



VRL Financial Results - Q3 2019-20

Earnings Presentation

FEBRUARY 08, 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 24.86 billion (as on 31st December, 2019).

A pre dominantly parcel delivery service provider (70.21% of total Revenue for FY19) with pan-India last mile connectivity operating through a fleet of 4525 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 354 owned buses of various makes.

Extensive pan India network with presence in 917 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,

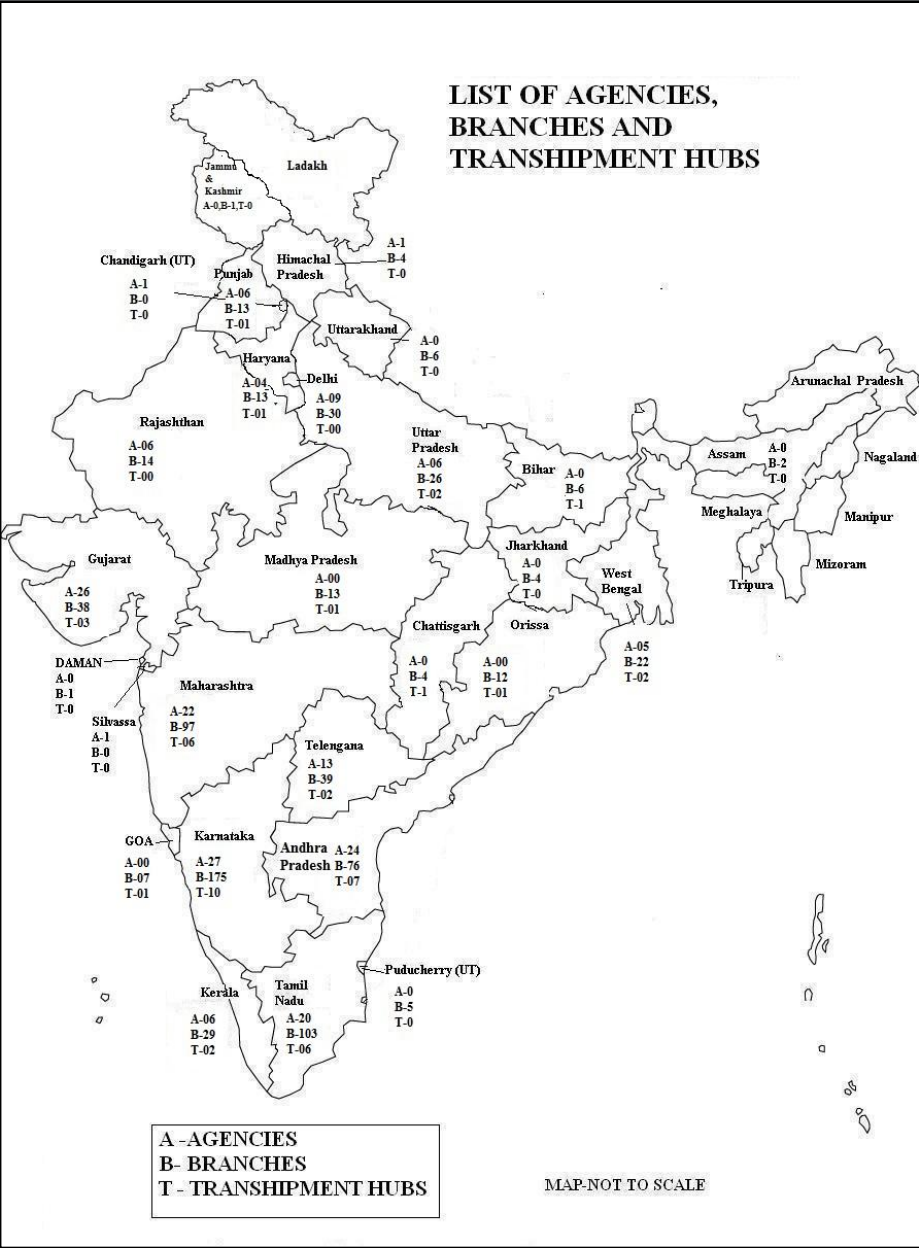
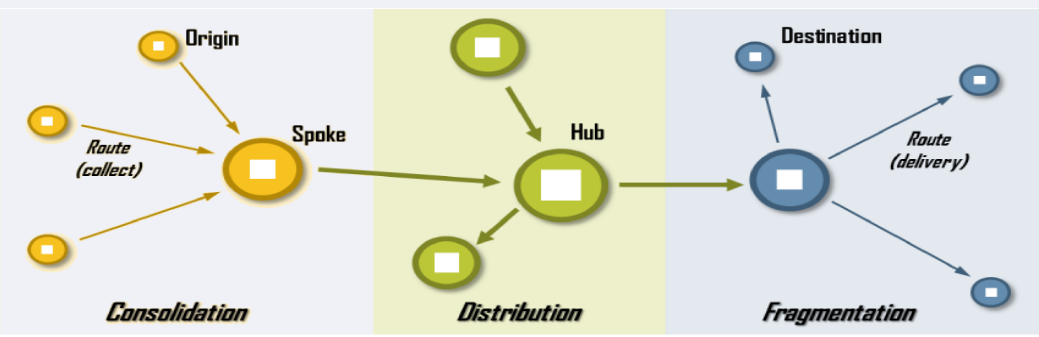
693 Branches

177 Agencies

47 Strategically placed Hubs

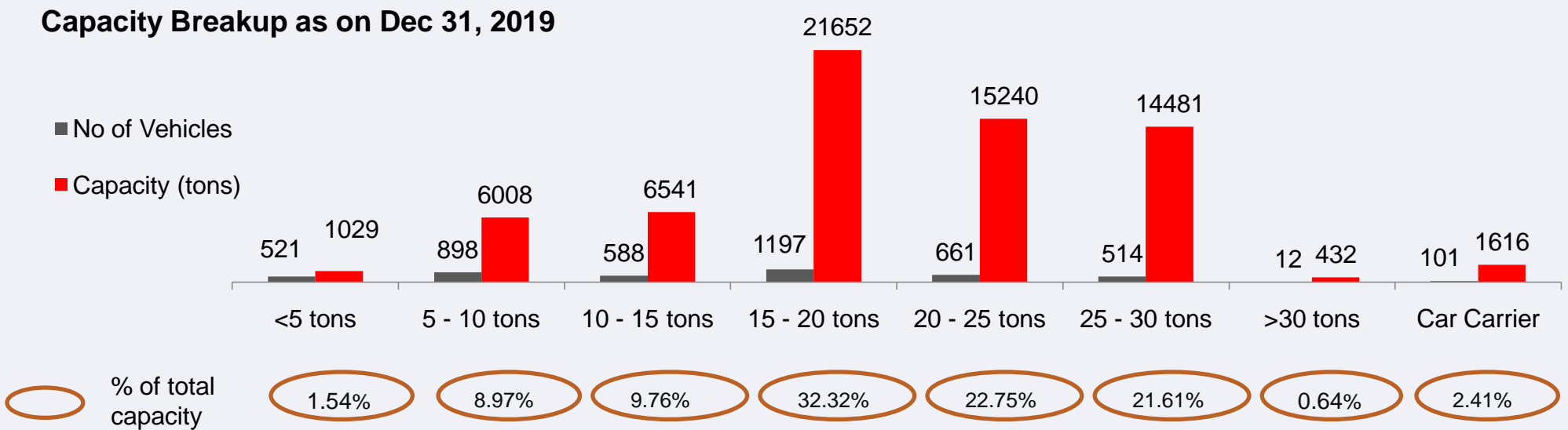
Extensive network across the country with last mile delivery even in remote locations

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-16	119	982	2639	102	49861	17	13	3872	381	4253
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-Dec-19	286	987	3118	101	66999	20	13	4525	354	4879

Note: (1) Used for transportation of automobiles. (2) Used for transportation of liquid (3) Cranes are predominantly used for internal operations.



Goods transportation fleet

4525 owned vehicles as on December 31, 2019.	4255 (94%) debt free vehicles
Wide range of vehicles with carrying capacity from 1 ton to 39 tons	2312 (51%) of vehicles are fully depreciated

Bus Operations fleet

354 owned vehicles as on December 31, 2019

354 (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 8 February 2020. There are no qualifications in the limited review report issued for the said period.
3. The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised provision for income tax for quarter and half year ended 30 September 2019 and re-measured its deferred tax liabilities/assets basis the rate prescribed in the aforesaid section. The remeasurement of accumulated deferred tax liabilities (net) has resulted in reversal of deferred tax expenses (net) of Rs.1289.82 lakhs.
4. Interim dividend of Rs 4 per equity share of face value Rs 10 each was approved at the meeting of the Board of Directors of the Company held on 9 November 2019.
5. The Board of Directors of the Company at its meeting held on 8 February 2020 has declared second interim dividend of Rs 3 per equity share of face value Rs 10 each.
6. The Company has adopted Ind AS 116, 'Leases', effective 1 April 2019, using modified retrospective approach, wherein comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at Rs 27047.16 lakhs and accordingly recognised right-of-use assets at Rs 24623.53 lakhs by adjusting retained earnings by Rs 1911.20 lakhs (net of tax), including adjustments for prepaid/accrued rent and lease equalisation reserve, as at the aforesaid date. In the Statement of Profit and Loss for the current period, expenses in the nature of operating leases are recognised as amortisation of right-of-use assets and finance costs, as compared to lease rent in previous periods, and to this extent, results for the current period are not comparable.

Impact of Ind AS 116 on Financial Results



The impact of adopting Ind AS 116 on the financial results for the Nine months ended 31st December 2019 is as follows:

Particulars (INR in lakhs)	Nine Months ended 31.12.2019 (Erstwhile basis)	Nine Months ended 31.12.2019 (As per Ind AS-116)	Increase/ (Decrease) in Profit	Goods Transport	Bus Operations	Sale of Power	Transport of passengers by AIR
Freight, handling and servicing cost	113021.01	107152.10	5868.91	5437.35	431.56		
% to Total Revenue			3.60%	3.34%	0.26%		-
Finance costs	797.04	2622.63	(1,825.59)	(1706.70)	(118.89)		-
Depreciation and amortisation expense	7740.77	12224.71	(4483.94)	(4102.10)	(362.62)	(19.21)	-
Profit before tax	10544.83	10104.21	(440.62)				-
% to Total Revenue			(0.27%)				-
Profit after tax	9127.32	8797.59	(329.73)				
% to Total Revenue			(0.20%)				

Impact of Ind AS 116

Particulars (INR in lakhs)	Year ended 31 December 2019 (pre Ind AS 116)	Ind AS 116 Impact	Year ended 31 December 2019 (post Ind AS 116)
	(Audited)		
Assets			
a) Goods transport	65638.91	20737.01	86375.92
b) Bus operations	6481.16	1483.04	7964.20
c) Sale of power	6975.45	-	6975.45
d) Transport of passengers by Air	3244.04	-	3244.04
e) Un-allocable assets	13100.41		13100.41
Total	95439.97	22220.05	117660.02
Liabilities			
a) Goods transport	9384.44	23358.38	32742.82
b) Bus operations	1135.04	1637.46	2772.50
c) Sale of power	0.96	-	0.96
d) Transport of passengers by Air	66.19	-	66.19
e) Un-allocable liabilities	18029.90	(648.96)	17380.94
Total	28616.53	24346.88	52963.41
Impact on retained earnings		(2126.83)	

ROU Assets	DTA Impact	Lease equalisation	Net Impact
20737.01	-	-	20737.01
1483.04	-	-	1483.04
-	-	-	-
-	-	-	-
-	-	-	-
22220.05	-	-	22220.05
24143.98	-	(785.60)	23358.38
1637.46	-	-	1637.46
-	-	-	-
-	-	-	-
-	(648.96)	-	(648.96)
25781.44	(648.96)	(785.60)	24346.88



Total Income at 55964.13 lakhs

EBITDA Margins at 14.66%

EBIT Margins at 7.37%

PBT Margins at 5.83%

PAT Margins at 4.61%



Total Income at 162859.33 lakhs

EBITDA Margins at 15.32%

EBIT Margins at 7.81%

PBT Margins at 6.20%

PAT Margins at 5.40%

Consolidated (INR in Lakhs)	Q3 FY20 (Unaudited)	Q2 FY20 (Unaudited)	Q3 FY19 (Unaudited)	9MFY20 (Unaudited)	9MFY19 (Unaudited)	FY19 (Audited)
TOTAL INCOME	55964.13	52691.69	55239.34	162859.33	160268.48	211746.82
EBITDA	8205.99	7626.49	7091.69	24951.55	19004.79	25191.92
EBITDA Margins(%)	14.66%	14.47%	12.84%	15.32%	11.86%	11.90%
EBIT	4125.36	3480.30	4559.30	12726.84	11498.95	15133.83
EBIT Margins(%)	7.37%	6.61%	8.25%	7.81%	7.17%	7.15%
PBT	3261.35	2600.44	4198.34	10104.21	10783.83	14047.46
PBT Margins(%)	5.83%	4.94%	7.60%	6.20%	6.73%	6.63%
PAT (excludes comprehensive income)	2579.78	3472.41	2657.81	8797.59	7140.05	9191.61
PAT Margins(%)	4.61%	6.59%	4.81%	5.40%	4.46%	4.34%

Segment Performance– Q3 FY2019-20

(INR in lakhs)	Goods Transport					
	Quarter ended			Nine Months ended		Year ended
Particulars	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue	45263.93	43202.36	44024.66	130805.31	126944.19	168601.88
EBITDA	6077.01	5847.36	5788.18	18215.06	14986.16	20521.12
EBITDA Margin(%)	13.43%	13.53%	13.15%	13.93%	11.81%	12.17%
EBIT	3202.49	2940.20	4449.57	9698.99	11055.24	15210.57
EBIT Margin(%)	7.08%	6.81%	10.11%	7.41%	8.71%	9.02%

- **Goods transport revenue** increased by 4.77% QoQ and increased by 2.81% YoY. YTD (9M) increased by 3.04%.
- EBITDA increased by 3.93% QoQ and increased by 4.99% YoY. YTD (9M) increased by 21.55%.
- EBITDA margins decreased by 0.11% QoQ and increased by 0.28% YoY. YTD (9M) increased by 2.12%.
- EBIT increased by 8.92% QoQ and decreased by 28.03% YoY. YTD (9M) decreased by 12.27%.
- EBIT margins increased by 0.27% QoQ and decreased by 3.03% YoY. YTD (9M) decreased by 1.29%.

Segment Performance– Q3 FY2019-20

(INR in lakhs)	Bus Operations					
	Quarter ended			Nine Months ended		Year ended
Particulars	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue	9466.27	7451.02	10320.4	27312.82	29154.27	38032.74
EBITDA	1696.20	463.52	1632.58	4214.30	3251.99	4136.27
EBITDA Margin(%)	17.92%	6.22%	15.82%	15.43%	11.15%	10.88%
EBIT	1076.01	(191.14)	1011.81	2251.83	1374.32	1657.05
EBIT Margin(%)	11.37%	(2.57%)	9.80%	8.24%	4.71%	4.36%

- **Bus Operations revenue** increased by 27.05% QoQ and decreased by 8.28% YoY. YTD (9M) decreased by 6.32%.
- EBITDA increased by 265.94% QoQ and increased by 3.90% YoY. YTD (9M) increased by 29.59%.
- EBITDA margins increased by 11.70% QoQ and increased by 2.10% YoY. YTD (9M) increased by 4.28%.
- EBIT increased by 662.95% QoQ and increased by 6.35% YoY. YTD (9M) increased by 63.85%.
- EBIT margins increased by 13.93% QoQ and increased by 1.56% YoY. YTD (9M) increased by 3.53%.

(INR in lakhs)	Sale of Power					
	Quarter ended			Nine Months ended		Year ended
Particulars	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue	226.46	958.13	266.3	1668.51	1976.15	2208.51
EBITDA	68.40	824.20	102.26	1197.82	1471.05	1545.87
EBITDA Margin(%)	30.20%	86.02%	38.40%	71.79%	74.44%	70.00%
EBIT	(199.69)	553.41	(168.98)	381.44	657.34	460.93
EBIT Margin(%)	(88.18%)	57.76%	(63.45%)	22.86%	33.26%	20.87%

- **Sale of Power revenue** decreased by 76.36% QoQ and decreased by 14.96% YoY. YTD (9M) decreased by 15.57%.
- EBITDA decreased by 91.70% QoQ and decreased by 33.11% YoY. YTD (9M) decreased by 18.57%.
- EBITDA margins decreased by 55.82% QoQ and decreased by 8.20% YoY. YTD (9M) decreased by 2.65%.
- EBIT decreased by 136.08% QoQ and decreased by 18.17% YoY. YTD (9M) decreased by 41.97%.
- EBIT margins decreased by 145.94% QoQ and decreased by 24.72% YoY. YTD (9M) decreased by 10.40%.

Segment Performance– Q3 FY2019-20

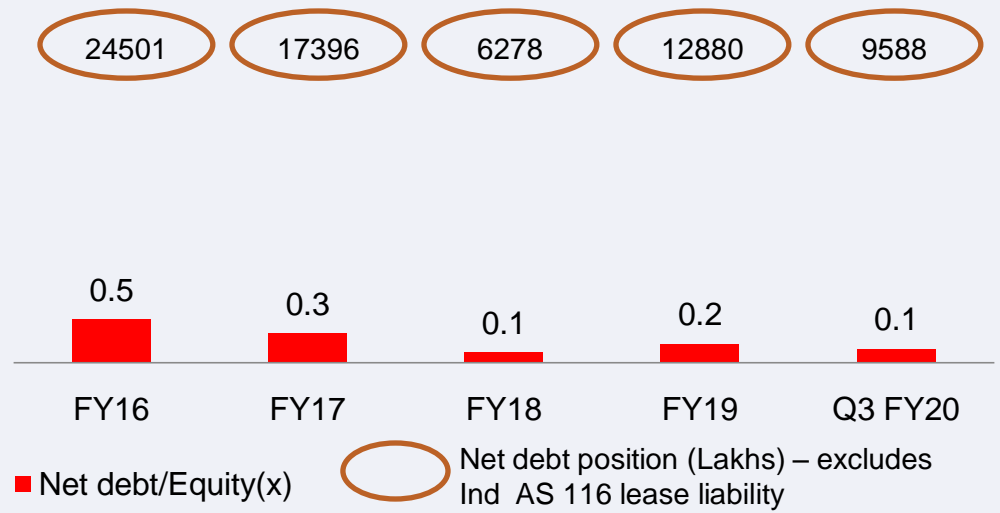
(INR in lakhs)	Transport of Passengers by Air					
	Quarter ended			Nine Months ended		Year ended
Particulars	31.12.2019 (Unaudited)	30.09.2019 (Unaudited)	31.12.2018 (Unaudited)	31.12.2019 (Unaudited)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Revenue	523.24	514.92	244.52	1556.73	828.61	1072.22
EBITDA	24.86	165.07	(20.87)	330.61	66.03	(62.50)
EBITDA Margin(%)	4.75%	32.06%	(8.54%)	21.24%	7.97%	(5.83%)
EBIT	(26.6)	115.62	(55.08)	189.21	(48.79)	(215.77)
EBIT Margin(%)	(5.08%)	22.45%	(22.53%)	12.15%	(5.89%)	(20.12%)

- **Transport of passengers by Air revenue** increased by 1.62% QoQ and increased by 113.99% YoY. YTD (9M) increased by 87.87%.
- EBITDA decreased by 84.94% QoQ and increased by 219.11% YoY. YTD (9M) increased by 400.71%.
- EBITDA margins decreased by 27.31% QoQ and increased by 13.29% YoY. YTD (9M) increased by 13.27%.
- EBIT decreased by 123.01% QoQ and increased by 51.71% YoY. YTD (9M) increased by 487.80%.
- EBIT margins decreased by 27.54% QoQ and increased by 17.44% YoY. YTD (9M) increased by 18.04% .

- Procurement of Bio-fuel @ 31.15% of total quantity in 9MFY20 (31.42% in Q1-20, 33.07% in Q2-20, 29.1% in Q3-20). Bio-fuel quantity increased by 10.34% in 9MFY20, as compared to 20.81% of total quantity in 9MFY19.
- Addition of 202 goods transport vehicles in 9MFY20 (15 tons and above - 164 vehicles, 1 ton to 10 tons– 38 vehicles). 75 vehicles sold/scrapped. Net Addition is 127 goods transport vehicles. Total GT vehicles were 4525 as on December 31, 2019
- Surat Transshipment Hub : Commercial operations commenced from Aug 15, 2019.
- Initiated GPS tracking of Hired vehicles to ensure at par level services.
- The ICRA Debt Rating is improved from A to A+ (stable)
- The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019
- Net debt reduced from Rs. 12879.84 lakhs as on Mar 31, 2019 to Rs 9587.54 lakhs as on December 31, 2019. (Excluding Ind AS 116 Lease Liability, Net debt was 9587.54 lakhs as on December 31,2019)

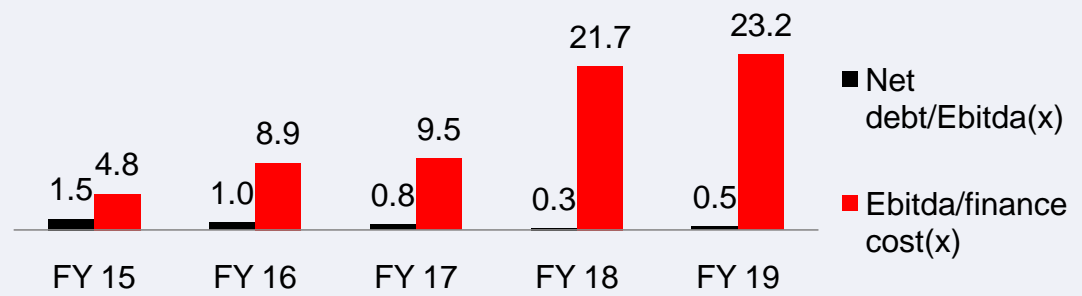
Leverage Metrics

Net Debt to Equity

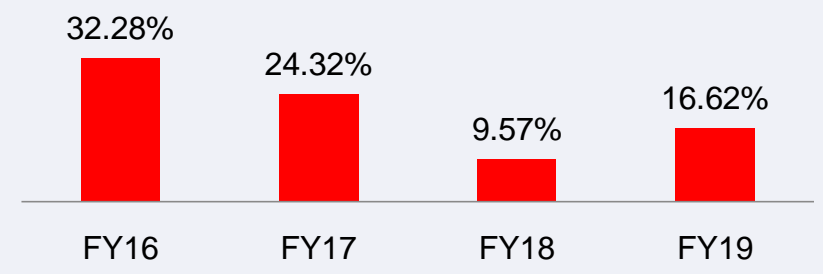


Note : Debt for the above purpose includes non-current borrowings, current borrowings and current maturities of non current borrowings and Interest accrued but not due on borrowings.

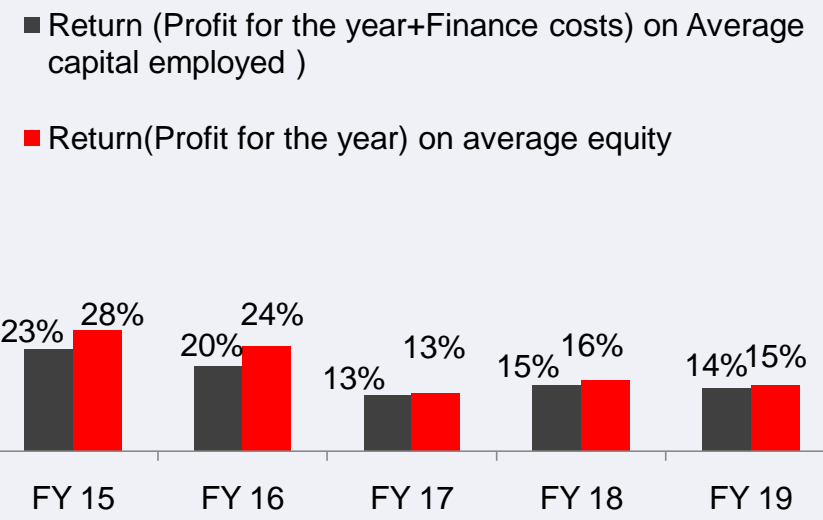
Leverage metrics



Gearing Ratio

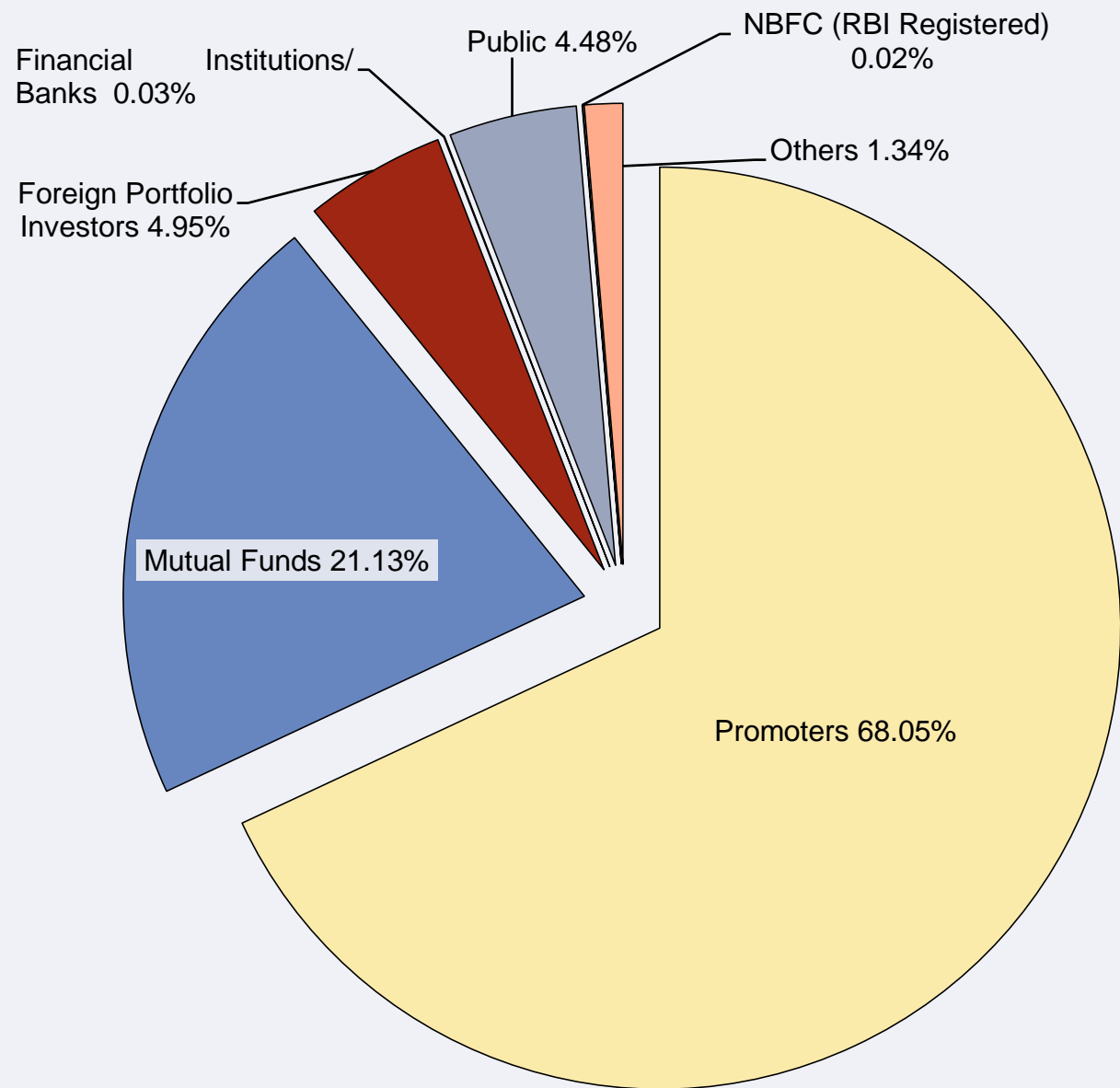


Return metrics



Reduced Leverage – Comfortable debt levels

Shareholding Pattern as of December 31, 2019





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