

Rating: HOLD | CMP: Rs408 | TP: Rs383

July 23, 2025

## Q1FY26 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

Rating	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Target Price	HOLD 383		HOLD 312	
Sales (Rs. m)	70,398	80,146	70,981	81,058
% Chng.	(0.8)	(1.1)		
EBITDA (Rs. m)	3,699	4,709	3,763	4,652
% Chng.	(1.7)	1.2		
EPS (Rs.)	8.0	15.3	6.3	14.2
% Chng.	26.6	8.0		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	55,060	61,048	70,398	80,146
EBITDA (Rs. m)	2,290	2,841	3,699	4,709
Margin (%)	4.2	4.7	5.3	5.9
PAT (Rs. m)	(623)	(358)	795	1,517
EPS (Rs.)	(8.7)	(5.0)	8.0	15.3
Gr. (%)	NA	NA	NA	90.7
DPS (Rs.)	2.5	2.5	2.5	2.5
Yield (%)	0.6	0.6	0.6	0.6
RoE (%)	NA	NA	9.5	11.6
RoCE (%)	2.2	6.8	11.1	15.3
EV/Sales (x)	0.6	0.5	0.5	0.4
EV/EBITDA (x)	14.0	11.5	10.0	7.6
PE (x)	NA	NA	50.9	26.7
P/BV (x)	6.0	6.7	3.3	3.0

Key Data	MALO.BO   MAHLOG IN
52-W High / Low	Rs.549 / Rs.238
Sensex / Nifty	82,187 / 25,061
Market Cap	Rs.29bn/ \$ 341m
Shares Outstanding	72m
3M Avg. Daily Value	Rs.68.08m

### Shareholding Pattern (%)

Promoter's	57.97
Foreign	4.80
Domestic Institution	13.86
Public & Others	23.37
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	26.6	11.9	(21.2)
Relative	27.0	4.0	(22.8)

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## BS strength set to improve

### Quick Pointers:

- Rights issue planned to the tune of ~Rs7,500mn. If fully subscribed, 27mn shares (entitlement ratio is 3:8) will be issued at a price of Rs277 per share
- Proceeds from rights issuance will be utilized to deleverage the BS. As of 30<sup>th</sup> June, debt on books stood at ~Rs6,040mn

**We increase our EPS estimates by 26%/8% for FY26E/FY27E amid interest cost reduction arising from debt repayment with the proceeds expected to be received from rights issuance. MAHLOG IN reported an in-line operating performance with an EBITDA margin of 4.7% (PLe 4.9%). While volumes in the B2B express business were up by 10% on a sequential basis, yields remained under pressure due to inferior customer mix. Nonetheless, initial signs of recovery are evident as revenue growth was in double digits with EBITDA losses narrowing to Rs118mn. However, given the competitive landscape we expect MAHLOG IN to seed EBITDA losses of Rs311mn/Rs64mn in FY26E/FY27E in the B2B express business. Retain HOLD on the stock with a TP of Rs383 as re-rating hinges on turn-around in the B2B express business. We have increased our target P/E multiple to 25x (earlier 22x) amid expected improvement in BS strength.**

**Top-line increased by 14.4% YoY with a GM of 13.4%:** Consolidated revenue grew by 14.4% YoY to Rs16,246mn (PLe Rs16,206mn). Gross profit improved by 5.4% YoY to Rs2,172mn (PLe Rs2,415mn), with a margin of 13.4% as against a margin of 14.5% in 1QFY25.

**EBITDA increased 15.0% YoY:** EBITDA improved by 15.0% YoY to Rs762mn (PLe Rs794mn) with a margin of 4.7%. Other expenses declined marginally by 3.6% YoY to Rs365mn (PLe Rs470mn) thereby contributing positively to EBITDA growth. Losses after tax & MI stood at Rs108mn (PLe loss of Rs51mn) in 1QFY26.

**Con-call highlights:** **1)** Operationalized ~0.33mn sq. ft. of dedicated space for Cummins India Ltd in Phaltan, Pune during the quarter. **2)** Warehousing revenue stood at ~Rs 3,060mn in 1QFY26, up from ~Rs 2,590mn in 1QFY25. **3)** MLL Mobility contributed 5% to the topline. **4)** Revenue share of auto sector stood at 63% in 1QFY26. **5)** In 1QFY26, MAHLOG IN derived 56% of its revenue from Mahindra group. **6)** Volumes of B2B Express business were up 10% on QoQ basis but yields remained under pressure. **7)** Utilization rate for the quarter remained in the band of ~80-85%. **8)** Unabsorbed white space of ~1.5mn sq ft is likely to see a reduction from 3QFY26E. **9)** Historically, capex has been at ~1.5% of revenue (i.e. Rs600mn-700mn) but FY25 witnessed a rise to ~Rs1.8bn on account of increase in fleet size & warehousing space. **10)** New deal wins from M&M group include a) the Nashik project (~3 lakh sq. ft.) which is expected to go live in the month of Aug'25, b) Pune (~80K sq. ft.) which will be commissioned in the month of Sep'25 and c) Haridwar (~1 lakh sq. ft.) which will also be commissioned soon.

**Exhibit 1: Q1FY26 Results Overview**

Y/e March (Rs mn)	1QFY26	1QFY25	YoY gr.	1QFY26E	% Var.	4QFY25	QoQ gr.	FY26E	FY25	YoY gr.
<b>Net revenue</b>	<b>16,246</b>	<b>14,200</b>	<b>14.4%</b>	<b>16,206</b>	<b>0.2%</b>	<b>15,695</b>	<b>3.5%</b>	<b>70,398</b>	<b>61,048</b>	<b>15.3%</b>
Variable cost of sales	14,074	12,140	15.9%	13,792	2.0%	13,588	3.6%	60,529	52,609	15.1%
% of net sales	86.6%	85.5%		85.1%		86.6%		86.0%	86.2%	
Employee expense	1,045	1,020	2.5%	1,151	-9.2%	956	9.3%	4,465	4,036	10.6%
% of net sales	6.4%	7.2%		7.1%		6.1%		6.3%	6.6%	
Other expense	365	378	-3.6%	470	-22.4%	374	-2.6%	1,706	1,563	9.1%
% of net sales	2.2%	2.7%		2.9%		2.4%		2.4%	2.6%	
<b>Total expense</b>	<b>15,483</b>	<b>13,537</b>	<b>14.4%</b>	<b>15,412</b>	<b>0.5%</b>	<b>14,918</b>	<b>3.8%</b>	<b>66,700</b>	<b>58,208</b>	<b>14.6%</b>
<b>EBITDA</b>	<b>763</b>	<b>663</b>	<b>15.0%</b>	<b>794</b>	<b>-4.0%</b>	<b>777</b>	<b>-1.9%</b>	<b>3,699</b>	<b>2,841</b>	<b>30.2%</b>
<b>EBITDA Margin (%)</b>	<b>4.7%</b>	<b>4.7%</b>		<b>4.9%</b>		<b>5.0%</b>		<b>5.3%</b>	<b>4.7%</b>	
Depreciation	646	549	17.7%	616	4.9%	584	10.6%	2,533	2,263	12.0%
<b>EBIT</b>	<b>117</b>	<b>114</b>	<b>2.4%</b>	<b>178</b>		<b>193</b>	<b>-39.6%</b>	<b>1,165</b>	<b>578</b>	<b>101.8%</b>
Interest expense	225	195	15.4%	243	-7.4%	206	9.2%	431	812	-46.9%
Other income	51	57	-10.6%	71	-28.9%	22	133.6%	407	158	157.2%
Extraordinary income/expense	-	-	NA	-	NA	-	NA	-	-	NA
Share of profit from associates	(0.4)	-	NA	-	NA	0.2	NA	-	(0.1)	
<b>PBT</b>	<b>(58)</b>	<b>(25)</b>	<b>NA</b>	<b>6</b>	<b>NA</b>	<b>9</b>	<b>NA</b>	<b>1,141</b>	<b>(76)</b>	<b>NA</b>
Total tax	36	53	-32.2%	2	2118.6%	62	-42.0%	287	223	28.6%
<b>PAT</b>	<b>(94)</b>	<b>(78)</b>	<b>NA</b>	<b>5</b>	<b>NA</b>	<b>(54)</b>	<b>NA</b>	<b>854</b>	<b>(300)</b>	<b>NA</b>
<b>PAT margin (%)</b>	<b>NM</b>	<b>NM</b>		<b>0.0%</b>		<b>NM</b>		<b>1.2%</b>	<b>NM</b>	

Source: Company, PL

**Exhibit 2: PAT margin of MLL mobility expands**

Rs in bn	1QFY26	4QFY25	QoQ gr.	1QFY25	YoY gr.
<b>MLL Standalone</b>					
Revenue	13,458.0	12,931.0	4.1%	11,567.0	16.3%
EBITDA	787.0	797.0	-1.3%	716.0	9.9%
<i>EBITDA margin (%)</i>	<i>5.8%</i>	<i>6.2%</i>		<i>6.2%</i>	
PAT	64.0	131.0	-51.1%	102.0	-37.3%
<i>PAT margin (%)</i>	<i>0.5%</i>	<i>1.0%</i>		<i>0.9%</i>	
<b>Lords freight</b>					
Revenue	738.0	694.0	6.3%	711.0	3.8%
EBITDA	12.0	10.0	20.0%	22.0	-45.5%
<i>EBITDA margin (%)</i>	<i>1.6%</i>	<i>1.4%</i>		<i>3.1%</i>	
PAT	9.0	8.0	12.5%	18.0	-50.0%
<i>PAT margin (%)</i>	<i>1.2%</i>	<i>1.2%</i>		<i>2.5%</i>	
<b>MLL mobility</b>					
Revenue	819.0	800.0	2.4%	813.0	0.7%
EBITDA	23.0	16.0	43.8%	21.0	9.5%
<i>EBITDA margin (%)</i>	<i>2.8%</i>	<i>2.0%</i>		<i>2.6%</i>	
PAT	46.0	13.0	253.8%	17.0	170.6%
<i>PAT margin (%)</i>	<i>5.6%</i>	<i>1.6%</i>		<i>2.1%</i>	
<b>MLL Express</b>					
Revenue	1008.0	938.0	7.5%	892.0	13.0%
EBITDA	-118.0	-116.0	NA	-137.0	NA
<i>EBITDA margin (%)</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>	
PAT	-239.0	-237.0	NA	-246.0	NA
<i>PAT margin (%)</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>	
<b>2x2 Logistics</b>					
Revenue	239.0	244.0	-2.0%	151.0	58.3%
EBITDA	60.0	68.0	-11.8%	39.0	53.8%
<i>EBITDA margin (%)</i>	<i>25.1%</i>	<i>27.9%</i>		<i>25.8%</i>	
PAT	17.0	18.0	-5.6%	17.0	0.0%
<i>PAT margin (%)</i>	<i>7.1%</i>	<i>7.4%</i>		<i>11.3%</i>	
<b>V-Link</b>					
Revenue	-	68.0	NA	-	NA
EBITDA	(3.0)	(1.0)	NA	(2.0)	NA
<i>EBITDA margin (%)</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>	
PAT	(4.0)	(2.0)	NA	(3.0)	NA
<i>PAT margin (%)</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>	
<b>Whizzard</b>					
Revenue	432.0	420.0	2.9%	377.0	14.6%
EBITDA	2.0	3.0	-33.3%	4.0	-50.0%
<i>EBITDA margin (%)</i>	<i>0.5%</i>	<i>0.7%</i>		<i>NA</i>	
PAT	(1.0)	-	NA	2.0	NA
<i>PAT margin (%)</i>	<i>NA</i>	<i>0.0%</i>		<i>NA</i>	

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>55,060</b>	<b>61,048</b>	<b>70,398</b>	<b>80,146</b>
YoY gr. (%)	7.4	10.9	15.3	13.8
Cost of Goods Sold	46,880	52,609	60,529	68,589
Gross Profit	8,180	8,439	9,870	11,557
Margin (%)	14.9	13.8	14.0	14.4
Employee Cost	4,047	4,036	4,465	4,907
Other Expenses	1,842	1,563	1,706	1,942
<b>EBITDA</b>	<b>2,290</b>	<b>2,841</b>	<b>3,699</b>	<b>4,709</b>
YoY gr. (%)	(11.8)	24.0	30.2	27.3
Margin (%)	4.2	4.7	5.3	5.9
Depreciation and Amortization	2,090	2,263	2,533	2,709
<b>EBIT</b>	<b>200</b>	<b>578</b>	<b>1,165</b>	<b>2,000</b>
Margin (%)	0.4	0.9	1.7	2.5
Net Interest	682	812	431	469
Other Income	179	158	407	578
<b>Profit Before Tax</b>	<b>(264)</b>	<b>(76)</b>	<b>1,141</b>	<b>2,110</b>
Margin (%)	NA	NA	1.6	2.6
Total Tax	257	223	287	531
Effective tax rate (%)	(97.1)	(292.7)	25.2	25.2
<b>Profit after tax</b>	<b>(521)</b>	<b>(300)</b>	<b>854</b>	<b>1,579</b>
Minority interest	17	59	59	62
Share Profit from Associate	(10)	0	-	-
<b>Adjusted PAT</b>	<b>(623)</b>	<b>(358)</b>	<b>795</b>	<b>1,517</b>
YoY gr. (%)	NA	NA	NA	90.7
Margin (%)	NA	NA	1.1	1.9
Extra Ord. Income / (Exp)	75	-	-	-
<b>Reported PAT</b>	<b>(548)</b>	<b>(358)</b>	<b>795</b>	<b>1,517</b>
YoY gr. (%)	NA	NA	NA	90.7
Margin (%)	(1.0)	(0.6)	1.1	1.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	(548)	(358)	795	1,517
<b>Equity Shares O/s (m)</b>	<b>72</b>	<b>72</b>	<b>99</b>	<b>99</b>
<b>EPS (Rs)</b>	<b>(8.7)</b>	<b>(5.0)</b>	<b>8.0</b>	<b>15.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>7,735</b>	<b>8,784</b>	<b>10,182</b>	<b>11,182</b>
Tangibles	4,826	5,874	7,074	7,974
Intangibles	2,909	2,911	3,109	3,209
<b>Acc: Dep / Amortization</b>	<b>3,463</b>	<b>4,039</b>	<b>4,955</b>	<b>5,962</b>
Tangibles	2,807	3,214	3,851	4,568
Intangibles	656	825	1,105	1,394
<b>Net fixed assets</b>	<b>4,272</b>	<b>4,745</b>	<b>5,227</b>	<b>5,220</b>
Tangibles	2,019	2,660	3,223	3,405
Intangibles	2,254	2,086	2,004	1,815
Capital Work In Progress	162	458	458	458
Goodwill	588	588	588	588
Non-Current Investments	701	520	724	821
Net Deferred tax assets	453	442	442	442
Other Non-Current Assets	5,193	5,059	5,295	5,728
<b>Current Assets</b>				
Investments	59	206	206	206
Inventories	-	-	-	-
Trade receivables	7,019	6,251	8,294	9,442
Cash & Bank Balance	711	760	3,390	4,581
Other Current Assets	972	1,180	1,267	1,443
<b>Total Assets</b>	<b>24,772</b>	<b>25,802</b>	<b>32,028</b>	<b>35,835</b>
<b>Equity</b>				
Equity Share Capital	720	721	991	991
Other Equity	4,204	3,658	11,414	12,683
<b>Total Networth</b>	<b>4,925</b>	<b>4,379</b>	<b>12,405</b>	<b>13,674</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	2,236	4,105	-	-
Provisions	336	340	365	385
Other non current liabilities	2,720	3,076	3,339	3,586
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	1,150	137	-	-
Trade payables	11,112	10,997	13,115	15,370
Other current liabilities	2,176	2,587	2,620	2,637
<b>Total Equity &amp; Liabilities</b>	<b>24,772</b>	<b>25,802</b>	<b>32,028</b>	<b>35,835</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	(264)	(77)	1,141	2,110
Add. Depreciation	2,090	2,263	2,533	2,709
Add. Interest	682	812	431	469
Less Financial Other Income	179	158	407	578
Add. Other	203	87	-	-
Op. profit before WC changes	2,710	3,086	4,106	5,287
Net Changes-WC	(312)	95	(496)	199
Direct tax	(129)	252	(346)	(593)
<b>Net cash from Op. activities</b>	<b>2,269</b>	<b>3,432</b>	<b>3,264</b>	<b>4,893</b>
Capital expenditures	(617)	(1,759)	(1,200)	(900)
Interest / Dividend Income	44	14	-	-
Others	30	197	(2,256)	(2,333)
<b>Net Cash from Inv. activities</b>	<b>(543)</b>	<b>(1,548)</b>	<b>(3,456)</b>	<b>(3,233)</b>
Issue of share cap. / premium	0	1	7,479	-
Debt changes	(655)	856	(4,242)	-
Dividend paid	(180)	(180)	(248)	(248)
Interest paid	(318)	(426)	(431)	(469)
Others	(1,607)	(1,729)	264	247
<b>Net cash from Fin. activities</b>	<b>(2,761)</b>	<b>(1,477)</b>	<b>2,822</b>	<b>(469)</b>
<b>Net change in cash</b>	<b>(1,036)</b>	<b>407</b>	<b>2,630</b>	<b>1,191</b>
Free Cash Flow	1,559	1,623	2,064	3,993

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	(8.7)	(5.0)	8.0	15.3
CEPS	20.4	26.4	33.6	42.6
BVPS	68.4	60.7	125.1	137.9
FCF	21.6	22.5	20.8	40.3
DPS	2.5	2.5	2.5	2.5
<b>Return Ratio(%)</b>				
RoCE	2.2	6.8	11.1	15.3
ROIC	4.8	30.2	12.6	18.1
RoE	NA	NA	9.5	11.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.5	0.7	(0.3)	(0.4)
Net Working Capital (Days)	(27)	(28)	(25)	(27)
<b>Valuation(x)</b>				
PER	NA	NA	50.9	26.7
P/B	6.0	6.7	3.3	3.0
P/CEPS	20.0	15.4	12.2	9.6
EV/EBITDA	14.0	11.5	10.0	7.6
EV/Sales	0.6	0.5	0.5	0.4
Dividend Yield (%)	0.6	0.6	0.6	0.6

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>15,211</b>	<b>15,942</b>	<b>15,695</b>	<b>16,246</b>
YoY gr. (%)	11.5	14.1	8.2	14.4
Raw Material Expenses	13,069	13,813	13,588	14,074
Gross Profit	2,143	2,129	2,108	2,172
Margin (%)	14.1	13.4	13.4	13.4
<b>EBITDA</b>	<b>664</b>	<b>737</b>	<b>777</b>	<b>763</b>
YoY gr. (%)	23.9	41.1	37.3	15.0
Margin (%)	4.4	4.6	5.0	4.7
Depreciation / Depletion	540	590	584	646
<b>EBIT</b>	<b>124</b>	<b>147</b>	<b>193</b>	<b>117</b>
Margin (%)	0.8	0.9	1.2	0.7
Net Interest	191	221	206	225
Other Income	17	63	22	51
<b>Profit before Tax</b>	<b>(50)</b>	<b>(12)</b>	<b>9</b>	<b>(58)</b>
Margin (%)	(0.3)	(0.1)	0.1	(0.4)
Total Tax	46	61	62	36
Effective tax rate (%)	(93.0)	(526.7)	717.2	(62.6)
<b>Profit after Tax</b>	<b>(96)</b>	<b>(73)</b>	<b>(54)</b>	<b>(94)</b>
Minority interest	11	18	15	14
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>(108)</b>	<b>(91)</b>	<b>(68)</b>	<b>(108)</b>
YoY gr. (%)	NA	NA	NA	NA
Margin (%)	NA	NA	NA	NA
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>(108)</b>	<b>(91)</b>	<b>(68)</b>	<b>(108)</b>
YoY gr. (%)	NA	NA	NA	NA
Margin (%)	NA	NA	NA	NA
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>(108)</b>	<b>(91)</b>	<b>(68)</b>	<b>(108)</b>
Avg. Shares O/s (m)	72	72	72	72
<b>EPS (Rs)</b>	<b>(1.5)</b>	<b>(1.3)</b>	<b>(0.9)</b>	<b>(1.5)</b>

Source: Company Data, PL Research


**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,130	859
2	Delhivery	BUY	444	410
3	DOMS Industries	BUY	3,087	2,456
4	Imagicaaworld Entertainment	BUY	93	66
5	Indian Railway Catering and Tourism Corporation	BUY	864	785
6	InterGlobe Aviation	BUY	6,691	5,802
7	Lemon Tree Hotels	BUY	175	147
8	Mahindra Logistics	Hold	312	364
9	Navneet Education	Hold	145	143
10	Nazara Technologies	Hold	1,241	1,357
11	PVR Inox	Hold	1,045	972
12	S Chand and Company	BUY	286	229
13	Safari Industries (India)	BUY	2,386	2,230
14	Samhi Hotels	BUY	308	221
15	TCI Express	Hold	778	744
16	V.I.P. Industries	UR	-	422
17	Zee Entertainment Enterprises	BUY	179	146

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

