

VRL LOGISTICS

A COMPANY SNAPSHOT

AUGUST 2017



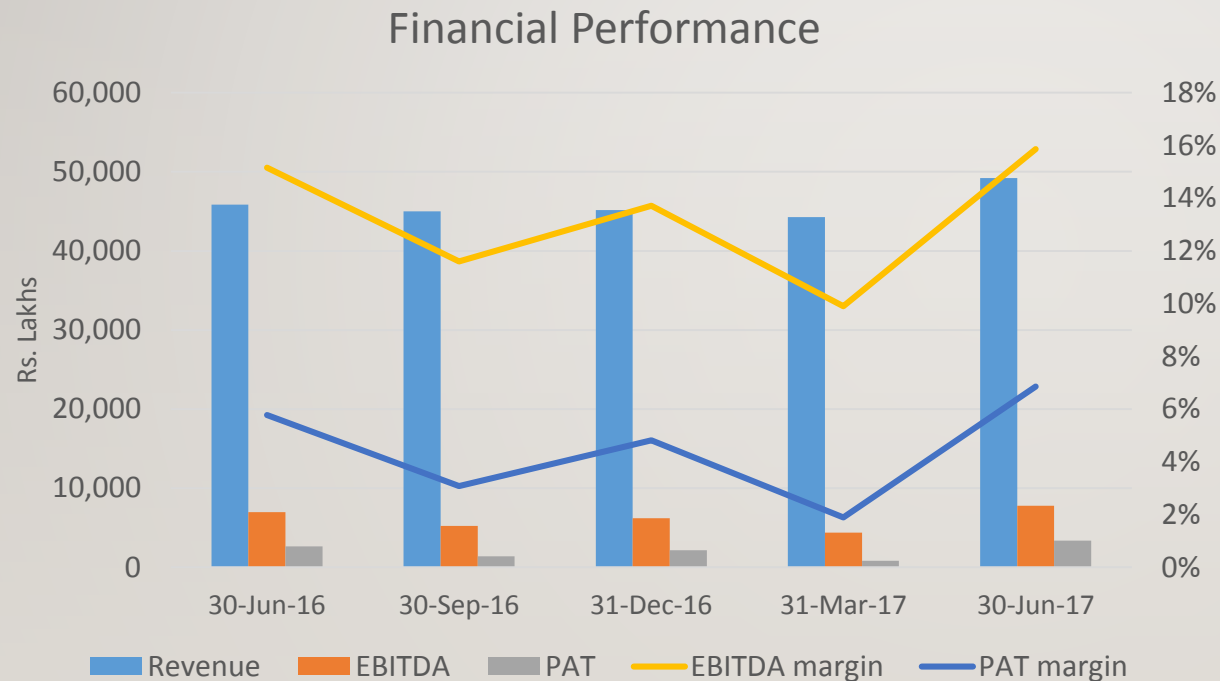
SUMMARY

- VRL is one of the largest private fleet-owners in India in goods transport sector. Operates only 'owned' vehicles, has been into this sector for about 4-decades.
- Given that Indian logistics sector grows at about 15% a year, plus the fact that recently introduced GST, might also add boost to the growth of logistics service providers such as VRL.
- A handful of startups in this space like *Rivigo* (which attracted potential VC funds recently) could pose a threat to existing players like VRL who has been there for years. So an innovative technology infusion into the company's operations could help VRL to further bring costs down, for better optimization and to stay above the competition.
- Given the interest by FIIs and Fund managers in VRL have gone up recently, the stock seems to be a good 'pick and hold'. But unless the company innovates to the competition, it may end up losing shine in future.

COMPANY OVERVIEW

- Predominant private player in goods transport sector in India.
- Market capitalization of about Rs.3,100cr (as on 30th June, 2017).
- Around 4,000+ vehicles installed in parcel delivery sector, about 70% of total revenue come from this segment.
- Also operates in passenger transport sector with about 400 buses fleet under operation.
- Extensive pan-India operations covering about 1,000 locations.
- Technology in place for real-time logistics control.
- Also present in Wind Power generation and Air transport for passengers.

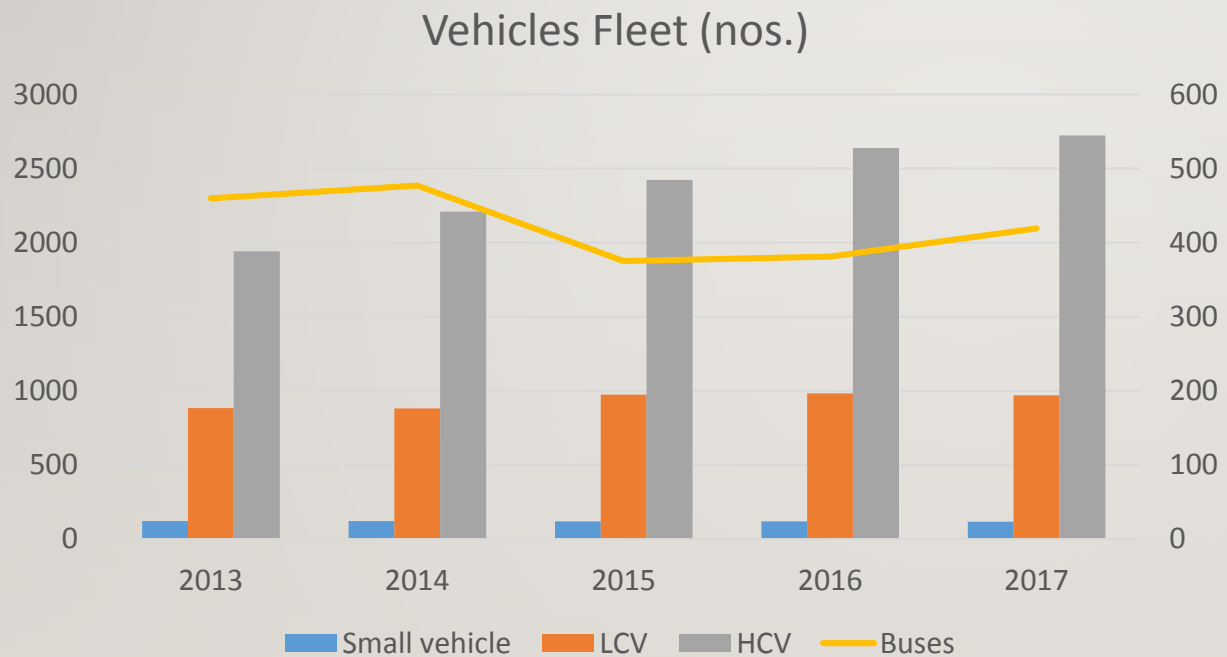
MARGINS STARTED TO PICK UP IN Q2 2017, BOOSTED BY GOODS TRANSPORT SEGMENT



Positive economic outlook and GST are expected to create some improvements in top-line revenue for the company in forthcoming quarters

Source: Company Report

HEAVY COMMERCIAL VEHICLES IN USE INCREASED BY 40% IN LAST 5YRS



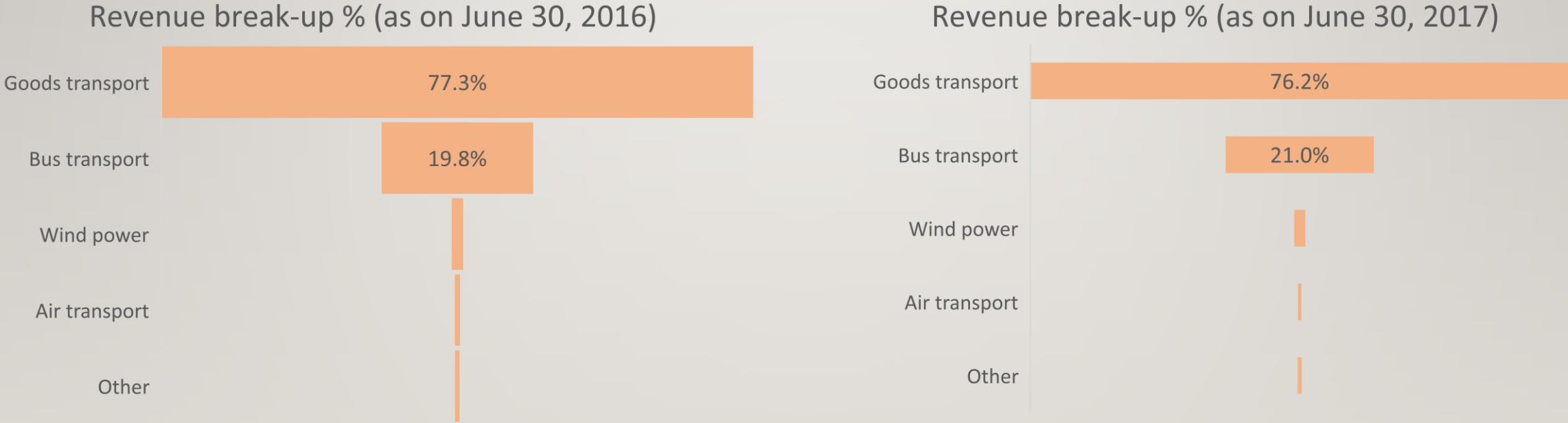
Note: As on March 31

Source: Company Report

- More than 90% of goods transport vehicles are debt-free
- Operational costs (such as hiring) are under control as VRL owns the vehicles
- ‘Own and operate’ model works well with the company

BUS TRANSPORT SAW A MODERATE GROWTH IN LAST QUARTER REVENUE, OFFSET BY FALL IN GOODS TRANSPORT SEGMENT

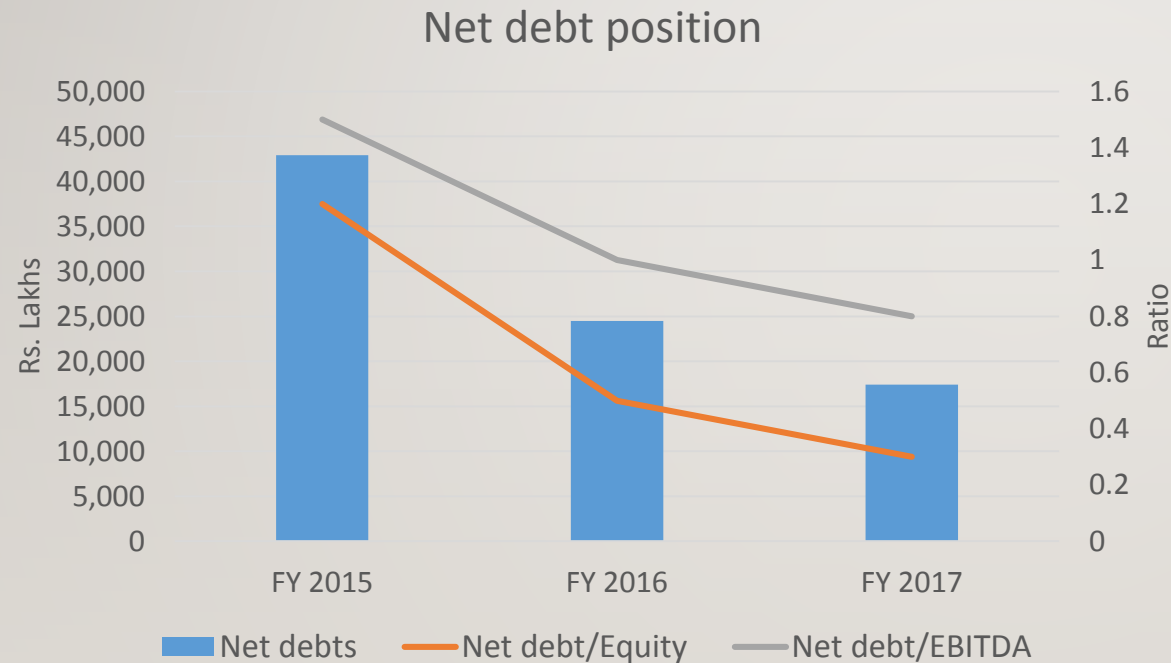
Source: Company Report



Goods transport is the major contributor with >75% of revenue come from that segment



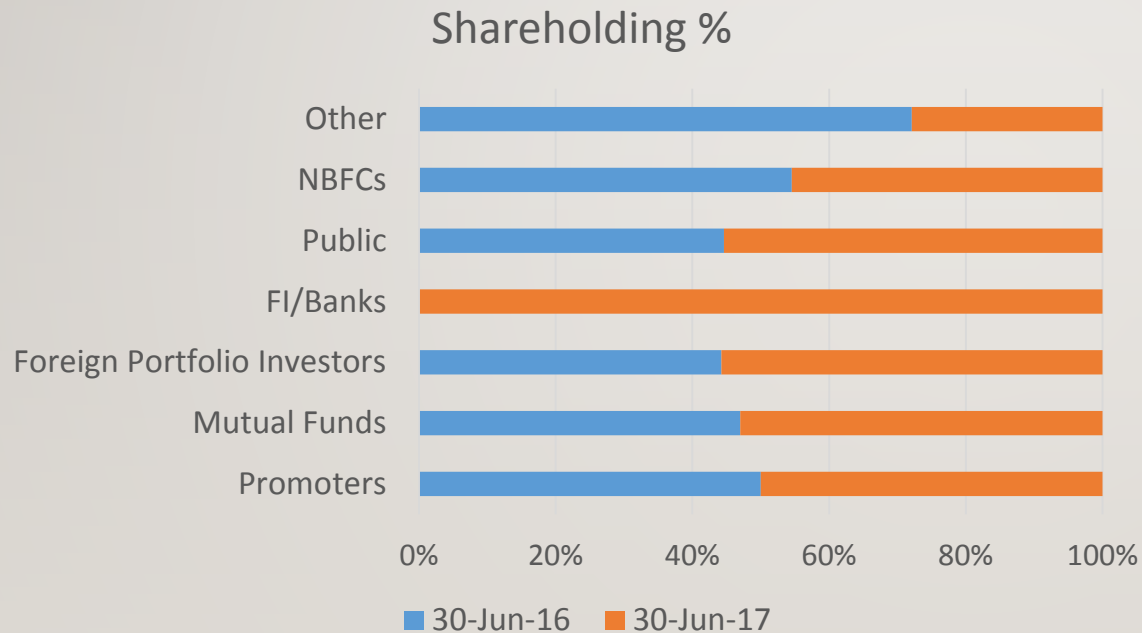
NEW FLEET ADDITION AND A HEALTHY DEBT LEVEL PROVIDE AN OPPORTUNITY TO GROW



Overall debt level seems to decline and at a comfortable position – more vehicle purchases may help to grow the business vertically

Source: Company Report

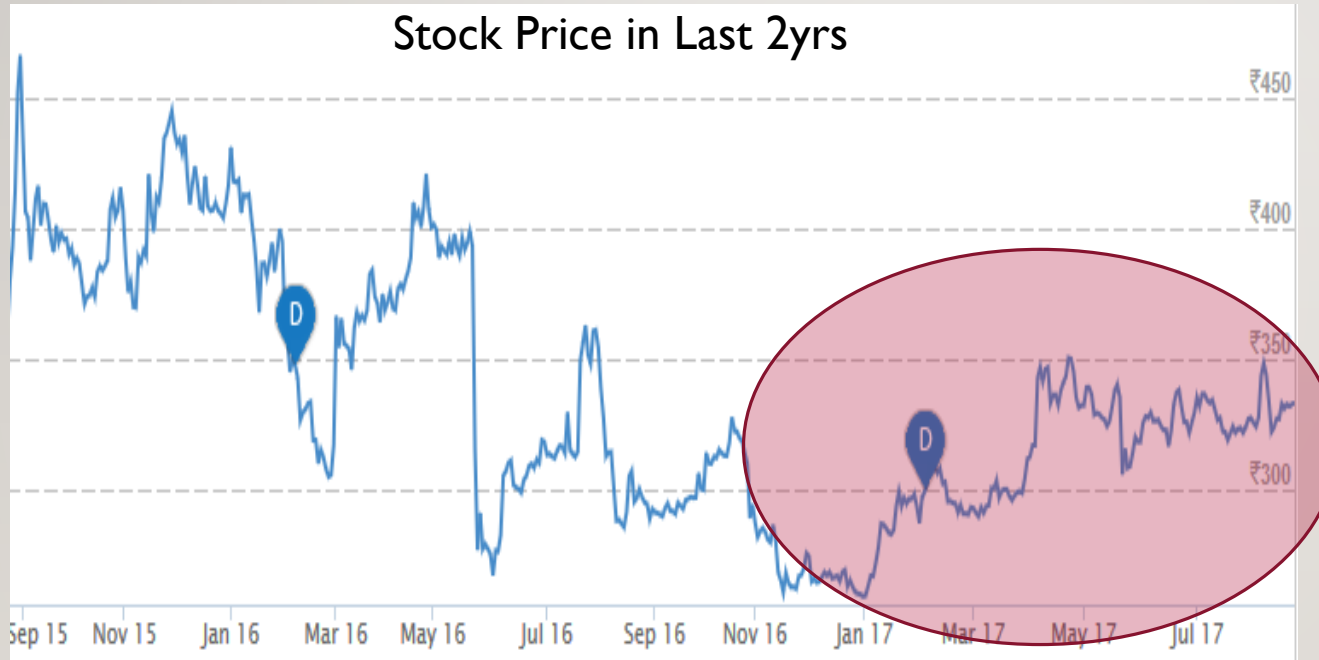
MUTUAL FUNDS AND FOREIGN PORTFOLIO INVESTORS BOUGHT MORE SHARES LAST YEAR



Increased positive vibe on the company, coupled with good macro-economic indicators, made FIIs and MFs to take more pie at VRL

Source: Company Report

POSITIVE FINANCIAL PERFORMANCE IN RECENT QUARTER MAKES THE STOCK ATTRACTIVE



Positive trend expected to continue in remaining quarters in this year as VRL shows some positive financial picture on book

Source: Internet

THANK YOU