

One Stop Investment Avenue



**GEPL**  
CAPITAL

IPO Note

---

**LE TRAVENUES  
TECHNOLOGY LTD**

Jun 10, 2024

**ixigo**





Jun 10, 2024

**Details of the Issue**

Price Band	₹ 88 - ₹ 93
Issue Size	₹ 740.10 Cr
Face Value	₹ 1
Bid Lot	161
Listing on	BSE, NSE
Post Issue Mcap	₹ Cr
Investment Range	₹ 14,190 - ₹ 14,960

**Important Indicative Dates (2024)**

Opening	10 - Jun
Closing	12 - Jun
Basis of Allotment	13 - Jun
Refund Initiation	14 - Jun
Credit to Demat	14 - Jun
Listing Date	18 - Jun

**Lead Manager**

Axis Capital Limited
DAM Capital Limited
JM Financial Limited

**Offer Details**

Offer Size	₹ 740.10 Cr
Fresh Issue	₹ 120 Cr
OFS	₹ 620.10 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	555	59.69	63.08	75
NIB	111	11.94	12.62	15
Retail	74	7.96	8.41	10
Em- ploy.	-	-	-	-
Total	740.10	79.58	84.10	100

**Invest Now**

**Company Profile**

Founded in 2006, Le Travenues Technology Limited, operating under the brand "ixigo," is an online travel agency (OTA) that facilitates booking train, flight, and bus tickets, as well as hotels. Their services include 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, and automated customer support. Ixigo's platforms include: ixigo trains and ConfirmTkt app, ixigo-flights mobile app, Abhibus app. As of September 2023, ixigo boasts 83 million monthly active users across its apps, according to data.ai. Recently, the company launched ixigo PLAN, an AI-based travel planner, and a generative AI plugin for conversational trip planning. They also introduced ixigo Assured Flex, offering flexible air and rail ticket options with free cancellation or rebooking (excluding price differences) for a low fee. By the end of 2023, the company employed 486 full-time staff and 4 consultants.

**Business Highlights & Services**

Ixigo is a technology company dedicated to 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, focusing on the 'next billion user' market segment through technology, cost-efficiency, and innovation. Their OTA platforms enable travellers to book train, flight, and bus tickets, as well as hotels. It provide travel utility tools and services developed with proprietary algorithms and crowd-sourced information. These include train PNR status and confirmation predictions, seat availability alerts, running status updates, 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, an AI-based travel itinerary planner, and automated customer support services.

According to the F&S Report, company is the leading OTA for the 'next billion users', focusing on localized content and features for Tier II/III travelers. In Fiscal 2023, it were the second largest OTA in India by revenue. Their platforms—ixigo flights, ixigo trains, ConfirmTkt, and AbhiBus—had the highest engagement and usage among key OTAs and train apps as of September 2023. It dominate the OTA rail market, holding a 51% market share in rail bookings as of March 31, 2023, which grew to 52.4% in the first half of Fiscal 2024. Their bus app, AbhiBus, was the second largest in India, with its market share rising from 11.5% in Fiscal 2023 to 12.5% in the first half of Fiscal 2024. In the airline OTA market, ixigo share increased from 3.3% in Fiscal 2023 to 5.2% in the first half of Fiscal 2024. It is the fastest-growing OTA in India by revenue from operations between Fiscal 2020 and Fiscal 2023.

According to the F&S Report, it lead OTAs in app usage with 83 million Monthly Active Users and had the highest monthly app downloads, 4.9 million, in September 2023. As of March 31, 2023, it had 429.38 million Annual Active Users and 49.07 million transactions in Fiscal 2023. By December 31, 2023, it had 213.21 million Registered Users and 42 million transactions in nine months. In 2022, ixigo trains was the 8th most downloaded travel app globally and ranked 2nd in India, while ConfirmTkt ranked 7th among travel apps in India.



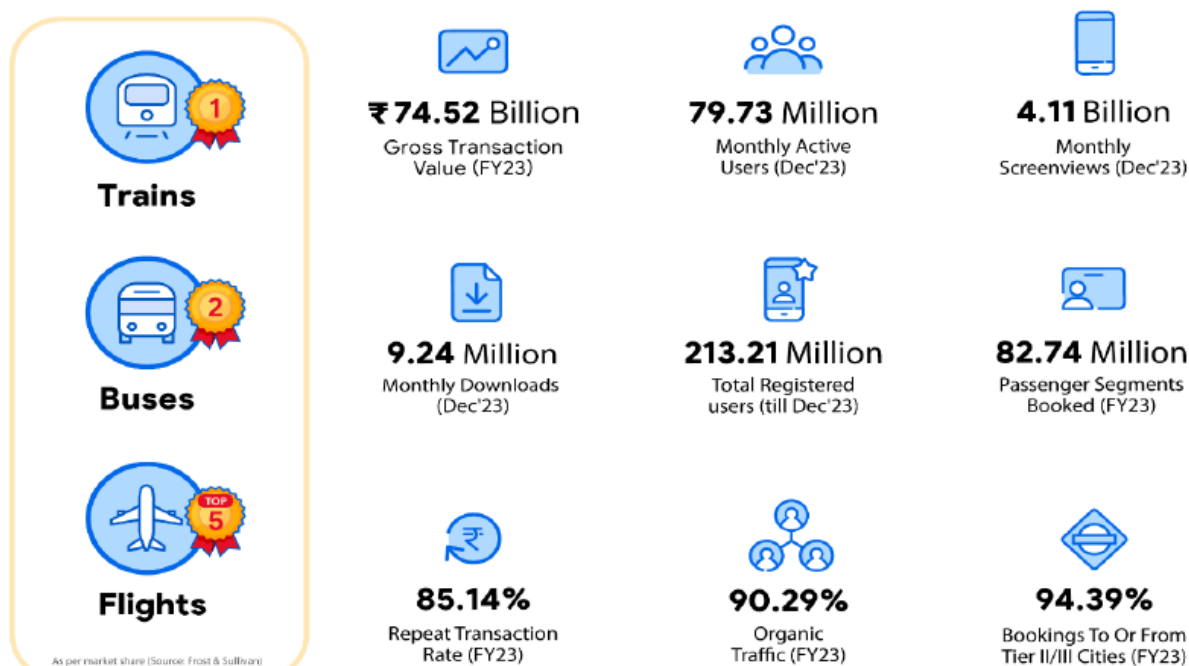
It have significant penetration in the ‘next billion user’ market, targeting “new to Internet” users from non-Tier I areas, including Tier II, III, and rural regions, as well as middle and lower-income groups in Tier I cities. By 2028, 20% of these users will come from Tier I cities, 50% from Tier II and III cities, and 30% from rural areas. In 2023, the ‘next billion users’ made up over 60%-65% of the overall travel market. In the nine months ending December 31, 2023, and the previous years, over 92% of transactions on their OTA platforms involved non-Tier I cities. Company focus on this market has led to the highest engagement among OTAs, with 23 average sessions per user per month in September 2023. Their utility-focused platforms address travel needs and transactional use-cases, enhancing customer satisfaction and driving sales of tickets and bookings across trains, flights, buses, and hotels. It effectively cross-sell and up-sell Value-Added Services (VAS) like ixigo Assured, seat selection, in-flight meals, and travel insurance. Their Ancillary Attachment Rate for VAS rose to 31.65% in the nine months ending December 31, 2023, from 15.43% in Fiscal 2021. Company Monthly Transacting Users to Monthly Active Users ratio increased from 1.81% in March 2021 to 3.40% in March 2023.

Their platforms focus on user adoption and engagement, offering convenience and customer-centric solutions. Registered Users grew from 64.66 million in March 2021 to 169.74 million in March 2023, with a CAGR of 62.02%. Company Repeat Transaction Rate stayed above 85%. In September 2023, it led all key OTAs in India in app usage and engagement.

Segment wise Revenue Breakup

Year / Period	Gross ticketing revenue*				Total	Market Share**
	Flight Ticketing	Train Ticketing	Bus Ticketing (₹ million)	Others		
Nine months ended December 31, 2023	2,173.64	2,674.07	975.18	34.82	5,857.71	6.52%
Nine months ended December 31, 2022	1,625.65	2,060.82	730.41	0.04	4,416.92	5.88%
Fiscal 2023	2,220.10	2,846.66	996.54	-	6,063.30	6.01%
Fiscal 2022	1,996.16	2,049.07	293.29	-	4,338.52	11.72%
Fiscal 2021	1,151.53	320.89	21.72	1.19	1,495.33	9.24%

Business Overview





Services Offerings



KIP's of the company

Monthly Active Users (million) <sup>(7)</sup>	77.04	62.01	62.83	44.20	21.59
Annual Active Users (million) <sup>(8)</sup>	374.94	326.58	429.38	291.22	136.26
Monthly Transacting Users (million) <sup>(9)</sup>	2.48	2.10	2.13	1.91	0.39
Annual Transacting Users (million) <sup>(10)</sup>	10.86	9.29	11.40	9.27	3.13
Lifetime Transacting Users (million) <sup>(11)</sup>	31.80	24.68	26.38	19.58	7.08
Monthly Transacting Users to Monthly Active Users ratio (%)	3.22%	3.39%	3.40%	4.32%	1.81%
Percentage of Organic Users <sup>(12)</sup> (%)	87.57%	90.25%	90.29%	89.04%	92.82%
Number of transactions (million) <sup>(13)</sup>	42.00	36.47	49.07	41.65	8.56
Passenger Segments <sup>(14)</sup> (million)	71.01	61.61	82.74	70.28	14.81
Repeat Transaction Rate <sup>(15)</sup> (%)	86.06%	85.24%	85.14%	87.83%	87.18%
Gross Take Rate (Transactions) <sup>(16)</sup> (%)	7.71%	8.09%	8.14%	7.73%	6.94%
Ancillary Attachment Rate (%) <sup>(17)</sup>	31.65%	27.96%	28.87%	26.41%	15.43%
% of Customer Queries resolved by chatbot <sup>(18)</sup>	88.54%	90.01%	89.86%	85.71%	84.20%
Monthly Screen Views <sup>(19)</sup> (million)	4,120.87	3,785.96	3,833.40	2,768.85	1,417.84
App Downloads <sup>(20)</sup> (million)	81.86	78.00	106.07	90.00	43.80
Average Transaction Value <sup>(21)</sup> (₹)	1,807.84	1,497.77	1,518.64	1,348.31	2,516.10
% of customer calls responded to within 2 minutes <sup>(22)</sup>	91.07%	81.57%	84.37%	72.59%	67.15%

Peer Comparison

Name of the company	Face Value (₹)	Total Income (₹ Cr)	EPS	P/E
Le Travenues Tech Ltd	1	517.57	0.57	NA
Yatra Online Ltd	1	422	-0.29	-
Easy Trip Planner Ltd	1	591	0.58	49.4





**Companies Competitive Strength :**

- Leading online travel agency ("OTA"), with significant penetration in the underserved 'next billion user' market segment.
- Artificial intelligence ("AI") and technology driven operations.
- Established consumer travel brands built with user-first approach.
- Diversified business model with significant operating leverage and organic flywheel.
- Experienced management team with lean organization structure.

**Key Strategies Implemented by Company**

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

Particular (INR in Cr)	9MFY24	FY23	FY22	FY21
Equity Capital	37.3	39.59	39.47	-182.66
Reserves and Surplus	399.83	334.17	303.22	-212.6
Net Worth	437.13	373.76	342.69	29.94
Revenue	497.1	517.57	384.94	138.41
Growth (%)	-	34%	178%	-
EBITDA	72.4	19.14	-16.6	8.03
EBITDAM (%)	15%	4%	-4%	6%
PAT	65.71	23.4	-21.9	7.53
PATM (%)	-	207%	-391%	-
ROCE (%)	5.60%	9.50%	-	9.50%
ROE (%)	8.90%	10.10%	-	25.20%

**Valuations and Recommendation:**

- Based on annualized FY24 earnings to post-IPO paid-up equity capital of the company, The issue is priced at a P/E of 41X. Thus the issue appears to be fairly priced compared to peers.
- Ixigo leads OTA for the 'next billion users', with the highest Mobile App Monthly Active Users among key OTAs as of Sept '23. Their Revenue CAGR between FY20-FY23 was a robust 350%, with Revenue per employee hitting 9 Cr in FY23. Their vision is customer-centricity through innovation and technology. They demonstrated a 92.29% CAGR in revenue between Fiscal 2021 and Fiscal 2023, showing strong financial performance. In OTA rail and bus ticket bookings, they hold 51% and 12.5% market shares respectively, indicating market leadership. They have 429.38 million Annual Active Users as of March 31, 2023, with high user engagement averaging 23 monthly sessions per user in Sept '23. The Indian online travel market is set to surge at a CAGR of 13% from FY23 to FY28, surpassing the growth rate of the overall travel market. Specifically, Indian OTAs are poised for even faster growth, projected at a CAGR of 18% during the same period. Ixigo is well poised to capitalize this growth. Hence, we recommend a "Subscribe" rating for the issue.



## Notes

### **GEPL Capital Pvt. Ltd**

**Head Office:** D-21/22 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400001

**Reg. Office:** 922-C, P.J. Towers, Dalal Street, Fort, Mumbai 400001

**Research Analyst – Mr. Dibandu Maji | + 022-6618 2689 | Dibandumaji@geplcapital.com**

**Disclaimer:** This report has been prepared by GEPL Capital Private Limited ("GEPL Capital"). GEPL Capital is regulated by the Securities and Exchange Board of India. This report does not constitute a prospectus, offering circular or offering memorandum and is not an offer or invitation to buy or sell any securities, nor shall part, or all, of this presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy, recommendation or any other content contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. All investments involve risks and investors should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of GEPL Capital as a result of using different assumptions and criteria. GEPL Capital is under no obligation to update or keep current the information contained herein. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices and any prices do not necessarily reflect GEPL Capital's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions, by GEPL Capital or any other source may yield substantially different results. GEPL Capital makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. Further, GEPL Capital assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Neither GEPL Capital nor any of its affiliates, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report. In no event shall GEPL Capital be liable for any direct, special indirect or consequential damages, or any other damages of any kind, including but not limited to loss of use, loss of profits, or loss of data, whether in an action in contract, tort (including but not limited to negligence), or otherwise, arising out of or in any way connected with the use of this report or the materials contained in, or accessed through, this report. GEPL Capital and its affiliates and/or their officers, directors and employees may have similar or an opposite position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). The disclosures contained in the reports produced by GEPL Capital shall be strictly governed by and construed in accordance with Indian law. GEPL Capital specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL Capital and GEPL Capital accepts no liability whatsoever for the actions of third parties in this regard.