



EaseMyTrip is a leading Online Travel Agency (OTA) company. The company has ~4.6% market share in Indian OTA market as on FY2020. EaseMyTrip's top line increased by ~47% CAGR in FY2018-FY2020. It is the only profitable company among peers such as MakeMyTrip, Cleartrip and Yatra etc. The company's cash & cash equivalent stood at INR 141 crore as on December 2020. Its ROE and ROCE stood at 39.5% and 58.5% as on FY2020. EaseMyTrip is also looking for expansion across Singapore, UAE and UK. The company would trade at 49.04x P/E (Annualized EPS) and 15.38x P/B of for 9MFY21. We believe that the stock is fairly priced and has a good upside potential in the long term. One may subscribe to the IPO for listing as well as long term gains.



About the Company

Incorporated in 2008, Easy Trip Planners Ltd (EaseMyTrip) is the second largest online travel agency in India in terms of gross revenue. 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.

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. As of December 31, 2020, it provided 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 March 31, 2020, the company had 55,981 travel agents registered across almost all major cities in India.

Issue details	
Price Band (in ₹ per share)	186-187
Issue size (in ₹ Crore)	510
Offer for Sale (in ₹ Crore)	510
Total number of shares (lakhs)	272.73-274.19
Issue open date	08-03-2021
Issue close date	10-03-2021
Tentative date of Allotment	17-03-2021
Tentative date of Listing	19-03-2021
Offer Allocation	QIB-75 %, Retail— 10%, NIB-15%
Minimum order quantity	80
Face value (in ₹)	2
Amount for retail investors (1 lot)	14880-14960
Maximum number of shares for Retail investors at lower Band	1040(13 Lots)
Maximum number of shares for Retail investors at upper band	1040(13 Lots)
Maximum amount for retail investors at lower Band-upper band (in ₹)	193440-194480
Exchanges to be listed on	BSE, NSE

Promoters

- Nishant Pitti
- Rikant Pittie
- Prashant Pitti

Objective of the Offer

The net IPO proceeds are proposed to be utilized for the following objects:

1. To achieve the benefits of listing the Equity Shares on the Stock Exchanges
2. Sale of up to Equity Shares aggregating up to INR 510 crore

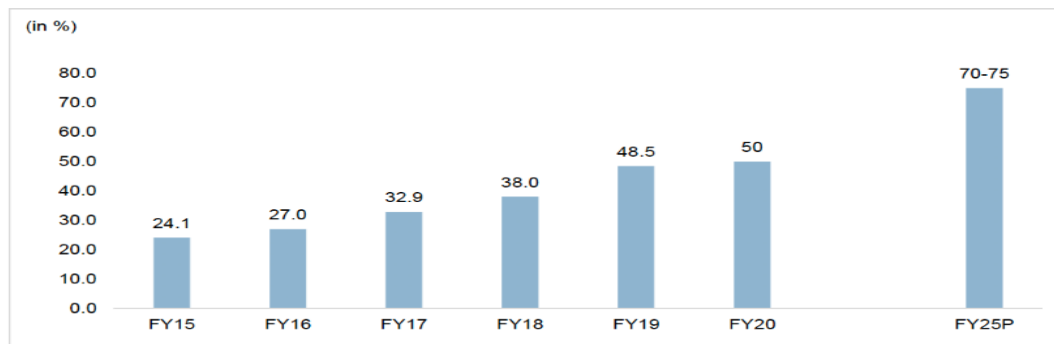
**Brief Financials**

Particulars (Rs. Cr)	9MFY21	FY20	FY19	FY18
Share Capital	21.73	21.73	21.73	7.24
Net Worth	134.12	102.72	67.93	43.96
Revenue from Operation	49.25	140.99	101.11	100.11
EBITDA	43.36	51.32	44.81	12.28
PAT	31.11	34.65	23.99	0.03
EPS(Rs)	2.86	3.19	2.70	0.61
Net Asset Value (Rs)	12.16	9.32	6.25	60.72
P/E #	49.04 [^]	58.62	-	-
P/B #	15.38	20.06	-	-

#Calculated at the upper band, ^ annualized

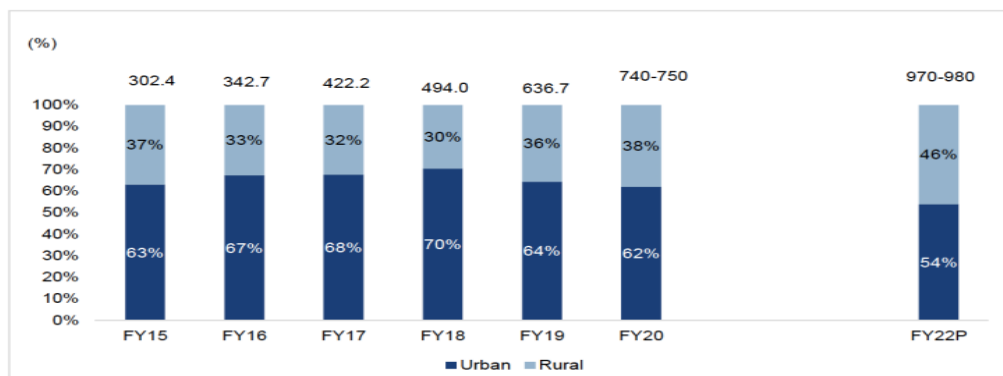
Industry Review**India Internet Penetration**

India's internet penetration is expected to increase to approximately 75% by Fiscal 2025 led by 4G and 'fiber to the home' services. India has witnessed a significant increase in internet users over the past few years, with internet penetration as a percentage of total population reaching approximately 50% in Fiscal 2020, compared to less than 20% in Fiscal 2015.

Trend of internet penetration in India

Note: P: Projected
Source: TRAI, CRISIL Research

Source: RHP, CBSL

Share of rural, urban internet subscriber base in total

Note: P: Projected
The TRAI started publishing urban and rural internet subscription data from fiscal 2015 onwards. The above bar graph represents total number of internet subscribers (in million) in urban and rural India. Estimates for fiscals 2019-2022 are by CRISIL Research.
Source: TRAI, CRISIL Research

Source: RHP, CBSL

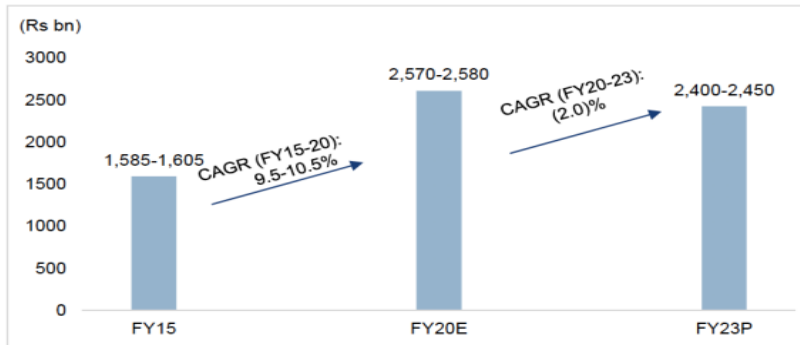


Industry Review

Review of the travel market in India

Indian travel industry is expected to decrease at a CAGR of 2.0% from Fiscal 2020 to Fiscal 2023. The Indian travel industry was estimated at approximately ₹ 1,585 to ₹ 1,605 billion in Fiscal 2015. The Indian travel industry grew at a CAGR of approximately 10% to 11% to reach approximately ₹ 2,605 to ₹ 2,625 billion in Fiscal 2020 on account of growing economy, geographic and cultural diversity and various Government initiatives. On account of COVID-19 pandemic, the growth is expected to vanish and the travel industry is expected to decrease annually by approximately 2.0% to reach approximately ₹ 2,400 billion to ₹ 2,450 billion in Fiscal 2023.

Trend and outlook for Indian travel industry

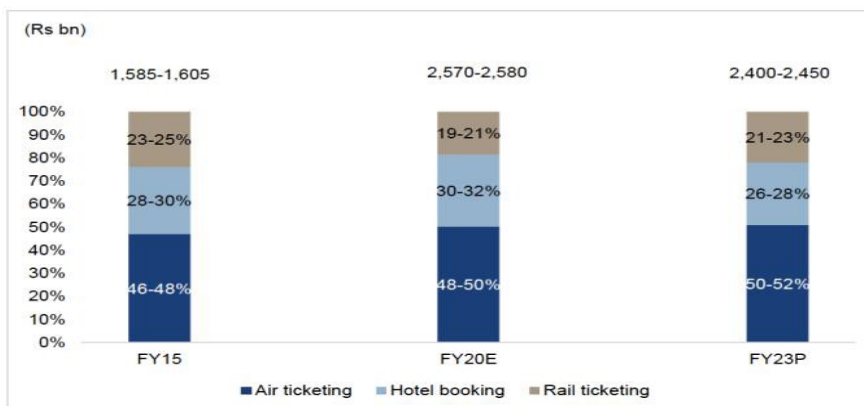


Note: E: Estimated P: Projected; market sizing for the Indian travel industry has been estimated at gross bookings. The Indian travel industry size does not include bus bookings, as total bus booking industry is largely unorganised. Market sizing are estimates post considering COVID-19 impact
Source: CRISIL Research

Source: RHP, CBSL

Air travel is to retain majority share in Indian travel market till Fiscal 2023. Air ticketing segment grew at a CAGR of approximately 11% to 12% between Fiscal 2015 and Fiscal 2020, and accounted for approximately 50% to 52% share of the Indian travel market in Fiscal 2020. The growth momentum is expected to decrease at a CAGR of approximately 1.5% in Fiscal 2023 primarily on account of the after effects of the COVID-19 pandemic on the Indian travel industry, particularly on international travel. Share of air ticketing in overall Indian travel market is expected to remain in the majority by Fiscal 2023. With approximately 30% to 32% share in Fiscal 2020, hotel segment remains the second highest contributor to the Indian travel market and it is expected that its share to decrease to approximately 27% in Fiscal 2023 with the segment showing a de-growth of approximately 6% to 7% between Fiscal 2020 and Fiscal 2023. The railways ticketing segment is also expected to decrease in line with the overall Indian travel market in the medium term, however its share is expected to increase to approximately 22% in Fiscal 2020 with air ticketing likely to account for a larger share and hotel industry experience a moderate rise in prices post COVID-19 pandemic.

Trend and outlook for segment-wise share in Indian travel market



Note: E: Estimated P: Projected
The Indian travel industry size does not include bus bookings, as total bus booking industry is largely unorganised. Market sizing are estimates post considering COVID-19 impact
The numbers above the bar charts represent total Indian travel market for that year
Source: CRISIL Research

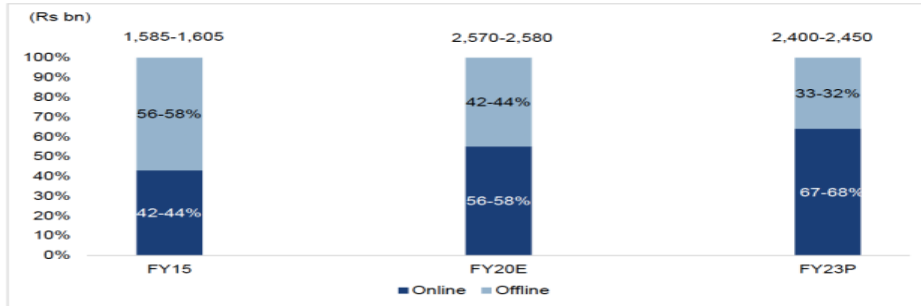
Source: RHP, CBSL



Industry Review

Online penetration of the Indian travel market is expected to reach approximately 67% to 68% in Fiscal 2023. The Indian travel market is growing fast and has significantly evolved with digitization. The online penetration, defined as share of bookings done online through captive websites of the service providers or through OTAs, of the Indian travel industry accounted for approximately 56% to 58% in Fiscal 2020. Further, it is expected that the share of online penetration of the Indian travel industry is expected to increase to approximately 67% to 68% in Fiscal 2023, supported by growth in online transactions due to the COVID-19 pandemic.

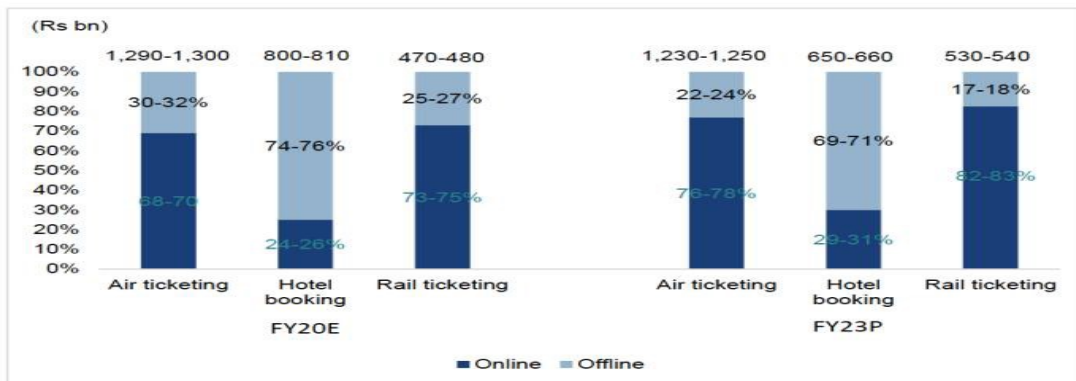
Trend and outlook in online penetration of the Indian travel market



Note: E: Estimated P: Projected
The Indian travel industry size does not include bus bookings, as total bus booking industry is largely unorganised. Market sizing are estimates post considering COVID-19 impact. The numbers above the bar charts represent total Indian travel market for that year
Source: CRISIL Research

Source: RHP, CBSL

Segment-wise share in online penetration in India



Note: E: Estimated P: Projected
The numbers above the bar charts represent total travel market for that segment
Source: CRISIL Research

Source: RHP, CBSL



Company Review

EaseMyTrip's products and services are organized primarily in the following segments: (i) airline tickets, which consists of the sale of airline tickets as well as airline tickets sold as part of the holiday packages; (ii) hotels and holiday packages, which consists of standalone sales of hotel rooms as well as travel packages (which may include hotel rooms, cruises, travel insurance and visa processing); and (iii) other services, which consists of rail tickets, bus tickets, taxi rentals and ancillary value added services such as travel insurance, visa processing and tickets for activities and attractions.

The following table sets forth certain information relating to revenues from contracts with customers from types of goods or services for the periods indicated:

Type of goods or service	Fiscal 2018		Fiscal 2019		Fiscal 2020		Nine months ended December 31, 2020	
	Revenue from contracts with customers	As % of Total revenue from contracts with customers	Revenue from contracts with customers	As % of Total revenue from contracts with customers	Revenue from contracts with customers	As % of Total revenue from contracts with customers	Revenue from contracts with customers	As % of Total revenue from contracts with customers
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
(unconsolidated)					(consolidated)			
Rendering of services								
Air Passage	973.32	98.12%	885.56	97.15%	1,171.78	94.00%	466.43	101.25%
Hotel Packages*	16.32	1.65%	24.34	2.67%	67.34	5.40%	(9.24)	(2.01)%
Other Services	2.29	0.23%	1.65	0.18%	7.51	0.60%	3.48	0.76%
Total revenue from contracts	991.93	100.00%	911.55	100.00%	1,246.63	100.00%	460.67	100.00%

The following table sets forth certain information relating to Gross Booking Revenues for its products and services for the periods indicated:

Particulars	Gross Booking Revenues			
	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2020
	(unconsolidated)		(consolidated)	
	(₹ million)			
Airline tickets	19,227.97	28,948.22	41,136.97	11,997.04
Hotels & Holiday Packages	197.39	338.42	585.16	89.80
Others*	25.27	91.11	325.18	120.73
Total	19,450.63	29,377.75	42,047.30	12,207.57

* Others include bus tickets, rail tickets and taxi rentals.

Source: RHP, CBSL

Competitive Strengths

One of the leading online travel agencies in India

According to the CRISIL Report, EaseMyTrip is ranked second among the Key Online Travel Agencies in India in terms of booking volume in 9MFY21 and third among the Key Online Travel Agencies in India in terms of gross booking revenues in FY2020. The company's market share in the total Indian online travel agency industry in terms of gross booking revenues and gross booking revenues for airline ticketing segment was approximately 4.6%, and 5.5% to 6.5%, respectively, in FY2020. EaseMyTrip's registered customers in the B2C channel increased at a CAGR of 28.24% from 5.87 million customers as of FY2018 to 9.66 million customers as of FY2020, and further increased to 10.32 million customers as of December 31, 2020.

Consistent track record of financial and operational performance with lean and cost efficient operations

EaseMyTrip has historically financed their working capital requirements and the expansion of their business and operations primarily through funds generated from their operations, equity infusion from Promoters and debt financing. The company has achieved the highest CAGR from FY2018 to FY2020 in terms of gross booking revenue and operating revenues among the Key Online Travel Agencies in India. It has developed a streamlined, efficient and lean organization structure relative to the size of their business operations. As on FY2020, EaseMyTrip had 480 full-time employees which is the lowest number of employees among the Key Online Travel Agencies in India. Further, in FY2020 and in 9MFY21, the company's Gross Booking Revenues per full-time employee was INR 8.76 crore and INR 3.50 crore, respectively. According to the CRISIL Report, in FY2018 to FY2020, EaseMyTrip is the only profitable online travel agency among the Key Online Travel Agencies in India, in terms of net profit margin.



In-house advanced technology and analytics capabilities

EaseMyTrip has a dedicated in-house technology team focused on developing a secure, advanced and scalable technology infrastructure and software. This has enabled the company to better manage product and service offerings and improve operating efficiencies by integrating sales, delivery and customer service functions. The company continues to focus on developing innovative service offerings and introducing technology driven customer acquisition, service delivery and customer satisfaction initiatives. As of December 31, 2020, EaseMyTrip's technology team included 64 employees with technology backgrounds and with domain expertise focused on evolving technologies focused on company's various product and service verticals. The company's technology team follows a structured process towards innovation and solutions to address customer concerns, and drive service and product offering and delivery.

Its technology infrastructure enables them to gather and analyse customer behaviour and related data based on past searches and purchasing history, to continuously improve their marketing and customer acquisition initiatives, as well as their inventory management processes.

Risk Factors

Impact of COVID-19 pandemic on the business

EaseMyTrip is purely dependent upon the travel industry. Due to Covid-19 pandemic overall travel industry has adversely affected. Thus, the company's financials also got impacted. Even though there is vaccination rolled out across the globe, Covid-19 cases might increase in the coming period. The COVID-19 pandemic could continue to impede global economic activity, even as restrictions are lifted, leading to decreased per capita income and disposable income, increased and prolonged unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary travel and spending by individuals and businesses.

Dependency on airline ticketing business

EaseMyTrip generates a significant percentage of Gross Booking Volumes and Gross Booking Revenues on website and mobile application platforms from air tickets. In FY2020 and 9MFY21, the company's Gross Booking Volumes for airline tickets comprised 94.43% and 92.53%, respectively, of total Gross Booking Volumes while Gross Booking Revenues for airline tickets were 97.83% and 98.28%, respectively, of total Gross Booking Revenues. Therefore, its reliance on airlines exposes to the risks associated with the airline industry.

Severe Competition across the industry

The Indian travel market is intensely competitive. The company's success depends upon its ability to compete effectively against numerous established and emerging competitors, including other online travel agencies, traditional offline travel companies, travel research companies, payment wallets, search engines and meta-search companies, both in India and outside India. The key players in the domestic online travel agency market include Cleartrip Private Limited, MakeMytrip Limited and Yatra Online, Inc. (Source: CRISIL Report). In addition, entry of global online travel agencies in India could also alter the competitive landscape of the industry in the future.

Peer Comparison

The company does not have any listed industry peers .

Our Views

EaseMyTrip is a leading Online Travel Agency (OTA) company. The company has ~4.6% market share in Indian OTA market as on FY2020. EaseMyTrip's top line increased by ~47% CAGR in FY2018-FY2020. It is the only profitable company among peers such as MakeMyTrip, Cleartrip and Yatra etc. The company's cash & cash equivalent stood at INR 141 crore as on December 2020. Its ROE and ROCE stood at 39.5% and 58.5% as on FY2020. EaseMyTrip is also looking for expansion across Singapore, UAE and UK. The company would trade at 49.04x P/E (Annualized EPS) and 15.38x P/B of for 9MFY21. We believe that the stock is fairly priced and has a good upside potential in the long term. One may subscribe to the IPO for listing as well as long term gains.

Sources: Company Website and Red Herring Prospectus



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