



Transport Corporation of India

Logistics through Innovation and Technology



Transport Corporation of India Limited Q1FY25 Result Highlights:

Concall Highlights:

Performance Review:

- Company delivered a robust performance in the Q1FY25. All product segments serving various industry verticals have grown, especially coastal shipping, rail multimodal solutions, 3PL/warehousing and cold chain logistics. Their focus remains on providing value added and technologically advanced customized offerings to customers.
- TCI continues to innovate and develop sustainable solutions through investments in rail and coastal multimodal assets & networks. The Company is enabling customers to reduce their GHG emissions by increasing fleet of BS VI vehicles and by adopting alternate fuels like Electric, CNG & LNG.
- To bolster multimodal capabilities, the Company has placed orders for building of two 7300 MT dead weight capacity cellular container vessels for a total contract price of USD 38.80 Mn. The ships are expected to be delivered by end 2026.

Sector	Logistics
CMP (08-08-2024)	998.45
Target Price	1080
BSE Code	532349
NSE Code	TCI
Face Value	2.00
Market Cap (Cr)	7,777.49
52 Week High/Low	1080/686
Source: NSE, BSE	

Future Outlook:

- The company expects overall business growth target of 10%-15% for FY25.
- For seaways business, company has capped growth at 10%.
- Anticipates growth in supply chain business & rebound in LTL business.

Concerns:

- The increase in fuel prices is impacting profit margins.
- There is a shortage of drivers coupled with rising manpower costs.
- Consumer demand in the auto sector is experiencing a slowdown.
- Toll costs have risen significantly.

Additional Growth drivers:

- The Company has continued focus on technology, digitization, and automation.
- Emphasis is being placed on achieving ESG goals and advancing towards green logistics.
- The formalization of the logistics sector is progressing steadily.
- There is a dedicated effort to develop high-growth areas, such as the chemical logistics segment.

Financial Snapshot (Consolidated)

Particulars (in Rs. Cr.)	Q1FY25	Q1FY24	YoY (%)	Q4FY24	QoQ (%)
Sales	1,045	950	10.00%	1,079	-3.15%
EBITDA	104	101	2.97%	109	-4.59%
EBITDA Margin %	9.95%	10.63%	(68) bps	10.10%	(15) bps
PAT	92	83	10.84%	103	-10.68%
PAT Margin %	8.80%	8.74%	6 bps	9.55%	(75) bps
Diluted EPS (Rs.)	11.69	10.6		13.13	

Source: Company, ACMIIL Retail Research

Conclusion:

TCI's remains committed to growth and innovation in its operations and future prospects. The recent union budget has laid out a clear roadmap for the growth of the logistics sector as envisioned in the National Logistics Policy. TCI continues to invest in critical infrastructure like warehouses, yards and leverage big data from e-waybills and FASTag to estimate demand and enhance logistics efficiency for our customers. The high infrastructure spending and the development of industrial parks presents significant benefits for TCI. Increased investment in infrastructure projects will likely drive demand for logistics services, as more goods and materials are transported to and from new industrial hubs. Additionally, the focus on creating jobs in logistics aligns with TCI's core business, potentially increasing its workforce and operational capacity. As the economy grows and market dynamics shift, TCI can expect to see positive impacts from rising GDP and changing consumer trends. Moreover, the budget's support for emerging sectors like defense, semiconductors, and chemicals aligns with TCI's services, offering opportunities to cater to specialized logistics needs. Lastly, India's orientation towards boosting export and import trade is expected to enhance demand for logistics solutions, positioning TCI to benefit from increased trade activities. **Hence, we remains positive about its future growth and we recommend "Accumulate" rating for the medium to long term perspective.**

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