

Transport Corporation of India Ltd (TCI)

Transport division performance is lacklustre

Revenue at Rs.11,393 mn - up by 9.0% yoy & down 3.4% qoq
 EBITDA at Rs. 1,210 mn – up by 16.6% yoy & down 0.6% qoq
 EBITDA margin at 10.6 - up 70 bps yoy & up 30bps qoq
 PAT at Rs. 1,072 mn - up by 17.0% yoy & down 6.4% qoq

Operational performance a tad below expectations

- The Freight business, 48% of sales, saw revenue growth at 4.9% yoy and -6.1% qoq.
- PBT margins in the Freight business were at 2.4%, down 66 bps yoy and up 7bps qoq.
- The Supply Chain Solutions (SCS) business, 40% of sales, revenue was up 22.5% yoy and up 4.6% qoq.
- PBT margins in the SCS business were at 5.6%, down 34bps yoy and down 15 bps qoq.
- The Seaways business, 13% of sales, revenue saw a growth of 11.3% yoy and down 34% qoq.
- PBT margins in the Seaways business were at 36.9%, up 834bps yoy and up 45 bps qoq.

Future Outlook

- **Overall growth:** Revenue and Profit growth outlook is at 10-12% for FY26.
- **Dry docks in Seaways business:** 1 ships out of a total of 6 ships is in the dry docks now and 2 will go later in the year.
- For the **freight division**, Q2FY26 will be weak.

Key Risks

NA

Valuation

TCI is currently trading at P/E of 18.6x on FY27 basis. We value the stock based on P/E methodology and assign a multiple of 20x on FY27E PAT of Rs 4900 mn to arrive at a target price of **Rs 1281** per share, which is potential upside of 7.4% from current market price and recommend “Accumulate” on the stock.

The P/E we had attributed to the target price in Q4FY25 report was the same as taken now i.e. 20x.

Our rating in the Q4FY25 report was Accumulate, vs now at Accumulate.



East India Securities Ltd
 Excellent | Investment | Solutions

Rating: Accumulate Upside/(Downside): 7.4%
 CMP: 1193 Target Price: 1281

Market Data

Bloomberg:	TRPC:IN
52-week H/L (Rs):	1301 / 842
Mcap (Rs bn/USD bn):	92.2/1.09
Shares outstanding (mn):	76.5
Free float:	33.30%
Daily vol. (3mth Avg)	0.07 mn
Face Value (Rs):	2

Source: ACE Equity, EISEC Research

Shareholding pattern

	Jun-25	Mar-25	Dec-24	Sep-24
Promoter	68.7	68.8	68.7	68.9
FIIIs	3.1	3.1	3.3	2.9
DIIIs	12.3	12.4	12.3	12.1
Public/others	15.9	15.7	15.7	15.4

Source: Ace Equity

Price Performance (%)*

YE Mar (R)	1M	3M	6M	12M
BSE 500	-3.0	3.2	7.4	-2.8
TCI	6.6	8.4	16.1	21.0

*As on 30 July 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%	28.9	21.6
FY24	40,242	6.4%	4,105	10.2%	3,468	8.1%	45	18.7%	15.5%	26.8	22.6
FY25	44,919	11.6%	4,612	10.3%	4,127	19.0%	54	19.8%	16.8%	22.1	19.9
FY26E	49,652	10.5%	5,227	10.5%	4,734	14.7%	62	20.1%	17.5%	19.3	17.4
FY27E	54,618	11.0%	5,735	10.5%	4,900	3.5%	64	17.6%	15.0%	18.6	15.7

Source: Company, EISEC Research Estimates

Conference Call Highlights

- **Manufacturing sector's revival**, particularly in chemicals, engineering and consumer goods.
- **Freight business:**
 - Flattish Revenues amid weakness in Infra and capital goods sectors and moderate economic activity
 - Continued focus on network expansion to increase LTL.
 - 40 new branches opened in FY25 and the target for FY26 is 50 branches.
- **Supply Chain (SC) business:**
 - Growth momentum continued amidst addition of new contracts and expansion in existing contracts.
 - Good traction in warehousing, and multimodal services & expansion of hub & spoke network for auto.
 - Margins stable and remained resilient to various cost pressures.
- **Seaways business:**
 - Favourable freight rates and the average fuel price remained weaker .
 - One ship dry-docked during Q1FY26 , 2 more are scheduled this year.
- **Capex** : Rs 4500mn capex budgeted for FY26. Capex in Q1FY26 was Rs 600mn.
- **TCI Concor (JV with Concor)** : For Q1FY26, JV saw a revenue of Rs 1,154mn, growth of 33% yoy.
- **TCI Cold Chain** : For Q1FY26, JV saw a revenue of Rs 261mn, growth of 18.8% yoy.
- **Transystem (JV with Toyota)**: For FY25, JV saw a revenue of Rs 2,940mn, growth of 11.1% yoy.

Quarterly financials, operating metrics and key performance indicators

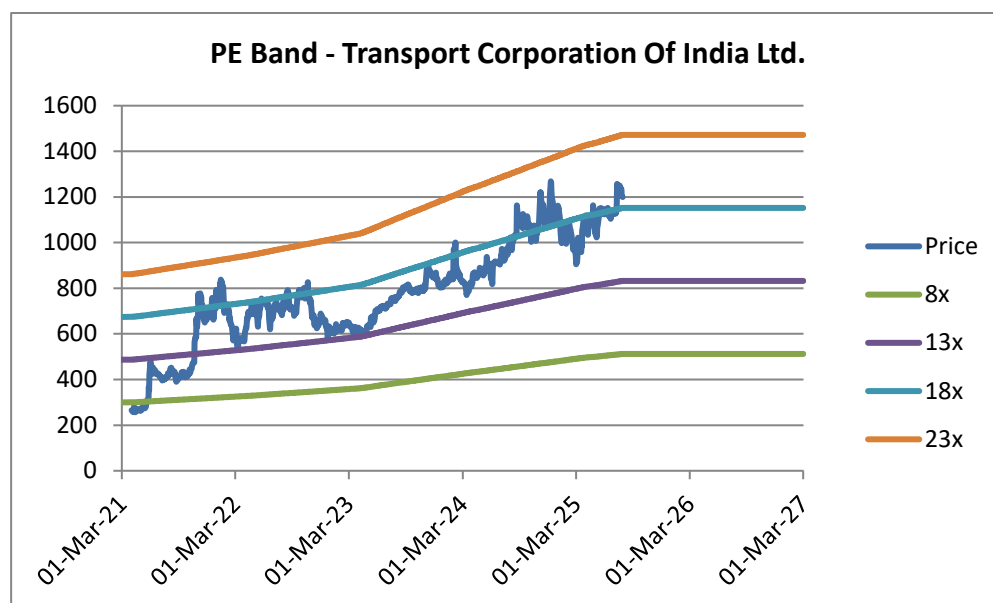
Quarterly Financials

Y/E March (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Sales	9,935	10,020	10,789	10,451	11,209	11,471	11,788	11,393
Raw Materials	8,017	8,067	8,752	8,427	9,024	9,285	9,502	9,123
Employee Costs	568	566	545	614	629	635	619	675
Other Expenditure	346	388	398	372	384	366	450	385
EBITDA	1004	999	1094	1038	1172	1185	1217	1210
Depreciation	311	331	334	290	291	305	292	288
Interest	34	35	41	42	46	59	55	54
Other Income	113	95	17	109	106	68	184	113
PBT	974	910	937	1026	1183	1114	1272	1178
Tax	96	108	-66	110	109	93	121	106
Tax rate (%)	10%	12%	-7%	11%	9%	8%	10%	9%
Adj. PAT	865	794	990	910	1065	1009	1138	1065
YoY Growth (%)								
Revenue	6.6%	3.7%	10.2%	10.0%	12.8%	14.5%	9.3%	9.0%
EBITDA	4.6%	-12.7%	1.3%	3.0%	16.7%	18.6%	11.2%	10.6%
Adj. PAT	19.5%	-7.5%	26.7%	11.1%	23.1%	27.1%	15.0%	17.0%
QoQ Growth (%)								
Revenue	4.6%	0.9%	7.7%	-3.1%	7.3%	2.3%	2.8%	-3.4%
EBITDA	-0.4%	-0.5%	9.5%	-5.1%	12.9%	1.1%	2.7%	-0.6%
Adj. PAT	5.6%	-8.2%	24.6%	-8.0%	17.0%	-5.3%	12.8%	-6.4%
Margin (%)								
EBITDA	10.1%	10.0%	10.1%	9.9%	10.5%	10.3%	10.3%	10.6%
PAT	8.7%	7.9%	9.2%	8.7%	9.5%	8.8%	9.7%	9.3%

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	49,652	54,618
% Growth	17.3%	6.4%	11.6%	10.5%	11.0%
Operating Expenses	30,306	32,431	36,238	39,922	43,967
% of sales	67.3%	67.3%	67.3%	67.3%	67.3%
Personnel	1,965	2,234	2,497	2,818	3,059
% of sales	5.2%	5.6%	5.6%	5.7%	5.6%
Other expenses	1,314	1,472	1,572	1,686	1,857
% of sales	3.5%	3.7%	3.5%	3.4%	3.4%
EBITDA	4,230	4,105	4,612	5,227	5,735
EBITDA Margin (%)	11.2%	10.2%	10.3%	10.5%	10.5%
Other Income	313	310	467	511	546
Depreciation & Amortization	1,214	1,284	1,178	1,176	1,705
EBIT	3,295	3,131	3,901	4,562	4,576
Finance cost	98	133	202	214	163
Share in Net profit of JV	444	440	440	441	442
PBT	3,640	3,757	4,595	5,230	5,413
Tax-Total	435	242	433	460	476
Reported PAT	3,205	3,515	4,162	4,770	4,937
Minority Interest	33	47	35	36	37
Adjusted PAT	3,207	3,468	4,127	4,734	4,900
PAT Margin	8.5%	8.6%	9.2%	9.5%	9.0%
Growth (%)	10.5%	8.1%	19.0%	14.7%	3.5%

Source: Company, EISEC Research Estimates

Key Ratios	FY23	FY24	FY25	FY26E	FY27E
YE March					
Growth Ratios (%)					
Net Sales	17.3%	6.4%	11.6%	10.5%	11.0%
EBITDA	3.5%	-3.0%	12.4%	13.3%	9.7%
Adjusted Net Profit	10.5%	8.1%	19.0%	14.7%	3.5%
Margin Ratio (%)					
EBITDA Margin	11.2%	10.2%	10.3%	10.5%	10.5%
PBT margins	9.6%	9.3%	10.2%	10.5%	9.9%
PAT Margin	8.5%	8.6%	9.2%	9.5%	9.0%
Return Ratios					
ROE	20.5%	18.7%	19.8%	20.1%	17.6%
ROCE	19.5%	15.5%	16.8%	17.5%	15.0%
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	28.0	26.3
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	0.1	0.1
Per share (Rs.)					
Basic EPS (reported)	41.2	44.6	53.9	61.9	64.0
BV	222.5	261.9	281.7	332.5	396.6
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	17.6	18.6
Valuation					
P/E	28.9	26.8	22.1	19.3	18.6
P/BV	5.4	4.6	4.2	3.6	3.0
EV/EBITDA	21.6	22.6	19.9	17.4	15.7
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	25,286	30,186
Shareholders' Funds	17,018	20,038	21,547	25,439	30,339
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	28,032	32,932
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	136	299
Other current assets	1,398	1,559	339	339	339
Sundry Debtors	5,609	6,006	7,219	7,482	8,380
Cash & Bank Balances	1,846	956	510	1,073	2,014
Total Current Assets	10,355	12,916	12,584	13,480	15,482
Total Current Liabilities	2,685	2,841	3,648	3,807	3,930
Net Current Assets	7,670	10,075	8,936	9,673	11,552
Total Assets	18,324	22,173	24,156	28,032	32,932

Source: Company, EISEC Research Estimates

Cash Flow	FY23	FY24	FY25E	FY26E	FY27E
YE March (Rs mn)					
Operating profit before WC changes	4985	5221	6010	6656	7318
Changes in working capital	351	-614	47	-333	-1061
Cash flow from operations	4901	4365	5624	5863	5781
Capex	-2191	-3850	-5760	-8460	-8685
Cash flow from investments	-2191	-3850	-5760	-8460	-8685
Cash flow from financing	-1611	-1403	-309	2943	3845
Net change in cash	1099	-888	-445	346	941

Source: Company, EISEC Research Est

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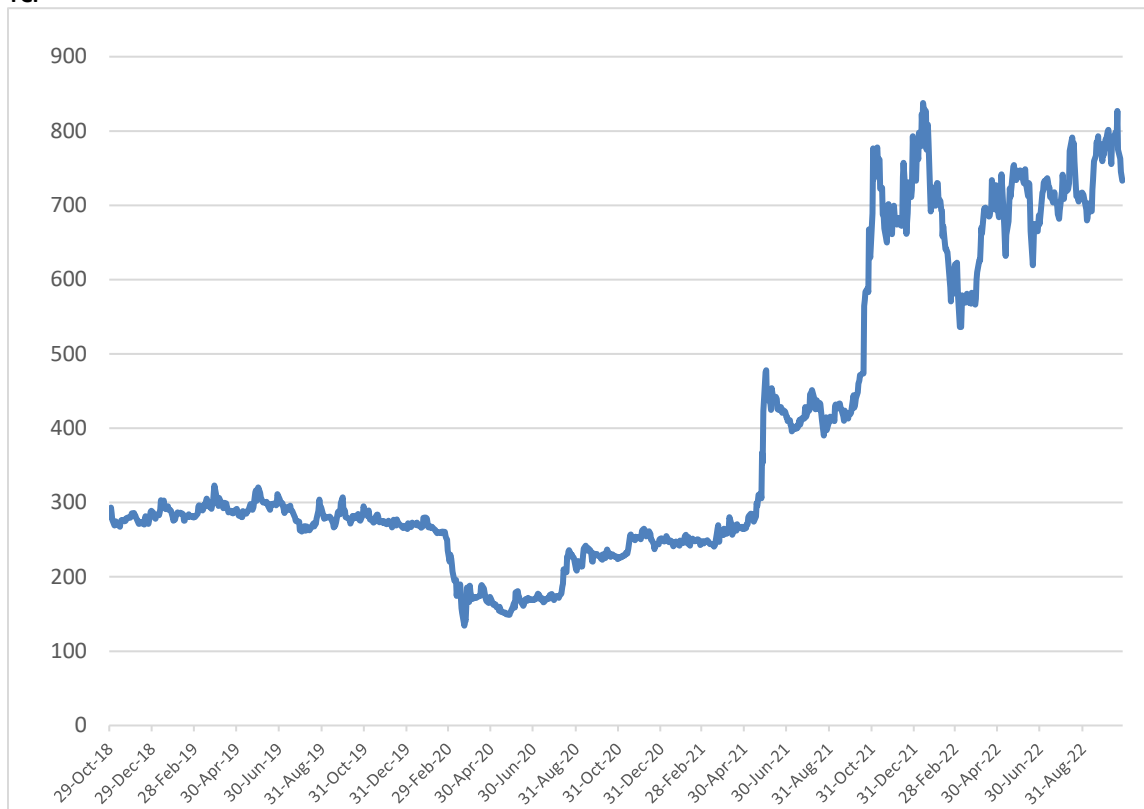
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TCI



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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