

IPO NOTE

Issue Details

Price Band: ₹ 318 to ₹ 334

Issue Opens on: August 28, 2024

Issue Closes on: August 30, 2024

Lot Size: 44 Shares & in Multiples thereafter

Issue Highlights

Issue Size: ₹ 601.20 Cr.

No of Shares: 18,000,000

Face Value: ₹ 2

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	-
Offer for Sale	601.20
Total	601.20

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	300.60
HNI	15	90.18
Retail	35	210.42
Total	100	601.20

Listing

BSE & NSE

Lead Managers

- Equirus Capital Private Limited
- IIFL Securities Limited

Registrar

Link Intime India Private Limited

ANALYST

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COMPANY OVERVIEW

ECOS (India) Mobility & Hospitality Limited is primarily engaged in the business of providing chauffeured car rentals (“CCR”) and employee transportation services (“ETS”) and have been providing these services to corporate customers, including Fortune 500 companies in India, for more than 25 years. They are the largest and most profitable chauffeur driven mobility provider to corporates in India, in terms of revenue from operations and profit after tax for Fiscal 2023.

The CCR segment is a B2B2C business, where their customers are corporate companies, and the end consumer is an employee, client, guest or visitor of these corporate companies. As of March 31, 2024, they have a pan-India presence in 109 cities through their own vehicles and vendors, spread across 21 states and 4 union territories in India.

They also address the global car rental requirements of the corporate customers, through their global network of vendors with capability of providing CCR services in over 30 countries. They also provide cars of self-drive basis in the cities of Delhi, Gurugram, Mumbai and Bengaluru and have also provided self-drive cars outside India through vendors.

The company operate a fleet of more than 12,000 economy to luxury cars, mini vans and luxury coaches. They also provide specialty vehicles such as luggage vans, limousines, vintage cars and vehicles for accessible transportation for people with disabilities.

HIGHLIGHTS

1. India’s largest and most profitable chauffeur driven mobility provider
2. Long-standing customer relationships with business synergies across business segments
3. Pan-India presence with operations in 109 cities in India
4. Established brand built over years through operational excellence
5. Comprehensive technology ecosystem enabling operational superiority

OBJECTS OF THE ISSUE

1. To achieve the benefits of listing the Equity Shares on the Stock Exchanges
2. Carry out the Offer for Sale of up to 18,000,000 Equity Shares

Offer for sale up to 34,200,000 equity shares. The company will not receive any proceeds from the Offer.

OUR VIEW

Incorporated in 1996, Ecos (India) Mobility & Hospitality is primarily engaged in chauffeur-driven car rental (“CCR”) and employee transportation services (“ETS”) and has been providing these services to corporate clients including Fortune 500 companies in India for over 25 years. The company operates its fleet of vehicles on an asset light model. The company’s own vehicles accounted for 5.81%, while vehicles operated through vendors accounted for 94.19% of the fleet respectively.

The company is measured against high quality service standards and governed by the terms and condition of the contracts with the customers. Any failure to comply with these standards may lead to the cancellation of existing and future bookings. It relies heavily on a few major customers. In FY24, the top 25 customers contributed 53.42% of total revenue. The company operates in a highly competitive industry with low entry barriers. The business is heavily dependent on a few major cities, any loss of business from any such major cities may have a material impact on the operations.

The company has presented significant performance in FY 23 and FY24 with topline growth at CAGR 94% from FY21-24 and bottom-line growth at CAGR 151% for the same period. The company operated on an EBITDA margin of 16.23% and PAT margin of 11% for year ended FY24. Generating ROE and ROCE of 42.75% and 42.88% respectively for FY24. The company’s total debt to equity is around 0.12x decreased from 0.29x in FY23.

The issue is priced at a P/BV of 11.30 based on its NAV of Rs. 29.57 as at FY24. The company asking price is at a P/E of 32, based on FY24 diluted EPS of ₹ 10.42.

The company has established a brand presence in India, operating on asset light model and its quality service help to ease competition. Looking at all the factors, risks, opportunities and valuation, investors may subscribe for the issue with Medium to long-term horizon

Brief Financials

PARTICULARS	₹ in Million		
	FY '24	FY '23	FY '22
Total Income	5,682.05	4,254.29	1,515.54
Total Expenditure	4,858.88	3,671.38	1,385.65
EBITDA	899.63	697.27	180.51
Profit before Tax	823.17	582.91	129.89
Profit after Tax	625.31	435.91	98.71
E.P.S. (Diluted)	10.42	7.27	1.65
P/E (x) (Diluted)	32.05	-	-
RONW (%)	42.75	46.70	14.80

* Not Annualized

PRICE CHART (@ ₹ 334) (Retail Category)

LOT SIZE	Amount
44	14,696
88	29,392
132	44,088
176	58,784
220	73,480
264	88,176
308	102,872
352	117,568
396	132,264
440	146,960
484	161,656
528	176,352
572	191,048

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Small HNI	616	205,744
Big HNI	3,036	1,014,024

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	02/09/2024
Initiation of refunds/unblocking ASBA Fund	03/09/2024
Credit of Equity Shares to demat accounts of Allottees	03/09/2024
Commencement of trading of the Equity Shares on the Stock Exchanges	04/09/2024

For more details, Please refer RHP,

https://www.sebi.gov.in/filings/public-issues/aug-2024/ecos-india-mobility-and-hospitality-limited-rhp_86002.html

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