Transport Corporation of India

Logistics

Subdued performance; guidance intact

Transport Corporation of India's (TRPC) Q2FY26 EBITDA of INR 1,267mn was slightly below consensus estimates. Key points: 1) Revenue and EBITDA grew by 7.5% and 8.2% YoY, respectively. 2) Blended EBITDA margin remained range bound at 10.5%. 3) Freight division's EBIT margin moderated to 2.3% (2.4% in Q1FY26) due to subdued demand. 4) New ships are likely to arrive next year. 5) Incurred capex of INR 1.7bn in H1FY26 with expected capex of INR 4bn in FY26. Management has maintained its volume growth guidance of 10–12% for FY26, while keeping EBITDA margins at existing levels. We maintain **BUY** with a TP of INR 1,500, based on 22x FY27E EPS.

Stable performance; EBITDA missed estimates

TRPC's EBITDA of INR 1,267mn grew by 8.2% YoY but missed consensus estimate. Key points: 1) Freight revenue grew 4.7% YoY while EBIT margin slipped to 2.3% (vs. 2.7% in Q2FY25 and 2.4% in Q1FY26), as reforms in cost structures are still underway with the increase of LTL's share in its business mix, which may lead to better margins. 2) Seaways' revenue dipped ~13% due to fewer voyages, as two ships were in dry-docks in H1FY26; though, EBIT grew 4.7% due to favourable fuel prices. 3) SCS segment had a record run with revenue growth of ~32% and EBIT growth of ~27% driven by exponential demand in end-Sep'25 due to GST reforms. 4) Blended EBITDA margin was stable at 10.5% YoY (10.4%/10.6% in Q2FY25/Q1FY26). 5) TRPC incurred capex of INR 1.67bn in H1FY26; it plans to incur INR 4bn capex in FY26.

Q2FY26 conference call – takeaways

1) Management guides for 8–10% and 12% growth of its top line in standalone and consolidated, respectively; ~15% bottom line growth on consolidated level for FY26. 2) Nov–Dec'25 is expected to remain moderate. 3) It has incurred capex of INR 1.7bn and plans to incur capex of INR 4bn for FY26. 4) RoCE shall remain stable at ~15% – until LTL business starts increasing, which will likely result in higher RoCE. 5) Commissioned warehouse in the eastern region. 6) After a subdued branch addition in H1FY26, ramp-up in branch addition is expected in H2FY26.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	40,242	44,918	49,821	55,373
EBITDA	4,105	4,611	5,183	5,736
EBITDA Margin (%)	10.2	10.3	10.4	10.4
Net Profit	3,545	4,161	4,486	5,321
EPS (INR)	45.5	53.4	57.6	68.3
EPS % Chg YoY	11.1	17.4	7.8	18.6
P/E (x)	26.5	22.6	20.9	17.6
EV/EBITDA (x)	22.4	19.9	17.2	14.9
RoCE (%)	12.7	13.4	12.7	11.6
RoE (%)	18.8	19.7	18.6	18.3

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Market Data

Market Cap (INR)	92bn
Market Cap (USD)	1,042mn
Bloomberg Code	TRPC IN
Reuters Code	TCIL.BO
52-week Range (INR)	1,309 /875
Free Float (%)	29.0
ADTV-3M (mn) (USD)	0.3

Price Performance (%)	3m	6m	12m
Absolute	0.8	15.5	12.5
Relative to Sensex	(2.7)	10.3	6.9

ESG Score	2024	2025	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

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

Source: SES ESG, I-sec research

Previous Reports

30-07-2025: Q1FY26 results review

16-05-2025: Q4FY25 results review

Outlook: Near-term hiccups; outlook remains optimistic

TRPS is one of the most consistent performers in the logistics industry. Despite the challenging time, the company was able to perform well due to its well-diversified business portfolio. The stock has delivered a 20–25% CAGR over the short, medium and long-term. Management envisages Nov–Dec'25 to remain moderate; however, management maintains its annual growth guidance. Further, we believe margins in freight division are likely to have bottomed out and also JVs may continue to outperform. We maintain **BUY** with a TP of INR 1,500, based on 22x FY27E EPS.

Key risks

- High concentration in low-margin freight business and susceptibility to economic downturns.
- Stiff competition from organised and unorganised players.
- High concentration in auto industry in 3PL segment exposes it to any cyclical downturn.

Q2FY26 conference call: Takeaways

- **Guidance:** Management targets growth of 8–10% and ~12% on top lines for standalone and consolidated, respectively.
- Management does not expect Nov'25 to be as great; it expects Dec'25 to be moderate.
- **Rake:** Rake movement increased from 1,410 in H1FY26 to ~1,168 in H1FY25. The significant jump came from the automotive side.
- **Containers:** TEUs handled in H1FY26 grew by ~5% YoY; while CBUs handled also increased to 190K in H1FY26 as compared to 172K in H1FY25.
- **Yards and terminals:** Continues to manage 67 yards and 70 terminals.
- **Warehousing:** Commissioned a 285k sq.ft. warehouse in the eastern region.
- **Freight division:** Segment remains weak and had no growth in Q2FY26. However, there has been a shift from FTL to LTL; where it has increased to 38%.
- Cost structure reforms are still underway; stagnating margins.
- Peak EBITDA margin is of ~4.5%; management expects improvement of 100bps in current margins from next year.
- RoCE shall remain stable at ~15%; until LTL business starts increasing, which will likely result in higher RoCE.
- **SCS division:** Segment grew by ~17.8% QoQ; due to the GST reform impact. Warehousing also saw good growth.
- **Seaways:** Voyages were impacted, as ships were in dry-docks.
- Growth in margins was due to fuel prices being lower.
- Management expects the new ships to come in next year.
- Margins are expected to be in the range of 35–40%.
- **JV performance:** 1) CONCOR JV grew at 28% in H1FY26 YoY. Profitability is tight due to slow changes and increase in competition. 2) Cold chain grew by ~17%. 3) JV with Mitsui for trans-system logistics has grown to ~11% and profitability remains intact.
- **CapEx:** incurred capex of INR 1.67bn in H1FY26; capex budget for the year is ~INR ~4bn.

- In the beginning of Q2FY26, there was a little bit of movement in Jul–Aug'25. In Sep'25 with the announcements on GST, there was a rather rapid slow down. But after 22 Sep'25, there was notable rush from automotive, finished goods & FMCG.
- During the period, TCI's supply chain business did record numbers.
- In Oct'25, the same effect persisted but there has been a weaking. Demand is not as strong as it was in the last 45 days.

Exhibit 1: TRPC Q2FY26 performance review

(INR mn)	Q2FY26	Q2FY25	% Chg YoY	Q1FY26	% Chg QoQ
Net sales	**12,049**	**11,208**	*7.5*	**11,393**	*5.8*
Gross Margin	2,462	2,184	*12.7*	2,270	*8.5*
Gross Margin (%)	20.4%	19.5%		19.9%	
Employee cost	699	629	*11.1*	675	*3.6*
Other expenditure	496	384	*29.2*	385	*28.8*
EBITDA	**1,267**	**1,171**	*8.2*	**1,210**	*4.7*
Margin (%)	10.5%	10.4%		10.6%	
Other Income	125	106	*17.9*	113	*10.6*
Depreciation	305	291	*4.8*	288	*5.9*
EBIT	**1,087**	**986**	*10.2*	**1,035**	*5.0*
Interest	59	46	*28.3*	54	*9.3*
PBT	**1,028**	**940**		**981**	
Tax expense:	125	109	*14.7*	106	*17.9*
PAT	**903**	**831**	*8.7*	**875**	*3.2*
Share of profit of investments	232	242	*(4.1)*	197	*17.8*
Reported Profit	**1,135**	**1,073**	*5.8*	**1,072**	*5.9*

Source: I-Sec research, Company data

Exhibit 2: TRPC segmental performance review

(INR mn)	Q2FY26	Q2FY25	% Chg YoY	Q1FY26	% Chg QoQ
Revenue					
Freight Division	5,700	5,442	*4.7*	5,388	*5.8*
Supply Chain Solutions Division	5,810	4,418	*31.5*	5,020	*15.7*
Seaways Division	1,423	1,633	*(12.9)*	1,575	*(9.7)*
Energy Division	18	20	*(10.0)*	14	*28.6*
EBIT					
Freight Division	131	145	*(9.7)*	128	*2.3*
Supply Chain Solutions Division	328	259	*26.6*	283	*15.9*
Seaways Division	533	509	*4.7*	581	*(8.3)*
Energy Division	9	14	*(35.7)*	5	*80.0*
EBIT (%)					
Freight Division	2.3%	2.7%		2.4%	
Supply Chain Solutions Division	5.6%	5.9%		5.6%	
Seaways Division	37.5%	31.2%		36.9%	
Energy Division	50.0%	70.0%		35.7%	

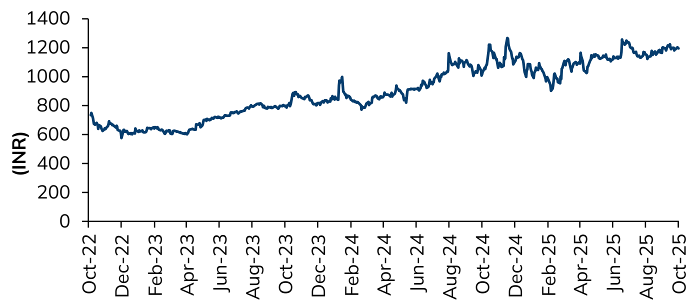
Source: I-Sec research, Company data

Exhibit 3: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	68.8	68.7	68.7
Institutional investors	15.6	15.6	15.9
MFs and others	11.0	11.0	11.3
FIs/Banks	0.8	0.8	0.7
Insurance	0.6	0.6	0.7
FIIs	3.2	3.2	3.2
Others	15.6	15.7	15.4

Source: Bloomberg

Exhibit 4: Price chart



Source: Bloomberg

Financial Summary

Exhibit 5: Profit & Loss

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	**40,242**	**44,918**	**49,821**	**55,373**
Operating Expenses	3,706	4,069	4,316	4,609
EBITDA	**4,105**	**4,611**	**5,183**	**5,736**
EBITDA Margin (%)	10.2	10.3	10.4	10.4
Depreciation & Amortization	1,284	1,178	1,578	1,848
EBIT	2,821	3,433	3,604	3,888
Interest expenditure	133	202	146	94
Other Non-operating Income	458	467	474	967
Recurring PBT	**3,146**	**3,698**	**3,932**	**4,760**
Profit / (Loss) from Associates	**759**	**896**	**986**	**1,084**
Less: Taxes	336	433	433	524
PAT	2,810	3,265	3,500	4,236
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**3,545**	**4,161**	**4,486**	**5,321**
Net Income (Adjusted)	**3,545**	**4,161**	**4,486**	**5,321**

Source Company data, I-Sec research

Exhibit 6: Balance sheet

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	12,916	12,594	15,160	19,589
of which cash & cash eqv.	956	849	2,620	6,148
Total Current Liabilities & Provisions	2,359	3,117	3,390	3,700
Net Current Assets	**10,557**	**9,477**	**11,770**	**15,889**
Investments	2,121	2,400	2,400	2,400
Net Fixed Assets	7,606	8,227	9,649	10,800
ROU Assets	985	1,385	1,385	1,385
Capital Work-in-Progress	1,090	2,550	2,550	2,550
Total Intangible Assets	26	25	25	25
Other assets	270	615	615	615
Deferred Tax Assets	-	-	-	-
Total Assets	**22,655**	**24,679**	**28,394**	**33,664**
Liabilities				
Borrowings	**1,503**	**1,552**	**781**	**731**
Deferred Tax Liability	**328**	**364**	**364**	**364**
provisions	86	94	94	94
other Liabilities	367	759	759	759
Equity Share Capital	155	153	153	153
Reserves & Surplus	19,883	21,394	25,880	31,200
Total Net Worth	**20,038**	**21,547**	**26,033**	**31,353**
Minority Interest	333	363	363	363
Total Liabilities	**22,655**	**24,679**	**28,394**	**33,664**

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	**2,961**	**3,524**	**5,688**	**6,672**
Working Capital Changes	(1,018)	(987)	(522)	(591)
Capital Commitments	(4,263)	(5,872)	(3,000)	(3,000)
Free Cashflow	**(1,302)**	**(2,348)**	**2,688**	**3,672**
Other investing cashflow	**225**	**225**	**-**	**-**
Cashflow from Investing Activities	(4,038)	(5,647)	(3,000)	(3,000)
Issue of Share Capital	35	46	-	-
Interest Cost	(92)	(141)	(146)	(94)
Inc (Dec) in Borrowings	878	49	(771)	(50)
Dividend paid	(549)	(774)	-	-
Others	-	-	-	-
Cash flow from Financing Activities	176	(2,920)	(917)	(144)
Chg. in Cash & Bank balance	**(901)**	**(5,043)**	**1,771**	**3,528**
Closing cash & balance	798	(4,212)	2,281	5,809

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	45.5	53.4	57.6	68.3
Adjusted EPS (Diluted)	45.5	53.4	57.6	68.3
Cash EPS	62.0	68.5	77.8	92.0
Dividend per share (DPS)	7.0	9.9	-	-
Book Value per share (BV)	257.1	276.5	334.0	402.3
Dividend Payout (%)	15.5	18.6	-	-
Growth (%)				
Net Sales	6.4	11.6	10.9	11.1
EBITDA	(3.2)	12.3	12.4	10.7
EPS (INR)	11.1	17.4	7.8	18.6
Valuation Ratios (x)				
P/E	26.5	22.6	20.9	17.6
P/CEPS	19.4	17.6	15.5	13.1
P/BV	4.7	4.4	3.6	3.0
EV / EBITDA	22.4	19.9	17.2	14.9
Dividend Yield (%)	0.0	0.0	-	-
Operating Ratios				
Gross Profit Margins (%)	19.4	19.3	19.1	18.7
EBITDA Margins (%)	10.2	10.3	10.4	10.4
Effective Tax Rate (%)	10.7	11.7	11.0	11.0
Net Profit Margins (%)	7.0	7.3	7.0	7.7
Net Debt / Equity (x)	(0.1)	(0.1)	(0.2)	(0.2)
Net Debt / EBITDA (x)	(0.4)	(0.4)	(0.8)	(1.4)
Total Asset Turnover (x)	2.1	2.0	2.0	1.9
Inventory Turnover Days	1	1	1	1
Receivables Days	59	64	65	65
Payables Days	7	9	10	10
Profitability Ratios				
RoE (%)	18.8	19.7	18.6	18.3
RoCE (%)	12.7	13.4	12.7	11.6
RoIC (%)	16.6	17.1	15.7	15.7

Source Company data, I-Sec research

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