

SUBSCRIBE

Issue Details

| | |
|-----------------|----------------|
| Price Band (Rs) | Rs.186 - 187 |
| Face Value (Rs) | 2 |
| Issue Size (Rs) | 510Cr |
| Issue Type | Book Building |
| Minimum lot | 80 |
| Issue Opens | March 08,2021 |
| Issue Closes | March 10, 2021 |
| Listing on | BSE, NSE |

Indicative Timeline **On or before**

| | |
|------------------------------------|----------------|
| Finalization of Basis of Allotment | March 16, 2021 |
| Unblocking of Funds | March 17, 2021 |
| Credit of shares to Demat Account | March 18, 2021 |
| Listing on exchange | March 19, 2021 |

Other Detail

| | |
|----------------------------|---|
| Book Running Lead Managers | Axis Capital Limited, JM Financial Limited, |
| Registrar | KFin Technologies Private Limited |

Easy Trip Planners Limited

Company Background

Incorporated in 2008, Easy Trip Planners Ltd (ETPL) is the second largest online travel agency in India in terms of gross revenue. The online travel agency offers a range of travel products and services and end-to-end travel solutions including airline tickets, rail tickets, bus tickets, taxis, holiday packages, hotels, and other value-added services i.e. travel insurance, visa processing, etc. Easy Trip offers a range of online traveling services through its website and Ease My Trip android and iOS mobile app .As of December 2020, the firm has served customers with more than 400 domestic and international airlines, and 1,096,400 hotels. As of December 31, 2020, its travel agent network has 59274 partners.

Issue Details

The offer comprises of Offer for sale of Equity Shares aggregating upto Rs.510Cr

Issue Objectives

- Achieve the benefits of listing the Equity Shares.
- To carry out the Offer for sale.

IPO Share Allotment Pattern

| Category | Allocation | Number of Shares at Rs.186 | Number of Shares at Rs.187 | Issue Size (Rs.Cr) |
|-------------------|------------|----------------------------|----------------------------|--------------------|
| QIB | 75% | 20,564,516 | 20,454,546 | 382.50 |
| Non-Institutional | 15% | 4,112,903 | 4,090,909 | 76.50 |
| Retail | 10% | 2,741,935 | 2,727,272 | 51 |
| Total | | 27,419,354 | 27,272,712 | 510 |

Outlook and Valuations

ETPL is ranked second among the key online travel agencies in India in terms of booking volume. The company has been doing profitable business since its inception and has emerged as the only profitable online travel agency in India based on the last three fiscals financial data. In terms of annual growth in operating revenues during FY 2018 to FY2020, Easy Trip Planners Limited recorded the fastest growth at a compound annual growth rate (CAGR) of approximately 19%, among key online travel agencies in India. At the upper price band of Rs.187, the stock is valued at 49.87x FY21E EPS of Rs.3.74/-, (based annualize latest earnings). **We recommend investors to SUBSCRIBE to the IPO.**

Investment Rationale

One of the leading online travel agencies in India

The company offers a comprehensive range of travel-related products and services for end-to-end travel solutions, including airline tickets, hotels and holiday packages, rail tickets, bus tickets and taxis as well as ancillary value added services such as travel insurance, visa processing and tickets for activities and attractions. They are providing customers with the option of no-convenience fee, such that customers are not required to pay any service fee in instances where there is no alternate discount or promotion coupon being availed. They provide customer support at all stages of their customers' trips - before, during and after, through their in-house call centres. They also enable customers to receive e-tickets and flight alerts through text messages and online messaging Platforms.

Distribution Team

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Associate

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In-house advanced technology and analytics capabilities

- **In-house Advanced Technology Infrastructure:** The Company has a dedicated in-house technology team focused on developing a secure, advanced and scalable technology infrastructure and software. This has enabled them to better manage their product and service offerings and improve operating efficiencies by integrating their sales, delivery and customer service functions. They continue to focus on developing innovative service offerings and introducing technology driven customer acquisition, service delivery and customer satisfaction initiatives.
- **Data Analytics Capabilities:** Company's technology infrastructure enables them to gather and analyse customer behaviour and related data based on past searches and purchasing history, to continuously improve their marketing and customer acquisition initiatives, as well as their inventory management processes.

Wide distribution network supported by a hybrid platform

Company's distribution channels are supported by a hybrid platform which is a combination of their websites, mobile applications and network of travel agents across India as well as call centres, particularly for holiday packages. They have developed streamlined software across their distribution channels, which provide them with multiple points of contact for marketing additional travel products and services to existing customers.

Well-recognized brand with a targeted marketing strategy

Company's leading market position and operational history have led to recognition of the 'EaseMyTrip' brand in India, enabling them to target new customers and provide better leverage when contracting with airlines and hotel suppliers. In Fiscal 2020, they had the lowest marketing and sales promotion expense as a percentage of gross booking revenues among the Key Online Travel Agencies in India.

The strength of their brand has increased significantly over the years. Visits to their websites (www.easemytrip.com and www.easemytrip.in) have increased at a CAGR of 51.17% from 22.58 million visits in Fiscal 2018 to 51.59 million visits in Fiscal 2020, and they recorded 28.16 million visits in the 9 months ended December 31, 2020.

ETPL has, over the years, strengthened their relationships with various airlines operators, such as IndiGo, Go Airlines (India) Ltd., and SpiceJet, as well as with various hotel chains, including, The Byke Hospitality Ltd., Seashells Beach Suites, Stone Woods Resorts and Spa, VITS Hotels, Kamat Hotels (India) Ltd. and VIVA Hotel. As part of their cross-marketing efforts, they have entered into arrangements with various banks and payment gateways, including One Mobikwik Systems Pvt. Ltd. ('MobiKwik') and ePayLater, to offer promotions and discounts on the purchase of tickets on their websites and mobile applications platforms in addition to also providing cash-back options.

Consistent track record of financial and operational performance

ETPL has historically financed their working capital requirements and the expansion of their business and operations primarily through funds generated from their operations, equity infusion from Promoters and debt financing. They had the highest CAGR from Fiscal 2018 to Fiscal 2020 in terms of gross booking revenue and operating revenues among the Key Online Travel Agencies in India. ETPL has developed a streamlined, efficient and lean organization structure relative to the size of their business operations. As of March 31, 2020, they had 480 full-time employees and they had the lowest number of employees among the Key Online Travel Agencies in India as of such period.

Further, in Fiscal 2020 and in the 9 months ended December 31, 2020, their Gross Booking Revenues per full-time employee was Rs.8.76 crore and Rs.3.50 crore, respectively. Their advanced technology infrastructure and operating systems focused on optimal human resource allocation, minimizing operational and systemic errors and enhancing customer satisfaction have resulted in reducing personnel and administration costs while increasing employee productivity and improving operating efficiencies.

Competitive Benchmarking

| Players | Easy Trip Planners Ltd | MakeMyTrip Ltd | Yatra Online Inc | Cleartrip Pvt. Ltd |
|---|------------------------|----------------|------------------|--------------------|
| Year of Commencement of Business | 2008 | 2000 | 2005 | 2005 |
| Operating Revenue(Rs.)* | 1.4 Billion | 38 Billion | 7 Billion | NA |
| Number of Agents* | 55,981 | 3,200~ | 26,000 | NA |
| Employee Strength* | 480 | 3960 | 2000 | NA |
| Per Employee Cost (Rs.) | 0.62Mn | 2.42Mn | 0.88Mn | - |
| Net Profit Margin(FY20) | 23.33% | -87% | -11.4% | NA |
| Gross Booking YoY Growth (FY20) | 43% | 18% | -23% | NA |
| Gross Booking Growth (during FY 18 to FY20) | CAGR of 47% | CAGR of 27% | CAGR of -4% | NA |
| Repeat transaction | 85.95% | NA | 88% | NA |
| ROE (%) (FY20) | 32.58% | -208.73% | 0% | -732.2%** |
| ROCE (%) (FY20) | 58.5% | -197.58% | -58.38% | -41.9%** |

* As on 31st March 2020. ~ As on March 31, 2018. Source: Company RHP, Presentation, ACMIIL Research
 ** For FY19

Financial Snapshot

| Particulars (Rs.Mns) | FY2018 | FY2019 | FY2020 | 9MFY21 |
|---------------------------|--------|--------|--------|--------|
| Equity share capital | 72 | 217 | 217 | 217 |
| Net worth | 440 | 680 | 1027 | 1341 |
| Net asset value per share | 61 | 6.25 | 9.32 | 12.16 |
| Revenue from Operations | 1136 | 1511 | 1797 | 816 |
| EBITDA | 123 | 448 | 513 | 434 |
| EBITDA % | 10.81% | 29.65% | 28.55% | 53.23% |
| Net Profit | 66 | 293 | 347 | 311 |
| Diluted EPS (Rs) | 0.61 | 2.7 | 3.19 | 2.86 |
| ROE (%) | 15.04 | 43.19 | 32.58 | 23.11* |
| ROCE (%) | 10 | 70.2 | 58.5 | -- |

*Not annualized , Source: Company RHP, Presentation, ACMIIL Research

Comparison With Listed Peers : As per offer documents, ETPL has no listed peers in India.

Risk and Concern

- ETPL is dependent on airline ticketing business, which generates a significant percentage of their revenues and is derived from a small number of airline suppliers in India.
- Any failure to maintain the quality of ETPL brand and reputation or protect their intellectual property could have a material adverse effect on their business.

ACMIIL Retail Research Products

| Informational Products | Recommendation Products |
|----------------------------|---------------------------|
| Morning Notes | Momentum Calls |
| Equi-Tea | Positional Calls |
| Market Watch | Smart Delivery Calls |
| Investor First Magazine | Investment Ideas |
| IPO/NCD/ETF/OFS/BOND | Master Trades High Risk |
| Market Pulse | Master Trades Medium Risk |
| RBI Monetary Policy | Techno-Funda |
| Union Budget Report | Top Mutual Fund Schemes |
| Weekly Derivative Synopsis | Portfolio Review |
| Rollover Snapshot | Stock Basket |
| Rollover Analysis | |
| | |

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