



MSEARCH

IPO OFFERING

EASY TRIP PLANNERS LTD



About Company

Recommendation: Subscribe for Long Term

Easy Trip Planners Limited (ETP) was incorporated on June 4, 2008. It offers a comprehensive range of travel-related products and services for end-to-end travel solutions. ETP 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. As of December 31, 2020, they provided their customers with access to more than 400 international and domestic airlines, more than 1,096,400 hotels in India and international jurisdictions, almost all the railway stations in India as well as bus tickets and taxi rentals for major cities in India. In addition, as of December 31, March 31, 2020, they had 59,274 travel agents registered with them.

Price Band	: Rs. 186 to 187 per share
Bid Lot size	: 80 Shares
Issue size	: Rs. 500 Cr
Issue Opens	: March 8 th 2021, Monday
Issue Closes	: March 10 th 2021, Wednesday
Min App Amount	: Rs. 14,960/- at upper band

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View: We believe Easy Trip Planners (ETP) IPO gives investors an opportunity to invest in a digital high-growth travel business that is into travel-related end-to-end solutions services and the only profitable online travel agency (OTA) in India. Looking at the high growing domestic & foreign tourism opportunity and supportive Govt initiatives like eVisa and UDAN scheme developing airports in Tier2-3 cities which will directly provide industry growth helping online business avenues where ETP is well placed to tap the opportunity in the Indian online travel agency industry. **On valuations parse, we feel the strength of Easy Trip Planners brand, Scalable asset-light business model, High digitalization growth in online business, Customer-centric approach, as well as company efficiency in maintaining sustainable profitability justifies high P/E of (annualized FY21) ~49x, P/BV at ~11.53x times and at the upper price band (Rs 187/-), the issue is asking for a market cap of Rs 2032 Cr. Along with rationales to invest the offer also comes with some risk which includes its high dependence on airline ticketing business (98%) which has high cut-throat competition from established and emerging players and 2nd risk is in the objective of the issue which will provide 100% exit liquidity for the existing investors via Offer For Sale (OFS) route and IPO investors should know that ETP will not be getting any funds raised through the IPO process and the general concern that travel & tourism sector has been hit by the Covid-19 pandemic last year and could see muted growth for the next 6-12 months going forward. Hence, based on all the above factors we advise investors to "SUBSCRIBE" this IPO with a long-term perspective as well as a high potential candidate to generate healthy listing gains as markets always reward a player who has high growth potential.**



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BASIC FINANCIAL DETAILS				
Particulars ₹ (in Cr)	2018	2019	2020	9M FY21
Equity Share Capital	7	22	22	22
Reserves as stated	37	46	81	112
Net worth as stated	44	68	103	134
Revenue from Operations	100	101	141	49
Revenue Growth (%)	-	1%	39%	-
EBITDA as stated	12	45	51	43
Profit Before Tax	11	41	47	42
Net Profit for the period	0	24	35	31
EPS (₹)	0.61	2.7	3.19	2.86
RoNW%	0.07%	35.32%	32.58%	23.11%

Source: Company RHP

COMPETITIVE PEER COMPARISON			
Particulars	Easy Trip Planners Ltd	MakeMy Trip	Yatra Online
Year of commencement of business	2008	2000	2005
No of Agents	55,981	3,200	26,000
Employee count	480	3,960	2,000
Net Profit Margin (FY 2020)	23.3%	-	-
Gross booking YoY growth (FY 2020)	43%	18%	-
Repeat transactions	85.95%	NA	88%
ROE%	39.5%	-	0%
ROCE%	58.5%	-	-

Source: Axis Note