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**IPO note:**  
**LE TRAVENUES TECHNOLOGY LIMITED**  
**(IXIGO)-SUBSCRIBE**

LE TRAVENUES TECHNOLOGY LIMITED (IXIGO) is a technology company focused on empowering Indian travellers to plan, book and manage their trips across rail, air, buses and hotels. Their vision is to become the most customer-centric travel company, by offering the best customer experience to users. Company's focus on travel utility and customer experience for travellers in the 'next billion users' market segment is driven by technology, cost-efficiency and culture of innovation. Their OTA platforms allow travelers 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, including train PNR status and confirmation predictions, train seat availability alerts, train running status updates and delay predictions, alternate route or mode planning, flight status updates, automated web check-in, bus running status, pricing and availability alerts, deal discovery, destination content, personalized recommendations, instant fare alerts for flights, AI-based travel itinerary planner and automated customer support services. According to the F&S Report, Ixigo is the leading OTA for the 'next billion users', with focus on localized content and app features that aim at solving problems of Tier II/ Tier III travelers.

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. are the largest Indian train ticket distributor in the OTA rail market and they had the largest market share of around 51%, in terms of rail bookings, among OTAs, as of March 31, 2023. They had market share in India in the OTA rail market at 46.15% in Fiscal 2023 and increased from 46.4% in the first half of Fiscal 2023 to 52.4% in the first half of Fiscal 2024. Their bus-focused app, AbhiBus, was the second largest bus-ticketing OTA in India, with a 11.5% market share in online bus ticket bookings in Fiscal 2023 which increased further to 12.5% in the first half of Fiscal 2024. They had a market share in India of nearly 5.2% of the total airline OTA market by volume in the first half of Fiscal 2024 up from 3.3% in Fiscal 2023. Company is also the fastest growing OTA in India, in terms of revenue from operations between Fiscal 2020 and Fiscal 2023.

Ixigo has the highest app usage among OTAs with 8.3 crores Monthly Active Users cumulatively across all apps, as per data.ai in September 2023. They were also the fastest growing OTA in terms of app downloads, with 0.49 crores monthly app downloads as per data.ai in September 2023, which was more monthly app downloads than all other OTAs in that month. As of March 31, 2023, they had 42.938 crore Annual Active Users and 4.907 crore transactions were booked through OTA platforms in Fiscal 2023. As of December 31, 2023, company had 21.321 crore Registered Users, i.e., users who have provided their unique mobile number or email address, as applicable, on their platforms as of the relevant date, and 4.2 crore transactions were booked through their OTA platforms in the nine months ended December 31, 2023. In 2022, ixigo trains app was the 8th most downloaded travel and navigation app globally as per data.ai. As per data.ai, in 2022, the ixigo trains app and ConfirmTkt app were also featured in the top 10 travel apps in India with the ixigo trains app ranked 2nd and ConfirmTkt ranked 7th, in terms of most downloaded travel apps.

**Investment Recommendation and Rationale: -**

**At the upper price band of Rs 93 the issue is priced at P/E multiple of 39.91x its post IPO 9MFY24 annualized EPS of Rs. 2.33 and at a multiple of 169.09x its post IPO FY23 EPS of Rs. 0.55. We give a "SUBSCRIBE" rating to issue because of the following reasons: -**

- 1) Significant market share across various segments.
- 2) leading OTA for the 'next billion user' with the highest Monthly Active Users for mobile apps across all key OTAs as of September 30, 2023
- 3) developed advanced and scalable technology platforms allowing them to address the requirements and problems of travelers.
- 4) The business model consists of a comprehensive mix of product and service offerings with presence across trains, flights, buses and hotels businesses, which comprehensively addresses the online travel market in India allowing the company to monetize all aspects of their OTA platforms.
- 5) Highest revenue per employee at Rs. 92 lakhs which is best among its peers.
- 6) Industry leading monthly active users and monthly average session per user.

Type of Issue	Fresh Issue of 1,29,03,226 Equity Shares up to ₹ 120 Crores Offer for Sale of 6,66,77,674 Equity Shares aggregating up to Rs620.10 Crores
Issue size	Rs. 740.10 crores
Price Band	Rs. 88 to Rs. 93 per share (FV-Rs 1 per share)
Bid lot/ Bid Size	161 shares/Rs. 14973 per lot
Issue structure	QIB>75%, HNI<15%, Retail<10%
Post issue equity shares	38,74,23,171 shares
Promoters and Promoter Group Public	Pre-Issue-0%   Post-Issue- 0% Pre-Issue-100%  Post-Issue-100%
Post issue implied market cap	Rs 3603.04 Crore
BRLMs	Axis Capital Limited, DAM Capital Advisors Limited, JM Financial Limited
Registrar to the issue	Link Intime India Private Limited

**Financial Summary (Restated Consolidated) (₹Crore)**

Particulars	9MFY24	FY23	FY22	FY21
Revenue from Operation(Total)	491.02	501.25	379.58	135.56
-Bus	99.27	97.40	28.74	1.01
-Train Ticketing	275.98	297.79	216.81	38.65
-Flight Ticketing	109.17	102.03	64.31	34.36
-Flight Distribution	-	-	6.85	6.04
-Others	6.59	4.01	1.2	1.08
Gross Revenue	624.51	640.54	451.51	158.84
Contribution	222.12	218.07	121.64	51.90
Contribution Margin(%)	45.24	43.51	32.05	38.29
EBIDTA	34.31	45.04	(6.95)	6.14
EBIDTA(%)	6.99	8.99	(1.83)	4.53
Adjusted EBIDTA	38.17	44.34	6.20	8.21
Adjusted EBIDTA Margin(%)	7.78	8.85	1.63	6.06
Restated Profit/Loss for the year	65.71	23.39	(21.09)	7.53
EPS	1.75	0.57	(0.66)	0.25
Monthly Active Users	7.704	6.283	4.42	2.159
Annual Active Users	37.49	42.93	29.12	13.62
Monthly Transacting Users (Lakhs)	24.8	21.3	19.1	3.9
Monthly Transacting Users to Monthly Active Users ratio (%)	3.22	3.40	4.32	1.81
Annual Transacting Users	1.08	1.14	0.92	0.31
Lifetime Transacting Users	3.18	2.63	1.95	0.70
Percentage of Organic Users(%)	87.57	90.29	89.04	92.82



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- 7) *The Indian travel industry's market size is expected to increase across all categories with highest growth rate expected in flights which is expected to grow at a CAGR of 12% by FY28 followed by bus having a CAGR of 8% by FY28, Hotels with a CAGR of 7% by FY28 and train with a CAGR of 6% by FY28.*
- 8) *The overall improvement of travel and internet infrastructure in India, and Tier I to Tier II segment being the growth driver of the Indian travel industry company expects deeper penetration in non-Tier I cities which will drive growth of train, flight, bus and hotel bookings.*
- 9) *investment in multiple apps to provide a more focused and customized experience to be delivered around every user's dominant use case.*

Repeat Transaction Rate(%)	86.06	85.14	87.83	87.18
Gross Transaction Value(Total)	7592.92	7452.43	5615.24	2153.29
-Bus	887.10	965.41	338.83	31.21
-Train Ticketing	4070.53	4471.52	3020.19	586.92
-Flight Ticketing	2635.28	2015.48	1194.10	628.50
-Flight Distribution	-	-	1062.12	906.66
Gross Take Rate (Transaction)(%)	7.71	8.14	7.73	6.94
Average Transaction Value(Rs.)	1807.84	1518.64	1348.31	2516.10
Monthly Screen Views	412	383	277	142
Queries resolved by AI chat box(%)	88.54	89.86	85.71	84.20
Mobile App Downloads	8.18	10.60	9.00	4.38

Source: Red Herring Prospectus (RHP)

## Objects of the issue

### Offer for Sale (6,66,77,674 Equity Shares aggregating up to Rs. 620.10 Cr)

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds received from the Offer for Sale will not form part of the Net Proceeds

Name of Selling Shareholder	Type	Number of Equity Shares of face value of ₹ 1 each offered/amount	Weighted average cost of acquisition per Equity Share (in ₹)
SAIF Partners India IV Limited	Selling Shareholder	Up to 19,437,465 Equity Shares aggregating to Rs. 180.76 crores	7.14
Peak XV Partners Investments V (formerly known as SCI Investments V)	Selling Shareholder	Up to 13,024,000 Equity Shares aggregating to Rs. 121.12 crores	11.32
Aloke Bajpai	Selling Shareholder	Up to 11,950,000 Equity Shares aggregating to Rs. 111.13 crores	0.86
Rajnish Kumar	Selling Shareholder	Up to 11,950,000 Equity Shares aggregating to Rs. 111.13 crores	0.37
Micromax Informatics Limited	Selling Shareholder	Up to 5,486,893 Equity Shares aggregating to Rs. 51.02 crores	8.55
Placid Holdings	Selling Shareholder	Up to 3,048,375 Equity Shares aggregating to Rs. 28.34 crores	81
Catalyst Trusteeship Limited (erstwhile Milestone Trusteeship Services Private Limited) as the trustee of Madison India Opportunities Trust Fund	Selling Shareholder	Up to 1,333,513 Equity Shares aggregating to Rs. 12.40 crores	69.45
Madison India Capital HC	Selling Shareholder	Up to 447,428 Equity Shares aggregating to Rs. 4.16 crores	81



## Fresh Issue (1,29,03,226 Equity Shares of Rs. 120 Crores)

Company proposes to utilize the Net Proceeds towards funding the following objects

1. Part-funding working capital requirements of Company;
2. Investments in cloud infrastructure and technology;
3. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

Source: Red Herring Prospectus (RHP)

### Shareholding pattern

The company is 100% publicly owned.

Source: Red Herring Prospectus (RHP)

### Peer Comparison

Name of Company	Total Income (in Rs Crores)	Face value (Rs per share)	Basic EPS (Rs.) FY23	Basic EPS (Rs.) 9MFY24	NAV (per share) (Rs)	P/E (as per FY23 EPS)	P/E (as per 9MFY24 EPS)	RoNW (%)
Le Travenues Technology Limited	517.57	1	0.55	1.74	9.79	169.09	53.44	5.74
Listed peers								
Easy Trip Planners Limited	464.19	1	0.77	0.68	2.13	54.28	61.47	36.21
Yatra Online Limited	397.46	1	0.69	(0.78)	14.8	188.40	-	4.5

Source: Red Herring Prospectus (RHP)

### Competitive Strengths

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 with significant operating leverage and organic flywheel
5. Experienced management team with lean organization structure.

Source: Red Herring Prospectus (RHP)

### Growth Strategies

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

Source: Red Herring Prospectus (RHP)

### Key Risks

1. The train ticketing services depend on their agreement with IRCTC. The termination of this agreement with IRCTC could preclude them from undertaking the train ticketing services and could otherwise have a material adverse effect on results of operations, cash flows, financial condition and business prospects.
2. Company's arrangement with IRCTC is on a non-exclusive basis and IRCTC may engage with other distribution partners including competitors.
3. Any failure to maintain satisfactory performance of technology infrastructure, including OTA platforms, particularly those leading to disruptions in services, could materially and adversely affect the business and reputation, and business may be harmed if company's technology infrastructure or technology is damaged or otherwise fails or becomes obsolete.
4. They are subject to privacy regulations, and compliance with these regulations could impose significant compliance burdens.

Source: Red Herring Prospectus (RHP)


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