

19th August 2025

Close*: ₹722/-

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Q1FY26 Result Highlights

- **Q1FY26 Result** – IRCTC Q1FY26 Revenue grew 3.8% YoY and de-grew by 8.6% QoQ to ₹11,597mn led by catering and tourism segment. EBITDA grew by 6.0% YoY and 3.1% QoQ to ₹3,973mn. Also, EBITDA margins expanded by 71 bps YoY and 387 bps QoQ to 34.3%. Adjusted PAT grew by 7.5% YoY and de-grew by 7.7% QoQ to ₹3,307mn.

➤ Q1FY26 Con-call KTAs:

○ Financial Performance

- Revenue: ₹11,597mn, up 3.8% YoY. EBITDA: ₹3,973mn, up 6.0% YoY; margin improved to 34.3% (vs 33.5% last year). PAT: ₹3,307mn, up 7.7% YoY.
- Growth mainly driven by Internet Ticketing, Rail Neer, and Tourism segments.

○ Segment Highlights

• Internet Ticketing:

- Revenue: ₹3587mn, +9.12% YoY; EBITDA margin: 84% (vs 83% YoY). Also, during quarter 87.78% of total reserved tickets booked via IRCTC portal. During quarter 2/3rd of revenue from convenience fees, 1/3rd from non-convenience fees.
- Non-convenience revenue grew 17% YoY, aided by ads, OTA platform development, and UPICC share at 12% (+18% growth).
- During the quarter UPI payments share: 48.72%. Also, Daily avg. tickets booked: 13.88 lakh; total in Q1FY26: 126.3 mn. AC tickets: 64 Mn; non-AC: 47.4 Mn.

• Catering:

- Revenue: ₹5470mn, down 2.15% YoY; EBITDA margin: 13.1% (vs 13.9% YoY). Decline due to absence of last year's election special trains (~₹320mn revenue vs ~₹40–50mn this year) and transition at Amrit Bharat Station Scheme (ABSS) sites, affecting license fee collections. Also, E-catering grew >30% YoY.
- The company reached 1,295 trains with catering services, all through tendering.

• Rail Neer:

- Revenue: ₹1060mn, flat YoY. Avg. daily sales: 14.12 lakh bottles. Capacity utilization: 87.4% (vs 86.8% last year).
- Flat revenue due to: Bilaspur plant shutdown (water extraction issue). Loss of election special business. Introduction of 500 ml bottles on Vande Bharat trains (lower per-unit revenue).
- Expansion: New plants at Danapur, Ambernath, and upcoming units in Prayagraj, Ranchi, Bhagalpur, Mysore.

• Tourism:

- Revenue: ₹1,480mn, +21.3% YoY. EBITDA margin: 8.7% (vs 7.6% YoY) led by strong bookings in Maharajas' Express (+20% YoY), Bharat Gaurav trains, and new circuits (Chhatrapati Shivaji Maharaj Circuit, Devbhoomi Kedarnath,

Important Statistics

Nifty	24,876.95
Sensex	81,273.75
Close* (₹)	722
MCAP (₹ bn)	~580
52 Week H/L (₹)	957/656
NSE Code	IRCTC
BSE Code	542830
Bloomberg Code	IRCTC:IN

Close* as on 18th Aug 2025

Shareholding Pattern (%)	Jun'25
Promoter	62.40
DII	07.28
FII	14.16
Public & Others	16.17

Financials

	(₹ mn)				
Particulars	2023	2024	2025	2026E	2027E
Revenue	35415	42702	46748	53029	56755
EBITDA	12762	14660	15498	18761	23300
EBITDA Margin	36.0%	34.3%	33.2%	35.4%	41.1%
PAT	9787	11,696	13628	14608	17177
PAT Margin	27.6%	27.4%	29.2%	27.5%	30.3%
EPS	12.2	14.6	17.0	18.8	22.7
ROE	45.0%	41.0%	38.1%	28.7%	26.2%
PE	59.4	49.7	42.7	38.6	31.9

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
IRCTC	-22	1.7	163
Nifty 50	1.6	38.1	119
Sensex	1.3	35	111

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Ganga Ramayan Yatra, Bharat Bhutan tour).

- The company aims to Adding another Bharat Gaurav train in FY26; Golden Chariot expected to run 3–5 departures.

Other Business Updates

- RBI in-principal approval for payment aggregator license; expected to go live in 12–18 months, enabling monetization beyond ticketing.
- The company Plans to float tender for AI-driven ad sales and cross-selling via unified OTA platform.
- The management guided 20% holiday discount by Railways won't impact IRCTC's convenience fee as separate PNRs are issued for onward and return journeys.

Management Outlook

- Positive on sustaining growth with operational efficiency, cost optimization, digital expansion, and capacity additions in Rail Neer and tourism.
- Non-convenience ticketing revenue expected to maintain double-digit growth with upcoming initiatives.

View

IRCTC delivered a muted quarterly performance, with revenue rising 4% YoY. The growth was weighed down by seasonal weakness in the catering segment (down 2% YoY) and a flat showing in the Rail Neer business. Operating margins expanded by 350 basis points, primarily due to a 149 bps increase in internet ticketing margins — a key high-margin segment.

Despite the near-term headwinds, management remains optimistic about future growth, driven by premium trains like **Tejas Express**, **Bharat Gaurav**, and **Maharaja Express**, along with continued momentum in tourism, especially religious travel and the addition of new rakes. The company also aims to boost its **non-railway revenue**, which currently contributes around 28%, by expanding into segments like hotel bookings and MICE (Meetings, Incentives, Conferences, and Exhibitions). Additionally, RBI in-principal approval for payment aggregator license; expected to go live in 12–18 months, enabling monetization beyond ticketing with meaningful revenue contribution anticipated from **FY27 onwards**.

While we acknowledge the company's long-term structural strengths, in the **short term**, the lack of immediate catalysts and continued margin pressure — particularly from moderating internet ticketing revenue, remain key concern. So, we recommend **HOLD** at these levels. **The company is currently trading at a P/E of 31.9x FY27E.**

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QUARTERLY FINANCIAL PERFORMANCE

	(₹ mn)				
Particulars	Q1FY26	Q4FY25	QoQ	Q1FY25	YoY
Net Income	11597	12685	-8.6%	11176	3.8%
Expenses					
Cost of Material Consumed	178	164	8.6%	174	2.7%
Purchase of stock-in-trade	446	389	14.6%	716	-37.8%
Changes in Inventories of finished goods	-6	13	-149.2%	7	-196.0%
Expenses of catering services	4193	4088	2.6%	3942	6.4%
Expenses of Tourism	1130	2004	-43.6%	951	18.9%
Manufacturing & Direct Expenses	511	531	-3.8%	467	9.5%
Employee benefit expenses	757	897	-15.6%	745	1.7%
Other Expenses	415	745	-44.3%	426	-2.7%
Total Expenses	7624	8830	-13.7%	7427	2.7%
EBITDA	3973	3855	3.1%	3749	6.0%
EBITDA Margin	34.3%	30.4%	386.7bps	33.5%	70.9bps
Other Income	612	612	0.1%	514	19.0%
Depreciation & Amortization Expenses	119	123	-3.2%	139	-14.5%
EBIT	4466	4344	2.8%	4125	8.3%
Interest Expenses	45	78	-42.7%	28	57.7%
PBT	4421	4266	3.6%	4096	7.9%
Tax Expenses	1114	1141	-2.3%	1041	7.0%
Exceptional Income/Loss	0	457	-100.0%	22	-100.0%
PAT	3307	3582	-7.7%	3077	7.5%
EPS	4.1	4.5	-7.7%	3.8	7.5%

Source: Company, Way2Wealth

SEGMENTAL REVENUE BREAK UP

	(₹ mn)				
Segment Revenue	Q1FY26	Q4FY25	QoQ	Q1FY25	YoY
Catering	5468	5294	3.3%	5589	-2.2%
% of total revenue	47.1%	41.7%	541.6bps	50.0%	-285.9bps
Rail Neer	1105	960	15.1%	1115	-0.9%
% of total revenue	9.5%	7.6%	196.0bps	10.0%	-44.7bps
Internet Ticketing	3588	3725	-3.7%	3291	9.0%
% of total revenue	30.9%	29.4%	157.3bps	29.4%	149.1bps
Tourism	1477	2744	-46.2%	1223	20.7%
% of total revenue	12.7%	21.6%	-889.6bps	10.9%	179.1bps
Total	11637	12723	-8.5%	11217	3.7%
Less Inter Segment Revenue	40	37	7.8%	42	-2.8%
Net Revenue	11597	12685	-8.6%	11176	3.8%

Source: Company, Way2Wealth

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Disclosure of Interest Statement: Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) as on 19th August 2025

Name of the Security	Indian Railway Catering & Tourism Corporation Ltd (IRCTC)
Name of the analyst	Ashwini Sonawane
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
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