



VRL Financial Results - Q1 2020-21

Earnings Presentation

August 14, 2020



VRL LOGISTICS LTD

www.vrllogistics.com

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A public listed company on NSE & BSE Exchange with a Market capitalization of INR 14.59 billion (as on 30th June 2020).

A pre dominantly parcel delivery service provider (87% of total Revenue for FY20) with pan-India last mile connectivity operating through a fleet of 4708 owned Goods transport vehicles complemented by third party hired vehicles on need basis.

Integrated hub-and-spoke operating model which enables optimal aggregation of parcels from a diversified customer base across multiple industries and locations.

Diverse customer base of Corporate, SMEs and traders with exclusive focus on B2B services

Passenger transportation through 337 owned buses of various makes.

Extensive pan India network with presence in 903 locations, Ensuring last mile delivery even in remote locations.

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

Own fuel stations at key locations and tie up with IOCL

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





Market Leader in LTL segment

Operations : 22 States,5 Union Territories,

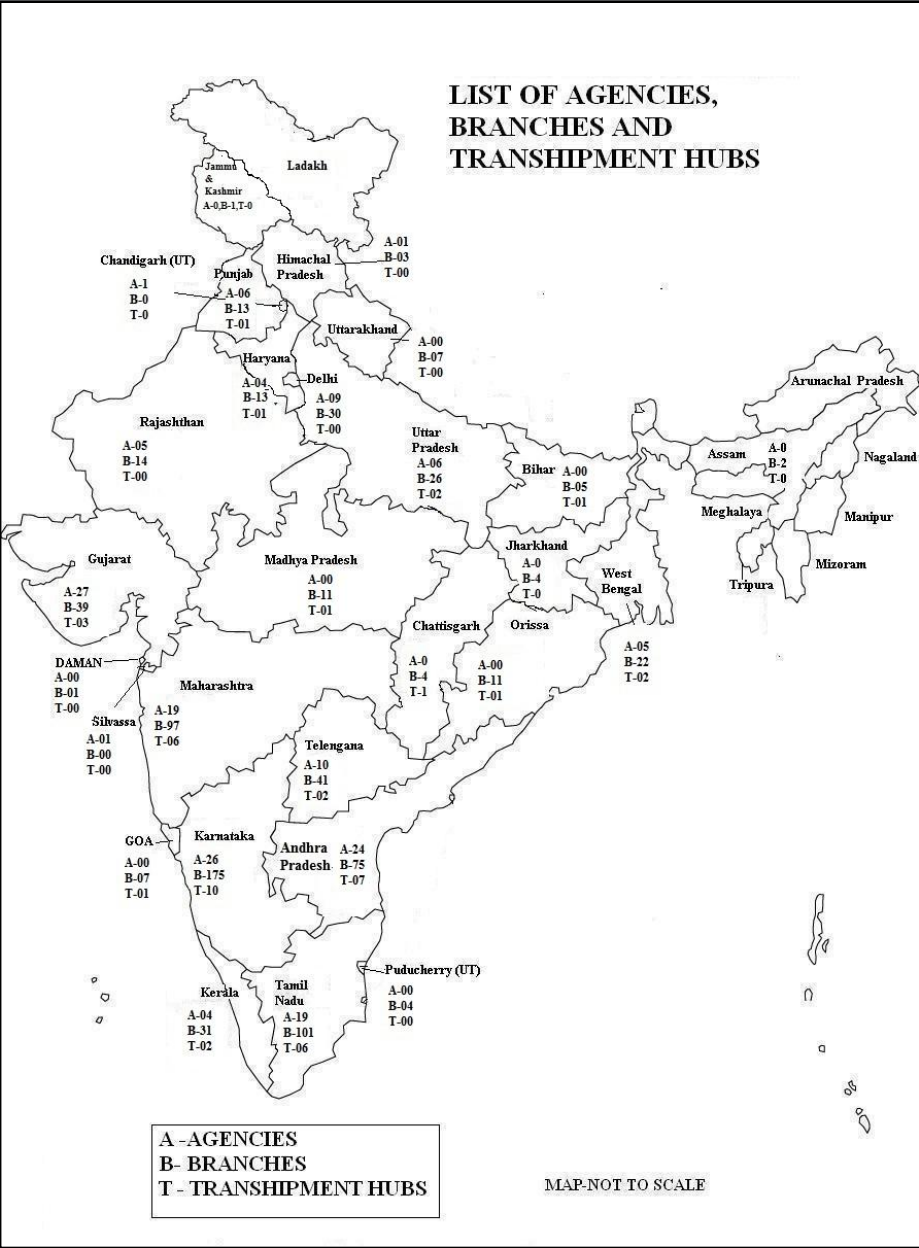
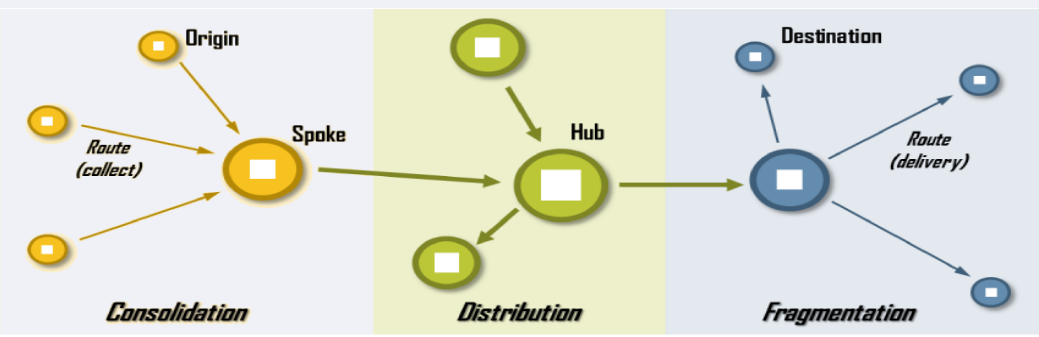
689 Branches

167 Agencies

47 Strategically placed Hubs

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

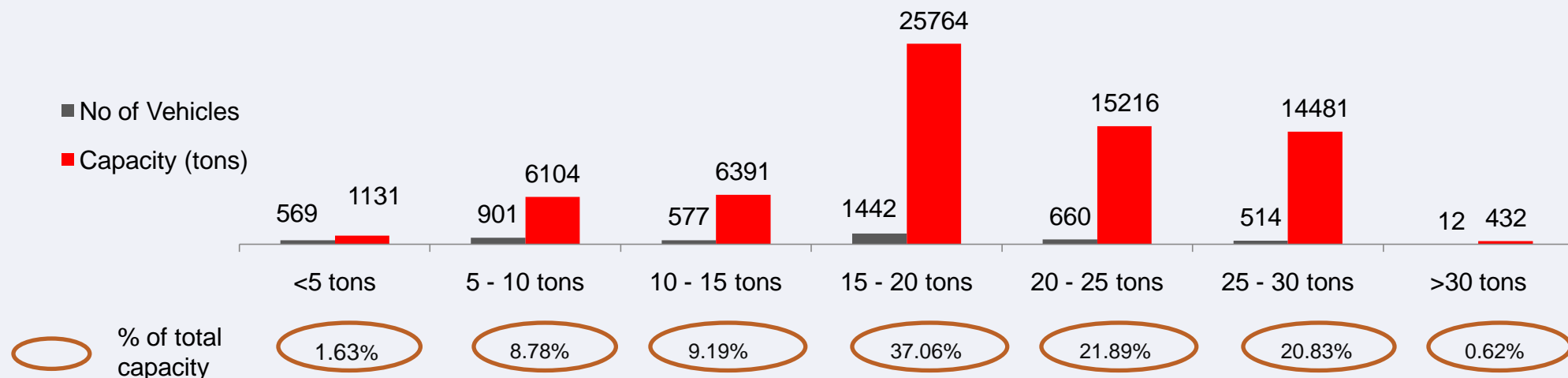
Hub-and-Spoke model to aggregate small parcels and maximize capacity utilization of its vehicles



Own Vehicle Numbers										
As of	0.5 tons to 2.5 tons	2.5 tons to 7.5 tons	7.5 tons and above	Car Carrier (1)	Available Capacity (tons)	Tanker (2)	Cranes (3)	Total Vehicles Owned	BUSES	TOTAL FLEET
31-Mar-17	117	969	2723	102	52099	17	13	3941	419	4360
31-Mar-18	150	960	2765	102	52954	17	13	4007	396	4403
31-Mar-19	257	1009	3004	102	64776	13	13	4398	381	4779
31-Mar-20	312	981	3428	0	70012	20	13	4754	337	5091
30-June-20	311	974	3390	0	69520	20	13	4708	337	5045

Note: (1) Used for transportation of automobiles, converted to HGV's from 2020. (2) Used for transportation of liquid (3) Cranes are predominantly used for internal operations.

Capacity Breakup as on June 30, 2020



Goods transportation fleet

4708 owned vehicles as on June 30, 2020	4169 (89%) debt free vehicles
Wide range of vehicles with carrying capacity from 1 ton to 39 tons	2374 (50%) of vehicles are fully depreciated and operating in optimal condition

Bus Operations fleet

337 owned vehicles as on June 30, 2020

337 (100%) vehicles are debt free

Significance of own vehicles

- Enables us to significantly control hiring and operational costs
- Higher payload per vehicle for LTL consignments
- 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
- Bus Operations: Owned vehicles enable us to provide safe and on time travel experience

- 1) The financial results are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) (amended) as prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, as applicable.
- 2) The financial results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors of the Company at their respective meetings held on 14 August 2020. There are no qualifications in the limited review report issued for the said period.
- 3) The Company has applied the practical expedient available as per amendment to Ind AS 116, “Leases”, for rent concessions which are granted due to Covid-19 pandemic. Accordingly, Rs 424.99 lakhs has been recognised as a reduction from 'rent expenses' in the financial results for the quarter ended 30 June 2020.
- 4) Figures for the quarter ended 31 March 2020 as reported in these financial results, are the balancing figures between audited figures in respect of the full financial year ended 31 March 2020 and the published unaudited year to date figures up to 31 December 2019 which were subject to limited review.
- 5) Due to COVID-19 pandemic and the consequent lockdown across the country, the Company's operations and financial results for the quarter have been impacted. The Company has resumed operations partially in a phased manner as per government directives. Therefore, the financial results for the quarter are not comparable with those for the earlier quarters. In assessing the recoverability of the carrying amount of all its assets, the Company has considered internal and external information up to the date of approval of these financial results. Given the uncertainties associated with the nature and duration of the pandemic, the actuals may differ from the estimates considered in these financial results and the Company will continue to closely monitor any material changes to future economic conditions and respond accordingly.

Consolidated (INR in Lakhs)	Q1 FY21 (Unaudited)	Q4 FY20 (Audited) (refer note 4)	Q1 FY20 (Unaudited)	FY20 (Audited)
TOTAL INCOME	16240.38	50026.32	54203.51	212885.65
EBITDA	(3155.16)	5906.93	9119.07	30858.48
EBITDA Margins(%)	(19.43%)	11.81%	16.82%	14.50%
EBIT	(7342.94)	1378.21	5121.18	14105.05
EBIT Margins(%)	(45.21%)	2.75%	9.45%	6.63%
PBT	(8380.77)	327.47	4242.42	10431.68
PBT Margins(%)	(51.60%)	0.65%	7.83%	4.90%
PAT (excludes comprehensive income)	(6271.49)	213.90	2745.40	9011.49
PAT Margins(%)	(38.62%)	0.43%	5.06%	4.23%

Segment Performance– Q1 FY2020-21

(INR in lakhs)	Goods Transport			
	Quarter ended			Year ended
Particulars	30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
Revenue	14824.59	41663.89	42339.02	172469.20
EBITDA	(3410.59)	4790.95	6290.70	23006.01
EBITDA Margin(%)	(23.01%)	11.50%	14.86%	13.34%
EBIT	(6117.21)	1416.94	3556.3	11115.93
EBIT Margin(%)	(41.26%)	3.40%	8.40%	6.45%

(INR in lakhs)	Bus Operations			
	Quarter ended			Year ended
Particulars	30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
Revenue	529.43	7058.24	10395.53	34371.06
EBITDA	(225.38)	649.68	2054.59	4863.98
EBITDA Margin(%)	(42.57%)	9.20%	19.76%	14.15%
EBIT	(1115.23)	79.74	1366.96	2331.57
EBIT Margin(%)	(210.65%)	1.13%	13.15%	6.78%

Segment Performance– Q1 FY2020-21

(INR in lakhs)	Sale of Power			
	Quarter ended			Year ended
Particulars	30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
Revenue	479.17	196.23	483.92	1864.74
EBITDA	337.07	41.74	305.22	1239.56
EBITDA Margin(%)	70.34%	21.27%	63.07%	66.47%
EBIT	48.31	(227.68)	27.72	153.76
EBIT Margin(%)	10.08%	(116.03%)	5.73%	8.25%

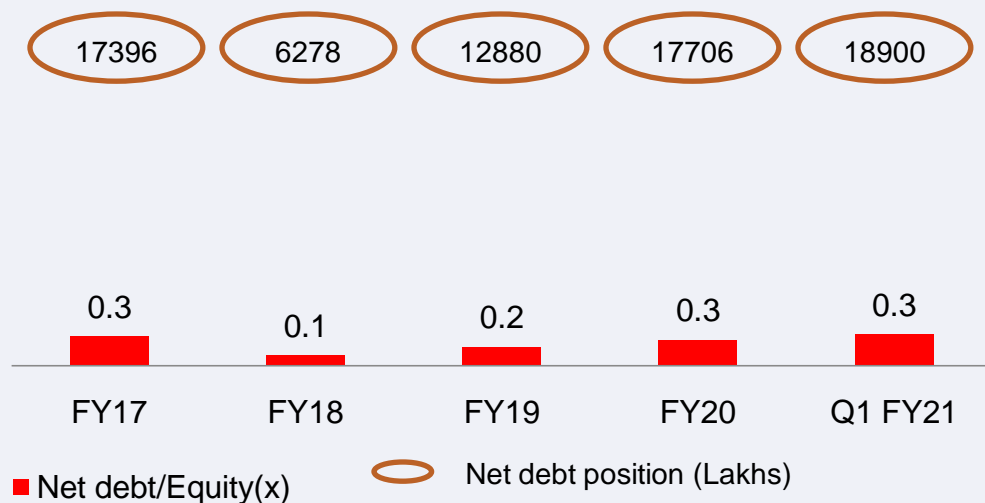
(INR in lakhs)	Transport of Passengers by Air			
	Quarter ended			Year ended
Particulars	30.06.2020 (Unaudited)	31.03.2020 (Audited)	30.06.2019 (Unaudited)	31.03.2020 (Audited)
Revenue	107.57	425.61	518.57	1982.34
EBITDA	(108.23)	(10.43)	140.67	320.18
EBITDA Margin(%)	(100.61)	(2.45%)	27.13%	16.15%
EBIT	(150.4)	(51.09)	100.19	138.12
EBIT Margin(%)	(139.82%)	(12.00%)	19.32%	6.97%

- Procurement of Bio-fuel @ 31.03% of total quantity in Q1 FY21 (31.42% in Q1-20, 18.37% in Q4-20). Bio-fuel quantity decreased by 0.38% in Q1 FY21, as compared to 31.42% of total quantity in Q1FY20.
- No Vehicles were added during Q1-FY21.
- The ICRA Debt Rating is maintained A+ (stable).
- Net debt increased from Rs. 17705.83 lakhs as on Mar 31, 2020 to Rs 18899.61 lakhs as on June 30,2020.

- Continuous review of Policies.
- Focus on new sales, addition of new customers across all sectors.
- Steps taken to reduce the variable expenses, and renegotiate fixed expenses such as Rent, Salaries, Maintenance schedules, etc.)
- Tracking expenses against the revenue –branch profitability.
- Focus on ways to improve cash management, such as optimizing net working capital across accounts receivable, accounts payable and inventory to shorten the cash-conversion cycle.
- Freight Increase to absorb additional costs impact.
- Manpower optimisation and productivity increase.
- Limiting incremental debt by utilising existing resources
- Vehicle schedule planning and capacity utilisation.
- Scrappage of old vehicles based on the maintenance cost involved.
- Branch Optimisation.
- Rescheduling of shifts.
- Important suppliers and contractors contacted and notified the changes in procedures.
- Maintaining the customer base intact , and continued customer engagement ensuring business flow.
- Review of capital projects and other initiatives to assess what should be continued, delayed or cancelled.

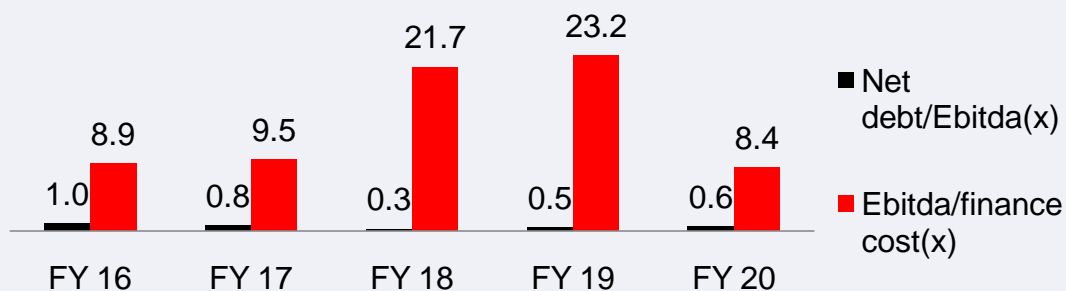
Leverage Metrics

Net Debt to Equity

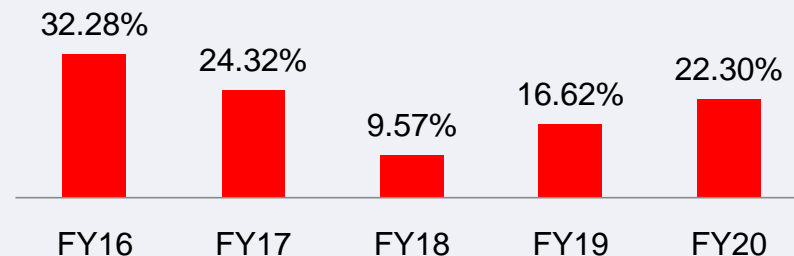


Note : Debt for the above purpose includes non-current borrowings, current borrowings and current maturities of non current borrowings and Interest accrued but not due on borrowings.

Leverage metrics

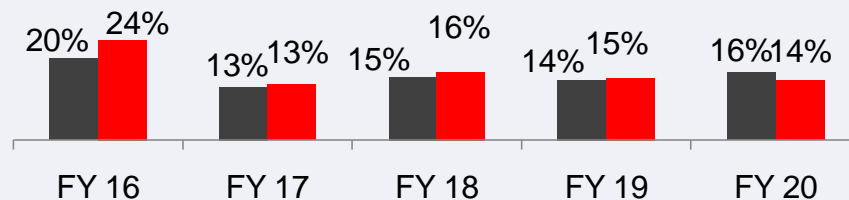


Gearing Ratio

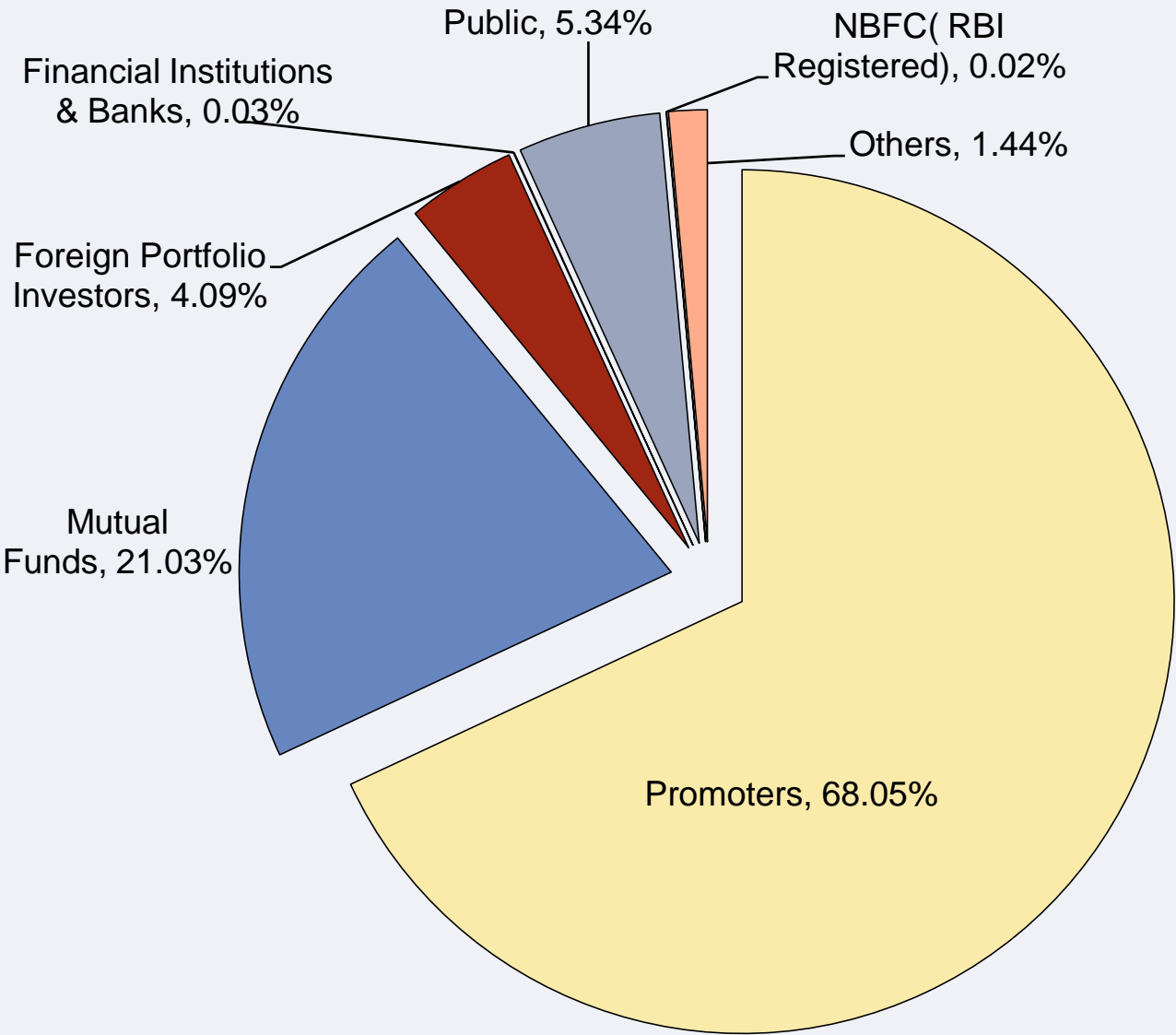


Return metrics

- Return (Profit for the year+Finance costs) on Average capital employed
- Return(Profit for the year) on average equity



Shareholding Pattern as of June 30,2020





For further discussions/queries please contact :

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