

UHM Vacation IPO

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- The company is engaged in the business of travel and tourism aggregator services, offering all related services under one roof.
- The company is operating in a highly competitive and fragmented segment, this can impact its super margins going forward.
- The company posted growth in its top and bottom lines for the reported periods.
- Based on its recent financial data, the issue appears aggressively priced.
- There is no harm in skipping this pricey and dicey offer..

About the Company

UHM Vacation Ltd. (UVL) is engaged in the business of travel and tourism aggregator services, offering comprehensive range of travel and tourism solutions under one platform, it is catering to the Business-to-Business segment. The company sources and aggregates services from airlines operators, accommodation service providers, cruise lines, car rental companies, visa facilitators, and other travel service providers with direct connectivity or through third party aggregators and offer them to its clients as per their needs.

This enables UVL to offer customers a wide range of travel services and curated options to meet their specific requirements through a single platform. While its business has historically operated under an asset-light aggregation model, the company intends to selectively adopt asset ownership and inventory-backed models in certain service verticals to enhance service reliability, improve margins, and strengthen customer experience, while continuing to leverage its technology-driven aggregation platform.

It provides international and domestic air tickets booking services, accommodation booking services and other travel and tourism related services in which include, holiday packages bookings, tours & activities bookings, transfer management services, car rental services, visa services, cruise bookings etc. The company provides services through a technology platform (the "Platform") that connects travel service providers with travel buyers. Travel agencies (online and offline), corporate travel managers, and independent travel agents (together combinedly called "Agents") use UVL's Platform to search, compare, and book travel and tourism services.

These services include flights, accommodation, cruise booking, car rentals, visa assistance and more, offered by various service providers (called "Suppliers" or "Service Providers"). Its Platform enables buyers to efficiently search, compare and book multiple travel services through a single integrated

interface. At the same time, it allows suppliers to manage their pricing, availability, and reach the right customers more easily.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 2169600 equity shares of Rs. 10 each to mobilize Rs. 36.02 cr. The IPO consists of 1749600 fresh equity shares (worth Rs. 29.05 cr. at the upper cap), and an Offer for Sale (OFS) of 420000 equity shares (worth Rs. 6.97 cr. at the upper cap). The company has announced a price band of Rs. 157 – Rs. 166 per share of Rs. 10 each). The minimum application to be made is for 1600 shares and in multiples of 800 shares thereon, thereafter. The issue opens for subscription on June 04, 2026 and will close on June 08, 2026. The shares will be listed on BSE SME. The IPO constitute 32.65% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, it will utilize Rs. 10.47 cr. for capex, Rs. 4.90 cr. for marketing and promotional activities, Rs. 6.42 cr. for working capital, and the rest for general corporate purposes.

The company has allocated 2% for QIBs, 49% for HNIs, 49% for Retail Investors and 5.09% for the market maker.

The IPO is solely lead managed by Sobhagya Capital Options Pvt. Ltd., and MUFG Intime India Pvt. Ltd., is the registrar to the issue. Giriraj Stock Broking Pvt. Ltd., is the market maker. The issue is underwritten to the tune of 15% by Sobhagya Capital, and 85% by Giriraj Stock Broking.

After issuing initial equity capital at par value, it issued further equity shares at a fixed price of Rs. 263 between May 2025, and July 2025. The company also issued bonus shares in the ratio of 9 for 1 in March 2024, and 10 for 3 in September 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 0.23 per share.

Post-IPO, company's current paid-up equity capital of Rs. 4.90 cr. will stand enhanced to Rs. 6.65 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 110.32 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has (on a consolidated basis) posted total revenue/ net profit, of Rs. 20.49 cr. / Rs. 0.115 cr. (FY23), Rs. 30.66 cr. / Rs. 5.37 cr. (FY24), Rs. 40.20 cr. / Rs. 7.18 cr. (FY25), and for 11M of FY26 ended on February 28, 2026, it earned a net profit of Rs. 8.05 cr. on a total income of Rs. 45.29 cr. The company marked growth in its top lines, but posted bumper profits from FY24 onwards, which not only raise concern, but also its sustainability going forward, as it is operating in a highly competitive and fragmented segment.

For the last three fiscals, the company has reported an average EPS of Rs. 10.95 and an average RoNW of 46.47%. The issue is priced at a P/BV of 2.70 based on its NAV of Rs. 61.47 per share as of February 28, 2026, and at a P/BV of 1.86 based on its post IPO NAV of Rs. 89.11 per share. The IPO

ad is showing NAV at Rs. 89.11 on floor price as well as on cap price, clarification needed for exact valuation.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 12.57, and based on FY25 earnings, the P/E stands at 15.36. The issue appears aggressively priced based on its last three fiscals' earnings.

The company has posted PAT Margins of 0.54% (FY23), 17.22% (FY24), 17.89% (FY25), 17.80% (11M-FY26), and ROCE margins of 14.66%, 75.74%, 46.01%, 35.14%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown LGT Business, Helloji Holidays, International Travel House, as its listed peer. They are currently trading at a P/E of 11.2, 35.7, and 10.7 (as of June 01, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare appears to be an eyewash.

Merchant Banker's Track Record

This is the 9th mandate from Sobhagya Capital in the last three fiscals (including the ongoing one). Out of the last 8 listings, 4 listed at discount, and the rest listed at premium ranging from 2.09% to 48.06% on the date of listing. The merchant banker has an average track record.

Conclusion / Investment Strategy

UVL is engaged in the business of travel and tourism aggregator services, offering all related services under one roof. The company is operating in a highly competitive and fragmented segment, this can impact its super margins going forward. The company posted growth in its top and bottom lines for the reported periods. Based on its recent financial data, the issue appears aggressively priced. Tiny post-IPO paid up equity capital indicates longer gestation for migration. There is no harm in skipping this pricey and dicey offer.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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