



IPO NOTE

TBO TEK LIMITED



DISTRIBUTION PLAN

Rating:

APPLY

(For listing gains and Long Term)



ISSUE OFFER

Issue Opens on	MAY 08, 2024
Issue Close on	MAY 10, 2024
Total IPO size (cr)	₹1,550.81
Fresh issue (cr)	₹400.00
Offer For Sale (cr)	₹1,150.81
Price Band (INR)	875- 920
Market Lot	16
Face Value (INR)	1
Retail Allocation	10%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 75%;"></div>	75%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 10%;"></div>	10%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
104,239,961	108,587,787

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	13-05-2024
Refunds/Unblocking ASBA Fund	14-05-2024
Credit of equity shares to DP A/c	14-05-2024
Trading commences	15-05-2024

TBO Tek Limited is one of the leading travel distribution platforms in the global travel and tourism industry that simplifies the business of travel for suppliers and enterprise buyers through its two-sided technology platform that enables Suppliers and Buyers to transact seamlessly with each other.

OBJECTS OF THE ISSUE

- Expansion of the Supplier and Buyer base.
- Amplification of value of our platform by adding new lines of businesses.
- Inorganic growth through selective acquisitions and building synergies with our existing platform.
- Leveraging data procured to offer bespoke travel solutions.

OUTLOOK & VALUATION

TBO Tek, a leading travel distribution platform, stands out with its modular and scalable proprietary technology platform. This allows the company to generate and leverage valuable data assets while operating on a capital-efficient business model.

TBO Tek has demonstrated a strong financial turnaround after FY21, with consistent growth over the past two fiscal years. However, potential risks require careful consideration. The company relies on a limited range of suppliers and third-party systems, which could pose vulnerabilities. Additionally, the tourism industry itself is highly sensitive to external factors and intensely competitive.

While the P/E valuation of 64x appears fully priced, the lack of direct peers makes a definitive comparison challenging. Considering TBO Tek's growth potential and potential listing gains, we recommend a subscribe rating for this IPO.



KEY MANAGERIAL PERSONNEL

01

Gaurav Bhatnagar

Joint Managing Director of the Company. He is member of the executive committee of World Travel & Tourism Council (WTTC) and is one of the co-founders of TBO. He is also a cofounder of Tekriti Software Private Limited. He was appointed to the Board of Directors with effect from November 6, 2006 and has been associated with the Company since its inception.

02

Ankush Nijhawan

Joint Managing Director of the Company. He has experience in the travel industry and is one of the co-founders of TBO. He is the chairperson for FICCI's Outbound Tourism Committee. He is a member of Young President's Organization. He was appointed to the Board of Directors with effect from March 12, 2007.

03

Ravindra Dhariwal

Chairman and Independent Director of the Company. He is the chairperson of Sagacito Technologies Private Limited. 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.

04

Vikas Jain

Chief Financial Officer of the Company. Previously, he was associated with Ibibio Web Private Limited, Bharti-Walmart Private Limited, American Express India Private Limited and S.R. Batliboi & Co.

05

Neera Chandak

Company Secretary and Compliance Officer of the Company. She is a member of the Institute of Company Secretaries of India. She joined the Company with effect from November 2, 2021.

COMPANY PROFILE

- The company provides a platform that allows the large and fragmented base of Suppliers to display and market inventory to, and set prices for, the large and fragmented global Buyer base.
- For Buyers, its platform is an integrated, multi-currency, and multi-lingual one-stop solution that helps them discover and book travel for destinations worldwide, across various travel segments such as 163 leisure, corporate, and religious travel.
- It aggregates supply from hotels, airlines, car rental companies, transfer providers, cruise companies, and others via direct connectivity or through third-party aggregators.
- It provides a wide range of offerings operating in over 100 countries by providing Buyers with a comprehensive travel inventory according to the needs of their customers and supporting a wide range of currencies along with forex assistance.

COMPETITIVE STRENGTHS

- Platform creating network effect with interlinked flywheels to enhance the value proposition for partners.
- Modular and scalable proprietary technology platform.
- Ability to generate and leverage large data assets.
- Data-driven decision-making across the enterprise.
- Founders' led company supported by an experienced professional management team.
- Capital-efficient business model with a combination of sustainable growth.

KEY STRATEGIES

- Expand Buyer and Supplier base.
- Continue to amplify the value of its platform.
- Grow its operations through selective acquisitions.
- Use data as a corporate currency.

KEY CONCERNS

- The worldwide travel and tourism industry is highly sensitive.
- It is dependent on a limited range of Suppliers for a significant portion of its gross transaction value.
- Business is exposed to pricing pressure from Suppliers.
- It operates in a highly competitive industry.
- It relies on various third-party systems for many of the services and failure from their side may impact its business.
- Its international operations are subject to risks that are specific to each country and region.

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

There are no listed companies in India or abroad that engage in a business similar to that of this Company. However, for the purposes of this Red Herring Prospectus, the following companies have been considered as peers of the Company.

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (In Million)	RoNW (%)
TBO Tek Limited	14.21	33.22	-	10,645.87	44.04
Listed Indian peers					
Rategain Travel Technologies Limited	6.29	65.67	113.31	5,651.28	9.64
Listed Global peers					
Travel CTM	28.14	425.20	28.34	34,630.31	6.62
Webjet Ltd	2.01	115.95	213.16	19,313.20	1.74

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLION)	FY 2023	FY 2022	FY 2021
Equity Share Capital	104.24	104.24	18.95
Other Equity	3,175.70	2,140.76	1,975.77
Net Worth	3,402.86	2,319.04	2,040.71
Total Borrowings	56.16	26.94	-
Revenue from Operations	10,645.87	4,832.68	1,418.06
EBITDA	1,818.45	287.41	(226.89)
Profit/loss before Tax	1,741.95	460.33	(295.32)
Net profit/loss of the year	1,484.91	337.17	(341.44)


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