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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

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 17 October 2025 and Outcome and audio recording of earnings conference call dated 28 October 2025

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 2025, held on Tuesday, 28 October 2025, 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No Unpublished Price Sensitive Information was shared/discussed by the Company during the earnings conference call.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 Parikh
Company Secretary

Enclosure: As above



“Mahindra Logistics Limited
Q2FY'26 Earnings Conference Call”

October 28, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the stock exchange on 28th October 2025 will prevail.



**MANAGEMENT: MR. HEMANT SIKKA – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER
MS. ISHA DALAL – CHIEF FINANCIAL OFFICER
MR. MANDAR CHAVAN – STRATEGIC GROWTH
ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Mahindra Logistics Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing star, then zero on your touchtone phone.

I now hand over the conference over to Mr. Mandar Chavan from Strategic Growth Advisors. Thank you, and over to you.

Mandar Chavan: Thank you. Good afternoon, everyone, and thank you for joining us for Mahindra Logistics Limited Q2 FY '26 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 members of the senior management team.

At the outset, I would like to extend a warm welcome to Ms. Isha Dalal as she joined us for her maiden earnings call in the capacity of Chief Financial Officer of Mahindra Logistics Limited. Ms. Isha has over 15 years of diverse experience spanning media, investment banking, private equity and corporate finance. She previously served as a Senior VP and Head - Group FP&A at the Mahindra Group, where she was a part of the group's finance leadership. Prior to that, she was a member of the finance leadership at HUL.

Earlier in her career, Isha was an investor in consumer and consumer technology businesses at multiple private equity an India-focused private equity fund. I hope everyone had a chance to view our financial results, investor presentations, 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 Q&A. 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 our earnings presentation.

I would like to invite Mr. Sikka to share his remarks. Thank you.

Hemant Sikka: Thank you, Mandar, and good afternoon, everybody. I hope everybody had a very good Diwali. Wishing you all a very happy belated Diwali. Friends, over the past five months, we have invested significant time and effort doing the 360-degree review of our businesses.

We have evaluated every aspect of our operations, processes, structure, the way we work, the way we interact with our customers. And I think this introspection has allowed us to identify a lot of areas of improvement and also take decisive steps to strengthen the business for the long-term.

Overall, our focus continues to remain on a very good foundation for margin growth across our business, and that we plan to achieve by the three things and excellence in operational execution. Clearly, operational execution is one of our key pillars, very disciplined focus on cost optimization and also sharp focus on site level economics.

Before I talk about the business performance and the broader business environment, I'd like to share a few updates on the important priorities that we have pursued in the last quarter, and in the last call, I had spoken about these.

First, obviously, for each one of us is our focus on white space reduction. Reducing warehousing white space, as you know, is a top priority for our top leadership team. And since the last quarter, we have taken disciplined and targeted approach, which involves aggressive selling of our existing white space and thorough evaluation of expansion opportunities, which are evaluated on a very strong business case analysis.

I'm pleased to share with you that we have, in the last quarter alone, achieved a reduction of 20% plus of our white space in the last quarter. And we remain committed to our target, which I had shared last time in the call that by September of next year we will reduce our white space cost by about 95%.

So, we will still retain 5%, but that is just for any exigency, any customer comes, which is like a great customer, we should not ask him to wait for a year for that. So, but most of the white space will be gone by September 2026.

Second, our priority was on our turnaround of our Express business. Our Express Logistics business has continued to make very substantial progress in the last quarter. Very happy to share again here with all of you that for the first time ever on a quarterly basis, we have become gross margin positive. This is the first time we have become GM positive since acquisition.

And this is testament to our team's effort on really improving our operational discipline and cost efficiency. While volume growth remains important, we firmly believe that ensuring unit economics, viability at each lane level and at each customer level is the way to a sustainable profitability in the long-term. Further, MLL is infusing additional equity capital of INR50 crores in MESPL to support in its journey to become EBITDA positive.

The third pressing issue that we spoke about last time was on cost optimization. We continue to strengthen cost discipline as a top strategic priority, maintaining sharp control over overheads and discretionary spends.

Further, we are continuously recalibrating our business portfolio by renegotiating and even exiting adverse contracts that are negatively impacting our profitability. Apart from these, we have executed multiple other initiatives, including changes in our organization processes, organization structure, all aimed at enhancing efficiency and alignment with our strategic priorities.

Now I'll share a few updates across our business units. Let me start with 3PL first. We have delivered healthy Y-o-Y growth on both top line and bottom line with performance improving in latter part of Q2 after initial work was held up because of GST-related disruptions.

The festive demand cycle started earlier this year. However, early preparations beginning in July ensured operational readiness. For example, one of our grocery fulfilment center, I don't want to

share the name of our customer. We handled 8.2 lakh units in a single day. This is our best ever, 8.2 lakh units in a single day from one site. And another large fulfilment center handled 13 lakh units in a single day.

So I think our teams have really excelled very well on operational. The peak has been excellent for us. And at site level, there is a lot of like great work done by our teams. And in MLL, we have this thing of calling Rise Stories. I think in the last 45 days, I have come across several of those Rise Stories in MLL.

Let me talk about Express business now. The Express business continues to build very strong momentum. Our tonnage has improved 7% Y-o-Y and our share of Value-Added Services, which we call VAS has also improved. The key drivers include strengthening our sales engine, optimizing our customer mix, prioritizing high-volume lanes and maintaining consistent service levels.

Let me come to freight forwarding. Overall volumes grew by 9% Y-o-Y despite, as we all know, there are very strong global challenges, headwinds because of global tariffs and geopolitical challenges. Still, our cross-border business has done exceedingly well, growing by 9% Y-o-Y. And this is based on a very strong foundation that we have of diverse customer portfolio, which still ensures stability to our revenues even in very adverse times.

For the last mile delivery, Q1 of this year was a very challenging quarter for ZipZap Logistics Limited. And this was primarily because some of our key customers actually gave us some very aggressive price targets to meet.

We have gone back to our customers in Q2, and some of these customers have restored our prices back, and that has also restored our margins vis-a-vis the Q1. However, customer-driven pricing pressure continues to be a concern in last-mile delivery, and this has led to a few strategic decisions taken by us on our customer mix.

Coming to mobility. Here again, I'm delighted to share with the launch of Alyte Prive, our premium tech-enabled B2C mobility service designed for the modern and digitally connected urban commuter. I would strongly urge that if you are ever traveling to Delhi, and you happen to move out of Terminal 3, Gate 2, our counter has the best location there. Please do use our services.

We have the previous services in NCR, and please share your feedback with us. We have taken feedback from hundreds and maybe now thousands of our customers, and we have a 99%, 5 on 5 rating on this service. Alyte offers seamless airport transfers, intracity rides and outstation travel, combining comfort, technology, sustainability and premium service standards.

We have launched Prive service only in the region of Delhi NCR, and we have expansion plans now for Noida International Airport. There is a lot of growth that can be achieved in NCR, and we will keep the Prive focus on NCR for the whole of next year.

Let me talk about industry and micro environment. Although there are certain headwinds, as I spoke about, especially on the global side, overall, the outlook is positive and actually, it has improved in the last one quarter. We continue to face headwinds like global uncertainty, cross-border price volatility and elevated input cost on the cross-border side.

But I must say that increasing domestic resilience, which is evident in the growth of e-way bills supported by GST cuts, very, very positive for overall economy, softening of inflation and very strong festive demand that we have seen, has helped to manage these headwinds on one particular cross-border business that we have to a very large extent.

Further infrastructure push and rapid expansion of e-commerce and quick commerce have set a very positive tone for us in the coming quarters. As I spoke about on the Express Logistics business, this is a business which is for most developed countries, one of the very big profit drivers.

We see that the focus is shifting in this business from rapid expansion to actual consolidation with efforts to improve infrastructure, boost asset utilization, basically driving the overall operational efficiency. And I think this signals a very mature and sustainable growth phase for the whole industry. And obviously, we are a key part of the industry. So, this also helps us keep a very strong focus on improving our efficiency and continuing our journey towards profitability.

I also want to highlight a few key wins for the quarter that reflect the momentum we are building across all our businesses. Happy to share that we have operationalized 8 new projects across manufacturing and e-commerce and launched a 3 lakh square foot facility in Nashik. Also, repeat expansion projects from key customers such as Cummins, Bosch, Amazon, Flipkart, Mahindra, etcetera, reflect our robust customer partnership and strong execution capabilities.

The last mile delivery business received multiple recognition during Q2. I mean this is the toughest part of any logistics business, which is the last mile. We won an award from Amazon, which is for Best Large Partner for South. We won an award from Flipkart, which is for Best Pickup Champion and Best Run Site in the grocery category. And lastly, but clearly not the least, the freight forwarding subsidiary Lords was recognized as the Emerging Freight Forwarder of the Year at the Cold Chain Excellence Awards in Hyderabad.

So just to conclude, the first half of FY '26 has been a period for me personally to learn and for MLL to transform and have a strategic alignment for us. The recalibration of our operating model and the focused execution across business verticals collectively positions us for a stronger, more resilient and profitable future. This marks the beginning of a new phase for Mahindra Logistics, where we aim to make MLL as the best integrated logistics company of India.

As we move into the second half of the year, our focus will remain clearly on yield improvement, operational excellence, customer retention and network optimization, ensuring that Mahindra Logistics continues to deliver sustainable value to our customers and to our shareholders.

Now I'd like to invite Isha, our new CFO, to update you on the financials. Isha, over to you.

Isha Dalal:

Thank you, Hemant. It is a pleasure to be here speaking to all of you today, and I'm looking forward to the journey of transformation that lies ahead. Hemant detailed out our progress during the quarter on several important priorities. To add, let me share an update on the successful completion of our rights issue of INR749 crores in August 2025.

The proceeds have been prudently utilized towards the repayment of debt, resulting in a stronger balance sheet. As a result, we have reduced our consolidated debt obligation from INR601 crores at the end of quarter 1 to INR73 crores at the end of quarter 2. This will help us realize interest cost savings of INR40 crores to INR45 crores per annum.

The rights issue has helped strengthen our financial foundation and our focus now is squarely on enhancing operational performance to drive long-term profitability. In addition, INR187 crores remains available from rights issue proceeds for general corporate purposes aligned with the objects of the offer.

Now let me share a brief update on the consolidated financial performance for Q2 FY26. Revenue for the quarter has increased by 11% on a year-on-year basis to INR1,685 crores, driven largely by e-commerce and the M&M Auto and Farm business. Our volumes continue to improve, and we are simultaneously remaining disciplined on pricing.

Supply chain management, including our 3PL and network services business, which is Freight Forwarding, Express and Last-Mile Delivery, contributed 95% of our overall turnover and the Mobility business has contributed 5% of revenue for Q2 FY26. This mix has remained consistent for the last few quarters.

Revenue from the warehousing segment stands at INR333 crores as compared to INR278 crores in Q2 FY25. That's up by approximately 20%, driven by the addition of new sites and the volume ramp-up in our existing sites.

Consolidated gross margin is at 10.1% in Q2 FY26 compared to 9.2% in Q2 FY25, driven by more favorable business mix, customer mix as well as volume leverage. Without the impact of the MESPL business, our consolidated gross margin is at 10.8%, and that as well has expanded by about 70 bips year-on-year.

EBITDA for the quarter stands at INR85.1 crores, up from INR66.4 crores in Q2 FY26. Our PAT loss for the quarter is at INR10.4 crores, which is marginally improved versus the corresponding quarter last year as well as sequentially. There is a one-off item in this number that I want to specifically call out.

During the quarter, we have recognized a onetime charge of INR4.8 crores under Provisions for Doubtful Debts or PDD arising from the bankruptcy filing of one of our 3PL customers. This adjustment was undertaken as a prudent accounting measure to reflect potential credit exposure on our outstanding receivables.

Excluding the impact of this exceptional item, our underlying business performance has improved, sequentially improved in line with our expectations, supported by continuing

operating discipline, cost optimization and stable demand trends across our core segments. On a stand-alone basis, as mentioned earlier, we had no debt as of 30th September. Our consolidated gross debt stands at INR73 crores.

Let's now talk about segment performance. Revenue for Q2 FY26 was at INR1,367 crores as compared to INR1,236 crores in Q2 FY25, up by 11%. As I mentioned earlier, this has been largely driven by the Auto and Farm business as well as the e-commerce segment. Our PAT for Q2 FY26 was INR3.8 crores as compared to INR8.5 crores in Q2 FY25. This includes the impact of the provision mentioned earlier.

In our freight forwarding business, our revenue for the quarter was at INR90.2 crores as compared to INR86.8 crores in Q2 FY25, up by 4%. We have seen good progress in volumes, as Hemant has called out earlier, but rates have been under some pressure and the PAT for Q2 FY26 has marginally dipped to INR1.7 crores as compared to INR2.1 crores in Q2 FY25.

Coming to the Express business. Q2 FY26 revenue was at INR104.4 crores as compared to INR91.7 crores in Q2 FY25, up by 14%. Hemant alluded to it earlier, we have grown volume at 7% and also improved yield substantially year-on-year. This is our first GM positive quarter with 0.2% gross margin as compared to minus 5.2% in Q2 FY25.

The business continues to make a PAT loss at the moment. We have a PAT loss of INR20 crores in Q2 FY26 compared to INR24 crores in Q2 FY25. The improvement in gross margin is flowing down to PAT as well. We have improved gross margin by about INR5 crores, and you will see about INR4 crores improvement in the PAT.

Coming to the Mobility segment. Our revenue for Q2 FY26 was at INR93.8 crores as compared to INR81.1 crores in Q2 FY25. That's up 16%. The PAT in this business in this quarter stood at INR1.6 crores.

Whizzard, which is our last-mile delivery business, delivered a revenue of INR68.4 crores as compared to INR51 crores in Q2 FY25. This business delivered a PAT of INR1.07 crores as compared to INR0.2 crores in the corresponding quarter last year.

The 2x2 Logistics business, which is our car carrier operations, did a Q2 FY26 revenue of INR23.4 crores as compared to INR20.2 crores in Q2 FY25. The PAT for this business was INR1.7 crores compared to INR1.2 crores in Q2 FY25. Coming to the revenue breakup for the quarter. The Auto business contributes to about 58% of our revenue and the Mahindra business contributes to about 54% of the revenue.

And with this, that comes to the end of our prepared remarks, and I'm opening the floor for question and answers. Thank you.

Moderator:

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

while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the Line of Jainam Shah from Equirus Securities Private Limited. Please go ahead.

Jainam Shah: Hello. Thanks for the opportunity. The first question is a kind of bookkeeping question. So the provision that we have created for the INR4.8 crores in this quarter, is there any amount remaining or have we just provided it for the full in this quarter only?

Isha Dalal: Sorry, can you repeat your question, Jainam? I didn't quite catch that.

Jainam Shah: Yes. So, the provision which has been created during this quarter of INR4.8 crores, is there any outstanding amount after this provision from the same client or are we done with the entire provision?

Isha Dalal: So, Jainam, we have taken a call and an assessment on recoverability based on our assessment of the client history and the current status of the client in their bankruptcy filings, and we have appropriately provided for it.

Jainam Shah: Okay. So fully has not yet been provided. The full provision is not provided for the same. Got it. This question, now the second question is more towards the Express business. Of course, our revenue growth on a sequential basis is about INR3-4 crores, , whereas our gross margin improvement and EBITDA has also improved by INR3-4 crores .

So whatever additional revenue we have generated, it has flowed to, let's say, our EBITDA and eventually towards the PAT. Now we are at, let's say, minus INR20 crores of PAT. What kind of targets we have in mind to, let's say, make it EBITDA positive first and then the PAT positive, specifically for this Rivigo Subsidiary.

Hemant Sikka: So, Jainam, you would have noted that Y-o-Y and even on a quarter-on-quarter basis, our performance on MESPL side has improved. This is the first quarter where we have become at the full quarter level, GM positive. Obviously, the next target for us remains as the EBITDA positive.

The team is working very hard. We have several more levers which we have pressed in the last five months, six months where the results will begin to apply. There are many more customers that we are looking at customer-wise profitability. So, some kind of yield management activity is currently in play. That also will help us improve our profitability.

So, without giving you a forward-looking guidance on when we will turn EBITDA, all I can tell you is that is our next target. We are extremely focused on becoming EBITDA positive as soon as possible. And we will share with you the progress as we go ahead.

Jainam Shah: Got it. Got it. Sir, another question is from the rental perspective. If you see our revenue growth in the contract logistics, as well as on the consol basis or even if you see the FCL segment, it is

in the range of around 10% to 12%, whereas our rentals over the last few years have increased in the range of 15% to 20% on a consistent basis.

We are targeting the reduction in the white spaces, and which we have reduced by around 20% of the total white spaces. Our rental has not come down drastically, rather it has increased eventually. So, what could be the reason for the same and when we are catching up in the revenues as against the rentals that we are paying?

Hemant Sikka:

Let me, Jainam, come in first and talk about the white space and then Isha can further add more color to it. So last quarter, we had shared this plan that by September next year, we will almost wipe out our entire white space, give or take, 5% here and there. That plan is on track. In fact, as I speak to you, we are slightly ahead of our plan.

That is obviously helping us reduce rupee crore in terms of rental for white spaces. So, 20% reduction means 20% reduction in our white space, rental cost has also happened in the last three months. We are on track for this. So whatever we were spending money on rentals for white space, that is clearly showing going down.

Overall rental, Isha will add more color to it, because it's not only we have white space as the only rental outgo that we have. I mean, we keep...

Jainam Shah:

Yes.

Hemant Sikka:

Like I said, we have added 3 lakhs square feet of rental space in Nashik in the last quarter. Obviously, some rental will go for it, and it will also correspond to revenue increase for us. So that, both sides it will play out. But on the bottom side, clearly, as we reduce our white space, the rentals will go down and they are continuing to go down. Isha, do you want to comment?

Isha Dalal:

Yes. I'll just add to that. You would have also seen somewhere over the course of the last month, we have expanded our presence in the east of India as we've opened two new logistics hubs in Guwahati and Agartala, along with the Nashik site that Hemant mentioned. Similarly, other sites, including the east side, have been added to our network in the course of the last year, which has resulted in year-on-year increase in the rental cost.

As Hemant mentioned, the revenue generating part of this warehousing space will obviously go up as we reduce our white space. And with the recent additions to our network in the east, our warehousing capacity is sort of fully built out. So we will further be extremely judicious in adding warehousing space as we go on. So this is, in some sense, a peak rental cost...

Hemant Sikka:

Yes.

Isha Dalal:

That you see in our financials at the moment.

Hemant Sikka:

Yes. So Jainam, just to explain a little bit more, we had spoken about this in the last quarter call, also that some more white space, some more rental capacity was to come on stream. That has come on stream in this quarter. This is our peak capacity kind of in terms of BTS space, as we

call it, which is build-to-suit. A lot of our white space is actually coming out of our BTS space, which is our ready to move. , We don't have any white space at all there.

So, when you look at rental, you may think about two big buckets in it. One is RTM, the other is BTS. So, BTS, whatever was committed because BTS doesn't happen overnight, whatever was committed, let's say, a year, year and half back, everything has come on stream, and all that rental cost is already now in the quarter two results.

From here, as we keep reducing the white space cost, the rental cost will reduce. And in fact, it will help us increase the revenue side. So, the cost has peaked, but the revenue is yet to happen. We have added quite a bit of space on east of India, where we have not still rented the space out. They're still as part of our white space. So, as we close deals with our customers, all of that will go away. I hope that clarifies, Jainam?

Jainam Shah:

Yes. Got it. Got it. Sir, just one question from the industry perspective. What we are seeing in the B2B Express segment, which like Rivigo is into, the overall competition has eventually evolved and which led to, you can say, the growth concentrated to one or two players. How we are looking at the competition from that space and the yield management that you told about, which is being passed on to the customer, how we have been able to do it given the competition there in the B2B Express segment?

Hemant Sikka:

So, competition is obviously very severe in this segment. All are very good companies. And we believe that we bring a lot on the table for our customers to be able to win a lot of new deals. As you have seen on quarter-on-quarter and Y-o-Y basis, our performance is improving on every metric.

And we are very confident with the kind of service levels we offer, with the kind of governance that we offer with the Mahindra brand, and the way our teams are now operationally executing on the ground. There is no doubt that we are a very formidable competitor for even our competition. So, we believe that even though competitive intensity is strong, we can hold our own, and in fact, grow our business very well.

We are very, very focused that the business has to become profitable. We are looking at a very high service level. Internally, we have a metric, which is industry-wide recognized, which we call the NSL Net Service Levels. We are doing better than 90% on those kind of numbers, which we believe are very, very strong execution numbers.

So I think we are doing pretty well and this is a business which takes time to build. As I had explained last time, this is like an airline business. Once you come out on a route or we open a lane, you have to run that lane for some time to entice customers to come, give their loads to them. So, and that lane becomes profitable only with a lag, typically like an airline industry. Till you fly, you don't get customers.

So this is what plays out here. I think in the last few quarters, we have executed very well. And now the team is very confident that with the kind of customer that we are getting, our yields

have improved. Overall, I think we are looking for every quarter to be better than the previous one.

Jainam Shah: Got it, sir. If I have anything, I'll join the queue. Thank you so much.

Hemant Sikka: Thanks, Jainam.

Moderator: Thank you. The next question is from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi: Yeah, thanks for the opportunity. Sir, I just wanted one clarification on the white space reduction that we have managed to achieve in this quarter of about 20% plus. Just wanted to check, I mean, has it come at the cost of realization? Because historically, we used to share what is our warehousing realization per square feet per month.

And if I'm not wrong, I think in the base quarter, that figure was about INR55. But this time around, we have not given out this number explicitly. So can you share what this number is for the quarter?

Hemant Sikka: We won't be able to share that number. I think that information will be deliberately not shared this time. We will not be sharing that number. I think that gives out too much information to our competition also. So we will not share that information.

However, I can tell you that in this white space reduction, there is no reduction which has happened. I mean, let me rephrase it a little bit. All the reduction has happened with revenue increase. That means we have got clients to take the spaces from us. But at what per square feet realization we have done, that information we'd like to keep with us.

Jinesh Joshi: Sure. And secondly, I think in the opening remarks, madam mentioned that through rights issue, we have repaid our debt and the current figure is at about INR73 crores, if I'm not mistaken. But I think we also have about INR187 crores of cash that is pending from the rights issue, if I heard her right in the opening remarks.

Then any specific reason for not knocking off the debt completely? And also, if I look at our short-term debt from March to September, it has gone up. So, any specific reason for that? Because at one end, we have repaid and then secondly, there is some increase as well. So, if you can clarify on that part?

Isha Dalal: Yes, I will explain. The objects of our rights issue were pretty clear. We intended to retire the debt that we had at that point of time, which we have done. The balance money we have kept for general corporate purposes, which we have also done. So, we have INR187 crores, which you correctly pointed out that we have retained for general corporate purposes.

Coming to your question of the balance debt that we have, some of this debt lies in one of our subsidiaries, which is the 2x2 Logistics business. This is largely long-term debt that we have taken in the subsidiary for acquisition of vehicles.

So, we have not used the proceeds of the rights issue for repayment of that debt. So that sort of continues to remain. And we will also have some working capital debt from time to time in the business, depending on the peaks and troughs.

As you know, ours is a seasonal business. So as and when we require some working capital lines, we will take them. So, some of the short-term debt that you see belongs to such working capital lines. I hope that clarifies.

Jinesh Joshi: Yes. Just one small clarification required in terms of reporting. I think Whizzard, which is our last mile business in one of the slides, we see that the revenue reported is INR68 crores. But in the other slide wherein we are giving the revenue for last mile delivery, that number is at about INR89 crores. Even historically, these numbers do not match. Can you explain the reason for divergence in reporting these?

Isha Dalal: Sorry, which slide are you referring to specifically?

Jinesh Joshi: One second. So madam, if I look at Slide number 34...

Isha Dalal: Yeah.

Jinesh Joshi: Q2 FY '26 revenue for last mile delivery is INR89 crores.

Isha Dalal: Yeah, understood.

Jinesh Joshi: Yeah. And in Slide number 36, the Whizzard revenue given for Q2 FY '26 is...

Isha Dalal: I understood.

Jinesh Joshi: INR68 crores.

Isha Dalal: Understood. Let me try and clarify that. So, our last mile delivery operations run both out of our stand-alone entity as well as out of the Whizzard subsidiary. So, what you see against Whizzard belongs to the Whizzard subsidiary. It is a business that we run out of there. And the last mile delivery business total number refers to the total business that we are running. So hence, I think that is the disconnect that you have.

Jinesh Joshi: Understood, understood. Thank you so much.

Isha Dalal: You're welcome.

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

Achal: Yeah. Good afternoon, team. Thank you for the opportunity. Sir, just a couple of questions. First, with respect to the Express business, I think congratulations for the good number. But just wanted to clarify, if I look at the gross margins, you said we've turned positive. Our EBITDA is similar loss, almost similar loss. Is there any investment we are making in terms of employees, etcetera, aggressively, which is kind of having the impact offsetting the gross margin improvement?

- Isha Dalal:** So , you will see that, we have improved our gross margin by about INR5-odd crores. And we are seeing in the EBITDA corresponding improvement of almost INR3.3-odd crores. So one of the largest offsetting impacts is, you know, as we infused money into this entity and there was an increase in share capital, there are some one-off expenses in the entity pertaining to share capital increase. That's largely the only one-off. But otherwise, as gross margin continues to strengthen, you will see most of that benefit flow down to the EBITDA and therefore, the PAT level.
- Achal:** Understood. Secondly, I just wanted a clarification on the depreciation. You know, how do we look at this? You know, there is a substantial increase. Is that largely on account of the Nashik facility? If you could give some color going forward, how do we see about interest, but I just wanted to understand the depreciation part of it?
- Isha Dalal:** Sure.
- Achal:** Is that a new normal in the current quarter's run rate?
- Isha Dalal:** So to answer the second part of your question first, yes, it will be close to the new normal. It's not just the Nashik facility. It's also the other facilities that we have added during the year. We alluded to some of them, including the East facilities. So those have come into the network over the course of the last year. And because of Ind AS 116 accounting, that impact goes into both interest and depreciation, as you are aware.
- So the depreciation cost of the INR72 crores that we see in our consolidated P&L, actually, most of it belongs to the cost of the leases under Ind AS 116. And most of the year-on-year increase of the INR18 crores that you see also belongs to the impact of leases under Ind AS 116.
- As I mentioned earlier in this call, we have completed most of our warehouse expansion. And so, therefore, the way I look at it is that lease cost. And therefore, the depreciation cost arising from Ind AS 116 is at its peak and fully built out in the current quarter financials.
- Achal:** Got it. Just one question to Mr. Sikka. Sir, you know, if you look at the losses in the Express business on an absolute basis, I'm just looking at the absolute numbers across the various businesses, how do you see this?
- You know, do you see a scope of any, you know, divestiture of any of the businesses except the core business? Or you think all of these are important and will continue from a medium- to long-term perspective?
- Hemant Sikka:** Yes. So, Achal, clearly, all our business lines we believe are now kind of lifting heavy weights and contributing both to the growth in our top line as well as bottom line. Specifically, Achal, I remember answering this question in the last quarter also, but I'll again repeat because it's a very important part for all of us to think about.
- See, as we are working on the 3 main levers, which I outlined in my opening remarks, as we have come up with the rights issue, so our interest cost is substantially down. We are committed

to reducing our white space by September of next year. That will free up a lot of our rental issues that we have.

And MESPL, we have demonstrated is improving quarter-on-quarter. So, we are now on our way to becoming EBITDA positive in some time. So, all these levers that we are pressing actually are making us very positive of our overall business trajectory. Even our stand-alone businesses like Lords and Mobility have done very well in the last couple of quarters.

And let me call out especially the cross-border business, where we all know how challenging the business is on the global side. Still, our business has grown by almost 9% and we continue to play very aggressively in the market.

On the mobility side, again, our B2B clients we are winning a lot of B2B clients. We have launched on the B2C side, a new brand, Alyte Prive, which I spoke about, where, again we continue to grow both our top line as well as bottom line. So I think all our businesses are beginning to do very well.

And we all are profitable. So they are all Asset-Right models. It's not that we have overinvested in any assets that side. So they are Asset-Right model and we will work to make sure that all the businesses actually perform even better in the coming quarters to what they have actually done so far this year.

So I'm sorry for a little longer answer, but I think it's important to think about the business as, what is our vision? I spoke in my opening remarks. Our vision is that we want to make MLL the best integrated logistics company of the country. This is what drives each one of us here and it's very important that we continue to excel in all our business verticals. Thank you.

Achal:

Understood. Great. Just last question, if I may, with respect to , any quantification you can do with respect to the early festival for us, what impact it would have had like Isha mentioned about we are a bit seasonal in nature, right? So just wanted to understand, given the festival was early this year, any quantification you could provide?

Hemant Sikka:

Very difficult to give that number, but I can only broadly share some nuggets of information with you. See, what happened that GST disruption was quite severe for the industry till 22nd of September. Since everybody knew that the GST rates are going to go down. Obviously, the previous three to four weeks, the business activity was very muted.

However, since we were working on a ramp-up peak plan, we had hired a lot of the people, which we call the temp staff. So that cost came in early for us. And then the season actually started a little late for us. So to that extent, there may be something, but very difficult to pinpoint whether if Diwali was in November to October, how it can affect because the quarter still remains the same.

A little bit of Navaratri a few days here and there must have happened. Difficult to point out because our peak actually doesn't happen exactly with the festival. It actually happens earlier

than the festival. We have to prepare. So that kind of our cost starts coming in a little earlier than the actual festival day.

Achal: Right. In fact, you know, what I wanted to, where I was coming from was exactly the same point is that given it was early, but like you mentioned, GST disruption would have kind of offset that. Is that a fair statement to make?

Hemant Sikka: We did have GST disruptions clearly. But I think this is a one-off. I mean it doesn't happen like that. So going forward, I think we should kind of like smoothen out anything if it happens like that.

Achal: Right. And just last question pertaining to the Express business. Is it fair to say that we would have gained share in this quarter, maybe on a Q-o-Q or Y-o-Y basis, whichever way you want to call out or we would have just probably maintained?

Hemant Sikka: No, we have not gained market share if that's what you mean.

Achal: Yes.

Hemant Sikka: I think there our improvement is on a very thought through strategy of improving our customer mix and that is helping us to improve our yield per kg. And that is what we are trying to do. I mean you can pick up any load as you want, but that is not our target. Our target is to pick up high-quality loads. So overall, at a market share level, I think we would be same, but we are very happy with the yield improvement that we are seeing.

Achal: Any quantification you could do about yield, sir? Thought and the tonnage, if you could give?

Isha Dalal: Yes. So this is Isha. As Hemant mentioned, we have prioritized mix in our customers. So focused on signing higher-yield contracts, strategically phased out low-yield business to overall improve the margin profile. Yield would have improved by about INR0.90 during the year so far.

Achal: Absolute per kg, would you be able to provide that as well?

Isha Dalal: No, I wouldn't like to quantify that. That will remain internal to us, but we have seen a meaningful improvement is all I can tell you and that helps our unit economics.

Achal: And this entire yield is driven by the mix...

Moderator: I am sorry to interrupt sir.

Achal: Yes. All right.

Moderator: Sir, could you please rejoin the queue.

Achal: Yes.

Moderator: Thank you. Ladies and gentlemen to ensure the management can address questions from all participants, please limit your inquiries to two per person. If you have a follow up kindly rejoin

the queue. A reminder to all participants if you wish to ask question, please press star and 1. Thank you. The next question is from the line of Krupashankar Nj from Avendus Spark. Please go ahead.

Krupashankar Nj: Yes. Good evening and thank you for the opportunity. My first question would be on the financing cost. I just wanted to check couple of data points. While we have seen a Y-o-Y decline in space under management, so it's come down from about 21.5 million to about 20.5 million square feet.

But the lease expenses have gone up by almost 18% on a Y-o-Y basis. If I look at the first half numbers, just wanted to get a sense that has there been any escalation in the underlying rental cost of our facilities or is there any other reason why this has happened?

Isha Dalal: Yes, you might have missed the first part of the call and we have answered this question, but I'll just repeat. We have added facilities during the year, right? We've talked about facilities in the East, which we publicly disclosed in a press release as well a few weeks ago as well as other facilities in Nashik, etcetera.

That have added to rental costs during the year and therefore, because of Ind AS 116 accounting shows up in both depreciation and interest. With the addition of these, our warehouse network is fully built out. And therefore, we believe that the lease cost has now peaked in our financials. So it's on account of warehouse space. Not all of it is sort of -- our white space has indeed reduced. So this addition of warehouse space is feeding into our overall strategy.

Krupashankar Nj: No, while I understand that it has happened on a sequential basis and I do understand that would have increased. I'm talking about on a Y-o-Y basis where your space under management was close to about 21.5 million, but it has come down on a Y-o-Y basis. While is there any mix, for example, we used to manage yards as well in the past. Has that proportion reduced due to which the sales are high – higher yield per square feet or rather cost per square feet managed. That was my question?

Hemant Sikka: So I don't think any mix in terms of rental property mix has changed significantly, nothing on that side. One thing you may think about, Krupa, is that most of these leases are long-term leases. So they do have an escalation clause in terms of rents. So some of those clauses obviously kick in at a yearly basis. So that always happens, but I don't think there is any kind of rental property yield mix that changed at all. We continue to remain broadly the same.

Krupashankar Nj: Understood. Understood. Can you provide any indication of what is the total white space meaning square feet at this point? Would that be something we should be able to share?

Hemant Sikka: Krupa we have not shared the quantum of white space that we have because you would agree that, that's not a prudent information to share.

Krupashankar Nj: I understand.

Hemant Sikka: If the market knows how many square feet of white space we have, then how do you get your best price for it?

- Krupashankar Nj:** I completely understand. I completely understand.
- Hemant Sikka:** I'm happy to share that we have reduced it by more than 20% in this quarter.
- Krupashankar Nj:** Got it. Got it. Lastly, on – on your Express business, while it is quite appreciating of the fact that you have been able to take yield management measures in this competitive market. One more flavor probably, are we getting substantial support from the Mahindra Group to expand our Express business because, you know, it's very rare to see in this industry that there is a yield exercise as well as volume growth coming in, in the same quarter? So, just wanted to get some sense in what has changed quite drastically in this quarter that customers were willing to take this bet?
- Hemant Sikka:** I think one of the key things is our customer focus. And, Krupa, it's very important for you to think about that in Express business, these are not long-term contractual obligations that we have, like 3PL is a long-term contract that we get in our customers.
- Express business is contracts done on a monthly, quarterly basis, so very short-term contracts. So here, customer satisfaction becomes absolutely a key lever. So this is not something good to have. This is something which is like must have. And I think our teams have really delivered excellent service levels to our customers.
- We have improved our engagement with our customers. Customers have to move their loads. it is as much as we need customers, the customers need us. So, they are willing to give you the price that you command, but we have to deliver very well.
- So, I think, I am very happy to share that usually, these festival Diwali times are very difficult time for logistics industry. But this time, our teams have executed exceptionally well. And at my level, actually, I got hardly any escalation. So you can just imagine that the kind of execution focus that the team has done is really, really worth mentioning here.
- And if you service well, customers will give you the price that you demand from them. So, I will keep it like that. I mean there is no rocket science in this. It is just that you have to be very customer-focused and run the business by first principle.
- Krupashankar Nj:** Got it. Got it. That's all from my side. Thank you.
- Hemant Sikka:** Thanks, Krupa.
- Moderator:** Thank you. The next question is from the line of Ankita Shah from Elara Capital. Please go ahead.
- Ankita Shah:** Yeah. Hi. So, we've seen warehouse space additions during the first half of the year during the quarter, and in the past as well. But this ROU addition has been very sharp. What is the reason for the same?
- Hemant Sikka:** ROU?

- Isha Dalal:** Ankita, can you repeat because we couldn't quite hear you well.
- Ankita Shah:** Okay. Is this better?
- Isha Dalal:** Much better, yes.
- Ankita Shah:** Yes. I'm seeing there is a very sharp jump in the Right-Of-Use of asset on the balance sheet versus the actual space addition that we've done on the warehouse side. So what explains this? Because we've seen space addition happening in the past as well, but we haven't seen a similar quantum of jump in ROU in the past. So, if you could explain that?
- Isha Dalal:** So, Ankita, as we mentioned, this pertains to the warehouses that have come into the system over the course of the last year. So I believe that you are referring to the Right-Of-Use asset of about INR157 crores that has gone up.
- So, most of it is on addition of the square footage that we have added, right, which is roughly 2.5-odd million square feet that we have added during the year. Most of it comes from there. So I don't think there is any one-off there or anything different from how it has panned out in the past. If there is any further detail that you have on that, you can write to us, and I can help you.
- Ankita Shah:** Yes. On an average, 0.5 million to 1 million square feet, we've been adding earlier also, but we haven't seen this. So is the lease of a much longer duration now versus what we were signing earlier?
- Isha Dalal:** Yes. So, there will be, you know, our leases will be of various durations, Ankita, depending on the location, the nature of the contract we sign, and also the nature of the customer and the space that we are taking. I won't be able to get into those details. But this is in line with the accounting standard, and it is pertaining to some of the large sites that I've already mentioned earlier on the call.
- Ankita Shah:** Okay. Are we looking at more warehouse space additions in future?
- Hemant Sikka:** So, no new BTS space addition is being planned. All the space which has come in on stream in this quarter were all earlier committed, which is mostly in the East of India, to be specific in Calcutta, Guwahati, Agartala, these kinds of places. We have released a press release on that earlier a few weeks back. So these are all pre-committed, which have come on stream.
- We have no plans to add in the near future any BTS space. However, if some client comes in and gives to us a back-to-back kind of a commitment, we will consider that. But broadly, expansion will happen is by RTM ready to move, where there are no long-term commitments to any landlord.
- Ankita Shah:** Got it. Okay. Okay. Okay. Thank you so much.
- Isha Dalal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Hello?

Isha Dalal: Yes. Please go ahead.

Nishita: Yes. Yeah. So, I just -- I just had a question. It's a clarification on a statement you made before. It's on the depreciation. You mentioned that the depreciation is going to stay stable. So is it to assume that it's going to stay stable on a quarterly run rate of INR72 crores?

Isha Dalal: That's correct. That's what I mentioned. So, I'll again clarify. The depreciation largely pertains to the cost of our leases under Ind AS 116. Given that our warehouse cost is largely fully built out, we expect the depreciation component of that to stay more or less constant for corresponding quarters in the future years.

We will, of course, continue to add some assets from time to time depending on the needs of the business under our asset-right strategy. And so therefore, normal course of business, you will see some marginal depreciation for those being added.

Nishita: Okay. Understood. Understood. Thank you so much. That's all from my side.

Moderator: Ladies and gentlemen, due to time constraint, that was the last question for the day. I now hand over the conference to the management for the closing comments.

Hemant Sikka: Thank you all very much 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 questions and queries, please feel free to reach out to us or SGA our Investor Relations Advisors.

Your support means a lot to us as we navigate this transformation together. We genuinely appreciate your time, interest and continued support and look forward to staying connected with all of you. Thank you so much. I appreciate your time. Thanks 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.
