

Date: 2 August 2018

Tel : + 91 22 28715500  
Toll Free : 1800 258 6787  
Mahindralogistics.com

To,  
**BSE Limited (Security Code: 540768)**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai-400 001

Regd Office  
Mahindra Towers,  
P. K. Kurne Chowk, Worli,  
Mumbai - 400 018

CIN : L63000MH2007PLC173466

**National Stock Exchange of India Ltd., (Symbol: MAHLOG)**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1. "G" Block,  
Bandra -Kurla Complex, Bandra (East)  
Mumbai -400 051

Dear Sirs,

**Sub: Earnings Presentation for the 1<sup>st</sup> quarter ended 30 June 2018 - Regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations")**

In compliance with Regulation 30(6) read with Schedule III Part A Para A (15) of the Listing Regulations, please find enclosed herewith Earnings Presentation on Unaudited Standalone and Consolidated Financial Results of the Company for the 1<sup>st</sup> quarter ended 30 June 2018 that would be disseminated by the Company to certain analysts/institutional investors. The highlights of the same including general business overview would be briefed at the conference call with several analysts/institutional investors scheduled on Friday, 3 August 2018.

The aforementioned Earnings Presentation would also be uploaded on Company's website viz. [www.mahindralogistics.com](http://www.mahindralogistics.com) in compliance with Regulation 46(2) (o) of the Listing Regulations.

Kindly take the above on record and acknowledge receipt of the same.

Thanking you,

Yours Faithfully,  
For **Mahindra Logistics Limited**



**Brijbala Batwal**  
**Company Secretary**

*Enclosure: as above*



**Mahindra**  
LOGISTICS

# Mahindra Logistics Ltd

Q1 FY19 Earnings Presentation

August 02, 2018

# Disclaimer

Certain statements and opinions with respect to the anticipated future performance of Mahindra Logistics in the presentation (“forward-looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such statements generally are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. They involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as of the date the presentation is provided to the recipient and Mahindra Logistics is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation.





# Q1 FY2019 Results Overview

## Key Highlights – Q1 FY2019 vs Q1 FY2018

928      ↑      8.9%  
Revenue from operations

43      ↑      52.1%  
EBITDA

317      ↑      6.1%  
Revenue from Non Mahindra SCM  
Segment

38      ↑      60.0%  
PBT

90      ↑      4.4%  
Revenue from PTS Segment

24      ↑      60.9%  
PAT

## Management Comment



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Commenting on the performance, Mr. Pirojshaw Sarkari (Phil), CEO at Mahindra Logistics Ltd. said:

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- *“We continue to focus on improving profitability. This quarter, the profit growth was significantly higher because of expansion in gross margins, increase in other income and nil strategic consulting fees compared to last year.*
- *We remain buoyant on the logistics sector potential and will continue our endeavor to shape the industry and expand our business.”*

# Consolidated Summarized P&L Statement

Particular	Q1 FY19	Q1 FY18	Change (%)	FY18
Revenue from operations	928.2	852.5	8.9%	3,416.1
Other Income	2.9	2.0	44.7%	5.9
Total Income	931.1	854.5	9.0%	3,422.0
Gross Margin	80.8	64.6	25.0%	273.8
EBITDA	43.4	28.5	52.1%	125.6
Depreciation	5.1	4.2	21.3%	19.7
EBIT	38.3	24.4	57.4%	105.9
Interest	0.8	0.9	-13.5%	3.8
Profit before tax	37.6	23.5	60.0%	102.1
Profit after tax	24.3	15.1	60.9%	65.3
EPS (Diluted) in INR	3.4	2.1	57.1%	9.0

# Q1 FY19 Financial highlights

## **Revenue from operations grows to Rs. 928 crore, up 8.9% Y-o-Y**

- M&M revenues in SCM business increases by 11.5%
- Non-M&M revenues in SCM business increases by 6.1%
  - Revenue from warehousing & other valued-added services increases by 27.3%
  - Revenue from transportation services remains flat due to stagnation / restructuring at some of our major clients

## **EBITDA at Rs. 43 crore, up by 52.1%**

- Expansion in gross margin due to operational efficiency
- No Fixed Term Strategic Consulting Service Fees compared to a cost of Rs. 3.89 crore in Q1 FY18
- Increase in other income by Rs 0.89 crore, largely due to interest on tax refund

## **PBT improves by 60.0% to Rs. 38 crore**

## **PAT higher by 60.9% to Rs. 24 crore**

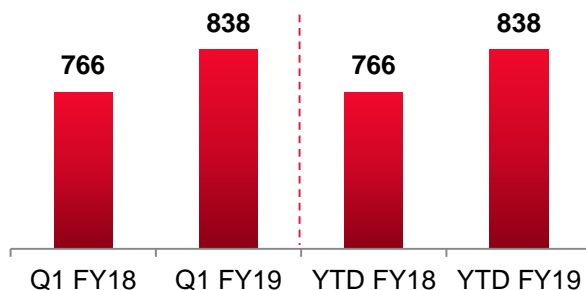


## Update on Tax Refunds & TDS (tax deducted at source)

- Tax refund: Received Rs 17.70 crore which includes interest of Rs 1.90 crore.
- Reduced rate of TDS
  - MLL had filed an application with the Income Tax authorities (IT). The TDS rates applicable for the company have reduced as under:
    - On **transportation** revenues - from **2%** to **1.04%**
    - On **warehousing** revenues, **rental** revenues and **interest** income - from **10%** to **2.5%**
- The concessional TDS rates mentioned above are applicable for FY 19 and will have a positive impact on the cash flow

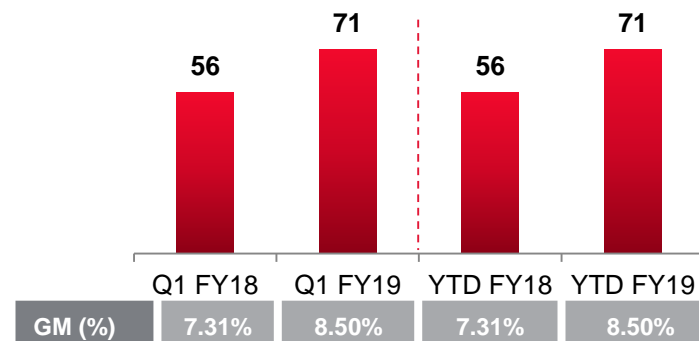
# Segmental Performance – SCM

## Revenue



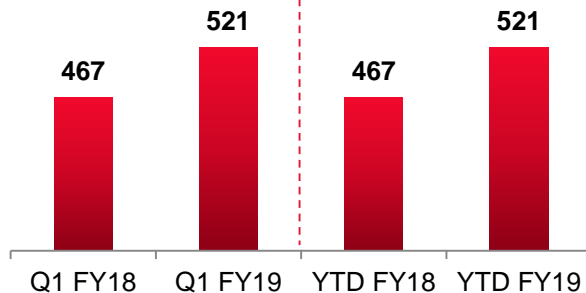
<b>Growth</b>	9.4%	9.4%
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## Gross Margin (GM)



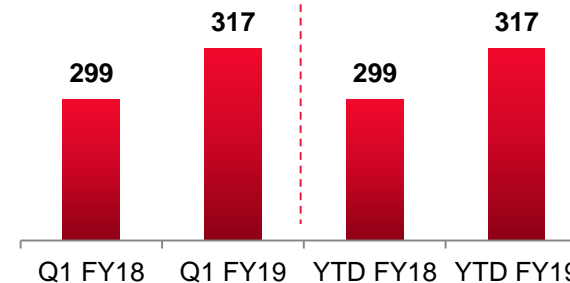
<b>GM (%)</b>	7.31%	8.50%	7.31%	8.50%
<b>Growth</b>	27.3%		27.3%	

## Mahindra Revenue



<b>Growth</b>	11.5%	11.5%
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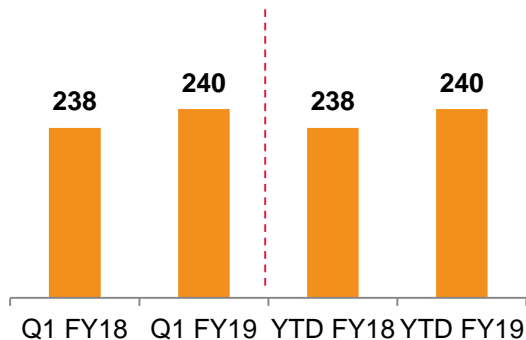
## Non-Mahindra Revenue



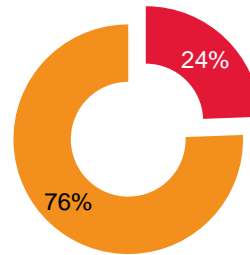
<b>Growth</b>	6.1%	6.1%
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# Non-Mahindra SCM Revenue Analysis

## Transportation

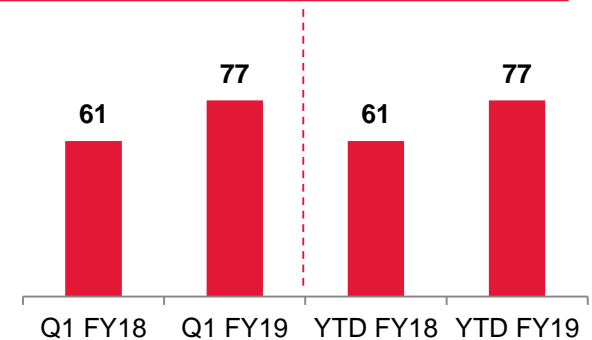


Growth 0.7% 0.7%



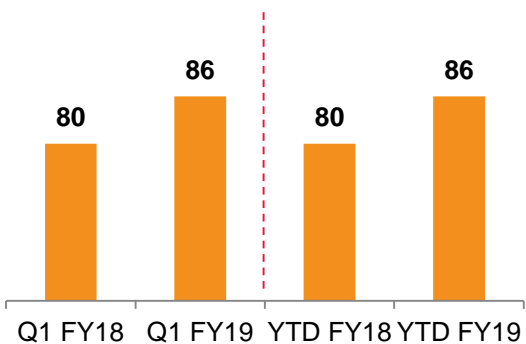
Activity-wise Breakup Q1 FY19

## Warehouse & other value-added segments

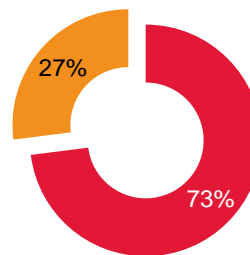


Growth 27.3% 27.3%

## Auto

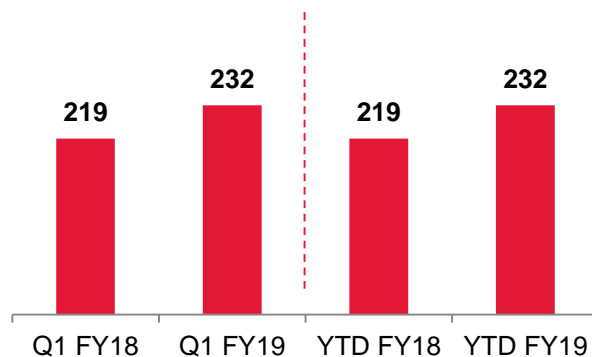


Growth 7.2% 7.2%



Industry-wise Breakup Q1 FY19

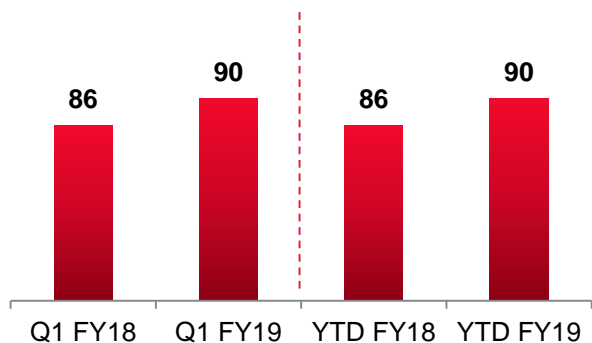
## Non-Auto



Growth 5.7% 5.7%

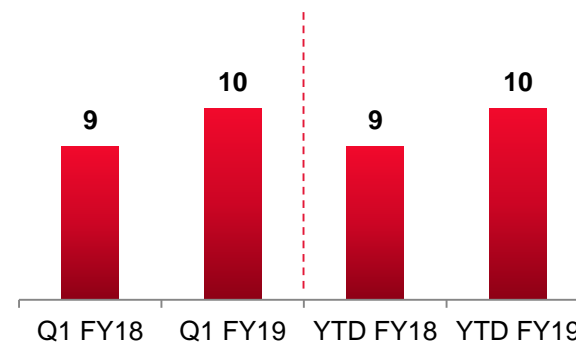
# Segmental Performance – PTS

## Revenue



<b>Growth</b>	4.4%	4.4%
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## Gross Margin (GM)

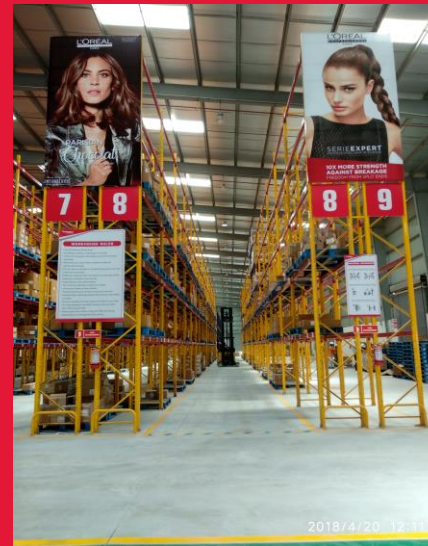


<b>GM (%)</b>	10.05%	10.62%	10.05%	10.62%
<b>Growth</b>	10.3%		10.3%	

# Industry Updates

- **E- Way Bill** : Though initially delayed, by and large smooth implementation. However the issue on Quantum of penalty remains.
- Government is working on the new **logistics sector policy**.
- In order to improve the logistics infrastructure, government is also trying to bring in competition between states by bringing in **logistics index for the state**.
- Challenges in moving to **Forward Charge Mechanism (FCM)** from Reverse Charge Mechanism (RCM) to derive full benefit of GST.

# Operational Highlights – New Clients / Services



## Operational Highlights – Customer appreciation



**Swaraj's Annual Conference 2018 for delivering 1,13,000 tractors in F'18**

## Operational highlights - Business Partner council



A council has been formed between Business Partners and MLL to work on areas of mutual interest



## CSR Initiatives - Driver Welfare



- Driver Training under the Pradhan Mantri Kaushal Vikas Yojana: 1146 drivers covered out of target to train 10,000
- Other Driver Welfare activities: a) Tea with drivers b) Health check up camps c) Birthday celebrations d) Awareness sessions on Road Safety, Yoga

# CSR Initiatives - Community Development & Village Adoption



**Safe Drinking Water supply project**

**Career guidance, farm training etc.**

# MLL enhanced its presence in the media as a thought leader in the industry

DIGITAL TRANSFORMATION • SUPPLY CHAIN

## Steps to Digital-Enabled Logistics Transformation



CIO TALK NETWORK PODCAST  
Steps to Digital-Enabled Logistics Transformation

Financial Express

## Need initiatives to improve LPI: Mahindra Logistics Ltd CEO

ST CORRESPONDENT house in Chakan. As per the The CEO thanked ment of goods which can be lion in 2017. Further, the third-party logistics space is

Sakal Times

## How road construction has helped North-East hit the fast lane of growth

The Hindu Business Line

## B2B customers want the same kind of delivery visibility as B2C: Mahindra Logistics' CEO Pirojshaw Sarkari

"Post GST, because warehousing has moved from a 100 per cent dedicated to a multi-user, multi-product format, where it is shared by four-six customers, the cost plus model doesn't work," Sarkari said.

BUSINESS TODAY Online

## India's Warehouse Boom

How India stores is changing; big money sniffs fortune

Goutam Das New Delhi Print Edition: July 1, 2018



BUSINESS TODAY (Cover Story)



# Company Overview



# Mahindra LOGISTICS

One of India's largest 3PLs

INR 34+ Bn revenue<sup>(1)</sup>

15,800+ work force across India<sup>(2)</sup>

475+ client and operating locations

Divisions:

Supply Chain Management

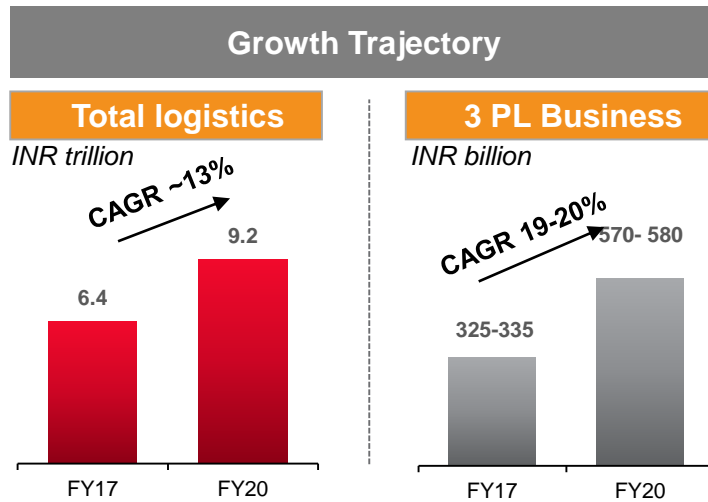
People Transport Solutions

Subsidiaries:

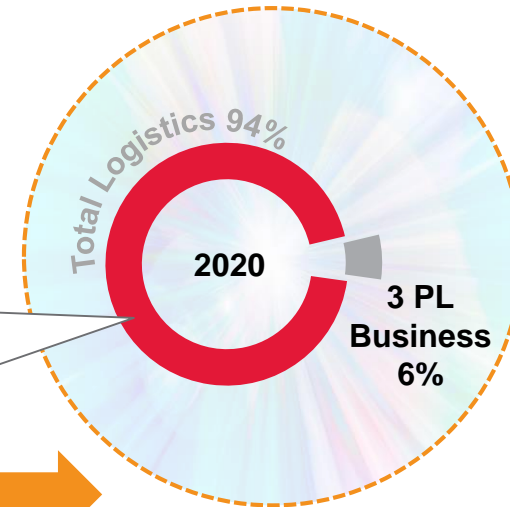
Lords Freight (India) Pvt. Ltd.

2x2 Logistics Pvt. Ltd.

# 3PL (Third party logistics): strong growth outlook



Huge growth opportunity in 3PL – expected to grow at CAGR of 19-20%

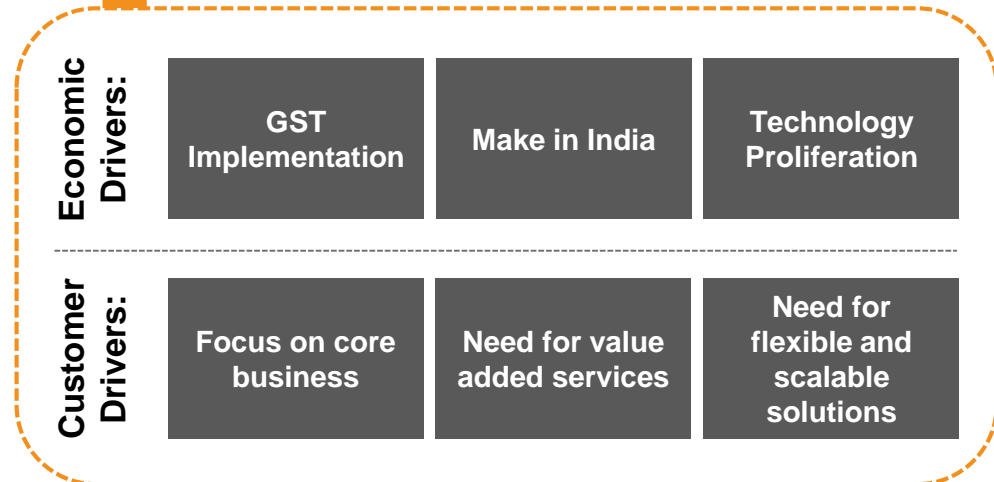


## Major Trends

Large organized 3PL players to enjoy a distinctive edge over smaller, unorganized players due to:

- Pan-India presence
- Ability to offer scalable and flexibility solutions
- Solutions driven capability
- Technology driven implementation
- Cost-effective solutions
- Professional management and brand

## 3PL Growth Drivers



# GST to act as a major driver for future growth and consolidation

## No Borders

- Seamless inter-state movement of goods
- Redesign of supply chain – efficiencies instead of tax

## De-Bottlenecking

- Removal of check posts - speed up transportation

## Value Added Services

- Opportunity to offer value-added services - restructure and manage complex distribution channels

## Hub-and-Spoke

- Efficiencies through organized logistics, and lower freight costs

## Consolidation

- Expected consolidation of warehouses
- Advent of large multi-user integrated regional warehouse

## MLL: Ready for GST

- GST ready multi-user warehousing in certain key locations
- Cater to changing transportation requirements
  - Primary – bigger trucks
  - Secondary – longer distances; more reliable transit time to maintain service levels

# MLL: Differentiated Play: 3PL Offerings

One stop shop for logistics end-users: MLL pursues a unique 'asset-light' business model to provide customized logistics solutions across a diverse set of industries

**3 PL**

**2 PL**

Asset-light / Low capital outlay

End-to-End logistics

Provides value added services

Offers scalable, flexible & customized solutions

Vast resource network

High return ratios

Operates with latest IT software's and Apps

Asset-heavy / Capital intensive

Limited transportation and warehousing services

No value added services

Limited scope to scale-up & provide flexible & customized solutions

Restricted resource network

Relatively low return ratios




***MLL is one of the Pioneers of 3PL model in India***




# Supply Chain Management (SCM)



## National transport

-  **24** offices
-  **350+** operating locations
-  **20+** Network hub locations

## Warehousing & consolidation

-  **13 mn+** sq ft
-  **50+** stockyards

## In-Factory stores and line feed

-  At **35+** manufacturing locations across India

**Integrated end to end service offerings to the customer**

# People Transportation Solutions (PTS)

One of India's largest organized asset light player

Offers technology enabled people transportation solutions and services to over 120 domestic & multinational corporates

**12** Cities

**120+** Clients

**500+** Business Partners



**Clients**

Primarily serve leading corporates: IT, ITeS, Business Process Outsourcing, Financial services, Consulting and Manufacturing Industries

# Asset light business: formidable ecosystem of business partners

## Business partners network

Unique strengths that have enabled MLL to create a wide network of business partners:

- Genesis of the exceptional business model: **Large anchor client** with sizeable **PAN-India** presence – Mahindra & Mahindra
- **Mahindra brand and trust:** mutually beneficial partner relationships – based on trust and comfort built over **decades**
- MLL's **scale** enables it to provide **business assurance, process, and technology** to its business partners
- Business **partner development** and loyalty program



## Business Partners

SCM  
~1,000 nos.



Vehicles



PTS  
~500 nos.



Manpower



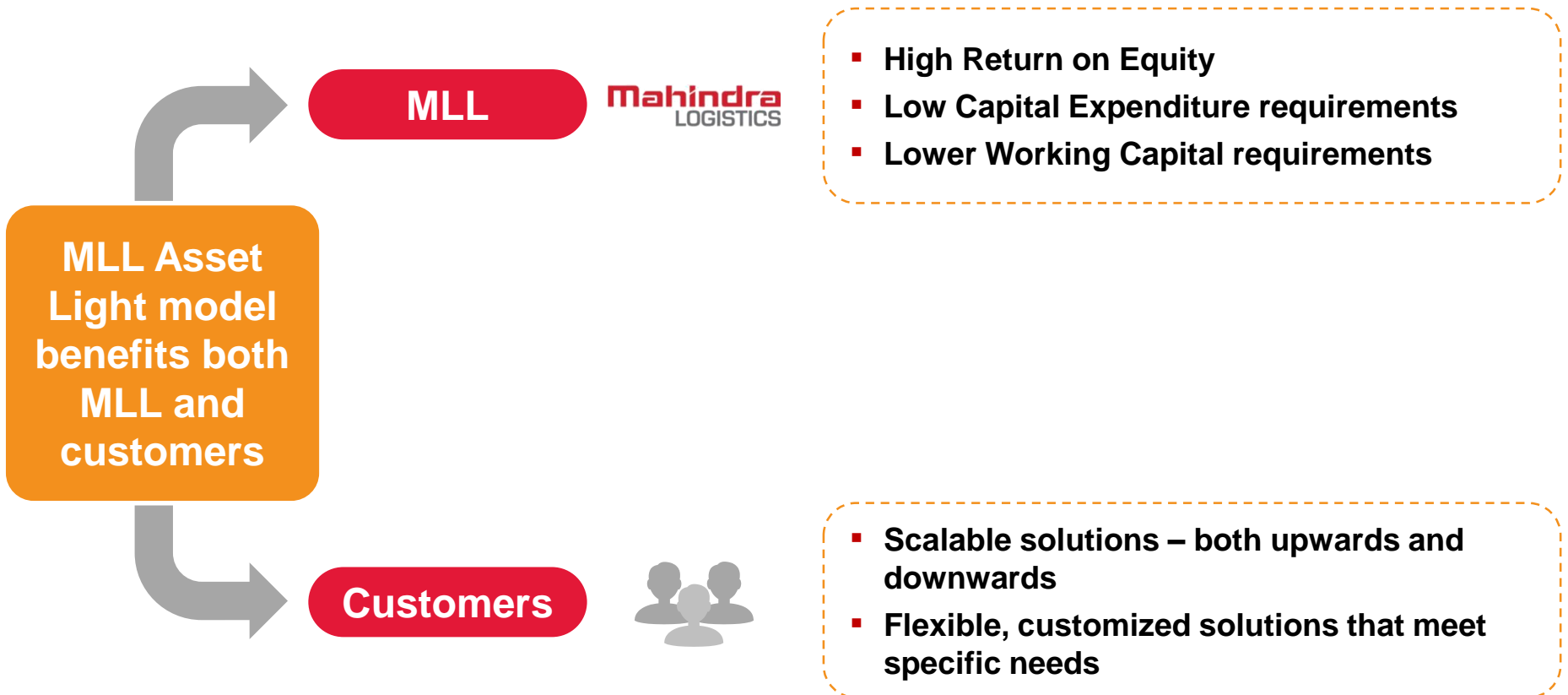
Warehouses

## MLL

- Sales & Solutions design
- Process
- Technology infrastructure
- Control tower
- Training & development

*Built over decades of trust and engagement*

## MLL's competitive advantage: 'Asset-Light' model



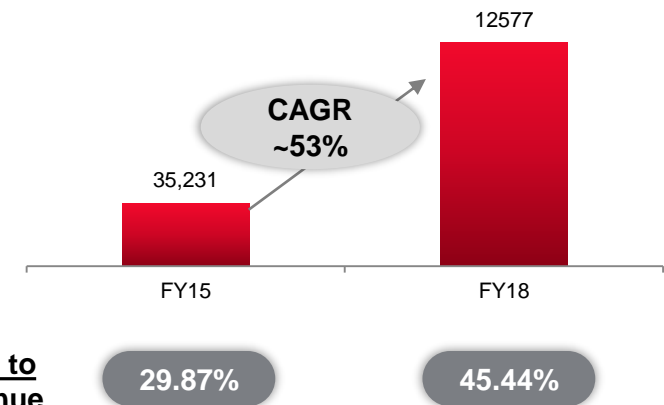
# Diverse industries and clients

## Diversified Logistics Company

- SCM business spans Automotive, Engineering, Consumer, Bulk, E-commerce, and Pharma sectors
- **66%** of non-Mahindra business came from **top 20 customers** in Fiscal 2018
  - Given the nature of business, engagement originates at CXO level – leading to **deep relationships**
  - MLL is deeply **ingrained in clients operational ecosystem** – own employees present in various client manufacturing facilities. Cost of replacement is significant
  - **Client retention rate** has been 96% for the top 25 SCM, non Mahindra group clients in F18.



Revenue from ops for Non-Mahindra SCM (INR lakhs)



**Non M&M**  
Revenue % to  
Total Revenue

# Diverse industries: track record of leveraging existing skills to enter fast growing verticals

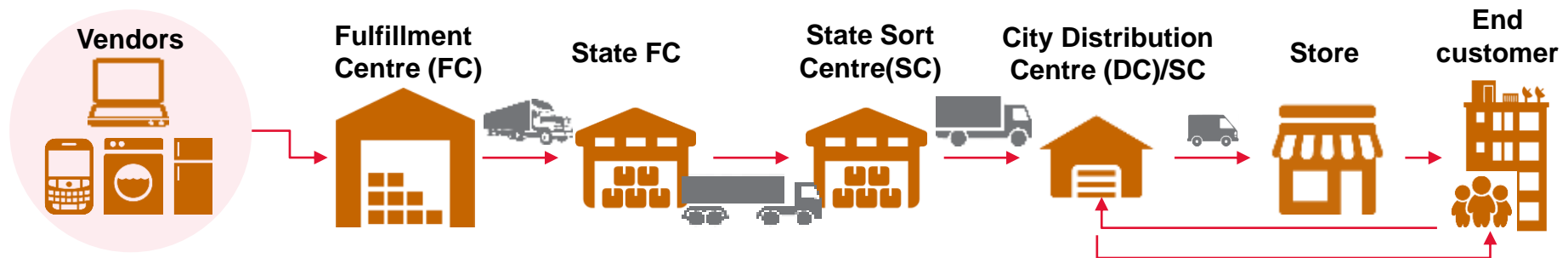
## Strong focus to equally diversify across industry verticals

Strategy of cross-deployment of skills – entry and expansion into existing and new areas such as Auto engineering, consumer & pharma, e-Commerce & bulk

### E-commerce – New business vertical delivering growth

- E-commerce **service portfolio** has been **enhanced** over a period of time
- Includes not only transportation and warehousing but also **integrated logistics management**

## Expanding array of services to provide comprehensive solutions to clients in e-commerce space



# Technology and control tower is a key differentiator

## What does it do?

### End to end truck track and trace

- Time management
- Minimize idle time
- Maximize truck utilization

### Dispatch planning

- Optimize truck planning
- Capacity and cost optimization

### Value added services

- SMS & Email service updates



## KEY ROLES FOR THE CONTROL TOWER



TRACKING



ANALYTICS



SHIPMENT  
CREATION



HELPDESK



NEW ACCOUNT  
ON-BOARDING

# Corporate Social Responsibility

## Driver Welfare

Driver welfare is a major focus area for us. Activities include:

- Developing **restrooms** and other **infrastructure** facilities for drivers along highways and at major loading or unloading points
- Training on **safe driving** (e.g. seat belt campaign)
- **Scholarships** for the **children** of drivers



## Nanhi Kali

- Project Nanhi Kali was initiated by the K. C. Mahindra Education Trust, with the aim of providing **primary education** to **underprivileged girl children** in India
- Through Nanhi Kali, MLL has sponsored the **education** of nearly **1,776 girl students** in **FY18**





Thank You



# About Us

## About Mahindra Logistics

Mahindra Logistics Limited (MLL) is a portfolio company of Mahindra Partners, the USD 1 billion private equity division of the USD 20.7 billion Mahindra Group. MLL is an integrated third-party logistics (3PL) service provider, specializing in supply chain management and people transport solutions. Founded more than a decade ago, MLL serves over 300 corporate customers across various industries like Automobile, Engineering, Consumer Goods and E-commerce. The Company pursues an “asset-light” business model, providing customised and technology enabled solutions that span across the supply chain and people transport operations.

For more information, visit [www.mahindralogistics.com](http://www.mahindralogistics.com)

## About Mahindra Partners

Mahindra Partners is the 1 billion USD Incubation, Private Equity & Venture Capital division of the Mahindra Group. Its mission is to accelerate value creation through a diversified global portfolio of emergent businesses. The portfolio spans across multiple industries like logistics, steel processing, renewable energy, conveyor systems, retail, infrastructure consulting and skill building, luxury boat manufacturing and media. It has recently expanded operations in U.S. by investing in the IoT and shared mobility space.

For more information, visit [www.mahindrapartners.com](http://www.mahindrapartners.com)

## About Mahindra

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world’s largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 200,000 people across 100 countries.

Learn more about Mahindra on [www.mahindra.com](http://www.mahindra.com) / Twitter and Facebook: @MahindraRise

## For further information please contact:

Mr. Nikhil Nayak (CFO & Compliance Officer)

### **Mahindra Logistics Limited**

Tel: +91 22 2871 5500

Email: [cfo.mll@mahindra.com](mailto:cfo.mll@mahindra.com)

Anoop Poojari / Devrishi Singh

### **CDR India**

Tel: +91 22 6645 1211/ 1222

Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com)  
[devrishi@cdr-india.com](mailto:devrishi@cdr-india.com)



# Mahindra LOGISTICS

— THE **CORE** OF YOUR BUSINESS —

