

Ritco Logistics Limited

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Ritco Logistics completed the Q2 FY23 on a Strong Note

Performance Highlights: Q2 FY23 vs Q2 FY22

- **Total Income of Rs.191.21 Crores, growth of 29.8% y-o-y**
- **EBITDA of Rs.13.44 Crores, growth of 19.5% y-o-y**
- **EBITDA growth in absolute numbers though a marginal decline in %**
- **PAT of Rs.6.4 Crores, growth of 48.4% y-o-y**
- **PAT margin at 3.3%, growth of 14.3% y-o-y**

Commenting on the performance, Mr. Manmohan Pal Singh Chadha, Chairman, said:

“Q2 FY23 started on a strong note with robust pick-up in the economic and business activities after a subdued first quarter due to the impact of second wave of Covid-19. Strong recovery in demand and supply was visible with the onset of the festive season. The Index for Industrial Production registered a month-on-month growth and similarly the E-way bill generation also registered a growth of 41% Q-o-Q and 19% Y-o-Y.” Our growth for the quarter was propelled by strong recovery in business activities of our key customer industries and SMEs.

Our EBITDA for the quarter stood at Rs.13.44 crores, a growth of 19.5% y-o-y with margins of 7.03%. The margins were slightly lower compared to Q2 2022 due to increase in employee costs as we are building teams for our newly launched services and on account of lower depreciation. However, we expect margins to improve in the coming quarters with pick up in utilization levels. Profit after Tax stood at Rs.6.4 crores, a growth of 48.4% y-o-y

Given the robust demand environment and increasing enquiries from our clients, our senior management team remain committed to enhance Ritco Logistics value proposition by expanding its service offerings while maintaining an asset light model. We are delighted to announce that we have launched Rail Container service offering which provides high value services at lower cost compared to surface transportation and so far, we have received positive response from our customers. Though these new services are at a nascent stage, we remain confident that the contribution is expected to improve in the medium term. Looking ahead, the recently launched ‘PM Gati Shakti National Master Plan’ by our Prime Minister for multimodal infrastructure connectivity to economic zones which is designed to include projects under the existing Bharatmala, Sagarmala, Udaan, expansion of railway network, inland waterways is expected to aid in seamless movement of goods and improve the ease of doing business. These new initiatives coupled with strong pick-up in economic activities, ongoing festive season, increasing demand from the rural areas due to longer than expected monsoons, increasing vaccination and declining Covid cases, will drive demand in the upcoming quarters. We remain confident in our ability and on our superior product offerings to capitalize on the new opportunities and deliver sustainable growth.



Press Release

November 15, 2022

About Ritco Logistics:

Experienced Promoters:

Ritco has been promoted by Mr. Man Mohan Pal Singh Chadha as CMD and Mr. Sanjeev Kumar as MD, who have an experience of over 30 years each in the logistics domain. The promoters are assisted by teams of professionals who have substantial experience in the logistics domain.

Integrated Logistics player with Pan India presence and balanced mix of own fleet and third-party vehicles:

Ritco caters to a widely distributed Indian market by providing end-to-end supply chain services including logistics and warehousing and has presence in all major locations, whether booking or delivery or warehouse set ups. As on September 30, 2022, Ritco has a fleet size of 176 owned trucks and approx. 2500 leased trucks. Thus, Ritco's business model helps in maintaining profit margins and saving on fixed costs in the event of business downturns. Ritco has warehousing interests across the country equipped with infrastructure to service its customers.

Reputed Clientele mitigating customer concentration risk:

Over the period, the company has developed established relationships with several reputed customers across varied industries which include several leading multi-nationals and domestic companies mainly in the FMCG, Petrochemicals, Automobile, Infrastructure, Tyres & Cement sectors. Moreover, to protect its margins, the company has agreements of 1-3 years with all its major customers and the agreements includes escalation clauses based on change in fuel cost. The concentration risk is mitigated to a large extent since these customers are Top Tier PSUs / multi-nationals / domestic companies coupled with repeat orders and long relationships with majority of our customers.

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Safe Harbour:

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Ritco Logistics' future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Ritco Logistics undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.
