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Generating Wealth

Q1FY27 Result Update
05th Aug 2026

Thomas Cook India

CMP: INR 107

Rating: BUY

TP: INR 216

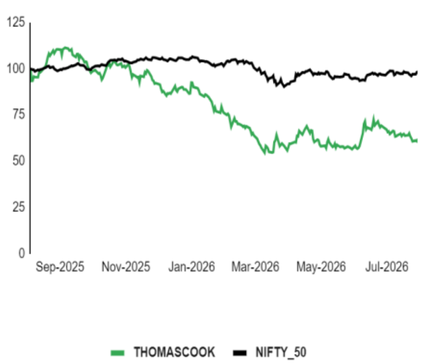
Stock Info	
BSE	500413
NSE	THOMASCOOK
Bloomberg	TC:IN
Reuters	THOM.NS
Sector	Tour, Travel Related Services
Face Value (INR)	1
Equity Capital (INR cr)	47.04
Mkt Cap (INR cr)	5,066
52w H/L (INR)	182/86
Avg Daily Vol (in 000')	1,610

Shareholding Pattern %
(As on June 2026)

Promoters	64.77
DII	6.53
FII	6.18
Public & Others	22.52

Stock Performance (%)	1m	3m	12m
TCIL	0.56	7.73	(33.2)
NIFTY 50	0.27	0.70	0.92

Thomas Cook vs Nifty 50 Price Chart



Thomas Cook (India) Limited Q1FY27 consolidated revenue declined 13.13% YoY to INR 20,919 Mn (+18.14% QoQ), missing our estimate of INR 21,672 Mn, primarily impacted by the West Asia conflict, which affected GCC-based subsidiaries DEI and Desert Adventures. EBITDA de-grew 26.47% YoY to INR 930 Mn (+18.72% QoQ), below our estimate of INR 1,112 Mn, while EBITDA margin contracted 81 bps YoY to 4.45% (+2 bps QoQ), missing our estimate of 5.13%. PAT declined 13.39% YoY to INR 637.1 Mn but surpassed our estimate of INR 557.7 Mn, aided by lower below-the-line costs. Segment-wise, Financial Services revenue grew 6% YoY to INR 892 Mn, while Leisure Hospitality reported strong growth of 19% YoY to INR 1,614 Mn. The company also continued to strengthen its digital capabilities, with Forex digital adoption reaching 23.5% and app-based bookings increasing threefold year-on-year.

Operational Resilience via Portfolio Diversification: The group's diversified portfolio effectively absorbed significant geopolitical disruptions in West Asia, specifically affecting Desert Adventures and DEI. While these Middle East operations weighed on reported figures, the India-led businesses remained stable, and the group registered 8% EBIT growth for the quarter when excluding the impacted GCC-based subsidiaries.

Record-Breaking Performance in Hospitality Segment: Sterling Holiday Resorts achieved its strongest operating and financial quarter in company history, marking 26 consecutive profitable quarters. The segment delivered a 21% YoY revenue growth to 1.7 billion rupees and maintained an industry-leading EBITDA margin of 37%. Growth was driven by a 10% increase in average room rate to 7,809 rupees and a 700-bps improvement in occupancy to 77%.

Valuation and Outlook: The company maintains a cautiously optimistic outlook for the remainder of FY27, anticipating that performance in the second half of the year will surpass the first half as long-haul travel conversion trends begin to improve. While geopolitical volatility in West Asia continues to weigh on international subsidiaries like DEI and Desert Adventures, the group is aggressively implementing cost-optimization and remediation measures to enhance earnings quality in the coming quarters. Future growth is anchored by the record-breaking momentum and asset-right expansion of Sterling Holiday Resorts, which has a visible pipeline of over 35 properties, as well as the resilience of core India businesses in forex and B2B travel. By leveraging digital transformation and pivoting toward high-demand niche markets like spiritual and short-haul travel, the company remains focused on its long-term goal of delivering a 20% Return on Capital. we therefore assign a BUY rating with a Target Price of INR 216, valued at a SOTP EV/EBIT multiple of 12x.

INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Revenue	8,140	8,398	8,152	8,892	10,065
YoY	*11.51%*	*3.18%*	*-2.93%*	*9.08%*	*13.18%*
Operating Profit (Ex- OI)	477	428	434	502	584
Operating Margin	*5.86%*	*5.09%*	*5.32%*	*5.64%*	*5.80%*
EBITDA (Including OI)	622	587	597	679	785
EBITDA Margin	*7.64%*	*6.99%*	*7.32%*	*7.64%*	*7.80%*
EBIT	480	428	434	513	616
EBIT Margin	*5.89%*	*5.09%*	*5.32%*	*5.77%*	*6.12%*
PAT	258	220	268	311	370
YoY	*-4.69%*	*-14.67%*	*21.72%*	*16.07%*	*18.74%*
EPS (INR)	5.41	4.65	5.42	6.29	7.47
YoY	*-1.81%*	*-13.95%*	*16.50%*	*16.07%*	*18.74%*
P/E (x)	17.57	20.42	17.53	15.10	12.72
P/B (x)	2.00	1.77	1.62	1.47	1.32
EV/EBITDA (x)	6.78	7.26	5.65	3.81	2.63
EV/EBIT (x)	8.79	9.98	7.51	4.93	3.30
D/E (x)	0.28	0.31	0.28	0.28	0.28
RONW	11.55%	8.74%	9.71%	10.22%	10.91%
ROCE	16.79%	12.95%	13.93%	14.51%	15.31%

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INR Mn (consolidated)	Q1FY27	Q4FY26	Q1FY26	Q-o-Q	Y-o-Y
Income From Operations	**20,919**	**17,707**	**24,080**	***18.14%***	***-13.13%***
Cost of Services	15,312	11,998	18,193	*27.63%*	*-15.84%*
Gross Profit	5,607	5,709	5,886	*-1.79%*	*-4.75%*
Gross Margin	*26.80%*	*32.24%*	*24.45%*	*-544bps*	*236bps*
Employee costs	2943	3013	2916	*-2.33%*	*0.92%*
Other Expenses	1734	1913	1705	*-9.36%*	*1.68%*
EBITDA	**930**	**784**	**1265**	***18.72%***	***-26.47%***
EBITDA margin %	*4.45%*	*4.43%*	*5.25%*	*2bps*	*-81bps*
Other Income	611	348	451	*75.86%*	*35.59%*
Depreciation & Amortization	422	424	365	*-0.52%*	*15.71%*
EBIT	**1119**	**707**	**1351**	***58.35%***	***-17.16%***
Finance costs	235	230	238	*1.95%*	*-1.43%*
Exceptional Items	-2	-15	0	*-87.01%*	*#DIV/0!*
PBT	**882.5**	**461**	**1113**	***91.39%***	***-20.70%***
Tax Expense	248	185	379	*33.78%*	*-34.68%*
Effective tax rate %	*35.00%*	*40.12%*	*34.05%*	*-512bps*	*95bps*
PAT	**635**	**276**	**734**	***129.99%***	***-13.49%***
Share of Associate Income net of tax	2.1	31	2	*-93.16%*	*31.25%*
Profit for the Period	**637.1**	**306.8**	**735.6**	***107.66%***	***-13.39%***
PAT margin %	*3.05%*	*1.73%*	*3.05%*	*131bps*	*-1bps*
EPS (INR)	**1.54**	**0.83**	**1.55**	***85.54%***	***-0.65%***

Strategic Outperformance in Foreign Exchange: Despite a broader industry decline in travel-related forex and remittances, Thomas Cook India's retail portfolio delivered an 8% growth in turnover, outperforming the underlying market. Notably, while the education industry saw a 27% decline according to LRS data, the company's education portfolio grew by 17% for the period, supported by the launch of the Study Buddy card program.

Robust Momentum in B2B Travel Channels: The MICE portfolio recorded a healthy 14% YoY growth, successfully managing over 110 groups during the quarter. Similarly, Corporate Travel saw gross turnover increase by 15%, supported by the acquisition of seven new high-value accounts across sectors like financial services and IT.

Capitalization on High-Growth Niche Segments: The company is aggressively capturing the fast-growing spiritual travel segment through its Bhakti and Darshan platforms, catering to increasing demand for premium pilgrimage circuits. Additionally, management noted a successful pivot to short-haul international destinations like Japan, Korea, and Vietnam, which saw a combined increase of 38% year-on-year, effectively offsetting some long-haul demand softness.

Accelerated Digital Transformation and AI Integration: Digital penetration improved significantly to 23.5% in the forex business and 21% in travel, driven by strong traction on WhatsApp and mobile app channels. The company is further enhancing productivity and service quality through AI-powered initiatives, including conversational chatbots, AI-enabled quality monitoring, and voice automation.

Asset-Right Scalability and Visible Pipeline: Sterling Holidays continues to execute an asset-right strategy, adding resorts at a 28% year-on-year growth rate. The company has a visible development pipeline of over 35 resorts (more than 2,000 rooms), providing strong revenue visibility while maintaining a debt-free balance sheet with cash reserves exceeding 3.7 billion rupees.

Proactive Mitigation of Geopolitical Headwinds: The company has taken immediate corrective actions to address the underperformance in the Middle East, including closing non-profitable sites in China and the Bahamas, enhancing labor controls, and renegotiating terms with Middle Eastern partners. These cost-optimization measures are expected to yield more pronounced results in the subsequent quarters of FY27.

Sustained Operating Leverage and Value Creation: Across the group, profitability is growing faster than revenue, demonstrating improving operating leverage and disciplined cost management. The company remains focused on prudent capital allocation to maximize shareholder value, with a long-term goal of delivering a 20% Return on Capital across its business segments.

Income Statement

INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Revenue from operations	**8,140**	**8,398**	**8,152**	**8,892**	**10,065**
Other income	145	160	163	178	201
Cost of sales & services	5,977	6,102	5,951	6,491	7,347
Employee benefit expenses	1,041	1,171	1,060	1,156	1,308
Advertisement & promotion expenses	87	94	41	44	50
Inter segment unallocable expenditure	74	77	75	81	92
Other expenses	482	526	592	618	683
EBITDA	**622**	**587**	**597**	**679**	**785**
EBITDA Margin	***7.50%***	***6.86%***	***7.17%***	***7.49%***	***7.65%***
Depreciation & amortisation expense	142	160	163	166	170
Finance Cost	95	95	94	104	115
Profit/ Loss from associates	4	4	4	4	4
Exceptional Items	-7	-6	-	1	2
PBT after exceptional Items	**382**	**331**	**403**	**468**	**555**
Cash Tax	124	110	134	156	185
PAT	**258**	**220**	**268**	**311**	**370**
EPS after exceptional items:					
Basic (INR)	5.41	4.65	5.42	6.29	7.47
Diluted (INR)	5.55	4.82	5.42	6.27	7.43

Balance Sheet

INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	47	47	47	47	47
Other Equity	2,213	2,499	2,726	2,995	3,320
Non controlling Interest	-23	-23	-9	6	25
Net Worth	**2,237**	**2,524**	**2,764**	**3,048**	**3,391**
Total debt	620	780	774	853	950
Deferred tax liability (net)	-114	-40	-40	-40	-40
Other non current liabilities	624	599	649	699	749
Total Liabilities	**1,130**	**1,339**	**1,383**	**1,513**	**1,659**
Net Block	1,566	1,739	1,344	1,228	1,108
CWIP	93	10	10	10	10
Goodwill	1,125	1,183	1,183	1,183	1,183
Other intangible assets	118	226	226	226	226
Investments	104	536	536	536	536
Other non current assets	313	282	282	282	282
Net Working Capital:	**-802**	**-1,073**	**-729**	**-1,442**	**-1,302**
Inventories	36	50	34	57	46
Trade recievables	632	663	594	777	775
Cash and cash equivalents	849	960	1,531	2,537	3,252
Other current assets	2,077	2,080	2,080	2,080	2,080
Trade payables	2,508	2,814	2,376	3,286	3,122
Other current liabilities	1,040	1,051	1,061	1,071	1,081
Total assets	**3,366**	**3,862**	**4,147**	**4,560**	**5,050**

Cash Flow

INR Cr	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	382	331	403	468	555
Depreciation & amortization	142	160	163	166	170
Tax paid	124	110	134	156	185
Working capital Δ	301	-271	344	-714	140
Goodwill Δ	14	58	-	-	-
Operating cash flow	**85**	**593**	**323**	**954**	**645**
Capital expenditure	261	249	-232	50	50
Free cash flow	**-175**	**344**	**555**	**904**	**595**
Equity raised	-3	17	-13	-16	-18
Investments made	-349	433	-	-	-
Other asset purchases	-36	76	-	-	-
Debt financing	67	159	-6	80	96
Dividends paid	28	28	28	28	28
Other items	-14	128	63	67	70
Net Δ in cash	**232**	**111**	**571**	**1,006**	**715**
Opening cash balance	**617**	**849**	**960**	**1,531**	**2,537**
Ending cash balance	**849**	**960**	**1,531**	**2,537**	**3,252**

Source: Company Filings & Arihant Capital Research

Ratios	FY25	FY26	FY27E	FY28E	FY29E
Growth Matrix (%)					
Revenue	11.51%	3.18%	-2.93%	9.08%	13.18%
EBITDA	8.73%	-5.55%	1.61%	13.89%	15.56%
EBIT	8.02%	-10.88%	1.42%	18.33%	19.95%
PBT	10.78%	-13.40%	21.72%	16.07%	18.74%
PAT	-4.69%	-14.67%	21.72%	16.07%	18.74%
PAT after OCI	-37.61%	27.94%	-10.07%	16.44%	19.00%
Profitability (%)					
EBITDA Margin	7.50%	6.86%	7.17%	7.49%	7.65%
EBIT Margin	5.79%	5.00%	5.22%	5.66%	6.00%
Net Profit Margin	3.12%	2.58%	3.04%	3.25%	3.43%
Net Profit Margin after OCI	2.82%	3.49%	3.04%	3.26%	3.45%
RoCE	16.79%	12.95%	13.93%	14.51%	15.31%
RoNW	11.55%	8.74%	9.71%	10.22%	10.91%
RoA	8.01%	6.10%	6.70%	7.16%	7.70%
Per Share (INR)					
Basic EPS	5.41	4.65	5.42	6.29	7.47
Diluted EPS	5.41	4.65	5.42	6.29	7.47
DPS	0.60	0.60	0.60	0.60	0.60
Basic Cash EPS	3.13	3.49	3.58	3.67	3.76
Diluted Cash EPS	3.13	3.49	3.58	3.67	3.76
BVPS	47.55	53.65	58.75	64.79	72.09
Sales	173.04	178.53	173.30	189.04	213.96
Valuation (x)					
P/E	17.57	20.42	17.53	15.10	12.72
P/CEPS	30.34	27.22	26.55	25.90	25.23
P/B	2.00	1.77	1.62	1.47	1.32
P/Sales	0.55	0.53	0.55	0.50	0.44
EV/EBITDA	6.78	7.26	5.65	3.81	2.63
EV/EBIT	8.79	9.98	7.51	4.93	3.30
EV/Sales	0.52	0.51	0.43	0.30	0.21
Dividend Yield	0.01	0.01	0.01	0.01	0.01
Liquidity (x)					
Current Ratio	1.01	0.97	1.15	1.25	1.38
Quick Ratio	1.00	0.96	1.14	1.24	1.36
Defensive Interval Ratio	169.04	169.19	191.00	222.16	226.38
Cash Ratio	0.24	0.25	0.41	0.58	0.72
Activity (x)					
Recievables tunover	12.74	12.97	12.97	12.97	12.97
Inventory turnover	156.09	141.96	141.96	141.96	141.96
Payables turnover	2.56	2.29	2.29	2.29	2.29
Total asset turnover	2.52	2.32	2.16	2.16	2.20
Fixed asset turnover	5.09	4.93	5.26	6.86	8.54
Working capital turnover	-10.15	-7.83	-11.19	-6.16	-7.73
Days					
Recievable days	28.65	28.14	28.14	28.14	28.14
Inventory days	2.34	2.57	2.57	2.57	2.57
Cash Conversion cycle	**30.99**	**30.71**	**30.71**	**30.71**	**30.71**
Payable days	142.43	159.18	159.18	159.18	159.18
Operating cycle	**-111.44**	**-128.47**	**-128.47**	**-128.47**	**-128.47**
Leverage (x)					
Interest Coverage	5.07	4.51	5.24	5.46	5.76
Debt Equity	0.28	0.31	0.28	0.28	0.28
Net Debt Equity	-0.10	-0.07	-0.27	-0.55	-0.68
Assets to Equity	1.44	1.43	1.45	1.43	1.42
Du Pont					
Tax burden	0.68	0.67	0.67	0.67	0.67
Interest burden	0.80	0.77	0.82	0.83	0.84
EBIT Margin	0.06	0.05	0.05	0.06	0.06
Asset turnover	2.52	2.32	2.16	2.16	2.20
Leverage	1.44	1.43	1.45	1.43	1.42
ROE	**0.12**	**0.09**	**0.10**	**0.10**	**0.11**

Source: Company Filings & Arihant 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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