

Easy Trip Planners (EASTRI)

CMP: ₹ 274

Target: ₹ 335 (22%)

Target Period: 12-18 months

BUY

February 28, 2022

Turns ex-bonus today...

About the stock: Easy Trip Planners or EaseMyTrip.com (EMT) is the fastest growing and only profitable company in the online travel portal in India. The company offers a comprehensive range of travel-related products and services for end-to-end travel solutions, including airline tickets, hotels and holiday packages, rail tickets and bus tickets.

- Airline tickets accounted for 94.0% of revenues (pre-Covid levels) while hotels and other services contributed 5.4% and 0.6% of revenues, respectively

Turns ex-bonus today

- The company made an announcement of bonus shares on January 12, 2022. The ratio was one bonus share for every one equity shares, 1:1. The record date for the same is March 2, 2022 while the ex-date for the same is today, February 28, 2021 (March 1 being a holiday). Consequently, Easy Trip Planners share price, as per previous closing price, has adjusted to ₹ 274/share from ₹ 549/share. Accordingly, our target price stands revised to ₹ 335/share. We maintain our **BUY** recommendation on the stock

Key triggers for future price performance:

- Online travel market in India is set to double over the next five years to \$31 billion in FY25E, growing at 14% CAGR from FY20 levels
- Lean cost model and no convenience fee strategy remain key pillars supporting such rapid, profitable growth. This has also led to stickiness by customers with healthy repeat transaction rate of ~86% in the B2C channel
- Now, with airlines allowed to operate with their full capacity, we expect further traction in the company's revenues and profitability, going ahead
- Further benefits would accrue from segments like international air, hotels and bus booking over the next three to four years, which are high margin business but currently having online penetration below 20% levels



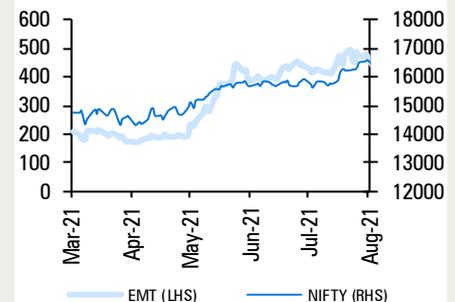
Particulars

Particulars	₹ crore
Market Capitalization	5975
Total Debt (FY21)	17
Cash (FY21)	228
EV (₹ crore)	5764
52 week High/Low	₹ 529/353
Equity Capital	21.7
Face Value (₹)	2.0

Shareholding pattern

Particulars (%)	Q4FY21	Q1FY22	Q2FY22
Promoter holding	74.9	74.9	74.9
DII	12.1	5.2	2.8
FII	4.7	1.1	2.0
Public	8.2	18.9	20.2

Price Chart



Key Risks

- Any further imposition of restrictions on travel
- Companies adopting work from home policy beyond FY22E could further delay recovery in the business travel

Research Analyst

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Key Financial Summary

Key Financials	FY19	FY20	FY21	2 Year CAGR (%)	FY22E	FY23E	FY24E	3 Year CAGR (%)
Gross operating revenues*	205	286	198	-1.8	367	567	720	53.8
EBITDA	25	31	75	74.0	128	199	236	46.4
EBITDA (%)	12.1	10.7	38.0		34.8	35.1	32.8	
Net Profit	24	33	61	59.4	99	153	183	44.3
EPS	1.9	3.0	5.6		9.1	14.1	16.9	
P/E	286.2	175.1	94.7		58.6	37.7	31.5	
RoNW	35.3	32.6	37.5		41.2	45.3	40.1	
RoCE	36.0	33.6	35.9		39.8	44.9	40.2	

Source: Company, ICICI Direct Research *including revenue from claims w/back

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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