

# Container Corporation | ADD

## CCRI misses on weak domestic margins

Concor's Q4FY26 EBITDA missed JMFe/consensus estimate by 8%/16% led by lower profitability for the domestic segment, with EBIT margins just at 0.2% vs our estimates of 6%. Overall EBITDA margin came in at 18.6% lower vs JMFe at 20.1% led by higher rail freight expenses coupled with higher other expenses, even as Land license fee (LLF) at INR0.68bn was lower than JMFe of INR1.1bn. PAT at INR2.6bn missed JMFe by 19%. Earnings conference call is scheduled on 26<sup>th</sup> May at 11:30AM IST. We await management commentary on volume guidance for FY27 especially as JNPT is now linked to the WDFC and outlook on margins.

- **Revenue for Q4FY26 in line with JMFe estimates but misses consensus estimates:** Revenue came in at INR22.6bn, down 1% YoY (down 2% QoQ), but largely in line with JMFe but ~5.5% below consensus estimates. EXIM revenue came in at INR15bn (flat YoY) while domestic revenue came in at INR7.6bn (-4%YoY) both largely in line with our estimates.
- **EBITDA missed JMFe/consensus estimate by 8%/16% led by higher-than-expected rail freight and other expenses:** EBITDA at INR4.2bn fell 3%YoY and missed JMFe by 8% and consensus estimates by 16%. This was due to higher than estimated rail freight and other expenses. Rail freight expenses came in at INR12.8bn for Q4FY26, flat YoY. Gross profit margin at 29.8% missed JMFe of 30.4%. Other expenses increased sharply by 18.7% YoY in Q4FY26 leading to the EBITDA miss. Note that LLF came in at INR0.68bn was lower than JMFe of INR1.1bn. Thus, *in absence of lower LLF, EBITDA miss would have been even higher.*
- **Domestic segment EBIT margin came in at just 0.2% vs JMFe of 6%:** Domestic EBIT at INR17mn (EBIT margin at 0.2%) was significantly lower than our estimate of INR450mn (JMFe at 6%). EXIM EBIT at INR3.5bn (EBIT margin at 23.4%) was largely in line with our estimate.
- **PAT fell 15% YoY and missed JMFe by 19%:** PAT came in at INR 2.6bn and fell 15% YoY missing JMFe by 19% led by EBITDA miss and lower other income.
- **Expect volume uptick 2QFY27 onwards, await FY27 volume guidance from earnings conference call:** Earnings conference call is scheduled on 26<sup>th</sup> May at 11:30AM IST. We await management commentary on volume guidance for FY27 especially as JNPT is now linked to the WDFC and outlook on margins. We note that while 4QFY26 results have been weak, truck freight rates have risen by ~6% by mid-May and there has been further rise in diesel prices (truck freight rates can rise by 1% for every INR1/litre rise in diesel prices). This could enhance competitiveness of rail vs road and benefit CCRI.
- **Maintain ADD with a TP of INR495:** We value CCRI on a DCF methodology with 10Y G-sec yield at 7% to derive our TP of INR495; retain ADD.



**Priyankar Biswas**

priyankar.biswas@jmf.com | Tel: (91 22) 69703622

**Neelotpal Sahu**

neelotpal.sahu@jmf.com | Tel: (91 22) 69703660

**Gaurav Jawalkar**

gaurav.jawalkar@jmf.com | Tel: (91 22) 66303372

### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	495
Upside/(Downside)	-3.3%
Previous Price Target	495
Change	0.0%

### Key Data – CCRI IN EQUITY

Current Market Price	INR512
Market cap (bn)	INR390.0/US\$4.1
Free Float (%)	33.1
Shares in issue (mn)	761.6
Diluted share (mn)	761.6
3-mon avg daily val (mn)	INR810.7/US\$8.6
52-week range	INR653/421
Sensex/Nifty	76,489/24,032
INR/US\$	95.2

### Price Performance

%	1M	6M	12M
Absolute	1.8	-0.1	-11.2
Relative*	2.1	11.8	-4.6

\*To the NSE Nifty 50

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

**Exhibit 1: CCRI reported EBITDA/PAT below JMFe/consensus estimates in Q4FY26**

Standalone financials (INR mn)	Mar-25	Dec-25	Mar-26	QoQ	YoY	Vs. JMFe
<b>Net Sales</b>	<b>22,814</b>	<b>23,017</b>	<b>22,568</b>	-1.9%	-1.1%	-0.9%
Rail freight expenses	12,975	12,641	12,858	1.7%	-0.9%	
<i>As % of sales</i>	<i>56.9%</i>	<i>54.9%</i>	<i>57.0%</i>			
<b>Gross Profit</b>	<b>9,839</b>	<b>10,377</b>	<b>9,711</b>	-6.4%	-1.3%	-5.2%
<i>Gross Profit margin (%)</i>	<i>29.3%</i>	<i>30.9%</i>	<i>29.8%</i>	<i>(108)</i>	<i>55</i>	
Employee cost	1,331	1,250	1,326	6.1%	-0.4%	
<i>As % of sales</i>	<i>5.8%</i>	<i>5.4%</i>	<i>5.9%</i>			
Other operating expenses	3,163	3,265	2,982	-9%	-6%	
LLF	1,081	1,107	681	-39%	-37%	
Other expenses	1,011	803	1,199	49%	19%	
<i>As % of sales</i>	<i>4.43%</i>	<i>3.49%</i>	<i>5.31%</i>			
<b>Total other expenses</b>	<b>4,173</b>	<b>4,068</b>	<b>4,181</b>	2.8%	0.2%	
<i>As % of sales</i>	<i>18.3%</i>	<i>17.7%</i>	<i>18.5%</i>			
<b>EBITDA</b>	<b>4,335</b>	<b>5,059</b>	<b>4,203</b>	-16.9%	-3.0%	-8.2%
<i>EBITDA margin (%)</i>	<i>19.0%</i>	<i>22.0%</i>	<i>18.6%</i>	<i>(335)</i>	<i>(38)</i>	
Finance cost	166	196	206	5%	24%	
Other income	1,432	953	891	-6%	-38%	
<b>Net Income (Reported)</b>	<b>3,021</b>	<b>3,291</b>	<b>2,582</b>	-21.5%	-14.5%	-18.8%

Source: Company, JM Financial

**Exhibit 2: Segment wise revenue breakup for Q4FY26**

Segment Revenue	Mar-25	Dec-25	Mar-26
EXIM	14,908	15,332	14,972
<i>% y-y</i>	<i>3.4%</i>	<i>10.4%</i>	<i>0.4%</i>
<i>% q-q</i>	<i>7.3%</i>	<i>-2.8%</i>	<i>-2.3%</i>
Domestic	7,906	7,685	7,597
<i>% y-y</i>	<i>-9.7%</i>	<i>-5.4%</i>	<i>-3.9%</i>
<i>% q-q</i>	<i>-2.7%</i>	<i>-0.7%</i>	<i>-1.2%</i>
<b>Total</b>	<b>22,814</b>	<b>23,017</b>	<b>22,568</b>
<i>% y-y</i>	<i>-1.6%</i>	<i>4.5%</i>	<i>-1.1%</i>
<i>% q-q</i>	<i>3.6%</i>	<i>-2.1%</i>	<i>-1.9%</i>

Source: JM Financial, Company

**Exhibit 3: Domestic segment EBIT margins just at 0.2% for Q4FY26**

Segment EBIT	Mar-25	Dec-25	Mar-26
EXIM	2,985	3,658	3,501
<i>EXIM EBIT margin (%)</i>	<i>20.0%</i>	<i>23.9%</i>	<i>23.4%</i>
Domestic	393	454	17
<i>Domestic EBIT margin (%)</i>	<i>5.0%</i>	<i>5.9%</i>	<i>0.2%</i>
<b>Total</b>	<b>3,378</b>	<b>4,112</b>	<b>3,518</b>
Less:	5,351.73	6,483	6,226
Interest	166	196	206
Other unallocable income	(837)	(409)	(88)
<b>Total PBT net of X/O</b>	<b>4,049</b>	<b>4,325</b>	<b>3,400</b>

Source: JM Financial, Company

**Exhibit 4: CCRI results missed estimates**

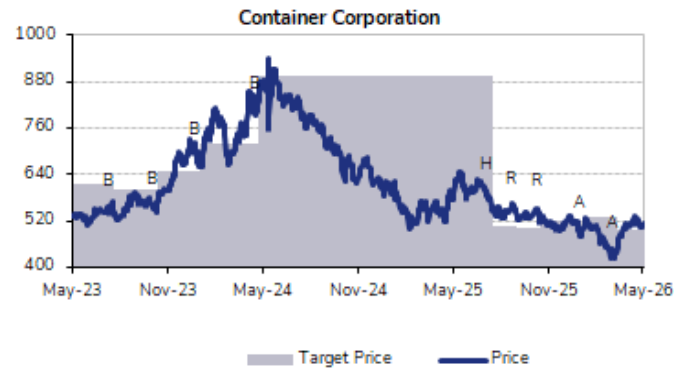
INR mn	Mar-25	Dec-25	Mar-26	% YoY	% QoQ	vs JMFe	vs BGe
Revenue	22,814	23,017	22,568	-1.1%	-1.9%	-0.9%	-5.5%
EBITDA	4,335	5,059	4,203	-3.0%	-16.9%	-8.2%	-16.1%
EBITDA Margin (%)	19.0%	22.0%	18.6%				
PAT	3,021	3,291	2,582	-14.5%	-21.5%	-18.8%	-23.3%

Source: Company, Bloomberg, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
6-Apr-26	Add	495	-6.5
31-Jan-26	Add	530	1.9
12-Nov-25	Reduce	520	3.9
24-Sep-25	Reduce	500	-1.5
7-Aug-25	Hold	508	-43.3
19-May-24	Buy	896	24.4
26-Jan-24	Buy	720	11.1
4-Nov-23	Buy	648	8.0
12-Aug-23	Buy	600	-2.6
19-May-23	Buy	616	-6.1
24-Jan-23	Buy	656	-4.7
11-Nov-22	Buy	688	0.0
8-Sep-22	Buy	688	11.7
20-May-22	Buy	616	-10.5
22-Jan-22	Buy	688	7.5
22-Oct-21	Buy	640	1.3
30-Jul-21	Buy	632	6.8
24-May-21	Buy	592	13.8
5-Apr-21	Buy	520	14.0
5-Feb-21	Buy	456	

**Recommendation History Chart**



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SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: [ashley.johnson@jmfl.com](mailto:ashley.johnson@jmfl.com)

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