

**CMP: INR 160**
**Rating: BUY**
**TP: INR 251**
**Stock Info**

BSE 500413

NSE THOMASCOOK

Bloomberg TC:IN

Reuters THOM.NS

Sector Tour, Travel  
Related Services

Face Value (INR) 1

Equity Capital (INR cr) 47.04

Mkt Cap (INR cr) 7,545

52w H/L (INR) 255 / 118

Avg Daily Vol (in 000') 1,289

**Shareholding Pattern %**

(As on March 2025)

Promoters 63.83

DII 7.78

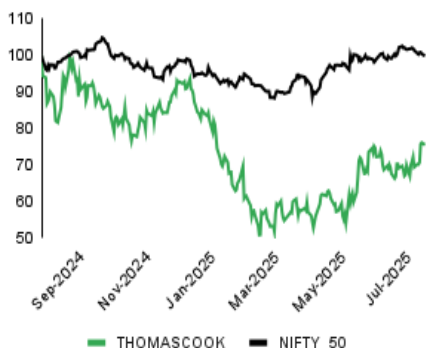
FII 4.41

Public &amp; Others 24.98

**Stock Performance (%) 1m 3m 12m**

TCIL 3.2 23.9 (29.1)

NIFTY 50 (3.5) 1.29 (1.5)

**Thomas Cook vs Nifty 50 Price Chart**

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Thomas Cook (India) Ltd delivered a robust performance in Q1FY26, surpassing revenue and EBITDA expectations despite margin pressures. Consolidated revenue grew to INR 2,408 Cr, 5.5% above our estimate of INR 2,307 Cr, +22.3% QoQ, +14.3% YoY, driven by strong booking momentum in Travel Services and a turnaround in DMS. EBITDA rose to INR 126.5 Cr, ahead of our estimate of INR 122.3 Cr, +28.7% QoQ, -7.0% YoY, supported by operational efficiencies in Travel Services. EBITDA margin stood at 5.25%, in line with our estimate of 5.3%; -121 bps YoY, -275 bps QoQ, reflecting gross margin contraction to 24.45% (-166 bps YoY, -275 bps QoQ). PAT was INR 73.4 Cr, below our estimate of INR 88.5 Cr; +15.9% QoQ, -0.5% YoY, impacted by margin pressures. Travel Services EBIT grew 25% YoY to INR 81.1 Cr, driven by robust bookings and DMS recovery. Digital Imaging EBIT surged 61% YoY, while Leisure Hospitality EBIT rose 25% YoY, with ARR stable at INR 7,162 and resort count increasing from 50 to 62.

**Financial Services (Forex):** Forex revenue declined 7% YoY to INR 842 due to geopolitical events, lower Hajj movement, and a sharp 25% drop in the education segment. The Delhi Airport exit also impacted volumes. Despite a 10% decline in prepaid card loads, EBIT margins remained strong at 44%, underscoring the structural efficiency. Encouragingly, digital adoption surged—App bookings up 3x, WhatsApp volumes up 7x YoY, and digital share rose to 20.4%.

**Travel & Related Services:** The segment posted 18% YoY revenue growth and 25% EBIT growth, with EBIT margin expanding to 4.1% from 3.9%. Early outbound bookings (up ~25% YoY in April) softened in May–June due to global and domestic tensions. Domestic travel was subdued, but international business grew 19% YoY. B2B: The B2C mix remained at 60:40. The newly launched TravSure safety product is helping to boost traveler confidence amid shorter booking windows.

**Valuation and Outlook:** We assign a BUY rating and a TP of INR 251 valued at a SOTP EV/EBIT multiple of 12x the FY28E EBIT of INR 9,076 Cr. We remain optimistic that the company will outperform industry growth (10–11%) in FY26, supported by its diversified portfolio, AI-driven digital initiatives, and disciplined cost management. Sterling's planned rollout of 20+ resorts in Tier 2/3 markets, a scalable DMS platform, and a strong cash-backed, asset-light model further strengthen the structural growth story. We expect a stronger H2, aided by festive demand, recovery in international travel, and a rebound in short-cycle MICE volumes.

INR Cr	FY24	FY25	FY26E	FY27E	FY28E
Revenue	7,299	8,140	9,215	10,437	11,823
YoY	44.61%	11.51%	13.22%	13.25%	13.29%
EBITDA (Including OI)	572	622	714	828	968
EBITDA Margin	7.83%	7.64%	7.75%	7.94%	8.19%
EBIT	444	480	564	669	799
EBIT Margin	6.08%	5.89%	6.12%	6.41%	6.76%
PAT	271	258	344	411	494
EPS (INR)	5.51	5.41	6.95	8.29	9.97
P/E (x)	29.06	29.59	23.03	19.29	16.05
P/B (x)	3.70	3.36	2.95	2.56	2.21
EV/EBITDA (x)	13.01	11.70	9.50	7.11	5.45
EV/EBIT (x)	16.75	15.16	12.03	8.81	6.59
D/E (x)	0.27	0.28	0.28	0.28	0.28
RONW	13.34%	11.55%	13.48%	13.99%	14.52%
ROCE	17.18%	16.79%	17.26%	17.81%	18.37%

Source: Company Filings &amp; Arihant Capital Research

## FY28E (INR Cr)

Segment	EBIT	EV/ EBIT (x)	EV
Financial Services	175	10	1,748
Travel & Related Services	524	12	6,292
Vacation Ownership & Resort Business/ Leisure Hospitality & Resorts business	175	13	2,280
Digiphoto imaging services	33	15	497
Total	908	12	10,817
Less: Unallocable corporate expenditure	108	12	1,289
<b>Enterprise Value (EV)</b>			<b>9,528</b>
Cash			3,247
Minority Interest			39
Debt			952
Preference Capital			-
Equity Value			11,783
No. Shares (Cr)			47
<b>TP</b>			<b>251</b>
<b>Upside</b>			<b>57%</b>

Source: Company Filings & Arihant Capital Research

**Destination Management Services:** DMS International grew 28% YoY to INR 722 Cr—1.8x pre-COVID levels. India DMS, though in a lean season, still grew 36% YoY to INR 597 Mn, matching pre-pandemic volumes. Growth was led by Asian Trails (+42%), Allied Tipro (+31%), and Desert Adventures (+7%). Private Safaris in South Africa posted 19% growth, while East Africa is rebuilding post-FIT insolvency. Strong MICE and FIT demand continues to support momentum.

**Leisure Hospitality & Resorts:** Sterling delivered its 21st consecutive profitable quarter, with 8% revenue growth to INR 1,357 Mn, EBITDA up 25%, and margins at 38.9%. Despite temporary disruptions in Northern resorts (~33% of inventory), robust growth in room revenue (+11%) and F&B (+16%) drove performance. With cash reserves crossing INR 3,000 Mn, the business remains debt-free and focused on an asset-light, high-occupancy expansion model.

**Digiphoto Entertainment (DEI):** DEI held revenues steady at INR 210 Cr, but EBIT margins improved from 3.2% to 5.1%, driving a 61% EBIT surge. Seasonal softness in the UAE (45% of biz) was offset by strong growth in Indonesia and Macau. Seven key partnerships were renewed, five new ones signed, and non-performing sites exited, demonstrating a sharp focus on profitability. Upcoming tech integration is expected to unlock further productivity gains in H2.

**Balance Sheet Position:** Cash reserves stood at INR 20.7 bn with negligible debt. Sterling generated INR 300 million in free cash flow, with group cash exceeding INR 3,000 million. No major capex is planned, with focus on small-scale technology investments and an asset-light model to support growth.

**Risk:** Primary risk arises from volatile global and domestic geopolitical events and market uncertainties, which directly impact traveler sentiment and operational predictability across its diversified segments.

<b>Income Statement</b>					
<b>INR Cr</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Revenue from operations</b>	<b>7,299</b>	<b>8,140</b>	<b>9,215</b>	<b>10,437</b>	<b>11,823</b>
Other income	136	145	184	209	236
Cost of sales & services	5,308	5,977	6,727	7,619	8,631
Employee benefit expenses	961	1,041	1,198	1,357	1,537
Advertisement & promotion expenses	76	-	46	52	59
Inter segment unallocable expenditure	63	74	84	95	108
Other expenses	456	570	630	694	757
<b>EBITDA</b>	<b>572</b>	<b>622</b>	<b>714</b>	<b>828</b>	<b>968</b>
<b>EBITDA Margin</b>	<b>7.69%</b>	<b>7.50%</b>	<b>7.60%</b>	<b>7.78%</b>	<b>8.03%</b>
Depreciation & amortisation expense	128	142	150	159	168
Finance Cost	99	95	109	125	145
Profit/ Loss from associates	0	4	4	4	4
Exceptional Items	-	-7	-	-	-
<b>PBT after exceptional Items</b>	<b>345</b>	<b>382</b>	<b>459</b>	<b>548</b>	<b>658</b>
Cash Tax	74	124	115	137	165
<b>PAT</b>	<b>271</b>	<b>258</b>	<b>344</b>	<b>411</b>	<b>494</b>
EPS after exceptional items:					
Basic (INR)	5.51	5.41	6.95	8.29	9.97
Diluted (INR)	5.51	5.55	6.95	8.29	9.97
<b>Balance Sheet</b>					
<b>INR Cr</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Equity Share Capital	47	47	47	47	47
Other Equity	2,010	2,213	2,511	2,873	3,313
Non controlling Interest	-25	-23	-6	15	39
<b>Net Worth</b>	<b>2,032</b>	<b>2,237</b>	<b>2,552</b>	<b>2,935</b>	<b>3,400</b>
Total debt	553	620	715	822	952
Deferred tax liability (net)	-190	-114	-114	-114	-114
Other non current liabilities	690	624	674	724	774
<b>Total Liabilities</b>	<b>1,054</b>	<b>1,130</b>	<b>1,274</b>	<b>1,431</b>	<b>1,612</b>
Net Block	1,535	1,566	1,466	1,446	1,422
CWIP	5	93	99	105	111
Goodwill	1,111	1,125	1,125	1,125	1,125
Other intangible assets	178	118	118	118	118
Investments	453	104	104	104	104
Other non current assets	289	313	313	313	313
<b>Net Working Capital:</b>	<b>-1,103</b>	<b>-802</b>	<b>-850</b>	<b>-1,315</b>	<b>-1,429</b>
Inventories	40	36	50	48	63
Trade receivables	646	632	815	824	1,032
Cash and cash equivalents	617	849	1,451	2,470	3,247
Other current assets	1,191	2,077	2,077	2,077	2,077
Trade payables	2,157	2,508	2,742	3,204	3,532
Other current liabilities	823	1,040	1,050	1,060	1,070
<b>Total assets</b>	<b>3,086</b>	<b>3,366</b>	<b>3,827</b>	<b>4,366</b>	<b>5,012</b>
<b>Cash Flow</b>					
<b>INR Cr</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Profit before tax	345	382	459	548	658
Depreciation & amortization	128	142	150	159	168
Tax paid	74	124	115	137	165
Working capital Δ	28	301	-48	-465	-114
Goodwill Δ	9	14	-	-	-
<b>Operating cash flow</b>	<b>362</b>	<b>85</b>	<b>542</b>	<b>1,035</b>	<b>776</b>
Capital expenditure	324	261	56	145	151
<b>Free cash flow</b>	<b>37</b>	<b>-175</b>	<b>486</b>	<b>890</b>	<b>625</b>
Equity raised	8	-3	-17	-21	-25
Investments made	-65	-349	-	-	-
Other asset purchases	72	-36	-	-	-
Debt financing	-103	67	95	107	130
Dividends paid	38	28	28	28	28
Other items	156	-14	67	71	75
<b>Net Δ in cash</b>	<b>54</b>	<b>232</b>	<b>602</b>	<b>1,019</b>	<b>777</b>
<b>Opening cash balance</b>	<b>563</b>	<b>617</b>	<b>849</b>	<b>1,451</b>	<b>2,470</b>
<b>Ending cash balance</b>	<b>617</b>	<b>849</b>	<b>1,451</b>	<b>2,470</b>	<b>3,247</b>

Source: Company Filings &amp; Arihant Capital Research

Ratios	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Matrix (%)</b>					
Revenue	44.61%	11.51%	13.22%	13.25%	13.29%
EBITDA	136.82%	8.73%	14.90%	15.97%	16.84%
EBIT	278.33%	8.02%	17.54%	18.67%	19.47%
PBT	1185.17%	10.78%	20.03%	19.39%	20.16%
PAT	2514.62%	-4.69%	33.14%	19.39%	20.16%
PAT after OCI	1830.00%	-37.61%	47.49%	19.39%	20.16%
<b>Profitability (%)</b>					
EBITDA Margin	7.69%	7.50%	7.60%	7.78%	8.03%
EBIT Margin	5.97%	5.79%	6.00%	6.29%	6.63%
Net Profit Margin	3.65%	3.12%	3.66%	3.86%	4.09%
Net Profit Margin after OCI	5.03%	2.82%	3.66%	3.86%	4.09%
RoCE	17.18%	16.79%	17.26%	17.81%	18.37%
RoNW	13.34%	11.55%	13.48%	13.99%	14.52%
RoA	9.23%	8.01%	9.57%	10.03%	10.53%
<b>Per Share (INR)</b>					
Basic EPS	5.51	5.41	6.95	8.29	9.97
Diluted EPS	5.51	5.41	6.95	8.29	9.97
DPS	0.80	0.60	0.60	0.60	0.60
Basic Cash EPS	2.83	3.13	3.34	3.56	3.79
Diluted Cash EPS	2.83	3.13	3.34	3.56	3.79
BVPS	43.21	47.55	54.26	62.39	72.28
Sales	155.17	173.04	195.91	221.87	251.34
<b>Valuation (x)</b>					
P/E	29.06	29.59	23.03	19.29	16.05
P/CEPS	56.54	51.10	47.85	44.94	42.20
P/B	3.70	3.36	2.95	2.56	2.21
P/Sales	1.03	0.92	0.82	0.72	0.64
EV/EBITDA	13.01	11.70	9.50	7.11	5.45
EV/EBIT	16.75	15.16	12.03	8.81	6.59
EV/Sales	1.02	0.89	0.74	0.56	0.45
Dividend Yield	0.01	0.00	0.00	0.00	0.00
<b>Liquidity (x)</b>					
Current Ratio	0.84	1.01	1.16	1.27	1.40
Quick Ratio	0.82	1.00	1.15	1.26	1.38
Defensive Interval Ratio	129.79	169.04	181.98	199.09	208.48
Cash Ratio	0.21	0.24	0.38	0.58	0.71
<b>Activity (x)</b>					
Receivables turnover	12.03	12.74	12.74	12.74	12.74
Inventory turnover	150.44	156.09	156.09	156.09	156.09
Payables turnover	2.69	2.56	2.56	2.56	2.56
Total asset turnover	2.48	2.52	2.56	2.55	2.52
Fixed asset turnover	5.06	5.09	5.72	6.70	7.67
Working capital turnover	-6.62	-10.15	-10.85	-7.94	-8.27
<b>Days</b>					
Receivable days	30.33	28.65	28.65	28.65	28.65
Inventory days	2.43	2.34	2.34	2.34	2.34
<b>Cash Conversion cycle</b>	<b>32.76</b>	<b>30.99</b>	<b>30.99</b>	<b>30.99</b>	<b>30.99</b>
Payable days	135.58	142.43	142.43	142.43	142.43
<b>Operating cycle</b>	<b>-102.82</b>	<b>-111.44</b>	<b>-111.44</b>	<b>-111.44</b>	<b>-111.44</b>
<b>Leverage (x)</b>					
Interest Coverage	4.48	5.07	5.17	5.34	5.50
Debt Equity	0.27	0.28	0.28	0.28	0.28
Net Debt Equity	-0.03	-0.10	-0.29	-0.56	-0.68
Assets to Equity	1.45	1.44	1.41	1.40	1.38
<b>Du Pont</b>					
Tax burden	0.79	0.68	0.75	0.75	0.75
Interest burden	0.78	0.80	0.81	0.82	0.82
EBIT Margin	0.06	0.06	0.06	0.06	0.07
Asset turnover	2.48	2.52	2.56	2.55	2.52
Leverage	1.45	1.44	1.41	1.40	1.38
<b>ROE</b>	<b>0.13</b>	<b>0.12</b>	<b>0.13</b>	<b>0.14</b>	<b>0.15</b>

Source: Company Filings & Arianth Capital Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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