



Blue Dart Express Limited

Investor Presentation

June 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
Additional Director

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



Sebastian Paeßens
Additional Director CFO

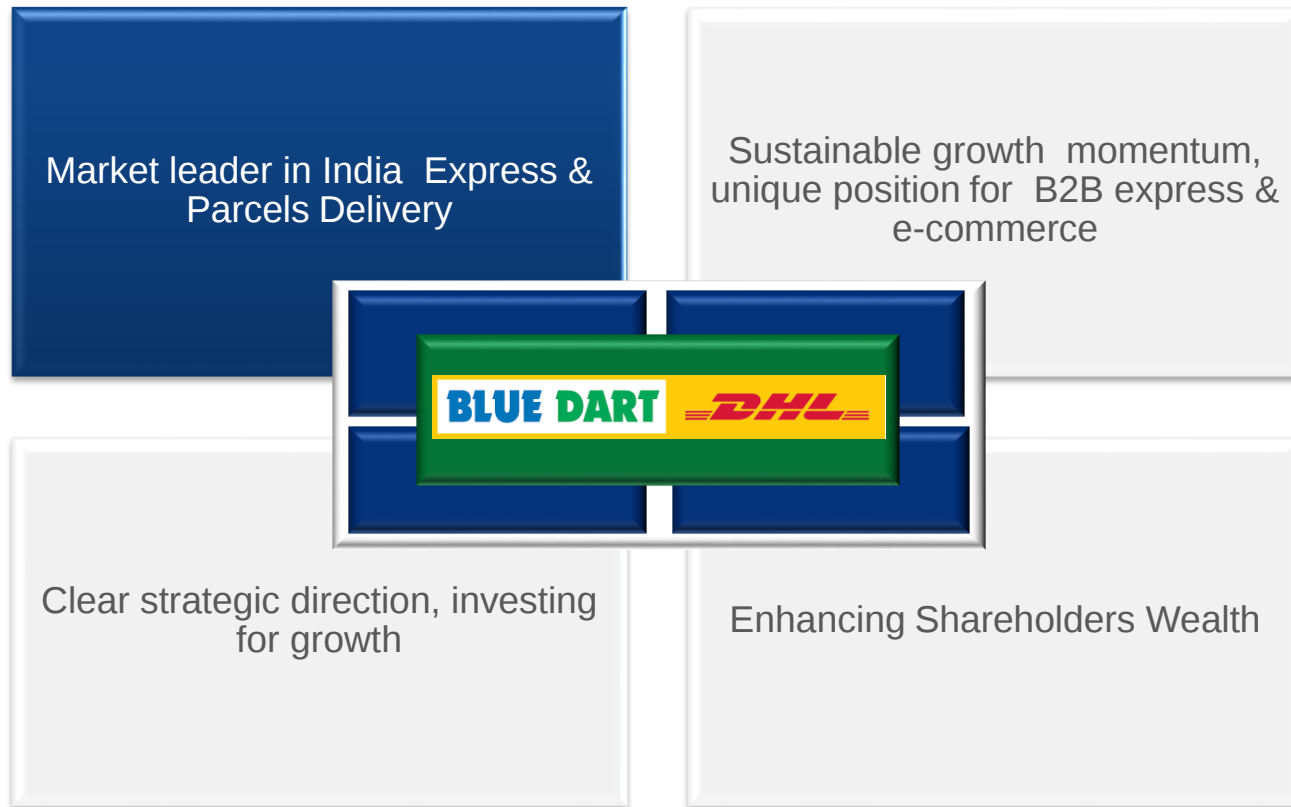
DHL eCommerce Solutions,
Member of Deutsche Post DHL
Group's Finance Board



Aneel Gambhir
Chief Financial
Officer (CFO)



Tushar Gunderia
Head (Legal & Compliance)
& Company Secretary



Knowing Blue Dart - Introduction



Started Operations in 1983 by three Indian entrepreneurs as partnership firm, later converted into limited company.



Maiden public issue and listing in 1994



DP-DHL acquired Blue Dart in 2005 and currently holds 75% shares.



Blue Dart Aviation Ltd and Concorde Air Logistics Ltd. are wholly owned subsidiary companies



Operates six Boeing 757-200 Aircrafts during night across seven metro cities with capacity of 500 tons per night- first only cargo airline in India



Asset light model - (Four Aircrafts are on lease, Two owned by BDA), Trucks and facilities are on rentals



Apart from Air, the Company launched Ground services in 2008



e-Commerce services were launched in 2009/2010



High service reliability is key driver



People Focus: featured in 'Great Place To Work' for Eleven consecutive years

BLUE DART

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

Key Subsidiaries

- Blue Dart Aviation Ltd¹
- Concorde Air Logistics Ltd²

FY2020/21 (Standalone)

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

Unparalleled Integrated Air and Ground Network

Dominant market leadership B2B Air Express

Strong foundation for growth in e-commerce

Provider of Choice

Employer of Choice

Integral part of DPDHL Group, world's leading mail and logistics company

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

Own Aviation Network

Market Leading Transit Times

Reliability & High Service Quality

Extensive Reach & Network

Best – In – Class Technology

Strong Brand Equity & Saliency

Responsiveness to Customer

Passionate & Committed Team

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

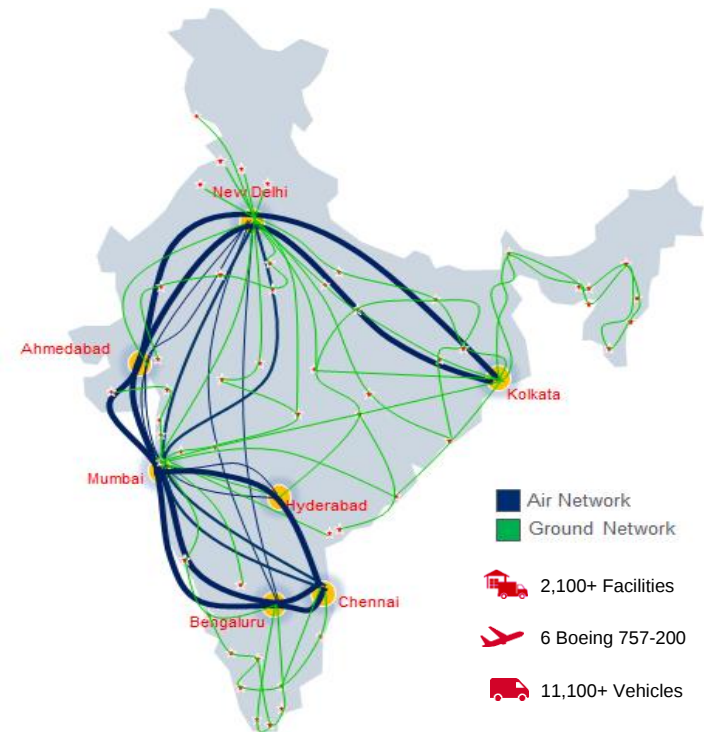
We provide clear Customer Value Proposition
v/s our competitors

Extensive reach

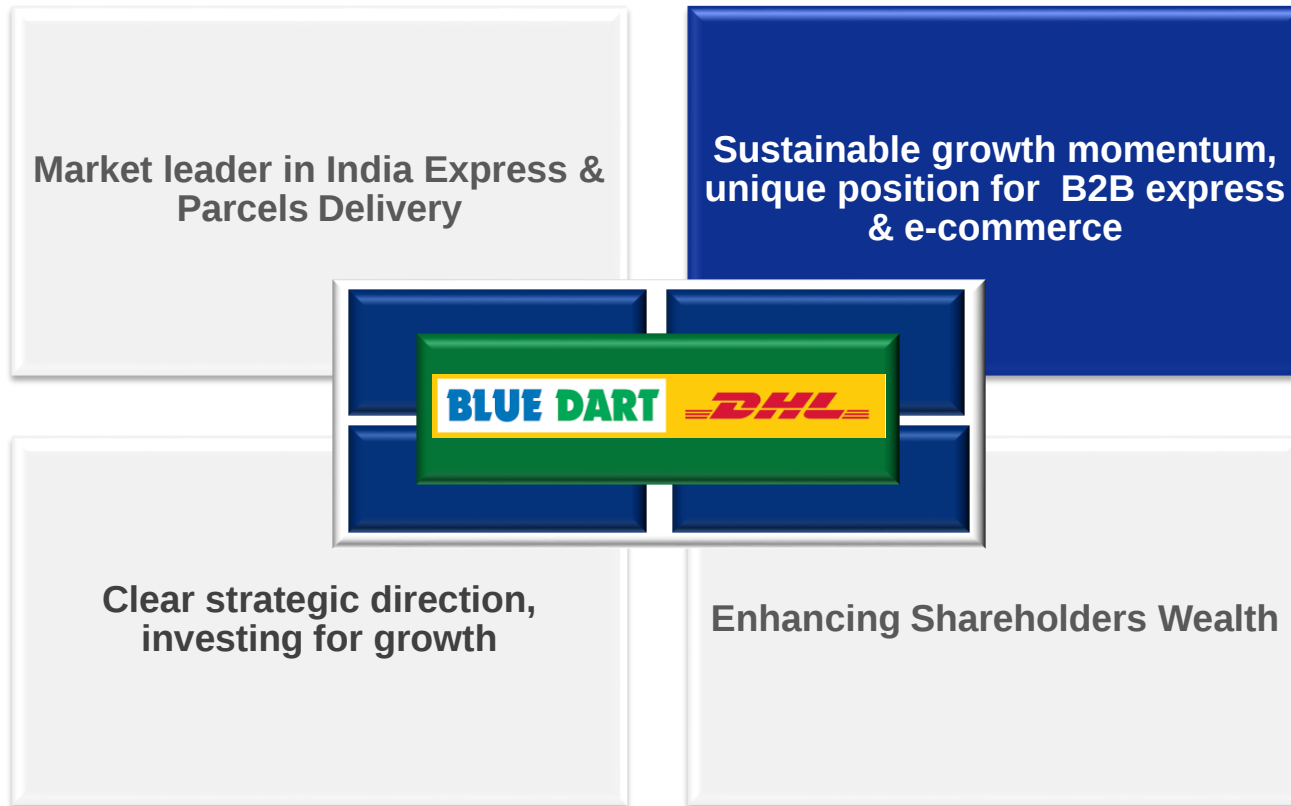
Optimized flight scheduling facilitating **late pick-ups and early deliveries**

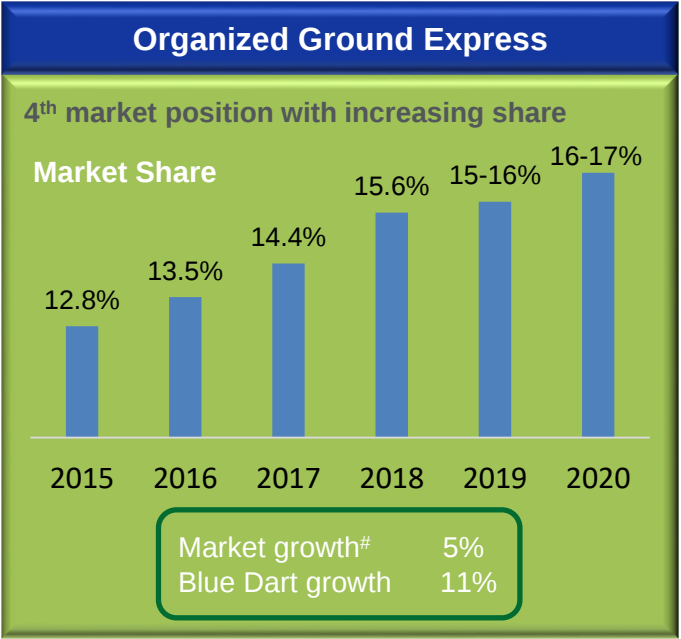
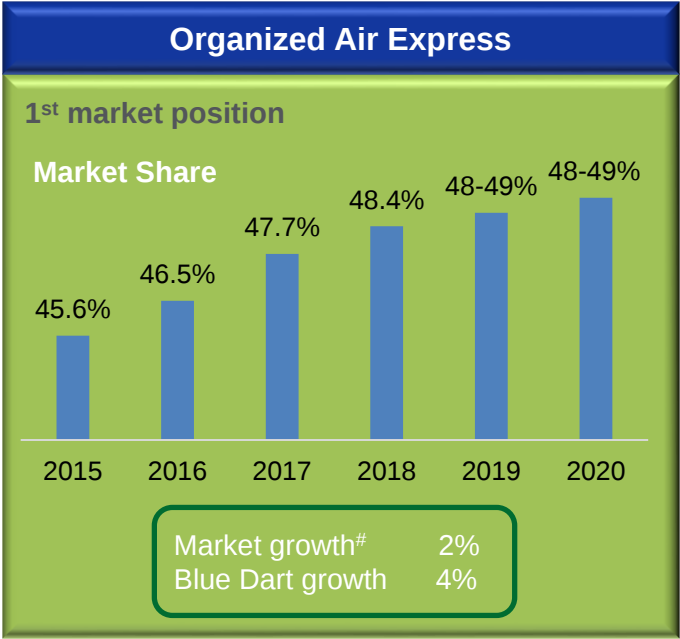
Market leading transit times

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



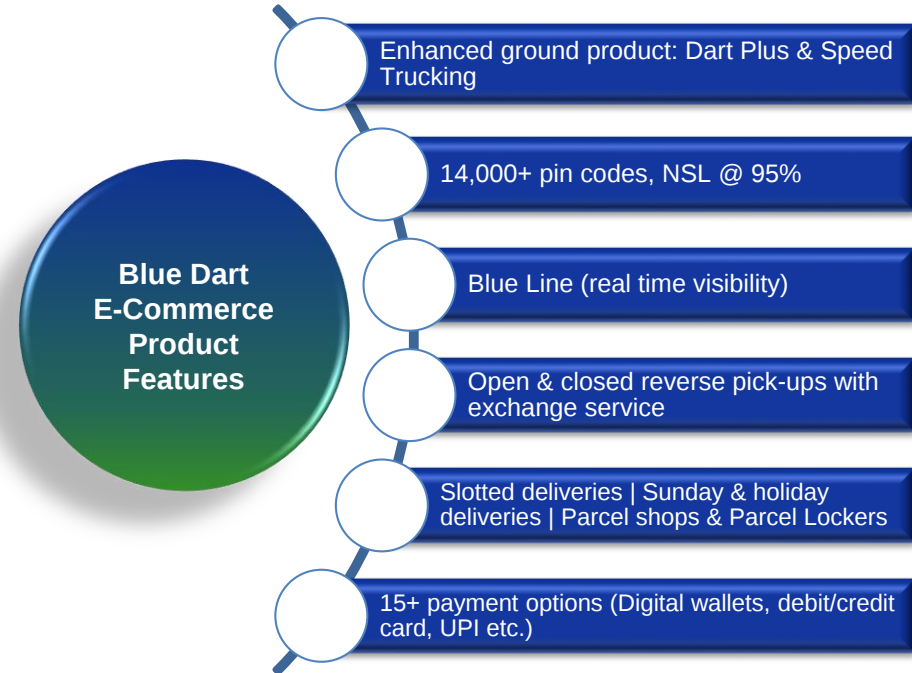
Blue Dart network is our key competitive differentiator





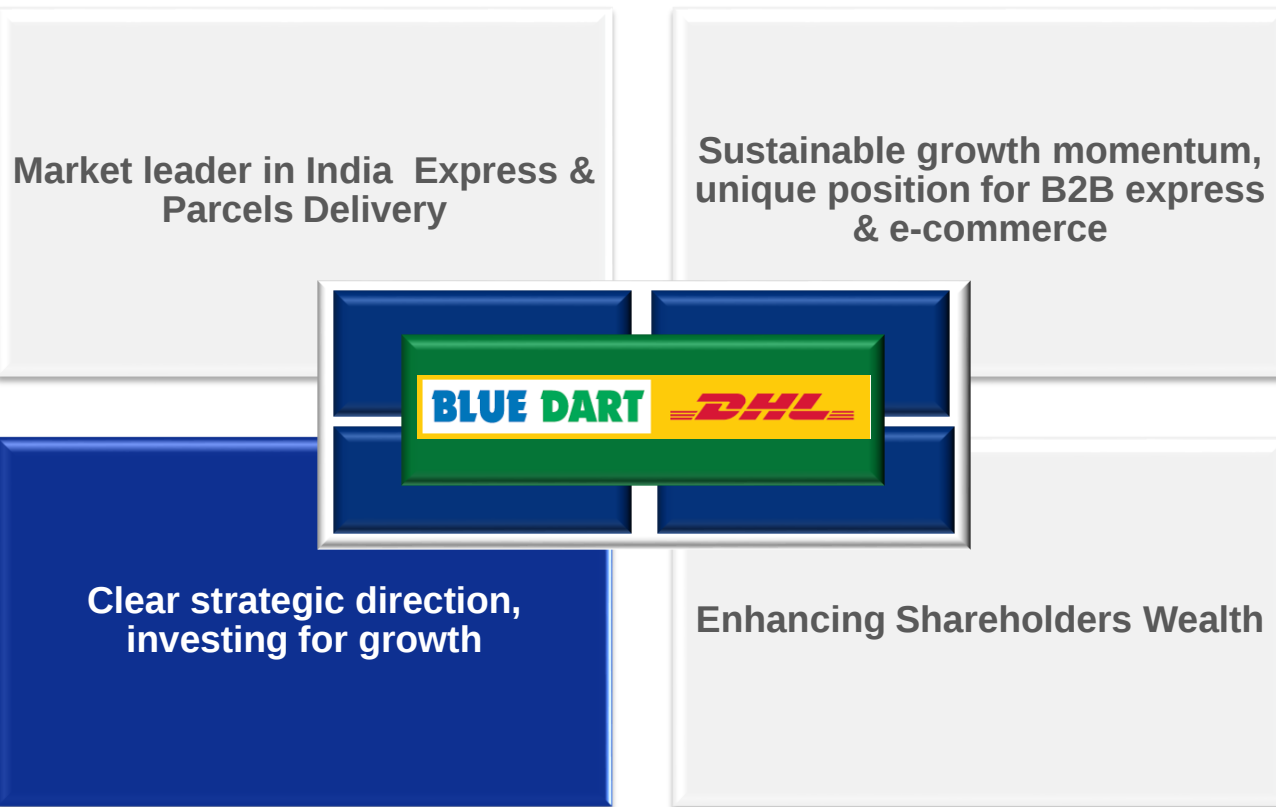
Note: All Market Share are by Revenue (BE). All figures for 2015 are from ATK Report, from 2016 to 2020 are internal assessments.
Growth Rates : 2015 to 2020 CAGR for Market and BDE

Blue Dart has been increasing its market shares in B2B Express



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



- 1000+ tier II & Tier III towns identified for growth opportunity.
 - Apr-Mar 2021 Revenue Contribution to All India over LY increased.
 - Worked in MP on Go Ground, nearly doubled SFC product sale
-
- 7 industry verticals contributing 55% of revenue.
 - Sector focused task force formed to increase business from these sectors.
-
- Increasing SME count
 - Creating separate flagging & SME centric service product
 - SME's had a tough 2020 due to pandemic but supported by Blue Dart.
-
- Restructuring of channel policies to make costs variable.
 - Dedicated channel personnel are being appointed for better focus.
-
- Transit Time improvement across 100 important OD pairs. (96 / 72 / 48 / 24)
 - Taking Temperature Control Logistics to 21000 pincodes within 72 hours
 - Major EDL / ODA locations to be merged in serviced..

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

Digital interface: enabling better customer experience

Pioneered 'Contact Less Deliveries'

Digital billing and collections

Vendors billing and payment digitally

Customer Dash Boards

Automation of Hubs

Tracking of Couriers real time

Digital 'sorry cards'

Customer interface API's

Automated dimension captures for volume weight

State of the art billing system

Digitalisation initiatives to enhance customer experience

Maintain and Grow Market Leadership

Medium Term Initiatives

- With increasing urbanization, focus on centers 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 pincode 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

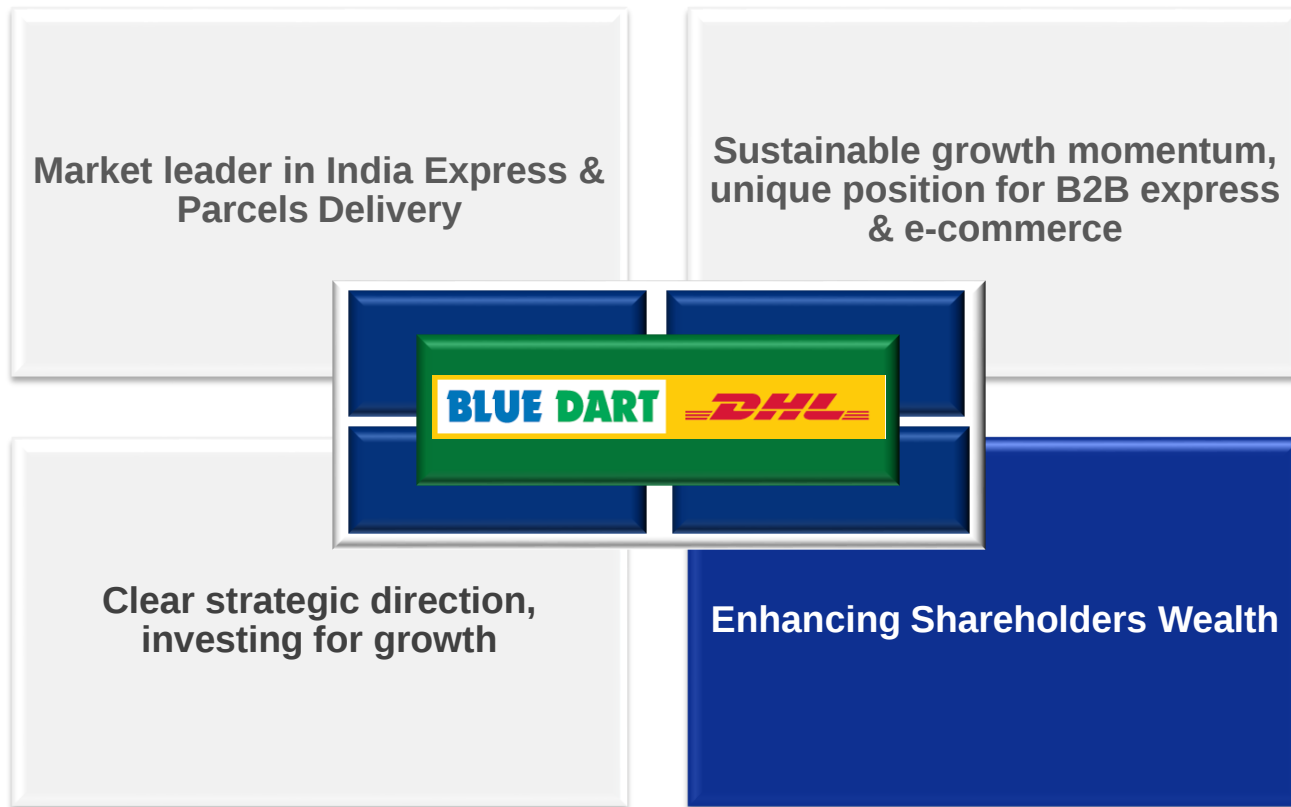
(1) Operating Cost per Move; (2) Operating Cost per Kilo; (3) Days Sales Outstanding

Maintain and Grow Market Leadership

Long Term Strategies

- 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





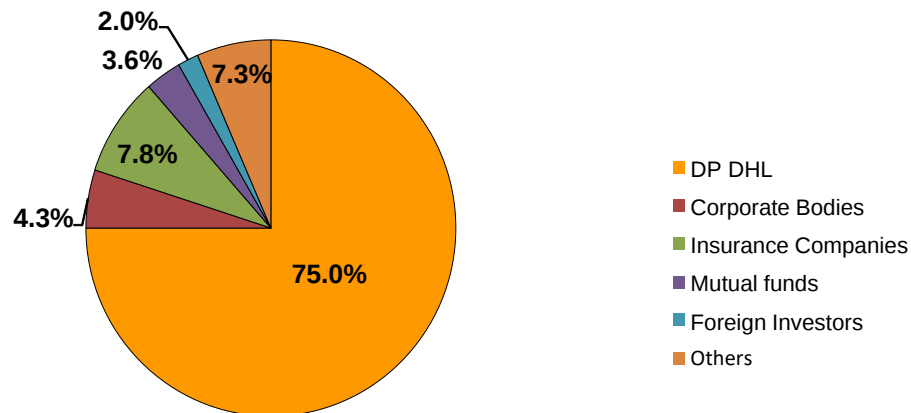
Value Creation

- High returns to shareholders

Dividend Paid

- The Board has recommended dividend of Rs. 15/- per share for the F.Y. 2020-21 subject to approval of Shareholders at the ensuing AGM of the Company.
- Consistent track record of dividend payment till 2018-19.





Major Bodies Corporates

Derive Trading & Group	2.9%
------------------------	------

Major Mutual Funds

L & T Mutual Fund	1.2%
Kotak Mutual Fund	0.7%
Nippon Life India	0.5%

Major FPI

AI Mehwar Commercials Invst	0.4%
Ishare Core Emerging Markets	0.3%
Emerging Markets Core	0.1%

Major Insurance Companies

ICICI Pru Life	3.9%
LIC of India	2.5%
Bajaj Allianz	0.6%

Focus on profitable business

The Board has recommended dividend of Rs. 15/- per share for the F.Y. 2020-21 subject to approval of Shareholders
Consistent track record of dividend payment till 2018-19

Creating wealth for Shareholders (EVA positive Company)

Average returns on Capital employed for last five years over 27%

Generating returns on its Capital employed well above its Weighted Average Cost of Capital (WACC) thus creating Wealth for its Shareholders

Returns to Shareholders in last 10 years - **14.2%** (XIRR)

Maiden issue of Non Convertible Debentures (Bonus)

Rewarded Shareholders with Issue of 14 (Fourteen) Non convertible Debentures of Rs 10 each by way of Bonus for every 1 Equity share held aggregating to Rs 3323 million carrying an annual coupon of 9.38% p.a. (weighted average rate)

Successfully redeemed Debentures in full through internal accruals

High standards of Corporate Governance

Higher Credit ratings from ICRA for Company's Medium & Short term borrowing program

1 without IND AS 116 impact for calculation of ROCE for FY 2019-20. (FY 2015-16 to FY 2019-20)

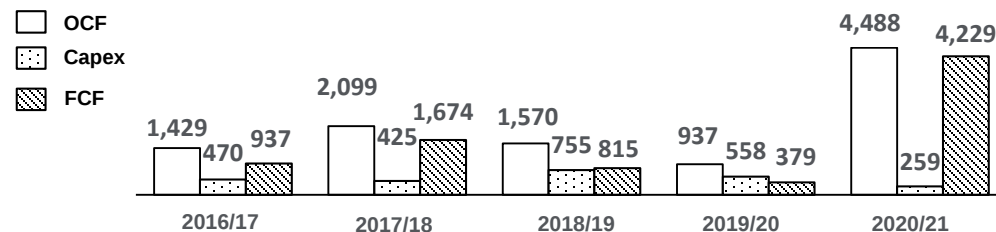
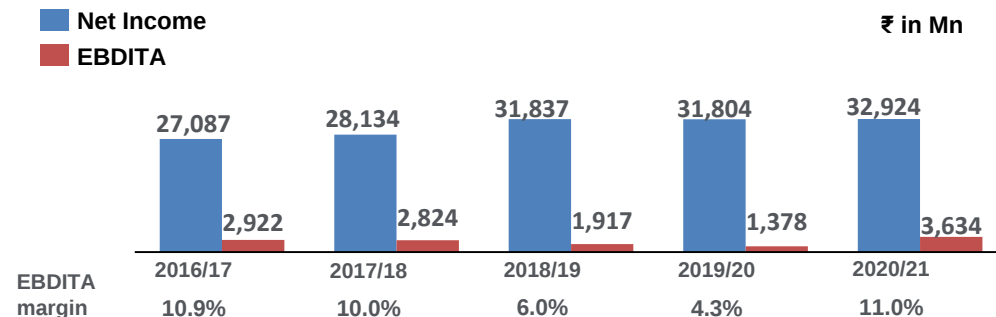
2 calculated from April 1, 2010 to June 30, 2020. Includes Dividend payments and Bonus Debenture

Consistent profitable growth track record

Consistent revenue growth

Revenue and Profitability

Consistent cash flow generation and growth investment



Blue Dart focuses on consistent profitability

2016-17

- 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 VTDBD Add Cost
- Swachh Bharat Cess Impact (post Nov 15)
- Strategic Project McKinsey

2017-18

- 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

2018-19

- 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

2019-20

- 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
- Economic slow down
- Right Sizing and business restructuring
- Covid-19 Global Pandemic and lockdown in March 2020

2020-21

- 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

Actions to minimise the impact reforms and transformation

Focus on profitable business through consistent yield improvement

Cost efficiencies: better vehicle capacity, Contracts re-negotiations with Vendors

Manpower productivity improvement

Automation: visibility and faster movement

Innovative way of loading aircraft pallets to increase capacity

General Price Increase

New lines of business: Domestic and International Charters

Efficiency initiatives partially cushioned the impacts and laid foundation for better performance

₹lakh

Particulars	2020-21				
	Q1	Q2	Q3	Q4	Year
	(Apr - Jun)	(Jul - Sep)	(Oct - Dec)	(Jan - Mar)	(Apr - Mar)
Income :					
Revenue from operations	41,419	86,442	1,03,492	96,617	3,27,970
EBITDA	-11,601	14,946	17,573	18,010	38,929
Margin	-27.86%	17.25%	16.94%	18.52%	11.82%
EBT after exceptional items	-16,624	5,562	12,163	12,005	13,105
Margin	-39.92%	6.42%	11.73%	12.35%	3.98%
Tax Expense	-3,830	1,423	2,784	3,097	3,474
EAT	-12,794	4,138	9,378	8,908	9,631
Margin	-30.73%	4.78%	9.04%	9.16%	2.93%
EPS (in ₹)	(53.92)	17.44	39.52	37.54	40.59

Successful turnaround with robust performance

Consolidated Quarter-wise performance



₹lakh

Particulars	2020-21				
	Q1	Q2	Q3	Q4	Year
	(Apr - Jun)	(Jul - Sep)	(Oct - Dec)	(Jan - Mar)	(Apr - Mar)
Income :					
Revenue from operations	41,616	86,657	1,03,712	96,828	3,28,813
EBITDA	-3,988	23,325	25,754	25,568	70,659
Margin	-9.52%	26.77%	24.70%	26.21%	21.36%
EBT after exceptional items	-16,321	5,708	12,392	12,201	13,979
Margin	-38.97%	6.55%	11.88%	12.51%	4.23%
Tax Expense	-3,737	1,474	2,860	3,201	3,798
EAT	-12,584	4,234	9,531	9,000	10,181
Margin	-30.05%	4.86%	9.14%	9.22%	3.08%
EPS (in ₹)	(53.04)	17.84	40.17	37.93	42.91

Successful turnaround with robust performance

Government Focus on Logistics :

Focus on double digit growth in manufacturing in Budget 2021-22

Atamanirbhar Bharat, Make in India thrust

Corona Vaccine distribution

National Logistics Policy

E-commerce Policy

Dedicated Freight Corridor- Railways and Logistics Parks

Dedicated Corridor – Road

Benefits from GST- better compliances, centralization of distribution

Multiple/Expansion of Airports

Improvement in Road infrastructure

Electric Vehicles

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