

May 31, 2023

To, Listing Compliance and Legal Regulatory BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 BSE Scrip Code: 532749	To, Listing and Compliance National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 NSE Symbol: ALLCARGO
--	---

Dear Sir/Madam,

Sub: Submission of Press Release on Audited Standalone and Consolidated Financial Results for quarter and year ended on March 31, 2023

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Press Release on the Audited Standalone and Consolidated Financial results for the quarter and year ended on March 31, 2023.

The same is also made available on the website of the Company i.e. www.allcargologistics.com.

Thanking you,

Yours faithfully
For **Allcargo Logistics Limited**

Devanand Mojidra
Company Secretary & Compliance Office

Encl: a/a

Allcargo Logistics delivers resilient performance amidst macroeconomic uncertainty

Appoints Mr. Adarsh Hegde as Managing Director

Net consolidated cash soars to ₹ 604 Cr; simplified business structure in place

Mumbai, May 31st, 2023: Allcargo Logistics Ltd. has announced its financial results for the quarter and year ended March 31, 2023. The combined EBITDA, which includes continuing business, and Contract Logistics business stood at ₹ 1,250 Crores. This reflects the sum total of consolidated EBITDA as would be seen for the entity assuming complete stake in Contract Logistics which is now a 100% subsidiary, but the SPA was signed post 31 March 2023.

Further details are as per below table.

Summary of Combined/Reported Financial results FY23 compared to FY22

Particulars	Reported (Continuing)		Contract Logistics		Combined	
	FY23	FY22	FY23	FY22	FY23	FY22
₹ Crores						
Revenue	18,051	19,062	341	344	18,392	19,406
EBITDA	1,129	1,268	121	136	1,250	1,404
EBIDTA Margin	6.3%	6.7%	35.5%	39.5%	6.8%	7.2%

- The combined numbers presented above are more appropriate to consider as they exclude businesses which are already demerged and include Contract Logistics business, which is now in 100% subsidiary as the SPA was signed post March 31st, 2023.
- Q4FY23 has one-off operational costs amounting to ₹ 67.4 crs. We do not anticipate any significant one-offs in Q1FY24. Adjusted for these one-off corrections in last two quarter, the FY23 reported EBITDA would have been ₹ 1,213 Crores.

Key highlights:

- Resilient business performance over last two years has enabled the Company to reduce debt. As of 31st March 2023, the Company has a consolidated net cash of ₹ 604 Cr.

- Revenue for FY23 declined 5.3% YoY from 19,062 Cr to 18,051 Cr. However, the Gross Profit over same period increased 7.7% from 3,476 Cr to 3,744 Cr. Decline in revenue is largely on account of ocean freight rate decline, which is mostly a pass through in LCL business and hence a similar decline in operating expenses is also visible, barring impact on FCL business and investments in new trade lanes, which would be loss making initially. LCL yield as presented in monthly update (slide 19) has remained almost same from Apr'22 to Mar'23, despite significant reduction in Ocean Freight during the period.
- The volumes continue to remain lower in the flagship international supply chain business due to reduced global trade. Most leading international forwarders have reported 5% to 17% YoY drop in volumes in the quarter ending March 2023. In comparison, our volumes are down 7% YoY in LCL and remained flat YoY in FCL for the quarter ending March. Post February, we witnessed a much stronger March, but April has again been weaker. We now estimate volume pick up to happen with the peak season, which usually starts in July.
- Our standalone numbers represent the India ISC business. During Q4FY23, the standalone revenue has declined by 55% YoY from ₹ 950 Cr in Q4FY22 to ₹ 428 Cr in Q4FY23, while the Gross Profit over the same period has declined by just 2% YoY. This highlights the robust performance of the business in a falling freight rate environment, essentially protecting the margins at a Gross Profit level.
- The company intends to revive profitability in international supply chain business by increasing volumes and reducing SG&A. Yields are expected to remain rangebound with short term decline driven by competitive pressure and bounce back with improved operating parameters including utilisation and share of 40 feet containers.
- Increased SG&A is on account of inflation as well as business expansion, as we continue to invest in people and capabilities to build new products and trade lanes. There are also one-off cost items as presented in earlier slide (slide 4). However, we are also seeing positive impact of cost rationalisation being driven through automation and process improvement. This will offset costs in coming quarters, and we estimate SG&A costs to be lower in following quarters.
- Company intends to offset Gross Profit impact on account of FCL, which contributes to 30% of the total, by way of volume growth once trade environment is normalised. In LCL, yields have remained more stable as freight costs represent smaller share in costs.
- The express business operations are now best in industry and with mega hubs in place, we expect revenue and margins to gradually expand. Contract Logistics business continues its strong performance and is poised for strong growth in FY24.

Shashi Kiran Shetty, Founder and Chairman, Allcargo Group said, “Our focus on technology continues to drive our long-term strategy. In the short term, we remain confident about our resilience in poor macroeconomic environment for international trade. We are satisfied with the business management of the company in spite of severe headwinds in the last two quarters. The volumes are likely to improve & as this happens the performance of the company should improve.

On the domestic front, Gati continues to improve its service levels, growth in revenue & EBIDTA numbers. contract logistics business has had another stellar year. It is now jointly managed with GATI and ASCPL management.

I am happy to announce the appointment of Adarsh Hegde who is a veteran in the logistics industry & long-time leader within the group, as Managing Director. The company is poised well for growth in years to come. Most importantly we are looking closely at the future prospects to leverage the opportunities a market leader has. ”

ABOUT ALLCARGO LOGISTICS LTD.

Allcargo Logistics Limited, part of the Allcargo Group, is a global leader in multimodal logistics solutions. It’s wholly owned subsidiary Allcargo Belgium NV., Operating ECU Worldwide network, is a global market leader in ocean freight consolidation. Allcargo is among the leaders in express logistics through subsidiary Gati Ltd., besides having strong presence in Contract Logistics and other businesses. Allcargo is recognised for digitising logistics industry, setting highest quality standards, operational excellence, and customer centricity across all businesses. The company is recognized as a great place to work.

The company currently operates out of 300 plus offices serving 180 countries. Allcargo today is one of India's largest publicly owned logistics companies, listed on the BSE Limited (Scrip Code- 532749) and The National Stock Exchange of India Limited (Scrip Code-ALLCARGO).

For further information, contact:

Pooja Singh

pooja.singh@allcargologistics.com