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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 PHADNAVIS
COMPANY SECRETARY AND COMPLIANCE OFFICER
Date: 10.11.2022
Place: Hubballi

Q2 FY2022-23 Earnings presentation



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VRL – MARKET LEADER IN B2B PARCEL SEGMENT



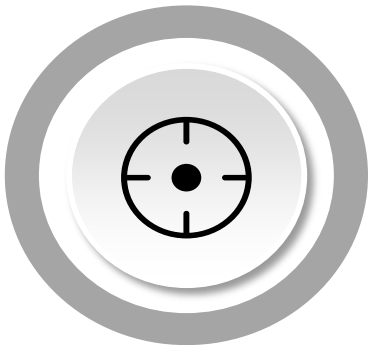
Only “Owned Asset” organised player in Less than Truck load logistics business in India



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 with varied Commodity mix



5193 OWNED
GOODS
TRANSPORT
VEHICLES

HIRED VEHICLES
ENGAGED ON
NEED BASIS

1045 GOODS
TRANSPORT
BRANCHES

47 MASSIVE
TRANSHIPMENT
HUBS

7 LAKH +
CUSTOMER BASE

20000+
WORKFORCE led by
experienced
management

H1FY23 CONSOLIDATED FINANCIAL PERFORMANCE

KEY HIGHLIGHTS

H1FY23 records the highest ever **HALF YEARLY** turnover driven by revival in economy and growing economic indicators.


Revenue @ Rs.145303 lakhs

EBITDA @ Rs.21880 lakhs


Margins @
15.06%

PAT @ Rs.8082 lakhs


Margins @
5.56%



Revenue up by
38% H1YoY



EBITDA up by
42% H1YoY



PAT up by
86% H1YoY

Cash flow generated from Operating activities is **Rs.20253** lakhs.

Cash flow from operations to EBITDA is a healthy @ **93%**

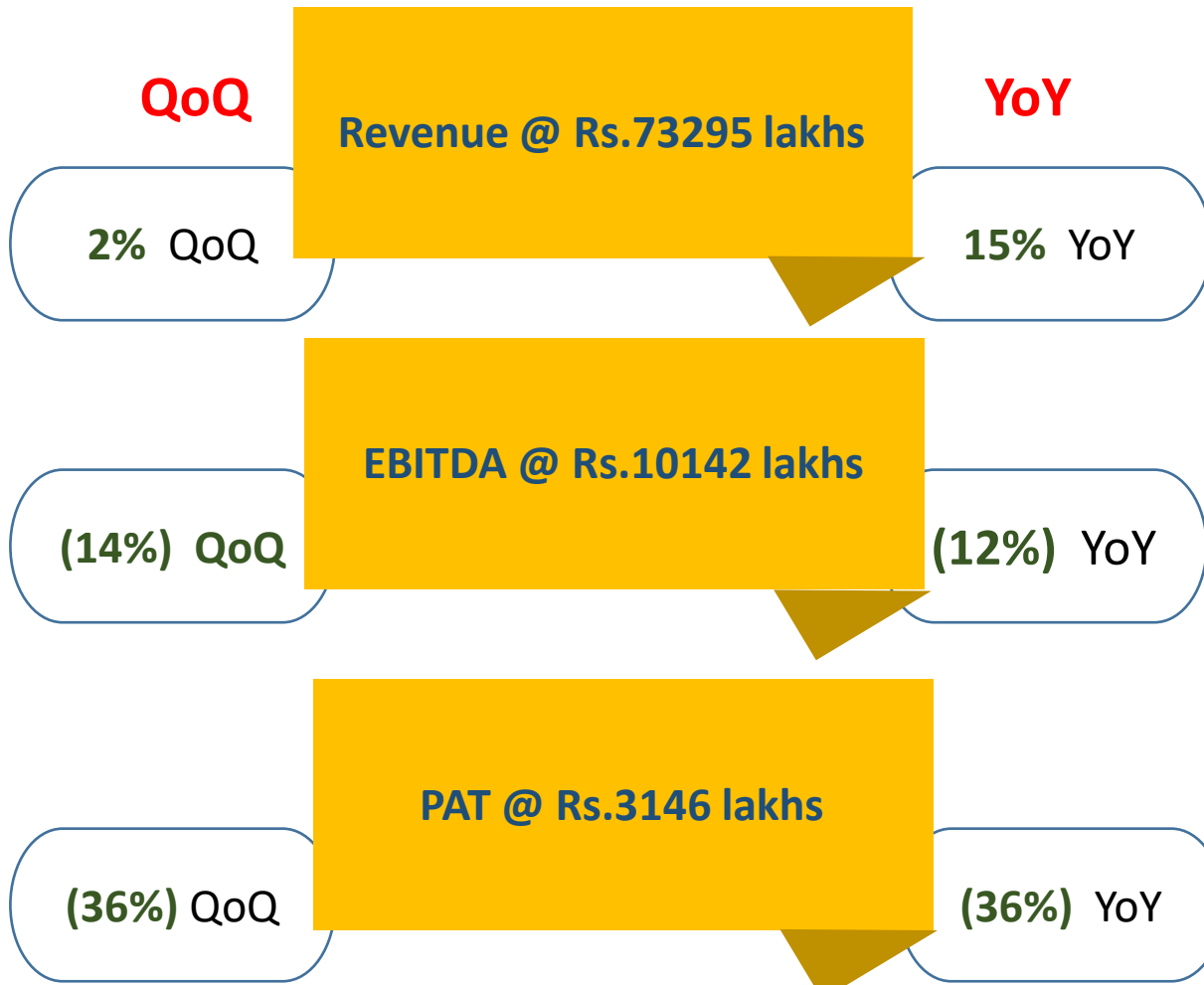
CONSOLIDATED FINANCIALS

Consolidated (INR in Lakhs)	Q2		YoY	Q1	QoQ			YoY
	FY23	FY22	Growth (%)	FY22	Growth (%)	H1FY23	H1FY22	Growth (%)
Income from operations	73075	63637	15%	71711	2%	144786	105014	38%
Other Income	220	177		296		517	528	
Total Income	73295	63814	15%	72008	2%	145303	105542	38%
EBITDA	10142	11506	(12%)	11738	(14%)	21880	15463	42%
<i>MARGINS (%)</i>	14%	18%				15%	15%	
EBIT	5852	7549	(22%)	7837	(25%)	13689	7738	77%
<i>MARGINS (%)</i>	8%	12%				9%	7%	
PBT	4396	6568	(33%)	6606	(33%)	11002	5807	89%
<i>MARGINS (%)</i>	6%	10%				8%	6%	
PAT (exclusive of other comprehensive income)	3146	4948	(36%)	4937	(36%)	8082	4344	86%
<i>MARGINS (%)</i>	4%	8%		7%		6%	4%	

Q2 FY23 CONSOLIDATED FINANCIAL PERFORMANCE

VRL has continuously surpassed its Quarterly Revenue by recording its highest ever turnover on quarterly basis.

Q2FY23



KEY HIGHLIGHTS

Q2FY23 records the highest ever Quarterly turnover driven by increased demand across all sectors in the GT segment

Revenue increases **15%** YoY & **2%** QoQ

Goods Transport revenue increases **14%** YoY & **7%** QoQ

Bus Operations revenue increases **46%** YoY & decreases **25%** QoQ &. Bus Operations EBITDA decreases **81%** QoQ

Dip in Q-o-Q Performance of Bus segment in Q2FY23 impacted the consolidated EBITDA and EBITDA margins

Sale of Wind Power segment – considered as “Assets held for sale” with effect from 01.08.2022, thereby eliminating contribution from this segment to the consolidated numbers from August 2022

Profit on sale of Wind Power segment is not yet recognized in Q2 FY23 & is being depicted as “Asset held for sale” - Would be recognized upon obtaining necessary regulatory approvals.

GOODS TRANSPORT (GT)

Rupees in Lakhs	Q2		YoY	Q1	QoQ			YoY
	FY23	FY22	Growth (%)	FY22	Growth (%)	H1FY23	H1FY22	Growth (%)
Revenue	65001	56882	14%	60887	7%	125888	95364	32%
EBITDA	10113	10979	(8%)	9976	1.4%	20089	15286	31%
Margin (%)	16%	19%		16%		16%	16%	
EBIT	6619	7929	(17%)	6954	(5%)	13573	9377	45%
Margin (%)	10%	14%		11%		11%	10%	

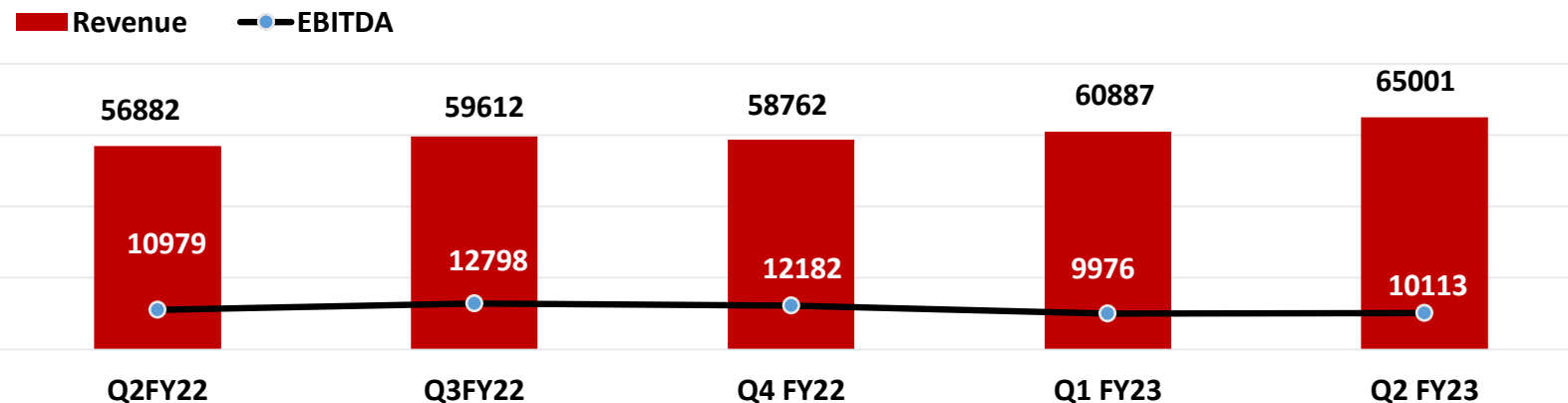
Q2FY23 records the highest ever revenue @ Rs.65001 lakhs driven by demand across all sectors and addition of new SME and Corporate clients

Q2FY23 Revenue up by **14%** YOY & **7%** QoQ

Q2FY23 Revenue up by **32%** H1YoY

Q2FY23 EBITDA @ 10113 lakhs & Margins @ **16%**

Addition of new branches supporting revenue increase to all time high



GT PERFORMANCE

Revenue Analysis

- GT revenue increased by **32%** H1YoY, **14%** YoY and **7%** QoQ due to revival in economy and growing demand from SME and Corporates.
- Volumes up by **27%** H1YoY, **14%** YoY and **7%** QoQ. Focus on Volume Growth- Wait and Watch approach on Freight Rates
- Sudden surge in Festive Bookings (@fag end of Q2FY23) as compared to earlier quarters. Related Revenue is not recognised in the current quarter on account of non completion of services.
- **97** new Branches added in H1FY23 and **29** new Branches added in Q2FY23- enhanced VRL Logistics presence in hitherto untapped markets.
- Branches added in H1FY23 & FY 2021-22 contributed **~8%** of total tonnage in Q2FY23
- Continued shift of Clientele base to VRL Logistics from unorganized sectors as a result of increase in compliance requirements under GST

GT – PROFITABILITY ANALYSIS

YOY	Q2 FY23	Q2 FY22	Difference (%)	Reason
	(Percent to Revenue)			
EBITDA	15.56%	19.30%	(3.74%)	
Fuel cost	30.43%	30.68%	(0.25%)	<ul style="list-style-type: none"> • Increase in costs due to Retail procurement increases from 47.09% in Q2FY22 to 98.3% in Q2FY23 as there was an increase in rates for bulk purchase of Diesel from refineries. • Compensated by Decline in Fuel procurement costs per litre due to reduction in Excise Duty
Lorry Hire	10.16%	7.25%	2.91%	<ul style="list-style-type: none"> • Engagement of more outside vehicles due to sudden surge in festive bookings specifically from Surat and Ahmedabad markets • Increase in Lorry hire charges per Km
Vehicle Running, Repairs & Maintenance	6.60%	7.77%	(1.17%)	<ul style="list-style-type: none"> • Increase in Kms covered by New vehicles in overall Kms with lesser maintenance costs.
Bridge & Toll expenses	7.33%	6.14%	1.19%	<ul style="list-style-type: none"> • Increase in number of toll points , Toll Rates and Increase in Kms by Company owned vehicles
Hamali (Loading & Unloading Charges)	6.39%	5.90%	0.49%	<ul style="list-style-type: none"> • Increase in Loading and Unloading rates per ton
Employee Cost	14.90%	13.76%	1.14%	<ul style="list-style-type: none"> • Annual Increments effected from January 22
Other Expenses	8.62%	9.20%	(0.57%)	<ul style="list-style-type: none"> • Rest of all other expenses were fairly under control and reduced by 0.57%
EBIT	10.18%	13.94%	(3.76%)	<ul style="list-style-type: none"> • Due to Decline in EBITDA margins
Depreciation	5.37%	5.36%	0.01%	<ul style="list-style-type: none"> • Increases on account of increase in Capex • Compensated by reduction in depreciation due to useful life of goods transport vehicles is revised from 8.84 years to 15 years.

GT – PROFITABILITY ANALYSIS

QoQ	Q2 FY23	Q1 FY23	Difference (%)	Reason
	(Percent to Revenue)			
EBITDA	15.56%	16.39%	(0.83%)	<ul style="list-style-type: none"> Sudden increase in Transit tonnage booked during festive surge (fag end of Q2FY23) as compared to earlier quarters. Revenue of this tonnage is not recognised in the current quarter on account of non completion of services.
Lorry Hire	10.16%	9.37%	0.79%	<ul style="list-style-type: none"> Due to engagement of more outside vehicles on account of festive demand specifically from Surat and Ahmedabad markets Increase in Lorry hire charges per Km
Vehicle Running, Repairs & Maintenance	6.60%	6.11%	0.49%	<ul style="list-style-type: none"> Due to increase in Spare parts rates
Vehicles Operation-Diesel Cost	30.43%	31.11%	(0.68%)	<ul style="list-style-type: none"> Decline in Fuel procurement costs per litre due to reduction in Excise Duty
Employee costs	14.90%	15.16%	(0.26%)	<ul style="list-style-type: none"> Being a fixed cost, percentage to revenue declined on account of increase in tonnage and revenue.
Other Expenses	22.36%	21.87%	0.49%	<ul style="list-style-type: none"> Rest of all other expenses were fairly under control and reduced by 0.49%
EBIT	10.18%	11.42%	(1.24%)	<ul style="list-style-type: none"> Due to decline in EBITDA margins and increase in Depreciation
Depreciation	5.37%	4.96%	0.41%	<ul style="list-style-type: none"> Due to Increase in Capex

BUS OPERATIONS

Rupees in Lakhs	Q2		YoY	Q1	QoQ			YoY
	FY23	FY22	Growth (%)	FY23	Growth (%)	H1FY23	H1FY22	Growth (%)
Revenue	7322	5027	46%	9787	(25%)	17109	6783	152%
EBITDA	381	27	1306%	1995	(81%)	2376	(362)	757%
Margin (%)	5%	0.5%		20%		14%	(5%)	
EBIT	20	(290)	107%	1701	(99%)	1721	(1007)	271%
Margin (%)	0.3%	(6%)		17%		10%	(15%)	

Q2FY23 Revenue @ 7322 lakhs, up by 46% YoY and (25%)% QoQ

Q2H1FY23 Revenue @ 17109 lakhs, up by 152% H1 YoY

Q2FY23 EBITDA @ 381 lakhs and Margins @ 5%

Number of buses decreases from 280 to 279 - YoY

Number of buses decreases from 297 to 279- QoQ

The Company has, during the current quarter, received approval from the Board for sale / transfer of its Bus Operations to a promoter group company 'Vijayanand Travels Private Limited' by way of slump sale as a going concern, for a sale consideration of ₹ 23,000 lakhs. The said slump sale has been approved by the shareholders on 31 October 2022.

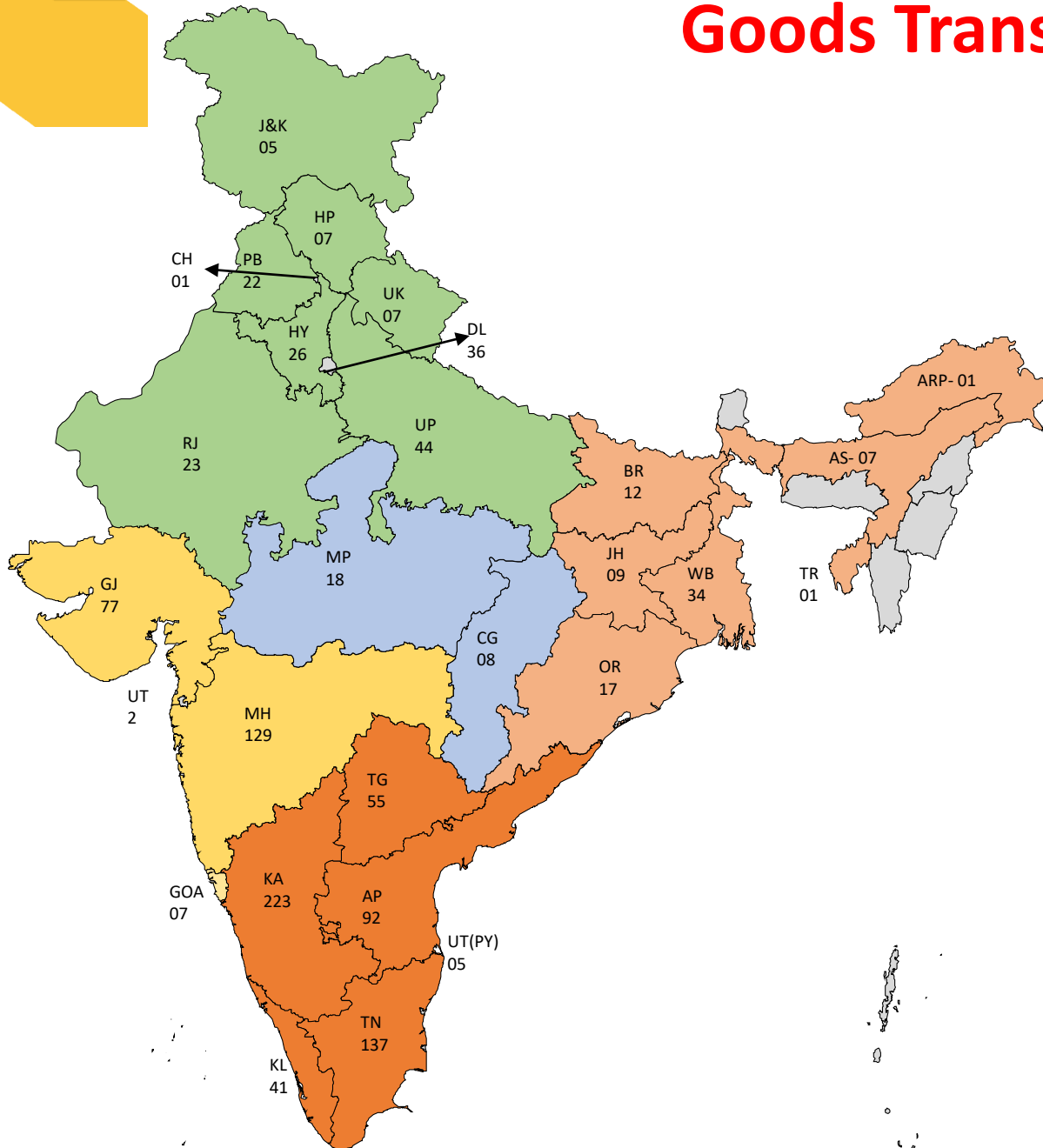
SALE OF POWER

Rupees in Lakhs	Q2		YoY	Q1	QoQ			YoY
	FY23	FY22	Growth (%)	FY23	Growth (%)	H1FY23	H1FY22	Growth (%)
Revenue	306	858	(64%)	491	(38%)	797	1412	(44%)
EBITDA	239	690	(65%)	319	(25%)	559	1079	(48%)
Margin (%)	78%	80%		65%		70%	76%	
EBIT	148	419	(65%)	50	193%	198	538	(63%)
Margin (%)	48%	49%		10%		25%	38%	

The Company has, during the current quarter, executed a Business Transfer Agreement for the sale of its Wind Power Business Undertaking as a going concern on a slump sale basis for an aggregate sale consideration of ₹ 5,285 lakhs. The Company has received an advance of ₹ 4,800 lakhs against the sale consideration from the buyer. Pending approval from the relevant regulatory authorities for the sale transaction, the assets relating to this undertaking amounting to ₹ 3,760 lakhs have been classified as Assets Held for Sale in the Financial Results.

Sale of Windpower segment – considered as “Assets held for sale” with effect from 01.08.2022, thereby eliminating contribution from this segment from August 2022

Goods Transportation Network

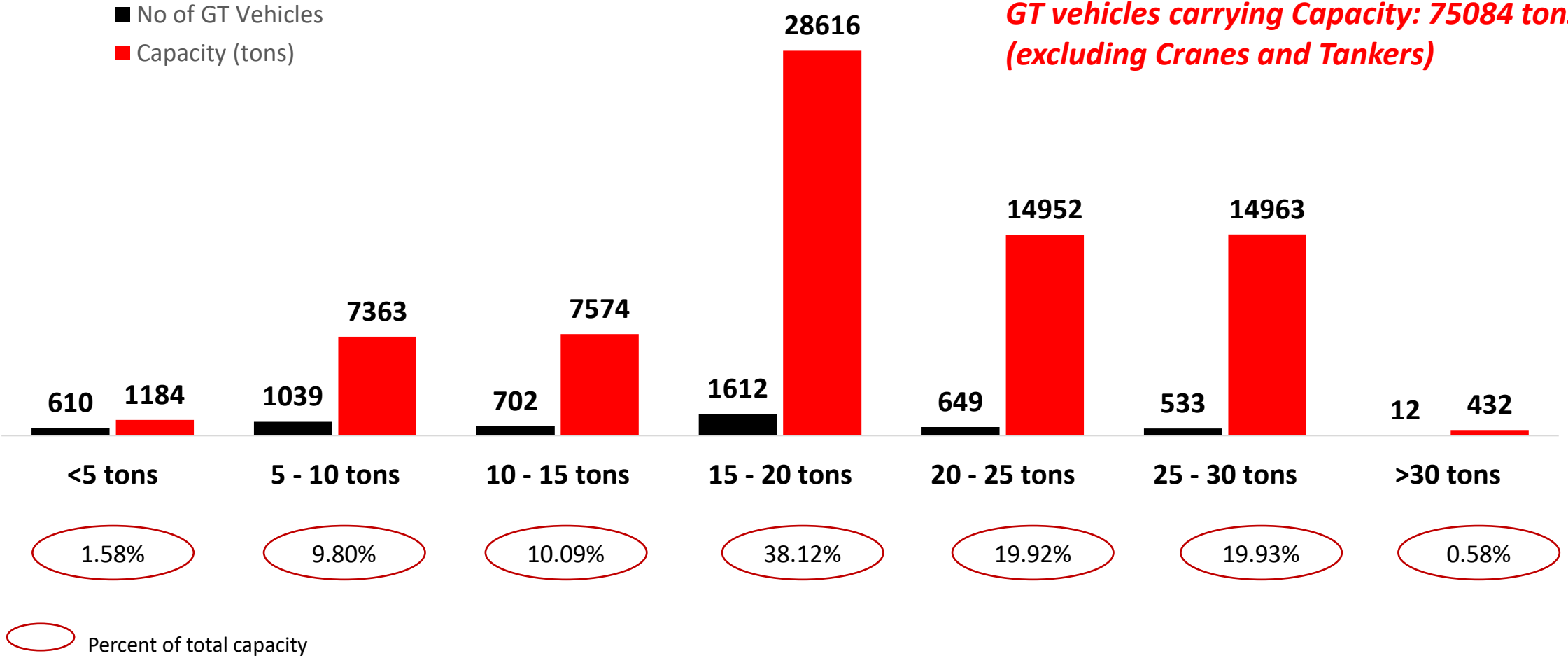


Note : Map not to scale

- Market Leader In LTL Segment
- Operations:
- **23 States**
- **&**
- **4 Union Territories**
- **1045 Branches**
- **47 Strategically Placed Hubs**

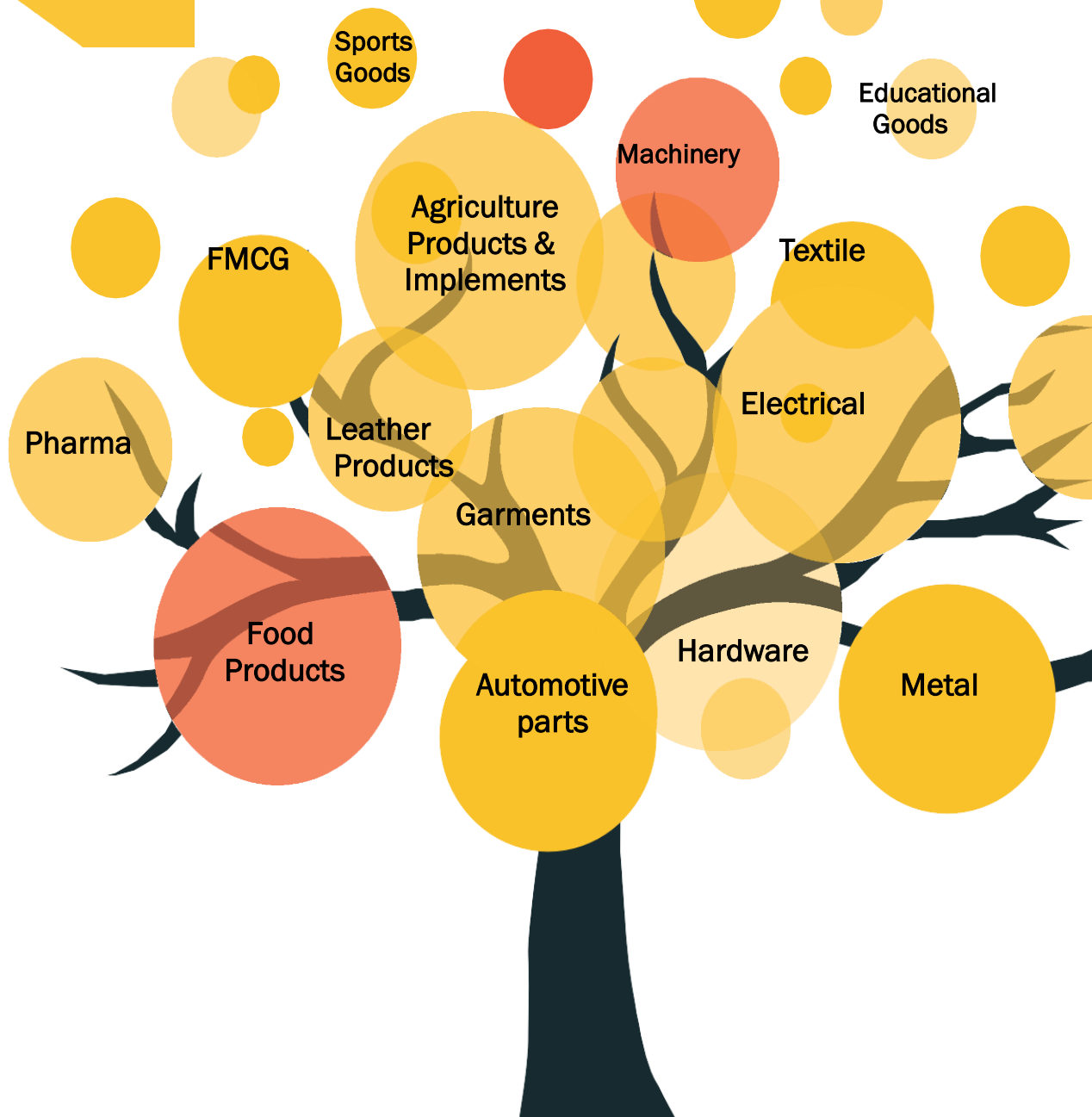
INFRASTRUCTURE

Total GT Vehicles : 5193
GT vehicles carrying Capacity: 75084 tons
(excluding Cranes and Tankers)



VRL has 1292 vehicles > 15 years, as of September 30, 2022 with a total capacity of 14349 tons, whereas VRL added 19358 tons capacity from 2019 onwards. Further 1200+ higher capacity vehicles (~13000 tons) are being added.

Wide range of sectors served



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 account for ~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

Addition of 97 new branches in H1FY23. 68 new branches added in Q1FY23 & 29 new branches added in Q2FY23. Closed : 8 branches. Total number of branches as on 30.09.2022 is 1045.

Expansion of existing Branch Area and increasing Branch Density in Key Markets like Pune, Ahmedabad, Raipur, Salem, Chennai, Kanpur, Delhi, Kolkata, Patna, Guwahati, Siliguri, Cuttak, etc.

Number of GT Vehicles increased from 5036 vehicles in Q1FY23 to 5193 vehicles in Q2FY23. Total New GT vehicles added in H1FY23- 560 vehicles (Vehicles added in Q1FY23- 312, Q2FY23- 248), Sold/scrapped – 183 vehicles, Net vehicle addition in H1 FY23 is 377 vehicles.

91.2% of the GT vehicles are debt free

Management is focusing on high growth and high margin Goods transport segment as evident from:

- Sale of Bus Operations
- Sale of Wind Power segment
- Sale of an Aircraft

Capex of Rs.16926.74 lakhs incurred during H1FY23 out of which Rs. 15258.93 lakhs was towards Goods Transport Segment

Capex of Rs.8385.48 lakhs incurred during Q2FY23 out of which Rs.7387.70 lakhs was towards Goods Transport Segment

Net debt increased from Rs. 12989.88 lakhs as on Mar 31, 2022 to Rs. 16394.82 lakhs as on 30.09.2022 despite significant Capex

Continued focus on higher margin LTL segment

Focus on increasing Geographic presence in hitherto untapped markets

Priority to Volume Growth- Wait and Watch approach on Freight Hike

Well positioned to conclude planned fleet addition



THANK YOU

For Further discussions or Queries, Please contact

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