



## Earnings Presentation

*February 12<sup>th</sup>, 2015*



# Earnings Presentation For Quarter Ended December 31, 2014



## Forward Looking Statements

*This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.*

*Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.*

*These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise*



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# Executive Summary

## Profit & Loss 9M FY15

- Total Income: **INR 42.5 Billion**
- EBIDTA: **INR 4.0 Billion**
- PAT: **INR 1.8 Billion**
- EPS: **INR 14.6 per share**

## Balance Sheet Dec 31, 2014

- Networth: **INR 19.1 Billion**
- Net Debt: **INR 5.0 Billion**
- Net Debt to Equity: **0.26x**
- ROCE: **19%**<sup>1</sup>

## Performance Outlook

- LCL consolidation industry has continued to grow, despite fractured recovery in global trade
- Indian logistics industry has started seeing signs of recovery and growth
- Envisage continued growth across all our businesses
- Focus on growth in revenues, profits, ROCE and asset utilization

<sup>1</sup> ROCE Based on Average Capital Employed Excluding Goodwill



## Chairman's Message



**Mr Shashi Kiran Shetty**  
Chairman & Managing Director

*"I am pleased to share that our performance has been in line with our expectations.*

*We have been leading players across all lines of businesses that we operate in and will continue to improve our market share.*

*Our focus on growth and ROCE continues and as you can see from the numbers, across all our businesses, we have grown both in revenues and profits.*

*Going forward, we plan at being a zero net debt and sustainable double digit ROCE company over the next two years, to leverage our cash flow for the next best opportunity for growth.*

*We are happy that we still have significant capital raising opportunities."*





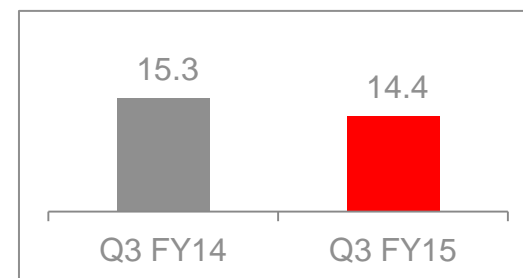
# Financial Performance



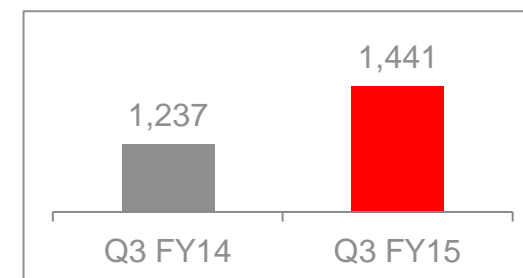
# Performance Highlights – Q3 FY15 - Consolidated

- Total revenue from operations at INR14.4 Billion as against INR 15.3 Billion for the corresponding previous period – Y-o-Y decrease of 6%
  - Q3 FY14 includes FCL Marine's full year financials from January to December 2013, post acquisition in October. This and currency fluctuation impact resulted in decline in revenue
  - CFS and P&E businesses combined – 22% growth YoY
- EBITDA at INR 1,441 Million as against INR 1,237 Million for the corresponding previous period – Y-o-Y increase of 16%
  - Improvement on account of increase in operating efficiencies and also due to one-time cost of acquisition in Q3 FY14
- EBIT at INR 1,068 Million as against INR 904 Million for the corresponding previous period – Y-o-Y increase of 18%
- PAT at INR 718 Million as against INR 570 Million for the corresponding previous period – Y-o-Y increase of 26%

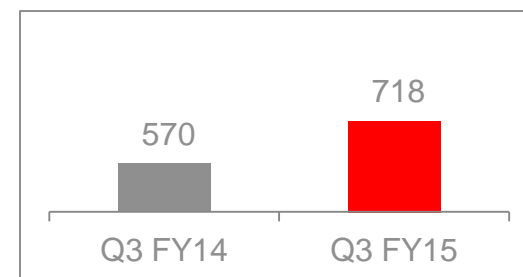
## Revenue



## EBITDA



## PAT

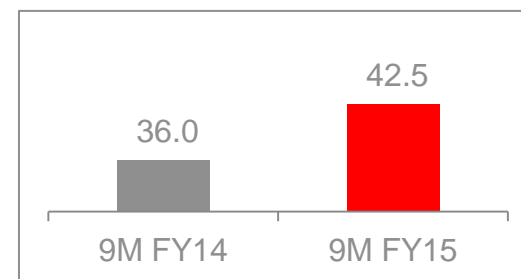




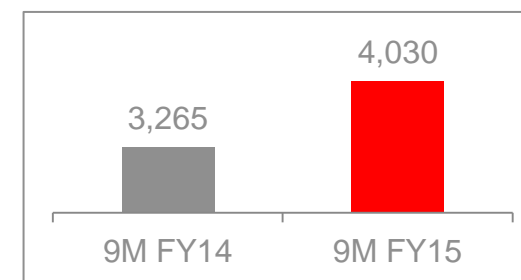
# Performance Highlights – 9M FY15 - Consolidated

- Total revenue from operations at INR 42.5 Billion as against INR 36.0 Billion for the corresponding previous period – Y-o-Y increase of 18%, mainly on account of increase in revenue across all lines of businesses – MTO, CFS and P&E
- EBIDTA at INR 4,030 Million as against INR 3,265 Million for the corresponding previous period – Y-o-Y increase of 23%
- EBIT at INR 2,840 Million as against INR 2,270 Million for the corresponding previous period – Y-o-Y increase of 25%
- PAT at INR 1,844 Million as against INR 1,378 Million for the corresponding previous period – Y-o-Y increase of 34%

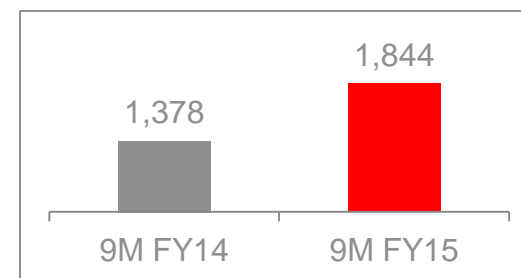
## Revenue



## EBITDA



## PAT



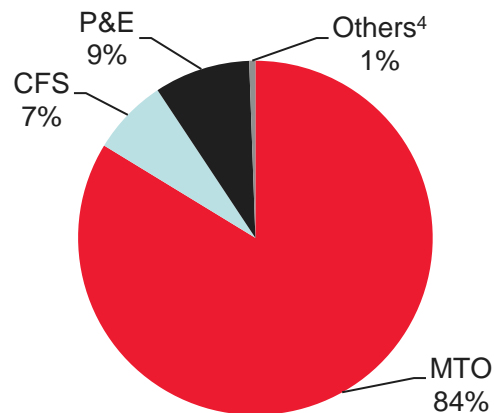
# Performance Highlights

Consolidated Financial Performance (INR Million)									
	For the Quarter					For the Nine Months			Full Year
Particulars	Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
Income from Operations	14,317	15,164	(6%)	14,618	(2%)	42,140	35,686	18%	48,512
Other Income	117	127	(8%)	147	(21%)	347	326	6%	365
<b>Total Income</b>	<b>14,433</b>	<b>15,291</b>	<b>(6%)</b>	<b>14,765</b>	<b>(2%)</b>	<b>42,487</b>	<b>36,013</b>	<b>18%</b>	<b>48,877</b>
Operating Expenses	9,894	10,802	(8%)	10,377	(5%)	29,428	24,987	18%	34,039
<b>Gross Profit</b>	<b>4,539</b>	<b>4,489</b>	<b>1%</b>	<b>4,388</b>	<b>3%</b>	<b>13,060</b>	<b>11,026</b>	<b>18%</b>	<b>14,839</b>
Staff Cost	2,196	2,182	1%	2,129	3%	6,376	5,253	21%	7,276
Other Expenses	869	1,143	(24%)	897	(3%)	2,549	2,568	(1%)	3,366
Prov. For Doubtful Debts	34	(73)	(146%)	38	(10%)	105	(61)	(273%)	(82)
<b>EBIDTA</b>	<b>1,441</b>	<b>1,237</b>	<b>16%</b>	<b>1,325</b>	<b>9%</b>	<b>4,030</b>	<b>3,265</b>	<b>23%</b>	<b>4,278</b>
Depreciation	372	332	12%	391	(5%)	1,190	995	20%	1,755
<b>EBIT</b>	<b>1,068</b>	<b>904</b>	<b>18%</b>	<b>935</b>	<b>14%</b>	<b>2,840</b>	<b>2,270</b>	<b>25%</b>	<b>2,524</b>
Interest	140	188	(25%)	141	(1%)	446	401	11%	563
<b>PBT</b>	<b>928</b>	<b>716</b>	<b>30%</b>	<b>793</b>	<b>17%</b>	<b>2,394</b>	<b>1,869</b>	<b>28%</b>	<b>1,960</b>
Tax	180	204	(11%)	201	(10%)	541	601	(10%)	612
<b>PAT after MI and Associates</b>	<b>718</b>	<b>570</b>	<b>26%</b>	<b>636</b>	<b>13%</b>	<b>1,844</b>	<b>1,378</b>	<b>34%</b>	<b>1,493</b>
<i>EPS (INR)</i>	<i>5.7</i>	<i>4.5</i>	<i>27%</i>	<i>5.0</i>	<i>14%</i>	<i>14.6</i>	<i>10.9</i>	<i>34%</i>	<i>11.8</i>

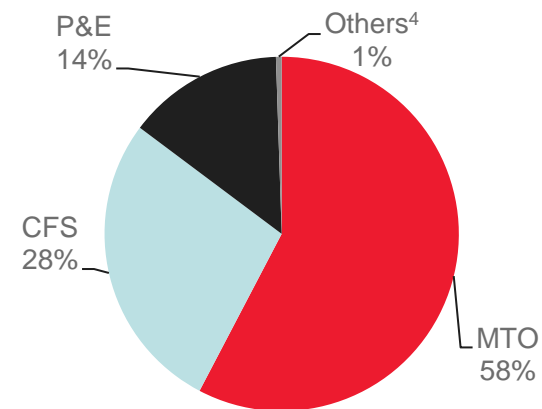


# Segment Breakdown – 9M FY15

Revenue Breakdown<sup>1</sup>

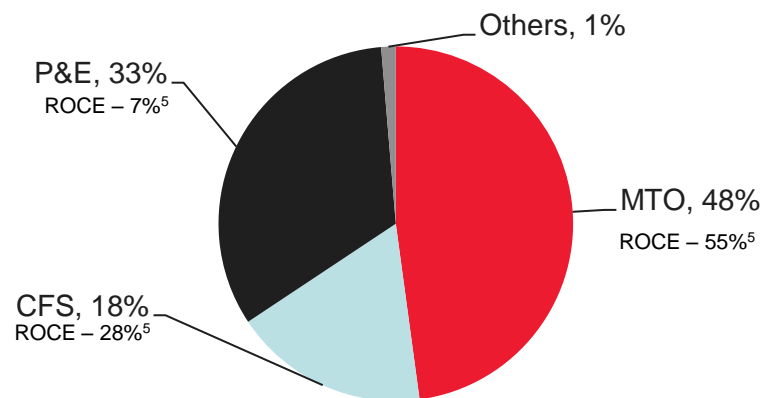


EBIT Breakdown<sup>2</sup>



Capital Employed Breakdown<sup>3</sup>

Consolidated ROCE – 19%<sup>5</sup>



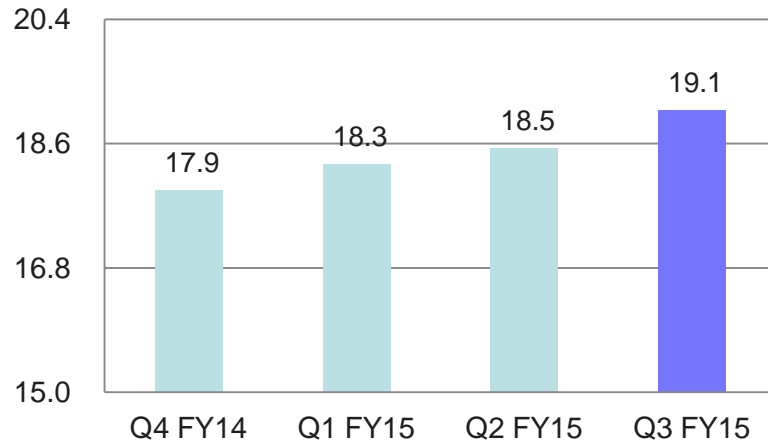
<sup>1</sup> Before inter-segment eliminations, <sup>2</sup> Before unallocable expenditure & income and excluding others, being negative, <sup>3</sup> As on 31<sup>st</sup> December, 2014 and excluding unallocable corporate assets and corporate liabilities, <sup>4</sup> Includes mainly 3PL and Corporate, <sup>5</sup> ROCE Based on Average Capital Employed Excluding Goodwill



# Balance Sheet Highlights – as on December 31, 2014

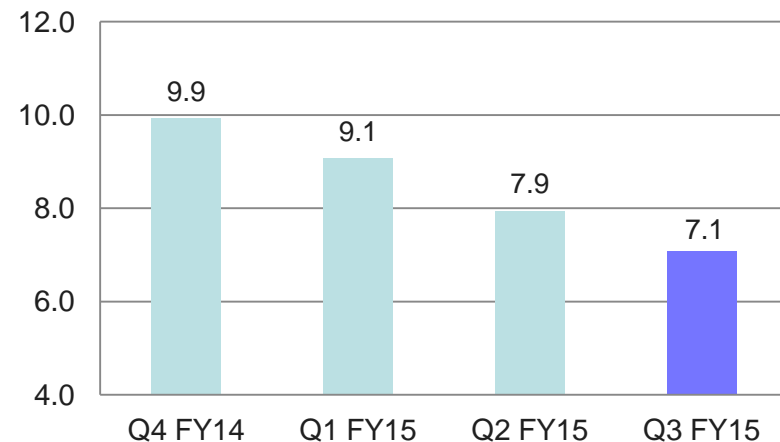
## Consolidated Network

INR Billion



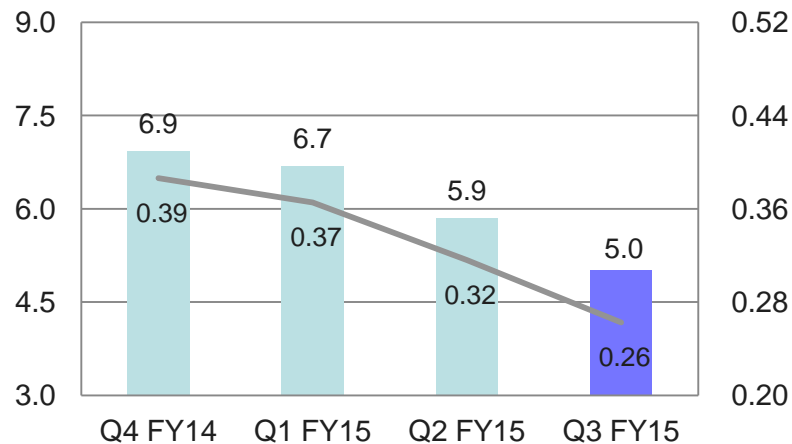
## Consolidated Total Debt

INR Billion

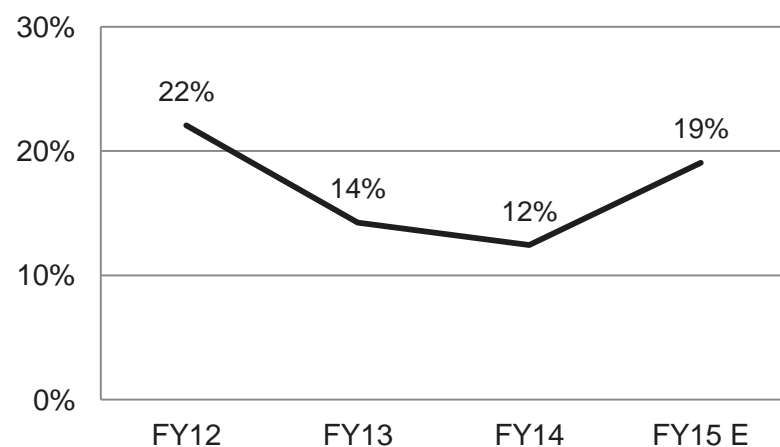


## Consolidated Net Debt and Net Debt to Equity

INR Billion



## Consolidated Return on Capital Employed (Yearly)<sup>1</sup>



<sup>1</sup> ROCE Based on Average Capital Employed Excluding Goodwill



## Shareholding Pattern – as on December 31, 2014

Particulars	No. of Shares	% Holding
Promoters	88,134,024	69.9%
Foreign Investors – FIIs, GDRs, NRIs and others	32,376,883	25.7%
Domestic institutions/ Banks/ Mutual Funds	38,403	0.0%
Indian Public	5,498,452	4.4%
<b>Total - 10,077 Shareholders</b>	<b>126,047,762</b>	<b>100.0%</b>

- Listed on Bombay Stock Exchange & National Stock Exchange
- Constituent of BSE Small Cap index and CNX Nifty 500 index
- Reputed FIIs – Blackstone, Acacia Partners, New Vernon and Orange Mauritius together hold ~ 25%
- Market Capitalization as on 11<sup>th</sup> February 2014 – INR 40.7 billion



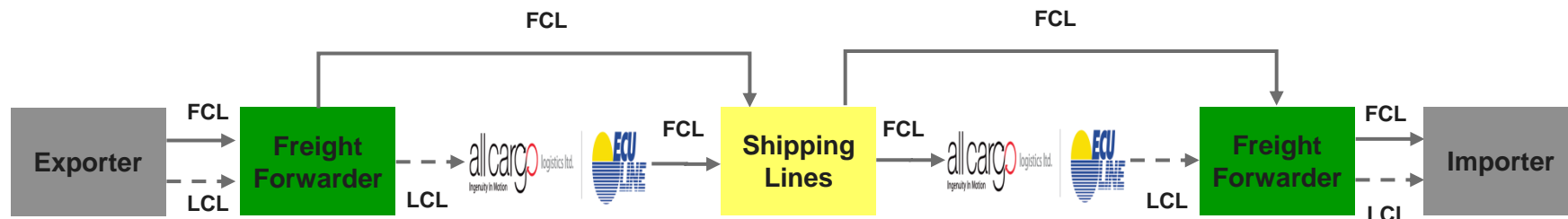


# Business Performance





# MTO Business



## Business Description

- Allcargo receives Less-than-Container-Load (LCL) cargo from various freight-forwarders
- Cargo for each destination is consolidated into containers at bonded warehouses, to be shipped to either final destination or to hub ports from where it is trans-shipped to final destination
- After consolidating the LCL cargo into Full-Container-Load (FCL) consignments, Allcargo forwards the consignments to shipping lines for transportation to the final destination
- Besides LCL consolidation, Allcargo has also forayed into FCL freight-forwarding through acquisition of FCL Marine, a Netherlands based FCL freight-forwarding company

## Salient Features

- Asset-light business with high returns on invested capital: Total capital employed<sup>2</sup>– INR 393 Cr; more than 40% average Return on Capital Employed (ROCE)<sup>2</sup> in last 3 financial years
- Resilience to global market volatility: Global LCL consolidation industry has grown by 4-5% yearly in last 3 years<sup>1</sup>
- Creation of global network is an entry barrier
- Customer diversification inherent to business model due to neutral approach
- Provides opportunity to service select FCL volumes

<sup>1</sup>Management Estimates <sup>2</sup>Capital Employed Excludes Goodwill, ROCE Based on Average Capital Employed Excluding Goodwill, As of 31<sup>st</sup> December, 2014



# Multimodal Transport Operations

MTO Segment - Consolidated - Business Volume Performance (LCL+FCL - in TEUs) <sup>1</sup>								
For the Quarter					For the Nine Months			Full Year
Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
107,261	91,725	17%	108,874	(1%)	318,072	240,626	32%	334,870

- 17% Y-o-Y Increase in Volumes
- Markets of Germany, India, UK,, US and China majorly contributed to volume increase

MTO Segment - Consolidated - Financial Performance (INR Million) <sup>2</sup>									
	For the Quarter					For the Nine Months			Full Year
Particulars	Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
Total Revenue	12,101	13,390	(10%)	12,500	(3%)	35,910	30,504	18%	41,540
EBIT	613	463	32%	557	10%	1,672	1,240	35%	1,814
EBIT Margin (%)	5.1%	3.5%		4.5%		4.7%	4.1%		4.4%

- 10% Y-o-Y decline in revenues as - Q3 FY14 includes FCL Marine's full year financials from January to December 2013, post acquisition in October. This and currency fluctuation impact resulted in decline in revenue
- 32% Y-o-Y Increase in EBIT, despite revenue decline, mainly on account of operating efficiencies and also one-time acquisition cost in Q3 FY14

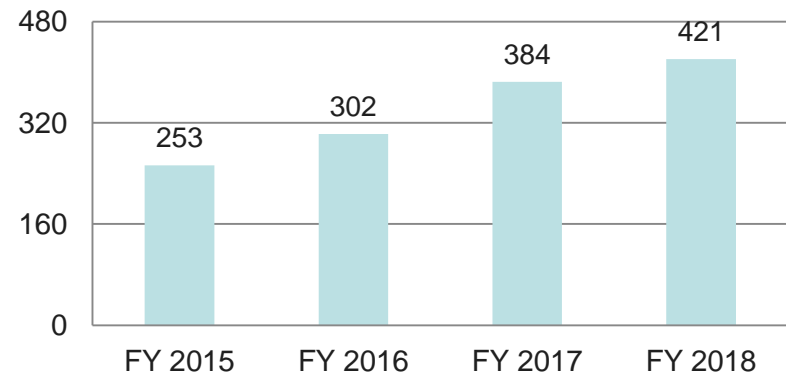
<sup>1</sup>TEU – Twenty Equivalent Unit; Volumes include ECU Line & Domestic NVOCC operations

<sup>2</sup>MTO consolidated includes ECU Line , Domestic NVOCC operations and HCL

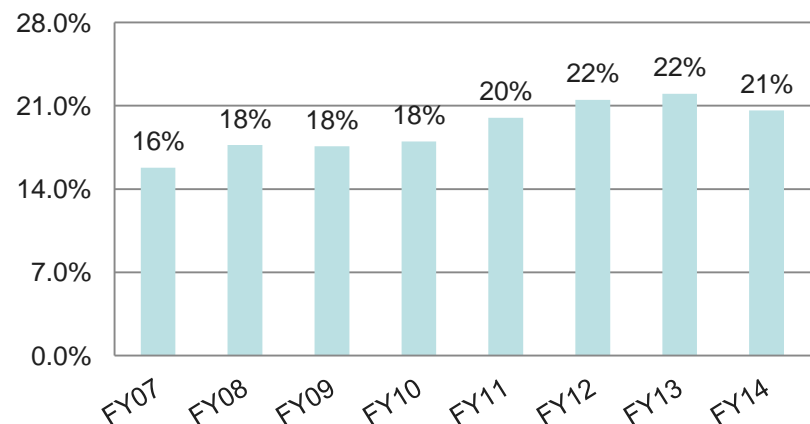


- Container traffic at India's major ports to grow at 2X overall cargo growth
- Several upcoming container terminals planned at both major and non-major ports - to further increase flow of container traffic
- Containerization - gaining traction every year and has risen to +20% in the EXIM segment from ~11.5% a decade ago
- Container transport constitutes c. 21-22% of India's cargo traffic, much below the global average of 70–75%
- Infrastructural initiatives like Dedicated Freight Corridor – to further support growth of cargo containerization
- Revival in EXIM trade expected to translate into higher demand for containerisation due to their efficiency
- Strong growth expected in CFS container volume with container traffic growing

Projected Indian Container Traffic (Million Tons)



Containerization as % of Overall Cargo (Major Ports)



# Container Freight Stations – more qualitative comments

Total installed capacity of CFSs and ICDs at 31<sup>st</sup> December, 2014 – **573,000** TEUs / Annum

CFS Operations - Business Volume Performance (in TEUs) <sup>1</sup>								
For the Quarter					For the Nine Months			Full Year
Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
52,302	47,467	10%	55,010	(5%)	161,349	141,313	14%	186,588

- 10% Y-o-Y Increase in Volumes
- JNPT and Mundra majorly contributed to volume growth

CFS Operations - Financial Performance (INR Million)									
	For the Quarter					For the Nine Months			Full Year
Particulars	Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
Total Revenue	1,059	837	27%	1,021	4%	2,988	2,419	24%	3,209
EBIT	309	263	17%	246	26%	799	727	10%	837
EBIT Margin (%)	29%	31%		24%		27%	30%		26%

- 27% Y-o-Y Increase in Total Revenue
- 17% Y-o-Y Increase in EBIT

<sup>1</sup>Includes JNPT 1, Chennai and Mundra CFSs



- Infrastructure led growth especially in sectors like oil & gas, steel, cement and power – expected to increase demand for specialized transport solutions
- US\$ 45 Billion is expected to be spent oil & gas sector in India in next few years
- Total market value of the Indian steel sector stood at US\$ 57.8 Billion in 2011 and is anticipated to touch US\$ 95.3 Billion by 2016
- India is the second largest producer of cement in the world with current capacity of around 370 MT - expected to grow to 550 MT by FY20
- Currently metro rails are fully operational in only 2 cities of the 53 Indian cities with a population of more than one Million. Almost all the state capitals are having plans to build metro railways
- Significant capex expected not only on Greenfield projects, but also on repairs & maintenance, and transmission & distribution
- Increased focus by Government on green and renewable energy
- Demand for world-class quality supply chains to handle project cargo - expected to increase significantly

# Project and Engineering Solutions – more qualitative comments

Current fleet comprises of more than 1,000 equipments which include cranes, trailers, hydraulic axles, reach stackers, forklifts, prime movers, ships and barges

Project and Engineering Solutions Segment - Financial Performance (INR Million)									
	For the Quarter					For the Nine Months			Full Year
Particulars	Q3 FY15	Q3 FY14	Y-o-Y	Q2 FY15	Q-o-Q	9M FY15	9M FY14	Y-o-Y	FY14
Total Revenue	1,322	1,119	18%	1,267	4%	3,754	3,306	14%	4,463
EBIT	170	152	12%	168	1%	413	413	0%	85
EBIT Margin (%)	13%	14%		13%		11%	12%		2%

- P&E business has started to witness increase in project execution and increasing enquiries on ground. The asset utilization levels have started to increase
- 18% Y-o-Y Increase in Total Revenue, on account of increase in order execution and asset utilization
- 12% Y-o-Y Increase in EBIT







# Achievements/ Awards



# Order of the Leopold

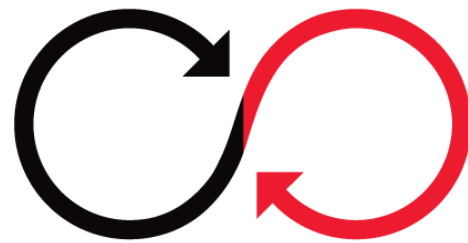


- **Mr. Shashikiran Shetty, Chairman of Ecu-Line and Allcargo Logistics** has been conferred the **Distinction of Commander of the Order of Leopold II** by HM King Philippe of Belgium
- Order is awarded for meritorious service to the Sovereign of Belgium, and as a token of his personal goodwill - can be awarded to both Belgians and foreigners
- The Order currently stands third after the Order of Leopold (1st) and the Order of the Crown (2nd) in the Belgian honors hierarchy.
- The decoration - awarded for his remarkable efforts in strengthening economic relations between India and Belgium, notably by creating significant economic impact in the Antwerp Port by activities of Ecu-Line and Allcargo Logistics

## Achievements/ Awards – YTD

- Chosen as one of India's leading logistics company by Dun & Bradstreet (D & B), India in its 14th edition of India's Top 500 Companies
- Featured amongst 'The Elite 100' in a special 28th anniversary issue of 'Dalal Street Investment Journal', India's oldest and leading investment magazine , June, 2014
- CFS Operator of the Year and Most Diversified Logistics Company of the Year - the Gujarat Star Awards, 2014
- Ranked at #209 - 'Business World' in the Top 500 companies across India list
- 'Best Project Logistics Company of the Year' and Executive Chairman felicitated with 'Lifetime Achievement Award' at the '8th Express Logistics & Supply Chain Conclave'
- 'LCL Consolidator of the Year' - South & East India for 5<sup>th</sup> consecutive year at 'South East CEO Conclave & Awards 2014'
- Chennai CFS awarded 'Leader in CFS Infrastructure' - Jayaraj Agencies
- 'Ship Operator of the Year (Break Bulk)' at the India Seatrade Award
- "Indian Logistics MNC of the Year", "Project Cargo Mover of the Year" and "Women Professional of the Year – Mrs. Shantha Martin" at Maritime & Logistics Awards (MALA), 2014
- 'LCL Operator of the Year' at the 18th edition of CONCOR Awards 2014





Thank You!