SKYWAYS AIR SERVICES LIMITED
(formerly known as Skyways Air Services Private Limited)
SKYWAYS GROUP

To,

The Manager, Department of Corporate Services- Compliances, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051	The Department of Corporate Relations BSE Limited Phiroze Jeejebhoy Towers, Dalal Street, Fort, Mumbai - 400001

SCRIP SYMBOL: SKYWAYS **SCRIP ID: 544890**

Sub: <u>Transcript of Earnings Conference Call pertaining to the Unaudited Financial Results for the quarter ended June 30, 2026</u>

Dear Sir,

This is in continuation to our earlier letter dated September 18, 2026, regarding audio recording of the Earnings Conference Call held on September 18, 2026, at 04:00 P.M. (IST) on the performance of the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2026.

Please find attached herewith the transcript of the above Earnings Conference Call.

The above disclosure is also being uploaded on the website of the Company at www.skyways-air.in.

You are requested to take the same on your record.

Thanking You,

For Skyways Air Services Limited
(Formerly Skyways Air Services Private Limited)

HITESH KUMAR
Digitally signed by HITESH KUMAR
Date: 2026.09.23 13:32:51 +05'30'

Hitesh Kumar
Company Secretary cum Compliance Officer
M. No. A33286

Place: New Delhi
Date: 23.09.2026

"Skyways Air Services Limited
Q1 FY27 Earnings Conference Call"
September 18, 2026

MANAGEMENT: **MR. YASHPAL SHARMA –CHIEF EXECUTIVE OFFICER & CMD – SKYWAYS AIR SERVICES LIMITED**
MR. HIMANSHU CHHABRA – GROUP CHIEF FINANCIAL OFFICER AND WHOLE-TIME DIRECTOR – SKYWAYS AIR SERVICES LIMITED
ADFACTORS – INVESTOR RELATIONS ADVISORS – SKYWAYS AIR SERVICES LIMITED

MODERATOR: **MR. KAPIL YADAV – DOLAT CAPITAL MARKETS PRIVATE LIMITED**
MR. ROHAN GUPTA – DOLAT CAPITAL MARKETS PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Skyways Air Services Limited Q1 FY27 Earnings Conference Call, hosted by Dolat Capital Markets Private Limited. 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 this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kapil Yadav from Dolat Capital Markets Private Limited. Thank you, and over to you, Mr. Yadav.

Kapil Yadav: Thank you, Neerav. Thank you very much. Good afternoon, everyone. And welcome to the Q1 FY27 Earnings Conference Call of Skyways Air Services Limited, hosted by Dolat Capital. We are pleased to host the company's first earnings conference call following its recent listing. From the management side, we have with us Mr. Yashpal Sharma, CMD, Skyways Group, and Mr. Himanshu Chhabra.

I would like to hand over the call to the management for their opening remarks, following which we will be opening for the Q&A session. Thank you, and over to you, Mr. Sharma.

Yashpal Sharma: Thank you, Kapil, and thank you, Neerav, for positioning this call. Good afternoon, everyone. On behalf of Skyways Air Services Limited, I would like to warmly welcome you to the first earnings call. On the call with us today, I have our Group CFO and Whole-time Director, Mr. Himanshu Chhabra here. We have the team of Dolat Capital and our Investor Relations Advisors, Adfactors team, as well.

This is a very important milestone for us. The listing marks surely a beginning of a new chapter in our engagement with the capital markets. Our journey in the logistics industry, of course, goes back 4 decades. Since our establishment in 1984, we have progressively built capabilities across air freight forwarding and broader logistics value chain while investing in technology, people, and an increasing global operating footprint.

We look forward to using this platform and communicating our performance with greater transparency and to build a long-term relationship with you, our investors. I would like to start by setting some context in terms of our industry and operating environment before getting into our business. So ladies and gentlemen, the industry and market environment, the global logistics and air freight industry continues to operate in a very dynamic environment.

Freight flows are being influenced by changes in global trade patterns, geopolitical developments, fuel costs, supply chain realignments, and evolving customer needs. At the same time, we see structural opportunities arising from growth of cross-border trade, e-commerce, time-sensitive business, and increasing integrated supply chain solutions.

Customers are looking for logistics partners who can provide reliability, visibility, speed, and most importantly, carrier capacity in access, especially in difficult times like what we saw in the Middle East war scenario recently. What they also need is a broader range of services today, which go across the means of transportation, stocking, or distribution options at diverse geographies of the trade rather than just a simple point-to-point movement of goods.

We believe this environment creates an opportunity for someone like Skyways, who has established technology-enabled logistics solutions with capabilities of handling scale.

Moderator: Sorry to interrupt you, we lost your audio. Can you hear us? Participants, please stay connected. We have lost the line for the management. Ladies and gentlemen, thank you for your patience. We have the line for the management reconnected.

Yashpal Sharma: So Neerav, I assume that I was heard till when I was starting to talk about industry and market environment?

Moderator: Yes, sir.

Yashpal Sharma: Okay. So what I would just do is I'll just reposition what I had just mentioned just to make sure that there is continuity to what I spoke. The global logistics environment today is very, very dynamic. The logistics freight flows have been influenced by changes in global trade patterns, a lot of geopolitical developments, fuel costs, supply chain realignments, and constant customer evolving needs.

At this time, we see structural opportunities arising from the growth of cross-border business, e-commerce, even time-sensitive cargo, and increasing integrated supply chains. Customers are actually looking today for logistics partners who can provide reliability, visibility, speed, and most importantly, the carrier capacity, which gets very difficult to access in difficult times like the Middle East war that we just saw.

What the customer also needs is a broader range of services which go across the means of transportation, stocking, and distributing options also across diverse geographies on the globe rather than just a point-to-point movement of goods. We believe this environment creates an opportunity for someone like Skyways, who has established technology-enabled logistics solutions with capabilities of handling scale, global carrier relationships, and a diversified service capability.
The Indian logistics industry across the means of transportation is also expected to grow by 40% to 50% over the next 5 years, opening huge opportunities for our trucking, ocean, express, and other logistics solutions. This industry is potentially expected to get to about USD500 billion by 2031. Skyways has built a strong position in India's air cargo freight market.

According to the WorldACD market data for chargeable volumes, we have retained our position as the number one air freight forwarder in India and are now ranked 44th globally as well in the air cargo for the Q1 of this financial year. Our Indian market share has also strengthened from 5.9% to 6.2% on quarter-to-quarter basis.

We see the position not simply as a market share milestone, but as a reflection of the trust we have built with customers, airline partners, and our wider logistics ecosystem. We successfully navigated the West Asia crisis by creating alternate airline capacities for our valued customers. This not just strengthened our position with our current customers, but also has helped us to acquire some new customers as well.

The Ministry of Civil Aviation has set out a very strong vision of getting to 10 million metric tons from last year's 3.96 million metric tons over the next 5 years. As the air cargo segment continues to grow on the back of new airports, enhanced capacities, and at current airports even bringing in new aircraft by the airlines through a very strong order book means there is going to be a very sizable, ample growth in India's aviation.

This, ladies and gentlemen, will mean huge opportunities for us to also get a higher and a bigger slice of the enlarged air cargo cake. Skyways has always outgrown the market growth over the last 10 years by a fair distance, and we feel confident the trend will continue in times ahead, too. Importantly, our ambition extends beyond air freight alone.

Through our group companies, subsidiaries, we have developed capabilities across ocean freight, warehousing, trucking, express cargo, cold chain solutions, cross-border custom brokerage, and also specialized logistics solutions. This gives us ability to increasingly serve customers through a more integrated logistics proposition.

Technology is an important part of this evolution for Skyways, not just since inception, but specially over the last seven to eight years. We have developed some excellent technological capabilities to improve operational efficiency, shipment visibility, pricing, and customer experiences. Our technology platforms like SLS Hike, Cargo Dash, SLS 100X are designed to digitize and streamline logistics lifecycles, while our multimodal platform is intended to bring air freight, ocean freight, and courier express together through a unified interface.

We believe technology will increasingly allow us to improve productivity, provide greater transparency to customers, and scale our operations without a proportionate increase in complexity. Our objective is to create the strength of a traditional logistics network with the speed, visibility, and scalability of a technology-enabled logistics platform.

We are soon launching one-of-its-kind platform called ASAP, which will tremendously enhance our customer acquisition and will bring huge ease of transacting for customers across the country, especially in Tier 2 and Tier 3 markets, where customers currently have limited access to competitive pricing and carrier capacities.

Our international footprint expansion remains as one important element of our future growth strategy. We have established subsidiaries and operating relationships across key markets in Asia, Europe, and Middle East, and some of the other international locations. These relationships allow us to provide customers with coordinated logistics solutions across geographies and strengthening our ability to support cross-border business.

At the same time, we continue to diversify into specialized cargo and value-added logistics services. Our focus is not diversification for its own sake, for building complementary capabilities around our core freight franchise and deepening our share of customer logistics requirements.

Our key focus shall remain towards building our volume scale in times ahead, too. Our focus on staying diversified across commodities remains the ethos of the organization. We will keep the energy fully set towards strong and emerging commodities like pharmaceuticals, textiles, consumer electronics, automotive, defense equipment, and more.

Our technology continues to API-integrate carriers, vendors, and customers to Skyways' logistics ecosystem, bringing ease of moving goods from one point of the globe to another with utmost ease.

Ladies and gentlemen, I would like to put a pause to myself here. I would like to hand over this call to our CFO, Mr. Himanshu Chhabra, to take you through the financial performance, and would be here for the Q&A after this financial performance is done by him. Thank you.

Himanshu Chhabra: Good evening, ladies and gentlemen. I welcome you again on the maiden earnings call after the Q1 results of the current financial year, FY ‘27. Before I start the Q1 results analysis, I would like to spend 1 minute on you to take the growth journey of Skyways since 2004 till the financial year 2024, till the financial year '26.

So, the revenues, the operating revenues, grew from INR1,289 crores in FY ‘24 to INR2,812 crores in FY26, which was a CAGR of 48% in the 2-year audited numbers, the full year audited numbers that were also part of the RHP.

Now coming on the quarter one analysis, it has been a stellar quarter on all the counts for the company. If we talk about the realization, the realizations have improved. There has been a volume growth of 23% in our main revenue segment, which is air cargo operation. In ocean freight, there is a realization growth of more than 64% and a volume growth of 18%.

So, you know, the ability of the group to pass on the cost or the cost increases in the freight segment is very, very evident, and the realization increase substantiate, a very stellar performance in terms of the operating capability and passing on the cost and making money, the margins on the overall revenue.

On the express side also, we have delivered a significant growth of 64% in the revenue to INR63 crores and delivered 59,700 shipments across 31 locations. Coming back to the air cargo number, so the overall volume growth has been 23%, and the number of customers have remained stable with no loss of customers in the overall portfolio.

The profitability on the EBITDA, operating EBITDA, has improved from INR27.31 crores on a consolidated basis to INR50.12 crores, which is an increase of 83.5% year-on-year basis if we compare the 2 quarters.

On the revenue side, the operating revenue has increased from INR639 crores to INR1,216.53 crores, which is a stellar performance increase of 90.4%. The profitability has increased from INR11.01 crores to INR26.79 crores.

A number which I also want to highlight is as regards the employee benefit expense as a percentage of revenue, quarter-on-quarter, if we compare on the year-on basis, has reduced from 4.41% to 2.94%, and the other expenses have also gone down as a percentage of revenue from 2.5% to 1.76%, which has helped in increasing our margins, the PAT margins from a 1.72% quarter one FY '26 to 2.2% quarter one FY '27.

Going forward, in the Q2 also, we are expecting a decent, the trend of increase in the volumes is reflecting in the quarter two as well. So, we are very happy to announce that on the operating side, the company's performance is improving quarter-on-quarter as well, and the year-on-year performance of 22% is already to be seen and analyzed by all of you.

On the growth opportunities going forward, the management has already approved, as per the board meeting which was conducted yesterday, the board has already approved the expansion into five new geographies in Asia, and we hope these offices shall also add substantial volumes once the initial stabilization period is over.

I thank you, everyone, again for your time and appreciate any questions that you would have on the financials. We will be very happy to answer the same. I'll again hand over the mic to Neerav for taking the call forward.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Utkarsh Maheshwari from IndusInd General Insurance Company. Please go ahead.

Utkarsh Maheshwari: Good afternoon, sir. Am I audible?

Moderator: Yes, go ahead.

Utkarsh Maheshwari: Yes. Am I audible, sir? Hello. Am I audible?

Yashpal Sharma: Yes, it's better.

Moderator: Yes, Utkarsh, you're audible. Go ahead.

Utkarsh Maheshwari: Yes, Yes. Thanks for the opportunity. Congratulations for a good set of numbers. Just want to understand, what should be our steady-state revenue run rate? Because, as we compare with the last quarter, it has almost doubled on a y-o-y basis. Even on a q-on-q basis, there has been a significant growth. How do we should forecast this number on a steady-state, consistent basis?

Yashpal Sharma: Mr. Maheshwari, thank you for your question. Firstly, as you can see that we've had a very consistent growth in our volumes over the years. Even in this quarter, we've had a very significant growth in the volumes across all our products.

And there has also been, due to the fuel increase, fuel index increas in this period, there has also been an increase in the per-unit cost, whether it is air or ocean, etcetera. The whole bucket of the way you look at the revenue, almost 23% to 25% of that comes through the volumes, and the rest is coming through the increase in the per-unit cost for the logistics.

Utkarsh Maheshwari: I think there was some change in the presentation. You have highlighted some improvement in the yield. So I mean this improvement in the yield is sustainable for the air, what we have mentioned?

Yashpal Sharma: The yield increase, if we talk about the air cargo, which was at about 259 in Q1 '26 and has gone to about 416 now. Like I said, if you look at the significant increase in the fuel index, which was in January this year itself was at around USD61 a barrel, and if you look at May numbers, that was about USD110 a barrel.

All right. There has been a very significant increase. A lot of this yield increase is basically the per-unit cost increase for us, for the freight. A significant part of this is the fuel index, so the fuel increase cost is actually factored in this.

Utkarsh Maheshwari: Okay. So, is this cost to be kept here only or if there is a decline in crude, so we'll have to come back lower?

Yashpal Sharma: The fuel cost is always a pass-through for us. Whatever the fuel index, which is globally available, the indexes are very easily available and tangible across the world. So those are absolutely passed through to the customers, whether they are in air or in ocean, even in trucking. The fuel cost is an absolute pass-through. If the fuel goes up, this yield slightly goes up. If it comes down, the yield also comes down slightly.

Utkarsh Maheshwari: If I want to understand, how much of the overall growth what we have seen should be like, because if the price of Brent comes down, what should be our steady-state growth rates? That is what I'm trying to understand. You have mentioned 23% is the volume growth. What should be the price growth over and other than the fuel side? Or is it will remain like this in this--

Yashpal Sharma: The freight cost and the fuel cost always remain very dynamic and they can be tracked through various sources that are available. If you want, I can share a couple of sources with you as well. What we can control, well, big controllable factor from our side is the volumes. That is what we always continue to focus on.

So even if there has been small revenue per yield decline at any time, even in the historical times, our volumes have generally compensated for the increase of that. We are continuing to focus towards the volume increase across our products. Like I said, the yield is generally very dynamic and remains market-driven.

Utkarsh Maheshwari: Okay. Fair point. That is understandable. Similar with the ocean?

Yashpal Sharma: I can share a couple of links with you, if you want, and you can probably track the freight indexes on those.

Utkarsh Maheshwari: Yes, that will be really helpful. I assume that similar should be the case for the ocean freight also, right?

Yashpal Sharma: Yes. Absolutely. It's just the same. These trackers that are available are tracking air and ocean both.

Utkarsh Maheshwari: Okay. Fair point. Thanks a lot, sir.

Yashpal Sharma: Thank you.

Moderator: Thank you very much. Next question is from line of Subhanu Bangal from Three Head Capital. Please go ahead.

Subhanu Bangal: Yes, hope I'm audible, sir. Can you hear me?

Moderator: Yes, sir. Go ahead.

Subhanu Bangal: Yes. As per your previous conversation, as you mentioned, this volume growth is sustainable but the realization growth is not sustainable because it's completely depend on fuel price. Am I right?

Yashpal Sharma: So the yield remains dynamic. We are not saying that the growth in revenue is not going to happen in times ahead, but the yield per unit always remains dynamic. It goes up and down. The controllables are the volumes.

Subhanu Bangal: Okay. Then what kind of volume growth—

Himanshu Chhabra: I would like to add. The focus of the management is also from focusing on the higher trade lanes, which yield -- where the yield is slightly higher. The volume growth, obviously, is the first and foremost priority for the organization. But also in terms of the revenue management, focus is always being there on increasing the yield by focusing on the higher trade lanes or the longer trade lanes, both on the ocean freight and the air freight side as well.

That conscious effort of the commodity mix and the trade lane mix is always there, apart from -- as Mr. Yash mentioned, the overall nature of the freight and the fuel is depending upon the global macro situation and not an exact controllable for us.

Subhanu Bangal: That means can I assume this 25%, 30% kind of volume growth is sustainable going forward?

Yashpal Sharma: Yes. We feel that the way we see the trends currently, we feel that we are very confident of sustaining some of the volume growth and the endeavor is actually to improve that.

Subhanu Bangal: Do you see any tailwind kind of things due to this war situation?

Yashpal Sharma: We always, like I mentioned in my opening address, when the market gets tough, what it does is it separates the people who have larger capacity controls from the rest of the market, so the rest of the competition. Skyways has had a very strong capacity control in the market. We have had global contracts with airlines and shipping lines.

These airlines and shipping lines have specially helped us in these difficult times to give her more capacity than what they do otherwise, which enables us to service all our existing customers and their growing needs and also helps us to acquire certain more customers in these times, actually.

Subhanu Bangal: Good. Got it. My next question on the ocean freight mix. What kind of ocean -- Hello?

Yashpal Sharma: Yes, yes. Please continue.

Subhanu Bangal: What kind of ocean freight mix are you targeting for next two to three years?

Yashpal Sharma: When you say what kind of mix, is that a commodity you want to know or a trade lane that you want to know?

Subhanu Bangal: Yes, ocean business.

Yashpal Sharma: In the ocean also, when you say what kind of mix, your question is directed towards what kind of commodities we will focus on or what kind of trade lane?

Subhanu Bangal: No, no. Revenue mix. I want revenue.

Yashpal Sharma: Revenue? If you look at our revenue its also grown 63% in this quarter in the ocean freight segment as well. Even our volumes have gone up considerably. We have had a substantial increase in the volumes in the ocean freight segment as well. We have gone almost 18% above the same quarter previous year.

We feel that the ocean business, which obviously did have a little bit of impact in the Middle East, but the other trade lanes are compensating for us and actually adding a lot of business towards the organization.

Subhanu Bangal: Okay. Okay. Thank you. Best of luck, sir.

Yashpal Sharma: Thank you.

Moderator: Thank you. Next question is from line of Rohit Mehra from SK Securities. Please go ahead.

Rohit Mehra: Hi, sir. Good evening, and thank you for the opportunity. Congratulations on good set of numbers. My question is regarding the international expansion. Basically, if I am right, board has authorized some amount for offices in Malaysia, China, Singapore, and much other countries. So I just want to know what are our endeavors right now there, and what is the gestation period, break-even timelines, and capex schedule for coming in next year?

Yashpal Sharma: Mr. Mehra, you are very right that the board has approved expansion into some of the other Far East markets. Skyways is already existing in five markets on the east of India. We are in Hong Kong, Thailand, Vietnam, Cambodia, and Bangladesh. Skyways has strongly positioned itself as somebody who has created its footprint close to the point of production.

Most of these new market that you have just mentioned China, Philippines, Malaysia, etcetera all these are very strong manufacturing markets. We are intending to get into these markets and create a stronger footprint for us, which will enable us to do a larger customer acquisition and we have big contracts with us. We have global contracts of airlines and shipping lines, which will always also help us to enhance and create our presence in these markets.

The second part of your question was the gestation period. Usually, what we have seen historically is that anything between 2 to 4 years is what a new international market takes for us to make it a good, solid base for us in those markets. We feel that we will be able to definitely improve that and maybe do in 2 to 3 years. Each of these markets will become a very significant market for us.

Rohit Mehra: Correct, sir. And capex schedule for these markets?

Himanshu Chhabra: Out of the INR30 crores that we are going to invest over a period of time, generally the capex in our industry is very low. Around 10% to 15% out of this INR30 crores will be the capex, which will be the initial setting up cost of the offices and smaller warehouses that may be required. Generally, 15% of this amount is towards the capex, and rest is towards the initial setup cost, working capital, and other requirements.

Rohit Mehra: Got it, sir. Just in addition to this, that incremental capital infusion was there by for, I think, INR20 crores was approved for overseas subsidiaries. Which specific international markets will receive this?

Himanshu Chhabra: This is basically for our subsidiaries in the in the UAE, in Saudi Arabia, these are the primarily and Vietnam.

Yashpal Sharma: We are seeing significant growth in these markets, and also with whatever is happening in West Asia currently, we see a lot of opportunity actually in times ahead. Once the war situation comes to a little control, we see a huge amount of opportunity in the Middle East for the organization to expand its solutions because there will be a lot of infrastructure build-up that will be required in that region.

KSA has been expanding in a very big way in the last 5 to 6 years, and we feel very bullish about that market. UAE continues to be the gateway to the entire Middle East market, and Vietnam has been growing very significantly as well. We have a very strong presence in Vietnam already, and we feel that all these three markets in the next 2 to 3 years will add a substantial value to us as an organization.

Rohit Mehra: Correct, sir. Correct. Right. That answers my question. One last question. Just I think you have acquired Wintop Logistics, 100% right, for INR1.8 crores Phantom Road Express. So I just want to know the strategic capabilities and what acquisition this acquisition adds to Skyways capabilities. Just your thoughts.

Himanshu Chhabra: Wintop is not exactly an acquisition. It is a ground-up entity that has been created as a greenfield project.

Rohit Mehra: Okay. Okay. Got it, sir. That's it from my side. Thanks a lot.

Himanshu Chhabra: Technically it is an acquisition if we talk about it, but there is very less investment that has gone into the acquisition cost.

Rohit Mehra: Okay, got it. Got it, sir. Done. Thank you.

Moderator: Thank you. Next question is from line of Rushil Dinesh from Shatrunjays Investment Managers. Please go ahead.

Rushil Dinesh: Hello. I had one question regarding like what are the plans on the capex for the warehouse and the freight, like the light commercial vehicles for end-to-end delivery? Like you have added any fleet on that side, and have you considered any of the warehouses like for the capex thing?

Himanshu Chhabra: So the generic capex plan every year for the group is around INR35 crores to INR40 crores per annum. And this is how we have been growing, barring the cold chain warehouse project, which is going to be operational during next quarter. And other than that, the operating or the generic capex for the group, including the warehouses and our offices, everything is generally in the nature of in the, to the tune of INR35 crores to INR40 crores per annum.

Rushil Dinesh: Okay, understood. And apart from that, what is the status of the tech platform which was almost ready, like for booking the consignment? So is it in the progress or is it already ready? What's the status on that?

Yashpal Sharma: As I had mentioned in my opening address, that we have, we have building this platform, and it's it's right in the final stages of its closing now. I think we should be able to put it in operation over the next 30 to 60 days. We are just finalizing the, we are just doing the piloting of this across three products, and the fourth product is the development is in the final stages.

Air, ocean, express, and trucking, all four elements. So the three of these transportation mediums are in the pilot testing stage currently, and the fourth one is in the final stages of development. So we are very hopeful that in the next 30 to 60 days, we should be able to launch the platform.

Rushil Dinesh: Okay, okay. Thank you so much. Good luck.

Yashpal Sharma: Thank you very much.

Moderator: Thank you very much. Next question is from line of Piyush Parag from Dolat Capital. Please go ahead.

Piyush Parag: Hi. Am I audible?

Moderator: Yes. Go ahead.

Piyush Parag: Perfect. Congratulations for a good number, sir. A couple of questions. Sir, how has been pharma doing as a contribution of the total revenues, which was actually scaled up because of the Odyssey acquisitions? How do you, what is the organic Skyways business as plus how this Odyssey has helped in the pharma division? That would be great if you can throw some light on that?

Yashpal Sharma: So pharmaceutical as an industry has been of huge interest to us over the over the last 5 to 6 years, and the Odyssey acquisition was also part of part of this strategy. And we've been significantly being able to up our mix of the product ever since Odyssey came in. Before Odyssey had come into our portfolio, we were about 8% to 9% of our business was pharmaceutical, and which grew to 23% last year.

We've actually managed to sustain the volumes and the percentage of pharmaceutical in this even in this difficult period. And we feel that in times ahead, pharmaceuticals will continue to consolidate for us.

Himanshu Chhabra: Even on the Odyssey, the number that you asked about, so there has been significant growth in the standalone business of Odyssey as well. And from a INR130-odd crores revenue, quarter-on-quarter, it is now to INR182 crores.

Piyush Parag: Okay. Thank you. And can you also throw light on the margins that you make with the pharma, especially it's above the group average, or how is it?

Himanshu Chhabra: So, the pharmaceutical, the gross margins are higher than the overall gross margin profile of the business, which includes all kinds of commodities. And that is where the acquisition of Odyssey was very synergic to the overall pharma expansion strategy that we had developed since the COVID period. So, this acquisition has also helped us in consolidating a lot of businesses, which is helping Skyways standalone business as well, and also we are bringing growth to Odyssey's financials.

Piyush Parag: Okay, sir. Moving to the next question. Whether -- how you're looking for the acquisitions, board has approved a good amount. So, can you just throw some light, what you're looking for, what kind of acquisitions is actually something which is missing in the portfolio, or you're looking for enhancing your portfolio towards that? And, generally, what kind of gross threshold or something like that, capital commitment restrictions that you have? If you can throw light on those things, it would be great.

Himanshu Chhabra: Well, the board has approved, as of now, INR30 crores expansion for the international offices, which will have creation of wholly-owned subsidiaries or joint venture subsidiaries depending upon country-to-country situation on the regulatory side as well, and also on the business negotiations that we are able to do with the partners that we are in the process of finalizing.

On the -- so, there is no -- as of now, no clear approval for the acquisitions per se, other than this INR30 crores in the new offices and INR20 crores investment into the existing offices. But the world is very dynamic, and if any exciting opportunity comes along going forward at the right valuation and it fits in with the overall expansion strategy of the group and the synergy we feel that is very, very important for the group, only then a mature acquisition we will look at. Otherwise, we are focusing on organic growth as of now.

Piyush Parag: Okay. Also, if I can ask one more question, sir. Regarding that any updates on the Swissport International AG's, has some development been there?

Himanshu Chhabra: So, the Swissport, the bid that we had given for the project, we were the second highest bidder for the project, so that has not obviously materialized. And going forward, other projects, we will be bidding with the alliance that we have created with Swissport.

Yashpal Sharma: Also there's a decent bit of talk in the Calcutta market of a second airport. So, even there is, as of now, very, very mixed reactions that we are getting from that market, because that being not a very large airport cannot sustain that city, cannot really sustain two airports. So, we are also waiting to see how Kolkata as a market will evolve from here and the government's stand on building the second airport in the city.

Piyush Parag: Okay. Okay. Thank you. Thank you so much, sir. Yes.

Yashpal Sharma: Thank you very much.

Moderator: Thank you. Next question is from line of Jasmine from TVC. Please go ahead.

Jasmine: Hi. Are you able to hear me?

Moderator: Yes, ma'am. Go ahead.

Jasmine: Okay, perfect. Great. So, congratulations on the performance this quarter. Things are looking promising. I have a question on the legal disclosures. Could you please help us understand the current status of the EOW matter that was mentioned in the prospectus? And based on the legal advice that you've received, does management anticipate any material, financial or operational impact on Skyways of this matter? And what are your next steps towards resolution?

Yashpal Sharma: So, the matter is still sub judice and under investigation in its final stages. And currently, as we see it, we don't see any possible impact on us financially on this case.

Jasmine: Okay. Understood.

Moderator: Jasmine, do you have any follow-up question?

Jasmine: No, I just want to understand one thing. Is there anything in particular that we're doing towards the resolution of this, or we're just -- it's a wait-and-watch kind of a situation?

Yashpal Sharma: Towards the same case, you mean?

Jasmine: Yes.

Yashpal Sharma: We've given all the necessary representations to the department, and once they conclude their investigation, will we be taking any further steps towards whichever way we need to direct our next course of action. We feel we are on a strong ground, so once the investigation report gets concluded, we are very positive and very confident of India's legal system and how every investigation will be done on its merit. We have a strong case on our merit, so we are very confident that things will move on towards a very positive side for us.

Jasmine: Okay. That's good to know. Is there a timeline that we have in mind, potentially, when this could close?

Yashpal Sharma: Well, the departments don't necessarily give you a timeline, so we have to work along with them and just work with the kind of timelines because I think there are there are multiple parties involved there. Probably they will need to just do all their necessary checks and balances and do the closure as they feel everything is well looked into by them.

Jasmine: Understood. Thank you for your answer.

Yashpal Sharma: Thank you.

Moderator: Thank you. Next question is from line of Zubair, Individual Investor. Please go ahead.

Zubair: Yes. Hi, sir. Am I audible to you?

Yashpal Sharma: Yes, please.

Zubair: First of all, congratulation on the good set of numbers, sir. I have a couple of questions. Our cost of service business is around INR1,100 crores and which comes to 91% of our total revenue. What are the initiatives are we taking to improve our gross margin per shipment? Also, how are your airline capacity agreement structured to protect our margin from the fluctuation in the freight rates?

Yashpal Sharma: I'll take up the capacity question, and then I'll let Himanshu ji take over the financial part of it. Skyways does a very strong positioning of itself with the carriers, and we do get to sign PLI contracts with airlines, and through these, we get to access various strong capacities of all the major carriers operating in India and overseas. This has always been a very strong area for us.

Even in, like I said, even if you look at the challenging times of the Middle East crisis, we were able to navigate and get capacities from other carriers and, in fact, gain volumes when the markets were very challenging and there was almost like a 20%-odd of capacity had gone out of the market. We still were able to consolidate our volumes because the other carrier capacities we were able to enhance and bring alternate solutions for our clients.

From the capacity standpoint, we are only enhancing our capacities, which is a very constant, and year-on-year, we've been able to grow our contracts, grow our capacity access, and this ultimately also benefits us in terms of better customer acquisitions.

I'll let Himanshu ji take over the financial question.

Himanshu Chhabra: On the gross margin side also, our endeavor is always to have a consistent gross margin profile. The kind of situations like the war where there is sudden increase in the fuel cost, which is technically a pass-through, full pass-through to the customer, which overall raises the freight cost for the customer.

We, as an organization, always want to maximize the opportunity in terms of passing and making gross margin accordingly on the increased cost. But at the same time, you have to be very customer-centric also and try to absorb little bit of the cost increase wherever possible on the margins of the overall increase, I'm talking about, percentage margins.

From the scale, any which way is overall absolute gross margin is on the increase. We always take a calculated call on how much you want to make on the gross margin percentage at the incremental fuel cost that is kind of a global situation for us and the customer.

Zubair: Okay. My second question is, I missed out what you mentioned for our proposed investment previously. We have a proposed investment of around INR30 crores across China, Malaysia, Indonesia. Could you please give some visibility on the expected gestation period for this new operation and the capex deployment timeline, and what do you expect this investment to reach the break-even point, sir?

Himanshu Chhabra: The break-even point, as Mr. Yash mentioned, on the profitability at the PAT level is a cycle of 2 to 3 years. But on the on the EBITDA break-even side, it generally happens in a in a scenario of 15 to 18 months is what we look at.

We are looking at these investments from a very long perspective in terms of these geographies contributing very significantly to our revenue portfolio going forward. As we have seen in the past, our Vietnam office performing very well for us in the last four, five years, we feel that similar kind of opportunity exists in these markets.

China, world trade lane being the largest, we are going by the historical break-even point that we have witnessed in our business, but the scale, if we are able to scale up faster than what we have done in the in the previous geographies, there is a possibility of an early break-even in all these geographies.

Zubair: Okay, okay. One more question on the finance cost. So it is increased to INR17.7 crores during the quarter. Could you please give us the update on the company's current net debt position post our IPO, and how the working capital cycle has evolved over the quarter, sir?

Himanshu Chhabra: So there has been an absolute increase in the finance cost. But if -- do a percentage, there has been a reduction overall in the…

Zubair: Okay, similar…

Himanshu Chhabra: Percentage cost of -- similar to the previous quarter…

Zubair: Okay, understood.

Himanshu Chhabra: And also, utilization of proceeds towards the debt reduction will help us in relative easing out on the finance cost. So as of date, we have already kind of repaid around INR140 crores of approximate borrowings to the financial institution and the banks, which will obviously have an effect in the Q3 and the Q4 numbers on the interest cost.

Zubair: Okay. Keeping in the mind the current West Asia conflict, how has the industry performed in this quarter, sir, and how was our performance as compared to the industry, sir?

Yashpal Sharma: I'll talk to you about the air cargo industry in India. India in this quarter versus the Q1 of 2026, India's air export market was 2,94,000 metric tons in Q1 '26 -- in Q1 '27, it's gone to about 3.06 lakh metric tons, which is about a 3.8% increase, okay? And Skyways, in the same period, actually on the air export side has grown 19%. We are like a 6x the growth in this quarter against the market trends.

Zubair: Okay. And by any chance, do you also give margin breakups to our different services what is the margin breakup for air cargo, then ocean cargo, then express cargo?

Himanshu Chhabra: So the margin profile of all the products are very similar, right?

Zubair: Okay.

Himanshu Chhabra: And all are categorized into the logistics services overall basis. So we, as an organization, are not doing a separate EBITDA-wise analysis because the margins overall profile is quite similar.

Zubair: Okay. And are we also targeting the same kind of revenue mix for FY27 as well for the various services that we have?

Himanshu Chhabra: Yes, so as you would have seen in the quarter 1 performance, the air cargo business is approximately 81%, which has increased from 77% in overall FY26 number. All the products are scaling up very nicely for us. There is significant growth in air cargo business per se, the ocean freight business, the trucking, express, all the cylinders of the group are firing very nicely for us. We believe that this volume growth trend should continue in the quarter 2 as well.

Zubair: Okay. By any chance, do you also provide some guidance for our FY27?

Himanshu Chhabra: I mentioned a bit about the quarter 2. As a company, we don't give the revenue guidance on an -- overall basis. On a quarterly basis, we will have the -- we will have the earnings call, and the visibility of the next quarter is available to us as we close a particular quarter. So we will be trying to give a volume guidance every quarter once we are doing this earnings call for the next quarter.

Zubair: Okay. Understood, sir. Understood. And just last question, this last thing. This West Asia conflict or all other conflicts, this is not impacting our FY27 guidance, right? Whatever we are planning, it is still in the line, right?

Yashpal Sharma: The beauty of our business is we are a very asset-light business model, and we are able to pivot between markets very quickly because we are not asset owners. We don't have a challenge of positioning our customers' business, or if, for example, we run an asset from point A to point B in the world, and if there is any impact, it doesn't affect us.

So that is the beauty of our business, and we are able to, very quickly navigate into different trade lanes, different markets. As customers are able to pivot into different markets, we are able to pivot with them. And even across commodities, we can always go and reach out to customers in different markets.

I just mentioned, even with the Middle East crisis, we were able to create extra solutions, whether they were air and ocean, and we created solutions not just across the world, but we were able to even create solutions for the Middle East market. So our customers in the Middle East also, we managed to service them even by creating alternate routes, which are probably not in the affected zones.

Zubair: Okay.

Yashpal Sharma: Our business has actually grown, so the volumes have also grown, as you can see. We feel that even in the times ahead, we feel that the volumes will continue to rise significantly for us.

Zubair: Okay. Thank you, sir. Thank you for answering all of my questions, and best of luck for the future, sir.

Yashpal Sharma: Thank you very much. Thank you.

Moderator: Thank you. Next question is from line of Ameet Kishorpuria from Tridentview Consulting. Please go ahead.

Ameet Kishorpuria: Hi, good evening. Congratulations for the nice set of numbers. I have 3 questions. Number 1, as you cannot give any future looking guidance, if I can ask you for a broad number of, say, 3 years' aspirational number, a broad revenue you would like to hit, a broad goal post number, if you can please guide us? Not a year-on-year, but a 3-year aspirational number if you have in mind in terms of revenue?

Yashpal Sharma: We would not want to focus so much so and talk about how the 3 to 5-year projections are there in terms of revenues, but our volumes will consistently -- and that is our key focus. When we get into newer markets, that gives us access into -- so some of our customers who are actually procuring from multiple markets in Asia, and there are existing customer to us in multiple markets already. We are able to participate and work with them and handle their logistics from these new markets.

That will add a lot of business, plus we will acquire more customers as we go along. If you look at the trends in the last say, even 10 years for us, we've had a very consistent growth in our new customer acquisition, and we've had a consistent growth in our volumes. Every year, we have been growing our volumes. That is what we want to remain and create a strategy going forward as well, whether it is air, ocean, trucking, express.

Like Himanshu ji just mentioned, that the trade lanes that we work on. Historically, there were certain trade lanes where the yield per kilo or yield per TEU was slightly less, and we have now started to focus more in the higher yield trade lanes. That helps us on the revenue side, and it helps us also on the profitability side. In terms of our volumes, we see a very consistent growth in the next 3 to 5 years, similar to what we've been seeing in the last three.

Ameet Kishorpuria: The last 2 years, you had 48% CAGR growth in terms of revenue. Do we expect similar runs or, if you can give a ballpark figure, not any guidance per se, but any first ballpark benchmark you have or goal post you have in mind?

Yashpal Sharma: Maybe we'll come back to you on this question and probably give you…We've not created something for 3 to 5 years as an exact goal post for us. We feel that, what we have been growing, say, for example, this year in this quarter, we see that as a very possible growth for us in the in the quarters ahead and which itself, on the compounding basis, means a very decent number from where we are.

Ameet Kishorpuria: Okay, fair enough. My second question would be in regard to Q1 ROE number if you have with you, return on equity for Q1 if you have or your CFO sir have? What is the ROE for this quarter?

Himanshu Chhabra: The ROE historically has been 14% to 15%, and we would have, as the capital base has gone increased in the in the in the month of September post-listing, the capital increase. The ROE analysis would be better if we do at the September-end quarter.

Ameet Kishorpuria: Why I'm asking you this question, because bulk of the primary fund you have raised, that has gone towards retiring of working capital, right? And working capital loan comes at 9%. ROE you are making 15, and the equity investors have an expectation of 24% IRR. Going forward, where is the ROE you are targeting, like if you can help me understand this part?

Himanshu Chhabra: The current quarter ROE is better, as the profitability has improved in the, and the equity base has remained the same as the March number. Once the as we close the September quarter, the ROE will depend on the profitability that is achieved and the capitalization that is the capital increase that has happened.

It will have a marginal correction, obviously, because of the expanded capital base. But as we grow along towards the year closure and the years ahead, the targeted range will always be around 15% that we would ideally want to remain on.

Ameet Kishorpuria: No, but what I'm trying to ask, sir, is because the loan has been repaid or about to be repaid, which was at 9%, don't you think it will drag the RoE number to a much lesser number?

Himanshu Chhabra: No, sir. The reduction of this debt is strategic in nature, right? And if it has an effect on the RoE, a temporary effect on the RoE, going forward, our overall realizations will the profitability will take care of the RoE as we expand in the years ahead.

Ameet Kishorpuria: Okay. As regards my last query is regards your other subsidiary called Brace Port. Since its listing, there has been shareholder wealth erosion. What do you say for that because that's a listed entity already? Can you please put some light on that as to what the company means what is the thought in that regard? Although it is not directly related to this company, but because it is a group company and a subsidiary, what do you highlight on that?

Himanshu Chhabra: Obviously, on the on the stock price, these are the market-driven, and we would not want to comment on those aspects. But fundamentally, the company's growth has been decent on the profitability. Although year-on-year, there was a correction in the last year because of the realization pressure specially that company is focusing on the ocean freight business, and the realizations last year were slightly less. The performance in the quarters that has been consolidated into the current Skyways consolidation, we feel that the current quarter and the next quarter will have a good fundamental growth in the business of Brace Port as well.

Ameet Kishorpuria: Okay, thank you so much. That's all from my side. Thank you.

Himanshu Chhabra: Thank you.

Moderator: Thank you. Next follow-up question is from line of Subhanu Bangal from Three Head Capital. Please go ahead.

Subhanu Bangal: Yes, thank you for follow-up. Sir, which are the industry doing great for us as per Q2?

Yashpal Sharma: The business trends that we have been seeing, pharmaceutical continues to remain a good sector for us. The other sectors that have been also significantly growing for us are the textiles and readymade garments plus automotive and also consumer electronics. These are some of the sectors which have been doing well for us and apart from that, we do a lot of auto parts, and we do fruits and vegetables. The focus except so the only commodity we don't handle is non-vegetarian. We don't handle non-veg, we don't store, and we don't move non-veg. Apart from that, all commodities have got a decent kind of portfolio for us, but the larger commodities is what I mentioned to you.

Subhanu Bangal: Great. My second question on the realization. Are you seeing same kind of realization in Q2 or any correction because war is still continue?

Yashpal Sharma: Currently, the trends, the fuel index, which had started to go down slightly, has again come up. If you look at the fuel index, and like I mentioned, I can share certain indexes with you where you can track the trends in the last 2, 2.5 months to get your better picture. I'm happy to I speak them out here if you want to note them down, or otherwise we'll have Dolat team or Adfactors to release them to you.

Indexes like worldacd.com, freightos.com, or webcargonet.com. They track the air and ocean pricing I mean except WorldACD, which does air only, the Freightos and WebCargo.com, both of them are tracking air and ocean trends in terms of per unit, trade lane-wise. So, you can get all various different mixes from there. We hope that the fuel indexes remain in check, which is good for the trade overall.

Subhanu Bangal: Yes, it will be good for investor also. Thank you. Thank you, sir. Best of luck.

Yashpal Sharma: Thank you-Ji.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Rohan Gupta from Dolat Capital for closing comments.

Rohan Gupta: Yes. Thank you. Thank you, Mr. Sharma and Mr. Chhabra, for taking the time to interact with the investor community and for sharing your perspectives on the business and its outlook. I would also like to thank all the participants for joining the call and for their questions. On behalf of Dolat Capital, we wish the management and the entire Skyways team all the very best for the future. With that, we conclude today's conference call. Thank you, everyone, and have a great evening.

Yashpal Sharma: Thank you, Rohan. Thank you, everybody. We look forward to engaging with you in the future as well. Thank you very much. Have a good evening.

Himanshu Chhabra: Thank you so much. And we look forward for the Second Quarter ending and the Conference Call thereafter. Thank you so much, everyone.

Moderator: Thank you very much. Thank you all. On behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.