Q2FY26 Result Update I Logistics I 31 October 2025

East India Securities Ltd
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INDIA

Transport Corporation of India Ltd (TCI)

Supply Chain division performance is outstanding

Revenue at Rs.12,049 mn - up by 7.5% yoy & up 5.8% qoq
EBITDA at Rs. 1,267 mn – up by 8.1% yoy & up 4.7% qoq
EBITDA margin at 10.5 - 0 bps yoy & down 10bps qoq
PAT at Rs. 1,126 mn - up by 9.3% yoy & up 4.5% qoq

Operational performance a tad below expectations

- The Freight business, 48% of sales, saw revenue growth at 4.7% yoy and 5.8% qoq.
- PBT margins in the Freight business were at 2.3%, down 37 bps yoy and down 8bps qoq.
- The Supply Chain Solutions (SCS) business, 40% of sales, revenue was up 31.5% yoy and up 15.7% qoq.
- PBT margins in the SCS business were at 5.6%, down 22bps yoy and up 1 bps qoq.
- The Seaways business, 13% of sales, revenue was down 12.9% yoy and down 9.7% qoq.
- PBT margins in the Seaways business were at 37.5%, up 629bps yoy and up 57 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 will be in the dry docks in Q3FY26.

Key Risks

NA

Valuation

TCI is currently trading at P/E of 18.5x on FY27 basis. We value the stock based on P/E methodology and assign a multiple of 20x on FY27E PAT of Rs 4971 mn to arrive at a target price of **Rs 1300** per share, which is potential upside of 8.1% from current market price and recommend "Accumulate" on the stock.

The P/E we had attributed to the target price in Q1FY65 report was the same as taken now i.e. 20x.
Our rating in the Q1FY26 report was Accumulate, vs now at Accumulate.

Rating: Accumulate	Upside/(Downside): 8.1%
CMP: 1202	Target Price: 1300

| Market Data

Bloomberg:	TRPC:IN
52-week H/L (Rs):	1301 / 842
Mcap (Rs bn/USD bn):	92.7/1.09
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

	Sep-25	Jun-25	Mar-25	Dec-24
Promoter	68.7	68.7	68.8	68.7
FIIs	3.2	3.1	3.1	3.3
DIIs	12.6	12.3	12.4	12.3
Public/others	15.5	15.9	15.7	15.7

Source: Ace Equity

| Price Performance (%)*

YE Mar (R)	1M	3M	6M	12M
BSE 500	4.8	3.5	8.1	4.4
TCI	2.8	2.8	15.0	16.8

**As on 31 October 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%*	29.2	21.8
FY24	40,242	*6.4%*	4,105	*10.2%*	3,468	*8.1%*	45	18.7%	*15.5%*	27.0	22.8
FY25	44,919	*11.6%*	4,612	*10.3%*	4,122	*18.9%*	54	19.8%	*16.8%*	22.3	20.0
FY26E	49,259	*9.7%*	5,188	*10.5%*	4,682	*13.6%*	61	20.0%	*17.4%*	19.6	17.7
FY27E	54,185	*11.0%*	5,689	*10.5%*	4,971	*6.2%*	65	17.8%	*15.3%*	18.5	16.0

Source: Company, EISEC Research Estimates

Conference Call Highlights

- **Overall revival**, post the GST cut.

- **Freight business:**
  - Flattish Revenues amid softness in Infra and capital goods sectors and offset by festive restocking.
  - Continued focus on network expansion and key industry segments to increase LTL (less than truck load).
- **Supply Chain (SC) business**:
  - Growth momentum continued amidst addition of new contracts and expansion in existing contracts.
  - Impact of GST rate rationalization on Auto.
  - 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:**
  - Favorable fuel price , freight rates remained benign.
  - 2 ships dry-docked during H1 , one more scheduled in Q3.

- **Capex** : Rs 4500mn capex budgeted for FY26. Capex in H1FY26 was Rs 1672mn.
- **TCI Concor (JV with Concor) :** For H1FY26, JV saw a revenue of Rs 2455mn, growth of 28.3% yoy.
- **TCI Cold Chain :** For H1FY26, JV saw a revenue of Rs 528mn, growth of 17.4% yoy.
- **Transystem (JV with Toyota)**: For H1FY26, JV saw a revenue of Rs 6387mn, growth of 10.9% yoy.

Quarterly financials, operating metrics and key performance indicators

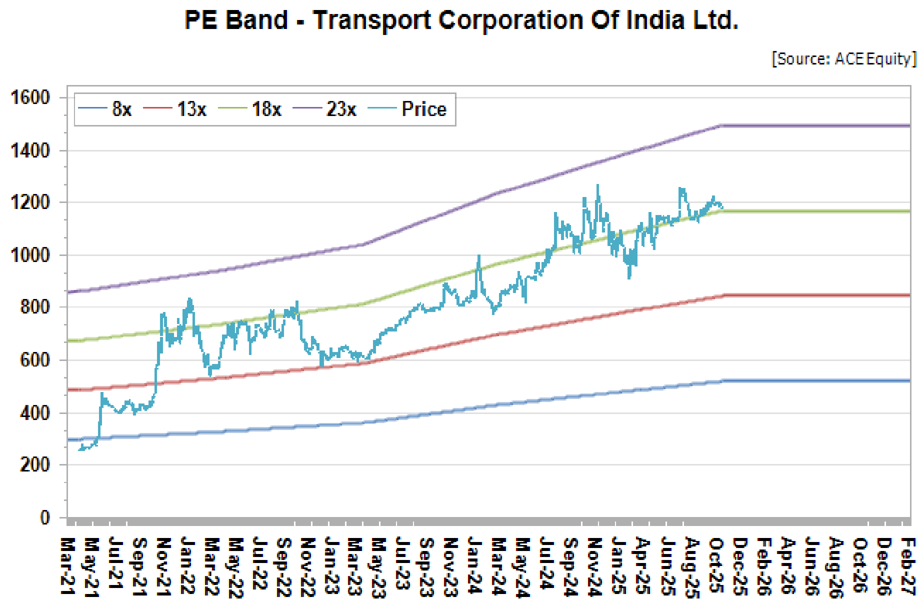
Quarterly Financials

Y/E March (Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Sales	**10,020**	**10,789**	**10,451**	**11,209**	**11,471**	**11,788**	**11,393**	**12,049**
Raw Materials	8,067	8,752	8,427	9,024	9,285	9,502	9,123	9,587
Employee Costs	566	545	614	629	635	619	675	699
Other Expenditure	388	398	372	384	366	450	385	496
EBITDA	**999**	**1094**	**1038**	**1172**	**1185**	**1217**	**1210**	**1267**
Depreciation	331	334	290	291	305	292	288	305
Interest	35	41	42	46	59	55	54	59
Other Income	95	17	109	106	68	184	113	125
PBT	**910**	**937**	**1026**	**1183**	**1114**	**1272**	**1178**	**1260**
Tax	108	-66	110	109	93	121	106	125
Tax rate (%)	12%	-7%	11%	9%	8%	10%	9%	9%
Adj. PAT	**794**	**990**	**910**	**1065**	**1009**	**1138**	**1065**	**1126**
YoY Growth (%)								
Revenue	3.7%	10.2%	10.0%	12.8%	14.5%	9.3%	9.0%	7.5%
EBITDA	-12.7%	1.3%	3.0%	16.7%	18.6%	11.2%	10.6%	10.5%
Adj. PAT	-7.5%	26.7%	11.1%	23.1%	27.1%	15.0%	17.0%	5.7%
QoQ Growth (%)								
Revenue	0.9%	7.7%	-3.1%	7.3%	2.3%	2.8%	-3.4%	5.8%
EBITDA	-0.5%	9.5%	-5.1%	12.9%	1.1%	2.7%	-0.6%	0.0%
Adj. PAT	-8.2%	24.6%	-8.0%	17.0%	-5.3%	12.8%	-6.4%	4.5%
Margin (%)								
EBITDA	10.0%	10.1%	9.9%	10.5%	10.3%	10.3%	10.6%	10.5%
PAT	7.9%	9.2%	8.7%	9.5%	8.8%	9.7%	9.3%	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**	**49,259**	**54,185**
% Growth	*17.3%*	*6.4%*	*11.6%*	*9.7%*	*11.0%*
Operating Expenses	30,306	32,431	36,238	39,493	43,619
% of sales	*67.3%*	*67.3%*	*167.3%*	*267.3%*	*367.3%*
Personnel	1,965	2,234	2,497	2,820	3,034
% of sales	*5.2%*	*5.6%*	*5.6%*	*5.7%*	*5.6%*
Other expenses	1,314	1,472	1,572	1,759	1,842
% of sales	*3.5%*	*3.7%*	*3.5%*	*3.6%*	*3.4%*
EBITDA	4,230	4,105	4,612	5,188	5,689
EBITDA Margin (%)	*11.2%*	*10.2%*	*10.3%*	*10.5%*	*10.5%*
Other Income	313	310	467	536	542
Depreciation & Amortization	1,214	1,284	1,178	1,190	1,574
EBIT	**3,295**	**3,131**	**3,901**	**4,534**	**4,658**
Finance cost	98	133	202	227	163
Share in Net profit of JV	444	440	440	441	442
PBT	**3,640**	**3,757**	**4,595**	**5,179**	**5,494**
Tax-Total	**435**	**242**	**433**	**456**	**484**
Reported PAT	**3,205**	**3,515**	**4,162**	**4,723**	**5,011**
Minority Interest	**33**	**47**	**35**	**36**	**37**
Adjusted PAT	**3,207**	**3,468**	**4,127**	**4,687**	**4,974**
PAT Margin	*8.5%*	*8.6%*	*9.2%*	*9.5%*	*9.2%*
Growth (%)	*10.5%*	*8.1%*	*19.0%*	*13.6%*	*6.1%*

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	25,239	30,213
Shareholders' Funds	**17,018**	**20,038**	**21,547**	**25,392**	**30,366**
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**	**27,985**	**32,959**
Gross Block	13,451	15,200	17,000	21,500	26,225
Accumulated Dep.	6,274	7,558	8,736	10,026	11,600
Net Block	7,177	7,642	8,264	11,474	14,625
Capital WIP	260	1,090	2,550	2,550	2,550
Net Fixed Assets	**10,654**	**12,098**	**15,220**	**18,467**	**21,619**
Total Non Current Assets	**10,654**	**12,098**	**15,220**	**18,467**	**21,619**
Inventories	50	106	66	135	297
Other current assets	1,398	1,559	339	339	339
Sundry Debtors	5,609	6,006	7,219	7,423	8,313
Cash & Bank Balances	1,846	956	510	969	1,860
Total Current Assets	**10,355**	**12,916**	**12,584**	**13,316**	**15,260**
Total Current Liabilities	**2,685**	**2,841**	**3,648**	**3,798**	**3,919**
Net Current Assets	**7,670**	**10,075**	**8,936**	**9,518**	**11,341**
Total Assets	**18,324**	**22,173**	**24,156**	**27,985**	**32,959**

Source: Company, EISEC Research Estimates

Key Ratios	FY23	FY24	FY25	FY26E	FY27E
YE March					
Growth Ratios (%)					
Net Sales	17.3%	6.4%	11.6%	9.7%	11.0%
EBITDA	3.5%	-3.0%	12.4%	12.5%	9.7%
Adjusted Net Profit	10.5%	8.1%	19.0%	13.6%	6.1%
Margin Ratio (%)					
EBITDA Margin	11.2%	10.2%	10.3%	10.5%	10.5%
PBT margins	9.6%	9.3%	10.2%	10.5%	10.1%
PAT Margin	8.5%	8.6%	9.2%	9.5%	9.2%
Return Ratios					
ROE	20.5%	18.7%	19.8%	20.0%	17.8%
ROCE	19.5%	15.5%	16.8%	17.4%	15.3%
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	28.1	26.4
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	61.3	65.0
BV	222.5	261.9	281.7	331.9	396.9
CEPS	15.7	16.6	15.4	15.6	20.6
DPS	9.0	7.0	10.0	11.0	12.0
Dividend Payout (%)	21.8	15.5	18.4	17.8	18.3
Valuation					
P/E	29.2	27.0	22.3	19.6	18.5
P/BV	5.4	4.6	4.3	3.6	3.0
EV/EBITDA	21.8	22.8	20.0	17.7	16.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, EISEC Research Estimates

Cash Flow	FY23	FY24	FY25E	FY26E	FY27E
YE March (Rs mn)					
Operating profit before WC changes	**4985**	**5221**	**6010**	**6632**	**7268**
Changes in working capital	351	-614	47	-273	-1053
Cash flow from operations	**4901**	**4365**	**5624**	**5903**	**5732**
Capex	-2191	-3850	-5760	-8460	-8685
Cash flow from investments	-2191	-3850	-5760	-8460	-8685
Cash flow from financing	-1611	-1403	-309	2930	3845
Net change in cash	**1099**	**-888**	**-445**	**374**	**893**

Source: Company, EISEC Research Est

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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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		TCI
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