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27 October 2026

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

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

Dear Sir/Madam,

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

Ref: Intimation of earnings conference call vide letter dated 28 September 2026 and Outcome and audio recording of earnings conference call dated 23 October 2026

In compliance with Regulation 30(6) read with Schedule III and other applicable provisions of the SEBI Listing Regulations, please find enclosed the transcript of the earnings conference call of the Company for the second quarter and half year ended 30 September 2026, held on Friday, 23 October 2026, with several Analysts/Institutional Investors/Funds. The transcript includes list of management attendees and the dialogues including but not limited to the Questions & Answers.

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

No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.

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

For **Mahindra Logistics Limited**

JIGNESH
ASHOK PARIKH

Digitally signed by
JIGNESH ASHOK PARIKH
Date: 2026.10.27
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Jignesh Parikh
Company Secretary

Enclosure: As above



“Mahindra Logistics Limited
Q2 FY '27 Earnings Conference Call”

October 23, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the website of the stock exchange on 23rd October 2026 will prevail.



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

MODERATOR: **MR. MANDAR CHAVAN – SGA**

Moderator: Ladies and gentlemen, good day, and welcome to the Mahindra Logistics Limited Q2 FY '27 Earnings Conference Call. As a reminder, all participants' 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. Mandar Chavan from SGA. Thank you, and over to you, sir.

Mandar Chavan: Thank you, Iqra. Good evening, everyone, and thank you for joining us for Mahindra Logistics Limited Q2 and H1 FY '27 earnings conference call. We are pleased to have with us today, Mr. Hemant Sikka, our Managing Director and CEO; Ms. Isha Dalal, CFO, along with the member of the senior management team. I hope everyone had a chance to view our financial results and investor presentation, which were recently posted on the company's website and stock exchanges.

We will begin the call with opening remarks from management, followed by an open forum for question and answers. Before we begin, I would like to point out that some of the statements made during today's call may be forward-looking. A disclaimer to that effect was included in the earnings presentation. I would like to invite Mr. Sikka to share his remarks.

Hemant Sikka: Thank you, Mandar., good afternoon, everyone, and thank you for joining us. Over the past year, we have been deliberate in reshaping Mahindra Logistics into a more efficient, disciplined, and profitable enterprise. We have sharpened our operating model, improved unit economics, addressed structural inefficiency, and embedded greater accountability across the organisation. Today, the impact of these actions is clearly visible in our performance.

The business is now moving from turnaround to acceleration, from fixing the past to building the future. Our focus is increasingly on the quality of growth that we deliver, the depth of customer relationships we build, the length we go to satisfy our customers, and our ability to consistently convert growth into sustainable shareholder value. Q2 reflects a business that is growing with greater quality, discipline, and profitability.

PAT has increased to INR26 crores compared to a loss of INR10 crores a year ago and INR25 crores in the previous quarter, while revenue grew 24% Y-o-Y. Our focus on profitable growth is also reflected in improving capital efficiency. ROCE increased to 12.9% in H1 of FY '27 from 1.7% in H1 of FY '26, demonstrating stronger capital productivity and our commitment to creating long-term stakeholder value.

More importantly, these results demonstrate that we can grow faster while improving profitability and operating discipline. This is exactly the outcome we have been working towards: profitable growth, stronger cash generation, and sustainable value creation. Three themes have defined this quarter. First of all, our express business, Rivigo, has crossed an important milestone.

MESPL (Rivigo) turned EBITDA-positive during the quarter and for H1 FY '27 as a whole, also, demonstrating that the business has reached a critical inflection point and is beginning to realise

the benefits of scale, operating leverage, and disciplined execution. Second, contract logistics continued to strengthen its leadership position. Growth was driven by new customer additions, deeper wallet share with existing customers, and a relentless focus on profitability and execution.

Whitespace reduction, you would recall, has been an issue in the past few quarters, and we had committed in quarter one of last year that we would reduce our whitespace that time of 1.6 million by 95%. I'm happy to share that this has progressed in line with our commitments. We have achieved our target reduction that we had committed in quarter one of last year. Having solved the whitespace problem, we will not be calling this out from now onwards, as it is business as usual now.

Third, operational excellence is increasingly becoming a competitive differentiator. Better service levels, higher asset productivity, and consistently positive customer feedback reflect the execution discipline we have built across the organisation and provide a strong foundation for sustained growth. Let me now take you through the business updates. Let me start with MESPL, which is our B2B express logistics business.

MESPL, or Rivigo, has turned a corner. The business delivered its first-ever EBITDA-positive quarter and achieved EBITDA positivity for H1 FY '27, making a significant milestone in our transformation journey. Actually, this momentum is visible in the numbers. Q2 revenue grew 69% Y-o-Y, while EBITDA improved from a loss of INR9.1 crores in quarter one of last year to a profit of INR2.3 crores in quarter two of this year.

Higher volumes, improved yields, and disciplined execution are translating into stronger financial performance. Since June of this year, Ankur Bansal has taken over as the CEO of MESPL. Under his passionate and hands-on leadership, the business has accentuated a relentless focus on improving business economics, execution discipline, and profitability. The progress is now visible in both operating and financial performance.

Very happy to state that the leadership team of MESPL has aligned to these targets and these challenges. The mandate ahead is clear for MESPL team to convert EBITDA momentum into achieving PAT positivity. With improving operating leverage and growing business momentum, we are increasingly confident about the path ahead and working excitedly to grow this business.

Let me come to other business, contract logistics, which continues to compound strongly. Quarter two revenue grew 28% Y-o-Y, while gross margins grew 20% Y-o-Y, demonstrating that the growth and profitability are improving together. Whitespace reduction, as I called out, has been successfully executed, with vacant space now reduced to just 5% of the June 2025 levels in line with our commitment.

E-commerce and quick commerce businesses continue to be important growth engines, benefiting from favourable market tailwinds and our strong execution capabilities. We continue to win the right businesses. New customer additions across sectors reflect the strength of our solutions, service delivery excellence, and trusted customer relationships.

In our mobility business, we continue to deliver profitable growth. Q2 revenue grew 33% Y-o-Y, with gross margin showing 19% Y-o-Y growth, underscoring the strength of our operating model. Our focus remains on quality over volume, expanding our customer base while ensuring that growth translates into sustainable profitability. In our last-mile delivery business, LMD as we call it, the focus remains firmly on profitable growth.

Revenue stood at INR68 crores in Q2FY '27 as we continue to prioritise business quality and margins over low-value volume. The benefits are clearly visible in our profitability metrics for this business. Gross margins improved 18.6% Y-o-Y, supported by a superior customer mix, pricing discipline, excellent execution, and a very tight control on all the costs.

This excellent performance has given us the confidence that our last-mile business is now ready to pivot towards growth from our earlier articulated, no-loss strategy. You would recollect that in the previous communication I had said that our strategy for LMD business is, while we continue to grow the business, but the main focus is no-loss strategy.

We are now pivoting this business from a no-loss strategy to a pivot towards growth, and we are feeling more excited and more confident about this business. In our freight forwarding business, we are rebuilding momentum. Revenue for Q2FY '27 stood at INR50.6 crores, growing 12% Q-on-Q. Our strengthened leadership team is driving sharper market engagement, broader commercial coverage, and a healthier pipeline, positioning the business for stronger growth while maintaining high service levels and operational discipline.

So, to conclude, Q2FY '27 was a quarter of execution and outcomes. We delivered a sharp improvement in profitability. MESPL (Rivigo) achieved EBITDA positivity. Whitespace in contract logistics reduced to our committed and targeted levels by September of this year, and each of our businesses remained firmly focused on profitable growth. Most importantly, these improvements are broad-based and structural.

The turnaround journey we started is now evolving into a sustainable growth story. Importantly, the benefits are now visible across multiple businesses, giving us confidence in the durability of this performance. Looking ahead, our path is clear. Our focus remains on three priorities: drive consistent growth in revenue, profitability, and cash generation; continuously raise the bar on operational excellence and productivity; and deepen our customer relationship by delivering differentiated value and superior service quality.

Our vision of becoming India's number one integrated logistics solution provider remains firmly intact. We have strengthened our foundations, built the right team, and created strong momentum across the business. We are confident that these strengths position us well to deliver sustainable growth, stronger earnings, and long-term value creation in the quarters ahead.

With that, I will hand over to Isha, our CFO, who will take you through the financial performance in greater detail. Over to you, Isha.

Isha Dalal:

Thank you, Hemant. Let me now give a brief on the consolidated financial performance for, Q2 F'27. Our revenue for the quarter has increased by 24% on a year-on-year basis to INR2,095 crores, largely driven by momentum in the M&M business as well as momentum in MESPL.

Consolidated gross margin stands at 10.1% in Q2 F '27, sequentially up by 40 bps versus Q1 F '27, reflecting our ongoing commitment to improving operating performance. Year-on-year, our gross margin remains flat in percentage terms, that is at 10.1% and has improved by INR41 crores in line with revenue growth.

EBITDA for the quarter stands at INR124 crores, up from INR85 crores in Q2 F '26. EBITDA margin has grown from 5% to 5.9%, which is an increase of 90 bps year-on-year. Our discipline on overheads cost and focus on judicious spending is reflected in this year-on-year operating leverage.

This is also visible in our adjusted EBITDA, which is EBITDA after removing the accounting impact of Ind AS 116, which has increased by 110 bps year-on-year, from 1.8% to 2.9% in Q2 F '27. We continue to have low leverage. Our standalone balance sheet has been debt-free since September 2025. At a consolidated level, we have INR55 crores of debt, largely comprising of loans for vehicles purchased as part of our asset-right strategy.

Overall, we have a consolidated cash balance of INR363 crores and, therefore, net cash of INR308 crores. Hemant spoke about Q2 F '27 being a quarter of both execution and outcomes. The outcome of improving profitability, our asset-right model, and working capital discipline have together culminated in a steadily improving return profile.

We generated free cash flow of INR52 crores during H1 F '27 versus a free cash flow of minus INR210 crores in H1 F '26. Our ROCE for H1 stands at 12.9% versus 1.7% during the same period last year. Our ROE has improved from minus 5.3% to positive 8.7% in H1 F '27.

Before I move on to segment performance, there is one callout that I'd like to make regarding the standalone financials. We have declared a dividend of INR15 crores in one of our wholly-owned subsidiaries, which is reflected in the other income line in the MLL standalone financials. This is a one-time dividend only and gets knocked off in the consolidated performance of MLL.

Moving on to segment performance. Our contract logistics revenue for Q2 F '27 is at INR1,688 crores, as compared to INR1,317 crores in Q2 F '26, which is up by 28%. EBITDA has grown in line with revenue to INR115 crores, as compared to INR89 crores in Q2 F '26. In the last-mile delivery business, our revenue for Q2 is INR68 crores, compared to INR88 crores in Q2 F '26, down by 23% as part of our conscious choice to move towards a more profitable portfolio.

EBITDA has improved from INR40 lakhs in Q2 F '26 to INR1.6 crores in Q2 F '27. You may all recall that our strategic portfolio recalibration was largely done during Q3 of F '26. Hence, we expect that as we enter the quarter three of this financial year, we will once again witness a year-on-year growth in the last-mile delivery business.

Our freight forwarding revenue has grown by 12% quarter-on-quarter, from INR45 crores to INR51 crores in Q2. Year-on-year, this business has declined by 44%, reflecting the impact of external disruptions and customer attrition during the recent leadership transition period. As Hemant already mentioned, the new team is engaged in building a strong pipeline.

Despite the top-line decline, EBITDA is at INR1.7 crores in Q2 F '27, which is only a decline of INR50 lakhs year-on-year. This is a consequence of operating discipline and margin focus even in the adverse environment.

We have spoken in detail about the express business, which have grown by 69% year-on-year to a revenue of INR169 crores in Q2 F '27. We are pleased to declare an EBITDA-positive quarter for this business for the first time since acquisition. EBITDA for this quarter is INR2.3 crores, compared to minus 9 crores in Q2 F '26.

You will all remember that we achieved gross margin break-even for this business in the quarter two of last year and have now achieved this significant milestone as the business accelerates its turnaround journey. Mobility revenue was INR119 crores, as compared to INR90 crores in Q2 F '26, up by 33%. EBITDA is also up at INR3.4 crores, compared to INR2.1 crores in Q2 last year.

This brings me to the end of the commentary on segment performance. Let me now open the floor for question and answer.

Moderator:

Thank you. We will now begin with the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question.

Ladies and gentlemen, you are requested to restrict your question to two per participant. We'll wait for a moment while the question queue assembles. The first question is from the line of Jinesh Joshi from Prabhudas Lilladher Capital. Please go ahead.

Jinesh Joshi:

Thanks for the opportunity, and congratulations on good set of numbers. sir, my first question is on our B2B express business, which has achieved an EBITDA break-even in this quarter, and I believe that the network optimization and the repricing exercise is more or less over.

And given the business is now on path to profitability, how should we think about the steady-state EBITDA margin in the business, given one of your peers is operating at about 10to12% margin?

I'm not asking about an explicit guidance, but if you can if you can just maybe highlight how the margins will evolve from here on, given the fact that you may also choose to invest in network expansion? So, some color on that will definitely help.

Hemant Sikka:

So thank you, Jinesh. So let me just broadly share without giving any forward-looking guidance. See, as Isha said, we had a gross margin positive quarter few quarters back, and this quarter, we

have done the EBITDA positive. In the last quarter, we had said we are very close to EBITDA positive numbers. Now, I can tell you that from here, we are our next milestone is obviously to be PAT positive.

I think we have all the elements and actions in place to achieve that number. We have to execute for next a few months and quarter, and we should be able to achieve a PAT positive. So, we have a full visibility and full control on achieving that number.

On the side, we are kicking off a very ambitious project on our new tech platform development for MESPL and MLL as a whole. I think that is a very strong ingredient and an input for us to scale this business up. As you know, for the last three years, while the business was making considerable losses, we were running the business in terms of our tech stack as kind of lights-on mode.

But now having achieved this milestone and a clear line of sight to PAT positivity, we now want to start investing back into the business. Overall, at a strategic level, we think of MESPL as a big story that will play out for us in the next few years. It will improve the performance every quarter, but this is not a thing which will play out fully in next six months or one year.

This is a kind of a I would say a decade story. All the people who are our competition have built this business over several years. We have taken now three years to reach this milestone. We will continue to invest into this business, and we believe that this business will be a very healthy business and will be a very strong differentiator for MLL, and also for our customers, because we want to be a full logistics player.

While we will continue to serve our FTL customers and all our warehousing customers, it's very important that we give them a full line of services that includes our PTL network business with Rivigo and our freight forwarding business.

So, this is where we stand. I would like you to think about this business as a multi-year growth story and not like achieving some milestone which would happen in next two, three, four quarters. This is a business that will require huge amount of hard work, huge amount of passion and commitment from our leadership team, and also investments. As we achieve PAT profit, we will continue to put money back into the business and make sure that our network grows.

Right now, we are not serving all the pin codes that our customer -- our competition is serving. We need to grow this business, go to areas where we currently don't serve. So, please, Jinesh and others, think about this business that this is a growth driver for MLL, and it will require a few more years of work, and we clearly understand it's a very profitable business.

Every network business, if run well, is very profitable. Think of this like an airline business. An airline well-run is highly profitable, an airline poorly run is not profitable at all. Similarly, this business is same. A well network business, which is well-run, is very profitable, otherwise, it can really sink the ship. So, we want to run this business in a very mature and in a very competent way.

While we will build our teams, we build our capabilities, we build our network, we build our technology, we want to keep a very strong focus on profitability and customer satisfaction. Sorry, Jinesh, for a long answer, because there is no short answer to your question.

Jinesh Joshi:

No, sir, understood. Pretty well-explained. Sir, one last question from my side, and that pertains to our gross margin performance in the contract logistics business. Now, if I recollect properly, in the previous quarter, the margin was at about 10.2%, and it was impacted by certain temporary factors like the start-up costs that we had incurred with respect to the rapid site additions, and I think there were some manpower shortages as well.

Apart from that, some wage revisions as well as fuel cost pass-through challenge. But if I think from this quarter's perspective, we must have seen some kind of customer onboarding that must have happened, and also the fuel pass-through clauses must have been activated. So, given this scenario, ideally our gross margin improvement on sequential basis should be higher than 30 bps that we have reported. So, maybe if you can just talk a bit about that?

Hemant Sikka:

Yeah, Jinesh. So, just to completely align with you that our fuel pass-through has happened in totality. Whatever was the fuel stress in the previous quarter, that has been completely passed on. So, there is nothing, and you can see that effect coming in the 30 bps improvement that we have seen.

Apart from that, there was a big issue last quarter on the manpower cost, which is still playing out. That has not been passed out fully. In certain areas, we could pass, but new things have come in. For example, I'm sure you are aware of the new rule that the government has brought in terms of provident fund - the slab has been changed from INR15,000 to INR25,000 rupees, and there are few more changes happening. Some minimum wages are still under pressure.

So, manpower, I would still say, is manpower cost is still not fully passed through, and it's difficult to pass through that because there are no written contracts on those side, except that minimum wages get passed on. So, like in fuel, there are clear contracts that if beyond a certain X percentage here and there, it gets passed through, and the fuel cost was a very high increase of INR8.10 paisa, so that was not a very difficult thing.

Manpower, while we are working on improving the productivity of our manpower, but I think manpower will take little bit longer to pass through, and that is what is playing out in our gross margin improvement. However, as Isha called out in the previous comments in the last quarter and the quarter before that, we are looking overall for a 100 bps improvement in our gross margin, and we stay committed to that.

Jinesh Joshi:

, Understood, sir., Thank you. Thank you so much, and all the best.

Hemant Sikka:

Thank you, Jinesh.

Moderator:

Thank you. The next question is from the line of Krupashankar NJ from Avendus Spark. Please go ahead.

Krupashankar NJ: Yeah. Good evening and thank you for the opportunity. First of all, congrats on achieving the EBITDA profitability in MESPL, the express business. Just wanted to get some sense around the Q-o-Q growth momentum which you've seen in this business, right? it's been double digits.

Qualitatively, if I'm not looking for exact numbers, but qualitatively, can you just share what would have been led by realisation and volumes, or if you can just say what was the bigger driver amongst the two? And is it fair to assume that, given that festive period is fairly delayed this year, this could result in a better growth or there will be a spillover of volumes to the third quarter, which will continue to drive operating leverage? That's my first question.

Isha Dalal: Yeah., Hi, Krupa. Two comments to that. So, the improvement quarter-on-quarter in MESPL is driven by a mix of both volume and yield. I would say that for this current quarter, it is more yield than it is volume, because we have taken selective calibration actions in line with our strategy to improve unit economics. And hence, like I said, it is more weighted towards yield than it is towards volume.

As far as the festive momentum goes and the spill-over into Q3, I'm not going to sort of guide on it specifically for quarter 3, but I can tell you that given the size of our business and all the actions that we are seeing in this business, we are continually seeing an improving trend in volumes, and we hope that that will continue through the next few quarters as well. So, we will continue to work on all these levers as we move towards our target of PAT profitability.

Krupashankar NJ: Very clear. Second question is on the contract logistics business. And you know, just wanted to you know, follow up on the previous one of the questions asked. Was there any capacity build-up for the festive period, especially towards the e-commerce festive sale, which has been a drag at the same around or there's no specific impact of that?

And just taking that one thing forward, Hemant, you did mention about the tech platform development and how you're going to make investments towards both the businesses, right? So, can you quantify and probably speak a little bit more about these businesses, how it will benefit both the, you know, segments like your contract logistics and express business?

Hemant Sikka: Yeah, so let me answer the first question first. We have build-up scale, specially to target the peak. That's the nature of the industry, and we play quite aggressively in that. So, we have come up with quite a few of flex sites on our e-commerce and last-mile delivery business. These always come at higher cost, because we need to hire people, train people, and then they are put to use.

And this time, again, season got little bit here and there, and we don't get much visibility till the season is actually on our heads. We just get like 3, 4 days' notice before we have to prepare. And so, we take calls on our side on manpower to bring them earlier and train them. So, those costs, Krupa, are still there, which play out in every quarter 3 in the festive, will play out again this year.

This is the nature of the industry, and if you are a player serious player there, and since we need to keep our customers happy, we take such calls, and we have to play this game. So, that that is still playing out this year. Your second question was Krupa, what was the second question?

Krupashankar NJ: Tech spend. So, more on tech platform, yeah.

Hemant Sikka: I can just say in fact, our capex spend has got approved today in the Board meeting. So, I will just leave it there and say that we are not treating this as a tech platform, we are treating this as a business transformation project. Wouldn't like to share any numbers, because we believe that we have come up with a solution which is very frugal, and don't want to share in the public forum what we will invest into this.

But I can tell you that this will be a very good, very simple to use, and very frugal tech transformation that we are trying to achieve. and we are just trying to work on few things in terms of timelines. But we believe that this will add significant value to our contract logistics business, especially, initially, on the transportation side, because we are doing the program in phases, and then MESPL, and later on, on the warehousing side.

This will completely change the company's way of working, simplify the company, automate our processes, reduce our cost and improve our customer satisfaction. The customers will get full end-to-end visibility on their loads and we will be able to use quite a few of AI use cases, so that there's a lot of manual intervention that we currently do, that can be done by agents. So, we have conceived the project in a lot of detail. However, I would like to share more details once we start the execution of the project. That will still be somewhere around like quarter 4 of this year.

Krupashankar NJ: Got it. So, what I wanted to actually touch upon was that this is more towards existing operations, you know, making it better, enhancing it.

Hemant Sikka: Yes.

Krupashankar NJ: Rather than this tech as a front-end solution for the clients, right? So that's where I was probably coming at.

Hemant Sikka: Yeah, so this will so, what we believe, Krupa, is that with our current tech stack, if we are scaling up the business, as you can see every quarter, but it is lead -- it is being done with huge amount of effort and that cannot -- manual effort cannot continue at this pace.

We have to leverage technology and that is what we are trying to bring, that this technology will simplify our processes, help us scale better. And right now, many of our tech packages are working in silos. This will bring everything on one platform. And currently suppose you are my customer for PTL and FTL, I serve you through two different platforms.

Going forward, I will serve you through a single platform. So, even if you are giving me a full truckload or a part truckload, one parcel, you can still see it end-to-end where your loads are and how we are doing against our commitments. So, I think it will be a really good customer

experience and a very good experience for our own teams to be using this tech platform and executing better.

Krupashankar NJ: Understood. Understood. Thank you. Thank you for answering my questions. Yeah.

Hemant Sikka: Thanks, Krupa.

Moderator: Thank you. The next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Yeah, good evening, team. Thank you for the opportunity. Congratulations for excellent show once again. Sir, I wanted to check first on the you know, the contract logistics. Given the monsoon challenges we've had in this year, how do you see that impacting in terms of our customers and if you could call out what is the mix of the tractor business or M&M within the entire portfolio, if you could call out that that's my first question, sir?

Hemant Sikka: Sir, Achal, I mean, we all know the monsoon has been, I think 14% below the LPA number as a country as a whole. However, it has been not similarly distributed across states. There are some states which have done extremely well and some states have done extremely bad in terms of receiving the monsoon rains.

So it will play out differently in different regions. On any callout on specific industry, you may need to approach those people there. From our side, we can say that whatever variations we may have from state to state, region to region, product category to product category or customer to customer, at an overall MLL level, we will be achieving what we have set out at the beginning of the year. So if one pedal slows down we will start pushing the other pedal to make sure that we are able to do what we kind of like committed to our Board.

Achal Lohade: Got it. The other question I had for the contract logistics, you know, you mentioned that I mean, compared to the gross margins of about 11% in FY26 we are running at about 10.2% and we have seen improvement Q-o-Q to 10.5%. That 100 basis point what you call out, was that gross margins or the EBITDA margins for the contract logistics, sir?

Hemant Sikka: We didn't specify any number. We e had specified that we are looking at improving our gross margins by about 100 bps, but we didn't call out 11% or any number like that.

Achal Lohade: No, I'm just looking at the reported numbers, Sir. FY26 was 11%. So that 100 basis point, should I look at from the current level of 10.2%, 10.5% or to the full year last year? I was more curious to know that?

Isha Dalal: Yeah. You can Achal, this is Isha. You can look at it we talked about it when we were exiting last year, so you can't look at it from last year exit. As Hemant mentioned in the current period, we have had lot of pressure from a labor cost perspective and other factors, including pre-festive build-up, that cause some ups and downs in gross margin through the year, but directionally we will continue to look at 100 bps improvement from exit of last year.

Achal Lohade: And that's at gross level, just to clarify. Sorry, I'm perceiving on that?

- Isha Dalal:** Yes, that is -- no, you're right. You're right, Achal that was at the gross level.
- Achal Lohade:** Understood. And just if you could, sir, talk about the capex, what is the capex plan for the current year and which all segments we should look at the capex spending?
- Hemant Sikka:** Capex spending will be as per our guidance that we gave, it will be closer to like INR100 crores kind of a number, plus minus INR10 crores here and there. So you can almost take it like INR110 crores kind of a number. We are on track. In H1, we have spend almost half the amount.
- So we should be on track to do that and we have a very strong we have established a very strong approval process internally in terms of our capex spending and what kind of return metrics we are targeting there. No project is going below that and we are very I mean, judiciously tracking once the project is implemented, how the project is doing as per the business case approvals. So, that process is working very well. So we are looking at good growth coming from the capex and looking at improving our profitability in that sense from those projects.
- Achal Lohade:** Got it. If you could call out which division it's largely oriented towards?
- Hemant Sikka:** Mostly in contract logistics, we have put capex and also in our 2x2 joint venture where we do car carriers for our auto and tractor business for Mahindra, we have added capex. So, mostly on contract logistics and 2x2.
- Achal Lohade:** Got it. Thank you and wish you all the best.
- Hemant Sikka:** Thank you, Achal.
- Moderator:** Thank you. The next question is from the line of Saania Jain from Care PMS. Please go ahead.
- Saania Jain:** Hi. Thank you for the opportunity. Just two questions. First was with now MLL operating at a higher base and express showing significant signs of a turnaround, what would be the key growth drivers if you could call out for the next 2, 3 years?
- Hemant Sikka:** For contract logistics, our key drivers would be the new clients that we add and getting higher share of wallet from our current customers. We are seeing very strong tractions in our e-commerce business, in our manufacturing and telecom vertical, in our last-mile delivery, as I just said that till two quarters back, I was myself saying that this business is kind of a no-loss strategy business.
- Whereas now I have called out that this is a growth business for us going forward. So, the I mean these are the verticals we are seeing. In certain verticals we are still building up that kind of capability. We have called out freight forwarding is one such business where we have a new leadership team, which is driving the business now very hard and building this business up for further growth.
- But overall, we know that overall, the geopolitical situation is also challenging for this business, but as things settle down and as our team kind of transitions into this new role. I think even freight forwarding business going forward will be a very good vertical for us.

So, broadly, we are seeing growth across our verticals and we should continue to see that. Our execution has improved. We are getting very high scores from our customers. Now we are winning best supplier awards from many of our customers every quarter. So this is giving us confidence and once the customers are happy with us, there is no reason that why we will not win more business from the same customers.

Then we will keep adding more logos to it. On MESPL side, clearly we will focus on getting like Isha called out in the last quarter, we did a lot of work on improving our yield. Going forward, we have still some more work to do on that side, but mostly now the growth will be volume-led, as we start expanding our network and add more hubs and increase our current hubs capacity. We're adding a lot of real estate also in that sense, because we need to handle higher capacities there. So these are broadly the growth drivers which will happen, but we are we are basically seeing a good growth across all our verticals.

Saania Jain: Okay. got it. And second was are there still any low-hanging fruits in terms of cost optimisation across businesses like you have mentioned that we have cut down all the loss-making contracts. Anything other than that that can still help in the margin expansion?

Hemant Sikka: Now I think it's mostly played out. Whatever we wanted to do, we have achieved. I think now the business is running a very tight shift, and now the focus has shifted from cost control more I mean, cost control will always remain a focus, but as a key lever I think now it's the growth, business growth that will drive us in the -- for the next few quarters.

We are focusing more on that side. We are winning a lot of new businesses. We took up over the last year, we took up a challenge of winning new businesses by 3.5 times. I won't share the exact numbers, but suppose we achieved X crore of new business last year, this year, we took up an internal target to grow it by 3.5 times.

In H1, we are doing better than that. And this is what is giving us confidence that if we are winning businesses like that, then the growth momentum will continue to shape our trajectory forward. But to precise answer to your cost thing is, I think that has played out. A mean, little bit here and there, more will happen in next 2, 3 months, but we are not like counting much on that. Mostly, it will be now growth-led.

Saania Jain: Okay, thank you.

Moderator: Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go ahead.

Ankita Shah: Yeah, thank you, and congratulations, Sir, on good performance in the express logistics business. Sir, my question is on the last mile business, freight forwarding, and mobility. All of them, you know, doing low single-digit margins. You know, what is the thought on this business? You know, what is the capital employed in the business and, you know, how are we trying to take this forward?

We understand that there are macro challenges, geopolitical issues which is impacting businesses, but I more want to understand from your thought process on things which are in our control, which we are doing to grow the business.

There is, at least in mobility, there is revenue growth, but there's no margin expansion there. So, from given that the company's focus is more on the profitability side, what are we trying or what are we thinking on these three business verticals? That's the first question.

Hemant Sikka:

Ankita, thank you. As I shared earlier, LMD business, we are pivoting from this quarter onwards uh from a no-loss strategy, we are saying that this will be a growth strategy. This business doesn't require much capex. It's a very frugally-run business. I mean, just to share, I mean, in this business, it is in rupee – INR1000 rupees that we control, not even in lakhs, so it is a very tightly-run ship with very little capex requirement, and we are seeing that this business can be a very major growth driver for us, profitable growth driver for us going forward.

And why we have changed the pivot is clearly that we have run some pilots internally in the last 6 months, and that is giving us confidence that this business can really grow very well for us. Our teams are highly charged, very motivated, and they really are working very hard round the clock to make sure that our LMD business can actually scale up very well, and not in the long term, I'm saying even in the medium term.

So, you will start seeing growth in LMD at a profitable level very soon. On freight forwarding, as I said, we had some kind of a leadership change 2 quarters back, and a new leadership has come in, and they are transitioning into it. They're building the whole team again.

The nature of this business is such that a new team has to now build the business again. The geopolitical situation is not helping at all. If you track the container prices, you will see that the spot rates are like totally prohibitive, and no nobody is willing to sign long-term contracts in these times when nobody knows what is going to happen tomorrow.

So, the business challenges on geopolitical side are not helping at all. But as things settle down, and I don't know when they will settle down, that's anybody's call, but I would like you to think that our H2 will be a build phase for freight forwarding, and we want to give our team -- time to execute very well, operationalize the business, win new businesses, and build the whole business in H2.

So, the real kind of work will happen in FY28 on freight forwarding. On both these businesses are part of our contract logistics -- no, sorry, LMD is part of our contract logistics business, and freight forwarding, we believe, helps us serve the same customers from end-to-end.

As we said, our aim is to become the number one logistics service provider, so when we go and pitch the business for our PTL or pitch the business for our full truckload or any warehousing, we also pitch the same team can pitch the business for freight forwarding as well.

So, it is part of our offering, and it consumes zero capex. Freight forwarding doesn't take any capex at all. So, this is a business that you build, and our customers feel happy that we are a

single point kind of shop for them where they can take it. Coming to mobility, mobility we have to think about business in two ways, one is the B2B business and the B2C business.

B2B business is a large part of our overall business here, and B2C is much smaller compared to the B2B part of our business. B2B, we have long-term contracts, so again, there is a lot of visibility on our revenue and our gross margin side, because these are all marquee customers that we have across the country.

I mean, most of the big brands we serve, and this is again since part of long-term contracts, this is very good business for us. On B2C, we are running a few sites, but here, our strategy is a very concentrated strategy, focused only on very few cities. You know that Alyte brand that we launched, we are doing only in Delhi. we have not even launched that brand in Mumbai or any other city.

So, we continue to focus B2C in -- in few cities, and do those cities very well. And as we gain more confidence, as we get more process orientation, execution well there, we will then start adding cities as the business demands.

So, this is how, Ankita, we are thinking about it. Clearly, LMD is moved from a no-loss strategy to a growth strategy. Freight forwarding is a business in the build stage, and I think next year it will start delivering the results.

And in mobility, we continue to drive very hard on the B2B part of the business, and B2C, we focus on a city or two, and then as we scale up, we will keep adding cities. This is broadly we are thinking about it.

Isha Dalal: Ankita, I'll just add one thing, sorry, before you ask your next question.

Ankita Shah: Yeah.

Isha Dalal: You also asked about sort of ROCE and return profile on these businesses. I want to add that for all three businesses that you mentioned, capital employed generally is quite low, because these are low from a capex commitment and working capital investment perspective.

So, therefore, as long as these businesses are profitable, which they are, and they continue to deliver on profitability, the return profile remains pretty good. All right, so it clears our threshold, and therefore, from a ROCE perspective, they do continue to stack up for us. I just wanted to add that color.

Ankita Shah: Got it. Just to follow up on what Hemant was mentioning on mobility side, what would be the, you know, rough mix between B2B and B2C in mobility segment?

Isha Dalal: We don't really disclose that mix, Ankita, but it is quite weighted towards B2B. B2C is a very small part of our overall business.

Ankita Shah: Got it. Okay. And, my next question is on the express segment. What would be the segments or sectors or industries which are contributing to the B2B express volume growth?

- Hemant Sikka:** We are very big in automotive and manufacturing side. We are pretty that kind of like we are over-indexed on that industry, but while I say that, we also serve many other industries, and we want to build diversify the business. You know that automotive can be a cyclic industry, so we want to diversify from there, and we are doing that. So, I would say we are very well diversified in that sense, but automotive and industrial manufacturing, they are the big ones. E-commerce is playing out now for us, so that's how we look at that, yeah.
- Ankita Shah:** So, okay, so automotive remains strong both for contract logistics also and for B2B express also?
- Hemant Sikka:** Yeah, automotive, manufacturing and industrials.
- Ankita Shah:** Got it. Got it. And one last question, despite a strong growth in revenue in the contract logistics, I mean, consistently double-digit growth in contract logistics business, do we have, you know, scope for margin improvement or EBITDA margin improvement beyond 7%, given that our mix continues to be skewed towards M&M and auto sector, what all levers do we have, if any, to improve the margin? I'm interested to know more about the levers that we have for margin improvement. That's it from my side.
- Hemant Sikka:** So, I genuinely believe that there is scope to improve margin...
- Ankita Shah:** I mean, keeping the same mix, will we be still able to improve the margin, or will it require a change in the mix to improve?
- Hemant Sikka:** No, even within the same mix, we can improve the margin.
- Ankita Shah:** So, what will lead?
- Hemant Sikka:** More work to be done. I there are several levers playing. There's not like one lever which will play out, but operating leverage obviously will help us. We are trying to improve more warehousing compared to transportation, because warehousing has better margin than transportation.
- We want to improve our efficiency, as I called out, on manpower, because you know manpower costs have gone up, but they have not been fully passed on, and difficult to pass on those kind of costs, so we want to work on efficiency where we have taken a lot of actions, and we believe that the results should start showing going forward.
- Similarly, within our 3PL business, I think the mix of certain segments can help, and we have full visibility customer-wise, segment-wise which are more profitable, so we will kind of pushing the pedal harder on those profitable customers where we will do, and clearly, there is a differentiation between customer to customer on that side.
- So, as we work on our customer excellence and satisfaction of our customers, I think there is a better ability for us to charge a little bit higher price from our customers. So, and as we already called out that all our new investments are now meeting a much higher threshold.

So, that also is helping us overall in getting a higher EBIT and a higher IRR and ROCE to go with it. So, I would say, Ankita, I totally agree with you that there is a opportunity for us to improve our margins in the contract logistics space. I don't think we are satisfied with the current margins.

Ankita Shah: 100 bps in improvement is for next year, right? From the year from 4Q to 4Q '27, that period?

Hemant Sikka: No, Ankita, you have been on our calls all the time. We have we have not given any timelines, but this we believe is our target, and we should achieve this.

Isha Dalal: And let me repeat what I have said in the past, and again clarify because this point keeps coming up, that margin improvement target that we have, I'm again repeating, is over the medium term. Medium term, and I have specifically clarified in the past, does not mean two quarters, four quarters. It will take time.

All the levers that Hemant mentioned, you know, we are putting in place, but contract logistics is a thin-margin business, and it does take time for all these levers to play out. So, you will not see that improvement within two quarters, within one year. You will only see it over the medium term, and there will be pluses and minuses along the way. Directionally, we are working on all these levers, they will take time to play out.

Ankita Shah: Got it. Wish you all the very best. Thank you.

Hemant Sikka: Thank you, Ankita.

Moderator: Thank you. The next question is from the line of Meet Bhuva from Integrity Ventures and Partnerships. Please go ahead.

Meet Bhuva: Yeah., Hi. Congratulations on a good set of numbers., I have joined the call a bit late, so maybe I might have missed. I just wanted to understand the mix of the share of the M&M in the total revenue of the contract logistics.

Hemant Sikka: Yeah, thank you, Meet., Isha will uh take this question.

Isha Dalal: Sure. Meet, we called out that in F'26, the share of M&M as total MLL consolidated was 58% for the last year. It continues to be broadly in the 60% zone.

Meet Bhuva: Okay. But we have I think guided that the share of M&M will reduce, and other customers' share will increase. So, are we on that track to achieve it?

Hemant Sikka: No, Meet. in the last few quarters, we have clarified this that there is no internal target to reduce M&M a share of our pie. We believe that M&M is a great customer, anchor customer for us. On auto side, you know, they are beating the industry growth, and they're doing so well.

Hemant Sikka: On Tractors, they are the world's largest Company by volume. So, we are actually very happy with M&M being our anchor customer, and if their growth is more than the growth of the industry, their pie will keep on increasing.

- Hemant Sikka:** So, while we will continue to win new businesses with other customers, and we will not leave any business if it meets our threshold on profitability, but there is no internal target to reduce M&M share of the pie. If M&M does well, we do well with M&M. In fact, our target is to win 100% of M&M business.
- Meet Bhuvu:** Okay, got it,. Thank you so much. All the best.
- Hemant Sikka:** It's a very good anchor customer for us, I mean. It's a very reputable company, it's a great brand to have. They pay us exactly on time, and we have great relationship.
- Meet Bhuvu:** Yeah, Sure, Thank you. Thank you so much, and all the very best for the future.
- Hemant Sikka:** Thank you, Meet.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.
- Hemant Sikka:** Thank you all for joining us today. We hope we have addressed your questions and provided valuable insights into our performance and strategy. If you have any further queries or need any additional information, please feel free to reach out to our team or our Investor Relations Advisor at SGA. Thank you so much.
- Moderator:** Thank you. On behalf of Mahindra Logistics Limited that concludes this conference, thank you for joining us and you may now disconnect your lines.