



VRL Financial Results - Q1 2017-18

Earnings Presentation

Aug 04, 2017



VRL LOGISTICS LTD

www.vrllogistics.com

- Certain statements contained in this document may be statements of future expectations/forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results/performance or events to differ materially from those expressed or implied therein.
- The information contained in this presentation has not been independently verified and no representation or warranty expressed or implied is made as to and no reliance should be placed on the fairness, accuracy completeness or correctness of the information or opinions contained herein.
- This presentation may contain certain forward looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company presently believes to be reasonable in light of its operating experience in recent years. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results performance or achievement and significant factors that could make a difference to the Company's operations include domestic and international economic conditions ,changes in government regulations ,tax regime and other statutes.
- None of VRL Logistics Ltd or any of its affiliates advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.



A public listed company on NSE & BSE Exchange with a Market capitalization of INR 30.59 billion (as on 30th JUNE, 2017).

A pre dominantly parcel delivery service provider (68.28 % of total Revenue as of FY 17) with pan-India last mile connectivity operating through a fleet of 3939 owned Goods transport vehicles complemented by third party hired vehicles on need basis.

Passenger transportation through 411 owned buses of various makes.

Extensive pan India network with presence in 934 locations ensuring last mile delivery even in remote locations.

State - of - the - art workshop facilities with performance enhancing technological innovations.

Dedicated In house software with own servers and real time data for analysis and MIS

Other Business verticals include Wind power generation, Transport of passengers by Air.





HIGHLIGHTS- Q1 FY18



REVENUE up by 11.07%

EBITDA up by 77.78%

EBIT up by 168.61%

PBT up by 232.36%

PAT up by 302.42%

REVENUE up by 7.24%

EBITDA up by 12.21%

EBIT up by 17.55%

PBT up by 27.39%

PAT up by 27.47%

| Consolidated (INR in Lakhs) | Q1 FY18 (Unaudited) | Q4 FY17 (audited) | Q1 FY17 (undited) | FY17 (Audited) |
|-----------------------------|---------------------|-------------------|-------------------|----------------|
| REVENUE | 49187.37 | 44286.38 | 45864.52 | 180308.51 |
| EBITDA | 7799.54 | 4387.30 | 6950.61 | 22748.13 |
| EBITDA MARGINS(%) | 15.67% | 9.86% | 15.08% | 12.55% |
| EBIT | 5380.00 | 2002.88 | 4576.71 | 12930.28 |
| EBIT MARGINS(%) | 10.81% | 4.50% | 9.93% | 7.13% |
| PBT | 4961.53 | 1492.82 | 3894.64 | 10530.07 |
| PBT MARGINS(%) | 9.97% | 3.35% | 8.45% | 5.81% |
| PAT | 3373.80 | 838.37 | 2646.70 | 7047.26 |
| PAT MARGINS(%) | 6.78% | 1.88% | 5.74% | 3.89% |

| (INR in lakhs) | Goods Transport | | | |
|------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Quarter ended | | | Year ended |
| Particulars | 30.06.2017 (unaudited) | 31.03.2017 (audited) | 30.06.2016 (unaudited) | 31.03.2017 (Audited) |
| Revenue | 37498.68 | 35752.61 | 35459.31 | 142615.26 |
| EBITDA | 5099.00 | 4210.87 | 4574.77 | 17636.00 |
| EBITDA Margin(%) | 13.60% | 11.78% | 12.90% | 12.37% |
| EBIT | 3867.84 | 2846.16 | 3404.92 | 12815.91 |
| EBIT Margin(%) | 10.31% | 7.96% | 9.60% | 8.99% |

➤ **Goods transport revenue** increased by 4.88% QoQ and increased by 5.75% YoY.

➤ **EBITDA** increased by 21.09% QoQ and increased by 11.46% YoY.

➤ **EBITDA margins** increased by 1.82% QoQ and decreased by 0.70% YoY.

➤ **EBIT** increased by 35.90% QoQ and increased by 13.60% YoY.

➤ **EBIT margins** increased by 2.35% QoQ and increased by 0.71% YoY.

| (INR in lakhs) | Bus Transport | | | |
|------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Quarter ended | | | Year ended |
| Particulars | 30.06.2017 (unaudited) | 31.03.2017 (audited) | 30.06.2016 (unaudited) | 31.03.2017 (Audited) |
| Revenue | 10333.11 | 7591.21 | 9119.55 | 32620.63 |
| EBITDA | 2265.61 | 221.52 | 2042.80 | 3742.91 |
| EBITDA Margin(%) | 21.93% | 2.92% | 22.40% | 11.47% |
| EBIT | 1631.25 | (426.60) | 1429.14 | 1203.24 |
| EBIT Margin(%) | 15.79% | (5.62%) | 15.67% | 3.69% |

➤ **Passenger transport revenue** increased by 36.12% QoQ and increased by 13.31% YoY.

➤ EBITDA increased by 922.75% QoQ and increased by 10.91% YoY.

➤ EBITDA margins increased by 19.01% QoQ and decreased by 0.47% YoY.

➤ EBIT increased by 482.38% QoQ and increased by 14.14% YoY.

➤ EBIT margins increased by 21.41% QoQ and increased by 0.12% YoY.

| (INR in lakhs) | Sale of Power | | | |
|------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Quarter ended | | | Year ended |
| Particulars | 30.06.2017 (unaudited) | 31.03.2017 (audited) | 30.06.2016 (unaudited) | 31.03.2017 (Audited) |
| Revenue | 797.78 | 238.61 | 686.62 | 2346.84 |
| EBITDA | 720.30 | 90.24 | 539.14 | 1755.86 |
| EBITDA Margin(%) | 90.29% | 37.82% | 78.52% | 74.82% |
| EBIT | 449.56 | (186.79) | 253.87 | 339.69 |
| EBIT Margin(%) | 56.35% | (78.28%) | 36.97% | 14.47% |

➤ **Sale of Power revenue** increased by 234.34% QoQ and increased by 16.19% YoY.

➤ **EBITDA** increased by 698.20% QoQ and increased by 33.60% YoY.

➤ **EBITDA margins** increased by 52.47% QoQ and increased by 11.77% YoY.

➤ **EBIT** increased by 340.68% QoQ and increased by 77.08% YoY.

➤ **EBIT margins** increased by 134.63% QoQ and increased by 19.38% YoY.

| (INR in lakhs) | Transport of passengers by Air | | | |
|------------------|--------------------------------|-------------------------|---------------------------|-------------------------|
| | Quarter ended | | | Year ended |
| Particulars | 30.06.2017 (unaudited) | 31.03.2017 (audited) | 30.06.2016 (unaudited) | 31.03.2017 (Audited) |
| Revenue | 242.57 | 391.16 | 335.23 | 1603.43 |
| EBITDA | (229.43) | (32.82) | (43.83) | 26.26 |
| EBITDA Margin(%) | (94.58%) | (8.39%) | (13.07%) | 1.64% |
| EBIT | (276.94) | (80.33) | (91.34) | (163.80) |
| EBIT Margin(%) | (114.17%) | (20.54%) | (27.25%) | (10.22%) |

➤ **Transport of passengers by Air revenue** decreased by 37.99% QoQ and decreased by 27.64% YoY.

➤ **EBITDA** decreased by 599.06% QoQ and decreased by 423.45% YoY.

➤ **EBITDA margins** decreased by 86.19% QoQ and decreased by 81.51% YoY.

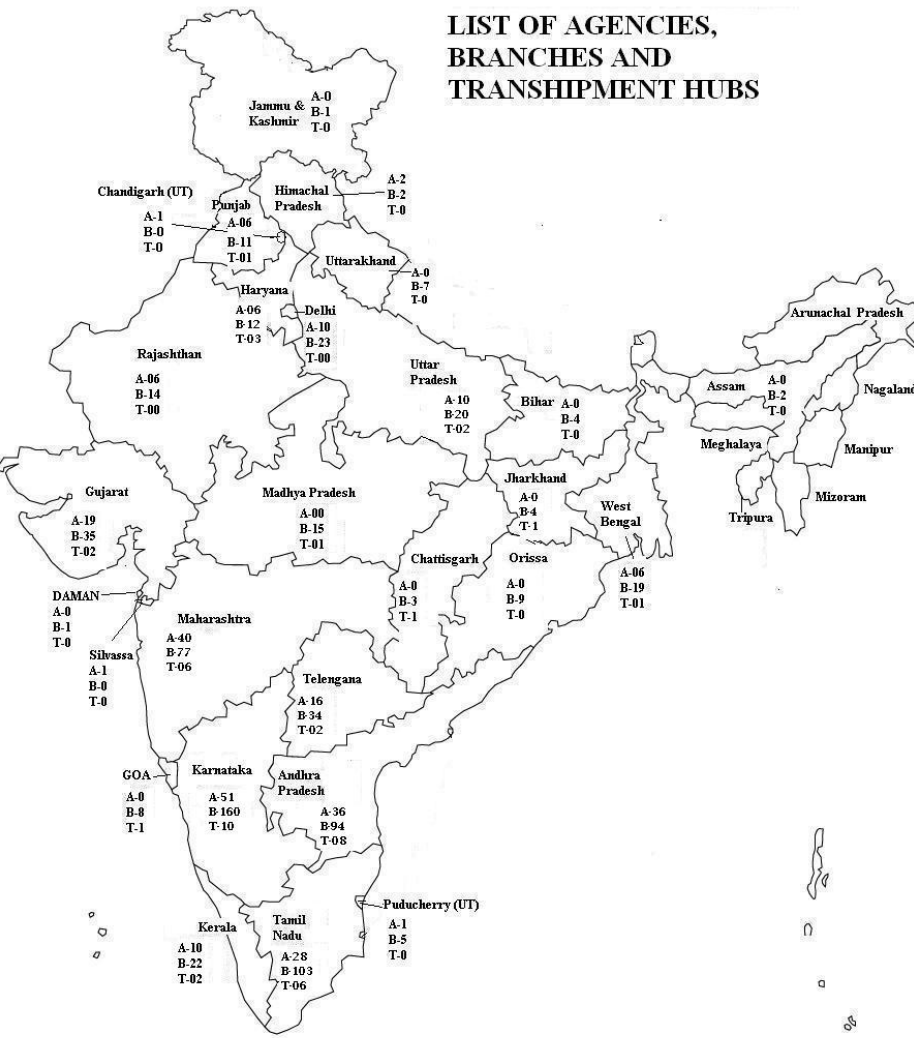
➤ **EBIT** decreased by 244.75% QoQ and decreased by 203.20% YoY.

➤ **EBIT margins** decreased by 93.63% QoQ and decreased by 86.92% YoY.

- **GST Compliance** - The company has adapted to the new Tax regime by bringing in the necessary changes in its operational systems.
- Procurement of Bio-fuel @ 18.29% of total Quantity- up by 1.84% from 16.45% in Q417
- Addition of 8 locations to the existing network of Goods Transport business. Operational infrastructure consists of 934 locations as on June 30, 2017. (closure of 5 locations.)
- Addition of 13 goods transport vehicles. 15 Vehicles sold/scrapped. Total GT vehicles are 3939 as on June 30, 2017.
- Healthy Net Debt to Equity ratio – Improvement from 0.32x as on March 31, 2017 to 0.2x as on June 30, 2017
- Net debt reduced from 17396.35 lakhs as on March 31, 2017 to 11485.78 lakhs as on June 30, 2017



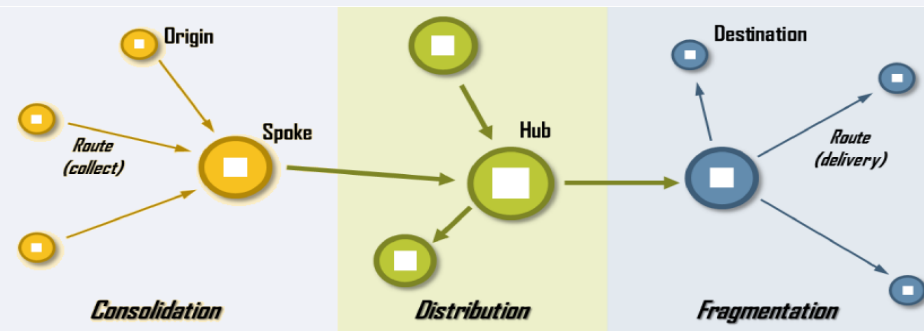
LIST OF AGENCIES, BRANCHES AND TRANSHIPMENT HUBS



A - AGENCIES
 B - BRANCHES
 T - TRANSHIPMENT HUBS

MAP-NOT TO SCALE

Hub-and-Spoke model to aggregate small parcels and maximize capacity utilization of its vehicles



One of the largest pan-India surface transportation network in 23 states and 4 union territories.

Operational infrastructure comprises of 638 branches, 249 agencies & 47 hubs in 934 locations

Strategically placed 47(7 owned) transshipment hubs

Infrastructure facilities comprising of branches , agencies, and transshipment hubs enables us to cater to a diversified customer base spread across different geographical locations

Extensive network across the country with last mile delivery even in remote locations

- Established brand since four decades.
- Market leader in India in the LTL segment.



Infrastructure

| As of | Small Vehicle (1) | Light Commercial Vehicle (2) | Heavy Commercial Vehicles (3) | Car Carrier (4) | Available Capacity (tons) | Tanker (5) | Cranes (6) | Total Vehicles Owned | BUSES | TOTAL FLEET |
|-----------|-------------------|------------------------------|-------------------------------|-----------------|---------------------------|------------|------------|----------------------|-------|-------------|
| 31-Mar-13 | 122 | 883 | 1941 | 102 | 34882 | 27 | 13 | 3088 | 460 | 3548 |
| 31-Mar-14 | 122 | 882 | 2210 | 102 | 40087 | 23 | 13 | 3352 | 477 | 3829 |
| 31-Mar-15 | 120 | 975 | 2423 | 102 | 45538 | 16 | 13 | 3649 | 375 | 4024 |
| 31-Mar-16 | 119 | 982 | 2639 | 102 | 49861 | 17 | 13 | 3872 | 381 | 4253 |
| 31-Mar-17 | 117 | 969 | 2723 | 102 | 52099 | 17 | 13 | 3941 | 419 | 4360 |
| 30-Jun-17 | 117 | 959 | 2731 | 102 | 52184 | 17 | 13 | 3939 | 411 | 4350 |

- NOTE:
- (1) Small vehicles are defined as vehicles with carrying capacity up to 2500 kilograms.
 - (2) Light commercial vehicles are defined as vehicles with carrying capacity between 2500 kilograms and 7500 kilograms.
 - (3) Heavy commercial vehicles are defined as vehicles with carrying capacity of more than 7500 kilograms.
 - (4) Used for transportation of automobiles.
 - (5) Used for transportation of liquid.
 - (6) Cranes are predominantly used for internal operations.

Goods transportation fleet includes :

- 3939 owned vehicles as of June 2017.
- 1003 (25%) vehicles less than 5 years old.
- 3581 (91%) of vehicles are debt free
- 2119 (54%) of vehicles have a book value of Re 1
- Average age of Truck fleet is around 9 years
- Wide range of vehicles with carrying capacity from 1 ton to 32 tons

Passenger transportation fleet includes

- 411 owned vehicles
- 143 (35%) vehicles are less than 5 years old
- 344 (84%) of vehicles are debt free
- Average age of Passenger vehicles is 5 yrs

Significance of own vehicles

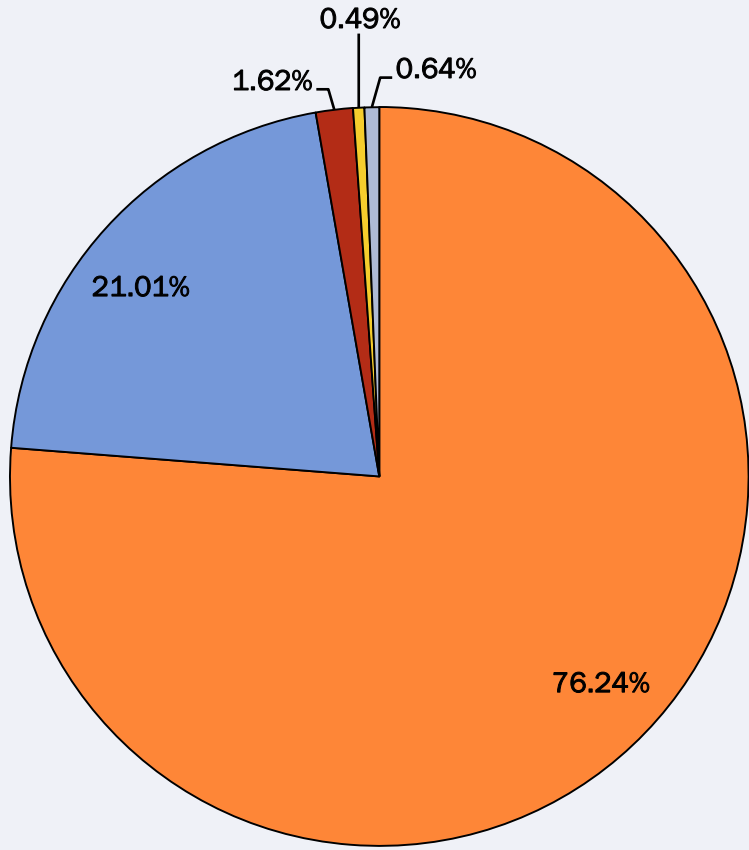
- Enables us to significantly reduce hiring and operational costs
- Enables us to cover a large number of routes and reduce dependence on third party hired vehicles
- Enables better control and time bound delivery thereby enhancing service quality
- Passenger transportation: Owned vehicles enable us to provide safe and on time travel experience

Total of 4350 owned vehicles provides greater leverage in terms of pricing and service



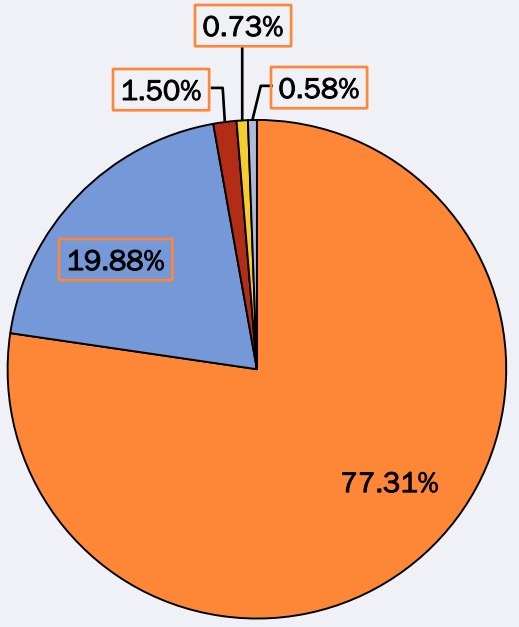
Segmentwise contribution to total revenue

Q1 FY18



- Goods Transport
- Bus Transport
- Sale of Power
- Air charter
- Others

Q1 FY17



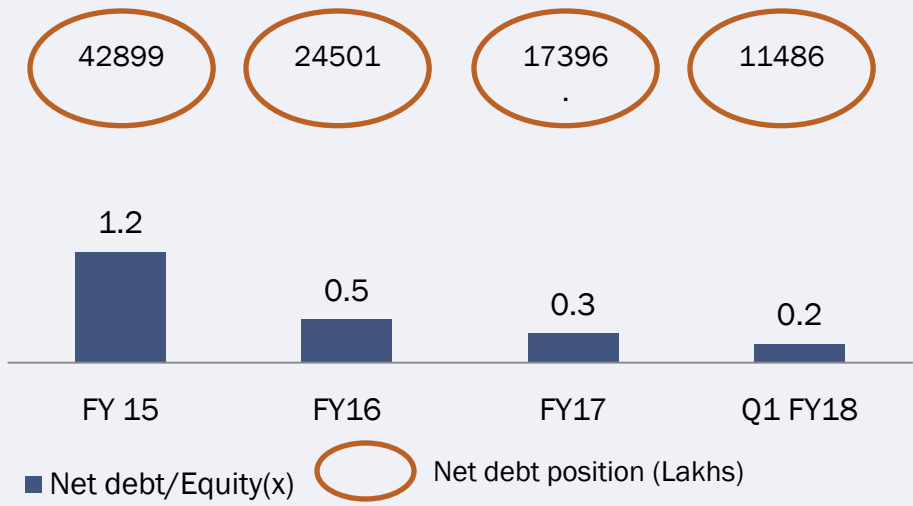
- Goods Transport
- Bus Transport
- Sale of Power
- Aircharter
- Others

Goods Transport (76.24%) is the key contributor to total revenue



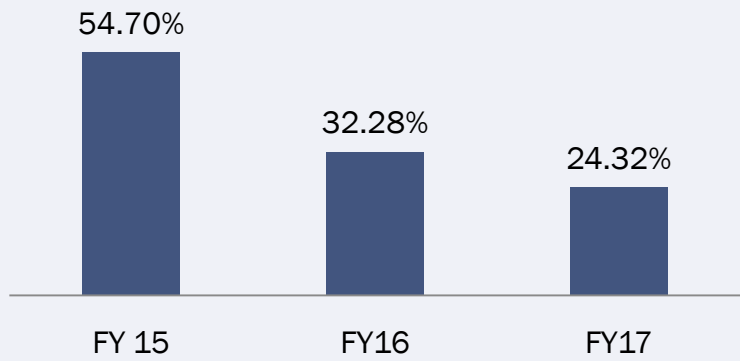
Leverage Metrics

Net Debt to Equity



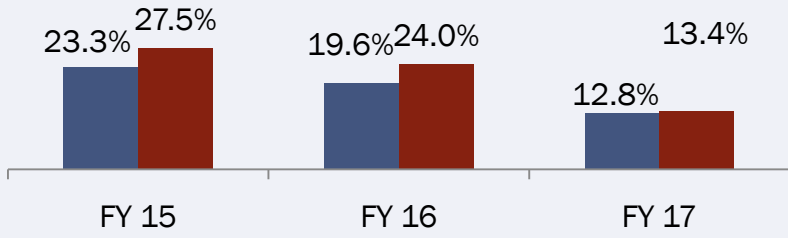
Note : Debt for the above purpose includes non-current borrowings, current borrowings and current maturities of non current borrowings and Interest accrued but not due on borrowings.

Gearing Ratio

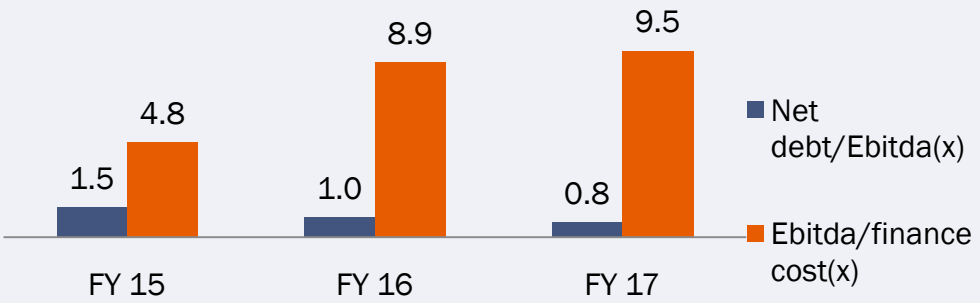


Return metrics

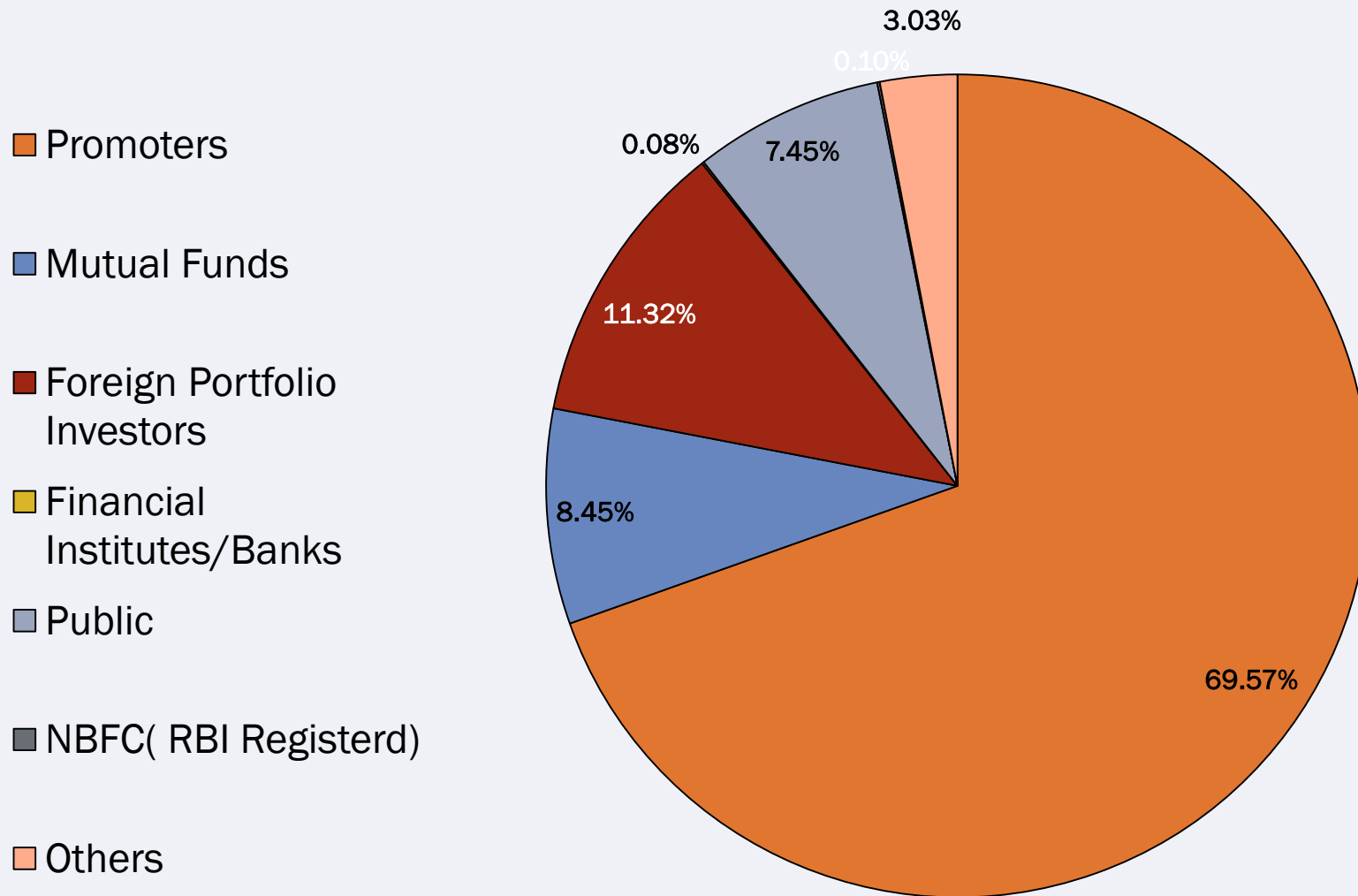
- Return(Net Profit+finance costs)on average capital employed
- Return(Net Profit) on average equity



Leverage metrics



Improving debt profile



THANKING YOU



For further discussions/queries Please contact :

**Sunil Nalavadi
Chief Financial Officer
+91 93425 59298**

cfo@vrllogistics.com