

Rating: Subscribe

Issue Offer

Fresh issue: Equity Shares of face value INR 1 each aggregating up to INR 1,200.00 million

OFs: Up to 66,677,674 Equity Shares of face value INR 1 each aggregating to INR 6201.00 million

Issue Summary

Price Band (INR)	88-93
Face Value (INR)	1
Implied Market Cap (INR Mn)	36030.25
Market Lot	161
Issue Opens on	June 10, 2024
Issue Close on	June 12, 2024
No. of share pre-issue	374,519,945
No. of share post issue	387,423,171
Listing	NSE , BSE

Issue Break-up (%)

QIB Portion	30%
NII Portion	15%
Retail Portion	10%
Anchor Investors	45%

Book Running Lead Managers

Axis Capital Limited
Dam Capital Advisors Limited
JM Financial Limited

Registrar

Link Intime India Private Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	-	-
Public- Selling Shareholder	100%	79.5%
Public- Others	-	20.5%

Objects of the issue

- Part-funding working capital requirements
- Investments in cloud infrastructure and technology
- Funding inorganic growth
- Funding offer for sale

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Incorporated on June 3, 2006, Le Travenues Technology Limited (“Ixigo”) is a leading technology company empowering Indian travelers to plan, book, and manage trips across rail, air, buses, and hotels. As the top Online Travel Agency (“OTA”) for the ‘next billion users’, Ixigo focuses on localized content and features tailored for Tier II and Tier III travelers. Leveraging AI, machine learning, and data science, Ixigo enhances travel decision-making through its innovative OTA platforms, including websites and mobile apps. Driven by technology, cost-efficiency, and a culture of innovation, Ixigo excels in providing superior travel utility and customer experience. As of September 2023, Ixigo flights, Ixigo trains, ConfirmTkt, and AbhiBus lead in usage and engagement among key OTAs and standalone transactional train apps in India

Investment Rationale

Focus on “Next Billion Users”: ‘Next billion users’ refers to an existing as well as anticipated market of “new to Internet” users that includes all non-Tier I market demand. Ixigo is the leading OTA for the ‘next billion users’ with the highest Monthly Active Users for mobile apps across all key OTAs as of September 30, 2023. In 2023, the ‘next billion users’ comprised over 60%-65% of the overall travel market. They were the 2nd largest OTA in India in terms of consolidated revenue from operations in Fiscal 2023. The number of transactions booked through their OTA platforms has increased at a CAGR of 139.43% from 0.86 crore in Fiscal 2021 to 4.91 crore in Fiscal 2023, and to 4.20 crore and 3.65 crore in the 9 months ended December 31, 2023 and December 31, 2022, respectively

Leaders in Rail segment and 2nd in Bus: Ixigo is the largest Indian train ticket distributor in the OTA rail market and they had the largest market share of around 51%, in terms of rail bookings, among OTAs, as of March 31, 2023. Their market share in India in the OTA rail market was 46.15% in Fiscal 2023 and increased from 46.4% in the first half of Fiscal 2023 to 52.4% in the first half of Fiscal 2024. Their bus focused app, AbhiBus, was the 2nd largest bus-ticketing OTA in India, with a 11.5% market share in online bus ticket bookings in Fiscal 2023 which increased further to 12.5% in the 1st half of Fiscal 2024.

Integrated Business Model: Company’s business model consists of a comprehensive mix of product and service offerings with presence across trains, flights, buses, and hotels businesses, which comprehensively addresses the online travel market in India allowing them to monetize all aspects of their OTA platforms. Their Gross Transaction Value was INR 7,592.93 Cr. and INR 5,462.58 Cr. in the 9 months ended December 31, 2023 and December 31, 2022, respectively, and has grown at a CAGR of 86.04% from INR 2,153.30 crore in Fiscal 2021 to INR 5,615.25 crore in Fiscal 2022 and to INR 7,452.43 crore in Fiscal 2023.

AI and Technology driven operations: Ixigo is a technology-focused company and use artificial intelligence, data science and machine learning to transform their travel information and crowd-sourced data into business intelligence that enhances their travel offerings and improves their operating efficiency. They have developed advanced and scalable technology platforms allowing them to address the requirements and problems of travelers.

Valuation and View: As the second largest OTA in India by consolidated revenue in Fiscal 2023 (Source: F&S Report), IXIGO aims to be the most customer-centric travel company by delivering exceptional user experiences. Valued at a P/E of 41x and a market-cap/sales ratio of 5.4x based on FY24 earnings (annualized), IXIGO is available at a discount compared to peers like Easy Trip Planners Ltd, trading at 72x P/E and 12.6x market-cap/sales, while Yatra Online Ltd reported a loss in FY24. With strong potential for business improvement driven by industry trends, market penetration, and an integrated business model, we recommend a "SUBSCRIBE" rating for the IPO.

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