



Q1 FY2020 Earnings Presentation



TCI EXPRESS
LEADER IN EXPRESS



Q1 FY2020 Highlights

Resilient Financial Performance with 3.5% Revenue and 14.2% PAT Growth in Q1 FY2020 despite temporary slowdown

Rs. 256 Cr

 3.5% y-o-y

Q1 FY20 Op. Revenue

Rs. 30 Cr

 9.8% y-o-y
Margin 11.6%

Q1 FY20 EBITDA

Rs. 18 Cr

 14.2% y-o-y
Margin 7.2%

Q1 FY20 PAT

26.7%

Q1 FY20 ROE

40.2%

Q1 FY20 ROCE

(0.06)x

Net Debt/ Equity Ratio

Notes:

1. Annualized Q1FY2020 Figures for RoE and RoCE





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

“I am pleased to report that despite a subdued economic environment, TCI Express has delivered a resilient performance. During Q1 FY2020, Revenue from operations increased by 3.5% to Rs. 256 crores compared to Q1 FY2019. The Company delivered an EBITDA of Rs. 29.6 crores and margins expanded by 67 bps to 11.6% during the same period. Profit after tax of Rs. 18.4 crores in Q1 FY2020, represented an increase of 14.2 % on Y-o-Y basis. The revenue growth was driven by an increase in customers from the Small and Medium Enterprises (SME) sector. The margin improvement was attributable to operational efficiency and better working capital management.

In line with our long-term strategic objective, we are investing in our sorting centers. Approval for Pune and Gurgaon sorting centers are in place, the construction is expected to be completed by the end of the fiscal year and operations will commence from the beginning of FY2021. We have incurred capex of Rs. 2 crores during the quarter and reduce our target to Rs. 60 crores from earlier Rs. 80 crores for the full year. The capex will be incurred primarily for automation at our sorting center and will result in improving turnaround time, overall efficiency, enhanced profitability in the long run. The Company continues to strengthen its balance sheet and has repaid its entire debt. As a debt free entity, we will continue to generate superior returns for our shareholders with an optimum capital structure.

FY2020 started on a mixed note with major economic indicators remaining muted for the quarter. However, with the return of stable government at the center and specific policy initiatives for the logistics industry, we anticipate the industry to benefit from the economic revival post election and budget. TCI Express continues to benefit from its diversified client base of SMEs and Corporates, strong partnership arrangement with Vendors and use of advanced business intelligence tools. We will continue to leverage our position to utilize and grow on the back of upcoming opportunities with our asset light model, customized solution offerings and superior customer support services.

The Company continues to move on its strategic path through its differentiated offerings and with the onset of festive season we look forward to deliver robust growth in the coming quarters.”



Why TCI Express?

Ranked 457 in Top 500 Companies based on Market Cap, as on March 31, 2019

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



Fastest Express Delivery Company in India

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

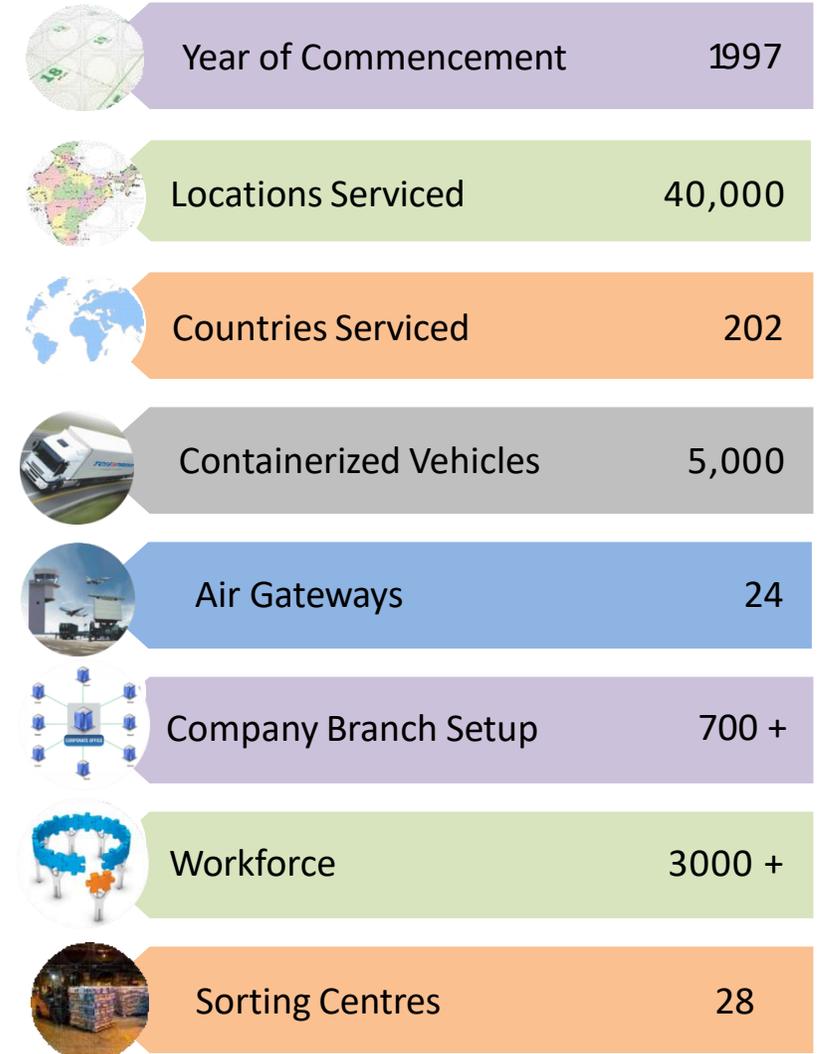
Specialized in offering time definite solutions with focus on Tier II and III cities

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

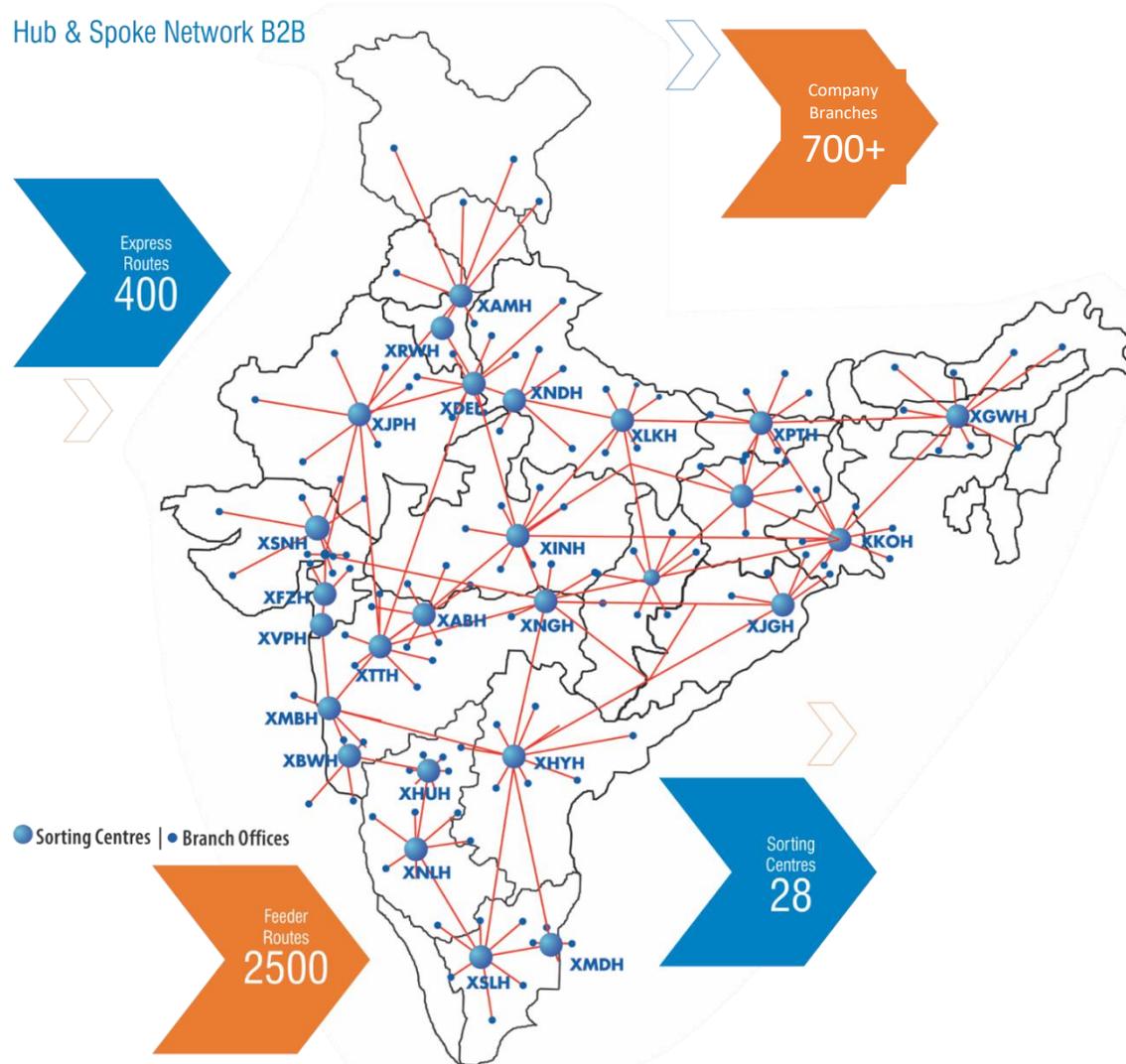
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Geographical Footprint

Fastest Delivery Company in India

Hub & Spoke Network B2B





Revenue Growth

Negligible impact expected on Express due to economic slowdown

- 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 next 5 years

- Investment in sorting centres
- Automation and enhancing technological capabilities



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)	Q1		Y-o-Y	Q4	Q-o-Q	Full Year		Y-o-Y
	FY2020	FY2019	Growth (%)	FY2019	Growth (%)	FY2019	FY2018	Growth (%)
Income from Operations	256.2	247.6	3.5%	265.8	(3.6)%	1,023.8	885.1	15.7%
EBITDA	29.6	27.0	9.8%	33.8	(12.4)%	119.0	90.7	31.3%
Margin (%)	11.6%	10.9%		12.7%		11.6%	10.2%	
EBIT	27.8	25.5	9.2%	32.1	(13.3)%	112.5	85.4	31.6%
Margin (%)	10.9%	10.3%		12.1%		11.0%	9.7%	
PBT	28.3	24.8	14.1%	32.8	(13.6)%	111.9	83.8	33.6%
Margin (%)	11.0%	10.0%		12.3%		10.9%	9.4%	
PAT	18.4	16.1	14.2%	21.7	(15.3)%	72.8	58.4	24.7%
Margin (%)	7.2%	6.5%		8.1%		7.1%	6.6%	
EPS	4.81	4.21	14.2%	5.68	(15.3)%	19.02	15.25	24.7%

Notes:

- EBITDA and EBIT excludes other income; PBT and PAT includes other income
- EBITDA and EBIT Margins are calculated on Income from Operations; PBT and PAT Margins on Total Income

* All numbers in Crores unless specified



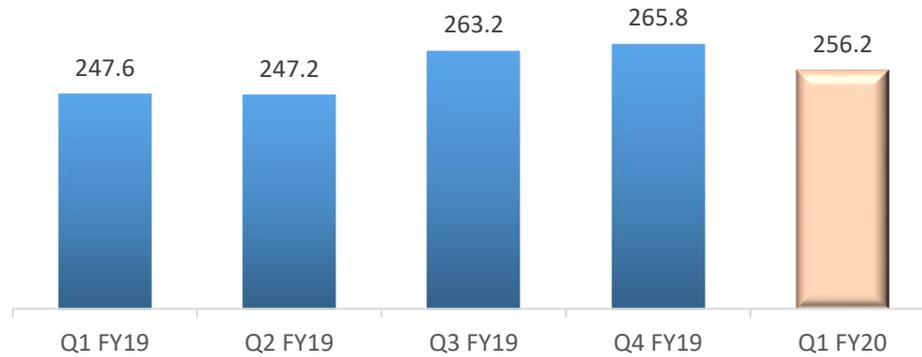
Q1 FY 2020 Performance Discussion

- Revenue growth of 3.5% y-o-y attributable to increase in new customers from SME Segment
- EBITDA Margins increased from 10.9% in Q1 FY2019 to 11.6% in Q1 FY2020 primarily due to:
 - Operational efficiencies and effective cost control measures
 - Annual price appreciation
- TCI Express became debt free company during the quarter with surplus funds of Rs. 10 Cr
- Capex of Rs. 2 Cr incurred during the year on expansion of sorting centres and IT infrastructure, with the annual target of Rs. 60 Cr for FY2020
- Approval for Pune and Gurgaon sorting centers are in place, the construction is expected to be completed by the end of the fiscal year and operations will commence from the beginning of FY2021
- 10 new branches added during the quarter



Quarter Performance Trends

Income from Operations



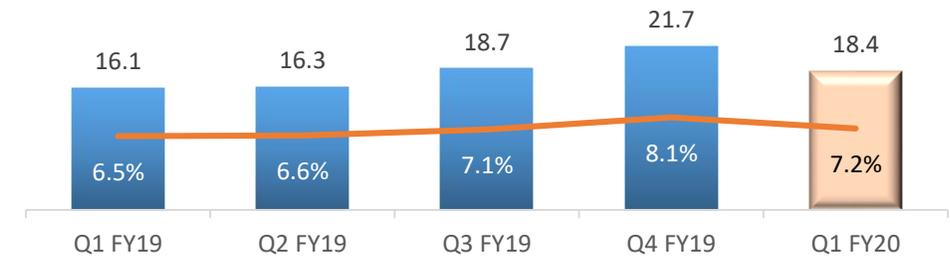
EBITDA and Margins



PBT and Margins



PAT and Margins



Notes:

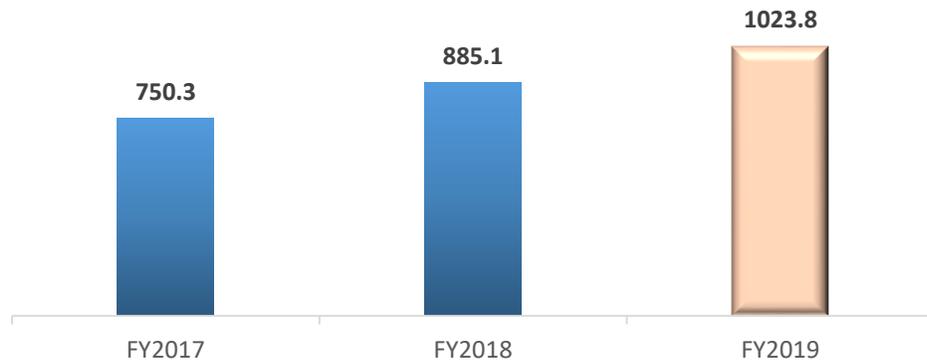
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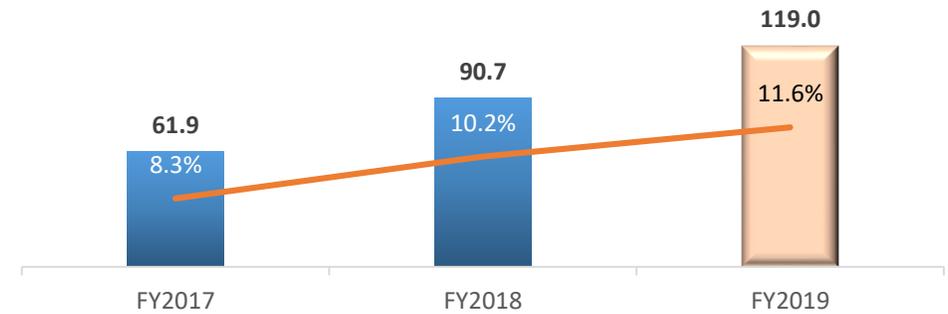


Annual Performance Trends

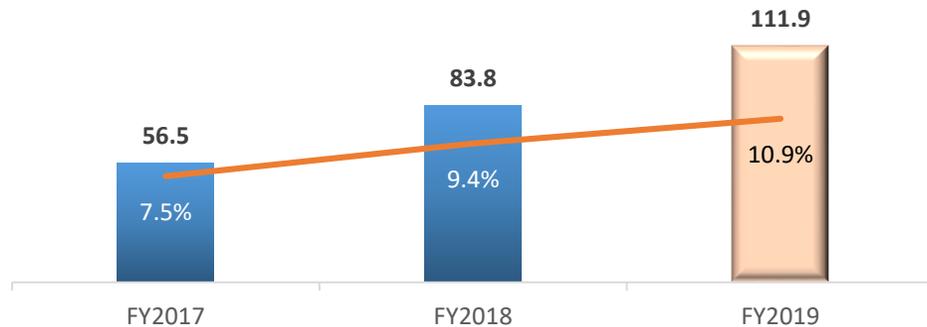
Income from Operations



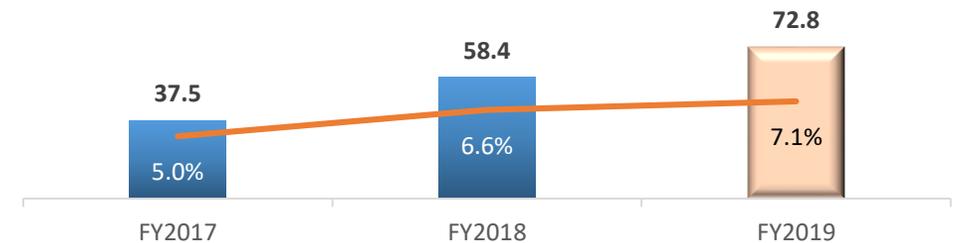
EBITDA and Margins



PBT and Margins



PAT and Margins



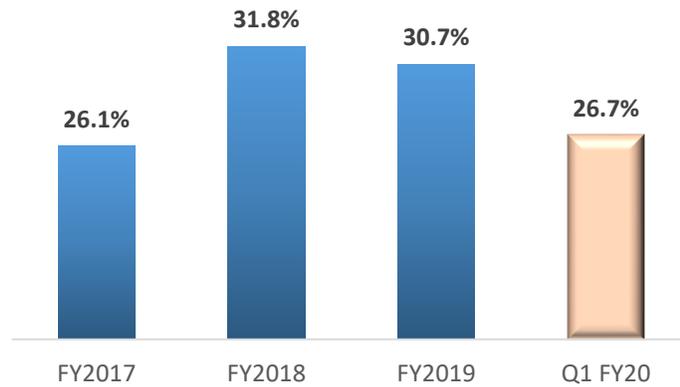
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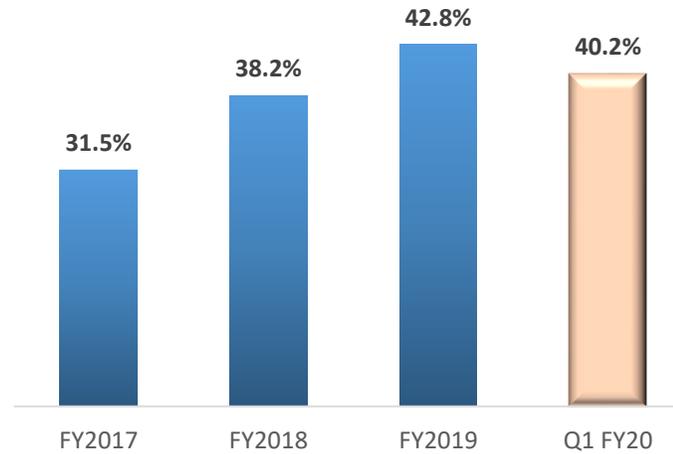
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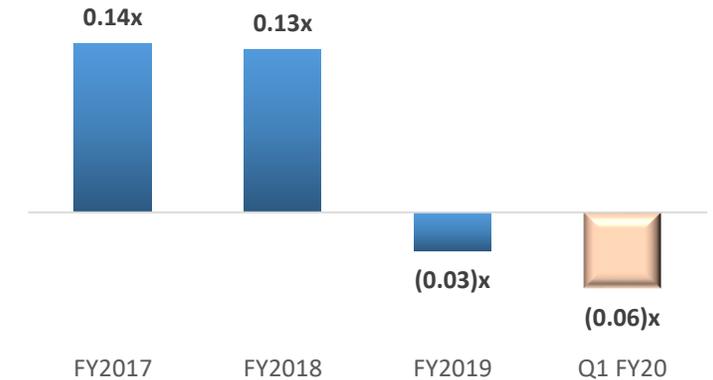
Return on Equity (%)



Return on Capital Employed (%)



Net Debt / Equity (x)



Notes:

1. Annualized Q1FY2020 Figures for RoE and RoCE
2. RoE= PAT/Average Total Equity
3. RoCE= EBIT/ Average Capital Employed

* All numbers in Crores unless specified



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. P.C. Sharma, CEO & Director

Mr. P. C. Sharma has been associated with TCI since 1982. He started his career in TCI as trainee and currently heads TCIEXPRESS Ltd. which is India's leading Multimodal Integrated Express and Supply Chain Solutions provider with a Global presence.

He has a strong educational background and holds a B. Com degree. He has also undergone various executive training programs from renowned institutes like IIM-A Indian School of Business (ISB), XLRI Jamshedpur and is also alumni of Harvard Business School and National University of Singapore.



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 13 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

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



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IATA CERTIFICATE



ISO CERTIFIED



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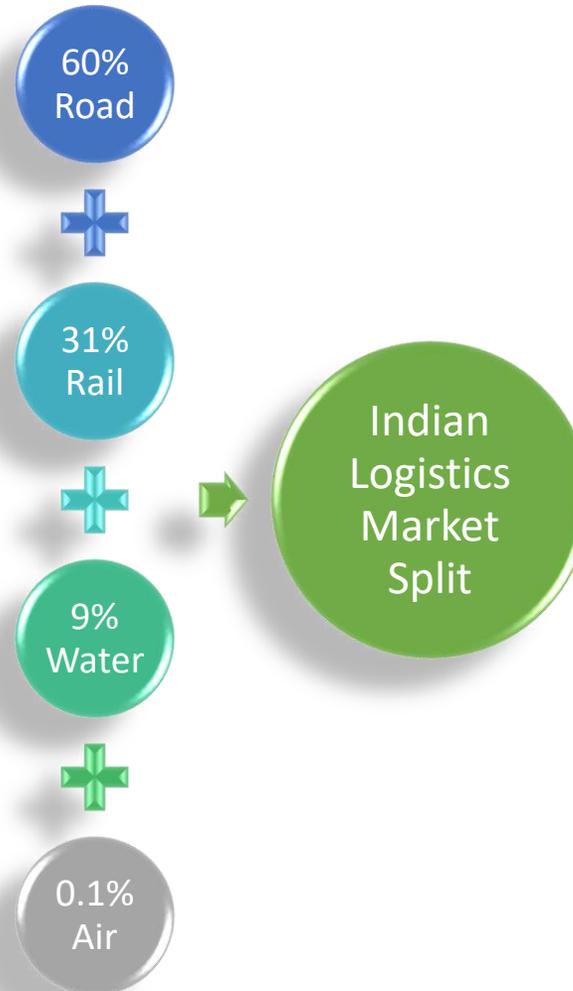
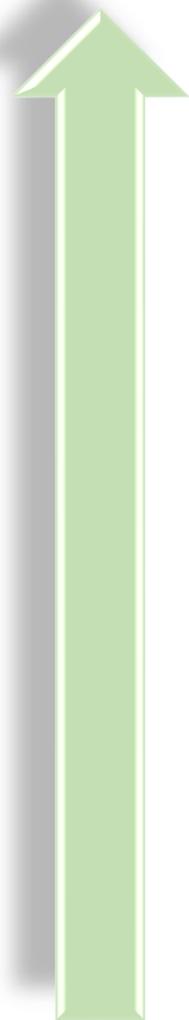
Business Superbrand of 2019



The Economic Times Iconic Brands Of India



Express Industry – An Outlook



Logistics as % of GDP

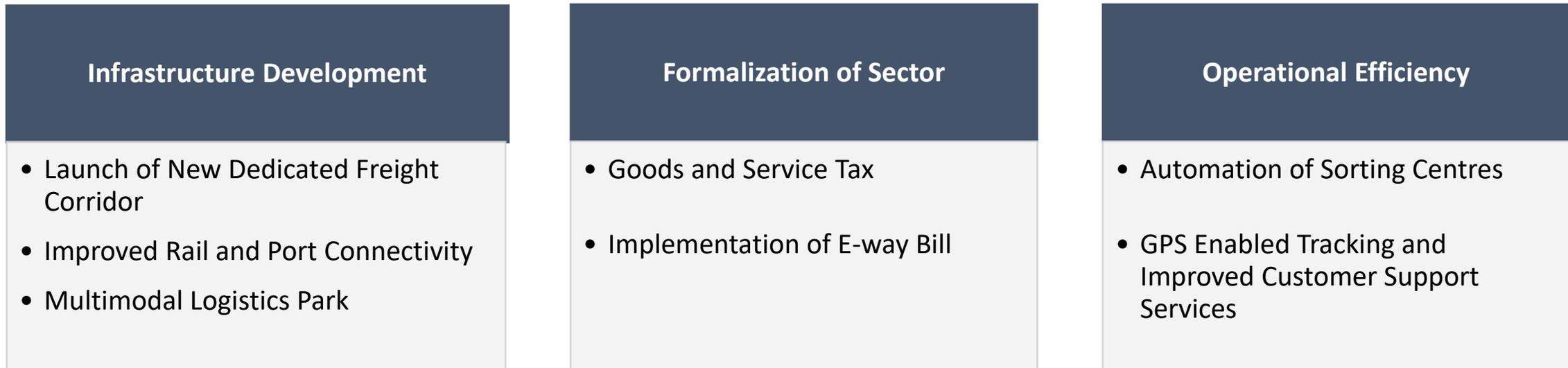


Notes:

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



Key Takeaways

- ❑ TCI Express revenue has grown at CAGR of 16.8% in last 3 years
- ❑ Asset light model continues to drive strong cash flows
- ❑ Consistently paying dividend for last 3 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 the FY2019, added 60 new branch offices in the Metro and Tier I cities to penetrate deeper and add more SME customers
- ❑ Express industry is expected to grow 9-11% and TCI Express expected to grow in the range of 18-20%. The Company is well positioned to capitalize on the growing market opportunities

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.

For further information, please contact:

Mukti Lal
Chief Finance Officer, TCI Express

+ 124 238 1603
Mukti.lal@tciexpress.in

Ravi Gothwal / Vikas Luhach
Churchgate Partners

+91 22 6169 5988
tciexpress@churchgatepartners.com





TCI EXPRESS LIMITED

TCI house, 69 Institutional area, Sector - 32,
Gurgaon 122001, Haryana, India

P: +91 124 2384090-94 • E: info@tciexpress.in

W: www.tciexpress.in • Toll free: 1800 2000 977

