



- LTTL, known as "IXIGO," empowers Indian travelers with seamless planning and booking across rail, air, buses, and hotels. Their vision focuses on customer-centricity, driven by innovation and technology for all users.
- With an impressive revenue growth rate of 92.29% CAGR between Fiscal 2021 and Fiscal 2023, IXIGO showcases robust financial performance and a trajectory of sustained growth.
- The company commands a substantial market share in OTA rail and bus ticket bookings, with a 51% share in rail bookings and a 12.5% share in online bus ticket bookings, indicating market leadership and resilience.
- Ixigo exhibits a strong financial position, as evidenced by its robust net worth and steady revenue streams, instilling confidence in investors regarding its ability to weather market fluctuations and deliver long-term value.
- This issue is available at P/E of 160x as of March 2023 while if we annualize the FY2024 EPS annualized P/E stands at 99x excluding one-time impact, which appears expensive as compared to peers.
- **We recommend to SUBSCRIBE for long term investment because of its leadership in market share in online travel segment and major shift of trends of offline booking to online booking and adding new route across so as to increase connectivity**



About Company

- Le Travenues Technology Limited was founded in 2006 and is an online travel agency (OTA) that enables travelers to book train, flight, and bus tickets as well as hotels via its OTA platforms under the brand name "ixigo".
- The company's list of services includes PNR status and confirmation predictions, train seat availability alerts, train running status updates and delay predictions, alternative route or transportation planning, flight status updates, automated web check-in, bus running status, price and availability alerts, deal discovery, destination content, personalized recommendations, instant fare alerts for flights, AI-based travel planning service and automated customer support.

Issue details

Price Band (in ₹ per share)	88.00-93.00
Issue size (in ₹ Crore)	706.76-740.10
Fresh Issue (in ₹ Crore)	120.00
OFS (in ₹ Crore)	586.76-620.10
Issue open date	10.06.2024
Issue close date	12-06-2024
Tentative date of Allotment	13.06.2024
Tentative date of Listing	18.06.2024
Total number of shares (lakhs)	803.14-795.81
No. of shares for QIBs (75%) (lakhs)	602.36-596.86
No. of shares for NII (15%) (lakhs)	120.47-119.37
No. of shares for S-HNI (33%)(lakhs)	40.16-39.79
No. of shares for B-HNI (66%)(lakhs)	80.31-79.58
No. of shares for retail investors (10%) (lakhs)	80.31-79.58
No of shares for Employee Reservation (lakhs)	NA
Minimum order quantity	161
Face value (in ₹)	1.00
Amount for retail investors (1 lot)	14168-14973
Maximum number of shares for Retail investors at Lower Band	2254 (14 lots)
Maximum number of shares for Retail investors at Upper Band	2093 (13 lots)
Maximum amount for retail investors at lower band - upper band	198352-194649
Minimum number of shares for sHNI (2 Lakhs) at upper band	2254 (14 Lots)
Maximum number of shares for sHNI (10 Lakhs) at upper band	10626 (66 Lots)
Minimum number of shares for bHNI at upper band	10787 (67 Lots)
Exchanges to be listed on	BSE, NSE

Sankita V

sankita@canmoney.in | Tel 022-43603861



A route to making money online

Promoters

COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

Objective of the Offer

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



Brief Financials

PARTICULARS (Rs. Cr)*	9MFY24	FY23	FY22	FY21
Share Capital	37.29	37.12	36.97	0.04
Net Worth	437.12	373.76	342.68	29.93
Total Income	497.09	517.57	384.94	138.40
Profit/(Loss) After Tax	65.17	23.39	(21.09)	7.53
EPS (in Rs)	2.40^	0.58	(0.66)	0.25
Net Asset Value (Rs)	11.43	9.79	9.29	1.02
Total Borrowing	43.36	0.53	2.73	14.94
P/E#	38.75^	160.34	NA	NA
P/B#	8.14	9.50	NA	NA

Source: RHP #calculated at upper price band * Restated consolidated financials ^annualized EPS

Industry Review

Passengers Carried Across Different Modes of Transport in India

- ◆ **High Population and Diverse Travel Needs:** India, with its vast population, requires multiple transportation modes to meet the varied travel demands of its citizens. These modes are chosen based on factors such as distance, affordability, comfort, and travel time.
- ◆ **Primary Transportation Modes:** The travel industry in India is primarily divided into three modes: airways, railways, and buses.
- ◆ **Daily Commuter Statistics:** Of the 140 million daily commuters in India, over 75% use road transport, while 24% rely on rail transport. Together, these two modes cater to 99% of the country's passenger demand.
- ◆ **Surface Transport:** Surface transport, which includes both road and rail, consists of 60% intra-city traffic and 40% intercity traffic. Intercity travel tends to increase in correlation with economic growth.
- ◆ **Economic Influence on Transport:** With India's GDP expected to grow at approximately 6 to 7% annually over the next five years, the demand for road transport is anticipated to rise significantly, bearing the brunt of the transportation load.
- ◆ **Bus Segment Details:** In the bus segment, long-haul intercity buses and intra-city buses collectively transport 25 million passengers daily, a figure comparable to rail traffic. Medium haul intercity bus traffic constitutes the majority of bus usage, significantly boosting the overall contribution of road transport compared to railways.
- ◆ **Modern Bus Fleet Advantages:** The modern fleet of buses, equipped with facilities such as washrooms and sleeper coaches, offers greater convenience and comfort for medium haul journeys compared to trains.
- ◆ **Air Travel Statistics:** Despite achieving a record high of nearly 459,500 daily passenger departures by air in November 2023, air travel accounts for less than 1% of the daily transportation needs of Indian citizens.





Industry Review

Online vs. Offline Travel Booking: India

- ◆ In Fiscal 2023, the railway sector led online penetration in the Indian travel industry with 81% of reserved train tickets booked online, through both IRCTC and OTAs.
- ◆ The air travel segment saw 70% online bookings, while online hotel bookings and the bus segment had lower penetration rates at 32% and 19%, respectively.
- ◆ The overall travel industry is expected to grow by 9% from Fiscal 2024 to Fiscal 2028, with the online segment projected to grow faster at 13%, driven by significant growth in the bus (18%) and air (15%) segments.

Airlines:

- ◆ In the airline sector, online travel agencies (OTAs) have gained a significant foothold, primarily due to high-ticket values.
- ◆ Presently, online penetration amounts to ₹1,162 billion, with traditional booking methods still relevant. However, by Fiscal 2028, OTA penetration is expected to soar to 80%, outpacing the industry's overall growth rate.

Rail:

- ◆ IRCTC, the primary source for rail ticketing in India since 2002, saw online bookings reach 81% of reserved rail tickets in Fiscal 2023, expected to rise to 86% by Fiscal 2028.
- ◆ Rising popularity of AC tickets has contributed to higher average ticket fares. While the overall Indian rail industry is forecasted to grow moderately at 6% CAGR from Fiscal 2023 to Fiscal 2028, the online component is expected to grow at 8% in terms of value by 2028.

Hospitality: .

- ◆ In Fiscal 2023, the hotel market saw a 32% online penetration by value, hindered by limited online operations, especially among Tier II and Tier III hotels. However, by Fiscal 2028, this is expected to rise to 44%.
- ◆ Despite the overall hospitality industry growing at a CAGR of 7%, the online component is set to double that pace, with a projected CAGR of 14% between Fiscal 2023 and Fiscal 2028.

Bus:

- ◆ Online penetration of the bus segment is one of the fastest growing segments. The online penetration was low at 19%, for the intercity bus segment and is expected to grow to 28% by Fiscal 2028.
- ◆ Bus ticketing is still in an early stage of growth because of few participants in this market. Additionally, the offline share accounts for 81% of the total market.

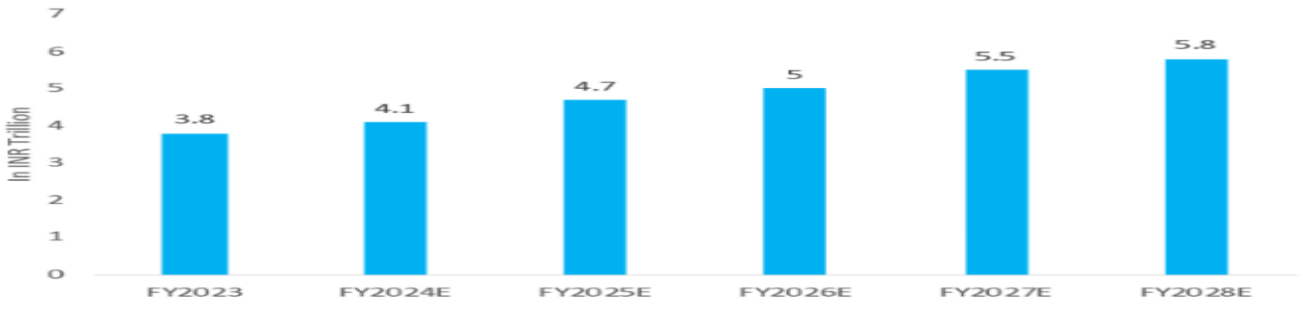
ONLINE TRAVEL AGENCY (OTA) INDUSTRY OVERVIEW

Global Travel Market Insights

- ◆ Valuation: The global travel market was worth approximately ₹821 trillion in 2023, projected to reach ₹1,232 trillion by 2033.
- ◆ COVID Impact and Recovery: Experienced a significant 50% contraction due to COVID in 2021 and 2022 but is now rebounding to pre-pandemic levels in 2023, according to WTTC.
- ◆ Asia-Pacific Growth Potential: The Asia-Pacific region, including India, presents substantial growth opportunities for the OTA industry.



Industry Review



Source: Frost & Sullivan Analysis

Indian OTA Market:

- ◆ Revenue Growth: Increased from ₹749 billion in Fiscal 2020 to ₹1,239 billion in Fiscal 2023, demonstrating a remarkable CAGR of 18%.
- ◆ Impact of COVID-19: Experienced a setback in Fiscal 2021 and Fiscal 2022 due to lockdowns, restrictions, and a decline in international travel. This also affected the hotel industry's market size.
- ◆ Recovery and Acceleration: Bounced back post-COVID with pent-up demand and revenge traveling, accelerating growth since then.
- ◆ Future Projections: Estimated to reach ₹2,802 billion by Fiscal 2028, with a forecasted CAGR of 18% from Fiscal 2023 to Fiscal 2028.



Competitive Strengths

Leading online travel agency ("OTA"), with significant penetration in the underserved 'next billion user' market segment

- ◆ Leading OTA for the 'next billion users', boasting the highest Monthly Active Users for mobile apps across key OTAs as of September 2023 (Source: F&S Report).
- ◆ Second largest OTA in India by consolidated revenue from operations in Fiscal 2023, showcasing significant growth and competitiveness in the market (Source: F&S Report).
- ◆ Fastest growing OTA in India, witnessing remarkable revenue growth from Fiscal 2020 to Fiscal 2023, indicative of strong market penetration and expansion (Source: F&S Report).
- ◆ Notable increase in transactions booked through OTA platforms, with a staggering CAGR of 139.43% from Fiscal 2021 to Fiscal 2023, reflecting increasing user engagement and trust in their services.

Artificial intelligence ("AI") and technology-driven operations

- ◆ Technology-driven approach: Leveraging artificial intelligence, data science, and machine learning to enhance travel offerings and operational efficiency.
- ◆ Advanced technology platforms: Developed proprietary algorithms for search, caching, train PNR prediction, and crowd-sourcing, enhancing customer experience and providing accurate information.
- ◆ Innovative products: Recently launched ixigo PLAN, an AI-based trip planner, and generative AI plugin for conversational interactions, offering detailed itineraries and real-time destination information to travelers.

Established consumer travel brands built with user-first approach

- ◆ High user satisfaction and engagement: ixigo Group apps rated 4.6 on Google Play Store and recorded highest usage and engagement among OTAs and standalone train mobile apps in India (Source: F&S Report).
- ◆ Rapid user growth: Monthly Active Users surged from 21.59 million in March 2021 to 77.04 million in December 2023, showcasing strong brand presence and loyalty (Source: F&S Report).
- ◆ Market recognition and growth: Ranked as the fastest-growing OTA platform in terms of monthly app downloads in September 2023, and ixigo trains app was globally the 8th most downloaded travel and navigation app in 2022 (Source: F&S Report).



Risk Factors

There arrangement with IRCTC is on a non-exclusive basis and IRCTC may engage with other distribution partners including Their competitors.

- ◆ There arrangement with IRCTC is on a non-exclusive basis. IRCTC engages with and may continue to engage with other distribution partners for its tickets, including their competitors.
- ◆ Further, IRCTC, itself operates an online website and mobile applications for sale of railway tickets, thereby providing a channel for direct distribution to customers.

Vulnerability of technology to damage or interruption from human error, cyber-attacks, natural disasters

- ◆ There technology infrastructure faces various threats including human error, natural disasters, and cyberattacks like ransomware.
- ◆ Despite having security measures in place, breaches remain a risk, potentially leading to data misuse, legal issues, and damage to their reputation.

Inability to adapt their OTA Platform, products and services to the changes in technologies and internet user behavior

- ◆ Their future success hinges on their ability to adapt their OTA platforms and services to evolving technologies and internet user behaviors.
- ◆ They rely on the interoperability of their services with mobile devices and operating systems like Android, iOS, and Windows, which they don't control. Changes to these systems that hinder their services' functionality or favor competitors could impact their usage.
- ◆ Moreover, expanding to new platforms may raise their costs. Rapid technological advancements, including AI, could necessitate significant investments for product integration or modification. Failing to keep pace with these changes may jeopardize their competitiveness and future success.

They are subject to privacy regulations, and compliance with these regulations could impose significant compliance burdens.

- ◆ They've upgraded their operational security, access control, and network connectivity, earning ISO 27001 and PCI DSS certifications. Following a breach in 2019, they strengthened their infrastructure with enhanced password policies, URL validation, and custom whitelists, ensuring robust protection for user data and information security systems.

**Peer Comparison**

Name of the company	GWP(in Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV(Per share Rs)	RoE (%)	P/E*	P/B*
Le Travenues Technology Limited.	517.57	1.00	0.58	9.79	5.74	160.34	9.50
Easy Trip Planners Limited.	464.19	1.00	0.77	2.13	36.21	53.64	19.39
Yatra Online Limited.	397.46	1.00	0.69	14.80	4.50	184.13	8.58

**P/E & P/B ratio based on closing market price as of June 06th, 2024, at the upper price band of IPO, financial details considered audited results as of FY23*

Our View

- ◆ LTTL, known as "IXIGO," empowers Indian travelers with seamless planning and booking across rail, air, buses, and hotels. Their vision focuses on customer-centricity, driven by innovation and technology for all users.
- ◆ With an impressive revenue growth rate of 92.29% CAGR between Fiscal 2021 and Fiscal 2023, IXIGO showcases robust financial performance and a trajectory of sustained growth.
- ◆ The company commands a substantial market share in OTA rail and bus ticket bookings, with a 51% share in rail bookings and a 12.5% share in online bus ticket bookings, indicating market leadership and resilience.
- ◆ Ixigo boasts a vast user base, with 429.38 million Annual Active Users as of March 31, 2023, and a high level of user engagement, reflected by an average of 23 monthly sessions per user in September 2023.
- ◆ Ixigo exhibits a strong financial position, as evidenced by its robust net worth and steady revenue streams, instilling confidence in investors regarding its ability to weather market fluctuations and deliver long-term value.
- ◆ This issue is available at P/E of 160x as of March 2023 while if we annualize the FY2024 EPS annualized P/E stands at 99x excluding one-time impact, which appears expensive as compared to peers.
- ◆ **We recommend to SUBSCRIBE for long term investment because of its leadership in market share in online travel segment and major shift of trends of offline booking to online booking and adding new route across so as to increase connectivity.**



Analyst Certification

We/I, Sankita V, MBA, Mcom Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Disclosures and Disclaimers

CANARA BANK SECURITIES LTD (CBSL), a wholly owned subsidiary of CANARA BANK, is a SEBI registered intermediary offering broking services to its institutional and retail clients; we also run a proprietary trading desk. CBSL is member of BSE & NSE. We are registered as RESEARCH ANALYST under SEBI (INH000001253). CBSL or its associates do not have an investment banking business. Hence, they do not manage or co manage any public issue. Neither CBSL nor its associates, neither the research analysts nor their associates nor his/her relatives (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the end of the month immediately preceding the date of publication of the research report OR date of the public appearance (iv) have received any compensation from the subject company in the past twelve months (v) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vi) have received any compensation for any other product or services from the subject company in the past twelve months (vii) have received any compensation or other benefits from the subject company or third party in connection with the research report. (viii) Research Analyst involved in the preparation of Research report discloses that he /she has not served as an officer, director, or employee of subject company (ix) is involved in market making activity of the company. We shall adhere to SEBI guidelines from time to time.

We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of CBSL. The Research Desk does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of CBSL. CBSL will not treat recipients as clients by virtue of their receiving the research report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, the Research Desk does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive it. The securities discussed in the report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive the research report should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in the research report and of evaluating the merits and risks involved in the securities forming the subject matter of the reports. All projections and forecasts in research reports have been prepared by our research team.

The client should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by CBSL For these reasons; The client should only consider the projections and forecasts described in the research reports after carefully evaluating all of the information in the report, including the assumptions underlying such projections and forecasts. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of original capital may occur. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. CBSL or its research team involved in the preparation of the research reports, accept no liabilities for any loss or damage of any kind arising out of the use of these reports. The technical levels and trend etc mentioned in our reports are purely based on some technical charts/levels plotted by software used by us and these charts/levels are believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. The recommendation expressed in the reports may be subject to change. The recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. This research reports are for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of CBSL. The Research reports or any portion hereof may not be printed, sold or distributed without the written consent of CBSL. The research report is strictly confidential and is being furnished to client solely for client's information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely based on certain assumptions & calculations and are given as part of the normal research activity of CBSL and are given as of this date and may be subject to change. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. The report has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Any opinions and projections contained herein are entirely based on certain assumptions and calculations. None of the directors of the company or any other persons in the research team accepts any liability whatsoever for any loss arising from any use of the research report or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that the client has read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India (SEBI) before investing in Securities Market. Please remember that investment in stock market is subject to market risk and investors/traders need to do study before taking any position in the market.

Research Desk
Canara Bank Securities Ltd
SEBI: RESEARCH ANALYST REGISTRATION: INH000001253
BSE: INB 011280238, BSE F&O: INF 011280238
NSE: INB 23180232, F&O: INF 231280232, CDS: 231280232
Maker Chambers III, 7th floor,
Nariman Point, Mumbai 400021
Contact No. : 1800220369/18001031369, 022 - 22802441/42,
43603841/42
Email id: researchdesk@canmoney.in Website: www.canmoney.in