

**Q4FY24 Result Highlights**

- **Q4FY24 Topline growth driven by higher volumes in the Catering and Tourism segments** – Revenue grew ~20% YoY (+3.3% QoQ) to ₹11,547.7mn (highest ever quarterly) with revenues from Catering/Internet ticketing/ Tourism/ Rail Neer witnessing growth of 34% YoY/16%YoY/11.6%YoY/13.1%YoY to ₹5,308mn/ ₹3,424mn/ ₹1,546mn/ ₹830mn respectively. All segments were EBIT positive even as there was decline in Catering margin by 341bps YoY (down 671 bps QoQ) to 8.7% due to increase in admin costs (shared cost allocation) along with one-off impacts from discontinuing Base Kitchen operations and expansion into long-term contracts. EBITDA increased 11.7% YoY and declined 8% QoQ to ₹3,624mn with margin of 31.4% as against a margin of 35.2%/33.6% in Q3FY24/Q4FY23 respectively due to change in product mix. Exceptional item of ₹79mn pertaining to excess provisions written back for previous years relating to various expenses, helped in covering up for decline in other income at ₹326.3mn (v/s ₹393mn in Q3).PAT was up 1.9% YoY and -5.3% QoQ to ₹2.842mn. Declared final dividend of ₹4 per share taking the total dividend to ₹6.5 per share for FY24.
- The management stated that The Indian Railways plans to eliminate waitlist passengers by 2030. With ~\$30bn earmarked for railway infra & advancements like DFC & Vande Bharat, a seamless transition is anticipated. Consistent expansion in capacity and digitisation suggests a promising outlook for internet ticketing driven by enhanced accessibility within the rail network.
- Number of E-Tickets booked in FY24 was at 444mn v/s 431mn YoY with revenue per ticket at ₹19.1 v/s ₹18.7 YoY. UPI mix in ticketing stood at 39%.Convenience fee for the quarter contributed 66% of Internet Ticketing segment at ₹2.24bn, while non-convenience fees formed 34% of segment revenues at ~₹1.15bn. Average tickets booked in this quarter were 1.29 mn per day.
- The catering business grew 34.1% YoY and 4.5% QoQ led by higher volumes driven by the addition of Vande Bharat trains. The segment reported margin of 8.7%, a significant drop as compared to Q3FY24 at 15.4% despite stable revenue levels. The decline was primarily attributed to increased administrative costs being allocated to the catering segment, and provisions for depreciated costs (₹20mn) of nine departmental kitchens being phased out. However, the outlook remains positive due to long-term catering contracts, with the E-Catering business surpassing 0.1mn orders per day, an MoU with railways to expand capacity in terms of Vande Bharat trains and opportunities arising from the upgrading of 1,400 Amrit Bharat stations, which could enhance revenue from food plazas, lounges, and other services.
- The recent collaborations with Swiggy and Zomato have fueled significant growth, with daily e-catering order bookings surging from 60,000 to over 100k+. Thus, this is likely to generate +₹1.5bn in revenues with 60% gross margins. With 407 stations already covered and plans for gradual expansion, the outlook for incremental revenue is positive, reflecting the company's strong market position and growth potential.

**Important Statistics**

<b>Nifty</b>	22,499
<b>Sensex</b>	73,998
<b>MCAP (₹ bn)</b>	804.1
<b>52 Week H/L (₹)</b>	1148/614
<b>NSE Code</b>	IRCTC
<b>BSE Code</b>	542830
<b>Bloomberg Code</b>	IRCTC:IN

<b>Shareholding Pattern (%)</b>	<b>Mar'24</b>
Promoter	62.4
DII	12.7
FII	8.1
Public & Others	16.8

**Financials**

<b>Particulars</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Revenue	7,767	18,795	35,415
EBITDA	1,878	8,735	12,762
<i>EBITDA Margin (%)</i>	<i>24.2</i>	<i>46.5</i>	<i>36.0</i>
Net Profit	1,870	6,596	10,059
EPS (₹)	2.3	8.2	12.6
DPS (₹)	5.0	3.5	5.5
P/E (x)	429.9	121.9	79.9
EV/EBITDA (x)	422.5	90.6	61.9
P/BV (x)	55.2	42.7	32.4
RoE (%)	10.8	39.9	40.6
RoCE (%)	8.7	39.5	45.3

<b>Particulars</b>	<b>FY24P</b>	<b>FY25E</b>	<b>FY26E</b>
Revenue	42,702	49,331	55,479
EBITDA	14,660	16,301	18,632
<i>EBITDA Margin (%)</i>	<i>34.3</i>	<i>33.0</i>	<i>33.6</i>
Net Profit	11,111	12,681	14,593
EPS (₹)	13.9	15.9	18.2
DPS (₹)	6.5	7.5	8.5
P/E (x)	72.4	63.4	55.1
EV/EBITDA (x)	53.8	47.7	39.8
P/BV (x)	24.9	21.9	18.6
RoE (%)	34.4	35.8	34.1
RoCE (%)	40.7	36.1	34.4

Source: Company, Way2Wealth

**Relative Performance**

<b>Return(%)</b>	<b>1Yr</b>	<b>3Yr</b>	<b>5Yr</b>
<b>IRCTC</b>	<b>56.7</b>	<b>205.7</b>	<b>NA</b>
<b>Nifty 50</b>	21.4	44.4	88.7
<b>Sensex</b>	18.2	42.5	86.3

Source: Company, Way2Wealth

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31<sup>st</sup> May 2024

CMP – ₹1005.1/-

 View – **ACCUMULATE**

- Rail-Neer Business grew 13.1% YoY and de-grew by 1% QoQ to ₹830mn as segment profitability turned positive QoQ with EBIT margin at 12.8% v/s -3.9% in Q3FY24 which had an exceptional item of ₹145mn towards profit sharing with IR. Utilisation has improved from 12 lakhs bottle/day from 11 lakhs bottle/day in FY24 and current utilisation has increased to 14.5 lakhs bottle/day.
- Tourism business was down 7.7% QoQ to ₹1.55bn due to the retrospective implementation of haulage charges by the railways with margins at 5.9% v/s 9.8% YoY and 10.4% QoQ. Despite this decline, the management expects sustainable margins of 8-9% moving forward. Confidence stems from the plans to enhance operational efficiency, boost occupancy rates, and increase non-fare revenue. The company has also made representations to the Ministry of Railways regarding the retrospective haulage charges, indicating proactive steps to address the issue and stabilise future margins.
- State Teertha was down 28.1% YoY to ₹471mn with margin at 20.8% (-59.8 bps YoY & 166 bps) due to elections as per the management.

**View**

In Q4FY24 & FY24, IRCTC's all segments showed strong growth. Q1FY25 is likely to see string momentum in Catering and Rail Neer due to seasonality. 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 like packaged bottle and tourism products. The opportunities arising out of catering, potential contract expansions, Vande Bharat trains, e-Catering and station upgrades augers well for the company in coming quarters. **Hence, we maintain our ACCUMULATE view with the stock trading at P/E 55.1x FY26E EPS of ₹18.2.**

**FINANCIAL PERFORMANCE**

(₹ mn)

Particulars	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ(%)	FY24	FY23	YoY (%)
<b>Revenue</b>	<b>11,547.7</b>	<b>9,650.2</b>	<b>19.7</b>	<b>11,183.0</b>	<b>3.3</b>	<b>42,701.8</b>	<b>35,414.7</b>	<b>20.6</b>
Cost of matl.	167.4	175.2	(4.5)	181.4	(7.7)	719.9	756.7	(4.9)
Stock Purchases	357.5	310.2	15.3	504.3	(29.1)	1,749.6	1,206.9	45.0
Inventories Changes	(8.6)	(3.0)	(185.8)	5.6	254.6	(15.3)	(13.2)	(15.3)
Catering Services Exps	3,940.6	2,830.2	39.2	3,487.5	13.0	13,670.4	10,729.0	27.4
Tourism Exps	1,504.4	1,532.8	(1.9)	1,491.9	0.8	5,504.2	4,423.5	24.4
Manufacturing Exps	526.8	379.7	38.7	435.7	20.9	1,746.3	1,467.4	19.0
Employee Exps	837.8	560.8	49.4	751.8	11.4	2,890.5	2,455.2	17.7
Other Exps	597.4	618.3	(3.4)	385.2	55.1	1,776.6	1,627.0	9.2
<b>EBITDA</b>	<b>3,624.4</b>	<b>3,246.1</b>	<b>11.7</b>	<b>3,939.7</b>	<b>(8.0)</b>	<b>14,659.6</b>	<b>12,762.2</b>	<b>14.9</b>
<b>EBITDA Margin (%)</b>	<b>31.4</b>	<b>33.6</b>	<b>(225)</b>	<b>35.2</b>	<b>(384)</b>	<b>34.3</b>	<b>36.0</b>	<b>(171)</b>
Other Income	326.3	392.7	(16.9)	455.6	(28.4)	1,644.8	1,204.3	36.6
Depreciation	156.2	112.2	39.3	139.0	12.4	572.2	537.3	6.5
Finance Cost	53.5	39.0	37.1	47.5	12.5	186.4	161.1	15.7
Exps Items	78.9	258.5	(69.5)	(145.1)	154.3	(585.3)	272.0	315.2
PBT	3,819.9	3,746.0	2.0	4,063.6	(6.0)	14,960.4	13,540.1	10.5
Tax	978.1	958.0	2.1	1,063.6	(8.0)	3,849.7	3,481.3	10.6
<b>Net Profit</b>	<b>2,841.8</b>	<b>2,788.0</b>	<b>1.9</b>	<b>3,000.0</b>	<b>(5.3)</b>	<b>11,110.8</b>	<b>10,058.8</b>	<b>10.5</b>
EPS (₹)	3.6	3.5	1.9	3.7	(5.3)	13.9	12.6	10.5
<b>Adjus Net Profit</b>	<b>2,763.0</b>	<b>2,529.5</b>	<b>9.2</b>	<b>3,145.1</b>	<b>(12.1)</b>	<b>11,696.1</b>	<b>9,786.8</b>	<b>19.5</b>
Adjus EPS (₹)	3.5	3.2	9.2	3.9	(12.1)	14.6	12.2	19.5
<b>As % Sales</b>			<b>BPS</b>		<b>BPS</b>			<b>BPS</b>
Raw Matl Cost	4.5	5.0	(53)	6.2	(171)	5.7	5.5	24
OPEX	56.2	54.1	204	54.6	158	54.7	52.4	230
Employee Exps	7.3	5.8	144	6.7	53	6.8	6.9	(16)
Other Exps	5.2	6.4	(123)	3.4	173	4.2	4.6	(43)

Source: Company, Way2Wealth

**SEGMENTAL REVENUE BREAK UP**

(₹ mn)

Revenue	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ(%)	FY24	FY23	YoY (%)
<b>Catering</b>	5,308	3,958	34.1	5,078	4.5	19,472	14,765	31.9
% of Total Revenue	46.0	41.0	495	45.4	56	45.6	41.7	391
<b>Internet Ticketing</b>	3,424	2,951	16.0	3,353	2.1	12,953	11,980	8.1
% of Total Revenue	29.7	30.6	(93)	30.0	(33)	30.3	33.8	(349)
<b>Tourism</b>	1,546	1,385	11.6	1,675	(7.7)	5,492	4,122	33.2
% of Total Revenue	13.4	14.4	(97)	15.0	(159)	12.9	11.6	122
<b>Rail Neer</b>	830	734	13.1	838	(1.0)	3,407	3,146	8.3
% of Total Revenue	7.2	7.6	(42)	7.5	(31)	8.0	8.9	(90)
<b>State Teertha</b>	471	654	(28.1)	280	68.3	1,518	1,538	(1.3)
% of Total Revenue	4.1	6.8	(271)	2.5	157	3.6	4.3	(79)

Source: Company, Way2Wealth

31<sup>st</sup> May 2024

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 View – **ACCUMULATE**
**SEGMENTAL EBIT BREAK UP**

									(₹ mn)
EBIT	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ(%)	FY24	FY23	YoY (%)	
<b>Catering</b>	464	480	(3.5)	784	(40.9)	2,687	1,680	59.9	
<i>Margin (%)</i>	8.7	12.1	(341)	15.4	(671)	13.8	11.4	242	
<b>Internet Ticketing</b>	2,750	2,599	5.8	2,784	(1.2)	10,675	10,209	4.6	
<i>Margin (%)</i>	80.3	88.1	(775)	83.0	(269)	82.4	85.2	(280)	
<b>Tourism</b>	92	136	(32.4)	174	47.2	(192)	165	(216.5)	
<i>Margin (%)</i>	5.9	9.8	(386)	10.4	(444)	(3.5)	4.0	(748)	
<b>Rail Neer</b>	106	130	(18.3)	(33)	426.0	292	364	(19.9)	
<i>Margin (%)</i>	12.8	17.7	(491)	(3.9)	1,672	8.6	11.6	(301)	
<b>State Teertha</b>	98	140	(30.0)	63	55.8	294	288	2.2	
<i>Margin (%)</i>	20.8	21.3	(58)	22.4	(166)	19.4	18.7	66	

Source: Company, Way2Wealth

**FINANCIALS & VALUATIONS**

								(₹ mn)
Particulars	FY20	FY21	FY22	FY23	FY24P	FY25E	FY26E	
<b>Revenue</b>	22,755	7,767	18,795	35,415	42,702	49,331	55,479	
<b>EBITDA</b>	7,134	1,878	8,735	12,762	14,660	16,301	18,632	
<b>EBITDA Margin (%)</b>	31.4	24.2	46.5	36.0	34.3	33.0	33.6	
<b>Net Profit</b>	5,275	1,870	6,596	10,059	11,111	12,681	14,593	
EPS (₹)	6.6	2.3	8.2	12.6	13.9	15.9	18.2	
DPS (₹)	12.5	5.0	3.5	5.5	6.5	7.5	8.5	
P/E (x)	152.4	429.9	121.9	79.9	72.4	63.4	55.1	
EV/EBITDA (x)	112.1	422.5	90.6	61.9	53.8	47.7	39.8	
P/BV (x)	12.1	55.2	42.7	32.4	24.9	21.9	18.6	
RoE (%)	44.4	10.8	39.9	40.6	34.4	35.8	34.1	
RoCE (%)	45.7	8.7	39.5	45.3	40.7	36.1	34.4	
Cash Balances	12,838	14,605	17,316	19,337	22,776	27,334	35,057	
Debtor Days	110	252	120	118	118	115	113	
Creditor Days	62	111	70	68	80	75	70	
Inventory Days	2	3	2	2	2	2	1	

Source: Company, Way2Wealth

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**Disclosure of Interest Statement Indian Railway Catering & Tourism Corporation Ltd.(IRCTC) as on 31 May 2024**

Name of the Security	Indian Railway Catering & Tourism Corporation Ltd (IRCTC)
Name of the analyst	Jayakanth Kasthuri
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	No
Conflict of Interest	No
Receipt of Compensation	No
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