

18<sup>th</sup> February 2026

Close\*: ₹617.55/-

 View – **HOLD**
**Q3FY26 Result Highlights**

➤ **Q3FY26 Result** – IRCTC reported its highest-ever quarterly performance in Q3FY26, with revenue from operations rising 18.2% YoY to ₹14.49bn. EBITDA increased 11.5% YoY to ₹4.65bn, translating into an EBITDA margin of 32.1%, while PAT grew 15.5% YoY to ₹3940mn. The strong performance was supported by broad-based growth across all business segments.

 ➤ **Q3FY26 Con-call KTAs:**

 ○ **Segment-wise Highlights**

 • **Internet Ticketing**

- Revenue stood at ₹4010mn (+13.2% YoY) with a robust EBITDA margin of ~85%, continuing to be the most profitable segment.
- IRCTC now facilitates ~89% of India's reserved railway ticket bookings online.
- Average daily ticket bookings increased to 14.64 lakh (vs 13.59 lakh YoY).
- Convenience fee revenue was ₹2510mn, while non-convenience revenue stood at ₹1500mn (+26% YoY), driven by higher advertising (₹247.8mn vs ₹132.9mn), e-catering (₹624.7mn vs ₹525.3mn) and loyalty income (₹218.8mn vs ₹153.3mn).
- UPI share improved to 50.18% (vs 46.86% YoY).

 • **Catering**

- Revenue grew 19.1% YoY to ₹6610mn, supported by the addition of 40 new trains (including 19 Vande Bharat trains), with Vande Bharat billing contributing ~₹700mn incremental YoY revenue.
- Margins were moderated due to lower license fee proportion on Vande Bharat trains, 5% GST impact, higher share of train-side catering, and pilot branded catering initiatives.
- The prepaid model of Vande Bharat provides assured volumes and better operational visibility.

 • **Tourism**

- Revenue surged 29% YoY to ₹2890mn with margins improving to ~19% on better product mix and cost rationalization.
- Maharajas' Express revenue rose 39% to ₹531.4mn; State Teerth & Bharat Gaurav trains grew 51% to ₹1189.1mn; air ticketing increased 41% to ₹67.4mn; budget hotel & rail yatra grew 38% to ₹53mn; and other packages rose 19% to ₹552.6mn.
- Tejas Express contributed ₹500mn, with occupancy at 69% (Lucknow) and 109% (Ahmedabad).

 • **Rail Neer**

- Revenue came in at ₹980mn (+6.5% YoY) with margin improvement driven by material cost efficiencies and operational discipline.
- Average daily sales were 12.68 lakh bottles. Currently serving ~50–60% of demand (season dependent).
- Capacity expansion is underway with doubling at Danapur and Ambarnath plants and four new greenfield plants (Mysore, Prayagraj, Bhagalpur, Rajshri), expected to add 25–30% capacity over the next 1.5 years.

**Important Statistics**

<b>Nifty</b>	25,725.40
<b>Sensex</b>	83,450.96
<b>Close* (₹)</b>	617.55
<b>MCAP (₹ bn)</b>	~499
<b>52 Week H/L (₹)</b>	820/596
<b>NSE Code</b>	IRCTC
<b>BSE Code</b>	542830
<b>Bloomberg Code</b>	IRCTC:IN

*Close\* as on 17<sup>th</sup> February 2026*

<b>Shareholding Pattern (%)</b>	<b>Dec'25</b>
Promoter	62.40
FII	7.19
DII	14.02
Public & Others	16.39

**Financials**
*(₹ mn)*

<b>Particulars</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>
Revenue	35415	42600	46748	51006	56055
EBITDA	12762	14660	15498	17703	19803
EBITDA Margin	36.0%	34.3%	33.2%	34.9%	35.7%
PAT	10060	11110	13150	14365	16101
PAT Margin	28.4%	26.1%	28.2%	28.1%	28.7%
EPS	12.6	13.9	16.4	17.9	20.1
ROE	40.6%	34.4%	35.9%	31.7%	29.4%
PE	45.57	66.93	44.3	34.1	30.3

*Source: Company, Way2Wealth*
**Relative Performance**

<b>Return (%)</b>	<b>1Yr</b>	<b>3Yr</b>	<b>5Yr</b>
<b>IRCTC</b>	<b>-16.1</b>	<b>-6.2</b>	<b>81.7</b>
<b>Nifty 50</b>	12.1	44.6	70.4
<b>Sensex</b>	10.1	38.1	62.6

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 View – **HOLD**

- **Tejas Express**
  - Tejas Express generated ₹500mn revenue in Q3.
  - Occupancy stood at 69% for the Lucknow route and 109% for the Ahmedabad route.
  - There are no immediate plans to introduce new Tejas routes.
- **Vande Bharat Expansion Pipeline**
  - The Management highlighted that Indian Railways plans to introduce ~260 Vande Bharat train sets over the coming years.
  - This provides strong structural visibility for catering growth, particularly as Vande Bharat trains operate on a prepaid model, offering assured meal volumes and better revenue predictability compared to postpaid trains.
- **Payment Aggregator (PA) License Update**
  - RBI has extended the deadline for submission of final documents for the PA license until August 2026.
  - IRCTC has engaged a technology service provider and indicated that the payments business will scale in a calibrated (mathematical progression) manner until the full license is received.
- **Unified Portal & Cross-Selling Strategy**
  - The company plans to launch a unified travel portal to cross-sell hotels, flights, holiday packages and other services to its ~16 lakh daily rail ticket users.
  - Currently, non-rail transactions are only ~10,000 per day, highlighting significant monetization headroom.
  - The Management clarified that the focus is on leveraging its captive rail passenger base rather than directly competing aggressively with private OTAs.
- **E-Catering & Aggregator Integration**
  - Integrations with food delivery platforms such as Swiggy and Zomato are seen as complementary rather than cannibalistic.
  - Both traditional onboard catering and e-catering grew during the quarter (e-catering up ~25%), with management indicating sufficient demand for both formats.
- **Outlook**
  - The Management reiterated its target of ~15% sustainable growth for FY26, supported by strong performance across segments, catering expansion via new train additions, Rail Neer capacity expansion, and continued strength in tourism including Maharajas' Express operations in Q4.

**View**

IRCTC delivered a record Q3FY26 with revenue up 18% YoY and PAT up 15.5% YoY, driven by strong catering growth (Vande Bharat-led) and robust tourism momentum (+29% YoY). Ticketing remains the profitability anchor (~85% EBITDA margin) with rising daily volumes and 26% growth in non-convenience revenue. While margins moderated due to segment mix, earnings quality remains healthy. Medium-term visibility is strong with ~260 planned Vande Bharat train sets and Rail Neer capacity expansion underway. The digital-first model and cross-selling strategy provide scalable growth optionality. The outlook is positive, driven by strong demand and operational efficiency, but premium valuations and regulatory risks limit upside, supporting a **HOLD** rating on the stock. The company is currently trading at 30.3x FY27 P/E at EPS of ₹20.1.

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**QUARTERLY FINANCIAL PERFORMANCE**

	(₹ mn)				
Particulars	Q3FY26	Q3FY25	QoQ	Q2FY26	YoY
<b>Net Income</b>	<b>14495</b>	<b>12247</b>	<b>18.4%</b>	<b>11460</b>	<b>26.5%</b>
<b>Expenses</b>					
Cost of Material Consumed	169	162	4.6%	196	-13.5%
Purchase of stock-in-trade	521	526	-0.8%	369	41.1%
Changes in Inventories of finished goods	6	-13	-143.8%	1	302.4%
Expenses of catering services	5122	4111	24.6%	3891	31.6%
Expenses of Tourism	2048	1605	27.6%	1201	70.4%
Manufacturing & Direct Expenses	622	470	32.3%	506	22.9%
Employee benefit expenses	857	742	15.4%	811	5.6%
Other Expenses	496	478	3.7%	442	12.3%
<b>Total Expenses</b>	<b>9840</b>	<b>8081</b>	<b>21.8%</b>	<b>7418</b>	<b>32.7%</b>
<b>EBITDA</b>	<b>4654</b>	<b>4166</b>	<b>11.7%</b>	<b>4042</b>	<b>15.1%</b>
EBITDA Margin	32.1%	34.0%	-190.4bps	35.3%	-316.3bps
Other Income	698	565	23.4%	630	10.8%
Depreciation & Amortization Expenses	123	133	-7.9%	114	7.6%
<b>EBIT</b>	<b>5229</b>	<b>4598</b>	<b>13.7%</b>	<b>4558</b>	<b>14.7%</b>
Interest Expenses	46	32	42.9%	44	4.8%
<b>PBT</b>	<b>5183</b>	<b>4566</b>	<b>13.5%</b>	<b>4514</b>	<b>14.8%</b>
Tax Expenses	1349	1155	16.8%	1152	17.1%
Exceptional Income/Loss	109	-	-	58	87.8%
<b>PAT</b>	<b>3943</b>	<b>3411</b>	<b>15.6%</b>	<b>3420</b>	<b>15.3%</b>
EPS	4.9	4.3	15.6%	4.3	15.3%

Source: Company, Way2Wealth

**SEGMENTAL REVENUE BREAK UP**

	(₹ mn)				
Segment Revenue	Q3FY26	Q3FY25	QoQ	Q2FY26	YoY
Catering	6614	5548	19.2%	5197	27.3%
% of total revenue	45.6%	45.3%	32.9bps	45.3%	28.7bps
Rail Neer	1028	964	6.6%	941	9.2%
% of total revenue	7.1%	7.9%	-77.9bps	8.2%	-111.9bps
Internet Ticketing	4006	3537	13.3%	3859	3.8%
% of total revenue	27.6%	28.9%	-124.4bps	33.7%	-603.2bps
Tourism	2893	2237	29.3%	1495	93.5%
% of total revenue	20.0%	18.3%	168.8bps	13.0%	690.9bps
<b>Total</b>	<b>14541</b>	<b>12286</b>	<b>18.4%</b>	<b>11491</b>	<b>26.5%</b>
Less Inter Segment Revenue	46	40	16.4%	31	46.9%
<b>Net Revenue</b>	<b>14495</b>	<b>12247</b>	<b>18.4%</b>	<b>11460</b>	<b>26.5%</b>
<b>Segment EBIT</b>	<b>Q3FY26</b>	<b>Q3FY25</b>	<b>QoQ</b>	<b>Q2FY26</b>	<b>YoY</b>
Catering	685	675	1.5%	670	2.3%
Rail Neer	153	118	29.5%	87	76.5%
Internet Ticketing	3410	2995	13.8%	3268	4.3%
Tourism	549	379	44.9%	102	437.7%
Total	4797	4167	15.1%	4126	16.2%
Add: Interest Income	495	399	24.3%	446	11.1%
Total	5292	4566	15.9%	4572	15.7%
<b>EBIT Margin</b>	<b>Q3FY26</b>	<b>Q3FY25</b>	<b>QoQ</b>	<b>Q2FY26</b>	<b>YoY</b>
Catering	10.4%	12.2%	-180.8bps	12.9%	-253.0bps
Rail Neer	14.9%	12.3%	262.6bps	9.2%	568.0bps
Internet Ticketing	85.1%	84.7%	43.2bps	84.7%	42.6bps
Tourism	19.0%	16.9%	204.9bps	6.8%	1214.6bps
Total	33.0%	33.9%	-92.9bps	35.9%	-292.0bps

Source: Company, Way2Wealth

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**Disclosure of Interest Statement: Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) as on 18 February 2026**

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	NIL
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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