

May 06, 2024

IPO ANALYSIS

Sector: Tourism
Issue Price: INR 875 to INR 920
Issue Size: INR 1,495 to 1,551 Crores
Issue Opens/Closes: May 08 / May 10
IPO Basics
Promoters: Ankush Nijhawan, Gaurav Bhatnagar, Manish Dhingra, Arjun Nijhawan and LAP Travel Private Ltd
Selling Shareholders: Gaurav Bhatnagar, Manish Dhingra, LAP Travel, Augusta TBO and TBO Korea
Lead Managers: Axis Capital, Jefferies India, Goldman Sachs (India), JM Financial
Registered Office: New Delhi
Registrar: KFin Technologies Ltd
Listing: BSE and NSE

IPO Capital Structure

Fresh Issue	4,347,826 equity shares upto INR 400 Cr
Offer for Sale	12,508,797 equity shares upto INR 1,151 Cr
Total Issue as % of total capital (Post-Issue)	15.53%
Post Issue No. of Shares	108,587,787
Employee Reservation	32,608 equity shares upto INR 3 Cr
Post Issue Market Cap	INR 9,521 – 9,990 Cr
Face Value	INR 1
Issue Route	Book Build Issue
<small>All values calculated at upper band</small>	

Financial Snapshot (INR in crs)

Y/E Mar	FY21	FY22	FY23
Equity Share Capital	1.90	10.42	10.42
Reserves	202.17	221.48	326.77
Net worth	204.07	231.90	337.19
Revenue from Ops	141.81	483.27	1,064.59
Growth (%)	-	240.79%	120.29%
Adj EBITDA	(22.69)	27.42	198.96
Adj EBITDA (%)	(16.00)%	7.74%	18.69%
Net Profit	(34.14)	33.72	148.49
Net Profit (%)	(24.07)%	6.98%	13.95%
Basic EPS	(3.28)	3.32	14.21
Diluted EPS	(3.28)	3.32	14.07
RONW (%)	(16.93)%	14.54%	44.04%
NAV (INR)	19.58	22.85	33.22
P/E (Based on Upper Band)			65.39
Average Industry P/E			118.3
P/B (Based on Upper Band)			27.69

Shareholding Pattern

Holders	Pre-issue	Post Issue
Promoters	51.26%	44.41%
Public – Investor Selling S/h	30.59%	22.65%
Public- Others	15.84%	30.73%
Employee Trust	2.31%	2.22%
Total	100.00%	100.00%

Particulars	Retail Category	NII bid between Rs 2 lakhs- Rs 10 lakhs	NII bid above Rs 10 lakhs
Minimum Bid Lot (Shares)	16	224	1,088
Minimum Bid Lot Amount (₹)	₹14,720	₹ 2,06,080	₹ 10,00,960
No of Applications for 1x	1,05,150	3,755	7,511

TBO Tek Limited

Issue Highlights:

- Established on November 6, 2006, TBO Tek Limited ("TBO Tek") stands out as a leading travel distribution platform within the global travel and tourism sector, boasting significant Gross Transaction Value ("GTV") and revenue from operations. Operating across more than 100 countries, TBO Tek serves as a pivotal link, connecting over 159,000 Buyers with over 1 million Suppliers as of December 31, 2023. Their platform caters to diverse travel needs, offering a comprehensive inventory and facilitating transactions in various currencies with forex assistance.
- TBO Tek streamlines travel processes for Suppliers, including hotels, airlines, car rentals, transfers, cruises, insurance, and rail services, as well as for Retail Buyers such as travel agencies and independent advisors, and Enterprise Buyers like tour operators and online travel companies. Through their technology platform, Suppliers and Buyers seamlessly transact, with Enterprise buyers often utilizing XML or JSON APIs for transactions.
- The company operates across three primary online channels: direct online, online travel agencies, and meta-search platforms, while offline channels typically cater to first-time or experienced travelers with complex itineraries.
- Revenue generation relies on two main models: the B2B Rate Model, where TBO Tek applies mark-ups on Supplier inventory for Buyers, and the Commission Model, where the company receives commissions from Suppliers based on fixed prices, sharing parts with Buyers.
- Key highlights include the acquisition of BookaBed, expanding their presence in Ireland and the UK, and the launch of new brands like Kizan for inbound tourism in Saudi Arabia, Zamzam for Umrah travel, and Paxes for corporate travel.
- The Monthly Transacting Buyers have seen a remarkable growth, achieving a CAGR of 53.57% from Fiscal 2021, where they stood at 10,401, to Fiscal 2023, reaching 24,530. By the end of December 31, 2023, this number had further increased to 26,436.
- Since its inception, TBO Tek has been driven by its founders, Gaurav Bhatnagar and Ankush Nijhawan, supported by a seasoned leadership team. Their mission to revolutionize the travel industry through technology has led to global recognition and a vast clientele spanning continents.

Key Risks:

- TBO Tek relies heavily on hotel and ancillary bookings for its revenue.
- The company's operations are dependent on a limited number of Supplier relationships, making any adverse changes impactful.
- The company faces credit risks from both Suppliers and Buyers, impacting the recoverability of trade receivables.

Particulars	No. of shares at Lower band (Cr.)	No. of shares at Upper band (Cr.)	Issue Size Amount at Lower band (Rs. Cr.)	Issue Size Amount at Upper band (Rs. Cr.)	% Of Issue
QIB	1.28	1.26	1,118.64	1,160.86	75.00%
NIB	0.26	0.25	223.73	232.17	15.00%
-NIB2 (Bid above ₹ 10 Lakhs)	0.17	0.17	149.15	154.78	-
-NIB1 (Bid between ₹ 2 to 10 Lakhs)	0.09	0.08	74.58	77.39	-
Retail	0.17	0.17	149.15	154.78	10.00%
	0.00	0.00	3.00	3.00	
Total	1.71	1.69	1,494.52	1,550.81	100.00%

An Indicative Timetable Post Issue Closing

Particulars	Tentative Date
Finalization of Basis of Allotment	May 13, 2024
Refunds/un-blocking of ASBA Accounts	May 14, 2024
Credit of Equity Shares to DP Ac	May 14, 2024
Trading Commences	May 15, 2024

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND**Brief Biographies of Directors**

Gaurav Bhatnagar is the Promoter and Joint Managing Director of the company. He is one of the co-founders of TBO and has been associated with the company since its inception. He has worked at Microsoft Corporation. He is member of the executive committee of World Travel & Tourism Council (WTTC). He is also a co-founder of Tekriti Software Pvt Ltd.

Ankush Nijhawan is the Joint Managing Director of the company. He is one of the co-founders of TBO and has been associated with the company since its inception. He was appointed to the Board of Directors with effect from March 12, 2007.

Udai Dhawan is a Non-Executive Nominee Director of the company. He has been involved in financial services since 1993. He is the founding partner at Affirma Capital. He was previously managing director for Standard Chartered Private Equity Advisory (India) Pvt Ltd (SCPE). Prior to SCPE, Udai Dhawan worked in corporate investing, M&A and corporate finance, across India and the United States with J.P. Morgan, Sabre Inc., Kotak Mahindra Capital Co Ltd and Arthur Andersen & Co. He was appointed to the Board of Directors with effect from September 7, 2018.

Ravindra Dhariwal is the Chairman and Independent Director of the company. He is the chairperson of Sagacito Technologies Pvt Ltd. He was the vice president of franchise for South-East Asia at Pepsico International. He was appointed to the Board of Directors with effect from November 24, 2021.

Rahul Bhatnagar is an Independent Director of the company. He has been associated with Bharti Enterprises and Pepsico International. He was appointed to the Board of Directors with effect from November 24, 2021.

Bhaskar Pramanik is an Independent Director of the company. He has experience in the technology industry. He is currently on the Indian advisory board of The Schulich School of Business, York University and the advisory council of IIT, Palakkad and has served as director on the central board of SBI. He has been previously engaged with Microsoft Corporation (India) Pvt Ltd and the National Radio and Electronics Co Ltd. He was appointed to the Board of Directors with effect from November 24, 2021.

Anuranjita Kumar is an Independent Director of the company. She has previously been engaged with the Royal Bank of Scotland and is part of the council of advisors for the American India Foundation. She is also the co-founder and chief executive officer of WeAce. She was appointed to the Board of Directors with effect from November 24, 2021.

Vikas Jain is the Chief Financial Officer of the company. He was seconded to the company from erstwhile fellow subsidiary Ibibo Web Pvt Ltd from May 1, 2012 and subsequently transferred to the company from January 1, 2017. Previously, he was associated with Ibibo Web Pvt Ltd, Bharti-Walmart Pvt Ltd, American Express India Pvt Ltd and S.R. Batliboi & Co.

Anil Berera is the President – Strategy of the company. He joined the company in the current capacity, with effect from December 01, 2023, prior to which he acted as a consultant to the company. Previously, he has worked with Whirlpool of India Ltd, Gillette India Ltd, Becton Dickinson India Ltd, Indian Shaving Products Ltd and Price Waterhouse & Co (now PricewaterhouseCoopers).

Neera Chandak is the Company Secretary and Compliance Officer of the company. She joined the company with effect from November 2, 2021.

OFFER DETAILS

Particulars	No. of Shares	WACA per Equity Share on a fully diluted basis (₹)
Fresh Issue (₹ 400 Cr)	Upto 4,571,428~ - 4,347,826^ Equity Shares^	-
The Offer for Sale by:	Upto 12,508,797 Equity Shares	
The Promoter Selling Shareholders:		
Gaurav Bhatnagar	Upto 2,033,944 Equity Shares	1.95
Manish Dhingra	Upto 572,056 Equity Shares	0.08
The Offer for Sale by:	Upto 12,508,797 Equity Shares	
LAP Travel	Upto 2,606,000 Equity Shares	0.04
The Investor Selling Shareholders:		
TBO Korea	Upto 2,637,040 Equity Shares	-
Augusta TBO	Upto 4,659,757 Equity Shares	-

(~ at lower price band and ^at upper price band); WACA=Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

Shareholders	Pre-offer		Fresh Issue and Offer for Sale Shares [^]	Post-offer	
	Number of Equity Shares	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	53,433,326	51.26%	5,212,000	48,221,326	44.41%
Promoters Group	110	0.00%	-	110	0.00%
Total for Promoter and Promoter Group	53,433,436	51.26%	5,212,000	48,221,436	44.41%
Public – Investor Selling Shareholders	31,886,976	30.59%	7,296,797	24,590,179	22.65%
Public – Other	16,510,909	15.84%	4,347,826	33,367,532	30.73%
Total for Public Shareholders	48,397,885	46.43%	11,644,623	57,957,711	53.37%
Shares held by Employee Trust	2,408,640	2.31%	-	2,408,640	2.22%
Total Equity Share Capital	104,239,961	100.00%	16,856,623	108,587,787	100.00%

(^ at upper price band)

OBJECTS OF THE ISSUE

Objects	Amount (₹ Cr)
• Investment in technology and data solutions by the company	135.00
• Investment in the Material Subsidiary, Tek Travels DMCC, for onboarding platform users through marketing and promotional activities; and hiring sales and contracting personnel for augmenting the Supplier and Buyer base outside India	100.00
• Investment in sales, marketing and infrastructure to support organization's growth plans in India	25.00
• Unidentified inorganic acquisitions	40.00
• General Corporate Purposes	[•]
Total	[•]

TBO Overview

7,500+ Destinations sold in 100+ countries ¹	41,000+ Bookings per day through the platform ¹	11 Languages supported on platform ²
2000 Global Headcount ^{2,3}	55+ Currencies accepted for bookings ²	47 Countries with commercial team ^{2,3}

1. FY 2023.

2. As of December 31, 2023

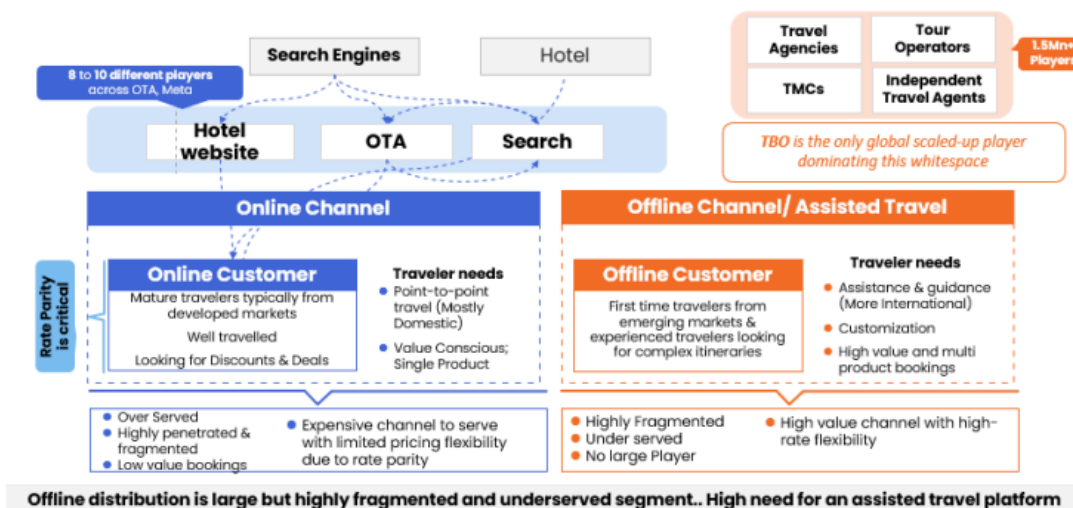
3. Headcount/ Commercial Team includes on-roll and off-roll independent consultants. As of December 31, 2023, we had 283 off-roll consultants

Fiscal Year	FY2021	FY2022	FY2023	FY2023 YTD-DEC	FY2024 YTD-DEC
Bookings Per day	13,396	28,199	41,218	40,164	44,592
GTV/ Enterprise GTV in INR Million	30,855.43	1,02,565.67	2,23,235.62	1,61,569.84	1,90,246.77

*For conversion of GTV numbers from USD to INR, the daily average exchange rate of 1 USD = ₹ 74.24, ₹ 74.77, ₹ 80.36, ₹ 79.67 and ₹ 82.66, respectively, has been considered for Fiscal 2021, 2022, 2023 and nine months ended December 31, 2022 and December 31, 2023.

OPPORTUNITIES IN ASSISTED TRAVEL

Online channel is crowded; Lot of whitespace in assisted travel



In the travel industry, a variety of distribution channels add value to the overall industry by catering to different types of customers. Broadly, the distribution channels can be categorized into online and offline channels.

Online Channels: The online segment comprises direct channels, OTAs, and meta-search platforms, where customers prioritize value and engage in price comparison, creating a competitive landscape governed by rate parity regulations.

Offline Channels: Offline customers, including first-time and experienced travelers, seek assistance and customization for their complex itineraries. With over 1.5 million players in travel agencies, tour operators, and independent agents, this fragmented market offers high-rate flexibility and presents TBO Tek with valuable whitespace opportunities.

COMPANY PLATFORM

TBO Tek is one of the leading global travel distribution platforms. Their platform connects over 159,000 Buyers across more than 100 countries with over 1 million Suppliers, as of December 31, 2023. Their platform has 2 portals: TBO Holidays (<https://www.tboholidays.com/>) which is global travel distribution platform and Travel Boutique Online (<https://www.travelboutiqueonline.com/>) which is travel distribution platform for travel buyers based in India.

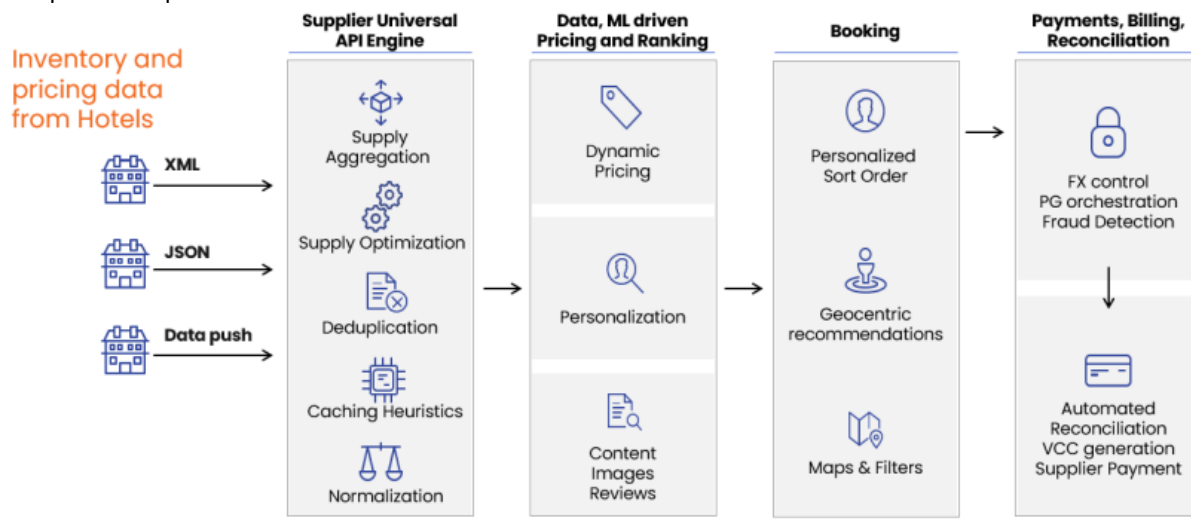
Company’s business solutions aim to solve problems of discovery, reliability, transactions, and service by aggregating global travel supply and global travel demand on one platform and by enabling Buyers and Suppliers to transact seamlessly.



TBO Tek gathers supply from various sectors such as hotels, airlines, car rentals, transfer providers, and cruise companies either through direct connections or third-party aggregators. They categorize Buyers into Retail Buyers, typically small businesses like independent travel agencies, and Enterprise Buyers, comprising larger entities such as tour operators and online travel agencies. Enterprise Buyers often utilize XML or JSON APIs for transactions.

The platform enables hotels worldwide to share live inventory and pricing information. Their Supplier universal API engine consolidates hotel data from diverse sources, ensuring accuracy. Geo-centric personalized recommendations expedite the booking process for Buyers. Additionally, the platform handles payments in multiple currencies for both Buyers and Suppliers, streamlining transactions.

The illustration of platform operates:



VALUE PROPOSITION

For Suppliers

TBO Tek enables Suppliers to get instant access to a global Buyer base without them having to make any additional investments in technology or manpower. Suppliers can streamline their selling process, pricing, and payments (with TBO Tek acting as the merchant of record) by using their platform.

- Single-window access to over 159,000 Buyers, as of Dec’31, 2023.
- Enhanced trust.
- Efficiently serve Buyers.
- Provide value-added services.

For Buyers

With free on-boarding and no installation requirements, Company’s platform allows Retail Buyers to access and book global supply across all product categories, including airlines, hotels, car transfers, and sight-seeing, at business- to-business (“**B2B**”) rates. For Enterprise Buyers, they provide API-based access to their travel inventory supply.

- One-stop shop for global travel supply.
- Seamless payments.
- Digital self-service augmented with 24/7 multi-lingual customer care.
- Ready-to-deploy digital solutions.
- Curated e-learning content.

Company’s platform is core to Retail Buyers

...sell & earn more,

- Multi-product platform with smart cross-sell
- Marketing support – deals, collaterals, fliers
- Ability to set own commissions
- Rewards on every booking

do business better,

- Digital branch/ staff management
- Automated billing, invoicing, payment reconciliation
- Agency branded vouchers , e-tickets
- Courses on destinations, products, business skills

and delight travellers

- Targeted recommendations
- Special requests automation (E.g., honeymooners)
- Multiple payment options
- Roamer App for post booking digital experience

38K+
Monthly Searching Buyers on the platform

Monthly Searching Buyers are the monthly average of all searching buyers across all months in the period of FY2023; Monthly searching buyers for FY21, FY22, FY23, FY23 YTD-DEC and FY24 YTD-DEC were 22,642, 26,980, 38,664, 38293 and 41,287 respectively. Data does not include BookaBed, ZamZam and Jumbo details as they occur on a different platform.

REVENUE MODEL

B2B Rate Model: TBO Tek receives inventory from their Suppliers at a special B2B rate. They apply a certain mark-up on this rate and pass this price on to Buyers. Typically, their contracts with hotels follow the model as listed below.



7.25%
Take rate for
Hotels & ancillary
(FY23)

Commission Model: Company's Suppliers fix the price at which they want to sell to the end traveller. They receive commission on each such transaction from the Supplier, part of which they retain and part of which they share with the Buyer. Typically, their contracts with airlines follow this model.



2.59%
Take rate for
Airlines (FY23)

Take rate earned is primarily a combination of the mark-up for hotels and commissions for airlines. The other contributors to take rate include productivity-linked incentives from Suppliers based on the volume of bookings undertaken through their platform, revenue from unclaimed refunds, transaction fees, rebates on credit card payments, global distribution system ("GDS") segment fees, deposit incentives, and marketing fees.

The Take rate made on transactions for hotels and ancillary and airlines their contribution to the revenue from operations in the periods indicated:

(₹ Cr)

Category	For 9 months ended Dec'31, 2023			Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Take Rate (%)	Revenue generated	% of Revenue from operations	Take Rate (%)	Revenue generated	% of Revenue from operations	Take Rate (%)	Revenue generated	% of Revenue from operations	Take Rate (%)	Revenue generated	% of Revenue from operations
Air	2.63	259.58	25.36	2.59	320.50	30.11	3.07	193.57	40.05	3.65	85.59	60.36
Hotels and Ancillary	8.10	741.87	72.47	7.25	722.16	67.83	6.97	275.49	57.01	6.84	50.61	35.69

Company's Technology enables quick access to new supply

Airlines

GDS: amadeus, Sabre, interGlobe
 Airlines hosted platform: navitaire, pyton
 New Distribution Capabilities: ETIHAD AIRWAYS, Lufthansa

Ancillary (Rentals, transfers)

Direct Connectivity: CITYRIDE, talixo
 Third Party: viator, HBX GROUP
 Extranet

Hotels

Channel Managers: RateGain, dedge, SiteMinder
 Direct Connectivity: ibssoftware, Roibos, DerbySoft, Hilton
 Third Party: expedia group, WebBeds
 Extranet

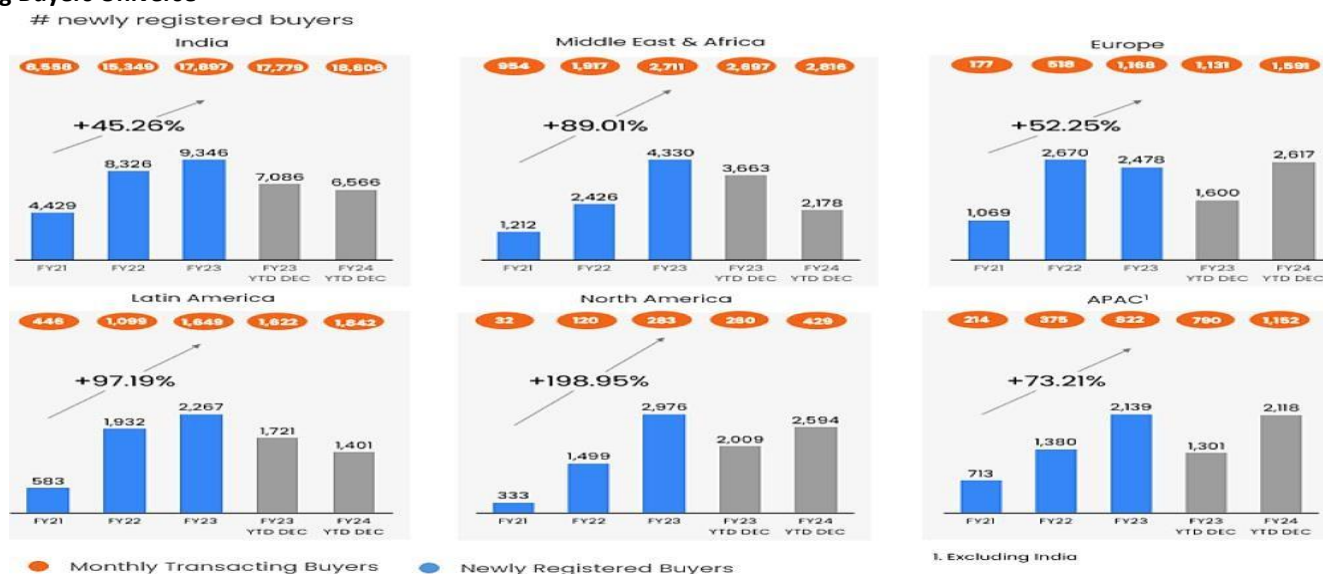
Cruise & Rail

Direct Connectivity: MSC, NORWEGIAN CRUISE LINE, Royal Caribbean, CRYSTAL, IRCTC, Rail Europe, Switzerland.

Real time access to inventory
 1 Million+ hotels, 750+ Airlines, Car Rentals pickup from 13K+ points

All numbers are as on December 31, 2023

Growing Buyers Universe



INTELLECTUAL PROPERTIES

Currently, the company has 79 trademark registrations in India. Further, the company has 3 pending trademark applications in India. Their Material Subsidiary has 5 registered trademarks in the UAE and 5 registered trademarks in Hong Kong and it has also filed 1 application under the Madrid Protocol in 5 classes for registration of trademark in Brazil, China, European Union Intellectual Property Office, Indonesia, Ireland, Mexico, Malaysia, Singapore and United Kingdom. While it has obtained International Registration Number under the Madrid Protocol, however, the trademark application is pending for approval with the respective countries. In addition, they have also registered certain domain names including www.tbo.com, www.travelboutiqueonline.com and www.tboholidays.com.

REVENUE FROM OPERATIONS

(₹ Cr)

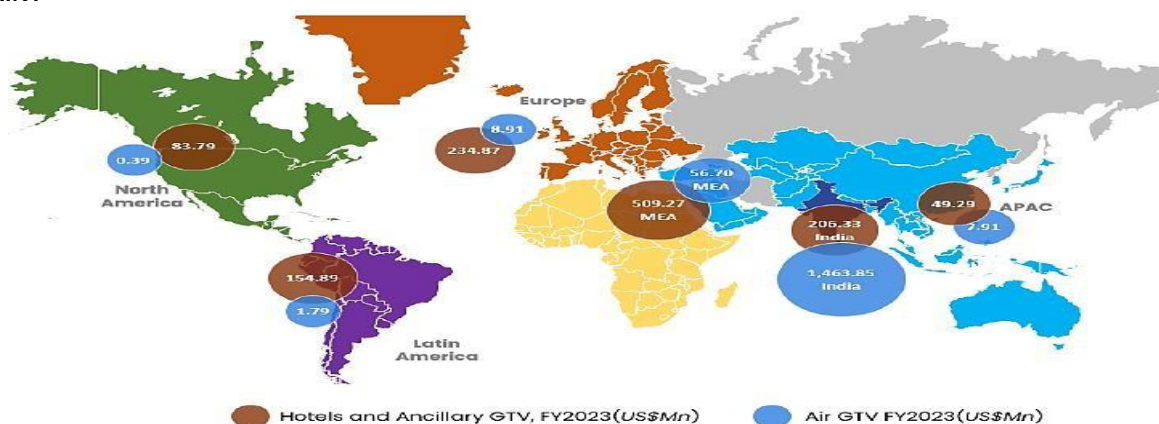
Particulars	9 months ended December 31, 2023		Year ended March 31,		
	2023	2022	2023	2022	2021
Rendering of services					
Air ticketing	259.58	239.49	320.51	193.58	85.60
- Revenue from contracts with customers	224.62	208.06	276.60	168.07	72.92
- Other operating revenue	34.96	31.43	43.91	25.51	12.68
Hotel and packages	741.88	529.35	722.15	275.49	50.61
- Revenue from contracts with customers	693.97	502.00	684.24	254.55	46.13
- Other operating revenue	47.91	27.35	37.91	20.94	4.48
Technical service	2.70	2.76	3.79	4.04	3.15
- Revenue from contracts with customers	2.70	2.76	3.79	4.04	3.15
Other services	19.60	11.58	18.14	10.17	2.45
- Revenue from contracts with customers	19.60	11.58	18.14	10.17	2.45
Total Revenue from operations	1,023.75	783.18	1,064.59	483.27	141.81

The Region-wise Revenue from Operations:

(₹ Cr)

Particulars	9 months ended December 31, 2023				Year ended March 31,					
	2023		2022		2023		2022		2021	
	Revenue	% to Total	Revenue	% to Total	Revenue	% to Total	Revenue	% to Total	Revenue	% to Total
India	339.27	33.14%	296.03	37.80%	398.39	37.42%	224.78	46.51%	96.75	68.23%
Rest of the world	684.49	66.86%	487.14	62.20%	666.20	62.58%	258.50	53.49%	45.05	31.77%
- Middle East and Africa	269.22	26.30%	250.47	31.98%	340.41	31.98%	129.97	26.89%	24.70	17.42%
- Europe	196.59	19.20%	107.48	13.72%	146.70	13.78%	36.66	7.59%	5.22	3.68%
- Latin America	95.25	9.30%	70.69	9.03%	93.86	8.82%	41.25	8.53%	4.68	3.30%
- North America	68.52	6.69%	34.41	4.39%	50.69	4.76%	31.79	6.58%	3.68	2.60%
- Asia Pacific	54.91	5.36%	24.09	3.08%	34.54	3.24%	18.83	3.90%	6.77	4.78%
Total	1,023.75	100.00%	783.18	100.00%	1064.59	100.00%	483.27	100.00%	141.81	100.00%

GLOBAL FOOTPRINT



All numbers for 2022-23

GTV (INR Mn)	FY2021	FY2022	FY2023	FY2023 YTD-DEC	FY2024 YTD-DEC
India	24,906.02	68,647.11	1,34,079.54	98,413.58	110,185.87
Middle East & Africa	3,261.66	17,053.95	45,556.37	32,472.95	31,490.19
Europe	688.92	4,810.05	19,632.65	13,934.75	22,994.10
Latin America	618.08	5,412.14	12,561.67	9,164.90	11,140.46
North America	486.23	4,171.57	6,783.39	4,460.88	8,013.99
APAC	894.51	2,470.85	4,622.01	3,122.78	6,422.17

Note: For conversion of GTV numbers from USD to INR, the daily average exchange rate of 1 USD = ₹ 74.24, ₹ 74.77, ₹ 80.36, ₹ 79.67 and ₹ 82.66, respectively, has been considered for Fiscal 2021, 2022, 2023 and nine months ended December 31, 2022, and December 31, 2023.

MARKET OPPORTUNITY

In 2023, the global travel and tourism industry rebounded, surging by 18.2% from 2022 to reach \$1.9 trillion, with projections indicating a compound annual growth rate (CAGR) of 8.2%, aiming to hit \$2.6 trillion by 2027. While seasoned travelers typically favored developed destinations like the USA and Europe, there's a rising trend among first-time travelers exploring unconventional locales. Generation Z, active across various social media platforms, spends money differently and has distinct perspectives on how their travels impact the world. Despite this, the top 10 Travel Management Companies (TMCs) collectively serve less than 15% of the \$374 billion global business travel market, with market fragmentation expected to persist, leading to increased market complexities.

COMPETITIVE STRENGTHS

Network Effect Platform with Interlinked Flywheels Boosting Partner Value: Accordingly, GTV generated by Buyers that continued in their 6th year after joining company's platform was 5.29 times the GTV generated in the 1st year of them joining company's platform. This demonstrates the stickiness of Buyers on the platform and that an increase in time spent on the platform drives higher volumes.

Buyer Retention									Increased GTV per user							
Cohort	# Total	T	T+1	T+2	T+3	T+4	T+5	T+6	Cohort	T	T+1	T+2	T+3	T+4	T+5	T+6
FY2017	7,457	100%	73.01%	57.61%	49.81%	34.71%	36.76%	37.19%	FY2017	1	2.82x	3.23x	3.69x	0.94x	2.83x	5.29x
FY2018	8,626	100%	72.25%	59.07%	40.41%	42.43%	42.15%		FY 2018	1	3.51x	4.25x	0.79x	2.39x	4.39x	
FY2019	9,961	100%	71.88%	45.34%	46.99%	46.81%			FY2019	1	3.46x	1.13x	3.32x	5.98x		
FY2020	12,526	100%	48.91%	48.24%	46.96%				FY2020	1	1.07x	1.86x	2.89x			
FY2021	5,725	100%	72.96%	62.13%					FY2021	1	6.90x	14.53x				
FY2022	11,765	100%	71.57%						FY2022	1	3.49x					
FY2023	15,664	100%							FY2023	1						

Years in grey are Covid-19 affected

The cohort demonstrates the stickiness of the platform. Of the 7,457 buyers that were onboarded in Fiscal 2017, 2,773 (37.19%) continued to transact with the company in fiscal 2023.

The cohort demonstrates that the GTV per buyer continues to grow annually. The GTV per Buyer of the Fiscal 2017 cohort grew by 5.29x from Rs.0.88 million to Rs.4.66 million.

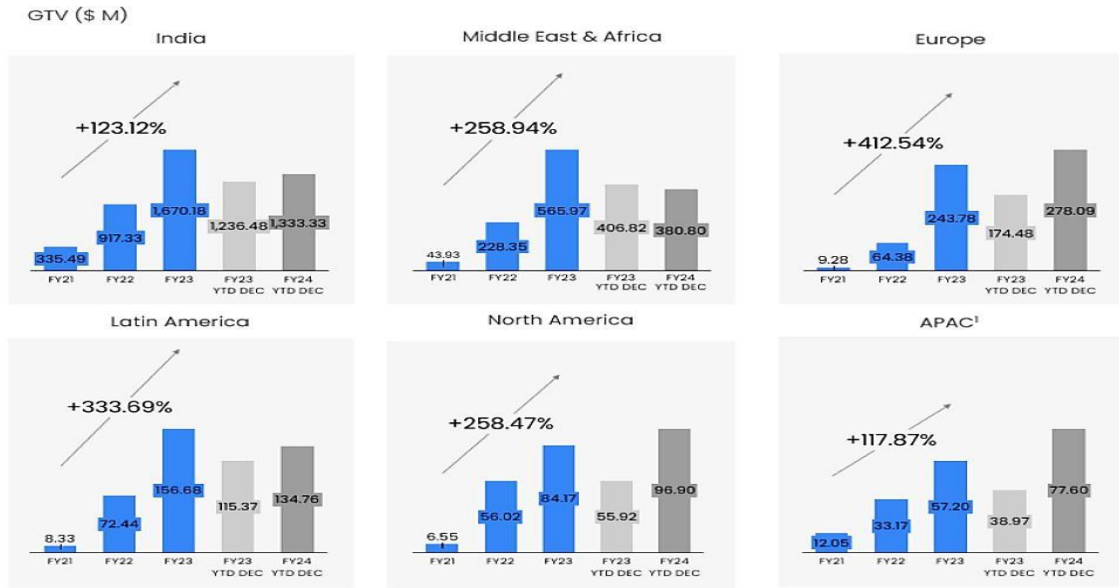
Data is for TBO Core platform only. It does not include BookaBed and ZamZam details as they occur on a different platform.

Strong Operating Leverage

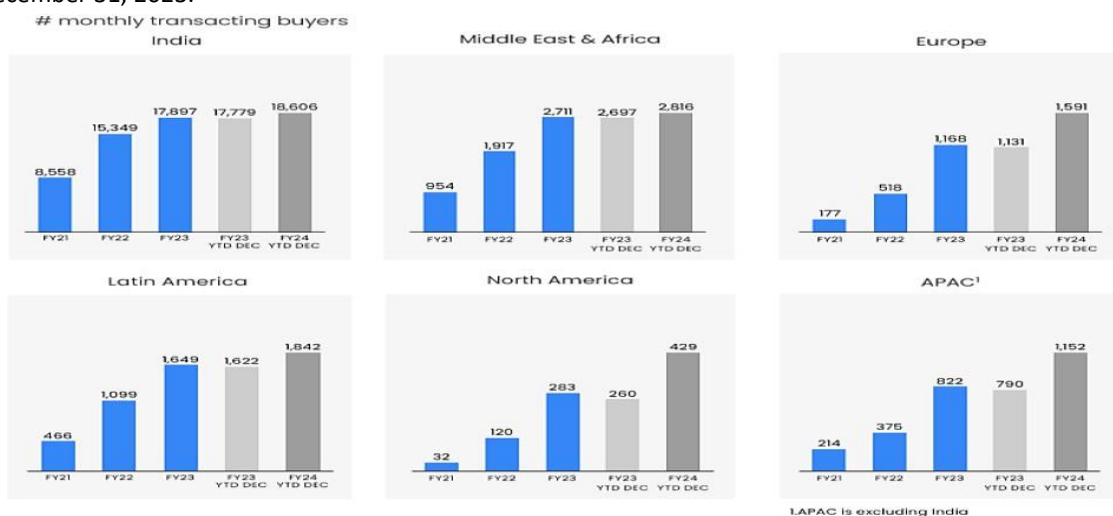


All incremental benefits go to bottom line leading to **High Operating Leverage**

Modular and Scalable Tech Platform for Diverse Business Expansion: The company has designed their platform to be modular which, enables them to develop and launch solutions that serve specific Buyer and Supplier segments efficiently. Leveraging the scalability of the platform, they have been able to develop a go-to-market playbook. Outside of India, they have executed their model in the Middle East, Latin America, and APAC markets.



The growth of GTV is driven by company’s ability to attract new Buyers as well as retain and increase the engagement and volume of transactions by existing Buyers on their platform. The number of Monthly Transacting Buyers has increased at CAGR of 53.57% from 10,401 for Fiscal 2021 to 24,530 for Fiscal 2023. They had 26,436 Monthly Transacting Buyers for the 9 months ended December 31, 2023.



Data Utilization: The company effectively harnesses extensive data assets, maintaining robust data governance principles. They operate an enterprise-wide data warehouse, segmenting data for various purposes. Viewing data as their corporate currency, they monetize it by enhancing their platform and offering additional insights. Web analytics and clickstream analysis inform user behavior understanding, while real-time analytics monitor Supplier performance.

Data-Driven Decision Making: TBO Tek promotes a culture of data-driven decision-making, granting access from frontline sales to product management. Sales forecasting models, based on recurrent neural networks, inform dynamic pricing decisions. They employ clustered algorithms to group hotels, enhancing personalization efforts and marketing analytics, with future projects focusing on real-time buyer disruptions.

Founder-Led with Expert Management: Led by founders Gaurav Bhatnagar and Ankush Nijhawan, TBO Tek boasts a seasoned leadership team with deep industry and tech expertise. Continuously strengthening their team, they recruit professionals with relevant skills. With 282 tech team members as of December 2023, they engage in research, implementing new ideas, and use cases.

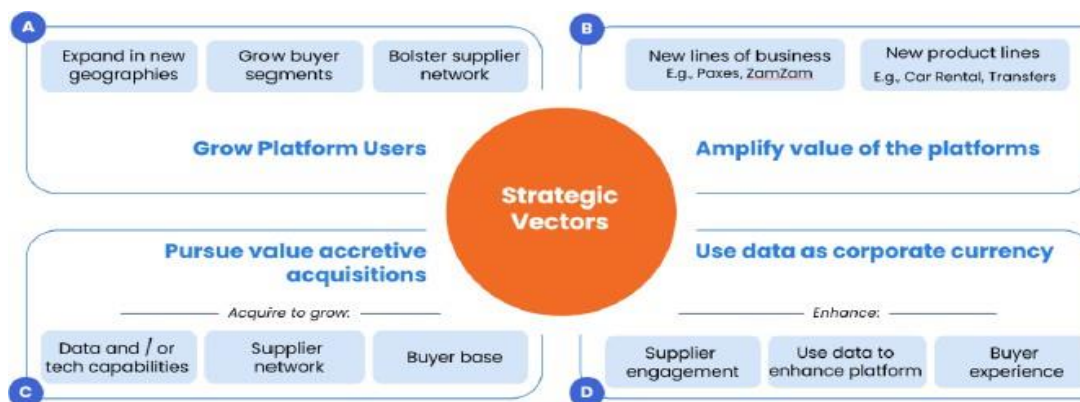
Efficient Capital Model: Operating with a capital-efficient model, TBO Tek demonstrates strong cash generation and operating leverage. Strategically acquiring complementary travel assets, like Island Hopper and Gemini Tours and Travel, strengthens their partner network and capabilities. The acquisition of BookaBed extends their presence in the UK and Irish markets, integrating buyers and suppliers onto their platform.

The key acquisitions that the company has undertaken:

Financial Year of Acquisition	Name of the entity acquired	Acquisition rationale and benefits accrued	Country of incorporation	Consideration for acquisition (in ₹ Cr)
2019	Island Hopper and Clickitbookit	To achieve supply depth in Indian Ocean Islands	India	19.00
2022	Gemini Tours and Travels	To achieve supply depth in Maldives	India	9.00
2023	Bookabed AG	To increase market share in Ireland and UK	Switzerland	90.42
2024	Jumbonline Accommodations & Services, SLU (“Jumbo”)	Expansion of operations in Europe and access to direct supply of hotels	Spain	219.60

KEY BUSINESS STRATEGIES

Strategic vectors that contributed to rapid growth: The company's growth strategy hinges on three pillars: expanding Monthly Transacting Buyers by diversifying suppliers and reaching into new markets, developing specialized solutions for buyer segments like promoting Saudi Arabia, and leveraging extensive data resources with advanced analytics and AI to enhance decision-making and deliver value to partners.



Expansion of Buyer and Supplier Base: The company aims to strengthen its buyer base by investing in expanding the on-ground sales team and augmenting the enterprise sales team. They operate globally through their wholly owned Material Subsidiary, Tek Travels DMCC, and focus on diversifying the supply base by adding complementary products.

Amplification of Platform Value: Utilizing the platform's modularity, the company launches new lines of businesses like Zamzam for Umrah travel and Paxes for corporate travel automation. Collaborating with the Saudi Tourism Authority, they introduced Kizan for inbound tourism in Saudi Arabia. They also recognize the potential in ancillary services, aligning with their high transaction volume.

Expansion through Selective Acquisitions: The company supplements organic growth plans with strategic acquisitions, such as acquiring BookaBed and entering into an agreement with Jumbo Tours Espana S.L.U. to acquire its online business. These acquisitions enhance their presence in Europe and provide direct access to hotel supply.

Utilization of Data as Corporate Currency: Data-driven decision-making is crucial across various business operations. The company utilizes a robust data warehouse and pipeline setup to drive data-led initiatives, leveraging insights from search, transaction, payment, and support data to inform decisions and drive growth.

INDUSTRY OVERVIEW

In travel distribution, there are four main player categories: Global Distribution Systems (GDS), Bedbanks, Channel Managers, and new-age tech platforms. GDS, including Amadeus, Sabre, and Travelport, primarily distribute full-service carrier tickets. Bedbanks, such as Hotelbeds and Webbeds, focus on wholesale buying and selling of hotel rooms. Channel Managers like Siteminder and RateGain offer dynamic connectivity and multi-channel distribution for hotels. New-age tech platforms like TBO distribute various travel products across their networks.

Leading Global Travel Distribution Platforms

Parameters	TBO	GDS			Bed banks		Channel managers		Corporate Travel management
		Amadeus	Sabre	Travelport	Hotelbeds	Webbeds ¹	Siteminder	RateGain	TravelCTM
Merchant of Record	Yes	No	No	No	Yes	Yes	No	No	No
Multi-product (Flights, hotels, rail, ancillaries etc.)	Yes	Yes	Limited	Limited	Limited	Limited	Limited	Yes	Limited
Flights (FSC + LCC in one screen)	Yes	Limited	Limited	Limited	NA	NA	NA	NA	NA
Hotels (Direct Supply + Third Party Supply)	Yes	Direct supply only	Direct supply only	Direct supply only	Yes	Yes	Direct supply only	Direct supply only	Direct supply only
No of Currencies	Buyers can pay in 56+ currencies	Buyers can pay in 43 currencies	Buyers can pay in 50+ currencies	NA (Supplier collects directly)	Limited	Limited	NA (Supplier collects directly)	NA (Supplier collects directly)	NA (Supplier collects directly)
B2B variety of payment options	Credit cards, Debit cards, Net Banking, Wallet balance, Credit limit, Alipay, WeChat Pay, Dragonpay, SEPA, BNPL	Credit cards (VISA / Mastercard), Payout portal, Corporate Wallets, B2B Wallets	Virtual payments	eNett Virtual Account Numbers (VAN), Virtual credit cards through the Conferma Pay Settlement Platform	Credit card (MasterCard, Visa or American Express), Bank transfer	Virtual credit card	Primarily credit cards (Visa, MasterCard, American Express, JCB, Union Pay, Discover, Diners Card), virtual cards, ApplePay and GooglePay	Primarily credit cards	Primarily Credit cards
Business support aids and content*	Yes (TBO Academy)	Limited	Limited	Limited	Limited	Limited	Limited	Limited	Limited

Note(s): *Limited as they provide only content limited to training modules of their own platforms or webinars on how to recover after Covid or boost their sales. Whereas TBO empowers the travel buyers enabling them to manage their business efficiently, providing a learning tool to learn about new destinations along with providing training modules or webinar.
¹ Indicates Webbeds is travel brand of Webjet limited.

Legend	Yes	Limited	No	NA
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Comparison with listed industry peers

Particulars	For the Fiscal 2023			
	TBO Tek	Rategain Travel Technologies	Webjet	Corporate Travel Management
GTV (₹ Cr)	22,323.56	Na	23,799.81	49,070.17
Revenue from operations (₹ Cr)	1,064.59	565.13	1,995.78	3,615.29
Take Rate (%)	4.77%	Na	8.39%	7.37%
Gross Profit (₹ Cr)	732.64	Na	Na	3,563.13
EBITDA (₹ Cr)	181.85	84.65	738.28	888.68
EBITDA Margin (%)	17.08%	14.98%	36.99%	24.58%

Key Performance Indicators

Particulars		For the 9 months ended Dec'31		Fiscal		
		2023	2022	2023	2022	2021
Monthly Transacting Buyers (Nos.)	India	18,606	17,779	17,897	15,349	8,558
	International	7,830	6,500	6,633	4,029	1,843
	Total	26,436	24,279	24,530	19,378	10,401
Gross Transaction Value ("GTV") (₹ Cr) – Source Market	India	11,018.59	9,841.36	13,407.95	6,864.71	2,490.60
	International	8,006.09	6,315.63	8,915.61	3,391.86	594.94
	Total	19,024.68	16,156.98	22,323.56	10,256.57	3,085.54
GTV Mix (%) - Source Market	India	57.92%	60.91%	60.06%	66.93%	80.72%
	International	42.08%	39.09%	39.94%	33.07%	19.28%
GTV (₹ Cr) – Product	Air	9,865.10	9,076.43	12,360.45	6,305.20	2,346.07
	Hotels and Ancillary	9,159.57	7,080.55	9,963.11	3,951.37	739.47
	Total	19,024.68	16,156.98	22,323.56	10,256.57	3,085.54
GTV Mix (%) – Product	Air	51.85%	56.18%	55.37%	61.47%	76.03%
	Hotels and Ancillary	48.15%	43.82%	44.63%	38.53%	23.97%
Revenue from Operations (₹ Cr) -Product	Air	259.58	239.49	320.50	193.57	85.59
	Hotels and Ancillary	741.87	529.35	722.16	275.49	50.61
	Others	22.30	14.34	21.93	14.21	5.61
	Total	1,023.75	783.18	1,064.59	483.27	141.81
Take Rate (%) Product	Air	2.63%	2.64%	2.59%	3.07%	3.65%
	Hotels and Ancillary	8.10%	7.48%	7.25%	6.97%	6.84%
	Total	5.38%	4.85%	4.77%	4.71%	4.60%
Gross Profit (₹ Cr) Product	Air	139.96	146.21	190.08	108.88	58.65
	Hotels and Ancillary	511.33	387.42	524.07	202.92	42.33
	Others	19.85	11.62	18.49	12.94	4.86
	Total	671.14	545.25	732.64	324.74	105.84
Revenue from Operations (₹ Cr) – Source Market	India	339.27	296.03	398.39	224.78	96.75
	International	684.48	487.14	666.20	258.49	45.06
	Total	1,023.75	783.18	1,064.59	483.27	141.81
Take Rate (%) Source Market	India	3.08%	3.01%	2.97%	3.27%	3.88%
	International	8.55%	7.71%	7.47%	7.62%	7.57%
	Total	5.38%	4.85%	4.77%	4.71%	4.60%
Gross Profit (₹ Cr) – Source Market	India	179.21	177.86	235.22	125.99	64.08
	International	491.93	367.39	497.41	198.75	41.76
	Total	671.14	545.25	732.64	324.74	105.84
EBITDA (₹ Cr)		192.69	145.86	181.85	28.74	(22.69)
Adj. EBITDA (₹ Cr)		200.51	159.85	198.96	37.42	(22.69)
EBITDA Margin (%)		18.82%	18.62%	17.08%	5.95%	(16.00)%
Adj. EBITDA Margin (%)		19.59%	20.41%	18.69%	7.74%	(16.00)%

Comparison with Key Performance of Indicators with Peer Group companies

Company Name	Consolidated / Standalone	Face Value	Revenue from Operations for Fiscal 2023 (₹ in Cr)	Market Cap/Revenue Ratio	EPS		Networth	NAV	P/E	RoNW (%)
					Basic	Diluted				
TBO Tek Ltd	Consolidated	1	1,064.59	[•]	14.21	14.07	337.19	33.22	65.39	44.04%
Listed Indian Peers										
Rategain Travel Technologies	Consolidated	1	565.13	14.96	6.29	6.33	709.74	65.67	113.31	9.64%
Listed Global Peers										
Travel CTM	Consolidated	Na^	3,463.03	3.38	28.14	28.04	6,215.24	425.20	28.34	6.62%
Webjet Ltd	Consolidated	Na^	1,931.32	8.67	2.01	2.01	4,421.26	115.95	213.16	1.74%

Source: RHP; ^ Shares without face value, P/E for TBO tek is based in upper price band

Restated Statement of Cash Flows

Particulars	For the 9 months ended Dec'31		Fiscal		
	2023	2022	2023	2022	2021
Profit/(Loss) before tax	173.62	140.67	174.20	46.03	(29.53)
Adjustments Related to Non-Cash & Non-Operating Items	26.99	20.24	30.23	2.32	17.69
Operating Profits before Working Capital Changes	200.61	160.91	204.43	48.35	(11.84)
Adjustments for Changes in Working Capital	(137.11)	(40.97)	55.81	166.63	66.33
Net cash generated from operations before tax	63.50	119.94	260.24	214.98	54.49
Income tax paid – (net)	(21.78)	(17.18)	(22.80)	(16.46)	(3.87)
Net cash generated from operating activities (a)	41.72	102.76	237.44	198.52	50.62
Net cash used in investing activities (b)	(126.72)	(64.98)	(106.17)	(30.58)	(26.58)
Net cash used in financing activities (c)	(11.72)	(9.49)	(14.06)	(15.67)	(5.43)
Net (decrease) / increase in cash and cash equivalents during the period (a+b+c)	(96.72)	28.29	117.21	152.27	18.61
Add: Cash and cash equivalents as at the beginning of the period	563.39	424.89	424.89	269.10	252.19
Effect of Exchange rate changes on cash & Cash Equivalents	(0.35)	29.82	21.33	3.78	(1.69)
Cash and cash equivalents as at the end of the period	466.36	482.99	563.39	424.89	269.10

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