

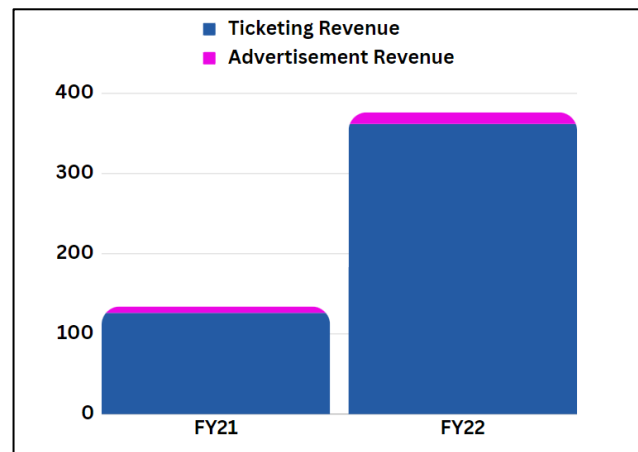
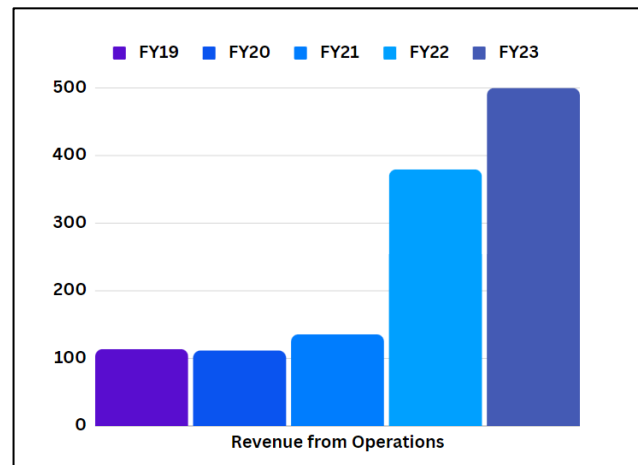
LE TRAVENUES TECHNOLOGY LTD.

Company Data

Market Cap (in Cr)	3402
Industry	Travel & Tourism
Net Worth (in Cr)	342.69
LTP (on 16-05-2023)	92
D/E	0.01x
Shares Outstanding	36.97
Current Ratio	1.71x
Sales CAGR (3Y)	48.02%

About Company:

Founded in 2007, Le Travenues Technology Ltd., known by the brand name Ixigo is an online travel portal headquartered in Gurugram. Ixigo is a technology company focused on empowering Indian travellers to plan, book and manage their trips across rail, air, buses and hotels. The company assist travellers in making smarter travel decisions by leveraging artificial intelligence, machine learning and data science led innovation on its OTA platform which comprises its website and mobile application. According to the F&S report, Ixigo is a leading travel ecosystem for the 'next billion users' which are focused on localized content and app features that aims at solving problems of travellers. Ixigo is the largest Indian OTA in the online train booking segment and its train centric mobile applications, Ixigo Trains and ConfirmTkt, which were collectively the leading B2C distributors for IRCTC with 42% market share in terms of rail bookings among the OTAs and B2C distributors of IRCTC in FY21. The company also runs a bus focused app, abhibus, which was the second largest bus ticketing OTA in India with a 10% market share in FY21. The company's revenues have grown at a CAGR of 48.02% between FY19 and FY22. Ixigo Trains App and ConfirmTkt feature in Top 10 Downloaded Travel Apps (Worldwide and India) in 2022, as per Data.ai.



Key Updates:

1. Ixigo recorded a nearly 5X growth in operating revenue from pre-pandemic levels, generating over Rs.500 crore in FY23 and is targeting 40% revenue growth.
2. The company aims to scale its business to a projected Rs.700 crore in FY24. It claimed to be cash flow positive and said it has achieved an EBITDA margin of more than 7% in FY23. The gross transaction value of the company is currently Rs.10,000 crore a year and it intends to grow this by 2X over the next 2 years.
3. The government push towards the Railway and Infrastructure is expected to be positive for the Travel & Tourism industry. The budget outlay towards the aforementioned sector is the highest ever capital outlay by the government, this will help the sector grow and the major beneficiary of this development which is the Travel & Tourism industry is all set to make good of the opportunity. With the upcoming developments in the aviation sector along with the increasing number of air fleets and air passengers, the online ticket aggregators (OTAs) will benefit from the same.
4. Ixigo invested Rs.26 crore in Bengaluru-based electric bus startup FreshBus for the launch of inter-city electric bus services across India.

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Industry Overview:

According to Mordor Intelligence, travel and tourism is the seventh-highest contributor to India’s GDP. As per WTTC, India positioned tenth among 185 nations with regards to travel and tourism industry’s absolute commitment to Gross domestic product in 2019, as it contributed 6.8% to India’s Gross domestic product at ~13,68,100 Crore (US\$ 194.30 Billion). As a result of visitor exports, Indian tourism and hospitality is anticipated to earn US\$ 50.9 billion by 2028, up from US\$ 28.9 billion in 2018. By FY 2026-27, India’s travel market is expected to reach US\$ 125 billion, up from US\$ 75 billion in 2019-20. The Indian airline travel market is expected to double in size by FY 2026-27 as a result of expanding passport access and improving airport infrastructure, with an estimated value of US\$ 20 billion.

Due to rising disposable income and access to internet, there has been a development in the web-based travel market in India. In parallel, innovative vacation and travel package deals have been made available to travelers by online travel services providers. In addition, they have been offering a wide range of elements to potential travelers, including information on affordable packages for domestic and international destinations, discounts on car rentals, and cashback on flights. By putting resources into technological innovation, similar to client amicable web-based correspondence and chatbots, these organizations are making booking simpler for clients. Automated procedures, such as seat reservation, meal reservation, cancellation, and customer service, have also been added to the offerings of leading players in the industry. These procedures simplify the entire travel and holiday package booking process. Because of all of this, the entire experience is now more transparent, and customers can now choose their own travel plans based on their individual preferences and budgets.

India’s online market is expected to double between FY20 and FY25 to reach US\$31 billion, representing a 14% compound annual growth rate from FY20 levels. This is due to the growing use of internet platforms in underpenetrated industries like bus travel, international travel, and hotels, where online volume penetration is less than 20%. Due to rising income levels, there has also been an elevated growth in the underlying demand in industries like hotels and air travel. Last but not least, India’s online market has grown as a result of travel becoming more popular in lower tier towns.

Products & Services:

Le Travenues Technology Limited is a technology company focused on empowering Indian travellers to plan, book and manage their trips across rail, air and hotels. The company’s OTA platform allows travellers to book train tickets, flight tickets, bus tickets, hotels and cabs, while providing travel utility tools and services developed using in-house proprietary algorithms and crowd-sourced information, including train PNR status and confirmation predictions, train seat availability alerts, train running status updates and delay predictions, flight status updates, bus running status, pricing and availability alerts, deal discovery, destination content, personalized recommendations, instant fare alerts for flights and automated customer support services. According to the F&S report, the company is the leading travel ecosystem for the “next billion users”, with its focus on localized content and app features that aims at solving problems of travellers. The company runs the following platforms, Confirmktk and Ixigo train for train ticketing, Ixigo for flight ticketing, abhibus and freshbus for bus ticketing and bus services. The company also partnered with booking.com for the booking of hotels.



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Ixigo-trains: is a mobile app, available for the android and iOS operating systems, was launched on android in 2013 with the primary focus on improving the experience of the Indian train travelers. Ixigo trains mobile app is designed to provide various daily utility use cases by helping travelers find train routes, check train running status, coach positions, platform numbers and location, real-time seat availability, train and train station ratings 167 and reviews, station alarms, refund calculator, and PNR predictions for waitlisted bookings. The company offers news, games, videos and other entertainment offerings through our ixigo trains mobile app.

ConfirmTkt: is other train-focused mobile app. It is a train ticket wait-list prediction and booking platform, available for Android and iOS. It aims at ensuring that users get a 'confirmed ticket'. ConfirmTkt's unique value proposition is built around predicting confirmation chances for waitlisted tickets and giving alternate travel and train recommendations. This is powered by learning of seat allotment patterns on trains and machine learning algorithms built on historical data. ConfirmTkt offers a free cancellation option for train tickets so that users can get a full refund of their fare if they have change of plans or their ticket gets waitlisted. ConfirmTkt wallet ensures that frequent travellers do not have to wait to get their refunds and hence can book their future travel earlier. It also facilitates real-time train tracking, even in the offline mode (without internet) using the information gathered from telecom towers on the train route and user generated information. The platform also distinguishes itself by allowing users to book train tickets directly as opposed to re-directing users to the IRCTC website, and by offering intelligent alternate travel recommendations.

Ixigo-flight: is a mobile app available for android and iOS operating systems was launched in 2011 and allows users to search and book all the travel products and services, including flight tickets, train tickets, buses and hotels. Users can access all their past and future bookings, check and modify booking details and request for e-tickets and details on text message service. Users can make bookings by redeeming 'ixigo money'. Some innovative features of the application include the ability to track flights and trains on a real-time basis, users can web checkin for flights and ability to offer fare prediction and provide instant fare alerts. The platform allows multi-modal searches which enables users to plan their travel across trains, flights, buses and hotels.

Abhibus: is an OTA platform available through the website & also through a mobile app that is available for android & iOS OS. AbhiBus allows users to check amenities provided, compare booking fares, check bus timings in the searched route & other facilities. AbhiBus has an inventory of over 2,500 bus service partners who cover more than 100,000 routes across the country. It is the official ticketing partner for several state road transport corporation bus tickets & has also partnered with IRCTC for distribution of bus tickets on IRCTC website & app. AbhiBus also has a separate agreement with IRCTC to act as a principal service provider on a non-exclusive basis for booking of reserved e-tickets for travel in trains through the IRCTC web service. We primarily earn revenue from the bus tickets booked by users through our platforms in the form of convenience fees & commissions.

How does the company earn?

Le Travenues Technology Limited being an online ticket aggregator (OTA) earns through selling train, bus and air tickets through its online platform. Ixigo has 4 platforms through which it sells tickets. The ticketing fee includes:

Air Ticketing: Airline commissions, convenience fees, ixigo assured fees, ancillary services.

Train Ticketing: Agent service charges, payment gateway charges, ixigo assured fees.

Bus Ticketing: Convenience fees, commissions, ixigo assured fees.

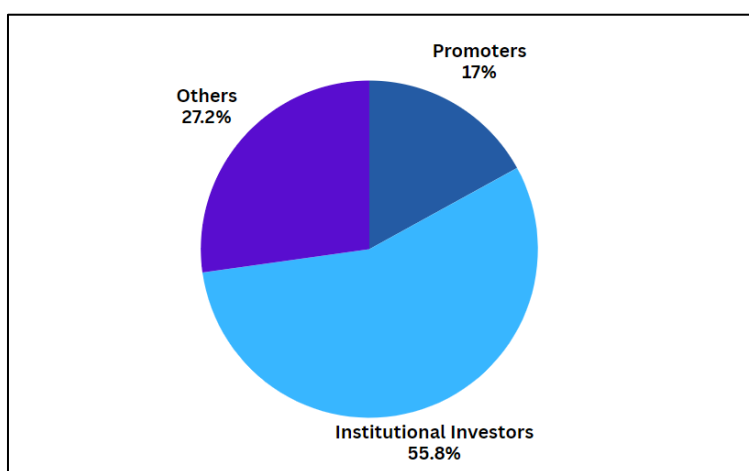
Hotels: ixigo partnered with booking.com to cater to the audience looking for booking hotel rooms. The company charges convenience & commission fee from the customers which are routed to booking.com through its website.

As a part of the process, the company charges various fees for ticketing and also earns through various advertisements which it runs on the platforms, these includes impression based and click based advertising.

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Management & Shareholding Pattern:

Name	Title
Aloke Bajpai	CEO
Rajnish Kumar	CPTO
Rahul Gautam	CFO
Suresh Kumar Bhutani	CS



Financials:

P&L Statement

Year	2020	2021	2022
Net Sales	111.60	135.57	379.58
Other Income	1.36	2.84	5.36
Total Income	112.96	138.41	384.94
Total Expenditure	136.05	132.26	391.90
EBITDA	-23.10	6.14	-6.95
Depreciation	2.27	1.89	7.84
EBIT	-25.36	4.26	-14.80
Interest	1.25	1.55	2.80
PBT	-26.61	2.71	-17.60
Tax	-	-4.83	3.49
PAT	-26.61	7.53	-21.09

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Balance Sheet

Year	2020	2021	2022
Equity Paid up	0.04	0.04	36.97
Reserves and Surplus	-225.09	29.90	305.71
Net Worth	-225.05	29.94	342.69
Long Term Borrowings	232.57	9.84	0.00
Long Term provisions	1.35	1.86	2.77
Deferred Tax Liabilities	0.00	3.73	2.88
Other Long Term Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	233.92	15.43	5.66
Short Term Borrowings	0.00	5.10	2.73
Trade Payables	27.97	19.52	44.54
Other Current Liabilities	32.14	113.61	140.05
Provisions	1.13	1.47	2.82
Total Current Liabilities	61.25	139.70	190.13
Total (NCL+CL)	295.17	155.13	195.79
Total Liabilities	70.13	185.07	538.47
Tangible Assets	6.13	3.74	4.13
Intangible Assets	0.36	95.87	284.52
Non-Current Investments	0.15	0.34	0.56
Deferred Tax Assets	-	5.12	0.50
Other Non-Current assets	6.40	8.55	9.21
Total Non-Current Assets	13.04	113.62	298.92
Trade Receivables	4.27	26.33	8.62
Cash and Bank Balance	31.94	30.54	104.54
Other Current Assets	9.29	12.43	86.61
Current Investments	11.59	2.15	39.79
Total Current Assets	57.09	71.45	239.55
Total Assets	70.13	185.07	538.47

Cash Flow Statement

Year	2020	2021	2022
Cash Flow from Operations	33.97	-15.18	-34.35
Cash Flow from Investing	-221.64	-10.19	-5.26
Cash Flow from Financing	257.88	13.54	-2.10

Key Ratio:

Year	2020	2021	2022
D/E	-1.03	0.50	0.01
Current Ratio	1.12	0.68	1.71
ROCE %	-337.01	9.49	-4.28
ROE %	11.82	25.16	-6.16
EBITDA Margin (%)	-20.45	4.44	-1.81
PAT Margin (%)	-23.56	5.44	-5.48

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Growth Levers:

1. Ixigo recorded a nearly 5X growth in operating revenue from pre-pandemic levels, generating over Rs.500 crore in FY23 and is targeting 40% revenue growth. The company aims to scale its business to a projected Rs.700 crore in FY24. The company said, its gross transaction value run rate is currently Rs.10,000 crore a year and it intends to grow this by 2x over the next two years.

In the recent interview by the CEO and co-founder of ixigo, Alope Bajpai said "Ixigo recorded a nearly 5X growth in operating revenue from pre-pandemic levels, generating over Rs.500 crore in FY23 and is targeting 40% revenue growth."

As of March 2023, the ixigo group had crossed 66 million monthly active users across platforms, ConfirmTkt and Abhibus. The travel platform had over six million daily active users and is growing at a rate of more than 8 million downloads a month, with the running rate being 50 million bookings yearly.

The company also has plans to enter new segments such as hotels and packages in the near future.

2. The government push towards the Railway and infrastructure is expected to be positive for the Travel & Tourism industry. The budget outlay towards the Railway and Roads & Transport which is Rs.2.41L crore and Rs.2.7L crore, respectively, is the highest ever capital outlay by the government. The outlay in railway by the government in the Union budget is about 9 times the outlay made in 2013-14. As per the recent media interaction the groups CEO and Co-founder, Alok Bajpai, with the government focus on infrastructure and capacity creation across airports, trains and roads in India, the company is very confident of maintaining strong growth across transportation segments and looks forward to solidify its position as the leader in the next billion user travel segment. With the increasing orders for new trains, which also includes Vande Bharat, the quality of Indian Rail travel is improving and with the improvement in roads and new highways the road travel is becoming a feasible option for the travellers. When considering air travel, India is one the fastest growing aviation market in the world and aircraft makers Boeing projected the country will require 2210 new planes in the next two decades and also pegged annual domestic air traffic growth to be nearly 7% through 2041. On February 14, 2023, PM Narendra Modi said the country's growing aviation sector would need over 2000 aircrafts in the next 15 years. With the upcoming developments in the aviation sector along with the increasing number of air fleets and air passengers, and, consistent advancement in the railway the online ticket aggregators (OTAs) will benefit from the same.

When considering air travel, India is one of the fastest growing aviation market in the world and aircraft makers Boeing projected the country will require 2210 new planes in the next two decades and also pegged annual domestic air traffic growth to be nearly 7% through 2041. On February 14, 2023, PM Narendra Modi said the country's growing aviation sector would need over 2000 aircrafts in the next 15 years.

With the upcoming developments in the aviation sector along with the increasing number of air fleets and air passengers and, consistent advancement in the railways as well as the infrastructure, the online ticket aggregators (OTAs) will substantially benefit from the same.

3. Ixigo invested Rs.26 crore in Bengaluru-based electric bus startup FreshBus for the launch of inter-city electric bus services across India. The company commenced its operations in April 2023 for Bengaluru-Tirupati route. The company will also commence services for the Hyderabad-Vijayawada route later. The company also plans to commence services for the Hyderabad-Vijayawada route in May 2023 with a fleet of 24 electric buses plying on both the routes.

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Outlook & Valuation:

Ixigo is amongst the top online travel aggregators (OTAs) in the company and ranks amongst the top 5.

In terms of financials, the company's operating revenues have grown nearly 5x from the pandemic level i.e. Rs.113.69cr. in FY19 to over Rs.500cr. in FY23. The company aims to scale its business to a projected Rs.700cr. in FY24 which is a 40% YoY growth. The company also claimed to have achieved a positive cash flow and EBITDA positive with a margin of more than 7% in FY23. The current GTV of the company for the FY23 is nearly Rs.10,000cr. which it intends to grow by 2x over the next 2 years. As of FY22, the company's D/E multiple stood at 0.01x.

Ixigo has a very strong customer reach with monthly active users crossing 66 million across ConfirmTkt and Abhibus, as of March 2023. The travel platform had over 6 million daily active users and the platform is growing at the pace of 8 million downloads a month. The current running rate of yearly bookings at Ixigo stands at 50 million.

The travel industry remains amongst a major contributor to the country's GDP. The government is also supporting the industry with certain suitable policies and regulation for the industry along with an impressive outlay in the Union Budget 2023 by allocating an impressive Rs.2400cr. to the tourism sector. The government push towards the railway and infrastructure with a very strong and highest ever budget outlay is also expected to be positive for the Travel and Tourism space. In terms of air travel, India is one of the fastest growing aviation markets in the world and with the increasing number of fleets and air passengers, the industry's future looks promising. With the right regulations and policies in place, the travel and tourism industry are expected to grow rapidly in future. Considering Ixigo as a major beneficiary of these advancements, this will help in capacity creation across airports, trains and roads in India and Ixigo is very confident of maintaining a strong growth across transportation segments and look forward to solidify its position as a leader in the next billion user travel segment.

As a step towards further increasing its business as well as its reach, Ixigo invested 26 crores in a Bengaluru-based electric bus startup FreshBus for the launch of intercity electric bus service across India. The company commenced operations in April 2023 for Bengaluru-Tirupati route and will start service for Hyderabad-Vijaywada route soon with a fleet of 24 electric buses plying on both the routes.

Ixigo also has plans to enter new segments like hotels and packages in the future.

The recent improvement in financials with the company turning cash flow positive and EBITDA positive and consistent push by the government towards the industry along with company's consistent initiative to grow its business to meet its projected target for FY24, Ixigo's growth story looks promising and the company is all set to make good of the opportunity. The company is almost debt free and is available at a FY22 P/B multiple of 9.93x. Ixigo achieved a top line of over Rs.500cr. in FY23 and considering the same the P/S multiple stands at 6.80x. Ixigo is expected to clock a top line growth of ~40% thus hitting Rs.700cr. FY24 revenue, this discount the current market capitalization of Rs.3402cr. by a P/S multiple of 4.86x. This is low for a company which is available at a reasonable discount to its peer like Easy Trip Planner Ltd. which is presently trading at a P/S multiple of 18.60x and P/B multiple of 20.70x

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