



1st November 2023

To,
BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers, Dalal Street, MUMBAI - 400 001.

Subject: Transcript of Q2 & H1 FY24 Earnings Conference Call held on Friday, 27th October 2023 at 03:30 PM (IST).

Dear Sir/Ma'am,

Please refer to our intimation for Q2 & H1 FY24 Earnings Conference Call which was scheduled on **Friday, 27th October 2023 at 03:30 PM (IST)** intimated vide our letter dated 21/10/2023.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the said Earnings Conference Call. The said transcript is also available on the website of the Company.

Please take the above information on record.

Thanking you,

Yours faithfully,
For Tiger Logistics (India) Limited

Harpreet Singh Malhotra
Managing Director
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**Tiger Logistics (India) Limited
Q2 & H1 FY24 Earnings Conference Call Transcript
27th October 2023**

MANAGEMENT:

Mr. Harpreet Singh Malhotra: Managing Director

Moderator:

Ladies and gentlemen. Good day and welcome to Tiger Logistics (India) Limited Q2 & H1 FY24 earnings conference call hosted by Rik Capital.

We have with us today from the management Mr. Harpreet Singh Malhotra, Chief Managing Director of Tiger Logistics India Limited. As a reminder, all participant lines will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*”, then “0” on your touch tone phone. Please note that this conference is being recorded.

Before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this call. Today's discussion may be forward-looking in nature based on management's current beliefs and expectations. It must be viewed in conjunction with the risk that our business faces that could cause our future results, performance or achievements to differ significantly from what may be expressed or implied by such forward-looking statements.

I now hand the conference over to Mr. Harpreet Singh Malhotra. Thank you and over to you, Sir.

Harpreet Singh Malhotra:

Good afternoon to everybody and a very hearty welcome on this, Friday, October afternoon. So, it's always a great pleasure talking to everybody who has joined in and people who are very keenly following our results and our performances and our company.

So, as Q2 results have already been declared and they've already been published and uploaded on the exchange and also along with that the business presentation has also been uploaded, so I hope that everybody has gone through that and it will be a good idea to go through the business presentation as well, which also gives an insight into what has been the key development in the last quarter and how we are looking at the coming quarters as well.

So overall, I would say that the quarter has been very satisfactory, looking at the overall global scenario, overall global business, how it is shaping up, where we have a lot of geopolitical situations arising almost each day, but we see that India still emerging as a very strong player as far as the global business scenario is concerned and I would say big buyer's faith in India is only increasing day by day and that is very much evident from the growth numbers of the cargo volume being handled at various ports in India.

So that actually emphasizes that, yes, the volumes are increasing from India if you compare it with various previous quarters. That shows the overall confidence in Indian suppliers is increasing and the government policy of Make in India and promoting the export is taking shape very well, and which is very good for overall logistics industry and also for us because once these volumes go up, then definitely our business also grow along with that.

Overall, about Tiger Logistics, this quarter has been a good quarter. We've seen a major increase in our overall business volume, that is the TEUs handling which has increased, close to 29% in the total TEUs volumes form quarter to quarter. So that's quite a substantial jump, as far as the volumes are concerned, which is a good signal that the company is growing as far as the business is concerned and handling of overall business is concerned.

Other than that, there has been a significant growth from previous quarter to this quarter in the top line Even there is a good percentage growth in the EBITDA margin from 7% to 8.2% and also in the overall PAT and PAT margins from 5% to 6%.

So, we see that overall though the business volumes are growing but ocean freight still remaining at a lower level, even lower than the pre-COVID level, so that is not getting reflected in the top line as you know that we are in the cost-plus model. So, our top line as the turnover is the billing which we are doing to the customer and the since the overall freight rate are at the lowest level the top line number is not showing growth overall, but from quarter to quarter, yes, it is showing growth because the reason is that our volumes are increasing. Which is a quite an encouraging sign for us and I hope that we continue to keep up this growth volumes as well as reflecting converting that into business in the figures as well.

Some good developments which have happened is that we've been able to strengthen our position in the project side for the Government of India like we are doing now good work for Government of India. As of now, we've backed some new tenders in this quarter, which is a new growing sector for us and I think it will continue to grow. Other than that, the FreightJar, the digital platform is gaining good momentum and recognition in the market and overall there has been a good acceptance of the FreightJar digital platform and whatever last six months we've spent on this, I think there has been lot of learning for us. Whatever are the newer changes are needed in the software we are making them and we are moving as per our customers requirement and we are moving with time whatever changes are required.

We are not waiting for a longer period to make those changes. But we are lining as far as the requirement of our customers are concerned. And making required suitable changes in the software so that the customer satisfaction is achieved. We are able to achieve good numbers. So overall I would say that FreightJar has been doing a good business. I think we've reached close to ₹1 crore very specific around ₹90 lakh business and we are seeing some new sign ups close to 120 new signups have happened in FreightJar, which is a good development and I think overall ability cumulative figure is around ₹138 lakhs in FreightJar digital platform.

So, I think that the numbers are increasing day by day and we are also seeing that through the digital platform we are able to access newer customers, we are able to access new businesses, which is good development. Another good development which has happened is that now FreightJar is integrated with the ICICI Emerge platform. Now this is the strategic vision which will definitely open your doors for us and also give us access to new customers, new clients. So, I said that this ICICI trade emerge strategic agreement will definitely help us in getting new customers, in adding a lot of value in terms of reliability to the whole brand and to the whole platform and to the company as well. So, this will open doors for us to new customers.

Other than that, I think getting government project itself is adding lot of reliability to our company and especially securing contracts from big prestigious organizations like BHEL, BEML and HAL adds to our credibility as well. So overall I'm very happy that business is shaping up well. Though there are some challenges in terms of supply chain, global supply chain issues, especially in terms of the new development in the gulf area.

But we are not seeing any disruption as of now. And we don't see anything which is affecting our business as such. So, we are very bullish about our business in the coming quarters. We are open to inorganic growth through acquisitions and mergers where we are scouting for companies and we are hopeful that we should be able to share some good news in coming quarters.

So overall business is shaping well and I'm very hopeful that with our new focus on developing new businesses, new trade lanes, business will only get better each quarter. So, with that, I would like to thank everybody who's has trusted in us and who got faith in the organization and also at the same time have always supported us. So, I would like to end this small brief download on what's happening on the business and I'm ready to take any questions which anybody has on the company. So, thank you so much for joining in and I look forward to again discussing answering any questions if anybody has. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vikram Suryavanshi from Phillip Capital. Please go ahead.

Vikram Suryavanshi: I just want to understand what is exactly revenue model for FreightJar because for existing customers probably we might be giving all the information what is required for them when they do business with us. So, for FreightJar how does it differentiate and what is it that revenue model for us if you can explain I think that would be helpful.

Management: So, Vikram basically FreightJar is a digital platform. Basically, it is an online price discovery platform for all our customers, especially for the SMEs and MSME businesses. If you're sitting somewhere in a meeting or you don't have access to good rates or you're sitting somewhere in Saharanpur or maybe somewhere in Meerut or somewhere, but you have exports happening and you want to know what are the real time freight levels. So, you can actually go on the platform, see the freight levels and actually book the shipment as well.

So, the business model remains the same. We put the actual selling on the on the digital platform so you can actually book the shipments on those freight rates. So, the whole idea is that to create that environment of transparency where you don't have to mail it to us, take the rates and then approve the rates, book the shipment which takes around three to four days. But here you can actually book the shipment, since 3 to 4 hours. So today suppose you have a shipment going to Hamburg you can see the freight of a 20 feet container for Hamburg, approve it online and book the shipment online and make the payments online and get your documents also online. So, it is fully integrated online digital platform where you don't have to call us or do any such thing. So, the revenue model remains the same the way we book a shipment offline. Suppose if I have a sales manager who goes and books the ship and the customer calls us and we do the whole transaction offline. It is same happening online so nothing changes. On the platform we are only putting the selling of the rate which includes our profit margins. So that how it moves. So, basic idea is to create that transparent environment to reach out to maximum number of customers which may not be humanly possible for my sales team to reach out and also to create a competitive environment for SMEs and MSMEs, that's the whole idea.

Vikram Suryavanshi: Ok. And is there any regular subscription price for the using this app?

- Management:** No. There is no subscription. It is a digital platform. It's a sales vertical for us. We are promoting it as a sales vertical. We are not promoting it as a subscription model or anything. So, you can access it without any subscription model, since we are not a startup, our earning is not from subscription but our earning is from our hardcore handling of the complete logistics so that's what we are focusing on. So, there is no subscription model these are actual depends and you can book the actual shipments like you do it offline.
- Moderator:** The next question is from the line of Tanuj Mehta from JM Financial. Please go ahead.
- Tanuj:** Good evening. So, my question is that how the world tension related to war in the gulf region is affecting our supply chain and its effect on the availability on containers?
- Management:** As of now there has not been any major effect on the supply chain as such because the war is happening in one side of the Gulf region, which it is not a very great volume creator for India, but we are just hoping that the war does not get escalated and don't want other Gulf nations to get involved in the war, but as of now there has been no effect and there has been no supply chain disruption as such. At this point of time we are not facing any challenges as such, but surely when these things happen there are some apprehensions in peoples mind and all which may be temporary and that's what we could face. But as of now on ground, there is nothing to suggest that there are any disruptions in the supply chain.
- Tanuj:** And also, do you see the container rate increasing in the coming quarter?
- Management:** We see that happening maybe by December or so we see that improvement because that downfall has stopped, surely. So now we are seeing that the supply, the business volumes are increasing globally and lines are facing some challenges in terms of space and we can see those signs that lines are not keen to reduce the rates further and in some sectors the rates are going up as well.
- Tanuj:** I want to talk about our digital platform FreightJar. I think its gaining good traction. How is the management planning to penetrate deep into the Indian tier B-30 cities to increase the performance?
- Management:** So honestly, we are very bullish about the digital platform and their acceptance in the industry and overall performance, but we are still wanting to go slow as far as any major investments are concerned, we are focusing on strengthening the software. So that's the reason I said that whatever learning we had in last four or five months, of our soft launch, we are making those changes again in the software to make it more compatible with the requirements of the trade. So once these things happen, then maybe we'll go and also, we are hiring more people who will be able to explain this software to the industry at large. Surely the digital acceptance is low and especially in our industries it's much lower because people still want to sit across the table and finalize the rates and all. So, they still haven't got into that thing we go online and book the shipment but overall people are willing to hear. So, when they are willing to hear, I think the first battle is already over and when they see the platform, they are very happy about it. So, I think in quarters to come, you will see some major roadshows happening from our side for this platform.

- Tanuj:** And Sir, my last question would be that how are we planning to increase our revenue from domestic front?
- Management:** Domestic nothing is going to happen. We are not into domestic sector and there is no planning to get into domestic sector because we feel that there's lots to be achieved on the international front and at least for the next five years we don't see the company getting into the domestic sector because it is already much cluttered and it's much unorganized. So, we and we don't want to go into any CapEx at this point of time. So, we are in a good space and we want to develop that for next five years.
- Moderator:** Next follow-up question is from the line of Vikram Suryavanshi from Phillip Capital. Please go ahead.
- Vikram Suryavanshi:** Sir, if you look at our revenue mix, we earlier used to do quite a good amount of revenue from commodities basically as well as project cargo. But last quarter our current revenue is from auto related. So, is there any reason for the change in the mix or how is the percentage going back to the say commodities or project cargo?
- Management:** So traditionally yes. But we have always been very strong in the auto sector and that is the reason that in last two years we were able to ride the growth wave of auto sector and the commodities were not doing very well. So, auto is one business which is consistent throughout the year. There is lot of visibility in that sector though the volumes may be consistent, but atleast consistently, they are growing, but in the commodities either they are very seasonal or they get affected by various government policies and all. So, if you look at last two months, rice exports have been stop because of various government regulation, so it is just last night there was notification for allowing the export of basmati rice at a negotiated lower rate of exports. So, we are of course participating in the commodity sector, but we will be doing it on and off, we don't have any big plans to go full-fledged on that. But on the auto sector, it's a growing sector for us and we'll continue to do that and, in the project, we are doing very well and those volumes are increasing also. So, this is going, but in times to come also the major contributor would be auto, auto parts and accessories and all. And I think because that is working well for us and it will always be a major contributor for us, but also at the same time we are increasing our footprints in the other sectors like electronics and all like. Recently we've been able to penetrate into imports of electronics goods and other similar items. So those footprints are increasing.
- Vikram Suryavanshi:** And would the profit margins would be significantly different compared to when you do the business with that or enter into the new field like say electronics or commodities?
- Management:** Yeah. Please understand that commodity is a volume business. The profit margins are the lowest in that. That is just fillers. So, those are just fillers if I have some kind of obligation towards some volume commitment then it is the right business and the margin is the lowest there. But we can't make good money in commodities as such because it's volume business. But in auto sector and other commodities it is the best business to do because it is the lightest business, every shipping line wants to do that business. So, you will always have better purchasing power, in the commodities it is a heavy cargo. So, you will always at the lowest rung of the rates there is the last preferred cargo, though it may be volume, but it is the last preferred cargo

and the payment issues and all those things are also the maximum because you are dealing with the owners directly and somebody going here and there and your payments get stuck. But in auto sectors you are only dealing with the professionals and big corporates and multinational, so your payment cycles are also assured and your receivable cycles are also they get better. So that's the whole profile.

Vikram Suryavanshi: And within containers, what we handle is it like a mostly do we get a break up or how much would be import and export or a broad mix of import-export.

Management: Majorly export, I would say 85% is exports. And whatever volumes are improving in imports as well.

Vikram Suryavanshi: Ok, got it. And in commodities we do only container, not the bulk movement.

Management: Correct, not ship loads only container.

Moderator: Thank you very much. On behalf of Tiger Logistics (India) Limited, I conclude this conference. Thank you for joining us and you may now disconnect your lines.

(This document has been edited for readability purposes.)
