VRL LOGISTICS LTD

Since 1976

Corporate Office:
Giriraj Annexe Circuit House Road
HUBBALLI- 580 029 Karnataka State
Phone : 0836- 2237511
Fax : 0836 2256612
e-mail : headoffice@vrllogistics.com

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400 001
Scrip Code: 539118

National Stock Exchange of India Limited
Exchange Plaza, Plot No.C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051
Scrip Code: VRLLOG

Dear Sir / Madam,

Sub: Submission of Earnings Presentation

With respect to above captioned subject and in accordance with the extant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other applicable laws for time being in force, we enclose herewith the Earnings Presentation of the Company which would also be hosted on the website of our Company.

We request you to kindly take note of the same

Thanking you,

Yours faithfully
For VRL LOGISTICS LIMITED

ANIRUDDHA ANIL PHADNAVIS
Digitally signed by ANIRUDDHA ANIL PHADNAVIS
Date: 2023.11.06 16:01:27 +05'30'

VRL LOGISTICS LTD. HUBLI-580 029.

ANIRUDDHA PHADNAVIS
COMPANY SECRETARY AND
COMPLIANCE OFFICER
Date: 6.11.2023
Place: Hubballi

Q2 FY2023-24 Earnings presentation

DISCLAIMER

VRL LOGISTICS LIMITED

- Certain statements contained in this document may be statements of future expectations/forward looking statements that are based on management's current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results/performance or events to differ materially from those expressed or implied herein.

- The information contained in this presentation has not been independently verified and no representation or warranty expressed or implied is made, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

- This presentation may contain certain forward looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not a guarantee of future performance and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company presently believes to be reasonable. Many factors could cause the actual results, to be materially different and significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime, etc

- None of VRL Logistics Ltd. or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

- This document does not constitute an offer or invitation to purchase or subscribe for any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

VRL – MARKET LEADER IN B2B PARCEL SEGMENT

VRL LOGISTICS LIMITED

Only "Owned Asset" organised player in Less than Truckload logistics business in India

Pan-India surface logistics services provider with an established brand having one of the largest distribution networks in India

Integrated hub-and-spoke operating model ensuring efficient consignment distribution

Dedicated In-house maintenance facilities, inventory of spare parts and In-house software & technology capabilities

Apt asset owned model leads to higher operating margins, higher cash flows & return metrics

Diversified Customer base offering varied Commodity mix

VRL LOGISTICS LIMITED

5782
OWNED VEHICLES

HIRED VEHICLES ENGAGED ON NEED BASIS

1165
BRANCHES

49
MASSIVE TRANSHIPMENT HUBS

8 LAKH +
CUSTOMER BASE

20800+
WORKFORCE led by experienced management

VRL - KEY DIFFRENTIATORS

VRL LOGISTICS LIMITED

India – 66% Goods transported by road	➔	Long Term Sustainability
❖ VRL	➔	Only "Owned Asset" organised player in LTL business in India
❖ Operating model	➔	Integrated hub-and-spoke operating model ensuring efficient consignment distribution
❖ VRL owns **5782** GT vehicles	➔	Efficient operations with largest fleet and minimal outsourcing of transportation
❖ Distribution Network	➔	Robust pan India network across **24** states, **5** union territories, having **1165** branches, including **49** massive transhipment hub facilities
❖ Vehicles Specially Designed by OEM`s / in-house	➔	Ensures Higher Payload
❖ Owned Vehicle operations, maintenance & Driver management	➔	Entry Barrier

VRL - KEY DIFFRENTIATORS

VRL LOGISTICS LIMITED

❖ ~29% vehicles Fully Depreciated	➔	Lower Costs
❖~ 85% vehicles Debt Free	➔	No Associated finance costs
❖Financial performance & position	➔	Track record of growth and robust financial position
❖EBITDA Margins	➔	@15% (H1FY24) – Amongst the best in the Industry
❖Cash Profits/Cash EPS	➔	High cash profit margins & Cash EPS
❖Minimal Outsourcing of transport	➔	No Additional Margin to be Paid to Outside Vehicle Service Provider
❖Bulk procurement policy	➔	Economies of scale
❖Moving towards New Age Vehicles	➔	Addition of Electric and CNG vehicles

VRL - KEY DIFFRENTIATORS

VRL LOGISTICS LIMITED

- **Most efficient collection mechanism**
  - Provisions for Bad debt(H1FY24) ~ Rs.135 lakhs on ~ Rs.1398 Cr. Revenue.
  - Hardly any collectible more than 90 days.
  - Trade Receivables at 11 days of Total revenue in H1FY24
- **Procurement of diesel directly from Refineries by establishing own fuel pumps in key locations.**
- **Wide range of Customers**
  - Not dependent on any major single customer or any major single product.
- **Own workshop, Own fittings, Own Body Building, Own Design**
  - Lowest cost Operator.
- **Double digit business volume growth.**
- **Lower Debt Level – INR 280 Crs.**
  - Least cash burnout for servicing and repayment.

KEY METRICS

VRL LOGISTICS LIMITED

	Q2YoY		QoQ		H1YoY	
Total Income (Rs in Lakhs)	71533	9%	71533	5%	139843	10%
	65667		68310		127397	
Branches	1165	11%	1165	2%	1165	11%
	1045		1140		1045	
Tonnage Delivered (in'000s)	1048	8%	1048	5%	2050	10%
	967		1002		1872	
Capacity Addition (tons)	84726	13%	84726	3%	84726	13%
	75084		81885		75084	
Capex (Rs in lakhs)	11172	33%	11172	28%	19885	17%
	8385		8713		16925	

FINANCIALS

VRL LOGISTICS LIMITED

Particulars (INR in Lakhs)	Q2 FY24	Q2 FY23	Q2 YoY Growth (%)	Q1 FY24	QoQ Growth (%)	H1 FY24	H1 FY23	H1 YoY Growth (%)
Total Income	71533	65667	9%	68310	5%	139843	127397	10%
Total Expenses	68822	61377	12%	63749	8%	132571	118226	12%
Profit Before Tax from Continuing Operations	2711	4290	(37%)	4561	(41%)	7272	9171	(21%)
Profit for the Period from Continuing Operations	**1992**	**3070**	**(35%)**	**3395**	**(41%)**	**5387**	**6737**	**(20%)**
Profit Before Tax from Discontinued Operations	-	105		-		-	1831	
Tax Expense of discontinued operations	21	30		-		21	486	
Profit for the Period from Discontinued Operations	(21)	75		-		(21)	1345	
Profit for the Period	**1971**	**3146**	**(37%)**	**3395**	**(42%)**	**5366**	**8082**	**(34%)**

FINANCIALS

VRL LOGISTICS LIMITED

Rupees in Lakhs	Q2		Q2 YoY	Q1	QoQ	H1		H1 YoY
	FY24	FY23	Growth (%)	FY23	Growth (%)	FY24	FY23	Growth (%)
Total Income	71533	65667	9%	68310	5%	139843	127397	10%
EBITDA	9783	9523	3%	11081	(12%)	20864	18945	10%
Margin (%)	14%	15%		16%		15%	15%	
EBIT	4563	5684	(20%)	6188	(26%)	10751	11769	(9%)
Margin (%)	6%	9%		9%		8%	9%	
PBT	2711	4290	(37%)	4561	(41%)	7272	9171	(21%)
Margin (%)	4%	7%		7%		5%	7%	
PAT	1992	3070	(35%)	3395	(41%)	5387	6737	(20%)
Margin (%)	3%	5%		5%		4%	5%	

FINANCIAL PERFORMANCE

Revenue Analysis

VRL LOGISTICS LIMITED

- GT revenue increases by 8.38% Q2YoY, up by 5.21% QoQ , & up by 9.04% H1YoY
- Volumes up by 8.4% Q2YoY from 967 thousand tons to 1048 thousand tons , up by 4.57% QoQ from 1002 thousand tons to 1048 thousand tons, & up by 9.53% H1YoY from 1872 thousand tons to 2050 thousand tons
- Tonnage Contribution by new branches

	Q2 YOY	QOQ	H1 YOY
Branches Added (Net)	120	28	120
Contribution to Total Tonnage	4.45%	0.35%	3.99%

- Delay in onset of festive season in the current fiscal by a month has resulted in lower demand of Cloth and Textile consignments in Q2FY24. The same is expected to benefit in Q3FY24
- Realisation per ton maintained constant @ 6681(Q2FY24) from 6683 (Q2FY23)
- Continued shift of Customer base to VRL from unorganized sector as a result of increase in compliance requirements under GST.

PROFITABILITY ANALYSIS

VRL LOGISTICS LIMITED

Q2 YOY	Q2-24 (% to Revenue)	Q2-23 (% to Revenue)	Difference (%)	Reasons
EBITDA	**13.68%**	**14.50%**	**(0.82%)**	
Fuel cost	31.17%	30.20%	0.98%	• GT DIESEL consumption qty increased by 13.36%. Increase in own vehicle Kms in overall Kms • Average procuring cost per litre of Diesel down by 2.05%, from Rs 89.65 in Q2-23 to Rs 87.81 in Q2-24. Procurement from refineries as a percent of total quantity increase by 28.71% from 1.70% in Q2-23 to 30.41% in Q2-24 • Purchase of diesel from refineries interrupted in Sept-23 due to increase in bulk supply prices.
Lorry Hire	6.96%	10.06%	(3.10%)	• Decrease in long haul hired vehicle Kms, as Kms coved by own vehicles increases
Vehicle Running, Repairs & Maintenance	6.71%	6.63%	0.09%	• Percentage is maintained despite increase in Kms, as Kms covered by new vehicle increases
Tyres, Flaps and Re-treading	2.37%	2.30%	0.08%	• Percentage is maintained despite increase in Kms, as Kms covered by new vehicle increases
Bridge & Toll expenses	8.22%	7.25%	0.97%	• Increase in number of Toll Plazas from 1182 to 1285 across India, increase in Toll Rates and Increase in Kms by Owned vehicles.
Rent	2.06%	1.82%	0.24%	• Addition of new branches. Expansion in existing branches/TPT area
Hamali (Loading & Unloading charges)	6.64%	6.33%	0.31%	• Increase in Loading and Unloading rates per ton
Employee Cost	16.55%	15.78%	0.77%	• Annual increments from Sep-23,`Increase in number of employees due to addition of new branches & Internal promotions on selective basis
Other Expenses	5.63%	5.14%	0.50%	• Increase in printing and stationery charges on account of printing stickers/labels on consignments.
Depreciation	7.30%	5.85%	1.45%	• Due to increase in capex & increase in ROU on account of addition/expansion of new leased branches/TPT's area.
EBIT	6.38%	8.66%	(2.28%)	• Due to increase in depreciation costs.
Finance Costs	2.59%	2.12%	0.47%	• Due to increase in debt & increase in Lease Liabilities on account of Addition/Expansion of new leased branches/ TPT areas
PBT	3.79%	6.53%	(2.74%)	• Due to increase in depreciation & finance costs
PAT	2.79%	4.68%	(1.89%)	• Due to increase in depreciation & finance costs

PROFITABILITY ANALYSIS

VRL LOGISTICS LIMITED

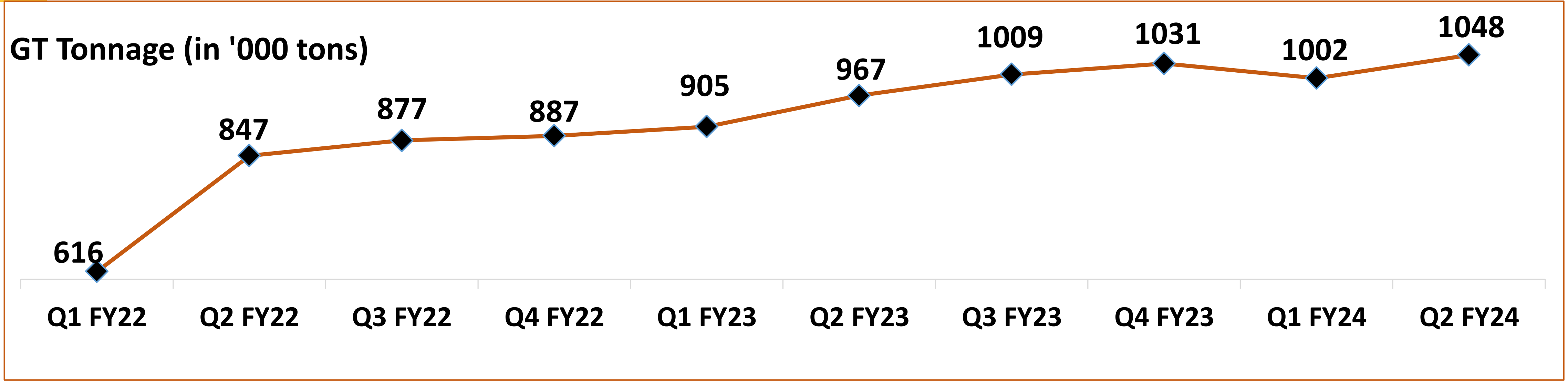
QOQ	Q2-24	Q1-24	Difference (%)	Reasons
	(% to Revenue)			
EBITDA	**13.68%**	**16.22%**	**(2.54%)**	
Fuel cost	31.17%	29.76%	1.42%	• GT DIESEL consumption qty increased by 9.82% • Average procuring cost per litre of Diesel up by 0.3% from Rs 87.54 in Q1-24 to Rs 87.81 in Q2-24. Procurement from refineries as a percent of total quantity decrease by 1.32% from 31.73% in Q1-24 to 30.41% in Q2-24 • Purchase of diesel from refineries interrupted in Sept-23 due to increase in bulk supply prices.
Lorry Hire	6.96%	8.41%	(1.45%)	• Decrease in long haul hired vehicle Kms, as Kms coved by own vehicles increases
Vehicle Running, Repairs & Maintenance	6.71%	5.68%	1.03%	• Due to increase in Kms & periodic maintenance of own Vehicles
Tyres, Flaps and Re-treading	2.37%	1.87%	0.51%	• Increase in Kms covered by own Vehicles in overall Km
Bridge & Toll expenses	8.22%	7.76%	0.46%	• Increase in number of Toll Plazas from 1268 to 1285 across India, increase in Toll Rates and Increase in Kms by Owned vehicles.
Rent	2.06%	1.97%	0.09%	• Addition of new branches. Expansion in existing branches/TPT
Hamali (Loading & Unloading charges)	6.64%	6.59%	0.05%	• Percentage maintained.
Employee Cost	16.55%	16.28%	0.27%	• Annual increments from Sep-23,`Increase in number of employees due to addition of new branches & Internal promotions on selective basis
Other Expenses	5.63%	5.46%	0.17%	• Percentage maintained.
Depreciation	7.30%	7.16%	0.14%	• Due to increase in capex and increase in ROU on account of addition/expansion of new leased branches/TPT's area.
EBIT	6.38%	9.06%	(2.68%)	• Due to increase in depreciation costs.
Finance Costs	2.59%	2.38%	0.21%	• Due to increase in debt & increase in Lease Liabilities on account of Addition/Expansion of new branches/ TPT areas on lease basis.
PBT	3.79%	6.68%	(2.89%)	• Due to increase in depreciation & finance costs
PAT	2.79%	4.97%	(2.18%)	• Due to increase in depreciation & finance costs

PROFITABILITY ANALYSIS

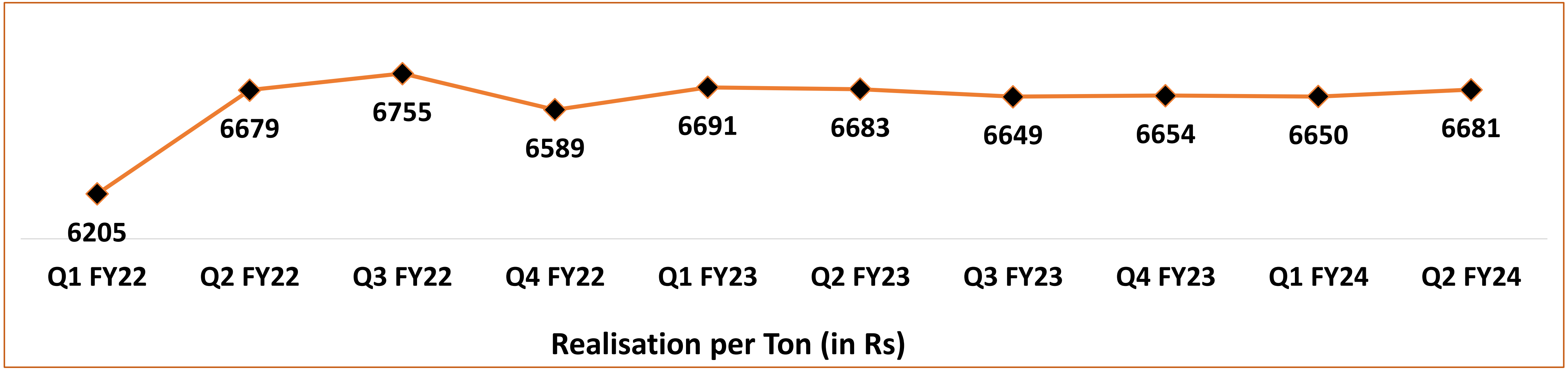
VRL LOGISTICS LIMITED

H1-YOY	H1-24	H1-23	Difference (%)	Reasons
	(% to Revenue)			
EBITDA	**14.92%**	**14.87%**	**0.05%**	
Fuel cost	30.48%	30.52%	(0.04%)	• GT DIESEL consumption qty increased by 12.94%. • Average procuring cost per litre of Diesel down by 4%, from Rs 91.38 in H1-23 to Rs 87.68 in H1-24. Procurement from refineries as a percent of total quantity increase by 29.8% from 1.24% in H1-23 to 31.04% in H1-24 • Purchase of diesel from refineries interrupted in Sept-23 due to increase in bulk supply prices.
Lorry Hire	7.67%	9.66%	(1.99%)	• Decrease in long haul hired vehicle Kms, as Kms coved by own vehicles increases
Vehicle Running, Repairs & Maintenance	6.21%	6.36%	(0.16%)	• Increase in Kms covered by new Vehicles in overall Kms
Tyres, Flaps and Re-treading	2.13%	2.24%	(0.11%)	• Due to increase in Kms covered by new Vehicles
Bridge & Toll expenses	8.00%	7.08%	0.91%	• Increase in number of Toll Plazas from 1182 in H123 to 1285 tolls in H124, , increase in Toll Rates and Increase in Kms by Owned vehicles.
Rent	2.02%	1.81%	0.21%	• Addition of new branches. Expansion in existing branches/TPT area.
Hamali (Loading & Unloading charges)	6.62%	6.29%	0.33%	• Increase in Loading and Unloading rates per ton
Employee Cost	16.42%	15.86%	0.56%	• Annual increments from Sep-23,`Increase in number of employees due to addition of new branches & Internal promotions on selective basis
Other Expenses	5.55%	5.30%	0.25%	• Increase in printing and stationery charges on account of printing stickers/labels on consignments.
Depreciation	7.23%	5.63%	1.60%	• Due to increase in capex and increase in ROU on account of addition/expansion of new leased branches/TPT's area.
EBIT	7.69%	9.24%	(1.55%)	• Due to increase in depreciation costs.
Finance Costs	2.49%	2.04%	0.45%	• Due to increase in debt & increase in Lease Liabilities on account of Addition/Expansion of new branches/ TPT areas on lease basis
PBT	5.20%	7.20%	(2.00%)	• Due to increase in depreciation & finance costs
PAT	3.85%	5.29%	(1.44%)	• Due to increase in depreciation & finance costs

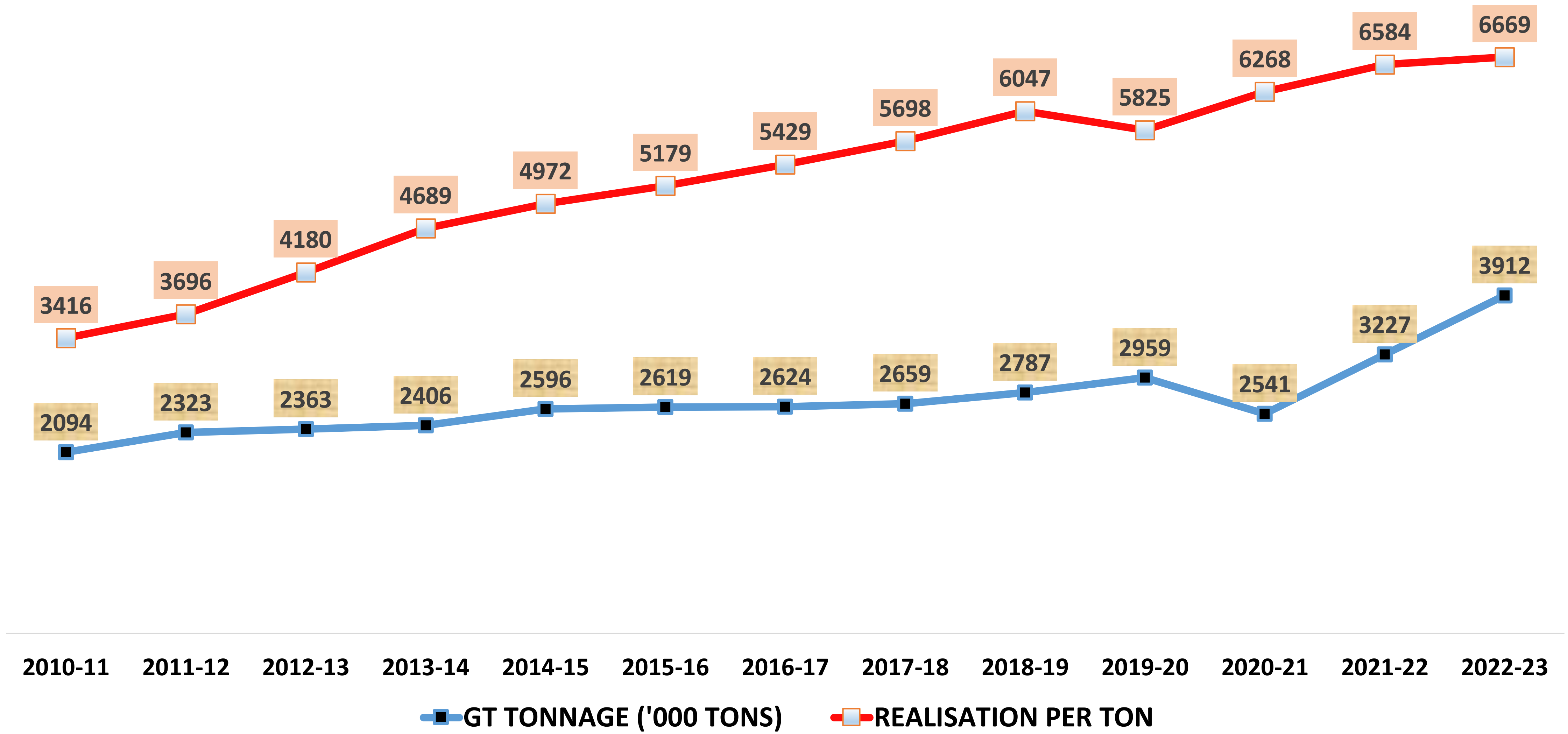
TONNAGE AND REALISATION



11000+ TONS SERVICED ON A DAILY BASIS (H1FY2024)

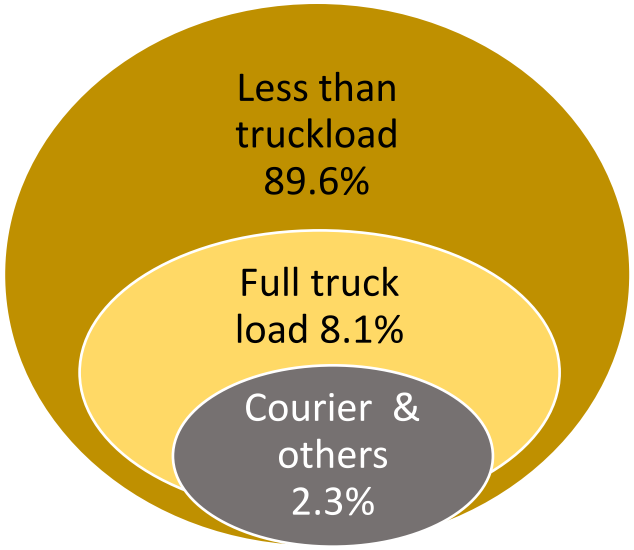


CONSISTENT GROWTH IN TONNAGE & REALISATION



B2B FOCUS

Revenue breakup (H1 FY24)



* % to Total Revenue

Focus on high margin LTL business

- LTL involves transportation of consignments belonging to multiple customers in single vehicle.
- Our wider reach and adequate infrastructure helps in aggregating less than truckload consignments from various clients and sending them to the desired destinations

Pan-India Hub and Spoke model of distribution:

- Significant flexibility to transport a broad range of parcel sizes for both regional and national customers and also positioning as single stop service provider for multiple destinations.

B2B Focus - Diversified sectors and customers

- The primary focus is on B2B customers across diversified sectors. The top ten customers contribute not more than 3% of total revenue.

VEHICLES

VRL LOGISTICS LIMITED

5782 Company owned vehicles

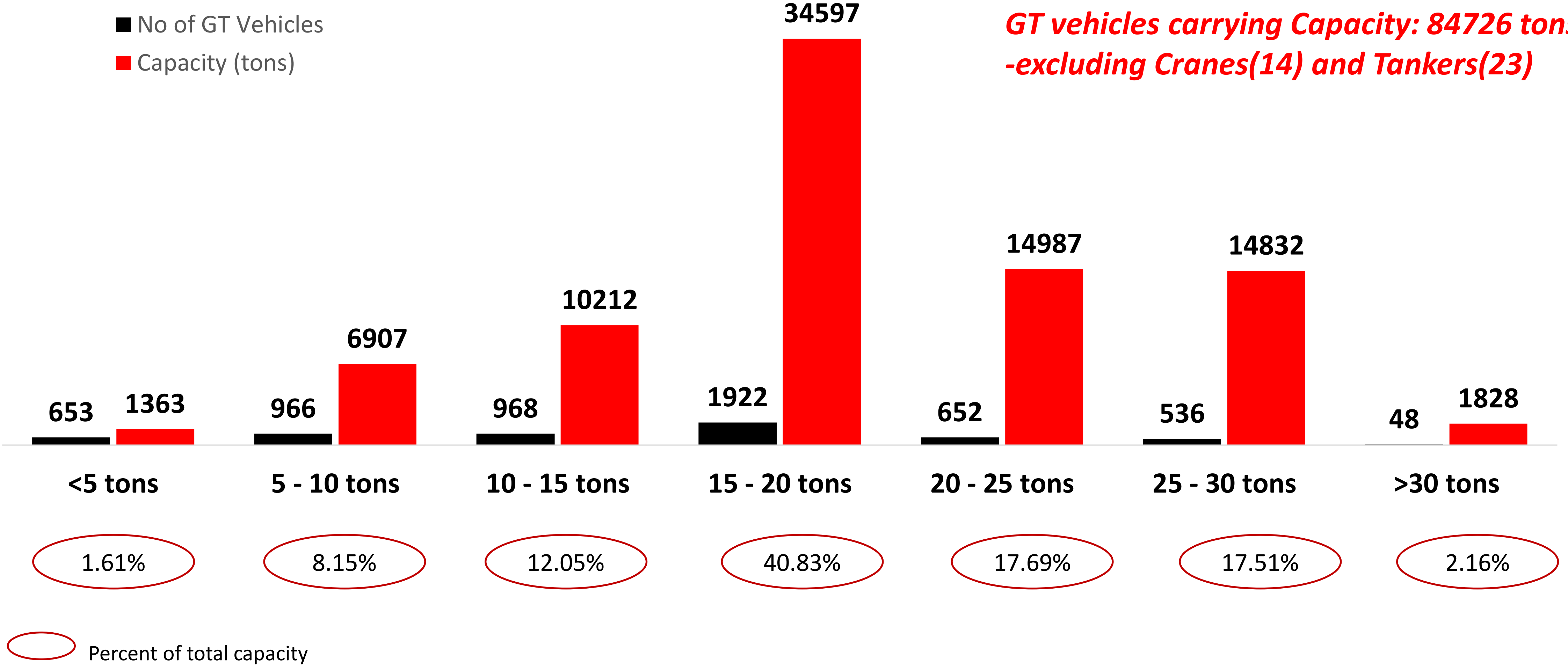
1 Ton to 36 Tons Carrying Capacity

- *1338 vehicles added in FY 23 & 525 Vehicles added in H1FY24.*
- *Total Goods Transportation Vehicles Capacity at **84726 tons***
- *Handling **11000+** tons on a daily basis in H1FY24*
- *Additional Usage of **1000+** Hired Vehicles*

VEHICLES & CAPACITY

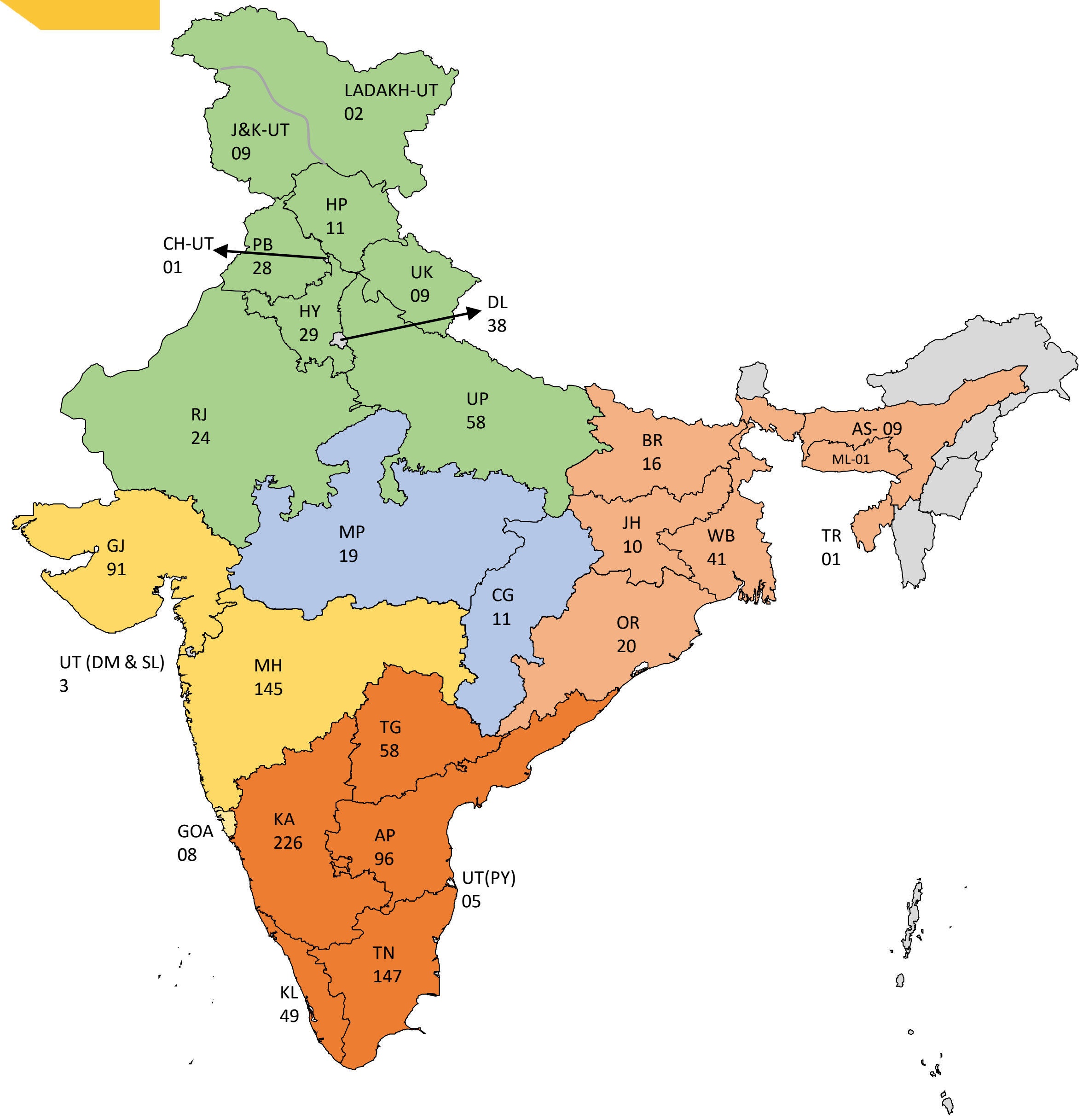
VRL LOGISTICS LIMITED

Total GT Vehicles : 5782
GT vehicles carrying Capacity: 84726 tons -
-excluding Cranes(14) and Tankers(23)



NETWORK

VRL LOGISTICS LIMITED



Note : Map not to scale

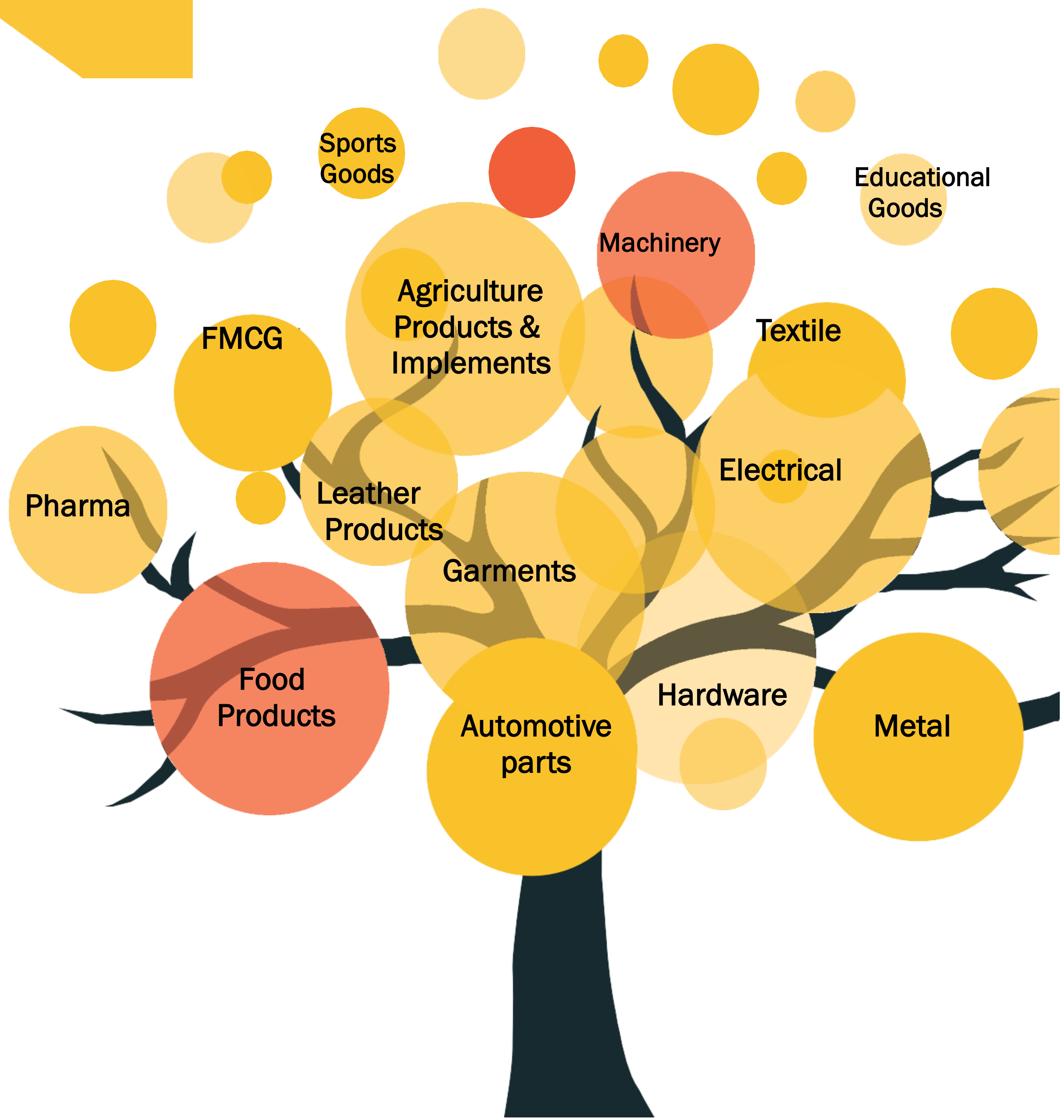
- Market Leader In LTL Segment
- Hub & Spoke Model
- Focus on Geographical Expansion.
- 49 Branches Added in H1FY24
- Service extended into newer territories

Operations:

- **24 States & 5 Union Territories**
- **1165 Branches**
- **49 Strategically Placed Hubs**

WIDE RANGE OF SECTORS SERVED

VRL LOGISTICS LIMITED



Expertise In Handling Variety Of Commodities

Diversified B2B Customer Base Across Wide Range of Industries

No single customer contributing over ~1% of Total Revenue

Contribution from Top 10 customers accounts hardly ~3% of total Goods transportation business

Storage facility available in all our Delivery branches

Lowest Bad Debts and Hassle Free Claim Settlement in the Industry

KEY DEVELOPMENTS

VRL LOGISTICS LIMITED

Addition of 49 new branches in H1FY24. Closed : 10 branches. Branches added in Q1FY24- 21, Q2FY24-28. Total number of branches as on 30.09.2023 is 1165.

Expansion of existing TPT / Branch Area and increasing Branch Density in Key Markets like Hubballi, Pune, Kanpur, Delhi, Patna, Guwahati, Siliguri, Madurai etc.

Number of GT Vehicles increased from 5671 vehicles in FY23 to 5782 vehicles in H1FY24. Vehicles added in Q1FY24 -254, Q2FY24-271. Total New GT vehicles added in H1FY24- 525 vehicles (HCV- 475, LCV- 34, SV -14, Tanker-2), sold/scrapped : 414 vehicles- (EV-3, HCV-324, LCV-79, SV-7, TANKER-1) Overall vehicle numbers increased by 111 vehicles.

Higher consumption at owned fuel pumps – Direct procurement from refineries.

85% of the GT vehicles are debt free

Bar code/ QR mechanism implemented for handling of consignments . Operations back on Track after Initial interruptions.

Net debt increased from Rs. 16794 lakhs as on Mar 31, 2023 to Rs. 28046 lakhs as on 30.09.2023.

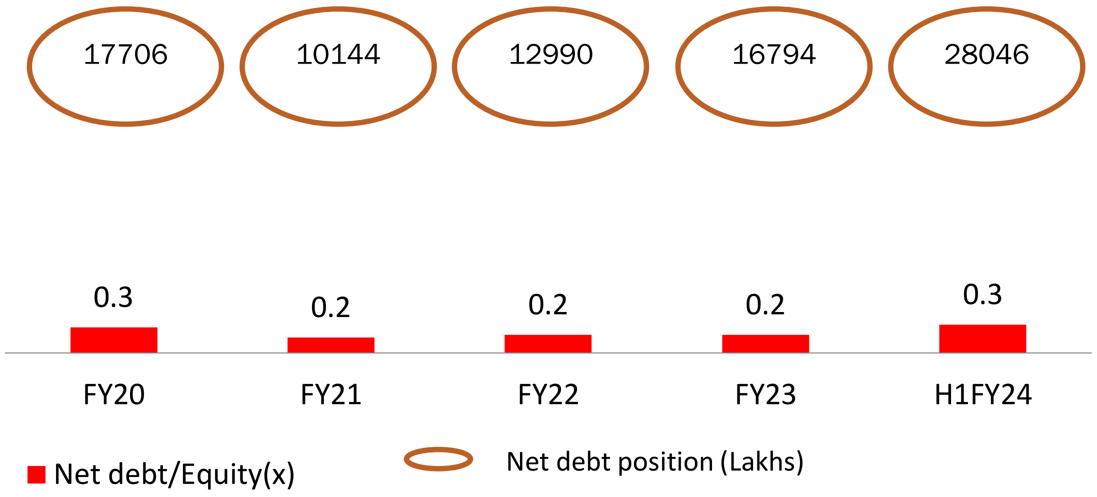
CAPEX of Rs. 11172 lakhs was incurred in Q2FY24. Total Capex incurred in H1FY24 increased by 17% from Rs 16925 lakhs in H1FY23 to Rs 19885 lakhs in H1FY24

Sale/ Transfer of Transport of Passenger's by Air business for a consideration of 17 crores- Effective date of transfer 31.07.2023.

LEVERAGE METRICS

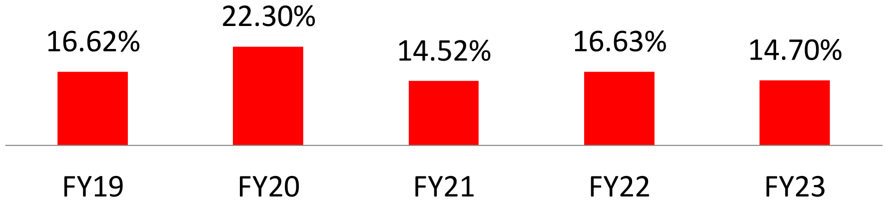
VRL LOGISTICS LIMITED

Net Debt to Equity

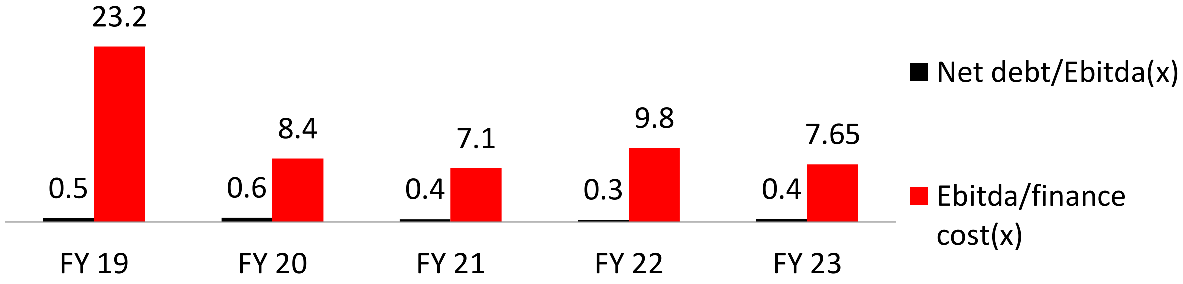


Note : Debt for the above purpose includes non-current borrowings, current borrowings and current maturities of non current borrowings and Interest accrued but not due on borrowings, net of cash and cash equivalents

Gearing Ratio

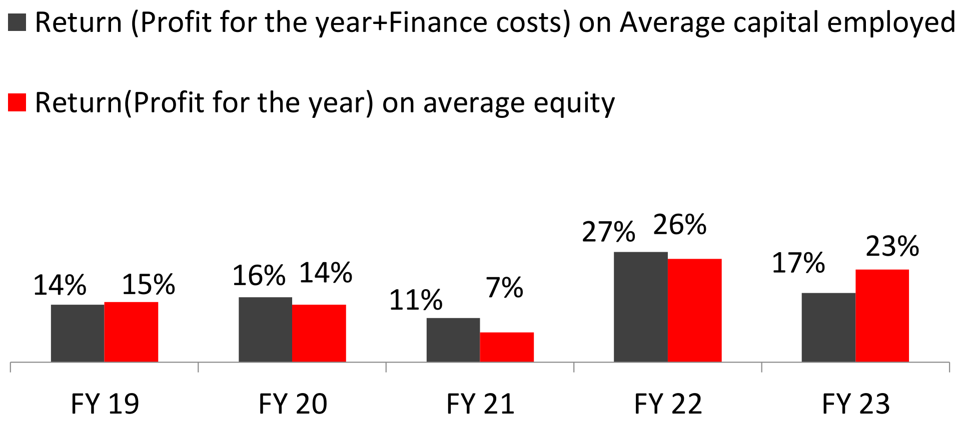


Leverage metrics



Note : EBITDA is considered only for continued ops, for FY23

Return metrics



* For FY23 profits for the year is taken only related to continued ops. The Capital Employed &Equity are takes an per BS.

Focus solely on core competency- Goods Transportation Business.

Focus on increasing Geographic presence of in hitherto untapped markets

Priority to Volume Growth. Increase in Freight Rates as & when required

Well positioned to conclude planned fleet addition

VRL LOGISTICS LIMITED

THANK YOU

For further discussions or queries, Please contact

Sunil Nalavadi
Chief Financial Officer
+91 93425 59298
cfo@vrllogistics.com