WAY2WEALTH
Research Desk

Sector – Logistics Solution Provider

Mahindra Logistics Ltd.

26th August 2026 | CMP – 399.7/- | **View – BOOK PROFITS**

Q1FY27 Result Highlights

- Consolidated revenue grew 23% YoY, driven by contract logistics and B2B Express. Reported PAT included ₹4crs interest income on an income-tax refund.
- Contract Logistics EBITDA grew 31% YoY, with EBITDA margin expanding from 6.6% to 6.9%, despite gross-margin pressure. The company faced gross-margin pressure but partly offset it through overhead efficiency and operating leverage. The segment's gross margin declined by ~46 bps YoY. Management attributed this to: New-site start-up and ramp-up costs, temporary manpower shortages, higher minimum wages, and fuel-price increase not immediately passed through to customers.
- The Express business/Rivigo delivered the strongest growth. Revenue grew 58% to ₹152crs, and the gross margin improved from negative 3.8% to positive 6%. EBITDA loss narrowed to 1.6crs from 11.8crs. Management expects the business to reach EBITDA breakeven during FY27. A potential positive for Q2 onward is that approximately 80% of B2B Express customers had received fuel-price pass-through, but negotiations with the remaining customers were still underway. Q1 also suffered from expensive ad hoc manpower, which management said had largely stabilized.
- Mobility revenue grew 38% to ₹111crs. Growth was mainly driven by the B2B employee-transport business. Its margins are lower than those of some listed peers: Mahindra Logistics is weighted toward employee transportation, on-call car services are more profitable; the company has not yet reached sufficient scale for strong operating leverage, and it will continue investing in B2B growth. Management expects the Mobility business to benefit from operating leverage as it grows, but it did not provide a specific EBITDA-margin target.
- Last Mile Delivery revenue declined 16% year on year, but this was intentional. The company excited or reduced low-margin business because of pricing and cost pressure. Freight Forwarding revenue declined 39% to ₹45crs from ₹74crs due to geopolitical disruptions and lower volumes from key customers.
- Mahindra & Mahindra accounted for approximately 60% of total business. Three years earlier, the ratio was close to 70%; it later fell below 50% but increased again because M&M's auto and tractor businesses grew faster than the industry.
- Management reiterated its medium-term expectation of a 150–200 basis-point expansion in gross margin for the overall business. Consolidated gross margin was only 9.7% in Q1FY27. If achieved, a 150–200 basis-point expansion could materially improve EBITDA and PAT, provided overheads do not rise proportionately.

Important Statistics

Nifty	24,242
Sensex	77,489
Close* (₹)	399.7
MCAP (₹ crs)	3,973
52-week H/L (₹)	450/275
NSE Code	MAHLOG
BSE Code	540768
Bloomberg Code	MAHLOG:IN

**Close as on 25th Aug 2026*

Shareholding Pattern (%)	Jun'26
Promoter	59.58
DII	14.44
FII	04.09
Public & Others	21.9

Financials

(₹ crs)

Particulars	FY24	FY25	FY26
Revenue	**5506**	**6104.8**	**6999.3**
Supply Chain Management	*5178*	*5789*	*6613*
% of Revenue	*94%*	*95%*	*94%*
Enterprise Mobility Services	*333.3*	*320.5*	*400*
% of Revenue	*6%*	*5.2%*	*6%*
EBITDA	**229**	**284**	**376**
EBITDA Margin (%)	*4.2%*	*4.7%*	*5.4%*
Net Profit	**-53**	**-30**	**10/7**
EPS (₹)	-7.4	-4.2	1.1
RoE (%)	-10.8	-6.9	0.3%
D/E	1.50	1.98	0.6

Source: Company, Way2Wealth

Risk

Slower-than-expected turnaround of express business

View

Mahindra Logistics has strengthened its operating model, improved execution, and returned to profitability in Q1FY27. Consolidated revenue grew 23% YoY to ₹2,003crs, while PAT improved from a loss of ₹10.8crs in Q1FY26 to a profit of ₹25.4crs. The improvement is supported by strong growth in Contract Logistics, a sharp recovery in the B2B Express business, better Last Mile Delivery economics and increasing customer wins across e-commerce, manufacturing and telecom.

Contract Logistics revenue grew 26% YoY to ₹1,623crs, with EBITDA growing 31% and margin improving to 6.9%. The B2B Express business recorded a 58% YoY revenue increase, with gross margin turning positive at 6% versus -3.8% in Q1FY26, while its EBITDA loss narrowed substantially to ₹1.6crs. Mobility revenue grew 38% YoY to ₹111crs. Q1FY27 provides strong evidence that the restructuring and cost-discipline initiatives undertaken over the past year are beginning to translate into revenue growth, operating leverage and positive PAT.

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W2W Lighthouse - A Quick Perspective

However, we believe the risk-reward has become less favorable at current levels. Further upside would require a sustained acceleration in earnings, successful B2B Express turnaround, continued Contract Logistics growth and meaningful margin expansion. Given the elevated valuation (despite still low absolute profitability) and the need for execution to justify the next leg of rerating, we believe investors should **book profits. However, long-term investors may choose to hold, as we remain positive on the company's structural growth story.**

FINANCIAL PERFORMANCE

(₹ crs)

Particulars	Q1FY27	Q1FY26	VAR	Q4FY26	VAR	FY26
Net Sales	2,002.9	1,624.6	23.29%	1,791.4	11.8%	6,999.3
Other Operating Income			-		-	
Other Income	9.8	5.1	93.9%	3.9	154.7%	17.1
TOTAL INCOME	**2,012.7**	**1,629.7**	**23.5%**	**1,795.3**	**12.1%**	**7,016.4**
Cost Of Materials Consumed			-		-	
Operating Expenses	1,729.4	1,407.4	22.9%	1,535.1	12.7%	6,029.3
RMC as a %age of sales	*86.3%*	*86.6%*		*85.7%*		*86.1%*
Employee Benefit Expenses	113.9	104.5	9.0%	106.3	7.2%	427.4
EPC as a %age of sales	*5.7%*	*6.4%*		*5.9%*		*6.1%*
Other Expenses	44.2	36.5	21.1%	37.7	17.3%	166.2
Other Expenses as a %age of sales	*2.2%*	*2.2%*		*2.1%*		*2.4%*
TOTAL EXPENDITURE	**1,887.5**	**1,548.3**	**21.9%**	**1,679.1**	**12.4%**	**6,622.9**
EBIDTA	**115.4**	**76.2**	**51.4%**	**112.4**	**2.7%**	**376.4**
EBIDTA Margins %	*5.8%*	*4.7%*	*1.1%*	*6.3%*		*5.4%*
Finance Costs	13.8	22.5	-38.6%	14.3	-3.3%	75.0
PBDT	**111.4**	**58.8**	**89.5%**	**101.9**	**9.3%**	**318.5**
Depreciation	72.3	64.4	12.3%	69.9	3.5%	277.9
PBT before exceptional items	**39.1**	**(5.6)**	**-800.9%**	**32.0**	**22.1%**	**40.7**
Exceptional items			-		-	7.4
PBT	**39.1**	**(5.6)**	**-795.2%**	**32.0**	**22.2%**	**33.3**
Tax	11.2	3.6	210.2%	9.6	17.1%	22.6
Tax Rate	*28.7%*	*-64.4%*		*30.0%*		*67.9%*
Reported Profit After Tax	**27.8**	**(9.2)**	**-401.3%**	**22.4**	**24.3%**	**10.7**
PATM %	*1.4%*	*-0.6%*	*2.0%*	*1.2%*		*0.2%*
EPS	**2.8**	**(1.3)**	**-319.0%**	**2.3**	**24.3%**	**1.1**
Equity	99.2	72.1		99.2		99.2
Face Value	10.0	10.0		10.0		10.0

Source: Company, Way2Wealth

SEGMENTAL PERFORMANCE

(₹ crs)

Particulars	Q1FY27	Q1FY26	VAR	Q4FY26	VAR	FY26
REVENUES						
Revenue from Operations	**2,007.4**	**1,626.1**	**23.4%**	**1,795.3**	**11.8%**	**7,013.2**
Supply Chain Management	1,891.9	1,544.3	22.5%	1,681.4	12.5%	6,613.0
% Mix	*94.2%*	*95.0%*		*93.7%*		*94.3%*
Enterprise Mobility Services	115.5	81.9	41.1%	113.9	1.4%	400.2
% Mix	*5.8%*	*5.0%*		*6.3%*		*5.7%*
Less: Inter Segment Revenues	4.5	1.6	189.7%	3.9	16.0%	13.9
Total Segment Revenue	**2,002.9**	**1,624.6**	**23.3%**	**1,791.4**		**6,999.3**
Profit/Loss Before Interest and Tax	**39.1**	**(5.8)**		**32.0**	**22.1%**	**33.4**
Margin %	*1.9%*	*-0.4%*		*1.8%*		*0.5%*
Supply Chain Management	37.3	(10.4)	-459.6%	29.7	25.9%	23.5
Margin %	*2.0%*	*-0.7%*		*1.8%*		*0.4%*
Enterprise Mobility Services	1.8	4.6	-61.3%	2.4	-24.9%	9.8
Margin %	*1.5%*	*5.6%*		*2.1%*		*2.5%*
Segment Result	**39.1**	**(5.8)**		**32.0**	22.1%	**33.4**

Source: Company, Way2Wealth

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Disclosure of Interest Statement Mahindra Logistics Ltd. as on 26 August 2026

Name of the Security	Mahindra Logistics Ltd.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained Financial Interest Analyst: Analyst's Relative: Yes / No Analyst's Associate/Firm: Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
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