

TBO Tek | BUY

Well-positioned to capitalise on luxury travel growth

TBO's inaugural investor meet in Dubai focused on its global distribution strength and superior supplier relations within the luxury travel market. The leadership, including the CEO of Classic Vacations, explained how these strategic partnerships with premium airlines, hotels, and advisors enable a differentiated, high-service offering, providing an edge over online travel agencies (OTAs) and bed banks. The importance of consortia relationships in established markets was also a key discussion point. TBO also highlighted some of its recent investments in technology that help it differentiate itself from competitive platforms and better manage operational costs. Overall, the management noted that TBO is well-positioned to capture the opportunity in the luxury travel space on the back of its heavy investments in technology and exclusive supplier networks. While we broadly maintain our near-term estimates, roll-forward to Dec'26 increases TP to INR 1,920 derived basis 40x NTM PER (unchanged).

- **Organic hotels business to maintain 20-25% growth over the medium term:** TBO's management noted that a significant majority of global wealth (80-90%) is held by just 10% of the world's population. This affluent segment, comprising roughly 60mn millionaires and 600mn aspiring millionaires, is driving a substantial shift in spending habits. A secular trend, accelerated by the pandemic, sees these individuals favouring "luxury experiences," specifically travel, over conventional luxury goods. Consequently, the global luxury tourism market is poised for robust expansion, projected to grow from approximately USD 250bn in 2023 to around USD 400bn. This anticipated growth represents a CAGR of 10% - twice that of the broader travel market. This growth is further fuelled by the increasing complexity of luxury itineraries, which involve lengthier stays, multiple destinations and more activities/experiences. Affluent travellers planning such elaborate trips prioritise expert assistance over do-it-yourself (DIY) online booking tools, as price sensitivity diminishes while trip cost and complexity increases. TBO is well-positioned to capture this opportunity by partnering with travel advisors and agencies, providing them with heavy investments in technology and exclusive supplier networks designed to offer superior, full-service experiences that generic online alternatives cannot match. Overall, the management indicated that it was confident of delivering 20-25% growth in the organic hotels business (i.e., ex-recently acquired Classic Vacations).
- **Investments in sales expansion showing initial traction, margin expansion should start from 4QFY26:** TBO invested heavily in market development and sales teams earlier this year to expand in markets that currently contribute only a small proportion of sales to the company, despite representing a large share of global travel spending, indicating a huge potential for expansion. Accordingly, the company added more active agents in the first 7 months of the current year than in the entire previous year, and these new agents are proving more productive on average. According to the management, revenue growth is now converging with SG&A growth, demonstrating early signs of operating leverage. This is because newly added KAM's tend to break even within the first 12 months. In fact, it expects overall revenue growth to soon outpace SG&A growth, with organic business EBITDA margin likely to start from 4QFY26.
- **Maintain BUY, TP raised to INR 1,920 mainly on the back of roll-forward:** We broadly maintain our consol. GTV/Revenue estimates over FY26-28. While FY26/27 margin forecasts are also maintained, EBITDA margin forecasts are slightly raised by 33bps for FY28. Overall, our EPS forecasts are maintained for FY26/27 but raised by 2% in FY28. We roll-forward TP to Dec'26 for revised TP of INR 1,920 derived basis 40x NTM PER (unchanged).



Swapnil Potdukhe

swapnil.potdukhe@jmfll.com | Tel: (91 22) 62241876

Sachin Dixit

sachin.dixit@jmfll.com | Tel: (91 22) 66303078

Avnish Sharma

avnish.sharma@jmfll.com | Tel: (91 22) 66303054

Atul Borse

atul.borse@jmfll.com | Tel: (91 22) 66303134

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,920
Upside/(Downside)	15.7%
Previous Price Target	1,750
Change	9.7%

Key Data – TBOTEK IN

Current Market Price	INR1,659
Market cap (bn)	INR180.2/US\$2.0
Free Float	56%
Shares in issue (mn)	108.6
Diluted share (mn)	108.6
3-mon avg daily val (mn)	INR440.5/US\$4.9
52-week range	1,846/986
Sensex/Nifty	85,268/26,047
INR/US\$	90.4

Price Performance

%	1M	6M	12M
Absolute	5.5	28.9	1.4
Relative*	4.6	22.7	-2.3

* To the BSE Sensex

Financial Summary

(INR mn)

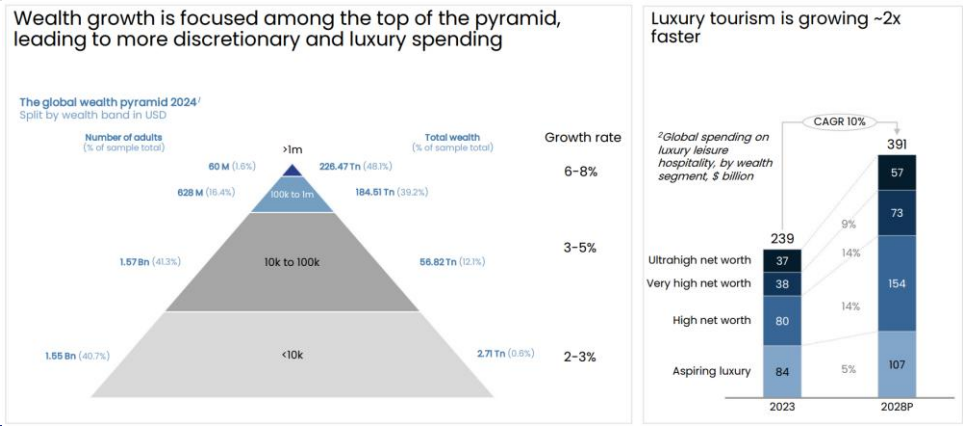
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,928	17,375	27,001	36,216	42,022
Sales Growth (%)	30.8	24.7	55.4	34.1	16.0
EBITDA	2,583	3,009	3,881	5,605	7,275
EBITDA Margin (%)	18.5	17.3	14.4	15.5	17.3
Adjusted Net Profit	2,093	2,172	2,511	4,014	5,599
Diluted EPS (INR)	20.4	20.0	23.1	37.0	51.6
Diluted EPS Growth (%)	47.7	-1.8	15.6	59.9	39.5
ROIC (%)	0.0	0.0	277.7	125.0	188.2
ROE (%)	47.3	25.0	19.0	24.3	26.2
P/E (x)	81.4	82.9	71.7	44.9	32.2
P/B (x)	31.0	15.1	12.4	9.7	7.5
EV/EBITDA (x)	67.2	55.7	43.6	29.5	21.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 12/Dec/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

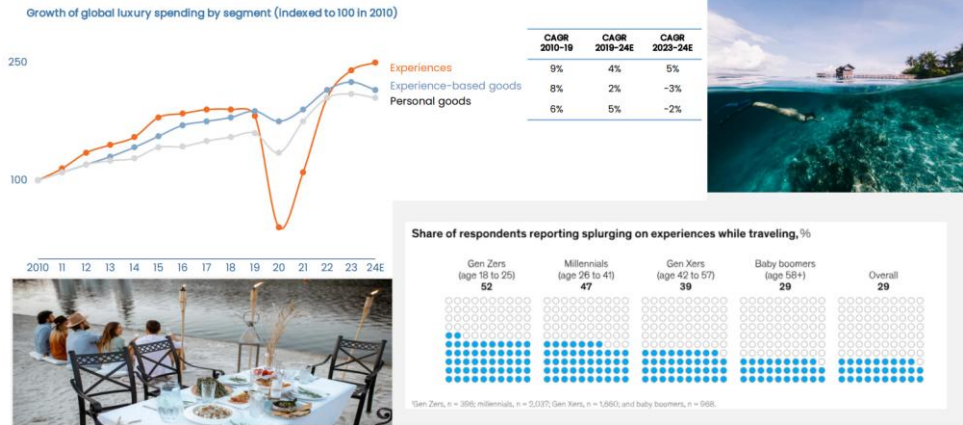
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Luxury travel is expected to outpace global travel spend, driven by ~60mn affluent millionaires, followed by the next ~600mn aspirers



Source: Company

Exhibit 2. Experiences lead the growth amongst luxury spending



Source: Bain & Company - Luxury in transition: Securing Future Growth; McKinsey - The state of tourism and Hospitality 2024

Source: Company

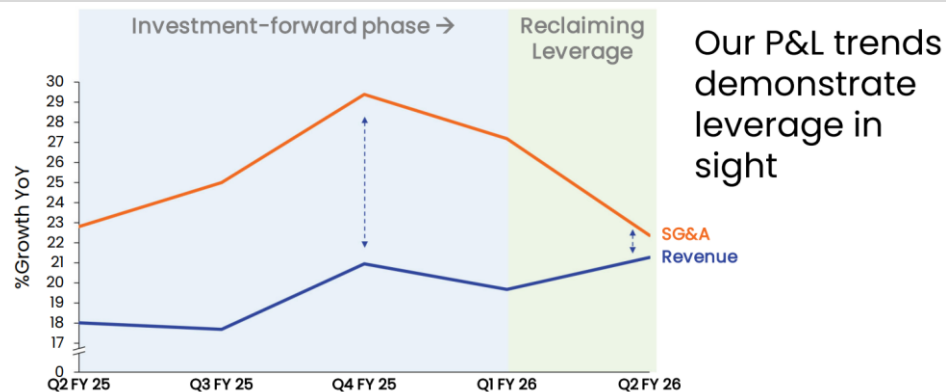
Exhibit 3. Travel market is witnessing extended plans, personalized itineraries and premium travel experiences



Source: ¹Tourism Economic, Travel Trends Survey 2024, ²Tourism Economics, WTM Report, ³OBTA Report 2024, ⁴Skift- State of Travel 2024, ⁵GlobeNewswire, Fairfield Market Research, ⁶Global Wellness Institute, Global Spa Industry Report, ⁷Tourism Economics, Cruise Intelligence Platform 2024

Source: Company

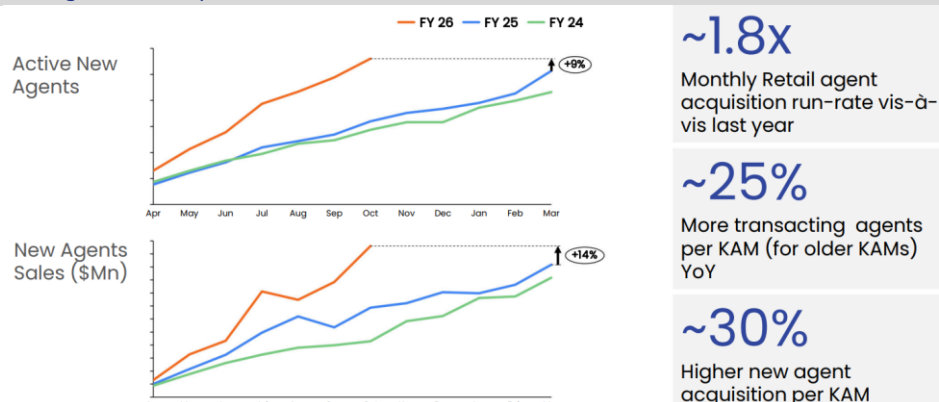
Exhibit 4. Organic revenue growth is likely to exceed SG&A spends in 4QFY26, driving margin expansion



Notes: Excludes Jumbo Online, M&A expenses and ESOP Cost to keep the periods comparable.

Source: Company

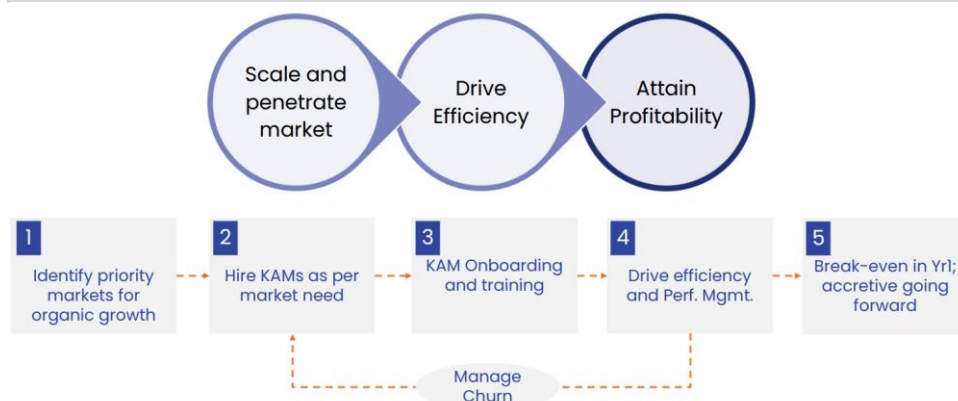
Exhibit 5. The new business acquisition has shown a step-change driven by new KAM addition and higher efficiency



Notes: Data as of Oct'2025 for the retail TBO International business excluding JOL

Source: Company

Exhibit 6. TBO's organic expansion playbook



Source: Company

■ **Classic Vacations can unlock huge growth as well as cost synergy opportunities:** Classic Vacations is a well-established company with nearly 5 decades of experience in the luxury travel sector. It operates a fully remote business model and specialises in curating premium, high-value vacation packages for US clients traveling to sought-after destinations like Europe, Hawaii, the Caribbean, and Mexico. The company differentiates itself by exclusively contracting high-tier rooms within four- and five-star hotels. This strategy provides significant value to hotel partners by boosting their Average Daily Rates (ADRs) and on-property revenue. Classic Vacations maintains strong, trust-based relationships with major US travel consortia, reinforcing its status as a preferred supplier and offering economic advantages and reliable customer service to affiliated travel advisors. The recent acquisition by TBO is a strategic move designed to integrate human expertise with advanced technology. Through this partnership, Classic Vacations gains access to TBO's modern technology stack, automation tools, and data engineers. This enhancement will enable real-time online booking capabilities and improved marketing platforms. Furthermore, the merger expands Classic Vacations' supply chain dramatically, granting access to premium hotel contracts managed by TBO in new markets, including Latin America (LATAM), the Middle East, South Asia, and the Asia-Pacific (APAC) region.

Exhibit 7. Classic Vacations acquisition has given TBO scale and brand strength in the largest luxury travel market



Notes: Data as of 30th Sep (H1), annualized estimates
Source: Company

Exhibit 8. Luxury travel consortia in North America



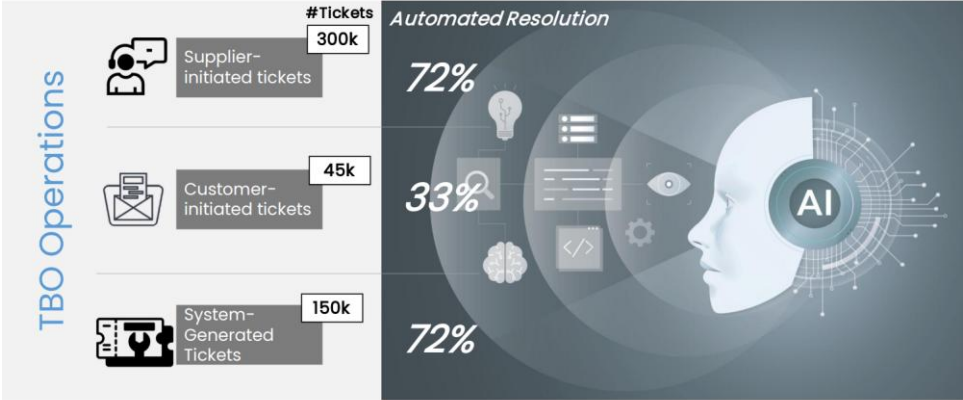
■ **Investments in technology to improve operating efficiencies:** **In-house CRM:** TBO has replaced CRM Salesforce with a custom-built, in-house CRM called 'Epicenter' that is used by both supply onboarding and sales teams. The tool, which has been built from the ground up to fit the business's specific needs, uses analytics to push proactive insights to salespeople, such as identifying churn risks, prompting follow-ups, addressing service issues, and onboarding new agents effectively. The CRM was launched a couple of quarters back and 70% of the sales team actively uses the tool now. The CRM standardises the sales playbook, enabling predictable and efficient productivity when expanding into new markets. **Artificial intelligence:** TBO is using AI to automate operationally intensive tasks within the travel booking process. Manual tasks, such as dispatching emails from suppliers about hotel renovations or policy changes (e.g., "early check-in not possible"), are now managed by a bot that automatically resolves these "supply-initiated tickets." While the company manually reconfirms every single booking and special request (e.g., honeymoon status, room type preferences) with the hotel to ensure accuracy and manage expectations, it is currently in the process of automating it with AI agents. The goal of automation is to free up human operational resources for higher-quality customer service tasks that require genuine human negotiation or problem-solving (e.g., upgrading a guest's room during an issue).

Exhibit 9. TBO has launched an in-house CRM to drive org transformation across sales and supply



Source: Company

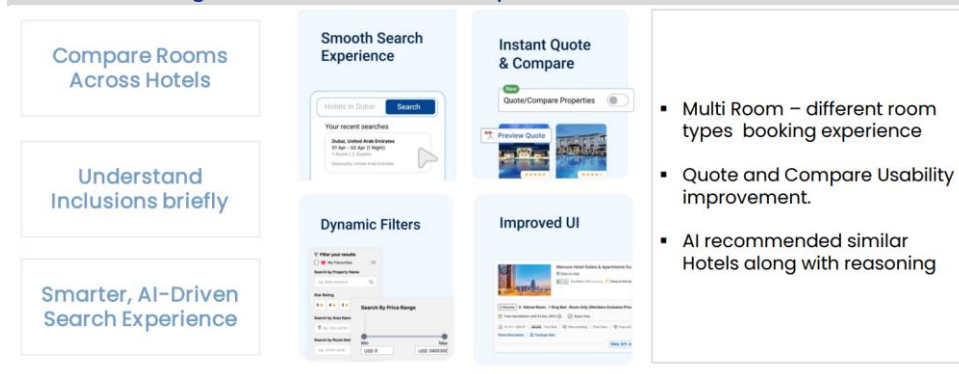
Exhibit 10. Automation has continued to demonstrate strong efficiency gains on ops front



Notes: Monthly ticket data, customer and system generated tickets have full resolution w/o any need for human intervention
Source: Company

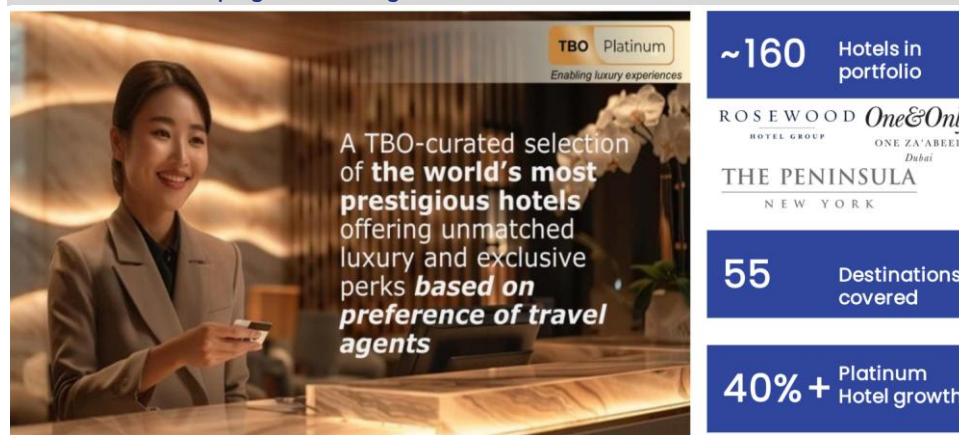
- **H-Next and Platinum programme:** **H-Next programme:** TBO has launched a new booking platform called 'H-Next', which aims to provide a superior user experience (UI) to existing Online Travel Agencies (OTAs) like Expedia. The programme enables travel advisors to compare rooms across hotels, better understand package inclusions and offers AI recommended hotels along with reasoning. **Platinum hotels programme:** TBO has launched a supply-side initiative called the Platinum Programme, a curated network of luxury hotels. Hotels in this programme agree to provide exclusive amenities, guaranteed perks (like upgrades or early check-ins), and higher commissions in exchange for favoured promotion within the company's ecosystem. The company uses persuasion techniques—such as better content display, higher search rankings, and offline marketing—to influence travel advisor booking decisions toward Platinum properties. Participating hotels have seen over 40% growth in gross transacting value compared to non-participating hotels, demonstrating a significant shift in business towards programme members. The programme is a path to future margin expansion and improved "take rates" (the commission earned), as increased influence over booking decisions gives the company more leverage with suppliers.

Exhibit 11. Building H-Next a "Better than OTA" platform



Source: Company

Exhibit 12. Platinum program is scaling fast



Notes: data as of 31st Oct 2025

Source: Company

- **Connected trips:** TBO is working on an AI-led proposition called connected trips that will enable travel agents to curate complex luxury travel itineraries for their end customers in a matter of few minutes. This initiative aligns with the industry trend of travellers seeking complete experiences and itineraries rather than just single bookings. The company believes AI will accelerate the creation and offering of these complex, high-value itineraries, making previously difficult combinations possible. This initiative is also likely to increase the average transaction value by enabling travel advisors to seamlessly book multiple (flights, hotels, experiences, and other travel components), related products and experiences within a single interface.

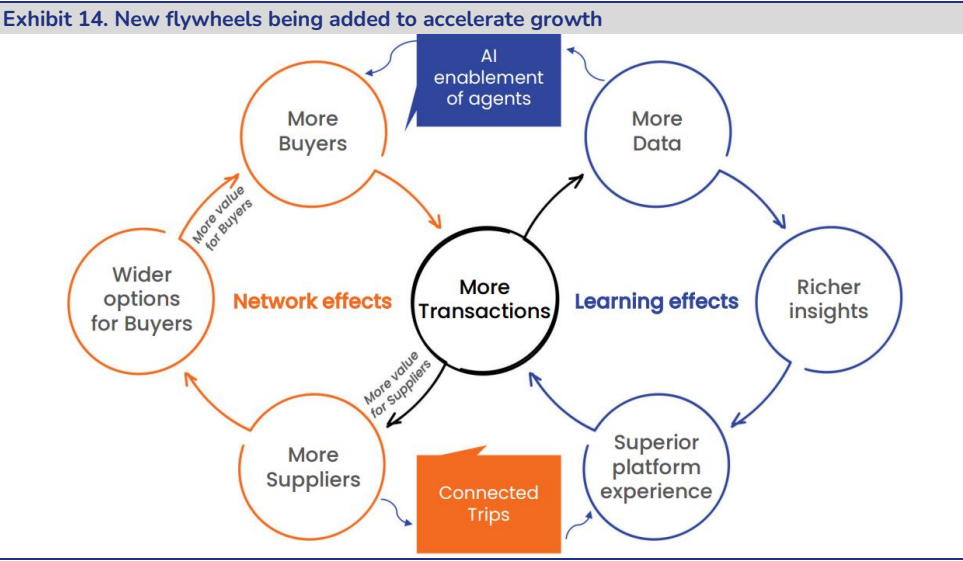
Exhibit 13. Connected trips built for the luxury traveller

Connected Trips transform the entire journey—villa, rail, yacht, chef, permits, insurance, and support—into a seamlessly orchestrated product, planned, priced, booked, and serviced as one:

One itinerary,
one cart,
one conversation

The screenshot shows the 'Itineraries' section of the TBO website. At the top, there's a navigation bar with 'Discover', 'My Trips', and a 'Create New with AI' button. Below this is a search bar with the text 'Discover, customise, and share from a curated collection of 547 Itineraries'. The search bar has two tabs: 'Destination' and 'Experience', with a 'Search Itineraries' button. Below the search bar, there are three destination cards: 'Western, Central & Northern Europe' (153 itineraries), 'Mediterranean Europe' (85 itineraries), and 'Eastern Europe' (3 itineraries). Each card features a scenic image and a 'View Itineraries' button.


Source: Company




Takeaways from key luxury suppliers (hotels and airline)

- **Kerzner International (owner of luxury hospitality brands such as Atlantis, One&Only, SIRO, and Rare Finds): Selective partnerships:** Kerzner International maintains a B2B strategy that balances the need for wide market presence with strict brand control and personalised service. The company views B2B partners not just as sales channels, but as extensions of its own team. Therefore, Kerzner is very selective when choosing B2B partners. The focus is on quality over quantity, partnering with entities like TBO that are trusted to position the product appropriately. This minimises the risk of brand dilution or misuse of rates and images. A core challenge in being present on many channels is maintaining brand storytelling and product quality. **Brand integrity and content control:** Kerzner actively conducts hygiene checks across commercial and distribution channels to ensure partners use correct and high-resolution content. This proactive approach also includes shutting down fake websites (e.g., 30 fake Atlantis water park ticket sites were shut down) to protect consumers and the brand promise. **Value of travel advisor expertise:** Kerzner highly values the human element in luxury sales. Travel advisors ("good ones") play a critical role in explaining complex value propositions, such as differences between room categories or all-inclusive amenities, which is especially important for detail-oriented markets like India. **Partner education and support:** Kerzner supports its B2B partners by providing education and resources to ensure they are knowledgeable brand representatives. This involves hosting webinars to explain brand DNA and channel strategies, challenging partners to improve their content resolution and knowledge, and investing in the B2B department and communicating via newsletters to keep partners updated. **Channel neutrality:** While direct bookings are important, Kerzner maintains rate parity across channels and does not poach customers who book via a B2B partner. It "lets the customer choose the channel" that makes them most comfortable, acknowledging that customers may have loyalty to their own travel agent or OTA loyalty programme. **Strategic market diversification:** Utilising B2B partners helps Kerzner access newer or emerging source markets (e.g., Australia, Israel, India) to diversify its customer base. This is a strategic hedge against potential political conflicts or volatility in existing key regions, ensuring consistent occupancy levels.
- **Hilton Hotels: Trusted advisor & differentiator:** TBO stands apart from typical OTAs or bed banks because it doesn't compete with Hilton's direct channels and takes great care to protect the brand's pricing and reputation. Hilton views TBO as an absolute trusted partner and advisor. **Superior distribution:** While Hilton offers the same product and rates to all top partners (ensuring fairness), TBO achieves superior growth (one of the top three partners) due to its clever distribution system, advanced technology, data-driven approach, and strong relationships within the travel agency market. **Market reach and education:** TBO provides essential market reach that Hilton cannot achieve alone. Specifically, TBO is the go-to partner for educating the market on new or luxury products (like a new Waldorf Astoria or the Canopy brand) because of its strong connection and influence with travel advisors, who can effectively communicate complex product details to the end-customer. **Investment in growth:** TBO continually invests in its resources and account management to bring more agents and bookings onto its platform, creating a sustainable commercial growth cycle that benefits Hilton. **Customer acquisition necessity:** Hilton acknowledged that no matter how strong a brand is, it needs distribution partners like TBO to acquire new customers and enter markets where it doesn't have direct inroads.
- **Emirates:** Emirates accounts for 13% of TBO's outbound air business, and 35% of its business class bookings. **Strategic reliance on TBO:** The B2B channel is extremely relevant for Emirates due to the detailed knowledge and personalised service travel agencies provide, which is valued by premium travellers across all generations. Emirates views TBO as a critical partner and advisor, relying on its data, reach, and market knowledge to access diverse cities and customers that the airline cannot reach solely through direct recruitment. The airline uses data (Know Your Customer trend) to tailor the inflight experience, such as offering South Indian breakfast or *vada pav* on flights to specific Indian cities. **NDC:** Emirates was one of the first airlines to partner with TBO for NDC content, positioning TBO as one of its top three distributors for this technology. NDC offers rich content and cost-reduction benefits. **Consistent channel strategy:** Emirates maintains price parity across different channels (OTA vs. travel agency vs. direct), allowing customers to choose their preferred booking method.


Exhibit 15. Travel supply is pacing up with luxury demand from accommodation to experiences




- In 2025, Hilton is on track to open over 150 hotels across its luxury and lifestyle brands—such as Waldorf Astoria, Conrad, LXR and Curio—marking one of the strongest growth periods in the company's history



- Accor plans 350 new hotels across global markets adding around Raffles, Pullman



- Luxury hotel brands are launching cruise yachts with helipads, cigar lounges, and Michelin-starred chefs [Business Insider]
- Four Seasons, Aman, and Orient Express have all announced plans to debut luxury ships.



Hyatt's momentum in luxury continues to accelerate, powered by our insights-driven development strategy and commitment to delivering deeply resonant guest experiences."

Mark Hoplamazian, President and CEO, Hyatt.

There are only so many safari lodges, there are only so many presidential suites on the ship. If you want to book those things, they're the things that sell out the fastest.

David Kolner, EVP, Virtuoso

Source: Company

Takeaways from distribution partners (travel agencies)

Relevance and value of traditional travel agencies in the age of online booking platforms and AI

Service & comfort are key: Travel advisors mentioned that clients, particularly in markets like the UAE, value the ability to call a person to make changes, upgrades, or extensions to their bookings. This human touch and comfort are not easily replicated by online platforms. Further, the Covid-19 pandemic highlighted the critical importance of travel agents when things go wrong (e.g., cancelled flights or holidays), emphasising the trust and assistance they provide during stressful situations.

Combat decision fatigue: In an age of overwhelming choices, customers appreciate agents who can offer recommendations, simplify the decision-making process, and take the burden of planning off their plates. **Market growth:** Despite the rise of technology, travel agency representatives note their figures and the overall travel market are growing, indicating that technology expands the market rather than solely displacing traditional agents.

TBO is a non-competitive technology and service provider

A non-competitive partner: A key reason for the strong relationship with TBO is that it does not compete with the travel agents by selling directly to the end-customer. TBO provides the platform and services while allowing agents to maintain customer loyalty. **Integrated platform:** Travel agencies value TBO because it offers a comprehensive platform that goes beyond just hotels or car rentals. It offers diverse options like low-cost carriers and commercial airlines, and integrates new technologies like NDC (New Distribution Capability), a system that allows airlines to connect directly with agents without traditional intermediaries. **AI impact on travel agencies:** The conversation around technology replacing travel agents has persisted for 20 years (from the rise of the internet to the current talk of AI), yet agencies continue to adapt and grow by focusing on the unique value of human service and specialised knowledge. **Tolerance for a slight premium:** Agents prioritise ensuring their customers do not face unpleasant situations during travel. The reliability of the service provider matters more than a minimal price difference because customer convenience is paramount. Travel agencies indicated a willingness to book with TBO even if the price is slightly higher (a "couple of percent") than competitors. This is due to the trust they have in TBO's reliable after-sales service and support. **Handling complex and VVIP needs:** For VVIP or complex bookings, agencies often default to TBO because it offers concierge-level services (like handling laundry bills or specific extra services) and reliable support that other aggregators may not provide. This personalised service is then charged back to the corporate client. **Offline teams for complex bookings:** While much of the standard booking process is automated, agencies frequently reach out to TBO's offline team for complex itineraries, large group movements (like Hajj/Umra trips for 30-100 people), or when issues arise. The agencies praised the TBO support staff for being extremely friendly, committed people who provide quick response times and efficient turnaround for support requests. **Differentiation from other aggregators:** Some large aggregators (like Expedia) have a hands-off approach and lack large support teams, leading to slow turnaround times for assistance. This contrast makes TBO's responsive human support a key differentiator and a major reason for the agents' loyalty and increased business.

Maintain BUY; TP raised to INR 1,920

Exhibit 16. What has changed in our assumptions?

	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
GTV (INR mn)	363,059	440,931	506,000	363,059	440,931	506,000	0.0%	0.0%	0.0%
Revenue (INR mn)	27,001	36,216	42,022	27,001	36,216	42,022	0.0%	0.0%	0.0%
EBITDA (INR mn)	3,881	5,605	7,134	3,881	5,605	7,275	0.0%	0.0%	2.0%
EBITDA margin (%)	14.4%	15.5%	17.0%	14.4%	15.5%	17.3%	0bp	0bp	33bp
EBIT (INR mn)	3,017	4,574	6,050	3,017	4,574	6,190	0.0%	0.0%	2.3%
EBIT margin (%)	11.2%	12.6%	14.4%	11.2%	12.6%	14.7%	0bp	0bp	33bp
Adjusted PAT (INR mn)	2,511	4,014	5,480	2,511	4,014	5,599	0.0%	0.0%	2.2%
Adjusted EPS (INR)	23.84	36.97	50.46	23.84	36.97	51.56	0.0%	0.0%	2.2%

Source: JM Financial

Key Risks

Key downside risks are: (1) disruptions in global travel and tourism industry, (2) pricing pressure from suppliers, 3) execution challenges during organic/inorganic expansion and (4) sudden change in the competitive landscape.

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	13,928	17,375	27,001	36,216	42,022
Sales Growth	30.8%	24.7%	55.4%	34.1%	16.0%
Other Operating Income	0	0	0	0	0
Total Revenue	13,928	17,375	27,001	36,216	42,022
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	2,773	3,761	4,423	5,161	5,947
Other Expenses	8,572	10,605	18,697	25,450	28,800
EBITDA	2,583	3,009	3,881	5,605	7,275
EBITDA Margin	18.5%	17.3%	14.4%	15.5%	17.3%
EBITDA Growth	42.0%	16.5%	29.0%	44.4%	29.8%
Depn. & Amort.	362	519	864	1,031	1,084
EBIT	2,221	2,490	3,017	4,574	6,190
Other Income	120	128	45	322	638
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,341	2,619	3,062	4,895	6,828
Excep. & Forex Inc./Loss(-)	-72	127	77	0	0
PBT	2,269	2,746	3,140	4,895	6,828
Taxes	263	447	551	881	1,229
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-16	0	0	0	0
Reported Net Profit	2,021	2,299	2,589	4,014	5,599
Adjusted Net Profit	2,093	2,172	2,511	4,014	5,599
Net Margin	15.0%	12.5%	9.3%	11.1%	13.3%
Diluted Share Cap. (mn)	102.8	108.6	108.6	108.6	108.6
Diluted EPS (INR)	20.4	20.0	23.1	37.0	51.6
Diluted EPS Growth	47.7%	-1.8%	15.6%	59.9%	39.5%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,269	2,746	3,140	4,895	6,828
Depn. & Amort.	362	519	864	1,031	1,084
Net Interest Exp. / Inc. (-)	-20	-127	-45	-322	-638
Inc (-) / Dec in WCap.	-152	-123	6,631	-145	283
Others	71	185	243	384	461
Taxes Paid	-265	-312	-551	-881	-1,229
Operating Cash Flow	2,265	2,888	10,281	4,963	6,789
Capex	-383	-531	-679	-821	-828
Free Cash Flow	1,882	2,357	9,602	4,142	5,961
Inc (-) / Dec in Investments	0	0	0	0	0
Others	-1,154	-3,902	-987	865	1,053
Investing Cash Flow	-1,537	-4,434	-1,665	44	225
Inc / Dec (-) in Capital	0	0	-9,573	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-35	0	5,948	-850	-1,700
Others	1,188	3,648	-728	-927	-876
Financing Cash Flow	1,153	3,648	-4,353	-1,777	-2,576
Inc / Dec (-) in Cash	1,881	2,102	4,263	3,230	4,438
Opening Cash Balance	5,634	7,515	9,617	13,880	17,110
Closing Cash Balance	7,515	9,617	13,880	17,110	21,548

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	5,448	11,951	14,539	18,553	24,152
Share Capital	104	109	109	109	109
Reserves & Surplus	5,344	11,842	14,431	18,445	24,044
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,351	1,364	7,312	6,462	4,762
Def. Tax Liab. / Assets (-)	-144	-164	-164	-164	-164
Total - Equity & Liab.	6,654	13,150	21,687	24,851	28,750
Net Fixed Assets	3,629	3,843	13,546	13,726	13,938
Gross Fixed Assets	259	315	363	426	497
Intangible Assets	3,499	3,715	13,404	13,560	13,748
Less: Depn. & Amort.	130	188	221	261	307
Capital WIP	0	0	0	0	0
Investments	1,046	4,959	6,476	6,476	6,476
Current Assets	43,755	53,178	62,284	73,703	86,775
Inventories	0	0	0	0	0
Sundry Debtors	33,067	40,613	44,359	51,866	59,783
Cash & Bank Balances	7,515	9,617	13,880	17,110	21,548
Loans & Advances	13	23	23	23	23
Other Current Assets	3,160	2,924	4,022	4,703	5,421
Current Liab. & Prov.	41,775	48,829	60,633	69,067	78,452
Current Liabilities	36,787	43,990	47,938	55,374	63,707
Provisions & Others	4,988	4,839	12,694	13,693	14,745
Net Current Assets	1,980	4,349	1,652	4,636	8,323
Total - Assets	6,654	13,150	21,673	24,838	28,737

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	15.0%	12.5%	9.3%	11.1%	13.3%
Asset Turnover (x)	0.4	0.3	0.4	0.4	0.4
Leverage Factor (x)	8.4	6.4	5.5	5.3	4.7
RoE	47.3%	25.0%	19.0%	24.3%	26.2%

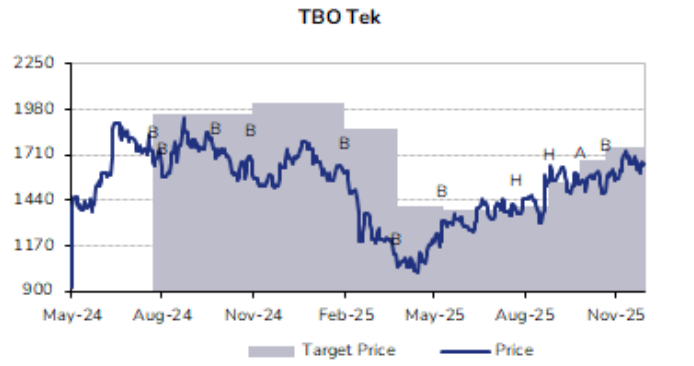
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	53.5	110.1	133.9	170.9	222.4
ROIC	0.0%	0.0%	277.7%	125.0%	188.2%
ROE	47.3%	25.0%	19.0%	24.3%	26.2%
Net Debt/Equity (x)	-1.3	-1.1	-0.8	-0.8	-0.9
P/E (x)	81.4	82.9	71.7	44.9	32.2
P/B (x)	31.0	15.1	12.4	9.7	7.5
EV/EBITDA (x)	67.2	55.7	43.6	29.5	21.9
EV/Sales (x)	12.5	9.6	6.3	4.6	3.8
Debtor days	867	853	600	523	519
Inventory days	0	0	0	0	0
Creditor days	1,159	1,098	745	651	661

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
5-Aug-24	Buy	1,950	
14-Aug-24	Buy	1,950	0.0
7-Oct-24	Buy	1,950	0.0
12-Nov-24	Buy	2,020	3.6
13-Feb-25	Buy	1,870	-7.4
7-Apr-25	Buy	1,400	-25.1
23-May-25	Buy	1,380	-1.4
5-Aug-25	Hold	1,400	1.4
7-Sep-25	Hold	1,550	10.7
8-Oct-25	Add	1,680	8.4
4-Nov-25	Buy	1,750	4.2

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.comGrievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed 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, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.