

TCI Express Limited

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**Delivered strong performance in Q2 FY2022 with Revenue up by 28.6% and EBITDA up by 40.0% on y-o-y basis
Announced Interim Dividend of Rs. 3 per share and payout of 150% on the face value**

Gurugram, India, October 22, 2021: TCI Express Ltd. (“TCI Express”), market leader in express distribution in India, today announced its financial results for the second quarter ending September 30, 2021.

Performance Highlights: H1 FY2022 vs. H1 FY2021

- Revenue from operations of Rs. 496 Crores, growth of 64.5% y-o-y
- EBITDA of Rs. 81 Crores compared to Rs. 38 Crores in H1 FY2021
- EBITDA margin at 16.3% compared to 12.3% in H1 FY2021
- PAT of Rs. 58 Crores compared to Rs. 24 Cores in H1 FY2021
- PAT Margin at 11.6% compared to 8.0% in H1 FY2021

Performance Highlights: Q2 FY2022 vs. Q2 FY2021

- Revenue from operations of Rs. 273 Crores, growth of 28.4% y-o-y and 22.7% sequentially
- EBITDA of Rs. 48 Crores compared to Rs. 34 Crores in Q2 FY2021
- EBITDA margin at 17.3% compared to 15.9% in Q2 FY2021
- PAT of Rs. 34 Crores compared to Rs. 24 Cores in Q2 FY2021
- PAT Margin at 12.3% compared to 11.0% in Q2 FY2021

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

“Q2 FY2022 started on a strong note with robust pick-up in the economic and business activities after a subdued first quarter due to the impact of second wave of Covid-19. Strong recovery in demand and supply was visible with the onset of festive season. The Index for Industrial Production registered a month-on-month growth and similarly the E-way bill generation also registered a growth of 41% Q-o-Q and 19% Y-o-Y. Our growth for the quarter was propelled by strong recovery in business activities of our key customer industries and SME’s.

During the quarter, the Company delivered Revenue from Operations of Rs. 273 crore, registering a growth of 28.4% on Y-o-Y and 22.7% on sequential basis. EBITDA for the quarter stood at Rs. 48 crore posting a sequential growth of 41.2% and margins improving to 17.3% compared to 15.0% in Q1 FY22 and 15.9% Q2 FY21. Improvement in margins was driven by higher capacity utilization and operational efficiencies. I am particularly pleased that we have surpassed the EBITDA margins of 16.7% delivered in the full year FY21. Our Profit after Tax stood at 34 crore with margin of 12.3% compared to margin of 11.0% in Q2 FY21. In the light of strong performance during the first half of the year, the Board of Directors has recommended a interim dividend of Rs 3 per share, with a payout of 150% on the face value.

Our Pune sorting centre is already fully operational since June 2021 and is helping us in improving the turnaround time in the region. Overall, in last six months we have incurred a capex of Rs. 46 crores primarily towards construction and automation at these centres. During the quarter, we have added 15 new branches mainly in the South and West region to capture market opportunities presented by growing demand from the SME customers. We continue to maintain our strong capital structure with a robust balance sheet, and this has been reflected in our cash and investments position which has increased to Rs. 100 crore at the end of September 2021.

Our senior management team remain committed to enhance TCI Express value proposition by expanding its service offerings while maintaining asset light model. I am delighted to announce that we have launched Rail Express service offering which provides high value services at lower cost compared to air transportation and so far we have received positive response from our customers. Under our recently launched Pharma Cold Chain service, we have delivered 105 lakh vaccines till September 2021 and C2C business is gaining momentum and has helped us increase customer base. Though these new services are at nascent stage, but we remain confident that the contribution is expected to improve in the medium term.

Looking ahead, the recently launched 'PM Gati Shakti National Master Plan' by our Prime Minister for multimodal infrastructure connectivity to economic zones which is designed to include projects under the existing Bharatmala, Sagarmala, Udaan, expansion of railway network, inland waterways is expected to aid in seamless movement of goods and improve the ease of doing business. This new initiative coupled with strong pick-up in economic activities, ongoing festive season, increasing demand from the rural areas due to longer than expected monsoons, increasing vaccination and declining covid cases, will drive demand in the upcoming quarters. We remain confident in our ability and our superior product offering to capitalize on the growing opportunities and deliver sustainable growth."

About TCI Express:

TCI Express is India's leading time-definite express distributor, based on its unparalleled experience and deep domain-expertise that enables it to offer customized solutions to express delivery. The company has been growing rapidly and expanding its distribution network locally, with its current 825 offices covering more than 40,000 locations. TCI Express is well-equipped to offer time-definite solutions to 704 out of 712 districts in India with its wide spectrum of services comprising surface, domestic and international air, e-commerce, priority, and reverse express services. The company has special expertise in enabling solutions for clients in sectors like consumer electronics, retail, apparel & lifestyle, automobile, pharmaceuticals, engineering, e-commerce, energy/power, and telecommunications. With a proven commitment to excellence and the pursuit of value-based policies to satisfy the aspirations of customers, vendors, employees, shareholders, and all other stakeholders in the express delivery industry, TCI Express has emerged as a frontrunner in a segment that is here to grow in the long-term.

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Safe Harbour:

This release contains statements that contain "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, macroeconomic, 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.
