

24th June 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 Q4 & FY24 Earnings Conference Call held on Tuesday, 18th June 2024 at 04:00 PM (IST).

Dear Sir/Ma'am,

Please refer to our intimation for the Q4 & FY24 Earnings Conference Call scheduled on **Tuesday, 18th June 2024 at 04:00 PM (IST)** intimated vide our letter dated 12/06/2024.

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

**Vishal Saurav Gupta
Company Secretary & Compliance Officer**



Tiger Logistics (India) Limited
Q4 & FY24 Earnings Conference Call Transcript

18th June 2024

MANAGEMENT:

Mr. Harpreet Singh Malhotra
Chairman & Managing Director

Moderator: Ladies and gentlemen, good day and welcome to Tiger Logistics India Limited Q4 and FY2024 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 lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero 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 the management's current beliefs and expectations. It must be viewed in conjunction with the risks that our business faces that could cause our future results, performance, or achievements to differ significantly from what we may have expressed or implied by such forward-looking statements. I now would like to 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, Sagar. Thank you, Rik Capital. Good afternoon, everybody. It's a pleasure talking to everybody again and I welcome all of you on this investors conference and I feel proud that we are sharing the earnings presentations and financial results which are already available on the Stock Exchange, but yes, we can have a discussion on the same. So, I would like to have the opening remarks by saying that in the last quarter what we've seen, I think overall we were the whole logistics industry, you know was facing grim challenges in terms of the Red Sea crisis, in terms of overall situation, getting from bad to worse, so though that started by end of December and continued till end of March and of course, it is still continuing but yes, we were able to find some solutions, some way outs to those problems. But yeah, those challenges were being faced by the whole logistics industry as such and also all the international trade which is happening globally and we were also caught in that crossfire. And of course, we were able to find a way out to come out of those issues, but yeah, that definitely was a challenging period for all of us. Overall, I would say that we continue to work towards the growth of our business where our footprints have been increasing drastically, our overall volume growth from quarter to quarter has gone up by close to more than 15%, around 17% and the best thing which has happened is that we were able to finalize the Version 2 of our logistics online platform Freight Jar which will definitely give us better access to more markets and better access to more customers & clients who are dealing in the international business. Along with that, it will also give us access to global logistics companies who are seeking rates out of India, who are seeking businesses to do business with Indian companies so that's something which has happened very, very well for us.

Another good thing which has happened is the development of our imports department, which we've been trying for the last few years, but I take pride in saying that, yes that department is shaping up well so now our business on imports is also growing where we are working very close in the electronic goods and raw materials for the electronic markets and also our growing business in the PTA, polyester fabrics and polyester manufacturer as well. So overall the business scenario is looking very bullish, this quarter has started well. I would say that we are, we are doing well in this quarter, but primarily for two, three reasons that you know people have been able to come out of the issues which they faced in the last quarter and their business is looking up in this quarter so, we feel that in this quarter, the business is doing well.

Another good part is that overall India business as such is growing well and that the benefit of that definitely comes to the logistics industry as well. So, for us also that's good news. In terms of our overall growth, overall business scenario, I think we remain committed to whatever commitments we've done in the past, especially working on the digital side of our online platform which we had said that we will be launching version 2 which we have already launched that, it's already there up and running in the market with more features, better service experiences, better client experience for all of our customers and of course more robust than what it was earlier.

Secondly, development of the imports business, it is doing well for us. Development of the government projects business, it's doing well for us. We've got some good contracts this quarter as well. Well, so our old traditional export business is doing good. We've increased our footprints in the other markets, in the commodities market we've increased our footprints, even in the auto sector we are growing very well and also we've added new products specially in the

steel industry, our contract with Jindal Steel is doing very well. I think along with that we've added few more steel customers. So overall, I would say the business is growing for us and I feel that you know in this quarter and the next quarters to come, the business will only be looking upwards and that's what we are hopeful for.

Few challenges I must talk to you about, of course, the Red Sea challenge continues to be there, which we cannot ignore that. Secondly, of course, the challenges in terms of the port congestion and container shortages have again hit us in India and that is primarily because of major business happening out of China. So, all the inventory, all the containers are being diverted to Chinese ports, so these are some of the challenges which will be the highlights in this quarter and the next quarter as well, and I think things will only get better towards the end of the year, that's what we are thinking. But at Tiger Logistics, we are fully geared to handle these challenges because we've got long-term contracts with the shipping lines and we've got consistent business of our customers, so we are very hopeful that we will not face any major issues in handling these challenges. But yeah, it is important for me that I should also share some challenges which we can look up in the coming quarters.

So overall business is good. I think any disruption sometimes is good for the business, we've seen it in the past, but now customers are also geared up to accept these challenges & to ensure that the supply chain is not disrupted so we don't find major hindrances, in coming quarters and we're also hoping that the business will only be growing and I again thank all of you for having trust and faith in us & we hope to have good business in coming quarters. Thank you.

Moderator: Our first question is from the line of Rajesh Agrawal from Money and Investment Advisor. Please go ahead.

Rajesh Agrawal: Sir, container shortage and the container rates going up for 20 feet and 40 feet. Will it benefit or affect our LCL and FCL business?

Harpreet Singh Malhotra: I would say it will idea is that since we are in the cost-plus model, you know we will have to pass on this increase to our customer. So, I don't think it will have any negative impact, but definitely it will have a positive impact because any freight increase definitely also increases the overall margins as well.

Rajesh Agrawal: Same way that the way it affected in the COVID time when there's a container shortage?

Harpreet Singh Malhotra: Yeah. Same way.

Rajesh Agrawal: Similar in that proportion?

Harpreet Singh Malhotra: Yeah. So, we are expecting that at least for the next 2-3 quarters, this is going to continue and I think as I mentioned that any increase in freight rates definitely also helps us improve our margins as well.

Rajesh Agrawal: Ok. And second question are now a lot of things are getting banned from export from China to UAE and all the US and all how that scenario will play for us?

Harpreet Singh Malhotra: So, at the moment whatever is getting banned, it's getting transferred either to India or to Vietnam or to other countries. So definitely the Indian international business is going to grow and that benefit will definitely come on to us.

Rajesh Agrawal: Ok, that will come to us. Yeah. Anything you would like to add in terms of the outlook?

Harpreet Singh Malhotra: Yeah, I would say that this disruption definitely helps us increase our overall business scenario. It helps us, get into the businesses where we've not been present. So, we are fully geared for these kinds of disruptions and also this business growth in terms of business getting shifted from China to India will definitely help the logistics industry overall. So, it's good for the whole economy and good for us as well.

Rajesh Agrawal: Ok. And any increase in the transit time of the container, does it benefit us?

Harpreet Singh Malhotra: No, it does not benefit us, that's not a good sign, but we have to live with it because of the Red Sea issues, containers are not being shipped from there. So definitely the turnaround time of containers is increased so it results in increased rates.

- Rajesh Agrawal:** Ok, understood. And Sir, the red sea crisis has a little softened from the previous 2-3 months?
- Harpreet Singh Malhotra:** No, it is just that it's not in the news, but no containers are going from there, no vessels are going from there.
- Rajesh Agrawal:** Thank you, Sir.
- Harpreet Singh Malhotra:** Ok. Thank you.
- Moderator:** Our next question is from the line of Tanush Mehta from JM Financial. Please go ahead.
- Tanush Mehta:** Thank you for the opportunity. Sir, my first question is could you elaborate on the performance of FreightJar in its first year? And what were the key milestones and achievements that have been achieved?
- Harpreet Singh Malhotra:** So overall, when we launched FreightJar last year, our idea was to test the waters, how the industry is accepting this product. So, I must say that the overall industry welcomed this product very well and we were able to atleast register close to 250 plus new customers which were onboarded and that was an increase in the business and that helped us to work towards improvising the platform better so now we've launched the revised version of FreightJar 2.0, which is now a better equipped to handle and improvise the customers experience and also it is now open to the global logistics company. So now somebody sitting in Dubai, if he wants to know the real-time freight can register on the platform and get to see the real-time freights. So overall, the business is growing since it's a proprietary product of Tiger Logistics, all the revenue, everything is coming. It's like a sales vertical for us so all the businesses is being accumulated in Tiger logistics only. So overall you know their contribution is increasing each day. Maybe if you send us a mail, we should be able to share the exact numbers with you but yeah this is kind of given us a huge like of whatever we were talking that this is going to be the future growth engine that is coming through, both in terms of the perception of people and also in terms of opening doors for the new business. Yeah, so we are very bullish about this product and we are also hiring new people under this vertical.
- Tanush Mehta:** Understood, Sir. So, my second question will be can you explain the reasons behind this, as you can see in the FY24 the revenue was ₹24,026 lakhs and in the previous financial, it was ₹43,335 lakhs. So why the lower revenue in this?
- Harpreet Singh Malhotra:** So primarily, Mr. Mehta, you have to understand that ours is the cost-plus model, whenever the freight rates go up, the turnover goes up, so though our volume business has grown, but the freight rate was the lowest ever. So that was the reason the billing per container has gone down, though maybe I may have a 15% increase, 17% increase in the overall volume, but my billing has gone down because the freight itself has come down. So that is the reason for that.
- Tanush Mehta:** Ok Sir, my third question is that as considering the positive trends observed, what are the company's key strengths and strategies to sustain growth momentum in both container and air transport going forward?
- Harpreet Singh Malhotra:** Yeah, so please understand that we are following what we had established as our growth engines in maybe 3-4 years back. So, one was the growth engine was of course setting up the online platform, which is already up and running and the second version has been launched. The second growth engine was developing our imports which is already happening from almost zero we have reached at a very good respectable number and it's a growing vertical for us. Third, our footprints in the auto sector and in the auto-ancillary sectors to grow so that is also growing as well. So, we are following our growth strategy which we have formulated 3-4 years back and we are on track on that. So, the only thing which is lacking is that we were looking at some kind of inorganic growth in terms of acquiring LCL company, which has not happened because you know we were not able to get the company which is aligned to our idea of growth. So that is the only thing which is pending other than that all our growth engines are running well. And we hope to achieve good numbers, continue to grow in coming quarters and months as well.
- Tanush Mehta:** Thank you, Sir. And best of luck.
- Harpreet Singh Malhotra:** Thank you.

- Moderator:** Our next question is from the line of Vikram Suryavanshi from Phillip Capital India. Please go ahead.
- Vikram Suryavanshi:** Sir, one question is that the contract what we got from HPCL for petrochemical logistics or for BHEL, all this the cargo will be moved through a container only or in the case of BHEL will it be like ODC cargo also?
- Harpreet Singh Malhotra:** We are doing both, ODC and other cargo, Normal container also. We've done a lot of ODC shipments for BHEL which is happening almost every month. We get one shipment which is like that, so it is combination of both.
- Vikram Suryavanshi:** Understood and the HPCL predominantly will be container cargo.
- Harpreet Singh Malhotra:** Container true.
- Vikram Suryavanshi:** And will it be like the contract? Uh, like every year it will get renewed or what is the duration of contract?
- Harpreet Singh Malhotra:** Yeah, it is one year contract.
- Vikram Suryavanshi:** But typically, it is get renewed every year or not necessarily?
- Harpreet Singh Malhotra:** Depending upon the service levels, sometimes they get extended also.
- Vikram Suryavanshi:** And do you say like what will be the value of contract or any specific region they have allocated us to do or like is it like a pan India or something like?
- Harpreet Singh Malhotra:** No, please understand that there is a proper technical evaluation. They evaluate our strengths and whether we can handle such big volumes, sensitive cargo and all. So, a lot of technical evaluation takes place and only then, it is not only on the L1 rates, but also on the technical evaluation which is being done by these companies then we get these contracts. So not only on the rates but we've got these contracts bases on our strength to handle these shipments.
- Vikram Suryavanshi:** Understood. And what would be the contract value for a year?
- Harpreet Singh Malhotra:** You can send us the mail I'll be able to share. I don't have the numbers with me at the moment for a specific business because it is ongoing shipment, so send us a mail, we'll share it with you.
- Vikram Suryavanshi:** Understood. Will we also get what was the ODC revenue because the container numbers what you have gone and if you divide by revenue probably it might also misleading, if there is a significant ODC cargo.
- Harpreet Singh Malhotra:** ODC is very less. It is not much.
- Vikram Suryavanshi:** Ok.
- Vikram Suryavanshi:** And last question on this Freight Jar, what would be your revenue model in this platform?
- Harpreet Singh Malhotra:** The revenue model is purely what we are doing now. Since it is a sales product of Tiger Logistics, we are offering the same services through the online portal. So, the margin remains the same at 7%-8% whatever is there in our business. The same margin remains in that business as well.
- Vikram Suryavanshi:** Understood. Ok, thank you.
- Harpreet Singh Malhotra:** Ok, thank you.
- Moderator:** We have a follow-up question from the line of Vikram Suryavanshi from Philip Capital India. Please go ahead.
- Vikram Suryavanshi:** So, this container volume, what we did almost for FY24 or so around 50,400 plus. How was the import and export mix?
- Harpreet Singh Malhotra:** I would say 85% was exports and 15% was imports.

- Vikram Suryavanshi:** And import gives us a slightly better margin?
- Harpreet Singh Malhotra:** Imports definitely give you better margins.
- Vikram Suryavanshi:** Ok. And how much it is the revenue mix we targets at 2-3 years down the line from 85:15?
- Harpreet Singh Malhotra:** I think it is only increasing. We are looking at imports also contributing pretty well in the coming quarters. So that ratio is increasing. We don't want to be purely dependent on exports. So that was our aim to get those numbers going, so we are looking at imports also to be a very sustainable vertical for us.
- Vikram Suryavanshi:** But sometimes when freight rates goes up, we do see some impact on particularly low value products import because of the rates may not be that feasible. So, are we seeing some kind of pressure on particularly such kind of commodities or it's not yet seen?
- Harpreet Singh Malhotra:** It's not come till now but yeah, people are holding their imports because the rates have gone up so high. So, they feel that it is better to hold on, not immediately, but that impact does come in. You're right. For some low products, they are holding their imports. So that does happen, but for how long because they will lose the market otherwise somebody else will import. So that's a very short-term kind of a thing, so we don't think that is going to continue. People will ultimately start importing whether it is low-end or high-end products, they will import if the market is there.
- Vikram Suryavanshi:** Got it. And just as a reference number, would it be possible just to give one key route? So how is the container rates today compared to when it was down, just to get some sense?
- Harpreet Singh Malhotra:** I tell you in the in the month of February'24 and March'24, the 120 feet container from Shanghai to Chennai was around \$800 and same container today is at \$4,500, 40 feet container.
- Vikram Suryavanshi:** Today's \$4,500?
- Harpreet Singh Malhotra:** Yes.
- Vikram Suryavanshi:** Oh, significantly high.
- Harpreet Singh Malhotra:** Significant increase.
- Vikram Suryavanshi:** But export would be at lower rate?
- Harpreet Singh Malhotra:** Export is not lower. Export is also growing but we are seeing that to happen, from July again the rates will go drastically up.
- Vikram Suryavanshi:** Ok, just for Chennai to Shanghai would be how much on the return leg?
- Harpreet Singh Malhotra:** Return leg is very cheap because they need containers there. So, they take back empty containers also without any freight.
- Vikram Suryavanshi:** Ok, I got it understood. Are the customers ready to pay for container availability or the situation is not that tight?
- Harpreet Singh Malhotra:** Yeah, yeah, they are. If you have urgent cargo, people are paying \$4,500 also. It's just that the space is not available.
- Vikram Suryavanshi:** So it's like, skipping our plan schedule, something like that.
- Harpreet Singh Malhotra:** Yeah, they are skipping. There is a lot of congestion that is also happening. Skipping also is taking place, blank sailing is also taking place. So that is only adding to the problem.
- Vikram Suryavanshi:** So, it's like almost similar to situation what we faced?
- Harpreet Singh Malhotra:** Absolutely.
- Vikram Suryavanshi:** Understood. Ok, got it. Thank you.

Harpreet Singh Malhotra: Yeah, thank you.

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

Harpreet Singh Malhotra: Thank you, Sagar. Thank you. Thanks, everyone. Thanks for attending this analyst call. I am grateful to everybody for their trust and faith in us and I hope that the coming quarters would be good for everybody and hope to connect with you guys again. Thank you so much. Thanks.

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

(This document has been edited for readability purposes.)
