

TCIEXPRESS

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Press Release

November 04, 2019

TCI Express Limited

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**Strong Financial Performance with 9.3% Revenue and 60.6% PAT Growth in Q2 FY2020
Recommended Interim Dividend of Rs. 1.5 per share, Pay-out of 12.9%**

Gurugram, India, November 4, 2019: TCI Express Ltd. ("TCI Express"), market leader in express distribution in India, today announced its financial results for the quarter ended on September 30, 2019.

Performance Highlights: Q2 FY2020 vs. Q2 FY2019

- Revenue from operations of Rs. 271 Crores in Q2 FY2020 from Rs. 248 Crores in Q2 FY2019, growth of 9.3%
- EBITDA of Rs. 32 Crores in Q2 FY2020 from Rs. 28 Crores in Q2 FY2019, growth of 15.1%
- EBITDA margin at 11.9% in Q2 FY2020 compared to 11.3% in Q2 FY2019
- PAT of Rs. 26 Crores in Q2 FY2020 from Rs. 16 Crores in Q2 FY2019, growth of 60.6%
- PAT Margin at 9.6% in Q2 FY2020 compared to 6.6% in Q2 FY2019
- Board recommended an interim dividend of Rs. 1.5 per share, payout of 12.9%

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

"I am pleased to report that TCI Express has delivered Revenue from Operations of Rs. 271 crores in Q2 FY2020, an increase of 9.3% on Y-o-Y basis compared to Q2 FY2019. The Company delivered an EBITDA of Rs. 32 crores, growth of 15.1% and margins expanded by 60 bps to 11.9% during the same period. Profit after tax was Rs. 26 crores in Q2 FY2020, representing an increase of 60.6 % on Y-o-Y basis, with margins of 9.6%. The revenue growth was driven by increase in Small and Medium Enterprises (SME) customers. The margin improvement was attributable to operational efficiency and better working capital management.

We also expanded our geographical presence and opened 15 new branches in the quarter. The objective is to go deep in the metro cities and tap more and more SME customers. During the quarter, we held an official ground-breaking ceremony for our two new sorting centres at Gurgaon and Pune. Construction of the new 2 lakh sq.ft. sorting centre at Gurgaon and 1.5 lakh sq.ft. sorting centre at Pune, a total of 3.5 lakh sq. ft., are expected to be completed by end of the current fiscal year with commercial operations projected to begin from Q1 FY2021. The complete automation and implementation of business intelligence at owned sorting centres will result in shorter turnaround time and enhanced operational efficiencies in the long run.

The domestic economy during the second quarter of FY2020, experienced slowdown due to weakening industrial activity across sectors, with a minor uptick in demand near the end of quarter with the onset of festive season. Despite the headwinds, we were able to deliver a robust growth which can be attributed to our unique value proposition, strong partnership arrangement with Vendors and support from our growing and diversified client base of SMEs.

Furthermore, the government target for USD 5 trillion economy has put an emphasis on logistics sector and with initiatives such as Multi-Modal Logistics Parks Policy, National Logistics Portal, Industrial Corridors are expected to drive growth going forward.

We remain cautiously optimistic about the domestic economic environment and will continue to focus on our core strengths of delivering time definite solutions to our customers and further strengthen our balance sheet."



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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.

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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.

