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To
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

**Scrip Code: 544288, Scrip Symbol: BLACKBUCK, Series – EQ
ISIN- INE0UIZ01018**

Dear Sir/ Madam,

Sub: Transcript of the Earnings Conference Call for Analysts and Investors conducted on November 05, 2025.

Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby provide the transcript of the Earnings Conference Call for Analysts and Investors conducted on Wednesday, November 05, 2025 during 05:00 PM (IST) to 5:59 PM (IST).

Enclosed is the transcript of the Earnings Conference Call, which is also hosted on the website of the company. The link to access the transcript is provided below:

[https://a.blbk.in/Corporate Announcement](https://a.blbk.in/Corporate%20Announcement)

Kindly take the above information on record.

Thanking you

Yours Sincerely,
For BlackBuck Limited
(Formerly known as Zinka Logistics Solutions Limited)

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CIN: L63030KA2015PLC079894



“BlackBuck Limited”

(Formerly known as Zinka Logistics Solutions Limited)

Q2 FY '26 Earnings Conference Call

November 05, 2025

Blackbuck Earnings Call Q2FY26-20251105_123158UTC-Meeting Recording

November 5, 2025

58m 29s

Blackbuck 0:05

B

Yeah. So, thank you so much, Nikhil.

Welcome everybody to our fifth earnings call after going public. And this will be the month where I think being a public company, we'll probably complete in a year. That'll happen on November 22nd. So first of all, thank you so much for really supporting us and.

You know, thank you so much to all the shareholders for really supporting us and getting us to this place and having the faith and belief in us that we would execute well.

And yeah, so let's begin and I will take you through the earnings presentation of the second quarter FY26, starting off with a snapshot of numbers.

We did a total income which includes the interest income and everything about 167 crores in the last quarter, which is a 61% growth on a year-on-year basis. Last year the same number was 104 crores.

On an EBITDA basis we did 37 crores approximately, which is a 150 percent, 143%.

And growth on a year-on-year basis. Last year the same number was roughly 15 crores. From 15 crores this is moved to close to 37 crores.

Like subsequently the profit after tax number is 29.2 crores this year. Last year, obviously because of multiple exceptional items, the number was negative of 270 crores. So that's a, you know, strong turnaround in the whole business.

Relevant to this, because most of the business is determined by the KPI is moving upwards, the whole transacting customer base for us has roughly touched about close to 8,00,000 customers, which is a growth of roughly about 13% on a year on year basis.

Metric which determines usage of our services more deeply by our users. Users who use more than equal to services roughly close to 4,00,000 users, which is a 21% growth on a year-on-year basis.

Payments being one of the critical parts components of the revenue for the company. We report this separately with it close to about.

6800 crores of GTV of payments, which is a 29% growth on a year-on-year basis, right. So broadly summarizing this with a headline that like as we've always spoken in the last five earnings calls, we continue to grow.

Leveraging the tailwinds of the industry, leveraging the strong product portfolio which we have built, leveraging the new product portfolio which we keep experimenting and continue to launch. While doing that, we deliver profitability on a consistent basis because the profitability comes from the core businesses which have matured over the course of the years.

And continue to compound on revenue, continue to compound on profitability and newer businesses. We continue to keep, you know, reinvesting our profits and keep scaling them.

As always, for the benefit of, you know, new shareholders joining the call, we like take a few minutes to repeat what our strategy is. A good part about the strategy is that it's been consistent over the last 6-7 years. We obviously iterated, company started in 2015, we iterated through our way.

And probably landed upon this strategy maybe by 20-18/2019 and have been doing the same thing consistently the last 7-8 years and this has delivered us results. Very Simply put three parts to the strategy we create, we innovate for our customer. We are in this industry to really reimagine

everything how it.

It works in the transportation world. So, we keep launching offerings for our customers, right? Our customer centrally being the truck operator and a truck operator, typically an average three to five truck ownership is what India has. And keeping that in mind, we build products. These products because everything is digital are launched on our platform and by launching.

Newer and newer, newer products on our platform. Platform keeps getting stronger and stronger and customers use this platform repeatedly and more deeply.

And nature of our customer largely middle-aged, uneducated and hence a distribution has to be unique. So, you know that's something which is very unique to our strategy and we continue to you know deepen and deepen on these offerings. As you know our flagship offerings of tolling and vehicle tracking are our core products which also drive majority of the revenue and profits today.

With continuously launching ads to these products, be it fuel sensor, be it fuel payments, and leveraging all of this data consumer insights to launch loads, to launch vehicle finance as we continue to build and obviously many such offerings are under the hood which we continue to like experiment continue to launch

By the virtue of this, like our platform continues to get strengthened. As you can see, the minutes a customer uses the app is probably, you know, in the B2B world, one of the highest for us. You know how we use a browser, how we use a social media app, a trucker for his business uses this app. So we have close to 8,00,000 transacting customers, which is as you know near as about 25% of India's truck operators. Our app is very relevant for a large capacity truck user and for a long-distance truck user and hence you know relevant market share may be much higher, but then like our products long term will be relevant for everybody. So that's why we keep measuring this market share year after year because we launched newer products, we become, we are becoming more and more relevant for our users. The usage continues to deepen. On the distribution we are present everywhere. It's like because our users need to be explained what our product value proposition is and their trust with digital is not that high.

We basically build trust with our offline network which explains and onboards our customers. So there's a 10,000 people touchpoint network comprising full time workforce engaged by us, channel partners, variabilised workforce, tele channel, our technicians who basically install, repair a GPS device or a fuel sensor, everything put together.

We have a 10,000 people feet on St. network through which we touch, service our customers and obviously present, you know, very widely. Probably this presence is now closer to 90% of the districts all across the country. So that's what you know what we do, right? And this is a strategy which is really compounding and delivering.

Results which you're seeing us deliver coming to the key KPIs of the business, which is largely all the key KPIs are trending in the way they've been trending over the last four or five quarters, be it monthly transacting truck operators, be it using people using more than two.

Services, time spent on the app, the GTV of payments, the payment transactions. Coming down to the revenue level, revenue from operations, removing the, you know, interest income from the total income has grown about 53% on a year-on-year basis from last year 99 crores to this year 151 crores. Net revenues from this has grown by about close to 38 percent, ninety-nine crores to 136 crores. You know, this particular quarter contribution margin has grown slightly a higher 41% on a year-on-year basis and on an adjusted EBITDA basis, which basically does not include the ESOP cost has grown from 19 crores to forty-three crores.

Which is a 123% on a year-on-year basis. Most of these numbers would reflect the same trend on a full on half year basis of this year. Every six months we give half year picture reading out some of the key things over there on an adjusted EBITDA basis. We've already clogged close to 90 crores in this particular.

Half year of the full financial year and the same number last year on a half year basis was 31 crores, which is close to a 190% growth on a half year basis and similar narration would be for the remaining key KPIs.

Taking these results and giving a little bit of voice over on what's really happening, right first narration, more on the overall revenue part as a company on the total income, we've grown about 61% on a year on year basis and on a net revenue basis 38%.

If we split this number between the core business and the new businesses, the core businesses ended up growing 37% on a net revenue basis on a year on an overall revenue basis on a year on year basis and on a sequential basis 3%. As you all know, July, August, September is a rainy season like and it coincides with the.

Little bit of trough in the overall trucking industry. Every industry which is like let's say you know has primary metrics from a trucking perspective, be it sales of trucks, be it loans and trucks etcetera, typically has a bit of a low season quarter and starts picking up from the September, October month with the festivities coming in, right.

So despite a low season quarter on a sequential basis, we were able to do a 3% growth in revenue and on the overall core business from a year on year basis have grown at about 37% this year. Important to note is that even in the core businesses we've invested higher as you can see on a at a company level in this quarter.

Year on year, our costs have grown up by roughly about 18% and on a sequential basis we have grown costs by about roughly 8 crores. Some part of this cost not majority have actually gone into the sales and distribution for the core business as well. And obviously as you know in our strategy even in the core business, we've got a lot of adjacencies.

Which we invest into and grow and for a lot of these activations we need to really reinvest back. So, as you can see one of the signs there; fuel sensor which was one of the new launches probably about 2-3 quarters back has already gotten bolstered as part of it's you know overall sales portfolio and in the last quarter on a sequential basis we've been able to grow about 55% on the fuel sensor

. So that's the narration on the core businesses coming to growth businesses. As you all are aware that under growth businesses today, 2 relevant businesses for us are Superloads business and the vehicle finance business. Both of them have made good progress in the last quarter and overall basis, the overall revenues on growth businesses have.

Have grown by roughly about 226% on a sequential basis have grown by about 19% and largely the gross revenue growth is because of the super loads business. As you are all aware, today we are in the, you know, we are present in four hubs, largely materially present only in two hubs and the other two hubs were largely for the return.

And loads in a super loads business from there, from the four hubs over the next course of six months, we plan to open 10 new hubs and take this number in the range of 14-15 hubs over the course of next six months. So that's where I would like to say that the update is that the whole playbook building probably we are in the zone of 60% and I think we've learned new things

we've hit few milestones which were internally important for us, for us to test ourselves to know that whether we really know how to scale this business and happy to share that some of those experiments

have gone well. Some of those scale milestones have got hit in some of these critical hubs and we plan to.

Sow the seeds because whenever you typically launch a new hub, it has its own, you know, ramping up timeline. So, so we've decided that we will expand to new 10 new cities over the course of the next six months and ramp them up while we continue to deepen in these two hubs where we are, you know, building our playbook.

So that's the narrative on overall top line and overall growth moving into profitability as you as I've narrated, we've seen a growth of 123% on a year-on-year basis in Adjusted EBITDA growing from 19 crores last year, same quarter to this year 43 crores.

That's a 123% growth and as a percentage of net revenue that's a 19% to a 31% kind of a growth kind of a number on a year on year basis, right. And largely the story remains same. This growth in EBITDA is led by like delivery of operating leverage. We are in a business where most of our revenue comes from Rick like which are.

Most of it comes from line items which are recurring in nature and our customer retention is very strong and has a very high contribution margin. So, if you look at on a quarter-on-quarter basis, the operating leverage is 65% because of the reinvestment in business which we are doing. If you look at on a half year to half year number because last quarter, we have presented the operating leverage of. 85%. So, if you look at halfway to half year, the number still stays at 77%. You know from an operating leverage perspective, giving you a bit of narration on EBITDA on a sequential basis, if you compare to Q126 to Q226, there's a small shrinkage in EBITDA if we wouldn't have.

Intensely driven, you know investments in our newer businesses and in our core businesses.

Obviously, this this EBITDA sequentially would have increased, but primarily roughly anywhere in the range of two to three crores of investments have increased at 1/4 level because of doubling down on super loads and because of expansion and expansion of sales and marketing efforts in the core businesses.

Right. And another one to two crores each in the investments driven by like in the sub segments of the core businesses namely fuel sensor in AIS, GPS growth and obviously the annual salary increments as you know they happen on a regular course, right. So, there are four line items which typically materially have led to the small.

Reduction from a sequential EBITDA perspective. That brings me to giving you a snapshot on the P&L basis. Overall income in this quarter 167 crores. As I narrated, if you remove the interest income, the number flows down to 151 crores.

Overall net revenues 136 crores which is a growth of 3738% on a year-on-year basis. If you remove the direct cost, the direct cost largely similar on a year-on-year basis, you get the contribution margin and then total expenses. If you see on a year on year basis, this is probably the first quarter after going public we have like let's say probably loudly invested.

That's why you see on a year on year basis it's roughly about 20% growth, growth of 71 crores to 84 crores on an overall expense basis and on a sequential quarter basis it has moved from 75-76 crores to 84 crores from a total expenses basis on a.

And the same numbers largely hold good at half year basis. If you see revenue growth is basically you know 55% on a year-on-year basis, net revenue growth is 40% on a year-on-year basis. On half year basis, adjusted EBITDA 90 crores from last year, 31 crores which is a 190% growth on a year-on-year basis, right and then removing the.

ESOP expenses coming to EBITDA. Last year EBITDA was 15 crores. This year EBITA is 37 crores

which is roughly about 143% growth on a year on year basis, 229% growth on a half year basis and 23 crores to 77 crores and commensurately even the packs not comparable because of lot of one-time items at this point in time.

I also want you know the shareholders to note that EBITDA in our business largely mimics the cash flow. So, if you look at the Annexures, the overall cash flow of the company in first half of this year is 130 crores, which is far higher than the adjusted EBITDA of 90 crores. 90 crores is the Adjusted EBITA which generally directly moves into cash flow plus because our revenue is amortized largely. So, there's a deferred revenue element of 10 crores which shows up in cash flow. So that's a real cash flow of 100 crores and we had a one time working capital roll back in our you know other part of the businesses which contributed to 30 crores in you know increase in cash flow that's why.

You see the overall 130 crores, but then always as I've been guiding Adjusted EBITDA typically equals, you know cash flow a little bit goes higher because of the growth in the business and deferred revenue gets comes into the cash flow but doesn't come into revenue right moving forward.

Giving you like, let's say like a broader view of probably the last, you know, 2 1/2 years, as you can see, we continue to consistently compound in profitability moving from like Q124 of negative, you know, 11 crores to this quarter of 43 crores.

Which is basically a huge turnaround over the course of two years. And if you look at the same numbers on a H124 to H125 basis to H126 basis, again a huge turnaround in terms of numbers. Again, reiterating if you look at the H125 adjusted EBITDA of 31 crores moving to.

90 crores, that's a growth in 59 crores in Adjusted EBITDA. At the same timeline, the growth in revenue was 77 crores. That's a 77% delivery of operating leverage. So our strong track record of delivering profitability, delivering operating leverage and consistent growth in revenue continues and we'll do our hard work.

You know, hope God helps us keep growing that, you know, consistently and keeps luck by our side as we keep moving forward.

Summarizing, you know our strategy, you know I'll take this point to you know like reinforce on our strategy of what we are trying to do, right. As all of you know our core businesses deliver you know more than majority of the profits, more than 100% of our profits you know for us.

And tolling and vehicle tracking have been, you know, the leading vectors of a revenue base. They've been silently being added to by the, you know, fuel cards business and the ASGPS business, which is largely A mandatory business in multiple states, which basically has helped us compound on revenue stronger, right and by launching newer.

Newer verticals like fuel sensor and obviously the many experiments under the hood which we keep doing which will keep becoming core part of the revenues, right. So that is our strategy in core businesses that we will keep innovating in adjacencies which will.

Materially have the same revenue model like be it be a payments revenue model, be it a telematics revenue model and which will materially be using the same sales and distribution workforce to really you know leapfrog in revenues. So that part will keep growing right. So there again very key focus. Tolling by far the market leaders like our market share you know is inching very close to you know 50% on tolling will continue to compound like you know on tolling as you saw our payments GTV numbers and if you compare that relevant to the NETC numbers, right, we've done like far better than the overall industry averages, right. So, our focus there is to keep sharpening our axe, keep making material investments, right and keep like leveraging the, you know, tailwinds and keep growing consistently, right. And there, you know, one of the important things we've done is that like probably

our paybacks, blended paybacks in core businesses was as aggressive as like.

You know, 7-8 months now we've continued to invest back and see that even if this payback shifts to like 9-10 months, we're OK with, but we have to keep doubling down our market share and keep growing in that direction, right. So that's the approach in, you know, core businesses where we will. Compound on revenues, which will help us compound on profitability because of operating leverage and not be too like very, very, very, very profit focused, but like you know because the business model will deliver profits, but keep like expanding market shares, right. So that will be the focus ahead, right. As you've seen us in the last two quarters, we will keep doing that.

D

Moving into the growth businesses, right, growth businesses is where again like you know namely on the loads there are two lines of businesses classifieds which has a material market share on loads has grown like 65 to 70% on a year on year basis right for us.

And that has led us to let the let us to you know the birth of super loads which is essentially the transition of the classifieds business model into a transaction business model of super loads, right.

And super loads as I gave a narration that we believe that we've got material evidence you know in terms of the playbook building and we are really going.

Aggressive on the super load side, right. And while the other businesses, because classifieds has found its own sweet spot, continues to grow all across the country, continues to digitize loads, makes the whole, you know, I would say playground ready for super loads to, you know, really enter into these markets in an easy basis, right. Vehicle Finance again partner.

Calibrated growth because we're dependent on partners. Partners have various strategies of looking at growth in these businesses. So, we work with them to grow their loan book and we are our origination tool on a majority basis, right. So on growth businesses as always maintained because we are as a company with thick balance sheet, we are a very young company.

You know our journey in really digitizing trucking and building the future of Indian trucking has just started and probably line verticals which are of very high relevance and you know changes customers, you know life have really not yet got built out and we are in the like our endeavour in both businesses is that so we will always be keeping a very strong.

Aggressive investment outlook in the growth businesses, right. So summarizing, while growth businesses will continue to compound on profitability, we will ramp up new investments in the, you know, growth businesses and you know continue to really stay through our long term vision of building, you know the, you know the whole digital version of freight which is needed to really. Logistics and really, you know, make trucking very efficient and predictable for the country. Yeah. So, with that, I think, you know, we will pause and open the floor for questions.

Nikhil Raina 21:34

NR

Thanks. Thanks Rajesh for the update. We'll open for questions now. Humble request. Please restrict yourself, you know, to two questions and come back in the queue if you have any more. The first question is from the line of Abhishek.

Abhishek, I'm, I'm adding you to the screen. Please, please unmute yourself and go ahead with your question please.

Blackbuck 21:54

B

Please.

NR **Nikhil Raina** 22:05
Abhishek, please unmute yourself.

B **Blackbuck** 22:05
D, D

NR **Nikhil Raina** 22:12
Yeah, please go ahead with your question.

A **Abhishek Kumar** 22:13
Am I audible?

NR **Nikhil Raina** 22:16
Yes, we can hear you and check now.

B **Blackbuck** 22:17
Yes.

A **Abhishek Kumar** 22:18
Yeah, like some of our larger fleet management system competitors that are there in US like Samsara, they are integrating AI in their offerings like are we looking forward into such a possibility in our future? I wanted.
To know your comments on that.

B **Blackbuck** 22:41
Yeah. Thank you for your question, Abhishek. So basically, you know, the most important, I mean the easy answer to this is yes, because at least you know, our view of AI is that.
Like it'll largely be synonymous to like you know, electricity because anything you do, you want that to be more intelligent, less manually dependent and you know, so you would essentially in the long term, you know embed AI in like almost virtually every product offerings in which we have and today.
If you're asking me whether application of AI we use across all our product offerings, answer is you know very much yes. Now helping you understand like in terms of you know products in Samsara versus products what we have, right. So if you look at the whole suite of products of Samsara, they start from basic you know vehicle tracking which they call as ELD
To the advanced GPS devices, to dash cams, to various different sensors for monitoring industrial applications. They have a very wide range of products right now if you look at the same context in the Indian market, right Indian market, the entire go to market in telematics has been more price dependent, right. So for a product which on an average is priced between \$20 to \$100 per month for a GPS device in the US markets and the European markets. In India, the right product market fit was like for us happened only at like 2.5 dollars, which is like 200, you know, rupees plus plus is what we can make from our customers, right? So that's point #1.
Point #2 the So hence in India we've been largely successful in low spec, like very thin use case kind

of products, right? Point #2 in terms of let's say the places where AI is much more useful and where you can really create a difference is basically in the area of video analytics in the dash Cam sector, right? That particular product for us still in the is in the pre like is in the experimentation phase. We're still figuring out the product market fit, figuring out the utility, figuring out the price points, figuring out you know how to create this at a price point which these customers would love, right? And So what I would say is that let's say now.

If you are asking me where are we using, we are using this in probably the fuel sensor product like to be able to really show accurately the levels of fuel, clean, you know, the whole data, etc. We use AI a lot in our super loads business, right? We use AI a lot in our classifieds business to be able to show. The right load to the customer in terms of the ranking of the load when he is looking at it to the right repositioning of the, you know, asset for him in terms of where he has to go. Those are the problem statements we are using AI today.

Abhishek Kumar 25:23

A

OK. OK. And like what is our, do you have any data as to what is our market share in the loads business as of now like?

Blackbuck 25:34

B

Yeah. So market share in the loads business can be measured in two ways. One is digitized loads, what, what is the percentage which we drive with reasonable confidence. I think in India on a digitized load loads platform, I think we are by far by a big margin, the biggest. So I think there are. Market share probably would be upwards of 90%. But in terms of being able to digitize the loads like of like of India's loads digitized, our broad estimate is that FTL line haul loads which are long distance loads typically in a day 7,00,000 to 8,00,000 loads happen right typically and on a on a. On a like live loads market share basis, we can broadly estimate anywhere in the range of like 7 to 8% of the loads which typically are live at any point in time on a classifieds platform.

Abhishek Kumar 26:25

A

OK. So there is role of network effect in our businesses, right? Once we have big market share, competitors will have difficulty in entering. Is it, is my understanding correct?

Blackbuck 26:34

B

Of course.

Abhishek Kumar 26:43

A

OK. Thank you. Thank you.

Nikhil Raina 26:52

NR

Thank you. Thank you, Abhishek.

The next question is from is from Gaurav Malhotra. Gaurav, I'm bringing you on screen. Please unmute yourself and go ahead with your question.

Gaurav, can you please unmute yourself and go ahead with your question?

A **Gaurav Malhotra** 27:19
Yeah.

A **Gaurav Malhotra** 27:22
I have unmuted myself. Can you hear me?

NR **Nikhil Raina** 27:24
Yes, we can hear you now.

A **Gaurav Malhotra** 27:25
Yeah, yeah, yeah. So I was just saying that on in tolling, you know, your market share will be roughly, you know, give or take around 50 ish percent. Where do you think this market share can potentially go up to?

B **Blackbuck** 27:39
OK.
So basically the acquisition market share is materially higher than the current market share on the flow through. So we believe that like and that acquisition market share has been also climbing over the years continuously.
So till the time the acquisition market share is materially higher and way higher than the current flow through market share, it'll always keep catching up to that number.

A **Gaurav Malhotra** 28:08
And in terms of gold subscription, if you can give us some sense of where, where, where you are at in terms of penetration, you know what's happening over there, you know any details that you can share with us?

B **Blackbuck** 28:25
It was in the early 20s, maybe a year back, now more inching towards the mid, mid part of the 20s, right? But it'll be in that range roughly, yeah.

A **Gaurav Malhotra** 28:36
So that'll be the penetration amongst your users, the trackers. OK, just one or two small more questions in terms of fuel sensor that seems to be have picked up. You know what you know in terms of within the the users who are obviously were having the tracking system.

B **Blackbuck** 28:39
Yes, yes.

A **Gaurav Malhotra** 28:55
where would we be in the penetration of in that journey or is it a completely new set of user who's basically taking it?

Blackbuck 29:05

B

90% of the users are all existing users of the platform, I would say 95% plus. And in terms of penetration levels, very early days because you know we have 8,00,000 users.

And I think, yeah, I mean very early days. I think the whole penetration game is like still like left to be fully played out and like in the minds of the consumer, he is thinking of more as a that I had a vehicle tracking device.

Now I'm upgrading into a fuel sensor which gives me a vehicle tracking as well as the, you know, fuel sensing ability. So yeah, so that's how it works and and obviously have very high value proposition in terms of fuel pilferage, theft, theft monitoring, managing driver, etcetera. So that really gets the ROI to.

Gaurav Malhotra 29:58

A

This last one, one question in super loads, you mentioned that you're going from 4 to 14, so this will still be like within within the within South or you are now sort of going to go a little bit you know wider in terms of say a little bit in West or?

Blackbuck 29:59

B

Mm.

Pan India. So we'll be going, we'll be going Pan India.

Uh, yes.

Gaurav Malhotra 30:29

A

Or or there is or or in other ways like is 14 sort of the starting point and obviously it has to go much deeper.

Blackbuck 30:31

B

Yes.

Exactly. So basically, let's say, for example, we want to go to West, we want to go to East, for example, right? So you will start off in Calcutta, right? And then you will figure things out after that. I mean, because if you have, if you have the option in East to go to one place, you'll only go to Calcutta, right? But then if you want to further deepen, then you'll start Patna, you'll start Guwahati, like you'll start expanding, right?

Right. So this is the first probably points to just touch upon and then like figure things out on a data basis. India has roughly 350 to 400 like industrial hubs all across the country, right? And like the top probably 50 to 100 are very material.

ones and in that like right now it's really less of a choice, more of a rejection that where our where our product will probably fly much stronger, where our dense penetration supply is like super normal. So we are just choosing those as a sort of a very easy hubs to move into.

Gaurav Malhotra 31:36

A

Thank you so much.

Blackbuck 31:39

B

Yes.

Nikhil Raina 31:43

NR

Your next question is is from the line of Sachin Dikshit. Sachin, please go ahead, unmute yourself.

Sachin Dikshit 31:53

A

Hi Rajesh, congratulations again on a decent set of results. So to start with, I wanted to understand the replicability of super loads model, right? So obviously you are currently in four hubs and let's say tomorrow you are presenting 12 hubs, right? Can we build a thesis that yes, this?

Business works and you will be present in the most major hubs of the country and you can have a sustainable business there.

Blackbuck 32:16

B

It.

Yeah. So to appreciate the modularity of this, right, see basically, I mean we are not like recreating this business or it's not a technology innovation which is leading to a creation of a service.

This is a matchmaking service which exists in the industry as a offline industry today. And as I mentioned also previously on calls that this, this kind of a matchmaking business is done by like 2 and half lakh brokers in the country today, right? And like and if you look at a typical activity of a matchmaking, you know.

Activity, right. It's nothing but you need to build demand, you need to build supply, you need to, you know, do the matchmaking, you need to manage payments, you need to manage in transit, right? So this is like a modular activity, right? So the the like the.

The confidence which we've been able to get is that like first of all, our approach to this was to break this down into all these logical activities and all these are independent teams and these independent teams need to do their independent activities, right. At the same time, supply is nothing but driven by the whole platform and then like you know, demand has to be like demand has to.

To be raised by a demand team like we do in the classified business, fulfilment is done by, you know, a team which is separate collection, like payments is processed by a team which is separate, right? So the this has been successfully executed in the hubs of Bangalore and Hyderabad at a sufficient scale, assuming that we need to reach.

Let's say a business size of maybe you know two and a half billion dollars in you know flow through or \$200 million in net revenue roughly, right. So and that scale you probably you know let's say for example you need 40 hubs to do that at like X orders in every hub for example, right. So with reasonable confidence we've been able to prove X by two at least, right. So for a very.

Large scale business, if you like like you know push that down to a particular hub level, we've gotten to that 50-60% like you know proof point at one hub level. Now to do that at a hub level the you know the pods like each of these pods like essentially have been created and they run independently basis metrics data.

Right. And you basically hire teams. They come in, they are trained, they, you know, learn the industry, they work with us for 2-3 months and then they get to a particular productivity levels where we break even, right, which is generally within three to four months, right. So that has been proven

successfully within my, let's say about Bangalore, Bangalore, you know when I.

Seeing a Bangalore hub for us, Bangalore is actually a micro hubs of you know four points. So this has been successfully proven across these four micro hubs. Similarly Hyderabad for us is 3 micro hubs and Chennai and Mumbai has been one micro hub, right. So like though it is 4 hubs, micro hubs have been like closer to 10 and we've been able to prove this across these micro hubs.

Sachin Dikshit 34:55

A

Mm.

Blackbuck 35:10

B

That gives us a confidence to say that the granularity in replicability is there and we would be able to do that across, you know, 10 incremental new locations. And so the important point to actually build when we move from 4 to 14 is that what is the expansion strategy? How does expansion happen? How does activation happen?

Because let's say for example the Bangalore hub, I would visit this hub probably, you know, with a very high frequency, but these 14 hubs I would not be able to. So then what are these processes metrics? How do you create create layers in execution? So that will be the, you know, probably those will be the questions than the replicability of the unit module.

Sachin Dikshit 35:48

A

Understood, understood. Thanks for the clarity. Uh, really appreciate it. Uh, my second question was on the sort of incremental adjusted EBITDA side that we used to carry in a few previous presentations. Um, obviously you did highlight all the earlier comment that you did that basically you will try to.

Put paddle on growth, even if let's say the payback period extends by a few months, etcetera. So should we be expecting slightly more? I do understand you will still deliver like billion adjusted increment and adjusted EBITDA, but should we expect a slightly toned down version of it going ahead costing that growth paddle is more important at this point?

Blackbuck 36:13

B

Yeah.

So basically a few things we are doing to like go more aggressive is that let's say we would charge let's say our customers, you know for our let's say attack, right, let's say we would like live IFE. Now we are basically running some schemes and offers to like penetrate further right to you know have much higher market share, right.

And probably in some markets where we earlier thought that let's say obviously in very good markets paybacks maybe 3-4 months also in very bad markets today paybacks maybe already 12 months, right. But then we're like, OK, but blended CAC level, we're doing really great, right. Why don't we still penetrate, right. So I think some of those decisions we would be making in the coming, you know, 6 to 12 months, so.

So, so maybe, yeah, I mean a little bit maybe tapering down you can probably you know expect, but important to note is that in our business investment today means much more compounding profits in the future, right. So the so, so it's actually you know but then when will the tide turn towards you know really.

Expansion of profits that we don't know, right. So, so think of it as whenever we aggressively expand profits, aggressively expand investments, right. Profit growth probably, you know, a little stabilizes. But then once we stop expanding our investments, you suddenly see the hockey stick coming in profitability. So that's the nature of business and like.

As as I've always maintained, right, the last six quarters, five quarters when I presented you guys our earnings, right, the profitability which you guys are seeing was actually logged like you know 2 1/2 years back and that was a confidence also of going public, right? Because this is the nature of the business if you are able to see a investment opportunity which has strong paybacks.

We actually typically go intensely, you know, behind it and you know, chase those investments because once you steady, like steady your investments, you see like you know, spring back in profitability.

Sachin Dikshit 38:16

A

Understood. So should we expect this next hockey stick to be there in two years time? Because thing you mentioned like what we saw now was.

Blackbuck 38:23

A

Nothing, nothing like that. Like, sorry, I was just, you know, metaphorically explaining all of this properly, right? But the way you should look at is that first of all, our investments also will be calibrated like it because we don't have too much room because these businesses have sufficient penetrations. So even the investments will be calibrated, hence you can expect.

The profits also to be calibrated, so everything you can take in a balanced away.**Sachin Dikshit** 38:47

Fair enough. Thank you and all the best.

Nikhil Raina 38:54

NR

So next question is from the line of Gaurav Rateria. Gaurav, please, please unmute yourself and go ahead.

Gaurav Rateria 39:03

A

Am I audible?

Nikhil Raina 39:04

NR

Yeah, Gaurav, we can hear you.

Gaurav Rateria 39:06

A

Yeah. Hi. Congrats on good execution. I have a few questions. My first one is that I think you used to mention the market share in tolling closer to 45 and now you're saying closer to 50. So has there been steady market share gain in the last six months?

Blackbuck 39:23

B

Yeah. There has been a steady market share gain in the last six months, largely commensurate to the similar gains we were doing, yeah, over the last few quarters, yeah.

Gaurav Rateria 39:33

A

Got it. Second, on the super loads, could you give example of what is the bare minimum you know load or the number of loads that you are handling that needs to happen in a city for it to become a playbook and then kind of replicate it to more micro hubs within the same city?

And just trying to understand like at what scale it starts becoming a playbook from a replicability point of view. Also because you are investing, how should we think about the contribution margin for this business? Thank you.

Blackbuck 40:00

B

OK.

So basically I think see the module is a pretty small like if you have a person who can manage 5-6 people like that's a module we can actually start off with right? If you're asking the bare minimum module like you know hire a team lead who's a people manager who can like whom basically you probably will.

You know, pay between 40 to 50,000 rupees a month and you hire, you know, young hungry folks whom you pay 20 to 25 K a month, like let's say in the team and that's a minimum module actually. See the biggest advantage of this for us is that we have like any marketplace you take, right, there is a demand side of the equation, there's supply side of the equation.

And in any marketplace you have to keep scaling both sides, you know on a step by step basis, right? Because like if you have demand and supply is not available, demand runs away. If you have supply, but demand is not, demand runs away. So you can't add both of them like in big quantities together.

We have been able to obviously it's taken 10 years, but we've been able to break this problem down into we have supply now, right? And then now it is only about demand development. Demand in this industry is always hungry for trucks. If you go to any shipper and talk to them, they will every time go to multiple, you know, brokers and like.

Let's say try to get a truck right and and every brokers fulfillment rates are between like 10 to 10% to like 20% right. So every broker every day gets 30 index but he typically is able to fulfill like 2 to 3 orders a day right. So and that leads him to make a net earnings every month of like you know 2 lakh rupees up to 2 lakh rupees right. So so this is.

This is what we are trying to replicate leveraging a technology platform, right? So hence the need of a big module to start is not there. The module, the node is actually fairly small and like the initial times whenever we have set up this node, very smallest node because of it's very small.

Control is higher. You typically break even in like second, third month, right at a branch level, at a city level, right. So that's the context on basically the node and the replicability from an expansion perspective, how to look at contribution, how to look at impact in terms of.

Total burn. I would say for us also we are too early in terms of, you know, really understanding expansion leads to what kind of losses and you know how to factor the slope, how to factor the break evens at this point in time because our large evidence of scale up has happened only in the last three months.

Because this team would have been probably like you know under 50 people team maybe you know three to four months back. Now this team is already like 250 people team and like we really don't have you know we can't, we don't have much guidance into that. We are also figuring out maybe

in two quarters we may be able to guide you on how to really model the you know. Contribution and losses in this particular business.

Gaurav Rateria 43:04

A

Thank you and all the best.

Nikhil Raina 43:09

NR

Next question is is from Abhishek Banerjee. Abhishek, please unmute yourself. Go ahead with your question.

Abhishek, please, please unmute yourself and please go ahead with your question.

Abhishek Banerjee 43:29

A

Hey, hi. Am I audible?

Nikhil Raina 43:30

NR

Yes, we can hear you.

Abhishek Banerjee 43:33

A

Great. Thanks. Thanks for the opportunity. Rajesh just wanted to understand the core business growth last quarter was about 40% YOY and this quarter it is about 37% YOY just.

I mean, if you could, you know, help us better understand how to kind of model this for the full year.

And also I think last year you mentioned that the growth was being driven by the GPS business.

Whereas this year it was more by the this quarter it was more by the fuel sensor. So is there any national correlation between the two?

Blackbuck 44:18

B

Yeah. So I think you know one is basically how to look at growth, right. So first is like a good part of revenues like come from the tolling like line vertical, right. And again the next substantial vertical is basically your telematics vertical, right, GPS and AI as business.

When I was explaining the levers of growth, see every business provides a lot of adjacencies, right. So when I was explaining how the whole playbook of growth is being built out and whenever we've talked about growth, we've always talked about the numbers of around like 25% levels is how we look at growth.

Because all the adjacencies, when they come up and compound into growth is a bit unpredictable because every business is a mix of core like very core solidified verticals which we can, you know, project out, understand and the adjacencies, right. So the way to look at growth obviously.

Two paths, adjacencies, how will they grow and core, how will they grow right in terms of core tolling again like indexing this on you obviously have the public numbers on how NADC is growing right. But then underneath the hood you look and look at what is the kilometers of national highways which is cannibalizing state highways, right? How is that growing? How are number of vehicles which are using?

The like national highway, how is that growing, right? Because the number of vehicles grow and they use more national highways, right. How is the inflation on the toll fare is growing, right. And obviously a little bit how has our penetration of our value-added services is growing, right. It's a mix

of all of this and we like obviously.

You know, give you the metric on how our payments GTV is growing. From there you will be able to really extrapolate how the tolling business is growing, right. GPS on the other hand, GPS aided by GPS, AIS, AIS device, which is a mandatory device in various different states. This gives like a good kicker because AIS gives the kicker. GPS is obviously you know.

Good modernization kind of a story because as truckers get modernized, they will utilize these services more and more, right. So both of these again we've typically, you know, guided in the similar sort of zone. We typically have not guided you know as a as a strategy, but to help you out how to model this out, right. So this is how the core works.

But then now on top of this, like there are a lot of experiments running on how we should really look at fuel cards, how do we run credit programs on fuel, leveraging the dealers. We're doing a lot of different work over there, right. At the same time under telematics, obviously fuel sensor has broken out, but we do, we are doing a lot of pilots on various different telematics products, right, because telematics.

In India is large about how do we translate the innovation, but not really about innovating because the West is far ahead in telematics, right. So blended all of this as you're seeing we're able to do this 37% growth in the last quarter, right. And and hence like you know that's how that's how you should look at the you know overall growth modeling for the core businesses.

Abhishek Banerjee 47:09

A

Understood, understood. And and with regards to the super loads business, so what would be the average you know value of you know one one transaction on the super loads business and if you could just you know give us split

Of the net revenues, I I'm not sure if you've given it previously. I may have missed that out.

Blackbuck 47:36

B

Yeah. So I think what we've always maintained is that we will at the relevant time start increasing the disclosures with respect to the Superloads business, right. But to give you some like narrative on how does the industry work and like let's say you know in terms of the gross revenue per transaction, etc. So India, if you take the overall.

India average, the gross average, average revenue like you know for a load average gross rate value for a load typically would be in the range of about 50,000 rupees, right. And an offline industry for the whole brokerage industry and the you know probably the booking office, everything whole industry typically makes a 15 to 20% kind of a gross margin brokerage layer.

Typically makes anywhere in the range of like, you know, 8 to 12% margin in this industry right today. Obviously because we are largely doing regional lanes, our gross order values are, you know, much lower than this. Yeah, this is broadly what you know, we can share.

Abhishek Banerjee 48:33

A

Understood. And and just one last question. So one of your competitors has recently announced that they will have a platform which will show the prices for most of the, you know, lanes across the country. So that kind of

Takes away some of the information asymmetry which is there in this segment and which obviously

you know would mean higher realizations for platforms. So any thoughts on that? I mean would you sense that the competitive intensity is going up here right now?

Blackbuck 49:11

B

Yeah. So basically, you know, I don't know the competitor you're referring to, right. The majority of the competitors in this business like are like, you know, in the organized transporter layer, right, who typically provide services to the end customers. We don't compete with them #1. #2.

The pricing in this industry is very heterogeneous, let's say from Bangalore to, let's say, Delhi or Bangalore to Chennai. The whole pricing at a daily basis typically is in the band of 15 to 20%, right. And it's very, you know, and that pricing is right.

And true for that particular micro market and for that particular product category, right. So let's say for example if you're carrying, if you're using the same truck type 30 feet multi axle container for like you know two different you know shippers on the same lane, same distance travelled, the pricing may still be 10% different because.

One particular customer's warehouse has a lot of detention, right? Or one particular customer may have a material which is far lighter, but it needs that particular, you know, truck type, right. So pricing is very heterogeneous and pricing is very, you know, micro market dependent and I would say that if. More and more players can come into this industry and do this kind of work. We will be able to faster crack this market than actually we like, let's say being a lone Ranger and like with very few players trying to do this.

Abhishek Banerjee 50:45

A

Understood. Very helpful. Thank you so much.

Nikhil Raina 50:51

NR

The next question is from the line of Parikshit Kabra. Parikshit, go ahead, please unmute yourself.

Parikshit Kabra 51:00

A

Hi, am I audible?

Nikhil Raina 51:02

NR

Yes, we can hear you. Go ahead, please.

Parikshit Kabra 51:04

A

OK, great. So my first question, OK, first of all, congratulations Rajesh for your results. But my first question is about the type of fleets, fleet that we have from my research. What I'm hearing or understanding is that one of the type of.

Trucks that we may not have adequately in our portfolio are those container trucks. And based on my research from some of the other people, other tech players who are also trying to enter the space, it seems like they also struggle in onboarding.

Blackbuck 51:31

B

Yes.

Parikshit Kabra 51:35

A

Container trucks on their on their fleets. So I'm just trying to understand whether this is just a random occurrence or is there something structurally different about, you know, tech players like yourself in on terms of onboarding container fleets basically?

Blackbuck 51:52

B

Yeah. See, basically, first of all, if you look at the market segmentation in terms of truck population and ownership, 75% of , 75% of the trucks in the industry are owned by people who own less than or equal to five trucks. That's point #1.

Now if you look at the share of people who own, let's say more than five trucks, as a percentage of that they would be owning more containers. So my comment there is large fleet owners typically own large number of containers.

Right. And these people, let's say for example, when we were like trying to add users using a tolling or a vehicle traction service, etcetera as it is 2019, 2020, these guys because they were bankable, they were a profitable businesses for let's say you know maybe like a large Western telematics company. Or by a HDFC bank or by an ICICI bank became their customers quite early on, right? So if you look at our, let's say our percentage share percentage, let's say for example, if India has 10% large fleet owners who own more than 20 trucks, for example, right, our percentage of that would.

Be like 6%, right. So on a relevant proportionate share, obviously we are lower on a platform basis because they were more, they were penetrated by some of the these players because of the profitability of that business, right. That's point number one, point #2.

You're obviously question is the right that do we have containers? Answer is yes. But do we like let's say really dominate in containers? Answer is no. But at the same time today percentage of vehicles in the super loads business or be in the classifieds business which get placed by containers, that number is also 40%.

So it's it's basically 40 to 50%, so that it's basically, you know, yeah, so classifieds as you rightly said, let's say you may have the voicing voice over by the customers that we are not able to find containers properly because the availability of trucks is so high that you know they feel bad in containers.

At the same time, when I look in super loads right, when a customer repeats right, he starts repeating right. So even though he's not a customer, he's maybe a customer for only one of the other product categories or may he has joined the platform only for classifieds right? Or he joined the platform only for super loads because he started super loads right? So the repeat is typically.

Very high for containers as well, right. So your your question answer to your question is definitely yes, that proportionate share is lower but containers are available. But do customers struggle in finding containers who are classified customers? Answer is yes. Do we have high mark high share of our loads on containers? The answer to that also is yes.

Parikshit Kabra 54:41

A

So as a follow up, Rajesh on that, so thank you for that. But as a follow up on that, then would it be fair to say that to some degree our loads marketplace or even the classifieds business would be throttled in its growth because of our inability to have adequate number of, you know, these container trucks and if.

So how are we structurally solving for it? Because see the problem that you identified, which is that

these container trucks are typically with larger organized players who we have not managed to tap into that still persists. So how are you going to solve for that?

Blackbuck 55:13

B No, no, no. So sorry, like what I meant was first of all, they are large. See, first of all, India has a \$200 billion of trucking TAM, right? 180 to 200 in that which comes into brokerage is 120, right? Let's 60% of that. First of all, these organized guys may have put the trucks.

With let's say a PTL provider or a express provider, we I'm not even calculating that in the TAM, right. So the TAM is ex of that. The problem is that the overflow needs of these come into the brokerage marketplace for the overflow needs any which ways you will not find trucks.

Attendee169 55:39

A Hmm.

Hmm.

Blackbuck 55:48

B So answer to your question is for the relevant share of demand which actually comes into the open market. Those many containers I think are available in the open market. So it would not throttle. That's that's point #1 because we've seen that play out in the business in the markets we are in and like Bangalore is a significantly container market and we've been able to scale up significantly over here, right.

So the answer to this question is that first of all, containers would be a very small share of the total market #2 have been able to find containers on our platform. Answer is yes. Have been able to scale containers. Answer is yes. Higher market share of our businesses containers. Answer is yes, right? Yeah.

Parikshit Kabra 56:23

A Got it. Second question I had, Rajesh, was I understand that you know you guys are planning on doing massive investments in in in all the new growth areas and that's fair enough. And I think this quarter in terms of a cost line items, you have already seen some of those investments.

But from a quarter-on-quarter growth perspective on our growth business, we have grown, we have gone from 23 crores to 28 crores, which is obviously great growth on if you look at it out of context. But from the idea that we have just managed to crack this model to some degree and we are scaling up operations so rapidly.

Does this growth look adequate to you from a top line perspective?

Blackbuck 57:01

B Yeah, yeah, you're absolutely right. I mean this growth from a perspective of you know what this can be is definitely not adequate and but like let's say the entire aggressive outlook into superloads is quite recent of the last two to three months.

Yeah.

Parikshit Kabra 57:20

A Got it. All right. Thank you.



Nikhil Raina 57:27

Thank you. We'll we'll close the, we'll close the Q&A session now. Thank you everyone for you know for for hearing us out. I'll hand over to Rajesh now to make the closing remarks and then we'll close the call. Rajesh, over to you.



Blackbuck 57:40

Yeah. Thank you everybody for, you know, making it to our earnings call. And I think we had a good, you know, first half of the year. And yeah, more importantly, you know, as I understand all of you are on a holiday and I think on a holiday joining the call and.

You know, hearing us. Thank you so much. Special thanks you know for that and see you guys again soon. You know in the after one quarter and wish you all very best. Yeah, signing off. Thank you.
