



Lancer Container Lines Ltd.

Date: May 26, 2023

To,
BSE Ltd.
P.J. Towers,
Dalal Street,
Mumbai -400 001

Subject: Submission of Press Release on Audited Results for Year ended March 31, 2023.

Ref: Script Code- 539841 - Lancer Container Lines Limited.

Dear Sir/ Madam,

In continuation of our letter dated May 25, 2023 conveying Outcome of Board Meeting, kindly find attached Press Release on Audited Results for Year ended March 31, 2023.

Kindly take the same on records and acknowledge the receipt of the same.

Thanking You.
Yours faithfully

On Behalf of Board of Directors
For Lancer Container Lines Limited

Miti Tailong
Company Secretary and Compliance Officer



Place: - Navi Mumbai

EARNINGS RELEASE & SHAREHOLDERS' LETTER

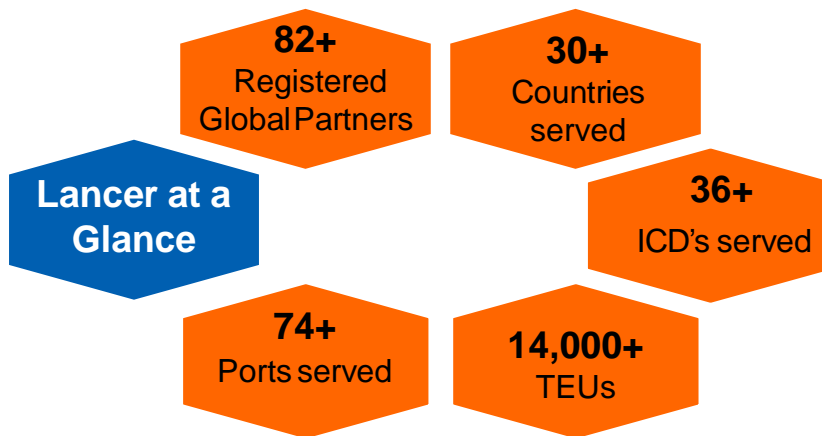
Q4 FY23 | May 26, 2023

In This Report, We Cover

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- What Lancer does?
- Lancer's Strengths
- What next?
- Key performance metrics
- Financial Performance
- Management Commentary
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About Lancer Container Lines (LCL)

- ❑ Incorporated in 2011 by Mr. Abdul Khalik Chataiwala, headquartered in CBD Belapur, it is one of the leading integrated Shipping and Logistics solution providers in India which leads the way by providing customized shipping solutions to a wide range of customers.
- ❑ Engaged into providing 'TOTAL LOGISTICS SOLUTION WITHOUT LIMITS' and operates on an asset-light business model with a mix of 14,000+ owned and leased containers, offering services to 86 ports as well as inland destinations.
- ❑ It has 14 branches in India and a subsidiary in Dubai, covering more than 30 countries, the principal geographies of operations are supported by a network of associates in the Indian subcontinent, Southeast Asia, Far East, MENA and CIS countries.
- ❑ Provides services like NVOCC (Non Vessel Owning Common Carrier), Empty Container Yard, Container trading, Freight forwarding (Sea, Air, and Road), etc. in India as well as on a global basis. It owns a container yard spread over 20,000+ square meter in Panvel near JNPT.



What Lancer does?

- ❑ Specializes in Liner services, offering customized logistics services to trade globally from India. They have a broad network covering major ports and inland destinations worldwide, and they work with top-class associates in India and international geographies.
- ❑ One of the leading international freight forwarding companies via a large shipping and air freight forwarding network, under which they provide a wide range of services like break bulk operations, RORO services, Less than Container Load (LCL), Full Container Load (FCL), Hazardous Cargo allowing them to offer competitive pricing and committed timelines from major ocean and aircarriers.
- ❑ KMS Maritime, one of the subsidiaries is a leading NVOCC Agents & International Logistics providers which acts as an intermediary shipping solution for some of the most renowned container lines.
- ❑ Provides all logistics services covering Cargo packing, movement, stuffing, customs clearance, transportation, loading and unloading.
- ❑ Boasts an empty container yard of over 20,000 sq. ft having an easy access to rail, road and ocean located Panvel, Navi Mumbai which provides services like storage of empty containers, general container maintenance, refurbishment and repairs of containers, container cleaning and decontamination.

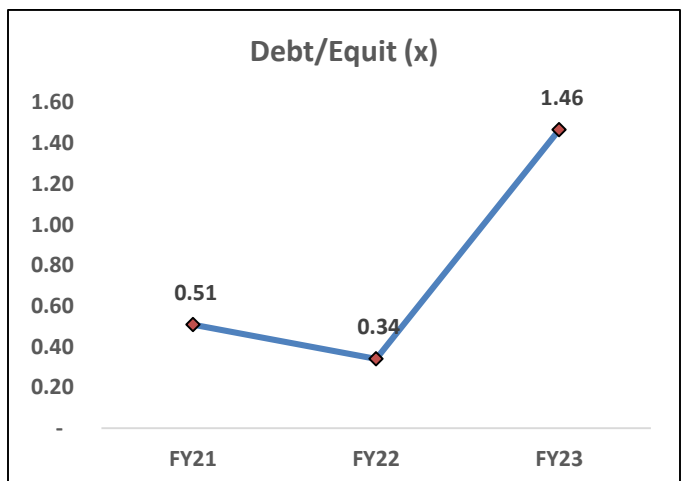
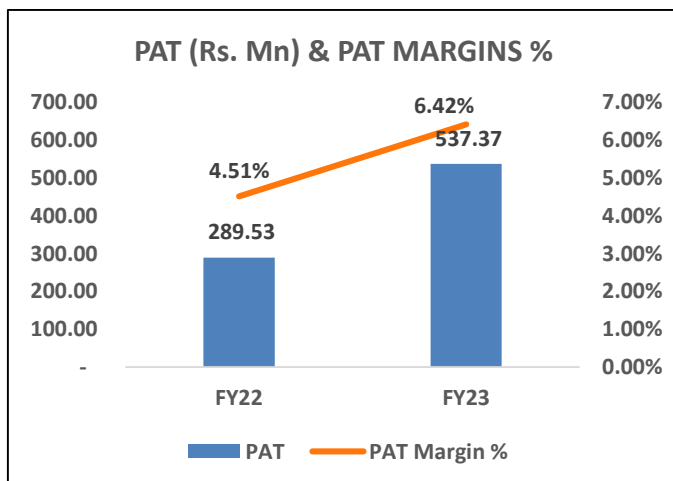
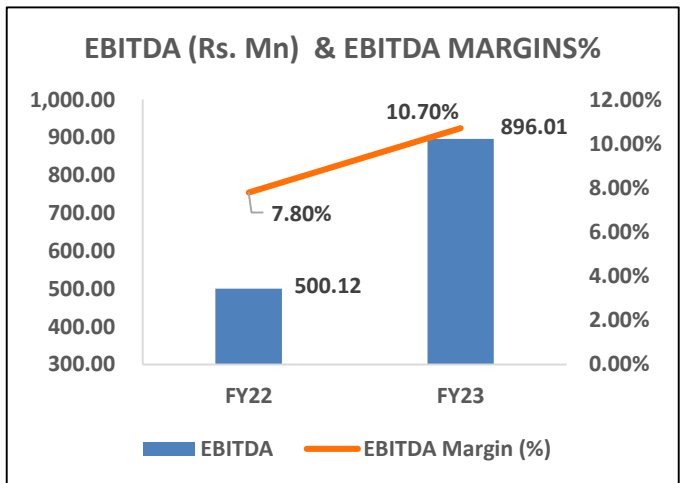
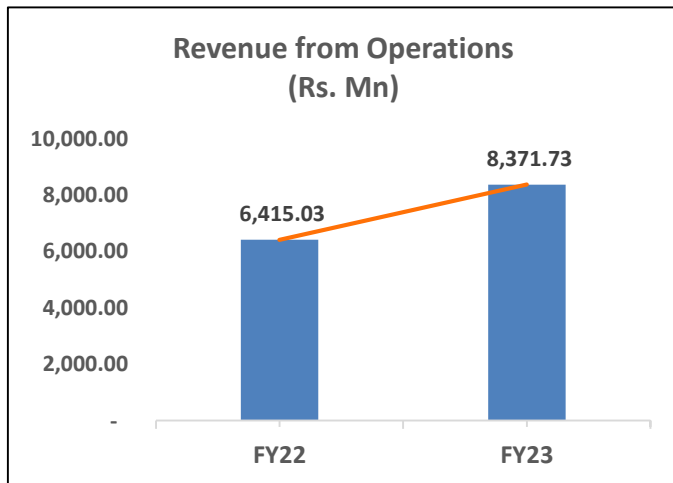
Lancer's Strengths:

- ❑ Expertise in personalized solutions and in-depth industry knowledge.
- ❑ Registered in the global logistics domain like the AMTOI, FIEO, BIC France (Bureau International des Containers), WCA World, GNN, etc.
- ❑ Long term Customer relationship in enduring verticals
- ❑ Resilient business model with multiple drivers of profitable growth
- ❑ 30+ Years of extensive experience and cohesive leadership
- ❑ 184+ No. of Committed Employees 24/7 Customer Support
- ❑ Recently incorporated a subsidiary named Lancia Inc. which has a strong foothold in the MENA region.

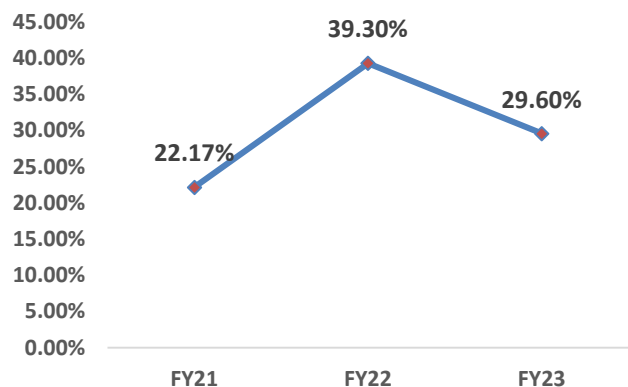
What next?

- ❑ Signed an MoU with the African and Peace Security Union which shall provide assistance to the company in the development activities within the space of the African states by facilitating and prompting the activities in all projects and free trade agreement implementation.
- ❑ Plans to add 5,000 more TEUs in the FY24 period.

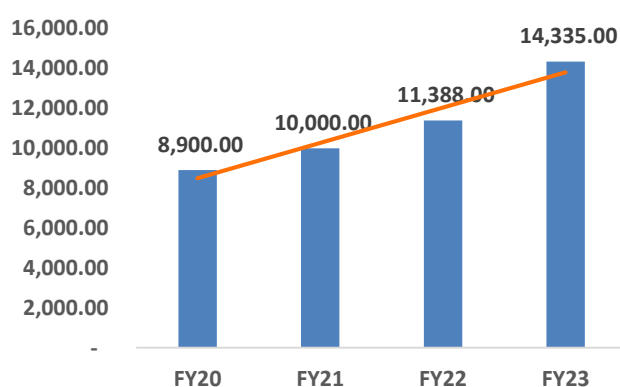
Key performance metrics -



ROE%



TEUs



Consolidated Financial Performance

Particulars (Rs. Mn)	Q4 FY23	Q4 FY22	YoY%	Q3 FY23	FY23	FY22	YoY%
Revenue from Operations	2,009.46	2,345.43	-14.32%	1,772.28	8,371.73	6,415.03	30.50%
Other Income	43.21	9.28		8.69	83.78	18.00	
Total Revenue	2,052.67	2,354.72		1,780.97	8,455.51	6,433.03	
Total Expenses excl. Depreciation, Amortization & Finance Cost	1,804.12	2,157.27		1,535.20	7,475.72	5,914.91	
EBITDA	205.34	188.17	9.13%	237.08	896.01	500.12	79.16%
EBITDA Margin (%)	10.22%	8.02%	220bps	13.38%	10.70%	7.80%	290bps
Depreciation & Amortization	53.43	28.22		44.19	167.22	95.45	
Finance Cost	40.21	6.16		40.13	124.53	23.97	
PBT	154.91	163.08		161.45	688.04	398.70	
Tax	45.23	46.76		25.25	150.67	109.17	
PAT	109.68	116.32	-5.71%	136.19	537.37	289.53	85.60%
PAT Margin %	5.46%	4.96%	50bps	7.68%	6.42%	4.51%	191bps
Other comprehensive profit / loss	5.17	(1.71)		(0.08)	5.17	(1.71)	
Net PAT	114.85	114.61	0.21%	136.12	542.54	287.82	88.50%
Diluted EPS	1.78	1.93		2.15	8.14	4.80	

FY23 Cash flow Statement

Particulars (Rs. Mn)	FY21	FY22	FY23
Net cash flow from operating activities	319.73	468.03	(2,236.49)
Net cash flow from investing activities	(57.30)	(149.25)	(609.96)
Net cash flow from financing activities	(128.06)	(23.85)	2,772.98
Net increase in cash and cash equivalents	134.37	294.93	(73.46)

Consolidated Balance Sheet

ASSETS			EQUITY & LIABILITIES		
Particulars (Rs. Mn)	FY22	FY23	Particulars (Rs. Mn)	FY22	FY23
			Equity		
Property, plant and equipment	640.84	1,183.62	Equity Share capital	301.41	307.77
Right-of-use Assets	168.00	128.22	Other equity	431.03	1,525.27
Intangible Assets	1.07	0.83	Total Equity	732.44	1,833.04
Capital work in- progress	53.00	-	Borrowings	159.69	2,644.01
Investments	0.00	0.10	Lease Liabilities	139.37	106.86
Other financial assets	11.36	17.58	Other Financials liabilities	1.37	0.77
Other non current assets	0.20	1.32	Provisions	3.59	2.08
Total Non-current Assets	874.46	1,331.67	Deferred tax liabilities (Net)	8.16	10.24
			Total Non-current liabilities	312.16	2,763.96
Inventories	44.26	28.27	Borrowings	88.99	40.88
Investments	20.52	52.05	Lease Liabilities	33.49	36.21
Trade receivables	553.16	939.78	Trade payables	800.03	531.78
Cash and cash equivalents	483.37	409.90	Other current liabilities	48.68	58.33
Other financial assets	5.11	2.32	Total Current liabilities	971.20	667.18
Other current assets	34.91	2,500.20			
Total Current Assets	1,141.34	3,932.51	Total Liabilities	1,283.36	3,431.14
Total Assets	2,015.80	5,264.18	Total equity and liabilities	2,015.80	5,264.18

Management Commentary:

Commenting on the Performance of the Q4 & FY23, Management stated:-

"We are pleased to report our performance for **Q4 and FY23**. **LCL** delivered a stellar performance for the period of **Q4 & FY23**, the Revenue from operations stood at **Rs. 8,371.73 Mn in FY23 compared to Rs. 6,415.03 Mn in FY22** showcasing a robust growth of **30.50% in FY23**. The growth was mainly led by **growing demand supported by increasing economic activities, entering new geographies, addition of new TEUs and high capacity utilization**.

EBITDA increased by **9.13%** to **Rs. 205.34 Mn in Q4 FY23** from **Rs. 188.17 Mn in Q4 FY22** & by **79.16%** to **Rs. 896.01 Mn in FY23** from **Rs. 500.12 Mn in FY22**. Margins grew handsomely by **290 bps** from **7.80% in FY22 to 10.70% in FY23** led by **increase in scale of operations and focus on strategic cost rationalization**.

We are currently on an expansion mode and plan to double our container capacity from the current **14,000+** to above **20,000 TEUs** in this year. Our strategy to increase container inventory gradually by adding 200-300 containers per month based on incremental demand from freight forwarders has been successful thus far and we continue to focus on growing sustainably. In order to expand profitably we are opening newer corridors and testing the market before deploying increased capacities.

*During this year Lancer Container Lines Limited raised around **\$30 million** from investors through FCCB and plans to utilize in growing the business by purchasing containers, servicing different countries, and explore different verticals like port logistics, project cargo, and warehouses. We believe that expanding our own containers will be margin accretive in the long term and provide competitive edge.*

Our major revenues come from the Middle East and African regions, and we are open to all commodities. 80% of our business is through freight forwarders and agents, and 20% through direct customers with no credit. We believe that the market is too big to nurture, and we have strategies in place to calculate volumes and pricing. Though the market is tight, we are confident that we can gain market share through personalized service and better rates.

We would like to assure our shareholders that fluctuations in freight rates and the economy are normal, but our strategies and sustainability are important and will always remain our focus. We expect our long-term margins to be around 12-13% due to operating leverage. Though we have seen an increase in debt due to our high investment cycle, we are confident that our expansion plans will pay off in the long run.

*The company has added **3350 TEUs** in this financial quarter to the existing portfolio **14,304 TEUs** containers as of **31st December 2022**. We are expecting to **add about 10,000 TEUs** in the upcoming years and we look forward to another successful quarter and I am confident that we will continue to create greater value for all our stakeholders.”*

Management Guidance for FY24:

- ❑ The management expects the revenue to grow by **35% - 40% for FY24 over FY23**, mainly on the account of increase in geographic footprint, new TEUs addition, addition of new customers and aggressive sales strategy.
- ❑ EBITDA margin will improve by **100bps from FY24** due to large operational efficiency and volume commitment with vessel operators to negotiate on slot charges which is the major component of operational cost.

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Lancer container lines limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward- looking statements to reflect subsequent events or circumstances.

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