

# Earnings Presentation FY 2018-19 (H1)



**NAVIGATING  
TOMORROW**

## SBU's and Services

## TCI's Joint Venture/Subsidiaries

## Other Group Companies



**FTL/FCL, LTL & Over-dimensional cargo services through Road, Rail & Sea.**



**A Single-window solutions enabler from Conceptualization to Implementation**



**Leading player in Coastal Shipping , NVOCC & Project Cargo**



**JV with CONCOR (49%) to provide end to end multi modal solutions.**



**JV with Mitsui & Co (51%) for Auto supply chain solutions for Toyota and other Japanese auto companies in India**



**100% Subsidiary , undertakes End-to-end transportation and C&F services and country specific Logistics solutions**



**100% Subsidiary End-to-end transportation and C&F services and country specific Logistics solutions**



**Demerged in 2016 , undertakes time sensitive and high value express services by road & air across 40,000 pickup and delivery locations.**



**Demerged in 2011 , undertakes development of the properties of TCI group It also develops large scale Warehouses, Logistics Parks etc**



**1958**

Year of Establishment



**\$600 Mn**

Group Revenue



**2.5%**

Moving India's GDP



**6,000+**

Employee Strength



**1,400+**

IT Enabled Own Offices



**12,000**

Trucks in Operations

Name	Designation
Mr. S M Datta	Chairman (Non-executive independent director)
Mr. D P Agarwal	Vice Chairman & Managing Director
Mr. Vineet Agarwal	Managing Director
Mr. S N Agarwal	Non-executive director
Mr. O S Reddy	Non-executive independent director
Mr. K S Mehta	Non-executive independent director
Mr. Ashish Bharat Ram	Non-executive independent director
Mr. Vijay Sankar	Non-executive independent director
Mrs. Urmila Agarwal	Non-executive director
Mr. M P Sarawagi	Non-executive director
Mr. Chander Agarwal	Non-executive director



## Corporate Social Responsibility

TCI would be taking CSR initiatives through **TCI Foundation, TCI Institute of Logistics & TCI Charities** under below activities:



## TCI Policies

The company considers its employee as the most important and valuable asset and is committed to provide conducive, healthy and professional work environment. So the Company establishes the policies and procedures to protect the rights of employees as well as the enable social & economic environment within the organization. Certain important policies are: **HSE Policy , Code of Conduct , Sexual Harassment Policy , CSR Policy , Risk Management Policy.**



## Thought Leadership & Recognition

**Joint Study Reports:** A Joint Study Report by TCI & Insurance Institute of India 2017-18, 3rd Joint Study Report by TCI & IIM 2014-15, 2nd Sustainability Report 2010-14.

**Awards & Recognition 2018:** Marketing Excellence in Logistics & Supply Chain, Diversified Logistics Company of The Year, Cold Chain Rising Star of the Year etc.

**In-house Publication:** Logistic Focus, Enroute.



## Listing, Rating & Certifications

TCI is listed in two stock exchange i.e. NSE & BSE whereas having Rating & Certifications form the following: ISO 9001:2008 , CRISIL: AA-/stable for long term , ICRA: A1+ short term , IATA Certificate



# Logistics Key Growth Drivers

## GST

- Rationalized Supply Chain
- Shift of business from unorganized to organized sector
- Increased Multi modal movement
- Large scale warehousing
- Bulkier movement between hubs

## Logistics Infrastructure Development

- Reduce unit cost of Transportation
- Ease of doing Multimodal movement
- Development of Warehouses/Hubs in the vicinity of corridors
- Opportunities for multi-location and multi services players

## Increased outsourcing of Logistics

- Logistics cost optimization
- Technology penetration into logistics solution
- Larger scope for value added services e.g. order processing, packaging, kitting etc

## E-way Bill

- Uniform rule for documentation replacing state-wise transit pass.
- Requires extensive use of technology in maintaining compliances and hence posing challenges for small players
- Some changes made design w.e.f 1<sup>st</sup> Oct to bring ease and clarity
- Cost of non-compliance continued to be high

## Increased Axle Load capacity

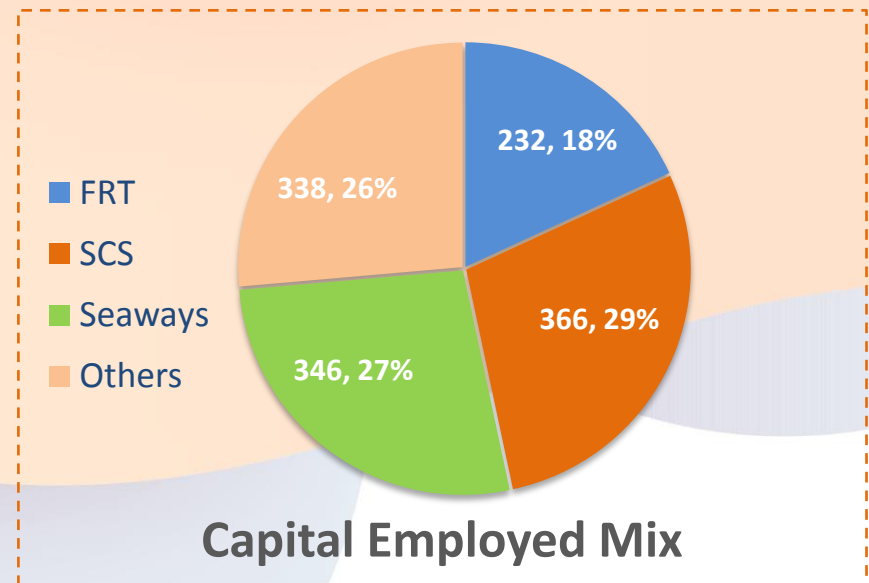
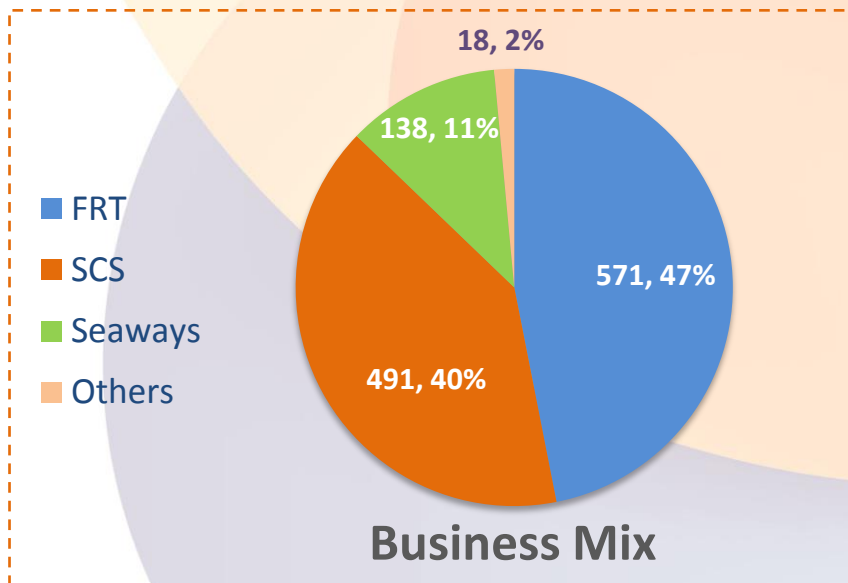
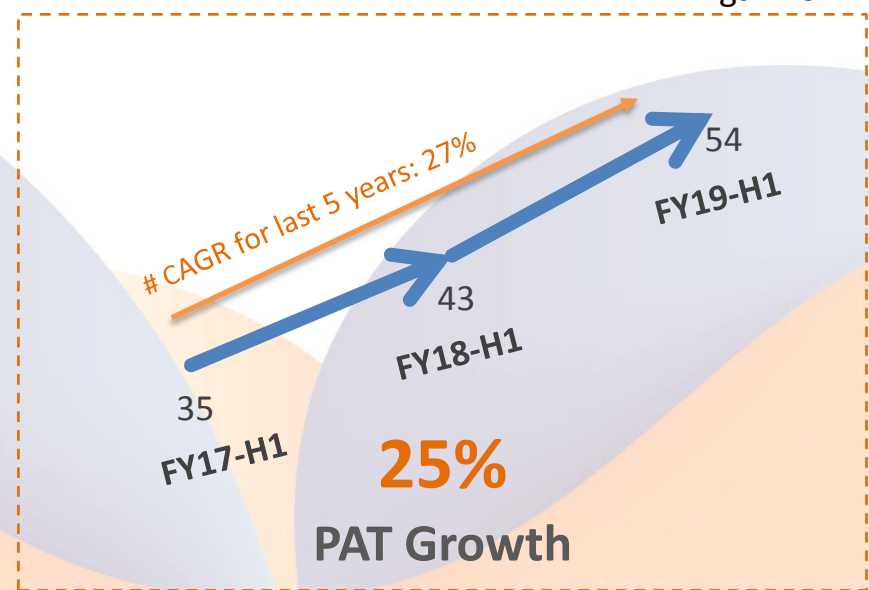
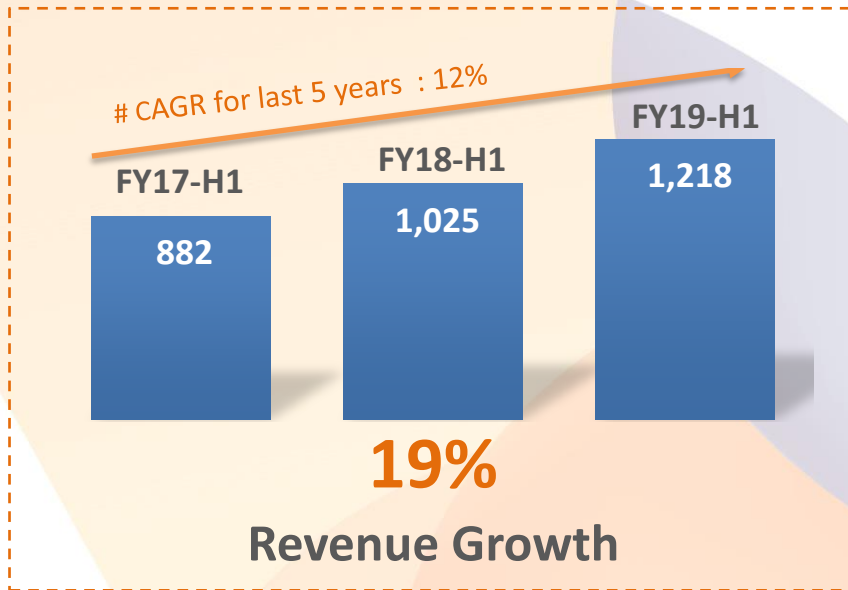
- Impacts overloading on intra-state and certain inter-state movements.
- It also has product specific impact. No industry-wide freight rates impact
- Significant impact on construction material , bulk cargo , FMCG etc,
- Will make road freight more competitive to Rail freight for some commodities
- Impact on usage of high-tonnage vehicles

## GST rate of 12% for Multimodal

- Encourage single window multimodal logistics solution benefitting large players.
- Now rate structure is




Transport Mode	GST Rates
Only Road	5% (RCM) or 12% (FCM)
Only Rail	5% (FCM)
Container rail	12%(FCM)
Only Ship	5%(FCM)
Only Air	18%(FCM)
Multimodal	12 (FCM)

Figs in Cr







# Excluding Demerged XPS Undertaking



			
<b>Rapid increase in fuel price</b>	11-12% price hike since 1QFY19 with a lag effect in pass through	Most of the hikes are in the process of being received	Furnace oil prices increased by 40% on an average for 1Q and 2Q. Inability to full pass through and margins to absorbed all cost
<b>Trucker's Strike</b>	Volumes had an impact, however some recovery in succeeding months as demand ramp up	In addition to volume impact , own fleet related fixed cost absorbed in margins	Loss of business as this followed by Kerala floods
<b>Kerala Flood crises</b>	Impact on deliveries to the state	Onam auto sales impact however expected to fully recover by Christmas	Higher impact on West Coast with new ship onboard July this quarter.
<b>Shift of festive season from Oct to Nov</b>	No specific impact	Late start in festive demand had impact on volume growth	Increased capacity utilization expected in Q3
<b>Tightness in liquidity with interest rates going up</b>	Business growth initiatives have been kept selective	Minor delays in payments	Minor delays in payments

# Division-wise Stand-alone Financial Performance

Figures are in Crs

	 <b>TCI Freight</b>	 <b>TCI Supply Chain Solutions</b>	 <b>TCI Seaways</b>	 <b>TCI</b> # Corp. & Others	<b>Total</b> (2018-19)(H1)	<b>Total</b> (2017-18)(H1)	<b>Total</b> (2017-18)
<b>Revenue</b>	571.3	490.7	138.1	18.0	1218.1	1025.3	2202.3
<b>% Growth</b>	20.8%	13.7%	27.7%	NA	18.8%	16.2%	20.9%
<b>EBIDTA</b>	19.3	52.2	38.6	10.7	120.8	103.3	232.9
<b>% of Revenue</b>	3.4%	10.6%	28.0%	NA	9.9%	10.1%	10.6%
<b>EBIT</b>	15.2	34.7	25.3	9.8	85.0	69.8	165.5
<b>% Growth over LY</b>	27.0%	26.2%	16.4%	NA	21.7%	20.8%	42.5%
<b>Capital Employed</b>	232.5	365.7	345.6	342.5	1286.3	1082.5	1140.9
<b>ROCE %</b>	14.0%	20.2%	17.3%	N.A	14.4%	13.3%	15.4%

# Corp. & Others consist of unallocated assets , investments and energy division.

## Key Operational Highlights



**3,500 (120)**

Trucks & Trailers in operation (owned)



**700**

IT Enabled Owned Offices

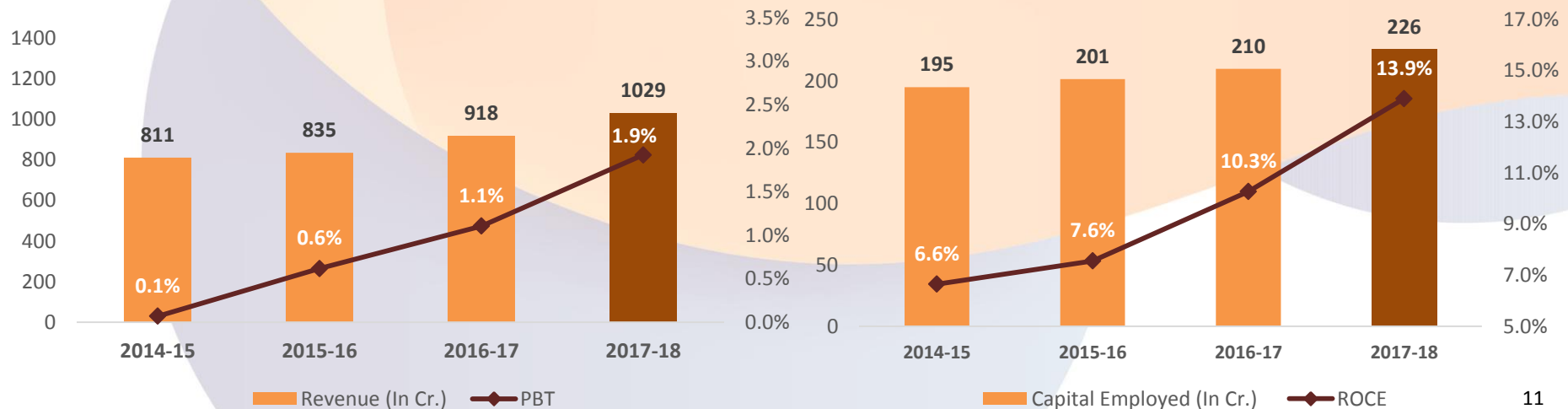


**25**

Strategic Hubs

- Registered 27.5% Q-t-Q and 20.8% H-t-H growth because of increase in, both volume and price.
- Growth in SME/MSME customers
- EBIT margins stood at 2.6% and grew by 26.4% amid fuel price hike But improvement to continue with focus on large client and key account management with value added services and LTL ( less than truck load)

## Financial Performance at glance



## Key Operational Highlights



**12 Mn. Sqft.**

Warehousing Area Managed



**4,000 (1350)**

Fleet in operations (Owned)

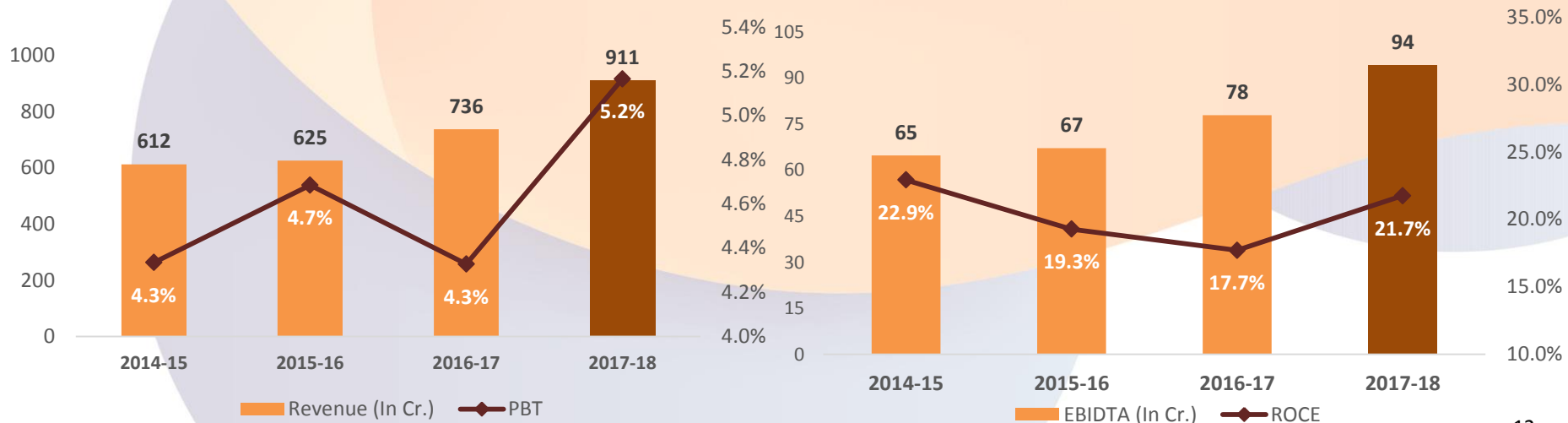


**5,000+**

IBL Pickup per day

- Revenue grew by ~ 9% on Q-t-Q and ~14% on H-t-H basis. Slow and late start of festive demand has an impact
- EBIT margins stood at 7.1% and grew by ~ 26.8% .
- ROCE has been stable at ~ 20.3% with better working capital management amid tightness in liquidity
- To capitalise on strong customer pipeline

## Financial Performance at glance





6

Cargo Ships



5,600

Own Containers



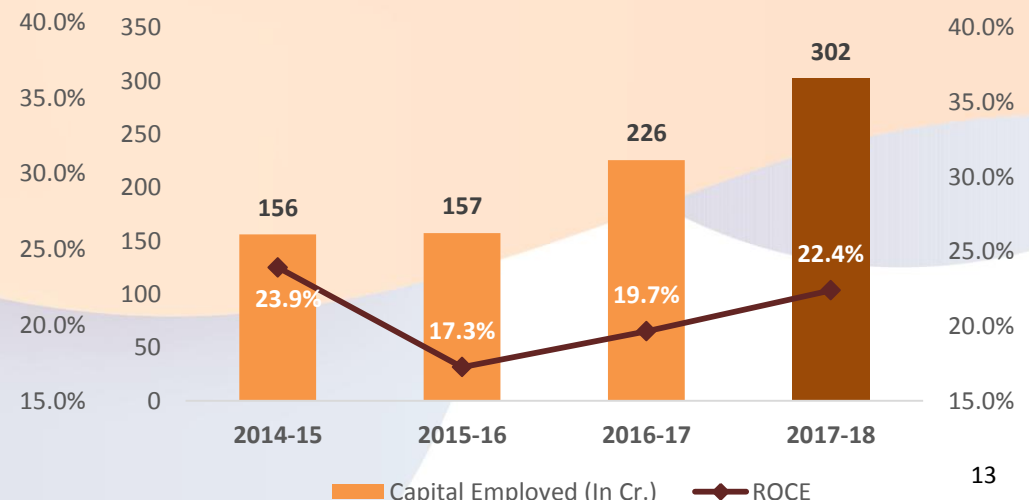
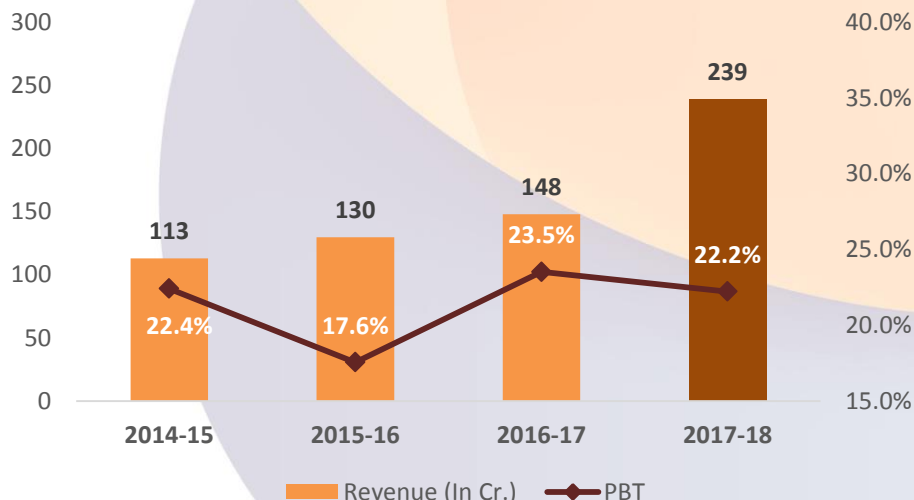
63,380

Total DWT Capacity

## Key Operational Highlights

- Revenue grew by ~ 32% on Q-t-Q and ~ 28% H-t-H basis. Business has some impact of Karla flood crises. However demand ramp up expected during coming half year.
- Due to increase in fuel price , lower volumes and deployment of new ship in Q2 , margins are impacted
- Strong positioning at East coast to leverage opportunities out of increased infrastructural activities in Andamans.
- Continue to build on multimodal solution capabilities at West Coast

## Financial Performance at glance



**TCI CONCOR**  
Multimodal Logistics Solutions



## H1 FY19 (FY18 Annual) Figures



**96 Cr (169 Cr)**  
Revenue

**209 Cr (469 Cr)**  
Revenue



**11% (23%)**  
Y-o-Y Growth

**12% (15%)**  
Y-o-Y Growth



**27 Cr (25 Cr)**  
Capital Employed

**190 Cr (177 Cr)**  
Capital Employed



## Key Operational Highlights

- Operates on asset-light model
- Building upon its capabilities in Chemical Logistics

- Lead Logistics Partner (LSP) for Toyota India
- Continuously focusing on non-Toyota customers to diversify auto-business portfolio.

# Key USP's of the Company

Multimodal  
Integration  
capabilities

Auto supply  
chain  
designing  
and solutions

Large-scale  
warehousing

Technology  
driven  
operations

# Multimodal Transportation

Efficient use of various transportation-mode for seamless movement

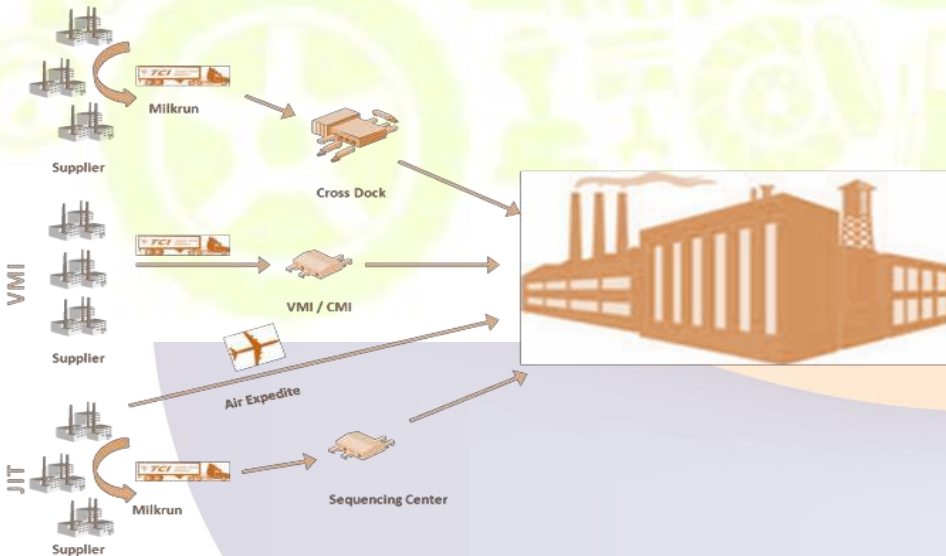
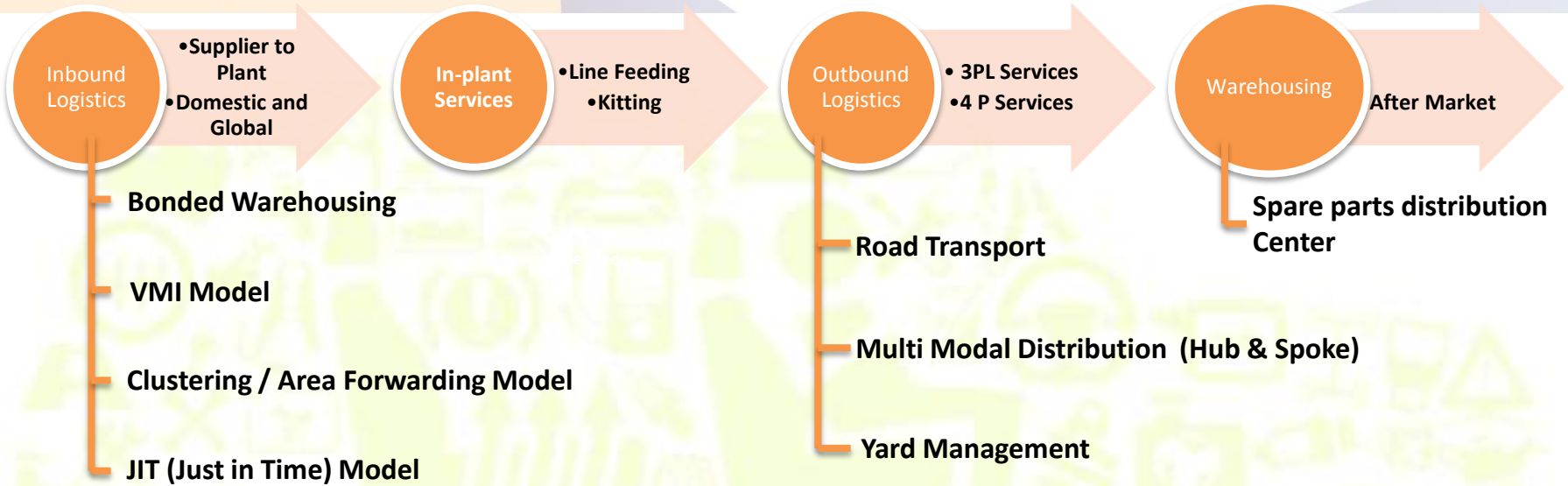


	Vendors/Suppliers
	Movement by Road
	Movement by Rail
	Movement by Sea
	Factory/Delivery

New rate for multimodal @12% announced to encourage and bring clarity



# Auto Supply Chain designing and solutions



## Value Added Services

- Export Packing
- Unit Level Scanning and Labeling
- Vanning & Securing
- JIT Deliveries to Plants or CHA
- Sequencing and dock Management
- Delivery to Neighboring Countries

Auto

Retail & CP

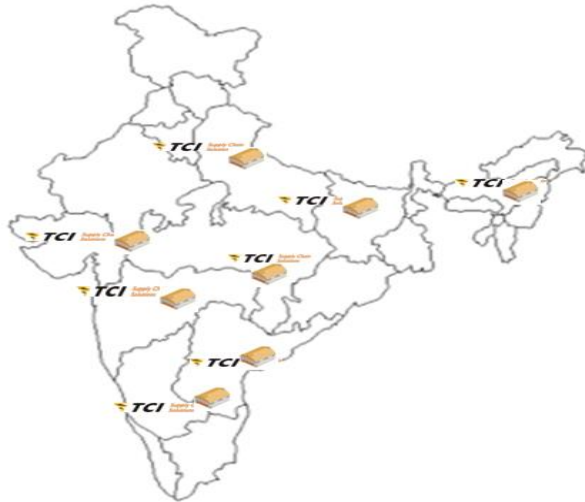
Hi-tech

Chemicals

Healthcare

Cold Chain

TCI covers **12 million sq feet** of warehousing space – owned/ long leased/ customer owned



## Warehousing



## Cross dock operations



## TCI Warehousing operations



Infrastructure of Racking , Pigeon Holes, Cage Bins , Mezzanine Floor , Dock-Levelers , Forklifts and Stackers

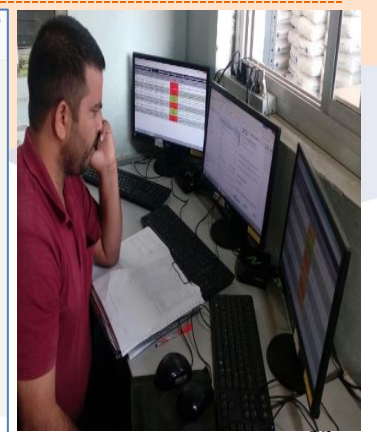
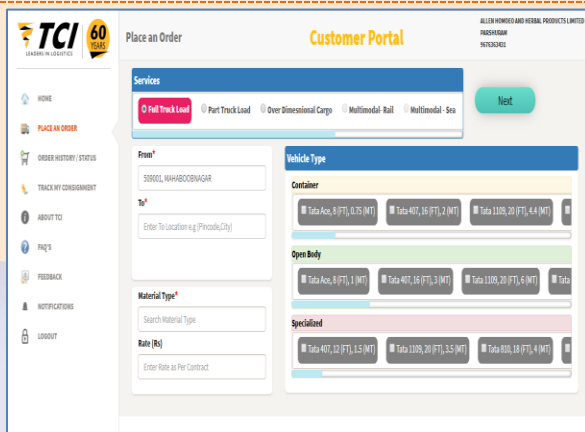
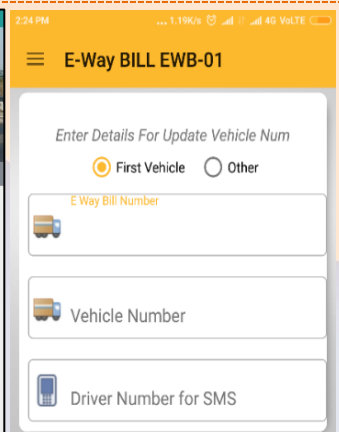
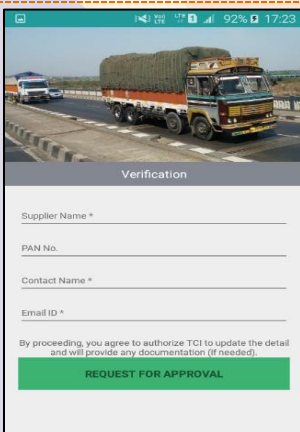
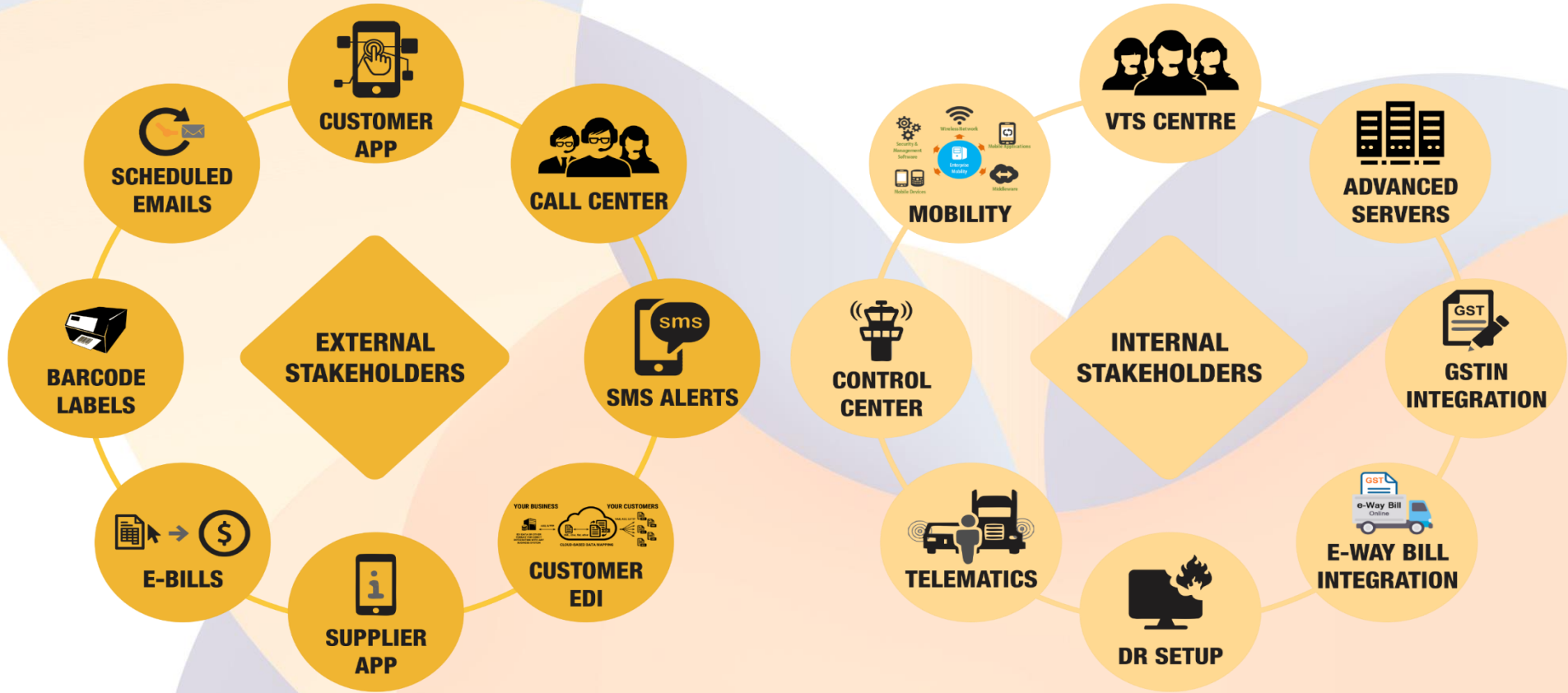


IT systems from WMS , Hand Held Scanners and EDI (Electronic Data Interchange) Capability



Well documented and Refined processes for Receipt , Put away , Picking, Documentation and Shipping

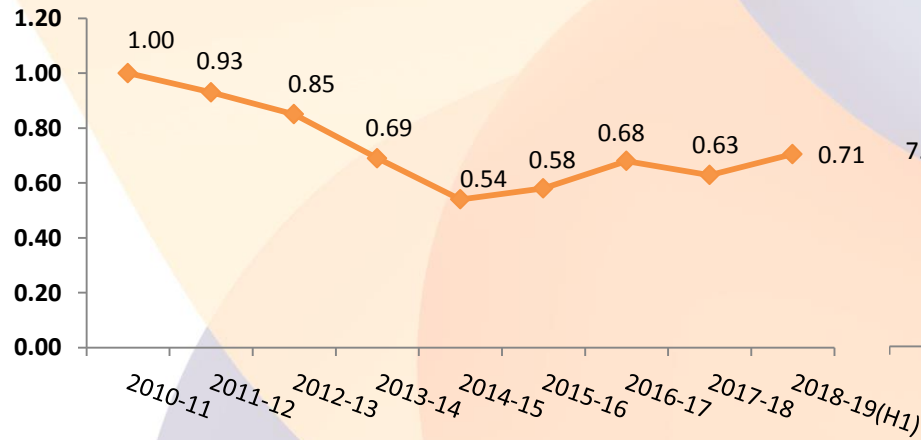




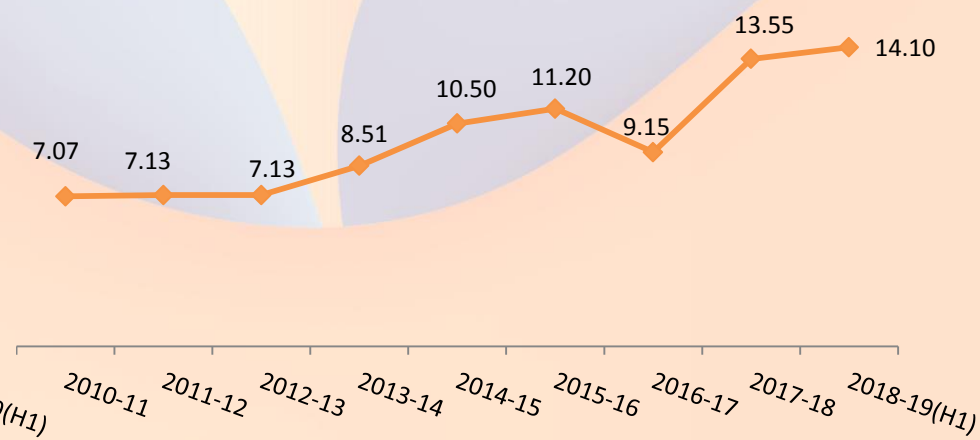
# Financial Performance

Top ratings AA- ( CRISIL –Bankline Credit) , A1+ ( ICRA-Commercial Paper), good financial discipline and high creditworthiness, TCI’s average interest cost is below 8.5%

**Debt – Equity Ratio**



**Earnings per Share (in Rs)**



**UOM**

**2016-17**

**2017-18**

**2017-18(H1)**

**2018-19(H1)**

Debt Service Coverage Ratio

Times

2.34

2.81

2.61

2.48

Return on Capital Employed

%

12.1

15.4

11.3

14.3

Figures in Crs

## Income Statement

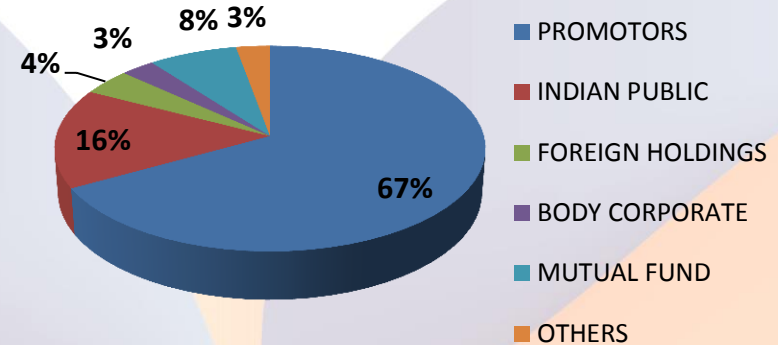
Particulars (Rs in Cr.)	2017-18	2017-18 (H1)	2018-19 (H1)
Freight	1979.12	919.77	1097.24
Other Sales & Services	197.99	96.78	104.57
Other Income	25.16	8.70	16.35
<b>Total Income</b>	<b>2202.27</b>	<b>1025.25</b>	<b>1218.15</b>
<b>Revenue growth %</b>	<b>20.87%</b>	<b>16.24%</b>	<b>18.82%</b>
Operating expenses	1748.95	815.60	978.10
Other expenses	220.51	106.37	119.29
<b>Total Expenses</b>	<b>1969.46</b>	<b>921.97</b>	<b>1097.38</b>
EBITDA	232.81	103.28	120.77
<b>EBITDA Margin %</b>	<b>10.57%</b>	<b>10.07%</b>	<b>9.91%</b>
Interest Expense	29.92	15.23	16.33
Depreciation	67.33	33.50	35.85
Exceptional Item	4.00	0.00	0.00
PBT	131.56	54.55	68.59
<b>PBT Margin %</b>	<b>5.97%</b>	<b>5.32%</b>	<b>5.63%</b>
Taxes	27.82	11.38	14.54
PAT	103.74	43.17	54.05
<b>PAT Margin %</b>	<b>4.71%</b>	<b>5.51%</b>	<b>4.44%</b>

## Balance Sheet

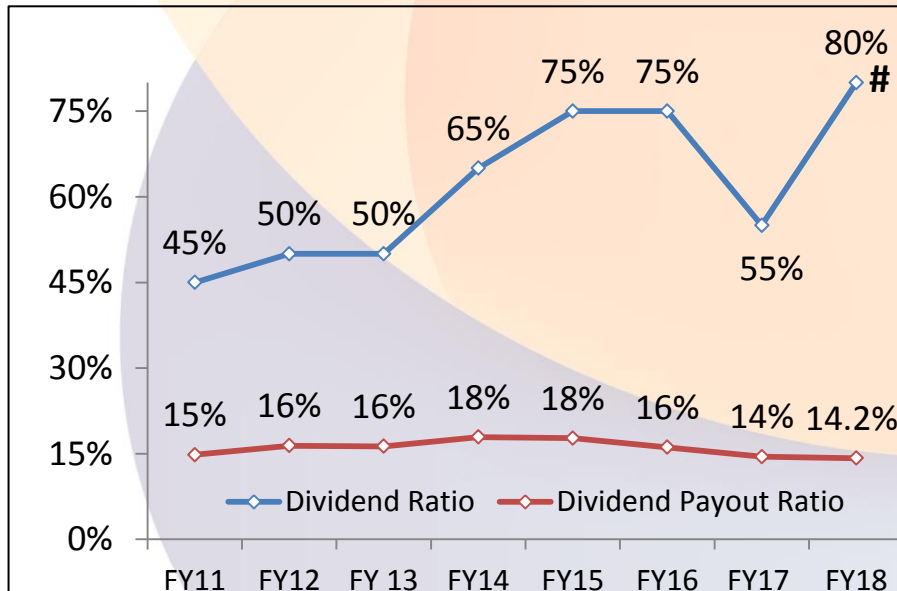
Particulars (Rs in Cr.)	2017-18	2017-18 (H1)	2018-19 (H1)
<b>1. Non current Assets</b>			
Property, plant and equipment	623.01	629.64	724.56
Capital work-in-progress	56.32	2.71	0.83
Intangible assets	0.57	0.67	0.53
Investments	31.29	32.56	34.80
Long term loans and advances	13.58	9.58	11.17
Other non current assets	31.57	38.21	71.47
<b>2. Current Assets</b>			
Inventories	3.31	4.07	5.50
Trade Receivables	389.67	385.23	434.90
Cash & cash equivalents	12.96	18.98	10.40
Loans and advances	12.55	12.66	15.89
Other current assets	102.73	133.54	134.94
<b>TOTAL</b>	<b>1277.56</b>	<b>1267.85</b>	<b>1444.99</b>
<b>1. Shareholders Funds</b>			
Share Capital	15.32	15.32	15.33
Reserves & Surplus	661.62	609.41	729.34
<b>2. Non Current Liabilities</b>			
Long term Borrowings	151.44	126.47	207.21
Deferred tax Liabilities (net)	44.27	37.67	42.25
Other long term liabilities	1.80	1.91	1.68
<b>3. Current Liabilities</b>			
Short term borrowings	228.62	264.32	253.22
Trade payables	79.04	104.42	34.77
Other current liabilities	89.97	103.19	156.09
Short term provisions	5.48	5.14	5.10
<b>TOTAL</b>	<b>1277.56</b>	<b>1267.85</b>	<b>1444.99</b>

<b>Market Cap</b>	Rs Crs	2336.7
<b>Debt</b>	Rs Crs	511.8
<b>Enterprise Value</b>	Rs Crs	2839.5
<b>P/E</b>	Nos	21.7
<b>EV/EBITDA</b>	Nos	11.8
<b>52 Week High</b>	Rs/share	375.9
<b>52 Week Low</b>	Rs/share	244.9

## Shareholding Pattern as on 30th September 2018



## Consistent Dividend track trend



## Stock Performance

2001	Initial Investment	18000/- invested in 1000 Equity shares
2006	Share Split	Share Split 5 share of 2/- each for 1 share of 10/-
2011	Demerger of Real Estate Div	Swap ratio one share in TCI developers for 20 shares in TCI
2016	Demerger of XPS Div	Swap Ratio one share in TCI Express for 2 shares in TCI
Dividend Rs 89,075 Market Value of Investment Rs. 31,71,750 <b>Investment given 36% CAGR return by September'2018</b>		

# Capital Expenditure Plan FY19

Rs. In Crores	Total Actual (FY 2006-07 to 2016-17)	2017-18 Actual	2018-19 Proposed	2018-19 (H1) Actual
Hub Centers & Small warehouses	357.3	31.3	60.0	18.3
Ships & Containers	220.9	58.7	78.0	49.8
Trucks	331.8	37.8	86.0	42.5
Others (W/H Equip., IT etc.)	105.1	5.6	26.0	2.7
<b>Total</b>	<b>1015.1</b>	<b>133.4</b>	<b>250.0</b>	<b>113.3</b>

## Funding Pattern:

Estimates of sources of finance for the Capex in FY 2018-19

Rs. In Crores	Debt	Equity	Free Cash Flows	Total
Estimated	150	0	100	250
Actual	80	0	33	113

# THANK YOU

## Cautionary Statement

Statements in this “Presentation” describing the Company’s objectives, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and other factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or events, or otherwise.