

Easy Trip Planners Ltd. (ETP)

BUY

CMP	Rs. 561
Target Price	Rs. 901
Time Frame	12-15 Months
Risk	Medium
Sector	Tour/Travel



Price & Volume Analysis

% Change from previous Day	4.43%
% Change from previous Month	13.30%
52 Week High	718
52 Week Low	162
Weekly H/L	573/489
Deliverable	100.00%
Book Value / Share	17.16
EPS	8.88
Market Cap (Rs. CR)	6,092

Incorporated in the year 2008, Easy Trip Planners (ETP) operates an online travel portal (EaseMyTrip) focusing on the B2B2C distribution channel and providing travel agents access to its website to book domestic travel airline tickets in order to cater to the offline travel market in India. EASEMYTR is the second-largest online travel agency (OTA) in India. EASEMYTR also has the largest network of travel agents with 59,274 registered travel agents across almost all major Indian cities.

As of FY20, airline tickets accounted for 94.0% of revenues while hotels and other services contributed 5.4% and 0.6% of revenues, respectively. Over FY18- 20, EASEMYTR delivered healthy net revenue/EBITDA/PAT CAGR of 19%/87%/91%. It works on an asset-light model and has witnessed continuous improvement in EBITDA margin with RoCE of ~30%+

Momentum Analysis

RSI (14, E9) Monthly	-
Smoothed RSI	70.49
Stochastic oscillator monthly (1,3,3)	42.45

The momentum oscillators are in an excellent bullish cycle mode as the Relative Strength Indicator (RSI) is trending north and Stochastic indicators especially on monthly time frames are indicating reverse divergences. Buy signals are generated in weekly charts too. Long remains the play.

Support & Resistance Analysis

Support 1	481
Support 2	387
Resistance 1	733
Resistance 2	951

Brace yourselves for a major breakout play on the daily charts with recent sequence of higher high intact on the weekly/monthly charts. An impulse uptrend is seen forming on the weekly time scale, with positive SAR series, as the price pattern has just been confirmed on its close above its all-time-highs on monthly charts.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 100 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 510 zone.

Simply buy at CMP, and between 475-490 zone, targeting 733 mark and then aggressive targets at psychological 900 mark. Stop 421. Holding period 12-15 months.

Trend Analysis

Moving Average - 50 Days	533
Moving Average - 200 Days	510
ADX (14d)	19.9
Bollinger Band Weekly	647-395
MACD Weekly	46

The uptrend seems quite sustainable as the price is seen comfortably trading above its 50 and 100-day moving average and most importantly is just signaling a massive breakout on the weekly charts. The general rule is if a stock is trading above its 100-DMA, the trend is largely upward.

CONCLUSION

The biggest positive catalyst is driven by a rebound in travel sentiment.

The strength of ETP has increased significantly over the years. GoAir, and SpiceJet have recognized ETP as amongst the top travel partners in terms of revenue and passenger count.

Online travel market in India is set to double over the next five years to reach \$31 billion in FY25E, growing at 14% CAGR from FY20 levels

Registered customer has increased at a CAGR of 21% in the past three years, i.e. from 58.7 lakh customers in FY18 to 1.04 crore in FY21

Consistent track record of financial and operational performance. No equity infusion subsequent to the original incorporation requirements, and most importantly, ETP has historically financed its working capital requirements and the expansion of the business and operations primarily through funds generated from its operations and debt financing. ETP is a zero debt, cash rich company (Total | 228 crore as of FY21) as this business requires minimal capex for growth

The thirteen-year-old OTA which has been profitable since its inception went public with a Rs 510 crore initial public offer in March at a listing price of Rs 187.

In-house advanced technology and analytics capabilities.

Wide distribution network supported by a hybrid platform.

Experienced management team with an established track record.

On its international foray, Easy Trip Planners will launch localized search engines in the Philippines, Thailand and the US.



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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.

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