BUY (Maintained)

CMP: **INR 674** Target Price: **INR 900 (INR 921)** ▲ 34%

ICICI Securities Limited is the author and distributor of this report

18 August 2025

India | Equity Research | Results Update

TCI Express

Logistics

Attractive valuation; margins likely to have bottomed out

TCI Express' (TCIE) Q1FY26 EBITDA was slightly below consensus estimates. Key points: 1) Volume fell 0.9% YoY to 233kte (235kte in Q1FY25) on subdued demand. 2) EBITDA margin improved QoQ to 9.8% (vs. 8.5% in Q4FY25 and 11.2% in Q1FY25), mainly on account of 75bps price hike and stable variable costs in Q1. 3) Added 10 branches in Q1. 4) Capacity utilisation dipped to 82%. 5) Incurred capex of INR 129mn; plans to incur capex of INR 1bn in FY26. Going ahead, the management has guided for i) 11-12% revenue growth, supported by volume growth of 8-9% and price hike of 200bps in FY26 and ii) EBITDA margin may have bottomed out. We have factored in 9%/11% revenue growth in our estimates for FY26/27, respectively. Maintain **BUY** with a revised TP of INR 900 (earlier INR 921), based on 28x FY27E EPS.

Q1FY26 EBITDA below estimates

TCIE's Q1FY26 EBITDA undershot consensus estimates. Key points: 1) EBITDA of INR 281mn declined 14.3% YoY, however, surged 6.8% QoQ on 75bps price hike undertaken in Q1FY26 and stable direct cost in Q1. 2) Capacity utilisation largely remained flat YoY at 82%. 3) EBITDA margin improved QoQ to 9.8%. 4) International cargo grew 33.25% YoY in Q1; TCIE handles >100te cargo now. 5) C2C segment recorded a growth of 14%+ YoY in Q1. 6) Incurred capex of INR 129mn in Q1 and plans to incur INR 1bn in FY26. 7) Added 10 branches in Q1 and is planning to add another 12-13 branches in Q2. 8) Net cash position was INR 1.4bn as of Q1FY26 end.

Focus on multimodal segment, may grow 14-15% in FY26

The company aims to increase the share of its multimodal segment to 20–22% (from ~17.5-18% now) of total revenue over the next 2-3 years to derisk its dependence on surface logistics. For growth, it is targeting complex sectors like aerospace and engineering, while expanding its air express network. The management has guided for 14-15% growth in this segment for FY26, while margins are expected to improve as cost stabilises.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	12,538	12,083	13,125	14,582
EBITDA	1,872	1,247	1,513	1,796
EBITDA Margin (%)	14.9	10.3	11.5	12.3
Net Profit	1,317	857	1,042	1,230
EPS (INR)	34.3	22.3	27.2	32.1
EPS % Chg YoY	(5.6)	(35.0)	21.6	18.1
P/E (x)	19.6	30.2	24.8	21.0
EV/EBITDA (x)	13.2	19.4	16.1	13.5
RoCE (%)	20.8	11.1	12.5	13.6
RoE (%)	21.5	12.4	13.6	14.6

Mohit Lohia
mohit.lohia@icicisecurities.com
+91 22 6807 7510
Pritish Urumkar
Pritish.urumkar@icicisecurities.com

Market Data

Market Cap (INR)	26bn
Market Cap (USD)	296mn
Bloomberg Code	TCIEXP IN
Reuters Code	TCIE BO
52-week Range (INR)	1,170 /580
Free Float (%)	29.0
ADTV-3M (mn) (USD)	0.3

Price Performance (%)	3m	6m	12m
Absolute	(5.4)	(4.1)	(36.1)
Relative to Sensex	(4.5)	(10.3)	(38.0)

ESG Score	2023	2024	Change
ESG score	67.2	NA	NA
Environment	37.8	NA	NA
Social	74.7	NA	NA
Governance	81.1	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	(1.0)	(0.1)
EBITDA	(6.0)	(4.0)
EPS	(4.8)	(2.5)

Previous Reports

07-02-2025: Q3FY25 results review
02-11-2024: Q2FY25 results review

Outlook: Attractive valuation; margins likely to have bottomed out

After underperforming in past 8-9 quarters, volumes are expected to improve on the back of i) above-normal monsoon, ii) likely improvement in rural economy and iii) improvement across other segments like automotive, pharma, retail etc. Further, the management is focused on improving the wallet share of its multimodal logistic services to 20-22% from 17.5-18% now, followed by margin improvement as cost stabilises. Going ahead, the management has guided for revenue growth of ~11-12% on account of i) multimodal growth of 14-15% and ii) surface express growth of ~8%. Also, EBITDA margins could improve across services owing to i) 200bps price hike (75bps already undertaken) and ii) operating leverage benefits as volume increases. We have factored in 9%/11% revenue growth while keeping our EBITDA margin at 11.5%/12.3% in our estimates for FY26/27, respectively. Considering the underperformance in Q1, we have marginally reduced our EPS by 4.8%/2.5% for FY26/27E, respectively. We maintain **BUY** on the stock with a revised TP of INR 900 (earlier INR 921), based on an unchanged multiple of 28x FY27E EPS.

Exhibit 1: Earnings revision

(INR mn)	FY26E			FY27E		
	New	Old	% Chg	New	Old	% Chg
Sales	13,125	13,259	(1.0)	14,582	14,597	(0.1)
EBITDA	1,513	1,609	(6.0)	1,796	1,870	(4.0)
PAT	1,042	1,094	(4.8)	1,230	1,262	(2.5)

Source: I-Sec research

Key risks

Upside risks: 1) Increased tonnage with improvement in domestic manufacturing; and 2) retention of cost efficiencies obtained in FY21 as volume returns.

Downside risks: 1) Increased rail share, leading to a shift in business model for express players such as TCIE; 2) more omni-channel developments requiring higher technology investments, and 3) a business disruption favouring startups in the space.

Q1FY26 concall takeaways

Guidance

- **Revenue growth:** The company is expecting revenue growth of 11-12% in FY26, supported by volume growth of ~8-9% and price hike of ~200bps (75 bps already undertaken in Q1). Growth is expected across key verticals, however, other verticals excluding surface express are likely to do better. Growth: ~8% in surface logistics and 14-15% in multimodal. Also, in FY27, company is targeting double digit volume growth of ~12-13%.

- **EBITDA margin:** Margins are likely to improve QoQ, supported by price hike and volume growth; margins are likely to go back to normalised level of ~15% by FY27.

- **Volume growth:** Company expects single high digit volume growth in FY26 and double-digit growth in FY27. Volume growth is expected to be supported by auto, retail and lifestyle products.

- **Price Hike:** The company has undertaken 75bps price hike in Q1 and is planning another 75bps in Q2 and 50bps in Q3FY26, cumulatively ~200bps price hike in FY26.

- **Capex:** It has incurred ~INR 2bn capex over the past three years, and plans to incur INR 1bn each for FY26 and FY27.

Tonnage: Q1FY26- 2,33,000te

Expanding multimodal capabilities: The company plans to increase its multimodal services contribution from 17.5-18% currently to 22-23% over the next two years. Focus includes widening customer penetration in high potential industrial vertical, scaling international express volumes and leveraging technology and automation to improve productivity. Margins are same for Rail, and surface express; however, it is slightly lower for international air because of high volume business.

Compression of EBITDA margin: The compression of EBITDA margin is mainly on account of inflationary cost pressures such as toll tax increase, labour wage increases etc., decline in multimodal services margins, low EBITDA margin in international air cargo at ~10-12% and reduced margin of surface express due to volume decline.

Branches: Company opened 10 branches in Q1FY26 and is planning to add 12-13 new branches in Q2FY26 (added 3 branches in Jul'25).

Corporate and SME mix: Corporate- 51% and other- 49% (vs. corporate- 52% and other- 48%).

ESG: Company is adding EVs for last mile and mid mile for select locations; installation of solar roof top for sorting centres to support ESG goals.

Capacity utilisation: ~83% for FY25 and despite the decline in volume, company was able to manage it at 82%. Once the volume is back, utilisation is expected to improve to >83.5%. Also, adding the capacity and network expansion for air domestic, international and rail, creating a separate network, that is also adding direct cost.

Exhibit 2: TCIE Q1FY26 performance review

(INR mn)	Q1FY26	Q1FY25	Chg. YoY (%)	Q4FY25	Chg. QoQ (%)
Total income from operations	**2,868**	**2,930**	(2.1)	**3,073**	(6.7)
Operating expenses	2,060	2,089	(1.4)	2,205	(6.6)
Gross Margin	808	841	(3.9)	868	(7.0)
Gross Margin (%)	*28.2*	*28.7*		*28.3*	
Employee wages	352	346	1.6	357	(1.6)
Other expenses	176	168	5.0	249	(29.2)
Total expenses	**2,587**	**2,603**	(0.6)	**2,810**	(7.9)
EBITDA	**281**	**327**	(14.3)	**263**	6.8
EBITDA Margin (%)	*9.8*	*11.2*	*1.4*	*8.5*	
Depreciation	53	51	3.5	59	(11.3)
Other Income	38	23	64.9	61	(38.7)
Finance Cost	3	3	(3.7)	5	(44.7)
PBT	263	297	(11.4)	260	1.1
Tax	68	74	(7.2)	66	
PAT	**195**	**223**	(12.7)	**194**	0.6

Source: I-Sec research, Company data

Exhibit 3: TCIE operational review

	Q1FY26	Q1FY25	Chg. YoY (%)	Q4FY25	Chg. QoQ (%)
Volumes (mnte)	0.233	0.235	(0.9)	0.255	(8.6)
Tonnage growth (%)	(0.9)	(2.1)		(1.2)	
Realisation/te (INR)	12,307	12,467	(1.3)	12,050	2.1
Gross Margin/te (INR)	3,467	3,579	(3.1)	3,405	1.8
EBITDA/te (INR)	1,204	1,393	(13.6)	1,030	16.9

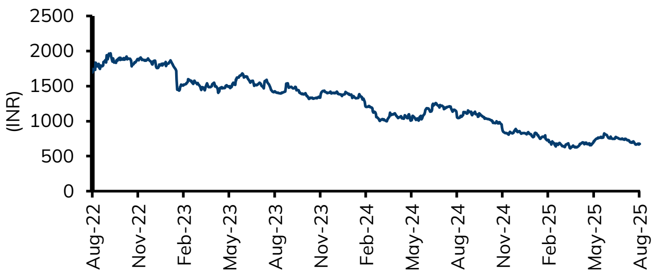
Source: I-Sec research, Company data

Exhibit 4: Shareholding pattern

%	Dec'24	Mar'25	Jun'25
Promoters	69.5	69.5	69.5
Institutional investors	10.6	10.4	10.5
MFs and others	9.6	9.5	9.7
FIs/Banks	-	-	-
Insurance	0.1	0.1	0.0
FIIs	0.9	0.8	0.8
Others	19.9	20.1	20.0

Source: Bloomberg, I-Sec research

Exhibit 5: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 6: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	**12,538**	**12,083**	**13,125**	**14,582**
Operating Expenses	2,080	2,215	2,435	2,692
EBITDA	**1,872**	**1,247**	**1,513**	**1,796**
EBITDA Margin (%)	14.9	10.3	11.5	12.3
Depreciation & Amortization	190	216	227	263
EBIT	1,683	1,031	1,286	1,533
Interest expenditure	15	15	13	13
Other Non-operating Income	72	134	120	125
Recurring PBT	**1,740**	**1,150**	**1,393**	**1,645**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	423	294	351	414
PAT	1,317	857	1,042	1,230
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**1,317**	**857**	**1,042**	**1,230**
Net Income (Adjusted)	**1,317**	**857**	**1,042**	**1,230**

Source Company data, I-Sec research

Exhibit 7: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	2,921	2,830	2,770	3,038
of which cash & cash eqv.	204	153	52	65
Total Current Liabilities & Provisions	1,300	1,395	1,374	1,466
Net Current Assets	**1,621**	**1,435**	**1,396**	**1,572**
Investments	900	1,482	1,482	1,482
Net Fixed Assets	4,185	4,279	5,053	5,801
ROU Assets	-	-	-	-
Capital Work-in-Progress	161	203	203	203
Total Intangible Assets	46	45	45	45
Other assets	292	348	348	348
Deferred Tax Assets	-	-	-	-
Total Assets	**7,205**	**7,792**	**8,527**	**9,451**
Liabilities				
Borrowings	**30**	**-**	**-**	**-**
Deferred Tax Liability	**135**	**148**	**148**	**148**
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	77	77	77	77
Reserves & Surplus	6,963	7,567	8,303	9,226
Total Net Worth	**7,040**	**7,644**	**8,379**	**9,303**
Minority Interest	-	-	-	-
Total Liabilities	**7,205**	**7,792**	**8,527**	**9,451**

Source Company data, I-Sec research

Exhibit 8: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	**1,360**	**1,184**	**1,209**	**1,333**
Working Capital Changes	(174)	76	(62)	(163)
Capital Commitments	(461)	(444)	(1,001)	(1,011)
Free Cashflow	**900**	**740**	**208**	**322**
Other investing cashflow	**(590)**	**(471)**	**-**	**-**
Cashflow from Investing Activities	(1,051)	(915)	(1,001)	(1,011)
Issue of Share Capital	22	28	-	-
Interest Cost	(15)	(13)	(3)	(3)
Inc (Dec) in Borrowings	22	(30)	-	-
Dividend paid	(307)	(307)	(306)	(306)
Others	-	-	-	-
Cash flow from Financing Activities	(278)	(322)	(309)	(309)
Chg. in Cash & Bank balance	**32**	**(53)**	**(101)**	**13**
Closing cash & balance	170	151	52	65

Source Company data, I-Sec research

Exhibit 9: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	34.3	22.3	27.2	32.1
Adjusted EPS (Diluted)	34.3	22.3	27.2	32.1
Cash EPS	39.3	28.0	33.1	38.9
Dividend per share (DPS)	8.0	8.0	8.0	8.0
Book Value per share (BV)	183.6	199.3	218.5	242.6
Dividend Payout (%)	23.3	35.8	29.4	24.9
Growth (%)				
Net Sales	1.0	(3.6)	8.6	11.1
EBITDA	(3.7)	(33.4)	21.3	18.7
EPS (INR)	(5.6)	(35.0)	21.6	18.1
Valuation Ratios (x)				
P/E	19.6	30.2	24.8	21.0
P/CEPS	17.2	24.1	20.4	17.3
P/BV	3.7	3.4	3.1	2.8
EV / EBITDA	13.2	19.4	16.1	13.5
Dividend Yield (%)	1.2	1.2	1.2	1.2
Operating Ratios				
Gross Profit Margins (%)	31.5	28.6	30.1	30.8
EBITDA Margins (%)	14.9	10.3	11.5	12.3
Effective Tax Rate (%)	24.3	25.5	25.2	25.2
Net Profit Margins (%)	10.5	7.1	7.9	8.4
Net Debt / Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Debt / EBITDA (x)	(0.6)	(1.3)	(1.0)	(0.9)
Total Asset Turnover (x)	2.0	1.7	1.7	1.7
Inventory Turnover Days	-	-	-	-
Receivables Days	71	67	67	70
Payables Days	28	28	27	28
Profitability Ratios				
RoE (%)	21.5	12.4	13.6	14.6
RoCE (%)	20.8	11.1	12.5	13.6
RoIC (%)	24.2	13.2	15.3	16.7

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION
I/We, Mohit Lohia, CA; Pritish Urumkar, MBATech (Finance); authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:
ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122