

**Rating: Subscribe for listing gains**

### Issue Offer

**Fresh Issue of Equity Shares aggregating up to INR 602 Cr and Offer for Sale of 12,183,099 Equity Shares**

#### Issue Summary

Price (INR)	135-142
Face Value (INR)	1
Implied Market Cap (INR cr)	2228.21
Market Lot	105
Issue Opens on	15 <sup>th</sup> Sept 2023
Issue Close on	20 <sup>th</sup> Sept 2023
No. of share pre-issue	111,894,130
No. of share post issue	156,916,193
Listing	BSE & NSE

#### Issue Break-up (%)

QIB	75
HNI	15
Retail & others	10

#### Book Running Lead Managers

SBI Capital Markets Limited  
DAM Capital Advisors Limited  
IIFL Securities Limited

#### Registrar

Link Intime India Pvt. Ltd.

#### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	98.59%	64.46%
Non - Promoter	1.41%	0.76%
Public	0%	34.78%

#### Objects of the issue

Acquisitions and Inorganic growth,  
Investment in customer acquisition and retention,  
General corporate purposes.

**Abhishek Jain**

[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)

022 4225 4872

**Jyotiraditya Singh Gaur**

**Yatra Online Limited**, founded in 2005, is a prominent player in the Indian travel industry. Operating through its website, mobile apps, and corporate SaaS platform, the company offers a wide array of travel services to both domestic and international clients. This includes air ticketing, bus and rail ticketing, cab bookings, and a comprehensive range of accommodation options, boasting an extensive network of over 105,600 hotels across 1,490 Indian cities and towns, and a staggering two million hotels worldwide as of Fiscal 2023. Notably, Yatra Online dominates the Indian domestic hotel booking platform, with partnerships exceeding 94,000 hotels and homestays in over 1,400 Indian cities.

#### Investment Rationale

**Freight Business a growth driver over the competitors:** In a bid to expand its corporate services, Yatra Online introduced Yatra Freight, a freight forwarding venture. Serving both B2B and B2C clients, the company caters to India's frequent and high-spending travellers, particularly educated urban consumers. By Fiscal 2023, it had amassed over 813 corporate clients and 49,800 registered SME clients, securing its position as the third-largest consumer online travel company (OTC) in India. Additionally, it boasted the highest number of hotel and accommodation tie-ups among major domestic OTA players, with a remarkable 2,105,600 tie-ups in total.

**Holiday Packages for both fixed departure and personalised vacation packages are available in the holiday package selection.** Due to the emphasis on the middle-class consumer in India, many of whom are novice travellers, consumers often prefer booking vacation packages where the majority of their travel needs, such as flights, hotels, sightseeing, transportation, visas, and insurance, are covered. The company had 803 vacation packages as of March 31<sup>st</sup> 2023, including destinations in India, Asia, the Middle East, and Europe. It also has ground-handling operations and partnerships in Dubai, Singapore, Thailand, Malaysia, and Malaysia. In order to give customers of the company a larger selection of products, the company has now opened up the platform to third-party holiday package merchants who may now sell alongside the company's products through its platform.

**Integrated Technology Platform gives the company an edge over its competition:** The company uses cloud services with the ability to restore all site operations within 48 hours in the event of a total shutdown, and it uses a single data centre with an active data centre backup in a different location. They employ a hosting system for low-cost carriers and an integration layer for high-scale, fault tolerance, and configurable connectivity to numerous GDS (Global Distribution System). They have a marketplace platform that enables them to sell both their own goods and the inventory of outside vendors, which ensures seamless integration of their inventory. They have a scalable, comprehensive, and consistent user experience across all three of their go-to-market channels because of their integrated platform approach.

**Valuation and Outlook:** The company has created a distinctive "go-to-market" approach in both B2B and B2C segments indicative of a large addressable market. With a heightened focus on the high margin corporate business, we expect the company to display strong bottom-line growth in the years to come. The B2B business is expected to grow at a 5 year CAGR of 15% for the next 5 years. The offer is made at around 30.9x post-IPO EV/EBITDA at the upper price band. We recommend investors subscribe for listing gains.

INR Mn	FY21	FY22	FY23
Revenue	1,254	1,981	3,802
EBITDA	(51)	321	670
EBITDA Margin (%)	(4.04)	16.23	17.62
PAT	(1,189)	(308)	76
PAT Margin (%)	(94.75)	(15.54)	2.01
RoE (%)	(83)	(14.1)	2
EPS	(11.08)	(2.76)	0.69

Source: RHP, Arihant Capital

**Arihant Research Desk**Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

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Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800 Fax. 022-42254880