

### IPO Details:

Ecos (India) Mobility & Hospitality Ltd (Ecos) is coming out with an IPO of about Rs. 601.20 cr consisting of 1,80,00,000 shares of face value of Rs. 2 each in a price band of Rs. 318 – Rs. 334. The IPO comprises only of Offer for Sale of Rs. 601.20 cr by the promoter shareholders. The IPO opens on 28<sup>th</sup> August' 2024 and closes on 30<sup>th</sup> August' 2024.

### Company Details:

- Company is engaged in the business of providing **chauffeured car rentals** (CCR) and **employee transportation services** (ETS) to corporate customers in India for more than 25 years.
- Operates a fleet of more than **12,000** economy to luxury cars, mini vans and luxury coaches while also providing specialty vehicles such as luggage vans, limousines, vintage cars and vehicles for accessible transportation of people with disabilities.
- Has pan-India presence with services offered in **109 cities** spread across **21 states** and **4 union territories** through its own vehicles as well as that of vendors.
- Also **provides cars on self-drive basis** in the cities like Delhi, Gurugram, Mumbai and Bengaluru.
- **Provides services to its customers** operating in range of industries and includes marquee names like InterGlobe Aviation, HCL Corporation Pvt. Ltd. Deloitte Consulting India Pvt. Ltd, IndusInd Bank, HDFC Life Insurance, Thomas Cook India, VA Tech Wabag Ltd, among others.

### Strength:

- **Focus on technology** has enabled it to better manage its service offerings and improve operating efficiencies by integrating its service functions and ensure accuracy, reliability, transparency and swiftness in its operations.
- **Integration of technology** with the travel desks of its customers allows its customers to conveniently control their corporate travel requirements from an integrated system.
- **Asset light model**, where Company strives to keep the number of vehicles which it owns in its fleet significantly lower than the vehicles which it sources from its vendors, helps in running operations efficiently.



- **Long-standing relationships** with customers not only provides competitive advantages such as revenue visibility, industry goodwill and deep understanding of their requirements, but it also helps in securing high lifetime value from its customers.

### **Growth Drivers:**

- **Increased priority of Companies** on employee well-being and productivity, recognition of value of safe and comfortable commute, etc, is expected to benefit both the ETS and CCR business segments.
- **Rising corporate spending** and **evolving brand image** considerations is expected to further fuel demand for premium car services in the corporate segment, mirroring the broader market trend.
- **Corporate mobility market** in India is expected to **continue to experience significant growth** due to the expanded presence of MNCs, Indian Corporates, SMEs and HNIs who prefer to hire cars for official trips rather than owning cars and keeping drivers in the company.
- **Expanding presence in Tier – II and III** cities in India as they are evolving into vibrant trade and tech hubs on the back of inclusive development initiatives, MSME growth, digital penetration, etc.

### **Objectives of Fund Raise:**

- As the IPO consists of only Offer for Sale by the promoters, Company won't be receiving any funds from the proceeds of the IPO.

### **Key Financial Highlights:**

#### **Ecos (India) Mobility & Hospitality Ltd (Rs. Cr)**

Year	Revenue	Ebitda	Ebitda Margins (%)	PAT	EPS	RoCE (%)	RoE (%)
FY22	147.34	18.05	12.3%	9.87	1.65	19.1%	14.8%
FY23	422.68	69.73	16.5%	43.59	7.27	40.9%	46.7%
FY24	554.41	89.96	16.2%	62.53	10.42	42.9%	42.8%



- Operating Revenue has grown from Rs. 147.34 cr in FY22 to Rs. 554.41 cr in FY24, translating into CAGR of 94.0%. CAGR optically looks higher as FY22 was impacted by Covid-19 pandemic.
- Ebitda margins has improved from 12.3% in FY22 to 16.2% in FY24.
- Profits after Tax has grown at a CAGR of 151.7% between FY22 – FY24 on the back of growth in operating revenues and increase in Ebitda margins.
- Capital Efficiency of the business is very high due to Company operating on asset light model. RoCE and RoE in FY24 stood at 42.9% and 42.8% respectively.

**Valuations:**

- At Upper end of the IPO price band of Rs. 334, Ecos (India) Mobility & Hospitality Ltd will be valued at about Rs. 2,004.00 cr.
- On PE basis, Company will be available at 32.05x its FY24 EPS of 10.42 while on EV/Ebitda basis, Company is available at 22.5x its FY24 Ebitda of Rs. 89.96 cr.
- **Investments can be made in Ecos (India) Mobility & Hospitality Ltd from longer term perspective considering the long runway of growth in corporate mobility market in India, Company's ability to run operations efficiently due to asset light model, long term customer relationships, diversified geographic presence within the country, business being highly capital efficient and fair valuations.**

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\*Long Term Investments could range from 3-5 years.