operator: One moment for our next question. That will come from the line of Blair Abernethy with Rosenblatt Securities.

Blair Abernethy: Great quarter, guys. I just wanted to ask you here as we're entering 2027, how are you thinking about the expense management subscription business and driving further penetration into your base? And how you're looking that and are driving new customer adoption going forward?

Ariel Cohen: Yes. First of all, we are actually thinking about it as an end-to-end solution. So customers that are using our expense management business as well as the payments business are basically seeing better results in terms of an ability to understand what is their total travel and expense budget, how much they are spending, are they spending it correctly can they save money there, et cetera.

Also they're employees, and if you think about who is traveling, the employees that are traveling are usually the most important employees in the organization. This is your enterprise sales team. This is your corporate development. This is your entire C-level. So saving their time is critical. When you use our payments and expense business, you swipe the card and that's it, nobody else needs to do anything.

On top of this, nobody needs to sit in the finance team and reconcile. And from a saving money perspective, you get immediately the feedback was that in policy or not, was this expense exaggerated or not and so on.

So it's actually really part of our offering and really what supports our end-to-end solution. We have mentioned in the past that we had some constraint in this business because of our payments business, and the IPO has actually unleashed this constraint. And you can actually see that we return to growing in these two businesses, the payments business, in the expense business. And remember that in all of our businesses, there is some lag between sales and what you are actually seeing.

So we are extremely bullish on the expense business. We are extremely bullish on the payments business, but we really see it as an end-to-end solution for our customers. We just think that they are benefiting more if they are using the entire suite.

Operator: One moment for our next question. That will come from the line of Dan Jester with BMO Capital Markets.

Daniel Jester: Great. And maybe just a follow-up on that last one. Are you seeing -- at time of initial sale, are you seeing customers take more offerings as you release innovation in the expense management space, as you release innovation around Meetings and Events? Are you seeing customers take those at the beginning? Or are these still things that we should expect will be cross-sold over time?

Ariel Cohen: Maybe I'll take the beginning of it and then Michael within the field all day long will continue. The first thing that I would say, and I alluded to this earlier, we move to be in an agentic platform, it actually allows us two things. First of all, to develop faster. So that's really, really important.

But the second thing we can reuse. And I'll give you an example of a feature that we recently released on the expense management side, there is an expense agent there that if you didn't use your credit card, you just did it manually with your own credit card, you have a manual expense. You can actually take 20, 30, 100 receipts, upload to the system, which takes less than, I don't know, 10 seconds; we automatically analyze the entire thing. We reconcile it for you. We reconcile it for the financing. Actually, it looks like magic. I don't think that anybody in the expense management world is doing something that is even close to that level of technology.

But that was developed in the expense management team. And we think that, that kind of capability, this agent is actually relevant all over our platform. In fact, we even think that it's relevant in Navan Edge. So you can see this – you will see this functionality coming across the board.

I can say the exact same thing about our focus on Meetings and Events. Meetings and Events was an off-platform service and you saw that we recently announced our BoomPop integration to actually allowing it to be on platform.

So what you're going to see from us from a technology product perspective that the offering is becoming stronger and stronger and stronger by coming together. And I will actually let Michael maybe provide more color, but obviously the reasons that we are doing it are driven by the request and what we are seeing in the field.

Michael Sindicich: Yes. To answer your question, are we selling more products at the time of the first sale for the customer? The answer is yes. So we approach ourselves in a couple of ways.

One is, we have a sales rep that goes and finds a new customer, and we understand what products that they need and want us to supply to them. That might be just travel, that might be travel and payments, it might be travel, payments, expense, meetings and events, VIP, all the suite that we have. Then they go and they launch and they have a great experience.

We also have an upsell team. So that upsell team is working very, very closely with the account management who are constantly talking to the customers every single day, week, or month or even during quarterly business reviews with the account. Then we bring those solutions to those customers as well.

So we do see us attaching more products at the point of sale, but we also see a lot of success on upselling the various solutions that we have for the customer.

Operator: One moment for our next question. That will come from the line of Mark Schappel with Loop Capital.

Mark Schappel: Ariel, could you discuss the legacy displacement opportunity which appears to have accelerated this quarter and maybe where you're seeing the strongest traction?

Ariel Cohen: Yes, definitely. I think generally, we see our growth accelerating on all channels. So this means when we displace, that's what we call the managed segment. But also in our PLG channel, when we are new, when it's the first time that this customer is managing their travel.

I think the best person to describe exactly how do we see it in the field is Michael. So Michael, maybe you can take it.

Michael Sindicich: Yes. If I caught the question correctly, you were saying the acceleration in the legacy space. Is that – I assume that's correct?

Yes. So I described it earlier, we walk into a room almost confused why the customer hasn't come to Navan yet. And usually, the customer starts to see that once we're talking to them, right?

So if we're going to save you 15%, we're going to have you book in less than seven minutes versus 45 minutes, we're going to deliver this NPS and the CSAT and all the things that we've talked about before. Usually, it's about making sure that we prove that we've reached the scale to support that customer and that we're global enough to do that.

We've done a lot of work to continue to expand upmarket and globally in acquisitions that we've made around the world, and we've built partnerships to be able to support these customers.

And so what do we see on the other side that's driving customers to us? There was a big acquisition with a company called CWT, which is a big player in the space. There used to be three big travel agencies: Amex, BCD and CWT.

So CWT was acquired. Then you saw Egencia, which is more of the online booking platform that was built out of France was also acquired. Then I'm sure you can read headlines, but there's other companies that are having some turmoil.

So that, we think, has created quite a lot of tailwinds for us that people are saying, oh, let me go check out this new Navan platform. And by the way, my CEO and everyone on my Board is telling me start using AI in my platform, and I want – or in my company, and I want to start transforming my finance operations to be more efficient.

So if we can prove the savings, the time, we can prove that we're global, and we can support customers and we can give them five references to go talk to that are similar to them that they've made the transition to Navan, and they will never look back.

It's a really compelling story. I think that's why we're winning specifically in the legacy managed space.

Operator: And today's final question that will come from the line of John Roberts with FT Partners.

John Roberts: Just to start, I wanted to ask a quick one. What was net revenue retention for you guys exiting or just for the fiscal year 2026? I didn't see that in the presentation. Then just regarding product attach, can you maybe stack rank which of these three additional products are most commonly being attached? Then maybe how long on average is it taking for customers to get to this level? Just any commentary, or any commentary here would be super helpful.

Aurélien Nolf: Sure. John, this is Aurélien.

So on net revenue retention, I just mentioned on the call earlier that it was 107% for 2026. And we are seeing a very stable revenue retention on the Navan platform side, stable at 110%, which is even above 120% when we include the ramp of the new customers that joined the platform. But it was 107% for 2026.

And that was many – the slight contraction is mainly due to the Reed & Mackay dynamics that we discussed on the call.

Maybe Ariel and Michael, you want to take the second part of the question?

Michael Sindicich: Yes. Sure. So I can take it. So I think the question was around attach and then stack ranking? So the product that we have first and foremost and is attached to everywhere is our travel. So our transient travel product, which is the employees traveling for the company. Then the next product is, we see a big attach into what we call bleisure.

So a lot of people are booking personal travel on our platform. It's a separate experience. It doesn't show up in the admin dashboard. You can't use the company card, but what you can use is the rewards that we give to travelers.

So we actually pay the traveler rewards when they save the company money, which is part of how we get to that 15% savings. And so if I'm going on a work trip to New York, I want to stay for the weekend, I can actually book that leisure trip in the Navan platform, which we see good attach there.

The next feats we build into is actually our travel payments, so this is getting into our payments product. I can put a Navan corporate card, lodged into the platform. It's actually not one card, but we create a unique credit card number, 16 digits for every new booking, and it perfectly reconciles your travel bookings and those expenses for your admins. And a traveler will never have to do an expense report for a flight or a hotel or a rail that was booked in our platform.

So we see a lot of adoption there. That then naturally leads into our expense platform. You can then buy our expense platform and now we own the entire context, whether someone is traveling or not. We actually see more than 70% of employee expenses are in some way, shape or form tied to a trip. I'm either booking that trip or I'm on the trip, and I'm at a restaurant or a taxi or however you spend the money.

So we expand into that product. Then there's also the VIP product, which Ariel talked about as part of our Navan Pro offering with R&M. So that's a product that upsell or sell at the point of sale to the C-suite or people who need VIP level of support. Then the last product that I can think of at least right now is our Meetings and Events.

So as we gain that customer, we manage their corporate travel, a lot of times they might have an exact off-site or an SKO or a customer conference and they'll leverage our Meetings and Events services.

So off the top of my head, I'm pretty sure that's the exact order of the penetration and the percent of adoption that we have of the various products.

Operator: Thank you all. This concludes today's program. You may now disconnect. Goodbye.