

TCI Express Limited

TCI House 69, Institutional Area, Sector - 32 Gurugram - 122001, Haryana, India

Another quarter of sustained performance with improved sequential margins

- **Q2 FY24 Revenue of Rs. 322 crores, up 5.0% on Q-o-Q basis**
 - **EBITDA of Rs. 52 crores, up 9.1% on Q-o-Q basis**
- **Announced Interim Dividend of Rs. 3 per share and payout of 150% on the face value**

Gurugram, India, October 18, 2023: TCI Express Ltd. ("TCIEXPRESS", NSE:TCIEXP; BSE:540212), the market leader in express distribution in India, today announces its results for the second quarter ended September 30, 2023.

During the quarter, our revenue from operations stood at Rs. 320 crores for Q2 FY24 as compared to Rs. 305 crores in Q1 FY24 and Rs 310 crores in Q2 FY23. The total income for the quarter was Rs. 322 crores, against Rs. 306 crores in Q1 FY24 and 312 crores in Q2 FY23 representing a sequential growth of 5.0% and 3.1% on a year-on-year basis. Despite an overall slowdown in the economy, we witnessed an improvement in EBITDA and PAT margins on a sequential basis. EBITDA for the quarter stood at Rs. 52 crores, representing a sequential growth of 9.1% with a margin of 16.2%. Our profit after tax for the quarter reached Rs. 36 crores, yielding a margin of 11.1%, an improvement from Rs. 32 crores and a margin of 10.6% in Q1 FY24.

Commenting on the performance, Mr. Chander Agarwal, Managing Director of TCIEXPRESS, said:

"I am happy to share that TCIEXPRESS delivered another quarter of sustained performance with strong sequential growth. The growth during the period was primarily driven by strong demand from the MSME sector which has witnessed a strong uptick in the last few quarters. In line with our performance and shareholder-friendly capital allocation policy, the Board of Directors have recommended an interim dividend of Rs. 3 per share with a pay-out of 150% on the face value, reaffirming our commitment to delivering value to our shareholders."

During the first half of the year, TCIEXPRESS incurred a total capex of Rs. 21 crores which was primarily spent towards the expansion of branch networks, automation, and construction of sorting centres, which are integral to our goal of bolstering operational efficiency and customer service. Additionally, we have expanded our footprint by adding 12 new branches during H1 FY2024, thereby deepening our presence in key business geographies. This expansion not only enhances our market reach but also improves our accessibility to customers, making us more agile and responsive to their needs.

"Our newly launched services are going from strength to strength," said Mr. Agarwal. "We expect the service offerings to contribute productively to the top line in the forthcoming quarters enabling us to deliver higher margin levels. From a balance sheet perspective, we continue to maintain a strong capital structure, providing us with the financial flexibility to focus on balanced capital allocation."

In a broader economic context, he remarked: “The Indian economy exhibited remarkable resilience in the first half of FY2024, despite global economic challenges. While acknowledging the recent slowdown, the significant strides made during the second half position us for a promising trajectory. We remain optimistic about the industry's potential and its ability to regain momentum.”

Parallel to this economic resilience, TCIEXPRESS is eager to accentuate its dedication to sustainability. In recognition of this commitment, TCIEXPRESS has been recently honoured with the esteemed title of ‘Sustainable Organization’ by the Economics Times, an accolade that testifies to the company’s consistent pursuit of sustainable practices and advocacy for environmental consciousness.

Mr. Agarwal further commented: “Our growth strategy is meticulously calibrated for achieving equilibrium in growth and revenue quality, while also expanding our margins and securing and ensuring sustainable returns on capital. With our unmatched combination of scale, expertise and technology, we are well positioned to capitalise on the growth opportunities presented by a vibrant Indian economy and the ever-evolving logistics landscape.”

Performance Highlights: Q2 FY2024 vs. Q1 FY2024

- Revenue from operations of Rs. 320 Crores, 5.0% of q-o-q growth
- EBITDA of Rs. 52 Crores compared to Rs. 48 Crores, 9.1% of q-o-q growth
- EBITDA margin at 16.2 % compared to 15.6%
- PAT of Rs. 36 Crores compared to Rs. 32 Crores
- PAT margin at 11.1 % compared to 10.6% in Q1 FY2024

Performance Highlights: H1 FY2024 vs. H1 FY2023

- Revenue from operations of Rs. 625 Crores, growth of 4.1% y-o-y
- EBITDA of Rs. 100 Crores compared to Rs. 98 Crores in H1 FY2023
- EBITDA Margin remain strong at 15.9%
- PAT of Rs. 68 Crores with the margin at 10.8%

About TCIEXPRESS:

TCIEXPRESS is India's leading time-definite express distributor, drawing on its unparalleled experience and deep domain expertise to offer customised solutions for express delivery. The company has been growing rapidly and expanding its distribution network locally, with its current roster of 950-plus offices covering more than 60,000 locations. TCIEXPRESS is well-equipped to offer time-definite solutions to 704 out of 712 districts in India, thanks to its wide spectrum of services comprising surface, domestic and international, e-commerce, rail, pharma cold chain, C2C and reverse express services. The company has special expertise in enabling solutions for clients in sectors like consumer electronics, retail, apparel & lifestyle, automobile, pharmaceuticals, engineering, e-commerce, energy/power, and telecommunications. With a proven commitment to excellence and the pursuit of value-based policies to satisfy the aspirations of customers, vendors, employees, shareholders, and all other stakeholders in the express delivery industry, TCIEXPRESS has emerged as a frontrunner in a segment that is here to grow in the long term.

For more information please contact:

Mukti Lal
VP & CFO, TCI Express
+91 124 238 4090 - 4094
mukti.lal@tcipress.in

Bhushan Khandelwal / Anvita Raghuram
Churchgate Partners
+91 22 6169 5988
tcipress@churchgatepartners.com

Safe Harbour:

This release contains statements that contain "forward-looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to TCI Express' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. TCI Express undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.