

Q3FY25 Result Highlights

- **Q3FY25 Result** – IRCTC Q3FY25 Revenue grew 9.8% YoY and 15.1% QoQ to ₹12,247mn led by catering and tourism segment. EBITDA grew by 5.7% YoY and 11.7% QoQ to ₹4,166mn. However, EBITDA margins contracted by 130 bps YoY and 102 bps QoQ to 34.0%. Adjusted PAT grew by 8.5% YoY and 10.8% QoQ to ₹3,411mn.
- **Catering** business (45.3% of Rev v/s 45.3% in Q2) remained flat; grew by 15% QoQ led by strong demand and seasonally strong quarter. Margins de-grew by 328 bps YoY and 60.3 bps QoQ impacted by closedown of base kitchen on departmental basis due to new catering policy. **Ticketing** business (29% of Rev v/s 35% in Q2) was down 5% QoQ and grew by 5% YoY, OPM remained flat QoQ and grew by 8% YoY to 84.7% led by strong operating leverage. **Rail Neer** (7.9% of Rev) increased by 7% QoQ and 15% YoY led by increase in capital utilization. Also, OPM grew by 233 bps QoQ. A New plant in Vijayawada with a capacity of 72,000 bottles per day capacity has been commissioned during the quarter. Management is planning to open 3 new plants in FY26 with an additional capacity of 2 lakh bottles with total capacity of 18 lakh bottles. The **Tourism** segment (18% of Rev) grew by 80% QoQ and 16% YoY. Also, OPM grew by 465 bps YoY to 16.9% led by strong tailwinds in the sector.
- IRCTC appears committed to capturing a larger share of the entire travel experience. Catering remains a significant revenue contributor (47% of Rev in 9MFY25), with continued efforts to improve realization on license fees by creating a cluster structure in place to improve monetization across trains. Ticketing (31% of Rev in 9MFY25) continues to show steady incremental growth (up 11% YoY in 9MFY25). IRCTC sees substantial potential in its underserved segments like Rail Neer (9% of Rev in 9MFY25) and Tourism (14% of Rev in 9MFY25); areas that are expected to drive long-term growth. The company intends to leverage the Indian railway's expanding infrastructure and align with rising consumer demand across multiple travel-related services. It is also constantly creating its non-travel-related revenue streams (ex-Payment Gateway biz would be targeted beyond the Railway ecosystem)
- **Q3FY25 Con-call KTAs:**
 - **Operating Performance:** Strong revenue growth sequentially mainly led by an uptick in tourism (80%/14% QoQ/YoY) and catering (15%/9% QoQ/YoY) revenue, While, saw a dip in internet ticketing segment by 5% sequentially. On the margins front, the overall EBIT margin dipped by 90bps sequentially due to decline in catering margins despite good growth in segmental revenue. However, Internet ticketing margins improved by 370 bps QoQ at 84% due to the increase in non-convenience fee and despite at reaching saturation level (in terms of market share 87%).
 - **Catering:** The segment's revenue grew by 15% QoQ and 9% YoY, reaching ₹5,548mn, while the EBIT margin stood at 12.2%, a decline of 60 basis points QoQ. The decrease in margins was primarily due to the closure of base kitchens on a departmental basis under the new catering policy. However, margins are expected to improve as the company focuses on expanding its kitchen infrastructure, which will drive higher margins and market share. The management anticipates strong growth in the upcoming quarters, driven by an extended partnership with food aggregators such as Zomato and Swiggy. The company has seen a significant increase in meal volume, with daily

Important Statistics

Nifty	23,031
Sensex	76,139
LTP* (₹)	745.50
MCAP (₹ bn)	596.15
52 Week H/L (₹)	1139/664
NSE Code	IRCTC
BSE Code	542830
Bloomberg Code	IRCTC:IN

LTP* as on 13th Feb 2025

Shareholding Pattern (%)	Dec'24
Promoter	62.40
DII	13.73
FII	07.45
Public & Others	16.42

Financials

Particulars	(₹ mn)			
	FY21	FY22	FY23	FY24
Revenue	7,767	18,795	35,415	42,602
EBITDA	1,878	8,735	12,762	14,660
<i>EBITDA Margin (%)</i>	24.2	46.5	36.0	34.4
Net Profit	1,870	6,596	10,059	11,111
EPS (₹)	2.3	8.2	12.6	13.9
DPS (₹)	5.0	3.5	5.5	6.5
P/E (x)	750.8	94.2	45.5	66.9
EV/EBITDA (x)	145.8	72.0	59.6	48.9
RoE (%)	10.8	39.9	40.6	34.4
RoCE (%)	8.7	39.5	45.3	40.7

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
IRCTC	-18.0	-10.6	144.4
Nifty 50	5.9	24.5	90.1
Sensex	6.4	26.6	84.5

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14th February 2025

LTP*: ₹745.50/-

 View – **BUY**

meal deliveries growing from 2,000 to over 100,000 meals per day. Additionally, E-catering revenue has grown to ₹150mn, compared to ₹90mn YoY.

- **Internet Ticketing:** Revenue decreased 5% QoQ to ₹3,537mn as the segment hit market share saturation, with most bookings occurring in Q2 (e.g., Diwali, Chhat Puja, vacations). Margins improved by 370bps sequentially to 84%, supported by strong market positioning and operational efficiency.
- Management's focus on increasing non-fare revenue contributed to the growth this quarter. A total of 12.51 crore tickets were booked, with convenience fees rising to ₹2540mn (vs. ₹2,390mn YoY), and non-convenience fees at ₹1000mn (vs. ₹960mn YoY). Convenience fees apply only to ticket bookings, not cancellations.
- **Tourism:** This segment saw 80% QoQ and 14% YoY growth, driven by luxury services like Maharaja Express, Golden Chariot, Vande Bharat, and Tejas Express. EBIT margin improved to ~17%, turning positive sequentially, with revenue rising from ₹650mn to over ₹950mn. Strong interest in Bharat Gaurav trains and Golden Chariot is expected to support further growth. Strong interest in Bharat Gaurav trains and Golden Chariot is expected to support further growth.
- **Rail Neer:** Revenue stood at ₹964mn which grew by 11% QoQ and margin at 12.3%, an improvement of 190bps sequentially led by efforts made to enhance profitability by expanding capital utilization and adding new new production capabilities. A New plant with 72000 bottle per day capacity is already commissioned in Vijayawada, Andhra Pradesh by Oct 24. The company is planning to open 3 new plants in FY26 with an additional capacity of 2lakh bottles with total capacity at 18lakh bottles.

View

IRCTC offers an exclusivity play across a wide variety of activities (Ticketing, Catering, Rail Neer, Rail-based-Tourism) in the Indian Railway ecosystem. We believe the unique strength is that this monopoly is going to last, as this would ensure better quality at reasonable prices to the consumers. The management is looking to leverage IR's expanding infra and economic opportunities to capitalise on entire travel journey. With incremental growth expected in ticketing, the management views significant potential in its under-developed segments tourism products for Flights Buses and Hotel which are more of value-add to the margins. Accordingly, opportunities arising out of catering, potential contract expansions, Vande Bharat – Bharat Gaurav trains, e-Catering and station upgrades augers well for the company. **Since our report on 21Jan21 the stock has given returns of close to +300% with a 52-week High of ₹1148.9 on 22May24, Given the recent correction in the stock price, we recommend to BUY the stock for the long term view.**

QUARTERLY FINANCIAL PERFORMANCE

									(₹ mn)
Particulars	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	9MFY25	9MFY24	YoY	
Net Sales	12247	10640	15.1%	11155	9.8%	34062	31085	9.6%	
Expense:									
Cost of Materials Consumed	162	165	-1.6%	181	-10.6%	500.359	552.517	-9.4%	
Purchase of Stock-in-Trade	526	458	14.7%	504	4.2%	1700	1392	22.1%	
Changes in Inventories of finished goods	-13	-7	83.3%	6	-332.5%	-13	-7	103.0%	
Expenses of Catering Services	4111	3465	18.7%	3487	17.9%	11518	9730	18.4%	
Expenses of Tourism	1605	1050	52.8%	1464	9.7%	3606	3931	-8.3%	
Manufacturing & Direct Expenses	470	472	-0.3%	436	7.9%	1409	1220	15.5%	
Employee benefit expense	742	769	-3.5%	752	-1.3%	2255	2053	9.9%	
Other Expenses	478	541	-11.6%	385	24.1%	1445	1179	22.5%	
Total Expense	8081	6912	16.9%	7215	12.0%	22419	20050	11.8%	
EBITDA	4166	3728	11.7%	3940	5.7%	11643	11035	5.5%	
EBITDA Margin	34.0%	35.0%	-102bps	35.3%	-130bps	34.2%	35.5%	-132bps	
Other Income	565	600	-5.7%	456	24.1%	1679	1318	27.4%	
Operating Income	4731	4328	9.3%	4395	7.6%	13322	12354	7.8%	
Depreciation	133	131	1.8%	139	-4.0%	403	416	-3.0%	
Interest	32	31	4.4%	48	-32.3%	91	133	-31.4%	
PBT	4566	4166	9.6%	4209	8.5%	12828	11805	8.7%	
Tax Expense	1155	1087	6.2%	1064	8.6%	3283	2871.57	14.3%	
Adjusted PAT	3411	3079	10.8%	3145	8.5%	9545	8933	6.8%	
Exception Items	0	0	NA	-145	-100.0%	22	-664.16	-103.3%	
PAT	3411	3079	10.8%	3000	13.7%	9567	8269	15.7%	
EPS	4.3	3.8	10.8%	3.7	13.7%	12.0	10.3	15.7%	

Source: Company, Way2Wealth

SEGMENTAL REVENUE BREAK UP

									(₹ mn)
Revenue	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	9MFY25	9MFY24	YoY	
Catering	5548	4820	15%	5078	9%	15957	14164	13%	
% of total Revenue	45.3%	45.3%	0.6bps	46%	-21.6bps	47%	46%	128.1bps	
Internet Ticketing	3537	3710	-5%	3353	5%	10538	9529	11%	
% of total Revenue	29%	35%	-598bps	30%	-118bps	31%	31%	28bps	
Tourism	2237	1244	80%	1927	16%	4705	4924	-4%	
% of total Revenue	18%	12%	657bps	17%	100bps	14%	16%	-203bps	
Rail Neer	964	902	7%	838	15%	2980	2577	16%	
% of total Revenue	8%	8%	-61bps	8%	36bps	9%	8%	46bps	

Source: Company, Way2Wealth

SEGMENTAL EBIT BREAK UP

									(₹ mn)
Particulars	Q3FY25	Q2FY25	QoQ	Q3FY24	YoY	9MFY25	9MFY24	YoY	
Catering	675	615	10%	784	-14%	2069	2223	-7%	
Margin	12.2%	12.8%	-60.3bps	15.4%	-328bps	13.0%	15.7%	-273bps	
Internet Ticketing	2995	3005	0%	2784	8%	8724	7925	10%	
Margin	84.7%	81.0%	366bps	83.0%	166bps	82.8%	83.2%	-38bps	
Tourism	379	-30	-1346%	237	60%	442	-87	-608%	
Margin	16.9%	-2.4%	1936bps	12.3%	465bps	9.4%	-1.8%	1115bps	
Rail Neer	118	90	32%	-33	-463%	344	186	85%	
Margin	12.3%	9.9%	233bps	-3.9%	1617bps	11.5%	7.2%	433bps	

Source: Company, Way2Wealth

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Disclosure of Interest Statement Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) as on 14 February 2025

Name of the Security	Indian Railway Catering & Tourism Corporation Ltd (IRCTC)
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained	
Financial Interest	No
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
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