



Q3 FY2021 Earnings Presentation



TCI EXPRESS
LEADER IN EXPRESS



Q3 FY2021 Highlights

Sequential recovery in Revenue and strong EBITDA and PAT margins, as businesses continue to normalize
Board of Directors announced interim dividend of Rs. 2 per share, payout of 100% on face value and 13.2% on 9MFY21 EPS

Rs. 264 Cr



23.3% q-o-q

Q3 FY21 Income

Rs. 47 Cr



Margin 17.8%

Q3 FY21 EBITDA

Rs. 34 Cr



Margin 12.7%

Q3 FY21 PAT

(0.14)x

Net Debt/ Equity Ratio

Key Highlights:

- Q3 FY21 was a mixed quarter which saw pick-up in demand due to festive season but after recovery in October, core industries deteriorated in November
- Index for Industrial Production for few key customer industries, such as pharmaceuticals declined by 0.8% YoY, textiles by 9.8% YoY, machinery and equipment by 5.4% YoY in November
- Company reported strong improvement in EBITDA margins of 17.8% compared to 13.1% and Net Profit margins of 12.7% compared to 9.5%, last quarter
- Improved profitability due to cost rationalization measures implemented, is expected to continue going forward
- Company maintains strong capital structure with robust collections from customer



9M FY2021 Highlights

Improved EBITDA and PAT margins, due to cost rationalization measures taken by the company

Rs. 564 Cr

(28.9)% y-o-y

9M FY21 Income

27.9%

9M FY21 ROCE

Rs. 85 Cr

(13.6)% y-o-y
Margin 14.9%

9M FY21 EBITDA

21.0%

9M FY21 ROE

Rs. 58 Cr

(17.2)% y-o-y
Margin 10.2%

9M FY21 PAT

101.3%

Cash Conversion Ratio

Notes:

1. 9M FY21 RoE and RoCE annualized and impacted due to subdued Q1FY21 amidst health pandemic Covid-19





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

“Third quarter of the fiscal year was a mixed quarter, the period saw sequential growth momentum as the economy normalized, businesses started reaching near-normal levels and demand picked up during the festive season. The quarter started in October with good pick-up in demand but subsequently core industries saw contraction in production in November. Few of our key customer industries were impacted as Index for Industrial Production declined, such as pharmaceuticals decreased by 0.8% YoY, textiles by 9.8% YoY, machinery and equipment by 5.4% YoY in November. Evolving political situation in few parts of country also restricted our topline growth during the quarter.

In the current situation, I am pleased to report that in this quarter company delivered Revenue from operations of Rs. 262 crores. EBITDA stood at Rs. 47 crores with margins of 18% and Profit after Tax for the period was Rs. 34 crores with margins of 13%. The company has also announced interim dividend of Rs. 2 per share, with a payout ratio of 13.2% on nine-months EPS.

We continue to serve our customers’ needs while ensuring strong operational efficiencies and high-capacity utilization levels in our business. The various cost control measures implemented by the company in the recent past will help us to deliver enhanced profitability in the long run. We appreciate the support of our employees during these turbulent times and beginning from 1st October, salary increments have been accorded to employees.

Company is making progress on our strategic, long-term initiatives for productivity improvements and technology advancements. We have completed construction of warehouse in Pune and will commence operations in Q4FY21, only regulatory permissions are awaited at present, which were delayed to Covid-19 impact on regulators functioning. We are also regularly investing in automation and digitizing various processes such as docket and customer communication to ensure shorter turnaround time. We also opened 10 new branches in the quarter.

At TCI Express, a strong governance structure, creating an inclusive workplace culture and implementing environment friendly solutions are core pillars of business sustainability. Recently, we have launched a TCI Express ESG Profile on our website to transparently disclose ESG related information and how we are poised to achieve sustainable growth in the coming years. We will be updating this ESG Profile on a regular basis and look forward to keeping all our stakeholders fully informed at all times.

Despite the challenges of health pandemic, our investment in digital technology and prudent cost control measures has helped us navigate through this difficult time and we enter the new year with optimism. The increased allocation of spent on infrastructure development and various new initiatives promote manufacturing sector is expected to have positive impact on logistics sector.

We are committed to provide exceptional service quality to our customers, invest to drive operational efficiency and will focus on our core strengths of delivering time definite solutions.

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



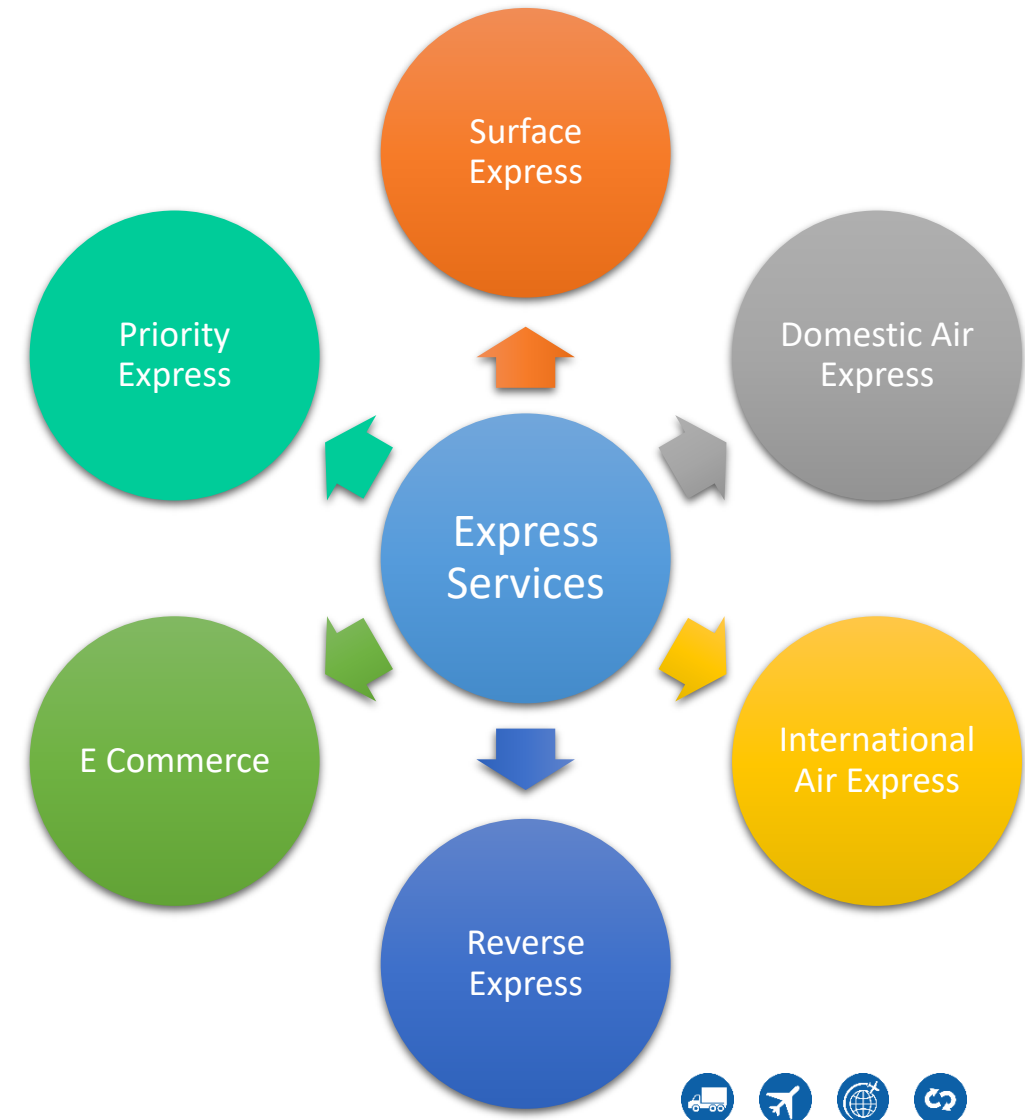
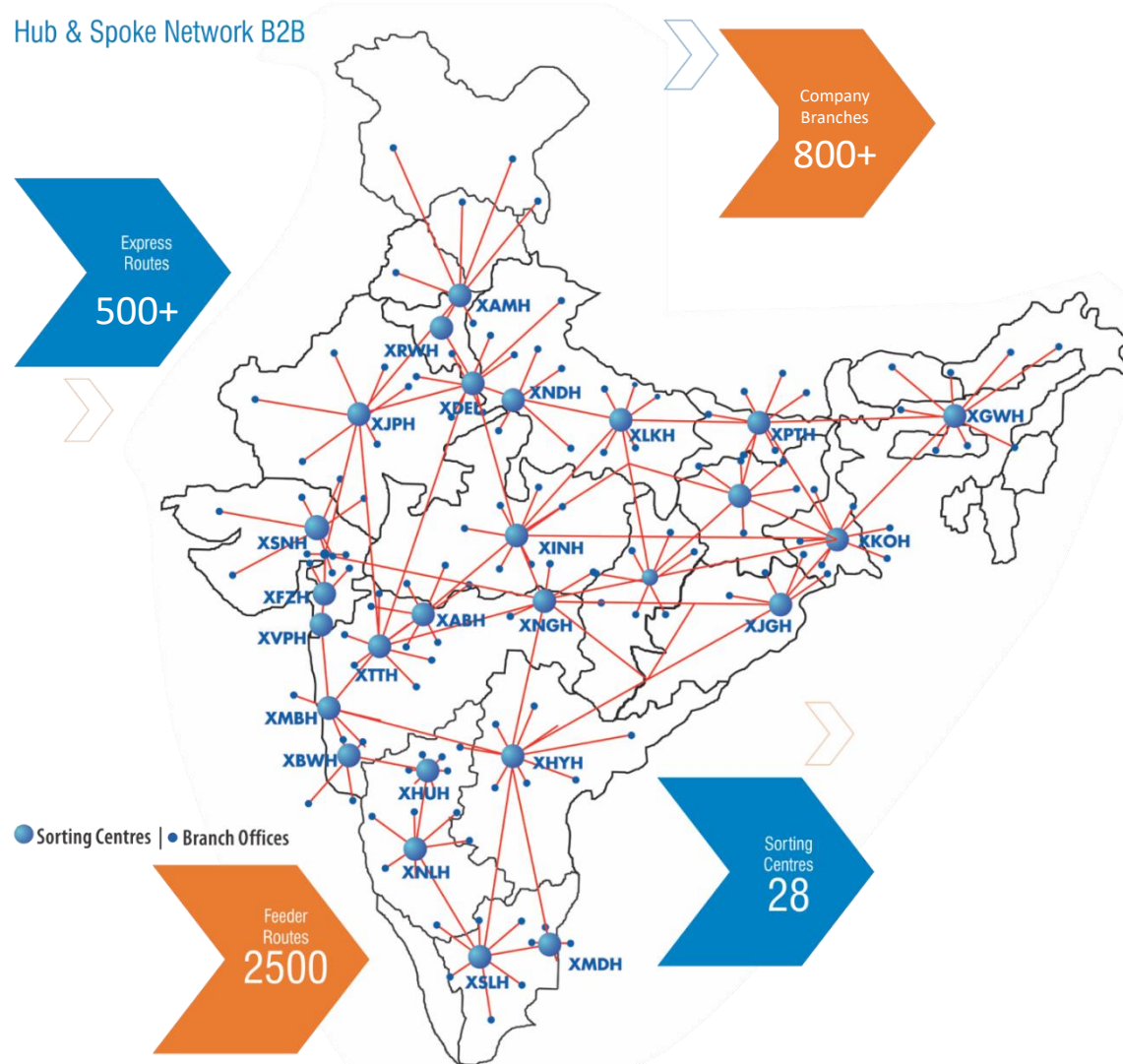
Why TCI Express?

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. 160 crores have been spent in last 3.75 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	Q-o-Q	Nine Months		Y-o-Y
	FY2021	FY2020	Growth (%)	FY2021	Growth (%)	FY2021	FY2020	Growth (%)
Income from Operations	262.5	268.4	(2.2)%	212.9	23.3%	564.2	794.0	(28.9)%
Other Income	1.7	0.9		1.5		4.6	3.2	
Total Income	264.2	269.2	(1.9)%	214.4	23.2%	568.8	797.2	(28.7)%
EBITDA	47.0	35.2	33.6%	34.0	38.2%	84.5	97.8	(13.6)%
Margin (%)	17.8%	13.1%		15.9%		14.9%	12.3%	
EBIT	44.8	33.0	35.7%	31.9	40.8%	78.1	92.1	(15.2)%
Margin (%)	17.0%	12.3%		14.9%		13.7%	11.6%	
PBT	44.7	33	35.8%	31.5	41.6%	77.5	91.5	(15.3)%
Margin (%)	16.9%	12.2%		14.7%		13.6%	11.5%	
PAT	33.6	25.5	31.6%	23.5	43.1%	58.0	70.1	(17.2)%
Margin (%)	12.7%	9.5%		11.0%		10.2%	8.8%	
EPS	8.59	6.64	29.3%	6.11	40.5%	15.13	18.27	(17.2)%

Notes:

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

* All numbers in Crores unless specified



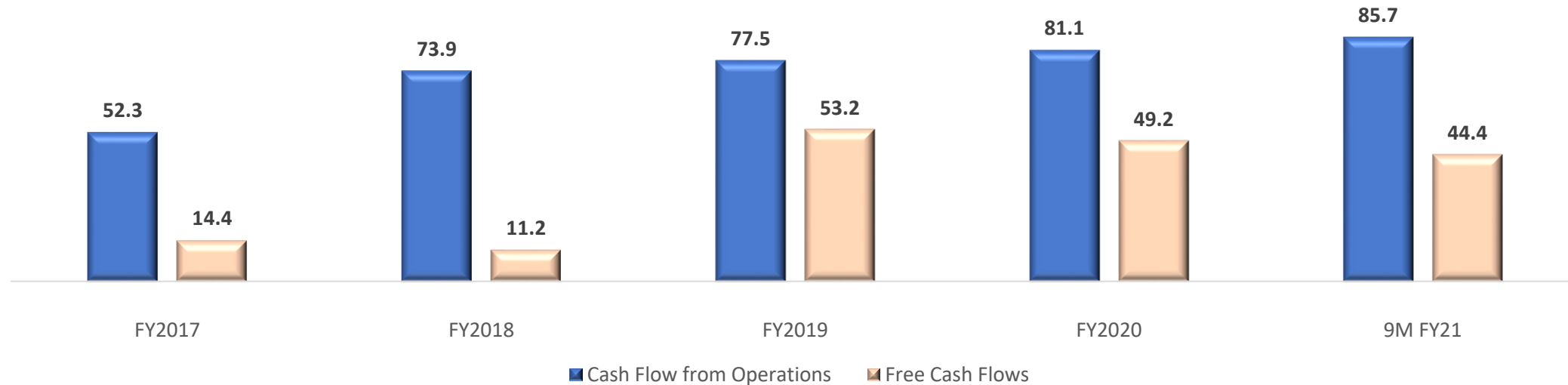
Q3 FY2021 Performance Discussion

- Total Income increased to Rs. 264 Crores vs Rs. 214 Crores in Q2 FY21 reflecting Q-o-Q recovery in businesses as economy moves forward towards normalization
- Improved EBITDA margins, were achieved due to:
 - Effective cost control measures – lower operating expenses, employee benefit expenses and other expenses
- Capex of Rs. 41 Cr incurred during 9MFY2021 on expansion of sorting centres and IT infrastructure
- Pune sorting centre construction is complete and is expected to be operational in Q4FY21. Delay in receiving regulatory permissions due to Covid-19
- 20 new branches were opened during 9MFY2021 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 FY2021)

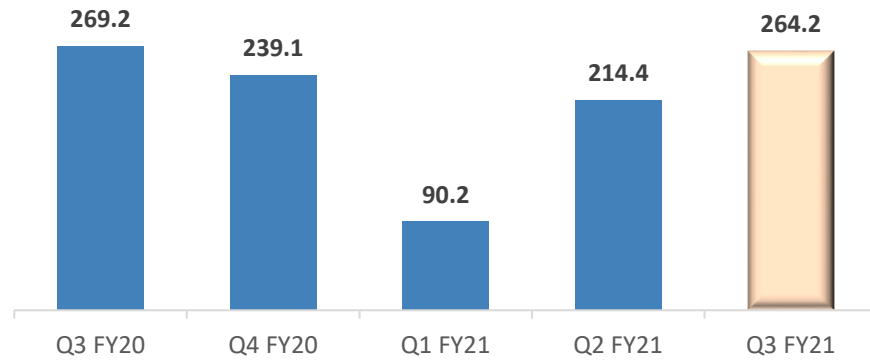
Continue to Generate Strong Cash Flows



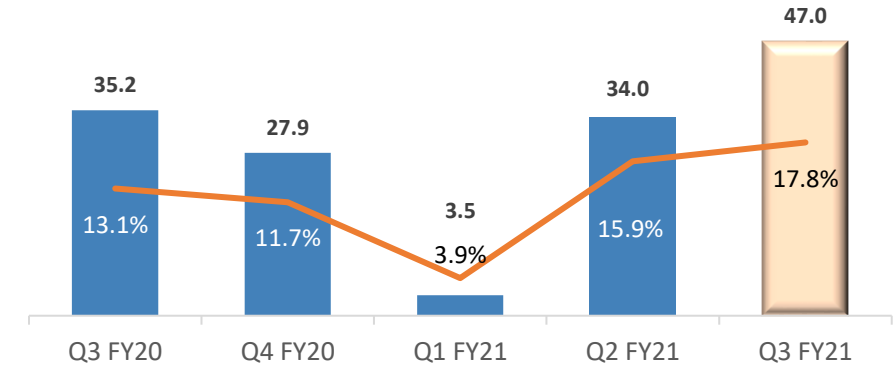
- Track record of consistent generation of cash flows with a focus on enhancing free cash flows
- High EBITDA to cash flow conversion due to negligible debt and depreciation component
- Efficient working capital management, strong cash flow conversion cycle and robust collections from customers

Quarter Performance Trends

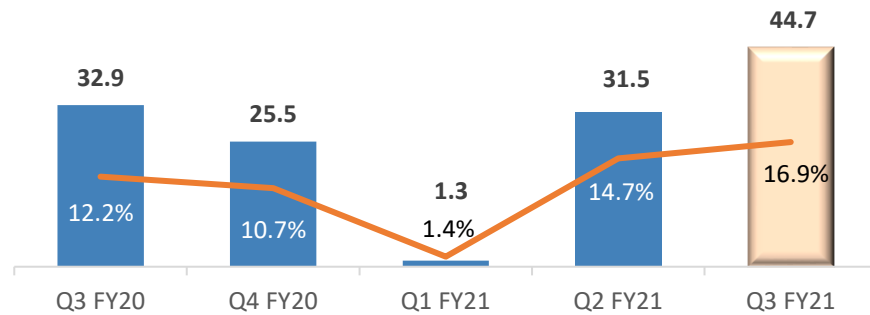
Total Income



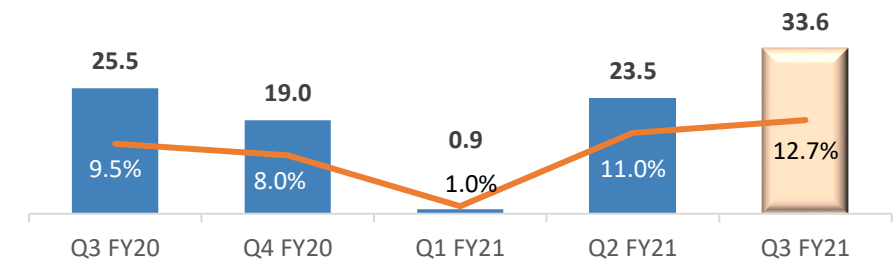
EBITDA and Margins



PBT and Margins



PAT and Margins



Notes:

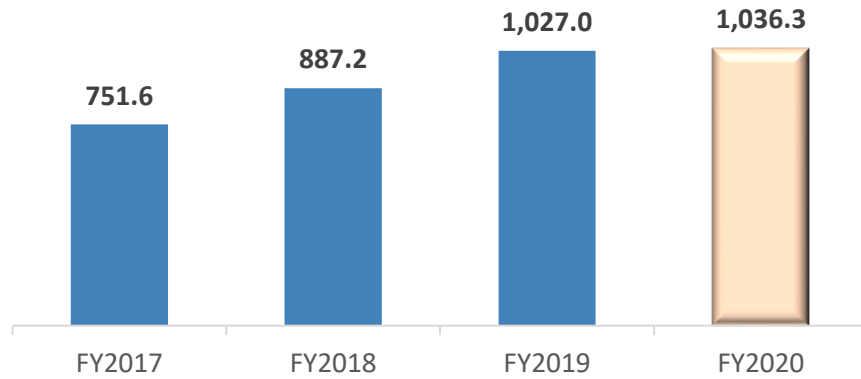
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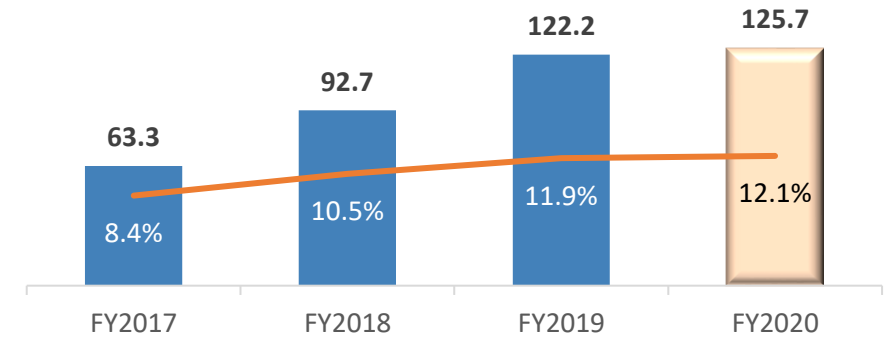


Annual Performance Trends

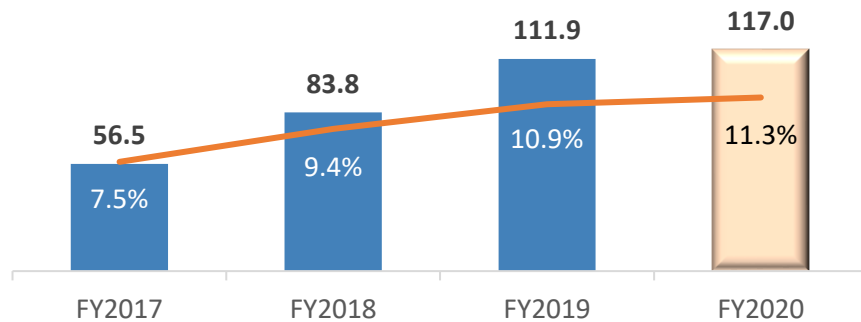
Total Income from Operations



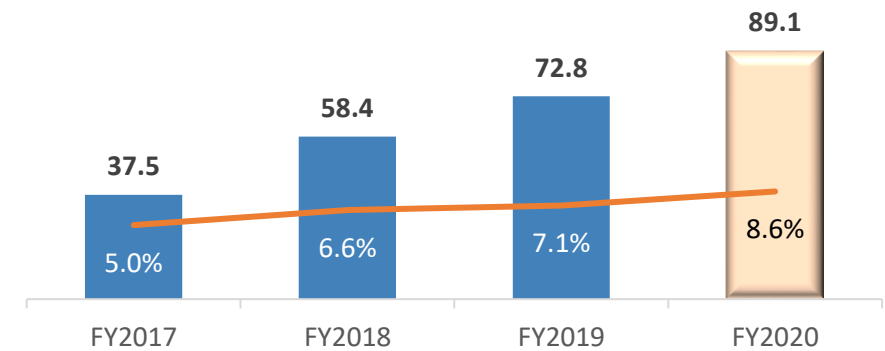
EBITDA and Margins



PBT and Margins



PAT and Margins



Notes:

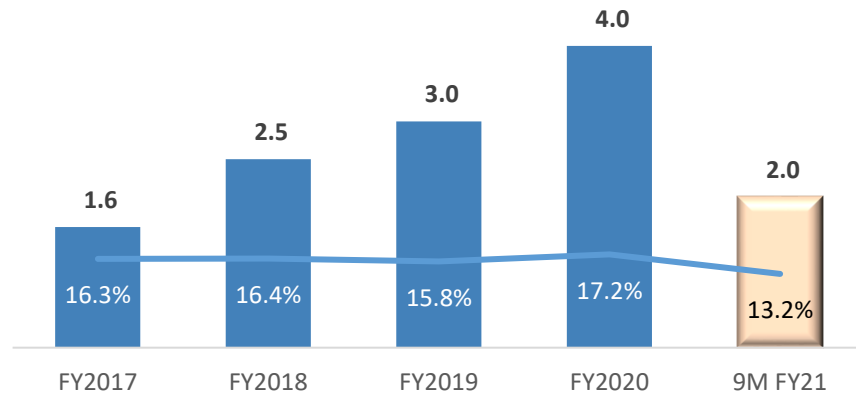
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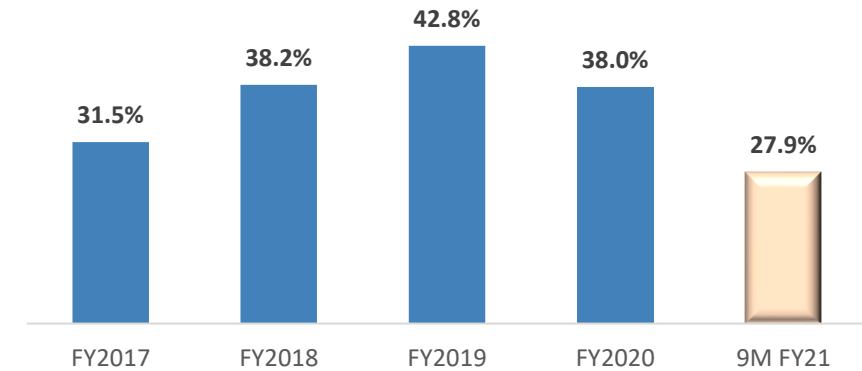


Key Ratios

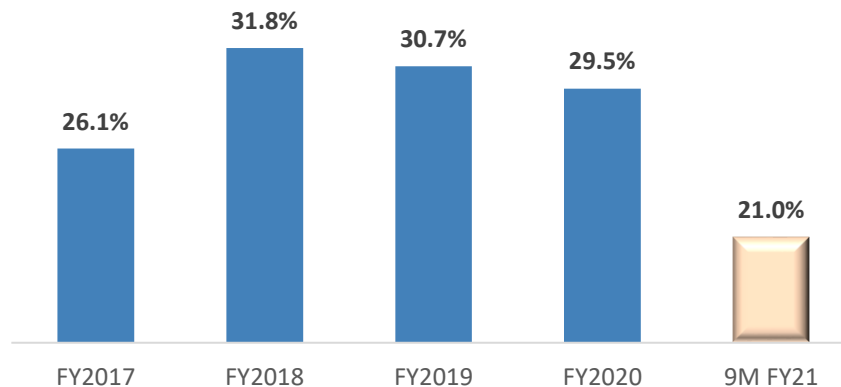
Dividend per Share (Rs) & Payout (%)



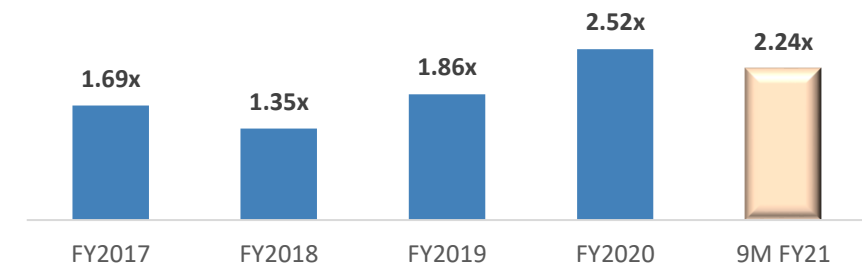
Return on Capital Employed (%)



Return on Equity (%)



Current Ratio (x)

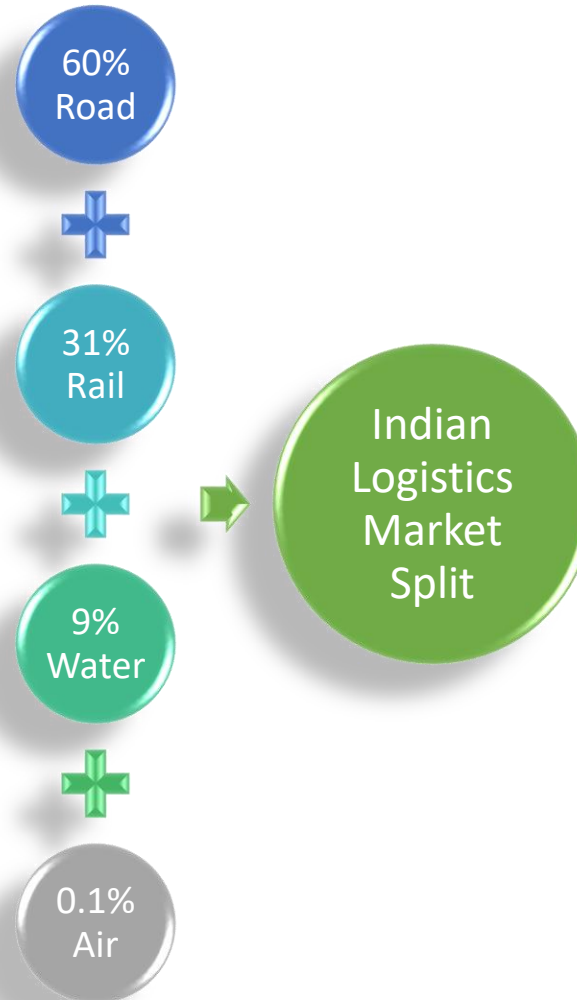
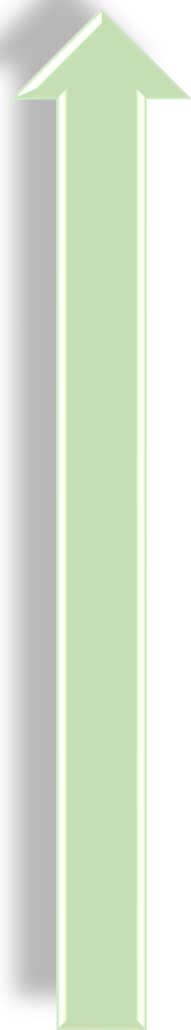


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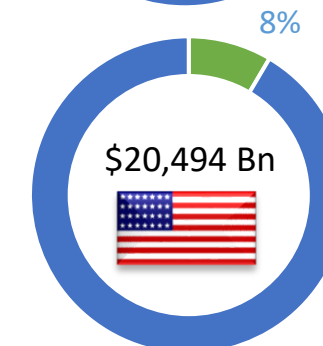
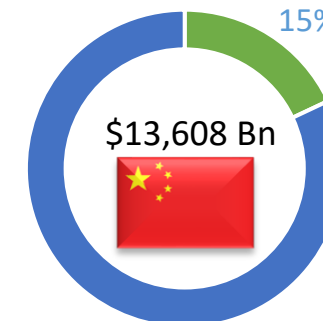
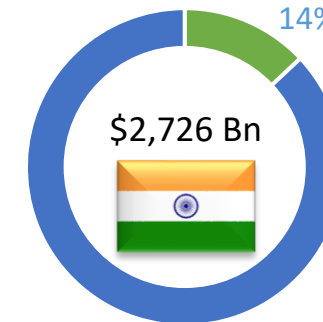
- Interim dividend for FY21 is Rs.2 per share
- 9M FY21 RoE and RoCE annualized and impacted due to subdued Q1FY21 amidst health pandemic Covid-19



Express Industry – An Outlook



Logistics as % of GDP

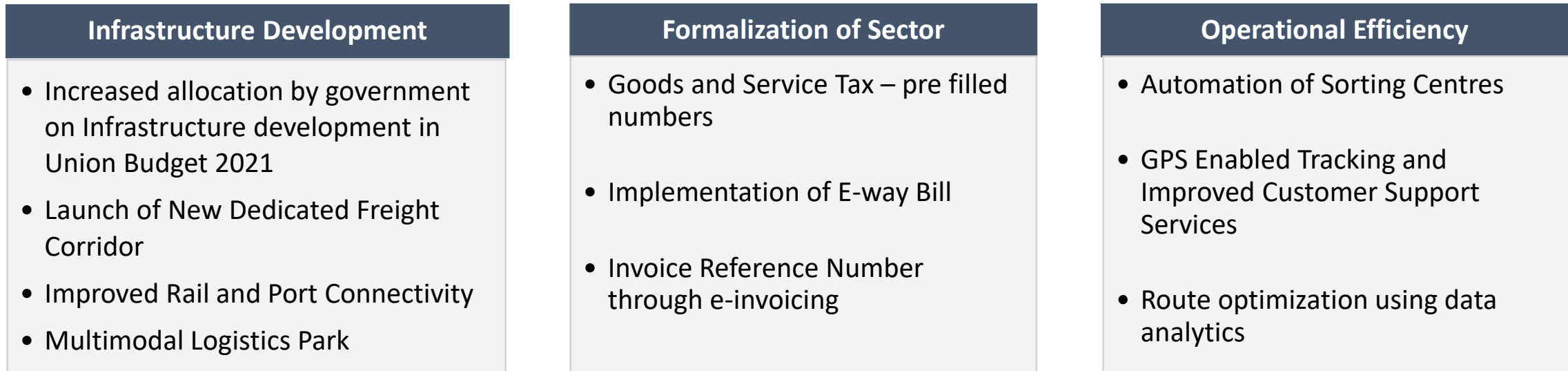


Notes:

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.

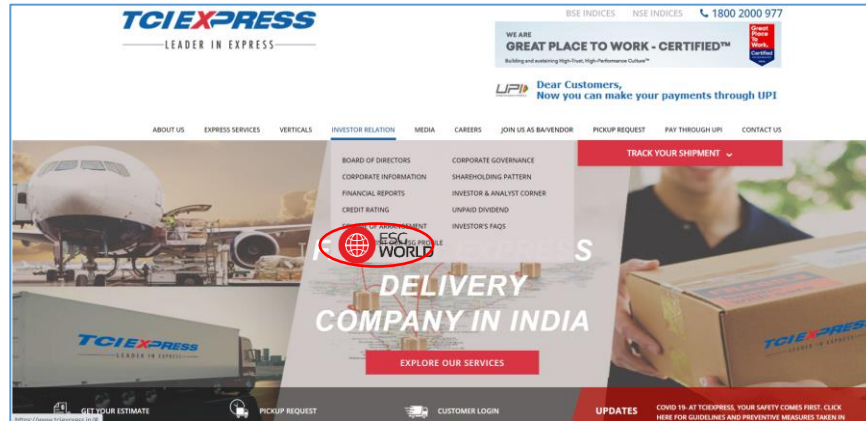


Mr. Girish Dua, Chief Marketing Officer

Mr. Girish Dua is a Management graduate and a Pharmacist, with over 20 years of experience. He has a strong background in Sales and Marketing and he drives himself to achieve and produce concrete results. He enjoys reading, and the knowledge and perspective contributed to strengthen his marketing skills. He always thrives on "Out of the Box" thinking for most complex situations. Ethical, Self-motivated, Conscientious Leader is what defines him the best

ESG a Core Pillar of Strategy

“At TCI Express Limited, we are committed to manage environmental and social footprint in our operations. We believe that making the environment an integral part of our business operations will create a positive impact on our business considering our widespread operations”



Company Name	Sub Factor	Keywords	LINK 1	LINK 2	LINK 3	Metric 1	Metric 2	Metric 3	Highlights
TCI Express	ESG a Core Pillar of Strategy	GRI 102: General Disclosures, SDG 17: Partnerships to achieve the Goal, Strategy							At TCI Express Limited, we are committed to managing environmental and social footprint in our operations. We believe that making the environment an integral part of our business operations will create a positive impact on our business considering our widespread operations. The Company believes that operations are not only economic entities and that their objectives have to be congruent with societal goals, therefore it is the core corporate responsibility of TCI Express to practice its communal values through its commitment to grow in a socially and environmentally sustainable way while protecting interests of its stakeholders.
TCI Express	Dedicated Executive ESG Role	GRI 102: General Disclosures, SDG 17: Partnerships to achieve the Goal, TCI Climate Action							Our CSR Committee oversees the social responsibility, stakeholder engagement and compliance. Mr. D. P. Agarwal, Chairman and Non-Executive Director, is the Chairman of CSR Committee. The BRR (stated performance) is headed by Mr. Chander Aggarwal, Managing Director of the Company.
TCI Express	Board Skill Matrix	GRI 102: General Disclosures, SDG 16: Peace, Justice and Strong Institutions							The Board of Company comprise of qualified individuals and possess an appropriate balance of skills, experience, independence, and knowledge in terms of knowledge of BRR (LODR) Regulations, 2015, the details of each seat or competence identified by the Board of Directors and are disclosed in Annual Report.
TCI Express	Supply Chain ESG Influence	GRI 102: General Disclosures, SDG 8: Decent Work and Economic Growth							The Company believes that its business activities have an extensive impact on the society in which it operates and aims to promote ESG policies at all levels. For adding supply chain sustainability we are constantly engaging with our suppliers and vendors to incorporate environment friendly processes and encourage them to adopt green initiatives. We are proactively focusing on digitization and use prompts through our operations. With the implementation of PPE, new customers are beginning to receive benefits acceptance of our easy ESG resulted in environment protection.
TCI Express	Gender Pay, Diversity and Inclusion Report	Diversity and Equality, GRI 405: Directors and Equal Opportunity							Since our incorporation, we strive to create and maintain an inclusive culture and work environment, where all our employees can be and do their best, irrespective of gender, caste, creed, sexual orientation, religion etc. At TCI Express, employees enjoy the same rewards, resources and opportunities regardless of gender.
TCI Express	Company Website ESG Links	GRI 102: General Disclosures, SDG 17: Partnerships to achieve the Goal							We at TCI Express believe that CSR needs to go beyond communities and beyond the concept of philanthropy. Our main focus is to create higher standards of sustainability, reducing its social and environmental impacts to the greater good of society. TCI Foundation, the social arm of TCI Express Ltd., is committed to serve the nation with a motto of equality and a better life for all citizens. The Foundation is in the vanguard to support and assist the communities including less privileged in India by facilitating health services, education, Community and Sports Development.

Environment

“At TCI Express, we are focused on enhancing operational efficiencies through automation and digitization. We continue to make investments in renewable energy, manage our carbon footprint, and engage with the community to adopt environment-friendly practices. We constantly strive to optimize energy conservation through engagement in providing Integrated Logistics Services” [Environment Strategy in Place](#)

“The Company always strives to optimize energy conservation though it is engaged in providing Integrated Logistics Services and it is committed to investing in the latest energy-efficient technologies. The Company has implemented various energy-saving devices and systems, which help in conserving energy” [Energy Efficiency Initiatives](#)

“In order to minimize plastic waste, we eliminated single-use plastic water bottles from all our offices, leading to the removal of a substantial amount of plastic, which would have ended up in landfills. Besides, in offices, glass jars have replaced and we preferred to use multi-use water bottles in meeting and video conferencing rooms” [Reduction in Plastic Use](#)

“Although the scope for direct waste is minimal at logistics operations, however we are constantly exploring opportunities to recycle waste. In our office, generally two types of waste generated; 1. Paper waste: We hand over paper waste to an waste recycling agency ""One Step Greener"" for recycling; 2. E-waste: We collect e-waste and send it to Rewari hub which is our centralized e-waste collection/storage site and handed over to the Government” [Recycling Waste](#)

Social

“At TCI Express, we believe that to ensure skill development and to be able to face major challenges, we need teams who deliver and who are motivated. Our human capital is our greatest tool for shaping the future of the Company and is also critical for our smooth functioning; TCI Foundation is committed to serve the nation with a motto of equality and better life for all citizens. The company has safe and healthy work environment” [Social Strategy in Place](#)

“All the policies have been disseminated to the employees through the internal network of the Company. Further various policies and communications, oriented to employees are also being conveyed regularly through the display at the notice board of the Company” [Communication of Labour Policy](#)

“We provide solutions to our customers and satisfy their needs and aspirations. Consistent engagements with our customers result in getting their feedback which helps us identify the problems. We connect with them to understand the advantages of our services through multiple touchpoints and keeps track of consumer satisfaction, as the same is of prime importance for carrying on any business” [Customer Responsibility Initiatives](#)

“The Company uses warehouses and vehicles of small entrepreneurs and MSME sectors who are mostly owners. The Company promotes small entrepreneurs to work as Business Associate/Vendors. The Company provides regular training to these Business Associates /Vendors” [Local Employment and Sourcing](#)

Governance

“The Company has formulated all policies applicable to it such as code of conduct, insider trading, Business Responsibility etc.” [Corporate Governance Policies](#)

“In spirit and deed, TCI Express is committed to conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism by inculcating honesty, integrity, ethical behavior and zero tolerance for bribery and corruption in its business activities” [Behaviour and Business Ethics](#)

“All transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are unforeseeable and of repetitive nature” [Related Party Transactions](#)

“Neither the Statutory Auditors nor the Secretarial Auditor raised any specific opinion, qualification, observation or adverse remarks or disclaimer in their Reports that may call for any explanation from the Board of Directors” [Concerns Identified in Audit Report](#)

“The Chairman and Managing Director are different personnel. Chairman: Mr. D. P. Agarwal and Managing Director: Mr. Chander Agarwal” [Chairperson/MD Separation](#)

“4 out of the 8 board members are independent ” [Board Independence](#)

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



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 – Digitalization of dockets and customer communication improving supply chain efficiency
- ❑ 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.

For further information, please contact:

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