

June 7, 2024

IPO Note

IPO NOTE

Issue Details

Price Band: ₹ 88 to ₹ 93

Issue Opens on: June 10, 2024

Issue Closes on: June 12, 2024

Lot Size: 161 Shares & in Multiples thereafter

Issue Highlights

Issue Size: ₹ 740.10 Cr.

No of Shares: 79,580,900

Face Value: ₹ 1

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	120.00
Offer for Sale	620.10
Total	740.10

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	75	555.08
HNI	15	111.02
Retail	10	74.01
Total	100	740.10

Listing

BSE & NSE

Lead Managers

- Axis Capital Limited
- DAM Capital Advisors Limited
- JM Financial Limited

Registrar

Link Intime India Private Limited

ANALYST

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COMPANY OVERVIEW

Le Travenues Technology (Ixigo) is a technology company focused on empowering Indian travellers to plan, book and manage their trips across rail, air, buses and hotels. Their OTA platforms allow travellers to book train tickets, flight tickets, bus tickets and hotels, while providing travel utility tools and services developed using in-house proprietary algorithms and crowd-sourced information. They were the 2nd largest OTA in India in terms of consolidated revenue from operations in Fiscal 2023. Their market share in India in the OTA rail market was 46.15% in Fiscal 2023. Their bus focused app, AbhiBus, was the 2nd largest bus-ticketing OTA in India, with an 11.5% market share in online bus ticket bookings in Fiscal 2023 which increased further to 12.5% in the 1st half of Fiscal 2024.

The company is also the leading OTA for the 'next billion users', and in September 2023, ixigo flights, ixigo trains, ConfirmTkt and AbhiBus have collectively seen the highest usage and engagement among all key OTA players and standalone transactional train mobile apps in India in terms of Monthly Active Users and sessions. Over the lifecycle of their users, they have been able to cross-sell and up-sell tickets and Value-Added Services or services ancillary to the booking offerings. Ixigo built and launched "ixigo Assured", their free cancellation option for bookings, provided at a nominal charge, to enable their customers to make bookings but receive refunds in case they decide to cancel their trips for any reason.

HIGHLIGHTS

1. Leading online travel agency ("OTA"), with significant penetration in the underserved 'next billion user' market segment
2. Artificial intelligence ("AI") and technology driven operations
3. Established consumer travel brands built with user-first approach
4. Diversified business model

OBJECTS OF THE ISSUE

1. Part-funding working capital requirements of the Company (₹ 45 Cr.)
2. Investments in cloud infrastructure and technology (₹ 25.8 Cr.)
3. General corporate purpose.

Offer for Sale of up to 66,677,674 Equity Shares by selling shareholders. The company will not receive any proceeds from the Offer for sale.

OUR VIEW

Ixigo is a technology company focused on empowering Indian travellers to plan, book and manage their trips across rail, air, buses and hotels. The focus being travel utility and customer experience for travellers in the 'next billion user' market segment is driven by technology, cost-efficiency and culture of innovation. The OTA platforms include services like train, flight, bus ticket booking while providing travel utility tools and services developed using in-house proprietary algorithms and crowd-sourced information including train PNR status and confirmation predictions. As of December 31, 2023, they had 213.21 million Registered Users.

The company's strategies include deepening their presence in 'next billion user' market segment, Increase monetization through cross-selling and up-selling. However, the ticketing services depend on the agreement with IRCTC. Any changes in the terms of the agreement might adversely affect the company's operations. The company has listed peers in the space which shows that the travel oriented business is highly competitive with no particular niche.

The revenue CAGR for the period FY 21-23 stood at about a staggering 92%. The company operated on an EBITDA margin of 8.99% and PAT margin of 4.66% for year ended FY '23. The number was 6.99% and 13.38% (incl. exceptional item) respectively for 9MFY24. Generating ROE of 5.74% for FY23. The company is asking for a PE multiple of 175x on the upper end of the price band and using diluted EPS for FY23 (₹ 0.57) and a PE of 47x annualizing diluted EPS for 9MFY24 (₹ 1.75). The industry average is 121.39x. The P/BV is at 8.14x as at 9MFY24. Looking at all the factors, risks, opportunities and valuation, investors can apply with a medium to long-term horizon.

Brief Financials

PARTICULARS	As at December 31, 2023			₹ in Million
		FY '23	FY '22	FY '21
Total Income	4,970.97	5,175.73	3,849.41	1,384.06
Total Expenditure	4,754.83	4,842.92	4,025.41	1,356.99
EBITDA	343.17	450.45	(69.54)	61.43
Profit before Tax	485.03	206.74	(176.00)	27.07
Profit after Tax	657.12	233.96	(210.94)	75.33
E.P.S. (Diluted)	1.75*	0.57	(0.66)	0.25
P/E (x) (Diluted)	-	175	-	-
RONW (%)	15.26*	5.74	(7.15)	24.13

* Not Annualised

PRICE CHART (@ ₹ 93) (Retail Category)

LOT SIZE	Amount
161	14,973
322	29,946
483	44,919
644	59,892
805	74,865
966	89,838
1,127	104,811
1,288	119,784
1,449	134,757
1,610	149,730
1,771	164,703
1,932	179,676
2,093	194,649

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	2,254	209,622
Big HNI	10,787	1,003,191

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	13/06/2024
Initiation of refunds/unblocking ASBA Fund	14/06/2024
Credit of Equity Shares to demat accounts of Allottees	14/06/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	18/06/2024

For more details, Please refer RHP,

(www.bseindia.com/corporates/download/392130/Le%20Travenues%20Technology%20Limited%20%20DRHP_20240216140004.pdf)

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