

CMP - 1140

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About the Company

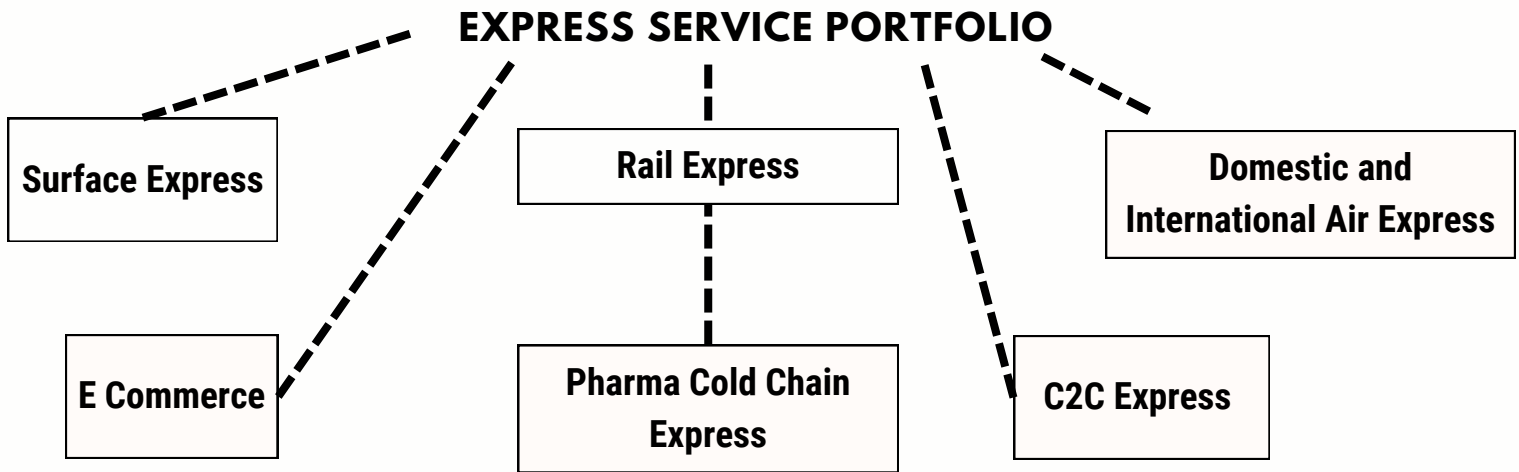
TCI Express Limited is an express cargo logistics company that has established its own network across India. The company specializes in providing time-definite solutions by utilizing multiple modes of transportation. TCI Express' extensive network and expertise in logistics enable it to deliver cargo efficiently and reliably throughout the country.

Recent Quarter Highlights

- Total income of Rs. 320 crores in Q4 FY24.
- EBITDA of Rs. 47 crores in Q4 FY24 with EBITDA margin around 15%.
- Final dividend of Rs. 2/- per share recommended for FY24.
- Tonnage number for Q4 FY24 was 2,58,000 tons, a decrease of 2% YoY.
- Full-year tonnage reached one million tons.
- Expected growth of about 10 to 12% in FY25.
- Gross margin maintained at 32% even in low volume.
- Cost per ton is around Rs. 8.5, with 68% of revenue being cost.
- Planning to improve margins in the future once volume picks up.

Management view and key highlights

- Total capital expenditure of 46 crores in FY24. Plan to spend remaining Rs. 330 crores in the next 3 years. Capex of Rs. 300 crores planned for the next 2-2.5 years. Planning to automate sorting centers in Ahmedabad, Kolkata, Mumbai, and Chennai. Expecting benefits from automation to start from 2026.
- On Business development, Successfully implemented automation at the Pune Sorting Centre. Increased customer base with over 125 routes for rail Express. Focus on investing in technology and automation for operational efficiency. Established 25 new branches supporting multi-modal express business. Sorting center in Chakan, Pune achieved a gold rating in the LEEDv4 BD + C Warehouses Distribution Centers rating system. Recertified with "Great Place to Work", emphasizing positive workplace environment. Received sustainability award from CUMI and recognized as the best B2B logistics partner for 2023-24 by Royal Enfield.

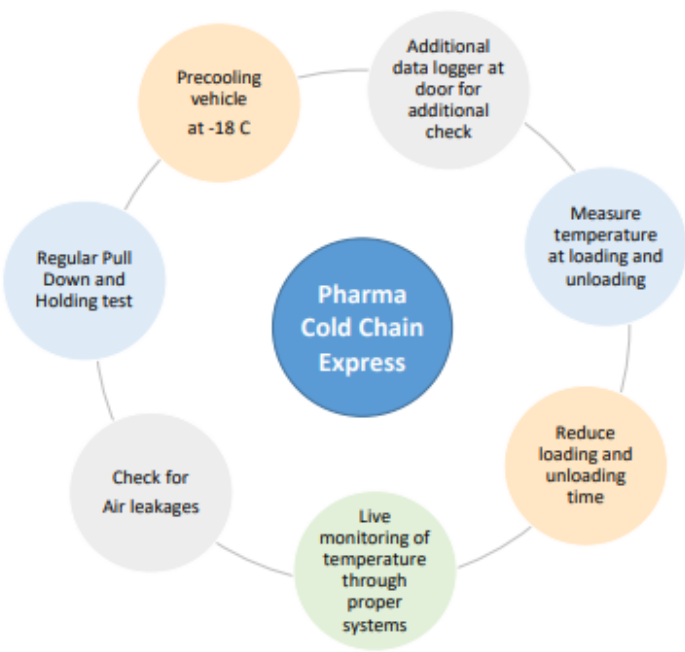


Fastest Delivery Company with Unmatched Network and Efficiency

Pharma Cold Chain Express

TCI Express successfully launched Pharma Cold Chain Express Service, an asset-light model and use existing hub and spoke network to meet the growing demand for Cold Chain express logistics

Standard Operating Procedures followed by TCI Express

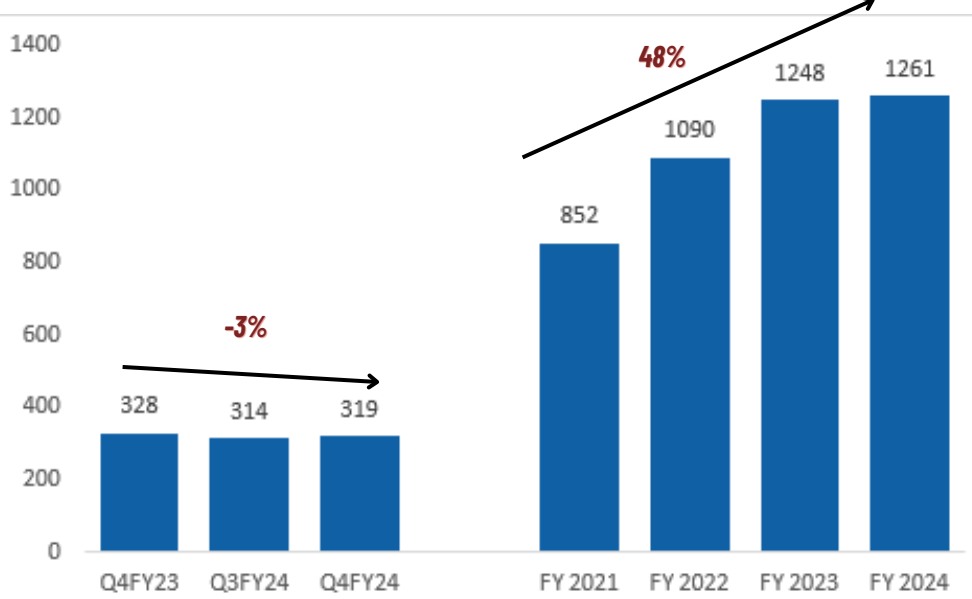


TCI Express Pharma Cold Chain Transportation

- TCI Express continues to implement the asset-light model in the Pharma Cold Chain express logistics segment
- Dispatching Pharma shipments either Frozen (Blood Plasma) or Vaccines under the prescribed temperature as norms ensuring there are no fluctuations in the temperature
- Dispatching frozen products as per FSSAI norms ensuring there are no fluctuations in the temperature
- Monitoring of temperature maintained through Data Loggers and real-time monitoring through tracer
- Tracking of vehicles through GPS and real-time data been provided to the customer
- Proper loading and unloading of material ensuring there are no temperature fluctuations

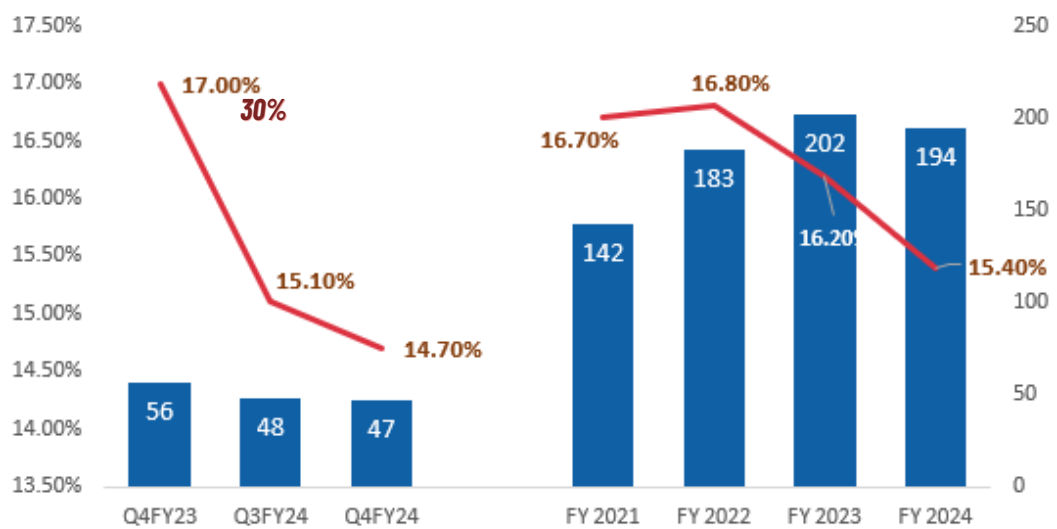
Sources: Company's profile

TOTAL INCOME FROM OPERATIONS



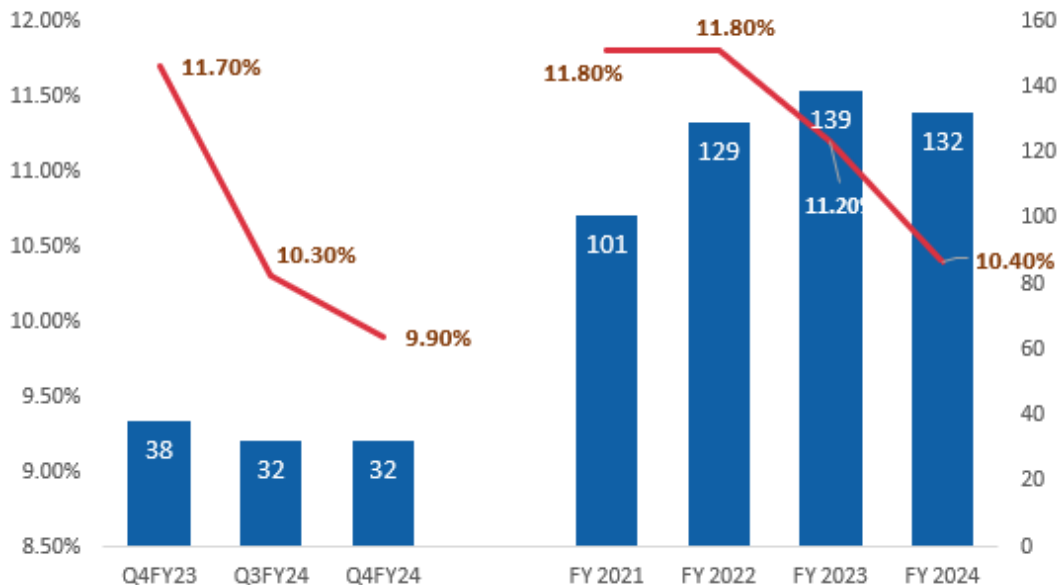
(COUNT IN MN, QOQ GROWTH IN %)

EBITDA VS EBITDA MARGIN



(COUNT IN MN, QOQ GROWTH IN %)

PAT AND MARGINS



(COUNT IN MN, QOQ GROWTH IN %)

Quarterly Result

PARTICULARS	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Net Sales	326.25 100%	304.87 100%	319.98 100%	311.86 100%	317.11 100%
Total Expenditure	272.11 83.41%	258.49 84.79%	269.53 84.23%	266.29 85.39%	272.27 85.86%
Operating Profit	54.14 16.59%	46.38 15.21%	50.45 15.77%	45.57 14.61%	44.84 14.14%
Other Income	1.67 0.51%	1.48 0.49%	1.77 0.55%	1.97 0.63%	1.93 0.61%
Interest	0.74 0.23%	0.39 0.13%	0.35 0.11%	0.33 0.11%	0.40 0.13%
Depreciation	4.20 1.29%	4.60 1.51%	4.72 1.48%	4.77 1.53%	4.86 1.53%
Exceptional Items	0 0%	0 0%	0 0%	0 0%	0 0%
Profit Before Tax	50.87 15.59%	42.87 14.06%	47.15 14.74%	42.44 13.61%	41.51 13.09%
Tax	12.42 3.81%	10.54 3.46%	11.57 3.62%	10.25 3.29%	9.92 3.13%
Profit After Tax	38.45 11.79%	32.33 10.60%	35.58 11.12%	32.19 10.32%	31.59 9.96%
Adjusted EPS (Rs)	10.04	8.44	9.28	8.39	8.24

Profit and Loss Statement

Years	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	LTM
Income Statement						
Sales	₹ 1,032.0	₹ 844.0	₹ 1,081.5	₹ 1,241.0	₹ 1,253.8	₹ 1,253.8
Sales Growth	0.80%	-18.21%	28.14%	14.75%	1.03%	0.00%
COGS	₹ 847.7	₹ 664.5	₹ 856.1	₹ 990.7	₹ 133.9	₹ 1,066.6
COGS % Sales	82.15%	78.74%	79.16%	79.83%	10.68%	85.07%
Gross Profit	₹ 184.24	₹ 179.45	₹ 225.41	₹ 250.35	₹ 1,119.95	₹ 187.24
Gross Margins	17.85%	21.26%	20.84%	20.17%	89.32%	14.93%
Selling & General Expenses	₹ 62.64	₹ 45.13	₹ 50.68	₹ 55.87	₹ 932.71	
S&G Exp % Sales	6.07%	5.35%	4.69%	4.50%	74.39%	0.00%
EBITDA	₹ 121.60	₹ 134.32	₹ 174.73	₹ 194.48	₹ 187.24	₹ 194.39
EBITDA Margins	11.78%	15.91%	16.16%	15.67%	14.93%	15.50%
Interest	₹ 0.90	₹ 0.78	₹ 0.91	₹ 1.81	₹ 1.47	₹ 1.47
Interest % Sales	0.09%	0.09%	0.08%	0.15%	0.12%	0.12%
Depreciation	₹ 7.79	₹ 8.97	₹ 9.98	₹ 15.31	₹ 18.95	₹ 18.95
Depreciation%Sales	0.75%	1.06%	0.92%	1.23%	1.51%	1.51%
Earnings Before Tax	₹ 112.91	₹ 124.6	₹ 163.8	₹ 177.4	₹ 166.8	₹ 174.0
EBT % Sales	10.94%	14.76%	15.15%	14.29%	13.30%	13.88%
Tax	₹ 27.9	₹ 31.6	₹ 43.2	₹ 45.3	₹ 42.3	₹ 42.3
Effective Tax Rate	24.71%	25.38%	26.35%	25.51%	25.34%	24.30%
Net Profit	₹ 85.0	₹ 92.9	₹ 120.7	₹ 132.1	₹ 124.5	₹ 131.7
Net Margins	8.24%	11.01%	11.16%	10.65%	9.93%	10.50%
No of Equity Shares	3.84	3.84	3.85	3.83	3.83	3.83
Earnings per Share	₹ 22.14	₹ 24.21	₹ 31.34	₹ 34.49	₹ 32.52	₹ 34.38
EPS Growth %	21.14%	9.34%	29.49%	10.05%	-5.73%	5.74%

Balance Sheet

PARTICULARS	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Equity and Liabilities					
Share Capital	7.66 2.02%	7.67 1.78%	7.69 1.41%	7.70 1.17%	7.66 1.04%
Total Reserves	259.53 68.48%	329.60 76.38%	426.18 77.98%	528.49 80.44%	588.71 80.10%
Borrowings	2.30 0.61%	1.91 0.44%	1.01 0.18%	0.21 0.03%	0 0%
Other N/C liabilities	5.50 1.45%	4.25 0.98%	5.49 1.00%	7.98 1.21%	14.33 1.95%
Current liabilities	103.98 27.44%	88.10 20.42%	106.15 19.42%	112.65 17.15%	124.24 16.90%
Total Liabilities	378.97 100%	431.53 100%	546.52 100%	657.03 100%	734.94 100%
Assets					
Net Block	173.07 45.67%	185.43 42.97%	228.38 41.79%	319.80 48.67%	374.07 50.90%
Capital WIP	1.37 0.36%	23.05 5.34%	27.75 5.08%	6.09 0.93%	61.14 8.32%
Intangible WIP	0 0%	0 0%	0 0%	0 0%	0 0%
Investments	1.25 0.33%	0.91 0.21%	1.02 0.19%	1.05 0.16%	1.05 0.14%
Loans & Advances	9.16 2.42%	0 0%	0 0%	0 0%	0 0%
Other N/C Assets	1.06 0.28%	0 0%	13.65 2.50%	0 0%	0 0%
Current Assets	193.06 50.94%	222.14 51.48%	275.72 50.45%	330.09 50.24%	298.68 40.64%
Total Assets	378.97 100%	431.53 100%	546.52 100%	657.03 100%	734.94 100%

Cash Flow Statement

PARTICULARS	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Profit from operations	111.87	116.98	132.22	172.01	184.53
Adjustment	9.45	8.85	6.01	8.24	15.93
Changes in Assets & Liabilities	-5	-12.54	-7.55	-10.61	-10.67
Tax Paid	-38.78	-31.66	-28.4	-42.08	-42.98
<i>Operating Cash Flow</i>	77.54	81.63	102.28	127.56	146.81
<i>Investing Cash Flow</i>	-25.6	-59.5	-96.01	-90.27	-65.32
<i>Financing Cash Flow</i>	-47.02	-26.63	-8.22	-30.71	-83.74
Net Cash Flow	4.92	-4.5	-1.95	6.58	-2.25

Ratio Analysis of - TCI EXPRESS LTD

Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mean	Median
SalesGrowth	0.80%	-18.21%	28.14%	14.75%	1.03%	5.30%	3.76%
EBITDA Growth	11.78%	15.91%	16.16%	15.67%	14.93%	4.77%	-2.15%
Net Profit Growth	21.46%	9.34%	29.82%	9.48%	-5.73%	52.24%	-6.42%
Gross Margin	17.85%	21.26%	20.84%	20.17%	89.32%	22.10%	22.22%
EBITDA Margin	11.78%	15.91%	16.16%	15.67%	14.93%	11.56%	11.95%
EBIT Margin	0.84%	1.16%	1.01%	1.38%	1.63%	4.72%	3.92%
Net Profit Margin	8.24%	11.01%	11.16%	10.65%	9.93%	1.26%	0.93%
Return on Capital Employed	33.36%	28.74%	30.66%	29.69%	23.55%	8.91%	6.96%
Retained Earnings%	81.96%	83.45%	74.48%	76.81%	84.60%	58.84%	94.44%
Return on Equity%	25.21%	21.42%	22.51%	22.15%	17.69%	4.11%	4.07%
Interest Coverage Ratio	126.456x	160.705x	181.044x	98.989x	114.483x	2.52x	2.44x

WHAT SHOULD INVESTORS DO?

TCI Express' Q4FY24 results showed a mixed performance, with some positive trends and challenges.

- **Automation and Technology:** TCI Express is committed to enhancing operational efficiency and customer service by continuing investments in technology and automation.
- **Expansion:** In FY24, the company expanded its network by adding 25 new branches, boosting its multi-modal express business and improving market reach and customer accessibility.
- **Rail Express:** The Rail Express segment has seen significant customer interest, with the company now servicing over 125 routes to meet growing demand.

Market Share: of TCI Express, holds an estimated 7% market share in the ground express segment.

Despite some challenges this quarter, TCI Express is concentrating on efficiency improvements and operational expansion to drive growth.

With a projected 10% EPS growth and a P/E of 33 in a neutral case, the company is valued at **₹1350-1370** per share.




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