

# Analysis of Jungle Camps India Limited IPO

## 1. Business Model

- **Core Offering:** Jungle Camps India Limited operates in the eco-tourism and luxury camping sector, providing premium accommodations in natural and wildlife-rich locations.
- **Revenue Streams:**
  - Earnings primarily from bookings at their eco-resorts and campsites.
  - Additional income from curated adventure experiences, hospitality services, and event hosting.
- **Target Audience:** Focuses on eco-conscious travelers, corporate offsites, families, and international tourists seeking unique and sustainable travel experiences.
- **Key Features:** The company leverages India's rich biodiversity and cultural heritage, promoting eco-friendly practices and sustainable tourism.

## 2. Is the Business Investable?

- **Strengths:**
  - Positioned in a growing eco-tourism market in India, driven by consumer demand for sustainable travel.
  - Potential to capitalize on government initiatives promoting eco-tourism under the National Tourism Policy.
  - Strong growth trajectory with increasing awareness of experiential travel.
- **Concerns:**
  - Heavily dependent on seasonal tourism, making revenue unpredictable.
  - Requires significant capital for infrastructure and operations, impacting profitability in the short term.
  - Market competition from established hospitality brands and boutique eco-lodges.

## 3. Risks

- **Seasonality:** Revenue is highly influenced by peak travel seasons.
- **Regulatory Challenges:** Strict environmental laws and wildlife protection policies may limit operations in certain regions.
- **Economic Sensitivity:** Tourism is vulnerable to economic downturns, geopolitical factors, and pandemics (e.g., COVID-19).
- **Competition:** Increasing competition from both domestic and international eco-tourism players.

#### 4. Financial Performance

- **Recent Financials:**
  - FY2024: Revenue of ₹18 crore; Net profit of ₹3.59 crore.
  - FY2022: Revenue of ₹11 crore; Net profit of ₹0.44 crore.
  - Year-on-year growth of 63% in revenue and 715% in net profit indicates a positive growth trajectory.
- **Profitability:** Improved margins highlight efficient cost management and growing occupancy rates.
- **Debt Levels:** 4.1 Cr as on 31.03.2024 with Net-worth of 18 Cr. D/E is less than 1.

#### 5. Peer Comparison

Company Name	Revenue (₹ Cr)	Net Profit (₹ Cr)	P/E Ratio
Jungle Camps India Limited	18	3.59	31
Byke Hospitality	87	6	178
Espire Hospitality	58	2.65	101

- **Positioning:** Jungle Camps India has lower revenue and net profit compared due to small size of operations to peers but operates at a lower P/E ratio, making it potentially undervalued.
- **Competitive Edge:** Unique eco-tourism offerings and a wide presence in key wildlife regions give it a strong market positioning.

#### 6. Valuation

- **Pricing:** The IPO is priced at INR 72 per share.
- **Metrics to Consider:**
  - Price-to-Earnings (P/E) Ratio: Reasonable at 31x compared to peers.
  - M.cap= 111 Cr.
- **Market Sentiment:** Given the growing interest in sustainable tourism, strong subscription interest is expected, especially from retail and institutional investors.