RITES Ltd

Sensex	84,478.67
Nifty	25,879.15

Key Stock Data	
Close*	₹245
Market Cap (₹ bn)	~₹118
52W High/Low	316/192
Shares o/s (mn.)	480.6
NSE Code	RITES
BSE Code	541556
Bloomberg	RITE:IN

Close as on 13th Nov 2025*

Shareholding Pattern	**Sep'25 (%)**
Promoters	72.20
DIIs	03.51
FIIs	08.66
Public & Others	15.63

(₹ mn)

Particulars	2023	2024	2025	2026E	2027E
Revenue	26283	24529	22178	26445	32612
EBITDA	7449	6441	5150	5638	6803
EBITDA Margin	28.3%	26.3%	23.2%	21.3%	20.9%
PAT	5420	4952	3848	4277	5171
EPS	11.3	9.5	8.0	8.9	10.7
ROE	21.2	18.8	14.7	16.1	18.9
P/E	22.0	26.2	31.1	28.0	23.2

Source: Company, Way2Wealth

Q2FY26 Result Highlights

- **Subdued top-line growth –** RITES delivered a subdued performance in Q2FY26, with revenue at ₹548crs, up 1% YoY, impacted by lower Turnkey business revenue. EBITDA rose 22% YoY to ₹129crs, while PAT grew 32% YoY to ₹109crs. EBITDA margin improved to 23.6% (vs. 19.6% in Q2FY25). Segment-wise, Consultancy revenue stood at ₹328crs (+10% YoY), Exports at ₹60crs (+2.5x YoY), Leasing at ₹43crs (+22% YoY), and Turnkey at ₹113crs (-44% YoY).
- **Strong order book –** The company currently holds an order book worth ₹90.9bn. Order book currently comprises 46% Turnkey projects/ 34% consultancy/ 17% exports/ 2% leasing and 1% REMCL. In Q1FY26, the company won over 150 new orders worth ₹8.5 bn, taking its total order book to ₹90.9bn, ensuring revenue visibility for the next 2–2.5 years.
- **Conference Call KTAs:**
  - **Financial Performance**
    - Revenue grew ~12% QoQ and ~8% YoY, supported by strong consultancy and export segments.
    - EBITDA margin stayed above 20%, while PAT margin remained above 15%.
    - Profitability improved despite lower turnkey revenues.
  - **Order Book & Outlook**
    - Received 150+ new orders worth ₹8.5 bn, taking the order book to ₹90.9 bn, the highest ever.
    - Management targets an order book of ₹10,000 crore by FY26-end.
    - Robust traction across consultancy, exports, and quality assurance segments.
  - **Segmental Highlights**
    - Consultancy: Continued to be the key driver with stable ~30% margins.
    - Exports: Margins around 10%; dispatched two locomotives to Mozambique, with more exports planned for Mozambique and Tanzania, and Bangladesh coach exports expected to begin by Q1FY27.
    - Turnkey: Margins low at 1–2%, however expected to improve with better project execution.
    - Leasing: Crossed 100 locomotives under lease; continued expansion expected.
  - **Others:**
    - Company remains debt-free with a strong cash position.
    - Maintained a high dividend payout (~94%).
    - Focused on an asset-light, diversified model and targeting double-digit revenue growth in FY26.
    - Continue to pursue at least one export order per quarter.

View

RITES continued to show subdued topline growth led by competitive bidding in consultancy. However, margins remain stable at ~20%. Nevertheless, robust order wins in Q2FY26 have led to a total orderbook of ₹90.9bn, ensuring revenue visibility for the next 2-2.5 years. Progress in export order execution and securing new orders will be key areas to monitor. **Currently, the stock is trading at 23.2X on FY27E P/E. Hence, we recommend HOLD at these levels.**

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FINANCIALS

(₹ mn)

PARTICULARS	Q2FY26	Q2FY25	YOY (%)	Q1FY26	QOQ (%)	H1FY26	H1FY25	YOY(%)
Net Sales	**5,487**	**5,409**	***1***	**4,897**	***12***	**10,385**	**10,266**	***1***
EBITDA	**1,296**	**1,063**	***22***	**1,142**	***14***	**2,438**	**2,121**	***15***
EBITDA margin (%)	**23.6%**	*19.6%*	*397bps*	*23.3%*	*31bps*	*23.5%*	*20.7%*	*282bps*
Other income	**303**	213	*42*	220	38	523	438	***19***
Depreciation	**171**	149	*14*	155	*10*	326	294	***11***
Interest	**8**	24	*-69*	14	*-46*	22	35	***-37***
Pre-tax profit	**1,464**	**1,113**	***32***	**1,216**	***20***	**2,680**	**2,263**	***18***
Tax (current+deferred)	**373**	288	30	307	*21*	680	533	***27***
PAT	**1,091**	**825**	***32***	**909**	***20***	**2,000**	**1,729**	***16***

SEGMENTAL REVENUE	Q2FY26	Q2FY25	YOY (%)	Q1FY26	QOQ (%)	H1FY26	H1FY25	YOY(%)
Consultancy	**3,276**	2,977	*10*	2,902	*13*	6,178	5,691	***9***
Exports	**606**	23	*2523*	34	*1709*	640	73	***780***
Leasing	**428**	352	*22*	426	*1*	854	689	***24***
Turnkey Projects	**1,130**	2,011	*-44*	1,484	*-24*	2,614	3,717	***-30***
Power generation	**48**	46	*4*	52	*-9*	100	96	***4***
Segmental EBIT								
Consultancy	**1,257**	1,048	*20*	1,116	*13*	2,373	2,138	***11***
Exports	**63**	6	*897*	(8)	*-895*	55	30	***83***
Leasing	**128**	112	*14*	164	*-22*	291	241	***21***
Turnkey Projects	**13**	23	*-45*	23	*-45*	35	44	***-19***
Power generation	**8**	9	*-13*	14	*-44*	23	21	***9***
EBIT Margin %								
Consultancy	***38.4%***	*35.2%*	*319bps*	*38.4%*	*-7bps*	*38.4%*	*37.6%*	*84bps*
Exports	***10.4%***	*27.3%*	*-1691bps*	*-23.6%*	*3395bps*	*8.6%*	*41.3%*	*-3268bps*
Leasing	***29.8%***	*31.9%*	*-208bps*	*38.4%*	*-856bps*	*34.1%*	*35.0%*	*-94bps*
Turnkey Projects	***1.1%***	*1.1%*	*-2bps*	*1.5%*	*-43bps*	*1.4%*	*1.2%*	*18bps*
Power generation	***17.1%***	*20.4%*	*-334bps*	*27.5%*	*4459bps*	*22.5%*	*21.6%*	*96bps*

Source: Company, Way2Wealth

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Disclosure of Interest Statement in RITES Ltd. as on 14 November 2025

Name of the Security	**RITES Ltd.**
Name of the analyst	**Ashwini Sonawane**
Analysts' ownership of any stock related to the information contained	No
Financial Interest	
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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