



Lancer Container Lines Ltd.

Date- 9th November, 2023

To,
BSE Ltd.
P.J. Towers
Dalal Street
Mumbai – 400001

Subject: Submission of Press Release on Un-audited Results for Quarter and half year ended September 30, 2023.

Ref. Script Code- 539841 – Lancer Container Lines Limited

Dear Sir/Madam,

In continuation of our letter dated November 8, 2023 conveying Outcome of Board Meeting, kindly find attached Press Release on Un-audited Results for Quarter and Half Year ended 30th September, 2023.

Kindly take the same on your 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





EARNINGS UPDATE & SHAREHOLDERS' LETTER

Q2 & H1 FY24 | NOVEMBER 9th, 2023



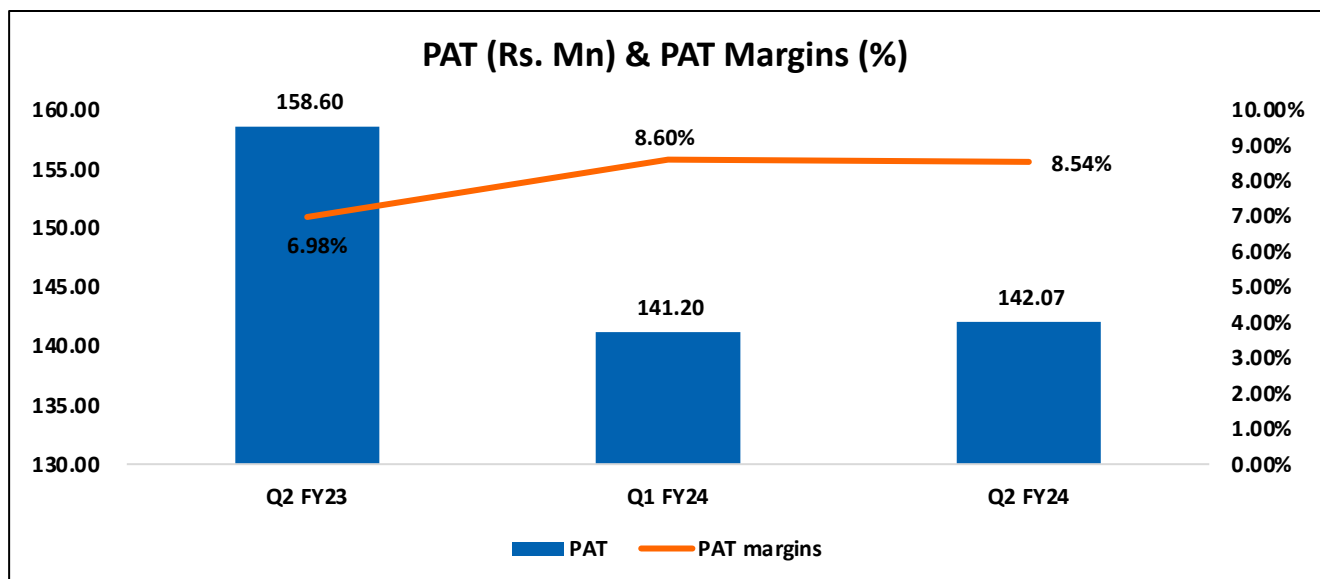
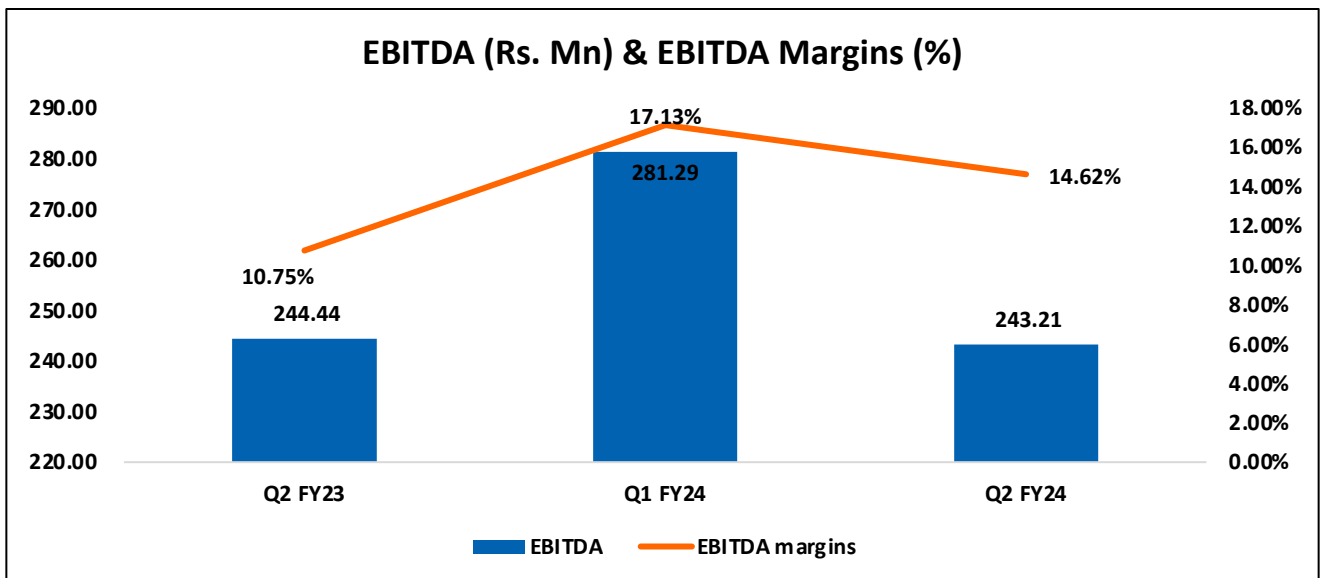
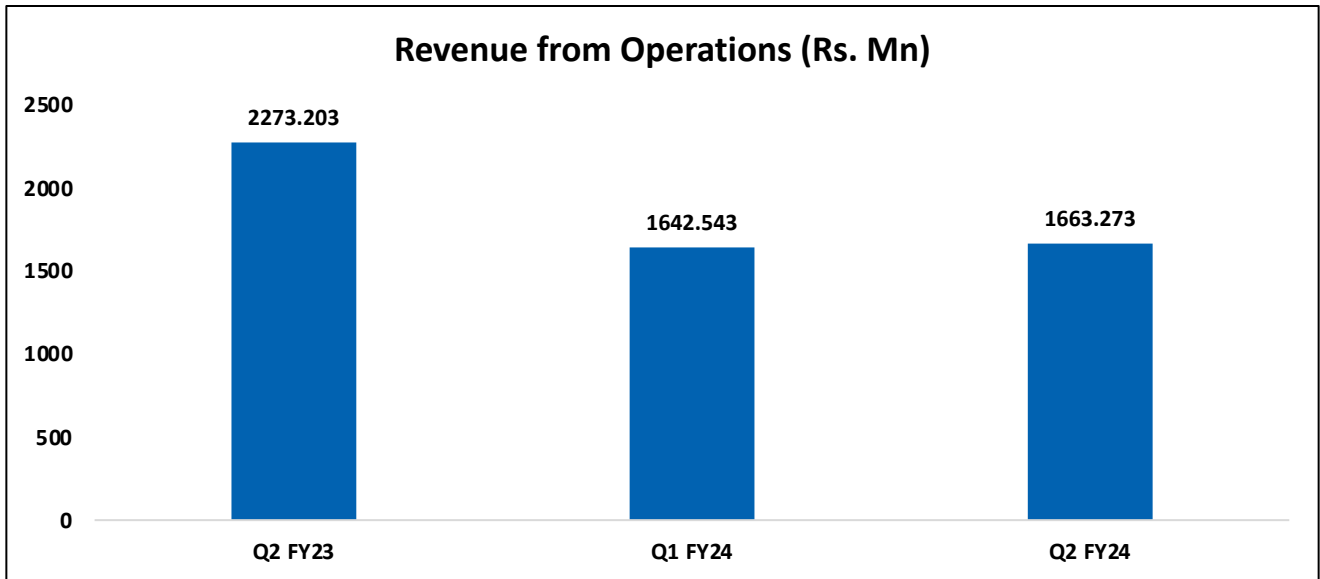
About Lancer Container Lines Limited:

- ❑ Incorporated in 2011 and headquartered in CBD Belapur, Lancer Container Lines Limited (“LCL” or “The Company”) 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 ‘INTEGRATED SHIPPING AND LOGISTIC SOLUTIONS’, The Company operates on an asset-light model with a mix of **14,000+** owned and leased containers of various types and sizes, capable of accommodating a wide spectrum of cargo requirements. LCL operates through 14 offices in India & a wholly owned subsidiary based out of Dubai, and owns an expansive container yard spanning over **20,000 sq. ft.** which is strategically located offering seamless rail, road, and ocean access.
- ❑ Offers a comprehensive array of services like NVOCC (Non Vessel Owning Common Carrier), Empty Container Yard service, Container trading, Freight forwarding (Sea, Air, and Road), break bulk and project cargo, ISO Tank services, Less than Container Load (LCL) Consolidation, Portable Cabins. This diverse service portfolio enables them to provide competitive pricing and committed timelines from major ocean and air carriers, etc. in India as well as on a global basis.
- ❑ Through its partnership with **83+** registered global brands, The Company provides tailored shipping solutions to over 30 countries catering to over **86** ports and **36** ICD’s in the regions like Asia, Middle East, CIS Countries, MENA region, Europe, and South America. The Company has also secured key registrations in the global logistics domain like the AMTOI, FIEO, BIC France, WCA WORLD, and GNN.
- ❑ The company has made a substantial investment in a state-of-the-art ERP system, designed to efficiently monitor and manage the Bill of Landing (BL) inventory while also keeping track of cargo and container earnings on a regional and sector-specific basis.

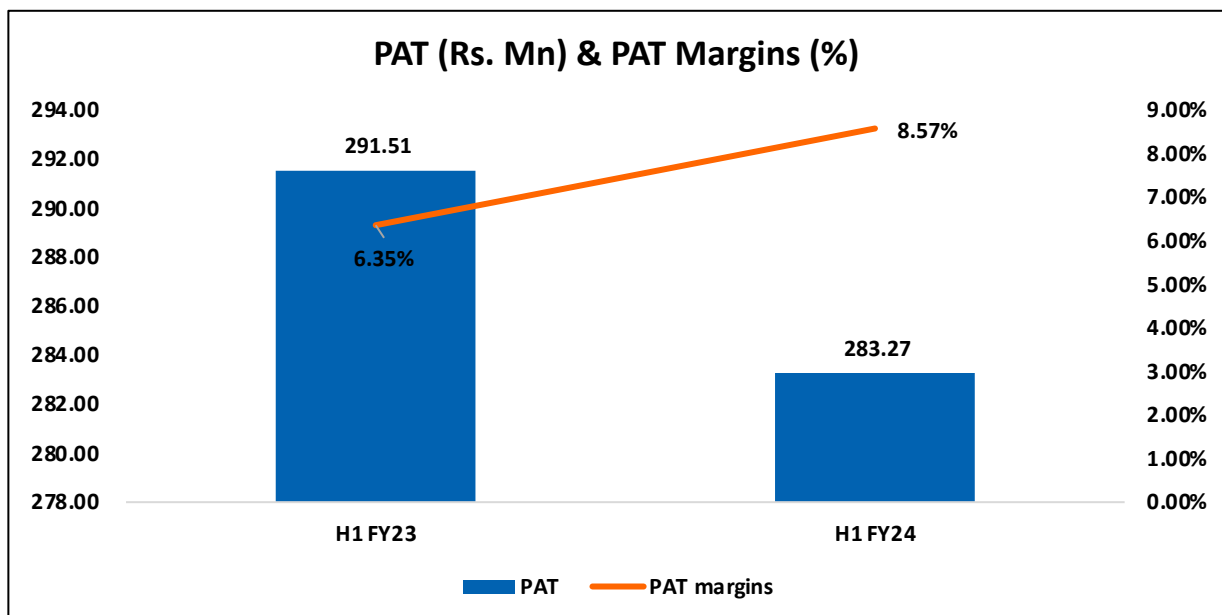
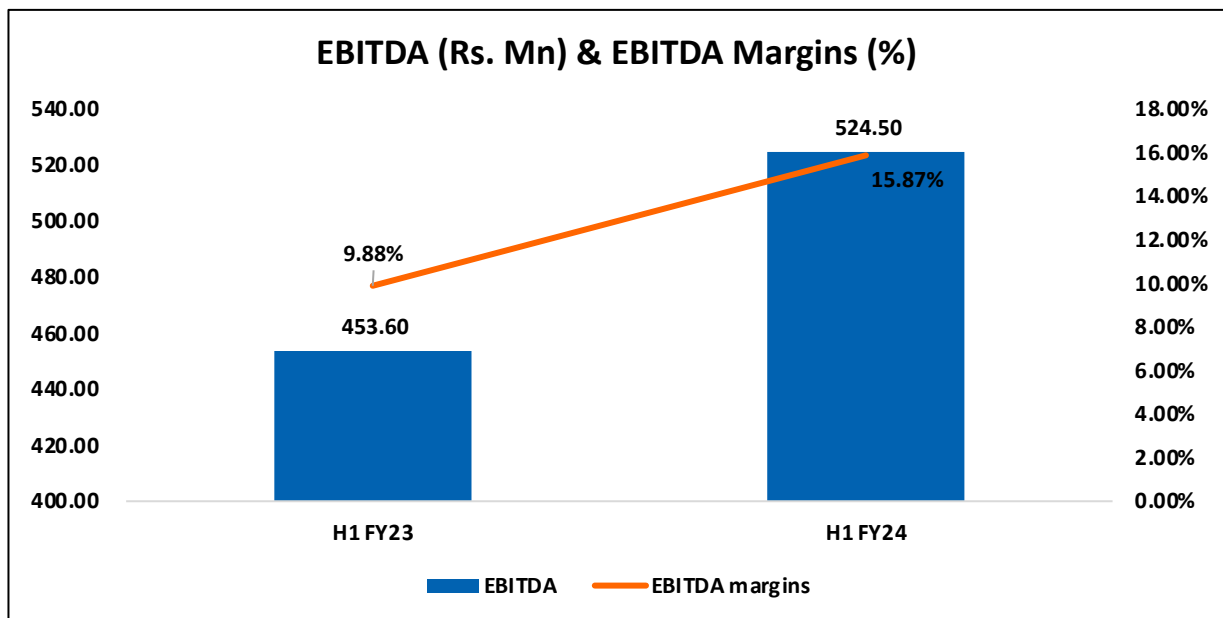
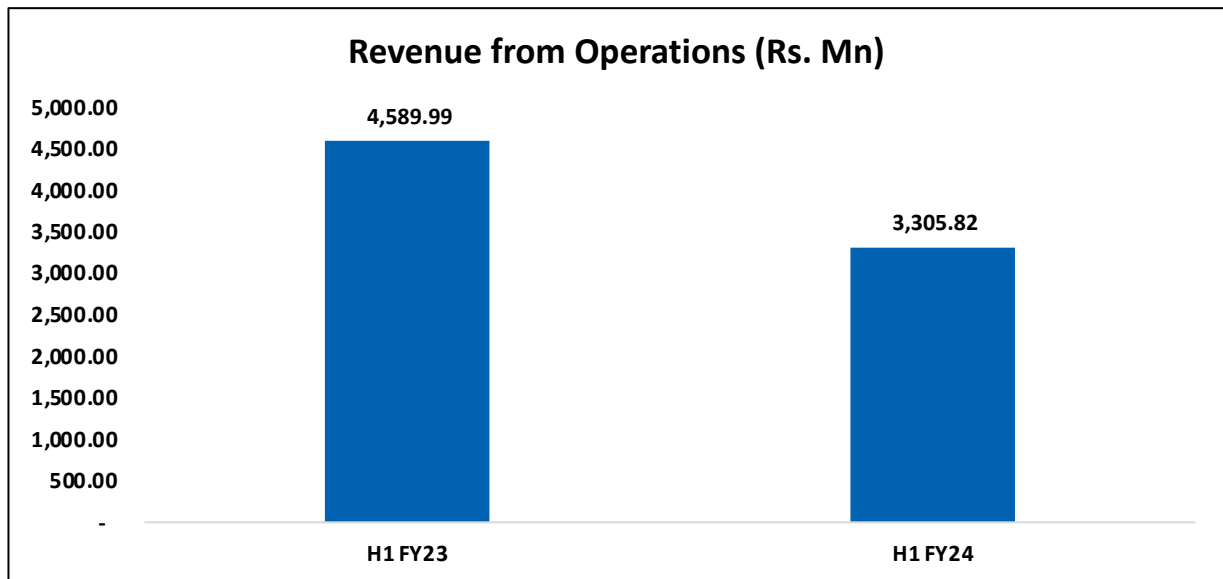
Key Developments in H1 FY24:

- ❑ Lancia Shipping LLC, a wholly owned foreign subsidiary of LCL, has entered into two significant Joint Ventures (JVs) in Dubai. The first JV is with Lotus Container Shipping Services LLC, leading to the establishment of SJ Global Shipping Services LLC, a subsidiary primarily focused on Vessel Operations. This subsidiary has the flexibility to either lease its vessels or utilize them for internal operations. The second JV has led to establishment of Argo Anchoring Shipping Services LLC, a subsidiary specializing in providing freight forwarding and Liner Operations services.
- ❑ LCL has incorporated one more wholly owned subsidiary in India by the name of Lancer Tank Container Services Private Limited, which will specialise in ISO Tank Container Services, ensuring secure and efficient transport of a wide spectrum of liquids, food grade products, and petroleum derivatives across international borders.
- ❑ The Company has distributed bonus shares at a ratio of 2:1, that is two fully paid-up equity shares for every one existing share held.
- ❑ This quarter, the company has transformed \$14 million worth of USD bonds into equity, resulting in an augmentation of the company's paid-up capital. Consequently, there was a decrease in the debt-equity ratio.

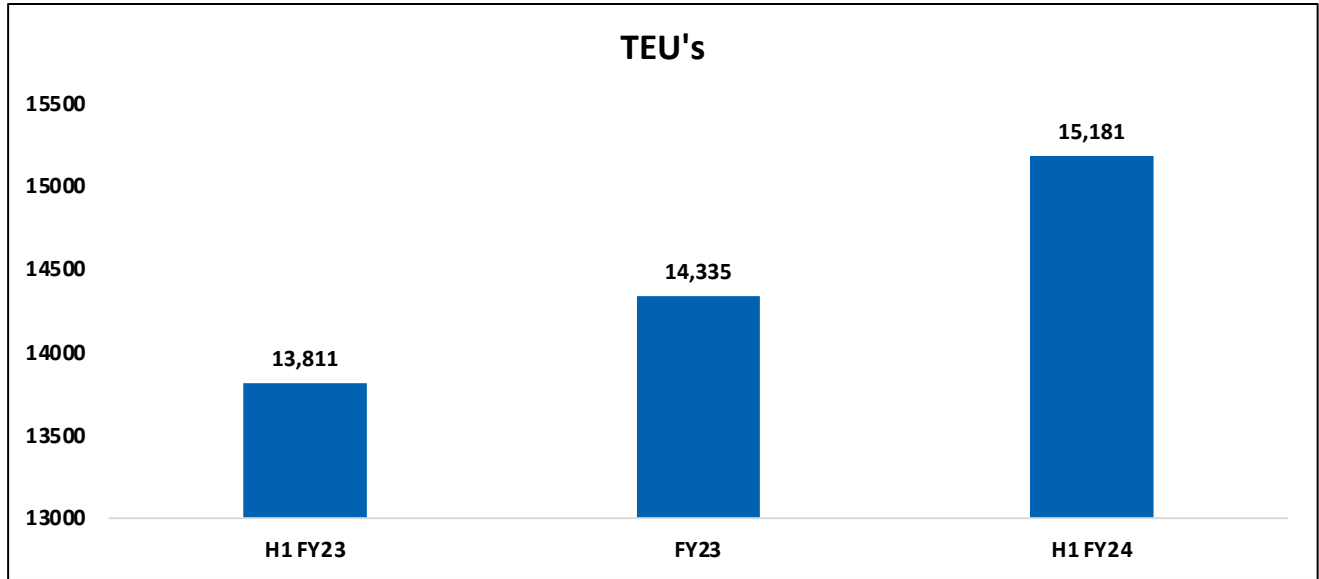
Consolidated Financial Snapshots:



Consolidated Financial Snapshots:



Consolidated Financial Snapshots:



Consolidated Income Statement:

Particulars (Rs. Mn)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	H1 FY24	H1 FY23	YoY%
Revenue from Operations	1,663.27	2,273.20	-26.83%	1,642.54	3,305.82	4,589.99	-27.98%
Other Income	43.57	19.18		22.68	66.26	31.89	
Total Revenue	1,706.85	2,292.38		1,665.23	3,372.07	4,621.88	
Total Expenses excluding Depreciation, Amortization & Finance Cost	1,420.07	2,028.77	-30.00%	1,361.25	2,781.32	4,136.39	-32.76%
EBITDA*	243.21	244.44	-0.50%	281.29	524.50	453.60	15.63%
EBITDA Margin (%)	14.62%	10.75%	387 bps	17.13%	15.87%	9.88%	599 bps
Depreciation & Amortization	75.10	38.69		96.87	171.97	69.59	
Finance Cost	33.39	29.03		38.00	71.39	44.19	
PBT	178.29	195.89	-8.98%	169.10	347.40	371.70	-6.54%
Tax	36.23	37.29		27.90	64.13	80.193	
PAT	142.07	158.60	-10.43%	141.20	283.27	291.51	-2.83%
PAT Margin %	8.54%	6.98%	156 bps	8.60%	8.57%	6.35%	222 bps
Other comprehensive profit / loss	11.63	0.15		(0.06)	11.58	0.08	
Net PAT	153.70	158.75		141.14	294.85	291.58	
Diluted EPS	0.67	0.78		0.68	1.34	1.40	

*EBITDA is calculated excluding Other Income

Consolidated Balance Sheet:

Particulars (Rs. Mn)	30.09.23	31.03.23	Particulars (Rs. Mn)	30.09.23	31.03.23
Assets			Equity & Liabilities		
Non-Current Assets			Equity		
Property, plant and equipment	3,823.29	1,183.62	Equity Share capital	1,080.72	307.77
Right-of-use Assets	109.93	128.22	Other equity	2,173.52	1,525.27
Intangible Assets	1.06	0.83	Total Equity	3,254.24	1,833.04
Capital work in- progress	0.00	0.00	Borrowings	1,409.86	2,644.01
Investments	0.10	0.10	Lease Liabilities	78.91	106.86
Other financial assets	26.40	17.58	Other Financials liabilities	0.27	0.77
Other non current assets	5.15	1.32	Provisions	1.31	2.08
Total Non-current Assets	3,965.93	1,331.67	Deferred tax liabilities (Net)	13.03	10.24
			Total Non-current liabilities	1,503.38	2,763.96
Current Assets			Current Liabilities		
Inventories	5.27	28.27	Borrowings	82.83	40.88
Investments	37.70	52.05	Lease Liabilities	45.78	36.21
Trade receivables	889.93	939.78	Trade payables	363.96	531.78
Cash and cash equivalents	387.85	409.90	Other current liabilities	77.12	58.33
Other financial assets	0.56	2.32	Total Current Liabilities	569.70	667.18
Other current assets	40.08	2,500.20			
Total Current Assets	1,361.38	3,932.51	Total Liabilities	2,073.07	3,431.14
Total Assets	5,327.31	5,264.18	Total Equity and Liabilities	5,327.31	5,264.18

Consolidated Cash flow Statement

Particulars (Rs. Mn)	H1 FY24	H1 FY23
Net Cash Flow From Operating Activities	2,875.18	24.87
Net Cash Flow From Investing Activities	(2,772.49)	(260.13)
Net Cash Flow From Financing Activities	(124.74)	439.96
Net Change in Cash And Cash Equivalents	(22.05)	204.69

Management Commentary:

Commenting on the performance of Q2 FY24, the management team of LCL said:

“We are happy to share with you our business and financial performance. This quarter has been marked by outstanding performance, driven by robust demand from far eastern/western countries, formation of subsidiaries via Joint Venture, and expanding our service lines & geographic reach.

- Our Revenue from Operations stood at Rs. 1,663.27 Mn in Q2 FY24 and at Rs. 3,305.82 Mn in H1 FY24. This was led by steady increase in demand of our services and reduction in freight charges.*
- Our EBITDA remained in line on YoY basis at Rs. 243.21 Mn in Q2 FY24 and increased by 15.63% from Rs. 453.60 Mn in H1 FY23 to Rs. 524.50 Mn in H1 FY24. EBITDA margins increased by 387 bps from 10.75% in Q2 FY23 to 14.62% in Q2 FY24 and by 599 bps from 9.88% in H1 FY23 to 15.87% in H1 FY24. This was led by operational efficiencies, and expansion of operations in newer geographies.*
- PAT stood at Rs. 142.07 Mn in Q2 FY24 and at Rs. 283.27 Mn in H1 FY24. PAT margins grew by 156 bps and by 222 bps to 8.54% in Q2 FY24 and 8.57% in H1 FY24 respectively.*

*We are currently on an expansion mode and have added **610 TEUs** in this financial quarter to the existing portfolio, reaching a total of **15,181 TEUs** as at **30th September 2023**. We are planning to augment our container capacity from the current **15,000+** to over **20,000 TEUs** by FY24.*

Our strategy to increase container inventory gradually by adding 200-300 containers per month driven by incremental demand from freight forwarders has been successful thus far as we continue to focus on growing sustainably. In order to expand profitably we are examining new corridors and testing the market before deploying increased capacities.

*Moreover, The Company have raised **USD 30 Million** through the issuance of 300 Foreign Currency Convertible Bonds (FCCB), each with a face value of USD 100,000 each. To date, 185 bonds have been converted into equity shares. We plan to utilize the proceeds towards 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.*

Furthermore, we have always considered geopolitical factors as a crucial element of our risk management strategy and we have been closely monitoring and responding to the unfolding events between Israel and Hamas. Recent events in the Middle East have heightened our vigilance, and we want to assure you that we are taking proactive steps to ensure the safety and security of our operations.

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.

As we move forward, we are committed to further expanding our reach, enhancing customer experiences, and contributing to the growth and development of the shipping industry both in India and on the global stage. Our team's dedication and the unwavering support of our customers have been the key drivers of our success, and we look forward to continued growth and prosperity in the coming quarters.

Management Guidance for FY24:

- ❑ The management aspires to reach a topline of **~10,000 Mn in FY24**. Despite of a fall in freight charges, the management is confident to achieve the target mainly on the account of new operational service lines including but not limited to vessel operation services, increase in geographic footprint, TEUs addition, addition of new customers, and aggressive sales strategy.
- ❑ We expect the EBITDA margin to remain healthy due to large operational efficiency and volume commitment with vessel operators to negotiate on slot charges which is the major component of operational cost.

For further information on The Company, please visit: <https://www.lancerline.com>

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 circumstance

Contact Details:

Lancer Container Lines Ltd

Email: secretarial@lancerline.com

Contact: 022-27566940/41/42

Krunal Shah/ Naman Maheshwari

Captive IR Strategic Advisors Pvt. Ltd

Email: krunal@cap-ir.com / naman@cap-ir.com

Contact: +91 93724 67194