

Company Overview

Easy Trip Planners Limited (“ETPL”) was incorporated on June 4, 2008. ETPL is ranked 2nd among the Key Online Travel Agencies in India in terms of booking volume in the 9 months ended December 31, 2020 and 3rd among the Key Online Travel Agencies in India in terms of gross booking revenues in Fiscal 2020. They were the only profitable online travel agency among the Key Online Travel Agencies in India in Fiscals 2018, 2019 and 2020, in terms of net profit margin. Company’s 3 distinct distribution channels, namely B2C, B2E and B2B2C channels, provide them with a diversified customer base and wide distribution network. The company has been 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.

Objects of the issue

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the Offer for Sale. Further, ETPL expects that listing of the Equity Shares will enhance its visibility and brand image and provide liquidity to the Shareholders which will also provide a public market for the Equity Shares in India.

Investment Rationale

One of the leading online travel agencies in India with a customer focused approach, including the option of no-convenience fee

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.

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. It is strengthening 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.

Valuation and Outlook

Easy Trip Planners are a second largest online travel agency in India in terms of volume and 3rd largest in terms of revenues. It gets over 85% of repeat business from B2C segment. Moreover, company claims that it is using sophisticated technology which is helping them to reduce costs and improve margins. On the valuation front, at the upper price band, the company is valued at 65.3x P/E based on FY20 numbers which is reasonably priced. However, company is a niche player in the online travel service segment with an operating asset-light business model. Considering all these factors, We give a “**SUBSCRIBE**” rating on this IPO issue for medium to long term.

Issue Details

Offer Period	Mar 08th - 10th Mar 2021
Price Band	INR.186 to INR.187
Bid Lot	80
Listing	BSE&NSE
Issue Size (no. of shares in mn)	27.2
Issue Size (INR. in bn)	5.1
Face Value (INR)	2

Issue Structure

QIB	75%
Retail	10%
HNI	15%
BRLM	Axis Capital, JM Financial
Registrar	KFin Technologies Pvt. Ltd.

Particulars Pre Issue % Post Issue %

Promoter	100	74.9
Public		25.1
Total	100	100

(Assuming issue subscribed at higher band)

Research Team - 022-61596407



Income Statement (In mn)

Particulars	FY18	FY19	FY20	1HFY21
Revenue				
Revenue from operations	1,001	1,011	1,410	493
Total revenue	1,001	1,011	1,410	493
Expenses				
Service costs	-	-	38	-
Employee benefit expenses	159	220	300	147
Other expenses	854	843	947	232
Total Operating expenses	1,013	1,063	1,284	379
EBITDA	(12)	(52)	126	113
Depreciation and amortisation expense	2	5	7	5
Other income	135	500	387	323
EBIT	120	443	506	432
Finance costs	15	32	31	13
PBT	105	411	475	419
Current tax	101	131	133	112
Deferred Tax charge	(62)	(8)	(4)	(5)
Adjustment of Tax relating to earlier period/year	-	(5)	-	-
Total tax	39	118	129	107
PAT	66	293	346	311
EPS	0.6	2.7	3.2	2.9

Source: RHP, BP Equities Research

Cash Flow Statement (In mn)

Particulars	FY18	FY19	FY20	1HFY21
Cash Flow from operating activities	128	702	478	560
Cash flow from investing activities	47	(420)	(686)	(245)
Cash flow from financing activities	(122)	(17)	(3)	-
Net increase/(decrease) in cash and cash equivalents	53	264	(210)	315
Cash and cash equivalents at the beginning of the period	24	77	341	131
Cash and cash equivalents at the end of the period	77	341	131	446

Source: RHP, BP Equities Research



Balance Sheet (In mn)

Particulars	FY18	FY19	FY20	1HFY21
Liabilities				
Share Capital	72	217	217	217
Other Equity	367	462	810	1,124
Net worth	440	679	1,027	1,341
Long-Term Provisions	8	13	18	18
Contract Liabilities	-	332	387	268
Other Non Current Financial Liabilities	3	3	2	3
Total Non Current Liabilities	10	347	406	289
Contract Liabilities	57	398	223	328
Trade payables	151	285	248	171
current tax liability	41	40	115	213
Other current liabilities	42	192	83	98
Short Term Provisions	2	1	3	5
Other Financial Liabilities	1,060	489	718	1,124
Total Current Liabilities	1,353	1,404	1,390	1,940
Total liabilities	1,803	2,431	2,823	3,570
Assets				
Tangible Assets	63	71	78	77
Intangible Assets	-	-	1	2
Intangibles under development	-	-	3	3
Investment property	98	84	23	23
Investment	20	-	12	16
Loans	-	-	-	1
Other Financial Assets	6	-	149	675
Deferred Tax Assets	48	27	31	34
non-current tax assets (net)	4	-	-	-
Other non-current assets	6	-	-	-
Total Non current assets	245	183	297	830
Trade Receivables	431	418	584	198
Cash and Bank Balances	77	341	131	446
Loans and advances	172	368	132	48
Bank Balances	13	520	1,178	965
Inventories	31	-	-	-
Other Financial Assets	16	427	204	211
Investments	280	-	10	10
Other current assets	537	175	287	861
Total Current Asset	1,558	2,248	2,526	2,739
Net Current Assets	205	844	1,136	800
Total Assets	1,803	2,431	2,823	3,570

Source: RHP, BP Equities Research

Key Risks.

- ⇒ The company is dependent on airline ticketing business which is their significant %age of its revenue. In case there is any disruption of such supplies, it would have an impact on company business.
- ⇒ The company depends majorly on commission from travel suppliers like airlines, GDS and API service providers.
- ⇒ It has a limited experience and operating history in certain of its businesses, particularly in hotels and holiday packages, railway ticketing operations.

**Disclaimer Appendix****Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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