

February 24, 2025

<b>To,</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 <b>BSE Scrip Code: 543954</b>	<b>To,</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 <b>NSE Symbol: ATL</b>
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Dear Sir/Madam,

**Subject: Transcript of the Earnings Conference Call for the third quarter and nine months ended December 31, 2024**

Pursuant to Regulations 30(6) read with Schedule III and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call for the third quarter and nine months ended December 31, 2024 held on Wednesday, February 19, 2025.

The transcript is annexed for your reference which can also be accessed on the Company's website from the below link

<https://www.allcargoterminals.com/wp-content/uploads/2025/02/AllcargoTerminalsLtd-Earnings-Feb19-2025.pdf>

We request you to take the above on record.

Yours faithfully,  
For **Allcargo Terminals Limited**

**Malav Talati**  
**Company Secretary & Compliance Officer**  
**Membership No: A59947**



## “Allcargo Terminals Limited Q3 & Nine Months FY25 Earnings Conference Call”

**February 19, 2025**



**MANAGEMENT: MR. SURESH KUMAR R - MANAGING DIRECTOR,  
ALLCARGO TERMINALS LIMITED  
MR. PRITAM VARTAK - CFO, ALLCARGO TERMINALS  
LIMITED  
MR. SANJAY PUNJABI - INVESTOR RELATIONS,  
ALLCARGO TERMINALS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 & nine months FY25 Earnings Conference Call of Allcargo Terminals Limited.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

We are pleased to have with us Management Team represented by Mr. Suresh Kumar R, – Managing Director; Mr. Pritam Vartak – CFO; and Mr. Sanjay Punjabi – Investor Relations for Allcargo Terminals Limited.

We will have opening remarks from the Management followed by a question-and-answer session. Thank you and over to you, sir.

**Suresh Kumar R:** Good morning, everyone. This is Suresh here. A very warm welcome to all of you on the Q3 FY25 earnings conference to discuss the company's quarterly performance.

As mentioned, along with me, I have Pritam Vartak – the Chief Financial Officer for Allcargo Terminals and Sanjay Punjabi from our investor relation team. We have uploaded the results, press release and presentation on the stock exchanges and company's website. I hope you had an opportunity to go through the same. I will share a brief overview of the economy, industry and our business, after which I will hand over the call to Pritam to discuss the financial performance.

The global economy is expected to remain stable, though the strength of growth varies significantly across countries and regions. The IMF predicts global economic growth to be 3.3% in the calendar year 2025 and 2026, below the historical average of 3.7% from 2000 to 2019. For us closer to home, the growth in India looks strong, the outlook remains strong. The IMF has projected 6.5% growth for Financial Year 2025, as well as 2026, reflecting the country's robust potential. The Indian economy is set to accelerate, fueled by government-led initiatives in manufacturing and infrastructure development.

Coming into global ocean trade, heading into 2025:

The global ocean trade continues to be surrounded by challenges. From the last year, the ongoing disruptions in the Red Sea, the Panama Canal, the geopolitical issues and potential US tariffs, the new one. The United Nations Trade and Development Agency expects global trade to expand at a moderate pace, driven by recovery of demand.

Some light on the merchandise trade during the first nine months of the financial year:

Exports during April-December '24 were US \$321 billion compared to US \$316 billion during the same period in the previous year. There's a growth of about 1.6%. Merchandise imports in the same period were US \$532 billion compared to US \$506 billion during the same period last year.

Now let me take you through a few pertinent points about Allcargo Terminals Limited:

I am happy to share with you that the last nine months has been highlighted by growth in a strong and consistent manner, as reflected in growth in volumes by 2%, growth in revenue by 4%, and growth in EBITDA by 5%. Our focus on improving profitability has enabled us to maintain EBITDA per TEU more than 2,000 for the 2<sup>nd</sup> Quarter running, and EBITDA per TEU that we have in Q3 of Rs. 2,179 is the highest since Q4FY23.

Other action in the company includes the board approving the acquisition of the 15% stake in our existing subsidiary, Speedy Multimodes, via a share swap deal. Post-transaction, Speedy will become a 100% subsidiary of Allcargo Terminals Limited. We are successful in securing the extension of Speedy Mundra facility. This is a SAMO partnership with CWC, and this gives us the second facility in Mundra for an additional period of 6 years.

Keeping an eye on the future, we have also expanded capacity by signing a lease for 22 acres adjacent to the existing facility in the important market of JNPT.

With these as the highlights, let me now hand over the call to Pritam to give you a rundown on the financials for Q3 and for the nine months of FY25. Thank you.

**Pritam Vartak:**

Good afternoon, everyone and thank you, Suresh. Welcome to our Q3 and 9-month FY25 Earning Call.

I will be taking you through the financial highlights starting with the Quarterly Results. In Q3FY25 we handled 149,000 TEUs compared to 158,000 TEUs in Q2FY25 and 154,000 in Q3FY24. Our Q3FY25 revenue reached INR187 crores, a slight increase of 1% year-on-year, but down from INR195 crores in the previous quarter due to the lower volume in line with poor trend. Q3FY25 EBITDA excluding other income was INR32 crores, up 11% compared to the same quarter last year flat as compared to Q2FY25. Improved yield and operating efficiency is resulting in maintaining EBITDA per TEU well above 2,000. For Q3FY25, the same stood at Rs.2,179 up 16% on a year-on-year basis. Our Q3FY25 net profit was INR12 crores, a 19% decrease year-on-year primarily due to accelerated amortization related to the change in useful life of CWC contract at Speedy Mudra, which is an exceptional item and additional other income accounted in the previous year.

Looking at a 9-month FY25 results, we achieved 2% volume growth. Revenue for this period was INR572 crores, also a 4% increase year on year. EBITDA reached INR95 crores compared to INR91 crores in the same period last year. Net profit for 9-month FY25 was INR33 crores, slightly down from INR35 crores last year due to exceptional items.

With this, I would like to open the floor for question-and-answer session.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press '\*' and '1' on their touchtone telephone. If you wish to remove yourself from the question queue, you may press '\*' and '2'. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shaukat from Monarch PMS. Please go ahead.

**Shaukat:**

Thank you, sir. Thank you for the opportunity. I just wanted to understand about the timeline of the new projects, particularly that JNPT project that is coming in. Also, if you can give us some light about how the IRR of these projects are. Will it be ROCE dilutive? Most of these new projects that are coming up, the JNPT as well as Mundra, they are after that. ICD projects, we believe that is ROCE accretive. But how these two projects are in terms of internal rate of return wise?

**Pritam Vartak:**

Thanks, Shaukat for the question. So this JNPT extension, which we have already contracted for the lease land, which is very adjacent to our existing JNPT facility, will be coming into operations from 1st Quarter of next year, that is FY25-26. This is an already existing facility, so we are not incurring a substantial CAPEX there. As declared the capacity expansion could be in the range of 120,000 TEUs to 150,000 TEUs for this. So, as I told, we are not expecting any substantial CAPEX investment for this particular project. So there would be IRR which would be in line with what we are earning on our existing project. Our projects like Farukhnagar where we will have to make our own investments, we are anticipating around INR150 crores of investments for Farukhnagar project, and estimated IRR would be in the range of 25% to 30% for this kind of CAPEX intensive project.

**Shaukat:**

And how about Mundra project, that what is the internal rate of return that you are targeting for that project?

**Pritam Vartak:**

Mundra would also be a project where we will have to invest, we have invested into land and we will also invest into construction of CFS and the IRR will be in line with what I told you for other projects which is in the range of 25% to 30%.

**Shaukat:**

Another question from my side that January numbers, volume numbers were quite encouraging 11% YOY growth. So how do you see these numbers going forward, particularly in February and March? These numbers are sustainable in terms of growth and in terms of volume?

- Suresh Kumar R:** Shaukat, Suresh here. Thank you for the question. January volumes is a good strong growth in line with market volume. We expect February, March to follow the seasonal patterns that we have seen in the last years, which is the Chinese New Year affecting the second half of February. March, typically because it's yearvend for a lot of companies, there is a certain amount of inventory action which happens, which will help in building volumes. March traditionally has been a strong month for us and therefore we expect Q4 volumes to be similar to the volumes that we would have recorded in Q2 and Q1 of this year.
- Shaukat:** Got it. That's all from my side.
- Moderator:** Thank you. A reminder to all the participants that you may press '\*' and '1' to ask a question. The next question is from the line of Viral Shah from Aadinath Tax Consultancy. Please go ahead.
- Viral Shah:** Good morning. Madam, my question is regarding the income tax search in our place as on 10<sup>th</sup> February. What was it regarding that?
- Pritam Vartak:** So on income tax search and seizure operation which was conducted I will just like to mention here that in the previous week the income tax authorities conducted the search operation at our facilities and offices. The company fully cooperated with the investigating officers. Since the conclusion of the search till date the company has not received any written communication from the IT department regarding the outcome of the search operation. The company operations, I would state that are running smoothly and the entire management team continues to work wholeheartedly to ensure that the company keeps up on the growth trajectory. On the future course of action, I will say the law will take its own course and we will keep our stakeholder posted on all the future developments. As of now, we are waiting to hear from the Income Tax Department in terms of outcome of the operation which was conducted.
- Moderator:** Thank you. Ladies and gentlemen, you may press '\*' and '1' to ask a question. The next follow-up question is from the line of Viral Shah from Aadinath Tax Consultancy. Please go ahead.
- Viral Shah:** HORCL and Farukhnagar DFC plant, when will that be fully operational? And another question, madam, can I go ahead with? Madam, my another question is, and our nine month, year-to-year revenue and profit at tax margin are as per our expectation or is for our below expectation?
- Suresh Kumar R:** So the HORCL project in which we have invested, and we have a stake, this gives us DFC connectivity for the proposed Farukhnagar ICD facility. The proposed Farukhnagar ICD facility is expected to be operational December'26, January'27 and the HORCL project is proceeding as per plan to enable connectivity for us. So that is as per the originally planned timelines, both for the project and for our facility to start. With regard to performance for the first nine months, I would request Pritam to share a few points.

**Pritam Vartak:**

So in terms of, I will just revisit the numbers which we have already talked about to answer this question. We have grown on a YTD basis as compared to last year. We have grown our volumes by 2%. And the revenue has also grown by 4%. So there is growth in terms of volume, and there's a growth in terms of revenue as well. The important point here is our revenue per TEU is now 12,569 and that is showing a 5% year-on-year growth and 2% quarter-on-quarter growth. The gross margin also stood at 34% reflecting a 7% year-on-year increase and 2% quarter-on-quarter increase. EBITDA improved by **11%\*** year-on-year, reflecting a positive impact of higher gross margin. So that way on an year-to-date basis, PBT before exceptional cost increased by 6% rising from INR 41 crore to INR 43 crore compared to the same period last year. So also in terms of other parameters related to financial parameters, so the DSO of a company remains strongly in control. Working capital is currently a negative working capital we are having. We are having a very strong debt equity ratio and the return on capital employed is around 35%. So all these parameters we are going in a direction, in a right direction. Our profitability is stable. Our gross margin has improved in this quarter and EBITDA per TEU, which is close to 2,200 that is a substantial improvement over last year. So on that, on this financial parameter, company has performed very strongly for this nine months and also for this quarter. And we hope to continue this growth in near future as well. So that way to answer your question, yes, on the profitability parameters and on the financial parameters the company has performed as per the expectation of the Management. Obviously, we would like to grow stronger, and we would like to have our volume to grow much higher once various projects which are in pipeline that will crystallize, and we will have higher volume and higher revenue growth in coming years.

**\*Update:** 9MFY25 vs 9MFY24 EBITDA growth is 5%. Q3FY25 vs Q3FY24 EBITDA growth is 11.

**Suresh Kumar R:**

Thank you, Pritam. And Mr. Viral, just to add to it, apart from the financial numbers which Pritam has talked about, the nine months, we also had plans to build capacity and plans for the future. And I think those plans are proceeding well because we are running at capacity utilization close to 80%-85%. And therefore, for the future, it is important that we build capacity. The projects that you asked and the projects that we mentioned with regard to additional lease land capacity in JNPT, extension of our CWC partnership in Mundra, acquisition of additional land in Mundra, acquisition of the HORCL stake, all of these are meant to secure our future and ensure that the growth continues in a strong manner like what Pritam has described. I hope that answers your question, Mr. Shah.

**Viral Shah:**

Yes, very much. Thank you, sir. Thank you very much.

**Moderator:**

Thank you. Ladies and gentlemen, you may press '\*' and '1' to ask a question. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Suresh Kumar for closing comments.

**Suresh Kumar R:**

Thank you, Sejal. I would like to close by saying that we have had a quarter and the first nine months of the year in which we have grown on all important parameters. Business fundamentals are strong. Our investments and plans for the future are well in place and we look forward to a strong quarter four to sign off the whole year on a growth note. Thank you.

**Moderator:**

On behalf of Allcargo Terminals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.