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**Issue Offer**

Fresh Issue of 4,347,826 Equity shares aggregating upto INR 4,000mn and Offer for sale of 12,508797 Equity shares (INR 11,508.1mn) aggregating up to INR 15,508.1mn

**Issue Summary**

Price Band (INR)	875-920
Face Value (INR)	1
Implied Market Cap (INR mn)	INR 99,901
Market Lot	16
Issue Opens on	May, 8, 2024
Issue Close on	May, 10, 2024
No. of share pre-issue	1,04,239,961
No. of share post issue	1,08,587,787
Listing	NSE / BSE

**Issue Break-up (%)**

QIB Portion	≤ 75%
NIB Portion	≥ 15%
Retail Portion	≥ 10%

**Book Running Lead Managers**

Axis Capital Ltd

Goldman Sachs (India) Securities Ltd

Jefferies India Private Ltd

JM Financial Ltd

**Registrar**

KFin Technologies Ltd

**Shareholding Pattern**

	Pre-Issue	Post-Issue
Promoters	51.26%	37.69
Public & Others	48.74	62.31

**Objects of the issue**

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

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**TBO Tek** is a front-runner in the travel distribution realm, boasting an expansive global presence spanning over 100 countries. With a robust platform catering to the diverse needs of both buyers and travelers, it has garnered a substantial clientele, surpassing 159,000 buyers by December 2023. Backed by a technology-driven approach to supplier onboarding, TBO Tek is positioned to tap into the burgeoning assisted travel segment. The company is primed to capitalize on evolving travel preferences and complex itineraries. TBO Tek's strong financial indicators underscore its potential for sustained success in the dynamic travel and tourism industry.

**Investment Rationale**

**Ability to generate and leverage large data assets:** TBO Tek maximizes its extensive data assets by adhering to robust governance principles and leveraging a comprehensive data warehouse. Through meticulous curation and verification, it ensures data accuracy and security, enabling insightful analytics. This corporate currency is monetized by enhancing platform capabilities and offering tailored insights to partners, driving bookings and fostering business growth. Continuous analysis facilitates proactive partner support and informed decision-making, empowering stakeholders within the travel ecosystem.

**Centralized hub actions lead to efficient servicing:** TBO Tek enhances buyer-supplier interaction with streamlined communication channels, transcending geographical and linguistic barriers. Acting as a centralized hub, it facilitates seamless communication throughout the booking process, empowering suppliers to handle requests efficiently. With multi-lingual support and a dedicated 24/7 customer service team, TBO Tek ensures hassle-free transactions, fostering collaboration and satisfaction within the global travel ecosystem.

**Enhancing booking experience led by value-added services:** TBO Tek goes beyond traditional booking platforms by enabling suppliers to offer value-added services seamlessly. From baggage and meal options to seat selections, suppliers can upsell ancillary products directly within the booking process. This not only enhances the overall booking experience for buyers but also increases attachment rates, driving additional revenue for suppliers. Moreover, the inclusion of ancillary products like airport transfers further enhances the probability of sale, enriching travel.

**Simplified payment systems along with cost reduction and hassle elimination in forex conversion:** TBO Tek revolutionizes payments with seamless transactions in over 55 currencies, eliminating forex conversion hassles and reducing costs. As the merchant of record, it simplifies payment terms for buyers, offering diverse local payment options like credit cards, UPI in India, and installment payments in Brazil. This flexibility enhances convenience for buyers and customers alike while minimizing technology investment and unlocking emerging payment mechanisms globally.

**Valuation and View:** TBO Tek Ltd has a global footprint of over 159,000 buyers across 100+ countries as of Dec-23, and a technology-driven supplier onboarding strategy. TBO Tek is well-positioned to drive additional growth by facilitating seamless global travel transactions on its platform. With the increasing diversity of travel preferences and destinations, the company is well-positioned to capitalize on the growing opportunities in the assisted travel segment, which caters to first-time travelers and those with complex itineraries. At the upper band of INR 920, the issue is valued at a P/E of 48.6x (Annualized) based on 9MFY24 EPS of INR 18.9. We are recommending "Subscribe for Long Term" for this issue.

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<b>Stock Rating Scale</b>	<b>Absolute Return</b>
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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