



# Q3 FY2020 Earnings Presentation



**TCI EXPRESS**  
LEADER IN EXPRESS



# 9M FY2020 and Q3 FY2020 Highlights

Resilient Financial Performance with 2.1% Income and 36.4% PAT Growth in Q3 FY2020

Board recommended second interim Dividend of Rs. 1.5 per share

Total Dividend of Rs. 3 per share and Pay out of 16.4% for 9M FY2020

**Rs. 797 Cr**

 4.9% y-o-y

**9M FY20 Income**

**Rs. 269 Cr**

 2.1% y-o-y

**Q3 FY20 Income**

**40.2%**

**9M FY20 ROCE**

**Rs. 98 Cr**

 12.2% y-o-y  
Margin 12.3%

**9M FY20 EBITDA**

**Rs. 35 Cr**

 11.2% y-o-y  
Margin 13.1%

**Q3 FY20 EBITDA**

**31.3%**

**9M FY20 ROE**

**Rs. 70 Cr**

 37.1% y-o-y  
Margin 8.8%

**9M FY20 PAT**

**Rs. 26 Cr**

 36.4% y-o-y  
Margin 9.5%

**Q3 FY20 PAT**

**68.9%**

**Cash Conversion Ratio**





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

“I am pleased to report that TCI Express has delivered a resilient performance in the quarter despite a weak macroeconomic environment impacting major sectors of the economy. Revenue from Operations were Rs. 268 crores in Q3 FY2020, an increase of 2.0% on Y-o-Y basis compared to Q3 FY2019. The Company delivered an EBITDA of Rs. 35 crores, growth of 11.2% and margins expanded by 107 bps to 13.1 % during the same period. Profit after tax was Rs. 26 crores in Q3 FY2020, representing an increase of 36.4 % on Y-o-Y basis, with margins of 9.5%. The revenue growth was driven primarily by increase in Small and Medium Enterprises (SME) customers. The margin improvement is a result of operational efficiency initiatives and better working capital management.

We continue to expand our geographical presence and opened 10 new branches in the quarter. The objective is to increase penetration in the metro cities and acquire SME customers. During the quarter, we implemented various initiatives to improve operational efficiency which resulted in higher capacity utilization and operational cost reduction. Construction of new sorting centre at Gurgaon was on halt due to NGT order but now the construction is back on track and we expect both of our new sorting centres to commence commercial operations from second quarter of next fiscal year.

Domestic economy in third quarter of FY2020, continued to face slowdown due to weakening industrial activity across sectors. Index for Industrial Production (IIP) turned positive in November after three months of contraction yet number of key use-based sectors such as consumer durables, capital goods, basic goods and infrastructure goods are still showing degrowth. Tighter credit conditions in the non-banking sector also resulted in weakening of domestic demand and subdued private consumption. Along with economic slowdown, Logistics sector also saw moderation due to political disturbance and protest in North and Eastern region.

We are hopeful that the government in its upcoming budget will introduce major stimulus package to revive manufacturing, address low consumption demand and support MSME's to improve overall business confidence.

We continue to pursue our long-term growth strategy, staying firmly focused on our unique value proposition, driving operational efficiency, consolidating partnership arrangement with Vendors and growing our SME client base 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

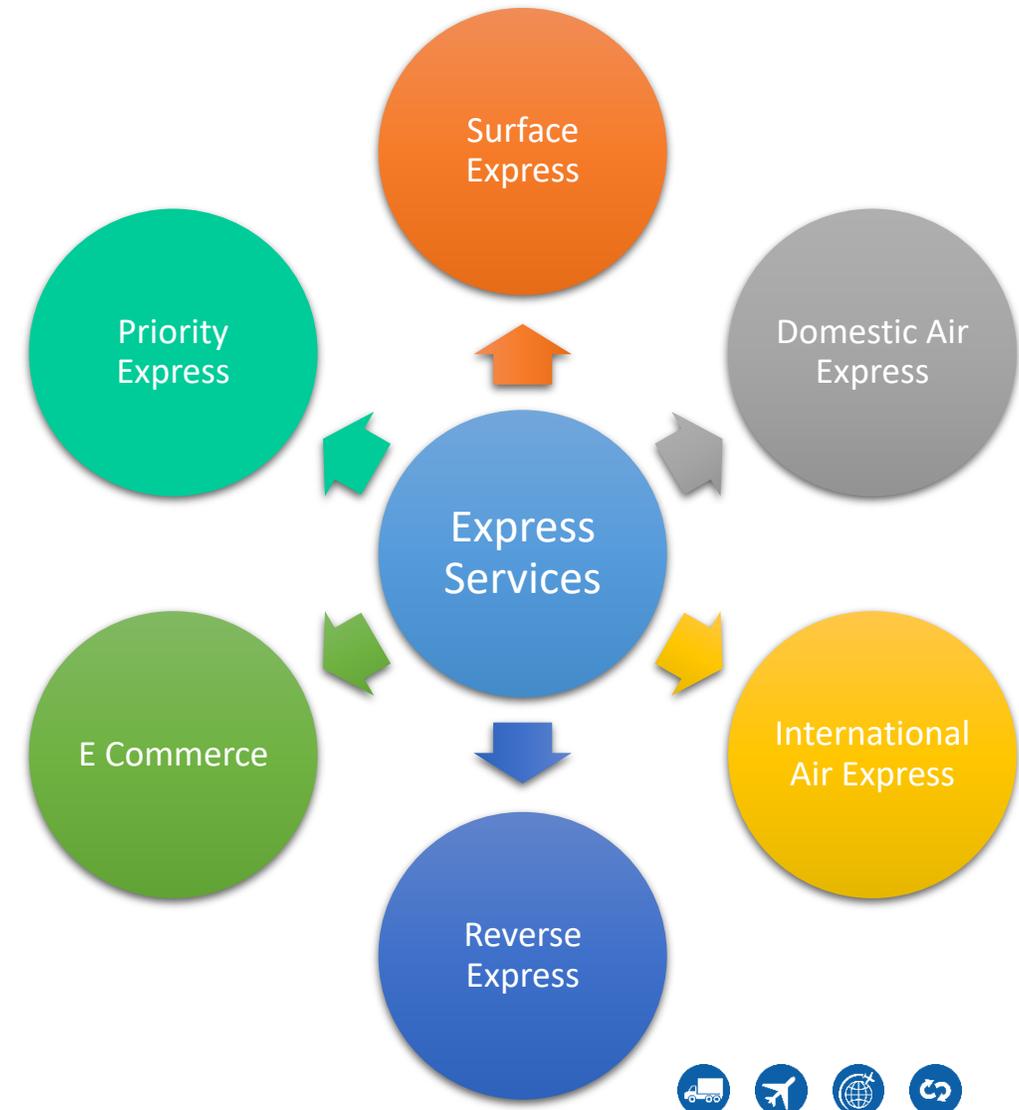
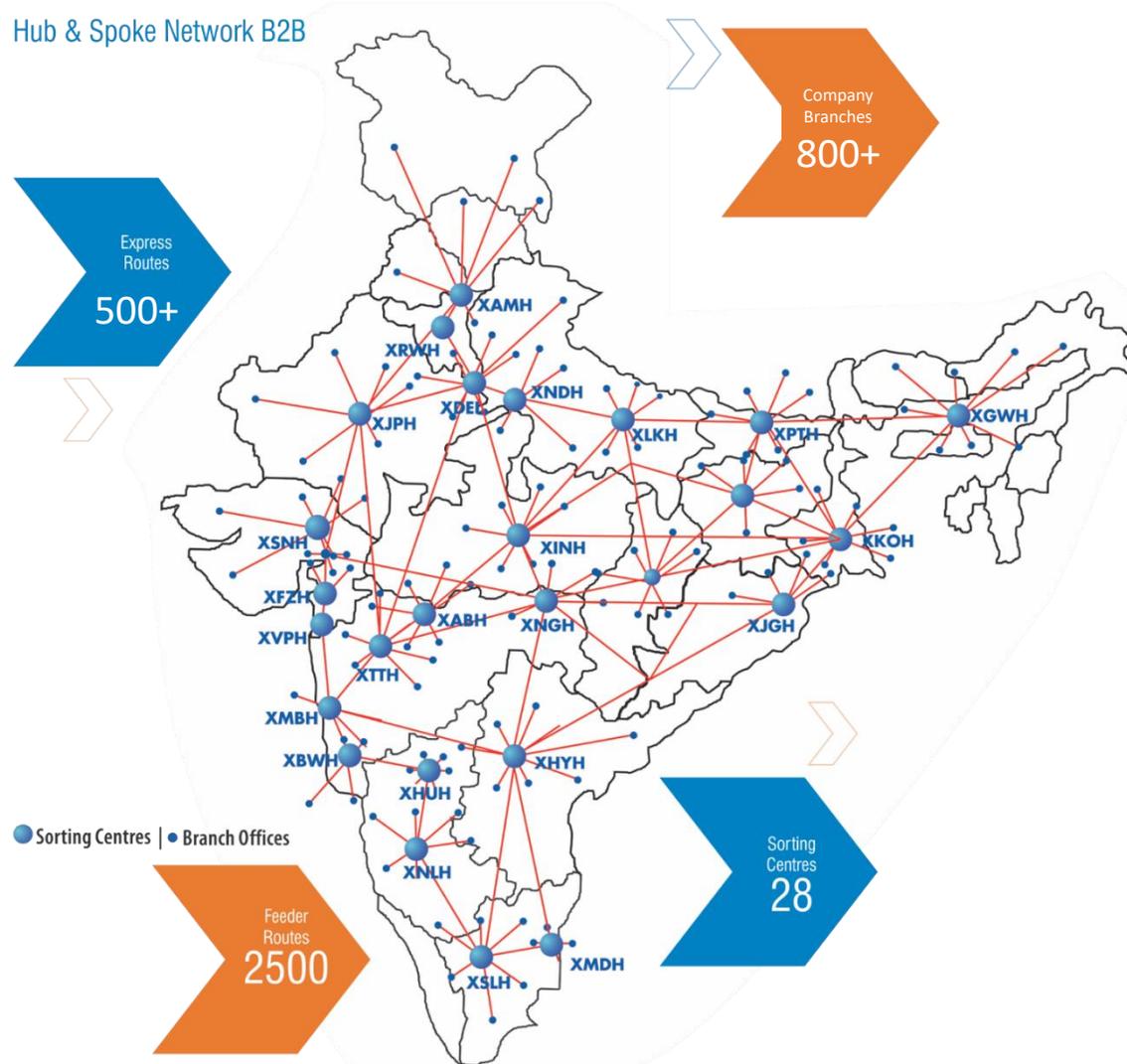
The only express cargo company in India with own set up across nation. Offers Sunday, Holiday and late pickup services

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



# Geographical Footprint

## Fastest Delivery Company in India





## Revenue Growth

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

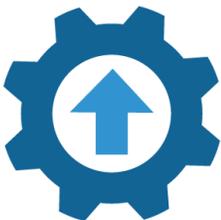
- Highly diversified client base and well spread across industry verticals
- Continuous expansion in Metro and Tier I Cities through new branch offices



## Capital Expenditure

Planned CapEx of Rs. 400 crores in 5 years

- Investment in sorting centres
- Automation and enhancing technological capabilities
- Out of which Rs. 100 crores have been spent in last two 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)	Q3		Y-o-Y	Q2		9M		Y-o-Y
	FY2020	FY2019	Growth (%)	FY2020	Growth (%)	FY2020	FY2019	Growth (%)
Income from Operations	268.4	263.2	2.0%	269.5	(0.4)%	794.0	757.9	4.8%
Other Income	0.9	0.7		1.6		3.2	2.0	
Total Income	269.2	263.8	2.1%	271.1	(0.7)%	797.2	759.9	4.9%
EBITDA	35.2	31.6	11.2%	32.3	8.8%	97.8	87.2	12.2%
Margin (%)	13.1%	12.0%		11.9%		12.3%	11.5%	
EBIT	33.0	29.9	10.4%	30.5	8.4%	92.1	82.3	11.8%
Margin (%)	12.3%	11.3%		11.2%		11.6%	10.8%	
PBT	32.9	28.9	13.8%	30.2	8.8%	91.5	79.0	15.7%
Margin (%)	12.2%	11.0%		11.2%		11.5%	10.4%	
PAT	25.5	18.7	36.4%	26.1	(2.2)%	70.1	51.1	37.1%
Margin (%)	9.5%	7.1%		9.6%		8.8%	6.7%	
EPS	6.65	4.89	36.1%	6.82	(2.4)%	18.28	13.34	37.1%

Notes:

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

\* All numbers in Crores unless specified



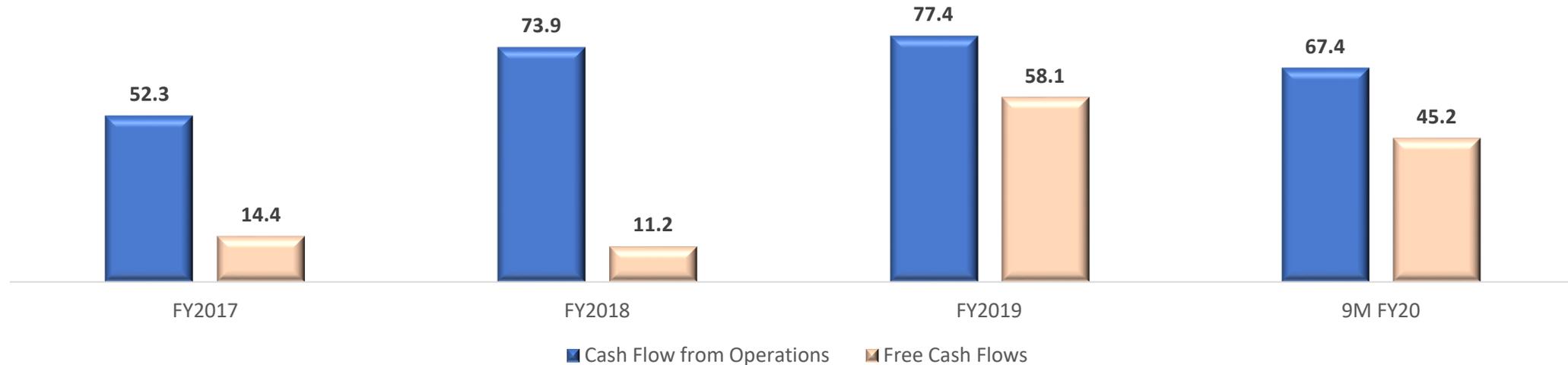
## Q3 FY2020 Performance Discussion

- Total Income growth of 2.1% y-o-y attributable to increase in new customers from SME Segment
- EBITDA Margins increased 107 bps, from 12.0% in Q3 FY2019 to 13.1% in Q3 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
- Capex of Rs. 16 Cr incurred during the quarter and Rs. 23 Cr in 9M FY2020 on expansion of sorting centres and IT infrastructure
- Construction of new sorting centre at Gurgaon was on halt due to NGT order but now the construction is back on track and we expect both of our new sorting centres to commence commercial operations from second quarter of next fiscal year
- 10 new branches were added during the quarter in the metro cities to deepen TCI Express presence, as a part of our core strategy



# Cash Flow from Operations vs Free Cash Flows (9M FY2020)

## Continue to Generate Strong Cash Flows

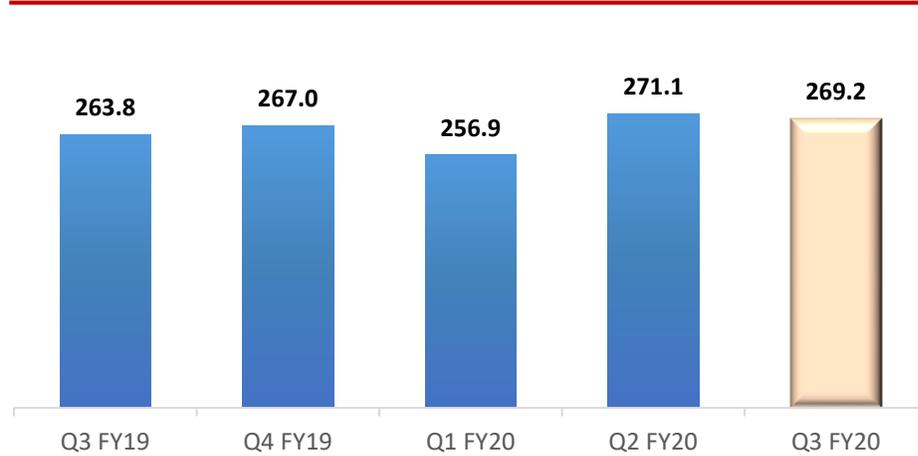


- Track record of consistent generation of cash flows with a focus on enhancing free cash flows
- High EBITDA to cash flow conversion due to negligible debt and depreciation component
- Efficient working capital management with strong cash flow conversion cycle

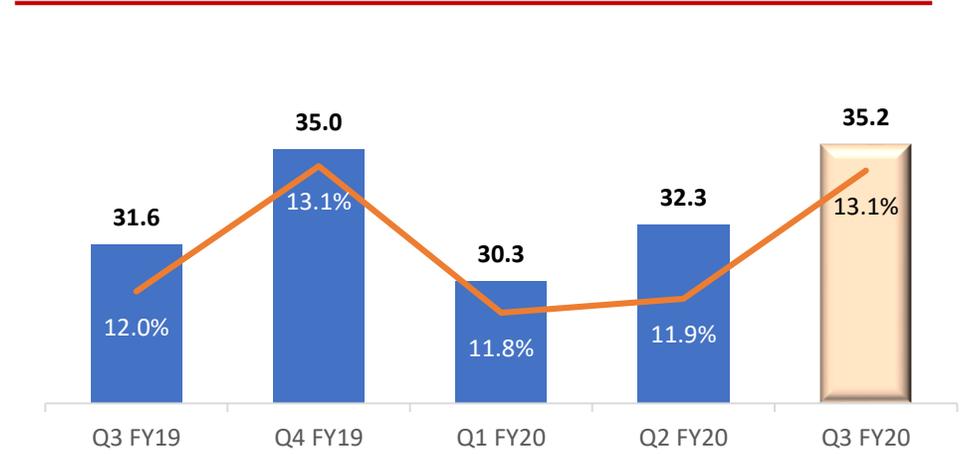


# Quarter Performance Trends

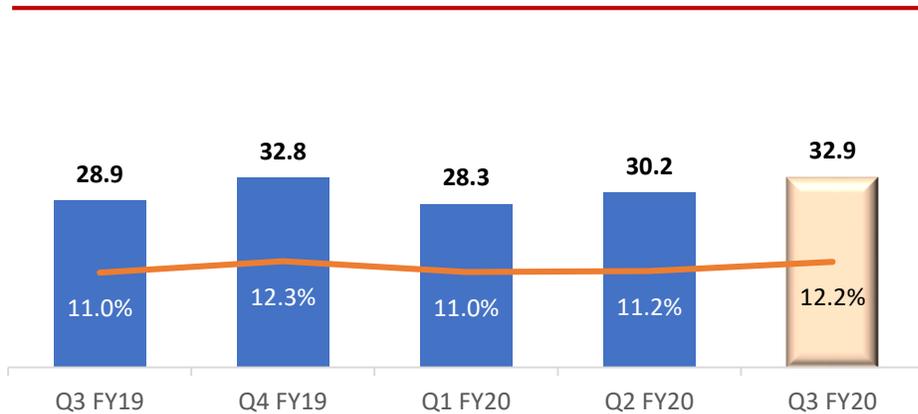
## Total Income



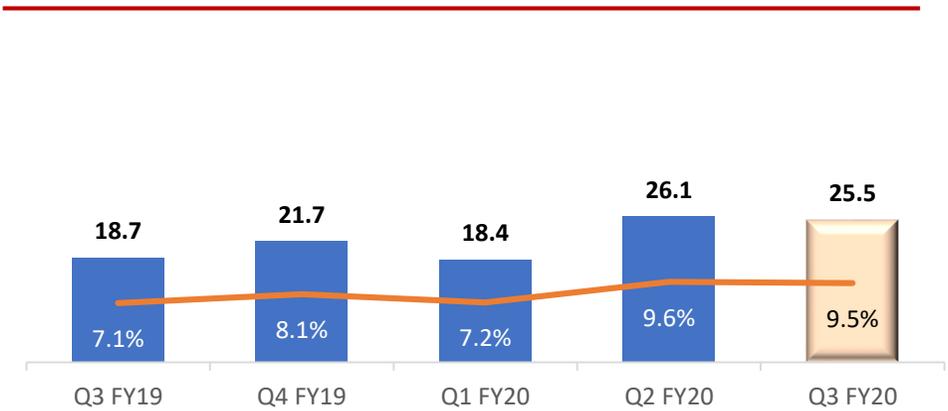
## EBITDA and Margins



## PBT and Margins



## PAT and Margins



Notes:

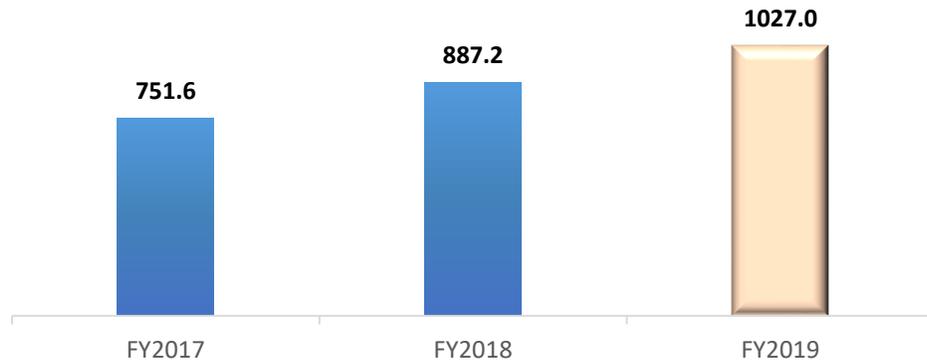
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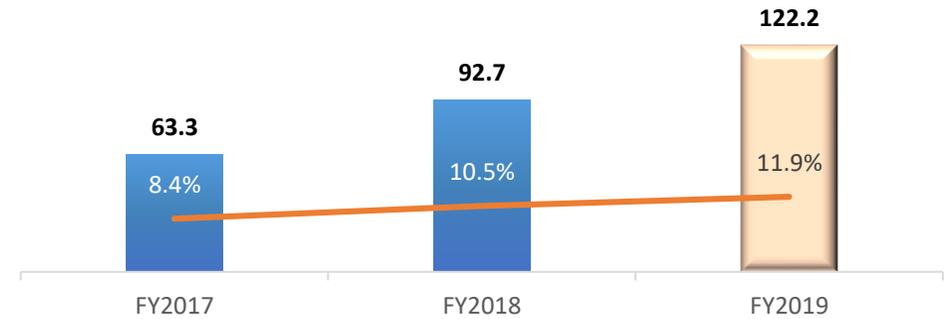


# Annual Performance Trends

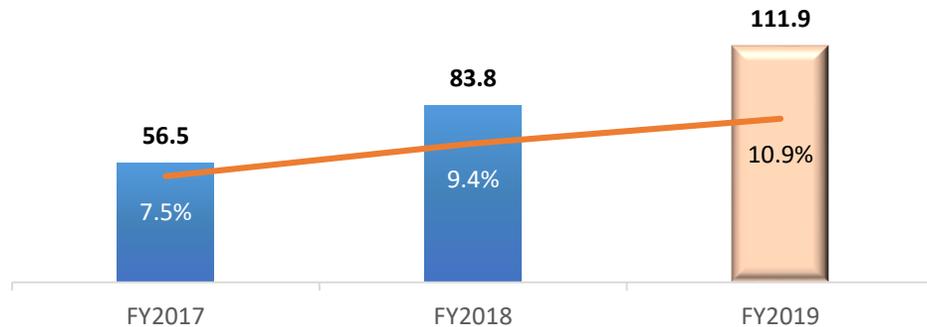
## Total Income from Operations



## EBITDA and Margins



## PBT and Margins



## PAT and Margins



Notes:

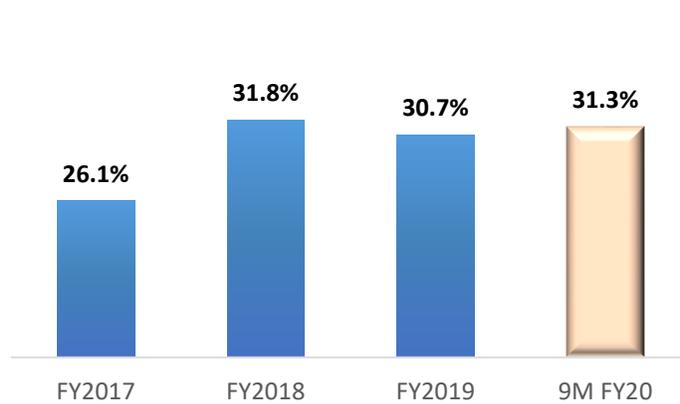
1. EBITDA includes other income
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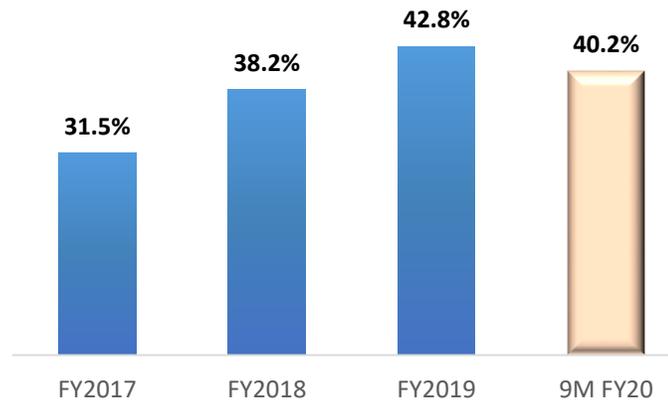


# Key Ratios

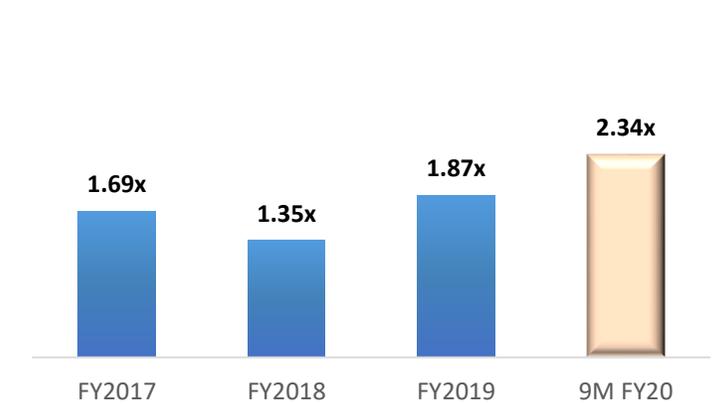
## Return on Equity (%)



## Return on Capital Employed (%)



## Current Ratio (x)



Notes:

1. Annualized 6MFY2020 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.

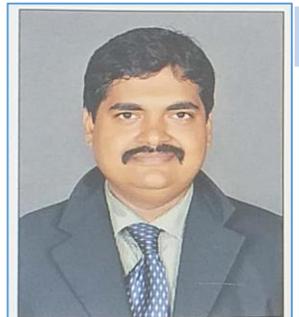
Mr. Agarwal is also associated with various Chambers of Commerce including CII, FICCI & PHDCCI. He also takes active participation in many social and philanthropic activities for the common good.



**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. 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

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



TCI Express Limited as most Brands Industry  
Bharariya Manvata Vikash Puraskar 2019



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

## IATA CERTIFICATE



## ISO CERTIFIED



## RATED BY



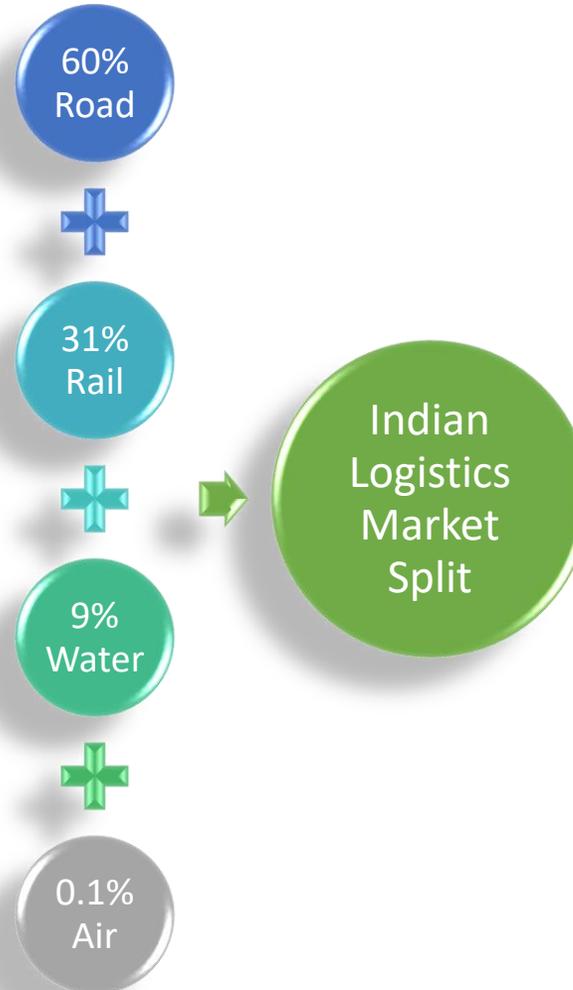
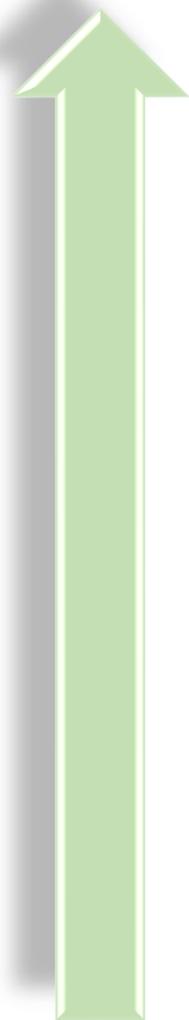
**Business Superbrand of 2019**



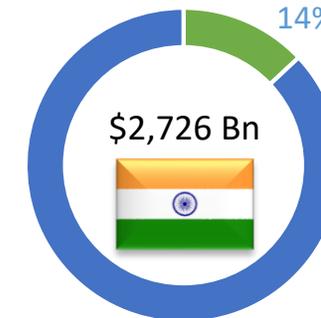
**The Economic Times Iconic Brands Of India**



# Express Industry – An Outlook



## Logistics as % of GDP

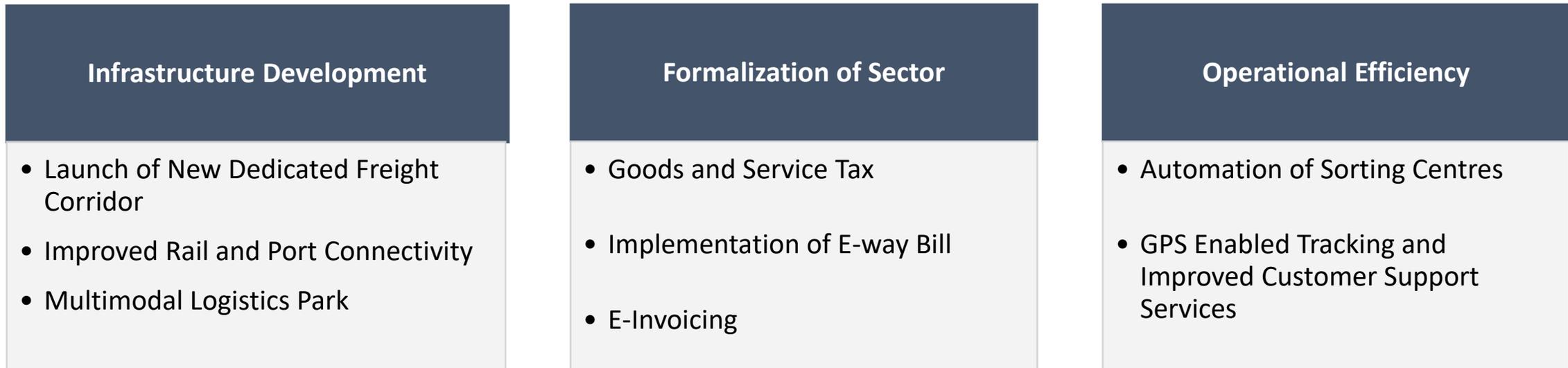


Notes:

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 9M FY2020, added 35 new branch offices in the Metro and Tier I cities to penetrate deeper and add more SME customers
- ❑ Express industry is expected to grow 6-9% and TCI Express expected to grow in the range of 12-15%. 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.

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