

## **Allcargo consolidates its position in Contract Logistics business, buys out partner's 38.87% stake**

Deal will set path ahead for synergies with express business under Gati

## **Company board approves exit from non-core clearance business, selling entire stake held in the entity**

Transaction in line with Group's philosophy to focus on core businesses

**Mumbai, 06 March, 2023:** The board of Allcargo Logistics limited has approved the plan to acquire 38.87% stake from its partners at an enterprise value of Rs. 373 crores. With the acquisition, Allcargo Logistics will take its stake to 100% in the contract logistics business. The acquisition reflects the group's vision for robust growth by creating an effective synergy between contract logistics and express distribution.

The acquisition price is based on the agreement that was signed with ACCI JV partners in 2016 and with tremendous growth in this business over the years, this proves to be a highly value accretive acquisition.

Commenting on the contract logistics acquisition, **Shashi Kiran Shetty, Founder & Chairman, Allcargo Group** said, "This important acquisition will offer us management control and facilitate strategic decision-making. This will help us enhance service delivery capabilities to drive growth. The business has witnessed robust growth over the years diversifying into several new industry segments. We can also expect more synergy between contract logistics and express distribution to further strengthen group's position in the fast-growing express and contract logistics space."

Allcargo's Contract logistics business is engaged in managing inventories and providing third party supply chain solutions to marquee Indian and international customers across chemical, auto, e-commerce and other industries. The business has a total space of over 5 million square feet under its management and reported an EBITDA of ₹ 31 Cr for the quarter Q3 FY22-23.

In addition to this, the impending acquisition of KWE's stake in Gati will enable closer collaboration between the two businesses thus enabling them to be in a better position to leverage each other's strength with Allcargo buying out entire stake of partners in both businesses.

The board also approved sale of smaller non-core customs clearance business. Allcargo Logistics will sell its 61.13% stake in this business for an enterprise value of approx. ₹ 42 Cr. Further, the company declared an interim dividend of ₹3.25 per equity share for FY23.

Commenting on the overall developments, **Mr. Shetty, added**, "We continue to exit non-core businesses and consolidate our core businesses. Post demerger of Allcargo Terminals and TransIndia, which has already received NCLT approval, the company shall now have two

distinct business segments under International Supply Chain and Express & Contract Logistics. This would lead to sharper focus and enhance growth prospects for the group.”

**ABOUT ALLCARGO LOGISTICS LTD:**

Allcargo Logistics Limited, part of the Allcargo Group, is an India-born global leader in multimodal logistics solutions. It's wholly owned subsidiary Allcargo Belgium NV., Operating ECU Worldwide network, is a global market leader in ocean freight consolidation. Allcargo is the market leader with pan India presence in Container Freight Station business and is among the leaders in express logistics through subsidiary Gati Ltd., besides having strong presence in Contract Logistics and other businesses. Allcargo is recognised for digitising the logistics industry, setting highest quality standards, operational excellence, and customer centricity across all businesses. The company is recognized as a great place to work.

The company currently operates out of 300 plus offices serving 180 countries. Allcargo today is one of India's largest publicly owned logistics companies, listed on the BSE Limited (Scrip Code- 532749) and The National Stock Exchange of India Limited (Scrip Code-ALLCARGO).

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