

Easy Trip Planners Ltd : Good Issue

IPO Note : 2nd Largest Online Travel Agency in India: Fully Priced : Ranking***



Issue details

Price band (Rs)	Rs.186-187
IPO Opening Date	08/03/21
IPO Closing Date	10/03/21
Issue Size	Rs.510 Cr

Recommendation

Total revenue grew at a **CAGR of 25.80%** from Rs.113.57 Cr for the FY 2018 to Rs.179.72Cr for FY 2020 and Net profit grew from **Rs.0.03 crore** to **Rs. 34.64 crore** in this period. For the first nine months of FY21 ended on December 31, 2020, it has earned a net profit of Rs. 31.10 cr. on a turnover of Rs. 81.57 cr. As per offer documents, ETPL has no listed peers in India. The issue is priced at a **P/BV of 15.38** based on its NAV of Rs. 12.16 as of December 31, 2020. If we annualized FY21-9M earnings and attribute it to post issue equity, then the asking price is at a **P/E of around 49.87**. Thus the issue appears fully priced on these parameters. Based on its financial data, the issue appears fully priced. Being the first mover in the online travel service segment with niche play, the company may attract fancy post listing. Considering all these, investors may consider investing in this IPO with a long term perspective.

Highlights

- Easy Trip Planners Ltd. (ETPL) is well known for its online tour web portal EaseMyTrip.com. and EaseMyTrip.in.
- It is ranked second among the key online travel agencies in India in terms of booking volume.
- ETPL offers a complete range of travel-related products and services on a B2B2C basis
- The company provides its customers with access to more than 400 international and domestic airlines, over 1096400 hotels across the globe, and the entire railway network of India.
- For the nine months period ended on December 31, 2020, its gross booking volume touched 1.77 million.

Company Introduction

Incorporated in 2008, Easy Trip Planners Ltd 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. The company follows B2B2C (business to business to customer), B2C (business to customer), and B2E (business to enterprise) distribution channels to offers its services.

As of November 2019, the firm has served customers with more than 400 domestic and international airlines, and 1,096,400 hotels. As of March 2019, it had 49,494 registered travel agents across major cities of India.

According to company management, it follows the most advanced and latest technology including mobile applications for its operations that helps it for better cost



www.easymytrip.com

Financial Summary (Rs. In Crore)

Particulars	Nine Month Dec.2021	FY20	FY19	FY18
Total Income	81.57	179.72	151.11	113.57
Net Profit	31.10	34.64	23.99	0.03
EPS (Rs)	2.86	3.18	2.2	0

*EPS not annualized

Source: RHP and ACE Equity

RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

controls and higher yields. This has helped word of mouth publicity for the company resulting in lower customer promotion expenses in percentage terms. Due to this, during the COVID-19 lockdown, it suffered a **mild setback but has recovered speedily from FY21 Q2 onwards.**

Company Promoters:

Mr. Nishant Pitti, Mr. Rikant Pittie, and Mr. Prashant Pitti are the company promoters.

Objects of the Issue:

- To partly or fully repay company's borrowings.
- To finance company's working capital requirements.
- To meet general corporate purposes.

IPO Issue Proceed

To achieve the benefits of listing, visibility and unlocking the brand value, the company is coming out with a maiden IPO by way of offer for sale of equity worth Rs. 510 cr. The issue is for approx 27272800 equity shares (at the upper cap of the price) of Rs. 2 each being offered in the price band of Rs. 186 - Rs. 187 per share. Minimum application is to be made for 80 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 25.1% of the post issue paid-up equity capital of the company. The issue opens for subscription on March 08, 2021, and will close on March 10, 2021. As the company did not meet with required parameters of listing guidelines, it has kept 75% for QIBs, 15% for HNI and only 10% for Retail investors. ETPL's current paid-up equity capital of Rs. 21.73 cr. will remain the same post issue. With the higher price of the IPO, the company is looking for a market cap of Rs. 2031.66 cr. (at the upper price band).

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