



# Q2 FY2021 Earnings Presentation




**TCI EXPRESS**  
LEADER IN EXPRESS



# Q2 FY2021 Highlights

Strong recovery in Revenue and improved EBITDA and PAT margins, as businesses heads on the path to economic recovery

**Rs. 214 Cr**

 137.7% q-o-q

**Q2 FY21 Income**

**Rs. 34 Cr**

 Margin 15.9%

**Q2 FY21 EBITDA**

**Rs. 24 Cr**

 Margin 11.0%

**Q2 FY21 PAT**

**(0.24)x**

**Net Debt/ Equity Ratio**

## Key Highlights:

- Q2 FY21 saw sequential improvement with strong pick-up in economic and business activities across the country
- Company reported improved EBITDA margin of 15.9% compared to 3.9% and Net Profit Margins of 11.0% compared to 1.0%, last quarter
- Improved profitability due to cost rationalization measures implemented, is expected to continue going forward
- Strong capital structure and liquidity position with cash balance increasing to Rs. 87 crores at end of Sept 2020
- With revival in economy and business activities, we expect growth in third quarter of fiscal year



# H1 FY2021 Highlights

Revenue impacted due to lockdown restrictions, maintained stable EBITDA and PAT margins

**Rs. 305 Cr**

(42.3)% y-o-y

**H1 FY21 Income**

**35.7%**

**Q2 FY21 ROCE**

**Rs. 38 Cr**

(40.1)% y-o-y  
Margin 12.3%

**H1 FY21 EBITDA**

**26.7%**

**Q2 FY21 ROE**

**Rs. 24 Cr**

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

**H1 FY21 PAT**

**185.2%**

**Cash Conversion Ratio**

Notes:

1. Cash Conversion Ratio is higher on account of better cash management due to reduced working capital cycle
2. Q2 FY21 ROCE and ROE are annualised





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

“Second quarter of the fiscal year witnessed strong pick-up in economic and business activities across the country. Recovery in general and particularly in logistics sector which started from mid-May, continued its momentum throughout the quarter with easing of restrictions. Growth was also evident from the fact that e-way bill generated had a healthy pick-up in this period and though it was below pre-Covid levels in the first two months, it even saw YoY growth in September. However, despite significant sequential improvement, the overall quarter still saw impact of the health pandemic.”

I am pleased to report that in this quarter, Company delivered Revenue from operations of Rs. 213 crores. Company posted EBITDA of Rs. 34 crores with improved margins of 16% and Profit after Tax for the period was Rs. 24 crores with margins of 11%. Our second quarter performance is a clear reflection of the trust TCI Express enjoys among customers and strong operational efficiencies in business due to cost control measures, supported by increased realization highlights the resilience of our business model. We were able to accomplish all of this while ensuring the safety and well-being of our employees, vendors and clients. To recognize the support of our employees during the pandemic, we have ensured that no salary deduction were made till now, except me in senior management, and have also paid bonuses for Diwali and will start with salary increments for all employees for the year.

We also maintain a strong capital structure and our liquidity position is adequately covered. Our cash flows from operation grew significantly driven by our consistent focus on cash management, with cash balance increasing to Rs. 87 crores at end of Sept 2020.

We remain committed to continuously invest and augment our services through automation and technological upgradation and expanding geographically. During the quarter, we incurred capex of Rs. 9 crores in construction of two new sorting centres in Gurgaon and Pune. The Pune sorting centre construction will be completed by end of calendar year and Gurgaon centre will be completed in Q4 FY21. We also opened 10 new branches in the quarter.

With the economy opening up and business activities resuming, logistics sector has revived gradually, and we expect strong growth in second half of fiscal year, as the country gears up for the upcoming festive season. Given our pan-India presence and asset light business model, we are well positioned to address demand recovery as we quickly adapt to a rapidly changing environment. We also believe that the cost control measures and technological changes we are implementing will result in improved profitability during the full year, as we scale up our services to support business activities.



# 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

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



# 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

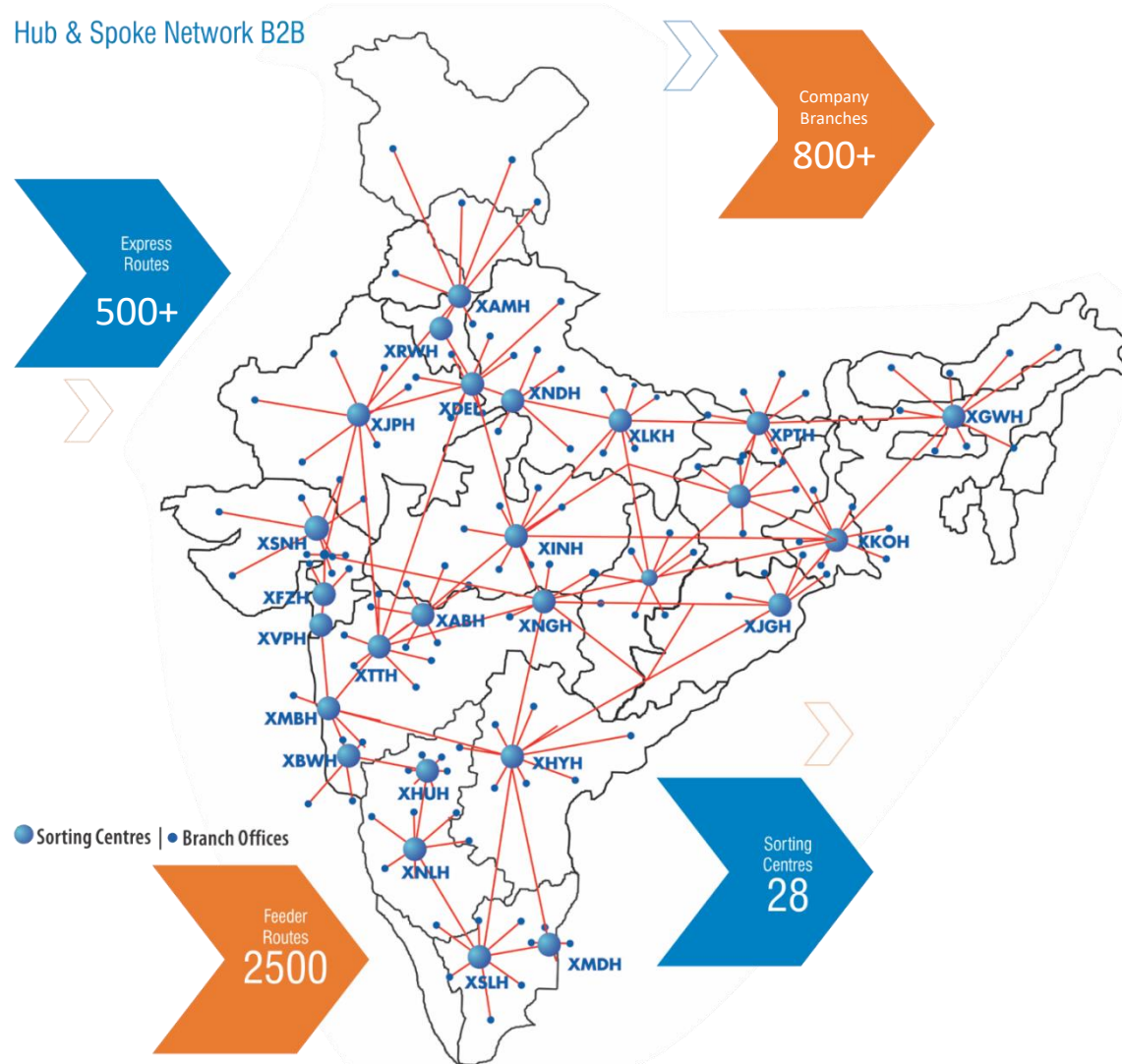
Superior  
Customer Support  
Services



# Geographical Footprint

## Fastest Delivery Company in India

Hub & Spoke Network B2B





## 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. 145 crores have been spent in last 3.5 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)	Q2		Y-o-Y	Q1	Q-o-Q	Six Months		Y-o-Y
	FY2021	FY2020	Growth (%)	FY2021	Growth (%)	FY2021	FY2020	Growth (%)
Income from Operations	212.9	269.5	(21.0)%	88.7	140.0%	301.7	525.6	(42.6)%
Other Income	1.5	1.6		1.5		2.9	2.3	
Total Income	214.4	271.1	(20.9)%	90.2	137.6%	304.6	528.0	(42.3)%
EBITDA	34.0	32.3	5.2%	3.5	869.6%	37.5	62.6	(40.1)%
Margin (%)	15.9%	11.9%		3.9%		12.3%	11.9%	
EBIT	31.8	30.5	4.4%	1.4	2,194.5%	33.2	59.1	(43.7)%
Margin (%)	14.9%	11.2%		1.5%		10.9%	11.2%	
PBT	31.5	30.3	4.3%	1.3	2,394.9%	32.8	58.6	(44.0)%
Margin (%)	14.7%	11.2%		1.4%		10.8%	11.1%	
PAT	23.5	26.1	(10.1)%	0.9	2,455.3%	24.4	44.5	(45.2)%
Margin (%)	11.0%	9.6%		1.0%		8.0%	8.4%	
EPS	6.12	6.82	(10.3)%	0.24	2,452.5%	6.36	11.38	(44.1)%

Notes:

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

\* All numbers in Crores unless specified



## Q2 FY2021 Performance Discussion

- Total Income declined to Rs. 214 Crores vs Rs. 271 Crores in Q2 FY20 reflecting adverse impact of Covid-19 restrictions, despite significant sequential improvement
- Improved EBITDA margins, were achieved due to:
  - Effective cost control measures – lower operating expenses, employee benefit expenses and other expenses
- Q2 FY21 witnessed broad based recovery across all major industries and sector due to latent demand and upcoming festive season
- Capex of Rs. 26 Cr incurred during H1FY2021 on expansion of sorting centres and IT infrastructure
- Construction of new sorting centres at Gurgaon and Pune was affected by lockdown. The Pune sorting centre construction will be completed by end of calendar year and that of Gurgaon in Q4
- 10 new branches were opened during H1FY2021 in the metro cities to deepen TCI Express presence, as a part of our core strategy



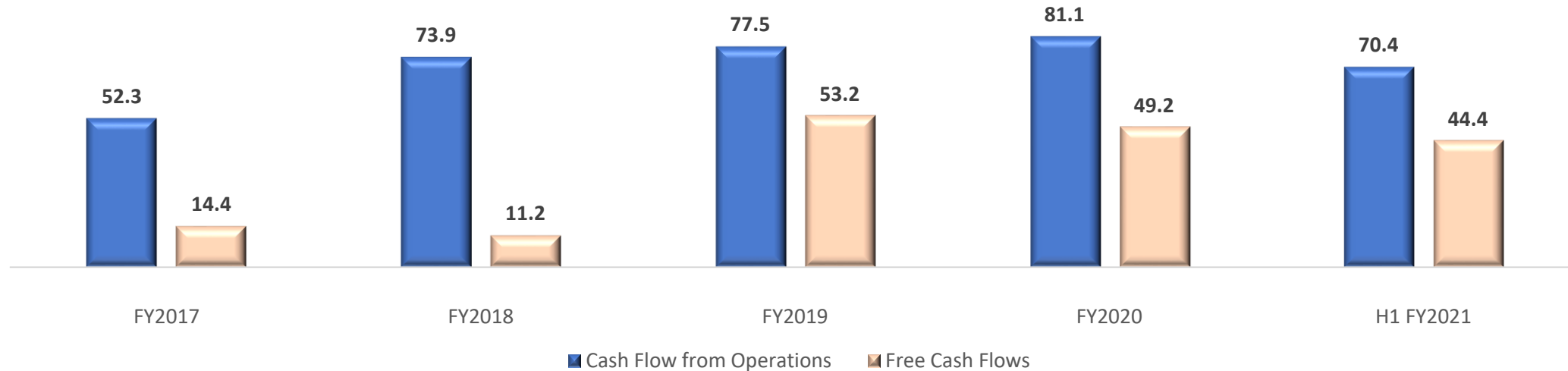
# Leverage Profile

Particulars (in Cr)	Sep-20	Mar-20	Sep-19
Long Term Debt	1.4	1.9	2.4
Short Term Debt	0.0	0.9	1.1
<b>Total Debt</b>	<b>1.4</b>	<b>2.8</b>	<b>3.6</b>
Less: Cash & Cash Equivalents	87.5	41.2	31.0
<b>Net Debt / (Net Cash)</b>	<b>(86.0)</b>	<b>(38.3)</b>	<b>(27.4)</b>
Total Equity	365.0	337.5	310.1
<b>Net Debt / Equity</b>	<b>(0.24x)</b>	<b>(0.11x)</b>	<b>(0.09x)</b>

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

# Cash Flow from Operations vs Free Cash Flows (H1 FY2021)

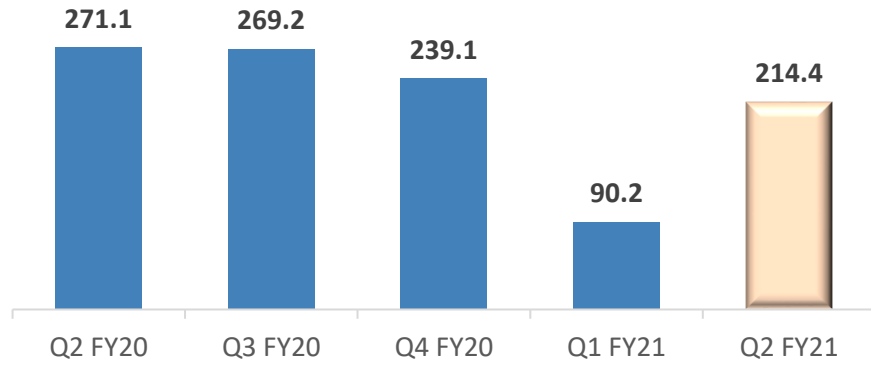
## Continue to Generate Strong Cash Flows



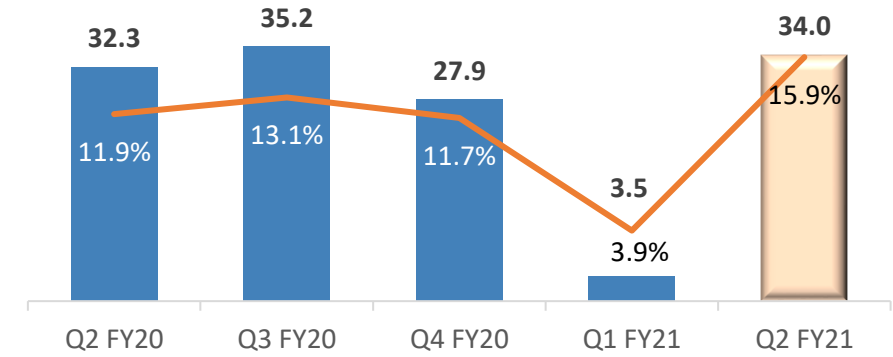
- Track record of consistent generation of cash flows with a focus on enhancing free cash flows
- High EBITDA to cash flow conversion due to negligible debt and depreciation component
- Efficient working capital management with strong cash flow conversion cycle

# Quarter Performance Trends

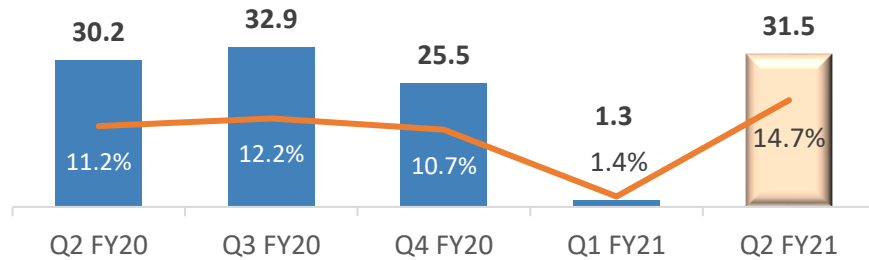
## Total Income



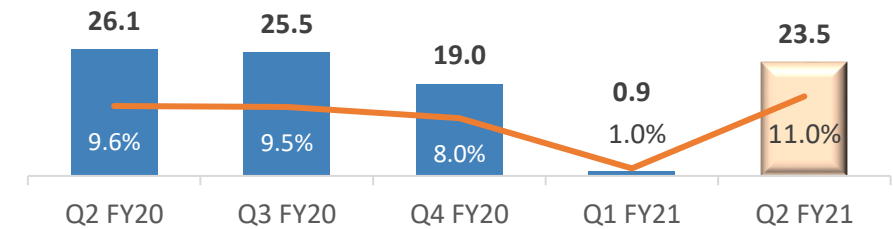
## EBITDA and Margins



## PBT and Margins



## PAT and Margins



Notes:

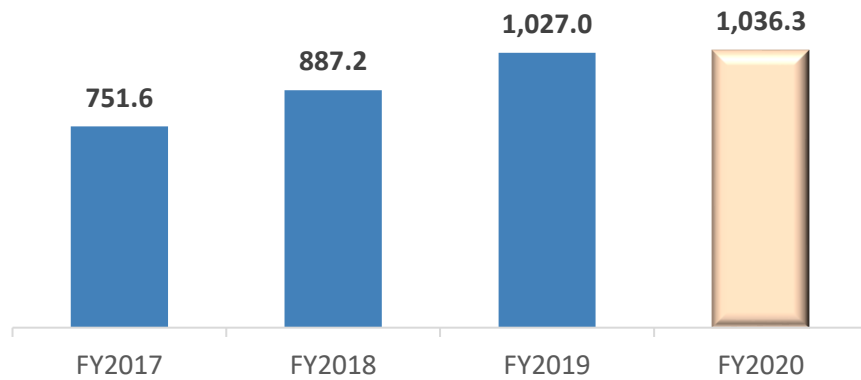
1. EBITDA includes other income
2. All Margins are calculated on Total Income

\* All numbers in Crores unless specified

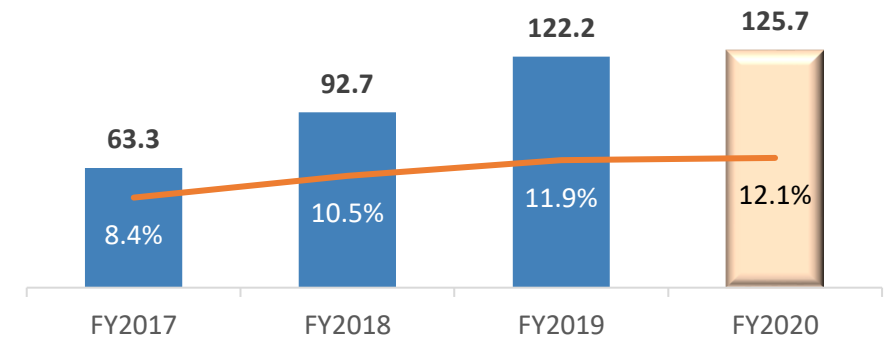


# Annual Performance Trends

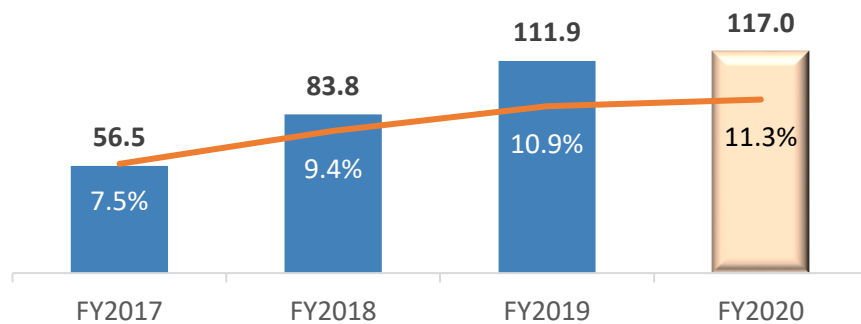
## Total Income from Operations



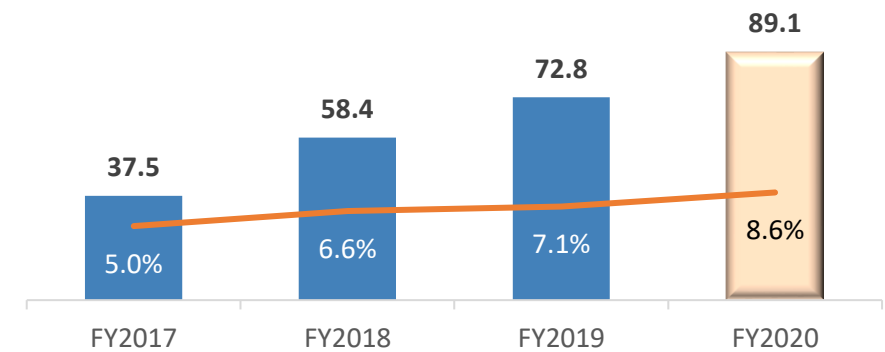
## EBITDA and Margins



## PBT and Margins



## PAT and Margins



Notes:

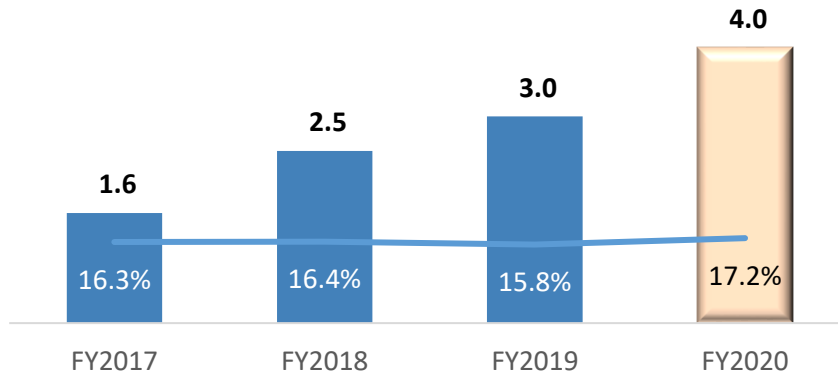
1. EBITDA includes other income
2. All Margins are calculated on Total Income

\* All numbers in Crores unless specified

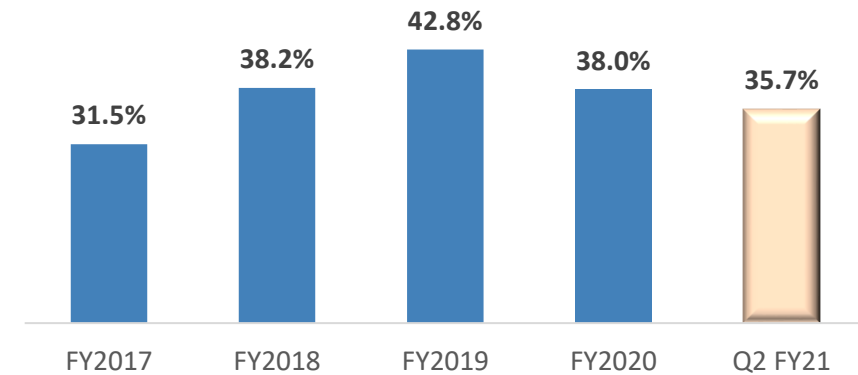


# Key Ratios

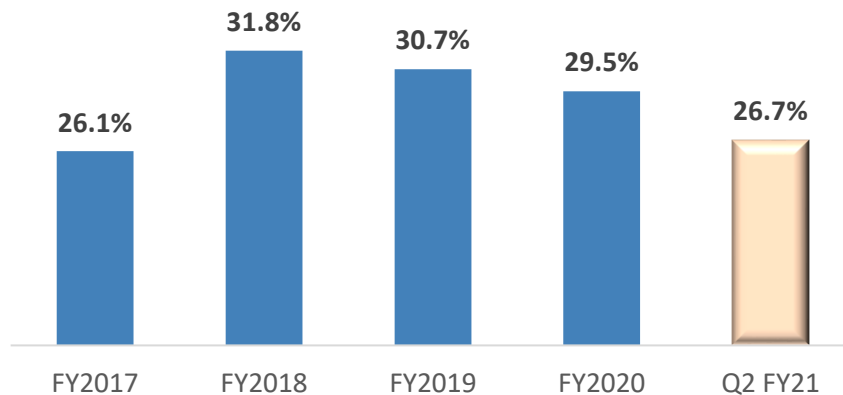
## Dividend per Share (Rs) & Payout (%)



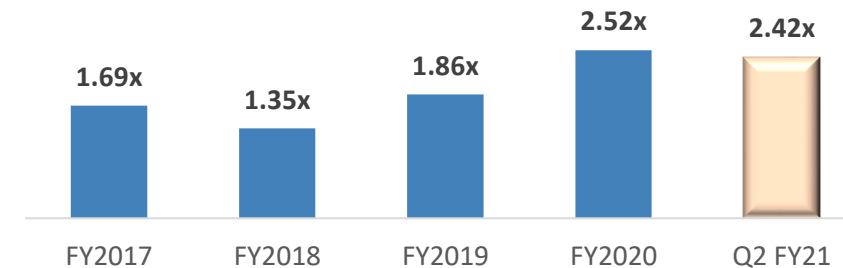
## Return on Capital Employed (%)



## Return on Equity (%)



## Current Ratio (x)

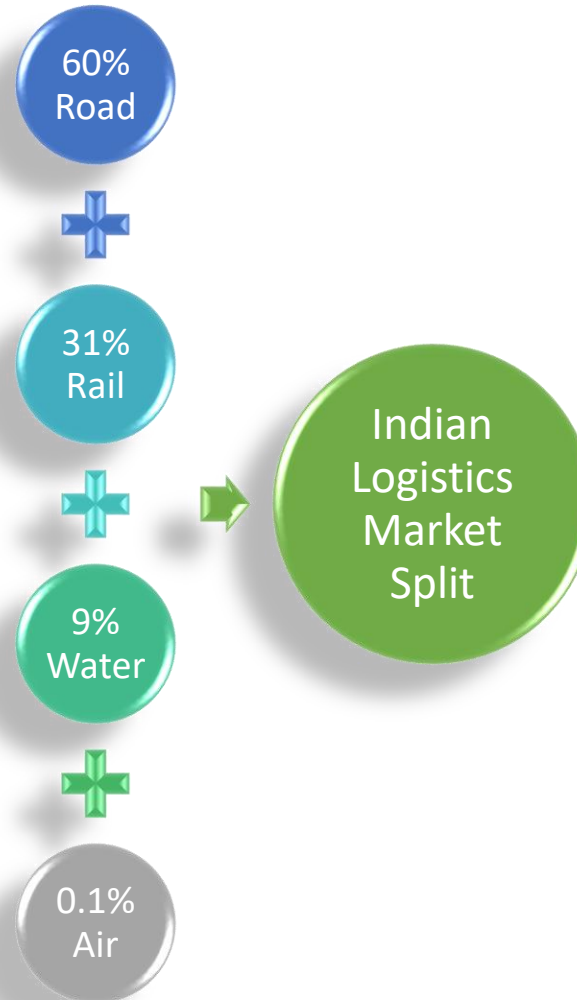
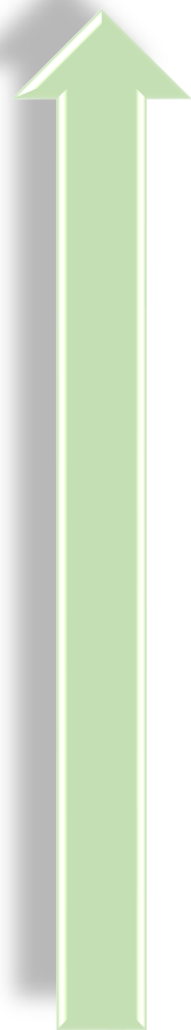


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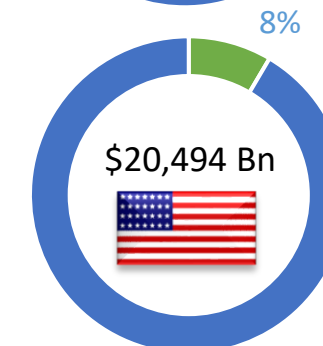
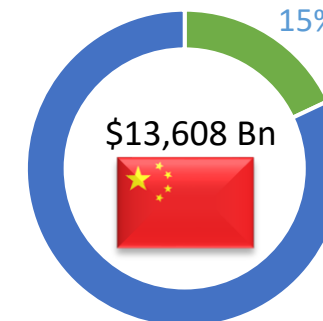
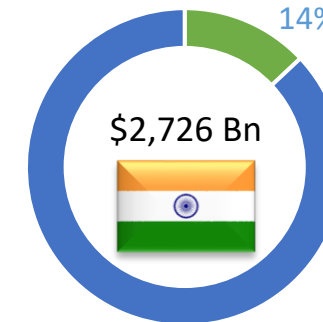
1. RoE= PAT/Average Total Equity
2. RoCE= EBIT/ Average Capital Employed
3. Q2 FY21 ROCE and ROE are annualised



# Express Industry – An Outlook



## Logistics as % of GDP



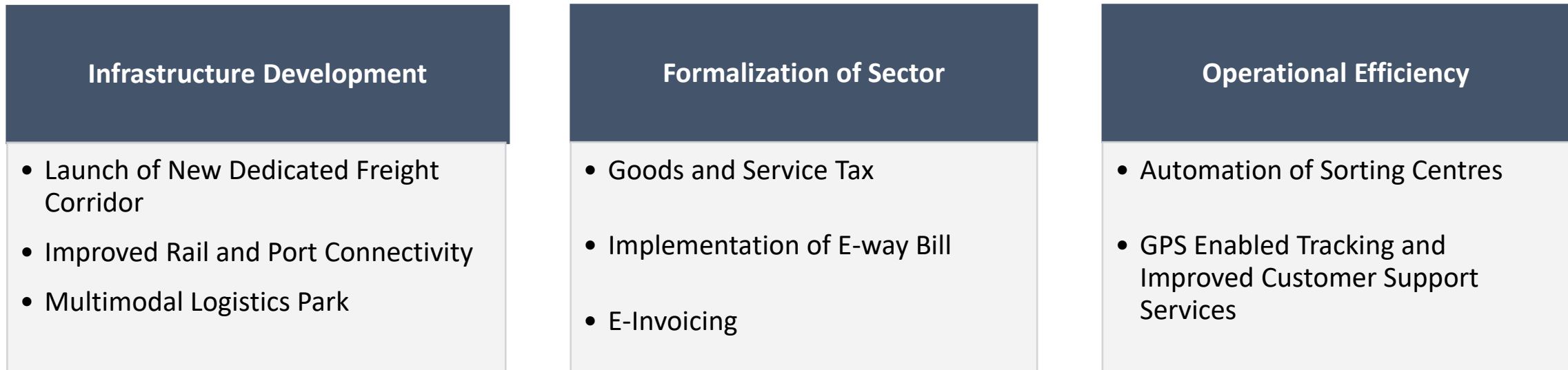
Notes:

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 2020**



**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
- ❑ MSME's continues to drive the growth and TCI Express remains a key beneficiary as Indian economy formalise

## Contact Information

This presentation contains statements that are “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, macro-economic, 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.

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