Popular Vehicles and Services Ltd
Kuttukaran Centre
Mamangalam, Kochi 682025
t 0484 2341134
e cs@popularv.com
www.popularvehicles.in

CIN L50102KL1983PLC003741
KERALA – **GSTIN** 32AABCP3805G1ZW
TAMIL NADU- **GSTIN** 33AABCP3805G1ZU
KARNATAKA **- GSTIN** 29AABCP3805G1ZJ
TELANGANA **- GSTIN** 36AABCP3805G1ZO

Ref No: PVSL/SEC/48/2026-27

Date: 19th August, 2026

To,
BSE Limited ("BSE"),
Corporate Relationship Department,
2nd Floor, New Trading Ring,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Scrip Code: 544144
ISIN: INE772T01024

To,
National Stock Exchange of India Limited ("NSE"),
Exchange Plaza, Plot No. C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.

NSE Code: PVSL
ISIN: INE772T01024

Dear Sir/Madam,

Sub: Transcript of the Investor Conference Call – Un-Audited Financial Results for the quarter ended 30th June, 2026.

In continuation to our intimation dated 07th August, 2026, and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith the transcript of Earnings Conference Call held on Wednesday, 12th August, 2026 on the Un-Audited Financial Results of the Company for the quarter ended 30th June, 2026.

The same is available on the Company's website at **www.popularvehicles.in**

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For Popular Vehicles and Services Limited

VARUN T V
Digitally signed by VARUN T V
Date: 2026.08.19 16:02:37 +05'30'

Varun T.V.
Company Secretary & Compliance Officer
Membership No: A22044
Place: Kochi

"Popular Vehicles and Services Limited

Q1 FY27 Earnings Conference Call"

August 12, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 12th August 2026 will prevail.

MANAGEMENT: **MR. NAVEEN PHILIP – MANAGING DIRECTOR AND PROMOTER – POPULAR VEHICLES AND SERVICES LIMITED**
MR. RAJ NARAYAN – CHIEF EXECUTIVE OFFICER – POPULAR VEHICLES AND SERVICES LIMITED
MR. ABRAHAM MAMMEN – GROUP CHIEF FINANCIAL OFFICER – POPULAR VEHICLES AND SERVICES LIMITED
MR. AAMIR AHMED -- DEPUTY CHIEF EXECUTIVE OFFICER – POPULAR VEHICLES AND SERVICES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Popular Vehicles and Services Limited's Q1 FY27 Earnings Conference Call. 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 then zero on your touchtone phone. Please note that this conference is being recorded.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance, and it may involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Naveen Philip, MD and Promoter of Popular Vehicles and Services Limited. Thank you, and over to you, sir.

Naveen Philip: Thank you. Good morning, everyone, and thank you for joining us today for the Q1 FY27 earnings call of PVSL. Joining me on the call today are Mr. Abraham Mammen, our Group CFO; Raj Narayan, our CEO; Aamir Ahmed, our Deputy CEO and other members of our senior management team.

Coming to the quarter, we have started FY27 on an encouraging note. The improvement in demand that we started seeing during the second half of FY26 has continued into the current year. Customer sentiment has improved meaningfully compared with the same period last year.

The GST reforms announced in September '25 have continued to support affordability, particularly in the entry-level Passenger Vehicle segment. We are seeing better inquiries, healthier showroom footfalls and improved conversions. More importantly, our Q1 performance reflects a healthy combination of reported growth contribution from businesses acquired during FY26 and a strong organic growth across our existing network.

Before I get into this in detail, Q1 of last year included Honda and Piaggio, which was subsequently divested, while the current quarter includes businesses and locations added during FY26. Therefore, in addition to the reported numbers, we have also looked at the performance on a like-to-like basis after excluding Honda and Piaggio from the previous year base, and then, on an organic basis after further excluding acquisitions and expansion.

At the consolidated level, revenue from operations grew approximately 44% Y-o-Y to INR1,890 crores. Total vehicle volumes increased approximately 81%, while overall reported service volumes grew marginally by approximately 1%, but on a like-to-like basis, after excluding Honda and Piaggio from the previous year base, the revenue growth was approximately 52%, new vehicle volumes grew approximately 91% and service volumes grew 13%. The growth was broad-based across our new vehicle business.

In Passenger Vehicles, excluding luxury, reported revenue grew approximately 54% year-on-year, while new vehicle volumes increased approximately 83%. Service volumes were lower by around 5%, although service income continues to grow on the back of better realizations and higher-value jobs.

In Luxury Vehicles, reported revenue grew approximately 42%. New vehicle volumes increased by 39%, and service volumes grew approximately 87%. The addition of Audi has strengthened our luxury portfolio alongside the existing JLR business.

In Commercial Vehicles, reported revenue grew approximately 35%. New vehicle volumes increased approximately 41% and service volumes grew approximately 15%. Sequentially, volumes moderated compared with Q4 amid the prevailing macroeconomic environment, but Y-o-Y performance remained healthy.

In our EV business, reported revenue grew 113%. New vehicle volumes grew 153%, while service volumes grew 60%. Ather continues to see healthy customer acceptance supported by our wider network and growing installed base. So overall, the reported numbers reflect a significant increase in the scale of the company compared with the same period last year.

Coming first to acquisitions. FY27 is the first full year of contribution from the 3 businesses we acquired during FY26. These include the Maruti operations of R.K.S. Motors in Telangana, the BharatBenz operations of Globe CV in Punjab and the Audi operations acquired from Olympus Motors across Telangana and Andhra Pradesh.

Starting with R.K.S., our Telangana Maruti division contributed approximately INR126 crores of revenue during Q1 FY27. For a comparison, this business contributed approximately INR151 crores during the full half year of FY26 following the acquisition.

Coming to Globe CV, the BharatBenz Punjab operations contributed INR71 crores during Q1 compared to INR150 crores across approximately 3 quarters of FY26. And the Audi operations acquired from Olympus Motors contributed approximately INR20 crores from Q1 compared to INR20 crores from the Q4 of last year.

So across all 3 businesses, the current quarterly run rate demonstrates the scale-up that has taken place since the acquisition. Operationally also, the performance has improved steadily. New vehicle sales scaled faster while service throughput is recovering gradually, as we rebuild the customer base and increase workshop utilization.

The acquired businesses have now reached a much healthy operating level and are contributing positively at the EBITDA level. Our focus from here on is improving utilization, increasing service throughput and extracting further operating leverage. Acquisition-related depreciation and finance costs under IndAS continue to impact profitability below EBITDA.

Therefore, the next phase is about converting a stronger operating performance into sustained reported profitability. This is consistent with what we had outlined earlier. FY26 was largely a year of investment and integration, while FY27 is focused on stabilization, scaling and improving profitability.

As guided during our previous call, we expect the acquired business to achieve sustainable profitability at the PAT level from Q2 onwards. Importantly, the acquisitions and geographic expansion have also helped us achieve one of the diversification objectives we had outlined earlier.

In Q1 FY27, the revenue contribution from Keralam, or Keralam as is now called, declined to below 50% for the first time, and our focus will be to sustain this more diversified geographic revenue mix going forward. Equally important is the performance of the existing businesses because Q1 growth has clearly not been driven only by acquisitions.

At a consolidated level, organic revenue grew 33% Y-o-Y and organic new vehicle volumes increased approximately 58%. Organic service volumes remained stable. In Passenger Vehicles, excluding luxury, organic revenue grew 49%, while new vehicle volumes increased 70%. Organic service volumes, however, declined by a small margin.

Nexa continued to perform well, while Arena has also returned to growth after being under pressure over the last couple of years. Improved affordability following the GST reforms has supported the entry-level segment, which remains an important market for us.

In our existing Luxury business, organic revenue grew 21%. New vehicle volumes remained broadly stable, while organic service volumes increased approximately 9%. Our Commercial Vehicle business also delivered healthy organic growth with revenues increasing 21%, new vehicle volumes growing 34% and service volumes increasing by 5%.

And in EV, organic revenue grew 54%. New vehicle volumes increased 57%, and service volumes grew 43%. So the key takeaways from Q1 is quite clear. The acquisitions are scaling, while the underlying existing business are also delivering strong growth. Both are contributing to a significant improvement in our reported performance.

Coming specifically to aftersales, this continues to remain an important focus area for us. While consolidated reported service volume growth was modest, there were some encouraging underlying trends. Within Passenger Vehicles, service volumes were impacted by the rationalization of low-value job cards. However, service income grew, supported by higher-value jobs and better realizations.

Luxury services recorded strong growth, while CV services remained healthy. EV service volumes also continued to scale strongly as the installed vehicle base expanded. The acquired dealerships had a relatively subdued service throughput when we took over these businesses.

New vehicle sales have recovered faster, while service naturally takes longer because we need to rebuild retention, customer engagement and workshop utilization. We are seeing improvement across these businesses, and as the large vehicle base starts flowing into our workshops, we expect service revenues to scale progressively.

This is particularly important because services, repairs, spares and accessories provide recurring and higher-margin revenues and remain central to improving the quality of our earnings. Alongside services, we continue to strengthen our spares and broader aftermarket business.

We already have an established physical distribution platform with a sizable network and diversified customer base. During FY26, we commenced distribution of BKT's 2-wheeler and passenger car radial tyre segments in Keralam and Karnataka. This allows us to leverage our existing warehouses, distribution infrastructure and customer relationships and also support the broader objective of increasing the contribution from recurring and higher-margin aftermarket revenues.

During Q1, we also strengthened our network. We commenced a new Maruti Suzuki Service Center at Koyilandy in Keralam, 2 Tata Commercial Vehicle outlets at Perumbavoor and Kazhakuttam and a JLR sales and service facility at Nagpur. These additions support our strategy of building a diversified multi-OEM, multi-state platform while deepening our presence across sales, service and the aftermarkets.

Coming to inventory. We have continued to maintain a disciplined approach. New vehicle inventory days stood approximately at 32 days compared with around 50 days a year ago and remain broadly around the industry levels. What is particularly important is that despite the significant increase in revenue and expansion of our network, absolute inventory increased by only about 14% year-on-year. This reflects better inventory productivity and working capital discipline.

Sequentially, inventory increased from March levels. This was largely deliberate as a part of our preparation for the festive season and new model launches by our OEM partners. So while we have built some inventory ahead of the festive period, the overall position remains significantly healthier than a year ago.

Debt levels are higher compared with the same period last year, primarily reflecting the acquisitions and network expansion undertaken during FY26. We remain conscious of this, and financial discipline continues to be an important priority. With these investments now largely in place, we are focused on making the larger platform work harder through higher utilization, better working capital efficiency and stronger cash generation.

Coming to profitability, reported EBITDA increased approximately 87% Y-o-Y to INR71.5 crores, with EBITDA margins improving to 3.8% from 2.9% in Q1 last year. To provide a comparable view after acquisition and divestment effect, adjusted EBITDA stood at INR62 crores, approximately 82% increase Y-o-Y.

At the PBT level, adjusted PBT stood at INR11.2 crores, while reported PBT returned to the positive territory at approximately INR1.9 crores compared with a loss of INR11 crores in Q1 last year. This is an important improvement for us.

Acquisition-related depreciation and finance costs under IndAS continued to impact reported profitability, but with the acquired businesses scaling and operating leverage improving, we expect this impact to be progressively absorbed by the larger operating base.

Other income during the quarter includes a one-off benefit of approximately INR5 crores arising from lease modification relating to our Telangana operations. Overall, improvement in both reported and adjusted profitability is encouraging, and our focus from here remains on translating the higher scale into stronger margins, cash generations and return ratios.

Looking ahead, the demand environment remains encouraging as we enter the festive period. Pre-festive inquiries and showroom footfalls have been healthy across segments. We're also seeing healthy momentum across our key OEM partners with Maruti Suzuki, Tata Motors

Commercial Vehicle witnessing strong retail traction, while JLR continues to perform well in luxury. Our EV portfolio also continues to benefit from the healthy customer acceptance.

We are now entering an important period for the automobile industry, beginning with Onam and Varamahalakshmi, followed by Ganesh Chaturthi, Navratri, Dussehra and Diwali. With improving customer sentiment, new model launches and better vehicle availability, we remain positive on the demand environment over the coming months. At the same time, our focus will remain not only on growth, but increasingly on the quality and profitability of that growth.

To summarize, FY26 was a year in which we made significant investments to strengthen and reposition the business. Q1 FY27 is beginning to demonstrate the benefits of those actions. We now have a wider OEM portfolio, a broader geographic footprint and a stronger platform across new vehicle services and the aftermarket.

Our priorities remain clear: scale the business acquired last year, sustain organic growth across the existing network, improve service throughput, maintain working capital and financial discipline and increase the contribution from recurring higher-margin revenues. We believe these actions will enable us to build a more resilient and profitable business and create a sustainable long-term value for all our stakeholders.

Before I hand over to Abraham, I would like to take this opportunity to thank Raj for his valuable contribution to PVSL over the years. As this will be his last earnings call with us, on behalf of the Board and the entire team, I wish him the very best for the future. Raj will continue with the organization until the end of August to ensure a smooth transition while the process of identifying his successor is underway.

With that, I would now like to hand over the call to Mr. Abraham to take you through the operational and financial performance for the quarter in greater detail. Thank you.

Abraham Mammen: Thank you, Naveen, and good morning, everyone. I will take you all through the company's operational and financial performance for quarter 1 of FY27. Before I start, please note that Honda and Piaggio volume and revenue was till August 2025 only.

The key highlights of quarter 1 FY27 in the Passenger Vehicles, new vehicle volumes stood at 10,475 units, up 83% year-on-year. Total income from the segment stood at INR836 crores, up 73% year-on-year. The service volume stood at 1,90,801 units, down 5% year-on-year. The total income from the segment stood at INR169 crores, up 11% year-on-year.

Commercial Vehicles, new vehicles stood at 3,495 units, up 41% year-on-year. Total income from the segment stood at INR564 crores, up 33% year-on-year. Service volume stood at 52,647 units, up 15% year-on-year. Total income from the segment stood at INR107 crores, up 47% year-on-year.

In the EV segment, new vehicles stood at 3,330 units, up 153% year-on-year. Total income from the segment stood at INR55 crores, up 122% year-on-year. Service volume stood at 13,232 units, up 60% year-on-year. Total income from the segment stood at approximately INR3 crores, up 12% year-on-year.

Now moving to the financial performance. Our total income for the quarter stood at INR1,903.1 crores, up 44.6% year-on-year. EBITDA stood at INR71.5 crores, up 86.6% year-on-year. EBITDA margin stood at 3.8% for quarter 1 of FY27.

On an adjusted basis, after accounting for the acquisitions and the divestment effects, EBITDA grew approximately 82% year-on-year to INR62 crores, while adjusted PBT stood at INR11.2 crores compared with reported PBT of INR1.9 crores. There was a reported profit of INR1.4 crores in quarter 1 of FY27 versus a loss of INR8.8 crores in quarter 1 of FY26.

The other update, the state-wise revenue breakup for the quarter: Keralam, 49%; Tamil Nadu, 22%; Karnataka, 12%; Maharashtra, 5%; Punjab, 4%; Telangana, 8%; and Andhra Pradesh, 0.3%.

The recent awards and recognitions: Popular Mega Motors India Private Limited was conferred 4 awards at the Tata Motors National Dealer Conference held in Goa; Highest Market Share growth for the CV Passenger; Highest Market Share Growth for SCV Cargo - ACE; Highest Sales for Tata Winger; Spare Parts Process Excellence.

That's it from my side. Now, I would like to open the floor for questions and answers.

Moderator: The first question is from the line of Raghunandhan from Nuvama Research.

Raghunandhan: Congratulations, team, for a strong set of numbers. And also thanks to Raj sir for all the contributions. On questions, sir, can you talk about the demand situation given that in opening remarks, you highlighted upcoming Onam festival. How are you seeing the growth in inquiries? And how do you think the tone will get set for the festive period? Also, if you can indicate how do you see the growth expectation for H2 FY27 for EV, PV and CV segments?

Raj Narayan: Thank you, Raghu. Thank you so much for the best wishes. When you look at the last, say, few days, the inquiries are on a growth of about approximately 20% compared to the last year same time. And when you look at the last month, it's in the range of about 17%, 18%. But bookings have shown a much higher growth at about 22% growth year-on-year of the same time and 20% compared to the last month.

However, you keep in mind that in our major market, Keralam, it's an inauspicious time right now, which finishes on the 16th of this month and 17th is when the auspicious time, the Onam-Chingam month starts. So the actual kind of impact we will see from then only. And as far as the retail is concerned, it will really pick up after 17th because people would love to buy it only during the auspicious time.

In terms of H2, since H2 was on a very high growth on the Passenger Car segment, in the last year H2 -- I mean, now, we are growing in the range of about 80%, 90% from year-on-year so far on most of the months. That may come down a little bit because of the heavy base, but still it will be on a growth and will not be on a degrowth. However, the actual numbers, we'll have to wait and -- I mean, see, unless, Naveen, you want to add on something on the H2?

Naveen Philip: No, I think H2 numbers, Raghu, I think, will remain quite strong and especially given the fact that the GST reforms happened on September 22nd. So the numbers were muted in September.

So H2 to H2, we'll see a strong growth. We'll have to wait and watch for the Q3 numbers because Q3 was where we had a significant growth in small cars and across all segments. But as of now, in terms of customer sentiments, PV, CV and EV remains quite strong.

There is a little bit of supply constraints on 2 aspects: one is on the EV side. Ather, we're still probably about 5 days stock in terms of Ather. And JLR also supply has been a little bit constrained.

Audi, with the new launch that will happen in Q3, I think stronger numbers would happen in Q3. On the service side, spare parts remains a concern in terms of supply. So there is a short supply on spare parts, and hence, a lot of vehicles getting stuck in the workshops. But overall, customer sentiment in terms of new vehicle buying remains very strong.

Raghunandhan: Wonderful, sir. Good to hear that. Sir, on the second question, over the last 7 quarters, EBITDA margin has trended higher and currently at over 3%, even excluding the one-time benefit. How do you see the margin journey in future towards 4%, 5% margin? How should the turnaround in acquisitions also contribute to the margins ahead?

Naveen Philip: Well, sequentially, the margins will go up. In terms of overall EBITDA margin hitting the 5% will take a long time because our commercial vehicle contribution has increased significantly, where the EBITDA margins are a bit lower.

So while absolute EBITDA numbers keep growing up, because if you look at as a percentage of revenue, commercial vehicles, our average ticket size is close to about INR17,00,000. So the EBITDA margins as a percentage might reflect lower, but strong growth in EBITDA is expected.

Raghunandhan: Got it. Got it, sir. And in terms of the new acquisitions, if you can throw some more light from Q2 onwards, the performance is expected to improve, and over what period? Over the next 12 to 18 months, do you think the profitability can reach the same level as the existing business?

Abraham Mammen: So basically, when we look back, what we had committed is that the businesses would breakeven and turn profitable to the second half of the year. The Globe business that we acquired sometime around August of last year, in fact, has actually broken even. They are actually positive. All of these businesses on an EBITDA level currently are positive. All of them contribute. If you put the 3 acquisitions together, they are around INR9.4 crores positive.

The major impact that we actually find is below that in terms of the depreciation and the finance cost that we have. But having said that, the 2 businesses, R.K.S. and Olympus, we are on track in terms of becoming profitable. By the end of Q3, we should actually start to actually see that becoming more profitable in terms of at a PAT level.

So Olympus might take even one more quarter, but the acquisition in Telangana, the volumes and sales have picked up. The only reason that we actually are seeing a negative P&L there is because the service volumes has not grown as such. And that also, as Naveen mentioned in his opening remarks, that it takes a little bit of time to actually pick up in terms of volumes, but we are expecting that to get on track by quarter 4 of this year.

Raghunandhan: Again, on the demand side, you have presence in several states catering to both the urban and rural customers. In any of the states, are you seeing any concern relating to rural demand because rainfall seems to be like not equally distributed. So any concerns? Or would you say that rural demand also continues to be strong?

Naveen Philip: So if I break it down into segments, Passenger Vehicle demand across all areas that we operate in, we see no issue in demand, be it Telangana, be it Karnataka, Chennai or Keralam. We have not seen any issue in demand.

Commercial Vehicles, on the other hand, we have a lack of demand in the construction sector, and that is across most areas. It's not restricted to a specific area. Part of it is because of significant environment concerns, be it in Keralam, Tamil Nadu, et cetera. But part of it is also in terms of construction slowdown that's happening across these…. So the tipper segment in commercial vehicles, we are seeing a low to negative growth in terms of Tipper segment. But the small, intermediate, light commercial vehicles, Cargo segment, all are holding good.

EVs, across the areas, we're seeing strong growth. EVs in rural segment has still not picked up too much, but hopefully, that will also start turning around.

Raghunandhan: Well noted, sir. The future looks bright, and wishing you all the best for future.

Moderator: The next question is from the line of Gautham Madhavan from FedEx Express.

Gautham Madhavan: Naveen, congrats on the great set of numbers. A couple of questions from my side. On the adjusted PBT of INR11.2 crores, can you just state exactly what are we adjusting for in those numbers?

And the second question is just around the margins on PV and Luxury. How do we kind of think about those margins going forward? And if you can give some sense of what is that looking like because of the acquisitions and ex of the acquisition.

Abraham Mammen: So, to answer the first question, Gautham, in terms of the difference between the reported PBT and the adjusted PBT, the reported number, that 9.3 -- EBITDA that basically on account of the acquisitions that we've taken: the Globe, R.K.S. and Olympus. The EBITDA is actually INR9.4 crores. Globe has given us an EBITDA of INR2.1 crores. R.K.S. has got an EBITDA of INR7.4 crores.

Olympus is neutral. But the impact of the depreciation and the interest cost, the finance cost that we have -- depreciation, we've got an impact of close to INR12 crores, and our finance, we have got a cost of around INR6.8 crores. So when we net off the EBITDA, INR9.4 crores positive with the depreciation and finance cost, which is another INR9.4 (Errata: Actual number to be read as INR18.8) negative, you'll actually get a swing between the INR11.4 (Errata: Actual number to be read as INR11.2) crores and the INR1.9 crores.

So this is on account of the acquisitions that we actually have. So Globe is actually neutral in terms of profitability. At a PBT level, R.K.S. has actually got a negative INR5.3 crores, and Olympus has got a negative INR4 crores. So that's the swing of the INR9.4 crores.

Gautham Madhavan: Got you.

Naveen Philip: Your second question, Gautham, can you just repeat in terms of PV EBITDA numbers you want to know?

Gautham Madhavan: Yes. PV -- Naveen, on the segmental numbers that you've all put out, I think PV has come in at 1.1%, and Luxury has seen a dip in terms of margins. If you can just throw some color on what is that because of the core business and what I mean is ex of acquisitions? And then how much is the acquisition kind of contributing to dragging those numbers? Or is it something else that we're seeing?

Naveen Philip: Yes. So basically, in terms of if you look at JLR EBITDA in Luxury, we were at INR8.2 crores in terms of FY26 Q1. And we are approximately INR10.5 crores in Q1 this year. But if you look at the ICPL, the Audi numbers, we are at 0 in terms of EBITDA. So when you take the overall EBITDA margin that drags us down. But that would see a change over the next couple of quarters with the launches that are happening from Audi and the numbers also significantly going up from Q2 onwards.

In terms of the PV, we would have taken a dip from the Honda business, which Q1, there was a contribution of about INR4.2 crores. But overall PV, we have gone from INR9.4 crores to about INR35 crores in terms of the Maruti business. But Honda, we would have a negative of INR4.2 crores.

Gautham Madhavan: And, Naveen, just following up to that, how should we think of the segmental PV -- passenger car margins going forward for the year? Is there any guide that you can kind of give us on that?

Naveen Philip: So we are seeing a strong growth in both our Maruti business -- so Maruti business across all segments, including service also. So in terms of -- currently, we are at around 4% in terms of PV EBITDA as such. So that should keep inching forward in Q2, Q3 and Q4 with Audi also coming in line. So Maruti business will continue to grow and both JLR and Audi put together will also have a higher EBITDA contribution.

Gautham Madhavan: Got you. Just one last question from me, Naveen. Given the current scale of your business and just the national presence, how would we rank nationally in terms of dealership for Maruti? And is there any -- if you just could think through some of the benefits that will flow through by virtue of that? Or is there nothing really that we should expect on that front?

Naveen Philip: So we have taken a slightly conservative view in terms of overall the year-end revenues and -- not year-end, what you call, the incentives that we would incur because of our volume increase. As of Q1, we are number 2 all India in terms of Maruti. Similar in Tata, we are close to number 2.

BharatBenz, again, number 2. In Ather, we are number 2. So each of these segments that we operate, we are in the top 2 positions nationally. And that in terms of year-end incentives should add to it. Plus, in terms of the operational benefit that we get in terms of consolidating over various consumables that we consume in terms of paint, oil, et cetera, which we are on negotiation. Some of it was stalled because of the war situation.

Most of the lubricant companies didn't want to take a long-term view, which I'm not too sure if that view would change because the war seems to be going on. But we're still in touch with both the lubricant and paint companies to have a renegotiation on the long-term contracts. So that benefit would flow in. By -- overall, in terms of consolidated basis, we would be -- as we stand today, I think we would be number 1 in terms of revenue terms all India as a dealership entity.

Moderator: The next question is from the line of Himanshu Bisani from PinpointX Capital.

Himanshu Bisani: Congratulations on a strong performance. Sir, I wanted to understand that we have previously guided for a 10% to 12% service volume growth, which we -- which was a minus 5% in quarter 1 Y-o-Y. So just wanted to understand what kind of numbers are we looking at for this rest of the year? And are we on the track of our guidance? And also on the margin front, continuing on that, that volume growth from services would in turn increase our margins as guided, so how do we look at that?

Naveen Philip: Yes. So if you look at PV volume, though we have said 5% drop in Q1, if you remove the Honda numbers, we will be at a growth in terms of overall numbers in terms of service volumes. But if you look at in terms of ASP of service, we have actually grown by 15% in terms of ASP of service.

So in terms of volume, we are hoping to grow from Q2 onwards. July numbers have come in pretty strong in terms of growth. So we're hoping to maintain that. And from Q2 onwards, we wouldn't have the effect of Honda. So Q2 onwards, we'll see a growth. I wouldn't say 15% growth, which we have guided, but we'll show -- we'll be having a growth of about 6% to 7% in terms of volumes.

And in terms of ASP, we'll continue to grow as the volume mix in terms of new car sales over the last 2, 3 years, the average ASP of the new car has gone up. So even if you look at this year Q1, if you look at the Maruti division, we have gone from 6.6 average ASP to 6.7, and from JLR, from INR1.07 crores to INR1.26 crores, though you see the ASP reported in PV segment as a lower thing, that's because Honda was giving us an ASP of 9.3, which is no more there in the system. But Q2 onwards, we'll see that ASP increase also, and that would reflect in service numbers ASP, and the volume growth will happen about 6%, 7% from Q2 onwards.

Himanshu Bisani: Understood, sir. And sir, what can that relate to in our margins?

Naveen Philip: So if you look at the EBITDA margins of PV, we are at around 15.5% to 16% for Maruti, and we are at about 17%, 18% for JLR. So that would continue to contribute. As the numbers and the ASP goes up, that margin would contribute to the overall EBITDA numbers. So that is why we've said that the 4% EBITDA that we have on passenger vehicles currently would keep inching upwards from Q2 onwards.

Himanshu Bisani: Understood, sir. Sir, on the recent price increase, which has been taken by OEMs, what does impact have on our numbers? Do we get to keep some part of it? And what kind of margins that we have on that?

Naveen Philip: So if you look at the overall price increases by Maruti, it has been significantly very low, between INR5,000 to INR7,000 and in most of the vehicles, except in a few models, which has gone up by about INR10,000, INR15,000 and such. There is no major significant impact on our side, except that there's something called the dealer rebate fund or reserve fund that is there, which you will get some marginal positive on that. But overall price increase, not much of an impact either to the consumer or to us in that manner.

Himanshu Bisani: Okay. Sir, on your inventory days being 32, and you have been telling the cost optimization. So the extra cash or the extra cash profit that we continue to generate, how does that help us? Are we looking to reinvest into growth or we are looking at to deleverage our books?

Abraham Mammen: So basically, in case of cash generated from the operations, the first effort is to actually repay and reduce the debt that is on our books. Currently, the only kind of the Capex spend that we have is more in terms of the replacement Capex and the current projects that are in progress. So there's nothing that is really planned in terms of an acquisition kind of an expansion at this point.

Moderator: The next question is from the line of Shirish Pardeshi from Motilal Oswal.

Shirish Pardeshi: Naveen and team, congratulations for good recovery. Looking at the numbers, I mean, those numbers are impressive. You have good commentary on the futuristic quarters. I just wanted to understand, when I read back, Onam is around the corner. So I'm just asking in the price increases, which is just getting implemented or executed, in that context, how the consumer behavior is changing over last year Onam compared to this year?

And obviously, the EV traction is building up. So can you say something about how the consumer is behaving, especially when the festive season is just getting started in Keralam.

Raj Narayan: Shirish, as Naveen said, as mentioned earlier, it has not been such a big hike in terms of absolute value, and it has not created any impact. It has neither slowed down our inquiry or booking or retail, even after the Q1 close, which is the number we've seen, even if you take July per se, it's slightly more than the growth recorded in Q1. And with Onam coming in, we are expecting a much higher one. So, so far, that has not impacted us, not just in Keralam in any of our markets that we operate.

Shirish Pardeshi: Raj, that's helpful. I just wanted to check, is the preference for mini entry cars is higher as compared to last year? Or is it the mix is moving towards EV?

Raj Narayan: The smaller cars have recovered. If you look at the Alto K10, and the WagonR, that has really shown much higher traction and -- than the rest of it. S-Presso was also doing very well, but there's some change happening and the stocks have slightly come down now. But otherwise, the entry-level segment is what has taken -- I mean, Naveen was mentioning much earlier in his opening remarks that while Nexa was growing consistently for the past many years, Arena has shown a recovery.

The reason for Arena is showing a recovery is because all the entry-level cars largely are in the Arena portfolio. And we are expecting that to grow further because during this festive season, the percentage of the first-time buyers coming in is much higher, so -- across August, September.

In September, anyway, last year was a dampener because people waited till 22nd of September to start purchasing. The first 3 weeks has been hardly anything because of the GST reforms announced at that time. So considering both, there's a good growth we are expecting in across August and September, where with all the festive offers coming in, the small car sales should show a much higher growth.

Shirish Pardeshi: That's exactly what I was checking because we have a base effect also. Okay. Anyway, I got it. Just last question. On the inventory side, how much new price inventory has already flowed in? And maybe if you can give what is the current status of inventory we are holding for OEMs?

Naveen Philip: OEMs across, so if you look at Maruti today, if you look at -- the forward month, if you look at August numbers and then see July inventory levels, we would be holding for approximately -- the entire August month inventory we'll be holding as of August 1. All other inventories are below -- approximately 30 days or so in terms of August, September outlook. In terms of Audi alone, we would probably have a slightly higher inventory, which we are hoping that in August and September, we would get rationalized to about 20, 25 days.

Shirish Pardeshi: Really helpful, Naveen. And Raj, all the best to you.

Raj Narayan: Thank you, Shirish. Thank you very much.

Moderator: The next question is from the line of Nilesh Doshi from Prospero Tree AMC.

Nilesh Doshi: Congratulation for the better results. Sir, my question is related to the business model. Sir, we are operating the 2 business segments, namely vehicle sales and service and spare parts. Sir, vehicle sales is high in revenue, but a little bit lower in margin, whereas the service business is providing the low revenue, but very high contribution to the EBITDA and profitability.

Sir, my question is, is our new vehicle sales business is generating the positive contribution considering the interest cost is largely pertaining to new vehicle business. The first question, please reply on that, then I will ask another question.

Abraham Mammen: Sorry, Nilesh, if I understood your question, you're talking about the inventory cost related to the new vehicles. Currently, the...

Nilesh Doshi: No, sir. My question is related to whether our new vehicle sale business is generating the positive profitability because I consider whatever the interest cost is there, it is particularly to our new vehicle sale business, it is inventory or the showroom or anything else, so -- but because we are not spending too much or we are not investing in spare part and service business.

Abraham Mammen: Okay. So the sales, there is still scope in terms of improvement in terms of the volumes and the profitability on the sales part of it. The major part in the dealership business is to see how you maximize the profits there, and also, in terms of maximize the volumes there, and also, see how we can also get more in terms of the incentives that we earn from the OEMs there. So if we look at the sales in isolation perspective, no, we have not actually -- we are on a...

Naveen Philip: So Nilesh, if you look at -- I'll give you segment-wise in terms of EBITDA numbers, and then, we'll go into interest cost. So last year, if you look at our Maruti business, we were -- quarter 1, we were negative in terms of EBITDA.

We were about 2% negative in terms of sales thing, which has now become a positive 1.7%. Even if you remove interest cost, which is in the region of about 0.85% or so, we are at around 0.85% in terms of profitability there. If you look at JLR, we are at an EBITDA percentage of close to 5%, which is consistent with last year also. And even if you remove interest cost, we are positive.

Similarly, if you look at Tata Commercial Vehicle and BharatBenz commercial vehicles, we are at an EBITDA -- in terms of sales, we are at an EBITDA of about 3%, and interest costs are less than 1%. So all these places, even Ather business, we are at -- sales, we are at around 4.2% in terms of EBITDA. And even if you remove your interest cost of about -- hardly any interest cost there because we are at around 10, 15 days of inventory, we would be positive in sales.

Nilesh Doshi: And among the INR30 crores of the finance cost, how much is pertaining to the lease? And how much is the real finance cost or interest cost?

Naveen Philip: I wouldn't have the numbers. Abraham, you have these numbers or...

Abraham Mammen: I can share that with you because there is a cost in terms of interest on these. I can give you that split of the INR30 crores.

Naveen Philip: Nilesh, we'll mail that across to you. We don't have that offhand right now.

Moderator: The next question is from the line of Vaibhav Bhayani, an individual investor.

Vaibhav Bhayani: Naveen, so from last 2 quarters, you have been giving guidance regarding the 5% EBITDA margin that we will achieve from quarter 2 onwards. So are we confident of achieving that guidance?

Naveen Philip: So that's what I mentioned earlier that though we gave the guidance of close to 5% that we'll achieve, since our CV volumes have grown significantly, our CV EBITDA percentage because of the CV ticket size, the ticket size of CVs would be about INR16,00,000 on an average.

Our EBITDA margins because of that is about 3.6% to 3.7% in terms of CVs, and similarly, in terms of Ather. So we might not inch to 5% this year, though the focus is to build that up. We will be closer to about 4.3%, 4.4% this year at the end of it.

Vaibhav Bhayani: Okay. So we won't be able to achieve 5% in quarter 3 and quarter 4 also?

Naveen Philip: So if the CV growth remains very robust because we had taken a mix of -- when we had given the guidance of 5% we had a certain mix in mind in terms of PV, CV in terms of turnover mix. So if you look at our numbers in terms of overall total revenues, we had approximately INR1,098 crores in terms of PV and approximately INR673 crores in terms of Commercial Vehicles, which was up 51% in terms of ratio to PV and 35%.

When we had done the numbers last year and when we gave the guidance, we had expected our PV business to contribute approximately 63%, 64%. So that has impacted in terms of our guidance. We would still be in the region of about 4.3%, 4.4% overall for the -- I mean, when we go to Q3, Q4. I don't think we'll touch 5% unless the mix changes considerably.

Vaibhav Bhayani: Okay. And what are we doing to -- what steps are we taking to increase our Maruti service volumes? I know we have done -- we have increased our ASP, but now to increase the volume...

Naveen Philip: So that's why we gave the guidance that Q2 onwards, we would -- so if you look at Maruti service volume in terms of year-on-year, including the acquisitions that we have done, we have had an 8% increase in terms of service volume. But that is not what we're expecting. We are expecting that to go to a double digit from Q2.

Vaibhav Bhayani: Okay. So from...

Naveen Philip: When you see service volume for PV segment, you have to remove about 24,000 numbers that we did in Honda. So if you take just the Maruti business, we have grown by 8% in terms of volume. And in terms of ASP, we've grown by about 12%.

Vaibhav Bhayani: Okay. Okay. So just to sum it up, in Q2, Q3 and Q4 of this financial year, we are confident of achieving at least 4% EBITDA margin in each quarter.

Naveen Philip: Yes.

Moderator: The next question is from the line of Rohan Dedhia, an individual investor.

Rohan Dedhia: Yes, sir. Sir, in the last call, you mentioned that we had lost some volumes on the running repairs. So I just wanted to check in this quarter, how is our market share or performance been across the different service verticals?

Naveen Philip: Yes. Actually, Q1 in terms of the Maruti vertical, we have increased both our market share and in terms of volumes, so in terms of overall volumes that we've done. Running repairs still remains a challenge, but we have had a growth.

Raj Narayan: It has come on a growth in July. Running repairs is on a growth of about 8.8% also in July, and August is still continuing on a high growth. So we have done some corrections. Like what was earlier explained, the focus was on getting the higher ticket items, which is what you see cascading into the ASP growth. But now, we have started the running repair campaigns to get in the volumes in. So Q2, you will see a much higher growth in running repairs...

Naveen Philip: In our overall service volumes.

Raj Narayan: Overall service volumes, yes.

Rohan Dedhia: Got it, sir. And sir, my second question, this is just for my understanding, sir. Sir, we've seen a lot of growth post the GST cut in new vehicle sales. A lot of these customers should have already come in for free service, right? So why is that not showing up in our service volumes?

Raj Narayan: So free service is already on a high growth. In fact, in the last financial year, full year, if you take it, our free service was also on a degrowth. That has come on a growth in Q1, and it is further going on. But the actual numbers because beyond the free service, the rest of it is yet to come in the second half of this year.

Rohan Dedhia: Got it. And sir, when does this free service end? And when do these customers start meaningfully contributing to profit for us?

Raj Narayan: After the first year. So which is why I said in the H2, it will come in total because all those -- post-GST, all those incremental numbers that we did from the 22nd of September onwards throughout will start coming in for the paid service from, let's say, October onwards.

Moderator: The next question is from the line of Himanshu Bisani from PinpointX Capital.

Himanshu Bisani: Sir, just a clarification on reaching -- when you mentioned that you'll be able to reach margins of 4.3%, 4.4%, is it for the blended on reaching the margins by quarter 3, quarter 4?

Naveen Philip: Yes. Could you hear our answers?

Himanshu Bisani: Yes, yes, please. Can you go again?

Naveen Philip: No, I said it's a blended average.

Himanshu Bisani: Okay. And sir, on the gross, you said that the margins that we have been already guided, but couldn't reach that just because the CV volumes have been much more better when compared to PV and the mix has changed. So what kind of absolute growth we have been looking at for this year?

Naveen Philip: In terms of revenue growth?

Himanshu Bisani: Yes.

Naveen Philip: So revenue growth, we're looking at touching -- last year, we had touched a turnover of INR6,400 crores. This year, we were looking at touching approximately INR8,200 crores, INR8,300 crores. So we'll see close to about 20%, 25% growth.

Himanshu Bisani: With a blended margin of 3.7%, 3.8%, is it fair to assume?

Naveen Philip: We are hoping to touch 4% in terms of blended margin. We are at 4% in terms of PV. We are at around 3.75% in terms of CV, and we are about 3.4% in terms of EV business. So if the PV business continues to grow, especially Telangana, Bangalore, Chennai all contributing higher, we should see a growth in terms of EBITDA margins there and move towards -- closer to a 4% blended in terms of all 3 put together.

Himanshu Bisani: Understood, sir. Sir, also on the aftersales potential of EV, I know EVs are a relatively smaller part, but has been growing very fast, what kind of opportunities we have in the aftersales services for an EV vehicle sold?

Naveen Philip: You're talking of the Ather vehicle service?

Himanshu Bisani: No, sir. It's a 4-wheeler as well or Ather as well.

Naveen Philip: Only Ather, because our PV segment in terms of EVs is very little, only the e-VITARA, which currently we are doing approximately 50 to 60 numbers across all our regions. But it's basically the EV segment, the 2-wheeler segment that we are looking at in terms of ASP and in terms of service volumes.

Our service volumes will see a considerable increase. We are growing at around 60% in terms of service volumes. But in terms of ASP numbers and the EBITDA numbers, we are significantly lower. We will see a growth there, but not going to contribute significantly into the overall EBITDA numbers. So overall, the EBITDA numbers, I think it's about INR2 crores on our EBITDA of INR71 crores. So not a very significant contribution there.

Himanshu Bisani: Got it, sir. Sir, lastly, when I listened to the commentary of your relatively listed peer, they have been very bullish on EV and their aftersales potential in the 4-wheeler side. How are we looking at things? And are we planning to increase our penetration towards EV?

Naveen Philip: So if you look at our EV portfolio, basically, it's currently restricted to the Maruti segment and e-VITARA coming in. So in terms of growth, definitely, there would be a growth. Plus, with the new launches happening, yes. But if you look at the EV penetration across all the segments that we are in, we have not seen a very high penetration there.

So we will still be muted this year in terms of EV penetration as such, and hence, EV service volumes, except for our 2-wheeler segment. So 4-wheeler, I mean, though the Jaguar launch is expected at the end of this year, the numbers would be insignificant in terms of the overall play that we are.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Naveen Philip for closing comments. Over to you, sir.

Naveen Philip: Thank you, everyone, for your time and for the questions. Q1 FY27 has been an encouraging start. Our focus remains on scaling the acquired businesses, improving operating leverage and maintaining financial discipline. As we enter the festive period, the demand environment remains supportive.

We remain focused on profitable growth, stronger returns and sustained value creation. We hope we have been able to address your questions. For any further queries, please feel free to reach out to Strategic Growth Advisors, our Investor Relations advisors. Thank you once again, and have a great day.

Moderator: Thank you. On behalf of Popular Vehicles and Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.