

TVS Supply Chain Solutions Ltd. (TVS SCS) – Investment BUY Call – 6 Months Horizon

Dear Bajaj Capital Investors,

New Stock Recommendations for BUY on 25 May 2026

CMP -> 121

Upside Potential-> 14%

Investment Horizon -> 6 Months

Target price -> 138

TVS Supply Chain Solutions Ltd. delivered a strong turnaround performance during Q4FY26 and FY26, reflecting meaningful improvement across revenue growth, profitability and operational efficiency. Consolidated revenue for Q4FY26 grew by 21.3% YoY and 11.7% sequentially, supported by robust execution across all regions and segments along with healthy new business wins amounting to INR 524 Crore during the quarter. Profitability improved significantly, with profit before tax rising 72% YoY to INR 30.9 Crore, while full-year operational profit increased sharply to INR 99.3 Crore compared to INR 37.3 Crore in FY25. The company also reported a turnaround in annual profitability with FY26 PAT standing at INR 117 Crore, indicating improving operating leverage and execution discipline across the business.

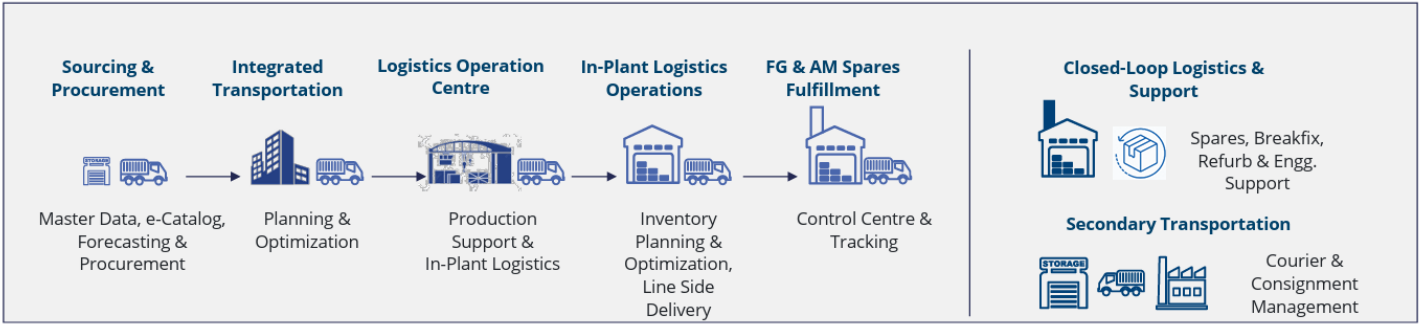
The Integrated Supply Chain Solutions (ISCS) segment continued to remain the key growth driver, particularly in India where revenue increased by 17.3% YoY during Q4FY26, aided by strong client additions and sustained demand momentum. The Europe business also demonstrated a notable profitability inflection supported by Project One cost optimization initiatives and an improved business mix, resulting in healthy margin expansion. Adjusted EBITDA for the ISCS segment increased by 29.2% YoY to INR 212.8 Crore, while margins improved from 8.5% to 9.3%, reflecting the company's continued focus on operational efficiency and disciplined cost management.

The Global Freight Solutions (GFS) segment also witnessed a healthy recovery in volumes during the second half of FY26 despite persistent pricing pressure and geopolitical disruptions affecting freight markets globally. Q4FY26 revenue for the segment grew by 34.8% YoY driven by a sharp rebound in India freight volumes, while adjusted EBITDA improved materially to INR 18.3 Crore from INR 8.7 Crore in the corresponding quarter last year. The resilience demonstrated by the freight business during a challenging operating environment highlights the diversified nature of the company's business model and its ability to navigate cyclical industry headwinds effectively.

Operationally, the company continues to strengthen its long-term competitive positioning through technology adoption, automation and platform-led integration capabilities. The integration of AI and robotics into operations, along with the patent acceptance for its "Unified Logistics Platform," could support future productivity enhancement and service differentiation. Additionally, the acquisition of Swamy & Sons completed in May 2026 is expected to accelerate growth in the India business while being margin accretive over the medium term. Improved cash generation of INR 243 Crore during FY26 further reflects better working capital management and strengthening operational cash flows.

Going forward, the company appears well-positioned to sustain growth momentum supported by a healthy order pipeline, strong new business wins worth INR 1,207 Crore during FY26 and improving execution across business verticals. Continued focus on margin enhancement initiatives, recovery in freight volumes, operational efficiencies and increasing contribution from higher-margin businesses are likely to support earnings growth over the coming quarters. Considering the improving financial profile, strong turnaround in profitability, healthy business momentum and strengthening operational metrics, TVS Supply Chain Solutions Ltd. appears favourably placed for medium-term growth over the next 6 months.

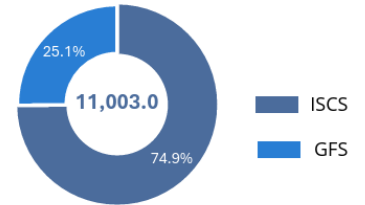
Integrated Supply Chain Solutions



Global Forwarding Solutions



FY26 Revenue (INR Cr)



Technological Capabilities



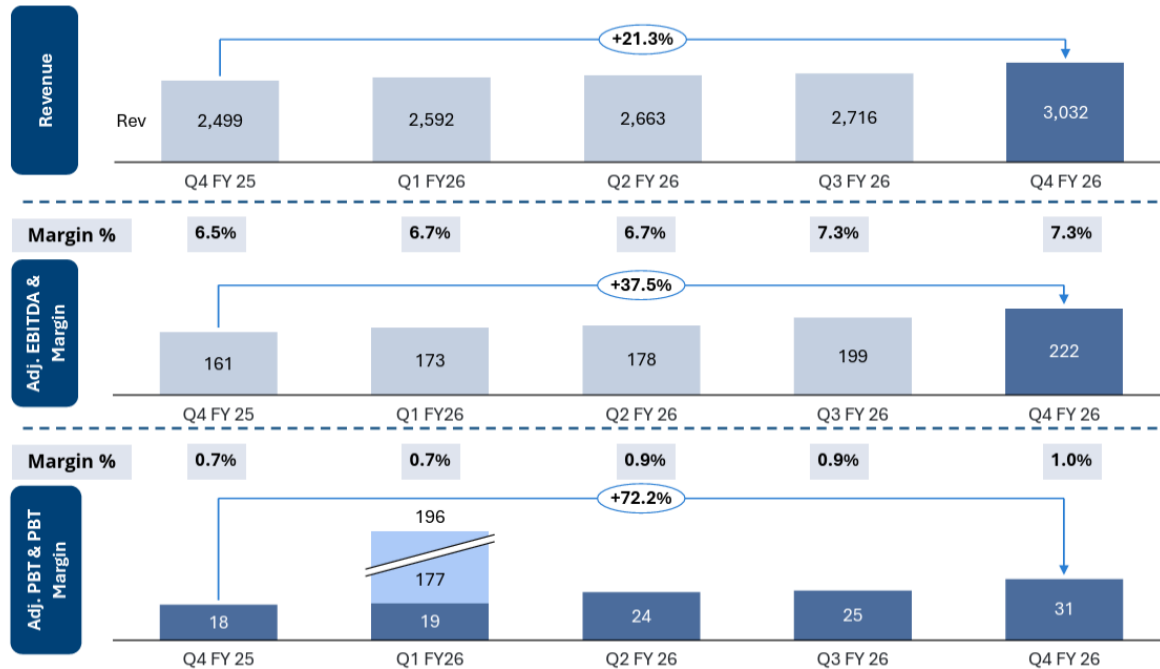
16,500+
FY 26 Employees

100
FY 26 Fortune 500 Customers

Financial Performance in Q4FY26:

Accelerating Trajectory Across All Key Financial Metrics

INR. Crore



Note:

- EBITDA Adjusted for ESOPs & forex gain/loss, one time redundancy costs from Q4 FY 25 to Q4 FY 26
- Adj. PBT is reported PBT adjusted for exceptional items & redundancy costs

Happy investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team