



IPO DETAILS

#IPOology

TBO TEK LIMITED



 **ISSUE OPEN**

8th May, 2024

 **ISSUE CLOSE**

10th May, 2024

Min. Lot Size

16 shares

Issue Price Band

₹875 - ₹920

Issue Size

Fresh Issue:
4.35 mn Eq shares
(₹4,000.00 mn)

OFS:
12.51 mn Eq shares
(₹11,508.09 mn)

Face Value

₹1

Industry

Travel Distribution Platform

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



TBO TEK LIMITED

Rationale

Considering the TTM (Dec-23) / FY24-Annualized EPS of Rs 16.80/18.93 on a post-issue basis, the company is going to list at a P/E of 54.77x/48.59x with a market cap of Rs.99,901 mn, whereas its peer namely Rategain Travel Technologies Limited is trading at a P/E of 61.2x.

We assign a "Subscribe" rating to this IPO as the company has a capital efficient business model with a combination of sustainable growth. Also, it is available at a reasonable valuation as compared to its peers.

Objectives of the issue

Expansion of the supplier and buyer base;

Amplification of value of their platform by adding new lines of businesses;

Inorganic growth through selective acquisitions and building synergies with their existing platform; and

Leveraging data procured to offer bespoke travel solutions to their buyers and suppliers.

Company Overview

TBO Tek Ltd is one of the leading travel distribution platform in the global travel and tourism industry in terms of GTV and revenue from operations for Fiscal 2023 providing a wide range of offerings operating in over 100 countries.

They simplify the business of travel for suppliers such as hotels, airlines, car rentals, transfers, cruises, insurance, rail and others (collectively, "Suppliers"), and retail buyers such as travel agencies and independent travel advisors ("Retail Buyers"); and enterprise buyers that include tour operators, travel management companies, online travel companies, ("Enterprise Buyers", together with Retail Buyers, "Buyers") through their two-sided technology platform that enables suppliers and buyers to transact seamlessly with each other.

The company's platform enables sellers to show and market their inventory and set prices for buyers. For buyers, the platform is an integrated, multi-currency, and multi-lingual, one-stop solution that helps them discover and book travel to destinations around the world, across various travel segments such as leisure, business and religious travel.

As of December 31, 2023, on their platform, suppliers had instant access to over 159,000 buyers in over 100 countries

Their revenue diversification from their suppliers is as follows:
(i) Airlines (25% of Revenue), (ii) Hotels and ancillary (75% of Revenue).



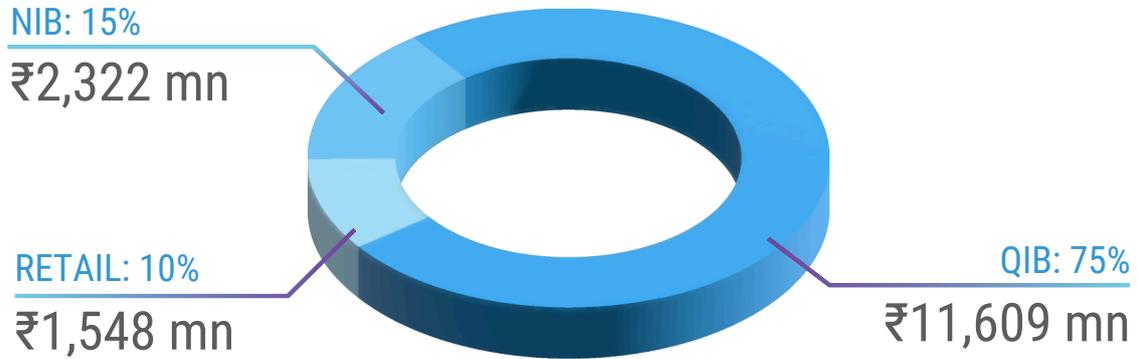
World Travel Solutions Inc.

As at December 31, 2023, the company had sold over 7,500 destinations in more than 100 countries and employed over 2,000 people.

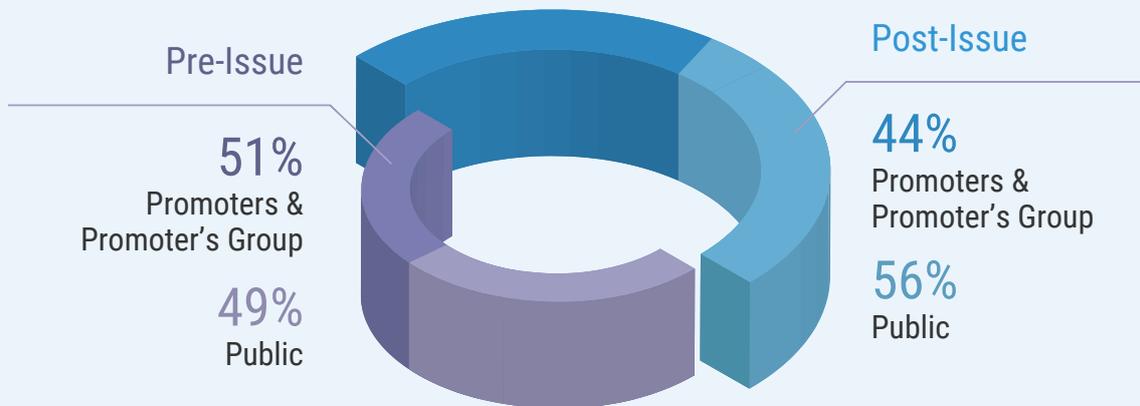


TBO TEK LIMITED
Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



200 mn

Authorised Equity Share Capital



104 mn

Paid-Up Capital (Pre-Offer)



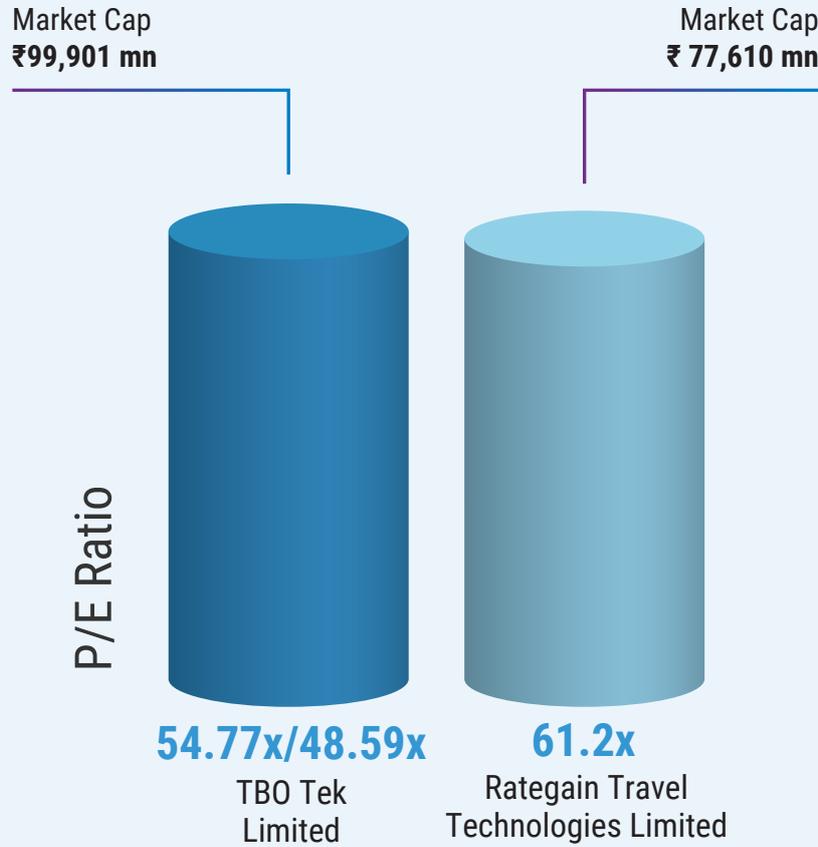
109 mn

Paid-Up Capital (Post-Offer)



TBO TEK LIMITED

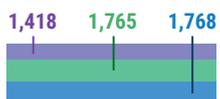
Valuations and Peer Comparison



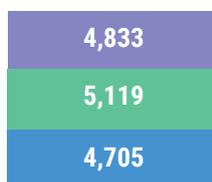
Market Cap data of listed securities as on May 06, 2024

Financial Snapshot (in ₹ mn)

- Revenue
- Total Income
- Total Expenses



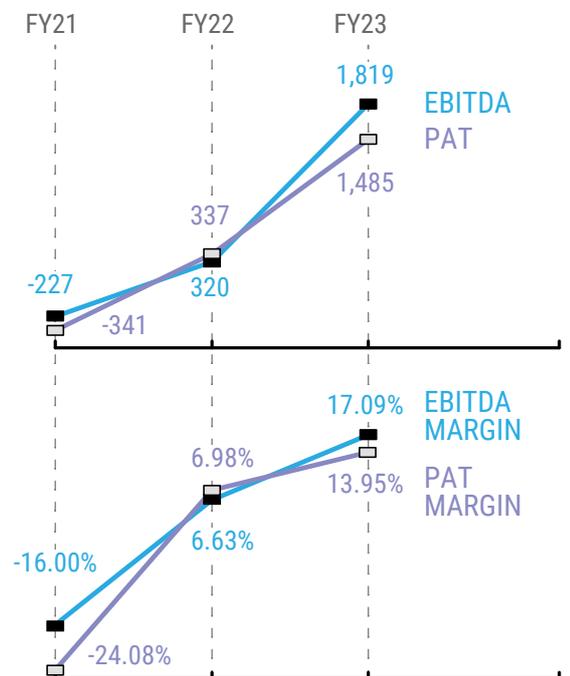
FY21
EPS: -3.28



FY22
EPS: 3.32



FY23
EPS: 14.07





TBO TEK LIMITED

Business Insights



Competitive Strengths

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



Business Strategy

- Expand buyer and supplier base.
- Continue to amplify the value of their platform.
- Grow their operations through selective acquisitions.
- Use data as a corporate currency.



Risks

- They derive a substantial portion of their revenue from operations from their Material Subsidiary, Tek Travels DMCC. Any events that impact the business of their Material Subsidiary, could adversely affect their business and results of operations.
- Their business is exposed to pricing pressure from their suppliers who may withhold inventory or modify the terms of arrangements, including for a reduction or elimination of commission, incentive or other compensation payable to the company, which could adversely affect their business and results of operations.
- They operate in a highly competitive industry and their inability to compete effectively may adversely affect their business and results of operations.

Promoters and Management Details

Ravindra Dhariwal - Chairman and Independent Director

Gaurav Bhatnagar - Joint Managing Director

Ankush Nijhawan - Joint Managing Director

Research Disclaimer <https://bit.ly/2RK2tzc>

