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Press Release

TVS SCS Q4 Net Profit at 5.4 Cr

- *PBT improves for the third consecutive quarter to INR 5 Cr*
- *ISCS segment revenue continued its growth momentum in Q4 at 9.9% and full year by 14.4%*
- *Multiple cost optimisation measures and continuous improvement in operational efficiency drive improvement in PAT for Q4*
- *Increases the number of Fortune 500 customers from 72 to 78*

Chennai, 27th May 2024: TVS Supply Chain Solutions Limited (NSE: TVSSCS, BOM: 543965), a global supply chain solutions provider and one of the largest and fastest growing integrated supply chain solutions providers in India, today announced its consolidated unaudited financial results for the fourth quarter and full year ended 31st March 2024. The Company reported Profit After Tax of Rs. 5.40 Cr for the quarter ended 31-March-2024 as against the loss of Rs. 9.4 Cr in Q4 FY 23.

The summary of business and financial performance of the two operating segments viz., Integrated Supply Chain Solutions ("ISCS") segment and Network Solutions ("NS") are provided along with the summary of the consolidated financial performance.

Integrated Supply Chain Solutions Segment ("ISCS"):

Integrated Supply Chain Solutions ("ISCS") segment (Amount in INR Cr.)	FY24 Q4	FY24 Q3	FY23 Q4	QoQ Growth Q4	YoY Growth Q4	FY24	FY23	Growth FY24
ISCS - Segment Revenue	1,379.5	1,272.1	1,255.2	8.4%	9.9%	5,240.0	4,580.6	14.4%
ISCS - Adjusted EBITDA	133.1	133.8	115.0	-0.5%	15.8%	536.2	408.1	31.4%
ISCS - Adj. EBITDA margin %	9.6%	10.5%	9.2%			10.2%	8.9%	

- ISCS segment with quarterly revenue of Rs. 1379.5 Cr continued its growth trajectory with 8.4% QoQ growth and 9.9% YoY. This growth was driven through a combination of new customer additions, encirclement (additional wallet share with existing customers) and through continued diversification of sectoral base of customers. During the quarter, key new business wins included an Indian OEM in Commercial Vehicle space, a Defence Contractor in the UK and a leading Water utility services company in the UK. EBITDA margin for ISCS in the current quarter was 9.6% an YoY increase of 40 bps.

Full Year ISCS segment revenue was Rs.5240 cr, a YoY growth of 14.4 %. All key geographies viz., UK, USA and India grew consistently. EBITDA margins for the same period grew by 130 bps driving an absolute EBITDA growth of 31.4% to Rs. 536.2 Cr.



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Network Solutions Segment ("NS")

Network Solutions ("NS") segment (Amount In INR Cr.)	FY24 Q4	FY24 Q3	FY23 Q4	QoQ Growth Q4	YoY Growth Q4		FY 24	FY 23	Growth FY24
NS - Segment Revenue	1,046.8	949.8	1,066.4	10.2%	-1.8%		3,960.0	5,413.8	-26.9%
NS - Adjusted EBITDA	47.0	45.4	41.9	3.5%	12.3%		185.8	301.1	-38.3%
NS - Adj. EBITDA margin %	4.5%	4.8%	3.9%				4.7%	5.6%	

NS business segment reported quarterly revenue of Rs. 1046.8 Cr, a 10.2% QoQ growth basis. Revenue nearly matched the same quarter numbers in FY 23 reflecting a relative stabilization of the global freight markets and growth in the Integrated Final Mile (IFM) business.

For the full year ended March 2024, revenue from NS segment was Rs. 3960 Cr which fell by 26.9% compared to the previous year as global freight rates normalized after the COVID highs.

Consolidated Financial performance:

In INR Cr	FY24 Q4	FY24 Q3	FY23 Q4	QoQ Growth	YoY Growth		FY24	FY23	Growth YTD
Revenue from operations	2,426.3	2,221.8	2,321.6	9.2%	4.5%		9,200.0	9,994.4	-7.9%
Adjusted EBITDA	174.5	173.6	170.8	0.5%	2.2%		710.2	685.1	3.7%
Adj. EBITDA margin %	7.2%	7.8%	7.4%				7.7%	6.9%	
PBT before exceptional items	5.0	0.6	-6.5	757.5%	176.0%		-9.6	55.9	
PBT as reported	5.0	0.6	-16.5	756.2%	130.0%		-36.1	45.9	
PAT before exceptional items	5.4	10.0	0.6				-31.3	57.7	
PAT as reported	5.4	10.0	-9.4	-45.8%			-57.7	47.7	
PAT margin %	0.2%	0.4%	-0.4%				-0.6%	0.5%	

For Q4 FY 24, on a consolidated basis revenue stood at Rs. 2426.3 Cr reflecting 9.2% growth on Q-o-Q and 4.5% growth on Y-o-Y basis. The normalization of freight rates and continuous growth in the ISCS segment have helped achieve this topline growth.

For the full year, the consolidated revenue was at Rs. 9200 Cr which was lower by Rs. 794 Cr., compared to that of FY 23 mainly due to global trade cycle challenges in NS segment which was compensated by additional business from ISCS segment. The adjusted EBITDA increased to Rs. 710.2 cr, a growth of 3.7%. While the operating margins improved, the company reported loss after tax (before exceptional items) for the year at Rs. 31.3 Cr compared to profit (before exceptional items) of Rs. 57.7 Cr in the previous year, mostly driven by the effect of very high interest costs in the first two quarters. The company returned to profit in Q3 with its turnaround performance through consistent growth in ISCS segment and the Network Solutions reflected stability in Q4. It also reduced debt to the tune of Rs. 1,195 cr.



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Commenting on the financial performance, **Mr. Ravi Viswanathan, Managing Director, TVS Supply Chain Solutions Ltd.** said, *"The quarterly and annual results reflect the consistent growth in the ISCS segment and strong resilience, despite major headwinds, in the NS segment. We have made considerable progress in our cross selling and customer acquisition strategy and significantly expanded our footprint within the Fortune 500 customers' segment. Our technology led solutions are differentiating us in the marketplace as we embark on deploying AI at scale in our customer engagements across the USA, Europe and India."*

He further added, "We are continuously strengthening our organization with process and technology to capitalize on growth opportunities and remain confident of our healthy business development pipeline, which will drive further growth in FY 25."

Commenting on the performance, **Mr. Ravi Prakash Bhagavathula, Global CFO of TVS Supply Chain Solutions Ltd.** said, "Our financial performance for Q4 FY 24 is a result of the continuous cost optimisation, digitisation and operational efficiency measures, which has driven the margin expansion by 80 bps, and realization of the full benefits of the debt reduction efforts of the Company. These measures have laid the essential foundation as we pursue our medium-term goals."

About TVS Supply Chain Solutions

Promoted by the erstwhile TVS Group and now part of TVS Mobility Group, **TVS Supply Chain Solutions Limited** ("TVS SCS" or "Company") is an India-based multinational company, who pioneered the development of the supply chain solutions market in India. For the last 15 years, TVS SCS has managed large and complex supply chains across multiple industries in India and select global markets through customized tech-enabled solutions. The Company's customers span across numerous industries such as automotive, industrial, consumer, tech and tech infra, rail and utilities, and healthcare.

TVS SCS provides specialized solutions spanning the entire value chain from sourcing to consumption, to reduce complexity in its customers' supply chains by using technology, data analytics and execution experience. The company's digital platforms are largely cloud-based, powered by a micro service-based architecture and are highly scalable and reliable, thereby enabling it to implement solutions across multiple geographies in a relatively short time.

For more details, please visit <https://www.tvsscs.com/> LinkedIn: [TVS Supply Chain Solutions](#)

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