Sector: Logistics Solution Provider | RESULT REVIEW Q4&FY26 | Declared On: 25 May 2026

TVS Supply Chain Solutions Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs123	54.4	Accumulate	Rs140	13%

as on 26th May, 2026

About the Company:

TVS Supply Chain Solutions Ltd (TVS SCS), originally part of the TVS Mobility Group and established in 1995, was incorporated as a separate company in 2004. The company is an Indian based MNC, tech-led and asset light supply chain solutions (where the warehouses and vehicles are operated on a lease structure) provider offering differentiated supply chain solutions to meet the customers' supply chain management and logistics requirements. The company is a one stop solution provider for end-to-end supply chain management. The company operates 2 main business segments viz; Integrated Supply Chain Solutions (ISCS) and Global Forwarding Solutions (GFS) where usage of technology and data analytics enables to provide tailor-made solutions to its esteemed customer base. Some of the key solutions/offerings include accurate demand forecasting, inventory planning and production, procurement, network optimization, visibility and supply chain agility to handle evolving needs. TVS SCS has strong, long standing customer relationships serving a diverse base of ~6200+ active customers inclusive of 100 Fortune 500 companies (increased from 54 clients in FY21). The TVS SCS brand is synonymous to integrity, operational excellence and a strong commitment to compliance and corporate governance and aligns with the TVS Group lineage. The operations of the company are aligned with global ISO accreditations with ISO 45001:2018 (Occupational Health and Safety Management System-OHSMS) and ISO 14001:2018 (Environment Management System-EMS). Mr. R. Dinesh is the Executive Chairman and Mr. Ravi Viswanathan is the Managing Director of the company.

Results: Quick Glance:

- The net sales for the quarter reported a growth of 21.3% to Rs30.32bn as compared to Rs24.99bn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 7.2% as compared to 6.8% in the comparative quarter last year
- The company reported profit of Rs184mn as compared to a loss of Rs39mn in the same quarter last year
- The EPS for the quarter stood at Rs0.40 as compared to Rs(0.11) in the corresponding period of last year
- For FY26, the revenues came in at Rs110.03bn as compared to Rs99.96bn; growth of 10.1% while the PAT stood at Rs1.17bn as against loss of Rs0.10bn. The EPS came in at Rs2.59 as against Rs(0.31) in FY25

Conference Call Highlights:

- **Integrated Supply Chain Solutions (ISCS) business:** for the quarter under review the business generated total revenues of Rs22,830mn categorized as Rs6210mn (in the Indian markets) and Rs16,620mn (in the RoW markets). The ISCS sales reported a growth of ~15.4% on a q-o-q basis and ~17.5% on a y-o-y basis. For FY26, ISCS sales stood at Rs82,390mn; growth of ~9.6% on a y-o-y basis. This business contributes **~75%** of the total business for the company. The adjusted **Ebitda margins** for the quarter and FY26 stood at ~9.3% and ~8.9% respectively. The strong performance under this business segment was led by traction from India, North America and the EU markets along with new business wins. For the **Indian** markets, FY26 ISCS sales came in at Rs21,920mn attributed to new business and the Management expects this momentum to continue in FY27E as well. In **North America** FY26 ISCS sales stood at Rs10,210mn. Post the successful execution of the large project secured in H2FY26; the Management expects the growth to gain traction throughout FY27E. The strong traction in this market is directed towards the industrial and automotive sector (with focus to gauge on additional domains as well in the near term and scout for opportunities to partner with tech and non-tech related sectors) and over the next 3-5 years, the Management expects the US sales to be at ~USD50-60mn on an annual basis. The ISCS **EU** sales in FY26 stood at Rs48,220mn; FY27E key focus areas would be to expand key customer relationships and drive operational efficiency for sustainable growth. The average **client associations** across these geographies in respective order for FY26 stood as: 4.1 year, 5.2 year and 7.4 year. Some of the strategic opportunities/customer wins includes: (i) leading Indian **electric vehicle** manufacturer, (ii) top **electrical** equipment company, (iii) leading Indian value retail chain, (iv) global company of **power** solutions, (v) top global **digital infrastructure** and network provider, (vi) global leader in sustainable **construction** solutions, (vii) North America-based manufacturer of **lifting equipment**, (viii) global **engineering and technology** solutions provider, (ix) leading Indian multinational in **information services** technology (Europe), (x) global **information technology** major (Europe) and (xi) global **enterprise technology** leader (Europe)

Conference Call Highlights (contd.):

- **Global Forwarding Solutions (GFS) business:** generated total sales of Rs7490mn in Q4FY26. This is further categorized as India sales at Rs2480mn and RoW sales at Rs5010mn. The GFS business total sales reported a growth of ~1.7% and ~34.8% respectively on a q-o-q and y-o-y basis. For FY26, GFS sales stood at Rs27,640mn; growth of ~11.4% on a y-o-y basis. The adjusted (for Esops and redundancy costs) **Ebitda margins** for the quarter and FY26 stood at ~2.4% and ~2.3% respectively. Though the margins in this business remain a concern on account of **macro related uncertainties**, the same is not the case on the volumes front. For the quarter under review, the overall performance was driven by rebound in Indian ocean freight volumes. Some of the strategic opportunities/customer wins includes: (i) top global leader in **sanitaryware and bath** solutions, (ii) leading Indian **tyre** manufacturer, (iii) multinational **intralogistics** and material handling provider, (iv) leading industrial **automation** and robotics company and (v) global **fashion and apparel retailer**
- The Management envisions couple of opportunities both in the Indian as well as the RoW markets in the near term; some of which consists of **India:** offering transportation solution for a leading precision engineering solutions provider, transportation solution for a top European based automotive manufacturer, integrated solution for a top beverage solutions provider, integrated solution for a global rail mobility solutions leader. **RoW:** forwarding solution for a top multinational automotive manufacturer, warehousing and manufacturing support solution for an American electric vehicle manufacturer, integrated solution for a European retail and grocery leader, transformation solution for a global facilities management services provider, packaging solution for a global commercial mobility solutions provider, integrated solution to a national military and security authority
- The **new business wins** stood at Rs5.24bn for Q4FY26 and at ~Rs12.07bn in FY26; the contribution from these to the overall sales stands at ~21.0% and ~12.1%. The **business development** pipeline stood at ~**Rs61bn** in the quarter under reference (the historic conversion rate for the company has been at ~20%). In terms of the end-user industries, the contribution for FY26 stands as Industrial: ~32%, Automotive: ~25%, Tech & tech infra: ~12%, Consumer: ~14%, Rail & Utilities: ~8%, Healthcare: ~1% and Others: ~5%. The total Fortune 500 client count has increased to 100 in FY26 as against 91 in FY25
- The **ALA Group MoU** (signed in Feb'26), has been identified as an opportunity under the aerospace & defence (A&D) domain where the intent is to jointly target the Indian A&D supply chain market. The company is keenly monitoring the progress towards this MoU; this also allows to jointly build certified end-to-end A&D supply chain solutions in the Indian market and TVS SCS can leverage from the existing certifications, capability, technology, customer relationships of ALA group
- TVS SCS is an early adopter of technology and has already integrated AI and robotics in its operations. Additionally, the company had applied for a **patent** for its unified logistics platform and the same has accepted
- In terms of **China+1** opportunity, the company is witnessing early traction with its existing customer base (for instance for an earth moving equipment MNC) and would evaluate the wins considering the external geopolitical factors
- On 28th Jan'26, **FIT 3PL Warehousing Pvt. Ltd** (FIT 3PL), a WoS of TVS SCS had entered into a definitive agreement to acquire 100% equity stake in **Swamy & Sons 3PL Pvt. Ltd** (Swamy & Sons) for an enterprise value of ~Rs880mn (to strengthen the capability in FMCG and FMCD). Subsequent to the year end, on 22nd May, 2026, as per the terms of the agreement, FIT 3PL acquired 80% of the equity stake for a consideration of Rs595.6mn. The Management expects this acquisition to be margin accretive for the Indian markets in FY27E
- The **net debt** as of 31st Mar'26 stood at ~Rs3500-3700mn; except for ~Rs1200mn which is a long-term debt for a specific project in North America, the balance portion of the debt pertains to funding the working capital requirements. The cash generated from operations in FY26 stood at Rs2430mn

Financials:

Performance (Q4&FY26)									
Q4&FY26 Result (Rs mn)	**Mar-26**	**Mar-25**	**y-o-y**	**Dec-25**	**q-o-q**	**FY26**	**FY25**	**y-o-y**	**FY27E**
Total Revenue	30322	24988	21.3%	27158	11.7%	110030	99957	10.1%	121552
EBITDA	2183	1690	29.2%	2056	6.2%	7826	6913	13.2%	9116
Other Income	105	134	(22.2%)	72	45.1%	378	332	14.0%	382
Interest	449	371	21.1%	417	7.8%	1579	1567	0.7%	1651
Depreciation	1557	1333	16.8%	1470	5.9%	5704	5436	4.9%	6068
Exceptional Items	(52)	0	-	(91)	-	(1056)	0	-	0
Tax	74	169	(56.5%)	48	52.8%	515	390	32.0%	623
Share of JV/Assoc.	28	9	-	11		1820	52	-	109
Net Profit	**184**	**(39)**	**-**	**112**	**64.1%**	**1170**	**(96)**	**-**	**1266**

Outlook and Recommendations:

The company has reported a resilient performance both for the quarter as well as FY26. The strong traction was attributed to robust momentum from the India business, new business wins and continued momentum across the key customer segments. The company achieved a significant milestone mark in its total sales for FY26 which stood at ~Rs110bn. The ISCS India operations growth was well supported by new business wins whereas the EU operations witnessed a business recovery led by margin expansion and cost-efficient initiatives undertaken via **Project One**. Considering the current uncertainty in the freight industry, the company would keenly monitor the effect of the same. The company doesn't have a direct exposure to the West Asian trade routes which keeps the operations insulated. Even though the pricing could be volatile and dynamic, the volumes are not a cause of concern under the GFS business. The Management expects the growth momentum (in terms of volumes) to continue from the Indian operations. **Encirclement/cross-selling** opportunities from the existing as well as new customers along with new business wins can propel long term growth via customer stickiness. In addition to this, profitable **new business wins** coupled with a strong **business development** pipeline of ~Rs61bn provides good visibility for the upcoming quarters. Apart from the existing end-user industry diversification where automotive and industrial account for a larger contribution, the company is also focusing on other domains as well which includes aerospace & defence (via the MoU with ALA Group) and FMCG/FMCD (via Swamy & Sons).

The focus of the Management is to fetch profitable volumes growth in the value added business and the elements related to low margin business seem to have reduced. Despite an increase in the freight/clearing/forwarding charges which accounts for a major component of the overall cost structure, the Ebitda margins have shown an improvement for the quarter as well as FY26 and stood at ~7.2% and ~7.1% respectively. The implementation of the Project One initiative is reaping benefits for the company. The PBT margins in FY26 stood at ~0.8% (the internal target is set at ~4% to be achieved in FY27E). On a blended basis, the aspiration of the Management is to achieve an Ebitda margin of ~7.3-7.4% in FY27E and thereafter scale it up further to ~10.5-11% over the next 3-4 years. The **growth levers** for TVS SCS continue to include new contract wins from existing as well as new customers, focus on the concept of encirclement, increase wallet share per customer, adding new customers across industries while fetching multiple contracts across service lines coupled with operating leverage. The company intends to stick to the **asset light** business model, ensure customer stickiness via the C3 framework and at the same time capitalise on any opportunities as and when it deems fit to diversify into other end-user industries. The company has shown a smart turnaround and anticipates to maintain the momentum going forward as well; we continue to maintain our target price of Rs140.

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