

Thomas Cook India Q4FY21

Financial Results & Highlights

Brief Company Introduction

Thomas Cook India is one of India's oldest companies which was established in 1881. It is an integrated travel and travel related financial services company. They provide a wide range of services from packaged tours and forex services to visa support and travel insurance. Thomas Cook has been credited with a number of innovations in the travel industry, which include the world's first packaged tour, first prepaid hotel, first holiday brochure and even the conceptualization of the first traveller's cheques.

Standalone Financials (In Crs)								
	Q4FY21	Q4FY20	YoY %	Q3FY21	QoQ %	FY21	FY20	YoY%
Sales	95	251	-62.15%	70	35.71%	319	2191	-85.44%
PBT	-30	-84	64.29%	-20	-50.00%	-56	-22	-154.5%
PAT	-13	-66	80.30%	-7	-85.71%	-14	-25	44.00%
Consolidated Financials (In Crs)								
	Q4FY21	Q4FY20	YoY %	Q3FY21	QoQ %	FY21	FY20	YoY%
Sales	402	1109	-63.75%	271	48.34%	946	6948	-86.38%
PBT	-68	-120	43%	-89	23.60%	-416	-69	-503%
PAT	-21	-16	-31%	-66	68.18%	-295	-18	-1538.89%

Detailed Results:

1. Consolidated revenues fell 64% YoY while other income has risen to Rs 44 Cr from Rs 19 Cr last year.
2. QoQ performance showed an improvement of 48% in sales and 68% in loss reduction for the company.
3. Secured funding of Rs 435.7 Cr from parent Fairbridge Capital.
4. Total cash and bank deposits were maintained at Rs 856 Cr on 31st Mar 2021.
5. The company made savings of 39% & 50% YoY in Q4 & FY21 respectively in total consolidated costs.
6. The company achieved cost savings of Rs 680 Cr in FY21 and already surpassed its FY21 target of Rs 560 Cr of savings by 22%.
7. Forex services Launched FXMate, a digital tool and a first in the foreign exchange sector:
 1. Equipped B2B partners with forex services from their location.
 2. Served to increase reach and customer base
 3. Over 700 new partners have been on-boarded, generating over 2000 transactions.
8. Forex services also introduced a Customer Digital interface and Digital Payment Gateway to facilitate contactless end-to-end transactions with the delivery of approx. 6000 transactions for FY21.
9. SOTC operated a significant MICE group of over 750 customers to Dubai in January 2021.

10. New Booking Tool EVA, was successfully deployed for 120 TCIL corporates
11. TCIL & SOTC opened 10 new owned and franchise outlets for their holiday businesses in FY21: including Mumbai, Noida, Gandhinagar, Prayagraj, Chandigarh, Nagpur, Varanasi, Kolhapur and Chennai.
12. DEI saw revenues of Rs 55.6 Cr vs Rs 102.8 Cr last quarter. EBIT losses reduced to Rs 13.3 Cr in Q4 from Rs 18.2 Cr last year.
13. DEI has acquired 4 new customers which include:
 - a) Imaging rights at The View at The Palm, Dubai
 - b) Dubai Parks and Resorts partnered for its photography operations
 - c) Grand Park Kodhipparu (exclusive imaging operations), via MMPL, DEI's presence in the Maldives
 - d) Snow City Salem for its photography operations; set to open for the public in Q1 FY22.
14. The segment performance in Q4FY21 is as follows:
 - i) Financial Services: Down 57% YoY
 - ii) Travel & Related Services: Down 79% YoY
 - iii) VO & Resorts: Up 48% YoY
 - iv) Digiphoto: Down 46% YoY
15. The segment performance in FY21 is as follows:
 - a) Financial Services: Down 63% YoY
 - b) Travel & Related Services: Down 94% YoY
 - c) VO & Resorts: Down 36% YoY
 - d) Digiphoto: Down 69% YoY
16. Sterling saw 742 net member additions in Q4 and 1639 additions in FY21. ARR was at Rs 4306 in FY21 vs Rs 4392 FY20. Resort occupancy improved to 54% in Q4 vs 40% in Q3.
17. Net revenues from Sterling were at Rs 85.3 Cr in Q4 and Rs 171.7 Cr in FY21.

Analyst's View:

Thomas Cook is the biggest travel company in India in terms of reach. They have been innovators in the sector for more than a century now. The company is going through the toughest of times with the travel industry being hit hard due to COVID-19. The management is doing well to use this period of slow operations to focus internally and improve the cost structure which has resulted in them already achieving 122% of its cost-savings target for FY21. The company has taken encouraging actions for DEI like winning various commitments for large tourist attractions in the Middle East and expanding in MICE and Corporate Travel. It is also continuing to bring back its other businesses to normal levels and has been constantly innovating and adding new services like automated travel booking for corporate clients & launching the first digital tool in FX services in India. It remains to be seen how long it will take for things to normalize for the travel industry and how consumer behaviour will evolve from COVID-19. Nonetheless, given the company's resilient balance sheet and the management's focus on improving the internals of the company and focusing on new avenues for the industry, Thomas Cook seems to be a resilient travel industry stock in an industry plagued with shutdowns and bankruptcies these days.



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