



IPO NOTE

LE TRAVENUES TECHNOLOGY LTD



Rating:

Subscribe

(For long Term)



ISSUE OFFER

Issue Opens on	JUNE 10, 2024
Issue Close on	JUNE 12, 2024
Total IPO size (cr)	₹740.10
Fresh issue (cr)	₹120.00
Offer For Sale (cr)	₹620.10
Price Band (INR)	88- 93
Market Lot	161
Face Value (INR)	₹1
Retail Allocation	10%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 75%;"></div>	75%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 10%;"></div>	10%

SHAREHOLDING (No. of Shares)

Pre Issue

374,519,945

Post Issue

387,423,171

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	13-06-2024
Refunds/Unblocking ASBA Fund	14-06-2024
Credit of equity shares to DP A/c	14-06-2024
Trading commences	18-06-2024

Le Travenues Technology Limited is a technology company focused on empowering Indian travelers to plan, book, and manage their trips across rail, air, buses, and hotels via its OTA platforms under the brand name "ixigo". According to the F&S Report, it is the leading OTA for the 'next billion users', with its focus on localized content and app features that aim at solving the problems of Tier II/ Tier III travelers.

OBJECTS OF THE ISSUE

- Part-funding working capital requirements of the company.
- Investments in cloud infrastructure and technology.
- Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

OUTLOOK & VALUATION

Le Travenues Technology Ltd, the parent company of popular online travel agencies ixigo and AbhiBus operates in the rapidly growing Indian online travel market. Its established brand presence, AI-powered operations, and diversified business model position the company for continued growth.

While Le Travenues has demonstrated strong post-pandemic recovery with impressive top-line and bottom-line growth, some key risks require careful consideration. The company faces high customer acquisition costs and operates in a highly competitive industry. Additionally, its dependence on a broad range of travel suppliers introduces potential risks.

The IPO valuation of 160.34x P/E appears relatively high. Despite this, considering the long-term growth potential of the online travel sector and the company's established brands, we recommend an "Apply" rating for long-term investors.



KEY MANAGERIAL PERSONNEL

01

Aloke Bajpai

Chairman, Managing Director and Group Chief Executive Officer of the Company and has been on the Board since June 3, 2006. He is responsible for the overall management of the Company. Under his leadership, the Company has evolved into a leading OTA for the 'next billion users'.

02

Rajnish Kumar

Director and Group Co-Chief Executive Officer of the Company and is a Non-Executive Director. He has been on the Board since April 1, 2010. Rajnish Kumar advises the Company on all matters pertaining to new product development, technological advancements, product and growth marketing, research and AI initiatives, and the recruitment of global talent.

03

Kotha Dinesh Kumar

Chief Executive Officer, ixigo trains and ConfirmTkt with effect from January 29, 2024. He is responsible for spearheading the business development division, overseeing the day-to-day functioning of the Company in relation to ixigo trains and ConfirmTkt and for talent acquisition.

04

Sripad Vaidya

Chief Operating Officer, ixigo trains and ConfirmTkt with effect from January 29, 2024. He is responsible for managing day-to-day operations including support and finance functions and driving newer revenue channels for the trains business.

05

Saurabh Devendra Singh

Group Chief Financial Officer. He is responsible for finance functions, investor relations and strategic planning in the Company. He joined the Company on October 30, 2023 and was appointed as the Group Chief Financial Officer with effect from December 23, 2023.

06

Suresh Kumar Bhutani

Group General Counsel, Company Secretary and Compliance Officer of the Company. He is responsible for corporate governance, legal and compliance functions. He has over 18 years of experience in legal and secretarial matters.

COMPANY PROFILE

- The company is 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.
- It has the highest app usage among OTAs with 83 million Monthly Active Users cumulatively across its apps, as per data.ai in September 2023.
- Its operating history initially as a travel metasearch engine, and later as a utility platform and an OTA has helped its OTA platforms generate considerable cost-efficient organic user traffic, which helps it to attract new users, and retain and convert users to transacting users.
- The Company focuses on solving travel utility needs as well as the transactional use cases of its users to establish itself as a customer-focused technology company in the online travel industry.

COMPETITIVE STRENGTHS

- Leading online travel agency, with significant penetration in the underserved 'next billion user' market segment.
- Artificial intelligence ("AI") and technology-driven operations.
- Established consumer travel brands built with a user-first approach.
- Diversified business model with significant operating leverage and organic flywheel.
- Experienced management team with lean organization structure.

KEY STRATEGIES

- Continue to deepen penetration and enhance its offerings for the 'next billion user' market segment.
- Increase monetization through cross-selling and up-selling.
- Improve operating leverage through investment in deep tech and artificial intelligence.
- Drive value creation through selective strategic partnerships and acquisitions.

KEY CONCERNS

- The company has incurred net losses in the past and it anticipate increased expenses in the future.
- If it fail to maintain and enhance its brands, its business may be harmed.
- Its Customer Acquisition Cost has progressively increased.
- Limited experience and operating history in certain of our businesses, particularly its hotels offering.
- The Indian OTA industry is highly competitive.
- Its business depends on its relationships with a broad range of travel suppliers.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	TOTAL INCOME	RoNW (%)
Le Travenues Technology Limited	0.58	9.79	-	5,175.73	5.74
Peer Group					
Easy Trip Planners Limited	0.77	2.13	54.96	4,641.98	36.21
Yatra Online Limited	0.69	14.80	187.83	3,974.65	4.50

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLION)	FY 2023	FY 2022	FY 2021
Equity Share Capital	371.20	369.75	0.43
Other equity	3,366.44	3,057.11	(2,026.74)
Net Worth	3,871.19	3,426.86	299.38
Total Borrowings	-	-	98.44
Revenue	5,012.50	3,795.80	1,355.66
EBITDA	450.45	(69.54)	61.43
Profit before Tax	206.74	(176.00)	27.07
Net Profit of the Year	233.96	(210.94)	75.33


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CDSL/NSDL: IN-DP-115-2015 RBI Reg. No.: B-03-00174 IRDA Reg. No.: 713.