

18<sup>th</sup> September, 2024  
 Analyst - Sushil Kr Jaiswal

Recommendation	CMP (₹)	Target (₹)	Upside Potential (%)	Time Horizon
Buy	40.90	52	27%	9 – 12 months

**EaseMyTrip**, founded in 2008, is one of India's leading online travel platforms, offering comprehensive travel solutions including air tickets, hotel bookings, holiday packages, and ancillary travel services. It is recognized as the second-largest online travel agency (OTA) in India by booking volumes and stands out as the only profitable OTA since inception. With a customer-first approach, the company has built a reputation for its “no convenience fee” model, which provides transparency and cost savings for users, setting it apart in a competitive market. Over the years, EaseMyTrip has expanded its offerings to cover every aspect of travel, making it a one-stop solution for travellers. It serves millions of customers with seamless digital booking experiences, and its platform is recognized for ease of use and reliability. The company’s commitment to customer satisfaction is reflected in its strategic collaborations which promote digital inclusion also. In addition to its strong digital presence, EaseMyTrip is expanding its physical footprint by opening franchise stores across India, enhancing its accessibility, especially in Tier-II and Tier-III cities.

Stock Details	
<b>Sector:</b>	Travel Services
<b>FV (₹):</b>	1
<b>Total Market Cap (₹):</b>	7,478 cr.
<b>52-Week High/Low (₹):</b>	54/37
<b>Sensex/Nifty (₹):</b>	82,988/25,383
<b>BSE Code/NSE Symbol:</b>	543272/EASEMYTRIP

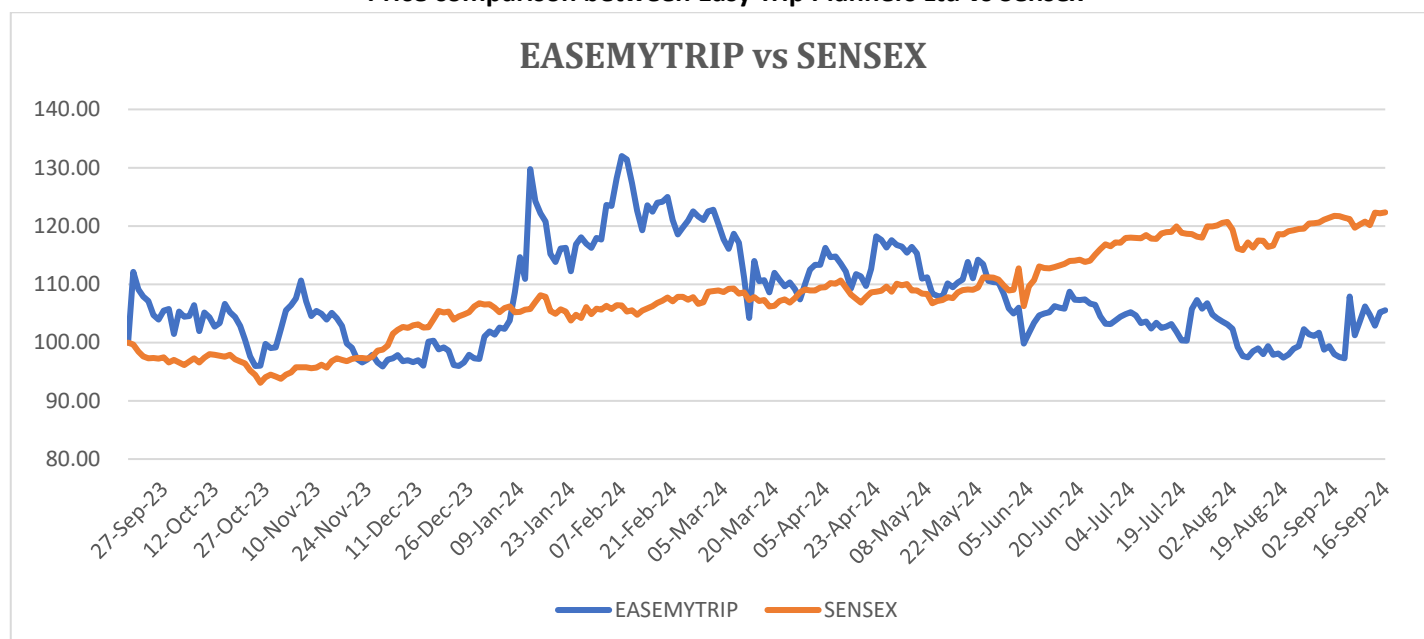
Shareholding Pattern				
	Sep-23	Dec-23	Mar-24	Jun-24
<b>Promoters</b>	65.54%	64.30%	64.30%	64.30%
<b>FIIIs</b>	2.30%	2.18%	2.78%	2.57%
<b>DIIIs</b>	2.42%	2.35%	2.45%	2.60%
<b>Public</b>	29.74%	31.16%	30.46%	30.54%

Price Performance				
	1M	3M	6M	12M
<b>EASEMYTRIP</b>	7.76%	-0.07%	-4.41%	5.63%
<b>SENSEX</b>	3.17%	7.79%	14.24%	22.33%

Key Financials (Cons)	FY21	FY22	FY23	FY24	3Y CAGR %
Net Sales	139	235	449	591	62.16%
EBITDA (Excl OI)	78	133	177	211	39.42%
EBITDA Margin (%)	56.24%	56.53%	39.45%	35.74%	
Profit After Tax	61	106	134	103	19.25%
PAT Margin (%)	30.80%	26.45%	19.57%	11.99%	
Earnings Per Share (Rs)	5.61	4.87	0.77	0.58	
Book Value	14.97	10.85	2.12	3.41	
Div Per Share (Rs)	2	1	0	0	
Dividend Yield (%)	0.95	0.29	0	0.23	
ROE (%)	46.23%	53.15%	44.26%	21.23%	-22.85%
ROCE (%)	62.14	62.67	51.62	28.04	-23.30%

Valuation Ratio (Consolidated)	Latest (TTM)	10 Year Median
P/E	58.47	17.87
P/BV	11.07	2.67
EV/EBITDA	29.72	13.42
Market Cap/Sales	15.34	2.84

Price comparison between Easy Trip Planners Ltd vs Sensex



### Reason for lower stock return compared to Sensex Index:

- EasyMyTrip reported a loss for the first time in March Quarter of FY24 of Rs.10 crore which led to the decrease in share price of the company.
- The loss incurred by EaseMyTrip was attributed to the write-off of amounts recoverable from Go Airlines (India) Limited as the holding company determined that the chances of recovery were remote due to the dispute resolution proceedings involving the airline at the National Company Law Tribunal, Delhi Branch.
- The provision amounted to Rs.54 crores net of taxes.

### Q1FY25 Con-Call Highlights:

#### Financial Performance:

- The company reported an EBITDA of INR 50.6 crores for Q1 FY2025, a significant 34.9% increase compared to the same period last year.
- Revenue from operations grew by 23% year-on-year, reaching INR 152.6 crores for the quarter.
- The PAT saw a year-on-year increase of 24.8%, amounting to INR 32.5 crores.
- The total gross booking revenue stood at INR 2,274 crores for Q1 FY2025.
- The gross booking revenue for the hotel and holiday packages segment surged by 116% year-on-year to INR 210 crores for the quarter.

- The company achieved a 139.2% year-on-year growth in gross booking revenue from its Dubai operations, totalling INR 126.7 crores.
- The flight segment recorded 26.2 lakh bookings for the quarter.
- The hotel segment reported 1.8 lakh room night bookings.
- In other travel segments, the company recorded 3.1 lakh bookings.
- The company received board approval to raise INR 1,000 crores and is planning to do so within the next couple of months for potential acquisitions.
- The marketing expenditure for the quarter was about 0.8% of the Gross Booking Revenue (GBR), with a typical variation between 0.7% to 1.1% of GBR expected going forward.
- The air segment's revenue decreased from INR 111 crores to INR 107 crores year-on-year, while EBITDA increased from INR 33 crores to INR 41 crores due to reduced costs.
- Other expenses in the last quarter were an exceptional item at 1.7%. Moving forward, they are expected to range between 0.9% and 1.2%.
- The company has been recognizing close to INR 100 million in revenue every quarter from an ongoing relationship with a client for the last 5-6 quarters.

#### Strategic Initiatives taken by Company:

- The company strategically focused on growing its non-air business, particularly hotels and holiday packages, which saw a significant **116% year-on-year increase** in gross booking revenue. This shift helps reduce reliance on the air travel segment and diversify revenue streams.
- A major strategic move was the expansion of international operations, particularly in the **Middle East and Europe**. The company's **Dubai operations** achieved a 139.2% year-on-year growth in gross booking revenue underlining the strategic importance of international markets for growth.
- The company formed a strategic partnership with **Google Wallet** to simplify the travel experience for customers. This integration allows travellers to seamlessly add boarding passes to Google Wallet after booking through EaseMyTrip, enhancing customer convenience and loyalty.
- EaseMyTrip signed a **letter of intent with ONDC (Open Network for Digital Commerce)**, a government-backed initiative aimed at democratizing digital commerce in India. This strategic alignment positions the company to capitalize on India's growing digital economy and foster greater market accessibility.
- To strengthen its omnichannel presence, the company opened its 15th and 16th franchise stores in **Amritsar and Bhopal** respectively. It plans to open **100 additional stores** by the end of the financial year expanding its physical footprint alongside its digital platform.
- The company partnered with **Adani Digital Labs** to offer **duty-free shopping** directly on its platform at major international airports in India including Mumbai, Jaipur and Lucknow. This initiative enhances the customer experience by providing exclusive deals and additional discounts for international travellers.
- EaseMyTrip became the **official travel and experience partner** for Rajasthan Royals during the 2024 cricket season and managing their travel arrangements. This partnership increased brand visibility reaching approximately **450 million people** through sports marketing.
- The company continued to invest in its **MICE (Meetings, Incentives, Conferences, and Exhibitions)** programs providing seamless business travel solutions for corporate clients. This initiative enhances EaseMyTrip's corporate offerings helping the company diversify into business and exhibition travel.
- In collaboration with **SIDBI** and the **Uttarakhand Tourism Development Board**, the company launched a **Homestay Entrepreneurship Training Program** to train over 115 homestay owners, particularly those

involved in the Chardham Yatra tourism. This program underscores the company's focus on supporting local tourism and contributing to the development of small-scale entrepreneurs.

- The company received **board approval to raise INR 1,000 crores** for potential acquisitions. This strategic move aligns with their focus on inorganic growth, expanding capabilities and market presence through acquisitions.

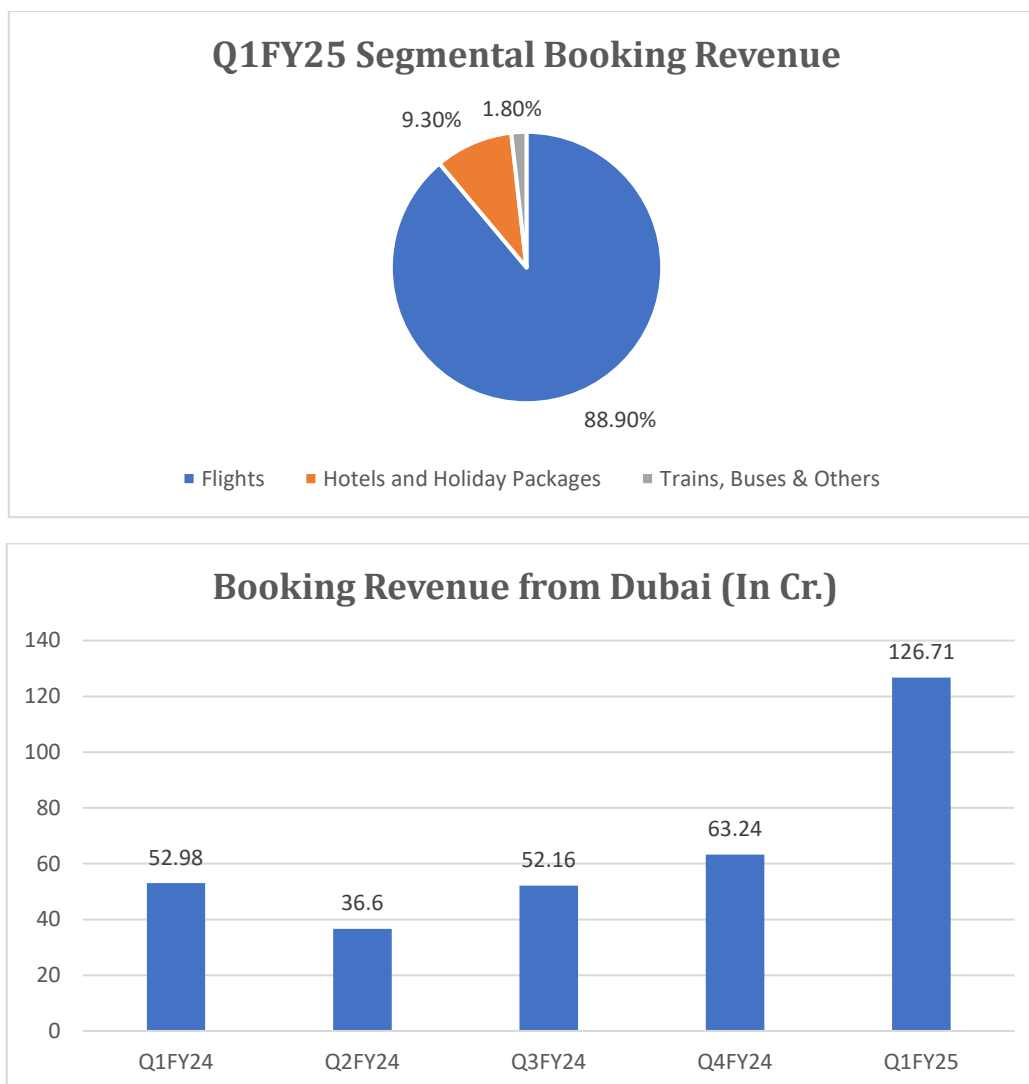
## **Key Investments made by the company:**

### **Entering into Electric Bus Manufacturing:**

- EasyMyTrip has announced its entry into electric bus manufacturing market through its new subsidiary, Easy Green Mobility. This move aligns with company's vision to capture a significant share of growing EV market in India.
- EaseMyTrip is planning to launch an electric bus prototype by the next financial year, and it has announced the establishment of a bus manufacturing facility capable of producing 2,000 units, with plans to gradually scale this up to 5,000 buses over the next two years.
- The company's decision to enter the bus manufacturing sector is tied to its existing Yolobus online bus ticketing portal and it plans to start operating its EV buses by FY27, catering to both in-house and external clients.
- EaseMyTrip has allocated an initial Rs 200 crore for research and development which has been secured through internal accruals while the company also has board approval to raise Rs 1,000 crore and is considering a capital raise within the next few months.
- The company views the EV bus ecosystem as a significant growth opportunity and intends to seek government support through the Production-Linked Incentive (PLI) scheme for electric vehicles although specific financial details of the bus manufacturing project will be shared later.

### **Expansion into Medical Tourism Industry:**

- EaseMyTrip.com has announced the acquisition of a 49% equity stake in Pflege Home Healthcare and 30% in Rollins International, marking its strategic entry into the rapidly growing medical tourism sector with the aim to offer holistic travel solutions by integrating wellness and healthcare services into its service portfolio.
- The acquisition of Pflege Home Healthcare, a renowned Dubai-based home healthcare provider enables EaseMyTrip to expand its offerings in the medical tourism space by providing comprehensive care services ranging from doctor visits, registered nursing care and physiotherapy to home-based medical equipment like ventilators and oxygen and also ensuring high-quality and compassionate care for travellers seeking medical treatments abroad.
- In addition to the Pflege acquisition, EaseMyTrip's 30% stake in Rollins International, a company with a strong presence in India focused on gluten-free, lactose-free and allergen-free food products, health supplements and advanced wellness therapies allows the company to cater to customers with specific dietary and wellness needs and also entering the healthcare market with a wide range of brands offering wellness devices, nutritional guidance and recreational spaces.
- Rollins International's flagship wellness centres are already present in cities like New Delhi, Gurugram, Mumbai, Hyderabad and Bengaluru that will further expand to additional locations providing EaseMyTrip with a solid foundation to meet the diverse lifestyle and health challenges of its customers.

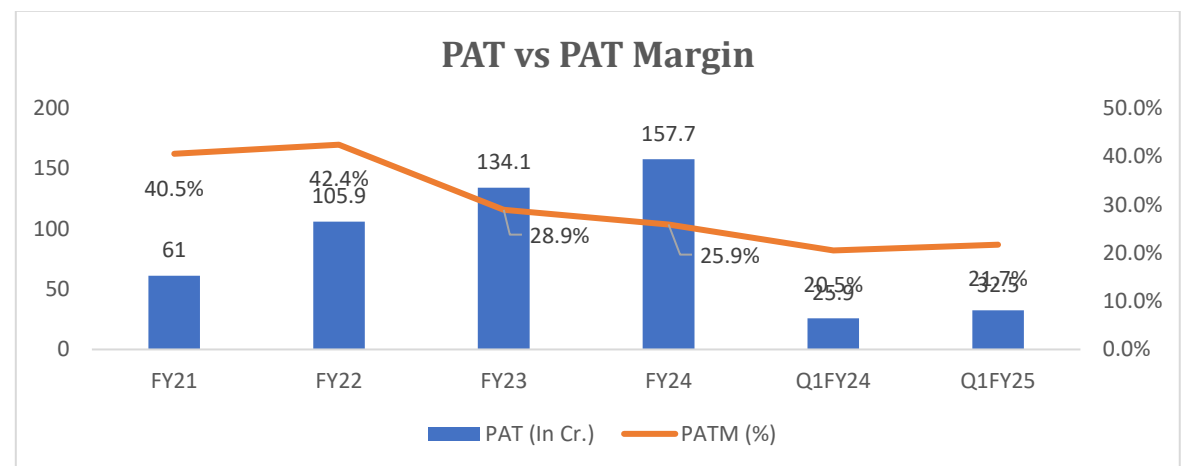
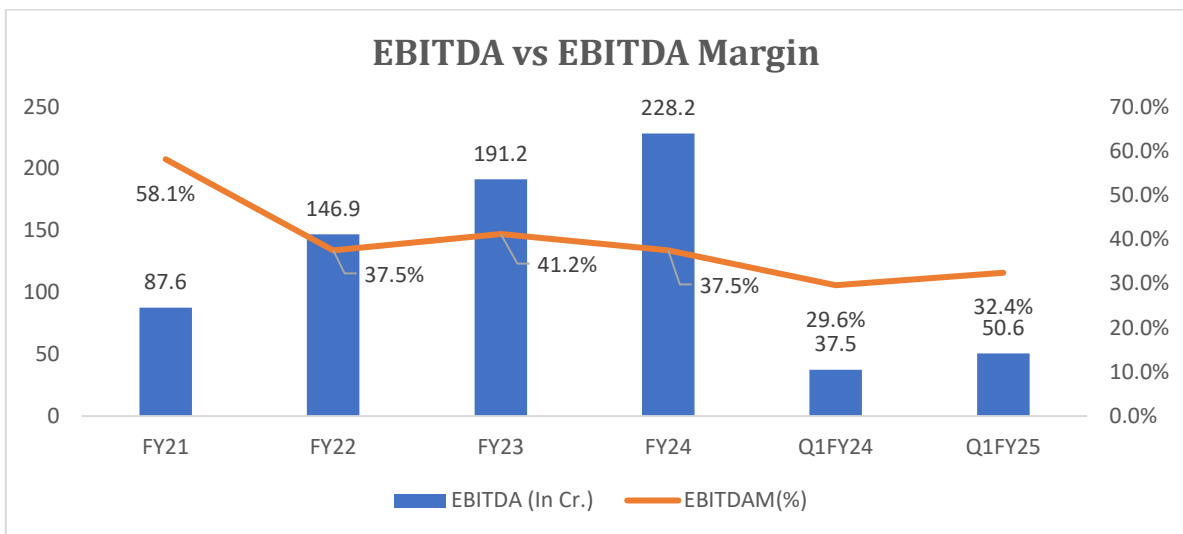
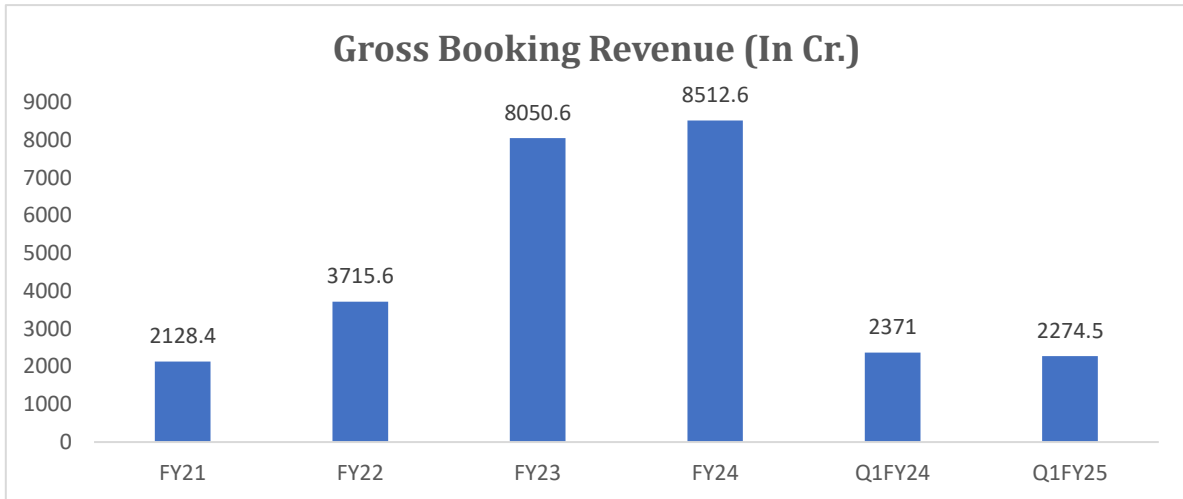


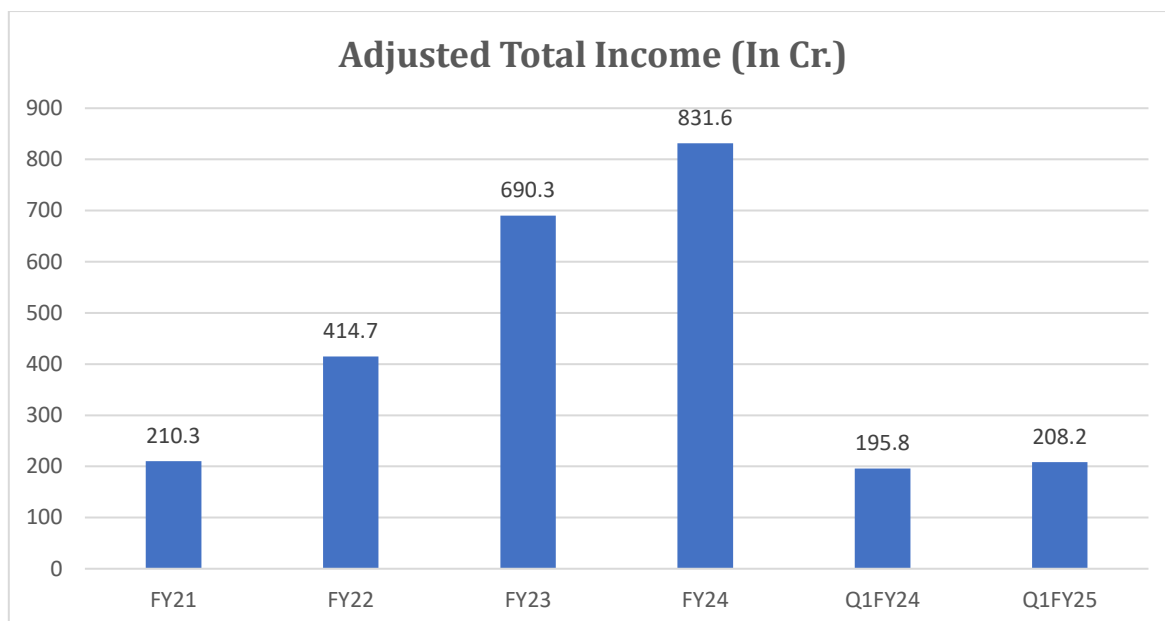
#### Investment Rational:

- EaseMyTrip has demonstrated a track record of profitability even during global disruptions like the COVID-19 pandemic. This strong financial discipline sets the company apart from other new-age tech companies that often face challenges in achieving profitability.
- In Q1 FY25, the company achieved a 23% year-on-year growth in revenue from operations, reaching INR 1,526 million. This growth is attributed to EaseMyTrip's expanding customer base, growing market presence and diversified product offerings.
- EaseMyTrip's push into international markets, especially the Middle East and Europe, reflects its ambition to capture significant global market share. With the Dubai operations showing 139.2% year-on-year growth, the company is well-positioned to leverage its cost-effective operations in India while competing with local players in these high-growth regions.
- EaseMyTrip operates with one of the lowest cost-income ratios in the Indian OTA industry. This efficient use of resources has helped the company maintain higher EBITDA margins compared to its competitors.
- The company's plan to open 100 additional franchise stores by the end of the financial year reflects its strategy to enhance offline presence and cater to a broader customer base. This omnichannel approach, combining online and offline platforms, allows for deeper market penetration, especially in underserved regions.

- The company is actively expanding into non-air verticals, such as hotels, holiday packages, and corporate travel solutions, to reduce its dependence on the air segment. This diversification strategy strengthens its revenue streams, which saw 116% growth in the non-air business, providing a hedge against cyclical variations in the airline industry.

## Performance Highlights:





## Income Statement

(In Cr.)

Income Statement (In Cr.)	FY20	FY21	FY22	FY23	FY24
<b>Revenue</b>	<b>141</b>	<b>139</b>	<b>235</b>	<b>449</b>	<b>591</b>
COGS	37	23	32	73	146
<b>Gross Profit</b>	<b>104</b>	<b>115</b>	<b>204</b>	<b>375</b>	<b>444</b>
SG&A	27	15	34	87	88
<b>EBITDA</b>	<b>77</b>	<b>100</b>	<b>170</b>	<b>289</b>	<b>356</b>
Other Income	26	1	2	2	(70)
Other Expenses	62	25	36	109	142
Depreciation & Amortization	1	1	1	3	7
<b>EBIT</b>	<b>40</b>	<b>76</b>	<b>134</b>	<b>179</b>	<b>137</b>
Interest	6	8	10	6	6
<b>EBT</b>	<b>46</b>	<b>83</b>	<b>144</b>	<b>185</b>	<b>142</b>
Taxes	13	22	38	51	39
<b>PAT</b>	<b>33</b>	<b>61</b>	<b>106</b>	<b>134</b>	<b>103</b>

## Balance Sheet

(In Cr.)

Balance Sheet (In Cr.)	FY20	FY21	FY22	FY23	FY24
<b>ASSETS</b>					
Cash And Equivalents	13.41	74.56	36.87	29.63	100.89
Short Term Investments	58.56	76.83	40.90	123.91	88.88
Trading Asset Securities	1.00	1.02	1.03	-	3.03
<b>Total Cash &amp; ST Investments</b>	<b>72.98</b>	<b>152.40</b>	<b>78.80</b>	<b>153.54</b>	<b>192.80</b>
Accounts Receivable	58.19	28.90	52.81	155.92	232.55
Other Receivables	13.93	7.28	10.62	11.24	19.09
Notes Receivable	13.24	0.21	0.13	0.03	0.13
<b>Total Receivables</b>	<b>85.36</b>	<b>36.38</b>	<b>63.56</b>	<b>167.19</b>	<b>251.76</b>
Inventory	-	-	0.26	0.66	0.85
Prepaid Exp.	0.09	0.13	0.67	1.38	5.24
Other Current Assets	94.72	179.56	180.01	324.73	109.61
<b>Total Current Assets</b>	<b>253.14</b>	<b>368.48</b>	<b>323.29</b>	<b>647.50</b>	<b>560.25</b>
Gross Property, Plant & Equipment	8.48	8.86	9.68	18.59	23.76
Accumulated Depreciation	(0.72)	(1.31)	(1.35)	(2.59)	(4.43)
<b>Net Property, Plant &amp; Equipment</b>	<b>7.76</b>	<b>7.56</b>	<b>8.33</b>	<b>16.00</b>	<b>19.33</b>
Long-term Investments	-	11.57	93.88	4.87	98.68
Goodwill	1.60	1.60	4.45	5.25	49.70
Other Intangibles	0.46	0.48	15.56	13.14	59.39
Loans Receivable Long-Term	6.53	-	-	-	0.04
Deferred Tax Assets, LT	3.06	3.29	4.26	4.47	8.24
Other Long-Term Assets	17.34	4.73	33.28	5.66	97.98
<b>Total Assets</b>	<b>289.88</b>	<b>397.68</b>	<b>483.05</b>	<b>696.89</b>	<b>893.61</b>
<b>LIABILITIES</b>					
Accounts Payable	26.64	25.60	34.65	72.61	79.19
Accrued Exp.	9.90	8.58	9.70	14.73	16.70
Short-term Borrowings	6.76	17.34	50.39	82.52	9.09
Curr. Port. of Leases	-	-	-	0.72	1.46
Curr. Income Taxes Payable	11.48	12.61	9.12	0.09	1.29
Unearned Revenue, Current	22.99	37.49	27.71	85.75	104.52
Other Current Liabilities	70.44	110.33	112.63	62.73	32.53
<b>Total Current Liabilities</b>	<b>148.20</b>	<b>211.95</b>	<b>244.20</b>	<b>319.16</b>	<b>244.77</b>
Long-Term Debt	-	-	-	0.11	3.73
Long-Term Leases	-	-	-	3.47	5.19
Unearned Revenue, Non-Current	38.68	21.24	-	-	-
Pension & Other Post-Retire. Benefits	1.75	1.83	2.91	3.76	5.81
Def. Tax Liability, Non-Curr.	-	-	-	-	9.45
Other Non-Current Liabilities	-	-	0.08	0.05	-
<b>Total Liabilities</b>	<b>188.63</b>	<b>235.02</b>	<b>247.19</b>	<b>326.54</b>	<b>268.96</b>
Common Stock	21.73	21.73	43.46	173.83	177.20
Additional Paid In Capital	-	-	-	-	146.08
Retained Earnings	79.32	140.70	192.18	196.20	281.72
Treasury Stock	-	-	-	-	-
Comprehensive Inc. and Other	0.20	0.24	0.23	(0.05)	(0.48)
<b>Total Common Equity</b>	<b>101.25</b>	<b>162.66</b>	<b>235.86</b>	<b>369.99</b>	<b>604.52</b>
<b>Total Equity</b>	<b>101.25</b>	<b>162.66</b>	<b>235.86</b>	<b>370.35</b>	<b>624.66</b>
<b>Total Liabilities and Equity</b>	<b>289.88</b>	<b>397.68</b>	<b>483.05</b>	<b>696.89</b>	<b>893.61</b>



## Cash Flow Statement

(In Cr.)

Cash Flow Statement (In Cr.)	FY20	FY21	FY22	FY23	FY24
<b>Cash flow from Operating Activities</b>					
Net Income	33	61	106	134	103
Adjustments	(16)	(38)	(12)	(14)	68
Operating Profit before Working Capital Changes	17	23	94	121	171
Change in Working Capital	11	50	(74)	(240)	(47)
<b>Cash flow from Operating Activities</b>	<b>27</b>	<b>74</b>	<b>20</b>	<b>(119)</b>	<b>124</b>
<b>Cash flow from investing activities</b>	<b>(55)</b>	<b>(23)</b>	<b>(56)</b>	<b>83</b>	<b>(43)</b>
<b>Cash flow from financing activities</b>	<b>6</b>	<b>0</b>	<b>(31)</b>	<b>4</b>	<b>56</b>
<b>Net Change in Cash during the year</b>	<b>(21)</b>	<b>51</b>	<b>(67)</b>	<b>(33)</b>	<b>137</b>

### View:

As the second-largest online travel agency (OTA) in India, **EaseMyTrip** stands out with its unique "no convenience fee" model which offers transparency and customer savings in a competitive market. Its revenue from operations grew by 23% year-on-year in Q1FY25 and its gross booking revenue for hotel and holiday packages surged by 116%. Additionally, its international expansion, particularly in Dubai, recorded an impressive 139.2% growth in gross booking revenue. The company is also diversifying beyond air travel into non-air segments such as hotels and holiday packages that reduces its dependence on air travel and enhancing revenue stability. EaseMyTrip's strategy of opening 100 new franchise stores and its partnerships with Google Wallet and Adani Digital Labs will further drive growth. The company's low cost-to-income ratio and efficient operations have helped maintain high EBITDA margins. With a target price of ₹52 and an expected upside of 27% within 9-12 months, EaseMyTrip is well-positioned for growth making it an attractive investment for those seeking exposure to India's booming travel sector.

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