



Q4 & FY2020 Earnings Presentation




TCI EXPRESS
LEADER IN EXPRESS



FY2020 and Q4 FY2020 Highlights

Stable Top-line Growth with 22.3% PAT Growth in FY2020
Total Dividend of Rs. 4 per share and Pay out of 17.2% for FY2020

Rs. 1,036 Cr

 0.9% y-o-y

FY 2020 Income

38.0%

FY 2020 ROCE

Rs. 239 Cr

 (10.5)% y-o-y

Q4 FY20 Income

Rs. 126 Cr

 2.9% y-o-y
Margin 12.1%

FY 2020 EBITDA

29.5%

FY 2020 ROE

Rs. 28 Cr

 (20.4)% y-o-y
Margin 11.7%

Q4 FY20 EBITDA

Rs. 89 Cr

 22.3% y-o-y
Margin 8.6%

FY 2020 PAT

64.5%

Cash Conversion Ratio

Rs. 19 Cr

 (12.5)% y-o-y
Margin 8.0%

Q4 FY20 PAT





Commenting on the results, Mr. Chander Agarwal, Managing Director, said:

“I am happy to report an encouraging performance during FY2020 despite a very challenging economic and business environment. Revenue from operations increased marginally to Rs. 1,032 crores, as our business was impacted during March 2020 due to the outbreak of COVID-19. We delivered EBITDA of Rs. 126 crores with stable margins at 12%. Profit after tax of Rs. 89 crores in FY2020 represented an increase of 22% on Y-o-Y basis. Our stable margin profile is attributable to higher capacity utilization, operational efficiency and efficient working capital management. The momentum that we had gained during FY2020 was lost in March 2020 with the unfortunate outbreak of coronavirus. The closure of factories and offices along with the inter-state movement has clearly impacted the transportation and logistics sector. Although the nationwide lockdown brought businesses to a halt and disrupted the economy, we stand in full support with the decisions taken by the government. During this time, health and safety of fellow Indians is utmost important.

Amidst this pandemic, we have put the well-being of our employees, customers, vendors and all other stakeholders as our top priority. We have been strictly following health and safety guidelines issued by the government. We have implemented various preventive measures such as work from home, promotion of digital communication mediums, sanitization and social distancing at workplace, employee screening at regular intervals and are extending full support to vendor partners.

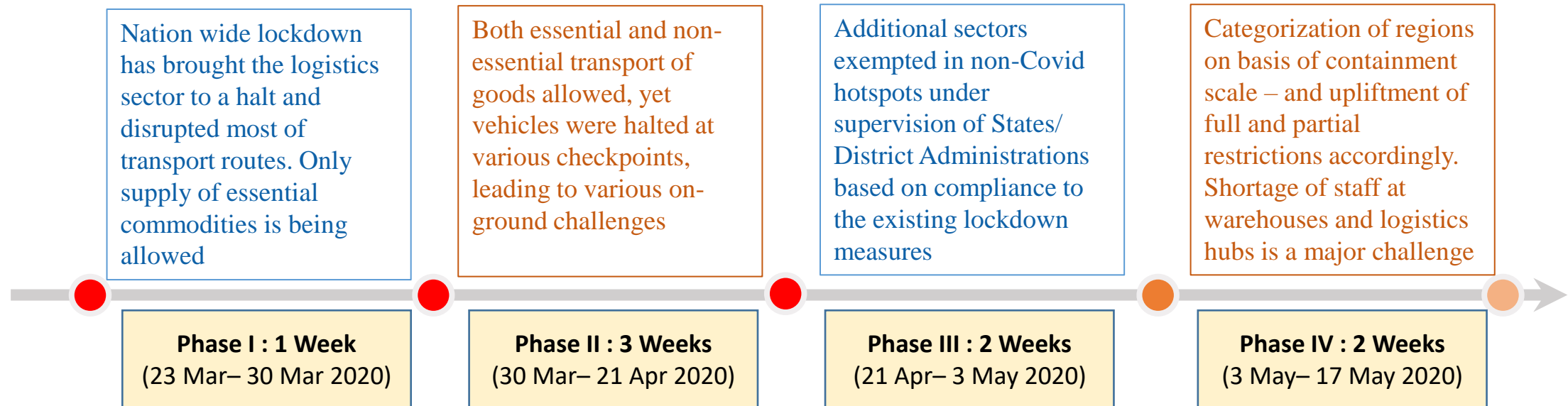
During the year, TCI Express has added 70 new branches to penetrate deeper in selected geographies. We also held official ground-breaking ceremony for two new sorting centres in Gurgaon and Pune. These new centers are established in line with our strategic objectives of augmenting the Company’s growth, achieving higher utilization and delivering higher operational reliability. We are expecting to commence commercial operations from the third quarter of fiscal year FY2021. During FY2020, we have incurred a capex of Rs. 32 crores and our focus remain on increasing automation at our sorting centres to improve turnaround time and overall efficiency.

I am also proud to report that TCI Express has been recognized as a ‘Great Place to Work’ by Great Place to Work Institute Inc. We are humbled and honored with the achievement. It is a testimony of our strong human resource principles and re-affirm our focus of maintaining a culture that values entrepreneurial spirit, diversity, innovation and teamwork.

The Company is closely monitoring the impact of this pandemic on the economy and business. The actual impact on the business will depend on the severity and course of the COVID-19 in the near term and we shall have a better clarity in the coming days once lockdown is lifted.

I would like to highlight we have recently started collaborating on various projects to deliver health equipment such as ventilators and medicines as part of essential services. The upcoming quarter looks challenging due to the ongoing lockdown. However, our asset light model coupled with a strong balance sheet will not only allow us to navigate through these unprecedented times but also emerge stronger. We are confident that we will remain the preferred partner of choice for offering time definite services to our clients.

Covid -19 | Timeline and Impact



Impact on Domestic Economy:

- Markets rapidly deteriorated after mid-March due to nationwide lockdown
- Economic growth will be disrupted in H1FY20 as Covid 19 affects all sectors and both demand and supply
- GDP growth estimates for fiscal year has been downgraded by multiple agencies
- Restrictions on manufacturing activities and decreased demand hindered logistic sectors' operations and growth
- Reverse migration of labors resulting in manpower shortage will prolong recovery period
- The full impact on economy business will depend on the severity and course of the Covid-19 in the near term



TCI Express : Safety measures for Employees and Vendors



TCI Express Strengths : An agile and asset light business model, strong balance sheet and diversified clientele across industries will allow us to overcome the near-term challenges and TCI Express will emerge stronger

Cost Structure Optimization

- All cost heads being reviewed, focus on improving productivity and optimizing working capital

Solidarity and Support of Leadership during Crisis

- Managing Director has decided to forego salary for 3 months (no salary cuts for employees)

Balanced and Prudent Cost Control Measures

- Promoting digital communication tools and reducing field operations footprint

Judicious Cash Utilization

- Evaluating Capex requirements and focusing on areas which are critical for future growth

Restructuring Operations

- Collaborating on Government projects to deliver health equipment's like ventilators and medicines



Fastest Express Delivery Company in India

TCI XPS was established in 1996 as one of the foremost divisions of Transport Corporation of India









Specialized in offering time definite solutions with focus on Tier II and III cities

ERP enabled operations, Barcoding on packaging, GPS enabled vehicles and CCTV surveillance All India

Serves 95% of B2B customers & 5% of B2C Customers

The only express cargo company in India with own set up across nation. Offers Sunday, Holiday and late pickup services

Ranked 402 in Top 500 Companies based on Market Cap, as on March 31, 2020

	Year of Commencement	1997
	Locations Serviced	40,000
	Countries Serviced	202
	Containerized Vehicles	5,000
	Air Gateways	24
	Company Branch Setup	800 +
	Workforce	3000 +
	Sorting Centres	28



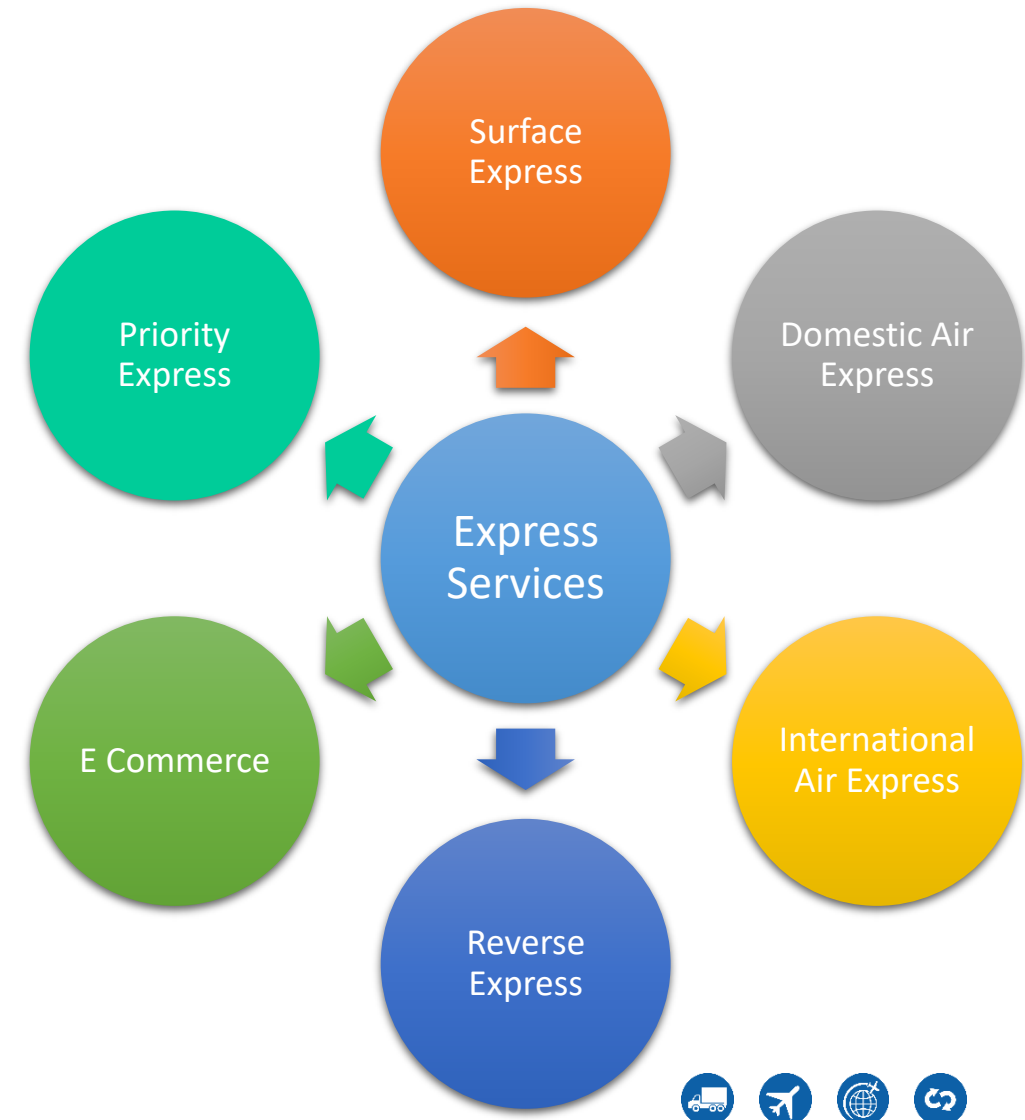
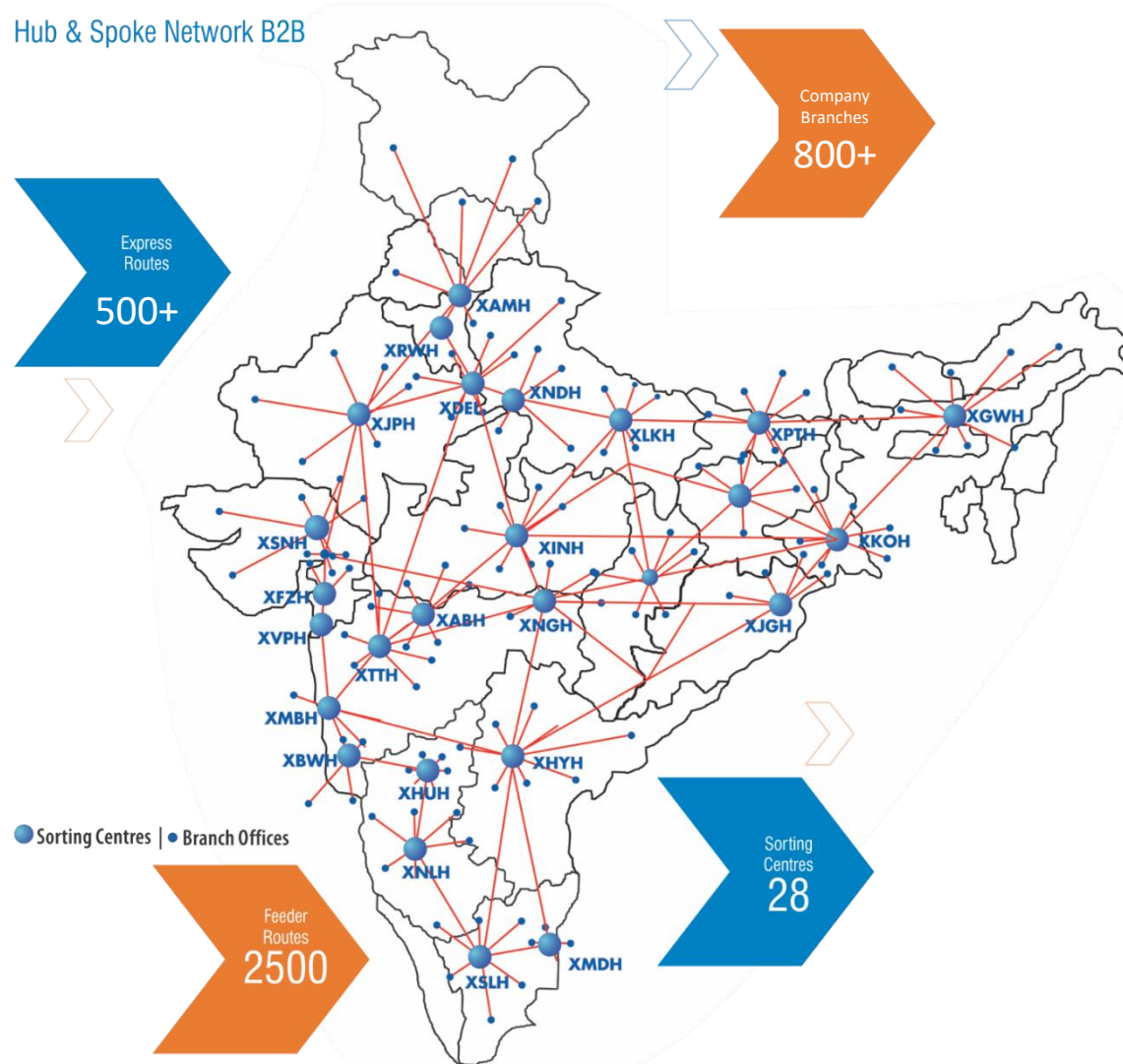
Why TCI Express?

Ranked 402 in Top 500 Companies based on Market Cap, as on March 31, 2020

- 1** Asset Light Business Model 
- 2** High Value Cargo (Low volume, high margins) 
- 3** No Franchise: All owned Branches 
- 4** Lowest Cost Structure 
- 5** API based back-end technology 
- 6** Containerized Movement 
- 7** Superior Customer Support Services 

Geographical Footprint

Fastest Delivery Company in India





Revenue Growth

Impacted due to overall economic slowdown however it is minimized with:

- Highly diversified client base and well spread across industry verticals
- Continuous expansion in Metro and Tier I Cities through new branch offices



Capital Expenditure

Planned CapEx of Rs. 400 crores in 5 years

- Investment in sorting centres
- Automation and enhancing technological capabilities
- Out of which Rs. 119 crores have been spent in last three years



TCI Express Offering

- Expand value added services
- Continuous focus on volume growth through B2B client acquisition
- Expand air international business



Financial Performance

Particulars (in Cr)	Q4		Y-o-Y	Q3	Q-o-Q	Full Year		Y-o-Y
	FY2020	FY2019	Growth (%)	FY2020	Growth (%)	FY2020	FY2019	Growth (%)
Income from Operations	237.9	265.8	(10.5)%	268.4	(11.3)%	1,032.0	1,023.8	0.8%
Other Income	1.2	1.2		0.9		4.4	3.2	
Total Income	239.1	267.0	(10.5)%	269.2	(11.2)%	1,036.3	1,027.0	0.9%
EBITDA	27.9	35.0	(20.4)%	35.2	(20.8)%	125.7	122.2	2.9%
Margin (%)	11.7%	13.1%		13.1%		12.1%	11.9%	
EBIT	25.8	33.3	(22.5)%	33.0	(22.0)%	117.9	115.7	1.9%
Margin (%)	10.8%	12.5%		12.3%		11.4%	11.3%	
PBT	25.5	32.8	(22.2)%	32.9	(22.4)%	117.0	111.9	4.6%
Margin (%)	10.7%	12.3%		12.2%		11.3%	10.9%	
PAT	19.0	21.7	(12.5)%	25.5	(25.5)%	89.1	72.8	22.3%
Margin (%)	8.0%	8.1%		9.5%		8.6%	7.1%	
EPS	4.95	5.68	(12.8)%	6.65	(25.6)%	23.23	19.02	22.2%

Notes:

1. EBITDA and EBIT includes other income
2. All Margins calculated on Total Income

* All numbers in Crores unless specified



- Total Income growth of 0.9 % y-o-y attributable to increase in new customers from SME Segment and adversely impacted by nation-wide lockdown at end of March 2020
- EBITDA Margins increased 23 bps, from 11.9% in FY2019 to 12.1% in FY2020 primarily due to:
 - Operational efficiencies – increase in capacity in select existing vehicles which has resulted in a higher capacity utilization
 - Effective cost control measures
 - Impacted by challenging and subdued economic environment
- Capex of Rs. 32 Cr incurred during FY2020 on expansion of sorting centres and IT infrastructure
- Construction of new sorting centres at Gurgaon and Pune was affected by lockdown and we expect both of our new sorting centres to commence commercial operations from third quarter of fiscal year FY21
- 70 new branches were added during FY2020 in the metro cities to deepen TCI Express presence, as a part of our core strategy



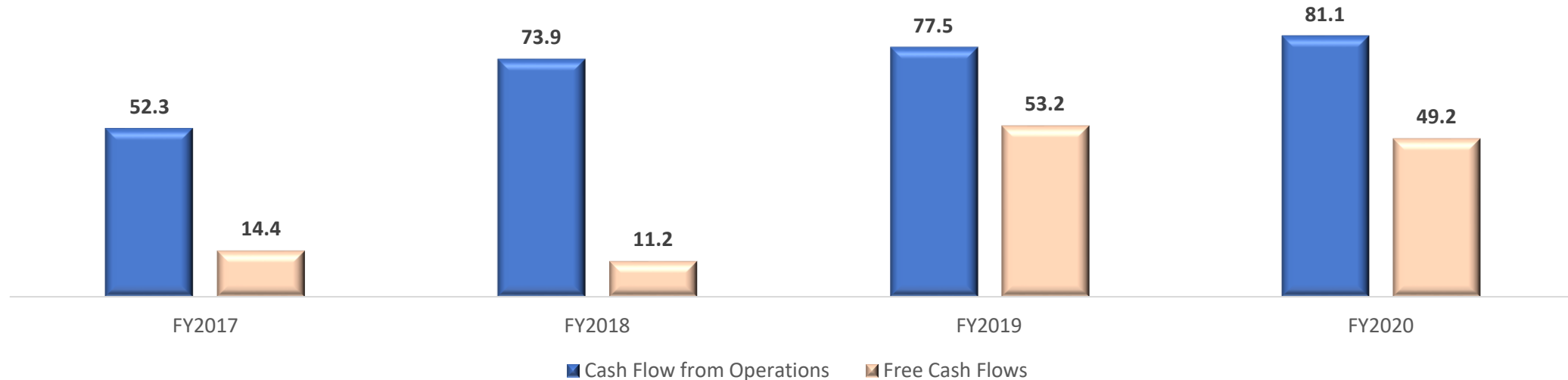
Leverage Profile

Particulars (in Cr)	Mar-20	Sep-19	Mar-19
Long Term Debt	1.9	2.4	2.3
Short Term Debt	0.9	1.1	6.4
Total Debt	2.8	3.6	8.7
Less: Cash & Cash Equivalents	41.2	31.0	17.1
Net Debt / (Net Cash)	(38.3)	(27.4)	(8.4)
Total Equity	337.5	310.1	267.2
Net Debt / Equity	(0.11x)	(0.09x)	(0.03x)

Credit rating of A1+ Short Term (ICRA) and AA- Long Term (CRISIL)

Cash Flow from Operations vs Free Cash Flows (FY2020)

Continue to Generate Strong Cash Flows

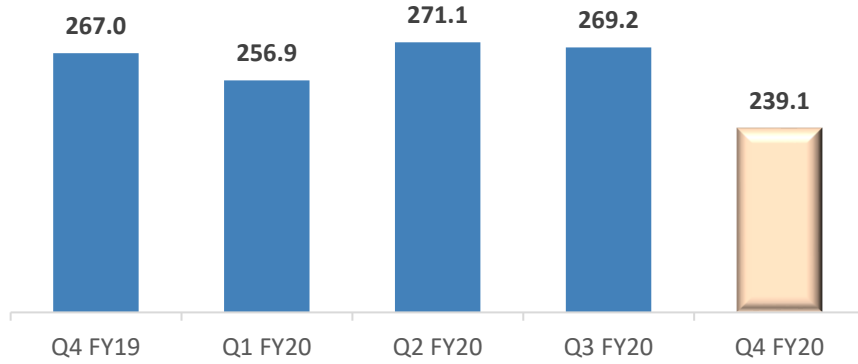


- Track record of consistent generation of cash flows with a focus on enhancing free cash flows
- High EBITDA to cash flow conversion due to negligible debt and depreciation component
- Efficient working capital management with strong cash flow conversion cycle

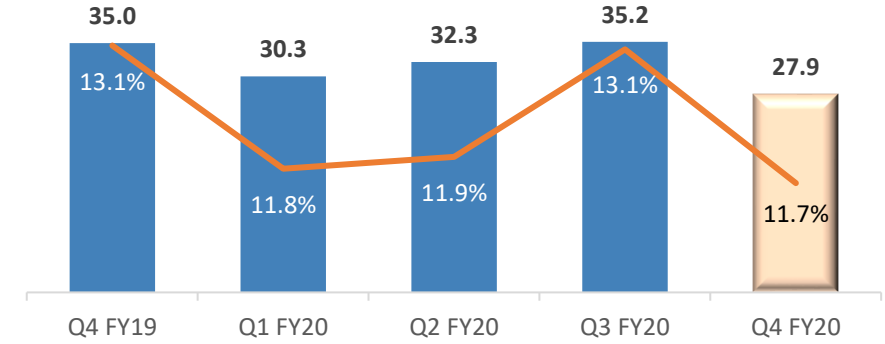


Quarter Performance Trends

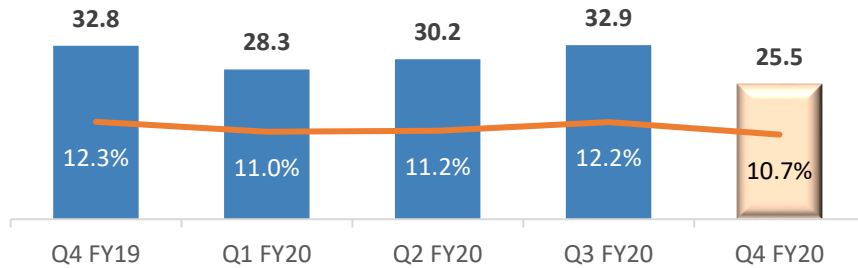
Total Income



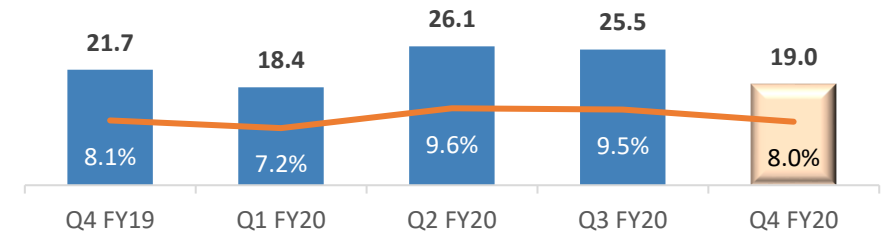
EBITDA and Margins



PBT and Margins



PAT and Margins



Notes:

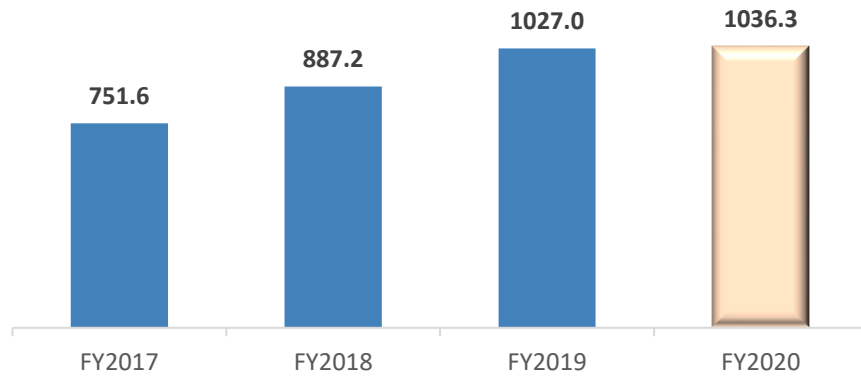
1. EBITDA includes other income
2. All Margins are calculated on Total Income

* All numbers in Crores unless specified

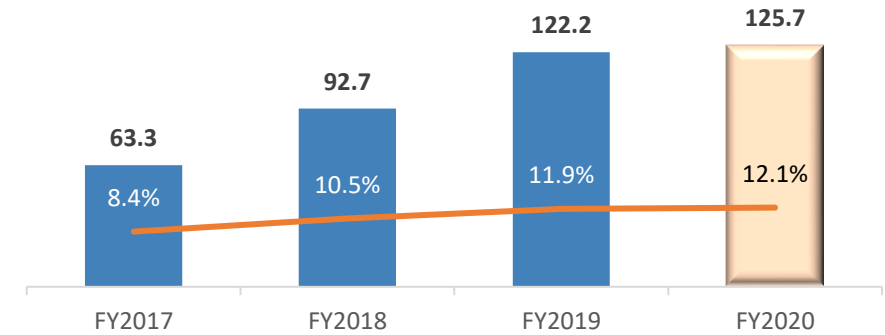


Annual Performance Trends

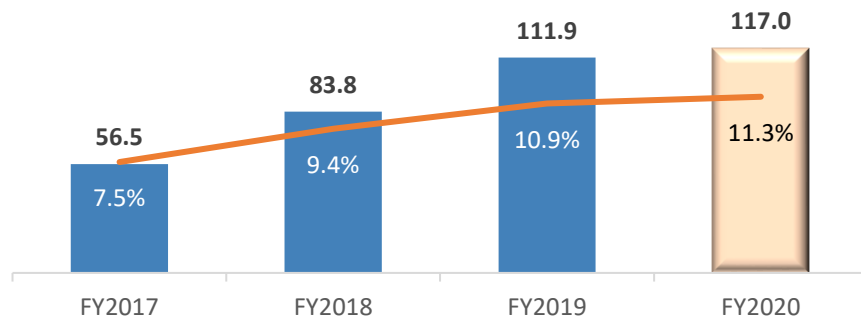
Total Income from Operations



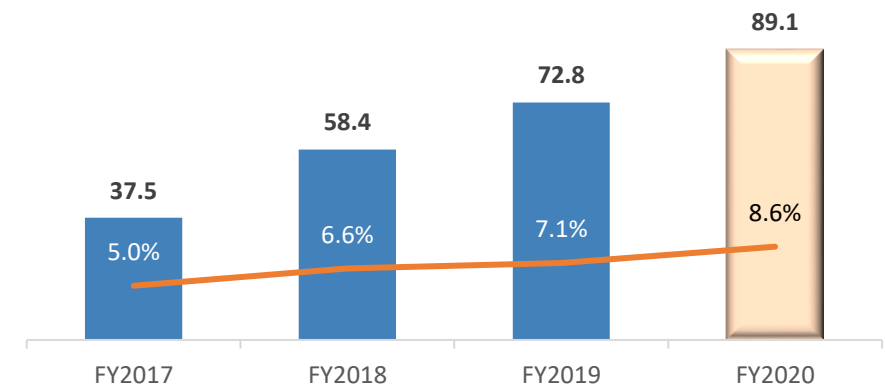
EBITDA and Margins



PBT and Margins



PAT and Margins



Notes:

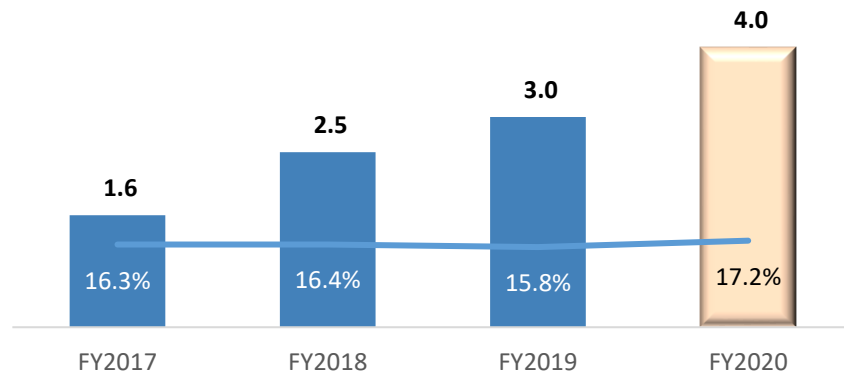
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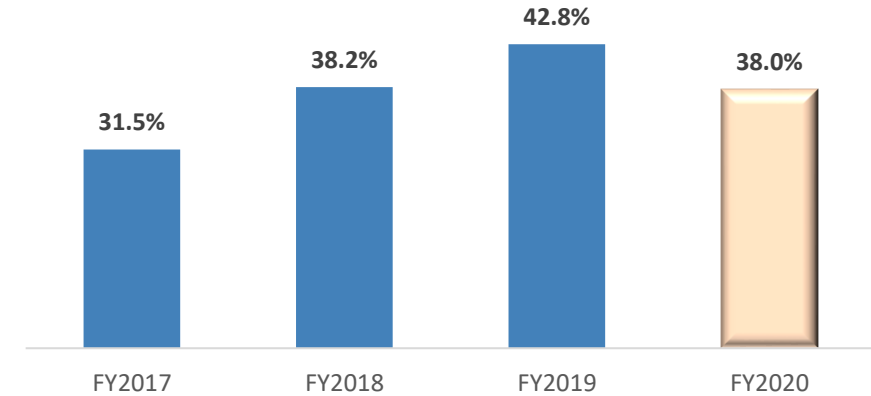


Key Ratios

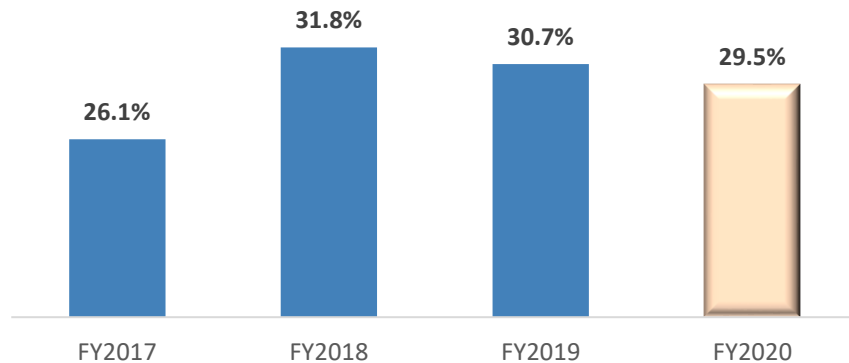
Dividend per Share (Rs) & Payout (%)



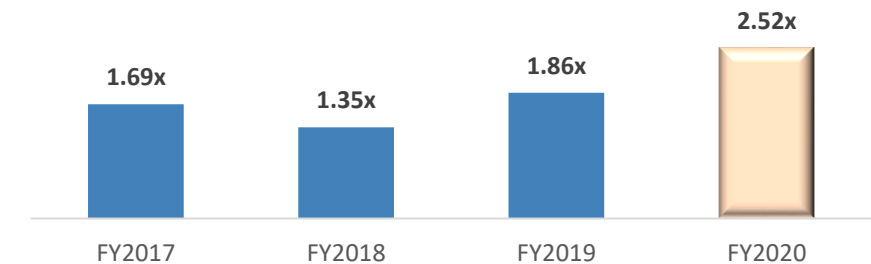
Return on Capital Employed (%)



Return on Equity (%)



Current Ratio (x)

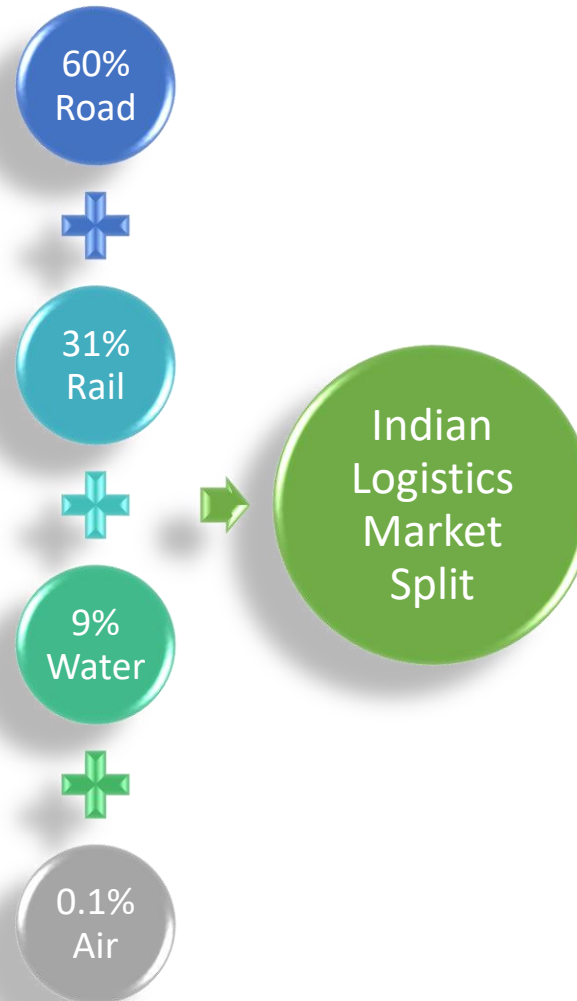
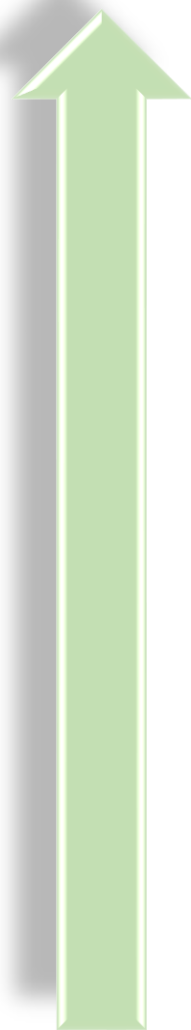


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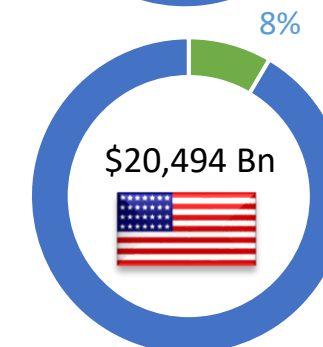
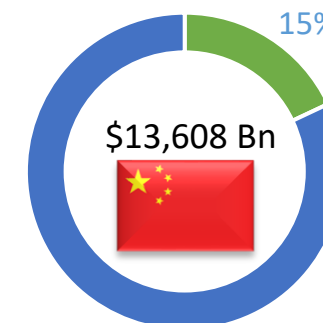
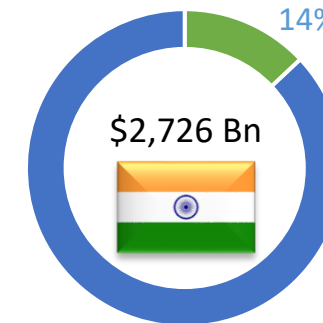
1. RoE= PAT/Average Total Equity
2. RoCE= EBIT/ Average Capital Employed



Express Industry – An Outlook



Logistics as % of GDP

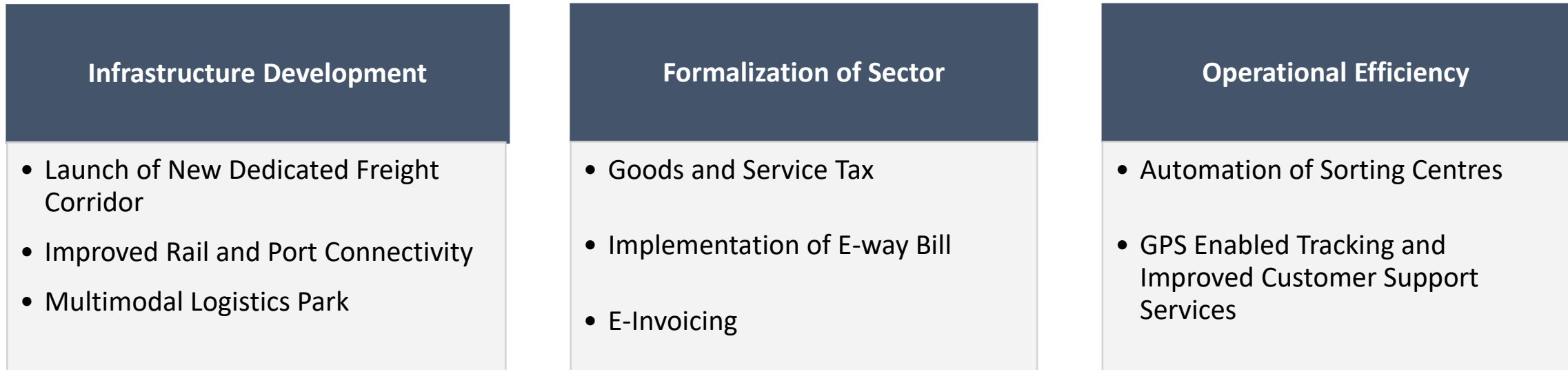


Notes:

1. Source : World Bank Database - 2018 Figures, Department of Commerce – Gov. of India



Recent Logistics Sector Transformation Initiatives



Key areas for creating a sustainable growth in logistics sector



Management Team



Mr. D P Agarwal, *Chairman & Director*

Mr. D P Agarwal is the Chairman and Director of TCI. Mr. Agarwal has been associated with the transport industry for more than 51 years. He has been contributing in developing the unorganized logistics sector into an organized one.

Mr. Agarwal is also associated with various Chambers of Commerce including CII, FICCI & PHDCCI. He also takes active participation in many social and philanthropic activities for the common good.



Mr. Chander Agarwal, *Managing Director*

Mr. Chander Agarwal is a Bachelor of Science in Business Administration from 1996 to 2001 from Bryant College, Smithfield, RI, He joined TCI as Summer Intern and worked in various departments including operations, logistics and marketing etc. thereby getting fair amount of exposure to the key functions in the Company.

His hands-on experience with Transfreight USA, a 3PL specializing in 'lean logistics' for Toyota Motor vehicles, USA, has given him unmatched knowledge of the Supply Chain Management. Currently he is spearheading Group TCI's international expansion across Asia, Latin America & Africa.



Mr. Pabitra Panda, *Chief Operating Officer*

Mr. Pabitra Mohan Panda, is a Chief Operating Officer (COO) of the Company effective from August 7, 2019. He is Post Graduate in Computer Applications and Statistics. He has joined TCI Group in the year 1998 and has a distinguished service record of 21 Years in the Company.

He worked in various functions and departments and risen to the designation of Regional Express Manager. Prior to such elevation as COO, he was appointed Regional Manager-Delhi Region on May 2, 2016.

Management Team



Mr. Mukti Lal, Chief Financial Officer

Mr. Mukti Lal is the Chief Financial Officer at TCIEXPRESS. He is a qualified Chartered Accountant and has been associated with Transport Corporation of India Limited (the Demerged Company) in various capacities for last 16 years. He was working as CFO-XPS, Division of Transport Corporation of India Limited. He is a finance professional with over a decade of experience spanning the entire gamut of finance and had played major role in overall strategy and corporate governance.



Mr. Manish Jain, Sales, Mktg & Corporate Communication

Mr. Manish Jain, Management graduate with 20 years of Logistics/ Express Industry expertise. Worked at all levels from Trainee Sales to Senior Management position. He is currently heading Sales and Marketing for TCI EXPRESS LIMITED. He believes at strong values, team collaboration, consistent and dedicated performance. He always thrives on "Out of the Box" thinking for most complex situations. Ethical, Self-motivated, Conscientious Leader is what defines him the best.

Awards and Recognitions

TCI Express is now certified as Great Place to Work



Logistics Excellence Tech innovator of The Year
At India Logistics Summit & Awards 2019



Best Express Logistics Services Provider of the Year
13th Express , Logistics & Supply chain Leadership Awards



Bharariya Manvata Vikash Puraskar 2019 to
Mr. Chander Agarwal, MD TCI Express
as Power Brands Inspirational Leader of India



ASIAN Business Leaders Award to
Mr. Chander Agarwal, MD TCI Express
for Demonstrating Exemplary Leadership Qualities



WCRC International Leaders Award to
Mr Chander Agarwal, MD TCI Express
as India's Inspirational Leader



Awards and Recognitions

Won ET Now Stars of the Industry Awards
for Excellence in CSR in 2018



Received Best CFO Award 2019 by
Financial Express



Mr. Chander Agarwal, MD, awarded
India's Inspirational Business Leaders 2019 in London



Won India Cargo Awards as
'Best Express Distribution Company' 2018



Corporate Governance

LISTED ENTITY



Ranked 402 in Top 500 Companies based on Market Cap, as on March 31, 2020

IATA CERTIFICATE



ISO CERTIFIED



RATED BY



Business Superbrand
of 2019



The Economic Times
Iconic Brands Of India



Key Takeaways

- ❑ TCI Express revenue has grown at CAGR of 11.2% in last 4 years
- ❑ Asset light model continues to drive strong cash flows
- ❑ Consistently paying dividend for last 4 years and generating high return on capital employed
- ❑ Strong balance sheet and flexible capital structure
- ❑ Continued focus on technological advancement to reduce turnaround time
- ❑ During FY2020, added 70 new branch offices in the Metro and Tier I cities to penetrate deeper and add more SME customers



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