

23<sup>rd</sup> August 2024

**To,  
BSE Limited  
Corporate Relationship Department,  
1st Floor, New Trading Ring, Rotunda Building,  
P.J. Towers, Dalal Street, MUMBAI - 400 001.**

**Subject:** Transcript of Q1 FY25 Earnings Conference Call held on Wednesday, 21<sup>st</sup> August 2024 at 04:00 PM (IST).

Dear Sir/Ma'am,

Please refer to our intimation for the Q1 FY25 Earnings Conference Call scheduled on **Wednesday, 21<sup>st</sup> August 2024 at 04:00 PM (IST)** intimated vide our letter dated 13/08/2024.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the said Earnings Conference Call. The said transcript is also available on the website of the Company.

Please take the above information on record.

Thanking you,

Yours faithfully,  
**For Tiger Logistics (India) Limited**

**Harpreet Singh Malhotra  
Managing Director  
DIN - 00147977**



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**Tiger Logistics (India) Limited**  
**Q1 FY25 Earnings Conference Call Transcript**

**21<sup>st</sup> August 2024**

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**MANAGEMENT:**

**Mr. Harpreet Singh Malhotra**  
**Chairman & Managing Director**

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**Moderator:**

Ladies and gentlemen, good day and welcome to the Tiger Logistics (India) Limited Q1 FY25 Earnings Conference Call hosted by Rik Capital.

We have with us today from the management, Mr. Harpreet Singh Malhotra - Chairman and Managing Director of Tiger Logistics (India) Limited. As a reminder, all participant line will be in listen only mode and there will be an opportunity for you to ask questions after the presentation conclude. Should you need assistance during the conference call, please signal an operator by pressing '\*', then '0' on your touch tone phone. Please note that this conference is being recorded before we proceed with this call, I would like to take this opportunity to remind everyone about the disclaimer related to this conference call.

Today's discussion may be forward-looking in nature based on management's current beliefs and expectations. It must be viewed in conjunction with the risk that our company faces that could cause our future results, performance or achievements to differ significantly from what may be expressed or implied by such forward-looking statements. I now hand the conference over to Mr. Harpreet Singh Malhotra Sir for opening remarks. Thank you and over to you Sir.

**Harpreet Singh Malhotra:**

Thank you very much for your introduction. Good evening, everybody and I welcome you all to the investor call for the Q1 FY25 earning conference call. I'm sure you must have had a chance to go through the investor presentation and the financial results, which are accessible on the Stock Exchange and also on our website. To begin with, I would like to just talk about slightly on the overall economic outlook of the Indian economy affecting the logistics sector and also what's the update on the logistics, so as we are seeing that the global economy is performing better than what it was expected to do. We are not seeing any very strong signs of recession but the overall global economy is looking brighter, maybe last quarter what we were doing was that we were looking at some recession signs but those recession signs have definitely decreased and reduced to a great extent.

We are expecting that the government is also looking at the GDP to grow around 7% or so for the FY25 and we are looking at big industrial government spending on the infrastructure and also on the manufacturing sector as such. So, all these initiatives are also government is putting focus on developing the infrastructure, whether it is roads or railways or ports or airports and special initiatives like the Economic railway corridors and PM Gati Shakti, which is aiming to reduce the congestion and of course reducing the logistic cost and improving the connectivity. So, all these things are going to directly affect the logistics sector, so we are looking at these government initiatives overall and we are looking at better growth in coming quarters, that's what we are expecting.

In the logistics sector, I would say that the government is doing its best to increase, improve the connectivity and increase the productivity of all the stakeholders in the logistics supply chain. The main aim is to promote exports and reduce the logistics cost, especially in the international trade, where the government has set up very high export targets and where the focus is to reduce logistics cost. The government wants to increase the exports from India, which definitely is going to affect the growth of our company as well.

Recently the focus of the government is to develop various multimodal logistics zones and hubs. The UP government has announced a massive development of a multimodal logistics hub near Delhi in Greater Noida area of Dadri, where they are looking at developing a massive that is more than 800 acres of area to be developed as a multimodal logistics hub, which of course going to improve the productivity and connectivity of overall businesses.

I feel with these initiatives by the government, it will have a direct impact on the logistics sector, which is really looking bullish across India developments which are happening to promote and reduce the logistics cost. Global Shipping has also been going through some kind of a turmoil in last 2/3 quarters, especially starting with the Red Sea crisis and then of course not to forget what has happened in the China, massive exports which happened in last six months. But of course, those which

resulted in major rate spikes which almost doubled or tripled in last six months, but those factors are not relevant now anymore because the rates are getting stabilized and we are seeing that because of that the exports from India will definitely go up and lot of sectors had literally stopped their export volumes and were only keen to see the rates coming down. So now I think those developments are happening and we are seeing that the rates getting stable and the exports of these sectors picking up also.

Overall, I would say the operational update on our company Tiger Logistics, we've been consistently following up our growth engines and working with a very focused attention on those verticals and that is resulting in overall business growth for us as well. If you look at the TEU numbers, the volumes have been seeing a steady growth in past quarters and if you look at the Q2 of FY24, so we've started at 12,460 and now we've been consistently growing and now in the Q1 FY25, the numbers are close to around 17,186. So, each quarter there has been a positive percentage increase in the number of TEUs where we are growing each year and TEU volumes is growing by 13% quarter to quarter and close to 80% year on year. So, we are seeing remarkable good numbers as far as the volume growth is concerned.

Even on the air freight sector, we are seeing some good growth as you all are aware that we got IATA accreditation last year and that has helped us in growing our air freight volume also. So there has been a good 60% growth in the overall air freight sector on quarter-to-quarter basis. So, I think that this growth is going to continue because this is a growing sector for us and we feel that this will only be getting better.

Other major things which have happened in last quarter is that our company Tiger Logistics was awarded the accreditation as a great place to work. So, this certification really like cements our focus on taking care of our staff and our team which has been there with us for a very long time. So basically, this helps us in encouraging our team which is there with us and also setting standards in the shipping industry where not many people in the logistics sector have this accreditation. So, it definitely helps us improving our work ethics and work culture within the organization and also it helps us become a yardstick for the overall logistics industry as such, who look upon us and we are one company where in spite of all the growth and everything, we also take care of our people. This accreditation is an international accreditation and that definitely helps us.

As far as the financial updates are concerned, though, you must have seen the results. I think the overall top line has improved quite a lot in this quarter. We closed at ₹102.8 crores overall and which we've seen a 9.1% increase on quarter to quarter and almost 2.4 times increase year on year. So, majorly this is because of our various growth initiatives which we have taken in last few quarters focusing on imports, focusing on other sectors, other than the automobile, so that definitely is showing in these numbers.

Our EBITDA margin has also increased on quarter-to-quarter basis. EBITDA has increased by 10.6% and almost two times what it was year on year. So overall the business scenario is looking very bullish. Overall, we feel that's the reason even the PAT margins have been better. So overall, we are seeing that the company has done well in last quarter and this growth is going to continue in this quarter and coming quarter as well because the pipeline is good. There is good tailwind which is pushing us to move forward.

We are not seeing any major challenges in coming quarters. We don't see any major issues in the coming days and we are only looking at strengthening our position in the Indian logistics industry where we are seeing that other than automobiles, we are also focusing on other sectors like imports of electronic goods, imports of solar equipment's and working closely in the solar industry and also in the ceramic side and commodities and other products. So overall the business is looking fine. Overall business is looking good and coming quarters is going to be very good for us as well.

I thank everybody for their trust and faith in us and I hope that with everybody's blessing, the coming days are going to be very good for all of us. Thank you and I look forward to any questions you have for us after this. Thank you.

- Moderator:** The first question is from the line of Ajay Krishnan from SEBI research analyst. Please go ahead.
- Ajay Krishnan:** Really good numbers for this quarter that's really good to see. I just want to understand these two things. #1 is that we have a healthy cash position at the moment. So, what are the plans of utilizing this cash going forward?
- Harpreet Singh Malhotra:** Yeah. So, we are looking at some acquisition options that we've already mandated this to few companies, few consultancies where we are looking at LCL acquisition which we've been working on for last one and a half year which will fuel our inorganic growth. so that is what we are looking for using this cash for that purpose. Also, maybe in times to come, we may have to infuse this back into our working capital because as we are seeing the business growing, so we will have the need of having more working capital with us. So that's what is going to be used for.
- Ajay Krishnan:** Right, thank you. And I also saw the investor presentation that you had plans of expanding into US, Bangladesh, etc. with what's going on in Bangladesh at the moment, do you think that's probably a plan that's going to be put on hold?
- Harpreet Singh Malhotra:** Yeah, Bangladesh has already been put on hold. We've already put a explanation on the exchange in this regard because the situation is not conducive of any investment there. US plan is 100% on. We are having regular discussions and we're having a roadshow also in the month of October that is 1st week of October. So, U.S. is on plan. We are looking at U.S. market both America South and North in a very bullish, that's on plan. But yeah, though we on the Bangladesh market, we are still the market leaders, but we are not looking at any investment or any such thing in coming future as of now.
- Ajay Krishnan:** Great. Thank you very much.
- Moderator:** The next question is from the line of Tanuj Mehta from JM Financial. Please go ahead.
- Tanuj Mehta:** Sir, first of all, congratulations on the good set of numbers. Could you provide me some more detail on the key drivers of revenue growth in this quarter, particularly within the automotive sector? As 58.1 crore out of total income of 103 crores is from automatic sector?
- Harpreet Singh Malhotra:** Yeah. So, what happens is that automobile is our main vertical where we continue to be market leaders and we would as our major focus is on the auto sector. So, what has happened is that we are working very closely with developing and deep selling with our present customers, but are also looking at acquiring new customers, which is a regular process. So, the overall business, I would say has improved for auto sector also, where the auto exports is doing very well especially in the 2-Wheeler Auto sector market. So, our consistent endeavor is that we keep on growing in this sector. Our consistent outlook is that we are not looking at whether it is 2-Wheeler or 4-Wheeler but we are putting all our efforts in acquiring new customers and that is the result of these numbers. So, I would say that this trend is going to continue and we will be continually focusing more and more on the auto sector. We've got very strong teams working in this vertical and in coming quarters also you will see that auto will be big for us. So that is going to continue.
- Tanuj Mehta:** OK, understood. How the customer adoption of Freight Jar has been progressed and what financial or operational improvements do you expect as it scales?
- Harpreet Singh Malhotra:** So, Freights Jar 2.0 has already been implemented where we are seeing a good traction of customers, which is happening. So that is going to continue with us because Freight Jar, the parent company is Tiger Logistics only. So, all the billing everything is in this sector only. Through Freight Jar we've been able to acquire some good customers especially in the electronics sector, especially in the renewable energy sector, in the solar sector and all so that is what is doing good business for us. So, freight jar is a good entry vertical for us and also giving us access to more and more people like more and more organizations, it is easier for us to work through Freight Jar.

- Tanuj Mehta:** Yeah. OK and could you provide me some details on how the cost control and operational efficiency measures led to the EBITDA margin improving to 5.1%?
- Harpreet Singh Malhotra:** So, you will have to send us a mail where we can give you some more details on that and we'll share those numbers with you.
- Tanuj Mehta:** OK.
- Harpreet Singh Malhotra:** OK.
- Moderator:** The next question is from the line of Madhu Sharma from SK Capital. Please go ahead.
- Madhu Sharma:** Thank you for the opportunity. Sir, my first question is what is the strategic changes have been made or are planned to ensure robust volume growth in upcoming quarters?
- Harpreet Singh Malhotra:** Yeah. So as far as the business strategy is concerned, as we have always maintained that you know, we are focusing on acquiring new clients either it is in the import side or it is in the export business for us. So, any customer which is exporting or importing is a potential customer for us. So, we are you know we are continuously focusing on improving our client acquisition in these sectors and that is helping us in improving our numbers as well. So as far as the strategic, what strategy we are following, yes, in the strategic moves would be working closely in the US market which is one of the largest business partners for India and for that we are doing regular roadshows in the U.S., meeting the customers, meeting the clients and agents also and selling our services overseas. Similar activity we keep on doing for LatAm countries also and that is going to continue for us. So overall we are looking at big major businesses from these organizations and this is what this is going to grow for us in coming quarters.
- Madhu Sharma:** Yes, Sir. And Sir, what is the sustainable EBITDA margin for the logistics segment?
- Harpreet Singh Malhotra:** Sustainable EBITDA Margin, I would say we are improving each quarter and that is the whole idea. We are working towards it trying to improve our cost overall and trying to improve our buying's overall so that is how it works. So, we are working towards it and I'm sure in coming quarters you'll be seeing those betterments also.
- Madhu Sharma:** Yes, Sir. And Sir, what steps are company taking to stay ahead of competitors in container segment and air transport segment?
- Harpreet Singh Malhotra:** Yeah, container segment, we're already there. We are also present in the air segment also and both the segments we are covering, we are not present in the LCL segment as of now. I think that is the only segment which is not there with us, but we are looking at organic growth through that segment, maybe through if we can work closely, you know in some acquisition and all. So that is what we are looking at.
- Madhu Sharma:** OK, Sir. Best of luck, Sir.
- Moderator:** The next question is from the line of Rajesh Agarwal from Moneyore Capital Advisors LLP. Please go ahead.
- Rajesh Agarwal:** Hello Sir. Do you feel this container shortage, freight rates, everything will continue for a sustainable manner and the Red sea crisis also will continue. So, it helps our business?
- Harpreet Singh Malhotra:** No. We are not looking at any disruption to fuel our growth very, very clear. We are not because that all those disruptions are temporary. So, we are not looking at any disruption to help us grow. We want a stable environment because that is the long sustaining way of working. So, when this crisis happened, there are spikes in the rates which disturbed the business and it creates unhealthy competition, it creates unhealthy business atmosphere. So, we are looking more at focusing on the core businesses in India where we are focusing that how we can closely work with the growing sectors in India, especially in the electronic side, especially in the renewable

energy side, so our business strategy is client acquisition rather than taking advantage of these disruptions.

**Rajesh Agarwal:** But suppose US elections tariff from all are imposed in China. So, some continent traffics may move from India?

**Harpreet Singh Malhotra:** Yeah, 100% those things will happen. Those are windfall gains. You know, they will happen. They will be there for six months or so before China moves in or something like that. Those windfall gains will definitely keep on happening. They will definitely help logistics industry also and all these spikes will happen where temporarily things will get better. But if you're looking at a long-term sustainable business model, which we have always followed, we should focus on acquiring customers who are there with us for a long time.

**Rajesh Agarwal:** But do you foresee any structural changes in the industry in the ocean? Because see now other shipping companies were not making money, last two to three years after COVID they have been making money in spite of the COVID getting over they are making money. So, you do you see same changes in our business also?

**Harpreet Singh Malhotra:** No, we are not. See, of course those they made huge money after COVID. Then you know the rate drops below the COVID level pre COVID levels. They went down below that also. So, we are not seeing any major structural changes in our industry. But definitely these are challenges when the rates go up all of a sudden, they don't honor any contracts and all so we have to go back to the customers or the new rates. So, these disruptions are not welcomed. We are we are not very happy with these disruptions.

**Rajesh Agarwal:** Thank you, Sir.

**Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Harpreet Singh Malhotra for closing comments.

**Harpreet Singh Malhotra:** Yeah. Thank you so much for attending this conference call. And I'm sure that you know with your trust and faith in us, we will continue to grow. And I again assure you all that we are in a industry which is growing sector for India and we look forward to your growth and suggestions and guidance. And thank you again. Thanks a lot.

**Moderator:** On behalf of Tiger Logistics India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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(This document has been edited for readability purposes.)