

# **Ecos (India) Mobility & Hospitality Limited**

## **IPO Note**



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## Striving to be a Leader in Organized Corporate Mobility

Ecos India is a leading player in the chauffeured car rentals (CCR) and employee transportation services (ETS) industry in India. With over 25 years of experience, the company has established itself as a trusted provider of mobility solutions for corporate clients, including numerous Fortune 500 companies.

The CCR segment operates on a B2B2C model, where the corporate clients are the primary customers, and the services are utilized by their employees, visitors, or clients. In the ETS segment, the company offers end-to-end solutions for managing employee ground transportation.

According to the F&S Report, the company emerged as the largest and most profitable chauffeur-driven mobility provider to corporates in India for Fiscal 2023, both in terms of revenue from operations and profit after tax.

As of March 31, 2024, the company had established a pan-India presence in 109 cities, utilizing its own vehicles and vendors across 21 states and four union territories, underscoring its extensive footprint and penetration into diverse regions. The company's operations in 97 cities are conducted through vendors.

During Fiscal 2024, it serviced the CCR and ETS needs of more than 1,100 organizations in India, completing over 3,100,000 trips, which averages more than 8,400 trips per day.

Furthermore, the company addresses the global car rental needs of its corporate customers through a worldwide network of vendors, providing CCR services in over 30 countries. It also offers self-drive cars in Delhi, Gurugram, Mumbai, and Bengaluru, as well as outside India through vendors. The company operates a fleet of more than 12,000 vehicles, ranging from economy to luxury cars, mini-vans, and luxury coaches.

### Key Consolidated Financial Data (INR Cr, unless specified)

	Revenue (INR)	EBITDA (INR)	Net Profit (INR)	EBITDA Margin (%)	Net Profit Margin (%)	EPS (INR)	ROE (%)	ROCE (%)	EV/EBITDA (X)
FY21	103.8	15.8	3.0	15.2	2.9	0.5	4.8	1.2	126.1
FY22	147.3	18.1	9.9	12.3	6.7	1.6	13.8	10.2	108.8
FY23	422.7	68.5	43.6	16.2	10.3	7.3	37.9	28.6	29.1
FY24	698.7	90.0	62.5	16.2	11.3	10.4	35.2	27.2	21.4

Source: Ventura Research & Company update

Industry	Corporate Mobility
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### Scrip Details

Listing	BSE & NSE
Open Date	Aug 28, 2024
Close Date	Aug 30, 2024
Price Band	INR 318 – 334
Face Value	INR 2.0
Market Lot	44 Shares
Minimum Lot	1

### Issue Structure (%)

Issue Size (INR cr)	INR 601.2
Issue Size (Shares)	1,80,00,000
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≥ 35%
Retail Share (%)	≥ 15%
Pre Issue sh (in cr)	6
Post Issue sh (in cr)	6
Post Issue Market Cap (in cr)	1,986

Shareholding (%)	Pre (%)	Post (%)
Promoter	97.75	67.75
Public	2.25	32.25
<b>TOTAL</b>	<b>100</b>	<b>100</b>

## Issue Structure and Offer Details

Ecos (India) Mobility & Hospitality IPO is a book built issue of INR 601.2 cr. The issue is entirely an offer for sale of 1.8 crore shares.

Issue Structure	
Investor Category	Allocation
<b>QIB</b>	<b>Not more than 50.00% of the Offer</b>
<b>NII (HNI)</b>	<b>Not less than 35.00% of the Offer</b>
<b>Retail</b>	<b>Not less than 15.00% of the Offer</b>

*Number of shares based on a higher price band of INR 334*

*Source: Company Reports*

## Financial Summary

Fig in INR Cr (unless specified)	FY22	FY23	FY24	Fig in INR Cr (unless specified)	FY22	FY23	FY24
<b>Income Statement</b>				<b>Per share data &amp; Yields</b>			
Revenue	147.3	422.7	554.4	Adjusted EPS (INR)	1.6	7.3	10.4
<b>YoY Growth (%)</b>	<b>41.9</b>	<b>186.9</b>	<b>31.2</b>	Adjusted Cash EPS (INR)	3.0	9.3	13.5
Raw Material Cost	3.0	4.4	0.4	Adjusted BVPS (INR)	11.9	19.2	29.6
<b>RM Cost to Sales (%)</b>	<b>2.0</b>	<b>1.0</b>	<b>0.1</b>	Adjusted CFO per share (INR)	3.6	2.7	11.2
Employee Cost	21.1	42.3	57.3	CFO Yield (%)	1.1	0.8	3.4
<b>Employee Cost to Sales (%)</b>	<b>14.3</b>	<b>10.0</b>	<b>10.3</b>	Adjusted FCF per share (INR)	3.8	(2.3)	8.3
Other Expenses	105.2	307.4	406.7	FCF Yield (%)	1.1	(0.7)	2.5
<b>Other Exp to Sales (%)</b>	<b>71.4</b>	<b>72.7</b>	<b>73.4</b>	<b>Solvency Ratio (X)</b>			
EBITDA	18.1	68.5	90.0	Total Debt to Equity	0.0	0.3	0.1
<b>Margin (%)</b>	<b>12.3</b>	<b>16.2</b>	<b>16.2</b>	Net Debt to Equity	(0.5)	(0.1)	(0.4)
<b>YoY Growth (%)</b>	<b>14.6</b>	<b>279.2</b>	<b>31.4</b>	Net Debt to EBITDA	(2.2)	(0.2)	(0.8)
Depreciation & Amortization	8.0	12.0	18.7	<b>Return Ratios (%)</b>			
EBIT	10.1	56.5	71.3	Return on Equity	13.8	37.9	35.2
<b>Margin (%)</b>	<b>6.8</b>	<b>13.4</b>	<b>12.9</b>	Return on Capital Employed	10.2	28.6	27.2
<b>YoY Growth (%)</b>	<b>695.6</b>	<b>462.2</b>	<b>26.1</b>	Return on Invested Capital	30.9	55.8	68.9
Other Income	4.2	4.1	13.8	<b>Working Capital Ratios</b>			
Bill discounting & other charges	1.3	2.4	2.8	Payable Days (Nos)	53	39	39
Fin Charges Coverage (X)	7.9	23.9	25.6	Inventory Days (Nos)	0	0	0
Exceptional Item	0.0	0.0	0.0	Receivable Days (Nos)	53	56	47
PBT	13.0	58.3	82.3	Net Working Capital Days (Nos)	0	18	8
<b>Margin (%)</b>	<b>8.8</b>	<b>13.8</b>	<b>14.8</b>	Net Working Capital to Sales (%)	0.0	4.8	2.2
<b>YoY Growth (%)</b>	<b>219.3</b>	<b>348.8</b>	<b>41.2</b>	<b>Valuation (X)</b>			
Tax Expense	3.1	14.7	19.8	P/E	203.0	46.0	32.0
<b>Tax Rate (%)</b>	<b>24.0</b>	<b>25.2</b>	<b>24.0</b>	P/BV	28.0	17.4	11.3
PAT	9.9	43.6	62.5	EV/EBITDA	108.8	29.1	21.4
<b>Margin (%)</b>	<b>6.7</b>	<b>10.3</b>	<b>11.3</b>	EV/Sales	13.3	4.7	3.5
<b>YoY Growth (%)</b>	<b>229.6</b>	<b>341.6</b>	<b>43.4</b>	<b>Cash Flow Statement</b>			
Min Int/Sh of Assoc	0.0	0.0	0.0	PBT	13.0	58.3	82.3
Net Profit	9.9	43.6	62.5	Adjustments	8.7	(6.9)	(3.5)
<b>Margin (%)</b>	<b>6.7</b>	<b>10.3</b>	<b>11.3</b>	Change in Working Capital	3.1	(20.4)	8.1
<b>YoY Growth (%)</b>	<b>229.6</b>	<b>341.6</b>	<b>43.4</b>	Less: Tax Paid	(3.1)	(14.7)	(19.8)
<b>Balance Sheet</b>				Cash Flow from Operations	21.7	16.3	67.1
Share Capital	0.1	0.1	12.0	Net Capital Expenditure	(0.0)	(32.2)	(19.3)
Total Reserves	71.5	115.1	165.4	Change in Investments	(7.6)	(14.6)	(34.9)
Shareholders Fund	71.6	115.1	177.4	Cash Flow from Investing	(7.6)	(46.7)	(54.2)
Long Term Borrowings	0.1	14.7	6.0	Change in Borrowings	(11.7)	20.2	(8.0)
Deferred Tax Assets / Liabilities	(3.3)	(3.2)	(2.8)	Less: Finance Cost	(1.3)	(2.4)	(2.8)
Other Long Term Liabilities	0.4	4.5	6.8	Proceeds from Equity	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0
Long Term Provisions	2.1	2.9	3.7	Dividend Paid	0.0	0.0	0.0
Total Liabilities	70.9	133.9	191.1	Cash flow from Financing	(13.0)	17.9	(10.8)
Net Block	13.4	36.6	45.7	Net Cash Flow	1.1	(12.5)	2.1
Capital Work in Progress	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0
Intangible assets under development	0.0	0.1	0.8	Opening Balance of Cash	6.8	7.9	(4.6)
Non Current Investments	0.5	0.4	0.4	Closing Balance of Cash	7.9	(4.6)	(2.5)
Long Term Loans & Advances	0.0	0.0	0.0				
Other Non Current Assets	0.8	9.0	5.4				
Net Current Assets	56.3	87.8	138.8				
Total Assets	70.9	133.9	191.1				

Source: Ventura Research

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