

**CMP: INR 140**

**Rating: BUY**

**TP: INR 241**

### 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)	6,750
52w H/L (INR)	264 / 118
Avg Daily Vol (in 000')	1,033

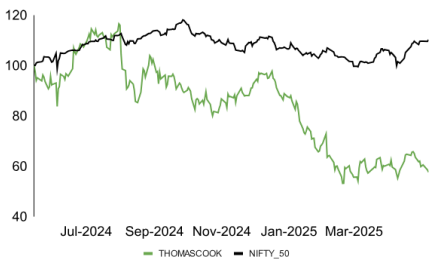
### Shareholding Pattern %

(As on March 2025)

Promoters	63.83
DII	8.10
FII	4.52
Public & Others	23.54

Stock Performance (%)	1m	3m	12m
TCIL	8.5	7.9 (36.7)	
NIFTY 50	7.9	7.4	10.8

### Thomas Cook vs Nifty 50 Price Chart



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TCIL delivered an excellent performance despite Q4 being a soft quarter. Consol revenue reported at INR 1,969 crore, 5.5% above our estimate of INR 1,866 crore; -4.5% QoQ, +18.2% YoY, driven by strong momentum in Travel and forex. EBITDA (ex-other income) stood at INR 115 crore, 7.5% ahead of our estimate of INR 107 crore; -12.4% QoQ, +33.6% YoY, aided by operating leverage in Travel Services and Forex. EBITDA Margin (ex-other income) at 5.8%, 7bps higher vs our estimate of 5.73%; -50bps QoQ, +70bps YoY, reflecting cost optimization and productivity gains despite a softer quarter. PBT before exceptional grew 51% YoY in Q4FY25, with Q4 marked as a profitable quarter for the second consecutive year despite typical seasonality. PAT came in at INR 63 crore, 20.6% above our estimate of INR 52 crore; -13.9% QoQ, +2.8% YoY, with sequential decline driven by higher deferred tax and forex losses.

**Financial Services (Forex):** Revenue up 14% YoY, and EBIT up 9% YoY; strong digital traction (app/WhatsApp-based bookings), new product (multi-currency forex card) launched with Mastercard/Visa. Retail volume grew 11%, education segment led with 26% growth; distribution expanded by 12-13% with 21 new locations.

**Leisure Hospitality (Sterling):** Revenue -1% YoY, EBIT declined 36% as higher inventory additions (61 resorts, +22% rooms YoY) diluted margins (EBITDA margin dropped to 33.9%). Sterling has maintained profitability for 20 consequent quarters. Sterling Holiday plans to add 14-15 resorts targeting nearly 4,000 rooms to bolster capacity.

**Valuation and Outlook:** We assign a BUY rating and a TP of INR 241 valued at a SOTP EV/EBIT multiple of 12x the FY27E EBIT of INR 9,154 Cr. We remain cautiously optimistic amid geopolitical and macro headwinds going into FY26. Continued focus on digital, customer experience, and operational efficiency to drive future growth. At current run-rate and no material debt, TCIL's high cash generation and asset-light forex/travel model offer a compelling structural story within the Indian discretionary space, subject to geopolitical stability and sustained outbound travel momentum.

INR Cr	FY24	FY25	FY26E	FY27E	FY28E
Revenue	7,299	8,140	9,147	10,301	11,635
YoY	44.61%	11.51%	12.37%	12.62%	12.96%
Operating Profit (Ex- OI)	435	477	525	606	704
Operating Margin	5.97%	5.86%	5.74%	5.88%	6.05%
EBITDA (Including OI)	572	622	708	812	937
EBITDA Margin	7.83%	7.64%	7.74%	7.88%	8.05%
EBIT	444	480	558	652	768
EBIT Margin	6.08%	5.89%	6.10%	6.33%	6.60%
PAT	271	258	340	399	471
YoY	2514.62%	-4.69%	31.46%	17.38%	18.23%
EPS (INR)	5.51	5.41	6.86	8.05	9.52
YoY	5597.90%	-1.81%	26.88%	17.38%	18.23%
P/E (x)	25.43	25.91	20.42	17.39	14.71
P/B (x)	3.24	2.95	2.59	2.26	1.96
EV/EBITDA (x)	11.37	10.19	8.30	6.16	4.72
EV/EBIT (x)	14.63	13.21	10.53	7.66	5.75
D/E (x)	0.27	0.28	0.28	0.28	0.28
RONW	13.34%	11.55%	13.33%	13.66%	14.02%
ROCE	17.18%	16.79%	17.11%	17.47%	17.86%

Source: Company Filings & Arihant Capital Research

## FY28E (INR Cr)

Segment	EBIT	EV/ EBIT (x)	EV
Financial Services	161	10	1,610
Travel & Related Services	526	12	6,307
Vacation Ownership & Resort Business/ Leisure Hospitality & Resorts business	159	13	2,067
Digiphoto imaging services	29	15	438
Total	875	12	10,422
Less: Unallocable corporate expenditure	106	12	1,268
<b>Enterprise Value (EV)</b>			<b>9,154</b>
Cash			3,149
Minority Interest			38
Debt			941
Preference Capital			-
Equity Value			11,324
No. Shares (Cr)			47
<b>TP</b>			<b>241</b>
<b>Upside</b>			<b>72%</b>

Source: Company Filings & Arihant Capital Research

**Digiphoto Entertainment (DEI):** Revenue and EBIT declined YoY (-10% and -1% respectively); impacted by Ramadan timing and elevated IT costs due to WeC rollout, and lower contributions from CIS countries. Digital Imaging Solutions sales grew 23% in FY25, and can maintain a 12% CAGR ahead, aiming EBITA to match FY24 levels. Regional markets like Indonesia and Macau performed strongly.

**Balance Sheet Position:** Cash & equivalents at INR 20.7Bn; gross debt negligible; strong liquidity buffer supports growth capex (20 resorts in pipeline).

**Travel & Related Services:** Revenue up 25% YoY, and EBIT grew 151% YoY aided by turnaround in DMS and sustained B2C/B2B recovery.

**Risks** include geopolitical uncertainties, tariff ambiguities contributing to slower decision-making, and seasonality affecting future performance-leading to lower update in Q4.

<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>9,147</b>	<b>10,301</b>	<b>11,635</b>
Other income	136	145	183	206	233
Cost of sales & services	5,308	5,977	6,677	7,519	8,494
Employee benefit expenses	961	1,041	1,189	1,339	1,513
Advertisement & promotion expenses	76	-	46	52	58
Inter segment unallocable expenditure	63	74	84	94	106
Other expenses	456	570	626	691	760
<b>EBITDA</b>	<b>572</b>	<b>622</b>	<b>708</b>	<b>812</b>	<b>937</b>
<b>EBITDA Margin</b>	<b>7.69%</b>	<b>7.50%</b>	<b>7.59%</b>	<b>7.73%</b>	<b>7.89%</b>
Depreciation & amortisation expense	128	142	150	159	168
Finance Cost	99	95	109	125	144
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>453</b>	<b>532</b>	<b>629</b>
Cash Tax	74	124	113	133	157
<b>PAT</b>	<b>271</b>	<b>258</b>	<b>340</b>	<b>399</b>	<b>471</b>
EPS after exceptional items:					
Basic (INR)	5.51	5.41	6.86	8.05	9.52
Diluted (INR)	5.51	5.55	6.86	8.05	9.52
<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	2,507	2,857	3,277
Non controlling Interest	-25	-23	-6	14	38
<b>Net Worth</b>	<b>2,032</b>	<b>2,237</b>	<b>2,548</b>	<b>2,918</b>	<b>3,362</b>
Total debt	553	620	713	817	941
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>1,273</b>	<b>1,427</b>	<b>1,601</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>-822</b>	<b>-1,287</b>	<b>-1,380</b>
Inventories	40	36	49	47	62
Trade receivables	646	632	804	813	1,013
Cash and cash equivalents	617	849	1,418	2,422	3,149
Other current assets	1,191	2,077	2,077	2,077	2,077
Trade payables	2,157	2,508	2,703	3,166	3,463
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>3,821</b>	<b>4,345</b>	<b>4,962</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	453	532	629
Depreciation & amortization	128	142	150	159	168
Tax paid	74	124	113	133	157
Working capital Δ	28	301	-20	-466	-93
Goodwill Δ	9	14	-	-	-
<b>Operating cash flow</b>	<b>362</b>	<b>85</b>	<b>510</b>	<b>1,024</b>	<b>732</b>
Capital expenditure	324	261	56	145	151
<b>Free cash flow</b>	<b>37</b>	<b>-175</b>	<b>454</b>	<b>879</b>	<b>582</b>
Equity raised	8	-3	-17	-20	-24
Investments made	-65	-349	-	-	-
Other asset purchases	72	-36	-	-	-
Debt financing	-103	67	93	104	124
Dividends paid	38	28	28	28	28
Other items	156	-14	67	70	74
<b>Net Δ in cash</b>	<b>54</b>	<b>232</b>	<b>569</b>	<b>1,004</b>	<b>727</b>
<b>Opening cash balance</b>	<b>563</b>	<b>617</b>	<b>849</b>	<b>1,418</b>	<b>2,422</b>
<b>Ending cash balance</b>	<b>617</b>	<b>849</b>	<b>1,418</b>	<b>2,422</b>	<b>3,149</b>

Source: Company Filings & Arihant Capital Research

Ratios	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Matrix (%)</b>					
Revenue	44.61%	11.51%	12.37%	12.62%	12.96%
EBITDA	136.82%	8.73%	13.94%	14.59%	15.40%
EBIT	278.33%	8.02%	16.30%	16.94%	17.75%
PBT	1185.17%	10.78%	18.52%	17.38%	18.23%
PAT	2514.62%	-4.69%	31.46%	17.38%	18.23%
PAT after OCI	1830.00%	-37.61%	45.63%	17.38%	18.23%
<b>Profitability (%)</b>					
EBITDA Margin	7.69%	7.50%	7.59%	7.73%	7.89%
EBIT Margin	5.97%	5.79%	5.98%	6.21%	6.47%
Net Profit Margin	3.65%	3.12%	3.64%	3.79%	3.97%
Net Profit Margin after OCI	5.03%	2.82%	3.64%	3.79%	3.97%
RoCE	17.18%	16.79%	17.11%	17.47%	17.86%
RoNW	13.34%	11.55%	13.33%	13.66%	14.02%
RoA	9.23%	8.01%	9.45%	9.76%	10.13%
<b>Per Share (INR)</b>					
Basic EPS	5.51	5.41	6.86	8.05	9.52
Diluted EPS	5.51	5.41	6.86	8.05	9.52
DPS	0.80	0.60	0.60	0.60	0.60
Basic Cash EPS	2.83	3.13	3.34	3.55	3.78
Diluted Cash EPS	2.83	3.13	3.34	3.55	3.78
BVPS	43.21	47.55	54.17	62.04	71.46
Sales	155.17	173.04	194.44	218.98	247.35
<b>Valuation (x)</b>					
P/E	25.43	25.91	20.42	17.39	14.71
P/CEPS	49.49	44.73	41.91	39.40	37.04
P/B	3.24	2.95	2.59	2.26	1.96
P/Sales	0.90	0.81	0.72	0.64	0.57
EV/EBITDA	11.37	10.19	8.30	6.16	4.72
EV/EBIT	14.63	13.21	10.53	7.66	5.75
EV/Sales	0.89	0.78	0.64	0.49	0.38
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	1.39
Quick Ratio	0.82	1.00	1.15	1.26	1.38
Defensive Interval Ratio	129.79	169.04	181.46	199.37	207.64
Cash Ratio	0.21	0.24	0.38	0.57	0.69
<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	2.55	2.52	2.50
Fixed asset turnover	5.06	5.09	5.67	6.61	7.55
Working capital turnover	-6.62	-10.15	-11.13	-8.00	-8.43
<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	5.13	5.23	5.35
Debt Equity	0.27	0.28	0.28	0.28	0.28
Net Debt Equity	-0.03	-0.10	-0.28	-0.55	-0.66
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	0.81	0.82
EBIT Margin	0.06	0.06	0.06	0.06	0.07
Asset turnover	2.48	2.52	2.55	2.52	2.50
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>0.14</b>

Source: Company Filings &amp; 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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