

East West Holdings Limited



INVESTOR PRESENTATION
NOVEMBER 2019

Executive Summary

Company Overview



- East West Holdings Ltd. (EWHL) has a four decade long journey in providing its clients with one stop global logistics solutions with main focus on air and ocean freight forwarding operations and road transportation.
- The company has a well established global freight and trade network offering a single window solution to manage and transport freight.
- EWHL provides excellent tailor made logistics solutions utilising the latest global technologies to all its customers based on their budgetary estimates.

Business Verticals (as on H1-FY20)



Air Freight (84%)

Comprehensive range of export and import air cargo services, catering to every specific requirement for various types of goods, time constraints and trading nations.



Ocean Freight (15%)

Best fit solutions and organizes shipments for individuals or corporations to get goods from the manufacturer or producer to a market, customer or final point of distribution.



Value Added Services (1%)

Also provides additional services like warehousing, custom brokerage and supply chain management etc.

Financial Highlights (FY19)

Operating Revenue
INR 2,366 Mn

EBITDA
INR 137 Mn

PAT
INR 53 Mn

Company Overview

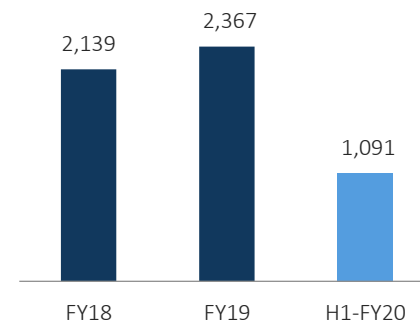


Company Overview

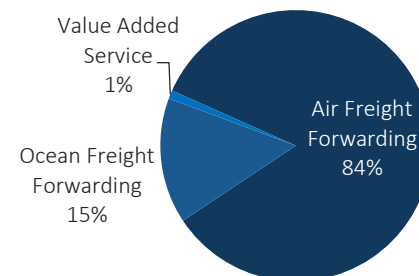


- East West Holdings Ltd. (EWHL) provides total logistics solutions including air & ocean freight forwarding operations and road transportation.
- The company is engaged in offering multitude services such as tracking inland transportation, preparation of shipping and export documents, warehousing, booking cargo space, negotiating freight charges, freight consolidation, cargo insurance and filing of insurance claims.
- The company has a robust Pan-India and international distribution set up encompassing offices in 14 metropolitan and port cities and over 180+ agents across 75 countries.
- Affiliated with all relevant industry bodies viz. IATA, FIATA, FFAI, ACCAI, DACCAI, BCBA and FIEO.
- The Company has an employee base of 250+ employees.
- EWHL owns minority stake in Tandem Logistics (India), a leading Netherland-based logistics company, providing access to a vital network of organizations, with over 180+ agents in 65 countries.
- Ranked as one of India's leading air freight forwarding companies handling over 35,000 tonnes p.a. of air freight annually of which ~95% is derived from exports.

FY19 Operational Revenues (INR Mn)



FY19 Business Mix





- EWHL's Board has constituted several sub-committees for timely decision-making and to ensure effective governance.
- Directors include individuals experienced in a wide range of subjects relevant to the business.
- The management will strengthen its working force to keep pace with the market condition as and when it plans to start activities at certain level.

Mr. Mohammad Shafi, Chairman & Executive Director

Has more than 44 years of experience. Widely regarded as the doyens of the industry and has successfully been with the company since inception. He had anticipated the potential in the perishable air freight lane and capitalized on it by organizing the first perishable charters.

Mr. Mohammad Ajaz Shafi, Managing Director & CEO

Joined the business in 2001 and is responsible for strategic planning and growth. He has been responsible for various system changes and market growth in the company. He has graduated from Waldorf University (USA) with a degree in BBA (Management).

Mrs. Minaxiben Khetani

Independent Director

Mr. Mohammad Hasan

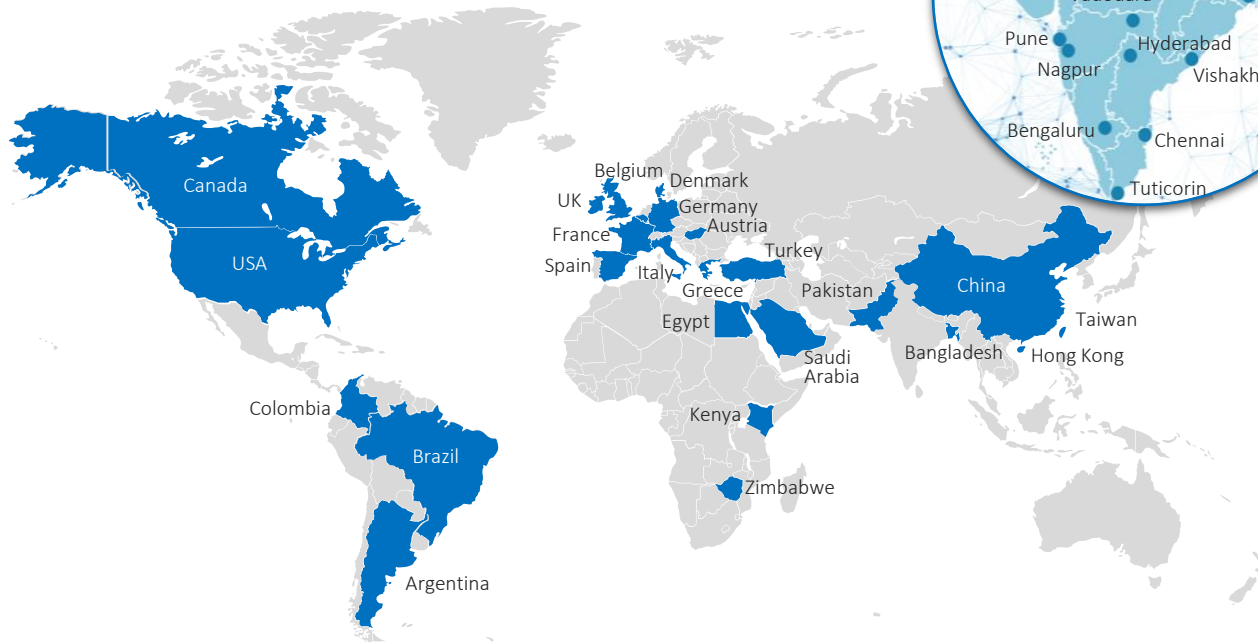
Independent Director

Mr. Bhushan Adhatrao

Independent Director

Global Presence

EWHL continues to serve their esteemed customers with faster and wider access to vital markets globally. The company has a widely networked consortium of forwarding agents / partners across the globe and this division provides international freight forwarding for both inbound and outbound.



Integrated
Service offering

35,000 MT
Air Freight in FY19

1,500
Ship Freight (TEU'S)

250+
Team Strength

14
Branches

180+
Global Assistance

Dominant Players
in Air Freight Forwarding

Expertise
in handling Specialised products

Key Accomplishments

Key Affiliations, Memberships and Licences

				
<p>International Air Transport Association</p>	<p>Air Cargo Agents Association (India)</p>	<p>Association of Multimodal Transport of India</p>	<p>National Accreditation Board for Certification Bodies</p>	<p>Domestic Air Cargo Agents Association (India)</p>
				
<p>Brihanmumbai Custom House Agents Association</p>	<p>Federal International & Air Transport Association</p>	<p>Federation of Freight Forwarders Association (India)</p>	<p>ANSI National Accreditation Board</p>	<p>Multimodal Transport Operators</p>

Marquee Clients

KEY STRENGTHS



Unparalleled
access to vast
agent
network
worldwide



Professional
experience of
45 years in
the logistics
industry



Professional
Management
Team



Spectrum of
Services



Early Mover
Advantage



International
Network with
presence in
over 75
countries



Strong
Relationships



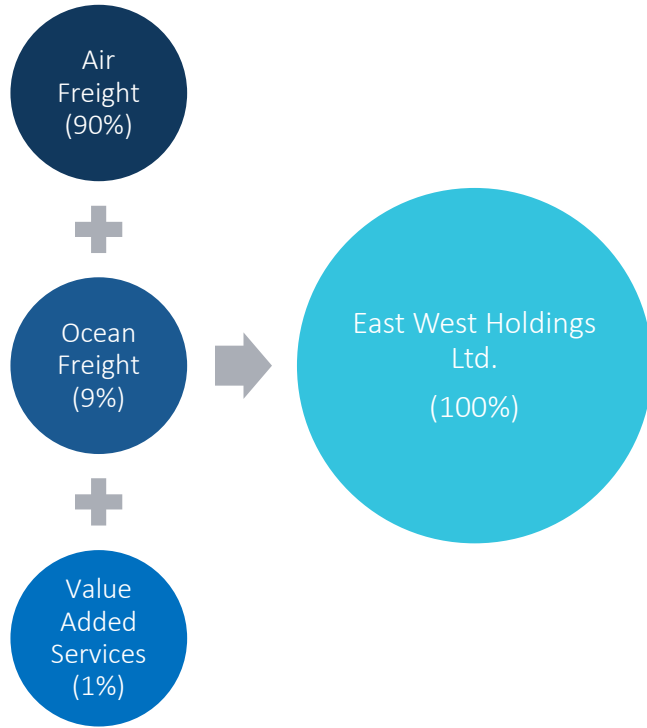
Expert
Domain
Knowledge &
Expertise



World Class
marketing
and sales
capability

Business Overview





Key Services



Air Freight



Ocean Freight



Surface Railway Freight



Customs House Clearance



Charter Services



Warehouse & Storage



Supply Chain Management



Value Added Services

Specialized Services

Specialize in logistics of perishable products

Temperature controlled cargo for pharmacy products

Specialize and facilitate logistics of live animals

Break Bulk Cargo Handling Services

General Cargo handling (Air, Sea & Surface)

Handling Dangerous Goods



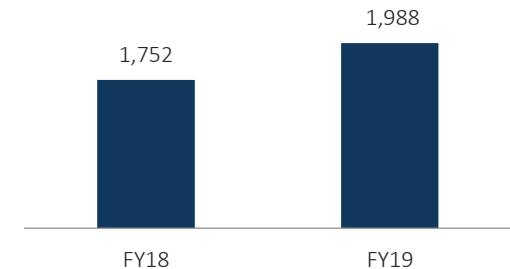
- EWHL was ranked as India's 11th leading air freight forwarding company offering reliable and efficient services across the world by IATA.
- The company has 50 odd airline operating out of Mumbai and has tie ups with Emirates, Etihad, British Airways, etc.

- The company's tie-up with global airline aims to offer lowest - price, transition time, fixed allocations and lift capacity of carriers in each major trade lane.
- With an excellent network of operators who are available every day around the clock, the company assures timely and cost effective delivery of the goods to the desired location.
- In FY19, the company handled around 35,000 MT where 90% is derived from air exports.
- The volume in Air freight is bifurcated into two - Free hand Volume and Nomination Based Volume - Ratio usually being 60:40 of the total volume.
- Different product line under Air freight is perishable goods; Dangerous goods such as chemicals; pharmaceutical products, etc.
- The company generates revenue through referrals and has 15 sales team on ground actively generating business.

Key Features

- Worldwide consolidation services
- Cargo pickup from warehouse of the consignee
- Export clearance at the country of origin
- Import clearance of cargo at the point of discharge.
- Export packing in-house
- Documentation specialists
- Track and trace system
- Safe handling of general cargo / perishable cargo
- Door to door express products

Air Freight Revenues (INR Mn)



Rewards & Recognition from Airlines

Name of the Airlines	Rewards	Name of the Airlines	Rewards	Name of the Airlines	Rewards
 الخطوط الجوية العربية السعودية SAUDI ARABIAN AIRLINES	19	 इंडियन एयरलाइन्स Indian Airlines	3	 الإتحاد ETIHAD AIRWAYS	1
 CATHAY PACIFIC	17	 الملكية الأردنية ROYAL JORDANIAN	2	 SOUTH AFRICAN AIRWAYS	1
 SINGAPORE AIRLINES A great way to fly	8	 EGYPTAIR	2	 British Midland International bmi	1
 Ethiopian የኢትዮጵያ	6	 virgin atlantic	2	 الكويتية KUWAIT AIRWAYS	1
 Emirates	6	 UZBEKISTAN airways	2	 UNITED AIRLINES	1
 एअर इंडिया AIR INDIA	5	 JAL JAPAN AIRLINES	1		
 Gulf Air طيران الخليج	4	 QATAR AIRWAYS القطرية	1		
 TURKISH AIRLINES	4	 BRITISH AIRWAYS	1		

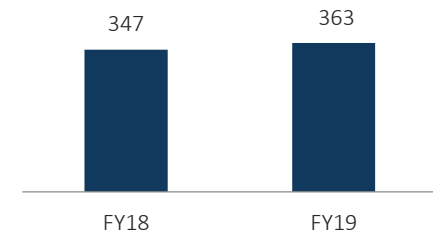


- EWL with its long standing association with shipping lines offers different products covering different equipment types and consolidation services ensuring that the cargo reaches the remotest part of the globe.
- The company offers tailored programs to meet client's FCL and LCL requirements and transportation cost objectives.
- The company is also involved in the international transportation of large, heavy, high value or complex pieces of equipment which is usually a project cargo.
- In FY19, the company exported around 1,500 containers i.e. ~33,000 Tonnes.
- By contracting with multiple carriers, the company can provide the solution to any shipping requirement and serve as a single-source logistics window for all products moving through the supply chain.

Key Features

- Consolidation of Cargo.
- Full-container-load (FCL) Consolidation
- Less-than-container-load (LCL) Consolidation
- Multimodal Transportation by Sea / Air / Road
- Worldwide Consolidation Service
- Dry or liquid bulk shipments
- Refrigerated Services for perishable products
- Freight Insurance and packing options
- Full Documentation Service
- Cargo Tracking System
- Domestic and International Freight Forwarding
- Customs Clearance
- Door to Door Service
- Warehousing

Ocean Freight Revenues (INR Mn)



Custom House Clearance

- Services offered include assistance in valuation procedures, filing and cancellation of bonds, filing and pursuing refund claims, project imports / exports and liaison with allied agencies. Import customs clearance i.e. HSN classification, the rate of duty, preparation of bills of entry, processing custom clearance, assessment, customs examination and obtaining customs out of charge and arranging dispatch, offer logistics solutions to meet time cost, delivery to the destination.

Warehousing

- The company has thousands of square feet of warehousing space in key locations across the country.
- Storage, consolidation, repacking, documentation, labelling, invoicing, finished and spares inventory management, distribution and service support, cross talking are all services provided if required. Also handle all logistics activities for spare parts including repair and reverse logistics, replacement, re-export and scrapping.

Surface & Railway Freight

- The company does transportation of general cargo, heavy and over dimensional consignments. Arranging all clearance from PWD / RTO / Police / Forest departments, etc. Specialised transportation of very heavy consignments by hydraulic axle trailers.

Supply Chain Management

- The company continues to modernise its existing warehouse and distribution facilities to provide better services to its clients in terms of Warehouse Management, Inventory Control and Order Fulfilment.

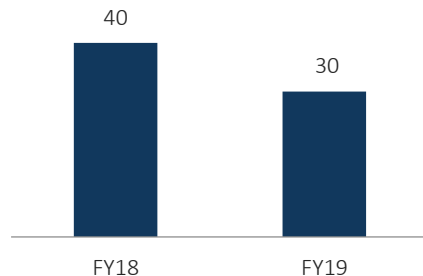
Courier

- The company has a separate unit for its courier services.

Key Features

- Transportation of general cargo, heavy and over dimensional consignments
- Feasibility study for the port and road for transportation of heavy and over-dimensional cargo
- Multi-modal transportation by road / rail / barge
- Specialised transportation of very heavy consignments by hydraulic axle trailers
- Civil engineering and structural engineering
- Design and fabrication of the special structure
- Unloading of cargo at the site
- Placement of foundation / erection of heavy and over dimensional consignment

Value Added Services Revenues (INR Mn)



Focus to grow its
core activity i.e. Air
Freight



Provide services that
suit the needs of their
clients



Emergence as the leading provider of
superior quality services in India
in the trade of Global Logistics



Build a large network and
relationship increasing the
market share

Gain expertise in a broad
range of Global Logistics
services

Have a product
centric approach

Industry Overview



Overview of Indian Logistics Industry



Global Logistics Industry

- Anticipated to increase by USD 357.5 Bn to attain a market size of around USD 12,256 Bn by 2022.
- Asia-Pacific accounts for the largest share of global market, followed by North America and Europe.
- The growth in market size is attributed to rapid growth in e-commerce industry as well as investment in technological innovation.
- The proliferation of 3PL and 5PL is expected to accelerate the global logistics market in the coming years. In FY18, 3PL contributed highest to the global logistics market share.

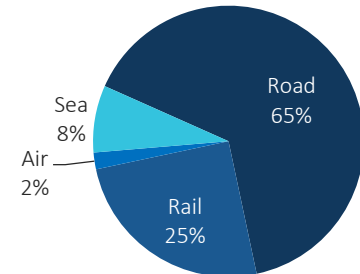
Indian Logistics Industry

- Indian logistics industry is estimated to be around USD 160 Bn and is expected to grow at a rate of 8-10% over the medium term to reach a size of USD 215 Bn by FY20.
- India's logistic performance index (LPI) rank by 10 places to 44th position from 54th position as per LPI 2018 report by World Bank.
- Logistics cost in India accounts for 13-17% of GDP which is nearly double (6-9%) the logistics cost to GDP ratio in developed countries such as the US, Hong Kong and France.
- A favourable confluence of GST tailwinds, reducing transit times, warehouse consolidation, the new infrastructure status and rapid adoption of technology solutions are estimated to drive sector growth.
- Because of inadequate supply chain networks and the dominance of unorganised players - accounting to 90% of the total market share, the government has taken initiatives in terms of structural reforms and also in terms of Infrastructure development such as dedicated freight corridor, multi-modal logistics parks, free trade warehousing zones and container freight stations.

Indian Logistics: USD 450 Bn by 2025?

- Rapid Rise in Internet penetration
- Emergence of demand centres (Tier 2 / 3 / 4 Cities)
- Stable Economic growth & fast growing demand from MSME's
- Rapid adoption of technology
- Regulatory reforms like GST, E-way, etc.

Break up of Freight Transportation Industry





- According to airline association IATA, cargo volumes grew by 4.1% to 63.7 Mn tonnes in 2018 but, the industry forecast suggest that it will then slow to 3.7% to 65.9 Mn tonnes in 2019. The slowdown in global air freight market is due to rising fuel prices and weakening trade.
- While land and ship cargo transportation remain as favourable options, goods transport by air is considered as the quickest and the unhindered mode of transportation.

- As per the current statistical sources, North America registered significant growth rates in the year 2018. It grew 6.4% in 2018 which is far higher than the global average - 3.5%. Asia-Pacific region accounts for major market share and is identified as a critical region for air e-commerce market.
- According to IATA, Air cargo represents more than 35% of global trade by value. When it comes to combined passenger and cargo airlines, the cargo business generates 9% of airline revenues on average, representing more than double the revenues from the first class segment.
- China holds a major market share in the APAC region followed by Japan. The improving Japanese economy, as well as rising global demand for electronics, automotive parts, are helping the airfreight market in reaching greater heights.
- Air Freight Industry in India has a small share of about 2% of the global market, growing at a CAGR of 17% over the past 5 years.

(Source: IBEF, Technavio, Edelweiss- Indian Logistics Report, Crisil, Air Freight Market Analysis)

Global Airfreight Forwarding Market:

Trade Agreements

The resurgence of the Global Economy has resulted in Increased Trade, helping the market to grow at 3.49%

APAC Market

APAC led the airfreight forwarding market in 2016 with a share of 51.89%

Integrated Services

Freight Forwarders provide customers with a wide range of integrated services, increasing volume to 35.02 Mn tonnes.



- Shipping Industry accounts for transporting 90% of the world trade and provides the principal mode of transport for the supply of raw materials, consumer goods, essential foodstuff and energy to the global population.
- The sea freight market is expected to grow at 2 - 2.5% CAGR until 2025 as there is a high and low (cyclic) pattern between air freight and sea freight based on the volume of the freight exported. To boost the air freight and sea freight revenue and tonnage, forwarders are focusing more on industries such as perishables, pharmaceutical, retail and e-commerce.

- China, Korea and Japan are the largest ship-builders in the world where China and Korea are directly competing for the top place and Japan at a distant third. Germany, China and Greece own 39% of the world container carrying ship fleet.
- Shipping Industry in India handles around 95% of India's trade by volume and 70% by value.
- India has around 12 major and 205 notified minor and intermediate ports and is the sixteenth largest maritime country in the world.
- By the end of FY18, the capacity of the major ports was 1,452 Mn Tonnes and is expected to reach to 3,130 Mn Tonnes of port capacity by FY20.

(Source: IBEF, Imo.org, Edelweiss- Indian Logistics Report, Crisil, lcs-shipping.org, Care Ratings)

Major Destination in the Shipping Cargo Industry

Top Destinations in India

USA, UAE, Saudi Arabia, Hong Kong, China, Germany & Korea RP.

Top Commodities handles at Indian Ports

Petroleum products, Coal, Automobile, Iron Ore, Engineering goods, Chemicals and Electronics.

Top Ports (By Cargo handled volume)

Mundra, Kandla (Deendayal Port), Paradip, JNPT (NhavaSheva) and Vishakhapatnam Port

Financial Overview

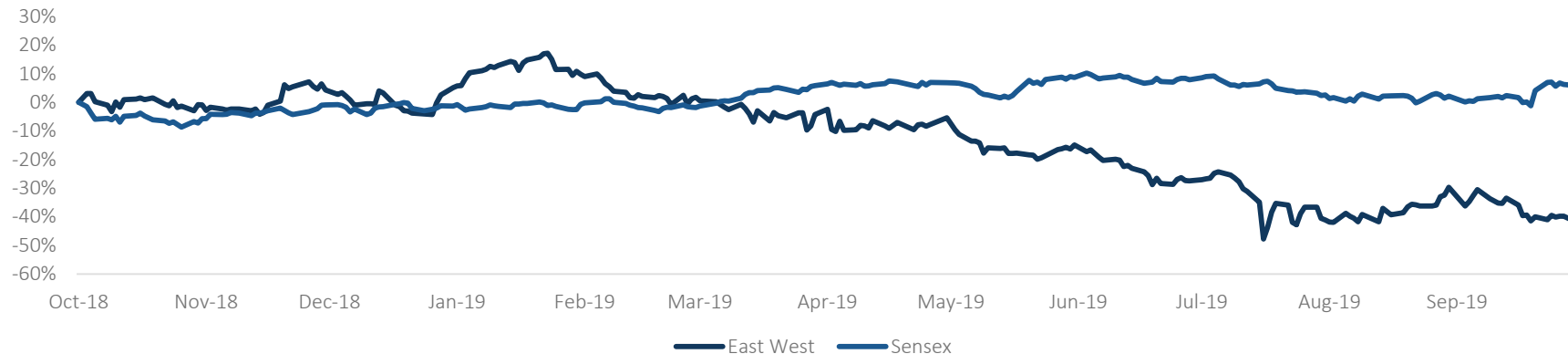
Income Statement – Consolidated (IND-AS)

Income Statement (INR Mn)	FY18	FY19	H1-FY20
Income from Operations	2,139	2,366	1,091
Total Expenses	2,042	2,229	1046
EBITDA	97	137	45
<i>EBITDA Margin</i>	<i>4.53%</i>	<i>5.79%</i>	<i>4.12%</i>
Finance Cost	54	60	33
Depreciation	15	14	5
Other Income	14	12	5
PBT	42	75	12
Tax	4	22	4
Profit after tax	38	53	8
<i>PAT Margin</i>	<i>1.78%</i>	<i>2.24%</i>	<i>0.73%</i>
Other Comprehensive Income	-	1	(38)
Total Comprehensive Income	38	54	(30)
Diluted EPS (INR)	10.07	3.05	0.47

Balance Sheet – Consolidated (IND-AS)

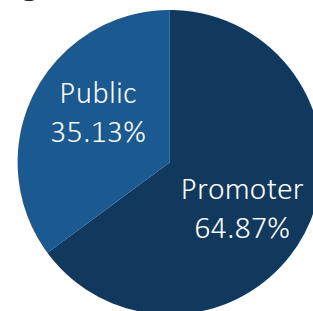
EQUITIES & LIABILITIES (INR Mn)	FY18	FY19	H1-FY20	ASSETS (INR Mn)	FY18	FY19	H1-FY20
Shareholder Funds	618	670	639	Non Current Assets	592	616	619
(A) Equity Share Capital	175	175	175	(A) Property, Plant and Equipment	231	232	227
(B) Other Equity	443	495	464	(B) Goodwill	251	251	255
Non Controlling Interest	-	-	-	(C) Capital WIP	74	91	93
Non-current Liabilities	290	180	180	(D) Investment Properties	1	1	1
(A) Financial Liabilities				(E) Financial assets			
(i) Borrowings	261	150	149	(i) Investment	11	9	6
(ii) Other Financial Liabilities	13	14	10	(ii) Other financial Assets	14	14	13
(B) Provisions	6	6	6	(F) Other Non-Current Assets	10	18	24
(C) Deferred Tax Liabilities (net)	3	5	5				
(D) Non Current Liabilities	7	5	10	Current Assets	813	825	768
Current Liabilities	497	591	568	(A) Financial assets			
(A) Financial Liabilities				(i) Investments	-	89	65
(i) Borrowings	212	372	413	(ii) Trade Receivables	445	511	453
(ii) Trade Payables	210	131	40	(iii) Cash & cash equivalents	133	52	31
(iii) Other Financial Liabilities	44	49	71	(iv) Bank Balances other than above	36	40	40
(B) Other Current Liabilities	28	36	38	(v) Loans	61	14	18
(C) Provisions	2	2	4	(vi) Others	10	15	19
(D) Current Tax Liabilities (Net)	1	1	2	(C) Other Current Assets	119	102	142
				(D) Current Tax Assets	9	2	-
GRAND TOTAL - EQUITIES & LIABILITIES	1,405	1,441	1,387	GRAND TOTAL – ASSETS	1,405	1,441	1,387

Share Price Performance Data (as on 30th September, 2019)



Price Data (30 th September, 2019)		INR
CMP		89.95
52 Week H/L (INR)		186.7/74.05
Avg. Volume (in '000)		7.19
Avg. Net Turnover		1.08
Market Cap (INR Mn)		1,575.0
Equity Shares Outstanding (Mn)		17.5

Shareholding Pattern as on 30th September, 2019



East West Holdings Limited

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thank you