

**CMP: INR 155**

**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)	7,157
52w H/L (INR)	225 / 118
Avg Daily Vol (in 000')	1,285

**Shareholding Pattern %**

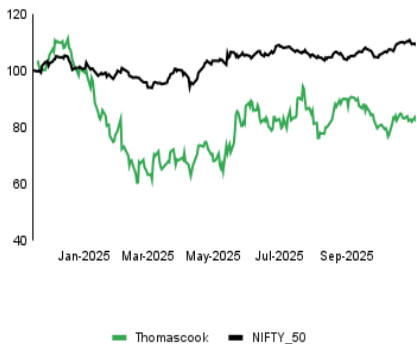
(As on Sept 2025)

Promoters	63.83
DII	7.33
FII	5.32
Public & Others	23.52

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

TCIL	(7.00)	(2.75)	(24.6)
NIFTY 50	2.85	5.19	10.1

**Thomas Cook vs Nifty 50 Price Chart**



**Abhishek Jain**  
[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)  
022 4225 4871

**Deepali Kumari**  
[deepali.kumari@arihantcapital.com](mailto:deepali.kumari@arihantcapital.com)  
022 4225 4873

Thomas Cook (India) Ltd reported revenue down 13.88% QoQ to INR 20,738 Mn (+3.5% YoY), missing the estimate of INR 21,173 Mn; gross margin contracted 42 bps YoY to 26.16% (+171 bps QoQ), beating expectations of 24.5%; EBITDA de-grew 13.1% YoY to INR 1,082 Mn (-14.48% QoQ), aligning closely with the INR 1,095 Mn estimate; EBITDA margin contracted 100 bps YoY (-4 bps QoQ) to 5.22%, in line with the 5.17% forecast; and PAT declined 1.52% YoY to INR 705 Mn (-3.92% QoQ), surpassing the estimate of INR 611 Mn. Despite challenging macro conditions, including geopolitical disruptions, adverse weather, and industry headwinds, Thomas Cook India delivered stable financials.

**Digital and Product Innovation Strengthening Competitive Edge:** The group's leadership in digital initiatives—such as the launch of India's first 10-minute forex card delivery on Blinkit, the TC Pay integrated forex app, and contactless cross-border payments via Google Pay—continues to enhance customer convenience and solidify Thomas Cook's differentiators in financial services and travel.

**Market Leadership in Core Segments and Robust Distribution:** The company remains a market leader in key segments, including travel-related services and prepaid forex card offerings, with a 31–32% prepaid card market share, backed by operational excellence and a widespread distribution network. The strategic focus on high-potential niches like holidays, education, and corporate travel supports sustainable volume growth.

**Valuation and Outlook:** We assign a BUY rating and a TP of INR 241 valued at a SOTP EV/EBIT multiple of 12x the FY28E EV of INR 9,154 Cr. The company is positioned for robust multi-year growth, underpinned by resilient financial performance, sectoral tailwinds, and a continually expanding product portfolio. The company will not only sustain but surpass industry growth rates (12–15% for FY26), leveraging digital innovation, new service launches, and policy support such as GST rationalization. The strong balance sheet and healthy cash reserves provide ample firepower for both organic and inorganic expansion. With consolidated revenue up 9% YoY in H1 FY26 despite temporary macro and weather pressures, further acceleration is expected in the coming quarters as travel demand normalizes, and new capacity is monetized.

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 & Arianth Capital Research

**Asset-Light Expansion and Portfolio Diversification:** The consistent expansion of hotel and resort operations, mainly under Sterling Holiday Resorts, adds scale through an asset-light, revenue-share, and company contract model. Sterling's resort portfolio grew 28% YoY, with RevPAR up 11% and 7 new resorts added in Q2 alone, highlighting prudent capital allocation and growth visibility.

**Margin Recovery and Cost Efficiency Initiatives:** While segment margins were temporarily impacted by input cost inflation, ramp-up costs for new resorts, and higher marketing spends, the company has outlined a path to margin normalization in H2, with a target to sustain 32–35% margins in hospitality and anticipated improved economies of scale in digital imaging as the new platform stabilizes.

**Strong Balance Sheet and Cash Accumulation:** Sterling remains debt-free with a significant cash reserve position (INR 3,080 million, up 51% YoY). Group-level financial discipline and healthy cumulative cash flows reinforce the company's ability to fund future expansion and navigate adverse cycles without stress.

**Positive Outlook Driven by Macro and Policy Tailwinds:** The company expects a recovery in travel demand through H2, driven by GST rationalization, tax rate cuts, improving consumer sentiment, and normalized weather conditions. Forward bookings in both domestic and overseas markets, as well as strong B2C and B2B pipeline momentum, position the group to benefit from sector tailwinds and a recovery in discretionary spend.

<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 &amp; Arianth 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>					
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 & Arianth Capital Research

**Arihant Research Desk**Email: [research@arihantcapital.com](mailto:research@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	6 Lad Colony Y. N. Road Indore - 452003, (M.P.) Tel: (91-731) 4214100 Fax: (91-731) 3016199

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%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:research@arihantcapital.com">research@arihantcapital.com</a>

**Disclaimer:** This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800 Fax. 022-42254880