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CIN: L63000MH2007PLC173466

Ref: MLLSEC/77/2026 27 July 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 10 July 2026 and Outcome and audio recording of earnings conference call dated 21 July 2026

Please find enclosed the transcript of the earnings conference call of the Company for the first quarter ended 30 June 2026, held on Tuesday, 21 July 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No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.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 ASHOK PARIKH

Digitally signed by: JIGNESH ASHOK PARIKH
DN: CN = JIGNESH ASHOK PARIKH C = IN O = PERSONAL
Date: 2026.07.27 10:25:18 +05'30'

Jignesh Parikh
Company Secretary
Enclosures: As above

"Mahindra Logistics Limited

Q1 FY27 Earnings Conference Call"

July 21, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the website of the stock exchange on 21st July 2026 will prevail.

MANAGEMENT: **MR. HEMANT SIKKA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER ("MD & CEO")**
MS. ISHA DALAL – CHIEF FINANCIAL OFFICER ("CFO")

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

Moderator: Ladies and gentlemen, good day, and welcome to the Mahindra Logistics Limited Q1 FY27 Earnings Conference Call. This conference call may contain forward-looking statements about the Company, which are based on beliefs, opinions and expectations of the Company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines 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 and zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Mandar Chavan from SGA. Thank you, and over to you.

Mandar Chavan: Thanks, Manav. Good afternoon, everyone, and thank you for joining us for Mahindra Logistics Limited Q1 FY27 Earnings Conference Call. We are pleased to have with us today Mr. Hemant Sikka, our Managing Director and CEO; Ms. Isha Dalal, CFO, along with the member 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, everyone, and thank you for joining us today. We have started FY27 on a very strong note, building on the momentum created over the last few quarters. The improvements that we are seeing reinforce a simple but very important fact.

The actions we took to strengthen our operating model, sharpen our execution skills, bring in a lot of discipline and rigour with a very strong focus on our customers and improving the quality of our growth are delivering tangible results.

You can see that in our results. We delivered a significant step-up in profitability this quarter, moving from a PAT loss of INR 10.8 crores in Q1FY26to a PAT profit of INR 25.4 crores in Q1FY27. Alongside this, our consolidated revenue grew by 23% Y-o-Y, reflecting broad-based strength of our businesses.

These results validate the effectiveness of our transformation efforts and demonstrate the power of disciplined execution, strong customer focus, improved customer level economics and a relentless focus on profitable growth.

If I have to see, there are four themes which capture our progress in this quarter, and I will take some time to go through each one of them. We are clearly entering our next phase with confidence and purpose, anchored by four strategic pillars who will drive profitable growth, build differentiated capabilities and cement Mahindra Logistics leadership in the logistics ecosystem of tomorrow.

Let me talk about 3PL scale up. Expanding the core this is our core business, so expanding the core with higher quality growth remains a key strategic priority. Contract Logistics continues to be the cornerstone of our business as we strengthen our 3PL franchise through deeper customer partnerships, sector-focused solutions and efforts on high-growth consumption sectors, while maintaining discipline on margins, return on capital and operational excellence.

B2B Express turnaround continues to be a very key focus area for us. We continue to drive a disciplined turnaround through network optimization, rigorous cost management and enhanced service reliability. This is laying the foundation for a very sustainable long-term value creation in our B2B Express business.

We clearly want to be a leader in operational excellence. Operational excellence is embedded across our organization. This is not a flavour of a month or a quarter for us. Through disciplined execution, process standardisation and continuous productivity improvements, we are enhancing the customer experience while consistently delivering superior service levels.

Technology as a differentiator is again a key strategic lever for us. Technology continues to be a strategic differentiator for Mahindra Logistics. LogiOne, our digital ecosystem, provides greater visibility, faster decision-making and data-driven insights, enabling us to build smarter and future-ready supply chains for our customers.

Our e-commerce and quick commerce business continues its momentum, reinforcing our position in the fast-growing segments of the logistics ecosystem. As we have articulated previously, our objective is not to scale for the sake of scale only. Let me repeat this. Our objective is not to scale for the sake of scale only, but go for intelligent scale, where every customer, every contract and every investment contribute meaningfully to our long-term profitable growth.

Let me now turn to a few specific business updates. Starting with our Express business, which is MESPL or Rivigo, as we call it, our B2B Express Logistics business - In Q1, revenue grew by 58% Y-o-Y and the gross margin improved from negative INR 3.6 crores in Q1FY26to a positive of INR 9.2 crores in FY27.

The business continues its turnaround journey with uptick in volume and yield and disciplined cost control now firmly embedded in our system. Our focus remains on EBITDA breakeven with PAT progression to follow in a calibrated manner. The foundation of the business is far stronger today, and we are confident that this is a long-term business for us, and it will create long-term value for our stakeholders.

In our Contract Logistics business, Q1 revenue grew by 26% Y-o-Y and our gross margins grew by 21% Y-o-Y, 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 customer solutioning capability, very strong customer focus, improved service delivery and deeper customer engagement.

We have been speaking about our white space for the last few quarters. So on white space, I'm very happy to inform you that we are firmly on our track to achieve our glide path on reducing our white space by 95% by September '26 to the point where we started in quarter 1 of last year.

In quarter 1 of last year, we had said that whatever white space we had at that point in time, which was 1.6 million square feet, we will reduce it by 95%. We are firmly on track to achieve that.

In our Mobility business, quarter 1 revenue grew by 38% Y-o-Y and our gross margins grew by 2% Y-o-Y. Our focus is on acquiring new customers on the B2B side of the business. On the B2C side, we are focusing on stabilising and building on the recently launched airport taxi business at the Noida International Airport.

In our Last Mile Delivery business, LMD, as we call it, revenue moderation, we had a degrowth of 16% Y-o-Y was a conscious strategic choice, and we had called that out in our earlier communication that this is a conscious strategic choice to prioritise profitable business over low-margin business amid sustained pricing and cost pressures. This strategy has actually worked very well for us, and it has driven our gross margin in quarter 1 up by 62% Y-o-Y, supported by improved business mix and disciplined cost management.

In our Freight Forwarding business, revenue for Q1FY27stood at INR 45 crores, reflecting the impact of customer attrition experienced during the recent transition phase of the business and the geopolitical crisis that we are currently facing.

We have since strengthened the leadership team and are focused on expanding commercial coverage, rebuilding the customer pipeline and driving growth while maintaining strong service level and operational discipline. As we look ahead, our priorities remain unchanged.

We will continue to scale our core business profitably, strengthen the Express Logistics network, improve asset utilisation and leverage technology to drive productivity and customer experience. Operational excellence will remain the foundation of everything that we do. So, in conclusion, the transformation journey we embarked on a year ago has now evolved into a growth journey.

Our focus is firmly on building a stronger, more agile and future-ready Mahindra Logistics, one that consistently delivers profitable growth, superior customer experience and sustainable value creation. In this journey, we will continue to see, number one, revenue and PAT growth; two, improved operational efficiency and excellence; and three, a growing base of highly satisfied customers who clearly see tangible value from our services.

Friends, our vision is clear. We want to be India's number one logistics service provider, delivering superior customer experience through technology-led solutions and led by a very passionate team.

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

Isha Dalal: Thank you, Hemant. Good afternoon, everyone. Let me now give you a brief on the consolidated financial performance for Q1 FY27. Our revenue has increased by 23% year-on-year to INR 2,003 crores. As you will see in our segment results, supply chain management, which includes our 3PL and network services business, including Freight Forwarding, Express and Last Mile, contributed 94% of overall revenue and the Mobility business contributes 6% of our overall revenue. This revenue split remains more or less consistent with previous quarters.

Gross margin on a fully consolidated basis stood at 9.7% in Q1 FY27 compared to 9.4% in Q1 FY26, which is an improvement of approximately 28 bps year-on-year. Our reported EBITDA for the quarter is INR 115 crores, up from INR 76 crores in Q1 FY26.

As we have done starting last quarter, we will now also share the per Ind AS 116 or adjusted EBITDA numbers, which factor in the full impact of lease cost and EBITDA. At this adjusted EBITDA level, as you would have seen in our investor deck, EBITDA for the quarter stands at INR 57 crores, up 76% versus INR 32 crores in the same quarter last year.

Our adjusted EBITDA percent is at 2.8%, improved by 85 bps year-on-year. Our PAT for this quarter is at INR 25.4 crores, which is INR 36 crores better versus Q1 FY26. In the same quarter last year, just to remind, our consolidated loss was INR 10.8 crores. I do want to call out that our PAT in this quarter includes INR 4 crores of interest on income tax refund. You will see that in the other income line, which is not expected to be recurring income in the subsequent quarters. If you remove that number, our operating PAT is approximately INR 21.4 crores.

As Hemant has already mentioned, we will work towards continuing our trajectory of PAT positivity and improvement in operating performance. I will now move on to segment-wise performance. In the Contract Logistics business, our Q1 FY27 revenue was INR 1,623 crores as compared to INR 1,289 crores in Q1 FY26, up by 26%.

One of the key drivers for this growth has been continued strong momentum in the M&M auto and farm businesses as well as growth in our other 3PL verticals, including e-commerce. In this segment, gross margin has diluted by 46 bps year-on-year.

While efficiency and intrinsic operating performance improvement across the Contract Logistics business continues basis all the levers we have deployed and which Hemant spoke about a few minutes ago, the business has faced some headwinds driven by manpower shortages, site ramp-up and minimum wage revisions resulting in some margin compression.

These have been offset by our overhead efficiencies and operating leverage, leading to an EBITDA growth of 31% year-on-year and margin expansion from 6.6% to 6.9%. In the Last Mile Delivery business, the network recalibration and focus on profitable sites has led to a 16% year-on-year revenue decline. However, in line with our strategy, this business has witnessed GM expansion from 5% to 9% year-on-year and is continues to be EBITDA profitable.

In the Freight Forwarding business, the business has faced challenges due to a combination of macro-led disruptions and the impact of customer attrition experienced during the recent transition period of the business. This has led to decline in volume from some key customers.

Revenue for the quarter was INR 45 crores as compared to INR 74 crores in Q1 FY26, down by 39%. Despite these challenges, the Freight Forwarding business has continued to maintain healthy gross margin of 10%, in line with historical trends and witnessed efficiency in fixed cost. It has continued to remain positive at the EBITDA level.

In our Express business, Q1 FY27 revenue was INR152 crores as compared to INR97 crores in Q1 FY26, up by 58%. Year-on-year improvement in both volume and yield has driven this revenue growth. Our gross margin stood at 6% compared to minus 3.8% in Q1 FY26. We continue to expand gross margin year-on-year and quarter-on-quarter, in line with our commitment to improved operating performance.

EBITDA performance in this business also continues to improve with an EBITDA loss of INR 1.6 crores in this quarter versus an INR 11.8 crores loss in the corresponding quarter last year. I'll come to the last segment, which is Mobility, where the revenue for this quarter is INR 111 crores as compared to INR 80 crores in Q1 FY26, up by 38% year-on-year.

The revenue growth in this vertical was largely contributed by expansion of client base in the B2B vertical. That brings me to the end of the commentary on segment results. And with this, I will now open the floor for question and answer.

Moderator: Thank you very much., 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. We have first question from the line of Alok Deora from Motilal Oswal Financial Services.

Alok Deora: So, congratulations on pretty decent numbers. Just had a couple of questions. First is on the Express business. So, if you can just indicate what has been the volumes for this particular quarter? And yes, in tonnage terms.

And also, this improvement in the EBITDA, which we have seen in this quarter, so that we should be kind of break-even now by the second quarter, is that the understanding correct? We are on that path? If you can just highlight on the Express business first?

Isha Dalal: Yes. Alok, we don't really disclose the volumes in the Express business. But as I mentioned, we are continuing our trajectory of improvement in both volumes and yield. And that journey is well underway, and we are satisfied with the progress. We have been indicating that just as we turned gross margin positive in this business last year, we will seek to be EBITDA positive or EBITDA breakeven this year.

And again, we are well on the way to achieving that target. So. we will continue to work towards that milestone. I would not like to indicate whether it would be in quarter 2 or 3 or 4. I think we have still a lot of work to do in this business, but I can tell you that, that continues to be our objective for this year.

Alok Deora: Got it. Second question is on the Mobility business. Now we are clocking almost – INR 110 crores per quarter of revenue. And the EBITDA margin is in the range of 2% to 3%, which has been there even when we were doing a very smallish number like INR80 crores. So where can the margins go here in this business? Because suppose if we continue to see this kind of run rate in revenue, is there any scope of margin improvement here? Or this would be like a 2%- 3% kind of a margin business?

Isha Dalal: Yes. Alok, so I think from a gross margin perspective, we have historically been between a 9%-10% kind of gross margin business in the Mobility segment, and we will continue to work towards that kind of gross margin profile. As the business expands in top line, we will continue to see some operating leverage in this business. We also will make some commensurate investments in B2B and so on, which you will see. But eventually, as the business grows in scale, we should see some improvement in the percentage EBITDA profile of the business.

Alok Deora: Got it. So just some clarification here. So this is almost entirely B2B?

Isha Dalal: We don't disclose the specific percentages, Alok, but the B2B business, which is employee transport services as well as the B2C business, which is now branded Alyte, are both within this segment.

Hemant Sikka: Majority, Alok, is the B2B, a large majority.

Alok Deora: Got it. Just last question related to this only. I mean I'm not directly comparing it in that sense, but we have another listed player who is into this sort of business. There, the margins we see are in the range of 10% to 12%, which is again mainly B2B and into the transportation services. So I just wanted to understand is this the margin because the mix is different or the customer profile is different? Or just if you could just spend a minute on this, it would be helpful.

Isha Dalal: Sure, Alok, there are various types of model even in the B2B business of Mobility. One of them is the employee transport services business, which I was mentioning. And the other one is kind of an on-call business or a chauffeur car service business, right, which essentially just to kind of explain, it means when you go to another city, the car kind of is with you for the entire day and you get charged on that basis.

Now that is a significantly more lucrative business from a margin profile perspective than the first business I mentioned, which is the employee transport services business. So the relative margin profile or the rather, I should say, the blended margin profile of the business will depend on the relative mix of these two segments.

At MLL Mobility, we are heavily weighted towards the employee transport services business, and hence, our margin profile will be, therefore, slightly lower even from a gross margin perspective. Secondly, there is the question of scale and size of the business. So like I mentioned, from an operating leverage perspective, we probably don't have the kind of leverage yet that one would expect at 2 or 3 times the scale.

Alok Deora: Got it. Thanks for that pretty good explanation. Thank you so much. All the Best.

Isha Dalal: Thank you.

Moderator: We have our next question from the line of Krupashankar from Avendus Spark.

Krupashankar: Congrats on great set of results. My first question is on the Contract Logistics business. Just want to get an indication on two aspects. First is on what would be Mahindra Logistics' wallet share with M&M this year? And then what is it in comparison to last year?

And in continuation to that, I just wanted to get a sense around the growth, what would be the contribution of new clients this year to your overall growth because the growth has been quite solid in the Contract Logistics. If you can give some color around that?

Hemant Sikka: Thank you, Krupa. So, on how much are we as a wallet share for Mahindra, I mean, we have a significant part of their business, clearly. It's not only that we are a preferred partner for them. We also have a significant part of their business. That would be our comment. And we continue to win a large part of their business, which comes on stream. So, we are pretty large with Mahindra.

And on the new customers, we don't share that ratio of new customers, but I can only tell you that with our focus on customers a lot, bringing in technology, a very strong focus on our operational excellence, we are winning a lot of new customers.

In fact, compared to our internal plan, which was a very aggressive plan in quarter 1, we have surprised ourselves with wins more than what we had even planned as part of our stretch goal. So that means our customers are appreciating the kind of solutioning that we are doing, the kind of benefits we are bringing to them, and that gives us a lot of confidence that the kind of growth that we want for this business is looking good for us.

Krupashankar: Understood. The reason why I'm further questioning on this aspect is that the momentum of growth, what you are seeing on the Contract Logistics business, is it going to be primarily a reflection of the underlying automotive growth, which is there at this point? Or do you also see that the segments like e-commerce, which we are talking about, continuing to keep this growth rate at north of 20% over the near term?

Hemant Sikka: You are absolutely right, Krupa. Since we are a very significant part of Mahindra's logistics game, when Mahindra's auto and tractor business does so well, obviously, that has a very big tailwind for us. So, we will benefit from that. And hopefully, that will continue through the year. Apart from that, let me also tell you that we are winning a lot of business from e-commerce customers. So, we don't share that business wise, but I can broadly tell you that we have done very good work on e-commerce.

Thirdly, I want to call out our manufacturing and telecom vertical, which is again doing exceptionally well. Since we have this core competence working with Mahindra as a large client on working with manufacturing clients, I think we are also a preferred kind of a logistics partner for all manufacturing companies, whether they are MSMEs or they are large companies. So, we have also won a lot of business on that side. Again, we don't want to share our customer names here. But I can tell you that in the last quarter, we have won a couple of very large marquee clients in the manufacturing space also. So, we are feeling good about that.

Krupashankar: Understood. One last question on Express segment business. While I do appreciate that you don't want to share any incremental information on volumes, absolute volumes, can you break up the growth between what would have been the volume growth and what would have been the yield growth this quarter?

Hemant Sikka: So, Krupa, I'll give you more color. But let me tell you why we are not calling the number. We used to share that number if you see our previous communications, and then we stopped doing it a couple of quarters back, which was a very conscious decision because it is not the volume alone, which will drive our turnaround story.

Let me tell you, I can pick up the volume as much as I want if I don't care about the yield. And if you remember in some of the calls with investors, we had shared that especially that there are certain lanes across the country where it is as much volume that you want to pick up, you can pick up if you don't care about the per kg rates. That is not our objective.

Our objective is not to maximize volume and make losses. Our objective is to turn around this business. So we are very focused on volume as well as yield. And that is why we said that we will not declare the volume because it doesn't give you any picture. A lot of the analysts were asking us at what volume will you become EBITDA positive.

Let me tell you, there is no right answer for that because we can take as much volume and can never break EBITDA if we don't care about the rupee per kg. So it is especially important for us that we focus on both, which is yield as well as volume. Now just to tell you a better colour on it, as Isha said in her remarks, but I will add more weight to what Isha said that our target is to become EBITDA positive in this year, but let me tell you that we are very confident of achieving this. So I think that should give you some indication on where we are.

Krupashankar: Get your Point. Thanks a lot for answering.

Hemant Sikka: Thanks, Krupa,

Moderator: We have our next question from the line of Rehan Saiyyed from Trinetra Asset Managers.

Rehan Saiyyed: So, my first question is around your current understanding regarding the customer addition and economic-wise. So, could you help us understand the economics of the new customer addition during the quarter? So, are the customers being onboarded at margin above the portfolio average? And how long does it typically take for a new contract to reach steady-state established profitability?

Hemant Sikka: Rehan, I didn't understand very clearly, but just let me repeat what I understood as you asking that what is the margin profile of the new customers that we are adding? Is that what you want to know?

Rehan Saiyyed: Yes, yes. Like and also how long does it typically take for a new contract to reach steady state profitability level?

Hemant Sikka: Okay. Fair point. So obviously, Rehan, we can't share you what is our margin profile for new customers. I can only tell you that we are very competitive. All these new wins that we are getting are very hard-fought win. These are won against, I mean, national RFQs that our customers come up with. And you know that we have a very competitive logistics industry in the country.

So all these wins that we are getting are very hard fought. And these are done not only on pricing basis, but also on the quality, the solutioning that we bring for our customers, our reputation in terms of our execution ability and the governance, which the Mahindra Group brings for the customers. So this is a combination of several things that we are judged by our customers, and it's not only a pricing call that the customer will make for us.

Having said that, I can only broadly tell you that we are very focused on making sure that while our teams work so hard, we don't want to work very hard and at the end of the month, give a cheque to our customers.

That is not our objective. We want our teams to work very hard and then also be making profit for our company and also for our stakeholders. So that is our game plan here. I can't share you the profit profile of our customers. Only I can tell you that these are very hard-fought wins. And we, compete very aggressively in the marketplace for any good customer that is available in the market.

On your second question on how quickly it becomes, generally, we have seen that when you are coming up with a new site, if the site is small, it is a matter of a couple of weeks. But if we are also winning some very large sites where it takes almost 3 to 4 months for a site to come fully normalized in operations.

We have recently opened a very large site for a very marquee customer in Luhari near Gurgaon. I mean, just to give you an idea, it's almost like a 2 lakh square feet site. There, we are expecting that our operations will become normalised in about 3 to 4 months' time. So this is the general timeline, but we also have for last mile, very small sites like less than 1,000 square feet, where the sites become normalized within the first 10 days. So depending on 10 days to let's say 4 months, that's the kind of window that you can keep in mind.

Rehan Saiyyed: Got it, sir. And sir, right now, you have mentioned about the Mahindra & Mahindra company. So sir, just wanted a clarification. Mahindra continues to remain a meaningful contributor to revenue. So could you indicate where this share stands today versus 3 years ago? And where you would ideally like this concentration to settle over the medium term?

Hemant Sikka: Yes. So we are very proud of our association with both the large businesses of Mahindra, which is automotive, a very large business in the country as well as the tractor business, which is the world's largest tractor company by volume. We are very proud of our association.

And obviously, Mahindra & Mahindra is our lead marquee customer. 3 years back, this ratio was pretty high, closer to the range of almost 70%. This over years came down to less than 50%, but again, because of happy news that both Mahindra business of auto and tractor have done better than the overall industry growth.

And since they are doing so well, obviously, their share of our business has gone up. So we are now closer to 60% with them. We don't have a target to reduce that ratio at all. Our target is that we should win as much business from Mahindra and as much business from non-Mahindra clients.

So we will keep giving our best foot forward. We don't want to lose any business from Mahindra, and we have won a lot of business in the last 12 months from Mahindra. And similarly, we are winning businesses for non-Mahindra clients, and that is, again, our very strong focus area. So we'll continue to do well on both sides.

Rehan Saiyyed: Got it, sir. Thank you for the quick clarification. And sir, one more last question, if you can allow me to ask like. Sir, your warehouse utilisation level, I just wanted to know. So sir, your warehouse capacity has expanded meaningfully over the last few years. So could you disclose the current utilization level of our warehouse portfolio? And you have any tracking metric, like at what utilization level that operating leverage becomes meaningful?

Hemant Sikka: So broadly, we had shared two numbers earlier, which we stopped sharing in every quarter, but I can still quote that number. In the quarter 1, we had shared that we had 1.6 million of square feet in quarter 1 of last year,

And we had set a target that we will reduce this 1.6 million of white space by 95%, I can share with you that we are on track for that. That target was to reduce it by 95% by September of this year, and we are on target, So that's what we will share. We will not share what is our overall utilisation. They are very high utilisation levels currently. But we don't want to share that number because it is not good for when we are pitching for new businesses.

Rehan Saiyyed: Okay, no worries and thank you.**Moderator:** We have our next question from the line of Achal Lohade from Nuvama Institutional Equities.

Achal Lohade: First question is with respect to Contract Logistics, 26% revenue growth. Obviously, you attributed this to the M&M group as well as the non-M&M. The margins, despite such a strong growth, we have seen that actually the margins kind of seen a contraction on both Y-o-Y, Q-o-Q?

If you could clarify how much of that could get reversed like I think it was called out with respect to wage revisions, etc. If you could call out, A, part of this can get reversed? And B, if we are looking at a structurally lower margin, we were like 7.7% in Q4 FY26. So is it fair to say that the new normal is 7%, and that's the starting point here from here on?

Hemant Sikka: Achal, I'll come in first, and Isha will then come in to give you more colour. So broadly, I can tell you that there were 3 areas which led to margin contraction. Very big one was that we have a sales target for this year. Thankfully, again, happy to share that with the good work done by our teams, we have over exceeded our target in quarter 1.

So that had led to a lot of new starting up cost because we were like opening a site almost every week, a new site every week kind of run rate. So, since we were opening so many new sites, there are always start-up costs. And as I said in my previous answer, it takes 3 to 4 months for the site to normalise and then the profits to come back at the level where we had won the business.

But first 3-4 months are always more costs and revenues follow later. So, some of that margin, Isha will share with you some numbers on that, , there is some start-up costs in this, which obviously, since it is the first few months of the start-up cost, this will normalise.

The other costs was that you know that there was all over the country, an issue of manpower availability in quarter 1 because of the various factors which were playing out in terms of LPG shortage and there was some reverse migration happening to villages. That led to us hiring some ad hoc manpower, which has more or less streamlined again. I think we are back to our normal labour thing, but that led to some cost pressures.

And the third was on the fuel price increase. Even though for us, the fuel is a pass-through, and we have been able to pass it down to our customers, but it doesn't happen on the same day because all these costs are actually to be discussed with the customers, the POs have to be amended and also it takes some lag. So these were broadly the 3 factors, and Isha can share more details on it in her remarks.

Isha Dalal: Yes. Thanks, Hemant. Achal, nothing much to add from what Hemant has said. But just to give you sort of a broad sense, the start-up cost that Hemant spoke about, I would say about half of the year-on-year dilution, etc, should have come from the start-up cost or the ramp-up cost that Hemant talked about. So that, of course, is a temporary sort of bunching up of cost in 1 quarter that should normalize as the year goes on, and we will seek to recover it.

And the rest is on account of some of these other operational challenges, disruptions and cost escalations that we have faced. And I think you are aware that there is a lot of work ongoing on the ground to be able to sort of recover some of those efficiencies.

I will also say that while there has been a gross margin dilution, it is also very noticeable that there has been work done on the overhead side through other cost efficiencies and optimization to try and recover some of that cost hit at an EBITDA level So that work is ongoing, and we will continue to do that.

Achal Lohade: Thank you, Just to clarify, when you mentioned half of that was on account of the start-up cost, you're talking at the gross margin, which is 40 bps down Y-o-Y?

Isha Dalal: Right.

Achal Lohade: Okay. Got it. The second question I had was with respect to the B2B Express with a 57% revenue growth, we've seen the EBITDA margins improving. How do you see - in terms of the - is this the run rate we should work with? Is there any significant seasonality out here, which we should kind of bake in? And, if you could clarify with respect to particular sector, which is driving this Express business?

Hemant Sikka: No particular sector. I think we are doing well on a cross-section of sectors. So I won't be able to call out a particular sector. But I'll just repeat our confidence that we are working very hard towards an EBITDA break-even in this financial year, and we are very confident that target should be achieved by us.

Achal Lohade: Got it. And with respect to the run rate, is that one should work with the seasonality, if you could clarify on that?

Hemant Sikka: There will be some seasonality. I have seen that during -- if the rains are very heavy, then it leads to some kind of business operating issues. So that can lead to some kind of a small here and there in quarter 2. But generally, that gets covered in quarter 3 because the festive demand starts to kick in. So there is always some seasonality, but nothing to like call out.

Achal Lohade: Got it. And just a clarification, if I may ask, Isha, if I add up all the segments, the numbers what you have given in terms of gross profit, there is some difference between the reported gross profit and this. Is there any classification difference? The EBITDA tally is exactly, just the gross profit, if you could clarify on that?

Isha Dalal: You're talking about the numbers in the segment-wise breakup versus the overall gross profit?

Achal Lohade: Yes.

Isha Dalal: There shouldn't be. There could be some intercompany elimination, etc but I will check on that and come back to you, Achal. But there shouldn't be that. INR 194.5 crores is the gross profit for the quarter.

Achal Lohade: Got it. Thank you so much

Isha Dalal: Thank you

Moderator: We have our next question from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi: Thanks for the opportunity. Sir, I have two, three business-specific questions, not directly relating to numbers. So first is that typically, when do the yield negotiations happen with our anchor client, M&M? And historically, in the past, I mean, what kind of escalations have we seen?

I understand the growth in Contract Logistics is driven by M&M and their volume growth has been really good, which is helping us. But I mean, if you can help us understand how yield negotiations happen and how have they been in the past?

Hemant Sikka: Not understood the question because if M&M is coming up with any new, let's say, warehouse in this month, that warehouse will get negotiated in that particular month. There is a process that if there is a fuel escalation beyond 5%, then with M&M, it happens within the first 24- 48 hours.

So I mean, it keeps on going. There's no particular quarter or a particular month where we bunch it together.

Jinesh Joshi: Okay. So sir, let me put it this way. As volumes increase of M&M, you need more warehousing space, right, to house the components.

Hemant Sikka: Yes.

Jinesh Joshi: So in that sense, the revenue increases, but that is the volume-led growth. I was talking about any price-led growth that we typically negotiate with them.

Hemant Sikka: So those happen at the end of the contract period. And there is no fixed particular contract. I mean, with M&M, we have multiple contracts. For example, for their, let's say, aftermarket spare parts, there are separate contracts. For their in-plant logistics, there is a separate contract. For their outbound, there is a separate contract for their part truckload that we handle through Rivigo, there is a separate contract.

So there are like multiple contracts, and there is a cycle of contracts. Some contracts are done for a year, some contracts are done for 3 years, some for 5 years. So it depends. It's very difficult –and this is an ongoing activity. It keeps happening through the year. And for example, now we had INR 8.10 increase on fuel, which was impacting all the segments that we had with M&M. And we got a price adjustment done within the 48 hours.

So there is no particular time. All I can tell you is that these are continuous discussions that any supplier or any partner has with the customer across the industry, and we continue to follow the same practices.

Jinesh Joshi: Understood. And sir, secondly, can you highlight what kind of customer overlap do we have in the 3PL and the B2B Express business? And have you exploited this customer overlap advantage to the fullest? And is that the reason why we are kind of doing really well in our B2B Express business? Or it has also got to do with multiple client wins that you have been talking about?

Hemant Sikka: Great question, Jinesh. This is one of my objectives also that if we have a customer on the 3PL side, make sure that all verticals within MLL try and pitch to that customer. So lot of work has happened. But if you ask me, have we done fully? No. I think there is still a lot of work to be done in terms of cross pitching of various products to a 3PL customer. So a lot of improvement done, a lot of wins we have got, but I think there is still a lot of work to be done.

Jinesh Joshi: Understood. Sir, one last question on the number side. So if I look at our B2B Express business, while the gross margin has improved on a sequential basis from about, say, 4.8% in the previous quarter to about 6%. The extent of EBITDA loss reduction is just INR1 crores on a sequential basis. And given the fact that the business has a very high operating leverage, ideally, the benefit of GM improvement should flow through to EBITDA, right?

I know the numbers are very small at this point in time. But is there anything specific that you would want to highlight, which has led to a slightly lower EBITDA loss reduction when you compare that with your sequential gross margin expansion?

Hemant Sikka: So as I said in answer to my previous question that we had 3- 4 levers which were like a headwind for us. I had narrated 3 headwinds for the Contract Logistics business. Out of that, one headwind was also for the B2B Express, which is the manpower cost. Since there were a lot of concerns in Q1 on manpower availability across industries, across the country, we also faced the same issue in Contract Logistics as well as B2B Express.

And in many of our hubs, we had to hire ad hoc manpower to make sure that our customers are not inconvenience in any way. And whenever you hire ad hoc manpower, that is at a higher cost to a long-term manpower that we have. That has since stabilised. So there was a headwind in quarter 1, which we hope that will not be there in quarter 2.

Jinesh Joshi: Okay, sir got it. Thank you so much, and all the best.

Hemant Sikka: Also, Jinesh, the fuel price increase for Contract Logistics, which are large contracts, for example, M&M, I said happened in 48 hours, where at B2B Express, we have a huge tail of customers, hundreds of them. There, it takes a negotiation with each one of them. So it takes time to pass on the fuel cost increase in B2B. So that process is still on.

Broadly, we have got the fuel escalation passed on for 80% of our customer even in B2B. But that also was a little headwind if you see at the blended gross margin level for B2B Express. So that also as we fully pass on, that goodness will come.

Jinesh Joshi: Right. So that means that the sequential expansion that we have seen on the gross margin side, despite the fuel price headwind, right, we have seen a 120-basis points expansion. Had that not been the case, the gross margins would have been even better. And adjusting for that one-off manpower cost, your EBITDA losses would have been even lower?

Hemant Sikka: Yes. So broadly, that's why we are saying we are very confident that we should be able to achieve our target of EBITDA breakeven in this year.

Jinesh Joshi: Thank you so much.

Moderator: We have our next question from the line of Ankita Shah from Elara Capital.

Ankita Shah: Congratulations on the good quarter. Sir, on Contract Logistics, again, the margins are coming again on this. How do you think? I mean, once these one-off costs are behind, up to what level do you see in the near term that these margins can be scaled up to from 6%-7% that we are reporting right now?

Isha Dalal: Yes. Ankita, like I said, some of these are sort of onetime cost impacts. I wouldn't call them onetime, but I would say they are bunched up in one particular quarter, which is why they are sort of extremely visible and seemingly adverse in Q1 FY27. And some of these are sort of overall more macro headwinds that we will have to work through and counter with the help of our execution excellence and cost efficiencies across various parts of the business.

We continue to expect that the gross margin across the business will expand. We have said that 150 to 200 bps is kind of the expansion that we are looking at in the gross margin from a medium-term perspective, and we will continue to maintain that view overall.

Ankita Shah: This 150 to 200 is only for Contract Logistics segment, right?

Isha Dalal: For the overall business, Ankita.

Ankita Shah: For the overall business, you mentioned. Okay. And although warehousing space has come off on a Y-o-Y basis, why has the depreciation gone up?

Isha Dalal: Sorry, can you repeat your question?

Ankita Shah: Although the warehousing space has gone down on a Y-o-Y basis, why has the depreciation gone up?

Isha Dalal: So warehousing space has not gone down on a Y-o-Y basis, Ankita. White space has gone down on a Y-o-Y basis. Overall, warehousing space has gone up. If you remember, a very similar sort of question had come up in the second quarter of last year when we had a lot of new warehouses sort of capitalised at one time, which causes an impact in depreciation as well due to the curve impact of Ind AS 116.

So that continues. If you look at it sequentially, there has not been a substantial increase in depreciation at all. In fact, it is more or less sort of in line. If you look at the standalone financials, it is more or less in line and I think broadly in line at a consolidated level as well. So the year-on-year increase is because of overall increase in space and sequentially.

Ankita Shah: 21 million square feet is the warehousing space...

Isha Dalal: I'm sorry.

Ankita Shah: Is the warehousing space 21 million square feet?

Isha Dalal: Approximately, yes.

Ankita Shah: Okay. Fine. And lastly, on Contract Logistics side, how much growth you would attribute -- you said both are contributing to your M&M growth as well and your new initiative to scale up e-commerce, manufacturing, telecom vertical. So would you be able to quantify, I mean which segment has shown a higher growth? Is it M&M or the non-M&M other businesses like e-commerce, telecom and all?

Isha Dalal: No, Ankita, we will not be able to quantify that growth, but I will say both M&M and non-M&M businesses are very important growth levers for us going forward from a top line and profitability perspective.

Ankita Shah: Okay, That from my side. Thank you and all the best

Moderator: We have our next question from the line of Raman from Sequent Investments.

Raman: Can you hear me?

Hemant Sikka: Yes. We can hear you.

Raman: Sir, I just have two questions. One is what percentage of your total business is from Mahindra?

Hemant Sikka: Okay. We have close to 60% business from Mahindra.

Raman: And do you plan to maintain this? Like is this the sustainable percentage where the management like sees for the long term, like around 60% of the entire business will be Mahindra for a longer future? Or are you planning to bring this down a little?

Hemant Sikka: Actually, this is not even a target for me.

Raman: Okay.

Hemant Sikka: Basically, I want to win every possible business of Mahindra and I want to win every possible business that we can win from non-Mahindra customers. The ratio is an outcome of the work that we are doing. So in my working, honestly, I don't even monitor this number. I would like to win 100% business from Mahindra and 100% business from all other noncustomers.

Raman: Understood, sir. And sir, my second question is with respect to the airport taxi business under your Mobility business. I think from the presentation, you launched the airport taxi business at Noida Airport. So I just want to understand what is the management's view on this particular area, line of business? Are we planning to launch this airport taxi services to other airports as well? And how are you planning to scale this business? Is there any plan?

Hemant Sikka: So Raman, I would say that we are being very cautious in our scale up. As I said, one of our key objective is not to scale business for the sake of scale. We want to scale the business profitably. So our current strategy is to focus on airports where it is a profitable business for us.

In fact, we are withdrawing from Mumbai Airport. if you would have noticed, if you were transiting through Mumbai Airport, we had a Alyte service available. As I speak to you, we are withdrawing from that airport. And we are doubling down on the Delhi Airport, and we have started with the Noida Airport.

Now Noida Airport will scale up at their own pace, and we will scale up that business along with the Noida Airport. As they keep adding flights, we will keep adding fleet. But very happy to share with you that in Noida Airport, we are the preferred taxi partner of the Noida Airport.

Similarly, in Delhi Airport, we have the best lane, if you come out of the gate number 2of Delhi Airport. You will see our counter as the most prominent counter. So there also, we have the preferred lane. So wherever we are able to secure these kind of rights, we will scale up. And wherever we don't have any preference on these rights, we will withdraw. And that is the reason for us to actually withdraw from Mumbai Airport.

Raman: So, if my understanding is correct, were you making loss in Mumbai at Mumbai Airport from this business?

Hemant Sikka: I can only tell you that, that was not meeting our internal threshold.

Raman: Okay. Understood, And sir, with respect to, again, the Contract Logistics as well as the Express, which has grown like Contract Logistics has grown 26% and Express has gone 58%. I know you said you won't disclose the volume and yield figures. But can you just give a split between how much was the contribution from volume aspect and how much was the contribution from the yield aspect out of the entire 25% growth?

Hemant Sikka: I'm sorry, we won't be able to share that number because if we share that number, then there can be a reverse calculation to look at a more granular our margin profile, which we don't want to share like that. So I can only tell you that we are winning new businesses. We are winning new businesses at a threshold yield, which is higher than our internal target. And we are very confident that we should be achieving EBITDA breakeven in this financial year.

Raman: Okay Sir, Thank You.

Moderator: We have our next question from the line of Sonal Minhas from Prescient Capital.

Sonal Minhas: This is Sonal Minhas from Prescient Capital. I have two questions. First is with regard to, the Express mobility business. I wanted to understand what is our value prop to horizontal aggregators or, let's say, D2C brands given the fact that there are two dominant number one, number two players that exists in the market?

And the second question was that on the KPI side for the SCM business, what is the near-term 1 year out, 2 year out target that the company has on return on capital employed? If you could share that, that would be great?

Hemant Sikka: So on the second part, clearly, Sonal, we don't share, forward-looking guidance on ROCE and all. All I can tell you that our ROCE metric has been improving. And at the end of H1, when we share our balance sheet, we will also share that number with you at the end of quarter 2 half yearly, which is looking much healthier than what it was a year back.

Coming to what is our pitch to our customers, our pitch is very strong. We run a very strong operating metrics. Our customer service levels are very respectable. We are very competitive in terms of our quotes to our customers. So pricing-wise, we are very competitive, very responsive to our customers.

Each one of us is available to our customers 24/7 if something happens. And I think these operating metrics, very strong execution skills, very competitive on cost is our overall pitch. Plus, we are from Mahindra Group. So we bring the best of corporate governance to our business. And many of our customers value these things a lot. And that is why that we are winning so much business even on the B2B side.

Sonal Minhas: Got it, sir. And there is an overlap between the Last Mile Delivery and the Express Mobility customers, sir, if I may understand that a little bit more...

Hemant Sikka: Not so much, though I would agree that this is our internal target that we need to have synergies between our various verticals, and we are working very hard to it. But as I said in my earlier response, I think there's still a lot of work to be done by our leaders in this.

Sonal Minhas: Sure sir. Thanks for taking my question. Thank You.

Hemant Sikka: **Thank you.**

Moderator: The last question will be from the line of Shaurya Yadav from Growthsphere Ventures.

Shaurya Yadav: Am I audible?

Moderator: Yes, Shaurya, we can hear you.

Shaurya Yadav: Sir, my first question is related to the Express business turnaround. If you can tell how we are improving the lane utilisation. I just want to understand how we are improving the density of our lane or density per volume order. What exact strategy we are implementing on that front? If you can explain it with some example, that would be great.

Hemant Sikka: Difficult for me, Shaurya, to explain you that. These are very operational metrics., so let me tell you how I review the business. So I do review lane-wise profitability. I also review what is our forward lane and return lane utilization.

And if any of our lanes, either on the forward or reverse are not utilised fully, obviously, that is a target for our teams to make sure that we win more businesses or optimize the loads in a way that either the vehicle is optimised because you can always change the vehicle for a smaller or a larger vehicle or we are able to then give some incremental loads from that a particular lane and do that. So there are multiple levers. I mean, there is no single answer to it. This is a core job.

And we have people who are specialised in this area who do this data analysis 24/7, and we are looking at how do we optimise each lane forward, reverse, whether we can optimise the customers, whether we can optimise volumetric load to heavier load, whether we can optimise the vehicle size, single axle, multi-axle, this many square feet, that many square feet. So this is like a very strong operational rigour that we have in our business, and there is no one line answer that I can give you.

I mean there is like multiple -- so many hundreds of factors being played at a game. And then at some point with a lot of use of technology, we are able to evolve the one fine balance, which will give us the best results.

Shaurya Yadav: Got it, sir. No issue. Sir, second question is on the front of the 3PL industry. This is related to the B2C mode, like there is so much debate going on regarding the industry consolidation on the 3PL side. Do you feel the consolidation which is going on in the 3PL logistics industry, it will stay or there will be a room for more 2, 3 players to enter? And do you feel the 3PL industry is getting the pricing power back post this consolidation and all?

Hemant Sikka: I can tell you my view overall, and I will not go into details whether it is B2B or B2C, but broadly as a logistics, I'm very bullish on this industry. I believe that the logistics industry in

India has been a very unorganized sector. Anybody with 2 trucks is a logistics company, and that is now how any country's GDP works.

Since we are a very large GDP now as a country, and we have very strong aspiration to grow our GDP, logistics will play an outsized role in the growth of the country. And the unorganised sector, as we become more richer, as people have more disposable income and companies value sustainability and companies value their own time and their own effort and business goes to people who can deliver that business the best. That means to the experts. I think there will be a lot of consolidation in this industry, which will happen. And also the industry will become more organized. So I remain very bullish to it. And that's why we are kind of seeing the growth that you have seen in our quarter 1 results.

Shaurya Yadav: Got it. Understood, sir, and all the best.

Hemant Sikka: Thank you, Shaurya.

Moderator: Ladies and gentlemen, that was the last question of the day. And I now hand the conference over to the management for closing comments. Over to you, sir.

Hemant Sikka: Thank you so much all the participants for joining us today. We hope that we have been able to address all your questions and provided you insights into our performance and strategy. If you have any further queries or need any further information, we'll be very happy to reply to you. So please feel free to reach out to our team or our Investor Relations Advisors at SGA. Thank you all very much. Good evening to you. Thank you.

Moderator: Thank you. 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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