



# Transport Corporation of India

## Logistics through Innovation and Technology



## Transport Corporation of India Limited Q3FY24 Result Highlights:

Particulars (in Rs. Cr.)	Q3FY24	Q3FY23	YoY (%)	Q2FY24	QoQ (%)
Sales	1002	967	3.62%	994	0.80%
EBITDA	100	114	-12.28%	100	0.00%
EBITDA Margin %	9.98%	11.79%	(181) bps	10.06%	(8) bps
PAT	80	86	-6.98%	88	-9.09%
PAT Margin %	7.98%	8.89%	(91) bps	8.85%	(87) bps
Diluted EPS (Rs.)	10.23	11.05		11.21	

Source: Company, ACMIIL Retail Research

### Comments:

#### Financial Performance:

- Despite challenges in the core sector, infrastructure growth, and engineering sector, as well as inflation impacting consumer side, the company's quarter has shown a steady top-line and bottom-line performance.
- The company maintains a net debt-free status with approximately 300 crores in cash.
- The company's consolidated structure and growth drivers remain stable, with a strong customer pipeline across all segments.
- The company forecasts a 10-15% growth in both top-line and bottom-line for FY24 and 8-10% growth for FY25.

#### Current Operational Performance:

- The freight division experienced stagnant growth and margin compression due to low revenue growth and increased fixed costs.
- The supply chain business performed well with a 14% growth in top line and 24% growth in bottom line in the last quarter and 9 months.
- The seaway business witnessed negative impact with declining business and margins.

#### Future Outlook:

- The company expects Q4 to be its strongest quarter, anticipating increased sales and activity.
- Forecasting a 10-15% growth for FY24, with plans to sustain growth over the next 3-4 years.
- Anticipates growth in supply chain business, particularly in agriculture, infrastructure, and two-wheelers, along with new contracts and warehouse expansions.

#### Concerns:

- Competitive pressure in the LTL business and impacts of fuel prices and Red Sea crisis on seaway business are major concerns.
- Margin erosion in LTL business due to heightened fixed costs and competition.

#### Other Points:

- Company is focused on offering end-to-end solutions, including control towers and integrated solutions for various industries.
- Engaged in innovative projects to enhance efficiency, like utilizing machine learning for billing processes.
- No plans to enter vehicle scrappage business, but open to reverse logistics for other sectors.
- Continues to innovate and provide unique services to enhance customer loyalty.

#### Conclusion

TCI's financial performance has been affected by industry challenges and competitive pressures, but it remains committed to growth and innovation in its operations and future prospects. In the recent Interim Budget 2024-2025, it has given a thrust to multi-modal connectivity by implementing economic railway corridors and port connectivity corridors, benefiting logistics and port players under the PM Gati Shakti Programme. These initiatives will enable TCI to further grow and elevate the logistics and infrastructure landscape that will greatly improve supply chain efficiencies and provide a significant boost to domestic and international trade, thus opening new possibilities for TCI's business in India. Hence, we remain positive about its future growth and we recommend "Accumulate" rating for the medium to long term perspective.

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