

EASY TRIP PLANNERS LIMITED

Easemytrip.com ranked second among the Key Online Travel Agencies in India in terms of booking volume in the nine months ended December 31, 2020, and third among the Key Online Travel Agencies in India in terms of gross booking revenues in Fiscal 2020. It 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.

Key Positives: (a) One of the leading online travel agencies in India with a customer-focused approach, including the option of a no-convenience fee. (b) Good track record of financial and operational performance, even in the time of lockdown the company demonstrated its strength and was able to report revenue of 50 crores in 9MFY2021. (c) Company business has shown robust recovery in Q3FY21 and reaches normalcy of 70%. (d) A very strong balance sheet with cash & bank balance of 140 Crores along with zero debt.

Investment concerns: (a) Competition will always remain a concern for this industry as well as companies need to compete with Paytm in Air tickets booking and aggregators like OYO in hotel business etc. (b) COVID-19 pandemic has had and is expected to have, a material adverse effect on the travel industry along fear of the second wave of covid cases in India may adversely affect the company performance. (c) Any reduction in commissions or fees by our travel suppliers may adversely affect the business operations. (d) Company revenue majorly depends on the Air tickets business as 94% of revenue comes from it in FY2020.

Outlook & Valuation: based on FY2020 the IPO is priced at a PE of 58x at the upper end of the price band along with a very good ROE of 34% and ROCE of 35%. The company has the potential to grow exponentially in near future. Looking at the company performance in FY 2020 and strong balance sheet is given that we have certain concerns regarding competition in this business we are assigning a **“SUBSCRIBE”** recommendation to the issue.

Key Financials

Y/E March (₹cr)	FY2018	FY2019	FY2020
Net Sales	113.6	151.1	179.7
% chg	-	33.1	18.9
Net Profit	0.0	24.0	34.6
% chg	-	-	44.4
EBITDA (%)	10.8	29.7	28.6
EPS (Rs)	0.0	2.2	3.2
P/E (x)	-	84.6	58.6
P/BV (x)	46.2	29.9	19.8
ROE (%)	0.1	35.3	33.7
ROCE (%)	26.8	43.2	35.3
EV/EBITDA	54.4	43.4	37.0
EV/Sales	5.9	12.9	10.6

Source: Company, Angel Research

SUBSCRIBE

Issue Open: March 08, 2021

Issue Close: March 10, 2021

Issue Details

Face Value: ₹2

Trading commences - 19th March 2021

Offer for sale: ₹510cr**

Issue size (amount): ₹510cr**

Price Band: ₹186-187

Lot Size: 80 shares and in multiple thereafter

Post-issue implied mkt. cap: *₹2,021cr - **₹2,032cr

Promoters holding Pre-Issue: 100%

Promoters holding Post-Issue: 75%

*Calculated on lower price band

** Calculated on upper price band

Book Building

QIBs	75% of issue
Non-Institutional	15% of issue
Retail	10% of issue

Post Issue Shareholding Pattern

Promoters	75.0%
Others	25.0%

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Company Background

Company commenced operations in 2008 by focusing on the B2B2C (business to business to customer) distribution channel and providing travel agents access to their website to book domestic travel airline tickets in order to cater to the offline travel market in India. Subsequently, by leveraging on B2B2C channel, it commenced operations in the B2C (business to customer) distribution channel in 2011 by primarily focusing on the growing Indian middle class population's travel requirements. Consequently, due to increased presence in the B2B2C and B2C channels, it commenced operations in the B2E (business to enterprise) distribution channel in 2013 with end-to-end travel solutions to corporates. With presence in three distinct distribution channels provide a diversified customer base and wide distribution network.

Key Highlights of Easy Trip Planner

- Second largest and only profitable OTA player in India in terms of positive return of equity in FY2019.
- In FY2020 reported profit after tax of 35 crores along with this company net cash flow of 48 crores in FY2020 from operation activity.
- As of Dec 31, 2020, company has an access to more than 400 international and domestic airlines for booking.
- Company has more than 1,096,400 hotels in India and international jurisdictions for booking on its platform.
- Company covers almost all the railway stations in India as well as bus tickets and taxi rentals for major cities in India.
- Company provides the option of no-convenience fee option to their customers, which is a big mote for the company as compared to its competitors.
- Registered Customers base in the B2C channel increased at a CAGR of 28.24% from 5.87 million FY'18 to 9.66 million FY'20. In Fiscal 2019, GoAir, and SpiceJet, recognized as amongst the top travel partners in terms of revenue and passenger count.
- It 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.

Issue Details

Easy trip planner is raising ₹510 Cr through Offer For Sale (2,72,72,727 shares), price band of ₹186-187.

Exhibit 1: Pre & Post issue Shareholding

No of shares	(Pre-issue)	%	(Post-issue)	%
Promoter	10,86,45,000	100	8,14,83,750	75
Public	-	0	2,71,61,250	25
Total	10,86,45,000	100	10,86,45,000	100

Source: Company, Angel Research

Objects of the offer

- Fresh Listing of the Equity Shares to enhance visibility/brand and provide liquidity to its existing Shareholders
- Leveraging on arrangement of partnership with international airlines and corporate customers to further boost international air travel

Key Management Personnel

Mr. Nishant Pitti is a Whole-time Director and CEO of our Company. He is one of the Promoters and has been associated with our Company since inception. Mr. Nishant Pitti holds a bachelor's degree in commerce from the University of Delhi and has approximately 12 years of experience in the travel and tourism sector. He has been awarded the 'Doctor of Excellence' for excellence in the field of travel management by the Confederation of International Accreditation Commission – (CIAC), Global at the 6th International Education Forum, 2019 and 'TnH Face of the Future' at the Travel and Hospitality (TnH) Awards, 2016. He was also awarded 'Entrepreneur of the Year in Service Business – Travel' at the Entrepreneur Awards, 2019.

Mr. Rikant Pittie is a Whole-time Director of our Company and has been on Board since August 8, 2011. He is also one of our Promoters and has been responsible for operations, sales, marketing, human resources and technology in the Company. He has attended the course for a bachelor's degree in technology at Kurukshetra University, Ambala and has approximately nine years of experience in the travel and tourism sector.

Consolidated Profit & Loss Statement

Y/E March (₹ cr)	FY2018	FY2019	FY2020	9MFY2021
Total operating income	113.6	151.1	179.7	81.6
<i>% chg</i>	-	33.1	18.9	
Total Expenditure	101.3	106.3	128.4	37.9
Service cost	0.0	0.0	3.7	0.0
Employee benefits expense	15.9	22.0	29.9	14.7
Other expenses	85.4	84.3	94.7	23.2
EBITDA	12.3	44.8	51.3	43.6
<i>% chg</i>	-	265	15	
<i>(% of Net Sales)</i>	10.8	29.7	28.6	53.5
Depreciation & Amortisation	0.2	0.5	0.7	0.5
EBIT	12.0	44.3	50.6	43.2
<i>% chg</i>	-	268.3	14.1	
<i>(% of Net Sales)</i>	10.6	29.3	28.2	52.9
Finance costs	1.5	3.2	3.1	1.3
Other income	-6.6	-5.3	-	-
<i>(% of Sales)</i>	-5.8	-3.5	-	-
Recurring PBT	3.9	35.8	47.5	41.8
<i>% chg</i>	-	809	32.6	
Exceptional item	-	-	-	-
Tax	3.9	11.8	12.9	10.7
PAT (reported)	0.0	24.0	34.6	31.1
<i>% chg</i>	-	-	44.4	
<i>(% of Net Sales)</i>	0.0	15.9	19.3	38.1
Basic & Fully Diluted EPS (Rs)	0.0	2.2	3.2	10.9
<i>% chg</i>	-	-	44.4	

Source: Company, Angel Research

Consolidated Balance sheet

Y/E March (₹ cr)	FY2018	FY2019	FY2020	Q3FY21
SOURCES OF FUNDS				
Equity Share Capital	7.2	21.7	21.7	21.7
Other equity (Retained Earning)	36.7	46.2	81.0	112.4
Shareholders Funds	44.0	67.9	102.7	134.1
Total Loans	-	-	-	-
Other liabilities	1.0	34.7	40.6	28.9
Total Liabilities	45.0	102.6	143.3	163.0
APPLICATION OF FUNDS				
Property, plant and equipment	6.3	7.1	7.8	7.7
Investment property	9.8	8.4	2.3	2.3
Intangible assets	0.0	0.0	0.1	0.2
Intangibles under development	-	-	0.3	0.3
Current Assets	155.8	224.8	252.6	273.9
Inventories	3.1	-	-	-
Trade receivables	43.1	41.8	58.4	19.8
Cash and cash equivalents	7.7	34.1	13.1	44.6
Other bank balances	1.3	52.0	117.8	96.5
Other financial assets	1.6	42.7	20.4	21.1
Other current assets	53.7	17.5	28.7	86.1
loan	17.2	36.8	13.2	4.8
Investment	28.0	-	1.0	1.0
Current Liability	135.3	140.4	139.0	194.0
Net Current Assets	20.5	84.4	113.6	80.0
Other Non Current Asset	8.3	2.7	19.2	72.5
Total Assets	45.0	102.6	143.3	163.0

Source: Company, Angel Research

Consolidated Cash Flow Statement

Y/E March (₹ cr)	FY2018	FY2019	FY2020	Q3FY21
Operating profit before working capital changes	34.8	6.6	21.8	13.2
Net changes in working capital	-14.6	74.9	31.8	45.3
Cash generated from operations	20.2	81.5	53.6	58.5
Direct taxes paid (net of refunds)	-7.4	-11.3	-5.7	-2.4
Net cash flow (used in)/from operating activities	12.8	70.2	47.8	56.0
Interest received	4.8	5.0	7.8	7.2
Dividend received	0.3	0.2	0.0	0.0
Others	-0.4	-47.2	-76.4	-31.7
Cash Flow from Investing	4.7	-42.0	-68.6	-24.5
Repayment of short term borrowing	-10.4	0.0	0.0	0.0
Payment of principal portion of lease liabilities	0.0	0.0	-0.2	0.0
Payment of interest portion of lease liabilities	0.0	0.0	-0.1	0.0
Finance costs paid	-1.8	-1.7	0.0	0.0
Cash Flow from Financing	-12.2	-1.7	-0.3	0.0
Inc./(Dec.) in Cash	5.3	26.4	-21.0	31.5
Opening Cash balances	2.4	7.7	34.1	13.1
Closing Cash balances	7.7	34.1	13.1	44.6

Source: Company, Angel Research

Key Ratios

Y/E March	FY2018	FY2019	FY2020
Valuation Ratio (x)			
P/E (on FDEPS)	-	84.6	58.6
P/CEPS	-	83.0	57.4
P/BV	46.2	29.9	19.8
EV/Sales	5.9	12.9	10.6
EV/EBITDA	54.4	43.4	37.0
Per Share Data (₹)			
EPS (Basic)	0.0	2.2	3.2
EPS (fully diluted)	0.0	2.2	3.2
Cash EPS	0.0	2.3	3.3
Book Value	4.0	6.3	9.5
Returns (%)			
ROE	0.1	35.3	33.7
ROCE	26.8	43.2	35.3
Turnover ratios (x)			
Receivables (days)	138.5	101.1	118.5
Inventory (days)	11.3	-	-
Payables (days)	54.5	97.8	70.6
Working capital cycle (days)	72.7	3.2	47.9

Source: Company, Angel Research

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