

TVS SCS profit momentum continues; Q1PAT at Rs. 7.5Cr



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- PBT improves for the fourth consecutive quarter to Rs. 13.7Cr on the back of double-digit revenue growth
- Consolidated revenue grew by 10.9% (Y-o-Y)
- ISCS segment revenue grew by 8.1% (Y-o-Y) and NS Segment revenue grew by 14.8% (Y-o-Y)

TVS Supply Chain Solutions Limited (NSE: TVSSCS, BOM: 543965), a global supply chain solutions provider and one of the largest and fastest growing integrated supply chain solutions providers in India, today announced its consolidated unaudited financial results for the quarter ended 30th June 2024. The company continued its profit momentum and reported a net profit of Rs. 7.5Cr in Q1FY 25 as against a loss of Rs. 51.2Cr in Q1FY 24. Its consolidated revenue grew by 10.9% to Rs. 2,539.4 Cr as against Rs. 2,288.9 Cr in Q1FY 24.

The summary of financial performance of the two operating segments viz., Integrated Supply Chain Solutions ("ISCS") segment and Network Solutions ("NS") segment are provided along with the summary of the consolidated financial performance.

Integrated Supply Chain Solutions ("ISCS") Segment

Amount in INR Cr.	FY25 Q1	FY24 Q4	FY24 Q1	Q-o-Q Growth Q1	Y-o-Y Growth Q1
ISCS - Segment Revenue	1,425.9	1,379.5	1,318.9	3.4%	8.1%
ISCS - Adjusted EBITDA	138.2	133.1	139.8	3.9%	(1.1%)
ISCS - Adj	9.7%	9.6%	10.6%		

EBITDA margin %				
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ISCS segment posted a quarterly revenue of Rs. 1,425.9 Cr as against Rs. 1,318.9 Cr in the same quarter previous year, continued its growth trajectory with an 8.1% growth YoY. This growth was driven by a combination of new customer additions, encirclement (additional wallet share with existing customers) and through continued diversification of the customer base.

Network Solutions ("NS") Segment

Amount In INR Cr.	FY25 Q1	FY24 Q4	FY24 Q1	Q-o-Q Growth Q1	Y-o-Y Growth Q1
NS - Segment Revenue	1,113.5	1,046.8	970.0	6.4%	14.8%
NS - Adjusted EBITDA	49.8	47.0	45.1	5.9%	10.6%
NS - Adjusted EBITDA margin %	4.5%	4.5%	4.6%		

NS segment reported quarterly revenue of Rs. 1,113.5 Cr, as against Rs. 970.0 Cr in the same quarter previous year marking a 14.8% growth on Y-o-Y basis. The growth was driven by volume surge in the ocean freight business.

Summary of consolidated financial performance

In INR Cr	Q1FY25	Q4FY24	Q1FY24	QoQ Growth	YoY Growth
Revenue from operations	2,539.4	2,426.3	2,288.9	4.7%	10.9%
Adjusted EBITDA	184.5	174.5	186.3	5.7%	(1.0%)
Adj. EBITDA margin %	7.3%	7.2%	8.1%		
PBT before exceptional items	13.7	5.0	(10.7)		
PAT	7.5	5.4	(51.2)		

For Q1FY 25, on a consolidated basis, the revenue stood at Rs. 2,539.4 Cr as against Rs. 2,288.9 Cr. in the same quarter last year reflecting 10.9% growth on Y-o-Y basis. Continued growth momentum in ISCS segment and improved macro-economic situation in NS segment helped achieve this topline growth.

Commenting on the Q1FY25 performance, **Mr. Ravi Viswanathan, Managing Director,** said, "We had a strong first quarter, driven by topline growth in both our ISCS and NS segments. The ISCS segment continues to lead our performance supported by significant volume improvements in the NS segment. Our customers recognize our supply chain transformation capabilities, tech-led solutions and the ability to deploy AI-driven solutions resulting in our participation in more large deals."

He further added, *“We see a significant growth opportunity in India following the recent budget announcement, which has provided a strong impetus for the manufacturing sector. This development is expected to open up more outsourcing opportunities for supply chain player like TVS SCS.”*

Commenting on the Q1 results, **Mr. Ravi Prakash Bhagavathula, Global CFO**, said, *“Investments in process automation and productivity initiatives have driven improvement in operating margins. This combined with effective debt management has led to PBT improvements for the last four quarters. Our robust order pipeline combined with our focus on operational efficiencies give us the confidence in sustaining this growth momentum in the upcoming quarters.”*

During the quarter, the company made significant strides by securing key new business wins, including partnerships with global OEMs in the commercial vehicle sector in both India and Singapore. Among the notable achievements, the company received ‘Partner Level Supplier’ recognition from a U.S.-based global farm equipment manufacturer. Additionally, a strategic collaboration with a leading UK-based university was established to drive innovation in artificial intelligence. The company also demonstrated its operational prowess by successfully delivering 500,000 Completely Knocked Down (CKD) kits to a major Indian two-wheeler manufacturer.

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