

29 May 2026

TBO Tek

Resilient performance despite geopolitical headwinds; retain BUY

TBO Tek's organic business maintained a steady trajectory in Q4FY26 with GTV rising by ~16% y/y to ~Rs90bn. While GTV grew by a strong ~27% y/y in Jan and Feb, disruption was seen in Mar, led by Middle East conflicts with Hotels & Ancillaries/Airlines GTV growth of ~20.4/9.4% y/y. GTV (including Classic Vacations) grew ~29% y/y, led by Hotels GTV/Airline growth of ~39.2/14.6% y/y. EBITDA grew 47.14% y/y to Rs1.05bn (in-line with street estimate). EBITDA margin fell ~311bps y/y to ~12.9% (from ~16% in Q4FY25), due to integration of Classic Vacation, which has lower margin (CV has better EBITDA/GTV conversion (~2.55% vs. TBO organic ~0.9%). Notably, adj. EBITDA as percentage of revenue (~10%) is lower than TBO organic (~15.4%). We expect steady performance in 1HFY27e and a strong recovery from 2HFY27e onwards, aided by pent-up demand and platform's diversified architecture. Operating leverage is likely to expand further, as SG&A growth continues to moderate and GP scales. Trimming our earnings estimate by ~2.6% for FY27/28e, we maintain BUY rating on the stock with an unrevised TP of Rs2,000, valuing it at ~42x FY28e EPS.

Impact of Middle East Conflicts: The Middle East markets, which account for ~30% of Hotels & Ancillaries GTV (MEA + Israel), were directly or indirectly impacted in Mar-26 with Hotels GTV growing by 3% y/y, with simultaneous disruptions across key global air transit hubs. Cancellation rates rose across adjacent corridors, as traveler sentiment weakened broadly. Despite ~40% of relevant travel corridors being impacted, the platform's globally diversified demand + supply network aided organic Hotels & Ancillaries GTV to grow by 20.4% y/y and Air by ~9.4% y/y in Q4FY26, led by strong growth in Europe and APAC region with Hotels & Ancillaries GTV growth of ~27%/73%, respectively.

Emerging Recovery Trends: Three recovery trends are emerging: (a) elevated cancellation rates led by Middle East conflicts are beginning to normalise; (b) new sales across non-war corridors continue tracking positively y/y with only minor headwinds; and (c) Middle East search volume is approaching historical highs and active agent levels are steadily recovering toward pre-war levels. The management expects y/y growth to continue (on consolidated basis), aided by pent-up demand and the platform's diversified architecture. Therefore, we expect a steady performance in H1FY27e with strong recovery from H2FY27e onwards.

Outlook: With the hiring spree particularly on global side, largely concluded in Q3FY26 and factoring-in incremental growth from Classic Vacations, we expect consolidated revenue to clock ~28.2% CAGR over FY26-28e considering ~20/5% organic growth in Hotels & Ancillary/Airlines segments, and factoring in ~7% topline CAGR for Classic Vacations. We expect consolidated EBITDA margin to expand by ~300bps to ~17% in FY28e (from 14.1% in FY26), leading to ~44.5% EPS CAGR over FY26-28e. Trimming our earnings estimate by ~2.6% for FY27/28e, we maintain BUY rating on the stock with an unrevised TP of Rs2,000, valuing it at ~42x FY28e EPS. **Key Risks:** (a) Inability to retain buyers and loss of agents; (b) suppliers changing terms or discontinue supply; and (c) external factors curbing mobility/travel.

Anand Rathi Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Rating: **BUY**

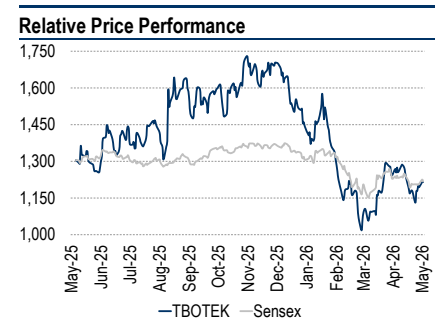
Target Price (12-mth): Rs.2,000

Share Price: Rs.1,125

Key Data	TBOTEK IN / TBOT.BO
52-week high / low	Rs1765 / 1004
Sensex / Nifty	74776 / 23548
Market cap	Rs164bn
Shares outstanding	107m

Shareholding Pattern (%)	Mar'26	Sep'25	Jun'25
Promoters	44.4	44.4	44.4
- of which, Pledged	-	-	-
Free float	55.6	55.6	55.6
- Foreign institutions	29.7	30.7	30.1
- Domestic institutions	20.4	18.9	19.2
- Public	5.5	6.0	6.3

Estimates Revision (%)	FY27e	FY28e
Revenue	2.8	5.7
EBITDA	2.5	2.5
PAT	(2.6)	(2.6)



Shobit Singhal
Research Analyst

Quick Glance – Financials and Valuations

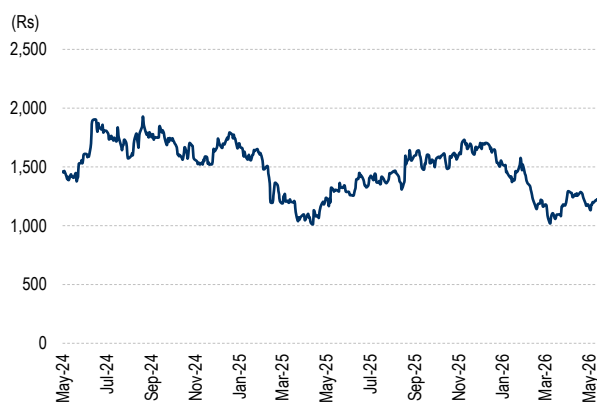
Fig 1 – Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Net revenues	13,928	17,375	26,775	37,296	44,025
Growth (%)	30.8	24.7	54.1	39.3	18.0
Direct costs	4,707	5,440	10,035	13,837	16,069
Gross profit	9,221	11,935	16,740	23,459	27,956
Gross margins (%)	66.2	68.7	62.5	62.9	63.5
SG&A	6,638	8,926	12,955	17,506	20,488
EBITDA	2,583	3,009	3,785	5,954	7,468
EBITDA margins (%)	18.5	17.3	14.1	16.0	17.0
Depreciation	-362	-519	-864	-1,193	-1,409
Other income	155	488	400	597	704
Interest expenses	-106	-233	-436	-522	-537
PBT	2,269	2,746	2,885	4,835	6,227
Effective tax rates (%)	11.6	16.3	16.7	16.7	16.7
+Associates / (Minorities)	16	-	-	-	-
Net income	2,021	2,299	2,403	4,027	5,186
WANS	104.2	108.6	108.6	108.6	108.6
FDEPS (Rs)	19.4	21.2	22.1	37.1	47.8

Fig 3 – Cash-flow Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
PBT	2,269	2,746	2,885	4,835	6,227
+ Non-cash items	413	578	1,120	1,119	1,242
Oper. prof. before WC	2,682	3,323	4,004	5,954	7,468
- Incr. / (decr.) in WC	152	123	3,681	-155	-184
Others incl. taxes	-265	-312	-531	-808	-1,040
Operating cash-flow	2,265	2,888	-208	5,301	6,611
- Capex (tangible + intangible)	387	532	668	930	1,098
Free cash-flow	1,878	2,356	-875	4,371	5,514
- Acquisitions	-1,278	-363	-3,809	-295	-295
- Div. (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	-	3,891	-	-	-
+ Debt raised	1,301	-	4,905	-	-
- Fin investments	28	3,856	13	-	-
- Misc. (CFI + CFF)	-56	-2,282	-5	-75	-167
Net cash-flow	1,928	4,310	212	4,151	5,386

Source: Company, Anand Rathi Research

Fig 5 – Price Movement


Source: Bloomberg

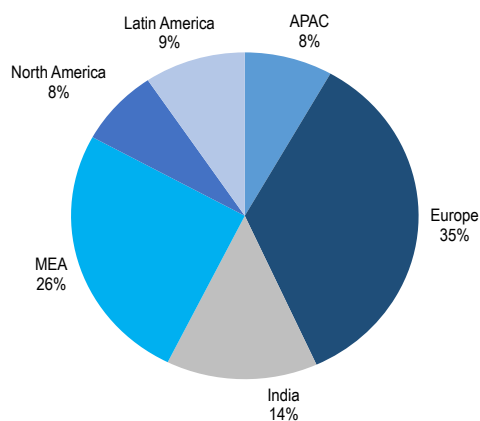
Fig 2 – Balance Sheet (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Share capital	104	109	109	109	109
Net worth	5,448	11,951	15,507	19,534	24,720
Debt	1,351	1,364	6,451	6,451	6,451
Deferred tax liability	138	176	208	208	208
Lease & long-term liabilities	1,074	749	1,186	891	596
Capital employed	8,010	14,239	23,352	27,084	31,975
Net tangible assets	130	128	208	200	191
Net intangible assets	1,944	2,152	9,641	9,386	9,084
Goodwill	886	912	5,546	5,546	5,546
Right of use assets	669	650	933	933	933
CWIP (tang. & intang)	-	-	-	-	-
Investments (strategic)	-	-	-	-	-
Investments (financial)	186	308	563	563	563
Current assets (excl. cash)	36,219	45,141	63,420	71,078	80,141
Cash	8,541	12,851	12,778	16,928	22,314
Current liabilities	40,564	47,904	69,737	77,551	86,797
Working capital	-4,345	-2,763	-6,317	-6,472	-6,656
Capital deployed	8,010	14,239	23,352	27,084	31,975

Fig 4 – Ratio Analysis

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
P/E (x)	74.4	65.4	54.4	33.0	25.6
EV / EBITDA (x)	53.1	45.6	31.7	20.1	16.0
EV / Sales (x)	9.9	7.9	4.5	3.2	2.7
P/B (x)	27.6	12.6	8.6	6.8	5.4
RoE (%)	45.3	26.4	17.8	23.0	23.4
RoCE (%) - after tax	32.3	18.7	12.9	15.7	17.1
DPS (Rs)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%) - incl. DDT	-	-	-	-	-
Net debt / equity (x)	-1.4	-1.0	-0.4	-0.6	-0.7
Receivables (days)	45	48	53	53	53
Inventory (days)	-	-	-	-	-
Payables (days)	50	51	54	54	54
CFO: PAT (%)	112.0	125.6	-8.5	131.6	127.5

Source: Company, Anand Rathi Research

Fig 6 – Region-wise GTV-mix (FY26)


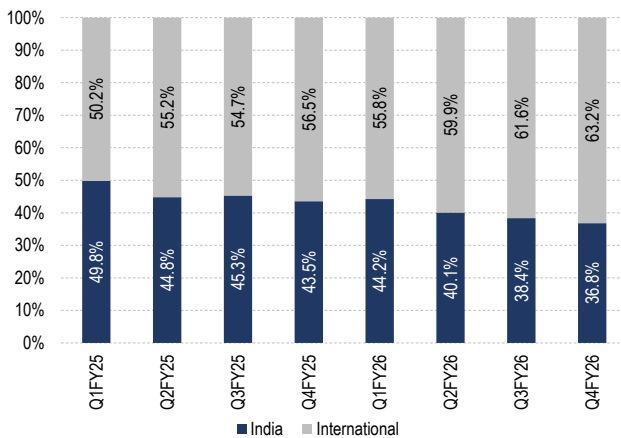
Source: Company

Fig 7 – Quarterly Results (Organic vs Classic Vacations break up)

	Q4FY26 (TBO Organic)	Q4FY25	y/y (%)	Classic Vacations Q4FY26	Q4FY26 (Consolidated)	y/y (%)
Hotels + Ancillary GTV	56,536	46957	20	8,823	65,359	39
Airlines GTV	33,830	30923	9	1,601	35,431	15
Total GTV	90,380	77,880	16	10,730	100,790	29
Total Income	5,416	4,461	21	2,730	8,140	83
Implied Take Rates %	6.0	5.7		25.4	8.1	
Gross Profit	3,551	3,109	14	1,390	4,941	59
GP/GTV %	3.9	4.0		13.0	4.9	
SG&A without ESOP Costs	2,717	2,318	17	1,117	3,834	65
Adj. EBITDA	834	791	5	274	1,107	40
Adj. EBITDA/GTV %	0.9	1.0		2.6	1.1	

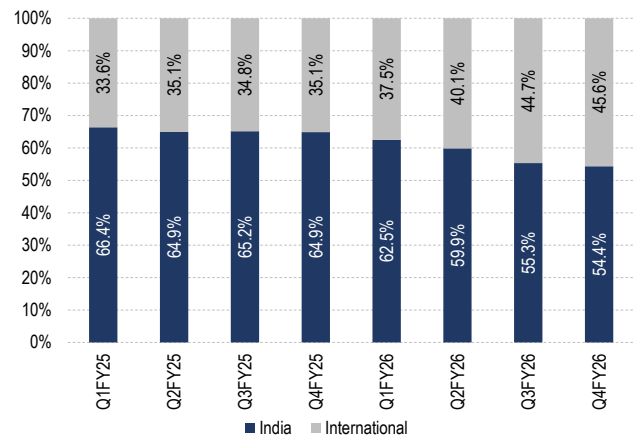
Source: Company, Anand Rathi Research

Fig 8 – India continues to be a key market (36.8% of GTV, as of Q4FY26)



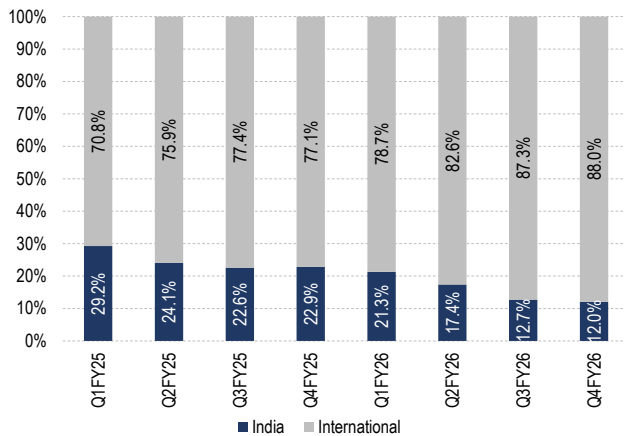
Source: Company, Anand Rathi Research

Fig 9 – Monthly transacting buyers gradually increasing in international markets



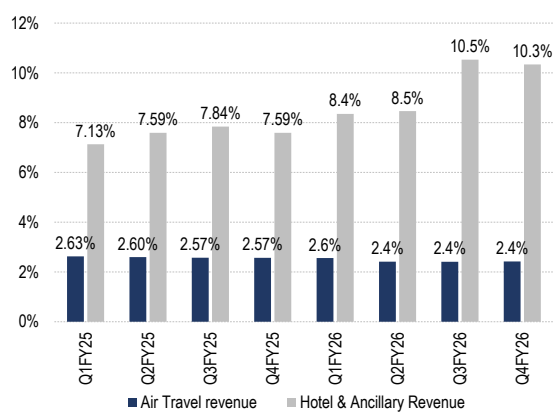
Source: Company, Anand Rathi Research

Fig 10 – International segment having a higher take rate of ~8.9% (region-wise revenue contribution – Q4FY26)



Source: Company, Anand Rathi Research

Fig 11 – Segment-wise take-rate (Q4FY26) – while airline take rate remains stable, Hotel & Ancillary take rate continues to expand



Source: Company, Anand Rathi Research

Outlook and Valuation

An aggregator, TBO Tek helps travel distribution between suppliers and buyers. Travel suppliers need a way to market their inventory efficiently to buyers, who in turn need access to these to meet their customers' travel requirements. Being modular and asset-light, this platform is scalable with the potential to launch new solutions, thereby creating a network effect.

Looking ahead, we expect a steady performance in 1HFY27e and a strong recovery from 2HFY27e onwards, aided by pent-up demand and the platform's diversified architecture. Operating leverage is expected to expand further, as SG&A growth continues to moderate, while GP scales.

Trimming our earnings estimates by ~2.6% for FY27/28e, we maintain BUY rating on the stock with an unrevised TP of Rs2,000, valuing it at ~42x FY28e EPS.

Fig 12 – Change in Estimates

(Rs m)	FY27e			FY28e		
	New Estimates	Old Estimates	Change (%)	New Estimates	Old Estimates	Change (%)
Revenues	37,296	36,297	2.8	44,025	41,637	5.7
EBITDA	5,954	5,808	2.5	7,468	7,287	2.5
<i>EBITDA margin (%)</i>	16.0	16.0	-4 bps	17.0	17.5	-54 bps
EBIT	4,760	4,864	(2.1)	6,059	6,204	(2.3)
<i>EBIT margin (%)</i>	12.8	13.4	-64 bps	13.8	14.9	-114 bps
PBT	4,835	4,936	(2.1)	6,227	6,362	(2.1)
Net profit	4,027	4,133	(2.6)	5,186	5,327	(2.6)

Source: Anand Rathi Research

Key Risks

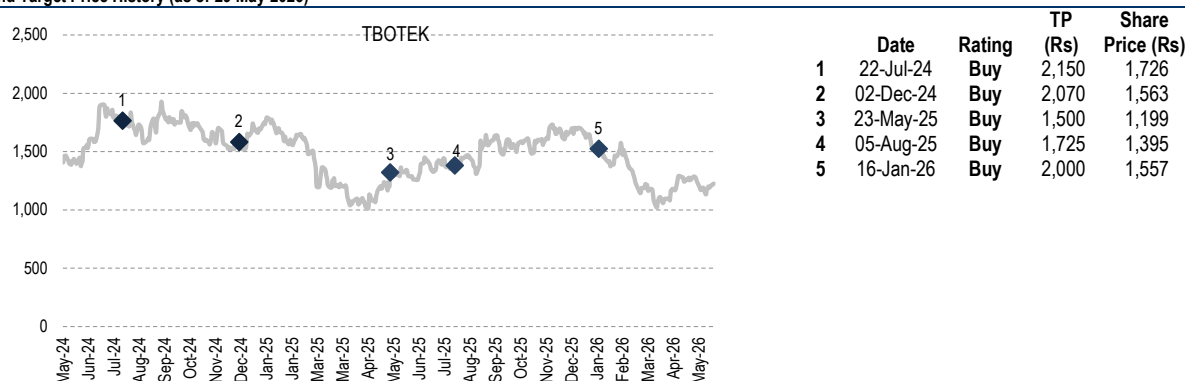
- Inability to retain buyers and loss of agents.
- Suppliers changing terms or discontinue supply.
- External factors curbing mobility/travel.

Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies Rating and Target Price History (as of 29 May 2026)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2026. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000
Grievance officer: Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.