

# Le Travenues (IXIGO) Ltd

Digitalizing the travel experience



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## Digitalizing the travel experience

Le Travenues Technology Ltd. (LTTL), known as IXIGO, is a technology company focused on empowering Indian travelers to plan, book, and manage trips across rail, air, buses, and hotels. Its vision is to be the most customer-centric travel company, offering exceptional customer experience through technology, cost efficiency, and innovation.

LTTL's OTA platforms provide train, flight, bus, and hotel bookings, along with travel utility tools like PNR status, confirmation predictions, seat availability alerts, running status updates, and delay predictions. According to the F&S Report, LTTL leads the 'next billion users' OTA market, targeting Tier II and Tier III travelers. It was the second-largest OTA in India by consolidated revenue in FY23. LTTL is the largest Indian train ticket distributor in the OTA market, holding a 51% market share as of March 31, 2023, which grew to 52.4% in the first half of FY24. Its bus app, AbhiBus, ranked second in online bus ticket bookings with an 11.5% market share in FY 2023, increasing to 12.5% in the first half of FY24. The company captured 5.2% of the airline OTA market by volume in the first half of FY24, up from 3.3% in FY23, and is the fastest-growing OTA in India by revenue from operations between FY20 and FY23.

LTTL's revenue from operations grew at a 92.29% CAGR between FY21 and FY23. It boasts the highest app usage among OTAs, with 83 mn Monthly Active Users (MAUs) as of September 2023 and led in app downloads with 4.9 mn in September 2023. As of March 31, 2023, LTTL had 429.38 mn Annual Active Users and 49.07 mn transactions in FY23. By December 31, 2023, it had 213.21 mn registered users and 42 mn transactions in the first nine months of FY24. The ixigo trains app was the 8th most downloaded travel app globally in 2022, and along with the ConfirmTkt app, ranked in the top 10 travel apps in India.

LTTL has significant penetration in the 'next billion users' market, comprising new internet users from non-Tier I areas and lower-income groups in Tier I cities. These users made up 60%-65% of the travel market in 2023, with over 90% of bookings from non-Tier I transactions between FY21 and FY23. The company's focus on this segment has led to high engagement and customer satisfaction, with an average of 23 sessions per user per month in September 2023.

LTTL enhances its offerings through utility-focused OTA platforms, cross-selling and up-selling services like ixigo Assured and Abhi Assured. It also cross-sells flight bookings to users of its other apps. The company has transitioned from a travel meta search engine to a utility platform and OTA, generating organic user traffic and converting them into transacting users. LTTL's API-based connection to Indian Railways enables real-time train ticket bookings.

Key Financial Data (INR Cr, unless specified)

	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (₹)	BVPS (₹)	RoE (%)	RoIC (%)	P/E (X)	P/B(X)
FY20	111.6	(24.5)	(26.6)	(21.9)	(23.8)	(1.2)	(10.4)	11.8	74.2	n.a	n.a
FY21	135.6	3.3	7.5	2.4	5.6	0.3	1.4	24.0	11.6	280.7	67.4
FY22	379.6	(12.3)	(21.1)	(3.2)	(5.6)	(1.1)	15.8	(7.1)	(10.0)	n.a	5.9
FY23	501.3	28.7	23.4	5.7	4.7	1.0	17.2	5.8	7.7	93.2	5.4

Industry	E-commerce aggregator
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### Issue Details

Listing	BSE & NSE
Open Date	10 <sup>th</sup> June 2024
Close Date	12 <sup>th</sup> June 2024
Price Band	INR 88-93
Face Value	INR 1
Market Lot	161 shares
Minimum Lot	1 Lot

### Issue Structure

Fresh Issue(%)	16.2
Issue Size (INR cr)	INR 740.1
Issue Size (Shares)	7,95,80,900
QIB Share (%)	≤ 75%
Non-Inst Share (%)	≥ 10 %
Retail Share (%)	≥ 15 %
Pre issue sh (nos)	37,45,19,945
Post issue sh (nos)	38,74,23,171
Post issue MCap (INR cr)	3,603

Shareholding (%)	Pre (%)	Post (%)
Promoter	0.00	0.00
Public	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>

## Issue Structure and Offer Details

The proposed issue of Le Travenues Ltd is a mix of fresh issue (16.2%) for 1,29,03,226 shares aggregating to Rs 120 crores & an offer for sale of 6,66,77,674 shares aggregating up to Rs. 620.1 crores. The price band for the issue is in the range of INR 88-93 and the bid lot is 161 shares and multiples thereof.

Issue Structure	
Investor Category	Allocation
QIB	Not more than 75.00% of the Net offer
NIB	Not less than 10.00% of the Offer
Retail	Not less than 15.00% of the Offer

*Number of shares based on a higher price band of INR 93*

*Source: Company Reports*

Objects of the issue	
Particulars	Amount (in Rs. Cr.)
Part funding of working capital requirement	450
Investments in technology and data science including on cloud and server hosting, technology on artificial intelligence and customer engagement	258
Funding inorganic growth and general corp. purposes	n.a

*Source: Company Reports*

## Financial summary

Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23	Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23
<b>Income Statement</b>					<b>Per share data &amp; Yields</b>				
Revenue	111.6	135.6	379.6	501.3	Adjusted EPS (INR)	(1.2)	0.3	(1.1)	1.0
<i>YoY Growth (%)</i>	<i>176.5</i>	<i>21.5</i>	<i>180.0</i>	<i>32.1</i>	Adjusted Cash EPS (INR)	(1.1)	0.4	(0.8)	1.5
Raw Material Cost	181.8	146.2	152.5	81.2	Adjusted BVPS (INR)	(10.4)	1.4	15.8	17.2
<i>RM Cost to Sales (%)</i>	<i>162.9</i>	<i>107.8</i>	<i>40.2</i>	<i>16.2</i>	Adjusted CFO per share (INR)	1.6	(0.7)	(1.6)	1.4
Employee Cost	34.4	34.8	95.2	126.3	CFO Yield (%)	1.7	(0.8)	(1.7)	1.5
<i>Employee Cost to Sales (%)</i>	<i>30.8</i>	<i>25.7</i>	<i>25.1</i>	<i>25.2</i>	Adjusted FCF per share (INR)	1.6	(0.5)	(1.5)	1.2
Other Expenses	(80.1)	(48.7)	144.2	265.1	FCF Yield (%)	1.7	(0.5)	(1.6)	1.3
<i>Other Exp to Sales (%)</i>	<i>(71.8)</i>	<i>(35.9)</i>	<i>38.0</i>	<i>52.9</i>	<b>Solvency Ratio (X)</b>				
EBITDA	(24.5)	3.3	(12.3)	28.7	Total Debt to Equity	(1.0)	0.5	0.0	0.0
<i>Margin (%)</i>	<i>(21.9)</i>	<i>2.4</i>	<i>(3.2)</i>	<i>5.7</i>	Net Debt to Equity	(0.8)	(0.6)	(0.4)	(0.4)
<i>YoY Growth (%)</i>	<i>(54.7)</i>	<i>(113.5)</i>	<i>(472.8)</i>	<i>(333.2)</i>	Net Debt to EBITDA	(7.7)	(5.4)	11.5	(4.9)
Depreciation & Amortization	2.3	1.9	7.8	10.8	<b>Return Ratios (%)</b>				
EBIT	(26.7)	1.4	(20.2)	17.9	Return on Equity	11.8	24.0	(7.1)	5.8
<i>Margin (%)</i>	<i>(23.9)</i>	<i>1.0</i>	<i>(5.3)</i>	<i>3.6</i>	Return on Capital Employed	(355.1)	8.8	(7.0)	5.4
<i>YoY Growth (%)</i>	<i>(54.0)</i>	<i>(105.3)</i>	<i>(1,521.6)</i>	<i>(188.8)</i>	Return on Invested Capital	74.2	11.6	(10.0)	7.7
Other Income	1.4	2.8	5.4	16.3	<b>Working Capital Ratios</b>				
Bill discounting & other charges	1.3	1.6	2.8	0.9	Payable Days (Nos)	91	53	43	26
Fin Charges Coverage (X)	(21.4)	0.9	(7.2)	18.9	Inventory Days (Nos)	0	0	0	0
Exceptional Item	0.0	0.0	0.0	(12.6)	Receivable Days (Nos)	14	71	8	9
PBT	(26.6)	2.7	(17.6)	20.7	Net Working Capital Days (Nos)	-78	18	-35	-18
<i>Margin (%)</i>	<i>(23.8)</i>	<i>2.0</i>	<i>(4.6)</i>	<i>4.1</i>	Net Working Capital to Sales (%)	(21.2)	5.0	(9.5)	(4.8)
<i>YoY Growth (%)</i>	<i>(53.6)</i>	<i>(110.2)</i>	<i>(750.2)</i>	<i>(217.5)</i>	<b>Valuation (X)</b>				
Tax Expense	0.0	(4.8)	3.5	(2.7)	P/E	(75.8)	280.7	(82.7)	93.2
<i>Tax Rate (%)</i>	<i>0.0</i>	<i>(178.3)</i>	<i>(19.9)</i>	<i>(13.2)</i>	P/BV	(9.0)	67.4	5.9	5.4
PAT	(26.6)	7.5	(21.1)	23.4	EV/EBITDA	(90.2)	605.3	(152.3)	65.4
<i>Margin (%)</i>	<i>(23.8)</i>	<i>5.6</i>	<i>(5.6)</i>	<i>4.7</i>	EV/Sales	19.8	14.7	4.9	3.7
<i>YoY Growth (%)</i>	<i>(53.6)</i>	<i>(128.3)</i>	<i>(380.0)</i>	<i>(210.9)</i>	<b>Cash Flow Statement</b>				
Min Int/Sh of Assoc	0.0	(0.3)	(3.3)	(1.8)	PBT	(26.6)	2.7	(17.6)	20.7
Net Profit	(26.6)	7.2	(24.4)	21.6	Adjustments	41.1	7.8	(56.0)	19.0
<i>Margin (%)</i>	<i>(23.8)</i>	<i>5.3</i>	<i>(6.4)</i>	<i>4.3</i>	Change in Working Capital	19.5	(30.5)	42.7	(11.7)
<i>YoY Growth (%)</i>	<i>(53.6)</i>	<i>(127.0)</i>	<i>(439.3)</i>	<i>(188.7)</i>	Less: Tax Paid	0.0	4.8	(3.5)	2.7
<b>Balance Sheet</b>					Cash Flow from Operations	34.0	(15.2)	(34.3)	30.7
Share Capital	0.0	232.6	37.0	37.1	Net Capital Expenditure	(0.6)	(0.0)	(1.9)	(5.3)
Total Reserves	(225.1)	(202.7)	305.7	336.6	Change in Investments	(4.7)	(10.2)	(219.7)	27.4
Shareholders Fund	(225.0)	29.9	342.7	373.8	Cash Flow from Investing	(5.3)	(10.2)	(221.6)	22.0
Long Term Borrowings	232.6	9.8	0.0	0.0	Change in Borrowings	(0.8)	15.1	(15.0)	(1.4)
Deferred Tax Assets / Liabilities	0.0	(1.4)	2.4	(13.4)	Less: Finance Cost	(1.3)	(1.6)	(2.8)	(0.9)
Other Long Term Liabilities	10.9	35.4	53.8	35.9	Proceeds from Equity	0.0	0.0	275.7	0.2
Long Term Trade Payables	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0
Long Term Provisions	1.4	1.9	2.8	4.1	Dividend Paid	0.0	0.0	0.0	0.0
Total Liabilities	19.8	75.7	401.7	400.4	Cash flow from Financing	(2.1)	13.5	257.9	(2.2)
Net Block	6.5	99.6	288.6	292.0	Net Cash Flow	26.6	(11.8)	1.9	50.5
Capital Work in Progress	0.0	0.0	0.0	2.9	Forex Effect	0.0	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	4.8	Opening Balance of Cash	5.3	31.9	20.1	22.0
Non Current Investments	0.2	0.3	0.6	0.0	Closing Balance of Cash	31.9	20.1	22.0	72.6
Long Term Loans & Advances	7.3	8.9	10.3	13.1					
Other Non Current Assets	0.0	0.7	5.6	7.9					
Net Current Assets	5.8	(33.8)	96.6	79.6					
Total Assets	19.8	75.7	401.7	400.4					

Source: Ventura Research

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