

# RITES Ltd

Sensex 80,604  
Nifty 24,585

## Key Stock Data

Close\* ₹250  
Market Cap (₹ bn) ~₹120  
52W High/Low 384/192  
Shares o/s (mn.) 480.6  
NSE Code RITES  
BSE Code 541556  
Bloomberg RITE:IN

Close\* as on 11<sup>th</sup> Aug 2025

## Shareholding Pattern June'25 (%)

Promoters 72.20  
DIs 03.47  
FIs 08.64  
Public & Others 15.69

(₹ mn)

Particulars	2023	2024	2025	2026E	2027E
Revenue	26283	24529	22178	26524	32716
EBITDA	7449	6441	5150	5598	6851
EBITDA Margin	28.3%	26.3%	23.2%	21.1%	20.9%
PAT	5420	4554	3848	4339	5167
EPS	11.3	9.5	8.0	9.0	11.0
ROE	21.2	18.8	14.7	16.3	19.4
P/E	22.8	27.1	32.1	28.5	23.3

Source: Company, Way2Wealth

## Q1FY26 Result Highlights

- **Subdued top-line growth** – RITES delivered a subdued performance in Q1FY26, with revenue at ₹490crs, up 1% YoY, impacted by lower Turnkey business revenue. EBITDA rose 8% YoY to ₹114crs, while PAT grew 1% YoY to ₹91crs. EBITDA margin improved to 23.3% (vs. 21.8% in Q1FY25), exceeding the estimated 20.6%. Segment-wise, Consultancy revenue stood at ₹290crs (+7% YoY), Exports at ₹3crs (-33% YoY), Leasing at ₹43crs (+26% YoY), and Turnkey at ₹148crs (-13% YoY), with Consultancy and Leasing margins at 38% each.
- **Exports to Drive Revenue Growth** – The company currently holds an export order book worth ₹13.9bn, primarily comprising two contracts – delivery of 10 locomotives to Mozambique and 200 coaches to Bangladesh. Two locomotives for Mozambique have already been shipped, with revenue to be recognized in 2Q, while the remaining eight will be delivered in phases. The Bangladesh project, involving seven types of coaches, is advancing well, with design finalization complete and prototype sub-assemblies ordered. The first batch of 20 coaches is scheduled for shipment by 4QFY26, with initial revenue recognition expected in the same quarter.
- **Strong Order book to drive future growth** – In Q1FY26, the company won over 150 new orders worth ₹451crs, taking its total order book to ₹8,790crs, ensuring revenue visibility for the next 2–2.5 years. Notably, 33% of the backlog comes from the high-margin consultancy segment. The expanding order book and rising infrastructure opportunities position the company for sustained long-term growth.
- **Conference Call KTAs:**
  - **Order Book:** As of Q1FY26, the order book stood at ₹8,790crs, comprising 33% from Consultancy (₹2,903crs), 48% from Turnkey (₹4,209crs), 16% from Exports (₹1,388crs), 2% from Leasing (₹170crs), and 1% from REMCL (₹120crs). Around 47% of projects were secured through nomination and 53% via competitive bidding. During the quarter, new orders worth ₹451crs were won.
  - **Consultancy Segment:** Revenue rose 7% YoY to ₹261crs, supported by improved execution and fee realization. Order inflow stood at ₹367crs. The segment remained the largest contributor to both revenue and profit, with management aiming to keep at least 40% of the order book from consultancy, maintaining EBITDA margins of 35–40%.
  - **Turnkey & Leasing:** Turnkey revenue stood at ₹148crs, down due to initial stages of new projects. Management expects a pickup from H2FY26.
  - **Exports:** An export order worth ₹31crs was secured in Q1, taking the export order book to ₹1,388crs. Locomotive exports to Mozambique began in Q2FY26, with revenue expected to ramp up ahead.
  - **REMC Business:** Revenue grew 6% YoY to ₹37crs in Q1FY26.
  - **Capex:** FY26 capex is guided at ₹75crs.

## 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 Q1FY26 have led to a total orderbook of ₹87.9bn, 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 23.3X on FY27E P/E above its 5-year average P/E of 21.5x. We recommend HOLD at these current levels.**

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**FINANCIALS**

(₹ mn)					
PARTICULARS	Q1FY26	Q1FY25	YOY CHG (%)	Q4FY25	QOQ CHG (%)
<b>Net Sales</b>	<b>4,897</b>	<b>4,858</b>	<b>1</b>	<b>6,154</b>	<b>-20</b>
<b>EBITDA</b>	<b>1,142</b>	<b>1,058</b>	<b>8</b>	<b>1,856</b>	<b>-38</b>
EBITDA margin (%)	23.3%	21.8%	153bps	30.2%	-685bps
Other income	220	225	-2	235	-7
Depreciation	155	144	7	168	-8
Interest	14	11	35	13	10
<b>Pre-tax profit</b>	<b>1,216</b>	<b>1,150</b>	<b>6</b>	<b>1,947</b>	<b>-38</b>
Tax (current+deferred)	307	245	25	534	-43
<b>PAT</b>	<b>909</b>	<b>904</b>	<b>0</b>	<b>1,413</b>	<b>-36</b>

SEGMENTAL REVENUE	Q1FY26	Q1FY25	YOY CHG (%)	Q4FY25	QOQ CHG (%)
Consultancy	2,902	2,714	7	3,623	-20
Exports	34	50	-32	75	-55
Leasing	426	337	26	411	4
Turnkey Projects	1,484	1,707	-13	2,017	-26
Power generation	52	50	4	29	84
<b>Segmental EBIT</b>					
Consultancy	1,116	1,091	2	1,754	-36
Exports	(8)	24	-133	61	-113
Leasing	164	129	27	142	16
Turnkey Projects	23	21	9	44	-49
Power generation	14	11	26	(8)	-273
<b>EBIT Margin %</b>					
Consultancy	38.4%	40.2%	-174bps	48.4%	-998bps
Exports	-23.6%	47.8%	-7136bps	81.3%	-10487bps
Leasing	38.4%	38.3%	9bps	34.4%	399bps
Turnkey Projects	1.5%	1.2%	31bps	2.2%	-67bps
Power generation	27.5%	22.7%	487bps	-29.1%	-159bps

Source: Company, Way2Wealth

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Name of the Security	BITES 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
Way2Wealth ownership of any stock related to the information contained	NIL
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