

VRL Logistics (VRL) - BUY

Q4FY26 Result Update

Current Market Price (CMP) Rs. 246	Fair Value (FV) Rs.330
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Rationale:

- VRL reported slight improvement in Q4FY26 with revenue of Rs 852.8 cr (+3.8% qoq).
- Bookings stabilized in Q4FY26 with volumes increasing 3%, both yoy and qoq in Q4.
- The improvement in performance was driven by demand across sectors.
- Freight hikes led to higher EBITDA.
- Demand is strong and Management is confident of improving the performance in future quarters.
- VRL continues to take steps to renegotiate old contracts, control cost, use of biodiesel.
- We maintain BUY with a TP of Rs 330 at 15x FY28E.
- We expect earnings per share growth of 34.2 % in FY27E and 20.6% in FY28E.

👍 Positives:

- Bookings stabilised in Q4FY26 with volumes increasing 3% both yoy and qoq.
- Ongoing rationalization of freight contracts led to higher realisations with higher EBITDA margins.
- Company expanded footprint by adding 110 branches in FY26.
- We continue to have faith in the strong brand name, effective internal control systems and experienced Management of VRL.

👎 Negatives:

- Net profit was reported at Rs 72.2 cr slightly below our aggressive estimates.



The content of this document has been derived from Kotak Securities PCG research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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BUY	– We expect the stock to deliver more than 15% returns over the next 12 months
ADD	– We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	– We expect the stock to deliver -5% - +5% returns over the next 12 months
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NR	– Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	– Not Available or Not Applicable. The information is not available for display or is not applicable
NM	– Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	– Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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