Easy Trip Planners Limited

ISIN :INE07O001026 | NSE :EASEMYTRIP

Price: 12.1
Recommendation: Buy
Industry: Tour, Travel Related
Sector: Consumer Discretionary
Report Date: 17-Mar-2025

Easy Trip Planners Limited is actively diversifying its revenue streams, focusing on non-air segments and expanding its franchise model. The company has secured high-profile sponsorships and partnered with BNZ Green for a blockchain-based carbon offset program. With a 227% growth in Dubai operations, they aim to increase non-air segment contributions to 25% by FY2026. Strategic partnerships and sustainability efforts position them for future growth.

Sales		Profit & Loss		Profitability Matrix	
Current Year	445 Cr	Operating Profit(Year)	171 Cr	Operating Profit Margin	38.3 %
Previous Year	430 Cr	Operating Profit(Quarter)	41.1 Cr	EBITDA Margin	53.48 %
Current Quarter	106 Cr	PAT (Year)	163 Cr	Net Profit Margin	33.9 %
Previous Quarter	103 Cr	PAT (Quarter)	33.5 Cr	EPS	0.24
Revenue (QYoY)	129 Cr				
Valuation Matrix		**Growth(YoY)**		**Growth(QoQ)**	
Trailing P/E	27.0	Sales Growth	-3.87 %	Sales Growth	2.91 %
PEG Ratio	0.55	PAT Growth	10.88 %	Sales Growth QYoY	-17.83 %
EV/EBITDA	21.6	EPS Growth	-29.41 %	PAT Growth	20.5 %
P/B	6.04	Dividend Yield	0.39	PAT Growth QYoY	-34.44 %
Capital Allocation		**Holdings**		**Leverage**	
RoE	31.9 %	Promoter	50.4 %	Debt/Equity	0.00
RoA	21.8 %	FII	2.58 %	Debt	0.00 Cr
RoCE	43.4 %	DII	3.00 %	Market Cap	4274 Cr
RoIC	51.5 %	Public	44.0 %	Enterprise value	4141 Cr
		No of Shares	354 Cr	Cash Equivalents	133 Cr

source : Company filings

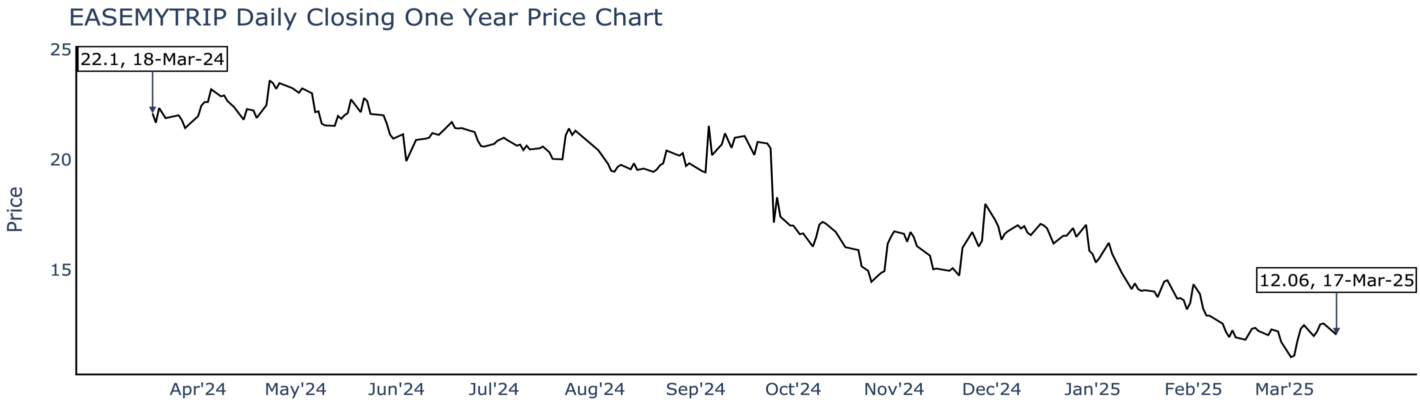
Company's Overview Based on Recent Concall and Performance:

During the recent earnings call, Easy Trip Planners Limited highlighted several new initiatives and strategic directions. The company has been focusing on diversifying its revenue streams, particularly in non-air segments, which have shown significant growth. A key initiative is the expansion of their franchise model, with new stores opening in various cities, enhancing their offline presence. They have also secured high-profile sponsorships, such as the Big Cricket League and the Kho Kho World Cup, to boost brand visibility. Additionally, the company has partnered with BNZ Green to introduce a blockchain-based carbon offset program, promoting sustainable travel choices. These efforts are complemented by strategic partnerships with OLX and CARS24, aimed at expanding their digital footprint and customer engagement.

The company is optimistic about its future growth and scaling prospects. They have reported a remarkable 227% year-on-year growth in their Dubai operations, reflecting successful market capture abroad. The focus remains on expanding their presence in key markets, which positions them well for sustained growth. The management has expressed confidence in their ability to grow the hotel business, which is seen as a more profitable line than the airline business. They aim to increase the contribution of non-air segments to 25% of their business by FY2026, up from the current 14%. This strategic shift is expected to enhance profitability and reduce reliance on the competitive airline sector.

From a positive perspective, the company's strategic initiatives and partnerships are well-aligned with their growth objectives. The diversification into non-air segments and international markets is a prudent move, given the competitive pressures in the airline industry. The focus on profitability, even at the cost of slower growth, is commendable and reflects a long-term vision. However, there are areas for improvement. The company could benefit from more aggressive marketing strategies to capture market share in the highly competitive travel industry. Additionally, there is a need for clearer communication with investors to manage expectations and avoid surprises, as highlighted by concerns over sudden strategic moves and equity dilution.

Specific data points of interest include the company's gross booking revenue of INR 2,149 crores for Q3 FY2025, with an EBITDA margin of 33.2%. The total nights booked grew by 172% year-on-year, contributing 11.1% to the gross booking revenue. The train, buses, and other categories also saw a 31.9% year-on-year growth. The company's commitment to sustainability and digital transformation, along with their strategic partnerships, positions them well for future growth. However, the management acknowledges the challenges posed by competition and the need for strategic focus to ensure continued success.



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Le Travenues	4915.43	104.31	9.32%	17.09%	41.75%	24.16%	-48.44%
Easy Trip Plann.	4274.25	26.97	31.90%	2.49%	-17.92%	20.58%	-34.43%
TBO Tek	12824.16	59.90	46.05%	-6.32%	29.17%	-22.25%	-8.03%
Yatra Online	1090.73	40.45	-1.00%	-0.48%	113.21%	37.12%	844.34%

Aspect	Commentary
Revenue	The company shows a slight increase in quarterly revenue, indicating stable performance. However, the year-over-year revenue growth is negative, suggesting challenges in maintaining growth momentum. This could be due to market saturation or increased competition, necessitating strategic adjustments to boost sales and capture market share.
Profit & Loss	Operating profit and PAT show healthy growth, reflecting efficient cost management and strong operational performance. The quarterly figures also indicate a positive trend, suggesting the company is effectively navigating market challenges. This profitability is crucial for sustaining investor confidence and funding future growth initiatives.
Profitability Matrix	The company maintains strong profitability metrics, with high operating and net profit margins. This indicates effective cost control and pricing strategies. The EPS, however, shows a decline, which may affect investor sentiment. Maintaining these margins will be key to sustaining financial health and competitive advantage.
Valuation Matrix	The valuation metrics suggest the company is reasonably valued, with a moderate P/E ratio and a low PEG ratio, indicating potential for growth. The EV/EBITDA and P/B ratios are on the higher side, which may reflect market optimism about future prospects. Investors should monitor these metrics for any significant changes.
Growth (YoY)	Year-over-year growth metrics show mixed results, with a decline in sales and EPS but an increase in PAT. This suggests the company is managing costs effectively but facing challenges in revenue growth. The dividend yield remains low, indicating limited returns for income-focused investors. Strategic focus on growth is needed.
Growth (QoQ)	Quarter-over-quarter growth shows positive trends in sales and PAT, indicating short-term improvements. However, the significant decline in QYoY growth highlights underlying challenges. The company needs to address these issues to ensure sustainable growth and maintain investor confidence in its long-term prospects.
Capital Allocation	The company demonstrates strong capital allocation efficiency, with high returns on equity, assets, and capital employed. This indicates effective use of resources to generate profits. Maintaining these high returns will be crucial for attracting investment and supporting future expansion plans. Strategic reinvestment is advised.
Holdings	The ownership structure shows a balanced distribution, with significant promoter holding, which can ensure strategic stability. The public holding is substantial, providing liquidity in the market. Monitoring changes in institutional holdings will be important for understanding market sentiment and potential shifts in control.
Leverage	The company has no debt, indicating a strong balance sheet and financial stability. This positions it well to weather economic downturns and invest in growth opportunities without the burden of interest payments. Maintaining this leverage position will be advantageous for future strategic initiatives and investor confidence.

Analyst viewpoint: Our optimism for Easy Trip Planners Limited in the short to mid-term is underpinned by impressive growth metrics and strategic initiatives. The company's quarterly sales growth of 2.91% and PAT increase of 20.5% affirm its capacity to navigate market challenges with efficiency and operational acumen. With a trailing P/E of 27, amidst competitive valuation metrics, there is ample room for growth driven by strategic diversification. The recent earnings call revealed key initiatives such as franchise model expansion and high-profile sponsorships, alongside partnerships with BNZ Green and digital firms that signal a robust trajectory towards revamping its revenue streams. A staggering 227% growth in its Dubai operations further exemplifies its aggressive international expansion strategy.

Further enhancing our confidence is the company's conscientious capital allocation, boasting a RoCE of 43.4%, and a leverage-free balance sheet enriching its financial stability. Peer comparison shows a competitive edge in return metrics, notably a 31.9% RoE. The company's focus on non-air segments, aiming to increase contribution from 14% to 25% by FY2026, reflects a prudent shift away from the more volatile airline industry. However, investors may remain cautious about the need for more impactful marketing strategies to extend further market share amidst the competitive travel industry landscape.

Please read detailed disclosure on next page.

Explanation of Investment Rating*	
Investment Rating	Expected Return (over 12-month)
BUY	>=15%
SELL	<-10%
NEUTRAL	>-10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclaimers:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be` suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Terms & Conditions:

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

Payment and Renewal:

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

Limitation of Liability:

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

No Investment Advice:

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

Termination:

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

No Guarantee: While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

Review and Update: Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

Research Analyst Details:

Name: Robin Arya

Email: smallcase@goalfi.in

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony

Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – support@goalfi.in

Customer having any query/feedback/ clarification/ In case of grievances for
any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to hello@goalfi.app

Website: goalfiresearch.smallcase.com