

Price: 707

Recommendation: Buy

Industry: Tour, Travel Related

Sector: Consumer Discretionary

Report Date: 18-Mar-2025

IRCTC, in its Q3 FY '25 earnings call, reported record revenue of INR 1,225 crores and a profit of INR 341 crores, with significant growth in Catering and Tourism. The company is enhancing operations by shifting to a licensing catering model and expanding its Rail Neer plants. Initiatives like Bharat Gaurav trains and a tent city at Kumbh Mela are boosting revenues. Future growth is expected from new trains, payment gateway ventures, and strategic partnerships.

Sales		Profit & Loss		Profitability Matrix	
Current Year	4561 Cr	Operating Profit(Year)	1527 Cr	Operating Profit Margin	33.5 %
Previous Year	3541 Cr	Operating Profit(Quarter)	417 Cr	EBITDA Margin	35.76 %
Current Quarter	1225 Cr	PAT (Year)	1154 Cr	Net Profit Margin	27.0 %
Previous Quarter	1064 Cr	PAT (Quarter)	341 Cr	EPS	15.5
Revenue (QYoY)	1118 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	45.8	Sales Growth	11.9 %	Sales Growth	15.13 %
PEG Ratio	1.42	PAT Growth	17.04 %	Sales Growth QYoY	9.57 %
EV/EBITDA	31.4	EPS Growth	11.51 %	PAT Growth	10.71 %
P/B	16.0	Dividend Yield	1.01	PAT Growth QYoY	10.0 %
Capital Allocation		Holdings		Leverage	
RoE	40.4 %	Promoter	62.4 %	Debt/Equity	0.01
RoA	20.6 %	FII	7.45 %	Debt	42.3 Cr
RoCE	53.8 %	DII	13.7 %	Market Cap	56580 Cr
RoIC	40.9 %	Public	16.4 %	Enterprise value	54217 Cr
		No of Shares	80.0 Cr	Cash Equivalents	2406 Cr

source : Company filings

Company's Overview Based on Recent Concall and Performance:

In the recent earnings call for Q3 FY '25, IRCTC reported a robust performance with an all-time high revenue of INR 1,225 crores and a profit of INR 341 crores, marking a 10% revenue growth and a 14% increase in profit year-on-year. The Catering and Tourism segments were significant contributors, with revenue increases of 15% and 80% respectively. The EBITDA for the quarter reached INR 417 crores, reflecting a 5.83% growth year-on-year and an 11.8% increase quarter-on-quarter, with an EBITDA margin of 34.04%[0].

IRCTC is actively pursuing new initiatives to enhance its business operations. The company has shifted its catering model to a licensing approach, closing nine base kitchens and focusing on creating a network of base kitchens across India. This strategic move is expected to improve margins as more trains are introduced. Additionally, IRCTC has inaugurated a new Rail Neer plant in Vijayawada, with plans to add three more plants in the coming financial year, increasing capacity by approximately 2 lakh bottles[1][2].

The company is also capitalizing on the ongoing Kumbh Mela by operating eight Bharat Gaurav tourist trains and setting up a tent city, which is fully booked. This initiative is expected to boost ticketing, catering, and Rail Neer revenues. Furthermore, the Internet Ticketing segment, despite nearing saturation, continues to perform well, with a focus on maximizing non-fare revenues. The segment reported a revenue of INR 353.72 crores, with a strong EBITDA margin of 84.71%[3][4].

Looking ahead, IRCTC is poised for further growth with the introduction of new trains, including Vande Bharat sleeper trains, which will enhance catering volumes. The company is also exploring opportunities in the payment gateway business, having applied for an RBI license. To sustain growth, IRCTC should continue expanding its infrastructure and leveraging technology to improve service delivery. The focus on luxury trains and tourism, coupled with strategic partnerships, will likely drive future revenue and margin improvements[5][6].

IRCTC Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
IRCTC	56580.00	45.85	40.45%	15.10%	9.51%	10.85%	9.90%

Aspect	Commentary
Revenue	IRCTC's revenue reached an all-time high of INR 1,225 crores in Q3 FY '25, driven by strong performance in Catering and Tourism. This marks a 10% year-on-year growth, highlighting the company's strategic initiatives in expanding its service offerings and operational efficiency, particularly through new ventures and partnerships.
Profit & Loss	The company reported a profit of INR 341 crores for the quarter, reflecting a 14% increase year-on-year. This growth is attributed to improved operational efficiencies and strategic shifts in business models, such as the licensing catering model, which have enhanced profitability margins.
Profitability Matrix	IRCTC's profitability is robust, with an operating profit margin of 33.5% and a net profit margin of 27.0%. The EBITDA margin stands at 35.76%, indicating efficient cost management and strong revenue generation capabilities, supporting sustainable profit growth.
Valuation Matrix	The company's valuation metrics show a trailing P/E of 45.8 and a PEG ratio of 1.42, suggesting a high growth potential relative to its earnings. The EV/EBITDA ratio of 31.4 and P/B ratio of 16.0 reflect market confidence in IRCTC's future growth prospects and financial health.
Growth (YoY)	Year-on-year growth metrics are positive, with sales growth at 11.9% and PAT growth at 17.04%. EPS growth is 11.51%, indicating strong earnings performance. The dividend yield of 1.01% provides additional value to shareholders, reflecting a balanced growth strategy.
Growth (QoQ)	Quarter-on-quarter growth is strong, with sales growth at 15.13% and PAT growth at 10.71%. The company shows resilience and adaptability in its operations, maintaining consistent growth momentum despite market challenges, driven by strategic initiatives and market expansion.
Capital Allocation	IRCTC demonstrates effective capital allocation with a RoE of 40.4%, RoA of 20.6%, and RoCE of 53.8%. The RoIC of 40.9% indicates efficient use of invested capital, supporting long-term value creation and shareholder returns through strategic investments and operational efficiency.
Holdings	The company's shareholding pattern is stable, with promoters holding 62.4%, FIIs at 7.45%, DIIs at 13.7%, and the public at 16.4%. This distribution reflects a balanced ownership structure, providing stability and potential for strategic influence from institutional investors.
Leverage	IRCTC maintains a low leverage with a debt/equity ratio of 0.01, indicating minimal reliance on debt financing. The company's strong market cap of INR 56,580 crores and cash equivalents of INR 2,406 crores provide financial flexibility and resilience against economic fluctuations.