

TCI Express Limited

TCI House 69, Institutional Area, Sector - 32 Gurugram - 122001, Haryana, India

Positive EBITDA and PAT despite lockdown restrictions and disruption of business activities due to Covid-19

Gurugram, India, July 24, 2020: TCI Express Ltd. ("TCI Express"), market leader in express distribution in India, today announced its financial results for the quarter ended on June 30, 2020.

Performance Highlights: Q1 FY2021 vs. Q1 FY2020

- Revenue from operations of Rs. 89 Crores in Q1 FY2021 from Rs. 256 Crores in Q1 FY2020
- EBITDA of Rs. 4 Crores in Q1 FY2021 from Rs. 30 Crores in Q1 FY2020
- EBITDA margin at 3.9% in Q1 FY2021 compared to 11.8% in Q1 FY2020
- PAT of Rs. 1 Crores in Q1 FY2021 from Rs. 18 Crores in Q1 FY2020
- PAT Margin at 1.0% in Q1 FY2021 compared to 7.2% in Q1 FY2020

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

"The first quarter of FY2021 was expected to be worst impacted by the COVID-19 pandemic due to nationwide lockdown in the month of April and partial lockdown in the month of May. The complete or partial closure of factories coupled with lower business sentiments and demand has impacted all businesses and industries resulting in subdued business and economic activity in the first two months of the quarter. The logistics sector was also impacted in these market conditions due to lower industrial production, restriction on transportation of non-essential goods and inter-state challenges in view of the pandemic. The gradual recovery started from the later part of May however, it is still below the pre-Covid levels.

We are into transportation of B2B goods and therefore we were able to resume our operations in May with ease of restrictions on movement of non-essential products. In the month of May our utilization was 35%, which increased to 70% in June 2020. In view of these market conditions, the Company delivered Revenue from operations of Rs. 89 crores and EBITDA stood at Rs. 4 crores with margins of 4% and company delivered break-even profitability with PAT of Rs. 1 crore. The efficacy of cost rationalization measures implemented by the company were reflected in the break-even cost of running operations and the low operating leverage achieved in our business model due to lower fixed costs will result in cost synergies in the year ahead when the entire logistics sector is grappling with challenges of high operational costs.

The company's strategy of moving towards owned sorting centres remains on track. During the quarter, we have incurred a capex of Rs. 16 crores primarily utilized in construction of two new sorting centres in Gurgaon and Pune and also increasing automation at our existing sorting centres to improve turnaround time and overall efficiency. We are expecting to commence commercial operations from new sorting centres from the third quarter of fiscal year FY2021.

Our clients, both Corporates and SME's, initially faced complete disruption in first half due to lockdown restrictions but were able to resume operations in staggered manner in second half of the quarter. We are extending support to our customers and staying close to them to meet their requirements. Furthermore, the support of our employees to scale back services and operations quickly while complying with health and safety guidelines issued by the government and our unique and strong partnership arrangement with vendors has helped us to mitigate operational challenges to a large extent.

The economic activity has started show some early signs of recovery with resumption of factories, people returning to offices and improved business activity is expected to bode well for logistics sector and economy. TCI Express continues to solidify its position as the industry leader in terms of providing time definite services to customers and with our asset light business model, we are well positioned to navigate through the challenges and continue on the path of growth on quarter on quarter basis."

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 800 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.

For more information please contact:

Mukti Lal
VP & CFO, TCI Express
+91 124 238 4090 - 4094 (Extn. 606)
mukti.lal@tciexpress.in

Ravi Gothwal / Vikas Luhach
Churchgate Partners
+91 22 6169 5988
tciexpress@churchgatepartners.com

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.