

BLUE DART
EXPRESS LIMITED



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August 01, 2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code - 526612

To,
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra East,
Mumbai – 400 051
NSE Symbol - BLUEDART

Dear Sir/ Madam,

Please find attached performance update 'Investor Presentation' we propose to upload on our Company's website www.bluedart.com for information of our Shareholders/ Public.

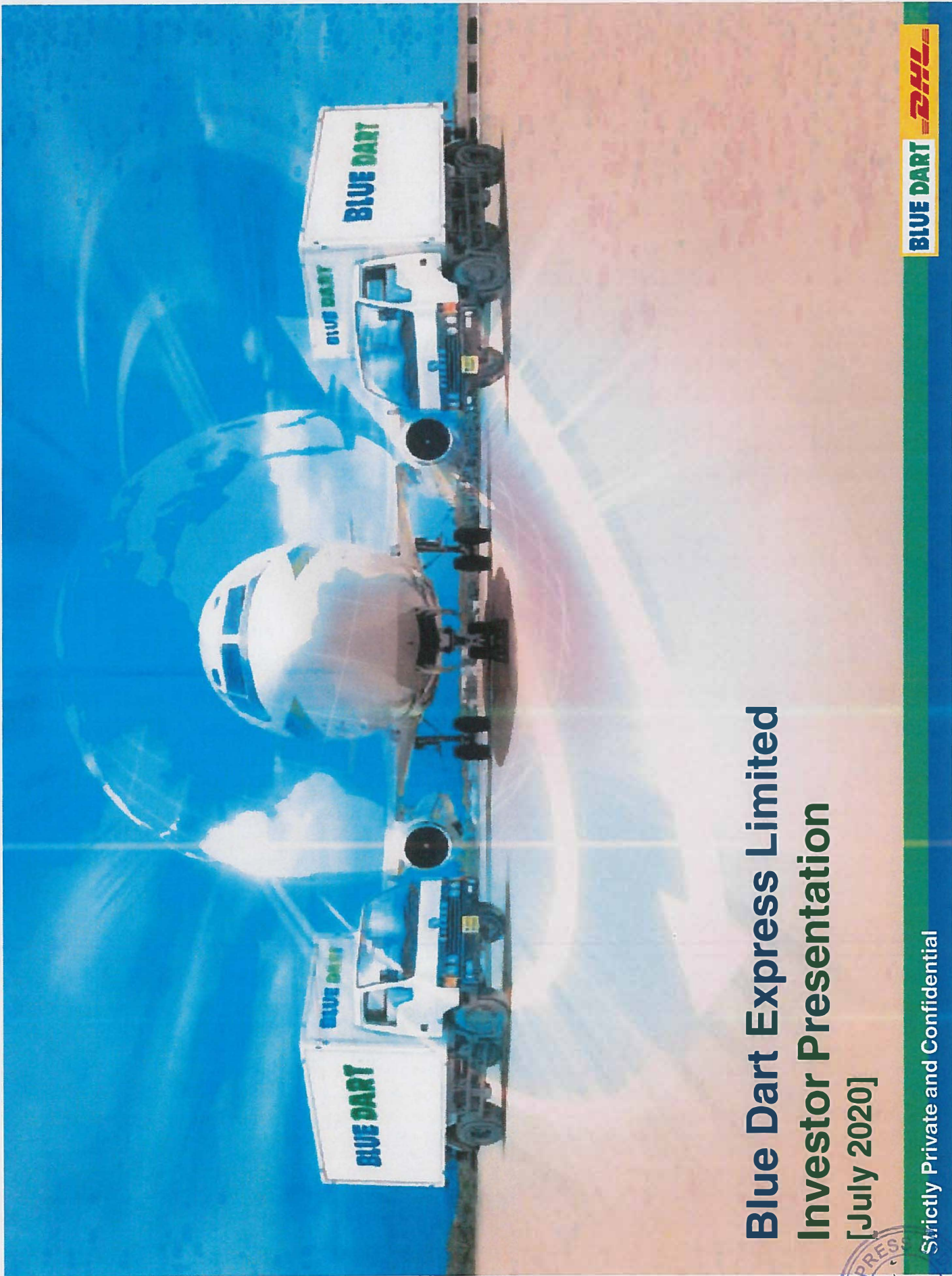
There are no forward looking financial statements made in the attached Investor Presentation.

Thanking you.

Yours Faithfully,
For **Blue Dart Express Limited**



★ **Tushar Gunderia**
Company Secretary &
Head-Legal & Compliance



Blue Dart Express Limited Investor Presentation [July 2020]



Strictly Private and Confidential



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Vision Statement



Vision Statement

“To be the best and set the pace in the express air and integrated transportation and distribution industry, with a business and human conscience.

We commit to develop, reward and recognize our people who, through high quality and professional service, and use of sophisticated technology, will meet and exceed customer and stakeholder expectations profitably.”

– Passionately crafted by over 600 managers in 1993



Blue Dart Investment Case Summary



**Market leader in India
Express & Parcels Delivery**

**Sustainable growth
momentum, unique position for
B2B express & e-commerce**



**Clear strategic direction,
investing for growth**

**Enhancing Shareholders
Wealth**



Blue Dart at a glance



FY2019/20 (Standalone)

Revenue ₹ 31,804 Mn

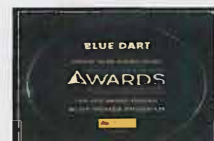
EBIT ₹ (150) Mn

- 241.24 Million shipments
- 769,490 tonnes shipped
- 14,000+ zip codes coverage
- 6 Boeing 757-200
- 12,000+ employees

Key subsidiaries

- Blue Dart Aviation Ltd¹
- Concorde Air Logistics Ltd²

- ▶ Unparalleled Integrated Air and Ground Network
- ▶ Dominant market leadership in B2B Air Express
- ▶ Strong foundation for growth in e-commerce B2C
- ▶ Provider of Choice
- ▶ Employer of Choice
- ▶ Integral part of DPDHL Group, world's leading mail and logistics company



Blue Dart Aviation Ltd. is the only domestic scheduled cargo airline in India. It operates on an exclusive basis for providing air express cargo services to Blue Dart Express Ltd. through its network of night operations to support customer demand. Blue Dart Aviation Ltd. is an IATA registered air cargo agent and licensed customs house agent (CHA).

Blue Dart Directors & Key Managerial Personnel



Sharad Upasani



Chairman

Former Chief Secretary,
Government of Maharashtra

Balfour Manuel



Managing Director

Kenneth Allen



Director

CEO of DHL eCommerce
Solutions, Board Member
of DP DHL Group

Narendra Sarda



Independent Director

Former Chairman of
Deloitte Haskins Sells &
Affiliates, India

**Air Marshal
M. McMahon (Retd)**



Independent Director

Former fighter pilot and
served in the IAF for 42 years

Tulsi N. Mirchandaney



Director

MD, Blue Dart Aviation Ltd

Kavita Nair



Independent Director

Chief Digital
Transformation Officer,
Vodafone Idea Limited

R. S. Subramanian



Director

SVP/Country Manager,
DHL Express India

Aneel Gambhir



**Chief Financial
Officer (CFO)**

Tushar Gunderia



**Company Secretary
& Head – legal &
Compliance**



Blue Dart's leadership in India



Blue Dart is a premium market leader in India.

Key Differentiators

1	Own Aviation Network
2	Market Leading Transit Times
3	Reliability & High Service Quality
4	Extensive Reach & Network
5	Best – In – Class Technology
6	Strong Brand Equity & Saliency
7	Responsiveness to Customer
8	Passionate & Committed Team
9	Pioneer & Innovator



Blue Dart's leadership in India (contd..)



Blue Dart is a premium market leader in India. All investments & strategies are customer driven

All investments made in light of customer requirements

- Investments in building a robust infrastructure to meet increasing demands of a growing economy
- Blue Dart invests in engaging and retaining the best talent
- Domestic Expertise at globally benchmarked levels



Strong Brand Reflects Market Leadership

- Innovations for service excellence and customer convenience
- Strongest, advanced and most cohesive homegrown technology offerings
- The power to move from a document to a charter load

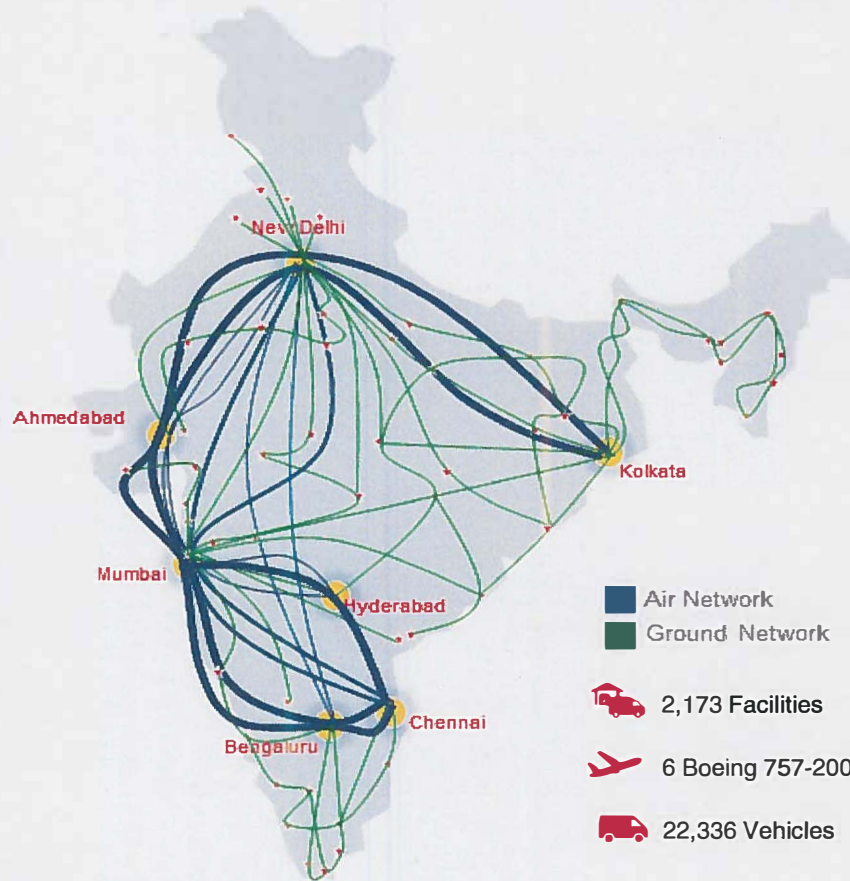


Best in class service from Blue Dart

- Offering customers one-stop convenience, offering the entire spectrum of distribution solutions
- As a trade facilitator, Blue Dart manages the seamless flow of goods in the diverse complexity of India's vast geography.



Integrated Air and Ground pan-India network



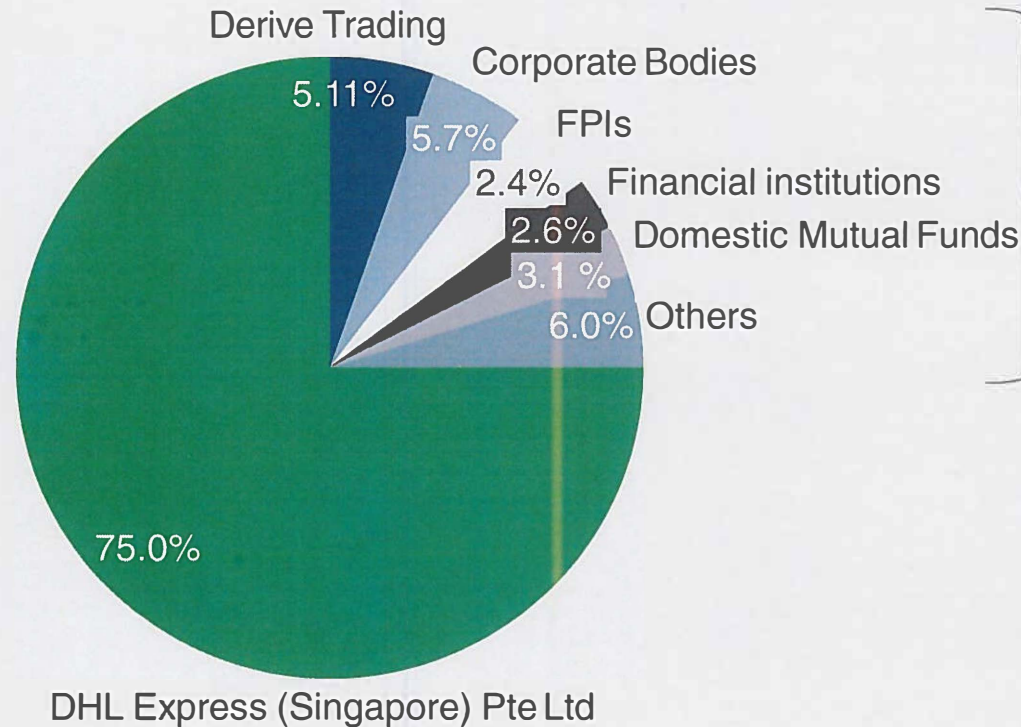
- First mover in India Domestic Express
- We provide clear Customer Value Proposition v/s our competitors
 - Extensive reach
 - Optimized flight scheduling facilitating **late pick-ups and early deliveries**
 - Market leading transit times
 - Superior control over operations resulting in **higher service reliability**



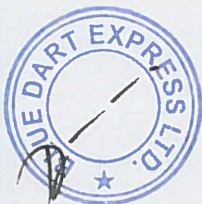
Blue Dart network is our key competitive differentiator and deterrent



Blue Dart Shareholders Distribution



(as of 30th June, 2020)



Major Corporate Bodies

1. Derive Trading alongwith PAC:

- Bright Star Investments Pvt. Ltd. – 3.11%
- Damani Estate & Finance Pvt. Ltd. – 1.28%
- Derive Trading And Resorts Private Limited – 0.49%
- Maheshwari Equity Brokers Pvt Ltd – 0.12%
- Radhakishan Shivkishan Damani – 0.11%

2. Others

- NBI Industrial Finance Co Ltd – 0.12%
- lifl Wealth Management Limited – Client Collateral Account – 0.11%
- H.J.Securities Pvt.Ltd. – 0.08%

Major FPIs

- Matthews India Fund- 0.91%
- Ishares Core Emerging Markets Mauritius Co. – 0.29%
- Emerging Market Core Equity Portfolio (the portfolio) of DFA Investment Dimesions Group Inc (DFAIDG) – 0.17%
- Eastspring Investments – India Equity Fund – 0.16%

Major Mutual Funds

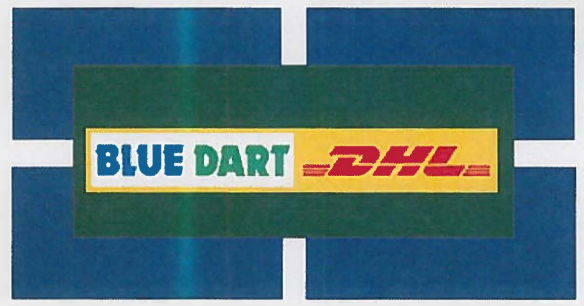
- L and T Mutual Fund Trustee Ltd-L And T Mid Cap Fund – 0.87%
- Kotak Small Cap Fund – 0.55%
- TATA Multicap Fund – 0.31%
- TATA Value Fund Series I – 0.24%
- Kotal Tax Saver Scheme – 0.21%

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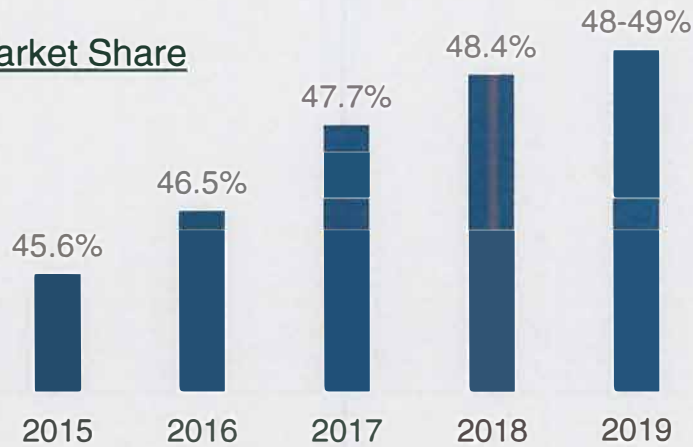
Clear market leadership in B2B Express



Organized Air Express

1st market position

Market Share

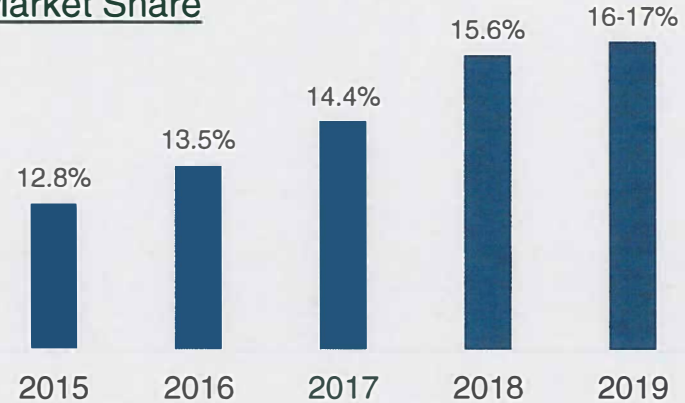


Market growth#	6%
Blue Dart growth	8%

Organized Ground Express

4th market position with increasing share

Market Share



Market growth#	9%
Blue Dart growth	15%

 Blue Dart has been increasing its market shares in B2B Express

Note: All Market Share are by Revenue (BE). All figures for 2015 are from ATK Report, from 2016 to 2018 are internal calculations.
 # Growth Rates : 2017 to 2018 for BDE and Market



Growth foundation for e-commerce



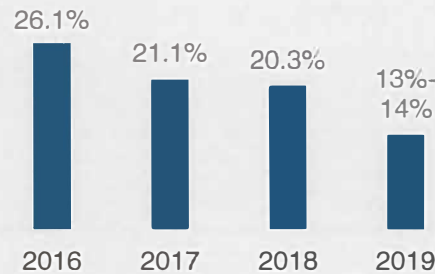
E-commerce Customer Demands

-  Competitive pricing & transit time
-  Extended reach, service quality
-  Real-time tracking & updates
-  Reverse pickup / exchange capabilities
-  Differentiated service offerings
-  COD / POS capabilities

E-commerce Domestic


4th market position
(Air + Ground; excl. India Post)

Market Share*



Blue Dart E-commerce Product Features

- Enhanced ground product: Dart Plus & Speed Trucking
- 14,000+ pin codes, NSL @ 95% (target)
- Blue Line (real time visibility)
- Open & closed reverse pick-ups with exchange service
- Slotted deliveries
Sunday & holiday deliveries
Parcel shops & Parcel Lockers
- 15+ payment options (Digital wallets, debit/credit card, UPI etc.)

 Blue Dart has laid the foundation for further market share gain in e-commerce



Note: Market Shares are by Revenue. Internal estimates Outsourced Market

Consistent profitable growth track record

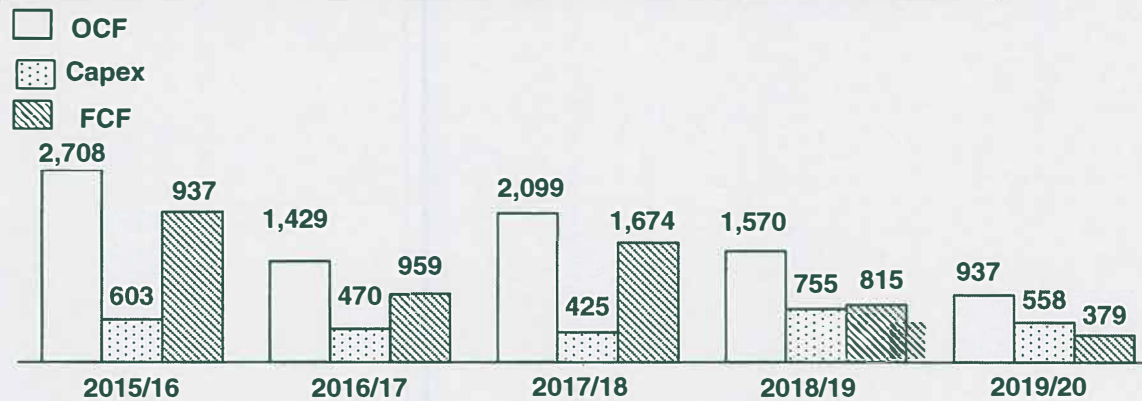



Revenue and profitability



- Revenue CAGR @ 5.4% over last 5 years.
- The business environment has been challenging during the FY19-20 fiscal year with the overall profitability being impacted due to adoption of Ind AS 116 new accounting standard which led to a higher impact on profit as these are long term leases related to air infrastructure, right-sizing/restructuring exercise undertaken in the quarter ended December 31, 2019 to improve efficiency and lockdown due to global pandemic Covid19

Consistent cash flow generation and growth investment



 Blue Dart focuses on consistent profitability



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Structural market trends



Continued positive India macroeconomics and global trade growth

- With about +7% real GDP growth, fastest growing major economy in recent years
- Future growth will come from service related industries and private consumption



Regulations liberalization and simplification

- The landmark goods and services tax (GST) will substantially simplify trade
- Crunch from 'demonetization' is largely over, reduction of unorganized market likely
- Further liberalization of capital-intensive sectors is likely



Acceleration of eCommerce and more demand for last-mile solutions

- More "fine distribution" and direct shipping, also in B2B
- Multi-channel delivery for B2C



Accelerating impact of process technology and automation

- Automation drives efficiencies
- Importance of data leads to new ways of running businesses



Blue Dart has a clear strategy to capitalize on these trends



Maintains B2B market leadership



Blue Dart has a market leading position and has identified key levers to protect and grow the market share further on B2B Air & Ground.



Emerging Markets

- 500+ tier II & Tier III towns identified for growth opportunity.
- Healthy double digit growth in revenue in 2019.



Sector Focus

- 6 industry verticals contributing 50% of revenue.
- Sector focused task force formed to increase business from these sectors.



SME Focus

- Increasing the number of SME's to contribute a large no. of customer count
- These SME's contribute to increase in revenue.



Channel Focus

- Restructuring of channel policies.
- Dedicated channel personnel are being appointed for better focus.



Service Quality

- Transit Time improvement across 100 important OD pairs. (96 / 72 / 48 / 24)
- Major EDL / ODA locations to be merged in serviced..



We continue to aim for a balanced mix of revenue growth and profitable yield



Corporate Business Strategy



Maintain and Grow Market Leadership

Medium Term Initiatives

- ✓ With increasing urbanization, focus on centers of production which will change post pandemic as the new growth areas.
- ✓ Focus on FMCG, Automotive, Consumer Durables and Ready Made Garments for accelerated surface growth.
- ✓ Increase coverage and footprint to cover 98% of Country's GDP
- ✓ Focus on small and medium enterprises
 - Be recognized as a trusted partner, truly understanding the customer's current and future needs
- ✓ Increase automation levels across processes
 - Increase the adaptability of our product & solution portfolio
 - Simplify and standardize processes to deliver excellence
- ✓ Enhance skill development
 - Develop comprehensive people empowerment and engagement module critical for growth
- ✓ Continue to drive process efficiencies and implement quality measures like OCPM⁽¹⁾, OCPK⁽²⁾ & DSO⁽³⁾ to improve profitability (EBIT margins)
- ✓ Reduce CO₂ emission, engage in education, humanitarian and disaster response
- ✓ Focus on e-tailing business
 - Strengthen the e-tailing segments profitability

Long Term Strategies

- Achieve and maintain leadership status and pole position in both Air and Ground express segments**
- Continuously improve quality of operations for enhancing customer satisfaction**
- Pursue product and service innovation**
- Create state-of-the-art infrastructure**
- Stay ahead of the curve by continuously investing in, and adopting, next generation technologies**
- Aggressively invest in human capital development**
- Develop leadership pipeline**
- Maintain debt-free status and deliver profitable growth**
- Continue to be the industry leader in delivering the triple bottom line and increase CO₂ efficiency by 30%**

(1) Operating Cost per Move; (2) Operating Cost per Kilo; (3) Days Sales Outstanding

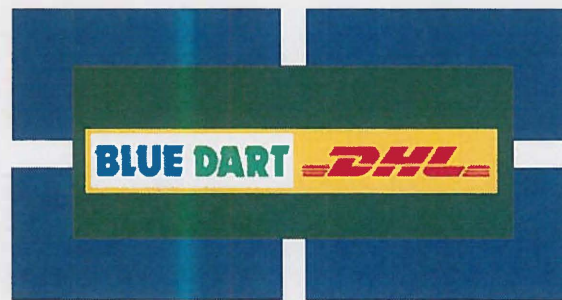


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Financial Track record



Value creation

High returns to shareholders

Dividend Paid

Consistent track record of dividend payment till last year.



*based on March 31, 20 share price

Investment of Choice



- Consistent track record of Dividend paying till last Financial year
- **Creating wealth for Shareholders (EVA positive Company)**
- **Average returns on Capital employed for last five years over 27%**
- Generating returns on its Capital employed well above its Weighted Average Cost of Capital (WACC) thus creating Wealth for its Shareholders
- Returns to Shareholders in last 10 years - **14.2%** (XIRR)
- **Maiden issue of Non Convertible Debentures (Bonus)**
- Rewarded Shareholders with Issue of 14 (No Fourteen) Non convertible Debentures of Rs 10 each by way of Bonus for every 1 Equity share held aggregating to Rs 3323 million carrying an annual coupon of 9.38% p.a. (weighted average rate)
- Successfully redeemed Debentures in full through internal accruals
- High standards of Corporate Governance
- Higher Credit ratings from ICRA for Company's Medium & Short term borrowing program

1 without IND AS 116 impact for calculation of ROCE for FY 2019-20. (FY 2015-16 to FY 2019-20)

2 calculated from April 1, 2010 to June 30, 2020. Includes Dividend payments and Bonus Debenture



Fast paced changes- impacting business



2016-17	Changes in DIPP for ecommerce business in Budget 2016
	Demonetization on November 8, 2016 impacted eCommerce Business more specifically COD business
	Demonetization Impact to B2B Revenue
	6th 757 VTBDB Add Cost
	Swatch Bharat Cess Impact (post Nov 15)
Strategic Project Mckinsey	
2017-18	Strategic Expansion Project - for better service to customers(Jan 18 to Mar 18)
	Pre-GST Stock clearances due to uncertainty on inputs credits
	Post GST - shipping impacted as businesses were not ready for GST system
2018-19	Strategic Expansion Project - for better service to customers
	Implementation of IND AS 115- Revenue Recognition
	Rationalization (increase) of due to major rise in minimum wages by States
	Recarding exercise by BFSI section based on RBI Rules
2019-20	Implementation of IND AS 116- Lease Accounting
	Impact of Exchnage volatility for future lease liabilities
	Increase in PF contribution as a result of Supreme Court decision
	Economic slow down
	Right Sizing and business restructuring
	Covid 19 Global Pandemic and lockdown in March 2020
2020-21	Covid 19 Global Pandemic and lockdown continuing
	International Charter Opportunities
	Impact of Exchange volatility for future lease liabilities

 Mainly regulatory changes impacted business and profits in these years



Actions to minimise the impact



- Focus on profitable business
- Cost efficiencies: facilities rationalization, vehicle capacity improvements, Contracts re-negotiations with Vendors
- Manpower productivities improvement
- Automation: visibility and faster movement
- Rationalization of serviced locations
- Innovative way of loading aircraft pallets to increase capacity
- Development surcharge
- General Price Increases
- Right sizing exercise for non-frontline cadre
- Domestic and International Charters
- Emergency Situation Surcharge



Efficiency initiatives partially cushioned the impacts of changes



2019: Adjusted performance (Standalone)



₹ Millions

Sr No	Exceptional/Additional Costs	Year ended March 31, 2020	Year ended March 31, 2019
	Profit Before Tax as per Income Statement	-472.0	1,283.5
1	IND AS 116 April 1, 2019 - Impact	666.2	
2	Right sizing/Restructuring Cost	641.1	
3	Impact of lockdown due to Covid19 pandemic	542.0	
	Adjusted Profit Before Tax before above impacts	1,377.3	1,283.5



Quarter 1 2020 : Performance (Standalone)



₹ Millions

Sr No	Exceptional/Additional Costs	Quarter ended June30, 2020	Quarter ended June30, 2019
	Profit Before Tax as per Income Statement	-1,662.5	68.6
1	IND AS 115 – Impact*	122.6	-34.7
3	Impact of lockdown due to Covid19 pandemic	1,921.1	
	Adjusted Profit Before Tax before above impacts	381.3	33.9

*Revenue recognition difference is high due to pandemic situation



Way Forward: opportunities galore



Government Focus on Logistics:

- Logistics getting industry status
- National Logistics Policy
- Ecommerce policy
- Carriage of Goods by Air
- Carriage of Goods by Road
- Dedicated Freight Corridor- Railways and logistics Parks
- Dedicated Corridor – Road
- Benefits from GST
- Multiple/Expansion of Airports
- Improvement in Road infrastructure
- Make in India- movement from China
- Electric Vehicles



Having laid the strong foundation through reforms, Exciting times ahead



Wrap-up



Leadership in Air & Ground Express

Blue Dart is in a strong position – strategically and financially

Strong focus on cash flow and balance sheet allows healthy balance of growth investments and shareholder returns



Investor Relations Contacts



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Chief Financial Officer
Email – aneelg@bluedart.com





Thank You

