

VRL Financial Results

Quarter II FY 2015-16

Earnings Presentation

November 2, 2015

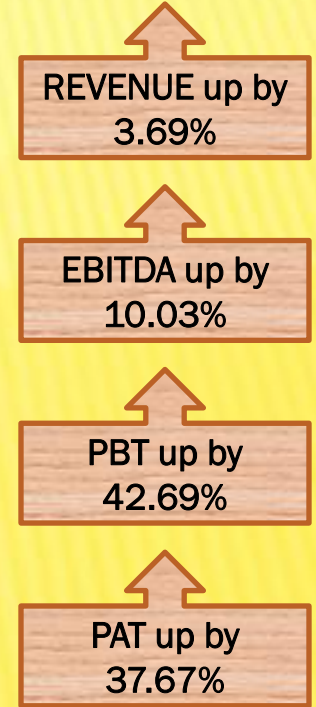
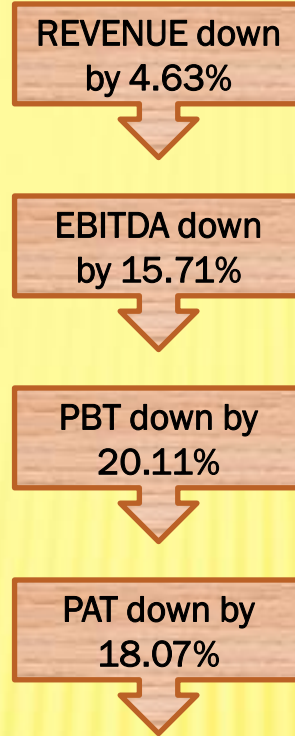
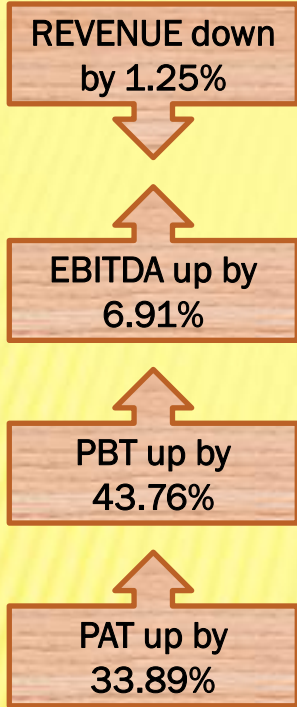


VRL LOGISTICS LTD

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HIGHLIGHTS- Q2 FY16



Consolidated (INR in Lakhs)	Q2 FY16	Q1FY 16	Q2 FY15	H1FY16	H1FY15	FY 15
REVENUE	42715.90	44790.11	43255.67	87506.01	84391.25	167120.07
EBITDA	7179.19	8516.85	6715.45	15696.04	14264.91	28044.59
EBIT	4941.79	6287.18	4427.01	11228.97	9670.82	19278.56
PBT	4197.31	5253.70	2919.58	9451.01	6623.64	13790.21
PAT	2898.86	3538.03	2165.17	6436.89	4675.71	9122.34

SEGMENT PERFORMANCE – Q2FY16



(INR in lakhs)	Goods Transport					
	Quarterwise comparison			Year to date		Last Fiscal Year
Particulars	Q2 2016	Q1 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Revenue	34,275.58	33,969.14	34,295.95	68,244.72	64,448.12	129,075.24
EBITDA	5546.40	5341.43	5503.73	10887.83	10507.36	20851.00
EBITDA Margin(%)	16.18%	15.72%	16.05%	15.95%	16.30%	16.15%
EBIT	4430.25	4222.15	4340.64	8652.40	8203.38	16698.37
EBIT Margin(%)	12.93%	12.43%	12.66%	12.68%	12.73%	12.94%

➤ Goods transport revenue achieved growth of 0.9% q-o-q and was down by (0.06%) y-o-y. YTD (6M) saw an increase of 5.89% y-o-y.

➤ EBITDA achieved growth of 3.84% q-o-q and 0.78% y-o-y. YTD (6M) saw an increase of 3.62% y-o-y.

➤ EBITDA margins increased by 0.46% q-o-q and 0.13% y-o-y. YTD (6M) saw an increase of 0.35% y-o-y.

➤ EBIT achieved a growth of 4.93% q-o-q and 2.06% y-o-y. YTD (6M) saw an increase of 5.47% y-o-y.

➤ EBIT margins increased marginally by 0.5% q-o-q and by 0.27% y-o-y. YTD (6M) saw a marginal decrease of 0.05% y-o-y.

SEGMENT PERFORMANCE – Q2FY16



(INR in lakhs)	Bus Transport					
	Quarterwise comparison			Year to date		Last Fiscal Year
Particulars	Q2 2016	Q1 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Revenue	6,868.73	9,468.73	7,261.84	16,337.46	16,913.56	33,157.39
EBITDA	1024.11	2703.49	368.30	3727.60	2488.46	5949.50
EBITDA Margin(%)	14.91%	28.55%	5.07%	22.82%	14.71%	17.94%
EBIT	477.36	2159.32	(266.89)	2636.68	1197.14	3620.85
EBIT Margin(%)	6.95%	22.80%	(3.68%)	16.14%	7.08%	10.92%

➤ Bus transport revenue decreased by 27.46% q-o-q and 5.41% y-o-y. YTD (6M) saw a decrease of 3.41% y-o-y.

➤ EBITDA decreased by 62.12% q-o-q and increased by 178.06% y-o-y. YTD (6M) saw an increase of 49.8% y-o-y.

➤ EBITDA margins decreased 13.64% q-o-q and increased by 9.84% y-o-y. YTD (6M) saw an increase of 8.1% y-o-y.

➤ EBIT decreased 77.89% q-o-q 278.86% y-o-y. YTD (6M) saw an increase of 120.25% y-o-y.

➤ EBIT margins decreased 15.86% q-o-q and increased 10.63% y-o-y. YTD (6M) saw an increase of 9.06% y-o-y.

SEGMENT PERFORMANCE – Q2FY16



(INR in lakhs)	Sale of Power					
	Quarterwise comparison			Year to date		Last Fiscal Year
Particulars	Q2 2016	Q1 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Revenue	947.54	710.09	1,077.87	1,657.63	1,720.27	2,221.82
EBITDA	843.14	570.72	928.24	1413.85	1420.38	1623.10
EBITDA Margin(%)	88.98%	80.37%	86.12%	85.29%	82.57%	73.05%
EBIT	557.87	285.52	718.29	843.39	1000.57	482.26
EBIT Margin(%)	58.88%	40.21%	66.64%	50.88%	58.16%	21.71%

➤ Sale of Power revenue achieved growth of 33.44% q-o-q and decreased by 12.09% y-o-y. YTD (6M) saw a decrease of 3.64% y-o-y.

➤ EBITDA achieved growth of 47.73% q-o-q and decreased by 9.17% y-o-y. YTD (6M) saw a decrease of 0.46% y-o-y.

➤ EBITDA margins increased 8.61% q-o-q and 2.86% y-o-y. YTD (6M) saw an increase of 2.73% y-o-y.

➤ EBIT achieved a growth of 95.39% q-o-q and decreased by 22.33% y-o-y. YTD (6M) saw a decrease of 15.71% y-o-y.

➤ EBIT margins increased 18.67% q-o-q and decreased 7.76% y-o-y. YTD (6M) saw a decrease of 7.28% y-o-y.

SEGMENT PERFORMANCE – Q2FY16



(INR in lakhs)	Air Charter					
	Quarterwise comparison			Year to date		Last Fiscal Year
Particulars	Q2 2016	Q1 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Revenue	236.92	268.16	204.25	505.08	553.47	1,168.39
EBITDA	(81.93)	6.64	(65.37)	(75.28)	26.29	(43.90)
EBITDA Margin(%)	(34.58%)	2.48%	(32.01%)	(14.90%)	4.75%	(3.76%)
EBIT	(129.43)	(40.86)	(112.88)	(170.29)	(68.72)	(233.91)
EBIT Margin(%)	(54.63%)	(15.24%)	(55.27%)	(33.71%)	(12.42%)	(20.02%)

➤ **Air Charter revenue** decreased by 11.65% q-o-q and increased by 15.99% y-o-y. YTD (6M) saw a decrease of 8.74% y-o-y.

➤ EBITDA decreased by 1333.69% q-o-q and decreased by 25.32% y-o-y. YTD (6M) saw a decrease of 386.36% y-o-y.

➤ EBITDA margins decreased by 37.06% q-o-q and decreased by 2.57% y-o-y. YTD (6M) saw a decrease of 19.65% y-o-y.

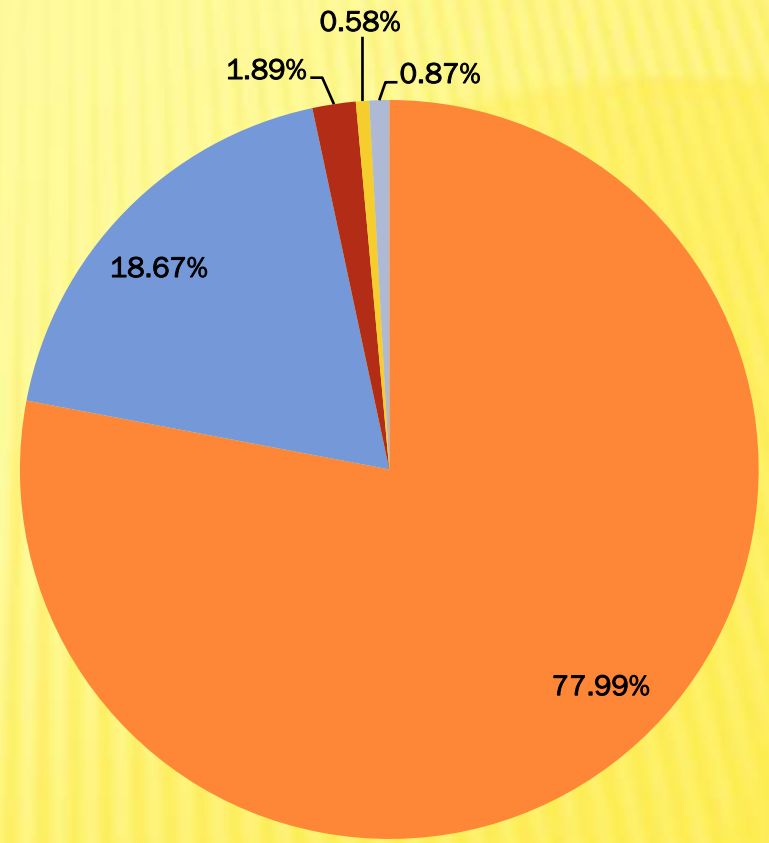
➤ EBIT decreased by 216.77% q-o-q and 14.66% y-o-y. YTD (6M) saw a decrease of 147.79% y-o-y.

➤ EBIT margins decreased 39.39% q-o-q and decreased 0.64% y-o-y. YTD (6M) saw a decrease of 21.30% y-o-y.



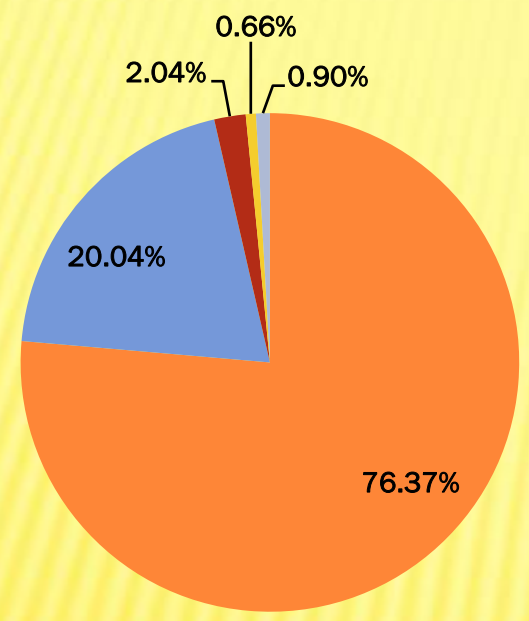
Segmentwise contribution to total revenue

H1 FY 16



- Goods Transport
- Bus Transport
- Sale of Power
- Air charter
- Others

H1 FY 15



- Goods Transport
- Bus Transport
- Sale of Power
- Aircharter
- Others

Goods Transport (77.99%) is the key contributor to total revenue

- Introduction of bio diesel (23.89% of total quantity in H1 2016, 12.15% in Q1 2016, 35.67% in Q2 2016). Results to be studied and increased gradually.
- Addition of 18 locations to the existing network of Goods Transport business. (13 locations in Q1 2016, 5 locations in Q2 2016)
- Our first International foray by opening branch in Kathmandu NEPAL
- Addition of 71 goods transport vehicles. (56 GT vehicles in Q1 15, 15 GT vehicles in Q2)
- Emphasis on plying of own vehicles and thereby reducing dependence on outside vehicles as is evident by the decrease in Kms of outside vehicles from 14.75% to 11.29% as a percent of Total GT Kms .
- Consolidation of bus transport fleet. Concentration on premium routes
- Periodical review of freight rates shows increase in Realization per ton
- Healthy Debt to Equity ratio – Improvement from 1.20x as on 31/03/2015 to 0.51x as on 30/09/2015
- Focus on growth in the North and the Eastern parts of the country.
- India Bus Award for achieving excellence in Private Bus transport service in both Pan-India and South zone



As of	Small Vehicle (1)	Light Commercial Vehicle(2)	Heavy Commercial Vehicles(3)	Car Carrier (4)	Tanker (5)	Cranes (6)	Total Vehicles Owned	BUSES	TOTAL FLEET
31-Mar-11	171	892	1575	0	7	10	2655	296	2951
31-Mar-12	139	883	1916	102	27	12	3079	423	3502
31-Mar-13	122	883	1941	102	27	13	3088	460	3548
31-Mar-14	122	882	2210	102	23	13	3352	477	3829
31-Mar-15	120	975	2423	102	16	13	3649	375	4024
30-Sep-15	119	1002	2460	102	17	13	3713	368	4081

NOTE:

- (1) Small vehicles are defined as vehicles with carrying capacity up to 2500 kilograms.
- (2) Light commercial vehicles are defined as vehicles with carrying capacity between 2500 kilograms and 7500 kilograms.
- (3) Heavy commercial vehicles are defined as vehicles with carrying capacity of more than 7500 kilograms.
- (4) Used for transportation of automobiles.
- (5) Used for transportation of liquid.
- (6) Cranes are predominantly used for internal operations.

Goods transportation fleet includes :

- 3713 owned vehicles as of Q2 2016.
- 1254 (34%) vehicles less than 5 years old.
- 2507 (68%) of vehicles are debt free
- 1427 (38%) of vehicles book value is Re 1
- Average age of goods fleet is 8.5 years
- Wide range of vehicles with carrying capacity from 1 ton to 32 tons

Passenger transportation fleet includes

- 368 owned vehicles
- 321 (87%) vehicles are less than 5 years old
- 166(45%) of vehicles are debt free
- Average age of Passenger vehicles is 4.4 years

Significance of own vehicles

- Enables us to significantly reduce hiring and operational costs
- Enables us to cover a large number of routes and reduce dependence on third party hired vehicles
- Enables better control over time bound delivery enhancing service quality and ensuring reliable quality services
- Passenger transportation vehicles enables us to provide safe on time comfortable travel

Total of 4081 owned vehicles provides greater leverage in terms of pricing and service

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2015



Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Audited) (Refer note 7)	30.09.2015 (Unaudited)	30.09.2014 (Audited)	31.03.2015 (Audited)
1	Income from operations						
	- Net income from operations	42328.77	44416.12	42839.91	86744.89	83635.42	165622.84
	- Other operating income	387.13	373.99	415.76	761.12	755.83	1497.23
	Total income from operations (net)	42715.90	44790.11	43255.67	87506.01	84391.25	167120.07
2	Expenses						
	- Operating expenses	28868.14	30614.99	31298.66	59483.13	60080.41	117937.66
	- Employee benefits expense	6213.01	5363.97	4897.02	11576.98	9383.22	19799.04
	- Depreciation and amortization expense	2237.39	2229.68	2288.44	4467.07	4594.09	8766.03
	- Other expenses	690.30	489.19	529.55	1179.49	1008.70	2095.98
	- Prior period items	-	-	-	-	-	8.83
	Total expenses	38008.84	38697.83	39013.67	76706.67	75066.42	148607.54
3	Profit from operations before other income finance costs and exceptional item (1-2)	4707.06	6092.28	4242.00	10799.34	9324.83	18512.53
4	- Other income	234.73	194.90	185.01	429.63	345.99	766.03
	EBITDA	7179.19	8516.85	6715.45	15696.04	14264.91	28044.59
	EBITDA Margin (%)	16.71%	18.93%	15.46%	17.85%	16.83%	16.70%

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 September 2015 -contd



Sr. No.	Particulars (Rs. In Lakhs)	Quarter ended			Half year ended		Year ended
		30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Audited) (Refer note 7)	30.09.2015 (Unaudited)	30.09.2014 (Audited)	31.03.2015 (Audited)
5	Profit from ordinary activities before finance costs and exceptional item (3+4)	4941.79	6287.18	4427.01	11228.97	9670.82	19278.56
6	- Finance costs	744.48	1033.48	1507.43	1777.96	3047.18	5859.98
7	Profit from ordinary activities after finance costs but before exceptional item (5-6)	4197.31	5253.70	2919.58	9451.01	6623.64	13418.58
8	- Exceptional item (Refer note 4)	-	-	-	-	-	371.63
9	Profit from ordinary activities before tax (7+8)	4197.31	5253.70	2919.58	9451.01	6623.64	13790.21
10	Tax expense	1298.45	1715.67	754.41	3014.12	1947.93	4667.87
11	Net profit for the period (9-10)	2898.86	3538.03	2165.17	6436.89	4675.71	9122.34
12	Paid-up equity share capital (face value of Rs10/- each)	9124.35	9124.35	8553.62	9124.35	8553.62	8553.62
13	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						27065.27
14	Earnings per share (not annualized) (Rs)						
	Basic	3.17	3.94	2.53	7.11	5.47	10.66
	Diluted	3.17	3.94	2.53	7.11	5.47	10.66

SEGMENT-WISE REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30 SEPTEMBER 2015



Particulars	Quarter ended			Half year ended		Year ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	(Unaudited)	(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)	(Audited)
1. Segment revenue						
a) Goods transport	34275.58	33969.14	34295.95	68244.72	64448.12	129075.24
b) Bus operations	6868.73	9468.73	7261.84	16337.46	16913.56	33157.39
c) Sale of power	947.54	710.09	1077.87	1657.63	1720.27	2221.82
d) Air chartering service	236.92	268.16	204.25	505.08	553.47	1168.39
e) Un-allocable revenue	387.13	373.99	415.76	761.12	755.83	1497.23
Total	42715.90	44790.11	43255.67	87506.01	84391.25	167120.07
Less: Inter segment revenue	-	-	-	-	-	-
Net Sales/Income from operations	42715.90	44790.11	43255.67	87506.01	84391.25	167120.07
2. Segment results						
(Profit before tax and finance costs)						
a) Goods transport	4430.25	4222.15	4340.64	8652.40	8203.38	16698.37
b) Bus operations	477.36	2159.32	(266.89)	2636.68	1197.14	3620.85
c) Sale of power	557.87	285.52	718.29	843.39	1000.57	482.26
d) Air chartering service	(129.43)	(40.86)	(112.88)	(170.29)	(68.72)	(233.91)
Total	5336.05	6626.13	4679.16	11962.18	10332.37	20567.57
Less: Unallocable (expenditure)/revenue:						
a) Finance costs	(744.48)	(1033.48)	(1507.43)	(1777.96)	(3047.18)	(5859.98)
b) Other expenditure (net of other income)	(394.26)	(338.95)	(252.15)	(733.21)	(661.55)	(1289.01)
c) Exceptional item (Refer note 4)	-	-	-	-	-	371.63
Profit before tax	4197.31	5253.70	2919.58	9451.01	6623.64	13790.21

SEGMENT-WISE REVENUE RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30 SEPTEMBER 2015



3. Capital employed							
(Segment assets - Segment liabilities)							
a) Goods transport	42769.87	44556.89	40570.38	42769.87	40570.38	44876.24	
b) Bus operations	11278.91	12106.83	13314.05	11278.91	13314.05	12342.31	
c) Sale of power	12590.96	12768.50	13656.80	12590.96	13656.80	12529.53	
d) Air chartering service	3781.62	3492.40	3645.47	3781.62	3645.47	3548.96	
e) Un-allocable	(17377.55)	(22783.44)	(38680.59)	(17377.55)	(38680.59)	(37678.15)	
Total	53043.81	50141.18	32506.11	53043.81	32506.11	35618.89	

The Company operates only in India and hence reporting based on geographical segments is not applicable.

PARTICULARS OF SHAREHOLDING (Refer note 5)



PART II						
1	Public shareholding					
	- Number of shares	27763495	27763495	-	27763495	-
	- Percentage of shareholding	30.43%	30.43%	-	30.43%	-
2	Promoters and Promoter Group Shareholding					
	a) Pledged/Encumbered					
	-Number of shares	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	b) Non-encumbered					
	-Number of shares	63480000	63480000	85536162	63480000	85536162
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	-Percentage of shares (as a % of the total share capital of the Company)	69.57%	69.57%	100.00%	69.57%	100.00%
	Particulars	Quarter ended 30.09.2015				
B	INVESTOR COMPLAINTS					
	Pending at the beginning of the quarter				-	
	Received during the quarter				595	
	Disposed off during the quarter				595	
	Remaining unresolved at the end of the quarter				-	

THANKING YOU



For further discussions/queries Please contact :

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