

# RITES Ltd

Sensex 82,059  
Nifty 24,945

## Key Stock Data

Close\* ₹295  
Market Cap (₹ bn) ~₹135  
52W High/Low 398/192  
Shares o/s (mn.) 480.6  
NSE Code RITES  
BSE Code 541556  
Bloomberg RITE:IN

Close\* as on 19<sup>th</sup> May 2025

## Shareholding Pattern Mar'25 (%)

Promoters 72.20  
DIs 03.33  
FIs 08.67  
Public & Others 15.80

(₹ mn)

Particulars	2023	2024	2025	2026E	2027E
Revenue	26283	24529	22178	26992	33238
EBITDA	7449	6441	5150	5598	6851
EBITDA Margin (%)	28.3%	26.3%	23.2%	20.7%	20.6%
PAT	5420	4554	3848	4001	4968
EPS	11.3	9.5	8.0	9.2	11.6
ROE	21.2	18.8	14.7	15.3	18.5
P/E	26.2	31.3	36.9	32.1	25.5

Source: Company, Way2Wealth

## Q4FY25 Result Highlights

- **Consultancy segment leads to margin expansion** – Q4 revenues saw a decline of 4% YoY to ₹6.1bn, led by a revenue drop in Turnkey segments. EBITDA margin stood at 30.2% vs. (27.4%YoY) led by better consultancy segment performance. Segment-wise, revenue from Consultancy grew 8% YoY to ₹3.6bn. Revenue from the Turnkey segment fell 22% YoY to ₹2.0bn and from power generation de-grew by 19% YoY to ₹29mn. Exports of rolling stock grew by 21% to ₹75mn and leasing grew by 4% YoY to ₹411mn.
- **Strong Order book to drive future growth** – The order book reached to **₹89bn** vs ₹80bn (Q3FY25). The order book is dominated by 34% consultancy, 48% Turnkey projects, 15% exports and 2% leasing. During the quarter the company **secured ₹14.1bn** orders majorly contributed by (1) consultancy ₹5.1bn (2) Turnkey ₹8.3bn (3) Export ₹0.4bn and Lease ₹0.2bn.
- **Exports segment to gain momentum in FY26** – The company currently holds an export order book of **₹13.5bn**, primarily comprising two key orders: the delivery of 10 locomotives to Mozambique and 200 coaches to Bangladesh. Deliveries for the Mozambique order are expected to commence in early 2QFY26, while the Bangladesh order is in the final stages of design and approval, with deliveries anticipated later in the fiscal year. The company expects to execute 60–70% of these export orders in FY26, which is likely to significantly boost revenue from the export segment.

## Conference Call KTAs:

- Record Order Book with Strong Growth Outlook:**  
As of 4QFY25, the order book reached an all-time high of ₹89bn, providing robust visibility for future revenue growth. **Management has guided for a 20%YoY growth in topline for FY26.**
- Margins and Outlook:**  
EBITDA margin for 4QFY25 stood at 30%, while full-year EBITDA and PAT margins were 23% and 18%, respectively. However, with a rising share of competitive bids in the order mix, **management anticipates normalized margins of ~20% for EBITDA and 15–16% for PAT going forward.**
- Export Execution to Accelerate in FY26:**  
Export deliveries are set to gain momentum in FY26, with the dispatch of 10 locomotives to Mozambique beginning in early 2Q and 200 coaches to Bangladesh expected to commence later in the year. The export order book stands at ₹13.5bn, with 60–70% execution targeted within the fiscal. The pending Zimbabwe order remains on hold pending financial clearance.
- Strong Capital Return Commitment:**  
The company maintained a high dividend payout ratio of approximately 95% in FY24 and **aims to continue a similar trend in FY25**, underscoring its commitment to shareholder returns.
- Steady Order Inflow Strategy:**  
RITES targets consistent order inflows, aiming to secure at least **one order per day** and one international order each quarter. The focus remains on expanding its footprint through international QA orders and driving record-high order inflows.
- Consultancy Segment Momentum:**  
The consultancy business recorded strong growth, driven by both domestic and international orders across infrastructure sectors such as highways, tunnels, and bridges (excluding oil & gas). With a current consultancy order book of ₹40bn, the segment is expected to maintain its growth trajectory. The company continues to aim for one new consultancy **order per day in FY26.**

Ashwini Sonawane

[ashwinisonawane@way2wealth.com](mailto:ashwinisonawane@way2wealth.com)

Ph:022-4019 2913

**7. RMCL Performance:**

RMCL continues to benefit from increased railway traffic and the completion of 100% electrification. It has also begun winning consultancy contracts and contributed ₹400mn in dividends to the parent company.

**8. Capex Plans Aligned with Asset-Light Model:**

The company has guided capex for FY26 is at ~₹750mn, in line with RITES' asset-light operational approach.

**View**

RITES continued to witness a decline in the topline led by competitive bidding in consultancy. However, margins remain stable at ~20%. Nevertheless, robust order wins in exports through FY24-25 have led to an export orderbook of ₹13.5bn as of Q4, which is likely to see execution from FY26. A rebound in exports with robust order inflows makes RITES a favorable play in infrastructure. **Currently, the stock is trading at 25.5X on FY27E P/E in line with its 5-year average P/E of 24.8x. We recommend HOLD at these current levels.**

**FINANCIALS**

(₹ mn)

PARTICULARS	Q4FY25	Q4FY24	YOY (%)	Q3FY25	QOQ (%)	FY25	FY24	YOY(%)
<b>Net Sales</b>	<b>6,154</b>	<b>6,433</b>	<b>-4</b>	<b>5,758</b>	<b>7</b>	22178	24529	<b>-10</b>
<b>EBITDA</b>	<b>1,856</b>	<b>1,760</b>	<b>5</b>	<b>1,173</b>	<b>58</b>	5150	6441	<b>-20</b>
EBITDA margin (%)	30.2%	27.4%	280bps	20.4%	978bps	23.2%	26.3%	-304bps
Other income	235	244	-4	384	-39	1057	861	23
Depreciation	168	156	8	160	5	621	607	2
Interest	13	5	169	10	24	58	47	23
<b>Pre-tax profit</b>	<b>1,947</b>	<b>1,867</b>	<b>4</b>	<b>1,440</b>	<b>35</b>	5650	6704	<b>-16</b>
Tax (current+deferred)	534	(500)	-207	346	54	1414	-1752	-181
<b>PAT</b>	<b>1,413</b>	<b>1,367</b>	<b>3</b>	<b>1,094</b>	<b>29</b>	4236	4952	<b>-14</b>

SEGMENTAL REVENUE	Q4FY25	Q4FY24	YOY (%)	Q3FY25	QOQ (%)	FY25	FY24	YOY(%)
Consultancy	3,623	3,351	8	3,094	17	12408	12887	-4
Exports	75	62	21	7	911	155	1034	-85
Leasing	411	394	4	403	2	1503	1381	9
Turnkey Projects	2,017	2,590	-22	2,232	-10	7966	9035	-12
Power generation	29	35	-19	21	36	145	192	-24
<b>Segmental EBIT</b>								
Consultancy	1,754	1,676	5	1,231	42	5123.5	6070	-16
Exports	61	21	194	1	10033	91	215	-57
Leasing	142	158	-10	145	-2	528	546	-3
Turnkey Projects	44	128	-65	26	73	114	250	-55
Power generation	(8)	(4)	102	(15)	-45	-3	29	-109
<b>EBIT Margin %</b>								
Consultancy	48.4%	50.0%	-158bps	39.8%	862bps	41.3%	47.1%	-581bps
Exports	81.3%	33.4%	4784bps	8.1%	7318bps	59.0%	20.8%	3825bps
Leasing	34.4%	40.1%	-565bps	35.9%	-147bps	35.1%	39.5%	-442bps
Turnkey Projects	2.2%	4.9%	-274bps	1.1%	106bps	1.4%	2.8%	-134bps
Power generation	-29.1%	-11.6%	-1748bps	-71.9%	-10103bps	-1.9%	15.3%	-1716bps

Source: Company, Way2Wealth

## Disclaimer

**Analyst Certification:** I, Ashwini Sonawane, the research analyst and author of this report, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The analyst(s), principally responsible for the preparation of this research report, receives compensation based on overall revenues of the company (Way2Wealth Brokers Private Limited, hereinafter referred to as Way2Wealth) and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

It is confirmed that Ashwini Sonawane, the author of this report has not received any compensation from the companies mentioned in the report in the preceding 12 months. Our research professionals are paid in part based on the profitability of Way2Wealth, which include earnings from other business. Neither Way2Wealth nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information contained in this report.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Way2Wealth is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. The contents of this material are general and are neither comprehensive nor appropriate for every individual and are solely for the informational purposes of the readers. This material does not take into account the specific objectives, financial situation or needs of an individual/s or a Corporate/s or any entity/s.

This research has been prepared for the general use of the clients of the Way2Wealth and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Way2Wealth will not treat recipients as customers by virtue of their receiving this report. The distribution of this document in other jurisdictions may be restricted by the law applicable in the relevant jurisdictions and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The report is based upon information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up to date and it should not be relied upon as such. Way2Wealth or any of its affiliates or employees makes no warranties, either express or implied of any kind regarding any matter pertaining to this report, including, but not limited to warranties of suitability, fitness for a particular purpose, accuracy, timeliness, completeness or non-infringement. We accept no obligation to correct or update the information or opinions in it. Way2Wealth or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. The recipients of this report should rely on their own investigations. In no event shall Way2Wealth be liable for any damages of any kind, including, but not limited to, indirect, special, incidental, consequential, punitive, lost profits, or lost opportunity, whether or not Way2Wealth has advised of the possibility of such damages.

This material contains statements that are forward-looking; such statements are based upon the current beliefs and expectations and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. These uncertainties include but are not limited to: the risk of adverse movements or volatility in the securities markets or in interest or foreign exchange rates or indices; adverse impact from an economic slowdown; downturn in domestic or foreign securities and trading conditions or markets; increased competition; unfavorable political and diplomatic developments; change in the governmental or regulatory policies; failure of a corporate event and such others. This is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form by any means or redistributed without the written consent of Way2Wealth. In no event shall any reader publish, retransmit, redistribute or otherwise reproduce any information provided by Way2Wealth in any format to anyone. Way2Wealth and its affiliates, officers, directors and employees including persons involved in the preparation or issuance of this report may from time to time have interest in securities / positions, financial or otherwise in the securities related to the information contained in this report.

To enhance transparency, Way2Wealth has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

## Disclosure of Interest Statement in BITES Ltd. as on 20 May 2025

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
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

This information is subject to change without any prior notice. Way2Wealth reserves at its absolute discretion the right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Way2Wealth is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.