

For Immediate Release

## **Gati sustains e-Commerce package growth in challenging environment**

### **Consolidated Highlights of Q3 FY'17**

- **Consolidated Revenue of Rs 428.1 crore in Q3 FY2017, up by 1.8% over Q3 FY2016**
- **EBITDA margin improved 40 basis points over Q2 FY2017**
- **Shop-Floor Automation improved operational efficiency**
- **Introduced multiple digital payment options post demonetization**

**Hyderabad, February 7th, 2017:** GATI Ltd. (NSE: GATI, BSE: 532345) India's leader in Express Distribution and Supply Chain Solutions, declared its financial results for the third quarter ended 31st December 2016.

In the third quarter of Fiscal Year 2017, the company registered consolidated revenue of Rs 428.1 crore, up 1.8 % over third quarter of FY2016. The consolidated net profit declined by 41% on year-over-year basis to Rs 6.49 crore in third quarter FY2017 which is after an additional amortization expense of Rs 2.94 crore for the quarter due to foreign exchange loss on restatement of FCCB. The performance mostly reflects the challenging external environment. The Consumer-centric Industry Verticals like white goods, apparels and electronics showed a temporary weakness immediately following demonetization.

For the cumulative nine-month period (Apr-Dec'2016), the consolidated revenue is at Rs 1,285.8 crore, up 3.0% over corresponding period in FY2016. The net profit for the Year-To-Date 3Q'FY17 is Rs 26.7 crore.

## **Segmental Highlights:**

### **1. Gati Kintetsu Express Private Ltd - Express Distribution and Supply Chain Solutions**

- In Q3FY'16 GATI-KWE registered a total income of Rs. 276.7 crore, a decline by 3.5% from Q2FY'16
- EBITDA is Rs 18.5 crore in Q3FY'17, a decline by 16% from Rs 22 crore in Q2FY'17

### **2. Gati e-Commerce Logistics (E-connect)**

- Gati's E-connect division clocks a revenue growth of 27.8% QoQ at Rs 59.5 crore. On a YoY basis the revenue growth in E-connect is 10.6%
- E-connect package volumes grew over 25% on year-over-year despite a restrained e-Commerce peak season and demonetization impact on Cash-On-Delivery shipments.

### **3. Gati Kausar**

- Positive market response on the state-of-the-art Refrigerated Express Distribution Center in NCR region, which commenced commercial operations last quarter.

Commenting on the company's quarterly performance, **Mr. Mahendra Agarwal, Founder & CEO** said, "In light of the recent subdued business environment following demonetization, it has been a challenging quarter with modest performance. Nevertheless, we remain intensely focused on execution of our strategy at all our operating companies. Looking into the future, initiatives envisaged under the latest Union Budget and implementation of GST augurs well for our company. Team Gati is committed to delivering consistent and high-quality service for our customers and value for our stakeholders. "

## **About Gati Ltd:**

Gati Limited ([www.gati.com](http://www.gati.com)) is a pioneer and leader in Express Distribution and Supply Chain Solutions in India and delivers over 280,000 packages everyday. Gati started in 1989 as a cargo management company and expanded to serving complex business solutions in Air & Surface

Distribution, e-Commerce logistics, SCM, freight forwarding and Cold Chain. Gati has now grown into an organization with more than 5,000 business partners and a network reach of 672 out of total 676 districts in India. Gati has over 4,700 fleet including refrigerated vehicles and world class warehousing facilities across India. Gati has a strong market presence in the Asia Pacific region and South Asian countries. Gati has offices in India, Singapore, Hong Kong, China, Nepal and Thailand.