



September 11, 2023

BSE Limited
1st Floor, New Trading Ring,
Rotunda Bldg., P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001
Scrip Code: **543965**

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Symbol: **TVSSCS**

Dear Sir/Madam,

Sub: Investor presentation of earnings call with analysts/ investors

In compliance with Regulation 30 read with Para A of Part A of Schedule III and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our announcement dated September 6, 2023, on earnings conference to be held on September 11, 2023, we enclose herewith a copy of the investor presentation.

The intimation is simultaneously uploaded in the Company's website at <https://www.tvsscs.com/investor-relations/>.

Kindly take the above information on record.

Thanking You,
Yours faithfully,

For TVS SUPPLY CHAIN SOLUTIONS LIMITED

P D KRISHNA PRASAD
Company Secretary
Enclosure: As above

TVS Supply Chain Solutions Limited

No 58, Eldams Road, Teynampet, Chennai - 600018, India. **Phone:** +91 - 44 - 6685 7777
Registered Office: No: 10, Jawahar Road, Chokkikulam, Madurai - 625002, India.
CIN: U63011TN2004PLC054655

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TVS Supply Chain Solutions

Q1 FY24 Earnings Presentation

September 2023



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Forward-looking statements and financial projections include, among other things, statements about: our expectations regarding our transaction volumes, expenses, sales and operations; our future merchant and consumer concentration; our anticipated cash needs, our estimates regarding our capital requirements, our need for additional financing; our ability to anticipate the future needs of our merchants and consumers; our plans for future products and enhancements of existing products; our future growth strategy and growth rate; our future intellectual property; and our anticipated trends and challenges in the markets in which we operate. Forward-looking statements are not guarantees of future performance including those relating to general business plans and strategy, future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and no representation, warranty or undertaking, express or implied, is made or assurance given that such statements, views, projections or forecasts in the Presentation, if any, are correct or that any objectives specified herein will be achieved.

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Company Overview

Q1 FY24 Business Update

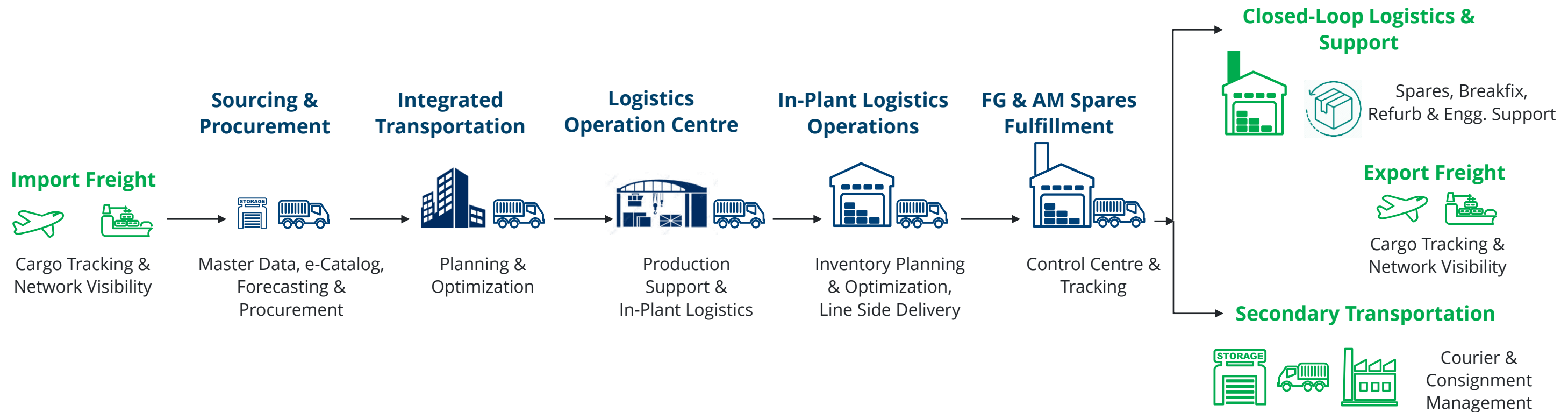
Q1 FY24 Financial Performance

Customer Wins and Pipeline

Appendix: Financial Statements

A supply chain solution provider with end-to-end capabilities...

We have two operating segments:

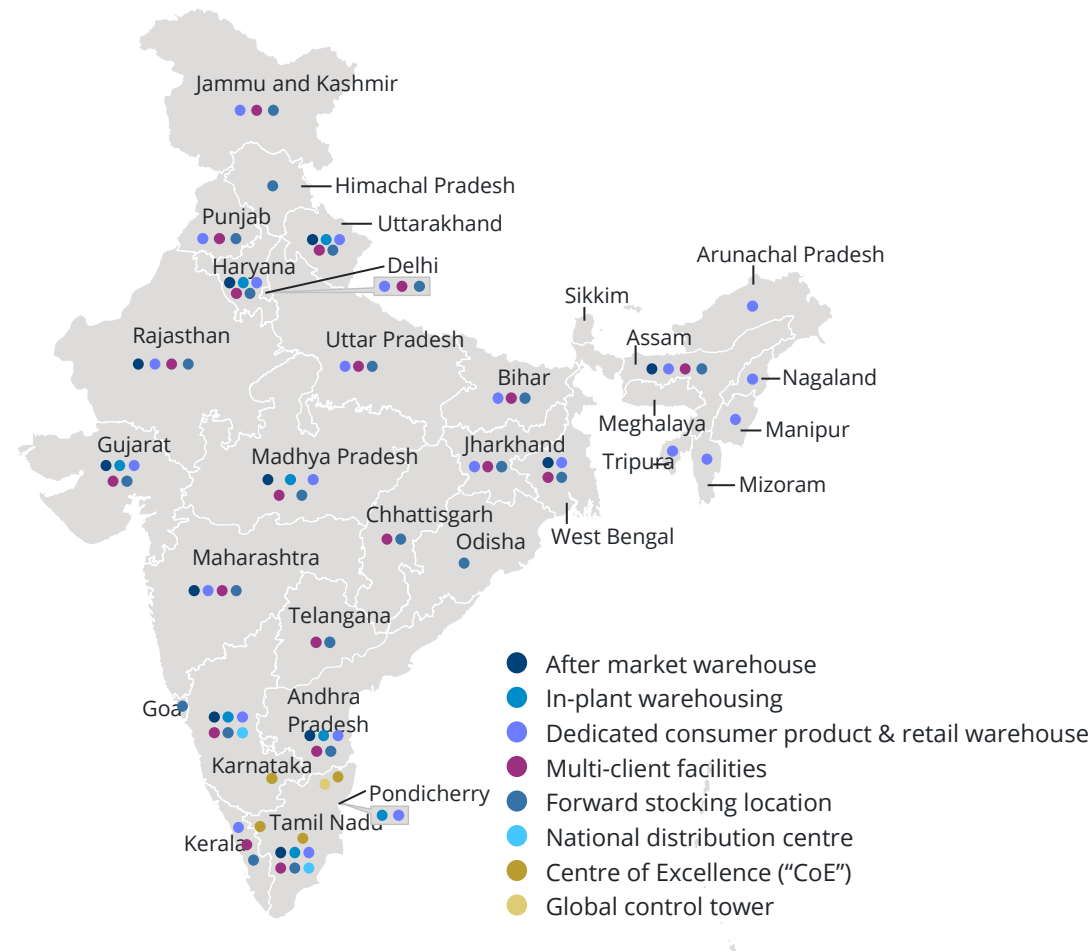


★ Integrated Supply Chain Solutions

★ Network Solutions

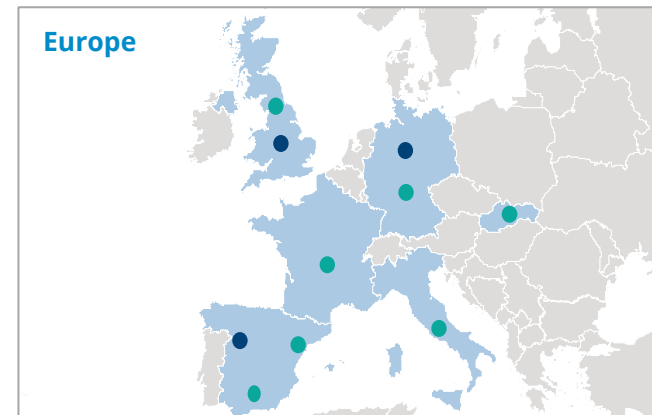
...We are a global business headquartered in India

We are present across India

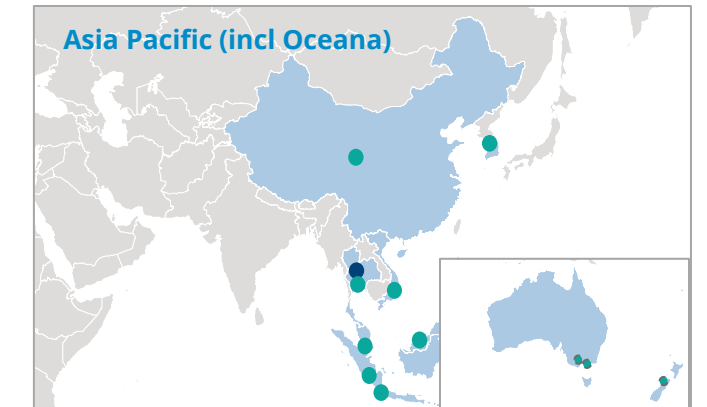


Share of FY23 revenue: 29.6%
Total warehouse space: 22.5 mn sft
No. of permanent employees: 13,869

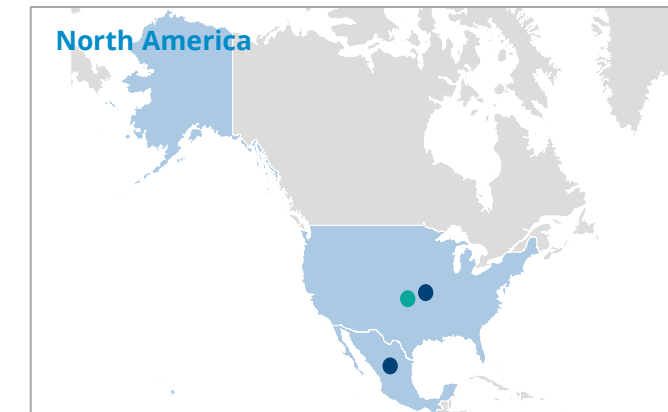
And globally across four continents



Share of FY23 revenue: 43.0%
Total warehouse space: 2.2 mn sft
No. of permanent employees: 2,748



Share of FY23 revenue: 20.2%
Total warehouse space: 1.2 mn sft
No. of permanent employees: 756



Share of FY23 revenue: 7.2%
Total warehouse space: 1.3 mn sft
No. of permanent employees: 540

Note: Warehouse space and employee count data as of 31 Mar 2023

Commercial drivers of our business

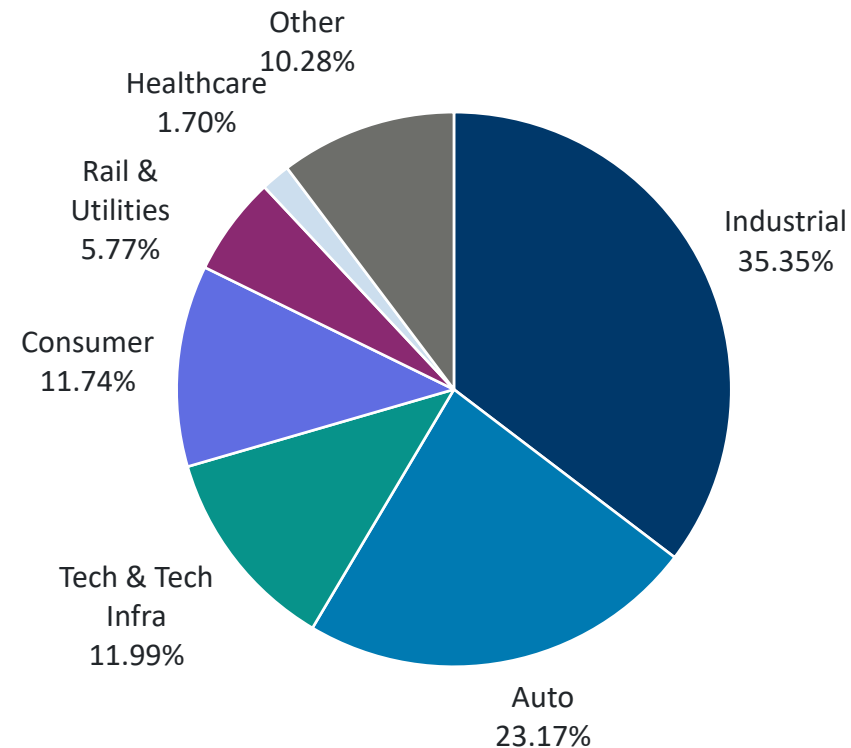
	Integrated Supply Chain Solutions (ISCS)	Network Solutions (NS)
Nature of Customer Engagement	<ul style="list-style-type: none"> Outsourcing contracts with defined scope, service levels and pricing Mostly above 5 years; a few ranging up to 13 years. 	<ul style="list-style-type: none"> <u>GFS</u>: Driven by engagements that are a mix of both long-term commercial contracts and short-term commercial contracts <u>IFM</u>: Mix of single-year and multi-year contracts
Revenue and Margin Drivers	<ul style="list-style-type: none"> Resilient revenue profile driven by mix of pricing models: <ul style="list-style-type: none"> Cost plus management fee; Template/ deployment linked; Volume linked/ variable; and Gain-share. Pricing models typically cover direct operational expenses with margins driven by volumes 	<ul style="list-style-type: none"> Revenue is driven by a combination of : <ul style="list-style-type: none"> Cost plus management fee; and Template / deployment linked. Margins vary based on input costs due to a higher share of contracts with cost plus management fee pricing model Higher utilization of network drives margin enhancement
Cost Drivers	<ul style="list-style-type: none"> Solutioning, process and tech deployment. Outsourced vendors (transportation partners) Manpower deployment Asset deployment (warehouse and equipment). 	<p><u>GFS</u></p> <ul style="list-style-type: none"> Outsourced freight carriers and operational manpower Solutioning, process and tech deployment <p><u>IFM</u></p> <ul style="list-style-type: none"> Solutioning, process and tech deployment Operational manpower deployment Network cost (stock locations, outsourced couriers and support engineers).
Customer Base	<ul style="list-style-type: none"> Typically large customer engagements Top 20 customers contributed 59.04% of FY23 Revenue 	<ul style="list-style-type: none"> Wide customer base with low revenue concentration. Top 20 customers contributed 37.70% of FY23 revenue

GFS: Global Forwarding Solutions IFM: Integrated Final Mile

We have a diverse customer base with long term relationships in both segments

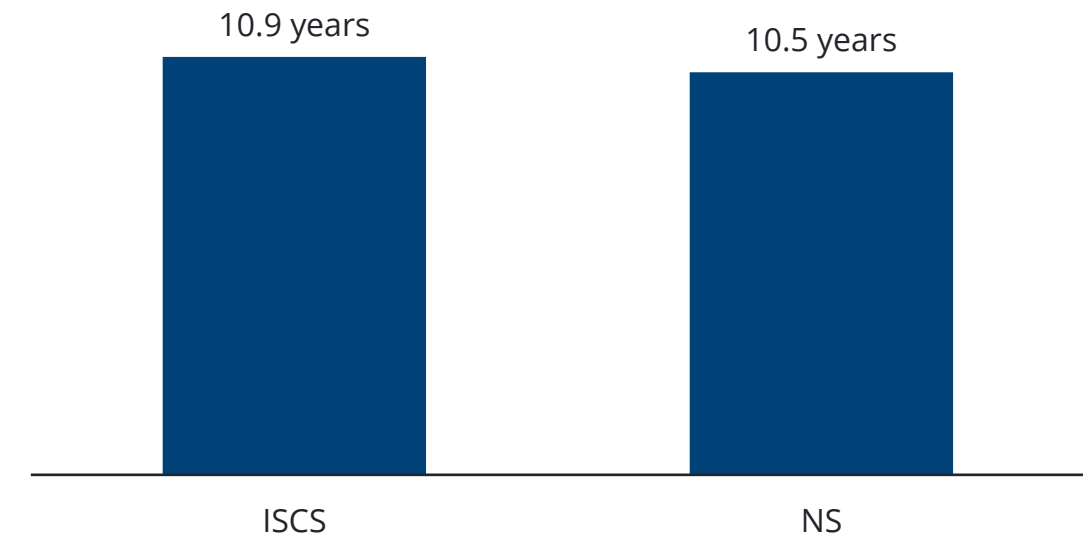
Diversified customer base

Revenue by customer sector (FY23)



Long term customer relationships

Avg. length of relationships: of top 10 customers in FY23



We work with 72 of the Fortune Global 500 customers¹

And in-house tech that provides us significant competitive advantage

Our tech platforms across the value chain:



Transport Management

i-Loads

- One-stop E2E platform for truck management, delivery tracking, billing, performance reporting



Warehouse Management

Visibility

- Inventory management solution using RFID technology coupled with barcodes

Trace

- Spare parts logistics warehouse management



Freight Management

LCL Consolidator

- Enable automated decision-making on container closing providing real-time cargo visibility

e-connect

- Online tracking system with 24/7 visibility of goods down to order item level



Supply Chain Management

Msys

- Product data mgmt., demand forecasting, warehouse mgmt., business data & analytics

Courier Alliance

- Marketplace to match courier partner with customer demand ensuring speedy completion of last mile delivery

Our Growth Vision



Q1 FY24

Business Update

Macroeconomic factors influencing our business

Integrated Supply Chain Solutions Segment ("ISCS")

Outsourcing of supply chain requirements continues to grow resulting in expansion in existing engagements and strong pipeline of newer opportunities

India

- Domestic consumption driven sectors continue to grow
- Production supply chain relating to auto & industrials expanding in line with demand

UK / Europe

- Inflation pressures are easing driven by fall in energy prices
- Robust demand in sectors such as utilities, defence, energy, etc.

USA

- Inflation has slowed down and lowest since Mar 21
- Auto sales in 2023 have grown double digit over 2022 despite high interest rates and fuel costs
- Possibility of a UAW¹ strike in September on wage negotiation

Network Solution Segment ("NS")

Global freight

- Freight rates continue to be subdued
- India freight volumes impacted by weak exports; Q1 India merchandize exports lower 15% YoY
- Weak volumes in other key trade lanes

Q1 Highlights: ISCS Segment

Very strong growth momentum in ISCS segment

- ISCS segment revenue for Q1 was 1,319 Cr, up 20.1% YoY
- Revenue grew sequentially and YoY in all geographies: India, UK/Europe, North America
- Momentum in business development continues
 - Engagement with Centrica PLC went live, a 7 year transformational engagement
 - Other key contracts wins / renewals that went on stream:
 - A German MNC technology co focusing on mobility (USA)
 - A specialized glass & materials co (India)
 - A leading American solar technology co (India)
 - A beverage dispensing equipment co (UK)
- Steady variable margin & operating leverage resulted in Adj. EBITDA margin expansion
- ISCS Adj. EBITDA was 139.8Cr, up 46.7% YoY and margins expanded 190 bps from 8.7% in Q1 FY23 to 10.6% in Q1 FY24

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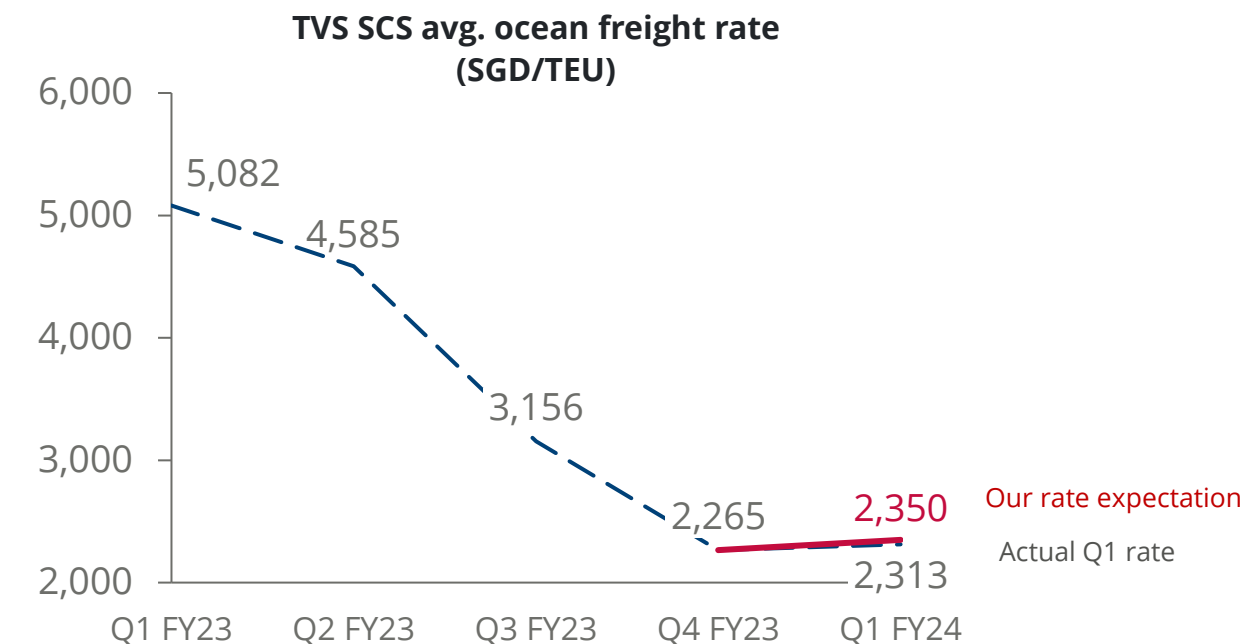
Q1 Highlights: NS Segment

1. IFM business steady

- Cost pressures on manpower & fuel costs continue to impact margins; customer price increases yet to materialize
- Implementing specific cost reduction measures

2. GFS revenue declined on low freight rates in line with global trends

- Freight rates at pre-Covid levels and in line with expectation; volume uptrade was not as per our expectation
 - Procurement & operational efficiency delivered higher gross margin % in freight
- With our marquee customer base, we expect volumes to improve as business environment picks up

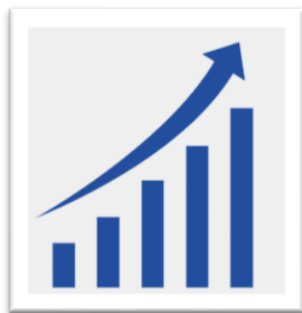


NS segment revenue 1,024 Cr, down 35.1% YoY

Segmental variable margin % improved but volume downtrend resulted in Adj. EBITDA margin decline

- NS Adj. EBITDA was 38.2 Cr down 52.9% YoY and Adj. EBITDA margins declined from 5.1% in Q1 FY23 to 3.7% in Q1 FY24

Q1 Consol performance summary



Q1 was a quarter where we showcased inherent strengths in our portfolio & business mix

- Q1 revenue was 2,342 Cr; 1.6% down QoQ and 12.4% YoY
 - ISCS segment grew sequentially and over previous year in all geographies
 - Subdued freight rates in line with global trends and lower than expected volumes resulted in NS revenue decline
- Q1 Adjusted EBITDA was 179.4 Cr; up 3.3% QoQ and 7.3% YoY
- PBT before exceptional items was ~25.6 Cr; down from – 10.9 Cr in Q4 FY23 and from 7.5 Cr in Q1 FY23
 - We had to take a one-time charge of 23.2 Cr on conversion of CCPS to equity;
 - Interest on borrowings increased 19.2 Cr compared to Q1 FY23
 - PBT as reported was – 47.9 Cr
- PAT as reported was – 65.3 Cr; down from –12.4 Cr in Q4 FY23 and from – 1.8 Cr in Q1 FY23
 - PAT adjusted for the CCPS impact was – 42.1 Cr

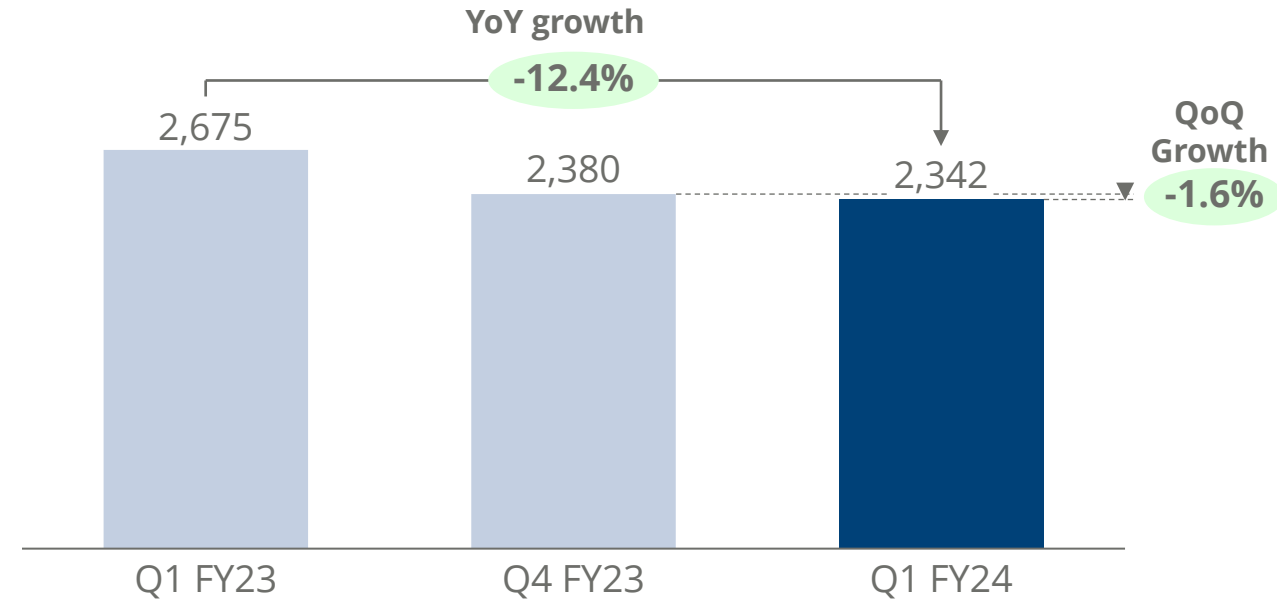


Q1 FY24

Financial Performance

Strong revenue momentum in ISCS; NS revenue impacted by declining volumes and subdued freight rates

Consol Revenue from operations in INR Cr



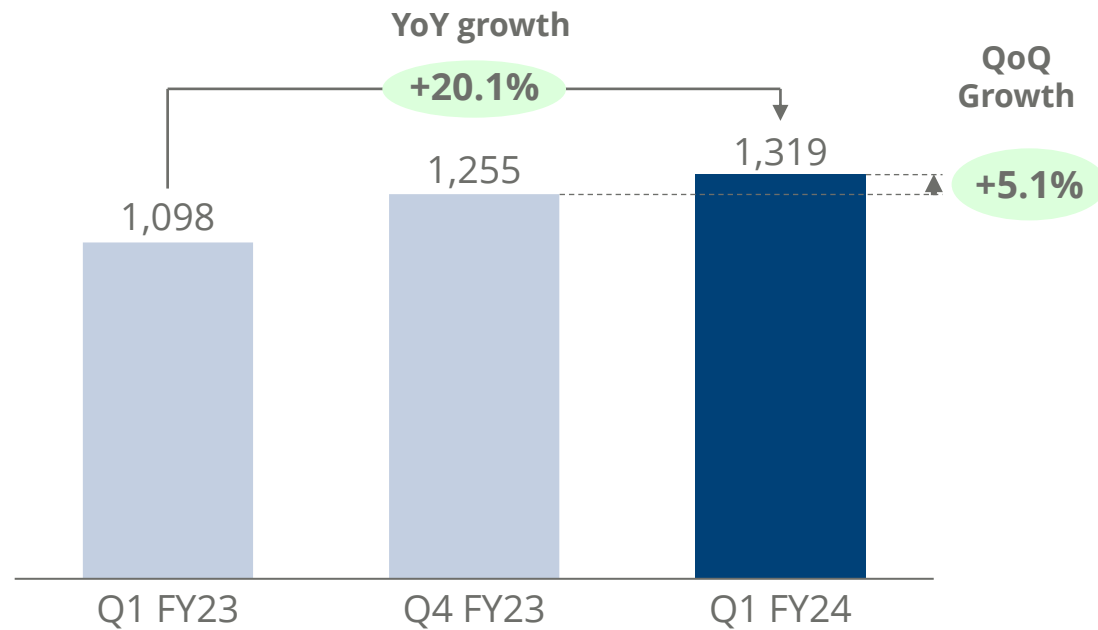
Growth in all 3 geographies

- India
- UK / Europe
- US

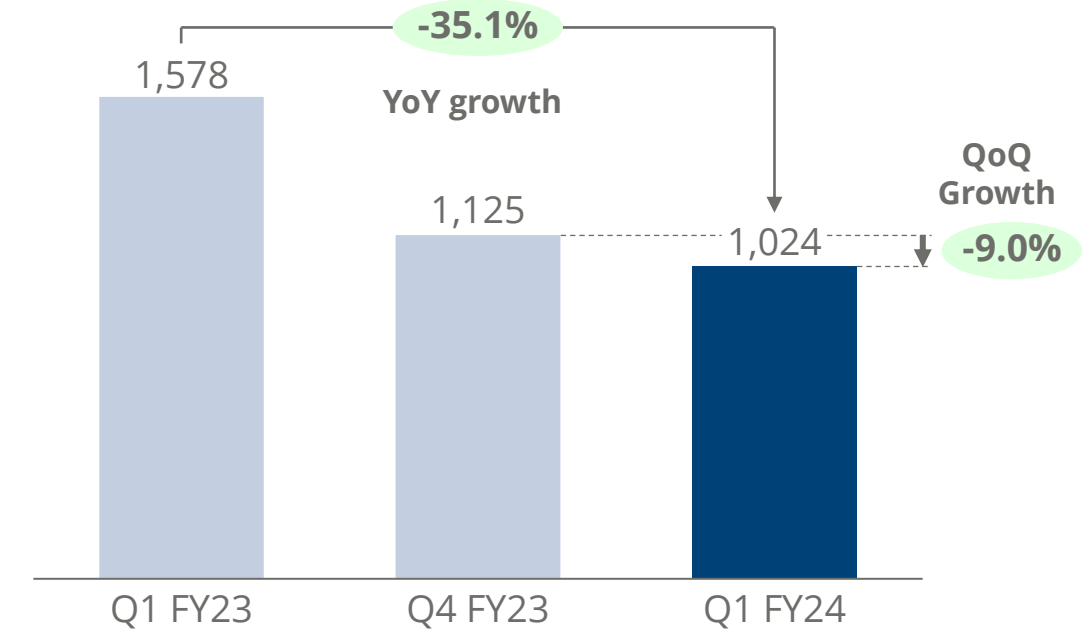
YoY decline of 12.4%

- Volume impact: +4.9%
- Price impact: -17.3%

ISCS Revenue from operations in INR Cr

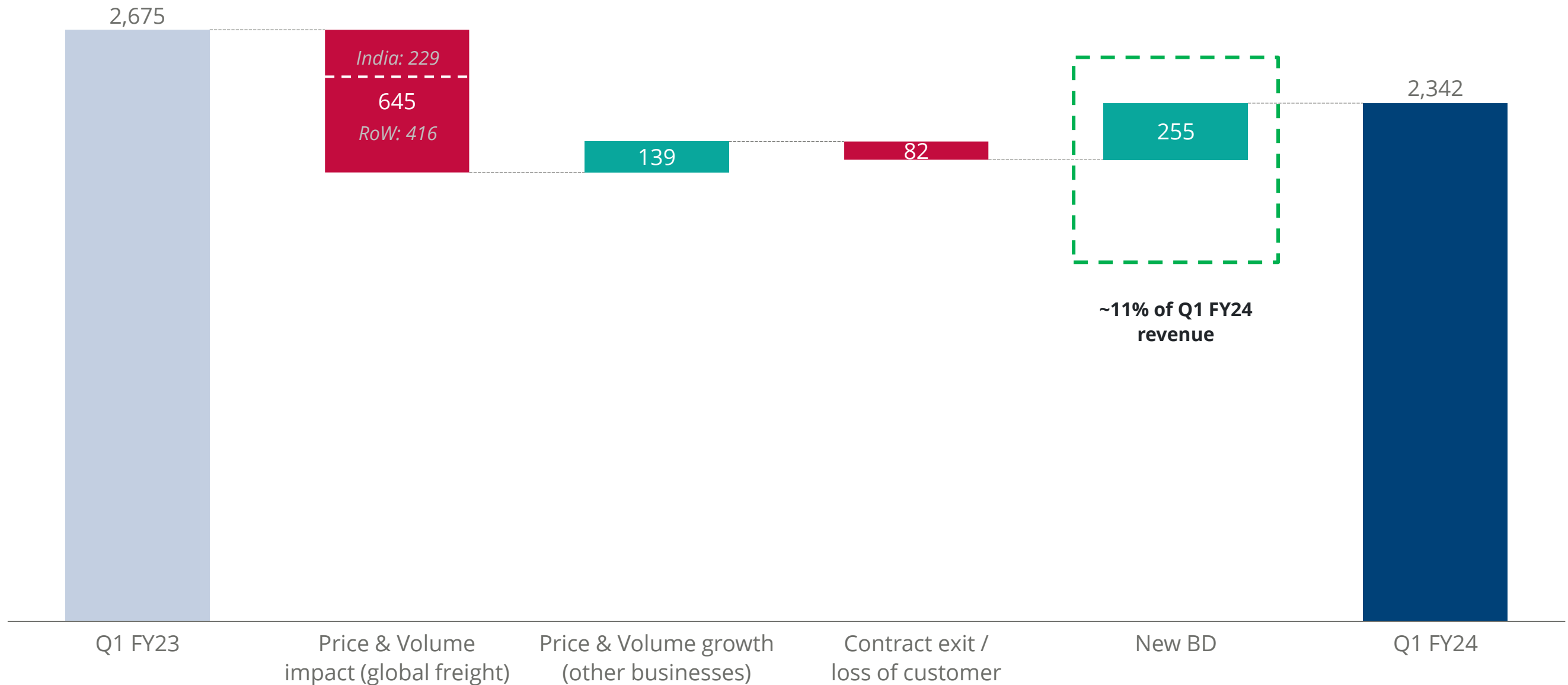


NS Revenue from operations in INR Cr



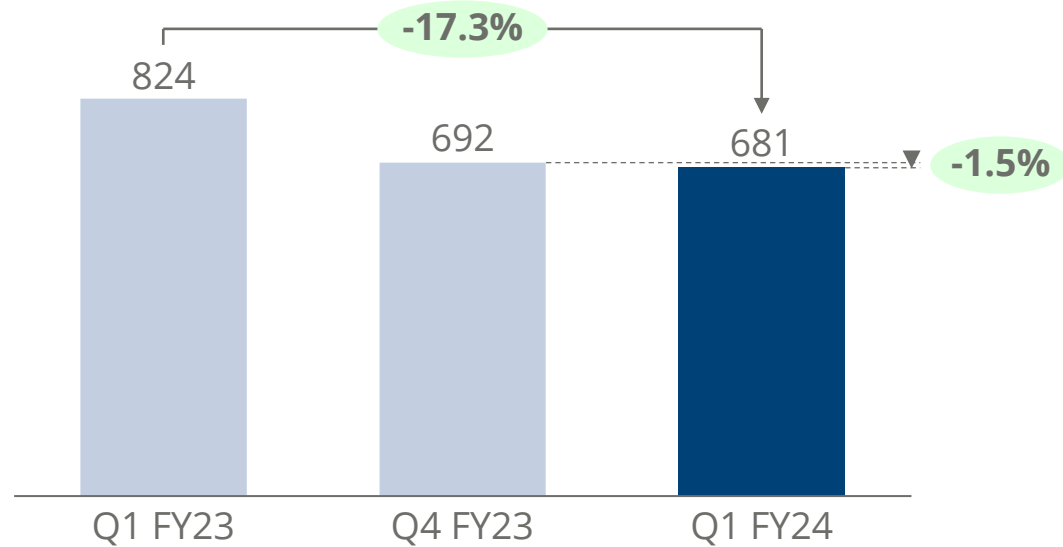
Revenue: Robust new business delivery: ~ 255 Cr in Q1 FY24

Revenue bridge: Q1 FY23 to Q1 FY24 in INR Cr

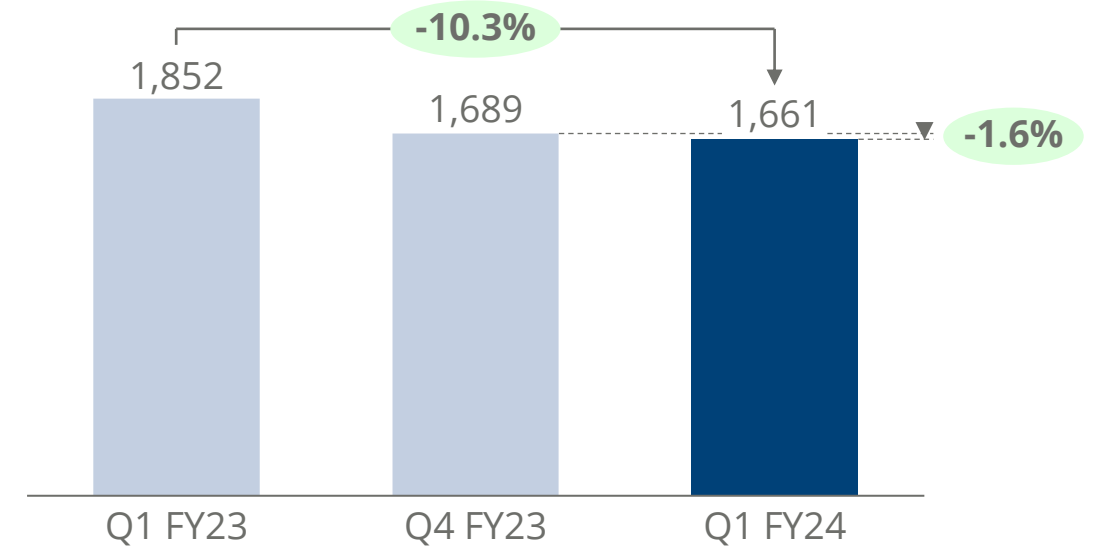


Revenue: ISCS revenue has grown both in India & RoW

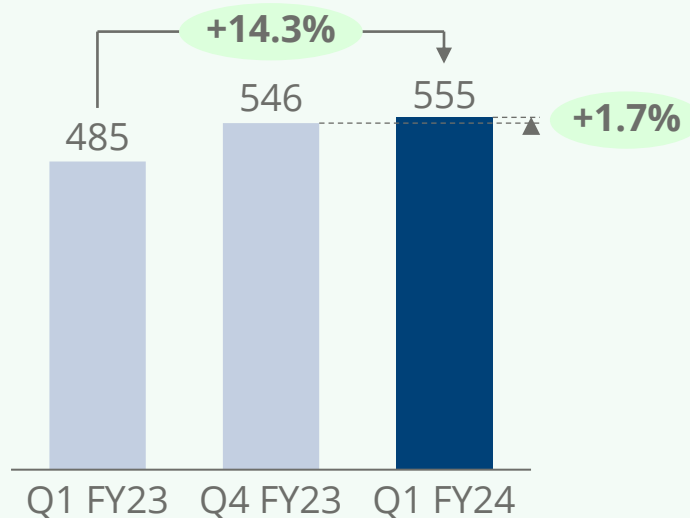
India Revenue in INR Cr



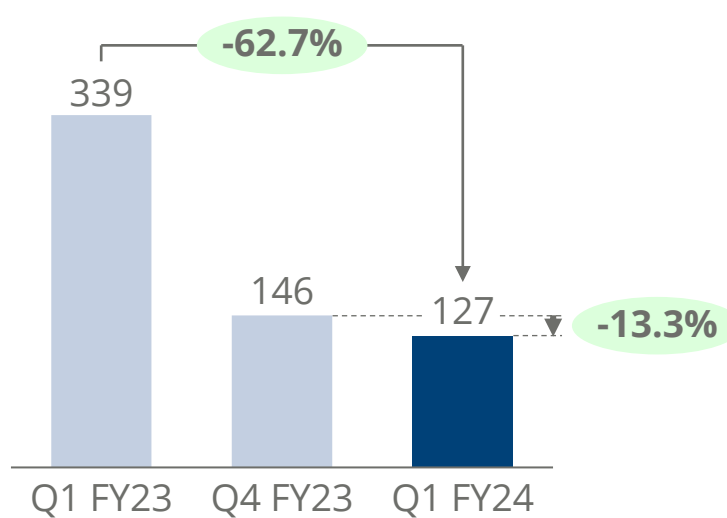
RoW Revenue in INR Cr



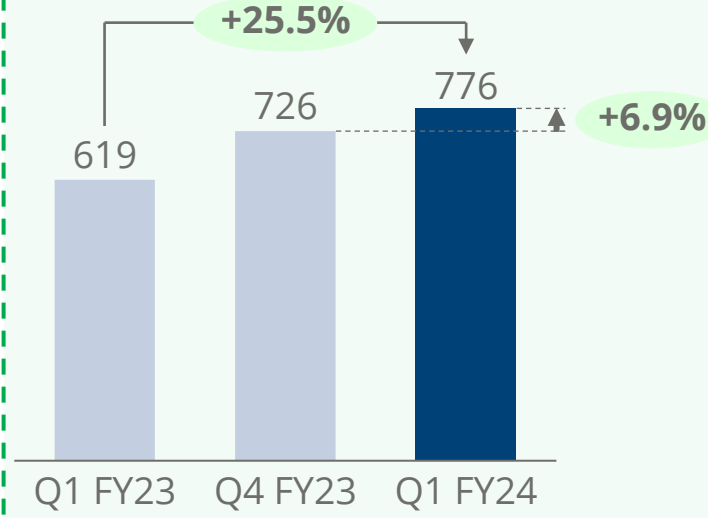
India ISCS Revenue in INR Cr



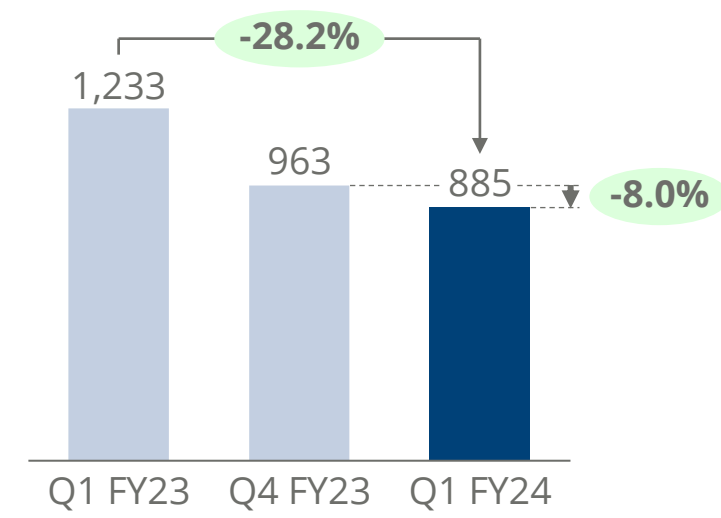
India NS Revenue in INR Cr



RoW ISCS Revenue in INR Cr

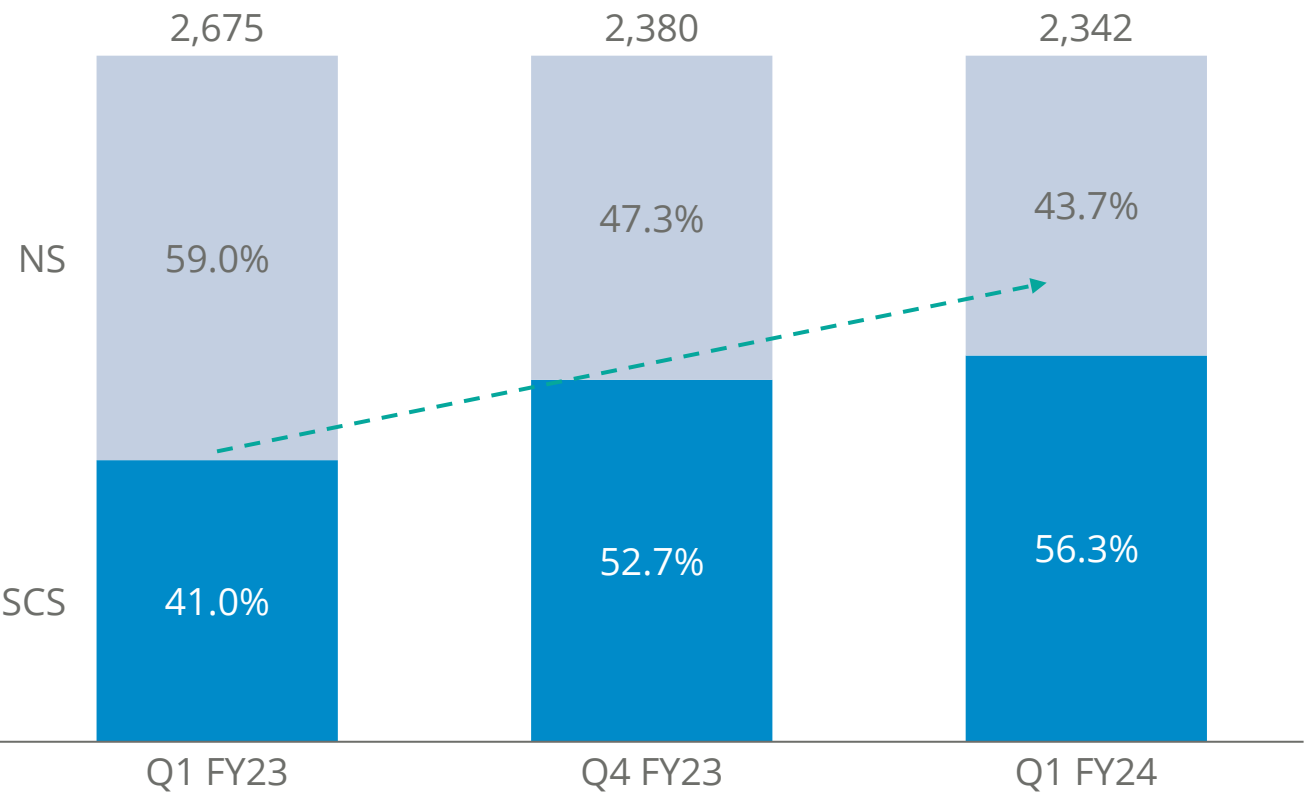


RoW NS Revenue in INR Cr

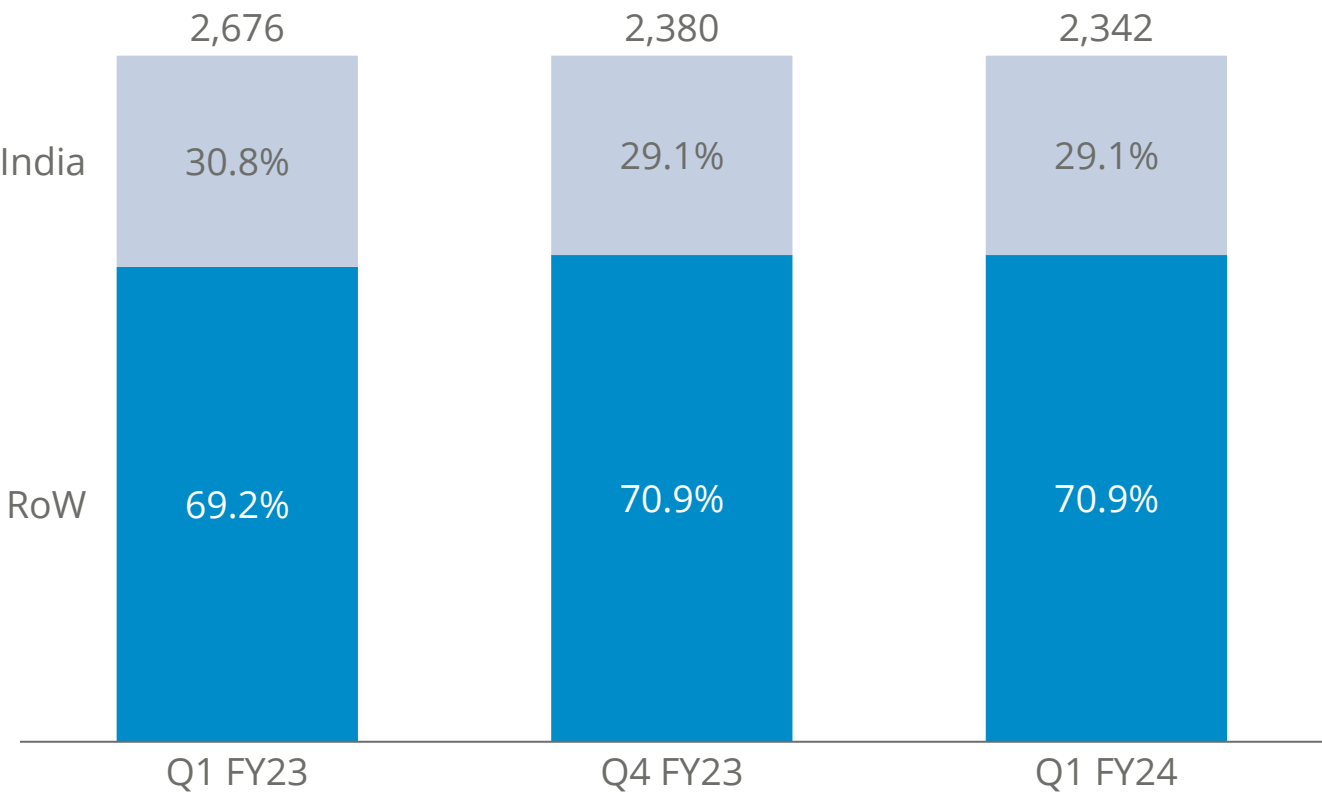


Resulting in segment mix moving towards higher ISCS contribution

Revenue mix: ISCS Vs. NS

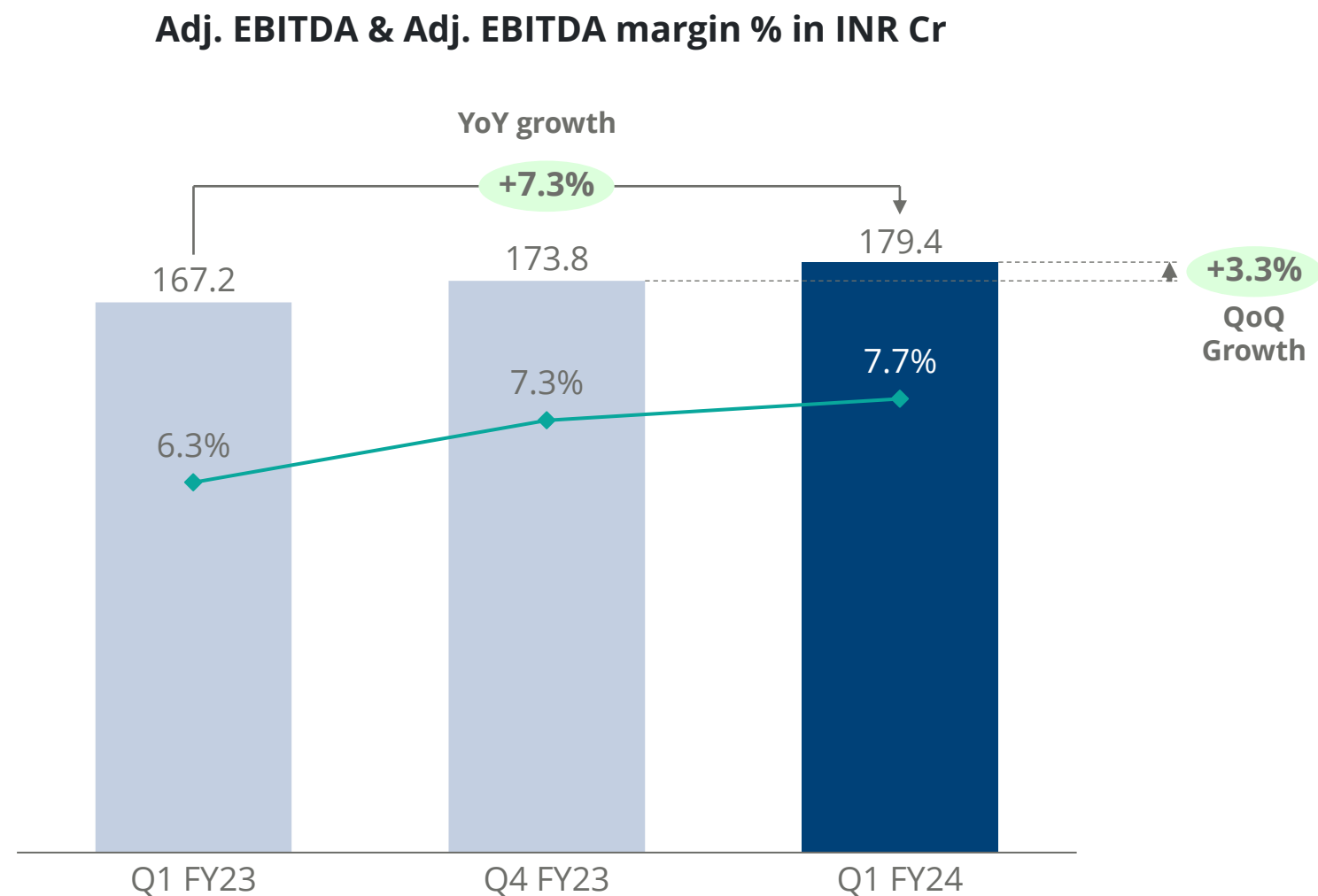


Revenue mix: India Vs. RoW





140 bps margin improvement YoY on the back of revenue mix moving towards higher margin ISCS business



Note: EBITDA is adjusted for two factors -- share based payments, loss on foreign currency transactions and translations

Segmental performance summary

ISCS Segment

In INR Cr	FY23 Full Year	Q1 FY23	Q4 FY23	Q1 FY24	QoQ Growth	YoY Growth
Revenue from operations	4,580.6	1,097.7	1,255.2	1,318.9	5.1%	20.1%
Adjusted EBITDA	408.1	95.3	115.0	139.8	21.6%	46.7%
Adj. EBITDA margin %	8.9%	8.7%	9.2%	10.6%		

NS Segment

In INR Cr	FY23 Full Year	Q1 FY23	Q4 FY23	Q1 FY24	QoQ Growth	YoY Growth
Revenue from operations	5,654.8	1,577.7	1,125.1	1,023.5	-9.0%	-35.1%
Adjusted EBITDA	322.5	81.0	44.9	38.2	-15.0%	-52.9%
Adj. EBITDA margin %	5.7%	5.1%	4.0%	3.7%		

Summary profit & loss – Q1 FY24

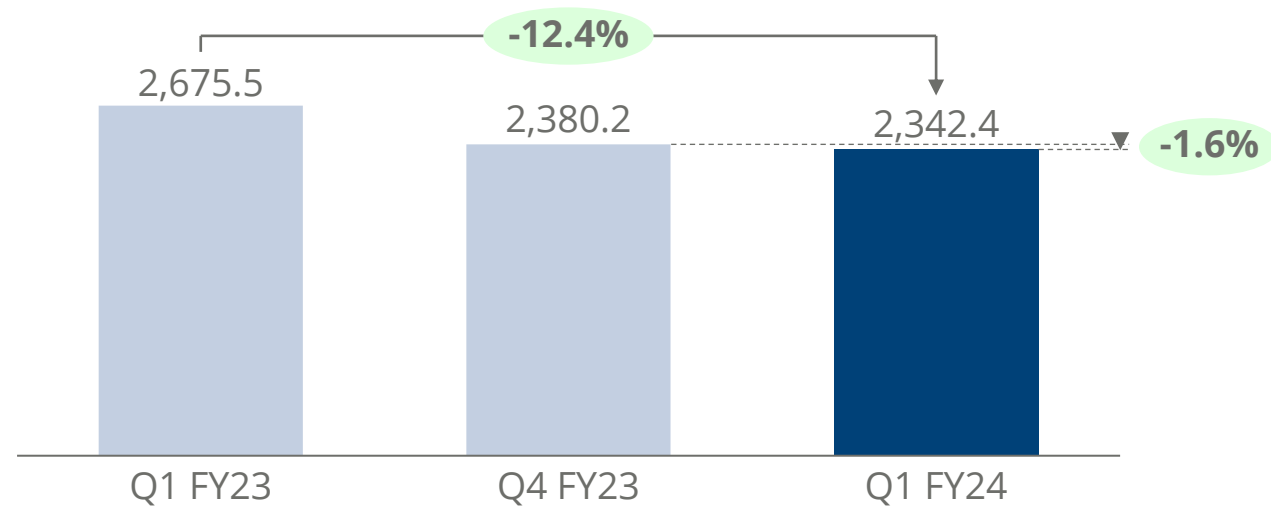
In INR Cr	FY23 Full year	Q1 FY23	Q4 FY23	Q1 FY24
Revenue from operations	10,235.4	2,675.5	2,380.2	2,342.4
Other income	75.6	16.0	10.9	18.2
Total income	10,311.0	2,691.5	2,391.2	2,360.6
Freight, clearing, forwarding & handling charges	3,732.9	1,098.8	689.2	567.4
Sub-contracting costs and casual labour charges	1,488.0	358.5	388.7	390.1
Total material related costs	1,383.4	321.6	410.3	416.6
Employee benefits expense	2,093.0	542.5	513.9	575.1
Other expenses	854.4	195.9	208.3	229.7
EBITDA	683.7	158.3	169.9	163.5
<i>EBITDA margin %</i>	<i>6.7%</i>	<i>5.9%</i>	<i>7.1%</i>	<i>7.0%</i>
Adjusted EBITDA	706.6	167.2	173.8	179.4
<i>Adjusted EBITDA margin %</i>	<i>6.9%</i>	<i>6.3%</i>	<i>7.3%</i>	<i>7.7%</i>
Depreciation and amortization expense	523.7	123.6	138.6	142.6
EBIT (excl other income)	160.0	34.7	31.2	20.9
<i>EBIT margin %</i>	<i>1.6%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>0.9%</i>
Finance costs	190.3	43.2	53.0	64.7
PBT before exceptional and JV profit	45.3	7.5	-10.9	-25.6
<i>PBT before exceptional & JV profit %</i>	<i>0.4%</i>	<i>0.3%</i>	<i>-0.5%</i>	<i>-1.1%</i>
Exceptional items	-10.0	0.0	-10.0	-23.2
Share of profit from TVSILP	4.8	0.6	1.4	0.8
PBT	40.1	8.1	-19.5	-47.9
<i>PBT margin %</i>	<i>0.4%</i>	<i>0.3%</i>	<i>-0.8%</i>	<i>-2.0%</i>
Total tax expenses	-1.7	9.9	-7.2	17.3
PAT	41.8	-1.8	-12.3	-65.3

QoQ Growth	YoY Growth
-1.6%	-12.4%
-1.3%	-12.3%
11.9%	6.0%
10.3%	17.3%
-3.7%	3.3%
3.3%	7.3%
2.9%	15.4%
-33.1%	-39.7%
22.0%	49.8%

Q1 Consol financial performance summary

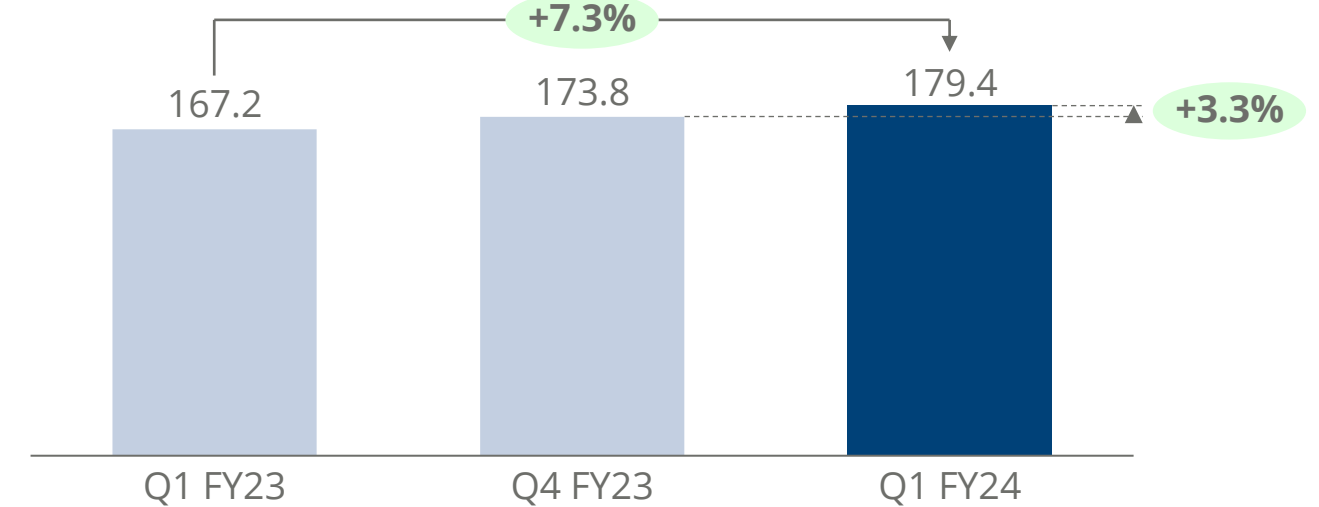
Revenue (in INR Cr)

1.6% decline sequentially; 12.5% decline YoY

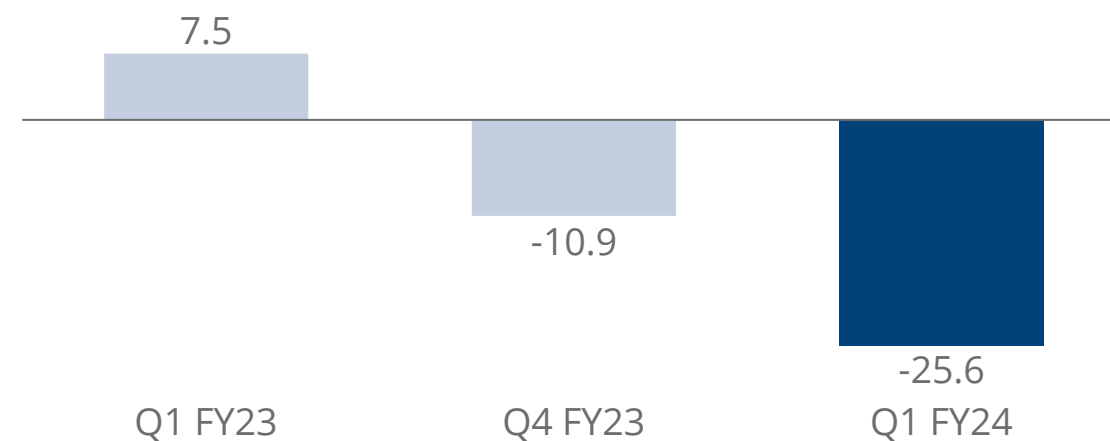


Adj. EBITDA (in INR Cr)

7.3% growth YoY; 3.3% sequentially

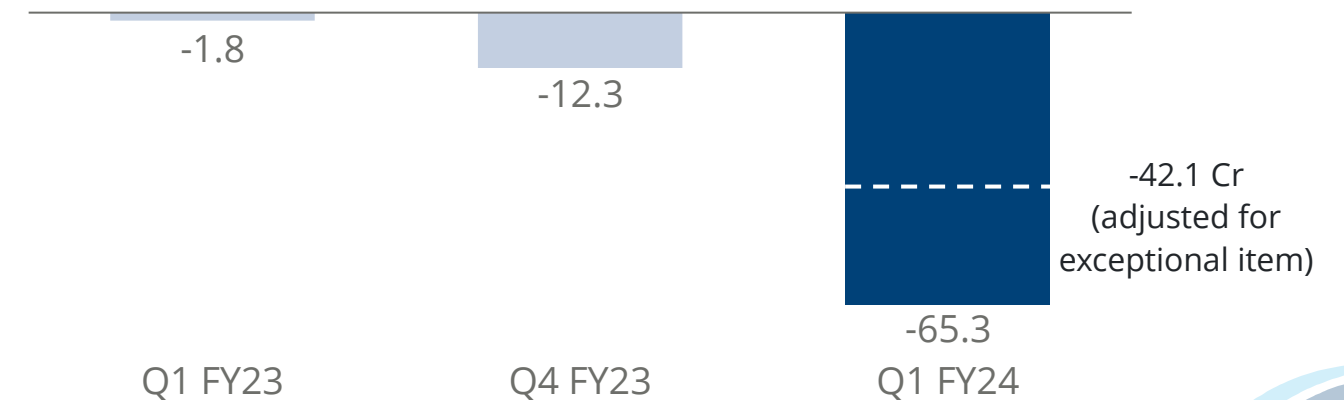


PBT before exceptional items & share of JV profit (in INR Cr)



PAT (in INR Cr)

Impacted by the 23.2 Cr exceptional item



Q1 FY24

Customer Wins & Pipeline

Stellar customer wins driving new business

Snapshot of key new customer engagements in Q1:

ISCS Segment

- Centrica PLC (UK)
- German technology co focusing on mobility (USA)
- Specialized glass & materials co (India)
- Leading American solar technology co (India)
- Beverage dispensing equipment co (UK)

NS Segment

- UK power tool company (UK)
- Japanese auto & industrial component Co (Europe)
- Retail equipment co (UK)
- Clothing & fashion Co (UK)

Entering Q2 with big deals in the pipeline

Material handling, storage
and distribution for Indian
IT major

Encirclement opportunity
with large global payment
solutions / ATM co.

In plant warehousing
opportunity with leading
Japanese & machinery OEM

Warehousing, primary and
secondary transportation
for large Indian tyre Co

Renewal of contract with
US auto major, expansion
to new location

Freight mgmt. solution for
Fortune 500 automation /
fire safety equipment co

Freight mgmt. solution for
opportunity with global
wind turbine Co

Inventory mgmt. solution
for a UK based defence
player

Q1 FY24

Appendix: Financial Statements

TVS SUPPLY CHAIN SOLUTIONS LIMITED
Regd Office: 10 Jawahar Road, Chokkikulam, Madurai – 625 002, Tamil Nadu, India
Website: www.tvsscs.com; Email ID: investor.relations@tvsscs.com
CIN: U63011TN2004PLC054655

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2023

(Values in ₹ crores except share data and otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2023	31 March 2023	30 June 2022	31 March 2023
Revenue from operations	2,342.43	2,380.24	2,675.49	10,235.38
Other income	18.20	10.91	16.02	75.63
Total income	2,360.63	2,391.15	2,691.51	10,311.01
Expenses				
Freight, clearing, forwarding and handling charges	567.38	689.21	1,098.81	3,732.88
Sub-contracting costs and casual labour charges	390.07	388.74	358.47	1,488.00
Cost of materials consumed	3.16	2.60	2.86	11.43
Purchase of stock-in-trade	399.21	392.68	324.58	1,412.32
Changes in inventory of stock-in-trade	14.26	14.97	(5.85)	(40.34)
Employee benefits expense	575.08	513.89	542.47	2,093.00
Finance costs	64.69	53.01	43.19	190.34
Depreciation and amortisation expense	142.60	138.61	123.62	523.66
Other expenses	229.75	208.29	195.85	854.44
Total expenses	2,386.20	2,402.00	2,684.00	10,265.73
Profit / (loss) before exceptional items, share of profit of equity accounted investees and income tax	(25.6)	(10.85)	7.51	45.28
Exceptional items (Refer note 7)	(23.17)	(10.00)	-	(10.00)
Share of profit of equity accounted investees (net of income tax)	0.80	1.36	0.63	4.78
Profit / (loss) before tax	(47.94)	(19.49)	8.14	40.06
Tax expenses				
Current tax	18.27	6.01	15.04	49.88
Deferred tax (expense/ (credit))	(0.95)	(13.16)	(5.10)	(51.58)
Total tax expenses	17.32	(7.15)	9.94	(1.70)
Profit / (loss) for the year	(65.26)	(12.34)	(1.80)	41.76

TVS SUPPLY CHAIN SOLUTIONS LIMITED
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CIN: U63011TN2004PLC054655
Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2023
(Values in ₹ crores except share data and otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2023	31 March 2023	30 June 2022	31 March 2023
Revenue from operations	501.25	490.83	427.86	1,818.56
Other income	48.11	41.93	32.83	159.88
Total income	549.36	532.76	460.69	1,978.44
Expenses				
Freight charges	140.97	142.05	127.59	524.72
Sub-contracting costs and casual labour charges	120.70	105.74	98.71	431.44
Purchase of stock-in-trade	-	-	0.20	0.21
Employee benefits expense	125.76	111.81	134.55	498.14
Finance costs	20.97	19.93	14.21	68.38
Depreciation and amortisation expense	51.71	52.75	41.27	186.36
Other expenses	60.18	60.28	70.44	270.02
Total expenses	520.29	492.56	486.97	1,979.27
Profit / (loss) before exceptional items, share of profit / (loss) of equity accounted investees and income tax	29.07	40.20	(26.28)	(0.83)
Exceptional items (refer note 6)	(23.17)	(10.00)	-	(10.00)
Profit / (loss) before tax	5.90	30.20	(26.28)	(10.83)
Tax expenses				
Current tax	9.53	5.11	-	5.11
Deferred tax (expense/ (credit))	(3.00)	18.92	(6.44)	13.32
Total tax expenses	6.53	24.03	(6.44)	18.43
Profit / (loss) for the period / year	(0.63)	6.17	(19.84)	(29.26)