

ALLCARGO LOGISTICS LIMITED

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CONSOLIDATED EARNINGS RELEASE

INCREASE IN VOLUME IN MTO & CFS BUSINESSES, DESPITE MUTED INDUSTRY GROWTH

TOTAL REVENUE FROM OPERATIONS AT RS 1,411 CRORE, YOY INCREASE OF 6%

EBITDA AT RS 99 CRORE

RETURN ON CAPITAL EMPLOYED AT 14%

February 13, 2017, Mumbai: Allcargo Logistics Ltd. today announced its unaudited financial results for the quarter ended December 31, 2016.

The performance highlights are:

Consolidated Results – Q3 FY17

- **Total revenue from operations at Rs. 1,411 crore** for the quarter ended December 31, 2016, as compared to Rs. 1,329 crore for the corresponding previous period, **an increase of 6%**
 - **84% of revenues** are from the **global MTO business**
- **EBITDA** for the quarter ended December 31, 2016 was **Rs. 99 crore** as against Rs. 114 crore during the corresponding previous period, **a decrease of 13%**, mainly on account of a conscious decision to move away from lower ROCE business, sale of aged assets, slowdown in project logistics business and transfer of HCL and CL business from Allcargo to ACCI, rentals booked for the CFS in Kolkata and expenses booked in Q3FY17 arising from managing CFS in Mundra
- **PAT** was **Rs. 49 crore** for the quarter ended December 31, 2016, as against Rs 54 crore for the corresponding previous period, a decline of 10%; impact of deferred tax on account of new Ind AS guidelines
- **EPS** for the quarter ended December 31, 2016 was **Rs 2.0**, for a face value of Rs. 2 per share

Consolidated Results – 9M FY17

- **Total revenue from operations at Rs. 4,221 crore** for the nine months ended December 31, 2016, as compared to Rs. 4,251 crore for the corresponding previous period, **a slight decrease of 1%**, mainly on account of muted global growth and falling freight rates

- **84% of revenues** are from the **global MTO business**
- **EBITDA** for the nine months ended December 31, 2016 was **Rs. 359 crore** as against Rs. 387 crore during the corresponding previous period, **a decrease of 7%**, mainly on account of a conscious decision to move away from lower ROCE business, sale of aged assets, slowdown in project logistics business and transfer of HCL and CL business from Allcargo to ACCI, rentals booked for the CFS in Kolkata and expenses arising from managing CFS in Mundra in Q3FY17
- **PAT** declined to **Rs. 175 crore** for the nine months ended December 31, 2016, as against Rs 181 crore for the corresponding previous period
- **EPS** for the nine months ended December 31, 2016 was **Rs 6.9**, for a face value of Rs. 2 per share

Resources and Liquidity:

As on December 31, 2016, the **Networth was Rs. 1,892 crore** and the **Net Debt was Rs. 259 crore**.

The capital structure of the Company remains conservative with **net debt to equity ratio** of **0.14** as on December 31, 2016.

The Return on Capital (**ROCE**) stands at **14%**.

Business Performance - Q3 FY 17

Allcargo operates primarily in three segments, viz., Multimodal Transport Operations, Container Freight Stations Operations and Project & Engineering Solutions. These are consolidated business segments.

Multimodal Transport Operations (MTO):

- MTO segment involves NVOCC (Non Vessel Owning Common Carrier) operations related to LCL (Less than container load) consolidation and FCL (Full container load) forwarding activities in India and across the world through its wholly owned subsidiary ECU Worldwide
- Allcargo is the leading player in global LCL consolidation market with a strong network across 164 countries and 300 plus offices covering over 4,000 port pairs across the world
- The business clocked **total volumes of 1,32,806 TEUs** for the quarter ended December 31, 2016 as against 1,16,168 TEUs for the corresponding previous period, **an increase of 14%**, despite muted global trade growth. India, China, UK, Australia and South East Asia contributed to the increase in volumes
- The **total revenue** for the quarter ended December 31, 2016 was **Rs 1,206 crore** as against Rs 1,088 crore for the corresponding previous period, **an increase of 11%**
- **EBIT** was maintained at **Rs. 42 crore** for the quarter ended December 31, 2016, as against Rs. 43 crore for the corresponding previous period
- The Return on Capital (**ROCE**) employed for this business stands at **28%**

Container Freight Stations (CFS):

- This segment operations are involved in import / export cargo stuffing, de-stuffing, customs clearance and other related ancillary services to both, importers and exporters
- The CFS facilities are located near JNPT, Chennai and Mundra ports

- The business clocked **total volumes at 75,787 TEUs** for the quarter ended December 31, 2016 as against 66,233 TEUs for the corresponding previous period, **an increase of 14%**
- The **total revenue** for the quarter ended December 31, 2016 was **Rs 111 crore** as against Rs 110 crore for the corresponding previous period, **an increase of 1%**
- **EBIT** was **Rs. 32 crore** for the quarter ended December 31, 2016, as against Rs. 38 crore the corresponding previous period, **a decrease of 17%**, mainly on account of rentals of the upcoming CFS at Kolkata and expenses arising from costs of managing CFS in Mundra in Q3FY17
- The Return on Capital (**ROCE**) employed for this business stands at **32%**

Project & Engineering Solutions (P&E):

- Project & Engineering Solutions segment provides integrated end-to-end project, engineering and logistic services through a diverse fleet of owned / rented special equipment like hydraulic axles, cranes, barges, reach-stackers and ships to carry ODC / OWC cargos as well as project engineering solutions across various sectors
- The **total revenue** for the quarter ended December 31, 2016, was **Rs. 111 crore** as against Rs. 140 crore for the corresponding previous period, **a decline of 21%**, mainly on account of a conscious decision to move away from lower ROCE business, sale of aged assets, slowdown in project logistics business and transfer of similar business from P&E to ACCI and one ship under repair
- **EBIT** was at **Rs. 4.5 crore** for the quarter ended December 31, 2016, as against Rs. 6.8 crore for the corresponding previous period, mainly on account of the above mentioned reasons

Recent Developments / Awards / Achievements – Q3 FY17

- Dr Shashi Kiran Shetty has been honoured with the Visionary Leadership & Exemplary Contribution to Business award at the Leadership Excellence Awards, 2017
- Allcargo Logistics Limited awarded Sustainable Business of the year at the India Sustainability Leadership awards
- Avashya Foundation honoured with the Community outreach innovation award at the India Sustainability Leadership awards
- 'LCL CONSOLIDATOR OF THE YEAR (EXPORT)' award at Northern India Multimodal Logistics Awards, 2017
- Allcargo Logistics voted as the 'No.1 Import LCL Consolidator at ICD Khodiyar' 'at the annual CONCOR Awards function, 2016
- Allcargo' Logistics' CFS in Mundra honoured with the 'Best Container Freight Station Owner of the Year' at the Gujarat Star Awards, 2016
- Avvashya CCI Logistics awarded 'BEST LOGISTICS SERVICE PROVIDER' at the SCM Pro Logistics Service Providers Awards
- Avvashya CCI Logistics awarded the 'BEST SUPPLY CHAIN PERFORMANCE IMPROVEMENT' at the SCM Pro Logistics Service Providers Awards
- Completed Buyback of Shares – To Reward Shareholders
 - Company completed the buyback in the month of January 2017. The Buyback was priced @ Rs. 195 per share
 - The total size of the buyback, by "Tender Route", was 64,00,000 shares (that translates to ~2.5% of total number of outstanding shares). Total amount spent was Rs. 124.8 crore

Stock Market Highlights – General Information and Shareholding Pattern as on January 13, 2017 (Post Buyback):

Particulars	
Exchange Code	BSE: ALLCARGO / NSE: ALLCARGO
No. of Shares Outstanding	24,56,95,524
Closing Market Price (Rs.) ¹	169.2
Market Capitalization (Rs. Crore) ¹	4,156

¹BSE stock exchange as on February 13, 2017

Particulars	No of shares	% Holding
Promoters	17,21,44,712	70.1%
Foreign Investors – FIIs, FCS, NRIs and others	6,31,36,933	25.7%
Domestic institutions/ Banks/ Mutual Funds	1,82,540	0.1%
Indian Public	1,02,31,339	4.2%
Total - 24,592 shareholders	24,56,95,524	100.0%

About Allcargo Logistics Limited

Allcargo Logistics Ltd., part of The Avvashya Group, is a global leader in integrated logistics solutions. The company offers specialized logistics services across Multimodal Transport Operations, Container Freight Station Operations and Project & Engineering Solutions. Benchmarked quality standards, standardized processes and operation excellence across all the services and facilities, have enabled Allcargo Logistics Ltd. to emerge as the market leader in all these segments.

The Company currently operates out of 300 plus offices in 164 countries and gets supported by an even larger network of franchisee offices across the world. Allcargo is today one of India's largest publicly owned logistics companies, listed on the Bombay Stock Exchange (BSE: ALLCARGO) and The National Stock Exchange of India (NSE: ALLCARGO).

Caution Concerning Forward-Looking Statements: *This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Allcargo Logistics Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*

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