

**Q1FY24 Result Highlights**

- **Q1FY24 topline driven by Catering, Rail Neer, Tourism Segments** – Revenues grew ~18% YoY and ~4% QoQ to ₹10,017.9mn with revenues from Catering/Rail Neer/ Tourism increased 35.5% YoY/ 14.7% YoY/59.4% YoY to ₹4,771mn/₹959mn/₹1,306mn respectively. Internet Ticketing and State Teertha segments revenues declined ~4% YoY and 64.1% YoY to ₹4.77bn and ₹119mn respectively. All segments were EBIT positive except for tourism which reported a loss of ₹401mn from profit of ₹9mn YoY and ₹136mn QoQ.
- EBITDA increased 6.9% YoY and 5,7% QoQ to ₹3,430mn with margin of 34.2% as against a margin of 37.6%/33.6% in Q1FY23/Q4FY23 respectively.
- Adjusted PAT was up 15.7% YoY and +12.3% QoQ to ₹2,841mn with margin of 28.4% as against 28.8%/28.9% in Q1FY23/Q4FY23 respectively. IRCTC reported exceptional loss worth ₹519mn pertaining to provision created for fixed, variable and custody charges, for the two Tejas express trains (for the period 13th August, 2021 through 31st March,2023) amid revision in haulage rates. Occupancy for Lucknow-Delhi and Ahmedabad-Mumbai Tejas express stood at 72.8%/89.2% respectively with collective revenue of ~₹459mn.
- Total tickets booked in the quarter was at 104.1mn with share of UPI bookings at 37.1% (in Q1FY23 was at 33.5%) resulting from 39.3mn transaction compared to 38.4 mn YoY, thereby leading to decrease in convenience fees. Convenience fees received was at ₹1984.8mn.
- I-Pay transaction was at 15.4mn (+36% YoY and 12.94% QoQ). The company is in the process of forming a subsidiary for the Payment aggregator license from RBI for which discussions are going on.
- Tickets sold in Counter: Internet in Q1FY24 was at 29.4mn:115.6mn compared to 24.6mn:104.1mn in Q1FY23.
- AC: Non AC tickets sold in Q1FY24 was at 55.8mn:48.4mn in Q1FY24 compared to 55.8mn:48.4mn in Q1FY24
- As of end-Jul'23 end, IRCTC was providing catering services to 1,209 trains and 200 more contracts are in pipeline.
- License fees from Rail Neer plants was at ₹16.5mn in Q1FY24. Three Rail Neer plants will be commissioned this year and another one in next year taking the capacity from 1.55mn liters per day currently to 1.84mn liters per day. All four plants are PPE based.
- 10 trains have been taken on lease under Bharat Gaurav scheme which is likely to aid tourism revenues. 475 Vande Bharat trains are likely to be added in near future which is likely to improve yield (AC has higher convenience fee) and aid catering business as well. Roughly ~0.47mn air tickets were booked in Q1FY24 compared to 0.45mn YoY(Air ticketing revenue in FY23 was at ₹230mn compared to ₹85.4mn YoY).
- Earmarked capex of ₹780mn towards IT modernisation.

**Important Statistics**

<b>MCAP (₹ bn)</b>	513.6
<b>52 Week H/L (₹)</b>	775/557
<b>NSE Code</b>	IRCTC
<b>BSE Code</b>	542830

<b>Shareholding Pattern (%)</b>	<b>Jun'23</b>
Promoter	62.4
DII	9.9
FII	7.0
Public & Others	20.7

**Financials**

<b>Particulars</b>	<b>(₹ mn)</b>		
	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>
Revenue	22,755	7,831	18,795
EBITDA	7,134	1,878	8,807
<i>EBITDA Margin (%)</i>	<i>31.4</i>	<i>24.3</i>	<i>46.9</i>
Net Profit	5,275	1,870	6,637
EPS (₹)	6.6	2.3	8.3
DPS (₹)	12.5	5.0	3.5
P/E (x)	97.4	274.6	77.4
EV/EBITDA (x)	71.4	267.8	57.3
P/BV (x)	7.7	35.3	27.3
RoE (%)	44.4	10.8	39.9
RoCE (%)	56.8	14.1	44.1

<b>Particulars</b>	<b>FY23</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	35,415	42,113	45,987
EBITDA	12,762	14,841	16,131
<i>EBITDA Margin (%)</i>	<i>36.0</i>	<i>35.2</i>	<i>35.1</i>
Net Profit	10,059	11,631	12,558
EPS (₹)	12.6	14.5	15.7
DPS (₹)	5.5	6.5	7.5
P/E (x)	51.1	44.2	40.9
EV/EBITDA (x)	39.1	33.1	30.1
P/BV (x)	20.7	16.9	12.8
RoE (%)	44.9	40.9	35.7
RoCE (%)	45.3	50.8	43.9

Source: Company, Way2Wealth

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**View**

In Q1FY24, IRCTC's all segments showed strong growth except Tourism impacted by one-off charge of ₹519mn. In coming quarters traction in non-convenience revenue; Rail Neer expansion (3 out of 4 plants to be operationalised soon) and healthy growth in catering segment led by extension of services to more trains (200 contracts already in pipeline) should auger well for the company. **Hence, we maintain our ACCUMULATE view with the stock trading at P/E 40.9x FY25E EPS of ₹15.7.**

**FINANCIAL PERFORMANCE**

(₹ mn)

Particulars	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ(%)	FY23	FY22	YoY (%)
<b>Revenue</b>	<b>10,017.9</b>	<b>8,525.9</b>	<b>17.5</b>	<b>9,650.2</b>	<b>3.8</b>	<b>35,414.7</b>	<b>18,785.7</b>	<b>88.5</b>
Cost of matl.	190.2	196.5	(3.2)	175.2	8.6	756.7	401.3	88.6
Stock Purchases	495.3	304.9	62.4	310.2	59.7	1,206.9	658.0	83.4
Inventories Changes	8.3	(5.5)	249.5	(3.0)	373.6	(13.2)	(4.3)	209.2
Catering Services Exps	3,328.6	2,615.8	27.2	2,830.2	17.6	10,729.0	2,833.4	278.7
Tourism Exps	1,101.5	904.2	21.8	1,532.8	(28.1)	4,423.5	1,657.3	166.9
Manufacturing Exps	380.3	434.1	(12.4)	379.7	0.2	1,467.4	984.3	49.1
Employee Exps	662.7	553.3	19.8	560.8	18.2	2,455.2	2,404.5	2.1
Other Exps	421.2	313.1	34.5	618.3	(31.9)	1,627.0	1,116.1	45.8
<b>EBITDA</b>	<b>3,429.9</b>	<b>3,209.4</b>	<b>6.9</b>	<b>3,246.1</b>	<b>5.7</b>	<b>12,762.2</b>	<b>8,735.2</b>	<b>46.1</b>
<b>EBITDA Margin (%)</b>	<b>34.2</b>	<b>37.6</b>	<b>(341)</b>	<b>33.6</b>	<b>60</b>	<b>36.0</b>	<b>46.5</b>	<b>(1,046)</b>
Other Income	392.1	244.2	60.6	392.7	(0.1)	1,204.3	759.0	58.7
Depreciation	136.9	135.7	0.9	112.2	22.1	537.3	489.9	9.7
Finance Cost	41.3	24.8	66.4	39.0	5.9	161.1	110.5	45.8
Exps Items	(519.0)	-	-	258.5	(300.8)	272.0	(40.0)	779.2
PBT	3,124.8	3,293.0	(5.1)	3,746.0	(16.6)	13,540.1	8,853.8	52.9
Tax	802.6	837.8	(4.2)	958.0	(16.2)	3,481.3	2,258.2	54.2
<b>Net Profit</b>	<b>2,322.2</b>	<b>2,455.2</b>	<b>(5.4)</b>	<b>2,788.0</b>	<b>(16.7)</b>	<b>10,058.8</b>	<b>6,595.5</b>	<b>52.5</b>
EPS (₹)	2.9	3.1	(5.4)	3.5	(16.7)	12.6	8.2	52.5
<b>Adjus Net Profit</b>	<b>2,841.2</b>	<b>2,455.2</b>	<b>15.7</b>	<b>2,529.5</b>	<b>12.3</b>	<b>9,786.8</b>	<b>6,635.6</b>	<b>47.5</b>
Adjus EPS (₹)	3.6	3.1	15.7	3.2	12.3	12.2	8.3	47.5
<b>As % Sales</b>			<b>BPS</b>		<b>BPS</b>			<b>BPS</b>
Raw Matl Cost	6.9	5.8	111	5.0	193	5.5	5.6	(11)
OPEX	54.9	52.2	275	54.1	80	52.4	34.8	1,768
Employee Exps	6.6	6.5	12	5.8	80	6.9	12.8	(587)
Other Exps	4.2	3.7	53	6.4	(220)	4.6	5.9	(135)

Source: Company, Way2Wealth

**SEGMENTAL REVENUE BREAK UP**

									(₹ mn)
Revenue	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ(%)	FY23	FY22	YoY (%)	
<b>Catering</b>	4,771	3,522	35.5	3,958	20.5	14,765	4,990	195.9	
<i>% of Total Revenue</i>	47.6	41.3	632	41.0	661	41.7	26.6	1,513	
<b>Internet Ticketing</b>	2,901	3,017	(3.8)	2,951	(1.7)	11,980	10,210	17.3	
<i>% of Total Revenue</i>	29.0	35.4	(643)	30.6	(163)	33.8	54.3	(2,052)	
<b>Tourism</b>	1,306	819	59.4	1,385	(5.8)	4,122	1,570	162.6	
<i>% of Total Revenue</i>	13.0	9.6	342	14.4	(132)	11.6	8.4	328	
<b>Rail Neer</b>	959	836	14.7	734	30.8	3,146	1,723	82.6	
<i>% of Total Revenue</i>	9.6	9.8	(23)	7.6	197	8.9	9.2	(29)	
<b>State Teertha</b>	119	332	(64.1)	654	(81.8)	1,538	303	407.3	
<i>% of Total Revenue</i>	1.2	3.9	(270)	6.8	(559)	4.3	1.6	273	

Source: Company, Way2Wealth

**SEGMENTAL EBIT BREAK UP**

									(₹ mn)
EBIT	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ(%)	FY23	FY22	YoY (%)	
<b>Catering</b>	697	422	65.0	480	45.1	1,680	260	545.7	
<i>Margin (%)</i>	14.6	12.0	261	12.1	247	11.4	5.2	616	
<b>Internet Ticketing</b>	2,400	2,549	(5.9)	2,599	(7.7)	10,209	8,702	17.3	
<i>Margin (%)</i>	82.7	84.5	(179)	88.1	(534)	85.2	85.2	(2)	
<b>Tourism</b>	(401)	9	(4,752.3)	136	(395.9)	165	(461)	135.7	
<i>Margin (%)</i>	(30.7)	1.1	(3,180)	9.8	(4,054)	4.0	(29.4)	3,338	
<b>Rail Neer</b>	121	92	32.1	130	(6.7)	364	(147)	(348.2)	
<i>Margin (%)</i>	12.6	11.0	167	17.7	(509)	11.6	(8.5)	2,011	
<b>State Teertha</b>	20	64	(68.8)	140	(85.8)	288	30	868.8	
<i>Margin (%)</i>	16.7	19.2	(251)	21.3	(465)	18.7	9.8	892	

Source: Company, Way2Wealth

**FINANCIALS & VALUATIONS**

(₹ mn)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Revenue</b>	<b>18,682</b>	<b>22,755</b>	<b>7,767</b>	<b>18,795</b>	<b>35,415</b>	<b>42,113</b>	<b>45,987</b>
<b>EBITDA</b>	<b>3,832</b>	<b>7,134</b>	<b>1,878</b>	<b>8,807</b>	<b>12,762</b>	<b>14,841</b>	<b>16,131</b>
<b>EBITDA Margin (%)</b>	<b>20.5</b>	<b>31.4</b>	<b>24.2</b>	<b>46.9</b>	<b>36.0</b>	<b>35.2</b>	<b>35.1</b>
<b>Net Profit</b>	<b>2,712</b>	<b>5,275</b>	<b>1,870</b>	<b>6,637</b>	<b>10,059</b>	<b>11,631</b>	<b>12,558</b>
EPS (₹)	3.4	6.6	2.3	8.3	12.6	14.5	15.7
DPS (₹)	7.6	12.5	5.0	3.5	5.5	6.5	7.5
P/E (x)	189.4	97.4	274.6	77.4	51.1	44.2	40.9
EV/EBITDA (x)	132.7	71.4	267.8	57.3	39.1	33.1	30.1
P/BV (x)	9.6	7.7	35.3	27.3	20.7	16.9	12.8
RoE (%)	23.4	44.4	10.8	39.9	44.9	40.9	35.7
RoCE (%)	35.5	56.8	14.1	44.1	56.0	50.8	43.9
Cash Balances	11,400	12,838	14,605	17,316	19,337	23,559	32,117
Debtor Days	111	110	252	120	118	112	110
Creditor Days	65	62	111	70	68	67	65
Inventory Days	2	2	3	2	2	2	2

Source: Company, Way2Wealth

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**Disclosure of Interest Statement Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) as on 16 August 2023**

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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