ANANDRATHI

India I Equities

Tourism

Result Update

Change in Estimates ☑ Target ☑ Reco ☐

30 July 2026

TBO Tek

Robust performance despite continued geopolitical headwinds; retain BUY

Rating: **BUY**
Target Price (12-mth): Rs.2,200
Share Price: Rs.1,500

TBO Tek maintained a steady business trajectory in Q1FY27 with GTV growing by ~37.4% y/y (up 30% in CC terms) to ~Rs111.5bn, led by consolidating GTV growth of Hotels & Ancillaries (~49.8% y/y) and Airlines (~16.9% y/y). Organic business grew by ~22% y/y (up ~15% in CC terms) to ~ Rs99.2bn. Overall take rates expanded to ~8.3% in Q1FY27 from ~6.3% in Q1FY26, largely due to Classic Vacations, which commands a higher take rate with the strongest quarterly performance. However, organic business take rate reduced to ~6% from ~6.3% (as airline take rates decline by ~40bps y/y to ~2.2% and Hotel & Ancillary down ~50bps y/y to ~7.9%), largely led by Middle East conflicts. EBITDA grew by 84.23% y/y to ~Rs1.4bn (~15/16.9% above ARe/street estimates) with EBITDA margin improving by ~27bps y/y to ~15.5% vs. ~15.2% in Q1FY26. Organic margins improved to ~16.8% in Q1FY27 from ~15.2% in Q1FY26. We expect strong recovery from 2HFY27e onwards, aided by pent-up demand in the Middle East region and platform's diversified architecture. Operating leverage is likely to expand further, as SG&A growth continues to moderate and GP scales. Considering these, we increase our EBITDA estimate by ~10.2%/16.4% for FY27/28e and maintain BUY rating on the stock with an upwardly revised TP of Rs2,200 (from Rs2,000 earlier), valuing it at ~40x FY28e EPS.

Impact of Middle East Conflicts: The Middle East markets, which account for ~18-20% of Hotels & Ancillaries GTV (MEA), were impacted with Hotels GTV growing by 1% y/y in CC terms, with simultaneous disruptions across key global air transit hubs. Despite ~20% of relevant travel corridors being impacted, the platform's globally diversified demand + supply network aided organic Hotels & Ancillaries GTV to grow by ~27.3% y/y and Air by ~13.7% y/y in Q1FY27, led by strong growth in Europe and APAC region with Hotels & Ancillaries GTV growth of ~37/56%.

Key Concall Takeaways: (a) The management believes organic growth strategy remains unchanged at prioritising ~20%+ topline along with margin expansion once MEA conflict normalise; **(b)** Europe and APAC are leading the growth, where a key account manager typically delivers ~4-6 quarters of increasing growth before maturing; **(c)** North America is expected to take several quarters to achieve break-through (Europe took ~5-6 years), with enterprise-level growth seen as a big win; **(d)** The integration charters across platform, supply, commercial and talent threads remain well on track with visible traction and expect integration process to be completed by end of Q3'FY27

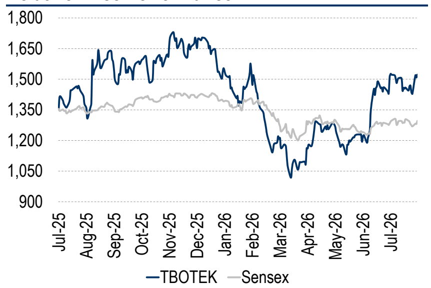
Outlook and Valuation: Hiring spree was largely concluded in Q3FY26, especially on global side. Factoring in incremental growth from Classic Vacations, we expect consolidated revenue to clock ~38.1% CAGR over FY26-28e considering ~30/5% organic growth in Hotels & Ancillary/Airlines segments and considering ~13% 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 ~55.7% EPS CAGR over FY26-28e. **Key Risks:** (a) Inability to retain buyers and agents; (b) suppliers changing terms or discontinue supply; and (c) external factors curbing mobility/travel.

Key Data	TBOTEK IN / TBOT.BO
52-week high / low	Rs1765 / 1004
Sensex / Nifty	77928 / 24317
Market cap	Rs164bn
Shares outstanding	107m

Shareholding Pattern (%)	Jun'26	Mar'26	Sep'25
Promoters	44.4	44.4	44.4
- *of which, Pledged*	-	-	-
Free float	55.6	55.6	55.6
- Foreign institutions	28.9	29.7	30.7
- Domestic institutions	21.1	20.4	18.9
- Public	5.6	5.5	6.0

Estimates Revision (%)	FY27e	FY28e
Revenue	10.2	16.0
EBITDA	10.2	16.4
PAT	9.8	16.1

Relative Price Performance



Source: Bloomberg

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Quick Glance – Financials and Valuations

Fig 1 – Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
Net revenue	13,928	17,375	26,775	41,086	51,052
Growth (%)	*30.8*	*24.7*	*54.1*	53.5	24.3
Direct costs	4,707	5,440	10,035	15,613	19,144
Gross profit	9,221	11,935	16,740	25,473	31,907
Gross margin (%)	*66.2*	*68.7*	62.5	62.0	62.5
SG&A	6,638	8,926	12,955	18,913	23,212
EBITDA	**2,583**	**3,009**	**3,785**	**6,560**	**8,696**
EBITDA margin (%)	*18.5*	*17.3*	14.1	16.0	17.0
Depreciation	-362	-519	-864	-1,335	-1,659
Other income	155	488	400	657	817
Interest expenses	-106	-233	-436	-575	-623
PBT	2,269	2,746	2,885	5,307	7,230
Effective tax rates (%)	*11.6*	*16.3*	16.7	16.7	16.7
+Associates / (Minorities)	16	-	-	-	-
Net income	2,021	2,299	2,403	4,420	6,022
WANS	104.2	108.6	108.6	108.6	108.6
FDEPS (Rs)	19.4	21.2	22.1	40.7	55.5

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	19,927	25,949
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**	**27,477**	**33,205**
Net tangible assets	130	128	208	199	187
Net intangible assets	1,944	2,152	9,641	9,340	8,965
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	74,303	87,489
Cash	8,541	12,851	12,778	17,435	23,815
Current liabilities	40,564	47,904	69,737	80,841	94,294
Working capital	-4,345	-2,763	-6,317	-6,538	-6,805
Capital deployed	**8,010**	**14,239**	**23,352**	**27,477**	**33,205**

Fig 3 – Cash-flow Statement (Rs m)

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
PBT	2,269	2,746	2,885	5,307	7,230
+ Non-cash items	413	578	1,120	1,253	1,465
Oper. prof. before WC	2,682	3,323	4,004	6,560	8,696
- Incr. / (decr.) in WC	152	123	3,681	-221	-267
Others incl. taxes	-265	-312	-531	-887	-1,208
Operating cash-flow	2,265	2,888	-208	5,894	7,755
- Capex (tangible + intangible)	387	532	668	1,024	1,273
Free cash-flow	1,878	2,356	-875	4,870	6,482
- 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	-82	-194
Net cash-flow	1,928	4,310	-73	4,657	6,381

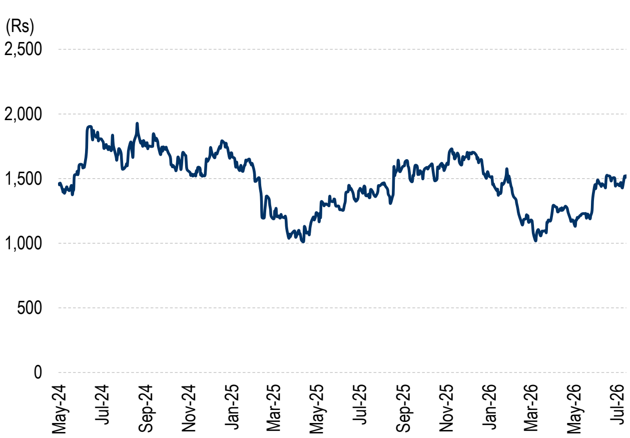
Source: Company, Anand Rathi Research

Fig 4 – Ratio Analysis

Y/E Mar	FY24	FY25	FY26	FY27e	FY28e
P/E (x)	80.6	70.9	66.7	36.8	27.0
EV / EBITDA (x)	58.0	49.7	39.5	22.8	17.2
EV / Sales (x)	10.7	8.6	5.6	3.6	2.9
P/B (x)	29.9	13.6	10.5	8.2	6.3
RoE (%)	45.3	26.4	17.8	25.0	26.3
RoCE (%) - after tax	32.3	18.7	12.9	17.1	19.3
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	133.3	128.8

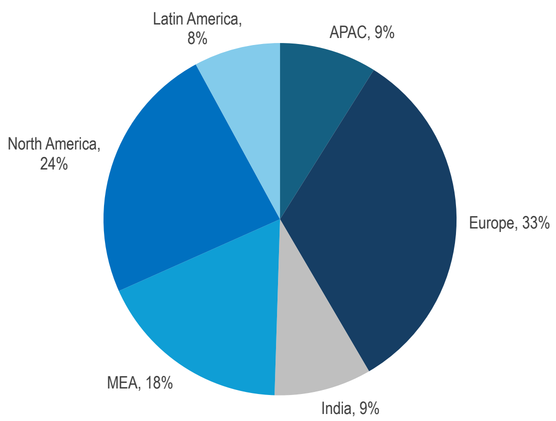
Source: Company, Anand Rathi Research

Fig 5 – Price Movement



Source: Bloomberg

Fig 6 – Region-wise GTV-mix (Q1FY27)



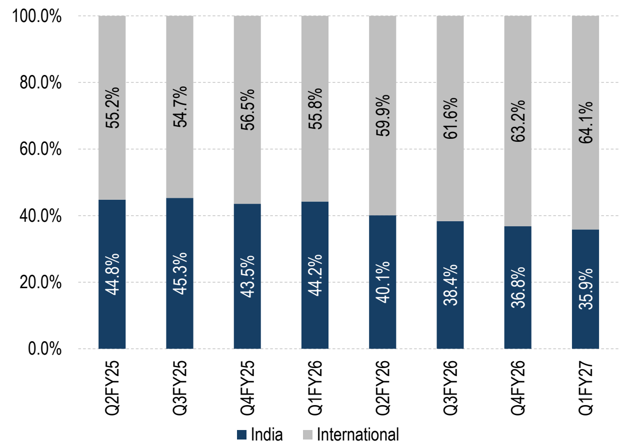
Source: Company

Fig 7 – Quarterly Results (Break-up of Organic vs. Classic Vacations)

	Q1FY27 (TBO Organic)	Q1FY26	y/y (%)	Classic Vacations Q1FY27	Q1FY27 (Consolidated)	y/y (%)
Total GTV	**99,180**	**81,190**	**22**	**13,000**	**111,540**	**37**
Total Income	**5,950**	**5,113**	**16**	**3,308**	**9,258**	**81**
Implied Take Rates (%)	6.0	6.3		25.4	8.3	
Gross Profit	**3,851**	**3,333**	**16**	**1,673**	**5,524**	**66**
GP/GTV (%)	3.9	4.1		12.9	5.0	
SG&A without ESOP Costs	**2,791**	**2,486**	**12**	**1,234**	**4,025**	**62**
Adj. EBITDA	**1,060**	**847**	**25**	**439**	**1,499**	**77**
Adj. EBITDA/GTV %	1.1	1.0		3.4	1.3	

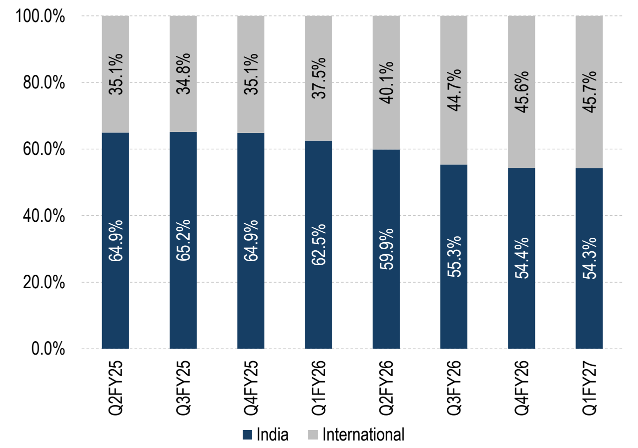
Source: Company, Anand Rathi Research

Fig 8 – India remains a key market though share, which continues to moderate (~35.9% of GTV, as of Q1FY27)



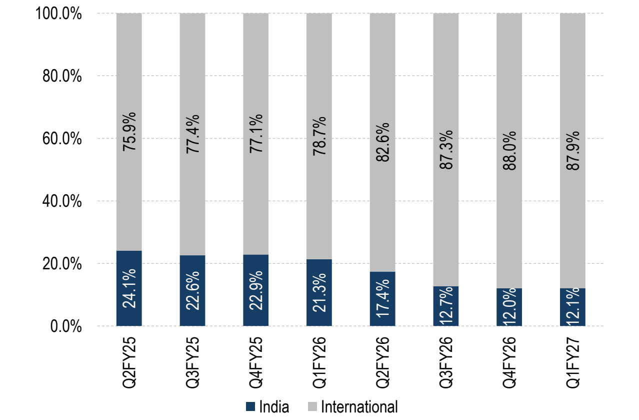
Source: Company, Anand Rathi Research

Fig 9 – Monthly transacting buyers continue to shift towards international markets (~45.7% international, as of Q1FY27)



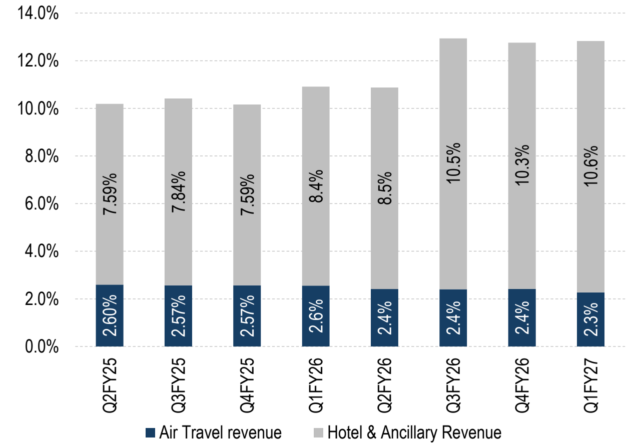
Source: Company, Anand Rathi Research

Fig 10 – International segment drives a higher take rate, now ~87.9% of revenue (region-wise revenue contribution – Q1FY27)



Source: Company, Anand Rathi Research

Fig 11 – Segment-wise take-rate (Q1FY27) – airline stable while Hotel & Ancillary continues to rise (~10.6%)



Source: Company, Anand Rathi Research

Outlook and Valuation

As 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.

We expect strong recovery from 2HFY27e onwards, aided by pent-up demand in the Middle East region and platform's diversified architecture. Operating leverage is likely to expand further, as SG&A growth continues to moderate and GP scales.

Considering these, we increase our EBITDA estimate by ~10.2%/16.4% for FY27/28e and maintain BUY rating on the stock with an upwardly revised TP of Rs2,200 (from Rs2,000 earlier), valuing it at ~40x FY28e EPS.

Fig 12 – Change in Estimates

(Rs m)	FY27e			FY28e		
	New Estimates	Old Estimates	Change (%)	New Estimates	Old Estimates	Change (%)
Revenue	41,086	37,296	10.2	51,052	44,025	16.0
EBITDA	6,560	5,954	10.2	8,696	7,468	16.4
EBITDA margin (%)	*16.0*	*16.0*	*0 bps*	*17.0*	*17.0*	*7 bps*
EBIT	5,225	4,761	9.7	7,036	6,059	16.1
EBIT margin (%)	*12.7*	*12.8*	*-5 bps*	*13.8*	*13.8*	*2 bps*
PBT	5,307	4,835	9.8	7,230	6,227	16.1
Net profit	4,420	4,027	9.8	6,022	5,186	16.1

Source: Anand Rathi Research

Key Risks

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

Appendix

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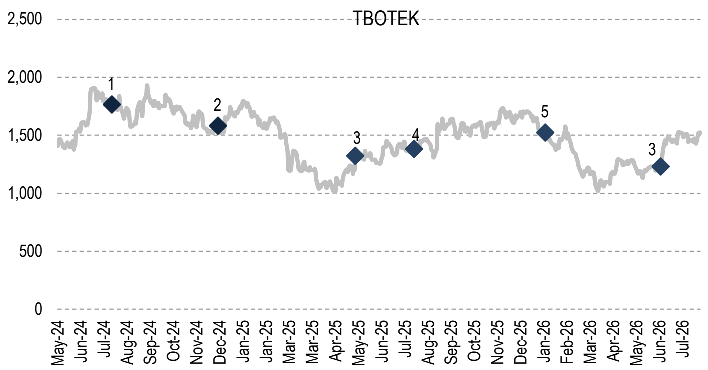

	Date	Rating	TP (Rs)	Share Price (Rs)
1	22-Jul-24	**Buy**	2,150	1,726
2	2-Dec-24	**Buy**	2,070	1,563
3	23-May-25	**Buy**	1,500	1,199
4	5-Aug-25	**Buy**	1,725	1,395
5	16-Jan-26	**Buy**	2,000	1,557

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