

Transport Corporation of India Ltd (TCI)

Seaways division does well

Revenue at Rs.11,788 mn - up by 9.3% yoy & up 2.8% qoq
 EBITDA at Rs. 1,217 mn – up by 11.2% yoy & up 2.7% qoq
 EBITDA margin at 10.3 - up 20 bps yoy & flat qoq
 PAT at Rs. 1,138 mn - up by 15.0% yoy & up 12.8% qoq

Operational performance a tad below expectations

- The Freight business, 48% of sales, saw revenue growth at 3.3% yoy and -1.1% qoq.
- PBT margins in the Freight business were at 2.3%, down 87 bps yoy and down 10 bps qoq.
- The Supply Chain Solutions (SCS) business, 40% of sales, revenue was up 3.3% yoy and up 7.8% qoq.
- PBT margins in the SCS business were at 6.0%, down 39bps yoy and down 15 bps qoq.
- The Seaways business, 13% of sales, revenue saw a growth of 7% yoy and up 2.8% qoq.
- PBT margins in the Seaways business were at 36.4%, up 1004bps yoy and up 375 bps qoq.

Future Outlook

- **Overall growth:** Revenue and Profit growth outlook is at 10-12% for FY26.
- **Dry docks in Seaways business:** 3 ships out of a total of 6 ships go for dry docks in FY26. 1 ship is already in the dry dock currently.

Key Risks

- The management believes its margins in the freight business (48% of revenue) have bottomed out. The risk is that margins may continue to languish.

Valuation

TCI is currently trading at P/E of 17.8x on FY27 basis. We value the stock based on P/E methodology and assign a multiple of 20x on FY27E PAT of Rs 4924 mn to arrive at a target price of **Rs 1287** per share, which is potential upside of 12.6% from current market price and recommend “Accumulate” on the stock.

The P/E we had attributed to the target price in Q3FY25 report was the same as taken now i.e. 20x.

Our price target price in the Q3FY25 report was Rs 1043, vs now at Rs 1287, up 8%.

Our rating in the Q3FY25 report was Hold, vs now at Accumulate.



East India Securities Ltd
 Excellent | Investment | Solutions

Rating: Accumulate Upside/(Downside): 12.6%
 CMP: 1143 Target Price: 1287

Market Data

Bloomberg:	TRPC:IN
52-week H/L (Rs):	1301 / 798
Mcap (Rs bn/USD bn):	83.3/0.98
Shares outstanding (mn):	78.0
Free float:	33.30%
Daily vol. (3mth Avg)	0.07 mn
Face Value (Rs):	2

Source: ACE Equity, EISEC Research

Shareholding pattern

	Mar-25	Dec-24	Sep-24	Jun-24
Promoter	68.8	68.7	68.9	68.9
FIIs	3.1	3.3	2.9	2.6
DIIIs	12.4	12.3	12.1	12.1
Public/others	15.7	15.7	15.4	15.7

Source: Ace Equity

Price Performance (%)*

YE Mar (R)	1M	3M	6M	12M
BSE 500	5.9	9.2	2.5	0.8
TCI	5.3	11.9	-1.4	30.3

*As on 27 May 2025 Source: BSE, EISEC Research

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Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Fully DEPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY23	37,815	17.3%	4,230	11.2%	3,207	10.5%	41	20.5%	19.5%	27.7	20.7
FY24	40,242	6.4%	4,105	10.2%	3,468	8.1%	45	18.7%	15.5%	25.7	21.7
FY25	44,919	11.6%	4,612	10.3%	4,127	19.0%	54	19.8%	16.8%	21.2	19.1
FY26E	49,860	11.0%	5,235	10.5%	3,675	-10.9%	48	16.0%	17.9%	23.8	16.9
FY27E	54,846	11.0%	5,759	10.5%	4,924	34.0%	64	18.3%	15.6%	17.8	15.2

Source: Company, EISEC Research Estimates

Conference Call Highlights

- **Demand trends are moderate.**
- **Freight business:**
 - Flattish Revenues amid weakness in Infra and capital goods sectors and moderate economic activity
 - This is likely the bottom of the cycle with recovery expected FY26
 - Continued focus on network expansion to increase LTL (less than truck load) transportation volume while transporting.
 - 40 new branches opened with the target at 50 new branches in FY26: 50.
- **Supply Chain (SC) business:**
 - Growth momentum continued amidst addition of new contracts and expansion in existing contracts
 - Good traction in warehousing, quick commerce and multimodal services & expansion of hub & spoke network for auto
 - Margins stable and remained resilient to various cost pressures
- **Seaways business:**
 - Volumes remained benign but favorable freight rates.
 - Avg fuel price remained in a range
 - 2 ships dry-docked and 3 are planned in FY26 (one completed)
- **Capex** : Rs 4500mn capex budgeted for FY26. Capex in FY25 was Rs 3059mn.
- **TCI Concor (JV with Concor)** : For FY25, JV saw a revenue of Rs 4,556mn, growth of 32% yoy.
- **TCI Cold Chain** : For FY25, JV saw a revenue of Rs 941mn, growth of 16% yoy.
- **Transystem (JV with Toyota)**: For FY25, JV saw a revenue of Rs 11,837mn, growth of 17% yoy.

Quarterly financials, operating metrics and key performance indicators

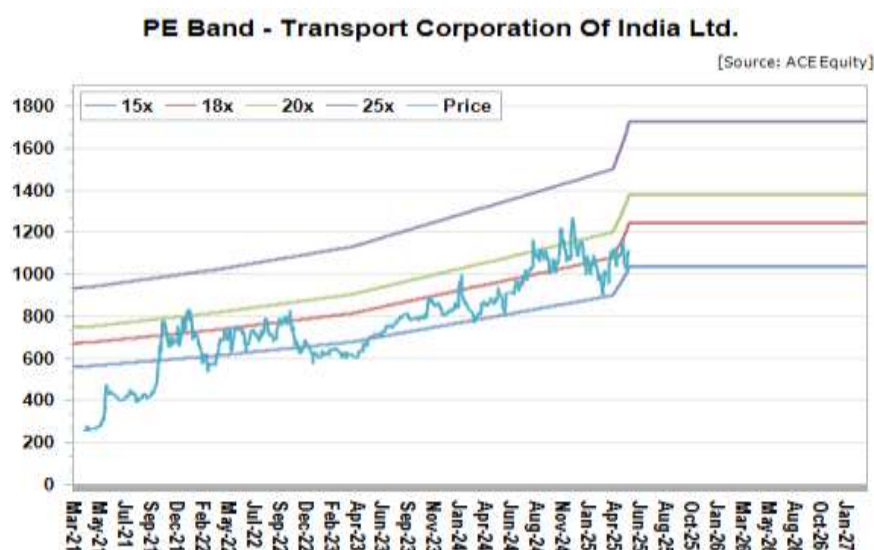
Quarterly Financials

Y/E March (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Sales	9,498	9,935	10,020	10,789	10,451	11,209	11,471	11,788
Raw Materials	7,595	8,017	8,067	8,752	8,427	9,024	9,285	9,502
Employee Costs	555	568	566	545	614	629	635	619
Other Expenditure	340	346	388	398	372	384	366	450
EBITDA	1008	1004	999	1094	1038	1172	1185	1217
Depreciation	308	311	331	334	290	291	305	292
Interest	23	34	35	41	42	46	59	55
Other Income	85	113	95	17	109	106	68	184
PBT	936	974	910	937	1026	1183	1114	1272
Tax	104	96	108	-66	110	109	93	121
Tax rate (%)	11%	10%	12%	-7%	11%	9%	8%	10%
Adj. PAT	819	865	794	990	910	1065	1009	1138
YoY Growth (%)								
Revenue	5.1%	6.6%	3.7%	10.2%	10.0%	12.8%	14.5%	9.3%
EBITDA	-3.6%	4.6%	-12.7%	1.3%	3.0%	16.7%	18.6%	11.2%
Adj. PAT	5.5%	19.5%	-7.5%	26.7%	11.1%	23.1%	27.1%	15.0%
QoQ Growth (%)								
Revenue	-3.0%	4.6%	0.9%	7.7%	-3.1%	7.3%	2.3%	2.8%
EBITDA	-6.7%	-0.4%	-0.5%	9.5%	-5.1%	12.9%	1.1%	2.7%
Adj. PAT	4.9%	5.6%	-8.2%	24.6%	-8.0%	17.0%	-5.3%	12.8%
Margin (%)								
EBITDA	10.6%	10.1%	10.0%	10.1%	9.9%	10.5%	10.3%	10.3%
PAT	8.6%	8.7%	7.9%	9.2%	8.7%	9.5%	8.8%	9.7%

Source: Company, EISEC Research

Valuation

2 year forward P/E chart



Source : AceEquity, EISEC Research

Financials Consolidated

Income Statement	FY23	FY24	FY25	FY26E	FY27E
YE March (Rs mn)					
Revenues	37,815	40,242	44,919	49,860	54,846
% Growth	17.3%	6.4%	11.6%	11.0%	11.0%
Operating Expenses	30,306	32,431	36,238	40,137	44,151
% of sales	67.3%	67.3%	67.3%	67.3%	67.3%
Personnel	1,965	2,234	2,497	2,792	3,071
% of sales	5.2%	5.6%	5.6%	5.6%	5.6%
Other expenses	1,314	1,472	1,572	1,695	1,865
% of sales	3.5%	3.7%	3.5%	3.4%	3.4%
EBITDA	4,230	4,105	4,612	5,235	5,759
EBITDA Margin (%)	11.2%	10.2%	10.3%	10.5%	10.5%
Other Income	313	310	467	514	548
Depreciation & Amortization	1,214	1,284	1,178	1,178	1,705
EBIT	3,295	3,131	3,901	4,571	4,603
Finance cost	98	133	202	1,398	163
Share in Net profit of JV	444	440	440	441	442
PBT	3,640	3,757	4,595	4,070	5,439
Tax-Total	435	242	433	358	479
Reported PAT	3,205	3,515	4,162	3,711	4,961
Minority Interest	33	47	35	36	37
Adjusted PAT	3,207	3,468	4,127	3,675	4,924
PAT Margin	8.5%	8.6%	9.2%	7.4%	9.0%
Growth (%)	10.5%	8.1%	19.0%	-10.9%	34.0%

Source: Company, EISEC Research Estimates

Key Ratios	FY23	FY24	FY25	FY26E	FY27E
YE March					
Growth Ratios (%)					
Net Sales	17.3%	6.4%	11.6%	11.0%	11.0%
EBITDA	3.5%	-3.0%	12.4%	13.5%	10.0%
Adjusted Net Profit	10.5%	8.1%	19.0%	-10.9%	34.0%
Margin Ratio (%)					
EBITDA Margin	11.2%	10.2%	10.3%	10.5%	10.5%
PBT margins	9.6%	9.3%	10.2%	8.2%	9.9%
PAT Margin	8.5%	8.6%	9.2%	7.4%	9.0%
Return Ratios					
ROE	20.5%	18.7%	19.8%	16.0%	18.3%
ROCE	19.5%	15.5%	16.8%	17.9%	15.6%
Turnover Ratios (days)					
Gross Block Turnover (x)	2.8	2.6	2.6	2.3	2.1
Inventory	0.5	1.0	0.5	1.0	2.0
Debtors	54.1	54.5	58.7	55.0	56.0
Current liability	25.9	25.8	29.6	27.9	26.2
Cash Conversion Cycle	44.6	45.4	0.0	0.0	0.0
Solvency ratio (x)					
Debt-equity	0.0	0.1	0.0	0.0	0.0
Net Debt-Equity	-0.1	0.0	0.0	0.0	0.0
Gross Debt/EBITDA	0.1	0.2	0.2	0.2	0.2
Current ratio	0.2	0.1	0.0	0.0	0.1
Per share (Rs.)					
Basic EPS (reported)	41.2	44.6	53.9	48.0	64.4
BV	222.5	261.9	281.7	318.7	383.1
CEPS	15.7	16.6	15.4	15.4	22.3
DPS	9.0	7.0	10.0	11.0	12.0
Dividend Payout (%)	21.8	15.5	18.4	22.7	18.5
Valuation					
P/E	27.7	25.7	21.2	23.8	17.8
P/BV	5.1	4.4	4.1	3.6	3.0
EV/EBITDA	20.7	21.7	19.1	16.9	15.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, EISEC Research Estimates

Balance Sheet	FY23	FY24	FY25	FY26E	FY27E
YE March (Rs mn)					
Capital	155	155	153	153	153
Reserves & Surplus	16,863	19,883	21,394	24,228	29,152
Shareholders' Funds	17,018	20,038	21,547	24,381	29,305
Minority Interest	301	333	363	363	363
Total Loan Funds	396	1,021	1,021	1,021	1,021
Lease liability	235	367	759	759	759
Deferred tax liabilities	300	328	364	364	364
Total Liabilities	18,324	22,173	24,156	26,974	31,898
Gross Block	13,451	15,200	17,000	21,500	26,225
Accumulated Dep.	6,274	7,558	8,736	10,134	11,838
Net Block	7,177	7,642	8,264	11,366	14,387
Capital WIP	260	1,090	2,550	2,550	2,550
Net Fixed Assets	10,654	12,098	15,220	18,359	21,380
Total Non Current Assets	10,654	12,098	15,220	18,359	21,380
Inventories	50	106	66	137	301
Other current assets	1,398	1,559	339	339	339
Sundry Debtors	5,609	6,006	7,219	7,513	8,415
Cash & Bank Balances	1,846	956	510	-12	949
Total Current Assets	10,355	12,916	12,584	12,427	14,453
Total Current Liabilities	2,685	2,841	3,648	3,812	3,935
Net Current Assets	7,670	10,075	8,936	8,615	10,517
Total Assets	18,324	22,173	24,156	26,974	31,898

Source: Company, EISEC Research Estimates

Cash Flow	FY23	FY24	FY25E	FY26E	FY27E
YE March (Rs mn)					
Operating profit before WC changes	4985	5221	6010	6681	7344
Changes in working capital	351	-614	47	-365	-1066
Cash flow from operations	4901	4365	5624	5958	5800
Capex	-2191	-3850	-5760	-8460	-8685
Cash flow from investments	-2191	-3850	-5760	-8460	-8685
Cash flow from financing	-1611	-1403	-309	1760	3845
Net change in cash	1099	-888	-445	-742	961

Source: Company, EISEC Research Est

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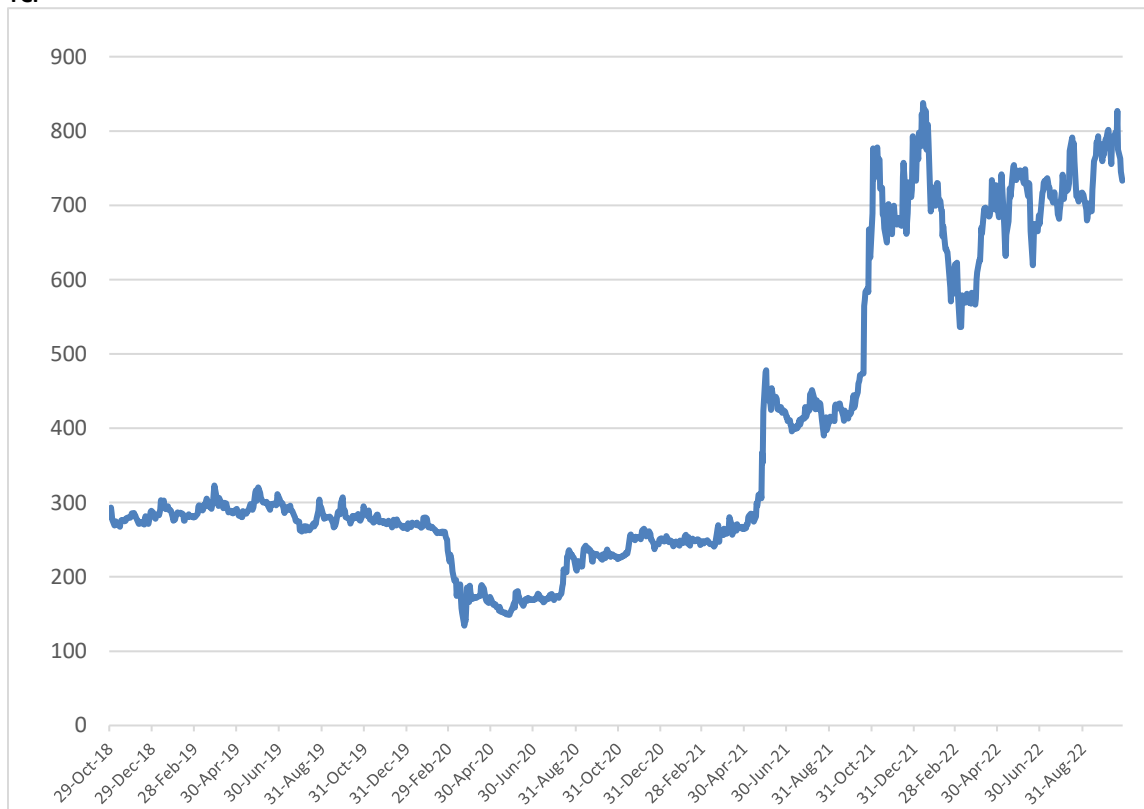
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TCI



Source: ACE Equity, EISEC Research

Analyst holding in stock: **No**

Key to EISEC Investment Rankings

Buy: Upside by >15%, Accumulate: Upside by 5% to 15%, Hold: Downside/Upside by -5% to +5%,
 Reduce: Downside by 5% to 15%, Sell: Downside by >15%

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