

Blue Dart Express Limited

Investor Presentation

November 2021



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To be the best and set the pace in the express air and integrated transportation and distribution industry, with a business and human conscience.

We commit to develop, reward and recognize our people who, through high quality and professional service, and use of sophisticated technology, will meet and exceed customer and stakeholder expectations profitably.

- Passionately crafted by over 600 managers in 1993

Blue Dart Directors & Key Managerial Personnel



Sharad Upasani
Chairman

Former Chief Secretary,
Government of Maharashtra



Balfour Manuel
Managing Director



R.S. Subramanian
Director

SVP/Country Manager,
DHL Express India



Narendra Sarda
Independent Director

Former Chairman of
Deloitte Haskins Sells &
Affiliates, India



**Air Marshal
M. McMahon (Retd.)**
Independent Director

Former fighter pilot and
served in the IAF for 42 years



Tulsi Mirchandaney

Director
MD, Blue Dart Aviation Ltd.



Kavita Nair
Independent Director



Florian Bumberger

Director
Divisional CHRO, Chief of Staff &
Programs,
DHL eCommerce Solutions, Member
of the DPDHL Group HR Board.



Sebastian Paeßens

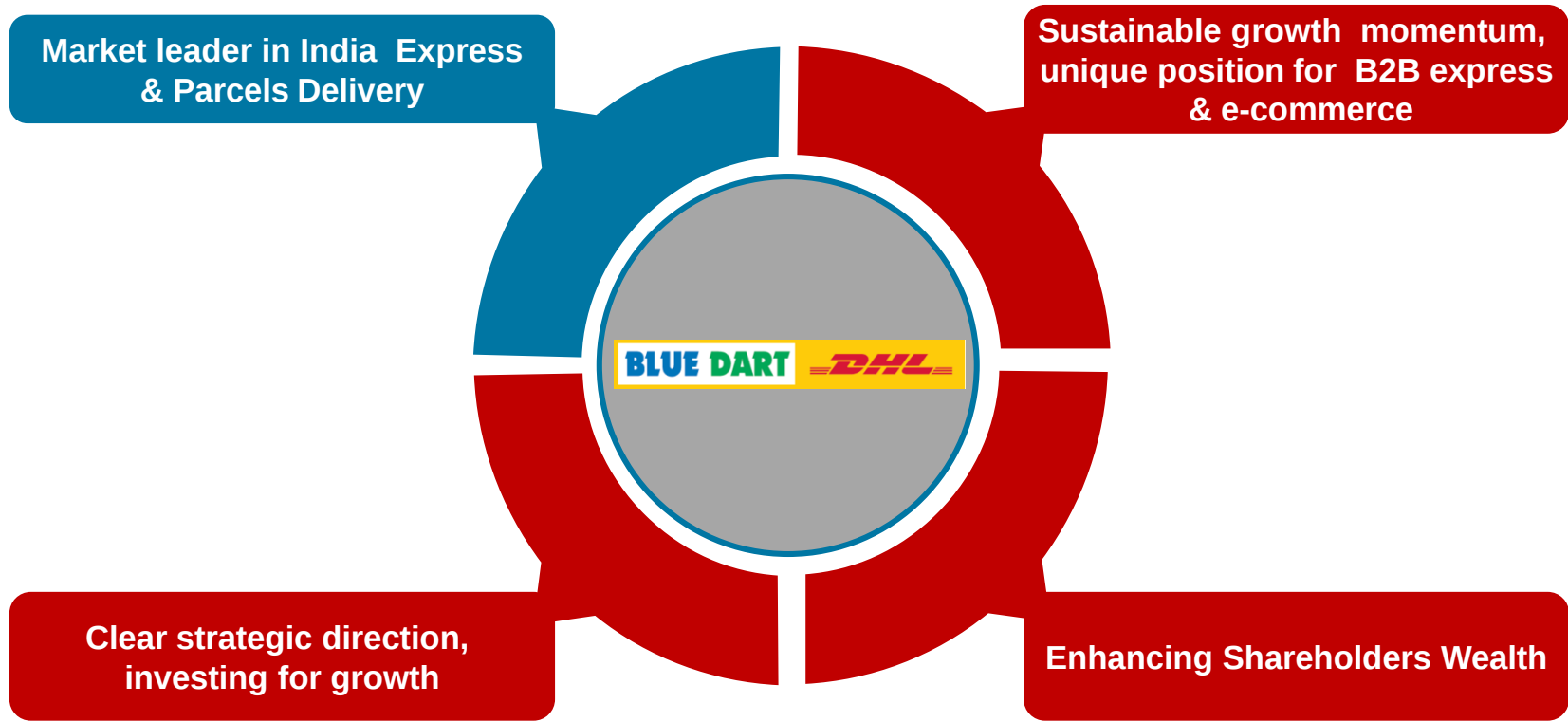
Director
CFO, DHL eCommerce
Solutions, Member of Deutsche
Post DHL Group's Finance
Board



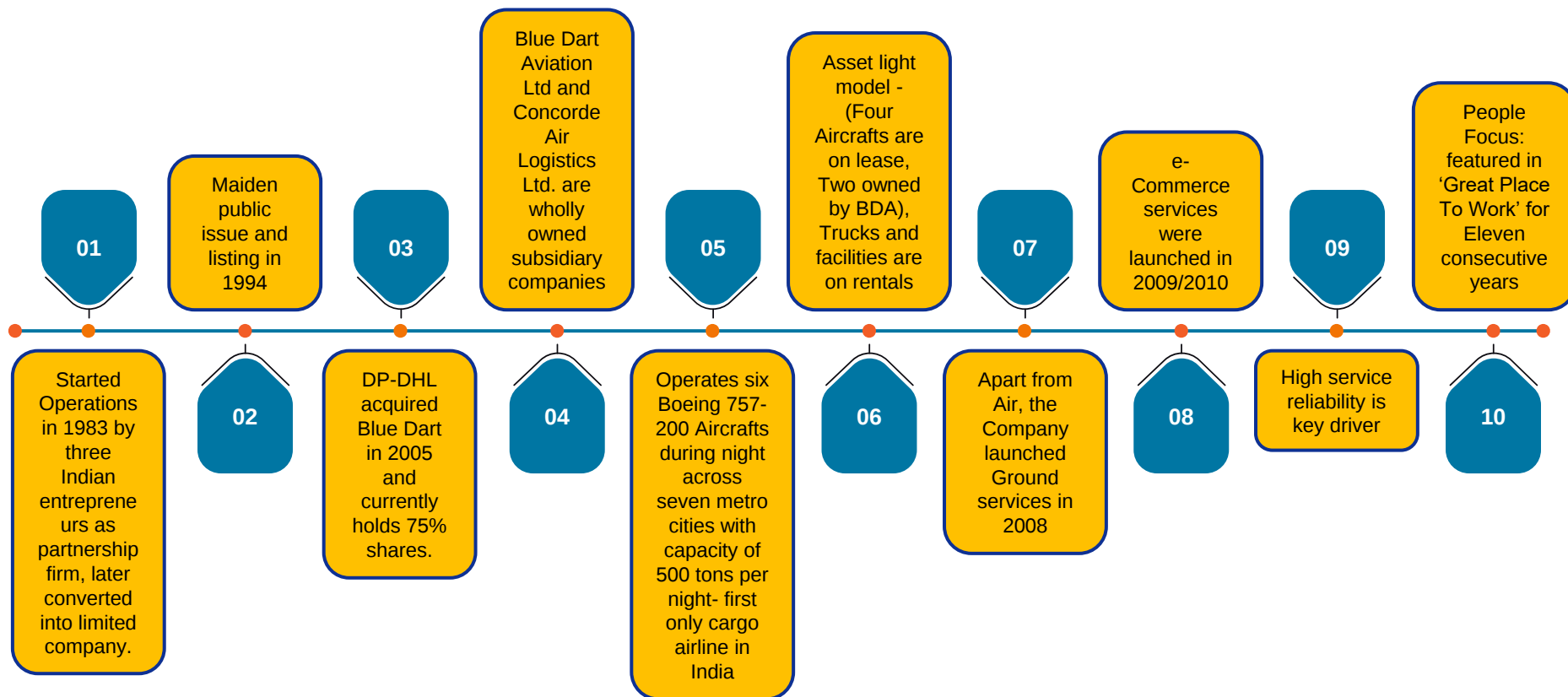
Aneel Gambhir
Chief Financial
Officer (CFO)

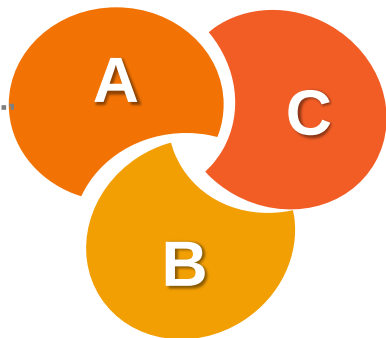


Tushar Gunderia
Head (Legal & Compliance)
& Company Secretary



Knowing Blue Dart - Introduction





A

- 186.03 Million shipments
- 718,521 tonnes shipped
- 14,000+ zip codes coverage
- 6 Boeing 757-200
- 12,000+ employees

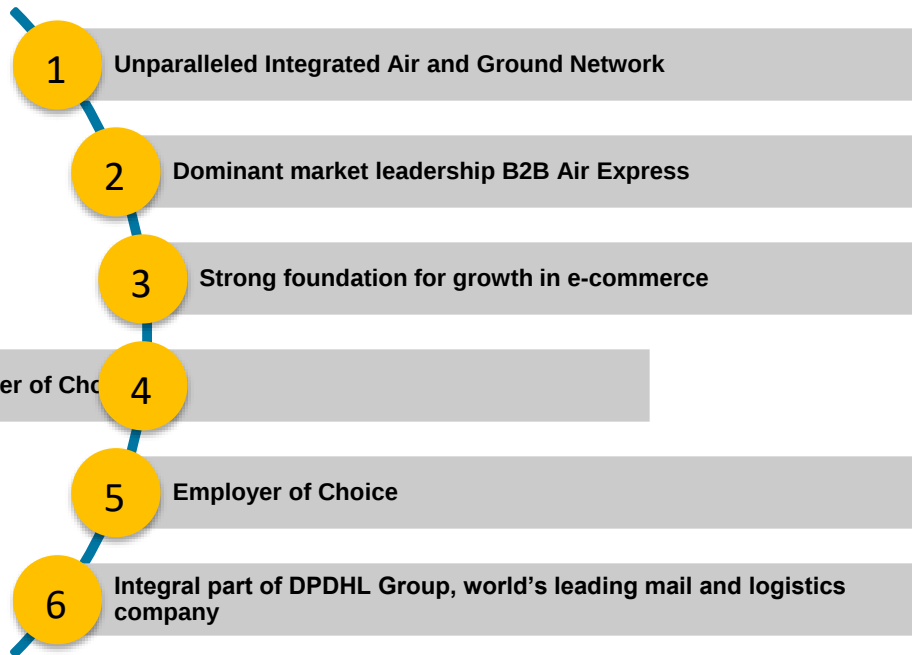
B Key Subsidiaries

- Blue Dart Aviation Ltd¹
- Concorde Air Logistics Ltd²

C FY2020/21 (Standalone)

- **Revenue** – ₹ 3,279.7 Cr
- **EBITA** – ₹ 389.3 Cr
- **EBT** – ₹ 156.9 Cr

Provider of Choice



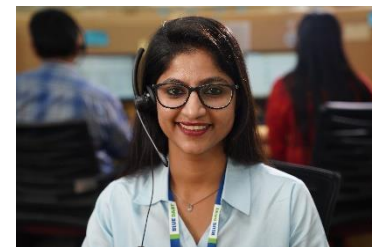
1) BDA is the only domestic scheduled cargo airline in India. It operates on an exclusive basis for providing air express cargo services to Blue Dart Express Ltd. through its network of night operations to support customer demand
 2) IATA registered air cargo agent and licensed customs house agent (CHA)



Blue Dart is a premium market leader in India

Key Differentiators

- 1 Own Aviation Network
- 2 Market Leading Transit Times
- 3 Reliability & High Service Quality
- 4 Extensive Reach & Network
- 5 Best – In – Class Technology
- 6 Strong Brand Equity & Saliency
- 7 Responsiveness to Customer
- 8 Passionate & Committed Team
- 9 Pioneer & Innovator



All investments made in light of customer requirements

- Investments in building a robust infrastructure to meet increasing demands of a growing economy
- Blue Dart invests in engaging and retaining the best talent
- Domestic Expertise at globally benchmarked levels

Strong Brand Reflects Market Leadership

- Innovations for service excellence and customer convenience
- Strongest, advanced and most cohesive homegrown technology offerings
- The power to move from a document to a charter load

Best in class service from Blue Dart

- Offering customers one-stop convenience, offering the entire spectrum of distribution solutions
- As a trade facilitator, Blue Dart manages the seamless flow of goods in the diverse complexity of India's vast geography.

Blue Dart is a premium market leader in India. All investments & strategies are customer driven

First mover in India Domestic Express

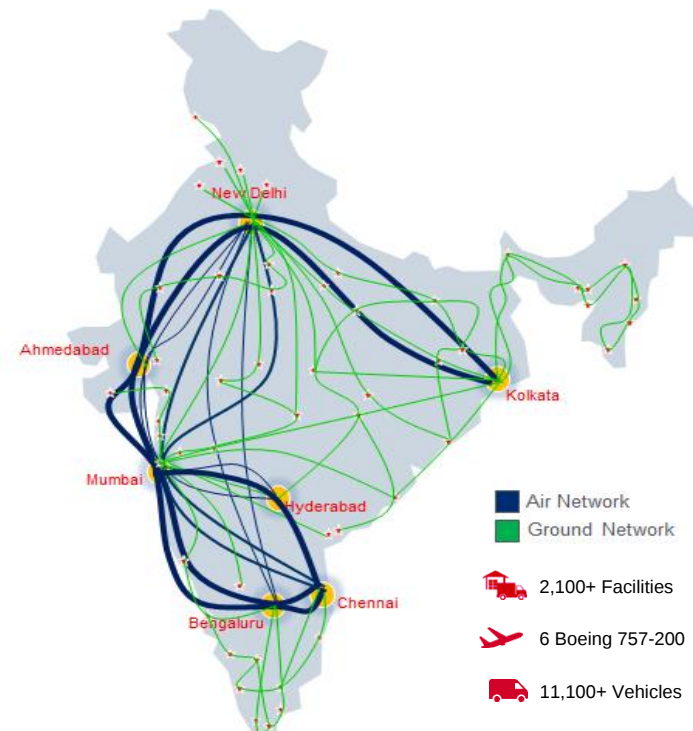
We provide clear Customer Value Proposition v/s our competitors

- **Extensive reach**

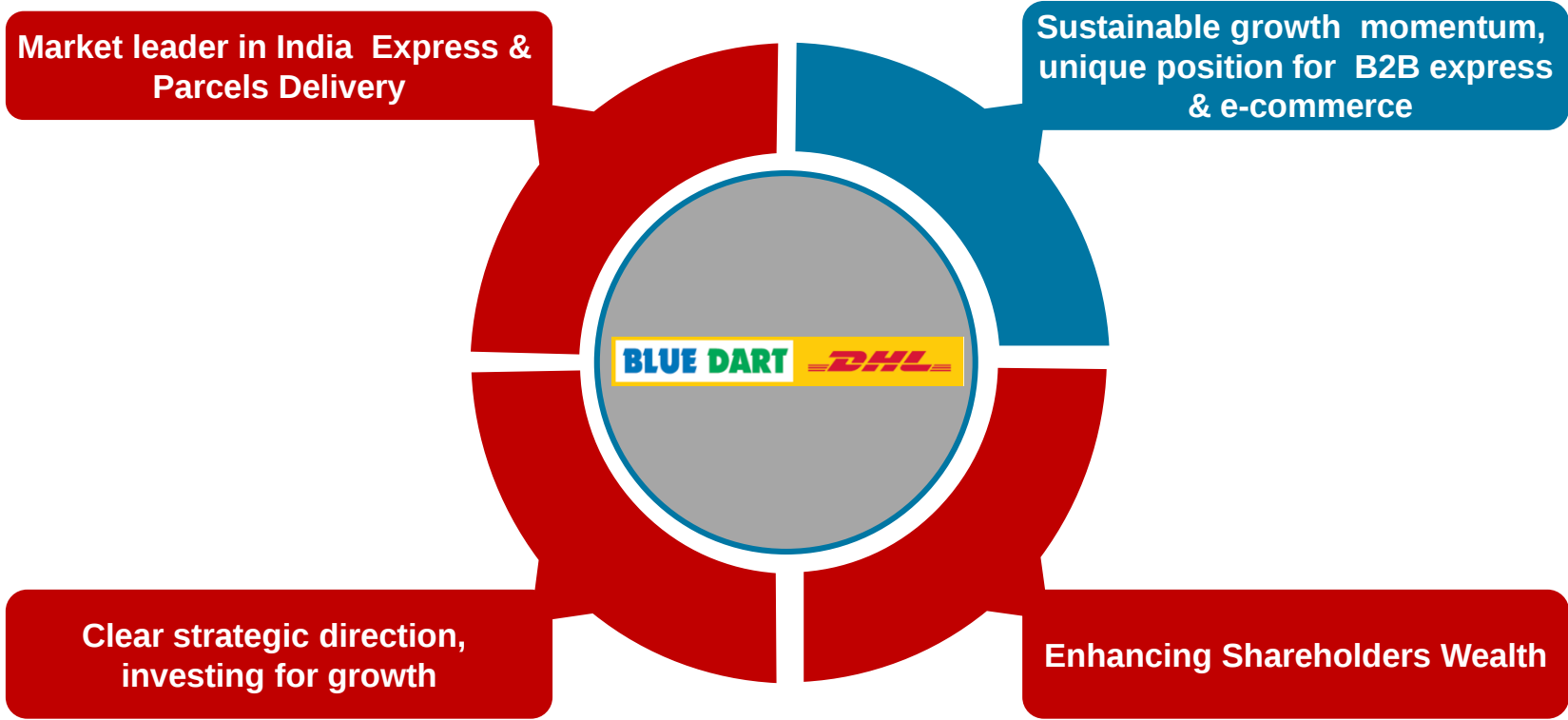
Optimized flight scheduling facilitating **late pick-ups and early deliveries**

- **Market leading transit times**

Superior control over operations resulting in **higher service reliability**



Blue Dart network is our key competitive differentiator



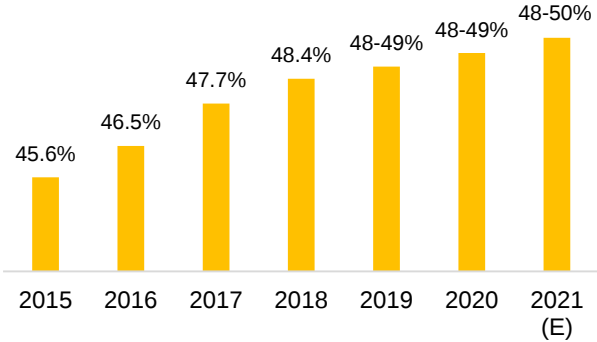
Clear market leadership in B2B Express



Organized Air Express

Blue Dart leads the Market Position

CAGR
Market @ 5%
Blue Dart @ 6%

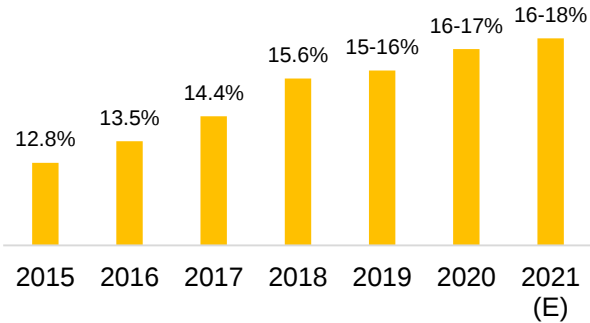


Market Share

Organized Ground Express

Blue Dart at 4th market position with increasing share

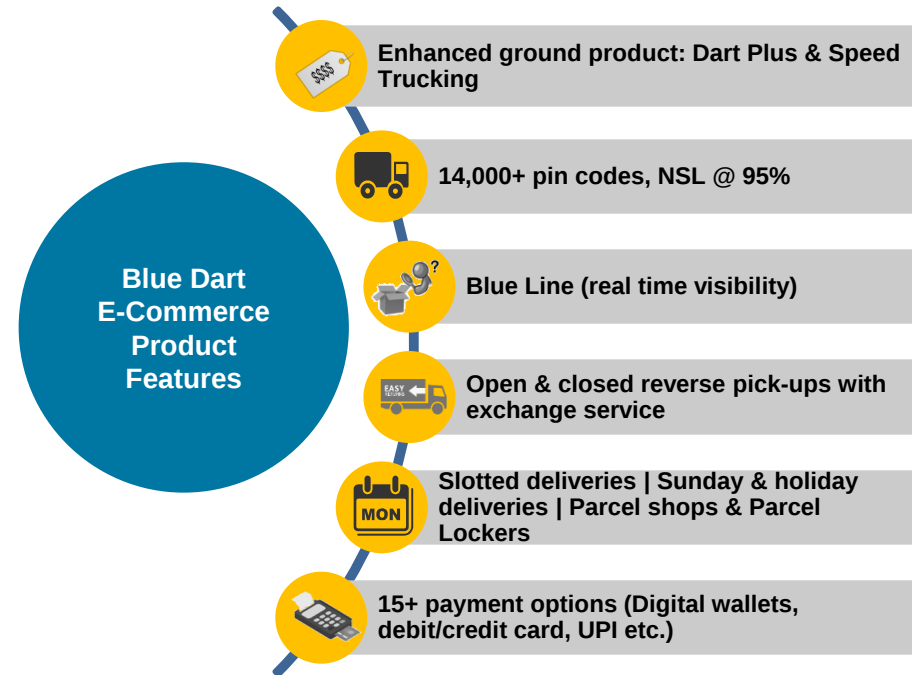
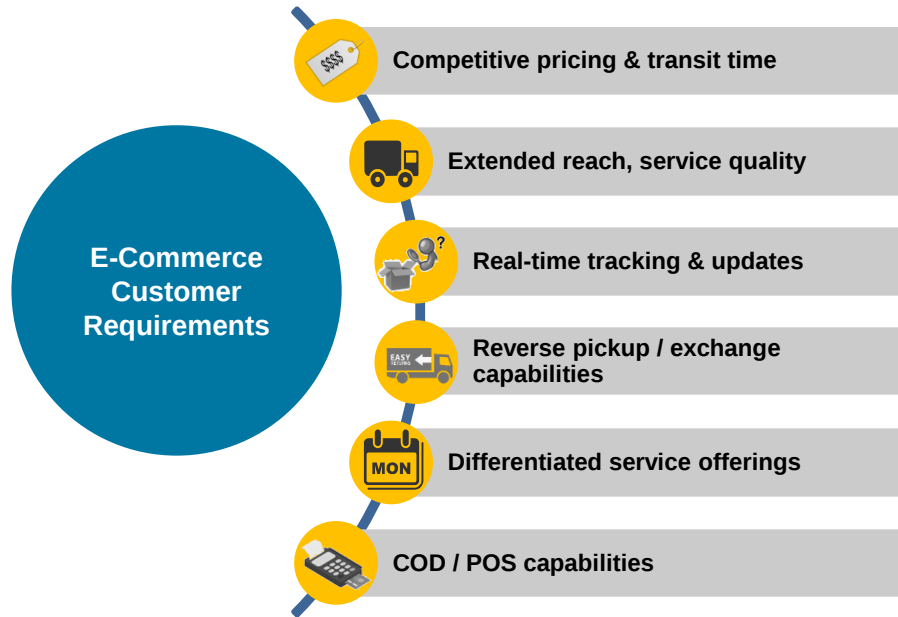
CAGR
Market @ 9%
Blue Dart @ 14%



Market Share

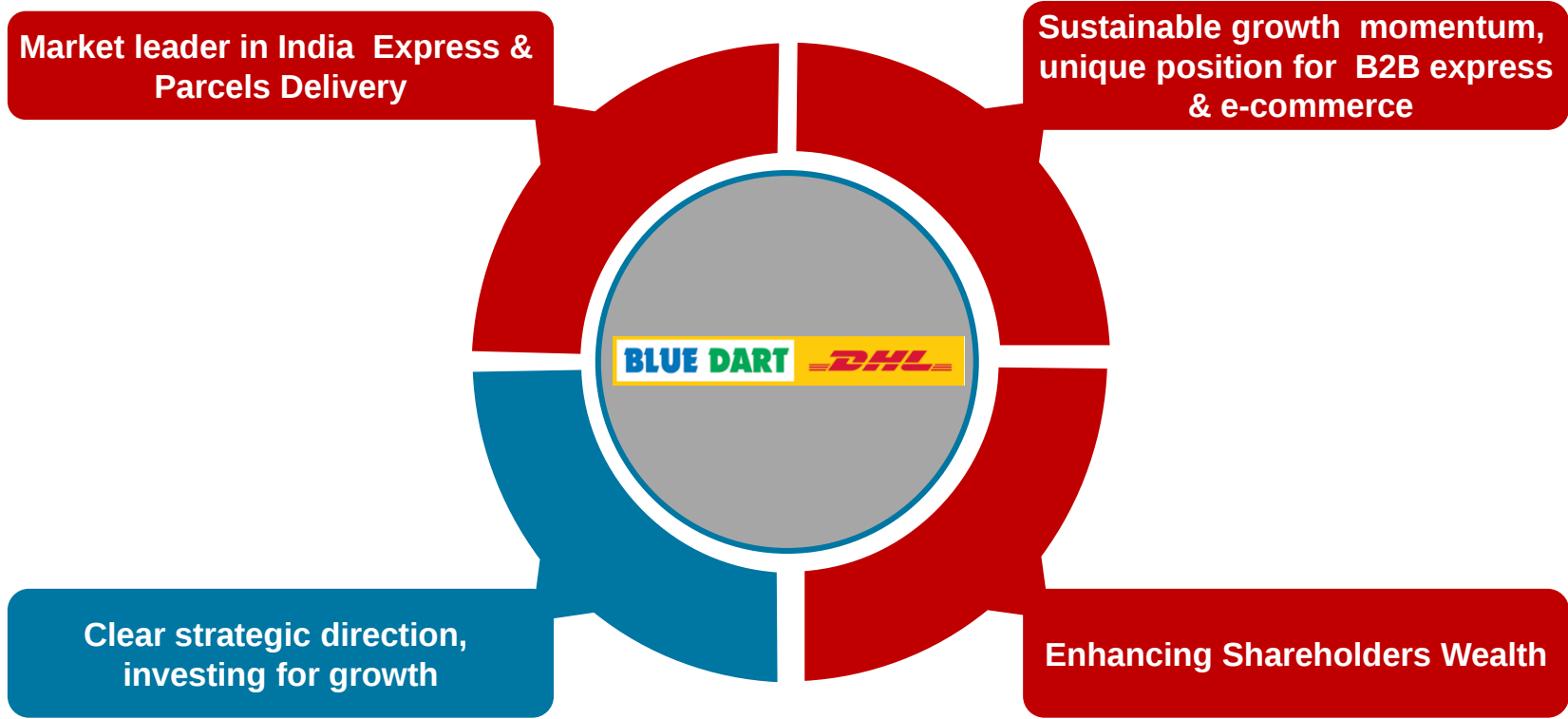
Blue Dart has been increasing its market shares in B2B Express

Note: All Market Share are by Revenue (BE). All figures for 2015 are from ATK Report, from 2016 to 2021 are internal assessments.



Note: Market Shares are by Revenue. Internal estimates
*Outsourced Market

Blue Dart is not participating in low yield business to gain market share instead we are looking at profitable growth.





A Period Of High Volatility and Major Dents to the Economy

- Weak consumer sentiment in 2018 & 2019 resulted in the slowing of economic momentum.
- In 2020, this was further impacted with the GDP growth going in negative territory due to Pandemic.
- The next few years will be base setting for the economy to cover up the shortfalls of past.



Regulations liberalization and simplification

- National Logistics Policy: To promote seamless movement of goods across the country
- National Air Cargo Policy: To make India among the top five air freight markets.
- Infrastructure Status to Logistics: To make it easier for investment inflows.



Acceleration of eCommerce and more demand for last-mile solutions

- Pandemic has accelerated growth in e-Commerce
- Multi-channel delivery approach for B2C
- Draft e-Commerce Policy: Aims to ensure there are more service providers available to consumers and sellers to ensure no monopolies are created.



Accelerating impact of process technology and automation

- Automation drives efficiencies
- Importance of data leads to new ways of running businesses
- Fast track implementation of digital solutions in the pandemic.

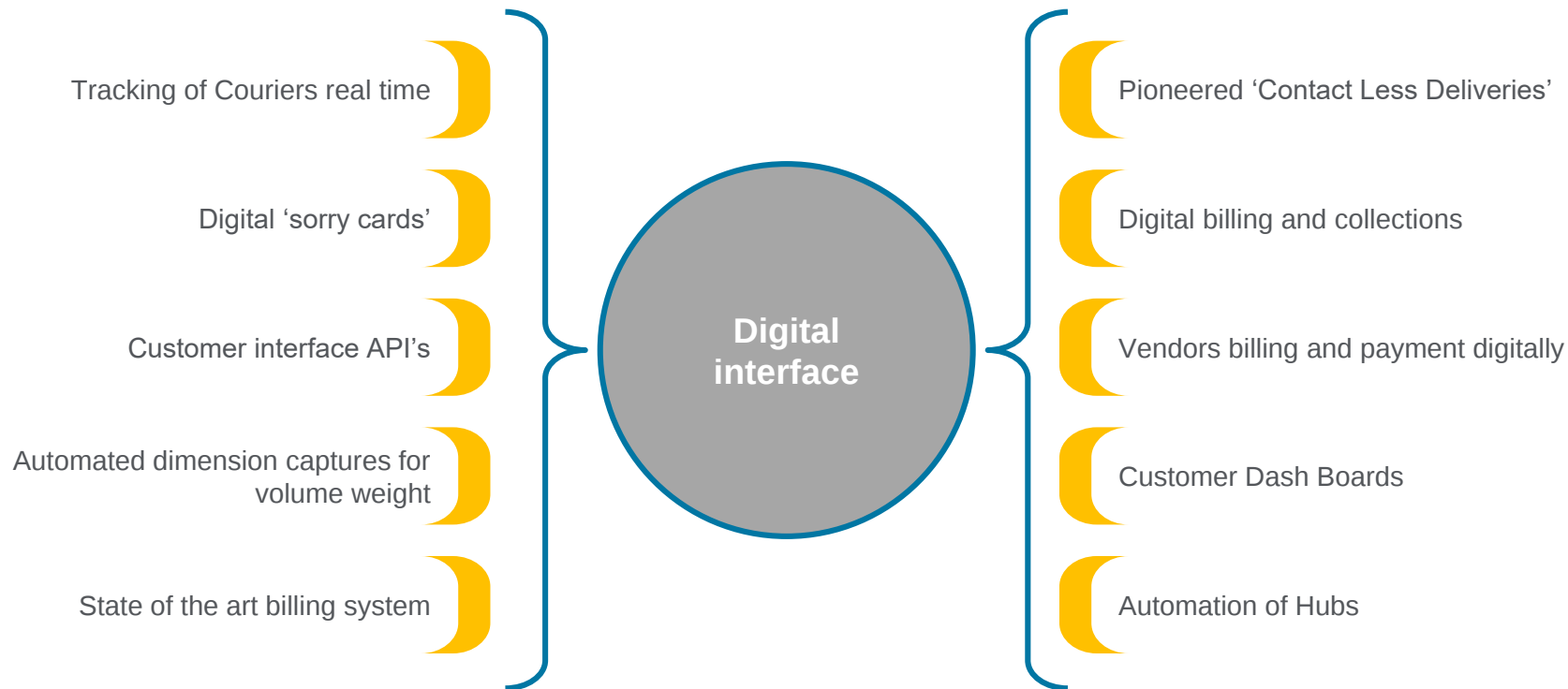
Blue Dart has a clear strategy to capitalize on these trends

Blue Dart has a market leading position and has identified key levers to protect and grow the market share further on B2B Air & Ground.

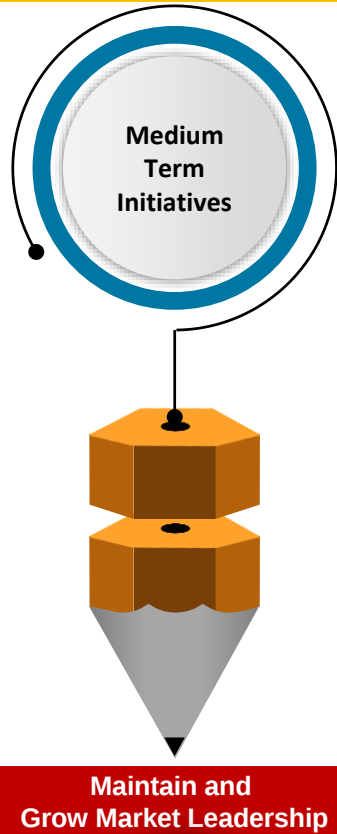
E-Commerce Customer Requirements



We continue to aim for a balanced mix of revenue growth and profitable yield

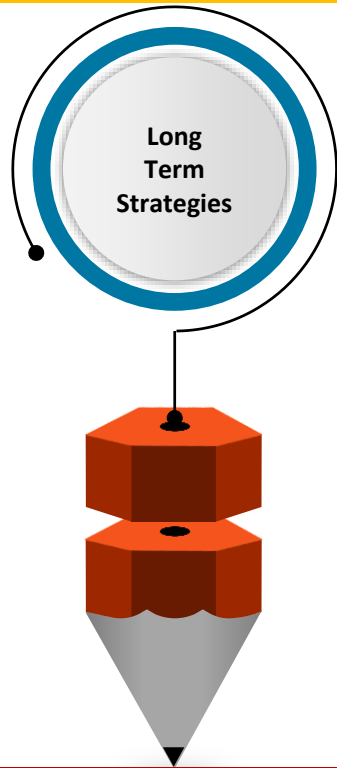


Digitalisation initiatives to enhance customer experience



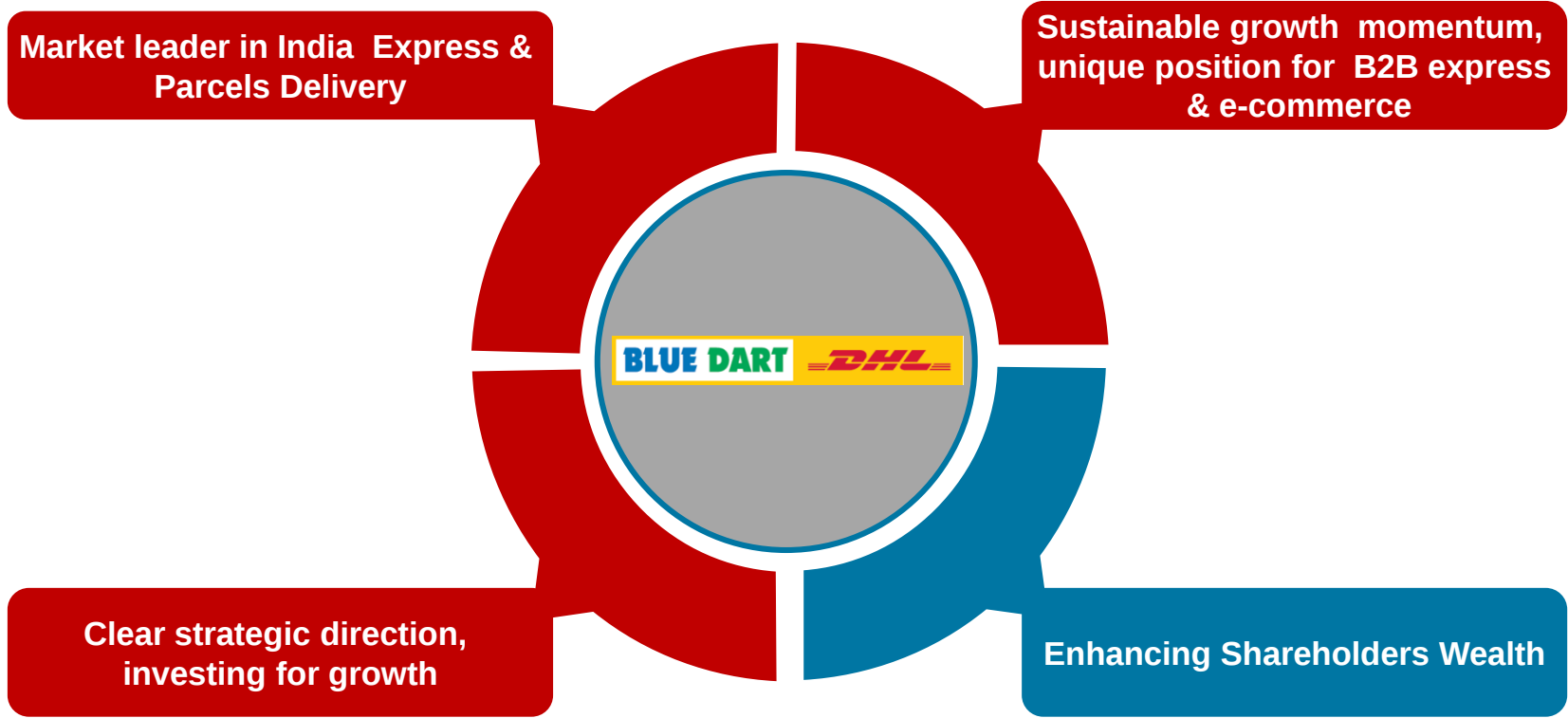
- ❖ With increasing urbanization, focus on centres of production which will change post pandemic as the new growth areas.
- ❖ Focus on FMCG, Automotive, Consumer Durables and Ready Made Garments for accelerated surface growth.
- ❖ Increase pin code coverage and footprint to cover 98% of Country's GDP
- ❖ Leverage air capacities to enhance revenues-International and domestic charters
- ❖ Focus on small and medium enterprises
 - Be recognized as a trusted partner, truly understanding the customer's current and future needs
- ❖ Focus on e-tailing business
 - Strengthen the e-tailing segments profitability
- ❖ Improve digital interface with all stakeholders
- ❖ Increase automation levels across processes
 - Increase the adaptability of our product & solution portfolio
 - Simplify and standardize processes to deliver excellence
- ❖ Enhance skill development
 - Develop comprehensive people empowerment and engagement module critical for growth
- ❖ Continue to drive process efficiencies and implement quality measures like OCPM⁽¹⁾, OCPK⁽²⁾ & DSO⁽³⁾ to improve profitability
- ❖ Reduce CO₂ emission, engage in education, humanitarian and disaster response
- ❖ Blue Dart is aligned on the ESG journey

(1) Operating Cost per Move; (2) Operating Cost per Kilo; (3) Days Sales Outstanding



- ❖ Achieve and maintain leadership status and pole position in both Air and Ground express segments
- ❖ Air fleet enhancement
- ❖ Leverage improved infrastructure including Freight Corridors/Logistics Parks
- ❖ Continuously improve quality of operations for enhancing customer satisfaction
- ❖ Pursue product and service innovation
- ❖ Digitally enabled solutions and workforce
- ❖ Create state-of-the-art infrastructure
- ❖ Stay ahead of the curve by continuously investing in, and adopting, next generation technologies
- ❖ Aggressively invest in human capital development
- ❖ Develop leadership pipeline
- ❖ Continue to be the industry leader in delivering the triple bottom line and increase CO2 efficiency
- ❖ Socially responsible corporate- Blue Dart is aligned on the ESG journey

(1) Operating Cost per Move; (2) Operating Cost per Kilo; (3) Days Sales Outstanding





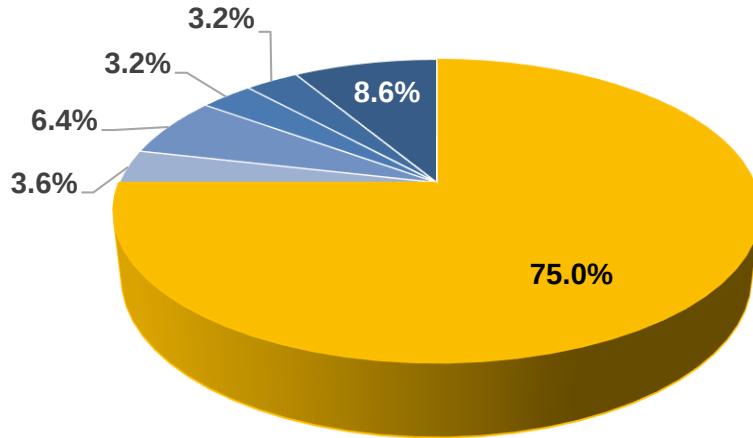
Value Creation

- High returns to shareholders

Dividend Paid

- Dividend of Rs. 15/- per share has been paid for the F.Y. 2020-21.
- Consistent track record of dividend payment till 2018-19.





- DP DHL
- Corporate Bodies
- Insurance Companies
- Mutual Funds
- Foreign Investors
- Others

Major Bodies Corporates

Derive Trading & Group 2.4%

Major Mutual Funds

L & T Mutual Fund 1.6%

Kotak Mutual Fund 0.9%

Invesco India 0.2%

Major FPI

First Sentier Investors 0.7%

Al Mehwar Commercials Invst 0.4%

Ishare Core Emerging Markets 0.3%

Major Insurance Companies

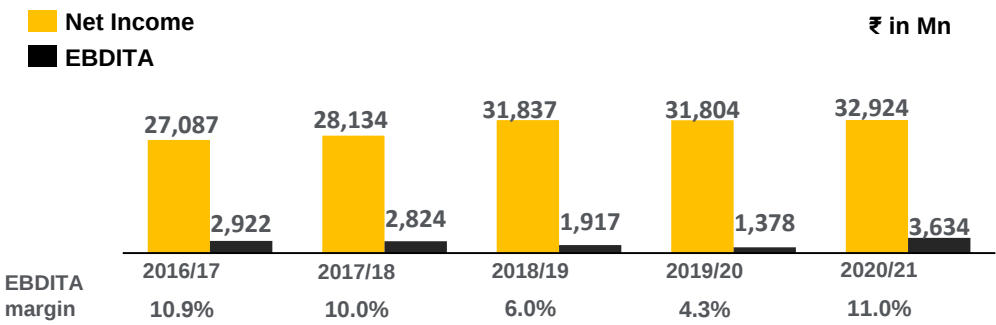
ICICI Pru Life 3.5%

LIC of India 1.6%

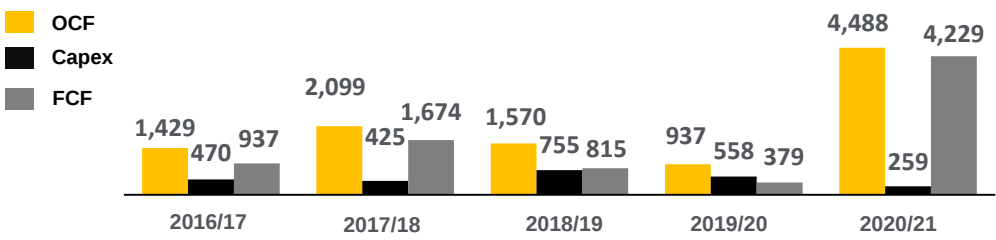
Bajaj Allianz 0.7%

Consistent revenue growth

Revenue and Profitability

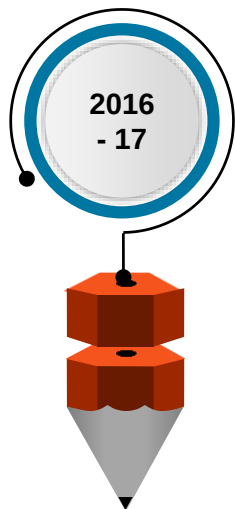


Consistent cash flow generation and growth investment

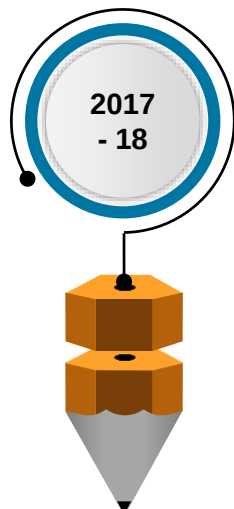


Blue Dart focuses on consistent profitability

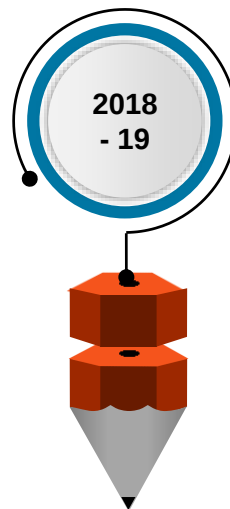
Regulatory reforms and expansion for better future



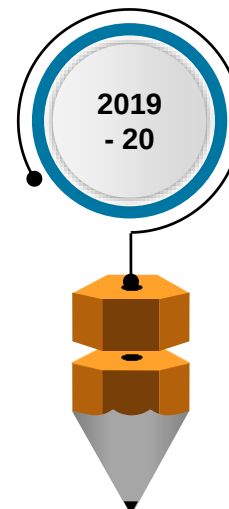
- Changes in DIPP for ecommerce business in Budget 2016
- Demonetization on November 8, 2016 impacted eCommerce Business more specifically COD business
- Demonetization Impact to B2B Revenue
- 6th 757 VTDB Add Cost
- Swachh Bharat Cess Impact (post Nov 15)
- Strategic Project McKinsey



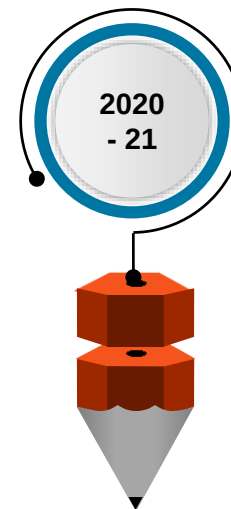
- Strategic Expansion Project - for better service to customers (Jan 18 to Mar 18)
- Pre-GST Stock clearances due to uncertainty on inputs credits
- Post GST - shipping impacted as businesses were not ready for GST system



- Strategic Expansion Project - for better service to customers
- Implementation of IND AS 115 - Revenue Recognition
- Rationalization (increase) of due to major rise in minimum wages by States
- Re-carding exercise by BFSI section based on RBI Rules

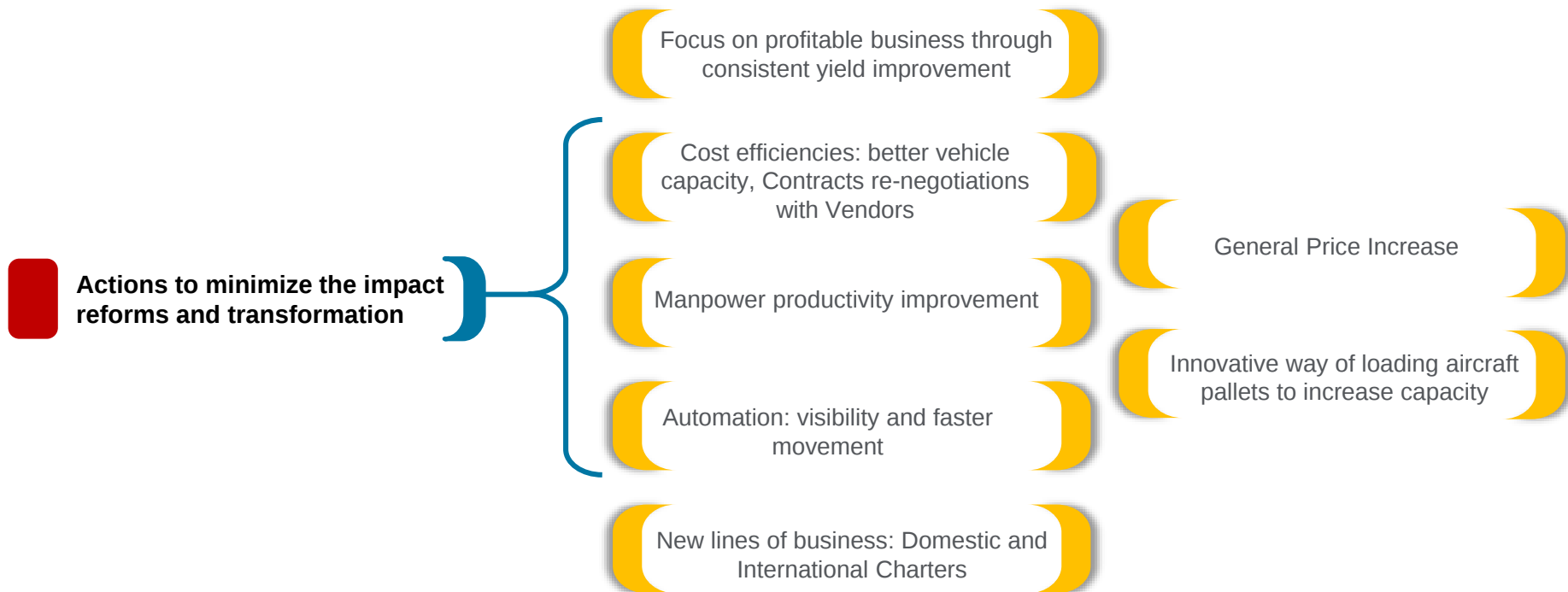


- Implementation of IND AS 116- Lease Accounting
- Impact of Exchange volatility for future lease liabilities
- Increase in PF contribution as a result of Supreme Court decision
- Right Sizing and business restructuring
- Covid-19 Global Pandemic and lockdown in March 2020



- Covid-19 Global Pandemic and lockdown continuing
- International Charter Opportunities
- Impact of Exchange volatility for future lease liabilities

Regulatory reforms impacted business and profits in last few years



Having laid the strong foundation through reforms, Exciting times ahead

Quarter-wise performance (Standalone)

₹ in Mn

Particulars	2020-21						2021-22		
	Q1	Q2	H1	Q3	Q4	Year	Q1	Q2	H1
	(Apr-Jun)	(Jul-Sep)	(Apr-Sep)	(Oct-Dec)	(Jan-Mar)	(Apr-Mar)	(Apr-Jun)	(Jul-Sep)	(Apr-Sep)
Income :									
Revenue from operations	4,142	8,644	12,786	10,349	9,662	32,797	8,648	11,236	19,884
EBITDA	-1,160	1,153	-7	1,841	1,801	3,634	892	1,690	2,582
Margin	-27.86%	13.31%	-0.06%	17.74%	18.52%	11.04%	10.24%	14.96%	12.91%
EBT	-1,663	556	-1,106	1,216	1,201	1,311	394	1,198	1,592
Margin	-39.92%	6.42%	-8.62%	11.73%	12.35%	3.98%	4.52%	10.60%	7.96%
Tax Expense	-383	142	-241	278	310	347	100	303	403
EAT	-1,279	414	-866	938	891	963	294	895	1,189
Margin	-30.73%	4.78%	-6.75%	9.04%	9.16%	2.93%	3.37%	7.92%	5.94%
EPS (in ₹)	(53.92)	17.44	-36.48	39.52	37.54	40.59	12.38	37.71	50.09

EBITDA / EBT / EAT are after exceptional items

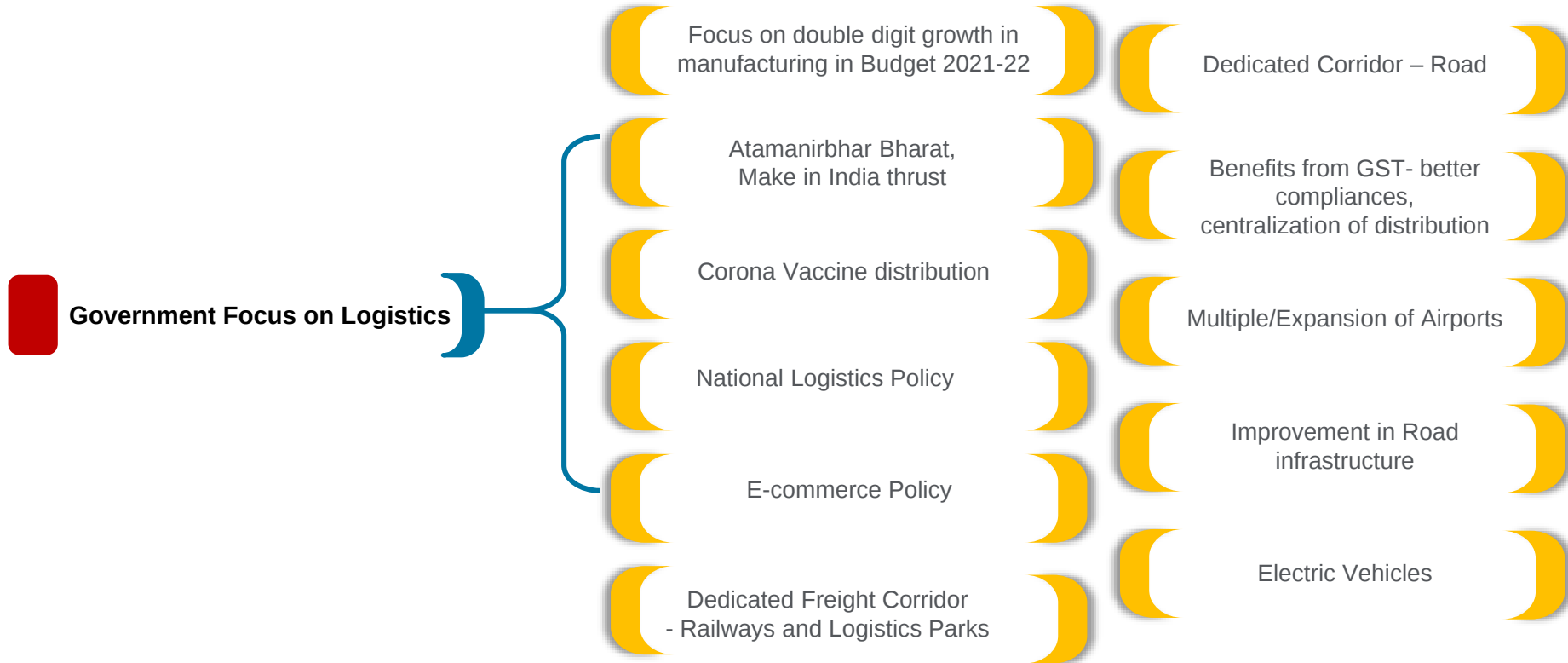
Successful turnaround with robust performance

₹ in Mn

Particulars	2020-21						2021-22		
	Q1	Q2	H1	Q3	Q4	Year	Q1	Q2	H1
	(Apr-Jun)	(Jul-Sep)	(Apr-Sep)	(Oct-Dec)	(Jan-Mar)	(Apr-Mar)	(Apr-Jun)	(Jul-Sep)	(Apr-Sep)
Income :									
Revenue from operations	4,162	8,666	12,827	10,371	9,683	32,881	8,662	11,236	19,898
EBITDA	-1,632	571	-1,061	1,239	1,220	1,398	416	1,220	1,637
Margin	-38.97%	6.55%	-8.23%	11.88%	12.51%	4.23%	4.77%	10.80%	8.17%
EBT	-399	1,991	1,592	2,659	2,557	6,807	1,658	2,455	4,112
Margin	-9.52%	22.85%	12.34%	25.50%	26.21%	20.58%	18.98%	21.73%	20.53%
Tax Expense	-374	148	-226	286	320	380	104	316	418
EAT	-1,258	423	-835	953	900	1,018	313	906	1,218
Margin	-30.05%	4.86%	-6.47%	9.14%	9.22%	3.08%	3.58%	8.01%	6.08%
EPS (in ₹)	(53.04)	17.84	-35.20	40.17	37.93	42.91	13.18	38.16	51.34

EBITDA / EBT / EAT are after exceptional items

Successful turnaround with robust performance



Having laid the strong foundation through reforms, Exciting times ahead



Leadership in Air & Ground Express

Blue Dart is in a strong position – strategically and financially

Strong focus on Profitable Growth, cash flow and balance sheet allows healthy balance of growth investments and shareholder returns





Thank You