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30 April 2026

To,  
**BSE Limited,**  
**(Security Code: 540768)**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

**National Stock Exchange of India Ltd.,**  
**(Symbol: MAHLOG)**  
Exchange Plaza, 5th Floor, Plot No. C/1,  
“G” Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051

Dear Sirs,

**Sub: Transcript of Earnings Conference Call - Regulations 30 & 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)**

**Ref: Intimation of earnings conference call vide letters dated 14 April 2026 and Outcome and audio recording of earnings conference call dated 24 April 2026**

Please find enclosed the transcript of the earnings conference call of the Company for the fourth quarter and financial year ended 31 March 2026, held on Friday, 24 April 2026, with several Analysts/Institutional Investors/Funds. The transcript includes list of management attendees and the dialogues including but not limited to the Questions & Answers.

The text transcript and audio recordings of the said earnings call are also uploaded on the website of the Company at the weblink: <https://mahindralogistics.com/investor-interaction/recording-amp-transcript/>

No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.

This intimation will also be uploaded on the website of the Company and can be accessed at the weblink: <https://mahindralogistics.com/investor-interaction/>

**For Mahindra Logistics Limited**

**Jignesh Parikh**  
**Company Secretary**  
*Enclosures: As above*



“Mahindra Logistics Limited  
Q4 & FY26 Earnings Conference Call”  
April 24, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the stock exchange on 24th April 2026 will prevail.



**MANAGEMENT:** **MR. HEMANT SIKKA – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER**  
**MS. ISHA DALAL – CHIEF FINANCIAL OFFICER**

**MODERATOR:** **MR. MANDAR CHAVAN – STRATEGIC GROWTH  
ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Mahindra Logistics Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant line will be in the 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 star then zero on your touchtone phone. I now hand the conference over to Mr. Mandar Chavan from Strategic Growth Advisors ('SGA'). Thank you, and over to you, sir.

**Mandar Chavan:** Thank you, Danish. Good afternoon, everyone. Thank you for joining us for Mahindra Logistics Limited Q4 FY '26 Earnings Conference Call. We are pleased to have with us today Mr. Hemant Sikka, our Managing Director and CEO; Ms. Isha Dalal, Chief Financial Officer ('CFO'); along with the members of the senior management team.

I hope everyone had a chance to view our financial results and investor presentation, which were recently posted on the company's website and stock exchanges. We will begin the call with the opening remarks from management, followed by an open forum for question and answer.

Before we begin, I would like to point out that some of the statements made during today's call may be forward-looking. A disclaimer to that effect was included in the earnings presentation. I would like to invite Mr. Sikka to share his remarks.

**Hemant Sikka:** Thank you, Mandar. Good afternoon, and thank you all for joining us today. FY '26 has been a defining year for Mahindra Logistics. After 2 years of losses, our return to PAT profitability marks more than a milestone. It signals the successful reset of organisation's operating engine. This transformation has been driven by deliberate choices, disciplined execution and rebuilding of fundamentals that will sustain performance over the long term.

Over the past year, sharper leadership focus has re-energized the organization, strengthened strategic clarity and raised the bar on operational rigour. Together, we have embedded accountability across levels and cultivated a performance culture anchored in measurable outcomes and delivery excellence. What began as a structural shift has now translated into visible, measurable improvement on the ground. Three defining themes capture our progress this quarter and throughout the last year.

A stronger high-quality contract logistics portfolio with multiple wins across segments and steadily improving customer level economics. Number two, clear traction in Express business turnaround, which is built on tighter execution discipline and an unwavering focus on margin improvement. Number three, a sustained push on operational excellence reflected in consistently positive customer feedback on service reliability, responsiveness and operating standards.

In parallel, our e-commerce and quick commerce business has scaled meaningfully, reaching more than INR1,000 crores in annual revenue and reinforcing our position in a fast-growing future-ready segments of the logistics ecosystem. This phase of the journey has strengthened our conviction that Mahindra Logistics is now structurally better, operationally sharper and culturally more execution-driven. The transformation underway is real, embedded and is gaining momentum, positioning us to create lasting value for our customers, employees and shareholders alike.

We take pride in the progress made, but we are not at all slowing down. This is just the beginning of what lies ahead of us. The benefits of margin expansion initiatives and operating leverage will continue to accrue in future as well. Let me now turn to a few specific business updates.

Starting with MESPL, our B2B Express logistics services. Quarter 4 revenue grew 49% year-on-year and the business continues its turnaround journey with positive gross margins and tangible improvements in service quality, network utilization and unit economics. There is a meaningful uptick in both volumes and yield with disciplined cost control now firmly embedded across the organization.

Our focus continues to remain on EBITDA improvement with PAT progression to follow in a calibrated manner. The foundation of the business today is far stronger than what it was in the previous period, and we are confident about its long-term potential. For our contract logistics business, quarter 4 revenue grew by 12% year-on-year, and our gross margins grew by 19%, a clear indication that our focus on operational efficiencies and profitable customers is working.

We continue to see new wins across business segments, reflecting stronger solutioning capability, improved service delivery and deeper customer engagement. Our seamless handling of the operations at the scale of Mahindra & Mahindra, which, by the way, is the second largest automotive company in India, and it is also the world's largest tractor company in terms of tractors produced, moved and sold has helped establish a clear right to win in managing large and very complex high-velocity networks, which today serve as a clear competitive advantage for us.

On the white space, we achieved a reduction of 3 lakh square feet in the last quarter and 9 lakh square feet in FY26. We remain committed to our glide path on reducing our white space by September '26.

In our Freight Forwarding business, quarter 4 revenue grew by 17% Y-o-Y and our gross margins grew by 50% Y-o-Y, driven primarily by improved trade flows, operating leverage and a diversified customer base. This segment is currently facing headwinds due to evolving geopolitical conditions. We expect these challenges to persist in the near term, and we are closely monitoring the situation while maintaining operational discipline.

In our Mobility business, quarter 4 revenue grew by 42% Y-o-Y and our gross margins grew by 17% Y-o-Y. Our focus here is on improving the utilization level for the asset-heavy part of the business, which is Alyte Prive, our premium B2B offering that we offer right now in Delhi and on the B2B side is on acquiring new customers.

In our last-mile delivery business, revenue declined due to strategic choices that we made and at certain sites in Q4 in Y-o-Y. However, our gross margins has increased by 7% in Q4 Y-o-Y. Our focus on operational excellence continues to be recognised with accolades from leading e-commerce players. While we are encouraged by the improvement trajectory, the global environment continues to be uncertain.

In such a backdrop, we believe it is critical to remain prudent, selective and cautious in the coming year. Our focus is on building for the long term, that is improving the quality and

sustainability of our earnings rather than chasing short-term outcomes. So in conclusion, I would like to emphasize that Mahindra Logistics today is a very different organization compared to where we were just a year back.

We have restored profitability, improved execution discipline, strengthened customer level economics, built a sharper, more accountable leadership and operating structure and a growing base of highly satisfied customers who clearly see tangible value from us. We remain committed to becoming the number 1 logistics services provider in India, delivering superior customer experience through technology-led solutions, along with a very passionate team.

With that, I will now hand over to Isha, our CFO, to take you through the financials.

**Isha Dalal:**

Thank you, Hemant. Let me now give you all a brief on the consolidated financial performance for Q4 and F26. Our revenue for Q4 F26 has grown by 14% year-on-year to INR1,791 crores and by 15% in the full year to INR6,999 crores. Our anchor customer, M&M, has grown very well on the back of higher volumes. And in addition, we have seen strong growth across all our subsidiaries, led by the Express business.

Supply Chain Management, including our 3PL and network services business, which is Freight Forwarding, Express and Last Mile, contributed 94% of our overall revenue and the Mobility business has contributed 6% of revenue for Q4 and for FY26. This is broadly in line with historical segment mix.

On the back of many initiatives that Hemant referred to, including operational discipline and financial rigour, we have seen a year-on-year expansion in consolidated gross margin to 10.5% in Q4 F26 compared to 9.5% in Q4 F25. For the full year, the gross margins stood at 10.0% compared to 9.4% in financial year '25.

The stand-alone business has expanded gross margin by 80 bps with gross margin expansion across most verticals. In addition, the improving trajectory in the MESPL or Express business has substantively contributed to gross margin expansion at a consolidated level.

Before I move on to EBITDA, I want to take a moment to explain how we will henceforth be depicting EBITDA as requested by several of you. This is detailed out in the new slide in our investor deck titled Adjusted EBITDA, where you will see our reported EBITDA adjusted for the rent expense of long-term leases.

To explain further, under Ind AS 116, the cost of long-term leases is accounted under interest and depreciation lines and therefore, does not reflect under reported EBITDA. On this page, INR55 crores of rent in Q4 F26 and INR218 crores in the full year, which is actual rent paid out for our long-term leases has been deducted from reported EBITDA to arrive at what we are calling the adjusted EBITDA number.

In that context, reported EBITDA for the quarter stood at INR112 crores, up from INR78 crores in Q4 FY25. Adjusted EBITDA is at INR57 crores, up from INR37 crores in Q4 FY25. This is an adjusted EBITDA margin expansion from 2.4 % to 3.2% in Q4 FY26.

For the full year, reported EBITDA stood at INR377 crores against INR284 crores and adjusted EBITDA for the year is at INR158 crores, up from INR121 crores in financial year '25, which is 31% growth.

Moving on to PAT. Consolidated PAT for Q4 FY26 is at INR20.2 crores versus INR6.7 crores of losses in Q4 FY25. The reported PAT for the full year is at INR2.3 crores as against a loss of INR35.8 crores in financial year '25. However, MLL has delivered consolidated operational PAT of INR8.2 crores.

To reiterate, the operational PAT is grossed up for the tax adjusted impact of the exceptional item we took in Q3 FY26 towards the past gratuity service cost under the new Labor Codes. With this, at both a reported and operational level, MLL has turned profitable after two consecutive financial years.

Let me now move on to segment performance. Another change you would have noticed in our investor deck is that we are now reporting numbers at a segment level, not at an entity level to simplify the understanding of our business verticals. In this new construct, in Contract Logistics, our revenue for Q4 FY26 was INR1,381 crores as compared to INR1,233 crores in Q4 FY25, up 12% and the full year revenue is INR5,490 crores, which is up by 16%.

Reported EBITDA in this segment is at INR389 crores for the year compared to INR314 crores last year, which is up by 24%. In our Freight Forwarding business, the revenue for Q4 FY26 is at INR89 crores as compared to INR76 crores in Q4 FY25, which is up by 17%.

For the full year, this business has grown at 14%, driven by both volume growth and rate expansion. The business has grown GM and EBITDA both in Q4 and in the full year, with the full year EBITDA moving from INR6.8 crores in FY25 to INR10.1 crores in FY26.

Coming to the Express business. This has witnessed tangible improvement during FY26 with 25% revenue growth and FY26 revenues of INR449 crores. As you will all recall, we have seen sequential GM improvement in this business for three consecutive quarters from INR20 lakh in Q2 FY26 to INR2.7 crores in Q3 FY26 and INR6.6 crores in Q4.

At a full year level, MESPL is GM positive with a gross margin of 1.3%. The business continues to be loss-making at an EBITDA level with INR31 crores of EBITDA loss. The losses, however, have substantially reduced versus FY25 during which period we made INR51 crores of EBITDA loss.

Coming to the Mobility business, revenue for FY26 was at INR386 crores as compared to INR316 crores in FY25, up by 22%. Significant scale-up in large B2B accounts has driven this growth in the business. In our last-mile delivery business, Q4 FY26 revenue stands at INR72 crores compared to INR89 crores in Q4 FY25, which is down by 18%.

As we have alluded to in previous quarters and as Hemant also mentioned, we have consolidated our business in this segment and taken strategic decisions at certain sites in order to improve profitability. This is reflecting in sequential gross margin improvement and EBITDA performance of the business.

Gross margin has improved from INR2.7 crores in Q3 FY26 to INR6.5 crores in Q4 FY26, and EBITDA has moved from a INR1 crores EBITDA loss to a INR2.2 crores EBITDA profit in Q4 FY26.

Overall, we are pleased by the progress in the numbers. At the same time, we remain mindful that the near-term environment continues to be dynamic, shaped by evolving geopolitical developments and inflationary pressures. As Hemant mentioned, we are closely monitoring the situation with an agile approach to enable timely and well-calibrated decisions. With this, I hand it back to Mandar to open the floor for Q&A.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Krupashankar NJ from Avendus Spark. Please go ahead.

**Krupashankar NJ:** Good afternoon. And thank you for the opportunity. And congrats on a great set of numbers, especially across Express business as well as your 3PL business. My first question would be on the Express side of things. Just wanted to get a sense around what would have been the volume growth for the quarter and for the year? And just an add-on question to that is that given that the Customer exercise is behind us, can one expect mid-teens sort of a growth over the medium term in this business?

**Hemant Sikka:** So let me -- Krupa, thank you so much for your question and for your compliments to our team. Let me answer the second question better that a mid-teen kind of growth is possible in this business, and that's what our team would be driving at. Coming to your first question, not right for us to only look at volume because any volume growth will not give you much insight into the business overall.

Because as we have previously stated in our conference calls that just looking at volume will not give us key insights. We have to look at volume and yield together because sometimes you can get as much volume as you want, but that is not a profitable decision for you. So we are being very mindful of this.

And in fact, in the last one year, we have cleaned up a lot of the volume, which was not yielding positive results for us, and we have taken that out. So all the growth that you see in our revenue in MESPL is irrespective of such tough calls that we have taken. So just looking at volume will not help. And earlier, we used to share that number. But since the last quarter, we have stopped sharing that number.

**Krupashankar NJ:** I appreciate that Hemant. Just want to know what is the growth per se because I completely get your point that you have to look at it holistically. And I agree with you that is the best way ahead. But just wanted to get a sense around given the fact that the underlying automotive piece has done quite well. So if any broad direction also is available, it will help us see how the yields are also shaping up in the space?

- Hemant Sikka:** Yes. So Krupa, we can certainly share this that our volume growth, you can think about this like a mid- to high teens kind of a volume growth.
- Krupashankar NJ:** Understood. Thank you, thank you. Second question on the recent disclosure on adjusted EBITDA bridge, right? And I appreciate this disclosure just throws a good light around your actual profitability. Now while I can look at the fourth quarter numbers and we can see that the EBITDA margins has definitely improved, adjusted EBITDA has improved to about 3.2%. In FY18, FY19 levels, we were at -- on a pre-Ind AS basis, we were close to about 3.6% to 3.9% sort of EBITDA margins.
- And that was a business which was fairly skewed towards supply chain and less of warehousing and so on. Is it very fair to assume that directionally, as you see your 3PL business stabilizing further with e-commerce gaining traction and automotive being a core pillar as well as network-driven businesses like your Express, this number should surpass your FY18, FY19 levels by a material sense when business normalizes over the medium term. Is that understanding correct?
- Hemant Sikka:** So, Krupa without giving you any forward-looking guidance, directionally I would agree with every word that you said because this is -- I mean, I would be very disappointed if anybody has the view that this is our best case analysis. I mean we have just started this turnaround. And I think there are a lot of work still left to be done for us. So directionally, I would completely agree with you.
- Krupashankar NJ:** Got it. Last question from my side. On the last mile consolidation part, what is the further impact expected as in are we done with the pruning excise or are we anticipating further decline at least over the near term until business stabilizes?
- Hemant Sikka:** So all the pruning of the last mile has been done in FY26. We don't expect any more pruning to be done. From here on, our profit-making clients should grow with us. So I would expect this to be growing business. As Isha said in her remarks that the business actually on the profit metrics has improved significantly over what it was just a couple of quarters back.
- Krupashankar NJ:** Got it. Fantastic. Thanks a lot for the response. All the best.
- Hemant Sikka:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Alok Deora from Motilal Oswal Financial Services Limited. Please go ahead.
- Alok Deora:** Good evening and congratulations on improved performance. Just had some question on Express business. So going at the good run rate of improvement, which we have seen over the last several quarters now, when do we expect the breakeven kicking in and the profitability also where it could reach once we kind of turn profitable, some insights on that. And also in that business, are we at the operational levels using significant amount of technology for like sorting belts and so on, if you can just highlight that?
- Hemant Sikka:** Alok, thank you for your compliments to our team. In MESPL, I mean, I can't share any forward guidance with you, but I can tell you that we have stated this that becoming EBITDA positive is

our immediate goal. In the last year, for the full year as a whole, we have become gross margin positive.

And I can share with you that we are very close to an EBITDA positive number. I can't commit a timeline to you, but I can just tell you that we are very close to that kind of profitable metric reach. On the tech side, we do employ a very strong tech in this company. And we will also do a little bit of investment in our tech in FY27 because we believe that in the last 2 years, we have not invested into that.

And I think there is some requirement now coming up, which we shall do. Whether we are doing a sorting belt kind of thing and all, that would be too much of a granular detail to share. But all I can tell you is that this is a very tech-focused company and we have a very strong tech backbone, which supports this business.

**Alok Deora:** Sure. And you mentioned about the volume growth being around in the mid-teens so that was you were referring to the Q-o-Q revenue growth or the volume growth?

**Hemant Sikka:** Just hold.

**Alok Deora:** Sure.

**Hemant Sikka:** That was Y-o-Y, Alok.

**Alok Deora:** Okay.

**Hemant Sikka:** Quarter-on-quarter, it is much, much higher.

**Alok Deora:** Okay. Because revenue growth in Express business is showing around -- I mean, it's quite a big jump in the Y-o-Y revenue. So that means the pricing has improved, is it?

**Hemant Sikka:** Yes. We did speak about that we have a very strong focus on our yield improvements. And there we are finding that we are able to get better pricing.

**Alok Deora:** Okay. Okay. So have we taken any price increase or it's also that the mix has also been a little more favourable, which has led to improved realization because is the market really taking or accepting the price increases in the current scheme of things where the other costs have actually gone up at the client end?

**Hemant Sikka:** Alok, I would say that mix is also helping us. Our mix is favourable. And I don't think we have taken any blanket price increase, but we have taken very specific price corrections with certain of our clients.

**Alok Deora:** Got it. Got it. Just last question. So now we are at around INR450 crores kind of a revenue in Express. So could -- at this kind of base where we are still kind of a smaller player in this segment, we could do a 20%, 25% sort of growth. You might not split in terms of volume or pricing, but as an overall level in terms of revenue, a 20%, 25% growth trajectory could be kind of worked on for FY27 and FY28?

- Hemant Sikka:** Alok, I would like to think about like we are driving towards a mid- to high-teen kind of growth for this business.
- Alok Deora:** Okay. In terms of revenue?
- Hemant Sikka:** Yes. That's for the revenue. And we will continue to improve our yields and the mix.
- Alok Deora:** Got it. Okay. Yes. That's all from side. Thank you, sir. All the best.
- Hemant Sikka:** Thanks, Alok.
- Moderator:** Thank you. Our next question comes from the line of Jinesh Joshi from PL Capital. Please go ahead.
- Jinesh Joshi:** Yes. Congratulations on good set of numbers. Sir, just one observation. I mean, in Q3 of FY26, our warehousing space in the contract logistics business was about 20.4 million square feet. And in this quarter, we are at about 19 million square feet. So just wanted to get some sense, the margins improvement that we have seen in the business, has it got to do with the relinquishment of area and consequent fall in the rental cost? Or has it got to do with some kind of other benefits which you would want to highlight?
- Hemant Sikka:** So Jinesh, thank you for your compliments to the team. See, these are all business decisions we have taken over the last 4 quarters now, where some of the leases we have relinquished and some of the leases also have got over. So while we have won a lot of business, this is always a pipe in and a pipe out kind of a situation, which will keep happening.
- So, I think broadly, we are very invested into our 3PL business, contract logistics business, and we are looking at growth here. But just think about that in this year, we did take some calls on certain non-profitable businesses, non-profitable customers, I would say, and that may be reflective of this.
- Jinesh Joshi:** Got that. And in the contract logistics business, we have stated in the PPT that we plan to enter into some new segments. So can you just talk a bit about that? And any specific time line which you would want to share?
- Hemant Sikka:** Yes. So, we are currently evaluating a couple of segments, which are -- which we believe will improve our mix and improve our profitability. So right now, we are doing a lot of market study in these areas. And in this year, we will certainly enter into one of those segments.
- Jinesh Joshi:** Would you want to call out which that segments are?
- Hemant Sikka:** No, we have not made the decision. We are still evaluating both those segments, but one of those segments will go ahead in this year.
- Jinesh Joshi:** Got that. And sir, on the white space side, in the initial remarks, you mentioned that for FY26, the reduction that we have achieved is roughly about 9 lakh square feet. And I believe our overall white space that we had with us was somewhere around 1.5 million square feet. So with respect

to the reduction in timelines, do we stick to that earlier guidance of September '26? So any specific insights on that?

**Hemant Sikka:** Yes, Jinesh. So your numbers are right. When we started the year, we were at 1.6 million square feet to be precise. We ended the year at 0.7 million. And our commitment in my first call was that we will reduce our white space by 95%. So we have still some more work to do by September of this year. So by September of this year, we will achieve that glide path, and we are currently at that stage and maybe slightly better than that on our glide path.

**Jinesh Joshi:** Got that sir got that. Thank you so much. And all the best.

**Hemant Sikka:** Thanks, Jinesh.

**Moderator:** Thank you. Ladies and gentlemen anyone who wishes to ask a question may press star and one on the touchtone telephone. Our next question comes from the line of Khushi Soni from Nuvama Institutional Equities. Please go ahead.

**Khushi Soni:** Hello, good afternoon and congratulations for the excellent show, particularly the standout performance of the Express business. I had a question regarding certain items visible in the cash flow.

So particularly, you can see a ROU reversal and the credit provision for trade receivables, which seems to be a fairly large amount of INR14 crores and some INR28 crores. So I just want to understand, is it netted off against other expenses? And is this a one-off? What has driven this? Like for the credit provision, is it a particular customer? Or are there more to come? So if you can just give some idea on, where is this figure exactly adjusted?

**Isha Dalal:** Yes. Khushi, I'll take that. Thanks for the question. I'll answer your question on the unrealized gain on reversal of ROU first. This is, again, in line with Ind AS 116 accounting. As you know, that when we get in a lease and when we capitalize our lease, the way Ind AS 116 accounting works is the curve impact ensures that there is a higher hit to the P&L in the initial few years of the lease. Therefore, when you terminate a lease before the contracted end period or you pre-close a property, there is a reversal that happens on that property.

Hemant spoke about it earlier as well. These are business decisions as and when you open and close sites, you keep getting these pluses and minuses in the P&L. And this INR14.38 crores that I think you're looking at our cash flow statement refers to that number. So that's the answer to your first question.

On your second question on expected credit loss, this is in line with accounting prudence. We have taken some action on aged receivables based on our assessment of recoverability or lack thereof, and you see that reflected in our numbers as well. Again, this is a part of the ongoing business. And like I said, we have provided in line with prudence and management judgment.

**Khushi Soni:** So just to clarify, is there anything that you see of a similar nature in the short term at least or it will come as it comes?

**Isha Dalal:** Khushi, nothing that I would like to call out for the moment. Like I said, this is business. There are always issues under discussion, under negotiation, but nothing that warrants provisioning at this moment in our assessment. So, nothing that I would like to call out for now.

**Khushi Soni:** Okay. And another question I would have is if the diesel prices go up by, let's say, INR10 or INR12 per litre, how would that impact you? Like does it reverse the good work that we have been doing? Or will it be able to be passed on, as a cost inflation to the customers?

**Hemant Sikka:** Yes, Khushi, so an increase of this magnitude that you spoke about will be passed on 100% to our customers. That shouldn't be a problem. And I can, but let me express my concern that if this kind of a diesel increase happens, then it will certainly have an inflationary impact on the overall economy of the country, and that may impact certain sectors that we play in. But that's anybody's call.

I mean, you would know, in fact, more than me on how the economy will get impacted if that kind of a price increase happens in diesel. However, from our point of view, this will be passed on.

**Khushi Soni:** Okay. Thank you so much and wish you all the best of luck.

**Hemant Sikka:** Thank you, Kushi.

**Moderator:** Thank you. Reminder anyone who wishes to a question may press star and one. Our next question comes from the line of Chirag from Keynote. Please go ahead.

**Chirag:** Yes, thank you for the opportunity. Most of my questions are answered. I just have one broad question. Could you just highlight how the Express Logistics industry is panning out in terms of growth? There are two types of clients, one are corporate and second ones are MSME or SME set of clients which avail the service in this industry.

Just wanted to understand how the dynamics have been changing that is leading to the volume growth that we are having or it is completely the company level call that we are taking, which is leading to volume growth?

**Hemant Sikka:** So actually, Chirag, this Express business or the whole industry is shaping up very well. And this is following the kind of trajectory which any developed society when it progresses, follows. If you see the Western world, a lot of the cargo moves by Express Logistics because people just are not in the habits of not getting their stuff on time or getting it only in the full truckloads.

So, people would move the stuff even if like they said one packet to be moved or two packets to be moved or half a truck is to be moved, they will not wait for the truck to fill. So, the time element of the whole cargo chain becomes very critical. And this cycle we have seen in any developed country.

So as India becomes more developed, it becomes more prosperous, people have more discretionary income and spending grows, we believe that Express Logistics business will continue to grow. And this is what we are seeing -- if you see after every 2-3 years, there is a

distinct change in the industry trajectory. That's why we are very bullish on this business, and we believe that this is a business for the long term to be made.

MESPL is not any regular freight forwarding or any freight movement business. This is a network business, which takes years to build. Please think about this like an airline business. Why is it that we don't have so many new airlines in India? Because these are very difficult businesses to build and the costs come upfront and the revenues and profits follow a lot. So, this is a business which has very high entry barriers.

And we believe that Mahindra Logistics is now very well positioned. We have done a lot of the hard work in the last 2 to 3 years. And now that we have become GM positive at the full year basis, and I said that we are very close to an EBITDA breakeven. I believe we are in a very good position here to build a very long-term sustainable and profitable business in our Express Logistics.

So, we are seeing the industry shape up like it has shaped up in any other Western or developed economy. And we believe that we are on a very good trajectory. So, this is where we believe. But overall, if I have to give you a very near-term answer on this, clearly, in the last couple of quarters, we have seen retail is doing better than B2B. However, these things can change quarter-to-quarter and how it happens. I mean we have to play tactically also.

But at a strategic level, I want to think about this is a very good business for any logistics company, but it needs years to build, and it has very high entry barriers.

**Chirag:**

Fair enough. So just correct if my thinking is wrong over here, B2B business generally brings significant volumes and retail business would help you to earn higher margins, like 400-500 bps higher margin than what we can pass through a B2B trend.

Second thing I wanted to understand within this was that are we serving any e-commerce industry client in our Express business? And what quantum of our revenues coming from that? And lastly, currently, as you said that we are focusing on improvising yield with volumes. If I take a math that industry level yields are INR100 per kg, what kind of yield we are having currently? And how are we focusing it to bridge to an industry standard level?

**Hemant Sikka:**

So, Chirag, you are right that the retail segment brings in better yield. So that -- your first point is absolutely right. That helps us also. And I mean, every company works like that with a mix of both retail and B2B. B2B, as you know, are longer-term kind of relationships. And also, they are more predictable business. Retail is not predictable, but has higher yield. That's true. Your second question was related to -- sorry, can you repeat your second question?

**Chirag:**

Second was related to the e-commerce client, yes. So, if my understanding is correct today, Express logistics industry is growing at a pace and e-commerce as a mix in Express Logistics is growing at a much faster pace. So just wanted to understand if we are serving any e-commerce client and what kind of percentage of revenue would be coming?

- Hemant Sikka:** We do serve e-commerce clients also. At an overall MLL level, I spoke about in my opening comments that we have more than INR1,000 crores of revenue coming from e-commerce at MLL level. However, at Express Logistics, we do serve some e-commerce companies.
- Chirag:** And the quantum would be around...
- Hemant Sikka:** That we will not like to share industry-wise breakup of our volume.
- Chirag:** I understand. And the third question, sir?
- Hemant Sikka:** What was the third question, Chirag?
- Chirag:** It was related to understanding if the yield in Express business of the industry level. For example, it is INR100 per ton...
- Hemant Sikka:** I get it. Chirag, that's not right for us to share because that would give too much of information to our competition.
- Chirag:** No issues. Thank you so much, sir.
- Hemant Sikka:** Thank you.
- Moderator:** Thank you. Reminder anyone who wishes to ask a question may press star and one on their touchtone telephone. Our next question comes from the line of Rehan Saiyyed from Trinetra Asset Managers. Please go ahead.
- Rehan Saiyyed:** Hello good afternoon to the team and thanks for taking my question. My first question is around your express business which you have . I think you have mentioned earlier also. So, like while gross margins have improved very well in this business. So, what are the key levers that will drive the Express segment with EBITDA breakeven and subsequently profitability? Could you please explain a bit around this because your voice is kind of a lag priorly?
- Hemant Sikka:** Rehan, you are specifically asking for MLL as a whole or only for our Express business?
- Rehan Saiyyed:** Both?
- Hemant Sikka:** Both. Okay. So Rehan, at the overall MLL level, let me tell you that to get this kind of gross margin improvement, we have pretty well pressed all the levers, okay? It's difficult to narrate all of that. But whatever you can think of business, I mean, we have looked at pricing renegotiation with some of our clients.
- We have looked at all our cost elements, A to Z, whatever. I mean, even if we spend like INR10,000 in our business, we have relooked at whether we need to spend that kind of money or not. So, we have looked at every cost element that builds up our total cost structure.
- And we have looked at client-wise profitability for all our clients on an adjusted EBITDA basis, whether this business makes sense for us or it doesn't make sense. So, we have brought in a lot of focus of EBIT level profitability for each of our clients and each of our vertical lines, and our

leaders are very well now aligned with this level of thinking and this kind of working. So that's what is happening.

At the MESPL level, we have done a very strong focus on improving our yields in the last one year, the team is very focused to delivering a better customer experience. And if you deliver a better customer experience, of course, you are in a position to demand a better pricing for them. So, our network service levels that we track very closely on a monthly basis, they have been improving over the last 12 months on a consistent basis.

And of course, with that kind of customer satisfaction, we always have a better position to go and ask customers for some price correction. So that has played out very well for us. So, these are the again, very strong focus by the team on our overall cost, whether it is the pickup cost, whether it is your linehaul cost, whether it is your warehousing cost thing. So, all of that have been looked at very, very closely.

**Rehan Saiyyed:** Okay. And just if you want to specify more around this Express business. So, what kind of -- like if I were to ask, what kind of customer mix shift like SME versus enterprise versus e-commerce? Are you targeting in Express to improve unit economics?

**Hemant Sikka:** So, every customer, I mean, we are a full -- as I said, we are an integrated logistics company. So, we look at every customer to target. There is no specific preference. Of course, within our customers, we can tell you that our e-commerce business is growing more than other businesses. We have very strong growth in e-commerce because that industry itself is doing very well, and we have some very marquee customers that we serve. And we have great relationship with these customers. So that segment is growing faster than other segments, but all segments are growing for us.

**Rehan Saiyyed:** Okay. And just one last question on the mobility segment that you've given the focus on improving utilization in asset heavy B2C mobility. So, what is the current utilization level versus target that you are targeting going forward?

**Hemant Sikka:** That's an internal metric, Rehan. We won't be able to share that.

**Rehan Saiyyed:** Do you want to give any range, if possible?

**Hemant Sikka:** Our range would not help because I'm just thinking through range will not help in your -- getting any insight because these metrics keep changing with that. So, this is an internal metric. We drive it very hard. All I can tell you is and difficult to share.

**Rehan Saiyyed:** Okay, I understand. Thank you.

**Heman Sikka:** Thanks, Rehan.

**Moderator:** Thank you. Our next question comes from the line of Sumukh from Korman Capital. Please go ahead.

**Sumukh:** Hi, team. Am I audible?

- Hemant Sikka:** Yes, Sumukh, please go ahead.
- Sumukh:** Yes. So, sir, my question was, do you see any impact currently from the West Asia war on domestic or international logistic movements so far? And also, you also alluded to the fact that the fuel prices, if the magnitude is higher will be passed on. So how do you see this -- if there is a sudden spike in the fuel prices in India, how do you see this impacting the industry in the near term, sir?
- Hemant Sikka:** Sumukh, on West Asia, we are clearly seeing some headwinds in our Freight Forwarding business. That's a business, as you know, has done very well in quarter 4. And overall full FY '26, we did very good business with that. But in the last few weeks, we are beginning to see impact of the West Asia war on the global trade. And obviously, that would impact our Freight Forwarding business.
- There are a lot of issues on the shipping lines. There are a lot of issues in containers getting jammed up in certain ports. So, they are not moving. And also, our customers with that kind of freight premiums that are there, the insurance premiums have gone up, freight rates have gone up, fuel surcharges on ships have gone up. With that kind of cost inflation, even our customers tend to wait to see how the geopolitical situation changes.
- And you know how volatile that is and it kind of changes every day. So, people also tend to wait. So that is impacting our Freight Forwarding business clearly. On all other segments, we have not seen any impact of the West Asia war so far. I think most of our clients are doing pretty well. However, we don't know what is the level of inventories they have in their system.
- So, if right now, all the production lines and all the e-commerce industry is working on consuming inventory, then I don't know at a customer-wise level, how much inventory they still have. So, if this disruption continues for a very long time, of course, some kind of inventories will get kind of consumed and they will need to be replenished. That's my overall view on the West Asia crisis.
- Coming to the fuel price, if the fuel price is in the range of, let's say, 10% to 15%, it will immediately get passed on. I don't see there will be any lag effect of it. If it is a reality, customers would accept it. However, my bigger worry is that if that kind of inflation happens, diesel price impacts every segment of the economy, whether it is rural or urban. And how that will slow down is anybody's assessment.
- I don't have a view on that currently, but maybe other economists can have a better view than my view. But broadly, my concern is that if that kind of diesel price hikes happen, it will have some impact on economy. Difficult for me to quantify that.
- Sumukh:** Okay. That's it from my side. Thank you.
- Hemant Sikka:** Thank you, Sumukh.
- Moderator:** Thank you. Next question comes from the line of Sonal Minhas from Prescient. Please go ahead.

**Sonal Minhas:** Hi, this is Sonal Minhas. I hope I am audible. Thanks for taking my question. So my question was with regard to the Express logistics business. Over the last 12-18 months, one of the competitors was absorbed by Delhivery, while the competitor is not financially healthy.

And I think we've seen some rationality in terms of pricing realisation basically coming in the market. Just wanted to take your subjective comments on do you see more of realisation improvement in the coming quarters or in the coming year, directionally speaking, that's one?

And secondly, the market leader has a gross margin or something equivalent of their unit EBITDA margin of around 18%- 19% I'm assuming, obviously, they are much larger than you in that particular category, but I'm just assuming directionally, as you scale and as you invest in capacity, your margins should also be inching towards double digit as we grow from here on? These are my two questions.

**Hemant Sikka:** Yes. Sonal, on pricing, I would agree with your observation that there is some consolidation of the industry has happened. And as I said, Express business is a difficult business to build. It has very high entry barriers. And it is very good to note that the industry maturity is settling in and people are not only driving volumes at any price, but folks are kind of understanding that profitability is a very key part of running any business. So that kind of maturity even we are seeing in the market. So, I would totally agree with your observation.

On your second observation of what kind of margin trajectory do we see, we can't give any forward guidance. And it's difficult for us to compare us with some very large companies which are in this business for decades older than us. Everybody has to go through their journey. Right now, we are in the very early stage of building this business. This business takes a longer time to build because this is like a network business.

As you expand your networks, your costs come earlier and then these are followed by revenue and profit. So, we have to go through our journey. All I can tell you a very positive news is we are very close to an EBITDA breakeven. Without giving a concrete timeline, I can say with a lot of confidence, we are very close to EBITDA breakeven.

**Sonal Minhas:** Great to hear that. Thank you. Thanks a lot.

**Hemant Sikka:** Thanks, Sonal.

**Moderator:** Thank you. Our next question comes from the line of CA Manish Vyas from Gopal Consultancy. Please go ahead.

**Manish Vyas:** Am I audible, sir?

**Hemant Sikka:** Yes, Manish.

**Manish Vyas:** Sir, are you comfortable in Hindi. Actually, I'm from Gujarat, so...

**Hemant Sikka:** Yes, Manishji, please ask.

- Manish Vyas:** Sir, since you took over the responsibility, you have turned the company quite profitable. Sir, I saw an interview of yours, perhaps it was during the annual AGM, at that time you said that we will take our turnover to INR20,000 crores. So, sir, is there any timeline for that?
- Hemant Sikka:** Manishji, thank you for your comments. I did not talk about INR20,000 crores in the last AGM at all. So that was not my statement.
- Manish Vyas:** Maybe sir, there were rumors, perhaps of this kind.
- Hemant Sikka:** Yes, so right now we are not sharing any such target. And Manishji, I would also like to tell you that in this business, logistics business, there is no meaning in just picking up revenue. We can pick up any amount of revenue, but then profit is not made in that. Therefore, it is very important that we pick up that revenue, that load, in which we also save some money.
- Manish Vyas:** No, sir, you have said a very correct thing. And I mean, since you joined, your approach has been very good that you are thinking that whatever comes, it should come profitably, not just load the turnover?
- Hemant Sikka:** Exactly, Manishji, that is the thinking of our team here. And I am very happy to say that in our entire team, not just at my level, but in the entire team, there is a very strong commitment that whatever work we do, we should have profit in it, because we work with a lot of hard work. Logistics business is not an easy business. It is a work of a lot of hard work. And if we work so hard, then the company should have profit. So, with that same idea, we want to take the company forward.
- Manish Vyas:** Okay, sir. Best of luck to you for the coming time. And sir, you must make this company number one in India. We are also with you and I am an individual investor and want to stay with your company for a long time.
- Hemant Sikka:** The vision of this company is to make this company the number one logistics services company in India.
- Manish Vyas:** Okay, sir. Thank you so much, sir, for my question.
- Hemant Sikka:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Khushi Soni from Nuvama Institutional Equities. Please go ahead.
- Khushi Soni** Hello again. I just wanted to understand if you can give some idea on the volume momentum in the Express business in April. You mentioned that you have seen some headwinds in the Freight Forwarding business and not in any other segments, but any specific guidance on the Express business?
- Hemant Sikka:** Khushi, I would like to think about in this Express business or any logistics business per se that we operate in that quarter 4 is our best quarter of the year. So, it will not be fair to compare quarter 1 in your calculations with quarter 4. That's the first thing. Secondly, on the Express side,

we are not getting so much impacted by the West Asia crisis. Freight forwarding is purely related to -- and I want to emphasize that purely related to the West Asia crisis.

Otherwise, that business is actually doing very well for us. But because there is choking of trade lanes, there are freight premiums which have gone up, there are insurance costs which have gone up. So as a result, that business is under pressure. However, to extrapolate that to any of our 3PL business or Express business is not fair. I think other businesses currently are going as per our plan.

**Khushi Soni:** All right. Thank you, sir.

**Hemant Sikka:** Thank you, Khushi.

**Moderator:** Thank you. As there are no further questions from the participant, I would like to hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

**Hemant Sikka:** Yes. Thank you all for joining, and I really want to thank each of our investors. You guys have helped us on our rights issue. I think that was a very significant milestone for Mahindra Logistics. So, we are very happy with all the support that you have provided. All I can assure you on behalf of my entire senior leadership team, and everybody is here with me while I speak. We are very committed to making sure that all our stakeholders benefit for the turnaround that we are trying to execute in MLL.

Thank you all for joining us today. We hope we have addressed your questions and provided valuable insights into our performance and strategy. If you have any further queries or need any other information, please feel free to reach out to our team or to our Investor Relations Advisors at SGA. With this, we close this call. Thank you all very much.

**Moderator:** Thank you so much, sir. Ladies and gentlemen, on behalf of Mahindra Logistics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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