



**Blue Dart Express Limited**  
Investor Presentation

July 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

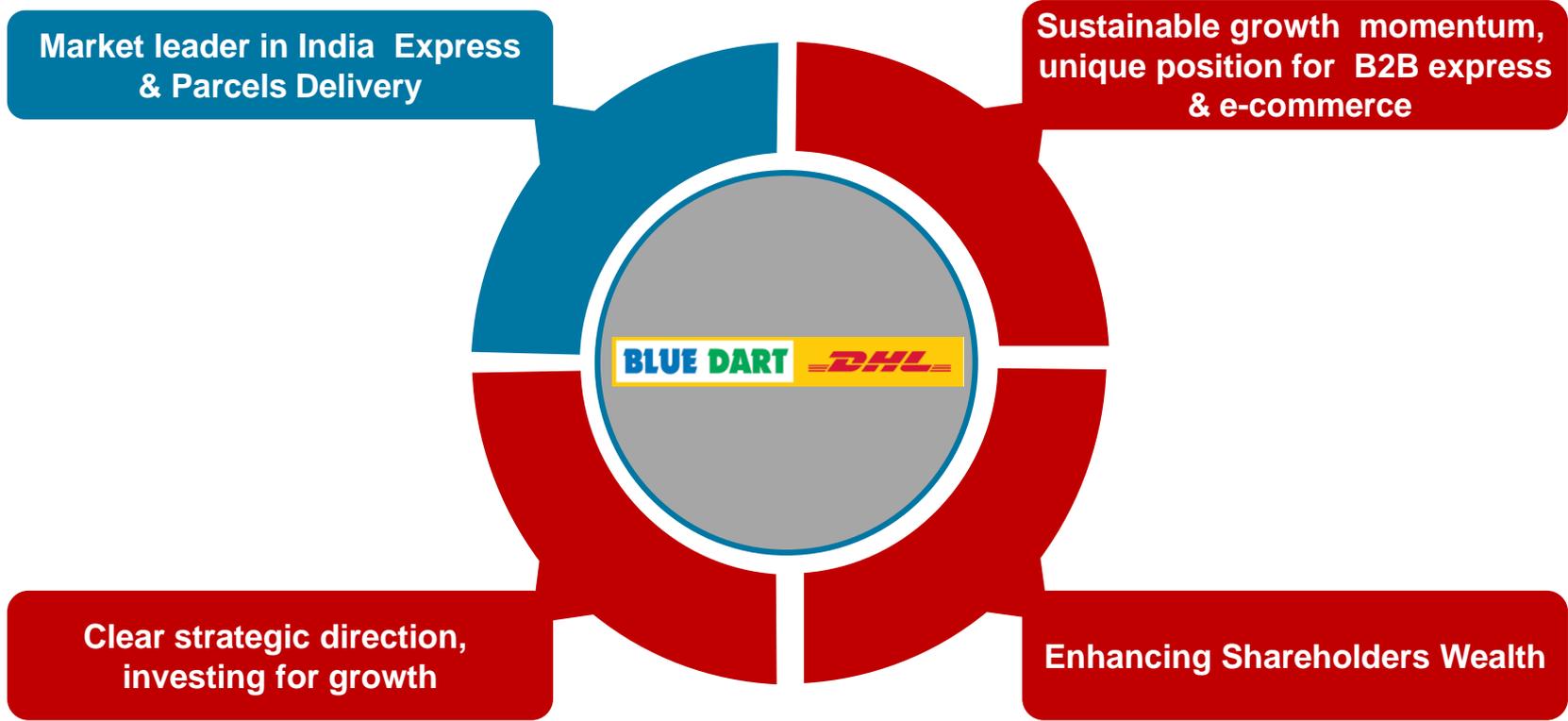
CFO, DHL eCommerce  
Solutions, Member of Deutsche  
Post DHL Group's Finance  
Board



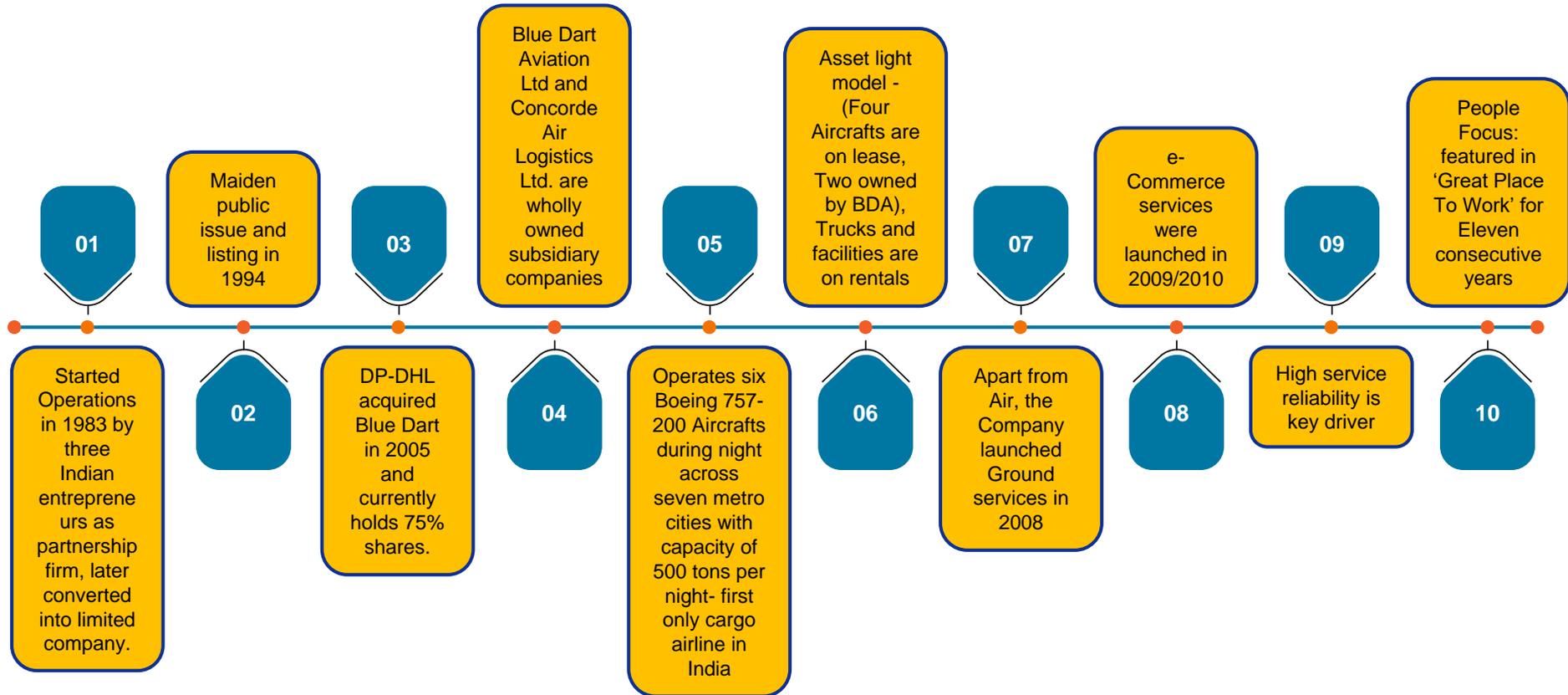
**Aneel Gambhir**  
Chief Financial  
Officer (CFO)

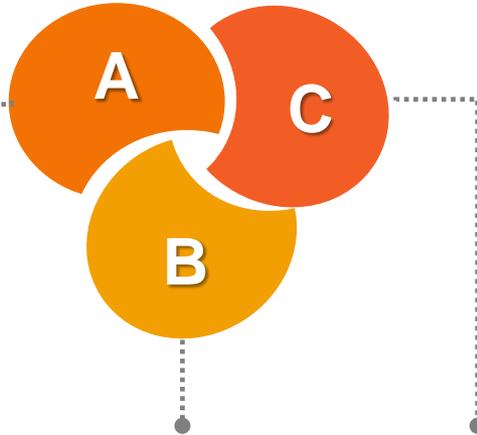


**Tushar Gunderia**  
Head (Legal & Compliance)  
& Company Secretary



# Knowing Blue Dart - Introduction





A	
<ul style="list-style-type: none"> <li>• 186.03 Million shipments</li> <li>• 718,521 tonnes shipped</li> <li>• 14,000+ zip codes coverage</li> <li>• 6 Boeing 757-200</li> <li>• 12,000+ employees</li> </ul>	

B	Key Subsidiaries
<ul style="list-style-type: none"> <li>• Blue Dart Aviation Ltd1</li> <li>• Concorde Air Logistics Ltd2</li> </ul>	

C	FY2020/21 (Standalone)
<ul style="list-style-type: none"> <li>• <b>Revenue</b> – ₹ 3,279.7 Cr</li> <li>• <b>EBITA</b> – ₹ 389.3 Cr</li> <li>• <b>EBT</b> – ₹ 156.9 Cr</li> </ul>	

- 1 Unparalleled Integrated Air and Ground Network
- 2 Dominant market leadership B2B Air Express
- 3 Strong foundation for growth in e-commerce
- 4 Provider of Choice
- 5 Employer of Choice
- 6 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

- 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

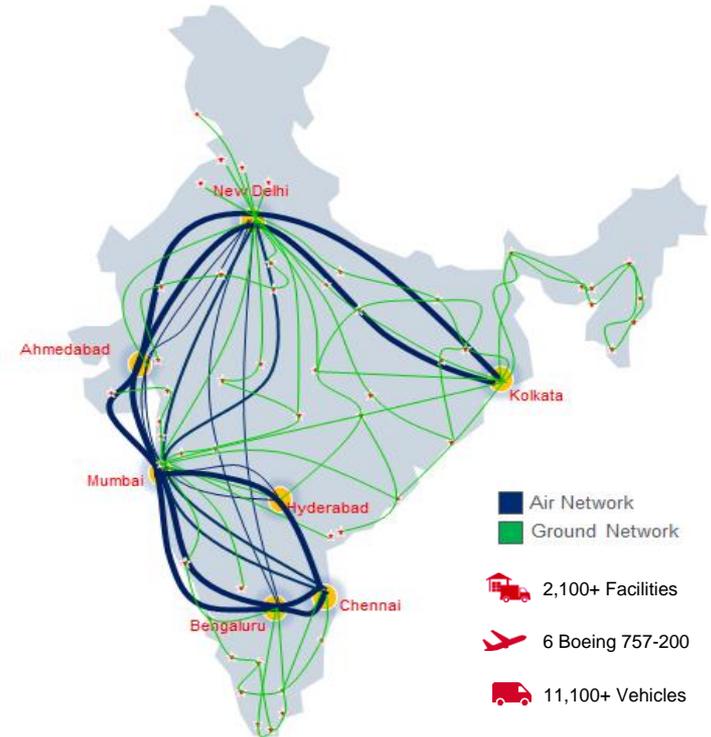
We provide clear **Customer Value Proposition** v/s our competitors

- **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**

Market leader in India Express & Parcels Delivery

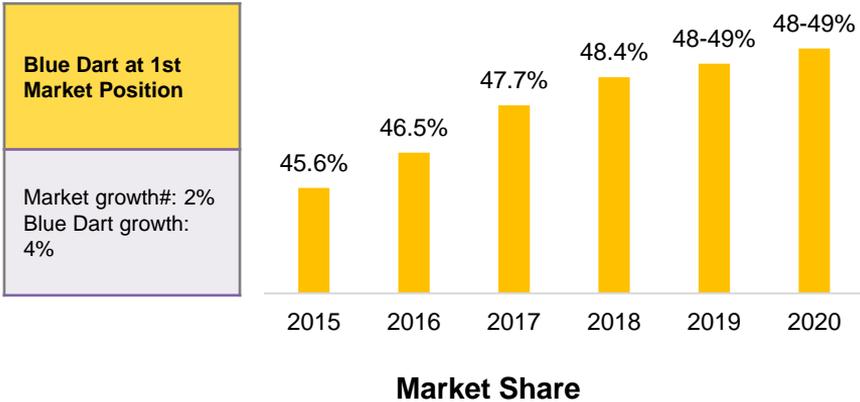
Sustainable growth momentum, unique position for B2B express & e-commerce



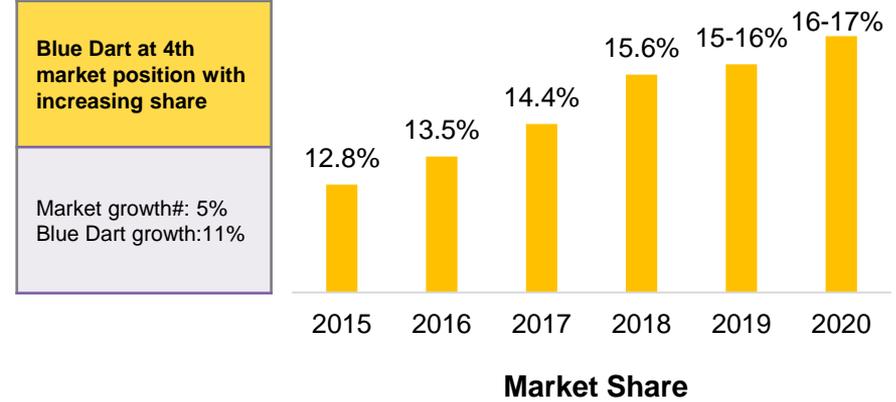
Clear strategic direction, investing for growth

Enhancing Shareholders Wealth

## Organized Air Express

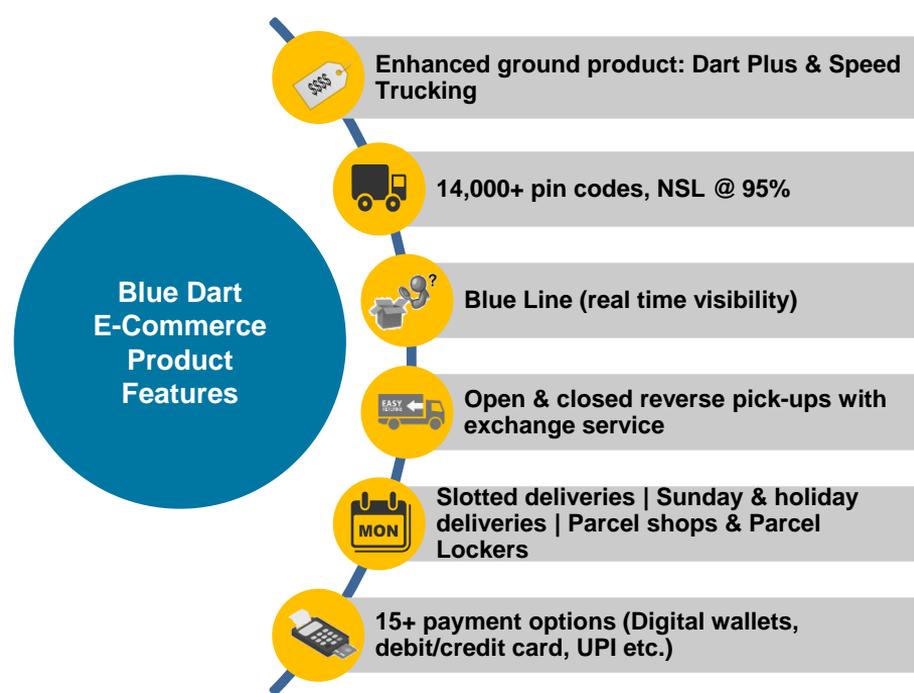


## Organized Ground Express



**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 2020 are internal assessments.  
# Growth Rates : 2015 to 2020 CAGR for Market and BDE



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.**

Market leader in India Express & Parcels Delivery

Sustainable growth momentum, unique position for B2B express & e-commerce

BLUE DART DHL

Clear strategic direction, investing for growth

Enhancing Shareholders Wealth



## 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.



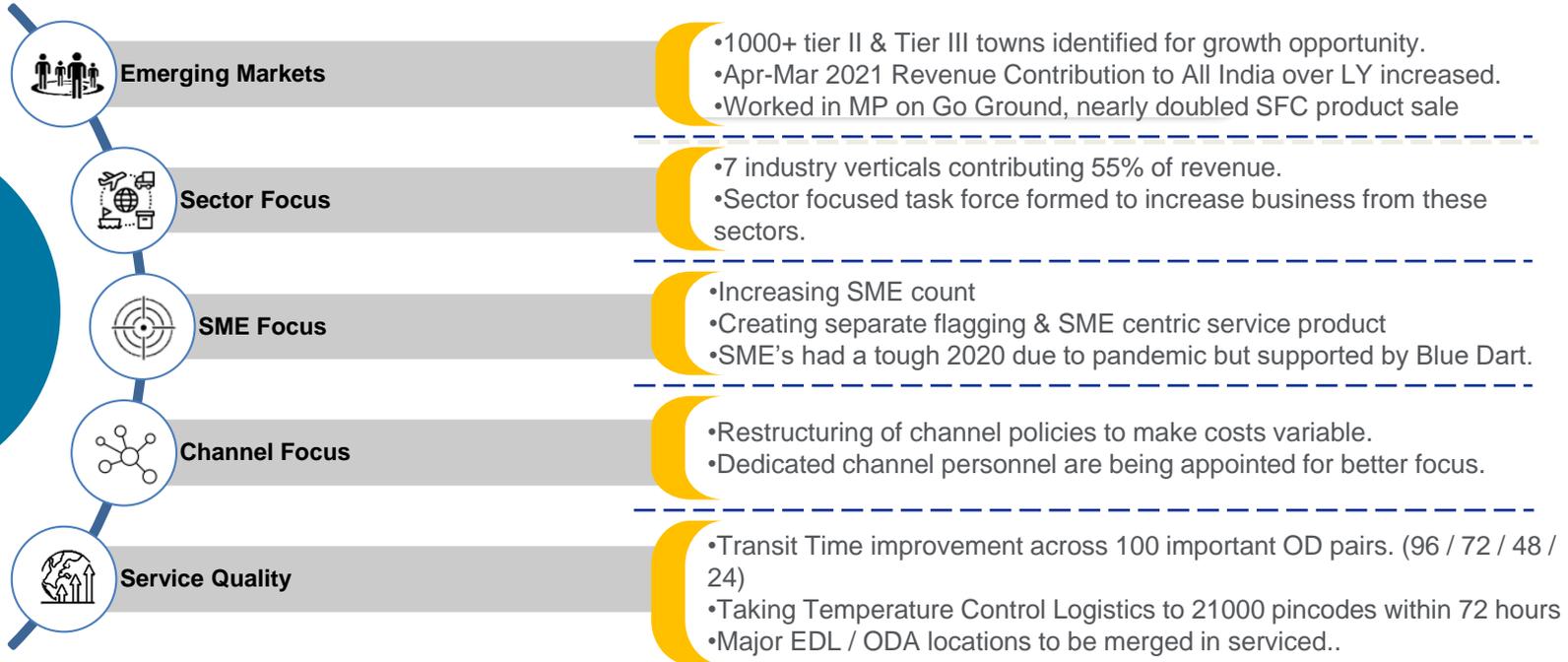
## Accelerating impact of process technology and automation

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

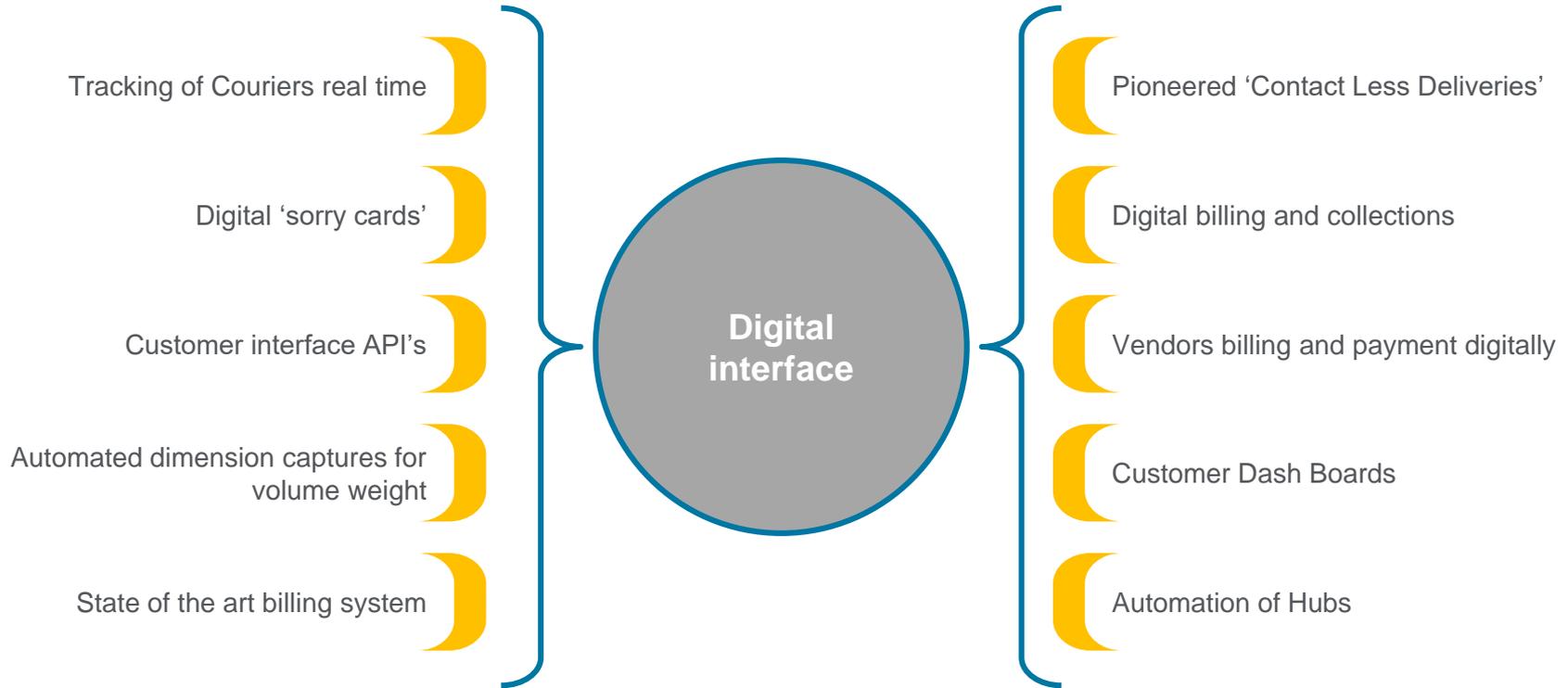
Blue Dart has a clear strategy to capitalize on these trends

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

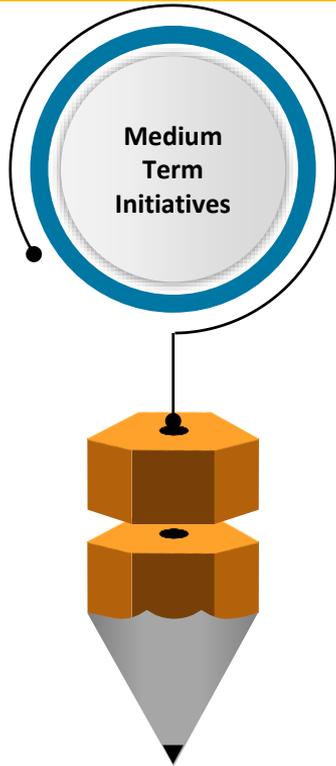
## E-Commerce Customer Requirements



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



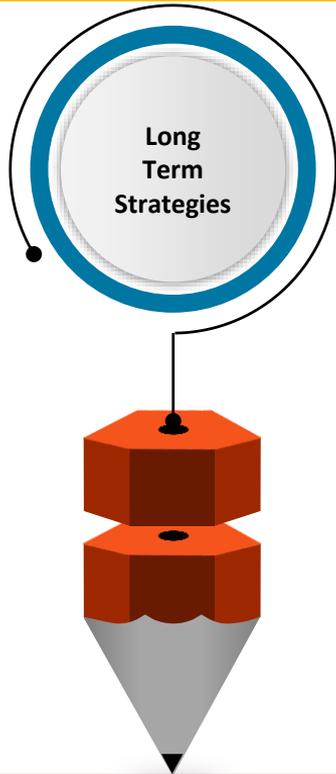
## Digitalisation initiatives to enhance customer experience



**Maintain and  
Grow Market Leadership**

- ❖ 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<sup>(1)</sup>, OCPK<sup>(2)</sup> & DSO<sup>(3)</sup> to improve profitability
- ❖ Reduce CO<sub>2</sub> 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



Long  
Term  
Strategies

Maintain and  
Grow Market Leadership

- ❖ 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

Market leader in India Express & Parcels Delivery

Sustainable growth momentum, unique position for B2B express & e-commerce



Clear strategic direction, investing for growth

Enhancing Shareholders Wealth



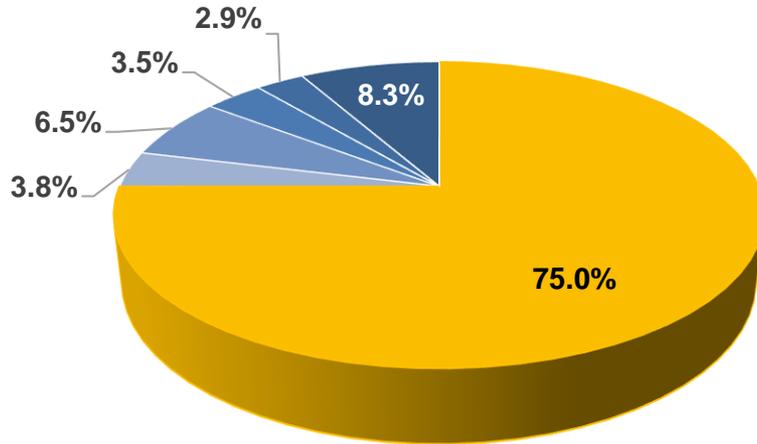
## Value Creation

- 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 2.6%

### Major Mutual Funds

L & T Mutual Fund 1.7%

Kotak Mutual Fund 0.9%

Canara Robeco 0.1%

### Major FPI

First Sentier Investors 0.4%

AI Mehwar Commercials Invst 0.4%

Ishare Core Emerging Markets 0.3%

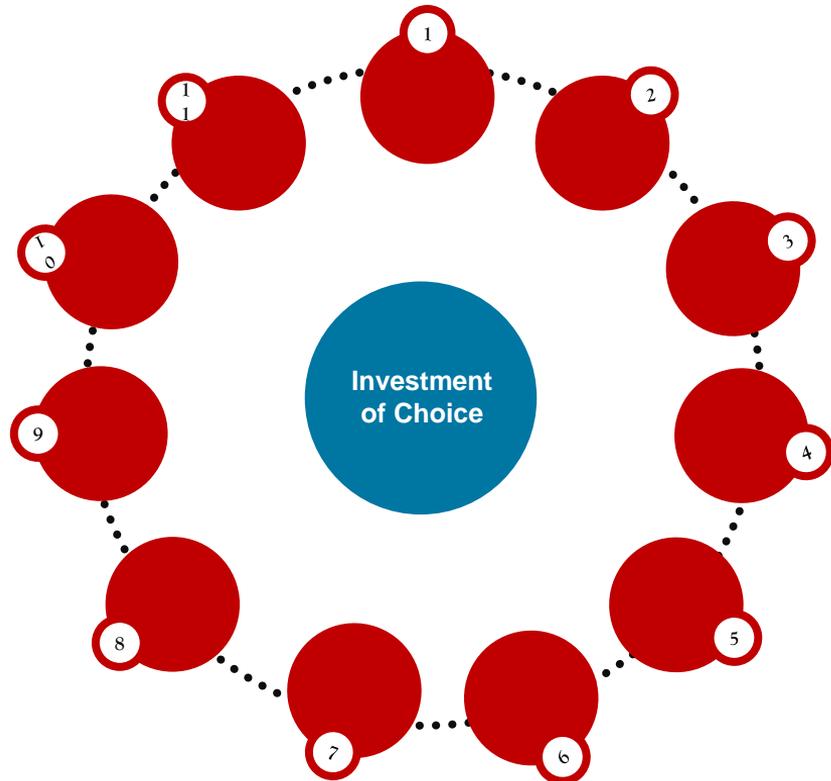
### Major Insurance Companies

ICICI Pru Life 3.5%

LIC of India 1.6%

Bajaj Allianz 0.7%

- 1 Focus on profitable business  
The Company has paid dividend of Rs. 15/- per share for the F.Y. 2020-21  
Consistent track record of dividend payment till 2018-19
- 2 Creating wealth for Shareholders (EVA positive Company)
- 3 Average returns on Capital employed for last five years over 27%
- 4 Generating returns on its Capital employed well above its Weighted Average Cost of Capital (WACC) thus creating Wealth for its Shareholders
- 5 Returns to Shareholders in last 10 years - 14.2% (XIRR)

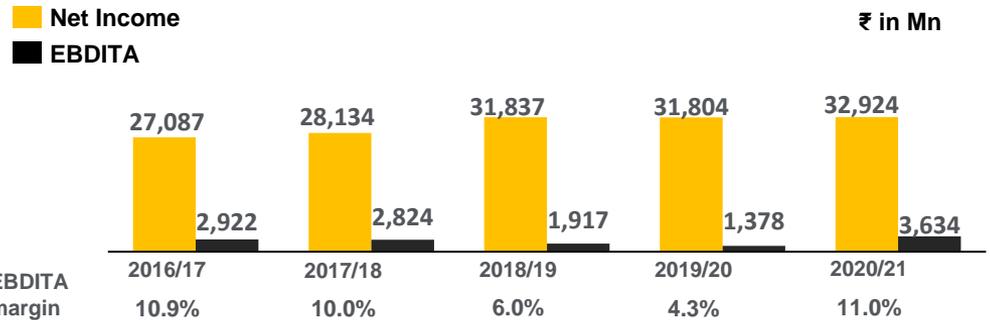


- 6 Maiden issue of Non Convertible Debentures (Bonus)
- 7 Rewarded Shareholders with Issue of 14 (Fourteen) Non convertible Debentures of Rs 10 each by way of Bonus for every 1 Equity share held aggregating to Rs 3323 million carrying an annual coupon of 9.38% p.a. (weighted average rate)
- 8 Successfully redeemed Debentures in full through internal accruals
- 9 High standards of Corporate Governance
- 10 Higher Credit ratings from ICRA for Company's Medium & Short term borrowing program

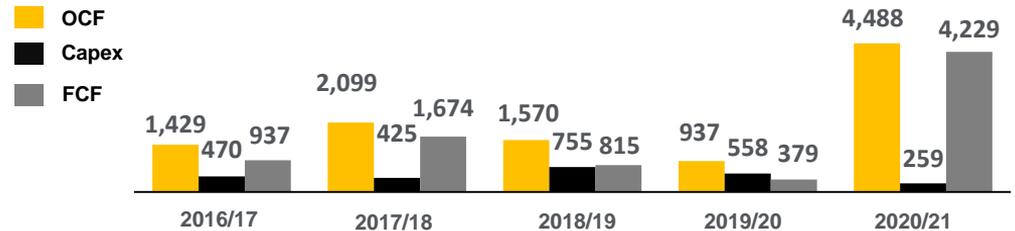
1 without IND AS 116 impact for calculation of ROCE for FY 2019-20. (FY 2015-16 to FY 2019-20)  
2 calculated from April 1, 2010 to June 30, 2020. Includes Dividend payments and Bonus Debenture

## Consistent revenue growth

Revenue and Profitability



Consistent cash flow generation and growth investment



Blue Dart focuses on consistent profitability



- 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 VTDBB 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

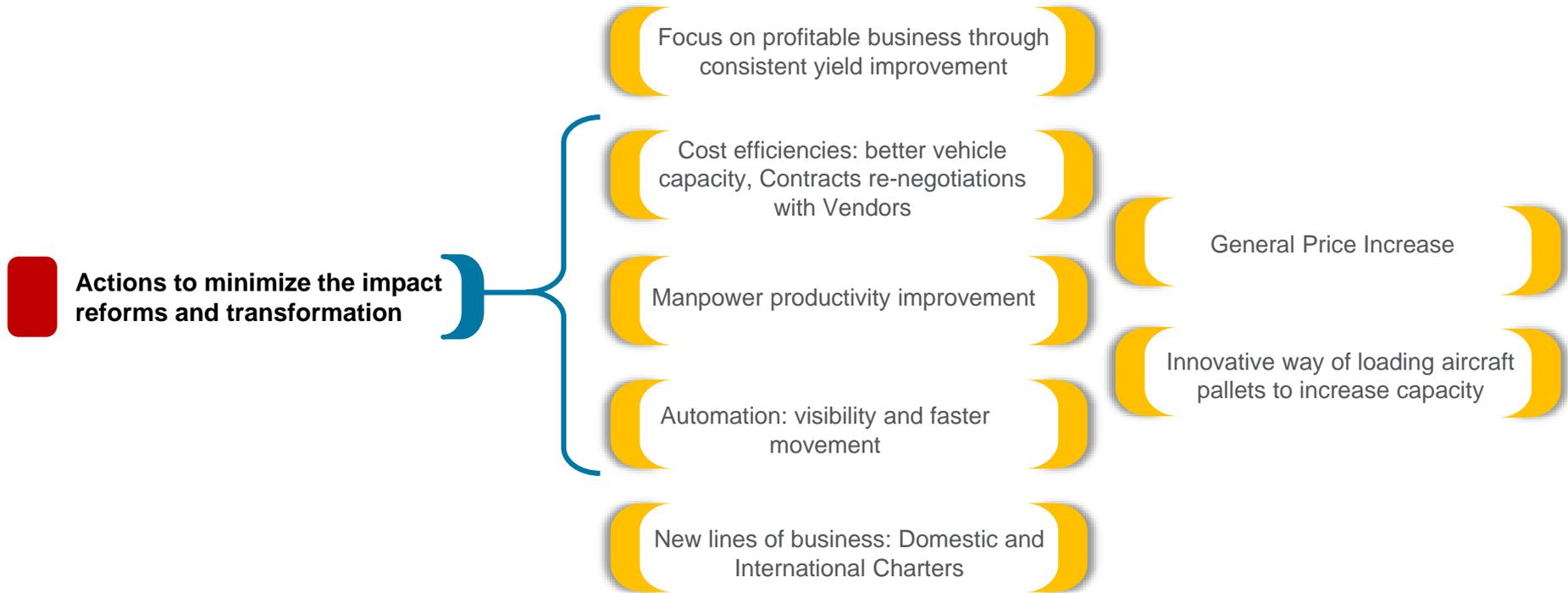


- Implementation of IND AS 116- Lease Accounting
- Impact of Exchange volatility for future lease liabilities
- Increase in PF contribution as a result of Supreme Court decision
- Economic slow down
- Right Sizing and business restructuring
- Covid-19 Global Pandemic and lockdown in March 2020



- 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

₹lakh

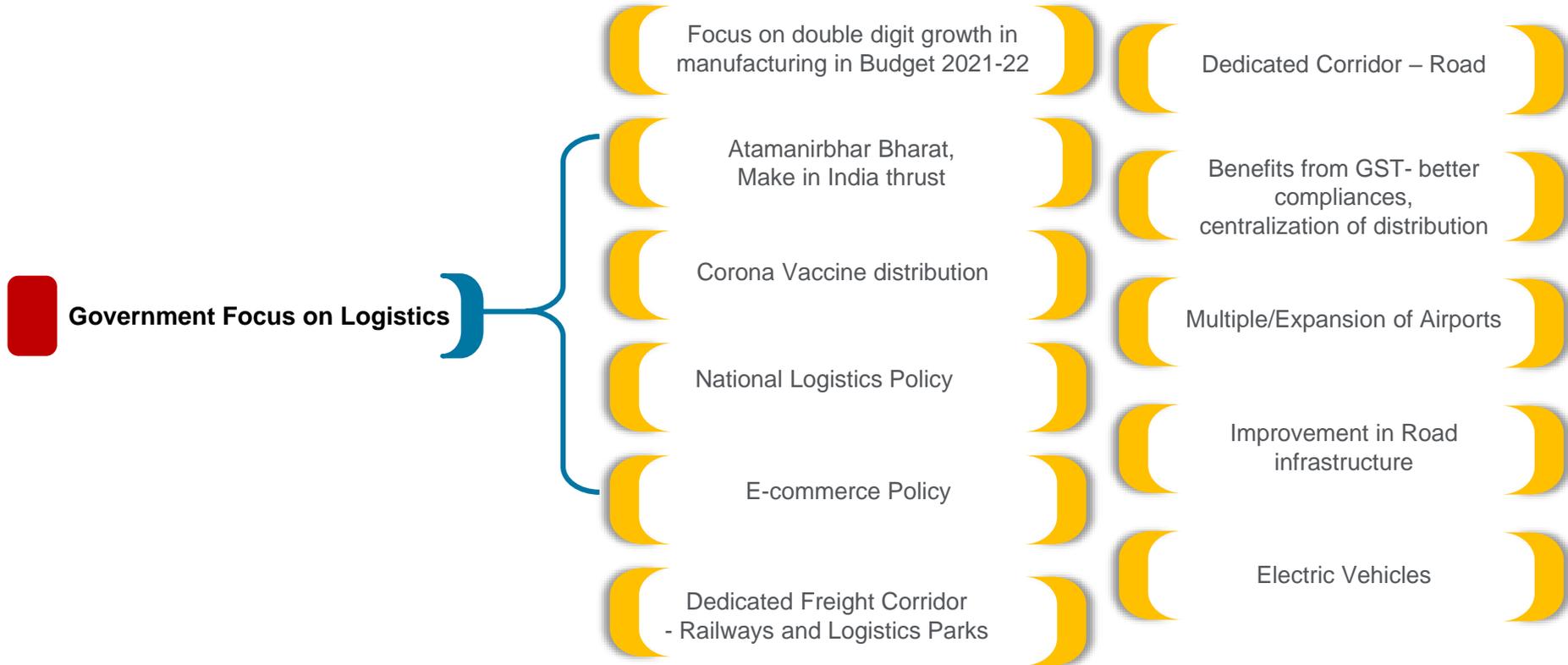
Particulars	2020-21					2021-22
	Q1	Q2	Q3	Q4	Year	Q1
	(Apr - Jun)	(Jul - Sep)	(Oct - Dec)	(Jan - Mar)	(Apr - Mar)	(Apr - Jun)
Income :						
Revenue from operations	41,419	86,442	1,03,492	96,617	3,27,970	86,479
EBITDA	-11,601	14,946	17,573	18,010	38,929	8,918
Margin	-27.86%	17.25%	16.94%	18.52%	11.82%	10.24%
EBT after exceptional items	-16,624	5,562	12,163	12,005	13,105	3,937
Margin	-39.92%	6.42%	11.73%	12.35%	3.98%	4.52%
Tax Expense	-3,830	1,423	2,784	3,097	3,474	1,000
EAT	-12,794	4,138	9,378	8,908	9,631	2,937
Margin	-30.73%	4.78%	9.04%	9.16%	2.93%	3.37%
EPS (in ₹)	-53.92	17.44	39.52	37.54	40.59	12.38

Successful turnaround with robust performance

₹lakh

Particulars	2020-21					2021-22
	Q1	Q2	Q3	Q4	Year	Q1
	(Apr - Jun)	(Jul - Sep)	(Oct - Dec)	(Jan - Mar)	(Apr - Mar)	(Apr - Jun)
Income :						
<b>Revenue from operations</b>	<b>41,616</b>	<b>86,657</b>	<b>1,03,712</b>	<b>96,828</b>	<b>3,28,813</b>	<b>86,622</b>
<b>EBITDA</b>	<b>-3,988</b>	<b>23,325</b>	<b>25,754</b>	<b>25,568</b>	<b>70,659</b>	<b>16,567</b>
<i>Margin</i>	-9.52%	26.77%	24.70%	26.21%	21.36%	18.98%
<b>EBT after exceptional items</b>	<b>-16,321</b>	<b>5,708</b>	<b>12,392</b>	<b>12,201</b>	<b>13,979</b>	<b>4,162</b>
<i>Margin</i>	-38.97%	6.55%	11.88%	12.51%	4.23%	4.77%
Tax Expense	-3,737	1,474	2,860	3,201	3,798	1,035
<b>EAT</b>	<b>-12,584</b>	<b>4,234</b>	<b>9,531</b>	<b>9,000</b>	<b>10,181</b>	<b>3,127</b>
<i>Margin</i>	-30.05%	4.86%	9.14%	9.22%	3.08%	3.58%
<b>EPS (in ₹)</b>	<b>-53.04</b>	<b>17.84</b>	<b>40.17</b>	<b>37.93</b>	<b>42.91</b>	13.18

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**